

## Year end report for New Wave Group AB (publ)

Q4 | JANUARY–DECEMBER 2007



*ProJob is one of New Wave's brands within working clothes. ProJob has in only four years become one of the biggest brands within working clothes in Sweden.*

### Strong quarter for Promo business area – Weak for Retail business area

#### THE PERIOD JANUARY 1 – DECEMBER 31 2007

Sales and result increased for the 17th year in a row.

- Sales increased by 19 % to MSEK 4 194 (3 530).
- Organic growth amounted to 3 %.
- The operating margin amounted to 9.7 (9.8) %.
- The result after finance net improved by MSEK 24.8 to MSEK 315.0 (290.2).
- Acquired units have contributed with MSEK 552 in sales and MSEK 19.3 in result after finance net.
- The result after tax improved by MSEK 4.1 to MSEK 231.3 (227.2) and profit per share amounted to SEK 3.36 (3.38) after dilution.

#### THE PERIOD OCTOBER 1 – DECEMBER 31 2007

- Sales increased by 23 % to MSEK 1 331 (1 079).
- Organic growth amounted to 4%.
- The operating margin amounted to 11.4 (15.6) %
- The result after finance net decreased by MSEK -34.0 to MSEK 122.1 (156.1).
- Acquired units contributed with MSEK 210 in sales and MSEK -4.4 in result after finance net.
- The result after tax decreased by MSEK -35.1 to MSEK 91.2 (126.3) and profit per share to SEK 1.32 (1.90) after dilution.

#### SIGNIFICANT EVENTS DURING FOURTH QUARTER

- Sales and result from the Promo business area continued to increase, especially in the Mid-Europe region.

- The fourth quarter has been affected by weaker results in the Retail business area. The decrease is related to higher production costs and lower result in Orrefors Kosta Boda AB, a lower result from sport retail sales, costs incurred by establishing of new brands and continued weak development of Sagaform and DJ Frantextil.

#### VIEWS ON 2008

- Initiatives have been taken to increase the efficiency and profitability and decrease the working capital tied up in stock and accounts receivables.
- The ongoing restructuring of Sagaform and DJ Frantextil is expected to give a positive effect.
- Sales to the sport sector is expected to increase.
- The work with introducing Cutter & Buck's products in Europe and to launch the Promo concept New Wave/Clique in the USA is developing well and the brands have been introduced at fairs on both continents during January with a positive feedback.
- Sales and result are expected to increase for the 18th year in a row.

#### TARGETS FOR THE FUTURE

- New Wave's goal, over a business cycle, is to reach;
  - 20-40% sales growth per year, of which 5-10% organic growth
  - 50% gross margin
  - 15% operating margin

## SALES

### January – december

The turnover for the period increased by 19 % to MSEK 4 194 (3 530), of which acquired units have contributed MSEK 552. The currency exchange rate has had a negative effect on sales by MSEK 10.

The organic growth was 3%. Growth during the first six months was affected by the preceding year's successful sales during the World Championships in football and the higher sales within the trading business. The third quarter showed a higher growth rate and the last quarter was effected by a weaker than expected development within the Retail business area.

Resources and investments have been rearranged in order to achieve the synergies and to create stable and high future growth in the acquired unit Cutter & Buck. This has had a negative effect on the organic growth during 2007. The rearrangement has given lower market investments in other countries during 2007 than originally planned. These actions will benefit the introduction of the Cutter & Buck brand in Europe and the Clique/New Wave brand in the USA, which the management believes will generate growth as from 2008 and 2009.

### October – december

The turnover for the period increased by 23 % to MSEK 1 331 (1 079). Acquired units contributed MSEK 210. The organic growth amounted to 4% and this increase is mainly related to the promo business area and regions outside Sweden.

Sport retail sales have been weaker than expected during this period, and the sales from so called hard give-aways on the Swedish market by the subsidiaries Sagaform and DJ Frantextil have continued to be weak. These companies are subject to restructuring and their recovery is expected to be seen during the coming quarters. Also the group's production unit at Dahetra AS in Denmark is subject to restructuring, and in the short term, with lower sales as a result.

## PROFIT

### January – december

The result after finance net improved by MSEK 24.8 to MSEK 315.0 (290.2). Acquired units contributed MSEK 19.3. The result after tax improved by MSEK 4.1 to MSEK 231.3 (227.1) and profit per share amounted to SEK 3.36 (3.38) after dilution.

Gross margin amounted to 47.6 (47.9) %. The business has during the first three quarters increased its margin as a result of centralized purchasing activities. The slightly lower gross margin is related to the lower margin in the fourth quarter which amounted to 47.7 (50.0) %.

Other income increased to MSEK 37.7, of which MSEK 12.1 relates to the sale of property that was completed during the second quarter.

The group's external costs as part of sales decreased and amounted to 22.0 (22.5) %. Personnel costs as part of sales has increased and amounted to 15.4 (14.8) %. The total increase in costs is mainly related to acquired units and central projects. Total costs, excluding acquired units, increased by 1.7% during 2007.

Depreciation increased by MSEK 13.8 to MSEK 53.9 (40.1) and the increase mainly relates to acquired units.

Net financial items amounted to MSEK -90.8 (-54.6). The increase is due to increased interest rates and higher net debt which relates to the acquisition of Cutter & Buck. The group's policy is to have a short duration, which has a swift effect on the costs when the interest rate changes.

The tax-rate for New Wave Group was 26.6 (21.7) %, which is related to a higher tax base outside Sweden, and the acquired unit Cutter & Buck. The tax rate is expected to increase slightly during 2008 due to Cutter & Buck.

The operating margin was 9.7 (9.8) % and return on capital employed was 12.8 (12.9) %.

### October – December

The fourth quarter result after finance net decreased by MSEK -34.0 to 122.1 (156.1) and acquired units affected by MSEK -4.4. The decreased result is mainly related due to lower gross margin, but also that new establishments has affected the result by MSEK -7.4. Weaker sales within the sport retail business have also affected the result negatively.

Gross margin for the period amounted to 47.7 (50.0) % which is in line with prior quarters in 2007. The lower gross margin in the fourth quarter, relates partly to a historically very strong margin in preceding years fourth quarter, but the quarter also had a lower profit within the gift market. Higher production costs due to higher energy and personnel costs at Orrefors Kosta Boda AB have also had a negative affect.

The group's external costs as part of sales is unchanged and amounted to 20.6 (20.6) %. Personnel costs as part of sales has increased and amounted to 15.4 (13.3) %. The increase in absolute numbers is mainly related to acquired units but also central projects have increased costs during the quarter. Steps will be taken to decrease these.

Initiatives have been taken to increase the efficiency and profitability and decrease the working capital tied up in stock and accounts receivables. The management is expecting to see a result of these actions in the third quarter 2008.

Depreciation increased by MSEK 5.5 to MSEK 16.7 (11.2) and the increase mainly relates to acquired units.

Net financial items amounted to MSEK -29.4 (-12.4). The increase is due to increased interest rates and higher net debt which relates to the acquisition of Cutter & Buck. The group's policy is to have a short duration, which has a swift effect on the costs when the interest rate changes.

The tax-rate for New Wave Group was 25.3 (19.1) %. The increase is mainly due to an increase in the tax base outside Sweden.

## REPORT OF THE CORPORATE SEGMENTS

The Promo Business Area and The Retailing Business Area are primary segments. The channel of distribution is the basis, not the product or the geographical market. Many products are common for both segments, with common stock and assets. This makes the split of depreciation and finance net difficult. Therefore, New Wave has chosen to present the results for both business areas on EBITDA-level (Earning Before Interest, Tax and Depreciation), with the operating result adjusted for depreciation.

## The Promo Business Area

For the period January – December, the sales increased by 15 % to MSEK 2 473 (2 146) and profit on EBITDA-level increased by MSEK 97.9 to MSEK 385.8 (287.9). Acquired units contributed MSEK 249 in sales and MSEK 42.1 in EBITDA. For the period Oktober – December, the sales increased by 21% to MSEK 788 (662) and profit on EBITDA-level increased by MSEK 23.8 to MSEK 139.1 (115.3). Acquired units contributed 99 in sales and 13.8 in EBITDA. The growth in turnover and EBITDA is mainly related to the regions outside Sweden.

## The Retailing Business Area

For the period January – December, the sales increased by 24 % to MSEK 1 721 (1 385) but profit on EBITDA-level decreased by MSEK 23.1 to MSEK 73.9 (97.0). Acquired units contributed MSEK 303 in sales and MSEK -2.2 in EBITDA. For the period Oktober – December, the sales increased by 30% to MSEK 543 (417) but the profit on EBITDA-level decreased by MSEK 35.4 to MSEK 29.0 (64.4). Acquired units contributed MSEK 111 in sales and MSEK -2.9 in EBITDA. The lower EBITDA in the quarter is mainly related to higher energy and personnel costs in the production unit in Orrefors Kosta Boda AB, costs incurred by establishing new brands and Sagaform and DJ Frantextil.

## PURCHASE

New Wave has purchase offices in Bangladesh, Vietnam and China and as from the fourth quarter also an office in Bangalore, south India. At present, the purchase department has approximately 160 employees. The group has during the year put resources into strengthening competence and systems for follow-up of quality and environmental issues, both when it comes to products and suppliers. The strategy gives higher efficiency and lower costs. This work will continue during 2008.

## GEOGRAPHICAL DISTRIBUTION

A table showing the sales per region Nordic, Mid-Europe, South Europe, USA and other countries is presented on page 7.

New Wave has a strong market position in the Nordic countries. The future growth is expected to come from the rest of Europe where the market shares are small today.

The growth during 2007 comes mainly from Mid-Europe, and especially from the promo business area. Southern Europe is affected by lower trading volumes, but the promo business continues to grow.

The sales growth in USA relates mainly to the acquisition of Cutter & Buck. Sales amounted to MSEK 689 (167).

The increase in other markets is mainly related to Russia and China.

## INTEGRATION OF ACQUISITIONS

On June 8, Cutter & Buck Inc., a company listed on NASDAQ, was acquired. The company is a leading supplier of exclusive golf- and sportswear in the USA. Cutter & Buck Inc. develops, designs and markets exclusive golf- and sportswear with the trademarks "Cutter & Buck", "ANNIKA" and "CBUK". The products are primarily sold to the golf and sports retailing area, corporate profiling suppliers as well as international distributors and license-holders. In addition, they also sell to consumers by way of mail and e-mail orders from the

wholly owned subsidiary Cutter & Buck Inc. Direct LLC. Cutter & Buck's products are characterized by distinct and comfortable design, high quality and many details. The company works closely with Annika Sörenstam through the trademark ANNIKA.

The merger of New Wave Group AB and Cutter & Buck Inc. will give the American market a much larger product range and an exclusive trademark within golf- and sportswear to distribute in Europe. Only a small part of Cutter & Buck's sales take place outside of the USA, which gives distribution synergies thanks to New Wave's distribution network in Europe, as well as Cutter & Buck's distribution network in the USA. Synergies are also expected within purchasing and product development where the purchases will be integrated with New Waves purchasing offices in Asia. The integration is developing according to the plan. However it will take a little bit longer than originally planned before the financial effect on the integration and synergies will be seen.

51% of the shares in Textet Poland Sp z.o.o. were acquired July 1 for EUR 186. The company had a turnover of MEUR 2.4 in 2006. New Wave has an option to acquire the remaining 49%. The company is developing very well and the integration is developing according to plan.

#### NEW ESTABLISHMENTS

In order to further strengthen its position on the sport market, the New Wave group has concentrated all its sport brands into one legal company, New Wave Sports AB. The new sport company will have its head office in Borås, Sweden and the distribution will come from a newly built warehouse in Ulricehamn. Synergies within finance, administration, customer service and logistics will therefore be achieved. The new organisation is expected to be finalized during summer-autumn 2008.

The work with introducing the brands New Wave/ Clique in USA and Cutter & Buck in Europe is developing according to plan and has been well received on the markets. New Waves product line New Wave/Clique will be introduced to the American market during spring 2008. Corresponding introduction will be done with the Cutter & Buck brand; it will be introduced to the European market through New Waves distribution channels during spring 2008. The establishments will be done through separate sales forces, but market synergies will be obtained through existing distribution channels both in Europe and in USA. The above introductions will increase the capital tied up in stock both in USA and Europe, starting from the beginning of 2008. Increases in marketing costs are also expected during the first quarters 2008.

In the season 08/09 Craft will be launching a new alpine collection. This collection is based on speed, position, performance and freedom of movement.

The brands Orrefors and Kosta Boda have established an additional 2 stores in China and New Wave now has 7 stores in China.

New Wave has signed a new license agreement with Speedo for the markets in Sweden, Denmark and Norway.

#### CAPITAL TIED UP

During the period, capital tied up in stock has increased by MSEK 343 to MSEK 1 862 (1 519) of which MSEK 242 is related to Cutter & Buck. The corresponding increase in preceding year was MSEK 52. Accounts receivable

increased by MSEK 138 to MSEK 883 (745) of which MSEK 85 is related to Cutter & Buck.

#### INVESTMENTS, FINANCING AND LIQUIDITY

The group's cash flow from operations amounted to MSEK 87,8 (281,3) and after investments MSEK -1 083 (283). The groups cash-affecting net investments during January – December 2007 amounted to MSEK -1 170 (-49). Net debt increased by MSEK 1 041 and amounted to MSEK 2 357 (1 316). New Wave Group's credit limits were approximately MSEK 3 300 as of December 31 2007.

#### PERSONNEL AND ORGANISATION

The number of employees as of December 31, 2007 was 2 350 (2 161) persons, of which 43 % were female and 57 % were male. A total of 914 employees were employed within production units. The production owned by New Wave belongs to Orrefors Kosta Boda, Seger, Dahetra, Toppoint and Cutter & Buck (embroidery).

#### SUBSCRIPTION OPTIONS IN NEW WAVE GROUP AB (PUBL)

New Wave has two outstanding programs for subscription options. One expires in June 2008 and consists of 1 500 000 options with an exercise price of SEK 73,10. The options were subscribed in June 2005 with a premium of SEK 9,00.

The second program was introduced during July 2007. That program contain 2 000 000 options and will expire in June 2010. The exercise price is set to SEK 102,50 and the options were subscribed with a premium of SEK 7,00.

#### VIEWS ON THE FISCAL YEAR 2008

Continued focus on improving the profitability in new establishments, concentrate the buying, integrate the acquired companies and continued expansion of existing concepts into new markets.

The restructuring program for Sagaform and DJ Frantextil is expected to have positive effects. The same goes for the activities to increase efficiency and profitability together with decreasing capital tied up in stock and accounts receivables.

The sales to the sport sector are expected to increase due to the new license with Speedo and the European Cup in soccer being arranged during 2008. Craft is expected to break through in several new markets. The group's initiative of starting a new company within the sport sector is expected to increase the sale of all sport brands.

New Wave is expecting to increase its sales and result for the 18th year in a row.

#### THE PARENT COMPANY

Sales amounted to MSEK 87 (62). Profit after financial items amounted to MSEK 81,5 (5,8). Net borrowings amounted to MSEK 1 611, of which MSEK 541 refer to financing to subsidiaries. Net investments amounted to MSEK 1 123 (100), of which the main part relates to the acquisition of Cutter & Buck. The total assets amounts to MSEK 3 041 ( 2 029 ) and the equity amounts to MSEK 853 (744).

#### RISK AND RISK CONTROL

New Wave is, with its international operations, continuously exposed to different financial exposures. These financial risks are currency-, borrowings- and interest exposure as well as liquidity and credit exposure. The group

has a financial policy in order to deal with the financial risks mentioned. For further explanations regarding the group's financial exposures, see annual report 2006; www.nwg.se. The accounted exposures are in all material aspects unchanged.

#### ACCOUNTING PRINCIPLES

This report has been prepared according to IAS 34 interim report and the annual report law as well as the Swedish Financial Accounting Standards Council's standards RR 32 regarding the parent company. Applied accounting principles are in accordance with the annual report for 2006.

#### ANNUAL GENERAL MEETING

The annual general meeting will be held on May 20, 2008 at 10.00 am at New Wave Groups head office in Gothenburg. The annual Report will be available for shareholders on May 5 at New Wave Groups head office.

#### DIVIDEND

New Wave's financial goal is to enable the company to grow further and being prepared to exploit business opportunities. The goal is to pay 30% of the Groups net profit as a dividend during a business cycle. The Board of Directors has decided to suggest a dividend of SEK 1.00 (1.00) per share totalling to MSEK 66,3 (66,3). The suggestion is equivalent to 29% of the group's net profit.

#### NOMINATION COMMITTEE

The nomination committee for election of the board to the annual shareholders meeting consists of the following members:

- Torsten Jansson, chairman and the major shareholder
- Arne Lööw, represents Fjärde AP fonden
- Anders Algotsson, represents AFA Försäkringar

#### CALENDAR

- April 21, 2008. Interim report for Q1
- May 20, 2008. Annual Shareholders Meeting 2008
- August 28, 2008. Interim report for Q2

Gothenburg February 20, 2008  
New Wave Group AB (publ)  
Board of Directors

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The information in this Report is that which New Wave is required to disclose under the Securities Exchange and clearing Operations Act and/or the Financial Instruments Trading Act. It was released for publication at 07.00 CET on February 20, 2008.

# Income Statements

SEK Mk	12 mån	12 mån	12 mån	12 mån
	JAN-DEC	JAN-DEC	JAN-DEC	JAN-DEC
	2007	2006	2005	2004
Net sales	4 194.0	3 530.5	3 059.0	2 302.2
Goods for resale	-2 196.1	-1 839.6	-1 638.7	-1 246.4
<b>Gross profit</b>	<b>1 997.9</b>	<b>1 690.9</b>	<b>1 420.3</b>	<b>1 055.8</b>
Other income*	37.7	23.1	25.8	20.0
External costs	-921.3	-793.4	-653.9	-440.2
Personnel costs	-647.2	-522.2	-461.5	-341.1
Depreciation of tangible and intangible fixed assets	-53.9	-40.1	-31.5	-29.6
Other costs	-7.4	-13.6	-3.5	-2.5
Share of associated companies result	-	0.1	-0.1	0.2
<b>Operating profit</b>	<b>405.8</b>	<b>344.8</b>	<b>295.6</b>	<b>262.6</b>
Interest income	15.0	9.4	6.9	4.2
Interest costs	-105.8	-64.0	-48.5	-32.6
<b>Net financial items</b>	<b>-90.8</b>	<b>-54.6</b>	<b>-41.6</b>	<b>-28.4</b>
Profit after financial items	<b>315.0</b>	<b>290.2</b>	<b>254.0</b>	<b>234.2</b>
Tax on profit for the period	-83.7	-63.1	-47.3	-61.3
<b>Profit/loss for the period</b>	<b>231.3</b>	<b>227.1</b>	<b>206.7</b>	<b>172.9</b>
Related to:				
Equity holders of the parent company	229.3	225.7	203.0	171.9
Minority interest	2.0	1.4	3.7	1.0
	<b>231.3</b>	<b>227.1</b>	<b>206.7</b>	<b>172.9</b>
<b>Profit per share</b>				
Profit per share before dilution	3.49	3.47	3.22	2.80
Profit per share after dilution	3.36	3.38	3.17	2.74
Weighted number of shares before dilution	66 343 543	65 430 660	64 210 410	61 722 986
Weighted number of shares after dilution	68 843 543	67 093 543	65 306 999	63 143 988

\* Rate of exchange profit and capital gain

## Quarterly Income Statements

SEK M	2007				2006				2005			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	760.4	977.5	1124.7	1331.4	755.3	896.7	799.6	1078.9	516.5	738.6	774.2	1 029.7
Goods for resale	-399.5	-508.3	-591.8	-696.5	-407.7	-468.8	-424.0	-539.1	-288.6	-395.5	-413.6	-541.0
<b>Gross profit</b>	<b>360.9</b>	<b>469.2</b>	<b>532.9</b>	<b>634.9</b>	<b>347.6</b>	<b>427.9</b>	<b>375.6</b>	<b>539.8</b>	<b>227.9</b>	<b>343.1</b>	<b>360.6</b>	<b>488.7</b>
<b>Gross profit %</b>	<b>47.5</b>	<b>48.0</b>	<b>47.4</b>	<b>47.7</b>	<b>46.0</b>	<b>47.7</b>	<b>47.0</b>	<b>50.0</b>	<b>44.1</b>	<b>46.5</b>	<b>46.6</b>	<b>47.5</b>
Other income	2.3	18.6	6.8	10.0	1.8	5.5	5.7	10.1	2.6	1.9	9.4	11.9
External costs	-189.7	-204.7	-252.6	-274.3	-199.9	-184.4	-186.2	-222.9	-122.0	-145.8	-172.0	-214.1
Personnel costs	-134.1	-150.2	-163.2	-199.7	-129.4	-132.3	-116.8	-143.7	-99.8	-110.5	-115.4	-135.8
Depreciations	-10.7	-10.1	-16.4	-16.7	-9.4	-9.3	-10.2	-11.2	-7.4	-8.5	-10.0	-5.6
Other costs	-2.0	-2.9	0.3	-2.7	-0.8	-3.7	-5.3	-3.8	-1.3	1.3	-2.6	-0.9
Share of associated companies result	-	-	-	0	-	-	-0.1	0.2	-	-	-	-0.1
<b>Operating profit/loss</b>	<b>26.7</b>	<b>119.9</b>	<b>107.8</b>	<b>151.5</b>	<b>9.9</b>	<b>103.7</b>	<b>62.7</b>	<b>168.5</b>	<b>0.0</b>	<b>81.5</b>	<b>70.0</b>	<b>144.1</b>
Interest income	1.4	2.0	4.1	7.5	2.0	4.2	1.7	1.5	5.2	0.9	0.3	0.5
Interest expenses	-16.3	-21.4	-31.3	-36.9	-14.8	-18.8	-16.5	-13.9	-13.7	-7.9	-13.9	-13.0
<b>Result after financial items</b>	<b>11.8</b>	<b>100.5</b>	<b>80.6</b>	<b>122.1</b>	<b>-2.9</b>	<b>89.1</b>	<b>47.9</b>	<b>156.1</b>	<b>-8.5</b>	<b>74.5</b>	<b>56.4</b>	<b>131.6</b>
Tax	-3.1	-26.5	-23.2	-30.9	0.8	-23.4	-10.7	-29.8	1.3	-18.1	-12.0	-18.5
<b>Profit/loss for the period</b>	<b>8.7</b>	<b>74.0</b>	<b>57.4</b>	<b>91.2</b>	<b>-2.1</b>	<b>65.7</b>	<b>37.2</b>	<b>126.3</b>	<b>-7.2</b>	<b>56.4</b>	<b>44.4</b>	<b>113.1</b>
Profit per share												
Profit per share before dilution	0.13	1.12	0.87	1.37	-0.04	1.02	0.56	1.90	-0.11	0.88	0.69	1.75
Profit per share after dilution	0.13	1.09	0.84	1.32	-0.04	0.99	0.55	1.90	-0.11	0.88	0.68	1.72
Weighted number of shares before dilution	66 343 543	66 343 543	66 343 543	66 343 543	64 517 776	64 517 776	66 343 543	66 343 543	63 665 348	63 903 044	64 005 499	64 517 776
Weighted number of shares after dilution	67 843 543	67 843 543	68 343 543	68 843 543	66 003 728	66 040 365	67 719 546	66 553 928	64 102 822	64 001 750	65 075 196	65 843 709

## Balance Sheets

SEK Mk	31-Dec 2007	31-Dec 2006	31-Dec 2005	31-Dec 2004
<b>ASSETS</b>				
Intangible fixed assets	405.9	140.1	138.3	12.9
Goodwill	764.7	375.6	371.8	340.9
Fixed assets	380.8	345.0	319.9	216.4
Other long-term receivables	186.8	105.8	95.8	45.9
<b>Total fixed assets</b>	<b>1 738.2</b>	<b>966.5</b>	<b>925.8</b>	<b>616.1</b>
Stock	1 862.1	1 519.3	1 466.8	971.9
Accounts receivable	883.0	745.2	708.5	482.4
Other short-term receivables	210.7	134.3	147.5	77.1
Liquid funds	115.5	114.2	133.8	84.1
<b>Total current assets</b>	<b>3 071.3</b>	<b>2 513.0</b>	<b>2 456.6</b>	<b>1 615.5</b>
<b>Total assets</b>	<b>4 809.5</b>	<b>3 479.5</b>	<b>3 382.4</b>	<b>2 231.6</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity</b>	<b>1 438.2</b>	<b>1 310.7</b>	<b>1 144.0</b>	<b>910.6</b>
Long term loans	2 414.9	1 373.5	1 540.3	515.9
Other long term liabilities	209.9	109.6	104.4	57.3
<b>Total long term liabilities</b>	<b>2 624.8</b>	<b>1 483.1</b>	<b>1 644.7</b>	<b>573.2</b>
Short term loans	57.6	57.1	82.2	454.4
Other liabilities	688.9	628.6	511.5	293.4
<b>Total short term liabilities</b>	<b>746.5</b>	<b>685.7</b>	<b>593.7</b>	<b>747.8</b>
<b>Total liabilities</b>	<b>3 371.3</b>	<b>2 168.8</b>	<b>2 238.4</b>	<b>1 321.0</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>4 809.5</b>	<b>3 479.5</b>	<b>3 382.4</b>	<b>2 231.6</b>
<b>Changes in equity</b>				
Opening balance	1 310.7	1 144.0	910.6	614.8
Change in accounting principle	-	-	-	-13.6
Adjusted opening balance	1 310.7	1 144.0	910.6	601.2
Translation difference	-47.6	-53.7	23.9	-2.8
Cash flow hedges	-1.3	-3.0	-3.6	-
Equity change in minority	-0.1	0.9	-2.9	5.1
Profit/loss related to the shareholders	229.3	225.7	203.0	171.9
Profit/loss related to the minority interest	2.0	1.4	3.7	1.0
Dividend	-66.3	-58.1	-47.5	-36.3
New issue	-	53.5	44.0	169.7
Option premiums	11.5	-	12.8	0.8
	<b>1 438.2</b>	<b>1 310.7</b>	<b>1 144.0</b>	<b>910.6</b>

## Cash Flow Analysis

SEK M	1 jan - 31 Dec 2007	1 jan - 31 Dec 2006	1 jan - 31 Dec 2005	1 jan - 31 Dec 2004
<b>Current operation</b>				
Profit/loss before financial items	405.8	344.8	295.6	242.4
Items not included in cash flow	60.5	41.8	17.9	48.5
Received interest	15.0	9.4	6.9	4.4
Paid interest	-105.8	-63.9	-48.5	-32.6
Paid income tax	-116.2	-32.4	-53.7	-72.6
<b>Cash flow from current operations before changes in working capital</b>	<b>259.3</b>	<b>299.7</b>	<b>218.2</b>	<b>190.1</b>
<b>Cash flow from changes in working capital</b>				
Increase of stock	-119.0	-48.7	-244.7	-170.6
Increase/decrease of current receivables	-26.5	-27.0	-90.1	-4.4
Increase/decrease of accounts payables	-30.8	57.3	19.2	-12.8
<b>Cash flow from operation</b>	<b>83.0</b>	<b>281.3</b>	<b>-97.4</b>	<b>2.3</b>
<b>Investments</b>				
Investments in material assets	-64.9	-41.9	-79.6	-33.9
Sales of material assets	8.5	3.1	0.4	0.5
Investments in immaterial assets	0	3.3	-8.9	-32.9
Acquisition of subsidiaries*	-1087.3	-6.4	-88.3	-175.6
Investments in financial assets	-22.0	-7.4	-45.0	-3.5
Sales of financial assets	0	0	1.2	0
<b>Cash flow from investments</b>	<b>-1 165.7</b>	<b>-49.3</b>	<b>-220.2</b>	<b>-245.4</b>
Cash flow after investments	<b>-1 082.7</b>	<b>232.0</b>	<b>-317.6</b>	<b>-243.1</b>
<b>Financial activities</b>				
New issue	-	53.5	44.0	149.7
Raise of loans	1136.3	-241.8	365.2	192.1
Option premium	11.5	-	-	-
Dividend	-66.3	-58.1	-47.5	-36.3
<b>Cash flow from financial activities</b>	<b>1 081.5</b>	<b>-246.4</b>	<b>361.7</b>	<b>305.5</b>
Cash flow for the year	-1.2	-14.4	44.1	62.4
Opening cash balance	114.2	133.8	84.1	21.9
Currency translation	2.5	-5.2	5.6	-0.2
<b>Closing cash balance</b>	<b>115.5</b>	<b>114.2</b>	<b>133.8</b>	<b>84.1</b>
*The item includes:				
Goodwill	-403.2	-4.9	-46.1	-41.7
Trademarks	-251.0	-	-112.0	-
Customer relations	-15.0	-	-	-
Working capital	-223.7	-6.2	-192.2	-196.2
Fixed assets	-23.1	-0.1	-87.7	-9.0
Transferred loans	-171.3	4.8	361.8	71.3
Paid through non-cash issue	-	-	-12.1	-
<b>Effect on the cash flow</b>	<b>-1 087.3</b>	<b>-6.4</b>	<b>-88.3</b>	<b>-175.6</b>

## Financial highlights

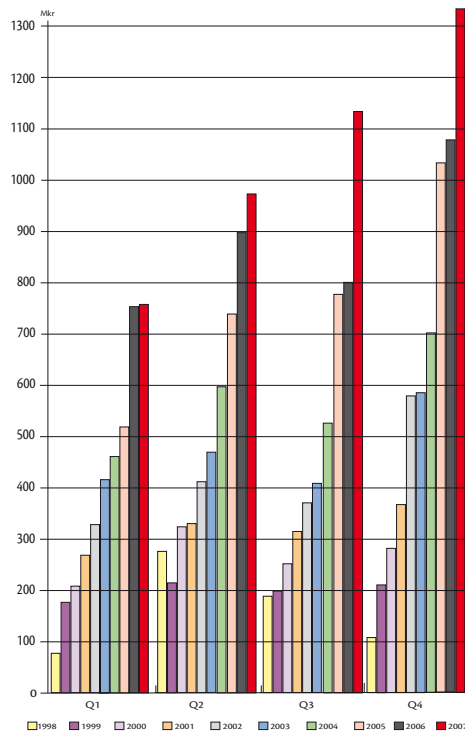
	JAN - DEC 2007	JAN - DEC 2006	JAN - DEC 2005	JAN - DEC 2004
Sales growth %	18.8	15.4	32.9	22.3
Number of employees	2 350	2 161	2 032	1 269
Gross profit margin %	47.6	47.9	46.4	45.9
Operating margin before depreciation %	11.0	10.9	10.7	12.7
Operating margin %	9.7	9.8	9.7	11.4
Profit margin %	7.5	8.2	8.3	10.2
Net margin %	5.5	6.4	6.8	7.5
Return on shareholders' equity %	17.1	18.7	20.3	22.7
Return on capital employed %	12.8	12.9	13.0	16.6
Equity ratio %	29.9	37.7	33.8	40.8
Net debt - Equity ratio %	163.9	100.4	130.1	97.3
Net liabilities SEK M	2 357.0	1 316.4	1 488.7	886.2
Interest cover ratio times	4.0	5.5	6.2	8.2
Capital turnover times	1.0	1.0	1.2	1.2
Stock turnover times	1.3	1.2	1.5	1.5
Cash flow before investments SEK M	83.0	281.3	-97.4	2.3
Net investments SEK M	1 165.7	49.3	220.2	245.4
Cash flow after investments SEK M	-1 082.7	232.0	-317.6	-243.1
Shareholders' equity per share SEK	21.68	20.03	17.82	14.75
Shareh. equity per share after dilution SEK	20.89	19.53	17.38	14.42
Share 31 december SEK	67.5	77.25	88.00	63.75
Dividend/share SEK	1.00	1.00	0.90	0.75
P/E-ratio	19.36	22.26	27.33	25.93
P/S-ratio	1.07	1.43	1.85	1.71
Rate/Shareholders' equity	3.11	3.86	4.94	4.45

## Sales per area

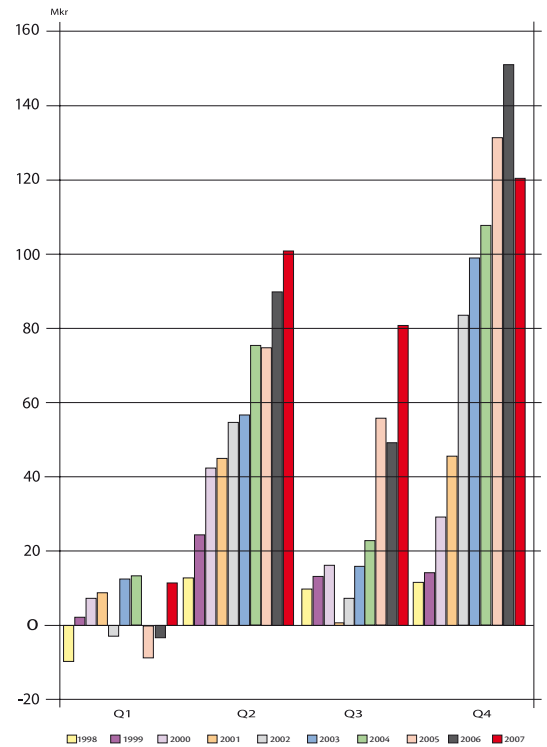
	JAN - DEC 2007		JAN - DEC 2006		CHANGE	
		Part of turnover			M	%
Nordic countries	2 072	50%	2 024	56%	48	2
Mid-Europe	891	21%	833	24%	58	7
Southern Europa	406	10%	412	12%	-6	-2
USA	689	16%	167	5%	522	313
Other countries	136	3%	95	3%	41	43
<b>Total</b>	<b>4 194</b>	<b>100%</b>	<b>3 531</b>	<b>100%</b>	<b>663</b>	<b>19</b>

	Qtr 2007		Qtr 2006		CHANGE	
		Part of turnover			M	%
Nordic countries	641	49%	612	56%	29	5
Mid-Europe	272	20%	246	23%	26	11
Southern Europa	121	9%	125	12%	-4	-3
USA	244	18%	47	4%	197	420
Other countries	53	4%	49	5%	4	8
<b>Total</b>	<b>1 331</b>	<b>100%</b>	<b>1 079</b>	<b>100%</b>	<b>252</b>	<b>23</b>

## Sales



## Profit



# New Wave's share

The share capital in New Wave amounted to SEK 199 030 629 distributed among a total of 66 343 543 shares, each with a quota value of SEK 3.00. The shares carry identical rights to the Company's assets and profits. Each Series A share is entitled to ten votes and each Series B share is entitled to one vote. New Wave's Series B shares have since December 11, 1997, been listed at the Stockholm Stock Exchange and are now listed on the Mid Cap list. A trading lot amounts to 100 shares.

## Dividend

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

## Shareholders

The number of shareholders amounted to 11 825 (12 414) on December 31st. Institutional investors accounted for 47% of the capital and 12% of the votes. At the same time, the ten largest shareholders held 69% of the capital and 90% of the votes. Non-Swedish shareholders accounted for 8% of the capital and 3% of the votes.

### New Wave's ten major shareholders 2007-12-31

Shareholder	Number of shares	Number of votes	Capital %	Votes %
Torsten Jansson thru companies	21 355 905	207 725 025	32.2%	81.0%
AFA Försäkringar	6 439 660	6 439 660	9.7%	2.5%
Fjärde AP-Fonden	5 270 700	5 270 700	7.9%	2.1%
Robur	4 570 983	4 570 983	6.9%	1.8%
Svenska Handelsbanken	2 096 792	2 096 792	3.2%	0.8%
AMF Pension	1 559 600	1 559 600	2.4%	0.6%
Svenskt Näringsliv	1 300 000	1 300 000	2.0%	0.5%
SEB fonder	1 127 268	1 127 268	1.7%	0.4%
Danske Fonder	971 668	971 668	1.5%	0.4%
Skandia Fonder	919 630	919 630	1.4%	0.4%
	<b>45 612 206</b>	<b>231 981 326</b>	<b>68.8%</b>	<b>90.4%</b>

### Shareholder distribution in New Wave 2007-12-31

	Number of shares	Number of votes	Capital %	Votes %
Sweden	61 046 425	249 150 301	92.0%	97.1%
Outside Sweden. excl.USA	4 697 189	6 497 189	7.1%	2.5%
USA	599 929	599 929	0.9%	0.2%
<b>Total</b>	<b>66 343 543</b>	<b>256 582 663</b>	<b>100.0%</b>	<b>100.0%</b>

## New Wave in brief

New Wave is a growing company that focuses on delivering promo-wear, gifts and workwear to companies, as well as clothes, shoes, gifts and textiles to consumers through retailers. This is done through the establishment, acquisition and development of brands within the areas mentioned above.

New Wave serves two separate business areas, firstly the market for corporate identity products through independent retailers, secondly the consumer market through gifts, sports and shoe retailers. By operating in both these market segments, New Wave can spread its risks favourably. Economies of scale are also achieved since large parts of the product range are common for both business areas.

The competitiveness of New Wave lies mainly within design, purchasing and marketing of our own brands. The products are manufactured mainly in Asia and to a lesser degree in Europe. The Group's most well known brands are Orrefors, Kosta Boda, Craft, Sagaform, Seger, Cutter & Buck, Grizzly, DAD Sportswear, Hurricane, New Wave, Clique, James Harvest Sportswear, Printer Active Wear, Toppoint, Mac One, Jingham, Jobman and Pax, as well as Umbro, Nordica, and Rollerblade under licence.

New Wave has from the start shown substantial growth with good margins.



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