

Kongsberg Automotive

First quarter 2014 | April 11, 2014



Group highlights for Q1 2014

REVENUES

- ▶ Revenues of EUR 255.8 million in Q1, up EUR 3.6 mill. from Q1 2013
- ▶ Market outlook for Q2 indicates revenue level of EUR 250 million

FINANCIALS

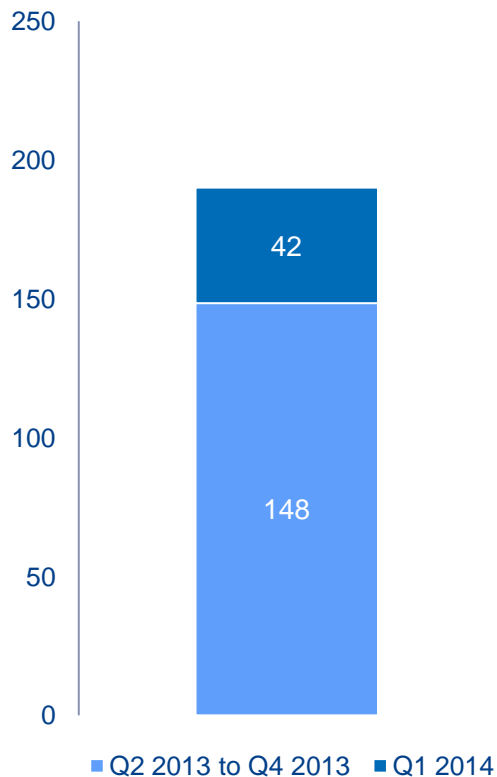
- ▶ EBIT of EUR 18.1 million (7.1%) in Q1, up EUR 4.6 mill. from Q1 2013
- ▶ Reduced NIBD/EBITDA ratio to 2.4
- ▶ Improved profitability, due to operational improvements & operational gearing effects from higher top line

MARKETS

- ▶ Europe: Commercial vehicles pre-buy correction less significant than expected in Q1
- ▶ North America: Steady growth in light vehicle segment

New business wins last 4 quarters

New business wins
EUR Million



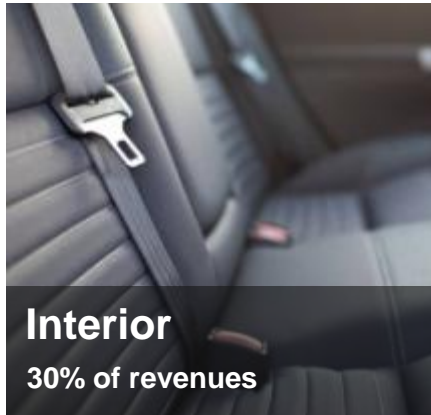
- ▶ Booked EUR 42 million in Q1 2014 of new business
- ▶ Annualized level of business wins needs to be above 20% of sales to grow above market growth
- ▶ Increased focus on BRIC and innovations to gain momentum





Hans Peter Havdal, CEO
OPERATIONAL REVIEW

Q1 2014: Business areas overview



Interior
30% of revenues

MARKET

Safety and comfort related products for vehicle interiors



Driveline
26% of revenues

MARKET

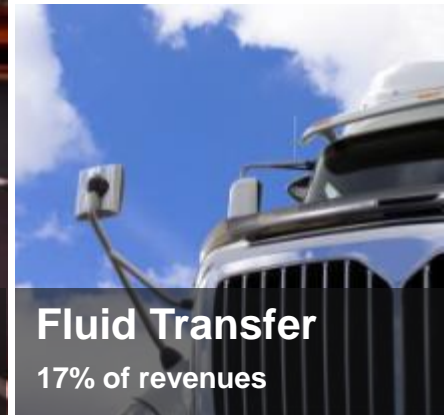
Gear shift systems for light duty vehicles



Driver Control
25% of revenues

MARKET

Driver control systems, cabin suspension and vehicle dynamics for commercial vehicles



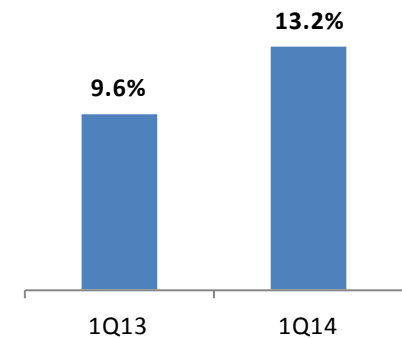
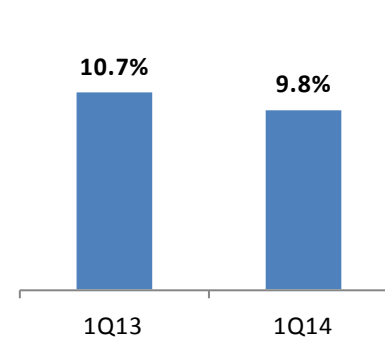
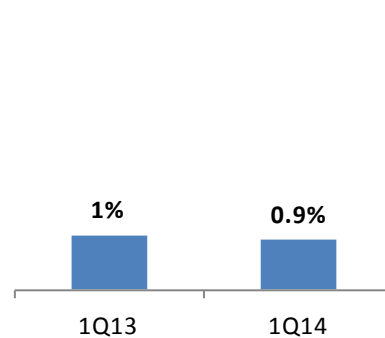
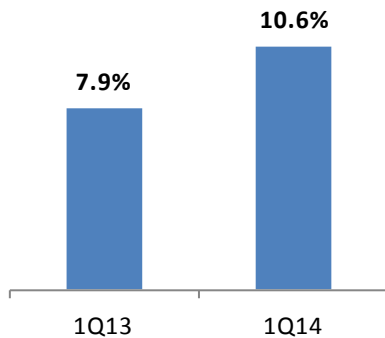
Fluid Transfer
17% of revenues

MARKET

Fluid handling systems for commercial vehicles and passenger cars



EBIT-margin

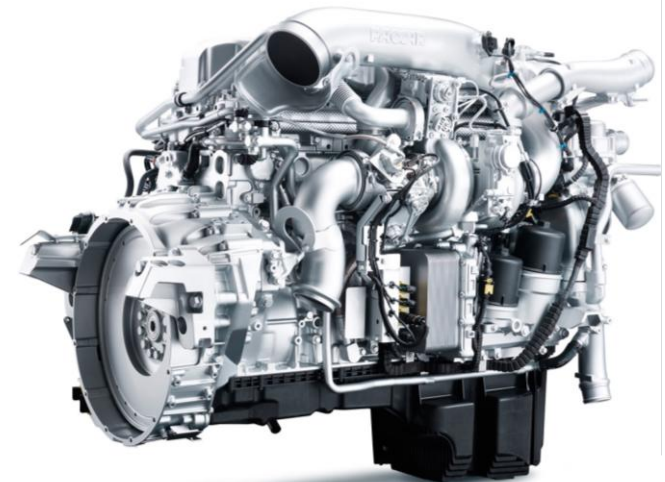


COMMERICAL VEHICLES

Highlights and performance

► Operational update

- Overtime & maintenance cost at Norwegian DCS plants contained
- Driver Control launched 2 new programs from Shanghai facility for Dong Feng and CAMC
 - Combined average volume of 35 000 clutch servo units per year
- Final agreement between Dong Feng and Volvo signed 22 January. Volvo taking 45% ownership position in DFCV
- New program launch for Fluid Transfer
 - Powertrain lines for DAF Trucks delivered from Epila (Spain) facility

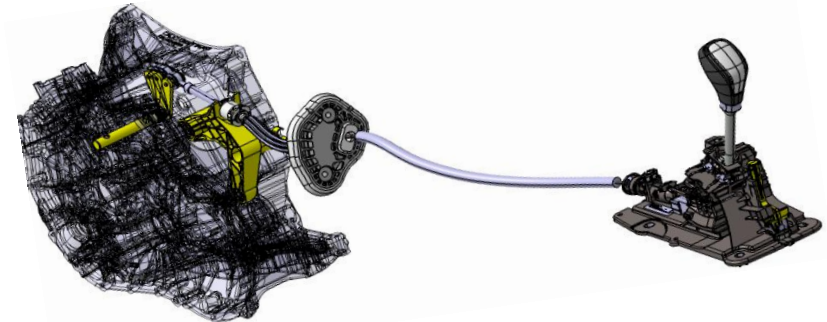


PASSENGER CARS

Highlights and performance

► Operational update

- Driveline capacity adjustments & cost reductions continue
- New program launch for Renault/Nissan for shift towers
 - Volume 300.000 units annually from Gurgaon (India) facility
- New program launches for PSA for seat heaters to be delivered from KA facility in Wuxi (China) for Interior
- Final agreement between PSA & Dong Feng for 14% ownership in PSA signed March 26



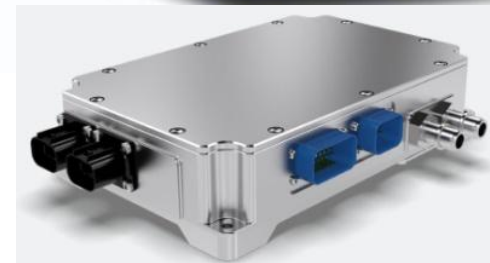


BRINGING INNOVATIONS TO THE MARKET

First contract for On-Board Chargers

- ▶ **On-Board Chargers for European OEM**
 - Based on technology developed by ePower
 - For use in Plug-in Hybrid City Buses
 - Later for other vehicles to be sold worldwide
 - Value EUR 10 million over contract duration
 - Start of production Q4 2015 in Mullsjö, Sweden

ePower



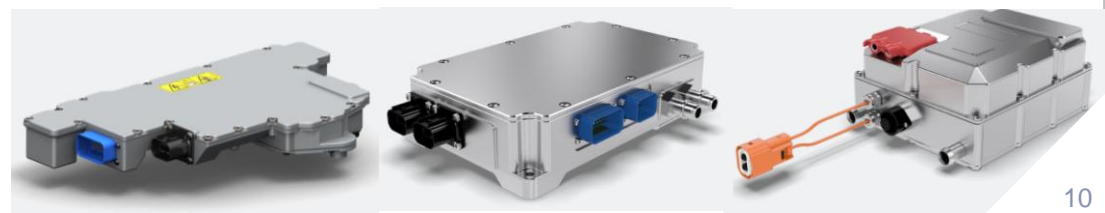
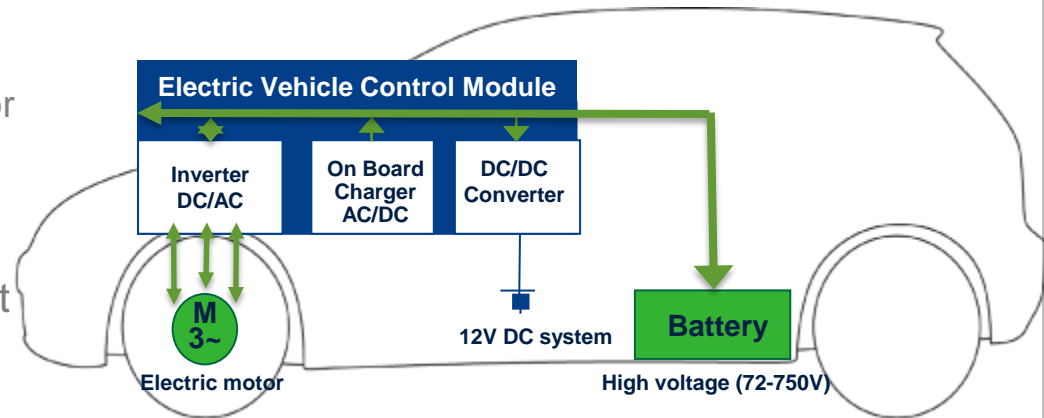
KA acquires e-Power Nordic AB

- ▶ KA increases ownership from a 60 % to 100% stake in e-Power
 - Strengthens electric- & hybrid powertrain focus

- ▶ ePower develops Power Electronics
 - units between battery & electric motor in electric, hybrid & fuel cell electric vehicles

- ▶ Confirms KA's long-term commitment to the segment and ambition to become a significant player by 2020

ePower



Innovative technology for Volvo Cars Concept Estate

- ▶ Innovative KA technology and expertise in Shift by wire systems for Volvo Cars Concept Estate,
 - Shown at Geneva Motor Show
- ▶ Shifter equipped with state of the art technology
 - Sets new standard in terms of safety, weight, compact packaging & styling
- ▶ Follows KA's SBW delivery to Volvo's Concept Coupe
 - Unveiled at IAA in Frankfurt last year

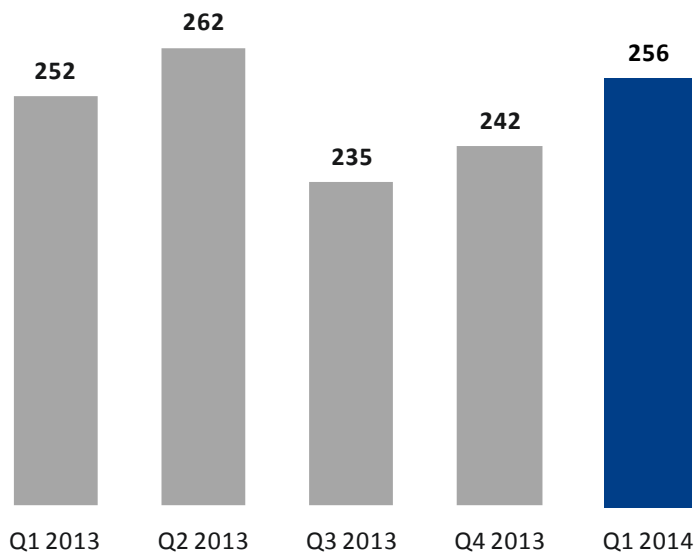




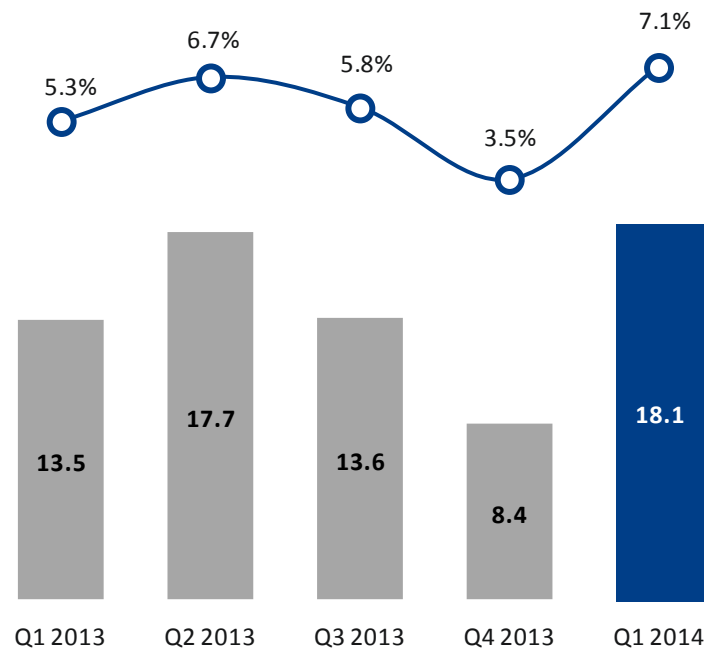
Trond Stabekk, CFO
FINANCIAL UPDATE

Revenue and EBIT

Revenues
EUR million



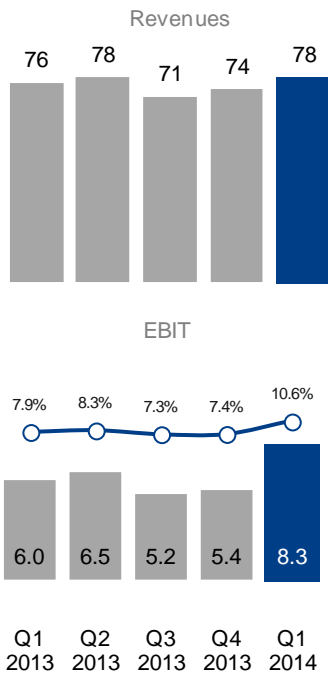
EBIT and EBIT margin
EUR million and percent



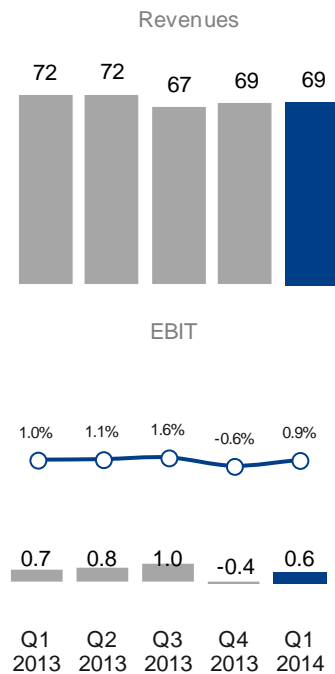
Segment financials Q1 2014

Revenues and EBIT margin
EUR million and percent

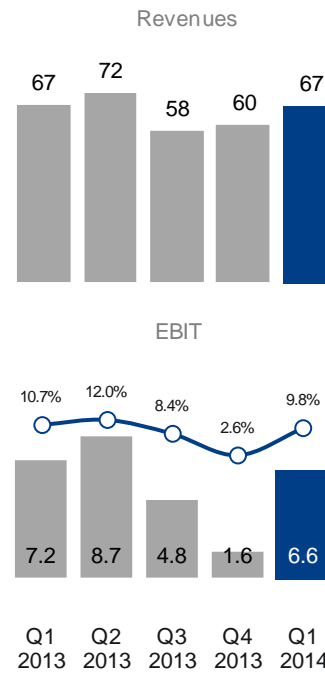
Interior



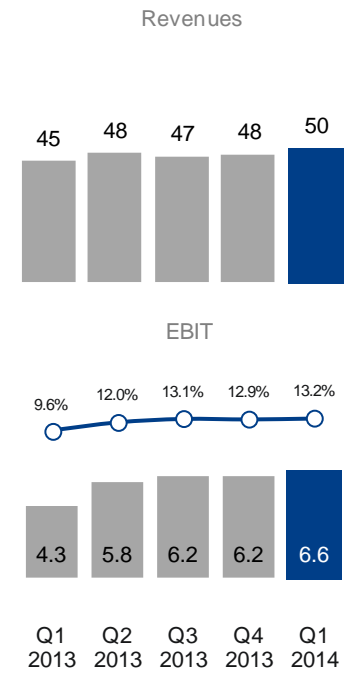
Driveline



Driver Control



Fluid



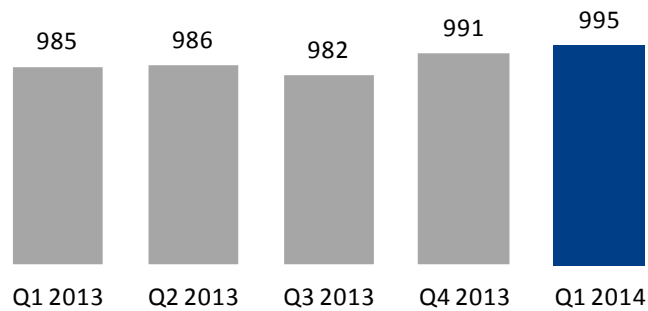
Consolidated income statement

EUR Million	Twelve months ending				
	31.03.13	30.06.13	30.09.13	31.12.13	31.03.14
Revenues	985.4	985.8	981.5	990.9	994.5
OPEX	-906.6	-898.3	-884.5	-893.8	-894.0
EBITDA	78.9	87.5	97.0	97.1	100.5
EBITDA (%)	8.0%	8.9%	9.9%	9.8%	10.1%
D&A	-47.5	-45.2	-44.6	-43.9	-42.7
EBIT	31.4	42.3	52.5	53.2	57.8
EBIT (%)	3.2%	4.3%	5.3%	5.4%	5.8%
Financial items	-31.1	-29.6	-35.3	-40.4	-32.7
Profit before taxes	0.3	12.7	17.2	12.8	25.1
Tax	-3.6	-6.9	-8.1	-6.2	-9.4
Net profit	-3.4	5.8	9.1	6.6	15.7

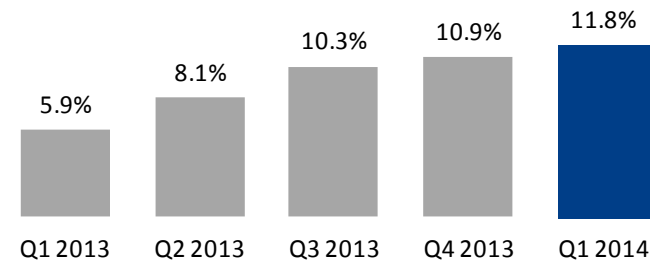
- ▶ Revenue run rate in line with full year guiding.
- ▶ EBIT run rate continue to improve
- ▶ NET PROFIT improved through higher EBIT and lower net financials

ROCE (Ltm)

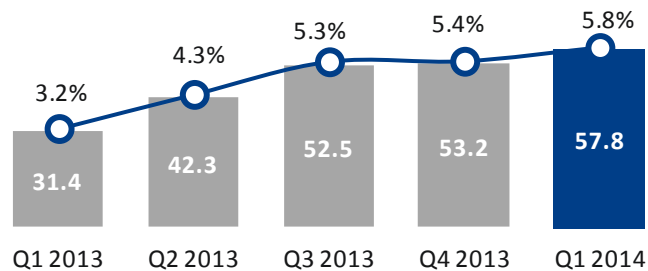
Revenues (Ltm)
EUR million



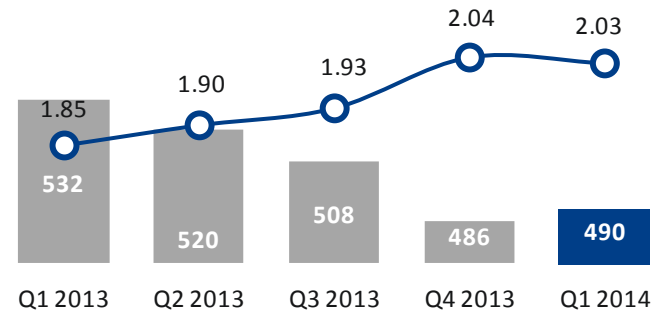
ROCE (Ltm)
Percent



EBIT and EBIT margin (Ltm)
EUR million and percent

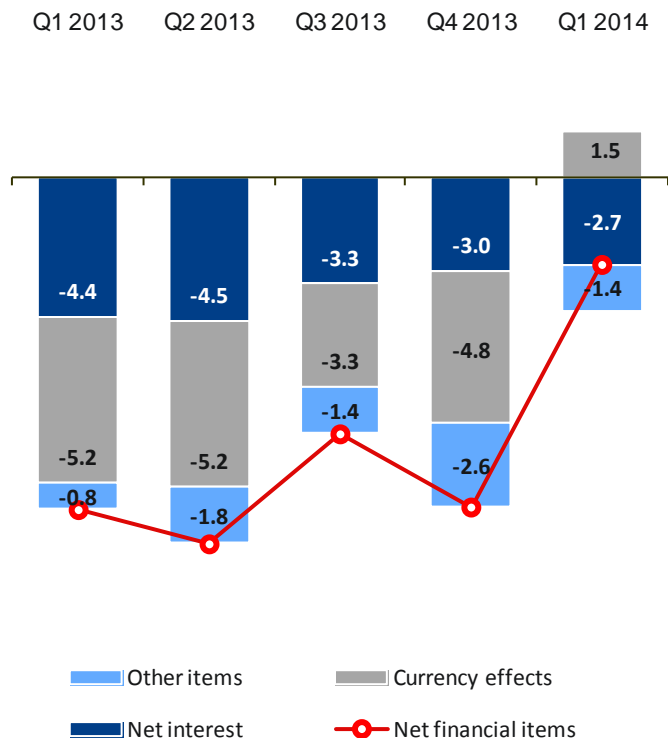


Avg. Capital Employed and turnover (Ltm)
EUR million and Times



Financial items

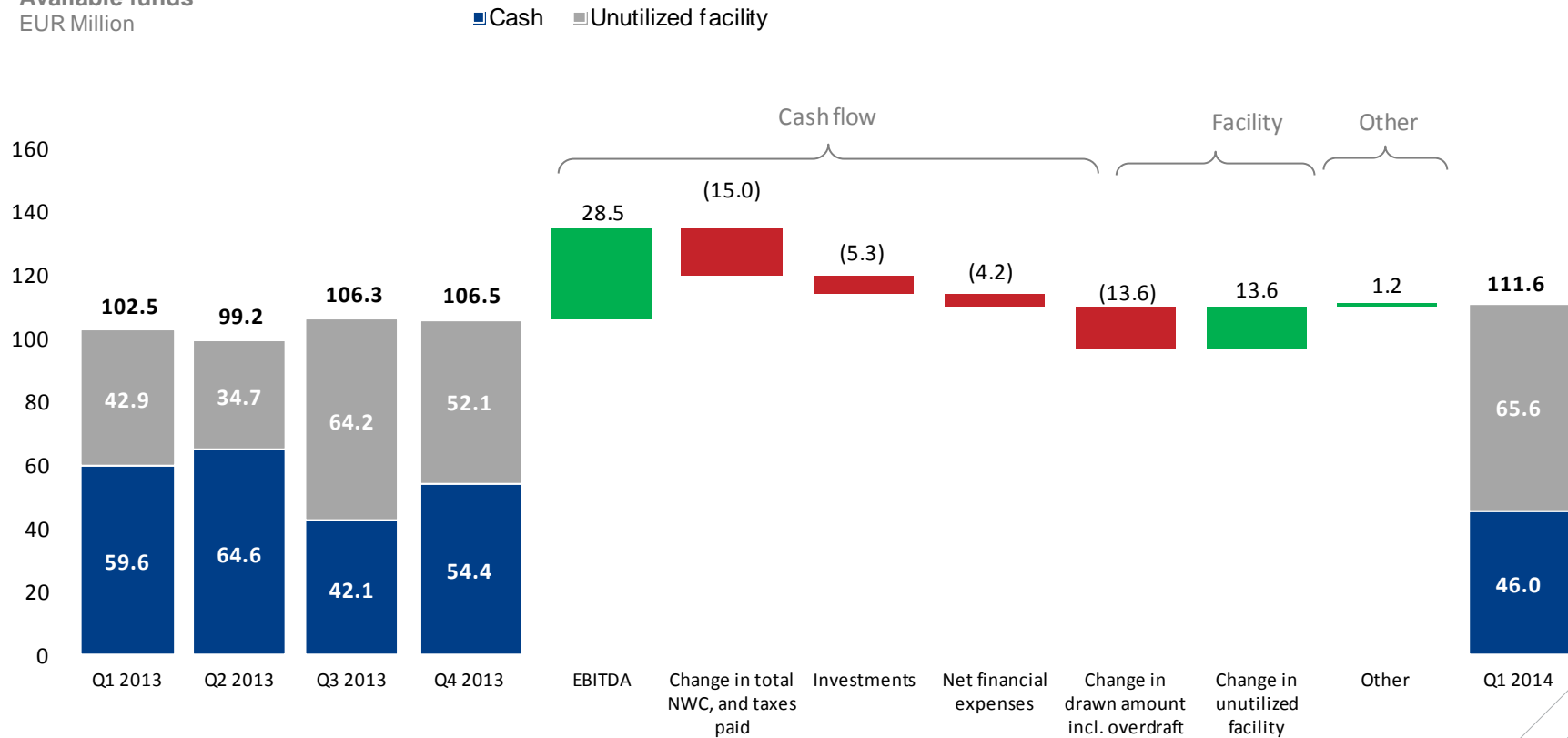
Net financial items
EUR million



- ▶ Interest rate margin reduced as a consequence of lower gearing
- ▶ Lower net financial items, due to positive unrealized foreign currency effects, as opposed to negative effects last year

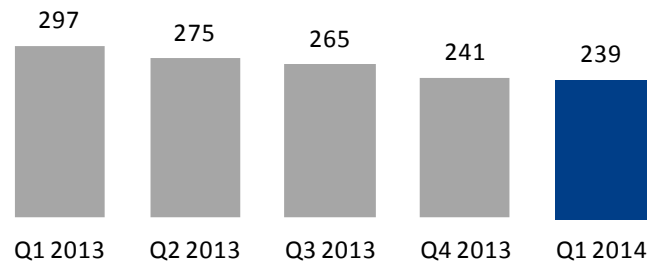
Cash flow and facility development

Available funds
EUR Million

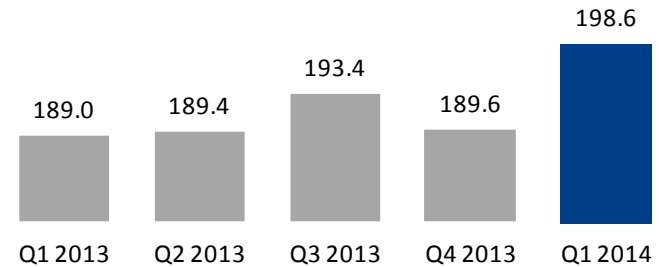


Financial ratios

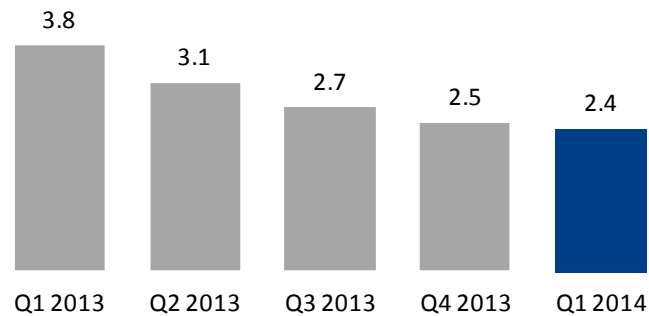
NIBD
EUR million



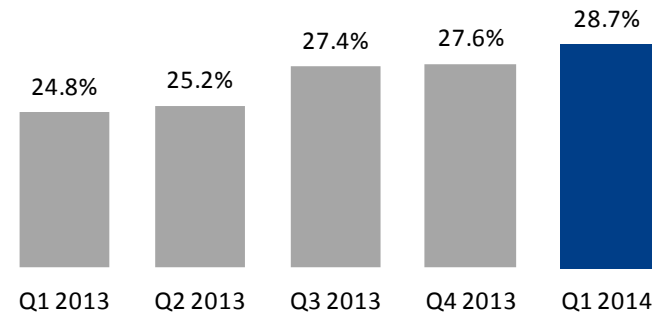
Equity
EUR million



NIBD/EBITDA
Times



Equity ratio
Percent

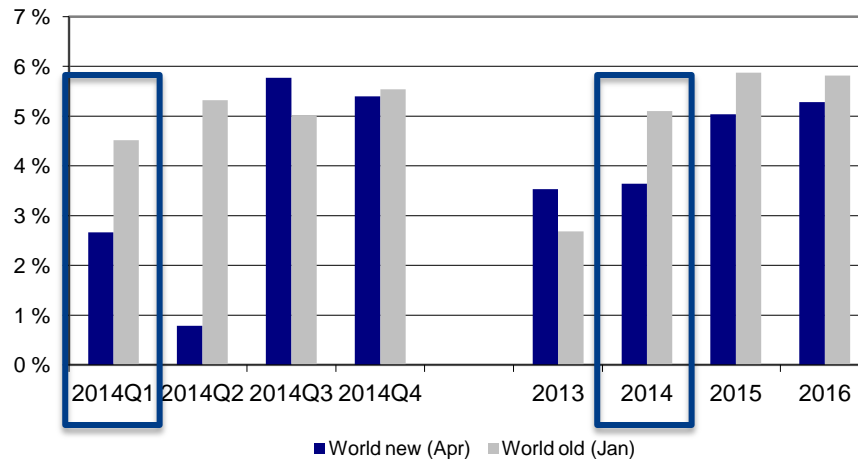




Philippe Toth, VP Investor Relations and M&A
MARKET UPDATE

Light vehicle production – Q1 2014 forecast

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



3.1%
Europe: Main markets (Germany, UK) grew by + 5% benefiting from heavy manufacturer discounts. Spain has scrapping incentives which are pulling forward sales.

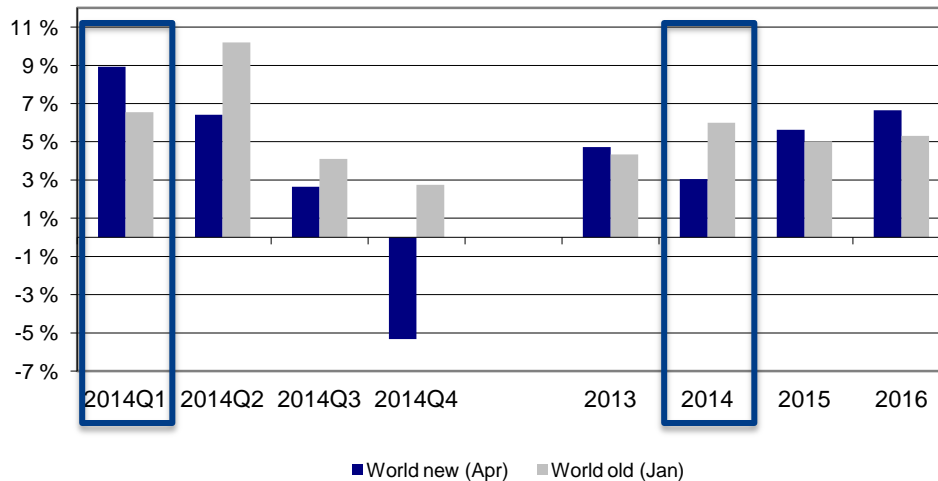
2.8%
North America: Stabilized growth based on continuing demand, growing export and increasing localization of production

10%
China: Despite purchase restriction in 8 major cities, governmental support of domestic consumption growth led to high passenger car sales in all other areas.

2.7%
Total production: High growth in Q4-13 contained some pull forward sales from Q1-14, and the quarter ended up with 2.7% growth instead (previously forecast of 4.5%). Total 2014 production is expected to be around 87.7 million Light Duty Vehicles.

Commercial vehicle production – Q1 2014 forecast

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



3.7%
 Europe: EURO6 pre-buy effect has pulled forward some 2014 sales. Market expected still to be weak in 2014

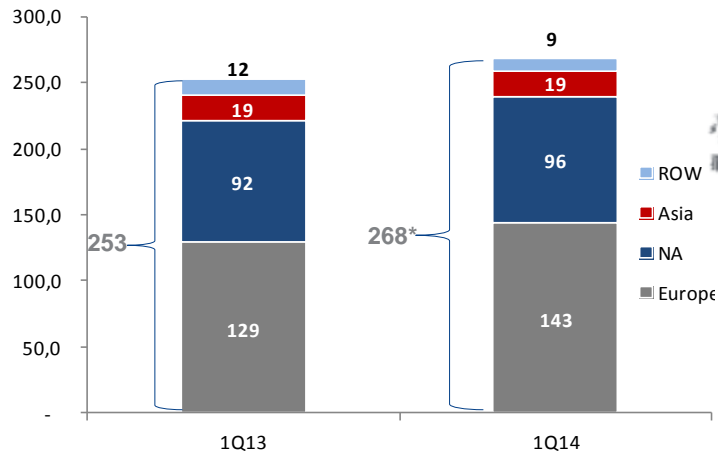
20%
 North America: Strong start of 2014 compared to a weak Q1 2013

8.3%
 China: Strong end to 2013 continues into the first half of 2014.

8.9%
 World Wide: Growth mainly driven by China and North America. 2014 global production expected to grow by 3.1%, to 2.89 million vehicles.

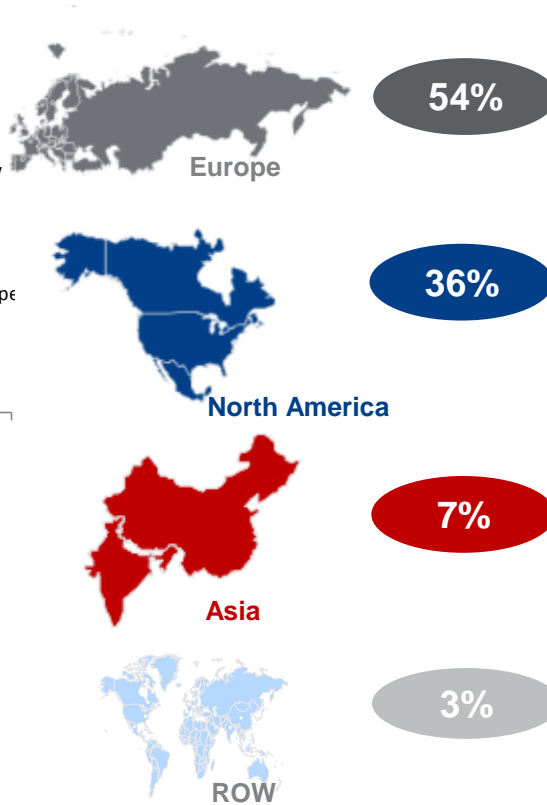
Sales by region

Sales in MEUR by region*



* Adjusted for currency effect

Sales in % by region



Expected 2014 market Growth



Vehicle Type	Expected 2014 market Growth
Sedan	1.5%
Truck	- 5.8%
Sedan	2.6%
Truck	10.9%
Sedan	5.7%
Truck	3.9%

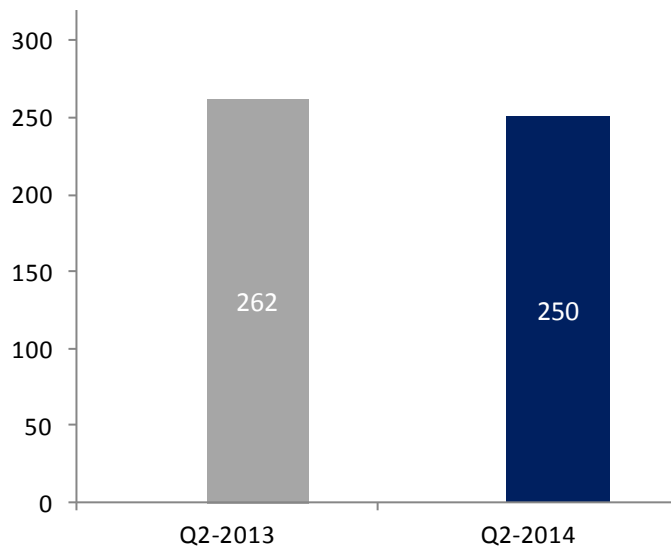
Source: LMC Automotive – April 2014



Hans Peter Havdal
SUMMARY & OUTLOOK

Summary and outlook

Company outlook for Q2 2014
EUR Million



- ▶ **First quarter EBIT margin of 7.1 %, due to operational improvements & operational gearing**

Markets: North America & China remain positive while European outlook is still uncertain

KA expects Q2 2014 revenues of approx. EUR 250 million



Questions & Answers

Our values



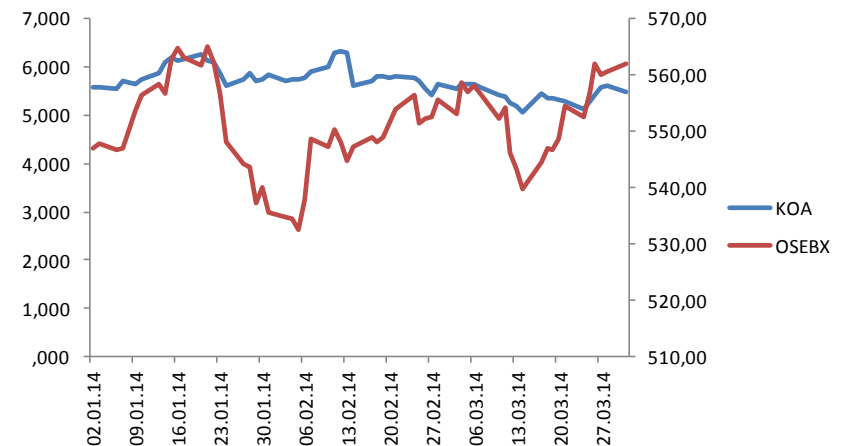


APPENDIX

Share price and shareholders

Data: 31.03.2014

Current Position	% Share Outstanding	Investor Name	Nationality
12.366.087	3,04	MORGAN STANLEY & CO S/A MSIL IPB CLIENT	GBR
12.097.395	2,97	The Bank of New York NON-TREATY BNY Mello	LUX
10.985.050	2,70	MP PENSJON PK	NOR
10.774.253	2,65	THE NORTHERN TRUST C NON-TREATY ACCOUNT	GBR
10.132.813	2,49	CITIBANK, N.A. S/A DFA-INTL SML CAP	USA
9.260.347	2,28	KLP AKSJER NORGE VPF	NOR
9.185.602	2,26	J.P. Morgan Chase Bank NORDEA RE:NON-TREATY	GBR
8.631.339	2,12	EUROCLEAR BANK S.A./ 25% CLIENTS	BEL
8.619.558	2,12	VPF NORDEA KAPITAL C/O JPMORGAN EUROPE	NOR
8.000.000	1,97	VERDIPAPIRFONDET DNB	NOR
7.014.671	1,72	JPMORGAN CHASE BANK, S/A ESCROW ACCOUNT	GBR
6.995.329	1,72	JP Morgan Chase Bank HANDELSBANKEN NORDIC	SWE
6.572.268	1,62	KONGSBERG AUTOMOTIVE	NOR
6.500.000	1,60	VICAMA AS	NOR
6.250.175	1,54	KOMMUNAL LANDSPENSJON	NOR
5.500.000	1,35	ERLING NEBY AS	NOR
5.305.776	1,30	CLEARSTREAM BANKING	LUX
4.323.800	1,06	VPF NORDEA AVKASTNIN C/O JPMORGAN EUROPE	NOR
4.306.838	1,06	VERDIPAPIRFONDET DNB	NOR
4.044.701	0,99	MORGAN STANLEY & CO S/A MSCO EQUITY FIRM	USA
156.866.002	38,6		



The Board of Directors of Kongsberg Automotive Holding ASA



Ulla-Britt Fräjdin-Hellqvist

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



Thomas Falck

- *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

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



Magnus Jonsson

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



Halvor Stenstadvold

- *Member of the Board since 2011*
- *Other Corporate Affiliations:*
 - *Chairman of SOS barnebyerNorge, Henie OnstadKunstsenter and Civita AS*
 - *Board member, Storebrand ASA, Statkraft SF/Statkraft AS, Navamedic ASA, SosChildrens 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 2014

	Interim Reports	Presentation
Q2 2014	July 10. 2014	July 11, 2014
Q3 2014	15 Oct 2014	Oct 16. 2014
Q4 2014	TBD	TBD

IR contacts

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For more information, see: <http://www.kongsbergautomotive.com/investor-relations/>

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