

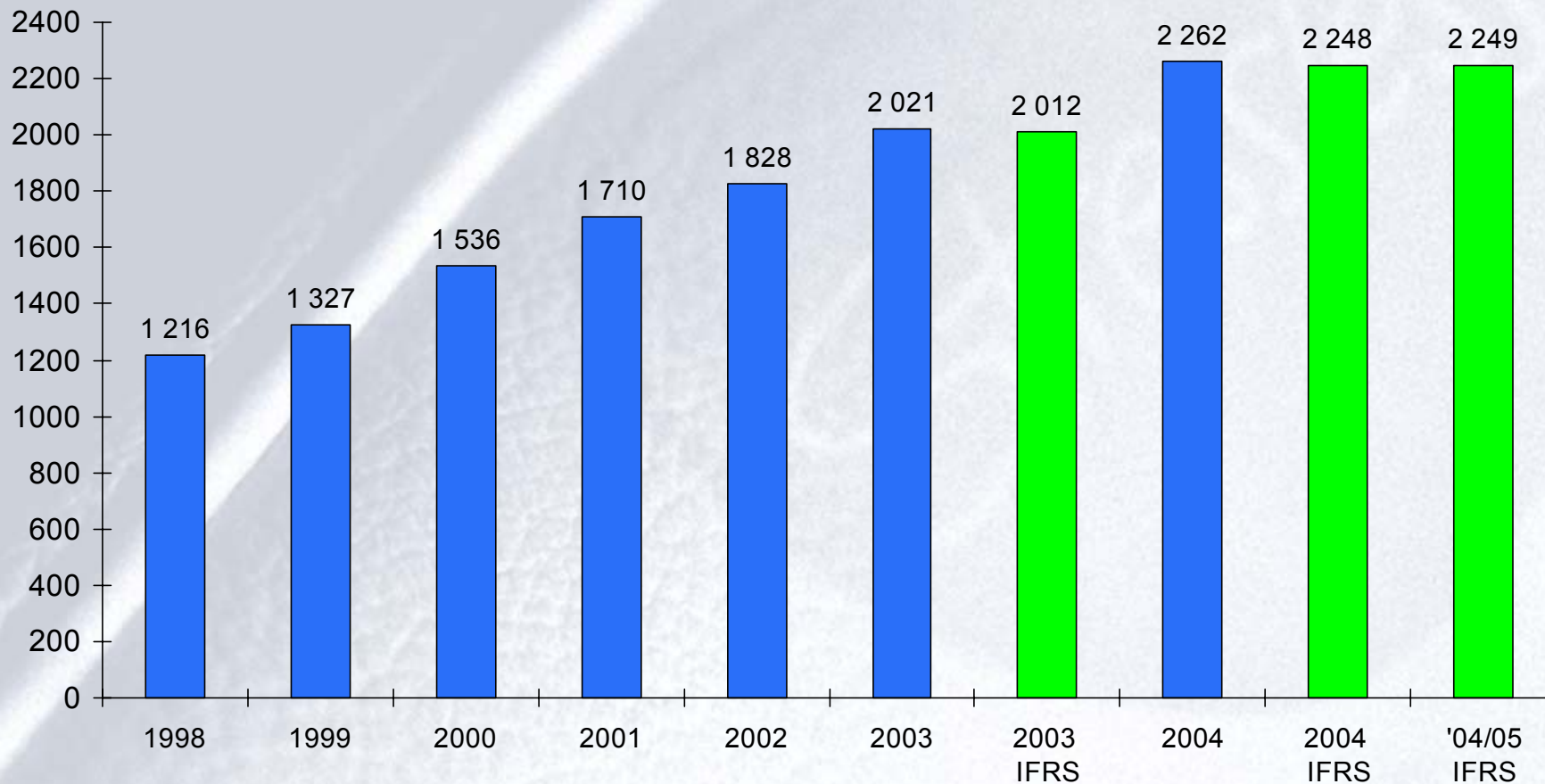
# EKORNES ASA

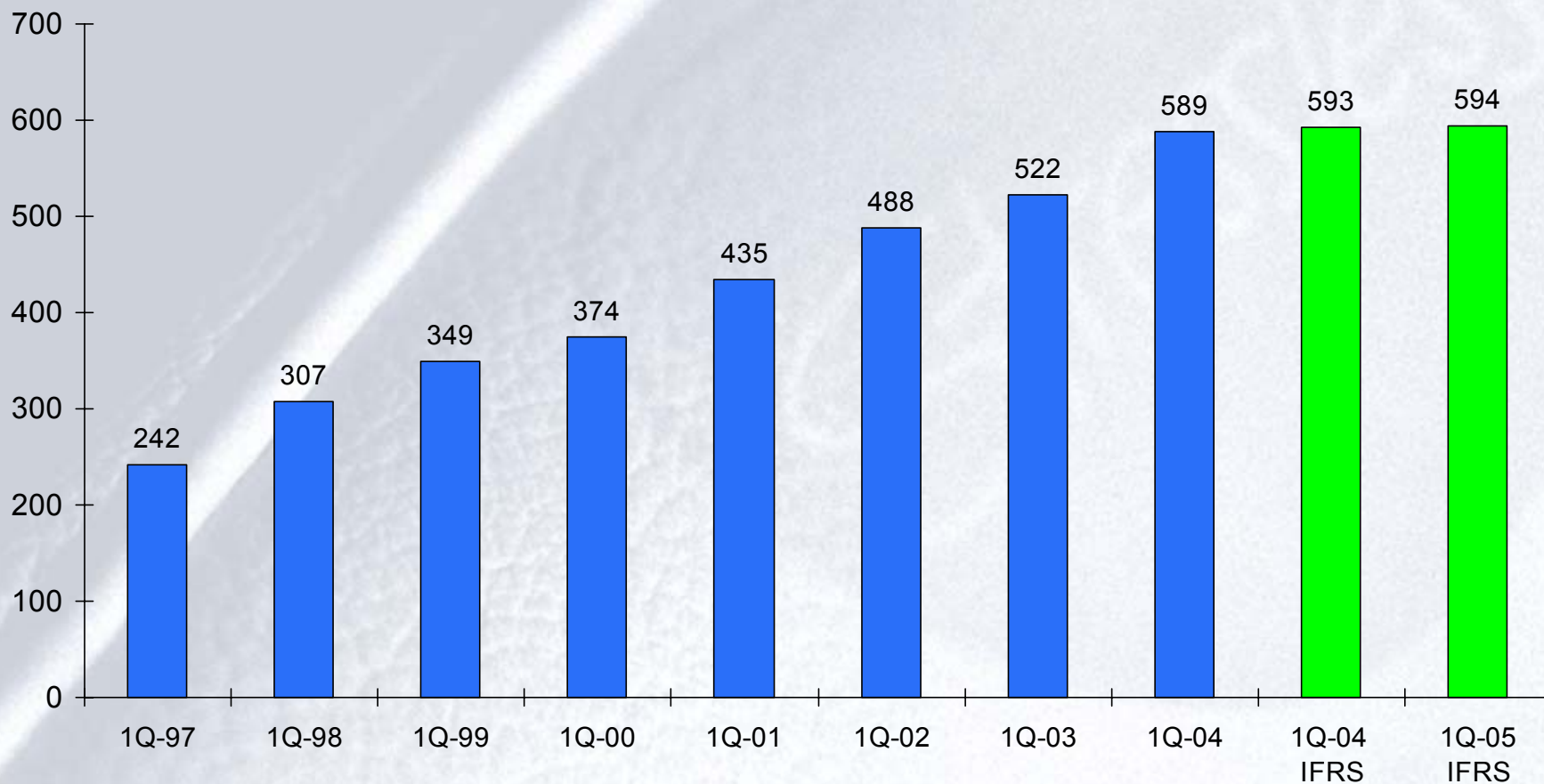
1<sup>st</sup> Quarter 2005

## Ekornes Q1 2005 - Headlines:

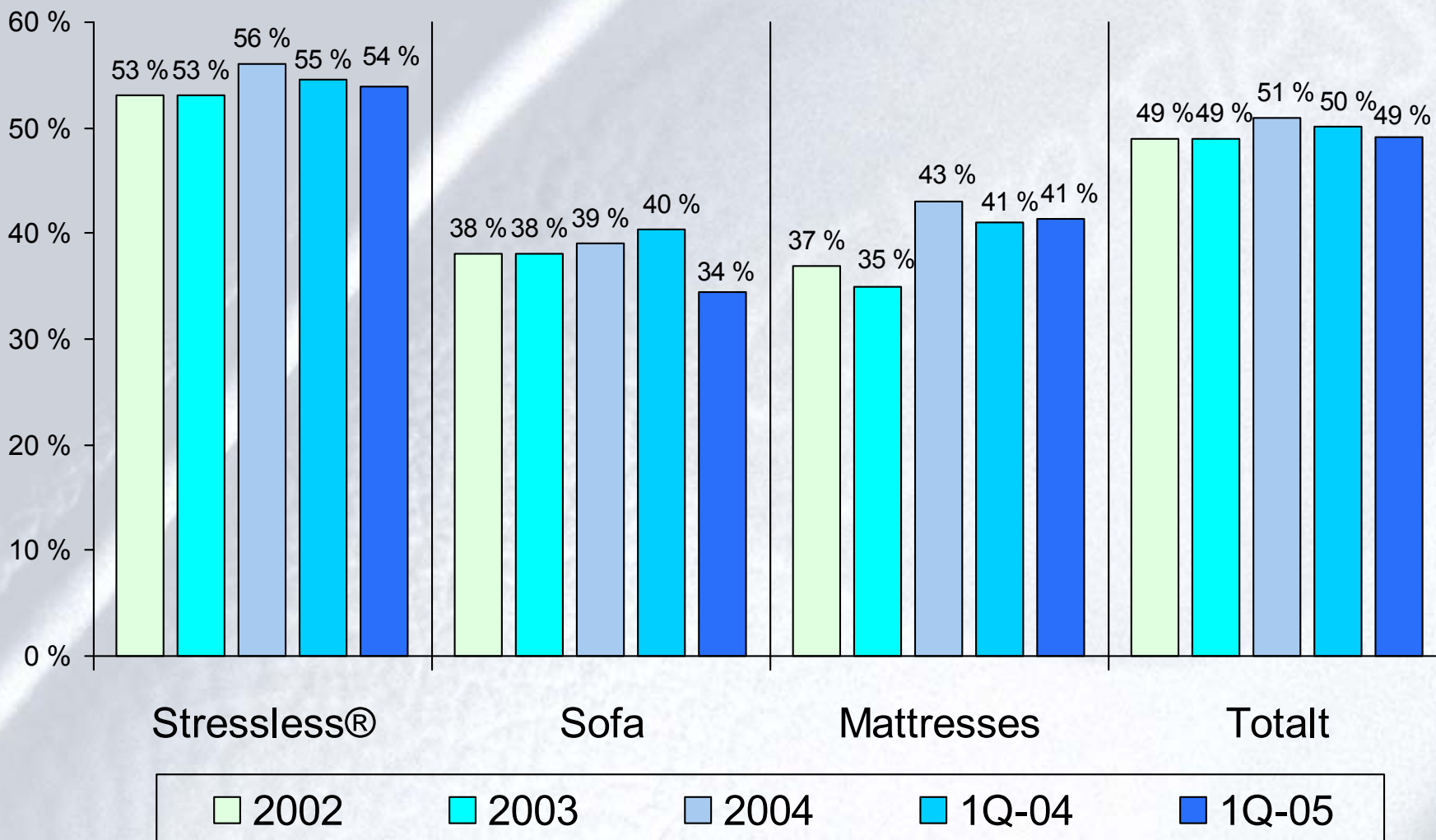
- **Turnover flat – Sales up 16.9%**
- **Stressless® sales up 23%, but has effect in April (By 30 April +14%)**
- **Stressless® production and turnover disturbed by:**
  - **Low order reserve at the beginning of the year and low order influx in January**
  - **Start-up of new products**
  - **High level of sickness absence in January and March**
  - **Lack of capacity by the end of the quarter**
- **Norwegian Furniture Market**
  - **General slowdown – market down by 10-12%**
  - **Ekornes Stressless® up by 19%**
  - **Ekornes Collection® down by 10%**
  - **Ekornes Svane® Mattresses down by 32%**
- **International Furniture Markets**
  - **In general slow**
  - **Ekornes sales are up**

## Development in Operating Revenue:

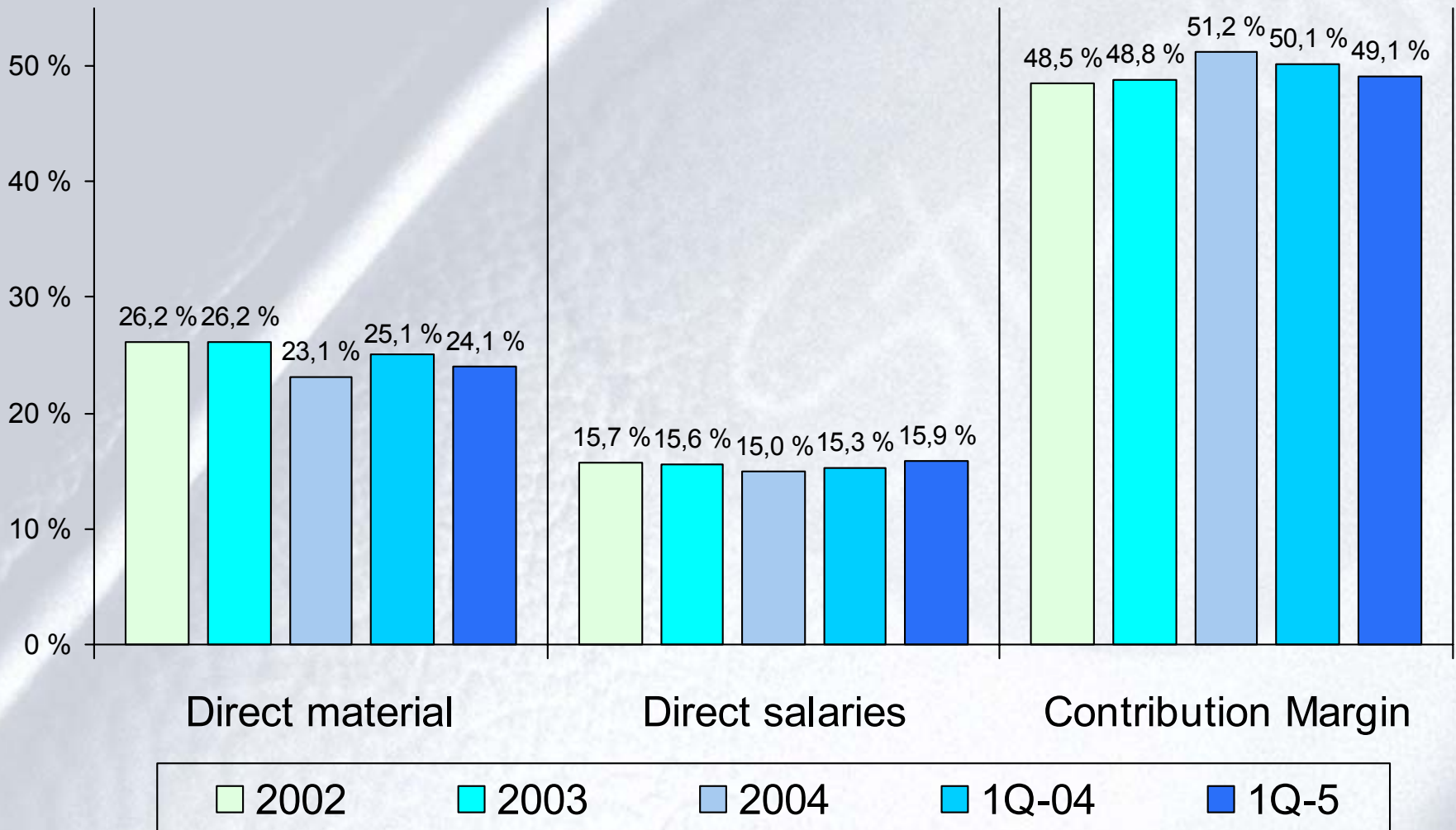


Development in Operating Revenues 1<sup>st</sup> Quarter:

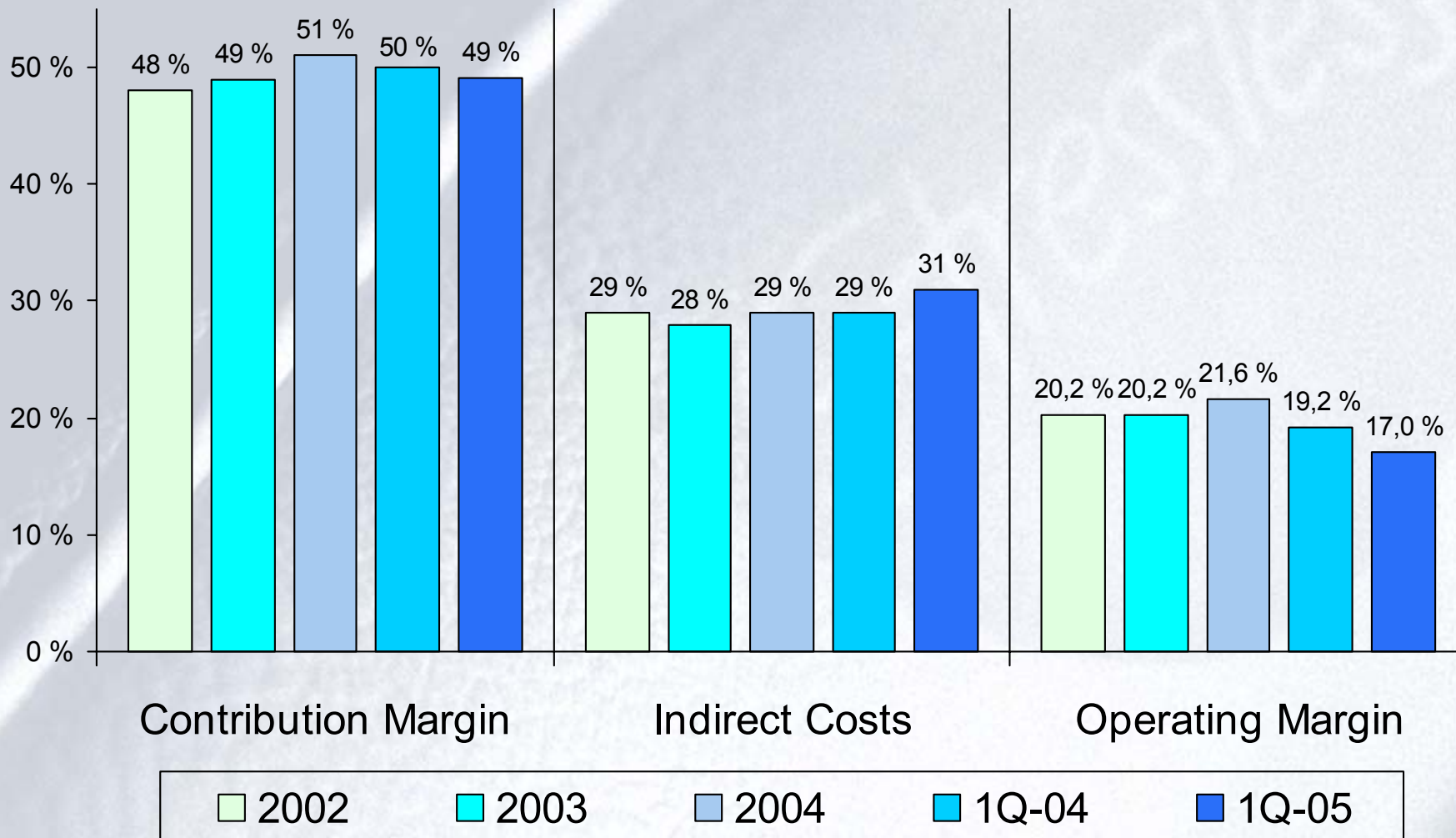
# Contribution margin by product areas



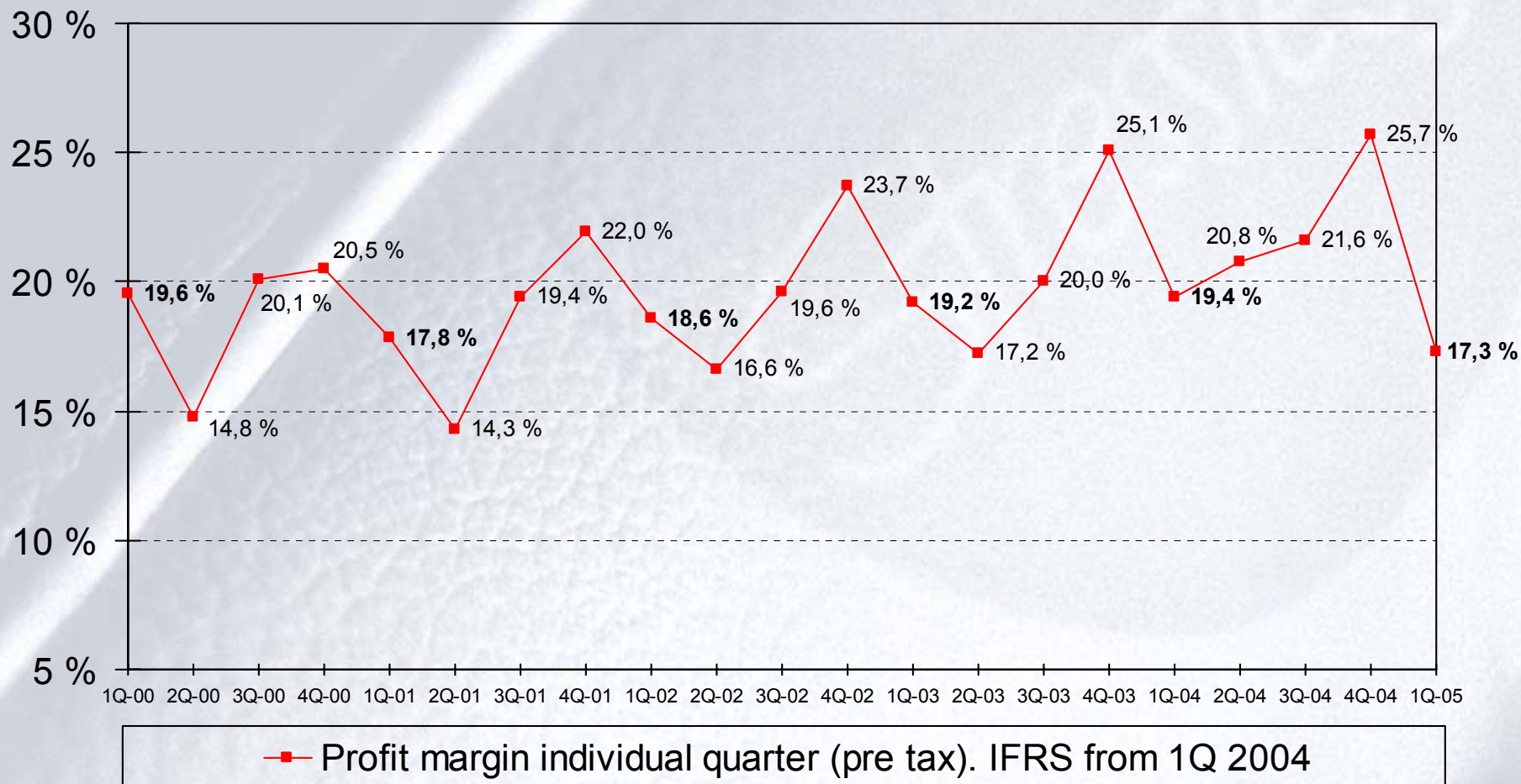
# Development in relative factors – Group consolidated:



# Total contribution and operating margin:

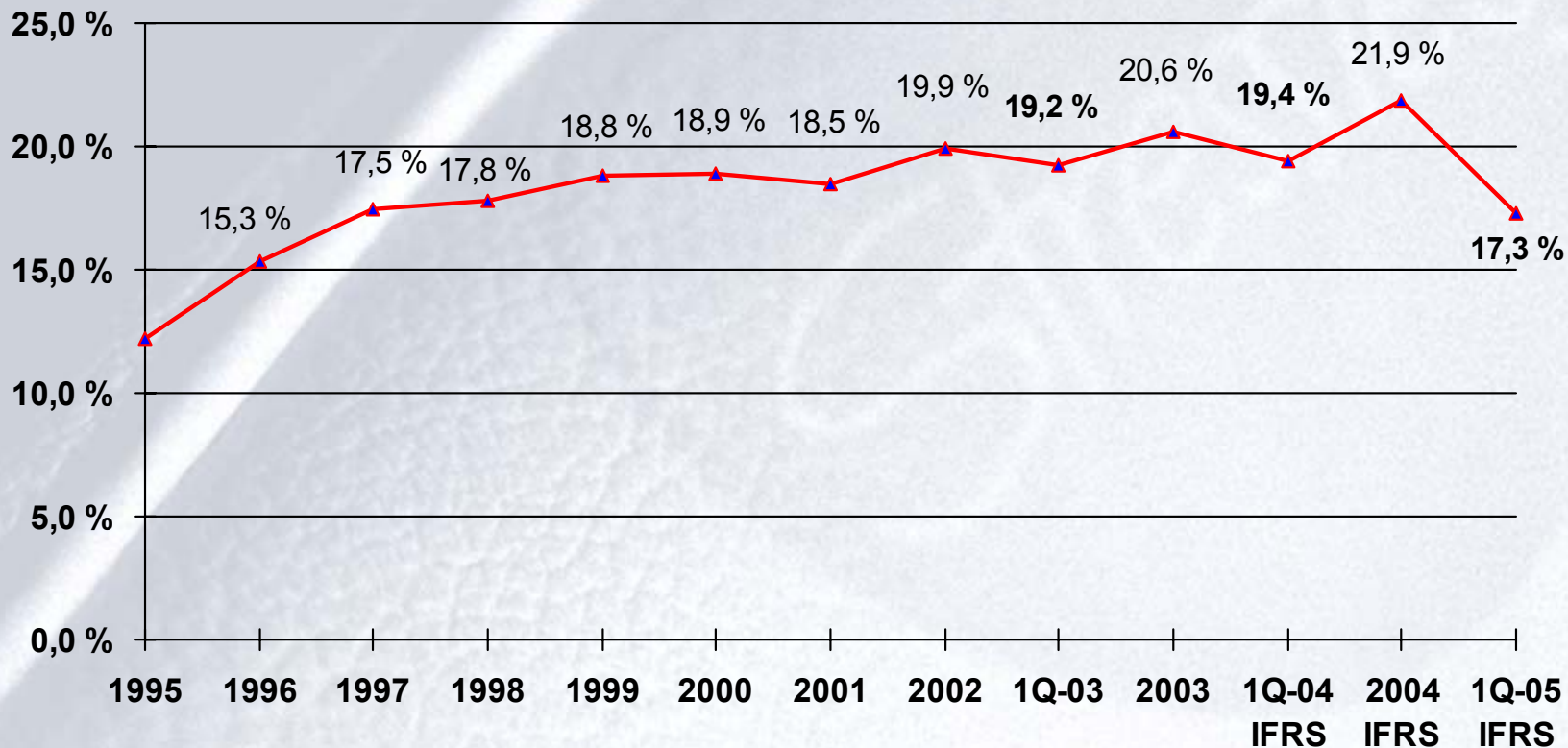


## Development in Profit Margin (pre-tax):

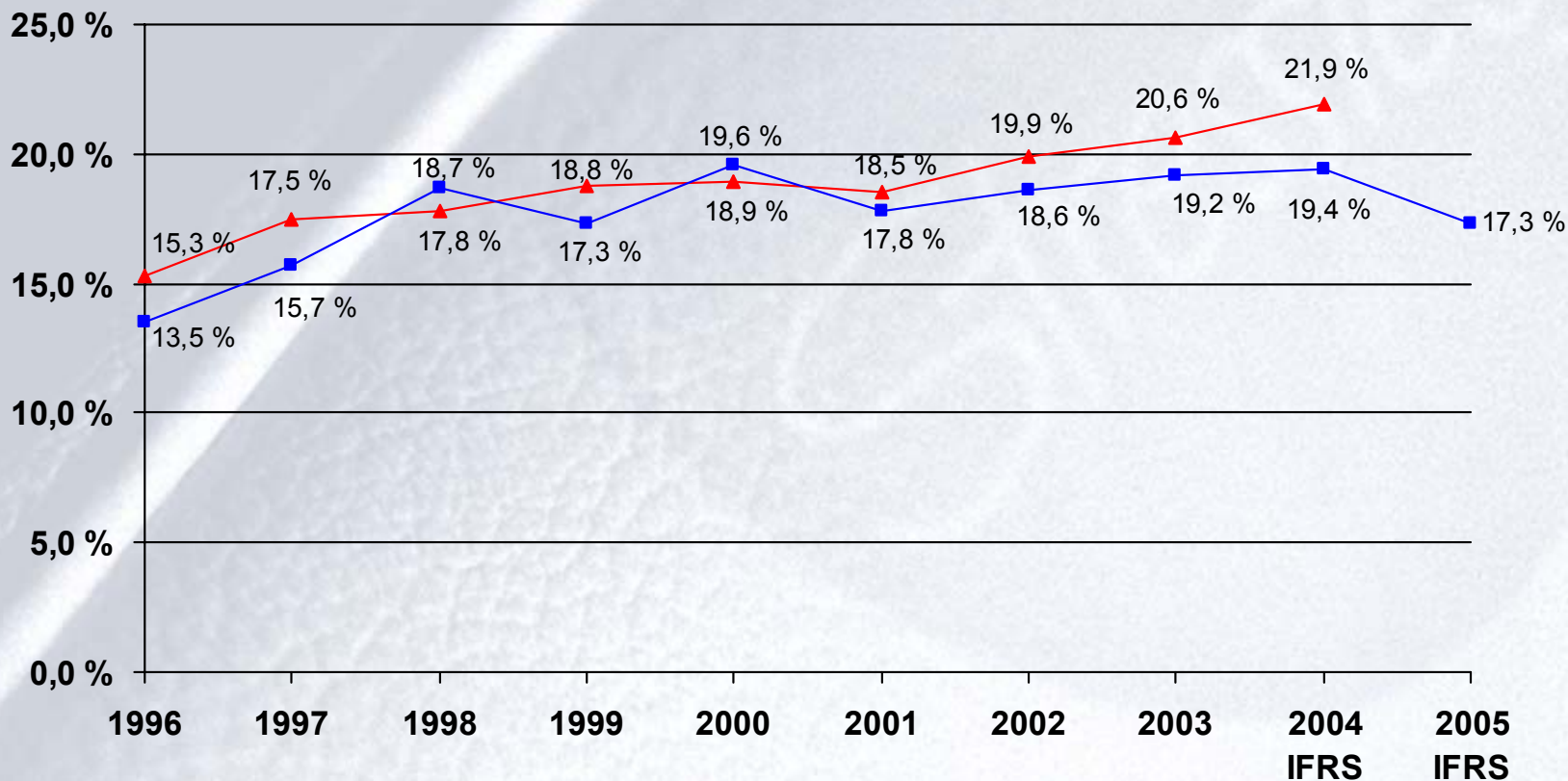




## Development in profit margin (pre-tax):



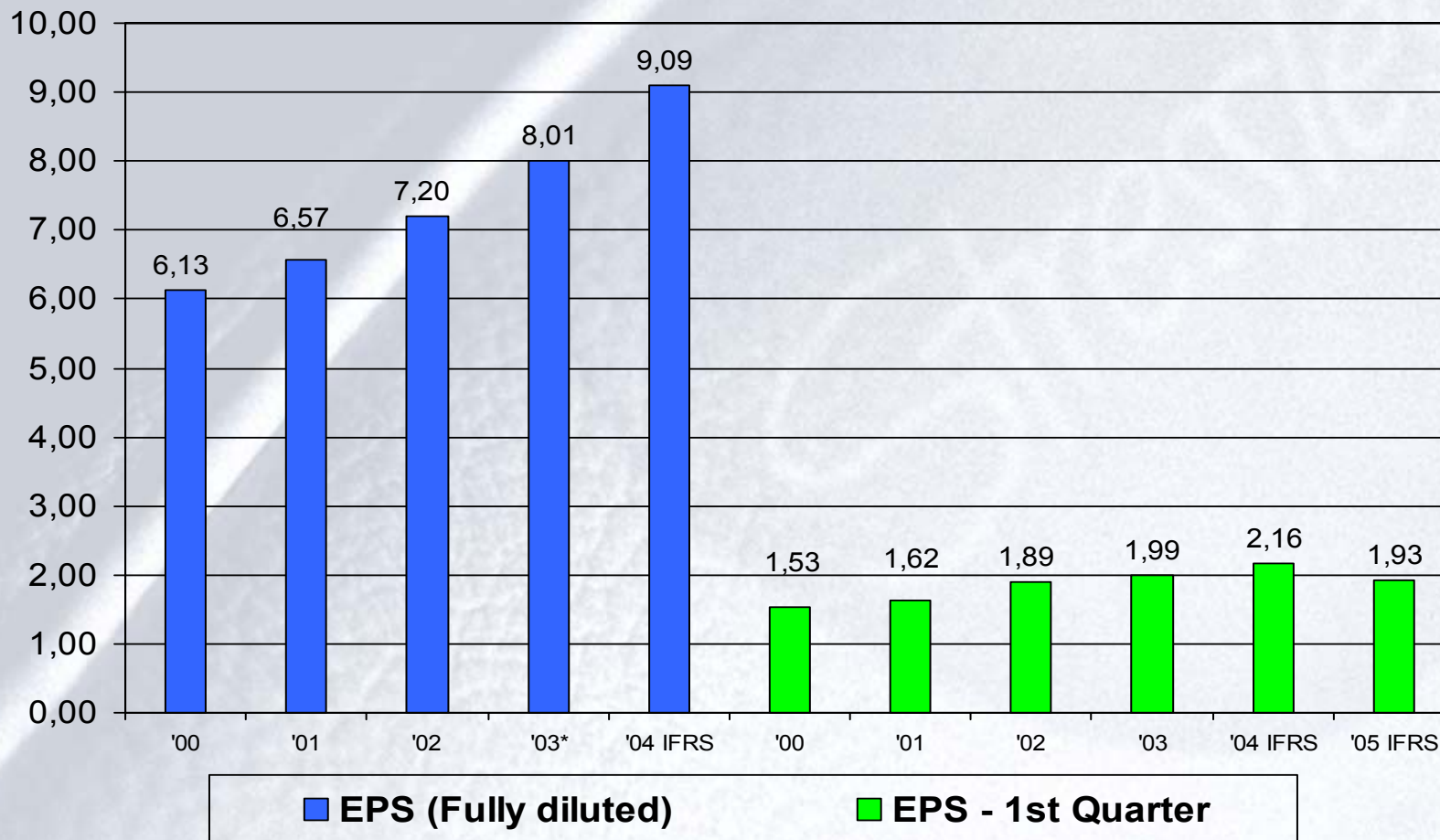
## Development in profit margin (pre-tax):



▲ **WHOLE YEAR**

■ **1. QUARTER**

# Development EPS (Figures in NOK):



\* EPS for 2003 is calculated based on the same number of shares as 2004 and 2005.

## Income Statement IFRS (mill. NOK):

|                                     | 1Q-05        |               | 1Q-04        |               | Changes       |
|-------------------------------------|--------------|---------------|--------------|---------------|---------------|
| <b>Operating revenues</b>           | <b>594.3</b> | <b>100.0%</b> | <b>593.2</b> | <b>100.0%</b> | <b>+0.2%</b>  |
| Costs of goods sold                 | 143.5        | 24.1%         | 148.7        | 25.1%         | -3.5%         |
| Salaries and social costs           | 169.2        | 28.5%         | 162.9        | 27.5%         | +3.9%         |
| Other operating expenses            | 159.3        | 26.8%         | 146.7        | 24.7%         | +8.5%         |
| Depreciation                        | 21.5         | 3.6%          | 20.9         | 3.5%          | +2.9%         |
| <b>Total operating costs</b>        | <b>493.5</b> | <b>83.0%</b>  | <b>479.2</b> | <b>80.8%</b>  | <b>+3.0%</b>  |
| <b>Operating result</b>             | <b>100.8</b> | <b>17.0%</b>  | <b>114.0</b> | <b>19.2%</b>  | <b>-11.6%</b> |
| Net financial income/expenses       | 2.2          | 0.4%          | 1.0          | 0.2%          |               |
| <b>Ordinary result before taxes</b> | <b>103.0</b> | <b>17.3%</b>  | <b>115.0</b> | <b>19.4%</b>  | <b>-10.4%</b> |
| Calculated taxes ordinary result    | 32.0         | 5.4%          | 35.5         | 6.0%          | -9.9%         |
| <b>Ordinary result after taxes</b>  | <b>71.0</b>  | <b>11.9%</b>  | <b>79.5</b>  | <b>13.4%</b>  | <b>-10.7%</b> |
| <b>EPS</b>                          | <b>1.93</b>  |               | <b>2.16</b>  |               |               |

**Income Statement last 12 months IFRS** (April 1st to March 31st) (mill. NOK) :

|                                     | <b>2005</b>    |               | <b>2004</b>    |               | <b>Changes</b> |
|-------------------------------------|----------------|---------------|----------------|---------------|----------------|
| <b>Operating revenues</b>           | <b>2,248.7</b> | <b>100.0%</b> | <b>2,084.0</b> | <b>100.0%</b> | <b>+7.9%</b>   |
| Costs of goods sold                 | 511.0          | 22.7%         | 529.2          | 25.1%         | -3.4%          |
| Salaries and social costs           | 612.3          | 27.2%         | 559.4          | 27.5%         | +9.5%          |
| Other operating expenses            | 566.1          | 25.2%         | 496.2          | 24.7%         | +14.1%         |
| Depreciation                        | 84.5           | 3.8%          | 76.3           | 3.5%          | +10.6%         |
| <b>Total operating costs</b>        | <b>1,773.9</b> | <b>78.9%</b>  | <b>1661.1</b>  | <b>80.8%</b>  | <b>+6.8%</b>   |
| <b>Operating result</b>             | <b>474.8</b>   | <b>21.1%</b>  | <b>422.9</b>   | <b>19.2%</b>  | <b>+12.3%</b>  |
| Net financial income/expenses       | 5.7            | 0.3%          | 12.7           | 0.2%          |                |
| <b>Ordinary result before taxes</b> | <b>480.5</b>   | <b>21.4%</b>  | <b>435.6</b>   | <b>19.4%</b>  | <b>+10.3%</b>  |
| Calculated taxes ordinary result    | 154.6          | 6.9%          | 124.9          | 6.0%          | +23.8%         |
| <b>Ordinary result after taxes</b>  | <b>325.9</b>   | <b>14.5%</b>  | <b>310.7</b>   | <b>13.4%</b>  | <b>+4.9%</b>   |
| <b>EPS</b>                          | <b>8.85</b>    |               | <b>8.44</b>    |               |                |

## Balance IFRS (million NOK) :

|                                      | 1Q/05          | 1Q/04          | CHANGES       |
|--------------------------------------|----------------|----------------|---------------|
| <b>Total Long Term Assets</b>        | <b>770.4</b>   | <b>749.0</b>   | <b>+2.9%</b>  |
| Inventories                          | 212.2          | 195.4          | +8.6%         |
| Trade Debtors                        | 278.9          | 324.8          | -14.1%        |
| Other Current Assets                 | 32.2           | 32.0           | 0.6%          |
| Value of forward contracts           | 103.8          | 82.4           | +26.0%        |
| Cash and Bank Deposits               | 315.0          | 435.9          | -27.7%        |
| <b>Total Current Assets</b>          | <b>942.1</b>   | <b>1,070.5</b> | <b>-12.0%</b> |
| <b>TOTAL ASSETS</b>                  | <b>1,712.5</b> | <b>1,819.5</b> | <b>-5.9%</b>  |
| <b>Total Equity</b>                  | <b>1,259.6</b> | <b>1,354.1</b> | <b>-7.0%</b>  |
| Long Term Liabilities (interest)     | 47.5           | 50.1           | -5.2%         |
| Long Term Liabilities (non-interest) | 17.1           | 19.7           | -13.2%        |
| Trade Creditors                      | 111.4          | 136.8          | -18.6%        |
| Taxes, VAT and national insurance    | 145.2          | 139.2          | +4.3%         |
| Other current liabilities            | 131.7          | 119.6          | -10.1%        |
| <b>Total Liabilities</b>             | <b>452.9</b>   | <b>465.4</b>   | <b>-2.7%</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>1,712.5</b> | <b>1,819.5</b> | <b>-5.9%</b>  |

## Balance IFRS (million NOK) :

|                                      | 1Q/05          | 4Q/04          | CHANGES     |
|--------------------------------------|----------------|----------------|-------------|
| <b>Total Long Term Assets</b>        | <b>770.4</b>   | <b>767.1</b>   | <b>3.3</b>  |
| Inventories                          | 212.2          | 207.4          | 4.8         |
| Trade Debtors                        | 278.9          | 261.2          | 17.7        |
| Other Current Assets                 | 32.2           | 37.7           | -5.5        |
| Value of forward contracts           | 103.8          | 140.1          | -36.3       |
| Cash and Bank Deposits               | 315.0          | 232.5          | 82.5        |
| <b>Total Current Assets</b>          | <b>942.1</b>   | <b>878.9</b>   | <b>63.2</b> |
| <b>TOTAL ASSETS</b>                  | <b>1,712.5</b> | <b>1,646.0</b> | <b>66.5</b> |
| <b>Total Equity</b>                  | <b>1,259.6</b> | <b>1,202.0</b> | <b>57.6</b> |
| Long Term Liabilities (interest)     | 47.5           | 45.3           | 2.2         |
| Long Term Liabilities (non-interest) | 17.1           | 19.8           | -2.7        |
| Trade Creditors                      | 111.4          | 83.1           | 28.3        |
| Taxes, VAT and national insurance    | 145.2          | 158.6          | -13.4       |
| Other current liabilities            | 131.7          | 137.2          | -5.5        |
| <b>Total Liabilities</b>             | <b>452.9</b>   | <b>444.0</b>   | <b>8.9</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>1,712.5</b> | <b>1,646.0</b> | <b>66.5</b> |

## Development in cash-flow and bank deposits (Mill.NOK):

|   | 1Q/05<br>IFRS | 1Q/04<br>IFRS | 2004<br>IFRS | 2003<br>NGAAP | 2002<br>NGAAP |
|---|---------------|---------------|--------------|---------------|---------------|
| <b>Net cash flow from:</b>                            |               |               |              |               |               |
| Operating activities                                  | 127.6         | 73.8          | 389.7        | 385.6         | 299.5         |
| Investing activities                                  | -23.9         | -34.3         | -115.1       | -169.6        | -149.0        |
| Financing activities                                  | -21.2         | 202.8         | -235.7       | -218.2        | -89.0         |
| <b>Net change in cash and cash equivalents</b>        | <b>82.5</b>   | <b>242.3</b>  | <b>38.9</b>  | <b>-2.2</b>   | <b>61.5</b>   |
| Cash and cash equivalents at the beginning of period  | 232.5         | 193.6         | 193.6        | 195.8         | 134.3         |
| <b>Cash and cash equivalents at the end of period</b> | <b>315.0</b>  | <b>435.9</b>  | <b>232.5</b> | <b>193.6</b>  | <b>195.8</b>  |



## EQUITY

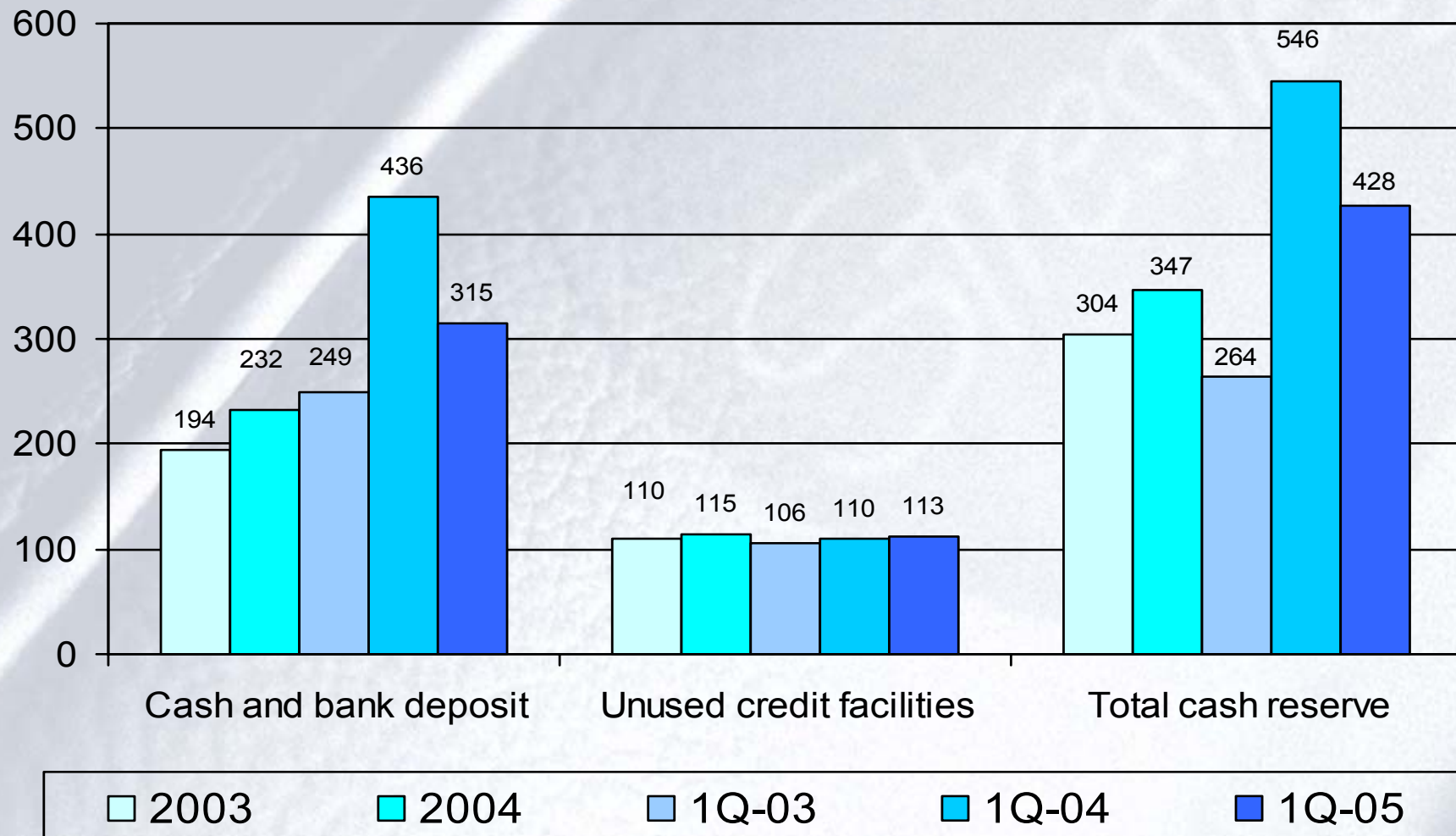
|                                   | 1Q/05<br>IFRS  | 1Q/04<br>IFRS  | 2004<br>IFRS   |
|-----------------------------------|----------------|----------------|----------------|
| <b>EQUITY AT START OF PERIOD</b>  | <b>1,202.0</b> | <b>1,092.5</b> | <b>1,092.5</b> |
| Capital expansion                 | -              | 212.8          | 212.8          |
| Profit of the year                | 71.0           | 79.5           | 334.7          |
| Dividend Ekornes ASA              | -              | -              | -438.2         |
| Dividende own shares              | -              | -              | 0.1            |
| Change in own shares              | 22.3           | 11.5           | -10.1          |
| Transactions in own shares        | -1.1           | 1.8            | -0.3           |
| Translation differences and other | 1.7            | 0.4            | -2.8           |
| Change value of forward contracts | -36.3          | -44.4          | 13.3           |
| <b>EQUITY AT END OF PERIOD</b>    | <b>1,259.6</b> | <b>1,354.1</b> | <b>1,202.0</b> |

## Development in Total Capital, Net-working Capital and Equity (mill. NOK):

|                      | 1Q-05<br>IFRS | 1Q-04<br>IFRS | 2004<br>IFRS | 2004<br>NGAAP | 2003<br>NGAAP | 2002<br>NGAAP | 2001<br>NGAAP |
|----------------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|
| Total capital        | 1,712.5       | 1,819.5       | 1,646.0      | 1,520.5       | 1,387.6       | 1,281.4       | 1,091.1       |
| Net-working capital* | 450.0         | 592.5         | 359.9        | 98.3          | -134.3        | 120.6         | 141.0         |
| Equity               | 1,259.6       | 1,354.1       | 1,202.0      | 803.0         | 534.1         | 688.5         | 578.0         |
| Equity ratio         | 73.6%         | 74.4%         | 73.0%        | 52.8%         | 38.5%         | 53.7%         | 53.0%         |

\*Not included the market value of forward contracts.

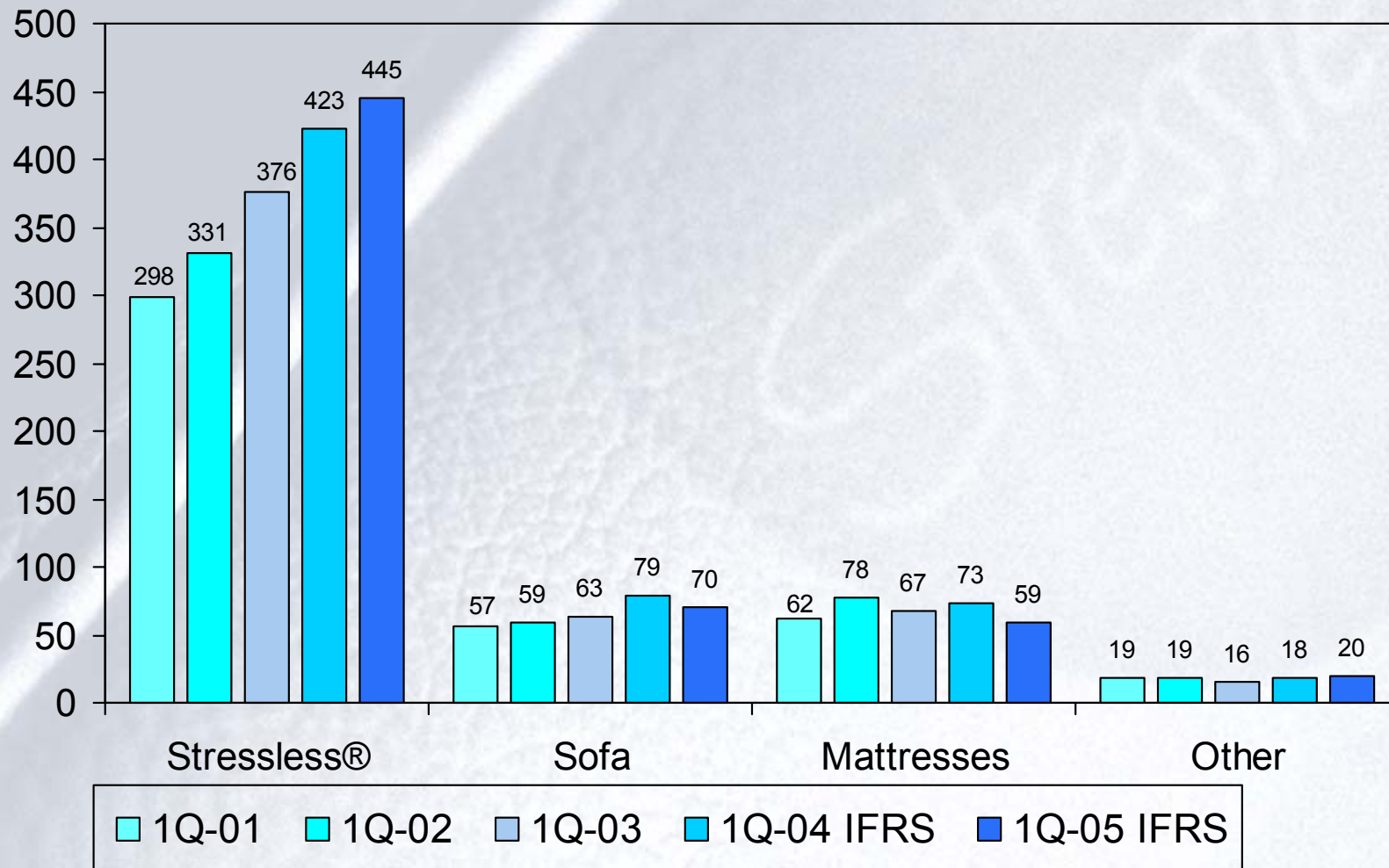
# Cash Reserve (million NOK)



## Development in direct salaries at the factories: (Year-end bonus not included)

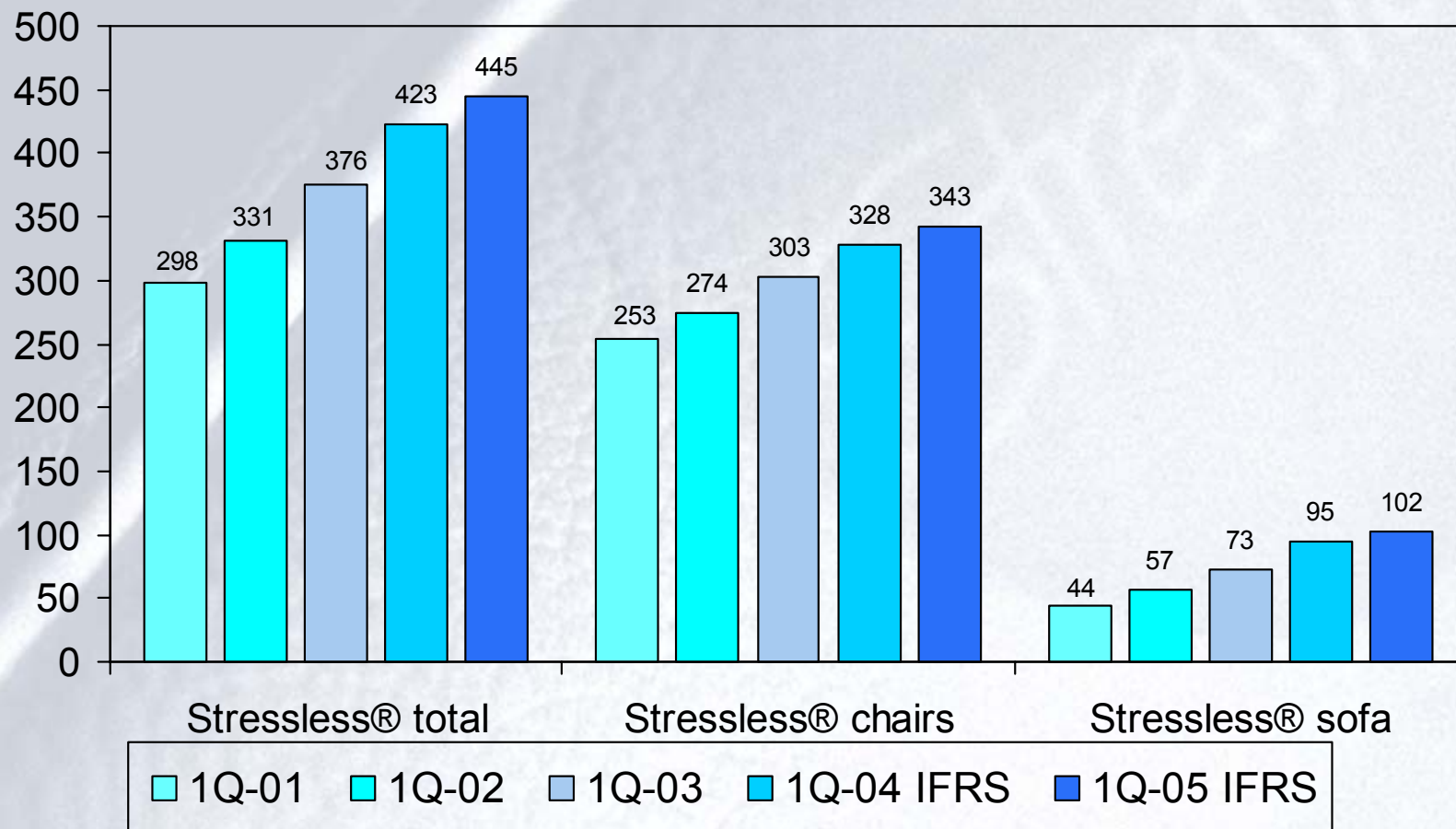
|                  | 1Q-05   | 1Q-04   | 2004    | 2003  | 2002  | 2001  |
|------------------|---------|---------|---------|-------|-------|-------|
| Stressless prod. | 22.7%   | 21.4%   | 21.2%   | 21.5% | 21.0% | 21.1% |
| (Incl. Tynes)    | (23.9%) | (22.2%) | (21.6%) |       |       |       |
| Stranda          | 15.4%   | 12.7%   | 13.2%   | 13.8% | 14.1% | 14.5% |
| Grodås           | 38.1%   | 30.3%   | 32.2%   | 32.5% | 33.1% | 34.4% |
| Hareid           | 19.4%   | 17.0%   | 18.1%   | 17.9% | 19.4% | 18.7% |
| Fetsund          | 21.2%   | 16.4%   | 15.9%   | 18.8% | 17.4% | 18.2% |

## Distribution of turnover by product area (Million NOK):

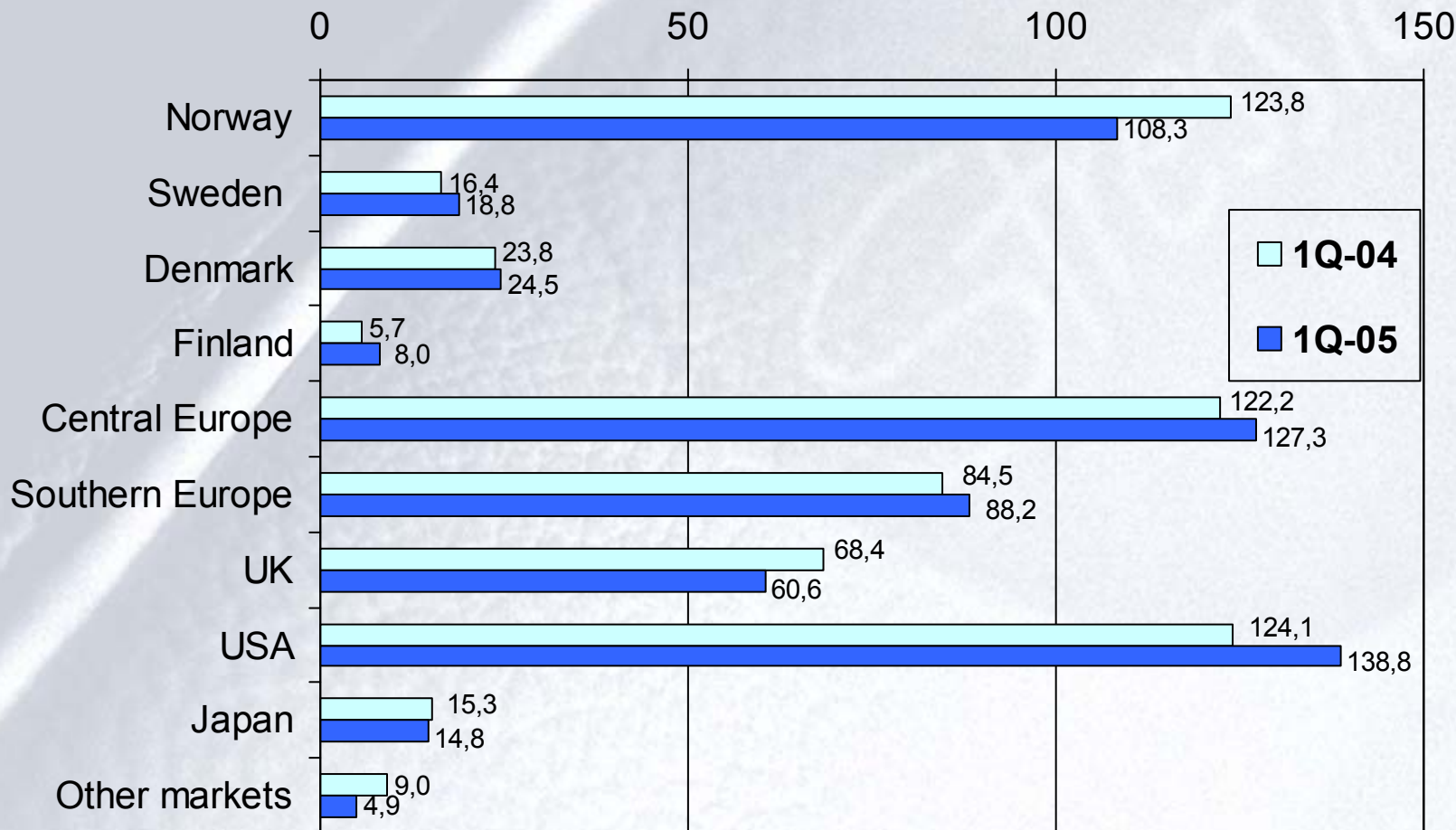


# Distribution of turnover: Product Area Stressless®

(Mill. NOK)



## Development in turnover per market (million NOK)



## Development in turnover per market (continued) (million NOK)

|                   | <b>Changes<br/>1Q/05 – 1Q/04</b> | <b>1Q-05<br/>IFRS</b> | <b>1Q-04<br/>IFRS</b> | <b>1Q-03<br/>NGAAP</b> |
|-------------------|----------------------------------|-----------------------|-----------------------|------------------------|
| Norway            | -12.5 %                          | 108.3                 | 123.8                 | 117.3                  |
| Sweden            | +14.9 %                          | 18.8                  | 16.4                  | 16.8                   |
| Denmark           | +3.2 %                           | 24.5                  | 23.8                  | 21.6                   |
| Finland           | +39.8 %                          | 8.0                   | 5.7                   | 6.9                    |
| Central - Europe  | +4.2 %                           | 127.3                 | 122.2                 | 101.1                  |
| Southern - Europe | +4.4 %                           | 88.2                  | 84.5                  | 78.0                   |
| UK                | -11.4 %                          | 60.6                  | 68.4                  | 59.0                   |
| USA               | +11.9 %                          | 138.8                 | 124.1                 | 100.0                  |
| Japan             | -3,6 %                           | 14.8                  | 15.3                  | 10.5                   |
| Other markets     | -45.6 %                          | 4.9                   | 9.0                   | 10.4                   |
| <b>Total</b>      | <b>+0.2 %</b>                    | <b>594.3</b>          | <b>593.2</b>          | <b>521.6</b>           |



## Largest shareholders (30.04.2005)

|     |  |        |
|-----|--|--------|
| 1.  | Folketrygdfondet, NOR                    | 11.48% |
| 2.  | State Street Bank & Clients, USA         | 9.26%  |
| 3.  | J. P. Morgan Chase Bank, GBR             | 4.78%  |
| 4.  | Deutsche Bank AG, DEU                    | 3.32%  |
| 5.  | Berit Ekornes Unhjem, NOR                | 2.80%  |
| 6.  | Okon Osuuspankkien KE Corp. Actions, FIN | 2.79%  |
| 7.  | Nordea Bank Denmark, DEN                 | 2.65%  |
| 8.  | GMO Foreign Fund, USA                    | 2.55%  |
| 9.  | Oslo Pensjonsforsikring, NOR             | 2.17%  |
| 10. | GMO Erisa Pool Trust, USA                | 2.14%  |

Other shareholders approx. 3,195 56.06%

|             |                        |       |
|-------------|------------------------|-------|
| Proportion: | Norwegian shareholders | 49.0% |
|             | Foreign shareholders   | 51.0% |

## Board of Directors

## Group Management

- Olav Kjell Holtan
- Berit Svendsen
- Jens P. Ekornes
- Torger Reve
- Carl Graff-Wang

### Employee Representatives:

- Arnstein Johannesen
- Ove Skaare
- Jan Ness

- CEO

**Nils-Fredrik Drabløs**

Phone: +47 70 25 52 28      Mobil: +47 90 01 78 92

Email: [nils.fredrik.drablos@ekornes.no](mailto:nils.fredrik.drablos@ekornes.no)

- CFO

**Robert Svendsen**

Phone: +47 70 25 52 13      Mobil: +47 91 89 50 24

Email: [robert.svendsen@ekornes.no](mailto:robert.svendsen@ekornes.no)

- Marketing Director  
**Runar Haugen**

- International Marketing Director  
**Svein Lunde**