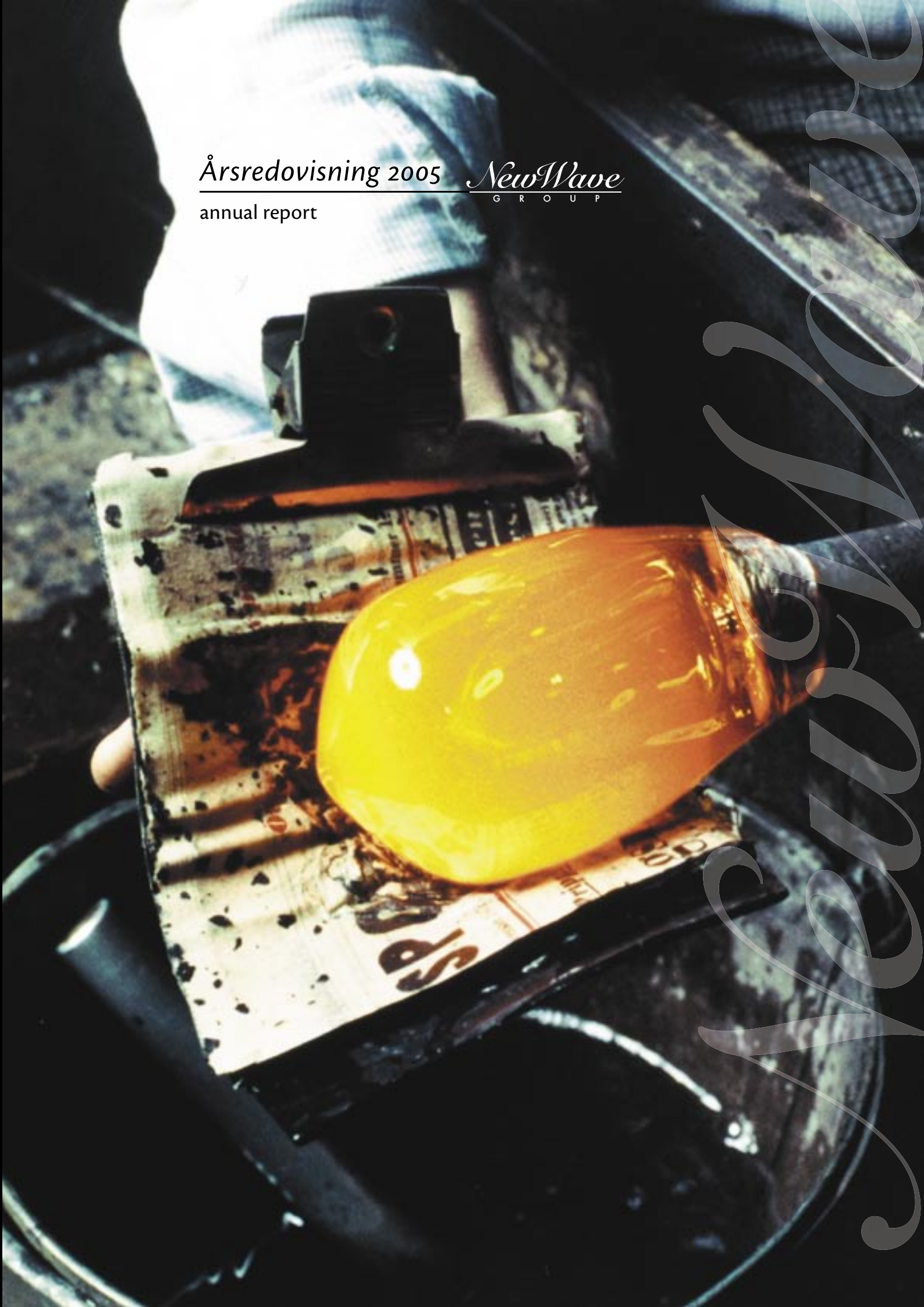


Årsredovisning 2005

NewWave
G R O U P

annual report



6. Describing New Wave

Since the company was formed in 1990, New Wave has experienced strong growth in sales and result. Average sales growth for the period 1992–2005 amounted to 38 % per year.

17. Profiling

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



26. Retailing

New Wave's goal is to build Sagaform to one of Europe's largest brands within kitchen, china and gifts, Orrefors and Kosta Boda to one of the world's leading brands within glass and crystal as well as Craft and Seger to international brands within functional sportswear.

37. Environment

Environment and ethics has always been important issues for New Wave and the Group always follow-up how the suppliers treat their workers as well as issues about the environment.



41. Financial information

During 2005 the sales and result increased with 33 % to SEK 3 059 (2 302) million respectively SEK 20 million to SEK 254 (234) million.

73. Brands

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





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Did you know...

...New Wave 2005 sold approx:

- Orrefors Kosta Boda has sold 1 600 000 handmade glasses and 2 500 000 other pieces around the world.
- 4,2 million one coloured T-shirts in Sweden and 6 million throughout the rest of Europe.
- 1 400 000 polo piqué shirts in Sweden and 3,8 million throughout the rest of Europe.
- 400 000 shirts in Sweden and 690 000 throughout the rest of Europe.
- 280 000 bags in Sweden and 470 000 in the rest of Europe.
- 40 481 000 company pens throughout Europe.

Definition

New Wave

New Wave Group AB (publ) or the group for which New Wave Group AB is parent company or, where it is applicable, the trademark New Wave.



The Corporate Profiling business area

Distribution channels retailers specialising in gifts, workwear and promowear.

Owned:



The Retailing business area

Retailers specialising in sportswear, shoes, give-aways and home textile.

Owned:



Distributed and licensed in Sweden:



Business concept

New Wave is a growth company which creates, acquires and develops branded merchandise for the corporate profiling and consumer markets, mainly within clothing, accessory and present sectors. The Group shall achieve synergies by coordinating design, purchasing, marketing and distribution of the Group's collections as well as utilizing coordinating advantages between the Group's brands. The Group shall operate within the promotional and retail markets in order to obtain a good risk spread.

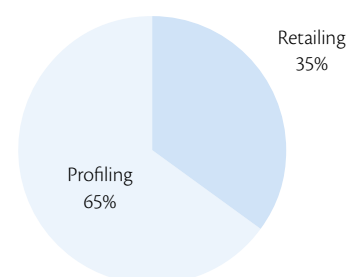
IMPORTANT EVENTS DURING THE YEAR

- During 2005, New Wave's sales increased by 33% to SEK 3,059 (2,302) million.
- During 2005, the result after financial items increased by SEK 20 million to SEK 254 (234) million.
- The result after tax increased to SEK 207 (173) million and the profit per share increase to SEK 3.22 (2.80).
- Acquired entities have affected the result positively by SEK 30 million and costs for new establishments amounted to SEK 32 million.
- The factory in China was closed down due to, among other things, the reintroduction of quotas for exports from China. A non-recurrent cost for the closure amounted to SEK 6 million.
- The corporate profiling business area sales increased by 25% to SEK 1,976 (1,581) million. The result before interest, tax and depreciation (EBITDA) increased by SEK 31 million to SEK 247 (216) million.
- The retailing business area sales increased by 50% to SEK 1,083 (721) million. The result before interest, tax and depreciation (EBITDA) increased by SEK 4 million to SEK 80 (76) million.
- The acquisition of the Danish Dahetra Group with subsidiaries in Sweden, Norway and Bangladesh, took effect on January 1st, 2005.
- A new 5 year credit facility for SEK 2,100 million.
- 51% of the shares in Orrefors Kosta Boda Holding AB were acquired from Royal Scandinavia A/S on June 1st, 2005. The contract was renegotiated thereafter to include 100% of the shares which meant that the minority shareholder ceased to exist per October 1st, 2005. The total purchase price amounted to SEK 24,5 million.
- 51% of the shares in the Intraco Group (technique related products) were acquired for approximately EUR 4 million, on July 1st, 2005.
- In October New Wave was selected as the 30th fastest growing company in Europé500's list "Europe's Champions of Growth" and as the only Swedish company among the 100 Hot Growth Companies in Business Weeks rankings.
- A large number of new establishments were begun during the year however these were mainly through increased concept numbers in existing subsidiaries in Europe.

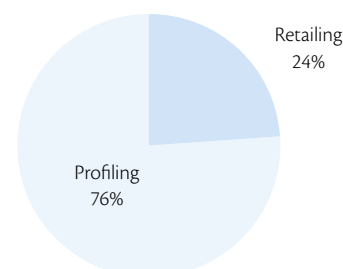
IMPORTANT EVENTS AFTER THE YEAR-END

- The board has decided to propose to the annual general meeting an increase in the dividend to SEK 0.90 (0.75) per share, equivalent to SEK 58.1 million.

Sales per business area



Result per business area



Key data 2005 2004

Sales, SEK m.	3059,0	2302,2
Result before depreciation, SEK m.	327,1	292
Result after depreciation, SEK m.	295,6	262,4
Result after net financial items, SEK m.	254,0	234,2
Gross profit margin, %	46,4	45,9
Shareholders' equity, SEK m.	1144	910,6
Return on shareholders' equity, %	20,3	22,7
Return on capital employed, %	13,0	16,6
Number of employees	1714	1269
Profit per share, SEK	3,22	2,80
Shareholders' equity per share, SEK	17,82	14,75



Statement by the President and CEO

2005 was another year with continued increases in both turnover and earnings. Looking back at 2005 I am very pleased that we, notwithstanding all the new establishments, could increase our earnings. Besides all the establishments we also made three acquisitions, Dahetra, Intraco och Orrefors Kosta Boda AB, which made it a strenuous year for us in management. Considering everything that was carried out during 2005, it is both gratifying and necessary that we consolidate our operations. 2005 was the 15th year in a row with increased turnover and earnings, and this succession makes us extra proud.

HIGH EXPECTATIONS FOR 2006

I have high expectations for good growth in 2006, without further acquisitions or establishments. Everything that was undertaken during 2004/2005 should now give increased organic growth. Even the result should improve markedly during 2006. Both Orrefors Kosta Boda acquisition and new establishments will however burden the first six months, but the second half of the year should be very strong. The only uncertainty I feel is in regard to the newly established companies and whether they will take one or several extra quarters to break through, however in this case it is a minor problem. You don't create a growth company based on quarters.

ORREFORS KOSTA BODA (OKB) ACQUISITION

The OKB acquisition deserves several words, as it is our largest and in its own class the most noticed acquisition. By acquiring OKB the group gained two worldwide trademarks in the form of Orrefors and Kosta Boda. We even gained Sea glassworks and the possibility of establishing Orrefors Jernverk and Kosta Linnewäferi. This gives us great opportunities in both business areas, and even if we hope and believe that we can make the retail area considerable better, the greatest opportunity lies in the corporate profiling area as OKB has only previously worked this area to a minor extent. Even if the history scares me, with OKB as a Swedish cultural heritage and the trademark a national treasure, I am convinced that we will succeed. That we furthermore had a better start than we expected gives us an extra kick. I would like to warmly recommend everybody to visit the glass kingdom. Visit our glassworks and experience glass making and blowing, see our fantastic art glassware and not least visit all our new outlets, shops, restaurants, bars and hotel that will gradually open. It is worth a visit, I promise!

OUR SUCCESS FACTORS

1) *Personnel and management*

Personnel are our most important resource. It's hard to recruit the right people and, above all, to maintain the company culture and values which are both a major part of our success. With growing personnel numbers and more geographic locations, it is sometimes difficult to ensure that all companies and personnel act in a, for New Wave, correct way. We work a great deal with our values both within new and old companies, and during recruitments and acquisitions. New Wave has always stood for cost awareness, common sense, the will to achieve, honesty and hard work. It's both ironic and a little unfortunate that some personnel who resign or are dismissed are seldom less competent or intelligent but instead often lack commitment and effort, or lack good ethics. As management, we will fight for our values even if it sometimes gives us short-term problems. However, a long-term solution is the only correct way.

2) *Trademarks*

Even our trademarks constitute a major asset, which demands care and attention. We place a great deal of time and major resources on them. From a Swedish perspective, we have an incredible trademark portfolio. There are soon no Swedish companies who do not wear entirely or partly the Group's trademarks, such as Clique, Harvest, Grizzly, Craft, Seger and Umbro. To these we can add both Jobman and ProJob. Even internationally, Craft is growing daily in both Europe and the USA. Craft shall be globally successful, this is our clearly stated goal and we have come a long way. Within their segments, even trademarks such as Sagaform, Pax, Clique and New Wave etc grow stronger every day. Last year's addition of Orrefors, Kosta Boda and Sea, and that we have now launched Orrefors Jerverk and Kosta Linnewäferi makes our portfolio even stronger.

3) *Quality and functionality*

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

4) *Long-term thinking*

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

WHAT CAN WE IMPROVE IN THE FUTURE?

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

THE FUTURE

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

ETHICS, MORALS AND INCENTIVES

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

GOAL AND PROGNOSIS 2006

"The goals are simple; 2006 will be the sixteenth year in a row with increased turnover and earnings. The first half year will be burdened by both Orrefors Kosta Boda and the new establishments, but the second half should be very strong. Despite the fact that we have gone through a tough period and are still partly in it, it is my strong belief that even if a quarter or even a year should be worse than expected, we are still stronger than ever to meet the future. New Wave's journey has only just started.



Torsten Jansson, President and CEO
New Wave Group AB

This is New Wave

HISTORY

New Wave has from the start in 1990, shown strong growth in sales and earnings. Average sales growth for the period 1992-2005 amounted to 37% per year. Sales for 2005 were SEK 3,059 million. This expansion is mainly the result of organic growth, the formation of subsidiaries in new markets and company acquisitions. During the same period, profit after net financial items has increased on average by 38% annually, to a profit of SEK 254 million for 2005. New Wave was established 1990 in Sweden and Norway, and 1994 in Finland. The Group is market-leader in these markets and within promowear has an estimated market share of 30-35%. Craft was acquired 1996 and thereby established the retail business area. Through the acquisition of Sagaform 2001, New Wave stepped into corporate business gifts, which has had major synergies with the Groups other Corporate profiling business. During 2003 New Wave developed its own concept within workwear with the trademark Projob and the investment was completed by the acquisition of Jobman. After the establishment within workwear, New Wave is now the only supplier in all three areas (promowear, corporate business gifts and workwear) in the corporate profiling market. The Group has successively expanded and established operations in Europe. New Wave has established selling operations through its own subsidiaries and offices in 17 countries (Sweden, Norway,

Finland, Denmark, Italy, Spain, Germany, Austria, Holland, France, Switzerland, Belgium, China, Great Britain, Ireland, Japan and USA). New Wave distributes the Craft trademark via retailers in 29 markets in Asia, Europe and North America. The acquisition of the Orrefors Kosta Boda group with over USD 20 million of sales in the USA gives a strong foothold for continued expansion in the American market.

Foreign sales amount to 61% of total Group sales, which amount to SEK 1,871 million. Sweden remains the Group's most important market, due to the fact that most acquisitions made through the years have been Swedish. With regard to organic growth it is in the rest of Europe, i.e. outside Sweden, that we are growing most.

MARKETS

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

ANNUAL SALES PER COUNTRY (MKR)

COUNTRY	JAN – DEC 2005	SHARE OF TURN OVER.	JAN – DEC 2004	CHANGE MKR	CHANGE %
SWEDEN	1188	39%	956	232	24
BENELUX	336	11%	293	43	15
NORWAY	257	8%	180	77	43
GERMANY	223	7%	181	42	23
FINLAND	192	6%	180	12	7
ITALY	181	6%	140	41	29
DENMARK	119	4%	64	55	86
USA	116	4%		116	N/A
SPAIN	99	3%	93	6	7
FRANCE	85	3%	62	23	37
SWITZERLAND	85	3%	48	37	77
ENGLAND	82	3%	56	26	46
OTHER	96	3%	49	47	96
TOTALT	3059	100%	2302	757	33

CORE BUSINESS

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

VISION

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

PROFITABILITY AND GROWTH TARGETS

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

STRATEGY

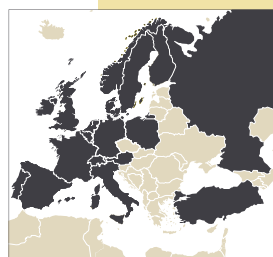
The strategy for achieving New Wave's goals is...

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

New Wave will adopt long-term ownership responsibility for the acquisitions made.

ESTABLISHING OPERATIONS IN NEW MARKETS

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

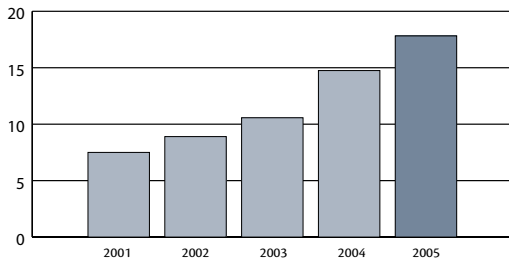


HISTORY

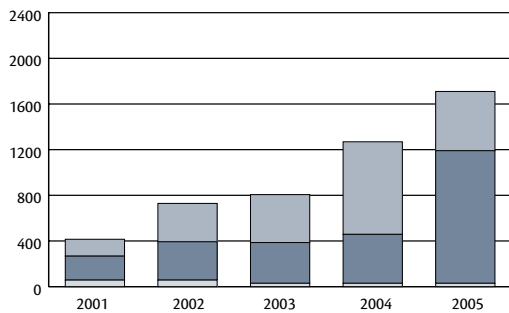
- 1990 Sweden and Norway.
- 1994 Finland and Italy.
- 1996 Acquisition of Craft of Scandinavia.
- 1997 Denmark, Spain and Germany.
- 1998 Acquisition of Hefa AB.
- 1999 Holland and England.
- 2000 France.
Acquisition of Textet.
- 2001 Sagaform and the Seger group.
- 2002 Acquisition of Frantextil, X-Tend and the Toppoint group.
- 2003 China and Switzerland.
Establishment of ProJob.
- 2004 Acquisition of SMAP, D.A.D. Sportswear and Jobman.
- 2005 Ireland, Wales and Russia.
Acquisition of the Dahe-tra Group, the Orrefors Kosta Boda Group and the Intraco Group.

PROFILING
RETAILING
GIVE-AWAYS
WORKWEAR

SHAREHOLDER'S EQUITY PER SHARE (SEK)

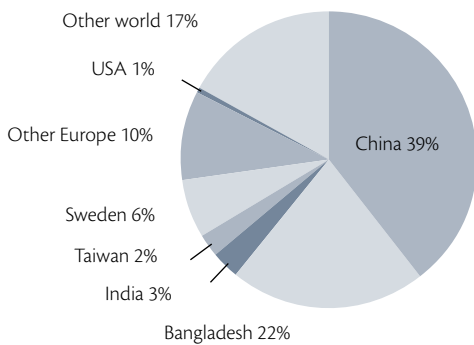


NUMBER OF EMPLOYEES 2001–2005

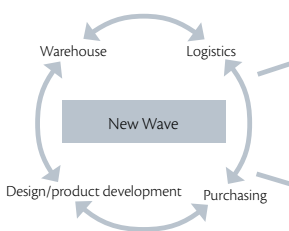


Legend: Parent company (light blue), Sweden (dark blue), Other countries (grey)

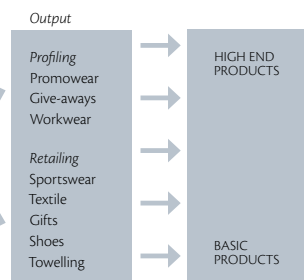
NEW WAVES PURCHASING MARKETS 2005 (%)



THE BIG COMPANY'S COORDINATION ADVANTAGE:



THE LITTLE COMPANY'S FLEXIBILITY:



SYNERGIES

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

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

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

COMPETITIVE ADVANTAGES

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

Design

New Wave has considerable experience of design and well-developed strategies for all its trademarks in both the corporate profiling and retailing business areas. New Wave regards itself as being at the leading edge of design in terms of corporate profiling collections in Europe. All of New Wave's different concepts have product developments of their own. Keeping the concepts separate and unique is necessary, since they operate in different segments of the market. The corporate profiling design is less aimed at fashion than the retailing design. A well-designed promo garment suits both men and women of working age and have lots of room for corporate profiling as they are aimed at the company market. A large part of the retailing design is built on function and New Wave works together with both professional and amateur athletes within a number of sports. Orrefors Kosta Boda work together with a number of artists, of which Kosta Linnwärfveri and Orrefors Jernverk will also use when they develop their assortment.



Purchasing

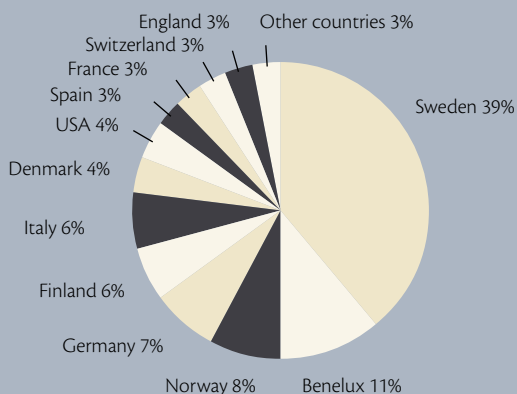
As a consequence of its complementary operations, New Wave has a purchasing volume that is greater than most of its competitors in the corporate profiling market. This generates considerable competitive advantages in terms of purchasing, transport and warehousing. Apart from Sweden, New Wave has established purchasing offices in China since 1992, Bangladesh since 1999, Vietnam since 2003 and Turkey since 2004. Joakim Holmberg was employed in June 2005 as Purchasing Manager for the whole of New Wave group and is stationed in Shanghai. Joakim was previously employed by Lindex as Purchasing Manager and was stationed in Asia for the past 11 years. Today, New Wave has approximately 700 suppliers and our goal is to halve this number, concentrate purchases to fewer markets and increase purchasing via New Wave's purchasing offices. New Wave has continuously increased its gross profit margins and through lower purchase prices we continue being competitive. Apart from making sure that we get the best possible purchase price, New Wave has locally employed quality controllers who follow production and ensure that suppliers live up to

New Wave's quality and environmental standards. It is important that quality flaws are discovered and corrected before products are shipped to Europe, so that we can deliver the best possible quality to our customers. New Wave has also employed inspectors who ensure that suppliers follow our "Code of Conduct".

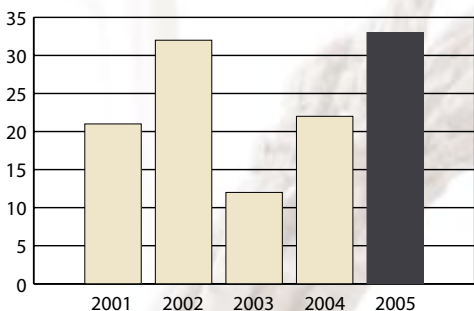
Logistics

Most of New Wave's products are produced in Asia. New Wave achieves large-scale advantages by using group shipments to Europe. We continue to concentrate our buffer handling to only a few warehouses and thereby have less picking stock in each respective country. In this way we can keep capital tie-up to a minimum and at the same time retain a high service level for our customers, which is essential, first and foremost, within the corporate profiling branch where "delivery assurance" are key words. By working in both the corporate profile and consumer markets where many products are the same for both sectors, means that the logistics are also the same.

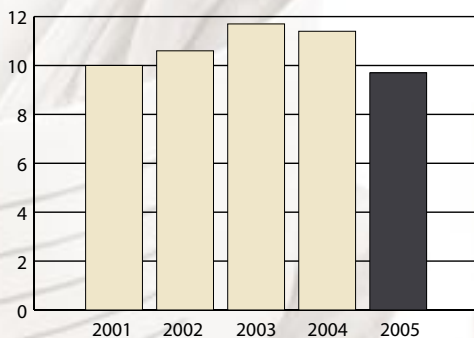
OMSÄTTNING PER LAND (%)



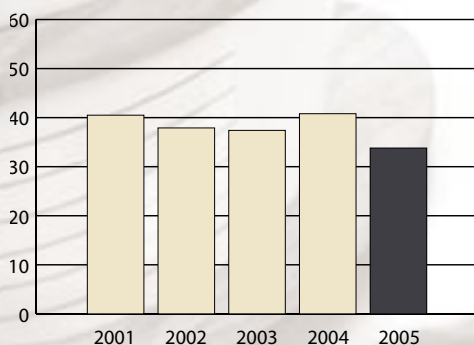
GROWTH 2001–2005 (%)



OPERATING MARGIN 2001–2005 (%)



DEBT-EQUITY RATIO 2001–2005 (%)



Product range

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

Service and turnover rate

The goal is a service rate of 98%, which means being able to deliver 98% of the products to the customer (retailer/distributor) within 24 hours. This is especially important within the corporate profiling market where distributors themselves do not have a warehouse and where the end-user often orders on short notice. Orders in these cases are for products that will be printed, embroidered or engraved before delivery. Within promo wear it is also important to be able to deliver all sizes and colours. An example of this is a company that is about to have a kick off and orders promo jackets in the company's colours for its personnel. To manage the high service rate requires large stocks of basic products with a lower degree of fashion sensitivity to reduce risks. The stock's rate of turnover for 2005 was 1.5 times.

Distributor network

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

PERSONNEL

One of New Wave's major strengths is the commitment and motivation shown by Group employees. Since uniform values are of major importance in New Wave, the Group has established these values in concrete action plans. New Wave works actively to motivate and keep committed personnel. The Group's listing on the stock exchange, its rapid growth and international operations have attracted major interest in joining New Wave, making it easier for the Group to employ competent staff. A career within a New Wave company, even internationally, is an important possibility for all employees, but spreading "the New Wave culture" within the Group is equally important.

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

MENTORSHIP AND EXCHANGE OF EXPERIENCE

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

NEW WAVE'S VALUES

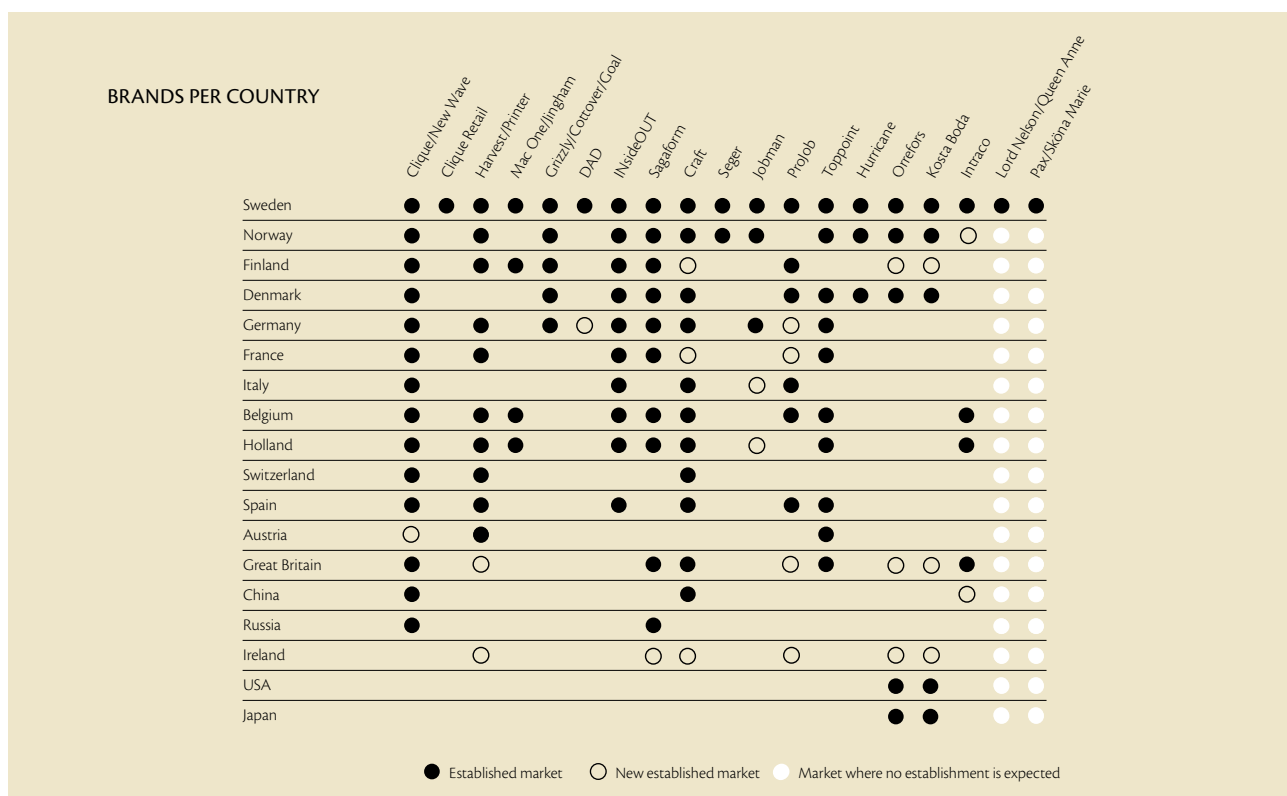
New Wave is a decentralised group and its values work as a guideline. A great deal of work is put into conserving and spreading New Wave values within the Group and especially to acquired companies. New Wave always tries to find inexpensive and simple solutions. The motto is "Money saved is money earned". This demands hard work to succeed better than the competition. Both Torsten Jansson, President and CEO, and Håkan Thylén, Chairman of the Board (former Vice President of IKEA, former President of Clas Ohlson and now member of the Board of several companies), are important role-models. It is important that employees working in a decentralized organization dare to take their own initiative and learn from their mistakes. In order for New Wave to succeed customers must be satisfied and that is why the entire operation revolves around them.

ACQUISITIONS

New Wave continuously receives offers regarding prospective acquisitions within the Group's area of operation. New Wave has considerable opportunities to make acquisitions at attractive prices as many companies are poorly financed and have a weak financial position. However, New Wave only acquires companies that show extensive synergies within their current operations. The latest example is Orrefors Kosta Boda, whereby New Wave can market their products to customers within the corporate profiling market and Orrefors Kosta Boda gives New Wave a strong start in the USA. Important synergies originate in purchasing and logistics, an area in which New Wave, thanks to our purchase offices in Asia and larger volumes, are able to improve the acquired companies' prices.

FUTURE GROWTH

New Wave has regularly invested a part of its current earnings in new markets, which have led to a high growth rate over a long period. Today New Wave is established with its own subsidiaries in 17 countries and has under existing trademarks made 149 establishments. By carrying out only New Wave's existing concept in those countries where we are already established with our own organisation, we have a further 100 establishments left to undertake. This is excluding those trademarks where no plans are current for spreading into other countries. See the graph below.





Corporate governance

The corporate governance refers to the rules and regulations and the structure that has been built up to steer and lead the operations in a company, in an effective and controlled manner. The corporate governance's main objective is to satisfy the owners' demands on return and to give all interested parties satisfactory and correct information about the company. Below we give an account of how the Group is governed, step by step, from the shareholders to the business operations.

SWEDISH CODE FOR CORPORATE GOVERNANCE

New Wave Group is a Swedish company consisting of A and B shares. Shares in series B have been listed on the Stockholm Stock Exchanges O-list since 11 December 1997.

From July 1st 2005, all companies listed on the Stockholm Stock Exchange and with a market value greater than SEK 3 billion are re-

quired to use Swedish code for corporate governance. The market value of New Wave's listed B shares, during the last measurement period, was below SEK 3 billion. New Wave's A shares are not listed on the Stockholm Stock Exchange. Reconciliation is undertaken annually per May 31st. New Wave has, in spite of this, initiated a successive adaptation to the code.

ARTICLES OF ASSOCIATION

The articles of association are approved at the shareholders' general meeting and contain fundamental facts about the company e.g. which type of business will be carried on, share capitals size, number of shares issued, the size of the board of directors and how the shareholders' meetings will be called.

New Wave's articles of association states, among other things, that the board of directors shall be comprised of at least three and maximum five members, that the board of directors principal place



of business is Borås and that A series shares shall have ten votes and B series share one vote. The complete articles of association can be found on New Wave's home page at www.nwg.se.

ANNUAL GENERAL MEETING

The highest decision-making body is the annual general meeting where all shareholders have a right to participate. The meeting has the right to decide on all matters that are not in breach of Swedish law. At the annual general meeting the shareholders exercise their voting rights in regards to the composition of the board of directors, auditors and other central questions such as approval of the company's balance sheet and profit and loss account, appropriation of profits as well as deciding to discharge from liability the board of directors and managing director. This is in accordance with New Wave's articles of association and Swedish legislation.

ANNUAL GENERAL MEETING 2005

The annual general meeting for New Wave was held May 1st 2005, in Borås. Complete information regarding the annual general meeting for 2005 can be found on New Wave's home page at www.nwg.se.

ANNUAL GENERAL MEETING 2006

The annual general meeting will be held May 29th 2006 at 1pm in FöreningSparbanken Sjuhärads auditorium, Åsbogatan 8, Borås.

NOMINATIONS COMMITTEE

The nominations committee consists of the chairman of the board (convenor), together with a representative from each of the two largest shareholders. As from the annual general meeting 2005, election of members to the nominations committee is carried out. Details regarding the members of the committee are published in the interim statement. Work in the nominations committee is preceded by a surveyed evaluation of the directors' work and present members. The composition of the nominations committee, before the election of directors, at the annual general meeting, which takes place the May 29th 2006, is as follows:

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

THE BOARD AND ITS WORK

New Wave's board consists of four members appointed at the annual general meeting. All the members are independent with the exception of the managing director in relation to the company and its largest owners. The board's working methods are stipulated in procedures that regulate the allocation of responsibility between the board and the managing director, the managing director's authority, a meeting plan as well as reporting. The board meetings deal with the budget, interim reports, annual financial statements, state of business, investments and establishments. Furthermore the board deals with paramount questions regarding long-term business strategies as well as structural and organisational questions. As the board consists solely of Swedish members the meetings and documentation are in Swedish. Board meetings are generally held between 7 and 10 times a year. The board met on 8 occasions during 2005. The chairman shall assist the managing director regarding contacts with the company's most important connections. The chairman shall also continually hold contact with the managing director, follow the groups operations and development.

REMUNERATION TO THE BOARD

The total remuneration to the elected board of directors was decided at the annual general meeting 2005 and amounted to SEK 440 thousand, of which the board's chairman SEK 220 thousand and to each of the other non-employed directors SEK 110 thousand.

REMUNERATIONS COMMITTEE

There is no special remunerations committee appointed to deal with salary levels, pension benefits, incentive questions and other employment conditions for the managing director, but instead are dealt with by the board as a whole. Employment conditions for other group management are determined by the managing director and chairman of the board. No termination benefits are paid within the New Wave group. To make it possible to employ and retain management and other co-workers, New Wave strives to offer compensation at market rates.

New Waves principles for compensation to management:

- Remuneration is based on factors such as job description, competence, position and performance.
- Remuneration is at market rates for the respective market/job.
- That remuneration is comprised exclusively of a fixed salary for management positions.
- The possibility of purchasing options in New Wave Group at market value, for every 2 years of 3.

EMPLOYMENT CONDITIONS FOR THE MANAGING DIRECTOR

Remuneration to New Wave's Managing Director consists of a fixed salary and no director's fee is paid. An amount of 35% of the gross salary is allocated to a pension fund and falls due at the age of 65 years. A mutual agreed period of notice for the Managing Director is 3 months and no termination benefits are applicable.

AUDIT COMMITTEE

The board has considered the question regarding the establishment of a special audit committee but decided that the board as a whole shall deal with control matters. After the auditors' examination

in October, the auditors complete a report to the board about individual companies and the Group as a whole. The auditors also personally report their observations from the audit, their appraisal of the companies' internal control and the application of accounting principles, at one of the autumn board meetings.

GROUP FUNCTIONS

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

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

AUDIT

At the annual general meeting 2003, Ernst & Young AB were appointed as auditors. At the same time Bertel Enlund and Per Schwartzman were appointed as the responsible auditors. At the annual general meeting 2005, Per Schwartzman was replaced by Bjarne Fredriksson from the same accounting firm.

AUDIT PROCEDURES

As from 2005 the International Financial Reporting Standards (IFRS) are applied when completing the group's reports. The group's third quarter reports are reviewed by the company auditors. This review follows the recommendations issued by the organisation for certified accountants "Föreningen Auktoriserade Revisorer (FAR)"

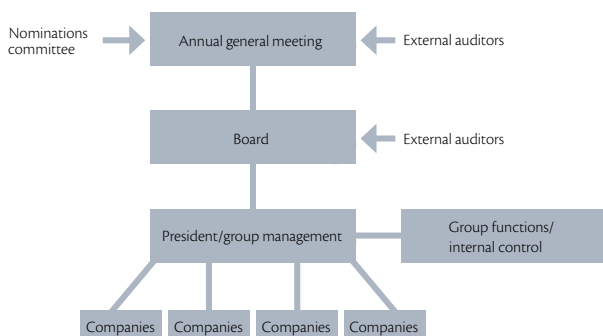
The audit of the annual financial statements, group accounts and bookkeeping as well as the board of director's and managing director's administration is undertaken in accordance with generally accepted accounting principles in Sweden.

INTERNAL CONTROL

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

New Wave's risk regarding financial reporting lies in the risk that

CORPORATE GOVERNANCE





Orrefors accounts for approx 40%, Kosta Boda for 50% and the other for 5% of turnover.

material errors can occur in the accounting of the company's balance and result. The company's accounting instructions and manuals as well as established follow-up routines aim to minimise these risks.

BUSINESS AREAS

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

CONCEPT GROUPS

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

THE COMPANIES

New Wave's organisation is decentralised and a large measure of independence and decision making is left to each respective company's management. The aim is that the companies are driven by a spirit of enterprise and at the same time have the advantage of belonging to a large group of companies. Therefore the group consists of a large number of operational companies, about 60, whereof several belong to sub-groups. Board meetings are held about three times a year in each respective company alternatively each sub-group. The board's composition depends on the company's direction and development phase. Besides group management, even the competence of presidents of the more mature companies are utilised in local subsidiaries' boards.

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



The Corporate Profiling business area includes design, purchasing, logistics and marketing to New Wave's distributors.

The corporate profiling business area

New Wave acts as a wholesaler. This means that the company sells to thousands of distributors, who in their turn sell to customers throughout Europe and Asia. New Wave is established via its own subsidiaries in 17 countries. The Corporate Profiling business area includes design, purchasing, logistics and marketing to New Wave's distributors. The Corporate Profiling business area 2005 stood for 65% of the group's sales and 76% of the group's operating result before depreciation (EBITDA).

THE MARKET

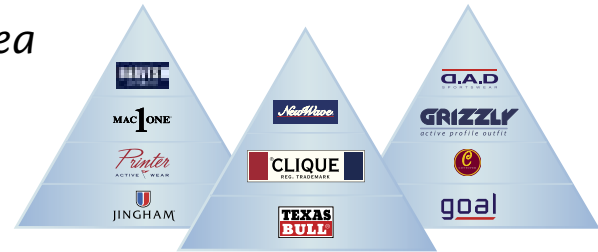
The total corporate profiling market, which consists of promowear, gifts/give-aways and light workwear, is estimated at more than SEK 100,000 million to distributors and of which the three segments have equally large parts in those countries given in the table below. The corporate profiling market is fragmented and consists of a few large companies and many smaller ones. The Swedish market is estimated to be the largest in Europe in proportion to its population and very well developed. The market is growing throughout Europe and New Wave estimates that this growth will continue in middle and south Europe. Bad debts are low due to the fact that customers buy for orders already received from the end consumer. The market situation in the north forces continued improvements for market concepts to distributors, which is a competitive advantage for New Wave in the rest of Europe. A corporate profiling concept can consist of prepared collections, brochures, campaigns, IT solutions etc. These concepts are not as well developed in other markets in Europe and the collections that are marketed are often smaller and have a less developed design.

THE THREE PRODUCT SEGMENTS

New Wave works the corporate profiling market through different trademarks in several quality and price levels, in order to cover most segments. New Wave is today selling under the following segments and concepts.

1) Promowear

New Wave's customers within the corporate profiling business area, sell promowear and/or give-aways and/or workwear. New Wave started selling promowear in 1990 and considers itself to be a comprehensive supplier within this segment, with a broad trademark and product portfolio in order to meet the customers' demands. New Wave has within this segment three comprehensive concepts which are now being established around Europe. The different trademarks are described in the pyramid below, where the plain basic garments are further down and the more exclusive higher up. The different promowear concepts have slightly different positioning e.g. DAD and Grizzly concepts are sportier.



The Promowear Pyramid

2) Gifts / Give-aways

Sagaform was acquired in 2001 and was the first step into gifts/give-aways. This acquisition proved to be a successful investment with major market synergies between product groups. Since this our product range has widened both by way of our own development and the acquisition of DJ Frantextil and Toppoint. Last years acquisition of Orrefors Kosta Boda and Intraco means that New Wave now has a good coverage within this segment. The pyramid below describes how New Wave by way of the different trademarks can offer customers everything from cheaper "give-aways" from Toppoint in the form of pens, key rings and mugs, "gifts" from Inside Out and Intraco with products purchased from Asia, Sagaform with its own design and a little more exclusive and who also sells to the retail market, and Orrefors Kosta Boda as the crown with Swedish glass made by glassblowers.



The Gifts / Give-aways Pyramid

3) Workwear

A full collection was created in the course of 1.5 years within building and construction, transport and service, high visibility garments, functional clothing and accessories. ProJob was launched in Sweden during autumn 2004 and has thereafter been launched in a number of European countries. Jobman Workwear AB in Sweden and Jobman Workwear Ltd in Hong Kong were acquired in spring 2004. Through these acquisitions New Wave gains a much wider range of workwear and now has two trademarks which complement each other well. The acquisitions also mean a major strengthening of purchasing and product development of workwear. Jobman already has a large market share in Sweden and New Wave gained a strong trademark and collection to launch throughout Europe. ProJob's assortment was rearranged after the



acquisition of Jobman, to products with more detail and a little more exclusive so that New Wave could meet customer demands and in this way hold the competition at bay.



The Workwear Pyramid

DISTRIBUTORS

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

THE PROFILING AND GIVE-AWAY MARKET'S SALES

COUNTRY	Total market SEK m.	New Waves profiling sales SEK m. 2005	Share of turn over	New Waves market share
Sweden	2600	602	30%	23,2%
Benelux	7800	285	14%	3,7%
Norway	1600	153	8%	9,6%
Germany/Austria	23 300	183	9%	0,8%
Finland	1400	151	8%	10,8%
Italy	15 000	155	8%	1,0%
Denmark	1700	88	4%	5,2%
Spain	12 000	88	4%	0,7%
France	16 000	76	4%	0,5%
Switzerland	2600	65	3%	2,5%
England	16 000	68	3%	0,4%
Other		62	3%	N/A
Total	100 000	1976	100%	2,0%

MARGINS

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

CAPITAL TIE-UP AND RISK

New Wave does not sell directly to the end-consumer but via distributors. New Wave holds the stock and orders from distributors are not received until the distributor has already received an order from their customer. This means that there is no large volume of orders for future delivery but that delivery is immediate. A company that for example orders promowear in the company colour to their employees or customers that are dependant on the supplier delivering a full assortment of sizes and correct colours. If New Wave lacks e.g. a medium size or the company's colour then they will choose another supplier. Even worse would be not being able to deliver products in time to a company event or that the quality was bad. Therefore in the Corporate Profiling market the ability to deliver is crucial and a comprehensive stock of basic products is therefore necessary. The Group's goal is to deliver 98% of products within 24 hours. Due to the character of the range, that is to say that continuity of the collections is desirable, as then the risk for obsolescence is low. Adjustments for changes in purchasing prices are made continuously and therefore currency risks are minimized. Bad debt losses are relatively low as sales are made to selected retailers. During 2005 bad debt losses within corporate profiling amounted to 0.26% of turnover. Many of the products are common for both corporate profiling and retail, which considerably spreads the risks and catalogues can also be common for both business areas.

NEW WAVE RESEARCH AND DEVELOPMENT

Corporate profiling and give-aways are a market media which competes with, among others, advertising on TV and in newspapers. New Wave Research and Development follows the trends and ensures that the group leads development in regards to the corporate profiling market. New Wave Research and Development has written two books on the following subjects: Profile management through promotional and corporate clothing and Promotional products - strategies and effects. They also analyse markets that New Wave is active in, as well as, new markets prior to prospective establishments and acquisitions. The group has in this way a major awareness about respective markets and can therefore utilise the potential and avoid unnecessary risks. Their responsibilities include world surveillance, strategy and concept development.



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





Jean Hermans, GM for Textet Benelux NV sells the concepts Harvest/Printer, Sagaform and ProJob in Belgium, Holland, Luxemburg, France and Germany.

The Harvest/Printer- and ProJob concepts is sold over all Western Europe by each country's national subsidiary.



COMPETITION

Besides New Wave, there are several different operators in the corporate profiling market and these are fragmented and consist of a few large companies and many smaller ones. There is no listed competitor with a refined division within corporate profiling, which makes it difficult to obtain comparable figures. There are often different operators within promowear, give-aways and workwear. In Europe, there are several local competitors in each respective market. Below are details regarding world actors, their turnover and market size. These are estimates as in most cases there is no official information.

Polyconcept group, established 1973, is big within the give-aways and promowear sectors, with trademarks such as Best In Town and US Basic and whose domestic market includes France and Benelux. They are also large in Sweden with an estimated market share of 15%. Polyconcept is the company that most resembles New Wave, with its main markets in Europe and covers, by and large, the same product groups with the exception of workwear. Approximately two thirds of Polyconcept's turnover comes from textiles and clothing. Polyconcept owns a number of brands, but also has a large number of brands under license. Polyconcept's total turnover is SEK 5,500 million of which SEK 2,970 million is within Europe and SEK 2,310 million in the USA.

Fruit of the Loom is a subsidiary of Berkshire Hathaway with its domestic market in the USA. Fruit of the Loom is primarily a supplier of low priced T-shirts and piqué, with an estimated turnover of SEK 11,000 million of which SEK 1,700 million within Europe.

Hanes is part of the Sara Lee Corporation in the USA and has its primary business area in production and sales of well known food brands and pastries. However the division for clothing had a turnover of SEK 46,000 million during 2005, and have, among others, brands such as Hanes, Playtex, Champion and Bali. The Hanes brand sells to both the corporate profiling and retail markets and has an estimated turnover totalling SEK 18,500 of which SEK 1,600 within Europe.

Switcher was started in 1981 and is a Swiss company with its domestic market in the same country. Besides Switzerland the company has sales in Germany, France, Benelux and the Nordic countries. Switcher sells both via the corporate profiling and retail markets. Turnover for 2005 is estimated at SEK 550 million of which SEK 480 million is in Switzerland.

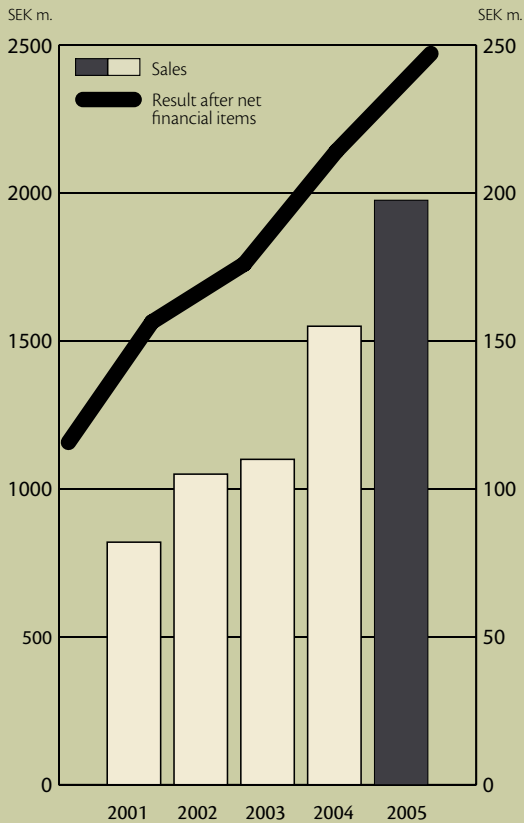
Guildan produces basic low-price garments within T-shirts, piqué and sweatshirts. The majority of sales are in the USA and Canada with a minor part within Europe. The company turnover was SEK 4,900 million of which approximately SEK 250 million within Europe. Guildan is based in Canada and is listed on the Toronto Stock Exchange with a sub-listing on the New York Stock Exchange.



In the Corporate Profiling market is the ability to deliver crucial and a comprehensive stock of basic products is therefore necessary. The Group's goal is to deliver 98% of products within 24 hours.¹

¹NYC Annual Report, 2005

SALES AND PROFIT 2001-2005 (SEK M.)



Russel Corporation is an American company listed on the New York Stock Exchange. The company sells sports cloths, sports accessories and "active wear". Active wear is primarily basic garments for print and embroidering and sold under the brand names Jerzees and Cross Creek. Russel Corporation's turnover was \$1,400 million of which \$674 million was to the corporate profiling market. The groups total turnover was \$120 million in Europe. If Russel has the same ratio between both concepts in Europe as it does totally then this would give a turnover of \$57 million or SEK 453 million for basic garments.

Kwintet Group is operating within workwear with the brands Kansas, Wenaas, Fristads, KLM and Hejco. Kwintet was purchased by Industrikapital AB during 2005 from a group of investors Axel Industri Investor A/S. Sales are mainly within Europe.

Within give-aways, the large global competitors are KCF which is part of Mid-Ocean Brands whose domestic market is Holland, and BIC with regard to pens. Within workwear, competitors are mainly Nordic suppliers, such as Snickers, Blåkläder and Kwintet. Other competitors consist of a number of small importers, of which several operate within the lower price-range of the market.



ESTIMATED MARKET IN EUROPE

COMPANIES	Estimated turn over SEK m.	Market share
Kvintett Group	3 700	3.7%
New Wave Group	3 058	3.1%
Polyconcept	2 750	2.8%
Fruit of the Loom	1 700	1.7%
Hanes	1 600	1.6%
Mid Ocean Brands	1 220	1.2%
Russel Corporation	453	0.5%
Switcher	550	0.6%
Gildan	250	0.3%
Other	84 719	84.7%
Total	100 000	100.0%

SUCCESS FACTORS

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

GROWTH THROUGH BROADENING OF THE PRODUCT RANGE

Distributors i.e. New Wave's customers within the corporate profiling market, specialise in promowear, give-aways and workwear. In the beginning, New Wave was only established within promowear, but since the acquisitions of Sagaform in 2001, DJ Frantextil and Toppoint in 2002 and thereafter Orrefors Kosta Boda in 2005 is New Wave also a complete supplier of give-aways. After investing in workwear during 2004 through the acquisition of Jobman and also our own development, ProJob, New Wave is now a comprehensive supplier and the only supplier who covers the customers' requirements in all three segments. Through the groups international distribution network, via thousands of retailers in 17 countries, the Group reaches major synergies on the market side by adding more product groups.

THE FUTURE

New Wave's goal is to become Europe's leading corporate profiling company first and then to grow further in Asia and the USA. New Wave's management estimates that growth in the European market will continue. Furthermore, acquisitions or new establishments within the corporate profiling area could be made in give-aways. The goal is to let corporate profiling account for the greater part of the Group's sales even in the future. New Wave is one of the leading corporate profiling companies when it comes to development of products, service and concepts for distributors.

WHY IS CORPORATE PROFILING SO IMPORTANT?

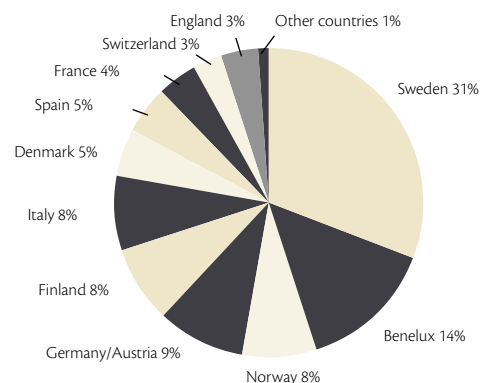
The competition becomes increasingly tougher when society changes due to globalization, faster service and product development, as well as a larger number of similar offers. There is an imminent risk for consumers to drown in the surge when they are continually exposed to more and more commercial messages.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



TOPPOINT®

Bas Lensen, CEO for Toppoint since 2002. Toppoint was acquired 2002 and sells give-aways like pens, cups and key rings. In 2005, 40 481 000 pens was sold in Europe and printed in own facilities in Holland.

SALES BY GEOGRAPHICAL MARKET



THE ROLE OF PROMOWEAR

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

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

THE ROLE OF GIVE-AWAYS

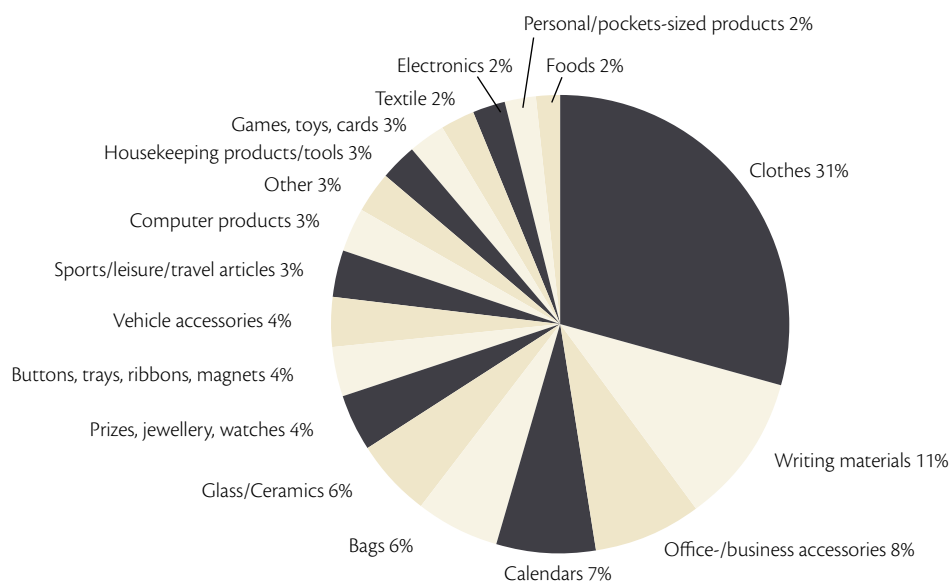
Give-aways fill many functions and the range of products is extensive. Give-aways can be used as straight forward advertising,

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

THE ROLE OF WORKWEAR

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

PERCENT OF SALES WITHIN EACH PRODUCT AREA RESPECTIVELY





Apart from protecting the employee in his work, workwear gives well-dressed employees the appearance of professionalism and are associated with good quality.

The retail business area

The retail business area consists of sales of products under the Group's own trademarks and other trademarks, in accordance with agreements, which are distributed by New Wave to the retail trade, consisting mainly of gifts, shoes and sportswear. New Wave also delivers larger volumes of basic garments and campaign articles. In 2005, the retail business area stood for 35% of the Group sales and for 24% of New Wave's operating profit before depreciation (EBITDA). The acquisition of Orrefors Kosta Boda means that the retail business areas proportion of the group's turnover and result will increase.

THE MARKET

The concentration of large chain stores has increased while independent stores have decreased in number both in sportswear as well as gifts and shoes. The same trend can be seen in both Sweden, Europe and the USA. Many chains launch their own brands, it is therefore even more important that all external brands that the chains take in have a strong demand from end-consumers. End-consumers are becoming more and more aware of different brands and what they stand for. The acquisition of Orrefors Kosta Boda "lifts" the entire New Wave assortment. The shoe retail trade is a considerably more fragmented branch, although the building of chains does occur. The dominating retailers are Din Sko, Wedins and COOP Sverige. Craft, Seger, Sagaform and Orrefors Kosta Boda are the main brands within the retail business area that New Wave has major focus on in regards to international launches, although mainly in Europe. New Wave has through its acquisition of Orrefors Kosta Boda, with just over 25% of turnover in the USA (USD 21 million) and a strong market position, gained its first breakthrough in the American market.

TRADEMARKS

The Retailing business area sells its wholly owned trademarks Craft, Clique and Seger, as well as the licensed trademarks Umbro, Nordica and Exel to sportswear retail outlets. Trademarks Pax and Sköna Marie are sold to shoe retail outlets. Sagaform and Orrefors Kosta Boda are sold within the gifts and household utensils area.

SPORTSWEAR

Craft

Since the acquisition of Craft in 1996, the company has gone through a major change, which has meant that Craft has returned to its core operation within functional underwear – an area which was successful during the 1970's and 1980's. Craft now focuses on functional wear within three areas - skiing, biking and running. Products are developed with the help of professional athletes. Expansion has taken place, not only in new markets, but by increasing the number of products within the sports mentioned above. Craft builds on the 3-layer principle and has now even developed underwear that chills, PRO Cool, which

lengthens the season to spring / summer and broadens their use in different sports. Craft is established in all major sports chains in Sweden and sells via subsidiaries and distributors in 29 countries in Europe, Asia and the USA. For 2006, Craft has chosen six markets to focus on and the goal is to reach a turnover of SEK 1,000 million by the year 2010 via subsidiaries, agents and distributors. Approximately 10% of Craft's sales are via authorised distributors within the corporate profiling branch.

Seger

Is a leading trademark in sport socks and knitted caps with its own production in Sweden. Seger's main markets are in the Nordic countries but Seger distributes even to other European countries. The brand is used to a great extent by elite sportspersons. Approximately 10% of Seger's sales are via authorised distributors within the corporate profiling branch, where e.g. end-consumers' trademark is sewn into the product.

Clique

Is not only our major trademark within the corporate profiling business area, but also a market leader in basic garments, mainly T-shirts and sweatshirts, to sport outlets in Sweden and Finland. Clique offers sportswear retail stores an effective solution which gives high profitability per square metre shop area.

Umbro, Nordica, Exel

Trademarks sold under licence in Sweden, and Nordica even in Finland. Umbro is also sold to a certain degree via the corporate profiling market.

GIFTS, HOUSEHOLD UTENSILS AND GLASS

Sagaform

Sagaform is leading within glass, china, interior and kitchen products where the majority is of our own design. The trademark is registered in most countries in the world and sold in 19 countries. Turnover has increased dramatically since the company was acquired in 2001. This increase is mainly due to the corporate profiling market, for which New Wave's distribution channels around Europe have been advantageous, but even sales within the retail sector have continued to increase.

Orrefors Kosta Boda

Upon the acquisition of Orrefors Kosta Boda, New Wave became a larger and more comprehensive supplier of presents and gifts to the retail sector. The development of Orrefors Jernverk and Kosta Linnwärfveri means that the concept cooking, eating and atmosphere is complete. Major synergies also exist with New Wave's distribution channels within the corporate profiling sector. For a more comprehensive description of Orrefors Kosta Boda see page 31.



CRAFT ::

Jens Petersson, Managing Director of Craft of Scandinavia since 1999. Craft concentrates on functional clothing within cycling, skiing and running and provides the Swedish national team in those areas with sportswear. During 2004 the organisation was equipped for a continuously international expansion. The goal is a SEK 1 billion turnover in 2010.



Anders Svensson, football player in the Swedish National Team sponsored by Craft.

TOWELLING AND DOMESTIC TEXTILE

Queen Anne

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

Lord Nelson

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

SHOES

Pax

Pax is a leading trademark within children's shoes and is sold in Sweden, Finland, Estonia, Norway and Greenland.

Sköna Marie

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





Per Segerqvist, GM for Seger Europe AB since 1994. The company was founded by Gunnar Segerqvist in 1947. Seger is a leading company within technical knitted function products like headgear and socks, and the company has its own production facility in Gällstad, Sverige.



SPONSORSHIPS / MARKETING

An important part of New Wave's growth strategy is to develop our trademarks through sponsorships, mainly within functionality, where professional athletes are a part and who help in development. Craft delivers all training and competition clothing to the Swedish National Skiing Team, Swedish National Orienteering Team and Swedish National Cycling Team, as well as supplying underwear from the ProCool collection to the Swedish National Ice Hockey Team and the Swedish National Football Team. Another example was our sponsorship of the World Skiing Championships in Obersdorf 2005. Even Seger sponsors Swedish skiers. The National Alpine Ski Team competes and trains in caps and other knitted products produced by Seger. Craft has also, in cooperation with the Swedish Orienteering Association, presented the next generation of orienteering clothes. Seger United, with its licensed trademark Umbro, will together with Craft deliver all sportswear and underwear to all Swedish national

football teams and the Swedish Football Association between the years 2003–2008.

Craft sponsors the world's leading cycling team - Team Phonak, and will invest even more into cycling e.g. one of the world's best cyclists throughout time, Tony Rominger, is employed by the company. The Finnish Olympic Team is sponsored by our Finnish subsidiary - Trexet with clothing from Clique. New Wave also has local sponsorship projects in each respective country/market. Orrefors Kosta Boda has a number of world renowned artists tied up to the company. The latest is co-operation with Efva Attling whereby she has created a "marriage series".

Other marketing is made by way of advertising and product placements in newspapers, magazines and TV. This applies mainly to Sagaform and Orrefors Kosta Boda.



Anja Pärson, alpine skier in the Swedish National Team sponsored by Seger.

CUSTOMERS

The Group's customers within sports and shoes are mainly independent and private chains. The largest chains are Intersport, Team Sportia, Stadium, Sportringen and Fliesbergs. Within the shoes trade, the largest customers are Wedins, Din Sko and Coop Sverige. Even in gifts and household utensils the dominating chains are Duka, Cervera, Bloomingday, Macys, Nordstoem and Harrods among others.

MARGINS

Margins depend on the product, if delivery is from the warehouse or directly from the factory, as well as under which trademark the product is sold. The gross margin varies between 15 % to just over 60%, excluding costs which arise during clearance sales. Products with the lowest margins consist almost solely of goods sold under so called "private labels", while products with the highest margins are sold under the strongest trademarks.

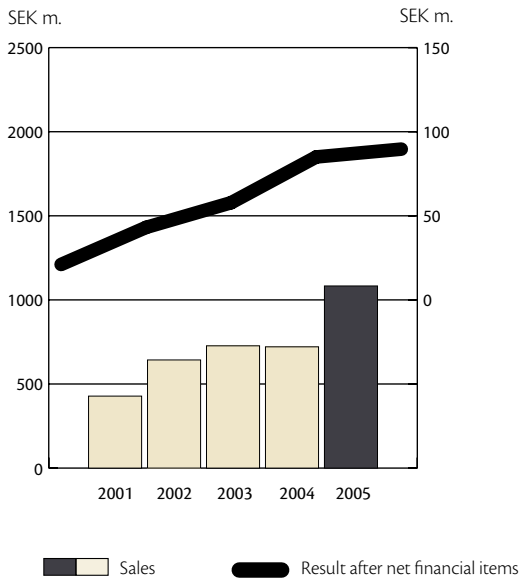
CAPITAL TIE-UP AND RISK

New Wave goal is to keep the number of fashion articles in stock as low as possible as their lifespan is short. The Retailing business area focuses on less fashionable articles such as Craft's functional underwear and Seger's socks. In the retail sector a major proportion of orders are advanced orders compared with the corporate profiling sector where delivery is supplied directly against an order. This means e.g. that in spring the customer orders for deliveries in autumn. Approximately 70 - 75% of all sales within the retail sector are by way of advanced orders. At the same time as the order is received from the customer, New Wave orders from the factory, which considerably limits the obsolescence risk. The remaining sales, so-called complementary sales, are mainly basic items with a limited fashion risk. Hedging is used for approximately 50 - 80% of the purchase costs, with the aim of limiting currency risks. Bad debt losses are low as sales are made to selected retailers, however there is a higher concentration to a fewer number of customers in the retail sector in comparison to the corporate profiling sector. During 2005 bad debt losses in the retail business area amounted to 0,32% of turnover. Many of the products are common for both retail and corporate profiling, which considerably spreads the risks and catalogues can also be common for both business areas.

COMPETITION

New Wave's competition consists of all other trademarks that are marketed via the retailing trade. Among these is a large component of so called house brands, that is to say trademarks that retail chains have developed themselves. New Wave believes that competition between the different trademarks and the retail chains' house brands will increase, while the importance of smaller trademarks will decrease. Several of Craft's competitors in the long distance skiing segment are Dählie, Helly Hansen and Swix, in the running segment are New Line and Nike, and in the cycling segment are Castelli and Gore Bikewear. Clique retail's main competitors are Fruit of the Loom, Hanes and the different chains' own house brands. Several of Pax's competitors in childrens' shoes are Kavatt, Ecco Viking, Timberland and the different chains own private brands, and several of Sköna Marie's competitors in womens shoes are Rohde, Gabor, Reiker and Ecco. Seger's competitors in socks, besides the chains own brands, are Bola, Bridger Dale, Nike, Asics and in knitted caps Bula, Peak Performance, Helly Hansen and Sättila. Umbros competitors in Sweden are Nike, Puma and Adidas.

SALES AND PROFIT 2001–2005 (SEK M.)



Market shares within their respective segments and market are difficult to estimate as there are no official statistics. Orrefors and Kosta Boda are market leaders in Sweden within crystal and art glassware, with a market share of 65%. In Europe there is often a domestic supplier for each respective country, as well as a few global actors such as Waterford (Ireland), Lalique and Baccarat (France), Schwarowski (Austria), Itala (Finland) and Riedel, Spiegelau and Nachtmann (Germany).

THE FUTURE

New Wave will continue to strengthen its trademarks in the retail market. In the existing main markets profiling will increase by continually up-dating design and marketing. The Group's international business will continue to broaden. New Wave will, with a year or so lag, establish the Retail business area in those countries where the group has already established corporate profiling, through distributors or subsidiaries. New Wave will continue development of the business areas - marketing, design and functionality. Through the acquisition of Orrefors Kosta Boda the group has gained a trademark that is world renowned and which "lifts" New Waves trademark portfolio. The Group's long-term goal is that the Retailing business area should also reach an operating margin of 15%.



Mustafa Mohamed, Swedish runner sponsored by Craft.

ORREFORS KOSTA BODA

The Swedish glassware industry has a long history. Kosta glassworks is Sweden's oldest and was founded in 1772 and the other glassworks within the group are from the 19th century. The glassworks started working strategically with design at the beginning of the 20th century and have during the years built up two of the strongest trademarks in Sweden, both in regards to recognition and credibility.

Orrefors Kosta Boda's main business is the production of high quality glassware both in regards to design and material. Tied to the company are 12 designers (6 per trademark) and they present a spring and autumn collection every year.

In ordinary production the focus lies on products for the laid table whereby sets of glasses account for 30% of turnover, crystal, vases and candle holders 30%, art glassware/limited 20% and other season related products 20%.

In addition to this, designers create world-famous art glassware which is represented in exhibits and which sells around the world. Art glassware serves even to reinforce the company's image.

Orrefors and Kosta Boda were amalgamated at the end of the 1980's and several years later was purchased by the Danish company Royal Scandinavia.

SEA glassworks and Glasma (glass smelting) are also subsidiaries of the company.

The Swedish market accounts for 50%, the American for 25% and the rest of the world for 25% of turnover.

Orrefors Kosta Boda has subsidiaries in the USA, Japan and Norway.

A short history

- Kosta glassworks was founded in 1742 and is today the oldest Swedish glassworks still in production.
- Orrefors was founded in 1898.
- Orrefors Kosta Boda AB was incorporated as a company in 1990 by way of an amalgamation between Orrefors and Kosta Boda. Prior to the amalgamation, Kosta Boda was owned by the Swedish investment firm Proventus.
- At amalgamation, Orrefors was listed on the Stockholm Stock Exchange which it had been since 1984.
- Orrefors Kosta Boda AB was acquired in 1996 by a public offer by a company owned by Proventus (42,5 %), Scandinavian Equity Partner (42,5 %) and Royal Scandinavia (Danmark) (15%). The shares in OFKB was thereafter converted to shares in Royal Scandinavia.





Orrefors trademark stands for: Simplicity, quality, elegance, clear crystal and the perfect gift.

- In 1998, the private investment firm sold its shares in Royal Scandinavia to the Rausing family who obtained 8.8% of the shares.
- New Wave acquired 51% of the shares in Orrefors Kosta Boda AB 1st of June 2005. In October the same year the deal was renegotiated and New Wave became the owner to 100% of the shares in Orrefors Kosta Boda Group.

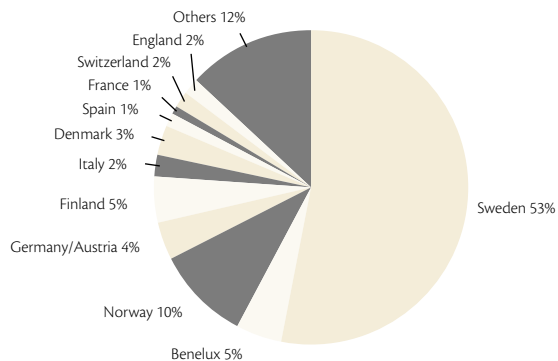
The following has happened since the acquisition

Per 1 June 2005, New Wave Group acquired 51% of the shares in Orrefors Kosta Boda Holding AB and subsidiaries. Orrefors Kosta Boda had a turnover of SEK 640 million in 2004 and approximately 720 employees. On the fourth of October an agreement was reached with Royal Scandinavia A/S that the initial acquisition of 51% in Orrefors Kosta Boda Holding AB be changed to include 100% of the shares. The total purchase price for the Orrefors Kosta Boda group amounted to approximately SEK 24,5 million.

The OKB-group had incurred losses for several years and it was therefore necessary to undertake cost-saving measures. The group also had declining sales for several years, so besides cutting costs it was necessary to increase sales. The key factors for these changes are: cost control, a more effective sales structure, effective production, product development and new markets.

The management, at the time of takeover, was replaced and Magnus Andersson was internally recruited from his position as group managing director for Sagaform to group managing director for Orrefors Kosta Boda. The cost cutting measures that have been

SALES BY GEORAPHICAL MARKET



"Catwalk" collection. Vases by Kjell Engman for Kosta Boda.



Orrefors 

Magnus Andersson, CEO for Orrefors Kosta Boda since June 2005, formerly GM for Sagaform. After the acquisition large reduction cost programs, marketing ventures and product development have been put in action – all these have turned down the negative sales trend. Continues work is still made of integrating Orrefors Kosta Boda with market synergies from other New Wave companies.

**KOSTA
BODA**
SWEDEN 1742

undertaken since takeover are estimated to give savings of SEK 50 million per year. The cost savings consist of:

- Just over 50 salaried employees were given their notice of dismissal.
- Renegotiation of salaries/wages.
- Renegotiation of a number of contracts.
- The utilisation of purchasing synergies together with the New Wave group.

Apart from cutting costs the sales trend has turned around. This has occurred by way of a more demand steered assortment e.g. Christmas articles, which were previously non-existent, and also by providing new customers, mainly within the corporate profiling market. An increased distribution, first and foremost, to company customers through new export agreements. Germany, Greece and Great Britain are given priority in Europe. Orrefors Kosta Boda group have an annual turnover of approximately USD 21 million in the USA. Given these favourable conditions, the time is now right for Sagaform to be launched in the USA, which will occur first in the retail business sector and in the longer term even the corporate profiling sector.

New Wave is very operative in the management of Orrefors Kosta Boda, which has meant that the company and its personnel have regained their respect and commitment which existed a decade ago. Since the acquisition Torsten Jansson has spent a great deal of his time in the glass kingdom and this summer will move to Kosta.

This is under way.

New Wave has incorporated a sister company to Orrefors Kosta Boda during 2005. Svensk Form i Kosta Boda AB will launch its first products in August. The company works with trademarks Kosta Linnewärfveri and Orrefors Jernverk and will produce products of textiles and metal. The vision is that the products will create an entirety - "the laid table" and create inspiration to customers who today already own products from Orrefors and Kosta Boda, as well as creating new possibilities for OKB's designers to design products in new materials which in turn will lead to increased sales within glass, linen and metal.

New Wave Group has, since takeover, established sales outlets for products within the group's other trademarks. A new outlet with a floor space of 4,900m² is being built and is estimated to be ready by summer 2006, and will be jointly owned with the municipality. Besides New Wave's own products there will be other well known brands such as JC, Brothers, Sisters and RNB (NK). Two hotels are planned

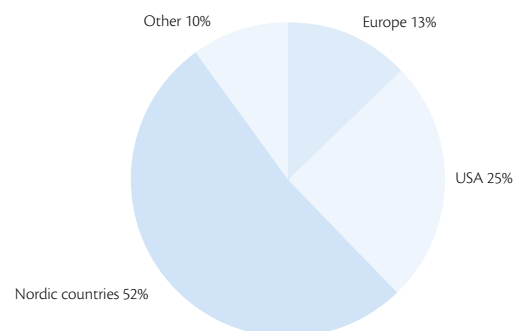


Kosta Boda trademark stands for: colourful, innovative, humour, artistry and the personal gift.

for 2007, of which one is spa oriented and the other design oriented. A new crystal bar will be opened during 2006. Even a gourmet store and restaurant of high quality will heighten the experience. A new started event company will hold experience based events. In Kosta a new publishing firm has been started and will complement "the laid table" with among other things, cook books. The "Smelting-house herring" business will be carried on in Orrefors and at SEA glassworks in Kosta. Today the glass kingdom has over 1 million visitors per year and with the new establishments our vision is to double the number of visitors. New Wave is eager to manage "Sweden's crown jewels" in the best possible way, by retaining the high quality and design which permeates Orrefors and Kosta Boda. Both in regards to quality and price the products will even in the future hold a high class, and products will be developed from SEK 400 up to SEK 500,000.

Market

The group's turnover is geographically divided as follows:



Goal

The goal is for Orrefors Kosta Boda group, together with the new operations that New Wave has planned to establish in connection with the acquisition, to give a small positive result for 2006 and that this positive result will increase every year thereafter. The goal is to reach an operating margin of at least 10% by the year 2010.



All companies in the New Wave group work at reducing the usage of water, electricity and paper as well as ensuring that environmentally dangerous waste is taking care of in the best possible manner.

Environment and ethics

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

CODE OF CONDUCT

New Wave considers it of major importance with regard to their customers and suppliers, to show respect for different countries' legal standards as well as international organizations' view on basic rights. Our Code of Conduct is applied on all factories involved in the production of New Wave's products. At the same time we are aware of the different legal and cultural conditions for factories around the world, the Code of Conduct states the basic standards that all factories have to live up to if they wish to do business with New Wave. The Code of Conduct is an agreement that New Wave's suppliers have to enter into and follow, and which states that the suppliers have to work in accordance with the law and allow New Wave full access to their factories and data, to ensure that the supplier observes the rules. Furthermore the Code of Conduct contains points such as anti-discrimination, prohibition of child labour, wages and working hours, working conditions and freedom to join unions.

DIRECT TRADE

New Wave's purchasing strategy is built upon purchasing directly from the producer via our own purchasing offices. Quality control and Code of Contact (COC) personnel from New Wave are in place at the factories which is prerequisite in creating a functional management system for the environment and COC.

New Wave has through its local presence, good control over production but even if the basic demands on suppliers is total insight and transparency, it is still very difficult to reach 100% due to so many different links in the production chain. There is however strict rules for suppliers regarding sub-contracting.

CODE OF CONDUCT (COC) ORGANISATION

Our COC organisation is lead from our purchasing office in Shanghai and totally 5 people in Asia work fulltime with COC and the environment. Our inspectors are trained in accordance with SA8000 and ISO14001 standards. We have even trained approx 30 quality controllers throughout Asia to undertake "visual inspections" at the factories. New Wave can totally carry out approx 500 full inspections and approx 1,500 visual inspections per year.

CONSTANT IMPROVEMENTS

New Wave's supplier strategy is aimed at creating long term relationships and keeping the number of suppliers at a low level, which makes

is possible for New Wave to become a large and important customer. Our COC work means that we do not often break a business relation when we discover deficiencies. Instead we try to work with improvement measures so that the supplier can achieve constant improvements. These measures, which include strict minimum requirements, are included in our total supplier evaluation system and every market is followed up quarterly.

Our goal is that all suppliers shall be inspected at least 4 times per year. Many of these inspections are carried out unannounced. On top of this our quality controllers regularly carry out visual inspections.

BSCI

BSCI has been created by leading retail chains in Europe with the aim of working with a common code, common suppliers register and external audits. New Wave is a member from 2006. We see BSCI as the future model and a chance for us to benchmark our own COC organisation.

THE ENVIRONMENT

Production and transport have great impact on the environment. New Wave aims to work closely with its suppliers regarding environmental considerations and demands that suppliers follow the chemical restrictions that are stated in Sweden's textile importers' chemical guide as well as EU-community rules. Product tests are regularly carried out in New Wave's own laboratory in Asia or at independent institutions.

Our suppliers must also ensure that their suppliers strive to decrease the use of virgin raw materials, the discharge of "unnatural" materials, waste, air pollution, energy consumption and the consumption of fresh water.

All companies in the New Wave group work at reducing the usage of water, electricity and paper as well as ensuring that environmentally dangerous waste is taking care of in the best possible manner. During 2006, New Wave will develop an environmental management system based on ISO14001.

New Wave transports goods in collective shipments as much as possible from the Far East, for different companies within the group. New Wave uses air transport only marginally and only if absolutely necessary. Nevertheless air transport is still New Wave's largest environmental impact and our work at reducing this usage is still continuing.

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

New Wave's share

The share capital in New Wave amounts to SEK 193 553 328, distributed among a total of 64 517 776 shares, each with a face 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 are listed on the Stockholm Stock Exchange since December 11th, 1997, now on the O list. A trading lot amounts to 100 shares.

WARRANTS

New Wave has 614 760 outstanding subscription options at a buying price of SEK 29.30, which expires 30 June 2006, and 1 500 000 outstanding warrants at a buying price of SEK 73.10, which expires 30 June 2008.

DIVIDEND

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

SHAREHOLDERS

New Wave had 9 169 (6 791) shareholders as at 31 December 2005. Institutional investors accounted for 43 % of the capital and 11 % of the votes. The ten largest shareholders at the same time held 65 % of the capital and 87 % of the votes. Non-Swedish shareholders accounted for 8.8 % of the capital and 5.0 % of the votes.

NEW WAVE'S TEN MAJOR SHAREHOLDERS AS AT 31 DECEMBER 2005

HOLDER	NUMBER OF SHARES	NUMBER OF VOTES	CAPITAL %	VOTES %
Torsten Jansson	21 854 468	208 223 588	33.9%	79.3%
Robur	5 551 250	5 551 250	8.6%	2.1%
Fjärde AP-Fonden	3 169 400	3 169 400	4.9%	1.2%
AMF Pension	3 000 000	3 000 000	4.6%	1.1%
Livförsäkringsaktiebolaget Skandia	1 632 912	1 632 912	2.5%	0.6%
OKOBank OY	1 625 600	1 625 600	2.5%	0.6%
Lannebo fonder	1 387 520	1 387 520	2.2%	0.5%
Andra AP Fonden	1 327 912	1 327 912	2.1%	0.5%
SEBs småbolagsfond	1 299 472	1 299 472	2.0%	0.5%
Domani AB	903 960	903 960	1.4%	0.3%
	41 752 494	228 121 614	64.7%	86.9%

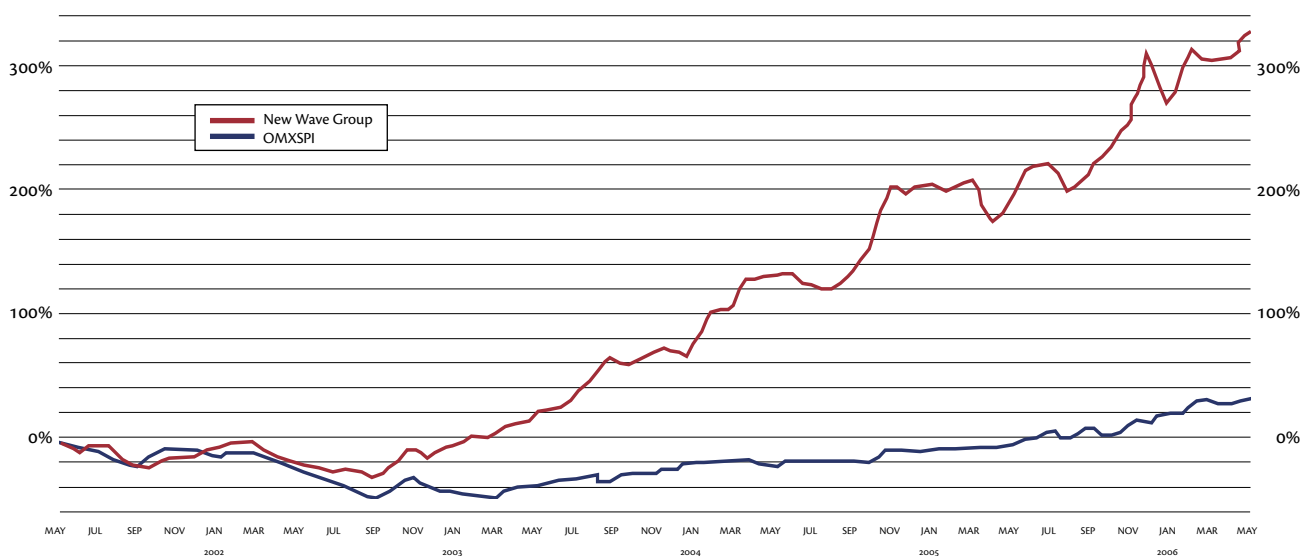
SHAREHOLDERS DISTRIBUTION IN NEW WAVE AS AT 31 DECEMBER 2005

	NUMBER OF SHARES	NUMBER OF VOTES	CAPITAL %	VOTES %
Sweden	58 851 238	249 360 358	91.2%	95.0%
Owners outside Sweden, the USA excluded	5 290 390	12 850 390	8.2%	4.9%
USA	376 148	376 148	0.6%	0.1%
Total	64 517 776	262 586 896	100.0%	100.0%

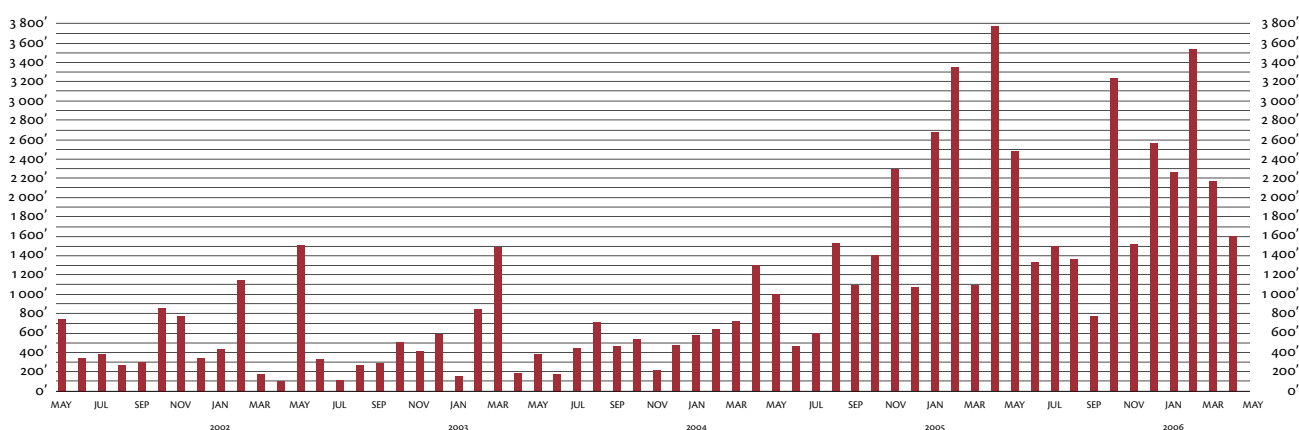
NEW WAVE'S SHAREHOLDERS STRUCTURE AS AT 31 DECEMBER 2005

NUMBER OF SHARES IN ORDER OF SIZE	NUMBER OF HOLDERS	NUMBER OF HOLDERS %	NUMBER OF SHARES	NUMBER OF SHARES %
1 – 200	3 957	301 010	0.47%	26 338
201 – 1000	3 031	1 768 452	2.74%	154 740
1001 – 2000	1 051	1 724 284	2.67%	150 875
2001 – 10000	872	3 819 117	5.92%	334 173
10001 –	257	56 905 065	88.20%	3 053 521
	9 169	64 517 776	100.00%	3 719 633

THE SHARE'S DEVELOPMENT AGAINST INDEX



NUMBER OF SHARES TRADED



SHARE CAPITAL TREND IN NEW WAVE

YEAR	TRANSACTION	INCREASE IN NUMBER OF SHARES	ISSUE PRICE	INCREASE SHARE CAPITAL	TOTAL NUMBER OF SHARES	TOTAL SHARE CAPITAL, SEK	FACE QUOTA
1991	The company was founded	500	100,00		500	50 000	100,00
1995	Directed new issue 1:20 ¹	25	35 524,00	2 500	525	52 500	100,00
1996	Bonus issue 37:1	19 475		1 947 500	20 000	2 000 000	
1997	Directed new issue 1:17 ²	11 448	600,00	114 480	211 448	2 114 480	10,00
	Bonus issue	0		2 114 480	211 448	4 228 960	
	Split 10:1	1 903 032			2 114 480	4 228 960	
	Directed new issue ³	681 818	110,00	1 363 636	2 796 298	5 592 596	2,00
1998	Directed new issue ⁴	201 106	114,40	402 212	2 997 404	5 994 808	2,00
2000	Directed new issue ⁵	552 648	171,45	1 105 296	3 550 052	7 100 104	2,00
	Split 2:1	3 550 052			7 100 104	7 100 104	
2001	Directed new issue ⁶	150 000	160,00	150 000	7 250 104	7 250 104	1,00
2002	Split 2:1	7 250 104			14 500 208	7 250 104	
2004	Bonus issue			166 752 392	14 500 208	174 002 496	12,00
	Directed new issue ⁷	1 160 016	130,00	13 920 192	15 660 224	187 922 688	12,00
	Split 2:1	15 660 224			31 320 448	187 922 688	6,00
	Directed new issue ⁸	226 886	88,15	1 361 316	31 547 334	189 284 004	6,00
2005	Directed new issue ⁹	96 822	125	12 102 750	31 644 156	189 864 936	6,00
	Directed new issue ¹⁰	614 732	52	3 688 392	32 258 888	193 553 328	6,00
	Split 2:1	32 258 888			64 517 776	193 553 328	3,00

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

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

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

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

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

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

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

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

⁹ New issue addressed to the owners of Dahetrakoncernen connected to the purchase of the company. The Share premium reserve increased by SEK 11 521 818.

¹⁰ New issue connected to exercise of option rights. The Share premium reserve increased by SEK 28 221 388.

Summary of Group development

INCOME STATEMENT. Summary in SEK millions	Swe. acc. std.			IFRS	
	2001	2002	2003	2004	2005
Sales	1 269.5	1 687.3	1 881.9	2 302.2	3 059.0
Other operating issues	10.6	2.2	13.5	20.0	25.8
Operating expenses	-1 127.1	-1 477.8	-1 650.6	-2 030.0	-2 757.7
Profit/loss before depreciation	153.0	211.7	244.8	292.2	327.1
Depreciation according to plan	-25.5	-32.6	-39.6	-29.6	-31.5
Profit/loss after depreciation	127.6	179.1	205.2	262.6	295.6
Net financial items	-27.5	-33.9	-23.9	-28.4	-41.6
Profit/loss after net financial items	100.1	145.2	181.3	234.2	254.0
Taxes (full tax)	-16.8	-30.9	-46.5	-61.3	-47.3
Minority share	-1.6	-10.0	-1.3	-	-
Profit/loss after tax	81.7	104.3	133.5	172.9	206.7
Balance Sheets. summary					
Trademarks	10.4	10.9	10.0	10.2	134.3
Other fixed assets	231.2	381.5	488.7	607.6	791.5
Inventories	563.1	605.2	677.8	971.9	1 466.8
Accounts receivable	261.3	358.3	378.8	482.4	708.5
Other current assets	50.9	61.5	67.3	71.3	147.5
Liquid funds	12.1	14.2	21.9	84.1	133.8
Total assets	1 129.0	1 431.6	1 644.5	2 227.5	3 382.4
Stockholder's equity assignable to shareholders	434.8	511.2	612.6	902.4	1 134.1
Stockholders equity assignable to minority	22.5	31.9	2.2	8.2	9.9
Provisions	16.1	28.8	34.6	65.2	104.9
Interest bearing liabilities	531.8	643.2	714.4	970.3	1 622.5
Interest free liabilities	123.8	216.5	280.7	281.4	511.0
	1 129.0	1 431.6	1 644.5	2 227.5	3 382.4
Cash flow					
Cash flow before changes in working capital and investments	93.4	140.8	173.5	190.1	218.2
Changes in working capital	1.1	19.9	-97.6	-187.8	-315.6
Cash flow before investments	94.5	160.7	75.9	2.3	-97.4
Net investments	-85.1	-153.3	-79.9	-245.4	-220.2
Cash flow after investments	9.4	7.4	-4.0	-243.1	-317.6
Financial payments	-41.0	-5.5	13.1	305.5	361.7
Cash flow for the year	-31.6	1.9	9.1	62.4	44.1
Key figures					
Gross margin, %	40.6	42.0	44.4	45.9	46.4
Operating margin, %	10.0	10.6	10.9	11.4	9.7
Profit margin, %	6.4	6.2	7.1	7.5	6.8
Return on capital employed, %	14.7	16.9	16.5	16.6	13.0
Return on shareholders equity, %	20.9	22.0	23.8	22.7	20.3
Solidity, %	40.5	37.9	37.4	40.8	33.8
Net dept/equity ratio, %	119.5	123.0	113.1	97.3	130.1
Share of risk bearing capital, %	41.9	39.9	39.5	43.1	35.9
Interest coverage, times	4.1	4.8	7.8	8.2	6.2
Rate of capital turnover, times	1.4	1.3	1.2	1.2	1.2
Average number employed	422.0	729.0	806.0	1 269.0	1 714.0
Personnel costs, incl social fees, SEK m.	158.0	241.7	255.3	328.8	410.7
Sales outside Sweden, %	41.3	50.4	55.0	57.6	61.0
Per-share data¹					
Number of shares before dilution	58 000 832	58 000 832	58 000 832	61 722 986	64 210 410
Number of shares after dilution	-	59 211 640	58 236 740	63 143 988	65 819 904
Result per share before dilution, SEK	1.43	1.80	2.30	2.80	3.22
Result per share after dilution, SEK	-	1.78	2.29	2.74	3.14
Shareholders' equity, SEK	7.50	8.82	10.56	14.75	17.82
Shareholders' equity per share after dilution, SEK	-	8.63	10.52	14.42	17.38
Price rate on December 31st, SEK	18.75	18.75	37.50	63.75	88.00
P/E-tal, 31 december	13.30	10.45	16.30	25.93	27.33
P/E-number, December 31st	0.38	0.44	0.63	0.75	0.90
Dividend per share, SEK	2.0	2.3	1.7	1.2	1.0
The operation's cash flow per share, SEK	1.63	2.77	1.31	0.04	-1.52

¹ Per-share data has been recalculated due to split 2:1 during 2005, 2004 och 2002.

Definitions

Share of risk bearing capital

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

Return on shareholders' equity

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

Gross profit margin

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

Average shareholders' equity

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

Rate of capital turnover

Sales divided by the average Balance Sheet total

Net debt-equity ratio

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

Interest cover ratio

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

Operating margin

Operating profit/loss after depreciation as a percentage of sales

Equity/assets ratio

Shareholders' equity divided by the Balance Sheet total

Capital employed

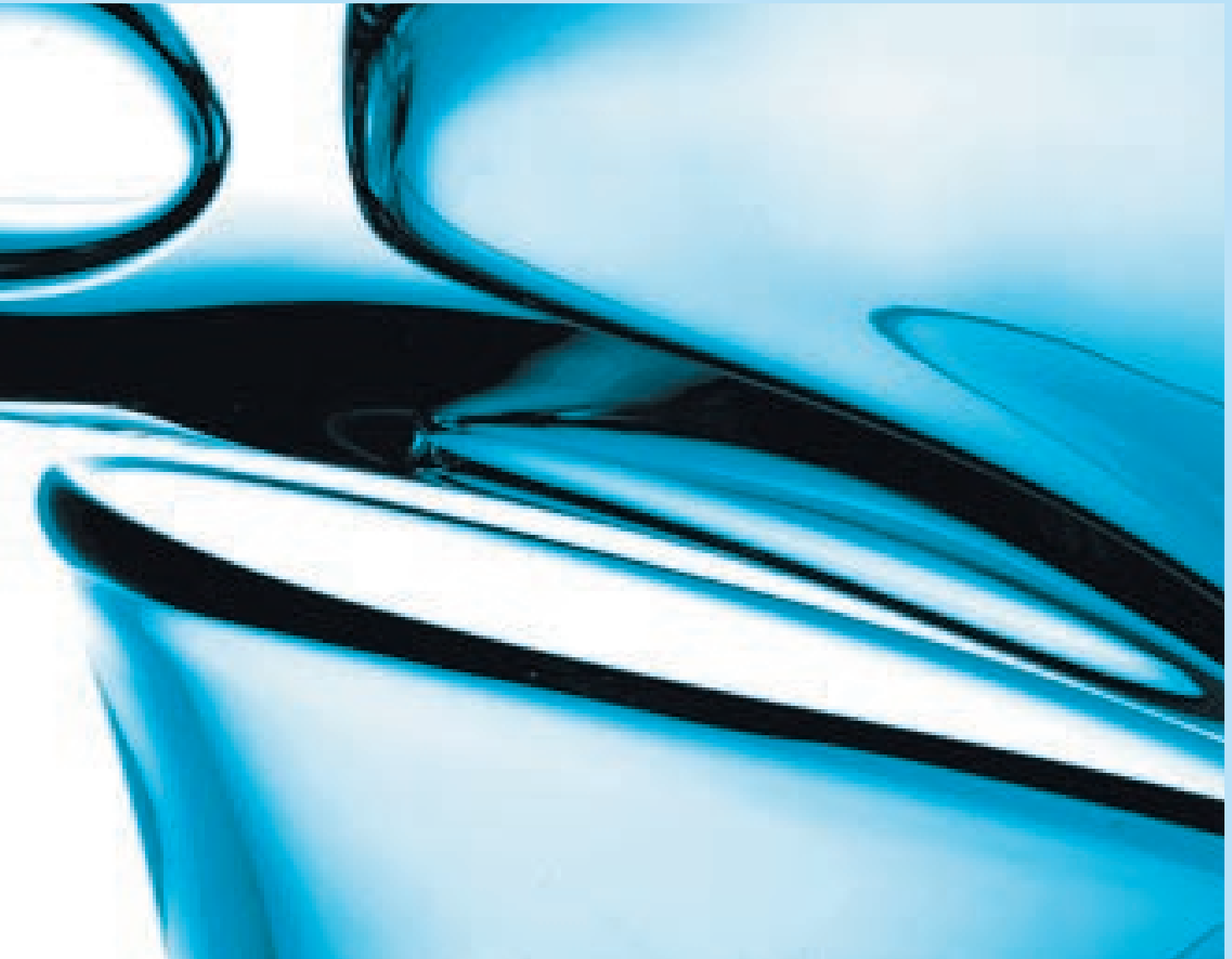
Balance Sheet total reduced by interest-free liabilities and interest-free provisions

Profit margin

Profit/loss before tax as a percentage of sales

Profit per share

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



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Board of Directors' Report

The board of directors and the CEO of New Wave Group AB (publ), 556350-0916, with its headquarters in Borås, can hereby present the directors' annual report as well as the Group's annual report for the fiscal year 2005-01-01–2005-12-31.

BUSINESS CONCEPT

New Wave is active within two business areas, partly in the corporate profiling market with sales of promowear, give-aways and workwear to distributors, and partly in the retail market with sales mainly of gifts, accessories and sport items to retail outlets. By operating in both these market segments the group achieves a good risk spread. Major coordination advantages are achieved within design, purchasing and logistics. Many of the products are common for both corporate profiling and retail, which considerably spreads the risks and catalogues can also be common for both business areas. The major difference between the business areas is the distribution channels whereby the end-consumer is a private person in the retail business area, and the end-consumer is a company in the corporate profiling business area. Within the retail sector a major portion of sales are by way of pre-orders whereas in the corporate profiling sector deliveries are made directly against orders. This also means major differences in the accumulation of stocks and demands on service for these segments. In both these segments New Wave acts as wholesaler. The corporate profiling business area stands for 65% of the group's turnover and 75% of earnings. New Wave is established in 17 countries via subsidiaries and 61% of turnover is outside of Sweden.

New Wave's competitiveness lies mainly in good products, strong trademarks, good knowledge and service together with a well developed overall concept. The products are mainly manufactured in Asia and to a lesser degree in Europe. New Wave has, through its relative size, good purchase prices and effective logistics. The corporate profiling market is fragmented, with a few global actors and many small within each respective country. The Group's most well known and wholly owned brands are Craft, Sagaform, Orrefors, Kosta Boda, Seger, Grizzly, Clique, James Harvest Sportswear, Mac One, Toppoint, Jobman, Projob and Pax, as well as Umbro, Nordica and Exel under licence.

BUSINESS EVENTS

The latest year's market fall has affected both the corporate profiling and retail business areas, however the market stabilised during 2005. New Wave is the market leader in Scandinavia with an estimated market share in the corporate profiling business area within Sweden, of approximately 35%. It is therefore considerably easier to grow in the rest of Europe where New Wave has a market share of about 1 - 2 percent and with a strong concept can grow irrespective of the economic situation. This is clearly seen in the turnover figures per country for 2005.

Sales

During 2005, New Wave's sales increased by 33% to SEK 3,059 (2,302) million. The acquired turnover from Dahetra, Orrefors Kosta Boda and Intraco (were consolidated as of 1 January, 1 June and 1 July) amounted to SEK 531 million, i.e. the organic growth was 9.8%. Foreign currency changes affected our net turnover positively by 1%.

Result

The result after financial items increased by SEK 19.8 million to SEK 254.0 (234.1) million. Acquired entities (Dahetra, Orrefors Kosta Boda and Intraco) affected the profit positively by SEK 30.1 million. The costs for new establishments amounted to SEK 32.0 million. New establishments undertaken during the year are described for respective country under Geographical Distribution below. New Wave's factory in China was closed down due to the changed conditions i.e. quotas were reintroduced for exports from China. One off costs of SEK 6.0 million relating to the closure were taken in the fourth quarter.

The gross margin increased compared to the preceding year and amounted to 46.4 (45.9) %. This increased gross margin is the result of increased volumes and effective purchasing. Major investments are being undertaken in order to make our purchasing more effective. The major gain of these changes will be partly by way of better purchasing prices, but mainly by way of a more cost effective organisation.

The Group's external costs as part of turnover increased and amounted to 21.4 (19.1) % of the Group's turnover. Personnel costs increased and amounted to 15.1 (14.8) % of the Group's turnover. At the end of 2004 and during 2005 there were a large number of new establishments undertaken, mainly by way of more concepts in existing companies in Europe, but even by starting new companies. A new establishment means increased costs both in the form of marketing, catalogues, exhibitions, stock-keeping etc, but even increased personnel costs prior to a boom in sales. However these costs ensure future growth in both turnover and earnings.

Depreciation has increased by SEK 1.9 million to SEK 31.5 (29.6) million. Depreciation of goodwill ceased as per 1 January 2005 and an impairment test is now carried out annually. This impairment test was carried out as per 31 December 2005 and no depreciation of goodwill has occurred during 2005.

Reporting of segments

Corporate profiling business area

Corporate Profiling business area's sales increased by 25% to SEK 1,976 (1,581) million. The result (EBITDA) (operating result adjusted for depreciation) increased by SEK 31.3 million to SEK 247.1 (215.8) million. The greater part of on-going new establishments and their costs are within the corporate profiling business area.

GEOGRAFISK FÖRDELNING

LAND	JAN-DEC	Share of turnover	JAN-DEC	MKR	CHANGE
	2005		2004		%
Sweden	1 188	39%	956	232	24
Benelux	336	11%	293	43	15
Norway	257	8%	180	77	43
Germany	223	7%	181	42	23
Finland	192	6%	180	12	7
Italy	181	6%	140	41	29
Denmark	119	4%	64	55	86
USA	116	4%	0	116	N/A
Spain	99	3%	93	6	7
France	85	3%	62	23	37
Switzerland	85	3%	48	37	77
England	82	3%	56	26	46
Other countries	96	3%	49	47	96
Totalt	3 059	100%	2 302	757	33

Retail business area

Retail business area's sales increased by 50% to SEK 1,083 (721) million. The result at EBITDA-level increased by SEK 3.8 million to SEK 80.0 (76.2) million.

Geographical distribution

Sweden

In Sweden, sales increased by 24% to SEK 1,188 (956) million. Sweden's share of New Wave group's total turnover has decreased to 39 (42) % despite the acquisition of Orrefors Kosta Boda group. Orrefors Kosta Boda has been launched during the year to New Wave's distributors within the corporate profiling branch where it is a "top of the line" brand. Even SEA Glas which was included in the acquisition of the Orrefors Kosta Boda group is being launched via Hefa within the corporate profiling branch. Growth excluding acquired entities was SEK 12.9 million or 1%.

Germany

In Germany, sales increased by 23% to SEK 223 (181) million. Despite a weaker economy over the past few years, New Wave has continued to have substantial growth. Projob was launched during the year and Jobman has started its launch. Grizzly has begun keeping stock locally in Germany. Sea Glas has also started its launch.

Denmark

In Denmark, sales increased by 86% to SEK 119 (64) million. Projob and MacOne/Jingham were launched during 2005.

Norway

In Norway, sales increased by 43% to SEK 257 (180) million. Jobman was fully launched in Norway, including a local warehouse.

Finland

In Finland, sales increased by 7% to SEK 257 (180) million. Projob was launched during the second half of 2005.

Italy

In Italy, sales increased by 29% to SEK 181 (140) million. Both Projob and Inside Out were launched, and the launch of Jobman was started during 2005.

Spain

In Spain, sales have increased by 7% to SEK 99 (93) million. The traditional corporate profile sales continued to increase while so-called trading sales decreased. Trading is the selling of the customer's own trademark so-called private label. Projob and Inside Out were launched during the year. Bengt Johansson has succeeded Stefan Bodin as managing director of New Wave Sportswear S.A.

Benelux

In Benelux, sales increased by 15% to SEK 336 (293) million. Benelux is New Wave group's next most important market after Sweden. Toppoint, Craft and Harvest/Printer-concept are well established in this market. Sagaform and Projob have been launched, and Jobman has started their launch.

Great Britain

In Great Britain, sales increased by 46% to SEK 82 (56) million. The establishment of a multi brand-concept, where several of the group's trademarks are included, was carried out in Wales during the fourth quarter. This was done to meet the competition in the English market with the same conditions as the competition i.e. with larger catalogues that have more brands in them. Costs for warehouse rents etc are considerably lower in Wales compared to major city areas. Despite this the same delivery service to customers will continue. New Wave estimates the English market as very large and calculates that the above mentioned steps will considerably improve profitability. Sagaform has been launched on the retail market.

France

In France, sales have increased by 37% to SEK 85 (60) million. Clique and New Wave have started keeping stock locally in the country and Projob has been launched. Christophe Lardy has been recruited as managing director for New Wave France SAS and takes his post 1 February 2006.

Switzerland

In Switzerland, sales increased by 77% to SEK 85 (48) million. The establishment in Switzerland, which started selling 2004, has been better than expected and even Craft has started selling in this market via a company that is owned 51%.

Craft Suisse SA has burdened the result during 2005 by approximately SEK 10 million.

China

On the Chinese local market, New Wave sells promowear and give-aways to companies and Craft to the sports retail market. Earlier, New Wave started production on a small scale outside Shanghai. The factory has now closed down due to the changed conditions i.e. quotas were reintroduced for exports from China. However, embroidering and printing for the local market in China will remain. At the end of 2005, Orrefors Kosta Boda started its establishment. Three stores are expected to open in central Shanghai, so-called Flag Ship Stores, during 2006.

Other establishments

A jointly owned company in Russia where New Wave owns 51% and management 49% has been incorporated. New Wave Russia will distribute the Clique / New Wave and Sagaform trademarks whereby delivery to the customer will be from Sweden.

The concept represented by Orrefors Jernverk and Kosta Linnewärfveri is being developed and the launch is expected to take place during autumn 2006.

New Wave and Clique started stock-keeping and selling in Austria in the beginning of 2006.

The so-called Multi-brand concept was launched in England from Wales, and at the end of 2005 was also launched in Ireland with deliveries from Wales.

PURCHASING

New Wave has purchasing offices in Bangladesh, Vietnam, Hong Kong, Turkey and China. Major resources are currently being applied to strengthen the purchasing organisation and since the middle of June, Joakim Holmberg has taken his position as Purchasing Manager for the New Wave group and is stationed in Shanghai. Joakim was previously employed by Lindex as Purchasing Manager and was stationed in Asia for the past 11 years. The introduction of quotas for China in June 2005 has only marginally affected New Wave's purchasing operation, as the main part of the range of goods is quota free without restrictions and a large portion is purchased from Bangladesh which doesn't have quotas.

ACQUISITIONS

Dahetra

The Dahetra group is one of the leading actors in northern Europe in textile printing, transfer production and embroidery, with subsidiaries in Denmark, Sweden, Norway and Bangladesh. Dahetra has 163 employees spread within sales, administration, design and production. The group was consolidated as per 1 January 2005.

Orrefors Kosta Boda

As per 1 June 2005, New Wave acquired 51% of the shares in Orrefors Kosta Boda Holding AB including subsidiaries. Orrefors Kosta Boda had a turnover of SEK 640 million in 2004 and approximately 720 employees.

On the fourth of October an agreement was reached with Royal Scandinavia A/S that the initial acquisition of 51% in Orrefors Kosta Boda Holding AB be changed to include 100% of the shares. The total purchase price for the Orrefors Kosta Boda group amounted to approximately SEK 24.5 million. As per 4 October there is no longer any minority attributable to OKB in the New Wave group.

Under the trademark Orrefors Jernverk, New Wave will launch a collection of metal products the kitchen and as gifts. Examples of these products are pots, frying pans and candlesticks. Furthermore, New Wave will launch an assortment of home textiles such as tablecloths and towels under the trademark Kosta Linnewärfveri. These activities will be launched as a cook-eat-enjoy, assortment in autumn 2006.

The glass kingdom in Småland has approximately one million visitors annually. Since the takeover, New Wave Group has established two stores/outlets and will establish more for selling the groups other trademarks. A new outlet with a floor space of 4,900m² is being built and is estimated to be ready by summer 2006, and will be jointly owned with the municipality. The majority has been leased to external tenants who represent attractive brands

New Wave Group estimates that they will be able to provide Orrefors Kosta Boda with a relatively large sales volume within the corporate profile business area. The Orrefors Kosta Boda group has an annual turnover of approximately

USD 21 million in the USA. This gives us a good base for the launch of Sagaform in the USA, which will occur first within the retail business area and in the longer term even the corporate profiling business area.

The cost cutting measures that have been undertaken since takeover are estimated to give savings of SEK 50 million per year. The goal is for Orrefors Kosta Boda group, together with the new operations that New Wave has planned to establish in connection with the acquisition, to give a small positive result for 2006 and that this positive result will increase every year thereafter. The goal is to reach an operating margin of at least 10% by the year 2010. However Orrefors Kosta Boda will burden New Wave group during the first half of 2006, as their traditional earnings potential lies in the second half of the year.

Intraco group

New Wave Group has per 1 July acquired 51% of the shares in the Intraco group for approximately € 4 million with an option to acquire the remaining shares. The final acquisition liquidity is result based.

The Intraco group operates as a wholesale company with sales of technical related profile and give-away articles, such as telephone and data accessories as well as technical related office articles. Examples of successful product groups are USB memories and SIM card readers. The Intraco group is innovative in regards to technical innovations for the corporate profiling market. The Intraco group had a turnover of approximately € 8 million for 2004 with good profitability and had approximately 30 employees.

CAPITAL TIE-UP

During the period, capital tied up in goods has increased by SEK 495 million to SEK 1,467 (972) million, of which acquired entities contributed SEK 274 million. The increase is not only attributed to acquired entities but also to the new establishments undertaken. One example is Projob, which was launched on a wide front throughout Europe, whereby large stocks were built up in order to be a competitive supplier. Accounts receivable increased by SEK 227 million to SEK 709 (482) million, of which acquired entities contributed SEK 172 million.

INVESTMENTS, FINANCING AND LIQUIDITY

The Group's net investments affected cash for January-December 2005 by SEK -175 (-245) million. Cash flow prior to investments and acquisitions amounted to SEK -142 (2) million whereby the new establishments carried out during 2005 have burden the cash flow in the form of, among other things, the building up of stocks. The cash flow after investments and acquisitions amounted to SEK -318 (-245) million. On 31st December 2005, the Group's net borrowings amounted to SEK 1,489 (886) million and credit limits amounted to approx SEK 2,300 million.

PERSONNEL AND ORGANISATION

The number of full-time employees as at 31st December 2005, amounted to 2,032 (1,269), of which 39% were female and 61% male. Of the total number of employees, 865 are within production and the remaining within purchasing, design/product development, sales, warehouse, logistics and administration. New Wave's production is attributed to Orrefors Kosta Boda, Seger, Dahetra and Toppint.

SHARE OPTION SCHEMES IN NEW WAVE GROUP AB

New Wave currently has two outstanding share option schemes. The first expires on 30th June, 2006, consists of 1,844,280 rights of option with a redemption price of SEK 29.30 and was directed at all employees. The options premium for this programme was SEK 11.50, which is SEK 2.80 today after recalculating for splits and dilution of shares. The other expires on 30th June, 2008, consists of 1,500,000 rights of option with a redemption price of SEK 73.10 and was directed at management within the entire group.

ENVIRONMENTAL IMPACT

Orrefors Kosta Boda AB carries on an operation that requires permission in accordance with the environmental code. The permits obtained refer to the production of glass, corresponding to the consumption of glass raw materials up

to a certain amount, at four production units. The outer environmental impact is by way of emissions to the air, land and water, noise around the works and waste treatment. Pollutants are taken care of via purification plants. Investigations are being carried out to analyse the risks with regard to earlier glass depots. New permits for existing and expanded operations in accordance with the environmental code have been obtained for Åfors and Orrefors Glasbruk. Permission for carbon dioxide emissions, in accordance with the carbon dioxide emissions law, has been obtained for Orrefors Glasbruk. The Environmental Protection Agency has allocated Orrefors Glasbruk emission rights for carbon dioxide emissions. 95% of Orrefors Kosta Boda AB's total sales value is produced at these four production entities. Orrefors Kosta Boda's operations system is certified in accordance with ISO 9001 and ISO 14001.

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

RESEARCH AND DEVELOPMENT

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

ACCOUNTING PRINCIPLES

This report is made out in accordance with the International Financial Reporting Standards IFRS.

As per 2005 New Wave follows the international accounting standards and International Financial Reporting Standards (IFRS) when compiling the group's reports. In accordance with EU Community regulations this is obligatory for listed companies. The effect of this transition is reported as an adjustment in the equity capital 2004. All comparable figures for 2004, but not 2003, are recalculated. The significant changes in the accounting principles for the New Wave group concern the accounting of goodwill, financial instruments as well as the minority interests. In accordance with the transition regulations in IFRS 1 New Wave has chosen not to implement IFRS 3 in regard to older acquisitions. Comparable figures in regard to acquisitions made during 2003 and earlier are therefore not recalculated. Acquisitions made during 2004 are accounted for in accordance with IFRS 3.

Depreciation of goodwill ceased as per 1 January 2005 and so-called impairment tests are carried out instead. Impairment tests were carried out per 31 December 2005 and no write-down of goodwill has occurred for 2005. IAS 32 and 39 in regard to financial instruments is used from the year 2005, without recalculating previous years.

IFRS 2 Share Based Payment caused no effect on the New Wave group. The share related option schemes that exist were not affected by IFRS 2.

A more complete reconciliation of the effects of the transition to IFRS is shown as note 16 on page 67.

OTHER MATTERS corporate governance

A statement regarding the group's management and the board's activities is given in the section **Corporate Governance**. Information regarding financial risk management and the use of financial instruments for risk handling is given in the section Financial Risks in note 19 on page 69.

SHARE OPTION SCHEMES IN NEW WAVE GROUP AB

Number of options	Publicited	Validity years	Option premium kr / option	Option premium in % more than average price at subscribe	Redemption kr
1 844 280	June 2003	3	2,8	120	29,3
1 500 000	June 2005	3	9,0	125	73,1

PROPOSAL FOR THE APPROPRIATION OF PROFITS

To the shareholders' meetings disposition stands the following:

SEK Thousand	
Free reserves 01-01-2005	190.758
Dividend.....	-47.466
Year's result.....	40.313
Total distributable earnings.....	183.605

The board of directors decided to propose to the annual general meeting a dividend of SEK 0.90 (0.75) per share, corresponding to a total of SEK 58.1 million and in a new account is entered SEK 125.5 million. The board's goal is that the dividend to shareholders shall be equivalent to 30% of the group's result over an economic cycle.

With reference to the above and what has otherwise come to the board's knowledge, it is the board's appraisal that the company and group's financial standing is such that the dividend is justifiable with reference to the demands that the businesses nature, extent, expansion and risks impose on the size of the company and group's equity capital as well as the company and group's consolidation requirements, liquidity and standing.

In regard to the group and parent company's result and standing refer to the following Income Statement and Balance Sheet, and accompanying notes to the financial statement. The shareholder meeting have the right to change the annual report

Borås den 7 May 2006



Håkan Thyle'n
Styrelseordförande



Lennart Bohlin

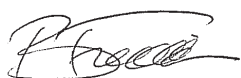


Hans Johansson




Torsten Jansson
Verkställande direktör

Our audit report was submitted on 7th of May 2006



Bjarne Fredriksson
Auktoriserad revisor, Ernst & Young



Bertel Enlund
Auktoriserad revisor, Ernst & Young

Income Statement – Group

1 January - 31 December

SEK Mkr	Note	2005	2004
Net sales	2	3 059,0	2 302,2
Merchandise		-1 638,7	-1 246,4
Gross profit		1 420,3	1 055,8
Other operating income	4	25,8	20,0
External expenses		-653,9	-440,2
Personnel costs	6	-461,5	-341,1
Depreciation of tangible and Intangible fixed assets	1	-31,5	-29,6
Other expenses		-3,5	-2,5
Result from related company		-0,1	0,2
Operating profit/loss		295,6	262,6
Interest income		6,9	4,2
Interest expenses		-48,5	-32,6
Finansnetto		-41,6	-28,4
Profit/loss before tax		254,0	234,2
Tax on net profit/loss for the year	9	-47,3	-61,3
Profit/loss for the year		206,7	172,9
Related to:			
Group shareholder's		203,0	171,9
Shareholders minority		3,7	1,0
		206,7	172,9
Profit per share			
before dilution (SEK kr)		3,22	2,80
after dilution (SEK kr)		3,17	2,74
Weighed number of shares before dilution		64 210 410	61 722 986
Weighed number of shares after dilution		65 306 999	63 143 988

Balance Sheet – Group

31 December

SEK Mkr	Note	2005	2004
ASSETS			
Intangible fixed assets	10	510,1	353,8
Tangible fixed asset	11	319,9	216,4
Shares in related companies	13	8,3	8,0
Longterm receivables	13	6,2	5,6
Deferred tax claims	13	81,3	32,3
Total fixed assets		925,8	616,1
Goods for resale	19	1 466,8	971,9
Tax receivables		41,8	11,2
Accounts receivables	19	708,5	482,4
Prepaid expenses and accrued income	14	52,1	30,2
Other receivables	7	53,6	35,7
Cash and bank		133,8	84,1
Total current assets		2 456,6	1 615,5
Total assets	22	3 382,4	2 231,6
SHAREHOLDER'S EQUITY AND LIABILITIES			
	16		
Shareholder's equity		193,6	189,3
Other capital provided		169,1	129,4
Reserves		123,4	51,6
Profit brought forward, incl. profit for the year		648,0	532,1
Equity attributable to the Parent Company shareholders		1 134,1	902,4
Minority interest		9,0	8,2
Total shareholder's equity		1 144,0	910,6
LIABILITIES			
Long-term interest bearing liabilities	17, 20	1 540,3	515,9
Pension obligations		6,9	3,4
Other provisions		1,1	0,0
Deferred tax liabilities	13	96,4	53,9
Total long-term liabilities		1 644,7	573,2
Short-term interest bearing liabilities	17, 20	82,2	454,4
Accounts payable		198,6	116,8
Tax liabilities		35,1	11,8
Accrued expenses and prepaid income	18	189,6	72,2
Other liabilities		88,2	92,6
Total short-term liabilities		593,7	747,8
Total liabilities		2 238,4	1 321,0
TOTAL EQUATY AND LIABILITIES	22	3 382,4	2 231,6
Memorandum items			
Assets pledged	20	725,6	1406,2
Guarantees	21	7,7	0,3

Consolidated Statement Of Changes In Equity

SEK M.	Share-capital	Other contributed equity	Reserves	Retained earnings incl. profit/loss for the year	Total	Minority interest	Total equity
Opening balance 2004-01-01	7,3	141,7	11,3	452,3	612,6	2,2	614,8
New accounting princible	-	-	-	-13,6	-13,6	-	-13,6
Adjusted opening balance year 2004-01-01	7,3	141,7	11,3	438,7	599,0	2,2	601,2
Translation reserve, change for the year	-	-	-	-2,7	-2,7	-0,1	-2,8
Equity change minority	-	-	-	-	-	5,1	5,1
Shifting of unrestricted and restricted shareholder's equity	-	-	40,3	-40,3	-	-	0,0
Total change in net assets recognized directly in equity, excluding transactions with shareholders		0,0	0,0	40,3	-43,0	-2,7	5,0
Profit/loss for the year	-	-	-	171,9	171,9	1,0	172,9
Total change in net assets, excluding transactions with shareholders	0,0	0,0	0,0	171,9	171,9	1,0	172,9
Dividends	-	-	-	-36,3	-36,3	-	-36,3
New issue	1,9	167,8	-	-	169,7	-	169,7
Bonus share issues	180,1	-180,1	-	-	-	-	0,0
Personal option premiums	-	-	-	0,8	0,8	-	0,8
Balance at year end 2004-12-31	189,3	129,4	51,6	532,1	902,4	8,2	910,6

SEK M.	Share-capital	Other contributed equity	Reserves	Retained earnings incl. profit/loss for the year	Total	Minority-interest	Total equity
Adjusted opening balance year 2005-01-01	189,3	129,4	51,6	532,1	902,4	8,2	910,6
Translation reserve, change for the year	-	-	-	23,0	23,0	0,9	23,9
Cash flow hedges	-	-	-	-3,6	-3,6	-	-3,6
Equity change minority	-	-	-	-	-	-2,9	-2,9
Shifting of unrestricted and restricted shareholder's equity	-	-	71,8	-71,8	-	-	0,0
Total change in net assets recognized directly in equity, excluding transactions with shareholders	0,0	0,0	71,8	-52,4	19,4	-2,0	17,4
Profit/loss for the year	-	-	-	203,0	203,0	3,7	206,7
Total change in net assets, excluding transactions with shareholders	0,0	0,0	0,0	203,0	203,0	3,7	206,7
Dividends	-	-	-	-47,5	-47,5	-	-47,5
New issue	4,3	39,7	-	-	44,0	-	44,0
Personal option premiums	-	-	-	12,8	12,8	-	12,8
Balance at year end 2005-12-31	193,6	169,1	123,4	648,0	1 134,1	9,9	1 144,0

Translation reserve

	2005	2004
Translation reserve, balance brought forward	-2,8	0,0
Translation reserve, change for the year	23,9	-2,8
Balance at year end	21,1	-2,8

Opening balance translation reserve 2004-01 is amunted to zero in accordance with the IFRS rules.

Cash Flow Analysis – Group

1 January - 31 December

SEK Mkr	2005	2004
Current operations:		
Operating profit before financial items	295,6	242,3
Adjustment for non-cash items	17,9	48,5
Interest gained	6,9	4,4
Interest paid	-48,5	-32,6
Tax paid	-53,7	-72,5
Cash flow before change in working capital	218,2	190,1
Cash flow from changes in working capital		
Increase/decrease in inventories	-244,7	-170,6
Increase in short-term receivables	-90,1	-4,4
increase/decrease liabilities	19,2	-12,8
Chase flow from operating	-97,4	2,3
Investing activities		
Acquisition of tangible assets	-79,6	-33,9
Sale of tangible assets	0,4	0,5
Acquisition of intangible assets	-8,9	-32,9
Acquisition of subsidiaries ¹	-88,3	-175,6
Acquisition of financial assets	-45,0	-3,5
Sale of financial assets	1,2	0
Cash flow from investing activities	-220,2	-245,4
Financial activities		
New issue	44,0	149,7
Loan raised	365,2	192,1
Divided paid	-47,5	-36,3
Cash flow from financial activities	361,7	305,5
Cash flow for the year	44,1	62,4
Liquid funds at the beginning of the year	84,1	21,9
Price difference in liquid funds	5,6	-0,2
Liquid funds at the end of the year	133,8	84,1
¹ The item consists of		
Goodwill	-46,1	-41,7
Trademark	-112,0	0
Working capital	-192,2	-196,2
Fixed assets	-87,7	-9,0
Loans taken over	361,8	71,3
Paid with non-cash issue	-12,1	0
Cash flow effect	-88,3	-175,6
Liquid funds		
Cash and bank	133,8	84,1

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

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

Comments on the Cash Flow Analysis

Cash flow before change in operationing capital and investments increased strongly, which is attributable to the positive operating result. For market reasons, the capital tied up in stock increased by SEK - 47.7 (-170.6)m. Liquid influencing investments increased/decreased by - 25.2 (165.5)m. Total cas flow after investments decreased to SEK -317.6 (-243.2)m.

Income Statement – Parent Company

1 January - 31 December

SEK Mkr	Note	2005	2004
Net sales	3	76,3	70,4
Other operating income	4	0,7	5,0
Operating expenses			
Goods for resale		-8,5	-0,4
Other external expenses		-42,0	-41,2
Personnel costs	6	-17,0	-17,1
Depreciation of tangible and Intangible fixed assets	1	-1,1	-2,3
Other costs		0	-2,1
Operating profit/loss		8,4	12,3
Profit/loss from financial investments		12,3	26,3
Other interest income		27,8	27,6
Other interest expenses		-28,7	-22,8
Net financial items		11,4	31,1
Profit/loss after financial items		19,8	43,4
Disposals		-10,4	-2,5
Net profit/loss before tax		9,4	40,9
Tax on net profit/loss for the year	9	0,7	-4,0
Profit/loss for the year		10,1	36,9

Balance Sheet- Parent company

31 December

SEK Mkr	Note	2005	2004
ASSETS			
Fixed assets			
Intangible fixed assets	10	4,4	3,7
Tangible fixed assets	11	0,7	1,0
Financial fixed assets			
Shares in Group companies	12	927,7	746,0
Shares in associated companies	13	8,3	8,3
<i>Total financial fixed assets</i>		936,0	754,3
Total fixed assets		941,1	759,0
Current assets			
Short-term receivables			
Accounts receivable		0,7	0,7
Receivables at Group companies		875,7	497,3
Prepaid tax		0	5,5
Other receivables		9,7	6,3
Prepaid expenses and accrued income	14	3,8	2,1
<i>Total short-term receivables</i>		889,9	511,9
Cash and bank		2,5	0
Total current assets		892,4	511,9
TOTAL ASSETS		1 833,5	1 270,9
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted shareholders' equity			
Share capital	16	193,6	189,3
Restricted reserves		249,4	209,7
		443,0	399,0
Unrestricted shareholders' equity			
Retained earnings		143,3	153,9
Profit/loss for the year		40,3	36,8
		183,6	190,7
Total shareholders' equity		626,6	589,7
Untaxed reserves	15	42,6	32,2
Long-term liabilities			
Overdraft facilities	17	1 008,3	440,1
Other liabilities		17,1	22,7
Total long-term liabilities		1 025,4	462,8
Short-term liabilities			
Accounts payable		18,3	7,7
Liabilities to Group companies		105,6	135,4
Tax liabilities		3,1	0
Other liabilities		7,3	39,9
Accrued expenses and prepaid income	18	4,6	3,2
Total short-term liabilities		138,9	186,2
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1 833,5	1 270,9
Memorandum items			
Assets pledged	20	8,3	468,2
Guarantees	21	220,1	355,0

Parents Company Statement Of Changes In Equity

SEK Mkr	Share- capital	Statutory reserve	Unrestricted equity	Totally equity
Opening balance 2004-01-01	7,3	222,0	193,0	422,3
Group contribution	-	-	-2,9	-2,9
Profit/loss for the year	-	-	36,9	36,9
Total change in net assets excluding transactions with shareholders	0,0	0,0	34,0	34,0
Dividend	-	-	-36,3	-36,3
New issue	1,9	167,8	-	169,7
Bonus share issue	180,1	-180,1	-	0,0
Balance at year end 2004-12-31	189,3	209,7	190,7	589,7

Group contribution of SEK - 2.9 m. concerns received Group contribution of SEK 41 m. with a calculated tax effect of SEK 1.1 m. assignable to the Group contribution.

SEK Mkr	Share- capital	Statutory reserve	Unrestricted equity	Totally equity
Opening balance 2005-01-01	189,3	209,7	190,7	589,7
Group contribution	-	-	30,3	30,3
Profit/loss for the year	-	-	10,1	10,1
Total change in net assets excluding transactions with shareholders	0,0	0,0	40,4	40,4
Dividend	-	-	-47,5	-47,5
New issue	4,3	39,7	-	44,0
Balance at year end 2005-12-31	193,6	249,4	183,6	626,6

Group contribution of SEK 30.3 m. concerns received Group contribution of SEK 41.9 m. with a calculated tax effect of SEK 11.6 m. assignable to the Group contribution.

Cash Flow Analysis– Parent Company

1 January - 31 December

SEK Mkr	2005	2004
Current operations		
Operating profit before financial items	8,4	12,3
Adjustments for non-cash items	13,4	167,4
Interest gained	27,8	27,6
Interest paid	-28,7	-22,8
Tax paid	-13,3	-5,9
Cash flow before change in working capital	7,6	178,6
Cash flow from change in working capital		
Increase in short-term receivables	-372,5	-229,6
Decrease/increase on short-term liabilities	-50,4	43,4
Cash flow from operating activities	-415,3	-7,6
Investing activities		
Issued shareholder contributions to subsidiaries	-51,7	-42,7
Aquisition of tangible assets	-0,2	-0,6
Aquisition of intangible assets	-1,3	-0,1
Aquisition of subsidiaries	-130,0	-200,3
Aquisition of subsidiaries within the Group	0,0	-23,6
Cash flow from investing activities	-183,2	-267,3
Financial activities		
New issue	44,0	149,7
Loan raised	562,6	165,6
Dividend paid	-47,5	-36,3
Received/paid Group contribution	41,9	-4,1
Cash flow from financial activities	601,0	274,9
Cash flow for the year	2,5	0,0
Liquid funds at the beginning of the year	0,0	0,0
Liquid funds at the end of the year	2,5	0,0

NOTE 1 ACCOUNTING AND VALUATION PRINCIPLES

Accounting and valuation principles

The consolidated financial statements are compiled in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), as well as the interpretation statement from the International Financial Reporting Interpretations Committee (IFRIC) such as they have been approved by the EU Commission for application within the EU community. These financial statements are the first complete financial statements compiled in accordance with IFRS. The consolidated financial statements also include additional information in accordance with The Swedish Financial Accounting Standards Council's recommendation RR30, supplementary accounting regulations for groups. In note 16 there is a summary regarding the transition to IFRS and its affect on the consolidated financial result and standing.

Consolidated financial statements

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

Implementation of IFRS

The significant changes in the accounting principles for the New Wave group concern the accounting of goodwill, financial instruments as well as minority interests. In accordance with the transition regulations in IFRS 1, New Wave has chosen not to implement IFRS 3 in regard to older acquisitions. Comparable figures in regard to acquisitions made during 2003 and earlier are therefore not recalculated. Acquisitions made as from 2004 are accounted for in accordance with IFRS 3. IAS 32 and 39 in regard to financial instruments is used from the year 2005, without recalculating previous years.

IFRS 2 Share Based Payment caused no effect on the New Wave group. The share related option schemes that exist were not affected by IFRS 2.

Minority interest

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

Minority share in the accounted result is shown in the group's income statement.

Associated companies

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

Income accounting

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

Internal sales

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

Close relation transactions

No close relation transactions beyond usual Group company transactions have taken place. See share acquisitions in note 12.

Intangible fixed assets

Goodwill

Goodwill is the amount that the acquisition cost exceeds the actual value of net assets the group acquired in relation to the acquisition of a company or transference of its assets and liabilities. Goodwill is not depreciated but is instead tested annually in order to identify the possible need for write-down. Goodwill is accounted for at acquisition value minus accumulated write-down.

Trademarks

Trademarks are accounted for at acquisition value minus possible accumulated depreciation and accumulated write-down. Trademarks that are established as having an indefinite duration of use are not depreciated but are instead tested annually in order to identify the possible need for write-down, in the same manner as for goodwill. The exception is for minor acquisitions, 2003 and earlier, which were depreciated lineally by 5% annually.

Depreciation of fixed assets

Tangible and intangible fixed assets acquired by the group are accounted for at historic acquisition value after deducting accumulated depreciation and possible write-downs. Costs for reparations and maintenance are charged to expenses. The acquisition value of assets is depreciated lineally during the asset's estimated utilisation period.

Computers and software	30 %
Real estate.....	2 - 4 %
Other machinery and equipment	10 - 20 %

Write-downs

Writing down is used if the reported value exceeds the highest of utilisation value or the net sales value in accordance with IAS 36.

Reservations

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

Receivables

Receivables have, after individual consideration, been accounted for by the amount which is deemed to flow in.

Research and development

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

Financial instruments

Financial instruments that are accounted for in the balance sheet include liquid funds, trade debtors, trade creditors, borrowings and derivatives. Financial instruments are valued and accounted for in the group in accordance with IAS 39 regulations.

Financial instruments: accounting and valuation.

Financial instruments are initially accounted for at acquisition value which is equivalent to the instruments actual value with the addition of transaction costs for assets and liabilities valued at accrued acquisition value. A financial asset or financial liability is accounted for in the balance sheet when the company becomes part of the instruments contractual conditions. Trade debtors are accounted for in the balance sheet when the invoice has been sent. Liabilities are accounted for when the other contracting party has render services and a contractual obligation exists to pay, even if the invoice has not been received. Trade creditors are accounted for when the invoice is received.

A financial asset is eliminated from the balance sheet when the rights of the agreement are realised, fall due or the company loses control over them. The same is valid for part of a financial asset. A financial liability is eliminated from the balance sheet when the obligation in the agreement is fulfilled or in any other way is extinguished. The same is valid for part of a financial liability.

Accounts receivable

Accounts receivable are accounted for by the amount which is deemed to flow in after deduction for doubtful debts, which are judged individually.

Trade creditors

Trade creditors are valued at acquisition value. Trade creditors have an anticipated short term and are valued without discounting to a nominal value.

Liquid funds and borrowings

Short term placements consist of liquid bank funds without a commitment period and therefore the market value is judged to be the same as the book value.

Borrowings consist of liabilities to credit institutions. The borrowings are accounted for in the balance sheet at acquisition value as per settlement date with the addition of accrued interest. Interest costs are accrued and accounted for regularly in the income statement. Currency derivatives are only included with aim of securing the commercial flow. Derivatives consist of forward exchange transactions and currency swaps. The exchange rate affect attributable to the derivative is accounted for in the operating result at the same time as the exchange rate affect on the underlying secured transaction is accounted for.

Leasing

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

Stock

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

Received and paid Group contributions

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

Tax

Current tax

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

Deferred tax

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

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

Remuneration to employees

Pensions

Pension liabilities are calculated in accordance with IAS 19 Remuneration to employees. Within the group there are mainly contractual rate plans but also isolated preferential plans. For contractual rate plans, the company pays fixed charges to a separate corporate entity and has no obligation to pay further charges. The group's

result is burdened for these costs at the same time as the benefits are earned. In Sweden no details are available from Alecta for valuation of pension commitments and this is why the company reports these as contractual rate plans.

Reporting for segments

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

NOTE 2 REPORTING OF SEGMENTS

Primary segments – product areas

MSEK Group	Net Sale		Operating profit/loss EBITDA		Assets		Investments		Depreciation	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Corporate profiling	1 976	1 581	247	216	2 185	1 531	-180	-66	-21	-34
Retailing	1 083	721	80	76	1 197	697	-98	-30	-11	-15
	3 059	2 302	327	292	3 382	2 228	-278	-96	-32	-49

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

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

Secondary segments – geographic areas

MSEK	Net sales		Assets		Netinvestments	
	2005	2004	2005	2004	2005	2004
Benelux	336	293	583	400	-97	-10
Denmark	119	64	71	12	-4	0
England	82	56	38	34	0	0
Finland	192	180	66	66	-1	0
France	85	62	16	11	-1	0
Italy	181	140	161	159	-9	-4
Norway	257	180	144	88	-3	-3
Switzerland	85	48	233	158	-9	-2
Spain	99	93	79	72	-1	0
Sweden	1 188	956	1 781	1 122	-121	-74
Germany	223	181	67	55	-12	0
USA	116	-	0	-	0	-
Other	96	49	144	51	-20	-3
Total	3 059	2 302	3 382	2 228	-278	-96

NOTE 3 INTRA-GROUP COMPANY PURCHASING AND SALES

Parent company sales during fiscal year 1 January - 31 December 2005 mounted to 76,3 (70,4) MSEK, Intra-group sales amount to 87 % (97 %). Result before appropriations and tax was 19,8 (43,4) MSEK.

NOTE 4 OTHER OPERATING INCOME

Group	MSEK	2005	2004
Exchange profits		13,1	7,7
Capital gain		0,0	1,8
Other		12,7	10,5
		25,8	20,0
Parent company	MSEK	2005	2004
Exchange profits		0,0	4,3
Other		0,7	0,7
		0,7	5,0

NOTE 5 AVERAGE NUMBER OF EMPLOYEES

	2005	Of which	2004	Of which
	Number of	are men	Number of	are men
	employees		employees	
Parent company				
Kungälv	28	17	29	18
Parent company total	28	17	29	18
Subsidiaries in Sweden				
Borås	126	62	132	79
Kungälv	29	19	30	24
Munkedal	90	53	89	55
Orrefors Kosta	426	281	-	-
Stockholm	70	45	72	47
Ulricehamn	99	51	89	45
Örebro	17	8	17	8
Subsidiaries in Sweden total	857	519	429	258
Subsidiaries outside Sweden				
Bangladesh	29	25	29	25
Belgium	39	22	38	21
Denmark	172	81	11	10
England	11	9	18	13
Finland	29	21	33	26
France	24	14	21	10
Holland	226	28	199	126
Ireland	4	3	-	-
Italy	44	26	38	24
China	111	47	271	120
Norway	48	31	39	26
Switzerland	34	23	34	18
Spain	38	24	37	24
Germany	41	29	42	27
Turkey	5	2	-	-
Vietnam	17	7	1	1
Wales	8	5	-	-
Subsidiaries outside Sweden total	829	363	811	471
Group total	1714	899	1269	747

Men and women in management positions

Group	Women	Men	Total	Women	Men	Total
	2005	2005	2005	2004	2004	2004
Board	0	4	4	0	4	4
Group management	0	7	7	0	7	7
Total	0	11	11	0	11	11

Sick leave

Parent company

The total sick leave 1 January - 31 December in the parent company was 4,2 (1,0) % women 10,6 (2,6), men 0,4 (0,1)%

NOTE 6 WAGES AND SALARIES, OTHER REMUNERATION AND SOCIAL COSTS

MSEK	Wages , salaries and other remunerations	Social costs	Of which pension costs
Parent company	8,8	5,1	1,2
Subsidiaries in Sweden	153,2	61,9	9,9
Subsidiaries outside Sweden	152,9	28,0	8,0
Group total	314,9	95,8	19,1

Of the parent company's pension costs 0,2 (0,2) MSEK to the board and the managing director.

Of the Group's pension costs 2,6 (1,9) MSEK to the board and managing director.

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

MSEK	Board and president	Of which tantième etc.	Other employees
Parent company	1,1	0	7,7
Subsidiaries in Sweden	11,0	0	142,2
Subsidiaries outside Sweden			
Belgium	0,7	0	15,9
Denmark	4,2	0,1	8,4
England	1,0	0	2,4
Finland	0,8	0	8,9
France	0,3	0	2,0
Holland	2,5	0	29,8
Ireland	0,5	0	0,1
Italy	6,1	2,6	5,0
China	0,5	0	6,3
Russia	0,4	0	0,1
Norway	1,8	0	17,6
Switzerland	2,0	0	14,2
Spain	0,6	0	4,3
Tyskland	2,3	0,9	13,6
Germany	0,3	0	0,3
Subsidiaries outside Sweden total	24,0	3,6	128,9
Group total	36,1	3,6	278,8

Remuneration for the board

2005

external members of the parent company

0,4

of which for the chairman of the board

0,2

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

Terms of employment for the president

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

Terms of employment for other employees in leading positions

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

MSEK	2005	
	Wages, salaries and other remunerations	Pension cost
President	0,7	0,2
Other employees in leading positions*	6,0	0,1
	6,7	0,3

*Consist of 7 persons 2005, 6 st 2004

Subscription options

	2005 Quantity	2004 Quantity
Chairman of the board	0	0
Other members of the board	0	0
President	236 982	123 974
Other employees in leading positions	471 146	214 473
	708 128	338 447

Of outstanding subscription options for the president 165 982 st concern those that run from June 2003 till to June 30th Juni 2006 with a ransom price of 29,30 kr and 71 000 concern those that run from June 2005 to June 30th June 2008 with a ransom price of 73,10 kr. The options were acquired at market prices, which at the time for the issue was 2,80 and 9,00 per option respectively. The options are not noted. Closing price per share as at 31 December was SEK 88,00.

Wages , salaries and other remunerations	Social costs	Of which pension costs
10,2	4,9	1,5
116,7	44,1	6,1
123,4	26,2	3,8
250,3	75,2	11,4

2005 Board and president	Of which tantième etc.	2004 Other employees
1,0	0	9,2
8,5	0,1	108,2
0,8	0	12,0
0,8	0	3,7
0,5	0	4,7
0,8	0	8,9
0	0	2,8
3,2	0	25,2
-	-	-
5,4	3,8	8,1
0,2	0	1,7
-	-	-
1,6	0	13,1
0,6	0	11,5
0,5	0	4,6
1,4	0,4	11,2
-	-	-
15,8	4,2	107,5
25,3	4,3	224,9
		2004
		0,4
		0,2

Remunerations committee

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

Wages, salaries and other remunerations	Tantième etc.	2004 Pension cost
0,6	0	0,2
3,7	3,4	0,2
4,3	3,4	0,4

NOTE 6 WAGES AND SALARIES, OTHER REMUNERATION AND SOCIAL COSTS, continuation

MSEK		
Group	2005	2004
Audit tasks		
Ernst & Young	2,4	2,0
KPMG	0,8	0
Other	0,2	0,1
Consult cost		
Ernst & Young	1,1	0,8
KPMG	0,4	0
Other	0,1	0,1
Total	5,0	3,0
Parent company		
	2005	2004
Audit tasks		
Ernst & Young	0,4	0,3
Consult cost		
Ernst & Young	0,1	0,1
Total	0,5	0,4

NOTE 7 EMISSION ALLOWANCES

The value of emission allowances form part of other receivables

Group	Emission rights
MSEK	2005
Value at the year's beginning	-
Emission allowances received	2,3
Planned residual value	2,3

Emission allowances

The market price at the 1st January 2005 was used in valuation off emission allowances.
Settlement regarding 2005 emissions will take place in May 2005.

NOTE 8 APPROPRIATIONS

Parent company	MSEK	2005	2004
Difference between ledger depreciation and depreciation according to plan		-0,1	1,1
Tax allocations reserve		-10,4	-3,6
		-10,5	-2,5

NOTE 9 TAX ON NET PROFIT/LOSS FOR THE YEAR

Group			
MSEK	2005	2004	
Current tax	-55,0	-59,2	
Tax assignable to preceding years	-2,5	0,0	
Deferred tax	10,2	-2,1	
Total	-47,3	-61,3	
Parent company			
	2005	2004	
Current tax	-11,0	-2,9	
Tax assignable to preceding years	0,1	0,0	
Tax on received/paid Group contributions		11,6	-1,1
Total	0,7	-4,0	

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

Group	2005	2004
Percent		
Swedish income tax rate	28,0	28,0
Tax on deduction for los	-10,6	-2,4
Effect from foreign tax rates	1,7	0,1
Other	-0,5	0,5
Tax rate according to the income statement	18,6	26,2

NOTE 10 INTANGIBLE FIXED ASSETS

Group	Goodwill		Trade- marks		Computer programmes	
	2005	2004	2005	2004	2005	2004
MSEK						
<i>Accumulated acquisition value</i>						
Acquisitions value as part of acquisitions	377,7	285,8	34,0	32,4	18,1	17,2
Acquisition value brought forward	33,0	0	110,0	0	0	0
Purchases	9,2	91,9	0,5	1,6	3,6	2,7
Sales/discarding	0	0	0	0	-2,3	-1,8
Exchange differences	3,5	0,0	0,2	-	0,0	-
Accumulated acquisition values	423,4	377,7	144,7	34,0	19,4	18,1
<i>Accumulated depreciatum value</i>						
Depreciations brought forward	-51,6	-51,6	-9,1	-7,8	-15,4	-12,1
Sales/discarding	0	0	0	0	2,2	0
Depreciations during the year	0	0	-1,3	-1,3	-2,1	-3,3
Accumulated depreciations	-51,6	-51,6	-10,4	-9,1	-15,3	-15,4
Carrying amount at year-end	371,8	326,1	134,3	24,9	4,1	2,7
Parent company						
MSEK						
<i>Accumulated depreciatum value</i>						
Acquisitions value as part of acquisitions	-	-	8,1	8,1	3,0	2,9
Purchases	-	-	0,0	0,0	1,3	0,1
Accumulated acquisition value	0,0	0,0	8,1	8,1	4,3	3,0
<i>Accumulated acquisition value</i>						
Acquisitions value as part of acquisitions	-	-	-4,7	-3,9	-2,7	-1,8
Depreciation during the year	-	-	-0,4	-0,8	-0,2	-0,9
Accumulated depreciations	0,0	0,0	-5,1	-4,7	-2,9	-2,7
Carrying amount at year end	0,0	0,0	3,0	3,4	1,4	0,3

Test of write-down requirement.

A test of goodwill write-down requirements is carried annually. Goodwill is apportioned to the cash generating entities corporate profiling and retail as follows:

Goodwill apportioned to the cash generating entities		
MSEK	2005	2004
Corporate profiling	271.1	225.4
Retail	100.7	100.7
Total	371.8	326.1

The apportionment of goodwill between both entities has been adopted based on calculations of their useful value. The calculations emanate from the strategic plans established by group management in connection with the acquisition. The effect of expansion investments, in order to achieve the mentioned growth, is excluded when the write-down requirements for goodwill are tested. The calculation of the recovery value is based on the group's strategic plan for respective entity. The expected future cash flow according to these plans form the basis for these calculations. This value is comprised of the expected future cash flow for the existing operation over the coming five year period. Cash flow beyond five years is calculated as a multiple applied on the calculated persistent cash flow. When calculating the present value of the anticipated future cash flow, the weighted actual capital cost (WACC) calculated at 9%, is used. The discounted cash flow is compared with the book value per cash flow generating entity. Testing of the write-down requirement is carried out during the fourth quarter and testing for 2005 has shown that no write-down is required.

The major suppositions that were used for the five year plan to assess the worth is as follows:

Important variables/Method for assessing the worth

Market share and growth

Demand for these mature products has historically followed the economic trends. Expected market growth is based on a transition from the prevailing economic situation to the anticipated long term growth. Actual market share has been estimated for future periods. The forecast corresponds with earlier experience and information sources.

Exchange rates

Exchange rate forecasts are based on actual quoted foreign exchange rates. Consideration has been given to existing exchange hedging.

Raw materials

Raw material prices (cotton, electricity, oil) have been assessed using today's price levels.

Personnel costs

Forecasts for personnel costs are based on anticipated inflation, a certain real wage increase and a planned increase in efficiency. The forecast corresponds with earlier experience.

The company management judges that reasonable changes should not have any major affect or that on any one alone should reduce the recovery value to a value that is lower than the accounted value for respective entities.

Trademarks

Besides goodwill there are within the group, trademarks that are judged to have an indefinite duration of use. The value of these acquired trademarks amounts to SEK 134.3 million, whereby the most part is attributed to the acquisition of Orrefors Kosta Boda group. The apportionment between goodwill and trademarks emanates from the strategic plans that were established by group management in connection with the acquisition. The duration of use is judged to be indeterminable when it is a question of strategic trademarks that are well established within their respective markets and which the group intends to keep and develop further. All trademarks have been identified and valued in connection with company acquisitions made during 2004 and 2005. The valuations have finally been assessed during 2005 and this is why no further test of recovery value has been carried out during the year. In the future the value will be tested for write-down in a similar model as that used for goodwill.

NOTE 11 TANGIBLE FIXED ASSETS

Group	Real estate		Equipment, tools and installations	
	2005	2004	2005	2004
MSEK				
Accumulated acquisition value				
Acquisition value brought forward	173,3	165,6	218,4	179,2
Acquisition value as part of acquisition	38,4	0	41,1	5,7
New acquisitions	45,7	7,7	18,4	33,5
Sales/discarding	0	0	-11,0	0
Accumulated acquisition value	257,4	173,3	266,9	218,4
Accumulated depreciation according to plan				
Acquisitions value as part of acquisitions	-30,8	-25,8	-144,4	-124,4
Sales/discarding	0	0	11,0	0
Depreciations as part of acquisitions	-1,6	0	-5,0	-3,5
Depreciations as part of production costs/goods	-0,5	-0,8	-5,1	-4,4
Depreciations during the year	-6,7	-4,2	-21,3	-12,1
Accumulated depreciations	-39,6	-30,8	-164,8	-144,4
Book value at year end	217,8	142,5	102,1	74,0
Off the above accounted value, land value amount to:	16,0	7,0		
Book value Swedish land and buildings	91,2	46,3		
Taxation value for swedish real estates				
Buildings	45,9	15,8		
Land	10,2	2,1		
Parent company				
	Real estate		Equipment, tools and installations	
	2005	2004	2005	2004
MSEK				
Acquisition value as part of acquisitions				
Acquisitions value as part of acquisitions	-	-	4,2	3,5
New acquisitions	-	-	0,2	0,7
Accumulated acquisition value	0,0	0,0	4,4	4,2
Accumulated depreciation according to plan				
Depreciations brought forward	-	-	-3,2	-2,7
Depreciations during the year	-	-	-0,5	-0,5
Accumulated depreciations	0,0	0,0	-3,7	-3,2
Book value at year end	0,0	0,0	0,7	1,0
Leasing fees concerning operational leasing				
	Group	Parent co.	Group	Parent co.
		2005		2004
2006	64,0	6,6	2005	54,3
2007	49,3	6,6	2006	45,3
2008	38,6	3,9	2007	27,1
2009	30,1	0	2008	24,0
2010 inkl.	60,5	0	2009 inkl.	55,1
costs up to and incl.			costs up to and incl.	
the end of the contract			the end of the contract	
The rental costs amounted to	70,3	6,0	52,1	5,4

NOTE 12 SHARES IN GROUP COMPANIES

	Capital %	Voting rights %	Number of shares	Ledger value
CJSC New Wave Group	51	51	-	0
Craft of Scandinavia AB	100	100	50 000	5 000
Craft Sportswear Ltd	51	51	-	709
Dahetra A/S ¹	100	100	-	23 612
Dahlin Johansson Frantextil AB ²	100	100	30 000	20 968
Dressmart AB ³	100	100	1 015 684	492
EBAS Group BV ⁴	100	100	5 100	27 010
Fastighetsbolaget YBY AB	100	100	1 000	1 922
Hefa A/S	100	100	50	240
Hefa AB ⁵	100	100	18 985	47 980
Intraco Holding BV ⁶	51	51	-	40 206
Jobman Workwear AB	100	100	10 000	172 680
Jobman Workwear Ltd	100	100	50 000	31 215
Liyang Xinlang Clothing Produce Co Ltd	100	100	-	23 785
Make Your Own Design in Scandinavia AB	100	100	10 000	1 000
New Wave Austria GmbH	100	100	-	334
New Wave Danmark A/S	100	100	1	1 180
New Wave Factory Shop AB	100	100	500	4 440
New Wave Far East Ltd	100	100	10 000	9
New Wave Footwear AB	100	100	1 000	3 438
New Wave France SAS	100	100	100	11 269
New Wave Garments Ltd	100	100	-	14 813
New Wave GmbH	100	100	-	11 224
New Wave Group Incentives AB ⁷	100	100	1 000	100
New Wave Group International Trading Ltd	100	100	-	1 545
New Wave Group SA ⁸	100	100	100	536
New Wave Italia S.r.l	100	100	500 000	6 670
New Wave Mode AB	100	100	100 000	8 871
New Wave Profile Professional Ltd	100	100	1 000	1
New Wave Sportswear A/S	100	100	9 000	1 022
New Wave Sportswear BV	100	100	40	7 397
New Wave Sportswear Ltd	100	100	500 000	33 193
New Wave Sportswear S.A.	100	100	1 000	14 597
NW Textile Garment Trader AB	100	100	50 000	500
Orrefors Holding AB ⁹	100	100	100 000	24 481
OY Trexet Finland AB	100	100	600	1 412
Pax Scandinavia AB	100	100	2 400	26 909
Sagaform Försäljnings AB ¹⁰	100	100	1 000	75 605
Seger Europé AB	100	100	10 000	34 599
Seger United AB	100	100	10 000	56 016
Svensk Form i Kosta AB	100	100	100	100
Texet AB	100	100	58 500	99 900
Texet Benelux BV	75	75	-	44 418
Texet Deutschland GmbH	100	100	-	445
Texet Norge A/S	100	100	550	699
Toppoint Nederland BV ¹¹	75	75	13 614	14 672
United Brands of Scandinavia Ltd, Ireland	100	100	-	1 036
United Brands of Scandinavia Ltd, Wales	100	100	-	13 765
X-Tend BV	100	100	100 000	15 673
Total				927 688

1 Dahetra A/S is the owner of Hurricane Purchase A/S, that owns Dahetra Norway A/S, Dahetra Sweden AB och Hurricane Textile Purchase Ltd.

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

3 Dressmart AB own the company Cyberwave AB

4 EBAS Group BV own 25 % av Texet Benelux BV together with Texet France SAS and Texet Harvest Spain SL.

5 Hefa AB owns the companys GC Sportswear OY and Dressmart GmbH.

6 Intraco Holding owns Intraco Hong Kong Ltd, Intraco International Ltd och Intraco Trading BV.

7 New Wave Group Incentive AB own Torsten Jansson Invest AB which is acquired from CED Torsten Jansson. Purchasing amount corresponds to the equity in the company consisted of liquid funds and promise votes.

8 New Wave Group SA own Craft Suisse SA och New Wave Group Licensing SA.

9 Orrefors Holding AB own Orrefors Kosta Boda AB that owns Galleri Orrefors Kota Boda, Glasma AB, Orrefors Kosta Boda Leasing AB, Orrefors Kosta Boda Inc och SEA Glasbruk AB.

10 Sagaform Försäljnings AB owns bolagen Sagform AB, Sagaform A/S, Sagaform APS, Sagaform GmbH (Tyskland och Österrike), Sagaform Oy, Sagaform Ltd och NGA Land AB

11 Toppoint Nederland BV own bolaget Lensen Beheer BV that owns

Toppoint BV, Merlinex Pen BV, Stylex Promotion GmbH,

Topline Keramiek BV, Totemco BV och Toppoint Polska SPZ.OO.

Information about subsidiaries' corporate identity and domicile:

	Corporate identity number	Domicile
Breplast Kunststoffspitz GmbH	HR B 553	Brenbach, Tyskland
CJSC New Wave Group	10 57 74 88 02 38 5	Moskva, Ryssland
Craft of Scandinavia AB	556529-1845	Borås
Craft Sportswear Ltd	5451215	London, England
Craft Suisse SA	CH-645-4097183-0	Cortailod, Schweiz
Cyberwave AB	556544-8825	Kungälv
Dahetra A/S	37764728	Skanderborg, Danmark
Dahetra Norway A/S	983601448	Sandefjord, Norge
Dahetra Sweden AB	556596-9242	Göteborg
Dahlin Johansson Frantextil AB	556190-4086	Borås
Dahlin Johansson Frantextil NUF	985575088	Oslo, Norge
Dressmart AB	556560-7180	Borås
Dressmart GmbH	328/5857/0728	Menden, Tyskland
EBAS Group AB	17078626	Aarschot, Belgien
Fastighetsbolaget YBY AB	556473-4126	Borås
Galleri Orrefors Kosta Boda	- - -	Tokyo, Japan
GC Sportswear OY	1772317-6	Esbo, Finland
Glasma AB	556085-8671	Emmaboda
Hefa A/S	932725878	Oslo, Norge
Hefa AB	556485-2126	Kungälv
Hurricane Purchase A/S	16503770	Skanderborg, Danmark
Hurricane Textile Purchase Ltd	C-51537(1832)/2004	Dhaka, Bangladesh
Intraco Holding BV	34228913	Wormerveer, Holland
Intraco Hong Kong Ltd	33959038-000-10-03-3	Hong Kong
Intraco International Ltd	35134648-000-11-04-7	Hong Kong
Intraco Trading BV	35027019	Wormerveer, Holland
Jobman Workwear AB	556218-1783	Stockholm
Jobman Workwear Ltd	15891824-000-07-03-01	Hong Kong
Lensen Beheer BV	5023460	Bergentheim, Holland
Lensen Toppoint BV	5055988	Bergentheim, Holland
Liyang New Wave Clothing Production Ltd	4118	ShangHai, Kina
Make Your Own Design in Scandinavia AB	556372-1785	Borås
Merlinex Pen BV	33263967	Amsterdam, Holland
New Wave Austria GmbH	FN272531g	Eli, Österrike
New Wave Danmark A/S	19950700	Köpenhamn, Danmark
New Wave Factory Shop AB	556537-4971	Borås
New Wave Far East Ltd	551901	Hong Kong
New Wave Footwear AB	556537-4971	Borås
New Wave France SAS	430 060 624 000 29 514C	Dardilly, Frankrike
New Wave Garments Ltd	755013846	ShangHai, Kina
New Wave GmbH	HRB10847	Oberaudorf, Tyskland
New Wave Group Incentives AB	556544-8833	Borås
New Wave Group International Trading Ltd	74959455X	ShangHai, Kina
New Wave Licensing SA	CH-645-4099083-3	Cortailod, Schweiz
New Wave Group SA	CH-645-1009704-1	Cortailod, Schweiz
New Wave Italia S.r.l	1730/9310/45	Codogno, Italien
New Wave Mode AB	556312-5771	Dingle
New Wave Profile Professionals Ltd	893996	Hong Kong
New Wave Sportswear A/S	946506370	Sarpsborg, Norge
New Wave Sportswear BV	30159098	Mijdrecht, Holland
New Wave Sportswear Ltd	3817967	London, England
New Wave Sportswear S.A.	29963 166887 0190 B1	Barcelona, Spanien
NGA Land AB	556495-5309	Borås
NW Textile Garment Trader AB	556601-9930	Borås
Orrefors Kosta Boda AB	556037-0561	Orrefors
Orrefors Kosta Boda Holding AB	556519-1300	Orrefors
Orrefors Kosta Boda Leasing AB	556374-8804	Orrefors
Orrefors Kosta Boda Inc	- - -	West Berlin, USA
OY Trexet Finland AB	534-545	Esbo, Finland
Pax Scandinavia AB	556253-8685	Örebro
Sagaform A/S	978679242	Oslo
Sagaform AB	556402-4064	Borås
Sagaform APS	25818253	Karlebo, Danmark
Sagaform Försäljnings AB	556523-2179	Borås
Sagaform GmbH	47619	Frankfurt am Main, Tyskland
Sagaform GmbH	195299f	Salzburg, Österrike
Sagaform Inc	- - -	West Berlin, USA
Sagaform Ltd	4903053	London, England
Sagaform OY	1712321-8	Espoo, Finland

Sagaform SAS	48093654100014	Courbevoie Cedex, Frankrike
Seger Europe AB	556244-8901	Gällstad
Seger United AB	556388-4005	Gällstad
SEA Glasbruk AB	556066-8883	Kosta
Sko Team AB	556494-8742	Örebro
Stylex Promotion GmbH	HR B 1986	Nordhorn, Tyskland
Svensk Form i Kosta AB	556686-5811	Hovmantorp
Texet AB	556354-3015	Stockholm
Texet Benelux BV	BE 404.998.655	Aarschot, Belgien
Texet Deutschland GmbH	24/430/01304	Oberaudorf, Tyskland
Texet Franc SAS	305035693	Natterre Cedex, Frankrike
Texet Harvest Spain SL	A 78480696	Madrid, Spanien
Texet Norge A/S	977037166	Oslo, Norge
Topline Keramiek BV	8073764	Hoogeveen, Holland
Toppoint Nederland BV	5061847	Hardenberg, Holland
Toppoint Polska SPZ.OO	PL929-17-29-531	Zielona Góra, Polen
Torsten Jansson Invest. AB	556648-6766	Tanum
Totemco Bv	34057022	Amsterdam, Holland
United Brands of Scandinavia Ltd	403479	Dublin, Iland
United Brands of Scandinavia Ltd	5480650	Hirwaun, South Wales
X-Tend BV	NL009607298B01	Wierden, Holland

NOTE 13 FINANCIAL FIXED ASSETS

Shares in related companies						2005	2004
Group MSEK	Corporate identity number	Domicile	Share capital,%	Vote share,%	Numbers of shares	Book value	Book value
Dingle Industrilokaler AB	556594--6570	Munkedal	49	49	83 055	7,9	8,0
Other			-	-	-	0,4	0
Total						8,3	8,0

Equity amounted to 2005-12 31 to 16,2 Mkr.

Parent company

MSEK

Dingle Industrilokaler AB is accounted for in the parent company at acquisition cost SEK 8.3 (8.3) million

Other long-term receivables	2005	2004
Long-term receivable Alecta	0,1	0,7
Loans against security	0,9	-
Dispositions	4,1	-
Other long-term receivables	1,1	4,9
Total	6,2	5,6

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

MSEK	2005		2004	
	Claim	Liabilities	Claim	Liabilities
Inventories and accounts receivable	53,3	-	11,3	-
Deduction of loss	28,0	-	21,0	-
Trademarks	-	31,4	-	-
Tax allocation reserves and over-depreciation	-	65,0	-	53,9
Deferred tax claims and liabilities	81,3	96,4	32,3	53,9

Deduction of loss

At year-end the Group's total tax deduction of loss was 129,5 (80,6) Mkr corresponding to deferred tax claims of 41,5 (26,4) Mkr.

Of which 28,0 (21,0) Mkr have been accounted for as claims as it is judged that the company will have possible tax margins in the future, to which this loss can be applied.

NOTE 13 FINANCIAL FIXED ASSETS, continue

Deferred tax claims duration:

2006	0,0
2007	0,0
2008	0,0
2009	0,0
2010	0,0
Unlimited	28,0
Total	28,0

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

2006	12,3	
2007	6,0	
2008	9,9	
2009	11,4	
2010	7,2	
2011	4,6	
Unlimited	11,0	
Total Sweden	62,4	
Other	2006	2,6
Total	65,0	

NOTE 14 PREPAID EXPENSES AND ACCRUED INCOME

Group

MSEK	2005	2004
Insurance	3,8	2,0
Prepaid rent	12,0	8,1
Leasing	2,7	2,9
Costs for fair	7,8	3,4
Prepaid delivery of goods	8,9	0
Interest	0	1,2
Tool and model costs	2,2	2,9
Computer costs	0,1	1,3
Other items	14,6	8,4
Total	52,1	30,2

Parent company

MSEK	2005	2004
Leasing	1,9	1,6
Prepaid credit charge	1,5	0,0
Other items	0,4	0,5
Total	3,8	2,1

NOTE 15 UNTAXED RESERVES

MSEK

Parent company	2005	2004
Difference between book depreciation and depreciation according to plan	2,0	1,9
Tax allocation reserve 00	-	2,9
Tax allocation reserve 01	7,2	7,2
Tax allocation reserve 03	9,6	9,6
Tax allocation reserve 04	7,0	7,0
Tax allocation reserve 05	3,5	3,6
Tax allocation reserve 06	13,3	
Total	42,6	32,2

Tax for untaxed reserves amounts to SEK 11,9 (9,0) Mkr.

NOTE 16 SHAREHOLDERS EQUITY

Distribution for share capital

The parents company's share capital on December 31th, 2005 consist of the following number of share with a par value of SEK 3,00 per share.

Share class	Proportion, % of	Numbers of shares	Number of votes	Capital	Votes
A	10 vote	22 007 680	220 076 800	34,1	83,8
B	1 vote	42 510 096	42 510 096	65,9	16,2
		64 517 776	262 586 896	100,0	100,0

Translation to IFRS

MSEK	04-12-31	Effects from translation to IFRS			05-01-01
ASSETS					
Intangible fixed assets					
Computer programmes	2,7				2,7
Trademarks	10,2	14,7			24,9
Goodwill	320,8	-14,7	20,1		326,2
Tangible fixed assets	216,4				216,4
Shares in related companies	8,0				8,0
Long-term receivables	5,6				5,6
Deffered tax claims	32,3				32,3
Total fixed assets	596,0	0,0	20,1		616,1
Goods for resale	971,9				971,9
Tax receivable	11,2				11,2
Accounts receivable	482,4				482,4
Prepaid expenses and accrues income	30,2	30,2			
Other receivable	35,7				35,7
Cash and bank	84,1				84,1
Total current assets	1 615,5				1 615,5
TOTAL ASSETS	2 211,5	0,0	20,1		2 231,6
SHAREHOLDER'S EQUITY AND LIABILITIES					
Share capital	189,3				189,3
Other capital provided	129,4				129,4
Reserves	51,6				51,6
Profit brought forward, incl.profit for the year	516,1	-4,1	20,1	8,2	540,3
Equity attributable to the Parent Comapny shareholder's	886,4	-4,1	20,1	8,2	910,6
Minority interests	8,2			-8,2	0,0
Total shareholders equity	894,6	-4,1	20,1	0,0	910,6
LIABILITIES					
Long-term interest bearing liabilities	515,9				515,9
Pension obligations	3,4				3,4
Other provisions					0,0
Deferred tax liabilities	49,8	4,1			53,9
Total long-term liabilities	569,1	4,1			573,2
Short-term interest bearing liabilities	454,4				454,4
Account payable	116,8				116,8
Tax liabilities	11,8				11,8
Accrued expence and prepaid income	72,3				72,3
Other liabilities	92,5				92,5
Total short-term liabilities	747,8				747,8
Total liabilities	1 316,9	4,1	0,0	0,0	1 321,0
TOTAL EQUITY AND LIABILITIES	2 211,5	0,0	20,1	0,0	2 231,6

Effect from IFRS issue concerning intruduction in IFRS 1 and IFRS 3/IAS 38, the goodwill depreciation from year 2004, SEK 20.1 m., is brought back and also detachable assets, SEK 14.7 m., is transferred.

NOTE 17 CREDITLIMITS

Group

Approved amount pertaining to loans and credit facilities totalled 2,300 (1,349) Mkr.

Parent company

Approved amount pertaining to loans and credit facilities totalled SEK 2,100 (732) Mkr.

The company's overdraft facility is defined as long-term as it forms part of the group's 5 year credit facility of SEK 2,100 million which has been defined as an overdraft facility.

NOTE 18 ACCRUED EXPENSES AND PREPAID INCOME

Group

MSEK	2005	2004
Pre-invoiced income	4,7	3,4
Payroll and payroll fees	86,6	37,9
Market costs	4,2	2,0
Commission	5,2	3,7
Audit	2,7	1,9
Interest	7,7	0,6
Goods deliveries	18,1	12,1
Licence costs	1,7	1,5
Environmental reserve	10,0	0
Other items	48,7	9,2
Total	189,6	72,3

Parent company

MSEK	2005	2004
Holiday pay debt	2,5	2,3
Social fees	0,3	0,3
Audit	0,1	0,1
Interest	1,4	0
Other items	0,4	0,5
Total	4,6	3,2

NOTE 19 FINANCIAL RISKS

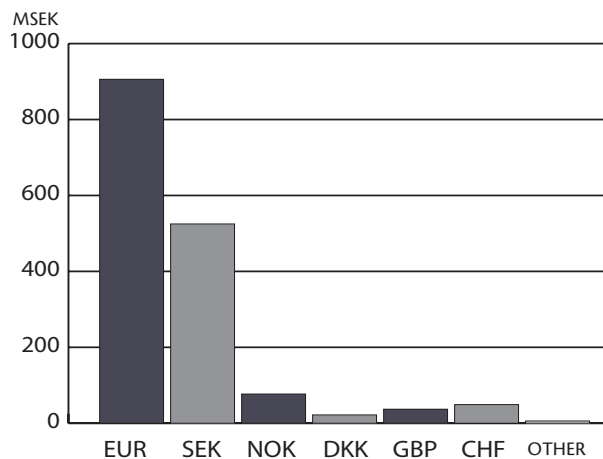
New Wave with its international operations is continually exposed to different financial risks. These financial risks are currency exposure, borrowings and interest exposure, as well as liquidity and credit exposure. The group has a financial policy for dealing with financial risks in order to minimize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

Financing risks

New Wave has through its relative capital intensive operation and expansive growth a need for secure financing. It is essential for a growth company like New Wave to have access to liquidity for financing future expansion as well as a high degree of flexibility when a possible acquisition turns up. New Wave has a central finance function which means that external borrowings are carried out, as much as possible, centrally. There are however debts in subsidiaries, such as debts in acquired companies, financial leasing, overdrafts or loans, where these have been the best solution. New Wave's policy is to have a financial readiness in the form of a binding credit commitment amounting to at least 10% of the group's yearly turnover. At the turn of the year, the Group had confirmed credit limits of approximately SEK 2,300 million, of which SEK 1,600 million were used. Of the confirmed credit facilities SEK 2,100 million was negotiated in April 2005 with a term of five years. The new financing means that New Wave doesn't give real security for its financing, so called negative pledge, and in return has a pair of covenants i.e. financial key ratios that must be fulfilled. This means that financing is secured for further expansion in the approaching years. To manage strong growth calls for a sound Balance Sheet. New Wave's goal is to have an equity ratio of more than 30%.

Interest risk

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



Currency exposure

New Wave has 61% of its sales and almost all purchasing abroad. The groups income statement as well as its balance sheet are affected by currency changes. The identified risks are transaction and conversion exposure.

Transaction exposure

The Group's most important purchasing currency is the U.S. dollar and related currencies. Changes in the dollar's exchange rate against the Euro and the Swedish Krona constitute largest transaction exposure within the Group. Within the Corporate Profiling business area New Wave is holding the stock and New Wave does not get any order from the distributor until the distributor has got an order from the end client. This means that we supply the client on demand. Due to the character of the stock with same assortment year after year mainly with basic-articles, the risk for obsolete stock is low. Adjustments in the selling prices are done continuously and this gives a transparency with the exchange rates. Therefore hedging is not used for sales to the Corporate Profiling business area as currency fluctuations can be relatively quickly compensated by the adjustment of sales prices.

With regard to sales to the Retailing business area approximately 70 % of the sales are preorders and 30 % is reordering in the season. It's an examplet the preorders we receives in the spring will be delivered in the autum. New Wave gives the factory the order after receiving the order from the client. This reduce the risk for obsolete significantly in the retail business. The remaining selling is mainly in basic garment with less fashion and less risk for obsolete. To decrease the currency risk in the retail area approximately 50 – 80 % of the buying is hedged. The market value of outstanding forward contracts had a negative value of SEK 3,6 million at year end (See table below).

Outstanding transaction hedging and worth 31/12-05

31/12-05 mkr	Hedged volume	Unrealized profil/loss	Number of Currency heged months
EUR	4,3	0,0	<6
USD	70,3	-3,3	<6
USD	15,9	-0,3	6<12
SEK	-90,5		
	0	-3,6	

The above mentioned hedged volume is solely in currency forward contracts and all fall due within twelve months from the change of year. The above mentioned hedging refers to the purchase of goods whereby the greater part will be delivered to customers during the second quarter. This means that the effect on the result, for the most part, will be attributed to the second quarter.

For 2005, the Group's sales at consolidation to SEK were positively affected by SEK 33 million. Apart from conversion of sales currencies to SEK, the Group's turnover has been negatively affected by the US dollar's depreciation compared to European currencies while the end users' prices have been adjusted. The effect has not been quantified.

Country	JAN - DEC 2005	Average rate 2005	Average rate 2004	Effect of the currency in mkr
Sweden	1 188	1,00	1,00	0
Benelux	336	9,31	9,12	6,0
Norway	257	1,16	1,09	11,0
Germany	223	9,31	9,12	3,7
Finland	192	9,31	9,12	3,7
Italy	181	9,31	9,12	2,9
Denmark	119	1,25	1,23	1,2
USA	116	7,53	7,32	0
Spain	99	9,31	9,12	1,9
France	85	9,31	9,12	1,3
Schwizerland	85	6,01	5,90	0,9
England	82	13,61	13,42	0,8
Other countries	96	1,00	1,00	0
Total	3 059			33,2

Balance exposure

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

Conversion exposure

The Group's result is also affected by so called conversion effects. These occur when foreign subsidiaries' results are converted into SEK. This means that if a foreign company's result is unchanged in local currency, it can still increase or decrease when it is converted into SEK. Conversion effects also occur when the Group's net assets are consolidated from foreign subsidiaries' balance sheets, which have been positively affected by SEK 23,9 million for 2005. Equity hedging is not used for this risk.

Credit risks

The risk that the group's customers do not fulfill their obligation i.e. that New Wave

is not paid for its accounts receivables, constitutes a risk. New Wave has centrally issued a directive and from this each company prepares written routines for credit control. Information from external credit agencies is a step in the process. The credit risk in the corporate profiling market is lower as customers purchase for orders already received from their customers. New Wave has secured their accounts receivable in the Spanish and Italian subsidiaries. In Sweden alone we have approximately 2,000 customers and there is no major credit risk with any individual customer or customer group. For 2005 the confirmed bad debts amounted to 0,26 % of sales within Profile Business area. Sales within the retailing business area are mainly dedicated to retail chains and the credit loss is low even though it is more concentrated than within the profile sector. For 2005 the confirmed bad debts amounted to 0,32 % of sales within the retail sector. The credit risk is also limited due to the fact that we have a large number of customers spread throughout many countries.

OTHER RISKS

Purchasing market

New Wave's purchases occur mainly in Asia and Europe, of which approx 31% in China, approx. 21% in Bangladesh, 10 % in Europe and 6 % in Sweden. Political and economical changes in China and Bangladesh, among others, can therefore affect New Wave. By being prepared and able to make purchases in both Asia and Europe, New Wave limits the economic risk that a company otherwise takes when purchasing from only one country.

Strong growth

The continued expansion that New Wave plans entails higher demands on mana-

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

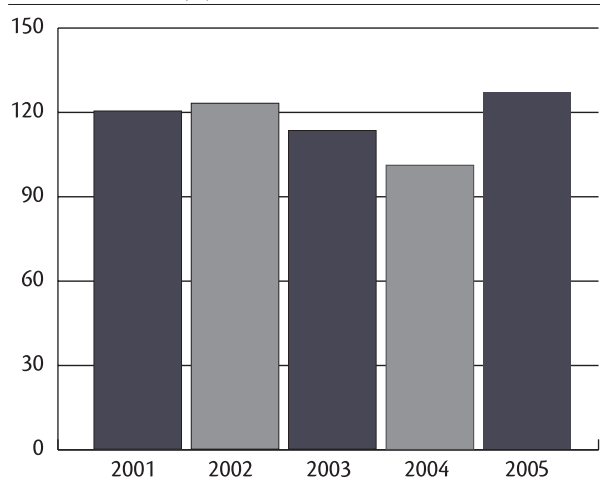
FASHION TRENDS – the economic situation

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

Establishments abroad

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

NET DEBT RATIO (%)



NOT 20 ASSETS PLEDGED AND MATURITY DATES OF DEBTS

MSEK							
Group	Debt as at 31 dec 2005	Within a year	Maturity date		Assets pledged	Debt as at 31 dec 2004	
			Between one and five years	Later than five years			
Liabilities							
Owed to credit institutions	1 622,5	82,2	1 512,8	27,5	see below	970,3	
Parent company							
Debt	Debt as at 31 dec 2005	Within a year	Maturity date		Assets pledged	Debt as at 31 dec 2004	
			Between one and five years	Later than five years			
Skuld till kreditinstitut	1 008,0	-	1 008,0	-	see below	440,0	
Assets pledged, pertaining to liabilities to credit institutions and credit facilities							
Group			2005	2004			
Floating charges			371,8	465,0			
Real estate mortgages			132,3	75,2			
Net assets in subsidiaries			0	593,5			
Inventories and accounts receivable			221,5	272,5			
Total			725,6	1 406,2			
Group Company							
Floating charges			0	30,0			
Shares in related companies/subsidiaries			8,2	438,2			
Total			8,2	468,2			

Other pledged assets

The group's principal bank's commitment was changed in 2005 and is now based on agreed covenant conditions.

NOT 21 GUARANTEES

MSEK			
Group		2005	2004
		Guarantees for associated companies	7,7
Total guarantees		7,7	0,3
Parent company			
Guarantees for subsidiaries		220,1	355,0

NOT 22 NET DEBT

MSEK			
Group		2005	2004
		Cash and bank	-133,8
Long-term interest bearing liabilities	1 540,3	515,9	
Short-term interest bearing liabilities	82,2	454,4	
Total		1 488,7	886,2

NOT 23 KEY ESTIMATES AND ASSUMPTIONS

Key estimates and assumptions is mostly founded on historical experiences and expectations of the future. The assumption end estimation with most impact on the income statement assets and liabilities are the valuation of trademarks, goodwill and taxes. These assets and liabilities are valued every date of balance. The balance of recovery for the assets is settled by calculation of the value of use. This is done once a year or when need of write down is probable. Other assumptions are insecure receivables, obsolescence in stock value, actual value of financial instrument, the period of use of expected consumption of depreciable assets.

Audit Report

To the annual meeting of the shareholders of
New Wave Group AB Org.nr 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 for the year 2005. The board of directors and the managing director are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director and significant estimates made by the board of directors and the managing director when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the

company in order to be able to determine the liability, if any, to the company of any board member or the managing director. We also examined whether any board member or the managing director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.


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

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

Borås 7 maj 2006



Bjarne Fredriksson
Auktoriserad revisor, Ernst & Young



Bertel Enlund
Auktoriserad revisor, Ernst & Young



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Orrefors

Orrefors is admired for its technical competence and for its pure crystal glass. Well-known designers Edward Hald and Simon Gate worked for Orrefors in the beginning of the 20th century. With their design they created the brand's status that still is valid of today. Worldwide Swedish crystal glass tradition is well-known in

general and Orrefors in particular. All products are sophisticated timeless but still expressive and complete in its simplicity. Orrefors classical design and clear crystal traditions has its origin in 1898.

www.orrefors.se





KOSTA BODA

SWEDEN 1742

Kosta Boda is well-known for its colourful glass. All products have their own distinctive character, are powerful, bold and colourful using the specific "Kosta Boda manner" that has been created over the time. Each individual object is a result of the designer's and platens' blower's common experiences in the creative

process. Kosta Boda arises in the Swedish origin with designers and craftsmen who since 1742 have had their base in Småland and produced regular and art glass.

www.kostaboda.se





Orrefors JERNVERK

SWEDEN 1726

Orrefors Jernverk is a brand stretching back to 1726 that produces exclusive metal conceptual works with in contemporary Swedish styles. Orrefors Jernverk can be described as the interplay between the strong contrasts between old traditions and materials and modern, contemporary design. The resulting creations from Orrefors Jernverk are timeless pieces for design and quality conscious homemakers.



KOSTA LINNEWÄFVERI

SWEDEN 1878

Kosta Linnewärfveri offers a range of fabric products for interiors in classic contemporary Swedish designs. Created from only the finest fabrics, Kosta Linnewärfveri is a very interesting alternative for design and quality conscious individuals looking for something for their home. It is also a brand that exemplifies high quality and Swedish handcraft.

Examples of products offered by Orrefors Jernverk: pots, casseroles, cutlery, knives, tealight holders, pepper and salt grinds.

Examples of products offered by Kosta Linnewärfveri: table cloth, table runner, napkin, bedset and plaid.



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

www.sagaform.com





The furnaces at Sea Glassworks were first lit in 1956 and since then ornamental glass and glass gift items have uninterruptedly been blown and shaped in the foundry. Production has at all times targeted on using simple means to design beautiful and exciting functional glass for everyday use. During recent years the Swedish classics in the collection have been joined

by newer, more colourful products. Form and colour develop simultaneously with the times. Yet the overall vision continues to be the creation of glass items which are popular, functional and well worth their price.

www.seaglasbruk.se





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

www.djfrantextil.se



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

www.djfrantextil.se





TOPPOINT®

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

www.toppoint.com

INSIDEOUT®

The best time is time off, INsideOUT loves to contribute to that! You will find in the concept an inspiring selection of products which one by one will satisfy the highest quality grade and will add more pleasure to your free time.

DexX^{line}™

Dexx-line is a new brand of Toppoint for high-tech stationery. The Dexx-line embraces the Multi-dexx – electronic stationary set, the High-dexx – USB extension port with high-lighter docking and the Phone-dexx – VoIP assistant with pen holder and memo papers.



usb-premiums

usb-premiums is specialized in the latest USB FlashDrives and everything that stores data in a fast way! This brand represents an exclusive range of FlashDrives, MP3 and MP4 Players.

Find all the relevant information on www.usb-premiums.com.



d-vice

d-vice: the essential guide to promoting your company today with the technology of tomorrow...

d-vice brings you the latest in innovative gadgets and devices that will help drive your marketing into the fast lane!

d-vice covers the latest technology available from USB FlashDrives to Heart Rate Watches to VoIP Phones to MP4 players: everything that is innovative and HOT is now in d-vice!





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

www.seger.se





CRAFT

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

www.craft.se





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

www.umbro.com





NORDICA

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

www.nordica.com



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

www.rollerblade.com



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

www.exel.net



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

www.rudyproject.com



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



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

www.projob.se





JOBMAN

WORKWEAR

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

www.jobman.se



CLIQUE®

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

www.newwave.se



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

www.newwave.se



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

www.newwave.se







GRIZZLY

active profile outfit

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

www.grizzlycollection.com

goal

COMPETITIVE PROMOWEAR

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





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

www.cottover.se



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





– adds profile to your business

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

www.james-harvest.com

HARVEST • golf •

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

www.james-harvest.com



– best value in large volumes

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

www.printer-activewear.com



MAC1ONE®

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

www.macone.se

JINGHAM®

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

www.macone.se





dahetra[®] Danish Heat Transfer

Dahetra is a trademark that produces various transfers and screenprint.



HURRICANE

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

www.hurricane.dk

MACHAIR

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





Sköna Marie is a trademark for classic ladies' shoes. It is distributed via the shoes trade in Sweden and other parts of Europe.

www.skoteam.se



Pax is a trademark for children's shoes, distributed via the shoes trade. Pax is sold in Sweden and other parts of Europe.

www.paxkids.se



Board of Directors



HÅKAN THYLÉN, born 1944. Chairman of the Board since 1997. Other directorships: Chairman of the Board in i Granngården AB, NilsonGroup AB (DinSko, Skopunkten, Nilson, Jerns among others), K J Eriksson AB, Arken Hemdjurshandlarna AB, Dala Profil AB, Herdins Färgverk AB among others. Member of the Board in Habitat International, IKANO SA, Bilmetro AB among others.
Shareholding (directly and via companies) in New Wave Group AB:
240 000 Series B shares.



LENNART BOHLIN, born 1942. Member of the Board since 1997. Other directorships: Chairman of the Board in AB Anders Löfberg, CMA Centrum för Marknadsanalyt AB and Runsvengruppen AB, Deputy Chairman of the Board in AB Östgöta Correspondenten, member of the Board in Cloetta Fazer AB, Expanda AB, IHM Business school, Löfbergs Lila AB, Östgöta Brandstodbolag, Kuponginlösen AB, Sales Support DK AB and stiftelsen Östergötlands Länsmuseum.
Shareholding (directly and via companies) in New Wave Group AB:
28 864 Series B shares.



HANS JOHANSSON, born 1947. Member of the Board since 2000. Other directorship: Borås Wäfveri, Electra and Hall-Miba AB.
Shareholding (directly and via companies) in New Wave Group AB:
53 216 Series B shares.



TORSTEN JANSSON, born 1962. Member of the Board since 1991. President and CEO. Other directorships: Chairman of the Board in JC AB since 1994.
Shareholding (directly and via companies) in New Wave Group AB:
20 707 680 Series A shares and 1 269 740 Series B shares as well as subscription options of 236 982 Series B shares.

Management

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

JOAKIM HOLMBERG, born 1969. Purchasing manager. Employed since 2005.
Shareholding (directly and via companies) in New Wave Group AB: Subscription options of 200 000 Series B shares.

KRISTER MAGNUSSON, born 1966. Chief Financial Officer. Employed since 2002.
Shareholding (directly and via companies) in New Wave Group AB: 160 000 Series A shares, 11 180 Series B shares and subscription options of 23 196 Series B shares.

GÖRAN HÄRSTEDT, born 1965. Vice president and vice CEO, responsible for trademarks in New Wave Group Licensing S.A. Employed since 2001.
Shareholding (directly and via companies) in New Wave Group AB: 640 000 Series A shares and ~40 984 Series B shares, subscription options of 90 984 Series B shares.

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

TOMAS JANSSON, born 1965. President of the corporate profiling business area, President of New Wave Mode AB. Employed since 1993.
Shareholding (directly and via companies) in New Wave Group AB: 117 670 Series B shares, subscription options of 39 098 Series B shares.

MARIO BIANCHI, born 1967. Head of business development and establishments in mid and south Europe, President of New Wave Italia S.R.L. and New Wave France S.A.S. Employed since 1994.
Shareholding (directly and via companies) in New Wave Group AB: 100 000 Series A shares, 128 768 Series B shares, subscription options of 99 672 Series B shares.

Auditors

BJARNE FREDRIKSSON, born 1966. Authorized Public Accountant, Ernst & Young. Group auditor since 2005.

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

Annual general meeting

The annual general meeting will take place on May 29th 2006, at 13.00 CET, at FöreningsSparbanken Sjuhärad, the auditorium, Åsbogatan 8, Borås. All shareholders that are registered in the print-out of the shareholder book dated May 22th 2006, and announce their participation on May 24th 2006, at 12.00 CET at the latest, have a right to take part in the annual general meeting.

Administor-registered shares

Shareholders with administor-registered shares must register as owners of their shares in order to take part in the annual general meeting. This registering of the shares shall be executed May 2th 2006, and will due to this be requested in good time before this date.

Announcement

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

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

Leave your name, personal security code and phone number (daytime). Shareholders that wish to participate must announce this on May 24th 2006, at 12.00 CET, when the period of notification expires.

MATTERS

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

Dividend

The Board has suggested that June 1st 2006, should be the tick day. With this tick day, the dividend can be done from VPC on June 7th 2006. The Board and the President suggest to the annual general meeting that the dividend for 2006 should be SEK 0.90 per share, totalling to SEK 58.1 million.

FINANCIAL INFORMATION

- Report covering January–March, 2006, was published on April 26th 2006.
- Report covering January–June, 2006, will be published on August 14th 2006.
- Report covering January–September, 2006, will be published on October 27th 2006.

NewWave
G R O U P

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