ANNUAL REPORT 2010

Our brands

Business area Corporate Promo

Clique, Cottover, D.A.D Sportswear, d-vice, goal, Grizzly, Harvest Sportswear, Harvest Golf, hurricane, Jingham, Jobman Workwear, New Wave, Lord Nelson, Lord Nelson Victory, Mac One, Machair, nightingale, Queen Anne, Projob Swedish Workwear, Texas Bull, Printer Active Wear, Toppoint, USB-PREMIUMS.COM

Business area Sports & Leisure

Annika Cutter & Buck, C-BUK, Cutter & Buck, Clique, Craft, Pax, Seger, sköna marie, speedo, umbro

Business area Gifts & Home Furnishings

Kosta Boda, Kosta Förlag, KOSTA LINNEWÄFVERI, Orrefors, Orrefors JERNVERK, sagaform, SEA glasbruk Kosta Sweden, Kosta Boda Art Hotel

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2010 in summary

Œ Sales turnover amounted to SEK 4.243 which is 9’ better than last year in local currencies and 4’ better in SEK (SEK 4.0• 7 million).
Œ Profit after tax improved by SEK 133.7 million and amounted to SEK 221., million (SEK• 7.• million).
Œ Earnings per share amounted to SEK 3.31 (1.29).
Œ Cash • ow from operating activities amounted to SEK 343.6 million (SEK • 06 million).
Œ Net debt to equity ratio amounted to 72.• ’ (96.3).
Œ The equity ratio amounted to 44.• ’ (41.0).
Œ The Board of Directors proposes a dividend of SEK 1.00 (0.2,) for 2010.

Corporate Promo business area

Sales turnover increased by 1’ to SEK 1 • 19 million (SEK 1.• 0, million) and EBITDA amounted to SEK 209.6 million (SEK 171.9 million).

Sports & Leisure business area

Sales turnover increased by 7’ to SEK 1.703 million (SEK1., • 7 million) and EBITDA amounted to SEK 220 million (SEK 124., million).

Gifts & Home • urnishings business area

Sales turnover increased by 4’ to SEK 722 million (SEK 69, million) and EBITDA amounted to SEK -43.7 million (SEK -, 3.4 million).

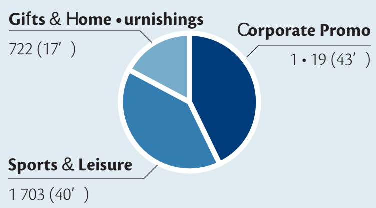
Events in Brief

Œ 9’ organic growth in local currencies.
Œ 1• ’ increase in the U.S. market in local currencies.
Œ Last yearœ austerity package has had a positive ež ect on the cost development.
Œ The ež orts to reduce the tie-up of capital have been a continued success, including an improved inventory turnover ratio.
Œ The Group has signed a new financing agreement with a credit line of SEK 2.200 million which is valid until 1, September, 2013.
Œ Linn¡ a Art ¢estaurant established in G£ teborg.
Œ ¤et another distribution centre established in the U.S.

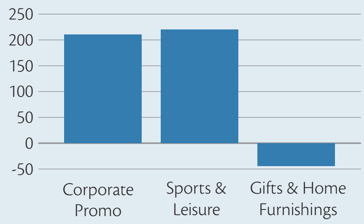
• ew aVe Group in short

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



EB, TDA per business area, MSEK



Key - gures

	2010	200€
Turnover, MSEK	4 243.4	4¥0• 7.0
Profit before depreciation, MSEK	3• 6.0	243.0
Profit after depreciation, MSEK	327.6	172.4
Profit after finance net, MSEK	300.3	126.2
Gross profit margin, ’	47.1	46,
Equity, MSEK	1 933.0	1 • 07.1
¢eturn on equity, ’	12.1	4.9
¢eturn on capital employed, ’	9.4	4.3
Net debt/equity, ’	72.•	96.3
Equity/assets, ’	44.•	41.0
Number of employees	2 196	2 203
Profit per share, SEK	3.31	1.29
Equity per share, SEK	29.14	27.24

Cutter & Buck

In order to provide promo customers better service in the North American market, Cutter & Buck has established another distribution centre. The new distribution centre is located In Hebron, Kentucky and speeds up delivery by 2-3 days to more than • 0’ of the companyœpromo customers. The company is expecting to run 40’ of its daily deliveries to the promo market from this destination by March 2011, and to reach , 0’ by the middle of June. The increased delivery speed introduces an opportunity for increased sales and more market shares.

• ew aVe Profile Professionals

Our marketing concept New Wave Profile Professionals has developed in many areas in 2010. Among other things, cooperation with Star for Life was introduced. Star for Life is an organisation working to prevent the spread of HIV/AIDS, mainly in southern Africa. NWPP has selected a number of products where part of the price is earmarked for Star for Life. Furthermore, Card for Life has been developed, a giftcard which both generates a contribution and spreads information about the operation. Working with Star for Life has been very motivating for everyone involved and has generated enough revenue to start two school projects instead of just one, which was the original plan.

Craft cooperating with LE͡ PARD TRE͡K

Craft is cooperating with the worldœbest cycling team LEOPA¢D T¢EK, and provides them with a complete set of training och racing gear, including underwear, compression gear, aero gear, alternative racing gear and accessories. To optimise their performance, we have fitted each cyclist’s equipment after his specific needs and demands - a time consuming ežort as each cyclist has 2, dižerent racing garments. With cyclists like Olympic Champion Fabian Cancellara and brothers Andy and Fränk Schleck on the team, LEOPA¢D T¢EK has the possibility to achieve something really great at the Tour de France.

Linnˆa Art Restaurant

Linn¡ a Art ¢estaurant opened up its doors in 2010 with a tasteful Orrefors and Kosta Boda glass and art glass concept. A first class restaurant and wonderful gallery in perfect harmony. The interior was developed together with some of the worldœbest glass designers. Everything - from the food to the art, the furniture to the sinks - is here to give you a world class experience.

Statement by the MD and CE†

Given everything that happened in 2009, I feel quite satisfied with 2010. Although I am not entirely pleased with a sales increase of 9’ in local currencies (4’ in SEK), we do know that there were shortages of goods in some segments.

The promo market has recovered a bit, but thereœs still a long way to go until we reach the same levels as in 2007 and the first half of 200•. I believe and hope that it will continue to recover during 2011 and 2012.

In 2010, a new management group was appointed at Orrefors Kosta Boda AB and I have high hopes for them. If you want to single out a problem within the Group, Orrefors Kosta Boda AB is the one still losing money, even if some improvements have been made. On the plus side, Cutter & Buck experiences a fantastic development which is very pleasing and I believe it will continue during 2011. Craft is also one of the great joys and continues its triumph from country to country.

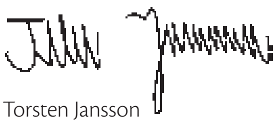
Some major changes were also made in various subsidiariesœ executive managements during 2009 and 2010, and I now feel that we have a strong organisation in most of our companies. We have a strong balance sheet and we now have both the finance and management for expansion. The only negatives, which are also very hard to estimate, are how customers will react to our poor customer service in some product segments during 2009 and parts of 2010, the price increases on mainly cotton products, but also generally in Asia, as well as longer lead times. Asia is basically still overheated and product sourcing could also be a problem in 2011.

Despite all of the above, Iœm still very positive and believe that 2011 can be a good year in many ways.

Finally, I would like to thank our competent employees, our customers and our shareholders, all of whom have worked hard, believed in us, encouraged us and given us your support in 2009 and 2010.

Now itœs time to focus on growth again and continue to build on the strong foundation weœre standing on. Our brands are stronger than ever before, our organisation feels powerful and motivated and we have every opportunity to continue to grow. We will continue to focus on cash • ow and capital tied up. Another important goal and ambition is to lower our costs in relation to sales and improve our efficiency.

With hope for a great 2011 and continued good development.



Torsten Jansson
Managing Director and CEO

About • ew aVe 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.

“ ision
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 ož ering 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 in the Swedish market and Speedo also in the 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 promo and retail markets. The Group's ambition is to become a prominent supplier in the North American promo market through its presence in the USA.


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

1€€0
Sweden and Norway.

1€€‘
Acquisitions in Finland and Italy.

1€€Œ
Acquisition of Craft of Scandinavia.

1€€’
Establishment in Denmark, Spain and German.

1€€Ž
Acquisition of Hefa.

1€€€
Establishment in The Netherlands and England.

2000
France. Acquisition of Texet.

2001
Acquisition of Sagaform and Seger.

2002
Acquisition of DJ Frantextil, ¯ -Tend and Toppoint.

•

Pro- tability 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 , and 10’ is organic growth and a 1, ’ 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:

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

• ew aVe 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 ²a penny saved is a penny earned³.

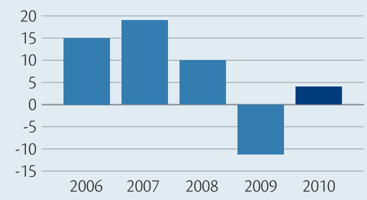
Œ It takes hard work to outperform our competitors.
Œ Employees must have the conviction to take initiative and to learn from their mistakes in a decentralised organisation.
Œ Focus on the customer is a central principle for the organisation as a whole and imperative to doing our utmost.

History

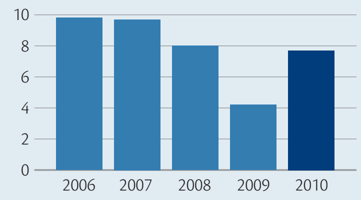
New Wave Group was founded in 1990 in Sweden and Norway and in 1994 in Finland. The Group ranks as a market leader in the markets, with an estimated promowear market share of about 30’ . In 1996 Craft was acquired, which established the sales in the retail business area. With its 2001 acquisition of Sagaform, New Wave Group moved into promotional gifts, which generated substantial synergies with the Group's other 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 promo sector. The Group has gradually expanded and set up organisations in Europe. New Wave Group has sales organisations and its own subsidiaries in 17 countries.

Via retailers, New Wave Group distributes the Craft brand in 26 markets in Asia, Europe and North America. The Orrefors Kosta Boda Group acquisition at the close of 200, and the Cutter & Buck acquisition in 2007 secured a sound foothold in the North American market. Sales in non-Swedish markets make up 70’ of the Group's total sales and amount to SEK 2 9, 3 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.

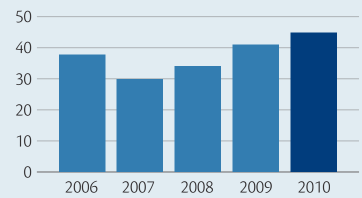
Growth —



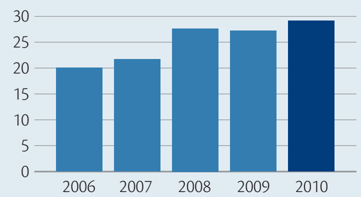
† perating margin —



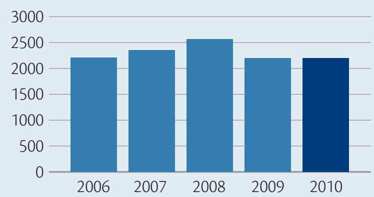
E˜ uity ratio —



E˜ uity per share, SEK



• umber of Employees



200” — Establishment in China and Swit°erland. Establishing of ProJob.

200‘ — Acquisition of SMAP, DAD Sportswear and Jobman.

200• — Ireland, Wales and ¢ussia. Acquisition of Dahetra, Orrefors Kosta Boda and Intraco.

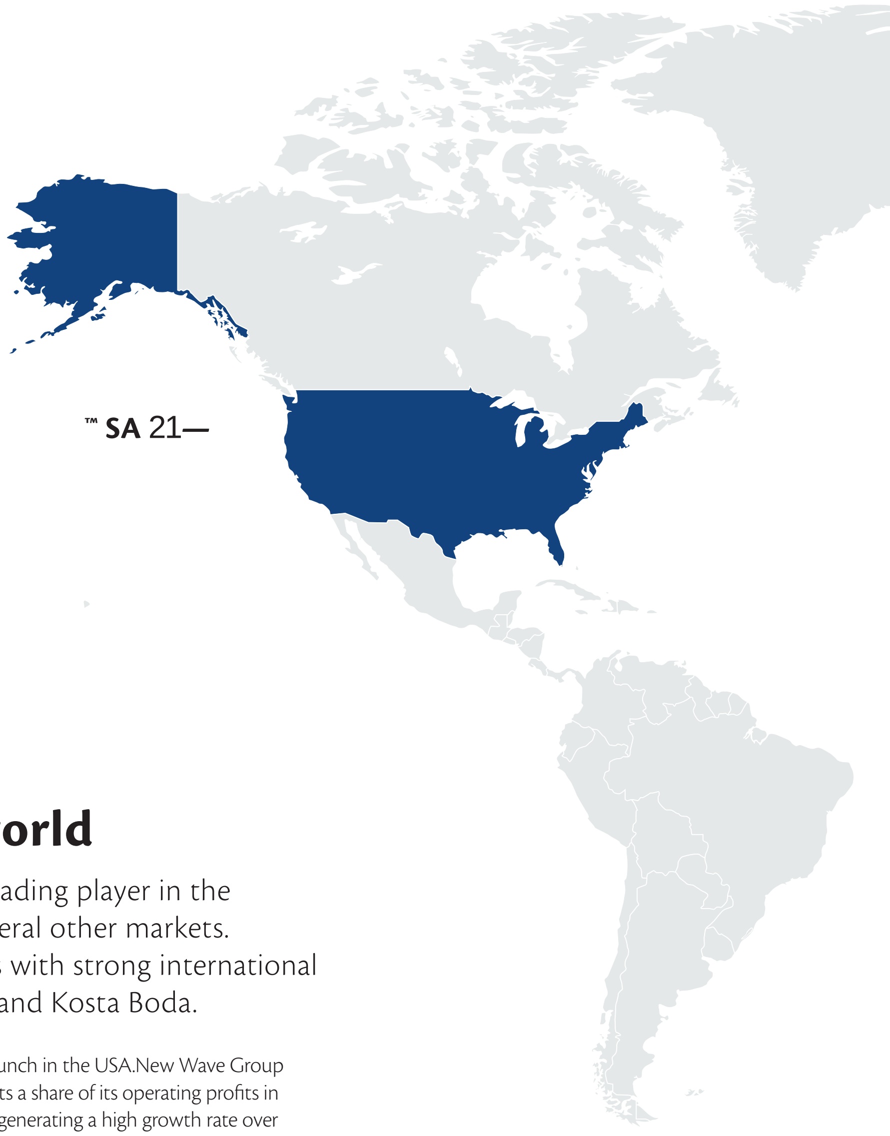
200Œ — Large investments in Orrefors Kosta Boda.

200’ — Acquisition of Cutter & Buck.

200Ž — Introduction of Clique/New Wave in the U.S. Establishment of New Wave Sports.

200€ — Grand opening of Kosta Boda Art Hotel. Introduction of Cutter & Buck in Europe.

2010 — Establishment of Linn¡ a Art ¢estaurant. Cutter & Buck is establishing a new distribution center in Kentucky.



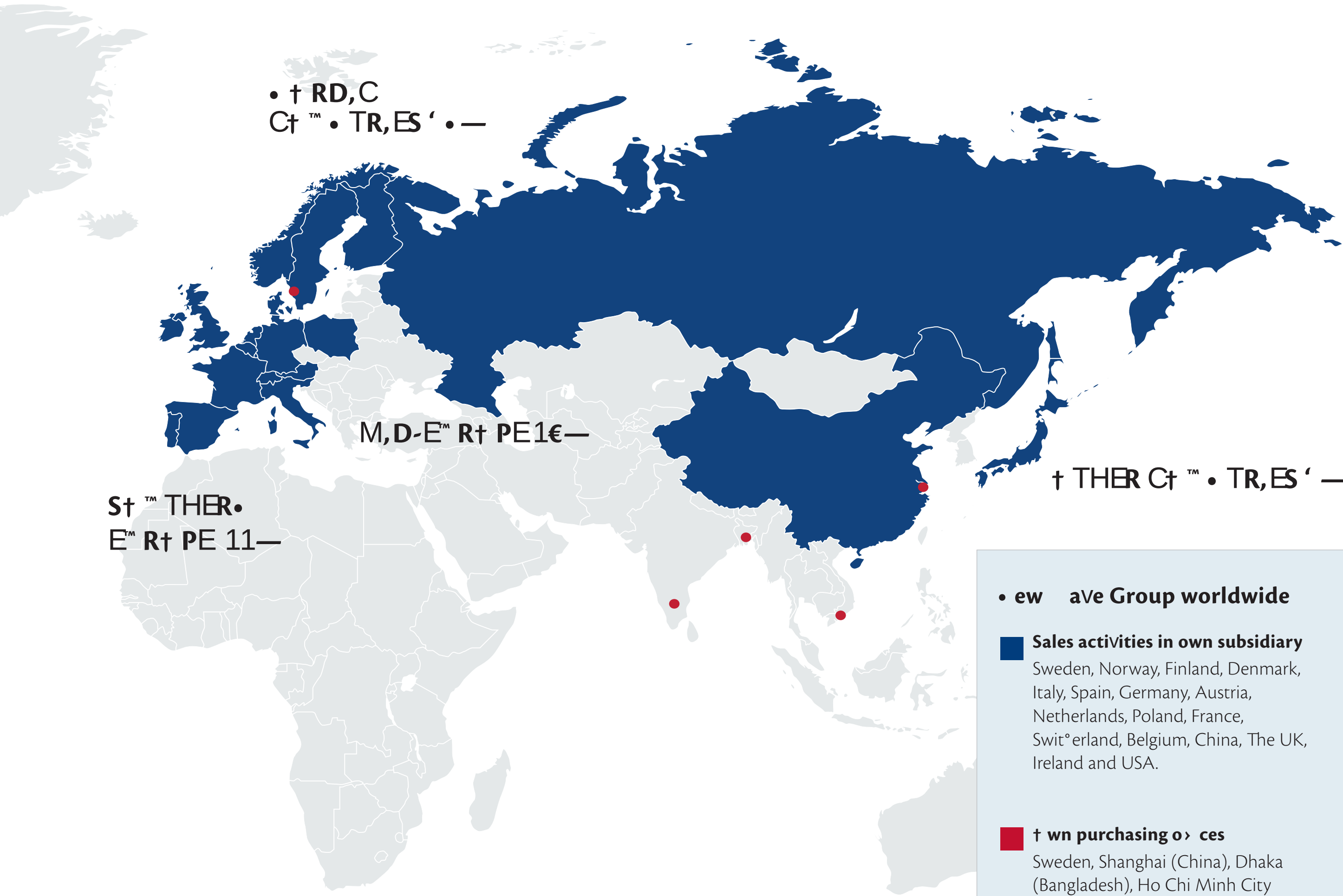
• ew aVe Group in the world

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, Orrefors and 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 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 17 countries and has carried out 194 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

	2010	Part of turnoVer	200€	Part of turnoVer	Change MSEK	Change —
Sweden	1¥2• •	30’	1¥21,	30’	73	6’
USA	• 93	21’	7• 9	19’	104	13’
Nordic region excl Sweden	6, 1	1, ’	62,	1, ’	26	4’
Mid-Europe	79•	19’	• 04	20’	-6	-1’
Southern Europe	46•	11’	, 02	12’	-34	-7’
Other countries	14,	4’	1, 2	4’	-7	-, ’
Total	‘ š2‘ ”	100—	‘ š0Ž’	100—	1• Œ	‘ —



• ew aVe Group worldwide

Sales activities in own subsidiary
Sweden, Norway, Finland, Denmark, Italy, Spain, Germany, Austria, Netherlands, Poland, France, Swit°erland, Belgium, China, The UK, Ireland and USA.

† wn purchasing o› ces
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 ¢etail	Cutter & Buck	Harvest/Printer	Mac One/Jingham	Gri°°ly/Cottover/Goal	DAD	Sagaform	Craft	Seger	Jobman	ProJob	Toppoint	Hurricane	Orrefors	Kosta Boda	d-vice/USB-Premiums	Lord Nelson/ʻ ueen Anne	Pax/Sk£na Marie	SEA
Sweden	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
• orway	●		●	●	●	●	●	●	●	●	●	○	●	●	●	●	●	●		●
•inland	●		●	●	●	●	●	●			●	●	●		●	●	●	●	●	○
Denmark	●		●		●	●	●	●	●		●	●	●	●	●	●	●	●		○
Germany	●		●	●	●	●	●	●	●		●	●	●	●	●	●	●		●	○
•rance	●			●		●	●	●				●	●		●	●	●			
,taly	●		●	●					●		●	●	●				●	●		
Belgium	●		●	●	●	●	●	●	●		●	●	●		●	●	●	●		
• etherlands	●		●	●	●		●	●	●		●	●	●				●	●		
Switžerland	●		●	●					●		○	●					●			
Spain	●			●				●				●	●				●	●		
Austria	●			●	○			●	●		○	●	●				●			
™ K	●			●		●	●	●	●		●	●	●		●	●	●	●		
Ϲhina	●														●	●	●			
,rland	●			●				●	●			●								
™ SA	●		●					●			○				●	●	●			●
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 & 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 and 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

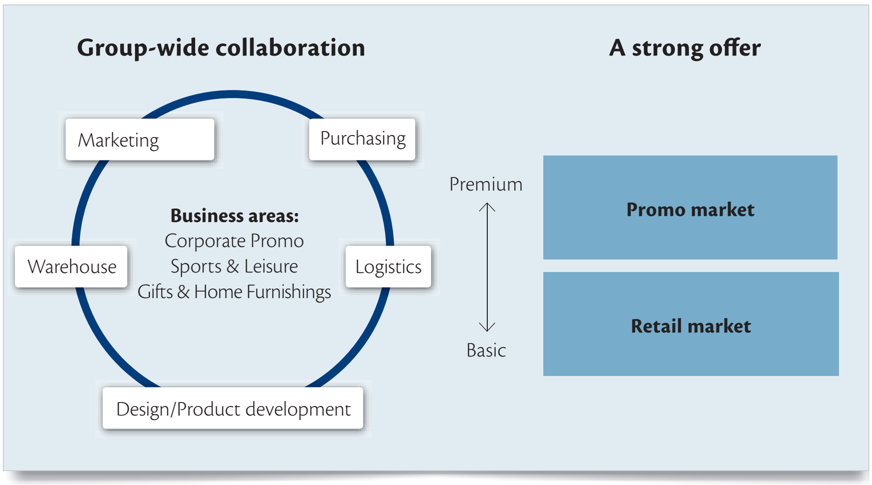
The Group's total purchasing volume considerably surpasses most of its competitors in the promo market, giving major cost savings in terms of coordinating purchasing, transportation and warehousing. In addition to Sweden, New Wave Group has purchasing offices in China (1992), Bangladesh (1999), Vietnam (2003) and India (2007). New Wave Group currently has about 400 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 and the U.S. 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 has a production unit for knitted items (hats, socks and scarves), and Orrefors Kosta Boda glass making facilities. In the Netherlands, Toppoint runs printing operations for among other things, pen and mug prints.
In Denmark, Dahetra owns a production facility for embroidery and transfer printing, and in the USA, Cutter & Buck has some embroidery production.

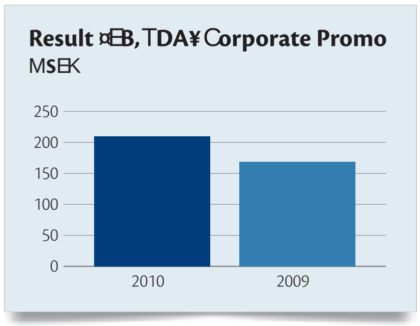
Logistics and warehouse

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 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 24 brands in a total of 17 countries on three continents. The business area's domestic market is the Nordic countries which also answer for most of the sales at 43% of the Group's sales in 2010 and SEK 209.6 million of the Group's profits (EBITDA). The brands in the Corporate Promo business area are sold primarily in the promo sales channel, but some brands are also sold in the retail sales channel.



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 D.A.D 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.

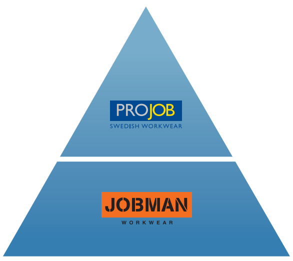
New Wave Group can ož er products from all three segments of the Promo business area - promoweare, promotional gifts and workwear.

Sales channels

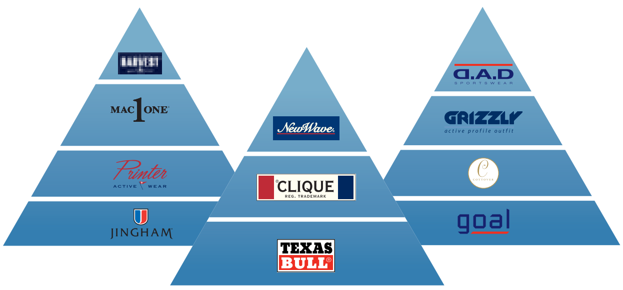
The Nordic promowear and promotional gifts market is distinguished by a clear distribution chain: manufacturer µ wholesaler µ retailer µ end customer. The distribution chain is not as well organised in South and Central Europe. Distributors who market brands that they do not themselves own often have substantial in• uence in the market. The North American market is much more advanced and the distribution chain resembles the Nordic market.

In Sweden, there are about 2., 00 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 ož er a more complete alternative.

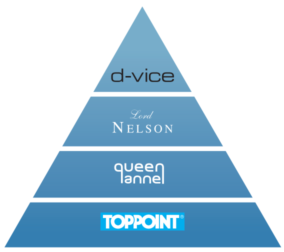
Workwear has traditionally been sold via special retailers for construction and industry, paints, etc. but today more and more channels include workwear by either collaborating with already established brands or by designing their own brands and collections. The reason for this is that the sector has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



The workwear pyramid



The promo pyramids

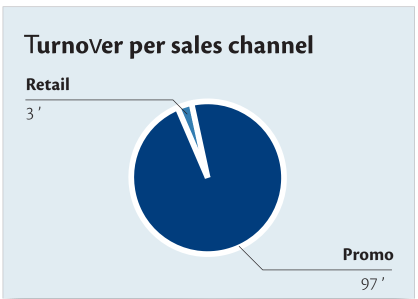


Promotional gifts and the gift pyramid

Promotional gifts is broad concept that encompasses many diž erent types of products and price levels.

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 si°es and the right colours. For instance, if New Wave Group cannot deliver products in a medium si°e or in the end customer's corporate colours, the customer will turn to a diž erent supplier. The Group's ambition is to deliver 9• ’ 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 2010, confirmed bad debt losses in the promo business area made up 0.2, ’ of sales. Many of the products are the same for both promo and retail, which provides a significant spread of risk. Moreover, the two sales channels can use the same catalogues.

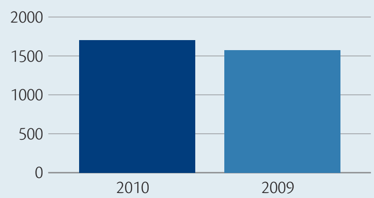



SEGER

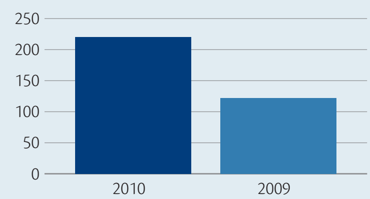
Business area Sports & Leisure

Business area Sports & Leisure includes several famous international brands like Cutter & Buck, Craft and Seger. Business is conducted with • brands in 13 countries, primarily in the Nordic countries and North America. Two licensed brands are sold alongside the company's own brands . Sports & Leisure answered for 40’ of the Group's sales in 2010 and SEK 220.1 million of the Group's profit (EBITDA). Most of the sales relate to the retail market (sports retail sector) but some sales also stem from the promo market.

Turnover Sports & Leisure
MSEK



Result ¤EB,TDA¥ Sports & Leisure
MSEK



Cutter & Buck

Cutter & Buck is a world-leading US brand in exclusive golf apparel . The brand (ANNIKA, C-BUK och Cutter & Buck) is sold via several diž erent distribution channels, including the golf retail sector, the promo market, the fashion retail sector and directly to the consumers (ecommerce and mail order). The objective is to build up a strong position in the golf and ready-to-wear sectors also in the European markets in the long term. Cutter & Buck is a strong platform in the North American market to introduce 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 ¢&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 21’ of the annual sales. Defined focus markets with major

Craft and Cutter & Buck are two of the sports brands included in New Wave Groupœsports business in Bor· s, New Wave Sports AB.

Clique ¢etail

potential include the other Nordic countries, Germany, the Benelux countries, ¢ussia and Swit°erland. Competitors vary slightly depending on product segment, but the main ones are Adidas, Nike, New Line, Swix, Odlo, Falke, Bj£rn Dählie, Spyder, 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

"At the forefront of knitting since 1947."

For consumers who care about what they wear, Seger is the obvious choice for functional garments. Seger's expertise, experience and innovativeness make it a brand that with self-confidence and attitude ož ers the conscious consumer an obvious choice. In the Swedish market, brands like Bula, ¯ -Socks, Housebrands and new niche brands are the main competitors. In the export market, Seger is challenged by names like Falke, ¯ -Socks, Bula, Stež ner, Eisbaer, and the sports chains' own brands. Seger is mainly marketed in the Nordic countries, but is now also concentrating export activities to the rest of Europe. Presentely, Seger is available in Finland, Denmark, Poland, Bulgaria, ¢ussia, C°ech ¢epublic and Japan. Even more markets will be addressed in Central Europe in 2011-2012.

Cli˜ ue Retail

The products in the Clique ¢etail 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 ¢etail garments are comfortable and appealing, and stand for good quality in relation to price. Clique ¢etail'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 ¢etail's largest market at present and customers consist mainly of the sports chain sector, other retail and everyday commodity sector.

PA¦ and Sk§na Marie

New Wave Group has a company active in the footwear retail sector, PA¯ Scandinavia AB, which serves as wholesaler and distributors of the PA¯ and Sk£na Marie brands. PA¯ is quality shoes for ²happy children and relaxed parents³ 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. Sk£na Marie is a classic, high-quality Swedish footwear brand for women with strict demands for comfort. ¢ieker, 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

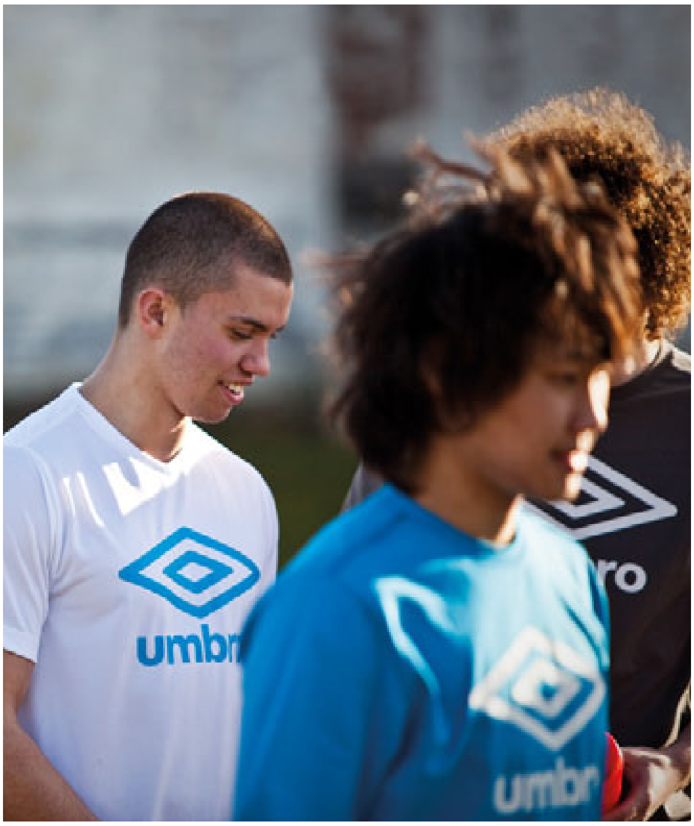
New Wave Group has a portfolio of very strong sports brands in various areas. The Group's main strategy is to own and thereby develop the brands. Historically, licensing has not been part of our core business. Below are the licensed brands that New Wave Group markets in the Swedish and Nordic markets.

™ mbro

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 Landstr£m.

Speedo

Speedo¶is the most sold swimwear brand in the world. Speedo was founded already in 192• in Bondi Beach, Sydney, Australia. Speedo has been a world leading racing brand for a long time and compared to other brands, more Olympic gold medals have been won in a Speedo swimsuit than in any other brand. World Champion Michael Phelps is one elite swimmer who wears Speedo and he did so when he put his name in the history books in Beijing by winning eight gold medals and breaking several records. Phelps believes in Speedoœinnovations and shares the Speedo Aqualab with fellow stars Natalie Coughlin, ¢yan Lochte and Katie Hož in Team Speedo.



The Groupœs two licensed brands Umbro and Speedo help strengthen New Wave Sports AB as a complete supplier to the sport retail business.

Speedoœs product range has increased over the years and doesnœt just consist of swimwear nowadays. Speedoœs products are available in more than 170 countries all over the world. The product range consists of trendy beach wear and swimwear for women, swim shorts for men, swimwear for kids, swim shoes and en extensive collection of swim training equipment.

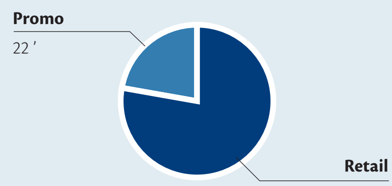
Sales channels

The retail sector is the natural channel for meeting the market for all the business area's brands. Craft, Seger, Clique, Umbro, and Speedo all have a verified position in the sports retail sector, but are also sold in the promo market and through athletic clubs.

Capital tied up

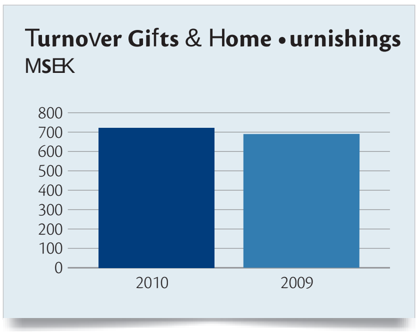
New Wave Group's objective is to keep the stock of fashion items low since the lifespan for these items is short. The retail sector focuses on less fashion-sensitive areas, such as Craft's function base garments and Seger's socks. In the retail sector sales consist largely of advanced orders compared with the 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 70µ7, ' 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 , 0 and • 0' 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 promo segment. In 2010, confirmed bad debt losses in the business area made up 0.33' of the sales. Most of the products are the same for promo and retail, which provides a significant risk diversification. Moreover, the two sales channels can use the same catalogues.

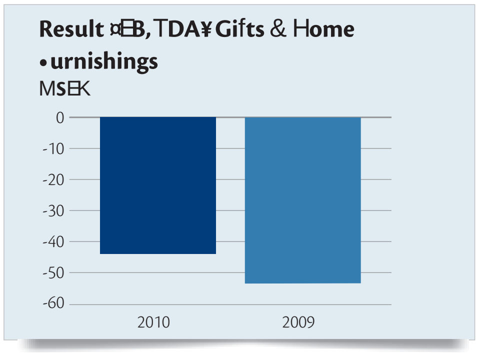
Turnover per sales channel



Gifts & Home •urnishings business area

The Gifts & Home Furnishings business area includes several strong brands like Orrefors, Kosta Boda and Sagaform. In total, the business area's eight brands are established in 1, countries. Sweden is the domestic market and accounts for the highest sales. Gifts & Home Furnishings answered for 17' of the Group's sales figures in 2010 and a loss of SEK 43.7 million (EBITDA). While the brands are mainly sold in the retail market some sales also occur in the promo market.





† rrefors

The Orrefors brand is distinguished by a classic design elegantly depicted in clear crystal. The lines are clean and bring out each objectœ carefully conceived shape and character, often with an optical illusion. Orrefors stands for timeless design of, particularly, everyday objects, held together by an equally contemporary signature that runs like a red thread through Orrefors' more than 100-year history and market position. Orrefors is the obvious gift for friends, weddings and your own home. The brand's foremost competitors in Sweden include Iittala, ¢iedel, Spiegelau, Skruf, and M· ler· s while Waterford, Baccarat, Lalique, Swarovski and ¢iedel are its primary competitors in export markets. Orrefors' natural domestic markets are Sweden and the Nordic countries with traditionally strong markets in Greece, Japan and the USA. The company will intensify its activities in Europe, the Middle East and Asia and has particularly high expectations in China where the brand is positioned and sold in the company's 12 shops. The increased export venture will provide increased volumes and strengthen our brand internationally. The newly established joint venture with world famous designer Karl Lagerfeld emphasises the importance of this ež ort. The cooperation consists of three collections and will run for three years. The challenge in the important Greek and North American markets is to defend the market shares acquired over an extended period and persevere throughout the present weakened economic climate in these countries.

Schnapps glass Pärlan by Ingegerd ¢· man

Ever since its inception, it has created timeless classics on SEA Glassworks. The design originated in the Swedish design tradition.

Kosta Boda

The Kosta Boda brand is distinguished by a personal and multifaceted design language. Artistry is expressed in free, bold shapes and striking colours. Kosta Boda is for the self-confident customer who dares to be diž erent and who is looking for artistic expression. The brand's foremost glass product competitors in Sweden include M· ler· s, Iittala and retailer brands. Competitors in a wider and significant sense are lifestyle and decor products from chains such as IKEA and prestige products from, e.g. antique markets. In glass product export markets, Kosta Boda mainly competes with Hadeland, Magnor, Holmegard, Villeroy & Bosch and ¢osendahl. Sweden and the Nordic countries constitute the natural domestic market for Kosta Boda. New Wave Groupœ investment in Kosta Boda Art Hotel is an important reinforcement for the brand. An exceptional investment and experience for all senses with great development potential. Also Kosta Boda will intensify its activities in Europe and Asia. Expectations are particularly high in China where Kosta Boda's glass art has attracted substantial interest. In the USA, Kosta Boda must persevere until the weakened economic situation is resolved. The possibilities of working with new distribution channels in addition to the traditional glass and porcelain trade are under investigation in Sweden, as well as in the U.S. and Europe. Over the year, clearer focus as well as strengthening of the Kosta Boda brand is underway through the appointment of a Brand Manager.

Kosta Boda Art Hotel

In the summer of 2009 Kosta Boda Art Hotel opened in Kosta. The worldœ first art glass hotel where Kosta Bodaœ seven designers had a hand in all the art glass d¡ cor. With its 102 rooms, several conference rooms, indoor and outdoor pools and large spa area, the hotel has generated a real upswing for Kostaœ tourism and boosted the number of visitors throughout the entire region.

Linnˆa Art Restaurant

In the spring of 2010 Linn¡ a Art ¢estaurant opened in G£ teborg. It is a tasteful concept with glass and art glass from Kosta Boda and Orrefors. The interior was developed in cooperation with some of the worldœ best glass designers. The ambition with a first-class restaurant and a wonderful gallery in one has been very successful. The restaurant has received great reviews and awards over the year. Everything - from the food to the art, from the furniture to the sinks - is there to give you a world class complete experience.

Kosta Linnew¨ fVeri©ɫ rrefors ªernVerk

Clearly associated with the quality and design traditions of Orrefors Kosta Boda, these brands ož er an exciting collection of Home Furnishings 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 mainly in the Nordic 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 both indoors and outdoors. The products are favourably priced for consumers looking for an everyday luxury gift for someone else as well as for 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 where it aims to become the leader in the joyful innovative gifts product segment. In the export area, the other Nordic countries as well as Great Britain, Germany, France and Benelux are the main priority. In the USA, the company aims for growth with the support of the strong presence of Orrefors, Kosta Boda and Cutter & Buck.

SEA Glasbruk

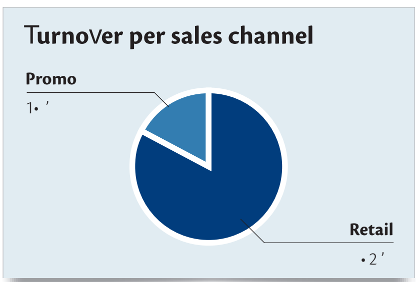
SEA Glasbruk develops, designs and sells glass for everyday use for homes and public places. The products are colourful and functional with a design that stands out. SEA products are mainly

Sagaform products are enjoyable and innovative gifts for the kitchen and the dining table, both indoors and outdoors.

sold in Sweden through specialised stores and promo companies. The USA. and Norway are the brandœstrongest export markets. SEAœambition is to grow strong in the domestic market and strengthen its position in existing export markets.

Sales channels

The Swedish retail sector is undergoing a major restructuring where we see consumer interest in 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 dižerent availability than previously. Some of the Orrefors, Kosta Boda and Sagaform brands' sales activities target the promo markets where the products are used as everything from simple gifts to exclusive anniversary gifts and mementos. Orrefors and Kosta Boda uphold their position as an interesting alternative for occasions warranting high-class objects. Sagaformœproducts are popular as Christmas and summer gifts to employees and customers.



Capital tied up

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, Ch¸teau, Line, Interme°°o 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 Group limits its foreign exchange risk by hedging between , 0 and • 0’ 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 promo market. In 2010, confirmed bad debt losses in the business area made up 0.2• ’ of the sales. Most of the products are the same for promo and retail, which provides a significant risk diversification.

Sponsorship and partnerships

Orrefors and Kosta Boda have a number of prestigious trophies and awards contracts. Each year, designer Efva Attling designs the Grammis Award and artist Kjell Engman designs the international award for the Eurovision Song Contest in partnership with Kosta Boda. In addition to these contracts, the Jerring Award, People¹s Choice Award and Let's Dance are created every year.

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, supervised by the Group's department for social issues and environmental responsibility, 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 organise trade unions, payment of minimum wage and overtime pay, and limits on hours of work. Since 200•, the New Wave Group has been a member of the Fair Labor Association (FLA, see www.fairlabor.org) which is an international organisation that unites the efforts of the industry, civil organisations and universities to protect the workers' rights and improve working conditions worldwide by promoting adherence to international labour standards. 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. ´ uality controllers and staž from the Group's department for social issues and environmental responsibility are on site at the factory, which is a prerequisite for the creation of an ež ective 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 diž erent 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 ²visual inspections³ at the factories, in some cases daily. In total, the New Wave Group conducts nearly 2, 0 full inspections and more than 1., 00 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 staž from the department for social issues and environmental responsibility, 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. 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.

« e enVironment

The New Wave Group recogni° es how closely connected its business activities are to local and global environmental issues. To this end, the Group is actively engaged in ²green management,³ an ež ort to reduce environmental threats through implementation of business plans that incorporate environmental considerations. New Wave Group continuously works on developing environmentally friendly solutions for a number of areas.

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 ²Clean Shipping,³ an attempt to pressure shipping companies to use cleaner vessels. The Group also strives to minimi° e 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 ha° ardous 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.

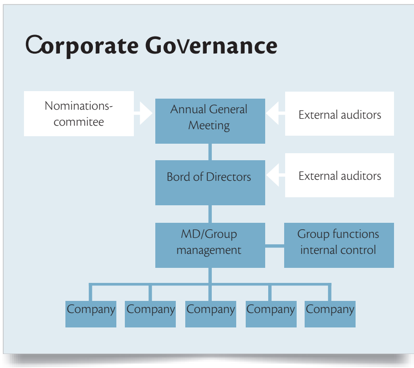
Chemical use: ´ uality control visual inspections allow the New Wave Group to maintain strict control over the chemical substances used in and for its products. The Group is committed to taking steps to reduce, substitute and eliminate chemical substances that are harmful to the environment.

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 . 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 ež orts represent a framework for the Group's global activities to minimi° e the company's environmental impact.

Corporate Governance

New Wave Group applies the relevant rules laid down in the Swedish Code of Corporate Governance (²the Code³) and the Swedish Accounts Legislation. The company's Board has thus drawn up this corporate governance report. More information about the Code may be found at www.bolagsstyrningskollegiet.se, where there is also a description for foreign investors.



¢esponsibility for management and supervision of the Group is delegated between the shareholders at the Annual General Meeting, the Board and the MD, which is done in accordance with the Swedish Companies Act, other legislation and regulations, applicable rules for listed companies, the company's articles of association, the Board's internal rules of procedure and other internal control instruments.

Shareholders

At the end of 2010, the company had 14.91, shareholders. The proportion of share capital owned by institutions amounted to approx. 41' of the capital and 11' of the votes. Foreign investors owned approx. 20' of the share capital and ,' of the votes. The 10 largest owners had a total holding corresponding to ,•' of the share capital and •9' of the votes. For further information on the owners as at 31 December 2010, please see pages 32µ33.

Annual general meeting

The highest decision-making body is the Annual General Meeting (AGM), at which all shareholders are entitled to participate. The AGM is entitled to make decisions on all matters that are not in breach of Swedish law. At the AGM the shareholders exercise their voting rights to make decisions on the composition of the Board of Directors, the auditors and other important matters such as adoption of the company's balance sheet and income statement, appropriation of profits as well as deciding to grant the Board of Directors and the Managing Director discharge from liability. This is in accordance with New Wave Group's articles of association and Swedish legislation.

2010 Annual general meeting

The AGM for the shareholders of New Wave Group was held on 1• May 2010 in Kosta. Anders Dahlvig was elected chairman of the meeting.

The following decisions were taken:
The meeting adopted the income statement and balance sheet as well as the consolidated income statement and balance sheet, decided to allocate the profit as set out in the proposed appropriation of profits, meaning that there would be a dividend of SEK 0.2, per share for the 2009 financial year, in addition to discharging the Board members and MD from liability.

The meeting decided in favour of the nomination committee's proposals:

Œ that six Board members should be elected by the meeting, and that no deputies would be appointed°
Œ that fees paid to the Board should be SEK •10.000, of which SEK 270.000 is for the Chairman and SEK 13,.000 kronor is for every single one of the other members elected by the AGM who are not employed by the Group°
Œ to elect Torsten Jansson, Mats »rjes, Christina Bellander, Helle Kruse Nielsen and G£ran Härstedt (all re-election) as members of the Board°
Œ to elect Anders Dahlvig as Chairman of the Board (re-election)°
Œ to establish principles for the composition of a nomination committee.

The meeting decided in favour of the Board's proposals:

Œ on guidelines for remuneration to senior executives°on changes to the articles of association°
Œ to authorise the Board to make a decision on share issues°
Œ to authorise the Board to raise finance°

Complete information about the 2010 Annual General Meeting is available on the website, www.nwg.se.

2011 Annual general meeting

The Annual General Meeting will be held on 17 May 2011 at 1 pm at the Kosta Boda Art Hotel in Kosta, Sweden.

• omination committee

The nomination committee represents the company's shareholders. Its task is to create as sound a basis as possible for decisions at the AGM and to put forward proposals for matters such as the appointment of the Board of Directors and the auditor, and for remuneration to these parties. The nomination committee consists of one representative for each of the company's three biggest shareholders, chosen on the basis of personal qualities. If any of these shareholders decline to appoint a member of the nomination committee, the next shareholder in terms of si°e is given the opportunity to appoint a member. Information regarding the composition of the nomination committee is normally published in the interim report for the third quarter. The work of the nomination committee is preceded by a questionnaire-based evaluation of the Board of Directors' work and current members. The composition of the nomination committee, before the election of Board members at the 2011 Annual General Meeting, is as follows:

Œ Arne L££w, representing Fjärde AP-fonden and Chairman of the Nomination Committee.
Œ Torsten Jansson, Managing Director and representing Torsten Jansson F£rvaltnings AB.
Œ Kenneth Andersen, representing Home Capital.

The nomination committee represents around •4.,' of the votes in New Wave Group as at 31 December 2010. All shareholders are able to contact the nomination committee to propose candidates to the Board. The nomination committee has held a number of meetings and in between these maintained contact by phone and email. Among its many tasks, the nomination committee has evaluated the Board of Directors on the basis of the company's future development and challenges in order to achieve a good combination of expertise and experience.

,ndependence of the board

The New Wave Group Board is subject to the requirements for independence described in the Code. The requirements mainly involve that only one person from the company's management may be a member of the board, that a majority of the elected members of the board shall be independent of the company and its management, and that at least two of the elected members who are independent of the company and its management should also be independent of the company's major shareholders.

As the Managing Director and CEO, as well as the major shareholder of New Wave Group, Torsten Jansson is considered to be dependent on the company and the company management. G£ran Härstedt is considered to be dependent in relation to the company's major shareholder. Anders Dahlvig, Mats »rjes, Helle Kruse Nielsen and Christina Bellander are considered to be independent in relation to both the company and the company's major shareholder. It is thus the opinion of the nomination committee that the current composition of the New Wave Board satisfies the requirements for independence laid down in both the Code and in the rules and regulations of NASDA´ OM¯ Stockholm for issuers. For a detailed presentation of the Board, Board Members assignments and securities holding in New Wave Group please go to page 79.

« e Board and its work

The Board of New Wave Group consists of six members elected by the AGM. The Board's working 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 routine. The Board meetings deal with budgets, interim reports, year-end accounts, state of business, investments and new launches. They also deal with general issues relating to the long-term business strategy as well as structural and organisational issues. The working language of the Board's meetings and documentation is Swedish. As a rule, between seven and ten Board meetings are held each year. During 2010, the Board met on nine occasions. G£ran Härstedt is the Board's secretary.

Board	Attendance	,ndependent	Compensation
Anders Dahlvig, chairman	9/9	x	270¥000
Christina Bellander	9/9	x	13, ¥000
G£ran Härstedt	• /9		13, ¥000
Helle Kruse Nielsen	9/9	x	13, ¥000
Mats »rjes	9/9	x	13, ¥000
Torsten Jansson, CEO	9/9		0
Total			**Ž10š000**

The Chairman organises and leads the Board's work so that this is carried out in accordance with the Swedish Companies Act, other legislation and regulations, applicable rules for listed companies, including the Code, and the Board's other internal control instruments. The Chairman follows operations in dialogue with the Managing Director and is responsible for other Board members receiving the information required to complete the Board's tasks.

Audit committee

There is no specially appointed audit committee as the Board in its entirety handles its control tasks. After the auditors' review in October, the company's auditors draw up an audit memo to the Board containing comments about individual companies and the Group as a whole. The auditors also present a personal report of their observations from the audit, their appraisal of the companies' internal control and the application of accounting policies at one of the autumn Board meetings. The Board receives continuous information about internal control and compliance with rules, control of audited values, estimates, assessments and other matters that might in• uence the quality of the financial reports. It is the job of the Group's auditor to audit the companies' ability to comply with the overriding rules for internal control within the companies. The auditors also report their observations about internal control.

Remuneration committee

There is no specially appointed remuneration committee to deal with wages, pension benefits, incentives and other employment-related conditions for the MD°these matters are dealt with by the Board as a whole. The employment conditions of other members of Group management are determined by the MD and the Chairman of the Board.

New Wave Group's compensation policy for senior executives:

- Œ Compensation is based on factors such as job description, expertise, position and performance.
- Œ Compensation is at competitive market rates for the market/job in question.
- Œ ¢emuneration comprises a fixed salary. Variable remuneration such as bonuses may be paid when this is justified in order to be able to recruit and maintain key staž and stimulate improvements in sales and profits, as well as the work involved in achieving specific key figures set by the Board. Variable remuneration shall be based on predefined and measurable criteria, such as the Groupœearnings or return on equity compared to set goals. The variable remuneration shall not exceed , 0' of the fixed salary.
- Œ The Board shall in respect of each financial year consider whether a share or share price related incentive program, which covers the year in question, shall be proposed to the Annual General Meeting or not.

- No special fee for Board work in Group companies for senior executives.
- Pension benefits shall be equivalent to an ITP plan or, for senior executives outside Sweden, pension benefits which are standard in the relevant country.
- A mutual notice period of no more than six months and no severance pay shall apply for all senior executives.

Conditions of Employment for the CEt

¢emuneration to the Group CEO comprises a fixed salary. No Board member's fees or other remuneration (bonuses) are paid to the CEO. Pension benefits are paid in accordance with the ITP plan. A mutual notice period of six months applies for the CEO, i.e. no severance pay.

Remuneration to the Board

The AGM decides on the fee for the Board members who are elected by the AGM. The division of the fee between the Chairman and other members is set out in note 6 for the Group in the annual report. The Group has purchased consultancy services from a Board member and related parties. No further remuneration has been paid to any Board member.

† utstanding subscription options

In previous years the Group has ož ered subscription options with a term of around three years. These programmes mean that senior executives are ož ered the opportunity to acquire subscription options on competitive market terms. Competitive market terms are defined as the market value at the time of acquisition, calculated according to the Black & Scholes valuation method.

New Wave Group has three outstanding subscription option programmes.

A programme for senior executives was introduced in June 2009. The programme consists of 1 000 000 options, expires in June 2012 and has an exercise price of SEK 26.10. The option subscription premium was SEK 0.21 per option.

Two option programmes were launched in July 200•, one for senior executives and one for the Board. The senior executives programme consists of 1 •00 000 options and expires in June 2011. The exercise price is SEK 64.0, . The option subscription premium was SEK 1.11 per option. The Board programme consists of 200 000 options and expires in June 2013. The exercise price is SEK •, .40. The option subscription premium was SEK 0.•• per option.

Acquired premiums for all the above programmes have been based on market value.

Company management

The Group's Board appoints the Managing Director of the parent company, who is also the CEO. The MD is responsible for the ongoing supervision of the Group, and other members of Group management report directly to him. The Group management consists of: MD, Chief Financial Officer, Chief Buying Officer and North Europe Manager Corporate Promo. The MD is responsible for other business areas.

Group management is responsible for formulating the Group's overall strategy, corporate governance, policies, the Group's financing, capital structure and risk management. They also deal with matters relating to company acquisitions and projects involving the Group as a whole.

,nternal Control and Risk Management relating to the •inancial Reporting for the 2010 •inancial ¬ear

General

According to the Swedish Companies Act, the Board is responsible for internal control. The aim of internal control is to create a clear structure of responsibility and an ež ective decision-making process. The Board has defined a number of basic documents of importance for financial reporting in order to guarantee an ež ective control environment. The Board's rules of procedure and the instructions for the Managing Director serve to guarantee a clear allocation of roles and responsibilities, with the aim of operational risks being managed ež ectively. The Board has also drawn up a number of basic guidelines and policies that are important for internal control, such as a financial policy, instructions for accounting and reporting, employee handbook and a communications policy. The basic control documents are subject to review on an ongoing basis. An ež ective control environment also requires an adequate organisational structure and ongoing reviews of this. Company management reports to the Board on a regular basis following defined routines. Company management is responsible for the system of internal controls that is required to deal with significant risks in operating activities. Managers at various levels within the Group have clearly defined authority and responsibilities with regard to internal control.

Business areas

The Group is divided into three business areas: Corporate Promo, Sports & Leisure and Gifts & Home Furnishings. Within Group management there are people with responsibility for each business area in order to coordinate operations. The products follow the business area but have separate sales teams for the diž erent sales channels, promo and retail.

Sales channels

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

Concept groups

Within each business area there are a number of concept groups that are responsible for strategic direction, product development and marketing strategy for one or more brands.

Financial risk assessment

The material risks New Wave Group has identified in connection with the financial reporting are inaccuracies in the reporting and valuation of stocks, intangible assets, accounts receivable, interest-bearing liabilities, tax, currencies and the risk of fraud, loss or embe°°lement of assets.

The greatest financial risks in terms of value in the balance sheet are:

- Stock, which accounts for around 37’ of the value of the Group's assets.
- Intangible assets (goodwill and trademarks), which account for 26’ of the value of the Group's assets
- Accounts receivable, which account for around 1•’ of the value of the Group's assets.
- Interest-bearing liabilities, which account for around 3, ’ of the Group's balance sheet total.

Control environment

The foundations of the internal control in relation to the financial reporting consist of the general control environment with organisation, decision-making paths, authority and responsibilities that have been documented and communicated. Within New Wave Group some of the most important constituent parts of the control environment are documented in the form of policies, e.g. IT policy, financial policy, environmental policy and instructions, such as authorisation instructions and a reporting manual.

Control activities

In order to ensure the internal control works, there are both automatic controls in e.g. IT-based systems, which handle authority and authorisation rights, and also manual controls in the form of e.g. reconciliations and physical counts. Detailed economic analyses of the result plus follow-up of plans and forecasts supplement the controls and provide a general confirmation of the quality of the reporting.

The Group performs regular reviews of the companies' routines and accounting methods, which are reported to Group management. No MDs are permitted to appoint or dismiss a finance manager, and finance managers report directly to the Group's CFO. The Group's risks with regard to financial reporting lie in the risk that material misstatements may occur when reporting the company's status and financial results. The company's accounting instructions and manuals, together with established follow-up routines, serve to minimise these risks.

Information and communication

The most important control documents in the form of policies and instructions are updated regularly and communicated via relevant channels electronically and/or in printed form. For communication with external parties, there is an information policy which specifies guidelines for how this communication should take place. The purpose of the policy is to ensure that all information obligations are fulfilled correctly and in full.

Follow-up
Finance personnel and management at company and Group level analyse the financial reporting in detail every month. The Group's central support staff are responsible for implementing, further developing and maintaining the Group's control routines, and for performing internal controls of business-critical matters. New Wave Group's privatised structure involves a comprehensive controller-based organisation, which is responsible for ensuring that financial reporting from each unit is correct, complete and on time.

New Wave Group has introduced a control system to verify the various processes and to guarantee financial reporting. The controls in respect of the various processes and risk elements are evaluated by means of self-assessment, internal audits, internal Board meetings and via the company's external auditors. Most processes are fully or partly centralised at Group level, such as purchasing, logistics, payments, financing, IT, the consolidation and compilation of Group reports. The Board receives financial reports on an ongoing basis, and at each Board meeting they discuss the financial situation facing the Group and the various companies. During the year the Board has also received reports from the company's auditors detailing their observations.

The companies
New Wave Group's organisation is decentralised, with a high degree of independence and self-determination being delegated to company management. The objective is for the companies to be run in an entrepreneurial spirit, while at the same time enjoying the benefits of belonging to a large group of companies. The Group therefore consists of a large number of operational companies, about 50 in total, 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 Boards depends on the company's direction and its stage of development. In addition to Group management, the expertise of MDs in "mature" companies is utilised on the Boards of local subsidiaries. The organisational model chosen by New Wave Group provides for effective benchmarking of profitability, tied-up capital and growth between companies, brands and markets. New Wave Group has also set up internal targets for the companies.

Internal auditing
The company has developed control and internal control systems, with business controllers at different levels within the company responsible for following up compliance on a regular basis. The Board's methods of monitoring the company's assessment of the internal control include contact with the company's auditors.

In light of the above, the Board has decided not to have a separate internal auditing department.

Auditor
The accountancy firm Ernst & Young AB was appointed as auditor at the 2007 Annual General Meeting. Sven-Arne Gårdh is the principal auditor and Nina Bergman is assistant auditor. Sven-Arne Gårdh's other public assignments include Wallenstam, Global Health Partner, and Hemtex. Nina Bergman's other auditing assignments and where she is acting as deputy auditor include Saab Automobile AB and Artic Paper Munkedals AB. Neither Sven-Arne nor Nina own any shares in New Wave Group.

Audit work
The Group applies International Financial Reporting Standards (IFRS) when preparing the Group's reports. The Group's interim report for the third quarter is the subject of a general review by the company's auditor. This review follows the recommendations issued by FAR SRS, the organisation for authorised public accountants. The audit of the annual report, consolidated financial statements, the accounting records and the administration of the Board and CEO is conducted in accordance with generally accepted auditing standards in Sweden.

Articles of association
The articles of association are adopted by the AGM and contain fundamental facts about the company, e.g. what kind of business the company will run, the size of the share capital, the number of shares issued, the size of the Board of Directors and the procedure for convening the AGM. The company's articles of association state, among other things, that the Board of Directors shall consist of at least three and no more than seven members, that the Board has its registered office in Göteborg, and that a class A share shall carry ten votes and a class B share one vote. The complete articles of association are available at the New Wave Group's website: www.nwg.se.

Policy documents
New Wave Group has a number of policies for the Group's operations and its employees. The Group also has a number of recommendations which specify guidelines and supervision for the Group's operations and its employees. Examples of policy content are as follows:

Financial policy
The Group's finance function works according to an instruction given by the Board which sets out frameworks for how the Group's operations shall be financed and how, for example, currency risks and interest rate risks shall be dealt with.

IT policy
The Group's IT policy describes the Group's principles for application and safety within IT.

Communications policy
The Group's communications policy is a document that describes the Group's general principles for providing information.

Environmental policy
The Group's environmental policy sets out guidelines for the environmental work within the Group.

Göteborg 7 April, 2011

New Wave Group AB (publ)

Torsten Jansson
MD and CEO

Anders Dahlvig
Chairman of the Board

Helle Kruse Nielsen
Board Member

Christina Bellander
Board Member

Göran Härstedt
Board Member

Mats Årjes
Board Member

The auditor's statement regarding the corporate governance report

To the Annual General Meeting of New Wave Group AB org. no. 556350-0916

The Board is responsible for the Corporate Governance Report on pages 28-31 and that it is prepared in accordance with the Swedish Annual Accounts Act.

To support our statement that the Corporate Governance Report has been prepared and is consistent with the Swedish Annual Accounts Act and financial statements, we have read the Corporate Governance Report and assessed its statutory contents based on our knowledge of the company.

It is our opinion that a Corporate Governance Report has been prepared and that its statutory information is consistent with the Annual report and financial statements.

Göteborg 7 April, 2011

Ernst & Young AB

Sven-Arne Gårdh	Nina Bergman
Authorised Public Accountant	Authorised Public Accountant

« e share

The New Wave Group share

The share capital New Wave totals SEK 199 030 629, divided among a total of 66 343 , 43 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 are listed on the OM¯ Stockholm Mid Cap .

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 2010 amounted to 14 91, (14 6• 9). Institutional investors controlled a total of 41' of capital and 11' of votes. At the same time the ten biggest shareholders accounted for , •' of the capital and • 9' of the votes. Foreign owners accounted for 20' of the capital and , ' of the votes.

• ew aVe Group-s ten ma°or shareholders 2010-12-"1

Shareholder	• umber of shares	• umber of Votes	Capital %	" otes %
Torsten Jansson through companies	21¥396¥2• 0	207¥76, ¥400	32.3'	• 2.2'
Fjärde AP-fonden	3¥942¥ 63	3¥942¥ 63	, .9'	1.6'
Handelsbanken	1¥9• • ¥000	1¥9• • ¥000	3.0'	0.• '
UBS	1¥944¥041	1¥944¥041	2.9'	0.• '
Home Capital	1¥ 93¥74•	1¥ 93¥74•	2.9'	0.7'
Nordea	1¥ 20¥964	1¥ 20¥964	2.7'	0.7'
Avan°a Pension	1¥, 3¥71•	1¥, 3¥71•	2.2'	0.6'
Länsf£rsäkringar Sm· bolagsfond	1¥40, ¥421	1¥40, ¥421	2.1'	0.6'
Andra AP-fonden	1¥2• , ¥669	1¥2• , ¥669	1.9'	0., '
Nordnet Pensionsf£rsäkring	1¥201¥232	1¥201¥232	1.• '	0., '
	"Žš" "1š€"Œ	22' š 01š0• Œ	•' Ž—	ŽŽ¯€—

Shareholder distribution in • ew aVe Group 2010-12-31

	• umber of shares	• umber of Votes	Capital %	" otes %
Sweden	, 3¥363¥414	239¥732¥ 34	• 0.4'	94.9'
Shareholders outside Sweden, USA excluded	10¥649¥ 61	10¥649¥ 61	16.1'	4.2'
USA	2¥330¥ 6•	2¥330¥ 6•	3., '	0.9'
Total	ŒŒš"' "š' "	2• 2š 12šŒŒ	100.0—	100.0—

• ew aVe Group shareholder structure 2010-12-"1				**Trade Value**
,n due order	**• umber of shares**	**• umber of Votes**	**Capital ¤—¥**	**¤TSEK¥**
1 - 200	6¥632	, 63¥176	0.• ,	22¥7, 2
201 - 1 000	, ¥209	3¥122¥ , 9	4.71	126¥1, 1
1 001 - 2 000	1¥40,	2¥334¥ 09	3., 2	94¥326
2 001 - 10 000	1¥37,	6¥171¥720	9.30	249¥337
10001 -	294	, 4¥1, 1¥279	• 1.62	1¥3, 1¥121
	14 915	**66 343 543**	**100.00**	**1 843 687**

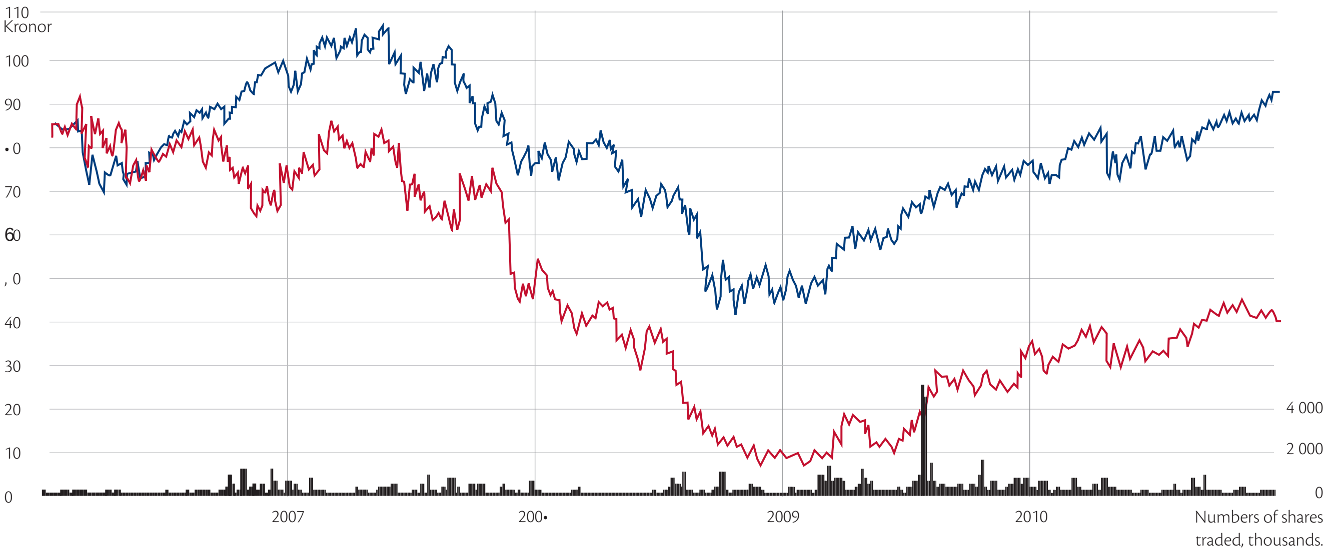
• ew aVe B

Listed at the OM¯ Stockholm Stock Mid Cap.

Share chart

— The New Wave share
— OMˉ STOCKHOLMÆPI
▌ Number of shares traded, thousands

Share deVelopment in reference to index and turnoVer



Share capital deVelopment

¬ear	Transaction	,ncrease number of shares	,ssue price	,ncrease share capital	Total number of shares	Total share capital, SEK	•ace ˉuota
1991	The company was founded	, 00	100.00		, 00	, 0 000	100.00
199,	Directed new issue 1:20¼	2,	3, , 24.00	2 , 00	, 2,	, 2 , 00	100.00
1996	Bonus issue 37:1	19 47,		1 947 , 00	20 000	2 000 000	
1997	Directed new issue 1:17½	11 44•	600.00	114 4• 0	211 44•	2 114 4• 0	10.00
	Bonus issue	0		2 114 4• 0	211 44•	4 22• 960	
	Split 10:1	1 903 032			2 114 4• 0	4 22• 960	
	Directed new issue¾	6• 1 • 1•	110.00	1 363 636	2 796 29•	, , 92 , 96	2.00
199•	Directed new issue¿	201 106	114.40	402 212	2 997 404	, 994 • 0•	2.00
2000	Directed new issueÀ	, , 2 64•	171.4,	1 10, 296	3 , , 0 0, 2	7 100 104	2.00
	Split 2:1	3 , , 0 0, 2			7 100 104	7 100 104	
2001	Directed new issueÁ	1, 0 000	160.00	1, 0 000	7 2, 0 104	7 2, 0 104	1.00
2002	Split 2:1	7 2, 0 104			14 , 00 20•	7 2, 0 104	
2004	Bonus issue			1667, 2 392	14 , 00 20•	174 002 496	12.00
	Directed new issueÂ	1 160 016	130.00	13 920 192	1, 660 224	1• 7 922 6• •	12.00
	Split 2:1	1, 660 224			31 320 44•	1• 7 922 6• •	6.00
	Directed new issueÃ	226 • • 6	• • .1,	1 361 316	31 , 47 334	1• 9 2• 4 004	6.00
200,	Directed new issueÄ	96 • 22	12,	12 102 7, 0	31 644 1, 6	1• 9 • 64 936	6.00
	Directed new issue¼Å	614 732	, 2	3 6• • 392	32 2, • • • •	193 , , 3 32•	6.00
	Split 2:1	32 2, • • • •			64 , 17 776	193 , , 3 32•	3.00
2006	Directed new issue¼¼	1 • 2, 767	29.30	, 477 301	66 343 , 43	199 030 629	3.00

¼New issue addressed to the owners of Licensprint in Orsa AB connected to the purchase of the company. The Share premium reserve increased by SEK • • 6 thousand.
½New issue addressed to the Group personnel. Subscription price SEK 600 per share. The Share premium reserve increased by SEK 6 7, 4 thousand.
¾New issue connected to introduction on Swedish Stock Exchange. Subscription price SEK 110 per share. The Share premium reserve increased by SEK 69 0• 9 thousand.
¿ 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.
ÀThe non-issue ož er of the owners of Texet AB. The Share premium reserve increased by SEK 94 242 thousand.
ÁNew issue addressed to the owners of Segerkoncernen AB connected to the purchase of the company. The Share premium reserve increased by SEK 23 • , 0 thousand.
ÂNew issue addressed to the owners of New Wave. The Share premium reserve increased by SEK 13, 794 410.
ÃNew issue addressed to the owners of Jobman AB connected to the purchase of the company. The Share premium reserve increased by SEK 16 63• 6• 4.
ÄNew issue addressed to the owners of Dahetrakoncernen connected to the purchase of the company. The Share premium reserve increased by SEK 11 , 21 • 1• .
¼ÅNew issue connected to exercise of option rights. The Share premium reserve increased by SEK 2• 221 3• • .
¼¼New issue connected to exercise of option rights. The Share premium reserve increased by SEK 4• 017 672.

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Directors' report

The Board and CEO of New Wave Group AB (publ), 556350-0916, domiciled in Göteborg hereby presents the annual report and consolidated financial statements for the financial year January 1, 2010 to December 31, 2010.

OPERATIONS

New Wave Group is a growth company creating, acquiring and developing promo, sports, gift and interior design trademarks and products. The Group shall achieve synergies by coordinating the design, purchasing, marketing, storage and distribution of the range of products. The Group shall offer its products to the promo and retail market in order to achieve good risk diversification.

New Wave's competitiveness mainly lies in strong brands, good knowledge, a high level of service and a well-developed holistic concept. The products are mostly manufactured in Asia and to a lesser degree in Europe. Through its relative size, New Wave has good purchasing prices and efficient logistics. The Group's best known fully-owned brands are: Craft, Sagaform, Orrefors, Kosta Boda, Cutter & Buck, Seger, Grizzly, Clique, James Harvest Sportswear, Mac One, Toppoint, Jobman, Projob and PAX, as well as licences for Umbro and Speedo.

INCOME STATEMENT

Income statements by quarter

SEK million	**2010**	**Q 4**	**Q 3**	**Q 2**	**Q 1**
Net sales	4 243.4	1 202.1	1 060.7	1 065.3	915.3
Goods for resale	-2 243.5	-620.7	-581.2	-563.7	-477.9
Gross profit	**1 999.9**	**581.4**	**479.5**	**501.6**	**437.4**
Gross profit in %	**47.1%**	**48.4%**	**45.2%**	**47.1%**	**47.8%**
Other operating income	32.2	9.4	12.6	5.1	5.1
External costs	-946.2	-252.9	-222.3	-230.6	-240.4
Personnel costs	-679.2	-179.4	-161.1	-171.7	-167.0
Depreciation	-58.4	-14.2	-14.2	-15.1	-14.9
Other costs	-21.6	-6.0	-10.2	-1.5	-3.9
Share of associated companies' profit	0.9	-0.2	0.4	0.1	0.6
Operating profit	**327.6**	**138.1**	**84.7**	**87.9**	**16.9**
Financial income	5,1	2,0	0,6	1,5	1,0
Financial costs	-32,4	-9,9	-8,3	-6,6	-7,6
Profit after net financial items	**300,3**	**130,2**	**77,0**	**82,8**	**10,3**
Tax	-78,8	-31,2	-21,5	-23,4	-2,7
Profit for the period	**221,5**	**99,0**	**55,5**	**59,4**	**7,6**

2010 SUMMARY

Sales amounted to SEK 4 243 million, which was 9% better than last year in local currencies and 4% better in SEK (SEK 4 087 million). We have mainly seen growth in the Sports & Leisure business area where there has been a major recovery in the North American market. We have also noticed that the Nordic market is strong with Craft and Seger growing well. The Corporate Promo business area started its recovery at the beginning of the year, but from low levels. Market conditions have improved little by little in most markets and during the year's last six months, and mainly during the last quarter, we have seen growth. Sweden, USA and remaining Nordic countries have developed better than Middle and Southern Europe. Gifts & Home Furnishings increased sales thanks to Kosta Boda Art Hotel. The hotel is now in its second year of business and the operation has had good growth. The business area has grown in the promo sales channels but decreased in the retail sales channel. The decrease has mainly been in the export markets. Out of the Group's sales channels - promo and retail - retail has had a better growth during the year. As market conditions improve the promo sales channel has improved and we have had better growth during the last six months of the year.

An expressed goal and priority has been to decrease our costs and debt. The Group's external and personnel costs are on par with last year (excluding one-off costs). However, exchange rate changes have had a positive effect on costs and as a result of the sales development sales and marketing costs have increased in local currencies.

The decrease of the Group's debt shall be achieved by lowering our stock level and its capital tied up and consequently improving the cash flow. During the year the Group's companies have continued to work on measures to implement this goal. However, during the second half of the year lead times became relatively long for the Group due to capacity shortages in the supply chain. Unfortunately, the lack of capacity has also resulted in shortages in stock in some segments of our promo stock. Right now we are not expecting any improvements in this area until the summer of 2011. During the year the Group has reduced the debt by SEK 334 million and the inventory turnover ratio has increased to 1.4 compared to last year's 1.1. The debt-equity ratio has gone down to 72.8% (96.3%). The improved cash flow and lowered net debt has improved the debt ratio by 3.8 percentages to 44.8% (41.0%).

Income

Sales amounted to SEK 4 243 million (SEK 4 087 million), which is 4% better than last year. Exchange rates had a negative effect on sales by SEK 217 million, which means that sales excluding exchange rates changes were 9% better than last year.

Corporate Promo business area sales are on par with last year. The promo market was weak during the first months of the year, but recovered in all geographical areas during the second half of the year and has, excluding currency exchange changes, increased. Sports & Leisure increased by 7% due to Cutter & Buck showing improvement in the U.S. market, and Craft and Seger increasing sales in most of their markets. Gifts & Home Furnishings increased sales by 4%. The sales increase is attributable to the opening of Kosta Boda Art Hotel, which premiered in June 2009. Excluding the new establishment, there is a decrease attributable to lower sales in the export markets.

Sales in Sweden increased by 6% and the increase can be seen in all business areas. During the year the Group has witnessed an improvement in the U.S. market and sales increased by 13% (18% in local currency). The other Nordic countries increased by 4% which is related to the Finnish and Norwegian markets. Mid Europe's sales were 1% lower than last year's and the decrease is mainly attributable to currency exchange changes. Southern Europe decreased by 7% and it is mainly Italy, Spain and currency exchange changes that have had a negative effect on sales.

Gross profit

Gross profit amounted to 47.1% which is on par with last year (excluding one-off costs). In connection with last year's economic decline production decreased in our supplying countries and lack of capacity occurred as the demand increased again. Delayed incoming deliveries of goods resulted in a shortage of goods in some segments of our promo inventory. The shortage of goods meant we had to compensate and reimburse our customers with more expensive alternative goods and that freight costs increased. Thus, sales and gross profit have been negatively affected by the shortage of goods that has been a fact during most of the year.

Other income and other costs

Other income decreased by SEK 36.7 million to SEK 32.2 million (SEK 68.9 million). Last year included capital gains from the sales of Orrefors Kosta Boda glass collections and properties of SEK 33.6 million, and insurance compensation in connection with a fire of SEK 6.0 million. Corresponding revenues do not exist in 2010. Remaining other incomes is mainly attributable to the operation's currency gains and should be viewed together with the line "Other costs" where mainly the operation's currency exchange losses are recognized. Other costs decreased by SEK 6.0 million and amounted to SEK -21.6 million (SEK -27.6 million). The net of above items, excluding the aforementioned one-time gains, amounted to SEK 10.6 million (SEK 1.7 million).

Costs and depreciations

External costs decreased by SEK 2.9 million and amounted to SEK -946.2 million (SEK-949.1 million). Last year includes restructuring costs of SEK 7.1 million. Excluding currency exchange changes, costs have increased somewhat which is attributable to increased sales and marketing costs.

Personnel costs amounted to SEK -679.2 million which is SEK 72.3 million lower than last year (SEK -751.5 million). Last year includes restructuring costs of SEK 45.1 million. Excluding currency exchange changes, personnel costs are on par with last year.

Currency exchange changes have had a positive effect of SEK 80 million on costs. Depreciations amounted to SEK -58.4 million (SEK -70.6 million).

Operating margin amounted to 7.7% (4.2%) and the improvement is mainly due to higher sales, essentially maintained costs levels and that last year includes restructuring costs.

Net financial items and taxes
Net financial items amounted to SEK -27.3 million (SEK -46.2 million). The decrease is mainly due to reduced net debt, but also higher interest rates. It is the Group's policy to have short fixed interest agreements resulting in quick effects on the Group's net interest as the short-term interest rate changes.

Tax expense in absolute numbers amounted to SEK -78.8 million (SEK -38.4 million) and the tax rate amounted to 26.2% (30.4%). Last year was negatively affected by the change in the assessment of deferred tax assets.

Profit for the year
Profit after tax improved by SEK 133.7 million to SEK 221.5 million (SEK 87.8 million) and the earnings per share amounted to SEK 3.31 (SEK 1.29). Last year's result included one-off items of SEK 31.6 million (net of restructuring costs and capital gain at a tax rate of 27.6% for the subsidiaries in question).

REPORTING OF BUSINESS AREAS
The business segments are based on the Group's operational management. New Wave Group AB divides its operations into three business areas: Corporate Promo, Sports & Leisure and Gifts & Home Furnishings. The Group monitors the business area and brand sales as well as the profit (EBITDA).

Corporate Promo
Sales increased by 1% to SEK 1 819 million (SEK 1 805 million) and the profit (EBITDA) improved by SEK 37.7 million to SEK 209.6 million (SEK 171.9 million). Sales were negatively affected by currency exchange changes and a weak promo market in Southern Europe. Mid Europe had a more stable market and shows signs of growth, if we exclude currency exchange changes. The Nordic region, mainly Sweden and Norway, are showing signs of growth. The improved profit is related to savings.

Sports & Leisure
Sales increased by 7% to SEK 1 703 million (SEK 1 587 million) and the profit (EBITDA) improved by SEK 95.6 million to SEK 220.1 million (SEK 124.5 million). The business area has good growth in the brands Cutter & Buck, Craft and Seger while the other brands are decreasing. The profit increase is related to higher sales and improved profit margin. Last year's profit includes restructuring costs of SEK 7.1 million.

Gifts & Home Furnishings
Sales increased by 4% to SEK 722 million (SEK 695 million) and the profit (EBITDA) improved by SEK 9.7 million to SEK -43.7 million (SEK -53.4 million). The sales increase is mainly related to Kosta Boda Art Hotel which opened in June 2009. Excluding the new establishment, sales decreased by 3%. Orrefors Kosta Boda's sales are increasing in Sweden, but are decreasing sales in the export markets and mainly in Greece. The period's profit improved by SEK 9.7 million. Last year's profit includes a net amount of SEK 36.5 million for restructuring costs and capital gains. EBITDA excluding restructuring costs decreased, which is mainly related to lower sales in the export markets and lower margins.

Sales and result per business area

Corporate Promo	**2010**	**2009**
Income	1 818.6	1 805.1
Result EBITDA	209.6	171.9
Sports & Leisure		
Income	1 702.8	1 587.1
Result EBITDA	220.1	124.5
Gifts & Home Furnishings		
Income	722.0	694.8
Result EBITDA	-43.7	-53.4
Total income	**4 243.4**	**4 087.0**
Total result EBITDA	**386.0**	**243.0**

GEOGRAPHICAL ALLOCATION

	2010	**Share of income**	**2009**	**Share of income**	**Change MSEK**	**%**
Sweden	1 288	30%	1 215	30%	73	6
USA	893	21%	789	19%	104	13
Nordic region excl Sweden	651	15%	625	15%	26	4
Mid-Europe	798	19%	804	20%	-6	-1
Southern Europe	468	11%	502	12%	-34	-7
Other countries	145	4%	152	4%	-7	-5
Total	**4 243**	**100%**	**4 087**	**100%**	**156**	**4**

Sales increased by 6% in Sweden. All business areas are increasing, but mainly Sports & Leisure. The North American market has increased during all quarters and improved by 13% (18%) in local currencies. Several Mid European countries have had a small increase or are on par with last year, but were negatively affected by currency exchange changes. Southern Europe's development has been weaker, mainly Italy's and Spain's, and decreased by 7%. Currency exchange changes have had a negative effect in this region too.

CAPITAL TIED UP
Capital tied up in stock has decreased by SEK 30 million and as of 31 December amounted to SEK 1 595 million (SEK 1 625 million).

	2010	**2009**
Raw materials	80.4	65.4
Work in progress	23.0	31.0
Goods in transit	103.7	55.1
Goods for release in warehouse	1 387.6	1 473.3
Total	**1 594.7**	**1 624.8**

Efforts to reduce capital tied up in stock have also led to many obsolete articles being sold, which means that the amount of obsolescence has decreased. Obsolescence as of 31 December, 2010 amounted to SEK 61 million (SEK 74 million) and is 4.4% (5.0%) of the stock value. Longer lead times unfortunately means that our stock level is too low in some segments at the moment.

The stock turnover rate improved and amounted to 1.4 compared to last year's 1.1.

Accounts receivable increased by SEK 53 million to SEK 788 million (SEK 735 million), which is related to turnover. However, receivables have been positively affected by improved terms of credit and currency changes.

The Group continues its efforts and priority to decrease working capital. Our efforts will continue to concentrate on logistics and product line.

INVESTMENTS, FINANCING AND LIQUIDITY
Consolidated cash flow from operations amounted to SEK 344 million (SEK 806 million) and working capital was SEK -11 million (SEK 667 million). Last year's strong cash flow is attributable to a major decrease of working capital, mainly concerning stock in trade by SEK 526 million. The Group's cash net investments were SEK 57.6 million (SEK 23.0 million).

Net debt decreased and as of 31 December, 2010 amounted to SEK 1 407 million (SEK 1 741 million). Out of the SEK 334 million decrease, SEK 85 million is currency exchange changes. Net debt to equity ratio decreased to 72.8% (96.3%).

The equity ratio improved by 3.8 percentages and amounted to 44.8% (41.0%), which is a result of reduced net debt.

The Group has in October signed a new credit agreement which replaces the previous credit agreement. The new credit agreement has a credit limit of SEK 2 200 million and is valid until 15 September, 2013. The credit agreement means a minor increase of the bank's margin as well as commitments (covenants) to be fulfilled in order to maintain the credit limit. The interest rate is based on each respective currency's base rate and a fixed margin.

Based on this forecast, it is the management's assessment that the Group will meet these covenants with sufficient margin. It is the Group's policy to have short fixed interest agreements resulting in quick effects on the Group's net interest as the short-term interest rate changes.

PERSONNEL, ORGANISATION AND ALLOWANCES

As of 31 December, 2010 the number of employees amounted to 2 196 (2 203) persons, of which 47% were women and 53% were men. Out of the total number of employees, 556 (553) work in production. The production contained within the New Wave Group is attributable to Orrefors Kosta Boda, Seger, Dahetra, Toppoint and Cutter & Buck (embroidery).

There is no specially appointed remuneration committee to deal with wages, pension, benefits, incentives and other employment-related conditions for the CEO; these matters are dealt with by the Board as a whole. The employment conditions of other members of Group management are determined by the CEO and the Chairman of the Board.

New Wave's compensation policy for senior executives during 2010 and until the Annual General Meeting 2011:

- Compensation is based on factors such as job description, expertise, position and performance.
- Compensation is at competitive market rates for the market/job in question.
- Remuneration comprises a fixed salary. Variable remunerations such as bonuses may be paid when this is justified in order to be able to recruit and maintain key staff so as to stimulate improvements in sales and profits as well as the work involved in achieving specific key figures set by the Board. Variable remunerations shall be based on predetermined, measureable criteria such as performance of the New Wave Group or return on equity compared to fixed targets. The variable remuneration shall not exceed 50% of the fixed remuneration.
- The Board shall in respect of each financial year consider whether a share or share price related incentive program which covers the year in question shall be proposed to the AGM or not.

There shall be no special fee for Board work in Group companies for senior executives.

Pension benefits shall be equivalent to an ITP plan or, for senior executives outside Sweden, pension benefits which are standard in the relevant country. A mutual notice period of no more than six months and no severance pay shall apply for all senior executives.

RELATED-PARTY TRANSACTIONS

There are lease agreements with related companies. Affiliates of the CEO have bought merchandise. The parent company has purchased consultancy services from a member of the Board. All transactions have occurred in accordance with market conditions. For further description, see note 24.

SHARE OPTIONS IN NEW WAVE GROUP AB

New Wave Group has three outstanding share option programs.

A program for senior executives was introduced in June 2009. The option program consists of 1 000 000 options, expires in June 2012 and has an exercise price of SEK 26.10. The option subscription premium was SEK 0.21 per option.

Two option programs were launched in July 2008, one for senior executives and one for the Board. The senior executives program consists of 1 800 000 options, expires in June 2011 and has an exercise price of SEK 64.05. The option subscription premium was SEK 1.11 per option. The Board program consists of 200 000 options, expires in June 2013 and has an exercise price of SEK 85.40. The option subscription premium was SEK 0.88 per option.

Acquired premiums for all the above programs have been based on market value.

RISKS AND RISK CONTROL

New Wave's international operations mean that it is continuously exposed to different financial risks. These risks are currency, borrowings and interest rate risks, as well as liquidity and credit risks. In order to minimise the effect these risks may have on its result, the Group has drawn up a financial policy. For a more detailed description of the Group's exposure to risk and its risk management, please refer to note 16.

The operational risks comprise factors that cannot be directly influenced, e.g. the economic situation, but also fashion and currency fluctuations.

The promo sales channel requires continuity in the collections, which limits the risk of obsolescence. The currency risk is limited by an operation to continuously adjust the price lists. Sales are made to selected retailers which limit bad debts.

The degree of fashionability is higher in the Retail sales channel. Since sales mainly take place through pre-orders, the risk of obsolescence is limited. The currency risk is limited by hedging 50-80% of all purchasing costs.

It is the Group's policy to have short fixed interest agreements resulting in quick effects on the Group's net interest as the short-term interest rate changes.

THE PARENT COMPANY

Sales turnover amounted to SEK 156.4 million (SEK 156.7 million). Profit after financial items amounted to SEK 139.9 million (SEK 209.0 million). Net borrowing amounted to SEK 1 430 million (SEK 1 687 million), of which SEK 1 373 million (SEK 1 408 million) refers to financing of subsidiaries. Net investments amounted to SEK -23.7 million (SEK 329.1 million). The balance sheet total amounted to SEK 3 375 million (SEK 3 505 million) and equity, including 73.7% untaxed reserves, to SEK 1 378 million (SEK 1 230 million). There were 34 (41) employees in the parent company.

NEW WAVE SHARES

The number of shares in New Wave Group AB amounts to 66 343 543 shares with a par value of SEK 3.00. The shares have equal right to the company's earnings and earnings. Each series A share carries ten votes and each series B share carries one vote. Pre-emption is for series A shareholders according to the articles of association, paragraph 14.

New Wave Group has three outstanding programs for share options, of which one is considered to be "in the money" as at 31 December, 2010. This gives a dilution of 1 000 000 shares or 1.5%.

The election of Board Members takes place at the AGM.

Torsten Jansson owns 32.3% of the equity and 82.2% of the votes through companies.

The following authority has been given to the Board until the next AGM:

- to, on one or more occasions, with or without deviation from the shareholder's preferential right, take decisions on new issues of up to 4 000 000 class B shares. It should be possible to increase the share capital by a maximum total of SEK 12 million by means of this decision thanks to the support of the authority given. The authority shall also include the right to decide on new issues with dominance in kind, or whether shares shall be subscribed for with the right of offset, or only under the conditions set out in Chapter 13, Section 5, no 6 of the Swedish Companies Act. The reason for deviating from the shareholders' preferential right is that the new issue of shares will be used for company acquisitions and financing continued expansion. The issue price will be based on the share's market value.
- to, on one or more occasions, decide to raise financing such that is covered by the provisions in Chapter 11, Section 11 of the Swedish Companies Act. The conditions for such financing shall be market-oriented. The background to the authority is that the company must have the opportunity to raise this type of financing under conditions which are attractive for the company, where, for example, the interest rate could depend on the company's profit or financial position.

OTHER

A report on the work of the Group management and Board can be seen in the section on Corporate Governance.

Proposed appropriation of profits

The Annual General Meeting has the following at its disposal:

SEK, thousand	
Retained profits	725 355
Share premium reserve	48 018
Profit for the year	117 004
Total:	**890 377**

The Board of Directors proposes that SEK 824 033 thousand be carried forward and that the dividend be SEK 1.00 (SEK 0.25) per share, equivalent to SEK 66 344 thousand. The Board's objective is that distribution to shareholders shall be the equivalent of 30% of Group net profits over one business cycle.

The Board of Directors' statement regarding distribution of profits
Justification
Group equity has been calculated in accordance with 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 RR 30:05 (Additional reporting regulations for legal entities). The parent company's equity has been calculated in accordance with Swedish legislation through the implementation of Swedish Financial Accounting Standards Council recommendation RR 32:05 (Reporting for legal entities).

The proposed distribution of profits represents 30% of the Group's profit 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 allround 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 4.8% of the Company's equity and 3.4% 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 in the form of both long and short term credits. 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.

The undersigned certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and generally accepted accounting standards and thus provide a fair and true view of the Group's financial position and results, and that the consolidated company report and company report give a fair summary of the development of the Group's and company's operations, financial position and results, and describes significant risks and uncertainties facing the companies included in the Group.

Göteborg 7 April, 2011

Christina Bellander
Board Member

Anders Dahlvig
Chairman of the Board

Helle Kruse Nielsen
Board Member

Mats Årjes
Board Member

Torsten Jansson
MD and CEO

Göran Härstedt
Board Member

Our auditor's report has been given on 7 April 2011

Ernst & Young AB

Sven-Arne Gårdh
Authorised Public Accountant

Nina Bergman
Authorised Public Accountant

Consolidated income statement

January 1 – December 31

SEK million	Note	2010	2009
Income	3	4 243.4	4 087.0
Goods for resale		-2 243.5	-2 185.3
Gross profit		**1 999.9**	**1 901.7**
Other operating income	4	32.2	68.9
External costs	6	-946.2	-949.1
Personnel costs	5. 6	-679.2	-751.5
Depreciation of tangible and intangible fixed assets	1. 9. 10	-58.4	-70.6
Other operating costs		-21.6	-27.6
Share in profits of associated companies		0.9	0.6
Operating profit		**327.6**	**172.4**
Financial income		5.1	6.2
Financial costs		-32.4	-52.4
Net financial items	23	**-27.3**	**-46.2**
Profit before tax		**300.3**	**126.2**
Tax on net profit for the year	8	-78.8	-38.4
Profit for the year		**221.5**	**87.8**
Other comprehensive income			
Translation differences		-65.8	-90.0
Cash flow hedging		-4.8	-13.6
Income tax related to other comprehensive income items		1.3	3.6
Net other comprehensive income for the year after tax		-69.3	-100.0
Total comprehensive income for the year		**152.2**	**-12.2**
Profit for the year attributable to:			
Parent company shareholders		219.8	85.8
Non-controlling (minority) interest		1.7	2.0
		221.5	**87.8**
Total comprehensive income attributable to:			
Equity holders of the parent company		151.3	-12.6
Non-controlling (minority) interest		0.9	0.4
		152.2	**-12.2**
Earnings per share			
Before dilution (SEK)		3.31	1.29
After dilution (SEK)	6	3.26	1.27
The average number of outstanding shares before dilution		66 343 543	66 343 543
The average number of outstanding shares after dilution	6	67 343 543	67 343 543

Consolidated cash flow statement

January 1 – December 31

SEK million	Note	2010	2009
Operating activities			
Operating profit		327.6	172.4
Adjustment for items not included in cash flow		77.0	52.3
Interest received		5.1	6.2
Interest paid		-32.4	-52.4
Betald inkomstskatt		-45.2	-39.6
Cash flow from current operations before changes in working capital		**332.1**	**138.9**
Cash flow from changes in working capital			
Increase/decrease in stock		-36.7	526.1
Increase/decrease in in current receivables		-37.0	119.2
Increase in short-term liabilities		85.2	22.1
Cash flow from operations		**343.6**	**806.3**
Investing activities			
Investments in tangible assets		-61.2	-61.9
Sales of tangible assets		3.1	40.7
Investments in intangible assets		-2.0	0.0
Repayment of purchase amount		2.4	0.0
Sales of financial assets		0.1	0.0
Acquisition of financial assets		0.0	-1.8
Cash flow from investing activities		**-57.6**	**-23.0**
Cash flow after investing activities		**286.0**	**783.3**
Financing activities			
Option premium		0.0	0.2
Loans raised		53.9	0.0
Raised long-term receivables		-0.1	0.0
Repayment of long-term receivables		0.0	2.5
Amortization of loan		-278.4	-875.6
Dividend paid to the parent company's shareholders		-16.6	-11.9
Cash flow from financing activities		**-241.2**	**-884.8**
Cash flow for the year		**44.8**	**-101.5**
Liquid assets at the beginning of the year		80.4	191.2
Currency difference in liquid assets		-3.5	-9.3
Liquid assets at year-end		**121.7**	**80.4**
Liquid assets			
Cash at bank and in hand		**121.7**	**80.4**

The above items have been classified as liquid assets on the basis that:
- they comprice cash.
- they have an insignificant risk of exchange rate fluctuations.

Comments on the cash flow analysis

The cash flow from operating activities decreased by SEK -462.7 million (SEK 1 074.3 million).
Liquidity-influencing investments increased by SEK 34.6 million (SEK -42.2 million).
Cash flow after investing activities amounts to SEK 286.0 million (SEK 783.3 million).

Consolidated balance sheet

As at December 31

SEK million	Note	2010	2009
ASSETS			
Intangible fixed assets	9	1 141.7	1 205.4
Tangible fixed assets	10	333.9	379.6
Shares in associated companies	11	51.7	50.9
Long-term receivables	11	14.4	14.3
Deferred tax receivables	12	101.8	109.2
Total fixed assets		**1 643.5**	**1 759.4**
Stock	22	1 594.7	1 624.8
Tax receivables		46.6	65.3
Accounts receivable	16	787.9	735.3
Prepaid expenses and accrued income	13	72.3	73.4
Other receivables	7	51.9	63.7
Liquid assets		121.7	80.4
Total current assets		**2 675.1**	**2 642.9**
TOTAL ASSETS	**21**	**4 318.6**	**4 402.3**
EQUITY			
Share capital		199.1	199.1
Other capital contributions		219.4	219.4
Reserves		37.6	106.1
Retained earnings including net profit for the year		1 452.2	1 249.0
Equity attributable to the parent company's shareholders		**1 908.3**	**1 773.6**
Non-controlling (minority) interest		24.7	33.5
Total equity		**1 933.0**	**1 807.1**
LIABILITIES			
Long-term interest-bearing liabilities	14. 17. 19	1 492.4	1 796.2
Pension provisions		8.1	8.2
Other provisions	25	16.0	16.8
Deferred tax liabilities	12	148.2	170.6
Total long-term liabilities		**1 664.7**	**1 991.8**
Short-term interest-bearing liabilities	14. 17. 19	35.9	25.0
Accounts payable		305.6	261.8
Current tax liabilities		66.4	35.9
Accrued expenses and prepaid income	15	204.2	196.5
Other liabilities		108.8	84.2
Total short-term liabilities		**720.9**	**603.4**
Total liabilities		**2 385.6**	**2 595.2**
TOTAL EQUITY AND LIABILITIES	**21**	**4 318.6**	**4 402.3**
Memorandum items			
Pledged assets	19	3 414.4	3 314.9
Contingent liabilities	20	39.8	8.3

Consolidated statement of changes in equity

SEK million	Share capital	Other capital contributions	Reserves	Retained earnings including net profit for the year	Total	Non-controlling (minority) interest	Total equity
Opening balance 01/01/2009	**199.1**	**219.2**	**204.5**	**1 175.1**	**1 797.9**	**35.9**	**1 833.8**
Profit for the year				85.8	85.8	2.0	87.8
Other comprehensive income							
Translation difference			-88.4		-88.4	-1.6	-90.0
Cash flow hedge			-13.6		-13.6		-13.6
Income tax related to components of other comprehensive income			3.6		3.6		3.6
Transactions with shareholders							
Dividend				-11.9	-11.9		-11.9
Option premiums		0.2			0.2		0.2
Change in non-controlling (minority) interest					0.0	-2.8	-2.8
Balance at year-end 31/12/2009	**199.1**	**219.4**	**106.1**	**1 249.0**	**1 773.6**	**33.5**	**1 807.1**

SEK million	Share capital	Other capital contributions	Reserves	Retained earnings including net profit for the year	Total	Non-controlling (minority) interest	Total equity
Opening balance 01/01/2010	**199.1**	**219.4**	**106.1**	**1 249.0**	**1 773.6**	**33.5**	**1 807.1**
Profit for the year				219.8	219.8	1.7	221.5
Other comprehensive income							
Translation difference			-65.0		-65.0	-0.8	-65.8
Cash flow hedge			-4.8		-4.8		-4.8
Income tax related to components of other comprehensive income			1.3		1.3		1.3
Transactions with shareholders							
Dividend				-16.6	-16.6		-16.6
Option premiums				0.0	0.0		0.0
Change in non-controlling (minority) interest				0.0	0.0	-9.7	-9.7
Balance at year-end 31/12/2010	**199.1**	**219.4**	**37.6**	**1 452.2**	**1 908.3**	**24.7**	**1 933.0**

Accumulated translation differences in equity	**2010**	**2009**	**2008**	**2007**
Accumulated exchange rate differences at the beginning of the year	115.7	205.7	-80.2	-32.6
Difference in exchange rates for foreign subsidiaries for the year	-65.8	-90.0	285.9	-47.6
Accumulated translation differences at year-end	**49.9**	**115.7**	**205.7**	**-80.2**

Classification of equity

Share capital
Share capital includes the registered share capital for the parent company. Share capital consists of 20 707 680 class A shares (quoted value SEK 3.00) and 45 635 863 class B shares (quoted value SEK 3.00).

Other capital contributions
Other capital contributions include the total transactions that New Wave Group has had with the shareholders. Transactions that have taken place are premium share issues. The amount that is included in other capital contributions is therefore fully equivalent to capital received in addition to the nominal amount from the share issue.

Reserves
Reserves consist of translation differences in accordance with IAS 21 and other comprehensive income items.

Retained earnings including net profit for the year
Retained earnings are equivalent to the accumulated profit and loss generated by the Group in total, after the deduction of paid dividends.

Capital management
Group equity amounted to SEK 1 933.0 million (SEK 1 807.1 million) at the end of the year. New Wave Group's financial strategy is to create safe financial conditions for the Group's operations and development. The return on equity is highly significant. At the end of 2010, the return on equity amounted to 12.1% (4.9%) with an equity ratio of 44.8% (41.0%).

New Wave Group's dividend policy means that the dividends to the shareholders will be equivalent to 30% of Group profits over an economic cycle. The Board proposes a dividend of SEK 1.00 (0.25) per share, corresponding to SEK 66.3 million.

NOTE 1 ACCOUNTING PRINCIPLES

Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as well as interpretations from the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the European Commission for application in the EU. Recommendation RFR 1 Supplementary Accounting Rules for Corporate Groups of the Swedish Financial Reporting Board has also been applied, which means that certain additional disclosures are provided in the consolidated financial statements. The accounting policies presented in the following description have been applied consistently for all periods presented in the consolidated financial statements. The policies have also been applied consistently within the Group. The consolidated financial statements are based primarily on historical costs, except in respect of certain financial assets and liabilities, which are recognised at fair value. The financial statements are prepared in Swedish kronor, which is the functional and reporting currency of New Wave Group.

Preparing financial statements in accordance with IFRS requires that management make certain assessments, estimates and assumptions. Critical estimates and assessments are often based on historical experience and expected future events. Those which are expected to have the biggest impact on earnings, assets and liabilities relate to how trademarks, goodwill and taxes should be measured. Estimates, assessments and assumptions are reviewed on a regular basis. Changes are reported in the period in which the change is implemented and in future periods if these are affected. Information on areas where applied estimates and assessments contain an element of uncertainty is provided in Note 2.

Non-current assets, non-current liabilities and provisions consist essentially of amounts that are expected to be recovered or paid later than twelve months from the balance sheet date. Current assets, current liabilities and provisions consist essentially of amounts that are expected to be recovered or paid within twelve months of the balance sheet date.

NEW AND AMENDED ACCOUNTING POLICIES

In 2010 the Group introduced the following new and amended standards from IASB and interpretations from IFRIC as of 1 January 2010. To the extent that each standard or interpretation has given or is likely to give rise to effects on the content of the financial statements, a more detailed description of the content in respect of the amendment concerned is given. These amendments have also affected the current descriptions in respect of applied accounting policies.

IFRS 2 Share-based Payment

Amendment. Group Cash-settled Share-based Payment Transactions (Adopted by the EU on 23 March 2010 and applied for financial years beginning on 1 January 2010 or later).

IFRS 3R Business Combinations and IAS 27R Consolidated and Separate Financial Statements

(Adopted by the EU on 3 June 2009 and applicable for financial years beginning on 1 July 2009 or later) IFRS 3R introduces a number of changes in the accounting of business combinations that can affect the size of reported goodwill and reported earnings in the period in which the combination is made as well as future reported earnings. IAS 27R states that changes in ownership interests in a subsidiary that do not result in the majority owner losing its controlling influence should be reported as equity transactions. This means that these transactions will no longer give rise to goodwill, or result in any gains or losses. IAS 27R also changes the accounting of losses incurred in a part-owned subsidiary as well as the accounting in respect of the cessation of a controlling influence over a subsidiary. As New Wave Group has not made any significant acquisitions, IFRS 3R and IAS 27R have not affected the financial statements for 2010.

IAS 39 Financial Instruments: Recognition and Measurement

Amendment. Exposures Qualifying for Hedge Accounting (Adopted by the EU on 15 September 2009 and applicable for financial years beginning on 1 July 2009 or later).

IFRIC 12 Service Concession Arrangements

(Adopted by the EU on 25 March 2009 and applicable for financial years beginning on 1 April 2009 or later).

IFRIC 15 Agreements for the Construction of Real Estate

(Adopted by the EU on 22 July 2009 and applicable for financial years beginning on 1 January 2010 or later).

IFRIC 16 Hedges of a Net Investment in a Foreign Operation

(Adopted by the EU on 4 June 2009 and applicable for financial years beginning on 1 July 2009 or later).

IFRIC 17 Distribution of Non-cash Assets to Owners

(Adopted by the EU on 26 November 2009 and applicable for financial years beginning on 1 November 2010 or later). All forms of non-cash dividends must be accounted for at fair value, which means that a liability is recognised when the decision to pay a dividend is made and subsequently revalued through equity on a continuous basis. At the dividend payment date the difference between the assets' carrying amounts and the fair value of the liabilities should be recognised in the income statement. As New Wave Group has not made any non-cash dividend payments, IFRIC 17 has not affected the financial statements for 2010.

IFRIC 18 Transfer of Assets from Customers

(Adopted by the EU on 27 November 2009 and applicable for financial years beginning on 1 November 2009 or later).

The application of these standards and interpretations has not had any impact on the Group's earnings or financial position.

PUBLISHED AMENDMENTS OF STANDARDS WHICH HAVE NOT ENTERED INTO FORCE

New standards and interpretations applicable to the calendar year 2011 or later are presented in the following. The future application of the following standards and interpretations is not, unless specifically commented on, expected to have any impact on the Group's earnings or financial position.

IFRS 9 Financial Instruments: Recognition and Measurement

(Not yet adopted by the EU and there is currently not timetable for adoption)
This standard forms part of the complete revision of the current IAS 39 standard. The standard reduces the number of valuation categories for financial assets and establishes that the main categories for accounting of financial assets are at cost (amortised cost) and at fair value through the income statement. Certain investments in equity instruments can be accounted for at fair value in the balance sheet while the change in value is recognised directly in other comprehensive income, with no transfer to profit/loss for the period upon divestment. New rules have also been introducing regulating how changes in own credit spreads should be presented when liabilities are accounted for at fair value. The standard will be supplemented with rules for impairment, hedge accounting and removal from the balance sheet. IFRS 9 will probably be applicable for financial years beginning on 1 January 2013 or later. It is likely that the standard will affect the Group's financial statements when it becomes applicable.

IAS 24 Related Party Disclosures

Amendment. (Adopted by the EU on 19 July 2010).

IAS 32 Financial Instruments

Amendment. Classification of Rights Issues (Adopted by the EU on 23 December 2009).

IFRIC 14 Prepayments of a Minimum Funding Requirement

Amendment. (Adopted by the EU on 19 July 2010).

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

(Adopted by the EU on 23 July 2010).

IFRS 7 Financial Instruments:

Amendment. (Expected to be adopted by the EU in Q2 2011).

CONSOLIDATED FINANCIAL STATEMENTS AND PRINCIPLES OF CONSOLIDATION

The consolidated financial statements comprise the parent company New Wave Group AB and all companies in which New Wave Group AB directly or indirectly holds more than 50 per cent of the voting rights or otherwise exercises a controlling influence. In assessing whether a controlling influence exists, potential shares entitling the holder to vote that can be used or converted without delay are taken into account.

The cost of shares in subsidiaries is eliminated against equity in each subsidiary at the time of acquisition. If the acquired company reports untaxed reserves or similar items a deferred tax liability is recognised by applying the percentage rate applicable in each country. If the cost of the shares exceeds the value of the acquired company's net assets consolidated goodwill is recognised. Under this method, only that portion of equity in the subsidiary that has been generated after the acquisition date is included in consolidated equity. Cost is defined as the sum of the fair values of the assets paid, liabilities incurred or assumed and equity instruments issued by New Wave Group to acquire the operation. If the portion of the fair value of the acquired net assets exceeds the cost of the acquisition the difference is recognised in the income statement as an acquisition on favourable terms. Transaction costs should be recognised in the income statement as incurred. The acquirer can choose to recognise a non-controlling minority interest either at fair value ("full goodwill") or at its share of the acquired net assets. In the first alternative the non-controlling interest and goodwill will increase in value by the same amount. Changes in value relating to contracted supplementary considerations should continue to be accounted for in the income statement and not affect the value of the reported goodwill. Under IAS 27, all changes in the equity stake in a subsidiary, where the controlling influence does not cease, should be accounted for as equity transactions.

Goodwill arises upon acquisition and consists of the difference between the cost of the acquisition and the fair values of the identified acquired net assets. The value of goodwill is tested annually or if there are indications of impairment. Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to the cash-generating units identified by the company.

Earnings from operations acquired during the year are recognised in the consolidated income statement from the acquisition date. Any gain or loss from the sale of operations during the year is calculated based on the Group's recognised net assets in such operations, including earnings up to the date of sale. Intercompany balances and any unrealised income and expenses attributable to intercompany transactions are eliminated.

The non-controlling interest's share of profit/loss for the year and equity is based on the financial statements of the subsidiaries. The non-controlling interest's share of the subsidiaries' net assets is accounted for as a separate item under consolidated equity. In the consolidated income statement the non-controlling interest's share is included in reported profit/loss.

Associated companies are those companies which are not subsidiaries but where the parent company directly or indirectly owns a voting share of 20 per cent or more. Interests in associated companies are accounted for using the equity method. In the consolidated income statement interests in the profit or loss of associated companies are included in profit/loss before tax. In the consolidated balance sheet interests in associated companies are recognised at cost after adjusting for the share of the profit or loss after the acquisition date.

Recognition of income
Income is stated at the fair value of what has been received or will be received after deducting for value-added tax, discounts and returns. Income is recognised when it is deemed likely that payment will be received and the income and attributable costs can be reliably measured, i.e. when all risks and benefits have been transferred from the seller to the buyer. In the case of New Wave Group this is, in most cases, when an individual product is handed over, provided that New Wave Group does not remain financially involved in the product. Commission, royalty and license income is accounted for in accordance with the economic significance of the agreement concerned.

INTANGIBLE ASSETS
An intangible asset is an identifiable, non-monetary asset without physical substance. Intangible assets which can be identified and measured separately from goodwill upon acquisition consist, for instance, of customer-, contract- and/or technology-related assets. Typical marketing- and customer-related assets comprise trademarks and customer relationships. Contracts and customer relationships derive from expected customer loyalty and the cash flows that are expected to arise during the remaining useful life of each asset. The method on which the valuation is based is described under Trademarks below.

Intrnally generated intangible assets, excluding goodwill, are recognised only if it is sufficiently likely that the asset will generate future economic benefits and the cost can be reliably measured. The cost of an internally generated asset includes direct manufacturing expenses and a portion of indirect expenses attributable to the actual asset. Intangible assets are amortised on a straight-line basis over their expected useful lives. Amortisation begins when the asset is available for use. Product development mainly comprises design and development of new collections as well as development of new product variants within the framework of the existing product range. Such development generally does not meet the criteria for recognition in the balance sheet. In most cases expenditure on development is therefore charged to expense as incurred. The company does not conduct any research activities in the strict sense.

Intangible assets are stated at cost and amortised over their useful lives, which can be indefinite or determinable. An intangible asset with an indefinite useful life is not amortised but tested for impairment annually or more frequently. New Wave Group recognises goodwill and trademarks, which are both classified as intangible assets with indefinite useful lives. Intangible assets are acquired in three main ways, as described in the Additional disclosures section. Assets can be acquired individually, form part of an acquisition or be generated internally. The last type is recognised in the balance sheet if a number of criteria are met; the definition of an asset must be met but it must also be possible for New Wave Group to complete the asset on financial grounds and a business plan showing the asset's future economic benefits must exist.

Trademarks
Trademarks are mainly stated at cost after deducting any accumulated amortisation and impairment losses. Trademarks with indefinite useful lives are not amortised but tested for impairment annually or more frequently.

TANGIBLE ASSETS
Property, plant and equipment are stated at cost after adjusting for depreciation and any impairment. Property, plant and equipment are depreciated on a straight-line basis over their expected useful lives. In determining the depreciable amount for an individual item of property, plant and equipment account is taken of any residual value of the asset. To the extent that an asset consists of components which differ materially in respect of their useful lives, these are written off separately (component depreciation). The cost of an item of property, plant and equipment that has been manufactured is included in direct manufacturing expenses and attributable indirect expenses. Depreciation begins when the asset becomes available for use. Land is not depreciated.

An item of property, plant and equipment is removed from the balance sheet upon sale or if the asset is not expected to generate any future economic benefits either by being used or being sold. Capital gains and losses are calculated as the difference between the consideration received and the asset's carrying amount. The capital gain or loss is recognised in the income statement in the year in which the asset is removed from the balance sheet. The assets' residual values, useful lives and methods of depreciation are reviewed at the end of each financial year and adjusted prospectively, if required.

Normal expenditure on maintenance and repairs is expensed as incurred, but expenditure on significant renewal and improvement works is recognised in the balance sheet and depreciated over the remaining useful life of the underlying asset. The following useful lives are applied in New Wave Group.

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

IMPAIRMENT
If there are internal or external indications of a decline in the value of an asset, the asset should be tested for impairment. For assets with indefinite useful lives, including goodwill and trademarks, such tests are performed at least once a year, whether there are any indications of impairment or not. An asset or group of assets (cash-generating units) should be written down if the recoverable amount is lower than the carrying amount. The recoverable amount is the higher of value in use and net realisable value. Impairment losses are recognised in the income statement. If an individual asset cannot be tested separately because it is not possible to identify the fair value less selling expenses for the asset, the asset is allocated to a group of assets known as a cash-generating unit for which it is possible to identify separate future cash flows. Certain assets, such as goodwill, have no fair value less selling expenses, which means that it is demonstrably

necessary to instead calculate the value in use for the cash-generating unit to which the asset has been allocated. If the allocation of goodwill cannot be completed before the end of the year in which the acquisition took place the initial allocation must be confirmed before the end of the financial year after the year in which the acquisition took place. Unallocated goodwill must be indicated along with an explanation for why the amount has not been allocated. To the extent that the underlying factors behind an impairment loss change in coming periods, the impairment loss will be reversed, except in the case of goodwill. Information on the specific assumptions which need to be made to calculate value in use is provided in Note 9 Intangible fixed assets.

PROVISIONS

A provision is recognised when the Group has a legal or constructive obligation arising from previous events and it is probable that an outgoing payment will be required to settle the obligation and the amount can be reliably measured. In cases where the company expects that an obligation for which a provision has been recognised will be paid by an outside party, for instance under the terms of an insurance contract, the provision is accounted for as a separate asset, but only when it is practically certain that the payment will be received. If the obligation for which a provision has been made is due to be settled after more than twelve months, the future payment should be discounted to present value using a discount rate which reflects short-term market expectations, taking account of transaction-specific risks. Capitalisation of the provision is recognised in the balance sheet.

A transfer to the restructuring reserve is accounted for in the period in which the Group becomes legally or constructively committed to the plan and the counterparties have a valid expectation created by past practice. A provision is recognised only in respect of expenditure that is incurred as a direct result of the restructuring and that is a result of remaining contractual obligations without lasting economic benefits or that refers to a penalty incurred on account of terminating the obligation.

FINANCIAL INSTRUMENTS

All purchases and sales of financial assets are recognised at the transaction date, which is the date on which the Group undertakes to purchase the asset. Such purchases and sales normally require delivery within the period defined by regulations or generally accepted practice in the market. A financial asset or financial liability is recognised in the balance sheet when the company becomes a party to the contractual terms and conditions of the instrument. Trade receivables are recognised in the balance sheet when an invoice has been sent. A liability is recognised when the counterparty has performed and there is a contractual duty to pay, even if no invoice has been received. Trade payables are recognised when an invoice has been received. A financial asset is removed from the balance sheet when the rights inherent in the agreement are realised or expire or if the company loses control over them. The same applies to a portion of a financial asset. A financial liability is removed from the balance sheet when the obligation in the agreement is fulfilled or otherwise ceases to apply. The same applies to part of a financial liability. Information on financial position and results is provided in Note 16 Financial instruments and financial risk management.

Financial assets

A financial asset is initially classified as one of the following:
- Financial assets carried at fair value through profit or loss.
- Loans and receivables carried at amortised cost.
- Financial assets held to maturity carried at cost.
- Financial assets available for sale carried at fair value through comprehensive income.

New Wave Group has financial assets carried at fair value through profit or loss and loans and receivables. The Group has no financial assets held to maturity or financial assets available for sale.

Financial assets carried at fair value through profit or loss

New Wave Group uses derivatives, such as currency futures, to hedge against financial risks. Derivatives are carried at fair value through profit or loss unless they form part of an effective hedge relationship and hedge accounting is applied. Changes in value are recognised in operating profit if the underlying transaction refers to a purchase, sale or employee-related transactions. Other changes in the value of a derivative are accounted for as financial items. If the derivatives have a positive value they are accounted for as a derivative in the balance sheet.

Loan and trade receivables

Loan receivables are non-derivative financial assets with specified or specifiable payments that are not listed on an active market. These are initially stated at fair value and subsequently at amortised cost. If a loan receivable is deemed to be impossible to recover, a provision for the difference between the carrying amount and the expected cash flow is made. Interest income relating to loan receivables is accounted for as financial income.

A provision is made for doubtful receivables at year-end if there is objective evidence that the full value of the asset will not be received. Losses attributable to doubtful receivables are recognised in the income statement under other operating expenses. Other receivables include accrued income. This is because such income is regarded as a financial asset under IFRS 7, as it will give rise to future payments to the company.

Receivables are assessed individually and recognised at the amounts at which they are expected to be received. Trade receivables are carried at the amounts that are expected to be realised after deducting for doubtful receivables, which are assessed individually. The expected maturity of a trade receivable is short, and the value is therefore recognised at the nominal amount with no discount. Impairment of trade receivables is recognised in operating expenses. Information on impairment losses for the year is provided in Note 16 Financial instruments and financial risk management.

Cash and bank deposits

Cash and short-term bank deposits comprise liquid bank deposits and available cash assets as well as short-term bank deposits with an original maturity of three months or less. Short-term investments comprise liquid bank deposits with no tie-in period, for which fair value is deemed to be the same as the carrying amount. Cash and short-term bank deposits comprise liquid bank deposits and available cash assets as well as short-term bank deposits with an original maturity of three months or less. Short-term investments comprise liquid bank deposits with no tie-in period, for which fair value is deemed to be the same as the carrying amount.

Financial liabilities

A financial liability is initially classified as:
- Financial liabilities carried at fair value through profit or loss.
- Financial liabilities carried at amortised cost.

Financial liabilities carried at fair value through profit or loss

New Wave Group uses derivatives, such as currency futures, to hedge against financial risks. Derivatives are carried at fair value through profit or loss unless they form part of an effective hedge relationship and hedge accounting is applied. If the derivatives have a negative value they are accounted for as a liability in the balance sheet.

Financial liabilities carried at amortised cost

These liabilities are initially carried at fair value less transaction costs. In subsequent periods these liabilities are stated at amortised cost by applying the effective interest method.

Loan liabilities comprise liabilities to credit institutions. These are stated at cost in the balance sheet at the settlement date plus accrued interest. Interest expenses are recognised in the income statement as incurred and allocated to the periods to which they refer. Trade payables are stated at amortised cost. Trade payables have a short expected maturity and are stated at their nominal value and are not discounted. A description of risks is provided in Note 16 Financial instruments and financial risk management.

Measurement of financial instruments at fair value

Listed derivates are based on the prices quoted at the balance sheet date. The fair value of a currency future is calculated based on futures prices quoted at the balance sheet date. In cases where no quoted information/data is available for measuring financial instruments at fair value, generally accepted valuation methods are used. These may be more or less dependent on quoted information/data. As New Wave Group only holds financial instruments whose measurement is based on quoted information, management has not had to make any assumptions or assessments for the purpose of measuring financial instruments. For financial assets and liabilities with maturities of less than one year, fair value is assumed to be the nominal value.

Financial derivatives and hedge accounting
Financial derivatives are initially and subsequently stated at fair value. Changes in value are carried through profit or loss unless they form part of an effective hedge relationship and hedge accounting is applied. When a derivatives contract is concluded the Group chooses to classify the derivatives as fair value hedges, cash flow hedges or hedges of net investments in foreign subsidiaries. New Wave Group applies cash flow hedging for hedging of future flows and hedging of foreign subsidiaries. Changes in value for hedge instruments which form part of an effective cash flow hedge or a hedge of a foreign subsidiary are recognised in other comprehensive income. The cumulative change in value of such derivatives is reversed through profit or loss in the period in which the hedged item affects the items in the income statement. When a hedge instrument expires or is sold, exercised or withdrawn or otherwise no longer meets the criteria for a hedge transaction, any gain or loss recognised in equity until such date should remain there, after which it is ultimately recognised as an adjustment of expenses or income when the planned transaction or the assumed obligation is realised in the income statement. However, if a planned transaction or an assumed obligation is no longer expected to occur, the cumulative gain or loss recognised in other comprehensive income, from the period in which the hedge is applied, should immediately be transferred to the income statement.

For the purpose of hedging net investments in foreign companies, New Wave Group raises loans in the subsidiary's functional currency. Foreign exchange gains and losses arising upon translation of loans raised for the purpose of hedging net investments in foreign subsidiaries are accounted for as translation differences. New Wave Group also uses futures to hedge about 50–80 per cent of all purchases in Sports & Leisure and Sagaform that are exposed to fluctuations in exchange rates. When an order is made, derivatives are purchased to hedge the value of incoming deliveries to the warehouses.
Disclosures on individual hedges are provided in Note 16 Financial instruments and financial risk management.

Impairment of financial assets
If the fair value of a financial asset has been less than the carrying amount for an extended period of time the asset is tested for impairment. An impairment loss is recognised in the income statement and is separated from changes in value in general in respect of available-for-sale financial instruments. The specific impairment rules applying to this category of financial instruments is not of interest to New Wave Group, as no such instruments are held at present. Financial assets carried at amortised cost may, however, need to be written down in certain circumstances, for instance in case of a decline in the creditworthiness of the counterparty. Such impairment losses are recognised in the income statement and can be reversed if the circumstance concerning the impairment changes in coming periods and the factors giving rise to the impairment no longer exist.

LEASING
Finance leases, where the Group essentially assumes all risks and benefits associated with ownership of the leased object, are recognised in the balance sheet at the lower of the fair value of the leased property or the present value of the minimum lease payments. Lease payments are allocated between funding costs and repayment of the outstanding liability under the lease. Assets held under a finance lease are written off over their expected useful lives.

Leases in which the lessor essentially retains all risks and benefits associated with ownership are classified as operating leases. Lease payments are expensed in the income statement on a straight-line basis over the term of the lease. For material reasons, company cars, photocopiers, etc are accounted for as operating leases.

Inventories
Inventories are recognised at the lower of cost, as determined by applying the first in first out (FIFO) method and net realisable value. The net realisable value is the estimated selling price less estimated selling expenses. Inventories comprise clothes, gift products and accessories held for resale.

INCOME TAX
Current income tax
Current tax assets and tax liabilities for current and previous periods are defined as the amount that is expected to be received back from or paid to the tax authority. The tax rates and tax laws applied in calculating the amount are those which have been adopted or announced at the balance sheet date. Current tax attributable to items recognised in equity and in other comprehensive income are recognised in equity and other comprehensive income.

Deferred income tax
Deferred tax is recognised at the balance sheet date in accordance with the balance sheet method for temporary differences between the carrying amounts and tax bases of assets and liabilities. Deferred tax liabilities are recognised for all taxable temporary differences.
– except in cases where the deferred income tax liability is incurred as a result of goodwill impairment or where an asset or liability is accounted for as part of a transaction which is not a business combination and which, at the time of the transaction, neither affects the reported profit or the taxable profit or loss (i.e. initial recognition exemption), and
– in respect of deductible temporary differences attributable to investments in subsidiaries, associated companies and joint ventures, except in cases where it is not possible to control the timeframe
for reversal of the temporary difference and it is likely that the temporary difference will not be reversed in the near future.

Deferred tax assets are recognised for all deductible temporary differences, including tax losses to the extent that it is likely that a taxable profit will be available against which the tax asset can be offset. Deferred tax assets are reviewed at each balance sheet date and adjusted to the extent that it is no longer probable that sufficient profits will be generated to enable all or part of the deferred tax asset to be used. Deferred tax assets and tax liabilities are determined at the tax rates applying for the period in which the asset is realised or the liability is paid based on tax rates (and legislation) that have been adopted or announced at the balance sheet date. Deferred tax assets and tax liabilities are offset if there is a legal right to offset the amounts against each other and the deferred tax is attributable to the same unit in the Group and the same tax authority.

PENSIONS
Both defined benefit and defined contribution pension plans are used in New Wave Group. The Group has defined benefit pension plans that are managed by Alecta. This is a plan which covers several employers, and, as Alecta does not have sufficient information available for measurement, the company's pension obligation with Alecta is accounted for as a defined contribution plan in accordance with IAS 19, p. 30. Alecta's collective funding ratio at year-end was 146% (141%). Collective funding ratio is defined as the difference between the assets and insurance obligations calculated in accordance with Alecta's actuarial assumptions, which do not comply with IAS 19. The Group's contributions to defined contribution pension plans are charged to the income statement in the year to which they are attributable.

SHARE-BASED PAYMENTS
New Wave Group has share-based incentive schemes in which the beneficiaries have paid a market price for issued options or other instruments. No recognition of expenses is required due to the structure of the scheme, but any exercise of options would give rise to dilution.

OPERATING SEGMENT REPORTING
The business areas Corporate Promo, Sports & Leisure and Gifts & Home Furnishing are the Group's segments. Under this classification, each trademark is grouped to the various business areas. Prices charged between Group companies are set on a commercial basis and thus constitute market prices. Internal profits and losses arising from sales between Group companies have been fully eliminated.

ESTIMATES AND ASSESSMENTS
In preparing financial statements the Board of Directors and Chief Executive Officer are required to make certain estimates and assumptions which affect the content of the financial statements, i.e. the carrying amounts of assets, liabilities, income and expenses. Those areas where estimates and assumptions are of material significance for the Group and which may affect the income statement and balance sheet if they are changed are described in Note 2.

Impairment of property, plant and equipment and intangible assets
Property, plant and equipment and intangible assets, except those which have indefinite useful lives, are written off over the periods in which they will

generate income, i.e. their useful lives. If there is an indication of impairment of an asset the recoverable amount is determined. The recoverable amount is the higher of the fair value of the asset less selling expenses and its value in use. An impairment loss is recognised when the asset's recoverable amount is less than the carrying amount. The recoverable amount is determined based on management's estimate of future cash flows or other factors. The assumptions made for the purpose of impairment tests, including the associated sensitivity analyses, are explained in Note 9 and affect the estimated present value in all cases.

Goodwill, trademarks and other intangible assets with indefinite useful lives should be tested for impairment at least once a year or if there are indications of impairment. To test these assets for impairment, the assets need to be allocated to cash-generating units and their values in use need to be calculated. The necessary calculations require that management make an estimate of the expected future cash flow attributable to the defined cash-generating units. A discount rate also needs to be calculated for the purpose of discounting the cash flow. See Note 9.

The Group has reviewed those estimates which, if they were to be changed, could have a significant impact on the fair values of assets and would therefore require recognition of impairment losses. The estimates relate to factors such as expected selling prices for the products, expected inflation levels and discount rates. A description of the assumptions made concerning impairment tests, including sensitivity analyses, is given in Note 2.

Measurement of financial instruments at fair value
In cases where financial assets and liabilities have no fair values based on quoted prices, other measurement methods are used, such as discounted cash flow models or the Black & Scholes model. The main assessments refer to future cash flows, credit risks and volatility. For more information, see Note 16 Financial instrument and financial risk management.

Deferred tax assets
Deferred taxes are recognised for temporary differences arising between the carrying amounts and tax bases of assets and liabilities as well as for unused tax losses. Deferred tax assets are recognised only if it is likely that these can be used to offset future profits. In the event that actual outcomes differ from the estimates made or if management adjusts these estimates in future, the value of deferred tax assets could change. See Note 12 Deferred tax assets for detailed information.

Provisions for doubtful receivables
Trade receivables are initially carried at fair value and subsequently at the value at which they are expected to be realised. An estimate of doubtful receivables that is based on an objective assessment of all outstanding amounts is made at year-end. Losses relating to doubtful receivables are recognised in the income statement under other operating expenses, see Note 16 Financial instruments and financial risk management.

Measurement of inventories
The value is dependent on management's assessments in respect of the calculation of the net realisable value of inventories. These assessments may require the recognition of impairment losses on inventories.

Emission allowances
At the closing date Orrefors Kosta Boda AB held, as the sole unit in the Group, 3 163 emission allowances (2 715). The emission allowances have been allocated by the Swedish Energy Agency free of charge and have therefore not been assigned a value.

NOTE 2 MATERIAL ACCOUNTING ASSESSMENTS, ESTIMATES AND ASSUMPTIONS

In preparing financial statements in accordance with the applied accounting policies, the Board of Directors and Chief Executive Officer are required to make certain estimates and assumptions which affect the carrying amounts of assets, liabilities, income and expenses. Those areas where estimates and assumptions are of material significance for the Group and which may affect the income statement and balance sheet if they are changed are described below:

Impairment of property, plant and equipment and intangible assets
Property, plant and equipment, and intangible assets with the exception of goodwill and trademarks are written off over the periods in which they will generate income, i.e. their useful lives. If there is an indication of impairment of an asset, the recoverable amount is determined. The recoverable amount is the higher of the net realisable value of the asset and its value in use. An impairment loss is recognised when the asset's recoverable amount is less than the carrying amount. The recoverable amount is determined based on management's estimate of future cash flows. The assumptions made for the purpose of impairment tests, including the associated sensitivity analyses, are explained in Note 1 Accounting principles.

Goodwill, trademarks and other intangible assets with indefinite useful lives should be tested for impairment at least once a year. The calculations require that management make an estimate of the expected future cash flow attributable to the defined units. A discount rate also needs to be calculated for the purpose of discounting the cash flow, see Note 9 Intangible fixed assets.

The Group has reviewed those estimates which, if they were to be changed, could have a significant impact on the fair values of assets and would therefore require recognition of impairment losses. The estimates relate to factors such as expected selling prices for the products, expected inflation levels and discount rates. A description of the assumptions made concerning impairment tests, including sensitivity analyses, is given in Note 9 Intangible fixed assets.

Deferred tax assets
Deferred taxes are recognised for temporary differences arising between the carrying amounts and tax bases of assets and liabilities as well as for unused tax losses. Deferred tax assets are recognised if it is likely that they can be used to offset future profits. In the event that actual outcomes differ from the estimates made or if management adjusts these estimates in future, the value of deferred tax assets could change. See Note 12 Deferred tax assets for detailed information.

Provisions for doubtful receivables
Trade receivables are initially stated at fair value and subsequently at the expected realisable value. An estimate of doubtful receivables that is based on an objective assessment of all outstanding amounts is made at year-end. Losses relating to doubtful receivables are recognised in the income statement under external expenses, see Note 16 Financial instruments and financial risk management.

Measurement of inventories
Inventories comprise clothes, gift products and accessories held for resale, and are stated, by applying the first in, first out principle, at the lower of cost and net realisable value at the balance sheet date. Internal profits arising from deliveries between companies in the Group are deducted.

In the Corporate Promo business area the risk that the net realisable value will be lower than the cost is low, as a large portion of the product range consists of timeless basic products for which there is always a need, season after season.

In the Sports & Leisure business area about 25% of sales are made through the promo sales channel. This product range mainly comprises basic products with limited fashion risk. For sales made through the retail sales channel orders are sent to the factory upon receipt of a purchase order from the customer, which significantly limits the risk that the net realisable value will be lower than the cost.

In the Gifts & Home Furnishings business area most of the volume consists of classic and big-selling products, many of which have a product cycle of more than 20 years. This limits the risk that the net realisable value will be lower than the cost.

Pensions and other post-employment benefits
Defined benefit pension plans are used in the Group. The pension plans are relatively small. As the Swedish pension fund manager Alecta is not able to provide data from which the defined benefit pension liability could be calculated, this pension plan has been accounted for as a defined contribution plan.

NOTE 3 SEGMENT INFORMATION

New Wave Group AB's segments constitute the business areas Corporate Promo, Sports & Leisure and Gifts & Home Furnishings. The relevant brands are allocated to the business area to which they are considered to belong. The Group monitors income and profit/loss (EBITDA) for each area. The operating segments are based on the Group's operational management and this is exclusively based on IFRS, which means that no adjustments need to be made in relation to the consolidated financial statements. New Wave Group has chosen to present the profit for the business areas as EBITDA (Earning Before Interest, Tax, Depreciation and Amortisation), which means operating profit/loss adjusted for depreciation of fixed assets. Central costs have been distributed to the relevant segment based on use. Reclassification has been done from Corporate Promo to Gifts & Home Furnishings regarding Kosta Boda Art Hotel and to Sports & Leisure regarding parts of the outlet business. The comparable year has been recalculated.

SEK million	Income		Operating profit/ loss, EBITDA		Assets		Fixed assets *		Deferred tax assets	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Corporate Promo	1 818.6	1 805.1	209.6	171.9	1 986.3	2 040.0	561.3	589.3	39.0	66.2
Sports & Leisure	1 702.8	1 587.1	220.1	124.5	1 457.2	1 391.9	749.5	798.6	35.7	29.1
Gifts & Home Furnishings	722.0	694.8	-43.7	-53.4	875.1	970.4	164.8	197.1	27.1	13.9
Total	**4 243.4**	**4 087.0**	**386.0**	**243.0**	**4 318.6**	**4 402.3**	**1 475.6**	**1 585.0**	**101.8**	**109.2**

Total EBITDA results	**386,0**	**243,0**
Depreciation	-58,4	-70,6
Net financial	-27,3	-46,2
Profit before tax	**300,3**	**126,2**

	Investments		Depreciation		Liabilities	
	2010	2009	2010	2009	2010	2009
Corporate Promo	-38.2	-14.2	-26.7	-31.7	1 481.2	1 635.4
Sports & Leisure	-9.4	-5.4	-19.1	-26.0	457.6	409.4
Gifts & Home Furnishings	-10.0	-3.4	-12.6	-12.9	446.8	550.4
Total	**-57.6**	**-23.0**	**-58.4**	**-70.6**	**2 385.6**	**2 595.2**

Geographic areas

	Income		Fixed assets *		Deferred tax assets	
SEK million	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Sweden	1 288.4	1 215.0	493.8	506.2	14.2	10.0
USA	893.3	789.2	672.9	718.0	47.2	31.5
Nordic region excl Sweden	651.2	625.2	25.7	27.8	2.4	2.1
Mid-Europe	797.8	803.9	186.0	225.0	35.1	36.9
Southern Europe	468.3	501.4	90.5	99.3	2.9	28.7
Other countries	144.4	152.3	6.7	8.7	0.0	0.0
Total	**4 243.4**	**4 087.0**	**1 475.6**	**1 585.0**	**101.8**	**109.2**

Income is based on where the income is earned. Fixed assets and deferred tax assets are based on where the Group's assets are located

* Fixed assets classified as financial fixed assets are not included.

NOTE 4 OTHER OPERATING INCOME

SEK million	2010	2009
Exchange rate gains	12,5	29,2
Capital gains	0,1	2,2
Other contributions and payments	19,6	37,5
Total	**32,2**	**68,9**

NOTE 5 AVERAGE NUMBER OF EMPLOYEES

	2010 Number of employees	Of which men	2009 Number of employees	Of which men
Parent company				
Hisings Kärra	34	23	41	24
Total parent company	**34**	**23**	**41**	**24**
Subsidiaries in Sweden				
Borås	152	84	168	96
Göteborg	9	7	0	0
Hisings Kärra	20	15	21	17
Munkedal	88	48	84	48
Orrefors Kosta	441	280	446	269
Stockholm	50	39	60	43
Ulricehamn	46	19	49	20
Örebro	12	3	12	4
Total subsidiaries in Sweden	**818**	**495**	**840**	**497**
Subsidiaries abroad				
Bangladesh	51	49	43	41
Belgium	41	23	38	21
Denmark	67	26	67	28
England	8	3	8	3
Finland	43	25	44	25
France	19	11	21	14
The Netherlands	154	105	146	99
Hong Kong	4	2	4	2
India	21	18	17	4
Italy	50	29	54	32
Japan	0	0	4	0
China	243	81	241	73
Norway	65	37	62	37
Poland	86	36	80	28
Switzerland	37	22	37	23
Spain	21	17	21	17
Germany	56	27	48	22
USA	311	104	322	104
Vietnam	33	14	30	13
Wales	23	10	24	15
Austria	11	8	11	8
Total subsidiaries abroad	**1 344**	**647**	**1 322**	**609**
Group total	**2 196**	**1 165**	**2 203**	**1 130**

Gender distribution within company management

	Women 2010	Men 2010	Total 2010	Women 2009	Men 2009	Total 2009
Board of Directors	2	4	6	2	4	6
Group management	0	4	4	0	4	4
Total	**2**	**8**	**10**	**2**	**8**	**10**

NOTE 6 SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY COSTS

SEK million	2010 Salaries and other remuneration	Social security costs	Of which pension costs	2009 Salaries and other remuneration	Social security costs	Of which pension costs
Parent company	15.7	6.8	1.7	15.4	7.0	1.6
Subsidiaries in Sweden	278.8	102.9	15.7	318.0	118.4	15.9
Foreign subsidiaries	384.3	73.3	10.6	400.3	57.9	11.4
Group total	**678.8**	**183.0**	**28.0**	**733.7**	**183.3**	**28.9**
Of which purchasing and production personnel	152.5	43.2	2.7	156.6	43.4	2.7

Of the parent company's pension costs, SEK 0.2 million (SEK 0.2 million) concerns the corporate Board and the CEO. Of the Group's pension costs, SEK 2.7 million (SEK 2.5 million) concerns the corporate Board and the CEO.

SALARIES AND OTHER REMUNERATION DIVIDED BY COUNTRY AND BETWEEN BOARD MEMBERS ETC. AND EMPLOYEES

SEK million	2010 Board and MD	Of which bonus and similar*	Other employees	2009 Board and MD	Of which bonus and similar*	Other employees
Parent company	**1.7**	**0.0**	**14.1**	**2.3**	**0.0**	**13.1**
Subsidiaries in Sweden	**8.5**	**0.4**	**270.3**	**8.8**	**0.1**	**309.2**
Subsidiaries abroad						
Belgium	0.8	0.0	15.9	0.8	0.0	16.1
Denmark	2.0	0.0	26.9	2.6	0.0	30.5
Finland	1.9	0.0	13.5	1.9	0.0	16.8
France	0.6	0.0	2.8	0.7	0.0	2.8
The Netherlands	4.8	0.0	63.8	5.0	0.0	67.3
Italy	5.2	1.7	14.7	6.2	2.2	16.6
China	0.0	0.0	21.4	0.0	0.0	17.5
Norway	2.3	0.1	30.7	2.1	0.0	28.7
Poland	0.5	0.0	3.0	0.5	0.0	3.1
Russia	0.0	0.0	0.0	0.6	0.0	5.0
Switzerland	1.8	0.1	24.9	2.2	0.0	22.0
Spain	0.6	0.0	4.7	0.7	0.0	6.0
Germany	2.3	0.6	15.7	2.9	0.8	16.6
USA	6.5	0.0	109.3	4.9	0.0	111.1
Wales	0.7	0.0	3.6	0.7	0.0	4.3
Austria	0.0	0.0	3.3	0.0	0.0	4.1
Total subsidiaries abroad	**30.0**	**2.5**	**354.2**	**31.8**	**3.0**	**368.5**
Group total	**40.2**	**2.9**	**638.6**	**42.9**	**3.1**	**690.8**

* Bonuses are related to performance and are calculated annually with no future commitment.

Board members' fees	2010	2009
External members of the parent company's Board	0.8	0.7
Of which to the Chairman of the Board	0.3	0.2
Outgoing Chairman of the Board	0.0	0.3

A remuneration committee for the parent company's Board has not been elected. The fees paid to the Chairman of the Board and the Board members are in accordance with the decision of the Annual General Meeting.

Conditions of employment for the CEO

Remuneration to the CEO comprises a fixed salary from New Wave Group AB. No Board member fees or other remuneration such as bonuses are paid to the CEO. As pension insurance for the CEO, a market-adjusted fixed payment plan is in place. A mutual notice period of six months applies for the CEO and no severance pay is awarded.

The conditions of employment for other senior executives

Other senior executives are the three people who make up the Group management together with the CEO. For the structure of the Group management, see the penultimate page of this report. Remuneration to the other senior executives comprises a fixed salary. No board members fees are paid. Market-adjusted fixed payment pension agreements exist for the other senior executives. A mutual notice period of between three to six months exists for the other senior executives and no severance pay is awarded.

Decision-making process

There is no specially appointed remuneration committee to deal with salaries, pension benefits, incentives and other employment-related conditions for the CEO and the Group's other senior executives; these matters are dealt with by the Board as a whole The salaries of the senior executives are decided by the CEO after consultation with the Chairman of the Board. The Board members' fees are decided by the Annual General Meeting.

Wages, salaries and other remuneration distributed by directors and other executives

SEK million	2010 Salaries and other remuneration	Of which bonus and similar	Pension costs	2009 Salaries and other remuneration	Of which bonus and similar	Pension costs
Torsten Jansson, CEO	0.9	0	0.2	0.9	0	0.2
Anders Dahlvig, Chairman of the Board	0.3	0	0.	0.2	0	0
Christina Bellander, Board Member	0.1	0	0	0.1	0	0
Göran Härstedt, Board Member	0.1	0	0	1.4	0	0
Helle Kruse Nielsen, Board Member	0.1	0	0	0.1	0	0
Mats Årjes, Board Member	0.1	0	0	0.1	0	0
Maria Andark, outgoing Board Member	0	0	0	0.1	0	0
Hans Johansson, outgoing Board Member	0	0	0	0.1	0	0
Peter Nilsson, outgoing Board Member	0	0	0	0.1	0	0
Other senior executives*	3.0	0	0.3	2.9	0	0.2
Total	**4.6**	**0.0**	**0.5**	**6.0**	**0**	**0.4**

*Individuals referred to on page 79.

Subscription options

	2010 Quantity with exercise date 2011	with exercise date 2012	with exercise date 2013	2009 Quantity with exercise date 2010	with exercise date 2011	with exercise date 2012	with exercise date 2013
Chairman of the Board	0	75 000	0	0	0	75 000	0
Other Board members	55 000	0	50 000	100 000	55 000	0	50 000
Managing Director	55 000	0	0	125 000	55 000	0	0
Other senior executives	100 000	84 000	0	60 000	100 000	84 000	0
Total	**210 000**	**159 000**	**50 000**	**285 000**	**210 000**	**159 000**	**50 000**

Option programme to be exercised on 30 June 2011:
The programme, which runs from June 2008 until 30 June 2011, comprises 1 800 000 share options that can be exercised at a price of up to SEK 64.05. The options were acquired at market price, which was SEK 1.11 each.

Option programme to be exercised on 30 June 2012:
The programme, which runs from July 2009 until 30 June 2012, comprises 1 000 000 share options that can be exercised at a price of up to SEK 26.10. The options were acquired at market price, which was SEK 0.21 each.

Option programme to be exercised on 30 June 2013:
The programme, which runs from July 2008 until 30 June 2013, comprises 200 000 share options that can be exercised at a price of up to SEK 85.40. The options were acquired at market price, which was SEK 0.88 each.

No share warrants have been issued during 2010.

The share's closing price on December 31 was SEK 40.40.

As at December 31, 2010, only the option programme to be exercised in 2012 is classified as "in the money".

Pension commitments
Fixed benefit pension plans do exist within the Group. These are only small pension plans. As the Swedish manager Alecta cannot recognise a basis that allows calculation of fixed benefit pension liabilities, this pension plan has instead been recognised as a fixed payment plan. Recognition has therefore not been carried out in the balance sheet. Alecta's collective funding ratio at the end of the year was 146% (141%). The collective funding level is the difference between the company's assets and insurance commitments, calculated in accordance with Alecta's calculation assumptions for insurance purposes, which do not comply with IAS 19.

Remuneration for auditors and auditing companies

Remuneration to auditors and auditing company
SEK million

Group	**2010**	**2009**
Audit assignment		
Ernst & Young	5.9	7.3
Other	0.4	0.5
Audit work outside audit assignment	0.8	0.8
Tax consultancy	0.5	0.5
Total	**7.6**	**9.1**

NOTE 7 ALLOWANCES

The Group has been awarded allowances of 3 163 (2 715) which have been valued at SEK 0 million (SEK 0 million).

NOTE 8 TAX ON PROFIT FOR THE YEAR

SEK million	**2010**	**2009**
Current tax	-88.6	-31.0
Tax attributable to previous years	-5.8	-4.9
Total	**-94.4**	**-35.9**
Deferred tax relating to temporary differences	15.6	-2.5
Totally recorded tax expense	**-78.8**	**-38.4**

The Group's tax expense for the year amounted to SEK 78.8 million (SEK 38.4 million) or 26.2% (30.4%) of profit before tax.

Reconciliation of actual tax
Reconciliation between the groups weighted average tax rate, based on each respective countries tax rate, and the groups actual tax:

MSEK	**2010**	**%**	**2009**	**%**
Profit before tax	300.3		126.2	
Tax expense based on respective country's tax rate	-75.1	-25.0	-31.5	-25.0
Tax effects from:				
Non taxable profit	4.5	1.5	1.3	1.0
Non deductible expenses	-4.1	-1.4	-2.2	-1.7
Tax arrears assessment	0.8	0.3	-0.5	-0.4
Regional and other variations regarding tax rates	-0.7	-0.2	-0.8	-0.6
Reverse of previous activated loss carry-forward	0.8	0.3	0.1	0.1
Activated loss carry-forward this year	0.0	0.0	1.8	1.4
Activation of previous not activated loss carry-forward	0.0	0.0	-0.2	-0.2
Other	-5.0	-1.7	-6.4	-5.0
Tax rate according to consolidated income statement	**-78.8**	**-26.2**	**-38.4**	**-30.4**

NOTE 9 INTANGIBLE FIXED ASSETS

		Goodwill		Trademarks		Computer software
SEK million	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Accumulated acquisition values						
Opening acquisition value	844.6	883.4	407.5	427.1	103.0	102.2
Acquisitions	0.0	0.0	0.0	0.0	2.0	2.9
Translation difference	-43.7	-38.8	-14.8	-19.6	-14.7	-2.1
Closing accumulated acquisition value	**800.9**	**844.6**	**392.7**	**407.5**	**90.3**	**103.0**
Accumulated depreciation according to plan						
Opening depreciation	-53.0	-52.3	-15.3	-13.9	-81.4	-70.8
Depreciation during the year	-0.7	-0.7	-1.4	-1.4	-4.2	-10.6
Closing accumulated depreciation	**-53.7**	**-53.0**	**-16.7**	**-15.3**	**-85.6**	**-81.4**
Closing book value	**747.2**	**791.6**	**376.0**	**392.2**	**4.7**	**21.6**
All trademarks are acquired.						
Remaining depreciation time	**-**	**-**	*****	*****	**3 years**	**3 years**

* Trademarks with a residual value of SEK 4.0 million (SEK 6.2 million) have an average remaining depreciation time of 2.9 years (4.4 years).
The remaining share is tested via annual impairment tests.

Goodwill allocated to cash-generating unit

SEK million	**2010**	**2009**
Corporate Promo	259.4	255.5
Sports & Leisure	433.9	482.2
Gifts & Home Furnishings	53.9	53.9
Total	**747.2**	**791.6**

Brands allocated to cash-generating unit

SEK million	**2010**	**2009**
Corporate Promo	33.9	20.4
Sports & Leisure	232.1	261.8
Gifts & Home Furnishings	110.0	110.0
Total	**376.0**	**392.2**

The distribution of intangible fixed assets between segments is based on the relationship at the time of acquisition of the relevant company/trademark and is attributed to the business area to which it is considered to belong. New Wave Group monitors cash-generating units at business area level. Goodwill is based on local currency and gives rise to currency conversion effects in the consolidated financial statements. The value of goodwill is tested annually to ensure that the value does not deviate negatively from book value, but can be tested more often if there are indications that the value has decreased. Write-downs of the business areas containing goodwill and trademarks are based on a calculation of the value in use. This value is based on cash flow projections for the next five years and a terminal period. The cash flows in the business areas are influenced by commercial factors, including market growth, competitiveness, margins, cost trends, levels of investment and tied-up operating capital. Assessment of financial factors such as interest rates, borrowing costs, market risk, beta values and tax rates is added when discounting.

Assumptions made in a test are the Board's best assessment of the economic conditions expected to prevail over the forecast period, based on the current situation. Even though market conditions have stabilized and the economic situation looks somewhat brighter, a forecast for future periods is difficult to make. The first five years, 2011-2015, are based upon the Board's established internal forecasts and for the following terminal period an average growth rate of 3% (3%) has been used. Sensitivity analysis have been carried out across all business areas.

In calculating the present value of expected future cash flows, a weighted average cost of capital (WACC) of 12% (12%) before tax is used. Discounted cash flows are compared with book value per cash-generating unit/business area. The impairment test for 2010 showed that there is no write-down requirement.

Below are some brief comments for each business area:

Corporate Promo business area
The calculation covers the business area's cash flow which is based on internal forecasts. It includes an increase in sales which is slightly higher then inflation and the capital tied up during the internal forecast period (2011-2015) is expected to stay at current levels.

Sports & Leisure business area
The calculation covers the business area's cash flow which is based on internal forecasts. Measures taken in previous years have contributed to improvements in the profitability. The effects of these measures are included in the estimated margin and earnings improvements forecasted.

Gifts & Home Furnishings business area
The calculation includes the business area's cash flow which is based on internal forecasts. Regarding Orrefors Kosta Boda, which is very important to the business area, a new management has been appointed during 2010 and measures to improve efficiency and profitability have been taken. The effects of these measures are included in the estimated margin and earnings improvements forecasted, including an improved stock situation and better efficiency. During

the period (2011-2015) 2011 is expected to have a weaker development and then a gradual improvement during the following years.

Other assumptions and comments

Market share and growth
Demand for mature products has historically followed the economic cycle. The expected market growth is based on transition from the prevailing economic situation to the expected long-term growth. The current market share has already been won for the Nordic countries but there is some growth in Europe and USA.

Exchange rates
Currency forecasts are based on the current listed exchange rate. Existing currency hedging has been taken into account.

Raw material prices
Raw material prices (cotton, electricity, oil) have been assessed on the basis of the current price level.

Personnel costs
The forecast for personnel costs is based on expected inflation, certain real salary increases and scheduled streamlining measures.

The company management believes that reasonable changes should not have such a great effect that each individual recoverable value should be reduced to a value that is lower than that recognised for the relevant business area.

NOTE 10 TANGIBLE FIXED ASSETS

		Buildings and land		Equipment, tools and installations
SEK million	**2010**	**2009**	**2010**	**2009**
Accumulated acquisition values				
Opening acquisition value	263.8	281.9	560.2	542.3
Acquisitions	0.0	10.4	61.2	54.7
Sales/disposals	0.0	-16.7	-18.2	-18.5
Translation difference	-15.5	-11.8	-45.0	-18.3
Closing accumulated acquisition value	**248.3**	**263.8**	**558.2**	**560.2**
Accumulated depreciation according to plan				
Opening depreciation	-57.5	-55.0	-386.9	-353.9
Sales/disposals	0.0	6.2	16.5	18.6
Depreciation as a share of production costs/goods for resale	-3.5	-3.0	-15.1	-15.9
Depreciation during the year	-6.7	-8.0	-45.4	-47.6
Translation difference	3.8	2.3	22.2	11.9
Closing accumulated depreciation	**-63.9**	**-57.5**	**-408.7**	**-386.9**
Closing book value	**184.4**	**206.3**	**149.5**	**173.3**

Value of land included in the report above amounts to	**22.3**	**24.4**
Book value, Swedish properties	**35.8**	**43.9**
Taxable value for Swedish properties		
Buildings	50.1	33.7
Land	8.7	6.7

Leasing charges in respect of operational leasing
The group has operational leasing agreements for the rental of premises and business systems. The future commitment for these agreements can be seen in the following summary:

		2010			2009
	Premises	**Business system**		**Premises**	**Business system**
2011	120.9	15.7	2010	138.8	14.1
2012	87.7	10.1	2011	121.2	13.3
2013	67.0	6.7	2012	85.1	8.8
2014	54.8	1.2	2013	65.0	5.4
2015 incl. costs through contract period end	147.8	0.0	2014 incl. costs through contract period end	171.1	1.2
Cost for the year under the operational leasing heading	133.9	14.6		137.0	13.6

NOTE 11 FINANCIAL FIXED ASSETS

Shares in associated companies

SEK million	Company registration number	Registered office	Share of capital .%	Share of votes. %	Number of shares	2010 Book value	2009 Book value
Dingle Industrilokaler AB	556594-6570	Munkedal	49	49	83 055	4.7	4.8
Glasrikets skatter ekonomisk förening	769620-1701	Orrefors	8	8	100	1.0	1.0
Kosta Köpmanshus AB	556691-7042	Kosta	49	49	7 350	31.9	30.9
Pensionat Orrefors AB	556697-6790	Orrefors	-	-	-	-	0.2
Vist Fastighetsbolag AB	556741-1672	Ulricehamn	49	49	49	13.9	13.9
Other			-	-	-	0.2	0.1
Total						**51.7**	**50.9**

A majority of the representation of the Board of Directors as well as the position as Chairman of the Board is held by the the majority owner in each associated company.

At year end the companies' equity amounted to:	**2010**	**2009**
Dingle Industrilokaler AB	15.8	15.9
Glasrikets skatter ekonomisk förening	0.4	9.3
Kosta Köpmanshus AB	64.2	62.8
Pensionat Orrefors AB	-	-0.3
Vist Fastighetsbolag AB	27.5	27.5

Long-term receivables		
Securitized loan	1.2	1.1
Deposits	6.2	11.2
Other long-term receivables	7.0	2.0
Total	**14.4**	**14.3**

NOT 12 DEFERRED TAX ASSETS

Deferred tax assets and provisions for deferred tax liabilities in the group assigned to: SEK million	Assets	2010 Liabilities	Assets	2009 Liabilities
Loss carry-forwards	51.4	-	64.4	-
Internal gains	12.5	-	12.6	-
Reserves	3.2	-	3.4	-
Depreciation and fixed assets	2.9	-	4.7	-
Temporary differences in foreign units	30.6	-	24.1	-
Trademarks	-	106.0	-	113.1
Stock	-	13.0	-	15.1
Reserves and accelerated depreciation	-	27.9	-	23.7
Other temporary differences	1.2	1.3	-	18.7
Deferred tax assets / liabilities	**101.8**	**148.2**	**109.2**	**170.6**

Loss carry-forwards

At year end the Group had a total tax loss carry-forwards of SEK 217.0 million (SEK 264.3 million). Of this, SEK 51.4 million (SEK 64.4 million) has been recorded as assets as it has been assessed that in the future there will be taxable profits against which the tax loss carry-forward can be settled.

Total loss carryforwards expire as follows:

SEK million		2010	2009
	2013	10.1	3.0
	2014	16.4	11.9
	2015	9.3	-
	2021	13.6	26.7
	2022	16.0	22.0
	2023	11.9	20.1
	2024	14.9	20.9
	2027	8.0	5.9
	2028	12.0	-
	Unlimited	104.8	153.8
Total		**217.0**	**264.3**

Deferred tax liability arising from tax allocation reserves and accelerated depreciation in Sweden are due as follows:

	2011	3.9
	2012	5.0
	2013	2.2
	2014	0.2
	2015	0.6
	2016	7.1
	Unlimited	4.6
Total Sweden		**23.6**
Other countries		4.3
Total		**27.9**

NOTE 13 PREPAID EXPENSES AND ACCRUED INCOME

SEK million	2010	2009
Insurance	3.5	4.4
Prepaid rents	12.5	11.4
Prepaid leasing fees	5.0	10.0
Trade fair costs, repayable	4.8	6.4
Allocation of multi-year advertising contract	1.2	1.8
Prepaid goods deliveries	4.7	0.3
Periodised royalty income	3.1	2.7
Other accrued income	1.5	1.3
Prepaid operational expenses	11.6	11.9
Prepaid wage costs	0.1	0.0
Prepaid expenses	5.7	10.2
Prepaid royalties	4.9	4.1
Bank charges	2.0	0.1
Accrued insurance compensation	1.5	0.0
Claim for damages	2.0	0.0
Other items	8.2	8.8
Total	**72.3**	**73.4**

NOTE 14 CREDIT LIMIT

Amount granted in relation to loans and bank overdraft facilities amounts to SEK 2 332 million (SEK 2 875 million).

NOTE 15 ACCRUED EXPENSES AND PREPAID INCOME

SEK million	2010	2009
Salaries and payroll tax	94.1	83.8
Marketing costs	18.9	17.9
Commission	10.4	10.5
Royalties	5.7	3.8
Audit	3.9	3.7
Interest	0.6	0.8
Delivery of goods	13.1	23.2
Electricity and rental costs	5.7	3.7
Claims	4.6	3.1
Environmental reserve	13.0	12.2
Accrued exchange losses	2.5	0.0
Prepaid income	0.0	2.1
Restructuring reserves	0.0	2.8
Other items	31.7	28.9
Total	**204.2**	**196.5**

NOTE 16 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

New Wave Group is continually exposed to various financial risks. Financial risks comprise currency risks, borrowing and interest risks, and liquidity and credit risks. To minimise the impact on earnings from these risks, the Group has adopted a financial policy which describes how the company seeks to limit the impact of financial risks on reported earnings. The goal is to ensure that the central finance function exploits available economies of scale in the Group and assists the subsidiaries by providing professional service in order to minimise the risks.

FINANCING RISK

Due to the relatively capital-intensive nature of its activities and its expansive growth strategy, New Wave Group has a need to secure its funding. For a growth company like New Wave Group it is essential to ensure that sufficient liquidity is available to fund future expansion, and that there is a high degree of flexibility when takeover opportunities present themselves. New Wave Group has a centralised finance function, which means that external borrowing is handled and administered centrally as far as possible.

At year-end the Group had credit facilities, excluding limits on letters of credit and currency futures, of SEK 2 332 million, of which SEK 1 407 million had been drawn. The confirmed credit facilities have been agreed and apply until 15 September 2013 inclusive. The funding is based on covenants relating to key performance indicators. Based on the current forecast, management deems that the Group will be able to achieve these key performance indicators by a satisfactory margin. Future growth is also dependent on a sound balance sheet. New Wave Group's goal is to achieve an equity/assets ratio in excess of 30%.

Maturity structure of New Wave's borrowing	2010	2009
2010	-	25
2011	36	1 796
2013	1 492	-

Maturity structure of New Wave's other financial liabilities	2010	2009
2010	-	528
2011	610	-

Assets and liabilities at fair value through profit and loss

	Assets at fair value through profit and loss	Derivative for hedge accounting	Loans and receivables	Other financial assets	Total
Financial assets					
Accounts receivable			787.9		787.9
Other receivables			45.6		45.6
Accrued income			8.1		8.1
Derivative	6.3				6.3
Liquid assets				121.7	121.7
Total assets					**969.6**

Financial liabilities	Liabilities at fair value through profit and loss	Derivative for hedge accounting	Loans and receivables	Other financial liabilities	Total
Liabilities to credit institutions				1 528.3	1 528.3
Derivative		4.7			4.7
Accounts payable				305.6	305.6
Other liabilities				300.0	300.0
Total liabilities					**2 138.6**

INTEREST RISK

New Wave Group believes the use of short fixed-rate periods leads to lower borrowing costs over time. Short-term interest rates also follow the economy and therefore offset fluctuations in the Group's earnings. The interest rate is based on STIBOR and a fixed margin. The breakdown by currency of the Group's borrowing at year-end is shown in the following table. A gradual increase in interest rates over the course of the year by one percentage point would have a negative impact on earnings of about SEK 7.0 million, based on the reported net debt at 31 December 2010. New Wave Group has no interest-bearing investments. Temporary liquid assets may arise during the year as a result of cash flows.

Breakdown by currency	Net debt, SEK million
SEK	-742
EUR	-241
GBP	-68
USD	-558
CHF	308
DKK	-62
NOK	-52
OTHER	8

CURRENCY EXPOSURE

A significant portion of New Wave Group's sales are made in foreign currency (approx. 70%). The consolidated income statement and balance sheet are affected by changes in exchange rates. The risks identified are transaction and translation risks. A change in exchange rates of 1 per cent would have an impact on sales of SEK 27 million, based on sales in 2010. This is a brief description of the Group's currency risks. Foreign subsidiaries with a different functional currency must also be handled within the framework for currency exposure.

TRANSACTION EXPOSURE – HEDGE ACCOUNTING

The Group's most important purchasing currencies are the US dollar and currencies related to the US dollar. Changes in exchange rates between the dollar, euro and Swedish krona constitute the single largest transaction exposures in the Group. In the Corporate Promo business area New Wave Group is the stockkeeper. Orders from resellers are therefore not placed until the reseller has received an order from the end customer. The order backlog for future deliveries is therefore small, as deliveries are made immediately. Due to the character of the product range, i.e. that continuity in collections is desirable and that most of the range consists of basic garments, the risk of obsolescence is low. Adjustments for changes in purchase prices are made continuously due to the immediate nature of sales, which limits the currency risk. In Sports & Leisure about 73% of sales are made through the retail sales channel. A large portion of these sales is made through advance orders, unlike in the promo sales channel, where products are delivered directly upon receipt of orders. This means, for instance, that customers place orders in the spring for delivery in the autumn. About 50–75% of all retail sales in Sports & Leisure are made in this way. Upon receipt of an order, New Wave Group submits an order to the factory, which significantly limits the risk of obsolescence. The remaining portion of sales in the retail sales channel, known as supplementary sales, mainly comprises basic goods with limited fashion risk. In order to limit the currency risk, about 50–80% of foreign currency purchases in Sports & Leisure are hedged against fluctuations in exchange rates. When an order is placed derivatives are purchased to guarantee the value of incoming deliveries to the warehouses. In these cases IAS 39 hedge accounting is applied, which means that changes in the value of derivatives are recognised in other comprehensive income. In the Gifts & Home Furnishings business area most of the product range is manufactured in Sweden. In cases where products are purchased from another country, about 50–80% of the foreign currency purchases are hedged. The market value of outstanding futures contracts is the same as the cost.

Fair value of financial instruments

The fair values of interest-bearing assets and liabilities may differ from their carrying amounts, partly as a result of changes in market interest rates. The fair values of these assets have been determined by discounting future cash flows using current interest rates and exchange rates for equivalent instruments. For financial instruments such as trade receivables, trade payables and other non-interest-bearing financial assets and liabilities, which are carried at amortised cost less any impairment losses, the fair value is deemed to agree with the carrying amount. The Group's long-term borrowing is mainly through credit facilities with long maturities but short fixed-rate periods.

Outstanding transactions hedging and value 2010-12-31

	Hedged volume result SEK million	Unrealized SEK million	Number of hedged months
EUR	8.1	-0.2	< 6
EUR	1.8	0	6 > 12
USD	17.8	-1.5	< 6
USD	71.1	-3.0	6 > 12
SEK	-98.8		
		4.7	

The above hedged volume consists exclusively of currency futures, all of which mature within twelve months of the end of the year. For 2010 consolidation to SEK had a negative impact on consolidated income of SEK 217 million.

Range	Currency influence 2010	Currency influence 2009
Nordic Countries	-39.3	33.8
Mid-Europe	-93.1	64.8
Southern Europe	-26.4	21.4
USA	-50.3	111.9
Other countries	-7.5	38.9
Total	**-216.6**	**270.8**

BALANCE SHEET EXPOSURE

The balance sheet is affected, as assets and liabilities are expressed in foreign currency as they arise. The majority of the risks which arise are eliminated, either through funding in each company's functional currency or through hedging using futures.

EQUITY EXPOSURE

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

TRANSLATION EXPOSURE

The Group's earnings are also affected by translation differences. These arise upon consolidation of the profits or losses of foreign subsidiaries and had a negative impact of SEK 65 million in 2010.

CREDIT RISKS

The risk that the Group's customers will fail to meet their obligations, i.e. that New Wave Group's trade receivables will not be paid, constitutes a credit risk. New Wave Group has adopted a number of centrally issued directives, based on which each company has drawn up a set of written procedures for credit checks. Information from external credit reference agencies is one stage of the process. The credit risk in the Corporate Promo business area is lower, as the resellers, which are New Wave Group's customers, make purchases based on orders that have already been placed by the end customers. The resellers are relatively small and large in number. In Sweden alone New Wave Group has over 2 000 customers, and there is no significant known credit risk in any individual customer or group of customers. New Wave Group has insured its trade payables in the Spanish and Italian companies as of year-end 2010. Under the type of insurance policy used, receivables are paid by the insurance company if a customer fails to make payment. In 2010 actual bad debts in Corporate Promo represented 0.25% of sales. In the Gifts & Home Furnishings and Sports & Leisure business areas sales are made to selected resellers, and credit losses are small, although there is a higher concentration to a smaller number of customers compared with the promo market. In 2010 actual bad debts in these two business areas represented 0.32% of sales.

Customer finance	2010	2009
Exposure	837.0	793.3
Credit risk reserve	49.1	58.0
Carrying amount	**787.9**	**735.3**

A description of credit risk exposures is given in the table below:

Concentration of credit risk

Per 31 December 2010	Number customers	Percentage of total customers	Percentage of portfolio
Exposure < 1 MSEK	22 542	91.2	62.5
Exposure 1 - 5 MSEK	786	3.2	18.0
Exposure > 5 MSEK	1 382	5.6	19.5
Total	**24 710**	**100.0**	**100.0**

The provision for doubtful receivables has been changed as follows:

Provision for uncertain receivables	2010	2009
Provision at the beginning of the year	58.0	42.3
Reserve for anticipated losses	3.0	28.8
Confirmed losses	-11.9	-13.1
Provision at year-end	**49.1**	**58.0**

Other than the provision for estimated bad debts, there are no impairment losses on financial instruments.

Age analysis

Matured and impaired	2010	2009
< 30 days	642.4	435.3
30 - 90 days	46.5	193.0
> 90 days	99.0	107.0
Total	**787.9**	**735.3**

FINANCIAL CREDIT RISKS

The liquidity generated in the Group is continually transferred to New Wave Group's treasury centre through various pooling systems and reduces the credit volume. New Wave Group has not made any financial investments. Temporary liquid assets may arise during the year as a result of cash flows.

OTHER RISKS

Purchasing market

New Wave Group's purchases are mainly made in China, Bangladesh, Vietnam and India. Political and socioeconomic changes could have an impact on New Wave Group. By maintaining a high level of preparedness and by making purchases in several different countries in Europe as well as Asia, New Wave Group limits the economic risk which would arise if purchases were made from a single country.

Strong growth

The continued expansion planned by New Wave Group will put strong pressure on management and employees. The wrong recruitments, organisational problems, the departure of key individuals, etc could delay and affect the progress of the expansion. The crucial factor determining the pace of expansion is that earnings expand at the same pace, which could result in uneven growth rates. New Wave Group is allocating resources to internal management training programmes, mentorship schemes and annual meetings of management to guarantee future leadership and spread New Wave Group's values.

Fashion trends – changes in economic conditions

Although New Wave Group devotes significant resources to ensure good design and quality, the company cannot exclude the possibility of temporary declines in sales for certain collections due to the rapid pace of change in the fashion industry. However, New Wave Group has a limited risk, as the fashion content is lower in the Corporate Promo business area while the Sports & Leisure business area is focused on areas that are less sensitive to changes in fashions, such as Craft functional underwear and Seger socks. New Wave Group's goal is to ensure that the Promo sales channel continues to account for 60–80% of total sales.

Foreign expansion

The Group intends to establish a presence in additional foreign countries only when previous foreign operations are generating satisfactory profits. The Board deems that this strategy represents a good compromise between growth and reduced risk. New Wave Group believes it is very hard to determine the exact timetables and budgets for new foreign ventures, which could entail a risk of initial losses. However, the Board deems that the company is well equipped for the new ventures that are being planned.

NOTE 17 NET ASSETS IN FOREIGN CURRENCIES

SEK million

The Group's net assets in foreign currencies are not normally hedged.

Net assets	2010	2009
Euro, EUR	440.8	438.2
Swiss franc, CHF	456.0	411.3
US dollar, USD	415.8	433.7
Norwegian krone, NOK	40.3	31.6
Danish krone, DKK	-35.8	-35.4
Chinese yuan, CNY	40.1	24.7
Polish zloty, PLN	13.2	11.8
Hong Kong dollar, HKD	10.1	5.6
British pound, GBP	-12.5	-9.4
Total net assets in foreign currencies	**1 368.0**	**1 312.1**

NOTE 18 CURRENCY EXPOSURE IN OPERATING PROFIT

SEK million

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

Operating profit/loss	2010	2009
Euro, EUR	93.9	76.9
Swiss franc, CHF	112.4	108.9
US dollar, USD	68.6	4.9
Norwegian krone, NOK	33.1	34.0
Danish krone, DKK	0.0	2.5
Chinese yuan, CNY	-7.6	-14.5
Polish zloty, PLN	3.6	3.9
Hong Kong dollar, HKD	5.2	3.0
British pound, GBP	1.1	-1.1
Russian rubel, RUB	0.0	-5.4
Total operating profit/loss in foreign currencies	**310.3**	**213.1**

NOTE 19 PLEDGED ASSETS AND MATURED LIABILITIES

SEK million		Due for payment			
Liability	Debt as at Dec. 31, 2010	Within one year	Within one to five years	Pledged assets	Debt as at Dec. 31, 2009
Liabilities to credit institutions	1 528.3	35.9	1 492.4	see below	1 821.2

Pledged assets in relation to debts to credit institutions and overdraft facilities

	2010	2009
Floating charges	663.5	192.3
Property mortgages	66.5	41.8
Net assets in subsidiaries	2 532.7	2 991.7
Stocks and accounts receivable	151.7	89.1
Total	**3 414.4**	**3 314.9**

Other information concerning pledged assets

Trademarks have been specifically pledged to the bank. The amounts are included in the net assets in subsidiaries recognised above. The commitment of the Group's main bank is based on agreed covenant conditions. See also the section on financial risk in Note 16.

NOTE 20 CONTINGENT LIABILITIES

The Swedish Tax Agency has during 2008 carried out an audit of New Wave Group AB. The audit was mainly directed at internal Group transactions. The Swedish Tax Agency has decided to additionally tax New Wave Group AB by SEK 0.4 million for the income year 2005, by SEK 55.9 million for 2006 and by SEK 63.7 million for 2007. Of the amounts listed above, a total of SEK 118.7 million relates to royalties for brands used by the Group's subsidiaries and which the Swedish Tax Agency believes that New Wave Group AB should receive. Assessment for arrears led to further taxation totalling SEK 33.8 million including tax surcharges (SEK 0.2 million for the income year 2005, SEK 15.8 million for 2006 and SEK 17.8 million for 2007). Of the additional tax of SEK 33.8 million above, SEK 33.2 million is attributable to the part relating to royalties.

New Wave Group AB is contesting the judgement and has appealed against the Swedish Tax Agency's decision. New Wave Group AB follows the applicable tax laws and regulations and estimates that the royalties in question have been managed fully in accordance with tax legislation.

SEK millon

	2010	2009
Guarantees	31.5	0.0
Guarantees for associated companies	8.3	8.3
Total	**39.8**	**8.3**

NOTE 21 NET LIABILITIES

SEK million	2010	2009
Liquid assets	-121.7	-80.4
Long-term interest-bearing liabilities	1 492.4	1 796.2
Short-term interest-bearing liabilities	35.9	25.0
Total	**1 406.6**	**1 740.8**
Effective interest rate based on recognised net interest	1.7	2.1

NOTE 22 STOCK

SEK million	2010	2009
Raw materials	80.4	65.4
Work in progress	23.0	31.0
Goods in transit	103.7	55.1
Goods for resale in stock	1 387.6	1 473.3
Total	**1 594.7**	**1 624.8**

Stocks consist of clothes, gift items and accessories for resale. The stocks are valued by applying the FIFO principle, at the lowest of the cost and net sales value on the balance sheet date. Deductions are made for internal profit made from deliveries between Group companies. There is a low risk that the net sales value is lower than the cost in the Corporate Promo business area since much of the product range consists of timeless basic products which are in demand season after season. For sales within the Sports & Leisure business area, orders to the factory are placed once the purchase order has been received from the customer, which considerably reduces the risk that the net sales value is lower than the cost. Remaining sales are largely made up of basic items with a limited fashion risk. Within the Gifts & Home Furnishings business area, most of the volume consists of classic, best-selling products that in many cases have a product cycle of more than 20 years, which limits the risk that the net sales value is lower than the cost. Efforts to reduce capital tied up in stock have also led to many discontinued articles being sold, which means that the amount of obsolescence has decreased by SEK 13 million. Last year the proviosion for obsolescence increased with SEK 35 million. As at December 31 2010, the Group's reserves for obsolescence amounted to SEK 61.3 million (SEK 74.0 million), which constitutes 4.4% (5.0%) of the goods for resale in stock. The part of the stock which is recorded to net realizable value after deduction of selling expenses amounts to SEK 605.6 million.

NOTE 23 FINANCIAL INCOME AND COSTS

SEK million	2010	2009
Interest income	0.6	1.4
Interest on overdue accounts receivable	2.8	3.7
Exchange gains on short-term receivables	1.7	1.1
Interest expense	-29.4	-48.2
Interest on overdue accounts payable	0.0	-0.4
Exchange losses on liabilities	-2.5	-3.8
Other financial expenses	-0.5	0.0
Total	**-27.3**	**-46.2**

NOTE 24 RELATED PARTIES

SEK million	Sales to		Purchases from		Receivables		Liabilities	
Associated companies	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Glasrikets skatter ekonomisk förening	0.4	12.5	-	-	-	-	-	0.5
Dingle Industrilokaler AB	-	-	1.8	2.1	-	-	0.4	0.2
Kosta Köpmanshus AB	13.7	5.2	1.2	7.0	2.0	13.2	0.4	0.0
Vist Fastighets AB	-	0.1	3.3	3.3	-	0.6	0.2	0.2
Pensionat Orrefors AB	-	-	-	-	-	-	-	0.1

Reporting of associated companies is done under Note 11 Financial fixed assets. Information is also submitted in the presentation of the Board and Management and under Note 6 Salaries, other remuneration and social security costs. Reporting of dividends from, and capital injections to, associated companies is covered in Note 11. All transactions are carried out under market conditions.

Transactions with key figures in management positions

Ulrica Messing is Managing Director in one of the group's companies. A company owned by her has purchased goods, amounting to SEK 0,7 million, from companies within New Wave Group. Her company has also raised rent for premises, amounting to SEK 0,5 million, from New Wave Group companies. Göran Härstedt, member of the Board of Directors, has carried out consultancy services amounting to SEK 1.2 million, which has been invoiced through his present employer. All transactions are carried out under market conditions.

NOT 25 OTHER PROVISIONS

SEK million	
Provision for taxes	
Opening balance	15.9
Reversed during the year	-0.7
Closing balance at year-end	**15.2**
Other provisions	
Opening balance	0.9
Reversed during the year	-0.1
Closing balance at year-end	**0.8**
Total other provisions	**16.0**

Income statement – Parent Company

January 1 – December 31

SEK million	Note	2009	2008
Net sales	19	137.2	139.0
Other operating income	2	19.2	17.7
Operating costs			
External costs	4, 8, 19	-101.8	-109.0
Personnel costs	3, 4	-23.7	-25.3
Depreciation of tangible and intangible fixed assets	7, 8	-0.9	-4.1
Other operating costs		-16.7	-17.1
Operating profit		**13.3**	**1.2**
Net income from shares in Group companies		230.5	197.7
Write-down of financial fixed assets		-122.4	-20.6
Financial income		54.6	84.1
Financial expenses		-36.1	-53.4
Net financial items	**18**	**126.6**	**207.8**
Profit before income tax		**139.9**	**209.0**
Appropriations	5	-19.3	-0.2
Tax on net profit for the year	6	-3.6	-10.3
Profit for the year		**117.0**	**198.5**

Total comprehensive income for the year correspond with profit for the year

Cash flow statement - Parent Company

January 1 – December 31

SEK million	2010	2009
Operating activities		
Operating profit before financial items	13.3	1.2
Adjustment for items not included in cash flow	-3.9	20.6
Dividend received	118.7	194.9
Interest received	54.6	84.1
Interest paid	-36.1	-53.4
Income tax paid	-3.7	9.2
Cash flow from current operations before changes in working capital	**142.9**	**256.6**
Cash flow from changes in working capital		
Increase/decrease in current receivables	151.3	330.8
Decrease/increase in current liabilities	-33.3	-19.5
Cash flow from operations	**260.9**	**567.9**
Investing activities		
Capital contribution to subsidiaries	-28.8	-10.4
Intragroup company acquisitions	0.0	-87.0
Intragroup sales of companies	3.4	115.1
Acquisition of tangible fixed assets	-0.2	-0.1
Acquisition of intangible fixed assets	-0.5	0.0
Acquisition of shares	0.0	-1.1
Repayment of purchase amount	2.4	0.0
Repayment of loan from subsidiaries	0.0	312.6
Cash flow from investing activities	**-23.7**	**329.1**
Cash flow after investing activities	**237.2**	**897.0**
Financing activities		
Amortized loans	-220.6	-849.1
Dividend paid to shareholders of the parent company	-16.6	-11.9
Received/paid Group contribution	0.0	-36.0
Cash flow from financing activities	**-237.2**	**-897.0**
Cash flow for the year	**0.0**	**0.0**
Liquid assets at beginning of year	0.0	0.0
Liquid assets at year end	**0.0**	**0.0**

Balance sheet – Parent Company

As at December 31

SEK million	Note	2010	2009
ASSETS			
Fixed assets			
Intangible fixed assets	7	0.7	0.6
Tangible fixed assets	8	0.4	0.8
Financial fixed assets			
Shares in Group companies	9	1 400.0	1 449.6
Shares in associated companies	10	52.2	52.3
Receivables from Group companies		598.1	659.9
Other long-term receivables		0.5	0.5
Total financial fixed assets		*2 050.8*	*2 162.3*
Total fixed assets		**2 051.9**	**2 163.7**
Current assets			
Current receivables			
Accounts receivable		4.3	0.4
Receivables from Group companies		1 275.7	1 282.1
Tax receivables		14.4	26.1
Other receivables		16.0	15.0
Prepaid expenses and accrued income	11	12.8	17.3
Total current receivables		*1 323.2*	*1 340.9*
Cash at bank and in hand		0.0	0.0
Total current assets		**1 323.2**	**1 340.9**
TOTAL ASSETS		**3 375.1**	**3 504.6**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	13	199.1	199.1
Reserves		249.4	249.4
		448.5	**448.5**
Unrestricted equity			
Retained profits		725.5	510.7
Share premium reserve		48.0	48.0
Profit for the year		117.0	198.5
		890.5	**757.2**
Total equity		**1 339.0**	**1 205.7**
Untaxed reserves	**12**	**53.0**	**33.6**
Long-term liabilities			
Overdraft facilities	14	1 430.2	1 686.9
Total long-term liabilities		**1 430.2**	**1 686.9**
Current liabilities			
Accounts payable		44.9	37.3
Liabilities to Group companies		501.2	534.3
Other liabilities		0.7	0.7
Accrued expenses and prepaid income	15	6.1	6.1
Total current liabilities		**552.9**	**578.4**
TOTAL EQUITY AND LIABILITIES		**3 375.1**	**3 504.6**
Pledged assets and contingent liabilities for the parent company			
Pledged assets	16	1 110.4	1 488.5
Contingent liabilities	17	467.1	299.9

Changes in equity - Parent company

SEK million	Share capital	Reserves	Retained profits	Share premium reserve	Profit for the year	Total equity
Opening balance 01/01/2009	**199.1**	**249.4**	**250.6**	**48.0**	**298.5**	**1 045.6**
Transfer according to general meeting			**298.5**		**-298.5**	**0.0**
Group contributions			-26.5			-26.5
Profit for the year			-		198.5	198.5
Total change in net assets excluding transactions with shareholders	**0.0**	**0.0**	**-26.5**	**0.0**	**198.5**	**172.0**
Dividends			-11.9			-11.9
Balance at year-end 31/12/2009	**199.1**	**249.4**	**510.7**	**48.0**	**198.5**	**1 205.7**

Group contribution of SEK -26.5 million concerns given contribution of SEK 36.0 million with a calculated tax effect of SEK 9.5 million attributable to the Group contribution.

SEK million	Share capital	Reserves	Retained profits	Share premium reserve	Profit for the year	Total equity
Opening balance 01/01/2010	**199.1**	**249.4**	**510.7**	**48.0**	**198.5**	**1 205.7**
Transfer according to general meeting			**198.5**		**-198.5**	**0.0**
Group contributions			32.9			32.9
Profit for the year					117.0	117.0
Total change in net assets excluding transactions with shareholders	**0.0**	**0.0**	**32.9**	**0.0**	**117.0**	**149.9**
Dividends			-16.6			-16.6
Balance at year-end 31/12/2010	**199.1**	**249.4**	**725.5**	**48.0**	**117.0**	**1 339.0**

Group contribution of SEK 32.9 million concerns received contribution of SEK 44.6 million with a calculated tax effect of SEK -11.7 million attributable to the Group contribution.

NOTE 1 ACCOUNTING PRINCIPLES FOR THE PARENT COMPANY

The Swedish Financial Reporting Board's Recommendation 2 – Accounting for Legal Entities and the Swedish Annual Accounts Act have been applied when preparing the parent company's annual accounts. In accordance with this recommendation, the parent company shall prepare its reports in accordance with the IASB's International Financial reporting standards (IFRS) and interpretations (IFRIC) adopted by the EU, to the extent that these are not contrary to the Swedish Annual Accounts Act. The accountancy principles have been applied consistently for all periods, unless otherwise stated.

In Sweden, group contributions are deductable, unlike the shareholder contribution. Group contributions are reported so that they mainly reflect the transaction's financial consequence. Group contributions, which have the same aim as the shareholder contribution, are activated as an investment in subsidiaries in the balance sheet with a reservation for impairment testing. Group contributions which have been received in order to minimise the Group's total tax obligation are reported directly under net equity after tax. Group contributions received which are comparable with a dividend are reported as a dividend. This means that Group contributions received and their associated tax effect are reported via the income statement.

The deferred tax liability on untaxed reserves is reported under untaxed reserves in the parent company's annual accounts due to the connection between accounting and taxation.

NOTE 2 OTHER INCOME

SEK million	2010	2009
Foreign exchange gains	14.4	17,7
Capital gain	4.8	0.0
	19.2	**17.7**

NOTE 3 AVERAGE NUMBER OF EMPLOYEES

	2010 Number of employees	Of which men	2009 Number of employees	Of which men
Hisings Kärra	34	23	41	24
Total	**34**	**23**	**41**	**24**

Absence due to illness

The total absence due to illness for the period January 1 to December 31 amounted to 1.1 % (2.0%) in the parent company, of which women accounted for 1.4% (2.0%) and men 0.9% (2.0%).

NOTE 4 SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY COSTS

SEK million	2010 Salaries and other remuneration	Social security costs	Of which pension costs	2009 Salaries and other remuneration	Social security costs	Of which pension costs
	15.7	6.8	1.7	15.4	7.0	1.6

Of the parent company's pension costs SEK 0.2 million (SEK 0.2 million) concerns the corporate board and the CEO.

Salaries and other remuneration divided between board members etc. and employees

SEK million	2010 Board and CEO	Of which bonus and similar	Other employees	2009 Board and CEO	Of which bonus and similar	Other employees
	1.7	0.0	14.1	2.3	0.0	13.1

Board members' fees	2010	2009
External members of the parent company's Board	0.8	0.7
Of which to the Chairman of the Board	0.3	0.2
Outgoing Chairman of the Board	0.0	0.3

The remuneration committee for the parent company's board has not been elected yet. The fees paid to the Chairman of the Board and the Board of Directors are in accordance with the decision of the Annual General Meeting.

Terms of employment for the CEO

Remuneration to the CEO comprises a fixed salary from New Wave Group AB. No board member's fees or other remuneration such as bonuses are paid to the CEO. As pension insurance for the CEO, a market-adjusted fixed payment plan is in place. A mutual notice period of six months applies for the CEO and no severance pay is awarded.

The conditions of employment for other senior executives

Other senior executives refers to the three people who make up the Group management together with the CEO. For the structure of the Group management, see the penultimate page of this report. Remuneration to the other senior executives comprises a fixed salary. No board members fees are paid. Market-adjusted fixed payment pension agreements exist for the other senior executives. A mutual notice period of between three to six months exists for the other senior executives and no severance pay is awarded.

Decision-making process

There is no specially appointed remuneration committee to deal with wages, pension benefits, incentives and other employment-related conditions for the CEO and the Group's other senior executives; these matters are dealt with by the Board as a whole. The salaries of the senior executives are decided by the CEO after consultation with the Chairman of the Board. The board members' fees are decided by the Annual General Meeting.

SEK million	2010 Salaries and other remuneration	Of which bonus and similar	Pension costs	2009 Salaries and other remuneration	Of which bonus and similar	Pension costs
Torsten Jansson, CEO	0.9	0.0	0.2	0.9	0.0	0.2
Anders Dahlvig, Chairman of the Board	0.3	0.0	0.0	0.2	0.0	0.0
Christina Bellander, Board Member	0.1	0.0	0.0	0.1	0.0	0.0
Göran Härstedt, Board Member	0.1	0.0	0.0	1.4	0.0	0.0
Helle Kruse Nielsen, Board Member	0.1	0.0	0.0	0.1	0.0	0.0
Mats Årjes, Board Member	0.1	0.0	0.0	0.1	0.0	0.0
Maria Andark, outgoing Board Member	0.0	0.0	0.0	0.1	0.0	0.0
Hans Johansson, outgoing Board Member	0.0	0.0	0.0	0.1	0.0	0.0
Peter Nilsson, outgoing Board Member	0.0	0.0	0.0	0.1	0.0	0.0
Other senior executives*	3.0	0.0	0.3	2.9	0.0	0.2
Total	**4.6**	**0.0**	**0.5**	**6.0**	**0.0**	**0.4**

*Individuals referred to on page 79.

Subscriptions options	2010 Quantity with exercise date 2011	with exercise date 2012	with exercise date 2013	2009 Quantity with exercise date 2010	with exercise date 2011	with exercise date 2012	with exercise date 2013
Chairman of the Board	0	75 000	0	0	0	75 000	0
Other Board Members	55 000	0	50 000	100 000	55 000	0	50 000
Managing Director	55 000	0	0	125 000	55 000	0	0
Other senior executives	100 000	84 000	0	60 000	100 000	84 000	0
Total	**210 000**	**159 000**	**50 000**	**285 000**	**210 000**	**159 000**	**50 000**

Option programme to be exercised on June 30, 2011:
The programme, which runs from June 2008 until June 30, 2011, comprises 1 800 000 share options that can be exercised at a price of up to SEK 64.05. The options were acquired at market price, which was SEK 1.11 each.

Option programme to be exercised on June 30, 2012:
The programme, which runs from July 2009 until June 30, 2012, comprises 1 000 000 share options that can be exercised at a price of up to SEK26.10.
The options were acquired at market price, which was SEK 0.21 each.

Option programme to be exercised on June 30, 2013:
The programme, which runs from July 2008 until June 30, 2013, comprises 200 000 share options that can be exercised at a price of up to SEK 85.40.
The options were acquired at market price, which was SEK 0.88 each.

No share warrants have been issued during 2010.

The share's closing price on December 31 was SEK 40.40.

As at December 31, 2010, only the option plan to be exercised in 2012 is classified as "in the money ".

Pension commitments
Pension commitments Fixed benefit pensions exist within the Group. These are only for smaller pension plans. As the Swedish manager Alecta cannot recognise a basis that allows calculation of fixed benefit pension liabilities, this pension plan has instead been recognised as a fixed payment plan. Recognition has therefore not been carried out in the balance sheet. Alecta's collective funding ratio at the end of the year was 146% (141%) . The collective funding level is the difference between the company's assets and insurance commitments, calculated in accordance with Alecta's calculation assumptions for insurance purposes, which do not comply with IAS 19.

Remuneration to auditors and auditing company

SEK million	2010	2009
Audit assignment		
Ernst & Young	1.0	1.4
Audit work outside audit assignment	0.2	0.2
Tax consultancy	0.1	0.1
Total	**1.3**	**1.7**

NOTE 5 APPROPRIATIONS

SEK million	2010	2009
Difference between reported depreciation and depreciation according to plan	0.0	0.8
Tax allocation reserve	-19.3	-1.0
Total	**-19.3**	**-0.2**

NOTE 6 TAX ON PROFIT FOR THE YEAR

SEK million	2010	2009
Current tax	-15.3	0.8
Tax attributable to previous years	0.0	0.0
Tax attributable to received/paid Group contribution	-11.7	-9.5
Total	**-3.6**	**-10.3**

Reconciliation of actual tax				
Profit before tax	**120.6**		**208.8**	
Tax expense according to local tax rate	-31.7	-26.3%	-54.9	-26.3%
Tax effects from:				
Non taxable profit	60.6	50.3%	51.3	24.5%
Non deductible expenses	-32.3	-26.8%	-6.5	-3.1%
Other	-0.2	-0.2%	-0.2	-0.1%
Tax according to income statement	**-3.6**	**-3.0%**	**-10.3**	**-5.0%**

NOTE 7 INTANGIBLE FIXED ASSETS

		Trademarks		Computer software
SEK million	**2010**	**2009**	**2010**	**2009**
Accumulated acquisition values				
Opening acquisition value	6.9	6.9	8.7	8.7
Acquisitions	0.0	0.0	0.5	0.0
Disposals	0.0	0.0	-1,1	0.0
Closing accumulated acquisition value	**6.9**	**6.9**	**8,1**	**8.7**
Accumulated depreciation according to plan				
Opening depreciation	-6.3	-6.0	-8.7	-7.2
Depreciation during the year	-0.3	-0.3	-0.1	-1.5
Disposals	0.0	0.0	1.1	0.0
Closing accumulated depreciation	**-6.6**	**-6.3**	**-7.7**	**-8.7**
Closing book value	**0.3**	**0.6**	**0.4**	**0.0**

NOTE 8 TANGIBLE FIXED ASSETS

SEK million	Equipment, tools and installations 2010	2009
Accumulated acquisition values		
Opening acquisition value	8.0	7.9
Acquisitions	0.1	0.1
Disposals	-1.8	0.0
Closing accumulated acquisition value	**6.3**	**8.0**
Accumulated depreciation according to plan		
Opening depreciation	-7.2	-6.6
Depreciation during the year	-0.5	-0.6
Disposals	1.8	0.0
Closing accumulated depreciation	**-5.9**	**-7.2**
Closing book value	**0,4**	**0,8**

Leasing costs for operational leasing

The Group has operational lease agreements for the rental of premises and business systems. The future commitment for these agreements can be seen in the following summary:

	2010 Premises	2010 Business system		2009 Premises	2009 Business system
2011	1.5	15.7	2010	1.4	14.1
2012	1.5	10.1	2011	1.4	13.3
2013	1.5	6.7	2012	1.4	8.8
2014	1.5	1.2	2013	1.4	5.4
2015 incl. costs through contract period end	2.9	0.0	2014 incl. costs contract period end	4.1	1.2
Rental costs for the year amounted to	1.5	14.6		1.4	13.6

NOTE 9 SHARES IN GROUP COMPANIES

	Equity %	Voting rights, %	Number of shares	Book value
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
GC sportswear	100	100	8 000	82
Hefa AB[2]	100	100	18 985	47 980
Intraco Holding BV[3]	64	64	49 804	33 362
Jobman Workwear AB	100	100	10 000	163 450
Kosta-Förlaget AB	100	100	500	1 136
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 France SAS	100	100	100	35 546
New Wave Garments Ltd	100	100	-	0
New Wave GmbH	100	100	-	11 224
New Wave Group Incentives AB[10]	100	100	1 000	100
New Wave Group International Trading Ltd	100	100	-	0
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
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	24 288
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
Pensionat Orrefors AB	100	100	100	105
ProJob Workwear AB	100	100	1 015 684	492
Sagaform AB[7]	100	100	5 611 223	107 917
Seger Europe AB	100	100	10 000	34 599
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. Wales	100	100	-	13 765
X-Tend BV	100	100	100 000	15 673
Total				**1 400 021**

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 company Texet GmbH.
3 Intraco Holding owns Intraco Hong Kong Ltd, Intraco International Ltd, Intraco Shenzhen Ltd, Intraco Trading BV och 60% av DeskTop Ideas Ltd.
4 New Wave Group SA owns New Wave Group Licensing SA.
5 Orrefors Kosta Boda 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 as well as Orrefors Kosta Boda Inc, which in turn owns Sagaform Inc.
7 Sagaform AB owns Sagaform APS, Sagaform GmbH (Germany) and Sagaform SAS.
8 New Wave Holland BV owns Lensen Toppoint BV, Toppoint Deutschland GmbH, Newpoint SP. z.oo and 80% av Toppoint Polska SP z.oo.
9 Dahetra A/S owns Hurricane Purchases A/S.

Information regarding subsidiary corporate identities and domiciles:

	Company registration number	Domicile
Craft Sportswear Ltd	5451215	London, England
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 BV	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	- - -	Shenzhen, China
Intraco Trading BV	35027019	Wormerveer, The Netherlands
Jobman Workwear AB	556218-1783	Stockholm, Sweden
Kosta Förlaget AB	556700-7140	Orrefors, Sweden
Lensen Toppoint BV	5055988	Bergentheim, The Netherlands
New Wave Asia Ltd	1213487	Hong Kong
New Wave Austria GmbH	FN272531g	Eli, Austria
New Wave Danmark A/S	234083	Copenhagen, Denmark
New Wave Far East Ltd	551901	Hong Kong
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 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	310000400561917	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
Pensionat Orrefors AB	556697-6790	Nybro, Sweden
ProJob Workwear AB	556560-7180	Borås, Sweden
Restaurant AB Kullegården	556552-1373	Lessebo, Sweden
Sagaform AB	556402-4064	Borås, Sweden
Sagaform APS	25818253	Karlebo, Denmark
Sagaform GmbH	47619	Frankfurt am Main, Germany
Sagaform Inc	- - -	West Berlin, USA
Sagarform SAS	48093654100014	Courbevoie Cedex, France
SEA Glasbruk AB	556066-8883	Kosta, Sweden

Seger Europe AB	556244-8901	Gällstad, Sweden
Texet AB	556354-3015	Stockholm, Sweden
Texet Benelux BV	BE 404.998.655	Aarschot, Belgium
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
Toppoint Deutschland GmbH	HR B 1986	Nordhorn, Germany
Toppoint Polska Sp. z o.o.	220828	Zielona Góra, Poland
United Brands of Scandinavia Ltd	5480650	Hirwaun, South Wales
X-Tend BV	8108654	Zwolle, The Netherlands

NOTE 10 FINANCIAL FIXED ASSETS

Reported acquisition costs for the associated companies

SEK million	**2010**	**2009**
Dingle Industrilokaler AB	8.3	8.3
Glasrikets skatter ekonomiska förening	1.0	1.0
Kosta Köpmanshus AB	29.4	29.4
Pensionat Orrefors AB	0.0	0.1
Vist Fastighetsbolag AB	13.5	13.5
Total	**52.2**	**52.3**

NOTE 11 PREPAID EXPENSES AND ACCRUED INCOME

SEK million	**2010**	**2009**
Leases	5.9	9.0
Prepaid credit fees	2.0	0.1
Prepaid rents	0.4	0.1
Prepaid expenses	4.0	7.9
Other items	0.5	0.2
Total	**12.8**	**17.3**

NOTE 12 UNTAXED RESERVES

SEK million	**2010**	**2009**
The difference between reported depreciation and depreciation according to plan	0.0	0.0
Tax allocation reserve 06	11.0	11.0
Tax allocation reserve 07	15.7	15.7
Tax allocation reserve 08	5.9	5.9
Tax allocation reserve 09	-	-
Tax allocation reserve 10	1.0	1.0
Tax allocation reserve 11	19.4	-
Total	**53.0**	**33.6**

Deferred tax on untaxed reserves amounts to SEK 13.9 million (SEK 8.8 million).

NOTE 13 EQUITY

Division of share capital

The parent company's share capital consisted of the following number of shares as at December 31, 2010, with a quoted value of up to SEK 3.00 per share.

Shares %					
Share class		**No. of shares**	**No. of votes**	**Capital**	**Votes**
A	10 votes	20 707 680	207 076 800	31.2	81.9
B	1 vote	45 635 863	45 635 863	68.8	18.1
Total		**66 343 543**	**252 712 663**	**100.0**	**100.0**

NOTE 14 CREDIT LIMIT

Amount granted in relation to loans and bank overdraft facilities amounts to SEK 2 200 million (SEK 2 762 million).

The company's overdraft facilities with the bank are defined as long-term as the credit facility is valid until September 15, 2013

NOTE 15 ACCRUED EXPENSES AND PREPAID INCOME

SEK million	**2010**	**2009**
Accrued salaries	0.0	0.3
Holiday pay liability	2.6	2.6
Social security charges	0.4	0.8
Special employer's contribution	0.8	0.0
Leases	0.0	0.4
Audit	0.4	0.0
Interest	0.3	0.5
Credit charge	1.1	0.0
Other items	0.5	1.5
Total	**6.1**	**6.1**

NOTE 16 PLEDGED ASSETS AND MATURED LIABILITIES

		Due for payment				
Liability	**Liability as per Dec. 31, 2010**	**Within 1 year**	**Between one to five years**	**Later than five years**	**Pledged asset**	**Liability as per Dec. 31, 2009**
Liability to credit institution	1 430.2	-	1 430.2	-	see below	1 686.9

Pledged assets in relation to debts to credit institutions and overdraft facilities

	2010	**2009**
Company mortgages	30.0	30.0
Shares in subsidiary	1 071.9	1 449.6
Shares in associate company	8.3	8.3
Trademarks	0.2	0.6
Total	**1 110.4**	**1 488.5**

NOTE 17 CONTINGENT LIABILITIES

SEK million	**2010**	**2009**
Guarantees for subsidiaries	467.1	299.9

New Wave Group AB has as of closing date given a guarantee for capital cover regarding the following daughter companies: Dahetra A/S, Hurricane Purchase A/S, Orrefors Kosta Event AB samt United Brands of Scandinavia Ltd. There has not been any need to realize any of these guarantees for capital coverage.

The Swedish Tax Agency has during 2008 carried out an audit of New Wave Group AB. The audit was mainly focused on internal group transactions. The Swedish Tax Agency has decided to additionally tax New Wave Group AB by SEK 0.4 million for the income year 2005, by SEK 55.9 million for 2006 and by SEK 63.7 million for 2007. Of the amounts listed above, a total of SEK 118.7 million relates to royalties for trademarks used by the Group's subsidiaries and which the Swedish Tax Agency believes that New Wave Group AB should receive. Assessment for arrears led to further taxation totalling SEK 33.8 million including tax surcharges (SEK 0.2 million for the income year 2006 , SEK 15.8 million for 2006 and SEK 17.8 million for 2007). Of the additional tax above of SEK 33.8 million, SEK 33.2 million is attributable to the part relating to royalties.

New Wave Group AB is contesting the judgement and has appealed against the Swedish Tax Agency's decision. New Wave Group AB follows the applicable tax laws and regulations and estimates that the royalties in question have been managed fully in accordance with tax legislation.

NOTE 18 FINANCIAL INCOME AND EXPENSES

SEK million	2010	2009
Write-down of financial fixed assets	-122.4	0.0
Profit/loss from internal Group sales of subsidiaries	0.0	-17.8
Dividends from subsidiaries	230.5	194.9
Financial income, Group companies	33.6	50.6
Financial income, other	21.0	33.6
Financial expenses, Group companies	-9.5	-9.4
Financial expenses, other	-26.6	-44.1
Total	**126,6**	**207,8**

NOTE 19 RELATED PARTIES

Sales

Of the parent company's invoiced sales, SEK 137.2 million (SEK 139.0 million) equivalent to 100% (100%) were sales to Group companies. All transactions have occurred in accordance with market conditions.

Related persons which are affected with related transaction

Name	Position in the company/related to a related
Göran Härstedt	Member of the Board of Directors

Related transactions

SEK million Name	Commission description	Amount	Liability as of 2010-12-31
Göran Härstedt	Remuneration to lawyer's office	1.2	0.2

All transactions have occurred in accordance with market conditions.

Auditor’s 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 financial year 2010. The annual accounts and the consolidated accounts of the company are included in the printed version of this document on pages 36 - 74. 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 rea¬sonable 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 con¬solidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion con¬cerning 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 for 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.

Göteborg April 7, 2011

Ernst & Young AB

Sven-Arne Gårdh	Nina Bergman
Authorised Public Accountant	Authorised Public Accountant

The Group in summary

Income statements in brief, SEK million	2010	2009	2008	2007	2006
Net sales	4 243.4	4 087.0	4 604.2	4 194.0	3 530.5
Other operating income	32.2	68.9	56.5	37.7	23.1
Operating costs	-3 889.6	-3 912.9	-4 227.7	-3 772.0	-3 168.7
Profit before depreciation	386.0	243.0	433.0	459.7	384.9
Depreciation according to plan	-58.4	-70.6	-64.2	-53.9	-40.1
Profit after depreciation	327.6	172.4	368.8	405.8	344.8
Net financial items	-27.3	-46.2	-136.0	-90.8	-54.6
Profit after net financial items	300.3	126.2	232.8	315.0	290.2
Tax	-78.8	-38.4	-84.9	-83.7	-63.1
Profit after tax	**221.5**	**87.8**	**147.9**	**231.3**	**227.1**
Balance sheets in brief					
Trademarks	376.0	392.2	413.2	367.7	133.0
Other fixed assets	1 267.5	1 367.2	1 468.4	1 370.4	833.5
Stock	1 594.7	1 624.8	2 200.3	1 862.1	1 519.3
Accounts receivable	787.9	735.3	835.8	883.0	745.2
Other current assets	170.8	202.4	261.8	211.0	134.3
Liquid assets	121.7	80.4	191.2	115.5	114.2
Total assets	**4 318.6**	**4 402.3**	**5 370.7**	**4 809.7**	**3 479.5**
Equity attributable to shareholders	1 908.3	1 773.6	1 797.9	1 426.3	1 300.7
Equity attributable to non-controlling (minority) interest	24.7	33.5	35.9	11.9	10.0
Provisions	172.3	195.6	203.0	210.0	109.7
Interest-bearing liabilities	1 528.3	1 821.2	2 767.5	2 472.5	1 430.6
Non-interest-bearing liabilities	685.0	578.4	566.4	689.0	628.5
Total equity and liabilities	**4 318.6**	**4 402.3**	**5 370.7**	**4 809.7**	**3 479.5**
Cash flows					
Cash flow before changes in working capital and investments	332.1	138.9	163.1	259.3	299.7
Changes in working capital	11.5	667.4	-431.1	-176.3	-18.4
Cash flow before investments	343.6	806.3	-268.0	83.0	281.3
Net investments	-57.6	-23.0	-65.2	-1 165.7	-49.3
Cash flow after investments	286.0	783.3	-333.2	-1 082.7	232.0
Financial payments	-241.2	-884.8	377.2	1 081.5	-246.4
Cash flow for the year	**44.8**	**-101.5**	**44.0**	**-1.2**	**-14.4**
Key figures					
Gross margin, %	47.1	46.5	48.5	47.6	47.9
Operating margin, %	7.7	4.2	8.0	9.7	9.8
Profit margin, %	7.1	3.1	5.1	7.5	8.2
Net margin, %	5.3	2.1	3.2	5.5	6.4
Return on capital employed, %	9.4	4.3	9.0	12.8	12.9
Return on equity, %	12.1	4.9	9.2	17.1	18.7
Equity/assets ratio, %	44.8	41.0	34.1	29.9	37.7
Net debt/equity ratio, %	72.8	96.3	140.5	163.9	100.4
Proportion of risk-bearing capital, %	48.2	42.4	35.2	33.8	40.5
Interest coverage ratio, times	10.4	3.4	2.6	4.0	5.5
Rate of capital turnover, times	1.0	0.8	0.9	1.0	1.0
Rate of stock turnover, times	1.4	1.1	1.2	1.3	1.2
Average number of employees	2 196	2 203	2 562	2 350	2 207
Wage costs incl. social security contributions, SEK million	861.8*	917.0*	1 007.0*	632.7	471.0
Sales outside Sweden, %	69.6	70.9	70.9	66.8	60.7

* Includes purchase and production personnel.

Data per share[1]	2010	2009	2008	2007	2006
Number of shares before dilution	66 343 543	66 343 543	66 343 543	66 343 543	65 430 660
Number of shares after dilution	67 343 543	67 343 543	66 343 543	68 843 543	65 681 234
Profit per share before dilution, SEK	3.31	1.29	2.18	3.46	3.45
Profit per share after dilution, SEK	3.26	1.27	2.18	3.33	3.44
Equity per share, SEK	29.14	27.24	27.64	21.68	20.03
Equity per share after dilution, SEK	28.70	26.83	27.64	20.89	19.96
Share price as at December 31, SEK	40.40	27.50	6.25	67.50	77.25
P/E ratio as at December 31	12.03	20.54	2.87	19.36	22.26
Dividend per share, SEK	1.00	0.25	0.18	1.00	1.00
Dividend yield, %	2.5	0.9	2.9	1.5	1.3
Operating cash flow per share, SEK	5.18	12.15	-4.04	1.25	4.30

[1] Data per share has been calculated in respect of 2:1 split during 2005 and 2004

Definitions

Share of risk-bearing capital
Total equity and deferred tax liabilities (including non-controlling (minority) interest) 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
Income with deductions for goods for resale in percent of income.

Rate of capital turnover
Income 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 non-controlling (minority) interest as a percentage of balance sheet total.

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

Stock turnover
Cost of sold goods divided by average stock.

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.

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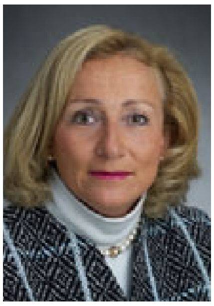
Board of Directors

Anders Dahlvig, born 1957.
Chairman of the Board since May 2009. Former president and CEO of the IKEA group (April 1999 to September 2009). Other directorships: Member of the Board of H & M Hennes & Mauritz AB, Axel Johnson Aktiebolag, Axstores AB, Resurs Bank Aktiebolag, Kingfisher plc and HIF Service Aktiebolag.
Holdings in the company, own and related parties: 20 000 class B shares and 75 000 class B share options.

Christina Bellander, born 1955.
Member of the Board since 2009. Other directorships: Chairman of the Board of Fabaris AB and the School of Education and Communication at Jönköping University, and Member of the Board of Slitevind AB. Holdings in the company, own and related parties: Does not hold any securities in the company.

Göran Härstedt, born 1965.
Member of the Board since 2009. Lawyer and partner at Advokatfirman Lindahl. Other directorships: Chairman of the Board for a number of companies within the New Wave Group and Member of the Board of City Airline AB. Holdings in the company, own and related parties: 1 000 000 class A shares, 250 000 class B shares and 55 000 class B share options.



Helle Kruse Nielsen, born 1953.
Member of the Board since 2009. Other directorships: Member of the Board of Swedbank AB, Oriflame Cosmetics SA, Gumlink A/S, AkerBioMarine ASA and Lantmännen ek för. Holdings in the company, own and related parties: 5 000 class B shares.

Mats Årjes, born 1967.
Member of the Board since 2007. Managing Director of SkiStar AB. Other directorships: Chairman of the Swedish Ski Association, Chairman of the Board of Ski Invest Sälen AB and Member of the Board of SkiStar AB. Holdings in the company, own and related parties: 10 000 class B shares, 50 000 class B share options.

Torsten Jansson, born 1962.
Managing Director and CEO.
Member of the Board since 1991. Founder of New Wave Group AB and majority shareholder. Other directorships: Member of the Board of RNB Retail and Brands AB (publ).
Holdings in the company, own and related parties: 20 707 680 class A shares, 763 600 class B shares, 55 000 class B share options.

Group Management

Torsten Jansson, born 1962.
Chief Executive Officer. Member of the Executive Board since 1991. Founder of New Wave Group AB and majority shareholder. Other directorships: Member of the Board of RNB Retail and Brands AB (publ).Holdings in the company, own and related parties: 20 707 680 class A shares, 763 600 class B shares, 55 000 class B share options.

Tomas Jansson, born 1965.
North Europe Manager Corporate Promo and Managing Director of New Wave Mode AB. Employed since 1993. Holdings in the company, own and related parties: 20 000 class B shares and 83 000 class B share options.

Lars Jönsson, born 1964.
Chief Financial Officer. Employed since 2007. Holdings in the company, own and related parties: 50 000 class B share and 28 000 class B share options.

Randy Royce, born 1970.
Chief Buying Officer. Employed since 2007. Holdings in the company, own and related parties: 73 000 class B share options.

Auditors

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

Nina Bergman, born 1979.
Authorised Public Accountant, Ernst & Young AB.
Auditor of the company since 2009.

AGM

The Annual General Meeting (AGM) will take place on Tuesday 17 May, 2011 at 1 pm at the Kosta Boda Art Hotel, Stora vägen 75, SE-360 52 Kosta, Sweden. Shareholders have the right to attend the AGM if they are registered in the copy of the share register made on 11 May, 2011 and notify the company of their intention to attend the AGM by
12 noon on 11 May, 2011 at the latest.

Nominee registered shares
Shareholders with nominee registered shares must register their shares in their own name with Euroclear Sweden AB to be entitled to attend the Annual General Meeting. This registration must be completed by 11 May, 2011 and an application shall therefore be made to the nominee in good time before this date.

Notification
Notification of attendance at the AGM shall be made by letter or e-mail to:
New Wave Group AB (publ)
Orrekulla Industrigata 61
SE-42536 Hisings Kärra
Sweden
bolagsstamma@nwg.se

The notification shall state:
Name, personal identification number/company registration number and daytime phone number. Shareholders who wish to attend the AGM must have notified the company of this before 12 noon on 11 May, 2011, when the notification deadline expires.

Issues
The issues prescribed by law and the articles of association, the below proposals for dividends and other issues mentioned in the notice to convene the meeting will be addressed at the AGM.

Dividend payment
The Board proposes to the Annual General Meeting a dividend for 2010 of SEK 1.00 per share, corresponding to a total of SEK 66,344 million. The Board has proposed 20 May, 2011 as the record day for the dividend. This record day assumes payment of the dividend from Euroclear Sweden AB on 25 May, 2011.

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