



KONGSBERG AUTOMOTIVE
Second Quarter 2013

Group highlights for the second quarter

REVENUES

- ▶ Revenues of EUR 262 million in line with second quarter last year, above company guiding of EUR 250 million
- ▶ Market outlook for Q3 indicates a revenue level of EUR 235 million

PROFITABILITY

- ▶ EBITDA of MEUR 28.6 (10,9%) , up MEUR 8,6 from Q2 2012
- ▶ Improved profitability on same revenue reflecting the effects of operational and commercial improvements
- ▶ All business areas delivering stronger margin than Q2 last year
- ▶ Strong cash flow from operations exceeding EBITDA

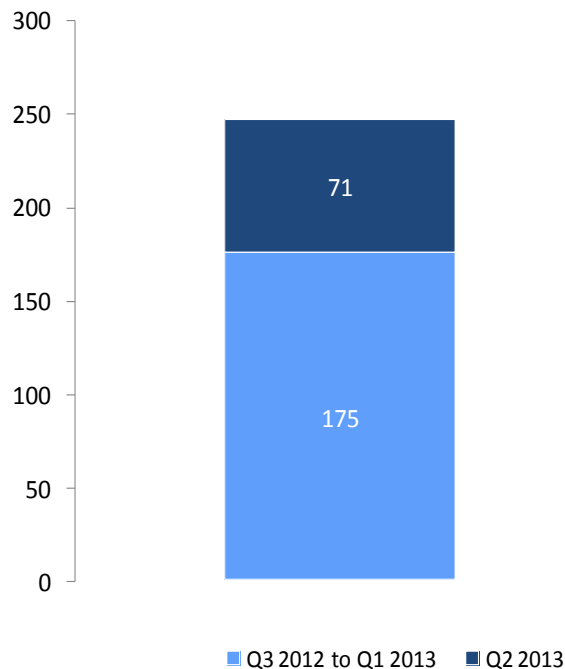
MARKET

- ▶ Steady growth in North American light vehicle segment
- ▶ European market is still challenging but brand specific bright spots, market appears to have bottomed out

New business wins last 4 quarters

New business wins

EUR Million



- ▶ EUR 71 million per annum of new business booked in Q2-2013 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

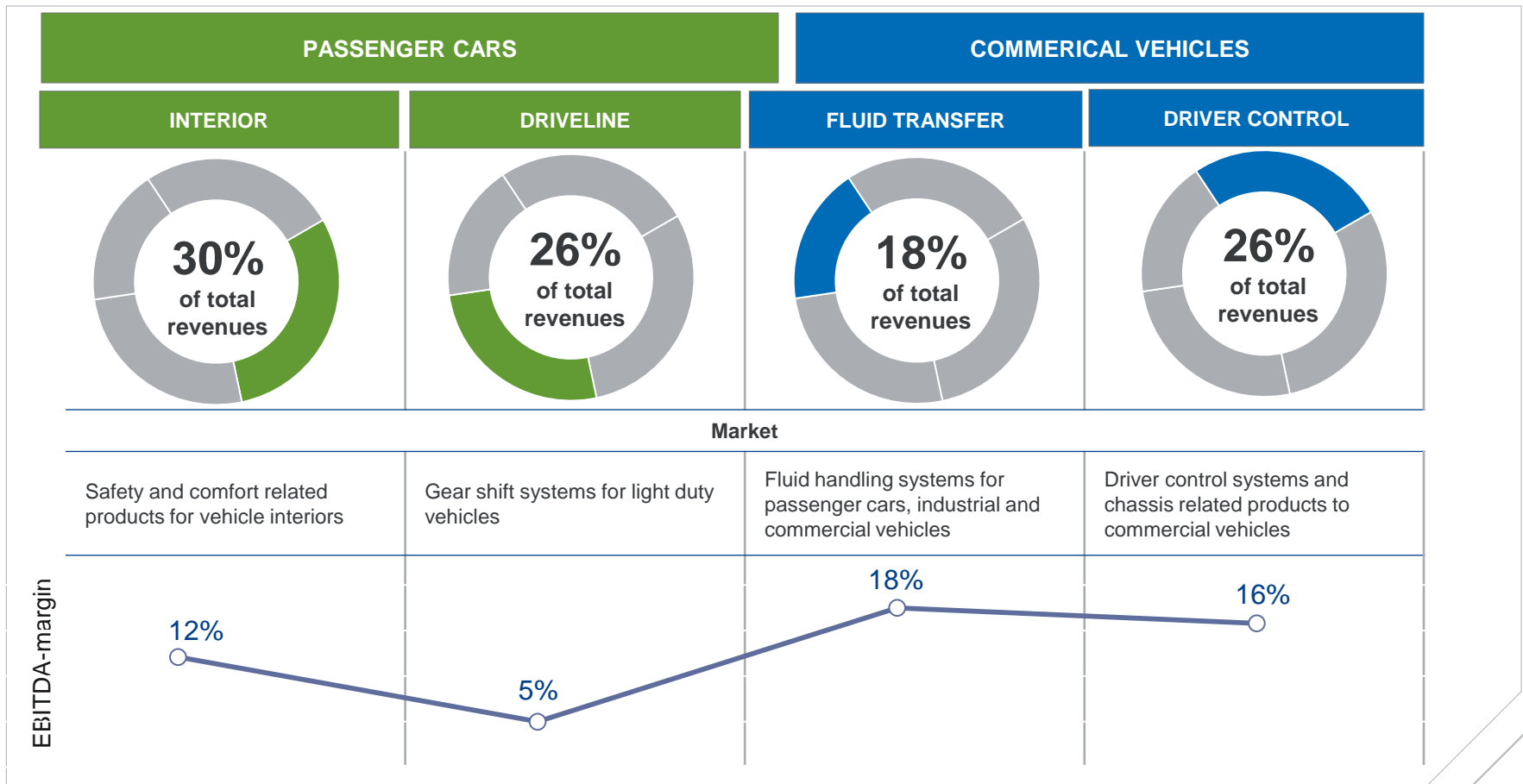


Operational Review

Hans Peter Havdal

President & CEO

Q2 2013: Business area overview



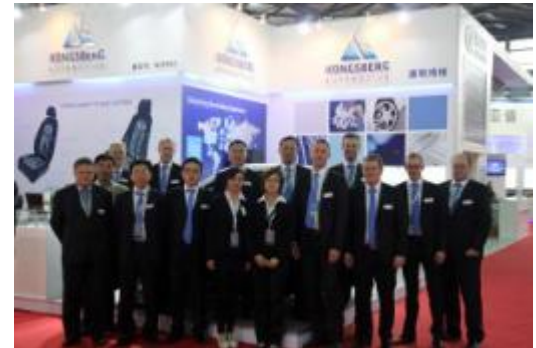
Highlights and performance

▶ Operational update

- Strong focus on continuous operational improvements has contributed to strengthening the year over year margins
- High front end activity level with participation in Shanghai Auto Show and numerous “Tech Days” held with our key customers. Lot of interest generated in the next generation comfort products

▶ Market & trends

- Continue to benefit from good North American market
- Less exposure to southern EU OEMs, good position toward premium brands



Interior exhibited its full product portfolio for passenger cars to all the leading carmakers in the world on Shanghai Auto Show



INTERIOR

New Contract with North American car brand – Life time value EUR 18.2 million

- ▶ Pneumatic seat support system sold to one of the world's largest carmakers
- ▶ The life time of this contract is 6 years, with start of production in summer 2015
- ▶ This product will be manufactured from KA's facility in Reynosa, Mexico









This contract confirms increasing interest of North American customers for pneumatic seat support systems

Highlights and performance

- ▶ **Operational update**
 - Continuous focus on margin improvements; focus on fixed cost, operational- and commercial improvements
 - Focused R&D effort on developing new concepts for the next generation transmission technology
 - Launch in Mexico of 120,000 automatic gear shifters per year for Chrysler in North America
- ▶ **Market & Trends**
 - Still exposed to a weak European market
 - Continue to win significant global contracts with strong momentum in the BRIC regions



Global business wins for Driveline

Country	Product	Content	Customer	Production Facility	Life time value EUR million	Planned SOP
		Shift tower system to B segment cars sold in South America	Global Brand	Jundiai in Brazil	37	2015
		Manual Shift Cables, to one of the most popular cars in India	Domestic Brand	Gurgaon in India	10	2014
		Automatic and manual gear shifter systems, for C and D segment cars sold in China	One Contract to a global brand Two contracts to a domestic brand	Wuxi in China	116	2014

These contracts confirms KA's ability to win new business in the BRIC regions against local competitors

FLUID TRANSFER

Highlights and performance

▶ **Operational update**

- Two new global program launches for Jaguar Land Rover within fuel-, vacuum- and air suspension lines. To be delivered from our plants in Epila (Spain) and Normanton (England)
- New global program launch for DAF Trucks on fluid mechanism package with total volume of 20.000 units to be delivered from our Epila (Spain) facility

▶ **Market & trends**

- Improved top line in Europe and higher global automotive sales volumes, partially offset by weak commercial vehicle performance in North America
- Continue to win new contracts strengthening our position as an expert niche supplier



FLUID TRANSFER

New contract worth EUR 18.2 million within commercial vehicle segment

- ▶ Fluid Transfer will deliver Air Brake coupling systems which includes the ABC coupling combined with Manifolds and KARtridges
- ▶ The program is sold to one of the world's largest supplier of braking and vehicle control systems for the truck and bus industry
- ▶ The life time of this contract is 3 years, the supply agreement begins with immediate effect
- ▶ Production will take place from KA's facility in Raufoss, Norway



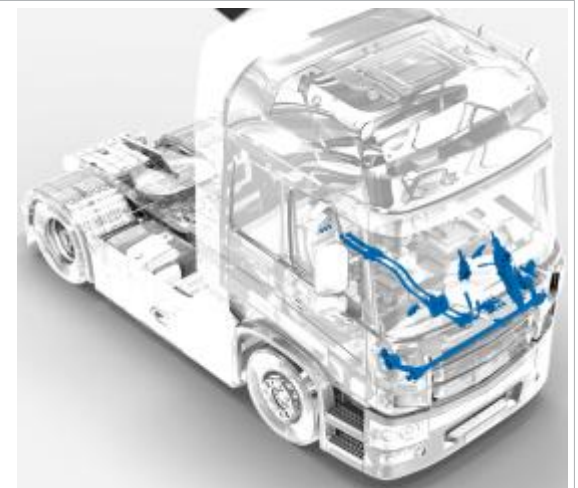
Air Brake coupling system

Confirms positive growth trend for Fluid Transfer Systems within commercial vehicles

Highlights and performance

- ▶ **Operational update**
 - Synergies from the combined business areas of PPS and A&C continue to be realized (i.e. a fully integrated front end of sales and engineering resources is now in place)
 - 1/3 of the business wins in the first half of 2013 were associated with BRIC countries

- ▶ **Market & Trends**
 - The revenue increase reflects a combination of new product launches and improving Brazilian market
 - Off – highway market outlook includes improving demand due to reducing inventories
 - Stabilized economic conditions within EU, indications of a EURO 6 pre buy effect at some brands



DRIVER CONTROL

New contract worth EUR 20 million within commercial vehicle segment



- ▶ Clutch Actuation, Gearshift Systems and Cabin Stabilizers for one of the leading manufacturers of Heavy Duty Trucks now entering the Brazilian market
- ▶ The life time of this contract is 5 years, with start of production at the end of 2013
- ▶ The production will partly take place in Europe and in Brazil

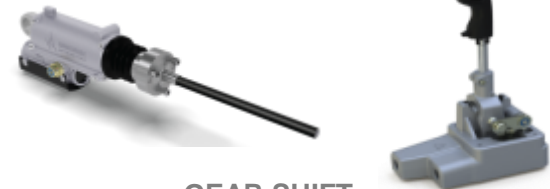
Product Overview



CLUTCH ACTUATION



VEHICLE DYNAMICS



GEAR SHIFT

This contract confirms KA's ability to grow in emerging countries which start to adopt high end products



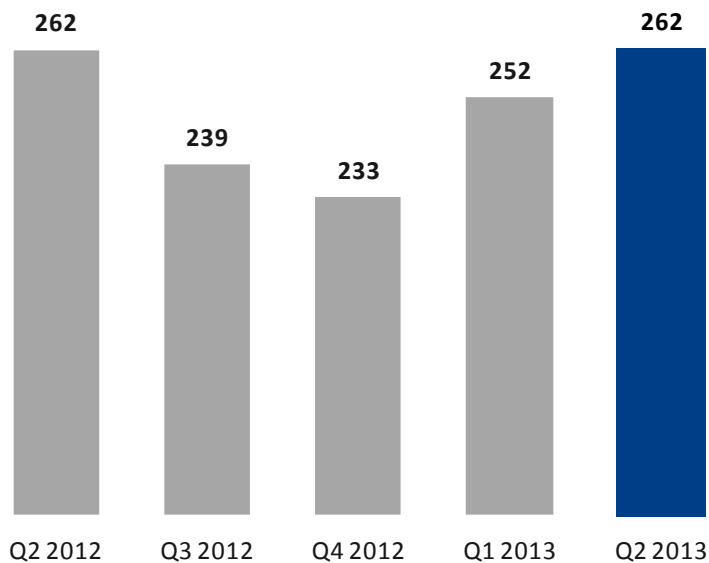
Financial Update

Trond Stabekk

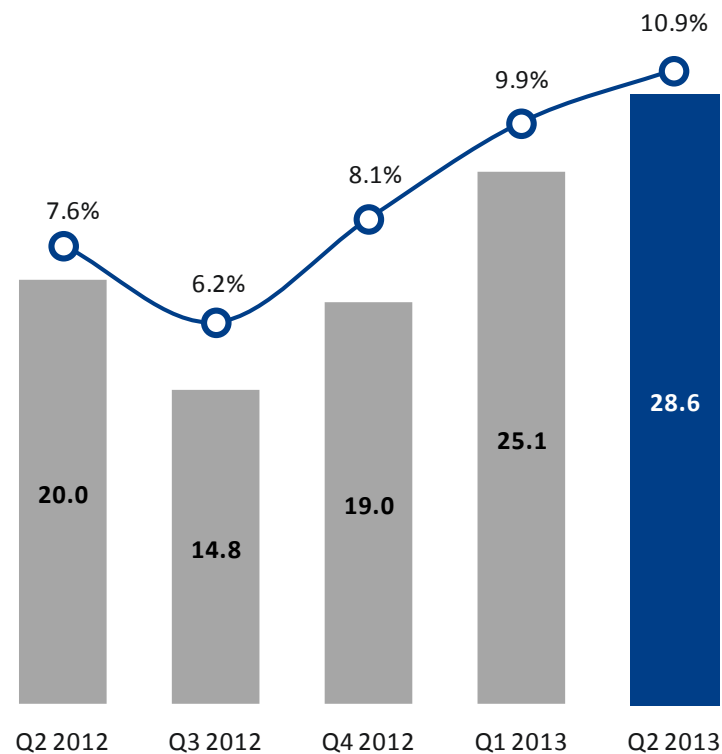
Executive Vice President & CFO

Revenue and EBITDA

Revenues
EUR million



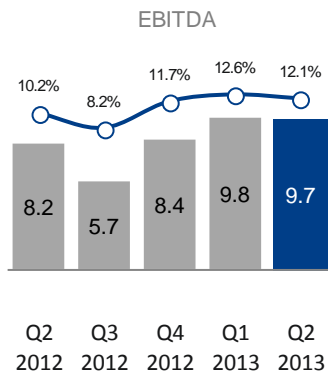
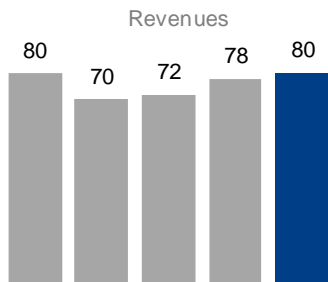
EBITDA and EBITDA margin
EUR million and percent



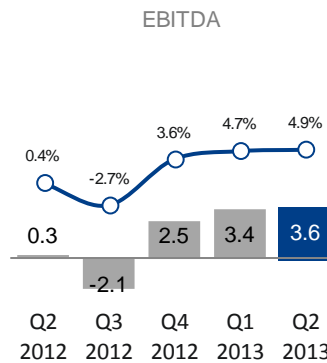
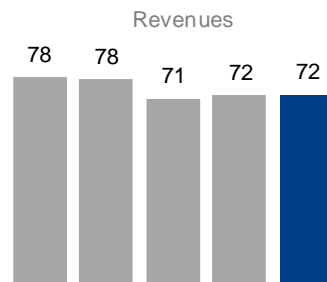
Segment financials 2nd quarter

Revenues and EBITDA margin
EUR million and percent

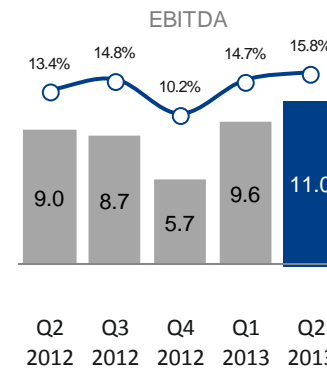
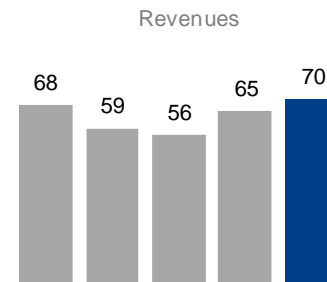
Interior



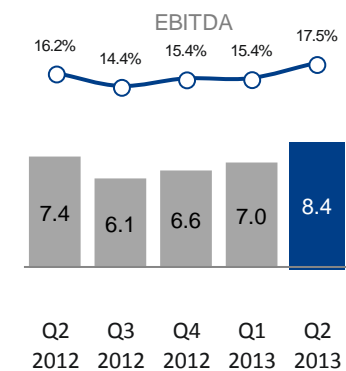
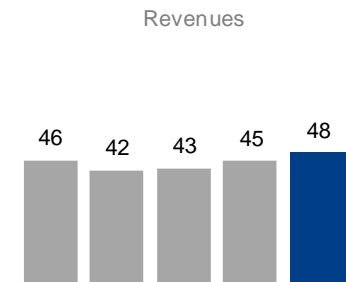
Driveline



Driver Control



Fluid



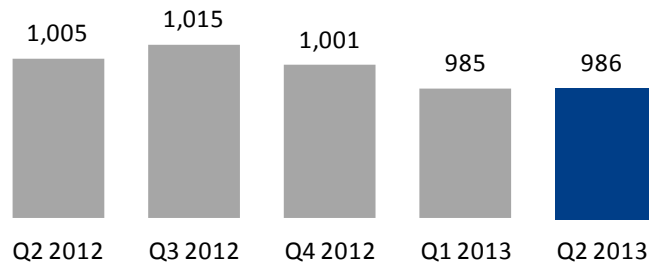
Consolidated income statement

EUR Million	Twelve months ending				
	30.06.12	30.09.12	31.12.12	31.03.13	30.06.13
Revenues	1005.2	1014.6	1001.1	985.4	985.8
OPEX	-932.5	-942.4	-924.1	-906.6	-898.3
EBITDA	72.8	72.2	77.0	78.9	87.5
<i>EBITDA (%)</i>	7.2%	7.1%	7.7%	8.0%	8.9%
D&A	-46.5	-47.6	-46.3	-47.5	-45.2
EBIT	26.2	24.6	30.7	31.4	42.3
<i>EBIT (%)</i>	2.6%	2.4%	3.1%	3.2%	4.3%
Financial items	-31.6	-20.9	-18.7	-31.1	-29.6
Profit before taxes	-5.2	3.7	11.9	0.3	12.7
Tax	3.1	0.5	-6.7	-3.6	-6.9
Net profit	-2.0	4.3	5.3	-3.4	5.8

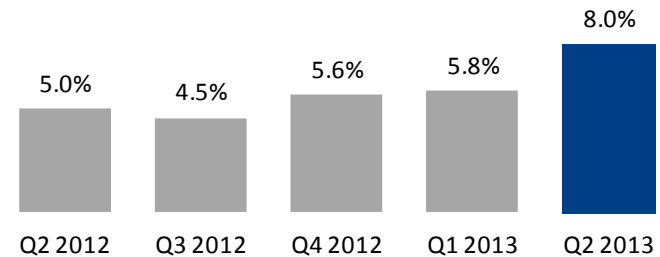
- ▶ Revenue run rate in line with full year guiding
- ▶ Continue to improve EBITDA run rate and margins through operational and commercial improvements
- ▶ NET PROFIT influenced by unrealized FX effects

ROCE (Last Twelve Months)

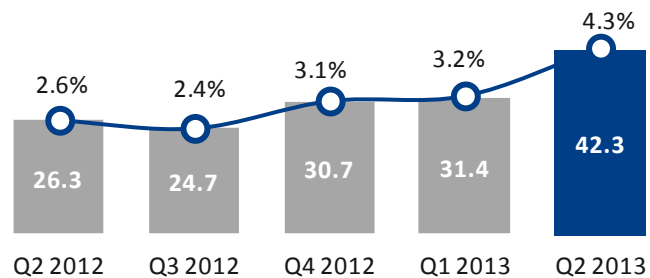
Revenues (Ltm)
EUR million



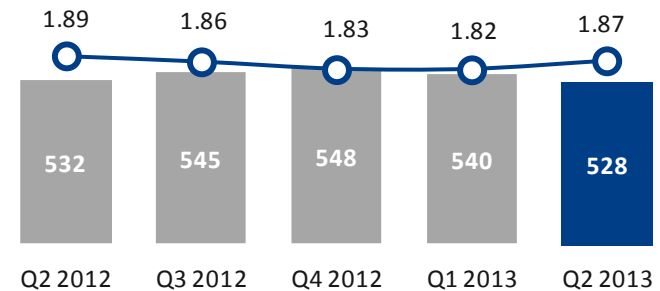
ROCE (Ltm)
Percent



EBIT and EBIT margin (Ltm)
EUR million and percent



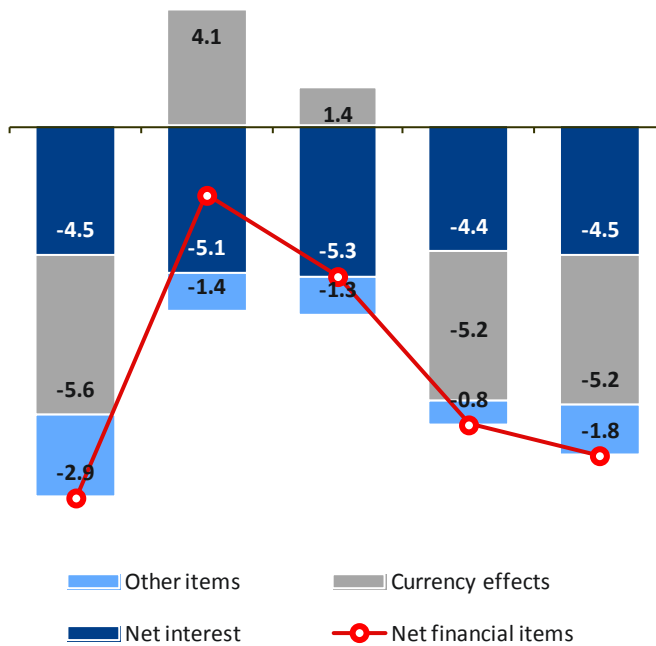
Avg. Capital Employed and turnover (Ltm)
EUR million and Times



Financial items

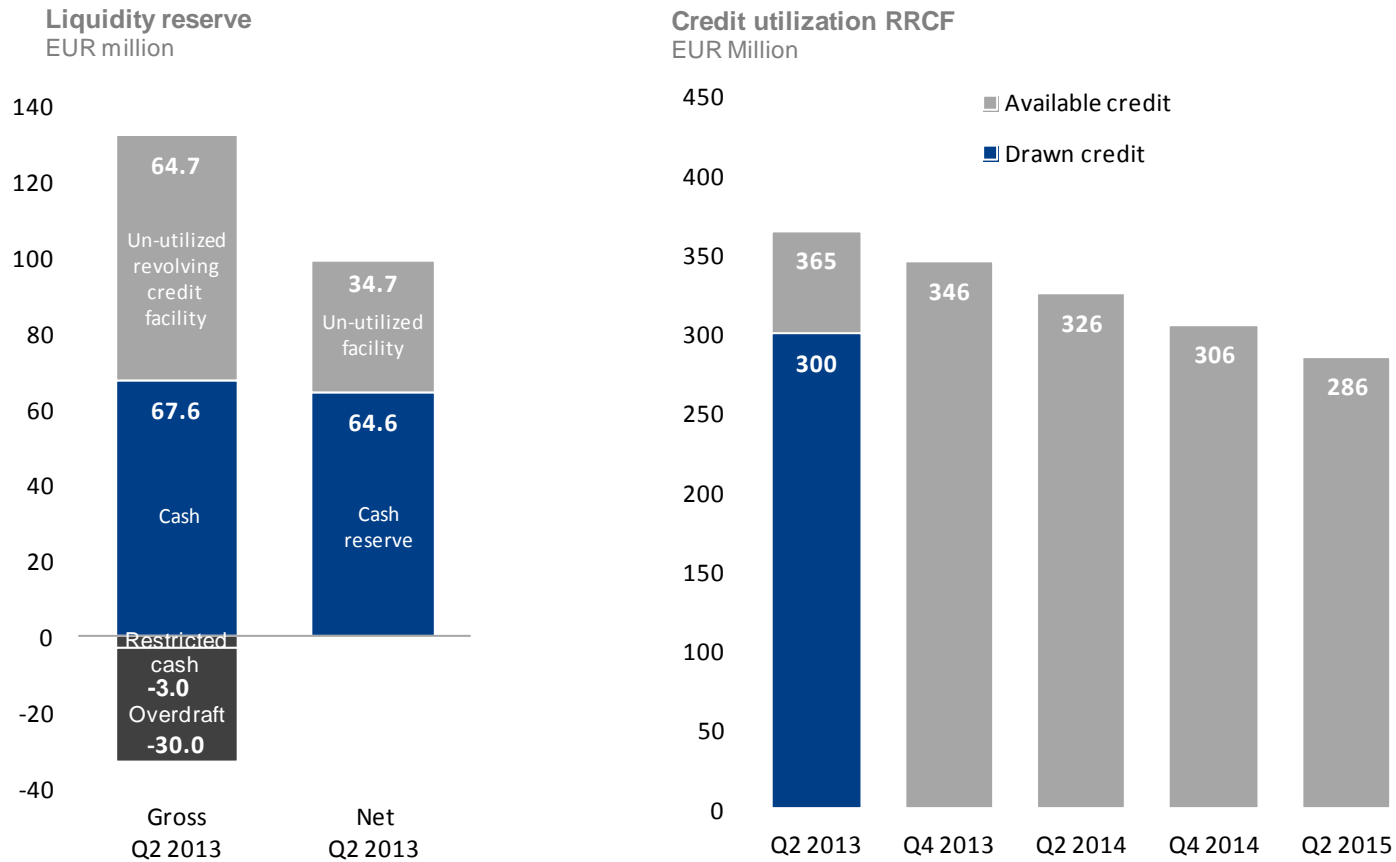
Net financial items
EUR million

Q2 2012 Q3 2012 Q4 2012 Q1 2013 Q2 2013



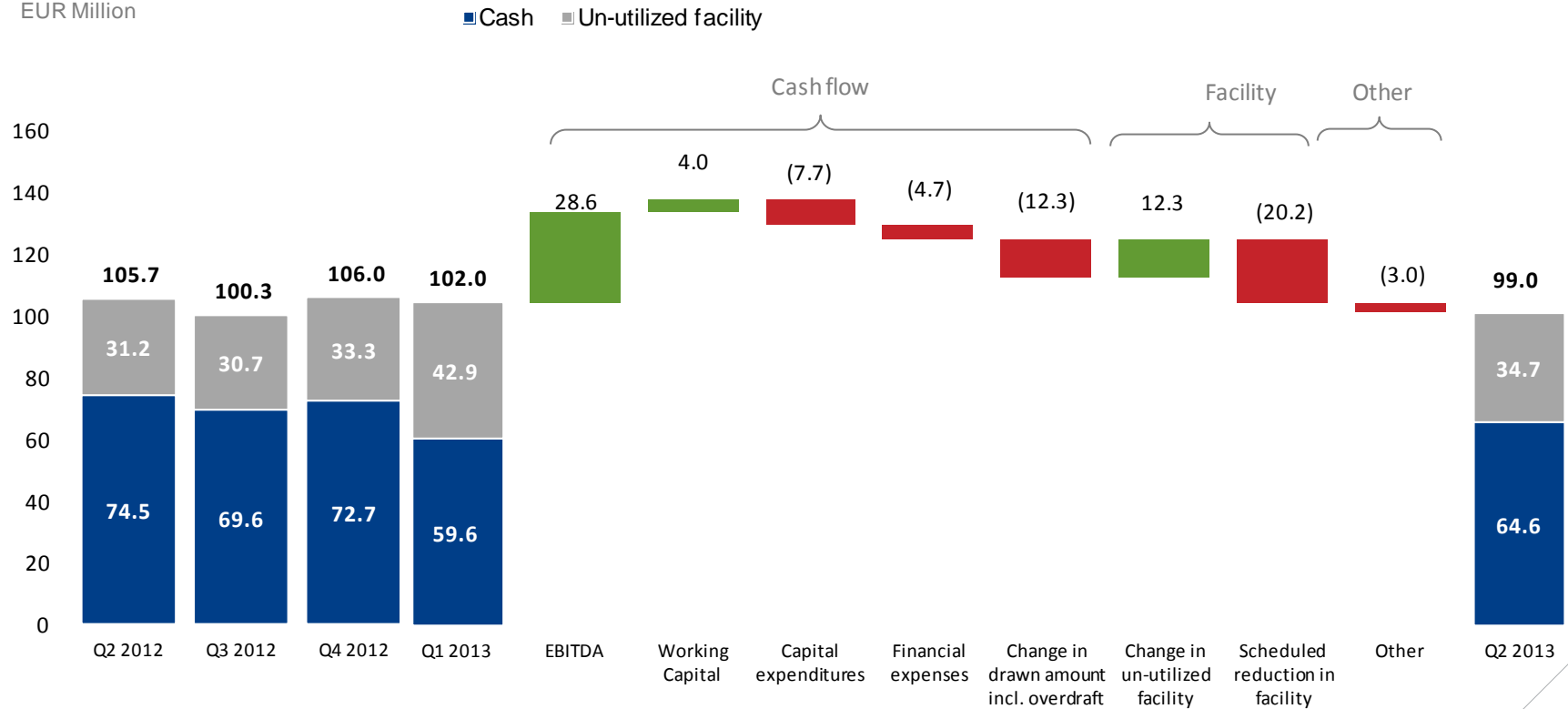
- ▶ Interest rate margin reduced as a consequence of lower gearing
- ▶ Effective interest rate was approximately 5%

Available funds and utilization



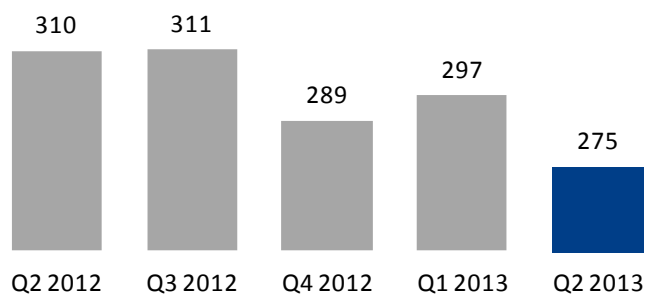
Cash flow and facility development

Available funds
EUR Million

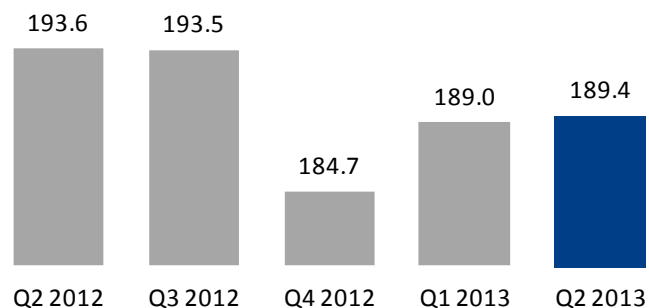


Financial ratios

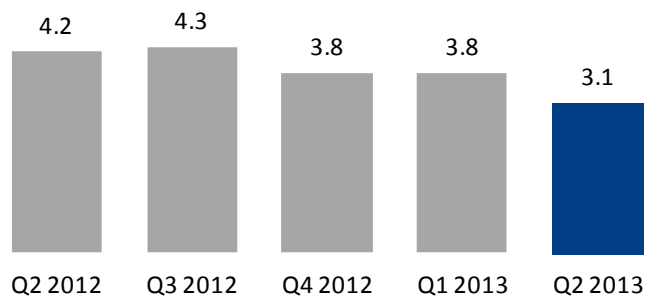
NIBD
EUR million



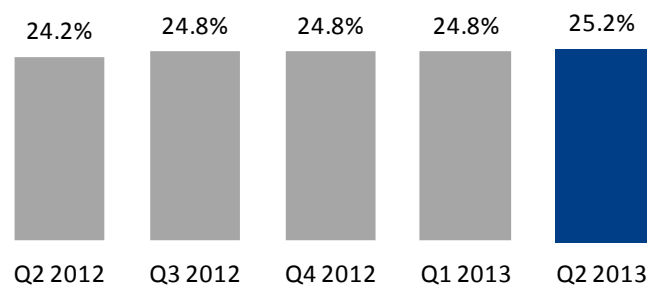
Equity
EUR million



NIBD/EBITDA
Times



Equity ratio
Percent



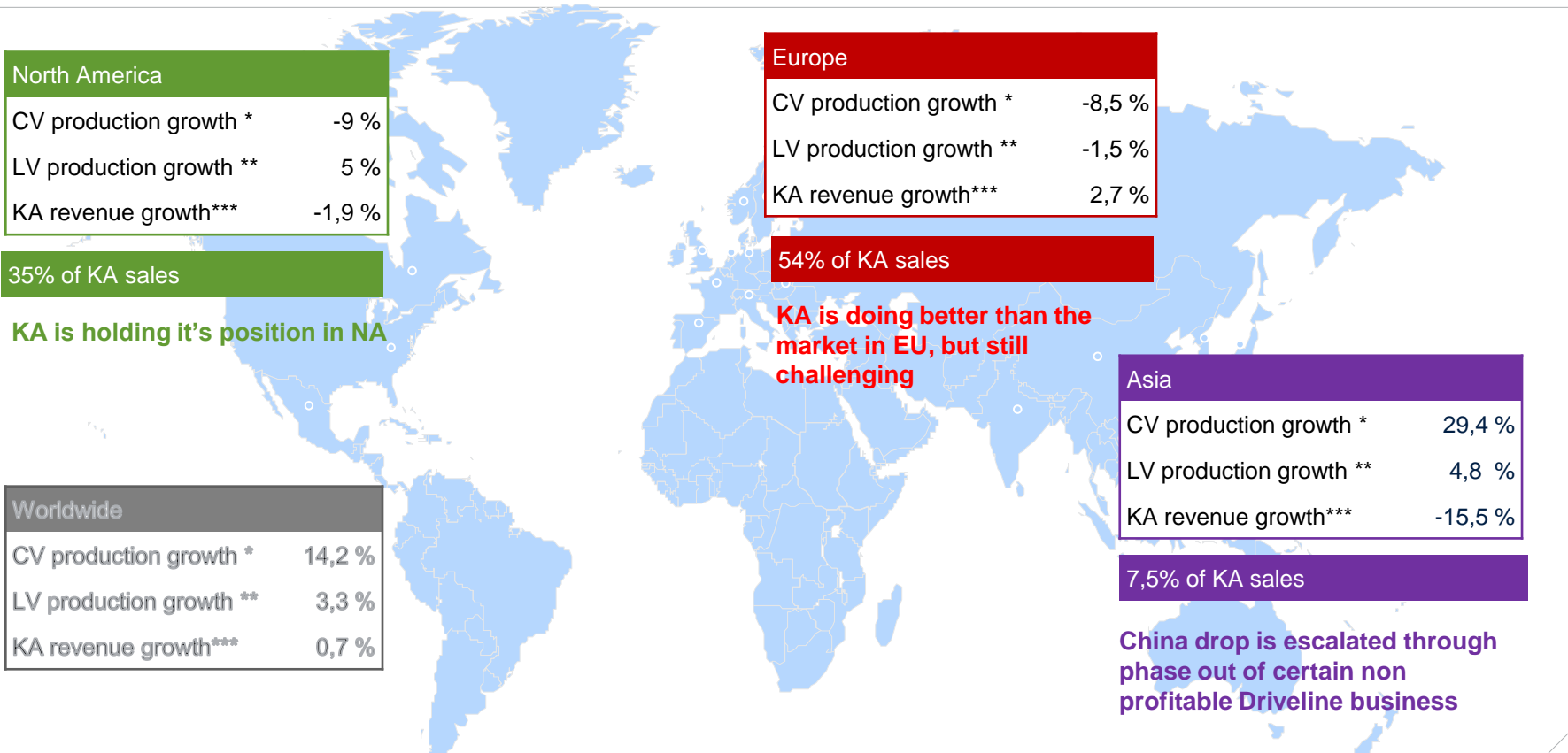


Market Update

Philippe Toth

Vice President Investor Relations and M&A

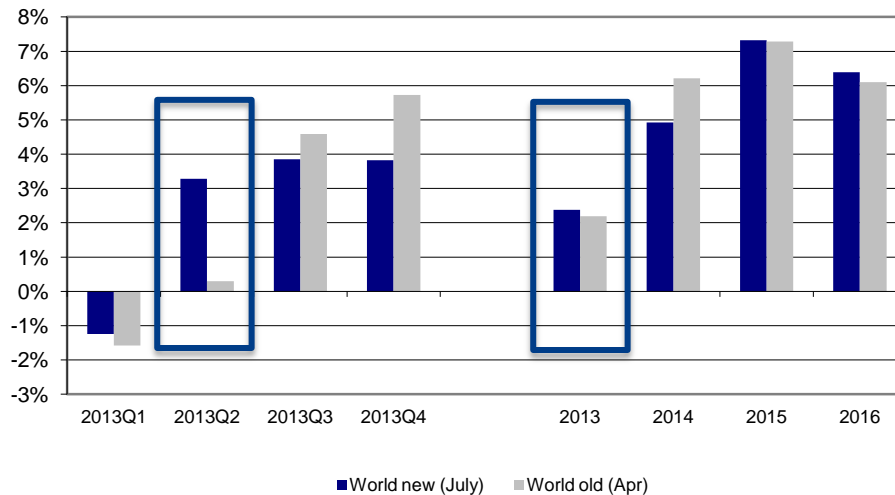
Production and revenue growth (YoY change)



* 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)



-2.9%
Europe: Outlook remains challenging due to weak economy and uncertainty surrounding the Eurozone. Western Europe production forecast slightly improved by export of premium brands.

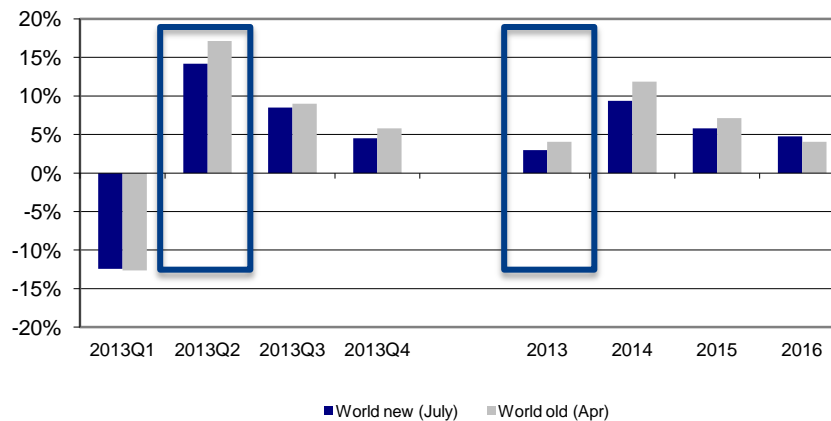
3.7%
North America: Higher forecast due to increasing demand of full size pickups and a better outlook of US economic.

11.3%
China: Fundamental demand for vehicles remains solid despite weaker than expected industrial output and real GDP growth.

2.4%
Total production according to LMC has been revised upward from 83.5 millions to 83.6 millions vehicle in 2013 mainly due to a better outlook of Europe compared to the beginning of 2013.

Commercial vehicle production – 2013 forecast

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



-4.3%
Europe: Eurozone condition continues to act as a global headwind. Expect stronger demand in second half of 2013

-0.4%
North America: Expect the market to continue to remain stable in 2013

9.2%
China: Slower growth in industrial output than preceding forecast but market remains dynamic

3%
Total production for CV production is slightly down to 2.72 million vehicles from 2.75 in April outlook mainly due to a slower growth of the commercial vehicle market in China.



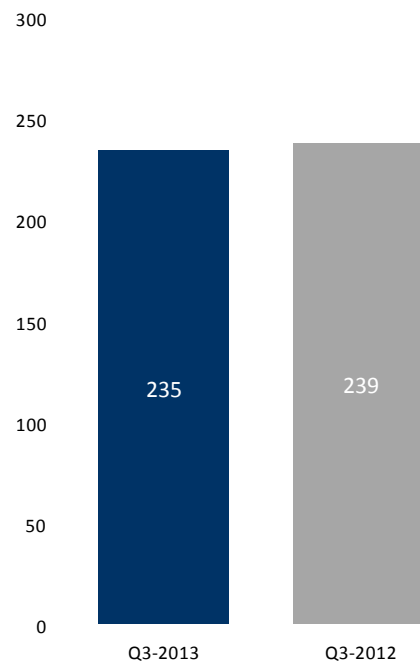
Hans Peter Havdal

Summary and Outlook

Summary and outlook

Company outlook for Q3 2013

EUR Million



- ▶ **Strong double digit EBITDA margin of 10.9% despite a weak European market - demonstrating the effect of the operational improvements implemented over the last 2 years**
- ▶ **Significant reduction of gearing ratio (NIBD/EBITDA) from 3.8 to 3.1, well below covenant of 4.25**
- ▶ **The company expects revenue of approx. EUR 235 million for Q3 2013**



Questions & Answers



Appendix

“Enhancing the driving experience”

Passionate

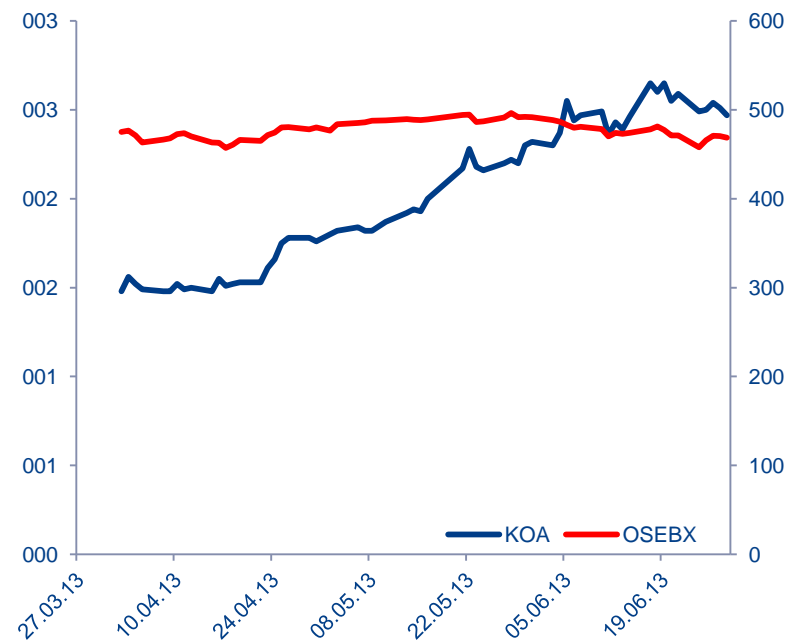
Accountable

Prepared

Share price and shareholders

Data: 01.07.2013

Investor Name	% Share Outstanding	Current Position	Nationality
DNB BANK ASA INVESTERINGSDIVISJON	6,84	27.815.388	NOR
KLP AKSJE NORGE VPF	3,20	13.000.000	NOR
MP PENSJON PK	2,82	11.485.050	NOR
VERDIPAPIRFONDET HAN NORGE	2,62	10.650.000	NOR
CITIBANK, N.A. S/A DFA-INTL SML CAP	2,50	10.167.813	USA
KOMMUNAL LANDSPENSJO	2,24	9.091.639	NOR
J.P. Morgan Chase Ba NORDEA TREATY ACCOUN	2,12	8.625.007	GBR
JP Morgan Chase Bank HANDELSBANKEN NORDIC	2,04	8.300.000	SWE
VPF NORDEA KAPITAL C/O JPMORGAN EUROPE	1,89	7.670.934	NOR
KONGSBERG AUTOMATIVE	1,73	7.046.302	NOR
Goldman Sachs & Co E GOLDMAN SACHS & CO - JOLLY ROGER AS	1,63	6.618.079	USA
The Northern Trust C NORTHERN TRUST GUERN	1,28	5.200.000	NOR
ERLING NEBY AS	1,11	4.513.091	GGY
ERLING NEBY AS	1,11	4.500.000	NOR
VPF NORDEA AVKASTNIN C/O JPMORGAN EUROPE	1,06	4.323.800	NOR
VERDIPAPIRFONDET DNB	1,03	4.200.000	NOR
KLP AKSJE NORGE INDE	0,86	3.513.471	NOR
MORGAN STANLEY & CO S/A MSIL EQUITY FIRM	0,77	3.127.395	GBR
VPF NORDEA SMB C/O JPMORGAN EUROPE	0,75	3.046.918	NOR
EBITEC INVEST AS	0,68	2.775.000	NOR
	38,28	155.669.887	



The Board of Directors of Kongsberg Automotive Holding ASA



Ulla-Britt Fräjdin Hellqvist (58)

- *Chairwoman of the Board since 2010*
- *Other Corporate Affiliations:*
 - *Chairman of Data Respons ASA and SinterCast AB*
 - *Board member, Castellum, e-man, Fouriertransform, Micronic Mydata, SEI and Tallberg Foundation*



Thomas Falck (47)

- *Member of the Board since 2010*
- *Other Corporate Affiliations:*
 - *Chairman of Making Waves AS and Filmparken AS*
 - *Board member, EMS Seven Seas ASA, Vizrt ASA*
 - *Board of several fund-of-fund investment companies*



Maria Borch Helsingreen (47)

- *Member of the Board since 2012*
- *Other Corporate Affiliations:*
 - *CFO, TV2*
 - *Board member, Norsk Tillitsmann and GIEK*



Magnus Jonsson (57)

- *Member of the Board since 2011*
- *Other Corporate Affiliations:*
 - *Board member, Powercell AB, LeanNova AB and Senseair AB*



Halvor Stenstadvold (69)

- *Member of the Board since 2011*
- *Other Corporate Affiliations:*
 - *Chairman of SOS barnebyer Norge, Henie Onstad Kunstsenter and Civita AS*
 - *Board member, Storebrand ASA, Statkraft SF/Statkraft AS, Navamedic ASA, Sos Childrens Villages International and SOS CV USA*



Eivind Holvik

- *Member of the Board (Employee representative)*
- *Manager Research and Development, Kongsberg Automotive*



Tonje Sivesindtjajet

- *Member of the Board (Employee representative)*
- *Measuring Operator, Kongsberg Automotive*



Kjell Kristiansen

- *Member of the Board (Employee representative)*
- *HSE, Kongsberg Automotive*

Financial calendar and Investor Relations contacts

Financial calendar 2013

	Interim Reports	Presentation
2th Quarter 2013	11 Jul 2013	12 Jul 2013
3th Quarter 2013	17 Oct 2013	18 Oct 2013
4th Quarter 2013	13 Feb 2014	14 Feb 2014

Capital Markets Day 2013: TBA

IR contacts

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For more information, see: <http://kongsbergautomotive.com/INVESTOR-RELATIONS/>

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