

Ekornes ASA

3rd QUARTER 2013

Ekornes Q3 – Headlines:

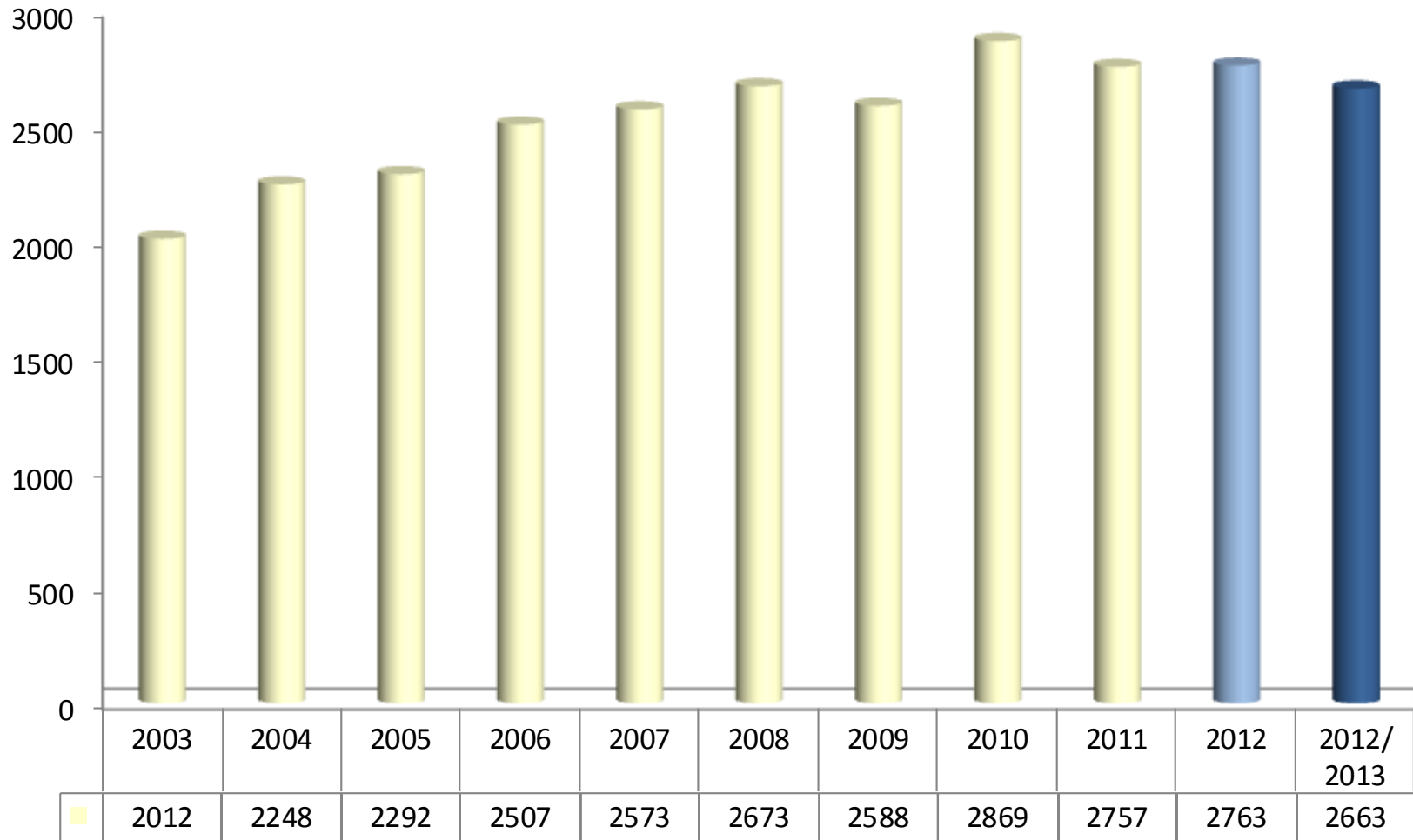
Financial numbers as if using Hedge Accounting (comparable to old/former reporting)

- Operating revenue: YTD: NOK 1 941.3 Mill. (down 4.9%). Q3: NOK 603.6 Mill. (down 13.2%)
- Operating margin (EBIT) YTD: 11.2% (14.0%).
- In general, markets are challenging and uncertain. Consumers seem cautious in most markets. Order intake down 3% compared to YTD 2012 . Q3 down 8% compared with Q3 LY . Both comparisons using fixed exchange rates.
- New Stressless® home office chairs launched autumn 2012. Now in the market. Selling well.
- New collection Stressless® chairs (City and Metro) with steel base launched this autumn. (See pictures). Design and price well adapted to Ekornes' market segment. Presented to most of our retailers in the Nordic markets. Well received. Will be available in the shops through December/January.
- Production Stressless®
 - YTD: 1 663 seats per day (YTD 2012: 1,731seats). 9 production days less. Q3 1605 (1 768 Q3 2012). 6 days less.
 - Production capacity approx. 1,600 seats into Q4 (depending on mix).
- Svane® down 8.5 % YTD compared to YTD 2012. Improvement program started up – focus on cost reductions in production and improving market position. Positive feed back from our retailing partners in general. Sales picking up in Denmark and Germany/Switzerland. Figures still small in these markets.
- Foreign exchange position good. Raw material prices trend stable but at a high level. Signals uncertain.
- More competitors entering into the recliner segment.
- Focus going forward:
 - Measures to improve productivity. Increase volume with less people. 45-50 full time workers less since January.
 - Improve marketing concepts.
 - Prepare the company for improved market conditions.
 - Stabelize revenues.
 - Keeping a high margin level compared to this industry in general.
- Financial figures are presented according to same model as before for comparison purposes(i.e. "old model" using the IAS 39 principles for Hedge Accounting). Ekornes preparing for moving back to old model" as from Q1-2014.

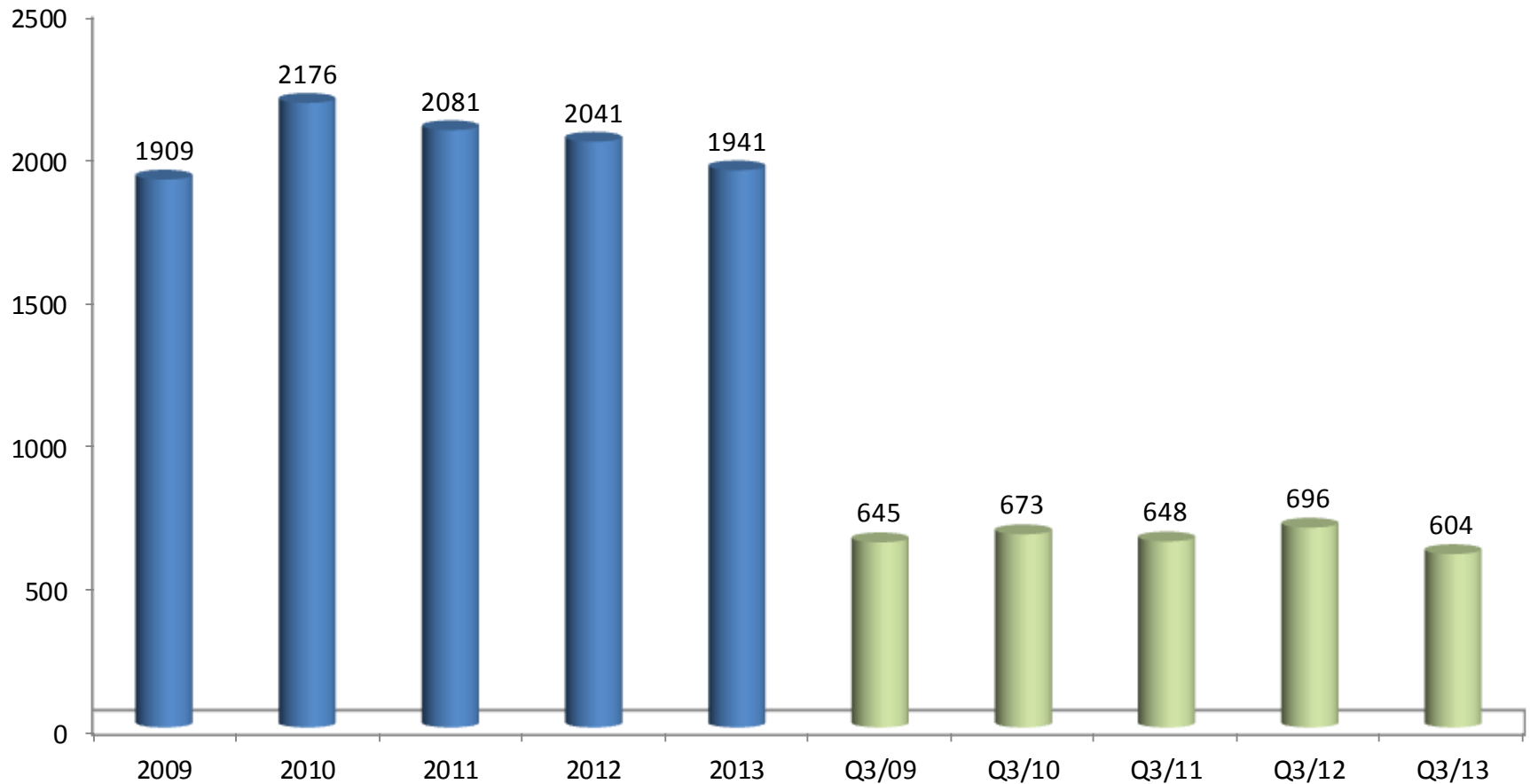
News



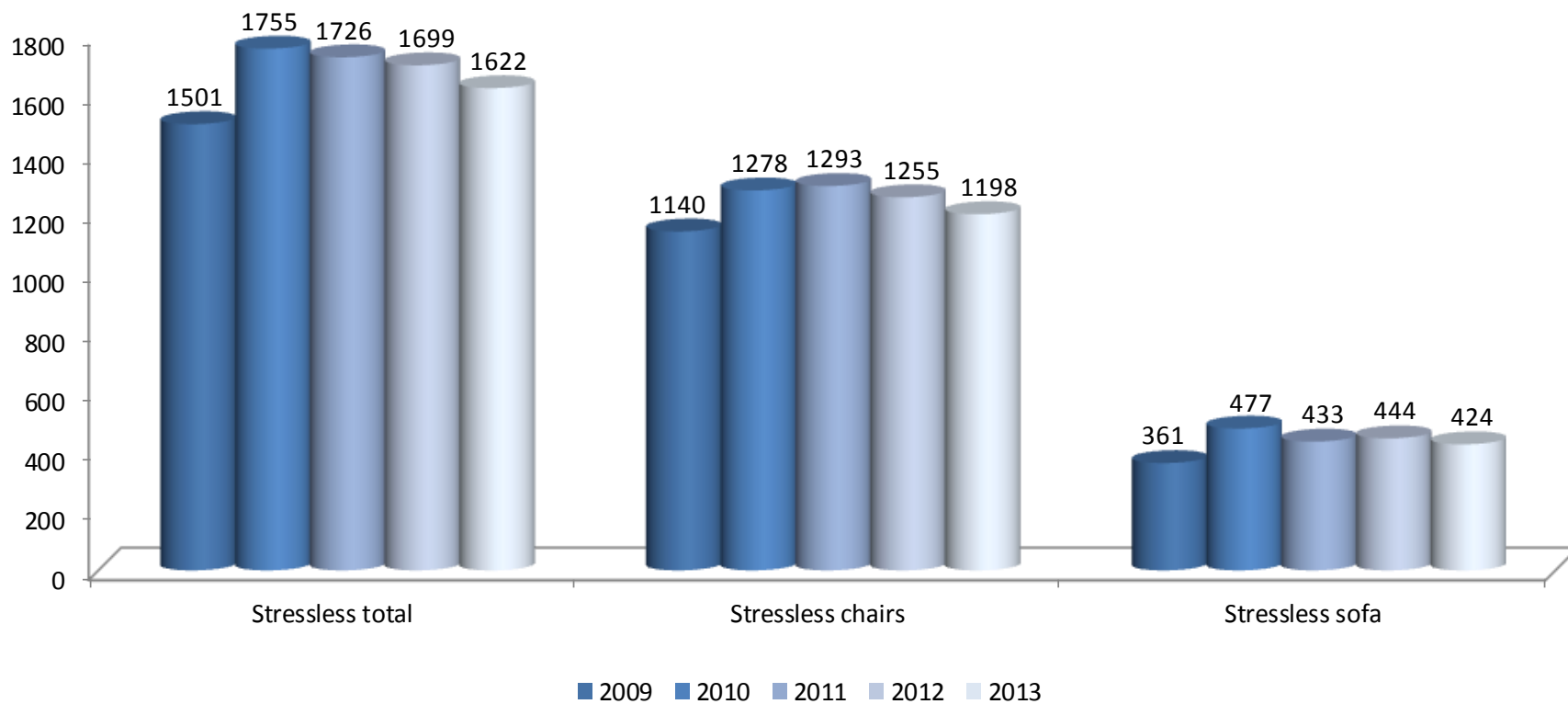
Development in Turnover



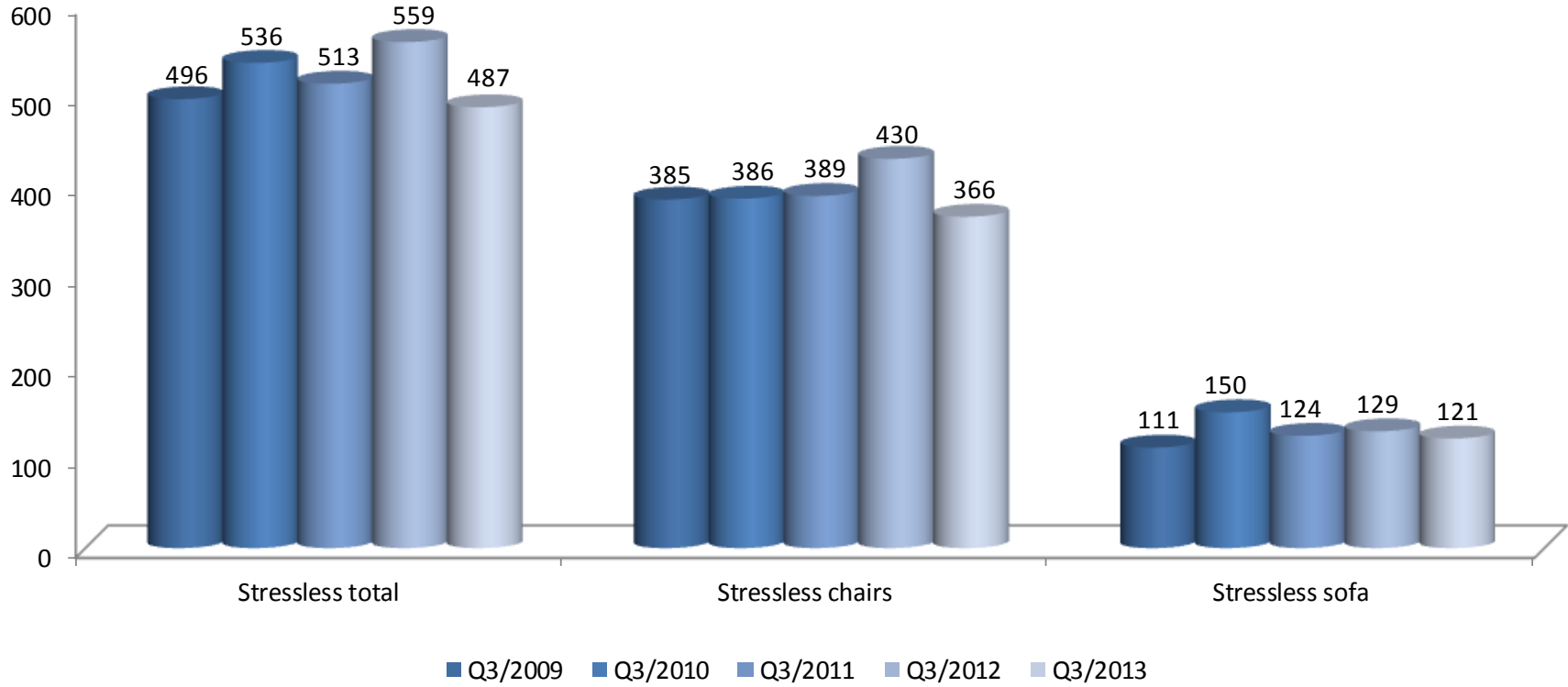
Development in Operating Revenue



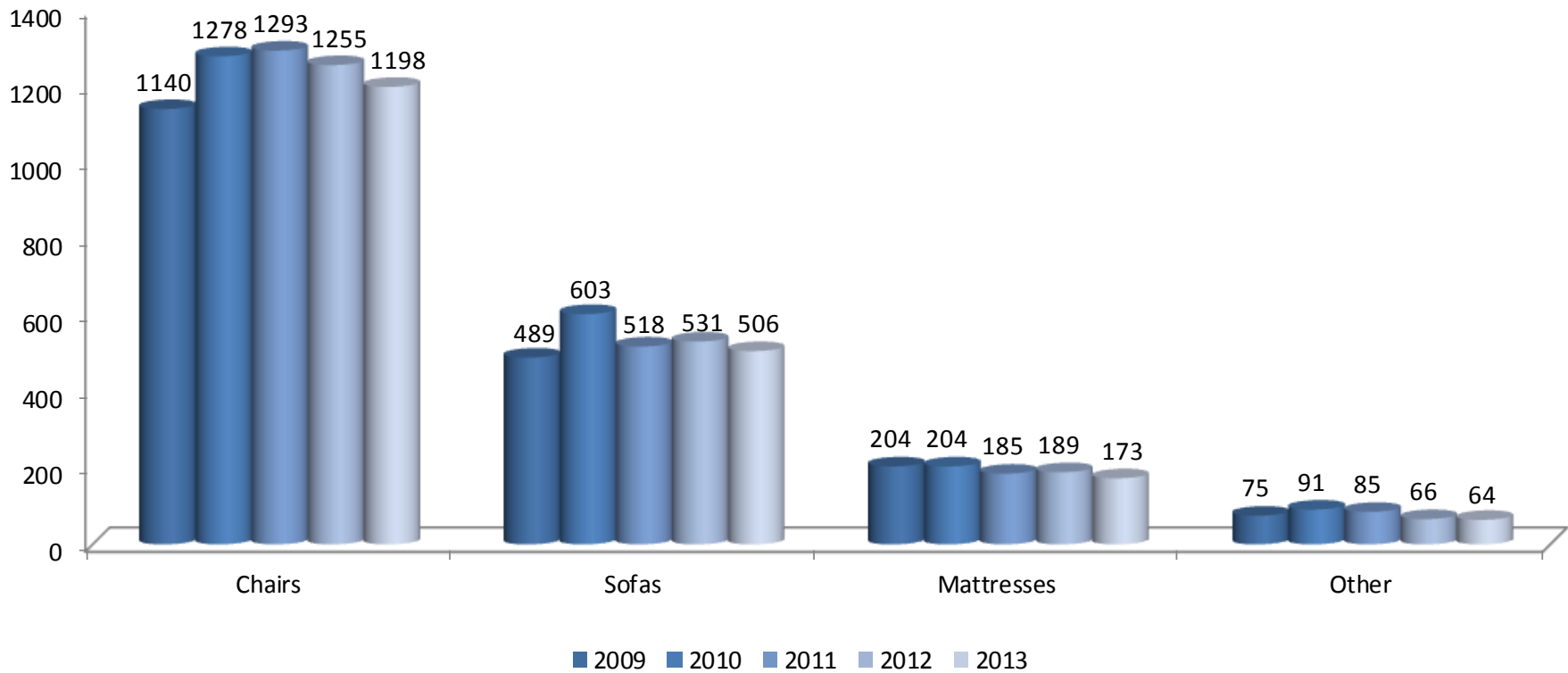
Operating revenue: Product area Stressless® – YTD



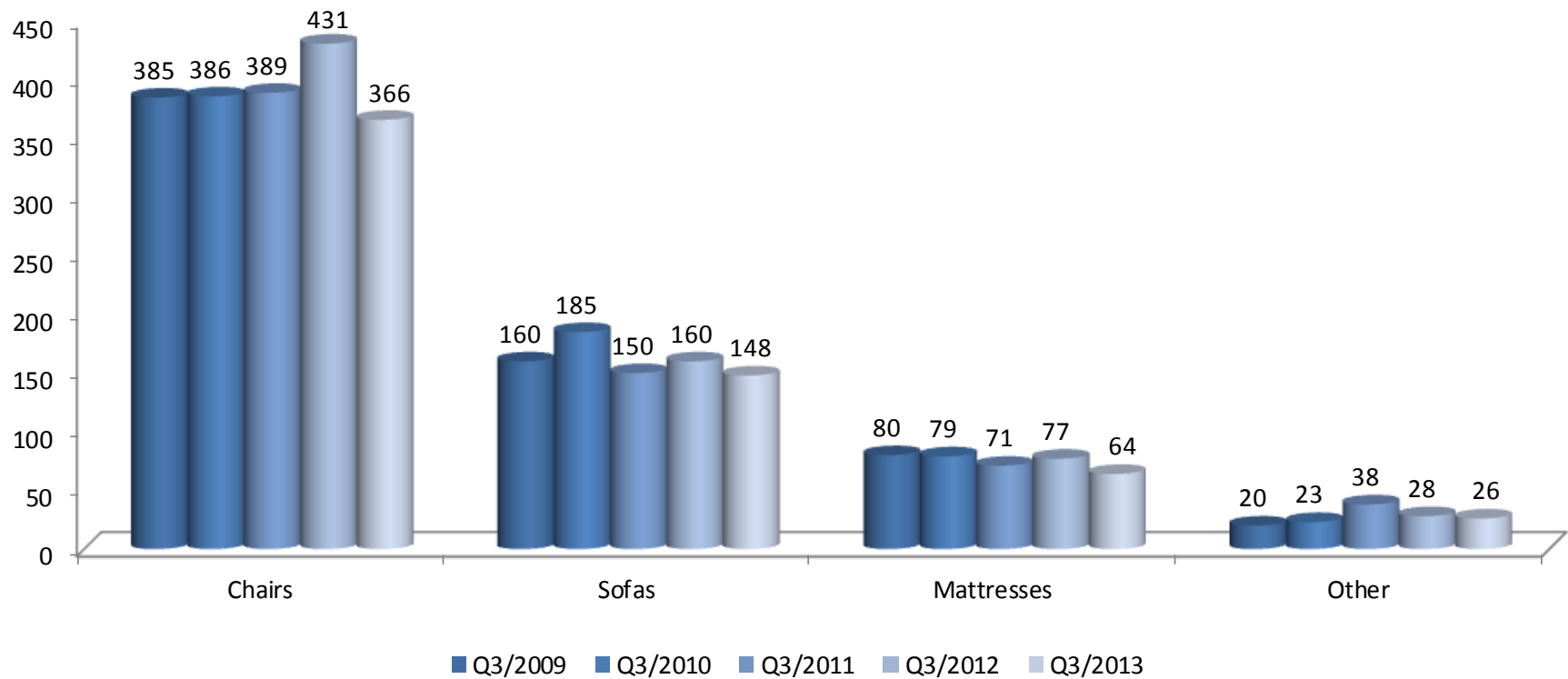
Operating revenue: Product area Stressless® – Q3



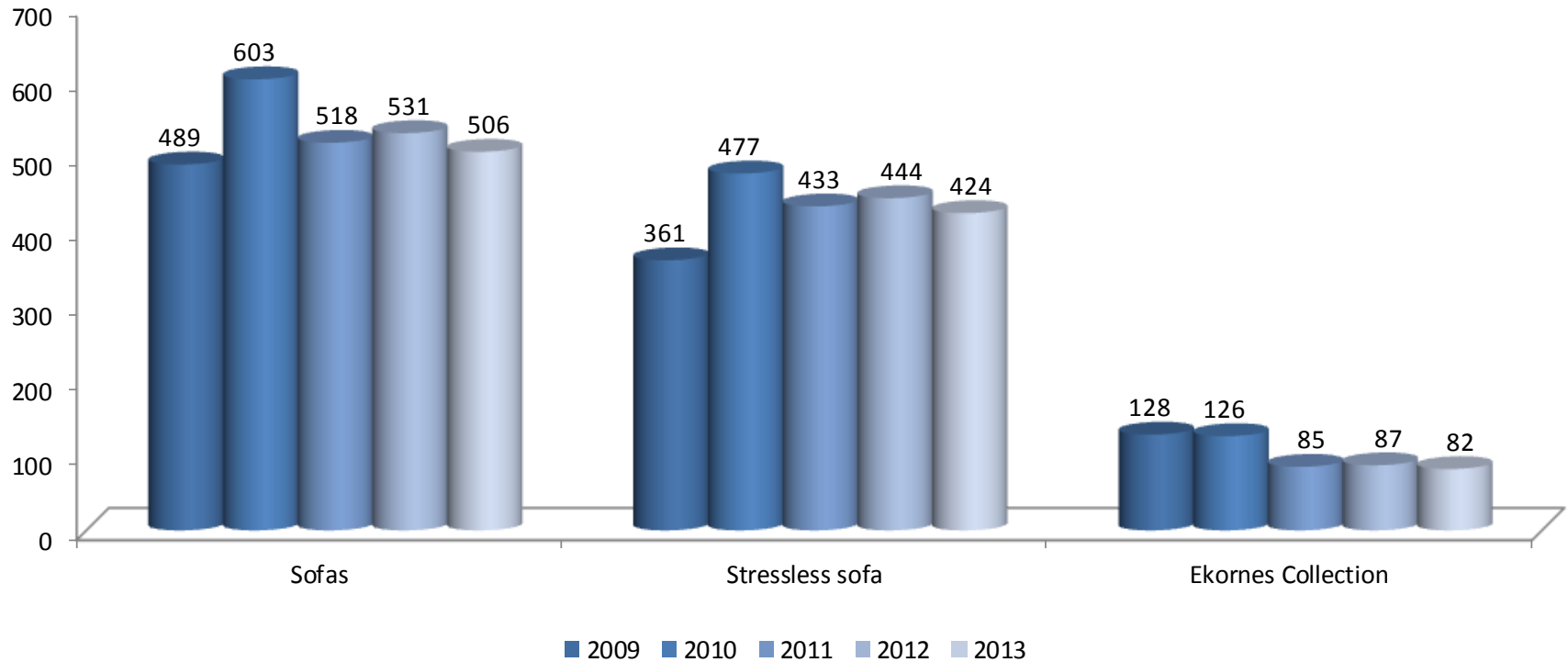
Operating revenue by Product Area – YTD



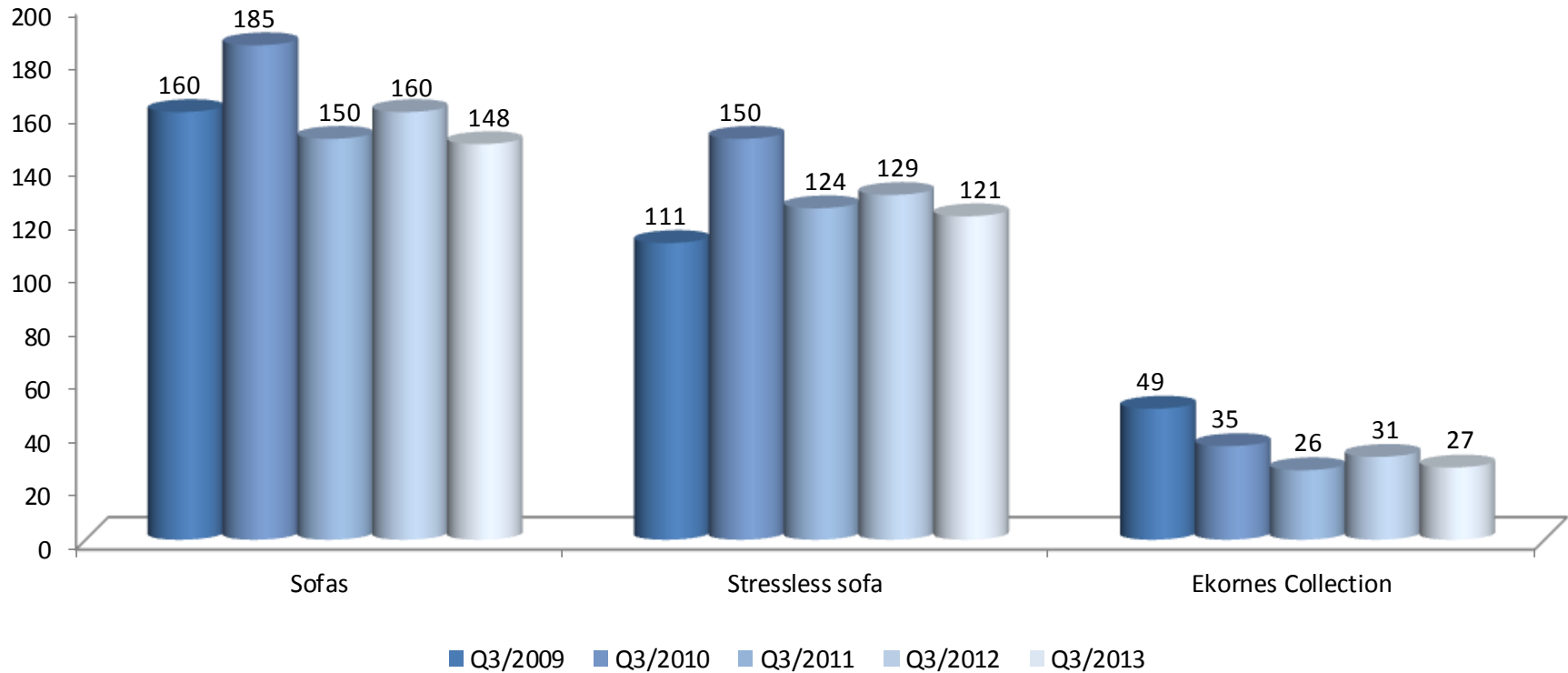
Operating revenue: By Product Area – Q3



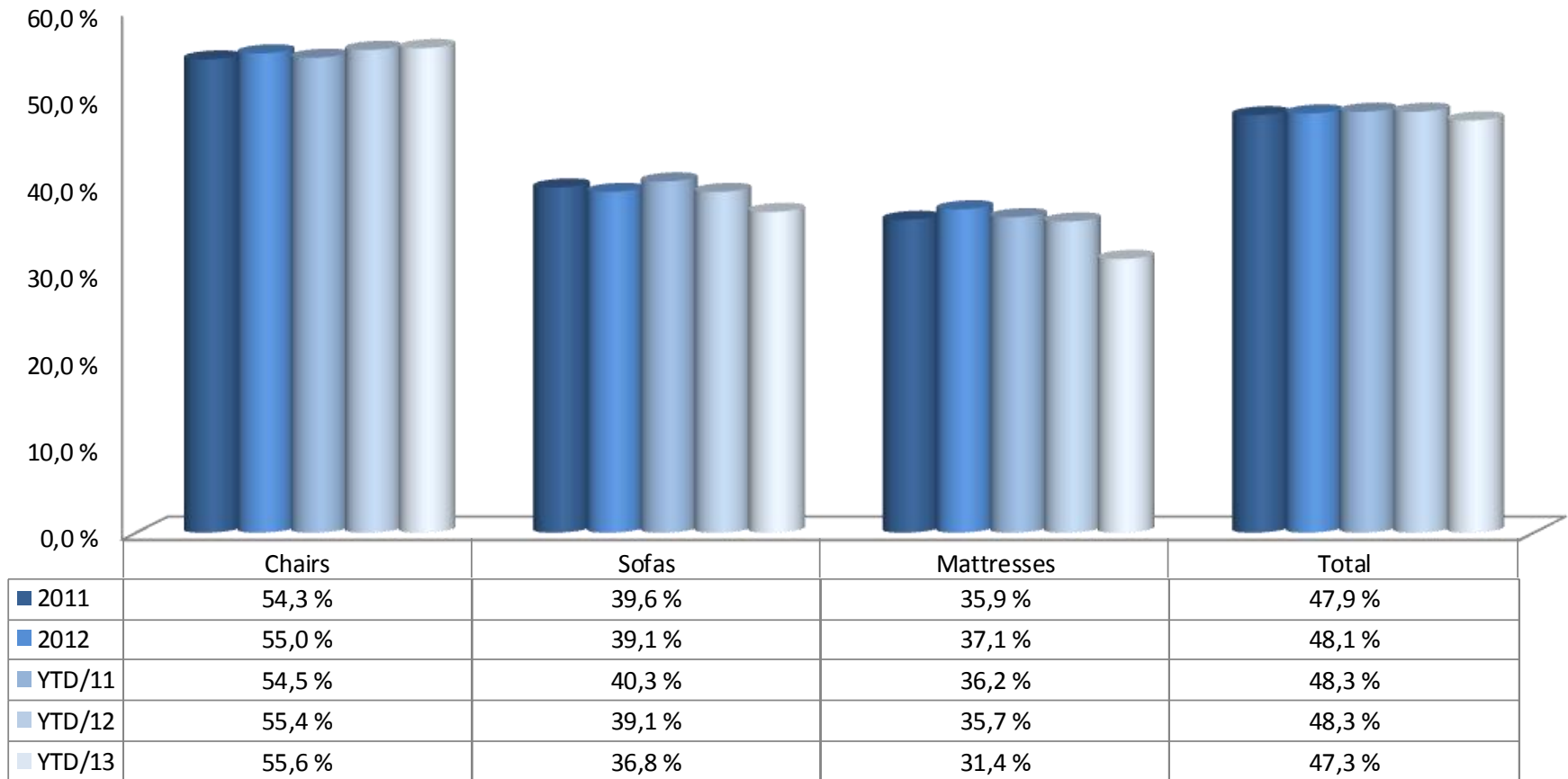
Operating revenue: Product area Sofas – YTD



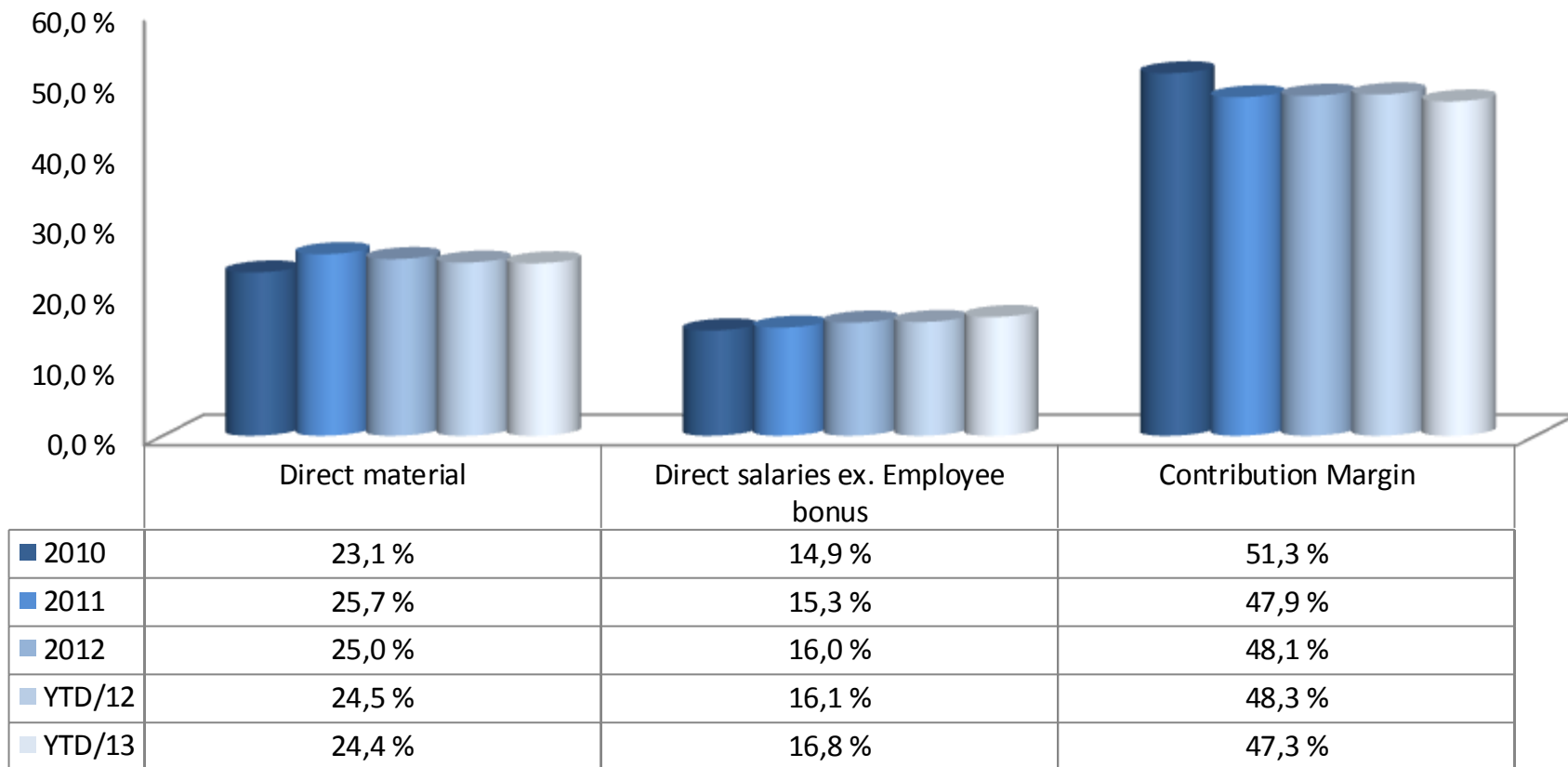
Operating revenue: Product area Sofas – Q3



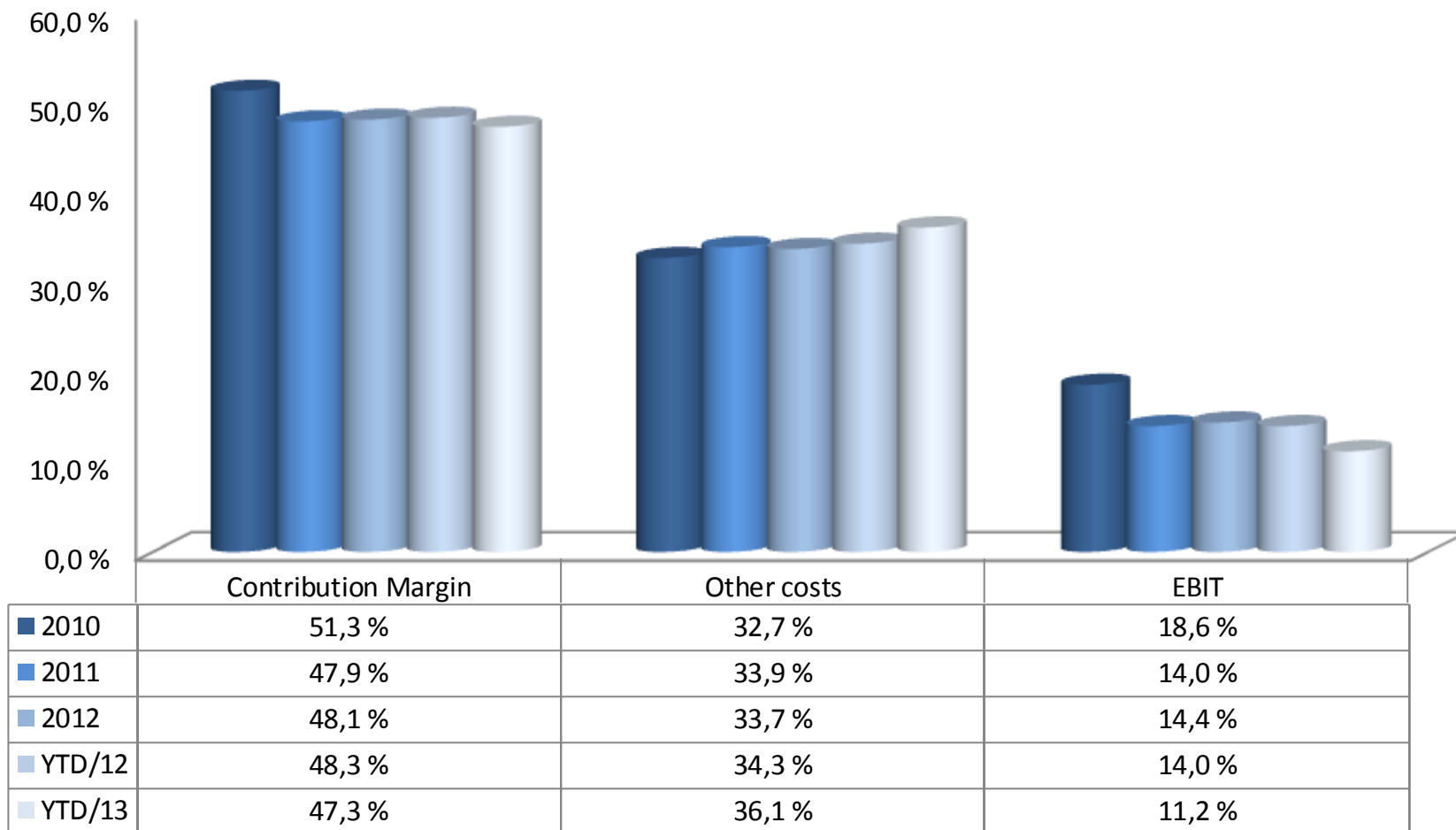
Contribution margin by product area



Development in direct costs



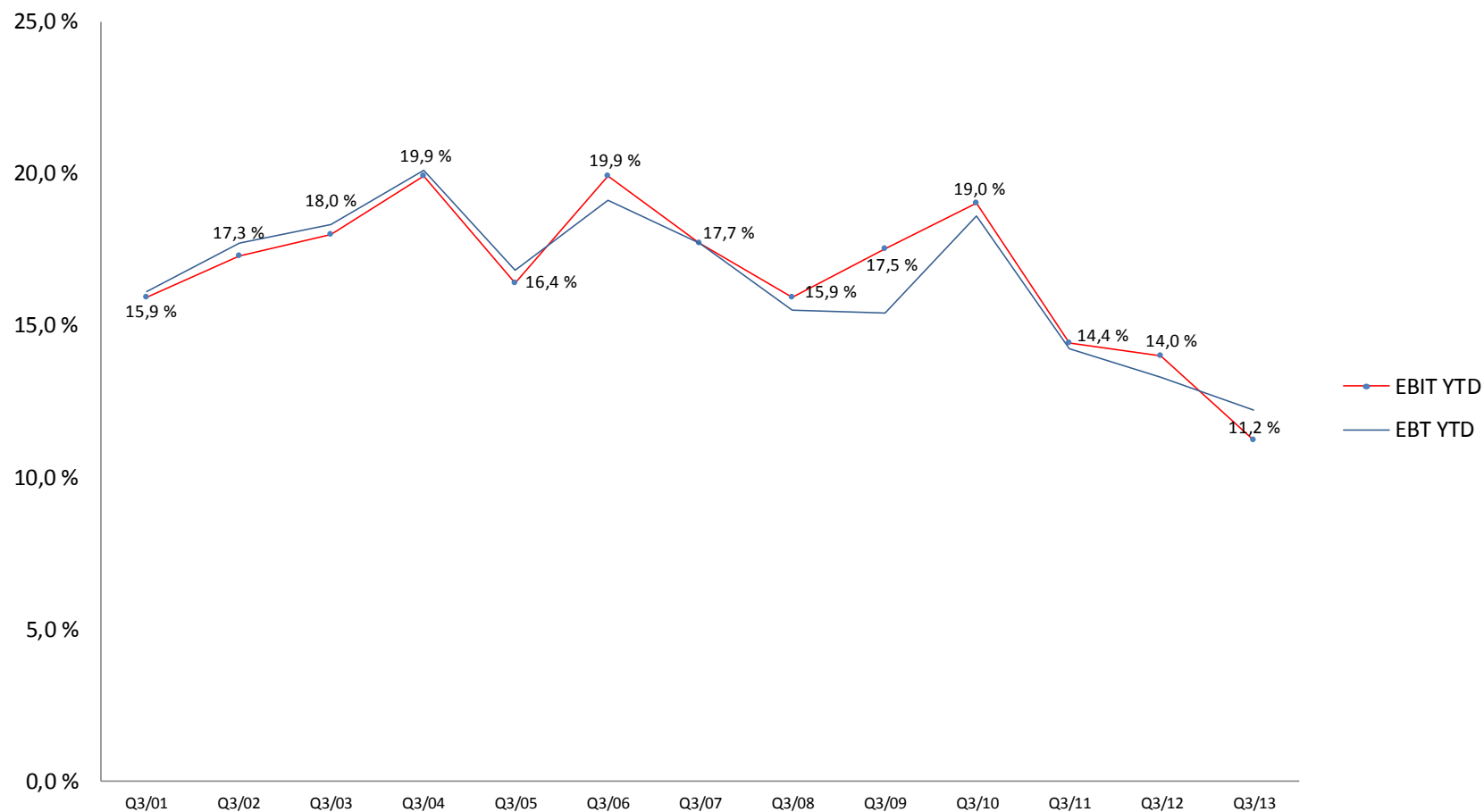
Contribution and Operating Margin (EBIT)



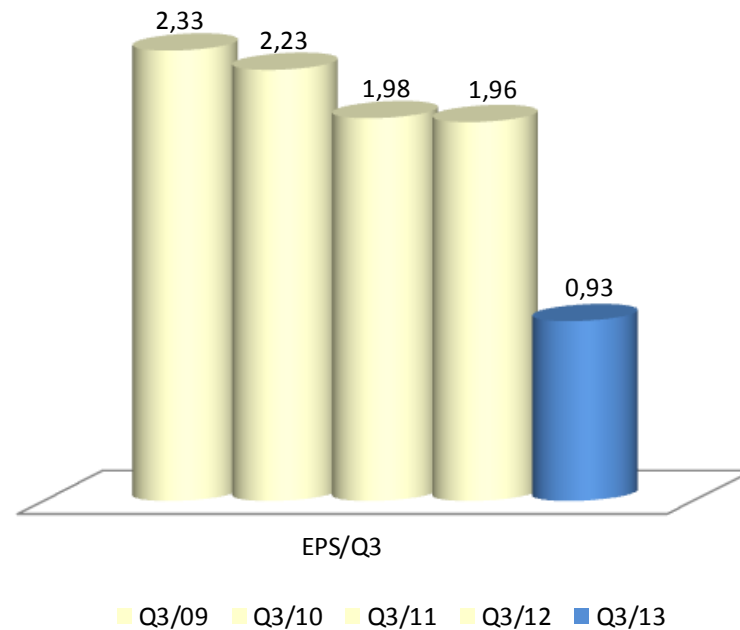
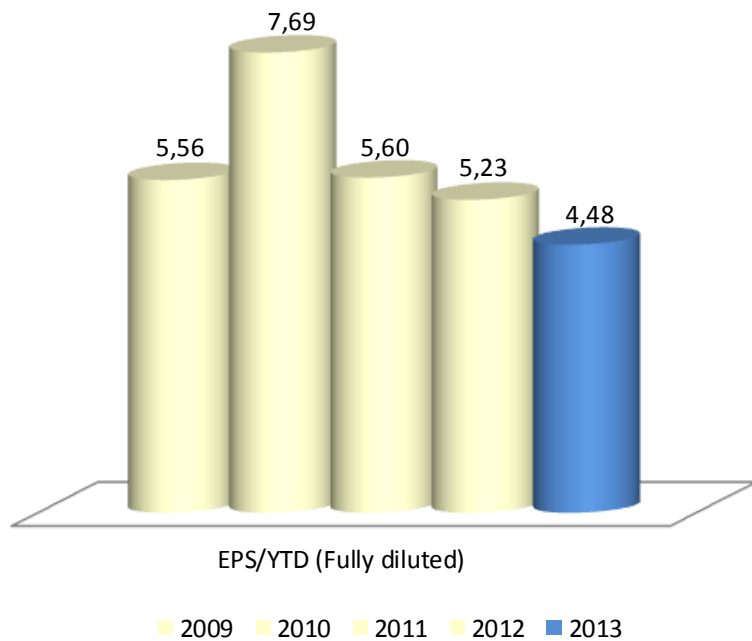
Development in Operating result (EBIT) and Pre-tax margin (EBT) - Individual quarter



Development in Operating result (EBIT) and Pre-tax margin (EBT) – YTD Q3



Development EPS fully diluted (Figures in NOK)



Income Statement

(Mill. NOK)	2013		2012	
Operating revenues	1 941,3	100,0 %	2041,2	100,0 %
Materials	473,9	24,4 %	501,0	23,7 %
Salaries and social costs	585,0	30,1 %	589,1	30,3 %
Other operating expenses	566,3	29,2 %	572,5	28,2 %
Depreciation	99,4	5,1 %	93,4	4,6 %
Total operating costs	1 724,6	88,8 %	1 756,1	86,7 %
Operating result	216,7	11,2 %	285,1	13,3 %
Net financial income/expenses	-0,8	0,0 %	-2,9	-0,1 %
Profit/loss currency exchange	20,8	1,1 %	-11,0	-0,4 %
Ordinary result before taxes	236,7	12,2 %	271,2	12,8 %
Calculated taxes ordinary result	-71,5	-3,7 %	-78,7	-3,8 %
Ordinary result after taxes	165,2	8,5 %	192,5	8,9 %
EPS	4,48		5,23	

Income Statement

(Mill. NOK)	Q3/13		Q3/12	
Operating revenues	603,6	100,0 %	695,7	100,0 %
Materials	167,9	27,8 %	182,6	23,0 %
Salaries and social costs	167,8	27,8 %	181,1	31,0 %
Other operating expenses	185,7	30,8 %	193,5	27,0 %
Depreciation	34,1	5,6 %	31,8	4,6 %
Total operating costs	555,5	92,0 %	589,0	85,6 %
Operating result	48,1	8,0 %	106,7	14,4 %
Net financial income/expenses	0,1	0,0 %	-2,1	-0,1 %
Profit/loss currency exchange	2,2	0,4 %	-5,2	0,9 %
Ordinary result before taxes	50,4	8,3 %	99,4	15,2 %
Calculated taxes ordinary result	-16,0	-2,7 %	-27,1	-4,7 %
Ordinary result after taxes	34,4	5,7 %	72,3	10,6 %
EPS	0,93		1,96	

Income Statement 1 July – 30 June

(Mill. NOK)	12/13		11/12	
Operating revenues	2 662,9	100,0 %	2 717,9	100,0 %
Materials	664,6	25,0 %	686,2	25,2 %
Salaries and social costs	788,9	29,6 %	771,4	28,4 %
Other operating expenses	747,6	28,1 %	761,8	28,0 %
Depreciation	131,1	4,9 %	126,4	4,7 %
Total operating costs	2 332,2	87,6 %	2 345,8	86,3 %
Operating result	330,7	12,4 %	372,1	13,7 %
Net financial income/expenses	-1,1	0,0 %	-3,2	-0,1 %
Profit/loss currency exchange	9,8	0,4 %	-2,6	-0,1 %
Ordinary result before taxes	339,4	12,7 %	366,3	13,5 %
Calculated taxes ordinary result	-110,9	-4,2 %	-106,1	-3,9 %
Ordinary result after taxes	228,5	8,6 %	260,2	9,6 %
EPS	6,21		7,07	

Balance Sheet

(Mill. NOK)	Q3/13	Q3/12
Total Long Term Assets	944,8	927,4
Inventories	317,0	337,0
Trade Debtors	410,9	443,6
Other Current Assets	46,8	51,2
Value of forward contracts	68,7	226,4
Cash and Bank Deposits	134,6	75,6
Total Current Assets	978,0	1 133,8
TOTAL ASSETS	1 922,8	2 061,2
Total Equity	1 545,4	1 624,9
Provisions, commitments, deferred tax	25,4	69,4
Trade Creditors	106,2	102,6
Taxes, VAT and national insurance	58,1	65,4
Value of forward contracts	-	-
Bank loans	-	-
Other current liabilities	187,7	198,9
Total Liabilities	377,4	366,9
TOTAL EQUITY AND LIABILITIES	1 922,8	2 061,2

Balance Sheet

(Mill. NOK)	Q3/13	Q4/12
Total Fixed Assets	944,8	932,7
Inventory	317,0	315,9
Trade Debtors	410,9	354,5
Other Current Assets	46,8	52,4
Value of forward contracts	68,7	258,2
Cash and Bank Deposits	134,6	273,3
Total Current Assets	978,0	1 254,3
TOTAL ASSETS	1 922,8	2 187,0
Total Equity	1 545,4	1 704,7
Provisions, commitments, deferred tax	25,4	78,2
Trade Creditors	106,2	95,3
Taxes, VAT and national insurance	58,1	123,7
Value of forward contracts	-	-
Bank loans	-	-
Other current liabilities	187,7	185,1
Total Liabilities	377,4	482,3
TOTAL EQUITY AND LIABILITIES	1 922,8	2 187,0

Statement of Cash Flow

(Mill. NOK)	Q3/13	Q3/12	2012	2011
Net cash flow from:				
Operating activities	176,5	100,3	332,0	330,3
Investing activities	-112,7	-45,9	-79,8	-142,8
Financing activities	-202,5	-276,2	-276,2	-331,4
Net change in cash and cash equivalents	-138,7	-221,8	-24,1	-143,9
Cash and cash equivalents at the beginning of period	273,3	297,4	297,4	441,3
Cash and cash equivalents at the end of period	134,6	75,6	273,3	297,4

Development in Total Capital, Net-working Capital and Equity

(Mill. NOK)	Q3/13	Q3/12	2012	2011
Total capital	1 922,8	2 061,2	2 187,0	2 099,1
Net-working capital*	557,3	540,5	592,0	588,5
Equity	1 545,4	1 624,9	1 704,7	1 657,9
Equity ratio	80,4 %	78,8 %	77,9 %	79,0 %

*Not included the market value of forward contracts.

Official (new reporting)

Published and official numbers
NOT using Hedge Accounting

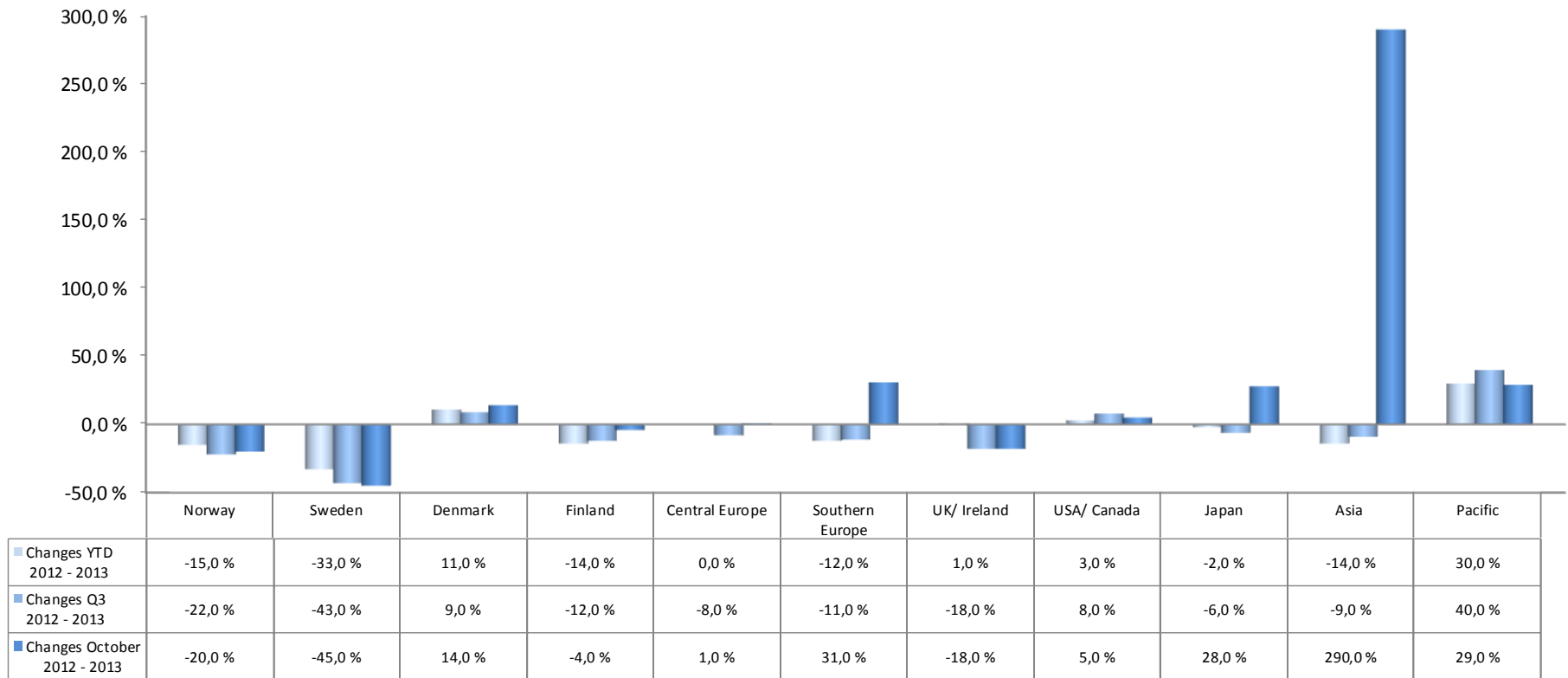
Year end figures- **NOT** using Hedge Accounting (new reporting)

(Tall i NOK mill.)	(Figures in NOK mill.)		
		Q3-13	Q3-12
Driftsinntekter	Operating revenues	1 898,6	1 997,2
Driftsresultat	Operating result	174,0	241,1
Finansielle poster:	Financial items:		
Gevinst/tap valutakontrakter	Profit/Loss hedging contracts	43,2	44,0
Verdiendring urealiserte terminkontrakter	Change in value unrealised forward contracts	-189,5	78,6
Netto agio balansejusteringer	Net balance sheet adjustments	20,4	-11,0
Netto andre finansielle poster	Net other financial items	-0,8	-2,9
Netto finansposter	Net financial items	-126,7	108,7
Ordinært resultat før skattekostnad	Ordinary result before taxes	47,3	349,8
Skattekostnad	Tax on ordinary result	-18,5	-100,7
Årets resultat	Profit for the year	28,8	249,1

Statement of comprehensive income

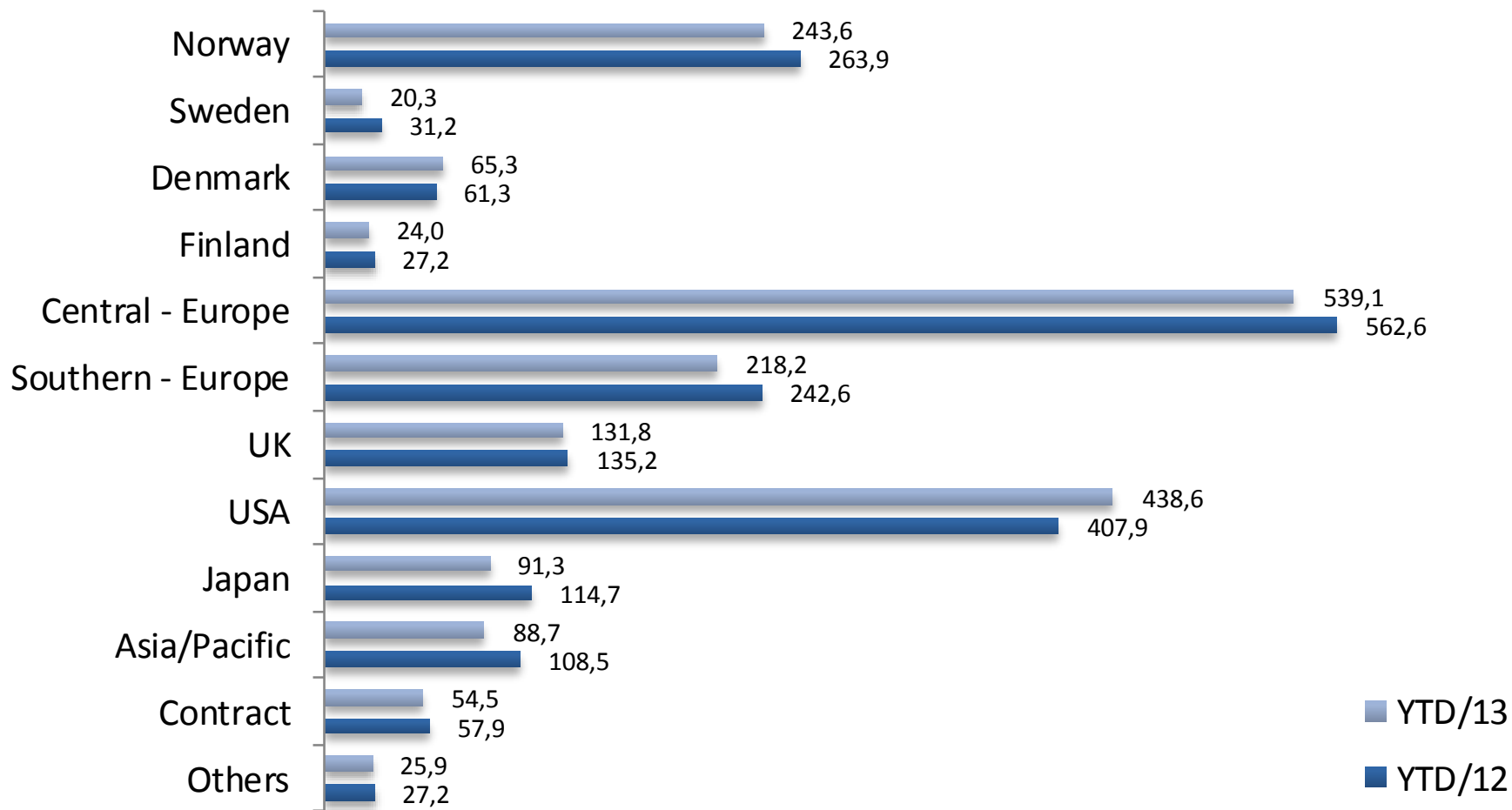
(Tall i NOK mill.)	(Figures in NOK mill.)	Q3 - 2013	
		New reporting	Former/Old reporting
Resultat etter skatt	Profit after taxes	28,8	165,2
Andre inntekter og kostnader:	Other comprehensive income:		
Aktuarmessige gevinster på ytelsesbaserte pensjonsordninger	Actuarial gains on defined benefit plans		
Endring utsatt skatt – pensjoner	Change in deferred tax – pensions		
Endring verdi kontantstrømsikring	Change in value cash-flow hedging		-189,5
Endring utsatt skatt - kontantstrømsikring	Change in deferred tax – cash-flow hedging		53,1
Omregningsdifferanse	Translation differences	7,8	7,8
Omregningsdifferanse - netto finansiering datterselskap	Translation differences net financing subsidiaries	9,3	9,3
Endring utsatt skatt - netto finansiering datterselskap	Change in deferred tax - net financing subsidiaries	-2,6	-2,6
Sum andre inntekter og kostnader	Total other comprehensive income	14,5	-121,9
Totalresultat	Total comprehensive income	43,3	43,3

Change in order influx per market (%)

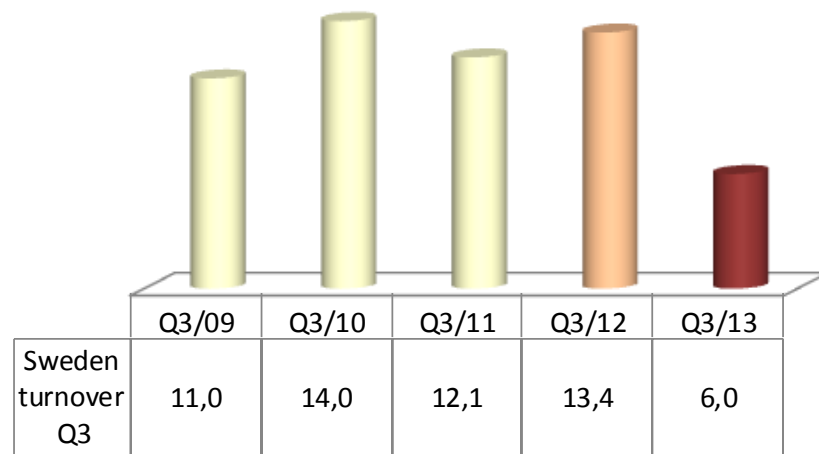
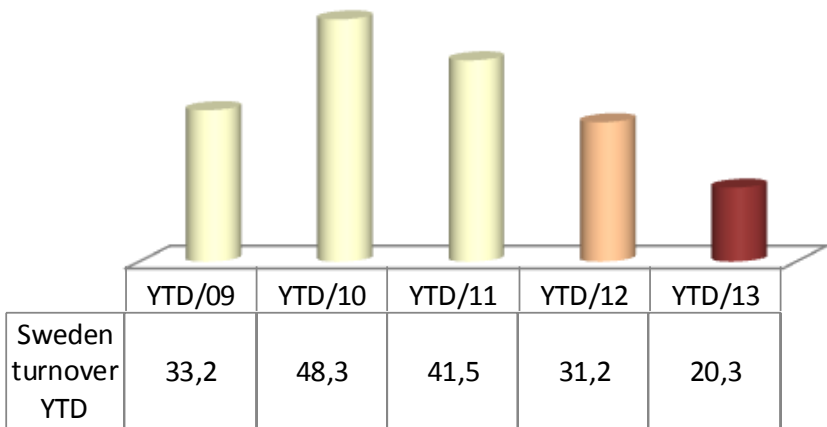
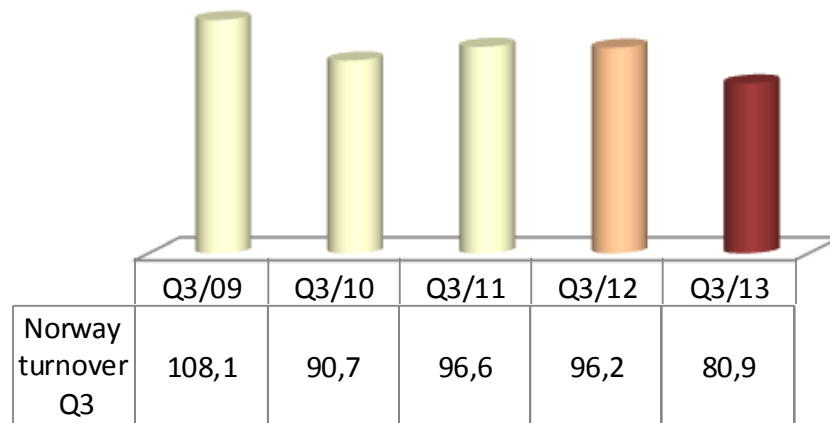
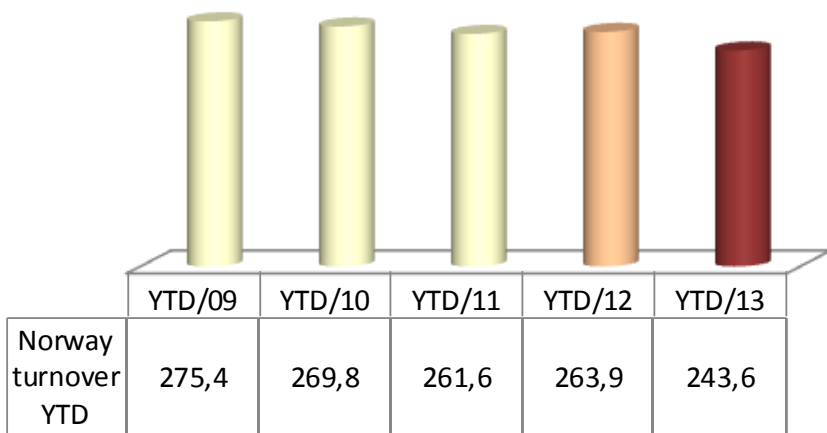


(in local currency)

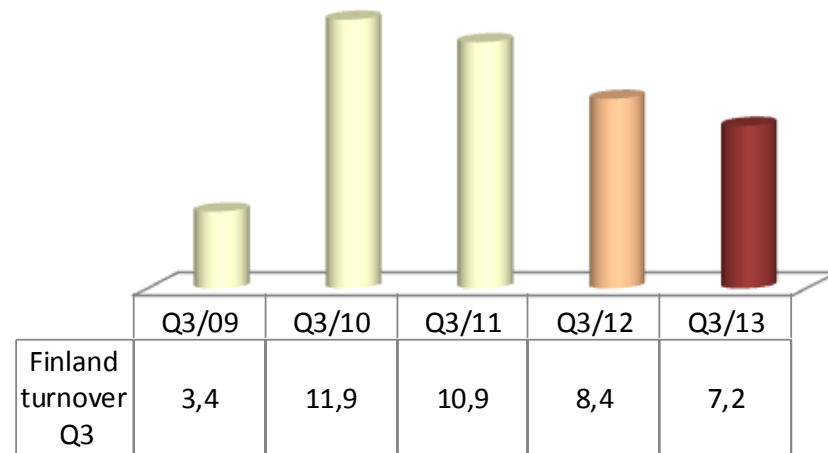
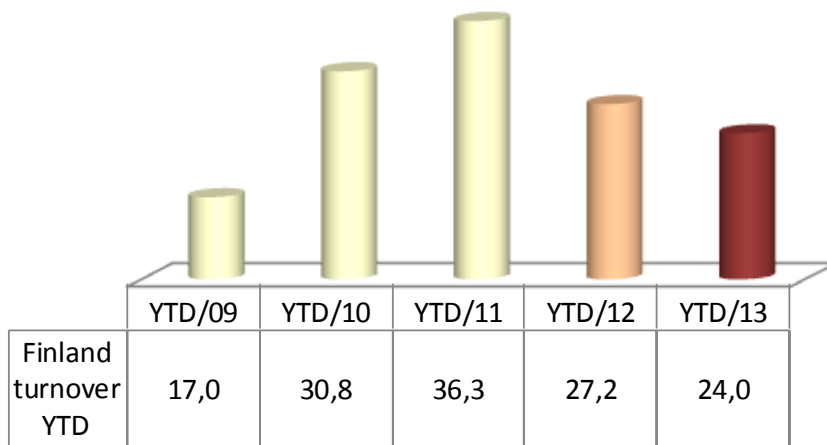
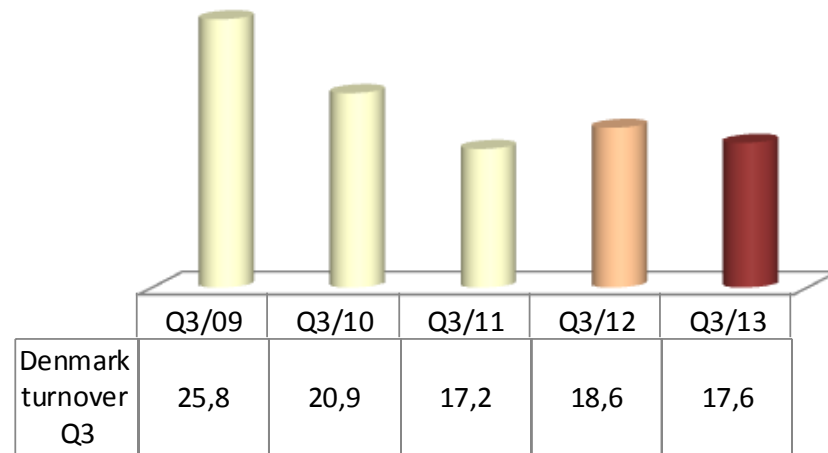
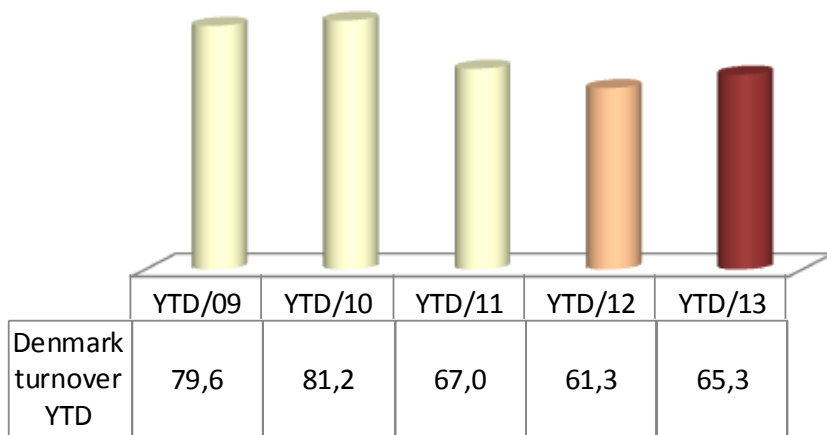
Operating revenue per market – YTD



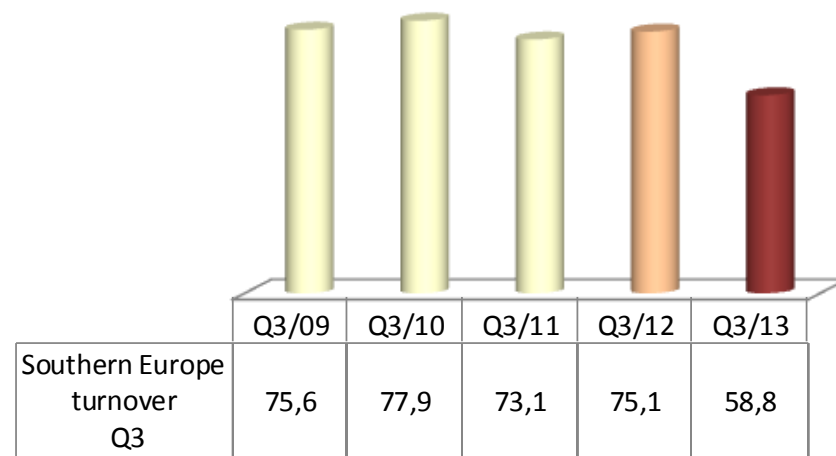
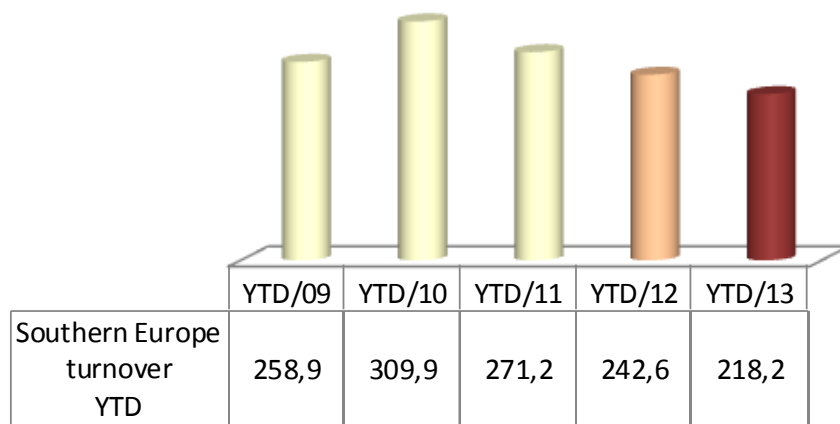
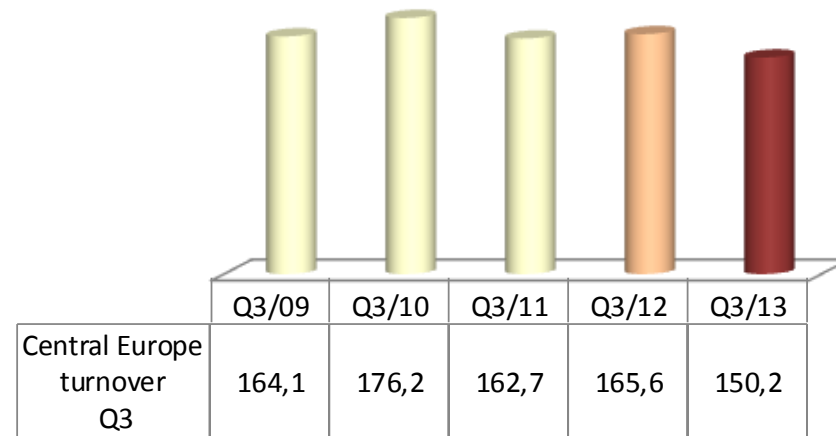
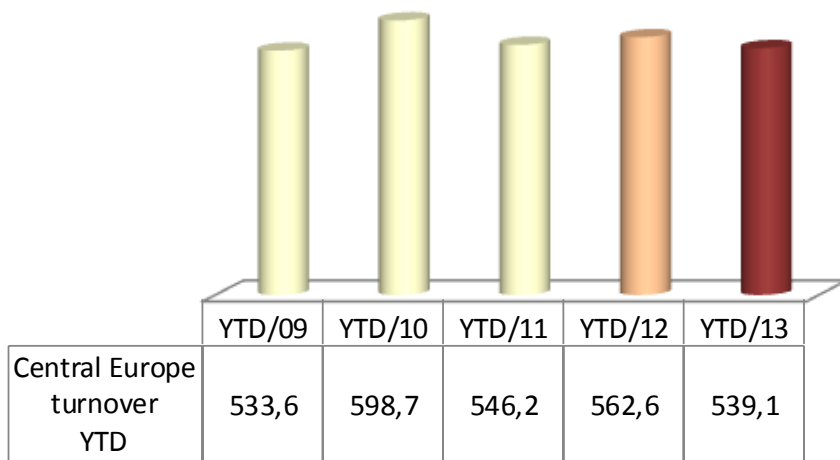
Turnover per market (Mill. NOK)



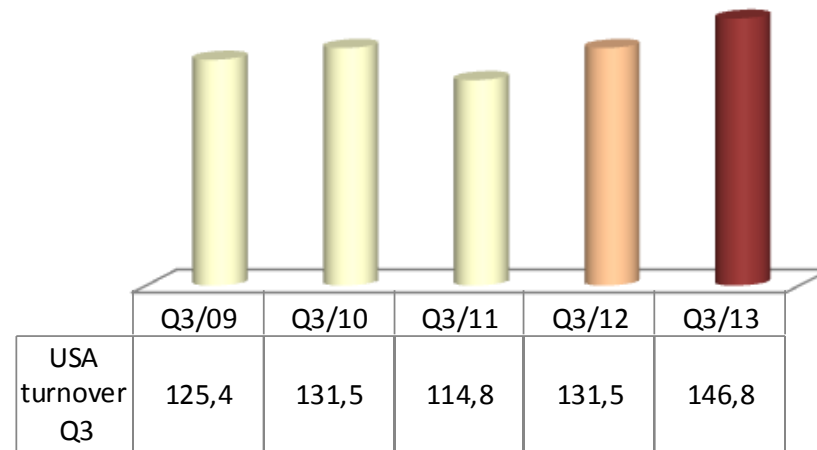
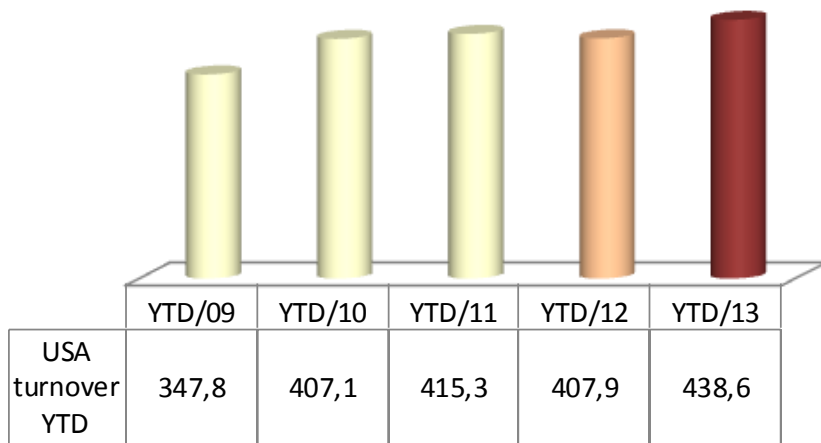
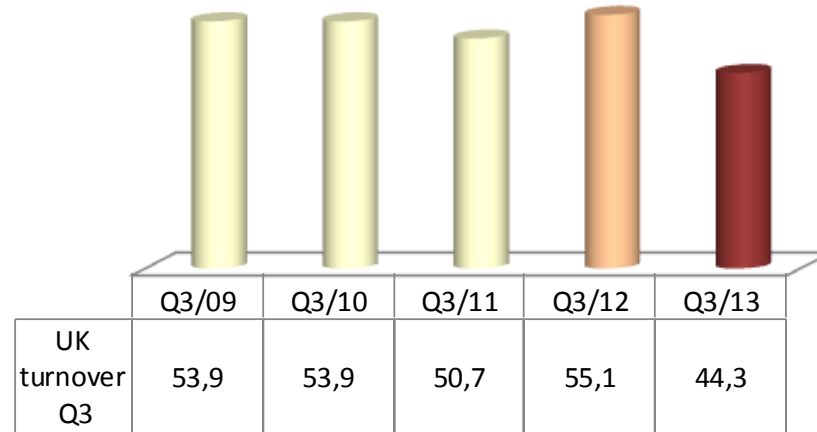
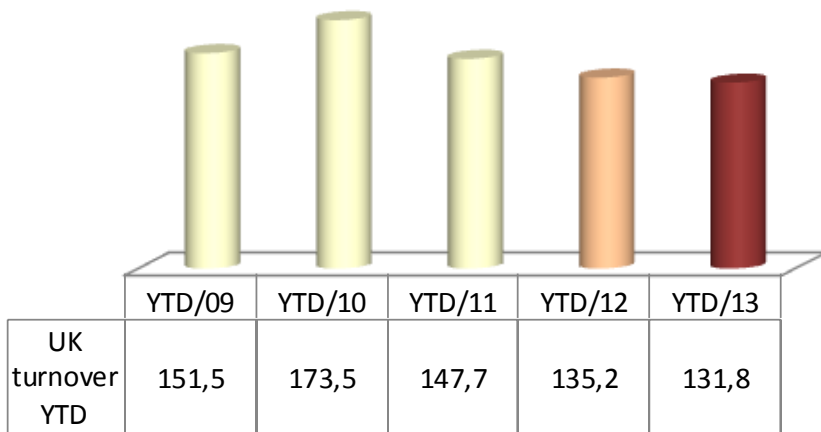
Turnover per market (Mill. NOK)



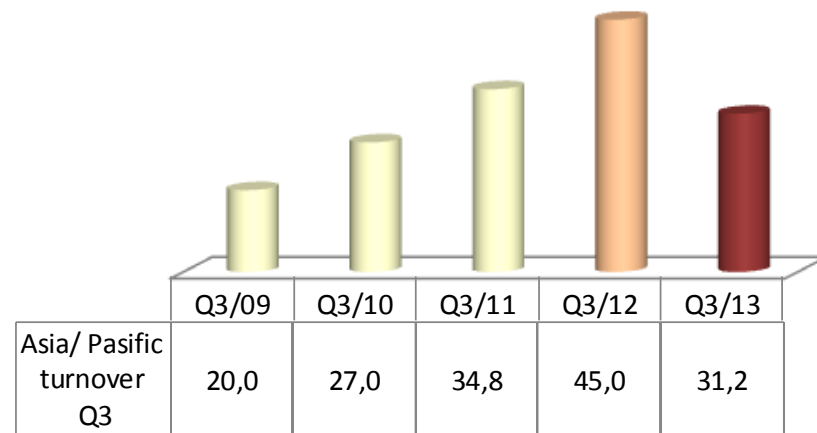
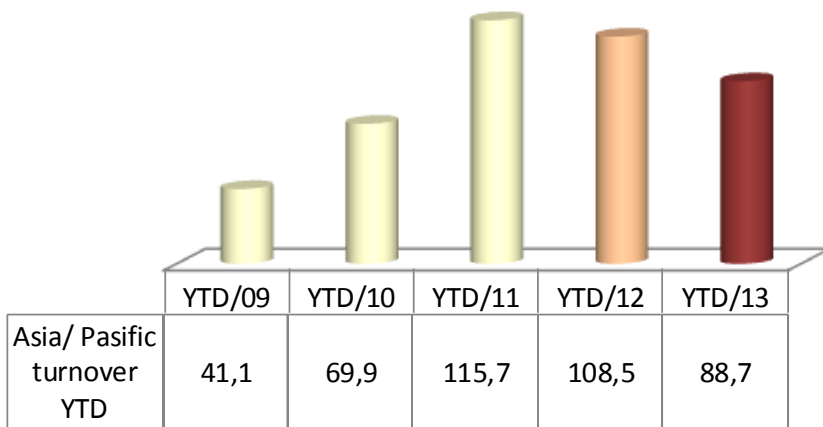
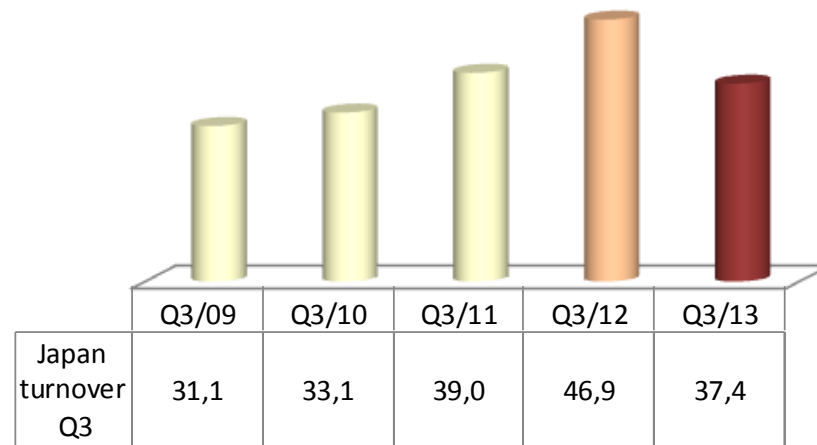
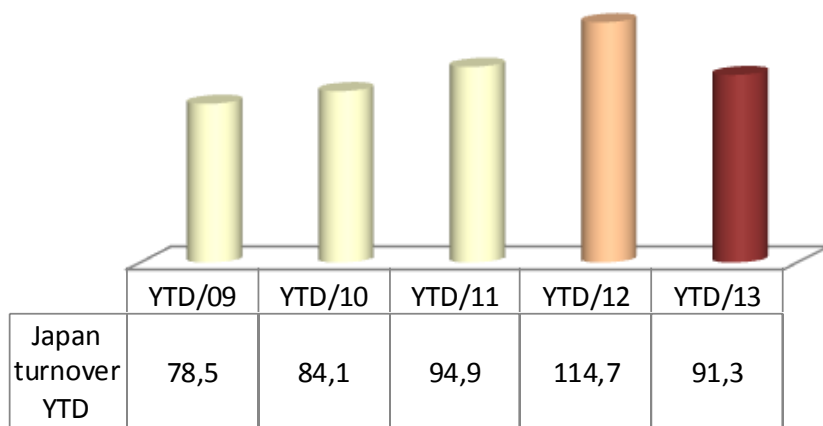
Turnover per market (Mill. NOK)



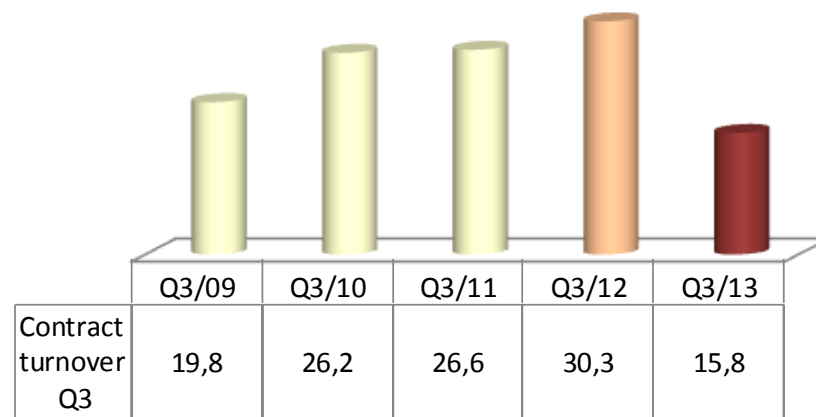
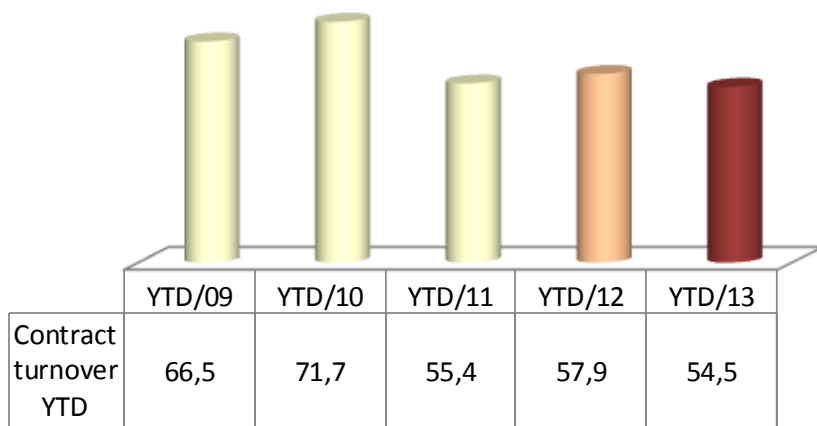
Turnover per market (Mill. NOK)



Turnover per market (Mill. NOK)



Turnover per market (Mill. NOK)



Coming events:

Financial Calendar 2014

Not yet settled.

Largest shareholders (30.09.2013):

Shareholders	Country	Percentage
Nordstjernan AB	SWE	15,45 %
Folketrygdfondet	NOR	10,51 %
JPMorgan Chase Bank Nordea, Treaty Acc.	GBR	5,42 %
Pareto Aksje Norge	NOR	4,68 %
JP Morgan Chase Bank, Special Treaty Lending	GBR	4,12 %
Odin Norge	NOR	3,89 %
State Street Bank A/C Clients Omnibus D	USA	3,51 %
Berit Vigdis Ekornes Unhjem	NOR	2,91 %
Gunnhild Ekornes Mertens (JPMBLSA)	NOR	2,88 %
JP Morgan Chase Bank, Handelsbanken Nordic	FIN	2,36 %
Other shareholders approx. 2,318		44,27 %
Proportion	Norwegian shareholders	51,40 %
	Non-Norwegian shareholders	48,60 %

Board of Directors | Group Management

- Olav Kjell Holtan – Chairman
 - Kjersti Kleven – Vice Chairman
 - Bjørn Gulden
 - Stian Ekornes
 - Nora Förisdal Larssen
- CEO: Nils-Fredrik Drabløs
Nils-Fredrik.Drablos@ekornes.com
Phone: +47 70 25 52 22
Mobile: +47 90 01 78 92
 - CFO: Robert Svendsen
robert.svendsen@ekornes.com
Phone: +47 70 25 52 13
Mobile: +47 91 89 50 24

Employee Representatives:

- Sveinung Utgård
- Tone Helen Hanken
- Atle Berntzen