



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 1992–2006 amounted to 35 % per year.

16. Profiling

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



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.

36. 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.



40. Financial information

During 2006 the sales and result increased with 33 % to SEK 3 531 (3 059) million respectively SEK 38 million to SEK 292 (254) 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:

- 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 that 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.

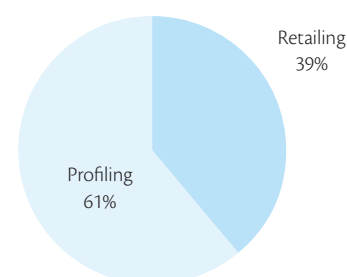
IMPORTANT EVENTS DURING THE YEAR

- During 2006 New Wave's sales increased by 15 % to SEK 3 531 (3 059) M.
- The mild winter and strong Swedish krona affected the turnover negatively during the important fourth quarter.
- During 2006 the result after financial items increased by SEK 36 M to SEK 290 (254) M.
- The result after tax increased to SEK 227 (207) M and the profit per share increased to SEK 3.47 (3.22).
- The cost for acquired units amounted to SEK 41 M.
- Cash flow from operation was SEK 281 (-97) M and after investments SEK 232 (-318) M.
- Long-term gross profit goal is raised to 50 (45) %.
- The corporate profiling business area sales increased by 9 % to SEK 2 146 (1 976) M. The result before interest, tax and depreciation (EBITDA) increased by SEK 41 M to SEK 288 (247) M.
- The retailing business area sales increased by 28 % to SEK 1 385 (1 083) M. The result before interest, tax and depreciation (EBITDA) increased by SEK 17 M to 97 (80) M.
- Five persons will be added to the management within business development. Three of these will be recruited internally.

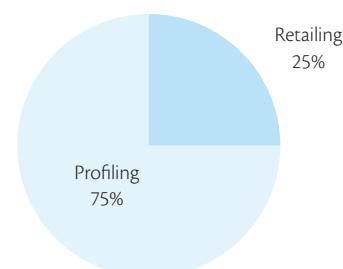
IMPORTANT EVENTS AFTER THE YEAR-END

- The board has decided to propose to the annual general meeting an increase in the dividend to SEK 1.00 (0.90) per share, equivalent to SEK 66 M.
- 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.
- The nomination committee proposes that Torsten Jansson becomes a working chairman of the board.
- New Wave Group's vice president Göran Härstedt is the new president and CEO, starting at 11 May, 2007.
- New Wave Group AB has on 13 April made a cash bid of 156.5 million USD on Cutter & Buck Inc. Cutter & Buck is listed on NASDAQ in the USA. The turnover was 131 million USD and the profit before tax was 9.8 million USD for the preceding year, as per 30/4-06.

Sales per business area



Result per business area



Key data

	2006	2005
Sales, SEK m.	3531,0	3059,0
Result before depreciation, SEK m.	384,9	327,1
Result after depreciation, SEK m.	344,8	295,6
Result after net financial items, SEK m.	290,2	254,0
Gross profit margin, %	47,9	46,4
Shareholders' equity, SEK m.	1311	1144
Return on shareholders' equity, %	18,7	20,3
Return on capital employed, %	12,9	13,0
Number of employees	2207	1714
Profit per share, SEK	3,47	3,22
Shareholders' equity per share, SEK	20,03	17,82



Statement by the President and CEO

2006

During 2006 we once again increased sales and results – for the 16th year in a row. In many ways, it was a hard year – especially all the extra efforts during winter – or, more correctly, the winter that never came. Sales and results were not as good as I had hoped for in the beginning of the year – but at the same time I am glad that we managed, considering the bad sales of winter clothes. Another good thing is that cash flows are instantly improved during a consolidation year.

2007

My expectations for 2007 are high. We will increase sales and results for the 17th year in a row, and I feel confident enough to say that already. But I am not yet sure of how much. New establishments and acquisitions during 2007 will affect that. We are ready to increase our growth, mainly in the USA and Asia, and though we will be concentrating on China other Asian countries might be interesting as well. As far as the USA is concerned, we have been studying the market for almost seven years and also reached a respectable size thanks to Orrefors and Kosta Boda as well as Craft and Sagaform. We really believe in a future expansion there, but we will also continue growing in Europe.

ORREFORS KOSTA BODA

The work with OKB has been successful. Big losses are now decent profits and sales increase. We have invested in big outlets, hotels, bars and restaurants in Kosta mainly. Sales and the number of visitors in Kosta have increased very much and extend our expectations this far. In July, another 11 000 square metres filled with shops will open in Kosta, and that will make it one of northern Europe's largest outlet centres for well-known brands of high quality. I promise you that Kosta is worth a visit – for its glassworks, the amazing art glass and the shopping. Due to the bad history of OKB we will continue focusing on the company.

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. During 2007 we will increase and improve the operative management in order to reach sales of SEK 10 billions. We have also appointed a very competent Female Advisory Board that we think will be very good.

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 Jernverk and Kosta Linnewärfveri 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 have 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. We have great opportunities to grow, organically as well as due to acquisitions within the USA and Asia. The company is highly valued, but with the right object, the right synergies, we see great potential.

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 FOR 2007

The main goal for 2007 is easy: It will become the 17th year in a row with improves sales and results. Even if certain quarters will be upside down, I am sure that 2007 will be a good year for New Wave. Another goal for 2007 is to increase sales and operations in the USA and/or Asia, through possible acquisitions and establishments. And we will of course continue growing in Europe. Our position is stronger than ever – and New Wave's journey has only begun.



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. The average sales growth for 1992–2006 has been 35 % per year. Sales for 2006 amounted to SEK 3 531 M. This expansion is mainly the result of organic growth, the formation of subsidiaries in new markets and company acquisitions. For 1992–2006, results after net financial items have increased by an average of 36 % per year and have amounted to a profit of SEK 290 M for 2006.

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 Group's 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 18 countries (Sweden, Norway,

Finland, Denmark, Italy, Poland, 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 M 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 2 143 M. 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 the 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

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. The vision is to reach a turnover of SEK 10 billion, SEK 10 M in total stock exchange price and a profit before taxes of SEK 1 M within the foreseeable future.

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

New Wave's strategy to reach goals...

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

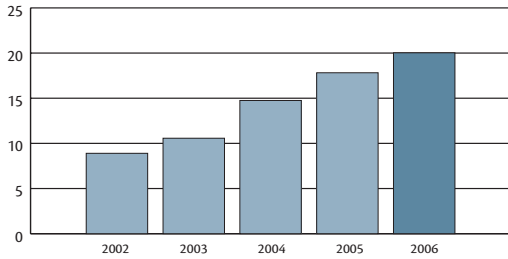


HISTORY

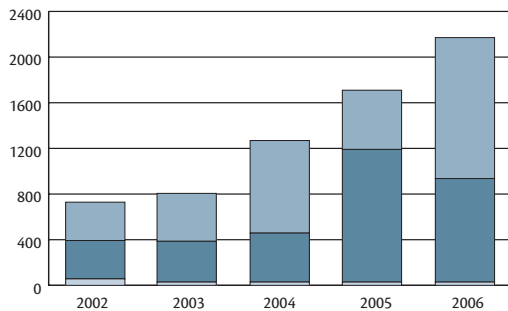
- 1990 Sweden and Norway.
- 1994 Finland and Italy.
- 1996 Acquisition of Craft of Scandinavia.
- 1997 Denmark, Spain and Germany.
- 1998 Acquisition of Hefa AB.
- 1999 Holland and England.
- 2000 France.
Acquisition of Textet.
- 2001 Sagaform and the Seger group.
- 2002 Acquisition of Frantextil, X-Tend 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 Daetra Group, the Orrefors Kosta Boda Group and the Intraco Group.
- 2006

PROFILING
RETAILING
GIVE-AWAYS
WORKWEAR

SHAREHOLDER'S EQUITY PER SHARE (SEK)

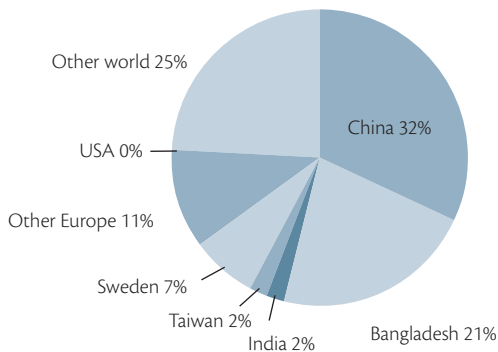


NUMBER OF EMPLOYEES 2001–2006



Parent company Sweden Other countries

NEW WAVES PURCHASING MARKETS 2005 (%)



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.

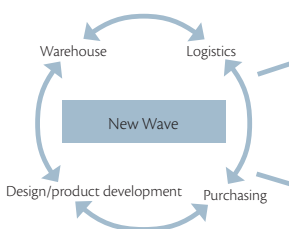
COMPETITIVE ADVANTAGES

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.

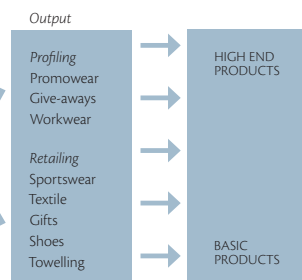
Design

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 has lots of room for corporate profiling as they are aimed at the company market. A large part of the retailing design is built on function and New Wave works together with both professional and amateur athletes within a number of sports. Orrefors Kosta Boda work together with a number of artists, of which Kosta Linnewärfveri and Orrefors Jernverk will also use when they develop their assortment.

THE BIG COMPANY'S COORDINATION ADVANTAGE:



THE LITTLE COMPANY'S FLEXIBILITY:





Purchasing

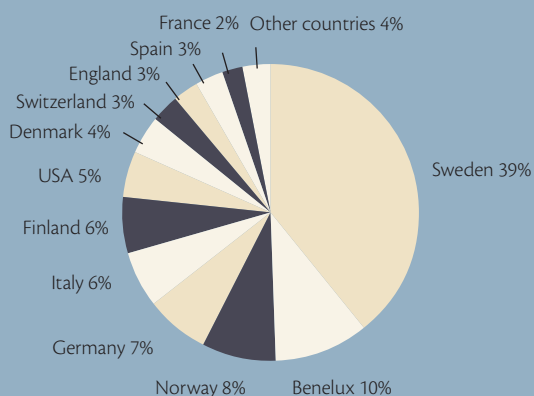
As a consequence of its complementary operations, New Wave has a purchasing volume that is greater than most of its competitors in the corporate profiling market. This generates considerable competitive advantages in terms of purchasing, transport and warehousing. Apart from Sweden, New Wave has established purchasing offices in China since 1992, Bangladesh since 1999, and Vietnam since 2003. 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" [read more in the Environment and ethics section].

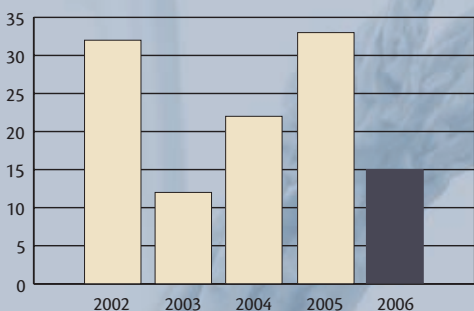
Logistics

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.

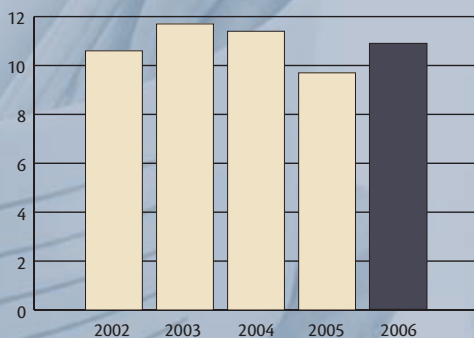
OMSÄTTNING PER LAND (%)



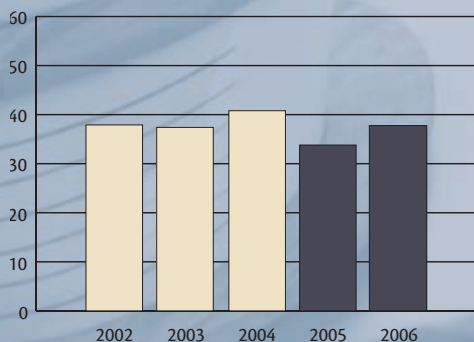
GROWTH 2001–2005 (%)



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 2006 was 1.2 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

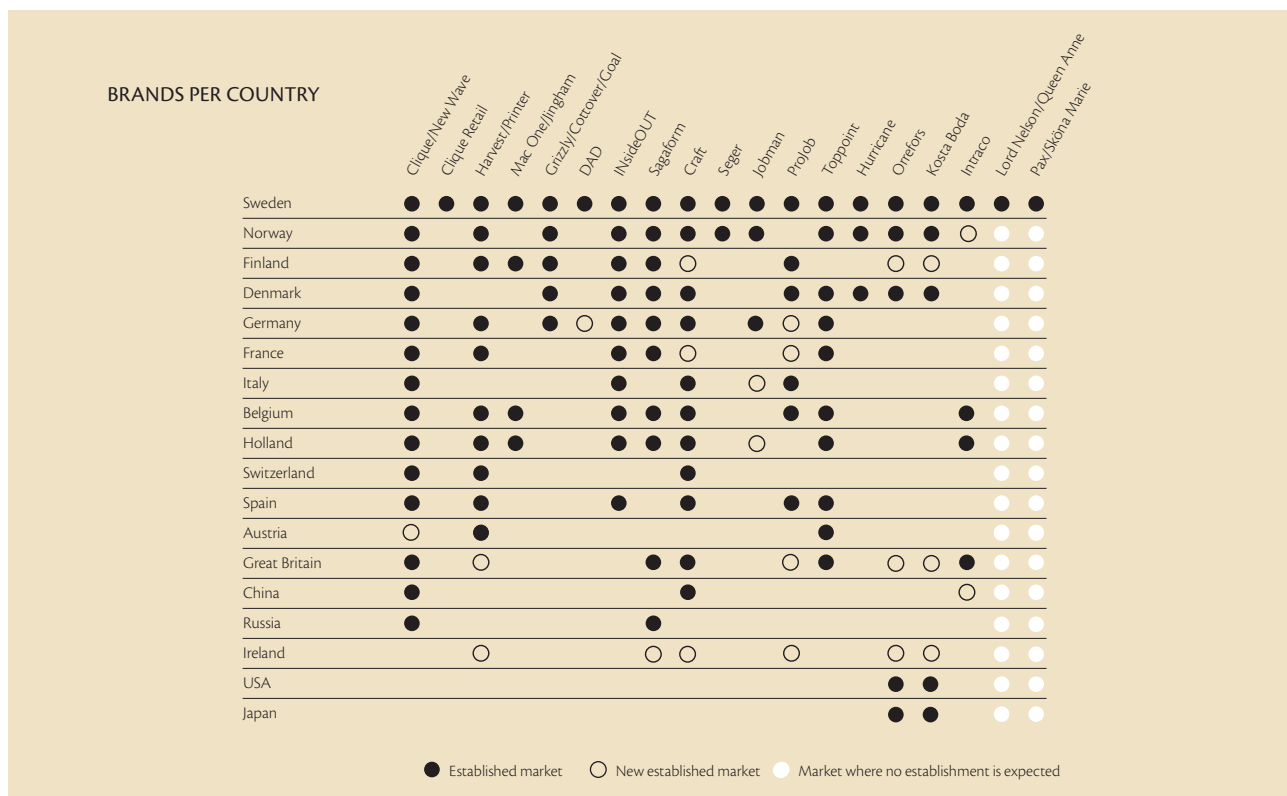
New Wave is a decentralised group and its values work as a guideline. A great deal of work is put into conserving and spreading New Wave values within the Group and especially to acquired companies. New Wave always tries to find inexpensive and simple solutions. The motto is "Money saved is money earned". This demands hard work to succeed better than the competition. 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 18 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.

This corporate governance report is not part of the formal annual report and has not been audited by New Wave's auditors.

SWEDISH CODE FOR CORPORATE GOVERNANCE

From July 1st 2006, all companies listed on the Stockholm Stock Exchange and with a market value greater than SEK 3 billion are required to use Swedish code for corporate governance. The market value of New Wave's listed B shares, during the last measurement period, was for the first time more than 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 earlier initiated a successive adaptation to the code. More information about the code can be found at www.bolagsstyrningskollegiet.se, which includes a description for foreign investors.

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 2006

The annual general meeting for New Wave was held 29 May 2006 in Borås. Complete information regarding the annual general meeting for 2006 can be found on New Wave's home page at www.nwg.se.

ANNUAL GENERAL MEETING 2007

The annual general meeting will be held at 1 PM on 11 May 2007 at the head office in Gothenburg.

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 second largest shareholder.

The nominations committee will represent approximately 82.7 % of the votes in New Wave Group as per 31 December 2006. All shareholders can contact the nominations committee with suggestions on board members. The nominations committee has had several meetings on protocol as well as contact via telephone and e-mail. Among other things, the nominations committee has judged the board based on New Wave's future development and challenges in order to get a good mixture of competence and experience. Information on the nominations committee's work will be published at New Wave's website together with the suggested board.

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 2006. New Wave's vice CEO and corporate lawyer is secretary of the board. The chairman shall keep in contact with the managing director, and follow the group's operations and development.

The board	Present	Independent	Remuneration
Håkan Thylén, ordf.	8/8	•	220 000
Hans Johansson	8/8	•	110 000
Lennart Bohlin	2/4	•	46 919
Maria Andark	4/4	•	64 169
Torsten Jansson VD	6/8		0
Total			441 088

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. The managing director and chairman of the board determine employment conditions for other Group management persons. 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 Wave's 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.

SUBSCRIPTION OPTIONS IN NEW WAVE GROUP AB (PUBL)

New Wave has one outstanding programme for subscription options. It expires in June 2008 and consists of 1 500 000 options with an exercise price of SEK 73.10. The options were subscribed in June 2005 with a price of SEK 9.00.

OUTSTANDING SUBSCRIPTION OPTIONS

In two years out of three, New Wave offers subscription option running for three years. The programmes mean that employees in leading positions get the chance to acquire subscription options on conditions according to the market. Conditions according to the market are defined as the market value at the time of acquisition, calculated according to the Black & Scholes value method. New Wave has one outstanding programme for subscription options. It expires in June 2008 and consists of 1 500 000 options with an exercise price of SEK 73.10. The options were subscribed in June 2005 with a price of SEK 9.00 and have an exercise price of SEK 73.10, which was 25 % more than the average rate at the time of the subscriptions.

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. The board continuously receives information about internal control and following rules, control of audited values, appreciations, judgements and other that might influence the quality of the financial reports. The Group's auditor should audit the companies' ability to follow overarching as well as detailed rules for control within the companies.

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

AUDIT

Auditor

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. Bertel's other commissions consist of the TetraLaval group, Bure Equity, Capiro, Gunnebo, Rörvik Timber and Scribona etc. Bjarne's other commissions consist of Forsstrom High Frequency, Gymgrossisten Nordic, Mattssonföretagen, Swedeponic, Uddevalla Energi and Wallhamn etc. Neither Bertel nor Bjarne owns shares in New Wave Group.

AUDIT PROCEDURES

The International Financial Reporting Standards (IFRS) are applied when completing the group's reports.

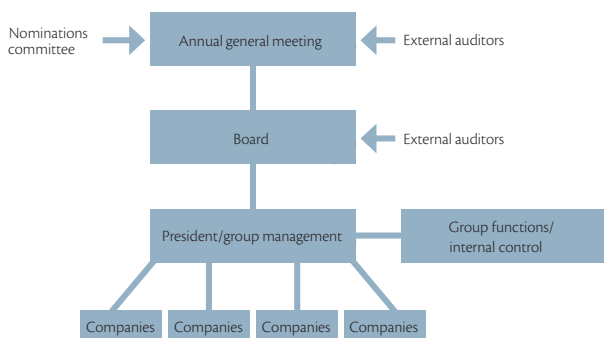
The company auditors review the Group's third quarter reports. This review follows the recommendations issued by the organisation for certified accountants FAR SRS.

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.

The board's report on internal control

The board is responsible for the internal control, according to the Swedish law of public companies. The goal of the internal control is to create a clear structure of responsibilities as well as an effective decision making process.

CORPORATE GOVERNANCE



Control environment and risk estimate

The board has established a number of basic, important documents for the financial report, in order to ensure a safe control environment. In the board's work order and instructions for the managing director, a clear role and responsibility distribution is guaranteed. This will lead to effective handling of the operational risks. The board has established a number of basic guidelines and policies, important for the internal control, such as a finance policy, instructions for accounting and reporting, a behavioural code and a communication policy. The basic guide documents are continuously inspected. Above that, a working control environment implies an adequate organizational structure in function as well as continuous inspections of the same.

The management regularly leaves reports to the board, according to established routines. The board is responsible for the system of internal controls needed to handle large risks in the running operation. Managers at different levels within the Group have certain authorities and responsibilities regarding the internal control. There are also a number of defined processes for planning and executing decisions and for decision supporting operations. The risk factors in the financial reporting are:

- 1) The business process
 - a. Purchasing (most of New Wave's purchases take place in Asia)
 - b. Investments (mainly in IT, warehouse and with Orrefors Kosta Boda production)
 - c. Marketing (important for New Wave with several well-known brands)
 - d. Sales (New Wave is a market oriented company)
 - e. Environment
- 2) Transactions (a large number of external as well as Group internal transactions take place)
- 3) Values
- 4) Income statement and balance sheet
- 5) Consolidating and adjusting
- 6) The annual and interim reports for the Group

New Wave's greatest financial risks based on values in the balance sheet:

- 1) The stock, which is approximately 50 % of the Group's assets.
- 2) Trade debtors, which are approximately 20 % of the Group's assets.
- 3) Intangible assets (goodwill and trademarks), which are approximately 15 % of the Group's assets.
- 4) Interest bearing creditors, which are approximately 40 % of the Group's total assets.

Other larger risks are taxes and currencies.

Control activity

New Wave's central staff is responsible for the implementation, development and maintenance of the Group's control routines as well as to internal control when it comes to business critical issues.

New Wave's company structure holds an extensive controller organization, which sees to that the financial reporting from each unit is correct, complete and on time. New Wave has introduced a control system to verify the different processes and guarantee the financial reporting. Controls regarding different processes and risk factors are judged by self-evaluation, internal revision, internal board meetings and via the company's external auditors. Several processes, such as purchasing, logistics, payments, financing, IT, consolidating and listing group reports, are mainly or partly centralised.

The board continuously receives financial reports and the Group's and subsidiaries' financial situations are discussed at every board meeting.

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, but they are handled jointly. Many products are common for both business areas, but they have different customer categories and therefore have different sales forces.

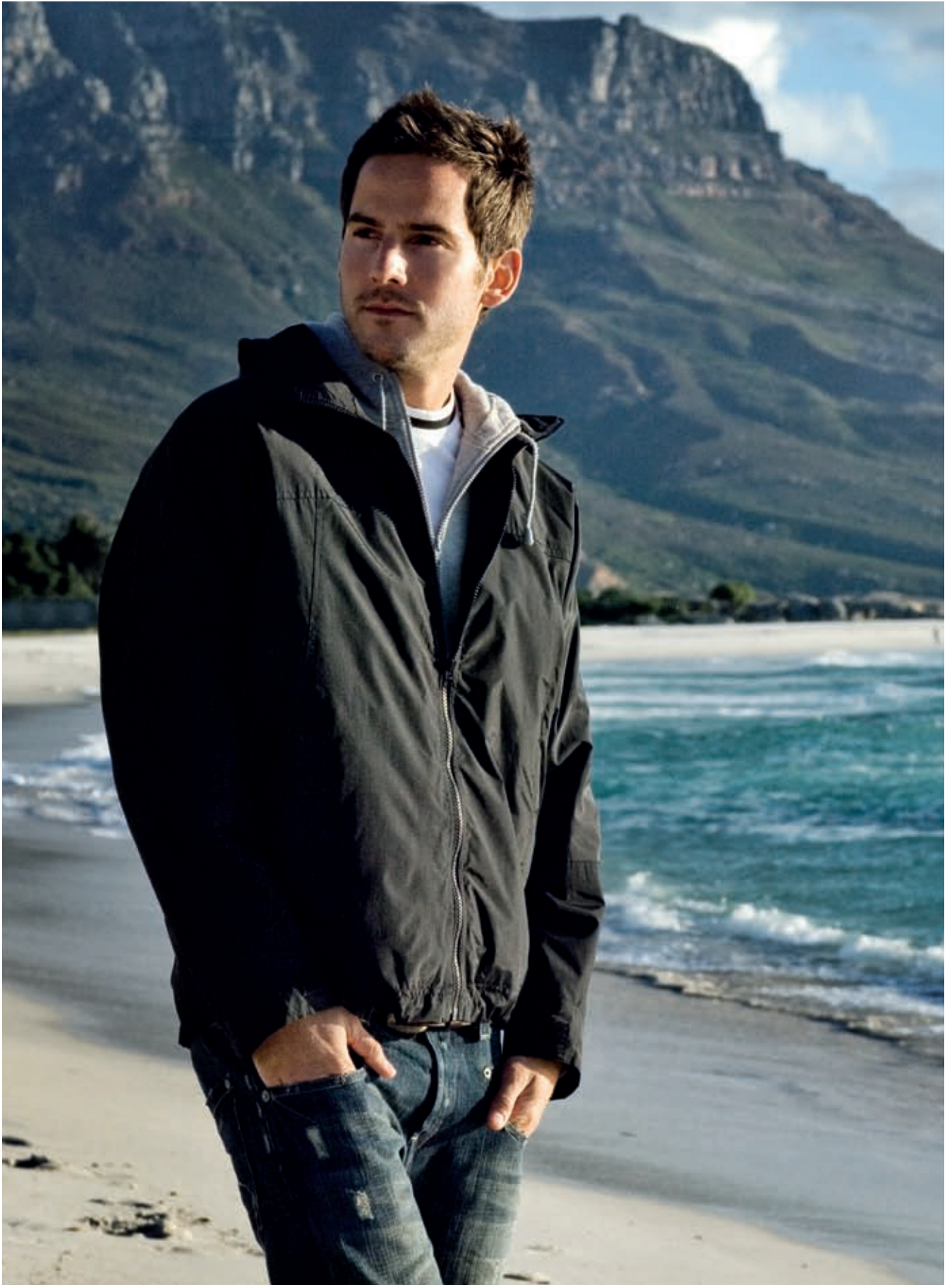
CONCEPT GROUPS

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 trademarks.

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 benchmarking with regard to profitability, capital tie-up and growth, between companies, trademarks and markets. New Wave has also set up internal goal ratios for companies. 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



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 18 countries. The Corporate Profiling business area includes design, purchasing, logistics and marketing to New Wave's distributors. In 2006, the Corporate Profiling business area stood for 61 % of the group's sales and 75 % of the group's operating result before depreciation (EBITDA).

THE MARKET

The total corporate profiling market in Europe, which consists of promowear, gifts/give-aways and light workwear, is estimated to more than SEK 112 400 M 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.

THREE LEGS – THE 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 that 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 pyramids

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 give-aways and gifts 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. During 2006 ProJob and Jobman were established abroad via New Wave's subsidiaries in several countries.



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.



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. There are no long-term contracts with retailers, but a close cooperation in which New Wave provides catalogues, sales material, education and products to the retailer.

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 %.

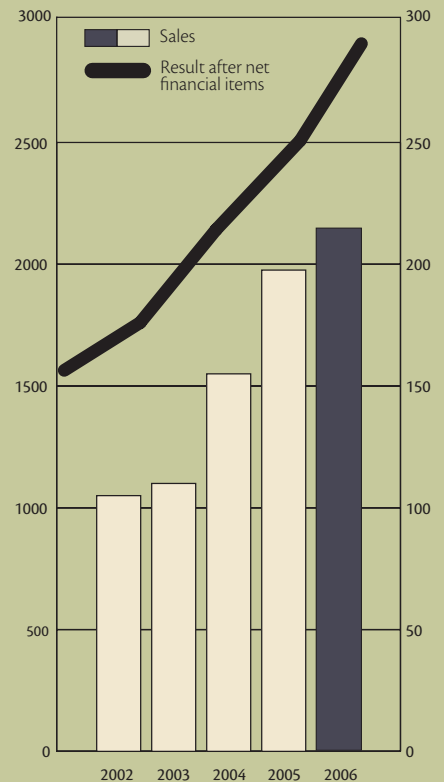
CAPITAL TIE-UP AND RISK

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 2006 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 GROUP RESEARCH AND DEVELOPMENT

Corporate profiling and give-aways are a market media that 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.

SALES AND PROFIT 2001-2005 (SEK M.)





Kjell Kaspersen is the general manager of New Wave Denmark A/S and Dahetra A/S. As general manager he is responsible for many of the Group's corporate profiling concepts, which are successfully sold on the Danish market.



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 € 643 M of which € 360 M in Europe and € 251 M 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 M of which SEK 1,700 M within Europe.

Hanesbrands Inc was released from the Sara Lee Corporation during 2006 and listed on the US Stock Exchange. During July–December, Hanesbrands' sales amounted to \$ 2.25 M. Their brands are Hanes, Playtex, Champion, Bali etc. The Hanes brand sells to both the corporate profiling and retail markets and has an estimated turnover totalling SEK 18 000 M of which SEK 1 600 M in 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 M of which SEK 450 M 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 5 500 M of which approximately SEK 270 M in Europe. Guildan is based in Canada and is listed on the Toronto Stock Exchange with a sub-listing on the New York Stock Exchange.



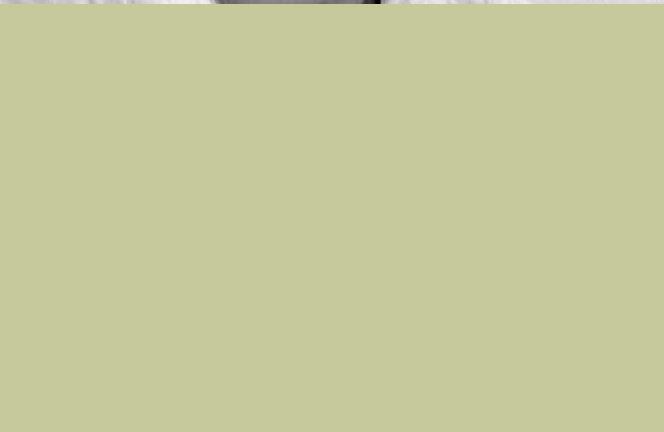
In the Corporate Profiling market is the ability to deliver crucial and a comprehensive stock of basic products is therefore necessary. The Group's goal is to deliver 98 % of products within 24 hours.



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. In 2005, Russel Corporation's turnover was \$ 1 400 M of which \$ 674 M was to the corporate profiling market. The group's total turnover was \$ 120 M 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 M or SEK 453 M for basic garments.

Kvintet Group is operating within workwear with the brands Kansas, Wenaas, Fristads, KLM and Hejco. Kvintet was purchased by Industri Kapital AB during 2005. 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 Kvintet. 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	114 000	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 Group's international distribution network, via thousands of retailers in 18 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.

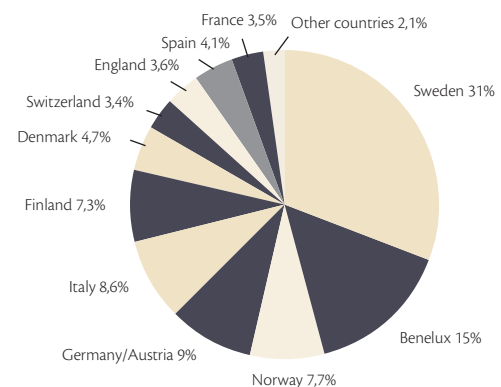
WHY IS CORPORATE PROFILING SO IMPORTANT?

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.



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

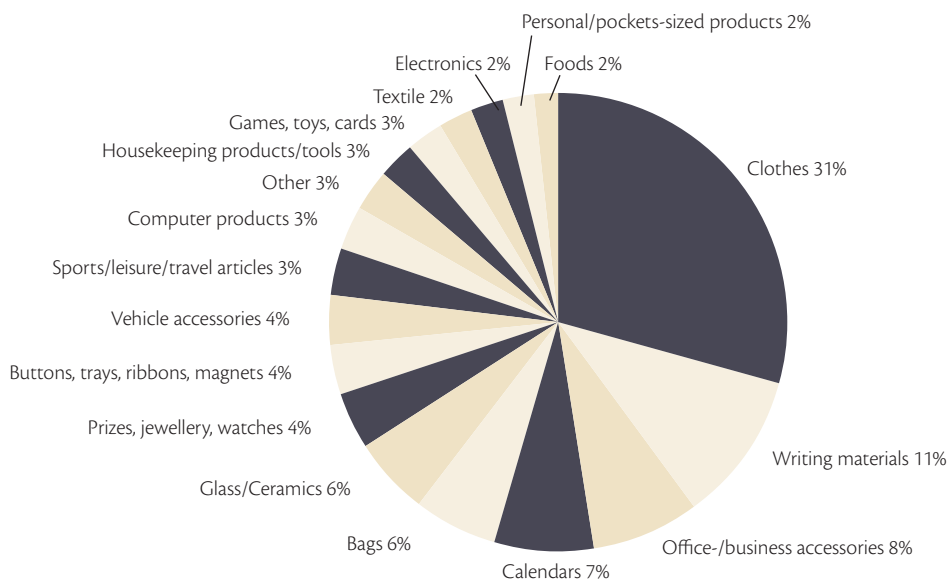
Give-aways fill many functions and the range of products is extensive. Give-aways can be used as straightforward advertising,

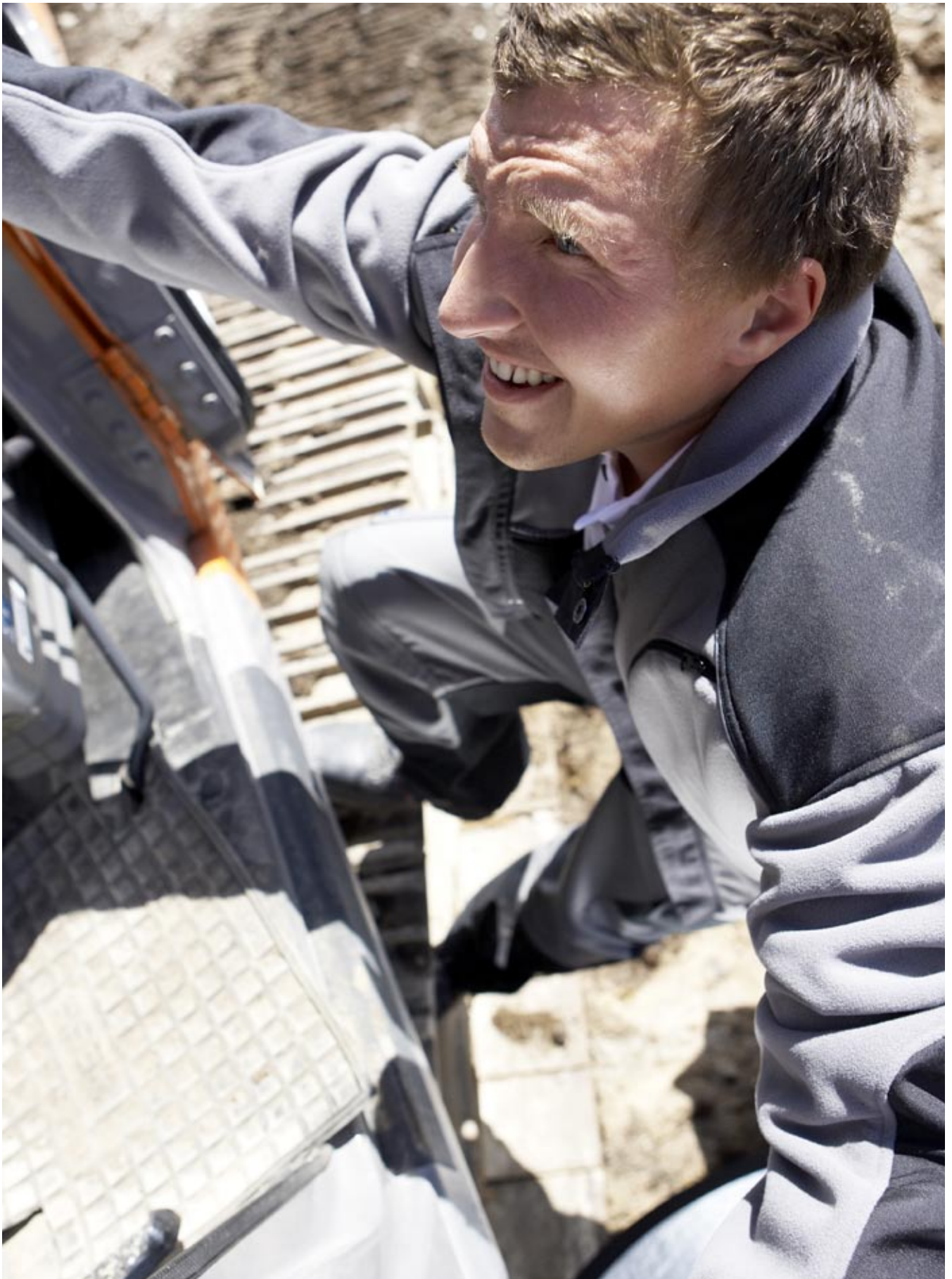
as personal gifts, or for the profiling of a company. In an advertising context, usable products such as pens, mugs and key rings are common, as a trademark is exposed more on such products. Give-aways are used to strengthen a company's communication and the products are also used as so-called premiums. 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 media, 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 trousers 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. Functional and ergonomically correct workwear makes work more effective and prevents injuries, which keeps the workers in good health.

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 39 % of the Group sales and for 25 % of New Wave's operating profit before depreciation (EBITDA). The acquisition of Orrefors Kosta Boda has meant that the retailing business area's proportion of the Group's turnover and results has increased.

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 Sweden as well as other parts of 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 (\$ 21 M) 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 that 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 M by the year 2010 via subsidiaries, agents and distributors. Approximately 10 % of Craft's sales are via authorized 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. Magnus Vaenerberg, previous Nordic Manager for Villeroy & Boch, was appointed as CEO for Sagaform in the autumn of 2006. Vaenerberg has already created a team with competence to take Sagaform to the next level and focus is now on marketing and product development. Sagaform sells in several countries in Europe, but mainly in Norway, Germany, Finland, England and Sweden with approximately 60 % of the sales in retail and 40 % in profile.

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 74–77.



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.





Magnus Vaenerberg is the relatively new CEO of Sagaform. Sagaform operates on most European markets, within corporate profiling as well as retailing.



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. 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. An important football event during 2006 was the World Championships. Craft sponsors the worlds 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. Craft sponsors the worlds leading cycling team Team Astana and will invest even more into cycling (one of the worlds best cyclists throughout time, Tony Rominger, owns parts of Craft Sa and helps develop products). 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, such as Kjell Engman, Bertil Vallien, Ulrika Hydman-Vallien etc. The latest is cooperation 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, Bloomingdale's, Macy's, Nordstrom and Harrods among others.

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 70 %, excluding costs that 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.

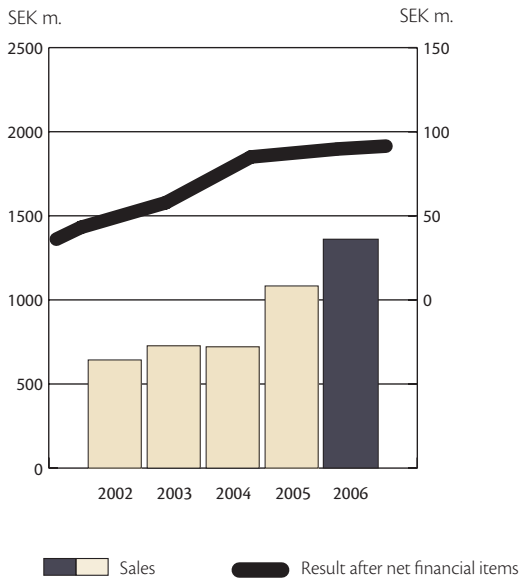
CAPITAL TIE-UP AND RISK

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 2006 bad debt losses in the retail business area amounted to 0.32 % of the 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 children's' shoes are Kavatt, Ecco Viking, Timberland and the different chains own private brands, and several of Sköna Marie's competitors in women's 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 Sätilla. Umbro's competitors in Sweden are Nike, Puma and Adidas.

SALES AND PROFIT 2001–2005 (SEK M.)



The market share within each segment and market respectively is hard to appreciate, as there are no official statistics. Orrefors and Kosta Boda are market leaders within crystal and art glass within Sweden, with a market share of 65 %. In Europe, there is often some domestic supplier in each country respectively as well as some global actors such as Waterford (Ireland), Lalique and Baccarat (France), Swarovski (Austria), Iittala (Finland) as well as 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 be further broadened. 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 Wave's 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 candleholders 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 were 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 the turnover.

Orrefors Kosta Boda AB 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 (Denmark) (15 %). The shares in OFKB was thereafter converted to shares in Royal Scandinavia.
- In September 1997, Proventus sells their shares and the owners are Scandinavian Equity Partner 63,8 % and Royal Copenhagen 36,2 %.





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.
- During 2006 the group has been integrated with New Wave and a number of activities, such as Kosta Linnwärfveri, Orrefors Jernverk, hotels, restaurants, several new outlets with external tenants, has started.

The following has happened since the acquisition

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

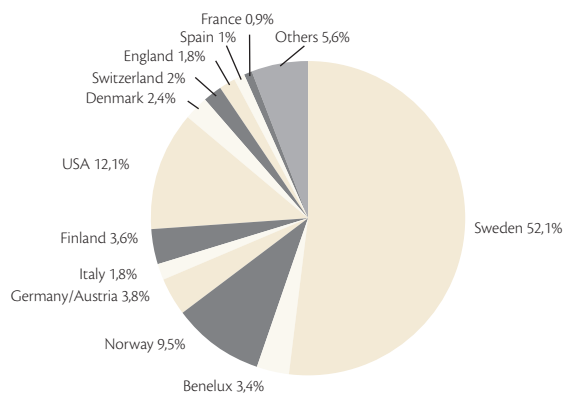
The OKB-group had incurred losses for several years and it was therefore necessary to undertake cost-saving measures. The group also had declining sales for several years, so besides cutting costs it was necessary to increase sales. The key factors for these changes are: cost control, a more effective 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 undertaken since takeover are estimated to give savings of SEK 50 M 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 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 has an annual turnover of approximately \$ 21 M 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 that existed a decade ago. Since the acquisition Torsten Jansson has spent a great deal of his time in the glass kingdom.

SALES BY GEORAPHICAL MARKET



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



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.

Future and current development

A trademark for domestic textile, Kosta Linnewäfveri, has been launched during the autumn of 2006. A collection of metal products for the kitchen etc., Orrefors Jernverk, will be launched during the autumn of 2007.

During last autumn, Orrefors and Kosta Boda opened three small flagship stores in Shanghai.

Another outlet of 1 000 m² will be built in Kosta. It will be ready for the summer of 2008. Large areas will be let to external tenants with exclusive trademarks.

Other large establishments related to the acquisition of Orrefors Kosta Boda, and of which New Wave is the whole or part owner, are Orrefors Kosta Boda Restaurang & Konferens AB with hotel and restaurant operations in Kosta and Orrefors, as well as several outlets. Also, a new hotel in Kosta with more than 100 beds will be ready for the summer of 2008. Close to the hotel, there will be a crystal bar designed by Kjell Engman and an outdoor stage for large audiences and outdoor conferences.

All establishments will be profitable in themselves and meet the Group's earning demands. The establishments will be visited by tourists during summer and by conference guests during autumn and winter. Conference deals will be offered via New Wave retailers in Sweden as well as abroad.

This has been done

New Wave has started a sister company to Orrefors Kosta Boda during 2006. It sells the trademarks Kosta Linnewäfveri and Orrefors Jernverk, which have textile and metal products. The vision is to create a complete "table" with these products, and to further inspire customers that own products from Orrefors and Kosta Boda. It will also give the OKB designers the chance to work with new materials and this will lead to more sales within glass, textile and metal.

Since the acquisition, New Wave has established outlets for sales of products from the Group's other trademarks. An outlet of 4 900 m², which is co-owned with Lessebo, has been built and another 11 000 m² will be added during the summer of 2007. New Wave's trademarks and other well-known trademarks within fashion, electronics, shoes, toys etc. will be sold in the new outlet. Another large establishments that has followed the acquisition of Orrefors Kosta Boda and of which New Wave is full or part owner is Orrefors Kosta Restaurang & Konferens AB which has hotel and restaurant businesses in Kosta and Orrefors. A new hotel in Kosta, with more than 100 beds is planned for 2008. By the hotel there will be a crystal bar designed by Kjell Engman and an outdoor stage for various kinds of arrangements.



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

A gourmet store and high quality restaurant will also add to the appeal. A newly established event company will offer exciting activities. A publishing house, which will bring even more to the "table" mentioned above (such as cook books), has been started in Kosta. The traditional Hyttsill will be offered in Orrefors and at SEA glasbruk in Kosta. Today, Glasriket has approximately 1 million visitors per year. The vision is that these investments will double the number of visitors.

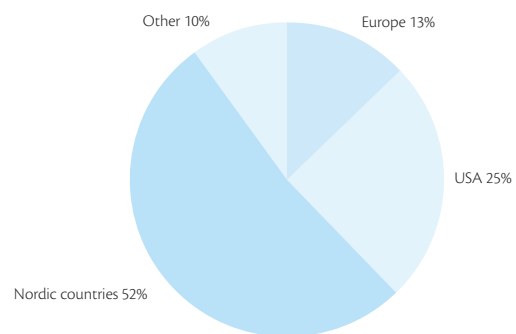
New Wave is keen on managing "Sweden's crown jewel" in the best way possible by holding on to the high quality and fine design that is typical for Orrefors and Kosta Boda. The quality and prices will continue being high. The products will cost from SEK 400 to SEK 500 000.

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. to join unions.





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 are 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 it 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 inspec-



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.

tions. We will use BSCI's neutral inspectors for this. The results of BSCI's inspections will be saved in a database and will be available for all members.

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 psychological, mental, spiritual, moral or social development."

New Waves aktie

Aktiekapitalet i New Wave uppgår till 199.030.543 kronor, fördelat på totalt 66.343.543 aktier, varje aktie med kvotvärde 3,00 kronor. Aktierna har lika rätt till andel i bolagets tillgångar och resultat. Varje aktie av serie A berättigar till tio röster och varje aktie av serie B berättigar till en röst. New Waves aktier av serie B är sedan den 11 december 1997 noterade vid Stockholmsbörsen och noteras nu på börsens Mid Cap-lista. En noteringspost uppgår till 100 aktier.

New Wave har ett program teckningsoptioner utestående. Det löper till och med den 30 juni 2008 om 1 500 000 optionsrätter med ett lösenpris om 73,10.

UTDELNINGSPOLITIK

Styrelsens mål är att utdelningen till aktieägare ska motsvara 30 procent av koncernens resultat efter skatt över en konjunkturcykel.

SHAREHOLDERS

Antalet aktieägare uppgick den 31 december 2006 till 12 414 (9 169). De institutionella investerarna kontrollerade totalt 39 procent av kapitalet och 10 procent av rösterna. De tio största aktieägarna svarade vid samma tidpunkt för 62 procent av kapitalet och 88 procent av rösterna. Utländska ägare svarade för 8 procent av kapitalet och 3 procent av rösterna.

NEW WAVE'S TEN MAJOR SHAREHOLDERS AS AT 2006-12-31

HOLDER	Number of shares	Number of votes	Capital %	Votes %
Torsten Jansson	20 873 405	207 242 525	31,5%	80,3%
Robur	6 012 609	6 012 609	9,1%	2,3%
Fjärde AP-Fonden	4 270 800	4 270 800	6,4%	1,7%
AMF Pension	2 868 200	2 868 200	4,3%	1,1%
OKOBank OY	1 698 600	1 698 600	2,6%	0,7%
Lannebo fonder	1 432 320	1 432 320	2,2%	0,6%
Svenskt Näringsliv	1 100 000	1 100 000	1,7%	0,4%
Skandia Fonder	995 927	995 927	1,5%	0,4%
Domani AB	903 960	903 960	1,4%	0,4%
Carnegie småbolagsfond	710 000	710 000	1,1%	0,3%
	40 865 821	227 234 941	61,6%	88,1%

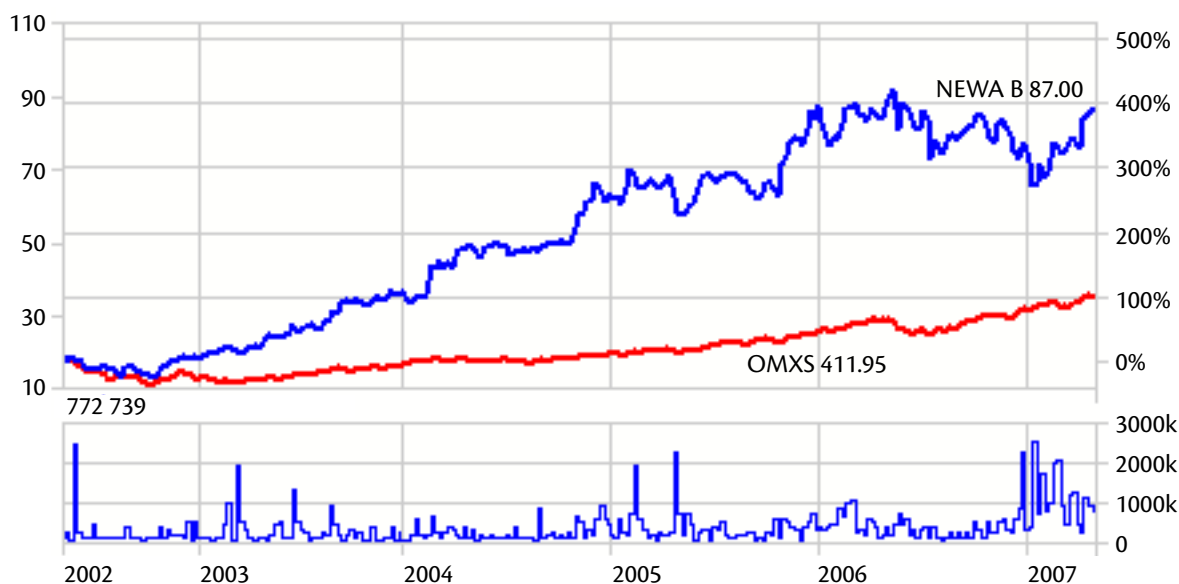
SHAREHOLDERS DISTRIBUTION IN NEW WAVE AS AT 2006-12-31

	Number of shares	Number of votes	Capital %	Votes %
Sverige	61 086 895	250 966 015	92,1%	97,3%
Ägare bosatta utanför Sverige, exkl.USA	4 929 267	6 729 267	7,4%	2,6%
USA	327 381	327 381	0,5%	0,1%
Totalt	66 343 543	258 022 663	100,0%	100,0%

NEW WAVE'S SHAREHOLDERS STRUCTURE AS AT 2006-12-31

Order of size	Number of holders	Number of shares	Andel (%)	Marknadsvärde (TKR)
1 – 200	6 172	417 591	0,47%	32 258
201 – 1000	3 733	2 217 743	2,74%	171 320
1001 – 2000	1 207	2 009 924	2,67%	155 266
2001 – 10000	1 018	4 434 973	5,92%	342 601
10001 –	284	57 263 312	88,20%	4 423 590
	12 414	66 343 543	100,00%	5 125 038

AKTIENS UTVECKLING MOT INDEX



AKTIEOMSÄTTNING

AKTIEKAPITALET'S UTVECKLING

ÅR	TRANSAKTION	ÖKNING ANTAL AKTIER	EMISSIONS- KURS	ÖKNING AKTIEKAPITAL	TOTALT ANTAL AKTIER	TOTALT AKTIE- KAPITAL, KR	KVOT- VÄRDE
1991	Bolaget bildades	500	100,00		500	50 000	100,00
1995	Riktad nyemission 1:20 ¹	25	35 524,00	2 500	525	52 500	100,00
1996	Fondemission 37:1	19 475		1 947 500	20 000	2 000 000	
1997	Riktad nyemission 1:17 ²	11 448	600,00	114 480	211 448	2 114 480	10,00
	Fondemission	0		2 114 480	211 448		4 228 960
	Split 10:1	1 903 032			2 114 480		4 228 960
	Riktad nyemission ³	681 818	110,00	1 363 636	2 796 298	5 592 596	2,00
1998	Riktad nyemission ⁴	201 106	114,40	402 212	2 997 404	5 994 808	2,00
2000	Riktad nyemission 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	Riktad nyemission 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	Fondemission			166 752 392	14 500 208	174 002 496	12,00
	Riktad nyemission 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
	Riktad nyemission ⁸	226 886	88,15	1 361 316	31 547 334	189 284 004	6,00
2005	Riktad nyemission ⁹	96 822	125	12 102 750	31 644 156	189 864 936	6,00
	Riktad nyemission ¹⁰	614 732	52	3 688 392	32 258 888	193 553 328	6,00
	Split 2:1	32 258 888			64 517 776	193 553 328	3,00
2006	Riktad nyemission ¹¹	1 825 767	29,30	5 477 301	66 343 543	199 030 629	3,00

¹ Nyemission riktad till ägarerna i Licensprint i Orsa AB i samband med köp av bolaget. Överkursfonden tillfördes 886 000 kr.

² Nyemission riktad till personalen inom koncernen. Teckningskurs 600 kr per aktie. Överkursfonden tillfördes 6 754 000 kr.

³ Nyemission i samband med börsintroduktion. Teckningskurs 110 kr per aktie. Överkursfonden tillfördes 69 089 000 kr.

⁴ Apportemission i samband med köp av Hefa-gruppen. Emissionskurs 114,40 kr per aktie. Överkursfonden tillfördes 22 604 000 kr.

⁵ Nyemission riktad till ägarerna av Texet AB i samband med köp av bolaget. Överkursfonden tillfördes 94 242 000 kr.

⁶ Nyemission riktad till ägarerna av Segerkoncernen AB i samband med köp av bolaget. Överkursfonden tillfördes 23 850 000 kr.

⁷ Nyemission riktad till New Waves ägare. Överkursfonden tillfördes 135 794 410 kr.

⁸ Nyemission riktad till ägarerna av Jobman AB i samband med köp av bolaget. Överkursfonden tillfördes 16 638 684 kr.

⁹ Nyemission riktad till ägarerna av Dahetarakoncernen i samband med köp av koncernen. Överkursfonden tillfördes 11 521 818 kr.

¹⁰ Nyemission i samband med optionslösen. Överkursfonden tillfördes 28 221 388 kr.

¹¹ Nyemission i samband med optionslösen. Överkursfonden tillfördes 48 017 672 kr.

Summary of Group development, 2002–2006

INCOME STATEMENT. Summary in SEK millions	Swe. acc. std.				IFRS
	2002	2003	2004	2005	2006
Sales	1 687,3	1 881,9	2 302,2	3 059,0	3 530,5
Other operating issues	2,2	13,5	20,0	25,8	23,1
Operating expenses	-1 477,8	-1 650,6	-2 030,0	-2 757,7	-3 168,7
Profit/loss before depreciation	211,7	244,8	292,2	327,1	384,9
Depreciation according to plan	-32,6	-39,6	-29,6	-31,5	-40,1
Profit/loss after depreciation	179,1	205,2	262,6	295,6	344,8
Net financial items	-33,9	-23,9	-28,4	-41,6	-54,6
Profit/loss after net financial items	145,2	181,3	234,2	254,0	290,2
Taxes (full tax)	-30,9	-46,5	-61,3	-47,3	-63,1
Minority share	-10,0	-1,3	-	-	-
Profit/loss after tax	104,3	133,5	172,9	206,7	227,1
Balance Sheets. summary					
Trademarks	199,1	249,0	340,9	371,8	375,6
Other fixed assets	193,3	249,7	276,9	554,0	590,9
Inventories	605,2	677,8	971,9	1 466,8	1 519,3
Accounts receivable	358,3	378,8	482,4	708,5	745,2
Other current assets	61,5	67,3	71,3	147,5	134,3
Liquid funds	14,2	21,9	84,1	133,8	114,2
Total assets	1 431,6	1 644,5	2 227,5	3 382,4	3 479,5
Stockholder's equity assignable to shareholders	511,2	612,6	902,4	1 134,1	1 300,7
Stockholders equity assignable to minority	31,9	2,2	8,2	9,9	10,0
Provisions	28,8	34,6	65,2	104,9	109,7
Interest bearing liabilities	643,2	714,4	970,3	1 622,5	1 430,6
Interest free liabilities	216,5	280,7	281,4	511,0	628,5
Summa skulder och eget kapital	1 431,6	1 644,5	2 227,5	3 382,4	3 479,5
Cash flow					
Cash flow before changes in working capital and investments	140,8	173,5	190,1	218,2	299,7
Changes in working capital	19,9	-97,6	-187,8	-315,6	-18,4
Cash flow before investments	160,7	75,9	2,3	-97,4	281,3
Net investments	-153,3	-79,9	-245,4	-220,2	-49,3
Cash flow after investments	7,4	-4,0	-243,1	-317,6	232,0
Financial payments	-5,5	13,1	305,5	361,7	-246,4
Cash flow for the year	1,9	9,1	62,4	44,1	-14,4
Key figures					
Gross margin, %	42,0	44,4	45,9	46,4	47,9
Operating margin, %	10,6	10,9	11,4	9,7	9,8
Profit margin, %	8,6	9,6	10,2	8,3	8,2
Nettomarginal, %	6,2	7,1	7,5	6,8	6,4
Return on capital employed, %	16,9	16,5	16,6	13,0	12,9
Return on shareholders equity, %	22,0	23,8	22,7	20,3	18,7
Solidity, %	37,9	37,4	40,8	33,8	37,7
Net dept/equity ratio, %	123,0	113,1	97,3	130,1	100,4
Share of risk bearing capital, %	39,9	39,5	43,1	35,9	40,5
Interest coverage, times	4,8	7,8	8,2	6,2	5,5
Rate of capital turnover, times	1,3	1,2	1,2	1,2	1,0
Varulagrets omsättningshastighet, ggr	1,6	1,6	1,5	1,5	1,2
Average number employed	729,0	806,0	1 269,0	1 714,0	2 207,0
Personnel costs, incl social fees, SEK m	241,7	255,3	328,8	410,7	471,9
Sales outside Sweden, %	50,4	55,0	57,6	61,0	60,7
Per-share data¹					
Number of shares before dilution	58 000 832	58 000 832	61 722 986	64 210 410	65 430 660
Number of shares after dilution	59 211 640	58 236 740	63 143 988	65 306 999	65 681 234
Result per share before dilution, SEK	1,80	2,30	2,80	3,22	3,47
Result per share after dilution, SEK	1,78	2,29	2,74	3,14	3,46
Shareholders' equity, SEK	8,82	10,56	14,75	17,82	20,03
Shareholders' equity per share after dilution, SEK	8,63	10,52	14,42	17,38	19,96
Price rate on December 31st, SEK	18,75	37,50	63,75	88,00	77,25
P/E-tal, 31 December	10,45	16,30	25,93	27,33	22,26
Dividend per share, SEK	0,44	0,63	0,75	0,90	1,00
Direktavkastning %	2,3	1,7	1,2	1,0	1,3
The operation's cash flow per share, SEK	2,77	1,31	0,04	-1,52	4,30

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

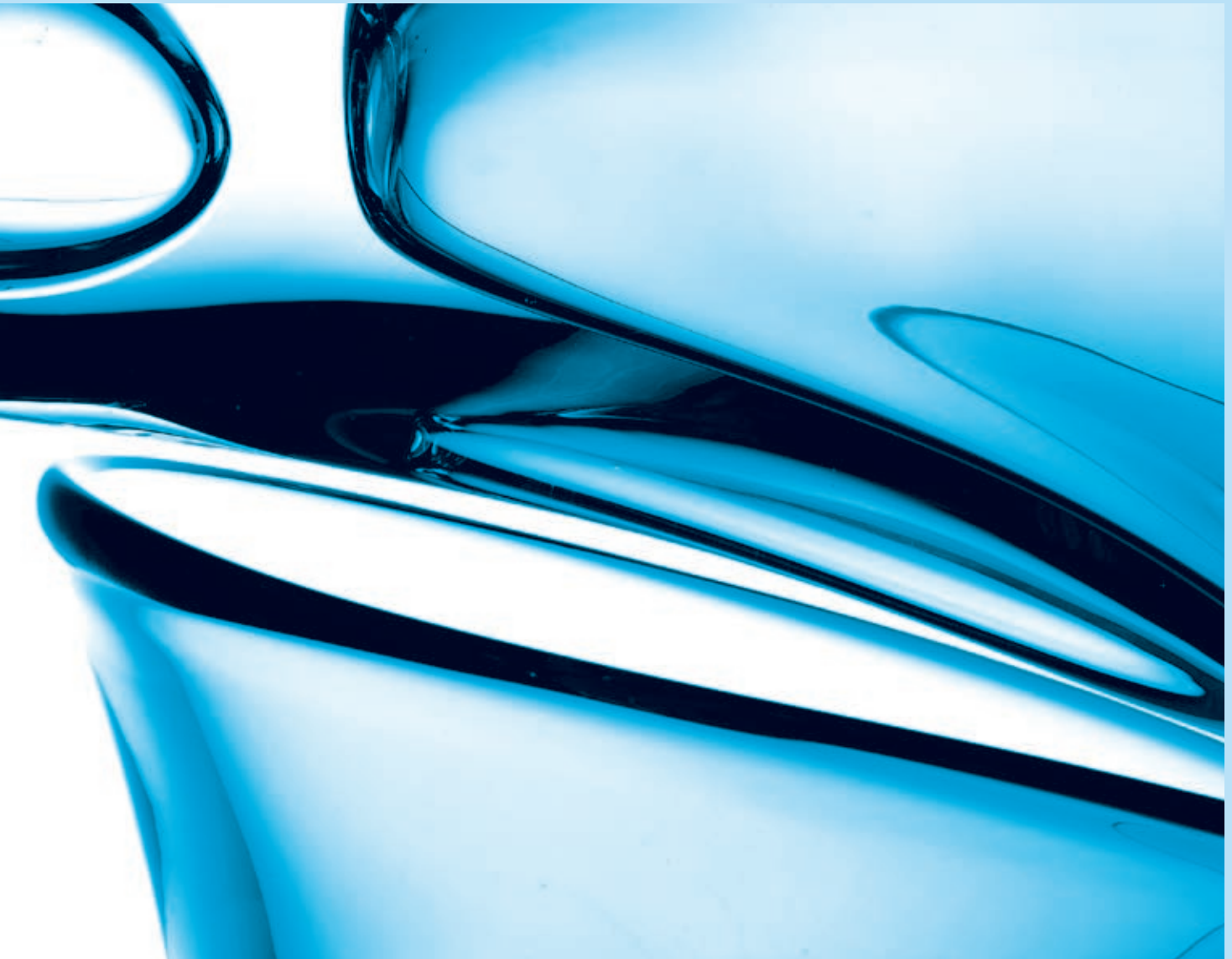
Balance Sheet total reduced by interest-free liabilities and interest-free provisions

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 2006-01-01–2006-12-31.

THE GROUP

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 61 % of the group's turnover and 75 % of the results. New Wave is established in 18 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 development has been strong, but the fourth quarter presented lower sales growth due to the mild winter and strong Swedish krona. New Wave is the market leader in the Nordic countries and the appreciated market share in Sweden within the corporate profiling business area exceeds 35 %. New Wave's growth mainly takes par in parts of Europe where the company's market share is smaller, but a strong concept makes a company grow regardless of the economic situation. During 2006 the growth has been biggest in Europe, cleared from acquired turnover that has mainly affected Sweden, the USA, Benelux and England.

GEOGRAFISK FÖRDELNING

COUNTRY	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
Sum	3 059	100%	2 302	757	33

The strong gross profit development comes from better purchasing, logistics as well as an altered mix of products, which means that the long-term gross profit goal can be increased from 45 % to 50 %.

Earlier years, New Wave has had a high rate of establishment and made several acquisitions, such as Orrefors Kosta Boda in 2005, which has had a negative effect on the cash flow. During 2006 earlier acquired units have been integrated into the Group and only a small number of new establishments have been made. This gave good cash flow despite a major warehouse establishment in Orrefors Kosta Boda and Kosta Linnewäveri.

SALES

During 2006, New Wave's sales increased by 15 % to SEK 3 531 (3 059) M. The acquired turnover amounted to SEK 245 M, which gave an organic growth of 7 %. Foreign currency changes affected our net turnover positively by SEK 21 M due to a stronger Swedish krona compared to the same time last year.

RESULTS

The profit after financial items increased by SEK 36.2 M to SEK 290.2 (254) M. Profit after tax improved by SEK 20.4 M to SEK 227.1 (206.7) M and profit per share to SEK 3.47 (3.22). Profit after net financial items was burdened by new establishments by SEK 41 M, including new operations at Orrefors Kosta Boda. Orrefors Kosta Boda and Intraco, which were acquired 1 June 2005 and 1 July 2006 respectively, burdened the comparable results after net financial items by SEK 21.3 M.

The gross margin increased compared to the preceding year and amounted to 47.9 (46.4) %.

The Group's external costs as part of turnover increased and amounted to 22.5 (21.4) %. Personnel costs decreased and amounted to 14.8 (15.1) % of the Group's turnover.

Depreciation has increased by SEK 8.6 M to SEK 40.1 (31.5) M. This impairment test was carried out as per 31/12-06 and no depreciation of goodwill has occurred during 2006.

Net financial items amounted to SEK -54.6 (-41.6) M for the period. The increase is due to increase of net debt and increased interest rates. The Group's policy is to have a short duration, which has a swift effect on the costs when the interest rate changes.

The tax-rate for New Wave was 21.7 %.

The operating margin was 9.8 (9.7) % and return on capital employed was 12.9 (13.0) %. The acquisition of the Orrefors Kosta Boda group has contributed to higher sales, but will burden the Group's margin until they reach the same profitability as the rest of the Group. The goal for the Orrefors Kosta Boda group is to reach an operating profit of 10 % in 2010 at the latest.

PURCHASING

New Wave has purchasing offices in Bangladesh, Vietnam and China. Major resources are currently being applied to strengthen the purchasing organisation so that a larger part of New Wave's purchases will take place at the offices. The number of suppliers will also be decreased from 700 to approximately 400, which will lead to larger purchasing volumes and make it possible to increase the long-term gross profit goal to 50 %. It also makes it easier to control production and quality.

GEOGRAPHICAL DISTRIBUTION AND SUBSIDIARIES

See the table below for growth in the different markets. The acquisition of Orrefors Kosta Boda and Intraco has mainly affected the sales in Sweden, the USA, Benelux, England and "other countries". This means that the increases in the rest of the countries are mainly organic. New Wave is the market leader in the Nordic countries, which means that the future growth will mainly come from the rest of Europe.

New Wave Italy presents continued strong growth as well as profitability, which is proof of the concept's success all over Europe.

Ever since the establishment in 2004, the Swiss subsidiary has had a continuously high growth-rate. Apart from the profiling area, Craft has been established. This has cost a lot of money, but the high growth-rate is expected to make the results improve during 2007.

New Wave Norway changed its location and computer system during 2005 and has regained its positive trend of a high level of service.

New Wave Denmark continues to grow within the profiling area and Craft. It has also started selling ProJob's work wear and DJ Frantexil's give-aways. All deliveries are made from Sweden.

Bad service levels during autumn/spring 2005/2006 have led to the weak increase in Spain. The service level is now corrected and the new management is currently working hard to get the clients' confidence back.

The new management in New Wave in France is currently focusing on the service level to build up the clients' confidence.

Magnus Vaenerberg, previous Nordic Manager for Villeroy & Boch, was appointed as CEO for Sagaform in the autumn of 2006. When New Wave acquired the Orrefors Kosta Boda group, Magnus Andersson, previous CEO for Sagaform, became CEO for the Orrefors Kosta Boda group. Since then there has only been temporary solutions until Vaenerberg joined the group this autumn. This means that the development in Sagaform has suffered owing to the development of the Orrefors Kosta Boda group. Vaenerberg has already created a team with competence to take Sagaform to the next level and focus is now on marketing and product development. Sagaform sells in several countries in Europe, but mainly in Norway, Germany, Finland, England and Sweden with approximately 60 % of the sales in retail and 40 % in profile.

NEW ESTABLISHMENTS

New Wave has launched and started several new establishments and most of these mean adding more of the existing trademarks and product assortments to already existing New Wave companies. It normally takes between 12–24 months before an establishment is profitable, depending on the market and organization.

Several of the Group's brands within promo wear, work wear and gifts are established in existing New Wave companies in Europe. New Wave has a high rate of establishment with several new start-ups during the last years. The goal is to implement most concepts where New Wave is established to achieve wide coverage and big market shares.

Outside Europe, a joint venture in Russia, in which New Wave holds 51 % of the shares and the management holds 49 %, and a wholly owned company in China have been established. New Wave in Russia is a small establishment in promo wear that is supplied with goods from Sweden. In China, Orrefors Kosta Boda has opened three small flagship stores in Shanghai, with a very positive start. Except glass, New Wave sells promo wear in China.

An assortment of textiles is launched under the trademark Kosta Linnewäfveri autumn 2006. An assortment of metal products for kitchen and presents will be launched under the trademark Orrefors Jernverk autumn 2007. Both concepts are under development and the cost for this is taken on a running basis.

Other establishments around Orrefors Kosta Boda, where New Wave is the only or the major share holder are OKB Restaurang AB, which runs the hotel and restaurant business in Kosta and Orrefors. Several outlets have also been established. A new hotel in Kosta with more than 100 beds is planned for the summer of 2008. The real estate of the hotel will be owned by a company with Lessebo as the majority owner and New Wave as the minority owner. It will contain a crystal bar designed by Kjell Engman. An outdoor stage will be built for audiences and conferences.

All establishments will be profitable on their own and meet New Wave's profit demands in the long term. Tourists are expected to visit the establishments during summer, while conferences will fill them during winter. Conference packages will be offered to companies via New Wave's retail network in Sweden and abroad.

The real estates are the largest investments. These will be owned by a company of which New Wave holds 49 % of the shares and the municipality is the majority owner.

CAPITAL TIED UP

During the period, capital tied up in goods has increased by SEK 52 M to SEK 1 519 (1 467) M, of which Orrefors Kosta Boda as a producing company increased by SEK 89 M to be able to raise the service level. Running longer series in production keeps the cost for permutations at a minimum level and increases the profitability, but increases the stock level. The increase in stock is ravishing to Orrefors Kosta Boda's standard assortment, such as the classic Intermezzo, that has been in the assortment in 25 years. Kosta Linnewäfveri, that was established this autumn, has built up a stock of SEK 25 M. Accounts receivable increased by SEK 36 M to SEK 745 (709) M.

INVESTMENTS, FINANCING AND LIQUIDITY

The Group's cash flow from operation amounted to SEK 281 (-97) M before investments and SEK 232 (-318) M after investments. New Wave's cash-affecting net investments amounted to SEK -49 (-220) M during January–December. Net debt decreased by SEK 173 M for the period January–December and amounted to SEK 1 316 (1 489) M. New Wave's credit limits were approximately SEK 2 400 M as of 31 December 2006.

PERSONNEL AND ORGANISATION

The number of employees as of 31 December 2006 amounted to 2 207 (1 714) persons, of which 40 % were female and 60 % were male. A total of 808 persons were employed within production units. The production owned by New Wave belongs to Orrefors Kosta Boda, Seger, Dahetra and Toppoint.

SHARE OPTIONS 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
1 500 000	Juni 2005	3	9,0	125	73,1

SUBSCRIPTION OPTIONS IN NEW WAVE GROUP AB (PUBL)

New Wave has one outstanding programme for subscription options. It expires in June 2008 and consists of 1 500 000 options with an exercise price of SEK 73,10, which was 25 % over the general rate at the subscription time. The options were subscribed in June 2005 with a price of SEK 9,00.

IMPORTANT EVENTS AFTER THE YEAR-END

The nomination committee suggests Torsten Jansson as a working chairman of the board and deputy president Göran Härstedt as the new president and CEO, starting on 11 May.

New Wave has on 13 April made a cash offer of USD 156,5 M to acquire Cutter & Buck Inc. Cutter & Buck is listed on NASDAQ in the USA and had a turnover of USD 131 M with a profit before tax of USD 9,8 M during the last fiscal year as per 30 april 2006. Cutter & Buck Inc. develops, designs and markets exclusive golf- and sportswear with the trademarks "Cutter & Buck", "ANNIKA" and "CBUG". The company primarily sells its products to the golf and sports retailing area, corporate profiling suppliers as well as international distributors and license-holders. The synergies of a possible acquisition will be within product development, purchasing and distribution.

RISK AND RISK CONTROL

Under note 19, the Group's risk handling and risk exposure are accounted for.

OTHER

An account for the Group's management and board work can be found under the headline Corporate Governance.

Proposed disposition of profits

At the annual meeting's disposal:

SEK Thousand	
Unrestricted reserves 2006-01-01.....	183 605
Group contribution	32 443
New issue	48 018
Dividend.....	-58 066
Year's result.....	89 378
Total distributable earnings.....	295 378

The board of directors proposes that SEK 229 034 T will be carried forward and that the dividend shall be SEK 1.00 (0.90) par share, totalling SEK 66 344 T. The board's goal is a dividend of 30 % of the Group's profit.

According to the above and other issues known to the board of directors, the proposed dividend is judged to be justifiable based on the demands created by the company's type, size and risks on the size of the company and its equity as well as the company's consolidation needs, liquidity and position.

The board of directors and the managing director hereby insure that as far as we know this annual report has been prepared according to good accounting principles for stock market companies, and that the given information agrees with actual conditions, and that nothing important has been left out. The annual and group report has been approved for issuing by the board on 23 April 2007.

Gothenburg on 23 April 2007



Håkan Thyle'n
Styrelseordförande

Maria Andark

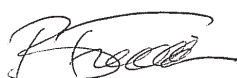


Håns Johansson



Torsten Jansson
Managing director

Our auditors' report has been given on 23 April 2007



Bjarne Fredriksson
Auktoriserad revisor, Ernst & Young



Bertel Enlund
Auktoriserad revisor, Ernst & Young

Income Statement – Group

1 January - 31 December

SEK Mkr	Note	2006	2005
Net sales	2	3 530,5	3 059,0
Merchandise		-1 839,6	-1 638,7
Gross profit		1 690,9	1 420,3
Other operating income	4	23,1	25,8
External expenses	6	-793,4	-653,9
Personnel costs	6	-522,2	-461,5
Depreciation of tangible and Intangible fixed assets	1	-40,1	-31,5
Other expenses		-13,6	-3,5
Result from related company		0,1	-0,1
Operating profit/loss		344,8	295,6
Interest income		9,4	6,9
Interest expenses		-64,0	-48,5
Finansnetto		-54,6	-41,6
Profit/loss before tax		290,2	254,0
Tax on net profit/loss for the year	9	-63,1	-47,3
Profit/loss for the year		227,1	206,7
Related to:			
Group shareholder's		225,7	203,0
Shareholders minority		1,4	3,7
		227,1	206,7
Profit per share			
before dilution (SEK kr)		3,47	3,22
after dilution (SEK kr)		3,46	3,17
Weighed number of shares before dilution		65 430 660	64 210 410
Weighed number of shares after dilution		65 681 234	65 306 999

Balance Sheet – Group

31 December

SEK Mkr	Note	2006	2005
ASSETS			
Intangible fixed assets	10	511,7	510,1
Tangible fixed asset	11	345,0	319,9
Shares in related companies	13	15,7	8,3
Longterm recivables	13	6,7	6,2
Deferred tax claims	13	83,4	81,3
Total fixed assets		962,5	925,8
Goods for resale	19	1 519,3	1 466,8
Tax recivables		35,0	41,8
Accounts recivables	19	745,2	708,5
Prepaid expenses and accrued income	14	45,2	52,1
Other recivables	7	58,1	53,6
Cash and bank		114,2	133,8
Total current assets		2 517,0	2 456,6
TOTAL ASSETS	22	3 479,5	3 382,4
SHAREHOLDER'S EQUITY AND LIABILITIES			
	16		
Shareholder's equity		199,0	193,6
Other capital provided		217,2	169,1
Reserves		-37,8	123,4
Profit brought forward, incl. profit for the year		922,3	648,0
Equity attributable to the Parent Company shareholders		1 300,7	1 134,1
Minority interest		10,0	9,9
Total shareholder's equity		1 310,7	1 144,0
LIABILITIES			
Long-term interest bearing liabilities	17, 20	1 373,5	1 540,3
Pension obligations		7,6	6,9
Other provisions		2,2	1,1
Deferred tax liabilities	13	99,9	96,4
Total long-term liabilities		1 483,2	1 644,7
Short-term interest bearing liabilities	17, 20	57,1	82,2
Accounts payable		192,7	198,6
Tax liabilities		50,3	35,1
Accrued expenses and prepaid income	18	176,8	189,6
Other liabilities		208,7	88,2
Total short-term liabilities		685,6	593,7
Total liabilities		2 168,8	2 238,4
TOTAL EQUATY AND LIABILITIES	22	3 479,5	3 382,4
Memorandum items			
Assets pledged	20	252,3	725,6
Guarantees	21	7,9	7,7

Consolidated Statement Of Changes In Equity

SEK M.	Sharecapital	Other contributed equity	Reserves	Retained earnings incl. profit/loss for the year	Total	Minority Interest	Total equity
Opening balance 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
Kassaflödessäkringar	-	-	-3,6	-	-3,6	-	-3,6
Equity change minority	-	-	-	-	-	-2,9	-2,9
Shifting of unrestricted and restricted shareholder's equity	-	-	52,4	-52,4	-	-	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

SEK M.	Sharecapital	Other contributed equity	Reserves	Retained earnings incl. profit/loss for the year	Total	Minority Interest	Total equity
Adjusted opening balance year 2006-01-01	193,6	169,1	123,4	648,0	1 134,1	9,9	1 144,0
Translation reserve, change for the year	-	-	-51,5	-	-51,5	-2,2	-53,7
Cash flow hedges	-	-	-3,0	-	-3,0	-	-3,0
Equity change minority	-	-	-	-	-	0,9	0,9
Shifting of unrestricted and restricted shareholder's equity	-	-	-106,7	106,7	0,0	-	0,0
Total change in net assets recognized directly in equity, excluding transactions with shareholders	0,0	0,0	-161,2	106,7	-54,5	-1,3	-55,8
Profit/loss for the year	-	-	-	225,7	225,7	1,4	227,1
Total change in net assets, excluding transactions in equity, excluding transactions with shareholders	0,0	0,0	0,0	225,7	225,7	1,4	227,1
Dividends	-	-	-	-58,1	-58,1	-	-58,1
New issue	5,4	48,1	-	-	53,5	-	53,5
Personal option premiums	-	-	-	0,0	0,0	-	0,0
Balance at year end 2006-12-31	199,0	217,2	-37,8	922,3	1 300,7	10,0	1 310,7
Translation reserve			2 006	2 005			
Translation reserve, balance brought forward			21,1	-2,8			
Translation reserve, change for the year			-53,7	23,9			
Balance at year end			-32,6	21,1			

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

* Reserver -37,8 Mkr avser dels omräkningsdifferenser -31,2 Mkr, dels omräkningdifferenser -31,2 Mkr och dels kassaflödessäkringar -6,6 Mkr per 31 december 2006. För år 2004 och 2005 ingick även bundna reserver i utländska dotterbolag i posten reserver. Dessa avser intjänade vinstmedel och redovisas därför bland balanserade vinstmedel 2006. Beloppet framgår ovan på raden omklassificering.

Cash Flow Analysis – Group

1 January - 31 December

SEK Mkr	2006	2005
Current operations		
Operating profit before financial items	344,8	295,6
Adjustment for non-cash items	41,8	17,9
Interest gained	9,4	6,9
Interest paid	-63,9	-48,5
Tax paid	-32,4	-53,7
Cash flow before change in working capital	299,7	218,2
Cash flow from changes in working capital		
Increase/decrease in inventories	-48,7	-244,7
Increase in short-term receivables	-27,0	-90,1
increase/decrease liabilities	57,3	19,2
Chase flow from operating	281,3	-97,4
Investing activities		
Acquisition of tangible assets	-41,9	-79,6
Sale of tangible assets	3,1	0,4
Acquisition of intangible assets	0	-8,9
Avyttring av immateriella anläggningstillgångar	3,3	0
Acquisition of subsidiaries ¹	-6,4	-88,3
Acquisition of financial assets	-7,4	-45,0
Sale of financial assets	0	1,2
Cash flow from investing activities	-49,3	-220,2
Kassaflöde efter investeringsverksamheten	232,0	-317,6
Financial activities		
New issue	53,5	44,0
Upptagna lån	0	365,2
Loan raised	-241,8	0
Divided paid	-58,1	-47,5
Cash flow from financial activities	-246,4	361,7
Cash flow for the year	-14,4	44,1
Liquid funds at the beginning of the year	133,8	84,1
Price difference in liquid funds	-5,2	5,6
Liquid funds at the end of the year	114,2	133,8
¹ The item consists of		
Goodwill	-4,9	-46,1
Trademark	-	-112,0
Working capital	-6,2	-192,2
Fixed assets	-0,1	-87,7
Loans taken over	4,8	361,8
Paid with non-cash issue	-	-12,1
Cash flow effect	-6,4	-88,3
Liquid funds		
Cash and bank	114,2	133,8

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

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

Comments on the Cash Flow Analysis

Cash flow before change in operating capital and investments 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	2006	2005
Net sales	3	83,4	76,3
Other operating income	4	0	0,7
Operating expenses			
Goods for resale		-1,1	-8,5
Other external expenses		-57,3	-42,0
Personnel costs	6	-17,1	-17,0
Depreciation of tangible and Intangible fixed assets	1	-1,2	-1,1
Other costs		0	0
Operating profit/loss		6,7	8,4
Profit/loss from financial investments		89,0	12,3
Other interest income		42,4	27,8
Other interest expenses		-38,4	-28,7
Net financial items		93,0	11,4
Profit/loss after financial items		99,7	19,8
Bokslutsdispositioner	8	-9,7	-10,4
Tax on net profit/loss for the year	9	-0,6	0,7
Profit/loss for the year		89,4	10,1

Balance Sheet- Parent company

31 December

SEK Mkr	Note	2 006	2 005
ASSETS			
Fixed assets			
Intangible fixed assets	10	3,5	4,4
Tangible fixed assets	11	1,0	0,7
Financial fixed assets			
Shares in Group companies	12	1 016,9	927,7
Shares in associated companies	13	15,7	8,3
Total financial fixed assets		1 032,6	936,0
Total fixed assets		1 037,1	941,1
Current assets			
Short-term receivables			
Accounts receivable		0,6	0,7
Receivables at Group companies		977,6	875,7
Other receivables		10,4	9,7
Prepaid expenses and accrued income	14	3,2	3,8
Total short-term receivables		991,8	889,9
Cash and bank		0,1	2,5
Total current assets		991,9	892,4
TOTAL ASSETS		2 029,0	1 833,5
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
<i>Restricted shareholders' equity</i>			
Share capital	16	199,1	193,6
Restricted reserves		249,4	249,4
		448,5	443,0
<i>Unrestricted shareholders' equity</i>			
Balanserad vinst		157,9	173,5
Överkursfond		48,0	-
Profit/loss for the year		89,4	10,1
		295,4	183,6
Total shareholders' equity		743,8	626,6
Untaxed reserves	15	52,3	42,6
Long-term liabilities			
Overdraft facilities	17	903,5	1 008,3
Other liabilities		0,0	17,1
Total long-term liabilities		903,5	1 025,4
Short-term liabilities			
Accounts payable		8,5	18,3
Liabilities to Group companies		277,7	105,6
Tax liabilities		7,4	3,1
Other liabilities		29,9	7,3
Accrued expenses and prepaid income	18	5,9	4,6
Total short-term liabilities		329,4	138,9
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		2 029,0	1 833,5
Memorandum items			
Assets pledged	20	8,2	8,2
Guarantees	21	223,0	220,1

Parents Company Statement Of Changes In Equity

SEK Mkr	Share capital	Statutory Reserve	Unrestricted equity	Överkursfond	Årets resultat	Totally equity
Opening balance 2005-01-01	189,3	209,7	153,8	0,0	36,9	589,7
Överföring	-	-	36,9	-	-36,9	-
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	30,3	0,0	10,1	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	173,5	0,0	10,1	626,6

Koncernbidrag SEK 30,3 Mkr avser erhållet koncernbidrag om SEK 41,9 Mkr med beräknad skatteeffekt på SEK -11,6 Mkr hänförligt till koncernbidraget

SEK Mkr	Share capital	Statutory Reserve	Unrestricted equity	Överkursfond	Årets resultat	Totally equity
Opening balance 2006-01-01	193,6	249,4	173,5	0,0	10,1	626,6
Överföring	-	-	10,1	-	-10,1	-
Group contribution	-	-	32,4	-	-	32,4
Profit/loss for the year	-	-	-	-	89,4	89,4
Total change in net assets excluding transactions with shareholders	0,0	0,0	32,4	0,0	89,4	121,8
Dividend	-	-	-58,1	-	-	-58,1
New issue	5,5	-	-	48,0	-	53,5
Balance at year end 2006-12-31	199,1	249,4	157,9	48,0	89,4	743,8

Group contribution of SEK 32,4 m. concerns recieved Group contribution of SEK 45,0 Mkr med beräknad skatteeffekt på SEK -12,6 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	2006	2005
Current operations		
Operating profit before financial items	6,7	8,4
Adjustments for non-cash items	3,5	1,1
Erhållen utdelning	112,2	12,3
Interest gained	42,4	27,8
Interest paid	-38,4	-28,7
Tax paid	-8,9	-13,3
Cash flow before change in working capital	117,5	7,6
Cash flow from change in working capital		
Increase in short-term receivables	-101,9	-372,5
Decrease/increase on short-term liabilities	186,1	-50,4
Cash flow from operating activities	201,7	-415,3
Investing activities		
Issued shareholder contributions to subsidiaries	-12,5	-51,7
Aquisition of tangible assets	-0,6	-0,2
Aquisition of intangible assets	-0,1	-1,3
Aquisition of subsidiaries	-109,3	-130,0
Cash flow from investing activities	-122,5	-183,2
Financial activities		
New issue	53,5	44,0
Loan raised	0	562,6
Dividend paid	-121,9	0
Utbetald utdelning till moderbolagets aktieägare	-58,1	-47,5
Received/paid Group contribution	45,1	41,9
Cash flow from financial activities	-81,4	601,0
Cash flow for the year	-2,2	2,5
Liquid funds at the beginning of the year	2,5	0,0
Liquid funds at the end of the year	0,3	2,5

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 only of the demands of reporting. The new IFRS standards 7 and 8 as well as IFRIC 7-11 are not expected to affect New Wave's income statement or position.

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 as products regularly are replaced and the length of life is hard to anticipate .

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.

Primary segments – product areas

MSEK	Net Sale		Operating EBITDA		Assets		Investments		Depreciation	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Corporate profiling	2 146	1 976	288	247	2 116	1 791	-49	-153	-24	-20
Retailing	1 385	1 083	97	80	1 364	1 591	-32	-125	-16	-12
	3 531	3 059	385	327	3 480	3 382	-81	-278	-40	-32

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 Sale		Assets		Net investments	
	2006	2005	2006	2005	2006	2005
Benelux	369	336	627	583	-3	-97
Denmark	133	119	76	71	0	-4
England	102	82	65	38	-4	0
Finland	207	192	56	66	-2	-1
France	87	85	14	16	0	-1
Italy	210	181	161	161	0	-9
Norway	296	257	128	144	1	-3
Switzerland	102	85	292	233	1	-9
Spain	102	99	60	79	0	-1
Sweden	1 388	1 188	1 617	1 644	-68	-121
Germany	246	223	70	67	-3	-12
USA	167	116	166	137	-1	0
Other	122	96	148	144	-2	-20
Summa	3 531	3 059	3 480	3 382	-81	-278

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	2006	2005
Exchange profits		4,8	13,1
Other		18,3	12,7
		23,1	25,8
Parent company	MSEK	2006	2005
Other		0,0	0,7
		0,0	0,7

NOTE 5 AVERAGE NUMBER OF EMPLOYEES

	2006		2005				
	Number of employees	Of which are men	Number of anställda	Of which are men			
Parent company							
Kungälv	33	17	28	17			
Parent company total	33	17	28	17			
Subsidiaries in Sweden							
Borås	116	69	126	62			
Kungälv	29	20	29	19			
Munkedal	90	58	90	53			
Orrefors Kosta	695	468	404	274			
Stockholm	74	48	70	45			
Ulricehamn	105	55	99	51			
Örebro	15	7	17	8			
Subsidiaries in Sweden total	1124	725	835	512			
Subsidiaries outside Sweden							
Bangladesh	25	4	29	25			
Belgium	35	20	39	22			
Denmark	170	81	121	47			
England	19	11	11	9			
Finland	32	21	29	21			
France	21	12	24	14			
Holland	202	121	226	28			
Hong Kong	13	5	0	0			
Ireland	3	1	4	3			
Italy	53	31	44	26			
Japan	4	0	0	0			
China	163	84	111	47			
Norway	55	30	48	31			
Poland	33	17	0	0			
Russia	19	8	0	0			
Switzerland	37	25	34	23			
Spain	43	26	38	24			
Germany	56	24	41	29			
Turky	0	0	5	2			
USA	38	11	22	7			
Vietnam	10	9	17	7			
Wales	8	4	8	5			
Austria	11	9	0	0			
Subsidiaries outside Sweden total	1050	554	851	370			
Group total	2207	1296	1714	899			
Men and women in management positions							
Group	Women 2006	Men 2006	Totalt 2006	Women 2005	Men 2005	Totalt 2005	
Board	1	3	4	0	4	4	
Group management	0	7	7	0	7	7	
Total	1	10	11	0	11	11	

Sick leave

Parent company

The total sick leave 1 januari - 31 December in the parent company was 3,7 (4,2) % women 7,6 (10,6), men 0,1 (0,4)%

NOTE 6 WAGES AND SALARIES, OTHER REMUNERATION AND SOCIAL COSTS

MSEK	2006			2005		
	Wages , salaries and other remunerations	Social costs	Of which pension costs	Wages , salaries and other remunerations	Sociala kostnader	Of which pension costs
Parent company	8,6	4,0	1,2	8,8	5,1	1,2
Subsidiaries in Sweden	150,1	59,9	9,1	153,2	61,9	9,9
Subsidiaries outside Sweden	210,4	38,0	5,9	152,9	28,8	8,0
Group totalt	369,1	101,9	16,2	314,9	95,8	19,1

Of the parent company's pension costs 0,6 (0,2) MSEK to the board and the managing director.

Of the Group's pension costs 2,0 (2,6) MSEK to the board and managing director.

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

MSEK	2006			2005		
	Styrelse och VD	Varav tantiem o d	Övriga anställda	Styrelse och VD	Varav tantiem o d	Övriga anställda
Parent company	1,2	0	7,4	1,1	0	7,7
Subsidiaries in Sweden	10,8	0	140,4	11,0	0	142,2
Subsidiaries outside Sweden						
Belgium	1,2	0	15,2	0,7	0	15,9
Denmark	2,2	0,1	29,7	4,2	0,1	8,4
England	1,4	0	2,5	1,0	0	2,4
Finland	0,8	0	9,7	0,8	0	8,9
France	0,5	0	2,5	0,3	0	2,0
Holland	3,5	0	54,4	2,5	0	29,8
Ireland	0,5	0	0,6	0,5	0	0,1
Italy	8,0	3,4	13,3	6,1	2,6	5,0
China	0	0	8,4	0,5	0	6,3
Russia	0,8	0	1,9	0,4	0	0,1
Norway	1,7	0	19,7	1,8	0	17,6
Switzerland	0,2	0	2,9	2,0	0	14,2
Spain	0,9	0	6,0	0,6	0	4,3
Germany	1,4	0,5	15,0	2,3	0,9	13,6
Wales	0,5	0	1,4	0,3	0	0,3
Austria	0	0	2,5	0	0	0
Totalt subsidiaries outside Sweden	23,6	4,0	185,7	24,0	3,6	128,9
Group totalt	35,6	4,0	333,5	36,1	3,6	278,8

* Tantiemen är resultatbaserad och avräknas årligen utan framtida åtaganden

Remuneration for the board

external members of the parent company

of which for the chairman of the board

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.

Anställningsvillkor för VD

Ersättning till verkställande direktören utgörs av fast lön. Inget styrelsearvode eller andra ersättningar såsom bonus utgår till verkställande direktören. Till pensionsförsäkring åt VD avsätts varje år 35 procent av bruttolönen. Pensionen är avgiftsbestämd och utfaller vid 65 år ålder. För verkställande direktören gäller en ömsesidig uppsägningstid om 3 månader, inga avgångsvederlag.

Anställningsvillkor för andra ledande befattningshavare

Med andra ledande befattningshavare avses de 6 som tillsammans med verkställande direktören utgör koncernledningen. För koncernledningens sammansättning se nästa sista sidan. Ersättning andra ledande befattningshavare utgörs av fast lön samt i ett fall tantiem. Inget styrelsearvode utgår. För övriga ledande befattningshavare föreligger marknadsmässiga avgiftsbestämda pensionsavtal. För övriga ledande befattningshavare gäller en ömsesidig uppsägningstid mellan 3 - 6 månader och inga avgångsvederlag.

Beslutsprocess

Det finns ingen särskilt utsedd ersättningskommitté för hantering av löneläge, pensionsförmåner, incitamentsfrågor och andra anställningsvillkor för verkställande direktören och koncernens övriga ledande befattningshavare, utan behandlas av styrelsen i helhet. Ledande befattningshavares lön sätts av VD efter samråd med styrelsens ordförande. Styrelsens arvode beslutas av årsstämman.

MSEK	2006			2005		
	Wages , salaries and other remunerations	Of which tantième etc.	Pension costs	Wages , salaries and other remunerations	Of which tantième etc.	Pension costs
President	0,7	0	0,2	0,7	0	0,2
Chairman of the board	0,2	0	0	0,2	0	0
Other employees in leading positions*	9,9	3,4	0,1	6,0	2,6	0,1
Total	10,8	3,4	0,3	6,9	2,6	0,3

*Personerna framgår av redovisning sid 97

Teckningsoptioner	2006	2005
	Quantity	Quantity
Chairman of the board	0	0
Other members of the board	0	0
President	91000	236 982
Other employees in leading positions	140 000	471 146
Total	231 000	708 128

Of outstanding subscription options for the president 91 000 st concern those that run from June 2005 till to June 30th Juni 2008 with a ransom price of 73,10 kr. The options were acquired at market prices, which at the time for the issue was 9,00 per option respectively. The options are not noted. Closing price per share as at 31 December was SEK 77.25.

Ersättning till revisorer och revisionsbolag

MSEK	2006	2005
Group		
Audit tasks		
Ernst & Young	3,0	2,4
KPMG	0,3	0,8
Other	0,8	0,2
Consult cost		
Ernst & Young	1,0	1,1
KPMG	0	0,4
Other	0,1	0,1
Total	5,2	5,0
Parent company	2006	2005
Audit tasks		
Ernst & Young	0,4	0,4
Consult cost		
Ernst & Young	0	0,1
Total	0,4	0,5

NOT 7 EMISSION ALLOWANCES

The value of emission allowances form part of other receivables.

GROUP

MSEK	2006	2005
Value at the year's beginning	2,3	-
Emission allowances received	0	2,3
Årets avräkning	-1,1	-
Planned residual value	1,2	2,3

Emission allowances

Vid värdering av utsläppsrätter har marknadspris den 1 januari 2005 använts. Avräkning avseende 2006 års utsläpp kommer att göras under maj 2007.

NOT 8 APPROPRIATIONS

Parent company

MSEK	2006	2005
Difference between ledger depreciation and depreciation according to plan	-1,2	-0,1
Tax allocations reserve	-8,5	-10,3
	-9,7	-10,4

NOT 9 TAX ON NET PROFIT/LOSS FOR THE YEAR

Group

MSEK	2006	2005
Current tax	-63,2	-55,0
Tax assignable to preceding years	8,1	-2,5
Deferred tax	-8,0	10,2
Total	-63,1	-47,3

Parent company

MKR	2006	2005
Current tax	-13,2	-11,0
Tax assignable to preceding years	0	0,1
Tax on received/paid Group contributions	12,6	11,6
Total	-0,6	0,7

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

Group

Percent	2006	2005
Swedish income tax rate	28,0	28,0
Tax on deduction for los *	-4,6	-9,6
Effect from foreign tax rates	1,0	1,7
Effekt ändrad skatt tidigare år	-2,8	1,0
Permanent differences	0,2	-0,5
Tax rate according to the income statement	21,8	20,6

* Andelsprocenten påverkas av temporära resultatmässiga underskott i utländska bolag för vilka en uppsjuten skattefordran ej uppbokats

Parent company

Procent	2006	2005
Swedish income tax rate	28,0	28,0
Ej skattmässiga utdelningar dotterbolag	-27,7	-36,4
Ej avdragsgilla kostnader	0,3	1,0
Tax rate according to the income statement	0,6	-7,4

Group MSEK	Goodwill		Trademarks		Computerprogrammes	
	2006	2005	2006	2005	2006	2005
Accumulated acquisition value						
Acquisition value brought forward	423,4	377,7	144,7	34,0	19,4	18,1
Acquisitions value as part of acquisitions	3,3	33,0	0	110,0	1,6	0
Purchases	5,2	9,2	0	0	0	3,6
Upparbetat i egen regi	0	0	0	0,5	0	0
Sales/discarding	0	0	0	0	0	-2,3
Exchange differences	-4,7	3,5	0	0,2	0	0,0
Accumulated acquisition values	427,2	423,4	144,7	144,7	21,0	19,4
Accumulated depreciatum value						
Depreciations brought forward	-51,6	-51,6	-10,4	-9,1	-15,3	-15,4
Sales/discarding	0	0	0	0	0	2,2
Depreciations during the year	0	0	-1,3	-1,3	-2,6	-2,1
Accumulated depreciations	-51,6	-51,6	-11,7	-10,4	-17,9	-15,3
Carrying amount at year-end	375,6	371,8	133,0	134,3	3,1	4,1
Kvarvarande avskrivningstid	-	-	*	*	3 år	3 år

* Varumärken med restvärde 8,3 (9,6) Mkr har en genomsnittlig kvarvarande avskrivningstid om 6,4 (7,4) år. Resterande andel prövas genom årlig Impairment test.

Parent company MSEK	Goodwill		Trademarks		Computerprogrammes	
	2006	2005	2006	2005	2006	2005
Accumulated depreciatum value						
Acquisitions value as part of acquisitions	-	-	8,1	8,1	4,3	3,0
Purchases	-	-	0	0	0	1,3
Accumulated acquisition value	0	0	8,1	8,1	4,3	4,3
Accumulated acquisition value						
Acquisitions value as part of acquisitions	-	-	-5,1	-4,7	-2,9	-2,7
Depreciation during the year	-	-	-0,4	-0,4	-0,5	-0,2
Accumulated depreciations	0	0	-5,5	-5,1	-3,4	-2,9
Carrying amount at year end	0	0	2,6	3,0	0,9	1,4

Test of write-down requirement.

Goodwill

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	2006	2005
Corporate profiling	274,9	225,4
Retail	100,7	100,7
Total	375,6	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%, and a perpetual growth of 3 %. 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 2006 has shown that no write-down is required.

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

Important variables/Method for accessing 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.

Group

	Real estate		Equipment, tools and installations	
	2006	2005	2006	2005
MSEK				
Accumulated acquisition value				
Acquisition value brought forward	257,4	173,3	266,9	218,4
Acquisition value as part of acquisition	0	38,4	0,1	41,1
New acquisitions	10,5	45,7	68,6	18,4
Sales/discarding	0	0	-14,3	-11,0
Accumulated acquisition value	267,9	257,4	321,3	266,9
Accumulated depreciation according to plan				
Acquisitions value as part of acquisitions	-39,6	-30,8	-164,8	-144,4
Sales/discarding	0	0	14,3	11,0
Depreciations as part of acquisitions	0	-1,6	0	-5,0
Depreciations as part of production costs/goods	-2,6	-0,5	-15,4	-5,1
Depreciations during the year	-7,2	-6,7	-29,0	-21,3
Accumulated depreciations	-49,4	-39,6	-194,9	-164,8
Book value at year end	218,5	217,8	126,4	102,1
Off the above accounted value, land value amount to:	23,8	16,0		
Book value Swedish land and buildings	98,6	91,2		
Taxation value for swedish real estates				
Buildings	63,1	45,9		
Land	8,9	10,2		

Parent company

	Real estate		Equipment, tools and installations	
	2006	2005	2006	2005
MSEK				
Acquisition value as part of acquisitions				
Acquisitions value as part of acquisitions	-	-	4,4	4,2
New acquisitions	-	-	0,6	0,2
Accumulated acquisition value	0,0	0,0	5,0	4,4
Accumulated depreciation according to plan				
Acquisitions value as part of acquisitions	-	-	-3,7	-3,2
Depreciations during the year	-	-	-0,3	-0,5
Accumulated depreciations	0,0	0,0	-4,0	-3,7
Book value at year end	0,0	0,0	1,0	0,7

Leasing fees concerning operational leasing

Koncernen har operationella leasingavtal avseende hyra av lokaler av lokaler och affärssystem. Det framtida åtagandet beträffande dessa avtal framgår av följande sammanställning:

	Group		Parent co.			Group		Parent co.	
	2006		2006			2005		2005	
	lokaler	affärssystem	lokaler	affärssystem	lokaler	affärssystem	lokaler	affärssystem	
2007	57,4	4,4	6,6	4,4	2006	60,5	3,5	6,6	3,5
2008	54,4	4,4	6,6	4,4	2007	45,8	3,5	6,6	3,5
2009	40,2	4,4	3,9	4,4	2008	35,1	3,5	3,9	3,5
2010	34,6	4,4	0	4,4	2009	26,6	3,5	0	3,5
2011 incl.	85,0	4,4	0	4,4	2010 incl.	57,0	3,5	0	3,5
costs up to and incl. the end of the contract					costs up to and incl. the end of the contract				
The rental costs amounted to		67,9	4,4	6,0	4,4	66,8	3,5	6,0	

Group	2006	2005
MSEK		
Accumulated acquisition value		
Acquisition value brought forward	927,7	746,0
New acquisitions	112,2	181,7
Accumulated acquisition value	1 039,9	927,7

Ackumulerade försäljningar och nedskrivningar		
Ingående försäljningar och nedskrivningar	0	0
Nedskrivningar	-23,0	0
Accumulated depreciations	-23,0	0

Book value at year end	1 016,9	927,7
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Koncernföretagsförteckning	Capital %	Voting rights %	Number of shares	Ledger value
CJSC New Wave Group	51	51	-	399
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	46 104
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	40 000	28 895
Jobman Workwear AB	100	100	10 000	163 327
Jobman Workwear Ltd	100	100	50 000	46 940
Kosta-Förlaget AB	80	80	400	400
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 Group 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	100	100	1 000	100
New Wave Group International Trading Ltd	100	100	-	1 545
New Wave Group SA ⁷	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	10 193
New Wave Sportswear S.A.	100	100	1 000	14 597
NW Textile Garment Trader AB	100	100	50 000	500
OKB Restaurang AB	100	100	10 000	10 000
Orrefors Event AB	100	100	100	100
Orrefors Kosta Boda Holding AB ⁸	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 ⁹	100	100	1 000	75 605
Segeur Europé AB	100	100	10 000	34 599
Segeur 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 France SAS	96	96	47 798	10 364
Texet Norge A/S	100	100	550	699
Toppoint Nederland BV ¹⁰	100	100	13 614	85 387
United Brands of Scandinavia Ltd, Ireland	100	100	-	1 036
United Brands of Scandinavia Ltd, Wales	100	100	-	13 765
X-Tend BV	100	100	100 000	15 673
Total				1 016 863

- 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 Textet Benelux BV together with Textet France SAS and Textet 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, Intraco Trading BV and 55% av DeskTop Ideas Ltd.
- 7 New Wave Group SA own 51 % of Craft Suisse SA and 100 % of New Wave Group Licensing SA..
- 8 Orrefors Holding AB own Orrefors Kosta Boda AB that owns Galleri Orrefors Kosta Boda, Glasma AB, Orrefors Kosta Boda Leasing AB, Orrefors Kosta Boda Inc and SEA Glasbruk AB.
- 9 Sagaform Försäljnings AB own bolaget Sagform AB that owns Sagaform A/S, Sagaform APS, Sagaform GmbH (Tyskland och Österike), Sagaform Oy, Sagaform Inc, Sagaform Ltd. Sagaform SAS and NGA Land AB
- 10 Toppoint Nederland BV own bolaget Lensen Beheer BV that owns Breplast Kunststoffspritz GmbH, Lensen Toppoint BV, Merlineex Pen BV, Toppoint Deutschland GmbH, Topline Keramik BV, Totemco BV, Newpoint SPz.oo. and 80 % of Toppoint Polska SPz.oo.

Information about subsidiaries' corporate identity and domicile:

	Corporate identity number	Domicile
Breplast Kunststoffspitz GmbH	HR B 553	Brensbach, 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
Desk Top Ideas Ltd	718094721	Oxfordshir, England
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
Newpoint SPz.oo	270348	Zielona Góra, Polen
New Wave Austria GmbH	FN272531g	Eli, Österike
New Wave Danmark A/S	19950700	Köpenhamn, Danmark
New Wave Group 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
OKB Restaurang AB	556697-8804	Orrefors
Orrefors Event AB	556699-2565	Orrefors
Orrefors Kosta Boda AB	556037-0461	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
Svensk Form i Kosta AB	556686-5811	Hovmantorp
Textet AB	556354-3015	Stockholm
Textet Benelux BV	BE 404.998.655	Aarschot, Belgien
Textet Deutschland GmbH	24/430/01304	Oberaudorf, Tyskland
Textet Franc SAS	305035693	Natterre Cedex, Frankrike
Textet Harvest Spain SL	A 78480696	Madrid, Spanien
Textet Norge A/S	977037166	Oslo, Norge
Topline Keramiek BV	8073764	Hoogeveen, Holland
Toppoint Deutschland GmbH	HR B 1986	Nordhorn, Tyskland
Toppoint Nederland BV	5061847	Hardenberg, Holland
Toppoint Polska SPZ.OO	220828	Zielona Góra, Polen
Totemco Bv	34057022	Amsterdam, Holland
United Brands of Scandinavia Ltd	403479	Dublin, Ileland
United Brands of Scandinavia Ltd	5480650	Hirwaun, South Wales
X-Tend BV	8108654	Zwolle, Holland

NOTE 13 FINANCIAL FIXED ASSETS

Shares in related companies

Group	Corporate identity number	Domicile	Share capital,%	Vote share,%	Number of shares	2006 Book value	2005 Book value
MSEK							
Dingle Industrilokaler AB	556594-6570	Munkedal	49	49	83,055	7,9	7,9
Kosta Köpmanshus AB	556691-7042	Kosta	49	49	7350	7,4	-
Pensionat Orrefors	556697-6790	Orrefors	49	49	49	0,0	-
Other			-	-	-	0,4	0,4
Total			-	-	-	15,7	8,3

Bolagens egna kapital uppgick per 2006-12-31 till Mkr enligt följande:

	2006	2005
Dingle Industrilokaler AB	16,3	16,2
Kosta Köpmanshus AB	15,1	0
Pensionat Orrefors	0,1	0

Intrassebolagens bokförda anskaffningskostnad

Group	2006	2005
MSEK		
Dingle Industrilokaler AB	8,3	8,3
Kosta Köpmanshus AB	7,4	0
Pensionat Orrefors	0	0
	15,7	8,3

Other long-term receivables

Long-term receivable Alecta	0,0	0,1
Loans against security	0,7	0,9
Dispositions	3,8	4,1
Other long-term receivables	2,2	1,1
Total	6,7	6,2

Uppskjutna skattefordringar och avsättningar för uppskjutna skatteskulder, koncern

Uppskjutna skattefordringar och skulder i koncernen hänförs till:

MSEK	2006		2005	
	Tillgångar	Skulder	Tillgångar	Skulder
Inventories and valuation receivable	51,5	-	53,3	-
Deduction of loss	31,9	-	28,0	-
Trademarks	-	31,4	-	31,4
Tax allocation reserves and over-depreciation	-	68,5	-	65,0
Deferred tax claims and liabilities	83,4	99,9	81,3	96,4

Deduction of loss

At year-end the Group's total tax deduction of loss was 170,2 (129,5) Mkr corresponding to deferred tax claims of 57,0 (41,5) Mkr.

Of which 31,9 (28,0) 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.

Deferred tax claims duration:

2007	0,0
2008	0,0
2009	0,0
2010	0,0
2011	0,0
Unlimited	31,9
Total	31,9

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

2007	2,5
2008	11,4
2009	11,9
2010	8,4
2011	4,8
2012	7,7
Unlimited	19,3
Total Sweden	66,0

Other	2007	2,5
Total		68,5

NOTE 14 PREPAID EXPENSES AND ACCRUED INCOME

Group		
MSEK	2006	2005
Insurance	2,5	3,8
Prepaid rent	7,4	12,0
Leasing	2,1	2,7
Costs for fair	7,1	7,8
Prepaid delivery of goods	8,9	8,9
Interest	1,4	0
Tool and model costs	0,3	2,2
Computer costs	0,7	0,1
Other items	14,8	14,6
Total	45,2	52,1
Parent company		
MSEK	2 006	2 005
Leasing	1,2	1,9
Prepaid credit charge	1,2	1,5
Other items	0,8	0,4
Total	3,2	3,8

NOTE 15 UNTAXED RESERVES

MSEK		
Parent company	2006	2005
Difference between book depreciation and depreciation according to plan	3,1	2,0
Tax allocation reserve 01	-	7,2
Tax allocation reserve 03	9,6	9,6
Tax allocation reserve 04	7,0	7,0
Tax allocation reserve 05	3,5	3,5
Tax allocation reserve 06	13,3	13,3
Tax allocation reserve 07	15,8	-
Total	52,3	42,6

Tax for untaxed reserves amounts to SEK 14,6 (11,9) Mkr.

NOTE 16 SHAREHOLDERS EQUITY

Distribution for share capital

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

Proportion, % of		Numbers of shares	Number of votes	Capital	Votes
Share class					
A	10 röst	21 297 680	212 976 800	32,1	82,5
B	1 röst	45 045 863	45 045 863	67,9	17,5
		66 343 543	258 022 663	100,0	100,0

NOTE 17 CREDITLIMITS

Group

Approved amount pertaining to loans and credit facilities totalled 2,400 (2,200) Mkr.

Parent company

Approved amount pertaining to loans and credit facilities totalled 2,300 (2,100) 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	2006	2005
Pre-invoiced income	1,4	4,7
Payroll and payroll fees	73,9	86,6
Market costs	3,5	4,2
Commission	9,2	5,2
Audit	2,9	2,7
Interest	3,0	7,7
Goods deliveries	12,7	18,1
Licence costs	0	1,7
Environmental reserve	12,1	10,0
Other items	58,1	48,7
Total	176,8	189,6

Parent company

MSEK	2006	2005
Holiday pay debt	2,7	2,5
Social fees	0,8	0,3
Audit	0,1	0,1
Interest	2,0	1,4
Other items	0,3	0,4
Total	5,9	4,6

NOTE 19 FINANCIAL RISKS

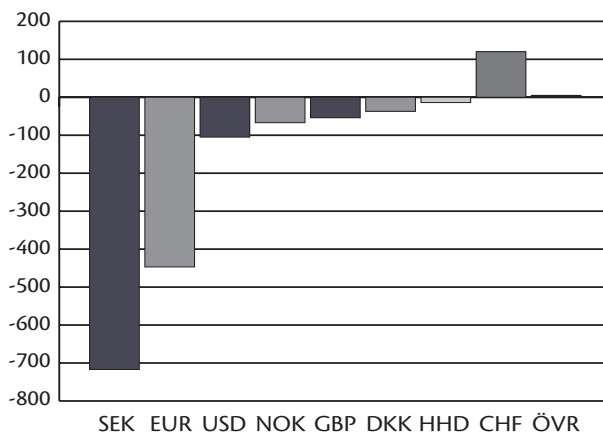
New Wave with its international operations is continually exposed to different financial risks. These financial risks are currency exposure, borrowings and interest exposure, as well as liquidity and credit exposure. The group has a financial policy for dealing with financial risks in order to minimize 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 autumn. 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

Currency	Hedged volume 31/12-06 mkr	Unrealized rprofil/loss	Number of hedged months
EUR	14,8	-0,2	< 6
USD	46,7	-1,7	< 6
USD	25,4	-1,1	6 > 12
NOK	-1,5	0,0	< 6
SEK	-85,4	-	-
	0	-3,0	

he 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.

	JAN - DEC 2006	Average rate 2006	Average rate 2005	Effect of the currency in tkr mkr
COUNTRY				
Sweden	1 388	1,00	1,00	0
Benelux	369	9,26	9,31	-2,1
Norway	296	1,15	1,16	-2,7
Germany	246	9,26	9,31	-1,4
Italy	210	9,26	9,31	-1,1
Finland	207	9,26	9,31	-1,2
USA	167	7,35	7,53	-2,9
Denmark	133	1,24	1,25	-0,8
Switzerland	102	5,87	6,01	-2,1
England	102	12,69	13,61	-5,9
Spain	102	9,26	9,31	-0,6
France	87	9,26	9,31	-0,5
Other countries	122	1,00	1,00	0,0
Total	3 531			-21,3

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 approximately SEK 50 million for 2006. Equity hedging is not used for this risk.

Kreditrisk

Risken att koncernens kunder ej uppfyller sina åtaganden, dvs att New Wave ej får betalt för sina kundfordringar utgör en kreditrisk. New Wave har centralt utfärdat direktiv och utifrån dessa har varje bolag utarbetat skriftliga rutiner för kreditkontroll. Information från externa kreditupplysningsföretag är ett steg i processen. Kreditrisken i profilmärknaden är lägre, eftersom återförsäljarna, som är New Waves kunder, köper på redan lagda order från slutkund. Återförsäljarna är relativt små och antalet stort. Bara i Sverige har New Wave över 2,000 kunder och inte hos någon enskild kund eller kundgrupp finns det någon betydande kundkreditrisk. New Wave har per årsskiftet försäkrat sina kundfordringar i de spanska och italienska bolagen. Under 2006

uppgick de konstaterade kundförlusterna inom profil till 0,19 % av omsättningen. Inom affärsområde Detaljhandel sker försäljningen till utvalda återförsäljare och kreditförlusterna är låga, dock är det högre koncentration till ett färre antal kunder jämfört med profilmarkanden. Under 2006 uppgick de konstaterade kundförlusterna inom affärsområde detaljhandel till 0,19 % av omsättningen.

OTHER RISKS

Purchasing market

New Wave's purchases occur mainly in Asia and Europe, of which approx 32 % in China, approx. 21 % in Bangladesh, 11 % in Europe and 7 % in Sweden. Political and economical changes in China and Bangladesh, among others, can therefore affect New Wave. By being prepared and able to make purchases in both Asia and Europe, New Wave limits the economic risk that a company otherwise takes when purchasing from only one country.

Strong growth

The continued expansion that New Wave plans entails higher demands on management and personnel. Errors in recruiting, organizational problems, key personnel who quit etc, can delay development. It is of vital importance for the rate of expansion that result development keeps the same pace, which could mean an

uneven growth. New Wave invests in internal management education, mentorship and yearly management meetings to guarantee future management and to spread New Wave's values.

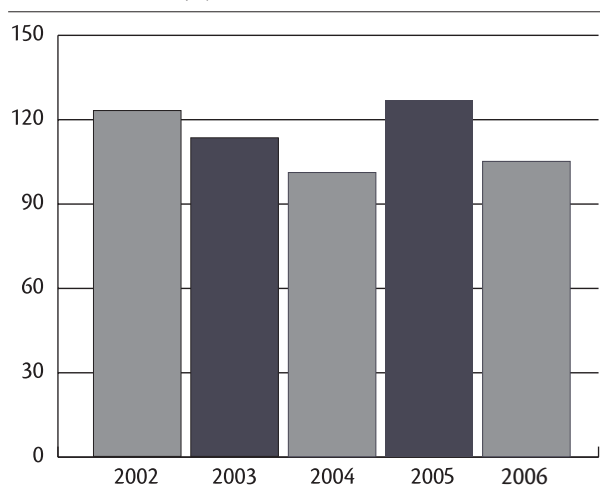
FASHION TRENDS – the economic situation

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

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 2006	Within a year	Maturity date		Assets pledged	Debt as at 31 dec 2005
			Between and five years	Later than five years		
Liabilities						
Owed to credit institutions	1 430,6	57,1	1349,7	23,8	se nedan	1 622,5

Parent company	Debt as at 31 dec 2006	Within a year	Maturity date		Assets pledged	Debt as at 31 dec 2005
			Between and five years	Later than five years		
Debt						
Owed to credit institutions	903,5	-	903,5	-	se nedan	1 008,0

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

	2006	2005
Floating charges	0	371,8
Real estate mortgages	109,4	132,3
Inventories and accounts receivable	142,9	221,5
Total	252,3	725,6

Group Company

Floating charges		
Shares in related companies/subsidiaries	8,2	8,2
Summa	8,2	8,2

Other pledged assets

The group's principal bank's commitment was changed in 2006 and is now based on agreed covenant conditions.

NOT 21 GUARANTEES

MSEK

Group	2006	2005
Guarantees for associated companies	13,9	13,7
Guarantees for associated companies	13,9	13,7
Parent company	2006	2005
Guarantees for subsidiaries	223,0	220,1

NOT 22 NET DEBT

MSEK

Group	2006	2005
Cash and bank	-114,2	-133,8
Long-term interest bearing liabilities	1 373,5	1 540,3
Short-term interest bearing liabilities	57,1	82,2
Total	1 316,4	1 488,7

The effective interest rate amounts to 3,6 3,2

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.

Göteborg 23 april 2007



Bjarne Fredriksson
Auktoriserad revisor, Ernst & Young



Bertel Enlund
Auktoriserad revisor, Ernst & Young

Trademarks



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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.com





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.com





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.

www.orreforsjern.se



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





KOSTA LINNEWÄFVERI
SWEDEN 1878

Kosta Linnewäfveri offers a range of fabric products for interiors in classic contemporary Swedish designs. Created from only the finest fabrics, Kosta Linnewäfveri 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 handicraft.

www.kostalinne.se



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



The Sagaform brand stands for joyfull, innovative gifts for the kitchen and the set table – indoors and out. Sagaform products are distributed through a wide international network of kitchen, home design and gift shops, as well as corporate identity advertising and giveaways.

www.sagaform.com





SEA glasbruk

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 Swe-

dish 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





Toppoint is a trademark for give-aways used to enhance company profiles. The range consists of pens, ceramics, key-rings and so on.

www.toppoint.com

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.





USB-PREMIUMS.COM

d-vice



USB-premiums is specialised in the latest USB FlashDrives and everything that stores data in a fast way! This brand represents an exclusive range of usb-flashdrives and MP3/4 players, which can even be ordered directly online from Asia. Find all relevant information on the re-newed www.usb-premiums.com website.

d-vice: step into tomorrow's world today on www.d-vice.info with the most innovative gadgets and devices you have ever seen. From VoIP phones to MP3 speakers to Digital Picture Frames, d-vice has it all. This year enriched with a new product range: d-vice originals - unique products designed by our own studio.





Seger is a trademark for technically knitted sports products, like sport socks and caps. 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.

www.craft.se



Umbro is a trademark for football clothing and shoes. 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.

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.

floorball.exel.net



Easton Hockey is a state of the art brand within ice hockey gear and equipment. For several years Easton Hockey has been the leading brand in the development of these products.

www.eastonhockey.com

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



SWEDISH WORKWEAR

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.

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



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.



New Wave is a promowear trademark with fashionable and high quality clothes. The price range is rather high.

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.

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.



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.

www.cottover.se



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



– adds profile to your business*

The James Harvest Sportswear collection is based on American collegiate fashion and is characterised by high quality. Experience continues to show that many businesses and organizations that regard quality as an important element in their market communication regularly choose James Harvest Sportswear as their supplier of identity clothes/advertising garments.



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. 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



MAC1**ONE**[®]

Mac One offers promowear in the middle price-range. The collection contains classic, basic garments as well as ready-made clothing for men and women.


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.

www.macone.se





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

www.hurricane.dk



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.



Queen Anne is a trademark on domestic textile, such as bed-linen, towelling as well as down and synthetic bedding.

www.djfrantextil.se

Sköna marie®

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

www.paxscandinavia.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



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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, 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:* 270 000 Series B shares.



MARIA ANDARK, born in 1965. Member of the Board since 2006. Other board commissions: Telge Företagsinvest AB. *Number of shares in New Wave Group AB:* 1 200 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. *Shareholding (directly and via companies) in New Wave Group AB:* 20 707 680 Series A shares and 1 129 222 Series B shares as well as subscription options of 91 000 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, 8 375 Series B shares and subscription options of 15 000 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:* 155 000 Series B shares, subscription options of 50 000 Series B shares.

OWE OLSSON, born 1947. Controller. Employed since 1990. *Shareholding (directly and via companies) in New Wave Group AB:* 56 142 Series B shares, subscription options of 10 000 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:* 121 768 Series B shares, subscription options of 35 000 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:* 200 000 Series A shares, 102 560 Series B shares, subscription options of 30 000 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 11th 2007, at 13.00 CET, at New Wave Group AB (publ), Orrekulla industrigata 61, 425 36 Hisings Kärra. All shareholders that are registered in the print-out of the shareholder book dated May 4th 2007, and announce their participation on May 7th 2007, at 12.00 CET at the latest, have a right to take part in the annual general meeting.

Administrator-registered shares

Shareholders with administrator-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 4th 2007, 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 or phone to:

New Wave Group AB (publ)
Orrekulla Industrigata 61
SE-425 36 Hisings Kärra
Phone 031-712 89 00
bolagsstamma@nwg.se

Leave your name, personal security code and phone number (daytime). Shareholders that wish to participate must announce this on May 7th 2007, at 12.00 CET, when the period of notification expires.

MATTERS

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

Dividend

The Board has suggested that May 16th 2007, should be the tick day. With this tick day, the dividend can be done from VPC on June 22th 2007. The Board and the President suggest to the annual general meeting that the dividend for 2006 should be SEK 1 per share, totalling to SEK 66,3 million.

FINANCIAL INFORMATION

- Report covering January–March, 2007, was published on April 23th 2007.
- Report covering January–June, 2007, will be published on July 13th 2007.



Craft Pro Cool Boxer with mesh | Craft Performance Shorts | Craft Pro Zero Extreme Shortsleeve | Craft Power Glove
Worn by Anders Södergren, Swedish professional cross country skier

NewWave
G R O U P

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