

EKORNES

Capital Markets day

Oslo konserthus

June 8 2010

Agenda

- Strategy, goals and values
 - Øyvind Tørlen, CEO
- Financial information og strategies
- Sourcing
 - Robert Svendsen, CFO
- Product development strategy
 - Arve Ekornes, Product development director
- Sales and marketing strategy
 - Runar Haugen, Group marketing director
- Production strategy
 - Ola Arne Ramstad, Production director
- Business area Mattresses
 - Selma Kolsrud, Man. dir. Ekornes Fetsund



Core values of Ekornes

In Ekornes, the following values shall be emphasised:

- Honesty and sincerity towards everyone we relate to
- Transparency and reliability, both internally and with respect to our surroundings
- Innovation to enable us to stay a step ahead of our competitors



Vision

- Ekornes shall be the leading furniture manufacturer in Europe and be reputed to deliver quality at every stage.
- Ekornes shall make Stressless® the world's best-known furniture brand, and the brand shall be famous for quality and comfort.
- Ekornes shall make Svane® the best known brand in the Nordic countries for mattresses and the brand shall be famous for quality and comfort.
- Ekornes shall take a leading position in Scandinavia as a supplier of furniture, mattresses and furnishing for ships and hotels.
- Most of the production shall take place in Norway, where technological development and innovation shall form the basis for our competitive power.

Business concept and critical choices

"Through a purposeful and consistent effort, Ekornes shall continually increase the value of the branded products we handle. This also means that all parts of the company need to give their support to this brand image"

- Global and selective distribution strategy
- Focus on dealer profitability
- Sales offices established to effectively implement an advanced sales and marketing concept
- Investing in modern production technology and equipment
- In-house design capacity to ensure all products support brand content, quality and production efficiency
- Good coordination between the value chain elements

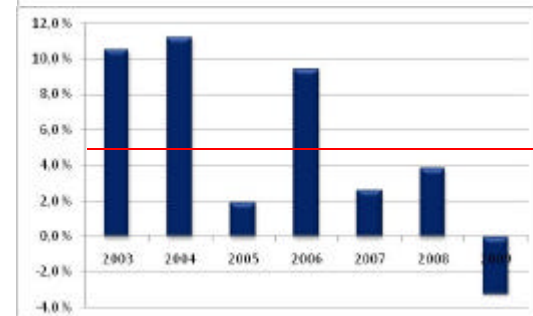
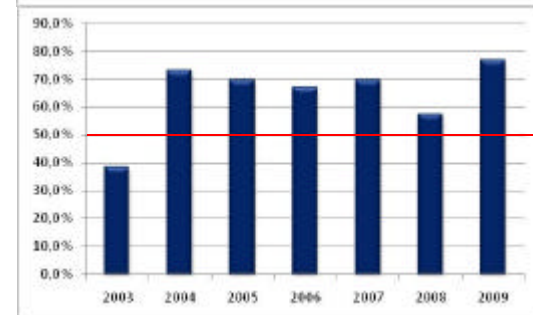
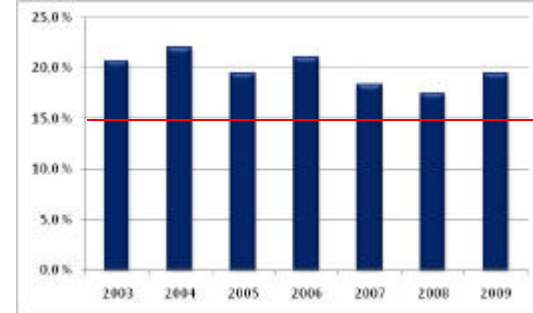
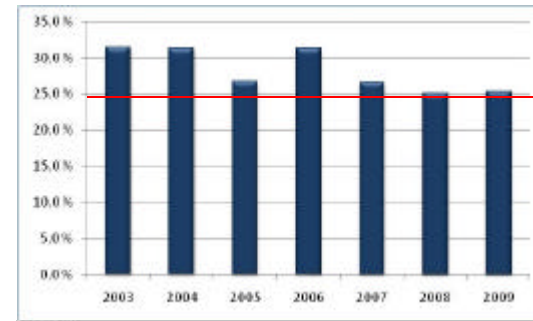
Coordination within value chain is a CSF



- Tight coordination between different parts of the value chain is a competitive advantage for Ekornes
- Coordination ensures a balance between important priorities, such as
 - Designs og products with market appeal corresponding to brand content
 - Products that can be efficiently produced
 - Products than can be efficiently promoted and sold
 - Products based on same raw materials to create scale advantages on the purchasing side

Financial targets

- Annual return on total capital of at least 25%
- Net profit ratio of at least 15%
- Equity-to-asset ratio of at least 50%
- Annual turnover growth of at least 5%
 - 2003-2009: 5,1%



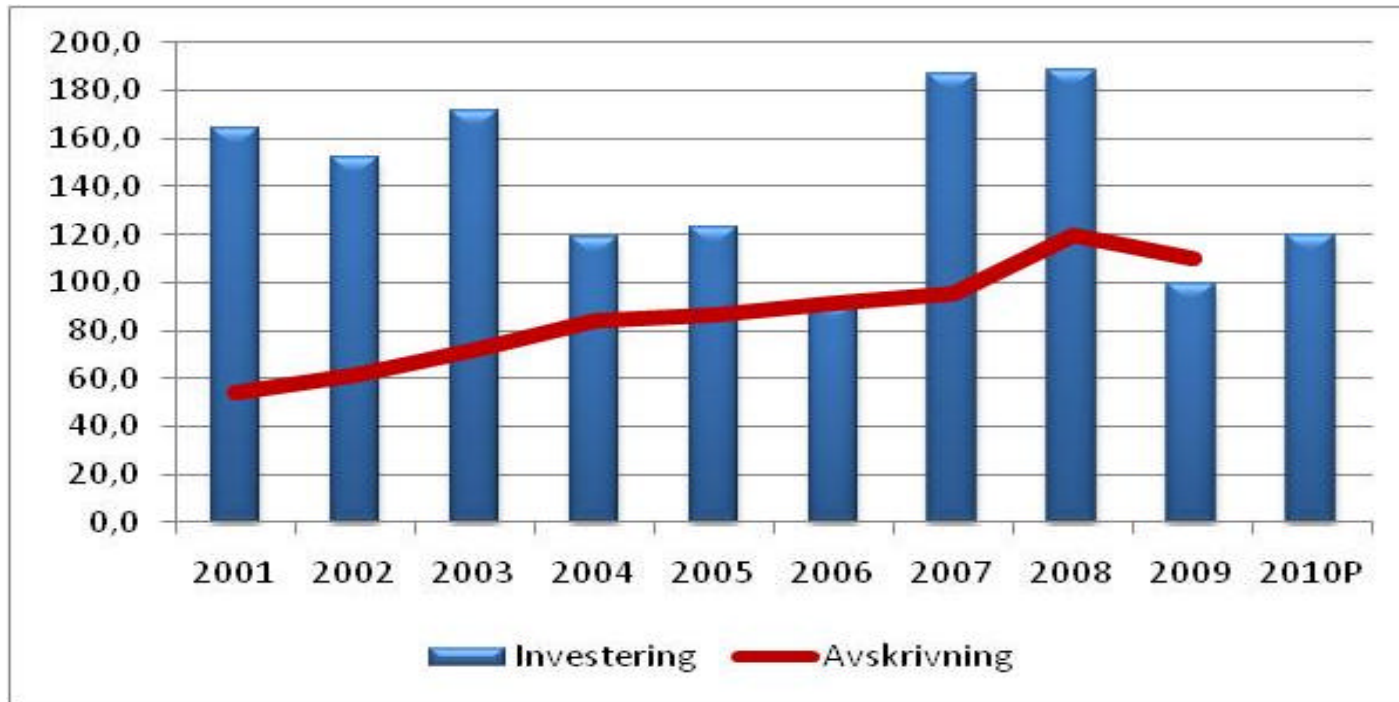
Organisational principles

- Simple structure to avoid unclear responsibilities
- Flat organisation to ensure short distance between problem and solution, and to make communication effective
- Desentralised structure to empower the most operative people and get efficient decision processes
- Keep number of staff functions as low as possible to avoid centralisation of decisions, e.g.;
 - No centralised technical department
 - No centralised HR department
 - No centralised communication staff
- Informal internal communication to make sure good ideas travel around, and to get as much involvement from employees as possible

Investment strategy

- Ekornes shall make purposeful investments in order to:
 - Continually develop its competitive power through utilising modern and efficient technology in streamlined production processes
 - Ensure that the enterprise maintains a high environmental standard
 - Attend to the employees' working environment and wellbeing in order to be an attractive employer
 - Develop and utilise new technology that supports the development of new products
 - Develop our production capacity in line with market demands for our products
- Over time, Ekornes shall invest at the level of the company's depreciations
 - During periods with requirements for major individual investments, the investments will exceed depreciations

Historical overview of investment levels



- Huge factory development projects have taken place since year 2000
- Huge projects, when needed, will be given priority instead of just increasing total investments

Information strategy

- Ekornes shall be transparent, honest and credible with respect to communication.
- Within the framework of the rules governing information for companies listed on the stock exchange, Ekornes shall provide information both internally and externally that contributes to a sound foundation for evaluating the company's position.
- Emphasis shall be placed on keeping our own employees continuously informed of important issues to ensure involvement, engagement and motivation.

Corporate social responsibility

- Ekornes shall act as a responsible enterprise and operate within all relevant laws, regulations and to strict ethical standards.
- We subscribe to and endeavour to comply with UN's Global compact. This means that in all parts of our business activity we shall maintain high standards of:
 - Respecting and complying with UN's human rights.
 - Respecting the rights and needs of our employees.
 - Environmental responsibility.
 - Combating corruption in Norway and abroad.
- Ekornes depends on the availability of labour.
 - Through financial contributions to voluntary clubs and various local arrangements, we therefore help to create good communities in areas where we have factories.

Environment

- The objective of Ekornes is to accept environmental responsibility related to manufacturing, distribution and use of the company's products.
- We will continue to implement initiatives in our factories that improve the internal and external environment, at the same time as we continue to select environmentally-friendly raw materials.

Ekornes has as its long-term objective to develop environmental issues to a competitive advantage through being ahead of our competitors also in this field.