



Press release

Revised profit forecast for 2008 and changed financing agreement

New Wave Group's performance so far in the fourth quarter differs from what has been previously projected. The previous forecast, published in the interim report for the third quarter of 2008, was: "For 2008 New Wave is still expecting higher sales and result than the previous year. However, the weaker market conditions and economy, gives that the uncertainty in the forecast has increased". In November 2008, which is the single biggest sales and profit month for the group, the outcome fell to such an extent that the Group's results for 2008 can no longer be expected to exceed 2007's result. In view of this, and the weaker market conditions and economy, the profit forecast for 2008 is revised in the way that the result for 2008 will be below the result for 2007.

Due to the lower estimates, New Wave Group has renegotiated its financing agreement with the bank, resulting in that new covenants have been agreed for the credit limit of totally 3.200 MSEK. The covenants are mainly as follows:

(i) The Group's interest coverage ratio in the period 31 December 2008 up to 30 June 2009, inclusive, should at any time exceed 2.5 and thereafter exceed 3 calculated on the basis of the previous four quarters.

(ii) The ratio of net debt and EBITDA of the group, calculated on a rolling 12-month period, on the record dates 31 December 2008, 31 March 2009, 30 June 2009, 30 September 2009 and 31 December 2009 should not exceed 6.5 times.

(iii) The stock turnover rate in the group, calculated on a rolling 12-month period, may, on the record dates 31 December 2008 not be less than 1.09 times, 31 March 2009 not be less than 1.05, 30 June 2009 not be less than 1.03, 30 September 2009 not be less than 1.07, and 31 December 2009 not be less than 1.13.

(iv) The consolidated equity ratio may on the record date 31 December 2008 not be less than 25% and thereafter at the end of each calendar quarter not be less than 30%.

The changing conditions in the financial agreement have led to the bank's margin to some extent increased. New Wave Group expects, however, that the Group's interest expenses during 2009, due to expected lower STIBOR, will be lower than in 2008.

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New Wave Group AB (publ)
Göran Härstedt
President & CEO

For more information, please contact:

Göran Härstedt CEO, New Wave Group
Lars Jönsson CFO, New Wave Group

Tel: +46 31 7128902
Tel: +46 31 7128912

New Wave Group in brief

New Wave is a promotional and retailing company that concentrates on establishing, acquiring and developing trademarks, mainly within the promo wear, leisurewear and gift sector. New Wave operates within two business areas, in the Corporate Promotional area through sales to independent promotion companies, as well as in the Retailing business area via retailers mainly within sportswear and shoes. By operating within both areas, the Group's risk spreading and the coordination advantages increase.