KONGSBERG
AUTOMOTIVE

2nd Quarter Report 2012

Kongsberg Automotive Group

Enhancing the driving Experience

2012

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Highlights for the second quarter 2012

- Revenues of EUR 262 million (including positive currency effects of EUR 11,5 million, where strong NA market offsets EU shortfall
- EBITDA of EUR 20.0 million
- Strong cash flow from operating activities
- The drawn debt was reduced by EUR 9 million in Q2
- The market outlook for the third quarter indicates a stable revenue level of approximately EUR 230 million. Uncertainty about EU market conditions remains high

Key figures

MEUR	Q2 2012	Q2 2011	YTD 2012	YTD 2011	2011
Revenues	261.6	256.6	529.5	523.9	999.7
EBITDA	**20.0**	**22.6**	**43.2**	**52.4**	**82.0**
EBITDA %	7.6 %	8.8 %	8.2 %	10.0 %	8.2 %
Net profit	**(4.6)**	**1.9**	**6.3**	**16.1**	**7.8**
NIBD/EBITDA	4.2	4.0	4.2	4.0	3.9
Equity ratio (%)	24.2 %	23.7 %	24.2 %	23.7 %	23.3%

Kongsberg Automotive Group

The Board of Directors' first half year report

Key events
In the first 6 months of 2012 the global economy have been characterized by uncertainty, however the volumes overall in the automotive market have so far been in line with expectations and the guiding for the 2012 top line. The growth in Asia has slowed down and the European market is weaker versus last year, however the North American market has been contributing positively. Overall the revenues for the first half of 2012 were up 1 % compared to the first half of 2011.
Of KA's five business segments, four have reached a solid profitability level, while the turnaround of the fifth, Driveline, remains the key challenge to lift the margin for the Group further. There are several actions in progress to improve this segment. Commercial terms are being negotiated with key customers, and the company expects to close these discussions in the 3rd quarter. The closure of the Dassel plant is in progress, and is expected to be closed during 4th quarter 2012.
A 15% white collar headcount reduction plan is being executed. These actions will give a gradually improvement during the 2nd half of 2012.
In total the company has over the first half year reduced the number of employees from 11.104 at the end of 2011 to 10.835 at 30th of June 2012.
KA has continued to book many significant new orders that both will strengthen future revenues as well as securing the company a better strategic position when it comes to customer portfolio, geographic footprint and product portfolio.

Financials
The revenues in first half year 2012 were EUR 529.5 million compared to EUR 523.9 million in the same period 2011. EBITDA was EUR 43.2 million in the first half year 2012 compared to EUR 52.4 million in the first half of 2011. Net profit was reduced by EUR 9.8 million driven by lower result from operations, mainly in the Driveline area.

The market
The market for light vehicles has shown a good growth in the US, while the European market has been weaker, in particular the southern European OEMs (original equipment manufacturer) are struggling. The Asian market has shown a slower growth rate. The European heavy truck market has shown decline in volumes, and Brazil as an important market has been very weak. The Asian market for heavy trucks has also been on the weaker side.

Risks
The Group's activities are exposed to different types of risk. Some of the most important factors are foreign-exchange rates, interest rates, raw material prices and credit risks, 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 development in the market is considered to be the biggest risk factor at the moment. The company continuously monitors the risk factors.

Share and shareholders
During the 2nd quarter the share price has varied between NOK 2.04 and 1.35. The total number of shareholders in KOA is 7.467. The total number of shares is 406.2 million, of those 8.42 % were owned by foreigners.

Future outlook
The market outlook continues to be influenced by the general uncertainty in the global economy , in particularly in Europe. The company, with the existing information, does not see signs of major negative changes in the overall trend lines for the industry. However it is difficult to predict how the general economic uncertainty will influence this picture.

The company expects revenue of approximately EUR 230 million in the 3rd quarter 2012, mainly influenced by seasonality. For 2012 KA keeps its revenue estimate of EUR 1000 million, based on the current market assumptions.

Financials & segments KA Group

Second quarter 2012

Condensed consolidated statement of profit and loss

MEUR	Q2 2012	Q2 2011	YTD 2012	YTD 2011	2011
Revenues	261.6	256.6	529.5	523.9	999.7
Opex	(241.6)	(233.9)	(486.3)	(471.5)	(917.7)
EBITDA	**20.0**	**22.6**	**43.2**	**52.4**	**82.0**
EBITDA (%)	*7.6 %*	*8.8 %*	*8.2 %*	*10.0 %*	*8.2 %*
Depreciation and amortization	(13.3)	(10.3)	(23.7)	(20.7)	(43.5)
EBIT	**6.7**	**12.4**	**19.5**	**31.7**	**38.5**
EBIT (%)	*2.6 %*	*4.8 %*	*3.7 %*	*6.1 %*	*3.9 %*
Net financial items	(13.0)	(9.3)	(11.1)	(9.9)	(30.4)
Profit before taxes	**(6.3)**	**3.1**	**8.5**	**21.8**	**8.2**
Income taxes	(1.7)	(1.8)	(4.9)	(4.1)	(8.6)
Change in deferred tax	3.3	0.6	2.7	(1.6)	8.2
Net profit	**(4.6)**	**1.9**	**6.3**	**16.1**	**7.8**

Revenues

Revenues for the Group amounted to EUR 261.6 million in the second quarter of 2012, including a positive currency effect of EUR 11.5 million. The revenue was 5.0 million (2 %) above comparable period last year.

For all segments the North American market has contributed positively. The commercial vehicle segments have been influenced by a weaker European market as well as a weak Brazilian market, due to the introduction of the EURO 5 emission standard. A weaker European passenger car market, in particular for the French OEMs, has influenced the Driveline segment negatively. The Asian market has seen lower growth rates.

EBITDA

The EBITDA for the Group was EUR 20.0 million in the second quarter of 2012, a reduction of EUR 2.6 million compared to second quarter 2011. The EBITDA margin declined 1.2 % points to 7.6%.

The EBITDA was positively influenced by higher sales in Interior, but on a lower margin portfolio. Lower sales and negative mix in Driveline contributed negatively. Fluid Transfer maintained the revenue level but at a weaker product mix. Actuation and chassis is affected by the weak European market impacting both revenue and margin. Driveline remains the key challenge on profitability, while the other four segments maintain strong margins.

Net financials

Net financials (see note 3) were EUR -13.0 million in the second quarter of 2012, compared to EUR -9.3 million in the same period 2011.

Profit before tax

Profit before tax was EUR -6.3 million in the second quarter of 2012. This was a reduction of EUR 9.4 million from the second quarter 2011. In addition to the EBITDA effects the Group wrote off EUR 1.1 million on a building in US, influencing the level of depreciation in the 2nd quarter.

Statement of cash flow and financial position

Condensed statement of cash flow

MEUR	30.06.12	30.06.11	31.12.11
Cash flow from operating activities	38.9	16.9	41.2
Cash flow from investing activities	(15.0)	(12.8)	(35.4)
Cash flow from financing activities	(44.1)	(37.6)	(55.3)
Currency effects on cash	1.6	(7.5)	0.7
Net change in cash	(18.6)	(41.1)	(48.7)
Net cash at 01.01 (incl bank overdraft)	52.3	101.0	101.0
Net cash at period end (incl bank overdraft)	**33.7**	**60.0**	**52.3**
Of this, restricted cash	3.4	1.5	3.0

Net cash flow from operating activities amounted to EUR 38.9 million in the first half of 2012, compared to EUR 16.9 million in the corresponding period in 2011.

The increase in Net Working Capital (EUR -5.9 million) in first half of 2012 was lower compared to same period last year (EUR -35.0 million). Accounts receivables increased by EUR 13.1 million to EUR 158.8 million during the first half of 2012 reflecting higher sales level compared to December last year. Accounts payables increased by EUR 3.5 million to EUR 112.9 million. Inventory levels were reduced with EUR 3.7 million to EUR 90.8 million in the same period.

Net working capital in percent of revenues was 13.1 % by the end of this quarter, which is at the same level as comparable period last year.

The capital expenditure was EUR 15.2 million in the first half of 2012 which was EUR 2.1 higher than the same period in 2011.

Net cash flow from financing activities was EUR -44.1 million in first half of 2012, compared to EUR -37.6 million in first half of 2011. The change primarily reflects the fee from debt restructuring of EUR 6.4 million (see section Financing and funding below).

The total net change in cash amounted to EUR -18.6 million since year end 2011. This included a decline in the cash holding from EUR 82.5 million at the beginning of the year to EUR 77.8 million per 30 June 2012, and an increase in bank overdraft from EUR 30.2 million to EUR 44.1 million during the same period.

The cash reserve was 77.8 at the end of the 2nd quarter slightly down from 79.4 at the end of 2011.

Statement of financial position

Total assets were EUR 801.5 million as of 30th of June 2012, an increase of EUR 7.6 million since year end 2011, mainly due to increased working capital. as described above.

Equity amounted to EUR 193.6 million as of 30th of June 2012, an increase of EUR 8.4 million from the end of 2011, reflecting the positive net profit. The equity ratio was 24.2 %, an increase from 23.3% as of 31st of December 2011.

Gross interest bearing debt amounted to EUR 344.2 million at the end of the second quarter 2012, compared to EUR 368.1 million at the end of 2011.

Net interest bearing debt was EUR 310.5 million, reduced by EUR -5.3 million from the end of 2011.

For more information see section Consolidated statement of financial position.

Financing and funding

On 30th of March 2012, Kongsberg Automotive Holding signed a new 5 year facility agreement with DNB and Nordea. The facility is composed of two tranches of USD 195 million and EUR 266 million. The final maturity is 30 March 2017.

Financials covenants are as follows:

- Minimum equity ratio of 20% in 2012 increasing progressively to 25% in 2014.
- Minimum liquidity of EUR 50 million
- Maximum Gearing Ratio of 5x in 2012 decreasing to 2.5x in Q1 2015.

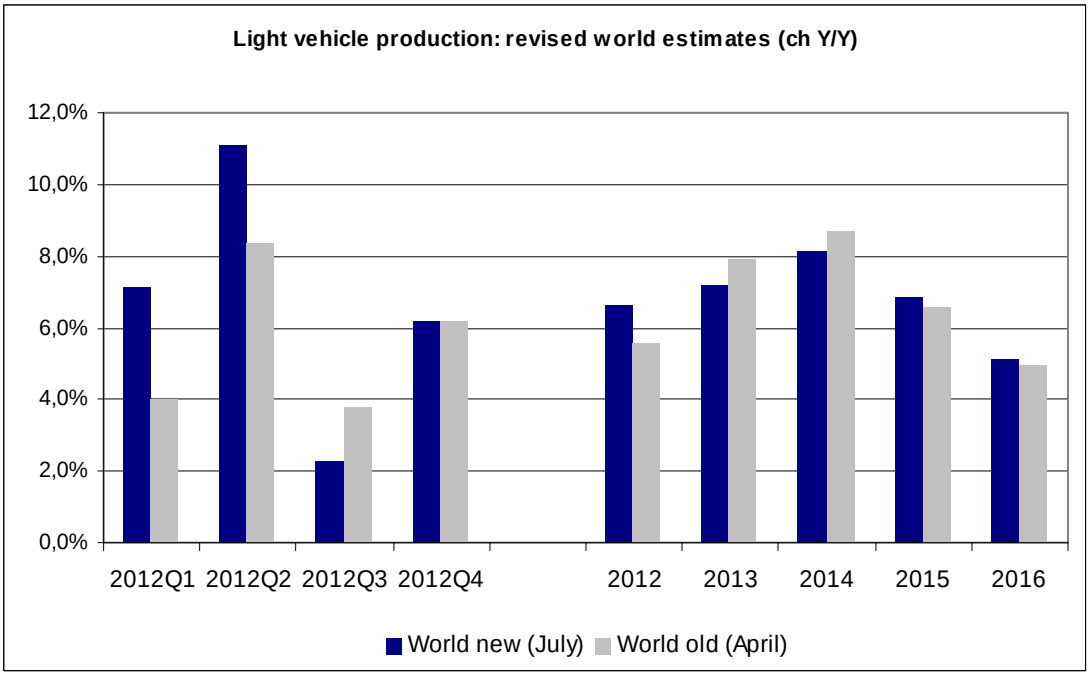
The margin is based on the Gearing Ratio level within a range from 475bps to 225bps.

At the end of the second quarter 2012, the equity ratio was 24.2%, the liquidity reserve EUR 105.7 million, and the gearing ratio 4.2. Please see also note 3.

Market outlook

Light vehicle production estimates – July 2012

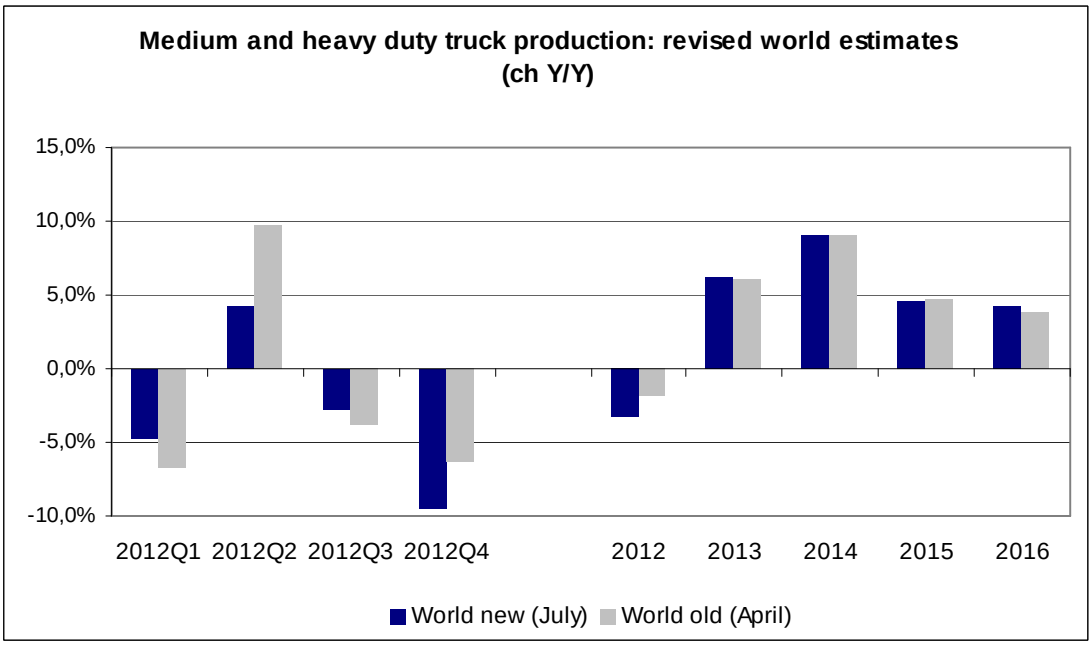
Year-on-year change in production growth rate (source: LMC Automotive):



Light vehicle production (LVP) is revised upward in 2012 compared to April with an expected 82 million vehicles produced in 2012. All regions are expected to grow with the exception of Europe which is expected to decline by 4.8%. This downturn is mainly expected in Southern Europe while Northern Europe is expected to stay rather stabile. North American LVP has performed above expectation during the first half year and is expected to remain very strong during the second half year.

Commercial vehicle production estimates – July 2012

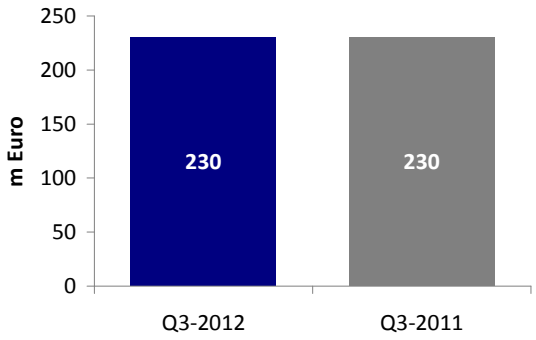
Year-on-year change in production growth rate (source: LMC Automotive):



Commercial vehicle production (CVP) is expected to reach approximately 2.8 million vehicles in 2012. Most of the geographical regions are expected to be negatively affected although North America is still expected to grow around 10.8% in 2012.

South America is expected to be the region displaying the strongest decline with a CVP growth of -19.2%.

Revenue outlook for the third quarter 2012



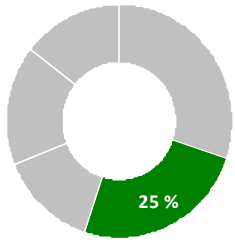
The company expects revenue of approximately EUR 230 million for the third quarter 2012, based on underlying production of vehicles and indications from customers.

Interior

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.

Share of Q2 2012 revenue

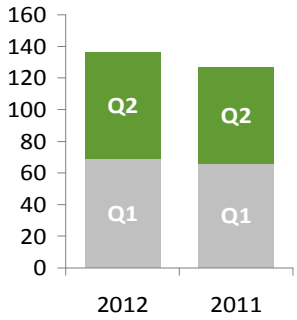


Key figures – Interior

MEUR	Q2 2012	Q2 2011	YTD 2012	YTD 2011
Revenue	67.3	61.0	136.1	126.5
EBITDA	6.5	3.4	14.4	10.0
EBITDA (%)	*9.6 %*	*5.7 %*	*10.6 %*	*7.9 %*
Depreciation	(1.8)	(1.5)	(3.6)	(3.1)
Amortization	(0.5)	(0.6)	(0.9)	(1.2)
EBIT	4.2	1.4	9.9	5.8
EBIT (%)	*6.2 %*	*2.2 %*	*7.3 %*	*4.6 %*
Capex	3.0	0.8	5.0	4.1
Capital employed *	153.7	144.6	153.7	144.6

* Assets include PP&E, intangible assets, inventories, trade receivables and trade payables

Revenue (MEUR)



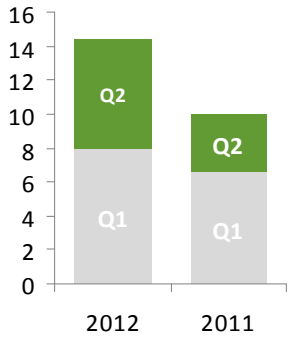
Financial update

Interior revenues increased by EUR 6.3 million (10.3%) to EUR 67.3 million in the second quarter 2012, including a favorable currency effect of EUR 1.9 million. For YTD 2012, revenue amounted to EUR 136.1 million, an increase of 7.6% from 2011. Higher revenues were mainly a result of higher volumes due to a strengthened market in North America.

EBITDA was EUR 6.5 million in the second quarter of 2012, an increase of EUR 3.1 million (91%) from the same period last year. There was a one-off severance cost of EUR 1.5 million in Q2 2011 for the Burton restructuring.

For YTD 2012, EBITDA increased by 44% to EUR 14.4 million. The EBITDA improvement mainly reflects a conversion of the higher revenue in addition to successful restructuring and continued improvement actions which more than offset price reductions and economics.

EBITDA (MEUR)



Operational update

The advanced product development group, “Product Knowledge Owner”, is starting to bring major benefits as KA secured a major program with it’s new Electro-Mechanical actuation system for the automatic folding and tumbling of

seats with the press of a button and this new product that is received well at the OEM level. This new product will be in test at OEM's in the 3rd quarter and production ready by the end of the year.

Driveline

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.

Key figures – Driveline

MEUR	Q2 2012	Q2 2011	YTD 2012	YTD 2011
Revenue	80.9	84.4	165.7	172.1
EBITDA	0.5	3.5	1.7	10.3
EBITDA (%)	*0.6 %*	*4.1 %*	*1.0 %*	*6.0 %*
Depreciation	(3.4)	(1.9)	(5.6)	(4.0)
Amortization	(0.7)	(0.8)	(1.4)	(1.6)
EBIT	(3.6)	0.7	(5.2)	4.7
EBIT (%)	*-4.4 %*	*0.8 %*	*-3.2 %*	*2.8 %*
Capex	2.1	1.8	5.1	3.1
Capital employed *	101.7	101.4	101.7	101.4

* Assets include PP&E, intangible assets, inventories, trade receivables and trade payables

Financial update

Driveline revenues declined by EUR 3.5 million (4.1%) to EUR 80.9 million in the second quarter 2012, compared to the same quarter 2011, including a favorable currency effect of EUR 3.5 million. The decline in revenue was mainly due to a general decline in sales to the French OEMs. For the first 6 months the revenue was down EUR 6.4 million.

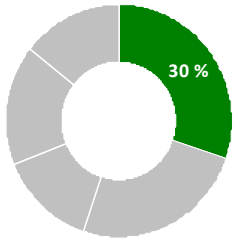
EBITDA was EUR 0.5 million in the second quarter, down with EUR 3.0 million compared with second quarter 2011. EBITDA margin was 0.6 %, down 3.5 % points from the comparable quarter last year. Lower revenue, higher material cost and operational issues are the key elements behind the lower profitability. For the first 6 months EBITDA was down EUR 8.6 million.

Operational update

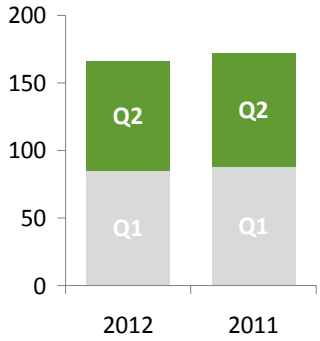
The following ongoing actions are being worked on to improve the margin:

- Launch of a 15% white collar headcount reduction initiative to compensate for lower sales in southern EU and address weak segment margins
- Commercial terms are being negotiated with 3 key customers and we expect to close the discussions in Q3
- Dassel closing in progress, closure expected during Q4-2012
- These initiatives will gradually improve the profitability of the business area during the second half 2012

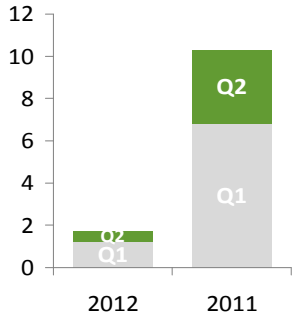
Share of Q2 2012 revenue



Revenue (MEUR)



EBITDA (MEUR)



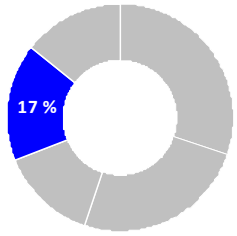
Fluid Transfer

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 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 Western Europe.

Key customers in commercial vehicles include Volvo Trucks and Navistar. OEM automotive customers are Volvo, 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. The business area provides completely engineered flexible fluid assemblies for all market segments in which it operates.

Share of Q2 2012 revenue

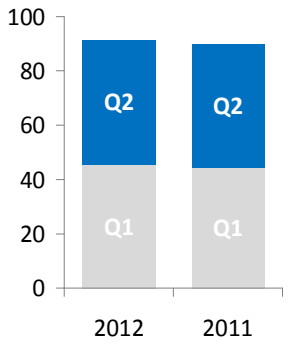


Key figures – Fluid Transfer

MEUR	Q2 2012	Q2 2011	YTD 2012	YTD 2011
Revenue	45.8	45.4	91.1	89.7
EBITDA	7.4	7.8	15.2	14.5
EBITDA (%)	*16.2 %*	*17.2 %*	*16.7 %*	*16.1 %*
Depreciation	(1.6)	(1.5)	(3.3)	(3.1)
Amortization	(0.9)	(0.8)	(1.7)	(1.7)
EBIT	4.9	5.4	10.1	9.7
EBIT (%)	*10.7 %*	*12.0 %*	*11.1 %*	*10.8 %*
Capex	1.3	0.9	1.9	1.7
Capital employed *	121.2	114.6	121.2	114.6

* Assets include PP&E, intangible assets, inventories, trade receivables and trade payables

Revenue (MEUR)



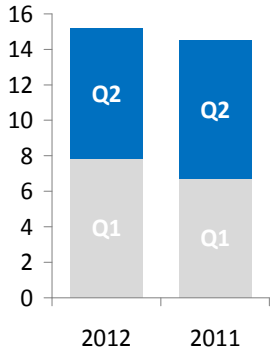
Financial update

Fluid Transfer revenue increased by EUR 0.4 million (0.8%) to EUR 45.8 million in the second quarter, including a favorable currency effect of EUR 2.6 million. Automotive, industrial and commercial vehicle strength in North America was offset by weakness in Europe primarily for coupling systems to the truck market.

For the first half year revenues were up EUR 1.4 million (1.6%) to EUR 91.1 million including a positive currency effect of EUR 3.7 million. Pricing actions implemented to address significant raw material price increases in addition to a strong North American market was offset by weakness in Europe primarily for coupling systems to the truck market.

EBITDA was EUR 7.4 million, a decrease of EUR 0.4 million compared with the second quarter 2011. The EBITDA margin decreased 1.0 % point to 16.2 %, as operational improvements and previously mentioned pricing actions in

EBITDA (MEUR)



response to commodity inflation were more than offset by weakness in Europe and increased costs related to product launch activities.

For the first half year EBITDA was EUR 15.2 million, an increase of EUR 0.7 million compared with EUR 14.5 million on the first half of 2011. The EBITDA margin increased 0.6% points to 16.7%, due to operational improvements, pricing actions and strength in North America partially offset by weakness in Europe.

Operational update

On the 31st March, **Evonik Industries**' production site in Germany suffered a major accident. The site produces CDT, a raw material in the production of a plastic resin PA 12.
FTS has been able to mitigate this issue and has only incurred extra cost of EUR 100 thousand during Q2. The additional exposure is estimated to be around EUR 200 thousand for the remaining year based on current status

Actuation & Chassis

Actuation & Chassis is a global developer and manufacturer of operator control systems for commercial and industrial vehicle markets, offering a robust product portfolio of clutch actuation systems, gearshift systems, vehicle dynamics and steering columns.

Actuation & Chassis' products address the commercial vehicle market, with particularly strong positions in Europe, Brazil, and Korea. Key customers include Volvo Trucks, Scania, MAN, Daimler, Hyundai and DAF/PACCAR.

Key figures – Actuation & Chassis

MEUR	Q2 2012	Q2 2011	YTD 2012	YTD 2011
Revenue	39.6	43.6	78.8	85.6
EBITDA	5.3	6.8	10.0	14.4
EBITDA (%)	*13.4 %*	*15.7 %*	*12.7 %*	*16.8 %*
Depreciation	(1.3)	(1.2)	(2.4)	(2.4)
Amortization	(0.4)	(0.5)	(0.8)	(1.0)
EBIT	3.7	5.2	6.8	11.1
EBIT (%)	*9.3 %*	*11.8 %*	*8.6 %*	*12.9 %*
Capex	0.9	0.5	1.5	1.7
Capital employed *	82.2	81.3	82.2	81.3

* Assets include PP&E, intangible assets, inventories, trade receivables and trade payables

Financial update

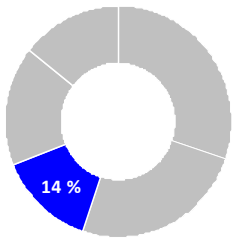
Actuation & Chassis revenues were down EUR 4.0 million (9.2%) to EUR 39.6 million in the second quarter 2012 compared to the second quarter 2011, inclusive of a favorable currency effect of EUR 1.1 million. The revenue decline reflects a weak European commercial vehicle market due to the general economic situation. Furthermore, the Brazilian truck market is significantly down due to the introduction of the EURO 5 emission standards in 2012, and the Chinese truck production slowed down reflecting reduced GDP growth. These effects give a decline in revenue for the first half year of EUR 6.8 million.

EBITDA was EUR 5.3 million, which was EUR 1.5 million below the second quarter 2011. Lower sales was partly offset by higher contribution margins, but accompanied by a fixed costs increase from more R&D and new product launch activities. For the first half year the EBITDA was down EUR 4.4 million mainly due to lower sales.

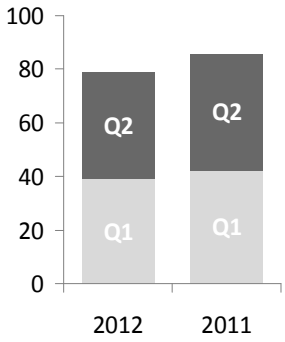
Operational update

The turnaround program in Rollag plant is executed according to agreed plan
High R&D and new product launch activity level due to strong customer interests in A&C product offering.
Local production of clutch actuation system initiated in Wuxi plant (China) for domestic customers

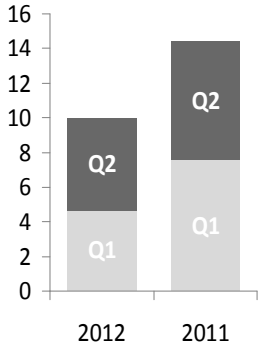
Share of Q2 2012 revenue



Revenue (MEUR)



EBITDA (MEUR)



Power Products

Power Products is one of the global leaders in the design, manufacture and supply of vehicle operator control systems, providing quality engineered pedal systems, electronic displays and a full range or mechanical and electronic controls to the world's foremost manufacturers of industrial, agricultural and construction vehicles.

PPS' products and services support the off-highway vehicle markets of Lawn & Garden, Agriculture, Construction and Power Sports, with particularly strong positions in Europe and North America. Key customers include John Deer, Husqvarna, MTD and BRP.

Key figures – Power Products Systems

MEUR	Q2 2012	Q2 2011	YTD 2012	YTD 2011
Revenue	38.4	35.6	78.5	74.8
EBITDA	5.2	4.8	11.0	10.4
EBITDA (%)	*13.5 %*	*13.6 %*	*14.0 %*	*13.9 %*
Depreciation	(0.4)	(0.4)	(0.8)	(0.9)
Amortization	(0.8)	(0.7)	(1.5)	(1.5)
EBIT	4.0	3.7	8.7	8.0
EBIT (%)	*10.4 %*	*10.3 %*	*11.1 %*	*10.7 %*
Capex	0.5	0.3	0.8	0.7
Capital employed *	53.4	55.8	53.4	55.8

* Assets include PP&E, intangible assets, inventories, trade receivables and trade payables

Financial update

Power Products revenues were up EUR 2.8 million (7.9%) to EUR 38.4 million in the second quarter, including a favorable currency effect of EUR 3.0 million, and a one-time unfavorable customer rebate of EUR 0.9 million.

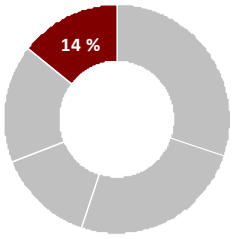
Strength in North America and China has been offset by European economic weakness, especially in the agriculture and industrial sectors. New products have driven growth in North America, including the major release of a new power steering product for a major North American Power Sports customer and other products to meet Tier 4 emission standards.

EBITDA was EUR 5.2 million in the second quarter, which was EUR 0.4 million above the second quarter 2011. This reflects higher revenue, controlled spending, and positive product mix. New products and improving performance are driving higher margins that more than offset a slower European market, rebate and restructuring costs.

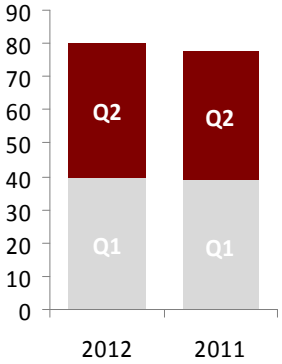
Operational update

The transfer of production from Italy to Hungary is in the final phase and has been accomplished YTD with minimal negative financial impacts due to cost controls and execution.

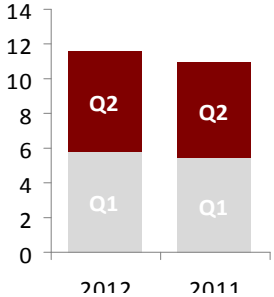
Share of Q2 2012 revenue



Revenue (MEUR)



EBITDA (MEUR)



Order backlog and forecasts for PPS including new product launches are slightly above 2011 however, certain segment visibility is short term. Expectations are that the order trend will closely coincide with general economic and weather conditions as it has done historically

New product launches continue to provide revenue growth within PPS particularly for the electronic Tier 4 emission standards. Here the portfolio development continues as planned with the new Smart Can Interface Module (SCIM) fully launching in Q2.

Condensed consolidated statement of comprehensive income

MEUR	Q2 2012	Q2 2011	YTD 2012	YTD 2011	2011
Revenue	261.6	256.6	529.5	523.9	999.7
Opex	(241.6)	(233.9)	(486.3)	(471.5)	(917.7)
EBITDA	**20.0**	**22.6**	**43.2**	**52.4**	**82.0**
EBITDA (%)	*7.6 %*	*8.8 %*	*8.2 %*	*10.0 %*	*8.2 %*
Depreciation and amortization	(13.3)	(10.3)	(23.7)	(20.7)	(43.5)
EBIT	**6.7**	**12.4**	**19.5**	**31.7**	**38.5**
EBIT (%)	*2.6 %*	*4.8 %*	*3.7 %*	*6.1 %*	*3.9 %*
Net financial items	(13.0)	(9.3)	(11.1)	(9.9)	(30.4)
Profit before taxes	**(6.3)**	**3.1**	**8.5**	**21.8**	**8.2**
Income taxes	(1.7)	(1.8)	(4.9)	(4.1)	(8.6)
Change in deferred tax	3.3	0.6	2.7	(1.6)	8.2
Net profit	**(4.6)**	**1.9**	**6.3**	**16.1**	**7.8**
Translation differences	9.1	(0.4)	2.0	(11.8)	6.5
Tax on translation differences	(3.1)	(0.4)	0.9	3.3	(3.7)
Total comprehensive income for the period	**1.4**	**1.1**	**9.1**	**7.6**	**10.5**
Net profit attributable to:					
Equity holders (parent comp)	(4.6)	1.7	6.3	15.8	7.5
Non-controlling interests	0.0	0.2	0.0	0.3	0.3
Total	**(4.6)**	**1.9**	**6.3**	**16.1**	**7.8**
Total comprehensive income attributable to:					
Equity holders (parent comp)	1.4	0.9	9.1	7.3	10.2
Non-controlling interests	0.0	0.2	0.0	0.3	0.3
Total	**1.4**	**1.1**	**9.1**	**7.6**	**10.5**
Earnings per share:					
Basic earnings per share, Eur	(0.01)	0.00	0.02	0.04	0.02
Diluted earnings per share, Eur	(0.01)	0.00	0.02	0.04	0.02

Condensed consolidated statement of financial position

MEUR	30.06.12	30.06.11	31.12.11
Deferred tax asset	54.0	56.2	50.6
Intangible assets	242.9	237.0	242.9
Property, plant and equipment	132.8	126.6	132.6
Other non-current assets	3.8	1.4	3.2
Total non-current assets	**433.5**	**421.2**	**429.3**
Inventories	90.8	89.3	94.4
Account receivables	158.8	155.9	145.6
Other short term receivables	40.7	36.0	42.0
Cash and cash equivalents	77.8	76.2	82.5
Total current assets	**368.1**	**357.4**	**364.6**
Total assets	**801.5**	**778.6**	**793.9**
Share capital	26.5	25.7	26.2
Share premium reserve	223.8	216.5	217.6
Other equity	(63.0)	(63.9)	(65.1)
Non-controlling interests	6.2	6.2	6.6
Total equity	**193.6**	**184.5**	**185.2**
Interest bearing loans and borrowings	308.0	325.0	326.9
Deferred tax liabilities	19.7	27.4	19.7
Other long term liabilities	14.5	15.1	14.5
Total non-current liabilities	**342.2**	**367.5**	**361.1**
Bank overdraft	44.1	16.2	30.2
Other short term liabilities, interest bearing	36.2	31.1	41.2
Accounts payable	112.9	110.6	109.4
Other short term liabilities	72.5	68.7	66.7
Total current liabilities	**265.7**	**226.6**	**247.5**
Total liabilities	**607.9**	**594.1**	**608.6**
Total equity and liabilities	**801.5**	**778.6**	**793.9**

Condensed consolidated statement of changes in equity

MEUR	30.06.12	30.06.11	31.12.11
Equity as of start of period	**185.2**	**174.6**	**174.6**
Net profit for the period	6.3	16.1	7.8
Translation differences	2.0	(11.8)	6.5
Tax on translation differences	0.9	3.3	(3.7)
Total comprehensive income	*9.1*	*7.6*	*10.5*
Options contracts (employees)	0.3	0.4	0.8
Treasury shares	0.0	0.1	0.1
Other changes in non-controlling interest	(0.5)	0.0	(0.5)
Other changes in equity	(0.5)	1.8	(0.3)
Equity as of end of period	**193.6**	**184.5**	**185.2**

Condensed consolidated statement of cash flow

MEUR	30.06.12	30.06.11	31.12.11
Operating activities			
(Loss) / profit before taxes	8.5	21.8	8.2
Depreciation	15.7	13.5	29.0
Amortization	7.9	7.2	14.4
Interest income	(0.2)	(0.3)	(0.5)
Interest expenses	8.6	10.5	20.0
Taxes paid	(1.2)	(0.6)	(2.0)
(Gain) / loss on sale of non-current assets	0.0	0.0	(0.2)
Changes in accounts receivables	(13.1)	(29.3)	(18.1)
Changes in inventory	3.7	(6.0)	(10.1)
Changes in accounts payables	3.5	0.3	(2.4)
Currency differences over P/L	(3.3)	0.2	8.9
Changes in value of financial derivatives	2.2	(2.3)	(1.5)
Changes in other items	6.7	1.8	(4.5)
Cash flow from operating activities	**38.9**	**16.9**	**41.2**
Investing activities			
Capital expenditures, incl intangible assets	(15.2)	(13.1)	(35.8)
Investments in subsidiaries	0.0	(0.1)	(0.1)
Interest received	0.2	0.3	0.5
Cash flow from investing activities	**(15.0)**	**(12.8)**	**(35.4)**
Financing activities			
Proceeds from sale of treasury shares	0.0	0.2	0.1
Repayment of external loans*	(29.5)	(27.3)	(32.3)
Interest paid	(6.7)	(10.1)	(19.1)
Dividends paid**	(0.5)	0.0	(0.5)
Other financial charges	(7.4)	(0.3)	(3.5)
Cash flow from financing activities	**(44.1)**	**(37.6)**	**(55.3)**
Currency effects on cash	**1.6**	**(7.5)**	**0.7**
Net change in cash	(18.6)	(41.1)	(48.7)
Net cash at 01.01 (incl bank overdraft)	52.3	101.0	101.0
Net cash at period end (incl bank overdraft)	**33.7**	**60.0**	**52.3**
Of this, restricted cash	3.4	1.5	3.0

* See note 3 for comments.
** Dividend to JV partner in Shanghai Kongsberg Automotive Dong Feng Morse Co Ltd (China).

Notes to the condensed 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 June 2012, 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 2011, 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 2011, as described in those annual financial statements.

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

Risks
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 risks, 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’s development is still a risk factor. The Board of Directors and management continue to proactively address the risk factors described above.

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

Note 2 - Segment reporting

2.1 Operating reportable segments

30.06.12

MEUR	Driveline	Interior	Actuation & Chassis	Fluid Transfer	Power Products	Elim & other	Group
Operating Revenues	165.7	136.1	78.8	91.1	78.5	(20.7)	529.5
EBITDA	**1.7**	**14.4**	**10.0**	**15.2**	**11.0**	**(9.1)**	**43.2**
Depreciation	(5.6)	(3.6)	(2.4)	(3.3)	(0.8)	0.0	(15.7)
Amortization	(1.4)	(0.9)	(0.8)	(1.7)	(1.5)	(1.6)	(7.9)
EBIT	**(5.2)**	**9.9**	**6.8**	**10.1**	**8.7**	**(10.7)**	**19.5**
Assets and liabilities							
Goodwill	6.3	73.1	28.2	49.6	6.8	0.0	164.1
Other intangible assets	17.6	11.5	12.4	19.4	17.2	0.6	78.8
Property, plant and equipment	36.8	32.6	23.3	29.6	10.1	0.5	132.8
Inventories	30.2	13.2	15.4	16.8	15.8	(0.6)	90.8
Trade receivables	44.9	45.2	20.7	28.8	19.2	0.0	158.8
Segment assets	135.8	175.5	100.1	144.2	69.1	0.5	625.2
Unallocated assets						176.3	176.3
Total assets	**135.8**	**175.5**	**100.1**	**144.2**	**69.1**	**176.8**	**801.5**
Trade payables	34.1	22.8	17.9	23.1	14.7	0.3	112.9
Unallocated liabilities						495.0	495.0
Total liabilities	**34.1**	**22.8**	**17.9**	**23.1**	**14.7**	**495.3**	**607.9**
Capital expenditure	5.1	5.0	1.5	1.9	0.8	0.0	14.3

30.06.11

MEUR	Driveline	Interior	Actuation & Chassis	Fluid Transfer	Power Products	Elim & other	Group
Operating Revenues	172.1	126.5	85.6	89.7	74.8	(24.8)	523.9
EBITDA	**10.3**	**10.0**	**14.4**	**14.5**	**10.4**	**(7.2)**	**52.4**
Depreciation	(4.0)	(3.1)	(2.4)	(3.1)	(0.9)	0.0	(13.5)
Amortization	(1.6)	(1.2)	(1.0)	(1.7)	(1.5)	(0.3)	(7.2)
EBIT	**4.7**	**5.8**	**11.1**	**9.7**	**8.0**	**(7.6)**	**31.7**
Assets and liabilities							
Goodwill	5.9	69.7	25.7	44.6	7.8	0.0	153.6
Other intangible assets	17.6	13.0	12.6	20.6	18.7	0.9	83.4
Property, plant and equipment	38.3	25.9	23.6	29.7	8.6	0.6	126.6
Inventories	31.2	12.8	15.8	14.9	15.1	(0.5)	89.3
Trade receivables	46.5	43.3	24.0	24.4	17.8	0.0	155.9
Segment assets	139.4	164.6	101.7	134.2	68.0	1.0	608.9
Unallocated assets						169.7	169.7
Total assets	**139.4**	**164.6**	**101.7**	**134.2**	**68.0**	**170.7**	**778.6**
Trade payables	37.9	20.0	20.4	19.6	12.2	0.4	110.6
Unallocated liabilities						483.5	483.5
Total liabilities	**37.9**	**20.0**	**20.4**	**19.6**	**12.2**	**483.9**	**594.1**
Capital expenditure	3.1	4.1	1.7	1.7	0.7	0.0	11.4

31.12.11

MEUR	Driveline	Interior	Actuation & Chassis	Fluid Transfer	Power Products	Elim & other	Group
Operating Revenues	327.3	247.9	166.0	170.9	133.3	(45.7)	999.7
EBITDA	**6.4**	**18.6**	**25.7**	**27.3**	**18.5**	**(14.6)**	**82.0**
Depreciation	(9.9)	(6.3)	(4.7)	(6.3)	(1.7)	(0.2)	(29.0)
Amortization	(3.3)	(2.3)	(1.9)	(3.3)	(3.0)	(0.5)	(14.4)
EBIT	**(6.7)**	**10.0**	**19.1**	**17.7**	**13.8**	**(15.4)**	**38.5**
Assets and liabilities							
Goodwill	6.2	71.2	26.7	48.5	8.0	0.0	160.6
Other intangible assets	17.4	12.3	12.7	20.6	18.6	0.7	82.3
Property, plant and equipment	38.6	28.8	24.8	29.8	10.0	0.5	132.6
Inventories	34.9	14.1	13.3	14.9	17.8	(0.6)	94.4
Trade receivables	42.4	45.0	21.5	22.7	13.9	0.1	145.6
Segment assets	139.6	171.4	99.1	136.6	68.2	0.7	615.6
Unallocated assets						178.3	178.3
Total assets	**139.6**	**171.4**	**99.1**	**136.6**	**68.2**	**179.0**	**793.9**
Trade payables	35.2	21.7	19.1	18.8	14.3	0.4	109.4
Unallocated liabilities						499.3	499.3
Total liabilities	**35.2**	**21.7**	**19.1**	**18.8**	**14.3**	**499.6**	**608.6**
Capital expenditure	8.9	9.5	5.1	5.3	2.5	0.0	31.3

2.2 Segments by geographical location

2.2.1 Sales to customers by geographical location

MEUR	2012 Jan - Jun	%	2011 Jan - Jun	%	2011 Jan-Dec	%
Sweden	46.8	8.8 %	52.2	10.0 %	100.2	10.0 %
Germany	63.9	12.1 %	59.6	11.4 %	124.3	12.4 %
France	40.9	7.7 %	47.0	9.0 %	85.2	8.5 %
Other EU	120.9	22.8 %	123.6	23.6 %	216.0	21.6 %
Total EUR	**272.6**	**51.5 %**	**282.5**	**53.9 %**	**525.8**	**52.6 %**
USA	133.5	25.2 %	120.1	22.9 %	230.8	23.1 %
NA other	59.1	11.2 %	51.0	9.7 %	93.1	9.3 %
Total NA	**192.6**	**36.4 %**	**171.1**	**32.7 %**	**323.9**	**32.4 %**
China	33.6	6.3 %	29.4	5.6 %	66.8	6.7 %
Asia Other	14.5	2.7 %	17.5	3.3 %	41.4	4.1 %
Total Asia	**48.1**	**9.1 %**	**47.0**	**9.0 %**	**108.2**	**10.8 %**
Other countries	16.2	3.1 %	23.4	4.5 %	41.8	4.2 %
Operating revenues	**529.5**	**100.0 %**	**523.9**	**100.0 %**	**999.7**	**100.0 %**

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

2.2.2 Non-current assets by geographical location

MEUR	2012 Jan - Jun	%	2011 Jan - Jun	%	2011 Jan-Dec	%
USA	142.4	37.9 %	129.7	35.7 %	143.0	38.1 %
UK	14.4	3.8 %	40.9	11.2 %	15.9	4.2 %
Norway	31.5	8.4 %	32.3	8.9 %	32.3	8.6 %
Germany	22.2	5.9 %	30.7	8.4 %	28.0	7.5 %
Sweden	32.6	8.7 %	30.4	8.4 %	31.8	8.5 %
Poland	35.5	9.5 %	7.3	2.0 %	31.7	8.4 %
Other	97.0	25.8 %	92.3	25.4 %	92.8	24.7 %
Total Non-Current Assets*	**375.7**	**100.0 %**	**363.6**	**100.0 %**	**375.5**	**100.0 %**

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

Note 3 – Interest bearing loans and borrowings

MEUR	30.06.12	31.12.11
Non-current liabilities		
Bank loans	308.0	326.9
Current liabilities		
Bank overdrafts	44.1	30.2
Other current interest-bearing liabilities	36.2	41.2
Total interest-bearing liabilities	**388.3**	**398.3**

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	216.0	186.0	30.03.17	5.40 %
Tranche in USD*	USD	195.0	182.0	30.03.17	5.20 %
Overdraft	EUR	35.0	0.0	30.03.17	5.40 %
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 certain other short-term interest-bearing liabilities.

3.3 Borrowings by currency

MEUR	30.06.12	31.12.11
EUR	210.8	218.3
USD	148.8	146.9
NOK	22.1	27.4
Other currencies	6.6	5.6
Total interest-bearing liabilities	**388.3**	**398.3**

3.4 Maturity schedule

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

Year	EUR	USD	NOK
Repayable during 2012	15.0		
Repayable during 2013	40.0		7.7
Repayable during 2014	40.0		15.4
Repayable during 2015	40.0		15.4
Repayable during 2016	40.0		15.4
Repayable during 2017 (and later)	76.0	195.0	76.6
Total	**251.0**	**195.0**	**130.5**

3.5 Liquidity reserve

The liquidity reserve of KA group consists of:

MEUR	30.06.12	31.12.11
Free cash	74.5	79.4
Undrawn RRCF EUR/USD	40.3	12.2
Undrawn facility	35.0	64.5
Total (before use)	**149.8**	**156.1**
Used (Bank overdraft)	(44.1)	(30.2)
Unused liquidity reserve	**105.7**	**125.8**

3.6 Net financials

MEUR	Q2 2012	Q2 2011	YTD 2012	YTD 2011	2011
Interest income	0.1	0.2	0.2	0.3	0.5
Interest expenses	(4.6)	(5.5)	(8.6)	(10.5)	(20.0)
Foreign currency gains/losses	(3.9)	(3.9)	3.3	(0.2)	(8.9)
Chng in valuation curr contracts	(1.7)	0.8	(2.2)	2.3	1.5
Other financial items	(2.9)	(0.9)	(3.8)	(1.8)	(3.5)
Net financial items	**(13.0)**	**(9.3)**	**(11.1)**	**(9.9)**	**(30.4)**

Responsibility Statement

We confirm, to the best of our knowledge, that the condensed set of financial statement for the period 1 January to 30 June 2012 has been prepared in accordance with IAS34 – Interim Financial Reporting, and gives a true and fair view of Kongsberg Automotive Holding ASA and group companies' assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year 2012 and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties' transactions.

Kongsberg 12th July 2012

sign	*sign*	*sign*
Ulla-Britt Fräjdin-Hellqvist Chairman	**Maria Borch Helsengreen**	**Thomas Falck**
sign	*sign*	*sign*
Magnus Jonsson	**Halvor Stenstadvold**	**Eivind Holvik**
sign	*sign*	*sign*
Tonje Sivesindtajet	**Kjell Kristiansen**	**Hans Peter Havdal** President and CEO

Other company information

Kongsberg Automotive Holding ASA
Dyrmyrgata 48
3601 Kongsberg, Norway
Phone +47 32 77 05 00
www.kongsbergautomotive.com

The Board of Directors:

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

Executive Committee:

Hans Peter Havdal	President & CEO
Trond Stabekk	Executive Vice President & CFO

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:

	Interim reports	Presentation
3rd Quarter 2012	18 October 2012	19 October 2012
4th Quarter 2012	11 February 2013	12 February 2013