

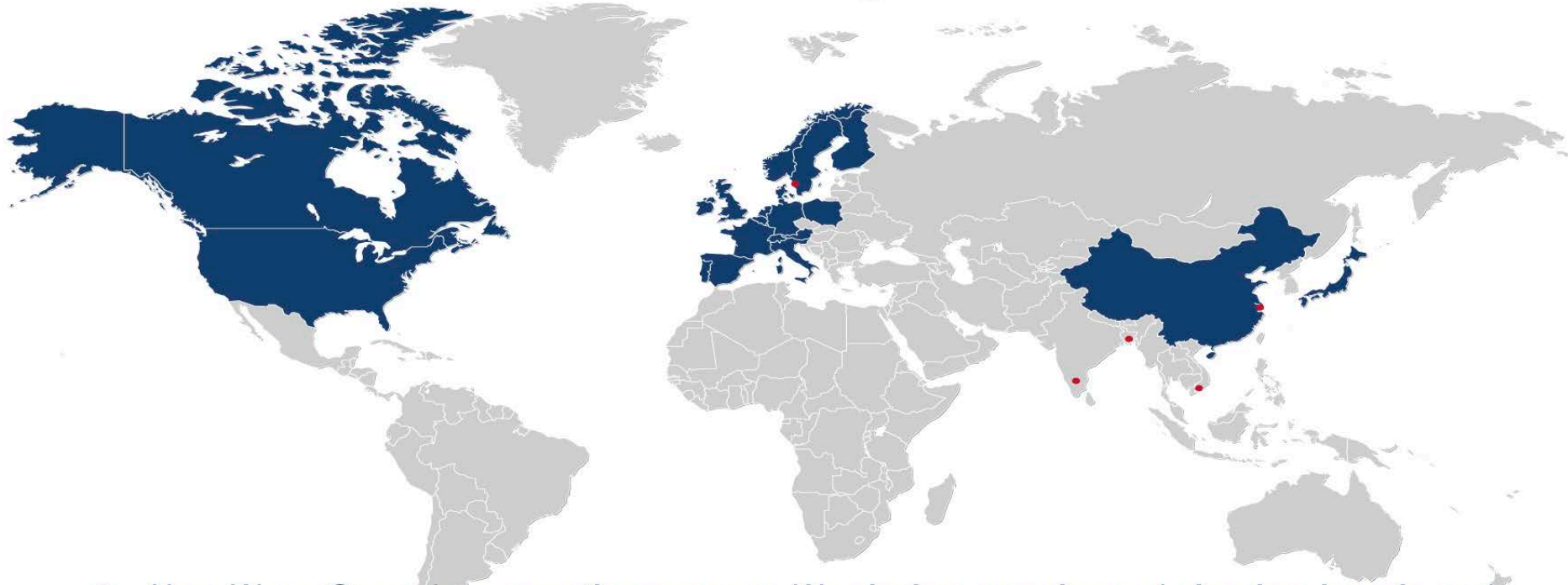
NewWave

G R O U P

Interim report Q3

July – September 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.

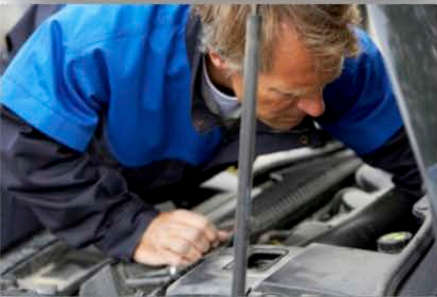
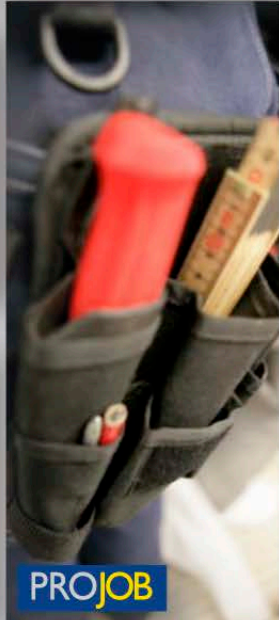
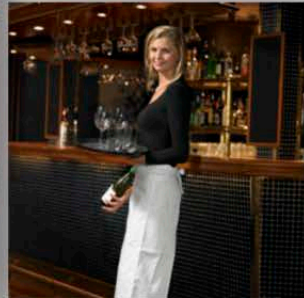
Corporate Promo workwear

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



*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.



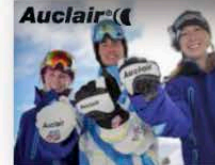
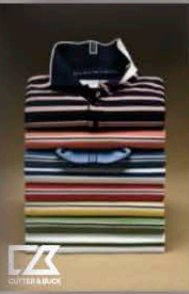
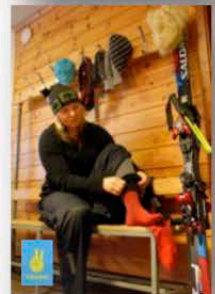
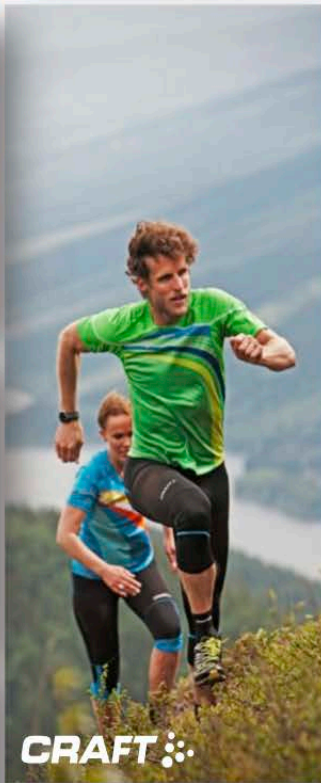
Sports & Leisure

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 to strengthening Speedo in the Swedish, 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



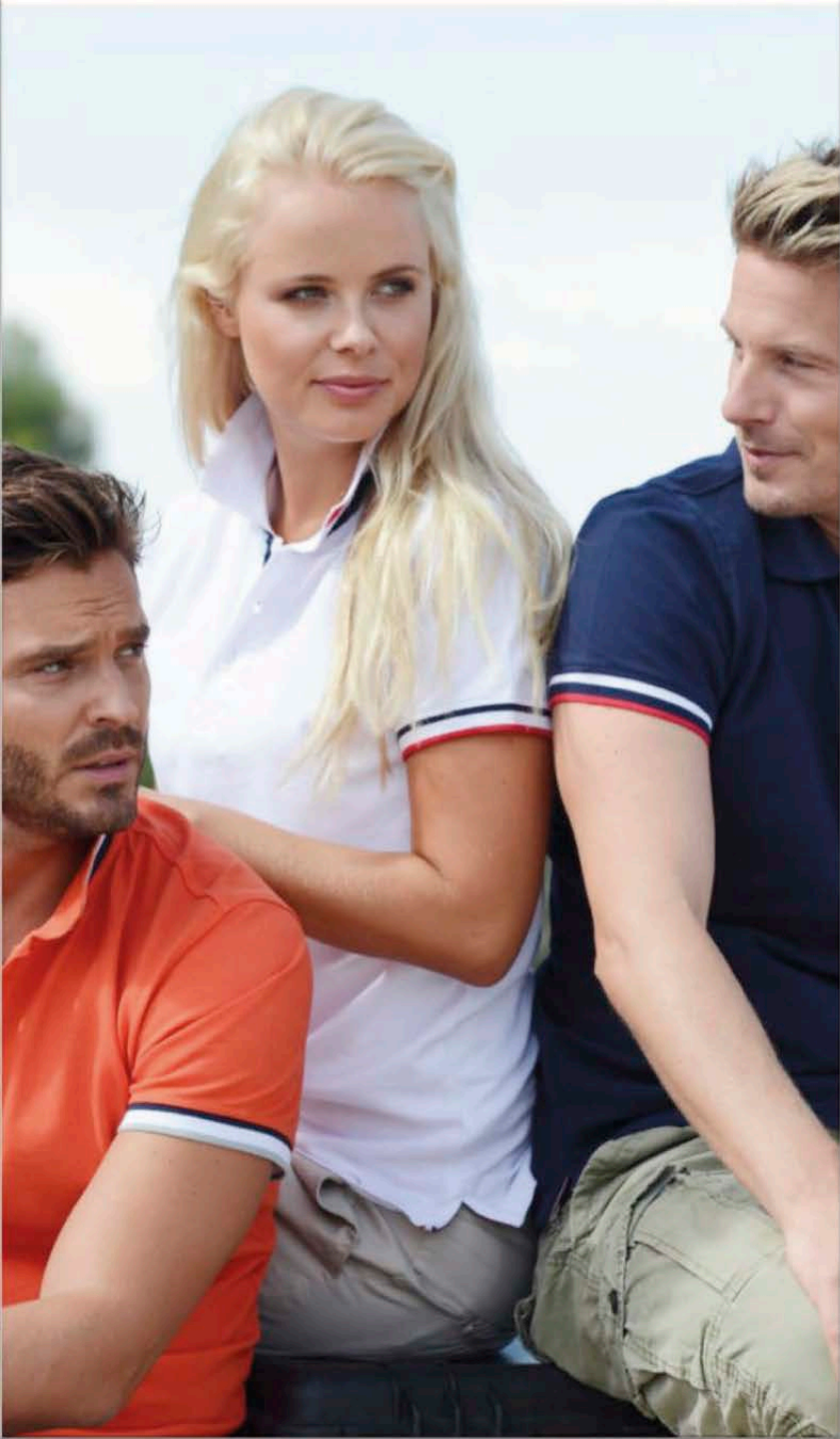


Gifts & Home Furnishings vision

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

July – September 2013

- ★ Sales amounted to SEK 1 035 million (SEK 1 054 million), -2%
 - ★ *of which currency effect SEK -13 million (-1%)*
 - ★ *acquired business SEK 16 million*
- ★ Operating result amounted to SEK 92.8 million (SEK -139.9 million)
 - ★ *acquired business SEK 4.0 million*
 - ★ *prior year includes restructuring costs of SEK 212 million*
- ★ Result after tax amounted to SEK 57.8 million (SEK -120.0 million)
 - ★ *acquired business SEK 2.5 million*
 - ★ *prior year includes restructuring costs of SEK 161.5 million*
- ★ Cash flow from operations improved and amounted to SEK -2.5 million (SEK -112.8 million).





July – September 2013

★ Sales -2%, SEK 1 035 million (SEK 1 054 million)

- ★ Sales in local currencies -1%.
- ★ Acquired business SEK 16 million
- ★ Corporate Promo +-0%, Sport & Leisure +1%, Gifts & Home -14%.
- ★ Weak market conditions
- ★ Sales weak primarily in sales channel promo

★ Operating segments

- ★ Corporate Promo +-0% to SEK 342 million (SEK 343 million)
 - Decrease primarily in Sweden, Norway, Finland while Asia is increasing.
- ★ Sports & Leisure +1% to SEK 563 million (SEK 560 million)
 - Acquired business SEK 16 million
 - Weak market primarily in Sweden, but also in USA due to prior year's golf competition Ryder Cup
- ★ Gifts & Home -14% to SEK 130 million (SEK 150 million)
 - Primarily lower in the promo sales channel and in the export markets.

July – September 2013

Sales per region

	JUL-SEP 2013	Part of turnover	JUL-SEP 2012	Part of turnover	Change MSEK	%
Sweden	242	23%	262	25%	-20	-8
USA	306	30%	312	30%	-6	-2
Nordic countries excl	154	15%	151	14%	3	2
Central Europe	178	17%	173	16%	5	3
South Europe	77	7%	75	7%	2	3
Other countries	78	8%	81	8%	-3	-4
Total	1 035	100%	1 054	100%	-19	-2

July – September 2013

Income statement

SEK Million	3 months Jul-Sep 2013		3 months Jul-Sep 2012	
Income	1 035.0		1 053.8	
Goods for resale	-564.9		-688.9	
Gross profit	470.1	45.4%	364.9	34.6%
Other operating income	7.7		7.4	
External costs	-205.4		-245.5	
Personnel costs	-162.5		-208.1	
Depreciation/amortization	-13.9		-53.1	
Other operating costs	-2.9		-5.9	
Associated companies	-0.3		0.4	
Operating profit	92.8	9.0%	-139.9	
Financial income	1.8		2.2	
Financial costs	-14.9		-16.1	
Net financial items	-13.1		-13.9	
Result before tax	79.7		-153.8	
Tax on profit for the period	-21.9		33.8	
Result for the period	57.8		-120.0	
Result per share	0.87		-1.81	



July – September 2013

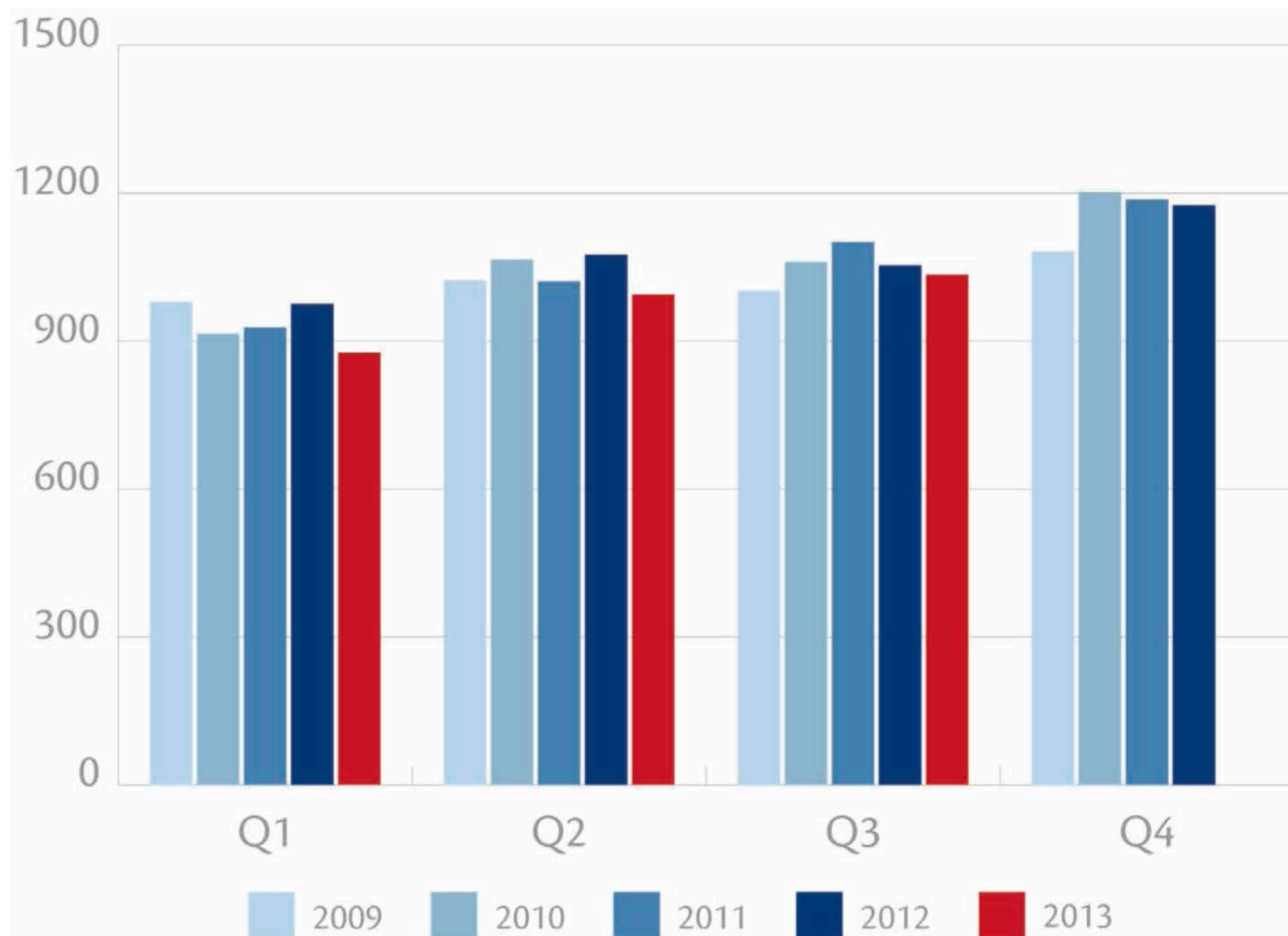
EBITDA per operating segment

- ★ **Corporate promo amounted to SEK 27.3 million (SEK 21.3 million)**
 - ★ Sales on py's level, improved result due to savings

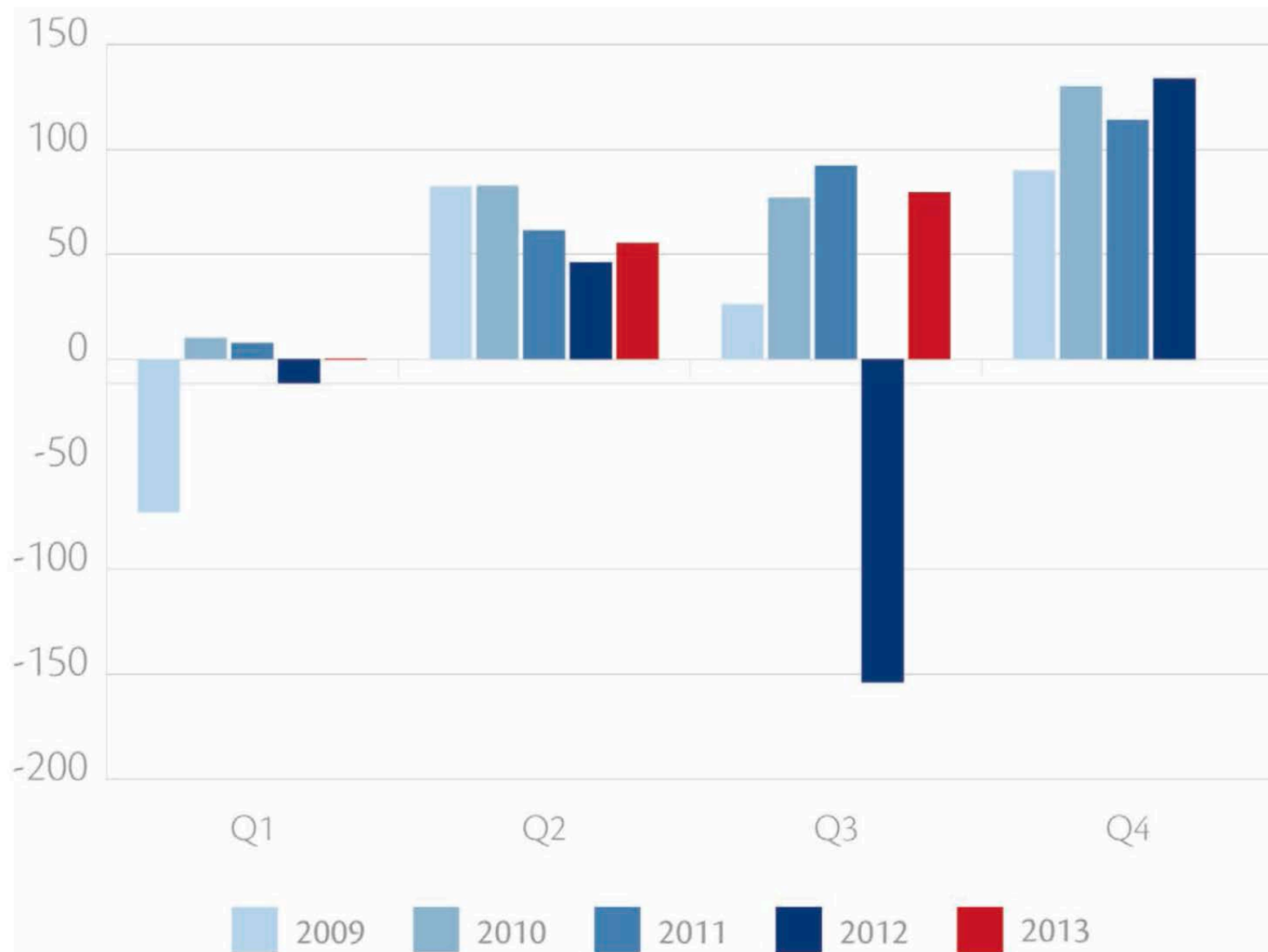
- ★ **Sports & Leisure amounted to SEK 70.6 million (SEK 64.2 million)**
 - ★ Aquired business SEK 4.0 million
 - ★ Lower turnover, savings.

- ★ **Gifts & Home amounted to SEK 8.8 million (SEK -172.3 million)**
 - ★ Lower sales but higher gross profit margin and savings
 - ★ Prior year includes restructuring costs of SEK 172 million

Sales



Result before tax



July - September 2013

Cash flow

SEK Million	3 months Jul-Sep 2013	3 months Jul-Sep 2012
Cash flow from operating act before changes in working capital	86.7	66.7
Changes in working capital	-89.2	-179.5
Cash flow from operations	-2.5	-112.8
Investing activities	-21.2	-17.2
Cash flow after investing activities	-23.7	-130.0
Financial activities	-12.0	123.0
Cash flow for the period	-35.7	-7.0

CEO summary – Q3

★ Sales

- ★ Still tough market situation also in this quarter, and we see no change in the economic environment. Weak market situation in all regions except Asia and USA where it is stable.
- ★ To low stock of goods, late receipt of stock -> service and delivery have been poor.

★ Result

- ★ Result improved in all segments due to savings....but I rather have sales increase.

★ Balance sheet

- ★ Strong balance sheet, in principal all key numbers are above, on, or around historical top levels.

★ Future

- ★ Coming five quarters are going to be tough, especially the upcoming fourth quarter.
- ★ In order to improve our service level, we are going to increase our stock with a minimum of SEK 300 million
- ★ Increased sales and marketing activity
- ★ Initially this will lead to lower cash flow and key numbers but will give growth within 12-18 months.



January – September 2013

- ★ Sales amounted to SEK 2 908 million (SEK 3 104 million), -6%
 - ★ *of which currency effect SEK -71 million (-2 %).*
 - ★ *acquired business SEK 16 million*
- ★ Operating result amounted to SEK 179.1 million (SEK -78.6 million)
 - ★ *prior year include restructuring costs of SEK 212 million*
 - ★ *acquired business SEK 4.0 million*
- ★ Result after tax amounted to SEK 96.8 million (SEK -94.9 million)
 - ★ *prior year include restructuring costs of SEK 161.5 million*
 - ★ *acquired business SEK 2.5 million*
- ★ Cash flow from operations improved and amounted to SEK 145.4 million (SEK 65.0 million).

January – September 2013

Sales -6%, SEK 2 908 million (SEK 3 104 million)

- ★ Sales in local currencies -4%.
- ★ Acquired business SEK 16 million
- ★ Corporate Promo -6%, Sport & Leisure -5%, Gifts & Home -14%.
- ★ Weak market conditions
- ★ Sales weak in both sales channels

Operating segments

- ★ Corporate Promo
-6% to SEK 1 109 million (SEK 1 174 million)
 - Decrease primarily in Sweden, Oth. Nordic countries and Europe
- ★ Sports & Leisure
-5% to SEK 1 429 million (SEK 1 498 million)
 - Weak market in Sweden, Oth. Nordic countries and Europe
 - Acquired business SEK 16 million
 - USA has a weak growth
- ★ Gifts & Home
-14% to SEK 370 million (SEK 432 million)
 - Primarily lower in the promo sales channel and in the export markets.



January – September 2013

Sales per region

	JAN-SEP 2013	Part of turnover	JAN-SEP 2012	Part of turnover	Change MSEK	%
Sweden	728	25%	820	27%	-92	-11
USA	807	28%	835	27%	-28	-3
Nordic countries	449	15%	474	15%	-25	-5
Central Europe	512	18%	538	17%	-26	-5
South Europe	235	8%	254	8%	-19	-7
Other countries	177	6%	183	6%	-6	-3
Total	2 908	100%	3 104	100%	-196	-6

January – September 2013

Income statement

SEK Million	9 months Jan-Sep 2013		9 months Jan-Sep 2012	
Income	2 907.6		3 104.1	
Goods for resale	-1 550.8		-1 800.1	
Gross profit	1 356.8	46.7%	1 304.0	42.0%
Other operating income	24.0		25.4	
External costs	-638.1		-731.0	
Personnel costs	-515.1		-583.6	
Depreciation/amortization	-40.2		-78.0	
Other operating costs	-8.6		-15.6	
Associated companies	0.3		0.2	
Operating profit	179.1	6.2%	-78.6	-2.5%
Financial income	5.0		4.1	
Financial costs	-48.8		-44.5	
Net financial items	-43.8		-40.4	
Result before tax	135.3		-119.0	
Tax on profit for the period	-38.5		24.1	
Result for the period	96.8		-94.9	
Result per share	1.47		-1.43	

*Promowear brand James Harvest
Sportswear helps companies create a w-
inning teamspirit.*



January – September 2013

EBITDA per operating segment

- ★ **Corporate promo amounted to SEK 84.9 million (SEK 91.1 million)**
 - ★ Lower sales and savings that has partly compensated the lower sales
- ★ **Sports & Leisure amounted to SEK 123.6 million (SEK 115.9 million)**
 - ★ Lower turnover but savings have improved the result
 - ★ Acquired business contributed SEK 4.0 million
- ★ **Gifts & Home amounted to SEK 10.8 million (SEK -207.6 million)**
 - ★ Lower sales but higher gross profit margin and savings
 - ★ Py include restructuring costs of SEK 172 million

January - September 2013

Cash flow

SEK Million	9 months Jan-Sep 2013	9 months Jan-Sep 2012
Cash flow from operating act before changes in working capital	123.3	97.7
Changes in working capital	22.1	-32.7
Cash flow from operating activities	145.4	65.0
Investing activitites	-39.8	-43.1
Cash flow after investing activities	105.6	21.9
Financial activities	-210.4	-27.4
Cash flow for the period	-104.8	-5.5

Financial highlights - summary

	9 months Jan-Sep 2013	9 months Jan-Sep 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, %	-6.3	1.8	1.0	-0.2	3.8	-11.2	9.8
Number of employees	2 134	2 326	2 258	2 470	2 196	2 203	2 562
Gross profit margin, %	46.7	42.0	43.6	47.7	47.1	46.5	48.5
Operating margin before depreciation, %	7.5	0.0	3.8	8.9	9.1	5.9	9.4
Operating margin, %	6.2	-2.5	1.7	7.7	7.7	4.2	8.0
Profit margin, %	4.7	-3.8	0.3	6.5	7.1	3.1	5.1
Return on shareholders' equity, %	6.6	-6.4	0.4	9.9	12.1	4.9	9.2
Return on capital employed, %	6.8	-2.5	2.0	8.9	9.4	4.3	9.0
Equity ratio, %	46.4	40.6	44.1	43.5	44.8	41.0	34.1
Net debt - Equity ratio, %	73.7	97.1	77.5	85.9	72.8	96.3	140.5
Net debt - working capital ratio, %	75.0	85.4	77.3	78.6	75.3	87.7	94.3
Net debt, SEK million	1 456.5	1 781.6	1 516.7	1 797.3	1 406.6	1 740.8	2 576.3
Stock turnover, times	1.3	1.3	1.3	1.2	1.4	1.1	1.2
Cash flow before investments, SEK million	145.4	65.0	341.1	66.0	343.6	806.3	-268.0
Net investments, SEK million	-39.8	-43.1	-50.4	-326.5	-57.6	-23.0	-65.2
Cash flow after investments, SEK million	105.6	21.9	290.7	-260.5	286.0	783.3	-333.2
Shareholders' equity per share, SEK	29.78	27.64	29.51	31.54	29.14	27.24	27.64



Acquistion of Craft US

★ **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!

