



KONGSBERG AUTOMOTIVE
First Quarter 2013

Group highlights for the first quarter

REVENUES

- ▶ Revenue of EUR 252.2 million, including positive currency effect of EUR 0.3 million. Slightly above company guiding of EUR 245 million
- ▶ Market outlook for Q2 indicates a revenue level of EUR 250 million

PROFITABILITY

- ▶ Improved profitability on lower revenues from a weaker market, secured an EBITDA of MEUR 25.1, up MEUR 1.9 (8,1%) from Q1 2012
- ▶ Commercial and operational improvements, mainly in Driveline, contributed to improve profitability on a lower revenue.

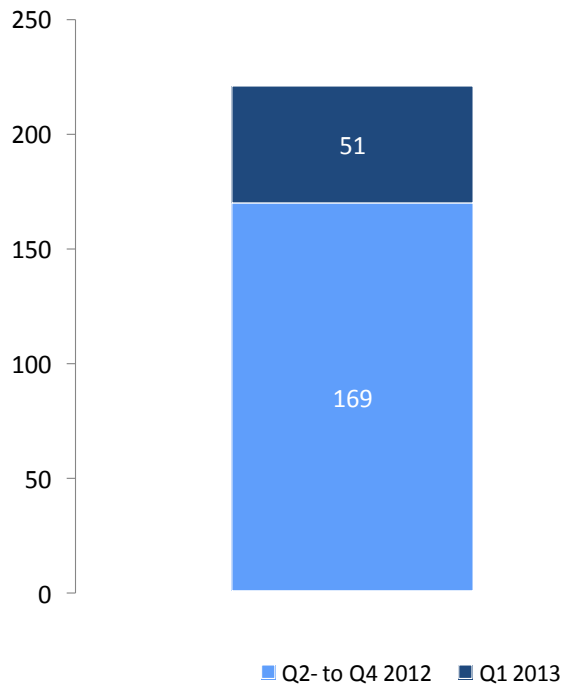
MARKET

- ▶ The North American market is in line with same period last years, while the Asian market is significantly down
- ▶ The slow European market still impacts the revenues negatively in this quarter, the largest impact was within the automotive segment

New business wins last 4 quarters

New business wins

EUR Million



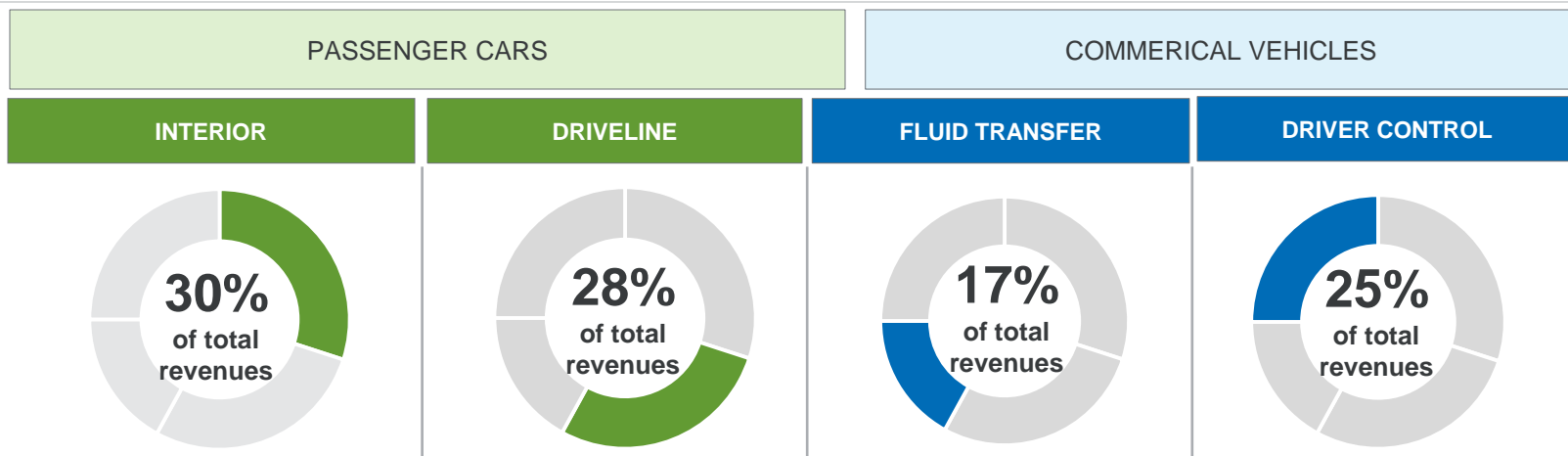
- ▶ EUR 51 million per annum of new business booked in Q1-2013 confirms good trend on order intake
- ▶ KA needs to secure business wins in the area of 15 % of annual revenue to compensate for programs running out



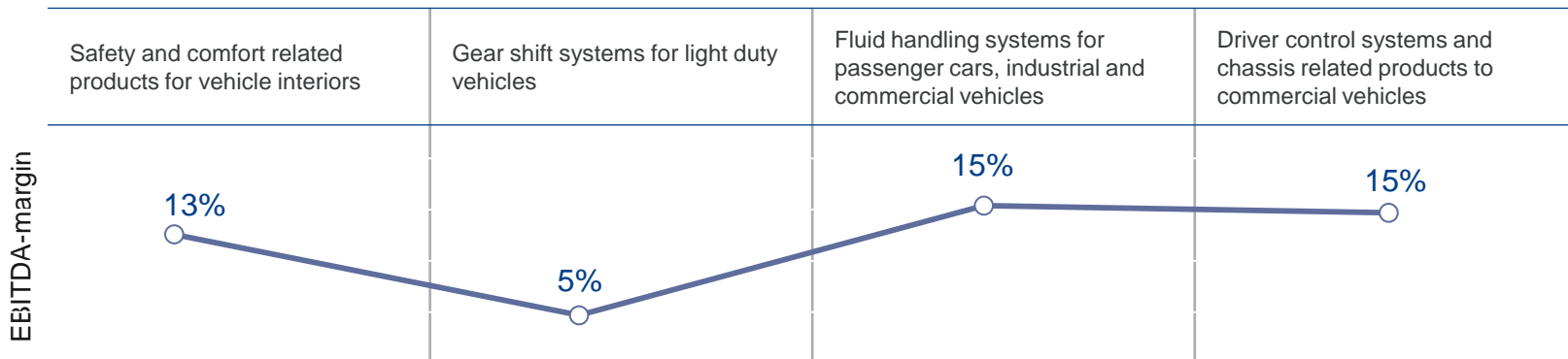


Hans Peter Havdal
Operational Review

Q1 2013: Business area overview



Market



Highlights and performance

► Operational update

- The Light Duty Cable Business Unit was successfully included (merged) into Interior System Business Area
- This change has already created synergies for the new Business Unit
- Several significant contracts won with Automotive OEMs in Europe and North America on safety and comfort features



► Market & trends

- Benefited from good North American market
- Increased customer interest and R&D activity level in North America following a positive market
- Less exposure to southern EU OEMs, good position toward premium brands



INTERIOR

New Contract with premium European car brand – Life time value EUR 35 million

- ▶ **Contract details**
 - Support systems, massage systems and light duty cables for a fast growing premium European car brand
- ▶ **Timing**
 - Will run over five years
 - Scheduled to launch in 2014
- ▶ **Production**
 - Seat comfort systems will be produced at KA's facility in Puskow, Poland
 - Light duty cables will take place at KA's facility in Siofok, Hungary



Highlights and performance

► Operational update

- Our fixed cost reduction initiative in combination with improved pricing is helping to compensate for lower sales in southern EU
- Focus is now on optimizing and stabilizing our operations in Vrable, Slovakia following the product transfer from Germany
- New program launch in India for Renault-Nissan of Shift Towers with total volume of 300 000. New launch in Mexico on 85 000 Auto Shifters for Chrysler in North America

► Market & Trends

- The drop in revenues was mainly due to a general decline in sales in the European market



DRIVELINE

New contract – Life time value EUR 150 million

- ▶ Contract for a major European OEM for supply of the complete manual gear shifter systems
- ▶ Will be used in one of the Top 10 most sold vehicle platforms in the EU region and in other B segment cars
- ▶ Scheduled to launch in first quarter 2015 and will run over seven years
- ▶ Production from KA in Cluses, France, likely to expanded to Asia



Highlights and performance

▶ Operational update

- Launch of a global program for Jaguar Land Rover of fuel- and air suspension lines from our plants in Epila (Spain)
- Two new program launches for Volvo Trucks as part of the new Euro 6 platform from our Epila (Spain) facility



▶ Market & trends

- Weak commercial vehicle performance, partially offset by higher automotive sales volumes in North America
- European market remains weak as expected
- Continue to win new contracts strengthening our position as an expert niche supplier



FLUID TRANSFER

New contract worth EUR 5.3 million within commercial vehicle segment

- ▶ Technical hose assemblies used in the fuel and break systems will be delivered to one of Europe's Premier manufacturers of commercial vehicles
- ▶ Confirms positive growth trend for Fluid Transfer Systems in commercial vehicles
- ▶ The life time of this contract is 3 years, with start of production in the summer of 2013
- ▶ Production will take place from KA's facility in Epila, Spain.



Highlights and performance

► Operational update

- The new division was officially launched January 1st and the first quarter of existence has been very smooth
- Many of the synergies expected from the merger are starting to materialize and we see strong interest from our customers
- 1/3 of the business wins in the first quarter were associated with BRIC countries.
- The launch of the new Kantrak 3700 programmable display continues to go well and KA was recently awarded a 2012 top 10 Innovation Awards by OEM Off-Highway magazine for the product

► Market & Trends

- Underlying demand is still soft in Europe due to economic uncertainty
- North American market remains strong, while the Asian market is significantly down



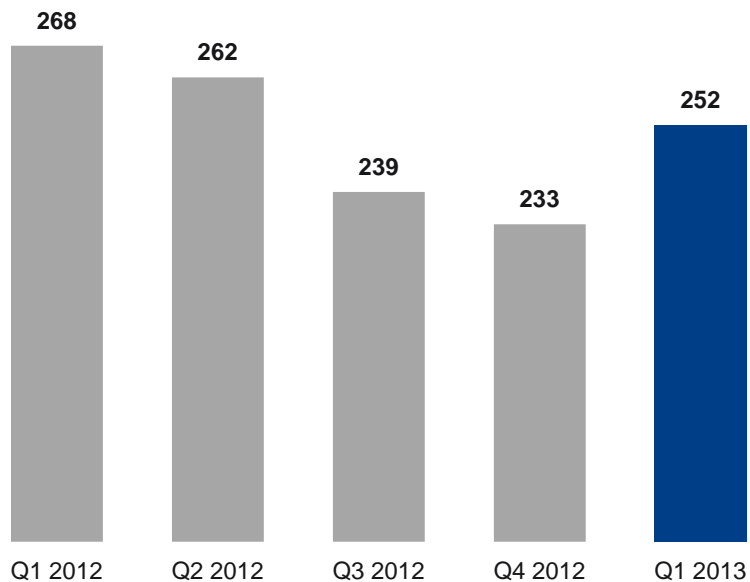
KANtrak 3700



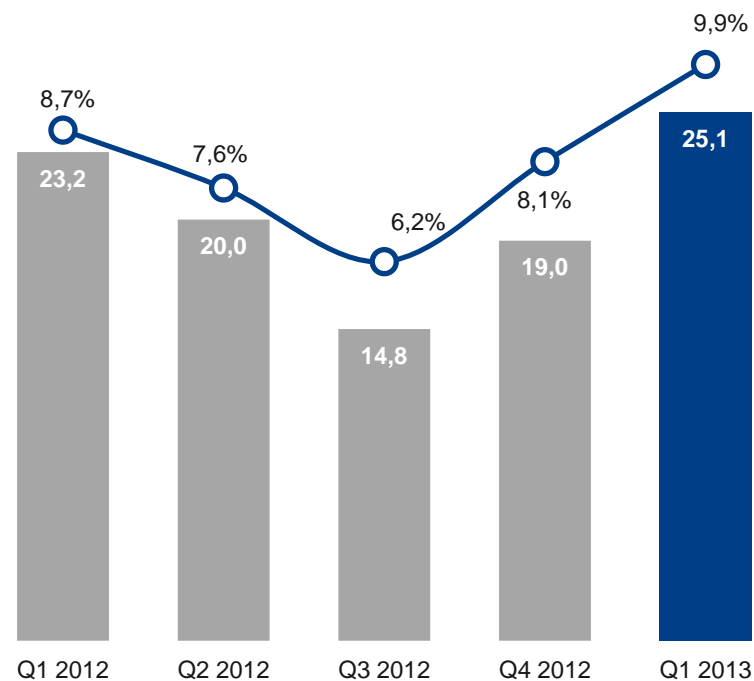
Trond Stabekk
Financial Update

Revenue and EBITDA

Revenues
EUR Million

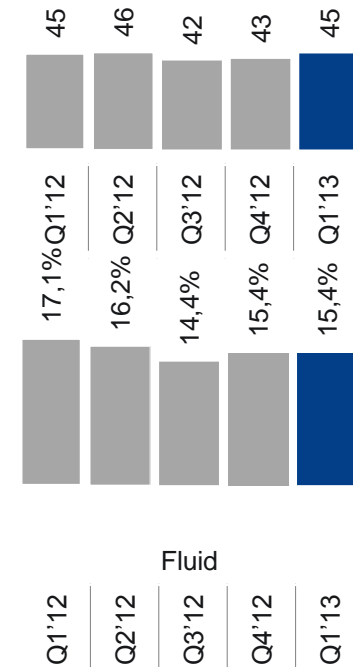
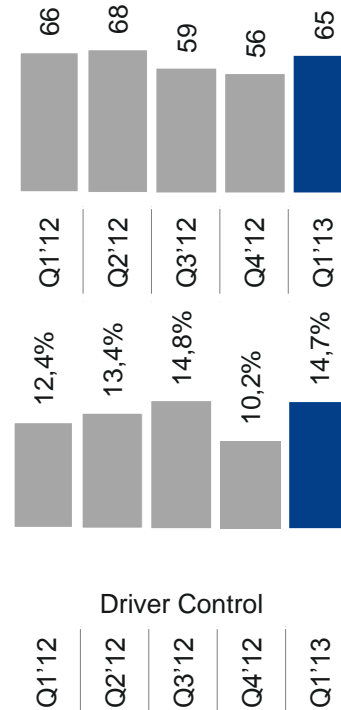
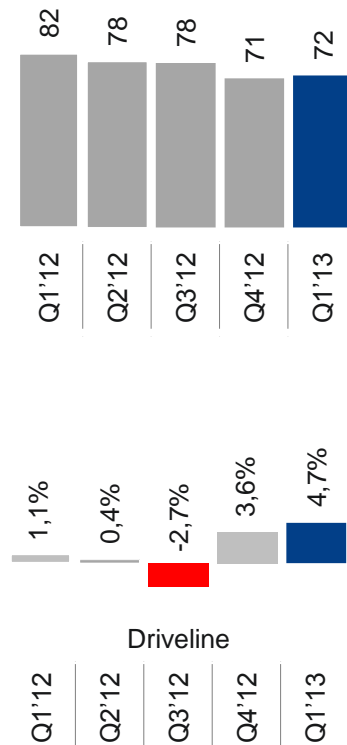
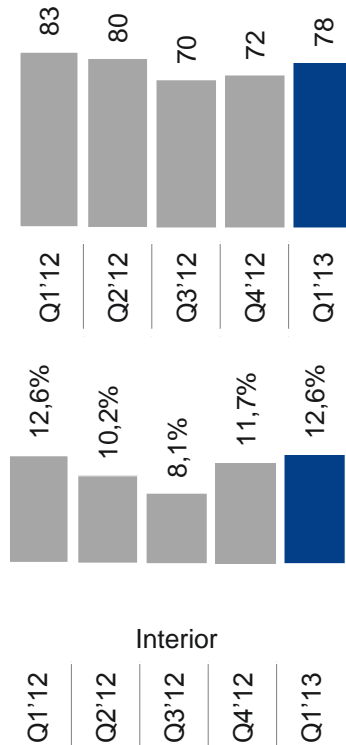


EBITDA and EBITDA Margin
EUR Million and percent



Segment financials 1st quarter

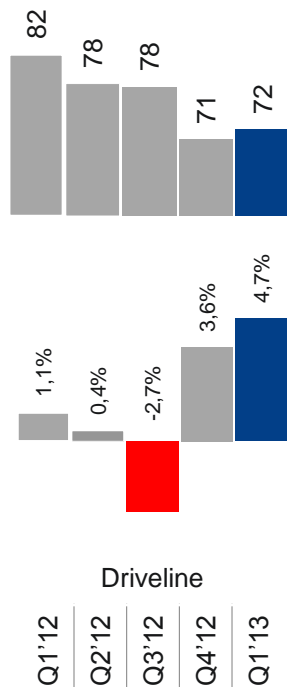
Revenues and EBITDA margin
EUR Million and percent



Driveline profitability

Revenues and EBITDA margin

EUR Million and percent



- ▶ Continue to strengthen underlying margins despite low volumes
- ▶ The implemented improvements are giving results; focus on improved operational performance, price increases with customers and fixed cost reduction

Consolidated income statement

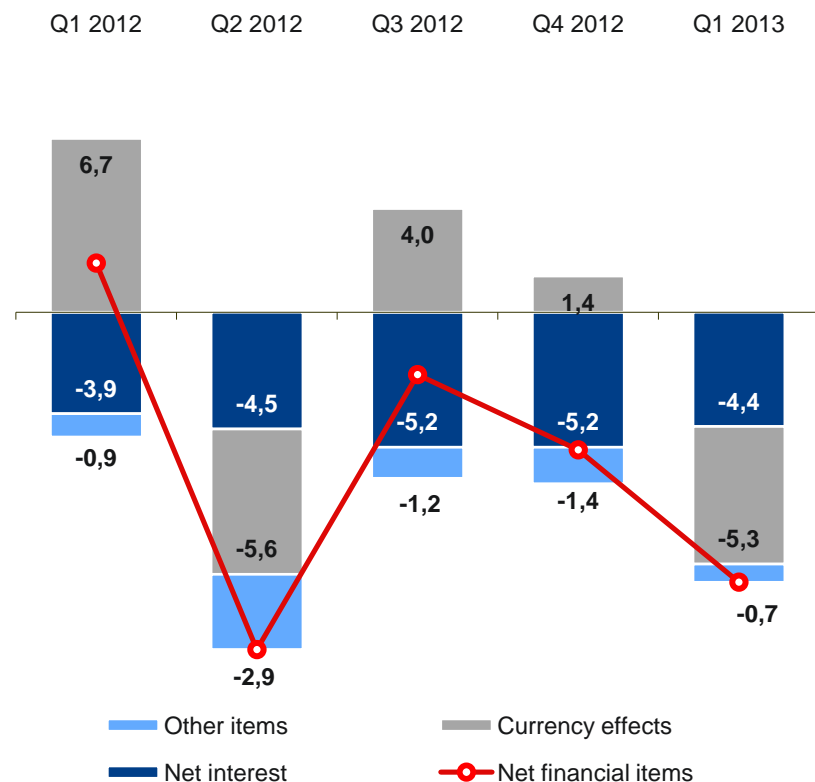
EUR Million	Quarters					Twelve months ending	
	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	31.12.12	31.03.13
Revenues	267.8	261.6	239.0	232.6	252.2	1001.1	985.4
OPEX	-244.6	-241.6	-224.2	-213.6	-227.1	-924.1	-906.6
EBITDA	23.2	20.0	14.8	19.0	25.1	77.0	78.9
EBITDA (%)	8.7%	7.6%	6.2%	8.1%	9.9%	7.7%	8.0%
D&A	-10.4	-13.3	-11.5	-11.2	-11.6	-46.3	-47.5
EBIT	12.8	6.7	3.4	7.8	13.5	30.7	31.4
EBIT (%)	4.8%	2.6%	1.4%	3.3%	5.3%	12.1%	3.2%
Financial items	1.9	-13.0	-2.4	-5.3	-10.4	-18.7	-31.1
PBT	14.7	-6.3	1.0	2.5	3.0	11.9	0.3
Tax	-3.8	1.6	-0.2	-4.2	-0.8	-6.7	-3.6
Net profit	10.9	-4.6	0.8	-1.7	2.3	5.3	-3.3

- ▶ Revenue run rate in line with guiding
- ▶ LTM EBITDA run rate increase for 3rd consecutive quarter
- ▶ Net financials influenced by unrealized FX effects

Financial items

Net financial items

EUR Million



- ▶ Interest rate margin reduced as a consequence of lower gearing
- ▶ Foreign currency gain/ loss is significantly swing factor compared to same quarter last year.

Currency effects / strategy focus

Being an international Group, currency is a part of our daily business. Different currency elements will influence the different parts of the financial statements

Accounting effects (IFRS)

Equity effect of currency in Q1 (MEUR)

FX effects taken through profit & loss	FX effects directly through equity	Net FX effect on equity
- 5.3	6.8	1,5

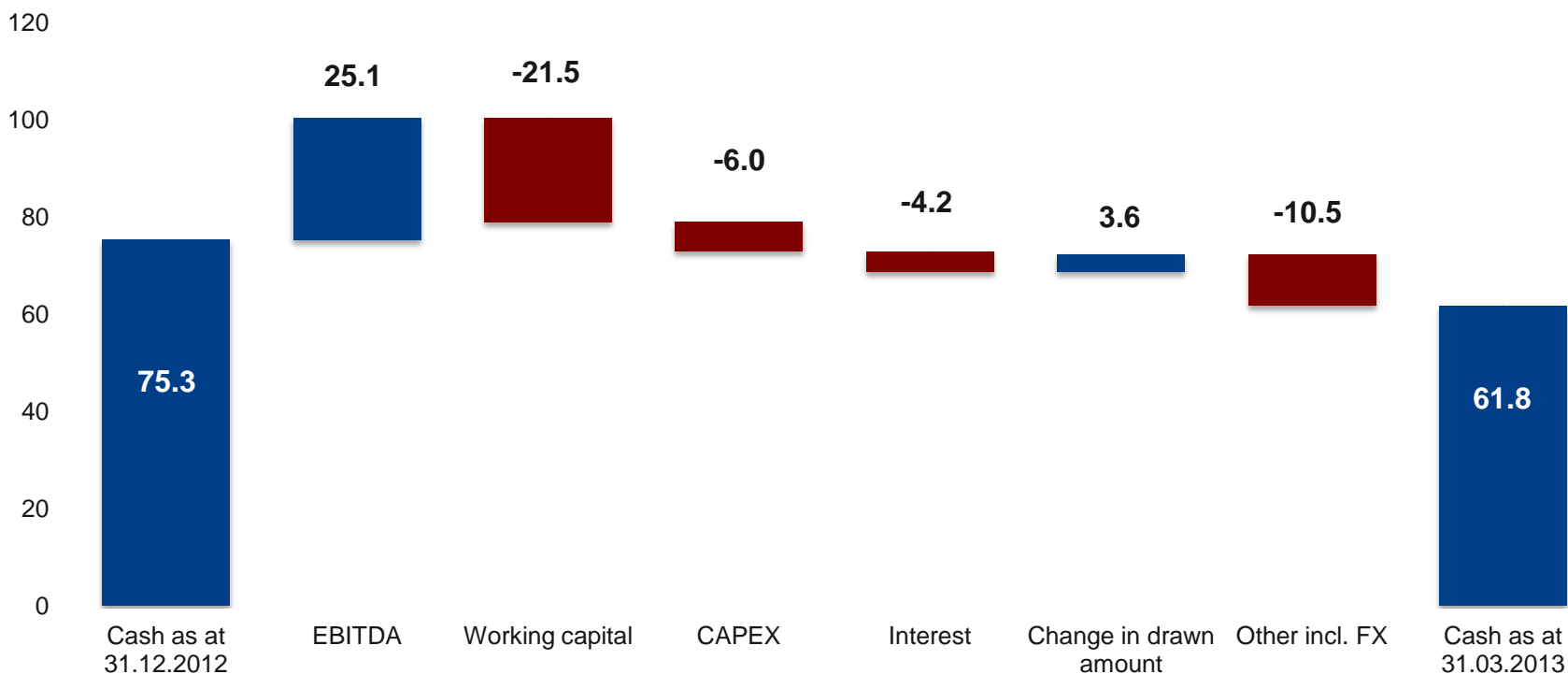
Cash flow effects

Transactional / Cash-flow effects

- ✓ The accounting effects described do not influence cash-flow.
- ✓ The Group manage its net currency exposure from operations by using transactions as "natural hedging"
- ✓ The debt structure is used to off-set the cash-surplus e.i. use EUR cash flow to pay EUR debt and USD cash flow to pay USD debt
- ✓ The loan facility is a Multi currency facility which can be utilized to offset short term changes in the exposure

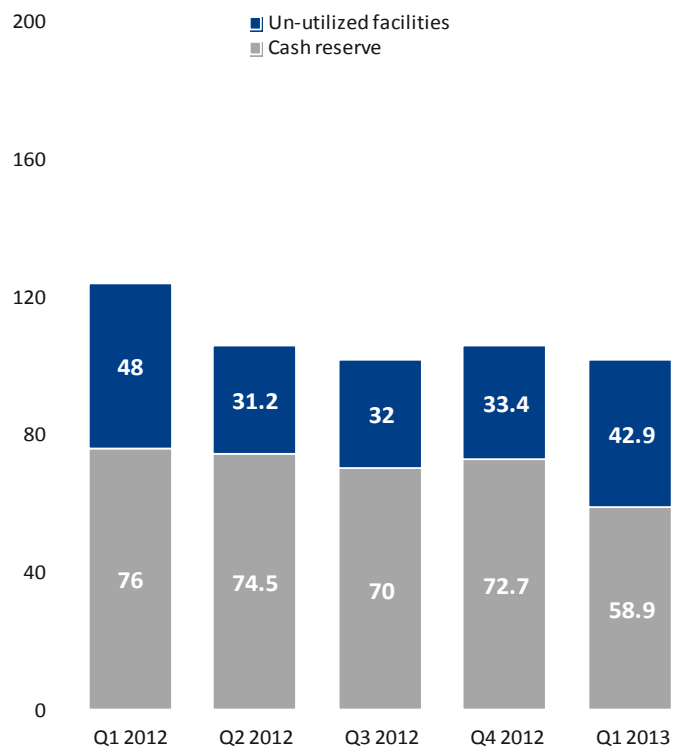
Cash flow development

Cash flow
EUR Million

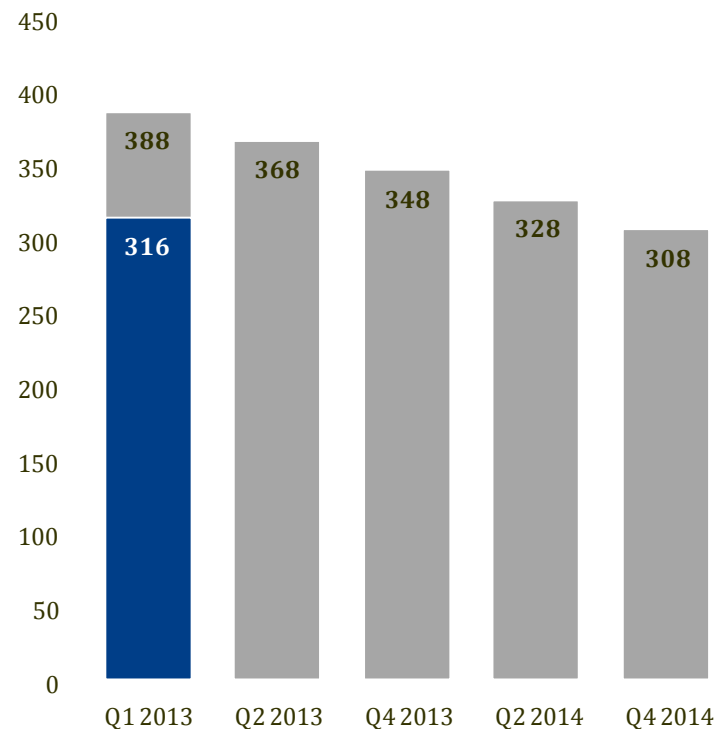


Available funds and utilization

Available funds
EUR Million

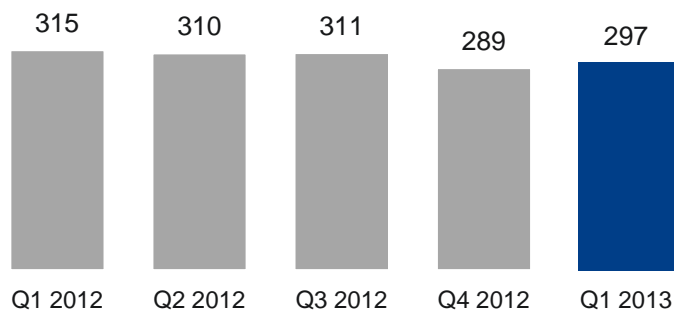


Credit utilization
EUR Million

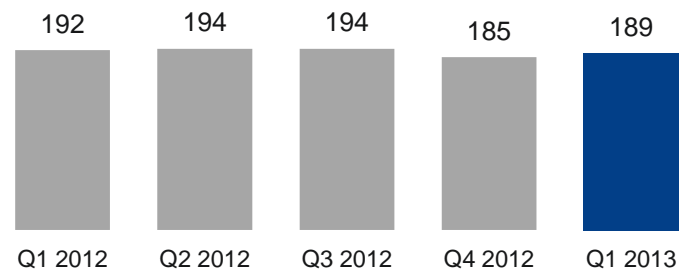


Financial ratios

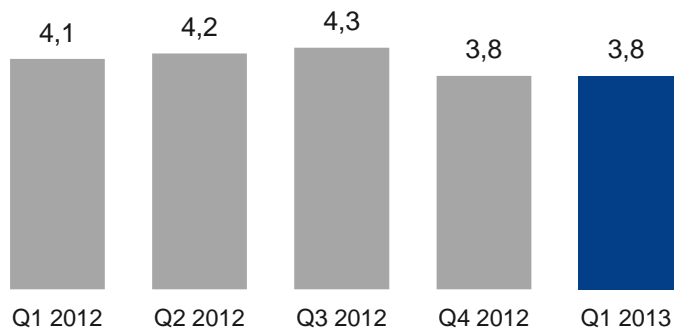
NIBD
EUR Million



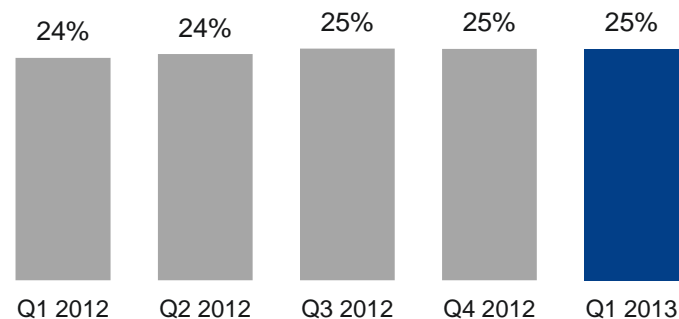
Equity
EUR Million



NIBD/EBITDA
Times



Equity ratio
Percent





Market Update

Philippe Toth

Production and revenue growth (YoY change)

North America	
CV production growth *	-13,3 %
LV production growth **	-1,1 %
KA revenue growth***	-0,9 %

36% of KA sales

KA is holding it's position in NA

Worldwide	
CV production growth *	-12,7 %
LV production growth **	-1,6 %
KA revenue growth***	-5,9 %

Europe	
CV production growth *	-13,5 %
LV production growth **	-9,9 %
KA revenue growth***	-8,2 %

51% of KA sales

KA is doing better than the market in EU, but still challenging

Asia	
CV production growth *	-14,3 %
LV production growth **	3,5 %
KA revenue growth***	-19,9 %

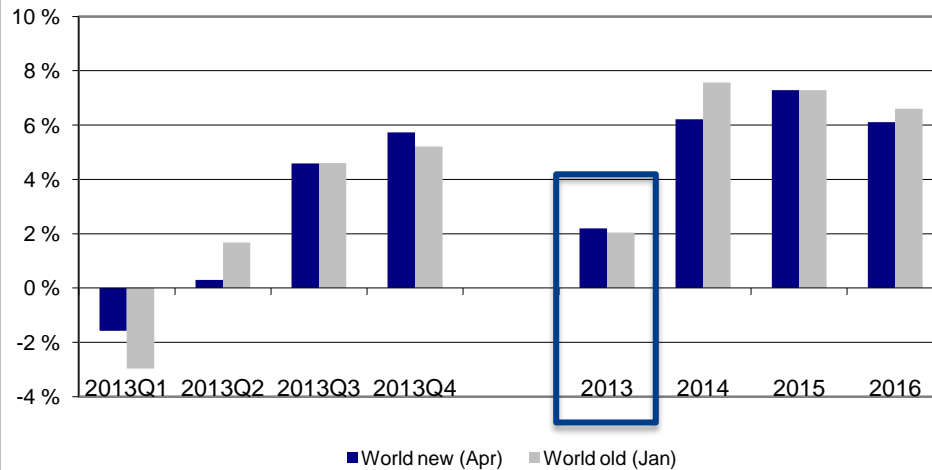
8% of KA sales

China drop is escalated through phase out of certain non profitable Driveline businesses

* CV: Commercial Vehicles (GVW>6t) estimates by LMC
 ** LV: Light Vehicle (GVW<6t) estimates by LMC
 ***: adjusted for currency effect

Light vehicle production – 2013 forecast

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



Europe: Production for new vehicle is still weak in Western Europe

-3,7%

North America: Still robust demand driven by product redesign and available financing will sustain production

3%

China: Better momentum in the economic outlook will fuel production

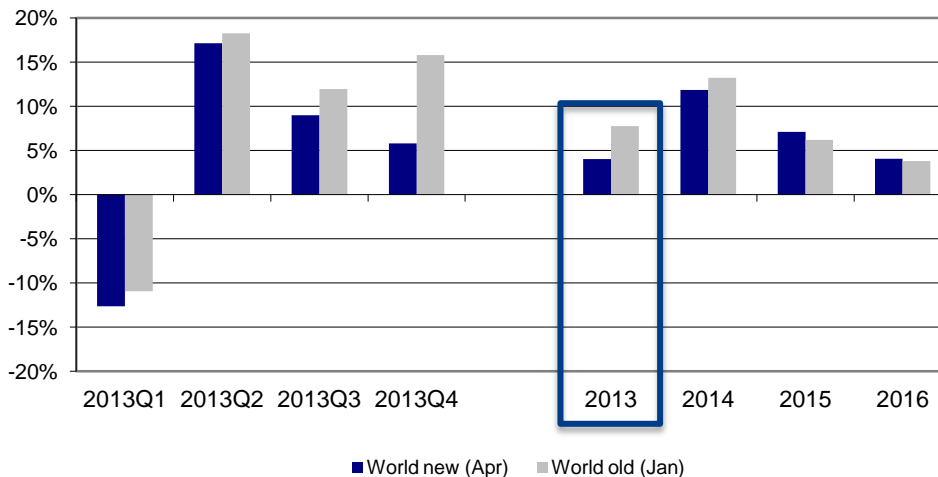
9,9%

► Total production

- Total production according to LMC has been revised upward from 83 millions to 83.5 millions vehicle in 2013 mainly due to a softer than anticipated decline in Europe

Commercial vehicle production – 2013 forecast

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



-6,7%

Europe: Further decline in sales and demand and production is expected in 2013

-0,3%

North America: Production outlook is still positive

13%

China: Chinese truck production is expected to rebound in 2013 after a weak 2012

► **Total production**

- The CV production is down to 2.75 million vehicles from 2.8 in January outlook mainly due to a softer European market and a weakening Indian market



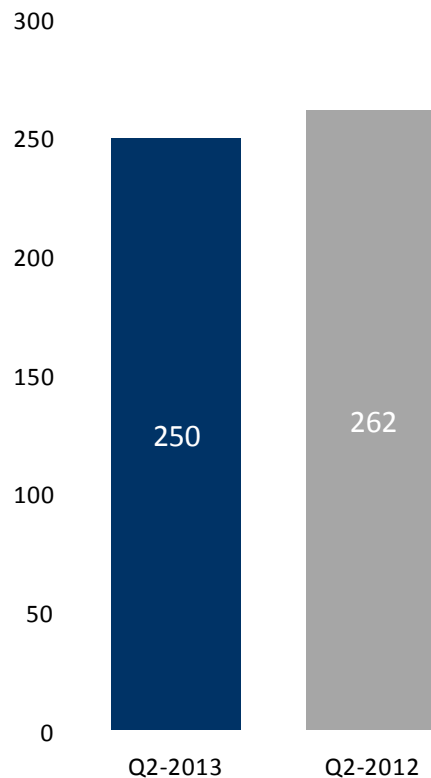
Hans Peter Havdal

Summary and Outlook

Summary and outlook

Company outlook for Q2 2013

EUR Million



- ▶ The company expects revenue of approx. EUR 250 million for Q2 2013
- ▶ A negative European market is mitigated by a positive North American market
- ▶ Commercial and operational improvements in Driveline contributed to improve profitability
- ▶ The 3 other business areas are displaying double digits EBITDA margins



Questions & Answers