

Ekornes ASA

2nd QUARTER 2014

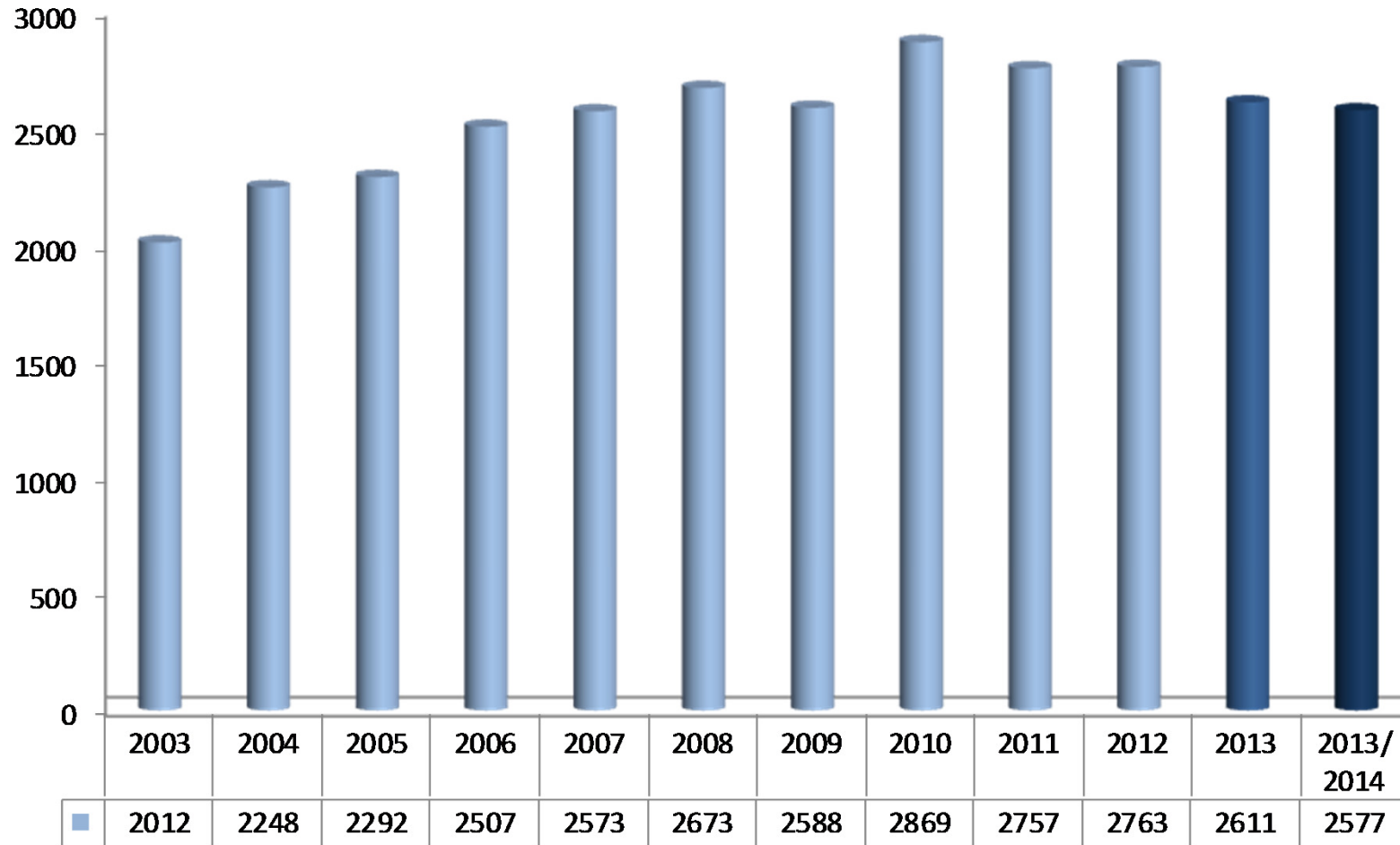
The Ekornes logo is a dark blue rectangular box with the word "EKORNES" in white, uppercase, sans-serif font. The box is positioned in the bottom right corner of the slide, partially overlapping the blue-tinted landscape image.

EKORNES

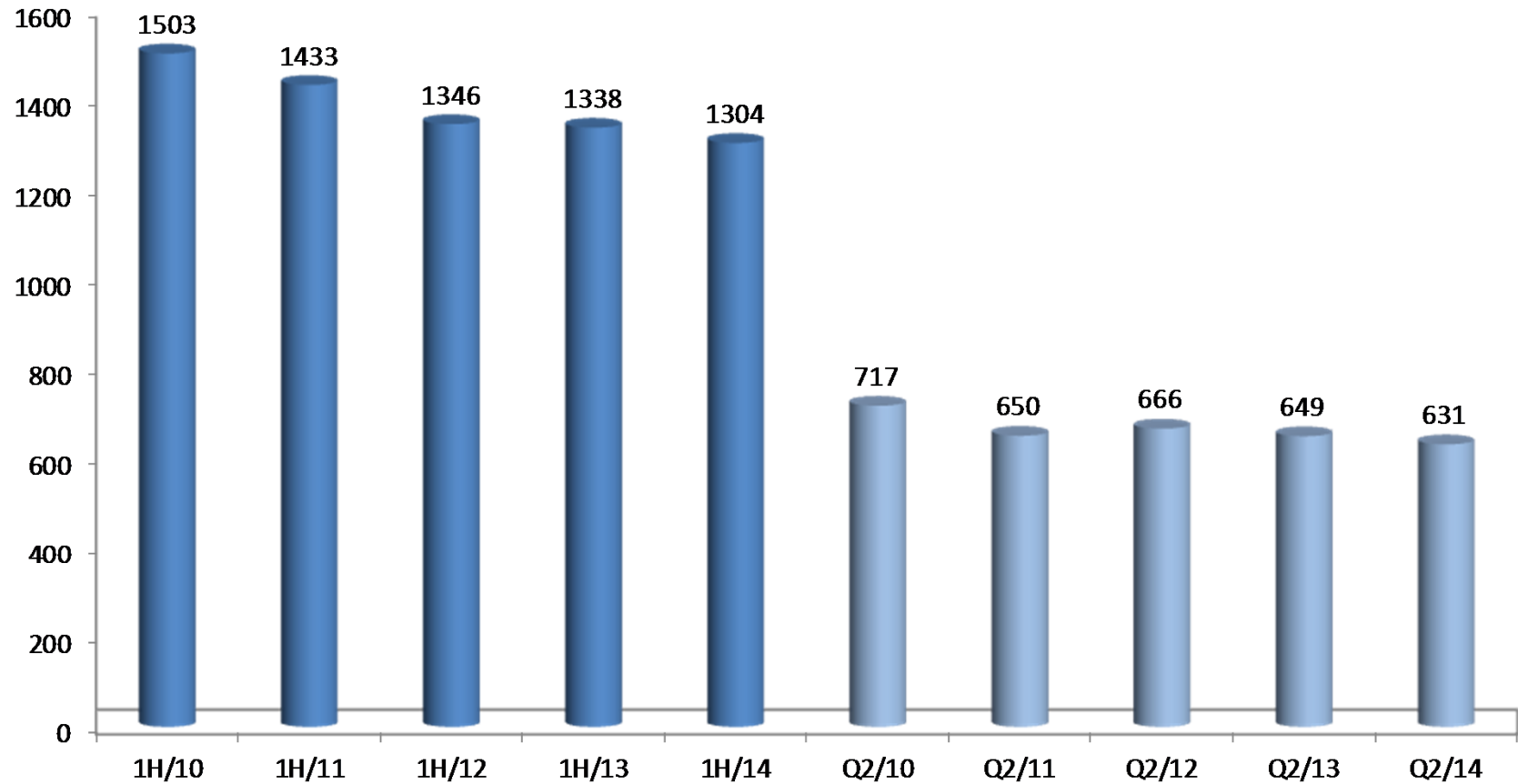
Ekornes Q2 – Headlines:

- Operating revenue: H1: NOK 1 303.5 Mill. (down 2.6%). Q2: NOK 631.3 Mill. (down 2.7%)
- Operating margin (EBIT) H1: 9.1% (12.6%). Q2: 8.2% (12.1%).
- Most markets are challenging and unpredictable, especially in Central Europe where traffic into furniture stores is still down with 30-40 % compared to a year ago.
- Order intake (in local currency) slightly down (-2%) compared to H1 2013 . Q2 down 8%, while July is positive (+ 11%). CE is still down, while US, France and Australia is up and more than compensates in July.
- Order situation beginning of August good, order stock 300 mill. (Up 20%). So far, counts on full capacity through Q3.
- The new Stressless® chairs with metal base launched autumn 2013 are selling good.
- Production Stressless®
 - H1: 1 745 seats per day (H1 2013: 1,838 seats)
 - Production capacity approx. 1,750 seats into Q3 (depending on mix).
- Svane® up 8% compared to H1 2013. All markets performing well except Sweden. Order intake slightly down in July. However, start of August is good.
- Cost reducing measures have been implemented, and more will come. Starting getting effect through 2014. Main effect through 2015 into 2016. To give room for aggressive marketing program.
- Extensive new release program through next season (autumn 2014/winter 2015)
- Foreign exchange position good. Raw material prices trend stable to slightly down but at a high level. Signals uncertain.
- IMG: SPA signed. Closing planned end of October. P/L effect from date of closing. Development in turnover and marketing satisfactory.
- CEO: New CEO, Olav Holst-Dyrnes, will join the company mid October.

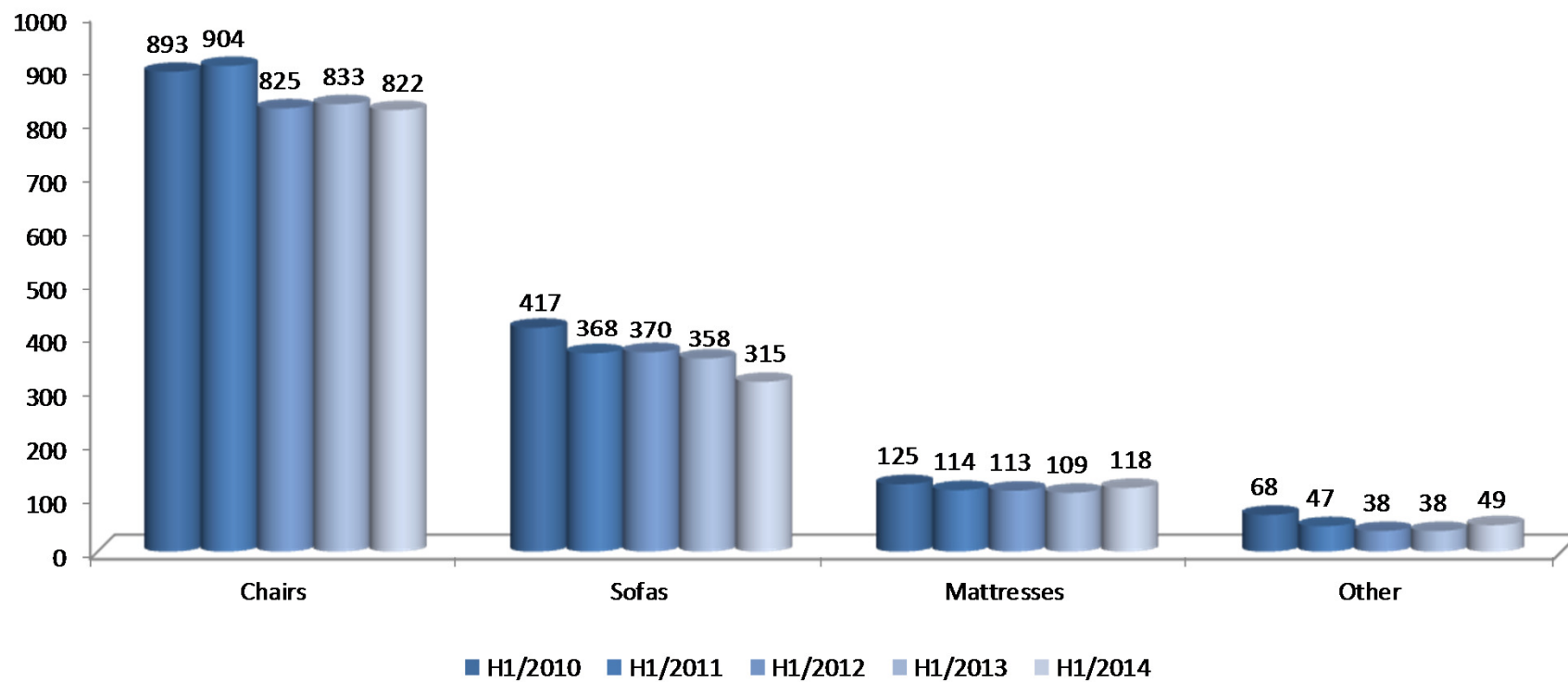
Development in Turnover



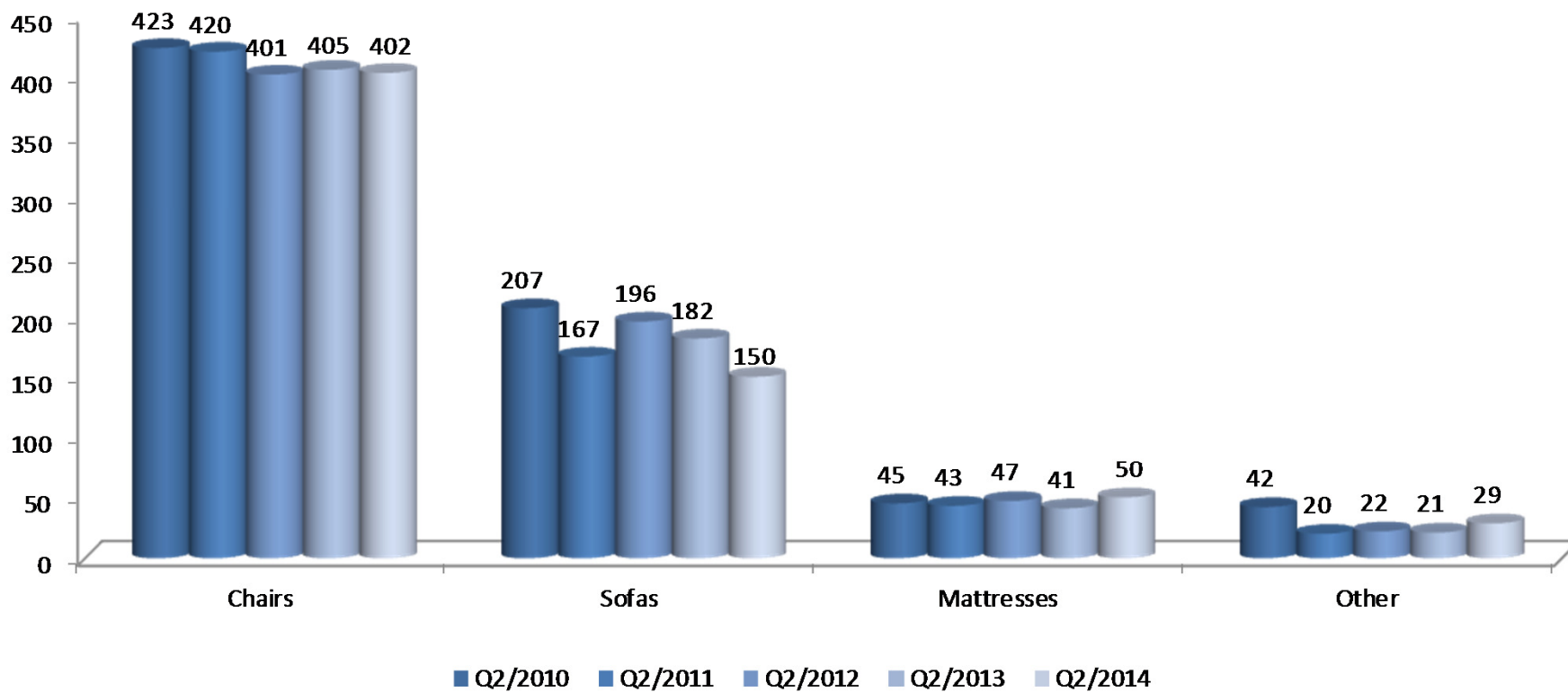
Development in Operating Revenue



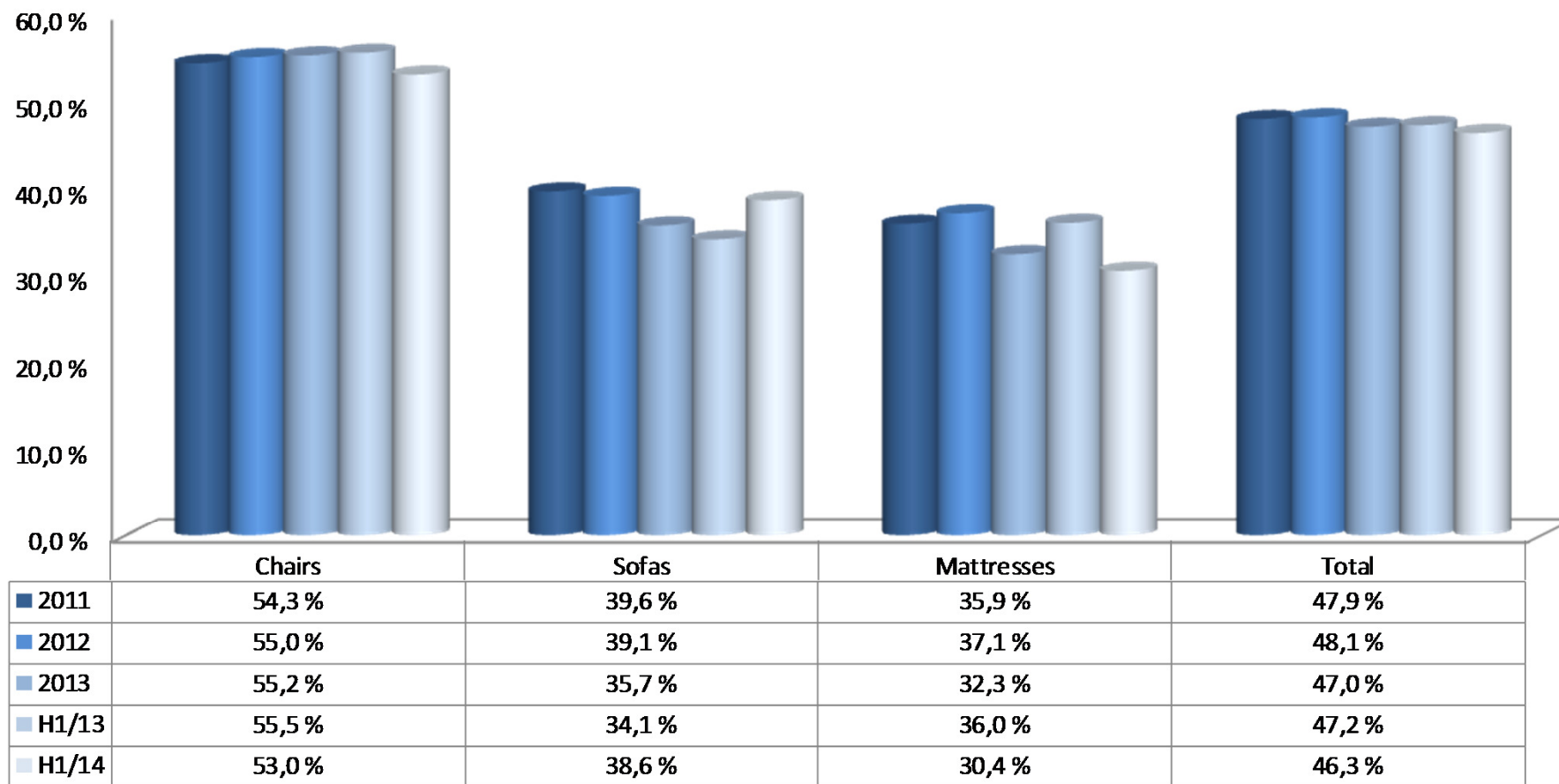
Operating revenue by product area – Half Year



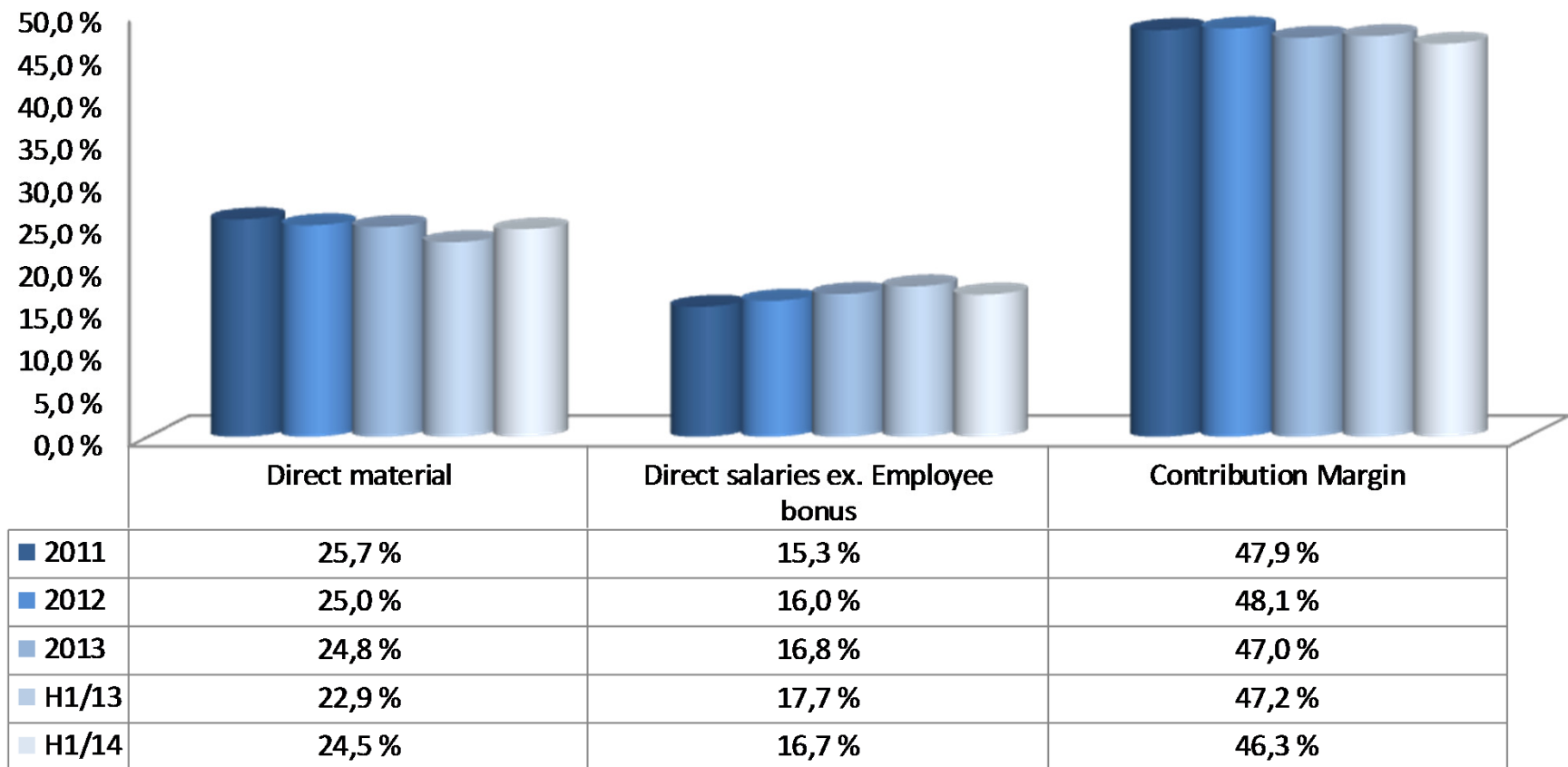
Operating revenue by product area – Q2



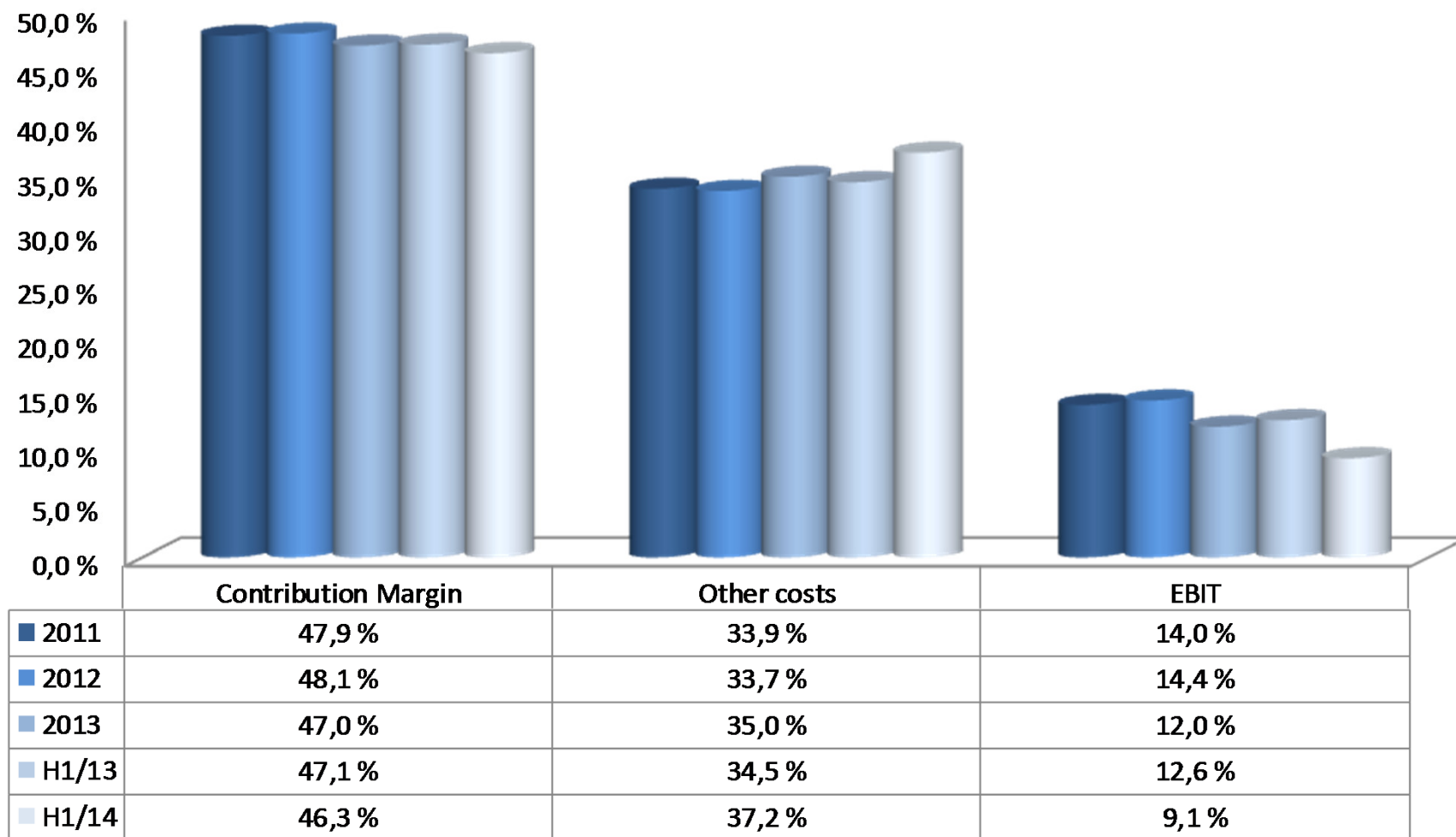
Contribution margin by product area



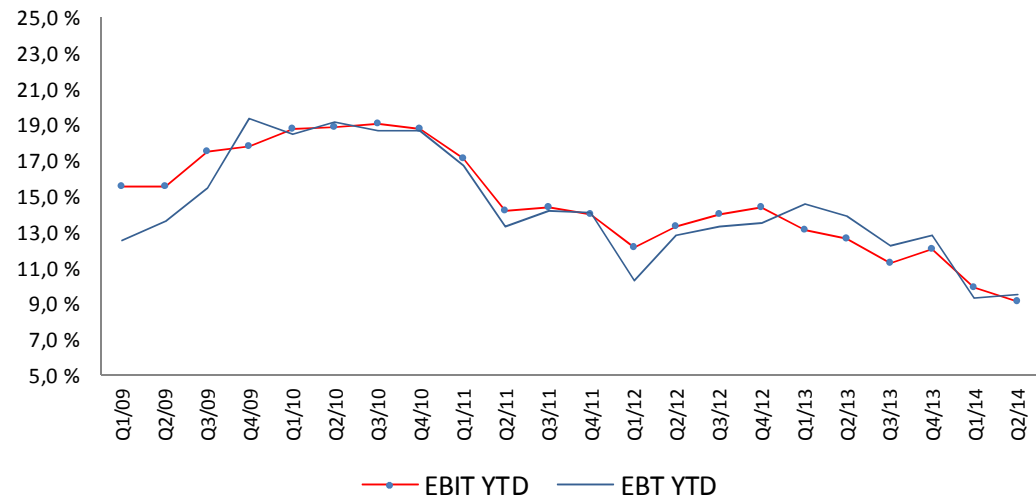
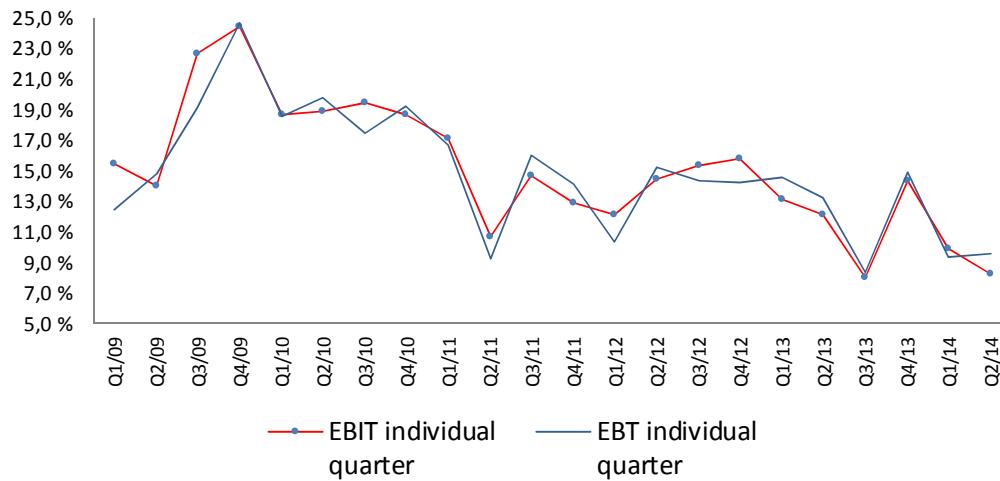
Development in direct costs



Contribution and Operating Margin (EBIT)



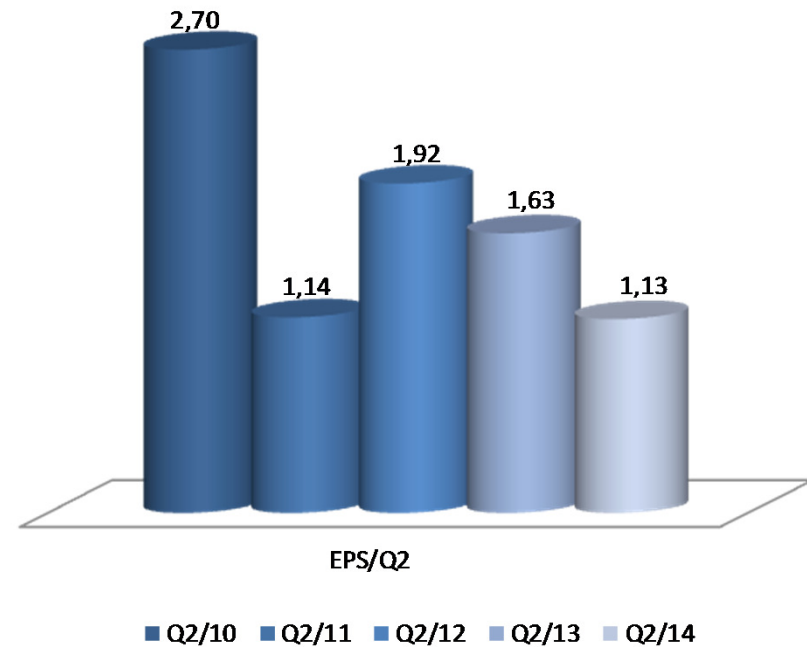
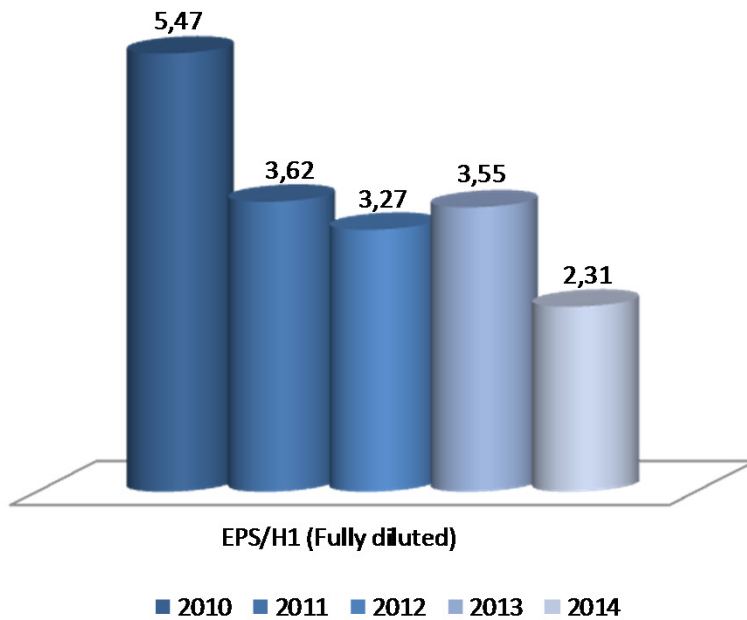
EBIT & EBT



EBIT & EBT Full year and YTD 2014



Development EPS fully diluted



Income Statement

(Mill. NOK)	H1/14		H1/13	
Operating revenues	1 303,5	100,0 %	1 337,8	100,0 %
Materials	319,7	24,5 %	306,0	22,9 %
Salaries and social costs	402,8	30,9 %	417,2	31,2 %
Other operating expenses	396,2	30,4 %	380,6	28,4 %
Depreciation	66,1	5,1 %	65,3	4,9 %
Total operating costs	1 184,8	90,9 %	1 169,1	87,4 %
Operating result	118,7	9,1 %	168,7	12,6 %
Net financial income/expenses	0,6	0,0 %	-0,9	-0,1 %
Profit/loss currency exchange	4,1	0,3 %	18,5	1,4 %
Ordinary result before taxes	123,4	9,2 %	186,3	13,9 %
Calculated taxes ordinary result	-38,2	-2,9 %	-55,5	-4,1 %
Ordinary result after taxes	85,2	6,4 %	130,8	9,8 %
EPS	2,31		3,55	

Income Statement

(Mill. NOK)	Q2/14		Q2/13	
Operating revenues	631,3	100,0 %	649,0	100,0 %
Materials	156,9	24,9 %	149,0	23,0 %
Salaries and social costs	200,8	31,8 %	205,4	31,6 %
Other operating expenses	191,1	30,3 %	183,0	28,2 %
Depreciation	30,5	4,8 %	33,2	5,1 %
Total operating costs	579,3	91,8 %	570,6	87,9 %
Operating result	52,0	8,2 %	78,4	12,1 %
Net financial income/expenses	-0,6	-0,1 %	0,1	0,0 %
Profit/loss currency exchange	9,2	1,4 %	7,0	1,1 %
Ordinary result before taxes	60,6	9,3 %	85,5	13,2 %
Calculated taxes ordinary result	-19,0	-2,9 %	-25,5	-3,9 %
Ordinary result after taxes	41,6	6,4 %	60,0	9,2 %
EPS	1,13		1,63	

Balance Sheet

(Mill. NOK)	H1/14	H1/13
Total Long Term Assets	937,4	937,8
Inventories	380,2	354,4
Trade Debtors	384,6	430,0
Other Current Assets	41,5	42,2
Value of forward contracts	-	125,9
Cash and Bank Deposits	5,8	58,5
Total Current Assets	812,1	1 011,0
TOTAL ASSETS	1 749,5	1 948,8
Total Equity	1 432,3	1 547,5
Provisions, commitments, deferred tax	9,6	40,7
Trade Creditors	109,1	99,5
Taxes, VAT and national insurance	45,1	84,2
Value of forward contracts	8,7	-
Bank loans	-	-
Other current liabilities	144,7	176,9
Total Liabilities	317,2	401,3
TOTAL EQUITY AND LIABILITIES	1 749,5	1 948,8

Statement of Cash Flow

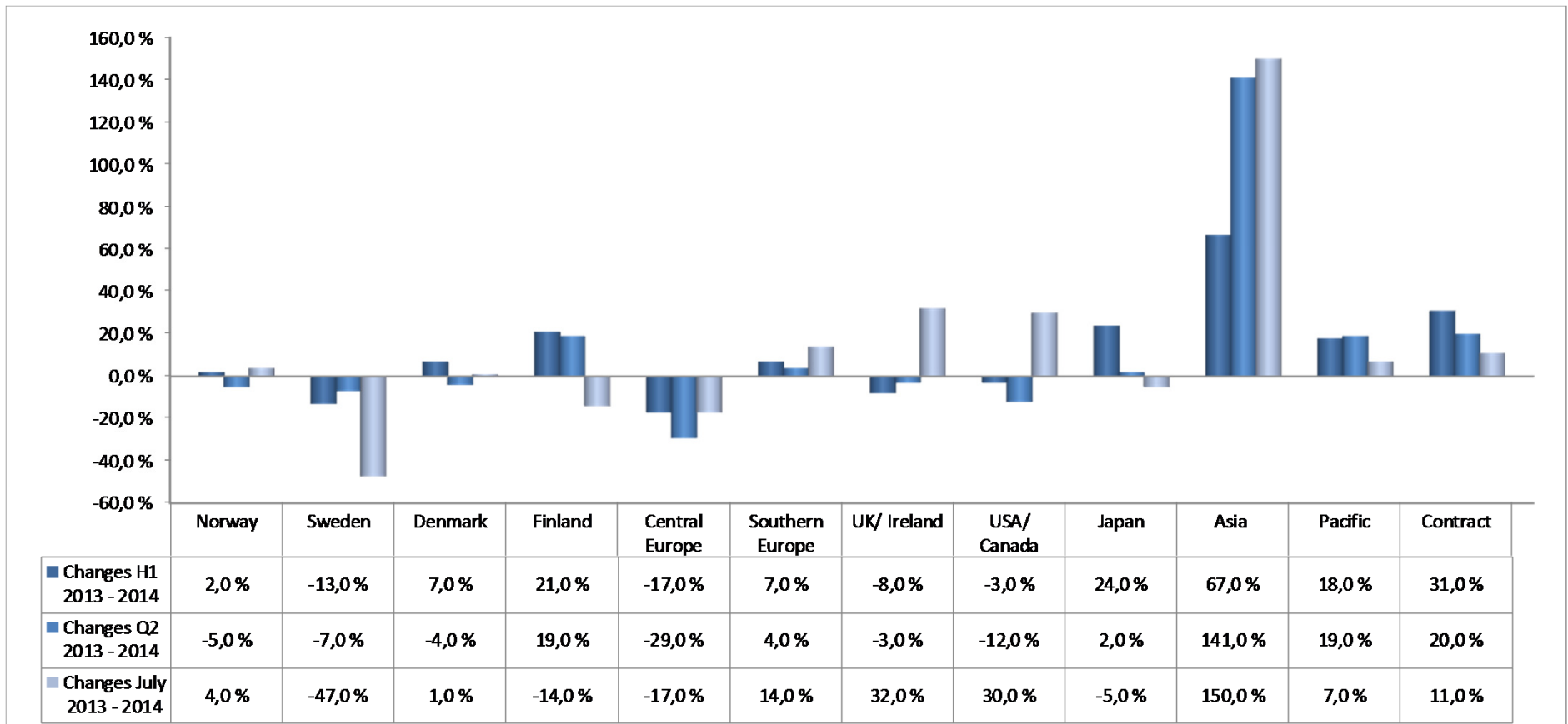
(Mill. NOK)	H1/14	H1/13	2013	2012
Net cash flow from:				
Operating activities	-67,5	59,2	405,7	331,2
Investing activities	-52,5	-71,4	-148,1	-79,0
Financing activities	-202,5	-202,5	-202,5	-276,2
Net change in cash and cash equivalents	-322,6	-214,8	55,1	-24,0
Cash and cash equivalents at the beginning of period	328,4	273,4	273,3	297,3
Cash and cash equivalents at the end of period	5,8	58,5	328,4	273,3

Development in Total Capital, Net-working Capital and Equity

(Mill. NOK)	H1/14	H1/13	2013	2012	2011
Total capital	1 749,5	1 948,8	1 975,1	2 187,9	2 099,1
Net-working capital*	513,2	524,5	618,5	592,0	588,5
Equity	1 432,3	1 547,5	1 566,8	1 704,7	1 657,9
Equity ratio	81,9 %	79,4 %	79,3 %	77,9 %	79,0 %

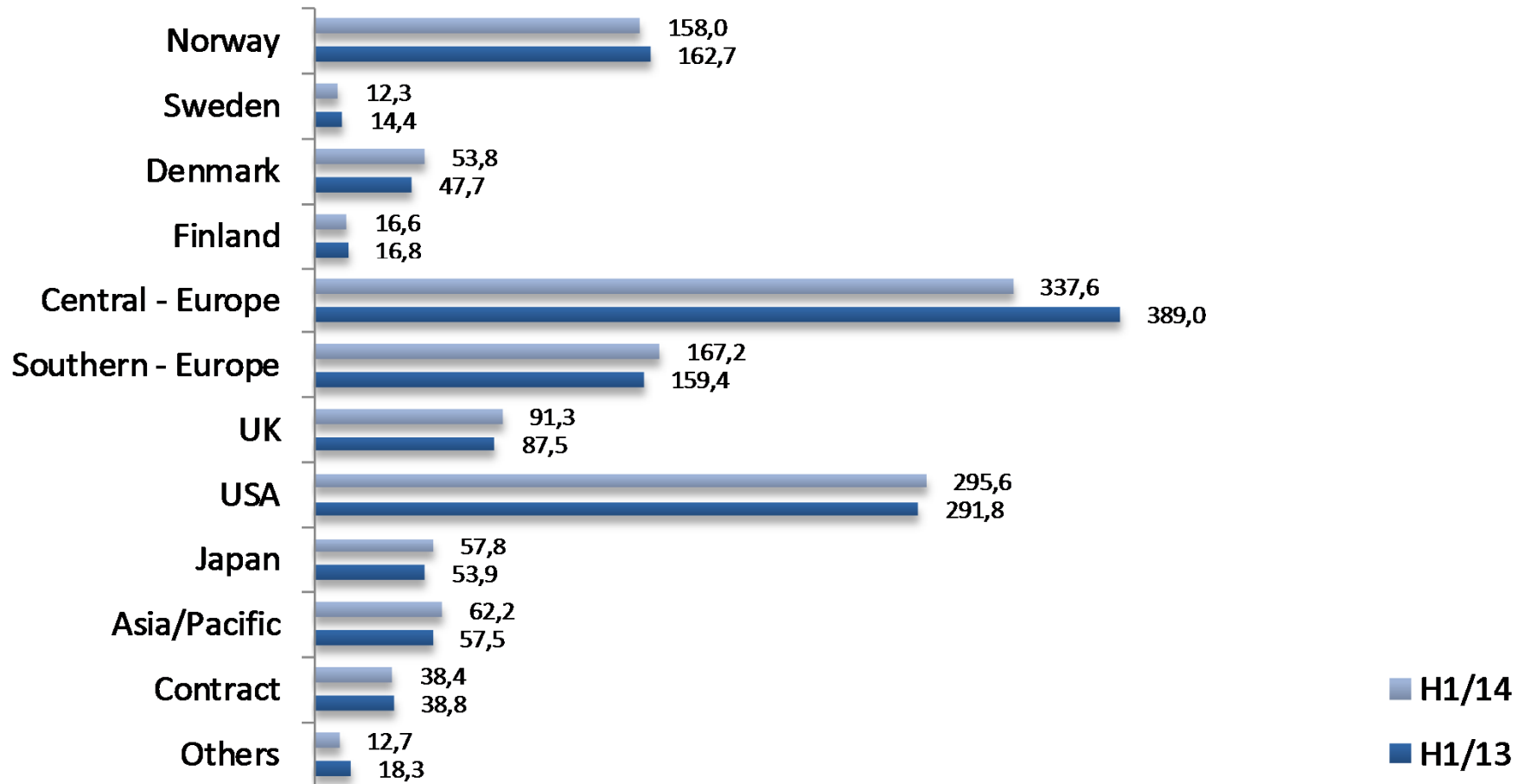
*Not included the market value of forward contracts.

Change in order influx per market (%)

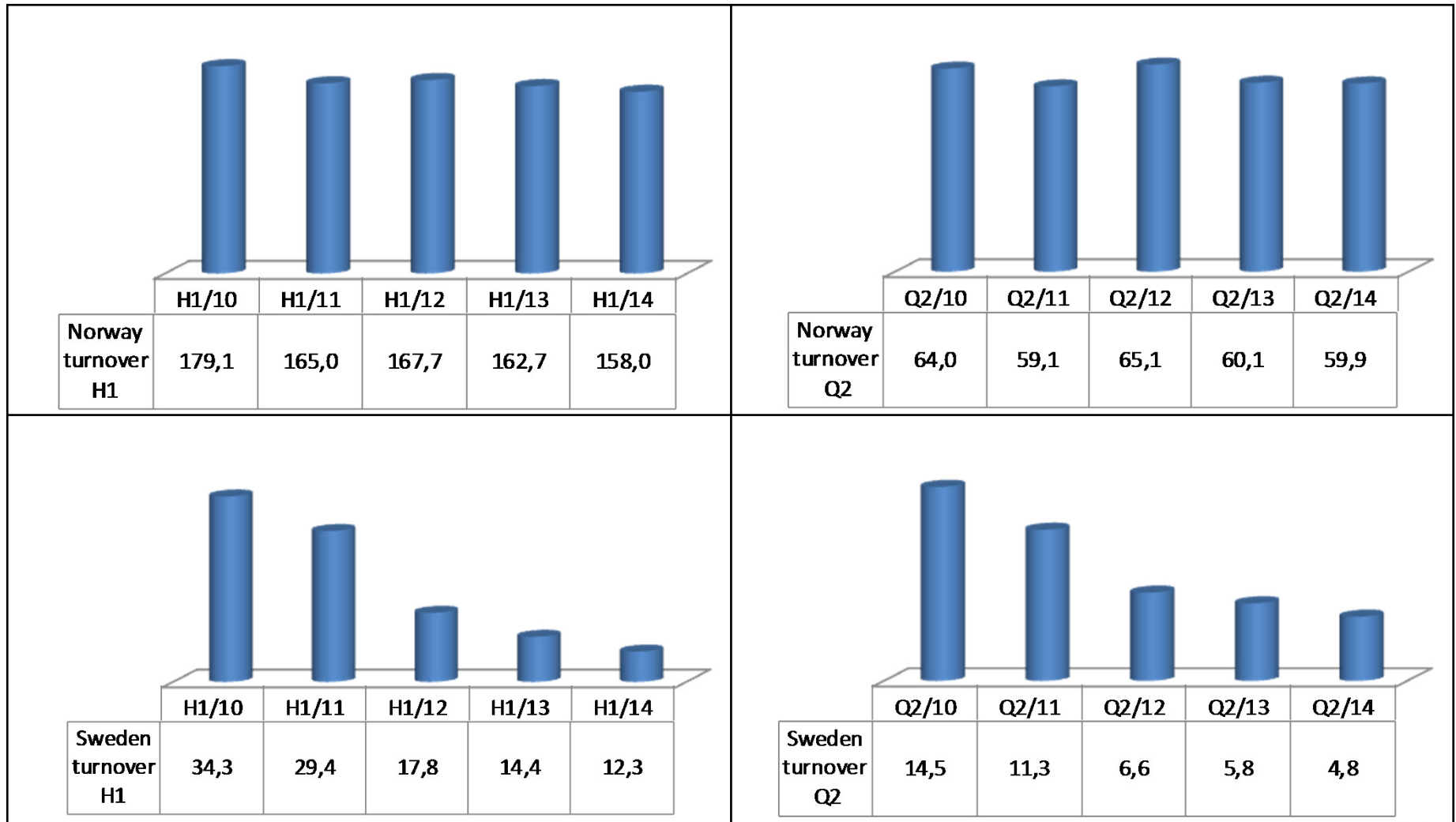


(in local currency)

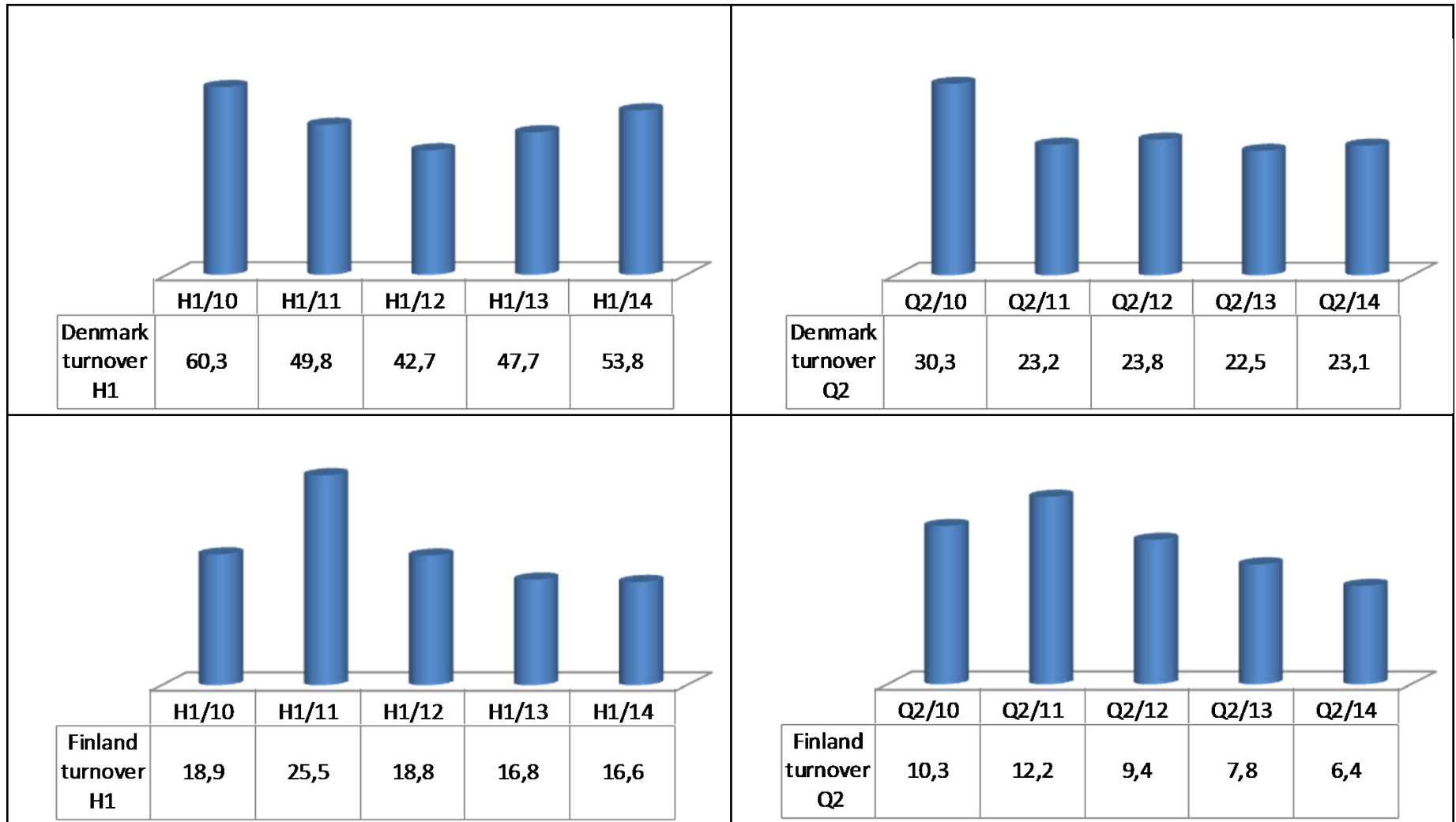
Operating revenue per market



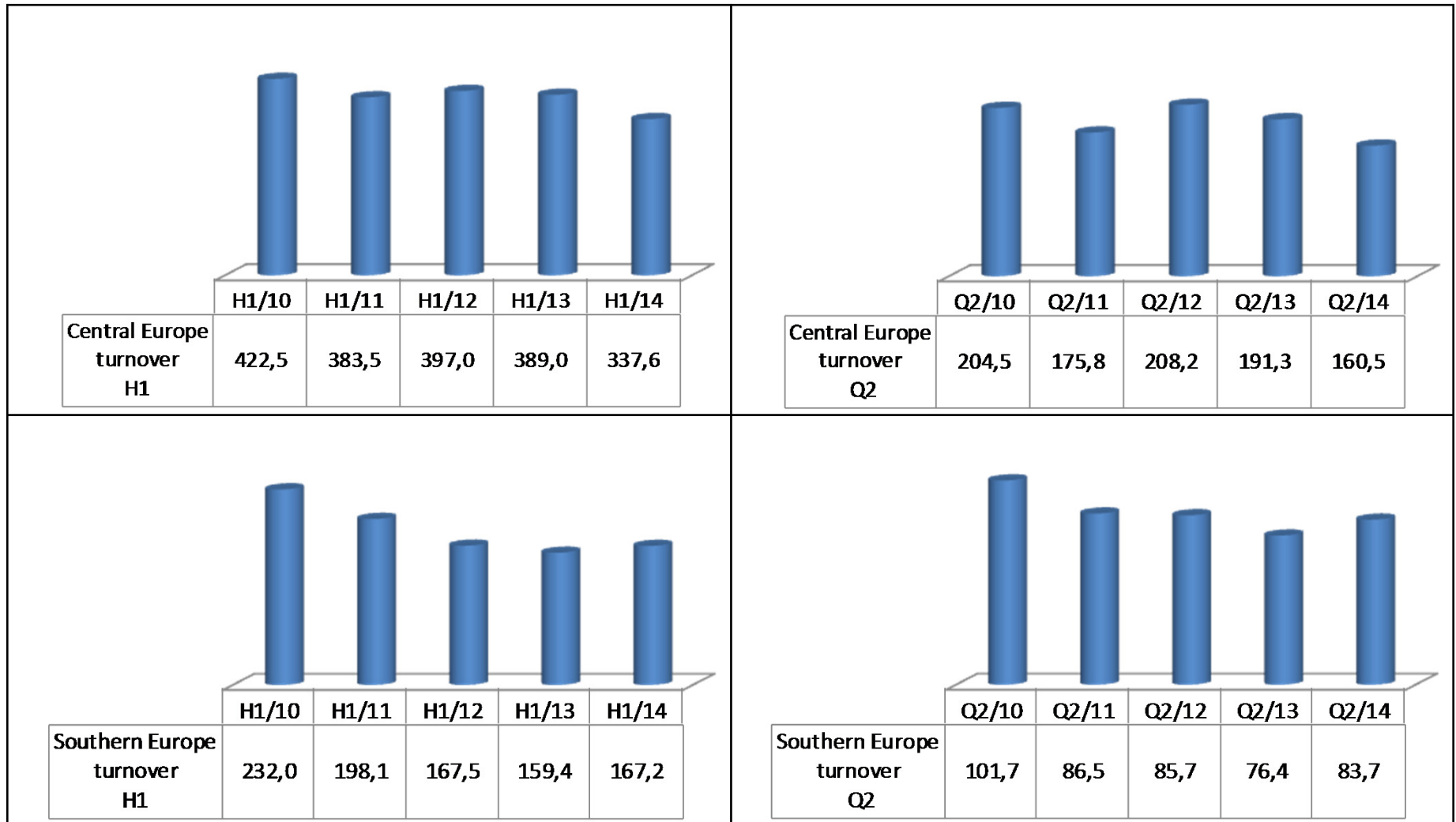
Turnover per market (Mill. NOK)



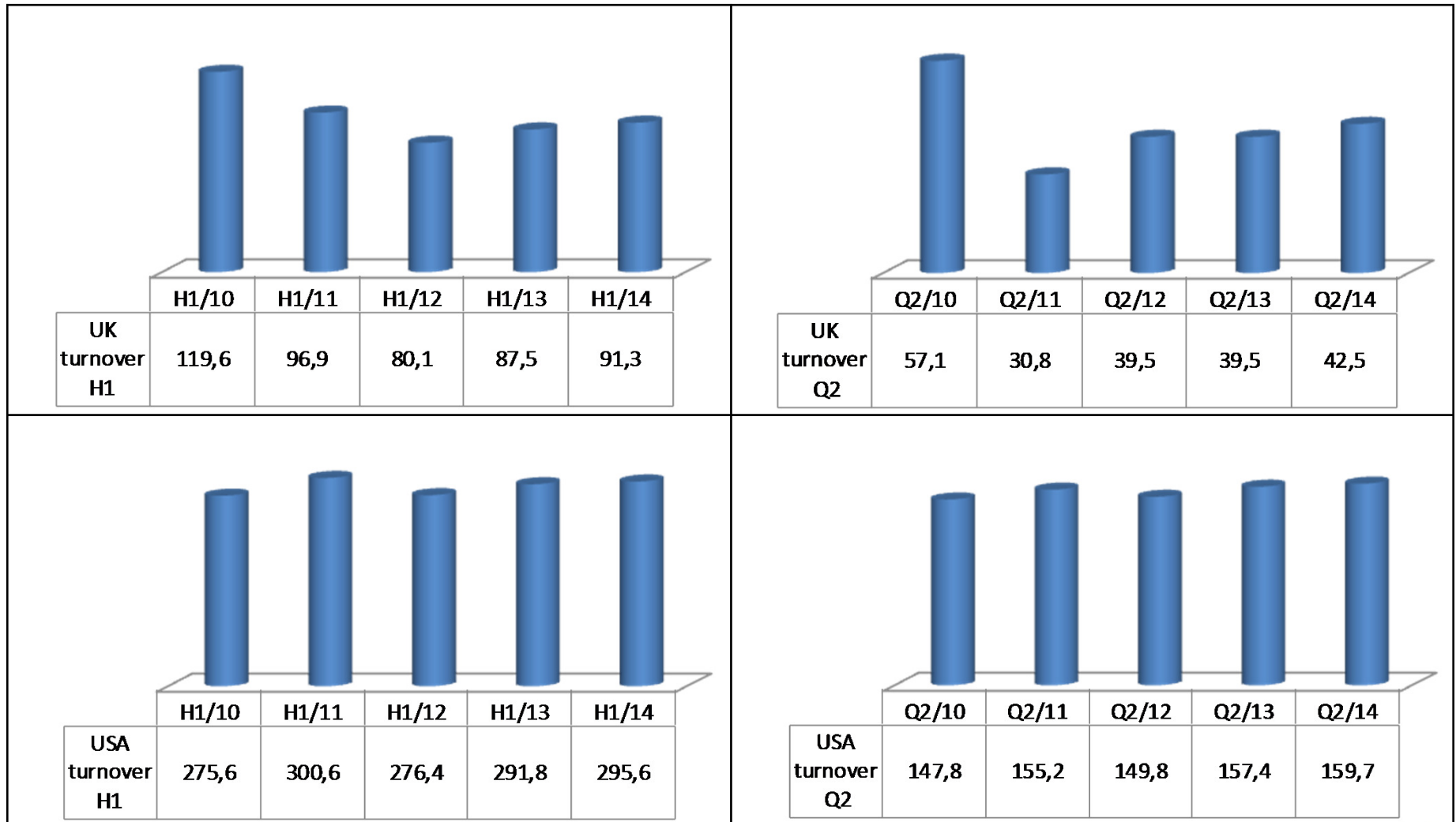
Turnover per market (Mill. NOK)



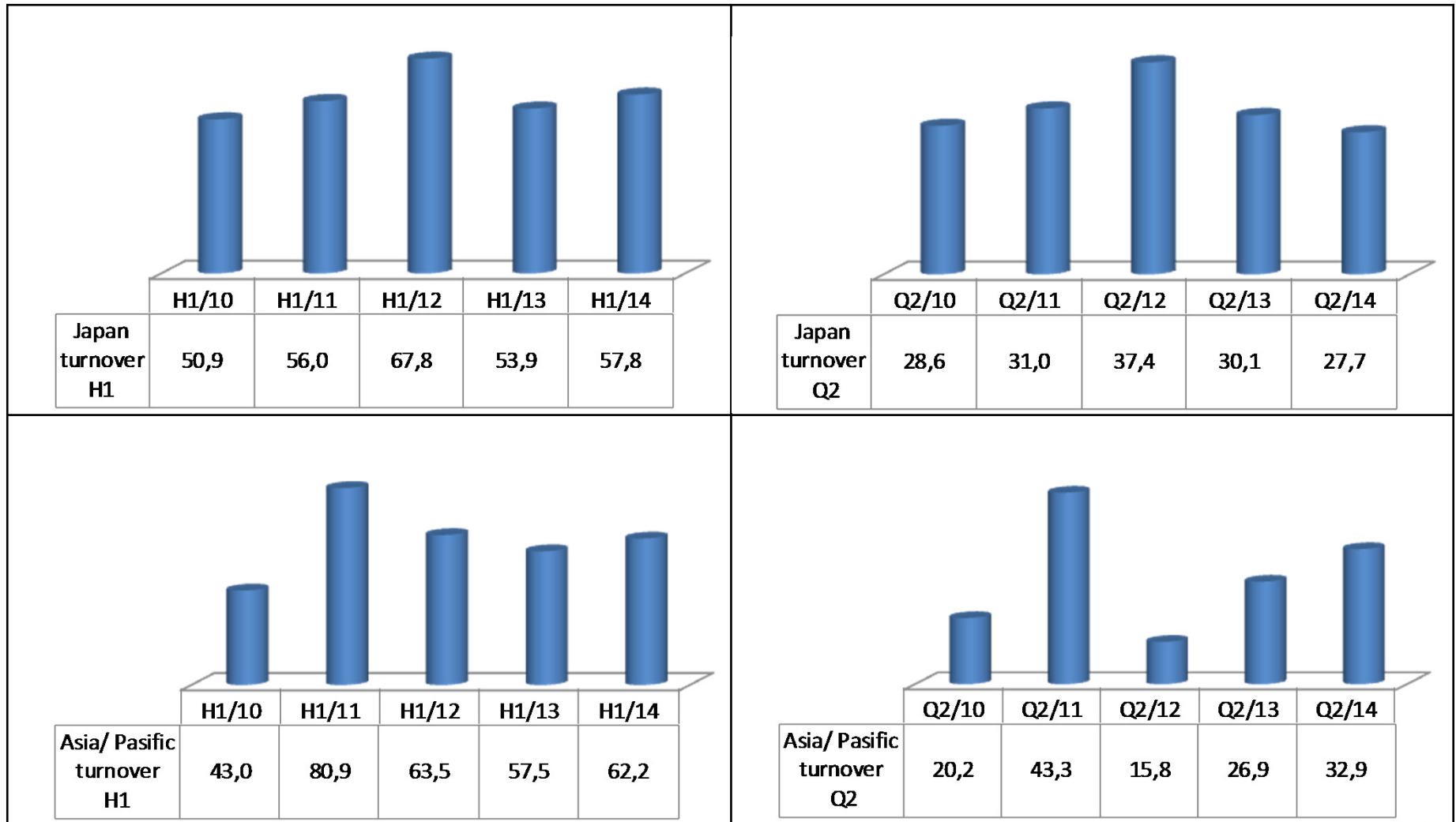
Turnover per market (Mill. NOK)



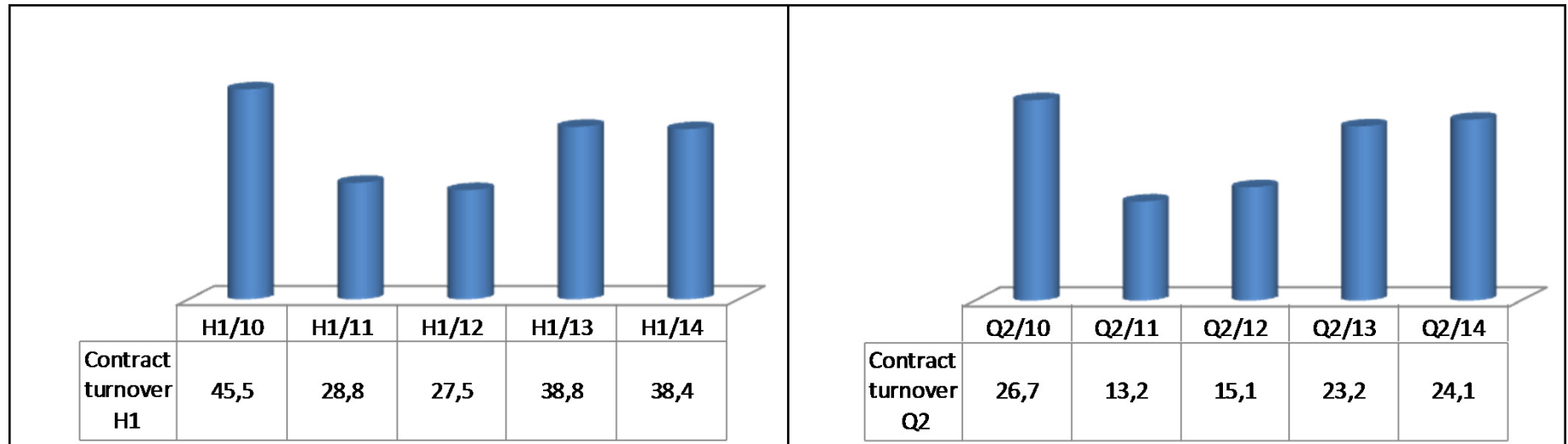
Turnover per market (Mill. NOK)



Turnover per market (Mill. NOK)

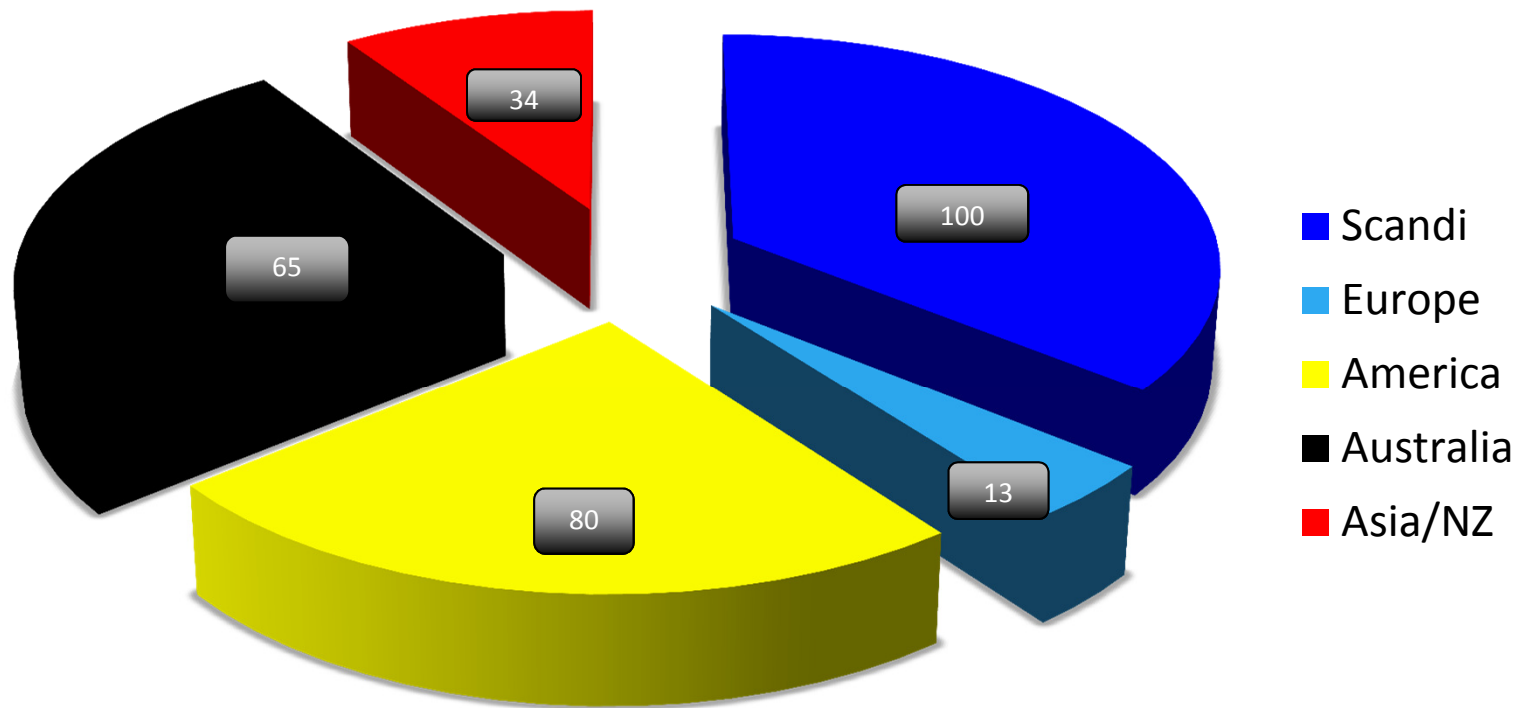


Turnover per market (Mill. NOK)



IMG

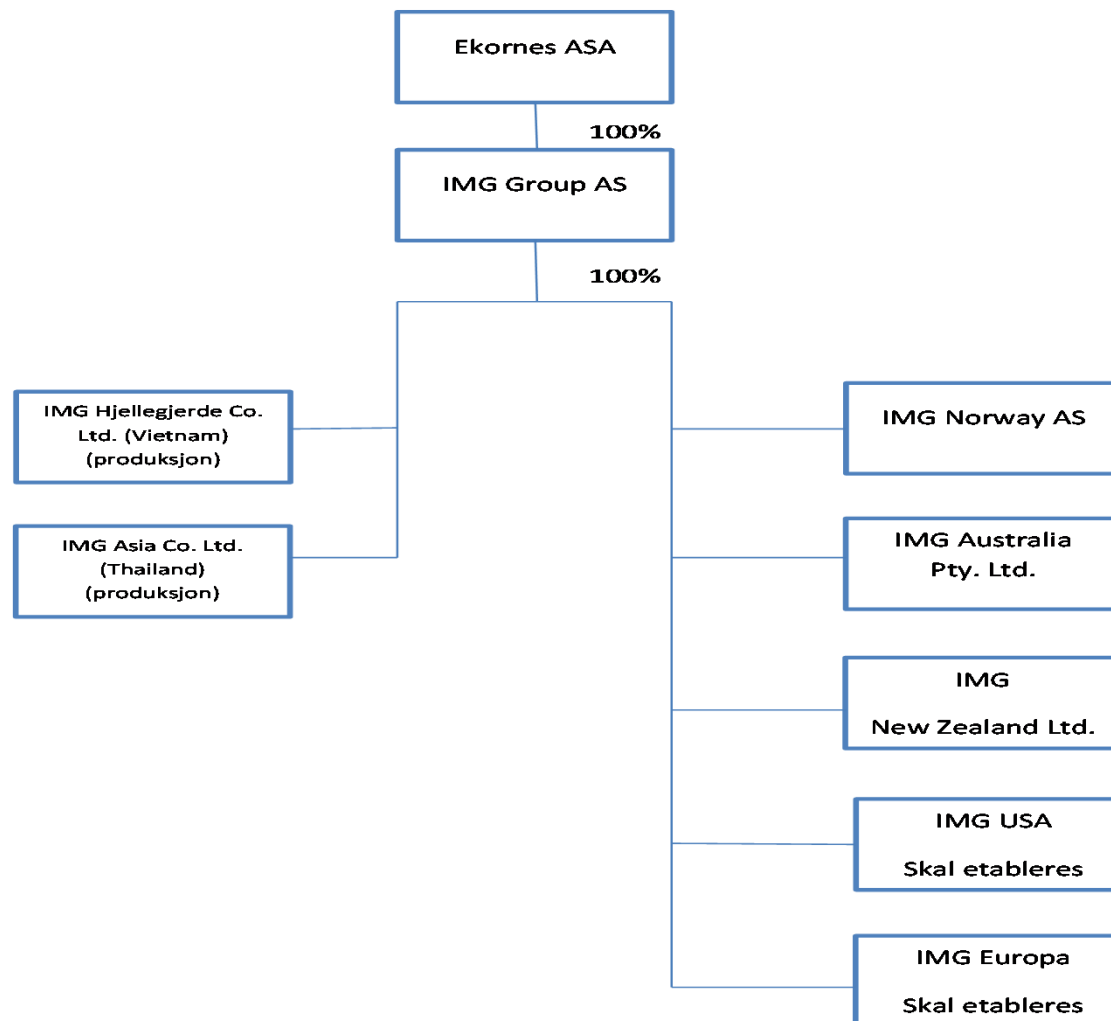
Sales per markets in 2013



Produkter og studioløsninger



Organisering av IMG



IMG - Strategy

- Sales and Sales Force separate to Stressless
- Production separate to Stressless
- Distribution – stores separate to Stressless
- Product Development – separate, but coordinated
- Infrastructure – mutual if and where beneficial
- Sourcing – will be coordinated
- Operating management - separate

Coming events:

12 November 2013 3rd Quarter Result 2014.

13 November 2013 Presentation 3rd Quarter Result 2014,
Hotel Continental, Oslo - at 08.00 a.m.

Largest shareholders (05.08.2014):

Shareholders	Country	Percentage
1. NORDSTJERNAN AB	SWE	15,45 %
2. FOLKETRYGDFONDET	NOR	10,25 %
3. J.P. Morgan Chase Ba NORDEA RE: Non-Treaty	GBR	5,41 %
4. PARETO AKSJE NORGE	NOR	4,73 %
5. J.P. Morgan Chase Ba SPECIAL TREATY LENDING	GBR	4,12 %
6. ODIN NORGE	NOR	3,89 %
7. UNHJEM BERIT VIGDIS EKORNES	NOR	2,91 %
8. MERTENS GUNNHILD EKORNES (JPMBLSA)	NOR	2,88 %
9. VIND LV AS	NOR	2,24 %
10. NORDEA NORDIC SMALL CAP FUND	FIN	2,18 %
Other shareholders approx. 2,443		45,94 %
Proportion	Norwegian shareholders	50,90 %
	Non-Norwegian shareholders	49,10 %

Board of Directors | Group Management

- Kjersti Kleven – Chairman
- Jarle Kjell Roth – Vice Chairman
- Lars Ivar Røiri
- Stian Ekornes
- Nora Förisdal Larssen

Employee Representatives:

- Sveinung Utgård
- Tone Helen Hanken
- Aslak Hestholm

- 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