

# **EKORNES ASA**

## **1<sup>st</sup> Quarter 2002**

## BUSINESS IDEA

Ekornes supplies home furniture products for the domestic Norwegian and international markets. The furniture products will have one of the following brands:

**Ekornes® , Stressless® , Svane® , Sacco® , Kiddo™**

We will design and price our products for the general public. Our marketing effort will focus on the furniture dealers and the end consumer. The basis for our marketing is the company's brand names and the right to use them. The specific marketing effort for dealers and consumers will vary from market to market.

Ekornes will not be a retailer itself. Our actual customer shall be furniture retailers and contract customers.

The individual production unit may supply components to other manufacturers outside the Group, but only based on existing production conditions.



**Board of Directors****Group Management**

- Olav Kjell Holtan
  - Sigmund Ekornes
  - Torger Reve
  - Carl Graff-Wang
  - Ole Jan Korsnes
  - Arnstein Johannessen
  - Wenche E. Fannemel
- CEO  
Nils-Fredrik Drabløs
  - CFO  
Robert Svendsen
  - Marketing Director  
Runar Haugen

## Largest shareholders (06-05-02)

1.	Folketrygdfondet, NOR	9.49 %
2.	State Street Bank & Trust Co., USA	5.00 %
3.	J.P.Morgan Chase Bank, S/A Cap. Inc. Builder, UK	4.35 %
4.	J.P.Morgan Chase Bank, Client Treaty Acc., UK	3.12 %
5.	Berit Ekornes Unhjem, NOR	3.09 %
6.	Gjensidige Nor, NOR	3.07 %
7.	Emba Trust, LUX	2.90 %
8.	Vital Forsikring ASA, NOR	2.49 %
9.	J.P.Morgan Chase Bank, S/A Escrow Account, UK	2.33 %
10.	Odin Norge, NOR	2.26 %

Other shareholders. approx. 3,313 61.9 %

Proportion (31.03.02): Norwegian shareholders 66.7 %  
Foreign shareholders 33.3 %

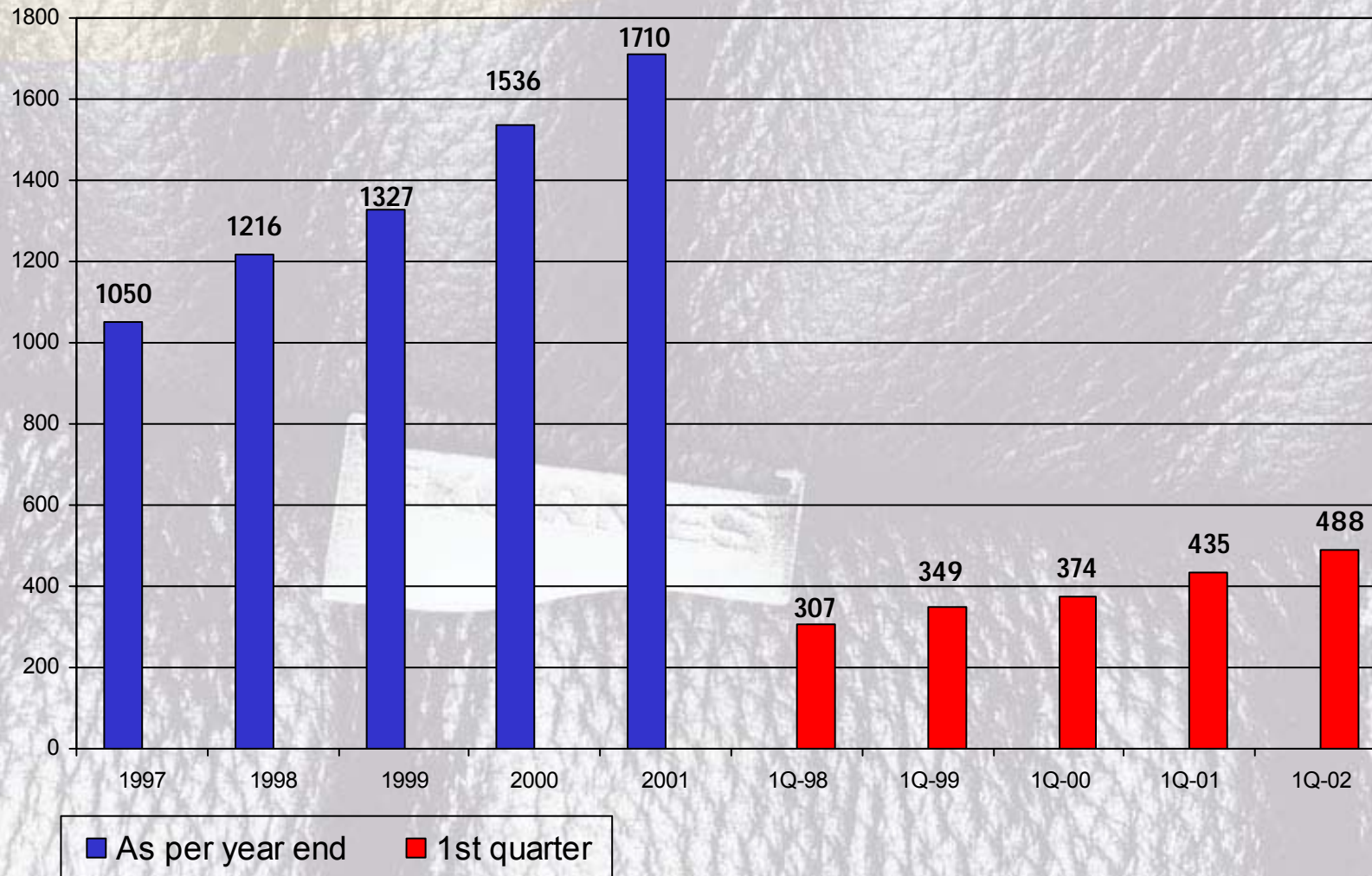


## Ekornes today

Products and production :

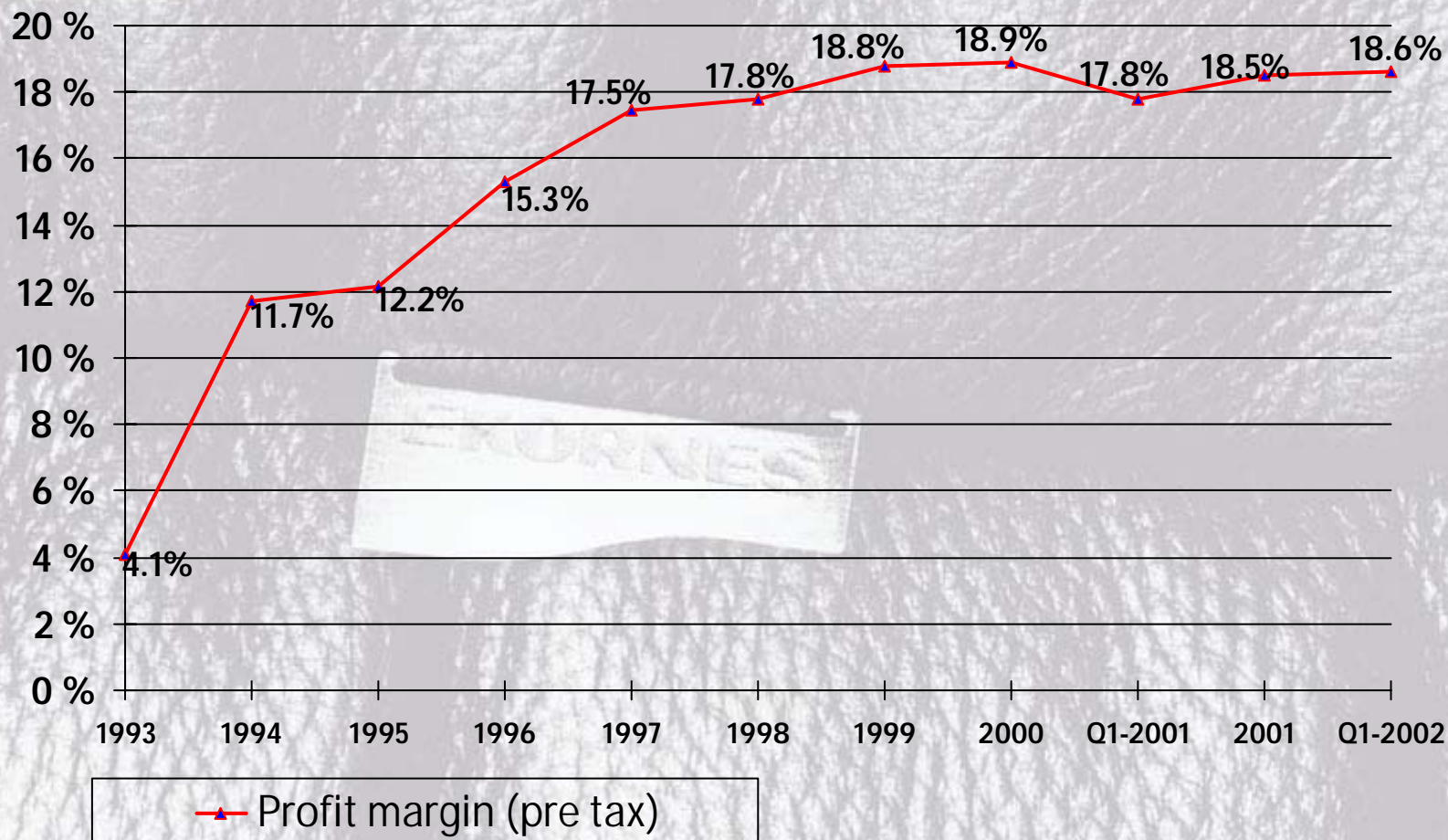
Ikornnes	Stressless® chairs, foam, Kiddo™
Dept. Vestlandske	Stressless® sofas, cushions for Stressless® chairs and wooden laminates
Stranda	Ekornes® collection sofas
Hareid	Ekornes® collection sofas, cushions for Stressless® chairs
Fetsund	Svane®, Svane® Stressless®, Sacco® and foam
Grodås	Wooden components for Stressless® chairs, Stressless® sofas and Ekornes® sofas.

# Operating revenue (million NOK)

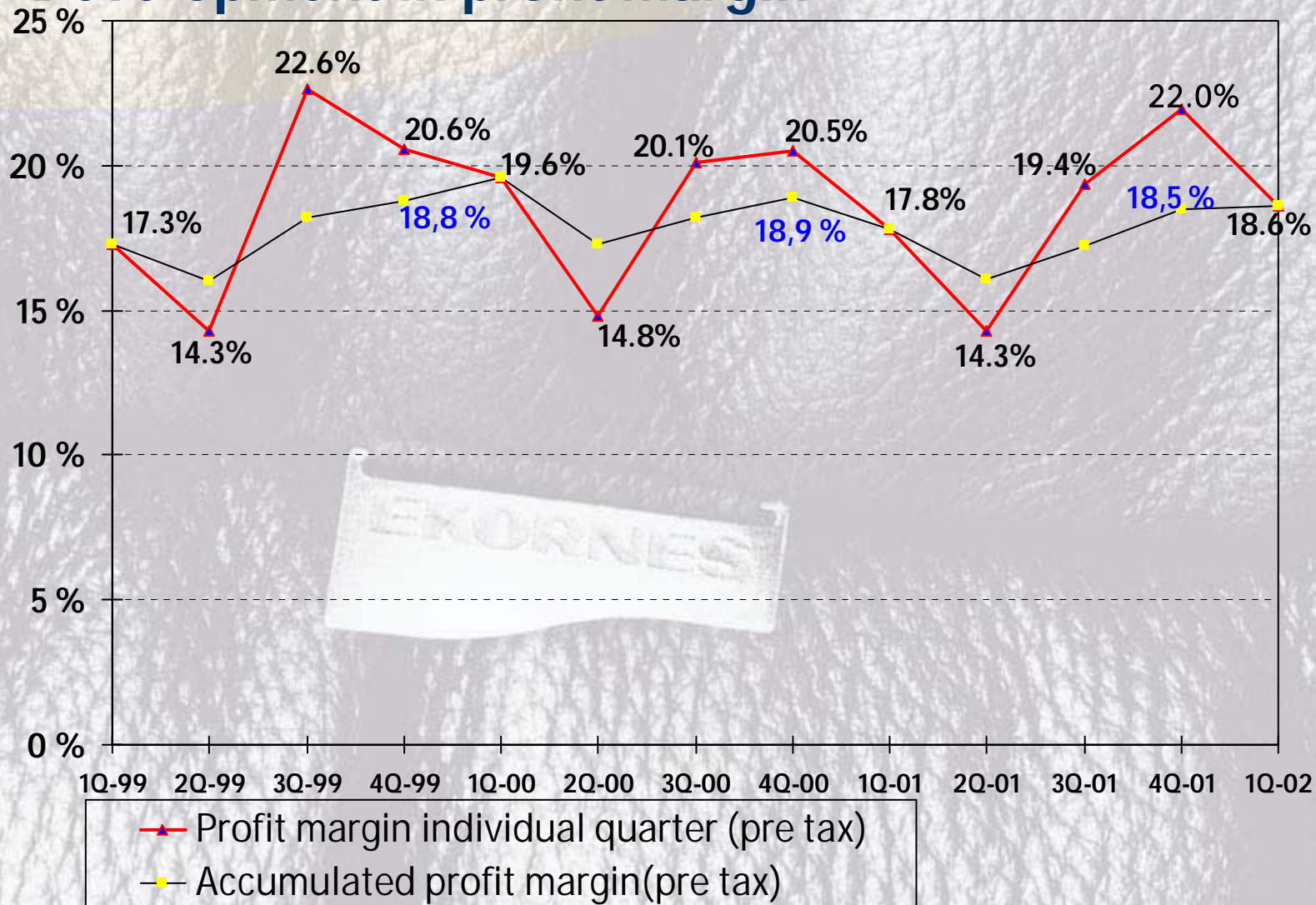




## Development in profit margin

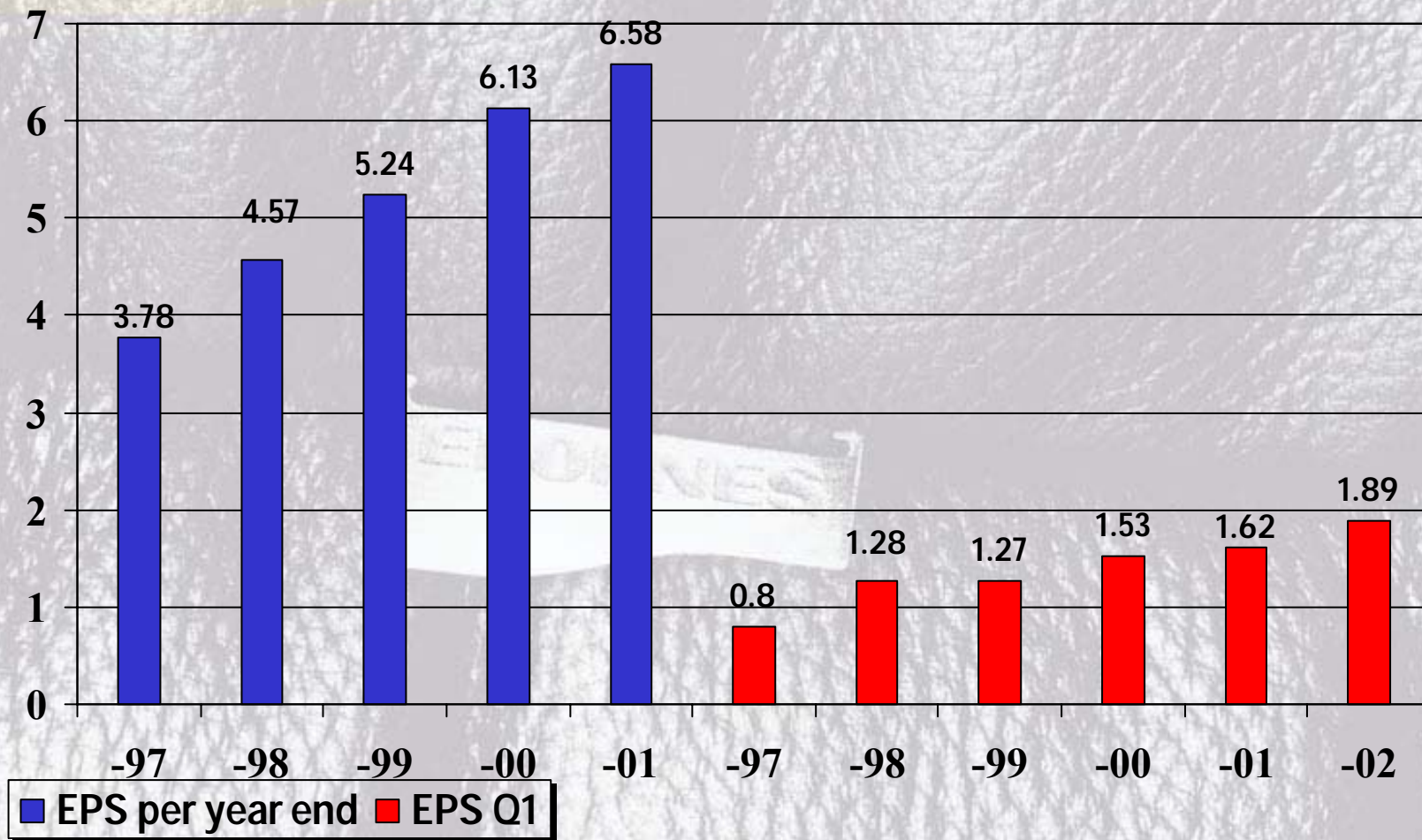


# Development in profit margin

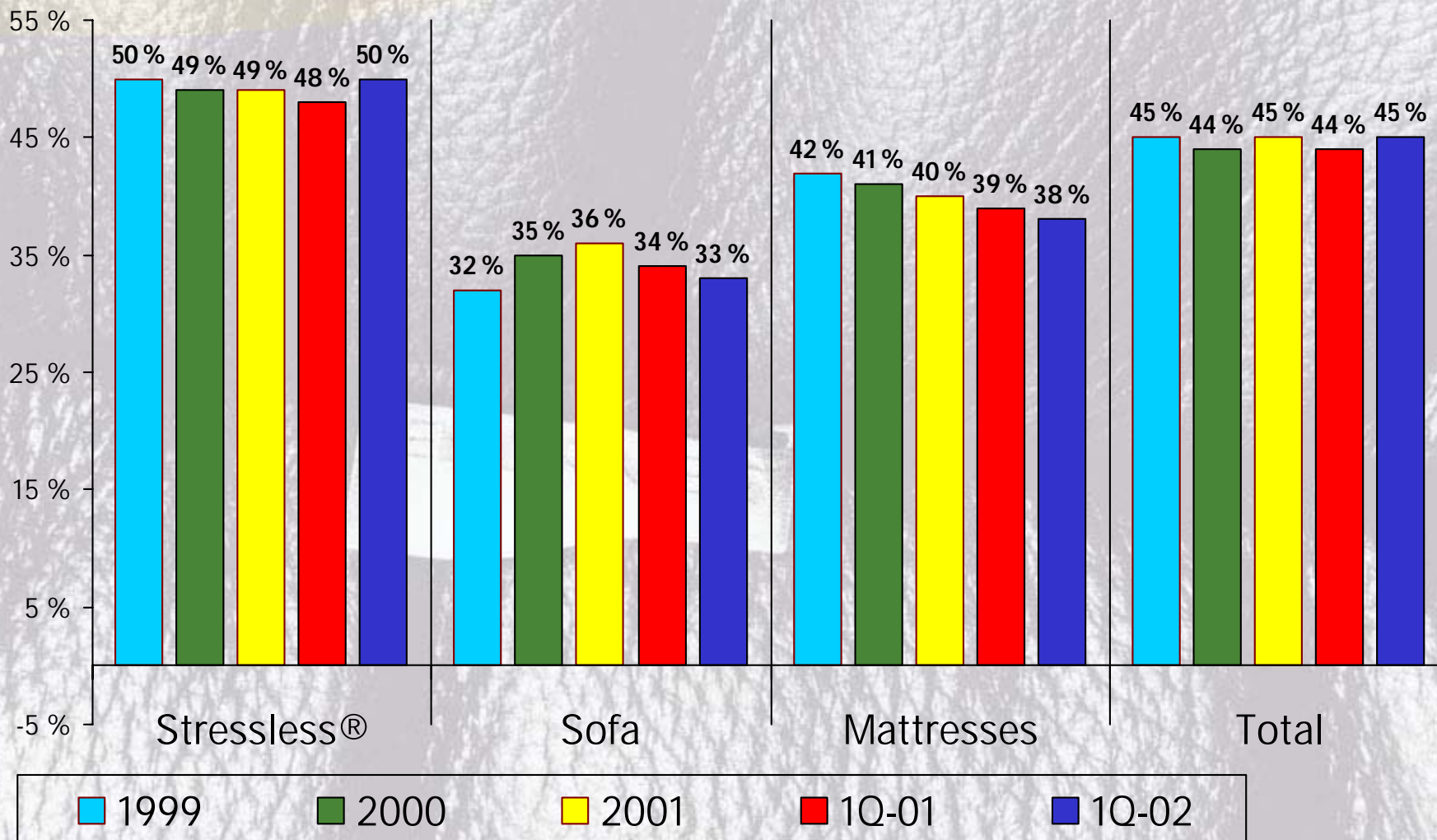




# Development EPS



# Contribution margin by product areas





# Income Statement

(million NOK)

	1Q-02	1Q-01	Changes %
<b>Operating revenues</b>	<b>487.7</b>	<b>434.5</b>	<b>+12.2 %</b>
Costs of goods sold	145.2	131.7	+10.3 %
Salaries and social costs	123.0	113.4	+8.5 %
Other operating expenses	115.1	100.5	+14.5 %
Depreciation	14.8	12.9	+14.7 %
<b>Total operating costs</b>	<b>398.1</b>	<b>358.5</b>	<b>+11.0 %</b>
<b>Operating result</b>	<b>89.6</b>	<b>76.0</b>	<b>+17.9 %</b>
Net financial income/expenses	0.9	1.4	
<b>Ordinary result before taxes</b>	<b>90.5</b>	<b>77.4</b>	<b>+16.9 %</b>
Calculated taxes ordinary result	27.5	23.2	
<b>Ordinary result after taxes</b>	<b>63.0</b>	<b>54.2</b>	<b>+16.2 %</b>

**Income Statement – "Financial Year" – 01.04 - 31.03**

(million NOK)

	<b>01/02</b>	<b>00/01</b>	<b>Changes %</b>
<b>Operating revenues</b>	<b>1,763.0</b>	<b>1,596.7</b>	<b>+10.4 %</b>
Costs of goods sold	508.3	476.3	+6.7 %
Salaries and social costs	449.8	413.7	+8.7 %
Other operating expenses	416.9	370.5	+12.5 %
Depreciation	56.2	45.3	+24.1 %
<b>Total operating costs</b>	<b>1,431.2</b>	<b>1,305.8</b>	<b>+9.6 %</b>
<b>Operating result</b>	<b>331.9</b>	<b>290.9</b>	<b>+14.1 %</b>
Net financial income/expenses	-2.4	3.6	
<b>Ordinary result before taxes</b>	<b>329.4</b>	<b>294.5</b>	<b>11.9 %</b>
Calculated taxes ordinary result	100.8	86.6	
<b>Ordinary result after taxes</b>	<b>228.6</b>	<b>207.9</b>	<b>10.0 %</b>
<b>EPS</b>	<b>6.84</b>	<b>6.22</b>	<b>10.0 %</b>



## Balance

(Million NOK)

	1Q-02	1Q-01	Changes
<b>Total long term assets</b>	<b>563.2</b>	<b>457.4</b>	<b>+23.1 %</b>
Inventories	158.7	168.3	-5.7 %
Receivables	273.7	257.2	+6.4 %
Cash and bank deposit	195.5	155.3	+25.9 %
<b>Total current assets</b>	<b>627.9</b>	<b>580.8</b>	<b>+8.1 %</b>
<b>Total assets</b>	<b>1,191.1</b>	<b>1,038.2</b>	<b>+14.7 %</b>
<b>Total equity</b>	<b>644.7</b>	<b>554.0</b>	<b>+16.4 %</b>
Long term liabilities (interest bearing)	91.8	75.8	+21.1 %
Long term liabilities (non-interest bearing)	19.1	21.4	-10.7 %
Current liabilities (non-interest bearing)	435.5	387.0	+12.5 %
<b>Total liabilities</b>	<b>546.4</b>	<b>484.2</b>	<b>+12.9 %</b>
<b>Total liabilities and equity</b>	<b>1,191.1</b>	<b>1,038.2</b>	<b>+14.7 %</b>

**Balance - Quarterly figures**

(Million NOK)

	<b>1Q-02</b>	<b>4Q-01</b>	<b>Changes in mill. NOK</b>
<b>Total long term assets</b>	<b>563.2</b>	<b>547.8</b>	<b>+15.4</b>
Inventories	158.7	166.7	-8.0
Receivables	273.7	242.2	+31.5
Cash and bank deposit	195.5	134.3	+61.2
<b>Total current assets</b>	<b>627.9</b>	<b>543.3</b>	<b>+84.6</b>
<b>Total assets</b>	<b>1,191.1</b>	<b>1,091.1</b>	<b>+100</b>
<b>Total equity</b>	<b>644.7</b>	<b>578.0</b>	<b>+66.7</b>
Long term liabilities (interest bearing)	91.8	91.8	
Long term liabilities (non-interest bearing)	19.1	19.0	+0.1
Current liabilities (non-interest bearing)	435.5	402.3	+33.2
<b>Total liabilities</b>	<b>546.4</b>	<b>513.1</b>	<b>+33.3</b>
<b>Total liabilities and equity</b>	<b>1,191.1</b>	<b>1,091.1</b>	<b>+100.0</b>



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

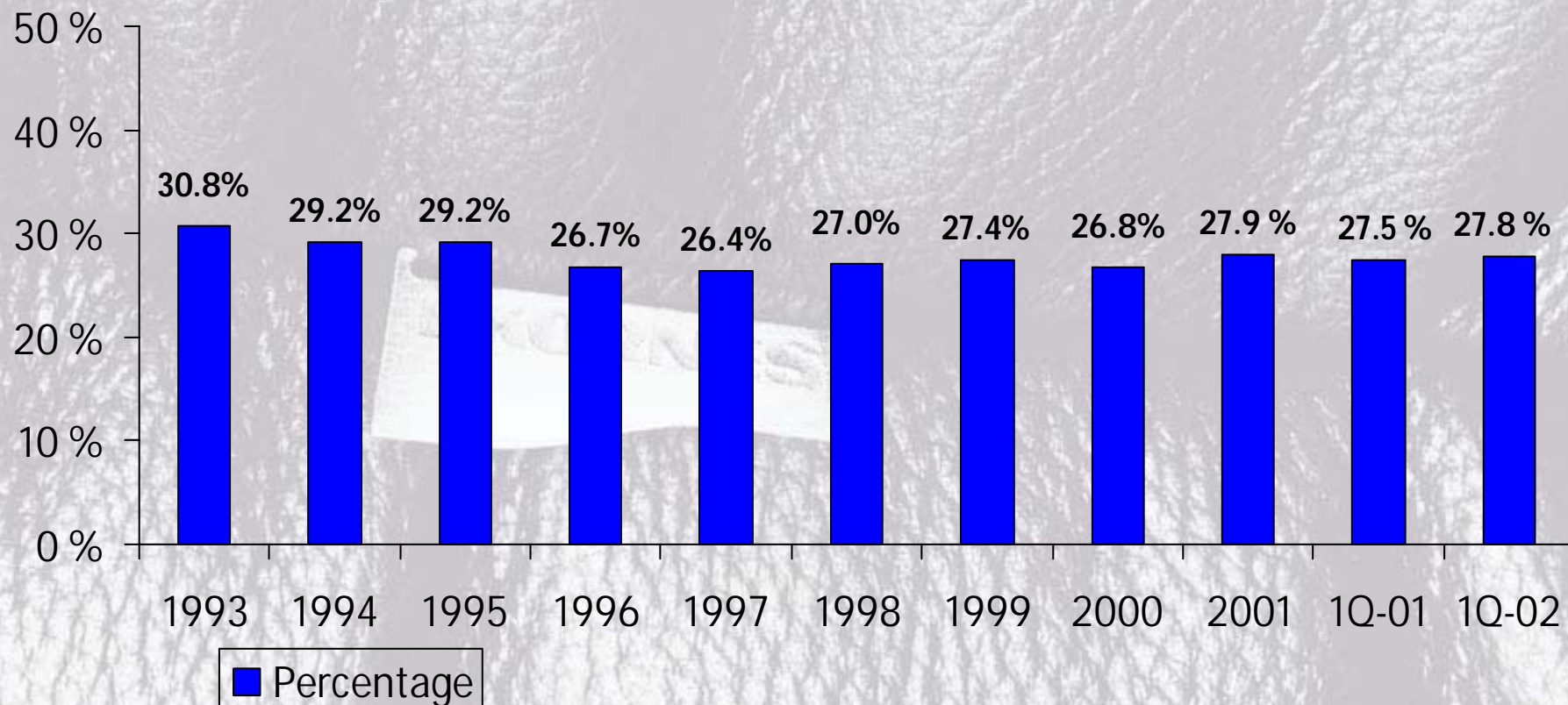
Percentage	1Q-02	1Q-01	2001	2000	1999	1998	1997
<b>Ikorntes</b> (Incl. Vestlandske from 1997 )	20.6%	21.4%	21.1%	21.5%	20.5%	19.6%	19.2%
<b>Stranda</b>	14.2%	13.8%	14.5%	16.5%	18.7%	19.2%	22.4%
<b>Grodås</b>	34.1%	32.1%	34.4%	32.0%	35.0%	36.0%	37.7%
<b>Hareid</b>	17.5%	16.2%	18.7%	17.2%	21.0%	22.1%	21.7%
<b>Fetsund</b>	14.1%	16.3%	18.2%	15.8%	15.1 %	15.4%	16.4%

## Development in relative factors-Group consolidated :

Percentages	1Q-02	1Q-01	2001	2000	1999	1998	1997
Direct material	29.8%	30.3%	28.9 %	29.1 %	30.1 %	32.5 %	32.5 %
Direct salaries	15.1%	16.1%	15.7 %	15.8 %	16.0 %	15.8 %	16.5 %
Contribution margin	45.2%	43.9%	45.1 %	44.5 %	44.8 %	43.3 %	42.4 %



## Development in indirect costs relative (Year-end bonus not included)



## DEVELOPMENT IN TOTAL CAPITAL. WORKING CAPITAL AND EQUITY : (million NOK)

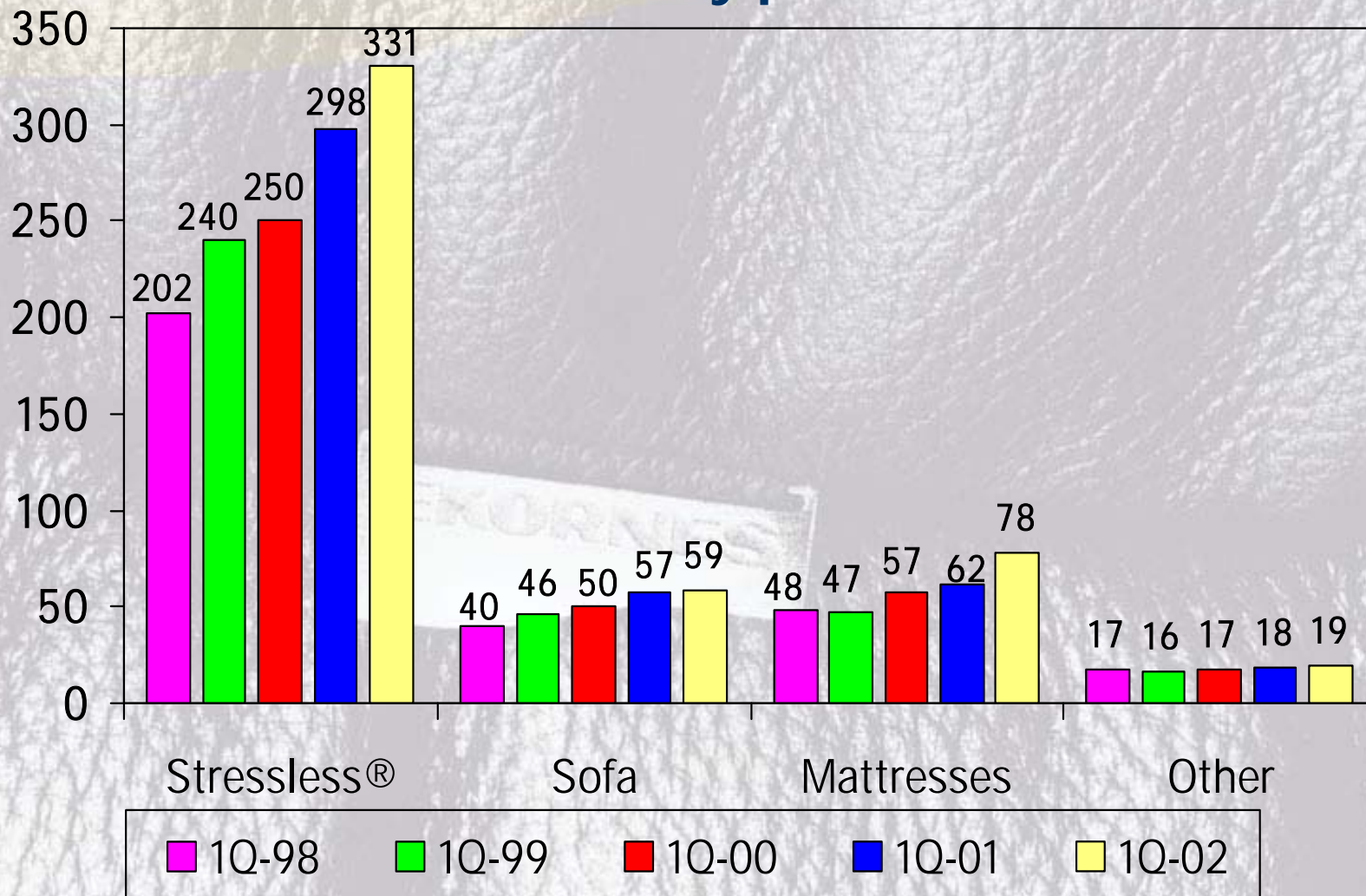
	1997	1998	1999	2000	2001	1Q-02
Total capital	608.6	699.0	831.4	982.2	1,091.1	1,191.1
Working capital	139.3	168.7	150.6	149.4	140.0	191.4
Equity	279.8	331.0	407.5	490.3	578.0	644.7
Equity ratio	46.0%	47.3%	49.0%	49.9%	53.0%	54.1%



## Ekornes today

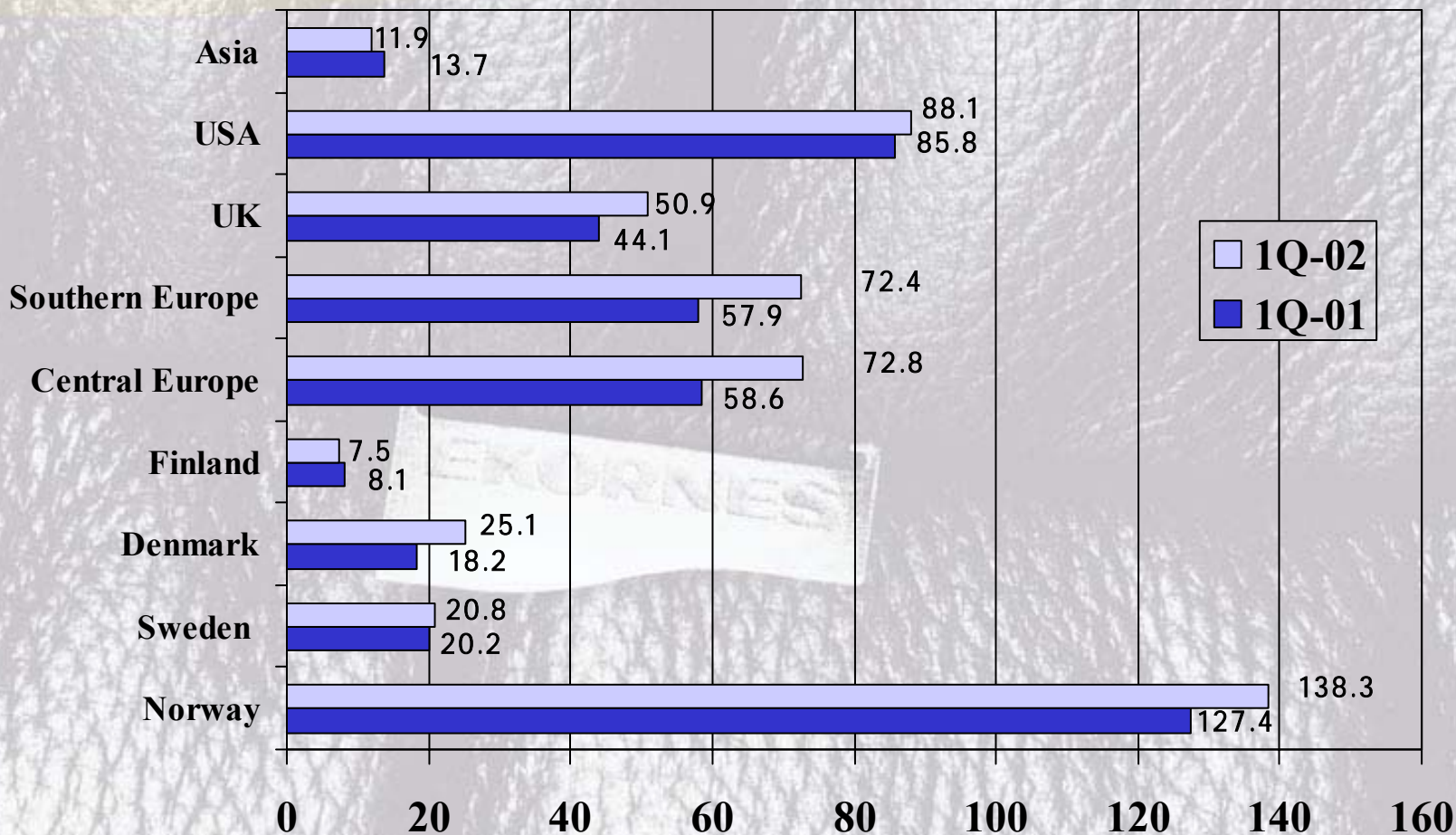
Liquidity reserves (million NOK):	1997	1998	1999	2000	2001	1Q-01	1Q-02
Cash and bank deposit	161.0	144.0	153.8	134.1	134.4	155.3	195.5
Unused credit facilities	109.0	102.0	104.1	94.2	68.2	84.0	68.2
Total liquidity reserve	270.0	246.0	257.9	228.2	201.6	239.3	263.7

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





# Development turnover per market (million NOK)



## Development from 2001 to 2002 in turnover per market (million NOK) :

	Change in % 1Q-01 to 1Q-02	1Q-02	1Q-01	1Q-00
Norway	+8.6 %	138.3	127.4	114.1
Sweden	+3.0 %	20.8	20.2	26.1
Denmark	+33.5 %	25.1	18.8	13.7
Finland	-7.4 %	7.5	8.1	10.1
Central - Europe	+24.2%	72.8	58.6	40.1
Southern - Europe	+25.0 %	72.4	57.9	50.0
UK	+15.4%	50.9	44.1	36.3
USA	+2.7 %	88.1	85.8	70.8
Asia	-13.1 %	11.9	13.7	12.6
<b>Total</b>	<b>+12.2 %</b>	<b>487.7</b>	<b>434.5</b>	<b>373.7</b>