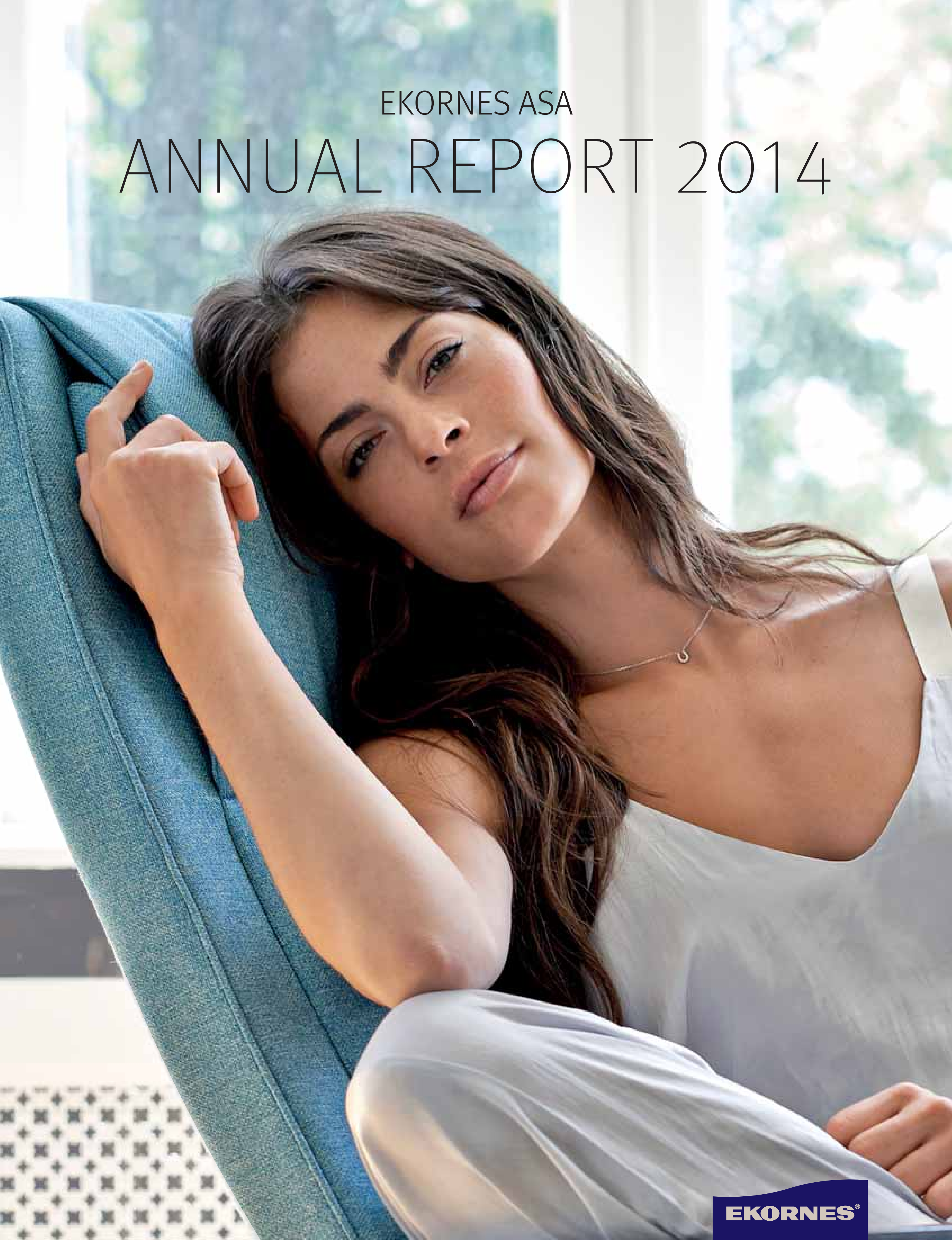
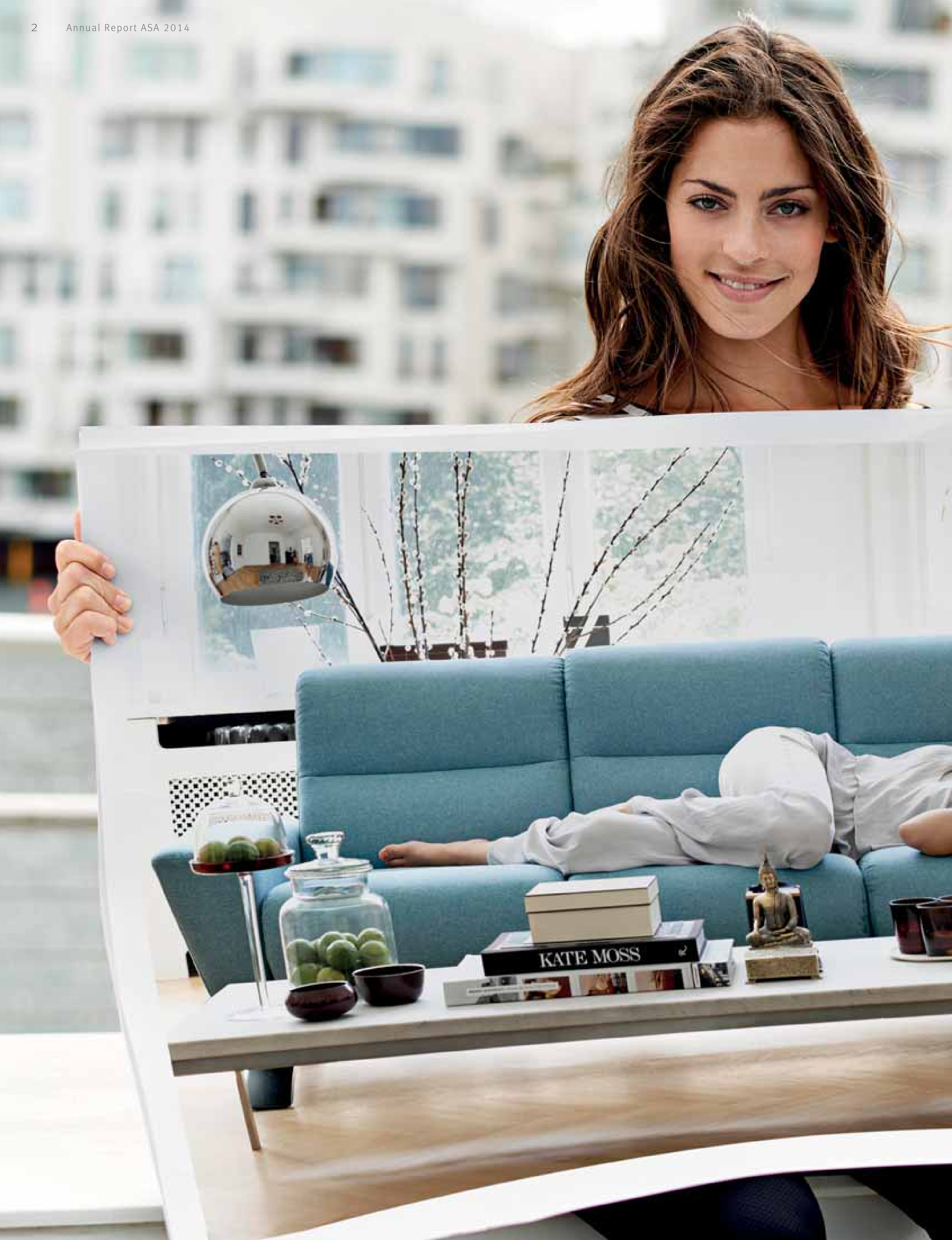
EKORNES ASA

ANNUAL REPORT 2014



EKORNES®


KATE MOSS

Ekornes shall be one of Europe's leading furniture producers and be renowned for its quality in all areas.

CONTENTS

THIS IS EKORNES

Ekornes is the largest furniture manufacturer in Norway and owns the brand names Ekornes®, Stressless® and Svane®. Stressless® is one of the world's most well-known furniture brands, while Ekornes®, Stressless® and Svane® are the best known brands in the Norwegian furniture market. In the autumn of 2014 Ekornes acquired the furniture producer IMG. Manufacturing takes place at the group's 10 factories, The group has six factories located in Norway and one in the USA. Through its acquisition of IMG, the Group has acquired a further three factories: one in Thailand and two in Vietnam. The Group's products are sold in large parts of the world through its own sales companies or importers.

Ekornes's business concept is to develop and manufacture products that afford outstanding comfort and functionality, and whose price and design appeals to a broad audience. Ekornes ASA's head office is located alongside the Group's main manufacturing facility at Ikornnes in Sykkylven, on the west coast of Norway. Ekornes ASA is the parent company of the Ekornes Group. The Group's production facilities are organised according to product area: Stressless®, Svane® (mattresses) and IMG.

The Ekornes story began in 1934 when company founder, Jens E. Ekornes, started manufacturing furniture springs at the J.E. Ekornes Fjærfabrikk in Sykkylven. The first Stressless® recliners were launched in the Norwegian market in 1971. A more detailed overview of the company's history can be found on pages 100-103 of this report.

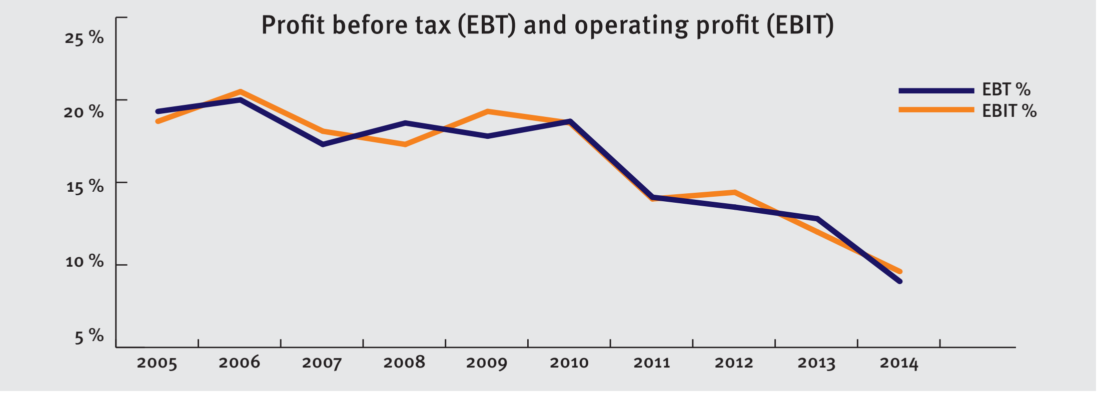
KEY FIGURES

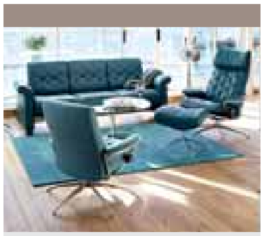
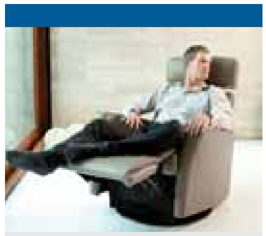
		2014	2013	2012	2011	2010
Gross operating revenues (consolidated)	NOK million	2 757.5	2 611.3	2 762.7	2 757.6	2 868.8
Operating profit	NOK million	266.0	312.9	399.0	386.5	534.0
Profit before tax	NOK million	248.8	334.0	373.9	389.6	536.4
Net profit for the year	NOK million	160.5	222.3	255.8	273.9	380.9
Investments (net)	NOK million	496.1	148.1	79.0	142.8	112.4
Depreciation	NOK million	132.6	133.8	125.1	125.6	116.5
Equity ratio	%	56.9 %	79.3 %	77.9 %	79.0 %	77.0 %
No. of employees	#	2 388	1 576	1 626	1 577	1 618
No. of shareholders	#	2 516	2 359	2 421	2 401	2 437
Earnings per share	NOK	4.36	6.04	6.95	7.44	10.34
Dividend per share	NOK	4.00	5.50	5.50	7.50	9.00
Dividend ratio	%	91.7 %	91.1 %	79.1 %	100.8 %	87.0 %
Share price 31.12	NOK	95.00	82.25	92.50	98.00	160.00
Market capitalisation 31.12	NOK million	3 498.5	3 029.0	3 406.5	3 609.0	5 892.3

Revenues in NOK million: **2 757.5**

EBIT margin: **9.6 %**

Earnings per share, NOK: **4.35**

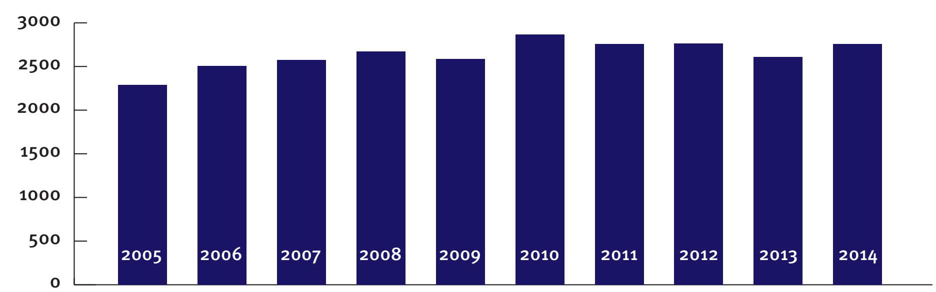


Stresselss® Ekornes® Collection	IMG*	Svane®	Ekornes® Contract
			
Gross operating revenues in NOK mill. 2 394.5	Gross operating revenues in NOK mill. 68.4*	Gross operating revenues in NOK mill. 224.4	Gross operating revenues in NOK mill. 70.1
EBIT in NOK mill. 279.0	EBIT in NOK mill. 19.6*	EBIT in NOK mill. -13.3	EBIT in NOK mill. 3.3
No. of employees 1 450	No. of employees 842*	No. of employees 119	No. of employees 7

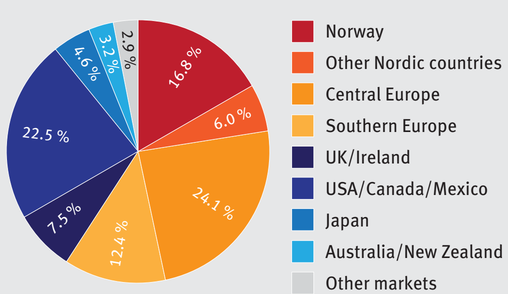
*November and December 2014

Figures in NOK mill.

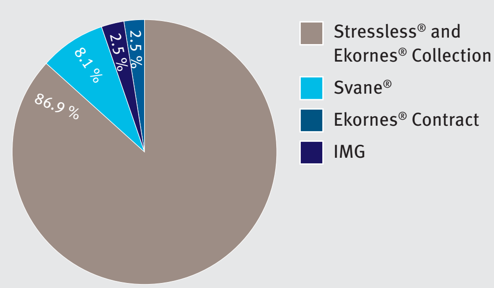
GROSS OPERATING REVENUES 2005-2014



Sales revenues by market



Sales revenues by segment



EKORNES ASA

SALES COMPANIES

SKANDINAVIA
Ekornes Skandinavia AS
(Norway, Sweden, Denmark)
Director: Norway:
Eldar Blindheim

J.E. Ekornes Aps
Director: Denmark:
Peter Hjelmholm

Director, Sweden:
Johannes Liivrand

FINLAND
Oy Ekornes Ab (Finland/Baltics)
Director: Kaj Juutilainen

UK/IRLAND
Ekornes Ltd.
Director: James Tate

CENTRAL EUROPE
Ekornes Möbelvertriebs GmbH
(Germany, The Netherlands,
Luxembourg, Switzerland,
Slovenia, Austria, Poland)
Director: Thomas H. Bauer

SOUTHERN EUROPE
Ekornes S.A.R.L.
(France, Belgium, Spain, Italy
Director: Bernard Lafond

Ekornes Iberica S.L.
Director: Mikael Gaultier

USA/CANADA/MEXICO
Ekornes Inc.
Director: Peter Bjerregaard

ASIA
Ekornes Asia Pte Ltd.
(Kina, Hong Kong, Taiwan, Korea,
Singapore, Malaysia, Indonesia,
India, Mauritius)
Director: Mark Kelsey

JAPAN
Ekornes KK
Director: Hajime Osawa

AUSTRALIA/NEW ZEALAND
Ekornes Pty. Limited
Director: John Candi

EXPORT (OTHER MARKETS)
Ekornes ASA
Ekornes Export
Marketing Director: Runar Haugen

EKORNES CONTRACT AS
Managing Director: John Terje Drege

EKORNES BEDS AS
Managing Director: Jon-Erlend Alstad

IMG SKANDINAVIA AS
Managing Director: Lars Inge S. Jakobsen

IMG ASIA PTY LTD
Managing Director: Nils Gunnar
Hjellegjerde

IMG AUSTRALIA PTY LTD
Managing Director: Sam Joukadjian

IMG NEW ZEALAND LTD
Managing Director: Brian Preston

FACTORIES

J.E. EKORNES AS
Production Director:Ola Arne Ramstad

VESTLANDSKE PLANT
Factory Manager: Ole André Småge

TYNES PLANT
Factory Manager: Per Jarle Tynes

HAREID PLANT
Factory Manager: Ole André Småge

GRODÅS PLANT
Factory Manager: Knut Ove Rygg

EKORNES BEDS AS
Managing Director: Jon-Erlend Alstad

J.E. EKORNES USA, INC.
Factory Manager: Rolf Aarseth

IMG THAILAND
Factory Manager: Kampon Petakew

IMG VIETNAM
Factory Manager: Ngy Yen Kim Long


J.E. Ekornes AS
Dept. Ikornnes (Sykkylven)
J.E. Ekornes AS
Dept. Tynes (Sykkylven)
J.E. Ekornes AS
Dept. Vestlandske (Sykkylven)
J.E. Ekornes AS
Dept. Grodås
J.E. Ekornes AS
Dept. Hareid
Ekornes Beds AS
Fetsund
IMG
Vietnam
IMG
Thailand
Sales companies
Factories

TO OUR SHAREHOLDERS

2014 has been a year of many changes for Ekornes. The sudden death of the company's chairman Olav Kjell Holtan led to changes in the board of directors, with Kjersti Kleven becoming the new chair. In May I agreed to take over as CEO from Nils Fredrik Drabløs, a task I embarked upon in mid-October. And towards the end of the year, Trine-Marie Hagen took over from Robert Svendsen as the Group's CFO.

In the autumn of 2014 Ekornes acquired IMG, which has given us another commercial leg to stand on. The USA, the Nordic region and Australia are the most important markets for IMG. IMG has three production facilities in Thailand and Vietnam. IMG has a different profile and product range than Ekornes's familiar Stressless® brand. With IMG we can therefore take a different position in the market than we can with Stressless®. Our plan is to develop IMG as an autonomous business area within the Ekornes Group, based on the strength IMG has as a flexible and cost-conscious company. With the backing of Ekornes, IMG will further develop its distribution in both existing and new markets.

In the period 2011-2014, Ekornes saw a decline in sales. Part of the reason for the downturn in sales can be found in the overall market situation, but in some regions we have lost sales even though the furniture market has been stable or expanding. Within the Group we have recognised that the rate of product development at Ekornes has been too low, and that our competitors have been better than us at launching new products. This may have contributed to our loss of market share, but we have learned from this. In the autumn of 2013, the Stressless® City and Stressless® Metro models were launched, and were very well received in the market. This was followed up in 2014 with the largest new product launch in the company's history. In addition to new Stressless® chairs in the main collection, we have also launched a new series of Stressless® chairs on what we have called the "Signature" base. These have also been equipped with the completely new and innovative Balance Adapt™ system, in which the chair's back and seat automatically adjust to the movements of the user. The launch also included a new series of sofas with the same Balance Adapt™ system. With this, we reinforce our position as the "Innovators of Comfort". We have also launched a completely new furniture concept, under the Stressless® YOU brand name. With the Stressless® YOU we are addressing a target audience with different taste preferences, and our objective is to reach them through different distribution channels than we have for our main Stressless® collection.

Ekornes Beds has also recognised that the pace of product development has been too slow in recent years. In the autumn of 2014 we launched our new bed concept Svane® 630™, in which sleep comfort is further enhanced through use of our patented IntelliGel® system. Ekornes Beds has not posted satisfactory results in recent years. We still have a way to go before we have reversed the negative trend in the company, but significant strides on the road to profitable operations were made in 2014.

Historically, Ekornes has delivered very good operating margins, but we have experienced a downturn in this area, in recent years. Despite a raft of cost-cutting measures in 2013 and 2014, profits continued to fall last year. Efforts to adjust the cost base to the revenue stream will continue in 2015.

During my first few months with the company I have devoted considerable time getting to know the organisation and the workforce. My conclusion is that Ekornes's foundations are strong, in terms of both its financial and human capital. We have great products and good distribution. Nevertheless, recent developments show that we must make changes in order to move the company forward. My task is to unleash the potential that lies within the organisation. It is a task that I embark on with both enthusiasm and humility. My objective is to achieve a robust and innovative Ekornes, which creates value for both shareholders and employees.

Olav Holst-Dyrnes

CEO

GROUP MANAGEMENT

OLAV HOLST-DYRNES (1970)

CEO

Education: A Master's degree in engineering from the Norwegian Institute of Technology (NTH), and completed officer training in the Norwegian Armed Forces.

Experience: Former CEO of the listed company Havfisk ASA. Sourcing Manager at Stokke AS. Ten years in the Norwegian Armed Forces.

CEO of Ekornes since October 2014.

No. of shares: 2 000

TRINE-MARIE HAGEN (1977)

CFO

Education: Master's degree in Economics from the Norwegian School of Economic and Business Administration (NHH). Part 1 Law from the University of Bergen.

Experience: CFO of Mentor Medier AS , Norske Skog (several positions including VP Business Performance and Finance Manager at tow factories), trainee and consultant at Intentia.

CFO and member of group management since January 2015.

RUNAR HAUGEN (1964)

Group Marketing Director

Education: Master of Business Administration.

Experience: Joined Ekornes ASA as an export consultant in 1991, then Marketing Manager at Ekornes. Previous experience from export, sales and consultancy work.

Group Marketing Director and member of group management since 1992.

No. of shares: 300

SVEIN LUNDE (1961)

International Marketing Director

Education: Diploma, Management Studies

Experience: Joined Ekornes in 1994 as the Managing Director of Ekornes Ltd. with responsibility for the UK/Ireland. Previous experience from banking and the travel industry.

International Marketing Director and member of group management since 2003.

OLA ARNE RAMSTAD (1962)

Production Director, Stressless® Production

Education: Diploma in Business Administration (BI).

Experience: Started in production at Ekornes in 1984. Various posts within factory production management.

Director, Stressless® and member of group management since 2002.

ARVE EKORNES (1966)

Director, Product Development

Education: Certified industrial mechanic

Experience: Joined Ekornes as an apprentice in 1983. Worked on the development of production equipment and the product development of steel components until 1992. Product Development Manager from 1992-2002.

Director, Product Development and member of group management since 2002.

GEIR BALSNES (1957)

Director, Procurement and logistics/ICT

Education: Banking & finance, business administration, project management, executive management – London Business School.

Experience: President and Executive Partner at Gartner Group, ICT Director at British Telecom, various positions with Rolls-Royce Marine and the Ulstein Group.

ICT Director and member of Group Management in March 2012.

JON-ERLEND ALSTAD (1969)

Director, Ekornes Beds AS

Education: Master's degree in Marketing (Oslo School of Management)

Experience: Senior Vice President at Scandinavian Business Seating (HÅG). Marketing director and sales director at Stokke. (with seven years spent in England/Germany). Sales manager of the tour operator Top of Europe Norway AS.

Director, Ekornes Beds AS and member of group management since 2012.

THE BUSINESS

Ekornes shall be Europe's leading furniture producer and be renowned for its quality in all areas

STRESSLESS® / EKORNES® COLLECTION

Start-up	Employees	Factories
1934	1 450	6

Product area Together, Stressless® and Ekornes® Collection make up Ekornes's largest product area. The Stressless® brand includes a number of different reclining chairs and sofas, as well as the Stressless® Office range. The Ekornes® Collection comprises several fixed-back sofa models.

Production At the close of 2014 the Stressless® area had a production capacity of 1,750 seat units per day. In 2014 as a whole the number of seat units produced per day averaged 1,736.

Stressless® products are manufactured at four factories. The segment also comprises two components plants. The production of finished items is order driven. The Ikornnes plant in Sykkylven produces the Stressless® chair collection, as well as steel and foam components for other parts of the furniture collection. Component production is largely automated, with extensive use of industrial robots. The Vestlandske plant in Sykkylven and the Hareid plant produce Stressless® sofas. The Hareid plant also produces fixed-back sofas (Ekornes® Collection), which are manufactured on the same production line as the Stressless® products. The factory in the USA manufactures sofas for the US market.

The largest individual investment in 2014 was in an advanced leather-cutting machine at the Ikornnes factory. In the latter part of 2014, many investments were also made in new manufacturing tools associated with the new models that will go into production in the first part of 2015.

The Tynes factory in Sykkylven specialises in the manufacture and processing of wood laminates, while the Grodås plant produces other wood components.

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J.E. EKORNES AS

Dept. Ikornnes (Sykkylven)

Produces Stressless® chairs and Stressless® components.

Dept. Vestlandske (Sykkylven)

Produces Stressless® sofas.

Dept. Grodås

Produces wood products and components.

Dept. Hareid

Produces Stressless® and Ekornes® Collection sofas.

Dept. Tynes (Sykkylven)

Produces laminated products and wood components.

J.E. EKORNES USA, Inc.

Morganton

Produces Stressless® sofas.

Stressless® YOU Julia sofa
Stressless® YOU James chair

Revenues in NOK mill.	Revenues in %	Sales outside Norway in %
2 394,5	86,8	93,0

Product development The objective of Ekornes ASA's product development department is to launch a steady stream of products which stand out as offering the best comfort and functionality, and which are at the same time adapted to Ekornes's manufacturing organisation and brand strategy. Ekornes constantly seeks to stay ahead of its competitors, and the product development department participates actively in its efforts to improve productivity and manufacturing quality.

2014 saw the launch of a record number of new models and product innovations. As many as 14 new models were unveiled during the autumn. This is the result of the company's increased focus on product development and the need to renew the collection. Ekornes also launched new solutions for Stressless® sofas and chairs, for which patents are pending. A broader furniture collection will appeal to new and existing customers, with the aim of creating growth for Ekornes.

One of the major innovations in 2014 is the Stressless® Signature base, an elegant combination of polished aluminium and beech laminate, which also has the new BalanceAdapt™ system built in. A completely new Stressless® sofa platform has been launched, which provides a new and unique sitting experience. The BalanceAdapt™ system is integrated, and the sofa's seat and back are assembled on the frame in such a way that they automatically adjust to the user's movements.

The Stressless® YOU was also launched in the autumn of 2014. The Stressless® YOU collection has a new and modern look, with sleek, Nordic lines that are perfect for the urban home, while preserving the famous Stressless® comfort. The Stressless® YOU comprises three chair models with matching footstools, and two sofa models (a two-seater and a three-seater). The Stressless® YOU also features the new BalanceAdapt™ system. It is manufactured largely in Norway, but has more third-party components than the main collection.

The market's response to all these innovations has so far been very good. They will be in the stores from the spring of 2015.

The Stressless® City and Stressless® Metro, which were launched in the autumn of 2013, went on general sale in the spring of 2014. These products have been well received in the market, and sold well through the second half of the year.

Stressless® Panorama

Stressless® Skyline

Stressless® YOU John

Market situation While the situation in several important markets continued to be difficult in 2014, other markets developed in a more positive direction.

Market and customer strategy Ekornes's goal is to be the supplier that provides the best level of profitability for its distributors. The company aims to be the industry's leading supplier of branded goods, with attractive product and marketing concepts. Ekornes distributes its brands through a selection of financially sound distributors. This includes both chains and independent retailers.

Marketing concept Ekornes pursues a long-term and systematic brand strategy. Ekornes owns the three most well-known furniture brands in Norway (Ekornes®, Stressless® and Svane®). Stressless® is currently the most well-known furniture brand in Europe. Surveys show that brand awareness continued to increase in 2014, particularly in Central Europe. Over 80 million people worldwide now recognise the Stressless® brand name.

Work to optimise the distribution structure is ongoing. New sales channels, such as chains and online sales, are opened in markets where this is expedient and where it complements the existing distribution network. Online and digital communications account for a growing proportion of Ekornes's communications with both distributors and consumers. New and more effective websites aimed specifically at the largest markets were launched towards the end of 2014.

Competitors The competitive situation remains varied. No global entity challenges Stressless® in all markets. In 2014, Ekornes continued to monitor and take action against copy products and the misuse of the company's brand names. Ekornes actively seeks to protect its technical solutions, designs and brand names. Rights to these intangible assets are registered in more than 40 countries. Firm action is taken against any infringement of the company's rights.

Market overview

NORWAY Although the furniture market in Norway remained flat in 2014, sales of Stressless® in Norway fell during the year. Nevertheless, the company's position in the Norwegian market remains strong. New Stressless® models were launched at the end of 2013, and sold well through 2014.

OTHER NORDIC COUNTRIES The furniture market in Denmark expanded by an estimated 2.5 per cent in 2014. In Sweden the market grew by 8 per cent, and the furniture market in Finland also picked up. Stressless® sales have also increased in the Nordic region. Globally, awareness of the Stressless® brand in Denmark is second only to that in Norway. The same is true of per capita sales. In the other Nordic countries, both brand awareness and sales are not as strong.

CENTRAL EUROPE (AUSTRIA, GERMANY, NETHERLANDS, POLAND, SLOVENIA, SWITZERLAND). Ekornes's office in Hamburg oversees the region, supported by local salespeople/agents in the individual countries.

In Germany, the largest market, overall sales of upholstered furniture grew slightly in 2014. However, Ekornes lost market shares here in 2014. This is largely attributable to a lack of renewal in the furniture collection in recent years, as well as increased competition from "private label" products. The reduction in sales led to organisational adjustments in 2014.

After many years of extensive and systematic marketing efforts, the company has built up an extremely strong position, both with respect to retailers and the consumer. In Germany, Switzerland and Austria, over half the population are familiar with the Stressless® brand. Stressless® products are sold through 480 retail outlets in Central Europe.

SOUTHERN EUROPE (BELGIUM, FRANCE, ITALY, SPAIN). Ekornes's Southern Europe office is located in Pau, France. Each country has its own sales force reporting to the office in Pau.

The weak economic situation in Southern Europe continued throughout 2014, with some furniture manufacturers and distributors going into liquidation and closing down. Despite this, however, Ekornes succeeded in increasing its sales in the region.

Awareness of the Stressless® brand is high in France and Belgium, at 40 per cent and 44 per cent respectively. Stressless® products are sold through 552 retail outlets in Southern Europe.

USA/CANADA/MEXICO Ekornes's office and logistics centre for USA/Canada/Mexico is located in Somerset, New Jersey.

The American market continues to move in a positive direction, with a further increase in 2014. Despite the improvements over the past few years, the furniture market is still 12 per cent below its 2006 peak. In the region as a whole, Ekornes achieved an increase in sales in 2014. Stressless® sofas made particular headway, largely due to the fact that Ekornes can now offer customers competitive delivery times following the establishment of production facilities in North Carolina.

Stressless® products are sold through 632 retail outlets in North America.

UK/IRELAND Ekornes's office for the UK/Ireland is located in London.

The British economy picked up through the year, and seems to be on its way out of the recession that has lasted since 2008. Despite the general economic upturn, however, Ekornes experienced a fall in sales revenues measured in the local currency. Translated into NOK, however, revenues increased during the period. A lack of renewal in the product portfolio in recent years, as well as increased competition from suppliers in the same product segment as Stressless®, has contributed to a more intense battle for market share.

An internal restructuring was undertaken during the period to make the organisation more responsive to changes in the market. Stressless® products are sold through 160 retail outlets in the UK/Ireland.

JAPAN Ekornes's office is in Tokyo, while warehousing and assembly are undertaken by a third-party logistics company located outside the city.

Despite a number of economic reforms, the Japanese economy is still showing few signs of recovery. An increase in VAT from 5 per cent to 8 per cent in April contributed to strong growth in the first quarter, with weaker growth in the rest of the year. Nevertheless, overall sales were higher in 2014 than the year before.

Stressless® products are sold through 438 retail outlets in Japan.

ASIA (CHINA, HONG KONG, INDIA, INDONESIA, KOREA, MALAYSIA, SINGAPORE, TAIWAN). Ekornes has exclusive agreements with importers in Hong Kong, Korea, Indonesia and India. Ekornes itself acts as importer and has distribution agreements with distributors in Singapore and Taiwan. Malaysia is covered through a partner who imports from the warehouse in Singapore. All the markets are managed via the regional office in Singapore.

In recent years Ekornes has gradually made changes to pave the way for further growth in the Asian markets. In Singapore and Taiwan, Ekornes has taken over responsibility for the market from an importer.

This strategy is also being pursued in China and Hong Kong, where Ekornes itself will take over the market from an importer in April 2015. As expected, sales in China have fallen off as the end of the import contract approaches.

AUSTRALIA/NEW ZEALAND Ekornes's office and warehouse for Australia are located in Sydney. New Zealand is served by an external importer, with follow-up from Ekornes's office in Sydney.

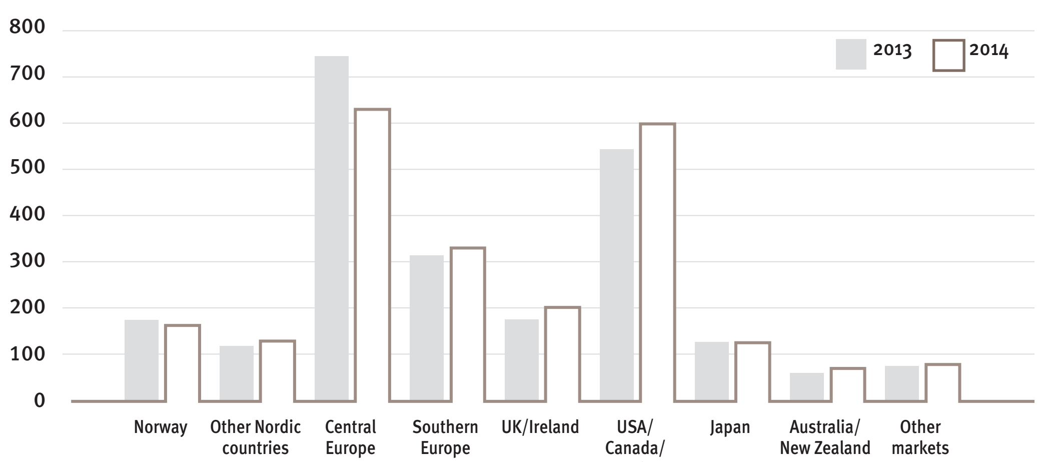
The Australian economy remained flat in 2014, while unemployment rose. A weaker AUD helped the competitive situation, with the price of Asian products increasing. In addition there is a smaller perceived price differential on Stressless® products compared with Europe and the USA. The positive development in both markets continued in 2014. Stressless® products are sold through 56 retail outlets in Australia and 27 in New Zealand.

OTHER MARKETS Due to weak developments in the market over several years, it was decided in 2014 to wind up the business in Brazil.

Activities in other markets remain modest.

Sales revenues by market

NOK mill.



IMG

Start-up
2006

Employees
842

Factories
3

IMG is organised as a fully independent division under Ekornes ASA. Ekornes ASA owns IMG Group AS, which as the holding company for all IMG companies. IMG is further organised into two manufacturing companies with three separate factories (two in Vietnam and one in Thailand) and four sales/distribution companies (as of January 2015).

The IMG collection consists of a wide range of recliner collections and some sofas.

Produksjon At end of 2014 IMG production capacity stood at 450 seat units per day, but could be doubled with limited investments.

Scandinavian type recliners (Nordic) with laminate wood components are manufactured in IMG Asia Co., Ltd in Chachoengsao, Thailand (IMG Thailand). IMG Thailand produces its own wood, steel and moulded foam components. However raw laminated components are purchased even though all the processing is done by IMG Thailand.

The main investment the last year has been to expand the in-house component production.

Recliners with integrated footstools (Relaxers), sofas with integrated footstools (motion) products as well as stationary sofas are manufactured in two plants at IMG Vietnam Co., Ltd., in Vietnam (IMG Vietnam). The first factory in Vietnam was opened in 2007 and the second in late 2013.

IMG Thailand

Produces armchairs with laminated wood features.

IMG Vietnam (1)

Produces armchairs and sofas with footstools.

IMG Vietnam (2)

Produces wood components, steel parts and mechanisms.

Revenues in NOK mill.	Share of revenues in %	Sales outside Norway in %
68.4*	2.9*	69.2

Products and product developments IMG creates furniture based on the Scandinavian approach to relaxation. IMG's entire range is designed, engineered and tested IMG's Norwegian product development team.

The IMG CODI is the new product line that was launched in 2014. The CODI range is designed to appeal to a younger, more modern and more urban target group than the other IMG® recliners. During 2014 IMG also extended its relaxer line up to meet design, function and comfort choices. Other changes to the different collections and individual product improvements were implemented in 2014 to increase its attractiveness and competitiveness.

Markets The biggest markets for the Thai product range are Scandinavia, Australia/NZ and Asia as well as some to Europe. The biggest markets for Vietnam products are USA, Canada and Scandinavia.

IMG has in some markets focused more on the fixed-back sofa product segment, since a substantial proportion of these products are sold in conjunction with sales of IMG chairs.

Sales and markets are organised through four sales- and distribution companies.

IMG Skandinavia AS is located in Sykkylven and responsible for the Nordic markets. A warehouse in Sykkylven is established to service the markets with quick deliveries.

IMG Australia Pty its subsidiary IMGC Pty (commercial) is located in Melbourne, Australia and responsible for the Australian markets as well as Singapore and Malaysia. A warehouse in Melbourne has been established to service the Australian market.

IMG New Zealand Pty, Auckland is taking care of the market in New Zealand. A warehouse in Auckland is established to service the New Zealand furniture market.

IMG USA Inc has since January 2015 been a wholly owned subsidiary of IMG Group AS and is located outside Los Angeles, USA. Focus for IMG USA Inc is to take care of the US market. A warehouse in California has been established to service smaller dealers and quicker deliveries.

Canada, Europe and Asia as well as other markets are handled directly by IMG Group AS.

* Only Nov/Dec included

SVANE®

Start-up
1935

Employees
119

Factories
1

EKORNES BEDS AS
Fetsund

The “bedroom” segment is served by the subsidiary Ekornes Beds AS through the Svane® brand. Svane® was the foundation of Ekornes as a corporation, its history stretching right back to 1935. Production of Svane® mattresses was moved to Fetsund, not far from Oslo, in the mid-1960s. Through 2013 and 2014 Ekornes Beds AS has undergone a major restructuring, focusing strongly on the achievement of a differentiated market position and innovation in its product development.

Production The factory at Fetsund has also seen significant changes in the past two years. Every part of the value chain has been put out to competitive tender, with the result that large parts of the sewing room and pocket spring production have been outsourced. The factory is still producing IntelliGel®, foamed plastic, fibre, quilting and some wooden frames. The company has rational manufacturing of large product runs. In 2014 and in collaboration with the research establishment SINTEF, Ekornes Beds AS drew up extensive plans to further improve the efficiency of its existing production processes. Implementation of these plans will take place in both 2015 and 2016.

Svane® Zense

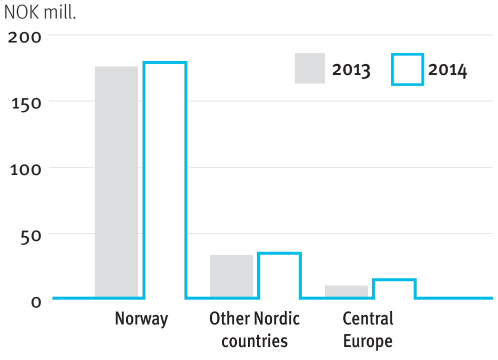
Revenues in NOK mill.	Share of revenues in %	Sales outside Norway in %
224.4	8.1	20.9

Product development In line with the company's strategy plan, product development had a high priority in 2014. During the autumn, an entirely new collection of divan beds was launched, called Svane® 630™, with a matching collection of accessories. This part of the portfolio will take the Svane® collection's visual expression to a new and higher level. The products will go on sale to the public in the spring of 2015.

Market The market for beds/mattresses is highly competitive, with generally little focus in the market on differentiation/ positioning. This has resulted in intense competition on price, which puts the margins of both manufacturers and distributors under heavy pressure. Ekornes Beds AS has the rights to several unique "basic elements", which all play a central role in supporting the company's new positioning statement: "It's the inside that counts®". This is helping to increase the potential for a successful international expansion of the Svane® brand. Without unique product concepts, it would be difficult for a Norwegian manufacturer to succeed outside of Scandinavia.

Progress was made through all Norwegian distribution channels in 2014. Outside Norway, Svane® has made very good progress in Germany/Switzerland and Finland. This trend is expected to strengthen further in 2015. Sales in Denmark are growing slowly, but sales in Sweden fell in 2014.

Revenues by market



Svane® Metro

Svane® Metro

Svane® Zonic divan, with Svane® City night stands and Svane® Opera ottoman.

EKORNES CONTRACT

Start-up	Employees	Revenues in %	Revenues in NOK mill.
1989	7	2.5	70.1

Ekornes® Contract focuses primarily on the shipping/offshore market and the hotel market. Shipping/offshore accounts for around 60 per cent of the segment's sales revenues. Ekornes® Contract operates both nationally and internationally within the shipping/offshore and hotel segments. It also supplies the Norwegian office furniture market.

Ekornes® Contract is located in Sykkylven. Its Oslo office, which focused on deliveries of complete interior furnishings to hotels, was wound up during the autumn of 2014. From now on Ekornes® Contract will focus on product deliveries to the hotel market, in addition to the shipping/offshore and office furniture markets.

EKORNES CONTRACT AS
Sykkylven

"Ekornes sees good corporate governance as involving candid, substantive and responsible dialogue and interaction between shareholders, the board of directors and the company's management, based on a long-term perspective and with value creation as its aim."

CORPORATE GOVERNANCE

Ekornes sees good corporate governance as involving candid, substantive and responsible dialogue and interaction between shareholders, the board of directors and the company's management, based on a long-term perspective and with value creation as its aim.

1. Corporate governance at Ekornes

Ekornes' board and management endorse the Norwegian Code of Practice for Corporate Governance. A review is performed annually to ensure continued compliance with the Code of Practice. Ekornes complies largely with the Code of Practice. Any minor non-compliances with respect to the Code of Practice will be commented. As a result of this internal process, the company has issued an internal code of conduct. The guidelines for the company's values and code of conduct are included in the company publications "Objectives and Values" and "Code of Conduct" for the Ekornes Group, both of which are available at the company's website, www. ekornes.com. The "Code of Conduct" is reproduced in extenso elsewhere in this annual report.

2. Business and objectives

Ekornes shall be one of the most attractive and leading brand name suppliers of furniture and mattresses for home use, both nationally and internationally. The company's articles of association are more general with regard to defining what business activities the company shall undertake. Article 2 of the company's articles of association states: 'The company's purpose is to operate business activities and whatever may be associated therewith, including participation in other companies.' The strategies, goals and values that apply to the company's business are set out in its handbook "Objectives and Values for the Ekornes Group". The company's code of conduct and guidelines for corporate social responsibility are included therein.

Ekornes endorsed the UN Global Compact in 2009.

3. Share capital and dividend

Equity

Ekornes shall have an equity ratio of at least 40-50 per cent. The board think it is important that the company has at all times sufficient financial flexibility and strength. As at 31 December 2014, group equity before dividend totalled NOK 1,360 million (57 per cent).

Dividend policy

Ekornes will manage its shareholders' investments in such a way that their return, measured as the sum of dividend and increase in share price, will be as high as possible over time. The company aims to pay a dividend each year. At least 30-50 per cent of the Group's profit after tax will be paid as dividend. However, account will be taken of necessary capital expenditure and the rate of growth. The company will strive for stability in its dividend policy. The Annual General Meeting (AGM) determines the dividend to be paid each year on the basis of a proposal tabled by the company's board of directors.

A dividend of NOK 5.50 per share was paid out for 2013. For 2014 the board is proposing to the AGM that an ordinary dividend of NOK 4.0 per share be paid. The company's financial position is sound. In proposing the dividend for 2014, the board has attached particular importance to maintaining a stable dividend payout over time, while according weight to general market conditions, the company's investment requirement and financial position.

Board authorisations: share capital increase and purchase of treasury shares

No such authorisations currently exist.

4. Equal treatment of shareholders and transactions with related parties

The company has only one class of shares. In principle, existing shareholders have pre-emption rights with respect to any share capital increase. Particular circumstances may result in this principle being waived. A proposal explaining the reason for such a waiver will then be put to a general meeting of shareholders for a final decision. The general meeting has so far authorised limited purchases of treasury shares in order to acquire the number of shares required in respect of bonus and option schemes. The company currently has no schemes requiring this type of authorisation. The current bonus schemes for management and other employees are paid in cash. Any trading in treasury shares is conducted through the Oslo Stock Exchange.

Otherwise, the company abides by the proposed guidelines for transactions with related parties, under the terms of which valuations by independent third parties and notification to the board of directors shall be carried out in the event of not-immaterial transactions or material interests. The company's articles of association place no restrictions on voting rights

5. Free transferability

Article 5 of the company's articles of association states that: 'Shares are freely transferable'. Ekornes endeavours to maintain an open and active dialogue with investors to create the broadest possible interest in the company, both in Norway and abroad.

6. General meetings

The 2015 Annual General Meeting will be held on 18 May 2015. The company's procedures and arrangements with regard to the holding of the AGM are in complete compliance with the guidelines set out in the Norwegian Code of Practice for Corporate Governance. The invitation to the AGM and the minutes are available from the company's website, www.ekornes.com – under Investor Relations.

An invitation to attend shall be sent out at least 21 days before the date set, which meets the minimum Statutory requirement and the requirements of the new Code of Practice. The invitation, all relevant documentation relating to agenda items and the nomination committee's recommendations are available from the company's website from the same date. The company's financial calendar is published through the Oslo Stock Exchange and is available from the company's website, www.ekornes.com.

Shareholders may give notice of their intention to attend the AGM by post, fax or email. The board encourages as many shareholders as possible to attend the AGM. Shareholders who are unable to attend in person are encouraged to do so by proxy. The company will help arrange proxy authorisations. Proxy authorisation may be restricted to specific items on the agenda. Information relating to the procedures for attending via a proxy, a proxy form and information about the appointed person who may vote for the shareholders as proxy are enclosed with the invitation. As a minimum, the Board Chair, the chair of the nomination committee and the auditor shall attend. Management shall be represented by at least the CEO and the CFO.

At the opening of the AGM, arrangements will be made to elect an independent chair, in accordance with the Code of Practice. When electing representatives to the board or other company bodies, it shall be possible to vote for individual candidates. The outcome of votes by the general meeting will be published immediately (and within the recommended deadline) after the general meeting has been held.

7. Nomination committee

The requirement for a nomination committee is set out in Article 9 of the company's articles of association. The committee shall comprise three members elected by the AGM. The members must be shareholders or shareholder representatives. The AGM also elects the nomination committee's chair. The nomination committee itself proposes candidates to the nomination committee for the AGM's approval.

In 2014 the nomination committee comprised:

- Hege Sjo (Hermes Fund Management Ltd.), Chair
- Olav Arne Fiskerstrand (Sparebanken Møre)
- Tomas Billing (Nordstjernan AB)

None of the nomination committee's members is a company director or member of group management. The nomination committee's remuneration is determined by the AGM.

8. Corporate Assembly and board of directors, composition and independence

The company does not have a Corporate Assembly. The board of directors comprises five members elected by the shareholders. The nomination committee proposes names for shareholder-elected candidates before the elections. Furthermore, the board of directors comprises three members and one observer elected by and from among the workforce. An agreement with the employees, approved by the Company Democracy Committee, underpins this arrangement. According to the company's articles of association, the board of directors shall comprise 3-8 members at the discretion of the AGM. The majority of shareholder-elected directors are independent, both with respect to group management, important business associates and the main shareholders. Directors are elected by the AGM for a term of two years. Kjersti Kleven has chaired the board since March 2014. No member of group management is a director. Ekornes has endeavoured to ensure that directors' backgrounds, competence and capacity are suited to the Group's business activities and its need for diversity. All shareholder-elected board members are independent with respect to the company's business associates. With the exception of Stian Ekornes and Nora Förisdal Larssen, all board members are independent of the company's main shareholders. For further information, please see the presentation of the board elsewhere in this annual report.

9. Board responsibilities

Norwegian law lays down the tasks and responsibilities of the board of directors. These include the overall management and supervision of the company. Towards the end of each year, the board adopts a detailed plan for its meetings in the following financial year. This plan covers the follow-up of the company's operations, internal control, strategy development and other issues. It also includes a discussion and assessment of the board's experiences and the organisation of its own activities, with proposals for improvement. The company complies with the deadlines issued by the Oslo Stock Exchange with regard to interim reports. Internal auditing is a fixed item on the agenda of one board meeting during the year. The company's auditor is also present at this meeting. The Ekornes Group does not have a specific internal auditing unit. Risk monitoring and internal control of the finance and accounting area is led by the CFO, who, together with the group chief accountant/head of corporate accounting, carries out routine follow-up activities and provides status reports to the audit committee. Uniform routines, guidelines and procedures have been drawn up within the accounting area. Each month the board receives financial reports showing the Ekornes Group's performance and status. In connection with the presentation of the year-end financial statements, the CEO and the CFO declare that the accounts have been prepared in accordance with generally accepted accounting principles, and that to the best of their knowledge all information is accurate and no material information has been omitted. There is a clear division of responsibilities between the board and management of the company. The board is responsible for making sure that management's tasks are carried out efficiently and correctly within the legislative and regulatory framework, and in accordance with the board's responsibilities. The CEO is responsible for the Group's day-to-day operations. Job descriptions have been drawn up for the CEO and other senior executives.

The board held 10 meetings in 2014. The board emphasises the need to rotate the venue for its meetings to different operational units, both in Norway and abroad. This also includes visiting certain of the company's customers (distributors). The board's yearly plan and the minutes of its meetings are not confidential, except in certain individual cases, in which event this will be made plain to the directors attending the meeting. The smooth working of the board and its working methods and duties are discussed regularly and appear as a specific agenda item at one board meeting during the year. The board has not seen a need to follow the Code of Practice with respect to disclosing board members' attendances at board meetings in the annual report. This information is reported annually by the board to the nomination committee. Attendance in general is very good, and has been for a long time.

The board has discussed the need for board committees. The board has appointed a remuneration committee to consider and draw up guidelines and proposals for remuneration to senior executives, and a separate audit committee. Both committees have one employee representative. The other members are shareholder-elected. The committees were appointed in the spring of 2010. The committees will prepare, draw up and present recommendations to the board of directors, however the entire board of directors will participate in the final consideration of all such recommendations. The company's remuneration policy and remuneration for the CEO and senior executives are dealt with at one of the board meetings and accounted for in the board's annual report. Separate proposals in respect of these matters are also presented to the AGM for consideration.

10. Risk management and internal control

The board of directors regularly receives financial reports that meet the board's needs with respect to supervision. The internal control systems relating to the field of accounting/finance comprise job descriptions, procedures, control routines and guidelines/templates for organising and performing the company's financial reporting and for its content/quality. Together with supervision of the organisation and performance of Health, Safety and Environment activities, this is intended to ensure that the company operates in compliance with relevant laws and regulations, and its internal rules and guidelines.

The company guidelines, laid down in "Objectives and Values for the Ekornes Group" and "Code of Conduct", provide guidance for employees in order to reduce the possibility of the company being placed in situations that may harm its reputation or financial standing. Evaluation of the operational risk, which includes marketing and sales developments, production and developments in the raw materials markets, are among those areas that are continuously reported to and reviewed by the board of directors. Relevant areas of risk, including foreign currency, HSE, internal auditing, finance and IT are reviewed no less than once a year.

The audit committee's main focus is internal control and risk monitoring.

11. Directors' fees

Directors' fees are determined by the general meeting. Directors' fees are not performance-related and share options are not granted to directors elected by the shareholders. All forms of remuneration to the company's directors are specified in the Notes to the financial statements.

12. Remuneration for senior executives

Guidelines for the remuneration paid to senior executives are determined by the board of directors pursuant to the remuneration committee's recommendations. The CEO's compensation package is determined at a meeting of the board. The framework for any share option schemes is determined by the board. Any decision to purchase treasury shares in order to implement this type of scheme, shall be taken by the company's general meeting. There are currently no such schemes. The bonus schemes in effect for management and other employees are described in the Notes. These schemes are linked to the company's financial performance (profit margin and total return on capital). All elements of remuneration paid to group management and the board of directors are also presented in the Notes. The company's compensation policy and guidelines for the remuneration payable to the CEO and senior executives are described in the Notes. These will be laid before the AGM.

13. Information and communication

A calendar of the most important dates is published on the Oslo Stock Exchange and on the company's website. Information to the company's shareholders is distributed via the Oslo Stock Exchange and the company's website on an ongoing basis, immediately after decisions have been made. This includes all interim reports and documents connected with general meetings. The company's financial calendar is published on the company's website www.ekornes.com under Investor Relations..

Communications strategy

Ekornes is subject to the Oslo Stock Exchange's regulations regarding information which may influence the price of Ekornes' shares. Taking this into consideration, the company's goal is for all employees to be at all times well informed about the company's situation. The company also wishes employees to be well informed about what is happening in other parts of the organisation. Management will ensure that the flow of such information is systematic and the timing of its publication predictable. Moreover, Ekornes shall be associated with integrity, candour and high ethical standards. A separate internal communications plan has been drawn up. Ekornes feels it is very important for shareholders and investors to be fully informed about the Group's performance and financial position. It is also important for information to be made available to the entire stock market at the same time. The company strives to treat all shareholders/investors and analysts equally. Company management holds open presentations in connection with the publication of each interim report. Two of the open presentations (yearly and half-yearly) are webcast live. The webcasts are simultaneously translated into English. Group management also holds regular meetings with analysts, investors and shareholders during the year. The exchange of information with distributors and suppliers is important to avoid mutual surprises and promote understanding for each party's strategy and actions.

Ekornes is developing its IT systems to improve the day-to-day flow of information between group companies, key distributor organisations and suppliers. Ekornes' own information and communication systems will be continually updated to promote increased productivity.

Ekornes complies with the Oslo Stock Exchange's recommendations with respect to the publication of investor relations information.

14. Acquisition

The parent company Ekornes ASA's articles of association contain no limitations with regard to share acquisition. The shares are freely transferable. Transparency and equal treatment of shareholders is a fundamental principle.

15. Auditor

The company's principal auditor is KPMG. Each autumn the auditor prepares a plan for auditing activities in the coming year. The auditor attends the board's review of the company's internal auditing activities and provides his assessment of the status of the company's accounting practices, reporting requirements and internal controls. Following the appointment of an audit committee in the spring of 2010, the audit plan and the company's internal control have become an integral part of the collaboration between the auditor and the committee. The audit committee will monitor the neutrality of the auditor. For large-scale consultancy projects, Ekornes uses qualified providers other than the company's auditor, who is given any resultant reports to read through and comment on. This practice has been chosen to comply with the requirement for auditor independence. However, the auditor is used in connection with activities that are closely related to the auditing function, such as assistance with the preparation and verification of the consolidated accounts and tax returns, interpretation of accounting and tax regulations, and as a discussion partner with respect to audit-related matters. Each year, the general meeting is informed of the company auditor's remuneration, allocated between ordinary auditing and other services. The amounts are presented in the Notes.

16. Other issues

Management of subsidiaries

All subsidiaries of the Ekornes Group have their own boards of directors, in which the parent company is represented by members of group management. The general managers of some of the Group's non-Norwegian companies are also directors of their respective companies. The boards of some subsidiaries also include external directors and employee-elected representatives.

Business ethics

A separate code of conduct has been drawn up and distributed to all employees along with the document "Objectives and Values". The code of conduct has also been distributed to external relations and is published on the company's website www.ekornes.com. Ekornes endorsed the UN Global Compact in 2009. The "Code of Conduct for the Ekornes Group" is presented in the following chapter.

CODE OF CONDUCT FOR THE EKORNES GROUP

In December 2013, Ekornes published an updated version of its Code of Conduct and anti-corruption policy. Both of these are presented below.

Anti-corruption policy

UN Global Compact

Ekornes has endorsed the UN Global Compact since 2009.

Through participation in the UN Global Compact, Ekornes is committed to operating its business responsibly in line with the UN Global Compact's ten principles, which also cover anti-corruption. Ekornes also encourages its business associates to comply with these principles. Ekornes has drawn up a new system with which to assess its suppliers' performance against the Global Compact's principles. The system went into effect in 2013.

The UN Global Compact is based on openness, both with respect the company's dealings with all stakeholders and the challenges Ekornes meets at the local and global level. Since 2012 Ekornes has been a member of the UN Global Compact's Nordic network. Participation in the network enables Ekornes to exchange experiences with other businesses which have social responsibility high on the agenda.

Through the UN Global Compact, Ekornes is obligated to set goals for and work continuously to improve its practices in this area. Each year Ekornes reports its performance to the UN in the form of a Communication on Progress (COP). This may be found on the company's website under www.ekornes.no/om-ekornes/miljo-og-samfunnsansvar.

Ekornes will conduct its business activities responsibly, and will operate in compliance with all relevant laws, regulations and strict ethical norms. We support, and strive to live up to the UN's Global Compact. This means that in all parts of our operations we will maintain high standards with regard to:

1. Respect for and compliance with the Universal Declaration of Human Rights.
2. Respect for workers' rights and needs.
3. Environmental responsibility.
4. Combatting corruption in Norway and abroad.

This document, "Ethical Values and Anti-corruption Policy", as well as "Objectives and Values", have been distributed to all employees. These regulations have also been distributed to external relations and have been published on the company's website www.ekornes.no. Everyone within the company has a duty to follow up and comply with these regulations. Managers in all parts of the company have a special responsibility for their follow-up.

Code of Conduct for the Ekornes Group

1. 'Objectives and Values', company regulations, employment contracts and job descriptions also contain ethical rules with which the Ekornes Group complies. The rules contained in this overview should therefore not be considered exhaustive with respect to the Group's ethical standards.

2. A duty of confidentiality contained in company regulations, employment contracts or job descriptions does not prevent you from informing a superior should you become aware of breaches of regulations, legislation or rules laid down by the authorities. This also applies to internal guidelines, provisions or issues that might harm Ekornes' reputation or other parties' trust in Ekornes.

3. Ekornes shall comply with the laws, rules and regulations in the countries in which Ekornes companies have been established or in which business connections have been established.

4. In all contact with suppliers of raw materials, machinery, subsidiary materials and services of any kind, and contact with customers and other business connections, we shall aspire to honesty, integrity, openness, as well as correct and responsible business conduct. The objective is to arrive at the best offer for Ekornes.

5. Ekornes or employees of Ekornes shall not be party to "bribery" or its equivalent in order to achieve special advantages or access to such.

6. Business connections such as those mentioned above shall not be furnished with more information about Ekornes than they need to provide a satisfactory offer with respect to price, level of service, delivery times, technology and specifications, or what they need to exercise their business relationship with Ekornes.

7. Suppliers and business connections shall under no circumstances receive information about other suppliers and business connections via Ekornes.

8. Employees of Ekornes shall participate in trips, dinners and events arranged by suppliers and business connections only when there is a professional reason for the event/trip or it provides business-related opportunities. In cases of such participation the travel, entertainment and accommodation of employees of Ekornes shall always be paid by Ekornes.

9. Employees of Ekornes are not permitted to receive improper benefits or gifts (in the form of products, services or trips, etc) from business connections other than small promotional items of limited value. The same applies to private purchases of goods at discounts from suppliers to Ekornes without the approval of a superior. Individuals must also avoid becoming in any way beholden to customers or suppliers.

10. Suppliers and business connections shall be made aware of the contents of this document and also be made aware that any attempt to contravene these ethical rules could result in exclusion.

Accounting and internal control requirements

Ekornes requires transparency in all operations. All Ekornes entities shall therefore ensure that transactions are correctly registered and supported by proper documentation in accordance with local and international accounting principles. Anti-corruption law requires that Ekornes has in place effective internal accounting controls and maintains books and records that accurately reflect the companies' transactions. All entities within the Group must correctly account for income and expenditures, and must ensure that payments are not recorded falsely in company books.

All expenses shall be approved under standard company procedures, documented and recorded in accordance with appropriate accounting standards.

Organisation and follow-up

This document, “Ethical Values and Anti-corruption Policy”, as well as “Objectives and Values”, have been distributed to all employees. These regulations have also been distributed to external relations and have been published on the company's website www.ekornes.no. Everyone within the company has a duty to follow up and comply with these regulations.

Managers in all parts of the company have a special responsibility for their dissemination and follow-up.

RISK MANAGEMENT

Ekornes operates in many markets, on both the sales and purchasing side. This means that the Group has a diversified market, currency and sourcing risk.

Market conditions and business (strategic) risk

Ekornes has the bulk of its production in Norway, while 85 per cent of its revenues came from exports in 2014. (This figure is exclusive of IMG.) The export rate is highest within the Stressless® product area and lowest for mattresses.

Since the 1970s, Ekornes' strategy has been to develop products and concepts that have international market potential. The distribution of sales in several markets provides continued opportunities for growth, at the same time as it spreads market risk and reduces dependence on individual markets and customers. The company has come farthest with this strategy in the upholstered furniture area, consisting of Stressless® (reclining chairs and sofas) and traditional (fixed-back) sofas in the Ekornes® Collection range. Within the Svane® mattress area, the company has recently launched a new collection and a new concept, which Ekornes is also trying to find market opportunities for in Europe, outside the Nordic region.

For Ekornes, business risk relates to economic cycles, market conditions, competition and changes in the competitive climate, as well as general patterns of consumption in the markets in which the company operates. Ekornes competes in a fragmented international market with many players on both the production and distribution (retail) sides. Structural changes with respect to the size of the players have been, and still are, greatest on the distribution side, while the production side is characterised by an increasing tendency for furniture manufacture to take place in low-cost European and Asian countries. Ekornes is aware of the challenges posed by such changes, and seeks to meet them through the constant improvement of its products, production methods, sourcing, marketing concepts and business relations. Ekornes invests continuously in new technology in order to stay ahead of its competitors and remain competitive in its chosen market segment, on the basis that the bulk of its production takes place in Norway.

Financial and credit risk

Financial risk is largely associated with fluctuations in exchange rates (NOK to other countries' currencies) and credit risk relating to the ability of customers to pay (trade receivables). The Group's trade receivables are constantly monitored to identify any irregularities and limit bad debts and the risk of loss. Over time, Ekornes' competitiveness is affected by the movement of the NOK in relation to other currencies. The company actively seeks to limit this risk.

Currency and currency hedging

IIn Ekornes' main markets, the company wishes to operate with a long-term perspective. This means providing a stable operating framework for its own sales companies and for its customers (distributors). Ekornes sells its products internationally and invoices its customers in their respective countries' own currencies.

All matters relating to currency and currency risk are handled at group level. Currency hedging is an integral part of Ekornes' operating activities. The purpose of hedging is to ensure that the company at least achieves the exchange rate with respect to the individual currencies on which it has based its budgets, which in turn is a precondition for reaching the long-term profitability goals set out in the document "Objectives and Values for the Ekornes Group". IMG has no currency hedging.

As part of the company's efforts to reduce its currency exposure/risk, Ekornes seeks to purchase goods and services, to be used in Norway, in international markets, if doing so is cost-effective. Moreover, operations such as distribution, sales and marketing activities, with associated administration (customer service, invoicing, accounting, debt collecting) provide a natural opportunity to offset the company's currency risk (natural hedging). In addition to such natural hedging, the Group makes use of forwards contracts for hedging purposes. Hedging may cover a period of up to 36 months ahead in time. As at 31 December 2014, hedging periods ranged from 18 to 36 months, depending on the currency. It is the parent company's currency receipts from subsidiaries that are hedged.

Hedging by means of financial instruments is undertaken as long as the foreign exchange rate achievable in the forward contract is equal to or better (higher) than the rate specified in the company's budgets. If the foreign exchange rate is lower than this level, the company postpones any further hedging activities until the situation has improved. If the exchange rate remains below that specified in the company's budgets over a long period of time, various strategies are assessed and, if necessary, implemented to adapt to the new, lower exchange rate level. Ekornes is engaged in currency hedging solely for the purpose of hedging its budgeted exchange rates. The company does not divulge its budgeted exchange rates for competitive reasons.

One of the risks of this strategy is that growth may stagnate and sales revenues fall. The company will then find itself in a situation where it is overexposed with respect to the currencies in question. If the market rate on maturity (redemption) of the forward contract is higher than the hedging rate, the company will make a loss, since the volume of currency needed to fulfil the contract will have to be purchased at a higher price. On the other hand, if growth is higher than expected, this could result in the company having an open (unhedged) position (not enough contracts) in the currencies in question. In that case, if the market rate is lower than that specified in the company's budgets when the contract matures, it could also have a negative impact on the company's margins. There is also an operational risk that contracts entered into may have a lower exchange rate than that of the market. This would give an advantage to competitors with a more short-term perspective.

Furthermore, Ekornes operates in many different markets. Thus, the company has spread both its market and currency risk. The company has a portfolio of markets and currencies (basket), where a fall in the exchange rate with regard to one currency may, in certain circumstances, be compensated by a rise in another.

Cash flow risk

The Group's cash flow is followed up continuously through rolling 6-8 weeks forecasts, which in turn are compared to the budget.

Sourcing risk

At any given time Ekornes aims to have a minimum of 2-3 actual or potential suppliers for the strategically most important input factors. In some situations, this is neither possible nor expedient. The goal is that single supplier situations should be exceptions and, preferably, be avoided. Ekornes operates internationally on the marketing and sales side, and strives in a similar way to purchase goods and services globally.

INTANGIBLE ASSETS AND COMPETENCE

Ekornes is a competence-driven enterprise, and makes extensive use of advanced production equipment, including industrial robots. This means that manufacturing processes are highly automated. Knowledge of brands and brand-building, as well as international marketing, are also key elements in the business.

Intangible assets:

- Registered trademarks (Ekornes®, Stressless®, Svane®)
- Patented technical solutions
- Registered designs
- Product concepts
- Well-developed and efficient market concept
- International marketing
- A well-developed international distributor network
- Registered domains
- Knowledge and experience of manufacturing
- International sourcing

None of these assets are included on the company's balance sheet.

Competence and training

Ekornes aims to be an attractive employer, offering career opportunities in a number of fields. One of the company's goals is to give employees as much opportunity as possible to influence their own work situation.

The extensive automation of the company's manufacturing facilities makes great demands on each employee. Good operational stability and the frequent implementation of successful modernisation projects confirm that the company's workforce is well able to handle the challenge.

Craft apprenticeships are a key area for Ekornes, and are firmly established within the company. Cooperation with lower and upper secondary schools and various training offices is beneficial for both young apprentices and operators taking their master craftsman's examinations. Ekornes seeks to meet future requirements for professional skills and work-related flexibility, and helps to focus on vocational training.

Ekornes has the equivalent of one full-time position devoted to following up craft apprenticeships and other training schemes. The individual department is largely responsible for determining its own training priorities.

External requirements with respect to safety and the environment are also taken into account when analysing the various departments' competence needs.

Ekornes recruits a considerable number of individuals who are not native speakers of Norwegian. In order for these employees to function well in both a professional and social context, it is decisive for them to receive language tuition. Ekornes continued to provide Norwegian language tuition to a large number of employees in 2014.

Management development has a key place in the Ekornes Group's strategy. The management development programme is based on the needs of each individual unit, and is intended to qualify individual managers to lead large units with a decentralised decision-making structure.

Employees	% women	% men	Managers	% managers women	% managers men
J.E. Ekornes AS	47	53	38	21	79
Ekornes Beds AS	35	65	13	38	62
Ekornes ASA	35	65	14		100
Ekornes Skandinavia AS	25	75	1		100
Ekornes Contract AS	43	57	1		100
Total	**45**	**55**	**66**	**21**	**73**
Board members					
Ekornes ASA*	37,5	62,5			

* Women make up 40% of the shareholder elected board representatives, while 60% are men.

ENVIRONMENT AND SOCIAL RESPONSIBILITY

Since its establishment in 1934 Ekornes has played an important role in the local community, and has been conscious of the social responsibility this entails. A sustainable Ekornes takes responsibility for the individuals and communities which are affected by its business activities, at the same time as it ensures profitability and financial security. This responsibility is part of the company's values and affects our entire value chain – from product development and manufacture to distribution and sales.

Since industry's negative impact on the environment became a major agenda issue more than 20 years ago, Ekornes has implemented a number of measures at its plants to improve both the internal and external environment. New technologies, environment-friendly materials and product solutions have resulted in one of the most efficient manufacturing environments in the furniture industry today. Ekornes wishes to continue this effort and bring it to the attention of the market.

In connection with the acquisition of IMG, a separate CSR due diligence was performed. Further development in this area will also be important for IMG in the time to come.

Environment policy

To ensure widespread focus on the environment, Ekornes has elected to include its environment policy in the company's overall "Objectives and Values" document, and make this available to all employees and external stakeholders.

The following key principles shall be upheld in all areas of the business:

Ekornes shall be perceived as an environment-friendly company.
- Its products shall have the smallest possible impact on the environment and pose no health risk.
- Ekornes aims to minimise the risk to health in the workplace.
- Ekornes invests to prevent damage to health and the environment.
- Environmental information shall be freely available, eg through environmental product declarations (EPD).
- Ekornes shall communicate factually and openly about the way it handles its environmental responsibility.

In connection with ISO 14001 certification, J.E. Ekornes AS undertook a further specification of its environmental policy and associated targets in 2014.

Environmental management in the development and production of Stressless® products

During 2014 Ekornes worked to bring its quality and environmental management systems into compliance with the ISO 9001 and ISO 14001 standards. The work commenced in 2013 and J.E. Ekornes AS aims to be certified by the close of 2015. The manufacturing company J.E. Ekornes AS accounts for the bulk of the Group's manufacturing and commercial activity, and has therefore been selected as the first company to seek certification.

On the environmental side, the focus in 2014 was the mapping of the organisation's environmental aspects. This work has revealed areas where Ekornes sees opportunities to further improve its environmental performance. The systematic approach inherent in ISO 14001 also sets standards with respect to the measurement of environmental performance which make it easier to know whether any measures implemented result in real improvements.

Products and the environment

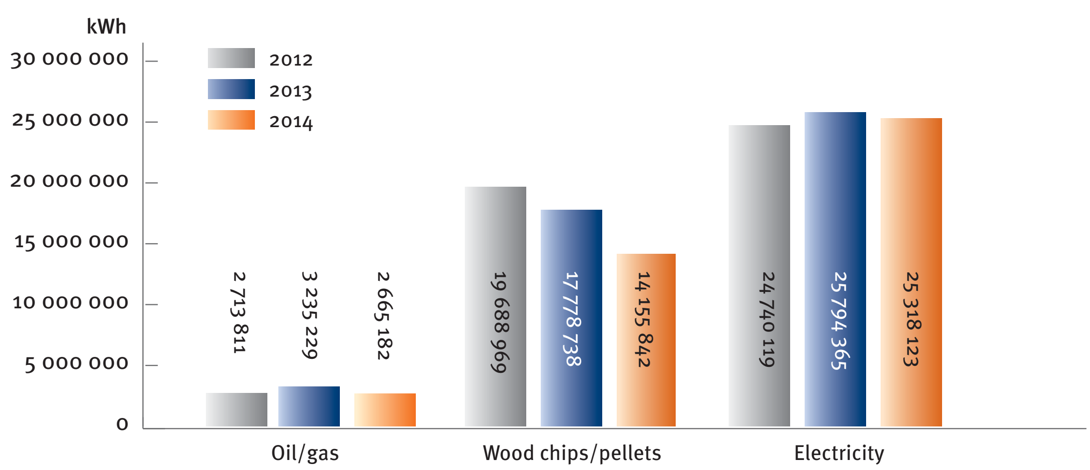
Ekornes considers the environmental impact of its products in a lifecycle perspective, ie from raw material extraction to ultimate disposal. Lifecycle analysis shows that the use of raw materials and manufacture of components in Ekornes's upstream value chain account for the bulk of its products' impact on the environment. For this reason Ekornes is constantly seeking new technologies, materials and product solutions which can reduce that impact. A long lifespan and the correct quality are important characteristics of an environment-friendly product.

Health and use of chemicals

Ekornes, in keeping with the furniture industry in general, focuses on the use of chemicals in connection with the production of upholstery leathers, foamed plastics, textiles, surface coatings and adhesives. Ekornes meets all the requirements of the European REACH directive, and wishes to make sure that the company's products do not expose users to chemicals that pose a hazard to health. For this reason Ekornes sets standards for its suppliers through purchasing specifications, that balance requirements for quality, environmental friendliness and sustainability. Where necessary, Ekornes uses independent technical expertise, such as BLC Leather Technology, to specify standards and testing methods for furniture leather. The sum of all the measures that Ekornes implements to maintain control and reduce consumption of chemical substances is of direct benefit to the consumer.

Heat and energy

Ekornes uses mainly bioenergy to heat its manufacturing facilities. Wood chips from its own waste are the main energy source for heating Ekornes's Tynes, Grodås, Vestlandske and Ikornnes plants. In 2014 the Møre og Romsdal County Governor granted Ekornes a licence to build a new bioenergy plant at its Ikornnes factory. In conjunction with this, Ekornes will also acquire its own central facility for the storage and distribution of wood chips, which will help to increase the efficient exploitation of this resource. The Ikornnes, Tynes and Hareid plants also use heat pumps for heating. The five plants located in northwest Norway consider oil an alternative energy source, which is used only in exceptional cases on the coldest days. The Fetsund plant uses wood chips, electricity and oil for heating, while the factory in Morganton, USA, uses electricity and natural gas. A major analysis of energy consumption at Ekornes's factories is currently underway. When completed it will form the basis for energy conservation measures.



Waste handling

Ekornes sorts all its waste at source in accordance with applicable regulations and in such a way that the bulk of the waste is recycled or used for energy recovery. Ekornes wishes to use as much as possible of its waste for heat production or as raw materials for its own production (recycling). In 2014 a total of 14.2 GWh of bioenergy was used for heating at Ekornes's plants. Another example of resources that are recycled straight back into the production cycle are offcuts of foamed plastic or fibre, which are collected, shredded and remoulded. In 2014, 216 tonnes of foamed plastic, offcuts or gel were recycled in this way. In addition to using offcuts from production at its own factories, Ekornes generates by-products that are a valuable raw material for other enterprises. Hides are an extremely valuable raw material, which Ekornes works hard to make maximum use of. In 2014 substantial amounts were invested in developments and technologies to reduce wastage. Any leather offcuts which still cannot be used for furniture production are collected and sold to producers of small articles. In 2014 this amounted to as much as 469 tonnes.

Waste handling

(Figures in tonnes)	J.E. Ekornes AS Plant Ikornnes	Tynes	Vestlandske	Grodås	Hareid	Ekornes Beds	Morganton	Group	%
Not combustible/landfill	16.4						58.6	75.1	1.0 %
Mixed residual waste/industrial waste for incineration/energy recovery	376.7	113.3	22.9		25.3	162.7		700.9	9.7 %
Wood/bioenergy for incineration at own or external facilities	1 248.1	1 422.6	228.3	1 376.1	1.3	214.3		4 490.7	62.3 %
Materials recycling (leather, foamed plastic, steel, plastic, cardboard, polyester fibre)	1 274.3	36.6	41.9	11.5	13.7	394.3	62.0	1 834.2	25.5 %
Hazardous waste/waste electrical items	96.2				1.0	6.8		104.0	1.4 %
Total volume of waste	**3 011.6**	**1 572.6**	**293.1**	**1 387.6**	**41.2**	**778.2**	**120.6**	**7 204.9**	**100.0 %**

As part of the Group's efforts with regard to ISO 14001 certification, the factories belonging to J.E. Ekornes AS will endeavour to set specific targets for waste, energy and other material environmental aspects.

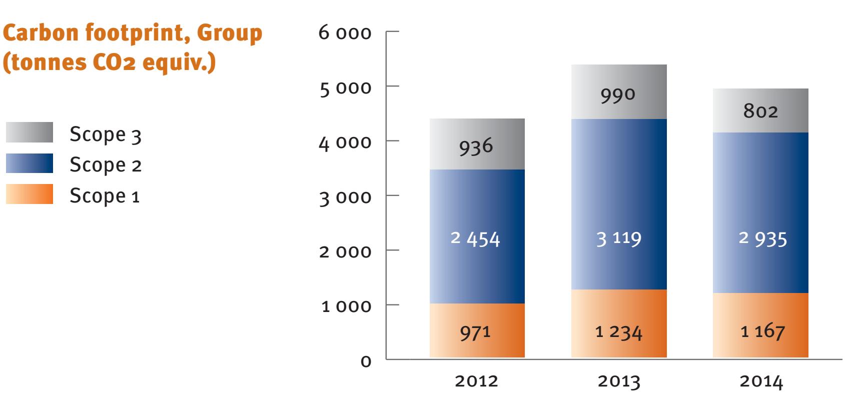
Emissions

Direct emissions to air from the manufacturing process are primarily generated by oil and solid fuel boilers. As previously mentioned Ekornes was granted an emission licence for a new energy recovery plant at Ikornnes. When the plant is operational, Ekornes will have to comply with the measurement and reporting requirements stipulated in the licence. There are also some emissions of diisocyanate gas and carbon dioxide from the production of foamed plastic at the Fetsund and Ikornnes facilities. In addition to this, there are some emissions deriving from internal transport between Ekornes's plants, as well as business travel.

Ekornes's most important production processes use water in closed systems. Discharges to water are normally channelled through our own and local authority waste treatment facilities, or are delivered to an approved recipient, depending on their classification. In 2014 Ekornes dealt with one registered incident involving a discharge to water.

Each year Ekornes reports the Group's greenhouse gas emission figures to CDP (formerly the Carbon Disclosure Project). CDP ranks companies in accordance with the openness and completeness of their climate change reporting. In 2014 Ekornes's total carbon footprint was calculated at 4,361 tonnes of carbon equivalents. Emission reporting is divided into three so-called "scopes". For Ekornes, emissions in Scope 1 (direct emissions), derive from transport, heating with natural gas and oil, as well as carbon released during polyurethane foam production. Scope 2 encompasses emissions deriving from the consumption of electricity generated by a third party. Scope 3 (indirect emissions) is associated with the treatment of waste, air travel and authorised business use of motor vehicles.

Carbon footprint, Group (tonnes CO_2 equiv.)



Corporate social responsibility

Through its participation in the UN Global Compact, Ekornes has undertaken to operate its business responsibly in line with the UN Global Compact's 10 principles covering human rights, anti-corruption, labour rights and the environment. The UN Global Compact is based on openness both with respect to dialogue and learning in relation to all the company's stakeholders and the challenges Ekornes is facing both locally and globally.

In connection with Ekornes's acquisition of IMG, practice with respect to the above-mentioned principles was a separate area of focus during the due diligence process. This was done to safeguard against the existence of any circumstances incompatible with the principles that Ekornes as a Group, and thereby its underlying companies, have pledged to uphold through the Global Compact. IMG maintains a high standard, and provides Ekornes with a new platform for expansion in international furniture markets.

A summary of the work done by Ekornes with respect to the environment and social responsibility is reported annually to the Global Compact in the form of a "Communication on Progress" (COP), and complements the information provided in this annual report. Ekornes's COP is available from the Global Compact's website or the company's website www.ekornes.co.uk/about-ekornes/environmental-and-social-responsibilities. The COP report is the Group's reporting pursuant to section 3-3c of the Accounting Act. The report for 2014 will be published after adoption of the annual report.

Ekornes and the local community

Ekornes has a long tradition of contributing to the local communities in which it has established operations. Ekornes depends on having a qualified labour force at all its manufacturing plants, and the company's involvement in the local community contributes to an enjoyable working environment for staff. In 2014 Ekornes's Christmas donation was allocated to welfare initiatives for the elderly in the local communities in which its Norwegian production facilities are located.

Ekornes places a high priority on vocational training, which is well entrenched in all parts of the company. In 2014 seven apprentices received certificates of completed apprenticeship at Ekornes. Collaboration with lower and upper secondary schools and various training offices provides positive benefits to both local communities and the company.

HSE

Health, safety and the environment (HSE) has a high priority at Ekornes, and the company invests considerable resources each year to make workplaces safer and reduce the extent of physically strenuous operations. Ekornes aims to minimise the health risk encountered in the workplace and minimise the risk of harm to people or the environment. This effort will include IMG in 2015.

The automation of various work processes continued in 2014. This has resulted in a reduction in physically strenuous operations.

Day-to-day responsibility for health, safety and the environment lies with management at the individual location. To further enhance the Group's HSE efforts, J.E. Ekornes AS (the Stressless® plant) created the position of HSE Manager in 2013. At Ekornes Beds AS (the mattress factory) the position of HSE Coordinator has been created.

In 2014 a company-wide management system for quality, HSE and the external environment was introduced at J.E. Ekornes AS. The management tool TQM-Enterprise was implemented in 2014 to assist in the company's systematic HSE activities.

Special regulations

Ekornes has facilities for the production of foamed plastic at J.E. Ekornes AS's Ikornnes plant and at Ekornes Beds AS. Isocyanates, which are hazardous to health, are used in connection with the production of foamed plastic. The facilities have the capacity to store over 100 tonnes, and are therefore subject to major accident regulations. The companies have emergency response plans that are designed to address the issues described in the safety report. The regulatory authorities perform annual inspections of both plants, and both meet existing environmental regulations.

Health

The Group (excluding IMG and non-Norwegian companies) had a sickness absence rate of 7.2 per cent in 2014. This is a rise of 0.7 per cent from 2013. Long-term sickness absence accounted for approx. 4.3 per cent of the total number of hours worked. Short-term sickness absence (less than 16 days) accounted for 2.9 per cent. In 2014 management at the individual factories continued to take action to reduce the sickness absence rate, eg through occupational rehabilitation committees and individual follow-up.

Injuries

Ekornes aims to achieve zero work-related injuries through the year. A total of 20 lost-time injuries occurred in 2014, compared with 23 in 2013. IMG is not included in these figures.

Industrial safety – emergency response

Alle fabrikkene har organisert industrivern. Beredskapsplaner er utarbeidet ved fabrikkene. Ved samtlige anlegg er det avholdt nødvendige øvelser og opplæring.

Inclusive Working Life (IA) Agreement

In October 2011 Ekornes entered into an Inclusive Working Life (IA) agreement with the Norwegian Labour and Welfare Administration's Working Life Centre in Møre og Romsdal. Initially the agreement covers the Hareid, Sykkylven and Grodås plants. The IA scheme derives from an agreement to promote a more inclusive working life which was entered into by organisations representing Norwegian employers, employees and the government. The objective is to make it possible for everyone, who is willing and able, to work. Companies who enter into an agreement with the Norwegian Labour and Welfare Administration (NAV) become IA companies, with access to special services and provisions. Companies are given a dedicated contact at NAV, who provides advice and guidance on IA issues, and gain access to services and provisions that are exclusive to IA companies. Work under this agreement continued in 2014.

Sickness absence in 2014

(Figures in %)	Self-reported absence 1-8 days	Physician-reported sickness absence 1-16 days	Physician-reported sickness absence over 16 days	Total sickness absence in %
J.E. Ekornes AS, Ikornnes	1.33	1.85	4.90	8.1
J.E. Ekornes AS, Vestlandske	1.21	2.28	6.58	10.1
J.E. Ekornes AS, Tynes	1.32	1.52	0.81	3.7
J.E. Ekornes AS, Grodås	1.01	1.55	3.98	6.5
J.E. Ekornes AS, Hareid	1.14	1.80	1.80	4.7
Ekornes Fetsund AS	0.78	1.37	4.46	6.6
Ekornes ASA	0.54	0.52	1.19	2.2
Ekornes Contract AS	0.51	0.14	-	0.7
Ekornes Skandinavia AS	0.16	0.52	3.46	4.1
Total (excl. IMG and non-Norwegian companies)	**1.17**	**1.71**	**4.33**	**7.2**

Lost-time injuries (LTIs)

	2012		2013		2014	
Production site*	**LTIs**	**No. of employees**	**LTIs**	**No. of employees**	**LTIs**	**No. of employees**
Ekornes Beds AS	1	133	4	122	2	119
J.E. Ekornes AS, Ikornnes, Tynes and Vestlandske	18	976	14	941	14	937
J.E. Ekornes AS, Hareid	2	87	2	86	2	85
J.E. Ekornes AS, Grodås	2	108	3	100	2	90
Total (excl. IMG)	**23**	**1304**	**23**	**1249**	**20**	**1231**

No. of employees including apprentices.
* The other units had no injuries resulting in lost time.

REPORT OF
THE BOARD OF DIRECTORS 2014

THE BOARD OF DIRECTORS

Kjersti Kleven (1967)
Chair

Position: Investor through John Kleven AS.

Education: Degree in Sociology from the University of Oslo (UiO).

Board menberships: Chair of Kleven Maritime AS with associated subsidiaries, Kleven Maritime Holding, John Kleven AS the Norwegian Federation of Industries' Maritime Industry Association. Chair of the Federation of Norwegian Industries' Governing Board.

Experience: Researcher with the Institute for Labour and Social Research (FAFO), personnel manager with Rolls-Royce Marine and project manager with Nordvest Forum.

No. of shares: 0

Jarle Roth (1960)
Vice Chair

Position: CEO Eksportkreditt Norge AS.

Education: Master of Economics and Business Administration (Norwegian School of Economics, NHH).

Board menberships: Chair of Norske Skog, and has broad experience from directorships within industry and the maritime sector.

Experience: CEO of Eksportkreditt Norge. Has been Vice CEO of Umoe Gruppen and CEO of Unitor ASA.

No. of shares: 0

Nora Förisdal Larssen (1965)
Board member

Position: Senior Investment Manager, Nordstjernan.

Education: MSc in Economics (NHH), MBA Duke University, USA.

Board menberships: Board Chair of Etac AB, Board member of Nobia AB and Filippa K Group AB.

Experience: Partner McKinsey& Company, Product Line Manager Electrolux Europe.

No. of shares: 0

Stian Ekornes (1963)
Board member

Position: Investor.

Education: The Norwegian Merchants Institute (today BI Varehandel).

Experience: 25 years of experience in the furniture sector. Broad experience from directorships, primarily in the areas of furniture, the building trades and property.

No. of shares: 75 358 (Stian Ekornes Holding AS).

Lars I. Røiri (1961)
Board member

Position: CEO Scandinavian Business Seating Group AS.

Education: Master of Economics and Business Administration (Norwegian School of Economics, BI).

Board menberships: Member of the boards of Norsk Design og Arkitektursenter, and Cappelen Holding AS. Member of the PE company Ratos Norwegian Advisory Board.

Experience: CEO of Scandinavian Business Seating Group AS. Former commercial management positions at Tomra ASA, Mølnlycke AB and Jordan AS, CEO at Coloplast Norge as, CEO at HÅG ASA.

No. of shares: 2 300 (Røiri Invest AS).

Sveinung Utgård (1962)
Board member (employee representative)

Position: Production Manager, Foamed Plastic at J.E. Ekornes AS, Ikornnes.

Education: Mechanical studies. Electrical studies. Production/production management studies. Nordvest Forum's 'Changing leadership' course. Management development programme at J.E. Ekornes.

Experience: Employee-elected director of Møre Trafo. Assembly operator at Formfin møbler, operator at Nordex plast, operator and department manager at Møre Trafo, shift leader at J.E. Ekornes, production manager at J.E. Ekornes.

No. of shares: 0

Tone Helen Hanken (1962)
Board member (employee representative)

Position: Sewing machine operator at J.E. Ekornes AS, Vestlandske facility.

Education: Upper secondary school (social science major). Various courses from different educational institutions.

Experience: Velledalen fabrikker (1981-85), Hjellegjerde Møbler (1985-97), J.E. Ekornes, Vestlandske (1997-the present). Several years as elected employee representative and as employee representative on factory boards. 16 years as chair person of Sykkylven Industri Energy, branch 0789 (trade union). Board member of the National Executive Committee of Industri Energi and member of the pay negotiating committee.

No. of shares: 1 084

Aslak Hestholm (1982)
Board member (employee representative)

Position: Operator assembly/final inspection at J.E. Ekornes AS, Hareid.

Education: 3 years high school, general studies.

Experience: Senior employee representative from 2013. Responsible for training assembly/final inspection.

No. of shares: 0

THE BOARD OF DIRECTORS 2014

The business

The Ekornes Group develops, manufactures, markets and sells furniture and mattresses. Sales are essentially aimed at the market for home furnishings, although sales are also made within the contract market. Ekornes owns and markets the Stressless®, Svane® and Ekornes® Collection brands. In the autumn of 2014 Ekornes acquired the furniture producer IMG. The transaction was completed on 1 November 2014.

The Group's head office is located in Ikornnes, in the municipality of Sykkylven. Five production companies are responsible for manufacturing operations, which take place at ten plants. In Norway the Group has plant located in Sykkylven (3), Hareid, Hornindal and Fetsund. In addition, the Group has a sofa manufacturing plant in Morganton, North Carolina, USA. IMG has manufacturing plants in Thailand and Vietnam (2). The Group also has sales companies in Norway, Denmark, Finland, Germany, UK, France, Spain, USA, Brazil (being wound up), Japan, Singapore, New Zealand and Australia.

Going concern

In accordance with section 3-3 of the Norwegian Accounting Act, it is hereby confirmed that there are grounds for presuming that the company is a going concern.

Parent company and consolidated financial statements

The company has previously prepared its financial statements in accordance with IFRS regulations relating to hedge accounting. In August 2012 the Financial Supervisory Authority of Norway (FSAN) contacted the company in connection with the year-end financial statements for 2011 to query, among other things, whether the company fully meets IFRS documentation requirements with respect to hedge accounting, in particular those stipulated in IAS 39. In March 2013 the company received the FSAN's decision in this matter, and elected to comply with its provisions in the preparation of its consolidated financial statements for 2012 and again in 2013. The documentation has now been improved, and the company has reverted to reporting its financial statements in accordance with IFRS requirements for hedge accounting with effect from the first quarter 2014. The parent company's financial statements are unaffected by this. The comparable figures for 2013 included in the 2014 annual report have been restated to show what they would have been if hedge accounting had been applied. However, whichever principle/method is used for presentation of the financial statements, this has no impact on the company's underlying profitability. The consolidated balance sheet and equity have not been affected by the change in the method of reporting the financial statements.

In the opinion of the board, the financial statements for Ekornes ASA show a correct view of the ordinary profit for the year 2014 and the year-end financial position of the parent company and the Group as a whole.

Ekornes ASA

Ekornes ASA is the parent company of the Ekornes Group. Ekornes ASA generated gross operating revenues of NOK 270.9 million in 2014, and made a profit after dividend and group contributions received of NOK 203.1 million. Sales revenues were affected by structural changes in the Group compared with 2013. The decrease in profit in 2014 is attributable partly to lower gains on the realisation of forward contracts.

Profit/cash flow

The Group made an operating profit of NOK 266 million from total sales revenues of NOK 2,757.5 million in 2014. Profit after net financial items came to NOK 248.5 million, a decrease of NOK 85.5 million compared with 2013. The net profit for the year gives a total return on capital of 11.4 per cent, excluding the value of forward contracts. The financial statements for 2014 include two months with IMG. Operating activities in 2014 generated a positive cash flow of NOK 212.7 million. Net cash flow was negative, largely as a result of the acquisition of IMG.

Investments/balance sheet

Net investments by the Group totalled NOK 493.8 million in 2014. This was considerably more than the year before. The additional investment is associated with the acquisition of IMG.

Equity

As at 31 December 2014 the Group had total equity of NOK 2,384.7 million, compared with NOK 1,975.1 million the year before. As at 31 December 2014 the Group's equity ratio stood at 57.0 per cent. The reduction in equity compared with 2013 is due to the payment of a dividend that was higher than the net profit for the year, as well as a decrease in the value of forward currency contracts.

Cash & cash equivalents

At the close of 2014 the Group had cash and cash equivalents totalling NOK 137 million in the form of bank deposits. Unused drawing rights are additional to this amount. At the close of 2014 NOK 333 million had been drawn down on the Group's credit facilities. No such drawdowns were made in 2013. The use of credit facilities in 2014 is associated particularly with the acquisition of IMG, as is the reduction in cash and cash equivalents. The board considers the company's liquidity situation to be satisfactory.

Dividend

The board is proposing a dividend of NOK 4.00 per share, or NOK 147,307,012 in total.

Markets

Ekornes made headway in the majority of markets in 2014, although sales in Central Europe fell. Order receipts were as follows: Norway (up 7 per cent), other Nordic countries (up 7 per cent), Central Europe (down 15 per cent), UK (up 1 per cent), North America (no change), Japan (up 5 per cent), Asia (up 23 per cent), Southern Europe (up 8 per cent) and Australia/New Zealand (up 22 per cent).

The overall market in the USA showed some small signs of improvement in 2014, while market conditions remain challenging in Europe. The board has not been entirely satisfied with the Group's order receipts, despite the progress made in a number of markets.

Production

Capacity utilisation at the company's production facilities was satisfactory in 2014.

Organisation/personnel

The Group had 2,388 employees as at 31 December 2014 (2,335 full-time equivalents). On the same date, Ekornes ASA had 66 employees.

Corporate Governance; Risk Management; Environmental and Social Responsibility; Health, Safety and the Environment (HSE); Equality

The board has decided not to include a statement on corporate governance, risk management and HSE in the report from the board of directors. The board refers to the information provided on these issues elsewhere in the annual report, and confirms that it endorses the contents of the said report with respect to corporate governance (pages 24-27) risk management (page 30-31), environmental and social responsibility (pages 33-36) and HSE (page 37-38). The board also refers to the chapter on product development in the general part of the annual report concerning the Group's research and development activities. The statements must be seen as the statements and opinions of the board with respect to these matters.

Both the board of directors and group management are aware that society expects measures to be implemented to promote equality in the workplace, and it is the objective of the company and the board to meet those expectations in the long-term (see the table on page 32).

Ekornes places great emphasis on meeting the objective of the Anti-Discrimination Act and the Anti-Discrimination and Accessibility Act. Through physical access and the formation of work tasks, working hours and workplaces, the company has made arrangements to enable people with disabilities to enjoy equal treatment and provide individual adaptation. The chapter "Strategy for organisation and staff development" in Ekornes's "Objectives and Values" states that 'Ekornes shall be an inclusive and diversified workplace where everyone is given opportunities for development, regardless of their background.' In 2009, Ekornes endorsed the UN Global Compact. This is included as part of Ekornes's "Objectives and Values", available from www.ekornes.no. An updated version of the Group's Code of Conduct and anti-corruption policy were formally adopted by the board in December 2014. The Code of Conduct is reproduced in its entirety in the general portion of the annual report.

Outlook

International economic turbulence continues to create uncertainty about how the markets will develop in the near future. This is something which Ekornes must also take into account in its planning activities.

At the close of 2014 the company had an order reserve of NOK 245 million, compared with NOK 282 million at the same point a year before. Order receipts at the start of 2015 have been good. Raw materials prices have been holding steady. The picture is unchanged at the start of 2015.

At the close of 2014 Ekornes had a combined production capacity for Stressless® (chairs and sofas) and Ekornes® Collection sofas of 1,750 seat units per day, depending on the product mix. The Group has decided to maintain production capacity at this level at the start of 2015. IMG has a production capacity of some 800 seat units per day.

Related parties

No material transactions have been undertaken with related parties during the period.

Year-end result and allocations

It is proposed to allocate Ekornes ASA's profit for the year, totalling NOK 203,086,552 as follows.
Dividend: NOK 147,307,000. Transferred to other equity: NOK 55,779,552. The company's equity and liquidity position is considered to be satisfactory. Furthermore, it is proposed that a group contribution, with tax effect, be given to subsidiaries in the amount of NOK 24.9 million, which is covered by group contributions received without tax effect from the same counterparties.

Investor relations

Ekornes will manage its shareholders' investments in such a way that their return, measured as the sum of dividend and increase in share price, will be as high as possible over time. As a general rule, at least 30-50 per cent of the profit after tax will be paid as a dividend. However, the level of investments and the rate of growth will also be taken into account. Efforts will be made to maintain an equity ratio of at least 50 per cent. The company will strive for stability with regard to its dividend policy. The board of directors and group management aim to maintain an open dialogue with shareholders through regular presentations and meetings. Priority is given to further developing the company's industrial position, and through this creating a basis for continued high levels of return. The board endorses the reports given in the general part of the annual report.

Ikornnes, 31st December 2014/25th March 2015

The Board of Directors of Ekornes ASA

Kjersti Kleven
Chair

Jarle Roth
Vice-Chair

Nora Förisdal Larssen

Stian Ekornes

Lars I. Røiri

Sveinung Utgård

Tone Helen Hanken

Aslak Hestholm

Olav Holst-Dyrnes
CEO

Ekornes Group
CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENT 2014

(Figures in NOK 1 000)	Notes	2014	2013
Operating revenues and expenses			
Sales revenues		2 755 497	2 609 580
Other revenues		1 983	1 720
Total operating revenues	1	**2 757 480**	**2 611 300**
Materials		753 572	648 193
Salaries and national insurance contributions	2, 16, 17	798 423	782 451
Depreciation	6	132 575	133 776
Other operating expenses	17	806 892	733 976
Total operating expenses		**2 491 463**	**2 298 396**
OPERATING PROFIT		**266 017**	**312 904**
Financial income and expenses			
Financial income	3	2 612	2 602
Net gains/losses on foreign exchange (Balance sheet adjustments)	3	-14 215	22 429
Financial expenses	3	-5 947	-3 964
Net financial items		**-17 549**	**21 067**
Ordinary profit before tax		**248 468**	**333 971**
Tax on ordinary profit	4	-88 401	-111 693
PROFIT FOR THE YEAR		**160 067**	**222 278**
Basic earnings per share	13	**4,35**	**6,04**
Diluted earnings per share	13	**4,35**	**6,04**

STATEMENT OF COMPREHENSIVE INCOME

(Figures in NOK 1 000)	Notes	2014	2013
Profit for the year		**160 067**	**222 278**
Other comprehensive income			
Items not reclassified to profit and loss			
Actuarial gains/losses on defined benefits plans		-797	22
Change in deferred tax - pension		215	-6
Items which may be reclassified to profit and loss			
Change in value of cash flow hedging		-278 255	-241 867
Change in deferred tax on cash flow hedging		75 129	67 885
Translation differences - net financing subsidiaries	12	24 590	8 550
Change in deferred tax - net financing subsidiaries	12	-6 639	-2 374
Translation differences	12	21 583	10 100
Total other comprehensive income		**-164 174**	**-157 690**
TOTAL COMPREHENSIVE INCOME		**-4 107**	**64 588**

BALANCE SHEET 31.12.2014

(Figures in NOK 1 000)	Notes	2014	2013
ASSETS			
Non-current assets			
Buildings, land etc.	6	604 372	587 666
Machinery and equipment	6	272 119	240 248
Operating movables, fixtures	6	29 250	45 695
Total property, plant & equipment		**905 741**	**873 609**
Software and licences	6	65 501	56 528
Goodwill	6	204 572	
Customer relations	6	21 541	
Deferred tax assets	4, 8	65 286	5 421
Total non-current intangible assets		**356 900**	**61 949**
Other long-term receivables and investments	7	22 373	12 524
Total non-current financial assets		**22 373**	**12 524**
Total non-current assets		**1 285 013**	**948 082**
Current assets			
Inventory	9	482 779	305 004
Trade receivables	10	398 190	331 742
Other short-term receivables		81 784	45 603
Value of forward contracts	15	0	16 291
Cash and bank deposits	11	136 957	328 402
Total current assets		**1 099 710**	**1 027 041**
TOTAL ASSETS		**2 384 723**	**1 975 123**

BALANCE SHEET 31.12.2014 (CONTINUED)

(Figures in NOK 1 000)	Notes	2014	2013
EQUITY AND LIABILITIES			
Equity			
Contributed equity			
Share capital	12, 18	36 827	36 827
Premium paid	12	386 321	386 321
Other equity deposits	12	1 983	1 983
Total contributed equity		**425 131**	**425 131**
Retained earnings			
Hedging reserve	12	-191 234	11 892
Translation difference	12	63 766	24 232
Other equity	12	1 062 456	1 105 517
Total retained earnings		**934 988**	**1 141 641**
Total equity		**1 360 119**	**1 566 772**
Non-current liabilities			
Long-term pension liabilities	16	7 803	9 802
Deferred tax	4, 8	232	6 308
Total non-current liabilities		**8 035**	**16 110**
Current liabilities			
Trade payables		128 907	118 029
Public charges payable		32 801	39 157
Tax payable	5	43 177	57 236
Negative value of forward contracts	15	261 964	
Short-term debt to credit institutions	14, 15	333 147	
Other current liabilities	16	216 573	177 819
Total current liabilities		**1 016 570**	**392 241**
TOTAL EQUITY AND LIABILITIES		**2 384 723**	**1 975 123**
Mortgages	14	255 231	0

Ikornnes, 31st December 2014/25th March 2015

The Board of Ekornes ASA

Kjersti Kleven
Chair

Jarle Roth
Vice-Chair

Nora Förisdal Larssen

Stian Ekornes

Lars I. Røiri

Sveinung Utgård

Tone Helen Hanken

Aslak Hestholm

Olav Holst-Dyrnes
CEO

CASH FLOW STATEMENT

(Figures in NOK 1 000)	2014	2013
Cash flow from operating activities		
Profit before tax	248 468	333 971
Tax paid	-118 374	-134 194
Profit/loss on sale of non-current assets	-198	1 226
Depreciation	132 575	133 776
Changes in inventory	-73 437	10 948
Changes in trade receivables	-26 712	22 772
Changes in trade payables	-21 222	22 693
Diff. between pension cost and amount paid into/out of pension scheme	-3 036	-3 108
Effect of currency exchange	38 735	17 450
Changes in other current balance sheet items	35 862	209
Net cash flow from operating activities	**212 661**	**405 743**
Cash flow from investing activities		
Proceeds from sale of property, plant & equipment	1 173	1 820
Net paid for acquisition of IMG	-374 829	
Investments in property, plant & equipment	-116 548	-150 334
Other investments	-3 602	358
Net cash flow from investing activities	**-493 806**	**-148 156**
Cash flow from financing activities		
Increase in short-term debt to financial institutions	292 247	
Dividend payout	-202 547	-202 520
Net cash flow from financing activities	**89 700**	**-202 520**
Net change in cash and cash equivalents	**-191 445**	**55 067**
Cash and cash equivalents at the beginning of period	328 403	273 336
Cash and cash equivalents at the end of period	**136 958**	**328 403**

RECONCILIATION OF MOVEMENTS IN CAPITAL AND RESERVES

Reconciliation of movements in capital and reserves (see also note 12)

(Figures in NOK 1 000)	Share capital	Premium paid	Other eqt deposits	Hedging reserve	Translation difference	Other equity	Total
Equity 01.01.2013	**36 827**	**386 321**	**1 983**	**185 874**	**7 956**	**1 085 743**	**1 704 703**
Profit for the year						222 278	222 278
Other comprehensive income				-173 982	16 276	16	-157 690
Dividend paid out						-202 520	-202 520
Equity 31.12.2013	**36 827**	**386 321**	**1 983**	**11 892**	**24 232**	**1 105 517**	**1 566 771**
Equity 01.01.2014	**36 827**	**386 321**	**1 983**	**11 892**	**24 232**	**1 105 517**	**1 566 771**
Profit for the year						160 067	160 067
Other comprehensive income				-203 126	39 534	-582	-164 174
Dividend paid out						-202 547	-202 547
Equity 31.12.2014	**36 827**	**386 321**	**1 983**	**-191 234**	**63 766**	**1 062 455**	**1 360 117**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES

Ekornes ASA (the “Company”) is domiciled in Norway. The Company’s consolidated financial statements for the year ending 31 December 2014 comprise the Company and its subsidiaries (together referred to as the “Group”).

The financial statements were authorised for issue by the directors and CEO as seen from the dated and signed balance sheet. The consolidated financial statement will be considered by the Annual General Meeting on 18 May 2015 for final adoption. The board of directors is authorised to amend the consolidated financial statements up until their final adoption.

(A) STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and associated interpretations as adopted by the EU for application as of 31 December 2014, plus further requirements for disclosure pursuant to the Norwegian Accounting Act as of 31 December 2014.

(B) BASIS OF PREPARATION

The financial statements are presented in Norwegian kroner (NOK), which is the functional currency of the holding company. All amounts are rounded to the nearest thousand. The consolidated financial statements are prepared on the historical cost basis, with the exception of the following assets and liabilities, which are stated at fair value (see Note 6):

• Financial derivatives

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, and form the basis for the book value of such assets and liabilities whose value is not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period. If the revision also affects future periods, the effect of the revision is distributed over the current and future periods.

Ekornes makes use of no material assumptions that affect the financial statements. Inventory and trade receivables include certain estimates, but are underpinned by sound historic data and actual figures, and are therefore not deemed to have an impact on the financial statements. The accounting policies set out below have been applied consistently to all periods presented in these consoli¬dated financial statements.

The accounting policies have been applied consistently by all Group entities.

After consultation with the Financial Supervisory Authority of Norway, and in accordance with the authority’s directive, the company decided not to use cash-flow hedging in the preparation of its financial statements for 2012, as the company had previously done. Cash-flow hedging was not applied in the 2013 financial statements either. With effect from 2014, the Group reverted to the use of cash-flow hedging. In this connection, the comparable figures for 2013 have been restated such that they are also presented in accordance with the principles of cash-flow hedging. See principle (f) below for further details.

The Company has made a particular assessment of the use of cash-flow hedging in relation to the standard’s requirement for documentation and the testing of efficiency. Based on the documentation that has been prepared and the testing performed, it has been determined that cash-flow hedging may be applied.

Furthermore, in connection with the acquisition of IMG, an assessment has been made of whether the contingent consideration (earn-out) should be treated as part of the purchase price or as consideration for future services. Since the seller loses the entitlement to the supplementary consideration if services are not provided in accordance with a separate consultancy agreement during the period up until the end of 2016, the supplementary consideration will be recognised in profit and loss over the period from the date of acquisition until the close of 2016.

(C) BASIS OF CONSOLIDATION

(i) Acquisitions

The purchase of subsidiaries is recognised in accordance with the acquisition method at the date on which the Company obtains control. Both payment and assets acquired are measured at fair value. Any excess value attributable to goodwill is tested annually for impairment. Transaction costs are recognised as expenses in the consolidated financial statements.

Any contingent consideration is valued at fair value at the date of acquisition, to the extent that it is a consideration which, under IFRS, may be treated as part of the consideration. Contingent consideration which, under IFRS, is deemed to be payment of future services is charged to expenses over the period in which the supplementary consideration may be earned.

(ii) Subsidiaries
Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights which may be exercised or converted are taken into account. Subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The Group has no associates or jointly controlled enterprises. Nor are there any companies within the Group that have non-controlling interests. Implementation of IFRS 10 has not resulted in any change in the companies being consolidated.

(iii) Transactions eliminated on consolidation
Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(D) FOREIGN CURRENCY

(i) Foreign currency transactions
Transactions in foreign currencies are translated at the foreign exchange rate in effect at the date of the transac¬tion. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to NOK at the exchange rate in effect at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate in effect on the transaction date.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into NOK at the exchange rates in effect at the dates the fair value was determined.

(ii) Financial statements of foreign operations
The assets and liabilities of foreign operations are translated into NOK at the exchange rates in effect on the balance sheet date. The revenues and expenses of foreign operations are translated into NOK at quarterly average exchange rates.

(iii) Net investment in foreign operations
Foreign currency differences arising from the translation of the net investment in foreign operations are recognised in other comprehensive income.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of the net investment in the foreign operation, and are recognised in other comprehensive income and presented as translation differences in equity.

In respect of all foreign operations, any differences that have arisen after 1 January 2004, the date of transition to IFRS, are entered as a separate item under equity (Foreign Currency Transaction Reserve).

(E) DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments. Ekornes currently has no interest derivatives.

In principle, derivatives are recognised at their fair value on acquisition. Gains or losses deriving from reassessment of fair value are recognised in profit and loss immediately. When derivatives qualify for hedge accounting, the way gains and losses are recognised depends on the type of item being hedged, see principle (f) below.

(F) HEDGING

(i) Cash-flow hedging
In the Group's year-end financial statements up to and including 2011, cash-flow hedging was applied, such that changes in the fair value of a derivative earmarked as a cash-flow hedging instrument were recognised in 'Other revenues', and expenses presented in the balance sheet as a hedging reserve (in equity). At the behest of the Financial Supervisory Authority of Norway, the Group decided not to use hedge accounting in the preparation of its financial statements for 2012 and 2013. With effect from 2014 the Company again meets the documentation requirements and has reverted to use of the hedge accounting principle.

Hedge accounting means that unrealised changes in the value of a derivative earmarked as a cash-flow hedging instrument is recognised in 'Other revenues', and expenses presented as a hedging reserve in equity. The amount recognised on 'Other comprehensive income are transferred to profit and loss in the same period in which the hedged object affects profit and loss. In connection with transfer to profit and loss, the same line is used in the presentation of comprehensive income for the hedged object and the hedging instrument. Any inefficiency in the hedging relationship is recognised directly in profit and loss.

When the hedging instrument no longer fulfils the criteria for hedge accounting, expires, is sold, concluded or exercised, or when earmarking is withdrawn, hedge accounting is discontinued. Accumulated gains or losses are recognised in 'Other comprehensive income, and are presented in the hedging reserve, where they are kept until the expected transaction affects profit and loss. The assessment and testing performed indicates that the object and instrument fall due at approximately the same time, such that hedging is effective. If the hedged object is a capitalised non-financial asset, the amount recognised in 'Other comprehensive income is transferred to the book value of the asset when this is recognised. In connection with the hedging of expected transactions, where the transaction is no longer expected to occur, the amount recognised in 'Other comprehensive income is recognised in profit and loss. In other cases the amount recognised in 'Other revenues and expenses' is transferred to profit and loss in the same period in which the hedged object affects profit and loss.

The reversion to hedge accounting means that unrealised changes in the value of forward contracts which, for 2013, were recognised in 'Financial income and expenses' are now recognised in 'Other comprehensive income. Furthermore, the impact on profit and loss of unrealised forward contracts is now included in the Group's operating revenues, while in 2013 this was included in 'Financial income and expenses'. Total equity is not affected by the change, but the value of unrealised forward contracts less deferred tax is now recognised as a hedging reserve, while the corresponding figure in 2013 was recognised in 'Other equity'.

In the 2014 financial statements, the comparable figures for 2013 have been restated, such that they are presented as they would have looked if hedge accounting had been applied. In connection with the restatement of the 2013 figures, it is assumed that hedging was also effective in 2013, since there are no indications that circumstances relating to hedging effectiveness in 2013 were different from 2014, when the effectiveness of hedging has been documented. No restated balance sheet at as 1 January 2013 is presented, since the forward contracts were recognised in the Company's balance sheet as at 31 December 2013.

(G) PROPERTY, PLANT AND EQUIPMENT

(i) Own assets
Items of property, plant and equipment are stated at acquisition cost less accumulated depreciation (see below) and impairment losses (see accounting policy l). The cost of self-constructed assets includes the cost of materi¬als, direct labour and an appropriate proportion of production overheads.

Certain items of property, plant and equipment that had been re-valued to fair value on or prior to 1 January 2004, the date of transition to IFRS, are measured on the basis of deemed cost, this being the revalued amount at the date of that revaluation. No re-valuation was performed at the transition to IFRS.

When material parts of a non-current tangible asset have different useful lives, they are deemed to be separate components for accounting purposes.

(ii) Leased assets
Ekornes has entered into rental agreements for storage, display and production premises in connection with its operations in the USA and Japan. These are all classified as operational leasing agreements.

(iii) Subsequent costs
The Group recognises in the acquisition cost of an item of property, plant or equipment the cost of replacing part of any such item, when the expenditure is expected to bring future economic benefits to the Group, and the cost of the replaced parts can be measured reliably. The carrying amount of the replaced part is deducted. All other expenses are recognised in the income statement as they accrue.

(iv) Depreciation
Depreciation is charged to the income statement on a straight-line basis over the estimated useful life of each operating asset. Land is not depreciated. The estimated useful lives are as follows:

- Buildings 25 – 50 years
- Machines and equipment 5 – 12 years
- Operating movables, fixtures 2 – 10 years
- Capitalised licence costs 8 years
- Software 3 years

Depreciation methods, useful lives and residual values are reviewed annually.

(H) INTANGIBLE ASSETS

(i) R&D
Development costs are capitalised to the extent that identifiable independent assets are developed that will generate future revenues.

Costs relating to ongoing improvement and further development of existing products are charged to expenses in profit and loss in the period in which they arise.

(ii) Capitalised licences and software
Software, including implementation costs, is capitalised as an intangible asset.

(iii) Goodwill
Goodwill arising from the acquisition of subsidiaries is valued at acquisition cost less accumulated write-downs due to impairment.

(iv) Other intangible assets
The value of customer relations arising from the acquisition of subsidiaries is valued at acquisition cost less accumulated depreciation, which are allocated in a straight line over the relationship's expected lifespan.

Costs relating to the in-house development and maintenance of brand names and other intangible assets are charged to expenses in profit and loss in the period in which they arise. Any purchases of such assets are capitalised.

(I) TRADE AND OTHER RECEIVABLES
Trade and other receivables are stated at cost less an allowance for bad debts.

(J) INVENTORY
Inventory is stated at the lower of cost and net realisable value. Net realisable value is the estimated ordinary sales price, less estimated completion and sales costs.

Acquisition cost is based on the first-in/first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured goods and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

In connection with the sale of goods, acquisition cost is, in accordance with the above-mentioned principles, recognised as the cost of goods sold.

(K) CASH AND CASH EQUIVALENTS
Cash and cash equivalents comprise cash balances and bank deposits (see Note 11).

(L) IMPAIRMENT
An impairment is recognised whenever the fair value of an asset or cash-generating entity exceeds its recoverable amount. Impairment write-downs are recognised in profit and loss. Recoverable amount is defined as the higher of the asset or cash-generating entity's fair value less sales costs, and its value in use. No indications have been found of any impairments requiring write-downs in 2014.

(M) SHARE CAPITAL
(i) Preference share capital
The Company has issued no preference shares.

(ii) Buy-back of own (treasury) shares
If the Company buys back its own shares, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Treasury shares are presented as a reduction in total equity.

(iii) Dividends
Dividends are recognised as a liability in the period in which they are declared. Proposed dividend is part of equity until it has been approved by the Annual General Meeting.

(N) INTEREST-BEARING LOANS AND CREDIT
Interest-bearing loans and credit are valued at amortised cost.

O) EMPLOYEE BENEFITS
(i) Defined-contribution plans
Liabilities in respect of contributions to defined-contribution pension plans are recognised as an expense in profit and loss as they accrue.

(ii) Defined-benefit pension plans
Net liabilities in respect of defined-benefit pension plans are calculated separately for each plan. This is achieved by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. These future benefits are discounted to determine their present value, and the fair value of any plan assets is deducted to arrive at a net liability. As at 31 December 2014 (and 31 December 2013), the discount rate for Norwegian schemes is based on the interest on Norwegian covered bonds (OMF). The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past accruals is recognised as an expense in profit and loss on a straight line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit and loss.

Actuarial gains and losses are recognised in 'Other comprehensive income.

(iii) Bonus payments (see also Note 16)
Employee bonuses: All group employees are entitled to a bonus based on the Group's profitability. The bonus is calculated as a percentage of each employee's monthly salary. Accrued bonus is recognised as an expense in profit and loss, and as a liability in the balance sheet.

(P) PROVISIONS

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(i) Warranties
A provision for warranties is recognised when a warranty obligation occurs. Costs related to long-term warranty commitments are considered insignificant.

(ii) Restructuring
A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or notification thereof has been given to those concerned.

(iii) Site restoration
In accordance with the Group's environmental report (which is included in the Company's annual report) and applicable legal requirements, a provision for site restoration in respect of contaminated land is recognised to the extent that the land is contaminated and remediation has been ordered. As of today, there are no such requirements.

(Q) TRADE PAYABLES AND OTHER SHORT-TERM LIABILITIES

Trade payables and other liabilities are initially recognised at fair value. After initial recognition, the liability is valued at amortised cost.

(R) REVENUE

(i) Goods sold
Ekornes largely manufactures its Stressless® and sofa products to order, while its mattress products are largely manufactured in bulk. The Group has separate sales companies in the most important markets, which are responsible for the sale of products, while manufacturing takes place at factories which supply the sales companies. The goods produced are sent directly from the factory to the customer, with the exception of the USA, Japan and Australia, where the goods are sent to a dedicated warehouse. IMG's products are sent from factories in Vietnam and Thailand directly to customers or to warehouses belonging to IMG's sales companies in Norway, Australia and New Zealand. The goods sent from the factories to the company's own warehouses abroad are treated as goods in transit. IMG has both order-driven and mass production.

Revenues from the sale of goods are recognised when delivery has occurred, and the bulk of the associated risk and control has been transferred to the customer. A variety of delivery terms are employed, and the date on which revenues are recognised will depend on the actual delivery terms. Agreements contain no stipulations that have required Ekornes to defer all or part of the revenue concerned after the goods are deemed to have been delivered in accordance with the delivery terms. Where Ekornes assumes the risk with respect to the goods up to acceptance by the customer, the goods are insured in transit. Sales revenues are presented net of VAT and discounts.

(ii) Government grants
Grants that compensate the Group for the acquisition cost of an asset are recognised as a reduction in the asset's acquisition value. Grants that compensate for expenses incurred are recognised as operating revenues over the same period as the expenses they are intended to cover.

(S) EXPENSES

(i) Operating lease payments
Payments made under operating leases are recognised in profit and loss in a straight line over the term of the lease.

(ii) Net financial items
Net financial items comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested, dividend income, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognised in the income statement (see accounting policies f and r (i)).

Interest income is recognised in profit and loss as it accrues, using the effective interest method.

(T) TAX

Tax on the profit and loss for the year comprises payable and deferred tax. Tax is recognised in profit and loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income. Tax payable is the expected tax payable on the taxable income for the year, using tax rates in effect on the balance sheet date, and any adjustment of tax payable in respect of previous years.

Deferred tax is calculated on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not taken into account: The initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred tax and deferred tax assets are measured on the basis of the anticipated future tax rates of those group companies where temporary differences have arisen. Deferred tax and deferred tax assets are recognised at nominal value.

Deferred tax assets and liabilities are measured on the basis of anticipated future tax rates in the group companies in which temporary differences have arisen. Deferred tax assets and liabilities are recognised at nominal value.

Deferred tax assets are capitalised only to the extent that it is probable the asset could be applied to some future taxable income. Deferred tax assets are reduced when it is no longer probable that the tax asset will be utilised.

(U) SEGMENT REPORTING

In accordance with IFRS, an operating segment is defined as a part of the Group that is engaged in business operations capable of generating revenues and expenses, including revenues and expenses derived from transactions with other segments within the Group, and the operating results of which are reviewed on a regular basis by the Company's most senior decision-makers with a view to deciding which resources are to be assigned to the segment and assessing its earnings.

Ekornes operates within the segments/product areas:

- Stressless®, which includes the product areas Stressless® (reclining chairs and sofas) and Ekornes® Collection (fixed-back sofas), tables, etc.
- Svane®, which covers mattresses (sprung mattresses, foamed plastic and IntelliGel®).
- IMG, which covers furniture produced by IMG.
- Ekornes Contract, which covers sales to the contract market.

Division into segments is based on the management and internal reporting structure.

Note 1 includes a quantified overview of the segments which matches the way segments are reported internally at Ekornes.

(V) ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET ADOPTED

Certain standards, amendments and interpretations have not come into effect for the year ending 31 December 2014 and have not been applied by Ekornes for the 2014 financial year. Relevant new standards are:

IFRS 9 Financial instruments
This standard has been adopted by IASB, and is effective for financial statements starting on 1 January 2018, but which may be applied in advance of this. However, it has not been approved by the EU. The Company is considering what impact implementation of this standard will have on the consolidated accounts.

IFRS 15 Revenues from contracts with customers
This standard has been adopted by IASB, and is effective for financial statements starting on 1 January 2017, but may be applied in advance of this. However, it has not been approved by the EU. The Company is considering what impact implementation of this standard will have on the consolidated accounts.

Other amendments of existing standards have been proposed, but are not deemed to have any significant impact on the Group.

NOTE 1 Business areas - segments - markets

PRODUCT AREAS/SEGMENTS

The division into product areas is based on the Group's management and internal reporting structures, and coincides with the division into segments. Assets and liabilities, as well as investments per segment are not reported to the highest decision-making authority, and are therefore not specified in the Notes.

Ekornes's business is divided into the segments/product areas:

- Stressless®, which includes the product areas Stressless® (reclining armchairs and sofas) and Ekornes® Collection (fixed-back sofa), tables, etc.
- Svane®, which covers mattresses (sprung mattresses foamed plastic and IntelliGel®),
- IMG, which covers furniture produced by IMG
- Contract, which covers sales to the contract market

Operating revenues by product area (Figures in NOK million)	2014	2013
Stressless® and Ekornes® Collection	2 394.6	2 328.1
Svane®	224.4	214.7
Contract	70.1	68.5
IMG*	68.4	
Total	**2 757.5**	**2 611.3**
EBIT per product area (Figures in NOK million)		
Stressless® and Ekornes® Collection	279.0	
Svane®	-13.3	
Contract	3.3	
IMG*	19.6	
Operating revenues by market (Figures in NOK million)		
Norway	355.5	325.8
Other Nordic	169.3	149.7
Central Europe	667.4	754.3
Southern Europe	340.8	313.2
United Kingdom/Ireland	207.1	175.3
USA/Canada/Mexico	636.8	543.9
Japan	162.6	125.8
Contract/Other Markets	218.0	223.3
Total	**2 757.5**	**2 611.3**

*IMG in November and December 2014.

The figures for IMG do not include costs associated with acquisition, supplementary consideration paid or increase in internal profit on inventory. This comes to approx. NOK 34 mill.

NOTE 2 Personnel expenses

(Figures in NOK 1 000)	2014	2013
Salaries	650 189	632 027
National insurance contributions	98 574	96 872
Contributions to defined contribution plans	32 424	32 828
Expenses relating to defined benefit plans	373	860
Other personnel costs	16 862	19 865
Total personnel expenses	**798 423**	**782 451**
Average number of full-time equivalents employed*	**1 634**	**1 525**

*IMG in November and December 2014.

NOTE 3 Net financial items

(Figures in NOK 1 000)	2014	2013
Financial income and expenses		
Other interest income	2 594	2 601
Other financial income	19	1
Total financial income	**2 612**	**2 602**
Gain/loss on currency exchange (Balance sheet adjustments)	**-14 215**	**22 429**
Other interest expenses	-5 066	-3 226
Other financial expenses	-881	-738
Total financial income	-5 947	-3 964
Net financial items	**-17 549**	**21 067**

All borrowing costs are recognised in expenses as they accrue.

NOTE 4 Tax expense

Tax recognised in the income statement (Figures in NOK 1 000)	2014	2013
Tax payable for the year	83 090	106 135
Adjustment for previous years	1 983	193
Total tax payable	**85 073**	**106 328**
Deferred tax		
Origination and reversal of temporary differences	3 329	5 364
Total tax expense in income statement	**88 402**	**111 693**

NOTE 4 Tax expense (continued)

Reconciliation of effective tax rate (Figures in NOK 1 000)	**2014**	**2014**	**2013**	**2013**
Profit before tax		248 468		333 971
Tax calculated at the applicable tax rate	27.00 %	67 086	28.00 %	93 512
Effect of tax rate in foreign jurisdictions	4.32 %	10 725	3.27 %	10 937
Non-deductible expenses	0.43 %	1 065	0.58 %	1 932
Effect of other tax rates on specific revenues	1.67 %	4 138	1.11 %	3 703
Tax-exempt revenues	-0.73 %	-1 807	-0.17 %	-583
Recognition of previous unrecognised tax losses	-0.22 %	-546	-0.06 %	-184
Current year's losses for which no deferred tax assets were recognised	0.72 %	1 797	0.72 %	2 407
Change in unrecognised temporary differences	0.18 %	450	-0.1 %	-344
Profit and loss items with no effect on tax	1.42 %	3 517	-0.04 %	121
Under/over-provided in prior years	0.80 %	1 983	0.06 %	193
Total	**35.58 %**	**88 408**	**33.4 %**	**111 694**

Deferred tax recognised in other comprehensive income (Figures in NOK 1 000)	**2014**	**2013**
Tax on capitalised forward contracts	75 129	67 886
Tax translation differences net funding subsidiaries	-6 639	-2 374
Tax actuarial gain/loss pension	215	-6
Total	**68 705**	**65 506**

NOTE 5 Tax payable

(Figures in NOK 1 000)	**2014**	**2013**
Tax payable for the year	**83 090**	**106 135**
Tax paid current year	-42 369	-56 817
Too much/little paid in previous years	2 456	7 918
Tax payable balance sheet	**43 177**	**57 236**

NOTE 6 Property, plant and equipment

Acquisition cost and depreciation (Figures in NOK 1 000)	Software and licenses	Land and buildings	Machinery and equipment	Operating movables	Total
Acquisition cost and depreciation					
Acquisition value 1.1.2013	151 706	1 040 493	756 087	126 694	2 074 980
Currency difference 1.1.2013		239	351	2 541	3 131
+ additions	64 055	20 385	54 480	11 414	150 334
- disposals at acquisition value	33 413	138	16 263	28 399	78 213
Acquisition value 31.12.2013	**182 348**	**1 060 979**	**794 655**	**112 250**	**2 150 232**
Accumulated ordinary depreciation at 1.1.2013	**131 802**	**435 304**	**511 257**	**81 190**	**1 159 553**
Currency difference 1.1.2013		24	38	1 688	1 750
+ the year's ordinary depreciation	27 395	38 031	57 731	10 618	133 775
+/- Currency difference deprecation		24	40	120	184
- acc. ordinary deprecation of operating assets sold	33 376	70	14 660	27 061	75 167
Accumulated ordinary depreciation at 31.12.2013	**125 821**	**473 289**	**554 366**	**66 435**	**1 219 911**
Book value 31.12.2013	**56 527**	**587 690**	**240 289**	**45 815**	**930 321**
Acquisition value 1.1.2014	**182 348**	**1 060 979**	**794 655**	**112 250**	**2 150 232**
Moving between groups	19 480			-19 480	
Currency difference 1.1.2014	6	4 116	3 564	2 906	10 592
+ additions from acquisition of IMG	1 686	33 277	13 859	1 488	50 310
+ additions	24 244	14 868	72 301	5 134	116 547
- disposals at acquisition value	607		11 146	8 351	20 104
Acquisition value 31.12.2013	**227 157**	**1 113 239**	**873 233**	**93 947**	**2 307 576**
Accumulated ordinary depreciation at 1.1.2014	**125 820**	**473 313**	**554 406**	**66 555**	**1 220 093**
Moving between groups	6 215			-6 215	
Currency difference 1.1.2014	4	189	410	1 776	2 379
+ the year's ordinary depreciation	30 223	35 258	56 885	9 849	132 215
+/- Currency difference deprecation		107	436	231	774
- acc. ordinary deprecation of operating assets sold	607		11 024	7 499	19 130
Accumulated ordinary depreciation at 31.12.2014	**161 655**	**508 867**	**601 113**	**64 697**	**1 336 331**
Book value 31.12.2014	**65 502**	**604 372**	**272 119**	**29 250**	**971 243**

Total investments in in 2015 are estimated at approx. NOK 140 million.

The Group has received NOK 3.4 million in government grants for automation projects. The grants have been recognised as a reduction in acquisition cost.

NOTE 6 Property, plant and equipment (continued)

Leased property, plant and machinery
Production facilities, warehouse and exhibition facilities in the USA are all leased. Remaining lease period and annual rent are as follows:

Place	Remaining lease (years)	Yearly rent (in NOK 1 000)
Morganton, NC (USA)	2	1 192.3
Somerset, NJ (USA)	5,5	3 131.4
High Point, NC (USA)	2	645.8
Las Vegas, NV (USA)	4,5	372.1

Sureties

As at 31.12.2014 the Group had secured loans and drawdowns. The parent company has an agreement with respect to drawing rights with its banks (see Note 11). Land, buildings and operating equipment has been pledged as sureties for these drawing rights. The book value of operating assets pledged as security totals NOK 892 million.

Intangible assets

These are some of the company's most important intangible assets:

- Registered trademarks (Ekornes®, Stressless®, Ekornes® Collection, Svane®)
- Registered domains
- Patents
- Registered designs
- Distribution network (international)
- Market concept
- Product concepts
- Manufacturing expertise
- International marketing
- International sourcing

None of these assets have been included on the company's balance sheet.

Goodwill and customer relations (Figures in NOK 1 000)	**Goodwill**	**Customer relations**	**Total**
Accumulated cost price 1.1.	-	-	-
Additions on acquisition of IMG, see Note 19	204 572	21 900	226 472
Accumulated cost price 31.12.	204 572	21 900	226 472
Accumulated depreciation 1.1.	-	-	-
Year's depreciation		**359**	**359**
Accumulated depreciation 31.12.	-	**359**	**359**
Book value 31.12	**204 572**	**21 541**	**226 113**

NOTE 6 Property, plant and equipment (continued)

Goodwill and customer relations were acquired in 2014 in connection with the acquisition of IMG. See Note 19 for further details of the actual purchase transaction.

Goodwill is not depreciated in the consolidated financial statements, but is tested for impairment. Customer relations are depreciated in a straight line over their expected lifespan, which is estimated at 8 years. Depreciation costs are included under ordinary depreciation in the income statement.

Test for impairment of goodwill
As stated in Note 19, IMG comprises a parent company, IMG Group AS (which sells both internally and externally), two production companies, four sales companies and two companies with limited activity. The companies are closely integrated, and the individual companies' repults are dependent on the internal prices used. As a result, group management considers that IMG must be seen as one single cash-generating unit. All capitalised goodwill is associated with this cash-generating unit.

Value in use is used when calculating the recoverable amount. Since the acquisition was finalised late in 2014, the valuation is performed in connection with the allocation of values to identifiable assets, liabilities and goodwill. The valuation has been performed with the help of an external appraiser. Cash flow forecasts have been set up in connection with the acquisition for the period 2015-2024. The forecasts were prepared by the IMG Group.

The key assumptions for the cash flow will be forecasts for sales volume and gross margin. The valuation is based on results achieved in 2014, and these are projected forward at a stable growth rate. A period longer than 5 years has therefore been used. Estimation of the above-mentioned values is based on a discount rate of 15%, and an annual growth in terminal value of 2.5%. Substantial changes in the assumptions must take place before the estimated value in use falls below book value.

As stated in Note 19, the consideration to be paid the seller of IMG comprises a cash consideration of NOK 389 million, and a contingent consideration ("earn-out") of up to NOK 150 million to be paid in 2017 if certain conditions are met. This contingent consideration will in this case be charged to expenses over the period 2014-2016, since the agreement is such that it cannot be deemed to be part of the purchase price in accordance with IFRS. The valuation performed indicates no write-down, even taking into consideration the supplementary consideration as part of the purchase price.

Nothing has occurred after these calculations were performed that would indicate that they should be reevaluated. Based on this, the company believes there is nothing to indicate the necessity of writing down the book value of goodwill.

NOTE 7 Other investments

Shares and other long-term receivivebles (Figures in NOK 1 000)	**Shareholding**	**Acquisition cost**	**Book value**
Non-current assets			
Sykkylvsbrua AS	37.5 %	8 790	8 141
Other shares		1 562	1 562
Total		**10 352**	**9 703**

Sykkylvsbrua AS is not treated as an associate, since the Group neither exercises the influence required under IAS 28 for such treatment, nor enjoys any share of Sykkylvsbrua AS's financial result.

Receivables falling due in more than one year	**2014**	**2013**
Other long-term receivables	12 670	3 371

NOTE 8 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities (Figures in NOK 1 000)	Assets		Liabilities		Net	
	2014	2013	2014	2013	2014	2013
Goodwill			7 700		7 700	0
Property, plant and equipment			3 957	4 619	3 957	4 619
Inventories	-7 694	-204			-7 694	-204
Receivables	3 316	-4 402			3 316	-4 402
Pensions	-229	-1 022			-229	-1 022
Forward contracts	-70 730		0	4 399	-70 730	4 399
Provisions	0	-324			0	-324
Other items	-643	-2 178			-643	-2 178
Tax losses carried forward	-731				-731	0
Tax liabilities	-76 711	-8 130	11 657	9 017	-65 054	887
Tax offsets	11 425	2 709	-11 425	-2 709	0	0
Net tax liabilities	**-65 286**	**-5 421**	**232**	**6 308**	**-65 054**	**887**

Unrecognised deferred tax asset: The Group has tax-loss carryforwards in two non-Norwegian subsidiaries.
The unrecognised tax assets totals NOK 4,833,000 (2013: NOK 5,194,000)

Deferred tax (Figures in NOK 1 000)	2014	2013
Change in deferred tax	-65 941	-60 072
Recognised in profit and loss	3 329	5 364
Recognised in other income and expenses	-68 705	-65 505
Effect of changes in exchange rates	-565	69
	-65 941	**-60 072**

NOTE 9 Inventory as of 31.12.

(Figures in NOK 1 000)	2014	2013
Inventory finished goods	186 299	116 124
Inventory semi-finished	52 926	46 087
Inventory raw materials	243 553	142 793
Total	**482 778**	**305 004**

Value of inventories recognised in the balance sheet at net realisable value is insignificant.

NOTE 10 Trade and other receivables

In 2014 losses on trade receivables came to NOK 2,044,000 (2013: NOK 3,120,000). Trade receivables in the balance sheet are recognised less a provision for bad debts of NOK 25,629,000 (2013: NOK 27,509,000).

The spread of trade receivables as at 31.12. was:

(Figures in NOK 1 000)	Gross 2014	Provisions 2014	Gross 2013	Provisions 2013
Not past due	327 247		285 234	
Past due 0-30 days	54 716		53 933	7 426
Past due 31-60 days	18 248	2 022	7 168	7 168
Past due 61-90 days	8 377	8 377	2 637	2 637
Past due 90-180 days	3 172	3 172	1 650	1 650
More than 180 days	12 058	12 058	8 629	8 629
Total	**423 819**	**25 629**	**359 250**	**27 509**

No individual customer accounts for more than 10 per cent of overall turnover.
The figures as at 31.12.2014 include IMG.

NOTE 11 Cash and cash equivalents as at 31.12.

(Figures in NOK 1 000)	2014	2013
Bank	136 957	328 402
Unused credit facilities	477 052	315 000
Total	**614 009**	**643 402**

Only cash and bank deposits are recognised as cash and cash equivalents in the cash flow statement. TNOK 20 785 (2013: TNOK 11 064) of the Group's bank deposits are restricted with respect to employees' tax deductions.

The parent company has agreed drawing facilities with its main banks which permit a total sum of NOK 765 million to be drawn down (in accordance with specific terms and conditions). See also Note 6.

NOTE 12 Equity

Share capital and share premium:
As at 31 December 2013, the authorised share capital comprised 36 826 753 ordinary shares (2012: 36 826 753). All shares have a par value of NOK 1.00.

The holders of ordinary shares are entitled to recieve dividends as declared and voted for during the Annual General Meeting, and are entitled to one vote per share at general meetings of the company. All shares rank equally with regard to the company's net assets. In respect of the Company's shares that are held by the Group, all rights are suspended until those shares are reissued (see below).

Hedging reserve:
The hedging reseserve is equal to the value of the forward contracts less deferred tax.

Translation differences:
Translation differences comprise all the foreign exchange differences that occur when translating the accounts of non-Norwegian operations, including the translation of receivables deemed to be part of the net investment in foreign businesses.

Dividend:
After the balance sheet date, the board has proposed a dividend of NOK 4.00 per share (2013: NOK 5.50). The total dividend comes to NOK 147,307,012 (2013: NOK 202,547,142). No provision with respect to the proposed dividend has been recognised in the financial statements. The payment of dividend has no impact on corporation tax.

NOTE 13 Earnings per share

Basic earnings per share
The calculation of basic earnings per share at 31 December 2013 was based on the profit attributable to ordinary shareholders of TNOK 160 067 (2013: TNOK 222 278) and a weighted average number of ordinary shares outstanding during the year ended 31 December 2013 of 36 826 753 (2013: 36 826 753), calculated as follows:

(Figures in NOK 1 000)	31.12.2014	31.12.2013
Profit for the period	160 067	222 278
Issued shares 1.1	36 826 753	36 826 753
Effect of own shares held		
Issued shares 31.12	36 826 753	36 826 753
Weighted average number of shares	36 826 753	36 826 753
Basic earnings per share	**4.35**	**6.04**
Diluted earnings per share	**4.35**	**6.04**

NOTE 14 Interest-bearing loans and credits

The Group had NOK 333,147,000 in interest-bearing debt as at 31.12.2014 (2013: NOK 0).
As at 31.12.14, Ekornes had unused drawing rights on its banks. There are several agreements. The strictest condition is an equity ratio of 30% and a group equity of NOK 500 million. Land, buildings and operating equipment have been pledged as sureties for interest-bearing debt and drawing rights. For further details, see Notes 6 and 11.

NOTE 15 Financial risk

Financial risk is largely associated with fluctuations in currency rates and the ability of its customers to pay. The Group's trade receivables are constantly monitored to uncover any irregularities and limit bad debts and the risk of loss. Over time, Ekornes' competitiveness is affected by the movement of the NOK in relation to other currencies. The Group seeks to actively limit this risk.

To strengthen the company's long-term operational planning, Ekornes seeks to hedge its future exposure (cash flow) in currencies up to 36 months ahead, through the use of financial instruments (forward contracts) and purchase of goods and services internationally. The hedging requirement is based on the net exposure at the date on which the hedging instrument was entered into, not the expected exposure 36 months hence. This is to avoid over-exposure. Any differences are subsequently hedged in increments as the date approaches. Hedging by means of financial instruments is undertaken as long as the foreign exchange rate achievable in the forward contract is equal to or better (higher) than the rate specified in the company's budgets. If the foreign exchange rate is lower than this level, the company postpones any further hedging activities until the situation has improved. If the exchange rate remains below that specified in the company's budgets over a long period of time, various strategies are assessed and, if necessary, implemented to adapt to the new, lower exchange rate level. Ekornes' hedging activities are therefore not an attempt to "beat" the market or speculate in what the market rate will be when the forward contract matures. One of the risks of this strategy is that growth may fail to materialise and sales revenues may fall. The Company will then find itself in a situation where it is overexposed with respect to the currencies in question. If the market rate on maturity (redemption) of the forward contract is higher than the hedging rate, the company will make a loss, since the volume of currency needed to fulfil the contract will have to be purchased at a higher price. On the other hand, if growth remains higher than expected, this could result in the company having an open (unhedged) position (not enough contracts) in the currencies in question. In that case, if the market rate is lower than that specified in the company's budgets when the contract matures, it could also have a negative impact on the company's margins. As a result of Ekornes' hedging strategy, a sudden and major fall in the value of all currencies against the NOK (an appreciation of the NOK) will not have any major negative consequences for its financial results. If the new, lower level continues over a long period, various strategies will be assessed and, if necessary, implemented. Furthermore, Ekornes operates in many different markets. In that way, the company has spread both its market and foreign exchange risk. The company has a portfolio of markets, and consequently currencies (basket), where a fall in the exchange rate with regard to one currency may, in certain circumstances, be compensated for by a rise in another.

IMG does not use currency hedging.

Ekornes sells its products in the respective countries' local currencies. The company has hedged the bulk of its currency exposure up to 36 months forward in time. Where necessary, new contracts are entered into on a rolling basis.

The following net foreign exchange volume took place in 2014 and 2013 (currency amounts in million):

	2014		2013	
Currency	**Volume (in local currency)**	**Average exchange rate (in NOK)**	**Volume (in local currency)**	**Average exchange rate (in NOK)**
USD	26.2	6.7499	23.2	6.4180
GBP	20.2	10.6216	17.2	9.4453
EUR	53.8	8.3085	72.3	8.1630
DKK	47.8	1.1073	45.6	1.1171
SEK	16.0	0.9190	23.1	0.8938
JPY	1125.0	0.0647	1040.0	0.0706

The effect on profit and loss of the translation of monetary items in foreign currencies (balance sheet items) at the rates of exchange on the balance sheet date came to minus NOK 13.4 million as at 31.12.14, compared with plus NOK 22.5 million in 2013.

In connection with consolidation of the income statement, the average market rates for the respective currencies are used.

NOTE 15 Financial risk (continued)

The change in the value of forward contracts may fluctuate sharply from quarter to quarter, and is strongly affected by movements in the NOK against the currencies in which Ekornes holds forward contracts.

Ekornes's objectives and principles for the management of financial risk are described in the 2014 annual report.

As at 31 December 2014, the fair value of forward currency exchange contracts was NOK -262 mill. (31 December 2013: NOK 16 mill.). This is expected to fall due in the following periods: (see the table below.)

Distribution fair value forward contracts (Figures in NOK 1 000)	2014	2013
Share 2014		23 661
Share 2015	-86 038	9 574
Share 2016	-74 917	-16 944
Share 2017	-101 009	
Total	**-261 964**	**16 291**

The Group made a profit of NOK 8m (2013: NOK 50m) from the exchange of forward contracts in relation to the real rate on the date of the exchange. This amount is included in the Group's financial income.

Effect on profit/loss and balance sheet of changes in exchange rates as at 31.12.2014
The table below shows the impact of a 5 per cent weakening and a corresponding strengthening of the NOK against all other relevant currencies as at 31.12.2014. A change as at 31.12.2014 is assumed, such that the average exchange rates in the period are unchanged. In the company's assessment, a change of +/- 5 per cent is within the realm of reasonable possibility for all the currencies concerned.

Effect on profit/loss (Figures in NOK 1 000) 5 % increase in exchange rates (NOK weakened)	EUR	USD	GBP	Other	TOTAL
Effect on ordinary profit/loss					
Translation of balance sheet items (bank, receivables, liabilities)	-4 492	5 222	-1 201	3 779	3 308
of which tax	1 213	-1 410	324	-1 020	-893
Effect on profit/loss after tax	**-3 279**	**3 812**	**-877**	**2 759**	**2 415**
Effect on other revenues and expenses					
Effect on value of forward contracts	-83 360	-27 139	-26 771	-24 440	-161 710
of which tax	22 507	7 328	7 228	6 599	43 662
Total effect on other revenues and expenses	**-60 853**	**-19 811**	**-19 543**	**-17 841**	**-118 048**
EFFECT ON EQUITY					
Change in hedging reserve	-60 853	-19 811	-19 543	-17 841	-118 048
Change in other equity	-3 279	3 812	-877	2 759	2 415
Total effect on equity	-64 132	-15 999	-20 420	-15 083	-115 633

A 5 per cent reduction in all exchange rates (strengthening of NOK) would have the same effect in figures, but with the opposite sign.

NOTE 15 Financial risk (continued)

Capital management
Ekornes's objective with respect to capital structure is to have sufficient cash and cash equivalents to meet its operating and investment requirements, and pay a dividend. The company has an agreement with its main bank with respect to drawing rights, which had not been utilised as at 31.12 (see Note 11). The company has no long-term borrowings. The company believes it is important to maintain a strong credit rating and good liquidity.

Classification of financial assets and liabilities 2014 (Figures in NOK 1 000)

	Fair value Deposits/borrowings	Amortised cost Receivables and lendings	Amortised cost Other financial liabilities
Cash and cash equivalents	136 957		
Value of forward contracts	-261 964		
Trade receivables and other current receivables		479 974	
Non-current receivables		22 373	
Trade payables and other current liabilities			378 281
Short-term debt to credit institutions			333 147
TOTAL	**-125 007**	**502 347**	**711 428**

The book value of financial assets and liabilities is considered to be practically identical to fair value.
Cash and cash equivalents are held in bank deposits.

The value of forward contracts is calculated by the banks, and corresponds to the present value of the contracts on the balance sheet date.
The valuation is based on observable interest and exchange rates.
The forward contracts are valued under level 2 of IFRS 13's hierarchy for fair value assessment.

Credit and market risk
The company sells its products to distributors through its own sales companies, which know their markets well. In order to minimise market and credit risk, routines have been established to ensure that sales are made to creditworthy customers within defined credit limits.

Liquidity risk
The Group's holdings of cash and cash equivalents indicate that the liquidity risk is low. See also note 14.

NOTE 16 Employee benefits

Declaration of the Board of Directors remuneration policy with respect to senior executives
A major element in the Company's remuneration policy is that executives should be offered competitive terms, with a salary comparable to similar positions in their national labour markets. The Company has established bonus schemes based on the financial performance of the profit centre for which the individual executive is responsible, that form a major part of the overall compensation package. Salary and other remunerations are mainly adjusted in accordance with developments in salary/price levels in the country in which the position is located. In 2013, the remuneration policy has complied with the declaration presented to the General Meeting in 2014. A new declaration will be presented at the General Meeting in 2015.

Pension commitments
A Group pension scheme (defined contribution plan) has been established for employees of the Group's Norwegian companies and in most of its foreign subsidiaries. The Group also has obligations regarding AFP (Early retirement pension plan) and pension expensed continuously. For accounting purposes, pension schemes are treated in accordance to IAS 19. Norway's new AFP Contributions Act was passed on 19 February 2010, with effect from 1 January 2010. The new AFP early retirement scheme is deemed to be a defined benefit multi-enterprise scheme. In principle, the liability shall be calculated and recognised. However, the scheme's current administrator is, for practical reasons, unable to perform these calculations. Until these calculations are made, the new AFP early retirement scheme must be recognised as a defined contribution scheme. See table below:

Pension commitments (Figures in NOK 1 000)	**2014**	**2013**
Accumulated pension liabilities	7 698	9 336
Accrued national insurance contributions	105	468
Net pension liabilities	**7 803**	**9 804**
Economic assumptions:		
Discount rate	2.30 %	4.00 %
Expected increase in salaries	2.75 %	3.75 %
Expected increase in pensions	2.50 %	3.50 %
Expected increase in government contribution	2.50 %	3.50 %

TNOK 6 955 of the total liabilities relate to foreign subsidiaries.

Change in pension liabilities (Figures in NOK 1 000)	**2014**	**2013**
Pension liabilities as at 1.1	**9 804**	**12 932**
Additions from acquisitions	388	
Contribution to scheme/pensions paid	-2 424	-3 670
Expenses recognised in the income statement	373	860
Effect of changes in exchange rates	459	-296
Actuarial gains/losses recognised directly in equity	-797	-22
Pension liabilities as at 31.12	**7 803**	**9 804**

In 2014 net pensions paid and premium was TNOK 34 848. In 2015 it is expected to amount to approx. TNOK 35 000.

Pension costs (Figures in NOK 1 000)	**2014**	**2013**
Pensions paid/defined contribution plan	32 424	32 928
Net present value of benefits earned during the year	82	401
Interest expenses on pension liabilities	291	459
Recognised scheme changes		
Net pension cost	**32 797**	**33 788**

Mandatory pension scheme:
All Norwegian subsidiaries must, according to Norwegian law, establish a pension scheme for their employees.
All Norwegian companies have pension schemes that comply with Norwegian law.

NOTE 16 Employee benefits (continued)

Acturial losses / (gains) recognised in Other comprehensive income (Figures in NOK 1 000)	**2014**	**2013**
Accumulated 1.1	24 979	25 001
Recognised current year	-797	-22
Accumulated 31.12	24 182	24 979

Special agreements
Individual bonus agreements for 2014 have been entered into with seven members of group management. The bonus schemes for six of these is dependent on the Group's total return on capital. The maximum payable bonus equals 0.087% of the Group's profit before tax if total return on capital reaches 33% or more. The bonus of the seventh member of group management depends on the individual company's revenues and profits.

In connection with the resignation of its CEO, Ekornes needed to fill the position of CEO on a temporary basis until a permanent replacement could be found. Former CEO Nils-Fredrik Drabløs served as acting CEO from 3.12.12 until 13.10.14.

Olav Holst-Dyrnes took over as new CEO on 13.10.14. In addition to ordinary salary, a bonus agreement has been entered into. The terms of the bonus agreement will be determined by the board of directors. In the even of his resignation, 6 months' severance pay has been agreed.

Bonus-based payments
Employee bonus
Employee bonuses are calculated as a percentage of monthly salary, and depend on the operating margin recognised in the consolidated financial statements. The bonus scheme applies only to those who do not receive payments under any other personal bonus arrangement. If the personal bonus is lower than the collective bonus, the difference is paid out. The individual's bonus is calculated pro rata in relation to the number of months employed during the year. Only those employed as at 31.12.2014, as well as those who have retired during 2014, are entitled to receive a bonus for 2014. For accounting purposes the bonus is treated as a cash bonus.

Employees of IMG are not covered by this scheme.

Based on the Group's operating margin, bonus is earned as follows:

Operating margin	Bonus of month salary
0 – 10%	0 %
10 – 10.9 %	21 %
11 – 11.9 %	24 %
12 – 12.9 %	28 %
13 – 13.9 %	32 %
14 – 14.9 %	41 %
15 – 15.9 %	46 %
16 – 16.9 %	52 %
17 – 17.9 %	58 %
18 – 18.9 %	64 %
19 – 19.9 %	75 %
20 – 20.9 %	86 %
21 – 21.9 %	96 %
22 – 22.9 %	107 %
23 – 23.9 %	118 %
24 – 24.9 %	128 %
25 % – ›	139 %

Operating margin = Operating profit before financial items/Total operating revenues.
Operating profit = Operating profit + provisions for employee bonuses.

NOTE 17 Related parties and remuneration to Auditors

Definition of related parties:
The Group's related parties are members of the board and management, and companies which members of the board and management control or have significant influence over.

Remuneration to members of Group Management in 2013

(Figures in NOK)	Nils-Fredrik Drabløs	Øyvind Tørlen	Arve Ekornes	Runar Haugen	Geir Balsnes
Salaries 2013	2 448 452	3 219 971	1 537 368	2 248 985	1 572 640
Bonus 2013 (calculated provision)			123 200	123 200	123 200
Pension		48 416	60 869	48 416	46 141
Other remunerations	12 396	28 708	45 115	50 903	34 710
Total	**2 460 848**	**3 297 095**	**1 766 552**	**2 471 504**	**1 776 691**

Remuneration to members of Group Management in 2013

(Figures in NOK)	Svein Lunde	Robert Svendsen	Ola Arne Ramstad	Jon-Erlend Alstad
Salaries 2013	1 926 877	2 589 378	1 879 435	1 909 026
Bonus 2013 (calculated provision)	123 200	123 200	123 200	27 017
Pension		48 163	48 433	46 046
Other remunerations	22 113	87 278	39 387	13 942
Total	**2 072 190**	**2 848 019**	**2 090 455**	**1 996 031**

Remuneration to members of Group Management in 2014

(Figures in NOK)	Nils-Fredrik Drabløs	Olav Holst-Dyrnes	Arve Ekornes	Runar Haugen	Geir Balsnes
Salaries 2014	2 868 591	614 421	1 659 385	2 294 875	1 735 184
Bonus 2014 (calculated provision)		10 752	99 568	99 568	99 568
Pension			68 225	70 516	62 782
Other remunerations	11 944	7 779	46 613	60 967	35 880
Total	**2 880 535**	**632 952**	**1 873 791**	**2 525 926**	**1 933 414**

Remuneration to members of Group Management in 2014

(Figures in NOK)	Svein Lunde	Robert Svendsen	Ola Arne Ramstad	Jon-Erlend Alstad
Salaries 2014	2 364 571	2 657 170	1 708 432	2 003 575
Bonus 2014 (calculated provision)	99 568	99 568	99 568	34 798
Pension		68 983	71 650	61 249
Other remunerations	24 016	128 028	45 168	12 822
Total	**2 488 155**	**2 953 749**	**1 924 818**	**2 112 444**

Ekornes has no share-based incentive schemes.

NOTE 17 Related parties and remuneration to Auditors (continued)

Remuneration to Board Members in 2013

(Figures in NOK)	Olav-Kjell Holtan	Kjersti Kleven	Stian Ekornes	Bjørn Gulden	Nora F. Larssen	Torill Svendsen	Sveinung Utgård	Arnstein Johannessen
Salaries 2013						388 042	683 501	376 939
Bonus 2013 (calculated provision)						9 025	15 071	8 991
Pension						13 936	29582	13 628
Directors' fee	745 000	291 000	291 000	348 000	315 000		60 000	60 000
Other remunerations						1 300	5 308	1 300
Total	**745 000**	**291 000**	**291 000**	**348 000**	**315 000**	**412 303**	**793 462**	**460 858**

Remuneration to Board Members in 2013

(Figures in NOK)	Tone Helen Hanken	Atle Berntzen	Hans Harald Hageberg	Ove Skåre	Else Marie Rønning	Ove Fagerheim	Wenche Elvegård
Salaries 2013	311 727	460 756	576 764	414 342	602 670	360 792	429 098
Bonus 2013 (calculated provision)	7 784	11 164	20 232	15 883	12 725	9 170	9 896
Pension	10 960	16 849	21 288	14 040	22 420	13 583	15 289
Directors' fee	120 000	150 000					90 000
Other remunerations	1 300	1 300	2 496	1 496	8 804	1 300	5 300
Total	**451 771**	**640 069**	**620 780**	**445 761**	**646 619**	**384 845**	**549 583**

Remuneration to Board Members in 2014

(Figures in NOK)	Olav-Kjell Holtan	Kjersti Kleven	Stian Ekornes	Bjørn Gulden	Nora F. Larssen	Torill Svendsen	Sveinung Utgård	Tone Helen Hanken
Salaries 2014						404 199	737 389	308 371
Bonus 2014 (calculated provision)							12 904	5 341
Pension						19 470	41 301	15 180
Directors' fee	560 000	516 333	157 000	60 000	292 000		125 000	125 000
Other remunerations						1 350	5 742	1 350
Total	**560 000**	**516 333**	**157 000**	**60 000**	**292 000**	**425 019**	**922 336**	**455 242**

Remuneration to Board Members in 2014

(Figures in NOK)	Atle Berntzen	Jarle Roth	Lars I. Røiri	Aslak Hestholm	Anne Marie Smoge (vara)	Else Marie Rønning (vara)	Ove Fagerheim (vara)	Wenche Elvegård
Salaries 2014	441 150			400 724	348 618	678 398	358 286	438 309
Bonus 2014 (calculated provision)	7 445			6 902	5 830	11 794	6 175	7 606
Pension	22 072			16 994	18 940	36 557	21 058	22 392
Directors' fee	62 500	168 000	166 833	65 000			6 000	60 000
Other remunerations	4 286			1 350	1 350	7 742	1 350	5 742
Total	**537 453**	**168 000**	**166 833**	**490 970**	**374 738**	**734 491**	**392 869**	**534 049**

NOTE 17 Related parties and remuneration to Auditors (continued)

Remuneration to Auditors (Figures in NOK)	**2014**	**2013**
Audit fee	6 717	5 804
Other attestation fees	489	66
Tax advisory services	1 098	709
Other services	571	520
Total	**8 875**	**7 099**

NOTE 18 The 20 largest shareholders as at 31.12.

Shareholders	**Country**	**No. of shares held**	**Percentage**
NORDSTJERNAN AB	SWE	6 359 652	17.27
FOLKETRYGDFONDET	NOR	3 801 183	10.32
J.P. MORGAN CHASE BA NORDEA RE:NON-TREATY	GBR	1 990 851	5.41
PARETO AKSJE NORGE	NOR	1 641 325	4.46
J.P. MORGAN CHASE BA, SPECIAL TREATY LENDING	GBR	1 517 574	4.12
ODIN NORGE	NOR	1 432 808	3.89
BERIT VIGDIS EKORNES UNHJEM	NOR	1 080 331	2.93
GUNNHILD EKORNES MERTENS	NOR	1 075 050	2.92
STATE STREET BANK A/C CLIENT OMNIBUS F	USA	872 254	2.37
NORDEA NORDIC SMALL	FIN	854 530	2.32
SKANDINAVISKA ENSKILDA BANKEN AB	SWE	730 000	1.98
J.P. MORGAN CHASE BANK A/C US RESIDENT NON TREATY LEND.AC	GBR	727 860	1.98
PARETO AKTIV	NOR	703 950	1.91
NILS GUNNAR HJELLEGJERDE	THA	566 000	1.54
TORILL ANNE EKORNES	NOR	523 897	1.42
MP PENSJON PK	NOR	440 777	1.20
RBC INVESTOR SERVICES BANK S. A	LUX	428 672	1.16
KJETIL EKORNES	NOR	394 959	1.07
FIDELITY INVESTMENT TRUST:	USA	381 197	1.04
MORGAN STANLEY & CO. INTERNATIONAL	GBR	379 395	1.03
		25 902 265	**70.34**

NOTE 19 Acquisition of subsidiary

Ekornes ASA acquired the IMG group of companies with effect from 1.11.2014. IMG Group is now organised as a wholly owned sub-group of Ekornes ASA. The acquisition was undertaken through the purchase of shares in individual companies, as well as their contents. Ekornes ASA established the company IMG Group AS, with the subsidiary IMG Skandinavia AS. IMG Skandinavia AS bought the contents of the former IMG group's Norwegian sales company. IMG Group AS bought the production companies IMG Vietnam and IMG Thailand, as well as the sales companies IMG Australia and IMG New Zealand. IMG Group AS has also bought the company Mødeldesign AS, and has made additional contents purchases from IMG BVI.

In taking over IMG, Ekornes acquired an already established furniture producer, and synergies are expected to result from the transaction. The products that IMG sells will complement Ekornes's existing portfolio.

In the two months in which it was consolidated, IMG had gross revenues of NOK 68 million and made a loss before tax of NOK 18.3 million. Included in IMG's figures are acquisition costs of NOK 12.5 million. A part of the "earn-out" sum (see below) amounting to NOK 11.5 million was charged to expenses, as was NOK 11.5 million in increased internal profit on inventory since the date of acquisition. Excluding these extraordinary items, IMG's would have made a profit before tax of NOK 17.2 million. It is management's estimate that without transaction costs and earn-out, IMG would have had revenues of NOK 328 million and a profit before tax of NOK 78.5 million for 2014 as a whole

The acquisition has been settled through a cash payment of NOK 389 million. In addition, the seller has a potential supplementary consideration capped at NOK 150 million. This is contingent on certain EBIT targets being reached by the end of 2016, and on the seller performing certain services to IMG/Ekornes during the entire period. Due to the agreement's contents, it cannot be considered part of the purchase price in accordance with IFRS 3. The expected accrued contingent consideration is therefore recognised in expenses as a fee.

As at 31.12.2014, a provision of NOK 11.5 million has been recognised in connection with the contingent consideration. Payment will take place in 2017, if appropriate.

In connection with the acquisition legal fees and due diligence costs of NOK 12.5 million have accrued. The has been recognised in expenses as "Other sales and administration costs".

Land and buildings	33 000
Plant, equipment and operating movables	15 000
R&D costs	2 000
Inventory	105 000
Trade receivables	40 000
Other current liabilities	35 000
Cash and bank deposits	15 000
Non-current liabilities	-2 000
Trade payables	-32 000
Tax payable	-5 000
Public charges payable	3 000
Short-term interest-bearing debt	-41 000
Other current liabilities	-5 000
Total net identifiable assets taken over	**163 000**

The fair value of the most important assets acquired has been calculated in the following way:

Assets	Valuation method
Operating assets	Property, plant & equipment are primarily factories and production equipment in Vietnam and Thailand. They are relatively new, such that book value and fair value are deemed to be practically the same.
Inventory	Book value and fair value are deemed to be practically the same.
Trade receivables	Book value and fair value are deemed to be practically the same.

NOTE 19 Acquisition of subsidiary (continued)

Intangible assets
As part of the overall valuation, the value of customer relations has been assessed.

These are deemed to have a combined value of NOK 22 million, of which NOK 18 million is considered tax deductible. Goodwill from the transaction breaks down as follows (in NOK 1 000):

Purchase price	389 000
Net recognised assets	163 000
Paid in excess of recognised assets	226 000
Identified value of customer relations	22 000
Goodwill	**204 000**

Goodwill relates primarily to IMG's existing organisation, employees and their competence, as well as expected synergies resulting from the transaction.

Goodwill includes intangible assets which cannot be recognised separately.

Capitalised goodwill is in its entirety deemed to be tax deductible goodwill, since it derives from the purchase of contents.

NOTE 20 Group entities

Shares in subsidiaries	Business office	Shareholding	Voting share
Owned directly:			
J. E. Ekornes AS	Ikornnes	100 %	100 %
Ekornes Beds AS	Fetsund	100 %	100 %
Ekornes Skandinavia AS	Ikornnes	100 %	100 %
Ekornes Contract AS	Sykkylven	100 %	100 %
J. E. Ekornes ApS, Danmark	Odense	100 %	100 %
Ekornes K.K, Japan	Tokyo	100 %	100 %
OY Ekornes AB, Finland	Helsinki	100 %	100 %
Ekornes Inc., USA	Somerset, N.J	100 %	100 %
Ekornes Ltd., England	London	100 %	100 %
Ekornes Möbelvertriebs GmbH, Tyskland	Hamburg	100 %	100 %
Ekornes S.A.R.L, Frankrike	Pau	100 %	100 %
Ekornes Iberica SL, Spania	Barcelona	100 %	100 %
Ekornes Asia Ltd., Singapore	Singapore	100 %	100 %
Ekornes Latin America Ltda, Brazil	São Paulo	100 %	100 %
Ekornes Pty Ltd, Australia	Sydney	100 %	100 %
IMG Group AS	Sykkylven	100 %	100 %
Owned indirectly:			
J. E. Ekornes USA, Inc, USA	Morganton, NC	100 %	100 %
Ekornes Malaysia SDN BHD, Malaysia	Kuala Lumpur	100 %	100 %
Ekornes Taiwan Ltd., Taiwan	Taipei	100 %	100 %
Møbeldesign AS	Ørskog	100 %	100 %
IMG ASIA Co., Ltd, Thailand	Chacheongsao	100 %	100 %
IMG Hjellegjerde Vietnam	Ben Cat Town	100 %	100 %
IMG Skandinavia AS	Sykkylven	100 %	100 %
IMG Holdco AS	Sykkylven	100 %	100 %
IMG Australia Pty Ltd	Victoria	100 %	100 %
IMG New Zealand Ltd	Auckland	100 %	100 %

NOTE 21 Subsequent events

In January 2015, IMG Group AS acquired all the shares in IMG Inc., which has imported IMG's products to the USA. The agreed consideration is USD 3.8 million, assuming a debt-free company and a working capital of at least USD 2 million.

Apart from the above, no material events have occurred from the balance sheet date until the presentation of the financial statements which have materially affected the Group's financial position and which should have been reflected in the financial statements here presented.

Ekornes ASA
FINANCIAL STATEMENTS

INCOME STATEMENT 2014

(Figures in NOK 1 000)	Notes	2014	2013
Operating revenues and expenses			
Sales revenues	3	53 102	87 471
Other revenues	3	217 766	152 408
Total operating revenues	2, 3	**270 867**	**239 879**
Materials		37 798	72 293
Salaries & national insurance contributions	5, 6	65 391	62 312
Depreciation	7	66 168	68 244
Other operating expenses	6	119 398	133 840
Total operating expenses		**288 754**	**336 689**
OPERATING PROFIT		**-17 887**	**-96 810**
Financial income and expenses			
Dividend and group contribution	4	257 059	299 865
Financial income	4	4 891	3 675
Gains/loss on currency exchange	4	13 397	67 879
Financial expenses	4	-3 188	-4 968
Net financial items		**272 159**	**366 451**
ORDINARY PROFIT BEFORE TAX		**254 272**	**269 641**
Tax on ordinary profit	14	-51 186	-56 857
PROFIT FOR THE YEAR		**203 087**	**212 784**
DISTRIBUTED AS FOLLOWS			
Proposed dividend	15	-147 307	-202 547
Proposed group contribution	15	-24 900	
Tax group contribution	15	6 723	
Proposed group contribution	15	18 177	
Other equity	15	-55 780	-10 237
Total distributed		**-203 087**	**-212 784**

BALANCE SHEET 31.12.2014

ASSETS (Figures in NOK 1 000)	Notes	31.12.2014	31.12.2013
Non-current assets			
Software	7, 12	62 418	56 528
Deferred tax assets	14		796
Total non-current intangible assets	8	**62 418**	**57 323**
Buildings, land etc.	7, 12	558 829	583 515
Operating movables, fixtures	7, 12	2 265	13 132
Total property, plant & equipment		**561 094**	**596 646**
Shares in subsidiaries	9	138 704	33 644
Receivables subsidiaries	11, 13	500 750	169 070
Other long-term receivables and investments	10	10 272	9 722
Total non-current financial assets		**649 726**	**212 435**
Total non-current assets		**1 273 238**	**866 405**
Current assets			
Inventory finished goods		2 347	2 556
Trade receivables	2	870	6 565
Public charges/VAT receivables		9 732	10 735
Other short-term receivables		4 076	8 402
Dividend from group companies		87 059	87 536
Receivables from subsidiaries	13	426 656	299 617
Cash and bank deposits	16	3 012	237 620
Total current assets		**533 751**	**653 031**
TOTAL ASSETS		**1 806 990**	**1 519 436**

(Continued on next page)

BALANCE SHEET 31.12.2014 (CONTINUED)

EQUITY AND LIABILITIES (Figures in NOK 1 000)	Notes	31.12.2014	31.12.2013
EQUTITY			
Share capital	15, 17	36 827	36 827
Premium reserve	15	386 321	386 321
Other equity deposits	15	1 983	1 983
Total equity deposits		**425 131**	**425 130**
Other equity	15	847 908	791 685
Total retained earnings		**847 908**	**791 685**
Total equity		**1 273 038**	**1 216 815**
Non-current liabilities			
Long-term pension liabilities	6	121	1 033
Deferred tax	14	5 037	
Total non-current liabilities		**5 157**	**1 033**
Current liabilities			
Debt to credit institutions	12	303 544	
Trade payables		11 309	24 729
Dividend	15	147 307	202 547
Public charges payable		4 443	4 626
Current liabilities subsidiaries	13	6 723	
Tax payable	14	38 711	51 607
Other current liabilities	6	16 757	18 079
Total current liabilities		**528 794**	**301 588**
TOTAL EQUITY AND LIABILITIES		**1 806 990**	**1 519 436**

Ikornnes, 31st December 2014/25th March 2015

The Board of Ekornes ASA

Kjersti Kleven
Chair

Jarle Roth
Vice-Chair

Nora Förisdal Larssen

Stian Ekornes

Lars I. Røiri

Sveinung Utgård

Tone Helen Hanken

Aslak Hestholm

Olav Holst-Dyrnes
CEO

CASH FLOW STATEMENT

(Figures in NOK 1 000)	2014	2013
Cash flow from operating activities		
Profit before tax	254 272	269 641
Tax paid	-51 527	-76 016
Profit/loss on sale of non-current assets		60
Depreciation	66 168	68 244
Impairment of non-current financial assets		3 000
Changes in inventory	209	-74
Changes in trade receivables	5 695	-1 137
Changes in intra-group receivables	-145 660	59 001
Changes in trade payables	-13 420	5 481
Diff. between pension cost and amount paid into/out of pension scheme	-469	-299
Changes in other current balance sheet items	3 824	11 188
Net cash flow from operating activities	**119 093**	**339 088**
Cash flow from investing activities		
Proceeds from sale of property, plant & equipment		160
Investments in property, plant & equipment	-36 506	-87 209
Investments in shares and partnerships	-105 610	
Lending to subsidiaries	-312 582	
Net cash flow from investing activities	**-454 698**	**-87 049**
Cash flow from financing activities		
Receipts of new short-term borrowings	303 544	
Dividend paid	-202 547	-202 520
Net cash flow from financing activities	**100 996**	**-202 521**
Net change in cash and cash equivalents	**-234 609**	**49 518**
Cash and cash equivalents at the beginning of period	237 620	188 102
Cash and cash equivalents at the end of period	**3 012**	**237 620**

NOTE 1 Accounting principles

BASIC PRINCIPLES – ASSESSMENT AND CLASSIFICATION

The financial statements comprise the profi t and loss account, the balance sheet, cash flow statement and notes to the fi nancial statements. They have been prepared in accordance with the Public Limited Companies Act, the Accounting Act and generally accepted accounting practice in Norway, as applicable at 31 December 2014. The notes are therefore an integral part of the financial statements for the year.

The financial statements are based on the fundamental principles of historic cost, comparability, going concern, congruence and prudence. Transactions are recognised at the value of the consideration on the date of the transaction. Revenues are recognised when they are earned and costs are matched with earned revenues. Account is taken of hedging and portfolio management. The accounting principles are elaborated below.

Assets/liabilities relating to the production cycle, and items falling due for payment within a year of the balance date, are classifi ed as current assets/current liabilities. Current assets/current liabilities are valued at the lower/higher of acquisition cost and fair value. Fair value is defined as the estimated future sales price, less anticipated sales costs. Other assets are classifi ed as non-current assets. Non-current assets are valued at acquisition cost. Non-current assets, whose value fall over time, are depreciated. If the value of an asset is impaired and the impairment is not expected to be of a temporary nature, the value of the non-current asset is written down. Similar principles normally also apply to liabilities.

OPERATING REVENUES

Ekornes sells goods in markets where Ekornes does not have its own sales companies. Revenues from the sale of goods are recognised when delivery has occurred, and the bulk of the associated risk and control has been transferred to the customer. A variety of delivery terms are employed, and the date on which revenues are recognised will depend on the actual delivery terms. Agreements contain no stipulations that have required Ekornes to defer all or part of the revenue concerned after the goods are deemed to have been delivered in accordance with the delivery terms. Where Ekornes assumes the risk with respect to the goods up to acceptance by the customer, the goods are insured in transit. Sales revenues are presented net of VAT and discounts.

RECEIVABLES AND LIABILITIES IN FOREIGN CURRENCIES

Cash and cash equivalents, receivables and liabilities denominated in foreign currencies are translated at the rate of exchange on the balance sheet date. The company has entered into forward currency contracts to reduce its foreign exchange risk. The company has used hedge accouting and has applied alternative 2 for cash-flow hedging in NRS with respect to financial assets and liabilities, where the value of the forward currencies is not capitalised and where recognition in profit and loss is not performed until the forward contracts have materialised. The company has prepared hedging documentation and perfomed tests of the effectiveness of the hedging, and has concluded that the hedging is effective, since it is expected that the hedging instrument will fall due at approximately the same time as the object hedged.

TREATMENT OF SUBSIDIARIES IN THE PARENT COMPANY ACCOUNTS

The parent company's investment in subsidiaries is valued at the lower of acquisition cost and fair value.

TRADE RECEIVABLES

Trade receivables are recorded at face value, less deductions for anticipated bad debts.

INVENTORY

Inventory is valued at the lower of acquisition cost and anticipated sales price less sales costs. Deductions have been made for obsolescence.

PROPERTY, PLANT & EQUIPMENT

Property, plant & equipment are recorded as assets on the balance sheet at the original acquisition cost plus appreciation, less deduction for accumulated depreciation. Depreciation is calculated in a straight line over the economic life of the asset on the basis of original acquisition cost plus appreciation. Appreciation dates from before the Accounting Act was amended in 1998.

MAJOR INDIVIDUAL TRANSACTIONS

The effects of major individual transactions are shown as separate lines in the income statement and/or commented on in the notes.

PENSION

The Company has adopted the alternative in IAS 19. Actuarial gains and losses are recognised directly in equity.

RELATED PARTIES

Related parties are defined as group companies, major shareholders, directors of the Company or its subsidiaries, and senior executives. Agreements relating to the remuneration paid to the board of directors and senior executives are detailed in Note 6. No material transactions or agreements with related parties were concluded during the 22014 financial year or those years for which comparable fi gures are given, other than normal business transactions between group companies.

TAX

Deferred tax liabilities are calculated on the basis of temporary differences between the gains/losses recognised in the fi nancial statements for the year and the gains/losses recognised for tax purposes. A nominal tax rate is used for calculation purposes. Positive and negative diff erences are set off against each other within the same period. A deferred tax asset arises if temporary diff erences give rise to a future tax deduction. The tax expense for the year comprises changes in deferred tax liabilities and deferred tax assets as well as tax payable for the financial year, adjusted for possible errors in previous years' calculations.

NOTE 2 Financial market risk

Ekornes sells its products internationally and invoices its customers in the respective country's unit of currency.

To reduce the company's foreign exchange risk Ekornes uses financial instruments. The Company uses forward contracts as financial instruments. The entering into of currency contracts is assessed in light of the net effect of sales and purchases.The Company seeks to hedge its anticipated future net foreign exchange exposure up to 36 months ahead. As part of the Company's efforts to reduce its foreign exchange exposure, the Company also seeks to buy goods and services internationally in corresponding currencies if it is profitable to do so.

Hedging through the use of financial instruments is carried out as long as the exchange rate that can be achieved is equal to or better than the company's budgeted rates. If the exchange rate achievable is below this level, the company postpones further hedging of this type until the situation has improved. If exchange rates remain lower than those budgeted for over a long period, various strategies for adjusting to a new and lower exchange rate are assessed and implemented as appropriate.

Hedging is not recognised until the transaction has materialised.

Unrecognised gains and losses on hedging: (Figures in NOK 1 000)	**2014**	**2013**
In this period	-274 881	-224 721
Unrealised as at 31.12	-261 964	12 917

Of unrealised amounts as at 31.12.14, NOK -86 million is expected to fall due in 2015, NOK -75 million in 2016 and NOK -101 million in 2017.

The changes in the value of hedging instruments is estimated by obtaining a valuation of the forward contracts from the banks.

Credit and market risk
The vast majority of the company's receivables are from its own subsidiaries. The risk of loss is therefore deemed to be low.

Liquidity risk
The company's cash reserve indicates that the liquidity risk is low.

NOTE 3 Sales revenues

(Figures in NOK 1 000)	**2014**	**2013**
Norway	10	132
Europe	3 872	3 263
Asia (excl. Japan)	47 242	55 223
Oceania	26	26 481
Other	1 952	2 372
Total sales revenues	**53 102**	**87 471**

(Figures in NOK 1 000)	**2014**	**2013**
Rental income	56 550	56 550
Services to subsidiaries	92 929	95 858
Agio	68 287	
Total sales revenues	**217 766**	**152 408**

Ekornes ASA has an agreement with other Norwegian subsidiaries that these will receive payment for sales at agreed exchange rates, such that the subsidiaries do not incur any currency risk. The difference between the exchange rates agreed with the subsidiaries and the market rates is shown as agio/disagio under “Other operating revenues”

NOTE 4 Merged items

(Figures in NOK 1 000)	2014	2013
Financial income and expenses		
Dividends from subsidiaries	87 059	90 965
Group contributions received	170 000	208 900
Total dividend and group contributions	**257 059**	**299 865**
Other interest income from subsidiaries	3 645	3 060
Other financial income	1 246	615
Total financial income	**4 891**	**3 675**
Net gain/loss on foreign exchange	**13 397**	**67 879**
Other interest expenses	-2 764	-1 482
Other financial expenses	-423	-3 486
Total financial expenses	**-3 187**	**-4 968**
Net financial items	**272 159**	**366 451**

In the parent company's financial statements, dividends from subsidiaries is recognised in the year in which it is earned by the subsidiary, if it is clear that dividend will be paid by the subsidiary to the parent company. Net agio/disagio under financial items applies principally to gains/losses on realised forward currency contracts.

NOTE 5 Salaries, number of employees, remuneration and pensions

(Figures in NOK 1 000)	2014	2013
Salaries	53 297	50 776
National insurance contributions	7 961	7 484
Pension costs	2 273	2 127
Other personnel expenses	1 860	1 926
Total	**65 391**	**62 313**
Average number of full-time equivalents	66	67

NOTE 6 Employee benefits

Pension liabilities

A Group pension scheme (defined contribution plan) has been established for the employees of the company. The Company has also pensions expensed continuously plus an old early retirement scheme (AFP), which are treated for accounting purposes as defined benefit schemes. The new AFP scheme is recognised as a defined contribution plan.

The Company has elected to manage pension costs and liabilities under IAS 19, and in conformity with IAS 19.93A all actuarial gains and losses are recognised directly in equity. The effect of this is shown in the equity note.

Pension costs (Figures in NOK 1 000)	2014	2013
Pensions paid (defined contribution scheme)	2 255	2 087
Interest expenses on pension liabilities	18	40
Total	**2 273**	**2 127**

Reconciliation of the scheme funding position and the amounts disclosed in the balance sheet (Figures in NOK 1 000)	31.12.2014	31.12.2013
Accumulated pension liabilities	106	906
Accrued national insurance contributions	15	128
Net pension liabilities	**121**	**1 033**
Financial assumptions:		
Discount rate	2.30 %	3.30 %
Expected increase in salaries	2.75 %	4.00 %
Expected increase in pensions	2.50 %	3.00 %
Expected increase in government contribution	2.50 %	3.75 %

Mandatory pension scheme

The Company must, according to Norwegian law, establish pension schemes for its employees. The Company has pension schemes that are in compliance with Norwegian law.

Declaration of the Board of Directors remuneration policy with respect to senior executives

A major element in the Company's remuneration policy is that executives should be offered competitive terms, with a salary comparable to similar positions in their national labour markets. The Company has established bonus schemes based on the financial performance of the profit centre for which the individual executive is responsible, that form a major part of the overall compensation package. Salary and other remunerations are mainly adjusted in accordance with developments in salary/price levels in the country in which the position is located. In 2014, the remuneration policy has complied with the declaration presented to the AGM in 2014. A new declaration will be presented at the AGM in 2015.

Special agreements

Individual bonus agreements for 2014 have been entered into with seven members of group management. The bonus schemes for six of these is dependent on the Group's total return on capital. The maximum payable bonus equals 0.087% of the Group's profit before tax if total return on capital reaches 33% or more. The bonus of the seventh member of group management depends on the individual company's revenues and profits.

In connection with the resignation of its CEO, Ekornes needed to fill the position of CEO on a temporary basis until a permanent replacement could be found. Former CEO Nils-Fredrik Drabløs served as acting CEO from 3.12.12 until 13.10.14.

Olav Holst-Dyrnes took over as new CEO on 13.10.14. In addition to ordinary salary, a bonus agreement has been entered into. The terms of the bonus agreement will be determined by the board of directors. In the even of his resignation, 6 months' severance pay has been agreed.

Bonus-based payments

Employee bonus

Employee bonuses are calculated as a percentage of monthly salary, and depend on the operating margin recognised in the consolidated financial statements. The bonus scheme applies only to those who do not receive payments under any other personal bonus arrangement. If the personal bonus is lower than the collective bonus, the difference is paid out. The individual's bonus is calculated pro rata in relation to the number of months employed during the year. Only those employed as at 31.12.2014, as well as those who have retired during 2014, are entitled to receive a bonus for 2014. For accounting purposes the bonus is treated as a cash bonus.

Employees of IMG are not covered by this scheme.

NOTE 6 Employee benefits (continued)

Remuneration to members of Group Management in 2014

(Figures in NOK)	Nils-Fredrik Drabløs	Olav Holst-Dyrnes	Arve Ekornes	Runar Haugen	Geir Balsnes
Salaries 2014	2 868 591	614 421	1 659 385	2 294 875	1 735 184
Bonus 2014 (calculated provision)		10 752	99 568	99 568	99 568
Pension			68 225	70 516	62 782
Other remunerations	11 944	7 779	46 613	60 967	35 880
Total	**2 880 535**	**632 952**	**1 873 791**	**2 525 926**	**1 933 414**

Remuneration to members of Group Management in 2014

(Figures in NOK)	Svein Lunde	Robert Svendsen	Ola Arne Ramstad	Jon-Erlend Alstad
Salaries 2014	2 364 571	2 657 170	1 708 432	2 003 575
Bonus 2014 (calculated provision)	99 568	99 568	99 568	34 798
Pension		68 983	71 650	61 249
Other remunerations	24 016	128 028	45 168	12 822
Total	**2 488 155**	**2 953 749**	**1 924 818**	**2 112 444**

Remuneration to Board Members in 2014

(Figures in NOK)	Olav-Kjell Holtan	Kjersti Kleven	Stian Ekornes	Bjørn Gulden	Nora F. Larssen	Torill Svendsen (vara)	Sveinung Utgård	Tone Helen Hanken
Salaries 2014						404 199	737 389	308 371
Bonus 2014 (calculated provision)							12 904	5 341
Pension						19 470	41 301	15 180
Directors' fee	560 000	516 333	157 000	60 000	292 000		125 000	125 000
Other remunerations						1 350	5 742	1 350
Total	**560 000**	**516 333**	**157 000**	**60 000**	**292 000**	**425 019**	**922 336**	**455 242**

Remuneration to Board Members in 2014

(Figures in NOK)	Atle Berntzen	Jarle Roth	Lars I. Røiri	Aslak Hestholm	Anne Marie Smoge (vara)	Else Marie Rønning (vara)	Ove Fagerheim (vara)	Wenche Elvegård
Salaries 2014	441 150			400 724	348 618	678 398	358 286	438 309
Bonus 2014 (calculated provision)	7 445			6 902	5 830	11 794	6 175	7 606
Pension	22 072			16 994	18 940	36 557	21 058	22 392
Directors' fee	62 500	168 000	166 833	65 000			6 000	60 000
Other remunerations	4 286			1 350	1 350	7 742	1 350	5 742
Total	**537 453**	**168 000**	**166 833**	**490 970**	**374 738**	**734 491**	**392 869**	**534 049**

Ekornes has no share-based incentive schemes.

Remuneration to Auditor (Figures in NOK)	2014	2013
Audit fee	2 355	2 113
Tax advisory services	84	37
Total	**2 440**	**2 150**

NOTE 7 Property plant and equipment

(Figures in NOK 1 000)	Software	Sites, buildings	Operating movables, fixtures etc.	Total
Acquisition value at 01.01	198 831	1 055 142	16 165	1 270 138
+ additions	26 592	9 347	566	36 506
- disposals at acquisition value				
Acquisition value at 31.12	**225 423**	**1 064 490**	**16 731**	**1 306 644**
Acc. ordinary depreciations at 01.01	132 782	471 591	12 592	616 964
+ the year's ordinary depreciations	30 223	34 070	1 875	66 168
- acc. ord. dep sold non-curr. assets				
Acc. ordinary depreciation at 31.12	**163 005**	**505 660**	**14 467**	**683 132**
Book value 31.12	**62 418**	**558 829**	**2 265**	**623 512**
Depreciation rate	33 %	2-4 %	10-20 %	

The company has no material leasing contracts.

NOTE 8 Intangible assets

All costs relating to development, manufacturing and maintenance of products, product-rights and registered trademarks are recognised in expenses as they are incurred.

NOTE 9 Shares in subsidiaries

Shares in subsidiaries Ekornes ASA (Figures in NOK 1 000)	Business office	Shareholding	Voting share	Book value
Owned directly				
J. E. Ekornes AS	Ikornnes	100 %	100 %	6 000
Ekornes Beds AS	Fetsund	100 %	100 %	8 000
Ekornes Skandinavia AS	Ikornnes	100 %	100 %	1 242
Ekornes Contract AS	Sykkylven	100 %	100 %	9 192
J. E. Ekornes ApS, Danmark	Odense	100 %	100 %	204
Ekornes K.K, Japan	Tokyo	100 %	100 %	2 680
OY Ekornes AB, Finland	Helsinki	100 %	100 %	69
Ekornes Inc., USA	Somerset, N.J	100 %	100 %	3 000
Ekornes Ltd., England	London	100 %	100 %	225
Ekornes Möbelvertriebs GmbH, Tyskland	Hamburg	100 %	100 %	415
Ekornes S.A.R.L, Frankrike	Pau	100 %	100 %	550
Ekornes Iberica SL, Spania	Barcelona	100 %	100 %	79
Ekornes Asia Ltd., Singapore	Singapore	100 %	100 %	1 875
Ekornes Latin America Ltda, Brazil	São Paulo	100 %	100 %	
Ekornes Pty Ltd., Australia	Sydney	100 %	100 %	113
IMG Group AS	Sykkylven	100 %	100 %	105 060
Total directly				**138 704**
Owned indirectly				
J. E. Ekornes USA, Inc, USA	Morganton, NC	100 %	100 %	3 007
Ekornes Malaysia SDN BHD, Malaysia	Kuala Lumpur	100 %	100 %	
Ekornes Taiwan Ltd., Taiwan	Taipei	100 %	100 %	88
Møbeldesign AS	Ørskog	100 %	100 %	17 957
IMG ASIA Co., Ltd, Thailand	Chacheongsao	100 %	100 %	37 247
IMG Skandinavia AS	Sykkylven	100 %	100 %	60
IMG Holdco AS	Sykkylven	100 %	100 %	35 605
IMG Hjellegjerde (Vietnam) Co., Ltd.	Ben Cat Town	100 %	100 %	34 700
IMG Australia Pty	Victoria	100 %	100 %	30 783
IMG New Zealand Ltd.	Auckland	100 %	100 %	1 642
IMGC Pty Ltd. Australia	Melbourne	100 %	100 %	
Total indirectly				**161 089**
Total				**299 793**

NOTE 10 Shares in other companies, etc.

Shares in other companies (Figures in NOK 1 000)	Share	Acquisition Cost	Book value
Non-current assets			
Sykkylvsbrua AS	37.5 %	8 790	8 141
Other shares		1 562	1 562
Other long-term receivables and investments		569	569
Total		**10 921**	**10 272**

Sykkylvsbrua AS is not treated as an associate company since the Group has no entitlement to any share of its profits.

NOTE 11 Receivables falling due more than a year hence

(Figures in NOK 1 000)	2014	2013
Loans to group companies	500 750	169 070
Total	**500 750**	**169 070**

NOTE 12 Loans, secured loans and guarantees

The company had NOK 303,544,000 in interest-bearing debt as at 31.12.2014 (2013: NOK 0).
As at 31.12.14 Ekornes had unused drawing rights on its banks. Land, buildings and operating assets have been pledged as sureties. See Note 16 for further details.

NOTE 13 Intra-group balances and accounts

All intra-group balances are shown on separate lines in the balance sheet.

Transactions with subsidiaries (Figures in NOK 1 000)	
Sale of goods	26 035
Purchases	38 221
Sale of services	90 334
Group contribution and dividend received	257 059
Commission	16 569
Interest income	3 645
Rental income	56 550

NOTE 14 Tax and temporary differences

(Figures in NOK 1 000)	2014	2013
Tax payable:		
Pre-tax profit	254 272	269 641
Permanent differences	-88 135	-85 959
Changes in temporary differences	-18 507	1 712
This year's tax base	**147 630**	**185 395**
Tax payable on profit for the year	**39 860**	**51 911**
Tax expense:		
Tax payable on profit for the year	39 860	51 911
Correction to tax payable previous year	1 520	
Gross change in deferred tax	5 832	1 230
Withholding tax	4 138	3 703
Deferred tax on income/expenses recognised in equity	-164	13
Total tax	**51 186**	**56 857**
Tax payable in the balance sheet:		
Tax payable on profit for the year	39 860	51 911
Tax on group contributions	-6 723	
Tax paid this year	-495	-303
Corrections on previous years	1 931	
Withholding tax on dividends received	4 138	
Tax payable in the balance sheet	**38 711**	**51 607**
Temporary differences linked to:	**31.12.2014**	**31.12.2013**
Non-current assets	23 739	8 364
Current assets	-4 964	-9 077
Liabilities	-19 214	-18 233
Total temporary differences	**-439**	**-18 947**
Excluded differences	19 093	16 000
Basis for deferred tax	**18 654**	**-2 947**
Deferred tax/ Deferred tax assets	**5 037**	**-796**

Excluded differences are write-downs on receivables from subsidiaries. They are not included in the basis for deferred tax assets, since it is uncertain whether or not the differences will be reversed; and if so, when.

NOTE 15 Shareholder's equity

(Figures in NOK 1 000)	Share capital	Other eqt deposits	Premium reserve	Other equity	Total
Equity 1.1.2013	**36 827**	**1 983**	**386 321**	**781 457**	**1 206 588**
Profit for the year				212 784	212 784
Acturial loss defined benefit plans				-49	-49
Change deferred tax pensions				13	13
Dividend repaid				27	27
Allocated dividend				-202 547	-202 547
Equity 1.1.2014	**36 827**	**1 983**	**386 321**	**791 685**	**1 216 816**
Profit for the year				203 087	203 087
Acturial loss defined benefit plans				608	608
Change deferred tax pensions				-164	-164
Allocated dividend				-147 307	-147 307
Equity 31.12.2014	**36 827**	**1 983**	**386 321**	**847 909**	**1 273 040**

The company has given group contributions with tax effect, and received group contributions without tax effect. This has no impact on equity.

NOTE 16 Cash and cash equivalents as at 31.12

The Company has the following cash reserves and drawing rights:

(Figures in NOK 1 000)	2014	2013
Cash and bank deposits	3 012	237 620
Unused credit facilities	477 052	315 000
Total	**480 064**	**552 620**

In the statement of cash flow, only cash and bank deposits are recognised as cash and cash equivalents. NOK 3,012,000 of the company's bank deposits are restricted to the payment of employee tax deductions (2013 NOK 3,184,000).

The parent company's main banking services providers have granted drawing rights capped at a combined total of NOK 765 million, subject to specific terms.

The company has a group account scheme, which includes the Norwegian subsidiaries but not IMG or certain non-Norwegian subsidiaries. Bank deposits in the balance sheet also include the subsidiaries' contributions to the group account scheme in 2013 and which reduce short-term debt to credit institution in 2014.

NOTE 17 Share capital and shareholders

All shares in Ekornes ASA are A-shares. A total of 9,488,000 shares (6,603,000) in Ekornes ASA were traded on the Oslo Stock exchange in 2014 (2013).

	2014
Total number of shares in Ekornes ASA, 31.12.2014	36 826 753
Face value	NOK 1,-
Book value at 31.12.2014	36 826 753
Number of shareholders as at 31.12.2014	2 516
Norwegian	2 334
Non-Norwegian	182

No. of shares owned by senior executives and members of the board as at 31 December 2014

Shareholders	Function	Number of shares
Stian Ekornes	Board member	103 588
Lars I. Røiri	Board member	2 300
Tone H. Hanken	Board member	1 084
Arnstein E. Johannessen	Deputy board member	1 312
Nils-Fredrik Drabløs	Former CEO	5 400
Ola Arne Ramstad	Production Director Stressless®	525
Runar Haugen	Group Marketing Director	300

The 20 largest shareholders as at 31.12.2014

Shareholders	Country	No. of shares held	Percentage
NORDSTJERNAN AB	SWE	6 359 652	17.27
FOLKETRYGDFONDET	NOR	3 801 183	10.32
J.P. MORGAN CHASE BA NORDEA RE:NON-TREATY	GBR	1 990 851	5.41
PARETO AKSJE NORGE	NOR	1 641 325	4.46
J.P. MORGAN CHASE BA, SPECIAL TREATY LENDING	GBR	1 517 574	4.12
ODIN NORGE	NOR	1 432 808	3.89
BERIT VIGDIS EKORNES UNHJEM	NOR	1 080 331	2.93
GUNNHILD EKORNES MERTENS	NOR	1 075 050	2.92
STATE STREET BANK A/C CLIENT OMNIBUS F	USA	872 254	2.37
NORDEA NORDIC SMALL	FIN	854 530	2.32
SKANDINAVISKA ENSKILDA BANKEN AB	SWE	730 000	1.98
J.P. MORGAN CHASE BANK A/C US RESIDENT NON TREATY LEND.AC	GBR	727 860	1.98
PARETO AKTIV	NOR	703 950	1.91
NILS GUNNAR HJELLEGJERDE	THA	566 000	1.54
TORILL ANNE EKORNES	NOR	523 897	1.42
MP PENSJON PK	NOR	440 777	1.20
RBC INVESTOR SERVICES BANK S. A	LUX	428 672	1.16
KJETIL EKORNES	NOR	394 959	1.07
FIDELITY INVESTMENT TRUST:	USA	381 197	1.04
MORGAN STANLEY & CO. INTERNATIONAL	GBR	379 395	1.03
		25 902 265	**70.34**

NOTE 18 Acquisition of subsidiary

Ekornes ASA acquired the IMG group of companies with effect from 1.11.2014. IMG Group is now organised as a wholly owned sub-group of Ekornes ASA. The acquisition was undertaken through the purchase of shares in individual companies, as well as their contents. Ekornes ASA established the company IMG Group AS, with the subsidiary IMG Skandinavia AS. IMG Skandinavia AS bought the contents of the former IMG group's Norwegian sales company. IMG Group AS bought the production companies IMG Vietnam and IMG Thailand, as well as the sales companies IMG Australia and IMG New Zealand. IMG Group AS has also bought the company Mødeldesign AS, and has made additional contents purchases from IMG BVI.

In taking over IMG, Ekornes acquired an already established furniture producer, and synergies are expected to result from the transaction. The products that IMG sells will complement Ekornes's existing portfolio.

DECLARATION BY THE BOARD OF DIRECTORS AND CEO

The board of directors and CEO have today reviewed and approved the annual statement and year-end financial statements for Ekornes ASA, the Group and parent company, for the calendar year 2014 and as at 31 December 2014 (2014 annual report). The consolidated financial statements have been prepared in accordance with EU-approved IFRSs and associated statements of interpretation, as well as additional Norwegian disclosure requirements pursuant to the Norwegian Accounting Act and applicable as at 31.12.14. The year-end financial statements for the parent company has been prepared in accordance with the Norwegian Accounting Act and generally accepted Norwegian accounting practice as at 31.12.14. The annual report, including the reports on corporate governance and social responsibility for the Group and parent company are in accordance with the Accounting Act's requirements and Norwegian accounting standard No. 16 as at 31.12.2014.

It is our firm conviction that:

- the 2014 financial statements for the Group and Parent company, have been prepared in accordance with applicable accounting standards.
- information in the statements provides a true and fair view of the Group and parent company's assets, liabilities and financial position, and its performance as a whole as at 31 December 2014.
- the annual report for the Group and Parent company gives a true and fair view of the development, performance and position of the Group and parent company – the most important risks and uncertainties the Group and company are facing.

Ikornnes, 31st December 2014/25th March 2015

The Board of Ekornes ASA

Kjersti Kleven
Chair

Jarle Roth
Vice-Chair

Nora Förisdal Larssen

Stian Ekornes

Lars I. Røiri

Sveinung Utgård

Tone Helen Hanken

Aslak Hestholm

Olav Holst-Dyrnes
CEO

KPMG AS
P.O. Box 7000 Majorstuen
Sørkedalsveien 6
N-0306 Oslo

Telephone +47 04063
Fax +47 22 60 96 01
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the Annual Shareholders' Meeting of Ekornes ASA

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Ekornes ASA, which comprise the financial statements of the parent company Ekornes ASA and the consolidated financial statements of Ekornes ASA and its subsidiaries. The parent company's financial statements comprise the balance sheet as at 31 December 2014, the income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The consolidated financial statements comprise the balance sheet as at 31 December 2014, and the income statement and the statement of other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the parent company financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and for the consolidated financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Independent auditor's report 2014
Ekornes ASA

Opinion on the separate financial statements

In our opinion, the parent company's financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Ekornes ASA as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Ekornes ASA and its subsidiaries as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and the statements on Corporate Governance and Corporate Social Responsibility

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Accounting Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 24 April 2015
KPMG AS

Gunnar Sotnakk
State authorised public accountant

[Translation has been made for information purposes only]

HISTORY

1934 Production started at the J.E. Ekornes Fjærfabrikk in 1934, with three employees and German machinery. The Sunnmøre furniture industry had just started up and it was here that the founder, Jens E. Ekornes, found his first customers.

1937 The first Svane® mattresses were launched in three versions – Eva, Ideal and Rekord.

1948 The Swingbed was, for a time, one of Norway's best-selling beds. The "amazing sofa bed" was launched. Jens E. Ekornes supplies mattress springs to customers on the opposite side of the fjord.

1955 Mattress production is expanded.

1959 J.E. Ekornes Fabrikker AS begins production of foam rubber. This forms a very important part of the manufacturing process of Ekornes' own mattresses and furniture, although foam rubber is also produced for sale to other furniture manufacturers.

1963 The Combina series was launched in Germany, creating awareness of the potential in the German market. The Combina series, which had been developed three years earlier, became a solid success.

1966 Ekornes was the first furniture manufacturer in Norway to begin distributing product information to every household in Norway, known as "Svane® Information". Its success was followed up with annual direct mail from Ekornes for many years.

1971 The first Stressless® chairs were launched in the Norwegian market.

1972 Ekornes multiplied its production during the decade, thanks to the incorporation of, and collaboration with, other furniture manufacturers.

1975 Ekornes' Group turnover exceeds NOK 100 million.

1980 The Stressless® series' turnover exceeds NOK 100 million. Stressless® is introduced with a wooden base.

1983 Export exceeds NOK 100 million, and Stressless® no. 500,000 is produced. Conditions are now right to establish the sales company Ekornes Ltd. in England. The company's progress in the export market attracts attention, and Ekornes is awarded the 1983 Export Award.

1991 The Plus™ system is developed, patented and introduced on the Stressless® models.

1993 The DuoSystem® is launched. Customers can choose between a firmer or softer mattress simply by turning over the mattress – a competitive advantage unique to the Svane® mattress.

1995 Ekornes is listed on Oslo Stock Exchange.

1996 Ekornes takes over operation of Utgård Mestermøbler AS, Hareid. Ekornes Hareid AS is established on 25 April 1996, and is owned by Ekornes ASA.

1997 Ekornes acquires the company AS Vestlandske Møbler in Sykkylven. Ekornes passes NOK 1 billion in sales revenues.

1930s

1940s

1950s

1960s

2000 Construction starts on Ekornes' new Stressless® factory. The factory will provide increased capacity for further growth.

2001 Ekornes introduces a wider product range in the international markets. There are now 1,500 Ekornes® studios worldwide. Stressless® breaks the 1,000 unit production per day barrier. Ekornes opens new showrooms in Ålesund, at the Ekornes Bua.

2002 New Stressless® logo introduced.

2003 Sales revenues pass NOK 2 billion. Ekornes acquires the company Johan P. Tynes AS, which has been a supplier to Ekornes for many years.

2004 Launch of the Svane® Zenit mattress with IntelliGel®. Official opening of the new Stressless® plant in Sykkylven, 25 March 2004. Trade press names Ekornes "Industrial Company of the Year". Market survey shows that 36 million people in Europe and the USA recognise the Stressless® brand name..

2005 Ekornes is mentioned in Report No. 25 to the Storting on regional policy. Ekornes is pointed to as an example of Norwegian competence, technology and design succeeding in export markets.

2006 Ekornes establishes a presence in Singapore and Shanghai. Ekornes' Svane® mattresses are the first Norwegian mattresses on the consumer market to receive environmental certification, and the new Stressless® Jazz premieres in November.

2007 Construction of an extension of 4,600 Sqm. begins at Tynes in Sykkylven. A new deep-water wharf came into operation at the company's main facilities in Ikornnes. The wharf is 81 meter long, covers around 2,000 Sqm. and has room for some 80 containers.

2008 Ekornes sells trademark rights to Sacco®. Stressless® Jazz won the Norwegian Award for Design Excellence. Production starts at the upgraded and extended plant at Tynes in Sykkylven. Jens Petter Ekornes, former Managing Director, board member and CEO, passed away on 22 June 2008, after battling a long-term lung disease.

2009 On 8 January Ekornes decides to close its sofa factory at Stranda. Production of fixed-back sofas is transferred to Hareid. The Ekornes Group celebrates its 75th anniversary. The jubilee was marked by an open air concert in Sykkylven centre, and a jubilee book "Fra springfjær til Stressless®" (From Mattress Springs to Stressless®) by the historian Eldar Høidal. On 1 July 2009, a planned change of management took place in Ekornes, when Nils-Fredrik Drabløs handed the rudder to Øvind Tørlen. Nils-Fredrik Drabløs had requested to be relieved of his role. Øyvind Tørlen has been employed as deputy CEO since June 2007. Ekornes aims to operate its business with an expressed corporate social responsibility and has therefore joined the UN Global Compact. At the Ålesund autumn exhibition, Ekornes launched its new enhanced sitting comfort system, the ErgoAdapt™.

2010 Merger between J.E. Ekornes AS and Ekornes Møbler AS. Olav Kjell Holtan wins Norway's Chairperson of the Year award for 2010. Ekornes was a double prizewinner when the British interior design magazine, Interiors Monthly, announced its annual industry awards. Ekornes won the "Best Overseas Furniture Manufacturer" award and the award for "Best Marketing Support". Ekornes won its third Stockman Prize, in the category for small to medium-sized companies.Over 90 per cent of the Norwegian population recognises the Svane® and Stressless® brand names. According to a recent market survey carried out by Synovate on behalf of Ekornes, the three brands Ekornes®, Stressless® and Svane® are the most wellrecognised of all furniture manufacturers.

(Continued on next page)

1970s

1980s

1990s

2000s

HISTORY (continued)

2011 In 2011, the world's most famous furniture brand celebrates its 40th anniversary. Since its introduction in 1971 more than 6.5 million Stressless® seat units have been sold, and Stressless® has been registered as a trade mark in more than 60 countries. Around 2,500 distributors sell Stressless® products around the globe. In March, Ekornes starts using the world's first robot capable of sewing elastic materials. Ekornes ASA purchases the factory premises at Hareid, which had been leased since Ekornes took over the plant in 1996. In the autumn of 2011, J.E. Ekornes AS establishes sofa manufacturing facilities in the USA. J.E. Ekornes USA Inc., located in Morganton, North Carolina.

Ekornes overhauls its website and receives a total of three million separate hits in 2011. Ekornes also launches two iPad apps; "Investor Relations" and "The Comfort Collection".

For the third year running, Ekornes UK wins the British interior design magazine Interiors Monthly's award for "Best Marketing Support".

In Japan, Ekornes receives a gold medal for its home-cinema furniture in the Visual Grand Prix 2011. The VGP is a highly respected award in Japan, and is given to audio-visual products that stand out in their individual categories. Ekornes Asia is one of around 50 companies selected for inclusion in the 2011 edition of Hong Kong's Most Valuable Companies. In its review, the editors accord Ekornes the accolade "the Wellness Champion".

2012 The Svane® mattress brand celebrates its 75th anniversary. Svane® was the Norwegian furniture industry's first brand name.

Øyvind Tørlen steps down as the company's CEO. His decision was prompted by differences regarding the Group's future strategy. Nils-Fredrik Drabløs is appointed acting CEO with effect from 3 December.

Stressless® Office is launched.

Ekornes becomes Norway's most highly automated company, with the installation of industrial robot no. 100. Ekornes has 10 per cent of all the industrial robots in existence in Norway.

2013 The Stressless® City and Stressless® Metro are launched. These models have a completely new design, with steel/aluminium bases.

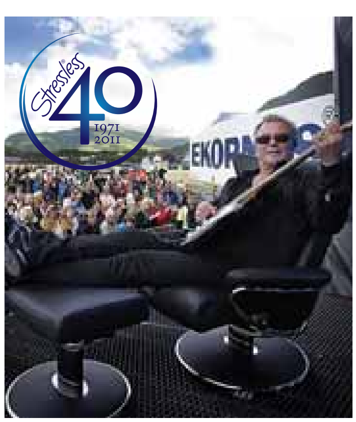
Ekornes introduces a new HSE and quality management system called TQM Enterprise.

For the fifth year running Ekornes UK wins the 'Best Marketing Support' award in 2013. It is also named 'Best Recliner Manufacturer'.

2014 Board Chair Olav Kjell Holtan dies suddenly on 4 March while on a business trip for Ekornes. Holtan had chaired Ekornes ASA's board of directors since 1990. At the AGM Kjersti Kleven is elected as the new Board Chair.

In May Olav Holst-Dyrnes is appointed as Ekornes ASA's new CEO. He takes up his appointment on 13 October. Holst-Dyrnes was previously CEO of Havfisk ASA. Holst-Dyrnes has previous experience of the furniture industry, through almost 6 yeasrs as Sourcing Manager for Stokke AS. He also spent a decade serving in the Norwegian armed forces.

2010



2011

2012

2013

Trine-Marie Hagen is appointed new chief financial officer (CFO). She replaces Robert Svendsen, who moved to a new position with the company. Ms Hagen takes up her post on 2 January 2015.

Ekornes ASA agrees to purchase the furniture producer IMG. IMG has a total of three factories in Thailand and Vietnam. Australia, the USA and the Nordic region are IMG's main markets. The transaction is completed on 31 October.

Ekornes launches a raft of new products during the autumn. Among this year's innovations is BalanceAdapt™, a system that allows the chair's back and seat to automatically adjust to the users movements. A host of new textiles and a new leather quality are also introduced. A completely new collection, called Stressless® YOU is unveiled. This collection has a different look and feel from the main Stressless® collection. Svane® also launches an entirely new collection of divan beds, new textiles and new accessories, such as night stands, ottomans and headboards. The collection is called Svane® 630™.

Representatives from all the Group's plants in Norway attend the LEAN School. Training in Lean working is part of the Proff 2015 project that Ekornes is taking part in.

During the year a series of in-house events are staged to focus on how each individual employee can contribute to a better working environment. Ekornes Grodås receives the "Driving Force Prize" for 2014. The prize is awarded to companies and individuals that work for a good working environment and that foster enjoyment, enthusiasm and zeal in the workplace.

In August, floodwater has to be diverted away from the coating plant at Ikornnes after unusually heavy rain dislodged stones and rubble which blocked the river drainage duct under the building. The damage was limited thanks to the valiant efforts of the workforce.

SAP implementation nears completion. At the close of the year all the factories and sales companies have switched to the new solution, with the exception of Ekornes KK in Japan, which will implement SAP in the early part of 2015.

Production of Stressless® chairs is featured in an episode of the programme "How Do They Do It?", which is broadcast on Discovery Channel and Science Channel. The film was recorded in 2013, and is shown in several countries during 2014.

In February Ekornes launches the website www.stressless-world.com for Stressless® owners. Information on the website replaces printed material that was previous enclosed with the products.

Ekornes launches a new website that is better adapted for use on mobile devices. In connection with the new website, several new short films about Ekornes are released.

Ekornes and Peterson receive the ScanStar and WorldStar awards for the packaging solution "Ekornes H-clips system".
The Chiropractic Association of Singapore gives its seal of approval to Stressless® with effect from 1 January 2015. The agreement is exclusive for Stressless® and is valid for two years.

Stressless® City receives the Coastal Living 2015 Design Award, in company with several international luxury brands and destinations.

The Christmas Donation Committee distribute NOK 500,000 earmarked for welfare initiatives at nursing homes and senior centres in the three districts in Norway where Ekornes has its production facilities.

2014

2014

2014

2014

Ekornes shall be one of Europe's leading furniture producers and be renowned for its quality in all areas.

EKORNES®

EKORNES ASA,
Industrivegen 1, NO-6222 Ikornnes, Norway
E-mail: office@ekornes.no, www.ekornes.com
Tel. +47 70 25 52 00, Fax +47 70 25 53 00
Ent.reg.no. NO 964 976 430 VAT