

# **EKORNES ASA**

## **1H - 2003**

## Board of Directors

- Olav Kjell Holtan
- Berit Svendsen
- Jens P. Ekornes
- Torger Reve
- Carl Graff-Wang
- Arnstein Johannesen
- Ove Skaare
- Jan Ness

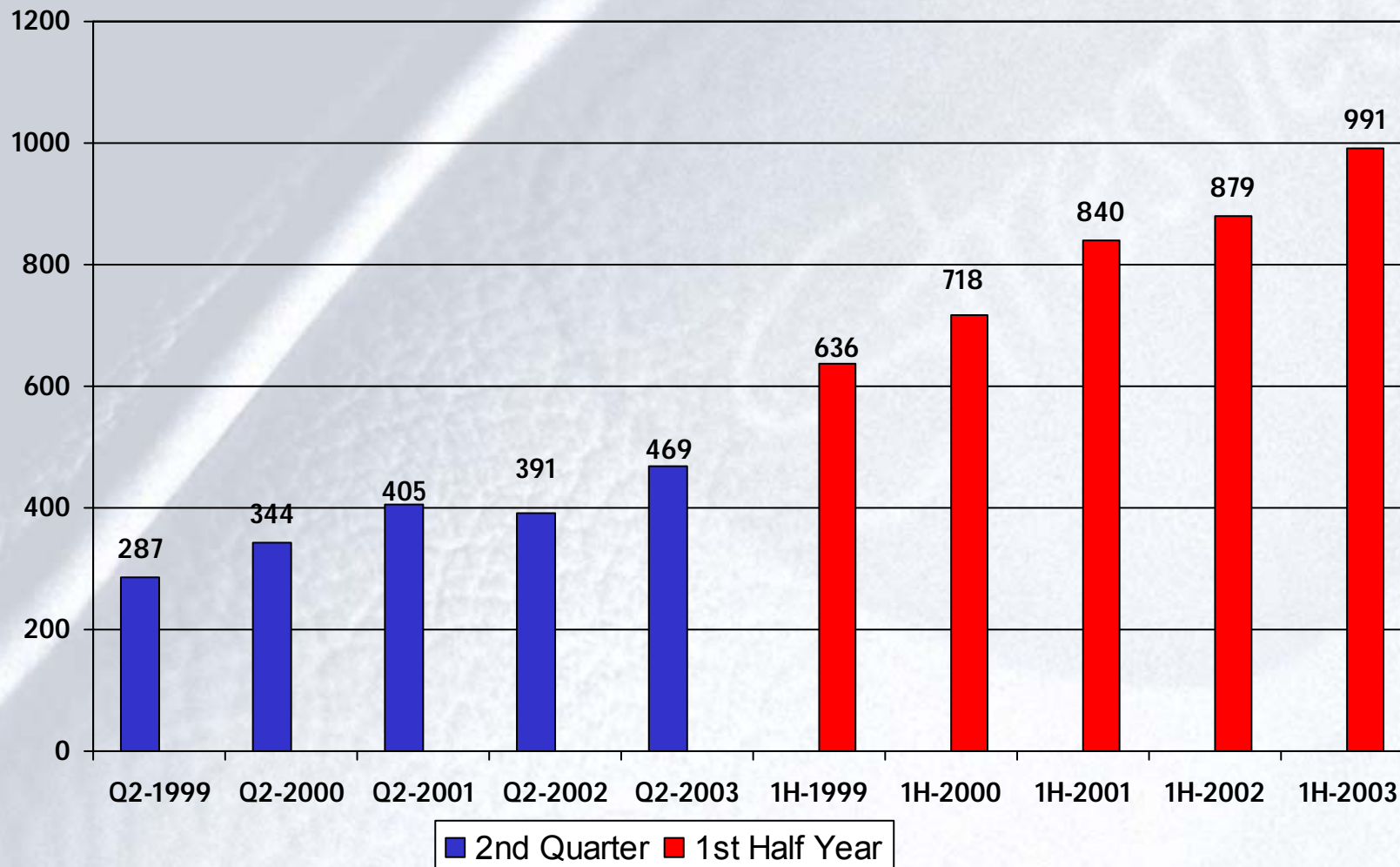
## Group Management

- CEO  
Nils-Fredrik Drabløs
- CFO  
Robert Svendsen
- Marketing Director  
Runar Haugen
- International  
Marketing Director  
Svein Lunde

## Largest shareholders (07-08-03)

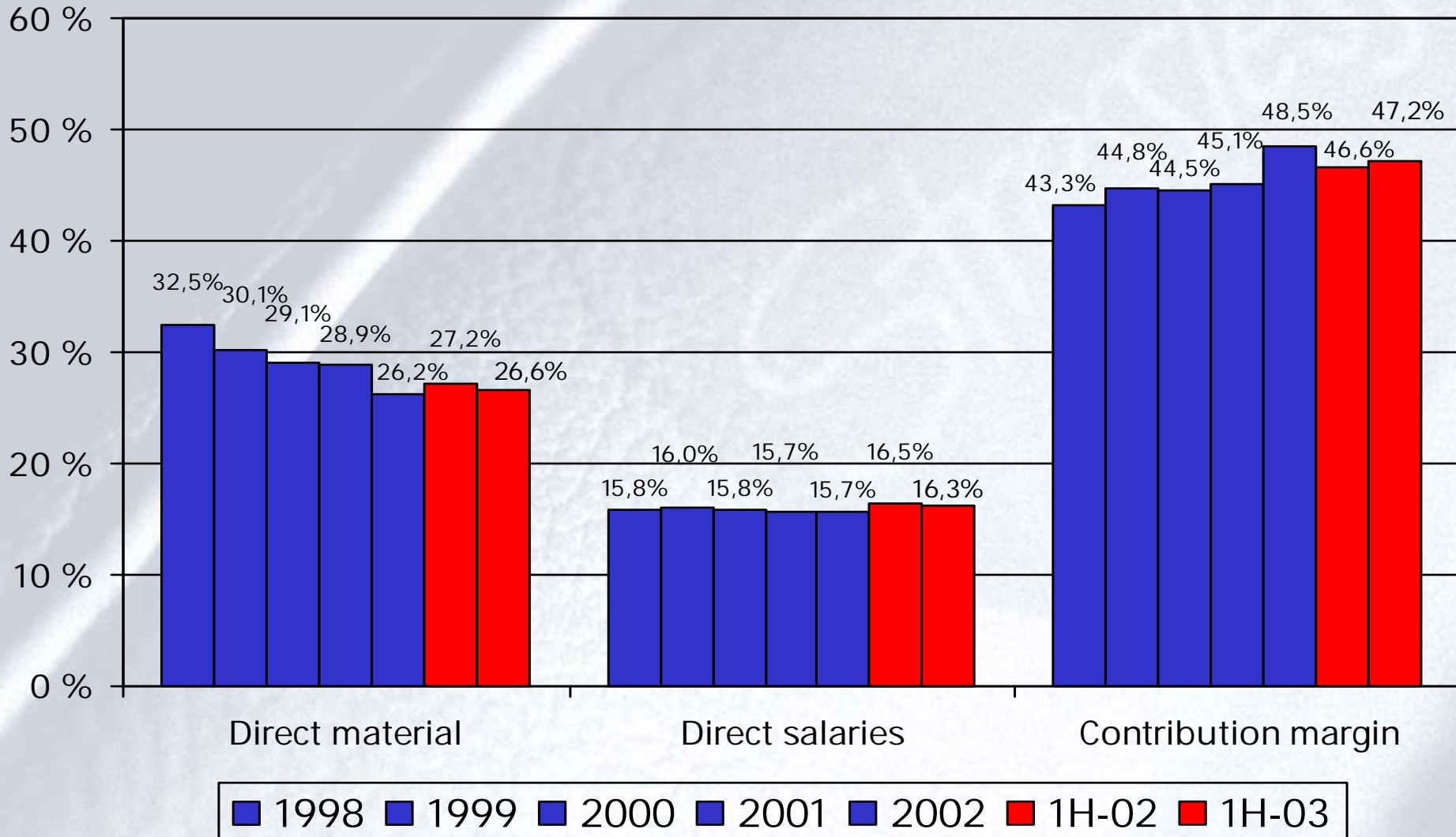
1. Folketrygdfondet, NOR	12.04 %
2. State Street Bank & Client, USA	11.05 %
3. J.P.Morgan Chase Bank, Client Treaty Acc., UK	7.02 %
4. SIS Segaintersettle S/A, CHE	3.40 %
5. Berit Ekornes Unhjem, NOR	2.99 %
6. Verdipapirfondet Avanse, NOR	1.98 %
7. Fidelity Funds – Europ, LUX	1.96 %
8. GMO Foreign Fund, USA	1.87 %
9. Gjensidige Nor Spareforsikring, NOR	1.76 %
10. Orkla ASA, NOR	1.75 %
Other shareholders. approx. 3,196	54.1 %
Proportion (30.06.03): Norwegian shareholders	61.0 %
Foreign shareholders	39.0 %

# Operating revenue (million NOK)

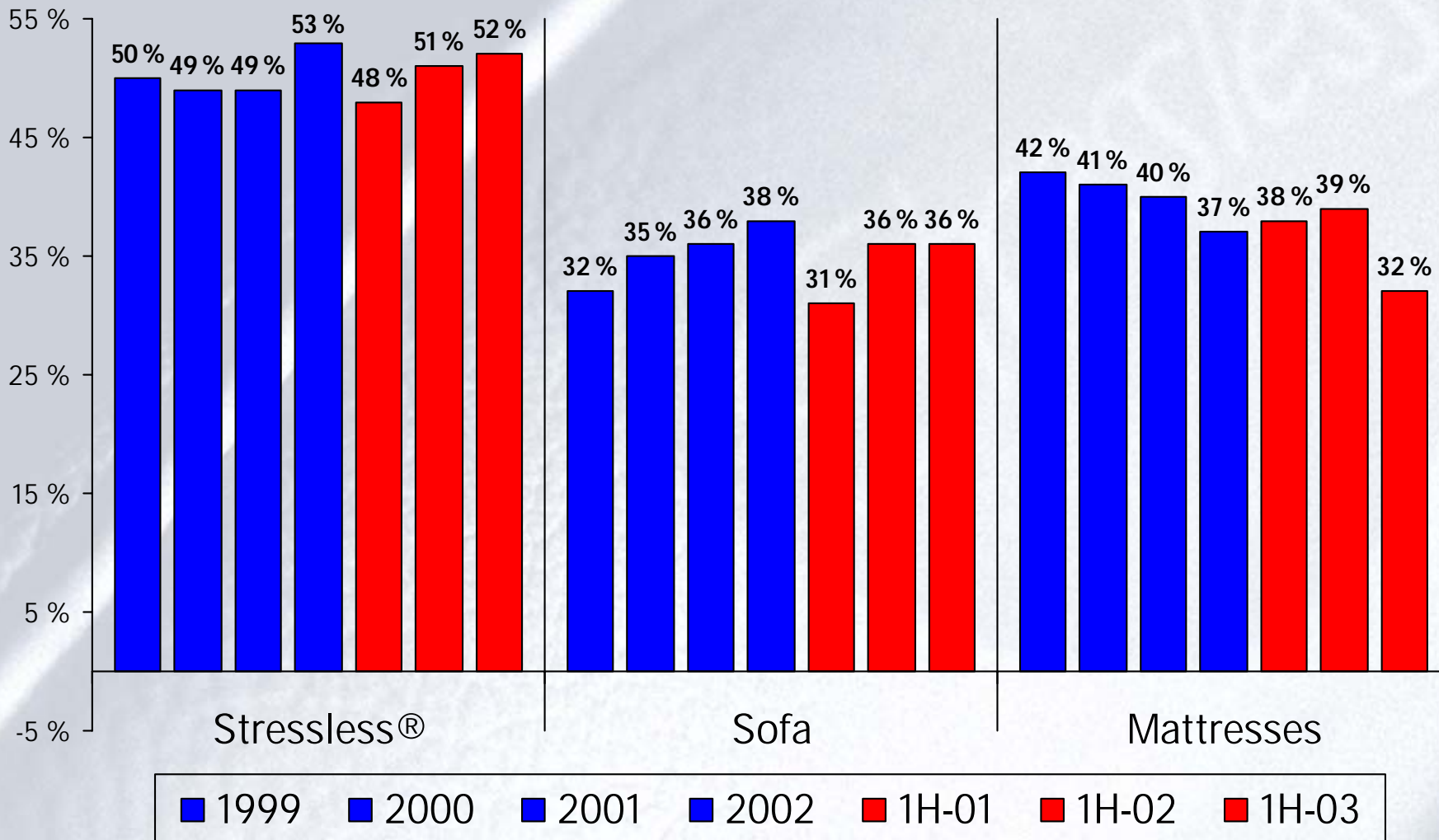




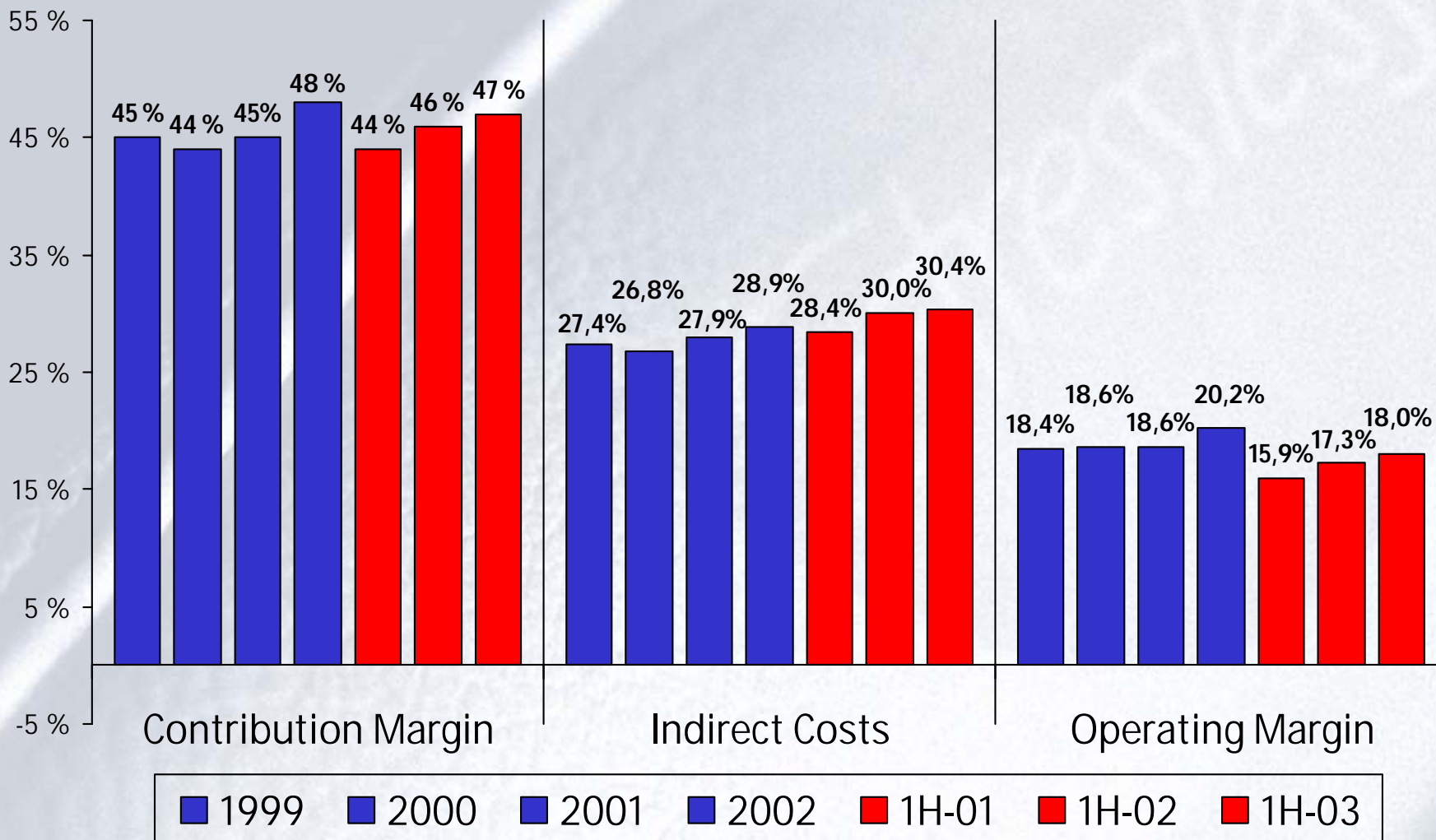
## Development in relative factors-Group consolidated :



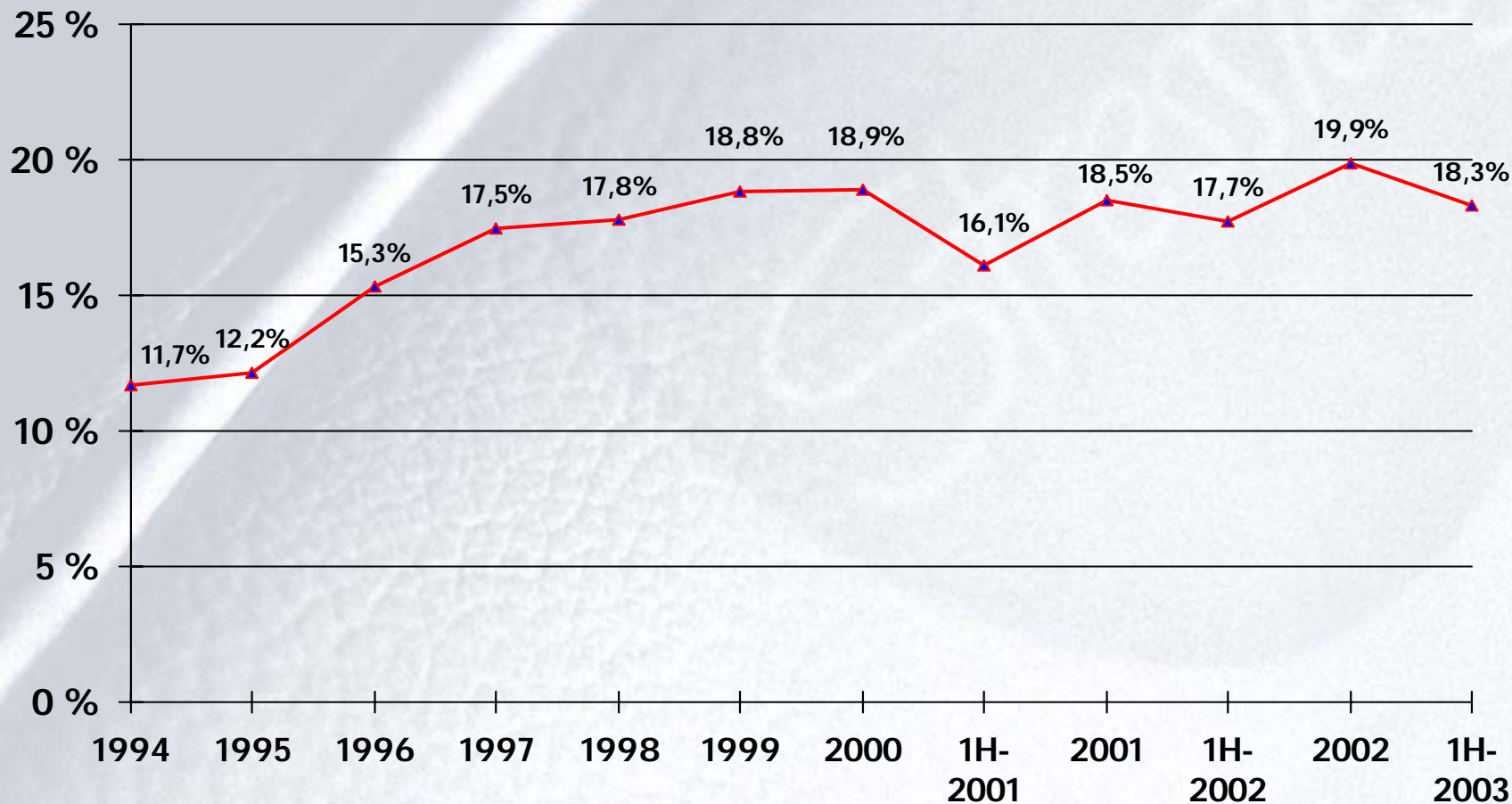
# Contribution margin by product areas



# Total contribution and operating margin

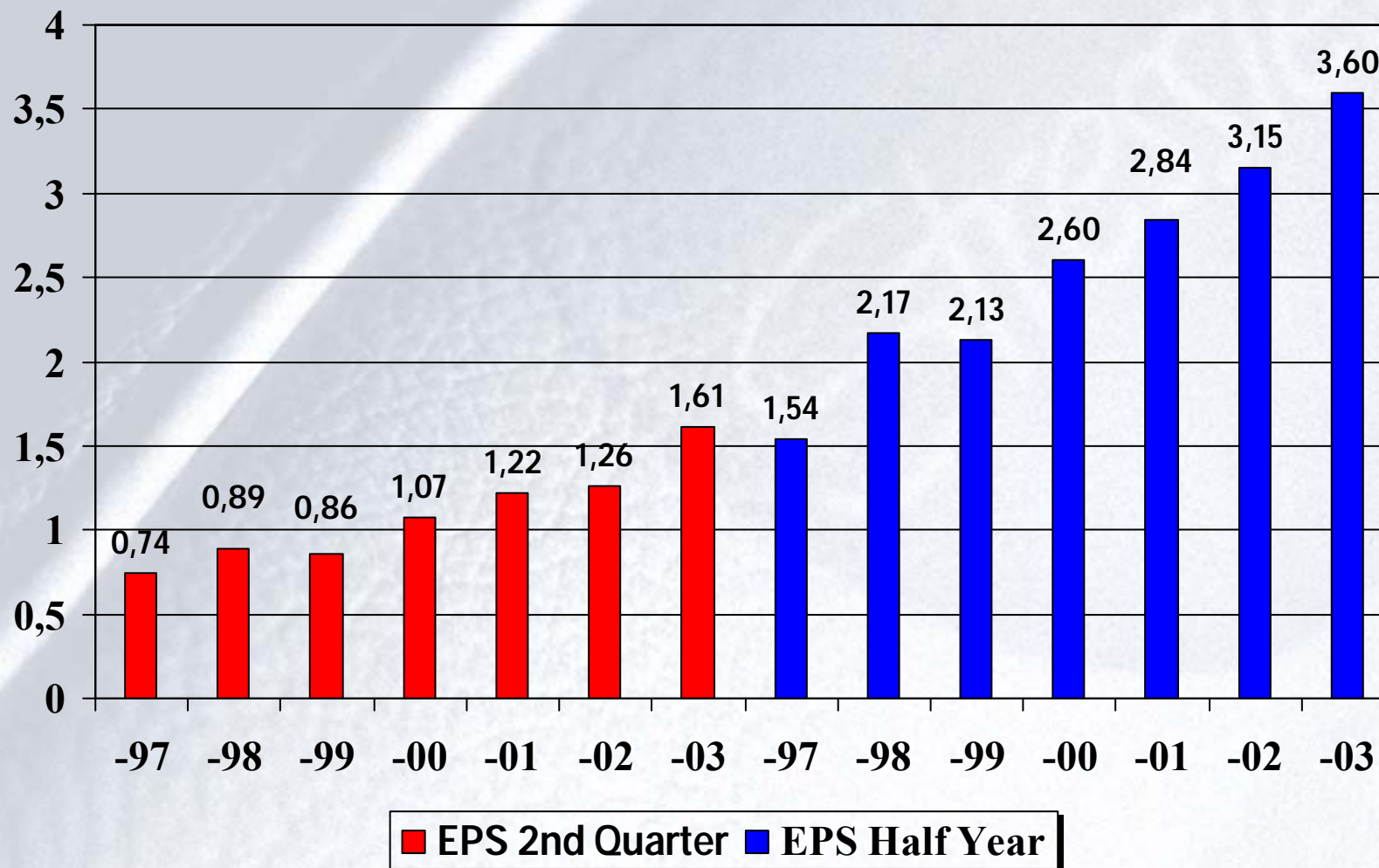


## Development in profit margin (pre-tax)



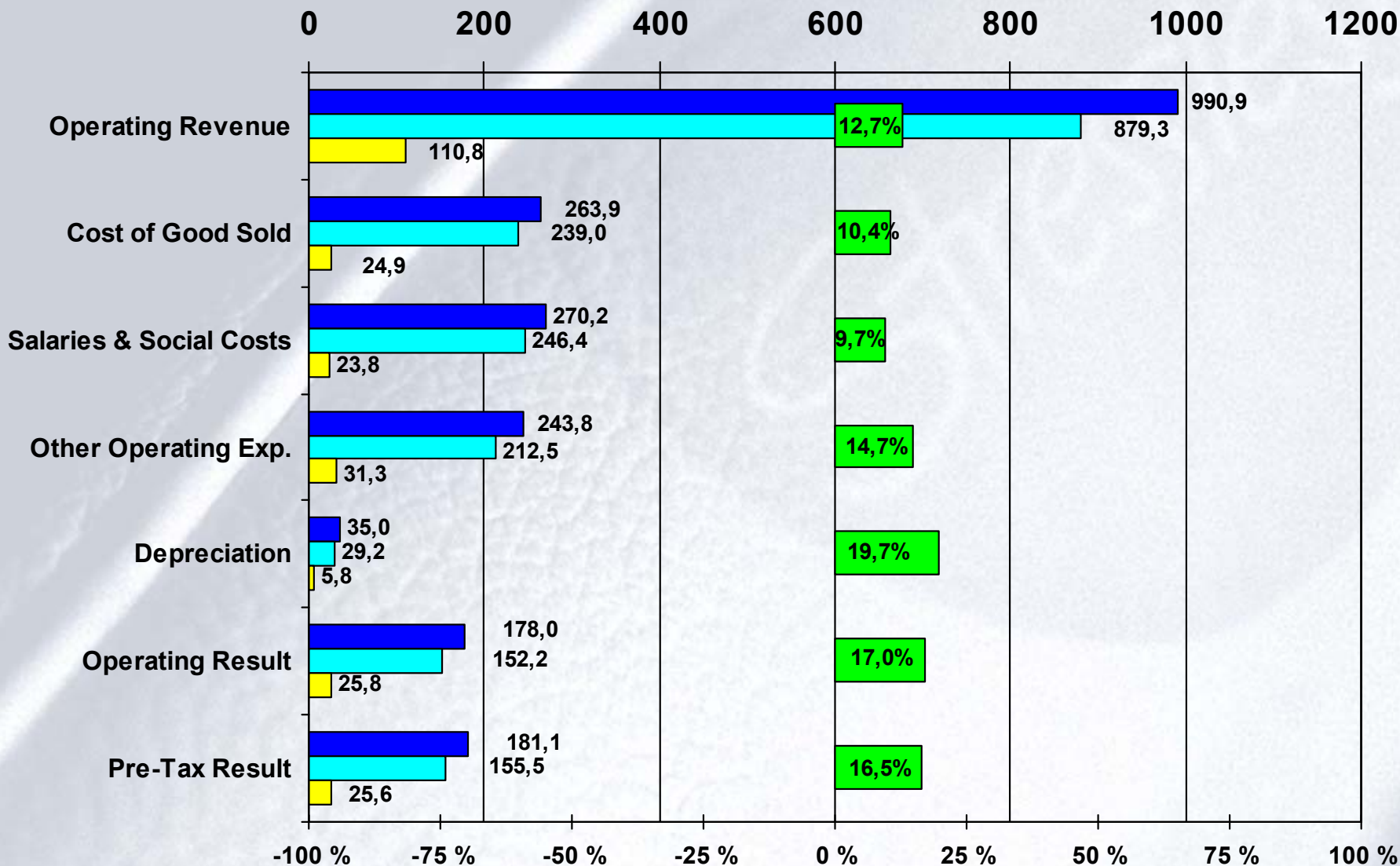


# Development EPS



# Income Statement (million NOK)

■ 1H-03 ■ 1H-02 ■ Change NOK ■ Change %



# Income Statement

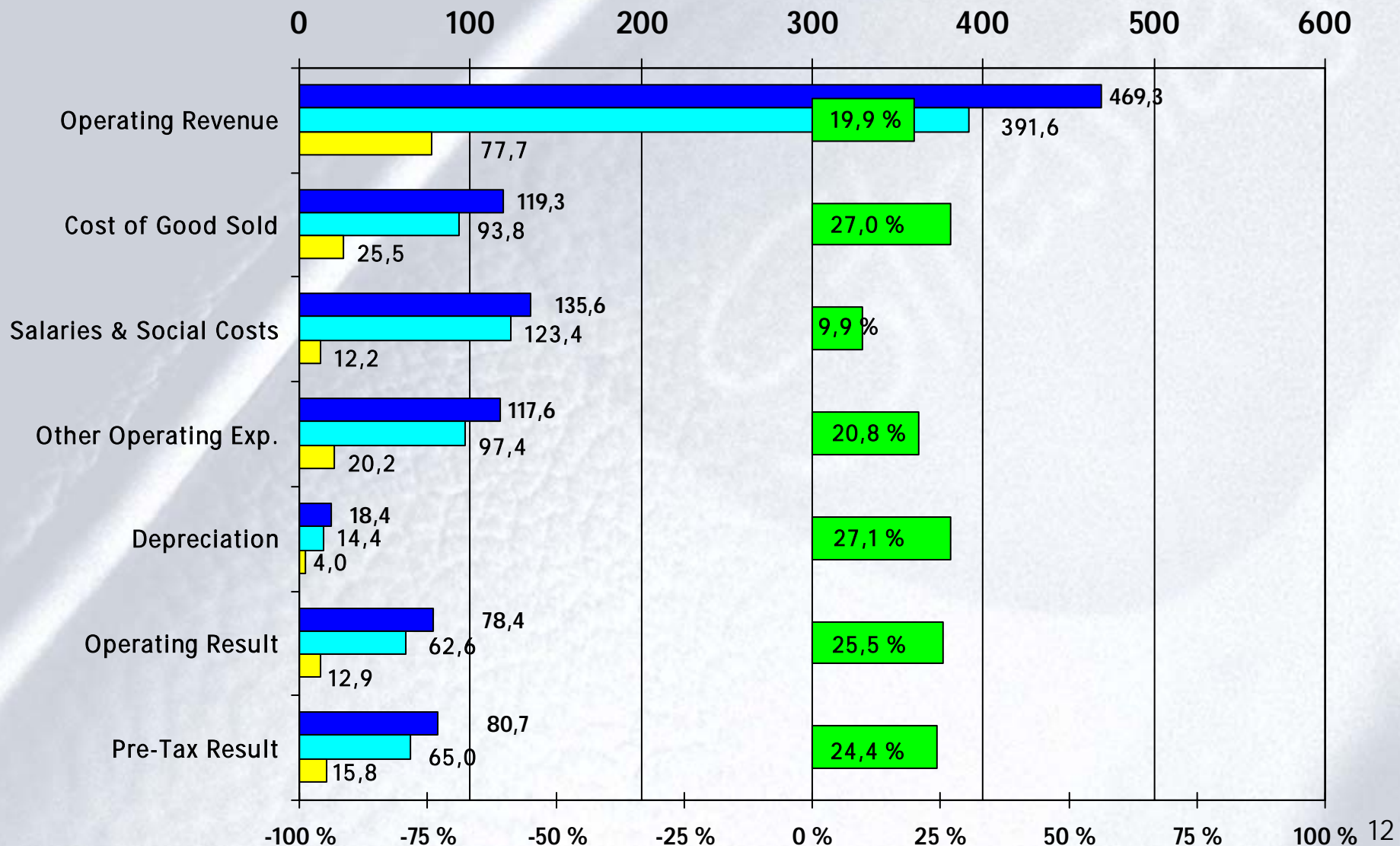
(million NOK)

	1H-03		1H-02		Changes
<b>Operating revenues</b>	<b>990.9</b>	<b>100.0%</b>	<b>879.3</b>	<b>100.0%</b>	<b>+12.7%</b>
Costs of goods sold	263.9	26.6%	239.0	27.2%	+10.4%
Salaries and social costs *	270.2	27.3%	246.4	28.0%	+9.7%
Other operating expenses	243.8	24.6%	212.5	24.2%	+14.7%
Depreciation	35.0	3.5%	29.2	3.3%	+19.7%
<b>Total operating costs</b>	<b>812.9</b>	<b>82.0%</b>	<b>727.1</b>	<b>82.7%</b>	<b>+11.8%</b>
<b>Operating result</b>	<b>178.0</b>	<b>18.0%</b>	<b>152.2</b>	<b>17.3%</b>	<b>+17.0%</b>
Net financial income/expenses	3.1	0.3%	3.3	0.4%	-6.7%
<b>Ordinary result before taxes</b>	<b>181.1</b>	<b>18.3%</b>	<b>155.5</b>	<b>17.7%</b>	<b>+16.5%</b>
Calculated taxes ordinary result	57.1		47.0		+21.5%
<b>Ordinary result after taxes</b>	<b>124.0</b>		<b>108.5</b>		<b>+14.3%</b>
<b>EPS</b>	<b>3.60</b>		<b>3.15</b>		

\* Adjusted for proportional distribution of year-end employee bonus. 2002 also including NOK 4.5 mill in soc. costs from employee option plan effected in May.

# Income Statement (million NOK)

■ 2Q-03 ■ 2Q-02 ■ Change NOK ■ Change %





# Income Statement

(million NOK)

	2Q-03		2Q-02		Changes
<b>Operating revenues</b>	<b>469.3</b>	<b>100.0%</b>	<b>391.6</b>	<b>100.0%</b>	<b>+19.9%</b>
Costs of goods sold	119.3	25.4%	93.8	23.9%	+27.0%
Salaries and social costs *	135.6	28.9%	123.4	31.5%	+9.9%
Other operating expenses	117.6	25.1%	97.4	24.9%	+20.8%
Depreciation	18.4	3.9%	14.4	3.7%	+27.1%
<b>Total operating costs</b>	<b>390.9</b>	<b>83.3%</b>	<b>329.0</b>	<b>84.0%</b>	<b>+18.8%</b>
<b>Operating result</b>	<b>78.4</b>	<b>16.7%</b>	<b>62.6</b>	<b>16.0%</b>	<b>+25.5%</b>
Net financial items	2.3	0.5%	2.4	0.6%	-4.6%
<b>Ordinary result before taxes</b>	<b>80.7</b>	<b>17.2%</b>	<b>65.0</b>	<b>16.6%</b>	<b>+24.4%</b>
Calculated taxes ordinary result	25.4		19.5		+30.3%
<b>Ordinary result after taxes</b>	<b>55.3</b>		<b>45.5</b>		<b>+21.8%</b>
<b>EPS</b>	<b>1.61</b>		<b>1.26</b>		

\* Adjusted for proportional distribution of year-end employee bonus. 2002 also including NOK 4.5 mill in soc. costs from employee option plan effected in May.

**Income Statement "Financial Year" 01.07.02 - 30.06.03**

(million NOK)

	<b>02-03</b>		<b>01-02</b>		<b>Changes</b>
<b>Operating revenues</b>	<b>1939.9</b>	<b>100.0%</b>	<b>1749.3</b>	<b>100.0%</b>	<b>+10.9%</b>
Costs of goods sold	504.0	26.0%	478.1	27.3%	+5.4%
Salaries and social costs *	512.6	26.4%	460.6	26.3%	+11.3%
Other operating expenses	460.9	23.8%	415.9	23.8%	+10.8%
Depreciation	66.9	3.4%	57.7	3.3%	+15.6%
<b>Total operating costs</b>	<b>1544.3</b>	<b>79.6%</b>	<b>1412.3</b>	<b>80.7%</b>	<b>+9.3%</b>
<b>Operating result</b>	<b>395.6</b>	<b>20.4%</b>	<b>337.0</b>	<b>19.3%</b>	<b>+17.4%</b>
Net financial income/expenses	-6.6	-0.3%	-0.6	-0.1%	
<b>Ordinary result before taxes</b>	<b>389.0</b>	<b>20.1%</b>	<b>336.4</b>	<b>19.2%</b>	<b>+15.6%</b>
Calculated taxes ordinary result	125.0		102.9		+21.5%
<b>Ordinary result after taxes</b>	<b>264.0</b>		<b>233.5</b>		<b>+13.1%</b>
<b>EPS</b>	<b>7.66</b>		<b>6.77</b>		<b>+13.1%</b>

**Balance**

(million NOK)

	<b>1H-03</b>	<b>1H-02</b>	<b>Changes</b>
<b>Total Long Term Assets</b>	<b>682.0</b>	<b>584.3</b>	<b>+97.7 (+16.7%)</b>
Inventories	191.0	186.5	+4.5 (+2.4%)
Trade Debtors	277.5	240,3	+37.2 (+15.5%)
Other Current Assets	31.9	43.0	-11.1 (-25.8%)
Cash and Bank Deposits	17.4	78.7	-61.3 (-77.9%)
<b>Total Current Assets</b>	<b>517.8</b>	<b>548.5</b>	<b>-30.7 (-56.0%)</b>
<b>Total Assets</b>	<b>1,199.8</b>	<b>1,132.8</b>	<b>+67.0 (+5.9%)</b>
<b>Total Equity</b>	<b>815.5</b>	<b>755.8</b>	<b>+59.7 (+7.9%)</b>
Long Term Liabilities (interest)	54.0	68.2	-14.2 (-20.8%)
Long Term Liabilities (non-interest)	13.7	19.9	-6.2 (-31.2%)
Current Liabilities (non-interest)	316.6	288.9	+27.7 (+9.5%)
<b>Total Liabilites</b>	<b>384.3</b>	<b>377.0</b>	<b>+7.3 (1.9%)</b>
<b>Total Liabilites and Equity</b>	<b>1,199.8</b>	<b>1,132.8</b>	<b>+67.0 (+5.9%)</b>



**Balance - Quarterly Figures**

(million NOK)

	<b>1H-03</b>	<b>1Q-03</b>	<b>Changes</b>
<b>Total Long Term Assets</b>	<b>682.0</b>	<b>655.5</b>	<b>+26.5</b>
Inventories	191.0	176.8	+14.3
Trade Debtors	277.5	279.9	-2.4
Other Current Assets	31.9	28.6	+3.3
Cash and Bank Deposits	17.4	249.4	-232.0
<b>Total Current Assets</b>	<b>517.8</b>	<b>734.7</b>	<b>-216.9</b>
<b>Total Assets</b>	<b>1,199.8</b>	<b>1,390.2</b>	<b>-190.4</b>
<b>Total Equity</b>	<b>815.5</b>	<b>762.5</b>	<b>+53.0</b>
Long Term Liabilities (interest bearing)	54.0	54.0	+0.0
Long Term Liabilities (non-interest bearing)	13.7	19.2	+5.5
Current Liabilities (non-interest bearing)	316.6	554.5	-237.9
<b>Total Liabilites</b>	<b>384.3</b>	<b>627.7</b>	<b>-243.4</b>
<b>Total Liabilites and Equity</b>	<b>1,199.8</b>	<b>1,390.2</b>	<b>-190.4</b>



## Development in direct salaries at the factories:

(Year-end bonus not included)

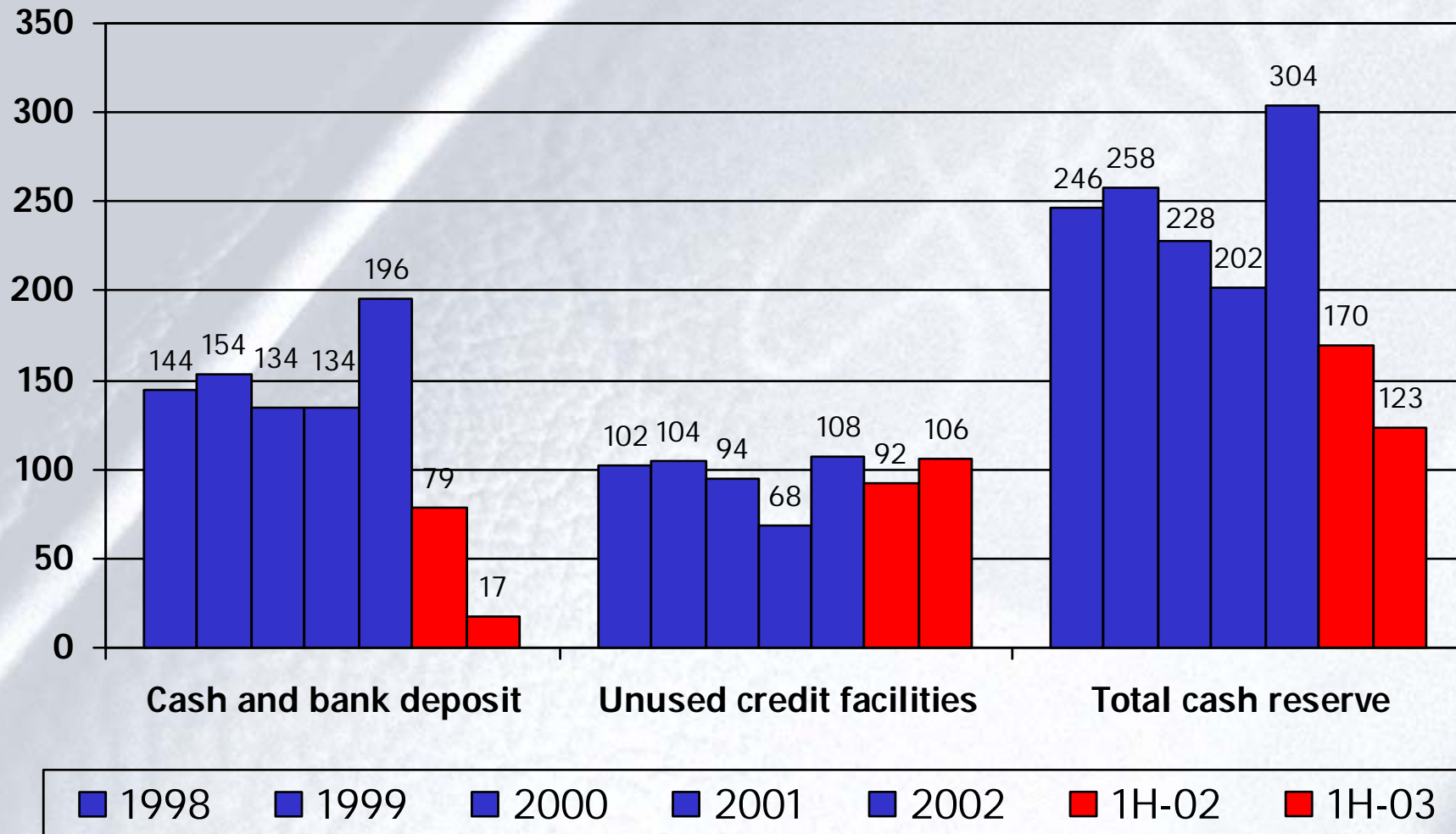
Percentage	1H-03	1H-02	2002	2001	2000	1999	1998
Ikkornnes/Vestlandske	22.2%	21.5%	21.0%	21.1%	21.5%	20.5%	19.6%
Stranda	14.0%	15.4%	14.1%	14.5%	16.5%	18.7%	19.2%
Grodås	33.3%	34.4%	33.1%	34.4%	32.0%	35.0%	36.0%
Hareid	19.3%	18.9%	19.4%	18.7%	17.2%	21.0%	22.1%
Fetsund	19.9%	17.6%	17.4%	18.2%	15.8%	15.1 %	15.4%

## Development in Total Capital, Working Capital and Equity: (million NOK)

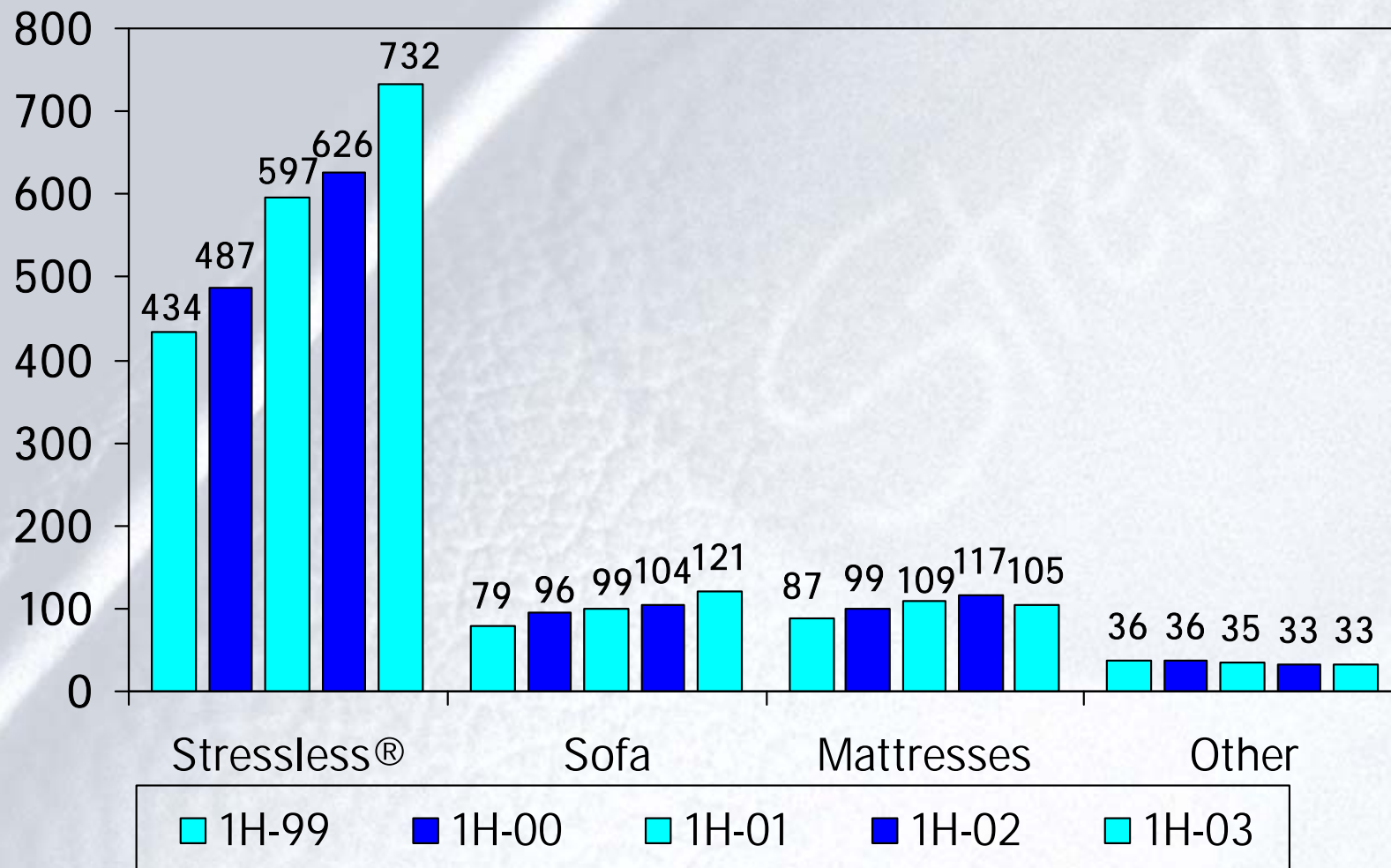
	1998	1999	2000	2001	2002	1H-02	1H-03
Total capital	699.0	831.4	982.2	1,091.1	1,281.4	1,132.8	1,199.8
Working capital	168.7	150.6	149.4	140.0	120.6	259.6	201.2
Equity	331.0	407.5	490.3	578.0	688.5	755.8	815.5
Equity ratio	47.3%	49.0%	49.9%	53.0%	53.7%	66.7%	68.0%

# Cash Reserve

(million NOK)

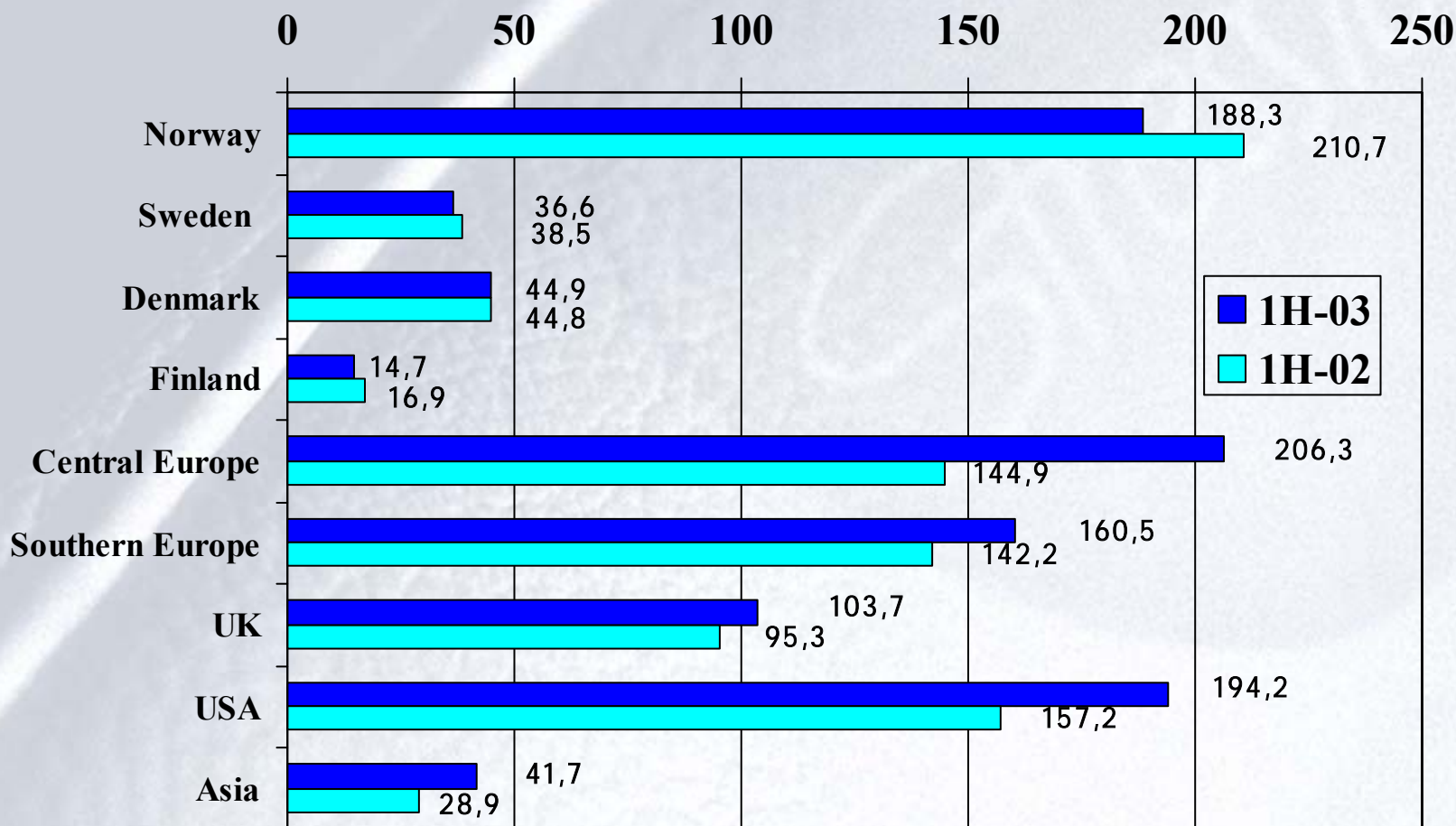


## Distribution of turnover by product area (million NOK)





## Development in turnover per market (million NOK)



## Development in turnover per market (continued)

(million NOK)

	Change 1H 2002 - 2003	1H-03	1H-02	1H-01
Norway	-10.6%	188.3	210.7	209.6
Sweden	-5.0%	36.6	38.5	42.2
Denmark	+0.2%	44.9	44.8	34.3
Finland	-13.0%	14.7	16.9	17.5
Central - Europe	+42.4%	260.3	144.9	120.1
Southern - Europe	+12.9%	160.5	142.2	130.5
UK	+8.9%	103.7	95.3	86.0
USA	+23.5%	194.2	157.2	168.9
Asia	+44.3%	41.7	28.9	30.8
<b>Total</b>	<b>+12.7%</b>	<b>990.9</b>	<b>879.3</b>	<b>839.8</b>