

For 2015, the New Wave Group implement several new major initiatives, including a completely new collection from Cutter & Buck for the European market.



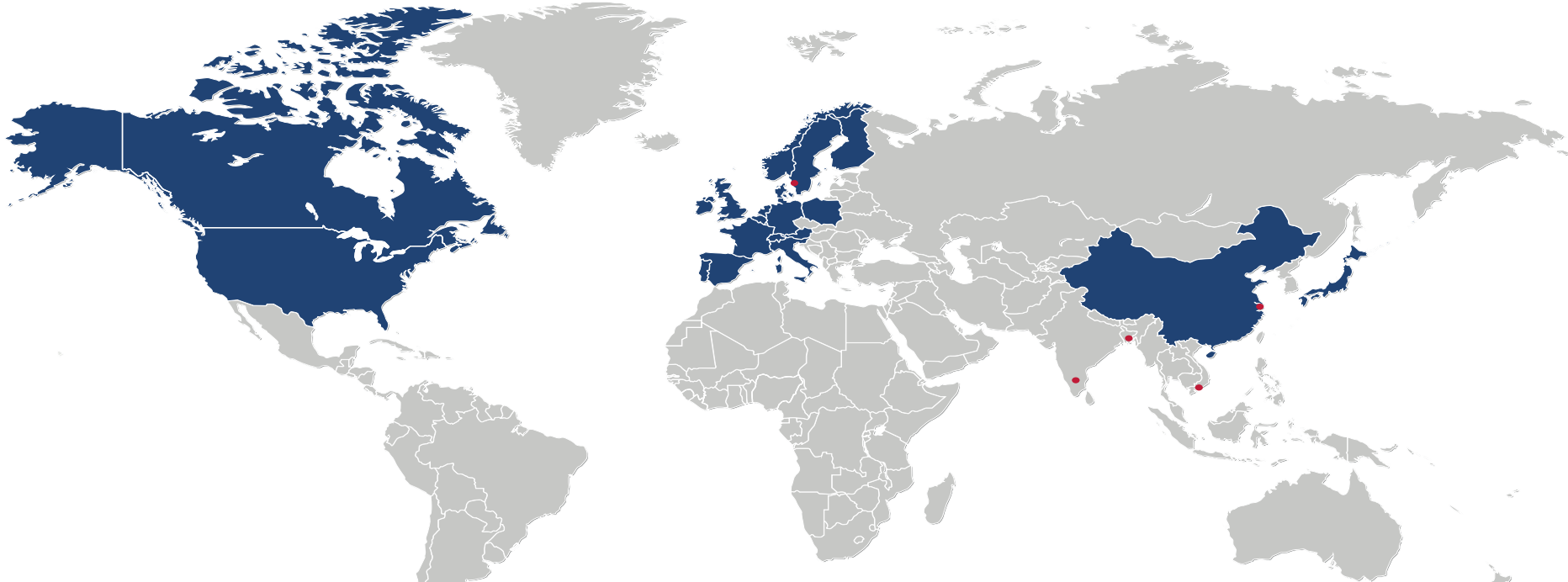
Year End Report

31 December

2014



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**.

Corporate Promo



Sport & Leisure



Gifts & Home Furnishings



Operating segments and markets

New Wave Group distributes more than 40 different brands, 3 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 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.



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



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 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 2014

★ Sales SEK 1 260 (1 140) million

- ★ Corporate Promo 21%, Sport & Leisure 0%, Gifts & Home 9%.
- ★ Improvements in Sweden and Europe
- ★ Promo sales channel 20%, retail 0%

★ Operating segments

- ★ Corporate Promo 21% to SEK 580 (479) million
 - Increase primarily in Sweden and Europe
- ★ Sports & Leisure 0% to SEK 503 (500) million
 - Promo sales channel increase while retail decrease, primarily in USA.
- ★ Gifts & Home 9% to SEK 176 (161) million
 - Primarily Orrefors Kosta Boda that increases



October – December 2014

Sales per area

	OKT-DEC 2014	Part of turnover	OKT-DEC 2013	Part of turnover	Change MSEK	%
Sweden	341	27%	309	27%	32	10
USA	298	24%	288	25%	10	3
Nordic countries excl	150	12%	140	12%	10	7
Central Europe	225	18%	198	18%	27	14
Southern Europe	120	9%	100	9%	20	20
Other countries	126	10%	105	9%	21	20
Total	1 260	100%	1 140	100%	120	11



October – December 2014

- ★ Gross profit margin amounted to 46.8 (45.1)%
 - ★ *improved service level, but also mix of countries and customers*

- ★ Total costs amounted to SEK -465.2 (-397.9) million
 - ★ *additional sales and marketing activities*

- ★ Operating profit amounted to SEK 112.2 (111.6) million
 - ★ *higher turnover and gross margin*
 - ★ *more sales and marketing activities*

- ★ Result for the period amounted to SEK 91.9 (90.3) million.

October – December 2014

Income statement

SEK Million	Oct-Dec 2014	Oct-Dec 2013
Income	1 259.5	1 139.8
Goods for resale	-669.6	-626.2
Gross profit	589.9 46.8%	513.6 45.1%
Other operating income	10.1	9.3
External costs	-260.5	-215.2
Personnel costs	-204.7	-182.7
Depreciation/amortization	-14.2	-11.9
Other operating costs	-7.4	-2.3
Associated companies	-1.0	0.8
Operating profit	112.2 8.9%	111.6 9.8%
Financial income	1.2	1.8
Financial costs	-14.5	-14.2
Net financial items	-13.3	-12.4
Result before tax	98.9	99.2
Tax on profit for the period	-7.0	-8.9
Result for the period	91.9	90.3
Result per share	1.38	1.35

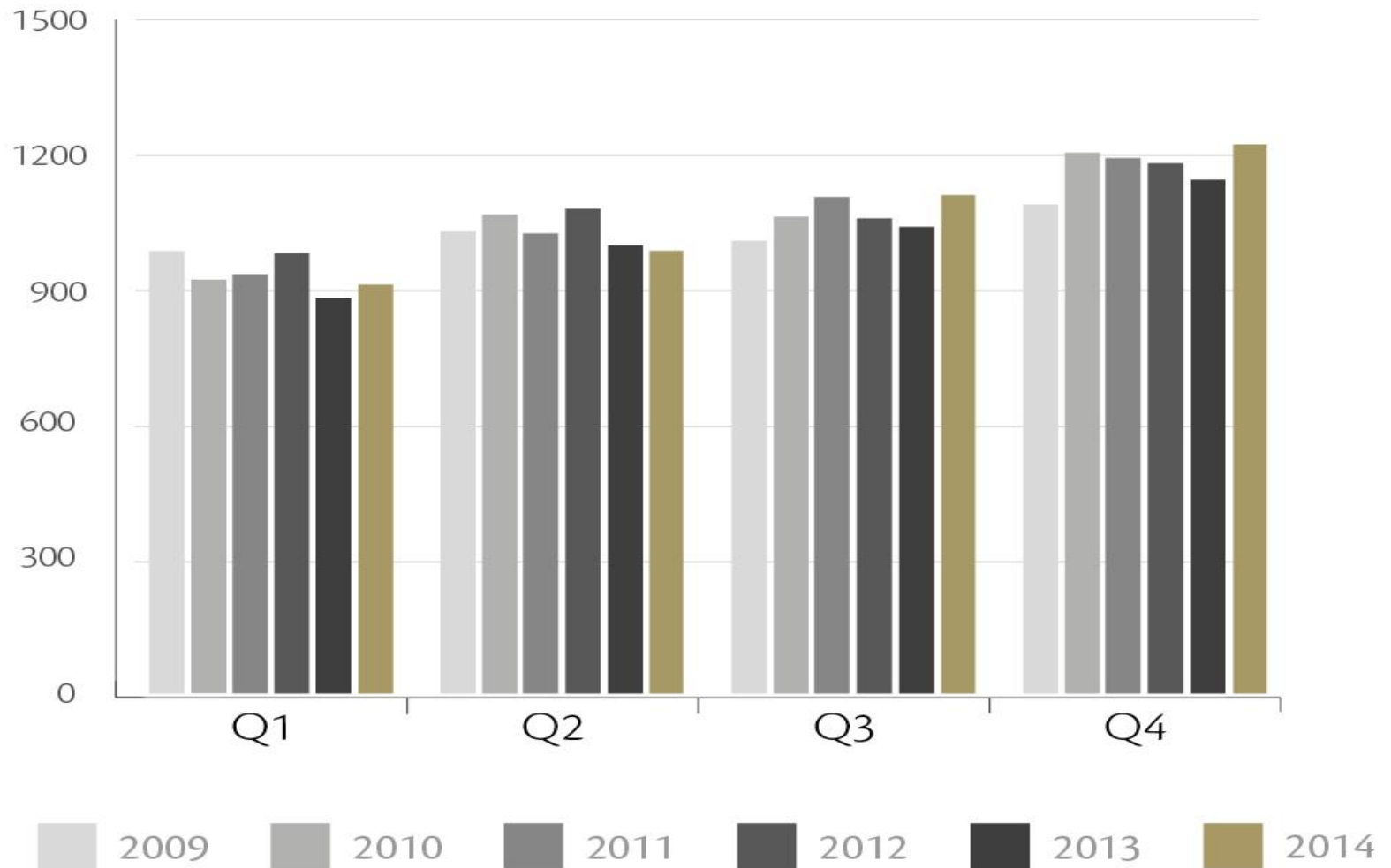
October – December 2014

EBITDA per operating segment

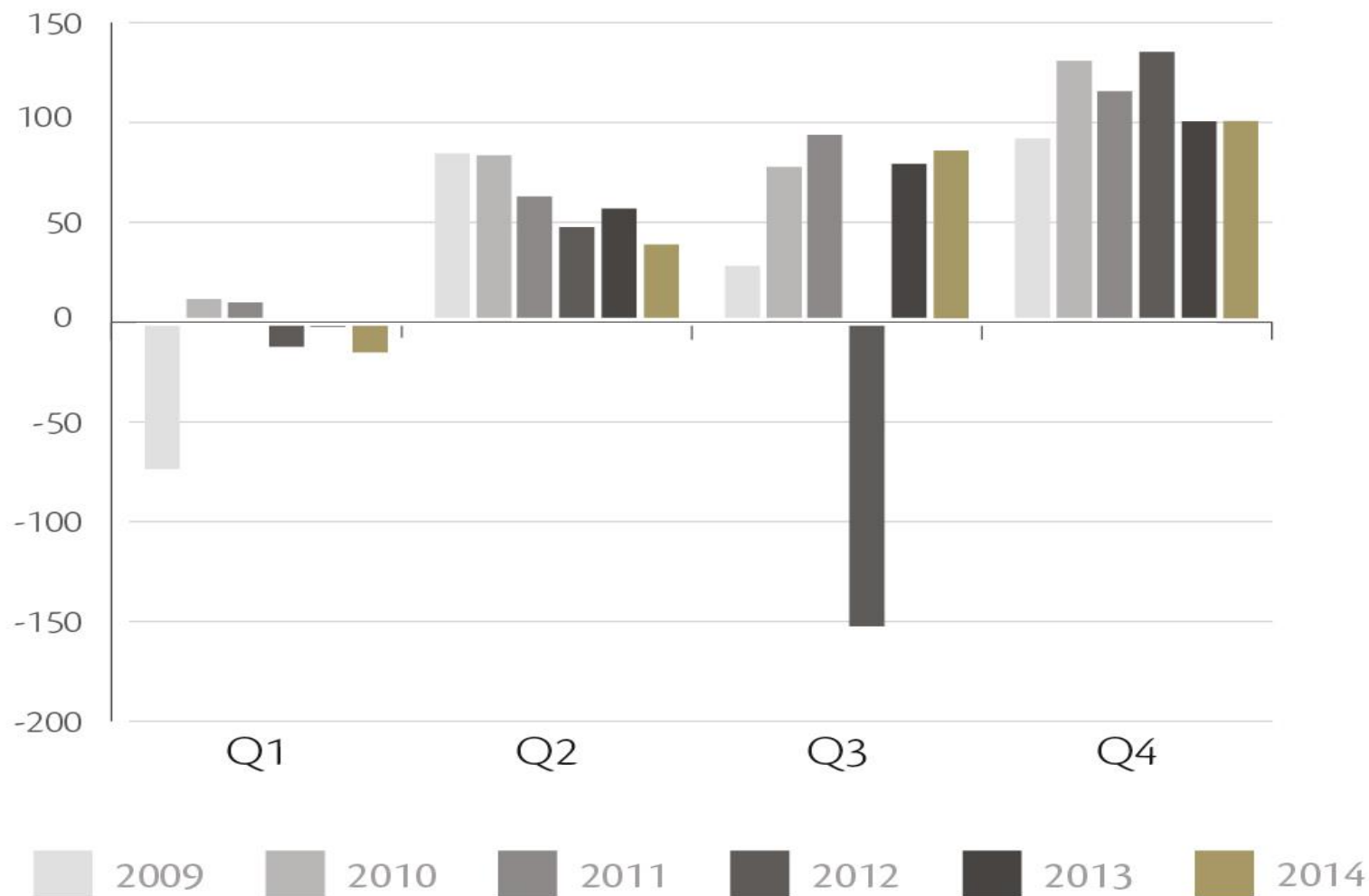
- ★ **Corporate Promo amounted to SEK 77.3 (58.6) million**
 - ★ Higher turnover
 - ★ Higher costs due to increased activity within sales and marketing
- ★ **Sports & Leisure amounted to SEK 32.7 (31.2) million**
 - ★ Higher turnover for promo sales channel but lower within retail
- ★ **Gifts & Home amounted to SEK 16.4 (33.7) million**
 - ★ Lower gross profit margin
 - ★ Higher costs due to increased activity within sales and marketing



Sales



Result before tax



October - December 2014

Cash flow

SEK Million	Oct-Dec 2014	Oct-Dec 2013
Cash flow from operating act. before changes in working capital	129.1	103.3
Changes in working capital	-183.7	109.8
Cash flow from operations	-54.6	213.1
Investing activities	-29.6	-7.0
Cash flow after investing activities	-84.2	206.1
Financial activities	121.5	-146.9
Cash flow for the period	37.3	59.2

CEO summary – fourth quarter

★ Sales and result

- ★ Our actions are starting to bite.

 - ★ *Corporate Promo +21%*

 - ★ *Sport & Leisure 0%*

 - ★ *Gifts & Home Furnishings +9%*

 - ★ *Promo sales channel +20%, retail sales channel 0%*

- ★ Despite all the investments we are making for growth, thereby increasing our costs, operating profit is still on par with prior year.

★ Balance sheet and Cash flow

- ★ Strong balance sheet with an equity ratio of 46%

- ★ Negative cash flow from operations due to our build-up of inventories

- ★ Inventory will be higher than py also the coming quarters



January – December 2014

★ Sales SEK 4,274 (4,047) million

- ★ Corporate Promo 13%, Sport & Leisure 1%, Gifts & Home 0%.
- ★ Improvements in Sweden, Europe and Asia
- ★ Sales improved primarily in promo sales channel
- ★ Acquired business SEK 14 million

★ Operating segments

- ★ Corporate Promo 13% to SEK 1,788 (1,587) million
 - Increase primarily in Nordic countries and Asia
- ★ Sports & Leisure 1% to SEK 1,953 (1,929) million
 - Acquired business SEK 14 million
 - Sweden (Umbro agreement ended)
 - Promo sales channel increased and retail decreased
- ★ Gifts & Home 0% to SEK 533 (531) million
 - Promo sales channel increased, retail decreased (export markets)

January – December 2014

Sales per area

	JAN-DEC 2014	Part of turnover	JAN-DEC 2013	Part of turnover	Change MSEK	%
Sweden	1 064	25%	1 036	26%	28	3
USA	1 124	26%	1 095	27%	29	3
Nordic countries	606	14%	589	15%	17	3
Central Europe	766	18%	710	17%	56	8
Southern Europe	365	9%	335	8%	30	9
Other countries	349	8%	282	7%	67	24
Total	4 274	100%	4 047	100%	227	6

January – December 2014

- ★ Gross profit margin amounted to 45.7 (46.2)%
 - ★ *higher freight costs and more expensive substitutes because of shortages in certain segments of our promo stock during first six months*
 - ★ *mix of countries and customers*
- ★ Total costs amounted to SEK -1 659.2 (-1 551.1) million
 - ★ *higher activities within sales and marketing*
- ★ Operating profit amounted to SEK 250.0 (290.7) million
 - ★ *Higher costs due to more activities within sales and marketing together with slightly lower gross profit margin*
 - ★ *acquired business SEK -1.7 million*
- ★ Profit for the period amounted to SEK 176.9 (187.1) million
 - ★ *lower operating profit, improved finance net*
 - ★ *acquired business SEK -1.2 million*



January – December 2014

Income statement

SEK Million	Jan-Dec 2014	Jan-Dec 2013
Income	4 273.6	4 047.4
Goods for resale	-2 321.0	-2 117.0
Gross profit	1 952.6 45.7%	1 870.4 46.2%
Other operating income	27.7	33.3
External costs	-923.5	-853.3
Personnel costs	-735.7	-697.8
Depreciation/amortization	-54.2	-52.1
Other operating costs	-16.5	-10.9
Associated companies	-0.4	1.1
Operating profit	250.0 5.8%	290.7 7.2%
Financial income	4.9	6.8
Financial costs	-46.9	-63.0
Net financial items	-42.0	-56.2
Result before tax	208.0	234.5
Tax on profit for the period	-31.1	-47.4
Result for the period	176.9	187.1
Result per share	2.66	2.82



January – December 2014

EBITDA per operating segment

- ★ **Corporate Promo amounted to SEK 173.8 (143.5) million**
 - ★ Turnover related
 - ★ Lower gross profit margin
 - ★ Higher costs due to more activities within sales and marketing
- ★ **Sports & Leisure amounted to SEK 135.3 (154.8) million**
 - ★ Lower gross profit margin
 - ★ Higher costs due to increased activity within sales and marketing
 - ★ Acquired business SEK -1.7 million
- ★ **Gifts & Home amounted to SEK -4.9 (44.5) million**
 - ★ Lower gross profit margin
 - ★ Higher costs due to increased activity within sales and marketing

January - December 2014

Cash flow

SEK Million	Jan - Dec 2014	Jan - Dec 2013
Cash flow from operating act. before changes in working capital	253.9	226.6
Changes in working capital	-538.1	131.9
Cash flow from operating activities	-284.2	358.5
Investing activities	-74.3	-46.8
Cash flow after investing activities	-358.5	311.7
Financial activities	368.3	-357.3
Cash flow for the period	9.8	-45.6

Financial highlights - summary

	12 months Jan-Dec 2014	12 months Jan-Dec 2013	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, %	5.6	-5.4	1.0	-0.2	3.8	-11.2	9.8
Number of employees	2 212	2 123	2 258	2 470	2 196	2 203	2 562
Gross profit margin, %	45.7	46.2	43.6	47.7	47.1	46.5	48.5
Operating margin before depreciation, %	7.1	8.5	3.8	8.9	9.1	5.9	9.4
Operating margin, %	5.9	7.2	1.7	7.7	7.7	4.2	8.0
Profit margin, %	4.9	5.8	0.3	6.5	7.1	3.1	5.1
Return on shareholders' equity, %	7.9	9.3	0.4	9.9	12.1	4.9	9.2
Return on capital employed, %	6.4	8.2	2.0	8.9	9.4	4.3	9.0
Equity ratio, %	45.9	49.8	44.1	43.5	44.8	41.0	34.1
Net debt - Equity ratio, %	76.0	60.1	77.5	85.9	72.8	96.3	140.5
Net debt - working capital ratio, %	71.1	67.6	77.3	78.6	75.3	87.7	94.3
Net debt, SEK million	1 828.7	1 264.0	1 516.7	1 797.3	1 406.6	1 740.8	2 576.3
Stock turnover, times	1.3	1.4	1.3	1.2	1.4	1.1	1.2
Cash flow before investments, SEK million	-284.2	358.5	341.1	66.0	343.6	806.3	-268.0
Net investments, SEK million	-74.3	-46.8	-50.4	-326.5	-57.6	-23.0	-65.2
Cash flow after investments, SEK million	-358.5	311.7	290.7	-260.5	286.0	783.3	-333.2
Shareholders' equity per share, SEK	36.25	31.69	29.51	31.54	29.14	27.24	27.64

CEO summary - 2014

★ Full year 2014

- ★ Was characterised by
 - ★ *Improving inventory value and service levels*
 - ★ *Product development*
 - ★ *Stimulate growth*
- ★ Not happy with a growth rate of 6%, but satisfied with the last months of the year.
- ★ Incredibly gratifying that Orrefors Kosta Boda, for the second year in a row, shows a profit.

★ Prospects for the future

- ★ We are now once again a good supplier with a high level of service
- ★ We are launching Cutter & Buck Europe and a new CSR collection under the brand Cottover
- ★ Inventory levels will continue to be higher than prior year

CSR – Advisory board



- ★ New Wave Group strives to attain sustainable growth through Corporate Social Responsibility (CSR).
- ★ New Wave Group cooperates with well-known organizations like the BSCI, Fair Labour Association and Clean Shipping Network. We are also proud signatories of the Accord on Fire and Building Safety in Bangladesh.
- ★ To strengthen our level of engagement and continue to build awareness around CSR, New Wave Group has prior to 2015 founded a CSR Advisory Board.
 - ★ Anders Ferbe (Chairman IF Metall)
 - ★ Elisabeth Dahlin (Secretary General at Save the Children)
 - ★ Mikael Karlsson (Chairman of the European Environmental Bureau)
 - ★ Ulrica Messing (Senior Political Advisor)



Cottover

- ★ In line with our CSR ambition, our subsidiary Hefa AB now launches (spring 2015) a new clothing collection under the brand Cottover with high focus on sustainability. The collection includes features such as;
 - ★ 100 % organic cotton
 - ★ 100 % Fairtrade cotton
 - ★ Recycled Polyester
- ★ All production steps follow the social and environmental criteria of GOTS (Global Organic Textile Standard). The collection has therefore been successfully GOTS-labeled
- ★ All production steps have further been aligned with the quality- and environmental criteria of Nordic Ecolabel (The Swan). The collection is therefore labeled with the Swan.



cottover
people & planet



Cottover

- ★ As the supply of certified and sustainable clothing is limited on the market today, we are happy to be able to offer a collection that will be a competitive alternative to conventional clothing since
 - ★ The Cottover collection is a broad collection of basic garments in 10 different models. Most of the models are available in both male, female and children sizes, which sums it up to the impressive range of 22 articles.
 - ★ The Cottover collection is available in up to 12 different colours
 - ★ Pricing is competitive in comparison to conventional clothing in equivalent quality, due to high volumes and large production scale
 - ★ The Cottover collection has endured tough quality testing to ensure a long-lasting lifecycle

Cutter & Buck

New Wave Group implement several new major initiatives, including a completely new collection from Cutter & Buck for the European market.

Will be launched February 2015

Craft offers sports lovers at all levels underwear, insulating mid layer, and outerwear within running, cross country skiing, bicycling and alpine skiing.



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!