



**KONSGBERG**  
AUTOMOTIVE

# 3rd Quarter Report 2013

Kongsberg Automotive Group



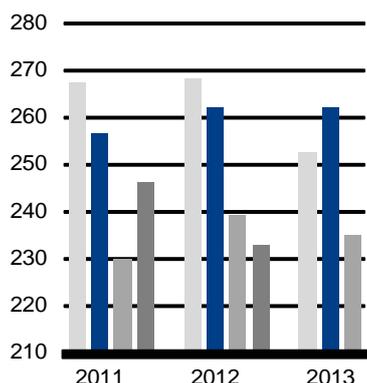
Enhancing the driving experience

2013

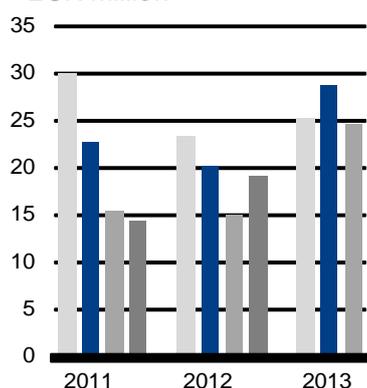


# Highlights 3<sup>rd</sup> quarter 2013

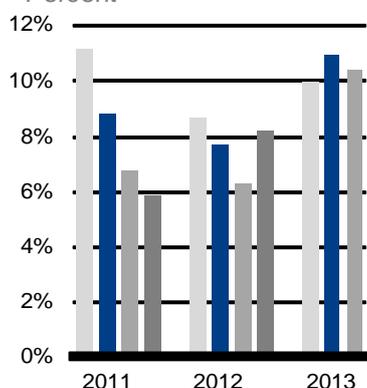
**Revenues per quarter**  
EUR million



**EBITDA per quarter**  
EUR million



**EBITDA Margin**  
Percent



## Highlights

- Revenues of EUR 234.8 million in line with guiding
- EBITDA of EUR 24.4 million (10.4%), up EUR 9.5 million from 3<sup>rd</sup> quarter 2012
- Improved profitability on lower revenues, reflecting the effects of operational and commercial improvements
- The gearing ratio reduced to 2.7 times NIBD/EBITDA
- Revenues for the 4<sup>th</sup> quarter are expected to be approx. EUR 230 million

## Key figures

MEUR	Q3 2013	Q3 2012	YTD 2013	YTD 2012	2012
Revenues	234.8	239.0	748.9	768.5	1001.1
<b>EBITDA</b>	<b>24.4</b>	<b>14.8</b>	<b>78.1</b>	<b>58.0</b>	<b>77.0</b>
EBITDA %	10.4 %	6.2 %	10.4 %	7.6 %	7.7 %
<b>EBIT</b>	<b>13.6</b>	<b>3.4</b>	<b>44.7</b>	<b>22.9</b>	<b>30.7</b>
EBIT (%)	5.8 %	1.4 %	6.0 %	3.0 %	3.1 %
<b>Net profit</b>	<b>4.1</b>	<b>0.8</b>	<b>10.9</b>	<b>7.0</b>	<b>5.3</b>
NIBD/EBITDA	2.7	4.3	2.7	4.3	3.8
Equity ratio (%)	27.4 %	24.8 %	27.4 %	24.8 %	24.8 %



# Group Financial Summary

## Condensed consolidated statement of profit and loss

MEUR	Q3 2013	Q3 2012	YTD 2013	YTD 2012	2012
Revenues	234.8	239.0	748.9	768.5	1001.1
Opex	(210.4)	(224.2)	(670.8)	(710.5)	(924.1)
<b>EBITDA</b>	<b>24.4</b>	<b>14.8</b>	<b>78.1</b>	<b>58.0</b>	<b>77.0</b>
<i>EBITDA (%)</i>	10.4 %	6.2 %	10.4 %	7.6 %	7.7 %
Depreciation and amortization	(10.8)	(11.5)	(33.4)	(35.1)	(46.3)
<b>EBIT</b>	<b>13.6</b>	<b>3.4</b>	<b>44.7</b>	<b>22.9</b>	<b>30.7</b>
<i>EBIT (%)</i>	5.8 %	1.4 %	6.0 %	3.0 %	3.1 %
Net financial items	(8.1)	(2.4)	(30.0)	(13.5)	(18.7)
<b>Profit before taxes</b>	<b>5.5</b>	<b>1.0</b>	<b>14.7</b>	<b>9.4</b>	<b>11.9</b>
Income taxes	(7.7)	(1.5)	(14.1)	(6.4)	(6.1)
Change in deferred tax	6.3	1.3	10.3	4.0	(0.5)
<b>Net profit</b>	<b>4.1</b>	<b>0.8</b>	<b>10.9</b>	<b>7.0</b>	<b>5.3</b>

### REVENUES

Revenues for the Group amounted to EUR 234.8 million in the 3rd quarter of 2013. The revenues were EUR -4.2 million (-1.8%) below the comparable period last year, including an unfavorable currency effect of EUR -11.5 million. Excluding the currency effect revenues were up by 3 %.

Revenues in the commercial vehicle segments increased by EUR 2.4 million. *Driver Control Systems* (DCS) decreased its revenues by EUR -2.7 million, while *Fluid Transfer Systems* (FTS) increased by EUR 5.1 million year over year. The commercial vehicle segments have experienced some volume increase due to Euro 6 pre-buy effects.. On the automotive side *Interior Systems* (IS) delivered EUR 2.4 million of revenues above same period last year, while *Driveline Systems* (DS) experienced a significant drop of EUR -10.5 million. The revenue decrease in DS was primarily driven by exposure to southern European markets and programs reaching end of production.

### EBITDA/ EBIT

The EBITDA for the Group was EUR 24.4 million in the third quarter of 2013, an increase of EUR 9.6 (64.9%) million compared to the 3rd quarter of 2012. The EBITDA margin was 10.4% compared to 6.2 % in the same period last year, an increase of 4.2 percentage points.

The profitability improvement achieved on lower revenues was driven by operational and commercial improvements, including the effects of a restructuring cost of EUR 5.2 million recognized in the comparable period last year.

### NET FINANCIALS

Net financials (see note 3.6) were EUR -8.1 million in the third quarter of 2013, compared to EUR -2.4 million in the same period in 2012. Lower interest expenses were offset by unrealized foreign currency effects. The change in FX effects was EUR 7.2 million comparing Q3 2012 with Q3 2013.

### PROFIT BEFORE TAX / NET PROFIT

Third quarter profit before tax increased from EUR 1.0 million to EUR 5.5 million driven primarily by EBITDA improvements. Tax expenses in the third quarter are in line with the estimated effective tax rate of 26 % resulting in a net profit for the quarter of EUR 4.1 million.



# Group Financial Summary

## Condensed statement of cash flow

MEUR	Q3 2013	Q3 2012	YTD 2013	YTD 2012	2012
Cash flow from operating activities	15.1	9.8	51.3	42.6	78.8
Cash flow from investing activities	(3.6)	(7.2)	(17.2)	(22.3)	(32.0)
Cash flow from financing activities	(27.2)	(2.7)	(45.7)	(40.6)	(65.3)
Currency effects on cash	(0.3)	(1.5)	(0.3)	0.1	(0.3)
Net change in cash	(16.0)	(1.6)	(11.9)	(20.1)	(18.8)
Net cash at 01.01 *	37.6	33.7	33.5	52.3	52.3
<b>Net cash at period end *</b>	<b>21.6</b>	<b>32.2</b>	<b>21.6</b>	<b>32.2</b>	<b>33.5</b>
Of this, restricted cash	2.1	4.9	2.1	4.9	2.6

\* Includes bank overdraft

### CASH FLOW FROM OPERATING ACTIVITIES

A strong third quarter EBITDA partly offset by a increased working capital contributed to a Net cash flow from operating activities of EUR 15.1 million, an increase of EUR 5.3 million compared to the same period in 2012.

### CASH FLOW FROM INVESTING ACTIVITIES

Capital expenditures for the third quarter dropped year-over-year by EUR 2.0 million, from EUR 7.3 to EUR 5.3 million. The lower level relates to all business areas. Interest received reduced net investments to EUR 3.6 million.

### CASH FLOW FROM FINANCING ACTIVITIES

Net cash flow from financing activities was EUR -27.2 million in the third quarter 2013, compared to EUR -2.7 million in 2012. The increase was primarily related to debt repayment in 2013. Interest payments decreased by EUR 0.7 million to EUR 4.0 million.

### NET CHANGE IN CASH

Changes in net cash, including bank overdraft, were EUR -16.0 million in the third quarter of 2013. The cash holding decreased by EUR 23.4 million from EUR 67.6 million to EUR 44.2 million during the third quarter. Bank overdraft was decreased by EUR 7.4 million from EUR 30.0 to EUR 22.6 during the third quarter.



# Group Financial Summary

## Condensed statement of financial position

MEUR	30.09.13	30.09.12	31.12.12
Non-current assets	398.6	432.3	419.4
Cash and cash equivalents	44.2	74.5	75.3
Other current assets	262.2	274.6	250.2
<b>Total assets</b>	<b>705.0</b>	<b>781.4</b>	<b>744.9</b>
Equity	193.4	193.5	184.7
Interest bearing debt	286.6	342.8	322.8
Other liabilities	225.0	245.1	237.4
<b>Total equity and liabilities</b>	<b>705.0</b>	<b>781.4</b>	<b>744.9</b>
<i>NIBD</i>	265.0	310.6	289.3
<i>Equity ratio</i>	27.4%	24.8%	24.8%

### ASSETS

Total assets were EUR 705.0 million as of 30th September 2013, a decrease of EUR 39.9 million since year end 2012, driven by a decrease in non-current assets and cash, partly offset by an increased working capital. The reduction in cash was primarily related to debt repayment.

### EQUITY

From year end 2012 equity increased by EUR 8.7 million to EUR 193.4 million. The increase was mainly driven by a positive net profit for the period of EUR 10.9 million partly offset by an equity adjustment due to a change in IFRS (ref note 1). The equity ratio improved by 2.6 percentage points to 27.4%.

### INTEREST BEARING DEBT

Gross interest bearing debt amounted to EUR 286.6 million at the end of the third quarter 2013, a reduction of EUR 36.2 million since year end 2012. The change reflects debt repayment and currency effects.

Net interest bearing debt was decreased by EUR 24.3 million to EUR 265.0 million since year end 2012. The decrease was driven by a strong operational cash flow partly offset by payment of interest and financial charges.

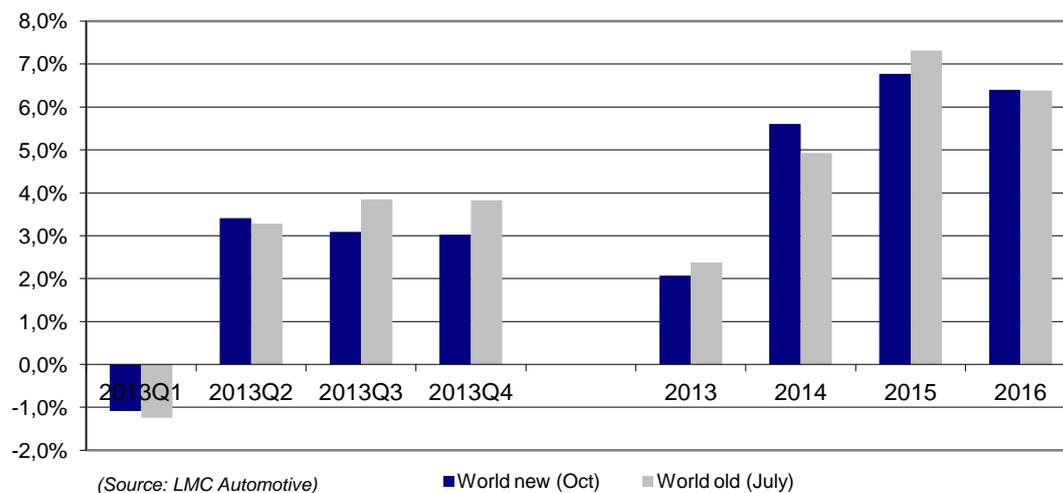


# Market Outlook

## Light Vehicle Production (LVP) estimates

Year-on-year change in production growth rate:

Light vehicle production: revised world estimates (ch Y/Y)



### GLOBAL LIGHT VEHICLE PRODUCTION

Light vehicle production (LVP) in the third quarter 2013 came in slightly lower than expected with a 3.1 % increase, compared to the July forecast of 3.8 %.

For the full year 2013 it is estimated that the production will end slightly lower than forecasted last quarter (+2.1% compared to +2.4%). This is more in line with the forecast from April.

The downturn in Europe is predicted to be around -2.1% for the full year 2013, slightly better than the previously forecasted -2.9%. EU production is positively influenced by export of premium brands to other regions. In August, the European production seasonally adjusted annualized sales rate turned positive year-over-year for the first time since January. This indicates a slightly positive momentum in the European market.

The North American market declined slightly, and the Q3 figures ended with a 5.3% growth, below the 7.3% that was forecasted in July. If the recent US Government shutdown is not resolved before debt ceiling is reached, the effect on car sales could be profound.

The loss of consumer confidence in Thailand and India is the main reason for the reductions in Asia. The Asia (minus China) Q3 production grew by 2.5%, which is significantly less than the 5.4% growth forecasted in July.

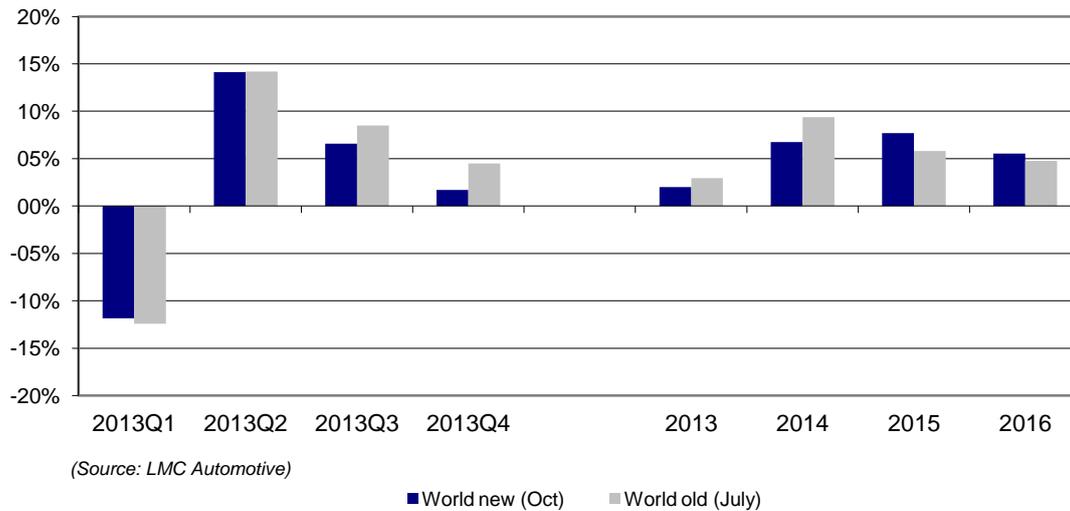


# Market Outlook

## Commercial Vehicle Production (CVP) estimates

Year-on-year change in production growth rate:

**Medium and heavy duty truck production: revised world estimates (ch Y/Y)**



### GLOBAL COMMERCIAL VEHICLE PRODUCTION

The commercial vehicle production (CVP) saw lower growth in the 3<sup>rd</sup> quarter (6.6%) compared to the forecasted 8.5%. The revised outlook for 2013 is reduced to 2.69 million vehicles from 2.72 in the July estimate.

The main reason for the reduced estimate for the full year 2013 is the slower growth of the commercial vehicle markets in Asia, with 4.5% growth for 2013 in China compared to 9.2% forecasted in July and a reduction of 6.5% in the rest of Asia compared to a reduction of 2.8% forecasted in July.

The introduction of the EURO6 emission standards in Europe in January 2014 has resulted in a visible pre-buy effect. The July forecast for Q3 was -5.9%, and has now turned, so Q3 ended with +2.7% year-on-year changes. This trend is expected to continue in the 4<sup>th</sup> quarter.

On the positive side, the South American markets still has a strong growth of 49% in Q3, compared to the 26% growth forecast for Q3 in July. South America (mainly Brazil) is anticipated to end 2013 with a growth of close to 50%. It should be noted that 2012 showed a steep decline because of the significant EURO4 pre-buy effect in 2011.

# Interior Systems

## Segment Reporting

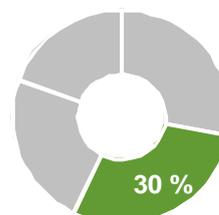


### Interior Systems

Interior is a global leader in the development, design and manufacture of seat comfort systems and mechanical and electro-mechanical light-duty motion controls to Tier 1 and OEM customers. The product range includes; seat adjuster cables and other cabling systems, lumbar support and side bolsters, seat heating, ventilation and massage systems, arm rests and head restraints.

The Interior products address the passenger car market, with particularly strong positions in the European and North American markets. Market penetration for products such as seat heating, seat ventilation and massage systems is especially high in medium to higher end cars, whereas headrests and light duty cables can be found in all ranges of cars. Customers include all major European and North American car and seat manufacturers such as Johnson Controls, Faurecia, Audi, Volvo and BMW. In addition the division is a market leader in the supply of light-duty cables to the Outdoor Power Equipment market globally and several other niche industrial market sectors.

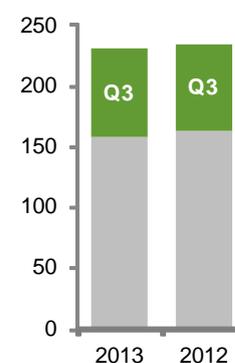
### Share of Q3 2013 revenues



### Key figures

MEUR	Q3 2013	Q3 2012	YTD 2013	YTD 2012	2012
Revenues	72.1	69.7	230.1	232.7	304.5
EBITDA	8.2	5.7	27.7	24.4	32.8
EBITDA (%)	11.3 %	8.2 %	12.0 %	10.5 %	10.8 %
Depreciation	(2.2)	(2.1)	(7.4)	(6.0)	(8.6)
Amortization	(0.5)	(0.5)	(1.6)	(1.6)	(2.1)
EBIT	5.4	3.1	18.7	16.8	22.1
EBIT (%)	7.5 %	4.4 %	8.1 %	7.2 %	7.2 %
Capex	(1.5)	(1.7)	(3.9)	(6.9)	(8.3)
Capital employed *	149.0	159.8	149.0	159.8	156.5

### Revenues (MEUR)



\* Includes PP&E, intangible assets, inventories, trade receivables and trade payables

### Financial update

Interior revenues increased by EUR 2.4 million (3.4%) to EUR 72.1 million in the 3rd quarter 2013 compared to the same quarter in 2012, including a negative currency effect of EUR 3.2 million. Revenues YTD 2013 amounted to EUR 230.1 million, a decrease of -1.1% from 2012. This reduction was driven by a Q1 inventory correction at two major North American customers.

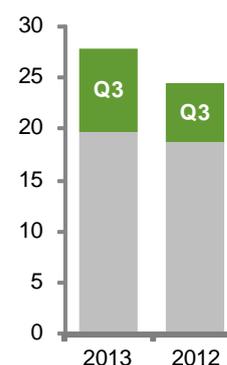
EBITDA was EUR 8.2 million in the third quarter, an increase of EUR 2.4 million compared to third quarter 2012. The increase came as a consequence of improvement actions and fixed costs reduction. EBITDA YTD increased by EUR 3.3 million (13.7%) to EUR 27.7 million.

### Operational update

In the 3<sup>rd</sup> quarter Interior finalized the consolidation of two of its North American Light Duty Cable (LDC) plants into a single, existing facility. The consolidation of these facilities should allow for improved operational efficiency and the ability to service the market more effectively and strengthen our long-term competitiveness.

The Light Duty Cable (LDC) Business Unit continues to win new business across all market sectors. In Q3 KA was awarded a major seat cable program worth €6.3m in North America for a premium SUV. The re-focus on this product group is now resulting in more enquiries on all continents as customers show increased confidence in our ability to support them with cable solutions. At the same time we are developing new systems utilizing cables and mechatronics to enable us to offer our customers new valuable features.

### EBITDA (MEUR)



# Driveline Systems

## Segment Reporting

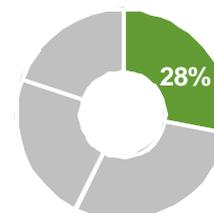


### Driveline Systems

Driveline is a global Tier 1 supplier of driver controls in the automotive market. The portfolio includes custom-engineered cable controls and complete shift systems, including shifter modules, shift cables and shift towers.

The Driveline products address the passenger car market, with particularly strong positions in Europe. With a global footprint, Driveline is able to support customers worldwide. Key customers include Ford, General Motors, Volvo and Renault-Nissan.

### Share of Q3 2013 revenues

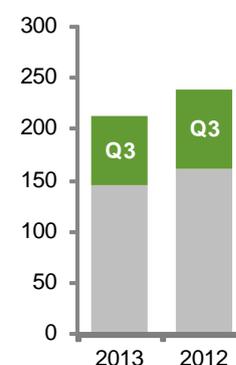


### Key figures

MEUR	Q3 2013	Q3 2012	YTD 2013	YTD 2012	2012
Revenues	67.2	77.7	211.0	238.4	308.9
EBITDA	3.7	(2.1)	10.7	(0.9)	1.6
EBITDA (%)	5.5 %	-2.7 %	5.1 %	-0.4 %	0.5 %
Depreciation	(1.9)	(2.5)	(5.9)	(8.0)	(9.7)
Amortization	(0.8)	(0.7)	(2.3)	(2.0)	(2.7)
EBIT	1.0	(5.3)	2.6	(10.9)	(10.8)
EBIT (%)	1.6 %	-6.8 %	1.2 %	-4.6 %	-3.5 %
Capex	(0.6)	(1.9)	(3.0)	(7.8)	(9.3)
Capital employed *	85.9	103.7	85.9	103.7	86.4

\* Includes PP&E, intangible assets, inventories, trade receivables and trade payables

### Revenues (MEUR)



### Financial update

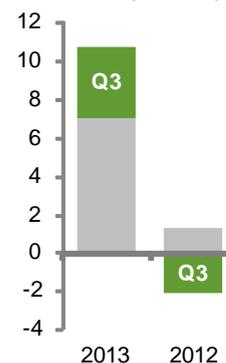
Driveline revenues decreased by EUR -10.5 million (-13.6 %) to EUR 67.2 million in the third quarter 2013 compared to the same quarter 2012, including an unfavorable currency effect of EUR -2.2 million. The decline in revenues was mainly due to a general decline in sales in the European market, in combination with some programs reaching end of production.

EBITDA was EUR 3.7 million in the third quarter, up EUR 5.8 million compared to the third quarter 2012. The EBITDA margin was 5.5%, up 8.2 percentage points from the comparable quarter last year. The improvements in operational performance, exit from unprofitable business, price increases and fixed cost reduction more than offset the lower volume. EUR 5.2 million of the EBITDA increase is related to restructuring costs recognized in third quarter 2012.

### Operational update

The business continue to focus on further improving margins and several actions related to continued capacity adjustments and cost reductions are implemented to continue the good trend. Management is continuing the focus on profitable growth and to reposition some of the product offering at the right margin level, as well as developing new technology concepts. This is shown in the high amount of booked business in this area throughout 2013.

### EBITDA (MEUR)



At the automotive show IAA in Frankfurt, the new Shift-by-Wire concept from Driveline was displayed in the Volvo Concept Coupe. The shifter concept attracted a lot of interest and is demonstrating the capabilities of the Driveline R&D team.

# Fluid Transfer Systems

## Segment Reporting



### Fluid Transfer Systems

Fluid Transfer designs and manufactures fluid handling systems for both the automotive and commercial vehicle markets, as well as coupling systems for compressed-air circuits in heavy trucks. The business area provides completely engineered flexible fluid assemblies for all market segments in which it operates. The business area is also specialized in manufacturing tube and hose assemblies for difficult environments.

Fluid Transfer products primarily address the commercial vehicle market, with particularly strong positions in the United States and in Western Europe.

Key customers in commercial vehicles include Volvo Trucks and Navistar. OEM automotive customers are Volvo Cars, Ford and Jaguar Land Rover. Key Tier 1 automotive customers include TI Automotive, Cooper Standard Automotive and Martinrea in addition to an industrial customer base primarily in North America and Europe.

### Key figures

#### Fluid Systems

MEUR	Q3 2013	Q3 2012	YTD 2013	YTD 2012	2012
Revenues	47.2	42.1	140.8	133.2	176.0
EBITDA	8.8	6.1	24.3	21.3	27.9
EBITDA (%)	18.7 %	14.4 %	17.2 %	16.0 %	15.8 %
Depreciation	(1.8)	(1.7)	(5.4)	(5.0)	(7.0)
Amortization	(0.8)	(0.9)	(2.6)	(2.6)	(3.5)
EBIT	6.2	3.4	16.3	13.6	17.3
EBIT (%)	13.1 %	8.2 %	11.6 %	10.2 %	9.8 %
Capex	(1.4)	(1.5)	(4.4)	(3.5)	(5.5)
Capital employed *	114.4	121.7	114.4	121.7	113.2

\* Includes PP&E, intangible assets, inventories, trade receivables and trade payables

### Financial update

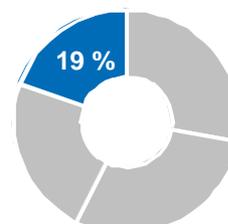
Fluid Transfer revenues increased by EUR 5.1 million (12.1%) to EUR 47.2 million in the third quarter 2013 compared to the same quarter 2012, including an unfavorable currency effect of EUR -2.4 million. The revenue increase reflects an improving European commercial vehicle market aided by certain customers planning to pre-buy Euro 5 trucks prior to the transition to the new Euro 6 emission regulations in January 2014. This was partially offset by commercial vehicle weakness in the North America market. The YTD 2013 revenues were up by EUR 7.6 million (5.7%) to EUR 140.8 million including a negative currency effect of EUR 2.9 million.

EBITDA was EUR 8.8 million in the third quarter, an increase of EUR 2.8 million compared to third quarter 2012. The EBITDA margin increased by 4.3 percentage points to 18.7%, based on the operational gearing effects of the improved top line in Europe partially offset by weak commercial vehicle performance in North America. For YTD 2013 EBITDA was EUR 24.3 million, an increase of EUR 3.0 million compared with the first three quarters of 2012. The EBITDA margin increased 1.3 percentage points to 17.2%, due to strong performance in our European commercial vehicle- and global automotive businesses.

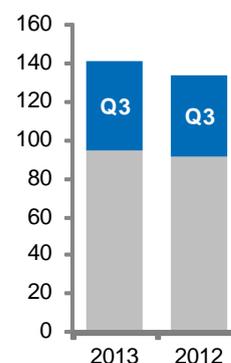
### Operational update

During Q3 Fluid Transfer continued to win contracts globally that strengthen our position as an expert niche supplier in the commercial vehicle and automotive segments. Fluid Transfer was able to satisfy a significant increase in customer demand during the quarter specifically in our European commercial vehicle segment. The ability to be agile and meet customer demands in recovering markets are key drivers of higher organic growth rates for the business area.

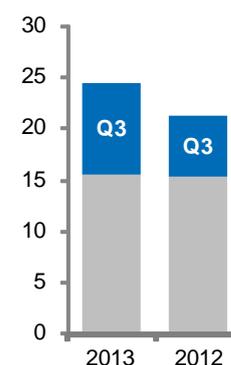
### Share of Q3 2013 revenues



### Revenues (MEUR)



### EBITDA (MEUR)



# Driver Control Systems

## Segment Reporting



### Driver Control Systems

Driver Control Systems is a global leader in the development, design and manufacturing of operator control systems for commercial, industrial, agricultural, construction and power sports vehicles offering a robust product portfolio of clutch actuation systems, gearshift systems, vehicle dynamics, steering columns, pedal systems and electronic displays.

Driver Control Systems' products and services have particularly strong positions in European, North American, Brazilian, and South Korean markets. Key customers include Volvo Group, Scania, MAN, Daimler, Hyundai, DAF/PACCAR, John Deere, CAT and BRP.

### Key figures

MEUR	Q3 2013	Q3 2012	YTD 2013	YTD 2012	2012
Revenues	55.9	58.6	190.6	192.6	248.6
EBITDA	7.3	8.7	27.8	25.9	31.7
EBITDA (%)	13.0 %	14.8 %	14.6 %	13.5 %	12.7 %
Depreciation	(1.5)	(1.6)	(4.7)	(4.6)	(6.2)
Amortization	(1.1)	(1.3)	(3.4)	(3.6)	(4.7)
EBIT	4.6	5.8	19.6	17.8	20.8
EBIT (%)	8.2 %	9.9 %	10.3 %	9.2 %	8.3 %
Capex	(1.5)	(2.4)	(7.6)	(5.1)	(7.7)
Capital employed *	123.1	126.5	123.1	126.5	120.0

\* Includes PP&E, intangible assets, inventories, trade receivables and trade payables

### Financial update

Driver Control Systems revenues decreased by EUR 2.7 million (4.7%) to EUR 55.9 million in the third quarter 2013 compared to the same quarter 2012, including an unfavorable currency effect of EUR -4.1 million. The revenue decrease was primarily due to unfavorable currency effects. New product launches, increased aftermarket sales and an improving Brazilian market offset some of the top line currency effects. The market outlook includes improving demand due to reduced inventories for Off-Highway equipment, stabilizing economic conditions within the EU, and stronger On-Highway demand partially driven by Euro 6 pre-buy effects.

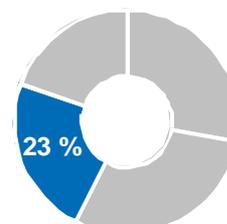
EBITDA was EUR 7.3 million in the third quarter, a decrease of EUR 1.4 million (-16.3%) compared to the third quarter 2012. The currency effects discussed above in combination with an increased spend in engineering to leverage increased project opportunities were the primary contributors to the somewhat lower EBITDA.

Higher capital expenditures are the result of investments in new capacities as well as equipment upgrades to enhance operational efficiencies.

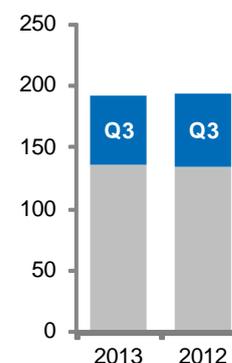
### Operations update

Within the third quarter investments in both equipment and people related to the Electronics Center of Excellence are coming to a close and the associated work is resulting in an increased level of project and opportunity activity. Although in the early stages, the outlook is in line with the strategic growth expectations. New business wins increased in the quarter, totaling EUR 6.1 million annually through Q3. The new business wins represented progress in all product and geographic areas, and confirmed the viability of DCS strategy.

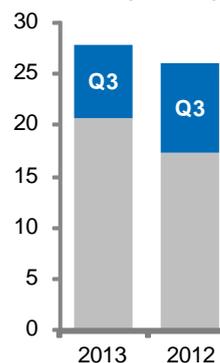
### Share of Q3 2013 revenues



### Revenues (MEUR)



### EBITDA (MEUR)



# Condensed Consolidated Financial Statement



## Statement of comprehensive income

MEUR	Q3 2013	Q3 2012	YTD 2013	YTD 2012	2012
Revenues	234.8	239.0	748.9	768.5	1001.1
Opex	(210.4)	(224.2)	(670.8)	(710.5)	(924.1)
<b>EBITDA</b>	<b>24.4</b>	<b>14.8</b>	<b>78.1</b>	<b>58.0</b>	<b>77.0</b>
<i>EBITDA (%)</i>	<i>10.4 %</i>	<i>6.2 %</i>	<i>10.4 %</i>	<i>7.6 %</i>	<i>7.7 %</i>
Depreciation and amortization	(10.8)	(11.5)	(33.4)	(35.1)	(46.3)
<b>EBIT</b>	<b>13.6</b>	<b>3.4</b>	<b>44.7</b>	<b>22.9</b>	<b>30.7</b>
<i>EBIT (%)</i>	<i>5.8 %</i>	<i>1.4 %</i>	<i>6.0 %</i>	<i>3.0 %</i>	<i>3.1 %</i>
Net financial items	(8.1)	(2.4)	(30.0)	(13.5)	(18.7)
<b>Profit before taxes</b>	<b>5.5</b>	<b>1.0</b>	<b>14.7</b>	<b>9.4</b>	<b>11.9</b>
Income taxes	(7.7)	(1.5)	(14.1)	(6.4)	(6.1)
Change in deferred tax	6.3	1.3	10.3	4.0	(0.5)
<b>Net profit</b>	<b>4.1</b>	<b>0.8</b>	<b>10.9</b>	<b>7.0</b>	<b>5.3</b>
Translation differences	(0.1)	(4.5)	5.6	(2.5)	(8.6)
Tax on translation differences	(0.0)	3.4	(5.6)	4.3	5.8
<b>Total compr income</b>	<b>3.9</b>	<b>(0.3)</b>	<b>10.8</b>	<b>8.8</b>	<b>2.4</b>
<i>Net profit attributable to:</i>					
Equity holders (parent comp)	4.0	0.7	10.8	6.9	5.2
Non-controlling interests	0.1	0.1	0.1	0.1	0.1
<b>Total</b>	<b>4.1</b>	<b>0.8</b>	<b>10.9</b>	<b>7.0</b>	<b>5.3</b>
<i>Total comprehensive income attributable to:</i>					
Equity holders (parent comp)	3.8	(0.4)	10.7	8.7	2.3
Non-controlling interests	0.1	0.1	0.1	0.1	0.1
<b>Total</b>	<b>3.9</b>	<b>(0.3)</b>	<b>10.8</b>	<b>8.8</b>	<b>2.4</b>
<b>Earnings per share:</b>					
Basic earnings per share, Eur	0.01	(0.00)	0.03	0.02	0.01
Diluted earnings per share, Eur	0.01	(0.00)	0.03	0.02	0.01

# Condensed Consolidated Financial Statement



## Statement of financial position

MEUR	30.09.13	30.09.12	31.12.12
Deferred tax asset	56.5	57.0	54.2
Intangible assets	219.3	238.8	232.9
Property, plant and equipment	121.4	132.8	131.1
Other non-current assets	1.3	3.7	1.2
<b>Non-current assets</b>	<b>398.6</b>	<b>432.3</b>	<b>419.4</b>
Inventories	77.8	86.2	78.8
Accounts receivable	149.2	150.0	129.4
Other short term receivables	35.2	38.3	42.0
Cash and cash equivalents	44.2	74.5	75.3
<b>Current assets</b>	<b>306.4</b>	<b>349.1</b>	<b>325.5</b>
<b>Total assets</b>	<b>705.0</b>	<b>781.4</b>	<b>744.9</b>
Share capital	24.6	27.1	27.2
Share premium reserve	207.8	228.8	229.7
Other equity	(41.7)	(68.8)	(75.1)
Non-controlling interests	2.7	6.4	2.9
<b>Total equity</b>	<b>193.4</b>	<b>193.5</b>	<b>184.7</b>
Interest bearing loans and borrowings	286.6	306.7	321.2
Deferred tax liabilities	14.4	18.3	15.9
Other long term liabilities	16.5	15.0	14.7
<b>Non-current liabilities</b>	<b>317.5</b>	<b>340.0</b>	<b>351.8</b>
Bank overdraft	22.6	42.3	41.8
Other short term liabilities, interest bearing	0.0	36.1	1.6
Accounts payable	95.1	95.8	95.9
Other short term liabilities	76.4	73.6	69.0
<b>Current liabilities</b>	<b>194.1</b>	<b>247.9</b>	<b>208.4</b>
<b>Total liabilities</b>	<b>511.6</b>	<b>587.9</b>	<b>560.2</b>
<b>Total equity and liabilities</b>	<b>705.0</b>	<b>781.4</b>	<b>744.9</b>

# Condensed Consolidated Financial Statement



## Statement of change in equity YTD

MEUR	30.09.13	30.09.12	31.12.12
<b>Equity as of start of period</b>	<b>184.7</b>	<b>185.3</b>	<b>185.3</b>
Net profit for the period	10.9	7.0	5.3
Translation differences	5.6	(2.5)	(8.6)
Tax on translation differences	(5.6)	4.3	5.8
<i>Total comprehensive income</i>	<i>10.8</i>	<i>8.8</i>	<i>2.4</i>
Options contracts (employees)	0.3	0.4	0.6
Treasury shares	0.0	0.0	0.0
Other changes in non-controlling interest	(0.6)	(0.5)	(3.4)
Other changes in equity	(1.9)	(0.5)	(0.2)
<b>Equity as of end of period</b>	<b>193.4</b>	<b>193.5</b>	<b>184.7</b>

# Condensed Consolidated Financial Statement



## Statement of cash flow

<i>MEUR</i>	Q3 2013	Q3 2012	YTD 2013	YTD 2012	2012
<i>Operating activities</i>					
(Loss) / profit before taxes	5.5	1.0	14.7	9.4	11.9
Depreciation	7.5	7.9	23.4	23.6	31.5
Amortization	3.3	3.5	10.0	11.5	14.8
Interest income	(1.0)	(0.1)	(1.2)	(0.2)	(0.3)
Interest expenses	4.4	5.2	13.4	13.8	19.1
Taxes paid	(2.7)	(0.6)	(5.9)	(1.8)	(8.4)
(Gain) / loss on sale of non-current assets	0.0	0.0	0.0	0.0	0.0
Changes in receivables	7.9	8.7	(19.8)	(4.4)	16.3
Changes in inventory	0.8	4.6	1.0	8.2	15.6
Changes in payables	(10.9)	(17.0)	(0.8)	(13.5)	(13.4)
Currency (gain)/ loss	3.2	(5.2)	15.3	(8.6)	(10.3)
Changes in value fin. derivatives	0.1	1.2	(1.5)	3.4	3.8
Changes in other items	(3.0)	0.7	2.7	1.2	(1.7)
<b>Cash flow from operating activities</b>	<b>15.1</b>	<b>9.8</b>	<b>51.3</b>	<b>42.6</b>	<b>78.8</b>
<i>Investing activities</i>					
Capital expenditures	(5.3)	(7.3)	(19.0)	(22.5)	(29.9)
Investments in subsidiaries	0.0	0.0	0.0	0.0	(2.4)
Interest received	1.7	0.1	1.8	0.2	0.3
<b>Cash flow from investing activities</b>	<b>(3.6)</b>	<b>(7.2)</b>	<b>(17.2)</b>	<b>(22.3)</b>	<b>(32.0)</b>
<i>Financing activities</i>					
Proceeds from sale of treasury shares	0.0	0.0	0.0	0.0	0.0
Repayment of external loans	(22.5)	2.0	(32.0)	(21.3)	(39.3)
Interest paid	(4.0)	(4.7)	(12.7)	(11.4)	(16.7)
Dividends paid*	(0.6)	(0.0)	(0.6)	(0.5)	(1.2)
Other financial charges	(0.2)	0.0	(0.4)	(7.4)	(8.2)
<b>Cash flow from financing activities</b>	<b>(27.2)</b>	<b>(2.7)</b>	<b>(45.7)</b>	<b>(40.6)</b>	<b>(65.3)</b>
<b>Currency effects on cash</b>	<b>(0.3)</b>	<b>(1.5)</b>	<b>(0.3)</b>	<b>0.1</b>	<b>(0.3)</b>
Net change in cash	(16.0)	(1.6)	(11.9)	(20.1)	(18.8)
Net cash at 01.01 **	37.6	33.7	33.5	52.3	52.3
<b>Net cash at period end **</b>	<b>21.6</b>	<b>32.2</b>	<b>21.6</b>	<b>32.2</b>	<b>33.5</b>
Of this, restricted cash	2.1	4.9	2.1	4.9	2.6

\* Dividend to JV partner in Shanghai Kongsberg Automotive Dong Feng Morse Co Ltd (China).

\*\* Includes bank overdraft

# Condensed Consolidated Financial Statement



## Notes to the consolidated financial statement

### **Note 1 – Disclosures**

#### **GENERAL INFORMATION**

Kongsberg Automotive Holding ASA and its subsidiaries develop, manufacture and sell products to the automotive industry all over the world. Kongsberg Automotive Holding ASA is a limited liability company which is listed on the Oslo Stock Exchange. The consolidated interim financial statements are not audited.

#### **BASIS OF PREPARATION**

This condensed consolidated interim financial information, ended 30 September 2013, and has been prepared in accordance with IAS 34 "Interim financial reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2012, which have been prepared in accordance with IFRS.

#### **ACCOUNTING POLICIES**

The accounting policies are consistent with those of the annual financial statements for the year ended 31 December 2012, as described in those annual financial statements, with the exception of the revised IAS 19 "Employee Benefits" that became effective 1<sup>st</sup> of January 2013. Historical figures not restated due to immaterial effects. The change means that all actuarial gains and losses will be recognized in comprehensive income as they arise (no corridor), and finance cost will be calculated on a net funding basis.

Taxes on income in the interim periods are accrued using the estimated effective tax rate.

#### **RISK**

The Group's activities are exposed to different types of risks. Some of the most important factors are foreign exchange rates, interest rates, raw material prices and credit risk, as well as liquidity risk. As the Company operates in many countries, it is vulnerable to currency risk. The greatest currency exposure is associated with EUR and USD, while raw material exposure is greatest in copper, zinc, aluminum and steel. The gearing level in the company is high, which influences the liquidity situation in the Group. Uncertainty in the market development is still a risk factor. The Board of Directors and management continue to proactively address the risk factors described above.

#### **SEASONALITY**

The Group is to some extent influenced by seasonality. The seasonality is mainly driven by the vacation period in the 3rd quarter and December each year having lower sales.

# Condensed Consolidated Financial Statement



## Note 2 - Segment reporting

### 2.1 OPERATING REPORTABLE SEGMENTS

YTD 2013

MEUR	Driveline	Interior	Driver Controls	Fluid Transfer	Elim & other	Group
Operating Revenues	211.0	230.1	190.6	140.8	(23.7)	748.9
<b>EBITDA</b>	<b>10.7</b>	<b>27.7</b>	<b>27.8</b>	<b>24.3</b>	<b>(12.4)</b>	<b>78.1</b>
Depreciation	(5.9)	(7.4)	(4.7)	(5.4)	(0.0)	(23.4)
Amortization	(2.3)	(1.6)	(3.4)	(2.6)	(0.1)	(10.0)
<b>EBIT</b>	<b>2.6</b>	<b>18.7</b>	<b>19.6</b>	<b>16.3</b>	<b>(12.5)</b>	<b>44.7</b>
<i>Assets and liabilities</i>						
Goodwill	6.1	71.4	33.6	47.0	1.2	159.4
Other intangible assets	13.5	9.6	22.9	14.5	(0.6)	59.9
Property, plant and equipment	30.8	28.9	34.0	27.3	0.5	121.4
Inventories	21.8	15.7	25.2	15.7	(0.6)	77.8
Trade receivables	39.6	49.2	31.2	29.1	(0.9)	148.2
Segment assets	111.9	174.8	146.8	133.7	(0.4)	566.8
Unallocated assets	-	-	-	-	138.2	138.2
<b>Total assets</b>	<b>111.9</b>	<b>174.8</b>	<b>146.8</b>	<b>133.7</b>	<b>137.8</b>	<b>705.0</b>
Trade payables	26.0	25.8	23.8	19.3	0.3	95.1
Unallocated liabilities	-	-	-	-	416.5	416.5
<b>Total liabilities</b>	<b>26.0</b>	<b>25.8</b>	<b>23.8</b>	<b>19.3</b>	<b>416.7</b>	<b>511.6</b>
Capital expenditure	3.0	3.9	7.0	4.4	(0.1)	18.2

# Condensed Consolidated Financial Statement



YTD 2012

MEUR	Driveline	Interior	Driver Controls	Fluid Transfer	Elim & other	Group
Operating Revenues	238.4	232.7	192.6	133.2	(28.4)	768.5
<b>EBITDA</b>	<b>(0.9)</b>	<b>24.4</b>	<b>25.9</b>	<b>21.3</b>	<b>(12.6)</b>	<b>58.0</b>
Depreciation	(8.0)	(6.0)	(4.6)	(5.0)	(0.0)	(23.6)
Amortization	(2.0)	(1.6)	(3.6)	(2.6)	(1.7)	(11.5)
<b>EBIT</b>	<b>(10.9)</b>	<b>16.8</b>	<b>17.8</b>	<b>13.6</b>	<b>(14.3)</b>	<b>22.9</b>
<i>Assets and liabilities</i>						
Goodwill	6.3	74.3	34.0	48.7	0.0	163.3
Other intangible assets	16.2	12.6	27.7	18.4	0.6	75.5
Property, plant and equipment	35.0	34.8	33.2	29.4	0.5	132.8
Inventories	27.5	18.1	25.9	15.3	(0.6)	86.2
Trade receivables	48.0	44.5	30.0	27.5	(1.7)	148.3
Segment assets	132.9	184.3	150.9	139.3	(1.2)	606.1
Unallocated assets	-	-	-	-	175.3	175.3
<b>Total assets</b>	<b>132.9</b>	<b>184.3</b>	<b>150.9</b>	<b>139.3</b>	<b>174.1</b>	<b>781.4</b>
Trade payables	29.1	24.5	24.3	17.6	0.2	95.8
Unallocated liabilities	-	-	-	-	492.1	492.1
<b>Total liabilities</b>	<b>29.1</b>	<b>24.5</b>	<b>24.3</b>	<b>17.6</b>	<b>492.3</b>	<b>587.9</b>
Capital expenditure	6.7	6.8	4.6	3.3	0.0	21.5

# Condensed Consolidated Financial Statement



## 2.2 SEGMENTS BY GEOGRAPHICAL LOCATION

### 2.2.1 Sales to customers by geographical location

MEUR	2013		2012		2012	
	Jan - Sept	%	Jan - Sept	%	Jan - Dec	%
Sweden	65.4	8.7 %	63.9	8.3 %	85.9	8.6 %
Germany	87.8	11.7 %	95.5	12.4 %	118.0	11.8 %
France	57.1	7.6 %	62.0	8.1 %	71.5	7.1 %
Other EUR	187.1	25.0 %	175.4	22.8 %	241.9	24.2 %
<b>Total EUR</b>	<b>397.4</b>	<b>53.1 %</b>	<b>396.9</b>	<b>51.6 %</b>	<b>517.3</b>	<b>51.7 %</b>
USA	190.8	25.5 %	199.9	26.0 %	249.3	24.9 %
NA other	75.3	10.1 %	73.5	9.6 %	108.2	10.8 %
<b>Total NA</b>	<b>266.2</b>	<b>35.5 %</b>	<b>273.3</b>	<b>35.6 %</b>	<b>357.5</b>	<b>35.7 %</b>
China	41.0	5.5 %	48.9	6.4 %	65.1	6.5 %
Asia Other	15.9	2.1 %	20.7	2.7 %	28.6	2.9 %
<b>Total Asia</b>	<b>56.8</b>	<b>7.6 %</b>	<b>69.6</b>	<b>9.1 %</b>	<b>93.7</b>	<b>9.4 %</b>
Other countries	28.5	3.8 %	28.6	3.7 %	32.5	3.3 %
<b>Operating revenues</b>	<b>748.9</b>	<b>100.0 %</b>	<b>768.5</b>	<b>100.0 %</b>	<b>1,001.1</b>	<b>100.0 %</b>

All countries with identified revenue of more than 5 % of total revenue are split out.

### 2.2.2 Non-current assets by geographical location

MEUR	2013		2012		2012	
	Jan - Sept	%	Jan - Sept	%	Jan - Dec	%
USA	113.0	33.2 %	136.4	36.7 %	131.7	36.2 %
UK	12.4	3.6 %	14.1	3.8 %	13.4	3.7 %
Norway	28.7	8.4 %	31.8	8.6 %	32.0	8.8 %
Germany	15.9	4.7 %	21.6	5.8 %	20.8	5.7 %
Sweden	31.7	9.3 %	33.5	9.0 %	32.9	9.0 %
Poland	34.9	10.2 %	37.2	10.0 %	37.1	10.2 %
Other	104.2	30.6 %	97.0	26.1 %	96.1	26.4 %
<b>Total Non-Current Assets*</b>	<b>340.9</b>	<b>100.0 %</b>	<b>371.6</b>	<b>100.0 %</b>	<b>364.0</b>	<b>100.0 %</b>

\* Non-current assets by geographical location include Intangible assets (incl. goodwill) and property, plant and equipment.

# Condensed Consolidated Financial Statement



2012

MEUR	Driveline	Interior	Driver Controls	Fluid Transfer	Elim & other	Group
Operating Revenues	308.9	304.5	248.6	176.0	(37.0)	1,001.1
<b>EBITDA</b>	<b>1.6</b>	<b>32.8</b>	<b>31.7</b>	<b>27.9</b>	<b>(17.0)</b>	<b>77.0</b>
Depreciation	(9.7)	(8.6)	(6.2)	(7.0)	(0.0)	(31.5)
Amortization	(2.7)	(2.1)	(4.7)	(3.5)	(1.7)	(14.8)
<b>EBIT</b>	<b>(10.8)</b>	<b>22.1</b>	<b>20.8</b>	<b>17.3</b>	<b>(18.7)</b>	<b>30.7</b>
<i>Assets and liabilities</i>						
Goodwill	6.2	73.4	33.8	47.9	0.0	161.3
Other intangible assets	15.4	11.9	26.5	17.3	0.5	71.6
Property, plant and equipment	34.6	33.1	33.5	29.3	0.5	131.1
Inventories	22.5	18.3	25.1	13.6	(0.6)	78.8
Trade receivables	33.8	45.5	25.8	24.2	(1.5)	127.8
Segment assets	112.4	182.2	144.7	132.3	(1.1)	570.6
Unallocated assets	-	-	-	-	174.3	174.3
<b>Total assets</b>	<b>112.4</b>	<b>182.2</b>	<b>144.7</b>	<b>132.3</b>	<b>173.2</b>	<b>744.9</b>
Trade payables	26.0	25.7	24.7	19.2	0.3	95.9
Unallocated liabilities	-	-	-	-	464.3	464.3
<b>Total liabilities</b>	<b>26.0</b>	<b>25.7</b>	<b>24.7</b>	<b>19.2</b>	<b>464.6</b>	<b>560.2</b>
Capital expenditure	8.2	8.3	6.8	5.3	0.0	28.6

# Condensed Consolidated Financial Statement



## Note 3 – Interest bearing loans and borrowings

MEUR	30.09.13	31.12.12
Bank loans	286.6	321.2
Other current interest-bearing liabilities	0.0	1.6
<b>Total interest-bearing liabilities</b>	<b>286.6</b>	<b>322.8</b>

### 3.1 NON-CURRENT LIABILITIES

The group has outstanding financing facilities as follows (in local currencies, million):

Facilities	Currency	Total Amounts	Drawn Amounts	Maturity Date	Interest Rate (incl margin)
DNB / Nordea Reducing Revolving Facility					
Tranche in EUR	EUR	226.0	156.0	30.03.17	3.75%
Tranche in USD	USD	181.7	159.0	30.03.17	3.75%
Innovasjon Norge	NOK	130.5	130.5	10.12.21	4.90%- 6.09%

### 3.2 OTHER CURRENT INTEREST-BEARING LIABILITIES

These comprise accrued interest and capital repayments on long-term loans payable within twelve months of the balance sheet date, as well as certain other short-term interest-bearing liabilities.

# Condensed Consolidated Financial Statement



## 3.3 BORROWING BY CURRENCY

<b>MEUR</b>	<b>30.09.13</b>	<b>31.12.12</b>
EUR	154.2	176.0
USD	116.2	132.7
NOK	16.2	13.5
Other currencies	0.0	0.6
<b>Total interest-bearing liabilities</b>	<b>286.6</b>	<b>322.8</b>

## 3.4 MATURITY SCHEDULE

The maturity schedule for liabilities is as follows (in local currencies, million):

<b>Year</b>	<b>EUR</b>	<b>USD</b>	<b>NOK</b>
Facility reduction 4th quarter 2013	20.0	-	-
Facility reduction 2014	40.0	-	7.7
Facility reduction 2015	40.0	-	15.4
Facility reduction 2016	40.0	-	15.4
Facility reduction 2017 (and later)	86.0	181.7	92.0
<b>Total</b>	<b>226.0</b>	<b>181.7</b>	<b>130.5</b>

## 3.5 LIQUIDITY RESERVE

The liquidity reserve of KA group consists of:

<b>MEUR</b>	<b>30.09.13</b>	<b>31.12.12</b>
Cash reserve	42.1	72.7
Un-utilized facility	86.8	75.2
<b>Total (before use)</b>	<b>128.8</b>	<b>147.8</b>
Used (Bankoverdraft)	(22.6)	(41.8)
<b>Unused liquidity reserve</b>	<b>106.3</b>	<b>106.0</b>

# Condensed Consolidated Financial Statement



## 3.6 NET FINANCIALS

MEUR	Q3 2013	Q3 2012	YTD 2013	YTD 2012	2012
Interest income	1.0	0.1	1.2	0.2	0.3
Interest expenses	(4.4)	(5.2)	(13.4)	(13.8)	(19.1)
Foreign currency gains (losses)	(3.1)	5.2	(15.2)	8.5	10.3
Change in valuation currency contracts	(0.1)	(1.2)	1.5	(3.4)	(3.8)
Other financial items	(1.4)	(1.4)	(4.1)	(5.1)	(6.4)
<b>Net financial items</b>	<b>(8.1)</b>	<b>(2.4)</b>	<b>(30.0)</b>	<b>(13.5)</b>	<b>(18.7)</b>



## Other Company Information

Kongsberg Automotive Holding ASA  
Dyrmyrgata 48  
3601 Kongsberg, Norway  
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www.kongsbergautomotive.com

### The Board of Directors:

Ulla-Britt Fräjdin-Hellqvist	(Chairman)
Thomas Falck	(Shareholder elected)
Maria Borch Helsingreen	(Shareholder elected)
Magnus Jonsson	(Shareholder elected)
Halvor Stenstadvold	(Shareholder elected)
Eivind Holvik	(Employee elected)
Tonje Sivesindtjet	(Employee elected)
Kjell Kristiansen	(Employee elected)

### Executive Committee:

Hans Peter Havdal	President & CEO
Trond Stabekk	Executive Vice President & CFO
Jarle Nymoen	Executive Vice President, Human Resources
Anders Nyström	Executive Vice President, Purchase
Joachim Magnusson	Executive Vice President, Driveline
Scott Paquette	Executive Vice President, Interior
Jonathan Day	Executive Vice President, Fluid Transfer
James G. Ryan	Executive Vice President, Driver Control Systems

### Investor Relations:

Hans Peter Havdal	+47 920 65 690
Trond Stabekk	+47 982 14 054
Philippe Toth	+47 982 14 021

### Financial Calendar

Publication of the quarterly financial statements:

	<b>Interim reports</b>	<b>Presentation</b>
1 <sup>st</sup> Quarter 2013	16 April 2013	17 April 2013
2 <sup>nd</sup> Quarter 2013	11 July 2013	12 July 2013
3 <sup>rd</sup> Quarter 2013	17 October 2013	18 October 2013
4 <sup>th</sup> Quarter 2013	13 February 2014	14 February 2014



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