

Ekornes ASA

1st QUARTER 2014

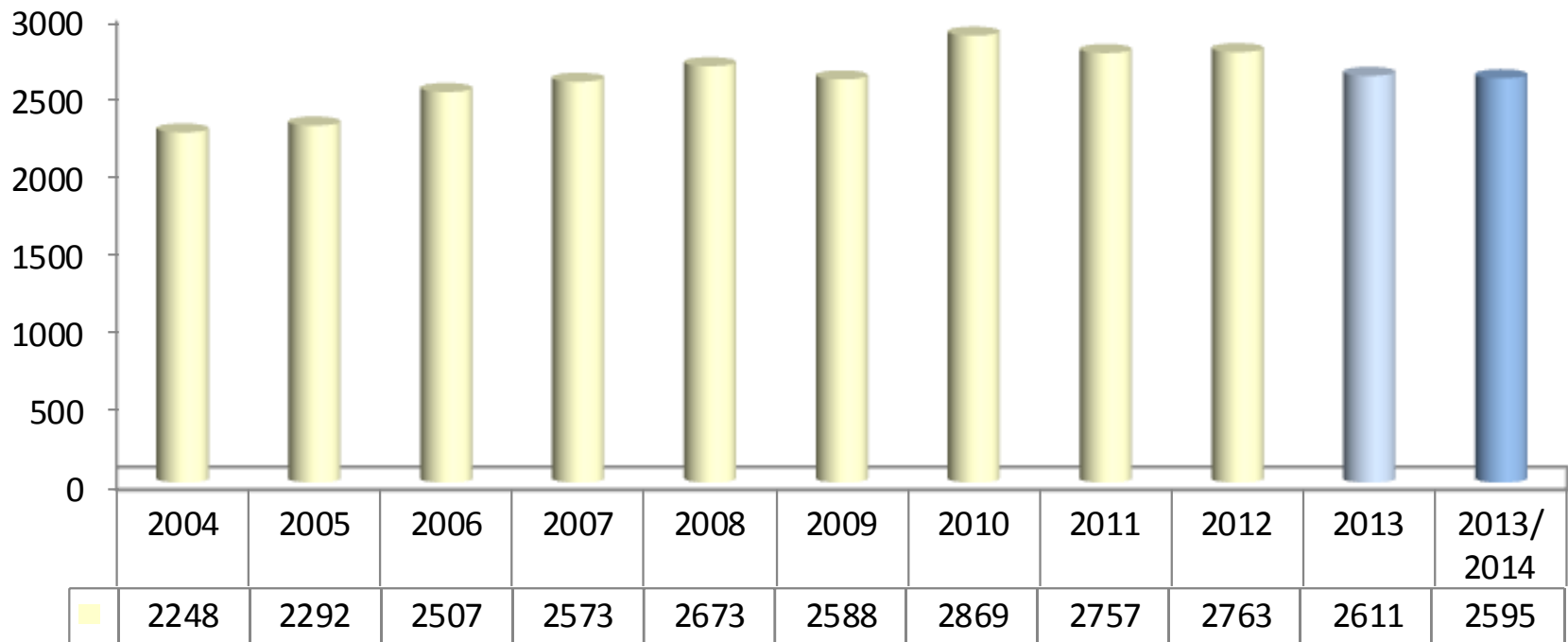
Ekornes Q1 – Headlines:

- Operating revenue: Q1: NOK 672.3 (Q1 – 2013:NOK 688.8 Mill.)
- Operating margin (EBIT) Q1: 9.9% (13.1%).
- Lower capacity and activity and lower gross margin. Some effects from changed business systems.
- The European markets are challenging and unpredictable. Upholstery market in Germany down 11% in Q1. Further decline in April.
- Global order intake for Ekornes up 3% in Q1, however down 8% in April reflecting a combination of the market situation in Europe and improved order intake in overseas markets.
- Southern Europe improving. Special focus and attention to Central Europe going forward.
- New Stressless® chairs (Stressless® City and Stressless® Metro) launched autumn 2013. Introduction well received by retailers and consumers in markets where introduced. More than 8000 chairs sold(approx. NOK 45 mill).
- Production upholstery furniture (Chairs and sofas)
 - Q1: 1,757 seats per day (Q1 2013: 1,1857 seats) of which chairs 1 130 seats (1 165)
 - Production capacity approx. 1,750 seats into Q2 (depending on mix).
- Cost reduction programs introduced. Effect through 2014 and into 2015. Capacity adjustments through 2013 and Q1 completed. Time for some adjustments upwards. Decisions made to increase chair capacity by 70 seat units per day through Q2 and Q3.
- Svane® at 2013 level. Norway down, other markets up. Improvement program started up – focus on costs reductions in production and improving market position. Higher fixed cost through Product Development, Marketing and Sales.
- Full capacity utilization at planned capacity level expected in Q2-2014 in all production plants.
- Foreign exchange position good. Raw material prices stable.
- Financial figures are according to the IAS 39 principles for Hedge Accounting

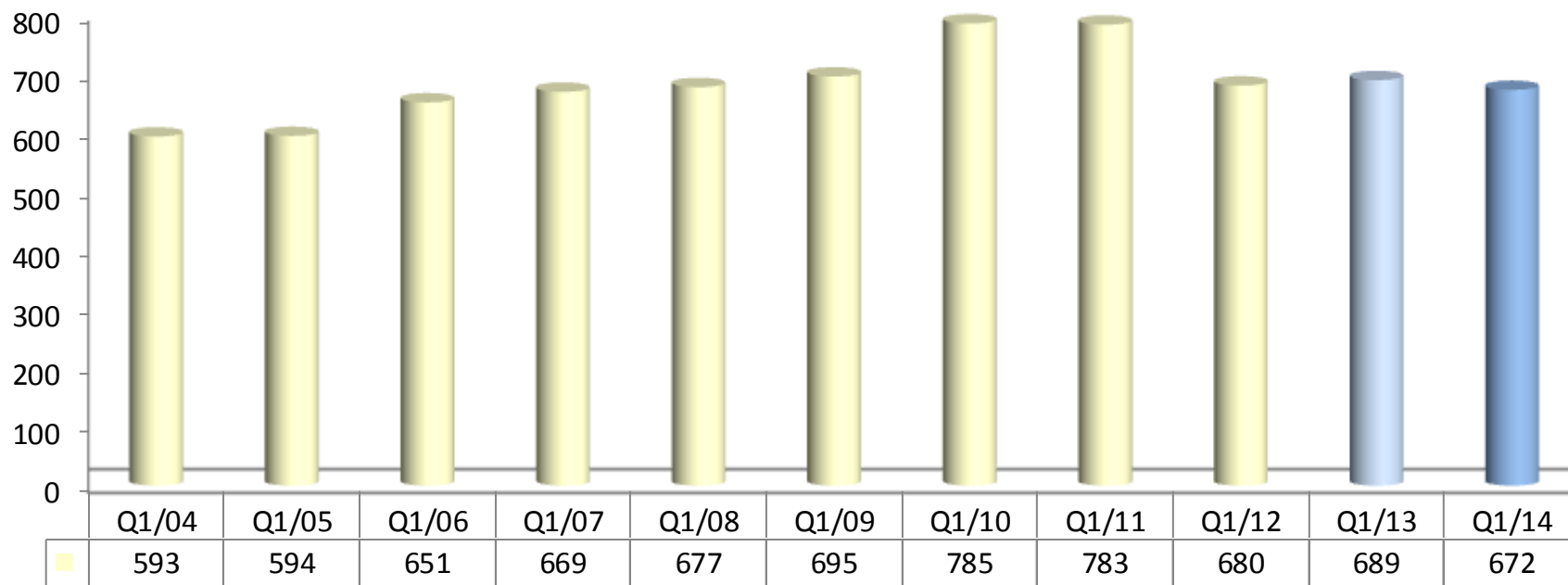
News



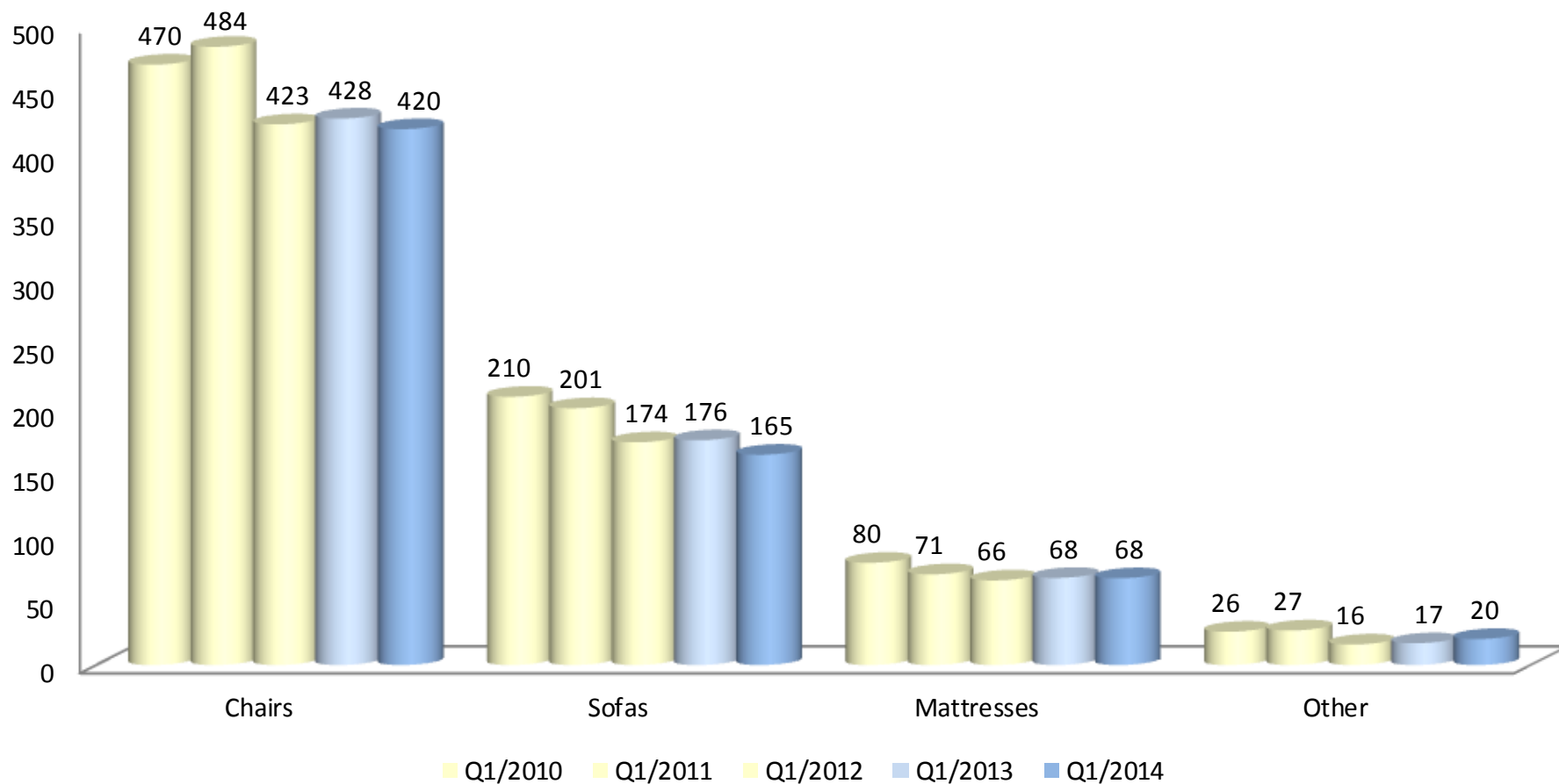
Development in Turnover



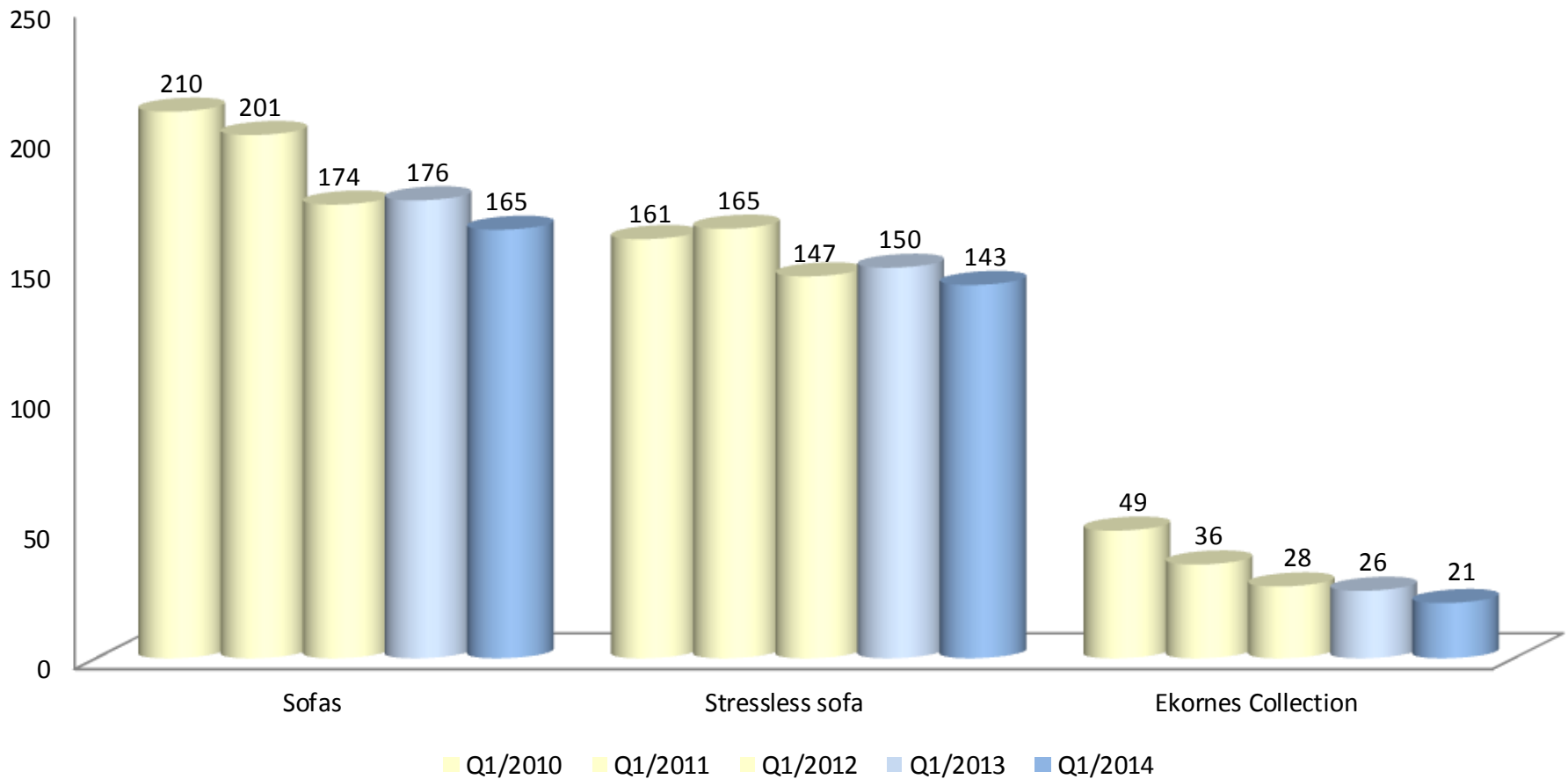
Development in Operating Revenue



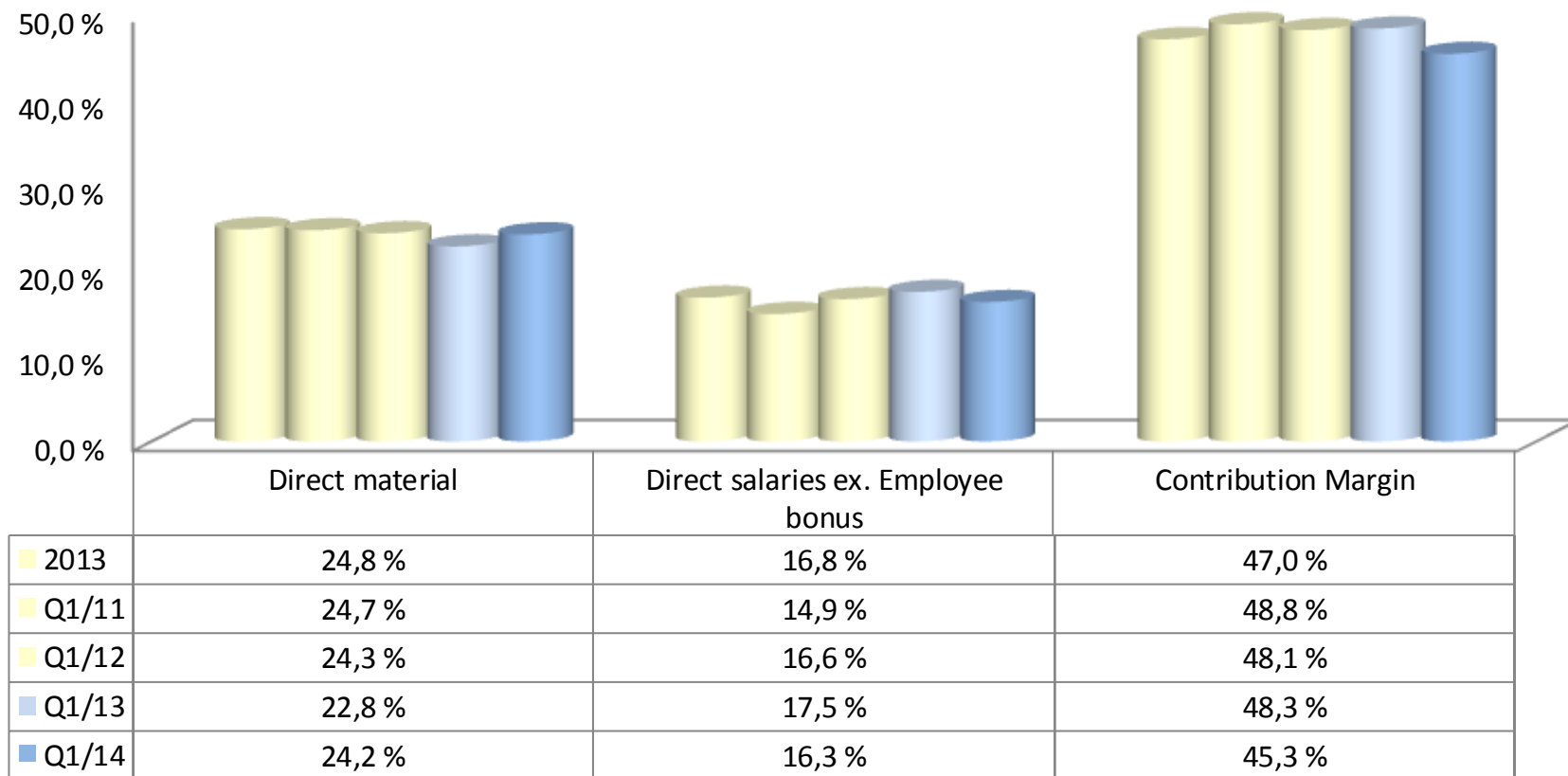
Operating revenues by product area



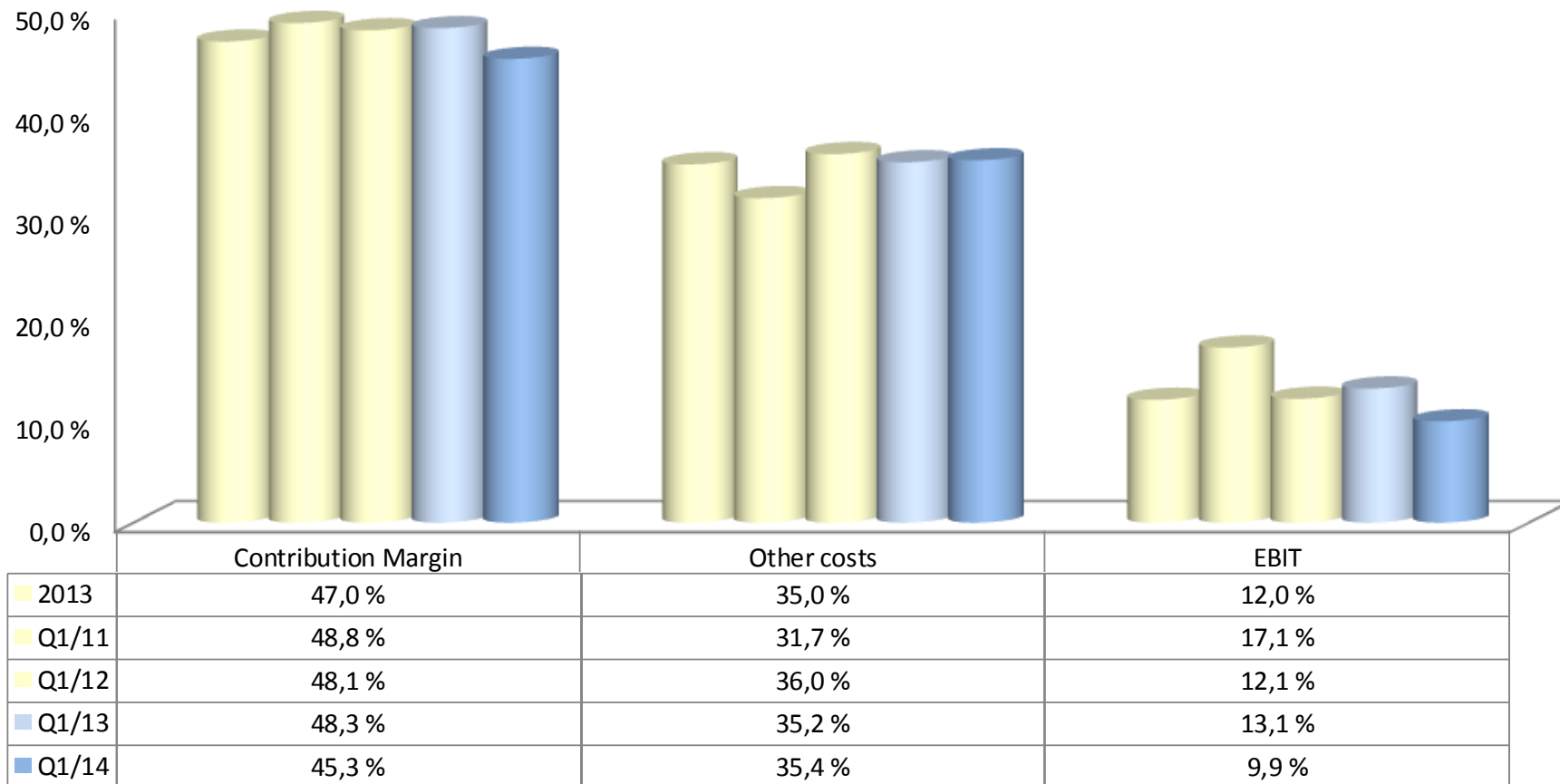
Operating revenues: Product area Sofas



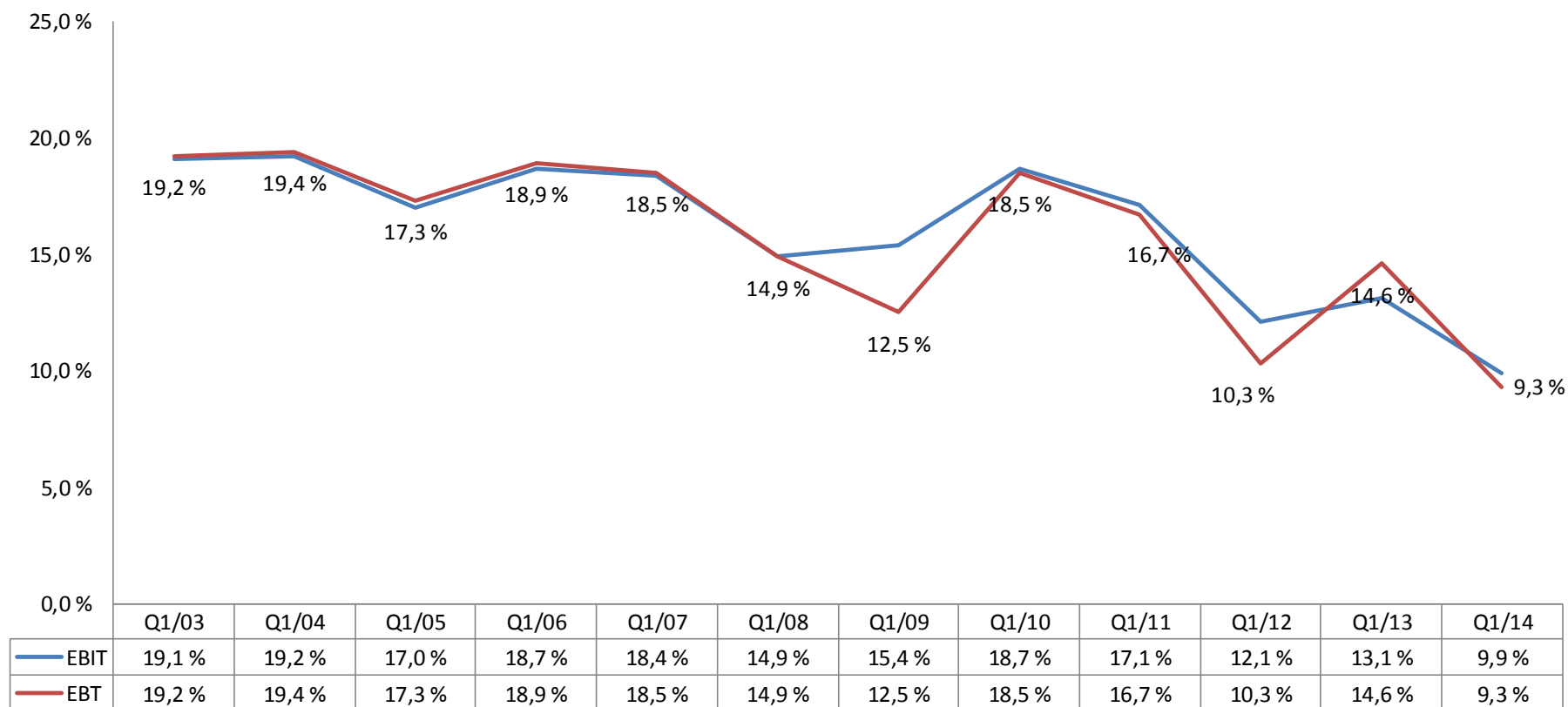
Development in direct costs



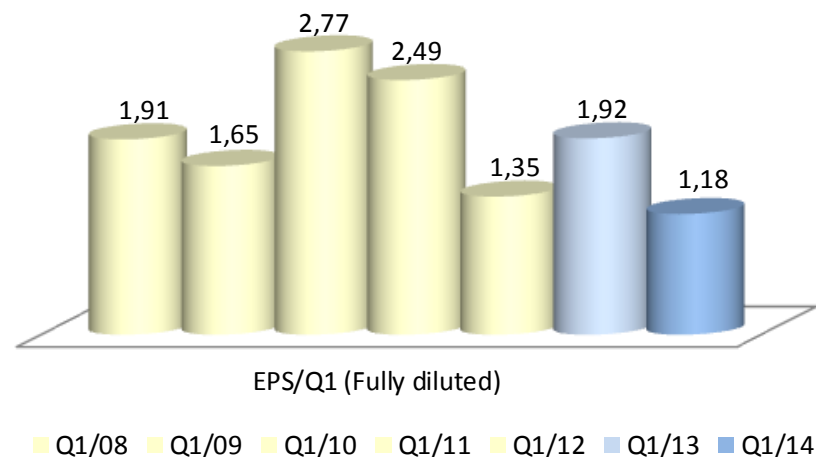
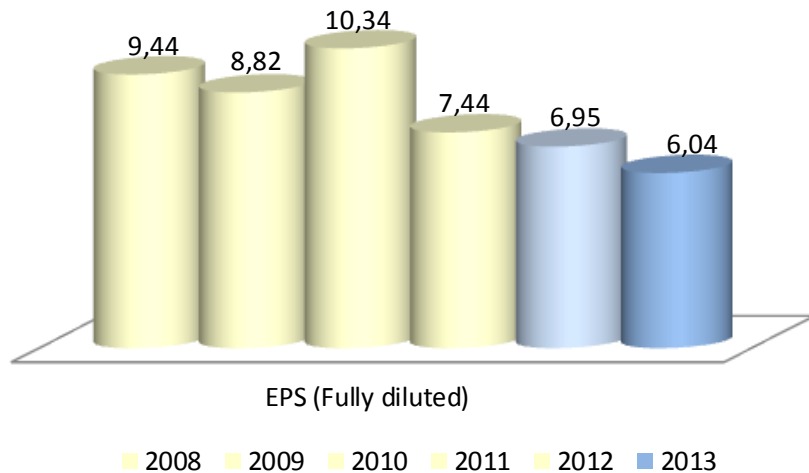
Contribution and Operating Margin (EBIT)



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



Development EPS fully diluted (Figures in NOK)



Income Statement

(Mill. NOK)	Q1/14		Q1/13	
Operating revenues	672,3	100,0 %	688,8	100,0 %
Materials	162,8	24,2 %	157,0	22,8 %
Salaries and social costs	201,9	30,0 %	211,8	30,7 %
Other operating expenses	205,2	30,5 %	197,6	28,7 %
Depreciation	35,6	5,3 %	32,1	4,7 %
Total operating costs	605,5	90,1 %	598,5	86,9 %
Operating result	66,7	9,9 %	90,3	13,1 %
Net financial income/expenses	1,2	0,2 %	-1,0	-0,1 %
Profit/loss currency exchange	-5,1	-0,7 %	11,5	1,7 %
Ordinary result before taxes	62,8	8,9 %	100,8	14,6 %
Calculated taxes ordinary result	-19,2	-2,7 %	-30,0	-4,4 %
Ordinary result after taxes	43,6	6,2 %	70,8	10,3 %
EPS	1,18		1,92	

Balance Sheet

(Mill. NOK)	Q1/14	Q1/13
Total Long Term Assets	932,7	934,8
Inventories	312,6	334,2
Trade Debtors	431,0	444,1
Other Current Assets	42,5	54,8
Value of forward contracts	50,1	211,4
Cash and Bank Deposits	223,5	247,6
Total Current Assets	1 059,7	1 292,1
TOTAL ASSETS	1 992,4	2 226,9
Total Equity	1 632,4	1 744,6
Provisions, commitments, deferred tax	22,3	63,5
Trade Creditors	113,9	143,4
Taxes, VAT and national insurance	36,2	92,7
Bank loans	-	-
Other current liabilities	187,6	182,7
Total Liabilities	337,7	418,8
TOTAL EQUITY AND LIABILITIES	1 992,4	2 226,9

Balance Sheet

(Mill. NOK)	Q1/14	Q4/13
Total Fixed Assets	932,7	948,1
Inventory	312,6	305,0
Trade Debtors	431,0	331,7
Other Current Assets	42,5	45,6
Value of forward contracts	50,1	16,3
Cash and Bank Deposits	223,5	328,4
Total Current Assets	1 059,7	1 027,0
TOTAL ASSETS	1 992,4	1 975,1
Total Equity	1 632,4	1 566,8
Provisions, commitments, deferred tax	22,3	16,1
Trade Creditors	113,9	118,0
Taxes, VAT and national insurance	36,2	96,4
Bank loans	-	-
Other current liabilities	187,6	177,8
Total Liabilities	337,7	392,2
TOTAL EQUITY AND LIABILITIES	1 992,4	1 975,1

Statement of Cash Flow

(Mill. NOK)	Q1/14	Q1/13	Q1/12	2013	2012
Net cash flow from:					
Operating activities	-82,9	9,6	-30,6	405,7	332,0
Investing activities	-22,0	-35,3	-16,7	-148,1	-79,8
Financing activities	0,0	0,0	0,0	-202,5	-276,2
Net change in cash and cash equivalents	-104,9	-25,7	-47,3	55,1	-24,0
Cash and cash equivalents at the beginning of period	328,4	273,3	297,4	273,3	297,4
Cash and cash equivalents at the end of period	223,5	247,6	250,1	328,4	273,4

Development in Total Capital, Net-working Capital and Equity

(Mill. NOK)	Q1/14	Q1/13	2013	2012
Total capital	1 992,4	2 226,9	1 975,1	2 187,0
Net-working capital*	671,9	661,9	591,9	592,0
Equity	1 632,4	1 744,6	1 566,8	1 704,7
Equity ratio	81,9 %	78,3 %	79,3 %	77,9 %

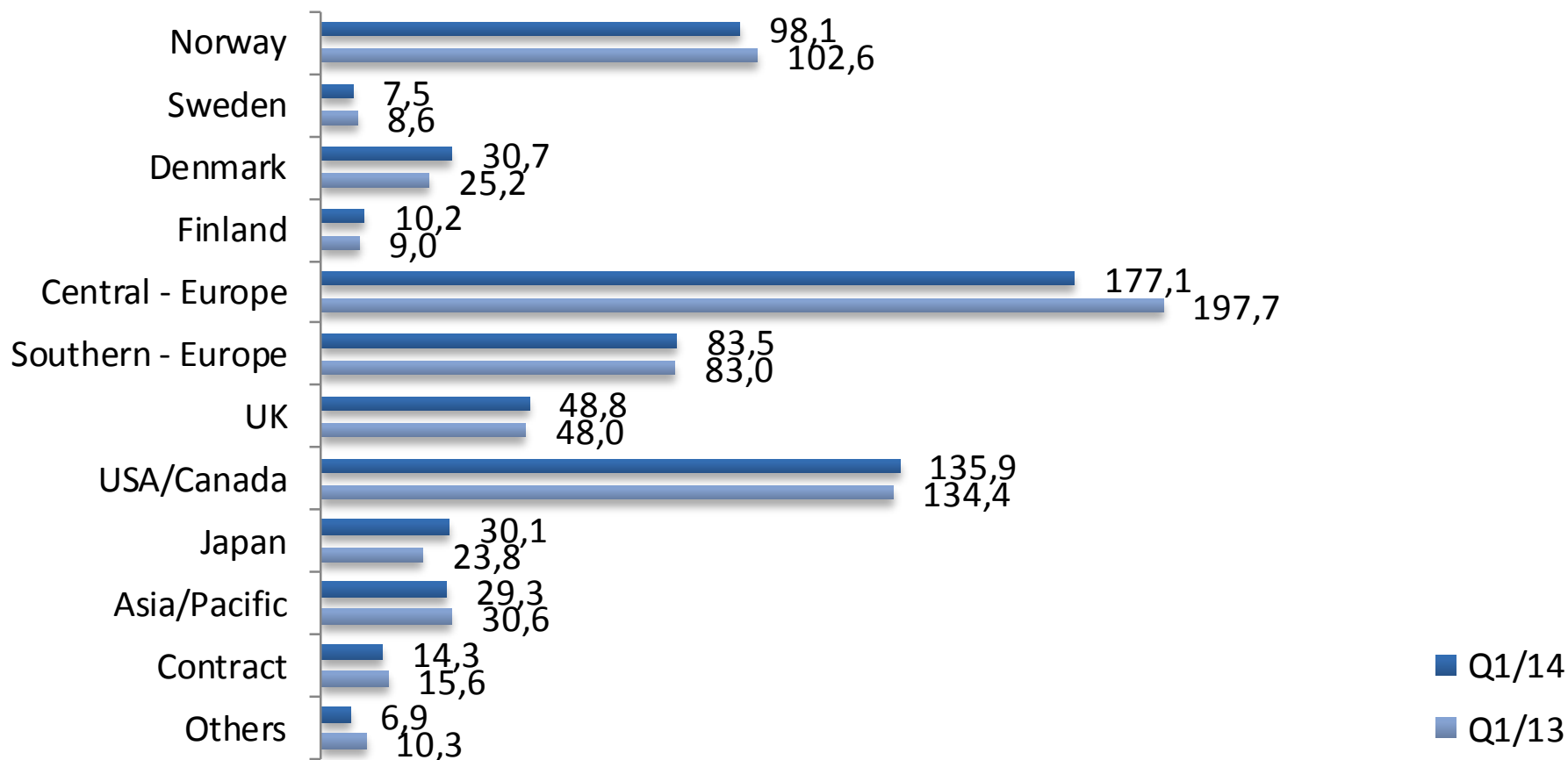
*Not included the market value of forward contracts.

Change in order influx per market (%)

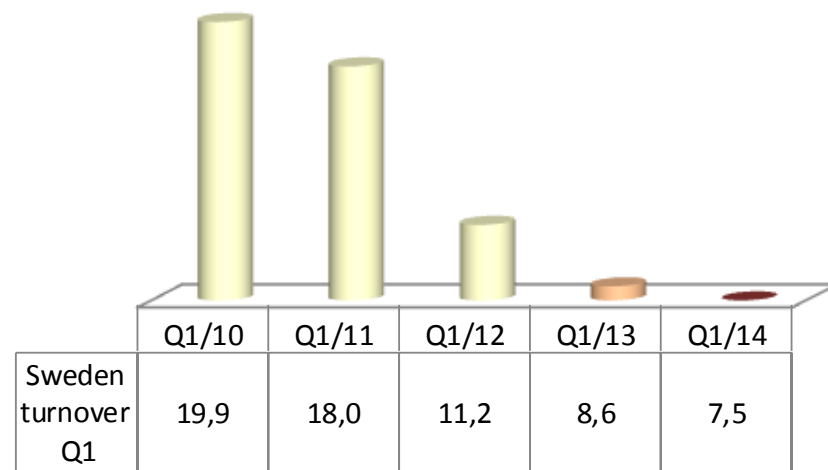
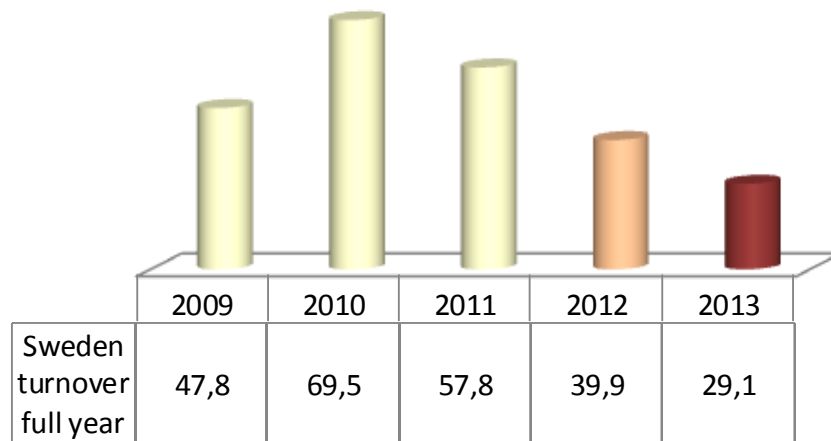
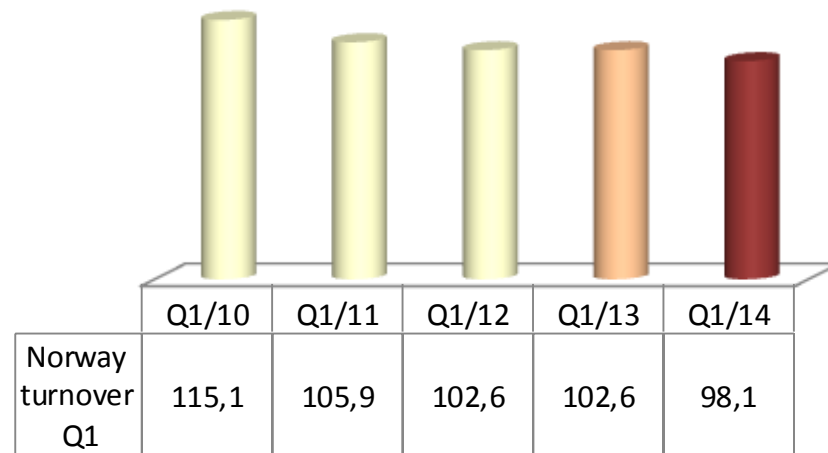
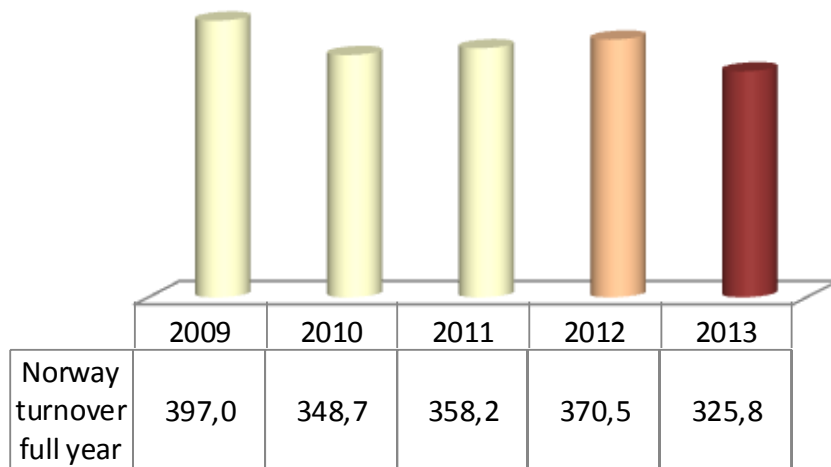


(in local currency)

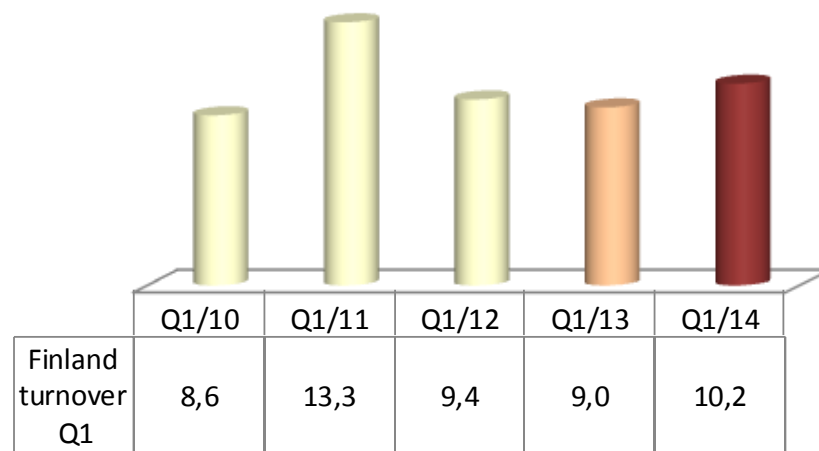
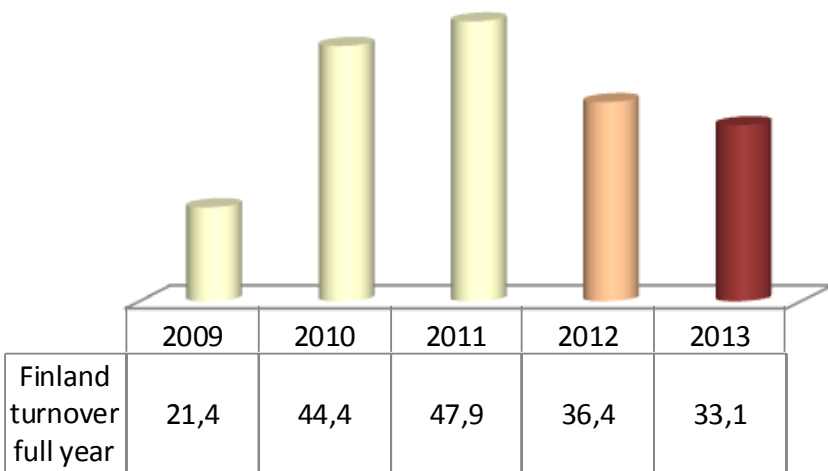
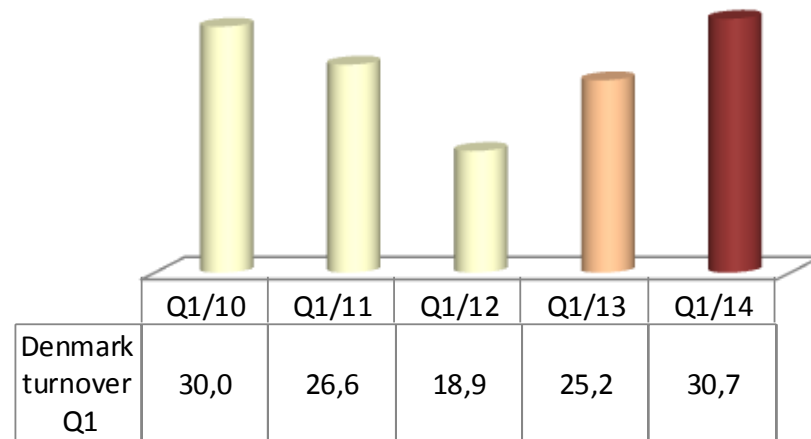
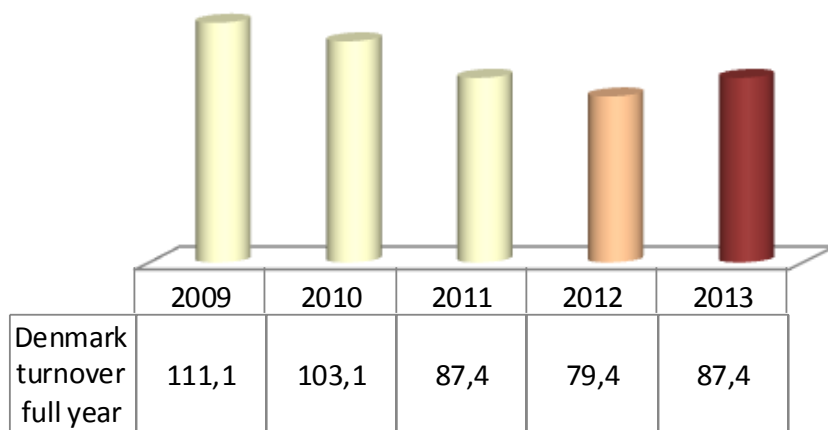
Operating revenue per market – Q1



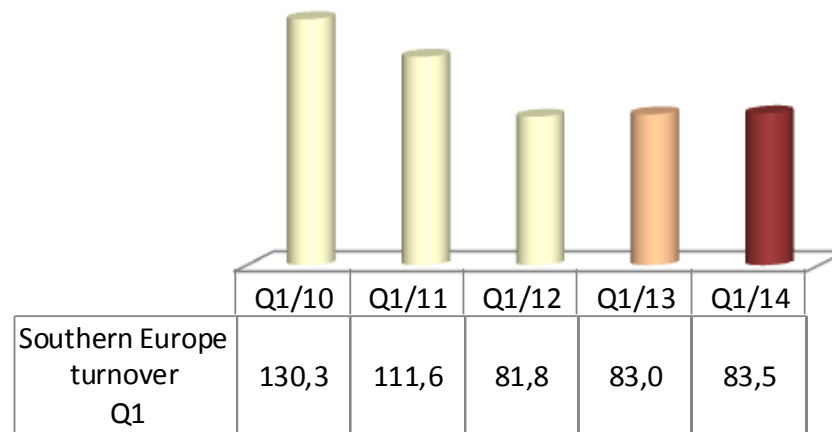
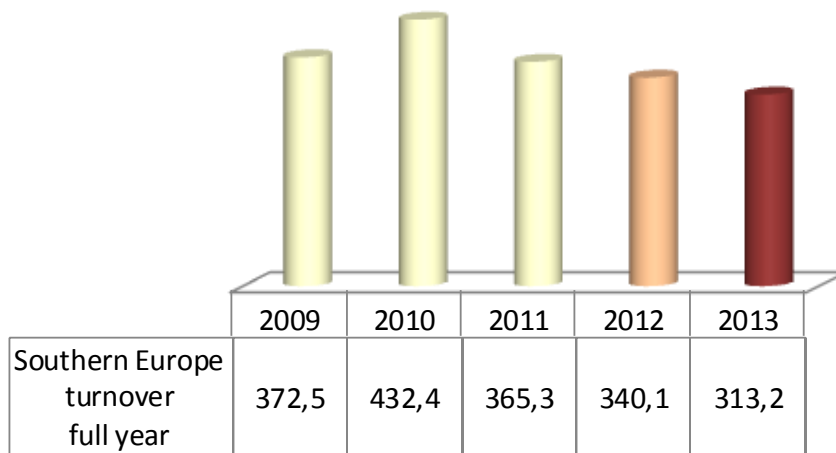
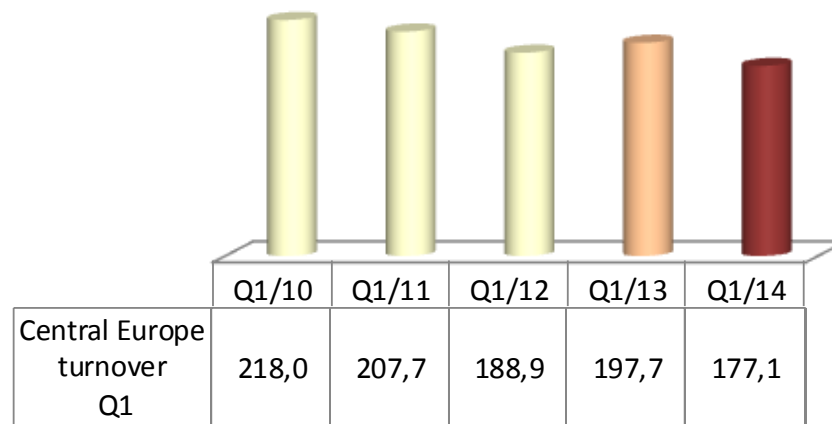
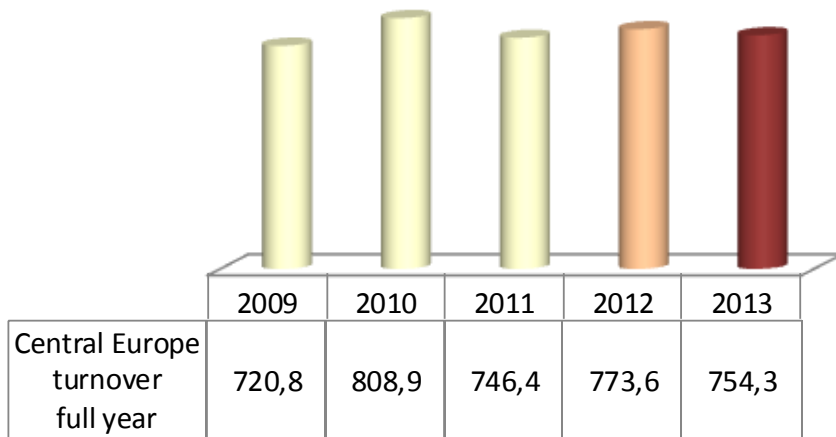
Turnover per market (Mill. NOK)



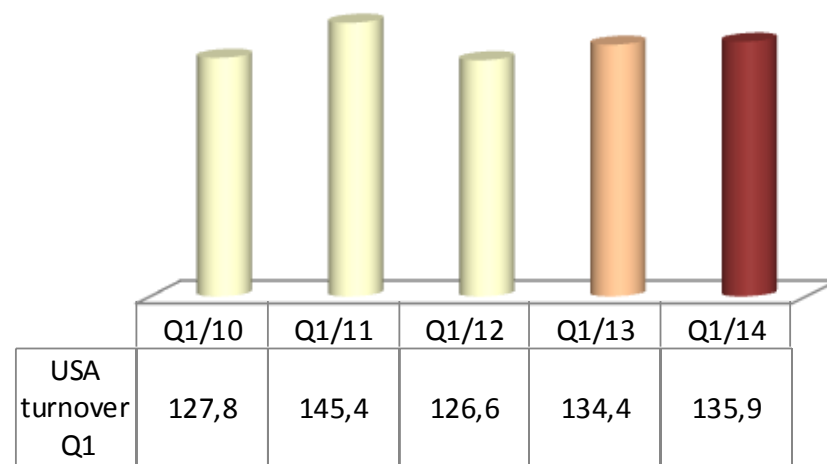
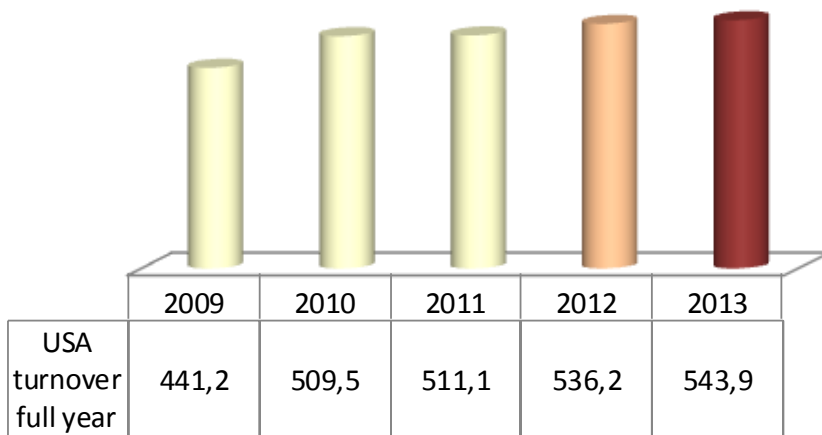
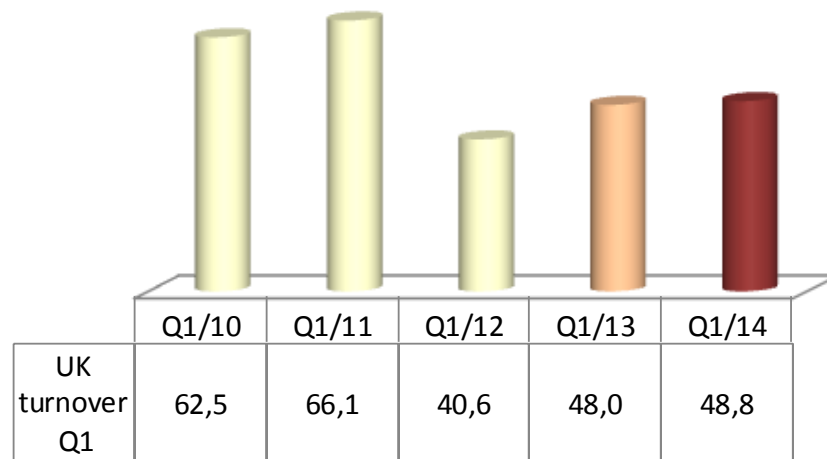
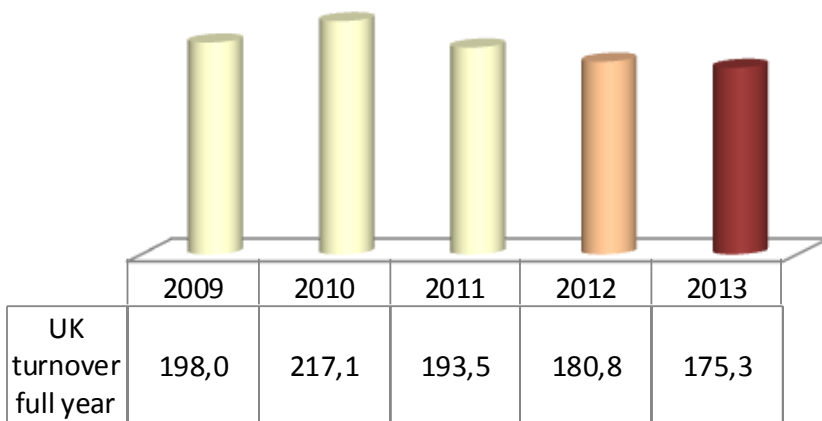
Turnover per market (Mill. NOK)



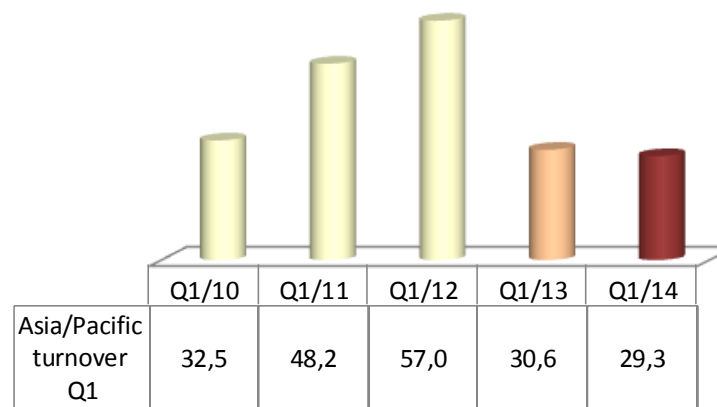
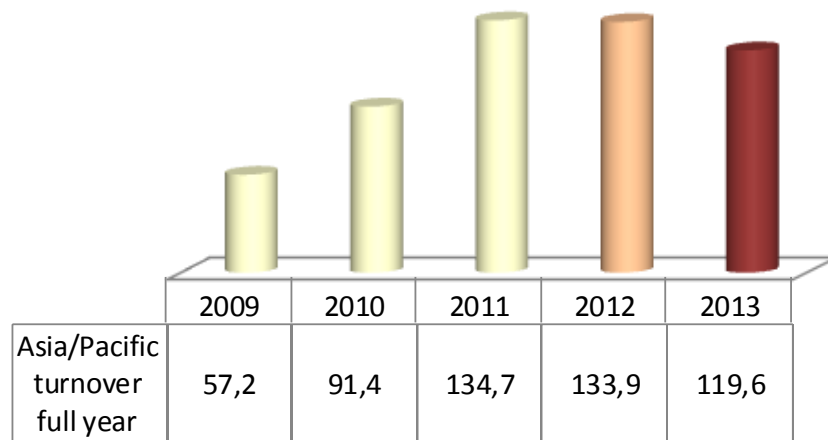
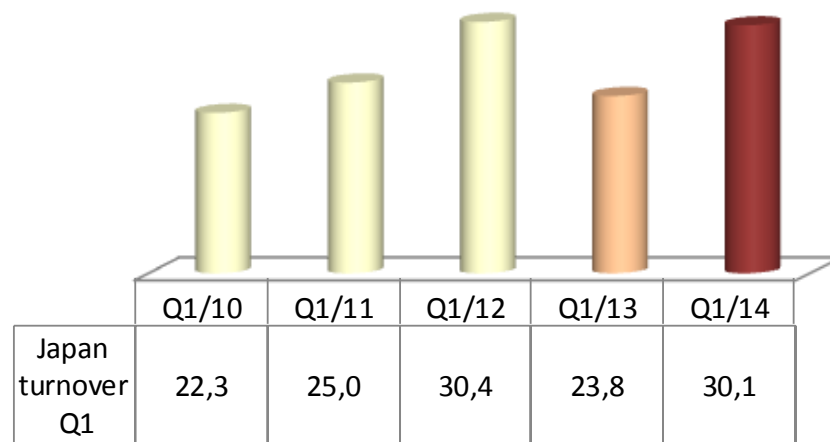
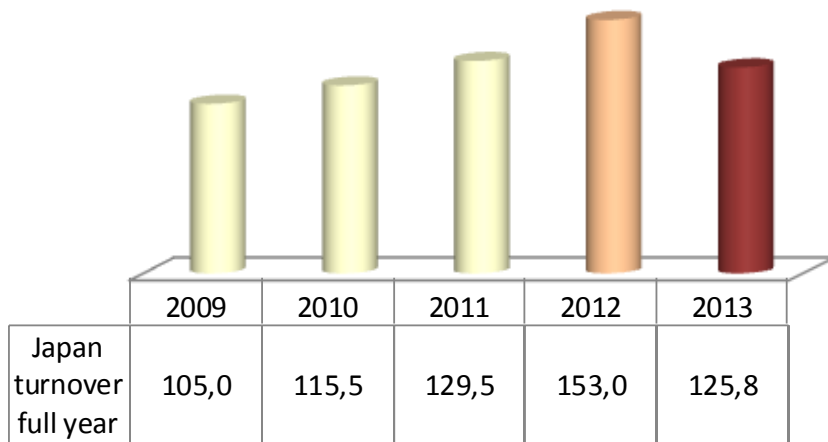
Turnover per market (Mill. NOK)



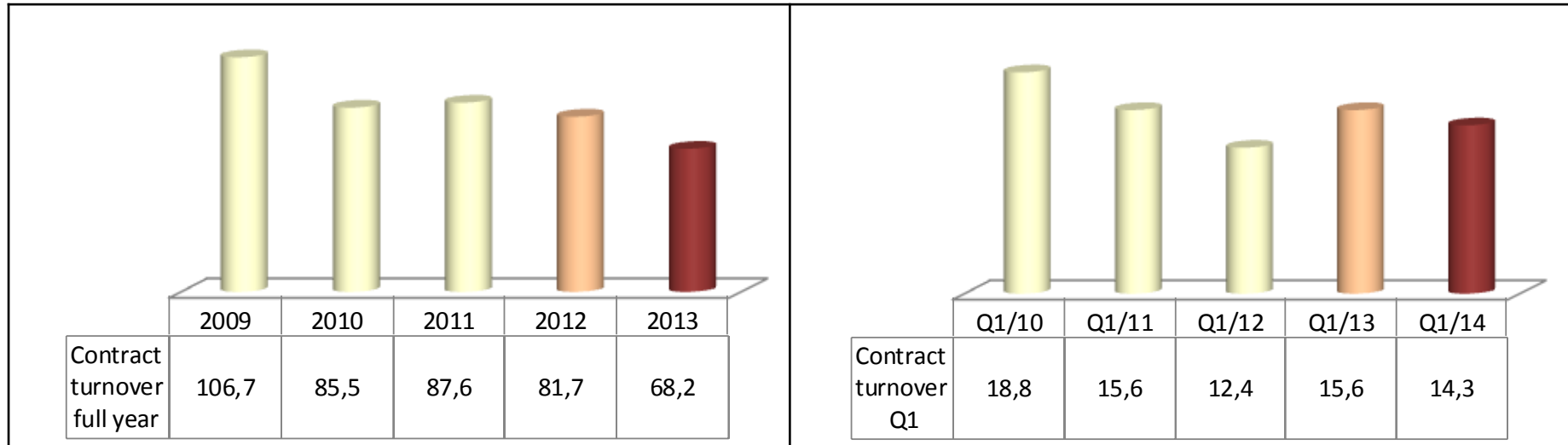
Turnover per market (Mill. NOK)



Turnover per market (Mill. NOK)



Turnover per market (Mill. NOK)



Coming events:

- | | |
|------------------|--|
| 14 August 2014 | 2 nd Quarter Result 2014. |
| 15 August 2014 | Presentation 2 nd Quarter 2014, with Webcast, Hotel Continental, Oslo – at 08.00 a.m. |
| 12 November 2014 | 3 rd Quarter Result 2014. |
| 13 November 2013 | Presentation 3 rd Quarter Result 2014, Hotel Continental, Oslo - at 08.00 a.m. |

Largest shareholders (31.03.2014):

Shareholders	Country	Percentage
1. NORDSTJERNAN AB	SWE	15,45 %
2. FOLKETRYGDFONDET	NOR	10,46 %
3. J.P. MORGAN CHASE BANK N.A. LONDON	GBR	5,62 %
4. PARETO AKSJE NORGE	NOR	4,71 %
5. J.P. MORGAN CHASE BANK N.A. LONDON	GBR	4,12 %
6. ODIN NORGE	NOR	3,89 %
7. Berit Vigdis Ekornes Unhjem	NOR	2,91 %
8. Gunnhild Ekornes Mertens	NOR	2,88 %
9. STATE STREET BANK AND TRUST CO.	USA	2,40 %
10. VIND LV AS	NOR	2,40 %
Other shareholders 2,435		45,18 %
Proportion	Norwegian shareholders	49,70 %
	Non-Norwegian shareholders	50,30 %

Board of Directors Group Management

- Kjersti Kleven – Chairman
- Jarle Roth (Vice chairman)
- Stian Ekornes
- Nora Förisdal Larssen
- Lars Røiri

Employee Representatives:

- Sveinung Utgård
- Tone Helen Hanken
- Wenche Elvegård

- CEO: Nils-Fredrik Drabløs
Nils-Fredrik.Drablos@ekornes.com
Phone: +47 70 25 52 22
Mobile: +47 90 01 78 92
- CFO: Robert Svendsen
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