NewWave
GROUP

Annual Report 2008








Contents

2008 in summary

- Turnover increased by 10% to SEK 4,604 (4,194) million, with organic growth reaching 1%.
- Profit after tax fell SEK 83.4 million to SEK 147.9 (231.3) million.
- Earnings per share totalled SEK 2.18 (3.46).
- Net debt/equity ratio was 140.5 (163.9) %.
- Equity/assets ratio was 34.1 (29.9) %.

Business area Corporate Promo
Turnover increased by 2% to SEK 2,216 (2,172) million and EBITDA increased by SEK 39.4 million to till SEK 316.9 (277.5) million.

Business area Sports & Leisure
Turnover increased by 32% to SEK 1,714 (1,300) million and EBITDA increased by SEK 10.7 million to SEK 160.3 (149.6) million.

Business area Gifts & Home Furnishings
Turnover increased by 7% to SEK 674 (721) million and EBITDA decreased by SEK 76.8 million to SEK –44.2 (32.6) million.

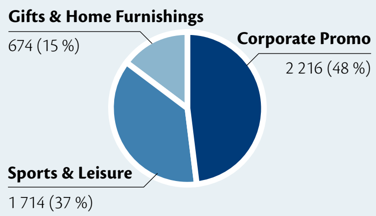
Events in brief

- The Clique/New Wave concept was introduced in the USA.
- The Cutter & Buck brand was introduced in the Nordic countries.
- The Group has concentrated all sports brands in Sweden in one and the same company, New Wave Sports AB.
- Craft launched a new collection for downhill skiing.
- The Orrefors and Kosta Boda brands set up an additional 16 shops in China and now have a total of 23 shops in the country.
- A cost-savings scheme involving measures to streamline and improve profitability was launched at Orrefors Kosta Boda.

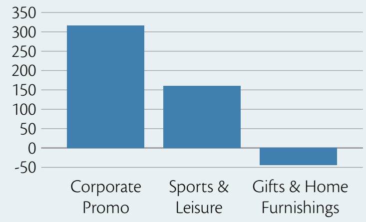
New Wave Group in short

New Wave Group is a growth company that designs, acquires and develops brands and products in the corporate promotion, gifts and home furnishings sectors. The Group will achieve synergies by coordinating design, purchasing, marketing, warehousing and distribution of its product range. To ensure good risk diversification, the Group will market its products in the corporate promo market and the retail market.

Turnover per business area, MSEK



Result per businessarea, MSEK



Key figures

	2008	2007
Turnover; MSEK	4 604,2	4 194,0
Profit before depreciation, MSEK	433,0	459,7
Profit after depreciation, MSEK	368,8	405,8
Profit after finance net, MSEK	232,8	315,0
Gross profit margin, %	48,5	47,6
Equity, MSEK	1 833,8	1 438,2
Return on equity, %	9,2	17,1
Return on capital employed, %	9,0	12,8
Net debt/equity %	140,5	163,9
Equity/assets %	34,1	29,9
Number of employees	2 562	2 350
Profit per share, MSEK	2,18	3,46
Equity per share, MSEK	27,64	21,68

Åsa Jungnelius invigorates Kosta Boda

What people consider fake and what they view as genuine, how an object's value is created and the circumstances that determine this, aesthetic hierarchy, value shifts, bling-bling, fashion, shopping and the social set up of gender roles are all topics that interest Åsa Jungnelius and inspire her art. The result – bold and provocative creations. Jungnelius has been a designer at Kosta Boda since 2007 and in 2008, Åsa was named Designer of the Year by the Swedish magazine Elle Interiör, and Woman of the Year, 2008: Årets Glasklara by the magazine Damernas Värld.

Åsa Jungnelius in the workshop together with Uffe Persson and Tuomo Nieminen.

Gifts – when, where, how and why

The book Presenter – när, var, hur och varför (Gifts – when, where, how and why) is a collaboration between Tomas Jansson (MD for New Wave Mode AB), Örjan Sjöling (New Wave Group Research & Development) and Statistics Sweden. The book is an in-depth study in the phenomena of giving and receiving gifts and Swedish peoples' relationship to this phenomena.

Tour de Ski – performance by Craft

With a commanding and impressive burst of speed up the Alpe Cermis ski slope, Charlotte Kalla blew past Finland's Virpi Kuitunen who appeared to be standing still, and finally won the championship Viessman Tour de Ski Performance by Craft 2008. A new Swedish cross-country skier had made her debut.

The introduction of the Clique/New Wave concept in the USA

The introduction of Clique and New Wave products to the U.S. promotions market in 2008 garnered positive results. Customers perceived the offering to be quality products at a value price point, which resonated well in light of the economic forecast. New styles will be launched in 2009 to support the growing soft uniforms business in the U.S. market. Familiarity with the Clique and New Wave brands continues to increase and sales efforts have been proactive in reaching out to key business segments.

Only Sport!

Slowly but surely the idea germinated to concentrate all of New Wave Group's sports brands in one single company. Clique Retail, Craft, Cutter & Buck, Easton, Exel, Seger, Speedo and Umbro became one – New Wave Sports AB – and Sweden's largest sports wholesaler went live in July 2008. The head office, which includes R&D and showrooms, is located in Craft's old buildings in Borås and the newly built central warehouse in Ulricehamn. The company's size and strength enables us to be more competitive with the other large market players and offer our customers a higher level of service and better efficiency in terms of order placement, logistics and invoice processing.

Statement by the Managing Director

It is no easy task to write the Statement from the Managing Director in the middle of the economic crisis and recession that has influenced all our markets. 2008 was a year that started extremely well with sound organic growth. The autumn on the other hand was more unsteady and the final months a disappointment, bringing to an end, or at least interrupting, our 17-consecutive year history of escalating profits.

For New Wave Group, three things stand out in 2008:

1. Many companies did better than ever before and in several instances surpassed sales and profit records.
2. Orrefors Kosta Boda, suffered extensive profitability issues, forcing us to take severe measures, primarily in the form of personnel cutbacks.
3. Constant declines in the North American market, which severely worsened profitability for our North American organisations.

Almost all of our companies did very well in 2008. The exceptions in this respect had however such a negative financial influence that the impact affected the entire Group.

In the Corporate Promo business area our European companies did exceptionally well, particularly in northern Europe. The spring launch of Cutter & Buck's golf apparel in the Swedish and Norwegian markets was quite a success and validates our intentions in making the acquisition. The Corporate Promo units that are having problems are Dahetra, which is still struggling to reach profit-generating volumes and Toppoint, which reports lower than expected domestic growth. The US launch of the Clique/New Wave promowear concept through Cutter & Buck's organisation has gone well, although we had some teething problems like modifying sizes from European to US sizes. Workwear reports continued strong growth, particularly ProJob which enjoyed strong profitability and continues to gain market shares.

In the Sports & Leisure business area, Craft continues to impress by breaking through in several markets. I am convinced that Craft will become a prominent, leading brand in most parts of the world within its niches in a not too distant future. Craft's management, product development, determination and innovativeness are so commanding that it is unstoppable. In 2008, we also opened a new logistics and warehouse facility for our sports and leisure brands in the Swedish market, which centres on the customer and the market and will bolster our position as the largest sports wholesaler in Sweden. The new logistics and warehouse facility is a substantial investment that also burdens profits in the second half of 2008, but which will have a positive impact for the business in the future. Also Seger reports growth and Clique Retail is winning ground through the COOP contract. Cutter & Buck has suffered from the recession in the USA and several measures have been taken to adapt costs to the current market situation.

In the Gifts & Home Furnishings business area, Orrefors Kosta Boda saw declining sales in all major markets, particularly in the USA and Sweden. Coupled with high stock accumulation, this has been a heavy burden for New Wave Group in 2008 and it is also here we have taken the severest measures. Sagaform had a more favourable development, where sales and profits have been quite good, particularly in the retail sector.

Capital tied up and cash flow are the two single most important target areas for us and we have over the past year taken several measures to improve these figures, action which should be apparent in 2009, particularly in the second half. Purchasing routines have been extensively restructured to facilitate constant modification of volumes to current sales trends. Tightening of product range, greater focus on handling discontinued items and stricter payment routines are just a few examples of the measures we implemented to improve cash flow and reduce capital tied up in stock and accounts receivable.

The market and sales figures plummeted surprisingly quickly at the end of the year, making it extremely difficult to assess future developments. We predict that sales in 2009 will not reach the same level as in 2008, but that profit before tax for 2009 will be on par with 2008. We are ready to meet these difficult times, and the Group launched a number of cost-saving schemes in 2008 and the beginning of 2009 which will gradually take effect throughout the year. 2009 will place enormous demands on our managers and the rest of our staff and it is inspiring to feel the wave of dedication and determination among our employees to accomplish what we have set out to do.

These will be my final words as Managing Director for New Wave Group. I am convinced that the company will do extremely well in the future and I look forward to working with the Group and offering my expertise and experience for a long time to come.

Göran Härstedt
Managing Director and CEO

About New Wave Group

Business concept
New Wave Group is a growth company that designs, acquires and develops brands and products in the corporate promotion, gifts and home furnishings sectors. The Group will achieve synergies by coordinating design, purchasing, marketing, warehousing and distribution of its product range. To ensure good risk diversification, the Group will market its products in the corporate promo market and the retail market.

Vision
The vision for the Corporate Promo business area is to become the leading supplier in Europe and one of the leading suppliers in the USA of promotional products by offering retailers a broad product range, strong brands, advanced expertise and service, and superior all-inclusive concept.

The vision for the Sports & Leisure business area involves establishing the wholly-owned brands Crafts and Seger as international, functional sportswear brands and making Cutter & Buck a world-leading golf apparel brand. Moreover, the vision also entails strengthening Umbro, Exel and Easton in the Swedish market and Speedo in the Swedish, Norwegian and Danish markets. In all, we aim to become the leading sports wholesaler in Sweden, the rest of the European countries and the USA. Our vision is to make PAX the leading children's footwear brand in northern Europe.

The vision for the Gifts & Home Furnishings business area is to make Orrefors and Kosta Boda world-leading glass and crystal suppliers. Part of the vision also involves utilising innovative and playful design to make Sagaform a prominent player in northern Europe in both the corporate promo and retail markets. The Group's ambition is to become a prominent supplier in the North American corporate promo market through its presence in the USA.

Part of New Wave Group's vision is to become Europe's leading supplier of promotional ware.

1990 Sweden and Norway.

1994 Acquisitions in Finland and Italy.

1996 Acquisition of Craft of Scandinavia.

1997 Establishment in Denmark, Spain and Germany.

1998 Acquisition of Hefa AB.

1999 Establishment in Holland and England.

2000 France. Acquisition of Texet.

2001 Acquisition of Sagaform and the Seger group.

Profitability and growth targets

New Wave Group strives for a sustainable, profitable sales growth through expansion in its three business areas, Corporate Promo, Sports & Leisure, and Gifts & Home Furnishings. Over a period of one business cycle, the Group's growth target is between 20 and 40% per year, of which between 5 and 10% is organic growth and a 15% operating margin. New Wave Group aims for a 30% equity/assets ration over one business cycle.

Strategy

To realise its targets, New Wave Group's strategy involves:

- acquiring, launching, and developing the brands in the corporate promo, sports, gifts and home furnishings sectors
- launching the brands and organisations in new geographic markets
- spreading the Group's values to new and acquired companies

New Wave Group's values

New Wave Group is a decentralised organisation and the Group's values are its guiding principle. We are dedicated to upholding and spreading New Wave Group's values within the Group and particularly when acquiring new companies. New Wave Group does its utmost to find inexpensive, simple solutions and adheres to the motto "a penny saved is a penny earned".

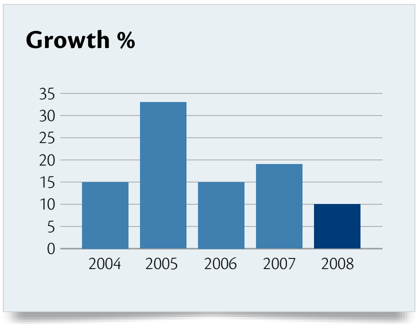
- It takes hard work to outperform our competitors.
- Employees must have the conviction to take initiative and to learn from their mistakes in a decentralised organisation.
- Focus on the customer is a central principle for the organisation as a whole and imperative to doing our utmost.

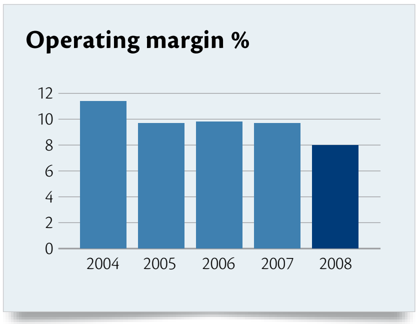
History

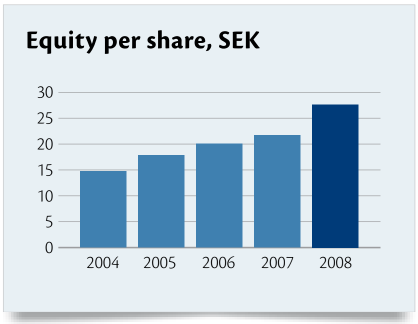
Since its founding in 1990, the company has reported strong sales and profit growth. Between 1992 and 2008, sales growth averaged 20% a year and profits rose by an average of 12% a year.

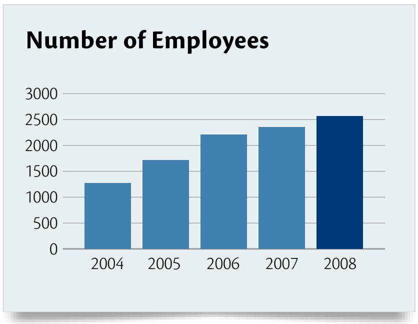
New Wave Group was founded in 1990 in Sweden and Norway and in 1994 in Finland. The Group ranks as a market leader in the markets, with an estimated promowear market share of about 30%. In 1996 Craft was acquired, which established the sales in the retail business area. With its 2001 acquisition of Sagaform, New Wave Group moved into promotional gifts, which generated substantial synergies with the Group's other corporate promo activities. In 2003, New Wave Group developed its own workwear concept under the ProJob brand and sealed the venture with the acquisition of Jobman. Following its launch in workwear, New Wave Group is currently the only supplier to cover all three areas (promowear, promotional gifts and workwear) in the corporate promo sector. The Group has gradually expanded and set up organisations in Europe. New Wave Group has sales organisations and its own subsidiaries in 20 countries.

Via retailers, New Wave Group distributes the Craft brand in 25 markets in Asia, Europe and North America. The Orrefors Kosta Boda Group acquisition at the close of 2005 and the Cutter & Buck acquisition in 2007 secured a sound foothold in the North American market. Sales in non-Swedish markets make up 71% of the Group's total sales and amount to SEK 3,268 million. Sweden is the Group's most important market since most of the acquisitions the past years involved Swedish companies. However, the Group's strongest organic growth is reported outside Sweden, with emphasis on the rest of Europe.









2002
Acquisition of Frantextil, X-Tend and the Toppoint group.

2003
Establishment in China and Switzerland. Establishing of ProJob.

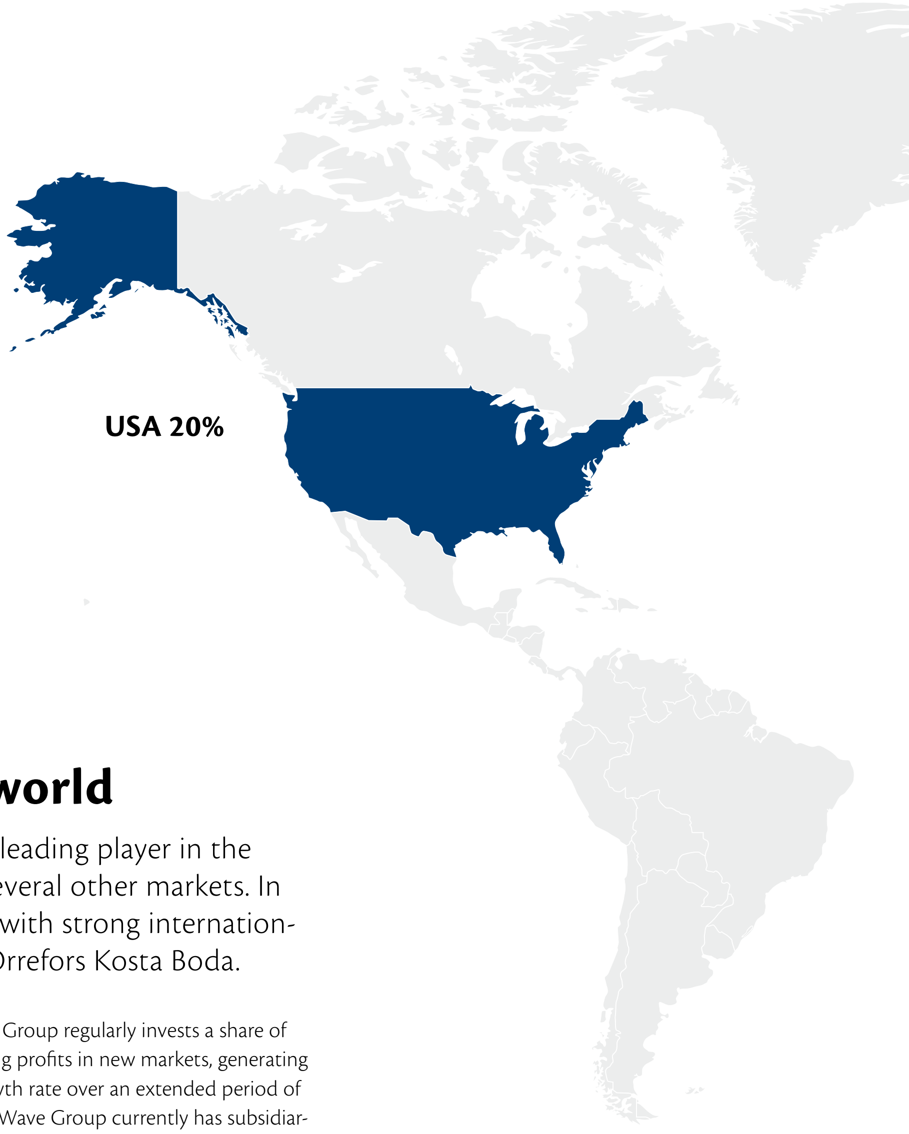
2004
Acquisition of SMAP, DAD Sportswear and Jobman.

2005
Ireland, Wales and Russia. Acquisition of the Dahetra group, the Orrefors Kosta Boda group and the Intraco group.

2006
Large investments in Orrefors Kosta Boda.

2007
Acquisition of Cutter & Buck.

2008
introduction of the Clique/New Wave concept in the USA. Establishment of New Wave Sports.



New Wave Group in the world

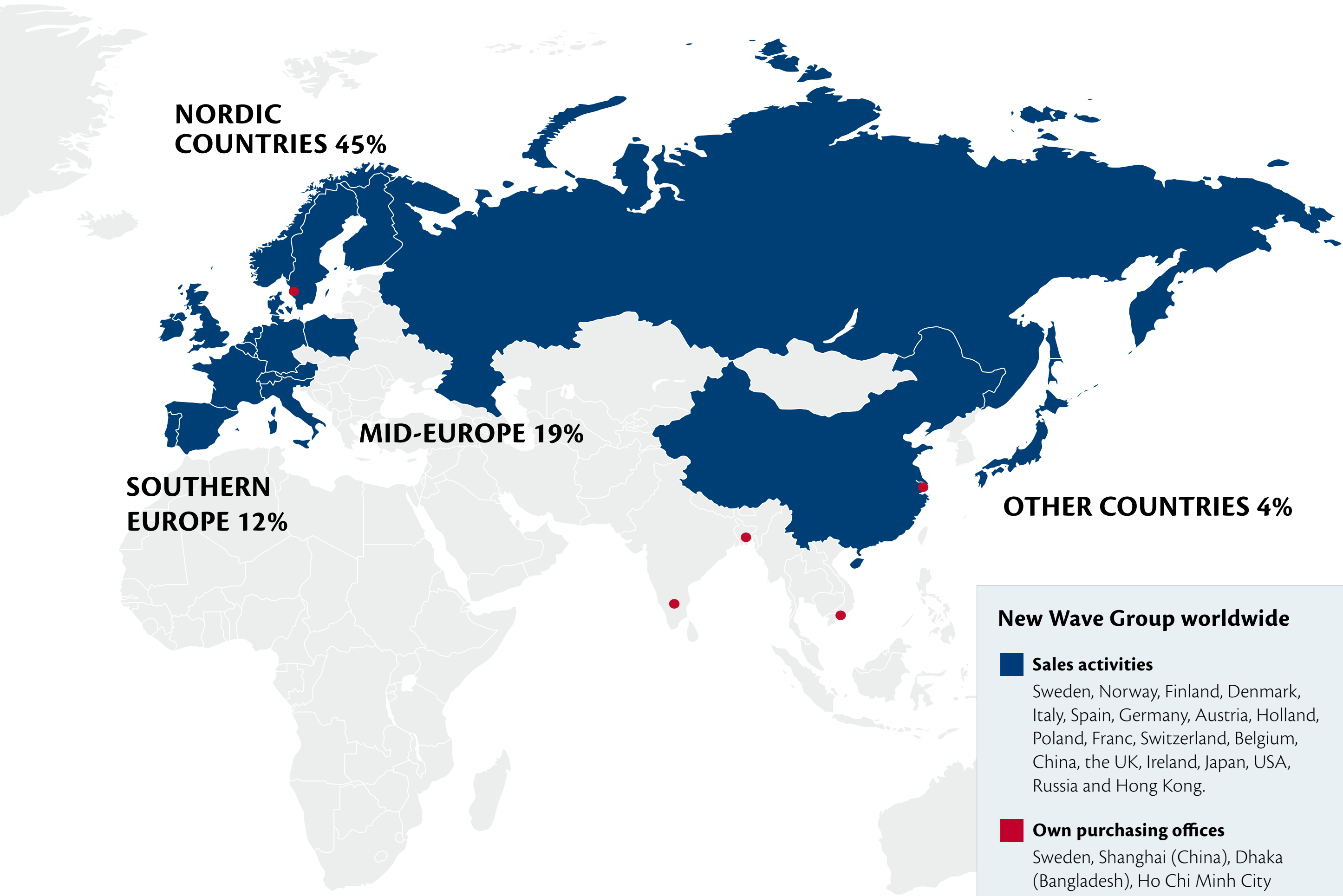
New Wave Group has evolved from market-leading player in the Nordic countries to a prominent player in several other markets. In each of its business areas. The Group works with strong international brands such as Craft, Cutter & Buck and Orrefors Kosta Boda.

The Group's business strategy entails launching the brands and developing concepts on new markets. The company's tactics for foreign launches involves only targeting the corporate promo market to start with one or a couple of the Group's brands. Business must be conducted with low costs to limit the financial risks. When satisfactory profitability and good growth have been achieved, more corporate promo brands can be launched and the retail market targeted. If distributors handle the launches, retail launches can be carried out without promo launches, such as in the case of the Craft launch in the USA.

New Wave Group regularly invests a share of its operating profits in new markets, generating a high growth rate over an extended period of time. New Wave Group currently has subsidiaries in 20 countries and has carried out 193 launches under its existing brands. By solely introducing the Group's existing concepts in countries where the Group already has its own organisations, at least 100 new launches remain to be carried out.

Sales per area, MSEK

MSEK	2008	Part of turnover	2007	Part of turnover	Change MSEK	Change %
Nordic countries	2 075	45%	2 061	49%	14	1
Mid-Europe	859	19%	797	19%	63	8
Southern Europe	560	12%	511	12%	49	10
USA	929	20%	689	16%	240	35
Other countries	181	4%	136	3%	44	32
Totalt	**4 604**	**100%**	**4 194**	**100%**	**410**	**10**



New Wave Group worldwide

Sales activities
Sweden, Norway, Finland, Denmark, Italy, Spain, Germany, Austria, Holland, Poland, Franc, Switzerland, Belgium, China, the UK, Ireland, Japan, USA, Russia and Hong Kong.

Own purchasing offices
Sweden, Shanghai (China), Dhaka (Bangladesh), Ho Chi Minh City (Vietnam) and Bengaluru (India).

Proportion of sales

Brands per country
● Established markets
○ New established markets

	Clique/New Wave	Clique Retail	Cutter & Buck	Harvest/Printer	Mac One/Jingham	Grizzly/Cottover/Goal	DAD	INsideOUT	Sagaform	Craft	Seger	Jobman	Projob	Toppoint	Hurricane	Orrefors	Kosta Boda	d-vice/USB-Premiums	Lord Nelson/Queen Anne	Pax/Sköna Marie
Sweden	●	●	●	●	●	●	●		●	●	●	●	●	●	●	●	●	●	●	●
Norway	●		●	●	●	●	●		●	●	●	●		●	●	●	●	●	●	
Finland	●		●	●	●	●	●		●		●		●	●		●	●	●	●	●
Denmark	●		●		●	●	●		●	●	●		●	●	●	●	●	●	●	
Germany	●		○	●	○	●	●	●	●	●		●	●	●	●	●	●	●		
France	●			●				●	●				●	●		○	○	●		
Italy	●		○	●				●		●		●	●	●				●		
Belgium	●		○	●	●		●	●	●	●			●	●		○	○	●		
Holland	●		○	●	●		●	●	●	●		●		●		●	●	●		
Switzerland	●		○	●						●			●					●		
Spain	●			●				●	●	●			●	●				●		
Austria	●		○	●					●	●				●				●		
Great Britain	●			●					●	●			●	●				●		
China	●									●						●	●	●		
Russia	●			○					●							○	○			
Ireland	●			○					●	●			●							
USA	○		●						●							●	●	●		
Japan																●	●			
Poland				●		○	○		○				○	●				●		

Small company flexibility with large company synergies

New Wave Group markets its products under several different brands. The company strives for complete integration from the beginning of the chain in order to attain competitive advantages. The synergies are evident for business areas Corporate Promo, Sports & Leisure as well as Gifts and Home Furnishings within several areas:

Design

The company has extensive experience of design and product development. Elaborate strategies are applied to each brand regardless of product category. The various concepts within the business areas Sports & Leisure and Gifts & Home Furnishings have their own product development activities. Corporate Promo's product development activities are coordinated since the design is less fashion sensitive.

Well designed promowear suits both men and women of working age and allow ample room for profiling (i.e. logotypes) since the clothes target the corporate market. Many of the designs for Sports & Leisure and Gifts & Home Furnishings are based on form and function. The Group has several close partnerships with athletes at both elite and amateur level in a variety of sports. Orrefors Kosta Boda teams with several famous artists, a collaboration that is also used in the development of the Kosta Linnewäfveri and Orrefors Jernverk brands.

Purchasing and production

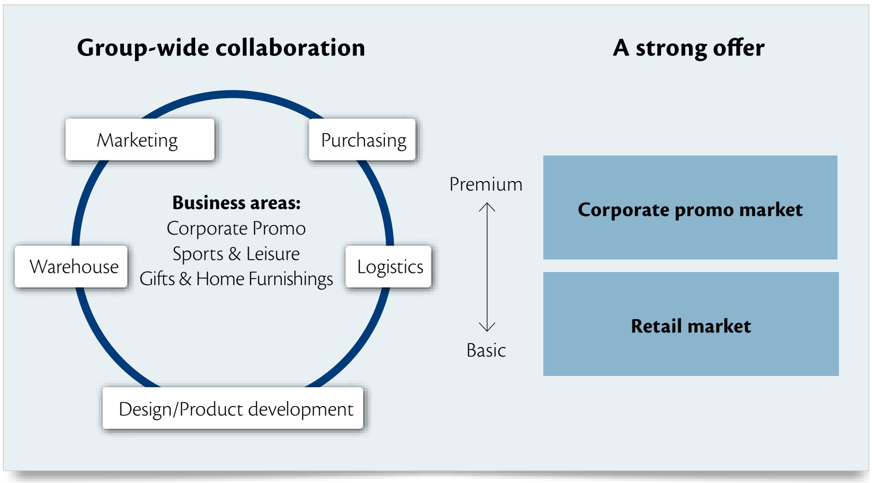
The Group's total purchasing volume considerably surpasses most of its competitors in the Corporate Promo market, giving major cost savings in terms of coordinating purchasing, transportation and warehousing. In addition to Sweden, New Wave Group has purchasing offices in China (1992), Bangladesh (1999) and Vietnam (2003). A new purchasing office opened in India in 2007. New Wave Group currently has about 445 suppliers and aims to concentrate its purchasing activities to fewer markets.

The Group has locally employed quality controllers who supervise production and safeguard that the suppliers fulfil the Group's quality and environmental requirements. It is essential that quality issues are detected before the goods are shipped to Europe in order to correct them and deliver high quality products to the customer. The Group also has controllers employed to oversee that suppliers conform to the Group's Code of Conduct.

New Wave Group owns a few factories in Sweden: Seger Europe's production unit for knitted items (hats, socks and scarves), plus Orrefors and Kosta Boda's glass making facilities. In the Netherlands, the Group run's Toppoint's printing operations for among other things, pen and mug prints and the Group owns a production facility in Denmark for embroidery and transfer printing. In the USA, New Wave Group owns Cutter & Buck which has some embroidery production.

Logistics and warehouse

Most of the Group's products are manufactured in Asia. Major economies of scale are possible by coordinating transports to Europe. The Group continues to concentrate on fewer warehouses which enables the Group to keep tied up capital at a minimum. Logistics can also be coordinated by doing business in both the corporate promo and retail markets, where the two sales channels have most products in common.



Business area Corporate Promo

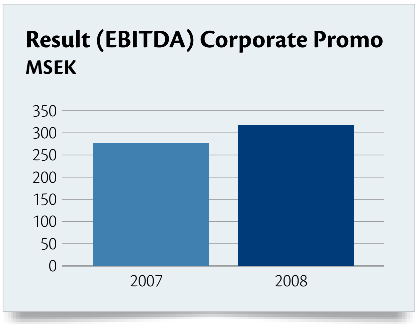
Business area Corporate Promo is New Wave Group's largest business area and the brand is divided into three segments, namely promowear, workwear and promotional gifts. Business is conducted with 23 brands in a total of 20 countries on three continents. The business area's domestic market is the Nordic countries which also answer for most of the sales at 48% of the Group's sales in 2008 and SEK 316.9 million of the Group's profits (EBITDA). The brands in the Corporate Promo business area are sold primarily in the corporate promo segment, but several brands are also sold in the retail segment.

The market

Generally speaking, the business area Corporate Promo was marked in 2008 by climbing sales during the first six months followed by a severe decline in the last quarter, particularly compared with the same period in 2007. Sales of gifts dropped the most, while textiles reported less of a decline. Nonetheless, estimates suggest a 1–3% market growth in Europe and the USA for 2008. The forecast for 2009 indicates a certain level of elimination in terms of both wholesalers and retailers due to the last quarter's declining sales and current global recession.

In Europe, estimates indicate sales of about SEK 122 billion for promowear and promotional gifts at wholesaler level. In Sweden, the two product segments generate about the same share of sales. In total, sales in the European market at wholesaler level are estimated at about SEK 46 billion for promowear and SEK 76 billion for promotional gifts. The North American corporate promo market generates sales of over USD 14 billion at wholesaler level, of which about USD 4 billion stems from promowear and USD 10 billion from promotional gifts. The market for workwear has for many years expanded, but now faces a weakening.

The Swedish corporate promo market is considered to be the largest in Europe in relation to population and is very well established. New Wave Group holds the largest market share in markets where it has done business the longest – Sweden, Norway and Finland. New Wave Group achieved the position of market leader through its broad range of products, excellent service and delivery accuracy, strong customer focus within the entire organisation, and by offering differentiated concepts complete with marketing kits, IT solutions, etc. New Wave Group is also the only supplier that can



New Wave Group applies early adoption of IFRS 8 new disclosure requirements for Operating Segments/Business Areas. Consequently, the diagram reflects only the past two years. For more information, see Note 2.

New Wave Group can offer products from all three of Corporate Promo's segments – promowear, promotional gifts and workwear.

cover the retailers' needs in all three corporate promo segments.

The future

New Wave Group predicts the greatest growth potential for the Corporate Promo is in non-Nordic countries. The market situation in the Nordic countries mandates continuously better market concepts for the retailers. This gives the company a competitive advantage in the rest of Europe where the concept is not as well developed and the collections that are marketed are often narrower and less thoroughly designed. In times of financial difficulties, business companies and organisations are more prone to foster customer relations through relationship and loyalty-promoting media like promotional products, and to cut back on larger investments like mass media campaigns. This means potential advantages for the promotional market.

Our offer

Corporate Promo's segments – promowear, promotional gifts and workwear – consist of products that cover all price levels and qualities. Promowear and promotional gifts have similar application areas (to promote and market the brand) and are marketed by the same type of retailer. Workwear is primarily used when functional, durable work clothes are needed in many professions.

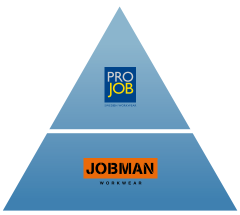
Within the promowear segment, New Wave Group offers clothes adapted for printing and embroidery which, in addition to price and quality, also cover all application areas and sizes – from favourably priced basic garments to detailed garments made of exclusive textiles, leisure, work and sports clothes, clothes in classic and trend colours, in sizes from XS to XXXL. New Wave Group's promowear brands are divided into three concepts that include such brands as DAD Sportswear, New Wave and James Harvest Sportswear.

The promotional gift concept is broad and the segment covers a multitude of products and price classes. New Wave Group can through its concept, which includes such brands as Toppoint, D-vice and Queen Anne, offer everything from pens, USB flash drives and digital picture frames to handbags, bed linens and towels.

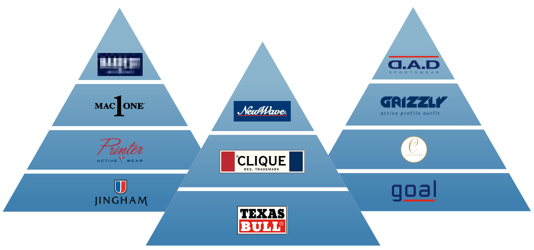
The final piece of the Corporate Promo puzzle is workwear. In Sweden, there is a vast need for and expertise in personal protection and the issue is intensely promoted by trade unions and employers. New Wave Group can through the two brands, Jobman and ProJob, offer work clothes for such professional categories as construction and installation, painters and plasterers, transport and service, as well as hotel and restaurant. The collection is all-inclusive, ranging from underwear to outer garments for all seasons and weather conditions, reflective clothing, shoes, gloves, carrying systems and accessories. All garments and products are ergonomic and durable, and come in sizes for both women and men.

Sales channels

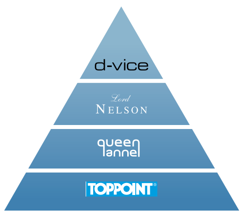
The Nordic promowear and promotional gifts market is distinguished by a clear distribution chain: manufacturer – wholesaler – retailer – end customer. The distribution chain is not as well organised in South and Central Europe and Russia. Distributors who market brands that they do not themselves own often have substantial influence in the market. In Russia, modern and functional workwear is a relatively new concept with enormous growth potential. The North American market is much more advanced and the distribution chain resembles the Nordic market.



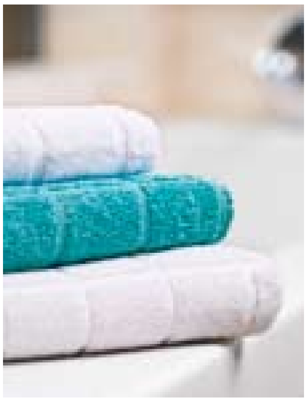
The workwear pyramid



The promo pyramids

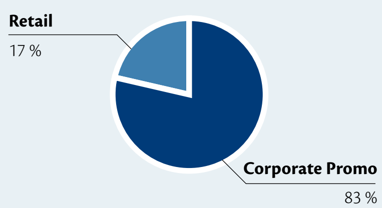


Promotional gifts and the gift pyramid



The concept of promotional gifts is comprehensive and covers many different types of products and price levels.

Turnover per sales channel



In Sweden, there are about 2,500 retailers of promowear and promotional gifts, a high figure per capita compared with the rest of Europe and the North American market. There is a wide variety of retailers, ranging from simple sole proprietorships to large companies with high-end displays and a travelling sales force. Some retailers target one of the three segments, while others work all three. Most are pure sales companies, but it is equally common that retailers also print, embroider, and engrave in order to offer a more complete alternative.

Workwear has traditionally been sold via special retailers for construction and industry, paints, etc. but today more and more channels include workwear by either collaborating with already established brands or by designing their own brands and collections. The reason for this is that the sector has been in a growth stage for many years but is also attributed to a greater interest in the domestic market spurred by the many DIY and home decorating television programmes. In the future, distribution will probably by even more differentiated as more players in Sweden and Europe try to establish themselves on the workwear market.

Capital tied up

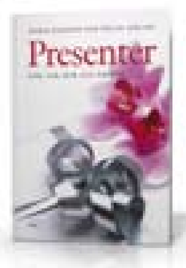
A company that orders promowear in corporate colours for its employees or customers relies on the supplier being able to deliver a full range of sizes and the right colours. For instance, if New Wave cannot deliver products in a medium size or in the end customer's corporate colours, the customer will turn to a different supplier. The Group's ambition is to deliver 98% of the Group's products within 24 hours. The risk of obsolescence is low since most of the collection comprises timeless base products for which there is a demand season after season. Adjustments for changes in purchasing prices are made continuously since sales are instant which limits the foreign exchange risk. Sales are made to selected retailers and credit losses are relatively low. In 2008, confirmed bad debt losses in corporate promo made up 0,35% of sales. Many of the products are the same for both corporate promo and retail, which provides a significant spread of risk. Moreover, the two sales channels can use the same catalogues.

New Wave Group R&D

The parent company's department New Wave Group Research and Development makes sure that the Group spearheads advances in promo market intelligence. The department studies how promowear and promotional gifts work in reality, and is the source of the only Swedish literature in the subject, Profilkläder som konkurrensmedel and Strategisk Presentreklam. The department also analyses the markets in which New Wave does business and the Group's subsidiaries to ensure that business is done in a competitive manner. This guarantees that the Group is extremely in tune with the respective markets and can thereby utilise the potential and avoid unnecessary risks.

Gifts – when, where, how and why

In October 2008, New Wave Group Research and Development published the book Presenter – när, var, hur och varför (Gifts – when, where, how and why) via the publishing house, Kosta Förlag. The book explains virtually everything related to gifts and includes a survey conducted by Statistics Sweden on behalf of New Wave Group Research and Development. The survey is the largest concerning gifts in Sweden and reflects the Swedish people's attitudes to gifts, when gifts are given and received, and how much money people spend annually on gifts.



79% of Sweden's population appreciate or greatly appreciate gifts from employers.

39% of Sweden's population feels that gifts from employers motivate them to perform well at work.

From the book *Presenter – när, var, hur och varför*

Business area Sports & Leisure

Business area Sports & Leisure includes several famous international brands like Cutter & Buck, Craft and Seger. Business is conducted with seven brands in 14 countries, primarily in the Nordic countries and North America. Four licensed brands are sold alongside the company's own brands in Sweden, the business area's domestic market. Sports & Leisure answered for 37% of the Group's sales in 2008 and SEK 160 million of the Group's profit (EBITDA). Most of the sales relate to the retail market (sports retail sector) but a large portion also stem from the corporate promo market.

The market

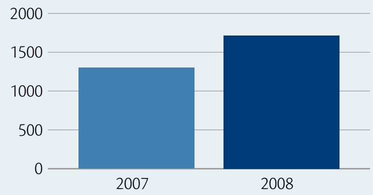
The Swedish sports retail sector reported sales of about SEK 17,5 billion in 2008 and about 3,3% in growth compared with 2007. A group of large-scale chains and purchasing groups dominate the sports retail sector which also comprises independent shops. The chains have grown constantly in strength and expanded distribution while independent multi-sports shops have declined and either disappeared or been incorporated in a chain. Specialist niche shops for outdoor activities, cycling, running, etc. upheld a stable level and even grew in certain categories. The largest players today are Stadium, Intersport, Team Sportia, Sportringen/Sportex, Naturkompaniet and Löplabbet.

New Wave Group currently does business with nine brands in the sports retail sector, namely Craft, Seger, Clique, Cutter & Buck, Speedo, Umbro, Easton, and Exel. In 2008, the Group integrated all business activities and formed New Wave Sports AB in an attempt to face off tougher competition from other major players at the wholesale level such as Nike, Adidas, Puma and Amer Sports plus the sports chains' own brands. New Wave Sports is one of Sweden's largest sports wholesalers, providing the Group with a considerably better negotiating position in dealing with large purchasing chains. By creating New Wave Sports, our customers will enjoy much better service in terms of placing orders, logistics and invoice processing. As one aspect of this venture, New Wave Sports also built a new distribution centre in Ulricehamn.

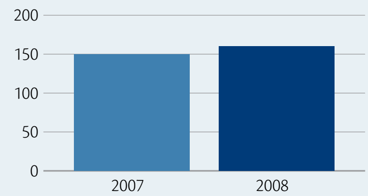
Cutter & Buck

Cutter & Buck is a world-leading US brand in exclusive golf apparel that was founded in Seattle, USA in 1990 and sales of around SEK 800 million in 2008. The brand is sold via several different distribution channels, including the golf retail sector, the corporate promo market, the fashion retail

Turnover Sports & Leisure
MSEK



Result (EBITDA) Sports & Leisure
MSEK



New Wave Group applies early adoption of IFRS 8 new disclosure requirements for Operating Segments/Business Areas. Consequently, the diagram reflects only the past two years. For more information, see Note 2.

Craft and Cutter & Buck are two of the sports brands that are part of New Wave Sports AB, New Wave Group's Borås-based sports company formed in 2008.

Pax's popular children's shoes have been on the Swedish market for 80 years.

sector and directly to the consumers (ecommerce and mail order). Cutter & Buck Europe was launched in 2008. The objective is to build up a strong position in the golf and ready-to-wear sectors in the European markets in the long term. The acquisition of Cutter & Buck means that New Wave Group also has a strong platform in the North American market to introduce its existing concepts.

Craft
Craft is the obvious choice for genuine sports lovers at all levels, from elite athletes to casual exercisers, active in running, cross-country skiing, cycling and Alpine skiing. The products aim to be the market's most innovative, which is guaranteed through close R&D collaboration with some of the world's best athletes. Craft has built a credible brand by designing functional base garments for 30 years that revolutionised the world of sports. Sweden is Craft's domestic market as well as its principal market and answers for over 20% of the annual sales. Defined focus markets with major potential include the other Nordic countries, Germany, the Benelux countries and Switzerland. Competitors vary slightly depending on product segment, but the main ones are Adidas, Nike, Helly Hansen, New Line, Swix, Odlo, Falke, Löffler, Björn Dählie Spyder, Phenix and Kjuus. Craft's challenge for the future is to reinforce the brand internationally, and achieve the same strong position as in its domestic market.

Seger
For consumers who care about what they wear, Seger is the obvious choice for functional garments. Seger aims to offer functional garments with contemporary designs that boost the user's enjoyment of sports and leisure activities. Seger's expertise, experience and innovativeness make it a brand that with self-confidence and attitude offers the conscious consumer an obvious choice. In the Swedish market, brands like Bula, O'Neill, X-Socks and new niche brands are the main competitors. In the export market, Seger is challenged by names like Falke, X-Socks, Bula, Dakine, Steffner, Eisbaer, and the sports chains' own brands. Seger is mainly marketed in the Nordic countries, but is now concentrating export activities to the rest of Europe. In preparation for 2008, Seger successfully started distribution in Poland, Bulgaria and the Czech Republic and more markets will be addressed in Central Europe in 2009.

Clique Retail
The products in the Clique Retail collection are primarily basic ready-to-wear, i.e. products that have a high turnover rate and are sold with good profitability for the shops. Clique Retail garments are comfortable and appealing, and stand for good quality in relation to price. Clique Retail's largest competitors are the sports retail chains' own brands. It has become our greatest challenge to explain the brand's simple yet profitable concept: we handle warehousing and assume therefore the greatest risks for lack of profitability. Sweden is Clique Retail's largest market at present and customers consist mainly of sports chains sector, other retail and everyday commodity sector.

Pax and Sköna Marie
New Wave Group has a company active in the footwear retail sector, Pax Scandinavia AB, which serves as wholesaler and distributors of the Pax and Sköna Marie brands. Pax is quality shoes for "happy children and relaxed parents" and distributed since 1929 in the Swedish and Finnish markets. Main competitors include the footwear retail sector's own brands plus Kavat, Viking and Ecco. Sköna Marie is a classic, high-quality Swedish footwear brand for women with strict demands for comfort. Rieker, Rodhe, Ecco and the chains' own brands are the brand's primary competitors. The footwear retail sector is a highly fragmented one with many independent shops. The largest players include Din Sko, Skopunkten, Scorett and Eurosko.

Licensed sports brands
New Wave Group has a portfolio of very strong sports brands in various areas. The Group's main strategy is to own and thereby develop the brands. Historically, licensing has not been part of our core business. By forming New Wave Sports, the business model will have a sounder platform and be able to grow and develop better. This will also help strengthen New Wave Sports as an all-inclusive wholesaler to the sports retail sector.

The Group's four licensed brands, Umbro, Exel, Easton and Speedo, help strengthen New Wave Sports AB as an all-inclusive wholesaler to the sports retail sector.

Below are the licensed brands that New Wave Group markets in the Swedish and Nordic markets.

Umbro

Umbro is a firmly established football-related brand that has global representation. Its head office is in Manchester, England where it was founded in 1924. Umbro designs, develops and markets football-related products sold in 90 countries the world over. Umbro also supplies the Swedish, British, Irish and Norwegian national teams with games and practice uniforms. Umbro sponsors several international professional clubs and prominent individual stars like Michael Owen, John Terry, Deco, Hernand Crespo, Anders Svensson and Jessica Landström.

Exel

Exel is a world-leading floorball sticks manufacturer, represented in most parts of the world and headquartered in Finland. To continuously offer the best possible equipment, Exel is dedicated to constant product development. Exel currently sponsors Warberg IC with such players as Magnus Svensson who was recently named the world's best player.

Easton

Easton is a high-quality ice hockey equipment brand and for many years, the leader in development of these products. Easton is well represented in the Swedish elite series and the US NHL, and its products are used by players like Ryan Getzlaf, Henrik Zetterberg, Dany Heatley and many more.

Speedo

Speedo is the world-leading swimwear, bathing clothes and equipment manufacturer, with products for adults and children, casual swimmers and elite swimmers. Speedo focuses on high quality, functional materials. At the 2008 Olympics in Peking, 93% of all gold and 87% of all medals were won in a Speedo LZR Racer. Speedo was founded in 1928 in Australia and celebrated its 80th anniversary as a quality brand in 2008!

Sales channels

The retail sector is the natural channels for meeting the market for all the business area's brands. Craft, Seger, Clique, Umbro, Speedo, Easton and Excel all have a verified position in the sports retail sector. A partnership with Coop Forum was initiated in 2008 in which a number of the business area's brands were successfully introduced. Sköna Marie and Pax are long-standing, popular brands in the footwear retail sector.

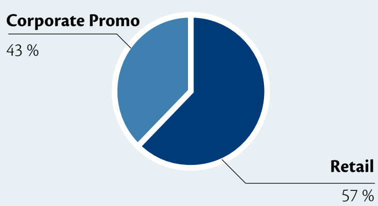
During the year, demand for outgoing products and secondary goods has increased from a growing number of outlet players and low-price department stores.

Sales in the corporate promo segment and to sports clubs is increasing at a satisfactory rate. There is a greater demand for high-quality, functional corporate promo products.

Capital tied up

New Wave Group's objective is to keep the stock of fashion items low since the lifespan for these items is short. The retail sector focuses on less fashion-sensitive areas, such as Craft's function base garments and Seger's socks. In the retail sector sales consist largely of advanced orders compared with the corporate promo market where deliveries are made directly against order. This means, for instance, that the customer places an order in the spring for delivery in the autumn. About 70–75% of the sales in the retail sector are advanced orders. In conjunction with orders from customers, the group places orders with the factory, which significantly reduces the risk of obsolescence. The rest of the sales, called supplementary sales, are primarily base items with limited fashion risks. In order to limit its foreign exchange risk, the company hedges between 50 and 80% of the purchasing costs. Sales are made to selected retailers and credit losses are low. However, there is a higher concentration to fewer customers in the retail segment compared with the corporate promo segment. In 2008, confirmed bad debt losses in the business area made up 0,26% of the sales. Most of the products are the same for corporate promo and retail, which provides a significant risk diversification. Moreover, the two sales channels can use the same catalogues.

Turnover per sales channel



Business area Gifts & Home Furnishings

The Gifts & Home Furnishings business area includes several strong brands like Orrefors, Kosta Boda and Sagaform. In total, the business area's seven brands are established in 16 countries. Sweden is the domestic market and accounts for the highest sales. Gifts & Home Furnishings answered for 15% of the Group's sales figures and a loss of SEK 44 million (EBITDA). While the brands are mainly sold in the retail market some sales also occur in the corporate promo market.

The market

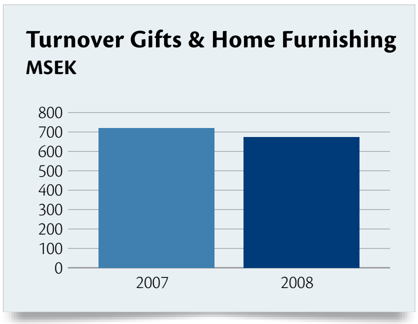
The 2008 global recession has been hard on the gifts and home furnishings industry. Competition between handmade and machine-made glass for instance is even tougher.

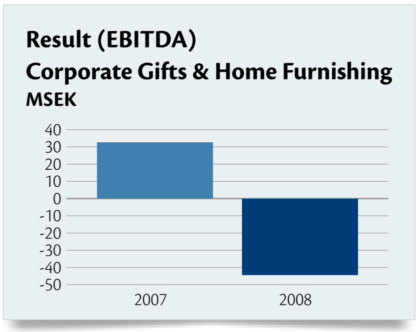
The USA is the largest export market for Orrefors and Kosta Boda. The brands have suffered from the collapse of the North American market though not as severely as many of their competitors. Orrefors and Kosta Boda have an interesting market in anniversary products, special production and decorations due to their flexible craftsmanship and design. The Sagaform brand has, despite the global recession, done very well. In the specialised retail trade the brand gained major market shares due to competitive pricing, excellent news value in the collection which sparked dealers and consumers' purchasing interest, as well as a broad distribution. Awareness of the brand also increased substantially. Sales in the corporate promo market were slightly lower than previous years. To compensate for the decline, Sagaform has designed a series of cheaper products for the kitchen and tabletop intended as give-aways.

TV's focus on do-it-yourself and home decorating programmes provided a boost to gifts and home furnishings the past years, which is positive for New Wave Group's gifts and home furnishings brands. The Christmas season remains the most important period for the gifts segment, but as we to a greater extent adopt new holidays and traditions such as Valentine's Day and Halloween, gift sales also increase. Sagaform has invested heavily in a BBQ and picnic collection that will make excellent summer gifts.

The future

The Group has taken steps to put Orrefors Kosta Boda back on its feet and predicts strong growth potential especially in the Chinese market where we today have 23 Orrefors Kosta Boda shops. Favourably priced, innovative gifts for the kitchen and tabletop do not seem to be affected by the lacklustre market but instead appear to be strengthening its position. This





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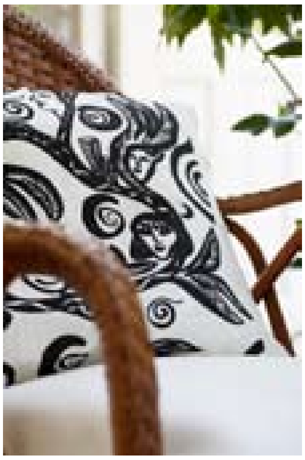


Kosta Linnewäfveri has products that appeal to the Swedish people's growing interest in gifts and home decorating.

Orrefors and Kosta Boda are two strong, traditional brands with many application areas.

speaks well for Sagaform, which was awarded Wholesaler/Supplier of the Year, 2008 award at the PRomotion EXPO in Jönköping. In times of economic crises, the value of strong brands is particularly evident and we see in this enormous potential for the future.

Orrefors

The Orrefors brand is distinguished by a classic design elegantly depicted in clear crystal. A timeless design, with an equally contemporary signature runs like a red thread through Orrefors' more than 100-year history and market position. Orrefors is the reliable, lasting gift for friends, weddings and homes. The brand's foremost competitors in Sweden include Iittala, Riedel, Spiegelau, Skruf, and Målerås while Waterford, Baccarat, Lalique, Swarovski and Riedel are its primary competitors in export markets. Orrefors' natural domestic markets are Sweden and the Nordic countries. The company will intensify its activities in Europe and Asia and has particularly high expectations in Japan and China where the brand is positioned and sold in the company's 23 shops. The challenge in the important North American market is to defend the market shares acquired over an extended period and persevere throughout the present weakened economic climate in the USA.

Kosta Boda

The Kosta Boda brand is distinguished by a distinct design language and commanding self-esteem. Free, bold shapes and striking colours reflect artistry and artistic expression that exudes self-confidence and dares to be different. Kosta Boda is the ideal gift for self-confident customers audacious enough to stand out and who have a fondness for artistic expression. The brand's foremost competitors in Sweden include Målerås, Iittala and retailer brands. In export markets, Kosta Boda mainly competes with Hadeland, Magnor, Holmegard, Villeroy & Bosch and Rosendahl. As with Orrefors, Sweden and the Nordic countries constitute the natural domestic market. Also Kosta Boda will intensify its activities in Europe and Asia. Expectations are particularly high in Japan and China where Kosta Boda's glass art has attracted substantial interest and thereby generated a lot of attention for the standard collection. In the USA, Kosta Boda must like Orrefors persevere until the weakened economic situation is resolved.

Kosta Linnewäfveri/Orrefors Jernverk

Clearly associated with the quality and design traditions of Orrefors Kosta Boda, these brands offer an exciting collection of home furnishing products for design-conscious customers who appreciate Swedish design. The collection has both classic and revolutionary, provocative products. Design, quality and form are prestige words but focus must be on function. Principal competitors include Lexington, Gant, Georg Jensen, Alessi, Stelton, Design House Stockholm, Himla and Klippan. At present, products are sold only in the Swedish market, although our long-term objective is to capitalise on markets where Orrefors Kosta Boda is established.

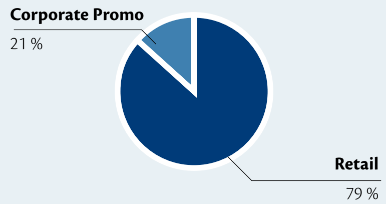
Sagaform

Sagaform sells welcoming, innovative gifts for the kitchen and table settings. The products are favourably prices for consumers looking for an everyday luxury gift for a friend or themselves. The Sagaform brand is distributed in both the retail and corporate promo segment. Principal competitors include Iittala, Menu, Eva Solo, and others but also the chain store's own brands. Sagaform concentrates on its domestic market in Sweden and Finland where it aims to become the leader in the innovative gifts product segment. In the USA, the company aims for robust growth with the support of the strong presence of Orrefors Kosta Boda and Cutter & Buck.

Sales channels

The Swedish retail sector is undergoing a major restructuring where we see consumer interest in

Turnover per sales channel



The Juicy glass designed by Lotta Odelius was a huge sales hit for Sagaform in 2008.

"Fredagsmys med Texmex" (Lazy Friday with Texmex) was launched as a concept in the autumn 2008. As one of many sales channels, the television channel TV4 aggressively marketed Sagaform's Texmex series.

traditional glass and ceramics falling in favour of design and home decorating shops. The expansion of on-line shopping is another strategically important aspect where the shift in customers' buying patterns demands completely different availability than previously. In the spring 2008, Orrefors Kosta Boda launched its first lighting products as a strategic move to access the design and home decorating shops. In 2008, the Sagaform brand also assigned a small part of its collection to the food segment, a venture that has generated good results. Some of the largest gifts and home furnishings chains are Bruka, Cervera, DesignTorget, Duka, Inspiration, Lagerhaus, NK, Stockmann, Tilbords, Åhléns, and more. The market also accommodates several independent specialised retail businesses. Sweden, Denmark and Norway have a well developed speciality trade, while Finland has historically had a strong department store culture.

Some of the Orrefors, Kosta Boda and Sagaform brands' sales activities target the corporate promo markets where the products are used as everything from simple gifts to exclusive anniversary gifts and mementos. Sagaform's products are popular as Christmas and summer gifts to employees and customers. Orrefors and Kosta Boda uphold their position as an interesting alternative for occasions warranting high-class objects.

Capital tied up

The business area can be divided into in-house production via Orrefors Kosta Boda and purchases from external suppliers in terms of the other brands. Production in Orrefors Kosta Boda is conducted throughout the entire year, while sales occur primarily during the second half of the year. Consequently, tied up capital is most considerable the first part of the year. Most of the production involves classic and popular products like Mine, Château, Line, Intermezzo and others with a product cycle in excess of 20 years, which reduces the risk of obsolescence. For the part not in-house manufactured, most purchases are made against stock for later sale to customers. New Wave limits its foreign exchange risk by hedging between 50 and 80% of the purchasing costs. Sales are made to selected retailers and credit losses are low. However, there is a higher concentration to fewer customers in the retail segment compared with the corporate promo market. In 2008, confirmed bad debt losses in the business area made up 0,26% of the sales. Most of the products are the same for corporate promo and retail, which provides a significant risk diversification.

Sponsorship and partnerships

In 2008, Orrefors Kosta Boda AB landed a number of prestigious contracts. Efva Attling designed the Grammis Award in partnership with Orrefors and artist Kjell Engman and Kosta Boda designed the international award for the Eurovision Song Contest. In addition to these contracts, the Jerring Award and Peoples' Choice Award is created every year by Orrefors Kosta Boda. Orrefors Kosta Boda has also made prizes for the TV productions Let's Dance and Stars on Ice in partnership with TV4. In 2008, a unique partnership was initiated in which Orrefors will team up with Volvo to design a center stack for Volvo's 2009 concept car.

Sagaform has throughout 2008 focused on loyalty campaigns based on the gift-with-purchase concept which, together with retailers, has involved major volumes. Sagaform's TEXMEX series in partnership with Santa Maria is just one of many partnerships.

Ethics and the Environment

Ethics and the environment have always been important issues for the New Wave Group, and the Group closely monitors how suppliers treat their employees as well as issues relating to the environment.

Social Code of Conduct

The New Wave Group has a responsibility to ensure that its own operations and those of its suppliers respect the legal requirements in various countries as well as international organisations' views of basic rights. The Group's Code of Conduct is applied to all factories that are involved in the production of the New Wave Group's products. While the Group is aware of the different legal and cultural conditions under which factories operate all around the world, this Code of Conduct defines basic requirements that all factories must comply with in order to do business with the New Wave Group.

The Code of Conduct is an agreement that the Group's suppliers commit to observing, and prescribes, among other things, that the supplier must comply with legal requirements and provide the Group with full access to factories and data for evaluation of the supplier's compliance with the rules. The Code of Conduct further includes, inter alia, bans on child labour and discrimination, requirements for basic working conditions, the right to freely organize trade unions, payment of minimum wage and overtime pay, and limits on hours of work. Since 2008, the New Wave Group has been a member of the Fair Labor Association (FLA, see www.fairlabor.org) which is an international organisation that works to improve the social situation and working conditions in production countries and is a model for the future. The FLA's code of conduct, to which the New Wave Group has conformed its code, provides the same customer requirements to all suppliers, thus making it easier to implement requirements, to institute training, to conduct evaluation and audits, and for the supplier to comply.

Direct trade
The New Wave Group's purchasing strategy is based on purchasing directly from manufacturers via the Group's own purchasing offices. Quality controllers and Code of Conduct staff from the Group are on site at the factory, which is a prerequisite for the creation of an effective management system for environmental work and the Code of Conduct. Although the basic requirement of a supplier is total access and transparency, this is sometimes difficult to achieve because there are so many different stages in the production chain. However, the New Wave Group's substantial local presence gives the Group good control over all aspects of production, particularly social responsibility.

Code of Conduct organisation
The Group's Code of Conduct organisation is led from our head purchasing office in Shanghai, and currently employs a total of nine people working full time among the 4 liaison offices. The Group also has over 30 trained quality controllers throughout Asia who conduct "visual inspections" at the factories, in some cases daily. In total the New Wave Group conducts over 300 full inspections and more than 1,500 visual inspections each year.

Continuous improvements
The Group's supplier strategy is to create long-term relationships while maintaining a minimal number of key suppliers, thus enabling the Group's recognition as a large and important customer and the benefits that come with such distinction. As part of its strategy, the New Wave Group strives to work with its suppliers to improve and develop within the Code of Conduct requirements. To this end, the Group uses announced and unannounced inspections by COC staff, regular visual checks by quality controllers, independent audits by FLA, as well as training seminars by local NGOs. Such constant evaluations and training provide the New Wave Group with the ability to identify potential pitfalls before they happen. Even in the instances when faults are identified, the Group's strategy allows it to isolate the issue and develop a remediation plan to bring the supplier back to an acceptable position within a reasonable timeframe—usually 1-3 months--rather than immediately terminating a supplier. Through such means, the New Wave Group can achieve the highest possible compliance of the Group's strict minimum requirements while at the same time making significant social advancements in the production countries.

The environment
The New Wave Group recognizes how closely connected its business activities are to local and global environmental issues. To this end, the Group is actively engaged in "green management," an effort to reduce environmental threats through implementation of business plans that incorporate environmental considerations. Specifically, the New Wave Group is developing plans for Transportation, Eco-friendly offices, Packaging, Chemical use, and 'Green' production.

Transportation & Logistics: Developing and using the cleanest and most efficient transport operations is a significant concern to the New Wave Group. The Group works with some of the largest transportation companies in the market, all of which have environmental programmes in place for their operations. An evaluation of these programmes is an important element of the procurement process for freight services. In order to reduce the impact on the environment, the Group consolidates as much as possible of its Asian transport operations between the various companies. In addition, the New Wave Group has joined "Clean Shipping," an attempt to pressure shipping companies to use cleaner vessels. The Group also strives to minimize its use of air transport, a source of great impact on the environment, for only the most essential needs.

Eco-friendly offices: All companies in the New Wave Group strive to reduce their consumption of water, electricity and paper, to eliminate waste, and to ensure hazardous materials are disposed of properly.

Packaging: Production units are using recycled materials such as plastic bags and cardboard cartons for shipping product as well as reducing and eliminating unnecessary packing material.

Chemical use: Quality control visual inspections allow the New Wave Group to maintain strict control over the chemical substances used in and for its products. The Group is committed to taking steps to reduce, substitute and eliminate chemical substances that are harmful to the environment.

Green production: The New Wave Group is developing sustainable products using new materials such as organic cotton and recycled fabric. The Group also imposes strict requirements on its suppliers to use humane treatment on animals including but not limited to certification against plucking feathers from live birds.

In addition to developing environmental business plans, the Group strives to achieve environmental awareness through close collaboration with suppliers. The Group's Code of Conduct defines requirements for environmental issues including but not limited to water treatment, waste management and chemical handling. Suppliers must also comply with the chemical restrictions defined in the chemicals guide issued by the Textile Importers Association in Sweden, as well as the prevailing rules in the EU and the USA in respect of such matters as the use of virgin raw materials, emissions of "unnatural" material, waste, emissions to air, energy consumption and consumption of fresh water. Further, products are tested regularly in the Group's own laboratories in Asia or at independent testing institutes in order to guarantee that suppliers are complying with the company's rules and restrictions. The total of these efforts represent a framework for the Group's global activities to minimize the company's environmental impact.

Corporate Governance

Corporate governance refers to the regulations and structures in place to effectively monitor that listed limited liability companies are run and managed as efficiently as possible. Ultimately, the purpose of corporate governance is to satisfy to the greatest extent the shareholders' demands for return on their investments and to give all stakeholders comprehensive, accurate information about the company. Below is a description of how the Group is governed, step by step, from the shareholders to the operational organisation. This corporate governance report is not part of the formal annual report and has not been audited by the company's auditors.

Swedish Code of Corporate Governance

New Wave Group applies the Swedish Code of Corporate Governance. Companies listed on the OMX Nordic Exchange Stockholm with a market value exceeding SEK 3 billion, are obliged to apply the Swedish Code of Corporate Governance. The market value of New Wave Group's listed Class B share per 31 December 2008 is less than SEK 3 billion. New Wave Group's Class A shares are not listed. More information about the Code can be found at www.bolagsstyrningskollegiet.se, which also includes a description for foreign investors.

Articles of Association

The Articles of Association are adopted at the Annual General Meeting and comprise fundamental details about the company, including what kind of business the company will conduct, the size of share capital, the number of issued shares, the size of the Board of Directors, and routines for convening the Annual General Meeting. Among other things, the company's Articles of Association stipulate that the Board will comprise at least three but no more than five members, that the Board's registered office is in Göteborg, and that one Class A share carries ten votes and one Class B share one vote. The complete Articles of Association is published on New Wave Group's website, www.nwg.se.

Annual General Meeting

The highest decision-making body is the Annual General Meeting at which all shareholders have the right to participate. The Meeting is sanctioned to take decisions on all matters not in contravention with Swedish law. Shareholders exercise their voting rights at the Meeting to decide on the composition of the Board of Directors, the accountants and other central issues such as adoption of the company's balance sheet and income statement, appropriation of profits and discharging the Board of Directors and Managing Director from liability. This is in line with New Wave Group's Articles of Association and Swedish legislation.

Annual General Meeting 2008

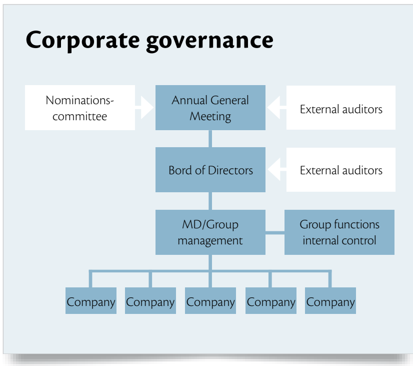
The 2008 Annual General Meeting for shareholders in New Wave Group was held 20 May 2008 in Göteborg. Complete information about 2008 Annual General Meeting is published on the website, www.nwg.se.

2009 Annual General Meeting

The Annual General Meeting is scheduled for Tuesday 19 May 2009 at 10.00 am at the head office in Göteborg.

Nomination Committee

The Nomination Committee represents the company's shareholders. It is tasked with creating as sound a basis as possible for decisions at the Annual General Meeting and proposes candidates for the appointment of the Board of Directors and auditors, and remuneration to these positions. The Nomination Committee comprises one representative from each of the company's three largest shareholders through personal election. Should any of these shareholders decline appointing a member to the Nomination Committee, the next shareholder in terms of size will be given the opportunity to appoint a member. Details regarding the composition of the Nomination Committee are published in the Q3 interim report. The work of the Nomination Committee is preceded by a questionnaire survey of the work of the Board



of Directors and its current members. Before the election of Board members at this year's Annual General Meeting, the Nomination Committee comprises:

- Torsten Jansson, Chairman of the Board and largest shareholder.
- Anders Algotsson, representative for AFA Försäkringar, the second-largest shareholder.
- Arne Lööw, representative for Fjärde AP-Fonden, the third-largest shareholder.

The Nomination Committee represents 86.4% of the votes in New Wave Group as at 31 December 2008. All shareholders can contact the Nomination Committee to propose candidates to the Board. The Nomination Committee has convened several times and in between meetings maintained contact via phone and email. Among its many issues, the Nomination Committee has evaluated the Board of Directors on the basis of the company's future development and challenges to ensure a strong combination of expertise and experience.

The Board of Directors and its work

New Wave Group's Board of Directors comprises five members appointed by the Annual General Meeting. Of the members, all but Chairman of the Board Torsten Jansson are independent of the company and its major shareholders. The Board's work procedures are defined in the rules of procedure, which regulate the delegation of responsibility between the Board and the MD, the MD's authority, the meeting schedule and reporting routines. Board meetings address issues related to budget, interim reports, year-end accounts, the business situation, investments and launches. General issues are also addressed, such as long-term business strategies and structural and organisational issues. Since the Board is made up of Swedish members, meetings are held and documentation prepared in Swedish. The Board normally convenes between seven and ten times a year. In 2008, the Board convened eight times. The CFO is the secretary of the Board. The Chairman maintains regular contact with the Managing Director and monitors the Group's business activities and development.

The Board	Independent	Remuneration (SEK)
Torsten Jansson, ordf.		270 000 + 600 000
Maria Andark	x	135 000
Hans Johansson	x	135 000
Peter Nilsson	x	135 000
Mats Årjes	x	135 000

Remuneration Committee

A separate Remuneration Committee has not been appointed to handle issues pertaining to wages, pension benefits, incentives and other employment-related conditions for the Managing Director. Instead, these issues are dealt with by the Board as a whole. The Managing Director and Chairman of the Board determine employment-related terms and conditions for other members of Group management.

New Wave Group's policy for remuneration to senior executives:

- Remuneration is based on factors like duties, competence, position and performance.
- Remuneration is market rate for the market/job in question.
- Remuneration consists of a fixed salary. Variable remuneration such as bonus is sanctioned when so motivated to recruit and keep key individuals, stimulate higher sales and profits and efforts to realise specific key ratio set out by the Board.
- The option to on two of three occasions purchase warrants in New Wave Group at market price.

Senior executives will not receive a separate fee for Board work in Group companies.

Pension benefits will be paid that correspond to the ITP plan. For senior executives employed outside Sweden, pension benefits will be paid that correspond to the customary terms in the relevant country.

All senior executives have a mutual term of notice of maximum six months and no severance pay.

Managing Director's terms of employment

The Managing Director receives remuneration in the form of a fixed salary and no Board fees or other remuneration (bonus). Pension benefits are paid that correspond to the ITP plan. The Managing Director has a mutual six-month term of notice, i.e. no severance pay.

Outstanding warrants

Two out of three years, the Group issues warrants with about a three-year term. Under the conditions of these schemes, senior executives can acquire warrants at market-rate conditions, which refer to the market value at the time of acquisition calculated according to the Black & Scholes valuation method.

New Wave Group has three outstanding warrant schemes. One was issued in July 2007 for 1,653,250 warrants that mature in June 2010 at an exercise price of SEK 102.50. The warrants were subscribed for at a premium of SEK 7 each. Originally, 2,000,000 warrants were issued, of which 346,750 were cancelled.

The other two schemes were issued in July 2008 and are directed at senior executives and the Board of Directors. The warrant scheme for senior executives is for 1,800,000 warrants and matures in June 2011 at an exercise price of SEK 64.05. The warrants were subscribed for at a premium of SEK 1.11 each. The warrant scheme for the Board of Directors is for 200,000 warrants and matures in June 2013 at an exercise price of SEK 85.40. The warrants were subscribed for at a premium of SEK 0.88 each. The premiums granted were based on market value.

Audit Committee

A separate Audit Committee has not been appointed. Instead, these control issues are dealt with by the Board as a whole. Following the audit in October, the company's auditors prepare an audit report for the Board that includes comments concerning the individual companies and the Group as a whole. The auditors also present their personal observations of the audit, their appraisal of the companies' internal control routines, and the application of accounting policies at one of the autumn Board meetings. The Board receives regular information about internal controls and regulation compliance, control of recognised values, estimates, assessments and other matters that may influence the quality of the financial reports. The company's auditor is to audit the companies' ability to comply with the comprehensive rules for internal control and report their observations concerning internal control.

The organisation's operational management

The Group's Board appoints the Managing Director of the Parent company, who is also the CEO. The Managing Director is in charge of ongoing supervision of the Group and other members of Group management report to him. As of 31 December 2008, Group management comprised seven members, namely the Managing Director, the CFO, the Purchasing Manager, Retail Business Area Manager, Corporate Promo Manager for Northern Europe, Corporate Promo Manager for Central Europe, Corporate Promo Manager for Southern Europe.

As of 2009, Group management will comprise the Managing Director, CFO, Purchasing Manager, Sports & Leisure Business Area Manager and Corporate Promo Business Area Manager for Northern Europe. The Managing Director is in charge of the other business areas.

Group Management is in charge of formulating the Group's general strategy, corporate governance, policies, financing activities, capital structure and risk management. Issues regarding corporate acquisitions and Group-wide projects are also handled by the team.

Auditors

The 2007 Annual General Meeting appointed the accountancy firm Ernst &Young AB as auditor. In conjunction with this decision, Sven-Arne Gårdh and Bjarne Fredriksson were elected as responsible for the audit. Sven-Arne Gårdh's other assignments include Wallenstam, Global Health Partner, Global Refund and Turnils. Bjarne Fredriksson's other assignments include Forsstrom High Frequency, Rabbalshede Kraft Nordic, Mattssonföretagen, Uddevalla Energi and Wallhamn. Neither Sven-Arne nor Bjarne hold any shares in New Wave Group.

Audit procedures

The Group applies the International Financial Reporting Standards (IFRS) when preparing the Group's financial statements. The Group's third quarter interim report is generally reviewed by the company's auditors in line with recommendations issued by FAR SRS. The audit of the annual accounts, the consolidated accounts and bookkeeping, as well as the administration of the Board of Directors and the Managing Director is conducted in accordance with generally accepted accounting practice in Sweden.

The Board's report on internal control

According to the Swedish Companies Act, the Board is responsible for internal control, which is intended to create a clear structure of responsibility and effective decision-making process. The Board has defined a number of standard documents significant for the financial reporting process to ensure an effective control environment. The Board's rules of procedure and instructions for the Managing Director ensure a clear distribution of roles and responsibilities, intended to effectively manage operational risks. The Board has also defined a number of standard guidelines and policies vital for internal control, including a finance policy, instructions for accounting and reporting, a code of conduct and a communication policy. The standard steering documents are regularly reviewed. An effective control environment presumes an adequate organisational structure and associated regular reviews. Corporate management reports regularly to the Board in line with defined routines. Managers at various levels within the Group have defined authorisations and responsibilities in terms of internal control. Moreover, there are a number of defined processes for planning and carrying out decisions and for decision-supporting activities. The risk elements of financial reporting are:

1. The business process
   a. Purchasing (most of New Wave Group's purchases are made in Asia)
   b. Investments
   c. Marketing
   d. Sales
   e. External factors
2. Transactions (a great deal of both external and inter-Group transactions take place)
3. Valuations
4. Income statement and balance sheet
5. Consolidations and adjustments
6. Consolidate annual report and interim report

New Wave Group's greatest financial risks in terms of value in the balance sheet are:

1. Stock which answers for about 41% of the value of the Group's assets.
2. Accounts receivable from trade which answers for about 16% of the value of the Group's assets.
3. Intangible assets (goodwill and the brands) which answers for 24% of the value of the Group's assets.
4. Interest-bearing liabilities which answer for about 52% of the Group's balance sheet total.
5. Other larger identifiable risks include taxes and foreign currencies.

Control activities

The Group's central staff is responsible for implementing, improving and maintaining the Group's control routines, and for conducting internal controls of business-critical issues. New Wave Group's privatised structure entails a controller-based organisation, and is responsible for ensuring that financial reports from each unit are accurate, complete and on time. New Wave Group has introduced a control system to verify the various processes and guarantee the financial reporting. The controls for the different processes and risk elements are evaluated through self-assessment, internal audits, internal Board meetings and the company's external auditors. Most processes such as purchasing, logistics, payments, financing, IT and the consolidation and compilation of consolidated financial statements are fully or partly decentralised to Group level. The Board regularly receives financial reports and the financial situation of the Group and the different companies is addressed at each Board meeting.

Internal control

The Group regularly reviews the companies' routines and accounting, which are reported to Group management. Managing Directors are not authorised to personally appoint a controller and the controllers report directly to the CFO. The Group's financial reporting risks consist of the risk of material misstatements when reporting the company's position and financial results. The company's accounting instructions and handbooks, as well as established follow-up routines, are intended to minimise these risks.

Business areas

The Group is divided into three business areas, Corporate Promo, Sports & Leisure, and Gifts & Home Furnishings. Group management is comprised of the heads of the business areas to coordinate business activities. The products are business area-related, but have separate sales forces due to the different sales channels, corporate promo and retail.

Sales channels

The Group's products are sold through two sales channels, corporate promo and retail.

Concept groups

Each business area has a number of concept groups in charge of strategic direction, product promotion and marketing strategies for one or more brands.

The companies

New Wave Group's organisation is decentralised and each company management team has a high degree of independence and self-determination. Our ambition is that the companies will be run in an entrepreneurial spirit while enjoying the benefits of belonging to a larger group of companies. Therefore, the Group consists of many operational companies, about 50, some of which belong to sub-groups. Board meetings are held about three times a year in each company or sub-group. The composition of the Board depends on the company's business orientation and stage of development. In addition to Group management, the Boards of subsidiaries can use the expertise of managing directors in mature companies. New Wave Group has chosen an organisational model that facilitates effective benchmarking in profitability, capital tied up and growth between companies, brands and markets. New Wave Group also has internal performance indicators for the companies.

Financial information

The Group in Summary

SEK million					
Income statement summary	**2008**	**2007**	**2006**	**2005**	**2004**
Income	4 604.2	4 194.0	3 530.5	3 059.0	2 302.2
Other operating income	56.5	37.7	23.1	25.8	20.0
Operating expenses	-4 227.7	-3 772.0	-3 168.7	-2 757.7	-2 030.0
Profit/loss before depreciation	433.0	459.7	384.9	327.1	292.2
Depreciation according to plan	-64.2	-53.9	-40.1	-31.5	-29.6
Profit/loss after depreciation	368.8	405.8	344.8	295.6	262.6
Net financial items	-136.0	-90.8	-54.6	-41.6	-28.4
Profit/loss after net financial items	232.8	315.0	290.2	254.0	234.2
Taxes	-84.9	-83.7	-63.1	-47.3	-61.3
Profit/loss after tax	**147.9**	**231.3**	**227.1**	**206.7**	**172.9**
Balance Sheets summary					
Trademarks	413.2	367.7	133.0	134.3	10.2
Other fixed assets	1 468.4	1 370.4	833.5	791.5	607.6
Stock	2 200.3	1 862.1	1 519.3	1 466.8	971.9
Accounts receivables	835.8	883.0	745.2	708.5	482.4
Other current assets	261.8	211.0	134.3	147.5	71.3
Liquid assets	191.2	115.5	114.2	133.8	84.1
Total assets	**5 370.7**	**4 809.7**	**3 479.5**	**3 382.4**	**2 227.5**
Shareholder's equity assignable to shareholders	1 802.6	1 426.3	1 300.7	1 134.1	902.4
Shareholder's equity attributable to minority owners	31.2	11.9	10.0	9.9	8.2
Provisions	203.0	210.0	109.7	104.9	65.2
Interest bearing liabilities	2 767.5	2 472.5	1 430.6	1 622.5	970.3
Non-Interest bearing liabilities	566.4	689.0	628.5	511.0	281.4
Total equity and liabilities	**5 370.7**	**4 809.7**	**3 479.5**	**3 382.4**	**2 227.5**
Cash flows					
Cash flow before changes in working capital and investments	163.1	259.3	299.7	218.2	190.1
Changes in working capital	-431.1	-176.3	-18.4	-315.6	-187.8
Cash flow before investments	-268.0	83.0	281.3	-97.4	2.3
Net investments	-65.2	-1 165.7	-49.3	-220.2	-245.4
Cash flow after investments	-333.2	-1 082.7	232.0	-317.6	-243.1
Financial payments	377.2	1 081.5	-246.4	361.7	305.5
Cash flow for the year	**44.0**	**-1.2**	**-14.4**	**44.1**	**62.4**
Key ratios					
Gross margin, %	48.5	47.6	47.9	46.4	45.9
Operating margin, %	8.0	9.7	9.8	9.7	11.4
Profit margin, %	5.1	7.5	8.2	8.3	10.2
Net margin, %	3.2	5.5	6.4	6.8	7.5
Return on capital employed, %	9.0	12.8	12.9	13.0	16.6
Return on equity, %	9.2	17.1	18.7	20.3	22.7
Equity/assets ratio, %	34.1	29.9	37.7	33.8	40.8
Net debt/equity ratio, %	140.5	163.9	100.4	130.1	97.3
Risk-bearing capital, %	35.2	33.8	40.5	35.9	43.1
Interest coverage ratio, times	2.6	4.0	5.5	6.2	8.2
Capital turnover rate, times	0.9	1.0	1.0	1.2	1.2
Stock turnover rate, times	1.2	1.3	1.2	1.5	1.5
Average number employees	2 562	2 350	2 207	1 714	1 269
Personnel costs, incl. social fees, SEK million	846.1	632.7	471.0	410.7	328.8
Sales outside Sweden, %	70.9	66.8	60.7	61.0	57.6

Per share data[1]	2008	2007	2006	2005	2004
Number of shares before dilution	66 343 543	66 343 543	65 430 660	64 210 410	61 722 986
Number of shares after dilution	66 343 543	68 843 543	65 681 234	65 306 999	63 143 988
Profit/loss per share before dilution, SEK	2,18	3,46	3,45	3,16	2,78
Profit/loss per share after dilution, SEK	2,18	3,33	3,44	3,11	2,72
Equity per share, SEK	27,64	21,68	20,03	17,82	14,75
Equity per share after dilution, SEK	27,64	20,89	19,96	17,38	14,42
Share price on 31 December, SEK	6,25	67,50	77,25	88,00	63,75
P/E ratio, 31 December	2,87	19,36	22,26	27,33	25,93
Dividend per share, SEK	0,18	1,00	1,00	0,90	0,75
Dividend yield %	2,9	1,5	1,3	1,0	1,2
Operating cash flow per share, SEK	-4,04	1,25	4,30	-1,52	0,04

[1] Per share data has been converted with respect to the 2:1 split during 2005 and 2004.

Definitions

Share of risk-bearing capital
Total equity and deferred tax liabilities (including minority) divided by the balance sheet total.

Return on equity
Net profit according to income statement in percent of average adjusted equity.

Return on capital employed
Profit after net financial items plus financial costs in percent of average capital employed.

Gross margin
Sales with deductions for direct product costs in percent of the year's income.

Rate of capital turnover
Turnover divided by average balance sheet total.

Net margin
Net profit as percentage of the year's income.

Net debt/equity ratio
Interest bearing liabilities less interest bearing assets as a percentage of equity.

Interest coverage ratio
Profit after net financial items plus financial costs divided by financial costs.

Operating margin
Operating profit after depreciation as a percentage of the year's income.

Equity/assets ratio
Equity including minority as a percentage of balance sheet total.

Capital employed
Balance sheet total less non-interest bearing liabilities and non-interest bearing provisions.

Profit margin
Profit after net financial items as a percentage of the year's income.

Profit per share
Net profit in relation to a weighted average of the outstanding number of shares.

Report of the Board of Directors

Report of the Board of Directors
The Board of Directors and the Managing Director of New Wave Group AB (publ), 556350-0916, domiciled in Gothenburg, Sweden, submit herewith the consolidated financial statements for the financial year 01/01/2008–31/12/2008.

THE BUSINESS
New Wave Group is a growing group that creates, acquires and develops trademarks and products in the promotional marketing industry, and the sports, gift and home furnishings industries. The Group achieves synergies by coordinating the design, purchasing, marketing, warehousing and distribution of product lines. The Group offers its products within the promo and retail markets in order to achieve a good risk spread.

New Wave Group's competitiveness resides primarily in strong trademarks, great know-how, a high level of service and a well developed total concept. The products are manufactured mainly in Asia, and to a lesser extent in Europe. Thanks to its relative size, New Wave Group enjoys good purchasing prices and has efficient logistics. The Group's best known wholly owned trademarks are Craft, Sagaform, Orrefors, Kosta Boda, Cutter & Buck, Seger, Grizzly, Clique, James Harvest Sportswear, Mac One, Toppoint, Jobman, Projob and Pax, together with Umbro, Exel and Speedo licences.

INCOME STATEMENT

	2008	Q4	Q3	Q2	Q1
Income	4 604.2	1 226.5	1 117.3	1 245.4	1 015.0
Goods for resale	-2 371.8	-662.9	-549.8	-626.8	-532.3
Gross profit/loss	**2 232.4**	**563.6**	**567.5**	**618.6**	**482.7**
Gross profit, %	**48.5%**	**46.0%**	**50.8%**	**49.7%**	**47.6%**
Other income	56.5	20.7	23.2	6.4	6.2
External expenses	-1 105.6	-297.7	-259.9	-270.6	-277.4
Personnel costs	-731.0	-198.0	-167.5	-186.9	-178.6
Depreciation	-64.2	-18.5	-16.5	-16.7	-12.5
Other expenses	-20.4	-9.6	-4.0	-2.0	-4.8
Results from participation in associated companies	1.1	1.1	0.0	0.0	0.0
Operating profit/loss	**368.8**	**61.6**	**142.8**	**148.8**	**15.6**
Financial income	12.4	4.6	2.6	2.6	2.6
Financial expenses	-148.4	-33.0	-41.8	-38.9	-34.7
Profit/loss after net financial items	**232.8**	**33.2**	**103.6**	**112.5**	**-16.5**
Taxes	-84.9	-30.8	-28.9	-26.7	1.5
Profit/loss for the period	**147.9**	**2.4**	**74.7**	**85.8**	**-15.0**

Income
Sales for the period increased by 10% to SEK 4,604 (4,194) million. Currency exchange rates have had a positive effect on sales of SEK 73 million. Organic growth amounted to 1%.

The business areas Promo and Sports & Leisure increased by 2% and 32% respectively. Sports & Leisure includes Cutter & Buck, which was acquired during 2007. Growth for Sports & Leisure was 18% excluding this acquisition. Gifts & Home Furnishings weakened by 7%.

Sales in the Nordic region were at the same level as the previous year, while European sales increased. The American businesses, comprising mainly Cutter & Buck and Orrefors Kosta Boda Inc, were affected negatively by weaker market conditions in the USA. Other countries such as China and Russia developed positively, above all in the business areas Gifts & Home Furnishings and Promo.

Gross profit
The gross profit margin amounted to 48.5 (47.6)%. The underlying trend is for margins to increase due mainly to price increases. Orrefors Kosta Boda's American company affected the margin negatively as a weaker US dollar during the first three quarters resulted in higher product costs for purchases in SEK. The US dollar strengthened during the fourth quarter, which has not yet had any significant effect on profits. The generally weak American market conditions affected Cutter & Buck negatively. The Group also increased obsolescence provisions by SEK 24 million.

Costs and depreciations
External costs expressed as a proportion of sales increased and amounted to 24.0 (22.0)%. This increase is mainly attributable to the acquired units. Increased marketing and sales costs have also burdened profits, among others the launches of the Clique/New Wave concept in the USA and Cutter & Buck in Europe. Personnel costs as a proportion of sales are somewhat higher than last year's, and amounted to 15.9 (15.4)%. The cost increase is related to the full year effect of the acquired units.

Depreciations increased to SEK 64.2 (53.9) million and is mainly attributable to the acquired units.

Net financial items and taxes
Net financial items amounted to SEK -136.0 (-90.8) million. The increase is mainly due to net debt resulting from the 2007 Cutter & Buck acquisition, and also higher interest rates for the major part of the year, and more capital tied up. The Group's policy is to have short fixed interest periods, which means that changes have a rapid effect on the Group's net interest.

The tax rate amounted to 36.5% in comparison to the previous year's 26.6%, due to changes to deferred taxes.

Profit/loss
Profit after tax worsened by SEK 83.4 million to 147.9 (231.3) million, and profits per share fell to SEK 2.18 (3.46).

REPORTING SEGMENTS/BUSINESS AREAS
New Wave Group AB applies IFRS 8 in advance. The business areas Promo and Retail now form parts of the areas Promo, Sports & Leisure and Gifts & Home Furnishings. The new distribution means that each trademark is grouped within a business area (see appendix for distribution of trademarks per business area). The Group follows each business area and trademark's sales and profit/loss (EBITDA). The new operating segments are based on the Group's operational management.

Profit/loss per business area is reported at the EBITDA level (Earnings Before Interest, Tax and Depreciation), i.e. operating profit/loss adjusted for depreciations.

Business area Promo
Sales increased by SEK 2% to 2,216 (2,172) million and the EBITDA profit improved by SEK 39.4 million to SEK 316.9 (277.5) million. These sales and profit improvements are attributable to the regions outside Sweden.

Business area Sports & Leisure
Sales increased by SEK 32% to SEK 1,714 (1,300) million and the EBITDA profit improved by SEK 10.7 million to SEK 160.3 (149.6) million. The business area includes Cutter & Buck, which was acquired during 2007. Growth was 18% excluding this acquisition, which is due to Craft's good growth in both the Nordic region and Europe. The business area's activities in the American market had a negative effect. Cutter & Buck's sales amounted to SEK 807 (533) million and the EBITDA profit to SEK 39.6 (49.6) million, where the previous year's figures are from the acquisition date June 8, 2007.

Business area Gifts & Home Furnishings
Sales fell by 7% to SEK 674 (721) million and the EBITDA profit/loss weakened by SEK 76.8 million to SEK -44.2 (32.6) million. Besides lower sales, the result was influenced by higher energy and personnel production costs at Orrefors Kosta Boda. Orrefors Kosta Boda's American company had a negative effect on the margin, as a weaker US dollar during the first three quarters resulted in higher product costs for purchases made in SEK. The US dollar strengthened during the fourth quarter, which has not yet had any significant effect on profits.

The trademarks Orrefors and Kosta Boda continue to be established in China. A further 16 stores were opened and there are now altogether 23 stores in the country.

A number of cost reduction measures were taken in the Orrefors Kosta Boda Group. A decision was taken in September 2008 to reduce the number of employees by around 100 at the company's operations locations in Sweden

(Orrefors, Kosta, Boda and Åfors). Personnel reductions are taking place at every level in the company, both within production and administration.

The measures were implemented during the autumn of 2008 and during the first half of 2009 in accordance with negotiations with the trades unions concerned. The savings will be achieved successively during 2009 and will reach full effect during the third quarter.

GEOGRAPHICAL DISTRIBUTION

	2008	Share of sales	2007	Share of sales	Changes SEK million	%
Nordic Region	2 075	45%	2 061	49%	14	1
Central Europe	859	19%	797	19%	63	8
Southern Europe	560	12%	511	12%	49	10
USA	929	20%	689	16%	240	35
Other countries	180	4%	136	3%	44	32
Total	**4 604**	**100%**	**4 194**	**100%**	**410**	**10**

Sales in the Nordic region were at the level of the previous year. Sales in the countries outside Sweden increased, while those in Sweden fell. Central European sales rose primarily in Germany, but also last year's acquisition companies in Poland increased. Southern Europe showed a positive development, mainly in Switzerland. The sales increase in the USA is primarily attributable to the acquisition of Cutter & Buck on June 8, 2007. The increase in other markets is mainly due to Russia and China.

CAPITAL TIED UP

Capital tied up in products increased during 2008 by SEK 338 million to SEK 2,200 (1,862) million. The increase over the period is largely attributable to Orrefors Kosta Boda, the initial establishment of the Clique/New Wave concept in the USA and Cutter & Buck in Europe, together with SEK 144 million due to a currency translation owing to the weaker Swedish Krona. The obsolescence reserve as of December 31, 2008 increased by SEK 24 million to SEK 109 (85) million, or 5% of the reported stock value.

The stock turnover rate for the period was 1.2 (1.3), with the deterioration due mainly to Orrefors Kosta Boda and startups.

Accounts receivables fell by SEK 47 million to SEK 836 (883) million.

Capital tied up is high and efforts to reduce it have intensified. Among other measures are a new purchasing organization, an incentive programme, initiation of the analysis of a new warehouse structure and improved analysis tools. The measures are expected to show results in 2009.

INVESTMENTS, FINANCING AND LIQUIDITY

The Group's cash flow from operations amounted to SEK -268 (83) million, and after investments SEK -333 (-1,083) million. The Group's cash effecting net investments amounted to SEK -65 (-1,166) million. Included in last year's investments are the acquisition of Cutter & Buck Inc. and Texet Poland SP. z o.o., which amounted to SEK 1,087 million. For information regarding last year's acquisitions, refer to note 26.

Net debt increased by SEK 219 million and amounted to SEK 2,576 (2,357), where currency changes have increased debt by SEK 70 million. Net debt in relation to equity was reduced and amounted to 140 (164) %. The Group's credit limits were SEK 3,355 million on December 31, 2008 and credit facilities run through April, 2011. Interest rates are based on STIBOR plus a fixed margin. The Group's policy is to have short fixed interest periods, which means that changes have a rapid effect on the Group's net interest. The financing requires that certain key ratios, so called covenants, be maintained.

The Group's covenants since December 2008 are fixed for the period December 31, 2008 through December 31, 2009, and are as follow:

- Interest coverage, for the period 31/12/2008 through 30/06/2009 shall exceed 2.5 at each interval and exceed 3.0 for the period thereafter, based on calculations for the previous four quarters.
- Interest bearing net debt in relation to EBITDA, calculated over a rolling 12-month period, with the reconciliation dates 31/12/2008, 31/03/2009, 30/06/2009, 30/09/2009 and 31/12/2009, may not exceed a multiple of 6.5.
- Stock turnover, calculated over a rolling 12-month period, may not, on the reconciliation dates 31/12/2008 fall below a multiple of 1.09, on 31/03/2009 fall below a multiple of 1.05, on 30/06/2009 fall below a multiple of 1.03, on 30/09/2009 fall below a multiple of 1.07 and on 31/12/2009 fall below a multiple of 1.13.
- The equity/assets ratio, on the reconciliation date 31/12/2008, may not fall below 25%, and at the end of each subsequent quarter, 30%.

The Board has established forecasts regarding future cash flows as the basis for assessing, among other things, the value of non current intangible assets. These prognoses also form the basis for assessing the prospects of meeting the company's contractual covenants. However, worsening market conditions and the current business cycle situation mean that a forecast for coming periods is difficult in current circumstances. In the case where forecasts adopted by the Board cannot be achieved, and where renegotiation of financing terms or contracts for alternative financing cannot be entered into, the company's future financing and cash flows may be affected.

According to its current forecast, the Group expects to meet the above key ratios.

Since the beginning of October, the Group has established a new legal organization structure in the American market. In connection with this, approximately SEK 650 million of the original financing of SEK 1,085 million has been transferred to a new holding company in the USA. This borrowing has therefore been converted from SEK to USD.

PERSONNEL, ORGANIZATION AND REMUNERATIONS

On 31/12/2008 the number of employees was 2,562 (2,350), of whom 46% were women and 57% were men. A total of 811 were employed in production. Production within the New Wave Group is carried out by Orrefors Kosta Boda, Seger, Dahetra, Toppoint and Cutter & Buck (embroidery).

There is no special remuneration committee appointed to deal with salary levels, pension benefits, incentive issues and other employment conditions for the Managing Director; these are instead handled by the Board as a whole. Employment terms for other board members are determined by the MD and the Chairman of the Board.

New Wave Group's principles for the remuneration of senior executives are as follows:

- Remuneration is based on factors such as assignments, ability, position and performance.
- Remuneration is at market rates for the position and market concerned.
- Remuneration consists of a fixed salary. Variable compensation such as bonuses may occur when such are justifiable for the purposes of recruiting and retaining key personnel, stimulating sales, improving profits and achieving key ratios determined by the board.
- The opportunity to buy options in New Wave Group at market price on two of three occasions.

Extraordinary fees for board assignments in other Group companies are not paid to senior executives.

Pension benefits correspond to the Swedish ITP plan, or in respect of senior executives outside Sweden, pension benefits customary in the country concerned.

A mutual period of notice of maximum six months applies to all senior executives, and no severance compensation is to be paid out.

Remuneration to the Group's MD comprises a fixed salary from New Wave Group and New Wave Group Licensing SA, but no board fee or other remuneration (bonus). Pension benefits are paid in accordance with the ITP plan. A mutual six-month period of notice applies, i.e. no severance compensation.

TRANSACTIONS WITH RELATED PARTIES

During the year, Orrefors Kosta Boda AB transferred part of the property Lessebo Kosta 13:13 to Torsten Jansson, majority owner and Chairman of the Board of New Wave Group AB (publ). The agreed price was SEK 2.7 million based on an evaluation performed by an independent external valuer.

SUBSCRIPTION OPTIONS in NEW WAVE GROUP AB

New Wave Group has three programmes outstanding for subscription options. One was introduced in July, 2007 and comprises 1,653,250 options that run through June 2010 with an exercise price of SEK 102.50. The options were subscribed with a premium of SEK 7.00 each. Originally 2,000,000 options were issued, of which 346,750 have been cancelled.

The two other programmes were issued in July, 2008 and are directed in part toward senior executives and in part toward the Board. The options programme to senior executives comprises 1,800,000 options and runs through June, 2011 with an exercise price of SEK 64.05. The options were subscribed with a premium of SEK 1.11 each. The option programme for the board comprises 200,000 options and runs through June, 2013 with an exercise price of SEK 85.40. The options were subscribed with a premium of SEK 0.88 each. Premiums received were based on market values.

RISKS AND RISK MANAGEMENT

New Wave Group, with its international operations, is continually exposed to various financial risks. These financial risks are currency, borrowings, interest, liquidity and credit exposures. In order to minimize the effect of these risks the Group has an established financial policy. For a more detailed description of the Group's exposure to risks and its risk management, refer to note 19.

Operational risks comprise factors that are not possible to influence directly, e.g. business cycles and also fashion and currency fluctuations.

- Regarding Promo sales channels, there is a requirement for continuity in collections which limits the risk of obsolescence. The currency risk is kept within limits in that the price lists can be constantly adjusted. Sales take place through selected retailers, which limits loan losses.
- Regarding the retail sales channel, the fashionability rate is higher. Because sales are largely through preorders, the risk for obsolescence is restricted. The currency risk is kept low by hedging 50–80% of currency related purchases.

The Group's policy is to have short fixed interest periods, which means that changes have a rapid effect on the Group's net interest.

In October the Group converted SEK 650 million of its original borrowing of SEK 1,085 million in respect of last year's acquisition of Cutter & Buck, from USD to SEK. The acquisition was made on June 8, 2007, and provided a non current intangible asset in USD. Because of this change in borrowing, the Group has reduced its currency exposure to the USD.

During December, the Group signed a new credit agreement that runs through April, 2011 which requires that certain key ratios be achieved (see also the section Investments, Financing and Liquidity).

PARENT COMPANY

Sales amounted to SEK 133 (87) million. Profit/loss after financial items amounted to SEK 274.6 (81.5) million. Net borrowing amounted to SEK 1,731 (1,611) million, of which SEK 1,200 (313) million is in respect of subsidiary companies. Net investments amounted to SEK -124 (-1,126) million. The balance sheet total amounted to SEK 3,408 (3,041) million and equity to SEK 1,046 (812) million.

NEW WAVE GROUP SHARES

Total number of shares in New Wave Group AB is 66,343,543. Each has a nominal value of SEK 3.00. 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. There is a preemption for A shares in accordance with the articles of association, clause 14.

The election of the Board of Directors takes place at the Annual General Meeting.

Torsten Jansson (through companies) owns 32.4% of the capital and 81.7% of the votes.

The following authorisation has been given to the Board of Directors until the next Annual General Meeting:

- to decide, on one or several occasions, with or without deviation from the shareholders preferential rights, on a new share issue with a maximum of 4,000,000 Series B shares. By decision in accordance with this authorisation, share capital may be increased by a total of maximum of SEK 12,000,000. The authorization also includes the right to decide on new issues in accordance with Chapter 13, section 5, subsection 6 of the Swedish Companies Act. Grounds for deviating from the shareholders' preferential rights are that the new shares are to be used for acquisition of companies and the financing of future growth. The basis for the issue shall be the shares' market value.
- to decide, on one or several occasions, to obtain financing of a kind covered by the provisions of Chapter 11, section 11, of the Swedish Companies Act. The terms and conditions of such financing shall be market driven. The background to this authorisation is that the company must be able to obtain financing on terms and conditions attractive to the company, where interest levels for example can depend on the company's profit/loss or financial position.

EVENTS AFTER THE CLOSE OF THE FINANCIAL YEAR

The announced restructuring within Orrefors Kosta Boda has, after negotiations with the trades unions concerned, been concluded and the final outcome is a personnel reduction of 154, and the number of employees remaining is calculated to be 343. It was decided, with the objective of optimizing the effects of the restructuring, to already reduce production to a lower level and thereby release the major part of those employees affected by the personnel reduction. This in turn means that the company will make provisions for the restructuring in the form of a one-time expense of around SEK 70.1 million in the quarterly report for the first quarter of 2009. In connection with this, New Wave Group has agreed with credit providers that this one-time expense be restored when calculating the financial commitments that New Wave Group undertook to fulfil, and which were previously reported in press releases made public on 12/12/2008. According to the agreement with the credit providers, the one-time expense will be spread over the four 2009 quarters when calculating the financial commitments that New Wave Group undertook to fulfil, in an amount of SEK 17.5 million in each of the quarterly reports for quarters 1–4 during 2009.

These measures, together with other previously determined cost reducing structural measures, are calculated to entail cost reductions of around SEK 130 million annually. The cost reductions will be achieved successively during the second half of 2009, and reach full effect during 2010.

OTHER

A report regarding Group management and Board assignments is presented under Corporate Governance.

Proposed Distribution of Profit

The Annual General Meeting has the following at its disposal

SEK thousands	
Non-restricted equity 01/01/2008	363 328
Group contribution	1 606
Dividend	- 66 344
Net profit/loss for the year	298 497
Total distributable profits:	**597 087**

The Board of Directors proposes that SEK 585,145 thousand be carried forward and that the dividend be SEK 0.18 (1.00) per share, equivalent to SEK 11,942 thousand. The Board's objective is that distribution to shareholders be the equivalent of 30% of Group net profits over one business cycle.

Board of Directors' statement regarding distribution of profits

Justification

Group equity has been calculated in accordance with the IFRS standards adopted by the EU and their interpretation (IFRIC), and in accordance with Swedish legislation through the implementation of Swedish Financial Accounting Standards Council recommendation RFR 1:2 (additional reporting regulations for groups). The parent company's equity has been calculated in accordance with Swedish legislation through the implementation of Swedish Financial Accounting Standards Council recommendation RFR 2:2 (Reporting for legal entities).

The proposed distribution of profits represents 8% of the Group's profits after tax, which is in line with the stated objective that distribution shall correspond to 30% of the Group's profit after tax over one business cycle. Consideration has also been given to investment plans, consolidation requirements, liquidity and position.

The Board finds that full cover is available for the company's restricted equity after the proposed distribution of profits.

The Board also finds that the proposed distribution to shareholders is justifiable in respect of the provisions of Chapter 17, section 3, subsections 2 and 3, of the Swedish Companies' Act (nature of business, its scope and risks and consolidation requirements, liquidity and position). In this connection the Board emphasizes the following:

Nature of business, its scope and risks

The Board determines that the Company's and Group's equity after the proposed distribution of profits will be sufficiently large in relation to the nature of the business, its scope and risks. In this context the Board considers among other things the Company's and Group's historical development, budgeted development, investment plans and the business cycle situation.

Consolidation requirements, liquidity and position

Consolidation requirements

The Board has undertaken an all-round evaluation of the Company's and the Group's financial position and its prospects of meeting its commitments over time. The proposed distribution makes up 1.1% of the Company's equity and 0.7% of the Group's equity. The stated objective for the Group's capital structure of an equity/assets ratio of at least 30% will be maintained after the proposed distribution. The Company's and the Group's equity/assets ratio is sound. Against this background, the Board considers that the Company and the Group have the necessary prerequisites to take future risks and also withstand possible losses. Planned investments have been considered in determining the proposed distribution of profits. The distribution of profits will not negatively affect the Company's and the Group's abilities to undertake further justifiably businesslike investments according to adopted plans.

Liquidity

The proposed distribution of profits will not negatively affect the Company's and the Group's ability to meet its payment obligations in a timely manner. The Company and the Group have access to liquidity reserves. The credits can be drawn on at short notice, which means that the Company and the Group are prepared not only for liquidity fluctuations but also unexpected events.

Position

The Board has weighed all other known circumstances that may have significance for the Company's and the Group's financial position, which were not considered within the framework of the above. In that connection, no circumstances emerged that cause the proposed distribution not to appear justifiable.

Gothenburg, April 24, 2009

Maria Andark

Torsten Jansson
Chairman of the Board

Hans Johansson

Mats Årjes

Göran Härstedt
Managing Director and CEO

Peter Nilsson

Our audit report deviates from the standard formation and was submitted 24 April 2009.

Ernst & Young

Sven-Arne Gårdh
Authorized Public Accountant

Bjarne Fredriksson
Authorized Public Accountant

Income Statement – Group

January 1–December 31

SEK million	Note	2008	2007
Income	2	4 604.2	4 194.0
Goods for resale		-2 371.8	-2 196.1
Gross profit		**2 232.4**	**1 997.9**
Other operating income	4	56.5	37.7
External expenses	6	-1 105.6	-921.3
Personnel costs	6	-731.0	-647.2
Depreciation of property and equipment and intangible fixed assets	1	-64.2	-53.9
Other expenses		-20.4	-7.4
Results from participation in associated companies		1.1	-
Operating profit		**368.8**	**405.8**
Financial income		12.4	15.0
Financial expenses		-148.4	-105.8
Net financial items	27	**-136.0**	**-90.8**
Profit before income tax		**232.8**	**315.0**
Tax on annual earnings	9	-84.9	-83.7
Net profit/loss for the year		**147.9**	**231.3**
Attributable to:			
Parent company shareholders		144.6	229.3
Minority shareholders		3.3	2.0
		147.9	**231.3**
Profit/loss per share			
before dilution (SEK)		2.18	3.46
after dilution (SEK)	6	2.18	3.33
Average number of shares outstanding before dilution		66 343 543	66 343 543
Average number of shares outstanding after dilution	6	66 343 543	68 843 543

Balance Sheet – Group

As of December 31

SEK million	Note	2008	2007
ASSETS			
Intangible fixed assets	10	1 275.7	1 152.6
Property, plant and equipment	11	415.3	380.8
Shares in associated companies	13	49.4	37.7
Long-term receivables	13	16.8	17.2
Deferred tax assets	13	124.4	131.8
Total fixed assets		**1 881.6**	**1 720.1**
Stock	25	2 200.3	1 862.1
Tax receivables		81.0	48.1
Accounts receivables	19	835.8	883.0
Prepaid expenses and accrued income	14	88.1	92.6
Other receivables	7	92.7	88.3
Liquid assets		191.2	115.5
Total current assets		**3 489.1**	**3 089.6**
TOTAL ASSETS	24	**5 370.7**	**4 809.7**
EQUITY	16		
Share capital		199.1	199.1
Other capital contributed		217.1	217.1
Reserves		209.3	-86.7
Profit brought forward, including profit for the year		1 177.2	1 096.8
Equity attributable to Parent Company shareholders		**1 802.7**	**1 426.3**
Minority interest		31.1	11.9
Total equity		**1 833.8**	**1 438.2**
LIABILITIES			
Long-term interest-bearing liabilities	17, 20	2 716.5	2 414.9
Pension obligations		8.9	7.5
Other provisions		12.7	17.5
Deferred tax liabilities	13	181.4	185.0
Total long-term liabilities		**2 919.5**	**2 624.9**
Short-term interest-bearing liabilities	17, 20	51.0	57.6
Accounts payable		247.5	319.9
Current tax liabilities		55.3	30.8
Accrued expenses and prepaid income	18	192.3	231.2
Other liabilities		71.3	107.1
Total short-term liabilities		**617.4**	**746.6**
Total liabilities		**3 536.9**	**3 371.5**
TOTAL EQUITY AND LIABILITIES	24	**5 370.7**	**4 809.7**

Summary, Changes in Group Equity

SEK million	Share capital	Other contributed equity	Reserves	Retained earnings incl. profit/loss for the year	Total	Minority interest	Total equity
Opening equity 01/01/2007	**199.1**	**217.1**	**-37.8**	**922.3**	**1 300.7**	**10.0**	**1 310.7**
Translation differences for the year	-	-	-47.6	-	-47.6	-	-47.6
Cash flow hedges	-	-	-1.3	-	-1.3	-	-1.3
Total change in net assets recognized directly in equity, excluding transactions with shareholders	**0.0**	**0.0**	**-48.9**	**0.0**	**-48.9**	**0.0**	**-48.9**
Net profit/loss for the year	-	-	-	229.3	229.3	2.0	231.3
Total change in net assets, excluding transactions with shareholders	**0.0**	**0.0**	**0.0**	**229.3**	**229.3**	**2.0**	**231.3**
Dividends	-	-	-	-66.3	-66.3	-	-66.3
Option premiums paid by personnel	-	-	-	11.5	11.5	-	11.5
Equity change in minority	-	-	-	-	-	-0.1	-0.1
Equity at year end 31/12/2007	**199.1**	**217.1**	**-86.7**	**1 096.8**	**1 426.3**	**11.9**	**1 438.2**

SEK million	Share capital	Other contributed equity	Reserves	Retained earnings incl. profit/loss for the year	Total	Minority interest	Total equity
Opening equity 01/01/2008	**199.1**	**217.1**	**-86.7**	**1 096.8**	**1 426.3**	**11.9**	**1 438.2**
Translation differences for the year	-	-	285.9	-	285.9	-	285.9
Cash flow hedges	-	-	10.1	-	10.1	-	10.1
Total change in net assets recognized directly in equity, excluding transactions with shareholders	**0.0**	**0.0**	**296.0**	**0.0**	**296.0**	**0.0**	**296.0**
Net profit/loss for the year	-	-	-	144.6	144.6	3.3	147.9
Total change in net assets, excluding transactions with shareholders	**0.0**	**0.0**	**0.0**	**144.6**	**144.6**	**3.3**	**147.9**
Dividends	-	-	-	-66.3	-66.3	-	-66.3
Option premiums paid by personnel	-	-	-	2.1	2.1	-	2.1
Equity change in minority	-	-	-	-	-	15.9	15.9
Equity at year end 31/12/2008	**199.1**	**217.1**	**209.3**	**1 177.2**	**1 802.7**	**31.1**	**1 833.8**

Accumulated translation differences in equity	**2008**	**2007**	**2006**
Accumulated exchange rate differences at beginning of year	-80.2	-32.6	21.1
Exchange rate differences in foreign subsidiaries for the year	285.9	-47.6	-53.7
Accumulated translation differences at year end	**205.7**	**-80.2**	**-32.6**

Classification of equity

Share capital

The item Share capital includes the registered share capital for the parent company. Share capital comprises 21,297,680 A shares (par value SEK 3.00) and 45,045,863 B shares (par value SEK 3.00).

Other capital contributed

Other capital contributed includes the total amount from the transactions New Wave AB has conducted with the share holder circle. These transactions were issues at a premium. The amount included in Other contributed equity therefore corresponds in its entirety to capital received above the nominal amount of the issue.

Reserves

Reserves are wholly comprised of translation differences in accordance with IAS 21.

Profit/loss brought forward

Profit/loss brought forward is equivalent to the total accumulated profits and losses generated in the Group, less dividends paid out.

Capital management

The Group's equity amounted to SEK 1,833.8 (1,438.2) million at year end. New Wave Group's financial strategy is to create satisfactory financial conditions for the Group's operations and development.
The measurement Return on equity is of great importance. At the end of 2008, return on equity amounted to 9.2 (17.1) % and the equity/assets ratio 34.1 (29.9) %.

New Wave's dividend policy means that distribution to shareholders will be the equivalent of 30 per cent of Group net profits over one business cycle. The Board of Directors proposes a dividend of SEK 0.18 (1.00) per share, equivalent to SEK 11.9 million.

Cash Flow Analysis – Group

January 1–December 31

SEK million	Note	2008	2007
Operating activities			
Operating profit before financial items		368.8	405.8
Adjustment for non-cash items		29.2	60.5
Interest received		12.4	15.0
Interest paid		-148.4	-105.8
Tax paid		-98.9	-116.2
Cash flow from operating activities before changes in working capital		**163.1**	**259.3**
Cash flow from changes in working capital			
Increase in stock		-194.2	-119.0
Increase/decrease in short-term receivables		153.0	-26.5
Decrease in liabilities		-389.9	-30.8
Cash flow from operating activities		**-268.0**	**83.0**
Investing activities			
Acquisition of property, plant and equipment		-61.3	-64.9
Disposal of property, plant and equipment		8.5	8.5
Acquisition of intangible fixed assets		-0.1	0
Acquisition of subsidiaries	26	-0.6	-1 087.3
Acquisition of financial assets		-11.7	-22.0
Cash flow from investing activities		**-65.2**	**-1 165.7**
Cash flow after investing activities		**-333.2**	**-1 082.7**
Financing activities			
Option premiums paid by personnel		2.1	11.5
Loans raised		441.0	1 136.3
Loans amortized		0.4	0
Dividend paid to shareholders of the parent company		-66.3	-66.3
Cash flow from financing activities		**377.2**	**1 081.5**
Cash flow for the year		**44.0**	**-1.2**
Liquid assets at beginning of year		115.5	114.2
Exchange rate differences in liquid assets		31.7	2.5
Liquid assets at year end		**191.2**	**115.5**
Liquid assets			
Cash and cash equivalents		191.2	115.5

The above items have been classified as liquid funds, on the basis of:
- their being cash assets
- their being of insignificant risk to value fluctuations

Comments on the cash flow analysis

Cash flow from operating activities decreased by SEK -351 (-198.3) million mainly due to the increase of stock for Orrefors Kosta Boda, and Cutter & Buck in new markets, plus interest expenses. Investments affecting liquid assets fell by SEK 1,100.5 (-1,116.4) million as no start-up or acquisition of new companies of significant value took place during 2008. In total, cash flow after investments improved to SEK -333.2 (-1,082.7) million.

Income Statement – Parent Company

January 1–December 31

SEK million	Note	2008	2007
Income	3	133.0	87.0
Other operating income	4	16.8	5.0
Operating expenses			
External expenses		-101.2	-73.1
Personnel costs	6	-26.7	-24.7
Depreciation of property and equipment and intangible fixed assets	1	-2.7	-3.1
Other expenses		-11.1	-3.0
Operating profit/loss		**8.1**	**-11.9**
Result from shareholdings in Group companies		302.7	115.2
Financial income		150.5	99.3
Financial expenses		-186.7	-121.1
Net financial items	27	**266.5**	**93.4**
Profit before income tax		**274.6**	**81.5**
Appropriations	8	24.0	-5.0
Tax on annual earnings	9	-0.1	10.4
Net profit/loss for the year		**298.5**	**86.9**

Balance Sheet – Parent Company

As of December 31

SEK million	Note	2 008	2 007
ASSETS			
Fixed assets			
Intangible fixed assets	10	2.4	5.6
Property, plant and equipment	11	1.3	1.8
Financial assets			
Shares in Group companies	12	1 485.2	2 117.0
Shares in associated companies	13	51.2	37.7
Receivables from Group companies		1 593.7	0
Total financial assets		*3 130.1*	*2 154.7*
Total fixed assets		**3 133.8**	**2 162.1**
Current assets			
Short-term receivables			
Accounts receivables		0.6	0.2
Receivables from Group companies		1 033.5	833.5
Tax receivables		36.0	0
Other receivables		3.0	27.1
Prepaid expenses and accrued income	14	6.0	17.9
Total short-term receivables		*1 079.1*	*878.7*
Cash and bank		0	0
Total current assets		**1 079.1**	**878.7**
TOTAL ASSETS		**4 212.9**	**3 040.8**
EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted equity			
Share capital	16	199.1	199.1
Restricted reserve		249.4	249.4
		448.5	**448.5**
Non-restricted equity			
Retained earnings		250.6	228.4
Share premium reserve		48.0	48.0
Net profit/loss for the year		298.5	86.9
		597.1	**363.3**
Total equity		**1 045.6**	**811.8**
Untaxed reserves	15	**33.4**	**57.3**
Long-term liabilities			
Overdraft facilities	17	2 536.0	1 610.9
Total long-term liabilities		**2 536.0**	**1 610.9**
Short-term liabilities			
Accounts payable		15.7	27.7
Liabilities to Group companies		573.2	520.3
Current tax liabilities		0	0.6
Other liabilities		0	0.7
Accrued expenses and prepaid income	18	9.0	11.5
Total short-term liabilities		**597.9**	**560.8**
TOTAL EQUITY AND LIABILITIES		**4 212.9**	**3 040.8**
Pledged assets and contingent liabilities for Parent Company			
Pledged assets	22	2 154.1	8.2
Contingent liabilities	23	338.5	291.8

Summary regarding changes in parent company equity

SEK million	Share capital	Restricted reserve	Retained earnings	Share premium reserve	Net profit/loss for the year	Total equity
Opening equity 01/01/2007	**199.1**	**249.4**	**157.9**	**48.0**	**89.4**	**743.8**
Transfer according to AGM decision			**89.4**		**-89.4**	**0.0**
Group contribution	-	-	47.4	-	-	47.4
Net profit/loss for the year	-	-	-	-	86.9	86.9
Total change in net assets, excluding transactions with shareholders	**0.0**	**0.0**	**47.4**	**0.0**	**86.9**	**134.3**
Dividends	-	-	-66.3	-	-	-66.3
Equity at year end 31/12/2007	**199.1**	**249.4**	**228.4**	**48.0**	**86.9**	**811.8**

Group contribution of SEK 47.4 million concerns received Group contribution of SEK 65.8 million with a calculated tax effect of SEK -18.4 million attributable to the Group contribution.

SEK million	Share capital	Restricted reserve	Retained earnings	Share premium reserve	Net profit/loss for the year	Total equity
Opening equity 01/01/2008	**199.1**	**249.4**	**228.4**	**48.0**	**86.9**	**811.8**
Transfer according to AGM decision			**86.9**		**-86.9**	**0.0**
Group contribution	-	-	1.6	-	-	1.6
Net profit/loss for the year	-	-	-	-	298.5	298.5
Total change in net assets, excluding transactions with shareholders	**0.0**	**0.0**	**1.6**	**0.0**	**298.5**	**300.1**
Dividends	-	-	-66.3	-	-	-66.3
Equity at year end 31/12/2008	**199.1**	**249.4**	**250.6**	**48.0**	**298.5**	**1 045.6**

Group contribution of SEK 1.6 million concerns received Group contribution of SEK 2.2 million with a calculated tax effect of SEK -0.6 million attributable to the Group contribution.

Cash Flow Analysis – Parent Company

January 1–December 31

SEK million	2008	2007
Operating activities		
Operating profit before financial items	8.1	-11.9
Adjustment for non-cash items	1.3	0.4
Dividend received	266.5	115.2
Interest received	150.5	99.3
Interest paid	-186.7	-121.0
Tax paid	-37.3	-14.7
Cash flow from operating activities before change in working capital	**202.4**	**67.3**
Cash flow from changes in working capital		
Increase/decrease on short-term receivables	-164.4	113.1
Increase on short-term liabilities	30.4	238.3
Cash flow from operating activities	**68.4**	**418.7**
Investing activities		
Shareholder contributions to subsidiaries	-48.6	-8.8
Internal Group transaction	725.4	7.1
Acquisition of property. plant and equipment	-0.7	-2.1
Acquisition of intangible fixed assets	1.7	-3.9
Acquisition of subsidiaries	0.6	-1 118.2
Acquisition of financial assets	-802.8	0
Cash flow from investing activities	**-124.4**	**-1 125.9**
Cash flow after investing activities	**-56.0**	**-707.2**
Financing activities		
Loans raised	120.1	707.4
Dividend paid to shareholders of the parent company	-66.3	-66.3
Received/paid Group contribution	2.2	65.8
Cash flow from financing activities	**56.0**	**706.9**
Cash flow for the year	**0.0**	**-0.3**
Liquid assets at beginning of year	0.0	0.3
Liquid assets at year end	**0.0**	**0.0**

Accounting and valuation principles
The consolidated financial statements are compiled in accordance with International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), as well as interpretations from International Financial Reporting Interpretations Committee (IFRIC) such as they have been approved by the EU Commission for application within EU.

The consolidated financial statements also include additional information in accordance with Swedish Financial Accounting Standards Council's RFR 1:1, Supplementary accounting regulations for groups.

Consolidated financial statements
The consolidated financial statements include the parent company New Wave Group AB and all companies in which New Wave Group AB, directly or indirectly, holds more than 50% of the voting rights or alone holds a controlling interest. The consolidated financial statements are compiled in accordance with IFRS, which means that the value of shares in subsidiaries are eliminated against equity in the subsidiary concerned at the time of acquisition, including the calculated proportion of equity in untaxed reserves. Deferred tax liabilities for untaxed reserves belonging to acquired subsidiaries are classified as a non current liability in accordance with the applicable tax rate in each respective country. If the cost of a subsidiary company exceeds its net assets it is reported as Group goodwill. This method means that only part of the subsidiary's equity created after the acquisition is included in Group equity. The consolidated income statement includes subsidiaries acquired during the fiscal year from and including the date of acquisition. Companies disposed of during the year are omitted from the beginning of the financial year. Associated companies are accounted for according to the equity method.

Changes in accounting principles
The accounting principles are the same as those applied in 2007. New IFRS standards implemented during the year have not had any effect on the New Wave Group report.

IFRS 8 Operating Segment
IFRS 8 is implemented from 2008 and has had no effect on the company's income statement or balance sheet, but solely involves additional disclosures regarding the company's financial assets and liabilities.

Parent company's accounting principles
The Swedish Annual Accounts Act and RFR 2:1, Accounting for Legal Entities, were applied in the preparation of the parent company's financial statements.

Future changes to accounting principles
Listed below are the new accounting standards and statements that will be applicable for the 2009 financial year or later. These are currently not considered to have an effect on financial statements.

IFRIC 12 "Service Concession Arrangements" addresses the question of how private players are to report a service concession and the rights and responsibilities that are associated with contracts with the state, county or municipality regarding e.g. financing, operation and development of the service concession. Interpretation will be applied retroactively from and including the financial year 2008. The interpretation is not yet approved by the EU.

IFRIC 13 "Customer Loyalty Programmes" addresses the reporting and evaluation of a company's obligations to deliver, free of charge, or to discounted prices, goods or services to customers who qualify for such through earlier purchases. The interpretation will be implemented from the financial year beginning July 1, 2008 or later, and is determined not to have any significant impact on New Wave Group financial reports.

IFRIC 14, "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction", addresses whether repayments or reductions of future contributions should be considered as accessible, how the lowest funding requirement may influence accessibility or reductions of future contributions, and how a minimum funding requirement may give rise to liability. The change will be implemented in the financial year beginning January 1, 2009, or later. The standard is determined not to have any significant impact on New Wave Group 2009 financial reports.

Revised IAS 1 "Presentation of Financial Statements", has the objective of improving the user's possibility of analyzing and comparing information that is submitted in annual reports in that changes in equity in a company that depend on transactions with the owner are separated from other changes to equity. The change will be implemented in the financial year beginning January 1, 2009, or later. The standard is determined not to have any significant impact on New Wave Group 2009 financial reports.

Adjusted IFRS 2, "Share Based Payment", means that only service conditions and performance conditions are treated as transfer conditions. All other conditions must be included in the fair value at the time of allocation and shall not influence the number of allocations expected to take place or the valuation after the time of allocation. The adjustment also clarifies that in all other cancellations, whether by the company or by another party, accounting should be treated in the same manner. The change will be implemented retroactively in the financial year beginning January 1, 2009, or later.

Revised IFRS 3 "Business Combinations", the revised standard will continue to apply the acquisition method, with a few significant changes. All payments for business acquisitions must for example be reported at their fair value at the time of acquisition, and any conditional payments then valued at the fair value in the income statement. Goodwill may be calculated on the basis of the parent company's share of the net assets or include goodwill concerning minority shares, even if all transaction expenses are carried as expenses. The change will be implemented in the financial year beginning January 1, 2009, or later. The standard is determined not to have any significant impact on New Wave Group 2009 financial reports.

Revised "IAS 27 Consolidated and Separate Financial Statements", means that the result of transactions with minority interests must be reported against equity if no change of ownership conditions arises that involve their no longer resulting in goodwill or profit or loss. The standard also specifies the manner of reporting when no ownership change arises so that any remaining interests are valued at fair value and profit or loss is reported in the income statement. The change will be implemented in the financial year beginning January 1, 2009, or later. The standard is determined not to have any significant impact on New Wave Group 2009 financial reports.

Adjusted IAS 32, "Financial Instruments": Information and Classification, and IAS 1 (adjusted), Presentation of Financial Statements – redeemable financial instruments and undertakings that arise at liquidation (applicable from and including January 1, 2009). According to this standard, a company must classify redeemable financial instruments as equity in cases where the instrument gives rise to an obligation to allot to another party a pro-rata share of the net assets in the company at liquidation. The change will be implemented in the financial year beginning January 1, 2009, or later. The standard is determined not to have any significant impact on New Wave Group 2009 financial reports.

IFRIC 15, "Agreements for the Construction of Real Estate" (applicable from and including January 1, 2009) is not applicable to the Group's business, as all income transactions are reported according to IAS 18.

IFRIC 16, "Hedges of a Net Investment in a Foreign Operation" (applicable from and including October 1, 2008). IFRIC 16 clarifies how net investments hedges are assigned to differences in functional currencies rather than the reporting currency, and that the requirements of IAS 32 are to be applied to the hedged item. The interpretation is not yet approved by the EU.

Minority interest
The minority interests' share of net income and equity is based on the subsidiaries' annual accounts in accordance with the Group's accounting principles. The minority interest share of the subsidiary's net assets is reported as a separate item in Group equity. The Group Income Statement includes the minority share in the reported profit/loss.

Associated companies
Associated companies are those companies that are not subsidiaries, but those where the parent company holds, directly or indirectly, at least a 20% of the voting rights. Shares in associated companies are reported according to the equity method. The Group Income Statement includes the share of the profit/loss in the associate company in profit/loss before tax. The acquisition cost of shares in an associate company is not higher than the share of equity, and therefore no goodwill item is reported. The share of associate company losses, by reason

of reported losses, does not form part of the Group's reported deferred tax liabilities. Associate companies are valued and reported in the parent company balance sheet at their acquisition cost adjusted for the share of profit since the time of acquisition.

Revenue recognition
Revenue from the sale of goods is recognized in connection with delivery to the customer, in accordance with the sales terms. All sales are reported less value added tax, discounts and returns. Internal Group sales are eliminated from the consolidated accounts. Commissions, royalties and income from licenses are reported as sales income in accordance with the concerned agreement's economic reality. They do not represent significant amounts and are not reported separately.

Internal sales
Pricing concerning deliveries between Group companies is based on commercial principles and therefore at market prices. Internal profit/loss arising from sales between Group companies has been wholly eliminated.

Related party transactions
During the year, Orrefors Kosta Boda AB transferred part of the property Lessebo Kosta 13:13 to Torsten Jansson, majority owner and Chairman of the Board of New Wave Group AB (publ). The agreed price was SEK 2.7 million based on an evaluation performed by an independent external valuer. No other transactions have taken place to related parties other than normal transactions between Group companies.

Intangible fixed assets
Goodwill
Goodwill is the amount by which the acquisition cost exceeds the fair value of net assets the Group acquired in connection with the acquisition of a company or transfer of its assets and liabilities. Goodwill is tested at least annually, or whenever there are indications that its value has fallen, in order to identify any impairment loss requirement. Goodwill is reported at acquisition cost less accumulated depreciations and impairment losses.

Trademark
Trademarks are reported at acquisition cost less any accumulated depreciation and accumulated impairment losses. Trademarks that are determined to have an indeterminate duration of use are not depreciated but are tested annually in regard to a possible requirement for an impairment loss, similarly to goodwill. The exception is minor acquisitions, 2003 and earlier, which are depreciated linearly at 5% per annum.

Intangible fixed assets and Property, plant and equipment
Non current intangible assets and Property, plant and equipment acquired by the parent company are reported at their historical acquisition cost less deductions for accumulated depreciations and any impairment losses. Costs for repairs and maintenance are carried as expenses. The acquisition cost of assets is depreciated linearly during the asset's estimated period of use.

Computers and software	33%
Buildings	2 - 4%
Other machinery and equipment	10 - 20%

Emission allowances
Orrefors Kosta Boda AB, is the only company within the Group to hold emission allowances, and as of the year end it held 9,894. The emission allowances were awarded by the Swedish Energy Agency free of charge, and have not been attributed any value in the annual report.

Impairment losses
When considering impairment losses the reported balance sheet value is compared to the estimated recoverable amount. The recoverable value of an asset is its highest fair value less sales costs and value in use. When an asset or cash generating unit's estimated recoverable amount falls below its hitherto reported value, an impairment loss down to the recoverable amount is reported. An impairment loss is recognised in the income statement.

Provisions
A provision is reported in the balance sheet whenever the Group has a legal or informal commitment arising from an event and it is probable that an outflow of financial resources will be required to regulate the commitment, and a reliable estimate of the amount can be made.

Receivables
Receivables have, after individual evaluation, been entered at the amount they are expected to bring in.

Research and development
Product development comprises chiefly the design and creation of new collections and the development of product variations within the framework of our existing collections. Expenses for research and development are carried as expenses continuously as products are replaced regularly and lifetime is hard to forecast.

Classification of financial instrument in accordance with IAS 39
All financial assets and liabilities are classified into the following categories:

a. Financial assets and liabilities valued at fair value through the income statement consist of financial assets and financial liabilities held for trading which include all New Wave Group derivative instruments. Trading in derivative instruments is pursued primarily to hedge the Group's currency risks.

b. Investments held to maturity
This category includes financial assets with fixed or fixable payments and fixed terms that New Wave Group intends, and is able, to hold until they mature.

c. Loan receivables and receivables from trade
These assets have fixed or fixable payments. New Wave Group's liquid funds, accounts receivables and loan receivables are included in this category.

d. Financial assets available for sale
New Wave Group has no financial assets in this category.

e. Other financial liabilities
This category includes financial liabilities not held for sale. New Wave Group's trade liabilities and borrowings are included in this category.

Financial instruments
Financial instruments reported in the balance sheet include liquid funds, accounts receivables, trade liabilities, borrowings and derivatives. Financial instruments are valued and reported in the Group in accordance with IAS 39 regulations. Financial instruments are initially reported at acquisition cost equivalent to the instrument's fair value with the addition of transaction costs for receivables and liabilities valued at the accrued acquisition cost.

A financial asset or liability is reported in the balance sheet when the company becomes party to the instrument's contractual conditions. Accounts receivables are reported in the balance sheet when the invoice is sent. Liability is stated when the opposite party has performed and a contractual obligation to pay exists, even if the invoice has not yet been received. Trade payables are reported at the time an invoice is received. A financial asset is removed from the balance sheet when the obligations of the agreement are fulfilled or lapse, or when the company loses control of them.

The same is valid for part of a financial asset. A financial liability is removed from the balance sheet when the obligation in the agreement is fulfilled or in any other way is extinguished. The same is valid for part of a financial liability.

Accounts receivables
Accounts receivables are reported in the amount they are expected to bring in, less doubtful accounts, which are assessed individually. Accounts receivables have a short anticipated term and are therefore valued at a nominal amount without discounting. Impairment losses from accounts receivables are carried as expenses. Impairment losses for the year are reported in note 19.

Accounts payable
Accounts payables are valued at acquisition cost. Accounts payables have a short anticipated term and are therefore valued at a nominal amount without discounting. Currency derivatives are reported based on their trade date.

Liquid funds and borrowings
Short term investments consist of liquid bank funds without a commitment period and therefore the market value is judged to correspond to book value. Borrowings consist of liabilities to credit institutions. The liabilities are reported in the balance sheet at acquisition cost at settlement date, plus accrued interest. Interest expenses reported in the income statement over the same periods as

the expenses. Currency derivatives are entered into with the sole objective of securing commercial flows. Derivatives consist of forward exchange transactions and currency swaps. The exchange rate affect attributable to the derivative is reported in the operating result at when the exchange rate affect on the underlying secured transaction is reported.

Purchase of goods
Approximately 50–80% of purchases exposed to currencies within Sports & Leisure and Sagaform are hedged. A derivative is procured in connection with placing an order to safeguard the delivery value to the warehouse. The derivatives are handled as cash flow hedges where the currency effect is reported as an adjustment item against equity in accordance with IAS 39.

Leasing
Only operational leasing occurs within the Group, and therefore leasing fees are carried to expenses evenly over the contract period. Company cars and copiers etc. are reported as operational leases for substantiality reasons.

Stock
Stock comprise clothes, gift articles and accessories for onward sale. Stock are valued using the first-in-first-out (FIFO) principle at the lowest of acquisition cost or net sales value at year end. Deductions are made for internal profits arising from deliveries between Group companies. The reported stock value is adjusted for obsolescence.

Received and paid Group contributions
Received and paid Group contributions are reported directly against equity with regard to an estimated a tax effect of 28%.

Taxes
Current tax
The Group's income tax includes tax on the parent company's reported income during the accounting period as well as adjustments in respect of tax for previous periods, shares in associated companies' tax and changes in deferred tax. These taxes are calculated in accordance with tax legislation current in each country and are reported as current tax.

Deferred tax
Deferred tax is calculated on the basis of temporary differences between the reported and taxable values of assets and liabilities. Deferred tax assets in respect of deductible deficiencies have only been considered to the extent that it is probable that the deduction can be offset by a surplus in future taxation. When estimating deferred tax liabilities, tax rates valid during the current financial year in the country concerned were used. Owing to the connection between reporting and taxation, the deferred tax liability on untaxed reserves is reported as a part of the untaxed reserves.

Remuneration to employees
Pensions
Pension liabilities are calculated in accordance with IAS 19, "Employee Benefits". There are defined contribution plans within the Group and occasional defined benefit pension plans. For defined contribution plans, the company makes fixed contributions to a separate legal entity and has no obligation to make further contributions. These expenses are recognized in the Group's profit/loss at the time the benefits are earned. The Group's defined contribution pension plans are administered by Alecta. This is a plan that embraces several employers, and as Alecta has insufficient information as a basis for evaluation, the company reports its pension undertakings with Alecta as a defined contribution plan in accordance with IAS 19, section 30. Alecta's level of consolidation amounted to 112% (152) at year end. The collective level of consolidation comprises the difference between the assets and the insurance commitments calculated according to Alecta's technical calculation presumptions, which do not conform to IAS 19.

Reporting business segments
New Wave Group AB applies IFRS 8 in advance regarding the new requirements for operational segments/business areas that enter into force January 1, 2009. The business areas Promo and Retail have been split into the new areas Promo, Sports & Leisure and Gifts & Home Furnishings. This new distribution means that each trademark is grouped within a business area (see page 68 for distribution of trademarks per business area).

Key estimates and assumptions
Key estimates and assumptions are mostly founded on historical experiences and future expectations. The assumptions and estimations with most impact on the income statement assets and liabilities are the valuation of trademarks, goodwill and taxes.

The value of these assets and liabilities are estimated at year end. The recovery value of the assets is determined by calculating the value of use, which takes place once annually or whenever an impairment loss is probable.

Concerning the Tax Agency audit, refer to Note 23.

Other assumptions are doubtful accounts, stock obsolescence, the fair value of financial instruments, and the period of use or expected consumption of depreciable assets.

NOTE 2 OPERATIONAL SEGMENT

Business area – product area

SEK million		Income	Operating profit/ loss, EBITDA			Assets	Capital expenditures			Depreciation		Liabilities
Group	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**
Promo	2 216.2	2 172.3	316.9	277.5	3 448.0	2 864.7	-33.2	-54.1	-32.0	-20.2	2 404.1	2 276.0
Sports & Leisure	1 714.2	1 300.4	160.3	149.6	1 048.1	1 045.9	-29.0	-1 102.7	-20.6	-21.8	399.7	336.5
Gifts & Home Furnishings	673.8	721.3	-44.2	32.6	874.6	899.1	-3.0	-9.2	-11.6	-11.9	733.1	759.0
	4 604.2	**4 194.0**	**433.0**	**459.7**	**5 370.7**	**4 809.7**	**-65.2**	**-1 166.0**	**-64.2**	**-53.9**	**3 536.9**	**3 371.5**

New Wave Group AB will apply IFRS 8 in advance from, and including, the fourth quarter interim report regarding the new requirements that enter into force January 1, 2009 regarding operational segments/business areas. The business areas Promo and Retail have been split into the new areas Promo, Sports & Leisure and Gifts & Home Furnishings. This new distribution means that each trademark is grouped within a business area (see page 71 for distribution of trademarks per business area). The Group follows the area and trade mark's income and profit/loss (EBITDA), as previously presented as Promo and Retail markets respectively. The new Operating segments are based on the Group's operational management, which is based on the Group's accounting principals.

New Wave Group has elected to present profit/loss per business area at the EBITDA level (Earnings Before Interest, Tax and Depreciation), i.e. operating profit/loss adjusted for depreciations.

Geographical areas

SEK million		Income		Assets
	2008	**2007**	**2008**	**2007**
Nordic Region	2 075.0	2 061.0	2 021.0	2 066.7
Central Europe	859.0	797.0	933.0	894.0
Southern Europe	560.0	511.0	764.0	447.0
USA	929.0	689.0	1 526.0	1 272.0
Other countries	181.2	136.0	126.7	130.0
Total	**4 604.2**	**4 194.0**	**5 370.7**	**4 809.7**

Income is based on where income was earned. Assets are based on where the Group's assets are located.

NOTE 3 INTERNAL PURCHASES AND SALES BETWEEN GROUP COMPANIES

Parent company sales during the financial year, January 1–December 31, 2008 amounted to SEK 133.0 (87.0) million. Internal Group sales made up 100% (98). Profit/loss before appropriations and tax was SEK 274.6 (81.5) million.

NOTE 4 OTHER OPERATING INCOME

SEK million

Group	**2008**	**2007**
Exchange rate gains	31.8	12.5
Capital gains	5.7	8.5
Other grants and contributions	19.0	16.7
	56.5	**37.7**

SEK million

Parent company	**2008**	**2007**
Exchange rate gains	16.8	5.0
	16.8	**5.0**

NOTE 5 AVERAGE NUMBER OF EMPLOYEES

Employees

Parent company	**2008 Number of employees**	**Of whom men**	**2007 Number of employees**	**Of whom men**
Hisings Kärra	42	26	42	23
Total parent company	**42**	**26**	**42**	**23**
Subsidiaries in Sweden				
Borås	128	72	95	52
Hisings Kärra	27	19	30	19
Munkedal	92	51	94	59
Orrefors Kosta	594	381	599	384
Stockholm	69	50	73	49
Ulricehamn	94	44	109	60
Örebro	14	6	15	7
Total subsidiaries in Sweden	**1 018**	**623**	**1 015**	**630**
Foreign subsidiaries				
Bangladesh	57	54	50	46
Belgium	47	26	39	22
Denmark	75	49	160	81
England	8	3	0	0
Finland	44	26	34	21
France	19	13	20	11
Hong Kong	5	3	4	1
India	13	12	0	0
Ireland	4	2	4	2
Italy	56	33	55	32
Japan	4	0	4	0
China	272	101	184	76
The Netherlands	175	110	201	128
Norway	69	37	67	36
Poland	64	21	49	24
Russia	43	17	28	15
Switzerland	40	25	41	30
Spain	23	16	44	27
Germany	52	26	50	28
USA	365	120	209	95
Vietnam	30	11	21	9
Wales	25	16	18	10
Austria	12	9	11	8
Total foreign subsidiaries	**1 502**	**730**	**1 293**	**702**
Total, Group	**2 562**	**1 379**	**2 350**	**1 355**

Gender distribution in company management

Group	**Women 2008**	**Men 2008**	**Total 2008**	**Women 2007**	**Men 2007**	**Total 2007**
Board of Directors	1	4	5	1	4	5
Group management	0	8	8	1	7	8
Total	**1**	**12**	**13**	**2**	**11**	**13**

Sick leave, Parent company

The total sick leave for the period January 1–December 31 in the parent company was 1.3 (0.7)% women 2.2 (1.3)%, men 0.6 (0.3)%.

NOTE 6 WAGES AND SALARIES, OTHER REMUNERATIONS AND SOCIAL COSTS

SEK million	2008 Wages and other remunerations	Social costs	Of which pension contributions	2007 Wages and other remunerations	Social costs	Of which pension contributions
Parent company	18.0	7.2	1.3	15.7	6.7	1.6
Subsidiaries in Sweden	218.6	86.4	11.8	187.5	59.4	10.0
Foreign subsidiaries	451.9	64.0	14.0	314.7	48.7	8.2
Total, Group	**688.5**	**157.6**	**27.1**	**517.9**	**114.8**	**19.8**

Of the parent company's pension costs SEK 0.2 (0.1) million concerns the Board and MD. Of the Groups' pension costs SEK 2.0 (1.9) million concerns the Group Board and MD.

Wages, salaries and other remuneration distributed by country, Board members etc. and other employees

SEK million	2008 Board and MD	Of which bonuses etc *	Other employees	2007 Board and MD	Of which bonuses etc *	Other employees
Parent company	2.5	0.0	15.5	1.7	0.0	14.0
Subsidiaries in Sweden	9.4	0.0	209.2	11.8	0.0	177.9
Foreign subsidiaries						
Belgium	0.8	0.0	21.0	1.3	0.0	16.9
Denmark	2.7	0.1	38.6	1.6	0.2	28.5
England	0.0	0.0	0.0	0.0	0.0	0
Finland	2.0	0.0	14.8	1.7	0.0	9.9
France	1.1	0.0	3.5	0.6	0.1	2.2
Ireland	0.0	0.0	0.0	0.3	0.0	0.6
Italy	9.0	4.9	18.2	7.6	4.0	14.0
China	0.0	0.0	19.3	0.0	0.0	10.8
The Netherlands	5.3	0.2	70.9	3.4	0.0	62.2
Norway	1.9	0.0	27.3	2.1	0.0	26.7
Poland	0.6	0.0	3.4	0.0	0.0	1.3
Russia	0.8	0.0	8.8	0.7	0.0	3.7
Switzerland	2.3	0.0	18.6	0.0	0.0	16.8
Spain	0.9	0.0	6.1	0.6	0.0	5.9
Germany	4.0	1.4	18.9	1.5	0.6	15.2
USA	5.7	0.0	136.1	1.5	0.0	66.9
Wales	0.9	0.0	4.4	0.8	0.0	3.8
Austria	0.0	0.0	4.0	0.0	0.0	3.4
Total foreign subsidiaries	**38.0**	**6.6**	**413.9**	**23.7**	**4.9**	**288.8**
Total, Group	**49.9**	**6.6**	**638.6**	**37.2**	**4.9**	**480.7**

* Bonuses are based on results and settled yearly without future obligations.

Directors' fees	2008	2007
External board members at parent company	0.5	0.5
Of which for the retiring Chairman of the Board	0.0	0.1
Working Chairman of the Board	0.9	0.5

No remuneration committee for the parent company's Board has been appointed. Fees for the Chairman and other Board members are paid according to AGM decision.

Conditions of employment for the Managing Director

Remuneration to the MD consists of a fixed salary from New Wave Group AB and New Wave Group Licensing SA. The MD receives no board fee or other compensation such as bonuses. The MD's pension plan is a defined contribution plan based on prevailing market conditions. A mutual six-month period of notice applies to the MD's appointments with both New Wave Group AB and New Wave Group Licensing SA.

Conditions of employment for other senior executives

"Other senior executives" refers to the seven individuals who together with the MD make up the Group's management. Refer to the next page for Group management composition. Remuneration to other senior executives consists of a fixed salary and in one case a bonus. No board fee is paid. Other senior executives have defined contribution pension plans based on prevailing market conditions. For other senior executives, mutual 3–6-month periods of notice apply with no severance compensation.

Decision process

There is no special remuneration committee appointed to deal with salary levels, pension benefits, incentive issues and other employment conditions for the Managing Director and the Group's other senior executives; these are instead handled by the Board as a whole. Senior executive salaries are set by the MD after consultations with the Board Chairman. The board's fee is determined by the AGM.

NOTE 6 WAGES AND SALARIES, OTHER REMUNERATIONS AND SOCIAL COSTS, CONT.

SEK million	2008 Wages and other remunerations	Of which bonuses etc	Pension costs	2007 Wages and other remunerations	Of which bonuses etc	Pension costs
Managing Director Göran Härstedt	1.5	0	0	1.2	0	0
Chairman of the Board Torsten Jansson	0.9	0	0.2	0.5	0	0.1
Chairman of the Board Håkan Thylén, through 2007	0	0	0	0.1	0	0
Board Member Maria Andark	0.1	0	0	0.1	0	0
Board Member Hans Johansson	0.1	0	0	0.1	0	0
Board Member Peter Nilsson	0.1	0	0	0.1	0	0
Board Member Mats Årjes	0.1	0	0	0.1	0	0
Other senior executives*	11.5	4.4	0.3	12.2	4.2	0.6
	14.3	**4.4**	**0.5**	**14.4**	**4.2**	**0.7**

*Individuals referred to on page 75.

Options	2008 Quantity with exercise date 2010	with exercise date 2011	with exercise date 2013	2007 Quantity with exercise date 2008	with exercise date 2010
Chairman of the Board	125 000	55 000	0	91 000	100 000
Other Board Members	0	0	200 000	0	0
Managing Director	100 000	55 000	0	50 000	100 000
Other senior executives	220 000	250 000	0	90 000	245 000
	445 000	**360 000**	**200 000**	**231 000**	**445 000**

Option programme with exercise date June 30, 2010:
The programme runs from, and including, June, 2007 through June 30, 2010 and comprises 1,653,250 options with an exercise price of SEK 102.50. Originally 2,000,000 options were issued, of which 346,750 have been cancelled. The options were acquired at market price, which was SEK 7.00 each.

Option programme with exercise date June 30, 2011:
The programme runs from, and including, July, 2008 through June 30, 2011 and comprises 1,800,000 options with an exercise price of SEK 64.05. The options were acquired at market price, which was SEK 1.11 each.

Option programme with exercise date June 30, 2013:
The programme runs from, and including, July, 2008 through June 30, 2013 and comprises 200,000 options with an exercise price of SEK 85.40. The options were acquired at market price, which was SEK 0.88 each.

The end of year share price was SEK 6.25.

All of the above mentioned option programmes have as per December 31, 2008 been classified "out of money".

Pension commitments
Within the Group there are defined benefit pension obligations in Sweden and a few additional cases of low value. Because Alecta has insufficient information as a basis for evaluation of pension liabilities, no provision has been made.

Alecta's level of consolidation amounted to 112 (152) % at year end. The collective level of consolidation comprises the difference between the assets and the insurance commitments calculated according to Alecta's technical calculation presumptions, which do not conform to IAS 19.

Remuneration to auditors and auditing company
SEK million

Group	2008	2007
Auditing expense		
Ernst & Young	7.1	4.9
Other	0.5	1.1
Consultancy fee		
Ernst & Young	1.7	1.0
Other	1.4	0.0
Total	**10.7**	**7.0**

Parent company	2008	2007
Auditing expense		
Ernst & Young	1.0	0.5
Consultancy fee		
Ernst & Young	0.1	0.0
Total	**1.1**	**0.5**

NOTE 7 EMISSION RIGHTS

Group

SEK million	2008	2007
Value at beginning of year	0	1,2
Emission allowances received	0	0
Calculation for the year	0	-1,2
Residual value according to plan carried forward	**0**	**0,0**

Emission allowances
The Group was allocated 9,894 emission allowances, which were valued at SEK 0.00 million.

NOTE 8 APPROPRIATIONS

Parent company

SEK million	2008	2007
Difference between book value and depreciation according to plan	1.4	0.9
Tax allocation reserves	22.6	-5.9
	24.0	**-5.0**

NOTE 9 TAX ON

Group

SEK million	2008	2007
Current tax	-81.1	-88.8
Tax attributable to previous years	-9.3	-1.9
Deferred tax	5.5	7.0
Total	**-84.9**	**-83.7**

Parent company

SEK million	2008	2007
Current tax	0.0	-8.0
Tax attributable to previous years	-0.7	0
Tax concerning received/paid Group contributions	0.6	18.4
Total	**-0.1**	**10.4**

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

Group

Percentage	2008	2007
Swedish income tax rate	28.0	28.0
Tax on loss carryforward *	-2.3	-2.1
Effect from foreign tax rates	7.3	-0.4
Effect of tax changes previous years	2.9	0.6
Other	0.6	0.5
Tax rate according to income statement	**36.5**	**26.6**

*Share percent is affected by temporary income-based loss in foreign companies, of which a deferred tax asset has not been entered.

Parent company

Percentage	2008	2007
Swedish income tax rate	28.0	28.0
Dividend to subsidiaries, non-taxable	-28.0	-41.7
Expenses, non-deductible	0	0.1
Tax rate according to income statement	**0.0**	**-13.6**

NOTE 10 INTANGIBLE FIXED ASSETS

Group **SEK million**		**Goodwill**		**Trademarks**		**Computer software**
Accumulated acquisition costs	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**
Cost brought forward	816,3	427,2	380,7	144,7	80,3	21,0
Cost involved in acquisition	0	415,2	0	252,3	0	52,5
New acquisitions	0	0	0	0	21,9	6,8
Divestments/Disposals	-25,2	0	0	0	0	0
Exchange rate differences for the year	92,3	-26,1	46,4	-16,3	0	0
Accumulated acquisition costs carried forward	**883,4**	**816,3**	**427,1**	**380,7**	**102,2**	**80,3**
Accumulated depreciation according to plan						
Depreciation brought forward	-51,6	-51,6	-13,0	-11,7	-60,1	-17,9
Depreciation involved in acquisition	0	0	0	0	0	-34,6
Divestments/Disposals	0	0	0	0	0	0
Depreciations for the year	-0,7 * 2	0	-0,9	-1,3	-10,7	-7,6
Accumulated depreciations carried forward	**-52,3**	**-51,6**	**-13,9**	**-13,0**	**-70,8**	**-60,1**
Book value at year end	**831,1**	**764,7**	**413,2**	**367,7**	**31,4**	**20,2**
All trademarks were acquired.						
Remaining depreciation period	**-**	**-**	* 1	* 1	**3 år**	**3 år**

* 1 Trademarks with residual value SEK 6.0 (7.5) million have a average remaining depreciation period of 6.3 (5.8) years. The remaining portion is evaluated at annual impairment loss tests.

Depreciations for the year

* 2 In goodwill there remains a small amount in respect of customer relations, which are depreciated annually by 5%.

NOTE 10 INTANGIBLE FIXED ASSETS, CONT.

Parent company SEK million Accumulated acquisition costs	2008	Trademarks 2007	2008	Computer software 2007
Cost brought forward	8.1	8.1	8.7	4.3
New acquisitions	0	0	0	4.4
Divestments/Disposals	-1.2	0	0	0
Accumulated acquisition costs carried forward	**6.9**	**8.1**	**8.7**	**8.7**
Accumulated depreciation according to plan				
Depreciation brought forward	-5.9	-5.5	-5.3	-3.4
Depreciations for the year	-0.1	-0.4	-1.9	-1.9
Accumulated depreciations carried forward	**-6.0**	**-5.9**	**-7.2**	**-5.3**
Book value at year end	**0.9**	**2.2**	**1.5**	**3.4**

Testing impairment loss requirements

The Group follows up business per business area. The following business areas Promo, Sports & Leisure and Gifts & Home Furnishings have been in existence from and including the fourth quarter, 2008.

Goodwill distributed among cash-generating units

SEK million	2008	2007
Promo	268.2	314.7
Sports & Leisure	509.0	396.1
Gifts & Home Furnishings	53.9	53.9
Total	**831.1**	**764.7**

Trademarks distributed among cash-generating units

SEK million	2008	2007
Promo	5.0	8.7
Sports & Leisure	298.2	249.0
Gifts & Home Furnishings	110.0	110.0
Total	**413.2**	**367.7**

The distribution of intangible fixed assets between the segments is based on the relationship at the time of acquisition for each company/trademark concerned, and is attributable to the business area to which it is deemed to belong. New Wave Group follows up cash generating units at business area level. Goodwill is based on local currency and causes currency translation effects in the consolidated accounts. The value of goodwill is tested annually to ensure that values do not deviate negatively from the reported value, but may be tested more often where there are indications that the value has fallen. Impairment losses for sales areas enjoying goodwill and holding trademarks are based on a calculation of the value of use. This value builds on cash flow forecasts for the coming five years and a final period. The business areas' cash flows are influenced by commercial factors such as market growth, competitiveness, cost developments, investment levels and operational capital tied up. In the case of discounting, there is an additional evaluation of financial factors such as interest rate levels, loan costs, market risks, beta values and tax rates.

Assumptions made in the test are the boards best evaluation at the present point in time regarding the economic conditions that can be expected to prevail during the period of use. The worsening market conditions and business cycle situation mean that a forecast for coming periods is difficult in current circumstances. The first five years 2009–2013 are based on the Board's established internal forecasts and for the period beyond an average growth of 3% was used for the final period. Within the forecast period (2009–2013), the first two years (2009–2010) show a weak development and then a successive improvement over the remaining years. Sensitivity analyses have been carried out for all business areas.

A weighted average cost of capital (WACC) of 12% before tax was used in present value calculations regarding anticipated future cash flows. Discounted cash flows are compared with the book value per cash generating unit/business area. The 2008 evaluation showed no impairment loss requirement.

Set out below are a few short comments regarding each business area.

Business area Promo

The calculation includes the business area's cash flow based on internal forecasts. It includes an increase in sales that is somewhat higher than inflation and where capital tied up at the end of the internal forecast period (2009–2013) is anticipated to return the levels prevailing in 2002–2005. Margins are expected to be at approximately the same level as in the previous years.

Business area Sports & Leisure

The calculation includes the business area's cash flow based on internal forecasts. The estimated margin and profit/loss improvements that implemented measures will provide have been included considering the significance of Cutter & Buck for the sales area. The measures also mean that sales and capital tied up are anticipated to return to the levels the company experienced during 2002–2005.

Business area Gifts & Home Furnishings

The calculation includes the business area's cash flow based on internal forecasts. Measures have been taken to render Orrefors Kosta Boda more effective and to improve its profitability, considering the significance of the company for the sales area. The measures include those estimated margins and profit/loss improvements that the measures are expected to provide, which among other things means a much improved stock situation. It also means that sales and capital tied up at the end of the forecast period are anticipated to return to the levels the company experienced during 2002–2005.

NOTE 11 PROPERTY, PLANT AND EQUIPMENT

Group	Buildings and land		Equipment, tools and installations	
SEK million	**2008**	**2007**	**2008**	**2007**
Accumulated acquisition costs				
Cost brought forward	270.5	267.9	462.9	321.3
Cost involved in acquisition	0.0	9.0	0.0	98.6
New acquisitions	31.6	11.6	91.0	72.0
Divestments/Disposals	-20.2	-18.0	-11.6	-29.0
Accumulated acquisition costs carried forward	**281.9**	**270.5**	**542.3**	**462.9**
Accumulated depreciation according to plan				
Depreciation brought forward	-53.1	-49.4	-299.6	-194.9
Divestments/Disposals	8.0	11.0	7.5	29.0
Depreciation involved in acquisition	0.0	-5.9	0.0	-80.8
Depreciations as part of production costs/goods for resale	-3.0	-2.8	-16.8	-14.6
Depreciations for the year	-6.9	-6.0	-45.0	-38.2
Accumulated depreciations carried forward	**-55.0**	**-53.1**	**-353.9**	**-299.5**
Book value at year end	**226.9**	**217.4**	**188.4**	**163.4**
Book value, Swedish real estate	**49.9**	**64.7**		
The value of land in the report above, amounts to	**16.9**	**15.7**		
Taxation value, Swedish real estate				
Buildings	52.9	47.5		
Land	9.2	8.2		

Parent company	Buildings and land		Equipment, tools and installations	
SEK million	**2008**	**2007**	**2008**	**2007**
Accumulated acquisition costs				
Cost brought forward	-	-	7.1	5.0
New acquisitions	-	-	0.8	2.1
Accumulated acquisition costs carried forward	**0.0**	**0.0**	**7.9**	**7.1**
Accumulated depreciation according to plan				
Depreciation brought forward	-	-	-5.3	-4.0
Depreciations for the year	-	-	-1.3	-1.3
Accumulated depreciations carried forward	**0.0**	**0.0**	**-6.6**	**-5.3**
Book value at year end	**0.0**	**0.0**	**1.3**	**1.8**

Leasing charges in respect of operational leasing

The Group has operational leasing agreements concerning premises and business systems. Future commitments concerning these contracts are stated in the following table:

	Group, 2008		Parent company, 2008			Group, 2007		Parent company, 2007	
	Premises	**Business system**	**Premises**	**Business system**		**Premises**	**Business system**	**Premises**	**Business system**
2009	111.0	13.4	1.4	13.4	2008	96.9	4.4	6.5	4.4
2010	96.4	13.0	1.4	13.0	2009	90.7	4.4	6.5	4.4
2011	78.4	12.2	1.4	12.2	2010	80.4	4.4	6.1	4.4
2012	48.2	7.6	1.4	7.6	2011	63.2	4.4	6.1	4.4
2013 incl. costs through contract period end	106.2	4.2	5.4	4.2	2012 incl. costs contract period end	74.0	4.4	1.9	4.4
Rental costs for the year amounted to	109.9	13.2	1.3	13.2		96.1	4.4	4.4	4.4

NOTE 12 SHARES IN GROUP COMPANIES

	Equity %	Voting rights, %	Number of shares	Book value
CJSC New Wave Group	51	51	-	399
Craft Sportswear Ltd	100	100	-	1
Dahetra A/S[9]	100	100	-	23 612
DJ Frantextil AB	100	100	30 000	46 104
EBAS Group BV[1]	100	100	5 100	27 010
Form o Design i Kosta AB	100	100	100	100
Hefa AB[2]	100	100	18 985	47 980
Intraco Holding BV[3]	59	59	40 000	30 954
Jobman Workwear AB	100	100	10 000	163 450
Kosta-Förlaget AB	80	80	500	1 136
Liyang Xinlang Clothing Produce Co Ltd	100	100	-	23 785
New Wave Asia Ltd	100	100	1	9
New Wave Austria GmbH	100	100	-	8 360
New Wave Danmark A/S	100	100	2	1 180
New Wave Far East Ltd	100	100	10 000	1
New Wave Footwear AB	100	100	1 000	3 438
New Wave France SAS	100	100	100	35 546
New Wave Garments Ltd	100	100	-	14 813
New Wave GmbH	100	100	-	11 224
New Wave Group Factory Shop AB	100	100	500	4 440
New Wave Group Incentives AB	100	100	1 000	100
New Wave Group International Trading Ltd	100	100	-	1 545
New Wave Group SA[4]	100	100	100	536
New Wave Holland BV[8]	100	100	13 614	84 834
New Wave Italia S.r.l	100	100	500 000	6 670
New Wave Mode AB	100	100	100 000	8 871

Continues in column to right

	Equity %	Voting rights, %	Number of shares	Book value
New Wave Profile Professional AB	100	100	1 000	100
New Wave Profile Professional Ltd	100	100	1 000	14
New Wave Sports AB	100	100	50 000	5 000
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	10 193
New Wave Sportswear S.A.	100	100	1 000	38 885
New Wave Trading Shanghai Ltd	100	100	-	17 888
New Wave USA Inc[6]	100	100	-	441 958
OKB Restaurang AB	100	100	10 000	10 000
Orrefors Event AB	100	100	100	100
Orrefors Kosta Boda Holding AB[5]	100	100	100 000	24 481
OY Trexet Finland AB	100	100	600	1 412
Pax Scandinavia AB	100	100	2 400	26 909
Projob Workwear AB	100	100	1 015 684	492
Sagaform Försäljnings AB[7]	100	100	1 000	75 605
Seger Europe AB	100	100	10 000	34 599
Seger United AB	100	100	10 000	56 016
Texet AB	100	100	58 500	99 900
Texet Benelux BV	75	75	-	44 418
Texet France SAS	96	96	47 798	10 364
Texet Poland Ltd	51	51	-	1 858
United Brands of Scandinavia Ltd, Ireland	100	100	-	1 036
United Brands of Scandinavia Ltd, Wales	100	100	-	13 765
X-Tend BV	100	100	100 000	15 673
Total				**1 485 183**

[1] EBAS Group BV owns 25% of Texet Benelux BV, 4% of Texet France SAS and 100% of Texet Harvest Spain SL.
[2] Hefa AB owns the companies GC Sportswear OY and Texet GmbH.
[3] Intraco Holding owns Intraco Hong Kong Ltd, Intraco International Ltd, Intraco Shenzhen Ltd, Intraco Trading BV and 60% of DeskTop Ideas Ltd.
[4] New Wave Group SA owns Craft Suisse SA and New Wave Group Licensing SA.
[5] Orrefors Holding AB owns Orrefors Kosta Boda AB, which owns Galleri Orrefors Kosta Boda, Glasma AB, Orrefors Kosta Boda Leasing AB and SEA Glasbruk AB.
[6] New Wave USA Inc owns Cutter & Buck and Orrefors Kosta Boda Inc, which in turn owns Sagaform Inc.
[7] Sagaform Försäljnings AB owns Sagaform AB, which owns Sagaform APS, Sagaform GmbH (Germany and Austria), Sagaform Ltd and Sagaform SAS.
[8] New Wave Holland BV owns Breplast Kunststoffspritz GmbH, Lensen Toppoint BV, Merlinex Pen BV, Toppoint Deutschland GmbH, Topline Keramiek BV, Newpoint SP. z o.o. and Toppoint Polska SP. z o.o.
[9] Dahetra A/S owns Hurricane Purchases A/S.

Information regarding subsidiary corporate identities and domiciles:	Company registration number	Domicile
Breplast Kunststoffspritzguss GmbH	HR B 553	Brensbach, Germany
CJSC New Wave Group	10 57 74 88 02 38 5	Moscow, Russia
Craft Sportswear Ltd	5451215	London, England
Craft Suisse SA	CH-645-4097183-0	Cortaillod, Switzerland
Cutter & Buck Inc	206-830-6812	Seattle,USA
Dahetra A/S	37764728	Skanderborg, Denmark
Desk Top Ideas Ltd	718094721	Oxfordshire, England
DJ Frantextil AB	556190-4086	Borås, Sweden
EBAS Group AB	17078626	Aarschot, Belgium
Form o Design i Kosta AB	556686-5811	Hovmantorp, Sweden
Galleri Orrefors Kosta Boda	- - -	Tokyo, Japan
GC Sportswear OY	1772317-6	Esbo, Finland
Glasma AB	556085-8671	Emmaboda, Sweden
Hefa AB	556485-2126	Hisings Kärra, Sweden
Hurricane Purchase A/S	16503770	Skanderborg, Denmark
Intraco Holding BV	34228913	Wormerveer, The Netherlands
Intraco Hong Kong Ltd	33959038-000-10-03-3	Hong Kong
Intraco International Ltd	35134648-000-11-04-7	Hong Kong
Intraco Shenzhen Ltd	- - -	Sheizhen, China
Intraco Trading BV	35027019	Wormerveer, The Netherlands
Jobman Workwear AB	556218-1783	Stockholm, Sweden
Lensen Toppoint BV	5055988	Bergentheim, The Netherlands
Liyang New Wave Clothing Production Ltd	4118	Shanghai, China
Merlinex Pen BV	33263967	Amsterdam, The Netherlands

NOTE 12 SHARES IN GROUP COMPANIES CONT.

New Wave Asia Ltd	1213487	Hong Kong
New Wave Austria GmbH	FN272531g	Eli, Austria
New Wave Danmark A/S	234083	Copenhagen, Danmark
New Wave Far East Ltd	551901	Hong Kong
New Wave Footwear AB	556537-4971	Borås, Sweden
New Wave France SAS	430 060 624 000 29 514C	Dardilly, France
New Wave Garments Ltd	755013846	Shanghai, China
New Wave GmbH	HRB10847	Oberaudorf, Germany
New Wave Group Factory Shop AB	556537-4971	Borås, Sweden
New Wave Group Incentives AB	556544-8833	Borås, Sweden
New Wave Group International Trading Ltd	74959455X	Shanghai, China
New Wave Group SA	CH-645-1009704-1	Cortaillod, Switzerland
New Wave Holland BV	5061847	Hardenberg, The Netherlands
New Wave Italia S.r.l	1730/9310/45	Codogno, Italy
New Wave Licensing SA	CH-645-4099083-3	Cortaillod, Switzerland
New Wave Mode AB	556312-5771	Dingle, Sweden
New Wave Profile Professionals AB	556765-0782	Dingle, Sweden
New Wave Profile Professionals Ltd	893996	Hong Kong
New Wave Sports AB	556529-1845	Borås, Sweden
New Wave Sportswear A/S	946506370	Sarpsborg, Norway
New Wave Sportswear BV	30159098	Mijdrecht, The Netherlands
New Wave Sportswear Ltd	3817967	London, England
New Wave Sportswear S.A.	29963 166887 0190 B1	Barcelona, Spain
New Wave Trading Shanghai Ltd	3100667752841,0	Shanghai, China
New Wave USA Inc	26-28441698	Seattle, USA
Newpoint SP. z o.o.	270348	Zielona Góra, Poland
OKB Restaurang AB	556697-8804	Orrefors, Sweden
Orrefors Event AB	556699-2565	Orrefors, Sweden
Orrefors Kosta Boda AB	556037-0561	Orrefors, Sweden
Orrefors Kosta Boda Holding AB	556519-1300	Orrefors, Sweden
Orrefors Kosta Boda Inc	- - -	West Berlin, USA
Orrefors Kosta Boda Leasing AB	556374-8804	Orrefors, Sweden
OY Trexet Finland AB	534.545	Esbo, Finland
Pax Scandinavia AB	556253-8685	Örebro, Sweden
Projob Workwear AB	556560-7180	Borås, Sweden
Sagaform AB	556402-4064	Borås, Sweden
Sagaform APS	25818253	Karlebo, Denmark
Sagaform Försäljnings AB	556523-2179	Borås, Sweden
Sagaform GmbH	47619	Francfurt am Main, Germany
Sagaform GmbH	195299f	Salzburg, Austria
Sagaform Inc	- - -	West Berlin, USA
Sagaform Ltd	4903053	London, England
Sagaform OY	1712321-8	Esbo, Finland
Sagaform SAS	48093654100014	Courbevoie Cedex, France
SEA Glasbruk AB	556066-8883	Kosta, Sweden
Seger Europe AB	556244-8901	Gällstad, Sweden
Seger United AB	556388-4005	Gällstad, Sweden
Texet AB	556354-3015	Stockholm, Sweden
Texet Benelux BV	BE 404.998.655	Aarschot, Belgium
Texet Deutchland GmbH	24/430/01304	Oberaudorf, Germany
Texet France SAS	305035693	Naterre Cedex, France
Texet GmbH	328/5857/0728	Menden, Germany
Texet Harvest Spain SL	A 78480696	Madrid, Spain
Texet Poland Ltd	- - -	Poznan, Poland
Topline Keramiek BV	8073764	Hoogeveen, The Netherlands
Toppoint Deutschland GmbH	HR B 1986	Nordhorn, Germany
Toppoint Polska SP. z o.o.	220828	Zielona Góra, Poland
Totemco BV	34057022	Amsterdam, The Netherlands
United Brands of Scandinavia Ltd	403479	Dublin, Ireland
United Brands of Scandinavia Ltd	5480650	Hirwaun, South Wales
X-Tend BV	8108654	Zwolle, The Netherlands

NOTE 13 FINANCIAL ASSETS

Shares in associated companies

Group SEK million	Registration number	Domicile	Equity %	Voting rights, %	Number of shares	2008 Book value	2007 Book value
Dingle Industrilokaler AB	556594-6570	Munkedal	49	49	83 055	7.7	7.7
Kosta Köpmanshus AB	556691-7042	Kosta	49	49	7 350	27.9	29.7
Pensionat Orrefors AB	556697-6790	Orrefors	49	49	49	0	0
Vist Fastighetsbolag AB	556741-1672	Ulricehamn	49	49	49	13.5	-
Other			-	-	-	0.3	0.3
Total						**49.4**	**37.7**

At year end the companies' equity amounted to:	2008	2007
Dingle Industrilokaler AB	15.7	15.9
Kosta Köpmanshus AB	60.6	60.6
Pensionat Orrefors AB	-0.1	-0.2
Vist Fastighetsbolag AB	27.5	0

Long-term receivables

Securitized loan	0.6	0.7
Deposits	14.8	13.5
Other long-term receivables	1.4	3.0
	16.8	**17.2**

Associated companies' reported acquisition cost
Parent company

SEK million	2008	2007
Dingle Industrilokaler AB	8.3	8.3
Kosta Köpmanshus AB	29.4	29.4
Pensionat Orrefors AB	0	0
Vist Fastighetsbolag AB	13.5	0
	51.2	**37.7**

Deferred tax assets and provisions for deferred tax liabilities, Group

Deferred tax assets and Group liabilities are attributable to:		2008		2007
SEK million	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Stock and revaluation of assets	91.4	-	88.9	-
Tax-loss carryforwards	33.0	-	42.9	-
Trademarks	-	149.0	-	144.1
Tax allocation reserves and accelerated depreciations	-	32.4	-	40.9
Deferred tax assets/liabilities	**124.4**	**181.4**	**131.8**	**185.0**

Tax-loss carryforwards

At year end the Group's total tax loss carryforward was SEK 232.3 (198.5) million equivalent to deferred tax assets of SEK 90.0 (80.6) millions, of which SEK 33.0 (42.9) millions were recorded as assets as it is considered probable that a taxable surplus will occur in the future, against which these deficits can be deducted.

Loss carryforwards fall due as follows:

	2009	0.0
	2010	0.0
	2011	0.0
	2012	0.0
	2013	0.0
	Unlimited:	33.0
Total		**33.0**

Deferred tax liabilities in Sweden originating from tax allocations reserves and accelerated depreciations are due in accordance with below:

	2009	7.9
	2010	5.1
	2011	4.1
	2012	5.3
	2013	2.4
	2014	2.2
	Unlimited:	2.6
Total Sweden		**29.6**
Other, foreign	2009	2.8
Total		**32.4**

Changed company tax rates in Sweden from 01/01/2009 from 28% to 26.3%.

NOTE 14 PREPAID EXPENSES AND ACCRUED INCOME

Group

SEK million	2008	2007
Insurance	7.7	6.4
Prepaid rent	16.5	11.5
Leasing	6.6	10.1
Exhibition expenses	5.5	5.9
Allocation for multiple year advertising contract	2.4	10.1
Prepaid goods deliveries	8.2	2.1
Allocation, royalty income	3.5	4.8
Tool and model expenses	0.0	0.4
Prepaid operating expenses	11.8	1.9
Prepaid remuneration expenses	0.1	1.7
Prepaid licence fees	5.2	5.9
Bank charges	0.5	0.0
Other items	20.1	31.8
Total	**88.1**	**92.6**

Parent company

SEK million	2008	2007
Leasing	5.1	8.1
Prepaid credit charges	0.5	0.8
Prepaid rent	0.4	0.0
Allocation for multiple-year advertising contract	0.0	8.9
Other items	0.0	0.1
Total	**6.0**	**17.9**

NOTE 15 UNTAXED RESERVES

SEK million

Parent company	2008	2007
Difference between reported depreciation and depreciation according to plan:	0.8	2.2
Tax allocation reserve 03	-	9.6
Tax allocation reserve 04	-	7.0
Tax allocation reserve 05	-	3.5
Tax allocation reserve 06	11.0	13.3
Tax allocation reserve 07	15.7	15.8
Tax allocation reserve 08	5.9	5.9
Total	**33.4**	**57.3**

Deferred tax for untaxed reserves amounts to SEK 8.8 (16.0) million.

NOTE 16 EQUITY

Distribution of share capital

The parent company's share capital as of December 31. 2008 comprised the following number of shares with a par value of SEK 3.00 per share.

Shares. %

Share class		No. of shares	No. of votes	Capital	Votes
A	10 votes	21 297 680	212 976 800	32.1	82.5
B	1 vote	45 045 863	45 045 863	67.9	17.5
		66 343 543	**258 022 663**	**100.0**	**100.0**

NOTE 17 CREDIT LIMITS

Group

Approved amount pertaining to loans and bank overdraft facilities totalled SEK 3,355 (3,278) million.

Parent company

Approved amount pertaining to loans and bank overdraft facilities totalled SEK 3,319 (3,237) million.

The company's bank overdraft facility is defined as long-term as it forms part of the Group's 5 year credit facility of SEK 3,319 million which has been defined as a bank overdraft facility. The overdraft facility is valid through April 2011.

NOTE 18 ACCRUED EXPENSES AND PREPAID INCOME

Group

SEK million	2008	2007
Payroll and payroll fees	98.4	99.7
Marketing expenses	15.7	28.1
Commissions	12.3	11.2
Audit	4.7	3.2
Interest	3.6	8.4
Goods deliveries	20.4	10.4
Electricity and rent	3.7	8.8
Environmental reserve	10.0	12.1
Other items	23.5	49.3
Total	**192.3**	**231.2**

Parent company

SEK million	2008	2007
Holiday pay liability	3.2	3.3
Social charges	0.8	0.5
Leasing	1.2	0.0
Audit	0.1	0.1
Interest	3.1	6.6
Other items	0.6	1.0
Total	**9.0**	**11.5**

The New Wave Group, with its international operations, is continually exposed to various financial risks. These financial risks are currency, borrowings, interest, liquidity and credit exposure. In order to minimize the effect of these risks, the Group has an established financial policy. The goal is for the central finance function to use the Group's economy of scale and assist subsidiaries with professional service.

Assets and liabilities are classified as follows:

a. Financial assets and liabilities valued at fair value.
b. Investments intended to be held until they mature.
c. Loan receivables and accounts receivable.
d. Financial assets available for sale.
e. Other financial liabilities.

FINANCING RISK

New Wave Group has, because of its relatively capital intensive operations and expansive growth strategy, a need for secure financing. It is essential for a growth company such as New Wave Group to have access to liquidity to be able to finance future expansion, and to provide a high degree of flexibility when opportunities for acquisitions arise. New Wave Group has a central finance function which means that external borrowings take place centrally to as great an extent as possible. There are however liabilities in subsidiaries, such as liabilities in acquired companies, overdrafts or loans, in cases where these have provided the best solution. At the turn of the year, the Group had confirmed credit limits of SEK 3,355 million, excluding forward exchange rate limits, of which SEK 2,576 million were used. The confirmed credit limits are contractual and valid through April 2011. The financing requires certain key ratios, so called covenants, to be fulfilled.

The Group's covenants since December 2008 are fixed for the period December 31, 2008 through December 31, 2009, and are as follows:

- Interest coverage, for the period 31/12/2008 through 30/06/2009 shall exceed 2.5 at each interval and exceed 3.0 for the period thereafter, based on calculations for the previous four quarters.
- Interest bearing net debt in relation to EBITDA, calculated over a rolling 12-month period, with the reconciliation dates 31/12/2008, 31/03/2009, 30/06/2009, 30/09/2009 and 31/12/2009, may not exceed a multiple of 6.5.
- Stock turnover, calculated over a rolling 12-month period, may not, on the reconciliation date 31/12/2008 fall below a multiple of 1.09, on 31/03/2009 fall below a multiple of 1.05, on 30/06/2009 fall below a multiple of 1.03, on 30/09/2009 fall below a multiple of 1.07 and on 31/12/2009 fall below a multiple of 1.13.
- The equity/assets ratio, on the reconciliation date 31/12/2008, may not fall below 25%, and at the end of each subsequent quarter, 30%.

According to its current forecast, the Group expects to meet the above key ratios.

After the end of the financial year, the announced restructuring within Orrefors Kosta Boda was finalized with the trades unions concerned, and the end result will be a personnel reduction of 154. This means that the company will make a provision for restructuring in the form of a one-time cost of approximately SEK 70.1 million in the 2009 first quarter interim report. In connection with this, New Wave Group has reached an agreement with its credit providers, that the aforesaid one-time cost be restored when calculating the financial commitments New Wave Group has undertaken to fulfil. The one-time cost will, according to the agreement with the credit provider, be distributed evenly across the four quarters of 2009, i.e. in an amount of approximately SEK 17.5 million per quarter in each of the quarterly interim reports for quarters 1–4 during 2009.

Managing strong growth requires a sound Balance Sheet. New Wave Group's goal is to have an equity/assets ratio of more than 30%.

Maturity date on New Wave Group loans	2008	2007
2008	-	678
2009	-	-
2010	-	2 600
2011	3 355	-

INTEREST RISK

It is New Wave Group's opinion that a short fixed interest period leads to lower borrowing costs over time, at the same time as short fixed interest follows the business cycle and thus counteracts fluctuations in the Group's profit/loss. Interest is based on STIBOR with a fixed margin. At the end of the year, borrowing was distributed across the currencies shown in the table below. A successive increase in interest over the year with one percentage point influences profit/loss negatively by around SEK 12.9 million calculated on net debt on December 31, 2008.

New Wave Group has no interestbearing investments. Temporary liquid assets may occur operationally during the year as an effect of cash flow.

Currency distribution	Net debt, SEK million
SEK	-1 468
EUR	-447
GBP	-76
USD	-758
CHF	220
Other	-47

CURRENCY EXPOSURE

New Wave Group makes around 71% of its sales, and places almost all of its purchases, abroad. Not only is the Group's income statement affected by currency changes, but also its balance sheet. The identified risks are transaction and exchange rate related.

A change in exchange rates of 1% causes a change in sales of around SEK 2.9 million based on 2008 sales.

TRANSACTION EXPOSURE – HEDGE ACCOUNTING

The Group's most important purchasing currency is the U.S. dollar and currencies associated with it. Changes in the dollar's exchange rate against the Euro and the Swedish Krona constitute the single largest transaction exposure within the Group. Within the Promo business area New Wave Group is the stock holder, and orders from retailers are not placed before they have received orders from the end customer. This means there is no large stock for future deliveries, but that deliveries are made immediately. Due to the nature of the stock, i.e. that continuity in the collections is desirable, and when it comes to basic garments, the risk of obsolescence is low. Adjustments for changes in purchase prices are made continuously in that sales are immediate, and therefore currency risks are limited. Sales within Sports & Leisure take place largely through pre-orders in contrast to the Promo market, where delivery takes place immediately against an order. This means that in the spring for example, customers place orders for the autumn. Around 70–75% of all Sports & Leisure sales take place through pre-orders. In conjunction with an order from a customer, New Wave Group places and order with the producer, and this reduces the risk of obsolescence significantly. The remaining sales, so called complementary sales, are primarily basic goods with limited fashionability risk. In order to reduce the currency risk within Sports & Leisure, approximately 50–80% of the purchase costs in currencies are hedged. In connection with placing an order a derivative is procured to safe-guard the delivery value to the warehouse. The derivatives are handled as cash flow hedges where the currency effect is reported as an adjustment item against equity in accordance with IAS 39.

The market value of outstanding forward contracts had a positive value of SEK 10.1 million at year end (see above).

Financial instruments, fair value

The reported value of interest bearing assets and liabilities in the balance sheet may deviate from their fair value, among other things as a result of changes in market interest rates. Fair value was determined through discounting future payment flows to current interest rates and exchange rates for equivalent instruments. For financial instruments such as accounts receivable, accounts payable and other non interest bearing financial assets and liabilities, which are recorded at amortized cost less possible impairment losses, the fair value is considered to correspond to the reported value. The Group's non current borrowing is made chiefly within the framework of long-term credit agreements with short, fixed interest terms. The fair value is therefore considered to correspond to the reported value. The only deviation from fair value consists of currency derivatives tied to the purchase of goods, SEK 10.1 million.

Outstanding transaction hedging and value 31/12/2008

Currency	Hedged volume SEK million	Unrealized profit/ loss SEK million	No. of hedged months
EUR	-0.7	0	< 6
USD	51.6	7.8	< 6
USD	46.5	2.3	6 > 12
NOK	-1.0		
SEK	-96.4		
		10.1	

The above hedged volume is exclusively in forward currency contracts and all fall due within twelve months from year end. Changes in values shown above are reported directly against equity.

For 2008, the Group's sales at consolidation to SEK were positively affected by SEK 75 million.

Area	Currency effect 2008	Currency effect 2007
Nordic Region	14.3	2.5
Central Europe	30.4	6.4
Southern Europe	10.3	-4.1
USA	17.7	-15.2
Other	2.3	-
Total	**75.0**	**-10.4**

TRANSLATION EXPOSURE

Additional to the transaction exposure described above, the Group is also affected by currency fluctuations through receivables and liabilities that continually occur in foreign currencies. The majority of the risks that occur are covered either by financing in the currency of the company concerned or by hedging.

EQUITY EXPOSURE

New Wave Group does not apply equity hedging in currencies other than the consolidation currency, SEK.

CONVERSION EXPOSURE

Group income is also influenced by so called conversion effects. These occur when foreign subsidiary company incomes are converted into SEK. This means that even if a foreign company's profit/loss remains unchanged in local currency, it may still increase or decrease when converted to SEK. Conversion effects also occur in the Group's net assets when consolidating foreign subsidiary balance sheets; there was a positive effect of approximately SEK 286 million for 2008. In October the Group converted SEK 650 million of its original borrowing of SEK 1,085 million in respect of last year's acquisition of Cutter & Buck, from USD to SEK. The acquisition was made on June 8, 2007, and provided a non current intangible asset in USD. Because of this change in borrowing, the Group has reduced its currency exposure to the USD. Any other equity hedging is not used for this risk.

CREDIT RISKS

The risk of the Group's customers not fulfilling their commitments, i.e. that New Wave Group is not paid for its accounts receivables, constitutes a credit risk. New Wave Group has centrally established instructions, based upon which each company has developed written credit control procedures. Information from external credit reporting agencies is one part of this process. Credit risk is lower in the Promo market since the retailers, who are New Wave Group customers, make purchases against orders already placed by the end customer. The retailers are relatively small in size and large in numbers. New Wave Group has over 2,000 customers in Sweden alone and not a single customer or customer category constitutes a significant credit risk. As of year end, New Wave Group has insured all accounts receivable in the Spanish and Italian companies. This type of insurance means that if a customer payment is not forthcoming, the demand is paid by the insurance company. Confirmed customer losses for 2008 amounted to 0.35% of Promo sales. Sales within the business areas Gifts & Home Furnishings and Sports & Leisure are made to selected retailers, and although credit losses are low, they are concentrated to a lower number of customers compared to the Promo market. Confirmed customer losses for 2008 amounted to 0.26% of sales in these two business areas.

Customer financing	2008	2007
Exposure	878.1	898.6
Credit risk reserve	-42.3	-15.6
Book value	**835.8**	**883.0**

A description of exposure to credit risks is shown in the table below.

Credit risk concentration

As of December 31, 2008	Number of customers	Percentage of total number of customers	Percentage of portfolio
Exposure < SEK 1 million	22 529	99.8	83.5
Exposure SEK 1–5 million	38	0.2	12.2
Exposure > 5 SEK million	4	0	4.3
Total	**22 571**	**100.0**	**100.0**

Provision for doubtful accounts receivable have changed as follows:

Provision for doubtful accounts receivable	2008	2007
Provision at beginning of year	15.6	8.4
Provision for probable losses	41.2	7.2
Provision as part of acquisition	0	10.1
Confirmed losses	-14.5	-10.1
Provision at year end	**42.3**	**15.6**

Beyond provisions for concerns regarding the risk of losses in accounts receivable, there are no impairment losses for financial instruments.

FINANCIAL CREDIT RISKS

All liquidity created within the Group is continuously transferred to the New Wave Group treasury centre by various pooling systems, thus reducing credit volume. New Wave Group has no investments. Temporary liquid assets may occur operationally during the year as an effect of cash flow.

OTHER RISKS

Purchasing market

New Wave Group purchases take place primarily in Asia, with around 33% in China, 16% in Bangladesh, 9% in India and 4% in Thailand. Political and socio-economic changes can affect New Wave Group. New Wave Group limits financial risks associated with only making purchases in one country by maintaining good contingency preparedness and making purchases in various countries in both Asia and Europe.

Strong growth

New Wave Group plans for continued expansion entail higher demands on management and personnel. Recruiting errors, organizational problems, key personnel resignations etc., can delay development. It is crucial that profit/loss developments keep pace with the rate of expansion to avoid uneven growth. New Wave Group devotes resources to internal management training, mentorship and yearly management meetings to safeguard future leadership and to disseminate New Wave Group values.

Fashion trends – business cycle

New Wave Group puts substantial recourses into good design and quality. Because changes occur quickly within the fashion industry, the company cannot exclude sudden negative changes in sales for certain collections. Nevertheless, New Wave Group has a limited risk, since the degree of fashionability is lower within the Promo business area, while Sports & Leisure focuses on less fashion-sensitive areas, such as functional Craft underwear and Seger socks. New Wave Group's objective is for 60–80% of sales to remain within the Promo business area.

Establishments abroad

New establishments abroad are only carried out once earlier establishments have shown satisfactory results. The Board considers such a strategy to be a good balance between optimal growth and reduced risks. According to New Wave Group, it is very difficult to estimate budgets and schedules for new establishments precisely, which can entail a risk of initial losses. However, the Board considers the company to be well prepared for planned establishments.

NOTE 20 NET ASSETS IN FOREIGN CURRENCIES

SEK million

Group

The Groups net assets in foreign currencies are not usually hedged.

Net assets	**2008**	**2007**
Euro, EUR	400.1	316.2
Swiss franc, CHF	419.8	267.9
US dollar, USD	545.5	890.3
Norwegian krone, NOK	39.4	60.3
Danish krone, DKK	-5.4	8.6
Chinese yuan, CNY	18.5	7.5
Polish zloty, PLN	9.7	4.7
Hong Kong dollar, HKD	10.0	2.0
British pound, GBP	-11.5	-1.0
Russian rubel, RUB	-5.0	-2.6
Total net assets in foreign currencies	**1 421.1**	**1 553.9**

NOTE 21 CURRENCY EXPOSURE IN OPERATING PROFIT/LOSS

SEK million

Group

The table below shows income exposed to currency and operating costs per currency.

Operating profit/loss	**2008**	**2007**
Euro, EUR	136.2	120.5
Swiss franc, CHF	134.9	115.5
US dollar, USD	23.6	36.1
Norwegian krone, NOK	51.9	47.0
Danish krone, DKK	9.4	10.4
Chinese yuan, CNY	-7.8	-9.6
Polish zloty, PLN	9.7	2.8
Hong Kong dollar, HKD	6.2	5.6
British pound, GBP	-9.5	-6.7
Russian rubel, RUB	-2.2	0.2
Total operating profit/loss in foreign currencies	**352.4**	**321.8**

NOTE 22 PLEDGED ASSETS AND LIABILITY DUE DATES

SEK million

Group				**Due for payment**		
	Liability as per		**Between one**	**Later than**	**Pledged**	**Liability as per**
Liability	**Dec. 31. 2008**	**Within 1 year**	**to five years**	**five years**	**asset**	**Dec. 31. 2007**
Liability to credit institution	2 767.5	51.0	2 705.0	11.5	see below	2 472.5

Parent company	**Liability as per**			**Due for payment**	**Pledged**	**Liability as per**
	Dec. 31. 2008		**Between one**	**Later than**	**asset**	**Dec. 31. 2007**
Liability	**2 536.0**	**Within 1 year**	**to five years**	**five years**	**see below**	**1 610.9**
Liability to credit institution	2 536.0	-	2 536.0	-	see below	1 610.9

Group

Pledged assets pertaining to liabilities to credit institutions and bank overdrafts

	2008	**2007**
Company mortgages	662.0	-
Real estate mortgages	51.1	77.4
Net assets in subsidiary	3 006.4	-
Stock and accounts receivable	132.3	144.0
Total	**3 851.8**	**221.4**

Parent company

Pledged assets pertaining to liability to credit institution and bank overdraft

Company mortgages	30.0	-
Shares in subsidiary	2 115.2	-
Shares in associate company	8.0	8.2
Trademarks	0.9	-
Total	**2 154.1**	**8.2**

Other, concerning pledged assets

The Group's principal bank's commitment is based on agreed covenant conditions.

NOTE 23 CONTINGENT LIABILITIES

SEK million

Group	**2008**	**2007**
Guarantees for associated companies	8.0	7.9
Total contingent liabilities	**8.0**	**7.9**

Parent company	**2008**	**2007**
Guarantees for subsidiary companies	338.5	291.8

The Swedish Tax Agency has audited New Wave Group AB. The audit was primarily aimed at internal Group transactions. The Tax Agency decided to raise its tax assessment for New Wave Group AB by SEK 437,400 in respect of the 2005 financial year, by SEK 55,922,774 for the 2006 financial year and SEK 63,697,322 for the 2007 financial year. Of the above-mentioned amounts, altogether SEK 118,697,096 is in respect of royalties for trademarks used by the Group's subsidiaries, which the Tax Agency considers New Wave Group AB should receive. The retroactive taxes entail a further tax totalling SEK 33,768,462 including special charges (SEK 171.460 in respect of the 2005 financial year, SEK 15,761,752 for the 2006 financial year and SEK 17,835,250 for the 2007 financial year). Of the aforesaid additional tax of altogether SEK 33,768,462, SEK 33,235,186 is attributable to the part that concerns royalties.

New Wave Group AB disputes the assessment and has appealed the Tax Agency's decision. New Wave Group AB abides by applicable tax rules and regulations, and is of the opinion that royalties have been handled entirely in accordance with tax legislation.

NOTE 24 NET DEBT

SEK million

Group	**2008**	**2007**
Cash and bank	-191.2	-115.5
Long-term interest-bearing liabilities	2 716.5	2 414.9
Short-term interest-bearing liabilities	51.0	57.6
Total	**2 576.3**	**2 357.0**
Effective interest rate based on reported net interest	5.1	4.3

NOTE 25 STOCK

SEK million		
Group	**2008**	**2007**
Raw materials	80.3	80.1
Work in progress	40.1	28.5
Goods for resale in warehouse	2 079.9	1 753.5
Total	**2 200.3**	**1 862.1**

Stock comprise clothes, gift articles and accessories for onward sale.
Stock are valued using the first-in-first-out (FIFO) principle at the lowest of acquisition cost or net sales value at year end. Deductions are made for internal profits originating from deliveries between Group companies. The reported stock value is adjusted for obsolescence according to an obsolescence schedule established for the Group. The schedule means that limits for how large an impairment loss may be is based on historical reporting. This impairment loss regulation is complemented by considerations for individual articles.
The obsolescence risk in the Promo business area is small as a large part of the assortment is timeless basic products for which there is a recurring need season after season. In the Sports & Leisure business area, orders are placed with the factory once a purchase order has been received from the customer, which means that the obsolescence risk is low. The remaining sales consist mainly of base products with limited fashion risks. In the Gifts & Home furnishings business area, the major part of the volume comprises classic, big-selling products that in many cases have a product cycle greater than 20, which reduces the risk of obsolescence. Reported obsolescence expenses amount to SEK 24.0 (5.7) million. December 31, 2008 Group obsolescence provisions amounted to SEK 109.0 (85.0) million.

NOTE 26 ACQUISITIONS

On June 8, 2007 the company acquired 100 percent of the share capital in Cutter & Buck Inc, a company located within the USA. The company was listed on the NASDAQ stock exchange and one of the leading players within the field of golf and sports clothing. Cutter & Buck has around 380 employees and during the financial year (May 1, 2005–April 30, 2006) achieved sales of USD 131 million and net income of USD 6.3 million.

Specification of acquired net assets and goodwill	
Purchase price including acquisition costs	1 085.6
Fair value of acquired net assets	-682.7
Total surplus value	**402.9**

The goodwill is attributable to the high profitability in the acquired company and synergies anticipated from the acquisition.

Specification of assets and liabilities in the acquired company	**Fair value**	**Book value at Cutter & Buck**
Intangible fixed assets	266.0	0.0
Property, plant and equipment	22.8	22.8
Stock and accounts receivables	457.5	457.5
Liquid assets	171.3	171.3
Total assets	**917.6**	**651.6**
Other provisions and liabilities	-234.9	-160.4
Total acquired net assets	**682.7**	**491.2**

Cash payment	-1 085.6
Liquid funds in the acquired subsidiary company	171.3
Change in Group liquid funds	**-914.3**

During the year 2007 the Group also acquired 51% of Texet Poland SP. z o.o. for SEK 1.9 million, corresponding net assets of SEK 2.1 million.

NOTE 26 ACQUISITIONS, CONT.

Effect on cash flow	**2007**	**2006**
Goodwill	-403.2	-4.9
Trademarks	-251.0	-
Customer relations	-15.0	-
Working capital	-223.7	-6.2
Fixed assets	-23.1	-0.1
Liquid assets	-171.3	-
Loans taken over	-	4.8
Total	**-1 087.3**	**-6.4**

	Promo	**Sport & Leisure**	**Gifts & Home Furnishings**
Contribution from time decisive influence existed			
Income	19.1	533.2	-
Profit/loss after financial items	3.1	44.7	-
Contribution if acquisition had been made January 1, 2007			
Income	19.1	990.5	-
Profit/loss after financial items	3.1	50.6	-

NOTE 27 FINANCIAL INCOME AND EXPENSES

SEK million		
Group	**2008**	**2007**
Financial income	12.4	15.0
Financial expenses	-148.4	-105.8
	-136.0	**-90.8**

Parent company	**2008**	**2007**
Profit/loss from internal sale of subsidiary company	36.2	7.1
Dividends from subsidiary company	266.5	108.1
Financial income, Group companies	41.9	43.6
Financial income, other	108.6	53.3
Financial expenses, Group companies	-16.0	-16.3
Financial expenses, other	-170.7	-102.4
	266.5	**93.4**

NOT 28 RELATED PARTIES

Related party relations
Group sales to associated companies amounted to SEK 0 (0) million. Group purchases from associated companies amounted to SEK 13.6 (7.6) million.
All transactions take place at prevailing market conditions.
Of the parent company's invoiced sales totalled, SEK 133.0 (85.7) million, equivalent to 100% (98) sales to Group companies.
All transactions take place at prevailing market conditions.

Transactions with key personnel in executive positions
During the year, Orrefors Kosta Boda AB transferred part of the property Lessebo Kosta 13:13 to Torsten Jansson, majority owner and Chairman of the Board of New Wave Group AB (publ).
The agreed price was SEK 2.7 million based on an evaluation performed by an independent external valuer. No other transactions have taken place to related parties other than normal transactions between Group companies.

Audit Report

To the annual meeting of the shareholders of New Wave Group AB (publ)

Corporate identity number 556350 - 0916

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors and the managing director of New Wave Group AB (publ) for the year 2008. The company's annual accounts and the consolidated accounts are included in the printed version on pages 36 – 64. The board of directors and the managing director are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts 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 annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director and significant estimates made by the board of directors and the managing director when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the managing director. We also examined whether any board member or the managing director has, in any other way, acted in contravention of the 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.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with the international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act and give a true and fair view of the group´s financial position and results of operations. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the parent company and the group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

Without qualifying our opinion, we draw attention to the information on page 37 which describe the covenants that shall be met according to the existing financing agreement.

Gothenburg, April 24, 2009

Ernst & Young AB

Sven-Arne Gårdh	Bjarne Fredriksson
Authorized Public Accountant	Authorized Public Accountant

The share

The New Waves Group's share

The share capital New Wave Group AB totals SEK 199 030 629, divided among a total of 66 343 543 shares, each share with a par value of SEK 3.00. All shares provide equal entitlement to a share of the company's assets and profit. Each class A share provides entitlement to ten votes and each class B share provides entitlement to one vote. New Wave's class B shares have been listed at the Stockholm Stock Exchange since 11 December 1997 and are now listed on the Stock Exchange's Mid Cap list. A listing block totals 100 shares.

Dividend policy

The Board's aim is that the dividend payment to shareholders shall correspond to 30 % of the Group's profit after taxes over an economic cycle.

Shareholders

The number of shareholders on 31 December 2008 was 12 786 (11 824). Institutional investors controlled a total of 41% of capital and 11% of votes. At the same time the ten biggest shareholders accounted for 69% of capital and 91% of votes. Foreign owners accounted for 12% of capital and 4% of votes.

New Wave B

Listed at the OMX Stockholm Stock Exchange's Mid Cap list. A listing block totals 100 shares.

New Wave Group's ten major shareholders 2008-21-31

Shareholder	Number of shares	Number of votes	Capital %	Votes %
Torsten Jansson through companies	21 462 505	207 831 625	32.4%	81.7%
AFA Försäkringar	6 628 100	6 628 100	10.0%	2.6%
Fjärde AP-Fonden	5 280 026	5 280 026	8.0%	2.1%
Robur	3 833 420	3 833 420	5.8%	1.5%
Home Capital	2 677 000	2 677 000	4.0%	1.1%
Svenska Handelsbanken	1 959 950	1 959 950	3.0%	0.8%
Svenskt Näringsliv	1 500 000	1 500 000	2.3%	0.6%
Andra AP-Fonden	1 203 783	1 203 783	1.8%	0.5%
Danske Fonder	836 200	836 200	1.3%	0.3%
Domani AB	603 960	603 960	0.9%	0.2%
	45 984 944	**232 354 064**	**69.3%**	**91.3%**

Shareholder distribution in New Wave Group 2008-12-31

Distribution	Number of shares	Number of votes	Capital %	Votes %
Sweden	59 056 105	245 425 225	89.0%	96.4%
Shareholders outside Sweden, USA excluded	6 835 247	8 635 247	10.3%	3.4%
USA	452 191	452 191	0.7%	0.2%
Total	**66 343 543**	**254 512 663**	**100.0%**	**100.0%**

New Wave Group shareholder structure 2008-12-31

In due order	Number of shareholders	Number of shares	Share (%)	Trade value (TSEK)
1 – 200	5 988	472 457	0.71	2 953
201 – 1 000	4 074	2 458 064	3.71	15 363
1 001 – 2 000	1 173	2 096 968	3.16	13 106
2 001 – 10 000	1 174	5 195 006	7.83	32 469
10 001–	277	56 133 506	84.61	220 161
	12 786	**66 343 543**	**100.00**	**283 974**

Share development in reference to index and turnover

Share chart

- The New Wave share
- OMX STOCKHOLM_PI
- Number of shares traded, thousands

Share capital development

Year	Transaction	Increase number of shares	Issue price	Increase share capital	Total number of shares	Total share capital, SEK	Face quota
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			166 752 392	14 500 208	174 002 496	12.00
	Directed new issue[7]	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]	226 886	88.15	1 361 316	31 547 334	189 284 004	6.00
2005	Directed new issue[9]	96 822	125	12 102 750	31 644 156	189 864 936	6.00
	Directed new issue[10]	614 732	52	3 688 392	32 258 888	193 553 328	6.00
	Split 2:1	32 258 888			64 517 776	193 553 328	3.00
2006	Directed new issue[11]	1 825 767	29.30	5 477 301	66 343 543	199 030 629	3.00

[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 Texet 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. [9] New issue addressed to the owners of Dahetrakoncernen connected to the purchase of the company. The Share premium reserve increased by SEK 11 521 818. [10] New issue connected to exercise of option rights. The Share premium reserve increased by SEK 28 221 388. [11] New issue connected to exercise of option rights. The Share premium reserve increased by SEK 48 017 672.

Our brands

Business area Corporate Promo

Reasonably prized good quality promowear in a wide range of designs, sizes and colours well suited for print and embroidery. www.newwave.se

Inspirerande profilgåvor av bra kvalitet för din bästa tid – fritiden. www.insideout-org.com

Comfortable good quality promowear with a slightly more corporate touch and exclusive feel. www.newwave.se

Quality concept for terry towels, fleece articles and robes. www.hefa.se

Basic wear in classic styles and colours with infinite possibilities and a large target audience made for the promowear market. www.macone.nu

Promowear in a clean and simple design where unnecessary details have been avoided in favour of a good prize. Optimal for promotional campaigns that require large volumes.www.printeractivewear.com

Sporty and functional promowear inspired by a strong interest in sailing, a laid back life style and extreme outer conditions. www.dad-sportswear.com

Leading supplier on the Swedish market of affordable modern and functional workwear of their own design. www.jobman.se

Ergonomic and functional high quality workwear developed by people who know what it takes to work hard. www.projob.se

Innovative electronic gadgets with maximum marketing potential. www.d-vice.info

Bed and bath products that should not only fulfill your high demands, but exceed them. www.djfrantextil.se

Affordable products for an active life and all the rooms of the house. www.djfrantextil.se

Basic promowear with practical details available in a wide range of colours and sizes suitable for occasions when you need large volumes at reasonable prizes.. www.hefa.se

Classically clean cut high quality home textile and interior design products. www.djfrantextil.se

Affordable promowear who keep what they promise and are suitable for activities that need large volumes. www.newwave.se

Offers one of the widest assortments of fashionable and sporty promowear and bags for all occasions on the promo market. www.grizzlycollection.com

Very affordably interior design and leisure time products. www.djfrantextil.se

A wide range of classic giveaways, such as pens, mugs, key chains and bags. www.toppoint.se

Comfortable sporty and durable high quality promowear where the details make all the difference. www.james-harvest.com

Our own low and mid prized golf ball brand.

USB flash drives and media players available in all the colours and shapes you can think of to market your trademark. www.usb-premiums.com.

Long lasting promowear for optimal comfort. Emphasis has been put on high quality materials since this is crucial for high quality printing. www.hurricane.dk

A wide and well put together collection offering something for all tastes and situations where textile messengers have a function to fill. www.macone.nu

Business area Sports & Leisure

By combining fashion and function, CBUK suits the modern day golfer with its new approach to a traditional game. www.cbuk.com

More than a third of the professional NHL players use Easton's high quality hockey equipment. www.eastonhockey.com

Classic comfortable shoes for the ladies. www.paxscandinavia.se

Easy to wear basic clothing in a wide range of colours designed for the retail business. www.newwavesports.se

World leading supplier of first class floorball equipment. www.exelsports.net

Australian Speedo has been developing swimwear for professional swimmers since the 1920's. Together with fashion designers they also create leisure time swim and beach wear. www.speedo.com

Exclusive classic golf apparel of the finest quality made for the retail business and for the promowear business. www.cutterbuck.com www.cutterbuck.eu

Practical and fun children's shoes for all kinds of weather designed to make sure that kids love them. www.paxscandinavia.se

Internationally established trademark in the world of football used by professional players as well as amateurs. www.umbro.se

Functional high quality training and competition clothing for professional athletes and meticulous amateurs created with love and understanding of sports. www.craft.se

Technically knitted hats and socks with an innovative design made from functional materials. The Swedish national alpine team's natural choice since way back. www.seger.se

Business area Gifts & Home Furnishings

Artistic glass from Sweden's oldest glassworks where passion meets design in colourful distinctive and powerful products. www.kostaboda.com

Books about the good things in life, form and design, and the joys of a decoratively set table. www.kostaforlag.se

Modern textile interior design products for the design and quality savvy. www.kostalinne.se

Timeless pure and classical glass for decoration and everyday use created by famous designers and skilful craftsmen. www.orrefors.com

Exclusive kitchen products created from old traditions and materials in a modern Scandinavian design. www.orreforsjern.se

Joyful innovative gifts developed by leading designers for the kitchen and a decoratively set table. www.sagaform.com

Functional and affordable artistic glass design in exciting shapes. www.seaglasbruk.se

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KOSTA
BODA
ART HOTEL
SWEDEN

Premiere 27 june 2009!

Kosta Boda Art Hotel

Kosta, in the heart of The Kingdom of Glass, is changing. The tiny village that holds Sweden's oldest glassworks is transforming from industrial community to experience centre. Here, among the pines and furs, we have built a hotel of glass and stone that offers an overall experience for all the senses. De uplit façade and the interior glitter and glisten with glass art designed by the world famous Kosta Boda artists. Wherever you go, you stumble upon decorations, installations and surprises made of glass in all colours and shapes. As much as 100 tons of glass was used! The hotel's 10 000 m2 contain 102 hotel rooms, spa & fitness centre, restaurant, conference facilities, and a unique glass bar as well as a multitude of activities; trial glassblowing, traditional dining in the glassworks (so called "hyttsill"), art exhibits and glass museums, concerts and lectures, crayfish fishing, golf, guided tours, artist evenings, good food, shopping etc.

192 specially decorated hotel rooms

The hotel's 102 rooms have been decorated by the Kosta Boda glass artists and they all have their own special character. Ludvig Löfgren has decorated with his skulls inspired by the Baroque era's Vanitas motif, Ulrika Hydman-Vallien with her headstrong colourful tulips.

Spa & Fitness centre and glass art exhibit all in one

In the middle of the hotel, there is a spa & fitness centre. In here, you can enjoy bath rituals, sauna, facial and body treatments, gym, aerobics, yoga or qigong. The heart of the centre is a pool, designed by Kjell Engman, with shimmering blue glass tiles on the pool sides and a glass art exhibit at the bottom. If you wish to have a closer look you can borrow a pair of goggles.

Restaurant with unusual entertainment

On a stage in the middle of the restaurant, the skilful Kosta Boda glassblowers blow and form artworks at the same time as the diners feast on seared scallops with parsnip cream, grilled wild venison saddle with porcini mushrooms and cloudberry mousse with summer berries – just to mention a few of the dishes you can enjoy in the restaurant where wild flavours and local produce are the focal point. The restaurant, decorated by Ulrika Hydman-Vallien, also has its very own schnapps seasoning area where tastings are arranged where you can experience how different types of glasses affect the taste experience.

Confer with style

At the Kosta Boda Art Hotel you can combine conferences with first class accommodation and fantastic dining experiences. The hotel offers conference rooms for up to 200 people as well as smaller ones.

Have a glass in a bar made of glass

The glass bar is something out of the ordinary – a separate building with soft wavy glass walls. The oval bar counter is made of cobalt blue glass and reflects the light from the suspended glass lamps. The drinks are composed especially for us and are served in beautiful specially designed drink glasses. The bar also has different areas for concerts, performances, glass sampling, and whiskey and wine sampling.

Welcome to Kosta!

Kosta Boda Art Hotel guarantees you accommodation and entertainment you have never experienced before.

Shareholder accommodation discount

Upon presentation of the shareholder card, we offer our shareholders a 25 % accommodation discount during July 2009. At other times, we offer a 15 % discount.

www.kostabodaarthotel.se
+46 (0)478 348 30

Group Executive Board

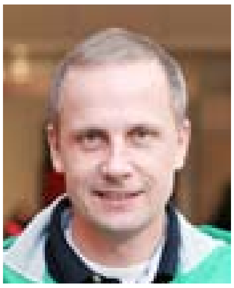
Göran Härstedt, born 1965.
Managing Director, Chief Executive Officer, and group brand responsible at New Wave Group S.A. Employed since 2001. Share holdings in New Wave Group AB (directly and through companies): 155 000 B shares and subscriptions options for 155 000 B shares.

Torsten Jansson, born 1962.
Founder of New Wave Group AB and major share holder. Share holdings in New Wave Group AB (directly and through companies): 20 707 680 A shares and 754 825 B shares and subscription options for 180 000 B shares.

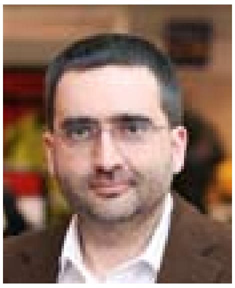
Lars Jönsson, born 1964.
Chief Financial Officer. Employed since 2007. Share holdings in New Wave Group AB: 50 000 B shares.

Tomas Jansson, born 1965.
North Europe Manager Promo and Managing Director of New Wave Mode AB. Employed since 1993. Share holdings (directly and through companies) in New Wave Group AB: 121 768 B shares and subscriptions options for 105 000 B shares.

Randy Royce, born 1970.
Chief Buying Officer. Employed since 2007. Share holdings in New Wave Group AB: subscription options for 45 000 B shares.



Jens Petterson, born 1963.
Business Area Manager Sports & Leisure and Managing Director of New Wave Sports AB. Employed since 1999. Share holdings in New Wave Group AB: 102 500 B shares and subscriptions options for 105 000 B shares.



Mario Bianchi, born 1967.
South Europe Manager Promo and Managing Director of New Wave Italia S.R.L. Employed since 1994. Share holdings in New Wave Group AB: 200 000A shares and 2 560 B shares and subscription options for 155 000 B shares

Bas Lensen, born 1969.
Mid Europe Manager Promo and Managing Director of Lensen Toppoint B.V. Employed since 2002. Share holdings in New Wave Group AB: 74 693 B shares and subscriptions options for 60 000 B shares.

Auditors

Sven-Arne Gårdh, born 1958. Authorized Public Accountant, Ernst & Young. Auditor of the company since 2007.

Bjarne Fredriksson, born 1966. Authorized Public Accountant, Ernst & Young. Auditor of the company since 2005.

Board of Directors

Hans Johansson, born 1947.
Member of the Board since 2000. Other Board of Directors assignments: Member of the Board Hall-Miba AB. Share holdings in New Wave Group AB (directly and through companies): 28 216 B shares and subscriptions options for 50 000 B shares.

Maria Andark, born 1965.
Member of the Board since 2006. Consultant Xana AB. Other Board of Directors assignments: Member of the Board Telge Företagsinvest AB. Share holdings in New Wave Group AB (directly and through companies): 4 200 B shares and subscriptions options for 50 000 B shares.

Mats Årjes, born 1967.
Member of the Board since 2007. CEO SkiStar AB. Other Board of Directors assignments: Member of the Board Bilia AB. Share holdings in New Wave Group AB (directly and through companies): 10 000 B shares and subscriptions options for 50 000 B shares..

Peter Nilsson, born 1962.
Member of the Board since 2007. Other Board of Directors assignments: Member of the Board JH Tidebecks AB, Chairman of the Board Duni AB. Share holdings in New Wave Group AB (directly and through companies): 6 000 B shares and subscriptions options for 50 000 B shares.

Torsten Jansson, born 1962.
Chairman of the Board since 2007. Member of the Board since 1991. Founder of New Wave Group AB and major share holder. Share holdings in New Wave Group AB (directly and through companies): 20 707 680 A shares, 754 825 B shares, and subscriptions options for 180 000 B shares.

Annual General Meeting

The Annual General Meeting takes place on May 19, 2009 at 10 am CET at New Wave Group AB (publ), Orrekulla Industrigata 61, 425 36 Hisings Kärra, Sweden. All shareholders who are registered in the print out of the stock register dated May 13, 2009 and have notified their intention to participate in the Annual General Meeting by May 15, 2009 at 12 am CET at the latest, have the right to attend.

Administrator registered shares

Shareholders with administrator registered shares must register the shares in their own name at VPC in order to have the right to attend the Annual General Meeting. The registration must be made by May 13, 2009 and the request should therefore be put to the administrator in good time.

Notification

Notification to attend the Annual General Meeting can be made by mail or phone to:
New Wave Group AB (publ)
Orrekulla Industrigata 61
425 36 Hisings Kärra
Phone: 031 712 89 00
bolagsstamma@nwg.se

When notifying, please provide name, date of birth/organization number and phone number. Shareholders who wish to attend the Annual General Meeting must at the latest have notified their intention to participate by Friday, May 15, 2009 at 12 am CET when the period of notification runs out.

Matters

At the Annual General Meeting all matters required by Swedish law and articles of association, below mentioned proposals of dividend, and other matters mentioned in the summon to the Annual General Meeting will be handled.

Dividend

The Board of Directors have suggested May 25, 2009 as record day. With this record day, the calculated day of dividend from Euroclear Sweden is May 28, 2009. The Board of Directors and the Managing Director suggest to the Annual General Meeting that the dividend for 2008 should amount to SEK 0.18 per share, which gives a total of MSEK 11.94.

Financial information

- Financial report for January-March 2009, published April 24, 2009.
- Financial report for January-June 2009, to be published August 24, 2009.
- Financial report for January-September 2009, to be published November 12, 2009.

Raised to Race
Fredrik Nyberg is a former professional skier with 18 years in the alpine world cup behind him. He contributed with his knowledge and his experiences during the development of Craft's new alpine collection, which is tailor made for the alpine skiers position to give maximum speed in racing position. Just as Fredrik Nyberg, it is Raised to Race.

NewWave GROUP

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