

NewWave
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ANNUAL REPORT NEW WAVE GROUP 2004

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årsredovisning 2004

annual report



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6. DESCRIBING NEW WAVE



Since the company was formed in 1990, New Wave has experienced strong growth in sales and result. Average sales growth for the period 1992–2004 amounted to 39 % per year.

16. PROFILING



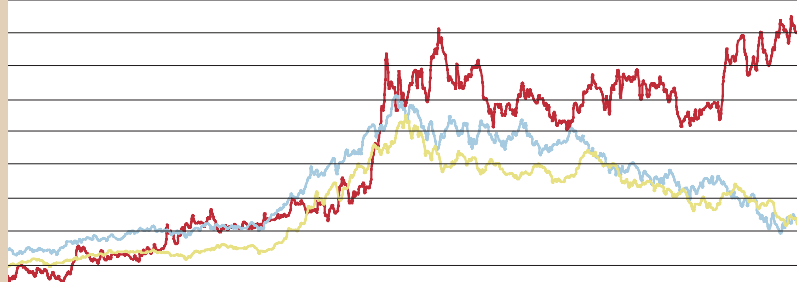
New Wave's goal is to become Europe's leading supplier in the profiling business. As the only supplier on the market New Wave offers the customers a complete selection within promowear, give-aways and work-wear.

24. RETAILING



New Wave's goal is to build Sagaform to one of Europe's largest brands within kitchen, china and gifts, and Craft and Seger to international brands within functional sportswear.

33. FINANCIAL INFORMATION



During 2004 the sales and result increased with 22 % to SEK 2 302 (1 882) million respectively SEK 33 million to SEK 214 (181) million.

I. TRADEMARKS



New Wave has a very strong portfolio of trademarks containing well known brands within for example promowear, work-wear, sportswear and gifts.



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New Wave

The Corporate Profiling business area	The Retailing business area
<p>Owned:</p>	<p>Owned:</p>
<p><i>Distribution Channels</i> Retailers specialising in gifts and promowear</p>	<p>Distributed and licensed:</p> <p><i>Distribution Channels</i> Retailers specialising in sportswear, shoes and give-aways</p>

Business concept

New Wave is a growth company which creates, acquires and develops branded merchandise for the corporate profiling and consumer markets, mainly within clothing, accessory and present sectors. The Group shall achieve synergies by coordinating design, purchasing, marketing

and distribution of the Group's collections as well as utilizing coordinating advantages between the Group's brands. The Group shall operate within the promotional and retail markets in order to obtain a good risk spread.

DID YOU KNOW...	DEFINITION
<p><i>...New Wave 2004 sold approx:</i></p> <ul style="list-style-type: none"> • 5 million one coloured T-shirts in Sweden and 8 million throughout the rest of Europe? • 550,000 polo piqué shirts in Sweden and 3 million throughout the rest of Europe? • 400,000 shirts in Sweden and 600,000 throughout the rest of Europe? • 37 million company pens throughout Europe? 	<p><i>New Wave</i></p> <p>New Wave Group AB (publ) or the group for which New Wave Group AB is parent company or, where it is applicable, the trademark New Wave.</p>

Summary of 2004

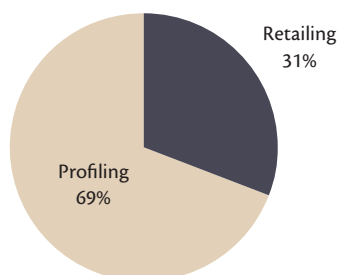
IMPORTANT EVENTS DURING THE YEAR

- During 2004, New Wave's sales increased by 22% to SEK 2,302 (1,882) million.
- During 2004, the result after financial items increased by SEK 33 million to SEK 214 (181) million.
- The result after tax increased to SEK 151.8 (133.5) million and the profit per share increase to SEK 4.92 (4.51).
- The corporate profiling business area sales increased by 37% to SEK 1,581 (1,155) million. The result after financial items increased by SEK 27 million to SEK 154 (127) million.
- The retailing business area sales decreased by 1% to SEK 721 (727) million. The result after net financial items increased by SEK 6 million to SEK 60 (54) million.
- The acquisition of Swedish Match's promowear distribution took effect on January 1st, 2004.
- Jobman Workwear AB in Sweden and Jobman Workwear Ltd in Hong Kong were acquired and consolidated from April 1st 2004.
- A new share issue of SEK 151 million was carried out in connection to the acquisition of Jobman.
- The investment in workwear with regard to the internally developed brand, ProJob and the acquisition of Jobman, has had a very positive development.
- The operations in Switzerland have developed very well and Craft SA was established in September.
- Other establishments made during the year are INsideOut in Spain and Italy, and Sagaform in Belgium and England.
- The trading operations have received several large contracts.
- Substantial reinforcement of the Asian organization has been made in purchasing, production and sales.

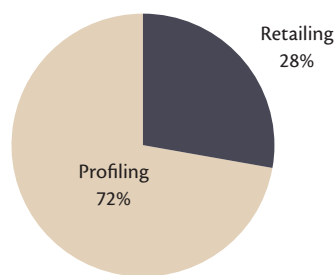
IMPORTANT EVENTS AFTER THE YEAR-END

- The board has decided to propose to the annual general meeting an increase in the dividend to SEK 1.50 (1.25) per share, equivalent to SEK 47.3 million.
- Dahetra A/S, with subsidiaries in Denmark, Sweden, Norway and Bangladesh has been acquired and will be consolidated as per January 1st, 2005. Dahetra's turnover was approx SEK 83 million, 2004.

SALES PER BUSINESS AREA



RESULT PER BUSINESS AREA



KEY DATA	2004	2003
Sales, SEK m.	2302.2	1881.9
Result before depreciation, SEK m.	294.5	244.8
Result after depreciation, SEK m.	244.8	205.1
Result after net financial items, SEK m.	214.1	181.3
Gross profit margin, %	45.9	44.4
Shareholders' equity, SEK m.	886.4	612.2
Return on shareholders' equity, %	20.3	23.8
Return on capital employed, %	15.4	16.5
Number of employees	1 269	806
Profit per share, SEK	4.92	4.51
Shareholders' equity per share, SEK	28.78	21.13



Statement by the President and CEO

2004 was another year with continued increases in both turnover and profit. Although I had hoped for a somewhat better result, especially during the last months of the year, but 2004 was a disappointment, principally in the retail area. I am nevertheless satisfied, except for the winter sales 2004, as we have kept a brisk pace with regard to new establishments over the past year. Possibly the most exciting happening during the year, was our entry into workwear, partly by the acquisition of Jobman and partly by the launching of ProJob, of which both have so far met our expectations.

OUR GROWTH AND ESTABLISHMENTS

2004 was in many ways a tough and worrying year. With all the new establishments such as Switzerland, several companies in China and ProJob among others, I was a little concerned about the year's result. In the short term it is difficult to determine how fast new markets will get their sales under way and consequently how considerable the negative impact will be on the result. I would also like to give a minor warning for 2005, partly due to the new establishments carried out during 2004, which are continuingly difficult to forecast, and partly due to the large number of coming establishments, mainly in workwear, among others Jobman in Norway and Italy, and ProJob in Finland, Denmark, Benelux and Germany. But even if this creates a short-term decline in the result, I am convinced that this is the right way to go.

OUR SUCCESS FACTORS

1) Personnel and management

Personnel are our most important resource. It's hard to recruit the right people and, above all, to maintain the company culture and values which are both a major part of our success. With growing personnel numbers and more geographic locations, it is sometimes difficult to ensure that all companies and personnel act in a, for New Wave, correct way. We work a lot with our values both within new and old companies, and at recruitments and acquisitions. New Wave stands for cost awareness, common sense, the will to achieve, honesty and hard work. It's both ironic and a little unfortunate

that some personnel who resign or are dismissed are seldom less competent or intelligent but instead often lack commitment and effort, or lack good ethics. As management, we will fight for our values even if it sometimes gives us short-term problems. However, a long-term solution is the only correct way.

2) Trademarks

Even our trademarks constitute a major asset, which demands care and attention. We place a great deal of time and major resources on them. From a Swedish perspective, we have an incredible trademark portfolio. There are soon no Swedish companies who do not wear entirely or partly the Group's trademarks, such as Clique, Harvest, Grizzly, Craft, Seger and Umbro. To these we can add both Jobman and ProJob.

Even internationally, Craft is growing daily in both Europe and the USA. Craft shall be globally successful, this is our clearly stated goal and we have come a long way. Within their segments, even trademarks such as Sagaform, Pax, Clique and New Wave etc grow stronger every day.

3) Quality and functionality

Product quality is rarely mentioned. For a long time now, we have invested major resources in keeping our quality standards high and uniform. Our products simply must be better than those our competitors are offering at equivalent prices. Several years of persistent work has given us a clear lead and that is why more and more choose our products and trademarks.

4) Long-term thinking

In the short-term it would have been easy to further increase profitability and improve key figures. Fewer new establishments, fewer sponsorships and less marketing would have quickly improved our result. But long-term thinking has always characterized New Wave and will continue to do so in the future as well. In my point of view, New Wave has just started and we have a long way to go. I'm also convinced that this is the best way to build value for our shareholders. A persistent growth in both turnover and earnings will always give a good return in the end.

WHAT CAN WE IMPROVE IN THE FUTURE?

We can continue to be both better and more effective within, by and large, all areas. There are continued improvements to be made within products, design and purchase prices. Our logistics and market canvassing can also be improved. We have more large-scale benefits to take advantage of and develop.

THE FUTURE

It is my firm conviction that we can continue growing in a sound and profitable way. I have said before,

New Wave's journey has only just begun, and even though I feel each year that we stand stronger than ever before, we still have a lot to change, improve, develop and make more effective. We should be able to grow considerably in many markets, current as well as new ones. We will of course continue to focus on profitable growth; growing without sufficient profitability only increases the risk. Of course one has to accept initial losses for example in new countries or new product groups, but this is an investment in the future, that later can and will give a good return rather than a loss.

ETHICS, MORALS AND INCENTIVES

New Wave shall stand for honesty and high morals. Straightforwardness when communicating both within and outside the company is immensely important. We stand for cost awareness and moderate wages. With continued good development, it is my reasoned opinion that managers and employees will also have a high income. This shall however always occur by investing in the company or by contributing financially for example through convertibles, call options or regular shares. I'm glad that many employees have become millionaires thanks to their New Wave shares. I believe we have used a very good model, a model that provides a good balance between risk, work performance and opportunity. I'm also convinced that it's the best way to administer our owners' capital.

GOAL AND PROGNOSIS 2005

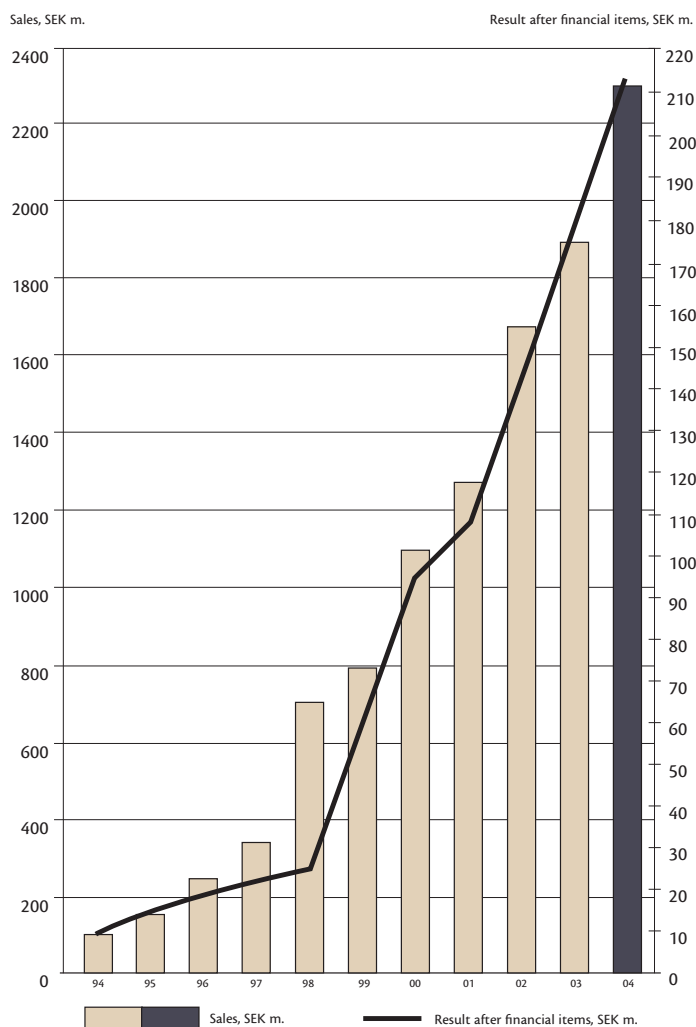
"The goals are simple; 2005 will be the fifteenth year in an unbroken succession, with increases in both turnover and earnings. Considering all the establishments we will surely see a decline in earnings during one/several individual quarters. My assessment is also that the 1st and 3rd quarter will be slightly weaker than earlier, while the 2nd and 4th quarter are strengthened owing to the fact that most acquisitions the past years were in corporate profiling, and this is the regular seasonal pattern for this business area. Not withstanding all the investments and establishments I hope and believe in an increasing result for 2005. In the longer term I am even more convinced - our journey has only just started."



Torsten Jansson, President and CEO
New Wave Group AB



SALES AND PROFIT 1994–2004



HISTORY

- 1990** Sweden and Norway.
- 1994** Finland and Italy.
- 1996** Acquisition of Craft of Scandinavia.
- 1997** Denmark, Spain and Germany.
- 1998** Acquisition of Hefa AB.
- 1999** Holland and England.
- 2000** France.
Acquisition of Texus.
- 2001** Sagaform and the Seger group.
- 2002** Acquisition of Frantextil, X-Tend and the Top-point group.
- 2003** China and Switzerland.
Establishment of Projob.
- 2004** Acquisition of SMAP, D.A.D. Sportswear and Jobman.
- 2005** Acquisition of the Daetra Group.

PROFILING
RETAILING
GIVE-AWAYS
WORKWEAR

ANNUAL SALES PER COUNTRY

COUNTRY	JAN – DEC	JAN – DEC	CHANGE	CHANGE
	2004	2003	SEK m.	%
Sweden	956	835	121	15
Benelux	293	202	91	45
Germany	181	124	57	46
Norway	180	171	9	5
Finland	180	166	14	8
Italy	140	117	23	20
Spain	93	77	16	21
Denmark	64	52	12	23
France	62	30	32	107
England	56	54	2	4
Switzerland	48	8	40	500
Other	49	44	5	11
Total	2 302	1 880	422	22

This is New Wave

HISTORY

New Wave has from the start in 1990, shown strong growth in sales and earnings. Average sales growth for the period 1992-2004 amounted to 39% per year. Sales for 2004 were SEK 2,302 million. This expansion is mainly the result of organic growth, the formation of subsidiaries in new markets and company acquisitions. During the same period, profit after net financial items has increased on average by 43% annually, to a profit of SEK 214 million for 2004.

New Wave was established 1990 in Sweden and Norway, and 1994 in Finland. The Group is market-leader in these markets and within promowear has an estimated market share of 30%. Craft was acquired 1996 and thereby established the retail business area. Through the acquisition of Sagaform 2001, New Wave stepped into corporate business gifts, which has had major synergies with the Groups other Corporate profiling business. During 2003 New Wave developed its own concept within workwear with the trademark ProJob and the investment was completed by the acquisition of Jobman. After the establishment within workwear, New Wave is now the only supplier in all three areas (promowear, corporate business gifts and workwear) in the corporate profiling market. During 2004 New Wave invested in the trading business, which means that the Group via its purchasing office in Asia helps customers with purchases including their own trademark so-called private label.

The Group has successively expanded and established operations in Europe. New Wave has established selling operations through its own subsidiaries and offices in 14 countries (Sweden, Norway, Finland, Denmark, Italy, Spain, Germany, Austria, Holland, France, Switzerland, Belgium, China and England). New Wave distributes the Craft trademark via retailers in 21 markets in Asia, Europe and North America.

Foreign sales amount to 58% of total Group sales, which amount to SEK 1,346 million. Sweden remains the Group's most important market, due to the fact that most acquisitions made through the years have been Swedish. With regard to organic growth it is in the rest of Europe, i.e. outside Sweden, that we have grown the most.

CORE BUSINESS

New Wave's core business is partly sales of corporate identity products through a network of approximately 10,000 independent distributors (the corporate profiling business area), and partly sales to the retailing market, mainly within the gift, sport and shoe areas (the retailing business area).

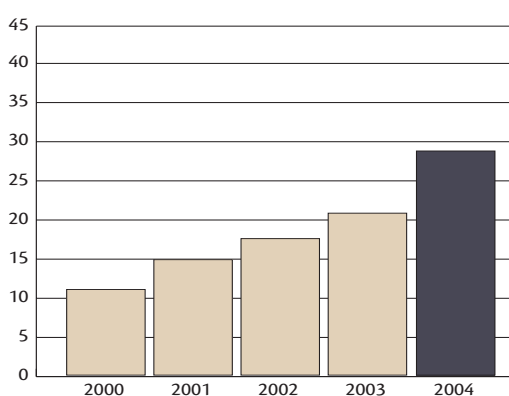
MARKETS

New Wave is divided into two business areas and operates in the corporate profiling market and in the retail market. The corporate profiling market is fragmented and fairly immature throughout Europe, consisting of a few large companies and many smaller ones. New Wave's goal is to lead the development to structure the branch and create a stable platform throughout Europe. The retailing market is considerably more mature.

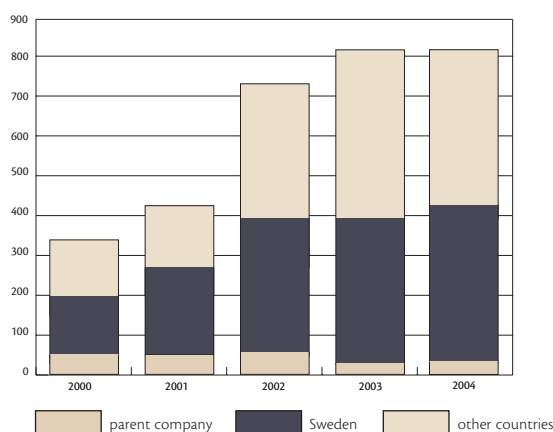
VISION

To become Europe's leading supplier of corporate identity products, by offering good products, strong trademarks, a high degree of proficiency and service as well as an outstanding and complete concept to retailers. We shall also build our owned trademarks Craft and Seger into international trademarks within functional sportswear, and Sagaform into one of Europe's major trademarks within kitchenware, china and gifts.

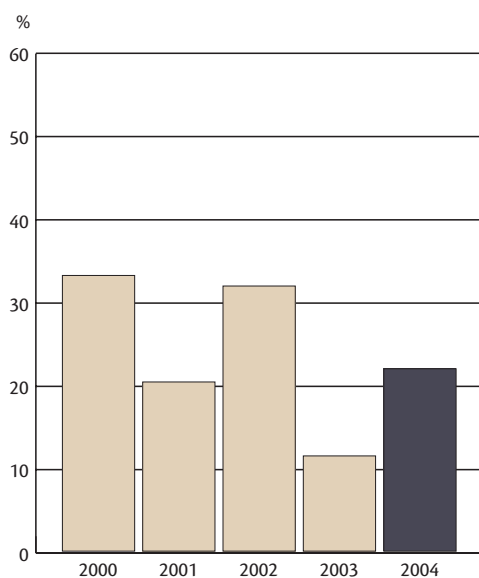
SHAREHOLDERS' EQUITY PER SHARE (SEK)



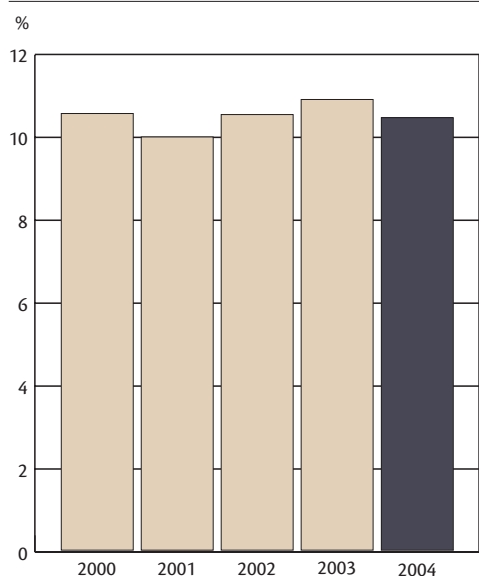
NUMBER OF EMPLOYEES 2000-2004



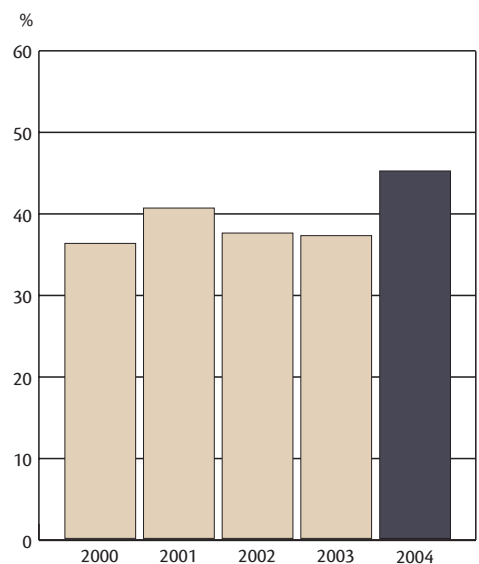
GROWTH 2000-2004 (%)



OPERATING MARGIN 2000-2004 (%)



DEBT-EQUITY RATIO 2000-2004 (%)



PROFITABILITY AND GROWTH TARGETS

New Wave strives for sustainable and profitable sales growth through expansion in its two business areas. The goal is growth of 20–40% per year and an operating margin of 15%. In addition New Wave has an equity/assets ratio target of 30% over a business cycle.

STRATEGY

The strategy for achieving New Wave's goals is...

- to establish and develop existing trademarks.
- to establish operations in new geographic markets.
- to develop the range and service provided within New Wave's business areas.
- to develop/acquire products/companies within the promowear segment.
- to develop/acquire products/companies within the give-aways segment.
- to develop/acquire products/companies within the workwear segment.
- to develop/acquire products/companies within the functional sportswear segment.
- to spread the Group's values to new and acquired companies.

New Wave will adopt long-term ownership responsibility for the acquisitions made. The Group will neither acquire nor operate its own production facilities if it can be avoided.

ESTABLISHING OPERATIONS IN NEW MARKETS

When establishing companies outside Sweden, New Wave's initial strategy is to only operate in the corporate profiling market, by introducing one or a pair of trademarks. Operations will be conducted at a low cost level to ensure limited financial risk. Penetration of the retail market as well as an increase of operations in the corporate profiling market will begin when a satisfactory level of profitability and strong growth has been attained. If establishments are made through agents, they can be set up independently, without the establishment of corporate profiling, such as the establishment of Craft in the USA.

SYNERGIES

By operating in both the corporate profiling and retailing markets, and with several trademarks, the Group achieves synergies, of which the main ones are:

- Design and development of new products.
- Economies of scale by purchasing extended series; that is, the production of goods using different trademarks.
- Larger volumes, which strengthens our position when purchasing both goods and services.
- Centralized units and resources for logistics.
- Centralized functions regarding special competence in fields such as IT, design and financing.



- The potential to initially use the products in retailing and then in corporate profiling.

Since corporate profiling requires continuity of collections and immediate delivery, the range largely consists of standard goods kept on stock. These goods can be used as a basic range within the retail sector. In addition, the two business areas complement each other, since the products previously designed and produced for the retailing business area can be used by the corporate profiling business area, where fashion and design are some years behind the retailing business area.

COMPETITIVE ADVANTAGES

New Wave markets its products using different trademarks, all of which stand for different values. New Wave hopes to reach full integration from the beginning of the chain and therefore be more competitive within the following areas.

Design

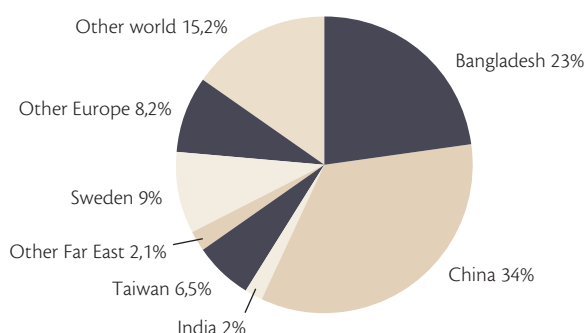
New Wave has considerable experience of design and well-developed strategies for all its trademarks in both the corporate profiling and retailing business areas. New Wave regards itself as being at the leading edge of design in terms of corporate profiling collections

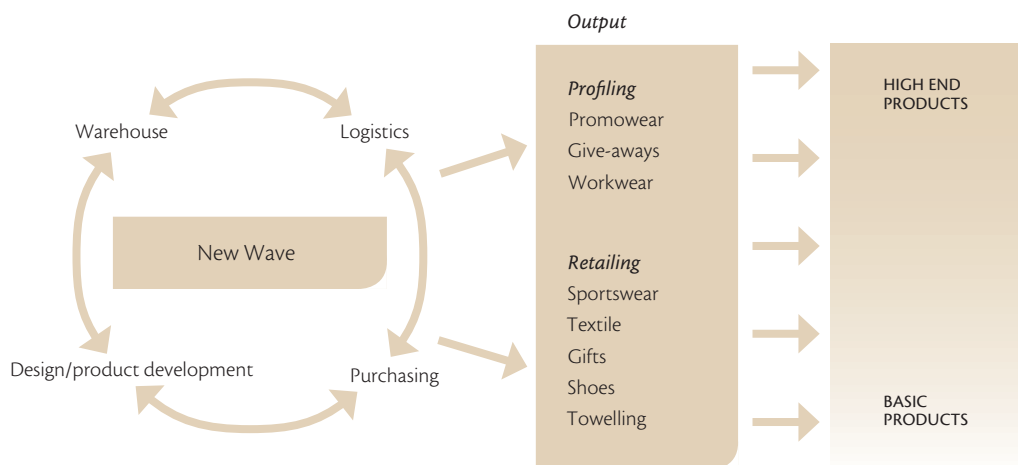
in Europe. All of New Wave's different concepts have product developments of their own. Keeping the concepts separate and unique is necessary, since they operate in different segments of the market. The corporate profiling design is less aimed at fashion than the retailing design. A well-designed promo garment suits both men and women at working age and has lots of room for corporate profiling as they are aimed at the company market. A large part of the retailing design is built on function and New Wave works together with both professional and amateur athletes within a number of sports.

Purchasing

As a consequence of its complementary operations, New Wave has a purchasing volume that is greater than most of its competitors in the corporate profiling market. This generates considerable competitive advantages in terms of purchasing, transport and warehousing. Apart from Sweden, New Wave has established purchasing offices in China since 1992, Bangladesh since 1999, Vietnam since 2003 and Turkey since 2004. We work on concentrating our production. The number of suppliers has decreased and today we have approx. 150 suppliers of textile and 100 suppliers of give-aways and gifts. New Wave has continuously increased its

NEW WAVE'S PURCHASING MARKETS 2004 (%)





gross profit margins and through lower purchase prices we continue being competitive. Apart from making sure that we get the best purchase price, New Wave has locally employed quality controllers who follow production and ensure that suppliers live up to New Wave's quality and environmental standards. It is important that quality flaws are discovered and corrected before products are shipped to Europe, so that we can deliver the best possible quality to our customers. Quality controllers also ensure that suppliers follow our "Code of Conduct".

Logistics

Most of New Wave's products are made in Asia. New Wave reaches large-scale advantages by organizing its transports to Europe using full containers. New Wave has built up an internal competence to ensure optimization of warehouses in the different countries. We continue to concentrate our buffer handling to only a few warehouses and thereby have less picking stock in each respective country. In this way we can keep capital tie-up to a minimum and at the same time have a high service level for our customers.

Product range

By offering customers products of various qualities and prices, as well as extensive collections through a number of differently positioned trademarks, New Wave aims to become an attractive supplier for distributors within the corporate profiling market. Distributors then have the possibility to market a wider selection to their customers. Within the retail trade, New Wave focuses on less fashion sensitive products, such as Craft's functional underwear and Seger's socks.

Service and turnover rate

The goal is a service rate of 98%, which means being able to deliver 98% of the products to the customer (retailer/distributor) within 24 hours. This is especially important within the corporate profiling market where distributors themselves do not have a warehouse and where the end-user often orders on short notice. Orders in these cases are for products that will be printed, embroidered or engraved before delivery. Within promowear it is also important to be able to deliver all sizes and colours. An example of this is a company that is about to have a kick off and orders promo jackets in the company's colours for its personnel. To manage the high service rate requires large stocks of basic products with a lower degree of fashion sensitivity to reduce risks. The stock's rate of turnover for 2004 was 1.5 times.

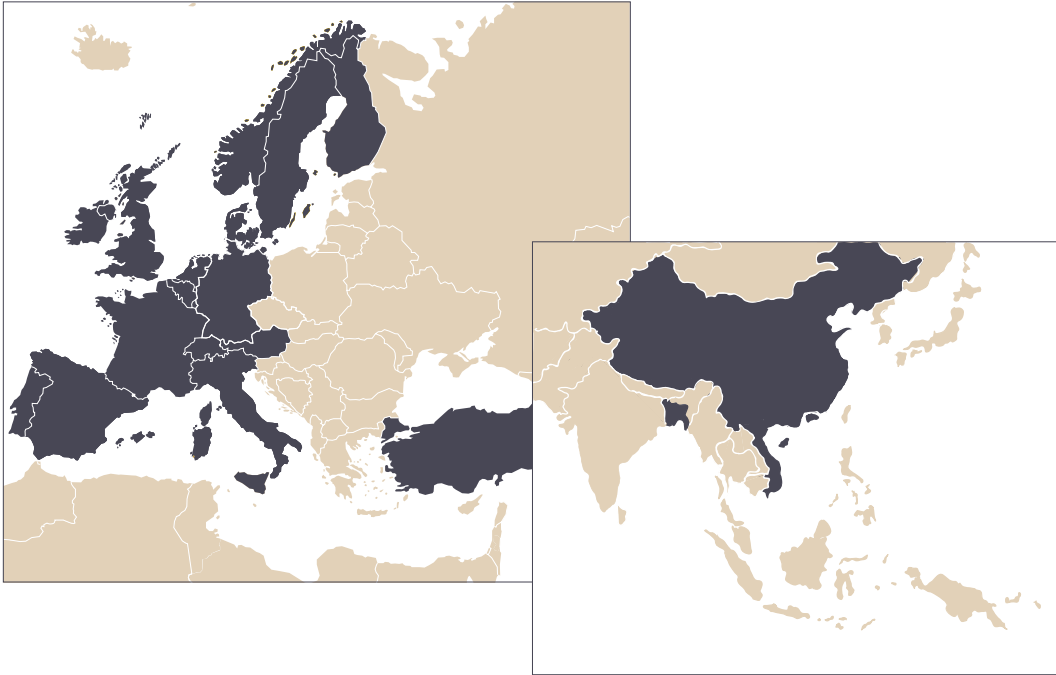
Distributor network

New Wave has managed to establish a strong distributor network within the corporate profiling business area with a wide geographic spread, by working with leading corporate profiling companies. Within the retail market we are established at all major chains in Sweden and in the rest of Europe we are established at several independent and private chains.

PERSONNEL

One of New Wave's major strengths is the commitment and motivation shown by Group employees. Since uniform values are of major importance in New Wave, the Group has established these values in concrete action plans. New Wave works actively to motivate and keep committed personnel. The Group's listing on the stock exchange, its rapid growth and international operations





have attracted major interest in joining New Wave, making it easier for the Group to employ competent staff. A career within a New Wave company, even internationally, is an important possibility for all employees, but spreading “the New Wave culture” within the Group is equally important.

In order to retain and motivate staff, New Wave regularly offers convertible/ share option schemes. Many employees are also shareholders in New Wave.

MENTORSHIP AND EXCHANGE OF EXPERIENCE

In an organization with strong growth there is a constant need for new leaders. These leaders are recruited internally as well as externally and so that they feel secure in their leadership role and develop, a mentor is assigned. Mentors are general managers and other key personnel with experience within the Group. They are people with whom the new leaders can turn to when they need advice or wish to discuss different experiences. Twice a year, all managers within the group come together, Thursday - Sunday, to exchange experiences and to coordinate future strategies in the short-term and long-term perspective for the Group and the two business areas.

NEW WAVE'S VALUES

New Wave is a decentralised group and its values work as a guideline. A great deal of work is put into conserving and spreading New Wave values within the Group and especially to acquired companies. New Wave

always tries to find inexpensive and simple solutions. The motto is “Money saved is money earned”. This demands hard work to succeed better than the competition. Both Torsten Jansson, President and CEO, and Håkan Tylén, Chairman of the Board (former Vice President of IKEA, President of Clas Ohlson and now member of the Board of several companies), are important role-models. It is important that employees working in a decentralized organization dare to take their own initiative and learn from their mistakes. In order for New Wave to succeed customers must be satisfied and that is why the entire operation revolves around them.

ACQUISITIONS

New Wave continuously receives offers regarding prospective acquisitions within the Group's area of operation. New Wave has considerable opportunities to make acquisitions at attractive prices as many companies are poorly financed and have a weak financial position. However, New Wave only acquires companies that show extensive synergies within their current operations. One example is the acquisition of Sagaform, in which they had the knowledge of purchase and design of gifts and we had the distribution to the corporate profiling market. Another example is the acquisition of Toppoint, in which they had the product groups (give-aways) that we lacked as well as many market shares in Benelux and in which market exchange has taken place after the acquisition. Important synergies originate in purchasing and logistics, an area in which New

Wave, thanks to our purchase offices in Asia and larger volumes, are able to improve the acquired companies' prices.

GROWTH 2005

A number of establishments were made during 2004, which are calculated to give growth during 2005. The following establishments are planned for 2005, which will result in an increased future growth:

- ProJob will be launched in Finland, Belgium and Denmark.
- Jobman will be launched in Norway, Italy and Netherlands.
- Dahetra will launch MacOne/Jingham in Denmark.
- New Wave/Clique will be kept in stock in France.
- A concept with several of the Group's trademarks will be launched in Wales.

FUTURE GROWTH

New Wave has regularly invested a part of its current earnings in new markets, which have led to a high growth rate over a long period. Today New Wave is established with its own sales organisation in 14 countries and has under existing trademarks made 91 establishments. By carrying out only New Wave's existing concept in those countries where we are already established with our own organisation, we have a further 107 establishments left to undertake. This is excluding those trademarks where no plans are current for spreading into other countries. See the graph below.



BRANDS PER COUNTRY																		
	Clique/New Wave	Clique Retail	Harvest/Printer	Mac One/Jingham	Grizzly/Cortover/Coal	DAD	Make Your Own Design	InsideOUT	Sagaform	Craft	Seger	Jobman	ProJob	Toppoint	Hurricane	Lord Nelson/Queen Anne	Pax/Sköna Marie	Remaining establishments
Sweden	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	0
Norway	●	●	●	●	●	●	●	●	●	●	○	○	○	○	○	○	○	4
Finland	●	●	●	●	●	●	●	●	○	○	○	○	○	○	○	○	○	7
Denmark	●	●	●	●	●	●	●	●	○	○	○	○	○	○	○	○	○	7
Germany	●	●	●	○	○	○	○	○	○	○	○	○	○	○	○	○	○	7
France	●	●	●	●	●	●	●	○	○	○	○	○	○	○	○	○	○	10
Italy	●	●	●	●	●	●	●	○	○	○	○	○	○	○	○	○	○	11
Belgium	●	●	●	●	●	●	●	○	○	○	○	○	○	○	○	○	○	8
Holland	●	●	●	●	●	●	●	○	○	○	○	○	○	○	○	○	○	8
Switzerland	●	●	●	●	●	●	●	○	○	○	○	○	○	○	○	○	○	12
Spain	●	●	●	●	●	●	●	○	○	○	○	○	○	○	○	○	○	9
Austria	●	●	●	●	●	●	●	○	○	○	○	○	○	○	○	○	○	13
Great Britain	●	●	●	●	●	●	●	○	○	○	○	○	○	○	○	○	○	11
China	●	●	●	●	●	●	●	○	○	○	○	○	○	○	○	○	○	-

● Established market ○ New established market ● Market where no establishment is expected

Corporate governance

Below we give an account of how the Group is governed, step by step, from the shareholders to the business operations.

SHAREHOLDERS

At the annual general meeting the shareholders exercise their voting rights in regards to the board of directors and other central questions. This is in accordance with New Wave's articles of association and Swedish legislation.

NOMINATIONS COMMITTEE

A nominations committee has been established and consists of a chairman of the board (convenor), together with a representative from each of the two largest shareholders. Details regarding the members of the committee are published in the interim statement. Work in the nominations committee is preceded by a surveyed evaluation of the directors' work and present members. The composition of the nominations committee, before the election of directors, at the annual general meeting, which takes place the 12th May 2005, is as follows:

- Håkan Thylén, Chairman of the board and convenor.
- Torsten Jansson, President and largest shareholder.
- Britt Reigo, representative for Robur, which is the next largest shareholder.

A proposal will be made to the shareholder's meeting 2005 that an election of members to the nominations committee shall take place at the 2006 meeting.

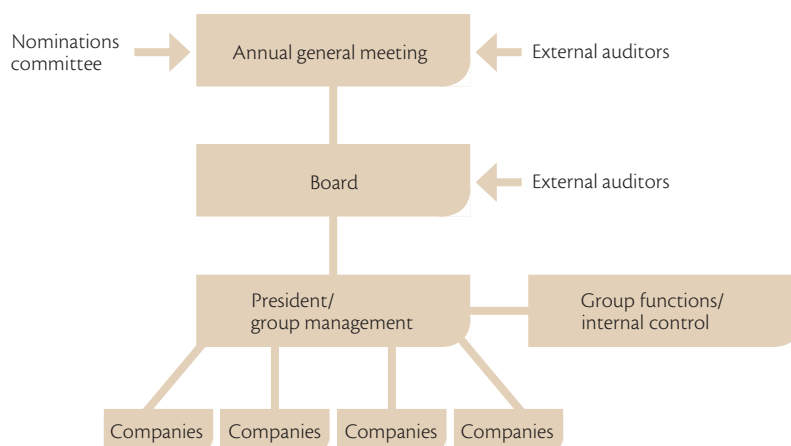
THE BOARD AND ITS WORK

New Wave's board consists of four members appointed at the annual general meeting. All the members are independent with the exception of the president in relation to the company and its largest owners. The board's working methods are stipulated in procedures that regulate the allocation of responsibility between the board and the president, the president's authority, a meeting plan as well as reporting. The board meetings deal with the budget, interim reports, annual financial statements, state of business, investments and establishments. Furthermore the board deals with paramount questions regarding long-term business strategies as well as structural and organisational questions. As the board consists solely of Swedish members the meetings and documentation are in Swedish. The board met on 8 occasions during 2004.

REMUNERATIONS COMMITTEE

There is no special remunerations committee appointed to deal with salary levels, pension benefits, incentive questions and other employment conditions, for the president or other leading employees, but instead are dealt with by the board as a whole.





AUDIT

The board has considered the question regarding the establishment of a special audit committee but decided that the board as a whole shall deal with control matters. After the auditors' examination in September, the auditors complete a report to the board about individual companies and the Group as a whole. The auditors also personally report their observations from the audit, their appraisal of the companies' internal control and the application of accounting principles, at one of the autumn board meetings.

INTERNAL CONTROL

The group regularly performs reviews of the companies' routines and accounting, which is then reported to group management. No managing director may himself appoint a financial manager and financial managers report directly to the group's CFO.

GROUP FUNCTIONS

The group board appoints the president of the parent company, who is also the chief executive officer. The CEO is responsible for the ongoing supervision of the group and the group management report directly to him. Besides the CEO, the group management consists of six people: vice president, purchasing manager, chief financial officer, controller, president of the corporate profiling business area and the head of business development and establishments in mid and south Europe. The group management is responsible for formulating the group's overall strategy, business control, policies, the group's financing, capital structure and risk handling. They also deal with matters concerning company acquisitions and the group's comprehensive projects.

The groups other jointly responsible areas are compiling financial information for the stock market, IT related matters, environmental and social matters, purchasing, logistics and financing.

BUSINESS AREAS

New Wave is divided in two business areas, Corporate Profiling and Retail. Most group companies are marketing in both areas. There is no coordinating group operation within each business area, instead they are handled jointly. Many products are common for both business areas, but they have different customer categories and therefore have different sales forces.

CONCEPT GROUPS

New Wave is divided into a number of concepts and within each respective business area there are a number of concept groups. A concept group is responsible for the strategic direction, product development and market strategies for one or several trade marks.

THE COMPANIES

New Wave's organisation is decentralised and a large measure of independence and decision making is left to each respective company's management. The aim is that the companies are driven by a spirit of enterprise and at the same time have the advantage of belonging to a large group of companies. Therefore the group consists of a large number of operational companies, about 50, whereof several belong to sub-groups. Board meetings are held about three times a year in each respective company alternatively each sub-group. The board's composition depends on the company's direction and development phase. Besides group management, even the competence of presidents of the more mature companies are utilised in local subsidiaries' boards.

The organisational model that New Wave has chosen, facilitates an effective benchmarking with regard to both profitability, capital tie-up and growth, between companies, trade marks and markets. New Wave has also set up internal goal ratios for companies.



The corporate profiling business area

New Wave acts as a wholesaler. This means that the company sells to thousands of distributors, who in their turn sell to customers throughout Europe and Asia. New Wave is established via its own subsidiaries in 14 countries. The Corporate Profiling business area includes design, purchasing, logistics and marketing to New Wave's distributors. The Corporate Profiling business area 2004 stood for 69% of the group's sales and 72% of profit after financial items.

THE MARKET

The total corporate profiling market, which consists of promowear, gifts/give-aways and light workwear, is estimated at more than SEK 100,000 million to distributors and of which the three segments have equally large parts in those countries given in the table below.

The corporate profiling market is fragmented and consists of a few large companies and many smaller ones. The Swedish market is estimated to be the largest in Europe in proportion to its population, while the market in southern Europe is less developed. The market is growing throughout Europe and New Wave estimates that this growth will continue in middle and south Europe. Bad debts are low due to the fact that customers buy for orders already received from the end consumer. The market situation in the north forces continued improvements for market concepts to distributors, which is a competitive advantage for New Wave in the rest of Europe. A corporate profiling concept can consist of prepared collections, brochures, campaigns, IT solutions etc. These concepts do not occur

in other markets in Europe and the collections that are marketed are smaller and have a less developed design.

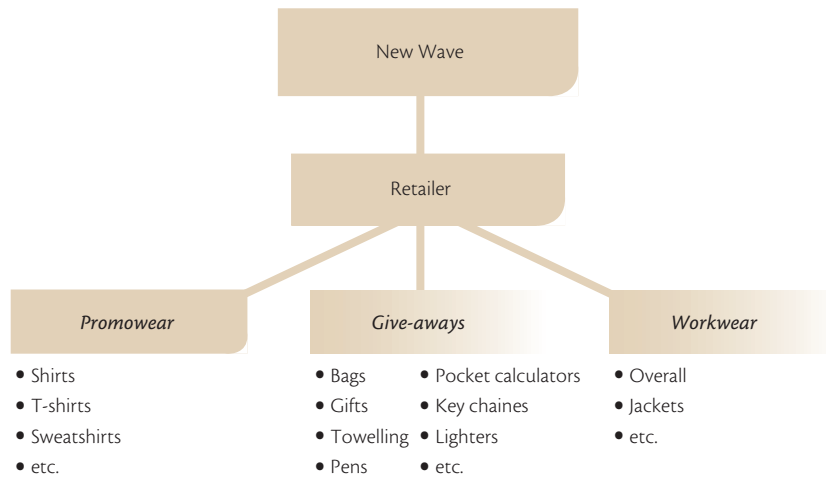
THE THREE PRODUCT SEGMENTS

New Wave's customers within the corporate profiling business area, sell promowear and/or give-aways and/or workwear. New Wave started selling promowear in 1990 and considers itself to be a comprehensive supplier within this segment. Sagaform was acquired in 2001 and was the first step into gifts/give-aways. This acquisition proved to be a successful investment with major market synergies between product groups. Since this our product range has widened both by way of our own development and the acquisition of DJ Frantextil and Toppoint. New Wave now has a good coverage within this segment.

New Wave has for many years strived to enter workwear, which is the third product segment within corporate profiling, to become a comprehensive supplier. In Europe it is the northern participants, Jobman, Blåkläder, Fristads, Venås, Kansas and Snickers that have the best reputation within workwear and are well managed companies with high profitability. To enter this segment, New Wave in 2003 developed its own workwear concept through the trademark ProJob. A full collection was created in the course of 1.5 years within building and construction, transport and service, high visibility garments, functional clothing and accessories. ProJob was launched in Sweden during autumn 2004 and will even be launched in Finland, Belgium and Denmark during 2005.

THE PROFILING AND GIVE-AWAY MARKET'S SALES

COUNTRY	Total market SEK m.	New Waves profiling sales SEK m. 2004	New Waves market share
Sweden	2 600	523	20.1%
Benelux	7 831	250	3.2%
Germany/Austria	25 784	143	0.6%
Norway	1 631	122	7.5%
Finland	1 491	137	9.2%
Italy	14 965	125	0.8%
Spain/Portugal	12 105	73	0.6%
Denmark	1 733	42	2.4%
France	16 543	54	0.3%
England	17 737	47	0.3%
Switzerland	2 597	46	1.8%
Other		19	N/A
Totalt	105 017	1 581	1.5%



Jobman Workwear AB in Sweden and Jobman Workwear Ltd in Hong Kong were acquired in spring 2004. Through these acquisitions New Wave gains a much wider range of workwear and now has two trademarks which complement each other well. The acquisitions also mean a major strengthening of purchasing and product development of workwear. Jobman already has a large market share in Sweden and New Wave gained a strong trademark and collection to launch throughout Europe. As Jobman is concentrated to Sweden, it gives New Wave Group great potential for launches in other countries through its subsidiaries. Jobman will be launched in Holland, Italy, Germany and Norway during 2005.

TRADEMARKS

New Wave is active in the corporate profiling market with different trademarks and a number of price and quality levels, in order to cover the majority of segments. New Wave has the following concepts:

PROMOWEAR

New Wave/Clique

Sold via subsidiaries in 14 countries in Europe and Asia. Clique focuses on the middle price-range and New Wave on the upper price-range.

Harvest/Printer

Is distributed in 19 countries in Europe where James Harvest Sportswear is aimed at the middle to upper price-range and Printer Active Wear in the lower price-range.

Grizzly/Cottover/Goal

The development of Grizzly, promowear with a more sporty focus, Cottover within towelling, and Goal in the low-price segment, will mainly take place with an increased distribution in Europe.

Mac One/Jingham

Are mainly distributed in the Swedish market. The goal for this concept is to be established in all markets, either via local distributors or New Wave Group subsidiaries.

D.A.D Sportswear

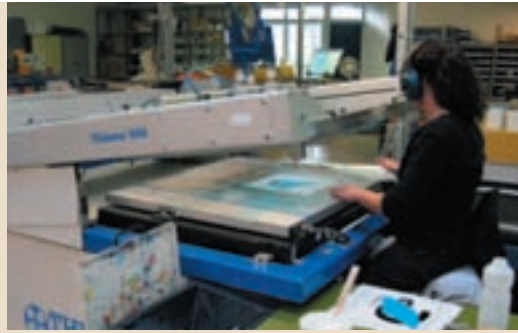
Is distributed in the Nordic countries and Germany. Is aimed at the middle to upper price-range.

Airak

A low-price concept of basic articles which are today, mainly sold in the British market.



Mario Bianco, Managing Director of New Wave Italia S.R.L. in Italy since 1994. In Italy the Clique, New Wave and Craft brands are sold. Jobman, Projob and INsideOUT will be launched during 2005.



The new subsidiary Dahetra is one of the leading actors in Northern Europe within textile, print transfer and embroidery. New Wave is now even one step closer to become a complete supplier through offering both products and marking.

Hurricane

A low-price concept sold in Denmark, Sweden and Norway by Dahetra which was acquired on the 1 January 2005.

GIVE-AWAYS

Sagaform

Sagaform's products within glass, china, interior and designed kitchen utensils have superior quality and own design and are distributed via the company's own offices in the Nordic countries, England and Germany as well as via agents in 17 other countries.

InsideOut

Distributes give-aways and towelling to the corporate profiling market in the mid price-rang.

Toppoint

Toppoint's operation concentrates on sales and production of corporate profiling and give-away products, mainly pens, key-rings and mugs/glasses. Lensen has a leading position in Benelux and a strong market position in Germany.

WORKWEAR

Projob

In autumn 2004, New Wave launched ProJob in Sweden.

Projob has its own workwear concept in the higher-price segment

Jobman Workwear

Acquired during 2004 and is among the leading workwear suppliers in Sweden.

DISTRIBUTORS

Most of New Wave's distributors are specialists in promowear, workwear and give-aways. The market is fragmented and retailers are often small companies. The total number of active distributors in the Swedish market is approximately 2 500 and in European, tens of thousands.

MARGINS

Margins vary greatly depending on the product, if delivery to the customer is from stock or directly from the factory, and also which quality the trademark has. The gross profit margin varies from between 20 and 60 %.

CAPITAL TIE-UP AND RISK

In the Corporate Profiling market the ability to deliver is crucial and a comprehensive stock of basic products is therefore necessary. The Group's goal is to deliver 98% of products within 24 hours. Due to the character



Magnus Penker, Managing Director of Texet since 2003. Texet contains of the two concepts Harvest/Printer and Mac One/Jingham. The Harvest/Printer concept is sold in many parts of Europe by each country's local Texet company.



Robert Wu, Director for New Wave Asia since 2001. At the local market in China promowear and give-aways are sold to the business market and Craft is sold to the sportswear area. New Wave also has a trading operation and has started a smaller sewing factory.

of the range, that is to say that continuity of the collections is desirable, as then the risk for obsolescence is low. Adjustments for changes in purchasing prices are made continuously and therefore currency risks are minimized. Bad debt losses are relatively low as sales are made to selected retailers. During 2004 bad debt losses amounted to SEK 2.5 million, while total sales amounted to SEK 1,581 million.

NEW WAVE RESEARCH AND DEVELOPMENT

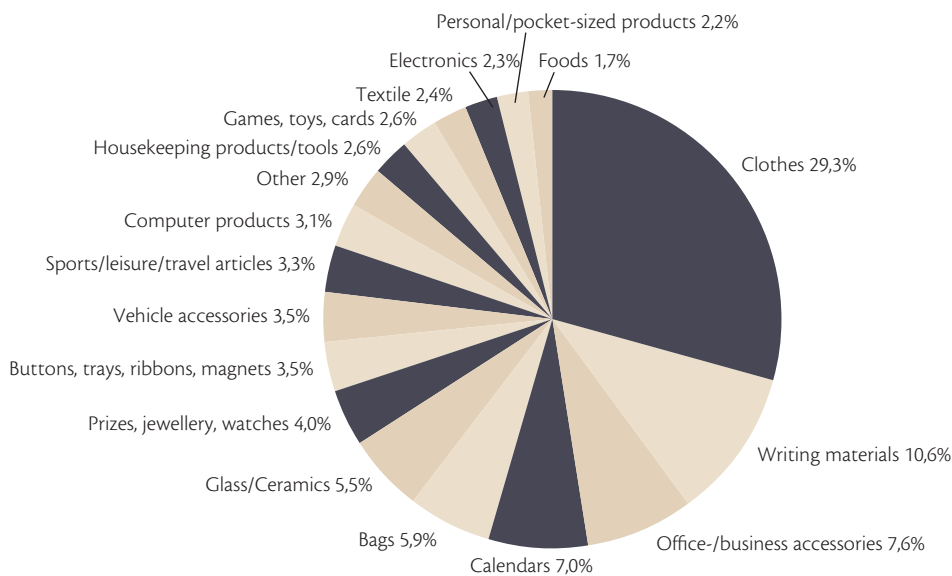
Corporate profiling and give-aways are a market media which competes with, among others, advertising on TV and in newspapers. New Wave Research and Development follows the trends and ensures that the group leads development in regards to the corporate profiling market. New Wave Research and Development has written two books on the following subjects: *Profile management through promotional and corporate clothing* and *Promotional products - strategies and effects*. They also analyse markets that New Wave is active in, as well as, new markets prior to prospective establish-

ments and acquisitions. The group has in this way a major awareness about respective markets and can therefore utilise the potential and avoid unnecessary risks. Their responsibilities include world surveillance, strategy and concept development.

COMPETITION

Besides New Wave, there are a several different operators in the corporate profiling market and these are fragmented and consists of a few large companies and many smaller ones. There is no listed competitor with a refined division within corporate profiling, which makes it difficult to obtain comparable figures. There are often different operators within promowear, give-aways and workwear. In Europe, there are several local competitors in each respective market. The global operators are Polyconcept group who are big within the give-aways and promowear sectors, with trademarks such as Clipper and US Basic and whose domestic market includes France and Benelux. Polyconcept is the company that most resembles New Wave, has its

PERCENT OF SALES WITHIN EACH PRODUCT AREA RESPECTIVELY



main markets in Europe and covers by and large the same product groups with the exception of workwear. Polyconcept is privately owned. Other major operators within promowear are Guildan Activewear Inc and Fruit of the Loom whose domestic market is north America, Jerzee which is a part of Russell Corporation and whose domestic market is USA, and Sara Lee Corporation with Stedman & Hanes. Within give-aways, the large global competitors are KCF which is part of Mid-Ocean Brands whose home domestic market is Holland, and BIC with pens. Within workwear, competitors are mainly Nordic suppliers, such as Snickers, Blåkläder and Kansas Venås who also own the trademark Fristads. Other competitors consist of a number of small importers, of which several operate within the lower price-range of the market.

SUCCESS FACTORS

New Wave has grown from a small company operating in Sweden and Norway to the market leader in Sweden, Norway and Finland. New Wave has reached its current position by offering good service and secure deliveries, a wide product range of good promotion products, complete concept solutions including marketing, E-commerce etc as well as a strong focus on the customers throughout the organization. The flywheel is spinning faster and faster as the concept is established in country after country all over Europe. An important success factor is to continuously "plant seeds" in the form of market investments that will bear fruit within a few years. An example of this is New Wave's establishment in China during 2003. Investments of this kind are made to guarantee future growth.

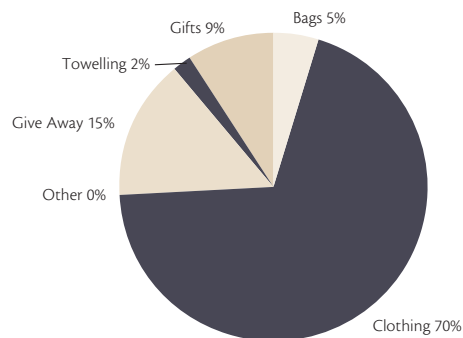
GROWTH THROUGH BROADENING OF THE PRODUCT RANGE

Distributors i.e. New Wave's customers within the corporate profiling market, specialise in promowear, give-aways and workwear. In the beginning, New Wave was only established within promowear, but since the acquisition of Sagaform in 2001 (and thereafter DJ Frantextil and Toppoint in 2002) give-aways are also supplied. After investing in workwear during 2004 through the acquisition of Jobman and also our own development, ProJob, New Wave is now a comprehensive supplier and the only supplier who covers the customers' requirements in all three segments. Through the groups international distribution network, via thousands of retailers in 14 countries, the Group reaches major synergies on the market side by adding more product groups.

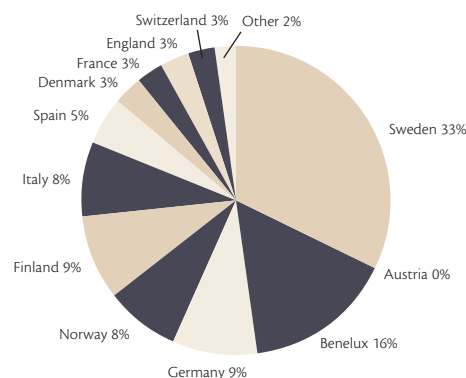
THE FUTURE

New Wave's goal is to become Europe's leading corporate profiling company first and then to grow further in Asia and the USA. New Wave's management estimates that growth in the European market will continue. Fur-

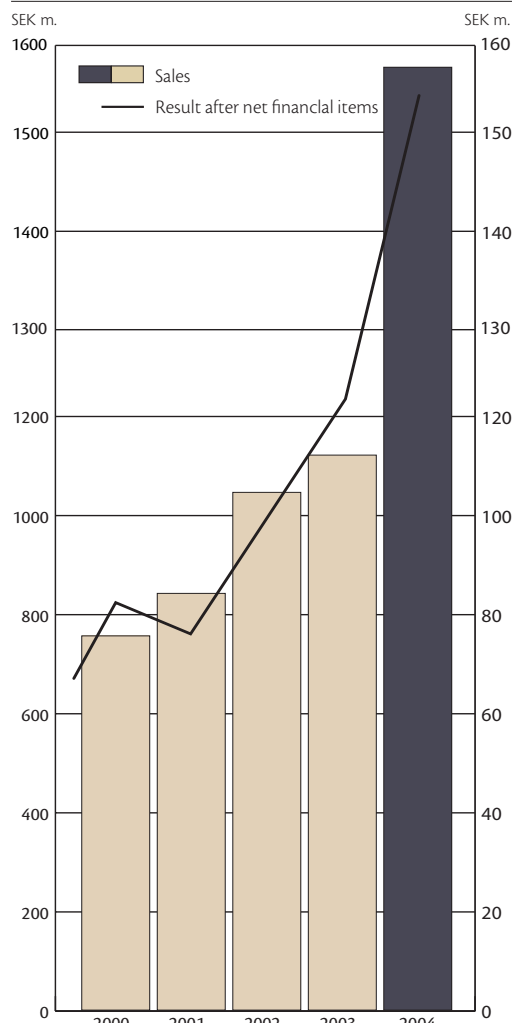
ANNUAL SALES PER PRODUCT AREA



SALES BY GEOGRAPHICAL MARKET 2004



SALES AND PROFIT 2000-2004 (SEK M.)





Stefan Bodin, Managing Director of New Wave Sportswear SA since 2002. In Spain the brands *Clique*, *New Wave*, *James Harvest Sportswear* and *Printer Active Wear* are sold. By the end of 2004 the company launched the brands *Craft* and *INsideOUT*.

Furthermore, acquisitions or new establishments within the corporate profiling area could be made in give-aways. The goal is to let corporate profiling account for the greater part of the Group's sales even in the future. New Wave is one of the leading corporate profiling companies when it comes to development of products, service and concepts for distributors. To secure this development, New Wave has started Group Research & Development. Their responsibilities include competence development, world surveillance, strategy and concept development.

WHY IS CORPORATE PROFILING SO IMPORTANT?

The competition becomes increasingly tougher when society changes due to globalization, faster service and product development, as well as a larger number of similar offers. There is an imminent risk for consumers to drown in the surge when they are continually exposed to more and more commercial messages. It has therefore become all the more important for companies to differentiate themselves and create a distinct profile. The corporate profile should promote and strengthen a company's trademark, develop good cus-

tommer relationships, and motivate and encourage their own personnel.

THE ROLE OF PROMOWEAR

A company has to reach out to their customers using all means available. Dressing right is an important part. There are great possibilities for companies to strengthen their profiles by using the right promowear. Today they are an obvious part of market communication for many companies and organizations.

Clothes strengthen advertising, Sales Promotion, Public Relations and personal sales by displaying a trademark and conveying a message when it is most important: in that personal contact with the rest of the world. Employees have great potential as they are ambassadors for the company. They have the chance to make a good impression when they meet customers and suppliers. Put a logotype on employees' shirts and they are converted into living business cards, selling without actually selling and spreading familiarity of the company, just by being seen. Well-dressed employees are often looked upon as being professional and are therefore associated with high quality. In addition promowear is an excellent way of creating solidarity and team spirit, as well as way



New Wave Research and Development is responsible for New Wave's competence development, observing the world around us as well as creating strategy and concepts. Örjan Sjöling and Tomas Jansson are two of the men behind the best-selling books *Profilkläder som konkurrensmedel/Profile management through promotional and corporate clothing (on promowear)* and *Strategisk presentreklam (on give-aways)*.

to show appreciation. Promowear is in other words a small investment with many merits.

THE ROLE OF GIVE-AWAYS

Give-aways fill many functions and the range of products is extensive. Give-aways can be used as straight forward advertising, as personal gifts, or for the profiling of a company. In an advertising context, usable products such as pens, mugs and key-rings are common, as a trademark is exposed more on such products. Give-aways are used to strengthen a company's communication and the products are also used as so-called premiums. When it comes to more personal gifts, the receiver's needs and interests affect the choice of product. Give-aways are also used for corporate profiling, to complement the image of an office or workplace e.g. with ornaments and office supplies. Give-aways are a medium that, as opposed to many other advertising medium, the receiver is grateful for. Handing out gifts is a way of expressing and confirming relationships with customers, employees, suppliers etc.

THE ROLE OF WORKWEAR

Workwear is everything from protective clothing for nuclear power station employees, firemen etc to carpenter overalls or T-shirts for personnel who assemble Scania trucks. This means that the border between promowear and workwear is floating. Apart from protecting the employee in the workplace, workwear gives well-dressed employees who appear professional and are associated with good quality. Workwear also enhances solidarity and team spirit.



Leif Jondring, Managing Director of Jobman Workwear since 1998. Jobman has a strong range of workwear. During 2005 the brand was launched in Holland, Italy, Germany and Norway.





The retailing business area

The Retail business area consists of sales of products under the Group's own trademarks and other trademarks, in accordance with agreements, which are distributed by New Wave to the retail trade, consisting mainly of gifts, shoes and sportswear. New Wave also delivers larger volumes of basic and campaign articles. In 2004, the Retail business area stood for 31% of the Group's sales. The Retail business area also stood for approximately 28% of New Wave's profit after net financial items. New Wave took steps to increase the profitability in this area, which has been positively reflected in the result over the last few years. Craft is established in all major chains on the domestic market and now sells in 21 countries. Craft continues to intensify its international expansion.

SPONSORSHIPS

An important part of New Wave's growth strategy is to develop our trademarks through sponsorships, mainly within functionality, where professional athletes are a part and who help in development. Craft delivers all training and competition clothing to the Swedish national skiing team and is also the main sponsor of Vasaloppet, which is a major skiing event in Sweden, and the World Championships in Obersdorf. Even Seger sponsors Swedish skiers. The national alpine ski team competes and trains in caps and other knitted prod-

ucts from Seger. Craft has also, in cooperation with the Swedish Orienteering Association, presented the next generation of orienteering clothes. Seger United, with its licensed trademark Umbro, will together with Craft deliver all sportswear and underwear to all Swedish national football teams and the Swedish Football Association during the years 2003–2008.

Craft sponsors the world leading bike team CSC and Trexet sponsors the Finnish Olympic team with clothing from Clique. We also have local sponsorship projects in each respective country/market.

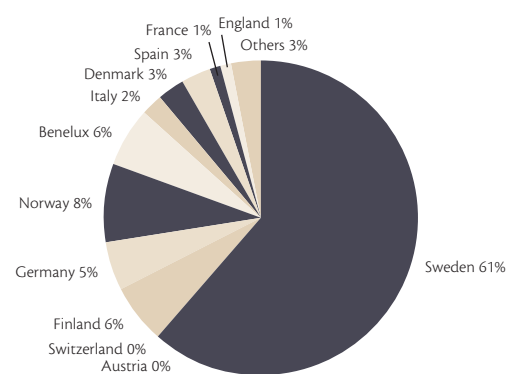
THE MARKET

The weaker economic development during the 1990's has brought about a more competitive situation within the Retailing business area as a whole, and even in the sportswear area. This has contributed to chains becoming larger and a decrease in the number of independent stores. The shoe retail trade's market and distribution have another character than the sportswear retail trade. The shoe retail trade is a considerably more fragmented business. Chains of dominating retailers, such as Din Sko, Wedins and COOP Sverige AB, are still present.

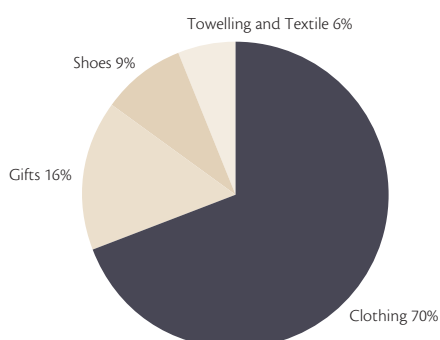
TRADEMARKS

The Retailing business area sells the trademarks Craft, Clique and Seger as well as the licensed trademarks

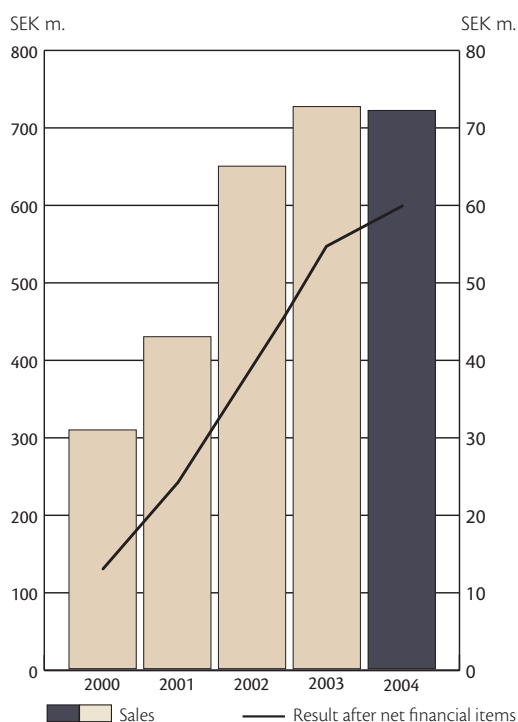
SALES BY GEOGRAPHICAL MARKET 2004



ANNUAL SALES PER PRODUCT AREA



SALES AND PROFIT 2000-2004 (SEK M.)



Umbro, Nordica, Rollerblade, Exel and Christian to sportswear retail outlets. Baz is sold to the everyday commodity outlets and the trademarks Pax and Marie. DC are sold to shoe retail outlets. Sagaform is sold within the gifts and household utensils area.

SPORTSWEAR

Craft

Since the acquisition of Craft in 1996, the company has gone through a major change, which has meant that Craft has returned to its core operation within functional underwear – an area which was successful during the 1980s. Craft now focuses on functional wear within three areas - skiing, biking and running. Products are developed with the help of professional athletes. Expansion has taken place, not only in new markets, but by increasing the number of products within the sports mentioned above. Craft is sold via subsidiaries and distributors in 21 countries in Europe, Asia and the USA.

Seger

Is a leading trademark in sport socks and knitted hats with its own production in Sweden. Seger's main markets are in the Nordic countries but Seger distributes even to other European countries.

Clique

Is not only our great trademark within the corporate profiling business area, but also a market leader in basic garments, mainly T-shirts and sweatshirts, to sport outlets in Sweden and Finland.

Umbro, Nordica, Rollerblade, Excel and Christian

Trademarks sold under licence in Sweden. All Swedish national football teams play in Umbro clothing during the years 2003–2008.

GIFTS AND HOUSEHOLD UTENSILS

Sagaform

Sagaform is leading within glass, china and household utensils where the majority is of our own design. The trademark is registered in most countries in the world and sold in 19 countries.

TOWELLING AND DOMESTIC TEXTILE

Queen Anne

Queen Anne is a well-known trademark within bed-linen and towelling, with sales in Sweden.

Lord Nelson

Lord Nelson is a high quality trademark with a luxurious range within bed and bath products. The trademark is sold in Sweden and Finland.

SHOES

Pax

Pax is a leading trademark within children's shoes and is sold in Sweden, Finland, Estonia, Norway and Greenland. Even a range of children's clothing will be launched under the same trademark during autumn 2005.

Marie.DC

Marie.DC is one of Sweden's most well-known trademarks within ladies' shoes. It is sold in Sweden, Finland and Estonia.

CUSTOMERS

The Group's customers within sports and shoes are mainly independent and private chains. The largest chains are Intersport, Team Sportia, Stadium, Sportringen and Fliesbergs sport och fritid. Within the shoes trade, the largest customers are Wedins, Din Sko and Coop Sverige. Chains, such as Duka and Cervera among others, are dominating the gifts and household utensils area.

MARGINS

Margins depend on the product, if delivery is from the warehouse or the factory, as well as under which trademark the product is sold. The gross margin varies between 15 and over 55%, excluding costs which arise during clearance sales. Products with the lowest margins consist almost solely of goods sold under so called "private labels", while products with the highest margins are sold under the strongest trademarks.



Jonas Georgsson, Managing Director of Seger United AB since 2001. Seger United, with its licensed trademark Umbro will, together with Craft, deliver all sports- and underwear for all Swedish national football teams and the Swedish Football Association during 2003–2008.



Magnus Andersson, Managing Director of Sagaform since 2004. Sagaform is leading within glass, china, interior and household utensils where the design is mostly their own. The brand is registered in most countries in the world and today sold in 19 countries.

CAPITAL TIE-UP AND RISK

New Wave goal is to keep the number of fashion articles in stock as low as possible as their lifespan is short. The Retailing business area focuses on less fashionable articles such as Craft's functional underwear and Seger's socks. Approximately 50% of the purchasing costs are secured every season in order to limit currency risks. Bad debt losses are relatively low as sales are made to selected retailers. During 2004 bad debt losses amounted to SEK 1.4 million, while total sales amounted to SEK 721 million.

COMPETITION

New Wave's competition consists of all other trademarks that are marketed via the retailing trade. Among these is a large component of so called house brands, that is to say trademarks that retail chains have developed themselves. New Wave believes that competition between the different trademarks and the retail chains' house brands will increase, while the importance of smaller trademarks will decrease. Several of Craft's competitors in the cycling segment are Dählie, Helly, Hansen and Swix, in the running segment are New Line and Nike, and in the cycling segment are Castelli and Gore Bikewear. Clique retail's main competitors are Fruit of the Loom, Hains and the different chains own house brands. Several of Pax's competitors in children shoes are Kavat, Ecco Viking, Timberland and the different chains own private brands, and several of Marie DC's competitors in womens shoes are Rohde, Gabor, Reiker and Ecco. Seger Europés competitors, besides the chains own brands, in socks are Bola, Bridger Dale, Nike, Asics and in knitted hats Bula, Peak Performance, Helly Hansen and Sättila Mössan. Umbros competitors in Sweden are Nike, Puma and Adidas. Market shares within their respective segments and market are difficult to estimate as there are no official statistics.

THE FUTURE

New Wave will continue to strengthen its trademarks in the retail market. In the main markets profiling will increase by continually up-dating design and market-

ing. The Group's international business will continue to broaden. New Wave will, with a years lag, establish the Retail business area in those countries where the group has already established corporate profiling, through distributors or subsidiaries. New Wave will continue development of the business areas - marketing, design and functionality. The Group's long-term goal is that the Retailing business area should also reach an operating margin of 15%.



Jens Petersson, Managing Director of Craft of Scandinavia since 1999. Craft concentrates on functional clothing within cycling, skiing and running and provides the Swedish national team in those areas with sportswear. During 2004 the organisation was equipped for a continuously international expansion. The goal is a SEK 1 billion turnover in 2009.



Environment and ethics

The environment and ethics have always been important issues for New Wave and the company closely monitors the way in which suppliers treat their employees and their management of environmental issues.

DEMANDS ON THE SUPPLIERS – CODE OF CONDUCT

New Wave considers it of major importance for their customers and suppliers, to show respect for different countries' legal standards as well as international organizations' view on basic rights. New Wave must be responsible for its operations in Europe as well as the rest of the world. We make our ethical and moral views clear at all times, as we are fully convinced that this guarantees our long-term development and good business. Our Code of Conduct is applied on all factories involved in the production of New Wave's products. At the same time as we are aware of the different legal and cultural conditions for factories around the world, the Code of Conduct states the basic standards that all factories have to live up to if they wish to do business with New Wave. Code of Conduct is an agreement that New Wave's suppliers have to enter into and follow, and which states that the suppliers have to work in accordance with the law and allow New Wave full access to their factories and data, to ensure that the supplier observes the rules. Furthermore the Code of Conduct contains points such as anti-discrimination, prohibition of child labour, wages and working hours, working conditions and freedom to join unions. To make it possible to follow-up that suppliers adhere to the agreement, New Wave Group AB has increased its presence with additional staff who continually visit the factories.

THE ENVIRONMENT

Production and transports have great impact on the environment. Apart from Seger's factory in Sweden and Toppoint's factory in Holland, New Wave now owns a sewing factory in China which is aiming at being certified in accordance with ISO 9001 and SA 8000 during 2005. Besides these factories New Wave has no other production of its own. New Wave works closely with its suppliers regarding environmental considerations and with respect to the abovementioned Code of Conduct which demands that suppliers follow the chemical restrictions that are stated in Swedens textile importers' chemical guide. Our suppliers must also ensure that their suppliers strive to decrease the use of virgin raw materials, the discharge of "unnatural" materials, waste, air pollution, energy consumption and the consumption of fresh water. Apart from Sweden, New Wave has established purchasing offices in China, Bangladesh and Vietnam. At these offices are employees who follow production and ensure that suppliers live up to New

Wave's quality and environmental demands. New Wave also sends random samples from production to independent test institutions e.g. IFP Research and SGS, who test the products for any forbidden materials. In the beginning of 2005, New Wave also invested in its own laboratories in China and Bangladesh so that further controls and tests can be undertaken. New Wave works continuously towards environmental improvements in its ordinary production. The Group has previously phased out most chlorine bleaching in favour of bleaching with the help of hydrogen peroxide. New Wave invests considerable resources in ensuring that certain carcinogenic AZO dyes are not used. Suppliers have also been encouraged to use mechanical shrinking instead of chemical shape stabilization, in order to avoid formaldehyde residue that may induce allergies. New Wave transports goods in collective shipments as much as possible from the Far East, for different companies within the group. New Wave uses air transport only marginally and only if absolutely necessary.

WORKING CONDITIONS

For New Wave the working environment and the way in which employees are treated at suppliers' plants are most definitely included in the term environment. New Wave's personnel perform continuous checks to ensure, for example, that no products are made by child labour. New Wave's suppliers have signed an agreement giving a guarantee that no children are employed in the production process, in accordance with the United Nations' Convention on Rights of the Child 1. Purchasing officers and the group's purchase department make active efforts to ensure satisfactory working conditions in the factories with which New Wave conducts business. In several cases the Group has donated various kinds of protective equipment to factories in developing countries. Although New Wave makes extensive checks, it is difficult to guarantee that no child labour is used and that working conditions are always satisfactory. During unannounced visits to the supplier, New Wave sometimes uses physicians to ascertain ages and ensure that no children are working in production.

ETHICS

New Wave also wants to play an active role in building a better society for those working in the production plants where the Group's collections are produced. An example of this is the New Wave School, an educational program for more than 250 children in Jue Xi in southern China. During 2004 New Wave also donated 38,000 T-shirts in aid.

1 United Nations Convention on the Rights of the Child, article 32:1: "States Parties recognize the right of the child to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or psychical, mental, spiritual, moral or social development."

New Wave's share

The share capital in New Wave amounts to SEK 189.284.004, distributed among a total of 31.574.334 shares, each with a face value of SEK 6.00. The shares carry identical rights to the Company's assets and profits. Each Series A share is entitled to ten votes, and each Series B share is entitled to one vote. New Wave's Series B shares are listed on the Stockholm Stock Exchange since December 11th, 1997, now on the O list. A trading lot amounts to 100 shares.

WARRANTS

New Wave has 614 760 outstanding subscription options at a buying price of SEK 51.90, which expires in June 2005, and 922 140 outstanding warrants at a buying price of SEK 58.60, which expires in June 2006. Full use of the warrants will lead to a dilution of the total number of shares of approximately 4.9 %.

DIVIDEND

The Board's aim is that the dividend will account for at least 30 % of the Group's result after taxes, over a trade cycle.

SHAREHOLDERS

New Wave had 6 791 (4 009) shareholders as at December 31st, 2004. Institutional investors accounted for 34 % of the capital and 8.2 % of the votes. The ten largest shareholders at the same time held 64 % of the capital and 86 % of the votes. Non-Swedish shareholders accounted for 7.5 % of the capital and 2.5 % of the votes.

NEW WAVE'S TEN MAJOR SHAREHOLDERS AS AT 31 DECEMBER 2004

HOLDER	NUMBER OF SHARES	NUMBER OF VOTES	CAPITAL %	VOTES %
Torsten Jansson	11 053 646	104 250 206	35.0%	79.5%
Robur	3 030 913	3 030 913	9.6%	2.3%
AMF Pension	1 274 400	1 274 400	4.0%	1.0%
F Lux-Non-Resident/domestic rates	649 472	649 472	2.1%	0.5%
SEBs fonder	892 636	892 636	2.8%	0.7%
Livförsäkrings AB Skandia	761 856	761 856	2.4%	0.6%
Domani AB	451 980	451 980	1.4%	0.3%
Tredje AP Fonden	985 700	985 700	3.1%	0.8%
Lannebo Småbolag	450 360	450 360	1.4%	0.3%
Förbundsfonten	515 348	515 348	1.6%	0.4%
Total	20 066 311	113 262 871	63.6%	86.3%

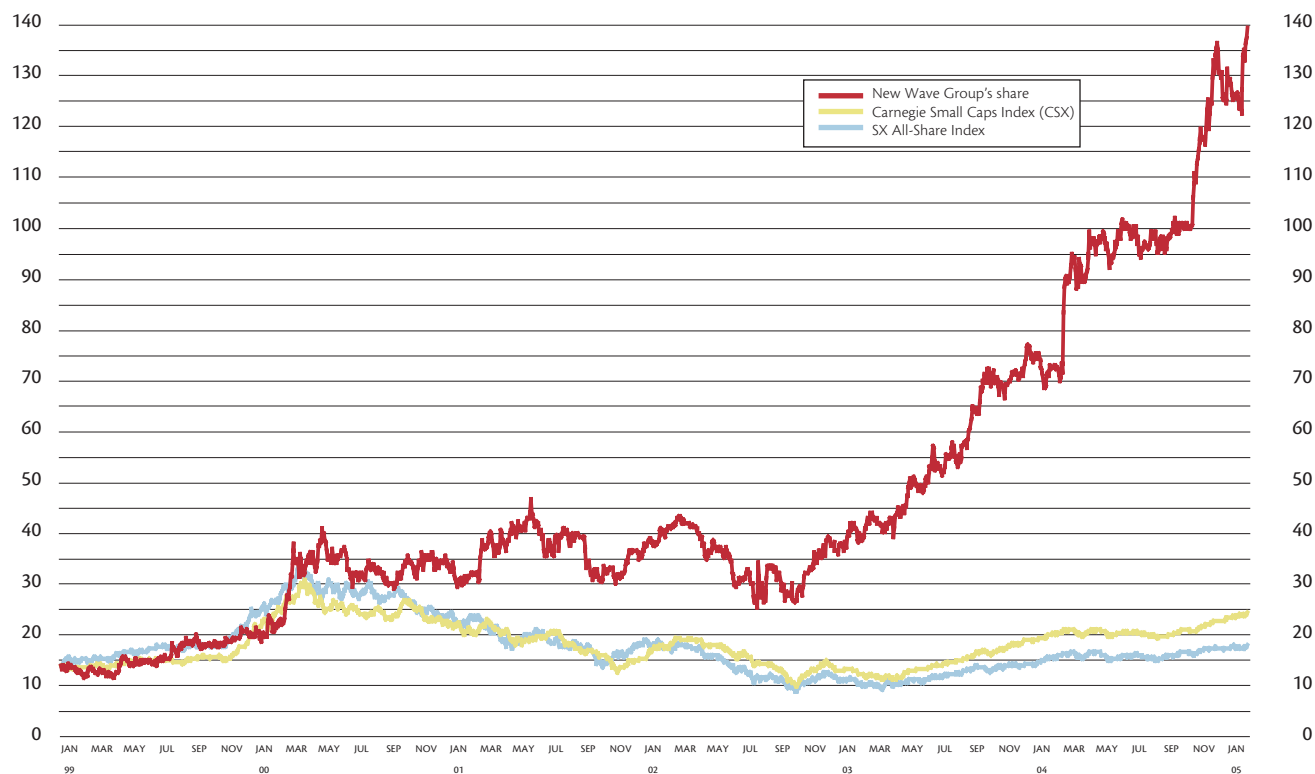
SHAREHOLDERS DISTRIBUTION IN NEW WAVE AS AT 31 DECEMBER 2004

	NUMBER OF SHARES	NUMBER OF VOTES	CAPITAL %	VOTES %
Sweden	29 178 060	127 942 620	92.5%	97.5%
Owners outside Sweden, the USA excluded	2 005 995	2 905 995	6.4%	2.2%
the USA	363 279	363 279	1.2%	0.3%
Total	31 547 334	131 211 894	100.0%	100.0%

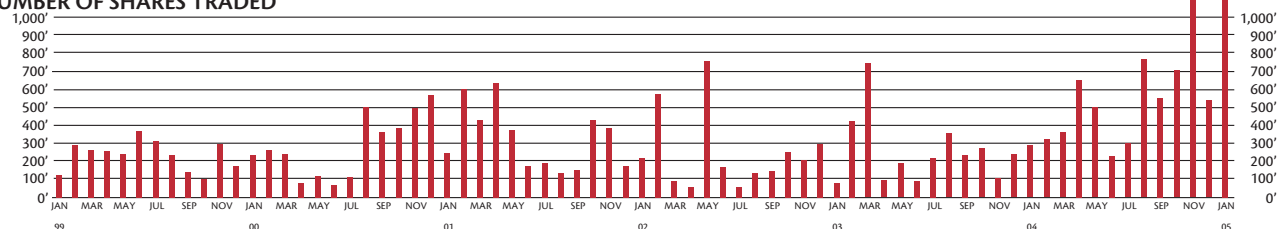
NEW WAVE'S SHAREHOLDERS STRUCTURE AS AT 31 DECEMBER 2003

NUMBER OF SHARES IN ORDER OF SIZE	NUMBER OF HOLDERS	NUMBER OF HOLDERS %	NUMBER OF SHARES	NUMBER OF SHARES %
1-200	3 227	48%	217 814	1%
201-1 000	2 400	35%	1 295 835	4%
1 001-2 000	507	7%	770 439	2%
2 001-10 000	523	8%	2 160 809	7%
10 001-100 000	89	1%	2 991 060	9%
> 100 001	45	1%	24 111 377	76%
	6 791	100%	31 547 334	100%

THE SHARE'S DEVELOPMENT AGAINST CARNEGIE SMALL CAPS INDEX (CSX) AND SX ALL-SHARE INDEX



NUMBER OF SHARES TRADED



SHARE CAPITAL TREND IN NEW WAVE

YEAR	TRANSACTION	INCREASE IN NUMBER OF SHARES	ISSUE PRICE	INCREASE IN SHARE CAPITAL	TOTAL NUMBER OF SHARES	TOTAL SHARE CAPITAL, SEK	FACE
1991	The company was founded	500	100,00		500	50 000	100,00
1995	Directed new issue 1:20 ¹	25	35 524,00	2 500	525	52 500	100,00
1996	Bonus issue 37:1	19 475		1 947 500	20 000	2 000 000	
1997	Directed new issue 1:17 ²	11 448	600,00	114 480	211 448	2 114 480	10,00
	Bonus issue	0		2 114 480	211 448	4 228 960	
	Split 10:1	1 903 032			2 114 480	4 228 960	
	Directed new issue ³	681 818	110,00	1 363 636	2 796 298	5 592 596	2,00
1998	Directed new issue ⁴	201 106	114,40	402 212	2 997 404	5 994 808	2,00
2000	Directed new issue ⁵	552 648	171,45	1 105 296	3 550 052	7 100 104	2,00
	Split 2:1	3 550 052			7 100 104	7 100 104	
2001	Directed new issue ⁶	150 000	160,00	150 000	7 250 104	7 250 104	1,00
2002	Split 2:1	7 250 104			14 500 208	7 250 104	
2004	Bonus issue ⁷				166 752 392	14 500 208	12,00
	Directed new issue	1 160 016	130,00	13 920 192	15 660 224	187 922 688	12,00
	Split 2:1	15 660 224			31 320 448	187 922 688	6,00
	Directed new issue ⁸	1 160 016		1 361 316	31 547 334	189 284 004	6,00

¹ New issue addressed to the owners of Licensprint in Orsa AB connected to the purchase of the company. The Share premium reserve increased by SEK 886 thousand.

² New issue addressed to the Group personnel. Subscription price SEK 600 per share. The Share premium reserve increased by SEK 6 754 thousand.

³ New issue connected to introduction on Swedish Stock Exchange. Subscription price SEK 110 per share. The Share premium reserve increased by SEK 69 089 thousand.

⁴ Non-cash issue connected to the purchase of the Hefa Group. Price of issue SEK 114,40 per share. The Share premium reserve increased by SEK 22 604 thousand.

⁵ The non-issue offer of the owners of Textet AB. The Share premium reserve increased by SEK 94 242 thousand.

⁶ New issue addressed to the owners of Segerkoncernen AB connected to the purchase of the company. The Share premium reserve increased by SEK 23 850 thousand.

⁷ New issue addressed to the owners of New Wave. The Share premium reserve increased by SEK 135 794 410.

⁸ New issue addressed to the owners of Jobman AB connected to the purchase of the company. The Share premium reserve increased by SEK 16 638 684.

Summary of Group development, 2000-2004

Definitions

INCOME STATEMENT. Summary in SEK thousand	2000	2001	2002	2003	2004
Sales	1 063 420	1 269 547	1 687 319	1 881 933	2 302 202
Other operating issues	8 457	10 605	2 216	13 483	20 041
Operating expenses	-939 233	-1 127 113	-1477796	-1 650 636	-2 030 255
Profit/loss before depreciation	132 644	153 039	211 739	244 780	291 988
Depreciation according to plan	-19 822	-25 471	-32 619	-39 634	-49 688
Profit/loss after depreciation	112 822	127 568	179 120	205 146	242 300
Net financial items	-17 708	-27 508	-33 944	-23 840	-28 196
Profit/loss after net financial items	95 114	100 060	145 176	181 306	214 104
Taxes (full tax)	-30 217	-16 700	-30 856	-46 531	-61 299
Minority share	-242	-1 639	-10 047	-1 295	-1 017
Profit/loss after tax	64 655	81 721	104 273	133 480	151 788
Balance Sheets. summary					
Trademarks	9 446	10 371	10 922	9 983	10 193
Other fixed assets	170 456	231 249	381 465	488 722	586 712
Inventories	519 769	563 101	605 239	677 827	971 864
Accounts receivable	178 626	261 253	358 292	378 838	482 362
Other current assets	26 451	50 917	61 459	67 315	76 243
Liquid funds	42 348	12 146	14 241	21 895	84 118
Total assets	947 096	1 129 037	1 431 618	1 644 580	2 211 492
Shareholders' equity					
Minority interest	1 221	22 520	31 911	2 194	8 216
Provisions	16 447	16 099	28 760	34 567	53 142
Interest bearing liabilities	470 136	531 794	643 238	714 444	970 311
Interest free liabilities	112 476	123 837	216 473	280 759	293 454
	947 096	1 129 037	1 431 618	1 644 580	2 211 492
Cash flow					
Cash flow before changes in working capital and investments	97 380	93 405	140 755	173 512	190 052
Changes in working capital	-207 221	1 073	19 880	-97 574	-187 811
Cash flow before investments	-109 841	94 478	160 655	75 938	2 241
Net investments	-36 579	-85 101	-153 212	-79 900	-245 430
Cash flow after investments	-146 420	9 377	7 443	-3 962	-243 189
Financial payments	146 691	-41 014	-5 549	13 115	305 562
Cash flow for the year	271	-31 637	1 894	9 153	62 373
Key figures					
Gross margin, %	38.8	40.6	42.0	44.4	45.9
Operating margin, %	10.6	10.0	10.6	10.9	10.5
Profit margin, %	6.1	6.4	6.2	7.1	6.6
Return on capital employed, %	17.7	14.7	16.9	16.5	15.4
Return on shareholders equity, %	23.7	20.9	22.0	23.8	20.3
Solidity, %	36.7	40.5	37.9	37.4	40.5
Net dept/equity ratio, %	123.3	119.5	123.0	113.1	100.0
Share of risk bearing capital, %	38.5	41.9	39.9	39.5	42.9
Interest coverage, times	5.5	4.1	4.8	7.8	7.6
Rate of capital turnover, times	1.4	1.4	1.3	1.2	1.2
Average number employed	338.0	422.0	729.0	806.0	1 269.0
Personnel costs, incl social fees, SEK m.	104.9	158.0	241.7	255.3	328.8
Sales outside Sweden, %	40.0	41.3	50.4	55.0	57.6
Per-share data¹					
Number of shares before dilution	28 400 416	29 000 416	29 000 416	29 000 416	30 861 493
Number of shares after dilution	-	-	29 605 820	29 118 370	30 919 495
Result per share before dilution, SEK	2.40	2.86	3.60	4.61	4.92
Result per share after dilution, SEK	-	-	3.56	4.59	4.91
Shareholders' equity, SEK	11.47	14.99	17.63	21.13	28.72
Shareholders' equity per share after dilution, SEK	-	-	17.27	21.04	28.66
Price rate on December 31st, SEK	35.00	37.50	37.50	75.00	127.50
P/E-number, December 31st	15.40	13.30	10.45	16.30	25.93
Dividend per share, SEK	0.63	0.75	0.88	1.25	1.50
Profit, %	1.8	2.0	2.3	1.7	1.2
The operation's cash flow per share, SEK	-3.87	3.26	5.54	2.62	0.07

SHARE OF RISK BEARING CAPITAL

Total of shareholders' equity and deferred tax liabilities (including minority) divided by the balance sheet total

RETURN ON SHAREHOLDERS' EQUITY

Profit/loss after full tax as a percentage of the average adjusted shareholders' equity

GROSS PROFIT MARGIN

Sales for the period, less direct product costs, as a percentage of sales

AVERAGE SHAREHOLDERS' EQUITY

The sum of shareholders' equity, at the start and the close of the financial year, divided by two

RATE OF CAPITAL TURNOVER

Sales divided by the average Balance Sheet total

NET DEBT-EQUITY RATIO

Interest-bearing liabilities, less interest bearing assets, as a percentage of shareholders' equity

INTEREST COVER RATIO

Profit/loss after net financial items plus financial expenses divided by financial expenses

OPERATING MARGIN

Operating profit/loss after depreciation as a percentage of sales

EQUITY/ASSETS RATIO

Shareholders' equity divided by the Balance Sheet total

CAPITAL EMPLOYED

Balance Sheet total reduced by interest-free liabilities and interest-free provisions

PROFIT MARGIN

Profit/loss before tax as a percentage of sales

PROFIT PER SHARE

Net profit in relation to a weighted average of outstanding number of shares

¹ Per-share data has been recalculated due to split 2:1 during 2004. 2002 and split 2:1 during 2000

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Board of Directors' Report

The board of directors and the CEO of New Wave Group AB (publ), 556350-0916, with its headquarters in Borås, can hereby give the directors' annual report as well as the Group's annual report for the fiscal year 2003-01-01–2003-12-31.

BUSINESS CONCEPT

New Wave is active within two business areas, partly in the corporate profiling market with sales of promowear, give-aways and workwear to distributors, and partly in the retail market with sales mainly of gift, sport and shoes to retail outlets. By operating in both these market segments the group achieves a good risk spread. Major coordination advantages are achieved within design, purchasing and logistics, and part of the range can also be common for both these business areas. New Wave is established in 14 countries via subsidiaries and sales outside Sweden amount to 55 % of total Group sales. New Wave's competitiveness lies mainly in good products, strong trademarks, good knowledge and service together with a well developed overall concept. The products are mainly manufactured in Asia and to a lesser degree in Europe. The Group's most well known brands are Craft, Sagaform, Seger, Grizzly, Clique, James Harvest Sportswear, Mac One, Toppoint, Jobman and Pax, as well as Umbro, Nordica and Exel under licence.

SIGNIFICANT EVENTS

- The acquisition of Swedish Match's promowear distribution took effect on January 1st. 2004.
- Jobman Workwear AB in Sweden and Jobman Workwear Ltd in Hong Kong were acquired and consolidated from April 1st 2004.
- A new share issue of SEK 151 million was carried out in connection to the acquisition of Jobman.
- The investment in workwear with regard to the internally developed brand, ProJob and the acquisition of Jobman, has had a very positive development.
- The operations in Switzerland have developed very well and Craft SA was established in September.
- Other establishments made during the year are InsideOut in Spain and Italy, and Sagaform in Belgium and England.
- The trading operations have received several large contracts.
- Substantial reinforcement of the Asian organization has been made in purchasing, production and sales.

Sales

During 2004, New Wave's sales increased by 22% to SEK 2,302 (1,882) million. Sales, mainly consisting of winter garments such as jackets, underclothes and ski clothes among others, were approximately SEK 50 million lower than calculated during the fourth quarter. Acquired units contributed by SEK 258 million and the underlying organic growth was SEK 162 million. Currency developments have affected turnover negatively by SEK 8 million, which gives an organic growth of 9% expressed in local currency for the entire year.

Result

During 2004, the result after financial items in-

creased by SEK 32.8 million to SEK 214.1 (181.3) million. The profit after tax increased to SEK 151.8 (133.5) million and profit per share increased to SEK 4.92 (4.51). Acquired units affected the result positively by SEK 10.8 million, while at the same time, the expansion of workwear and the establishments in Switzerland, China, Spain, Belgium and ProJob have burdened the result by approx SEK 17 million. In one of New Wave's subsidiaries there has emerged suspicions of fiscal improprieties, mainly in the form of missing goods and false accounting, which has burdened the result by approx SEK 6 million.

The gross margin increased compared to the preceding year and amounted to 45.9 (44.4) %.

The Group's external costs as part of turnover increased and amounted to 19.1 (17.8) % of the Group's turnover. Personnel costs increased and amounted to 14.8 (14.0) % of the Group's turnover. Increases in external and personnel costs are the result of new establishments carried out during the year.

Depreciation has increased by SEK 10.1 million to SEK 49.7 (39.6) million, of which goodwill depreciation has increased by SEK 4.1 million to SEK 20.1 million. Acquired units that were not part of the Group the preceding year account for SEK 3.1 million of other depreciation.

Corporate profiling business area

Corporate Profiling business area's sales increased by 37% to SEK 1,581 (1,155) million. Result after financial items increased by SEK 26 million to SEK 154 (127) million.

Retail business area

Retail business area's sales decreased by 1% to SEK 721 (727) million. The result after financial items increased by SEK 6 million to SEK 60 (54) million.

Geographical distribution

Sweden

In Sweden, sales increased by 14% to SEK 956 (835) million. Acquired units contributed by SEK 104 million. In Sweden New Wave is market leader within corporate profiling and sells most of the group's trademarks and has the most developed concept.

Germany

In Germany, sales increased by 45 % to SEK 181 (124) million. Trademarks that New Wave sells in Germany are Clique, New Wave, Craft, Sagaform and Toppoint, as well Swedish Match's promowear distribution with trademarks James Harvest Sportswear and Printer Active Wear. Swedish Match promowear distribution was consolidated as from January 2004. Hefa AB has also started a subsidiary in Germany during 2004.

Denmark

In Denmark, sales increased by 22% compared to last year, which is organic. Trademarks that New Wave sells in Denmark are Clique, New Wave, Grizzly and Craft. MacOne, Jingham and ProJob will also be launched during 2005.

Norway

In Norway, sales increased by 11% in local currency. The currency has affected turnover negatively by SEK 8 million, which means that turnover expressed in SEK increased by 5%. Trademarks that New Wave sells in Norway are Clique, New Wave, Craft, Grizzly, James Harvest Sportswear, Printer Active Wear and Toppoint. Jobman will be launched in the beginning of 2005.

Finland

In Finland, sales increased by 8%. The main trademarks sold in Finland are Clique, New Wave, MacOne, Jingham, James Harvest Sportswear, Printer Active Wear, Grizzly and DAD Sportswear. ProJob will be launched in the beginning of 2005.

Italy

In Italy, sales increased by 20%. Trademarks sold in Italy are Clique, New Wave and Craft. Jobman and Inside Out will be launched in the beginning of 2005.

Spain

In Spain, sales have increased by 21% to SEK 93 million. Trademarks sold in Spain are Clique and New Wave as well as Swedish Match's corporate profiling distribution (Texet) with trademarks James Harvest Sportswear and Printer Active Wear. Craft and Inside Out have also been launched during the year.

Benelux

In Benelux, sales increased by 45% to SEK 293 (202) million. The Belgian company was included in the acquisition of Swedish Match's corporate profiling distribution with trademarks James Harvest Sportswear and Printer Active Wear and contributed with SEK 59 million. Sales of other trademarks sold in Belgium include Clique, New Wave, Craft, Inside Out, Toppoint, MacOne and Jingham. Sagaform was launched during the autumn.

Great Britain

In Great Britain, sales increased by 3% to SEK 56 million. New Wave Sportswear Ltd increased turnover in both the third and fourth quarters. Turnover in 2003 contained a large number of so called trading orders with low margins. Trading orders mean direct imports to retail chains of their own trademarks. Turnover in 2004 is exclusively traditional turnover of trademarks Clique and New Wave, which is a deliberate strategy. Sagaform was launched at the turn of the year, which initially is aimed at the retail market

France

In France, sales have increased by 109% to SEK 62 (30) million. Trademarks sold in France are Clique, New Wave, James Harvest Sportswear and Printer Active Wear. James Harvest Sportswear and Printer Active Wear are sold via Swedish Match's corporate profiling distribution (Texet), which was consolidated as from January 2004. SEK 24 million of the increase is acquired.

Switzerland

Sales began in the first quarter of 2004 and have up to now exceeded expectations. Initially the establishment includes Clique, New Wave, James Harvest Sportswear and Printer Active Wear. Turnover amounted to SEK 48 (8) million. Since September, Craft has even been established in a company which New Wave owns 51%. Marc Biver

has been employed as president for both companies and Tony Romminger, formerly a professional cyclist who is ranked among the ten best ever of UCI (Union Cycliste Internationale), has been employed as product developer for Crafts cycle collection as well a marketing manager for Craft Switzerland SA. Both own minority stakes in the Craft company in Switzerland, which New Wave Group owns the right to acquire at a later date through purchase options.

China

On the Chinese local market, New Wave sells promowear and give-aways to companies and Craft to the sports retail market. New Wave also has a trading operation, which means that New Wave helps customers with purchases of their "private labels" - their own trademark. New Waves role in "trading" is purchasing as well as looking after quality and deliveries. New Wave has also started a small sewing plant. The aim of this plant is to sew for the local market and to achieve an effective benchmarking for purchases.

Other

Part of Craft's export to the retailing market, and part of James Harvest Sportswear and Printer Active Wear's export to the corporate profiling market is via distributors.

New establishments

The establishment in Switzerland, with sales that began the 15th January 2004, has exceeded expectations. Since September, Craft has even been established in a company which New Wave owns 51%. Craft Suisse SA has however burdened the result after financial items by SEK 4.7 million for 2004.

Product development of New Wave's investment in workwear, ProJob, is going according to plan and was launched in August 2004. The collection has been very positively received by distributors. ProJob will be launched in Denmark, Finland and Benelux in spring 2005.

The concept Inside Out has been launched in Italy and Spain during autumn 2004. Other launches which have started are Sagaform in Belgium and Craft in Spain. Sales and stocking began in autumn 2004.

Jobman was launched in Norway and Italy in the beginning of 2005, and Dahetra will launch MacOne and Jingham in Denmark during 2005.

Purchasing

New Wave has purchasing offices in Bangladesh, Vietnam, Hong Kong and China, and since the end of 2004, in Turkey and Guangdong, in China. Imposed quotas between China and Europe, were removed at the turn of the year and New Wave will therefore move purchase volumes to China and in this way optimise purchasing.

Acquisitions

Swedish Match Advertising Products
New Wave's acquisition of Swedish Match's promowear distribution was consolidated as from January 2004. Since 1998, Swedish Match has been the distributor of promowear under trademarks James Harvest Sportswear and Printer Active Wear, owned by New Wave, in eight markets

(Benelux, Germany, Spain, France, Portugal, Great Britain, Austria and Switzerland).

This acquisition burdened the result 2004, due to resources being used to build up stocks and service. Prior to the acquisition, New Wave received royalty income from Swedish Match's sales of James Harvest Sportswear and Printer Active Wear.

D.A.D. Sportswear

D.A.D. Sportswear was consolidated as from April 2004. The company is active in corporate profile sales, of which the majority are through the internet, with customers in Sweden and Finland. The company had a turnover of SEK 15.6 million, 2003, with a result after financial items of approx SEK 900 thousand.

By this acquisition, New Wave strengthens its position further in the corporate profiling market in Sweden and Finland. The company's trademark D.A.D. Sportswear, its collection and sales channels are well suited to New Waves operations.

The company will be integrated with Hefa as from 2005, and in this way achieve cost savings.

Jobman

By the acquisition of Jobman, New Wave fulfils its stated objective to establish itself within workwear. With the acquisition of Jobman, as well as the launch of ProJob in August 2004, New Wave has a very strong collection of workwear and therefore covers well the three product areas within corporate profiling i.e. promowear, workwear and give-aways.

Jobman already has a high market share in Sweden, but will be even more attractive with the help of ProJob, as well as New Wave's other trademarks within corporate profiling. The most interesting is that New Wave procures a strong trademark and collection to launch throughout Europe. As Jobman is concentrated in Sweden, there is a major potential for launches in other countries through New Wave's subsidiaries. The aim is to launch Jobman in at least two to three countries per year during the coming years, starting with Norway and Italy at the start of 2005.

Jobman's turnover was approx SEK 150 million for 2003, with very good profitability. Jobman has 30 employees and the majority of sales are in Sweden. The acquisition was consolidated as at 1st April 2004 and gives a positive affect on the result even for 2004. 2005 will be burdened with investments for establishing Jobman outside of Sweden.

Dahetra

New Wave Group has acquired Dahetra A/S with subsidiaries in Denmark, Norway and Bangladesh. The fixed portion of the purchase price amounts to SEK 20 million plus a variable portion which depends on the groups result development for 2004 - 2009. DKK 10 million of the fixed portion is made by way of a direct a posteriori of New Wave Group's B-aktier with a share price of 125 SEK per share. Dahetra group's equity capital is calculated at approx DKK 11 million, which entails a goodwill of approx DKK 9 million calculated on the initial purchase price.

The Dahetra group is one of the leading actors in northern Europe in textile printing, transfer production and embroidery. Dahetra has 94 employees spread within sales, administration, design and production. The group's turnover was approx SEK 83 million with a small loss. Dahetra was consolidated as from the 1st January 2005.

The acquisition means that New Wave has taken a step further towards being a complete supplier, by being able to offer both product and marking. Through this acquisition New Wave enters into a new segment within low-priced basic textiles. By being able to provide marking, means that handling will be easier for the group's customers, fewer parties are involved and a reduced lead time and capital tie-up will be achieved.

Logistics

The establishment of the warehouse in Dingle has taken larger resources than expected. However, large improvements have been seen during the last months and the warehouse is finally running. The new warehouse will reduce the need for external warehouses and also improve the service offered to subsidiaries in Europe. This will lead to lower capital binding in single warehouses as well as better service for the end-users. The Group is also introducing a new business system to support decisions and get lower data costs. The implementation will continue until the middle of 2005.

Capital tie-up

During the period, capital tied up in goods has increased by SEK 294 million to SEK 972 (678) million, of which acquired units contributed SEK 150 million. Accounts receivable increased by SEK 104 million to SEK 482 (379) million, of which acquired units contributed SEK 67 million.

Investments, financing and liquidity

The Group's net investments affected cash for 2004 by SEK -245 (-80) million. Cash flow prior to investments and acquisitions amounted to SEK 2 (76) million and SEK -243 (-4) million after investments and acquisitions. An additional SEK 20 million was in relation to company acquisitions. On 31st December 2004, the Group's net borrowings amounted to SEK 886 (693) million and credit limits amounted to approx SEK 1,300 million.

Personnel and organisation

The number of full-time employees as at 31st December 2004, amounted to 1,269 (806), of which 41% were female and 59% male. Of the year's personnel increase of 463 accounted the establishment in China and company acquisitions for 341 employees.

The parent company

Sales amounted to SEK 70 (93) million. Profit after financial items amounted to SEK 43.4 (35.7) million. Net borrowings increased by SEK 166 million and net investments that affect cash amounted to SEK 267 (82) million of which SEK 24 million constituted internal group acquisitions of subsidiaries and SEK 43 million internal group shareholder contributions. In addition SEK 20 million has been issued in connection with company acquisitions.

SUBSCRIPTION OPTIONS IN NEW WAVE GROUP AB

New Wave currently has two outstanding programmes for subscription options for employees. One consists of 300 000 warrants with a buying price of SEK 106.40 and expires on June 30th, 2005. The other consists of 450 000 warrants with a buying price of SEK 120.10 and expires on June 30th, 2006.

PROSPECTS FOR 2005

New Wave is in an expansion phase, with several establishments of existing concepts in new markets and the development of local warehouses to increase the service level, which will lead to a high growth rate. These offensive investments give a high growth rate but have burdened the result for 2004 and will also burden the result in 2005. In 2005, both sales and earnings will exceed the previous year. Early forecasts regarding 2004 have been fulfilled.

RIGHTS OF OPTION IN NEW WAVE GROUP AB

New Wave has 614,760 subscribed options outstanding at a subscription price of SEK 51.90 which fall due in June 2005 and 922,140 at a subscription price of SEK 58.60 which fall due in June 2006.

SPLIT OF SHARE CERTIFICATE / BONUS ISSUE

The shareholders meeting's decision to increase share capital by way of a transfer from the premium fund, a so called bonus issue, was carried out on the 30th July. The shares face value therefore increased from SEK 0.50 to SEK 12. Furthermore the shareholders meeting's decision regarding a split of share certificates 2:1 through a reduction of the shares face value to SEK 6, was also carried out on the same date.

ENVIRONMENTAL IMPACT

In Sweden, New Wave does not have any operations which require permission in accordance with the environmental code in Swedish law. It is important for New Wave to be responsible for its operations in Europe as well as the rest of the world. We make our ethical and moral views clear at all times, as we are fully convinced that this guarantees our long-term development and good business. Our Code of Conduct is applied on all factories involved in the production of New Wave's products. The abovementioned Code of Conduct demands that suppliers follow the chemical restrictions that are stated in Swedens textile importers' chemical guide. Our suppliers must also ensure that their suppliers strive to decrease the use of virgin raw materials, the discharge of "unnatural" materials, waste, air pollution, energy consumption and the consumption of fresh water. See even the environmental section on page 29

RESEARCH AND DEVELOPMENT

Product development mainly comprises of design and development of new collections, as well as developing new product variations within the borders of our existing collections. Expenses for research and development are booked as costs continuously.

ACCOUNTING PRINCIPLES

New Wave has an extensive catalogue production. These external production costs for respective catalogue have previously been wholly

cost accounted at the time of release. A stringent interpretation of RR15 means that all expenses are continually cost accounted. New Wave implements this interpretation per 31st December 2004, which means a change of accounting principles. A recalculation of comparative figures has not been undertaken, as this only has an immaterial affect on the result. RR29 remuneration to employees was introduced during 2004 but involves no changes for New Wave. In Sweden, no details are available from Alecta for valuation of pension commitments and this is why the company reports these as a contractual rate according to plan.

FINANCIAL RISKS

New Wave with its international operations is continually exposed to different financial risks. The group has a financial policy for dealing with financial risks in order to minimise their effect on the result. For a comprehensive description of the group's risks see note 19.

CONVERSION TO IFRS 2005

As from 1st January 2005, New Wave Group will report according to the International Financial Reporting Standards (IFRS, previously IAS). Reporting for 2005 will even include comparative figures for 2004, in accordance with IFRS. The changeover to IFRS is reported in accordance with IFRS 1. It is generally required for a company to declare its accounting principles and apply them retroactive to its opening balances in accordance with IFRS. Certain exceptions to this rule are allowed and the company has chosen the following:

- To apply IFRS 3 "Business combinations", future-oriented from the changeover date 1st January 2004, which means that company acquisitions carried out prior to this point of time are not converted. Acquisitions carried out during 2004 will be reported in accordance with IFRS 3.
- Not to convert comparative financial information 2004 in accordance with IAS 32 and IAS 39 regarding financial instruments. The effects of this adaptation to IAS 32 and IAS 39 per 1st January 2005 are reported for the first time in the quarterly report for January – March 2005.
- According to IFRS 1 shall IAS 21 required conditions for separate accounting of accumulated conversion differences when converting businesses who have another functional currency than the group's presentation currency be applied. New Wave will apply changeover rules in IFRS 1 which means that a company upon changeover to IFRS is not required to separately account for conversion differences. This means that all accumulated conversion differences are assumed to be nil per 1st January 2004.

The most important changes for New Wave are:

- Reporting of goodwill and other intangible assets with an indefinite utilisation period may according to IFRS 3 no longer be depreciated. Instead a test is carried out of possible write-down needs in connection with annual financial statements, or when indications of depreciation exist. Intangible assets as per the opening balance 1st January 2004 amounted to SEK 249 million and refer to goodwill. Depreciation 2004 amounted to SEK 20.1 million and because depreciation of goodwill will no longer occur, New Wave group's net result will

improve by a corresponding amount. Other intangible fixed assets as per the opening balance 1st January 2004, mainly trademarks and data software, will continue to be depreciated.

- Reporting of financial instruments according to IAS 39 will be applied as from 2005. New Wave continually takes out futures contracts to secure the flow of foreign currencies. New Wave shall apply safeguard accounting, which means that changes in value are booked against equity capital until the underlying financial contract falls due.

IFRS 2 Share Based Payment has no effect on New Wave. The share related option programmes that exist are not met by IFRS 2.

The effects of the changeover to IFRS are described below by way of a quantitative reconciliation of 2004 year's result and standing. The information is preliminary as the rules and regulations can change during 2005.

A summary of the effects of the changeover to IFRS:

Net result 2004 (current rules)	152
Effect of changeover to IFRS	
Goodwill	20
Minority interest	1
Net result 2004 IFRS (prel)	173
Equity capital 31 Dec 2004	
Applied accounting principles	886
Effect of changeover to IFRS	
Depreciation of goodwill 2004	20
Deferred tax for the above	4
Minority interest	8
Equity capital 31 Dec 2004 IFRS (prel)	910

THE BOARD'S WORK DURING THE YEAR

New Wave's board consists of four members appointed at the annual general meeting. During the fiscal year, the board carried out eight recorded meetings. The fixed items that were at hand at each board meeting respectively, such as budget, annual accounts, interim reports, the current business situation, investments and establishments, were discussed. The board also discussed questions concerning long-term strategies as well as structural and organisational issues.

After the auditors' examination in September, the auditors complete a report to the board. The auditors also personally report their observations from the audit and their appraisal of the companies' internal control at the board meeting.

ANNUAL GENERAL MEETING

The annual general meeting will take place on the 12th May at 13.00 CET, at Föreningsparbanken's auditorium, Åsbogatan 8, Borås.

STOCK DIVIDEND AND SPLIT

The board of directors decided to propose to the annual general meeting a dividend of SEK 1.50 (1.25) per share, corresponding to a total of SEK 47.3 million. Therewith the average dividend growth during the previous five year period amount to 25%. The board has also decided to propose to the annual general meeting a split 2:1 through a reduction in the shares' face value from SEK 6 to SEK 3

Income Statement – Group

SEK thousand	Note	2004	2003	2002
Net sales	2	2 302 202	1 881 933	1 687 319
Other operating income	4	20 041	13 483	2 216
Operating expenses				
Goods for resale		-1 246 480	-1 047 167	-942 908
Other external expenses		-440 229	-335 064	-284 346
Personnel costs	6	-341 076	-263 886	-243 210
Depreciation of tangible and intangible fixed assets	1	-49 688	-39 634	-36 745
Other expenses		-2 470	-4 519	-2 988
		-2 079 943	-1 690 270	-1 510 197
Operating profit/loss		242 300	205 146	179 338
Profit/loss from financial investments				
Other interest income		4 370	2 751	3 901
Other interest expenses		-32 566	-26 591	-38 061
		-28 196	-23 840	-34 160
Profit/loss after financial items		214 104	181 306	145 178
Tax on net profit/loss for the year	9	-61 299	-46 531	-30 856
Minority share of net profit/loss for the year		-1 017	-1 295	-10 047
Profit/loss for the year		151 788	133 480	104 275
Profit per share				
Profit per share before dilution		4.92	4.51	3.60
Profit per share after dilution		4.91	4.49	3.56
Weighed number of shares before dilution		30 861 493	29 580 424	29 000 416
Subscription options		58 002	117 954	605 404
Weighed number of shares after dilution		30 919 495	29 698 378	29 605 820

The net result after tax has been used when calculating the profit per share. The number of shares after dilution is adjusted by number of shares from option programs.

Dividend

Suggested/decided dividend per share, SEK	1.50	1.25	0.88
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Comments on the Income Statement

Sales

The sales increased by 22 % in 2004 to SEK2 302 (1 882) m. Acquired entities contributed by SEK258m and the underlying organic growth was SEK162m. The development of the currency exchange rates has effected the sales negatively by SEK8m, which gives an underlying growth of 9 % in local currency.

Result

The result after net financial items increased by SEK32.8m to SEK214.1 (181.3)m. The result after tax increased to SEK154.1(133.5)m and result per share increased to SEK4.97 (4.51). Acquired entities has contributed by SEK10.8m at the same time as the start of work wear and expansion in Switzerland, China, Spain, Belgium and Projob has charged the result by SEK17m. There are suspicion about fraud in one of the subsidiaries and has effected the result by approx SEK6m. The

result has been affected by accounted translation differences of SEK2.4 (-3.2; -3.0)m.

The gross profit margin increased compared to preceding year and amounted to 45.9 (44.4) %.

The Group's external costs as part of sales increased and amounted to 19.1 (17.8) % of the Group's sales. Personnel cost increased and amounted to 14.8 (14.0) % of the Group's sales. The increase of external and personnel cost is the result of all the new establishment made during 2004.

The depreciation has increased by SEK10.1m to SEK49.7 (39.6)m thereof depreciation of goodwill has increased by SEK4.1m to SEK20.1m. Acquired entities that were not part of the Group preceding year, account for SEK3.1m of other depreciations.

The corporate profiling area

During 2004, the business area's sales increased by 37% to SEK1 581 (1 155)m. Result after financial items increased by SEK26m to SEK154 (127)m.

The retail business area

During 2004, the business area's sales decreased by 1% to SEK721 (727)m. The result after net financial items for the retailing business area increased by SEK6m to SEK60 (54)m.

Acquired companies' effect

	2004	2003	2002
Sales	258	-	240
Contribution to Group result after financial items	10.8	-	10.0

Balance Sheet – Group

SEK thousand	Note	04-12-31	03-12-31	02-12-31
ASSETS				
Fixed assets				
Intangible fixed assets				
	10			
Computer programmes		2 707	5 050	7 040
Trademarks		10 193	9 983	10 922
Goodwill		320 781	249 002	199 052
		333 681	264 035	217 014
Tangible fixed assets				
	11			
Real estate		142 450	139 798	92 753
Equipment, tools, fixtures and fittings		73 992	54 736	47 661
		216 442	194 534	140 414
Financial fixed assets				
	13			
Shares and other interest		8 020	7 877	8 306
Other long-term receivables		5 569	3 100	4 582
Deferred tax claims		32 299	29 130	22 043
		45 888	40 107	34 931
Total fixed assets		596 011	498 676	392 359
Current assets				
Inventories etc.				
Goods for resale		971 864	677 827	605 239
		971 864	677 827	605 239
Current receivable				
Accounts receivable		482 362	378 838	358 292
Other receivables		46 888	34 472	35 330
Prepaid expenses and accrued income	14	30 249	32 872	26 157
		559 499	446 182	419 779
Cash and bank		84 118	21 895	14 241
Total current assets		1 615 481	1 145 904	1 039 259
TOTAL ASSETS	22	2 211 492	1 644 580	1 431 618

Comments on the Balance Sheet

Assets and capital employed

During 2004, the Group's total assets increased by 34 % to SEK2 211.5 (1 644.6; 1 431.6)m. The capital employed increased by SEK 565.6m to SEK1 864.9m. Cash-effecting net investments in fixed assets amounted to SEK 245.4 (79.9; 153.2)m.

Financing and financial position

As at 31 December 2004, the equity ratio was 40.5 (37.4; 37.9) percent. New Wave's disposable liquid funds as at 31 December 2004 amounted to SEK 463.4 (444.6; 467.4)m of which SEK 373.3 (422.7; 453.2)m pertained to unutilised credit facilities and promised of credits. Interest bearing liabilities amounted to SEK 970.3 (714.4; 643.3)m thereof SEK 226.5 (307.6; 70.3)m was in foreign currencies.

Shareholders equity

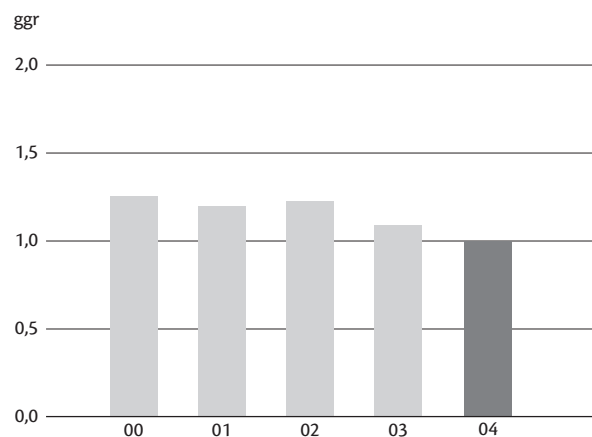
During 2004, the shareholders' equity increased by SEK273.7m an amount to SEK 886.4 at the year-end. The increase is attributable to the following:

SEK million

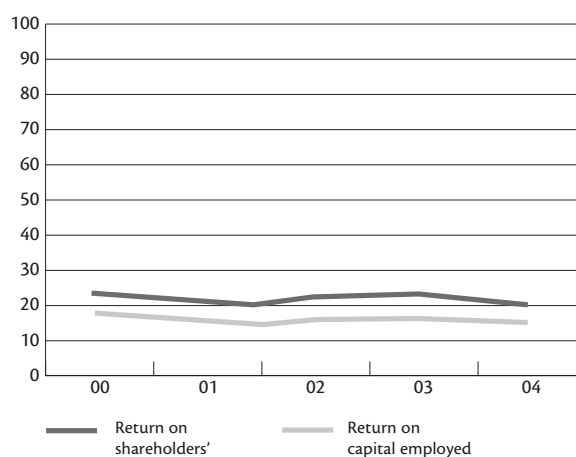
New accounting principle	-9.6
Issue of shares	169.7
Option premium	0.8
Conversion difference	-11.2
Profit/loss for the year	151.8
Dividend	-36.3
Total	273.7

SEK thousand	Note	04-12-31	03-12-31	02-12-31
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Restricted shareholders' equity				
Share capital (31.547.334 shares with face value of 6.00 kr//14.500.208 shares with face value of 0.50 kr)				
		189 284	7 250	7 250
Restricted reserves		290 856	226 343	220 677
		480 140	233 593	227 927
Unrestricted shareholders' equity				
Unrestricted reserves		254 441	245 543	179 034
Profit/loss for the year		151 788	133 480	104 275
		406 229	379 023	283 309
Total shareholders' equity		886 369	612 616	511 236
Minority share		8 216	2 194	31 911
Appropriations				
Deferred tax	13	49 791	34 567	28 760
Pension appropriations		3 351	2 663	0
		53 142	37 230	28 760
Long-term liabilities				
Convertible loans	16	0	0	35 000
Long-term loans	17. 20	515 897	603 435	608 238
Total long-term liabilities		515 897	603 435	643 238
Short-term liabilities				
Short-term loans	17. 20	454 414	111 009	0
Accounts payable		116 780	101 160	87 109
Tax liabilities		11 830	5 883	6 164
Other liabilities		92 590	108 956	62 348
Accrued expenses and prepaid income	18	72 254	62 097	60 852
Total short-term liabilities		747 868	389 105	216 473
TOTAL SHAREH. EQUITY AND LIABILITIES	22	2 211 492	1 644 580	1 431 618
Memorandum items				
Assets pledged	20	1 406 199	1 443 039	1 366 309
Guarantees	21	296	1 167	442

NET DEBT-EQUITY RATIO



RETURN ON CAPITAL EMPLOYED AND SHAREHOLDERS' EQUITY



Changes in Shareholders' Equity – Group

SEK thousand	Share capital	Restricted reserves	Unrestricted shareh. equity	Total shareh. equity
Shareholders' equity as at 31 December 2000	7 250	222 744	204 793	434 787
New accounting principle	-	-	-8 593	-8 593
Adjusted balance brought forward year 2002	7 250	222 744	196 200	426 194
Personnel option premiums	-	-	669	669
Translation differences	-	-	1 848	1 848
Total change in shareholders' equity that is not included in the income statement	0	0	2 517	2 517
Shifting of unrestricted and restricted shareholders' equity	-	9 799	-9 799	0
Profit/loss for the year	-	-	104 275	104 275
Dividend	-	-	-21 750	-21 750
Shareholders' equity as at 31 december 2002	7 250	232 543	271 443	511 236
Personnel option premiums	-	-	4 468	4 468
Translation differences	-	-	-11 193	-11 193
Total change in shareholders' equity that is not part of the income statement	0	0	-6 725	-6 725
Shifting of unrestricted and restricted shareholders' equity	-	-6 200	6 200	0
Profit/loss for the year	-	-	133 480	133 480
Dividend	-	-	-25 375	-25 375
Shareholders' equity as at 31 december 2003	7 250	226 343	379 023	611 616
New accounting principle	-	-	-9 527	-9 527
Adjusted balance brought forward year 2004	7 250	226 343	369 496	603 089
New issue	1 941	167 776	-	169 717
Bonus share issue	180 093	-180 093	-	0
Personnel option premiums	-	-	753	753
Translation differences	-	-	-2 727	-2 727
Total change in shareholders' equity that is not part of the income statement	182 034	-12 317	-1 974	167 743
Shifting of unrestricted and restricted shareholders' equity	-	76 830	-76 830	0
Profit/loss for the year	-	-	151 788	151 788
Dividend	-	-	-36 251	-36 251
Shareholders' equity as at 31 december 2004	189 284	290 856	406 229	886 369
Accumulated currency difference in equity		2 004		
Accumulated currency difference in the beginning of the year			0	
Accumulated currency differences in foreign subsidiaries 2004		-2 727		
Accumulated currency differences at the end of the year		-2 727		

The currency differences starts from zero as per 1 January 2004 due to the new transitions within IFRS.

Cash Flow Analysis – Group

SEK thousand	2004	2003	2002
Current operations:			
Operating profit before financial items	242 300	205 146	179 338
Items that are not part of the cash flow:			
Depreciations	49 688	39 634	36 745
Other non cash affecting items	-1 218	482	-252
Interest gained	4 369	2 751	2 075
Interest paid	-32 566	-26 717	-36 203
Tax paid	-72 521	-47 784	-40 928
Cash flow before change in working capital	190 052	173 512	140 775
Change in working capital:			
Increase/decrease in inventories	-170 602	-72 588	32 211
Increase in short-term receivables	-4 438	-26 402	-37 361
Increase/decrease short-term liabilities	-12 771	1 416	25 030
	-187 811	-97 574	19 880
Cash flow after change in working capital	2 241	75 938	160 655
Investments:			
Aquisition of subsidiaries ¹	-175 578	-7 117	-111 474
Investments in intangible fixed assets	-32 921	-2 783	-4 450
Investments in tangible fixed assets	-33 960	-76 288	-22 397
Investments in financial fixed assets	-3 506	0	-15 912
Sales of intangible fixed assets	0	0	610
Sales of tangible fixed assets	535	4 806	0
Amortisation of long-term claim	0	1 482	411
Cash flow from investments	-245 430	-79 900	-153 212
Financial payments:			
Increase of loans	192 098	38 490	16 201
New issue	149 715	0	0
Dividend	-36 251	-25 375	-21 750
Cash flow from investments	305 562	13 115	-5 549
Cash flow for the year	62 373	9 153	1 894
Liquid funds at the beginning of the year	21 895	14 152	12 146
Price difference in liquid funds	-150	-1 410	112
Liquid funds at the end of the year	84 118	21 895	14 152
¹ The item consists of (amounts in SEK million):			
Goodwill	-41.7	-7.1	-79.5
Working capital	-196.2	0	-77.0
Fixed assets	-9.0	0	-50.1
Loans taken over	71.3	0	95.2
Loans taken over	-175.6	-7.1	-111.4
Liquid funds			
Cash and bank	84 118	21 895	14 152

The items above has been classified as liquid funds, on the basis of:

- that they are cash funds
- that they are of insignificant risk to value fluctuations

Comments on the Cash Flow Analysis

Cash flow before change in operating capital and investments continued being positive, which is attributable to the positive operating result. For market reasons, the capital tied up in stock increased by SEK -170.6 (-72.6;-32.2) million. Liquid influencing investments decreased by SEK 165.5 (-73.3;68.1) million. Total cash flow after investments decreased to SEK -243.2 (-40;7.0) Mkr. Cash flow per segment cannot be accounted for, since the asset items are common.

Income Statement – Parent Company

SEK thousand	Note	2004	2003	2002
Net sales	3	70 413	93 437	98 480
Other operating income	4	4 992	-	-
Operating expenses				
Goods for resale		-420	-2 708	-2 992
Other external expenses		-41 179	-37 314	-31 268
Personnel costs	6	-17 149	-15 597	-13 194
Depreciation of tangible and intangible fixed assets	1	-2 253	-2 597	-2 072
Other costs		-2 096	-1 915	-286
		-63 097	-60 131	-49 812
Operating profit/loss		12 308	33 306	48 668
Profit/loss from financial investments	7			
Other interest income and similar items		53 960	168 141	15 456
Interest expenses and similar items		-22 831	-66 235	-13 962
		31 129	101 906	1 494
Profit/loss after financial items		43 437	135 212	50 162
Disposals	8	-2 479	-5 929	-11 078
Net profit/loss before tax		40 958	129 283	39 084
Tax on net profit/loss for the year	9	-4 072	-8 384	-10 535
Profit/loss for the year		36 886	120 899	28 549

Balance Sheet – Parent Company

SEK thousand	Note	04-12-31	03-12-31	02-12-31
ASSETS				
Fixed assets				
Intangible fixed assets	10			
Computer programmes		255	1 077	1 542
Trademarks		3 406	4 220	5 013
		3 661	5 297	6 555
Tangible fixed assets				
Equipment	11	1 001	886	1 323
		1 001	886	1 323
Financial fixed assets				
Shares in Group companies	12	745 992	459 335	444 057
Shares in associated companies	13	8 020	7 877	8 306
Other long-term receivables		0	1 229	800
		754 012	468 441	453 163
Total fixed assets		758 674	474 624	461 041
Current assets				
Short-term receivables				
Accounts receivable		671	1 046	738
Receivables at Group companies		497 324	405 864	282 387
Prepaid tax		5 539	2 590	105
Other receivables		6 619	3 775	1 690
Prepaid expenses and accrued income	14	2 120	4 134	5 080
		512 273	417 409	290 000
Cash and bank		0	0	0
Total current assets		512 273	417 409	290 000
TOTAL ASSETS		1 270 947	892 033	751 041
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Restricted shareholders' equity				
Share capital (31.547.334 shares with face value of 6.00 kr//14.500.208 shares with face value of 0.50 kr)				
		189 284	7 250	7 250
Share premium reserve		208 769	221 088	221 088
Restricted reserves		398 950	229 235	229 235
Unrestricted shareholders' equity				
Retained earnings		153 874	72 141	75 357
Profit/loss for the year		36 886	120 899	28 549
		190 760	193 040	103 906
Total shareholders' equity		589 710	422 275	333 141
Untaxed reserves	15	32 171	29 692	23 763
Long-term liabilities				
Convertible loans	16	0	0	35 000
Overdraft facilities	17	440 130	235 439	248 370
Other liabilities		22 680	61 795	19 612
Total long-term liabilities		462 810	297 234	302 982
Short-term liabilities				
Accounts payable		7 713	6 980	9 311
Liabilities to Group companies		135 439	130 597	77 192
Other liabilities		39 928	1 027	0
Accrued expenses and prepaid income	18	3 176	4 228	4 652
Total short-term liabilities		186 256	142 832	91 155
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1 270 947	892 033	751 041
Memorandum items				
Assets pledged	20	468 249	416 114	361 609
Guarantees	21	355 030	377 442	265 547

Changes in Shareholders' Equity – Parent Company

SEK thousand	Share capital	Restricted reserves	Unrestricted shareh. equity	Total shareh. equity
Shareholders' equity as at 31 December 2000	7 250	221 985	34 031	263 266
Profit/loss for the year	-	-	28 549	28 549
Anticipated dividend from subsidiaries	-	-	68 531	68 531
Dividend	-	-	-21 750	-21 750
Group contribution	-	-	-5 455	-5 455
Shareholders' equity as at 31 December 2002	7 250	221 985	103 906	333 141
Profit/loss for the year	-	-	120 899	120 899
Dividend	-	-	-25 375	-25 375
Group contribution	-	-	-6 390	-6 390
Shareholders' equity as at 31 December 2003	7 250	221 985	193 040	422 275
New issue	1 941	167 776	-	169 717
Bonus share issue	180 093	-180 093	-	0
Profit/loss for the year	-	-	36 886	36 886
Dividend	-	-	-36 251	-36 251
Group contribution	-	-	-2 917	-2 917
Shareholders' equity as at 31 December 2004	189 284	209 668	190 758	589 7105

Group contribution of SEK -2.917 (-6.390;-5.455) thousand concerns paid Group contribution of SEK 4.051 (8.875;7.576) thousand with a calculated tax effect of SEK 1.134 (2.485;2.121) thousand assignable to the Group contribution.

Cash Flow Analysis – Parent Company

SEK thousand	2004	2003	2002
Current operations			
Operating profit before financial items	12 308	33 306	48 668
Items that are not part of the cash flow			
Capital gain from sales of fixed assets	2 253	2 597	2 072
Dividend gained	165 157	15 184	68 531
Interest gained	27 588	16 577	15 456
Interest paid	-22 831	-14 151	-13 962
Gained/paid Group contributions	-4 051	-8 875	-7 576
Tax paid	-5 887	-8 312	-7 906
Cash flow before change in working capital	174 537	36 326	105 283
Change in working capital:			
Change in short-term receivables	-229 610	11 456	-20 398
Change in short-term liabilities	43 424	-10 118	18 673
Cash flow after change in working capital	-11 649	37 664	103 558
Investments in intangible fixed assets	-88	-573	-3 078
Investments in tangible fixed assets	-644	-598	-703
Aquisition of subsidiaries and affiliated companies	-220 314	-11 926	-25 697
Sale of subsidiaries within the Group	0	19 751	0
Aquisition of subsidiaries within the Group	-23 609	-5 000	0
Issued shareholder contributions to subsidiaries	-42 736	-8 392	-72 843
Investments in financial fixed assets	0	0	-800
Investments in tangible fixed assets	0	197	11
Cash flow from investments	-267 391	-6 541	-103 110
Net change of loans	165 576	-5 748	21 302
New issue	149 715	0	0
Dividend paid	-36 251	-25 375	-21 750
Cash flow from financial activities	279 040	-31 123	-448
Cash flow for the year	0	0	0
Liquid funds at the beginning of the year	0	0	0
Liquid funds at the end of the year	0	0	0

NOTE 1 ACCOUNTING AND VALUATION PRINCIPLES

The annual report is compiled in accordance with The Annual Report Law, The Swedish Financial Accounting Standards Council's and The Acute Group's statement. Applicable accounting principles are unchanged compared to last year, with the exception of the adaptations, during the year, to The Swedish Financial Accounting Standards Council's recommendation RR29 remuneration to employees, RR22 the formulation of financial reports, RR25 reporting of segments and RR27 financial instruments: disclosure and classification. Implementation of these accounting principles has not had any effect on the result or standing, but only an increase in additional information. Furthermore, New Wave has implemented a stringent interpretation of RR15. See change of accounting principles below.

Change of accounting principles

New Wave has an extensive catalogue production. These external production costs for respective catalogue have previously been wholly cost accounted at the time of release. A stringent interpretation of RR15 means that all expenses are continually cost accounted. New Wave implements this interpretation per 31st December 2004, which means a change of accounting principles. A recalculation of comparative figures has not been undertaken, as this only has an immaterial affect on the result. RR29 remuneration to employees was introduced during 2004 but involves no changes for New Wave. In Sweden, no details are available from Alecta for valuation of pension commitments and this is why the company reports these as a contractual rate plans.

Consolidated financial statements

The consolidated financial statements include the parent company New Wave Group AB and all companies in which New Wave Group AB, which directly or indirectly, hold more than 50 percent of the voting rights or solely have controlling influence. The consolidated financial statements are prepared in accordance with recommendation RR1:00 regarding consolidated financial statements, which states that the acquisition value of shares in subsidiaries are eliminated against equity capital in respective subsidiaries at the time of acquisition, including the calculated part of equity capital in untaxed reserves. The calculated tax liability for untaxed reserves in acquired subsidiaries is accounted for among long-term liabilities in accordance with the applicable tax rate in each respective country. If the acquisition value of shares in the acquired company exceeds net assets then there exists a group goodwill. This method means that only that part of equity capital in the subsidiary that was created after the time of acquisition is included in the group's own equity capital. Companies acquired during the fiscal year, as from the time of acquisition, are included in the consolidated income statement. Companies disposed of during the year are omitted as from the fiscal year's beginning. Associated companies are accounted for according to the share of equity method.

Conversion of foreign subsidiaries accounts

The daily rate method is used for conversion of foreign subsidiaries' financial statements to Swedish crowns for inclusion in the consolidated financial statements, in accordance with the rule regarding independent foreign businesses. The income statement has been converted at the average rate, based on the currency rate on the last day of every month. The balance sheet is converted at the balance day rate. The conversion differences that occur when converting the balance sheet are directly accounted for in equity capital and therefore do not effect the year's result.

Minority interest

Minority interest in the year's result and in equity capital is based on the subsidiaries' annual accounts in accordance with the Group's accounting principles. Minority share in the subsidiaries' capital is accounted for in a separate item in the Group's balance sheet.

Associated companies

Associated companies are companies that are not subsidiaries but in which the parent company holds, directly or indirectly, at least a 20 % of the voting rights. Shares in related companies are accounted for in accordance with the capital share method. The Group's income statement includes part of the result in related companies and are part of the result before tax. The acquisition value of shares in the associated companies is not higher than the share of equity capital and this is why goodwill is not accounted for. The share of the associated companies' loss does not form part of the Group's latent tax claim. In the Group's balance sheet, holdings in associated companies are accounted for at acquisition value with an adjustment for the share of the result after the time of acquisition.

Income accounting

Sales of goods are accounted for upon delivery to customers, in accordance with the sales terms. All sales are accounted for after deduction of value-added tax, discounts and returns made. Group internal sales are eliminated from Group accounts. Commissions, royalties and licenced income are accounted for as sales income in accordance with the actual agreed economic meaning. They are not disclosed as they do not consist of any substantial amount.

Internal sales

Pricing upon delivery between Group companies is based on commercial principles and therefore is at market prices. Internal results arising from sales between Group companies have been entirely eliminated.

Close relation transactions

No close relation transactions beyond usual Group company transactions have taken place.

Depreciation of fixed assets

Tangible and intangible fixed assets acquired by the group are accounted for at historic acquisition value after deducting accumulated depreciation and possible write-downs. Costs for reparations and maintenance are charged to expenses. The acquisition value of assets is depreciated lineally during the asset's estimated utilisation period. Goodwill which is classified as a strategic acquisition is calculated to have an utilisation period of between 10 to 20 years and the corresponding age for trademarks is 10 years. Depreciation according to plan is calculated on original acquisition values and based on the assets' expected economic life as follows:

Computers and software	30 %
Trademarks	5 %
Goodwill	5–10 %
Real estate	2–4 %
Other machinery and equipment	20 %

Write-downs

Writing down is used if the reported value exceeds the highest of utilisation value or the net sales value.

Reservations

A reservation is made in the balance sheet when the company has a formal or informal obligation as a consequence of an occurrence and a reliable estimate of the amount can be made.

Receivables

Claims have after individual examination been taken up to the amount with which they are expected to come in

Receivables and liabilities in foreign currency

Receivables and liabilities in foreign currencies are valued at the year-end rate. However, hedged amounts have been shown at future rates.

Research and development

Product development mainly comprises of design and development of new collections, as well as developing new product variations within the borders of our existing collections. Expenses for research and development are booked as costs continuously.

Financial instruments

Short term placements consist of liquid bank balances without commitment and therefore it is judged that the market value corresponds to the accounting value. Loans consist of liabilities to credit institutions. Liabilities are accounted for in the balance sheet at acquisition value on the settlement date plus accrued interest. Interest expenses are periodised and continuously accounted for in the income statement. Currency derivatives are only included to secure the commercial flow. Derivatives consist of currency futures contracts and currency swaps. The currency rate effect attributable to the derivative is taken up in the trading result, at the same time as the currency rate effect on the underlying secured transaction is taken up.

Leasing

Only operational leasing occurs within the Group, and therefore leasing fees are charged to expenses evenly over the contract period. Company cars, copiers and so on are for reasons of substantiality accounted for as operational leasing.

Stock

Stocks consist of textiles, give-aways and accessories for sale. Stocks are valued using the first-in-first-out (FIFO) principle at the lowest of acquisition value or net sales value on balance day. Deductions are made for internal profits originating from deliveries between Group companies.

Received and paid Group contributions

Received and paid Group contributions will be accounted for directly towards equity capital with a calculated tax effect of 28 %.

Tax

Current tax

The group's income tax includes tax on the parent company's disclosed income during the fiscal period as well as adjustments for previous periods, shares in associated companies' tax and changes in deferred tax. Tax is individually estimated for each company according to the tax rules of each country and is reported as current tax.

Deferred tax

Deferred tax is estimated on the basis that temporary differences occur between accounting values and tax values on assets and liabilities. Temporary differences refer mainly to depreciation of assets and deductible deficiencies. Deferred tax claims in regards to deductible deficiencies have only been considered to the extent that it is probable that a deduction can be offset by a surplus in future taxation. When estimating deferred tax liabilities the tax rates for each respective country has been used and allowance made for known changes.

In the parent company's annual financial statements, the deferred tax liability on untaxed reserves is included in untaxed reserves; this is due to the relation between accounting and taxing.

Remuneration to employees

Pensions

Pension liabilities are calculated in accordance with The Swedish Financial Accounting Standards Council's recommendation RR29, remuneration to employees, which is compulsory as from 2004. Within the group there are mainly contractual rate plans but also isolated preferential plans. For contractual rate plans, the company pays fixed charges to a separate corporate entity and has no obligation to pay further charges. The group's result is burdened for these costs at the same time as the benefits are earned. In Sweden no details are available from Alecta for valuation of pension commitments and this is why the company reports these as a contractual rate plans.

Reporting for segments

New Wave has two business areas, Corporate Profiling and Retail, which are the primary segments. It is the distribution channel and not the product or geographical market which is the starting point. The secondary segments are geographical, as risks and return differ between countries

NOTE 2 REPORTING OF SEGMENTS

Primary segments – product areas

Group	Net sales			Operating result		
	2004	2003	2002	2004	2003	2002
Corporate profiling	1 581 016	1 154 603	1 044 802	220 810	173 122	149 122
Retailing	721 186	727 330	642 517	71 178	71 560	66 961
	2 302 202	1 881 933	1 687 319	291 988	244 780	216 083

The business areas Profile and Retail are the primary segments. It is the distribution channel and not the product or the geographical that are the starting point. A lot of products are the same for the both segments sharing the same stock which make a split among the segments impossible. To be able to sell the same kind of product in the both segments is one of the big synergies.

It is also the same with several clients/retailers that are working in the both segments. The most of the legal companies within New Wave are working in the both segments. This makes it very difficult to split the investments between the both segments. Below is a split among sales, assets and investments at the secondary segments that are the geographical.

Secondary segments – geographic areas

	Net sales, Mkr			Assets, Mkr			Netinvestments, Mkr		
	2004	2003	2002	2004	2003	2002	2004	2003	2002
Benelux	293	202	133	400	211	188	10	-4	91
Denmark	64	52	42	12	10	10	0	0	0
England	56	54	48	34	45	67	-1	1	-1
Finland	180	166	145	66	64	67	0	0	2
France	62	30	23	11	7	67	0	0	0
Italy	140	117	96	159	108	67	4	7	15
Norway	180	171	164	88	84	67	3	0	-1
Switzerland	48	8	0	158	104	67	2	44	0
Spain	93	77	60	72	54	67		-1	0
Sweden	956	835	837	1106	941	67	53	60	50
Germany	181	124	84	55	45	67	0	0	0
Other	0	44	55	50	7	67	3	1	0
Total	2 253	1 880	1 687	2211	1680	67	74	108	156

NOTE 3 INTRA-GROUP COMPANY PURCHASING AND SALES

Parent company sales during fiscal year 1 January – 31 December 2004 amounted to SEK 68,398 (93,238; 98,480) thousand, thereof 97% (98%; 98%) was sales to group companies. Result before appropriations and tax was SEK43,437 (135,212; 50,162) thousand.

NOTE 4 OTHER OPERATING INCOME

Group	2004	2003	2002
Exchange profits	7 708	1 300	0
Capital gain	1 792	1 144	140
Insurance compensation	0	8 948	0
Other	10 541	2 091	2 076
	20 041	13 483	2 216
Parent company	2003	2003	2002
Parent company	4 266	0	0
Capital gain	14	0	0
Other	712	0	0
	4 992	0	0

NOTE 5 AVERAGE NUMBER OF EMPLOYEES

	2004		2003		2002	
	Number of employees	Of which are men	Number of employees	Of which are men	Number of employees	Of which are men
Parent company						
Kungälv	29	18	29	18	20	12
China	0	0	0	0	13	2
Bangladesh	0	0	0	0	24	20
Parent company total	29	18	29	18	57	34
Subsidiaries in Sweden						
Borås	132	79	110	68	104	73
Kungälv	30	24	37	25	36	27
Munkedal	89	55	69	42	52	34
Stockholm	72	47	42	25	43	26
Ulriesehamn	89	45	81	39	83	41
Örebro	17	8	18	11	18	12
Subsidiaries in Sweden total	429	258	357	210	336	213
Subsidiaries outside Sweden						
Bangladesh	29	25	28	25	-	-
Belgium	38	21	-	-	-	-
Denmark	11	10	13	9	8	7
England	18	13	19	14	17	11
Finland	33	26	34	24	24	17
France	21	10	7	3	6	2
Holland	199	126	158	100	179	107
HongKong	1	1	-	-	-	-
Italy	38	24	27	16	25	16
China	270	119	26	14	-	-
Norway	39	26	38	24	36	22
Switzerland	34	18	8	5	1	1
Spain	37	24	19	14	18	12
Germany	42	27	42	26	22	16
Vietnam	1	1	1	1	-	-
Subsidiaries outside Sweden total	811	471	420	275	336	211
Group total	1269	747	806	503	729	458

Men and women in management positions

Group	2004			2003			2002		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Board	0	4	4	0	4	4	0	4	4
Group management	0	7	7	0	7	7	0	7	7
Total	0	11	11	0	11	11	0	11	11

Sick leave

Parent company

The total sick leave 1 January – 31 December in the parent company was 1,0 (0,7; 0,6) %, (women 2,6 (1,1; 0,9) %; men 0,1 (0,5; 0,4) %).

NOTE 6 WAGES AND SALARIES, OTHER REMUNERATION AND SOCIAL COSTS

	2004		
	Wages, salaries and other remunerations	Social costs	Of which pension costs
Parent company	10 163	4 948	1 457
Subsidiaries in Sweden	116 748	44 054	6 161
Subsidiaries outside Sweden	123 358	26 195	3 820
Group total	250 269	75 197	11 438

Of the parent company's pension costs SEK210 (210; 210) thousand concern the board and the managing director.

Of the Group's pension costs SEK1,903 (1,698; 3,425) thousands concern the board and managing director.

WAGES, SALARIES AND OTHER REMUNERATION DISTRIBUTED BY COUNTRY, BOARD MEMBERS ETC. AND OTHER EMPLOYEES

	2004		
	Board and president	Of which tantième etc.	Other employees
Parent company			
Sweden	997	0	9 166
China	0	0	0
Bangladesh	0	0	0
Totalt moderbolaget	997	0	9 166
Subsidiaries in Sweden	8 562	123	108 186
Subsidiaries outside Sweden			
Belgium	776	0	12 017
Denmark	814	0	3 659
England	510	0	4 656
Finland	794	0	8 941
France	0	0	2 799
Holland	3 166	0	25 211
HongKong	222	0	121
Italy	5 402	3 777	8 139
China	0	0	1 634
Norway	1 605	0	13 121
Switzerland	584	0	11 450
Spain	547	0	4 626
Germany	1 350	438	11 214
Subsidiaries outside Sweden total	15 770	4 215	107 588
Group total	25 329	4 338	224 940

Remuneration for the board

	2004
external members of the parent company	440
of which for the chairman of the board	213

Substitute committee for the parent company's board has not been issued. For the chairman of the board and the members of the board, remuneration is decided by the Annual General meeting.

Terms of employment for the president

Remuneration for the president consists of fixed salary. No remuneration for the work in the board is paid to the president. The pension insurance is 35 percent of the salary. The pension is fee based and is paid out from an age of 65 years. There is a mutual notice of six months and no severance pay for the president.

	2004		
	Wages, salaries and other remunerations	Tantième etc.	Pension cost
President	565	0	210
Other employees in leading positions	3 705	3 401	227
	4 270	3 401	437

*Consist of 6, (6; 5,75) persons

Financial instruments

	2004		
	Convertible bonds	Subscription options	Buying options
Chairman of the board	0	0	0
Other members of the board	0	0	0
President	0	123 974	0
Other employees in leading positions	0	214 473	0
	0	338 447	0

Of outstanding subscription options for the president 40 984 concern those that run from June 2002 to June 30th 2006 with a ransom price of SEK 51,90 and 102 990 concern those that run from June 2003 to June 30th 2006 with a ransom price of SEK 58,60. The options were acquired at market prices, which at the time for the issue was SEK 1,25 and SEK 5,75 per option respectively. The options are not noted.

Remuneration to accountants and firm of auditors

	2004
Group	
Audit tasks	2 081
Consult cost	864
Parent company	2004
Audit tasks	289
Consult cost	47

2003			2002		
Wages, salaries and other remunerations	Social costs	Of which pension costs	Wages, salaries and other remunerations	Social costs	Of which pension costs
9 340	4 314	951	10 473	3 736	210
101 373	41 784	4 286	95 444	40 362	5 690
82 162	16 298	3 536	77 201	14 475	2 851
192 875	62 396	8 773	183 118	58 573	8 751

2003			2002		
Board and president	Of which tantième etc.	Other employees	Board and president	Of which tantième etc.	Other employees
1 320	0	6 835	2 060	0	5 862
0	0	601	0	0	1 604
0	0	584	0	0	947
1 320	0	8 020	2 060	0	8 413
7 980	231	87 428	5 287	389	91 583

0	0	0	0	0	0
884	0	3 620	631	0	2 723
502	0	4 202	1 615	0	4 743
804	0	8 905	779	0	7 593
612	0	1 379	595	0	1 191
3 927	0	22 626	3 270	46	20 389
0	0	0	0	0	0
4 411	2 849	5 936	3 417	1 905	4 827
568	0	659	0	0	0
2 163	0	12 329	1 593	0	11 178
576	0	1 019	638	0	31
548	0	3 279	431	0	3 242
1 397	502	7 781	889	0	6 000
16 392	3 351	71 735	13 858	1 951	61 917
25 692	3 582	167 183	21 205	2 340	161 913

2003		2002	
	400		400
	200		200

Terms of employment for other employees in leading positions

Other employees in leading positions are the six persons who, together with the president, is the Group management team. For the Group management composition, see inside of the cover. Remuneration for other employees in leading positions consists of fixed salary and, in one case, tantième. No board work remuneration is paid. The pension is fee based on regular pension plans and will be paid out from an age of 65 years. For other employees in leading positions, there is a mutual notice of three to six months and no severance is paid.

Remunerations committee

There is no special remunerations committee appointed to deal with salary levels, pension benefits, incentive questions and other employment conditions, for the president, but instead are dealt with by the board as a whole. For the other leading employees is decided by the president after discussion with the president of the board. The remuneration to the board is decided by shareholders at the annual general meeting.

2003			2002		
Wages, salaries and other remunerations	Tantième etc.	Pension cost	Wages, salaries and other remunerations	Tantième etc.	Pension cost
638	0	210	658	0	210
4 710	2 005	172	4 284	824	193
5 348	2 005	382	4 942	824	403

2003			2002		
Convertible bonds	Subscription options	Buying options	Convertible bonds	Subscription options	Buying options
0	0	0	0	0	8 640
0	0	0	0	0	17 280
0	140 000	0	1 000 000	20 000	0
0	204 000	0	5 000 000	63 000	0
0	344 000	0	6 000 000	83 000	25 920

2003		2002	
	1 938		2 956
	1 225		998

2003		2002	
	238		639
	154		100

NOTE 7 RESULT FROM FINANCIAL INVESTMENTS

Parent company	2004	2003	2002
Dividend	26 372	0	0
Anticipated dividend	0	136 380	0
Payback of shareholder contribution	0	15 184	0
Interest income	27 588	16 577	15 456
Total interest income and similar result items	53 960	152 957	15 456
Depreciation of subsidiary shares	0	-36 900 ¹	0
Interest expenses	-22 831	-14 151	-13 962
Total interest income and similar result items	-22 831	-51 051	-13 962
Total	31 129	101 906	1 494

¹ The depreciation of subsidiary shares concerns New Wave Sportswear Ltd with SEK 36 900 thousand.

NOTE 8 APPROPRIATIONS

Parent company	2004	2003	2002
Difference between ledger depreciation and depreciation according to plan	1 075	1 043	-1 900
Tax allocations reserve	-3 554	-6 972	-9 178
	-2 479	-5 929	-11 078

NOTE 9 TAX ON NET PROFIT/LOSS FOR THE YEAR

Group	2004	2003	2002
Current tax	-59 159	-52 736	-41 065
Tax assignable to preceding years	22	11	-496
Deferred tax	-2 162	6 194	10 705
Total	-61 299	-46 531	-30 856
Parent company	2004	2003	2002
Current tax	-2 938	-10 941	-8 062
Tax assignable to preceding years	0	0	-352
Tax on received/ paid Group contributions	-1 134	2 557	-2 121
Total	-4 072	-8 384	-10 535

Explanation to the difference between nominal Swedish tax rate and effective tax rate according to the Income Statement:

Group	2004	2003	2002
Percent			
Swedish income tax rate	28.0	28.0	28.0
Tax on deduction for loss	-2.4	-3.1	-6.1
Effect from foreign tax rates	0.1	-1.4	-4.6
Non-deductable goodwill depreciations	2.8	2.3	2.1
Other	0.1	-0.1	1.9
Tax rate according to the income statement	28,6	25,7	21,3

NOTE 10 INTANGIBLE FIXED ASSETS

	2004		2003		2002	
	Group	Parent co.	Group	Parent co.	Group	Parent co.
Computer programmes						
Acquisitions value as part of acquisitions	17 150	2 922	17 003	2 454	10 334	1 271
Acquisition value brought forward	0	0	0	0	2 825	0
Purchases	2 735	88	1 902	468	3 844	1 183
Sales/discarding	-1 803	0	-1 755	0	0	0
Accumulated acquisition value	18 082	3 010	17 150	2 922	17 003	2 454
Depreciations brought forward	-12 100	-1 845	-9 963	-912	-4 512	-757
Sales/discarding	0	0	1 755	0	0	0
Depreciations as part of acquisitions	0	0	0	0	-2 098	0
Depreciations during the year	-3 275	-910	-3 892	-933	-3 353	-155
Accumulated depreciations	-15 375	-2 755	-12 100	-1 845	-9 963	-912
Planned residual value	2 707	255	5 050	1 077	7 040	1 542
Trademarks						
Acquisition value brought forward	17 736	8 141	16 855	8 036	14 301	6 140
Purchases	1 540	0	881	105	2 554	1 895
Accumulated acquisition value	19 276	8 141	17 736	8 141	16 855	8 035
Depreciations brought forward	-7 753	-3 921	-5 933	-3 022	-3 930	-1 942
Depreciations during the year	-1 330	-814	-1 820	-899	-2 003	-1 080
Accumulated depreciations	-9 083	-4 735	-7 753	-3 921	-5 933	-3 022
Planned residual value	10 193	3 406	9 983	4 220	10 922	5 013
Goodwill						
Acquisition value brought forward	300 627	0	234 658	0	154 401	0
Acquisition during the year	91 855	0	65 969	0	80 257	0
Accumulated acquisition value	392 482	0	300 627	0	234 658	0
Depreciations brought forward	-51 625	0	-35 606	0	-22 560	0
Depreciations during the year	-20 076	0	-16 019	0	-13 046	0
Accumulated depreciations	-71 701	0	-51 625	0	-35 606	0
Planned residual value	320 781	0	249 002	0	199 052	0

NOTE 11 TANGIBLE FIXED ASSETS

	2004		2003		2002	
	Group	Parent co.	Group	Parent co.	Group	Parent co.
Real estate						
Acquisition value brought forward	165 609	0	114 579	0	56 326	0
Acquisition value as part of acquisition	0	0	0	0	37 333	0
Purchases	7 706	0	51 030	0	20 920	0
Accumulated acquisition value	173 315	0	165 609	0	114 579	0
Depreciations brought forward	-25 811	0	-21 826	0	-11 780	0
Depreciations as part of acquisitions	0	0	0	0	-7 131	0
Depreciations as part of production costs/goods	-828	0	-471	0		-501
Depreciations during the year	-4 226	0	-3 514	0	-2 414	0
Accumulated depreciations	-30 865	0	-25 811	0	-21 826	0
Planned residual value	142 450	0	139 798	0	92 753	0
Off the above accounted value, land value amount to:	6 965	0	6 995	0	4 305	0
Taxation value for swedish real estates						
Buildings	15 806	0	15 806	0	15 806	0
Land	2 108	0	2 108	0	2 108	0
Equipment, tools, fixtures and fittings						
Acquisition value brought forward	179 156	3 536	161 503	3 616	58 301	5 229
Acquisition value as part of acquisitions	5 732	0	0	0	91 604	0
Purchases	33 477	644	25 258	598	12 208	703
Sales/discarding	0	0	-7 605	-678	-610	-2 316
Accumulated acquisition value	218 365	4 180	179 156	3 536	161 503	3 616
Depreciations brought forward	-124 420	-2 650	-113 842	-2 293	-27 082	-3 772
Sales/discarding	0	0	7 605	223	610	2 316
Depreciations as part of acquisitions	-3 513	0	0	0	-68 682	0
Depreciations as part of production costs/goods	-4 366	0	-3 794	0	-2 759	0
Depreciations during the year	-12 074	-529	-14 389	-580	-15 929	-837
Accumulated depreciations	-144 373	-3 179	-124 420	-2 650	-113 842	-2 293
Planned residual value	73 992	1 001	54 736	886	47 661	1 323

Leasing fees concerning operational leasing

The Group has operational leasing contracts concerning its rental of premises and business systems. The future responsibility concerning these contracts are:

	Group	Parent co.	Group	Parent co.	Group	Parent co.		
2005	54 330	5 439	2004	33 760	5 612	2003	32 666	4 171
2006	45 295	5 439	2005	24 749	5 612	2004	20 641	4 171
2007	27 113	359	2006	19 688	5 612	2005	17 176	4 171
2008	24 015	359	2007	17 899	5 612	2006	14 574	4 171
2009 inkl.	55 126	359	2008 inkl.	29 703	0	2007 inkl.	30 683	4 171
costs up to and incl. the end of the contract			costs up to and incl. the end of the contract			costs up to and incl. the end of the contract		

Group

The rental costs amounted to SEK 52 147 (40.880) thousands.

Parent company

The rental costs amounted to SEK 5 439 (5 439) thousands.

NOTE 12 SHARES IN GROUP COMPANIES

	Capital %	Voting rights %	Number of shares	Ledger value
Craft of Scandinavia AB	100	100	50 000	5 000
D.A.D. Sportswear AB	100	100	50 000	5 600
Dahlin Johansson Frantextil AB ¹	100	100	30 000	20 968
Dressmart AB ²	100	100	1 015 684	492
EBAS Group BV ³	100	100	5 100	24 479
Fastighetsbolaget YBY AB	100	100	1 000	1 922
Hefa A/S	100	100	50	240
Hefa AB ⁴	100	100	18 985	40 280
Jobman Workwear AB	100	100	10 000	172 680
Jobman Workwear Ltd	100	100	50 000	31 215
Make Your Own Design in Scandinavia AB	100	100	10 000	1 000
New Wave Danmark A/S	100	100	1	1 180
New Wave Factory Shop AB	100	100	500	4 440
New Wave Far East Ltd	100	100	10 000	9
New Wave France SAS	100	100	100	11 269
New Wave Garments Ltd	100	100	-	14 813
New Wave GmbH	100	100	-	11 224
New Wave Group				
New Wave Group Incentives AB	100	100	1 000	100
New Wave Group International Trading Ltd	100	100	-	1 545
New Wave Group SA ⁵	100	100	100	536
New Wave Italia S.r.l	100	100	500 000	6 670
New Wave Mode AB	100	100	100 000	8 871
New Wave Sportswear A/S	100	100	9 000	1 022
New Wave Sportswear BV	100	100	40	7 397
New Wave Sportswear Ltd	100	100	500 000	33 193
New Wave Sportswear S.A.	100	100	1 000	14 597
OY Trexet Finland AB	100	100	600	1 412
Pax Scandinavia AB	100	100	2 400	26 909
Sagaform Försäljnings AB ⁶	100	100	1 000	76 202
Seger Europé AB	100	100	10 000	34 599
Seger United AB	100	100	10 000	56 016
Sko Team AB	100	100	1 000	3 438
Texet AB	100	100	58 500	99 900
Texet Deutschland GmbH	100	100	-	445
Texet Norge A/S	100	100	550	699
Toppoint Nederland BV ⁷	75	75	13 614	14 672
X-Tend BV	100	100	100 000	10 958
Total				745 992

¹ Dahlin Johansson Frantextil AB is the owner of D & J Frantextil NUF.

² Dressmart AB is the owner of Cyberwave AB

³ EBAS Group BV is the owner Texet Benelux BV, Texet France SAS and Texet Harvest Spain SL.

⁴ Hefa AB owns the companies GC Sportswear OY and Dressmart GmbH

⁵ New Wave Group SA is the owner Craft Suisse SA.

⁶ Sagaform AB owns the companies Sagaform A/S, Sagaform APS, Sagaform GmbH (Germany and Austria), Sagaform Oy, AKT Kontorsmaterial AB and NG

⁷ Toppoint Nederland BV owns the company Lensen Beheer BV that owns the companies Breplast Kunststoffspritz GmbH, Lensen Toppoint BV, Merlinex Pen BV, Stylex Promotion GmbH, Topline Keramiek BV and Totemco BV.

Information about subsidiaries' corporate identity and domicile:

	Corporate identity number	Domicile
Breplast Kunststoffspitz GmbH	HR B 553	Brenbach, Germany
Craft of Scandinavia AB	556529-1845	Borås, Sweden
Craft Suisse SA	CH-645-4097183-0	Cortailod, Switzerland
Cyberwave AB	556544-8825	Kungälv, Sweden
Dahlin Johansson Frantextil AB	556190-4086	Borås, Sweden
Dahlin Johansson Frantextil NUF	985575088	Oslo, Norway
Dressmart AB	556560-7180	Borås, Sweden
Dressmart GmbH	328/5857/0728	Menden, Germany
EBAS Group AB	17078626	Aarschot, Belgium
Fastighetsbolaget YBY AB	556473-4126	Oberaudorf, Germany
GC Sportswear OY	1772317-6	Esbo, Finland
Hefa A/S	932725878	Oslo, Norway
Hefa AB	556485-2126	Kungälv, Sweden
Jobman Workwear AB	556218-1783	Stockholm, Sweden
Jobman Workwear Ltd	15891824-000-07-03-01	Hong Kong
Lensen Beheer BV	5023460	Bergentheim, Holland
Lensen Toppoint BV	5055988	Bergentheim, Holland
Make Your Own Design in Scandinavia AB	556372-1785	Borås, Sweden
Merlinex Pen BV	33263967	Amsterdam, Holland
New Wave Danmark A/S	19950700	Copenhagen, Denmark
New Wave Factory Shop AB	556537-4971	Borås, Sweden
New Wave Far East Ltd	551901	Hong Kong
New Wave France SAS	430 060 624 000 29 514C	Daililly, France
New Wave Garments Ltd	755013846	ShangHai, China
New Wave GmbH	HRB10847	Oberaudorf, Germany
New Wave Group Incentives AB	556544-8833	Oberaudorf, Germany
New Wave Group International Trading Ltd	74959455X	ShangHai, China
New Wave Group SA	CH-645-1009704-1	Cortailod, Switzerland
New Wave Italia S.r.l	1730/9310/45	Codogno, Italy
New Wave Mode AB	556312-5771	Dingle
New Wave Sportswear A/S	946506370	Sarpsborg, Norge
New Wave Sportswear BV	30159098	Mijdrecht, Holland
New Wave Sportswear Ltd	3817967	London, England
New Wave Sportswear S.A.	29963 166887 0190 B1	Barcelona, Spanien
NGA Land AB	556495-5309	Borås, Sweden
OY Trexet Finland AB	534545	Esbo, Finland
Pax Scandinavia AB	556253-8685	Örebro, Sweden
Sagaform A/S	978679242	Oslo, Norway
Sagaform AB	556402-4064	Borås, Sweden
Sagaform APS	25818253	Karlebo, Denmark
Sagaform GmbH	47619	Frankfurt am Main, Germany
Sagaform GmbH	195299f	Salzburg, Austria
Sagaform Ltd	4903053	London, England
Sagaform OY	1712321-8	Espoo, Finland
Seger Europe AB	556244-8901	Gällstad, Sweden
Seger United AB	556388-4005	Gällstad, Sweden
Sko Team AB	556494-8742	Örebro, Sweden
Stylex Promotion GmbH	HR B 1986	Nordhorn, Germany
Textet AB	556354-3015	Stockholm, Sweden
Textet Benelux BV	BE 404998.655	Aarschot, Belgium
Textet Deutschland GmbH	24/430/01304	Oberaudorf, Germany
Textet France SAS	305035693	Natterre Cedex, France
Textet Harvest Spain SL	A 78480696	Madrid, Spain
Textet Norge A/S	977037166	Oslo, Norway
Topline Keramiek BV	8073764	Hoogeveen, Holland
Toppoint Nederland BV	5061847	Hardenberg, Holland
Toppoint Polska SP.Z.OO	PL929-17-29-531	Zielona Góra, Polen
Totemco Bv	34057022	Amsterdam, Holland
X-Tend BV	NL009607298B01	Wierden, Holland

NOTE 13 FINANCIAL FIXED ASSETS

Shares in related companies						2004	2003	2002
	Corporate identity number	Domicile	Share capital,%	Vote share,%	Numbers of shares	Book value	Book value	Book value
Dingle Industrilokaler AB	556594-6594-6570	Munkedal	49	49	83 055	8 020	7 877	8 306
Equity amounted to 2004-12 31 till 16 365 Tkr.								
Other long-term receivables						2004	2003	2002
Long-term receivable Alecta						697	1 329	2 820
Other						4 872	1 771	1 762
Total						5 569	3 100	4 582

Deferred tax claims and liabilities for the group are assigned to:

	2004		2003		2002	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Inventories and accounts receivable	11 325	-	8 725	-	5 720	-
Deduction of loss	20 974	-	20 405	-	16 323	-
Untaxed reserves	-	49 791	-	34 567	-	28 760
Deferred tax claims and liabilities	32 299	49 791	29 130	34 567	22 043	28 760

Deduction of loss

At year-end the Group's total tax deduction of loss was SEK 80 574 (82 026;97,414) thousand corresponding to deferred tax claims of SEK 26 461 (24 608;29,508) thousand, of which SEK 20 974 (20 405;16,323) thousand have been accounted for as claims as it is judged that the company will have possible tax margins in the future, to which this loss can be applied. Green field project goes initially with a loss. Many of New Waves companies has turned around from an initial loss to profit. The development is monitored to make sure that the plan is followed in all companies with an accumulated loss.

Deferred tax claims duration:

2005	0
2006	0
2007	0
2008	458
2009	604
Unlimited	19 911
Total	20 974

Latent tax debts in Sweden originating from tax allocations reserves and excec depreciatios are due in accordance with below:

2005	3 313
2006	8 074
2007	2 974
2008	9 358
2009	10 575
2010	8 425
Unlimited	3 181
Total Sweden	45 911
Other	2005 3 880
Total	49 791

NOTE 14 PREPAID EXPENSES AND ACCRUED INCOME

Group	2004	2003	2002
Insurance	1 980	1 480	1 035
Prepaid rent	8 134	4 107	3 848
Leasing	2 942	2 625	2 001
Reduction of purchasing costs	0	1 380	0
Costs for fair	3 378	0	0
Interest	1 247	23	487
Tool and model costs	2 863	1 915	1 370
Computer costs	1 299	1 176	0
Other items	8 406	20 166	17 416
Total	30 249	32 872	26 157

Parent company	2 004	2 003	2 002
Insurance	14	16	0
Prepaid rent	0	0	16
Leasing	1 638	1 601	1 422
Current advertising production**	0	0	3 642
Interest	0	23	0
Computer costs	0	281	0
Other items	468	1 998	3 642
Total	2 120	3 919	8 722

NOTE 15 UNTAXED RESERVES

Parent company	2004	2003	2002
Difference between book depreciation and depreciation according to plan	1 911	2 986	4 029
Tax allocation reserve 98	0	0	50
Tax allocation reserve 00	2 906	2 906	2 906
Tax allocation reserve 01	7 180	7 180	7 180
Tax allocation reserve 03	9 598	9 598	9 598
Tax allocation reserve 04	7 022	7 022	0
Tax allocation reserve 05	3 554	0	0
Total	32 171	29 692	23 763

Tax for untaxed reserves amounts to SEK 9 008 (8 314; 6 654) Tkr.

NOTE 16 CONVERTIBLE BONDS

In June 2000, New Wave introduced a program for convertible bonds to all employees. The loan amounts to SEK 35 million. The convertible bonds carried ransom as from March 2003. At the time for conversion into shares, the market value of the share was lower than the conversion rate and therefore no conversion was made. The entire loan was paid back to the convertible bonds owners.

NOTE 17 KREDITLIMT

Group

Approved amount pertaining to loans and credit facilities totalled SEK 1.349.565 tkr (1.137.106; 962.501 tkr).

Parent company

Approved amount pertaining to loans and credit facilities totalled SEK 731.639 tkr (876.783; 400.103 tkr).

NOTE 18 ACCRUED EXPENSES AND PREPAID INCOME

Group	2004	2003	2002	2001
Pre-invoiced income	3 449	584	636	2 662
Payroll and payroll fees	37 937	31 943	29 154	20 861
Market costs	2 014	3 051	1 138	3 860
Commission	3 662	3 737	4 426	0
Audit	1 851	1 351	1 639	991
Interest	641	2 500	4 259	3 853
Goods deliveries	12 056	10 202	13 538	4 177
Licence costs	1 482	1 801	0	0
Other items	9 162	6 928	6 062	10 438
Total	72 254	62 097	60 852	46 842
Parent company	2004	2003	2002	2001
Holiday pay debt	2 256	1 724	1 263	892
Social fees	292	287	191	293
Audit	80	0	228	0
Interest	0	1 719	2 730	2 784
Other items	548	498	240	598
Total	3 176	4 228	4 652	4 567

NOT 19 FINANCIAL RISKS

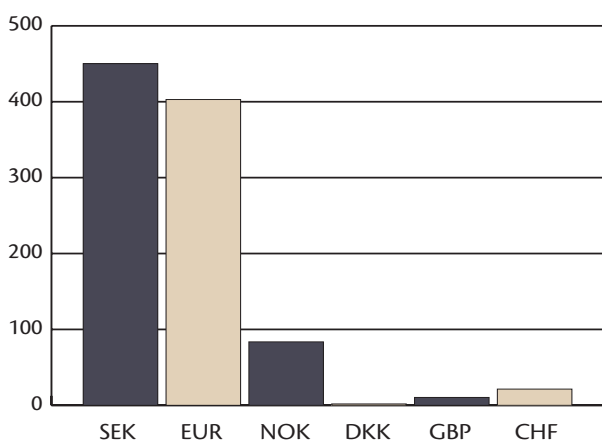
New Wave with its international operations is continually exposed to different financial risks. These financial risks are currency exposure, borrowings and interest exposure, as well as liquidity and credit exposure. The group has a financial policy for dealing with financial risks in order to minimise their effect on the result. The goal is that the central finance function shall use the Group's economy of scale as well as assisting subsidiaries with professional service.

Financing risks

New Wave has through its relative capital intensive operation and expansive growth a need for secure financing. It is essential for a growth company like New Wave to have access to liquidity for financing future expansion as well as a high degree of flexibility when a possible acquisition turns up. New Wave has a central finance function which means that external borrowings are carried out, as much as possible, centrally. There are however debts in subsidiaries, such as debts in acquired companies, financial leasing, overdrafts or loans, where these have been the best solution. New Wave's policy is to have a financial readiness in the form of a binding credit commitment amounting to at least 10% of the group's yearly turnover. At the turn of the year, the Group had confirmed credit limits of approximately SEK 1,400 million, of which SEK 970 million were used. Since the turn of the year credit limits of SEK 2,100 million have been negotiated and have a term of five years. The new financing means that New Wave doesn't give real security for its financing, so called negative pledge, and in return has a pair of covenants i.e. financial key ratios that must be fulfilled. This means that financing is secured for further expansion in the approaching years. To manage strong growth calls for a sound Balance Sheet. New Wave's goal is a solidity of more than 30%.

Interest risk

New Wave has short term fixed interest rates, which means that the group's net interest expense has been effected positively due to the current economic situation. It is New Wave's view that short term fixed interest rates lead to lower borrowing costs over time and that they follow economical trends and therefore counteract fluctuations in the groups result. Borrowings at year-end were apportioned in the following currencies:



The annual effect on the group's net interest expense with a percentage point's parallel adjustment of the interest curve amounted to SEK 9,7 million at the current fixed-interest term.

Currency exposure

New Wave has 58% of its sales and almost all purchasing abroad. The groups income statement as well as its balance sheet are affected by currency changes. The identified risks are transaction and conversion exposure.

Transaction exposure

The Group's most important purchasing currency is the U.S. dollar and related currencies. Changes in the dollar's exchange rate against the Euro constitute the single largest transaction exposure within the Group. With regard to sales to the Retailing business area, pricing normally occurs six months prior to delivery and approximately 50% of the purchase costs are hedged. The market value of outstanding forward contracts had a negative worth of SEK 6.4 million at year end (See table below).

Outstanding transaction hedging and worth 31/12-04

Currency	Hedged volume 31/12-04 tkr	Unrealised result tkr	Number of hedged months
EUR	12 500	-45	<6
USD	72 148	-6 335	<6
SEK	-84 648		<6
	0	-6 380	

The above mentioned hedged volume is solely in currency forward contracts and all fall due within six months from the change of year. The above mentioned hedging refers to the purchase of goods whereby the greater part will be delivered to customers during the second quarter. This means that the effect on the result, for the most part, will be attributed to the second quarter. Hedging is not used for sales to the Corporate Profiling business area as currency fluctuations can be relatively quickly compensated by the adjustment of sales prices. At the same time, turnover rates are lower (due to customer demands regarding delivery guarantees and a lower degree of fashion). This means that goods purchased today are sold in about nine months, which gives New Wave time to adjust prices.

For 2004, the Group's sales at consolidation to SEK were negatively affected by SEK 9 million, which means that sales amounted to SEK 2,311 million in comparable currency exchanges. Apart from conversion of sales currencies to SEK, the Group's turnover has been negatively affected by the US dollar's depreciation compared to European currencies while the end users' prices have been adjusted. The effect has not been quantified.

JAN - DEC COUNTRY

	Turnover	Average currency exchange rate		Currency effect tkr
		2004	2003	
Sweden	956	1.0000	1.0000	0
Benelux	293	9.1243	9.1324	-260
Germany	181	9.1243	9.1324	-161
Norway	180	1.0900	1.1400	-8 257
Finland	180	9.1243	9.1324	-160
Italy	140	9.1243	9.1324	-124
Spain	93	9.1243	9.1324	-83
Denmark	64	1.2301	1.2328	-140
France	62	9.1243	9.1324	-55
England	56	13.4300	13.2100	917
Switzerland	48	5.9000	6.0000	-814
Other	49	1.0000	1.0000	0
Total	2 302			-9 136

Balance exposure

Besides the transaction exposure as described above, the Group is also affected by currency fluctuations for receivables and liabilities that continually arise in foreign currencies. The majority of these risks are covered by financing in the respective companies' currency or by hedging.

Conversion exposure

The Group's result is also affected by so called conversion effects. These occur when foreign subsidiaries' results are converted into SEK. This means that if a foreign company's result is unchanged in local currency, it can still increase or decrease when it is converted into SEK. Conversion effects also occur when the Group's net assets are consolidated from foreign subsidiaries' balance sheets, which have been negatively affected by SEK 2.8 million for 2004. Equity hedging is not used for this risk.

Credit risks

The risk that the group's customers do not fulfill their obligation i.e. that New Wave is not paid for its accounts receivables, constitutes a risk. New Wave has centrally issued a directive and from this each company prepares written routines for credit control. Information from external credit agencies is a step in the process. The credit risk in the corporate profiling market is lower as customers purchase for orders already received from their customers. New Wave has secured their accounts receivable in the Spanish and Italian subsidiaries. Sales within the retailing business area are mainly to major chains. The credit risk is also limited due to the fact that we have a large number of customers spread throughout many countries. In Sweden alone we have approximately 2,500 customers and there is no major credit risk with any individual customer or customer group. For 2004, bad debts amounted to SEK 3.9 million from a turnover of SEK 2,302 million.

Other risks

Purchasing market

New Wave's purchases occur mainly in Asia and Europe, of which approx 29% in China, approx. 27% in Bangladesh, 12% in Portugal and 9% in Sweden. Political and economical changes in China and Bangladesh, among others, can therefore affect New Wave. By being prepared and able to make purchases in both Asia and Europe, New Wave limits the economic risk that a company otherwise takes when purchasing from only one country.

Strong growth

The continued expansion that New Wave plans entails higher demands on management and personnel. Errors in recruiting, organizational problems, key personnel who quit etc, can delay development. It is of vital importance for the rate of expansion that result development keeps the same pace, which could mean an uneven growth. New Wave invests in internal management education, mentorship and yearly management meetings to guarantee future management and to spread New Wave's values.

FASHION TRENDS – the economic situation

New Wave uses substantial resources on good design and quality. Because changes occur quickly within the fashion industry, the company cannot exclude sudden negative changes in sales for certain collections. New Wave nevertheless has a limited risk, since the rate of fashion is lower within the corporate profiling business area and the retailing business area is focusing on less fashionable products, such as Craft's functional sportswear and Seger's socks. New Wave's goal is that 60–80 % of turnover shall remain within the Corporate Profiling business area.

Establishments abroad

New establishments abroad will only be carried out after earlier establishments have shown satisfactory results. The board judges that such a strategy gives a balance between optimal growth and reduced risk taking. According to New Wave, it is very difficult to estimate exactly, budgets and schedules for new establishments, which can mean a risk for initial losses. However, the board judges that the company is well prepared for planned establishments.

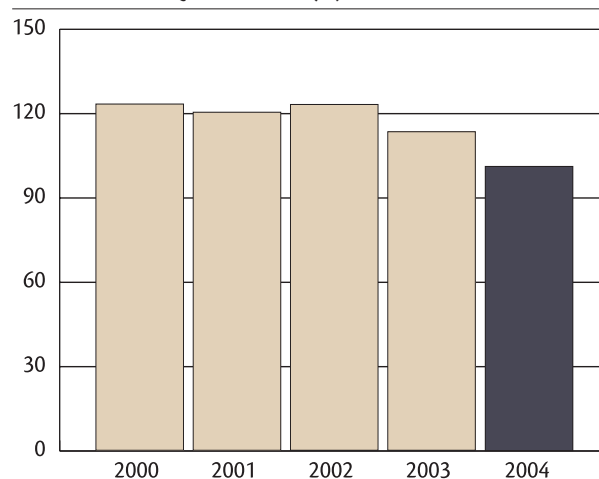
Disclosed value and actual value of financial instruments.

The table below shows the disclosed value and actual value of financial instruments. Financial assets and financial liabilities are normally disclosed at their actual value with the exception of currency futures. Futures contracts are made in order to reduce the group's foreign currency exposure. These contracts are not valued in the balance sheet but are disclosed when the contract is redeemed. Bank borrowings and short term placements in bank accounts are deemed to run at market rates and therefore disclosed worth corresponds to actual worth. Non interest yielding receivables and liabilities, which mainly consist of accounts receivable and accounts payable, are valued at their actual worth in the balance sheet.

Group	2004 Book value	Actual value	2003 Book value	Actual value	2002 Book value	Actual value
Other receivable	5 569	5 569	3 100	3 100	4 582	4 582
Accounts receivable	482 362	482 362	378 838	378 838	358 292	358 292
Cash and bank	84 118	84 118	21 895	21 895	14 241	14 241
Assets	572 049	572 049	403 833	1 081 660	982 354	982 354
Long term loans	701 090	701 090	603 435	603 435	608 238	608 238
Short term loans	269 221	269 221	111 009	111 009	0	0
Accounts payable	116 780	116 780	101 160	101 160	87 109	87 109
Liabilities	1 087 091	1 087 091	815 604	815 604	695 347	695 347
Carrency forward contracts	-	-6 380	-	-4 505		*

* No information per 31/12-02

NET DEPT -TO- EQUITY- RATIO (%)



NOT 20 ASSETS PLEDGED AND MATURITY DATES OF DEBTS

Group	Maturity date			Later than five years	Assets pledged	Debt as at 31 dec 2003	Debt as at 31 dec 2002
	Debt as at 31 dec 2004	Within a year	Between one and five years				
Liabilities							
Owed to credit institutions	970 311	454 414	481 917	33 980	see below	714 444	608 238
Parent company	Maturity date						
	Debt as at 31 dec 2004	Within a year	Between one and five years	Later than five years	Assets pledged	Debt as at 31 dec 2003	Debt as at 31 dec 2002
Owed to credit institutions	440 130	-	440 130	-	see below	235 439	248 370

Assets pledged, pertaining to liabilities to credit institutions and credit facilities

Group	2004	2003	2002
Floating charges	464 970	510 370	516 782
Real estate mortgages	75 230	74 692	73 448
Net assets in subsidiaries	593 503	699 707	579 475
Inventories and accounts receivable	272 496	158 270	196 604
Total	1 406 199	1 443 039	1 366 309
Parent company			
Floating charges	30 000	30 000	30 000
Shares in subsidiaries	438 249	386 114	331 609
Total	468 249	416 114	361 609

NOT 21 GUARANTEES

Group	2004	2003	2002
Other guarantees	296	1 167	442
Total guarantees	296	1 167	442

Parent company	2004	2003	2002
Guarantees for subsidiaries	355 030	377 442	265 547

NOT 22 NET LIABILITIES

Group	2004	2003	2002
Cash and bank	-84 118	-21 895	-14 241
Long-term interest bearing liabilities	515 897	603 435	643 238
Short-term interest bearing liabilities	454 414	111 009	-
Total	886 193	692 549	628 997

For 2002 and 2001 overdraft facilities are part of long-term interest bearing liabilities.

Proposed Distribution of Earnings

GROUP

Consolidated unrestricted shareholders' equity amounts to SEK 406 million. Allocation to restricted reserves is not required.

PARENT COMPANY

The parent company's available retained earnings and net profit amount to SEK 190 758 thousand, which the Board of directors proposes be appropriated as follows:

The shareholders a dividend of	47 321
Balance to be carried forward	143 437
	<hr/>
	193 040

Auditors' Report

Borås 31 March 2005

Håkan Thylén
Chairman of the Board

Lennart Bohlin

Hans Johansson

Torsten Jansson
President

To the Annual General Meeting of New Wave Group AB (publ). Corporate Identity Number 556350-0916

We have audited the Parent Company's financial statements, the consolidated financial statements, the accounts and the administration of the Board of Directors and the President of New Wave Group AB (publ) for the fiscal year 2003. These accounts and the administration of the company are the responsibility of the Board of Directors and the President. Our responsibility is to express an opinion on the financial statements and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of any misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.

An audit also includes assessing the accounting principles used and their application by the Board of Directors and the President, as well as evaluating the overall presentation of information in the financial statements. The basis of

our statement made on freedom from responsibility is the examination of important decisions, actions taken and circumstances of the company in order to be able to determine the possible liability to the company of any Board member or the President. We have also examined whether any Board member or the President in some other way has acted in contravention of the Swedish Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

In our opinion, the Parent Company's financial statements and the consolidated financial statements have been prepared in accordance with the Annual Accounts Act and thereby give a correct image of the Company's and the Group's profit and position in accordance with generally accepted auditing standards in Sweden.

We recommend that the Annual General Meeting adopt the income statements and the balance sheets of the Parent Company and the Group, deal with the profit of the Parent Company in accordance with the proposal in the Board of Directors' report and discharge the members of the Board of Directors and the President from liability for the financial year.

Uddevalla 31 March 2005

Per Schwartzman
Authorized Public Accountant, Ernst & Young

Bertel Enlund
Authorized Public Accountant, Ernst & Young



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Toppoint	XII
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Queen Anne	XIII
INsideOUT	XIII
Machair	XIV
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Sköna Marie	XV



Projob is a trademark for workwear. The collection has been selected to suit a large amount of occupational groups. A lot of effort is put into design, ergonomics, functionality and quality. The trademark was launched in August of 2004.

www.projob.se



Jobman has produced workwear since 1975 and offers a wide assortment of functional, modern and price-worthy clothes.

www.jobman.se





CRAFT ❦

Craft is a well-known trademark for functional sportswear, for athletes and other active people that appreciate good quality and function as well as fine design. The products are developed together with professional athletes. Craft is sold in many countries, both within and outside of Europe.

www.craft.se





Umbro is a trademark for football clothing and shoes. The trademark is sold via the sports trade in large parts of the world. The products are used by professional and other athletes.

www.umbro.com





Seger is a trademark for technically knitted sports products, like sport socks and caps. The trademark is mainly sold via the sports trade in large parts of northern Europe. The products are to a great extent used by professional athletes.

www.seger.se



Well-known Italian trademark with sunglasses, goggles and helmets for athletics.

www.rudyproject.com



Nordica is part of the Tecnica Group in Italy and it has grown to be one of the world's leading winter sport trademarks for professional and other athletes. The trademark is sold via the sports trade.

www.nordica.com



Rollerblade is a well-known trademark in the market for inlines all over the world. Rollerblade is used by professional athletes, for exercise and as a means of transport.

www.rollerblade.com



Exel produces and distributes products for floor-hockey as well as poles for skiing, inline and walking.

www.exel.net

New Wave has the distribution right for the trademarks Rollerblade, Exel, Rudy Project and Nordica as well as license for Umbro in the Swedish market.



New Wave is a trademark for promowear with focus on classic business fashion. The trademark is basically sold throughout Europe, via companies that market and sell promowear.

www.newwave.se



Clique is mainly a trademark for promowear and bags, but it is also sold via the retail and sports trade. The trademark is available in large parts of Europe. The high quality products are sold at reasonable prices and suit a wide target group.

www.newwave.se



Sometimes finding the simplest things can be the hardest thing. Texas Bull might seem like a trademark that totally lacks prestige, but if you look closely you will see that it lives up to its promises perfectly. The Texas Bull collection contains good value-for-money, basic garments – not more nor less. The clothes are perfect for activities that call for large volumes.

www.newwave.se





Grizzly offers one of the widest collections of promo wear and bags on the market. The brand offers sporty and functional promo wear for the corporate profiling market. Companies that want a sporty company profile represent the target group. The brand is sold in the Nordic countries and in Germany.

www.grizzlycollection.com



Goal products with their clean design combined with large volumes offers some of the most competitive promo wear on the market. Companies and clubs that want to buy large volumes of basic garments to low prices represent the target group. The brand is sold in the Nordic countries and in Germany.





Cottover is a high quality concept that offers one of the markets widest range of towelling as well as fleece rugs and robes. The collection offers a wide range of terry and fleece fabrics, colours and designs. Companies that use towelling in their customer relations represent the target group. The brand is sold in the Nordic countries and in Germany.

www.cottover.se



D.A.D offers garments inspired from a strong interest in sailing. The collection contains clean and sporty promo wear in classic colours. The garments are distinguished by great fit and feeling, and several of them are offered in ladies cut. Companies that demand designed, high quality and functional clothing to use in their marketing represent the target group.





– adds profile to your business

James Harvest Sportswear is a leading promowear trademark, inspired by American leisurewear. It stands for high quality and good design. The trademark is distributed throughout Europe and in Australia.

www.james-harvest.com

HARVEST
• golf •

During 2003, James Harvest Sportswear introduced the first golf collection in functional materials for the corporate profiling market, a collection that will enhance profile as well as achievement.

www.james-harvest.com

Printer
ACTIVE WEAR

– best value in large volumes

Printer Active Wear offers high quality promowear at a lower price-range. The collection is distributed throughout Europe as well as in Australia. Material, sewing and design are qualitative, but through keeping the design simple, without too many details, the clothes stay true to Printer Active Wear's philosophy: "Best Value in Large Volumes".

www.printer-activewear.com





MAC **1** ONE®

Mac One offers promowear in the middle price-range. The collection contains classic, basic garments as well as ready-made clothing for men and women. The trademark is sold in Sweden and other parts of Europe.

www.macone.nu


JINGHAM®

Jingham offers traditional promowear in the lower price-range for men, women and children. The garments suit many different activities as well as companies/people. Jingham is sold in Sweden and other parts of Europe.

www.macone.nu





Sagaform is a trademark for glass, china, interior design and household utensils. The trademark is sold via interior design retailers as well as retailers of corporate profiling products in large parts of the world.

www.sagaform.com



Toppoint is a trademark for give-aways used to enhance company profiles. The range consists of pens, ceramics, key-rings and so on. The products are sold via retailers in parts of Europe.

www.toppoint.nu





Lord Nelson is a trademark for domestic textile. It stands for high quality and a luxurious range of bed and bath products. Lord Nelson Kitchenware is a trademark that represents trendy and functional design for the kitchen. The trademark is mainly sold in Sweden .

www.djfrantextil.se



Queen Anne is a trademark on domestic textile, such as bed-linen, towelling as well as down and synthetic bedding. The trademark is sold via stores and department stores in Sweden.

www.djfrantextil.se



InsideOUT is the international concept name for the Lord Nelson and Queen Anne trademarks within the Corporate Profiling business area.

www.djfrantextil.se





MACHAIR

Under the trademark MachAir golf balls in high quality is offered. The balls have qualities for just about everyone and are therefore good as give-aways.



HURRICANE

The trademark Hurricane offers a wide assortment of basic textiles sold through retailers within the promotional products, sports and workwear.

www.hurricane.dk



Pax is a trademark for children's shoes, distributed via the shoes trade. The distribution is selective – a number of chosen retail stores work with the trademark. Pax is sold in Sweden and other parts of Europe.

www.paxkids.se



Sköna Marie is a trademark for classic ladies' shoes. It is distributed via the shoes trade in Sweden and other parts of Europe. The distribution is selective – a number of chosen retail stores work with the trademark.

www.skoteam.se



Addresses

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Board of Directors



HÅKAN THYLÉN, born 1944. Chairman of the Board since 1997. Other directorships: Chairman of the Board in Granngården AB, NilsonGroup AB (DinSko, Skopunkten, Nilson, Jerns among others), K J Eriksson AB, Arken Hemdjurshandlarna AB, Dala Profil AB, Herdins Färgverk AB among others. Member of the Board in Habitat International, IKANO SA, Bilmetro AB among others. *Shareholding (directly and via companies) in New Wave Group AB:* 120 000 Series B shares.



LENNART BOHLIN, born 1942. Member of the Board since 1997. Other directorships: Chairman of the Board in AB Anders Löfberg, CMA – Centrum för Marknadsanalys AB, Kuponginlösen AB and Runsvengruppen AB. Member of the Board in Cloetta Fazer AB, Expanda AB, IHM Business school, Löfbergs Lila AB, Östgöta Brandstodbolag, AB Östgöta Correspondenten and stiftelsen Östergötlands Länsmuseum. *Shareholding (directly and via companies) in New Wave Group AB:* 13 432 Series B shares.



HANS JOHANSSON, born 1947. Member of the Board since 2000. Other directorship: Hall-Miba AB. *Shareholding (directly and via companies) in New Wave Group AB:* 26 608 Series B shares.



TORSTEN JANSSON, born 1962. Member of the Board since 1991. President and CEO. Other directorships: Chairman of the Board in JC AB since 1994. *Shareholding (directly and via companies) in New Wave Group AB:* 10 353 840 Series A shares and 699 806 Series B shares as well as subscription options of 123 974 Series B shares.

Management

TORSTEN JANSSON, born 1962. The founder of New Wave 1991. President and CEO. Member of the Board since 1991. *Shareholding in New Wave Group AB:* [see above]

JOAKIM JANSSON, born 1967. Purchasing manager. Employed since 2001. *Subscription options of 20 492 Series B shares.*

KRISTER MAGNUSSON, born 1966. Chief Financial Officer. Employed since 2002. *Shareholding (directly and via companies) in New Wave Group AB:* 82 000 Series A shares and subscription options of 28 688 Series B shares.

GÖRAN HÄRSTEDT, born 1965. Vice president and vice CEO, responsible for trademarks in New Wave Group S.A. Employed since 2001. *Shareholding (directly and via companies) in New Wave Group AB:* 61 476 Series A shares, subscription options of 381 476 Series B shares.

OWE OLSSON, born 1947. Controller. Employed since 1990. *Shareholding (directly and via companies) in New Wave Group AB:* 17 280 Series B shares, subscription options of 20 490 Series B shares.

TOMAS JANSSON, born 1965. President of the corporate profiling business area, President of New Wave Mode AB. Employed since 1993. *Shareholding (directly and via companies) in New Wave Group AB:* 52 196 Series B shares, subscription options of 28 688 Series B shares.

MARIO BIANCHI, born 1967. Head of business development and establishments in mid and south Europe, President of New Wave Italia S.R.L. and New Wave France S.A.S. Employed since 1994. *Shareholding (directly and via companies) in New Wave Group AB:* 100 000 Series A shares, 8 000 Series B shares, subscription options of 49 180 Series B shares.

Auditors

PER SCHWARTZMAN, born 1944. Authorized Public Accountant, Ernst & Young. Group auditor since 1995.

BERTEL ENLUND, born 1950. Authorized Public Accountant, Ernst & Young. Group auditor since 1998.

Annual general meeting

The annual general meeting will take place on May 12th 2005, at 13.00 CET, at FöreningsSparbanken Sjuhärad, the auditorium, Åsbogatan 8, Borås. All shareholders that are registered in the print-out of the shareholder book dated May 2th 2005, and announce their participation on May 6th 2005, at 12.00 CET at the latest, have a right to take part in the annual general meeting.

Administor-registered shares
Shareholders with administor-registered shares must register as owners of their shares in order to take part in the annual general meeting. This registering of the shares shall be executed May 2th 2005, and will due to this be requested in good time before this date.

Announcement
Participation announcement for the annual general meeting should be done by mail, fax or phone to:

New Wave Group AB
Box 2129
SE-442 02 Kungälv
Phone +46 303 24 65 00
Fax +46 303 24 65 99

Leave your name, personal security code and phone number (daytime). Shareholders that wish to participate must announce this on May 6th 2005, at 12.00 CET, when the period of notification expires.

MATTERS

Matters that will be heard at the general meeting are those that shall be heard according to law and the company's articles of association, the below mentioned proposals on dividends and share split as well as all other matters mentioned in the notice of annual general meeting.

Dividend

The Board has suggested that May 17th 2005, should be the tick day. With this tick day, the dividend can be done from VPC on May 20th 2005. The Board and the President suggest to the annual general meeting that the dividend for 2004 should be SEK 1.50 per share, totalling to SEK 47.3 million.

Split 2:1

The board proposes to increase the dividend to SEK 1.50 (1.25) totaling to SEK 47.3 m. With this, New Wave has had a growth of 25 per cent the last five years. Further more the board has proposed a split 2:1 (from SEK 6 to 3).

FINANCIAL INFORMATION

- Report covering January–March, 2005, will be published on April 20th 2005.
- Report covering January–June, 2005, will be published on August 15th 2005.
- Report covering January–September, 2005, will be published on October 27th 2005.