

# **EKORNES ASA**

# **2002**

## Board of Directors

- Olav Kjell Holtan
- Sigmund Ekornes
- Jens P. Ekornes
- Torger Reve
- Carl Graff-Wang
- Ole Jan Korsnes
- Arnstein Johannesen
- Wenche E. Fannemel

## Group Management

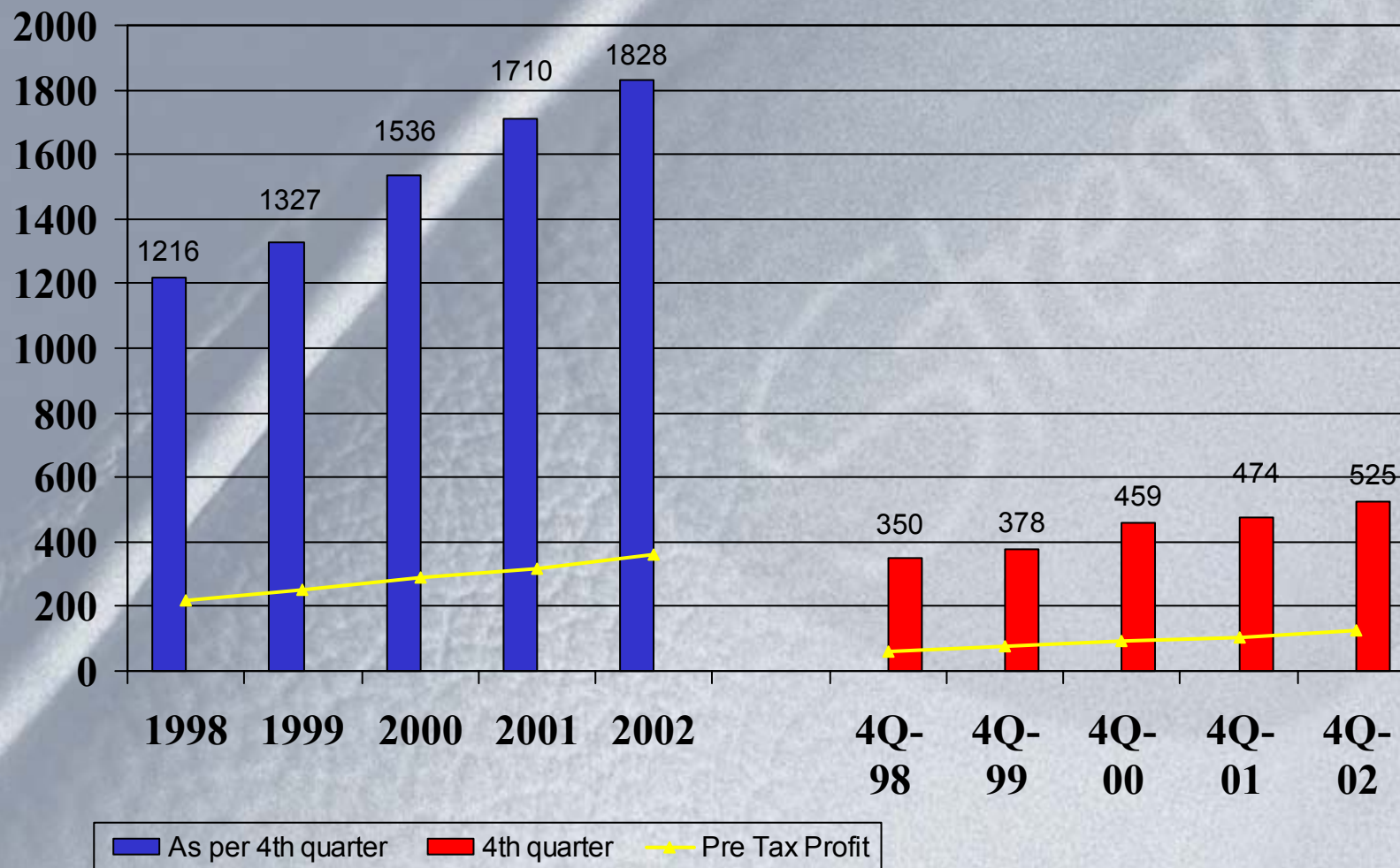
- CEO  
Nils-Fredrik Drabløs
- CFO  
Robert Svendsen
- Marketing Director  
Runar Haugen
- Internatinal  
Marketing Director  
Svein Lunde

## Largest shareholders (11-02-03)

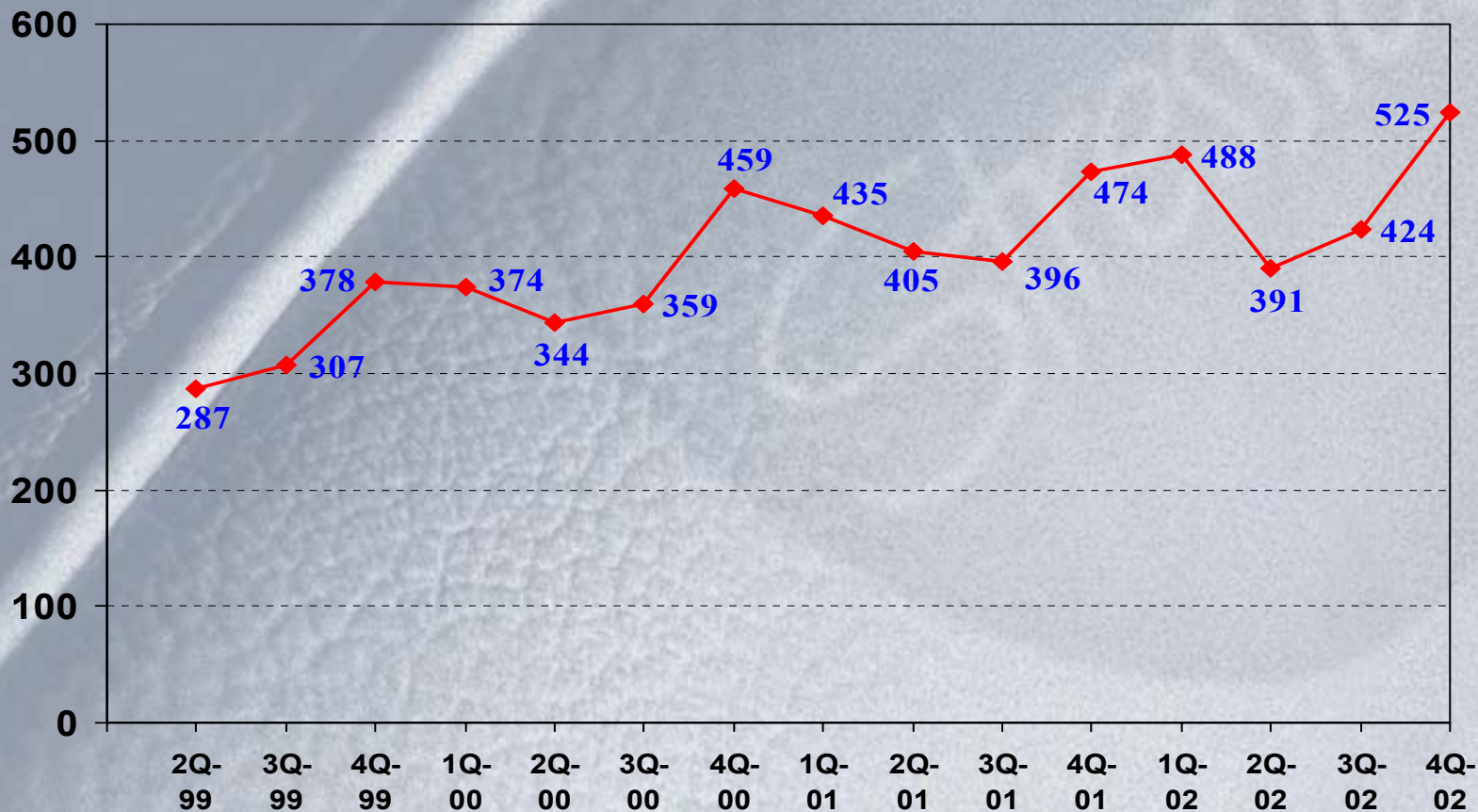
1.	Folketrygdfondet, NOR	11.81%
2.	State Street Bank & Client, USA	9.31 %
3.	J.P.Morgan Chase bank, GBR	8.00 %
4.	Berit Ekornes Unhjem, NOR	2.99 %
5.	SIS Segaintersettle, CHE	2.84 %
6.	Gjensidige Nor Spareforsikring, NOR	2.20 %
7.	Orkla ASA, NOR	2.00 %
8.	Verdipapirfondet Avanse, NOR	1.68 %
9.	Skandinaviska Enskilda, SWE	1.58 %
10.	Jostein Ekornes, NOR	1.24 %
	Other shareholders. approx. 3,133	56.3 %
	Proportion (11.02.03): Norwegian shareholders	73.2%
	Foreign shareholders	26.8%



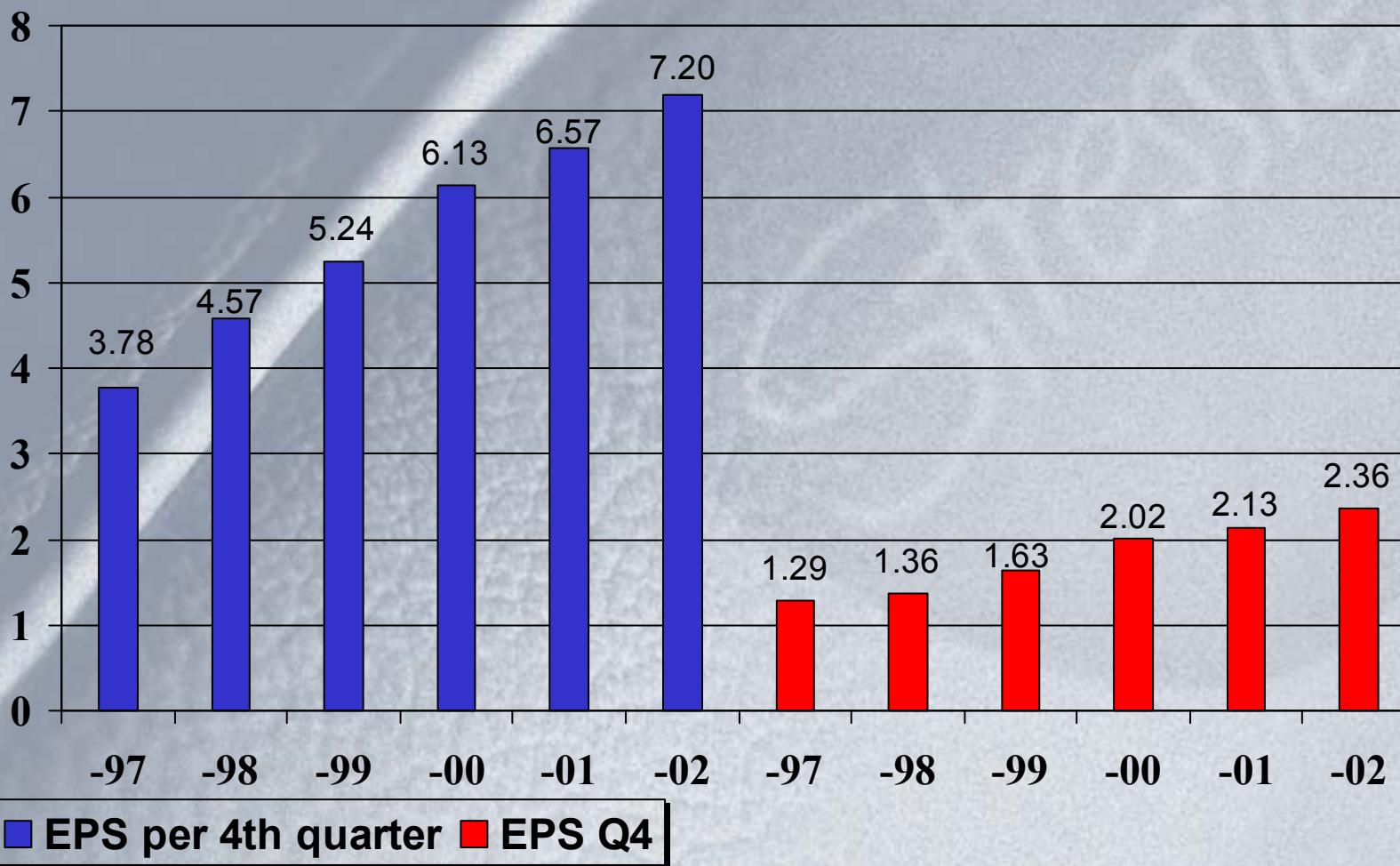
# Operating revenue (million NOK)



## Quarterly Development in Operating Revenue

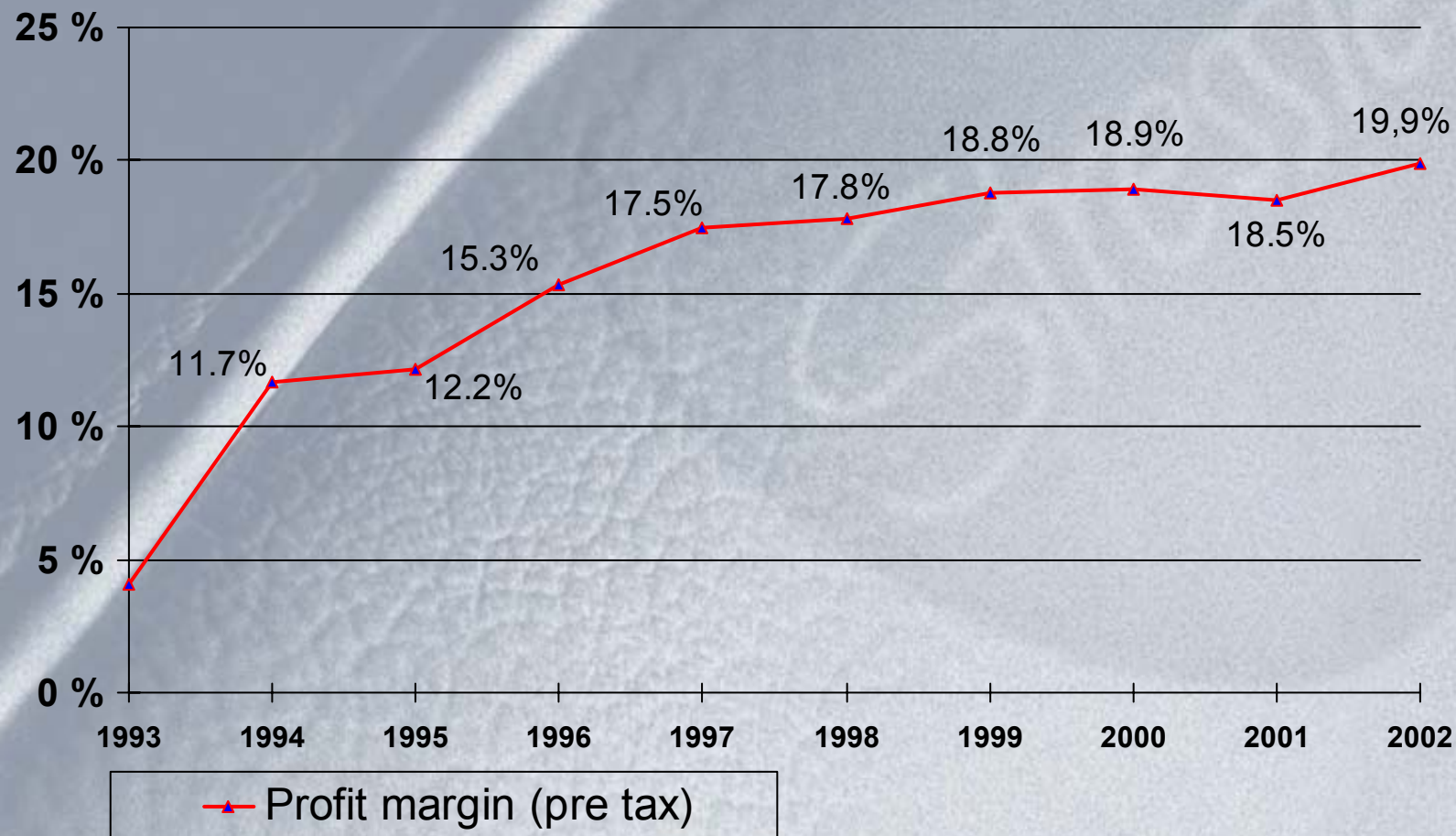


# Development EPS

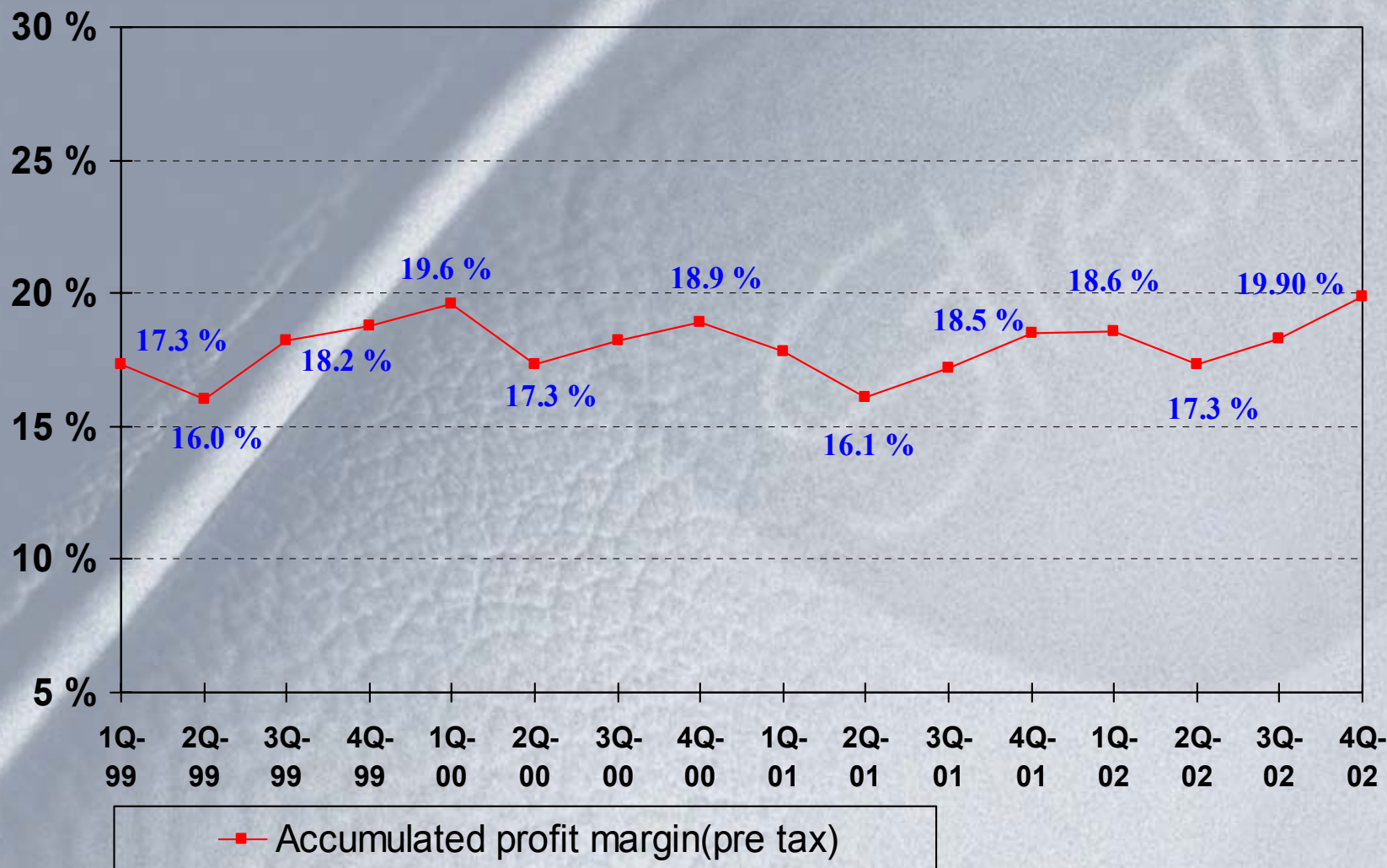




## Development in profit margin

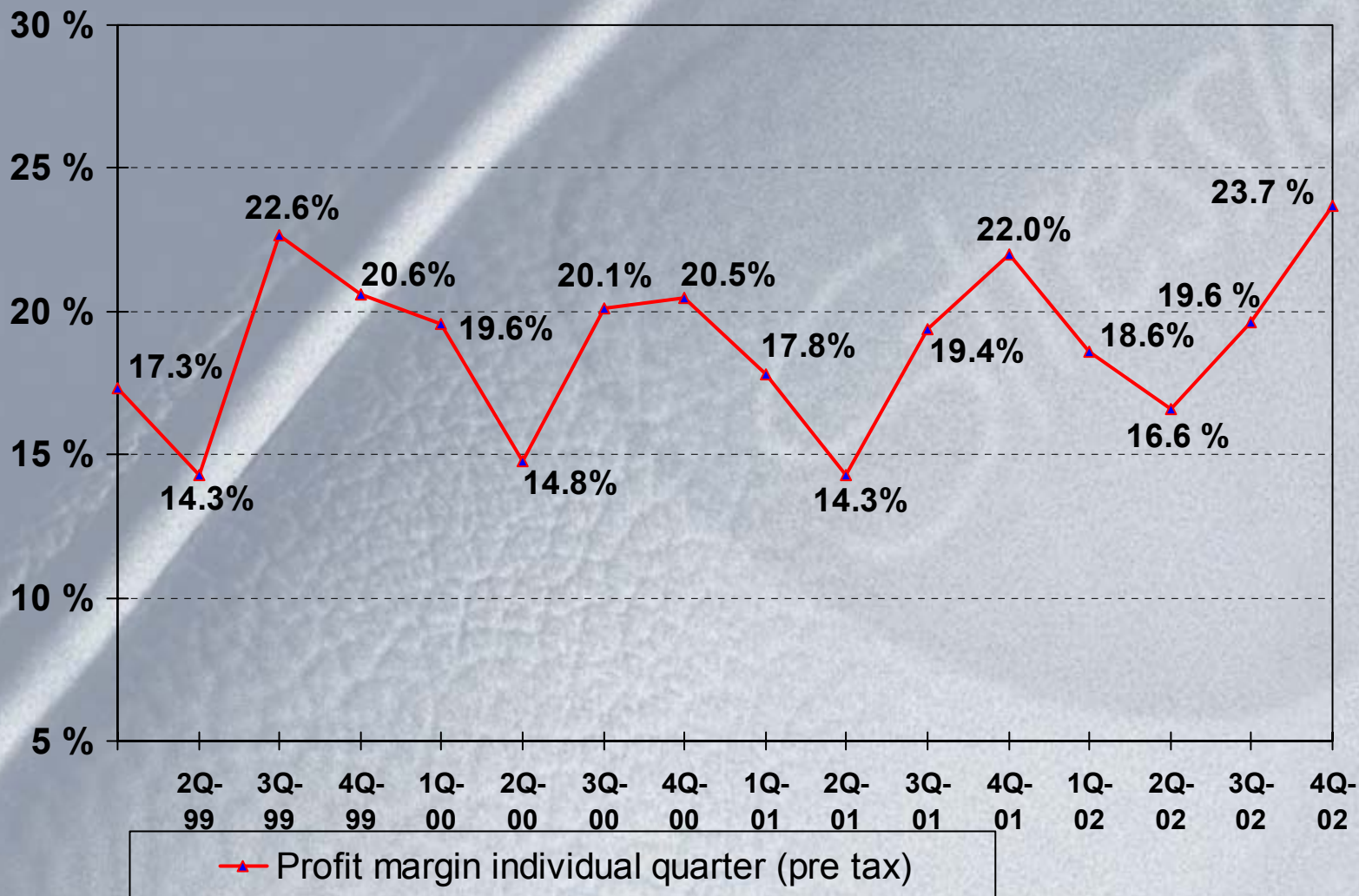


# Development in accumulated profit margin

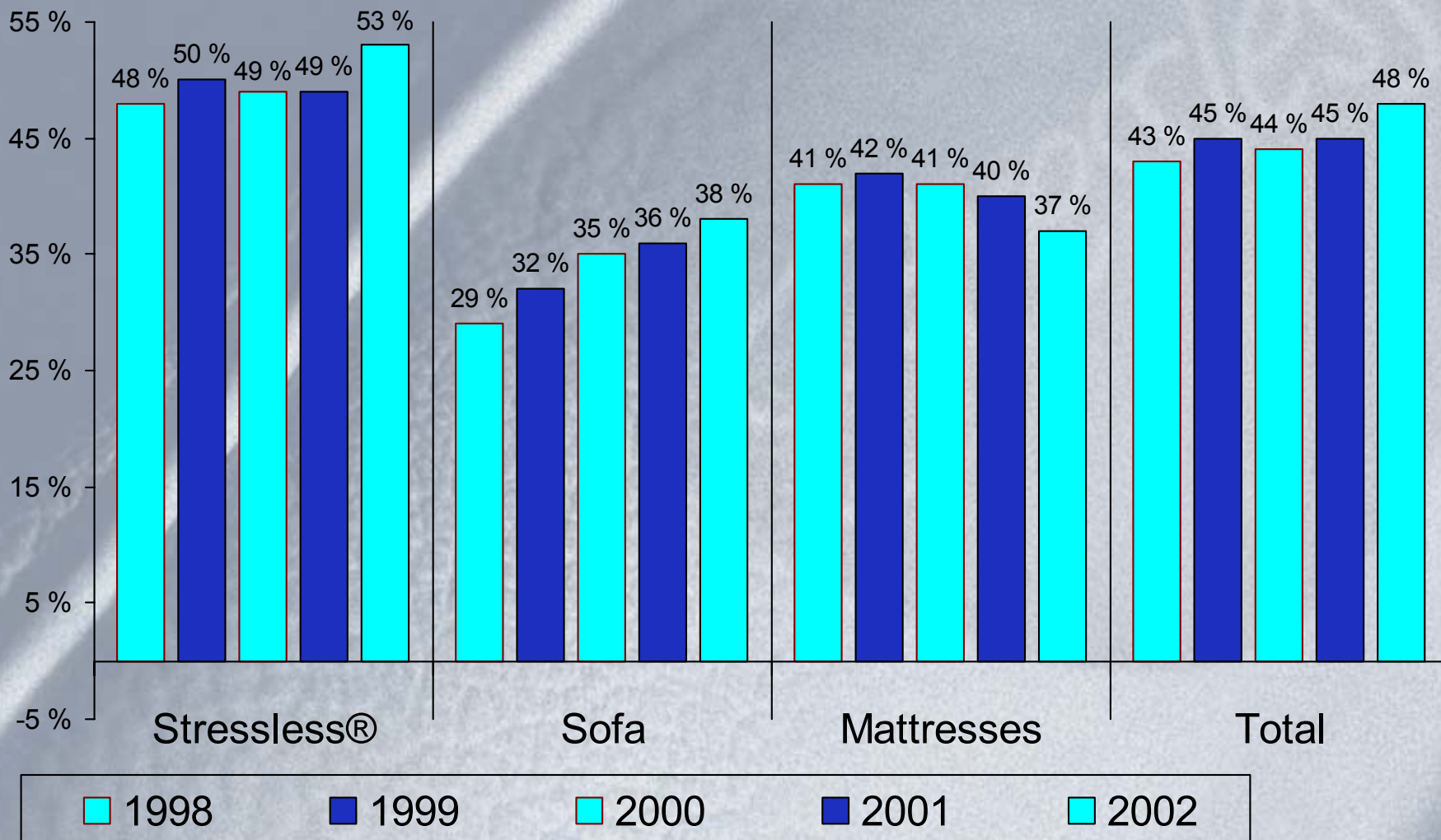




# Development in profit margin

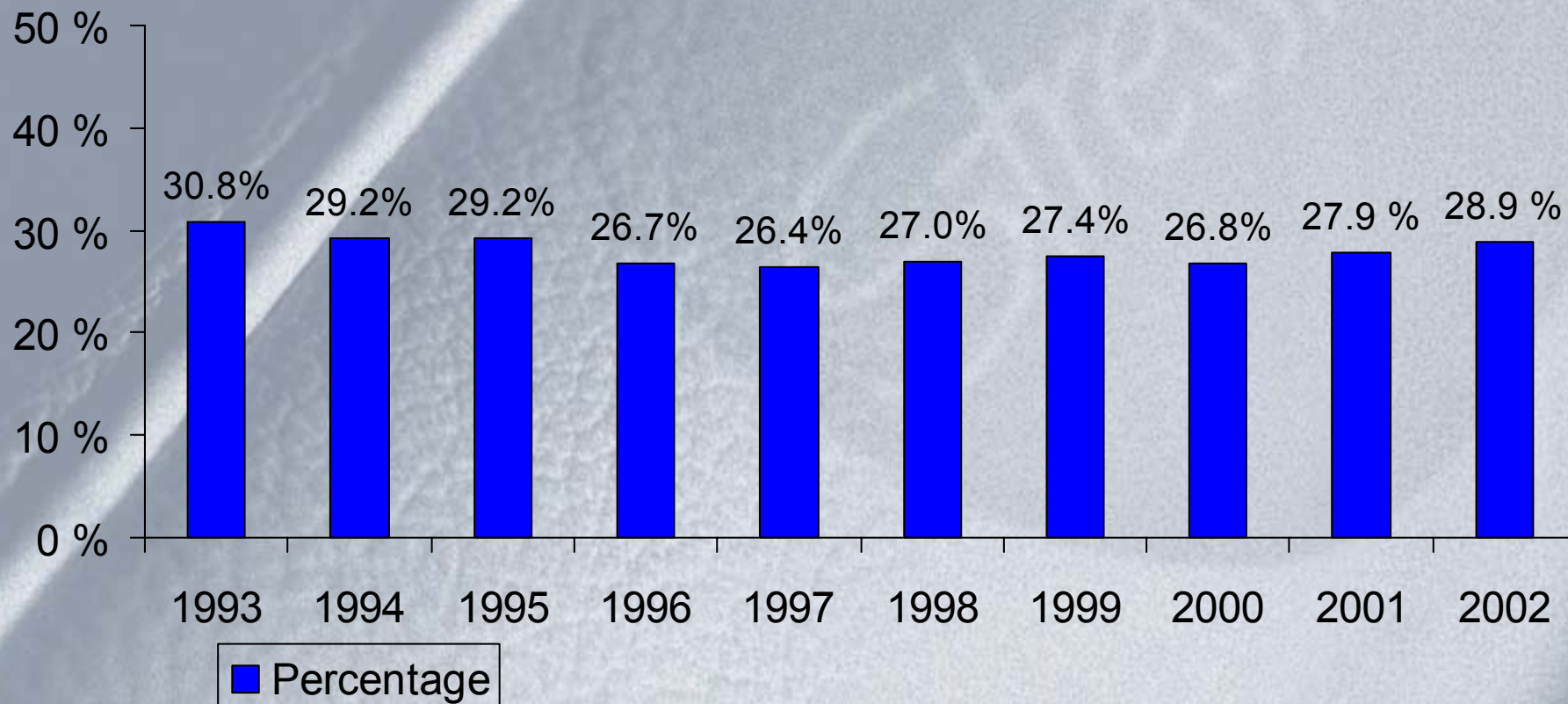


# Contribution margin by product areas



## Development in indirect costs relative

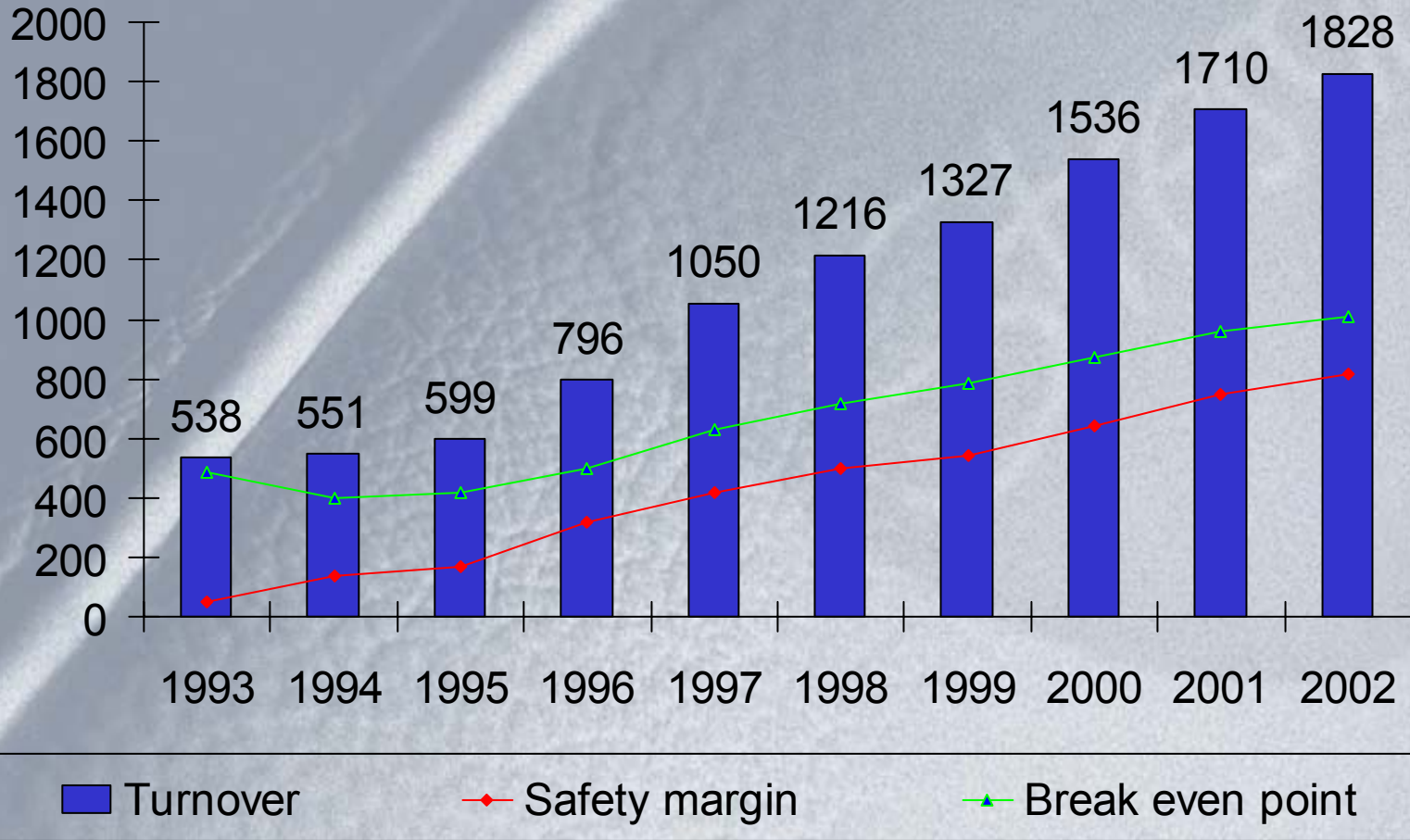
(Year-end bonus not included)





# Ekornes today

Development in Safty Margin and Break Even Point



# Income Statement

(million NOK)

	2002	2001	Changes
<b>Operating revenues</b>	<b>1,828.3</b>	<b>1,709.8</b>	<b>6.9 %</b>
Costs of goods sold	479.2	494.9	-3.2 %
Salaries and social costs	488.7	440.2	11.0%
Other operating expenses	429.6	402.2	6.8 %
Depreciation	61.1	54.3	12.5 %
<b>Total operating costs</b>	<b>1,458.6</b>	<b>1,391.6</b>	<b>4.8 %</b>
<b>Operating result</b>	<b>369.7</b>	<b>318.2</b>	<b>16.2 %</b>
Net financial income/expenses	-6.4	-1.9	
<b>Ordinary result before taxes</b>	<b>363.3</b>	<b>316.3</b>	<b>14.9 %</b>
Calculated taxes ordinary result	114.9	96.5	19.1%
<b>Ordinary result after taxes</b>	<b>248.4</b>	<b>219.8</b>	<b>13.0 %</b>



## Income Statement - Actual period 2002 and 2001

(million NOK)

	4Q-02	4Q-01	Changes
<b>Operating revenues</b>	<b>524.6</b>	<b>474.3</b>	<b>10.6 %</b>
Costs of goods sold	124.9	122.1	2.3%
Salaries and social costs	134.5	117.8	14.1 %
Other operating expenses	114.2	112.3	1.7 %
Depreciation	15.9	15.0	6.0 %
<b>Total operating costs</b>	<b>389.5</b>	<b>367.2</b>	<b>6.1 %</b>
<b>Operating result</b>	<b>135.2</b>	<b>107.1</b>	<b>26.2 %</b>
Net financial income/expenses	-10.7	-2.9	
<b>Ordinary result before taxes</b>	<b>124.5</b>	<b>104.2</b>	<b>19.5 %</b>
Calculated taxes ordinary result	42.9	32.9	30.4%
<b>Ordinary result after taxes</b>	<b>81.6</b>	<b>71.3</b>	<b>14.4 %</b>



## Balance

(Million NOK)

	2002	2001	Changes
<b>Total long term assets</b>	<b>636.6</b>	<b>547.8</b>	<b>16.2 %</b>
Inventories	173.2	166.7	3.9 %
Trade debtors	241.8	220.2	9.8 %
Other current assets	33.9	22.1	53.4 %
Cash and bank deposit	195.8	134.3	45.8 %
<b>Total current assets</b>	<b>644.7</b>	<b>543.3</b>	<b>18.7%</b>
<b>Total assets</b>	<b>1,281.4</b>	<b>1,091.1</b>	<b>17.4 %</b>
<b>Total equity</b>	<b>688.5</b>	<b>578.0</b>	<b>19.1%</b>
Long term liabilities (interest bearing)	52.3	91.8	
Long term liabilities (non interest)	16.5	19.0	
Current liabilities (non interest)	524.1	402.3	30.3 %
<b>Total liabilities</b>	<b>592.2</b>	<b>513.1</b>	<b>15.6 %</b>
<b>Total liabilities and equity</b>	<b>1,281.4</b>	<b>1,091.1</b>	<b>17.4 %</b>

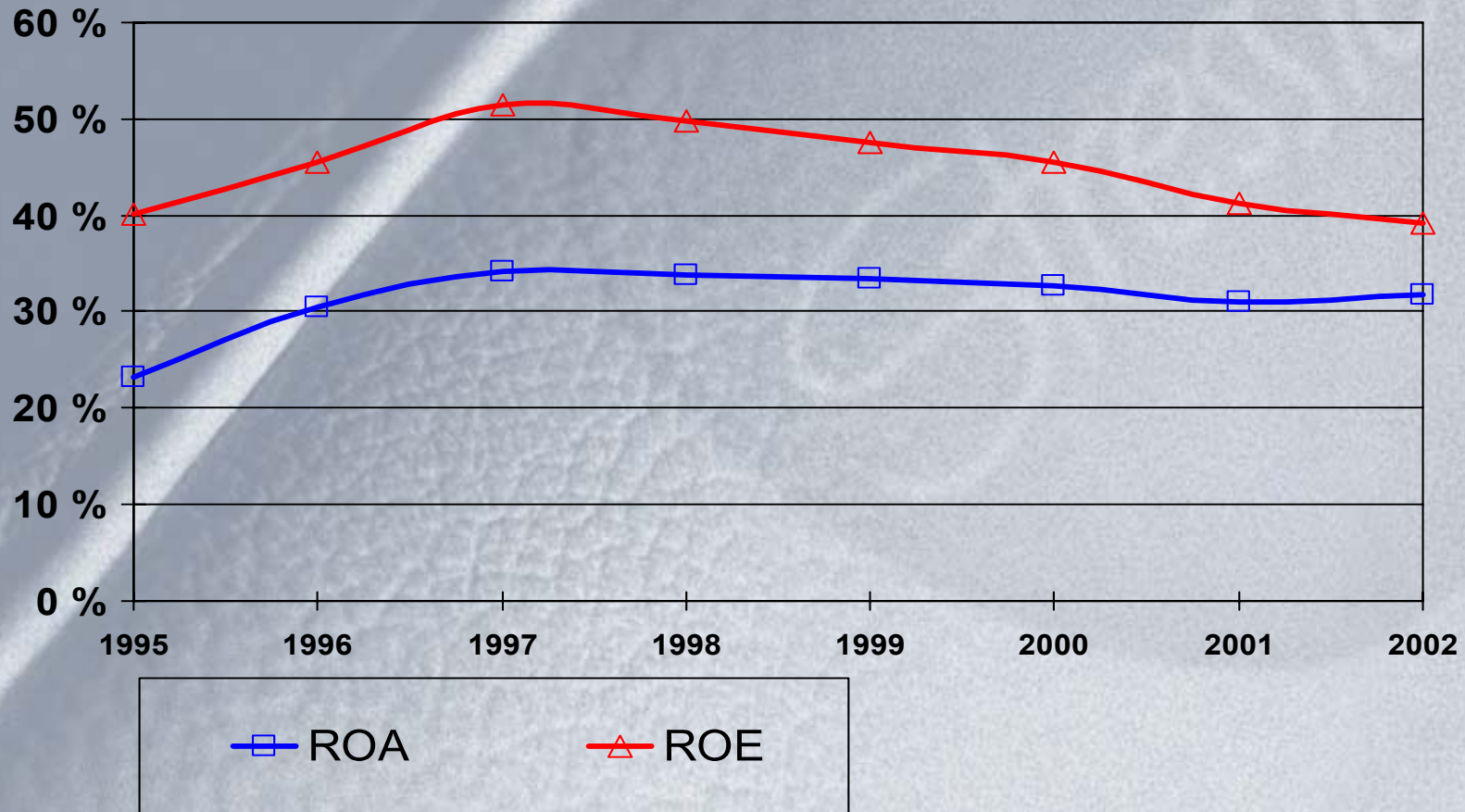
**Balance** - Quarterly figures

(Million NOK)

	<b>4Q-02</b>	<b>3Q-02</b>	<b>Changes</b> mill. NOK
<b>Total long term assets</b>	<b>636.6</b>	<b>608.8</b>	<b>27.8</b>
Inventories	173.2	190.8	-17.6
Trade debtors	241.8	251.6	-9.8
Other current assets	33.9	30.7	3.2
Cash and bank deposit	195.8	105.1	90.7
<b>Total current assets</b>	<b>644.7</b>	<b>578.2</b>	<b>66.5</b>
<b>Total assets</b>	<b>1,281.4</b>	<b>1,187.0</b>	<b>94.4</b>
<b>Total equity</b>	<b>688.5</b>	<b>806.7</b>	<b>-118.2</b>
Long term liabilities (interest bearing)	52.3	55.9	-3.6
Long term liabilities (non-interest bearing)	16.5	15.1	1.4
Current liabilities (non interest)	524.1	309.3	214.8
<b>Total liabilities</b>	<b>592.9</b>	<b>380.3</b>	<b>212.6</b>
<b>Total liabilities and equity</b>	<b>1,281.4</b>	<b>1,187.0</b>	<b>94.4</b>



## Development in ROA and ROE





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

Percentage	2002	2001	2000	1999	1998	1997
<b>Ikornnes</b> (Incl. Vestlandske from 1997 )	21.0%	21.1%	21.5%	20.5%	19.6%	19.2%
<b>Stranda</b>	14.1%	14.5%	16.5%	18.7%	19.2%	22.4%
<b>Grodås</b>	33.1%	34.4%	32.0%	35.0%	36.0%	37.7%
<b>Hareid</b>	19.4%	18.7%	17.2%	21.0%	22.1%	21.7%
<b>Fetsund</b>	17.4%	18.2%	15.8%	15.1 %	15.4%	16.4%

## Development in relative factors-Group consolidated :

Percentages	2002	2001	2000	1999	1998	1997
Direct material	26,2 %	28.6 %	29.1 %	30.1 %	32.5 %	32.5 %
Direct salaries (excl. bonus)	15.7 %	15.7 %	15.8 %	16.0 %	15.8 %	16.5 %
Contribution margin	48,5%	45.1 %	44.5 %	44.8 %	43.3 %	42.4 %

## DEVELOPMENT IN TOTAL CAPITAL. WORKING CAPITAL AND EQUITY : 1998 - 2002 (million NOK)

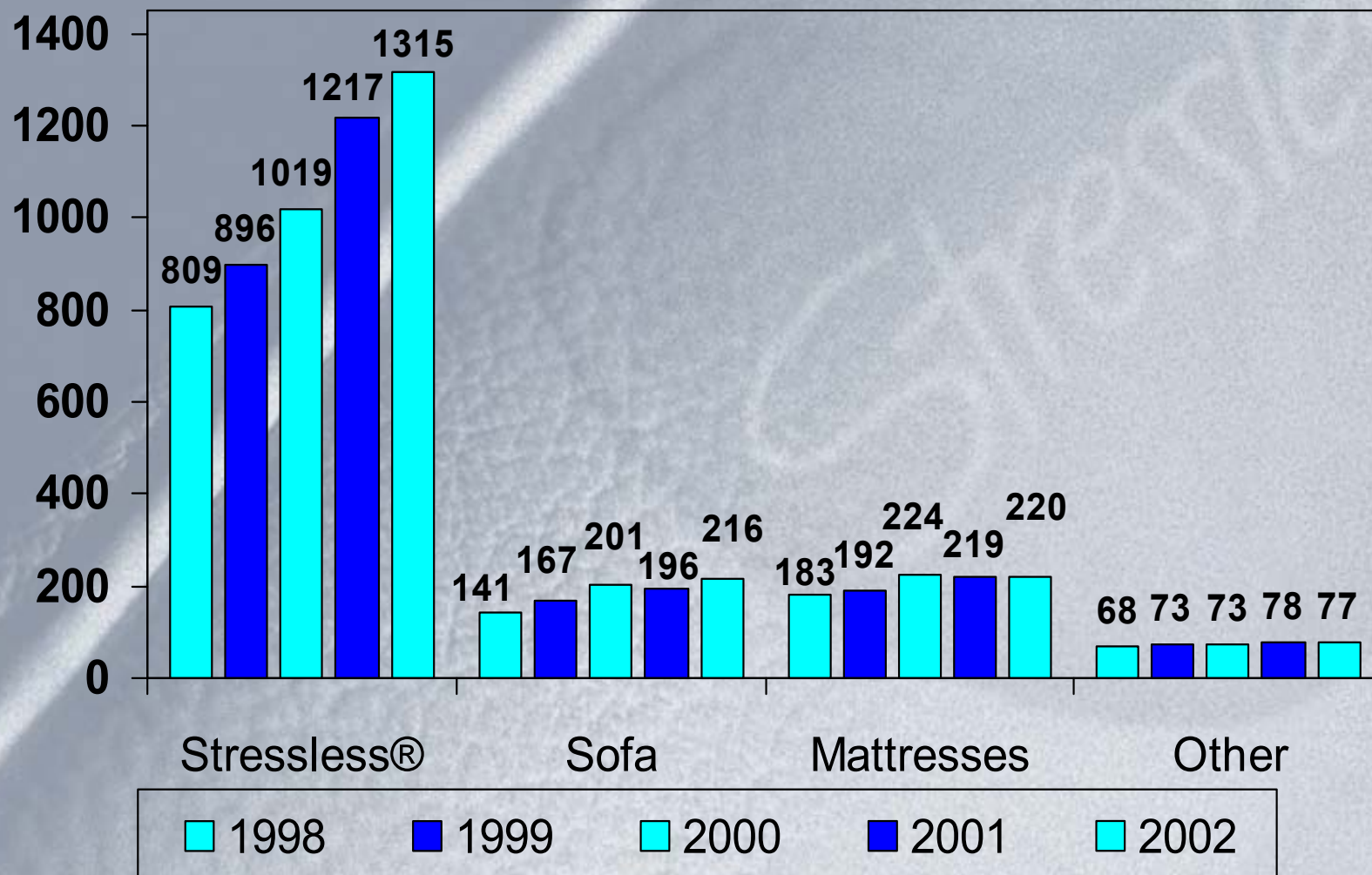
	1998	1999	2000	2001	2002
Total capital	699.0	831.4	982.2	1,091.1	1,281.4
Working capital	168.7	150.6	148.8	141.0	120.6
Equity	331.0	407.5	490.3	578.0	688.5
Equity ratio	47.3%	49.0%	49.9%	53.0%	53.7%



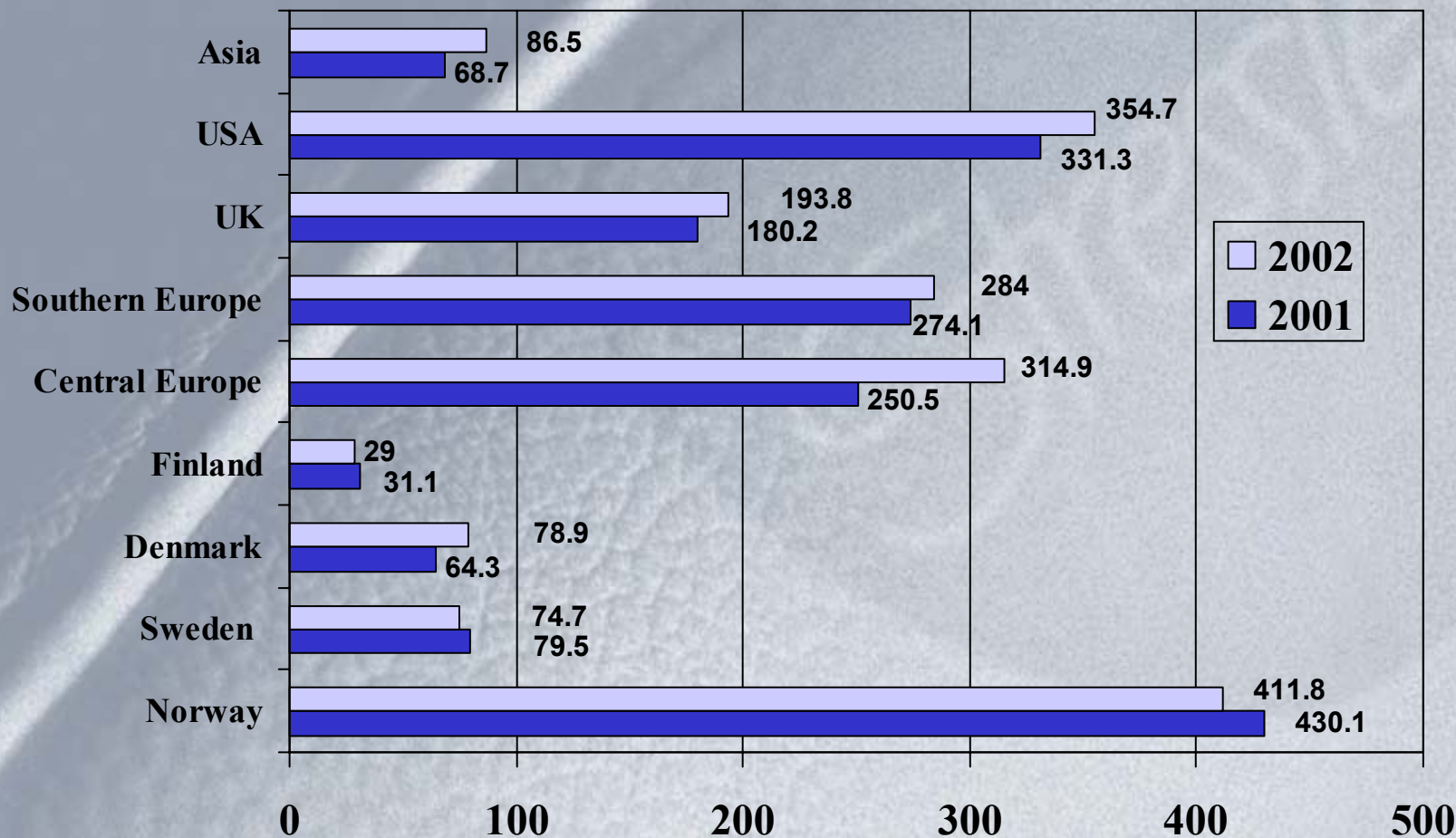
## Ekornes today

Liquidity reserves (million NOK):	1997	1998	1999	2000	2001	2002
Cash and bank deposit	161.0	144.0	153.8	134.1	133.4	195.8
Unused credit facilities	109.0	102.0	104.1	94.2	68.2	107.7
Total liquidity reserve	270.0	246.0	257.9	228.2	201.6	303.5

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



## Development turnover per market (million NOK)





## Development from 2000 to 2002 in turnover per market (million NOK) :

	Change in % 2001 to 2002	2002	2001	2000
Norway	-4.3%	411.8	430.1	430.9
Sweden	-6.0 %	74.7	79.5	94.0
Denmark	22.6%	78.9	64.3	63.0
Finland	-6.7 %	29.0	31.1	32.5
Central - Europe	25.7 %	314.9	250.5	167.9
Southern - Europe	3.6 %	284.0	274.1	221.1
UK	7.6 %	193.8	180.2	128.6
USA	7.1 %	354.7	331.3	334.2
Asia	25.8 %	86.5	68.7	63.6
<b>Total</b>	<b>6.9 %</b>	<b>1,828.3</b>	<b>1,709.8</b>	<b>1,535.9</b>

## Products and production :

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



## 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®**

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.