

EKORNES ASA

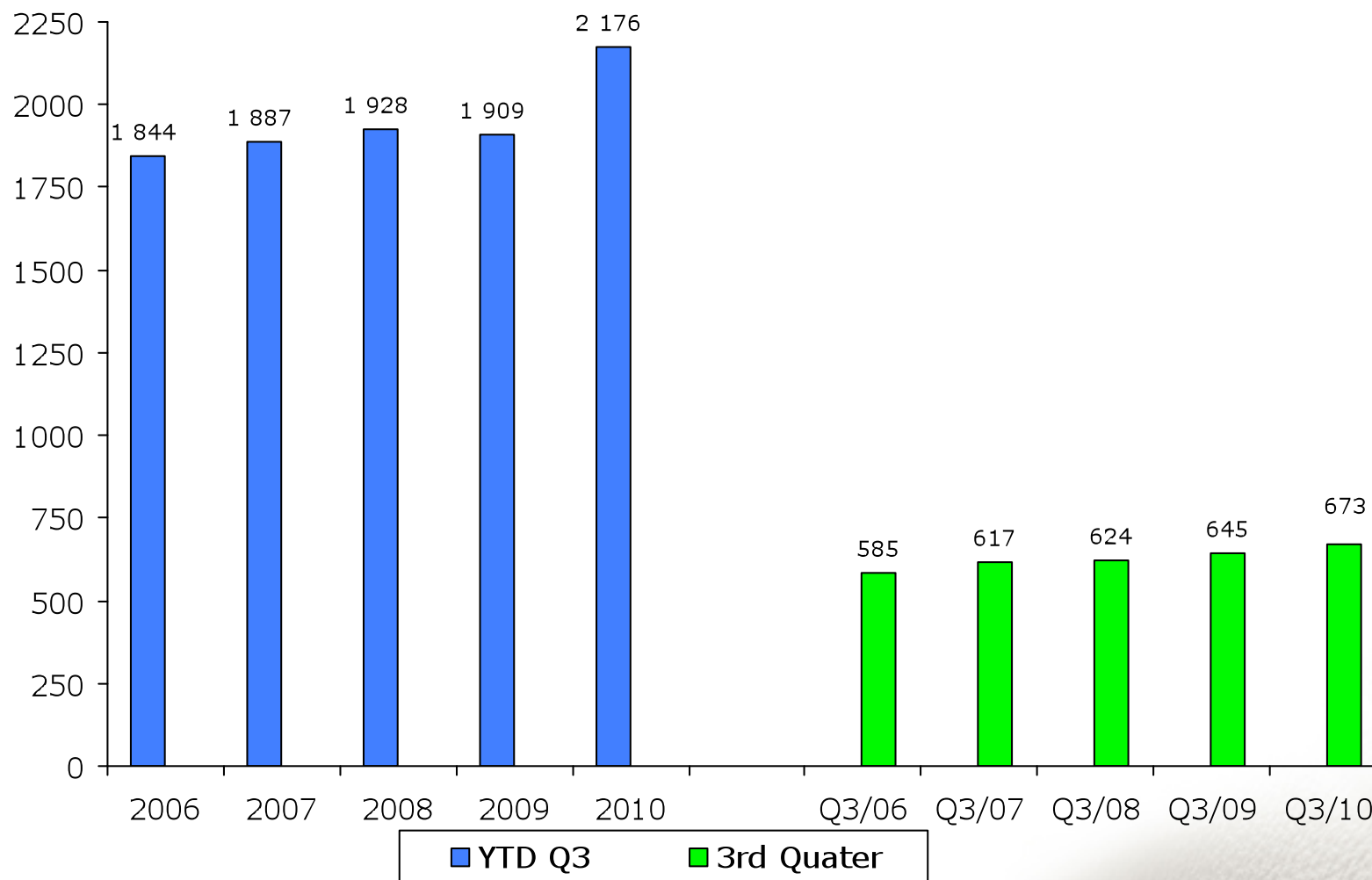
3rd QUARTER 2010

Ekornes 3Q-2010 - Headlines:

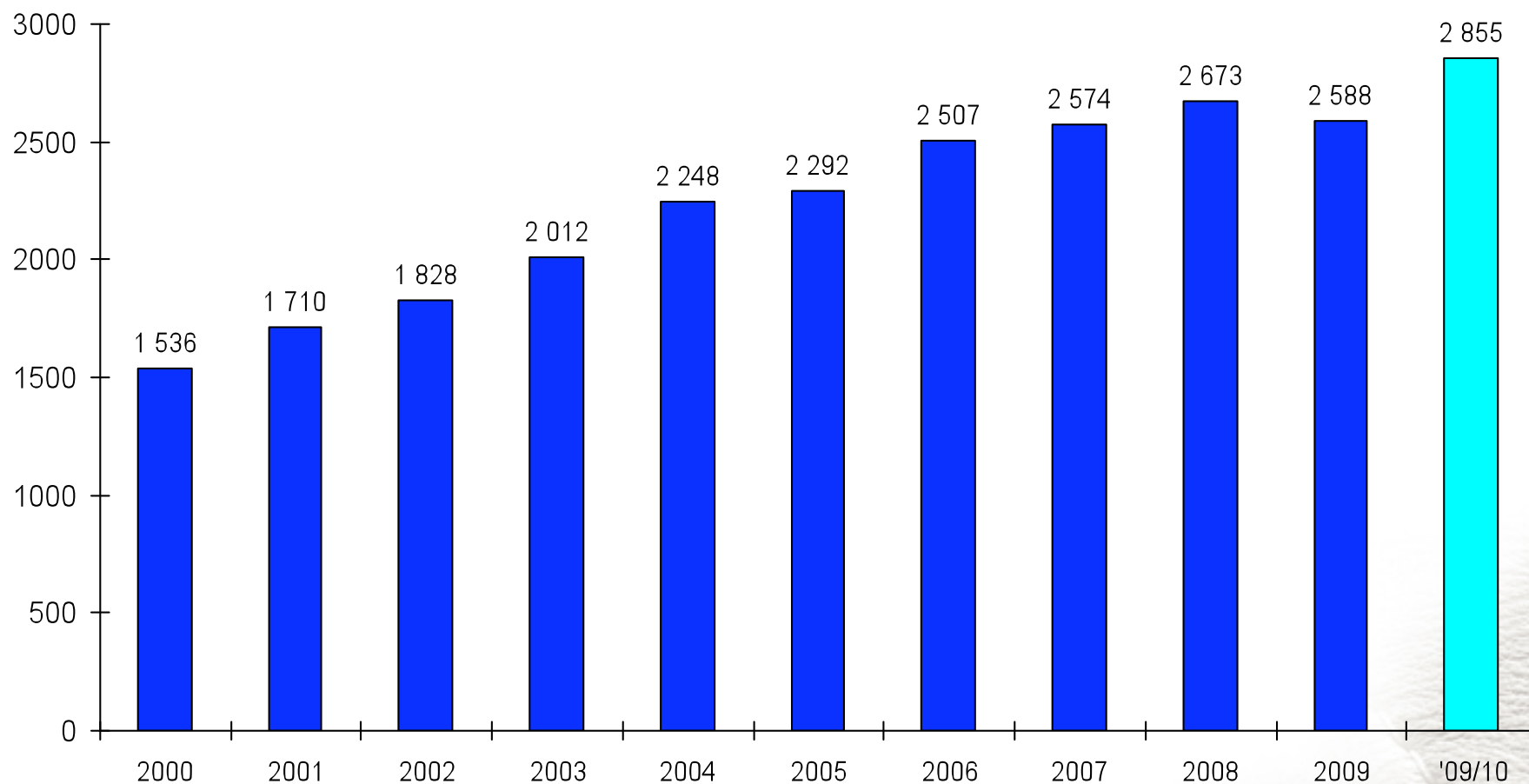
3. kvartal
3rd Quarter **2010**

- Solid figures – strong growth in revenues (+14%) and profit
- Q3 - revenues up but margin and profit down compared to same period 2009. Inventory movements (finished goods), product mix and raw material prices important drivers.
- EBIT MNOK 421.6 (2009: MNOK 334.2). EBT MNOK 413.3 (2009: MNOK 294.4).
- Employee bonus: NOK 31.5 mill. - up NOK 13 mill.. In Q3 : NOK 10.5 mill.– up NOK 4.0 mill.
- Q3 - higher capacity, but partly used for inventory build up (NOK +10 mill) , mainly USA. Opposite in Q3-2009 (NOK – 33 mill).
- In general, furniture markets still challenging and uncertain. Signs of improvement in some markets. Indications of slow down in Norway.
- Order income - down 3%. Q3 down 13%.
- USA - Ekornes seeing temporary slowdown in order income in Q3, however October picking up again.
- Europe - Norway down 17%. (Q3 down 19%). Except Norway and Denmark, increased order income in all other European markets, also in Q3.
- Production capacity – Stressless® up 20 - 25 %. Seven days of production more in 2010. Seats per day up (1,823 seats/1,522 seats). Current capacity approx. 1,750 seats (depending on prod.mix). Stressless® sofa up – Ekornes® Collection down.
- Svane® – Norway slowing down – revenues unchanged. Sweden and Finland improving.
- Order income in par with capacity. Order book down as anticipated, however at a good level.

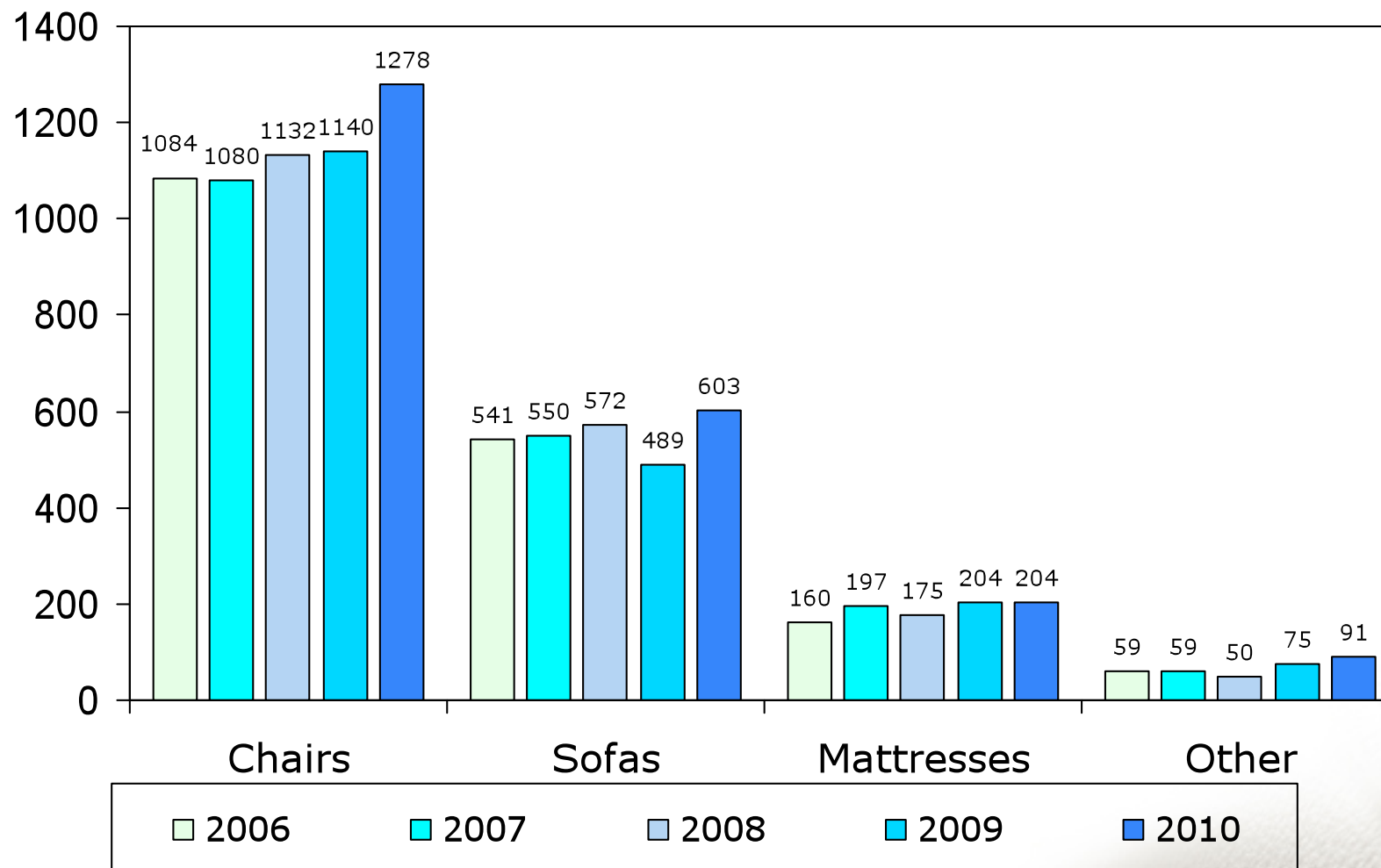
Development in Operating Revenue:



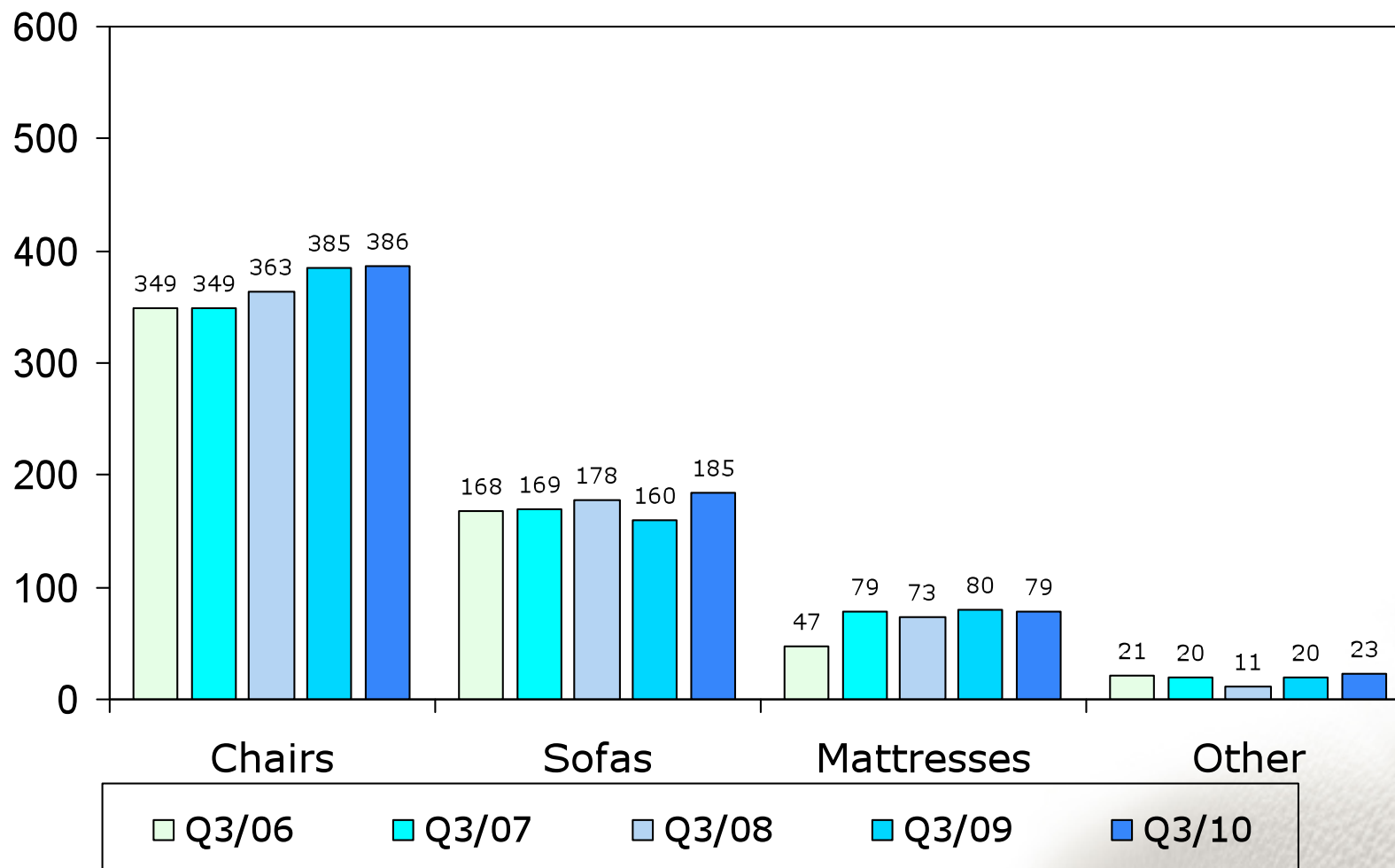
Development in Operating Revenue



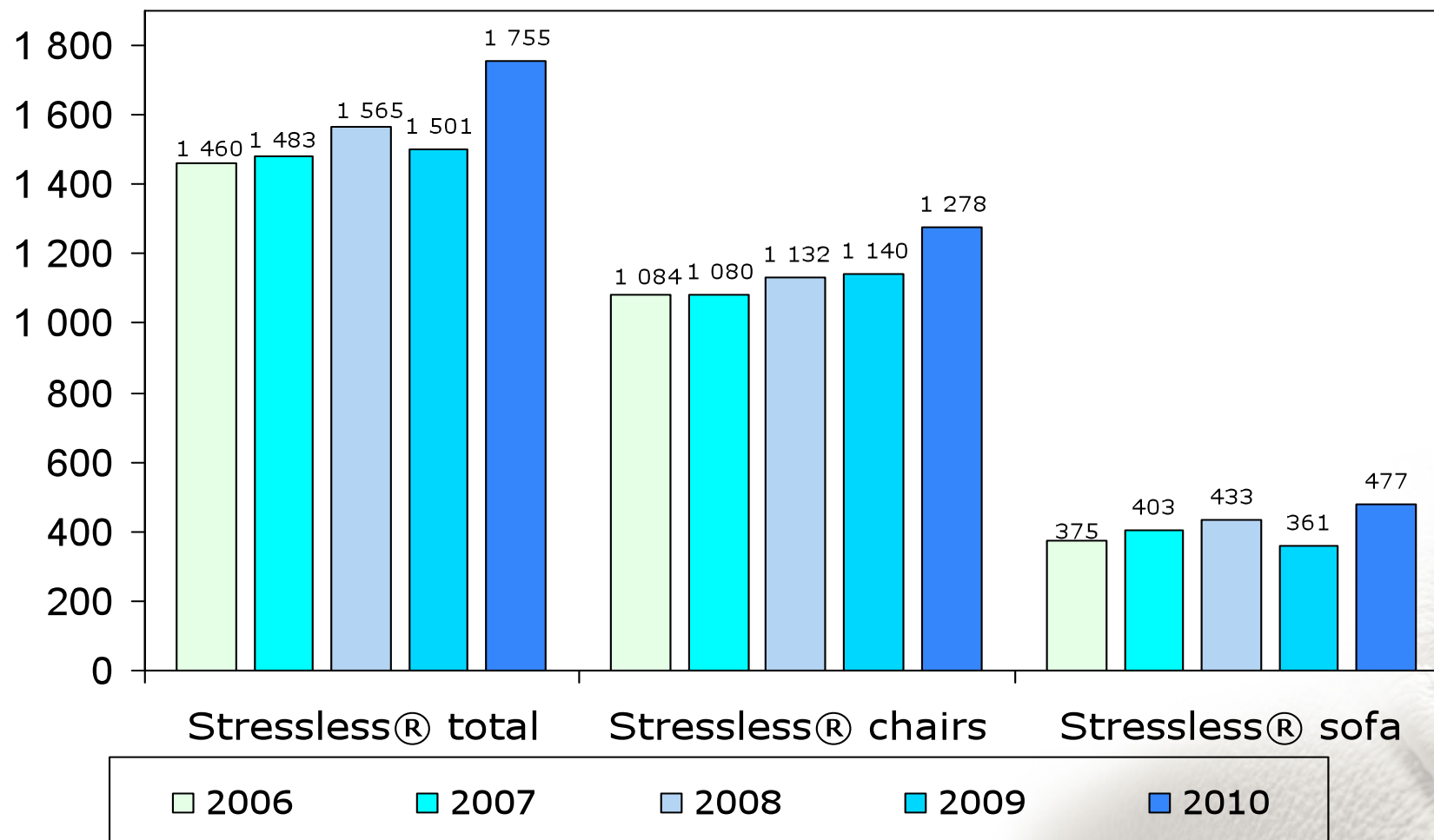
Operating revenues by product area – Year to date Q3 (Mill.NOK)



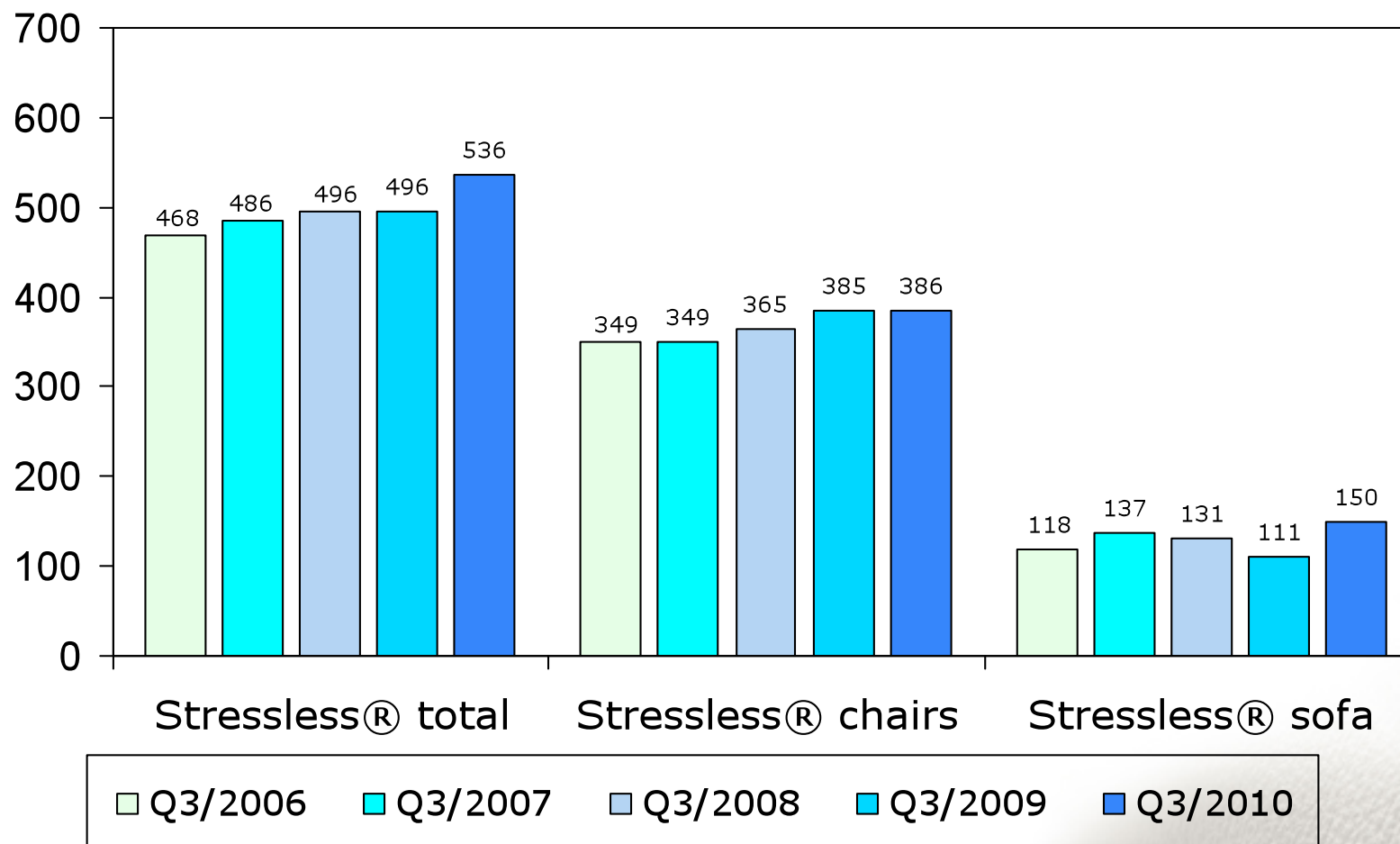
Operating revenues by product area – Q3 (Mill.NOK)



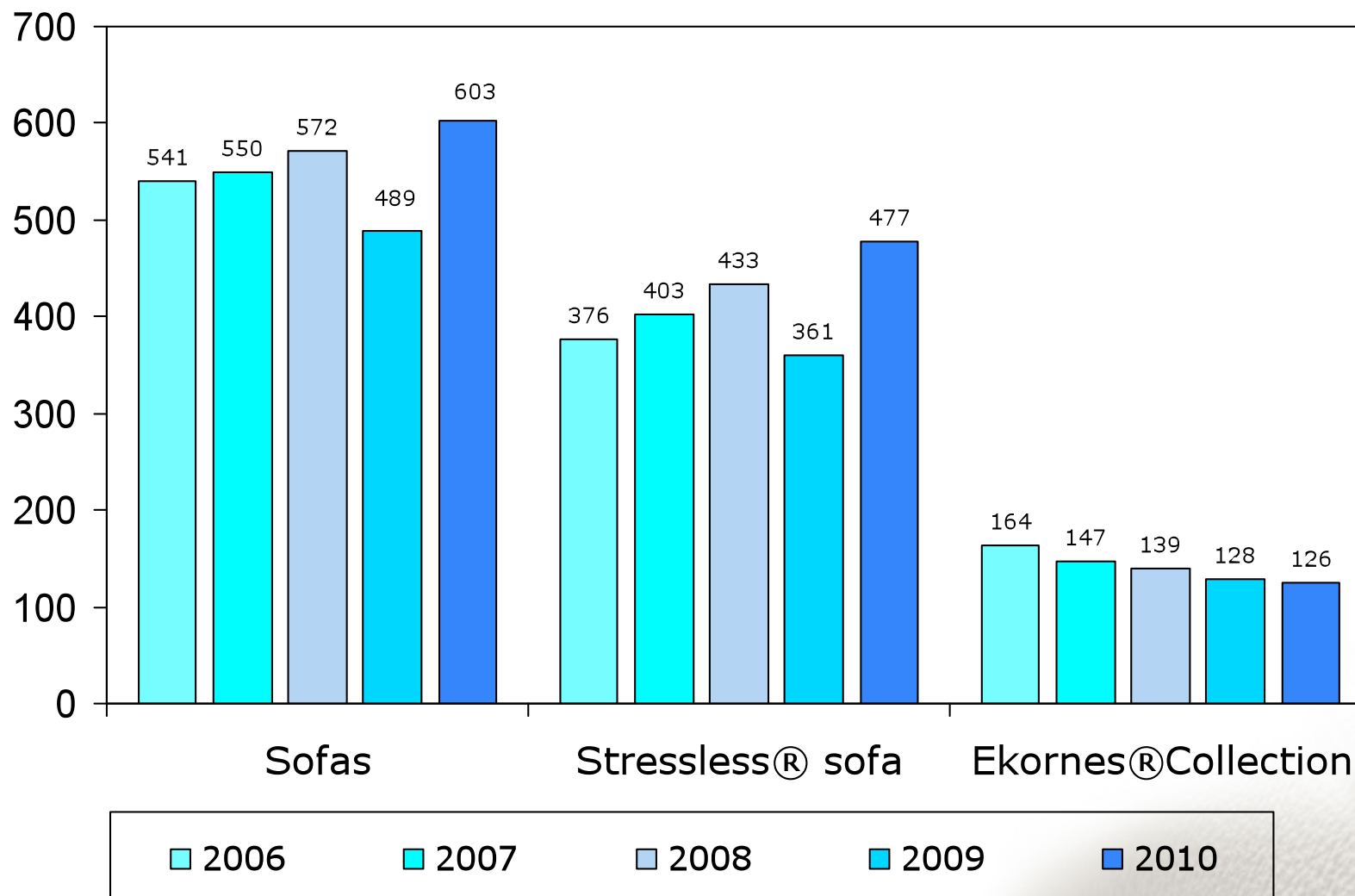
Operating revenues: Stressless® - Year to date Q3 (Mill. NOK)



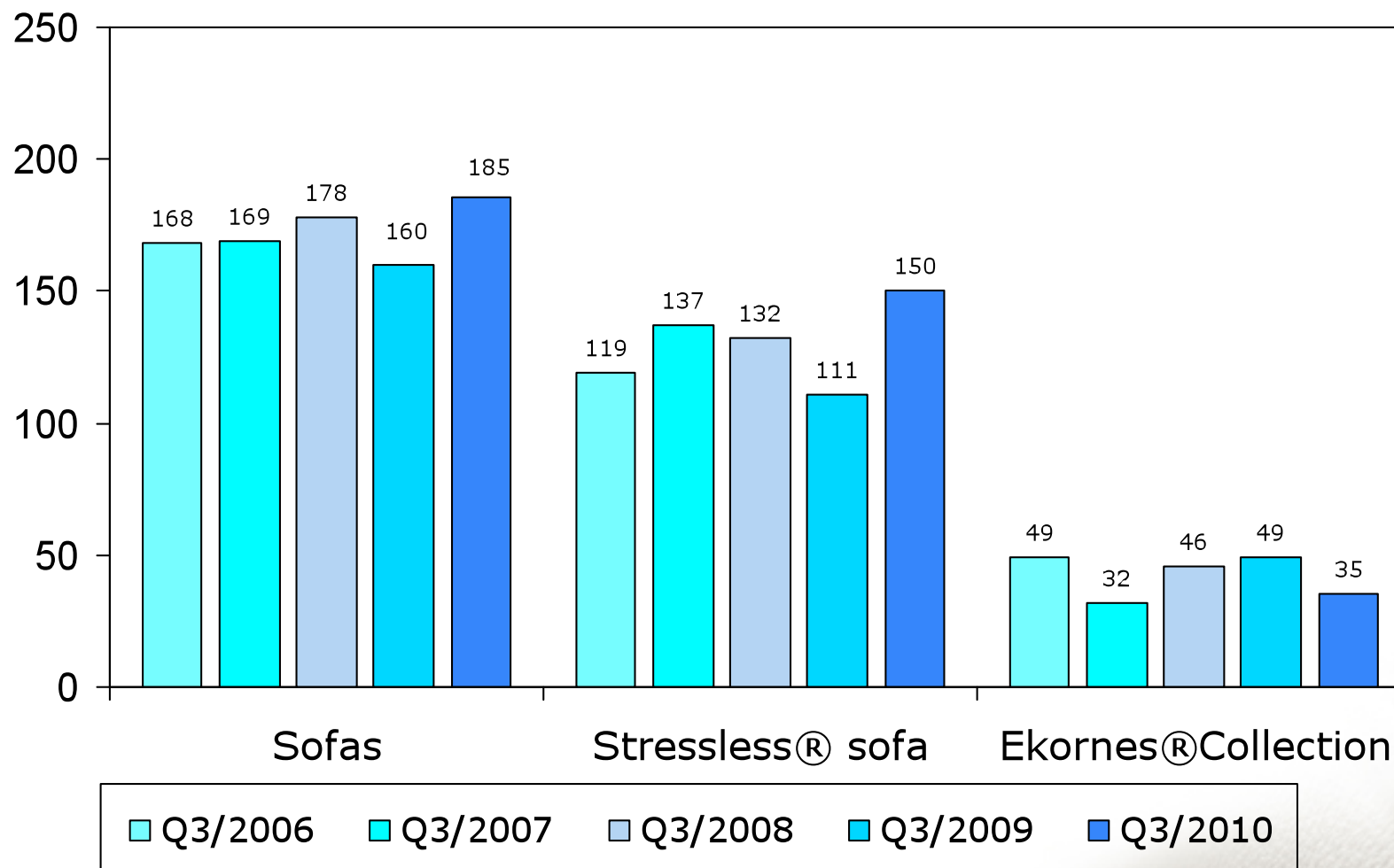
Operating revenues: Stressless® - Q3 (Mill. NOK)



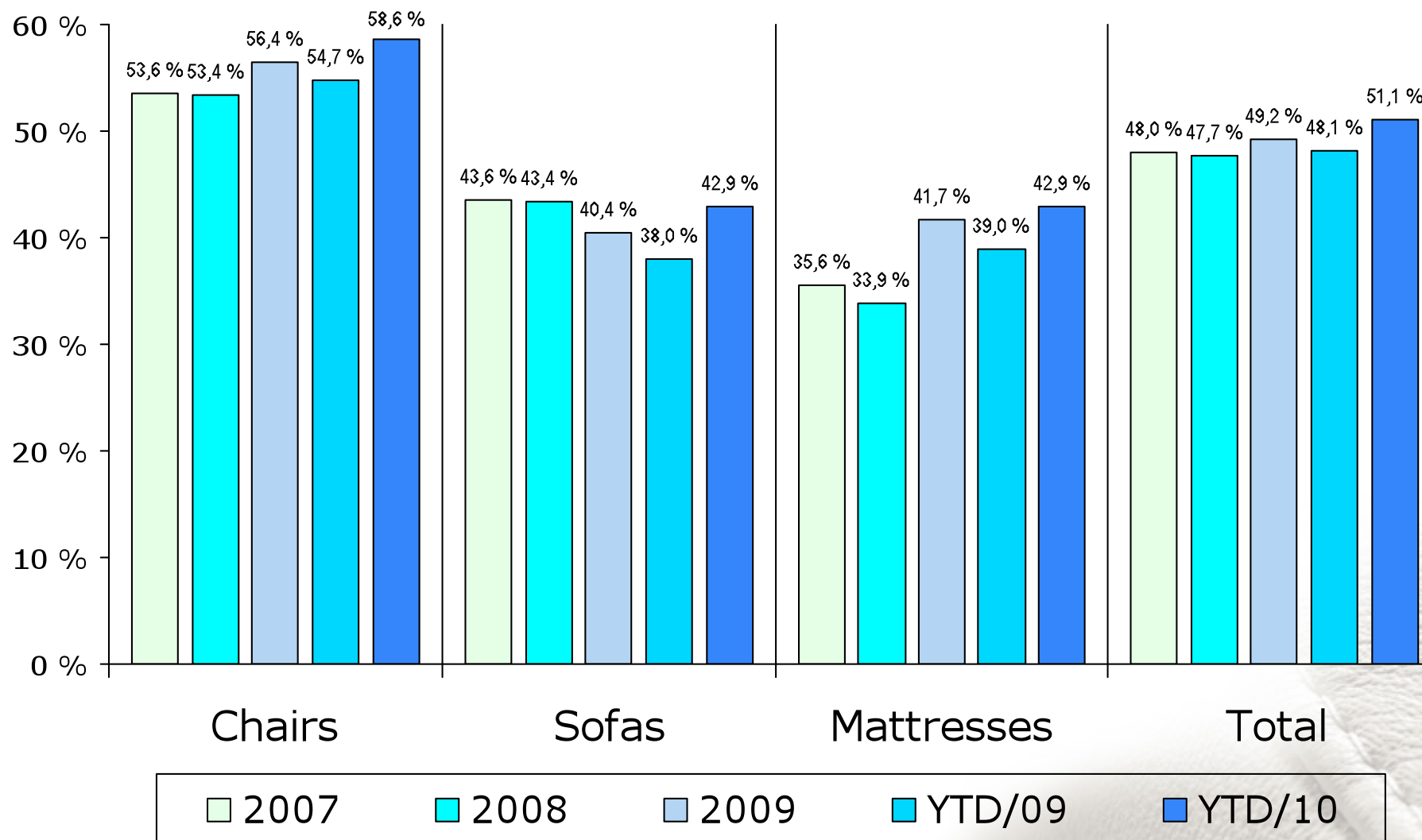
Operating revenues: Product area Sofas – Year to date Q3 (NOK mill.)



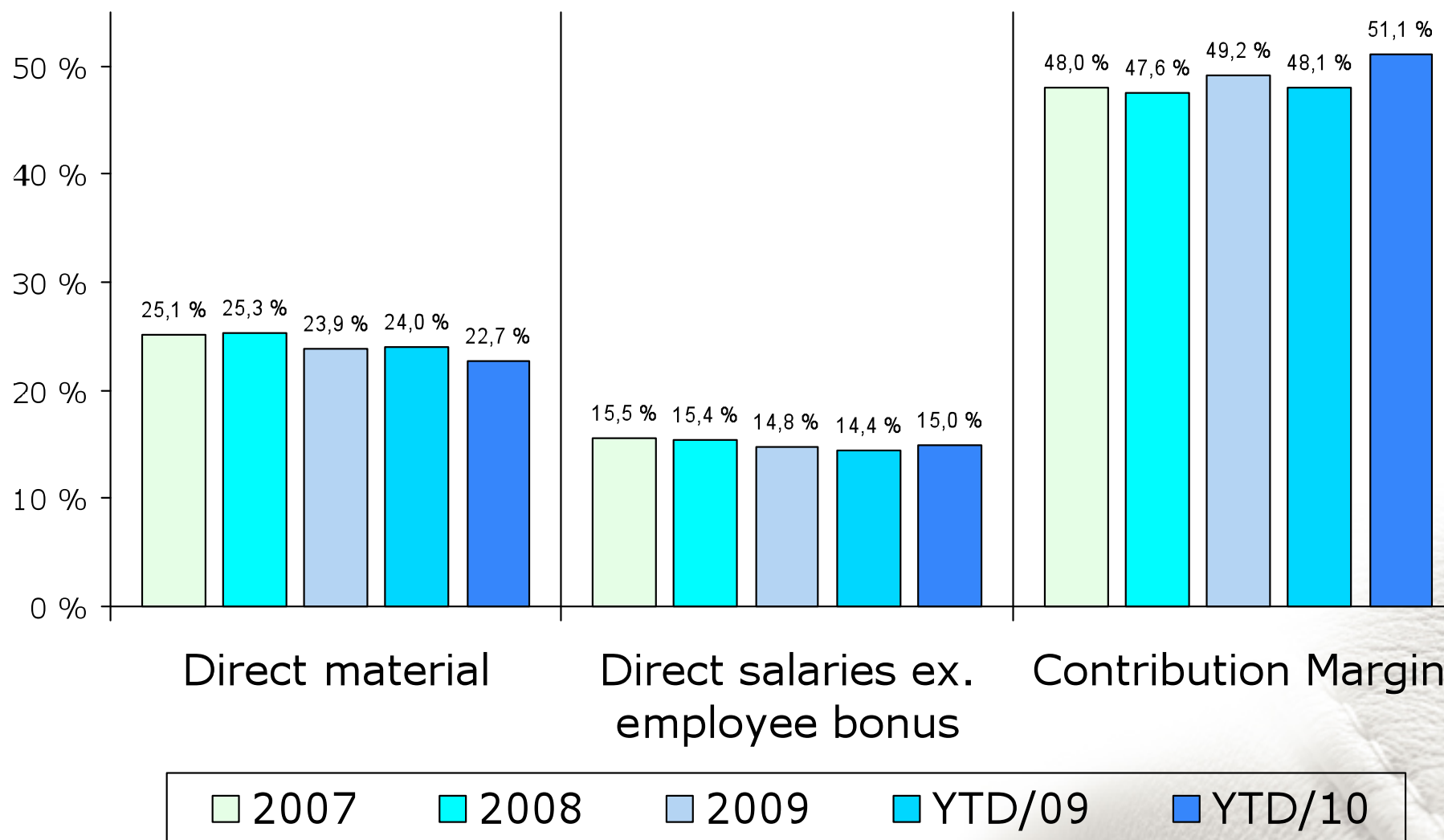
Operating revenues: Product area Sofas – Q3 (NOK mill.)



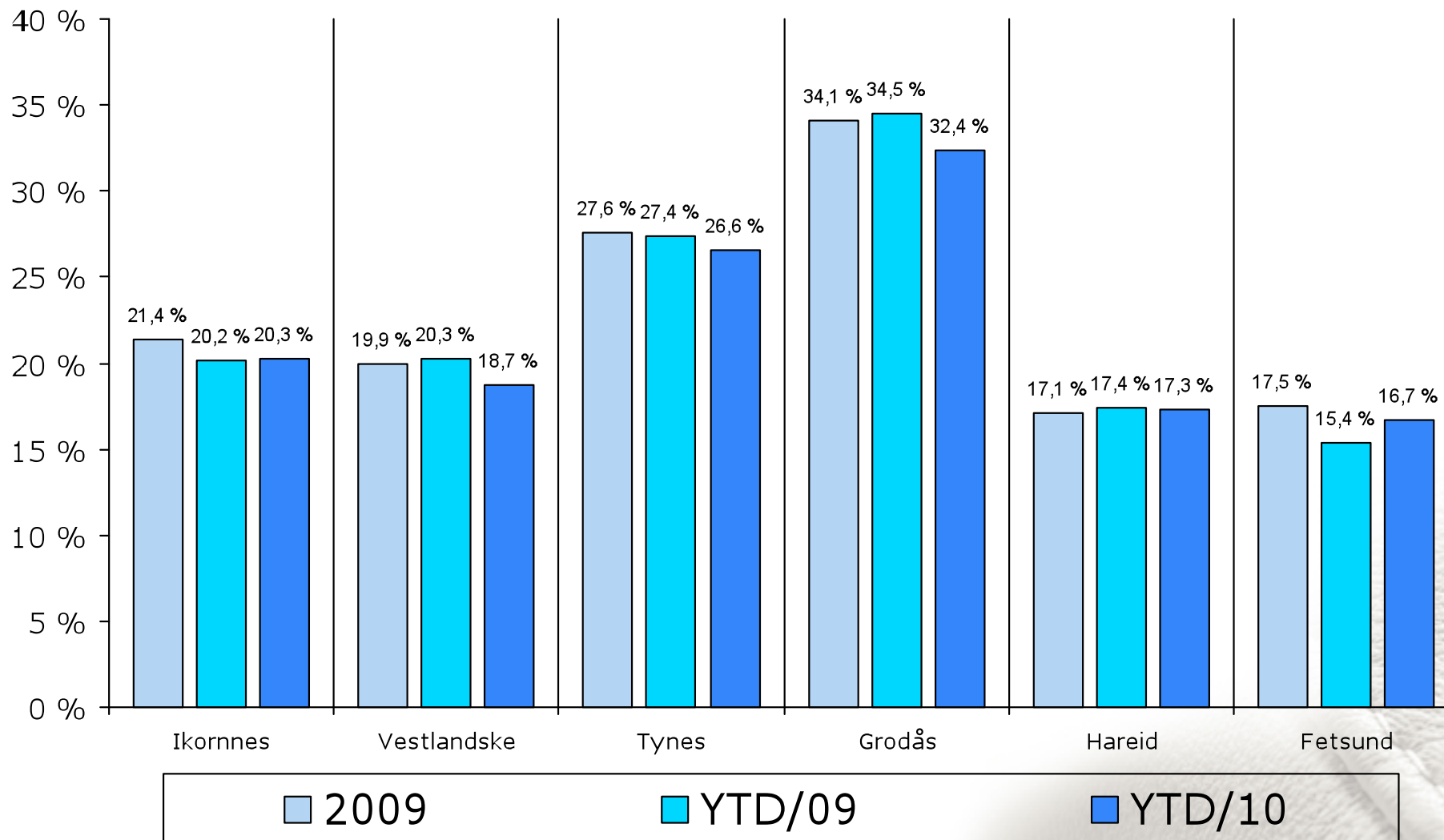
Contribution margin by product area



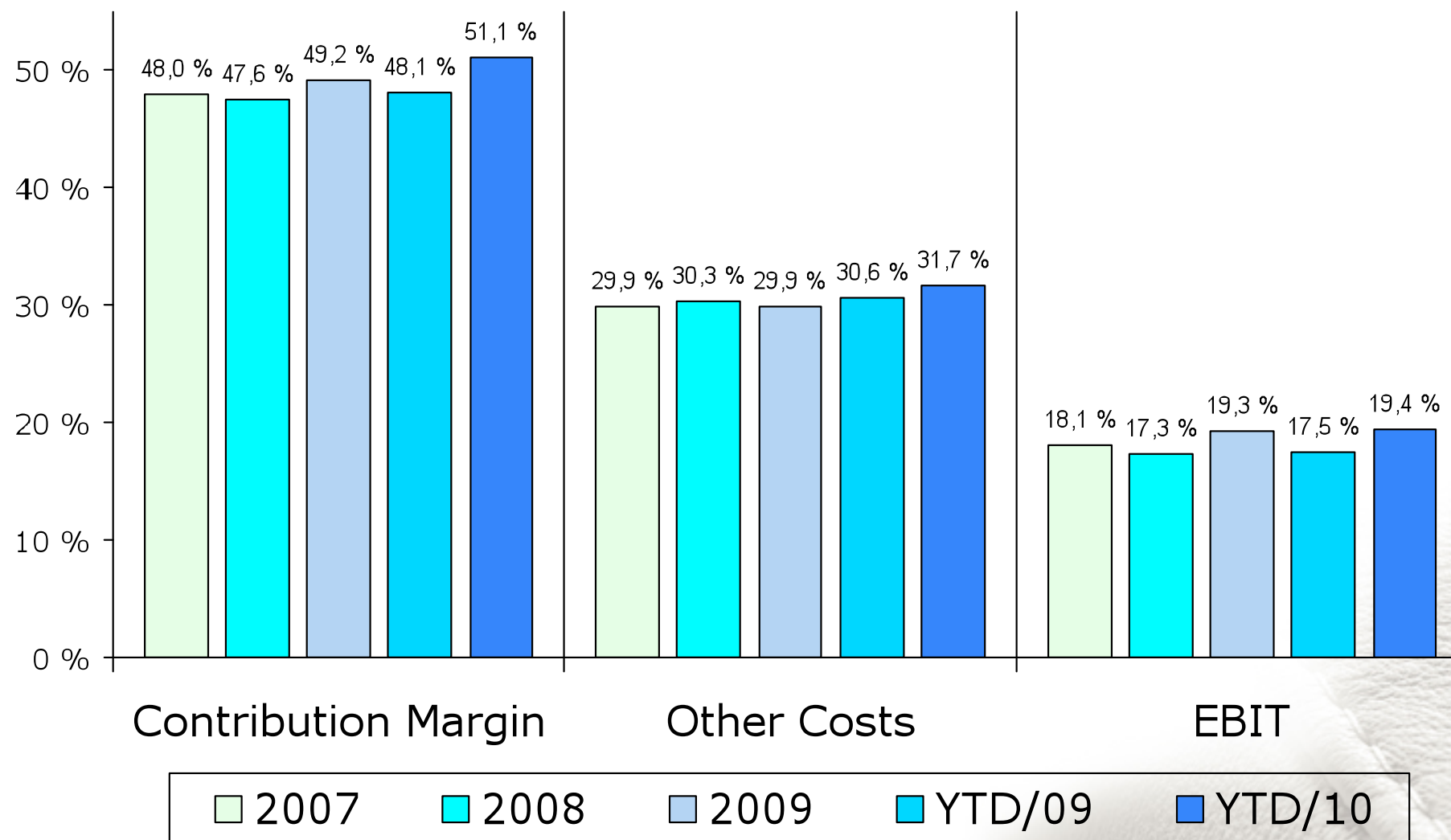
Development in direct costs



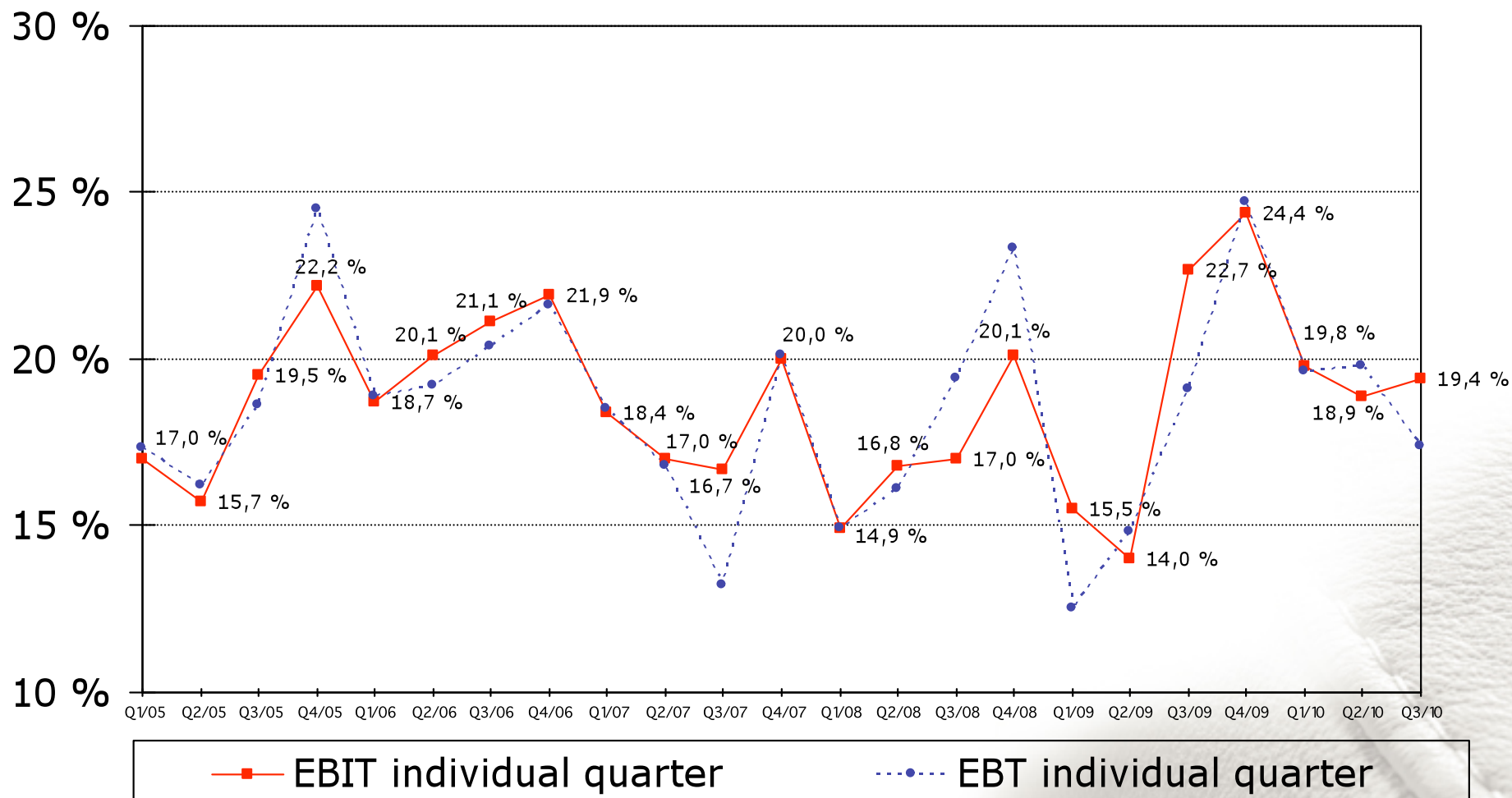
Development in direct salaries at the factories (Based on factory revenues, year-end bonus not included)



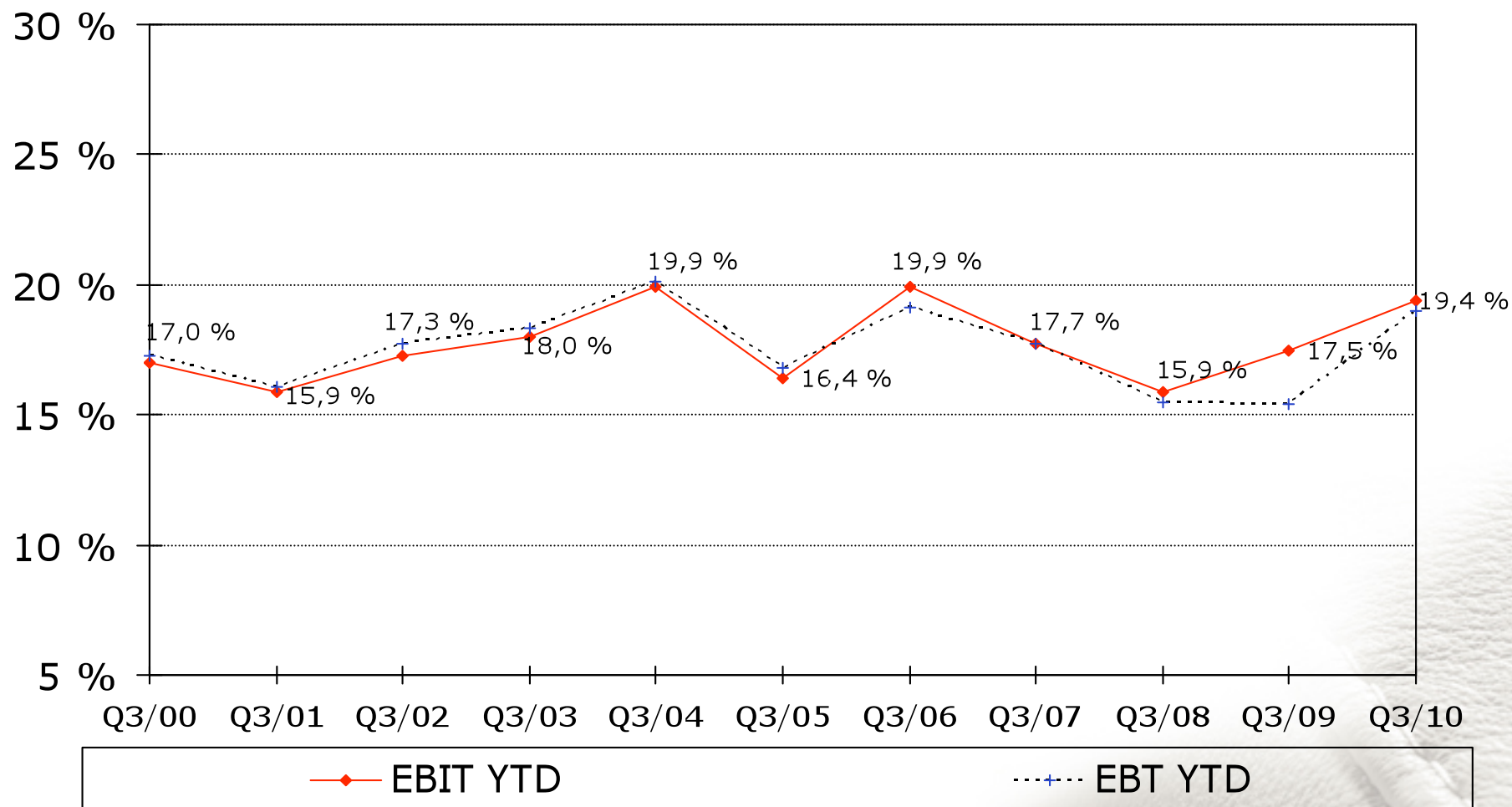
Contribution and operating margin (EBIT)



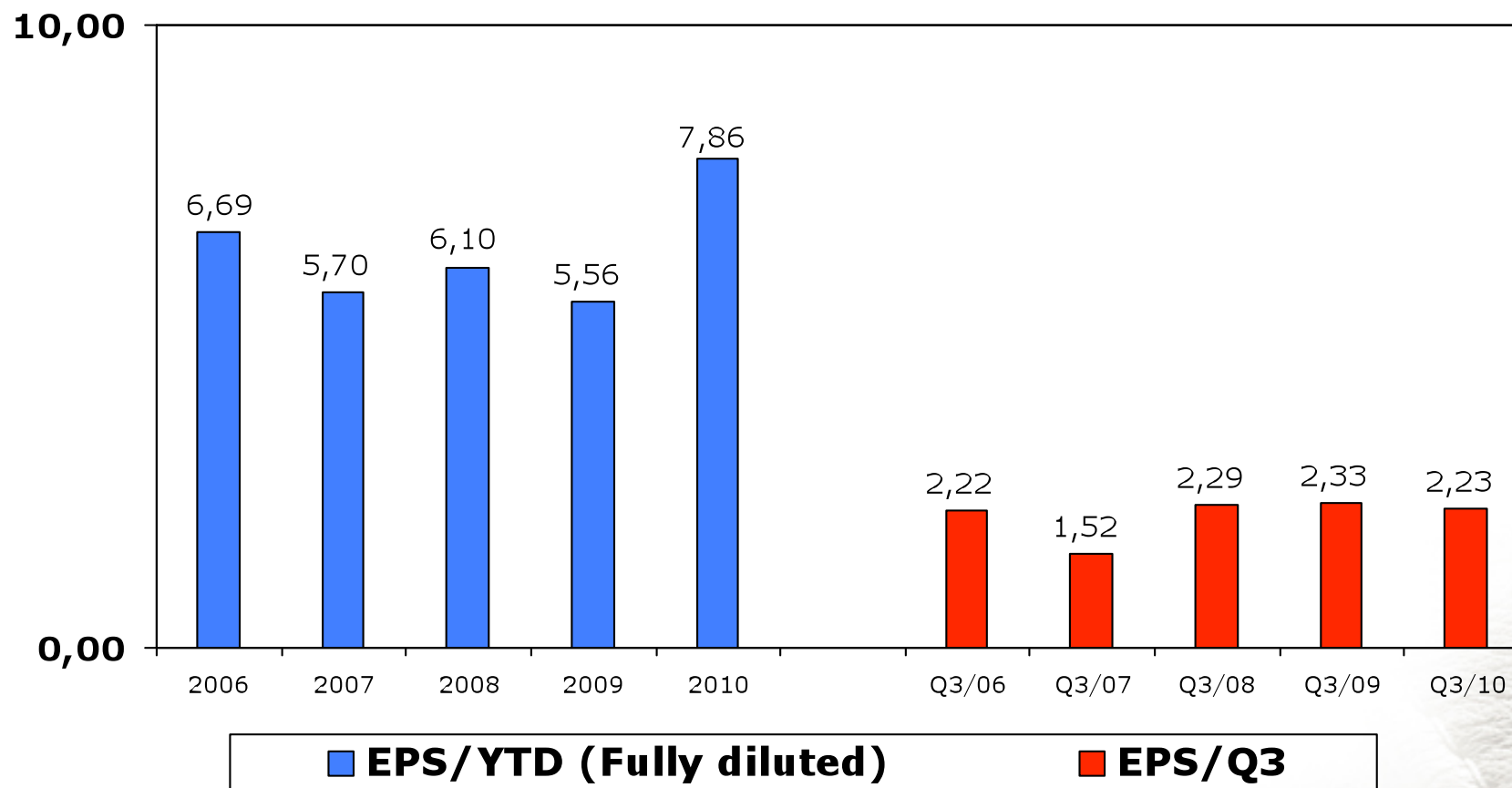
Development in Operating result (EBIT) and Pre-tax margin (EBT):



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



Development EPS fully diluted (Figures in NOK)



Income Statement year to date (mill. NOK)

	2010		2009	
Operating revenues	2,175.8	100.0%	1,908.5	100.0%
Materials	494.6	22.7%	457.6	24.0%
Salaries and social costs	579.4	26.6%	512.1	26.8%
Other operating expenses	594.2	27.3%	522.4	27.4%
Depreciation	86.0	4.0%	82.2	4.3%
Total operating costs	1,754.2	80.6%	1,574.3	82.5%
Operating result	421.6	19.4%	334.2	17.5%
Net financial income/expenses	0.8	0.0%	-1.3	-0.1%
Profit/loss currency exchange	-9.2	-0.4%	-38.5	-2.0%
Ordinary result before taxes	413.3	19.0%	294.4	15.4%
Calculated taxes ordinary result	-124.0	-5.7%	-89.8	-4.7%
Ordinary result after taxes	289.3	13.3%	204.6	10.7%
EPS	7.86		5.56	

Income Statement individual quarter (mill. NOK)

	Q3/10		Q3/09	
Operating revenues	673.2	100.0%	645.4	100.0%
Materials	152.1	22.6%	147.8	22.9%
Salaries and social costs	179.5	26.7%	153.6	23.8%
Other operating expenses	182.1	27.1%	169.8	26.3%
Depreciation	29.2	4.3%	27.7	4.3%
Total operating costs	542.9	80.6%	498.9	77.3%
Operating result	130.3	19.4%	146.5	22.7%
Net financial income/expenses	-0.1	-0.0%	-0.3	-0.0%
Profit/loss currency exchange	-12.9	-1.9%	-23.1	-3.6%
Ordinary result before taxes	117.3	17.4%	123.1	19.1%
Calculated taxes ordinary result	-35.2	-5.2%	-37.6	-5.8%
Ordinary result after taxes	82.1	12.2%	85.5	13.3%
EPS	2.23		2.33	

Income Statement 1 OCT – 30 SEP (mill. NOK)

	2010		2009	
Operating revenues	2,855.2	100.0%	2,653.5	100.0%
Materials	656.5	23.0%	652.9	24.6%
Salaries and social costs	762.4	26.7%	624.4	23.5%
Other operating expenses	735.9	25.8%	768.1	28.9%
Depreciation	113.4	4.0%	124.2	4.7%
Total operating costs	2,268.2	79.5%	2,169.6	81.8%
Operating result	587.1	20.5%	483.9	18.2%
Net financial income/expenses	1.1	0.0%	-0.6	0.0%
Profit/loss currency exchange	-7.4	-0.2%	-15.2	-0.6%
Ordinary result before taxes	580.8	20.3%	468.1	17.6%
Calculated taxes ordinary result	-171.3	6.0%	-140.6	5.3%
Ordinary result after taxes	409.5	14.3%	327.5	12.3%
EPS	11.12		8.89	

Balance Sheet (mill. NOK)

	Q3/10	H1/10
Total Long Term Assets	951.3	960.8
Inventories	289.1	291.9
Trade Debtors	421.2	452.1
Other Current Assets	39.6	55.1
Value of forward contracts	161.7	98.2
Cash and Bank Deposits	295.5	166.2
Total Current Assets	1,207.1	1,063.5
TOTAL ASSETS	2,158.4	2,024.3
Total Equity	1,632.2	1,512.3
Provisions, commitments, deferred tax	69.9	54.8
Trade Creditors	105.8	133.0
Taxes, VAT and national insurance	129.4	139.0
Value of forward contracts	0.0	0.0
Short Term Liabilities - bank	0.0	0.0
Other current liabilities	221.1	185.2
Total Liabilities	526.2	512.0
TOTAL EQUITY AND LIABILITIES	2,158.4	2,024.3

Balance Sheet (mill. NOK)

Q3/10 Q3/09 3. kvartal
3rd Quarter 2010

Total Long Term Assets	951.3	949.3
Inventories	289.1	224.6
Trade Debtors	421.2	356.2
Other Current Assets	39.6	37.8
Value of forward contracts	161.7	57.7
Cash and Bank Deposits	295.5	160.8
Total Current Assets	1,207.1	837.1
TOTAL ASSETS	2,158.4	1,786.4
Total Equity	1,632.2	1,410.9
Provisions and Commitments	69.9	45.0
Trade Creditors	129.4	96.2
Taxes, VAT and national insurance	105.8	94.8
Value of forward contracts	0.0	0.0
Short term liabilities - bank	0.0	0.0
Other current liabilities	221.1	139.5
Total Liabilities	526.2	375.5
TOTAL EQUITY AND LIABILITIES	2,158.4	1,786.4

EQUITY

	Q3/10	Q3/09	2009
Result after taxes and before other comprehensive income	289.3	204.6	324.7
Other comprehensive income:			
Actuarial gains on defined benefit plans			-8.4
Change in deferred tax – pensions			3.3
Change in value cash-flow hedging	38.2	354.7	420.5
Change in deferred tax – cash flow hedging	-10.7	-99.3	-117.7
Translation differences	-1.0	0.1	0.5
Translation differences – net financing subsidiaries	5.5	-33.0	-37.1
Change in deferred tax – net financing subsidiaries	-1.5	9.2	10.4
Total other comprehensive income	30.5	231.7	270.6
Total comprehensive income	319.8	436.3	595.3
Equity at the beginning of the period	1,570.0	1,103.5	1,103.5
Total comprehensive income	319.8	436.3	595.3
Dividend paid out	-257.6	-128.9	-128.8
Equity at the end of the period	1,632.2	1,410.9	1,570.0

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

	Q3/10	Q3/09	2009	2008
Net cash flow from:				
Operating activities	256.5	203.0	506.8	405.3
Investing activities	-78.9	-62.5	-99.3	-188.1
Financing activities	-257.5	-128.9	-181.2	-276.2
Net change in cash and cash equivalents	-79.9	11.6	226.3	-59.0
Cash and cash equivalents at the beginning of period	375.4	149.2	149.2	208.2
Cash and cash equivalents at the end of period	295.5	160.8	375.4	149.2

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

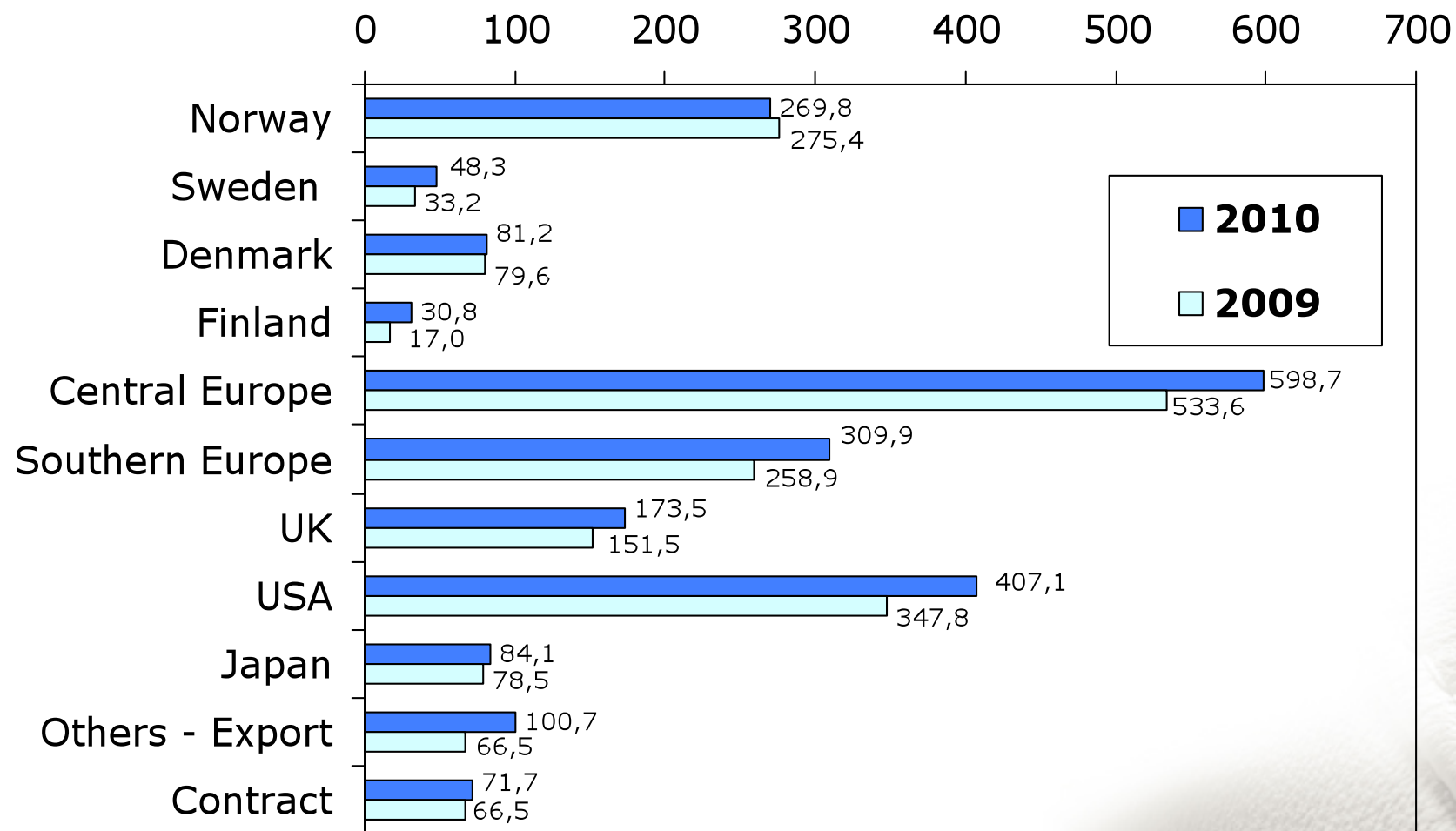
	Q3/10	Q3/09	2009	2008
Total capital	2,158.4	1,786.4	2,047.0	1,919.8
Working Capital*	750.8	468.9	556.7	381.7
Equity	1,632.2	1,410.9	1,570.0	1,103.5
Equity ratio	75.6%	79.0%	76.7%	57.5%
Equity ratio adjusted for Dividend and FX	75.9%	79.2%	63.7%	64.7%

*Not included the market value of forward contracts.

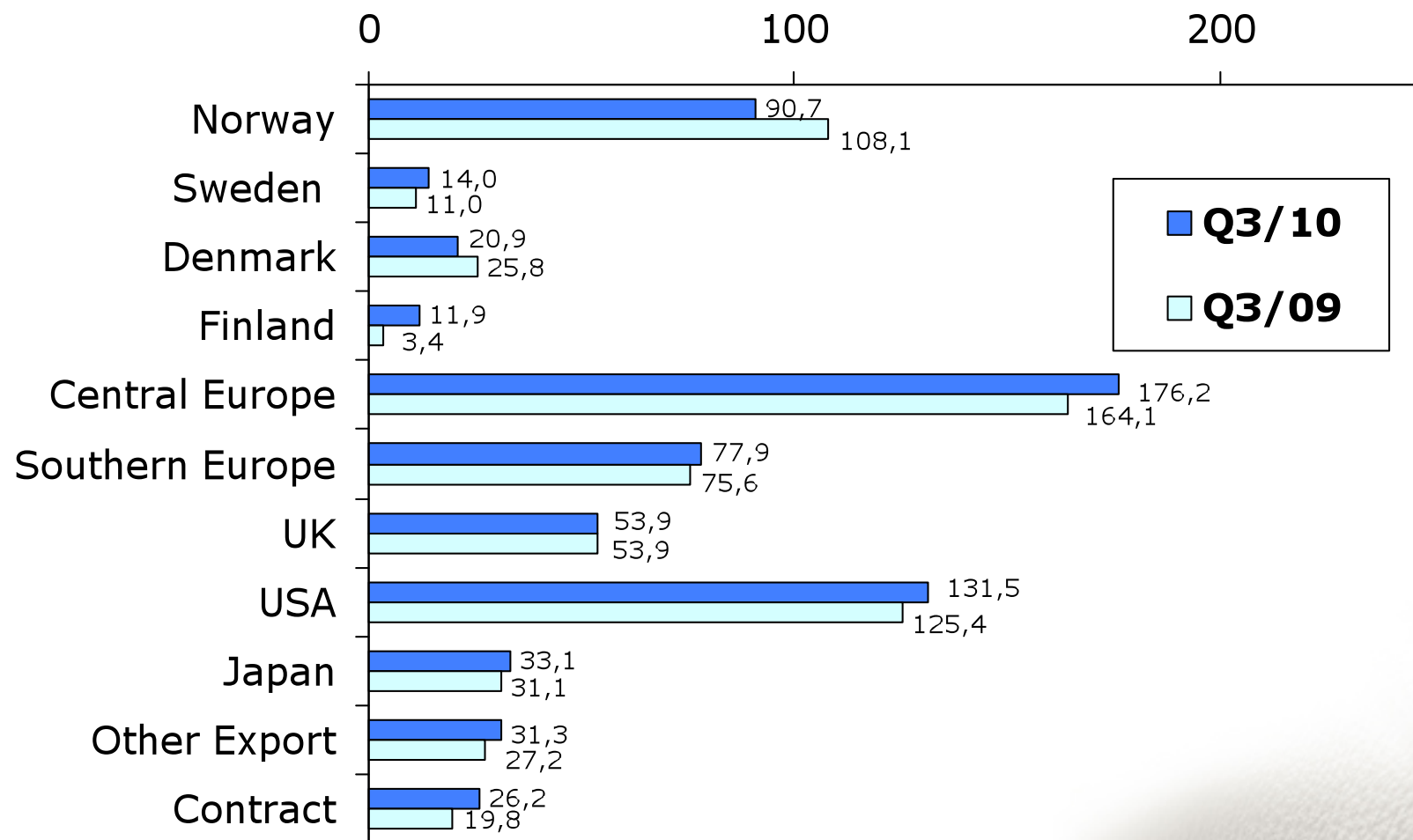
Working Capital(mill. NOK)

	Q3 2010	Q3 2009	2009
Total Assets	2,158.4	1,786.4	2,047.0
Trade debtors	421.2	356.2	313.1
Inventory			
Raw materials	118.9	98.8	113.0
Semi-manufactured	29.6	34.3	28.7
Finished	140.6	91.6	101.8
Total	289.1	224.6	243.5

Development in Operating Revenue per market – Year to date (Mill.NOK)



Operating revenue per market - Individual quarter (Mill. NOK)



Order Influx – % Change 2009 to 2010

(in local currency)

(Asia/Pacific – Accumulated figures not comparable)

	Changes 2009 – 2010 (As per Q3)	Changes Q3 2009 -2010
Norway	-17 %	-19 %
Sweden	+31 %	+22 %
Denmark	-9 %	-27 %
Finland	+91 %	+272 %
Central - Europe	+8 %	+6 %
Southern - Europe	+5 %	+10 %
UK/Ireland	+4 %	+8 %
USA/Canada	+13 %	-3 %
Japan	0 %	+1 %
Asia and Pacific	Not comparable	Approx +13 %
Total	+2 %	+0.5 %

Operating revenue per market (Mill. NOK)

	Changes 09 - 10	YTD/10	YTD/09	YTD/08	YTD/07
Norway	-2.0%	269.8	275.4	242.0	291.9
Sweden	45.5%	48.3	33.2	39.4	45.3
Denmark	2.0%	81.2	79.6	101.0	97.1
Finland	81.6%	30.8	17.0	18.4	26.8
Central - Europe	12.2%	598.7	533.6	488.2	420.9
Southern - Europe	19.7%	309.9	258.9	288.6	285.6
UK	14.5%	173.5	151.5	185.1	183.6
USA	17.0%	407.1	347.8	395.0	400.6
Japan	7.1%	84.1	78.5	61.9	66.6
Others - Export	29.6%	172.4	133.0	108.6	68.1
Total	14.0%	2,175.8	1,908.5	1,928.2	1,886.5

Financial Calendar 2011:

- 15 February : Announcement of preliminary figures 2010 and Q4 -2010
- 16 February : Presentation of Q4/10 figures with webcast
- 12 May : Announcement of Q1/11 figures
- 12 May : Ordinary General Assembly
- 13 May : Presentation of Q1/11
- 15 August : Announcement of Q2/11 figures
- 16 August : Presentation of Q2/11 with webcast
- 15 November: Announcement of Q3/11 figures
- 16 November: Presentation of Q3/11

- All presentations are held in Oslo, at Hotel Continental.
(08.00 a.m.)

Questions?

Largest shareholders (30.09.2010)

1.	Nordstjernan AB	SWE	15.45%
2.	Folketrygdfondet	NOR	10.16%
3.	State Street Bank	USA	6.33%
4.	Orkla ASA	NOR	5.85%
5.	JP Morgan Chase Bank, <small>Nordea</small>	GBR	5.58%
6.	Pareto Aksje Norge	NOR	4.30%
7.	JP Morgan Chase Bank, <small>Special</small>	GBR	3.85%
8.	Handelsbanken Helsinki	FIN	3.08%
9.	Berit Ekornes Unhjem	NOR	2.89%
10.	JP Morgan Chase Bank, <small>Treaty</small>	GBR	2.77%
Other shareholders approx. 2,545			39.75%

By 30 September - Proportion:

Norwegian shareholders	50.98%
Foreign shareholders	49.02%

Board of Directors

Group Management IR-Contacts

- Olav Kjell Holtan - Chairman
- Kjersti Kleven – Vice Chairman
- Gry Hege Søsnes
- Stian Ekornes
- Nora Förisdal Larssen

Employee Representatives:

- Arnstein Johannesen
- Tone Helen Hanken
- Ragnhild Apelsest

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- CFO: Robert Svendsen
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