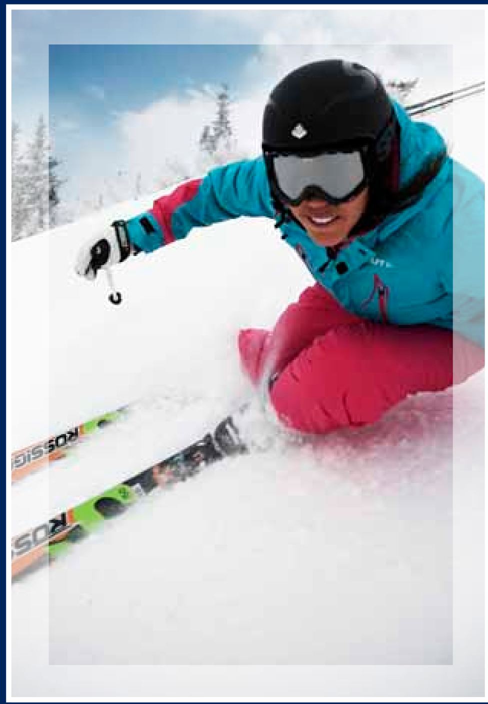
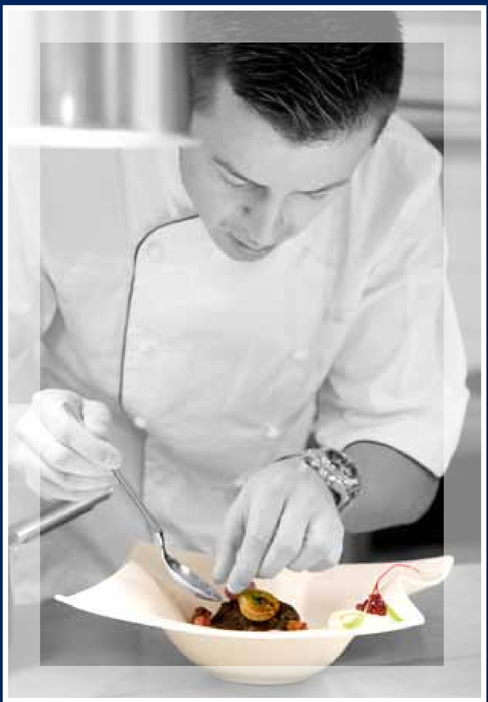
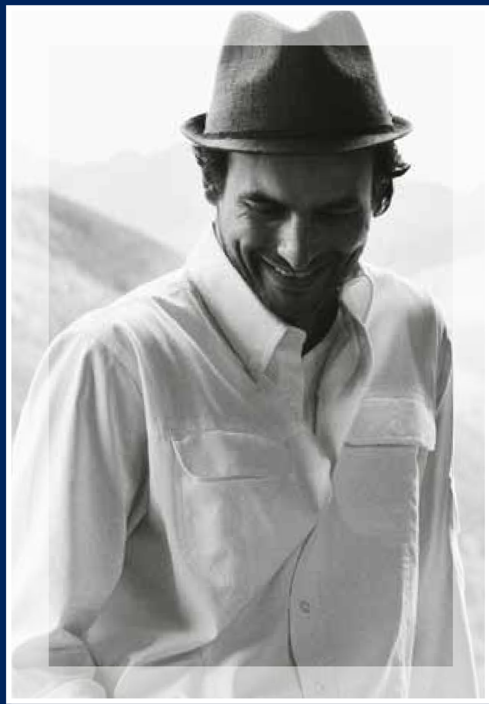






NewWave GROUP

Business | Strategy | Corporate governance

Annual report 2011

Our brands

Corporate Promo

- Clique
- Cottover
- D.A.D Sportswear
- d-vice
- Grizzly active profile outfit
- Harvest sportswear
- hurricane
- Jingham
- Jobman Workwear
- New Wave
- Lord Nelson
- Lord Nelson Victory
- Mac One
- nightingale
- queen anne
- ProJob Swedish Workwear
- Texas Bull
- Printer Active Wear
- Toppoint

Sports & Leisure

- Annika Cutter & Buck
- Cutter & Buck
- Clique
- Craft
- Pax
- Seger
- sköna marie
- speedo
- umbro
- Ahead USA
- Kate Lord
- Le Gant Paris Glove
- Auclair
- Gants Laurentide Ltée Gloves Ltd.

Gifts & Home Furnishings

- Kosta Boda Sweden 1742
- Kosta Förlag
- Kosta Linnewäfveri
- Orrefors
- Orrefors Jernverk
- sagaform
- SEA glasbruk Kosta Sweden
- Kosta Boda Art Hotel Sweden
- Linnéa Art Restaurant

Contents

2011 in summary

- Sales turnover amounted to SEK 4,237 million, which was 4% better than last year in local currencies and on par with last year in SEK (SEK 4,243 million).
- Acquired units contributed by SEK 89 million in turnover and SEK -8 million in profit before tax, of which SEK 7 million were acquisition costs.
- Gross profit margin improved and amounted to 47.7% (47.1%).
- Operating profit amounted to SEK 326.9 million (SEK 327.6 million).
- Non-recurring items amounted to SEK -30.5 million before tax.
- Profit after tax amounted to SEK 199.1 million (SEK 221.5 million).
- Earnings per share amounted to SEK 2.99 (SEK 3.31).
- Cash flow from operating activities amounted to SEK 66.0 million (SEK 343.6 million).
- Net debt to equity ratio amounted to 85.9% (72.8%).
- Equity ratio amounted 43.5% (44.8%).
- The Board of Directors proposes a dividend of SEK 1.00 (SEK 1.00) for 2011.

Corporate Promo

Sales increased by 1% to SEK 1,835 million (SEK 1,819 million) and EBITDA amounted to SEK 251.7 million (SEK 209.6 million). Non-recurring items had a negative impact of SEK 23.5 million.

Sports & Leisure

Sales increased by 1% to SEK 1,724 million (SEK 1,703 million) and EBITDA amounted to SEK 177.3 million (SEK 220.1 million).

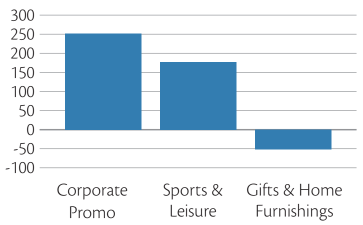
Gifts & Home Furnishings

Sales turnover decreased by 6% to SEK 678 million (SEK 722) million and EBITDA amounted to SEK -51.5 million (SEK -43.7 million). Non-recurring items had a negative impact of SEK 7.0 million.

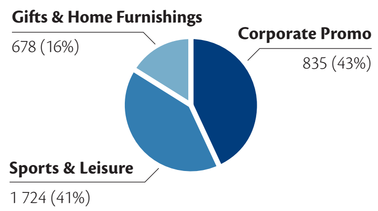
New Wave Group in brief

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

EBITDA per operating segment, SEK million



Turnover per operating segment, SEK million



EVENTS IN BRIEF

- 4% organic growth in local currencies.
- Irregularities and incorrectly reported items in one of our German subsidiaries affected profit before tax by SEK 23.5 million.
- Acquisition of AHEAD Inc and Paris Glove of Canada Ltd.
- Discontinuation of Orrefors Kosta Boda's cut glass operation impacted profit before tax by SEK 7 million. Additional cost reducing measures have been taken, resulting in savings of about SEK 24 million on a yearly basis. The measures will be implemented during the first half of 2012 after negotiations with each respective union. Savings will be achieved gradually in the second half of 2012 and reach full effect in 2013.
- Planned increase of inventories as our stock levels during certain periods have been too low in some areas. We have thus not been able to uphold a satisfactory level of service to our customers. The early Chinese New Year also meant that we had to move incoming stock deliveries forward.

Key figures

	2011	2010
Turnover, SEK million	4 236.9	4 243.4
Profit before depreciation, SEK million	377.5	386.0
Profit after depreciation, SEK million	326.9	327.6
Profit after finance net, SEK million	275.9	300.3
Gross profit margin, %	47.7	47.1
Equity, SEK million	2 092.8	1 933.0
Return on equity, %	9.9	12.1
Return on capital employed, %	8.9	9.4
Net debt/equity, %	85.9	72.8
Equity/assets, %	43.5	44.8
Number of employees	2 242	2 196
Profit per share, SEK	2.99	3.31
Equity per share, SEK	31.54	29.14

Craft continued sponsor of Tour de Ski and clothing supplier at the XC World Cup in Holmenkollen

Craft renewed their agreement with the International Ski Federation for continued sponsorship of the Viessman FIS Tour de Ski Performance by Craft Sportswear during the year. In 2006/2007, Craft helped lay the foundation for the Tour de Ski, now an indisputable highlight in the yearly calendar of cross country skiing. "The sport of cross country skiing is stronger than ever and our partnership with the International Ski Federation makes us able to strengthen our position as world leading supplier of cross country skiing garments further," said Magnus Månsson, Managing Director New Wave Sports AB.

In 2011 Craft was also the official clothing supplier at the XC World Cup in Oslo 24 February to 6 March when the entire organisation and 2,500 volunteers were dressed in Craft for the competitions at Holmenkollen's brand new stadium. By sponsoring the World Cup in Oslo Craft established its status as one of the leading winter sports and functional wear brands in the world.

Cutter & Buck extended deal with PGA of America

In 2011 Cutter & Buck extended its 13 year partnership with PGA of America until 2017. Cutter & Buck will thereby continue as the main clothing supplier to the spectator events PGA Championship, Ryder Cup and Senior PGA Championship presented by KitchenAid. PGA of America, founded in 1916 and whose commitment it is to meet professional golfers' interests, is one of the world's largest sports organisations with more than 27,000 members.

Kosta Boda Art Hotel nominated for tourism award

In 2011 Kosta Boda Art Hotel was nominated for Stora Turismpriset which is handed out to players who have promoted and developed Swedish tourism. "To be nominated for Stora Turismpriset is a fantastic recognition that we have created something very unique here in Kosta," said Bengt Sjöström, Managing Director Kosta Boda Art Hotel.

Top score for Linnéa Art Restaurant

"**The best:** A restaurant experience without mistakes. **Could be better:** What?"
These words opened Swedish morning paper Göteborgs-Posten's review of Linnéa Art Restaurant in December 2011. A review that ended with the score 25/25. Linnéa Art Restaurant is a unique combination of gourmet restaurant and art glass exhibition where chefs meet artists. Head Chef Edin Dzemat (semi finalist in Chef of the Year 2011) creates innovative kitchen art rooted in classic cooking under the motto SEA – EARTH – TABLE.

Orrefors by Karl Lagerfeld

In June 2011 Orrefors launched its first glass collection with designer Karl Lagerfeld at Galerie Perrotin in Paris. Karl Lagerfeld is constantly looking for new ways to express himself and only works with the very best. Through the years he has developed a perfectly formed graphic identity with clean lines and shapes. This identity can be clearly seen in the timeless elegance of the black, milky white and clear glasses.

Statement by the Managing Director

2011 was a tough year for the Group, much tougher than I predicted at the beginning of the year. However, most of our businesses actually improved their performances – quite a bit – but a few companies decreased the Group's overall result.

The major negative occurrences were partly the extremely warm Swedish winter in November-December which meant that our operative segment Sports & Leisure heavily deviated from the plan, and partly the problems in one of our German subsidiaries which affected the result by SEK 23.5 million. Furthermore, we discontinued the cut glass operation at Orrefors Kosta Boda, which impacted the profit by SEK 7 million. Due to Orrefors Kosta Boda's development being worse than expected we have had to cut costs even more and further savings measures are currently being implemented. If these measures do not generate expected results, we will have to make a new evaluation of the Group's trademark value concerning Orrefors Kosta Boda. Current plans give us enough margins, but would a write-off be needed in the future, it has no impact on cash flow. Finally, the acquisition of AHEAD Inc. and Paris Glove of Canada Ltd had a negative effect on profit due to acquisition costs of SEK 7 million.

If we exclude the non-recurring costs for Germany, Orrefors Kosta Boda and the acquisitions our operating profit actually increased by SEK 37.5 million (11%), despite the warm winter. I therefore have to say that I'm quite pleased with the Group's development on the whole.

For the coming year, I feel some concern for the development in Southern Europe. There are also some uncertainties around Sports & Leisure's autumn and winter season after the poor 2011/2012 winter season. At the same time, I am extremely satisfied with our organisation and our brands grow stronger every year. Overall, I am therefore quite optimistic about 2012 even if it's a difficult year to assess.

Torsten Jansson
Managing Director and CEO

About New Wave Group

BUSINESS CONCEPT

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

VISION

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

The vision for the Sports & Leisure operating segment involves establishing the wholly-owned brands Craft and Seger as international, functional sportswear brands and making Cutter & Buck a world-leading golf apparel brand. Moreover, the vision also entails strengthening Umbro in the Swedish market and Speedo also in the Norwegian and Danish markets. With regards to our most recent acquisitions, we want to launch AHEAD in Europe and in time achieve the same market position as in the USA. The brand Auclair should take a leading position in Europe and we will also use Paris Glove's strong distribution platform to launch the Group's other brands in Canada. Together, this means that in the future we will claim a strong market position in Canada in the Sports & Leisure operating segment and workwear. All in all, we want to become the leading sports supplier in both Sweden and the other European countries, as well as in the USA. Our vision is also to make PAX the leading children's footwear brand in northern Europe.

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

PROFITABILITY AND GROWTH TARGETS

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

STRATEGY

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

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

NEW WAVE GROUP'S VALUES

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

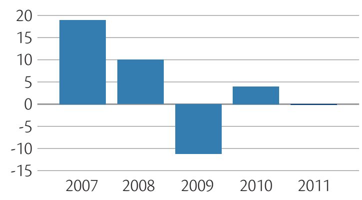
- It takes hard work to outperform competitors.
- Employees must have the conviction to take initiative and to learn from their mistakes in a decentralised organisation.
- Customer focus is a central principle for the organisation as a whole and imperative to doing our utmost.

HISTORY

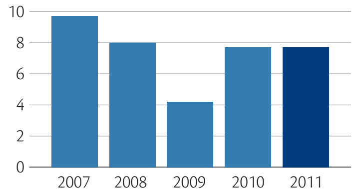
New Wave Group was established in 1990 in Sweden and Norway and in 1994 in Finland. The Group ranks as market leader in these markets, with an estimated promowear market share of about 30%. In 1996 Craft was acquired, which established sales in the retail operating segment. With its 2001 acquisition of Sagaform, New Wave Group moved into promotional gifts, which generated substantial synergies with the Group's other promo activities. In 2003, New Wave Group developed its own workwear concept under the ProJob brand and sealed the venture with the acquisition of Jobman. Following its launch in workwear, New Wave Group is currently the only supplier to cover all three segments (promowear, promotional gifts and workwear) in the promo sector. To further strengthen the Group's gifts and giveaways segment the Orrefors Kosta Boda Group was acquired in late 2005. Cutter & Buck was acquired in 2007 and secured a sound foothold in the North American market. The Group's presence in North America was further strengthened during 2011 when AHEAD Inc and Paris Glove of Canada Ltd were acquired.

The Group has gradually expanded and set up organisations in Europe, North America and Asia. New Wave Group has established sales organisations and its own subsidiaries in 18 countries. Via retailers, New Wave Group distributes the Craft brand in 26 markets in Europe, North America and Asia. Sales in non-Swedish markets make up about 70% of the Group's sales and amount to SEK 2,953 million. Sweden is still the Group's most important market since most of the acquisitions in the past years have involved Swedish companies, but the recent acquisitions in North America have made this an important market as well.

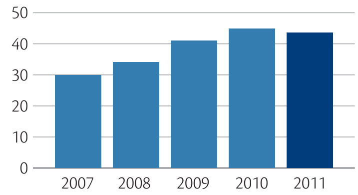
Growth, %



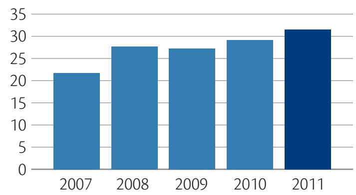
Operating margin, %



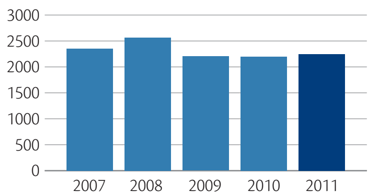
Equity ratio, %



Equity per share, SEK



Number of Employees



1990 Sweden and Norway

1994 Acquisitions in Finland and Italy

1996 Acquisition of *Craft of Scandinavia*

1997 Establishment in Denmark, Spain and German

1998 Acquisition of *Hefa*

1999 Establishment in The Netherlands and England

2000 France. Acquisition of *Texet*

2001 Acquisition of *Sagaform* and *Seger*

2002 Acquisition of *DJ Frantextil, X-Tend* and *Toppoint*

2003 Establishment in China and Switzerland. Establishing of *ProJob*

2004 Acquisition of *SMAP*, *DAD Sportswear* and *Jobman*

2005 Ireland, Wales and Russia
Acquisition of *Dahetra*, *Orrefors Kosta Boda* and *Intraco*

2006 Large investments in *Orrefors Kosta Boda*

2007 Acquisition of *Cutter & Buck*

2008 Introduction of *Clique/New Wave* in the U.S
Establishment of *New Wave Sports*

2009 Grand opening of *Kosta Boda Art Hotel*
Introduction of *Cutter & Buck* in Europe

2010 Establishment of *Linnéa Art Restaurant*
Cutter & Buck is establishing a new distribution center in Kentucky

2011 Acquisition of *AHEAD* and *Paris Glove*

New Wave Group in the world

New Wave Group has evolved from market-leading player in the Nordic countries to a prominent player in several other markets. This applies to all operating segments. The Group works with strong international brands such as Craft, Cutter & Buck, Orrefors and Kosta Boda.

The Group's business strategy entails launching brands and developing concepts on new markets. The company's tactics for foreign launches involves only targeting the corporate promo market to start with one or a couple of the Group's brands. Business must be conducted with low costs to limit the financial risks. When satisfactory profitability and good growth have been achieved, more promo brands can be launched and the retail market targeted. If distributors handle the launches, retail launches can be carried out without promo launches, such as in the case of the Craft launch in the USA. New Wave Group regularly invests a share of its operating profits in new markets. New Wave Group currently has subsidiaries in 18 countries and has carried out 196 launches under its existing brands. By solely introducing the Group's existing concepts in countries where the Group already has its own organisations, at least 150 new launches remain to be carried out.

Sales per area

	2011	Part of turnover	2010	Part of turnover	Change, SEK million	Change, %
Sweden	1 285	30%	1 288	30%	-3	0%
USA	894	21%	893	21%	1	0%
Nordic region excl Sweden	661	16%	651	15%	10	2%
Central Europe	781	18%	798	19%	-17	-2%
Southern Europe	443	11%	468	11%	-25	-5%
Other countries	173	4%	145	4%	28	19%
Total	**4 237**	**100%**	**4 243**	**100%**	**-6**	**0%**

New Wave Group worldwide

Sales activities in own subsidiary
Sweden, Austria, Belgium, Canada, China, Denmark, Finland, France, Germany, Great Britain, Ireland, Italy, The Netherlands, Norway, Poland, Spain, Switzerland and USA

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

Proportion of sales

	AHEAD/ Kate Lord	Auclair/ Laurentide/ Paris	Clique/New Wave	Clique Retail	Craft	Cutter & Buck	D.A.D	d-vice	Grizzly/Cottover	Harvest/Printer	Hurricane	Jobman	Kosta Boda	Lord Nelson/Queen Anne	Mac One/Jingham	Orrefors	PAX/Sköna Marie	ProJob	Sagaform	SEA	Seger	Toppoint
Sweden			●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Austria			●		●			●		●		●			●			●	●			●
Belgium			●		●	●	●	●	●	●		●	●		●	●		●	●			●
Canada		○								●												
China			●					●					●			●						
Denmark			●		●	●	●	●	●		●	●	●	●	●	●		●	●	●	●	●
Finland			●			●	●		●	●		●	●	●	●	●	●	●	●	●	●	●
France			●				●	●	●	●			●			●		●	●			●
Germany			●		●		●	●	●	●	●	●	●		●	●		●	●	●		●
Irland					●					●								●	●			
Italy			●		●	●		●		●		●		●				●				●
Netherlands			●		●	●	●	●		●	●	●			●			●	●			●
Norway			●		●	●	●	●	●	●	●	●	●	●	●	●		●	●	●	●	●
Poland							●	●	●	●				●				●	●		●	●
Spain			●					●		●				●				●	●			●
Switzerland			●		●	●		●		●		●						●				
UK			●		●	●	●	●	●	●		●	●			●		●	●			●
USA	○	○	●			●		●				●	●			●			●	●		

Small company flexibility with large company synergies

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

DESIGN

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

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

PURCHASING AND PRODUCTION

The Group's total purchasing volume considerably surpasses most of its competitors in the promo market, giving major cost savings in terms of coordinating purchasing, transportation and warehousing. In addition to Sweden, New Wave Group has purchasing offices in Bangladesh, China, India and Vietnam. New Wave Group currently has about 350 suppliers.

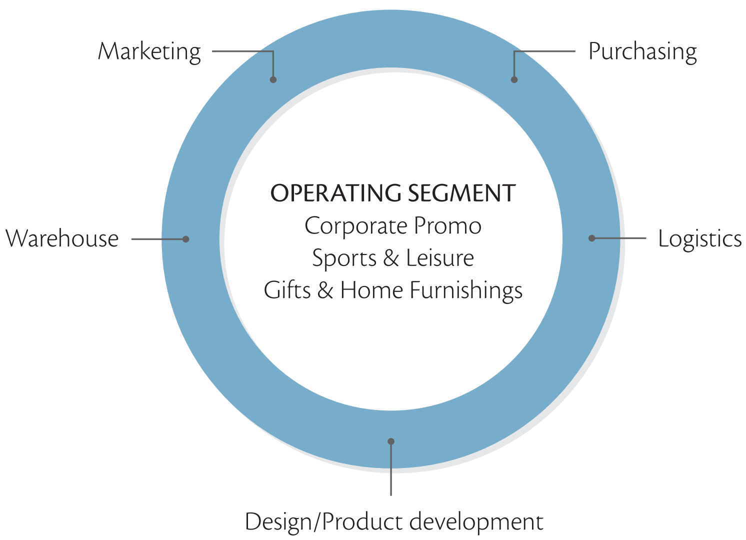
The Group has locally employed quality controllers who supervise production and safeguard that the suppliers fulfil the Group's quality and environmental requirements. It is essential that quality issues are detected before the goods are shipped to Europe and the USA in order to correct them and deliver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

New Wave Group owns a few factories. In Sweden, Seger Europe has a production unit for knitted items (hats, socks and scarves) and Orrefors Kosta Boda glass making facilities. In the Netherlands, Toppoint runs printing operations for, among other things, pen and mug prints. In Denmark, Dahetra owns a production facility for embroidery and transfer printing. In the USA, AHEAD and Cutter & Buck have some embroidery production and Paris Glove a production unit for gloves.

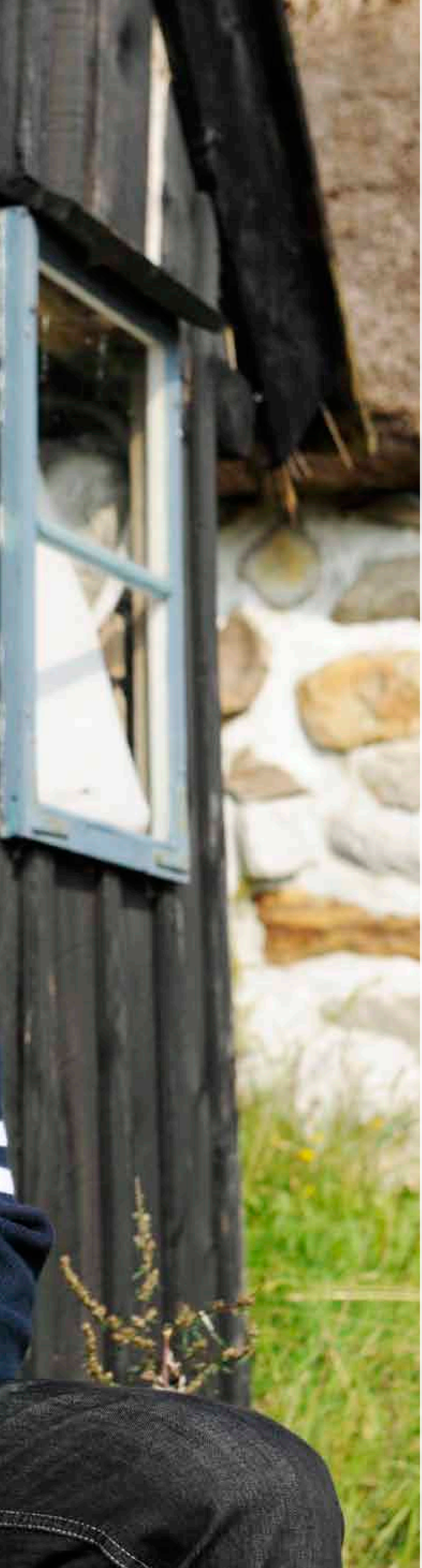
LOGISTICS AND WAREHOUSE

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

GROUP-WIDE COLLABORATION

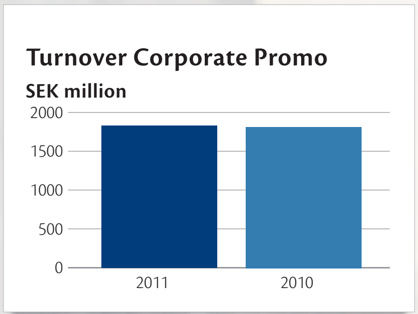


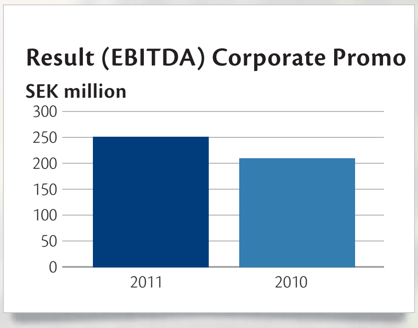
A STRONG OFFER



Corporate Promo

Corporate Promo is New Wave Group's largest operating segment and the brands are divided into three subdivisions: promowear, promotional gifts and workwear. Business is conducted with 19 brands in a total of 18 countries on three continents. The operating segment's domestic market is the Nordic countries which also answer for most of the sales. Corporate Promo answered for 43% of the Group's sales and SEK 251.7 million of the Group's profits (EBITDA) in 2011. The brands in the Corporate Promo operating segment are sold primarily in the promo sales channel, but some brands are also sold in the retail sales channel.





OUR OFFER

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

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

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

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

NEW WAVE GROUP offers products from all three of Corporate Promo's subdivisions:

- Promowear
- Promotional gifts
- Workwear

SALES CHANNELS

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

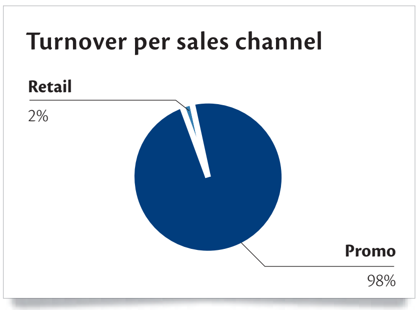
In Sweden, there are about 2,500 retailers of promowear and promotional gifts, a high figure per capita compared with the rest of Europe and the USA. There is a wide variety of retailers, ranging from simple sole proprietorships to large companies with high-end displays and travelling sales forces. Some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

Workwear has traditionally been sold via special retailers for construction and industry, paints, etc., but today more and more channels include workwear by either collaborating with already established brands or by designing their own brands and collections. This is partly because the sector has been growing for many years, but is also attributed to a greater interest in the domestic market spurred by the large number of DIY and home decoration shows on TV. In the future, distribution will probably be even more differentiated as more players try to establish themselves in the workwear market in Sweden and Europe.

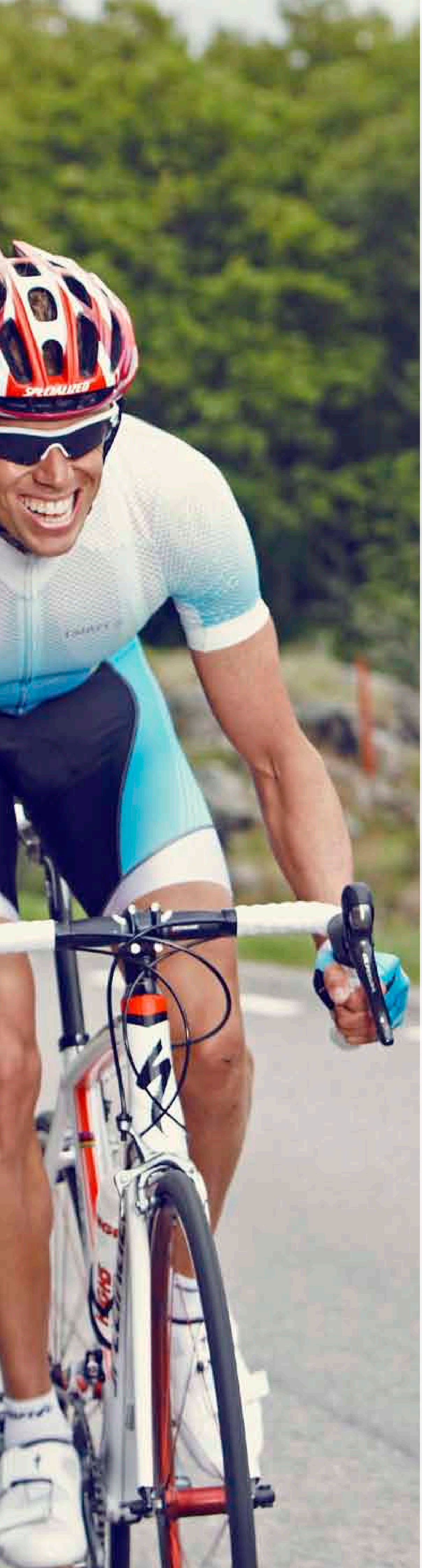
PROMOTIONAL GIFTS is a broad concept that covers a lot of different products and price levels.

CAPITAL TIED UP

A company that orders promowear in its corporate colours for its employees or customers relies on the supplier's ability to deliver a full range of sizes and correct colours. For instance, if New Wave Group cannot deliver products in a medium size or in the end customer's corporate colours, the customer will turn to a different supplier. The Group's ambition is to deliver 98% of its products within 24 hours. The risk of obsolescence is low since most of the collection comprises timeless basic products for which there is a demand season after season. Adjustments for changes in purchasing prices are made continuously since sales are instant which limits the currency risk. Sales are made to selected retailers, which limits bad debts. In 2011, confirmed bad debt losses in the Corporate Promo operating segment made up 0.36% of sales. Many of the products are the same for both the promo and retail sales channels, which provides a significant spread of risk. Moreover, the two sales channels can use the same product catalogues.

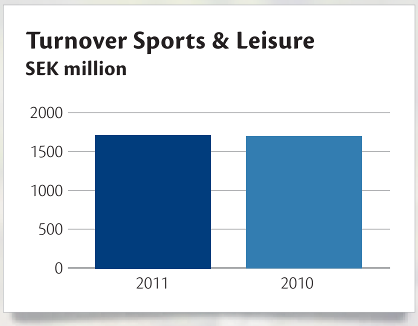


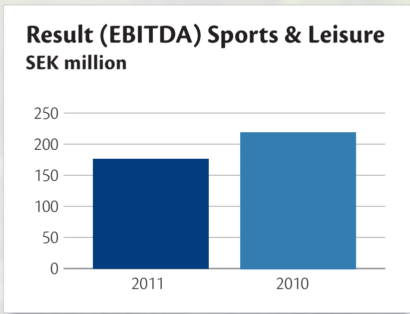

CRAFT
TREK



Sports & Leisure

Sports & Leisure includes several internationally well-known sports brands like Craft, Cutter & Buck and Seger. In 2011 we also acquired two new companies with strong brands like AHEAD and Auclair. Business is conducted with 12 fully owned brands in 14 countries, focusing on the Nordic countries and North America. In addition to our own brands, business is also conducted with licensed brands Speedo and Umbro. Sports & Leisure answered for 41% of the Group's sales and SEK 177.3 million of its profits (EBITDA) in 2011. Most of the sales relate to the retail market (sports retail sector), but some sales also stem from the promo market.





CUTTER & BUCK

Cutter & Buck is a world-leading golf inspired American clothing brand for men and women who appreciate groundbreaking, exclusive sports and leisure wear. Cutter & Buck's extensive collaboration with golf legend Annika Sörenstam has resulted in the ANNIKA collection, inspired by Sörenstam's passion for golf and strive for perfection. Cutter & Buck is sold via several different distribution channels, including the golf retail sector, the promo market, the fashion retail sector and directly to consumers (e-commerce and mail order). The objective is to build up a strong position in the golf and ready-to-wear sectors also in the European market in the long term. Cutter & Buck is also a strong platform in the North American market for introducing New Wave's other concepts.

CRAFT

Craft is the obvious choice for all genuine sports lovers, from elite athletes to casual exercisers, active in running, cross country skiing, cycling and alpine skiing. The products aim to be the market's most innovative, which is guaranteed through close R&D collaboration with some of the world's best athletes. Sweden is Craft's domestic market as well as its principal market and answers for over 21% of the annual sales. Defined focus markets with major potential include the other Nordic countries, the Benelux countries, Germany and Russia. Competitors vary slightly depending on product segment and market, but a few examples are Adidas, Castelli, Nike, North Face, Odlo and Swix. Craft's challenge for the future is to reinforce the brand internationally, and to achieve the same strong position as in its domestic market.

AHEAD

AHEAD

AHEAD designs and markets branded headgear, clothing and accessories. AHEAD was founded in New Bedford, USA in 1995 and has benefitted from the golf industry's need for specialised high-quality graphics on headgear and clothing, as well as the brand awareness of people who visit golf stores. AHEAD have four business units: AHEAD, AHEAD Headgear, AHEAD "Heavy Metal™" and the Kate Lord™ Collection, an exclusive women's wear line. AHEAD is worn by golf dignities like Retief Goosen, Brittany Lincicome, Jack Nicklaus and Arnold Palmer.

AUCLAIR

Auclair is Canada's oldest and most renowned glove brand. Auclair delivers high-quality skiing, snowboard and bike gloves to sports retailers and specialised stores. Auclair has a more than 30 year long cooperation with the Canadian cross country skiing team. Auclair is also official supplier of gloves to practically every Canadian team on snow and ice, including alpine, snowboard, freestyle, bobsleigh, luge, Nordic combined, biathlon and telemark.

LAURENTIDE

Laurentide supplies the North American industry with work gloves, protective clothing and rain gear.

PARIS GLOVE

Paris Glove manufactures and distributes gloves for men, women and children to more than 3,000 retailers in Canada.


Clique Retail

SEGER

Seger's expertise, experience and innovativeness make it a brand that with self-confidence and attitude offers the conscious consumer an obvious choice for technically knitted socks and hats. Seger is mainly marketed in the Nordic countries, but is now also concentrating export activities to the rest of Europe. Presently, Seger is available in the Benelux countries, Bulgaria, Czech Republic, Denmark, Finland, Iceland, Japan, Poland, Russia and Ukraine. Even more markets in Central Europe and North America will be addressed in 2012-2013. In the Swedish market, Seger is challenged by brands like Bula, Falke, Housebrands, X-Socks and new niche brands. In the export market, brands like Barts, Bula, Eisbaer, Falke, X-Socks and the sports chains' own brands are the main competitors.

CLIQUE RETAIL

Clique Retail is comfortable and appealing affordable garments. The products are primarily basic ready-to-wear, i.e. products with high turnover rate and great profitability. It is our greatest challenge to explain the brand's simple yet profitable concept: we handle warehousing and therefore assume the greatest risk for lack of profitability. Sweden is Clique Retail's largest market at present and customers consist mainly of the sports chain section and the everyday commodity sector. Clique Retail's main competitors are the sports retailers' own brands.

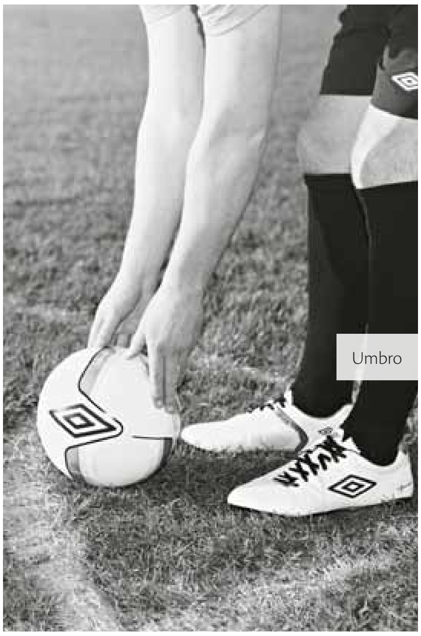

Seger

PAX

PAX has for more than 80 years been dedicated to manufacturing high-quality shoes for children and is nowadays one of Sweden's most prominent shoe manufacturers. Carefully selected materials and innovative design is PAX's insignia. The shoes are sold through a nation-wide web of local retailers. Main competitors are the shoe retailers' own brands as well as Ecco, Kavat and Viking.

SKÖNA MARIE

Sköna Marie is classic Swedish shoes brand that manufactures functional high-quality women's shoes. Sköna Marie always uses the very best raw materials and most models are made of real leather, a breathable, soft and very comfortable material. The shoes are sold through a nation-wide web of local retailers. Main competitors are Ecco, Rieker and the shoe retailers' own brands.



LICENSED SPORTS BRANDS

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

UMBRO

Umbro was founded in England in 1924 and designs, develops and markets football related products. Umbro is presently a well-established brand represented all over the world and sold in more than 90 countries. Umbro supplies, among others, the Swedish, English, Irish and Norwegian national football teams with match kits and training gear. Umbro sponsors several international professional clubs and also some prominent individual stars like Hernand Crespo, Deco, Jessica Landström, Michael Owen, Anders Svensson and John Terry.

SPEEDO

Speedo was founded as far back as 1914 in Bondi Beach outside Sydney, Australia and is the most sold swimwear brand in the world. Speedo has been a world leading racing brand for a long time and more Olympic gold medals have been won in a Speedo swimsuit than in any other brand. Speedo sponsors, among others, American swimmer Michael Phelps who won no less than 8 gold medals at the 2008 Olympic Games in Beijing wearing Speedo. Speedo's product line has broadened over the years and the Speedo logotype can now be found on everything from swimwear and goggles to watches and MP3 players. Speedo's products are available in more than 170 countries across the world.

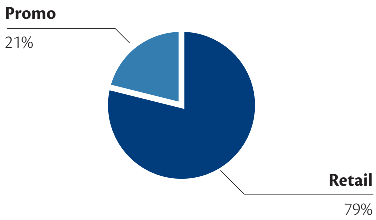
SALES CHANNELS

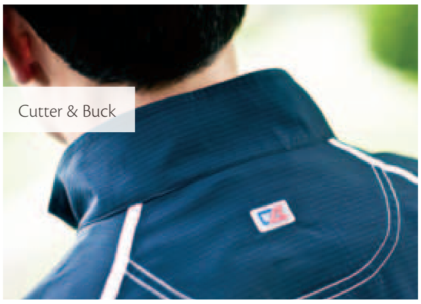
The retail sector is the natural channel for meeting the market for all the operating segment's brands. Clique Retail, Craft, Seger, Speedo and Umbro all have a verified position in the sports retail sector, but are also sold in the promo market and through athletic clubs.

CAPITAL TIED UP

New Wave Group's objective is to keep the stock of fashion items low since the lifespan for these items is short. The retail sector focuses on less fashion-sensitive areas, such as Craft's function base garments and Seger's socks. In the retail sector sales consist largely of advanced orders compared with the promo market where deliveries are made directly against order. This means, for instance, that the customer places orders in the spring for goods to be delivered in the autumn. About 70-75% of the sales in the retail sector are advanced orders. In conjunction with orders from customers, the Group places orders with the factory which significantly reduces the risk of obsolescence. The rest of the sales, so called supplementary sales, are primarily base items with limited fashion risks. In order to limit its foreign exchange risk, the company hedges between 50-80% of the purchasing costs. Sales are made to selected retailers, which limits bad debts. However, there is a higher concentration to fewer customers in the retail segment compared with the promo segment. In 2011, confirmed bad debt losses in the Corporate Promo operating segment made up 0.20% of sales. Many of the products are the same for both the promo and retail sales channels, which provides a significant spread of risk. Moreover, the two sales channels can use the same product catalogues.

Turnover per sales channel





Paris Glove of Canada Ltd

Paris Glove of Canada Ltd was founded by Felix and Lily Monk in 1945 when they emigrated from Europe to Canada. Their son, Peter Monk, took over as MD in 1973.

"I think my parents chose the name Paris for two reasons," Peter says. "Paris is the city of romance where they fell in love and had their first child, and Paris stands for prestige and fashion. Felix and Lily wanted to create fashion-conscious premium quality products."

Paris has been family owned until the 2011 acquisition by New Wave Group and has through its familiar way of making business and its tireless will to make the best gloves in the world grown into one of North America's most respected glove companies, well renowned as a premium brand synonymous with quality, style and performance.

Paris now has 5 divisions:

Laurentide – supplier of gloves, protective clothing and rain gear for the industry

Gloves International Incorporated – supplier of private lab gloves to chains and department stores in USA

Paris Fashion – supplies gloves for men, women and children to more than 3,000 retailers in Canada

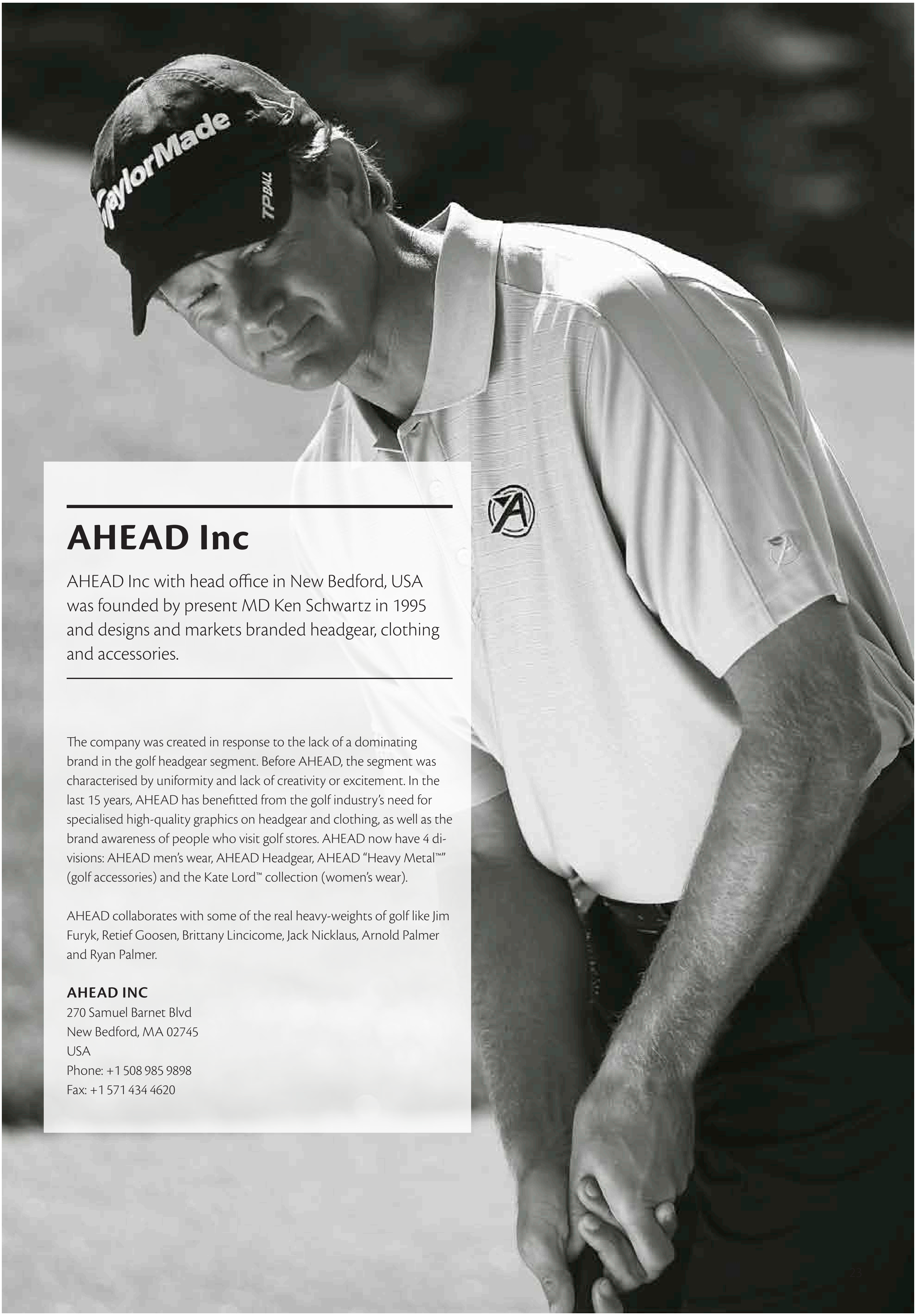
Auclair Sport – delivers and serves sports retailers and specialised stores with high-quality skiing, snowboard and bike gloves

Paris Sport – supplier of Dynaflite Softball Equipment and baseball equipment to Canada's team sport retailers

Paris is the oldest partner of the Canadian national cross country skiing team with a history that stretches almost 40 years back to the 1970's. In 2011, the agreement was renewed for another 8 years and now also spans over the 2018 Olympic Games in Pyeongchang, South Korea.

Thorough Auclair Sport, Paris' highest sports and leisure division, they are also the official glove supplier of practically every Canadian team on snow and ice, including alpine, snowboard, freestyle, speed skating, bobsleigh, luge, Nordic combined, biathlon, telemark, speed skiing and, of course, cross country skiing.

PARIS GLOVE OF CANADA LTD
255 Montee De Liesse
Montreal, Quebec, H4T 1P5
CANADA
Phone: +1 514 345 0135
Fax: +1 514 342 7263



AHEAD Inc

AHEAD Inc with head office in New Bedford, USA was founded by present MD Ken Schwartz in 1995 and designs and markets branded headgear, clothing and accessories.

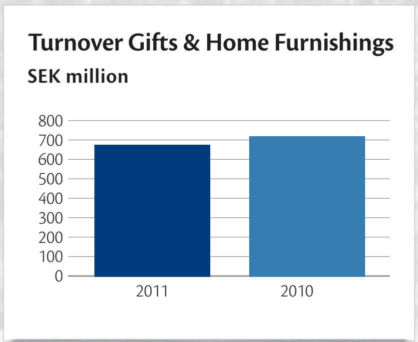
The company was created in response to the lack of a dominating brand in the golf headgear segment. Before AHEAD, the segment was characterised by uniformity and lack of creativity or excitement. In the last 15 years, AHEAD has benefitted from the golf industry's need for specialised high-quality graphics on headgear and clothing, as well as the brand awareness of people who visit golf stores. AHEAD now have 4 divisions: AHEAD men's wear, AHEAD Headgear, AHEAD "Heavy Metal™" (golf accessories) and the Kate Lord™ collection (women's wear).

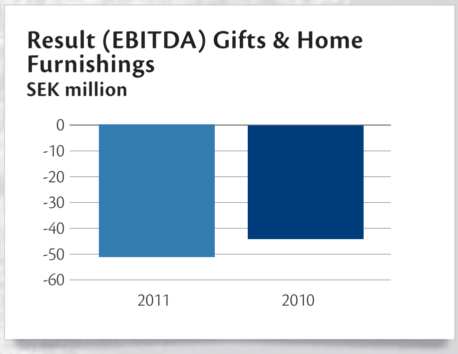
AHEAD collaborates with some of the real heavy-weights of golf like Jim Furyk, Retief Goosen, Brittany Lincicome, Jack Nicklaus, Arnold Palmer and Ryan Palmer.

AHEAD INC
270 Samuel Barnet Blvd
New Bedford, MA 02745
USA
Phone: +1 508 985 9898
Fax: +1 571 434 4620

Gifts & Home Furnishings

The Gifts & Home Furnishings operating segment includes several strong brands like Kosta Boda, Orrefors and Sagaform. In total, the operating segment's 9 brands are established in 15 countries. Sweden is the domestic market and accounts for the highest sales. Gifts & Home Furnishings answered for 16% of the Group's sales in 2011 and a loss of SEK 51.5 million (EBITDA). While the brands are mainly sold in the retail market, some sales also occur in the promo market.





ORREFORS

The Orrefors brand is distinguished by classic design and clean lines that enhance each object's carefully conceived shape and character. Orrefors is timeless design of, particularly, everyday objects, held together by an equally contemporary signature that runs like a red thread through Orrefors' more than 100-year history and market position. Orrefors' natural domestic markets are Sweden and the Nordic countries with traditionally strong markets in Greece and the USA. The challenge in the important Greek and North American markets is to defend the market shares acquired over an extended period and persevere throughout the present weakened economic climate in these countries. The brand will intensify its efforts in Europe, the Middle East and Asia. Expectations are particularly high in China where the Orrefors brand is positioned and sold through 8 flagship stores. The increased export venture will provide increased volumes and strengthen the brand internationally. The brand's foremost competitors in Sweden are Iittala, Målerås, Riedel, Skruf and Spiegelau, and in the export markets mainly Baccarat, Lalique, Swarovski, Riedel and Waterford.


Kosta Boda Art Hotel


Linnéa Art Restaurant

KOSTA BODA

Kosta Boda glass products are distinguished by a personal and multifaceted design language. Artistry is expressed in free bold shapes and often striking colours. Kosta Boda is for the self-confident customer who dares to be different and looks for artistic expression. Sweden and the Nordic countries constitute the natural domestic markets for Kosta Boda. The brand's foremost competitors in Sweden are Iittala, Målerås and retailer brands, but also lifestyle and décor products from chains like IKEA and prestige products from antique markets. The brand will intensify its efforts in Europe and Asia. Expectations are particularly high in China where Kosta Boda's spectacular glass art has attracted substantial interest. In glass product export markets, Kosta Boda mainly competes with Hadeland, Holmegard, Magnor, Rosendahl and Villeroy & Bosch. The possibilities of working with new distribution channels in addition to the traditional glass and porcelain trade are under investigation in Sweden as well as abroad (mainly the USA and Europe).

KOSTA BODA ART HOTEL

Kosta Boda Art Hotel was inaugurated in the summer of 2009 as the world's first art glass hotel, where the designers of Kosta Boda were responsible for all the art glass decorations. With its 102 rooms, conference facilities, indoor and outdoor pools, and a large spa and relax area the hotel has generated a real upswing for Kosta's tourism and boosted the number of visitors throughout the entire region.

LINNÉA ART RESTAURANT

Linnéa Art Restaurant opened its doors in the spring of 2010 and is a tasteful blend of gourmet restaurant and art glass gallery. The restaurant serves innovative kitchen art rooted in classical cooking in an environment designed by some of Kosta Boda's most prominent art glass designers. Everything – the food, the art, the furniture, the bathroom sinks – is here to give you a world-class experience. Linnéa has ever since the start received excellent reviews from food critics at i.a. Swedish newspapers Göteborgs-Posten and Dagens Industri.

KOSTA LINNEWÄFVERI

Kosta Linewäfveri creates textile products based on sustainable ideas from yesterday, but always with one leg in the present and future. Quality is the key word; for the selected materials as well as for the design and functionality. The products are presently sold in the Nordic markets. Main competitors are Gant, Himla, Klippan and Lexington.

ORREFORS JERNVERK

Orrefors Jernverk is exclusively manufactured classic metal products. The collection contains everyday items for the kitchen, as well as home decorations. Quality is very important to Orrefors Jernverk. All the products must be sustainable, timeless through inventive design and robust through good materials and well-tested manufacturing methods. Orrefors Jernverk is presently available in the Nordic markets and its main competitors are Alessi, Design House Stockholm, Georg Jensen and Stelton.

SAGAFORM

Sagaform is joyful and innovative gifts for the kitchen and table settings. Indoors as well as outdoors. The products are favourably priced for consumers looking for an everyday luxury gift for someone else as well as for themselves. The Sagaform brand is distributed in both the retail and promo markets and efforts are focused on the Swedish domestic market where the goal is to become the leading supplier in the product segment for joyful and innovative gifts. In the export area, the other Nordic countries as well as the Benelux countries, France, Germany and Great Britain are the main priority. In the USA, the company aims for growth with the supports of the strong presence of Cutter & Buck, Kosta Boda and Orrefors. Principal competitors include Eva Solo, Iittala and Meny, but also the chain store's own brands.

SEA GLASBRUK

SEA Glasbruk develops and designs glass for everyday use for homes and public places. The products are colourful and functional with a design that stands out. SEA Glasbruk products are mainly sold in Sweden through specialised stores and promo companies. Norway and the USA are the brand's strongest export markets. SEA's ambition is to grow strong in the domestic market and strengthen its position in Norway and the USA.


Sagaform


Kosta Boda


SEA Glasbruk

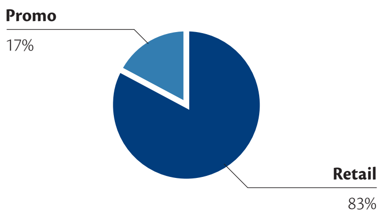

Kosta Linnewäfveri

Orrefors Jernverk

SALES CHANNELS

The Swedish retail sector is undergoing a major reconstruction where we see consumer interest in traditional glass and ceramics falling in favour of design and home decorating shops. The expansion of online shopping is another strategically important aspect where the shift in customers' buying patterns demands completely different availability than previously. Some of the Kosta Boda, Orrefors and Sagaform brand's sales activities target the promo markets where the products are used as everything from simple gifts to exclusive anniversary gifts and mementos. Kosta Boda and Orrefors uphold their position as an interesting alternative for occasions warranting high-class objects. Sagaform's products are popular as Christmas and summer gifts to employees and customers.

Turnover per sales channel



CAPITAL TIED UP

Production in Orrefors Kosta Boda is conducted throughout the entire year, while sales occur primarily during the second half of the year. Consequently, tied up capital is most considerable the first part of the year. Most of the production involves classic and popular products like Château, Intermezzo, Line, Mine and others with a product cycle in excess of 20 years, which reduces the risk of obsolescence. For the part not in-house manufactured, most purchases are made against stock for later sale to customers. New Wave Group limits its foreign exchange risk by hedging about 50-80% of the purchasing costs. Sales are made to selected retailers, which limits bad debts. However, there is a higher concentration to fewer customers in the retail segment compared with the promo segment. In 2011, confirmed bad debt losses in the Corporate Promo operating segment made up 1.16% of sales. Many of the products are the same for both the promo and retail sales channels, which provides a significant spread of risk.

Ethics and the environment

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

SOCIAL CODE OF CONDUCT

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

The Code of Conduct is an agreement that the Group's suppliers commit to observing, and prescribes, among other things, that the supplier must comply with legal requirements and provide the Group with full access to factories and data for evaluation of the supplier's compliance with the rules. The Code of Conduct further includes, inter alia, bans on child labour and discrimination, requirements for basic working conditions, the right to freely organize trade unions, payment of minimum wage and overtime pay, and limits on hours of work.

Since 2008 New Wave Group has been a Participating Company of the Fair Labor Association which is an international organisation that combines the efforts of industry, civil society organizations, and colleges and universities to protect workers' rights and improve working conditions worldwide by promoting adherence to international labor standards. The FLA's code of conduct, to which the New Wave Group has conformed its code, provides the same customer requirements to all suppliers, thus making it easier to implement requirements, to institute training, to conduct evaluation and audits, and for the supplier to comply.

Starting from 2012, New Wave Group will join the Business Social Compliance Initiative (BSCI), an initiative of the Foreign Trace Association (FTA) for companies committed to improving working conditions in the global supply chain.

DIRECT TRADE

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

CONTINUOUS IMPROVEMENTS

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

SOCIAL & ENVIRONMENTAL RESPONSIBILITY ORGANISATION

The Group's SER department is led from our head purchasing office in Shanghai, and currently employs auditors and regional supervisors working full time in the New Wave's liaison offices in Asia. The Group also has over 30 trained quality controllers throughout Asia who conduct "visual inspections" at the factories, in some cases daily. During 2007-2011, the New Wave Group has averaged over 200 full social compliance inspections and more than 1,500 visual inspections each year.

THE ENVIRONMENT

The New Wave Group recognizes how closely connected its business activities are to local and global environmental issues. The New Wave Group's companies are continually striving to develop environmentally sustainable plans in numerous areas.

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

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

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

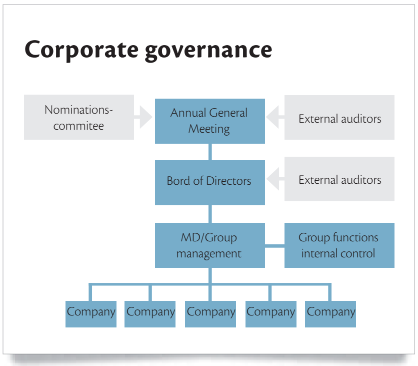
Chemical use: Quality control visual inspections allow the New Wave Group to maintain control over the chemical substances used in and for its products. The Group is committed to taking steps to reduce, substitute and eliminate chemical substances that are harmful to the environment.

Green production: The New Wave Group is developing sustainable products using new materials such as organic cotton and recycled fabric. The Group is actively supporting "Textile Exchange", a non-profit international organization committed to responsible expansion of textile sustainability across the global textile value chain, with a special focus on organic cotton. The Group also imposes strict requirements on its suppliers to use humane treatment on animals including but not limited to certification against plucking feathers from live birds.

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

Corporate governance

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



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

Shareholders

At the end of 2011, the company had 15,820 shareholders. The proportion of share capital owned by institutions amounted to approximately 41% of the capital and 11% of the votes. Foreign investors owned approximately 14% of the share capital and 4% of the votes. The 10 largest owners had a total holding corresponding to 59% of the share capital and 89% of the votes. For further information on the owners as at 31 December 2011, please see pages 34-35.

Annual General Meeting

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

2011 Annual General Meeting

The AGM for shareholders of New Wave Group was held on 17 May 2011 in Kosta. Anders Dahlvig was elected chairman of the meeting.

The following decisions were taken:
The meeting adopted the income statement and balance sheet as well as the consolidated income statement and balance sheet, decided to allocate the profit as set out in the proposed appropriation of profits, meaning that there would be a dividend of SEK 1 per share for the 2010 financial year, in addition to discharging the Board members and managing director from liability.

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

- that 6 Board members should be elected by the meeting and that no deputies would be appointed;
- that fees paid to the Board should be SEK 810,000, of which SEK 270,000 is for the Chairman and SEK 135,000 is for every single one of the other members elected by the AGM who are not employed by the Group;
- that Board fees may be paid to Board member's company provided that it is cost neutral to the company and in compliance with tax laws;
- to elect Torsten Jansson, Christina Bellander, Göran Härstedt, Helle Kruse Nielsen and Mats Årjes (all re-election) as members of the Board;
- to elect Anders Dahlvig as Chairman of the Board (re-election);
- that auditors' fees shall be paid according to approved invoice and contract;
- to re-elect Ernst & Young AB as auditors until the end of the AGM 2012;
- to establish principles for the composition of a nomination committee.

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

- on guidelines for remuneration to senior executives;
- to authorise the Board to make a decision on share issues;
- to authorise the Board to raise finance.

Complete information about the 2011 AGM is available on the website, www.nwg.se.

2012 Annual General Meeting

The annual shareholders meeting will be held on 15 May 2012 at 1 pm at the Kosta Boda Art Hotel in Kosta, Sweden.

Nomination committee

The nomination committee represents the company's shareholders. Its task is to create as sound a basis as possible for decisions at the AGM and to put forward proposals for matters such as the appointment of the Board of Directors and the auditor, and for remuneration to these parties. The nomination committee consists of one representative for each of the company's three biggest shareholders, chosen on the basis of personal qualities. If any of these shareholders decline to appoint a member of the nomination committee, the next shareholder in terms of size is given the opportunity to appoint a member. Information regarding the composition of the nomination committee is normally published in the interim report for the third quarter. The work of the nomination committee is predicted by a questionnaire-based evaluation of the Board of Directors' work and current members. The composition of the nomination committee, before the election of Board members at the 2012 AGM, is as follows:

- Arne Lööw, representative of Fjärde AP-fonden and the committee's chairman
- Torsten Jansson, managing director and representative of Torsten Jansson Förvaltnings AB
- Kenneth Andersen, representative of Home Capital

As per the Code, the managing director or other company executive can not be a member of the nomination committee. Torsten Jansson is a member as principal owner and a deviation from the Code has thus been made.

The nomination committee represents around 84.8% of the votes in New Wave Group as at 31 December 2012. All shareholders are able to contact the nomination committee to propose candidates to the Board. The nomination committee has held a number of meetings and in between these meetings maintained contact by phone and e-mail. Among its many tasks, the nomination committee has evaluated the Board of Directors on the basis of the company's future development and challenges in order to achieve a good combination of expertise and experience.

Independence of the Board

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

As Managing Director and major shareholder of New Wave Group, Torsten Jansson is considered to be dependent on the company and the company management. Göran Härstedt is considered to be dependent in relation to the company's major shareholder. Anders Dahlvig, Christina Bellander, Helle Kruse Nielsen and Mats Årjes are considered to be independent in relation to both the company and the company's major shareholder. It is thus the opinion of the nomination committee that the current composition of the New Wave Board satisfies the requirements for independence laid down in both the Code and in the rules and regulations of NASDAQ OMX Stockholm for issuers. For a detailed presentation of the Board, Board Members assignments and securities holding in New Wave Group, please refer to page 38.

The Board and its work

The Board of New Wave Group consists of six members elected by the AGM. The Board's working procedures are defined in the rules of procedure, which regulate the delegation of responsibility between the Board and the MD, the MD's authority, the meeting schedule and reporting routine. The Board meetings deal with budgets, interim reports, year-end accounts, state of business, investments and new launches. They also deal with general issues relating to the long-term business strategy as well as structural and organisational issues.

The working language of the Board's meetings and documentation is Swedish. As a rule, between seven and ten Board meetings are held each year. During 2011, the Board met on twelve occasions. Göran Härstedt is the Board's secretary.

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

Audit committee

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

Remuneration committee

There is no specially appointed remuneration committee to deal with wages, pension benefits, incentives and other employment-related conditions for the Managing Director. These issues are dealt with by the Board as a whole without the participation of Board member part of company management. The employment conditions of other members of Group management are determined by the MD and the Chairman of the Board.

Board	Attendance	Independent	Compensation
Anders Dahlvig, chairman	12/12	x	270 000
Christina Bellander	11/12	x	135 000
Göran Härstedt	12/12		135 000
Helle Kruse Nielsen	12/12	x	135 000
Mats Årjes	11/12	x	135 000
Torsten Jansson, Managing Director	12/12		0
Total			**810 000**

Remuneration to the Group Managing Director and other members of Group management comprises fixed salaries at competitive market rates.

New Wave Group's compensation policy for senior executives:

- Variable remunerations such as bonuses may be paid when this is justified in order to be able to recruit and maintain key staff so as to stimulate improvements in sales and profits as well as the work involved in achieving specific key figures set by the Board. Variable remunerations shall be based on predetermined, measureable criteria such as performance of the New Wave Group or return on equity compared to fixed targets. The variable remuneration shall not exceed 50% of the fixed remuneration.
- The Board shall in respect of each financial year consider whether a share or share price related incentive program which covers the year in question shall be proposed to the AGM or not. The AGM makes the final decision regarding such incentive programs.
- There shall be no special fee for Board work in Group companies for senior executives.
- Pension benefits shall be equivalent to an ITP plan or, for senior executives outside Sweden, pension benefits which are standard in the relevant country.
- A mutual notice period of no more than six months and no severance pay shall apply for all senior executives.

Conditions of Employment for the MD

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

Remuneration to the Board

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

Outstanding subscription options

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

New Wave Group has two outstanding subscription option programs.

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

A program for the Board was introduced in July 2008. The option program consists of 200,000 options, expires in June 2013 and has an exercise price of SEK 85.40. The option subscription premium was SEK 0.88 per option.

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

Company management

The Group's Board appoints the Managing Director of the parent company, who is also the CEO. The MD is responsible for the ongoing supervision of the Group and other members of the Group management report directly to him. The Group management consists of: MD, vice MD, Chief Financial Officer, Chief Buying Officer, Regional Manager North America, Operational Segment Manager Corporate Promo Northern Europe, Corporate Legal Counsel and Internal Auditor. The MD is responsible for the other operational segments.

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

For a more detailed presentation of management's assignments and holdings in New Wave Group refer to page 39.

Internal control and risk management relating to the financial reporting for the 2011 financial year

General

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

Operating segments

The Groups divides its operations into three operating segments: Corporate Promo, Sports & Leisure, and Gifts & Home Furnishings. Within Group management there are people with responsibility for each operational segment in order to coordinate operations. The products follow the operational segments, but have separate sales teams for the different sales channels, promo and retail.

Sales channels

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

Concept groups

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

Financial risk assessment

The material risks New Wave Group have identified in connection with the financial reporting are inaccuracies in the reporting and valuation of stock, intangible assets, accounts receivable, interest-bearing liabilities, tax, currencies and the risk of fraud, loss or embezzlement of assets. The greatest financial risks in terms of value in the balance sheet are:

- Stock, which accounts for around 41% of the value of the Group's assets
- Intangible assets (goodwill and trademarks), which account for 25% of the value of the Group's assets
- Accounts receivable, which account for around 16% of the value of the Group's assets
- Interest-bearing liabilities, which account for around 40% of the Group's balance sheet total

Control environment

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

Control activities

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

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

Information and communication

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

Follow-up

Finance personnel and management at company and Group level analyse the financial reporting in detail every month. The Group's central support staff is responsible for implementing, further developing and maintaining the Group's control routines, and for performing internal controls of business-critical matters. New Wave Group's privatised structure involves a comprehensive controller-based organisation, which is responsible for ensuring that financial reporting from each unit is correct, complete and on time. New Wave Group has introduced a control system to verify the various processes and to guarantee financial reporting. The controls in respect of the various processes and risk elements are evaluated by means of self-assessment, internal audits, internal Board meetings and via the company's external auditors. Most processes are fully or partly centralised at Group level, such as purchasing, logistics, payments, financing, IT, the consolidation and compilation of Group reports. The Board receives financial reports on an ongoing basis, and at each Board meeting they discuss the financial situation facing the Group and the various companies. During the year the Board has also received reports from the company's auditors detailing their observations.

The companies

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

Internal auditing

There is no specially appointed audit committee as the Board in its entirety handles its control tasks. The company has developed control and internal control systems, with business controllers at different levels within the company responsible for following up compliance on a regular basis. The Board's methods of monitoring the company's assessment of the internal control include contact with the company's auditors.

Auditor

The accountancy firm Ernst & Young AB was appointed as auditor at the 2011 AGM. Sven-Arne Gårdh is the principal auditor and his other public assignments include Elos, Global Health Partner, Hemtex, Svedbergs and Wallenstam. Sven-Arne Gårdh does not own any shares in New Wave Group.

Audit work

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

Articles of association

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

Policy documents

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

Financial policy

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

IT policy

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

Communication policy

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

Environmental policy

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

Göteborg on 3 April, 2011
New Wave Group AB (publ)

Torsten Jansson
MD and CEO

Anders Dahlvig
Chairman of the Board

Helle Kruse Nielsen
Board Member

Christina Bellander
Board Member

Göran Härstedt
Board Member

Mats Årjes
Board Member

The auditor's statement regarding the corporate governance report

To the Annual General Meeting of New Wave Group AB, organisation number 556350-0916

The Board is responsible for the Corporate Governance Report 2011 on pages 30-33 and that it is prepared in accordance with the Swedish Annual Accounts Act.

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

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

Göteborg on 3 April, 2011,
Ernst & Young AB

Sven-Arne Gårdh
Authorised Public Accountant

The share

The New Wave Group share

The share capital in New Wave amounted to SEK 199,030,629 distributed among a total of 66,343,543 shares. Each with a nominal quota value of SEK 3.00. The shares carry identical rights to the Company's assets and profits. Each Series A share is entitled to then votes and each Series B share is entitled to one vote. New Wave's Series B shares are listed at OMX Stockholm Mid Cap.

Dividend policy

The Board's objective is that distribution to shareholders be the equivalent of 30% of Group net profit after taxes over one business cycle.

Shareholders

The number of shareholders amounted to 15,820 (14,915) on 31 December, 2011. Institutional investors accounted for 41% of the capital and 11% of the votes. At the same time the ten largest shareholders held 59% of the capital and 89% of the votes. Non-Swedish shareholders accounted for 14% of the capital and 4% of the votes.

NEW WAVE GROUP'S TEN MAJOR SHAREHOLDERS 2011-12-31

SHAREHOLDER	Number of shares	Number of votes	Capital, %	Votes, %
Torsten Jansson genom bolag	22 604 656	208 973 776	34,1%	82,7%
Fjärde AP-fonden	3 859 355	3 859 355	5,8%	1,5%
Avanza Pension	3 136 744	3 136 744	4,7%	1,2%
Länsförsäkringar Småbolagsfond	1 938 847	1 938 847	2,9%	0,8%
Handelsbanken fonder	1 604 720	1 604 720	2,4%	0,6%
Home Capital	1 598 436	1 598 436	2,4%	0,6%
City Bank New York	1 161 135	1 161 135	1,8%	0,5%
AMF	1 153 000	1 153 000	1,7%	0,5%
Tangent	1 001 120	1 001 120	1,5%	0,4%
SEB fonder	942 840	942 840	1,4%	0,4%
	39 000 853	**225 369 973**	**58,8%**	**89,2%**

Shareholder distribution in New Wave Group 2011-12-31

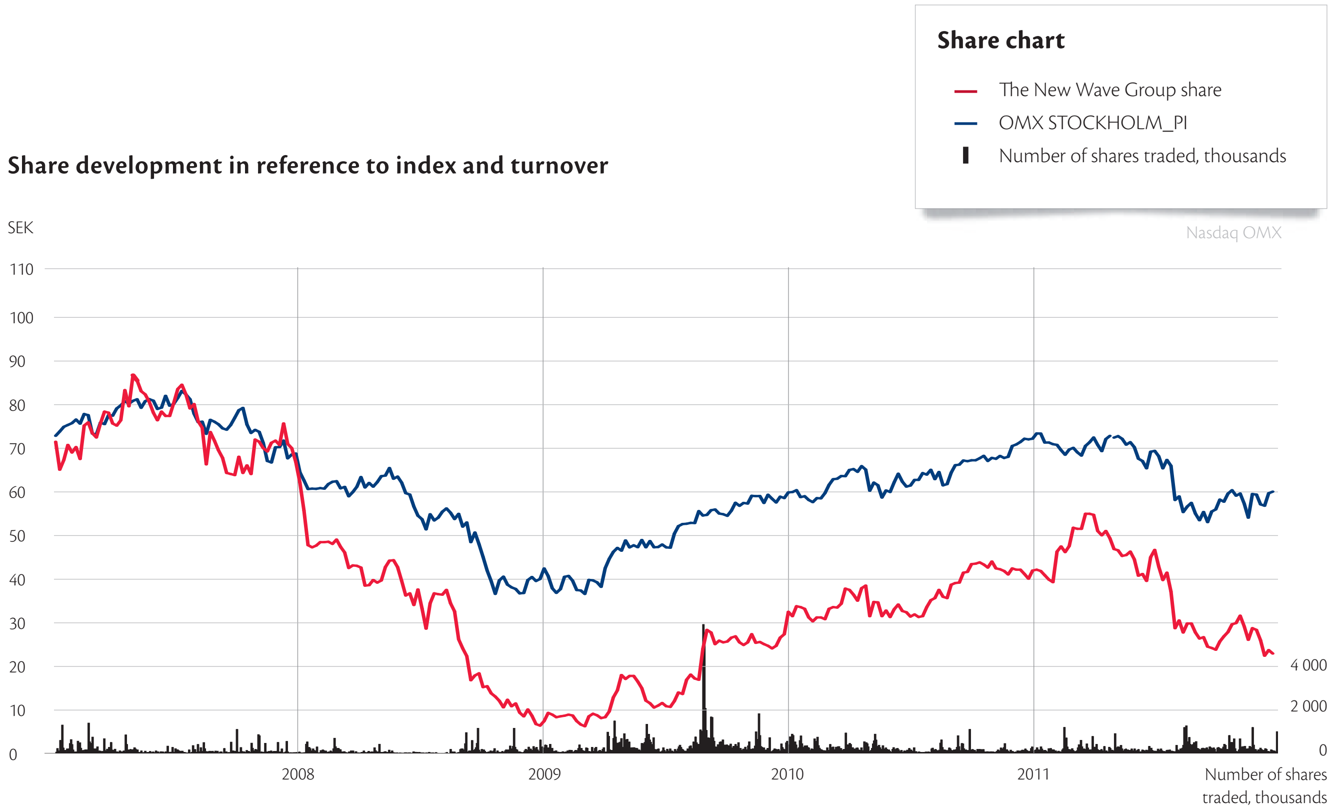
	Number of shares	Number of votes	Capital, %	Votes, %
Sweden	56 966 566	243 335 686	85,9%	96,3%
Shareholders outside Sweden, excluding USA	7 661 925	7 661 925	11,5%	3,0%
USA	1 715 052	1 715 052	2,6%	0,7%
Total	**66 343 543**	**252 712 663**	**100,0%**	**100,0%**

New Wave Group shareholder structure 2011-12-31

In due order	Number of shareholders	Number of shares	Share, %	Trade value, TSEK
1 - 200	7 049	603 504	0.91	13 881
201 - 1 000	5 497	3 308 171	4.99	76 088
1 001 - 2 000	1 504	2 502 682	3.77	57 562
2 001 - 10 000	1 472	6 677 082	10.06	153 573
10 001 -	298	53 252 104	80.27	748 522
	15 820	**66 343 543**	**100.00**	**1 049 625**

New Wave B
Listed on the OMX Stockholm Mid Cap.

Share development in reference to index and turnover



Share capital development

Year	Transaction	Increase number of shares	Issue price	Increase share capital	Total number of shares	Total share capital, SEK	Face quota
1991	The company was founded	500	100,00		500	50 000	100,00
1995	Directed new issue 1:20[1]	25	35 524,00	2 500	525	52 500	100,00
1996	Bonus issue 37:1	19 475		1 947 500	20 000	2 000 000	
1997	Directed new issue 1:17[2]	11 448	600,00	114 480	211 448	2 114 480	10,00
	Bonus issue	0		2 114 480	211 448	4 228 960	
	Split 10:1	1 903 032			2 114 480	4 228 960	
	Directed new issue[3]	681 818	110,00	1 363 636	2 796 298	5 592 596	2,00
1998	Directed new issue[4]	201 106	114,40	402 212	2 997 404	5 994 808	2,00
2000	Directed new issue[5]	552 648	171,45	1 105 296	3 550 052	7 100 104	2,00
	Split 2:1	3 550 052			7 100 104	7 100 104	
2001	Directed new issue[6]	150 000	160,00	150 000	7 250 104	7 250 104	1,00
2002	Split 2:1	7 250 104			14 500 208	7 250 104	
2004	Bonus issue			166 752 392	14 500 208	174 002 496	12,00
	Directed new issue[7]	1 160 016	130,00	13 920 192	15 660 224	187 922 688	12,00
	Split 2:1	15 660 224			31 320 448	187 922 688	6,00
	Directed new issue[8]	226 886	88,15	1 361 316	31 547 334	189 284 004	6,00
2005	Directed new issue[9]	96 822	125,00	580 932	31 644 156	189 864 936	6,00
	Directed new issue[10]	614 732	52,00	3 688 392	32 258 888	193 553 328	6,00
	Split 2:1	32 258 888			64 517 776	193 553 328	3,00
2006	Directed new issue[11]	1 825 767	29,30	5 477 301	66 343 543	199 030 629	3,00

[1] New issue addressed to the owners of Licensprint i Orsa AB connected to the purchase of the company. The share premium reserve increased by SEK 886,000.
[2] New issue addressed to Group personnel. Subscription price SEK 600 per share. The share premium reserve increased by SEK 6,754,000.
[3] New issue connected to introduction on the Swedish Stock Exchange. Subscription price SEK 110 per share. The share premium reserve increased by SEK 69,089,000.
[4] Non-cash issue connected to the purchase of the Hefa Group. Price of issue SEK 114.40 per share. The share premium reserve increased by SEK 22,604,000.
[5] New issue addressed to the owners of Texet AB connected to the purchase of the company. The share premium reserve increased by SEK 94,242,000
[6] New issue addressed to the owners of Segerkoncernen AB connected to the purchase of the company. The share premium reserve increased by SEK 23,850,000.
[7] New issue addressed to the owners of New Wave Group. The share premium reserve increased by SEK 135,794,410.
[8] New issue addressed to the owners of Jobman AB connected to the purchase of the company. The share premium reserve increased by SEK 16,638,684.
[9] New issue addressed to the owners of the Dahetra Group connected to the purchase of the Group. The share premium reserve increased by SEK 11,521,818.
[10] New issue connected to exercise of option rights. The share premium reserve increased by SEK 28,221,388.
[11] New issue connected to exercise of option rights. The share premium reserve increased by SEK 48,017,672.

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X-TEND BV
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THE NETHERLANDS
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The Board of Directors

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

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

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

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

Göran Härstedt, born 1965
Member of the Board since 2009.
Other directorships: Chairman of the Board for a number of companies within the New Wave Group.
Holdings in the company, own and related parties:
1,000,000 class A shares and 568,000 class B shares.

Torsten Jansson, born 1962
MD and CEO. Founder and majority shareholder in New Wave Group AB. Member of the Board since 1991.
Other directorships: Chairman of the Board of Porthouse Interior AB and Member of the Board of RNB Retail and Brands AB (publ).
Holdings in the company, own and related parties:
20,707,680 class A shares and 1,971,976 class B shares.

Group Management

Torsten Jansson, born 1962
Managing Director and CEO. New Wave Group AB's founder and majority share holder.
Holdings in the company, own and related parties: 20,707,680 class A shares and 1,971, 976 class B shares.

Patrick Fransson, born 1971
Internal Auditor. Employed since 2011.
Holdings in the company, own and related parties: Does not hold any securities in the company.

Rolf Karp, born 1960
Vice Managing Director and CAO. Employed since 2011.
Holdings in the company, own and related parties: 2,300 class B shares.

Magnus Claesson, born 1960
CBO. Employed since 2010.
Holdings in the company, own and related parties: Does not hold any securities in the company.

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

Tomas Jansson, born 1965
Northern Europe Manager Corporate Promo and Managing Director of New Wave Mode AB. Employed since 1993.
Holdings in the company, own and related parties: 20,000 class B shares and 28,000 class B share options.

Magnus Rapp, born 1976
Corporate Legal Counsel. Employed since 2011.
Holdings in the company, own and related parties: 25,000 class B shares.

Ernest Johnson, born 1951
Managing Director of New Wave Group USA Inc. Employed since 2007.
Holdings in the company, own and related parties: Does not hold any securities in the company.

Auditors

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

AGM

The Annual General Meeting (AGM) will take place on Tuesday 15 May 2012 at 1 pm at the Kosta Boda Art Hotel, Stora vägen 75, 360 52 Kosta, Sweden. Shareholders have the right to attend the AGM if they are registered in the copy of the share register made on 9 May 2012 and notify the company of their intention to attend the AGM by 12 noon on 9 May 2012 at the latest.

Nominee registered shares
Shareholders with nominee-registered shares must register their shares in their own name with Euroclear Sweden AB to be entitled to attend the AGM. This registration must be completed by 9 May 2012 and an application shall therefore be made to the nominee in good time before this date.

Notification
Notification of attendance at the AGM shall be made by letter or e-mail to:
New Wave Group AB
Orrekulla Industrigata 61
SE-425 36 Hisings Kärra
Sweden
bolagsstamma@nwg.se

The notification shall state:
The notification shall state name, personal identification number/company registration number and daytime phone number. Shareholders who wish to attend the AGM must have notified the company of this before 12 noon on 9 May 2012 when the notification deadline expires.

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

Dividend payment
The Board proposes to the Annual General Meeting a dividend for 2011 of SEK 1.00 per share, corresponding to a total of SEK 66,344 thousand. The Board has proposed 21 May 2012 as the record day for the dividend. This record day assumes payment of the dividend from Euroclear Sweden AB on 24 May 2012.

New Wave Group AB (publ) Org nr 556350-0916
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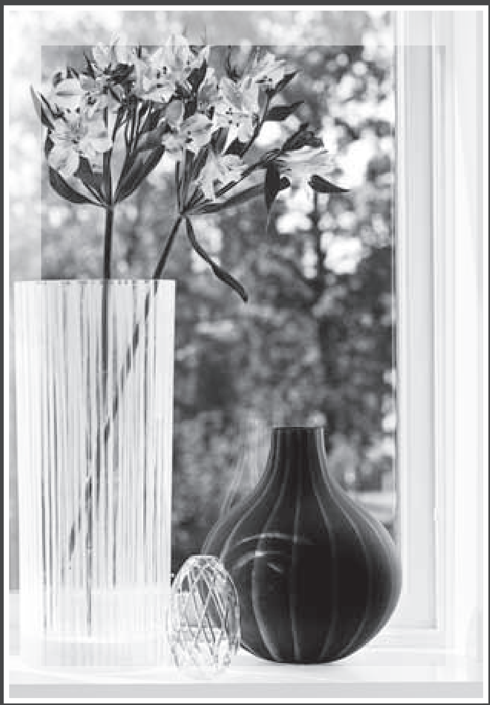
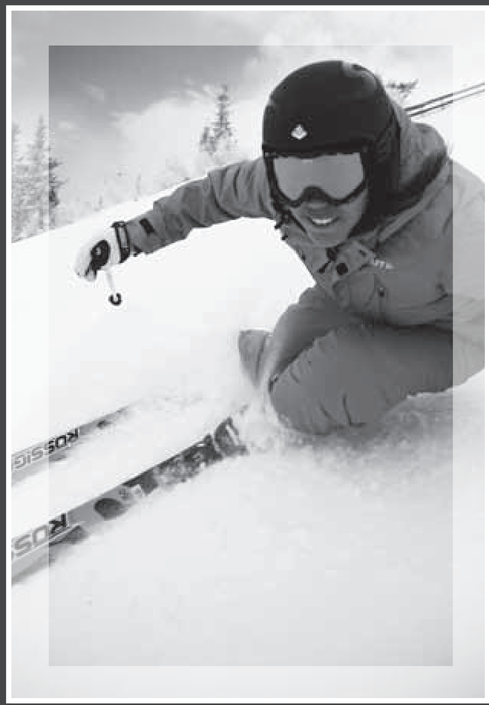
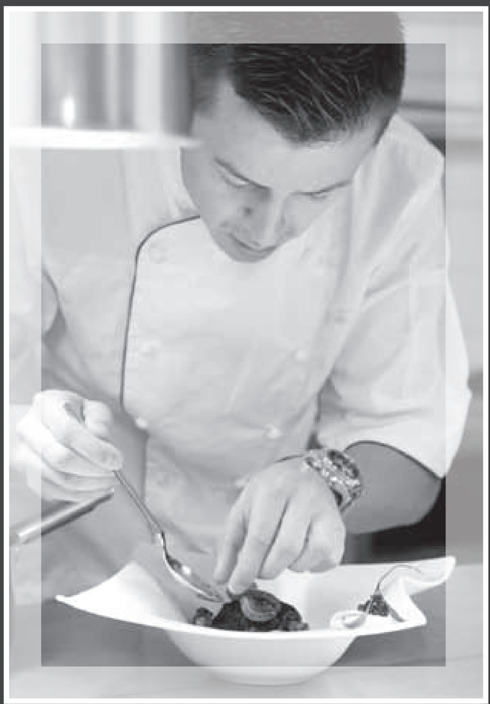
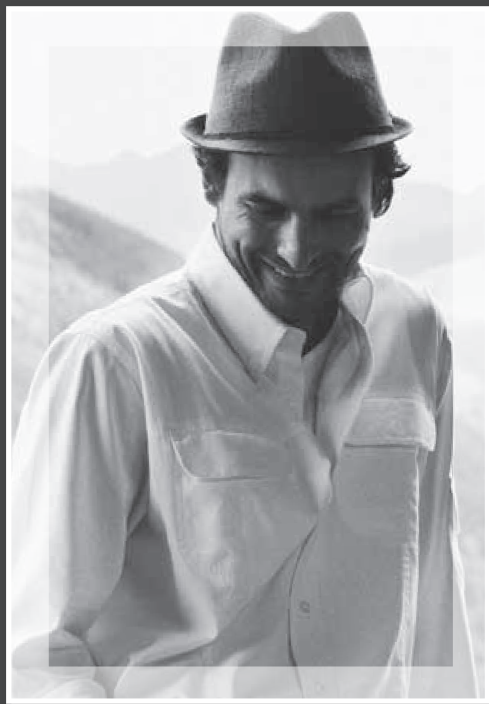
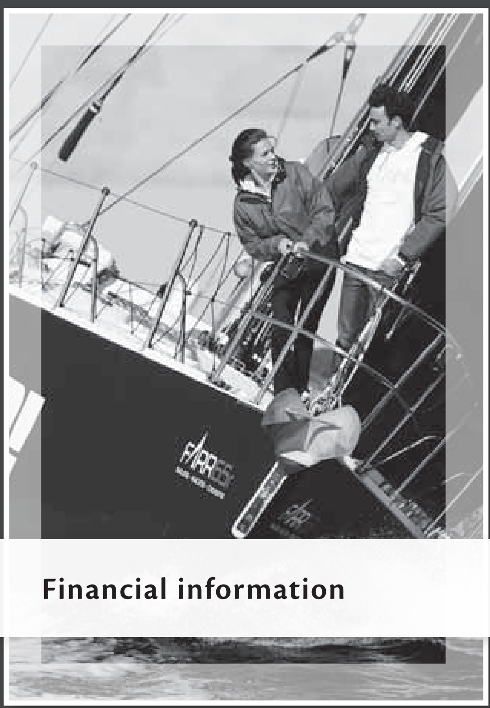
Telefon: +46 (0)31 712 89 00, Fax: +46 (0)31 712 89 99
info@nwg.se www.nwg.se



NewWave
GROUP

Financial information

Annual report 2011

Our brands

Corporate Promo

Clique, Cottover, D.A.D Sportswear, d-vice, Grizzly, James Harvest, Hurricane, Jingham, Jobman Workwear, New Wave, Lord Nelson, Lord Nelson Victory, Mac One, Nightingale, Queen Anne, Projob Swedish Workwear, Texas Bull, Printer Active Wear, Toppoint

Sports & Leisure

Annika Cutter & Buck, Cutter & Buck, Clique, Craft, Pax, Seger, Sköna Marie, Speedo, Umbro, Ahead USA, Kate Lord, Le Gant Paris Glove, Auclair, Gants Laurentide Ltée Gloves Ltd.

Gifts & Home Furnishings

Kosta Boda, Kosta Förlag, Kosta Linnewäfveri, Orrefors, Orrefors Jernverk, Sagaform, SEA glasbruk Kosta Sweden, Kosta Boda Art Hotel, Linnéa Art Restaurant

Financial information

Directors' report

The Board of Directors and the Managing Director of New Wave Group AB (publ), 556350-0916, domiciled in Göteborg hereby presents the annual accounts and consolidated accounts for the financial year 1 January 2011 to 31 December 2011.

OPERATIONS

New Wave Group is a growth company that designs, acquires and develops brands and products in the corporate promo, gifts and home furnishings sectors. The Group will achieve synergies by coordinating design, purchasing, marketing, warehousing and distribution of its product range. To ensure good risk diversification, the Group will market its products in the corporate promo market and the retail market. New Wave Group's competitiveness mainly lies in strong brands, good knowledge, a high level of service and a well-developed holistic concept. The products are mostly manufactured in Asia and to a lesser extent in Europe. Through its relative size, New Wave Group has good purchasing prices and efficient logistics. The Group's best known fully-owned brands are AHEAD, Auclair, Clique, Craft, Cutter & Buck, Grizzly, James Harvest Sportswear, Jobman, Kosta Boda, Orrefors, PAX, ProJob, Sagaform, Seger, Toppoint, as well as licensed brands Speedo and Umbro.

INCOME STATEMENT

Income statements by quarter

SEK million	**2011**	**Q 4**	**Q 3**	**Q 2**	**Q 1**
Net sales	4 236.9	1 187.5	1 100.9	1 020.9	927.6
Goods for resale	-2 214.1	-607.3	-590.2	-522.7	-493.9
Gross profit	**2 022.8**	**580.2**	**510.7**	**498.2**	**433.7**
Gross profit in %	**47.7%**	**48.9%**	**46.4%**	**48.8%**	**46.8%**
Other operating income	39.4	6.9	11.5	8.4	12.6
External costs	-970.5	-256.0	-231.4	-241.6	-241.5
Personnel costs	-691.1	-184.5	-165.2	-173.2	-168.2
Depreciation	-50.6	-13.6	-12.7	-13.2	-11.1
Other operating costs	-24.8	-4.7	-6.7	-5.5	-7.9
Share of associated companies' profit	1.7	2.0	0.0	-0.4	0.1
Operating profit	**326.9**	**130.3**	**106.2**	**72.7**	**17.7**
Financial income	6.9	3.2	1.1	1.0	1.6
Financial costs	-57.9	-19.3	-14.9	-12.2	-11.5
Profit after net financial items	**275.9**	**114.2**	**92.4**	**61.5**	**7.8**
Tax	-76.8	-31.5	-19.0	-24.2	-2.1
Profit for the period	**199.1**	**82.7**	**73.4**	**37.3**	**5.7**

SUMMARY OF 2011

The Group's growth in local currencies amounted to 4%. Operating segment Corporate Promo has experienced growth in Sweden and the Nordic region, while Europe has been weaker. Sports & Leisure has been successful in the Nordic region during the first quarter, but the mild winter during the fourth quarter caused the segment to lose sales compared to last year (excluding acquisitions). In the USA, Cutter & Buck sales were on par with last year. Gifts & Home Furnishings decreased sales by 6%, which is mainly related to weaker Swedish retail sales, but also lower export sales. Of the Group's sales channels – promo and retail – promo has shown small signs of growth, while retail decreased by 5% (excluding acquisitions).

The gross profit margin improved and amounted to 47.7% (47.1%). Previous year's gross profit was negatively affected by the shortage of goods we experienced during most part of the year. The Group has during the year accomplished a better warehouse structure which has generated positive results. The mix of customers and markets has also had a positive effect.

The Group has continued to work on cost levels and last year's cost saving measures have had positive effects during the year. However, total costs have increased compared to last year due to the financial irregularities and improperly reported balance sheet items that occurred in one of New Wave Group's German subsidiaries during the second quarter, which had a negative effect of about SEK 23.5 million. Costs in connection with the liquidation of the Orrefors Kosta Boda cut crystal operation have also had a negative effect of 7.0 million. In addition to these non-recurring items, costs have been affected by SEK 36.5 million for acquired units and an additional SEK 7.1 million in acquisition costs. Excluding non-recurring costs and acquired units the Group's external and personnel costs are on par with last year (in local currency). Net income amounted to SEK 199.1 million (SEK 221.5 million). The decrease is related to above-mentioned non-recurring costs as well as higher financing costs.

During the year the Group acquired all shares in AHEAD Inc and Paris Glove of Canada Ltd. AHEAD is best known for its collections of caps with embroidered logos and its strong position on the headgear market makes it an excellent complement to New Wave Group's business portfolio. Paris Glove is one of the oldest and most respected glove companies in Northern America and has achieved a respectable status as premium brand synonymous with quality, style and performance. The Paris Glove Group is one of few companies that supply products to all markets; sports, fashion and protective gloves for men and women, adults and children. The Group has also acquired 49% of Fersten Group, a promo company based in Montreal, Canada.

Furthermore, the cut glass operation at Orrefors Kosta Boda was discontinued during the year which affected the result by SEK 7 million. Thereafter, the development in Orrefors Kosta Boda continued to decrease and we therefore resolved on further savings measures as well as a radical action plan. The measures adopted will be implemented during the first half of 2012 after negotiations with each respective union. The measures adopted are expected to generate savings of about SEK 24 million annually. Expected savings will be achieved gradually in the second half of 2012 and reach full effect in 2013.

If the measures do not generate expected results in the coming two year period, the valuation of the Group's assets comprising the Orrefors Kosta Boda brand will be carefully evaluated and tested. Current plans give us enough margins and should impairment be needed in the future it will have no impact on cash flow.

The Group continues its efforts to decrease working capital. However, last year's working capital was negative by SEK 203.6 million due to a deliberate build-up of inventories. We had a shortage of goods in some segments last year and during the year we have mainly worked to achieve a better warehouse structure and setup. This has meant a larger inventory, but also that we have been able to improve our gross profit. In addition, the early Chinese New Year made us move incoming stock deliveries forward. Cash flow from operating activities amounted to SEK 66.0 million (SEK 343.6 million) with last year being a year when we did not achieve the desired composition of inventories. Stock-in-trade amounts to SEK 1,974 million, of which acquired units have contributed SEK 129 million. Net debt increased by SEK 390 million and amounted to SEK 1,797 million (SEK 1,407 million), of which acquired units accounted for SEK 255 million. Net debt to equity ratio amounted 85.9% (72.8%).

Net sales

Sales amounted to SEK 4,237 million (SEK 4,243 million), which was on par with last year. Exchange rates affected sales negatively by SEK 176 million and sales in local currencies increased by 4%, of which acquired units accounted for 2% (SEK 89 million).

Operating segment Corporate Promo increased turnover by 1% with better activity in Sweden and the other Nordic countries. Sports & Leisure increased sales by 1%, with acquired units having a 5% positive effect. Gifts & Home Furnishings decreased sales by 6%. The operating segment decreased sales both in Sweden and in the export market and mainly within retail.

Sales turnover in Sweden was unchanged compared to last year. However, we had an increase in the promo sales channel, while retail decreased. U.S. sales were unchanged, but the sales have been negatively affected when converted to SEK. Acquired units have had a positive effect by 8% in the region. The other Nordic countries increased by 2% and the increase is in all markets. Central Europe and Southern Europe were negatively affected by exchange rate changes and the countries are on par or somewhat lower than last year.

Gross profit

This year we have worked to achieve a better inventory structure as we have been hit by shortages of goods in some segments during previous years. The work has paid off and the gross profit margin amounted to 47.7% which is an improvement compared to last year (47.1%). The mix of customers and countries has also had a positive effect.

Other operating income and other operating costs

Other operating income increased by SEK 7.2 million to SEK 39.4 million (SEK 32.2 million). Other operating income is primarily attributable to currency exchange gains and also invoiced expenses. Remaining other incomes is mainly attributable to the operation's currency gains and should be viewed together with the line "Other operating costs" where mainly the operation's currency exchange losses are recognised. Other operating costs increased by SEK 3.2 million to SEK -24.8 million (SEK -21.6 million). The net of above items amounted to SEK 14.6 million (SEK 10.6 million). The improvement is primarily related to higher foreign exchange gains.

Expenses and depreciation

External expenses increased by SEK 24.3 million to SEK -970.5 million (SEK -946.2 million). The increase is mainly attributable to the financial irregularities and incorrectly reported balance sheet items from the second quarter in one of New Wave Group's German subsidiaries, which had a negative effect of about SEK 23.5 million. Acquired units have affected costs by SEK 21.5 million and another SEK 7.1 million in acquisition costs. Personnel costs amounted to SEK -691.1 million, which is SEK 11.9 million higher than last year (SEK -679.2 million). The increase is mainly due to acquired units, which affected by SEK -15.0 million.

Costs in connection with the liquidation of the Orrefors Kosta Boda cut crystal operation also have a negative effect and amount to -7.0 million.

Exchange rates had a positive effect on costs by SEK 61 million.

Depreciations amounted to SEK -50.6 million (SEK -58.4 million). The operating margin amounted to 7.7% (7.7%). Excluding above mentioned non-recurring items, the operating margin amounted to 8.4 %.

Net financial items and taxes

Net financial items amounted to SEK -51.0 million (SEK -27.3 million). The increase is due to higher interest rates as well as higher net debt. The net debt increased by SEK 390 million during the year, of which SEK 255 million are acquisition costs. It is the Group's policy to have short fixed-interest agreements resulting in quick effects on the Group's net interest as the short-term interest rate changes.

Tax expenses in absolute numbers amounted to SEK -76.8 million (SEK -78.8 million) and the tax rate amounted to 27.8% (26.2%).

Profit for the year

Profit after tax amounted to SEK 199.1 million (SEK 221.5 million) and earnings per share amounted to SEK 2.99 (SEK 3.31). The lower result is related to non-recurring items, which amounted to SEK 26.2 million after tax.

REPORTING OF OPERATING SEGMENTS

The operating segments are based on the Group's operational management. New Wave Group AB divides its operations into three segments; Corporate Promo, Sports & Leisure and Gifts & Home Furnishings. The Group monitors the operating segment and brand sales as well as the profit (EBITDA).

Corporate Promo

Sales increased by 1% to SEK 1,835 million (SEK 1,819 million) and the profit (EBITDA) improved by SEK 42.1 million to SEK 251.7 million (SEK 209.6 million). The sales turnover increase is mainly due to improved promo markets in Sweden and the other Nordic countries, while it has been negative in the rest of Europe. The profit increase is related to cost savings and improved operating margins. The segment was negatively affected by the previously mentioned non-recurring item of SEK 23.5 million regarding Germany.

Sports & Leisure

The operating segment increased sales by 1% to SEK 1,724 million (SEK 1,703 million), while the result (EBITDA) decreased by SEK 42.8 million to SEK 177.3 million (SEK 220.1 million). The turnover increase is due to acquired units with sales of SEK 89 million in the period. The segment was however negatively affected by currency conversion to SEK and is on par with last year in local currencies. The lower result is related to lower gross margin in the retail sales channel and higher sales and marketing costs. Acquired units affected by SEK -5 million.

Gifts & Home Furnishings

Sales decreased by 6% to SEK 678 million (SEK 722 million) and the profit (EBITDA) decreased by SEK -7.8 million to SEK -51.5 million (SEK -43.7 million). The decrease is mainly related to Orrefors Kosta Boda's decreased retail sales. The segment has also been negatively affected by non-recurring costs of SEK 7.0 million in connection with the liquidation of Orrefors' cut-crystal operation.

Sales and result per operating segment

Corporate Promo	2011	2010
Income	1 834.9	1 818.6
Result EBITDA	251.7	209.6
Sports & Leisure		
Income	1 724.0	1 702.8
Result EBITDA	177.3	220.1
Gifts & Home Furnishings		
Income	678.0	722.0
Result EBITDA	-51.5	-43.7
Total income	**4 236.9**	**4 243.4**
Total result EBITDA	**377.5**	**386.0**

GEOGRAPHICAL ALLOCATION

	2011	Share of income	2010	Share of income	Change MSEK	%
Sweden	1 285	30%	1 288	30%	-3	0
USA	894	21%	893	21%	1	0
Nordic region excl Sweden	661	16%	651	15%	10	2
Central Europe	781	18%	798	19%	-17	-2
Southern Europe	443	11%	468	11%	-25	-5
Other countries	173	4%	145	4%	28	19
Total	**4 237**	**100%**	**4 243**	**100%**	**-6**	**0**

Sales turnover in Sweden was unchanged compared to last year. The promo sales channel has however shown small signs of growth, while retail has decreased slightly. U.S. sales are also unchanged compared to 2010. Acquired units contributed by 8% in the region. Currency changes had a negative effect and the region had a weak growth in local currency. All remaining Nordic countries are showing signs of growth. In Europe, several countries are decreasing slightly or are on par with last year. The region was also negatively affected by currency exchange rates when converting to SEK.

ACQUISITIONS

Ahead Inc

On 29 July, New Wave Group acquired the entire operation and all assets of the American cap and apparel company AHEAD for USD 23.8 million. The acquisition was executed by a newly formed subsidiary operating under New Wave Holding USA Inc and by New Wave Licensing SA who acquired the brand. The majority of the acquisition is financed in USD.

AHEAD was founded in 1995 and has been very successful in the golf segment with high graphic quality on caps, but also matching garments. With their head office in New Bedford, Mass., AHEAD markets products in four categories; men's wear, headgear, the golf collection "Heavy Metal™" and the women's collection "Kate Lord™ Collection" which contains headgear, women's wear and accessories. For more information, go to www.aheadweb.com.

AHEAD is best known for its collections of caps with embroidered logos and its strong position on the headgear market makes it an excellent complement to New Wave Group's business portfolio. The company is also known for revolutionising the development of caps in the golf collective.

AHEAD currently has 197 employees and their 2010 turnover was close to USD 32 million with an operating profit of USD 2.7 million. The activity was consolidated from the acquisition date and has contributed by SEK 74 million in turnover and SEK -6 million in result before tax. If the acquisition of AHEAD had been executed at the beginning of the year, the pro forma revenues would have been SEK 227 million more and the result before tax SEK 8 million higher.

Paris Glove of Canada Ltd

On 30 November, New Wave Group AB acquired all shares in the Canadian glove company Paris Glove of Canada Inc for CAD 16.5 million. Paris Glove's turnover in 2010 was CAD 28 million and the operating profit (EBIT) CAD 2.8 million. The company has 129 employees. Paris Glove (www.parisglove.com) is a further strengthening of New Wave Groups company portfolio and a complement to existing clothing lines and global markets. The company's established client base also provides a gateway to the Canadian end-user market for other New Wave products.

Paris has been family owned since the start in 1945 when founders Felix and Lily Monk brought their glove manufacturing knowledge from England to Canada. It is one of the oldest and most respected glove companies in Northern America and has achieved a respectable status as premium brand synonymous with quality, style and performance in the glove area.

The Paris Glove Group is one of few companies that supply products to all markets; sports, fashion and protective gloves for men and women, adults and children. The company also has a line of scarves and headgear for men and women and distributes a limited selection of other products for other brands to their clients. The Paris Glove Group includes Laurentide, Gloves International Inc, the Paris Fashion Division and the Auclair Sports Division.

The activity was consolidated from the acquisition date and has contributed by SEK 15 million in turnover and SEK -2 million in result before tax. If the acquisition of Paris Glove had been executed at the beginning of the year, the pro forma revenues would have been SEK 182 million more and the result before tax SEK 12.5 million higher.

Fersten Group

On 6 December New Wave Group acquired 49% of the Fersten Group. The company is a promo company situated in Montreal, Canada. The company has a turnover of about CAD 2 million.

For further descriptions of the acquisitions, please refer to Note 26.

ESTABLISHMENTS

New Wave Group has together with a Finnish and a Swedish partner established a co-owned company to take over distribution rights for Craft in Russia.

CAPITAL TIED UP

Capital tied up has increased by SEK 379 million during the year. Total inventories amounted to SEK 1,974 million (SEK 1,595 million) of which acquired units have contributed by SEK 129 million. The increase is planned as our inventories during some periods have been too low in some segments historically and we therefore have not been able to achieve the required customer service level. Inventory turnover rate amounted to 1.2 (1.4).

	2011-12	2010-12
Raw materials	63.8	80.4
Work in progress	20.7	23.0
Goods in transit	64.1	103.7
Goods for release in warehouse	1 825.3	1 387.6
Total	**1 973.9**	**1 594.7**

Obsolescence as of 31 December 2011 amounted to SEK 77 million (SEK 61 million) and is 4.2% (4.4%) of merchandise on stock.

Accounts receivable amounted to SEK 782 million (SEK 788 million) of which acquired units affected by SEK 69 million. Capital tied up in accounts receivable has been affected by the turbulence in Greece, which has resulted in the Group starting negotiations with customers and agents in those countries which are considered especially effected by this turbulence and increased risk. The negotiations are about conditions for deliveries and credits, as well as collateral for market presence and risk management.

INTANGIBLE ASSETS AND IMPAIRMENT TESTING

Assumptions made in a test are the Board of Directors' best assessment of the economic conditions expected to prevail over the forecast period, based on the current situation. Current market conditions and the economic situation make a forecast for future periods difficult to make. The first five years, 2012-2016, are based upon the Board of Directors' established internal forecasts and for the following terminal period an average growth rate of 3% has been used. Sensitivity analyses have been carried out across all operating segments.

In calculating the present value of expected future cash flows, a weighted average cost of capital (WACC) of 12% before tax is used. Discounted cash flows are compared with book value per cash-generating unit/operating segment. The 2011 assessment proved that there is no need for impairment.

Corporate Promo

The calculation includes the operating segment's cash flow based on internal forecasts. It includes an increase in sales which is slightly higher than the inflation and that the capital tied up at the end of the internal prognosis period (2012-2016) is expected to be at current levels.

Sports & Leisure

The calculation includes the operating segment's cash flow based on internal forecasts. Actions taken during last year have contributed to improvements in profitability and working capital. The effects of these actions are included in the prognosticated estimated improvements.

Gifts & Home Furnishings

The calculation includes the operating segment's cash flow based on internal forecasts. With regards to Orrefors Kosta Boda, which is very important to the operating segment, actions have been implemented in 2011 to streamline and improve profitability. The forecast includes the estimated margin and earnings improvements these measures are expected to provide, which i.a. means an improved stock situation and better efficiency. For the forecast period (2012-2016) 2012 is expected to have a weaker development and then a gradual improvement during the remaining years.

INVESTMENTS, FINANCING AND LIQUIDITY

The Group's cash flow from operating activities decreased and amounted to SEK 66.0 million (SEK 343.6 million). It is mainly our planned inventory build-up that has deteriorated the cash flow compared to previous year. The Group's cash net investments were SEK -326.5 million (SEK -57.6 million), of which acquisitions amounted to SEK -254.5 million.

Net debt increased by SEK 390 million to SEK 1,797 million (SEK 1,407 million), which is related to the acquisition of AHEAD and Paris Glove as well as increased working capital, mainly in inventories. Net debt to equity ratio and working capital increased and amounted to 85.9% (72.8%) and 78.6% (75.3%) respectively.

The equity ratio decreased by 1.3 percentages and amounted to 43.5% (44.8%), which is due to acquisitions and an increase in working capital.

The Group's credit agreement has a credit limit of SEK 2,339 million where the main agreement amounts to SEK 2,200 million and is valid until 15 September 2013. The main agreement means that commitments (covenants) must be fulfilled in order to maintain the agreement. The interest rate is based on each respective currency's base rate and a fixed margin.

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

PERSONNEL, ORGANISATION AND ALLOWANCES

As of 31 December 2011 the number of employees amounted to 2,242 (2,196) persons, of which 49% were women and 51% were men. Out of the total number of employees, 603 (556) work in production. The production contained within the New Wave Group is attributable to AHEAD (embroidery), Cutter & Buck (embroidery), Dahetra, Orrefors Kosta Boda, Paris Glove, Seger and Toppoint. Acquired units affect with 98 employees, of which 46 are in production.

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

New Wave Group's compensation policy for senior executives during 2011 and until the Annual General Meeting 2012:

- Remuneration to the Group CEO and other members of Group management comprises fixed salaries at competitive market rates.

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

- Variable remunerations such as bonuses may be paid when this is justified in order to be able to recruit and maintain key staff so as to stimulate improvements in sales and profits as well as the work involved in achieving specific key figures set by the Board of Directors. Variable remunerations shall be based on predetermined, measureable criteria such as performance of the New Wave Group or return on equity compared to fixed targets. The variable remuneration shall not exceed 50% of the fixed remuneration.

- The Board of Directors shall in respect of each financial year consider whether a share or share price related incentive program which covers the year in question shall be proposed to the AGM or not. The AGM makes the final decision regarding such incentive programs.

- Pension benefits shall be equivalent to an ITP plan or, for senior executives outside Sweden, pension benefits which are standard in the relevant country.

- A mutual notice period of no more than six months and no severance pay shall apply for all senior executives.

RELATED-PARTY TRANSACTIONS

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

SUBSCRIPTION OPTIONS IN NEW WAVE GROUP AB

New Wave Group has two outstanding share option programs.

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

A program for the Board of Directors was introduced in July 2008. The option program consists of 200,000 options, expires in June 2013 and has an exercise price of SEK 85.40. The option subscription premium was SEK 0.88 per option.

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

RISKS AND RISK CONTROL

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

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

- The Corporate Promo sales channel requires continuity in the collections, which limits the need for depreciation of stock. The currency risk is limited by an operation to continuously adjust the price lists. Sales are made to selected retailers which limit bad debts.

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

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

THE PARENT COMPANY

Total income amounted to SEK 140.2 million (SEK 156.4 million). Profit before tax amounted to SEK -203.1 million (SEK 139.9 million). Net borrowing amounted to SEK 1,764 million (SEK 1,430 million), of which SEK 1,414 million (SEK 1,373 million) refers to financing of subsidiaries. Net investments amounted to SEK -204.9 million (SEK -23.7 million). The balance sheet total amounted to SEK 3,399 million (SEK 3,375 million) and equity, including 73.7% untaxed reserves, to SEK 1,099 million (SEK 1,378 million). The result has been negatively affected by SEK 345 million regarding impairment of fixed assets. This is attributable to capital contribution in subsidiaries regarding previous years' losses. These assets are not considered to add further value to the subsidiaries and have thus burdened the result.

NEW WAVE SHARES

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

New Wave Group has two outstanding programs for share options, of which one is considered to be "in the money" as at 31 December 2011. This gives a dilution of 1,000,000 shares or 1.5%.

The election of Board Members takes place at the AGM.

Torsten Jansson owns 34.1% of the equity and 82.7% of the votes through companies.

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

- to, on one or more occasions, take decisions on new issues of up to 4,000,000 class B shares. The authorisation includes the right to take decisions with deviation from the shareholders' preferential right, but with regard to new issues where the compensation consists solely of cash. It should be possible to increase the share capital by a maximum total of SEK 12 million by means of this decision thanks to the support of the authority given. The authority shall also include the right to decide on new issues with dominance in kind, or whether shares shall be subscribed for with the right of offset, or only under the conditions set out in Chapter 13, Section 5, no 6 of the Swedish Companies Act. The reason for deviating from the shareholders' preferential right is that the new issue of shares will be used for company acquisitions and financing continued expansion. The issue price will be based on the share's market value at the time of issue.

- to, on one or more occasions, decide to raise financing such that is covered by the provisions in Chapter 11, Section 11 of the Swedish Companies Act. The conditions for such financing shall be market-oriented. The background to the authority is that the company must have the opportunity to raise this type of financing under conditions which are attractive for the company, where, for example, the interest rate could depend on the company's profit or financial position.

OTHER

A report on the work of the Group management and Board of Directors can be seen in the section on corporate governance.

Proposed distribution of profit

The Annual General Meeting has the following at its disposal:

SEK thousand	
Retained profits	776 115
Share premium reserve	48 018
Profit for the year	-209 823
Total:	614 310

The Board of Directors proposes that SEK 547.966 thousand be carried forward and that the dividend be SEK 1.00 (SEK 1.00) per share, equivalent to SEK 66,344 thousand. The Board of Directors' objective is that distribution to shareholders shall be the equivalent of 30% of Group net profits over one business cycle.

The Board of Directors' statement regarding distribution of profits

Justification

Group equity has been calculated in accordance with IFRS standards adopted by the EU and their interpretation (IFRIC), and in accordance with Swedish legislation through the implementation of Swedish Financial Accounting Standards Council recommendation RFR 1 (Additional reporting regulations for legal entities). The parent company's equity has been calculated in accordance with Swedish legislation through the implementation of Swedish Financial Accounting Standards Council recommendation RFR 2 (Reporting for legal entities). The proposed distribution of profits represents 33.8% of the Group's profit after tax; which is in line with the stated objective that distribution shall correspond to 30% of the Group's profit after tax over one business cycle. Consideration has also been given to investment plans, consolidation requirements, liquidity and position. The Board of Directors finds that full cover is available for the company's restricted equity after the proposed distribution of profits. The Board of Directors also finds that the proposed distribution to shareholders is justifiable in respect of the provisions of Chapter 17, section 3, subsections 2 and 3 of the Swedish Companies' Act (nature of business, its scope and risks and consolidation requirements, liquidity and position). In this connection the Board of Directors emphasizes the following:

Nature of business, its scope and risks

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

Consolidation requirements, liquidity and position

Consolidation requirements

The Board of Directors has undertaken an allround evaluation of the company's and the Group's financial position and its prospects of meeting its commitments over time. The proposed distribution makes up 6.2% of the company's equity and 3.2% of the Group's equity. After the dividend, the Group's equity ratio amounts to 42.2%. The stated objective for the Group's capital structure of an equity/assets ratio of at least 30% will be maintained after the proposed distribution. The company's and the Group's equity/assets ratio is sound. Against this background, the Board of Directors considers that the company and the Group have the necessary prerequisites to take future risks and also withstand possible losses. Planned investments have been considered in determining the proposed distribution of profits. The distribution of profits will not negatively affect the company's and the Group's abilities to undertake further justifiably businesslike investments according to adopted plans.

Liquidity

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

Position

The Board of Directors has weighed all other known circumstances that may have significance for the company's and the Group's financial position, which were not considered within the framework of the above. In that connection, no circumstances emerged that cause the proposed distribution not to appear justifiable. The undersigned certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and generally accepted accounting standards and thus provide a fair and true view of the Group's financial position and results, and that the consolidated company report and company report give a fair summary of the development of the Group's and company's operations, financial position and results, and describes significant risks and uncertainties facing the companies included in the Group.

Göteborg 3 April 2012

Christina Bellander
Board Member

Anders Dahlvig
Chairman of the Board

Helle Kruse Nielsen
Board Member

Mats Årjes
Board Member

Torsten Jansson
MD and CEO

Göran Härstedt
Board Member

Our auditor's report has been given on 3 April 2012

Ernst & Young AB

Sven-Arne Gårdh
Authorised Public Accountant

Consolidated income statement

1 January – 31 December

SEK million	**Note**	**2011**	**2010**
Income	3	4 236.9	4 243.4
Goods for resale		-2 214.1	-2 243.5
Gross profit		**2 022.8**	**1 999.9**
Other operating income	4	39.4	32.2
External costs	6	-970.5	-946.2
Personnel costs	5, 6	-691.1	-679.2
Depreciation of tangible and intangible fixed assets	1, 9, 10	-50.6	-58.4
Other operating costs		-24.8	-21.6
Share in profits of associated companies		1.7	0.9
Operating profit		**326.9**	**327.6**
Financial income		6.9	5.1
Financial costs		-57.9	-32.4
Net financial items	23	**-51.0**	**-27.3**
Profit before tax		**275.9**	**300.3**
Tax on net profit for the year	8	-76.8	-78.8
Profit for the year		**199.1**	**221.5**
Other comprehensive income			
Translation differences		20.0	-65.8
Cash flow hedging		9.5	-4.8
Income tax related to other comprehensive income items		-2.5	1.3
Net other comprehensive income for the year after tax		*27.0*	*-69.3*
Total comprehensive income for the year		**226.1**	**152.2**
Profit for the year attributable to:			
Parent company shareholders		198.3	219.8
Non-controlling (minority) interest		0.8	1.7
		199.1	**221.5**
Total comprehensive income attributable to:			
Equity holders of the parent company		226.6	151.3
Non-controlling (minority) interest		-0.5	0.9
		226.1	**152.2**
Earnings per share			
Before dilution (SEK)		2.99	3.31
After dilution (SEK)	6	2.94	3.26
The average number of outstanding shares before dilution		66 343 543	66 343 543
The average number of outstanding shares after dilution	6	67 343 543	67 343 543

Consolidated cash flow statement

1 January – 31 December

SEK million	Note	2011	2010
Operating activities			
Operating profit		326.9	327.6
Adjustment for items not included in cash flow		71.1	77.0
Interest received		6.9	5.1
Interest paid		-57.9	-32.4
Paid income tax		-77.4	-45.2
Cash flow from current operations before changes in working capital		**269.6**	**332.1**
Cash flow from changes in working capital			
Increase in stock		-252.4	-36.7
Decrease/increase in current receivables		168.6	-37.0
Increase/decrease in short-term liabilities		-119.8	85.2
Cash flow from operations		**66.0**	**343.6**
Investing activities			
Investments in tangible assets		-56.8	-61.2
Sales of tangible assets		4.8	3.1
Investments in intangible assets		-13.2	-2.0
Acquisition of subsidiaries	26	-254.5	0.0
Repayment of purchase amount		0.0	2.4
Sales of financial assets		0.0	0.1
Acquisition of financial assets		-6.8	0.0
Cash flow from investing activities		**-326.5**	**-57.6**
Cash flow after investing activities		**-260.5**	**286.0**
Financing activities			
Loans raised		322.3	53.9
Raised long-term receivables		0.0	-0.1
Amortization of loan		0.0	-278.4
Dividend paid to the parent company's shareholders		-66.3	-16.6
Cash flow from financing activities		**256.0**	**-241.2**
Cash flow for the year		**-4.5**	**44.8**
Liquid assets at the beginning of the year		121.7	80.4
Currency difference in liquid assets		0.5	-3.5
Liquid assets at year-end		**117.7**	**121.7**
Liquid assets			
Cash at bank and in hand		**117.7**	**121.7**

The above items have been classified as liquid assets on the basis that:

- they comprice cash
- they have an insignificant risk of exchange rate fluctuations

Comments on the cash flow analysis

The cash flow from operating activities decreased by SEK -277.6 million (SEK -462.7 million).
Liquidity-influencing investments increased by SEK 268.9 million (SEK 34.6 million).
Cash flow after investing activities amounts to SEK -260.5 million (SEK 286.0 million).

Consolidated balance sheet

As at 31 December

SEK million	Note	2011	2010
ASSETS			
Intangible fixed assets	9	1 223.5	1 141.7
Tangible fixed assets	10	366.1	333.9
Shares in associated companies	11	60.2	51.7
Long-term receivables	11	40.6	14.4
Deferred tax receivables	12	82.9	101.8
Total fixed assets		**1 773.3**	**1 643.5**
Stock	22	1 973.9	1 594.7
Tax receivables		17.7	46.6
Accounts receivable	16	782.3	787.9
Prepaid expenses and accrued income	13	73.4	72.3
Other receivables	7	68.1	51.9
Liquid assets		117.7	121.7
Total current assets		**3 033.1**	**2 675.1**
TOTAL ASSETS	**21**	**4 806.4**	**4 318.6**
EQUITY			
Share capital		199.1	199.1
Other capital contributions		219.4	219.4
Reserves		65.9	37.6
Retained earnings including net profit for the year		1 584.2	1 452.2
Equity attributable to the parent company's shareholders		**2 068.6**	**1 908.3**
Non-controlling (minority) interest		24.2	24.7
Total equity		**2 092.8**	**1 933.0**
LIABILITIES			
Long-term interest-bearing liabilities	14, 17, 19	1 873.5	1 492.4
Pension provisions		9.3	8.1
Other provisions	25	0.6	16.0
Deferred tax liabilities	12	163.2	148.2
Total long-term liabilities		**2 046.6**	**1 664.7**
Short-term interest-bearing liabilities	14, 17, 19	41.5	35.9
Accounts payable		283.5	305.6
Current tax liabilities		32.2	66.4
Accrued expenses and prepaid income	15	226.4	204.2
Other liabilities		83.4	108.8
Total short-term liabilities		**667.0**	**720.9**
Total liabilities		**2 713.6**	**2 385.6**
TOTAL EQUITY AND LIABILITIES	**21**	**4 806.4**	**4 318.6**
Memorandum items			
Pledged assets	19	3 211.5	2 714.3
Contingent liabilities	20	24.4	39.8

Consolidated statement of changes in equity

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

SEK million	Share capital	Other capital contributions	Reserves	Retained earnings including net profit for the year	Total	Non-controlling (minority) interest	Total equity
Opening balance 2011-01-01	**199.1**	**219.4**	**37.6**	**1 452.2**	**1 908.3**	**24.7**	**1 933.0**
Profit for the year				198.3	198.3	0.8	199.1
Other comprehensive income							
Translation difference			21.3		21.3	-1.3	20.0
Cash flow hedge			9.5		9.5		9.5
Income tax related to components of other comprehensive income			-2.5		-2.5		-2.5
Transactions with shareholders							
Dividend				-66.3	-66.3		-66.3
Change in non-controlling (minority) interest				0.0	0.0	0.0	0.0
Balance at year-end 2011-12-31	**199.1**	**219.4**	**65.9**	**1 584.2**	**2 068.6**	**24.2**	**2 092.8**

Accumulated translation differences in equity	**2011**	**2010**	**2009**	**2008**
Accumulated translation differences at the beginning of the year	49.9	115.7	205.7	-80.2
Translation differences for foreign subsidiaries for the year	20.0	-65.8	-90.0	285.9
Accumulated translation differences at year-end	**69.9**	**49.9**	**115.7**	**205.7**

Classification of equity

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

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

Reserves
Reserves consist of translation differences and fair value changes regarding financial instruments which are a part of cash flow hedge.

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

Capital management
Group equity amounted to SEK 2 092.8 million (SEK 1 933.0 million) at the end of the year. New Wave Group's financial strategy is to create safe financial conditions for the Group's operations and development. The return on equity is highly significant. At the end of 2011, the return on equity amounted to 9.9% (12.1%) with an equity ratio of 43.5% (44.8%).

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

NOTE 1 ACCOUNTING PRINCIPLES

Basis of preparation

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

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

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

NEW AND AMENDED ACCOUNTING POLICIES

In 2011 the Group introduced the following new and amended standards from IASB and interpretations from IFRIC as of 1 January 2011. To the extent that each standard or interpretation has given or is likely to give rise to effects on the content of the financial statements, a more detailed description of the content in respect of the amendment concerned is given. These amendments have also affected the current descriptions in respect of applied accounting principles.

IAS 24 Related party disclosure

The amended standard is applicable for financial years beginning on 1 January 2011 or later. The amendment clarifies the definition of related parties to facilitate the identification of such relationships and eliminate inconsistencies in the application. The revised standard also allows certain exemption for information regarding related public authorities, public utilities or similar local, national or international public bodies. The amendment shall be applied retroactively in accordance with IAS 8.

IAS 32 Financial instruments

The definition of debt changes, which means that for example subscription options issued by a company where the subscription amount is determined in a currency other than the functional currency will be an equity instrument if they are issued pro rata to existing shareholders.

IFRIC 14 Prepayment of a minimum funding requirement

The amendment to IFRIC 14 is applicable for financial years beginning on 1 January 2011 or later. The amendment provides guidelines for determining the recoverable amount of a "net pension asset". The amendment allows a company to declare a prepayment of a minimum funding requirement as an asset. The amendment is applicable retroactively from the beginning of the first period presented in the financial statements where IFRIC 14 is applied.

IFRIC 19 Extinguishing financial liabilities with equity instruments

IFRIC 19 is applicable for financial years beginning on 1 July 2010 or later. It outlines how a company should report renegotiated terms of a financial liability resulting in the company issuing equity instruments to a creditor and which wholly or partially extinguish the financial liability. If it causes change in the company's accounting policies these shall be applicable retroactively from the beginning of the earliest period for which comparable data are presented.

PUBLISHED AMENDMENTS OF STANDARDS WHICH HAVE NOT ENTERED INTO FORCE

New standards and interpretations applicable to the calendar year 2012 or later are presented in the following. The future application of the following standards and interpretations is not, unless specifically commented on, expected to have any impact on the Group's earnings or financial position.

IFRS 9 Financial instruments: recognition and measurement

(Not yet adopted by the EU and there is currently no timetable for adoption.) This standard forms part of the complete revision of the current IAS 39 standard. The standard reduces the number of valuation categories for financial assets and establishes that the main categories for accounting of financial assets are at cost (amortised cost) and at fair value through the income statement. Certain investments in equity instruments can be accounted for at fair value in the balance sheet while the change in value is recognised directly in other comprehensive income, with no transfer to profit/loss for the period upon divestment. New rules have also been introduced regulating how changes in own credit spreads should be presented when liabilities are accounted for at fair value. The standard will be supplemented with rules for impairment, hedge accounting and removal from the balance sheet. IFRS 9 will probably be applicable for financial years beginning on 1 January 2013 but there are proposals that involve application for financial years beginning on 1 January 2015. It is likely that the standard will affect the Group's financial statements when it becomes applicable.

IFRS 7 Financial instruments: information

IFRS 7 is applicable for financial years beginning on 1 July 2011 or later. This amendment is not expected to have any effect on the Group.

IAS 12 Income taxes – amendment

Deferred tax on property estimated at their fair market value to be calculated based on the tax consequences of a sale of the property if there are no indications that the investment property will be recovered by other means. Deferred tax on assets estimated in accordance with the revaluation method (refer to IAS 16 and 38) to be calculated based on the tax consequences of a sale of the property if the business model does not indicate any other form of recovery.

IFRS 10 Consolidated financial statements

IFRS 10 is applicable for financial years beginning on 1 January 2013 or later. IFRS 10 replaces the section on formation of consolidated financial statements in IAS 27. Regulations on the preparation of consolidated financial statements have not been amended. The amendment rather relates to how a company shall proceed to determine whether control exists or not and therefore whether a company should be consolidated or not. Furthermore, IFRS 10 includes a number of clarifications with regard to application of the new definition of control. IFRS 10 is not expected to have any essential effect on the Group.

IFRS 11 Joint arrangements

IFRS 11 addresses the reporting of joint arrangements, defined as a contractual arrangement whereby two or more parties have joint control. IFRS 11 replaces IAS 31 Interests in joint ventures and SIC 13 Non-monetary contributions by venturers to a jointly controlled entity.

IFRS 12 Disclosure of interest in other entities

Will provide information to the user of the financial statements an opportunity to understand:

- possible effects of the holdings in the financial statements
- the possible risks involved with the current holdings

The disclosure requirements include:

- financial information for subsidiaries with a significant proportion of non-controlling interest
- assessments and estimates whether an entity should be consolidated or not
- financial information on the holdings in significant associates and joint arrangements

IFRS 13 Fair value measurement

Describes in particular how a value should be determined when a fair value shall or may be used.

New information in accordance with IFRS 13 shall be supplied to clarify which valuation models are applied and what information (data) is used in these models and what effects the valuation has caused on the outcome.

IAS 27 Separate financial statements
Associated with amendments to IFRS 10 and what remains of IAS 27 and relates to management of subsidiaries, joint venture and associates in separate financial statements.

IAS 28 Associates and joint ventures
Associated with IFRS 11 and where, among other things, joint ventures may no longer be consolidated in accordance with the proportional method. The equity model is used.

IAS 1 Presentation of other comprehensive income – amendment
The amendment means that the grouping of transactions reported in other comprehensive income is changed. It requires all entities to present a single statement of comprehensive income instead of separate statements of income and comprehensive income. The proposal does not alter the actual content of other comprehensive income, but only the layout. The amendment shall be applied retroactively in accordance with IAS 8. Early application is permitted.

IAS 19 Employee benefits – amendment
The amendment involves significant changes regarding the reporting of defined benefit pensions. For Swedish entities, this means that the actuarial calculations also will apply to future payments of separate payroll tax and yield tax.

CONSOLIDATED FINANCIAL STATEMENTS AND PRINCIPLES OF CONSOLIDATION

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

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

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

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

The non-controlling interest's share of profit/loss for the year and equity is based on the financial statements of the subsidiaries. The non-controlling interest's share of the subsidiaries' net assets is accounted for as a separate item under consolidated equity. In the consolidated income statement the non-controlling interest's share is included in reported profit/loss. Associated companies are those companies which are not subsidiaries but where the parent company directly or indirectly owns a voting share of 20% or more. Interests in associated companies are accounted for using the equity method. In the consolidated income statement interests in the profit or loss of associated companies are included in profit/loss before tax. In the consolidated balance sheet interests in associated companies are recognised at cost after adjusting for the share of the profit or loss after the acquisition date.

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

INTANGIBLE ASSETS

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

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

Intangible assets are stated at cost and amortised over their useful lives, which can be indefinite or determinable. An intangible asset with an indefinite useful life is not amortised but tested for impairment annually or more frequently. New Wave Group recognises goodwill and trademarks, which are both classified as intangible assets with indefinite useful lives.

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

TANGIBLE ASSETS

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

An item of property, plant and equipment is removed from the balance sheet upon sale or if the asset is not expected to generate any future economic benefits either by being used or being sold. Capital gains and losses are calculated as the difference between the consideration received and the asset's carrying amount. The capital gain or loss is recognised in the income statement in the year in which the asset is removed from the balance sheet. The assets' residual values, useful lives and methods of depreciation are reviewed at the end of each financial year and adjusted prospectively, if required. Normal expenditure on maintenance and repairs is expensed as incurred, but expenditure on significant renewal and improvement works is recognised in the balance sheet and depreciated over the remaining useful life of the underlying asset. The following useful lives are applied in New Wave Group.

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

IMPAIRMENT

If there are internal or external indications of a decline in the value of an asset, the asset should be tested for impairment. For assets with indefinite useful lives, including goodwill and trademarks, such tests are performed at least once a year, whether there are any indications of impairment or not. An asset or group of assets (cash-generating units) should be written down if the recoverable amount is lower than the carrying amount. The recoverable amount is the higher of value in use and net realisable value. Impairment losses are recognised in the income statement. If an individual asset cannot be tested separately because it is not possible to identify the fair value less selling expenses for the asset, the asset is allocated to a group of assets known as a cash-generating unit for which it is possible to identify separate future cash flows. Certain assets, such as goodwill, have no fair value less selling expenses, which means that it is demonstrably necessary to instead calculate the value in use for the cash-generating unit to which the asset has been allocated. If the allocation of goodwill cannot be completed before the end of the year in which the acquisition took place the initial allocation must be confirmed before the end of the financial year after the year in which the acquisition took place. Unallocated goodwill must be indicated along with an explanation for why the amount has not been allocated. To the extent that the underlying factors behind an impairment loss change in coming periods, the impairment loss will be reversed, except in the case of goodwill. Information on the specific assumptions which need to be made to calculate value in use is provided in Note 9 Intangible fixed assets.

PROVISIONS

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

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

FINANCIAL INSTRUMENTS

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

1. Financial assets

A financial asset is initially classified as one of the following:

- financial assets carried at fair value through profit or loss
- loans and receivables carried at amortised cost
- financial assets held to maturity carried at cost
- financial assets available for sale carried at fair value through comprehensive income

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

Financial assets carried at fair value through profit or loss

New Wave Group uses derivates, such as currency futures, to hedge against financial risks. Derivates are always carried at fair value through profit or loss. Other changes in the value of a derivate are accounted for as financial items. If the derivates have a positive value they are accounted for as a derivate in the balance sheet.

Loan and trade receivables

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

A provision is made for doubtful receivables at year-end if there is objective evidence that the full value of the asset will not be received. Losses attributable to doubtful receivables are recognised in the income statement under other operating expenses. Receivables are assessed individually and recognised at the amounts at which they are expected to be received. Trade receivables are carried at the amounts that are expected to be realised after deducting for doubtful receivables. The expected maturity of a trade receivable is short, and the value is therefore recognised at the nominal amount with no discount. Impairment of trade receivables is recognised in operating expenses. Information on impairment losses for the year is provided in Note 16 Financial instruments and financial management.

Cash and bank deposits

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

2. Financial liabilities

A financial liability is initially classified as one of the following:

- financial liabilities carried at fair value through profit or loss
- financial liabilities carried at amortised cost

Financial liabilities carried at fair value through profit or loss

New Wave Group uses derivates, such as currency futures, to hedge against financial risks. Derivates are always carried at fair value through profit or loss. If the derivates have a negative value they are accounted for as a liability in the balance sheet.

Financial liabilities carried at amortised cost

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

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

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

Financial derivatives and hedge accounting
Financial derivatives are initially and subsequently stated at fair value. Changes in value are carried through profit or loss unless they form part of an effective hedge relationship and hedge accounting is applied. When a derivatives contract is concluded the Group chooses to classify the derivatives as fair value hedges, cash flow hedges or hedges of net investments in foreign subsidiaries. New Wave Group applies cash flow hedging for hedging of future flows and hedging of foreign subsidiaries. Changes in value for hedge instruments which form part of an effective cash flow hedge or a hedge of a foreign subsidiary are recognised in other comprehensive income. The cumulative change in value of such derivatives is reversed through profit or loss in the period in which the hedged item affects the items in the income statement.

When a hedge instrument expires or is sold, exercised or withdrawn or otherwise no longer meets the criteria for a hedge transaction, any gain or loss recognised in equity until such date should remain there, after which it is ultimately recognised as an adjustment of expenses or income when the planned transaction or the assumed obligation is realised in the income statement. However, if a planned transaction or an assumed obligation is no longer expected to occur, the cumulative gain or loss recognised in other comprehensive income, from the period in which the hedge is applied, should immediately be transferred to the income statement.

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

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

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

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

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

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

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

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

PENSIONS
Both defined benefit and defined contribution pension plans are used in New Wave Group. The Group has defined benefit pension plans that are managed by Alecta. This is a plan which covers several employers, and as Alecta does not have sufficient information available for measurement, the company's pension obligation with Alecta is accounted for as a defined contribution plan in accordance with IAS 19, item 30. Alecta's collective funding ratio at year-end was 113% (146%). Collective funding ratio is defined as the difference between the assets and insurance obligations calculated in accordance with Alecta's actuarial assumptions, which do not comply with IAS 19. The Group's contributions to defined contribution pension plans are charged to the income statement in the year to which they are attributable.

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

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

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

Impairment of property, plant and equipment and intangible assets
Property, plant and equipment and intangible assets, except those which have indefinite useful lives, are written off over the periods in which they will generate income, i.e. their useful lives. If there is an indication of impairment of an asset the recoverable amount is determined. The recoverable amount is the higher of the fair value of the asset less selling expenses and its value in use. An impairment loss is recognised when the asset's recoverable amount is less than the carrying amount. The recoverable amount is determined based on management's estimate of future cash flows or other factors. The assumptions made for the purpose of impairment tests, including the associated sensitivity analyses, are explained in Note 9 and affect the estimated present value in all cases.

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

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

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

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

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

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

Emission allowances
At the closing date Orrefors Kosta Boda AB held, as the sole unit in the Group, 2,870 emission allowances (3,163). The emission allowances have been allocated by the Swedish Energy Agency free of charge and have therefore not been assigned a value.

NOTE 2 MATERIAL ACCOUNTING ASSESSMENTS, ESTIMATES AND ASSUMPTIONS

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

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

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

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

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

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

Measurement of inventories
Inventories comprise clothes, gift products and accessories held fore resale, and are stated, by applying the first in, first out principle, at the lower of cost and net realisable value at the balance sheet date. Internal profits arising from deliveries between companies in the Group are deducted. In the Corporate Promo operating segment the risk that the net realisable value will be lower than the cost is low, as a large portion of the collection comprises timeless basic products for which there is a demand season after season.

In the Sports & Leisure operating segment about 21% of sales are made through the promo sales channel. This product range mainly comprises basic products with limited fashion risk. For sales made through the retail sales channel orders are sent to the factory upon receipt of a purchase order from the customer, which significantly limits the risk that the net realisable value will be lower than the cost.

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

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

NOTE 3 SEGMENT INFORMATION

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

	Income		Operating profit/ loss, EBITDA		Assets		Fixed assets *		Deferred tax assets	
SEK million	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
Corporate Promo	1 834.9	1 818.6	251.7	209.6	2 216.6	1 986.3	583.6	561.3	32.3	39.0
Sports & Leisure	1 724.0	1 702.8	177.3	220.1	1 857.5	1 457.2	807.4	749.5	27.0	35.7
Gifts & Home Furnishings	678.0	722.0	-51.5	-43.7	732.3	875.1	198.6	164.8	23.6	27.1
Total	**4 236.9**	**4 243.4**	**377.5**	**386.0**	**4 806.4**	**4 318.6**	**1 589.6**	**1 475.6**	**82.9**	**101.8**

Total EBITDA results	**377.5**	**386.0**
Depreciation	-50.6	-58.4
Net financial	-51.0	-27.3
Profit before tax	**275.9**	**300.3**

	Investments		Depreciation		Liabilities	
SEK million	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
Corporate Promo	-38.7	-38.2	-28.0	-26.7	1 561.4	1 481.2
Sports & Leisure	-274.8	-9.4	-13.4	-19.1	719.1	457.6
Gifts & Home Furnishings	-13.0	-10.0	-9.2	-12.6	433.1	446.8
Total	**-326.5**	**-57.6**	**-50.6**	**-58.4**	**2 713.6**	**2 385.6**

Geographic areas

	Income		Fixed assets *		Deferred tax assets	
SEK million	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
Sweden	1 285.4	1 288.4	495.2	493.8	13.7	14.2
USA	894.4	893.3	729.5	672.9	35.6	47.2
Nordic region excl Sweden	660.6	651.2	22.9	25.7	6.7	2.4
Central Europe	781.5	797.8	181.5	186.0	22.6	35.1
Southern Europe	442.5	468.3	144.9	90.5	4.3	2.9
Other countries	172.5	144.4	15.6	6.7	0.0	0.0
Total	**4 236.9**	**4 243.4**	**1 589.6**	**1 475.6**	**82.9**	**101.8**

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

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

NOTE 4 OTHER OPERATING INCOME

SEK million	**2011**	**2010**
Exchange rate gains	25.1	12.5
Capital gains	0.0	0.1
Other contributions and payments	14.3	19.6
Total	**39.4**	**32.2**

NOTE 5 AVERAGE NUMBER OF EMPLOYEES

	2011 Number of employees	Of which men	2010 Number of employees	Of which men
Parent company				
Hisings Kärra	37	25	34	23
Total parent company	**37**	**25**	**34**	**23**
Subsidiaries in Sweden				
Borås	152	83	152	84
Göteborg	7	5	9	7
Hisings Kärra	20	14	20	15
Munkedal	101	50	88	48
Orrefors Kosta	438	258	441	280
Stockholm	49	37	50	39
Ulricehamn	49	21	46	19
Örebro	11	4	12	3
Total subsidiaries in Sweden	**827**	**472**	**818**	**495**
Subsidiaries abroad				
Bangladesh	47	46	51	49
Belgium	41	24	41	23
Denmark	68	28	67	26
England	8	3	8	3
Finland	42	26	43	25
France	18	11	19	11
The Netherlands	163	103	154	105
Hong Kong	4	2	4	2
India	23	19	21	18
Italy	50	28	50	29
Canada	10	4	0	0
China	207	68	243	81
Norway	67	38	65	37
Poland	87	36	86	36
Switzerland	37	22	37	22
Spain	21	17	21	17
Germany	48	27	56	27
USA	376	127	311	104
Vietnam	28	11	33	14
Wales	22	12	23	10
Austria	11	8	11	8
Total subsidiaries abroad	**1 378**	**660**	**1 344**	**647**
Group total	**2 242**	**1 157**	**2 196**	**1 165**

Gender distribution within company management

	2011 Women	Men	Total	2010 Women	Men	Total
Board of Directors	2	4	6	2	4	6
Group management	0	8	8	0	4	4
Total	**2**	**12**	**14**	**2**	**8**	**10**

NOTE 6 SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY COSTS

SEK million	2011 Salaries and other remuneration	Social security costs	Of which pension costs	2010 Salaries and other remuneration	Social security costs	Of which pension costs
Parent company	15.9	7.2	1.8	15.7	6.8	1.7
Subsidiaries in Sweden	277.9	105.6	15.5	278.8	102.9	15.7
Foreign subsidiaries	398.1	81.4	12.6	384.3	73.3	10.6
Group total	**691.9**	**194.2**	**29.9**	**678.8**	**183.0**	**28.0**
Of which purchasing and production personnel	159.7	49.4	3.4	152.5	43.2	2.7

Of the parent company's pension costs, SEK 0.4 million (SEK 0.4 million) concerns the corporate Board and the Managing Director. Of the Group's pension costs, SEK 3.2 million (SEK 2.7 million)concerns the corporate Board and the Managing Director.

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

SEK million	2011 Board and MD	Of which bonus and similar*	Other employees	2010 Board and MD	Of which bonus and similar*	Other employees
Parent company	**1.7**	**0.0**	**14.2**	**1.7**	**0.0**	**14.1**
Subsidiaries in Sweden	**9.5**	**0.2**	**268.4**	**8.5**	**0.4**	**270.3**
Subsidiaries abroad						
Belgium	0.8	0.0	15.7	0.8	0.0	15.9
Denmark	2.1	0.0	28.4	2.0	0.0	26.9
Finland	1.5	0.0	14.1	1.9	0.0	13.5
France	0.6	0.0	2.9	0.6	0.0	2.8
The Netherlands	6.9	1.9	61.2	4.8	0.0	63.8
Italy	4.7	2.1	14.7	5.2	1.7	14.7
Canada	0.3	0.0	1.1	0.0	0.0	0.0
China	0.5	0.0	22.4	0.0	0.0	21.4
Norway	2.3	0.0	34.2	2.3	0.1	30.7
Poland	0.5	0.0	2.9	0.5	0.0	3.0
Switzerland	1.9	0.2	26.8	1.8	0.1	24.9
Spain	0.9	0.0	4.9	0.6	0.0	4.7
Germany	1.4	0.1	18.1	2.3	0.6	15.7
USA	5.7	0.0	112.6	6.5	0.0	109.3
Wales	0.7	0.0	3.6	0.7	0.0	3.6
Austria	0.0	0.0	3.7	0.0	0.0	3.3
Total subsidiaries abroad	**30.8**	**4.3**	**367.3**	**30.0**	**2.5**	**354.2**
Group total	**42.0**	**4.5**	**649.9**	**40.2**	**2.9**	**638.6**

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

Board members' fees	**2011**	**2010**
External members of the parent company's Board	0.8	0.8
Of which to the Chairman of the Board	0.3	0.3

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

Conditions of employment for the Managing Director

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

The conditions of employment for other senior executives

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

Decision-making process

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

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

SEK million	2011 Salaries and other remuneration	Of which bonus and similar	Pension costs	2010 Salaries and other remuneration	Of which bonus and similar	Pension costs
Torsten Jansson, Managing Director	0.9	0.0	0.2	0.9	0.0	0.2
Anders Dahlvig, Chairman of the Board	0.3	0.0	0.0	0.3	0.0	0.0
Christina Bellander, Board Member	0.1	0.0	0.0	0.1	0.0	0.0
Göran Härstedt, Board Member	0.1	0.0	0.0	0.1	0.0	0.0
Helle Kruse Nielsen, Board Member	0.1	0.0	0.0	0.1	0.0	0.0
Mats Årjes, Board Member	0.1	0.0	0.0	0.1	0.0	0.0
Other senior executives*	6.7	0.0	0.6	3.0	0.0	0.3
Total	**8.3**	**0.0**	**0.8**	**4.6**	**0.0**	**0.5**

*Individuals referred to on page 91.

Subscription options

	2011 Quantity with exercise date 2012	with exercise date 2013	2010 Quantity with exercise date 2011	with exercise date 2012	with exercise date 2013
Chairman of the Board	75 000	0	0	75 000	0
Other Board members	0	50 000	55 000	0	50 000
Managing Director	0	0	55 000	0	0
Other senior executives	56 000	0	100 000	84 000	0
Total	**131 000**	**50 000**	**210 000**	**159 000**	**50 000**

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

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

No share warrants have been issued during 2011.

The share's closing price on 31 December was SEK 23.00.

As at 31 December 2011, only the option programme to be exercised in 2012 is classified as "in the money".

Pension commitments
Defined benefit pension plan do exist within the Group. These are only small pension plans. As the Swedish manager Alecta cannot recognise a basis that allows calculation of fixed benefit pension liabilities, this pension plan has instead been recognised defined contribution pension plan. Recognition has therefore not been carried out in the balance sheet. Alecta's collective funding ratio at the end of the year was 113% (146%) . The collective funding level is the difference between the company's assets and insurance commitments, calculated in accordance with Alecta's calculation assumptions for insurance purposes, which do not comply with IAS 19.

Remuneration to auditors and auditing company
SEK million

Group	**2011**	**2010**
Audit assignment		
Ernst & Young	4.6	5.9
Other	1.8	0.4
Audit work outside audit assignment	0.5	0.8
Tax consultancy	0.8	0.5
Total	**7.7**	**7.6**

NOTE 7 ALLOWANCES

The Group has been awarded 2 870 (3 163) allowances which have been valued at SEK 0 million (SEK 0 million).

NOTE 8 TAX ON PROFIT FOR THE YEAR

SEK million	**2011**	**2010**
Current tax	-67.1	-88.6
Tax attributable to previous years	-4.9	-5.8
Total	**-72.0**	**-94.4**
Deferred tax relating to temporary differences and loss carry-forward	-4.8	15.6
Totally recorded tax expense	**-76.8**	**-78.8**

The Group's tax expense for the year amounted to SEK 76.8 million (SEK 78.8 million) or 27.8% (26.2%) of profit before tax.

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

SEK million	**2011**	**%**	**2010**	**%**
Profit before tax	275.9		300.3	
Tax expense based on respective country's tax rate	-62.9	-22.8	-75.1	-25.0
Tax effects from:				
Non taxable profit	0.2	0.1	4.5	1.5
Non deductible expenses	-7.4	-2.7	-4.1	-1.4
Tax arrears assessment	-5.7	-2.0	0.8	0.3
Regional and other variations regarding tax rates	-0.8	-0.3	-0.7	-0.2
Reverse of previous activated loss carry-forward	0.5	0.2	0.8	0.3
Activation of previous not activated loss carry-forward	1.2	0.4	0.0	0.0
Other	-2.0	-0.7	-5.0	-1.7
Tax rate according to consolidated income statement	**-76.8**	**-27.8**	**-78.8**	**-26.2**

NOTE 9 INTANGIBLE FIXED ASSETS

SEK million	Goodwill 2011	Goodwill 2010	Trademarks 2011	Trademarks 2010	Computer software 2011	Computer software 2010
Accumulated acquisition values						
Opening acquisition value	800.9	844.6	392.7	407.5	90.3	103.0
Acquisition value as part of acquisition	6.4	0.0	56.2	0.0	0.0	0.0
Acquisitions	0.0	0.0	1.5	0.0	11.7	2.0
Translation difference	10.7	-43.7	3.0	-14.8	0.0	-14.7
Closing accumulated acquisition value	**818.0**	**800.9**	**453.4**	**392.7**	**102.0**	**90.3**
Accumulated depreciation according to plan						
Opening depreciation	-53.7	-53.0	-16.7	-15.3	-85.6	-81.4
Depreciation during the year	-0.7	-0.7	-1.3	-1.4	-3.5	-4.2
Closing accumulated depreciation	**-54.4**	**-53.7**	**-18.0**	**-16.7**	**-89.1**	**-85.6**
Closing book value	**763.6**	**747.2**	**435.4**	**376.0**	**12.9**	**4.7**

All trademarks are acquired.

There are investments in activated customer relationships amounting to a net bookvalue of SEK 11.6 million (13.8 million) in addition to above mentioned intangible fixed assets

Remaining depreciation time	-	-	*	*	**3 years**	**3 years**

* Trademarks with a residual value of SEK 3.0 million (SEK 4.0 million) have an average remaining depreciation time of 1.7 years (2.9 years). The remaining share is tested via annual impairment tests.

Goodwill allocated to cash-generating unit

SEK million	2011	2010
Corporate Promo	247.5	259.4
Sports & Leisure	462.2	433.9
Gifts & Home Furnishings	53.9	53.9
Total	**763.6**	**747.2**

Brands allocated to cash-generating unit

SEK million	2011	2010
Corporate Promo	19.1	33.9
Sports & Leisure	306.3	232.1
Gifts & Home Furnishings	110.0	110.0
Total	**435.4**	**376.0**

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

Assumptions made in a test are the Board's best assessment of the economic conditions expected to prevail over the forecast period, based on the current situation. Even though market conditions have stabilized and the economic situation looks somewhat brighter, a forecast for future periods is difficult to make. The first five years, 2012-2016, are based upon the Board's established internal forecasts and for the following terminal period an average growth rate of 3% (3%) has been used. Sensitivity analysis have been carried out across all operating segments.

In calculating the present value of expected future cash flows, a weighted average cost of capital (WACC) of 12% (12%) before tax is used. Discounted cash flows are compared with book value per cash-generating unit/operating segment. The impairment test for 2011 showed that there is no write-down requirement.

Corporate Promo

The calculation covers the operating segment's cash flow which is based on internal forecasts. It includes an increase in sales which is slightly higher then inflation and the capital tied up during the end of the internal forecast period(2012-2016) is expected to stay at current levels.

Sports & Leisure

The calculation covers the operating segment's cash flow which is based on internal forecasts. Measures taken in previous years have contributed to improvements in the profitability and the working capital. The effects of these measures are included in the estimated improvements forecasted.

Gifts & Home Furnishings

The calculation includes the operating segment's cash flow which is based on internal forecasts. Regarding Orrefors Kosta Boda, which is very important to the operating segment, further measures to improve efficiency and profitability have been taken. The effects of these measures are included in the estimated margin and earnings improvements forecasted, including an improved stock situation and better efficiency. During the period (2012-2016) 2012 is expected to have a weaker development and then a gradual improvement during the following years.

Other assumptions and comments

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

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

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

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

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

NOTE 10 TANGIBLE FIXED ASSETS

		Buildings and land		Equipment, tools and installations
SEK million	**2011**	**2010**	**2011**	**2010**
Accumulated acquisition values				
Opening acquisition value	248.3	263.8	558.2	560.2
Acquisition value as part of acquisition	30.9	-	18.5	-
Acquisitions	8.9	0.0	47.9	61.2
Sales/disposals	-3.5	0.0	-8.1	-18.2
Translation difference	3.2	-15.5	-3.4	-45.0
Closing accumulated acquisition value	**287.8**	**248.3**	**613.1**	**558.2**
Accumulated depreciation according to plan				
Opening depreciation	-63.9	-57.5	-408.7	-386.9
Sales/disposals	1.4	0.0	4.2	16.5
Depreciation as part of acquisition	-0.4	-	-0.2	-
Depreciation as a share of production costs/goods for resale	-3.0	-3.5	-18.0	-15.1
Depreciation during the year	-6.8	-6.7	-37.6	-45.4
Translation difference	-0.2	3.8	-1.6	22.2
Closing accumulated depreciation	**-72.9**	**-63.9**	**-461.9**	**-408.7**
Closing book value	**214.9**	**184.4**	**151.2**	**149.5**
Value of land included in the report above amounts to	**26.5**	**22.3**		
Book value, Swedish properties	**40.2**	**35.8**		

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

		2011			2010
	Premises	**Business system**		**Premises**	**Business system**
2012	91.3	15.1	2011	120.9	15.7
2013	76.9	9.0	2012	87.7	10.1
2014	64.0	4.4	2013	67.0	6.7
2015	52.8	1.0	2014	54.8	1.2
2016 incl.	88.2	0.0	2015 incl.	147.8	0.0
costs through contract period end			costs through contract period end		
Cost for the year under the operational leasing heading	130.3	15.1		133.9	14.6

NOTE 11 FINANCIAL FIXED ASSETS

Shares in associated companies

SEK million	Company registration number	Registered office	Share of capital, %	Share of vote, %	Number of shares	2011 Book value	2010 Book value
Dingle Industrilokaler AB	556594-6570	Munkedal	49	49	83 055	7.5	4.7
8016267 Canada Inc in the process of changing name to Ferstar Inc	801626-7	Montreal. Kanada	49	49	4 900	5.7	-
Glasrikets skatter ekonomiska förening	769620-1701	Orrefors	8	8	100	1.0	1.0
Kosta Köpmanshus AB	556691-7042	Kosta	49	49	7 350	29.1	31.9
Scandinavian Trade Holding AB	556686-5811	Lessebo	45	45	45	2.7	-
Vist Fastighetsbolag AB	556741-1672	Ulricehamn	49	49	49	14.0	13.9
Other			-	-	-	0.2	0.2
Total						**60.2**	**51.7**

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

At year end the companies' equity amounted to:	**2011**	**2010**
Dingle Industrilokaler AB	15.5	15.8
8016267 Canada Inc in the process of changing name to Ferstar Inc	1.2	-
Glasrikets skatter ekonomiska förening	0.4	0.4
Kosta Köpmanshus AB	66.9	64.2
Scandinavian Trade Holding AB	2.1	-
Vist Fastighetsbolag AB	27.3	27.5

Long-term receivables		
Securitized loan	17.1	1.2
Deposits	4.2	6.2
Other long-term receivables	19.3	7.0
Total	**40.6**	**14.4**

NOTE 12 DEFERRED TAX ASSETS

Deferred tax assets and provisions for deferred tax liabilities in the group assigned to:		**2011**		**2010**
SEK million	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Loss carry-forwards	33.4	-	51.4	-
Internal gains	15.5	-	12.5	-
Reserves	2.8	-	3.2	-
Depreciation and fixed assets	2.0	-	2.9	-
Temporary differences in foreign units	29.2	-	30.6	-
Trademarks	-	116.1	-	106.0
Stock	-	14.9	-	13.0
Reserves and accelerated depreciation	-	23.6	-	27.9
Other temporary differences	-	8.6	1.2	1.3
Deferred tax assets / liabilities	**82.9**	**163.2**	**101.8**	**148.2**

Loss carry-forwards

At year end the Group had a total tax loss carry-forwards of SEK 309.9 million (SEK 217.0 million). Of this, SEK 33.4 million (SEK 51.4 million) has been recorded as assets as it has been assessed that in the future there will be taxable profits against which the tax loss carry-forward can be settled.

Total loss carryforwards expire as follows:

SEK million		**2011**	**2010**
	2013	10.8	10.1
	2014	16.7	16.4
	2015	11.0	9.3
	2016	5.3	0.0
	2021	13.6	13.6
	2022	16.0	16.0
	2023	12.0	11.9
	2024	15.1	14.9
	2025	3.5	0.0
	2026	4.0	0.0
	2027	4.6	8.0
	2028	12.2	12.0
	Unlimited	185.1	104.8
Total		**309.9**	**217.0**

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

		2011
	2012	5.1
	2013	2.3
	2014	0.0
	2015	0.6
	2016	7.5
	2017	3.7
	Unlimited	4.4
Total Sweden		**23.6**

NOTE 13 PREPAID EXPENSES AND ACCRUED INCOME

SEK million	2011	2010
Insurance	3.7	3.5
Prepaid rents	12.3	12.5
Prepaid leasing fees	6.3	5.0
Trade fair costs, repayable	5.9	4.8
Allocation of multi-year advertising contract	0.0	1.2
Prepaid goods deliveries	4.7	4.7
Accrued royalty income	3.2	3.1
Accrued exchange gains	0.6	0.0
Other accrued income	0.9	1.5
Prepaid operational expenses	12.6	11.6
Prepaid wage costs	0.1	0.1
Prepaid expenses	3.4	5.7
Prepaid royalties	5.4	4.9
Bank charges	1.3	2.0
Accrued insurance compensation	1.5	1.5
Claim for damages	0.0	2.0
Other items	11.5	8.2
Total	**73.4**	**72.3**

NOTE 14 CREDIT LIMIT

Amount granted in relation to loans and bank overdraft facilities amounts to SEK 2 339 million (SEK 2 332 million)

NOTE 15 ACCRUED EXPENSES AND PREPAID INCOME

SEK million	2011	2010
Salaries and payroll tax	97.1	94.1
Marketing costs	22.8	18.9
Commission	13.3	10.4
Royalties	10.4	5.7
Audit	4.3	3.9
Interest	2.3	0.6
Delivery of goods	19.3	13.1
Electricity and rental costs	4.1	5.7
Claims	2.8	4.6
Environmental reserve	13.0	13.0
Accrued exchange losses	0.0	2.5
Prepaid income	1.5	0.0
Other items	35.5	31.7
Total	**226.4**	**204.2**

NOTE 16 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

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

FINANCING RISK

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

At year-end the Group had credit facilities, excluding limits on letters of credit and currency futures, of SEK 2 339 million, of which SEK 1 797 million had been drawn. The confirmed credit facilities amounts to SEK 2 200 million and have been agreed and apply until 15 September 2013 inclusive. The funding is based on covenants relating to key performance indicators. Based on the current forecast, management deems that the Group will be able to achieve these key performance indicators by a satisfactory margin. Future growth is also dependent on a sound balance sheet. New Wave Group's goal is to achieve an equity/assets ratio in excess of 30%.

Maturity structure of New Wave's borrowing	2011	2010
2011	-	35,9
2012	41,5	-
2013	1 873,5	1 492,4

Maturity structure of New Wave's other financial liabilities	2011	2010
2011	-	610,3
2012	581,3	-

Assets and liabilities at fair value through profit and loss

	Assets at fair value through profit and loss	Loans and accounts receivables	Other financial assets	Total
Financial assets				
Accounts receivable		782.3		782.3
Other receivables			68.1	68.1
Accrued income			6.2	6.2
Derivative	4.7			4.7
Liquid assets			117.7	117.7
Total assets				**979.0**

Financial liabilities	Liabilities at fair value through profit and loss	Liabilities at accrued cost	Total
Liabilities to credit institutions		1 915.0	1 915.0
Derivative	2.5		2.5
Accounts payable		283.5	283.5
Accrued liabilities		211.9	211.9
Other liabilities		83.4	83.4
Total liabilities			**2 496.3**

INTEREST RISK

New Wave Group believes the use of short fixed-rate periods leads to lower borrowing costs over time. Short-term interest rates also follow the economy and therefore offset fluctuations in the Group's earnings. The interest rate is based on STIBOR and a fixed margin. The breakdown by currency of the Group's borrowing at year-end is shown in the following table. An increase in interest rates over the course of the year by one percentage point would have a negative impact on earnings of about SEK 9.0 million, based on the reported net debt at 31 December 2011. New Wave Group has no interest-bearing investments.

Breakdown by currency	Net debt, SEK million
SEK	-852
EUR	-283
GBP	-6
USD	-809
CHF	302
DKK	-77
NOK	-49
CAD	-45
OTHERS	22

CURRENCY EXPOSURE

A significant portion of New Wave Group's sales are made in foreign currency (approx. 70%). The consolidated income statement and balance sheet are affected by changes in exchange rates. The risks identified are transaction and translation risks. A change in exchange rates of one per cent would have an impact on sales of SEK 27 million, based on sales in 2011.

TRANSACTION EXPOSURE – HEDGE ACCOUNTING

The Group's most important purchasing curreny is the US dollar. Changes in exchange rates between the dollar, euro and Swedish krona constitute the single largest transaction exposures in the Group. In the Corporate Promo operating segment New Wave Group is the stockkeeper. Orders from resellers are therefore not placed until the reseller has received an order from the end customer. The order backlog for future deliveries is therefore small, as deliveries are made immediately. Due to the character of the product range, i.e. that continuity in collections is desirable and that most of the range consists of basic garments, the risk of obsolescence is low. Adjustments for changes in purchase prices are made continuously due to the immediate nature of sales, which limits the currency risk. In Sports & Leisure about 79% of sales are made through the retail sales channel. A large portion of these sales are made through advance orders, unlike in the promo sales channel, where products are delivered directly upon receipt of orders. This means, for instance, that customers place orders in the spring for delivery in the autumn. About 50–75% of all retail sales in Sports & Leisure are made in this way. Upon receipt of an order, New Wave Group submits an order to the factory, which significantly limits the risk of obsolescence. The remaining portion of sales in the retail sales channel, known as supplementary sales, mainly comprises basic goods with limited fashion risk. In order to limit the currency risk, about 50–80% of foreign currency purchases in Sports & Leisure are hedged against fluctuations in exchange rates. When an order is placed derivatives are purchased to guarantee the value of incoming deliveries to the warehouses. In these cases IAS 39 hedge accounting is applied, which means that changes in the value of derivatives are recognised in other comprehensive income. In the Gifts & Home Furnishings operating segment most of the product range is manufactured in Sweden. In cases where products are purchased from another country, about 50–80% of the foreign currency purchases are hedged.

Fair value of financial instruments

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

Outstanding transactions hedging and value 2011-12-31

	Hedged volume result SEK million	Unrealized SEK million	Number of hedged months
EUR	1.8	0.0	< 6
EUR	0.0	0.0	6 > 12
USD	43.7	2.7	< 6
USD	51.9	2.1	6 > 12
		4.8	

The above hedged volume consists exclusively of currency futures, all of which mature within twelve months of the end of the year. For 2011 consolidation to SEK had a negative impact on consolidated income of SEK 176 million (SEK 217 million).

Region	Currency influence 2011	Currency influence 2010
Nordic Countries	-23.3	-39.3
Central Europe	-38.3	-93.1
Southern Europe	-10.9	-26.4
USA	-93.6	-50.3
Other countries	-9.9	-7.5
Total	**-176.0**	**-216.6**

BALANCE SHEET EXPOSURE

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

TRANSLATION EXPOSURE

New Wave Group does not apply hedge accounting of equity.

The Group's earnings are affected by translation differences. These arise upon consolidation of the profits or losses of foreign subsidiaries and had a positive impact of SEK 20 million in 2011.

CREDIT RISKS

The risk that the Group's customers will fail to meet their obligations, i.e. that New Wave Group's trade receivables will not be paid, constitutes a credit risk. New Wave Group has adopted a number of centrally issued directives, based on which each company has drawn up a set of written procedures for credit checks. Information from external credit reference agencies is one stage of the process. The credit risk in the Corporate Promo operating segment is lower, as the resellers, which are New Wave Group's customers, make purchases based on orders that have already been placed by the end customers. The resellers are relatively small and large in number. In Sweden alone New Wave Group has over 2 000 customers, and there is no significant known credit risk in any individual customer or group of customers. New Wave Group has insured its trade payables in the Spanish and Italian companies. In 2011 actual bad debts in Corporate Promo represented 0,36% of sales. In the Gifts & Home Furnishings and Sports & Leisure operating segments sales are made to selected resellers, and credit losses are small, although there is a higher concentration to a smaller number of customers compared with the promo market. In 2011 actual bad debts in these two operating segments represented 0.47% of sales.

Customer finance	2011	2010
Exposure	816.5	837.0
Credit risk reserve	34.2	49.1
Carrying amount	**782.3**	**787.9**

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

Per 31 December 2011	Number customers	Percentage of total customers	Percentage of portfolio
Exposure < 1 MSEK	26 193	92.1	63.9
Exposure 1 - 5 MSEK	1 008	3.5	15.6
Exposure > 5 MSEK	1 237	4.4	20.5
Total	**28 438**	**100.0**	**100.0**

The provision for doubtful receivables has been changed as follows:

Provision for uncertain receivables	**2011**	**2010**
Provision at the beginning of the year	49.1	58.0
Reserve for anticipated losses	-4.4	3.0
Confirmed losses	-10.5	-11.9
Provision at year-end	**34.2**	**49.1**

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

Age analysis

Matured and impaired	**2011**	**2010**
< 30 days	663.6	642.4
30 - 90 days	64.7	46.5
> 90 days	54.0	99.0
Total	**782.3**	**787.9**

FINANCIAL CREDIT RISKS

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

OTHER RISKS

Purchasing market

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

Strong growth

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

Fashion trends – changes in economic conditions

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

Foreign expansion

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

NOTE 17 NET ASSETS IN FOREIGN CURRENCIES

SEK million

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

Net assets	**2011**	**2010**
Euro, EUR	528.5	440.8
Canadian dollar, CAD	19.7	0.0
Swiss franc, CHF	509.2	456.0
US dollar, USD	452.3	415.8
Norwegian krone, NOK	50.9	40.3
Danish krone, DKK	30.4	-35.8
Chinese yuan, CNY	43.4	40.1
Polish zloty, PLN	13.2	13.2
Hong Kong dollar, HKD	0.3	10.1
British pound, GBP	53.4	-12.5
Total net assets in foreign currencies	**1 701.3**	**1 368.0**

NOTE 18 CURRENCY EXPOSURE IN OPERATING PROFIT

SEK million

The table shows currency exposed operating profit per currency.

Operating profit	**2011**	**2010**
Euro, EUR	86.6	93.9
Canadian dollar, CAD	2.1	0.0
Swiss franc, CHF	151.9	112.4
US dollar, USD	68.1	68.6
Norwegian krone, NOK	30.9	33.1
Danish krone, DKK	5.4	0.0
Chinese yuan, CNY	-5.7	-7.6
Polish zloty, PLN	3.3	3.6
Hong Kong dollar, HKD	0.0	5.2
British pound, GBP	3.7	1.1
Total operating profit in foreign currencies	**346.3**	**310.3**

NOTE 19 PLEDGED ASSETS AND MATURING LIABILITIES

SEK million		Due for payment			
Liability	Debt as at 31 Dec. 2011	Within one year	Within one to five years	Pledged assets	Debt as at 31 Dec. 2010
Liabilities to credit institutions	1 915.0	41.5	1 873.5	see below	1 528.3

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

	2011	2010
Floating charges	663.5	663.5
Property mortgages	65.4	66.5
Net assets in subsidiaries	2 109.8	1 832.6
Stocks and accounts receivable	372.8	151.7
Total	**3 211.5**	**2 714.3**

Other information concerning pledged assets

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

NOTE 20 CONTINGENT LIABILITIES

SEK millon	2011	2010
Guarantees	16.1	31.5
Guarantees for associated companies	8.3	8.3
Total	**24.4**	**39.8**

NOTE 21 NET DEBT

SEK million	2011	2010
Liquid assets	-117.7	-121.7
Long-term interest-bearing liabilities	1 873.5	1 492.4
Short-term interest-bearing liabilities	41.5	35.9
Total	**1 797.3**	**1 406.6**
Effective interest rate based on recognised net interest	3.2	1.7

NOTE 22 STOCK

SEK million	2011	2010
Raw materials	63.8	80.4
Work in progress	20.7	23.0
Goods in transit	64.1	103.7
Goods for resale in stock	1 825.3	1 387.6
Total	**1 973.9**	**1 594.7**

Stocks consist of clothes, gift items and accessories for resale. The stocks are valued by applying the FIFO principle, at the lowest of the cost and net sales value on the balance sheet date. Deductions are made for internal profit made from deliveries between Group companies. There is a low risk that the net sales value is lower than the cost in the Corporate Promo operating segment since much of the product range consists of timeless basic products which are in demand season after season. For sales within the Sports & Leisure operating segment, orders to the factory are placed once the purchase order has been received from the customer, which considerably reduces the risk that the net sales value is lower than the cost. Remaining sales are largely made up of basic items with a limited fashion risk. Within the Gifts & Home Furnishings operating segment, most of the volume consists of classic, best-selling products that in many cases have a product cycle of more than 20 years, which limits the risk that the net sales value is lower than the cost. The amount of obsolescence reserve has during the year increased by SEK 16 million. Last year the provision for obsolescence decreased with SEK 13 million. As at 31 December 2011, the Group's reserves for obsolescence amounted to SEK 77.0 million (SEK 61.3 million), which constitutes 4.2% (4.4%) of the goods for resale in stock. The part of the stock which is recorded to net realizable value after deduction of selling expenses amounts to SEK 772,6 million (SEK 605.6 million).

NOTE 23 FINANCIAL INCOME AND COSTS

SEK million	2011	2010
Interest income	2.3	0.6
Interest on overdue accounts receivable	3.3	2.8
Exchange gains on short-term receivables	1.3	1.7
Interest expense	-53.4	-29.4
Interest on overdue accounts payable	-0.4	0.0
Exchange losses on liabilities	-2.7	-2.5
Other financial expenses	-1.4	-0.5
Total	**-51.0**	**-27.3**

NOTE 24 RELATED PARTIES

SEK million	Sales to		Purchases from		Receivables		Liabilities	
Associated companies	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
Glasrikets skatter ekonomiska förening	0.2	0.4	0.5	-	-	-	-	-
Dingle Industrilokaler AB	-	-	2.2	1.8	-	-	0.2	0.4
Kosta Köpmanshus AB	1.1	1.2	18.1	13.7	0.4	0.4	1.5	2.0
Vist Fastighets AB	-	-	4.0	3.3	-	-	0.3	0.2
8016267 Canada Inc in the process of changing name to Ferstar Inc	-	-	-	-	-	-	-	-

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

Transactions with key figures in management positions

Ulrica Messing is Managing Director in one of the Group's companies. A company owned by her has purchased goods, amounting to SEK 0.3 million, from companies within New Wave Group. Her company has also raised rent for premises, amounting to SEK 0.2 million, from New Wave Group companies. Göran Härstedt, member of the Board of Directors, has carried out consultancy services amounting to SEK 0.6 million, which has been invoiced through his present employer. All transactions are carried out under market conditions.

NOTE 25 OTHER PROVISIONS

SEK million		
Provision for taxes	**2011**	**2010**
Opening balance	15.2	15.9
Reversed provision	-13.5	-0.7
Transferred to deferred tax liability	-1.7	0.0
Closing balance at year-end	**0.0**	**15.2**
Other provisions		
Opening balance	0.8	0.9
Reversed during the year	-0.2	-0.1
Closing balance at year-end	**0.6**	**0.8**
Total other provisions	**0.6**	**16.0**

NOTE 26 ACQUISITIONS

AHEAD INC
On 29 July, New Wave Group AB acquired the entire operation and all assets of the American cap and apparel company AHEAD Inc for USD 23.8 million. The acquisition was executed by a newly formed subsidiary operating under New Wave Holding USA Inc and by New Wave Licensing SA who acquired the brand. The majority of the acquisition is financed in USD.

AHEAD was founded in 1995 and has been very successful in the golf segment with high graphic quality on caps, but also matching garments. With their head office in New Bedford, Massachusetts, AHEAD sells products in four categories; men's wear, headgear, the golf collection "Heavey Metal™" and the women's collection "Kate Lord™ Collection" which contains headgear, women's wear and accessories. For more information, go to www.aheadweb.com.

AHEAD is mostly known for their collection of caps with embroidered logos and their strong position on the market makes them an excellent complement to New Wave's business portfolio. The company is also known for revolutionizing the development of caps in the golf collective.

AHEAD currently has 197 employees and their 2010 turnover was close to USD 32 million with an operating profit of USD 2.7 million. The activity was consolidated from the acquisition date and has contributed by SEK 74 million in turnover and SEK -6 million in result before tax. If the acquisition of AHEAD had been executed at the beginning of the year, the pro forma revenues would have been SEK 227 million and the result before tax SEK 8 million higher.

The acquisition calculations are preliminary.

A distribution of acquired net assets is reported below, where the brand is valued based on future earning capacity.

Preliminary acquisition calculations:	**MUSD**	**MSEK**
Purchase amount	23.8	151.1
Acquisition costs	0.6	4.1
Total purchase amount	**24.4**	**155.2**

Acquired assets. net	149.1
Expensed acquisition costs	4.1
Goodwill	2.0

Cash flow impact analysis		
Net acquired cash balance	0.5	3.1
Paid purchase amount	-24.0	-151.1
Paid acquisition costs	-0.6	-4.1
Net cash impact	**-24.1**	**-152.1**

Acquired assets, net SEK million	**Booked value at AHEAD**	**Real value adjustment**	**Acquired assets net (real value)**
Liquid assets	3.1		3.1
Land and buildings	30.9		30.9
Equipment	15.4		15.4
Stock	66.6		66.6
Accounts receivable	36.3		36.3
Other assets	6.4		6.4
Debts	-20.3		-20.3
Trademark		*12.7*	*12.7*
Deferred tax		-2.0	-2.0
Acquired assets, net	**138.4**	**10.7**	**149.1**
Goodwill			2.0
Total purchase amount			**151.1**

	Total	**Deferred tax**	**Net**	**Ec. life**	**Depr./y**
Goodwill	2.0	0	2.0	-	-
Trademark	12.7	-2.0	10.7	-	-

PARIS GLOVE IN CANADA LTD

On 30 November, New Wave Group AB acquired all shares in the Canadian glove company Paris Glove of Canada Inc for CAD 16.5 million. Paris Glove's turnover in 2010 was CAD 28 million and operating profit CAD 2.8 million. The company has 129 employees. Paris Glove (www.parisglove.com) is a further strengthening of New Wave's company portfolio and a complement to existing clothing lines and global markets. The company's established client base also provides a gateway to the Canadian end-user market for other New Wave products.

Paris Glove has been family owned since the start in 1945 when founders Felix and Lily Monk brought their glove manufacturing knowledge from England to Canada. It is one of the oldest and most respected glove companies in Northern America and has achieved a respectable status as premium brand synonymous with quality, style and performance in the glove area.

Paris Glove is one of few companies that can deliver products to all markets - sports, fashion and protective gloves for men and women, adults and children. The company also has a line of scarves and headgear for men and women and distributes a limited selection of other products for other brands to their clients. The Paris Glove Group includes Laurentide, Gloves International Inc, the Paris Fashion Division and the Auclair Sports Division.

The company was consolidated from the day of acquisition and has contributed by SEK 15 million in turnover as well as SEK -2 million in result before tax. If the acquisition of Paris Glove had been executed at the beginning of the year, the pro forma revenues would have been SEK 182 million and the result before tax SEK 12.5 million higher.

The acquisition calculations are preliminary.

A distribution of acquired net assets is reported below, where the brand is valued based on future earning capacity.

Preliminary acquisition calculations:	**MUSD**	**MCAD**	**MSEK**
Purchase amount	2.2	14.2	107.2
Acquisition costs	0.5	-	3.0
Total purchase amount	**2.7**	**14.2**	**110.2**
Acquired assets. net			102.8
Expensed acquisition costs			3.0
Goodwill			4.4
Cash flow impact analysis			
Net acquired cash balance	-	1.2	7.8
Paid purchase amount	-2.2	-14.2	-107.2
Paid acquisition costs	-0.5	-	-3.0
Net cash impact	**-2.7**	**-13.0**	**-102.4**

Acquired assets. net SEK million	**Booked value at Paris group**	**Real value adjustment**	**Acquired assets net (real value)**
Liquid assets	7.8		7.8
Equipment	3.1		3.1
Stock	54.8		54.8
Accounts receivable	76.5		76.5
Other assets	45.9		45.9
Debts	-121.8		-121.8
Trademark		43.5	43.5
Deferred tax		-7.0	-7.0
Acquired assets. net	**66.3**	**36.5**	**102.8**
Goodwill			4.4
Total purchase amount			**107.2**

	Totalt	**Deferred tax**	**Net**	**Ec. life**	**Depr./y**
Goodwill	4.4	0	4.4	-	-
Trademark	43.5	-7.0	36.5	-	-

FERSTEN GROUP

As of 6 December New Wave Group has also acquired 49 % of 8016267 Canada Inc in the process of changing to Ferstar Inc. The company is a promo company situated in Montreal, Canada. The company has an annual turnover of about CAD 2 million.

Income statement – parent company

1 January – 31 December

SEK million	Not	2011	2010
Net sales	19	120.6	137.2
Other operating income	2	19.6	19.2
Operating costs			
External costs	4.8.19	-90.9	-101.8
Personnel costs	3.4	-24.2	-23.7
Depreciation of tangible and intangible fixed assets	7.8	-3.0	-0.9
Other operating costs		-18.9	-16.7
Operating profit		**3.2**	**13.3**
Net income from shares in Group companies		188.6	230.5
Write-down of financial fixed assets		-345.0	-122.4
Financial income		77.3	54.6
Financial expenses		-127.2	-36.1
Net financial items	**18**	**-206.3**	**126.6**
Profit before income tax		**-203.1**	**139.9**
Appropriations	5	3.7	-19.3
Tax on net profit for the year	6	-10.4	-3.6
Profit for the year		**-209.8**	**117.0**

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

Cash flow statement - parent company

1 January – 31 December

SEK million	2011	2010
Operating activities		
Operating profit before financial items	3.2	13.3
Adjustment for items not included in cash flow	3.4	-3.9
Dividend received	0.0	118.7
Interest received	77.3	54.6
Interest paid	-64.0	-36.1
Income tax paid	5.5	-3.7
Cash flow from operating activities before changes in working capital	**25.4**	**142.9**
Cash flow from changes in working capital		
Increase/decrease in current receivables	-28.1	151.3
Decrease in current liabilities	-33.6	-33.3
Cash flow from operations	**-36.3**	**260.9**
Investing activities		
Capital contribution to subsidiaries	0.0	-28.8
Intragroup sales of companies	0.0	3.4
Acquisition of tangible fixed assets	-3.5	-0.2
Acquisition of intangible fixed assets	-5.8	-0.5
Acquisition of shares	-24.5	0.0
Repayment of purchase amount	0.0	2.4
Loans to subsidiaries	-171.1	0.0
Cash flow from investing activities	**-204.9**	**-23.7**
Cash flow after investing activities	**-241.2**	**237.2**
Financing activities		
Borrowing	309.0	0.0
Amortized loans	0.0	-220.6
Long-term receivables	-1.5	0.0
Dividend paid to shareholders of the parent company	-66.3	-16.6
Cash flow from financing activities	**241.2**	**-237.2**
Cash flow for the year	**0.0**	**0.0**
Liquid assets at beginning of year	0.0	0.0
Liquid assets at year end	**0.0**	**0.0**

Balance sheet – Parent company

As at 31 December

SEK million	Note	2011	2010
ASSETS			
Fixed assets			
Intangible fixed assets	7	5.0	0.7
Tangible fixed assets	8	2.4	0.4
Financial fixed assets			
Shares in Group companies	9	1 382.1	1 400.0
Shares in associated companies	10	58.9	52.2
Receivables from Group companies		793.4	598.1
Other long-term receivables		2.0	0.5
Total financial fixed assets		*2 236.4*	*2 050.8*
Total fixed assets		**2 243.8**	**2 051.9**
Current assets			
Current receivables			
Accounts receivable		2.8	4.3
Receivables from Group companies		1 098.9	1 275.7
Tax receivables		2.3	14.4
Other receivables		40.6	16.0
Prepaid expenses and accrued income	11	10.2	12.8
Total current receivables		*1 154.8*	*1 323.2*
Cash at bank and in hand		0.0	0.0
Total current assets		**1 154.8**	**1 323.2**
TOTAL ASSETS		**3 398.6**	**3 375.1**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	13	199.1	199.1
Reserves		249.4	249.4
		448.5	**448.5**
Unrestricted equity			
Retained profits		776.2	725.5
Share premium reserve		48.0	48.0
Profit for the year		-209.8	117.0
		614.4	**890.5**
Total equity		**1 062.9**	**1 339.0**
Untaxed reserves	12	**49.3**	**53.0**
Long-term liabilities			
Overdraft facilities	14	1 763.5	1 430.2
Total long-term liabilities		**1 763.5**	**1 430.2**
Current liabilities			
Accounts payable		32.8	44.9
Liabilities to Group companies		478.0	501.2
Tax liability		3.8	0.0
Other liabilities		0.8	0.7
Accrued expenses and prepaid income	15	7.5	6.1
Total current liabilities		**522.9**	**552.9**
TOTAL EQUITY AND LIABILITIES		**3 398.6**	**3 375.1**
Pledged assets and contingent liabilities for the parent company			
Pledged assets	16	1 136.7	1 110.4
Contingent liabilities	17	302.1	467.1

Changes in equity - parent company

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

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

SEK million	Share capital	Reserves	Retained profits	Share premium reserve	Profit for the year	Total equity
Opening balance 2011-01-01	**199.1**	**249.4**	**725.5**	**48.0**	**117.0**	**1 339.0**
Transfer according to general meeting			**117.0**		**-117.0**	**0.0**
Profit for the year					-209.8	-209.8
Total change in net assets excluding transactions with shareholders	**0.0**	**0.0**	**0.0**	**0.0**	**-209.8**	**-209.8**
Dividends			-66.3			-66.3
Balance at year-end 2011-12-31	**199.1**	**249.4**	**776.2**	**48.0**	**-209.8**	**1 062.9**

NOTE 1 ACCOUNTING PRINCIPLES FOR THE PARENT COMPANY

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

In Sweden, group contributions are deductable, unlike the shareholder contribution. The accounting principles regarding shareholders contribution has been changed. Group contributions are reported so that they mainly reflect the transaction's financial consequence. Group contributions, which have the same aim as the shareholder contribution, are activated as an investment in subsidiaries in the balance sheet with a reservation for impairment testing. The Company has chosen to use the exclusion rule which means that given shareholders contribution are reported as Financial expenses to Group companies under Financial costs. Group contributions received which are comparable with a dividend are reported as a dividend, net income from shares in Group companies. This means that Group contributions received and their associated tax effect are reported via the income statement.
Group contributions which have been received or given in order to minimise the Group's total tax obligation were previously reported directly under net equity after tax.

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

NOTE 2 OTHER INCOME

SEK million	**2011**	**2010**
Foreign exchange gains	19.6	14.4
Capital gain	0.0	4.8
	19.6	**19.2**

NOTE 3 AVERAGE NUMBER OF EMPLOYEES

	2011 Number of employees	**Of which men**	**2010 Number of employees**	**Of which men**
Hisings Kärra	37	25	34	23
Total	**37**	**25**	**34**	**23**

NOTE 4 SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY COSTS

SEK million	**2011 Salaries and other remuneration**	**Social security costs**	**Of which pension costs**	**2010 Salaries and other remuneration**	**Social security costs**	**Of which pension costs**
	15.9	7.2	1.8	15.7	6.8	1.7

Of the parent company's pension costs SEK 0.4 million (SEK 0.4 million) concerns the corporate board and the Managing Director.

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

SEK million	**2011 Board and MD**	**Of which bonus and similar**	**Other employees**	**2010 Board and MD**	**Of which bonus and similar**	**Other employees**
	1.7	0.0	14.2	1.7	0.0	14.1

Board members' fees	**2011**	**2010**
External members of the parent company's Board	0.8	0.8
Of which to the Chairman of the Board	0.3	0.3

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

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

The conditions of employment for other senior executives
Other senior executives refers to the four persons whom together with the Managing Director is a part of the Group management. For the structure of the Group management, see the penultimate page of this report. Remuneration to the other senior executives comprises a fixed salary. No board members fees are paid. Market adjusted defined contribution pension plan exist for the other senior executives. A mutual notice period of between three to six months exists for the other senior executives and no severance pay is awarded.

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

SEK million	2011 Salaries and other remuneration	Of which bonus and similar	Pension costs	2010 Salaries and other remuneration	Of which bonus and similar	Pension costs
Torsten Jansson, Managing Director	0.9	0.0	0.4	0.9	0.0	0.4
Anders Dahlvig, Chairman of the Board	0.3	0.0	0.0	0.3	0.0	0.0
Christina Bellander, Board Member	0.1	0.0	0.0	0.1	0.0	0.0
Göran Härstedt, Board Member	0.1	0.0	0.0	0.1	0.0	0.0
Helle Kruse Nielsen, Board Member	0.1	0.0	0.0	0.1	0.0	0.0
Mats Årjes, Board Member	0.1	0.0	0.0	0.1	0.0	0.0
Other senior executives*	2.5	0.0	0.4	3.0	0.0	0.3
Total	**4.1**	**0.0**	**0.8**	**4.6**	**0.0**	**0.7**

*Individuals referred to on page 91.

Subscriptions options	2011 Quantity with exercise date 2012	with exercise date 2013	2010 Quantity with exercise date 2011	with exercise date 2012	with exercise date 2013
Chairman of the Board	75 000	0	0	75 000	0
Other Board Members	0	50 000	55 000	0	50 000
Managing Director	0	0	55 000	0	0
Other senior executives	28 000	0	100 000	84 000	0
Total	**103 000**	**50 000**	**210 000**	**159 000**	**50 000**

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

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

No share warrants have been issued during 2011.

The share's closing price on 31 December was SEK 23.00.

As at 31 December 2011, only the option plan to be exercised in 2012 is classified as "in the money ".

Pension commitments
Defined benefit pension plans exist within the Group. These are only for smaller pension plans. As the Swedish manager Alecta cannot recognise a basis that allows calculation of defined benefit pension liabilities, this pension plan has instead been recognised as a defined contribution plan. Recognition has therefore not been carried out in the balance sheet. Alecta's collective funding ratio at the end of the year was 113% (146%) . The collective funding level is the difference between the company's assets and insurance commitments, calculated in accordance with Alecta's calculation assumptions for insurance purposes, which do not comply with IAS 19.

Remuneration to auditors and auditing company

SEK million	2011	2010
Audit assignment		
Ernst & Young	0.7	1.0
Audit work outside audit assignment	0.2	0.2
Tax consultancy	0.0	0.1
Total	**0.9**	**1.3**

NOTE 5 APPROPRIATIONS

SEK million	2011	2010
Difference between reported depreciation and depreciation according to plan	-0.1	0.0
Tax allocation reserve	3.8	-19.3
Total	**3.7**	**-19.3**

NOTE 6 TAX ON PROFIT FOR THE YEAR

SEK million	2011	2010
Current tax	-5.7	-15.3
Tax attributable to previous years	-4.7	0.0
Tax attributable to received/paid Group contribution	0.0	11.7
Total	**-10.4**	**-3.6**

Reconciliation of actual tax				
Profit before tax	**-199.4**		**120.6**	
Tax expense according to local tax rate	52.4	26.3%	-31.7	-26.3%
Tax effects from:				
Non taxable income	33.3	16.7%	60.6	50.3%
Non deductible expenses	-91.1	-45.7%	-32.3	-26.8%
Tax attributable to previous years	-4.7	-2.4%	0.0	0.0%
Other	-0.3	-0.2%	-0.2	-0.2%
Tax according to income statement	**-10.4**	**-5.2%**	**-3.6**	**-3.0%**

NOTE 7 INTANGIBLE FIXED ASSETS

	Trademarks		Computer software	
SEK million	**2011**	**2010**	**2011**	**2010**
Accumulated acquisition values				
Opening acquisition value	6.9	6.9	8.1	8.7
Acquisitions	0.0	0.0	5.8	0.5
Disposals	0.0	0.0	0.0	-1.1
Closing accumulated acquisition value	**6.9**	**6.9**	**13.9**	**8.1**
Accumulated depreciation according to plan				
Opening depreciation	-6.6	-6.3	-7.7	-8.7
Depreciation during the year	-0.3	-0.3	-1.2	-0.1
Disposals	0.0	0.0	0.0	1.1
Closing accumulated depreciation	**-6.9**	**-6.6**	**-8.9**	**-7.7**
Closing book value	**0.0**	**0.3**	**5.0**	**0.4**

NOTE 8 TANGIBLE FIXED ASSETS

	Equipment. tools and installations	
SEK million	**2011**	**2010**
Accumulated acquisition values		
Opening acquisition value	6.3	8.0
Acquisitions	3.5	0.1
Disposals	0.0	-1.8
Closing accumulated acquisition value	**9.8**	**6.3**
Accumulated depreciation according to plan		
Opening depreciation	-5.9	-7.2
Depreciation during the year	-1.5	-0.5
Disposals	0.0	1.8
Closing accumulated depreciation	**-7.4**	**-5.9**
Closing book value	**2.4**	**0.4**

Leasing costs for operational leasing

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

		2011			**2010**
	Premises	**Business system**		**Premises**	**Business system**
2012	1.6	9.0	2011	1.5	15.7
2013	1.6	4.4	2012	1.5	10.1
2014	1.6	1.0	2013	1.5	6.7
2015	1.6	0.0	2014	1.5	1.2
2016 incl. costs through contract period end	1.6	0.0	2015 incl. costs through contract period end	2.9	0.0
Rental costs for the year amounted to	1.6	15.1		1.5	14.6

NOTE 9 SHARES IN GROUP COMPANIES

	Equity %	Voting rights, %	Number of shares	Book value
Craft Sportswear Ltd	100	100	-	1
Dahetra A/S[9]	100	100	1 000	29 000
DJ Frantextil AB	100	100	30 000	46 104
EBAS Group BV[1]	100	100	5 100	27 010
GC Sportswear OY	100	100	8 000	82
Hefa AB[2]	100	100	18 985	47 980
Intraco Holding BV[3]	64	64	49 804	33 362
Jobman Workwear AB	100	100	10 000	88 450
Kosta-Förlaget AB	100	100	500	1 136
New Wave Asia Ltd	100	100	1	9
New Wave Austria GmbH	100	100	-	8 360
New Wave Danmark A/S	100	100	2	1 180
New Wave France SAS	100	100	100	546
New Wave Garments Ltd	100	100	-	0
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	-	0
New Wave Group SA[4]	100	100	100	536
New Wave Holland BV[8]	100	100	13 614	84 834
New Wave Italia S.r.l	100	100	500 000	6 670
New Wave Mode AB	100	100	100 000	36 509
New Wave Profile Professional AB	100	100	1 000	100
New Wave Profile Professional Ltd	100	100	1 000	14
New Wave Sports AB	100	100	50 000	5 000
New Wave Sportswear A/S	100	100	9 000	1 022
New Wave Sportswear BV	100	100	40	7 397
New Wave Sportswear Ltd	100	100	500 000	2 193
New Wave Sportswear S.A.	100	100	1 000	19 288
New Wave Trading Shanghai Ltd	100	100	-	17 888
New Wave USA Inc[6]	100	100	-	441 958
OKB Restaurang AB	100	100	10 000	10 000
Orrefors Event AB	100	100	100	100
Orrefors Kosta Boda Holding AB[5]	100	100	100 000	24 481
OY Trexet Finland AB	100	100	600	1 412
9238-8834 Quebec Inc, in the process of changing name to Paris Glove Ltd[10]	100	100	1 000	17 788
Pax Scandinavia AB	100	100	2 400	26 909
Pensionat Orrefors AB	100	100	100	105
Projob Workwear AB	100	100	1 015 684	492
Sagaform AB[7]	100	100	5 611 223	62 917
Seger Europe AB	100	100	10 000	34 599
Texet AB	100	100	58 500	99 900
Texet Benelux NV	86	86	-	102 558
Texet France SAS	96	96	47 798	10 364
Texet Poland Sp. z o.o.	51	51	7 885	1 858
United Brands of Scandinavia Ltd, Wales	100	100	200	54 973
X-Tend BV	100	100	100 000	15 673
Total				**1 382 082**

1 EBAS Group BV owns 14% of Texet Benelux BV, 4% of Texet France SAS and 100% of Texet Harvest Spain SL.
2 Hefa AB owns company Texet GmbH.
3 Intraco Holding owns Intraco Hong Kong Ltd, Intraco International Ltd, Intraco Electronics Ltd, Intraco Trading BV och 60% av DeskTop Ideas Ltd.
4 New Wave Group Licensing SA and New Wave Far East Ltd.
5 Orrefors Kosta Boda Holding AB owns Orrefors Kosta Boda AB, which owns Galleri Orrefors Kosta Boda, Glasma AB, Orrefors Kosta Boda Leasing AB and SEA Glasbruk AB.
6 New Wave USA Inc owns Cutter & Buck , Auclair Sports Inc, Gloves International Inc as well as Orrefors Kosta Boda Inc, which in turn owns Sagaform Inc and AHEAD LLC.
7 Sagaform AB owns Sagaform APS, Sagaform GmbH (Germany) and Sagaform SAS.
8 New Wave Holland BV owns Lensen Toppoint BV, Toppoint Deutschland GmbH, Newpoint SP. z.oo and Toppoint Polska SP z.oo.
9 Dahetra A/S owns Hurricane Purchases A/S.
10 9238-8834 Quebec Inc, in the process of changing name to Paris Glove Ltd, owns Paris Glove of Canada Ltd, which in turn owns Laurentide Gloves Ltd.

Information regarding subsidiary corporate identities and domiciles:

	Company registration number	Domicile
Auclair Sports Inc	V245570	Burlington, USA
Craft Sportswear Ltd	5451215	London, England
Cutter & Buck Inc	206-830-6812	Seattle, USA
Dahetra A/S	37764728	Skanderborg, Denmark
Desk Top Ideas Ltd	718094721	Oxfordshire, England
DJ Frantextil AB	556190-4086	Borås, Sweden
EBAS Group BV	17078626	Aarschot, Belgium
Galleri Orrefors Kosta Boda	- - -	Tokyo, Japan
GC Sportswear OY	1772317-6	Esbo, Finland
Glasma AB	556085-8671	Emmaboda, Sweden
Gloves International Inc	2579860	Mayfield, USA
Hefa AB	556485-2126	Hisings Kärra, Sweden
Hurricane Purchase A/S	16503770	Skanderborg, Denmark
Intraco Holding BV	34228913	Wormerveer, The Netherlands
Intraco Hong Kong Ltd	33959038-000-10-03-3	Hong Kong
Intraco International Ltd	35134648-000-11-04-7	Hong Kong
Intraco Electronics Ltd	- - -	Shenzhen, China
Intraco Trading BV	35027019	Wormerveer, The Netherlands
Jobman Workwear AB	556218-1783	Stockholm, Sweden
Kosta-Förlaget AB	556700-7140	Orrefors, Sweden
Laurentide Gloves Ltd	1142613307	Montreal, Canada
Lensen Toppoint BV	5055988	Bergentheim, The Netherlands
New Wave Asia Ltd	1213487	Hong Kong
New Wave Austria GmbH	FN272531g	Eli, Austria
New Wave Danmark A/S	234083	Copenhagen, Denmark
New Wave Far East Ltd	551901	Hong Kong
New Wave France SAS	430 060 624 000 29 514C	Dardilly, France
New Wave Garments Ltd	755013846	Shanghai, China
New Wave GmbH	HRB10847	Oberaudorf, Germany
New Wave Group Incentives AB	556544-8833	Borås, Sweden
New Wave Group International Trading Ltd	74959455X	Shanghai, China
New Wave Group SA	CH-645-1009704-1	Cortaillod, Switzerland
New Wave Holland BV	5061847	Hardenberg, The Netherlands
New Wave Italia S.r.l	1730/9310/45	Codogno, Italy
New Wave Licensing SA	CH-645-4099083-3	Cortaillod, Switzerland
New Wave Mode AB	556312-5771	Dingle,Sweden
New Wave Profile Professionals AB	556765-0782	Dingle, Sweden
New Wave Profile Professionals Ltd	893996	Hong Kong
New Wave Sports AB	556529-1845	Borås, Sweden
New Wave Sportswear A/S	946506370	Sarpsborg, Norway
New Wave Sportswear BV	30159098	Mijdrecht, The Netherlands
New Wave Sportswear Ltd	3817967	London, England
New Wave Sportswear S.A.	29963 166887 0190 B1	Barcelona, Spain
New Wave Trading Shanghai Ltd	310000400561917	Shanghai, China
New Wave USA Inc	26-28441698	Seattle, USA
Newpoint Sp. z o.o.	270348	Zielona Góra, Poland
OKB Restaurang AB	556697-8804	Orrefors, Sweden
Orrefors Event AB	556699-2565	Orrefors, Sweden
Orrefors Kosta Boda AB	556037-0461	Orrefors, Sweden
Orrefors Kosta Boda Holding AB	556519-1300	Orrefors, Sweden
Orrefors Kosta Boda Inc	- - -	West Berlin, USA
Orrefors Kosta Boda Leasing AB	556374-8804	Orrefors, Sweden
OY Trexet Finland AB	0874124-1	Esbo, Finland
Paris Glove of Canada Ltd	1142613711	Montreal, Canada
9238-8834 Quebec inc in the process of changing name to Paris Glove Ltd	1167232215	Montreal, Canada
Pax Scandinavia AB	556253-8685	Örebro, Sweden
Pensionat Orrefors AB	556697-6790	Nybro, Sweden
Projob Workwear AB	556560-7180	Borås, Sweden
Restaurant AB Kullegården	556552-1373	Lessebo, Sweden
Sagaform AB	556402-4064	Borås, Sweden
Sagaform APS	25818253	Karlebo, Denmark
Sagaform GmbH	47619	Frankfurt am Main, Germany
Sagaform Inc	- - -	West Berlin, USA

Sagaform SAS	48093654100014	Courbevoie Cedex, France
SEA Glasbruk AB	556066-8883	Kosta, Sweden
Seger Europe AB	556244-8901	Gällstad, Sweden
Texet AB	556354-3015	Stockholm, Sweden
Texet Benelux NV	BE 404.998.655	Aarschot, Belgium
Texet France SAS	305035693	Naterre Cedex, France
Texet GmbH	328/5857/0728	Menden, Germany
Texet Harvest Spain SL	A 78480696	Madrid, Spain
Texet Poland Sp. z o.o.	281382	Poznan, Poland
Toppoint Deutschland GmbH	HR B 1986	Nordhorn, Germany
Toppoint Polska Sp. z o.o.	220828	Zielona Góra, Poland
United Brands of Scandinavia Ltd	5480650	Hirwaun, South Wales
X-Tend BV	8108654	Zwolle, The Netherlands

NOTE 10 FINANCIAL FIXED ASSETS

Reported acquisition costs for the associated companies

SEK million	**2011**	**2010**
Dingle Industrilokaler AB	8.3	8.3
8016267 Canada Inc in the process of changing name to Ferstar Inc	5.7	-
Glasrikets skatter ekonomiska förening	1.0	1.0
Kosta Köpmanshus AB	29.4	29.4
Scandinavian Trade Holding AB	1.0	-
Vist Fastighetsbolag AB	13.5	13.5
Total	**58.9**	**52.2**

NOTE 11 PREPAID EXPENSES AND ACCRUED INCOME

SEK million	**2011**	**2010**
Leases	5.0	5.9
Prepaid credit fees	1.3	2.0
Prepaid rents	0.4	0.4
Trade fair costs. repayable	0.4	0.0
Prepaid expenses	2.1	4.0
Other items	1.0	0.5
Total	**10.2**	**12.8**

NOTE 12 UNTAXED RESERVES

SEK million	**2011**	**2010**
The difference between reported depreciation and depreciation according to plan	0.1	0.0
Tax allocation reserve 06	0.0	11.0
Tax allocation reserve 07	15.7	15.7
Tax allocation reserve 08	5.9	5.9
Tax allocation reserve 09	-	-
Tax allocation reserve 10	1.0	1.0
Tax allocation reserve 11	19.4	19.4
Tax allocation reserve 12	7.2	0.0
Total	**49.3**	**53.0**

Deferred tax on untaxed reserves amounts to SEK 13.0 million (SEK 13.9 million).

NOTE 13 EQUITY

Division of share capital
The parent company's share capital consisted of the following number of shares as at 31 December 2011. with a quoted value of up to SEK 3.00 per share.

Shares %

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

NOTE 14 CREDIT LIMIT

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

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

NOTE 15 ACCRUED EXPENSES AND PREPAID INCOME

SEK million	2011	2010
Holiday pay liability	2.9	2.6
Social security charges	0.4	0.4
Special employer's contribution	0.8	0.8
Audit	0.1	0.4
Interest	2.0	0.3
Credit charge	0.3	1.1
Legal services	0.8	0.0
Other items	0.2	0.5
Total	**7.5**	**6.1**

NOTE 16 PLEDGED ASSETS AND MATURING LIABILITIES

		Due for payment				
Liability	**Liability as per 31 Dec. 2011**	**Within 1 year**	**Between one to five years**	**Later than five years**	**Pledged asset**	**Liability as per 31 Dec. 2010**
Liability to credit institution	1 763.5	-	1 763.5	-	see below	1 430.2

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

	2011	2010
Company mortgages	30.0	30.0
Shares in subsidiary	1 098.4	1 071.9
Shares in associate company	8.3	8.3
Trademarks	0.0	0.2
Total	**1 136.7**	**1 110.4**

NOTE 17 CONTINGENT LIABILITIES

SEK million	2011	2010
Guarantees for subsidiaries	302.1	467.1

NOTE 18 FINANCIAL INCOME AND COST

SEK million	2011	2010
Write-down of financial fixed assets	-345.0	-122.4
Profit/loss from internal Group sales of subsidiaries	12.6	0.0
Dividends from subsidiaries	176.0	230.5
Financial income, Group companies	39.0	33.6
Financial income, other	38.3	21.0
Financial expenses, Group companies	-74.8	-9.5
Financial expenses, other	-52.4	-26.6
Total	**-206.3**	**126.6**

NOTE 19 RELATED PARTIES

Sales

Of the parent company's invoiced sales, SEK 120.0 million (SEK 137.2 million) equivalent to 99.5% (100%) were sales to Group companies. All transactions have occurred in accordance with market conditions.

Related persons which are affected with related transaction

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

Related transactions

SEK million Name	Commission description	Amount	Liability as of 2011-12-31
Göran Härstedt	Remuneration to lawyer's office	0.6	0.0

The company has in addition to above mentioned amount invoiced services which in turn have been reinvoiced to daughter companies. All transactions have occurred in accordance with market conditions.

Auditor's report

To the annual meeting of the shareholders of New Wave Group AB (publ),
corporate identity number 556350 - 0916

Report on the annual accounts and consolidated accounts
We have audited the annual accounts and consolidated accounts of New Wave Group AB (publ) for the year 2011. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 44 - 88.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts
The Board of Directors and the Managing Director are responsible for the preparation and fair presentation, of the annual accounts in accordance with the Annual Accounts Act and, of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions
In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2011 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act, and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2011 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and consolidated income statement and consolidated balance sheet for the group.

Emphasis of matter
Without qualifying our opinions we would like to draw attention to page 44 in the annual report which describes the valuation of the assets related to the trademark Orrefors Kosta Boda and the uncertainties related to this valuation. We refer to the Board of Directors' description in the administration report of the major problems in Orrefors Kosta Boda during the financial year.

An assessment of potential impairment of the assets is to a great extent based on assumptions about the future such as future growth, profitability and cash flow. If the forecasts made by the company would not materialise this fact could have an impact on the value of the assets related to the trademark Orrefors Kosta Boda.

Report on other legal and regulatory require-ments
In addition to our audit of the annual accounts and consolidated accounts, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of New Wave Group AB (publ) for the year 2011.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors is responsible for the proposal for appropria-tions of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility
Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinions
We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory adminis-tration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Göteborg 3 April 2012

Ernst & Young AB

Sven-Arne Gårdh
Auktoriserad revisor

The Group in summary

Income statements in brief, SEK million	2011	2010	2009	2008	2007
Net sales	4 236.9	4 243.4	4 087.0	4 604.2	4 194.0
Other operating income	39.4	32.2	68.9	56.5	37.7
Operating costs	-3 898.8	-3 889.6	-3 912.9	-4 227.7	-3 772.0
Profit before depreciation	377.5	386.0	243.0	433.0	459.7
Depreciation according to plan	-50.6	-58.4	-70.6	-64.2	-53.9
Profit after depreciation	326.9	327.6	172.4	368.8	405.8
Net financial items	-51.0	-27.3	-46.2	-136.0	-90.8
Profit after net financial items	275.9	300.3	126.2	232.8	315.0
Tax	-76.8	-78.8	-38.4	-84.9	-83.7
Profit after tax	**199.1**	**221.5**	**87.8**	**147.9**	**231.3**
Balance sheets in brief					
Trademarks	435.4	376.0	392.2	413.2	367.7
Other fixed assets	1 337.9	1 267.5	1 367.2	1 468.4	1 370.4
Stock	1 973.9	1 594.7	1 624.8	2 200.3	1 862.1
Accounts receivable	782.3	787.9	735.3	835.8	883.0
Other current assets	159.2	170.8	202.4	261.8	211.0
Liquid assets	117.7	121.7	80.4	191.2	115.5
Total assets	**4 806.4**	**4 318.6**	**4 402.3**	**5 370.7**	**4 809.7**
Equity attributable to shareholders	2 068.6	1 908.3	1 773.6	1 797.9	1 426.3
Equity attributable to non-controlling (minority) interest	24.2	24.7	33.5	35.9	11.9
Provisions	173.1	172.3	195.6	203.0	210.0
Interest-bearing liabilities	1 915.0	1 528.3	1 821.2	2 767.5	2 472.5
Non-interest-bearing liabilities	625.5	685.0	578.4	566.4	689.0
Total equity and liabilities	**4 806.4**	**4 318.6**	**4 402.3**	**5 370.7**	**4 809.7**
Cash flows					
Cash flow before changes in working capital and investments	269.6	332.1	138.9	163.1	259.3
Changes in working capital	-203.6	11.5	667.4	-431.1	-176.3
Cash flow before investments	66.0	343.6	806.3	-268.0	83.0
Net investments	-326.5	-57.6	-23.0	-65.2	-1 165.7
Cash flow after investments	-260.5	286.0	783.3	-333.2	-1 082.7
Financial payments	256.0	-241.2	-884.8	377.2	1 081.5
Cash flow for the year	**-4.5**	**44.8**	**-101.5**	**44.0**	**-1.2**
Key figures					
Gross margin, %	47.7	47.1	46.5	48.5	47.6
Operating margin, %	7.7	7.7	4.2	8.0	9.7
Profit margin, %	6.5	7.1	3.1	5.1	7.5
Net margin, %	4.6	5.3	2.1	3.2	5.5
Return on capital employed, %	8.9	9.4	4.3	9.0	12.8
Return on equity, %	9.9	12.1	4.9	9.2	17.1
Equity/assets ratio, %	43.5	44.8	41.0	34.1	29.9
Net debt/equity ratio, %	85.9	72.8	96.3	140.5	163.9
Proportion of risk-bearing capital, %	46.9	48.2	42.4	35.2	33.8
Interest coverage ratio, times	5.8	10.4	3.4	2.6	4.0
Rate of capital turnover, times	0.9	1.0	0.8	0.9	1.0
Rate of stock turnover, times	1.2	1.4	1.1	1.2	1.3
Average number of employees	2 242	2 196	2 203	2 562	2 350
Wage costs incl. social security contributions, SEK million	886.1*	861.8*	917.0*	1 007.0*	632.7
Sales outside Sweden, %	69.7	69.6	70.9	70.9	66.8

* includes purchase and production personnel.

Data per share	2011	2010	2009	2008	2007
Number of shares before dilution	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543
Number of shares after dilution	67 343 543	67 343 543	67 343 543	66 343 543	68 843 543
Profit per share before dilution, SEK	2.99	3.31	1.29	2.18	3.46
Profit per share after dilution, SEK	2.94	3.26	1.27	2.18	3.33
Equity per share, SEK	31.54	29.14	27.24	27.64	21.68
Equity per share after dilution, SEK	31.08	28.70	26.83	27.64	20.89
Share price as at 31 December, SEK	23.00	40.40	27.50	6.25	67.50
P/E ratio as at 31 December	7.76	12.03	20.54	2.87	19.36
Dividend per share, SEK	1.00	1.00	0.25	0.18	1.00
Dividend yield, %	4.3	2.5	0.9	2.9	1.5
Operating cash flow per share, SEK	1.01	5.18	12.15	-4.04	1.25

Definitions

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

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

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

Gross margin
Income with deductions for goods for resale in percent of income.

EBITDA
Operating profit before depreciation

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

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

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

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

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

Equity/assets ratio
Equity including non-controlling (minority) interest as a percentage of balance sheet total.

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

Stock turnover
Cost of sold goods divided by average stock.

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

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

The Board of Directors

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

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

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

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

Göran Härstedt, born 1965
Member of the Board since 2009.
Other directorships: Chairman of the Board for a number of companies within the New Wave Group.
Holdings in the company, own and related parties:
1,000,000 class A shares and 568,000 class B shares.

Torsten Jansson, born 1962
MD and CEO. Founder and majority shareholder in New Wave Group AB. Member of the Board since 1991.
Other directorships: Chairman of the Board of Porthouse Interior AB and Member of the Board of RNB Retail and Brands AB (publ).
Holdings in the company, own and related parties:
20,707,680 class A shares and 1,971,976 class B shares.

Group Management

Torsten Jansson, born 1962
Managing Director and CEO. New Wave Group AB's founder and majority share holder.
Holdings in the company, own and related parties: 20,707,680 class A shares and 1,971, 976 class B shares.

Patrick Fransson, born 1971
Internal Auditor. Employed since 2011.
Holdings in the company, own and related parties: Does not hold any securities in the company.

Rolf Karp, born 1960
Vice Managing Director and CAO. Employed since 2011.
Holdings in the company, own and related parties: 2,300 class B shares.

Magnus Claesson, born 1960
CBO. Employed since 2010.
Holdings in the company, own and related parties: Does not hold any securities in the company.

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

Tomas Jansson, born 1965
Northern Europe Manager Corporate Promo and Managing Director of New Wave Mode AB. Employed since 1993.
Holdings in the company, own and related parties: 20,000 class B shares and 28,000 class B share options.

Magnus Rapp, born 1976
Corporate Legal Counsel. Employed since 2011.
Holdings in the company, own and related parties: 25,000 class B shares.

Ernest Johnson, born 1951
Managing Director of New Wave Group USA Inc. Employed since 2007.
Holdings in the company, own and related parties: Does not hold any securities in the company.

Auditors

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

AGM

The Annual General Meeting (AGM) will take place on Tuesday 15 May 2012 at 1 pm at the Kosta Boda Art Hotel, Stora vägen 75, 360 52 Kosta, Sweden. Shareholders have the right to attend the AGM if they are registered in the copy of the share register made on 9 May 2012 and notify the company of their intention to attend the AGM by 12 noon on 9 May 2012 at the latest.

Nominee registered shares
Shareholders with nominee-registered shares must register their shares in their own name with Euroclear Sweden AB to be entitled to attend the AGM. This registration must be completed by 9 May 2012 and an application shall therefore be made to the nominee in good time before this date.

Notification
Notification of attendance at the AGM shall be made by letter or e-mail to:
New Wave Group AB
Orrekulla Industrigata 61
SE-425 36 Hisings Kärra
Sweden
bolagsstamma@nwg.se

The notification shall state:
The notification shall state name, personal identification number/company registration number and daytime phone number. Shareholders who wish to attend the AGM must have notified the company of this before 12 noon on 9 May 2012 when the notification deadline expires.

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

Dividend payment
The Board proposes to the Annual General Meeting a dividend for 2011 of SEK 1.00 per share, corresponding to a total of SEK 66,344 thousand. The Board has proposed 21 May 2012 as the record day for the dividend. This record day assumes payment of the dividend from Euroclear Sweden AB on 24 May 2012.

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