

# EKORNES ASA

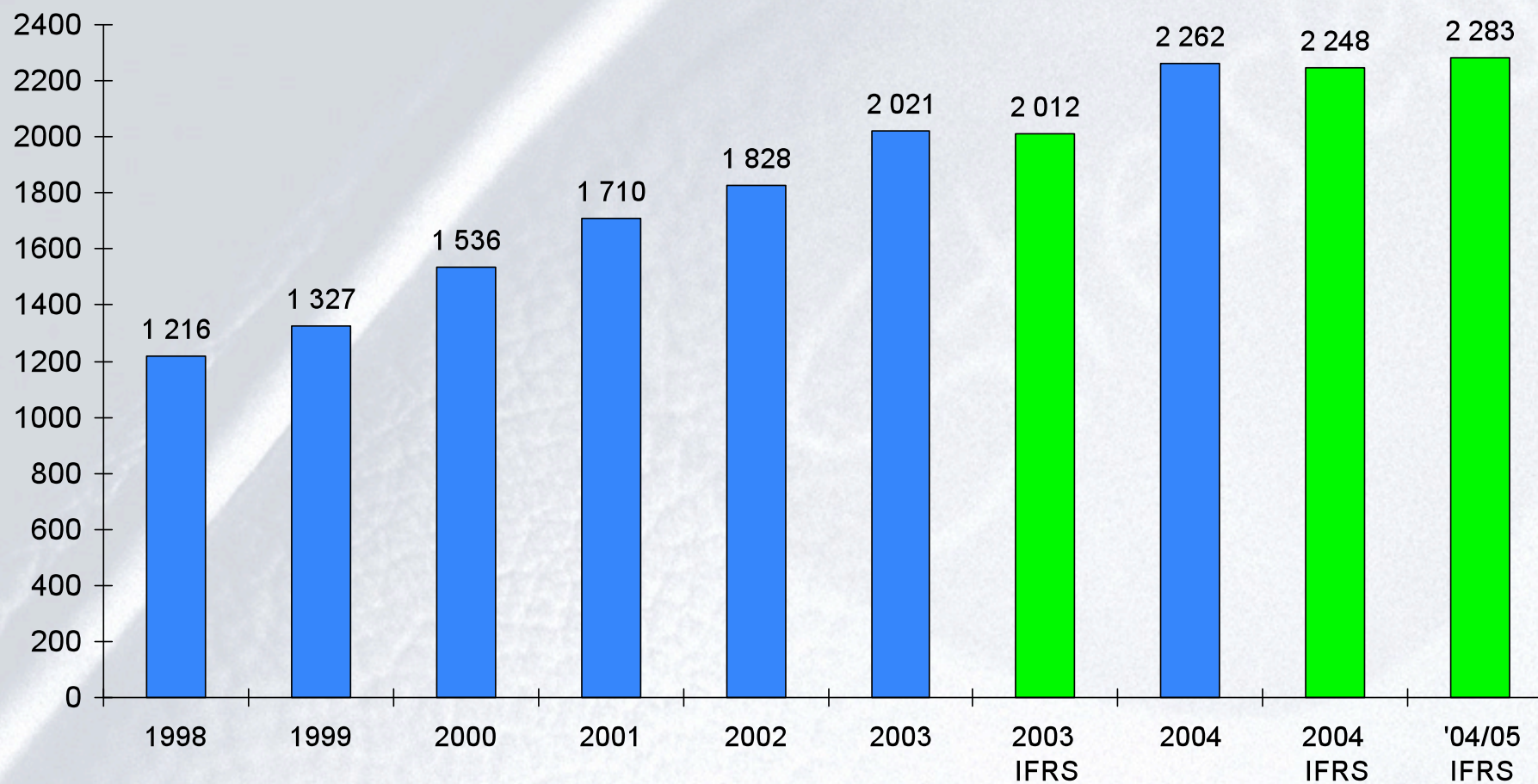
3rd QUARTER 2005

## Ekornes Q3 2005 - Headlines:

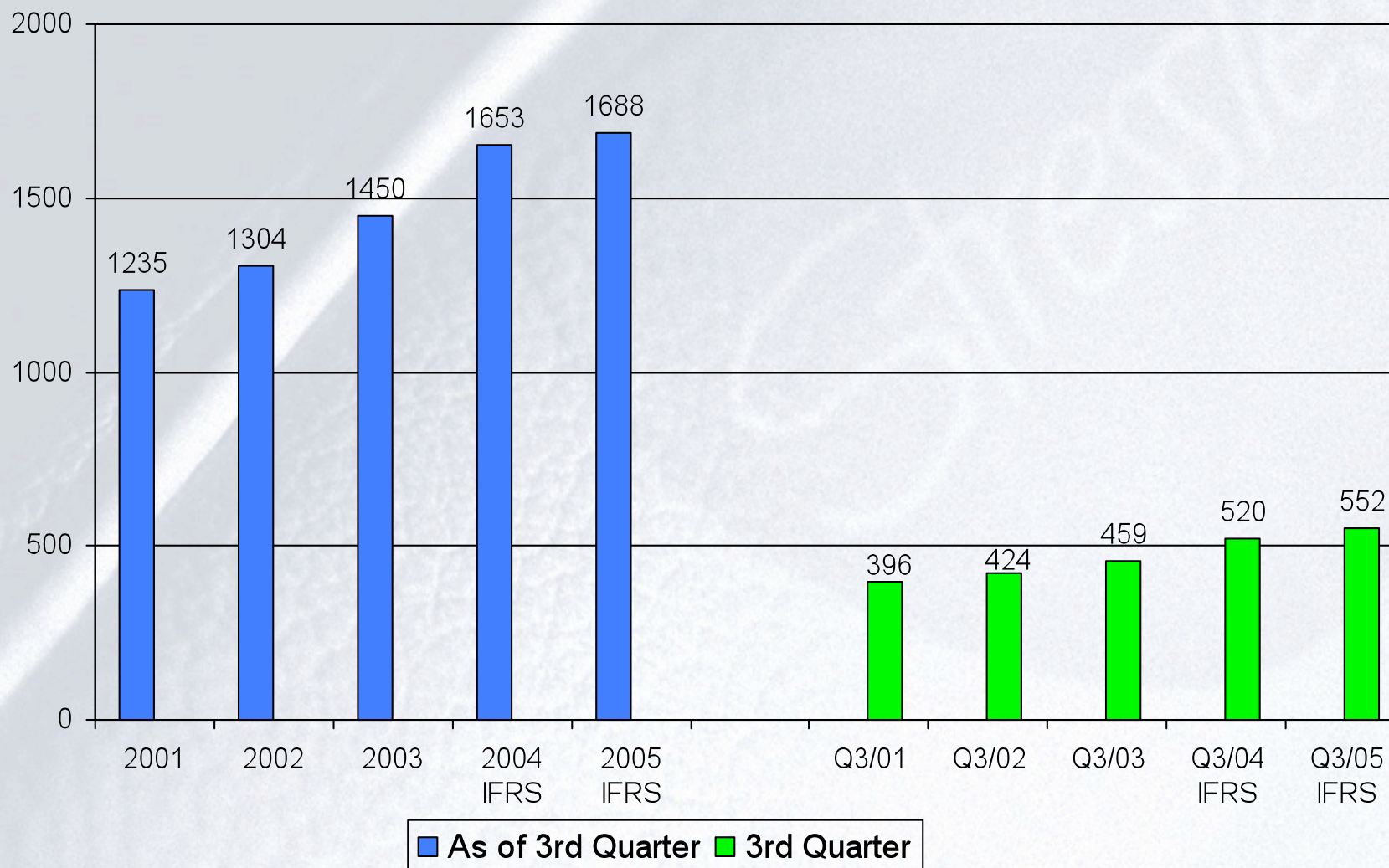
- Good order influx in Q3 and beginning of Q4.
- Q3 margins up like in former years (Better than Q1 and Q2).
- Stressless® turnover up 5.8% (NOK 69.0 mill).
- Mattress sales developed positively.
- Ekornes Collection® - sofa:
  - Sales down.
  - Margins and productivity picked up in Q3.
- Uncertainty in some raw material prices – Supplies are OK.
- Good response on new products/models presented in USA and Norway this autumn.
- Stressless® capacity to be unchanged at 1,400 seat units a day.



## Development in Operating Revenue:

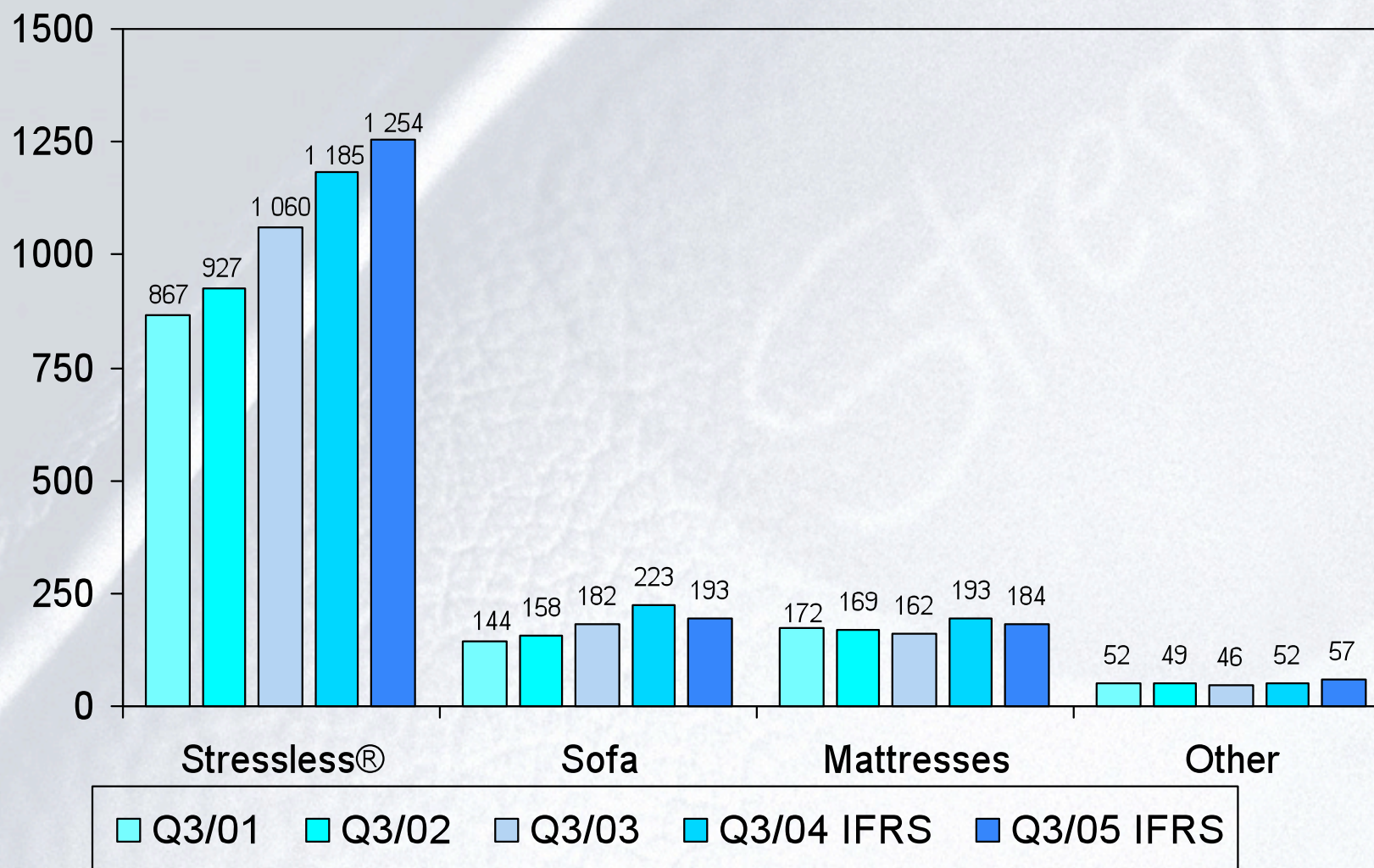


## Development in Operating Revenues:



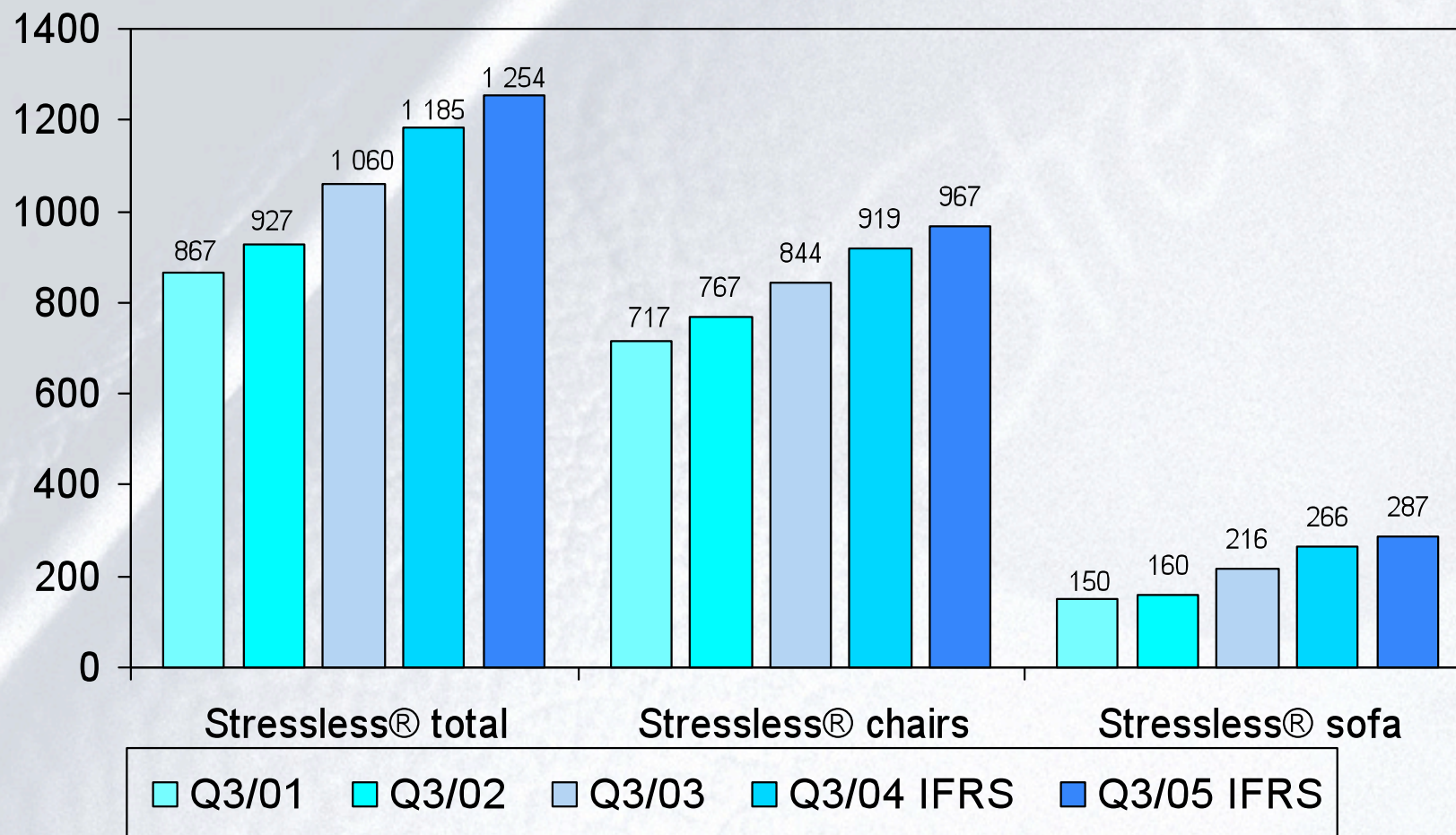


## Distribution of turnover by product area (Million NOK):



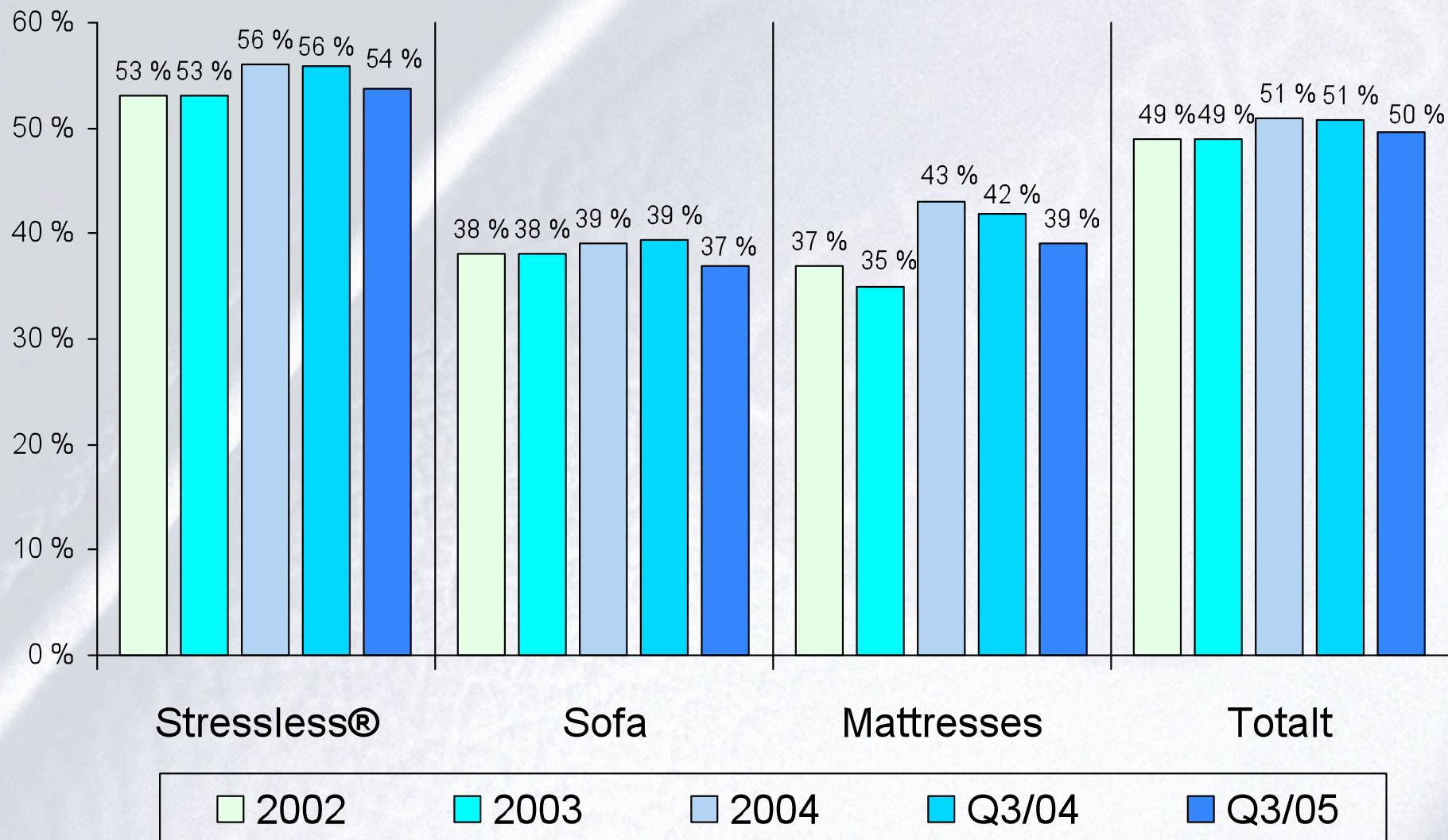
# Distribution of turnover: Product Area Stressless®

(Mill. NOK)

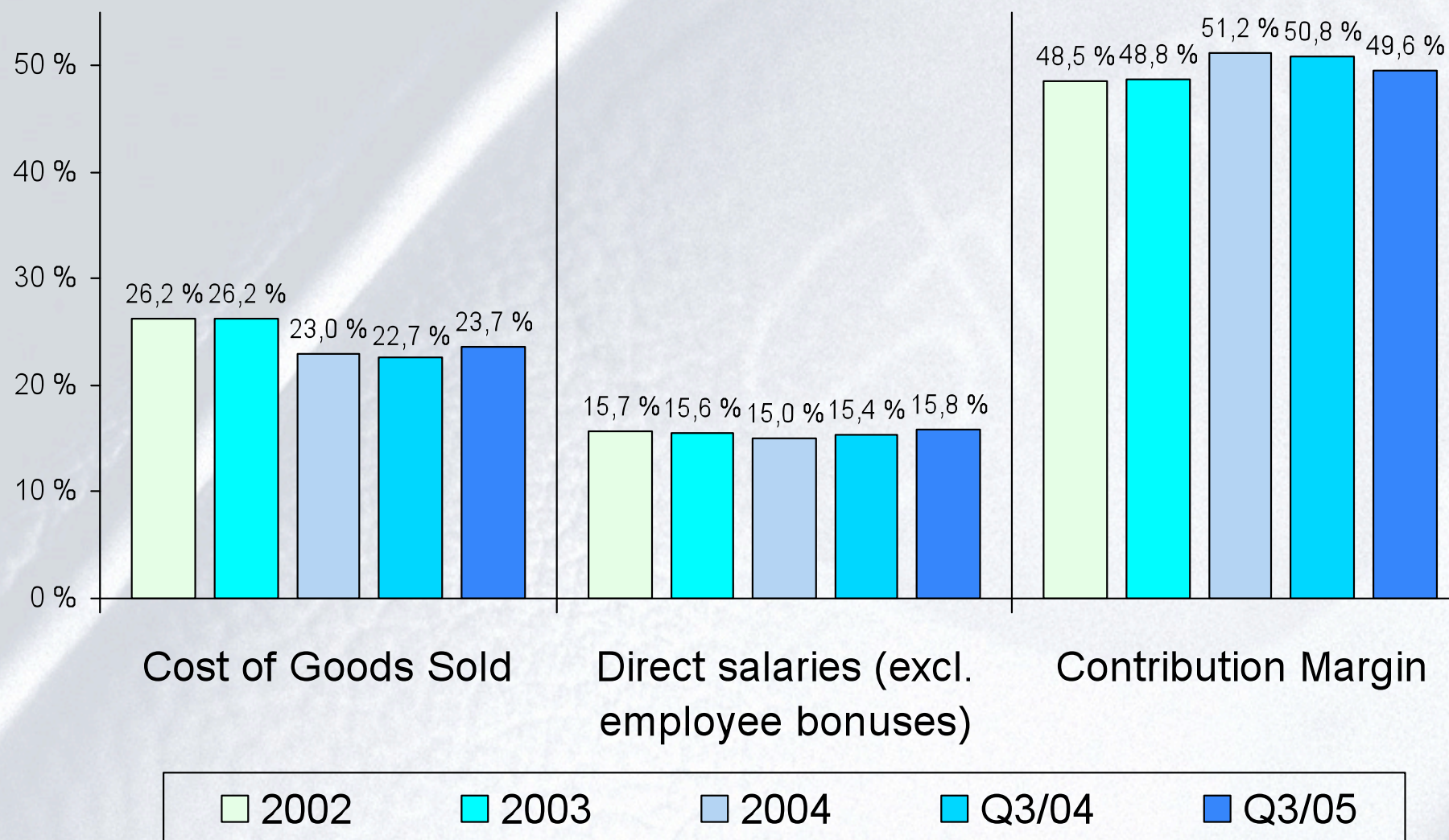




## Contribution margin by product areas



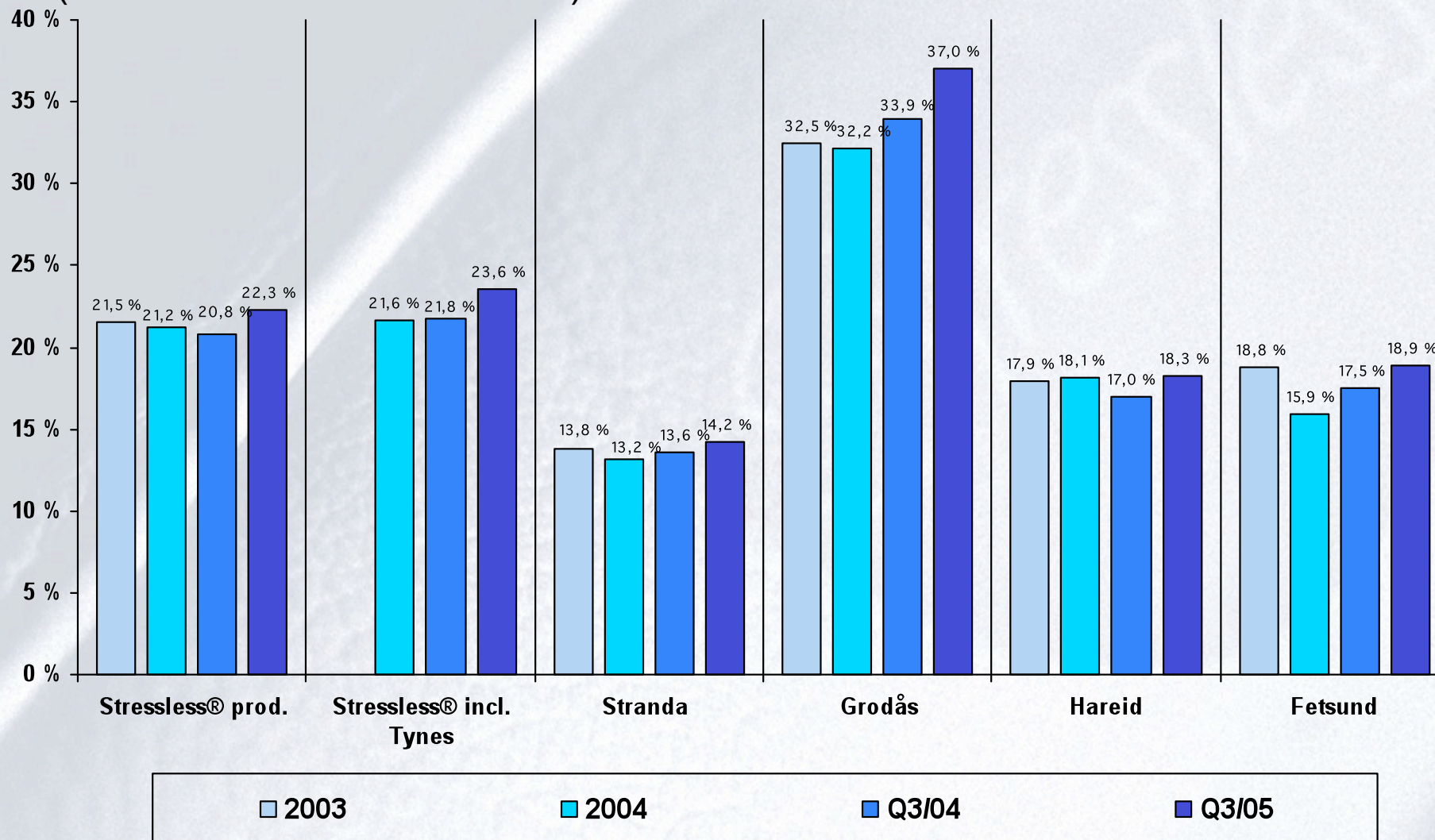
## Development in relative factors – Group consolidated:



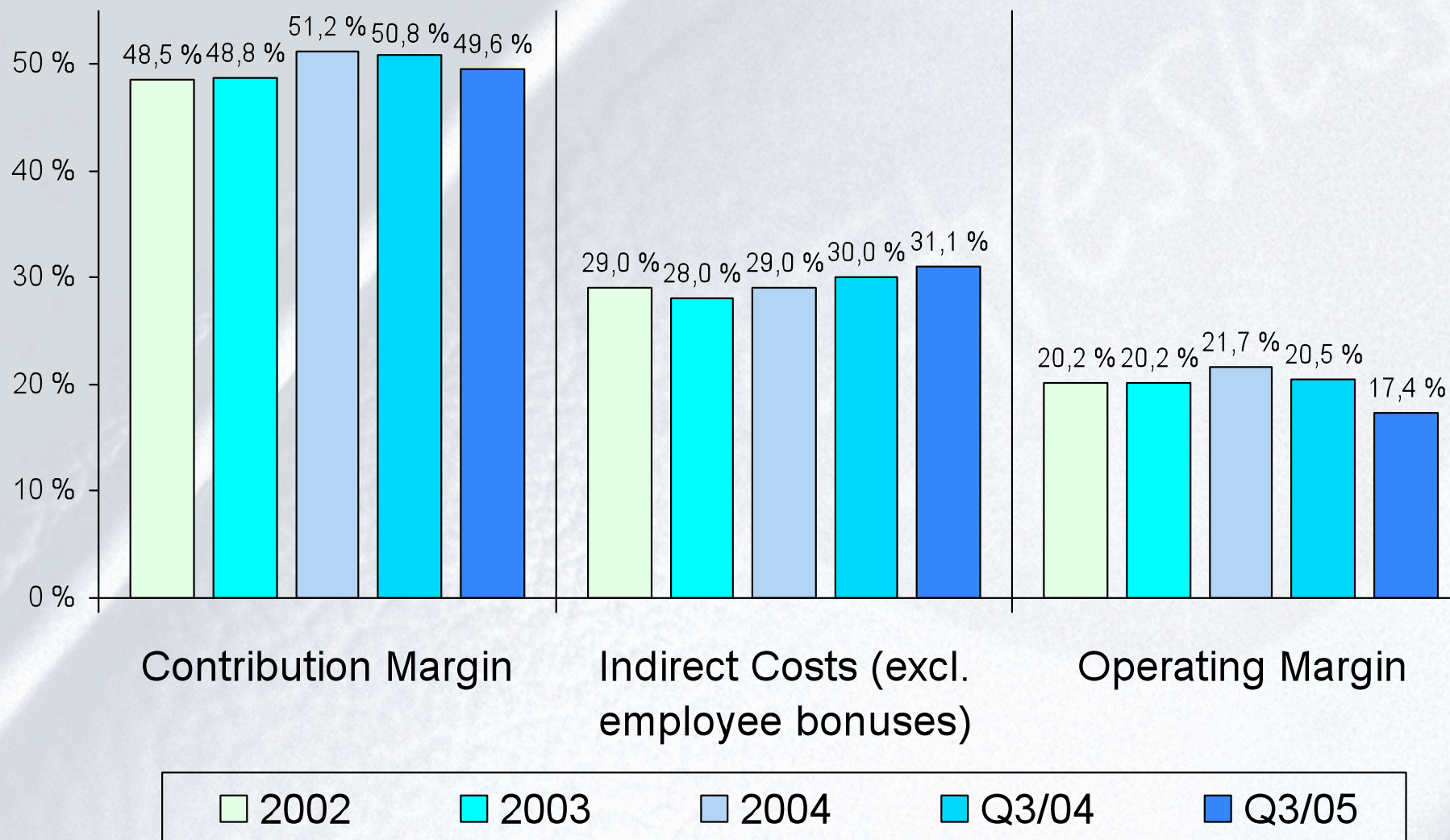


# Development in direct salaries at the factories:

(Year-end bonus not included)

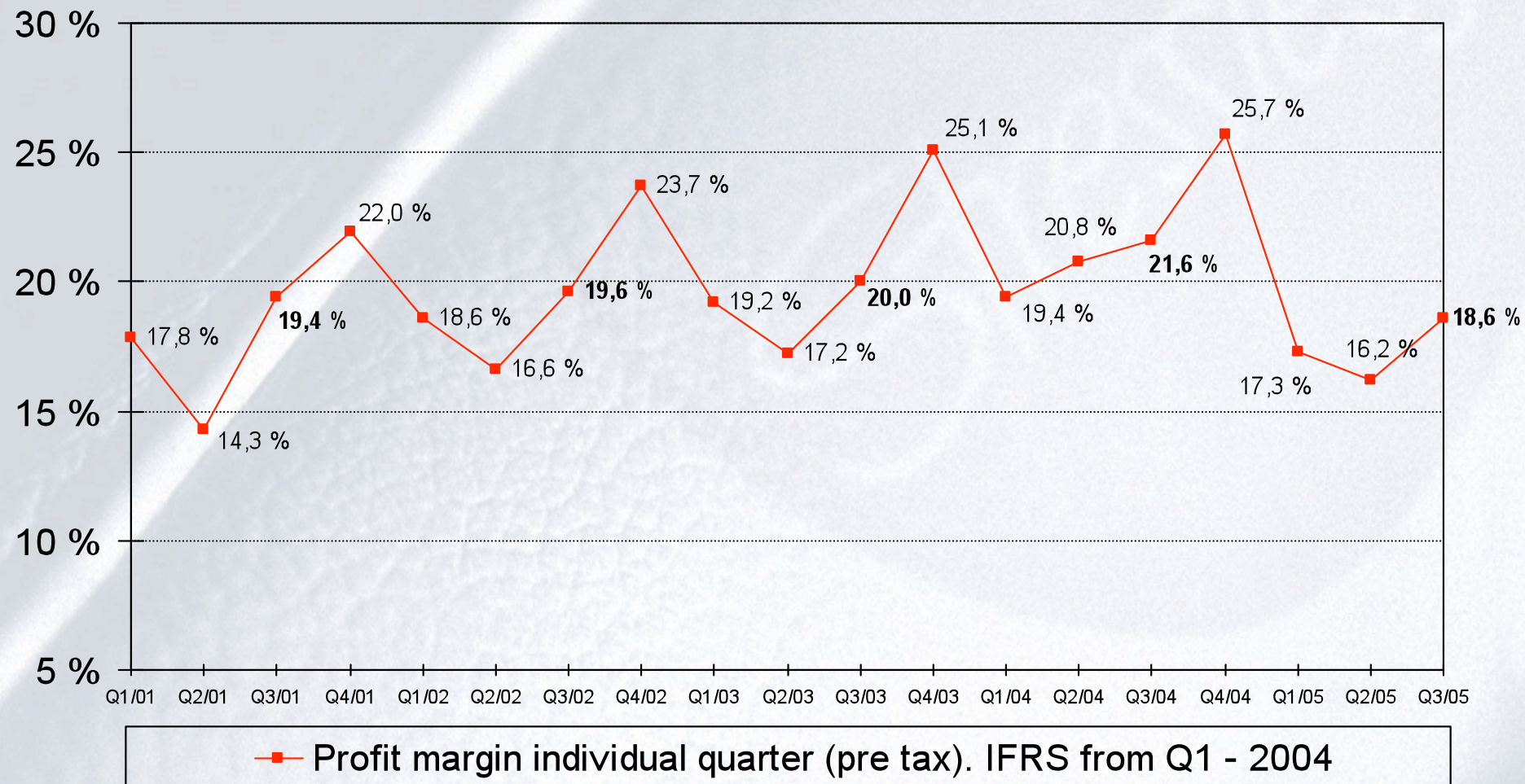


## Total contribution and operating margin:



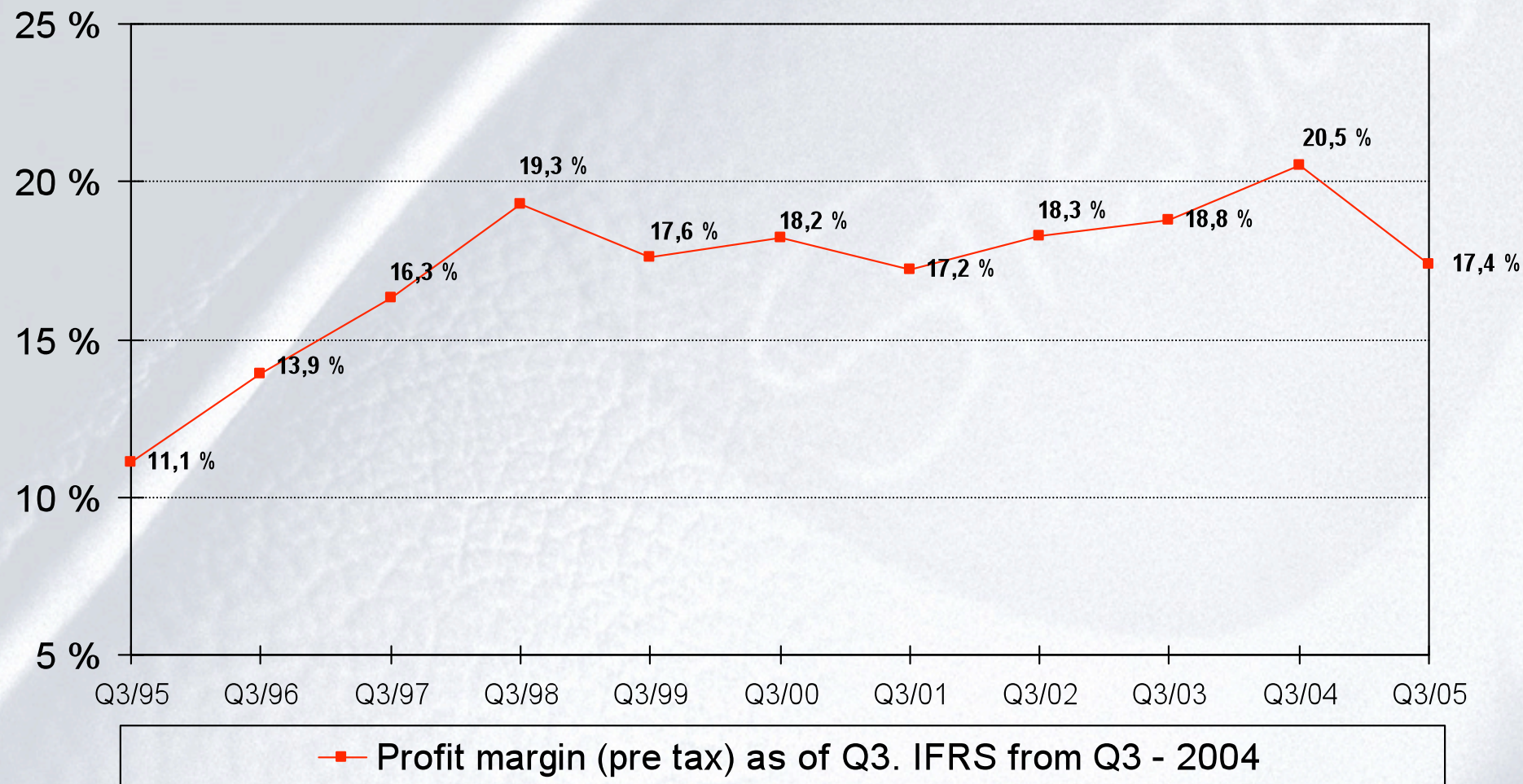


## Development in Profit Margin (pre-tax):



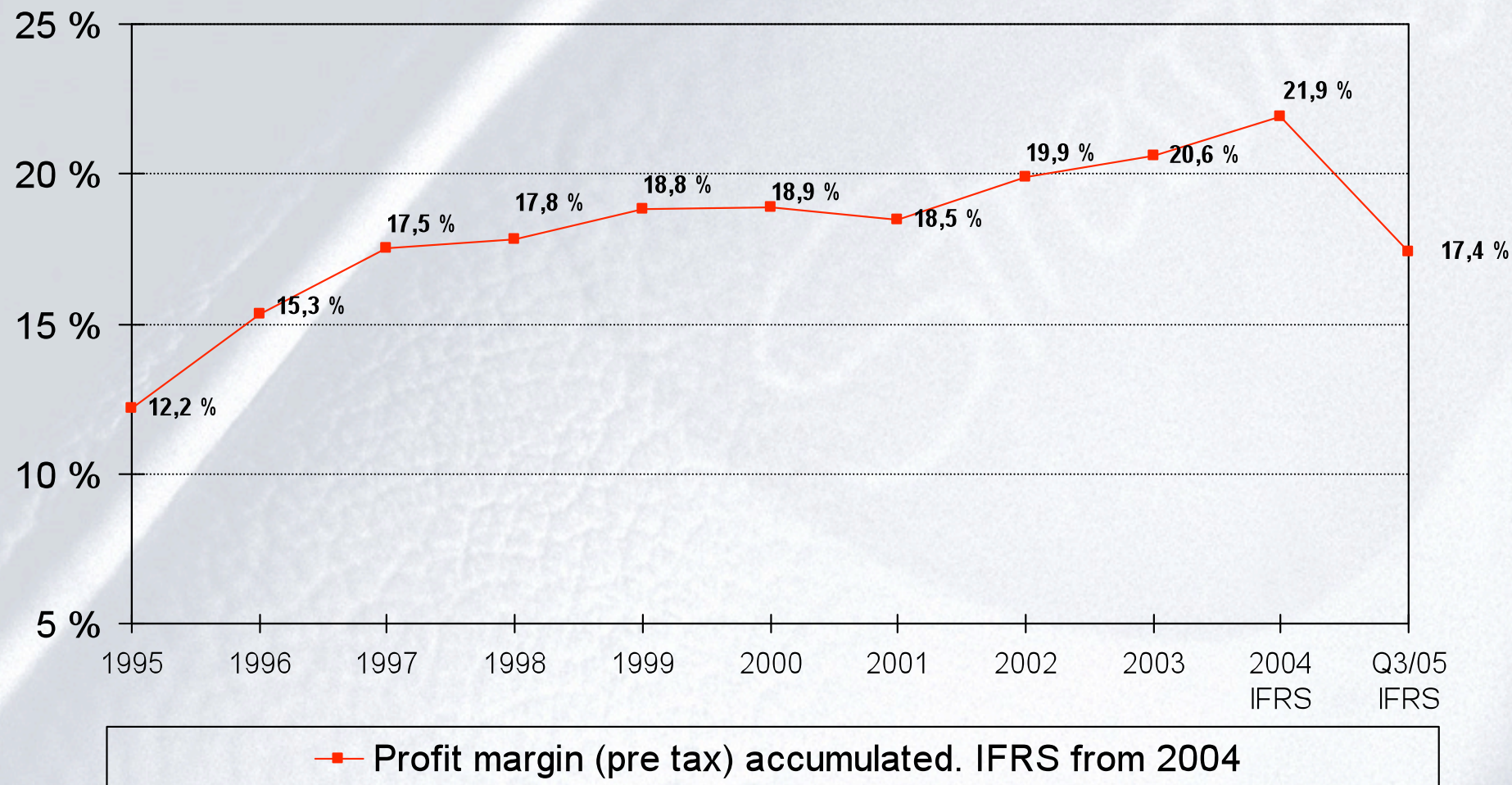


## Development in Profit Margin (pre-tax):

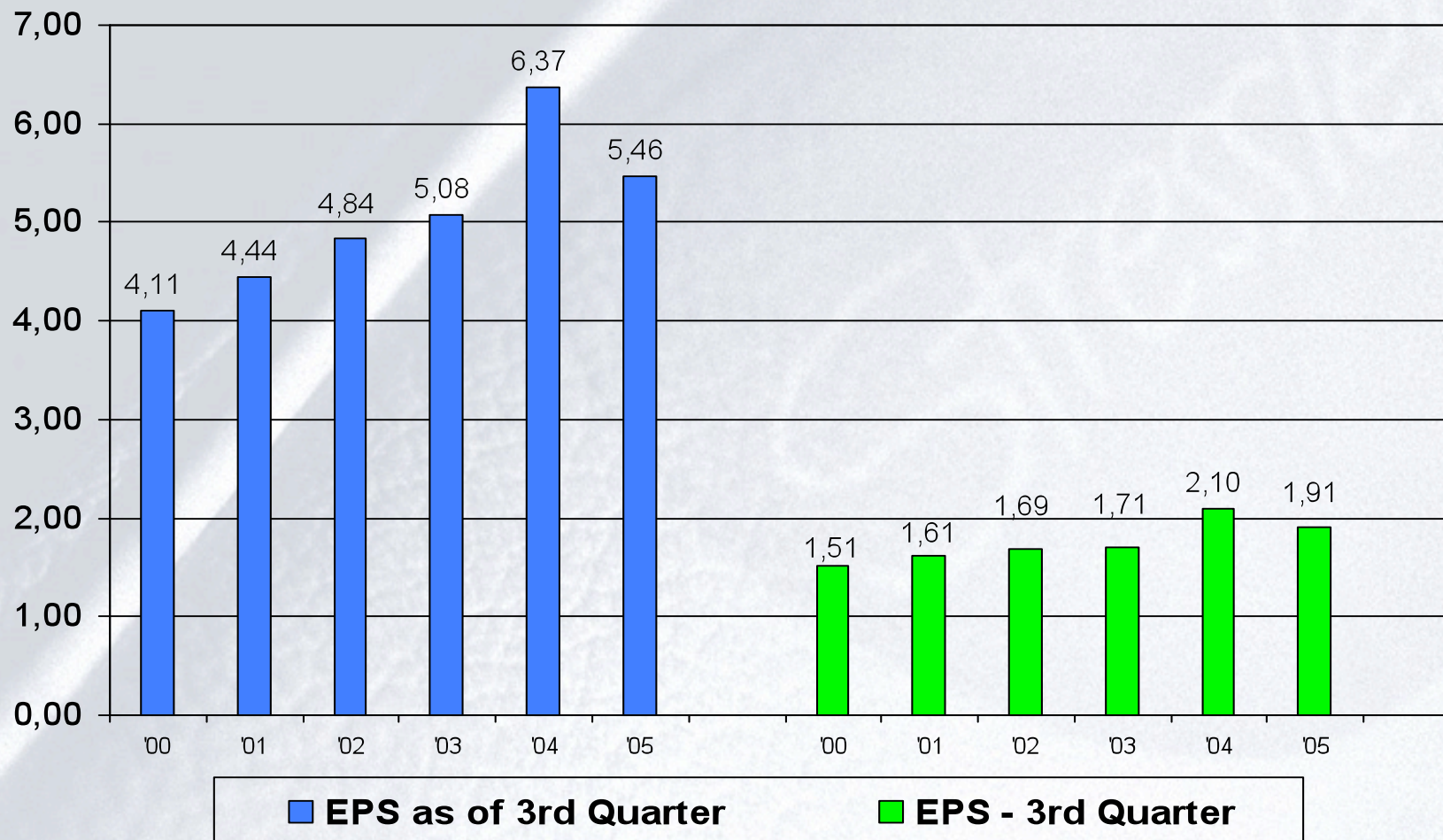




## Development in Profit Margin (pre-tax):



## Development EPS (Figures in NOK):



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



## Income Statement IFRS as of (mill. NOK):

	Q3-05		Q3-04		Changes
<b>Operating revenues</b>	<b>1,688.2</b>	<b>100.0%</b>	<b>1,652.6</b>	<b>100.0%</b>	<b>2.2%</b>
Costs of goods sold	400.8	23.7%	375.7	22.7%	6.7%
Salaries and social costs	478.4	28.3%	452.8	27.4%	5.7%
Other operating expenses	450.7	26.7%	421.5	25.5%	6.9%
Depreciation	64.8	3.8%	63.7	3.9%	1.7%
<b>Total operating costs</b>	<b>1,394.7</b>	<b>82.6%</b>	<b>1,313.7</b>	<b>79.5%</b>	<b>6.2%</b>
<b>Operating result</b>	<b>293.5</b>	<b>17.4%</b>	<b>338.9</b>	<b>20.5%</b>	<b>-13.4%</b>
Net financial income/expenses	0.1	0.0%	0.6	0.0%	
<b>Ordinary result before taxes</b>	<b>293.6</b>	<b>17.4%</b>	<b>339.5</b>	<b>20.5%</b>	<b>-13.5%</b>
Calculated taxes ordinary result	92.5	5.5%	105.0	6.4%	
<b>Ordinary result after taxes</b>	<b>201.1</b>	<b>11.9%</b>	<b>234.5</b>	<b>14.2%</b>	<b>-14.2%</b>
<b>EPS</b>	<b>5.46</b>		<b>6.37</b>		



## Income Statement IFRS (mill. NOK):

	Q3-05		Q3-04		Changes
<b>Operating revenues</b>	<b>551.9</b>	<b>100.0%</b>	<b>520.2</b>	<b>100.0%</b>	<b>6.1%</b>
Costs of goods sold	131.9	23.9%	118.5	22.8%	11.3%
Salaries and social costs	148.8	27.0%	133.9	25.7%	11.1%
Other operating expenses	142.0	25.7%	133.4	25.6%	6.5%
Depreciation	21.6	3.9%	21.0	4.0%	2.7%
<b>Total operating costs</b>	<b>444.3</b>	<b>80.5%</b>	<b>406.8</b>	<b>78.2%</b>	<b>9.2%</b>
<b>Operating result</b>	<b>107.6</b>	<b>19.5%</b>	<b>113.4</b>	<b>21.8%</b>	<b>-5.1%</b>
Net financial income/expenses	-4.8	0.9%	-1.2	0.2%	
<b>Ordinary result before taxes</b>	<b>102.8</b>	<b>18.6%</b>	<b>112.2</b>	<b>21.6%</b>	<b>-8.4%</b>
Calculated taxes ordinary result	32.5	5.9%	35.0	6.7%	
<b>Ordinary result after taxes</b>	<b>70.3</b>	<b>12.7%</b>	<b>77.2</b>	<b>14.8%</b>	<b>-8.9%</b>
<b>EPS</b>	<b>1.91</b>		<b>2.10</b>		



**Income Statement last 12 months IFRS** (Oct 1st to Sep 30th) (mill. NOK) :

	<b>2005</b>		<b>2004</b>		<b>Changes</b>
<b>Operating revenues</b>	<b>2,283.1</b>	<b>100.0%</b>	<b>2,223.1</b>	<b>100.0%</b>	<b>2.7%</b>
Costs of goods sold	541.3	23.7%	518.3	23.3%	4.4%
Salaries and social costs	631.5	27.7%	599.3	27.0%	5.4%
Other operating expenses	582.8	25.5%	545.3	24.5%	6.9%
Depreciation	84.9	3.7%	82.7	3.7%	2.7%
<b>Total operating costs</b>	<b>1,840.5</b>	<b>80.6%</b>	<b>1,745.6</b>	<b>78.5%</b>	<b>5.4%</b>
<b>Operating result</b>	<b>442.6</b>	<b>19.4%</b>	<b>477.5</b>	<b>21.5%</b>	<b>-7.3%</b>
Net financial income/expenses	4.1	0.2%	5.2	0.2%	-21.2%
<b>Ordinary result before taxes</b>	<b>446.7</b>	<b>19.6%</b>	<b>482.7</b>	<b>21.7%</b>	<b>-7.5%</b>
Calculated taxes ordinary result	145.3	6.4%	140.1	6.3%	3.7%
<b>Ordinary result after taxes</b>	<b>301.4</b>	<b>13.2%</b>	<b>342.6</b>	<b>15.4%</b>	<b>-12.0%</b>
<b>EPS</b>	<b>8.18</b>		<b>9.30</b>		



## Balance IFRS (million NOK) :

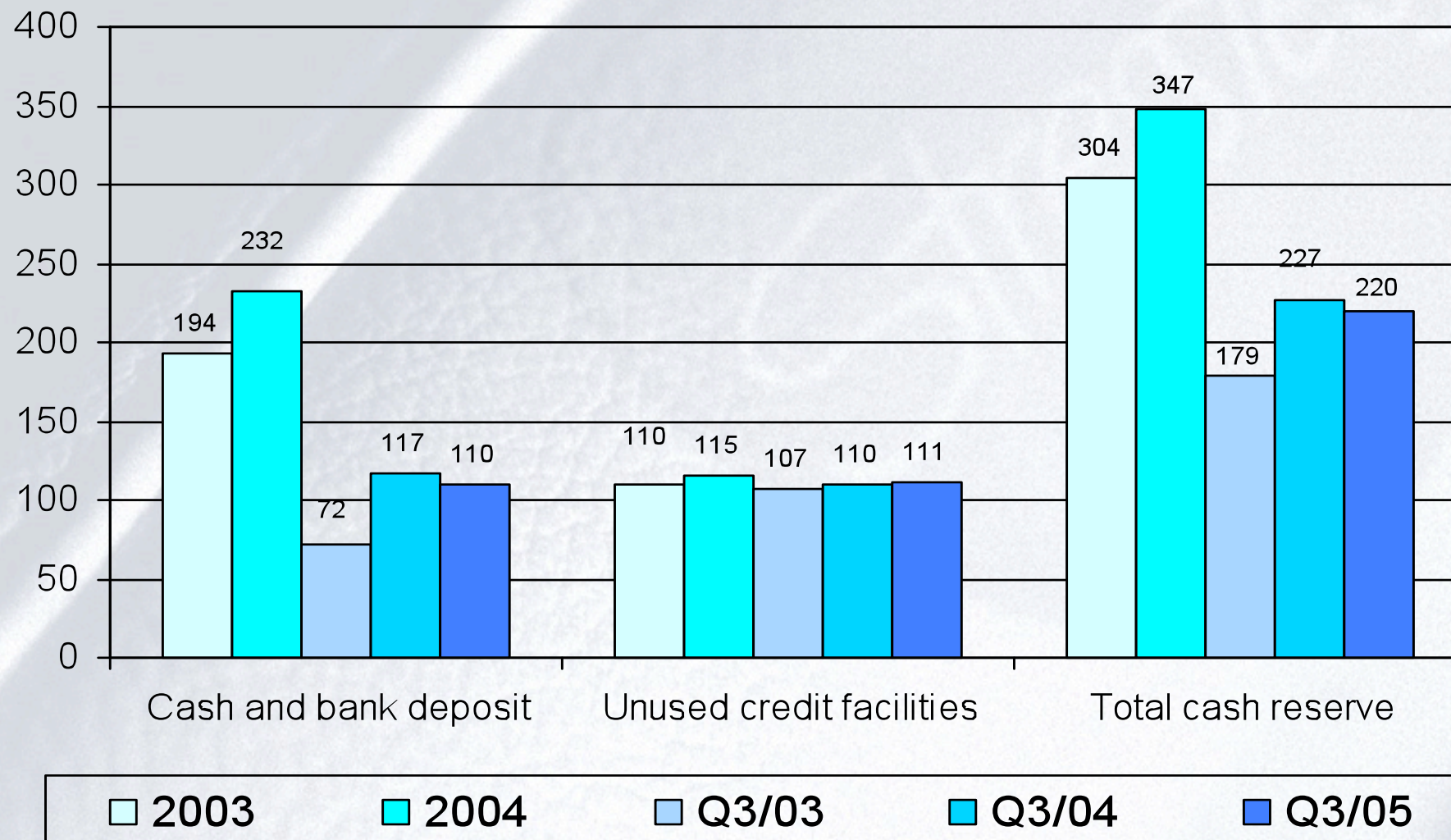
	Q3/05	Q3/04	CHANGES
<b>Total Long Term Assets</b>	<b>797.5</b>	<b>760.7</b>	<b>4.9%</b>
Inventories	202.6	231.0	-12.3%
Trade Debtors	349.6	314.9	11.1%
Other Current Assets	32.4	36.7	-11.7%
Value of forward contracts	128.1	94.5	35.6%
Cash and Bank Deposits	109.5	116.7	-6.2%
<b>Total Current Assets</b>	<b>822.2</b>	<b>793.8</b>	<b>3.6%</b>
<b>TOTAL ASSETS</b>	<b>1,619.7</b>	<b>1,554.5</b>	<b>4.2%</b>
<b>Total Equity</b>	<b>1,092.5</b>	<b>1,054.4</b>	<b>3.6%</b>
Long Term Liabilities (interest)	49.1	50.1	-2.0%
Provisions and Commitments	52.6	43.0	22.3%
Trade Creditors	110.7	121.8	-9.2%
Taxes, VAT and national insurance	142.0	142.5	0.4%
Other current liabilities	172.8	142.7	21.2%
<b>Total Liabilities</b>	<b>527.2</b>	<b>500.1</b>	<b>5.4%</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,619.7</b>	<b>1,554.5</b>	<b>4.2%</b>



## Balance IFRS (million NOK) :

	Q3/05	1H/05	CHANGES
<b>Total Long Term Assets</b>	<b>797.5</b>	<b>786.0</b>	<b>+11.5</b>
Inventories	202.6	227.4	-24.8
Trade Debtors	349.6	321.6	+28.0
Other Current Assets	32.4	34.7	-2.3
Value of forward contracts	128.1	139.2	-11.1
Cash and Bank Deposits	109.5	41.3	+68.2
<b>Total Current Assets</b>	<b>822.2</b>	<b>764.2</b>	<b>+58.0</b>
<b>TOTAL ASSETS</b>	<b>1,619.7</b>	<b>1,550.2</b>	<b>+69.5</b>
<b>Total Equity</b>	<b>1,092.5</b>	<b>1,038.9</b>	<b>+53.6</b>
Long Term Liabilities (interest)	49.1	49.1	
Provisions and Commitments	52.6	54.1	-1.5
Trade Creditors	110.7	101.8	+8.9
Taxes, VAT and national insurance	142.0	142.1	-0.1
Other current liabilities	172.8	164.2	+8.6
<b>Total Liabilities</b>	<b>527.2</b>	<b>511.3</b>	<b>+15.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,619.7</b>	<b>1,550.2</b>	<b>+69.5</b>

## Cash Reserve (million NOK)





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

	Q3/05 IFRS	Q3/04 IFRS	2004 IFRS	2003 NGAAP	2002 NGAAP
<b>Net cash flow from:</b>					
Operating activities	258.0	224.1	389.7	385.6	299.5
Investing activities	-94.9	-88.9	-115.1	-169.6	-149.0
Financing activities	-286.1	-212.1	-235.7	-218.2	-89.0
<b>Net change in cash and cash equivalents</b>	<b>-123.0</b>	<b>-76.9</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>109.5</b>	<b>116.7</b>	<b>232.5</b>	<b>193.6</b>	<b>195.8</b>



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

	Q3-05 IFRS	Q3-04 IFRS	2004 IFRS	2004 NGAAP	2003 NGAAP	2002 NGAAP	2001 NGAAP
Total capital	1,619.7	1,554.4	1,646.0	1,520.5	1,387.6	1,281.4	1,091.1
Net-working capital*	268.6	292.3	359.9	98.3	-134.3	120.6	141.0
Equity	1,092.5	1,054.4	1,162.8	803.0	534.1	688.5	578.0
Equity ratio	67.5%	67.8%	70.6%	52.8%	38.5%	53.7%	53.0%

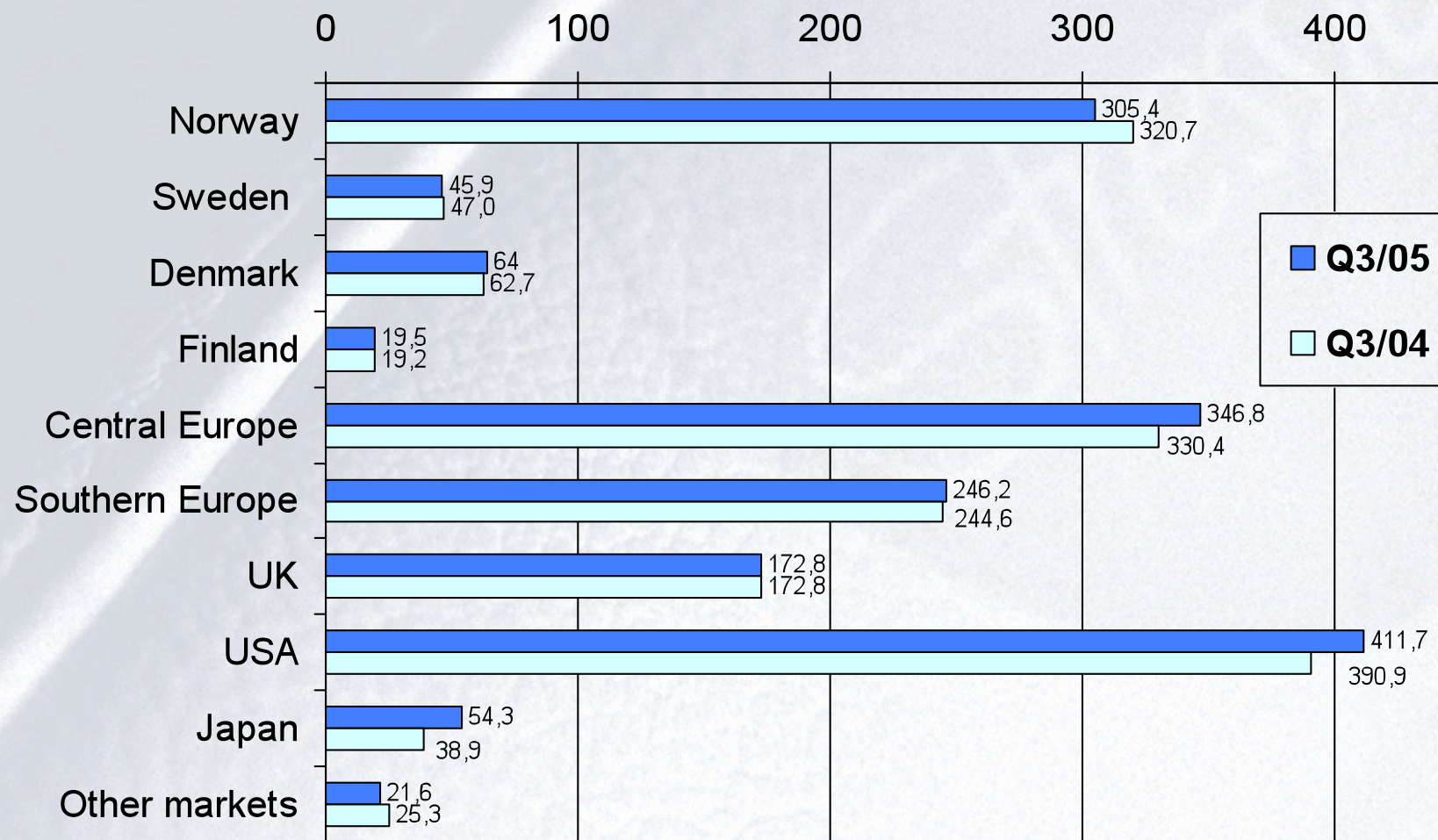
\*Not included the market value of forward contracts.



**EQUITY**

	<b>Q3/05</b>	<b>Q3/04</b>	<b>2004</b>
	<b>IFRS</b>	<b>IFRS</b>	<b>IFRS</b>
<b>EQUITY AT START OF PERIOD</b>	<b>1,162.8</b>	<b>1,057.0</b>	<b>1,057.0</b>
Capital expansion	-	212.8	212.8
Profit of the year	201.1	234.5	334.7
Dividend Ekornes ASA	-276.2	-438.2	-438.2
Dividende own shares	-	0.1	0.1
Change in own shares	11.0	11.5	-10.1
Transactions in own shares	-1.1	1.8	-0.3
Translation differences and other	3.4	-1.9	-2.8
Change value of forward contracts	-8.5	-23.2	9.6
<b>EQUITY AT END OF PERIOD</b>	<b>1,092.5</b>	<b>1,054.4</b>	<b>1,162.8</b>

## Development in turnover per market (million NOK)





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

	Changes 3Q/05 – 3Q/04	3Q-05 IFRS	3Q-04 IFRS	3Q – 03 NGAAP
Norway	- 4.8%	305.4	320.7	286.7
Sweden	- 2.3%	45.9	47.0	52.2
Denmark	+ 2.1%	64.0	62.7	58.4
Finland	+ 1.2%	19.5	19.2	19.4
Central - Europe	+ 5.0%	346.8	330.4	279.0
Southern - Europe	+ 0.7%	246.2	244.6	223.3
UK	0.0%	172.8	172.8	157.5
USA	+ 5.3%	411.7	390.9	305.7
Japan	+ 39.4%	54.3	38.9	50.4
Other markets	- 14.6%	21.6	25.3	17.7
<b>Total</b>	<b>+ 2.2 %</b>	<b>1,688.2</b>	<b>1,652.5</b>	<b>1,450.3</b>



## Largest shareholders (02.11.2005)

1.	Folketrygdfondet, NOR	12.64%
2.	State Street Bank & Clients, USA	8.99%
3.	J. P. Morgan Chase Bank, GBR	5.42%
4.	Okon Osuuspankkien KE Corp. Actions, FIN	3.53%
5.	Bank of New York, USA	3.39%
6.	Nordea Bank Denmark, DEN	2.84%
7.	Berit Ekornes Unhjem, NOR	2.81%
8.	Oslo Pensjonsforsikring, NOR	2.72%
9.	GMO Foreign Fund, USA	2.66%
10.	Skandinaviska Enskilda Banken, SWE	2.27%

Other shareholders approx. 2,963 52.73%

Proportion:	Norwegian shareholders	45.5%
	Foreign shareholders	54.5%



## Board of Directors

## Group Management

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

## Employee Representatives:

- Arnstein Johannesen
- Tone Helen Hanken
- Ragna Skarshaug

## • CEO

Nils-Fredrik Drabløs

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

Email: nils.fredrik.drablos@ekornes.no

## • CFO

Robert Svendsen

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

Email: robert.svendsen@ekornes.no

## • Marketing Director

Runar Haugen

## • International Marketing Director

Svein Lunde