

# 2nd Quarter Report 2015

Kongsberg Automotive



Enhancing the driving experience

2015

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# THE BOARD OF DIRECTORS FIRST HALF YEAR REPORT

In the first six months of 2015 the global markets in total continues to be a combination of some regions with continued growth and other regions with decrease in volumes. The Group continues its journey from the more traditional mechanical portfolio to products with a higher content of electronics. This requires a high focus on R&D and the investments in this area is done to build a base for sustainable growth in the coming years.

From a profitability standpoint this is a balancing act as a part of the cost for these developments are taken now, while the revenues will materialize in the future.

The Group has taken a strategic decision to stop quoting more business in the Headrest and Armrest business. The key consideration behind this was that the Group has other areas that are considered better investments and that the commitment needed for KA to be competitive in this segment would not give a sound financial return. The key focus is still to regain the growth momentum, with even more focus on innovations and business wins within the key segments where the group can build on its strong position. Driveline continues to be the financially weakest segment and it is important for the Group to continue its work to further improve the margins in this area.

## FINANCIALS

The revenues in the first half year of 2015 amounted to EUR 536.0 million compared to EUR 510.2 million in the same period 2014, including positive FX effects of EUR 40.4 million. EBIT for the first half year was EUR 11.9 million, a decrease of EUR 24.0 million compared with the first half of 2014, driven by the write-off of EUR 19.5 million in the Headrest and Armrest product segment. Net profit was EUR -3.6 million compared to EUR 16.4 million in the first six months last year.

## THE MARKET

**Light Vehicle Production (LVP)** in the first half of 2015, ended 1.2 % higher than compared to the first half of 2014. This was mainly driven by higher growth in China, North America and Europe. The estimated production for the full year 2015 is expected to be 89.2 million vehicles, a growth rate of 2.1 % compared to 2014.

The global **Commercial Vehicle Production (CVP)** was reduced by 5 % in the first half of 2015 compared to the comparable period last year, to 1.4 million trucks, driven by the decline in

China and South America. The European production was reduced by close to 1 % in the first half of 2015, mainly due to Russia and CIS countries recession. Western Europe on the other hand experienced high growth of close to 5 %. The production in China declined by close to 17 % in the first half of 2015 to 475 thousands trucks. The North American market experienced a production growth of 12.5 % in the first half of 2015. The estimated production growth rate for the full year 2015 is -1.8 %.

## RISKS

The Group continuously monitors its risk factors. The Group's activities are exposed to different types of risk. Some of the most important risk factors are foreign-exchange rates, interest rates, raw material prices and credit risks. As the Group 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 overall market is considered to be the most significant risk factor.

## SHARE AND SHAREHOLDERS

During the first half year the share price has decreased from NOK 5.76 to 5.45. The total number of shareholders in KOA is 4.934. The total number of shares is 406.8 million, of those 45 % were owned by foreigners.

## FUTURE OUTLOOK

The market outlook continues to be influenced by the general uncertainty around the development of the global economy and particularly in Europe. The Group, 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 Group expects revenues of approximately EUR 240 million in the third quarter of 2015, mainly influenced by seasonality. For the full year 2015, KA keeps its revenue estimate in line with 2014, based on the current market assumptions and when excluding the favorable currency effects. The Group maintains its focus on reaching the financial targets, but recognizes that the volume factor and the R&D investments versus our growth ambitions make it a balancing act.

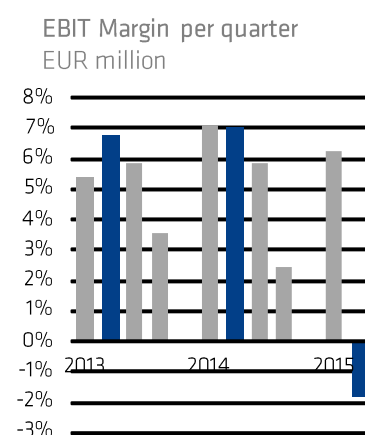
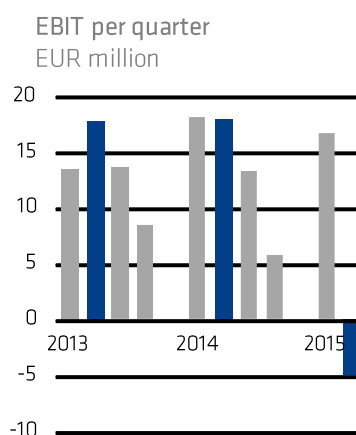
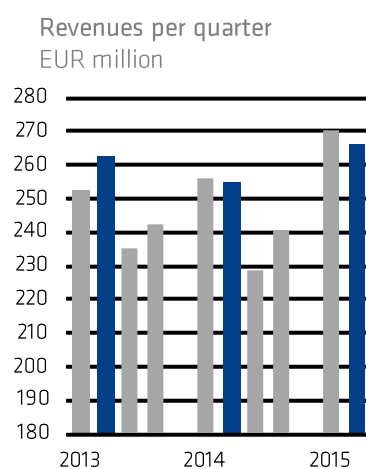
# HIGHLIGHTS 2ND QUARTER 2015

## HIGHLIGHTS

- ▶ Revenues were EUR 266.0 million in the second quarter, EUR 11.6 million (4.6 %) above the second quarter last year, including favorable currency effects of EUR 21.6 million.
- ▶ EBIT was negatively impacted by a goodwill write-off of EUR 19.5 million related to the Group's strategic decision to phase out the Headrest and Armrest business.
- ▶ Excluding the write-off, EBIT was EUR 14.7 million in the second quarter, EUR 3.1 million below the second quarter last year, impacted by volume effects and increased R&D activity to address the future growth opportunities (EUR 2.9 million).
- ▶ The financial gearing ratio was at 2.4 times NIBD/EBITDA at the end of the second quarter.
- ▶ Annualized business wins in the quarter amounted to EUR 71 million.
- ▶ Revenues for the third quarter 2015 are expected to be approximately EUR 240 million.

## KEY FIGURES

MEUR	Q2 2015	Q2 2014	YTD 2015	YTD 2014	2014
Revenues	266.0	254.4	536.0	510.2	979.1
EBITDA	26.1	28.0	55.2	56.5	97.0
EBITDA %	9.8 %	11.0 %	10.3 %	11.1 %	9.9 %
EBIT	(4.8)	17.8	11.9	35.9	54.8
EBIT (%)	-1.8 %	7.0 %	2.2 %	7.0 %	5.6 %
Net profit	(9.6)	5.0	(3.6)	16.4	5.4
NIBD/EBITDA (LTM)	2.4	2.2	2.4	2.2	2.2
Equity ratio (%)	29.6 %	30.1 %	29.6 %	30.1 %	30.5 %



# GROUP FINANCIALS

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

MEUR	Q2 2015	Q2 2014	YTD 2015	YTD 2014	2014
Revenues	266.0	254.4	536.0	510.2	979.1
Opex	(239.9)	(226.4)	(480.9)	(453.7)	(882.1)
<b>EBITDA</b>	<b>26.1</b>	<b>28.0</b>	<b>55.2</b>	<b>56.5</b>	<b>97.0</b>
<i>EBITDA (%)</i>	<i>9.8 %</i>	<i>11.0 %</i>	<i>10.3 %</i>	<i>11.1 %</i>	<i>9.9 %</i>
Depreciation and amortization	(30.9)	(10.2)	(43.3)	(20.6)	(42.1)
<b>EBIT</b>	<b>(4.8)</b>	<b>17.8</b>	<b>11.9</b>	<b>35.9</b>	<b>54.8</b>
<i>EBIT (%)</i>	<i>-1.8 %</i>	<i>7.0 %</i>	<i>2.2 %</i>	<i>7.0 %</i>	<i>5.6 %</i>
Net financial items	(2.1)	(8.3)	(9.8)	(11.0)	(35.9)
<b>Profit before taxes</b>	<b>(6.9)</b>	<b>9.6</b>	<b>2.1</b>	<b>24.9</b>	<b>18.9</b>
Income taxes	(2.6)	(4.5)	(5.7)	(8.5)	(13.5)
<b>Net profit</b>	<b>(9.6)</b>	<b>5.0</b>	<b>(3.6)</b>	<b>16.4</b>	<b>5.4</b>

### REVENUES

Revenues for the Group amounted to EUR 266.0 million in the second quarter of 2015. The revenues were EUR 11.6 million (4.6%) above the comparable period last year, including a favorable currency effect of EUR 21.6 million.

In the passenger car segments the revenues increased by EUR 1.0 million (0.7%) compared to the same quarter in 2014. Interior Systems delivered revenues of EUR 3.8 million (4.8%) above the same period last year, due to favorable currency effects of EUR 9.3 million. Excluding the currency effects the revenue change mainly reflects a program reaching end of production in North America, partially offset by increased revenues in the European premium business. Revenues in Driveline decreased by EUR 2.8 million (4.0%) compared to the same quarter last year, including favorable currency effects of EUR 5.0 million. The decline in revenues was mainly due to some programs reaching end of production and an overall decrease of sales in our European business.

Revenues from the commercial vehicle segment increased by EUR 10.6 million (9.2%) compared to the second quarter of 2014. Revenues in Fluid Transfer increased by EUR 8.3 million (16.9%), including favorable currency effects of EUR 4.3 million. The revenue increase was primarily related to the commercial vehicle business in Europe and new program launches to the automotive market in China. Revenues in Driver Control increased by EUR 2.3 million (3.5%), including favorable currency effects of EUR 3.8. The revenue change, excluding the currency effects, reflects lower sales in both the South American and Chinese business, partially offset by strength in both the North American off-highway and Aftermarket business.

### EBIT

The EBIT in the second quarter was influenced by a strategic decision to stop quoting and phase out the Headrest and Armrest business. That resulted in a goodwill write-off of EUR 19.5 million. Excluding the write-off the EBIT was EUR 14.7 million in the second quarter, EUR 3.1 million below the second quarter last year. The volume effects and increased R&D activities (EUR 2.9 MEUR) to support future growth opportunities were partially offset by operational improvements. Net positive translation effects were EUR 1.1 million.

### NET FINANCIALS

Net financials (see note 4.1) were EUR -2.1 million in the second quarter of 2015, compared to EUR -8.3 million in the same period in 2014. Lower unrealized currency losses and lower interest expenses drove the reduction in the net financial items. The lower net interest expenses (EUR 1.3 million) was driven by the lower interest rate margin as a consequence of the new loan agreement signed in the first quarter of 2015.

### PROFIT BEFORE TAX / NET PROFIT

Profit before tax decreased from EUR 9.6 million in the second quarter 2014 to EUR -6.9 million in the second quarter 2015. Respectively net profit decreased from EUR 5.0 million to EUR -9.6 million. Income tax in the second quarter was impacted by losses not being capitalized and the derecognition of deferred tax assets in a loss making entity.

# GROUP FINANCIALS

## CONDENSED STATEMENT OF CASH FLOW

MEUR	Q2 2015	Q2 2014	YTD 2015	YTD 2014	2014
Cash flow from operating activities	15.9	27.7	20.8	41.1	86.1
Cash flow from investing activities	(7.1)	(7.7)	(11.7)	(13.1)	(36.2)
Cash flow from financing activities	(12.0)	(17.6)	(16.9)	(33.4)	(49.9)
Currency effects on cash	(0.6)	0.2	1.3	0.2	2.0
Net change in cash	(3.8)	2.5	(6.5)	(5.1)	1.9
Net cash at beginning period *	31.9	25.1	34.6	32.7	32.7
<b>Net cash at period end *</b>	<b>28.1</b>	<b>27.6</b>	<b>28.1</b>	<b>27.6</b>	<b>34.6</b>
Of this, restricted cash	0.3	1.1	0.3	1.1	1.0

### CASH FLOW FROM OPERATING ACTIVITIES

The cash flow from operating activities decreased by EUR 11.7 million to EUR 15.9 million in the second quarter of 2015 compared to the second quarter of 2014. The decrease was driven by a lower operating result and an increase in net working capital.

### CASH FLOW FROM INVESTING ACTIVITIES

Net cash flow from investing activities amounted to EUR -7.1 million in the second quarter of 2015, a decrease of EUR 0.6 million compared to the second quarter in 2014. The second quarter last year carried investments in e-Power Nordic AB of EUR 0.4 million.

### CASH FLOW FROM FINANCING ACTIVITIES

Cash flow from financing activities was EUR -12.0 million in the second quarter, EUR 5.7 million above the comparable period last year, primarily due to lower debt repayments and lower interest expenses.

Repayment of loans amounted to EUR 7.1 million in the second quarter of 2015 compared to repayments of EUR 13.8 million in the same period last year.

Second quarter interest payments, of EUR 2.1 million, decreased by EUR 1.1 million compared to the same quarter last year. The decrease in interest payments is driven by the lower interest rate margin as a consequence of the new loan agreement.

### NET CHANGE IN CASH

Change in net cash, including bank overdraft, was EUR -3.8 million in the second quarter of 2015. The cash holding decreased by EUR 0.8 million from EUR 54.3 million to EUR 53.5 million during the second quarter. Bank overdraft increased by EUR 3.0 million from EUR 22.4 to EUR 25.4 during the second quarter.

### LIQUIDITY RESERVE

The liquidity reserve was EUR 107.3 million at the end of the second quarter, compared to EUR 134.8 million at year end 2014, primarily due the reduced facilities as a consequence of the new loan agreement and the negative change in net cash, partially offset by positive currency effects. See note 3.4 for more information.

# GROUP FINANCIALS

## CONDENSED STATEMENT OF FINANCIAL POSITION

MEUR	30.06.15	30.06.14	31.12.14
Non-current assets	371.5	374.1	386.6
Cash and cash equivalents	53.5	46.5	53.5
Other current assets	295.7	262.8	249.2
<b>Total assets</b>	<b>720.8</b>	<b>683.5</b>	<b>689.2</b>
Equity	213.4	206.0	210.3
Interest bearing debt	255.7	251.0	252.8
Other liabilities	251.7	226.5	226.1
<b>Total equity and liabilities</b>	<b>720.8</b>	<b>683.5</b>	<b>689.2</b>
NIBD	227.6	223.4	218.2
Equity ratio	29.6%	30.1%	30.5%

### ASSETS

Total assets were EUR 720.8 million as of 30<sup>th</sup> of June 2015, an increase of EUR 31.5 million from year end 2014. The increase is primarily driven by translation currency effects and increased working capital, partially offset by the goodwill write-off in the second quarter.

### EQUITY

From year end 2014 equity increased by EUR 3.0 million to EUR 213.4 million. The increase was mainly driven by positive currency translation effects, partially offset by the negative net profit for the period of EUR 3.6 million. The equity ratio decreased by 0.9 percentage points to 29.6%.

### INTEREST BEARING DEBT

Gross long term interest bearing debt amounted to EUR 255.7 million at the end of the second quarter, an increase of EUR 2.9 million since year end 2014. The net change reflects negative currency effects of EUR 10.4 million, derecognition of capitalized arrangement fees in the first quarter and debt repayments.

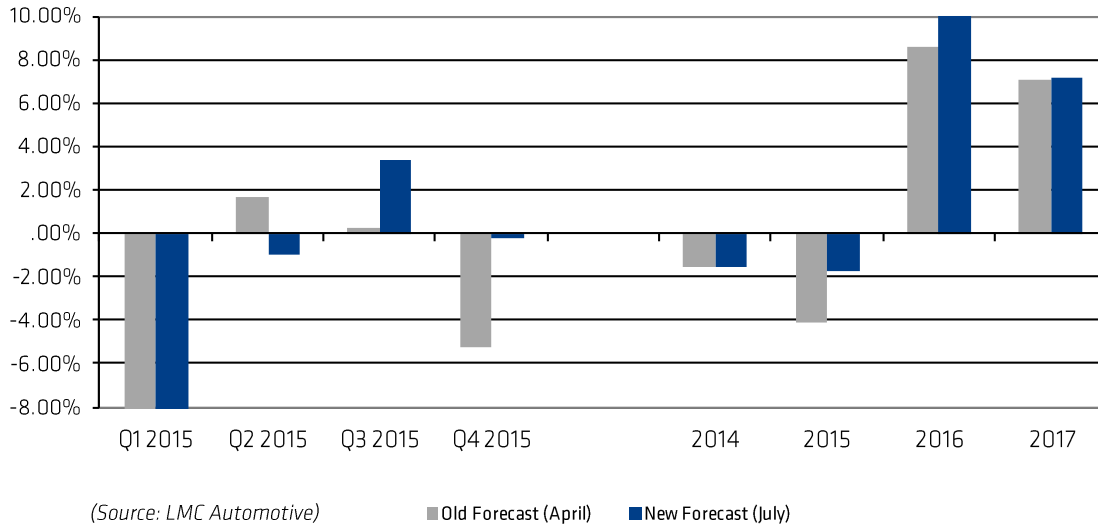
The net interest bearing debt increased by EUR 9.4 million to EUR 227.6 million since year end 2014. The increase was mainly driven by negative currency effects.

# MARKET OUTLOOK

## LIGHT VEHICLE PRODUCTION (LVP) ESTIMATES

Year-on-year change in production growth rate:

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



### GLOBAL LIGHT VEHICLE PRODUCTION

The Light Vehicle Production (LVP) in the second quarter of 2015 ended 0.3 % higher than in the second quarter of 2014. This was mainly driven by growth in North America and China.

The growth in China was 2.9 % compared to the second quarter 2014. The reduced growth in China, compared to the first quarter of 2015, was mainly due to high retail inventories in the first quarter (estimated at 1.8 months' worth of sales) and the pre-buy effect due to the registration restrictions in eight additional cities (a total of 14 cities have registration restrictions).

The North American production volumes picked up again and the growth ended at 3.6% in the second quarter of 2015 compared to the same period 2014. The forecast for full year 2015 is close to 17.5 million vehicles (5.4 % growth).

European production (including Russia) declined by 0.6 % in the second quarter of 2015 mainly driven by the Russian and CIS market. On the other hand the western European market grew by close to 6 % in the second quarter

South America, especially Brazil, continues to decline and was down by 22.8 % in the second quarter compared to the same quarter last year. The full year forecast for South America is showing a decline of 15.4 % compared to 2014.

The revised global production forecast for full year 2015 is slightly down to 89.2 million vehicles which give an estimated growth of 2.1 % compared to 2014.

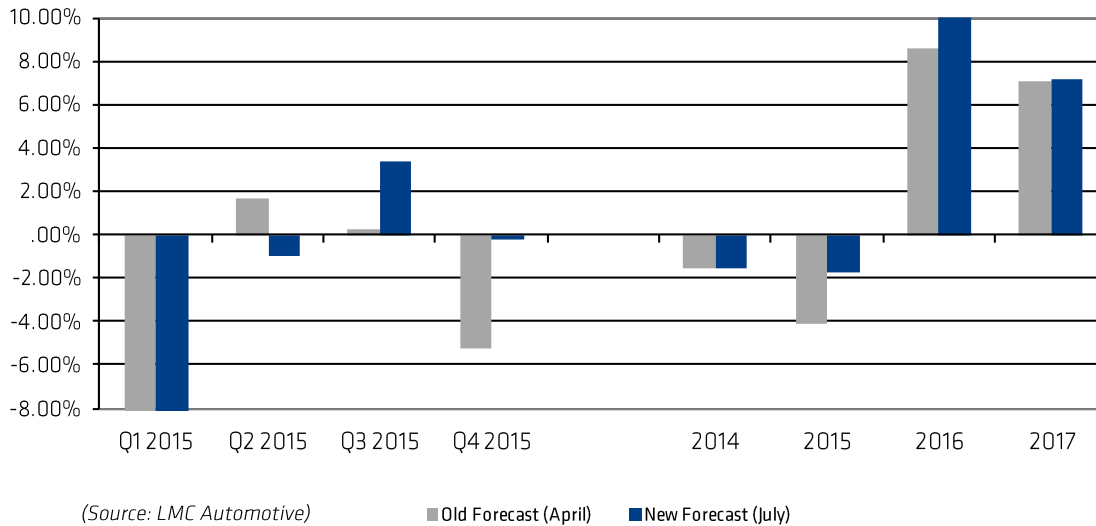


# MARKET OUTLOOK

## COMMERCIAL VEHICLE PRODUCTION (CVP) ESTIMATES

Year-on-year change in production growth rate:

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



### GLOBAL COMMERCIAL VEHICLE PRODUCTION

The Commercial Vehicle Production (CVP) was reduced by 1 % compared to second quarter of 2014. This was mainly due to the stagnation in both the Chinese market and other mature Asian CV markets.

The production rate in China was reduced by 3 % in the second quarter of 2015 compared to the same quarter last year. This was however an improvement versus the significant drop China experienced last quarter. The shift from investment to consumer spending, lower economic growth and emission regulation payback are still influencing the Chinese market.

The European production dropped by 3.3 % in the second quarter of 2015 compared to the same quarter last year, after growing by 1.7 % in the first quarter of 2015. The lower volumes were mainly due to the Russian and CIS countries recession. The western European market grew by 5 %.

The North American market continues to show strength with high growth figures and is now the main growth region for commercial vehicles with 9.8 % growth in the second quarter of 2015, compared to the same quarter last year. OEM's are running at full capacity and the order backlog is increasing. The forecast for the full year 2015 is still 7.7 % up which gives a volume of 565 thousands trucks.

South America on the other hand continues to decline. Second quarter of 2015 was 4.2 % below the comparable quarter last year. The estimate for 2015 is now a reduction of 12 % from the already weak production in 2014.

The global forecast for the commercial vehicle production is a reduction of 1.8 % in 2015 to 2.7 million trucks.

# INTERIOR

## Segment Reporting

### INTERIOR SYSTEMS

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

The Interior products address the passenger car market, with particularly strong positions in the European and North American

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

### KEY FIGURES

MEUR	Q2 2015	Q2 2014	YTD 2015	YTD 2014	2014
Revenues	81.6	77.8	165.0	155.8	304.5
EBITDA	8.5	9.9	17.8	20.5	35.3
EBITDA (%)	10.4 %	12.7 %	10.8 %	13.1 %	11.6 %
Depreciation	(2.2)	(1.8)	(4.4)	(3.6)	(7.3)
Amortization*	(20.1)	(0.5)	(20.6)	(1.0)	(2.1)
EBIT	(13.8)	7.6	(7.2)	15.9	25.9
EBIT (%)	-16.9 %	9.8 %	-4.4 %	10.2 %	8.5 %
Investments	(1.6)	(1.6)	(3.0)	(2.8)	(9.6)
Capital Employed **	151.3	150.8	151.3	150.8	156.0

\* Includes the write-off of EUR 19.5 million related to the Armrest and Headrest business

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

### FINANCIAL UPDATE

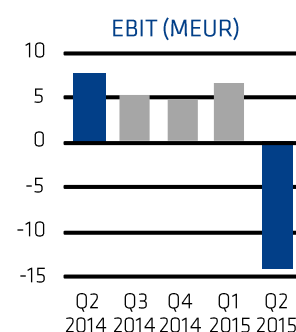
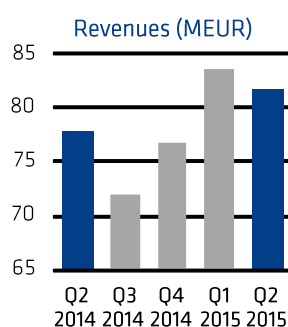
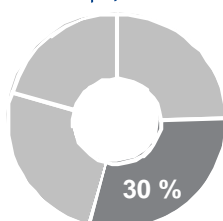
Revenues in Interior increased by EUR 3.8 million (4.8%) to EUR 81.6 million in the second quarter of 2015 compared to the same quarter in 2014, including a favorable currency effect of EUR 9.3 million. The revenue change, excluding the currency effects, reflects lower sales in the North American head-restraint business (a major program reaching end of production) and lower sales of seasonal outdoor small engine products, partially offset by higher sales in the European premium business.

EBIT was EUR -13.8 million in the second quarter negatively impacted by a goodwill write-off of EUR 19.5 million. Adjusted for the write-off the EBIT was EUR 5.7 million, a decrease of EUR 1.9 million compared to the second quarter 2014. The EBIT margin decreased by 2.8 percentage points to 7.0%. The change in EBIT margin relates to lower volumes, and higher development costs (EUR 1.5 million) to support future growth opportunities.

### COMMERCIAL & OPERATIONAL UPDATE

The goodwill write-off of EUR 19.5 million was triggered by the decision to stop quoting new business in the Headrest and Armrest segment and ultimately exit this product area. This product segment has become increasingly commoditized with declining margins. The decision is to leave this business and increase our focus on the attractive seat comfort segment going forward. The increased R&D efforts are focused within this area. In the second quarter business wins were EUR 16.5 million in annual value, with wins in all regions. Overall customer projects in the pipeline, to be launched in 2016 and 2017, and new business opportunities remain strong. Light Duty Cables new business bookings for the quarter were 2.6 MEUR annually. For our Light Duty business the general market conditions within China remains slow and the Small Engine sector has experienced lower volumes in the Russian market.

### Share of Group Q2 2015 revenues



# DRIVELINE

## Segment Reporting

### 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

MEUR	Q2 2015	Q2 2014	YTD 2015	YTD 2014	2014
Revenues	67.9	70.7	136.5	139.7	265.0
EBITDA	3.4	4.9	7.0	8.1	15.6
EBITDA (%)	5.0 %	6.9 %	5.1 %	5.8 %	5.9 %
Depreciation	(1.9)	(1.8)	(3.8)	(3.7)	(8.1)
Amortization	(0.7)	(0.7)	(1.5)	(1.5)	(3.0)
EBIT	0.7	2.3	1.7	2.9	4.5
EBIT (%)	1.1 %	3.3 %	1.3 %	2.1 %	1.7 %
Investments	(1.9)	(1.7)	(3.0)	(3.1)	(10.2)
Capital Employed *	73.0	75.6	73.0	75.6	76.6

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

### FINANCIAL UPDATE

Revenues in Driveline decreased by EUR 2.8 million (-4.0%) to EUR 67.9 million in the second quarter of 2015 compared to the same quarter in 2014, including a favorable currency effect of EUR 5.0 million. The decline in revenues, excluding the currency effect, was due to some major programs reaching end of production in Europe, in combination with our exposure to the Southern European OEM's.

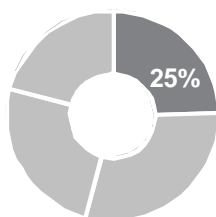
EBIT was EUR 0.7 million in the second quarter, a decrease of EUR 1.6 million compared to the second quarter in 2014. The main drivers for the decrease in EBIT are the volume effects, additional costs related to new program launches, and increased developments cost (EUR 0.8 million) to support future growth opportunities, partially offset by fixed cost reductions.

### COMMERCIAL & OPERATIONAL UPDATE

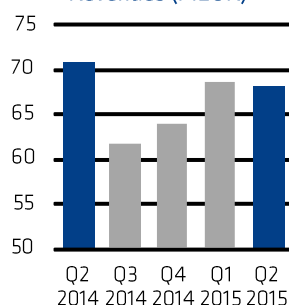
R&D and marketing activities to support further business wins continues to be the main focus. The business area continues to work further on improving margins as well as reducing the fixed cost base. Additional volumes are however important to make the next margin step. During the second quarter Driveline launched a manual shifter system to a new platform for a European OEM. The launch is linked to a significant contract won in 2013.

Second quarter business awards amounted to EUR 16 million in annual sales. Driveline was awarded contracts for supply of Shift by Wire system in combination with actuators to a local Chinese OEM. The actuator was the first win in the Chinese market and is considered important for future opportunities.

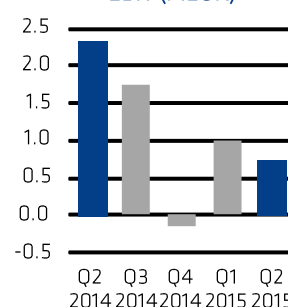
Share of Group Q2 2015 revenues



Revenues (MEUR)



EBIT (MEUR)



# FLUID TRANSFER

## Segment Reporting

### 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 provides completely engineered flexible fluid assemblies for all market segments in which it operates. The business area is also specialized in manufacturing tube and hose assemblies for difficult environments.

Fluid Transfer products primarily address the commercial vehicle

market, with particularly strong positions in the United States and in Western Europe.

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

### KEY FIGURES

MEUR	Q2 2015	Q2 2014	YTD 2015	YTD 2014	2014
Revenues	57.3	49.0	113.0	99.2	193.5
EBITDA	10.8	9.1	21.9	18.4	34.1
EBITDA (%)	18.9 %	18.6 %	19.3 %	18.5 %	17.6 %
Depreciation	(1.5)	(1.8)	(3.1)	(3.6)	(7.1)
Amortization	(1.0)	(0.8)	(1.9)	(1.6)	(3.4)
EBIT	8.3	6.5	16.9	13.1	23.6
EBIT (%)	14.5 %	13.3 %	14.9 %	13.2 %	12.2 %
Investments	(2.2)	(1.8)	(2.7)	(2.5)	(7.4)
Capital Employed *	126.4	111.8	126.4	111.8	111.5

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

### FINANCIAL UPDATE

Revenues in Fluid Transfer increased by EUR 8.3 million (16.9%) to EUR 57.3 million in the second quarter of 2015 compared to the same quarter in 2014, including a favorable currency effect of EUR 4.3 million. Revenues for the first half year amounted to EUR 113.0 million, an increase of 14.0% from 2014, including a favorable currency effect of EUR 8.1 million.

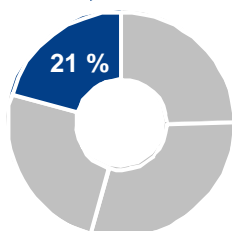
The increase in revenues in the second quarter was driven by strength in Europe for air coupling systems to the commercial vehicle business, new automotive program launches in China and favorable currency translation effects in the North American and U.K. businesses.

EBIT was EUR 8.3 million in the second quarter, an increase of EUR 1.8 million compared to the second quarter 2014. The EBIT margin increased by 1.2 percentage points to 14.5%, primarily due to favorable product mix and volume effects. EBIT for the first half year increased by EUR 3.7 million (28.6%) over last year.

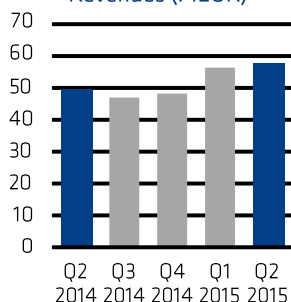
### COMMERCIAL & OPERATIONAL UPDATE

During the second quarter Fluid Transfer received a contract award from one of the world's premier manufacturers of trucks, buses and engines for the ABC Air Brake Couplings system which is manufactured in Raufoss Norway. The contract, worth an estimated EUR 15 million annually, confirms the supply of existing products along with a doubling of volume in the coming 3 years. Total second quarter business awards amounted to EUR 29 million in annual sales.

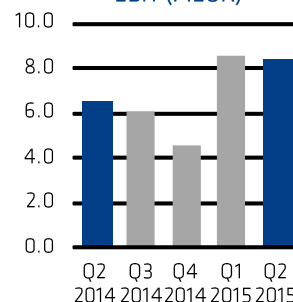
Share of Group Q2 2015 revenues



Revenues (MEUR)



EBIT (MEUR)



# DRIVER CONTROL

## Segment Reporting

### DRIVER CONTROL

Driver Control is a global leader in the development, design and manufacturing of operator control systems for both on- and off-highway commercial vehicles. Driver Control is offering a robust product portfolio of clutch actuation systems, gearshift systems, vehicle dynamics, steering columns, pedal systems and electronic displays.

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

### KEY FIGURES

MEUR	Q2 2015	Q2 2014	YTD 2015	YTD 2014	2014
Revenues	68.9	66.6	140.0	133.8	252.7
EBITDA	8.8	8.7	17.9	18.0	29.3
EBITDA (%)	12.7 %	13.0 %	12.8 %	13.4 %	11.6 %
Depreciation	(1.7)	(1.6)	(3.5)	(3.1)	(6.1)
Amortization	(1.7)	(1.2)	(4.3)	(2.3)	(4.8)
EBIT	5.5	5.9	10.2	12.5	18.4
EBIT (%)	7.9 %	8.9 %	7.3 %	9.4 %	7.3 %
Investments	(1.5)	(2.1)	(3.0)	(4.1)	(7.9)
Capital Employed *	120.3	120.8	120.3	120.8	116.5

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

### FINANCIAL UPDATE

Revenues in Driver Control Systems increased by EUR 2.3 million (3.5%) to EUR 68.9 million in the second quarter of 2015 compared to the same quarter in 2014, including a favorable currency effect of EUR 3.8 million. The second quarter revenues were primarily driven by stronger sales in both the North American off-highway and Aftermarket segments. This was partially offset by lower sales in the South American, Chinese and European markets. Compared to the same quarter last year, sales in our European business was EUR 1.0 million lower, due to the sale of the Selvazzano plant in the first quarter.

EBIT was EUR 5.5 million in the second quarter, a decrease of EUR 0.5 million compared to the second quarter 2014. The decrease was primarily driven by the volume effects and increased developments cost (EUR 0.5 million) to support future growth opportunities.

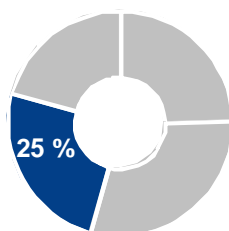
EBIT for the first half year decreased by EUR 2.4 million (-18.9%) over last year, driven by the loss on sale of business (EUR 1.5 million) and higher development costs (EUR 1.0 million) to support future growth opportunities.

### COMMERCIAL & OPERATIONAL UPDATE

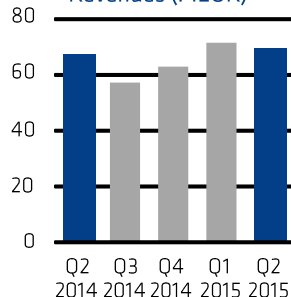
Saving plans have been effectuated to compensate for lower sales. Overall project activity is high and higher research and developments spend continued in the second quarter. The Higher R&D spend is mainly directed towards the development of a new Automated Manual Transmission (AMT) system where a significant contract was announced in the fourth quarter of 2014. Deliveries on this new contract will start in 2017.

New business wins exceeded EUR 23.5 million year to date with 31% coming from BRIC countries.

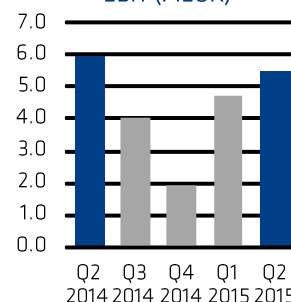
Share of Group Q2 2015 revenues



Revenues (MEUR)



EBIT (MEUR)



# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

## STATEMENT OF COMPREHENSIVE INCOME

MEUR	Q2 2015	Q2 2014	YTD 2015	YTD 2014	2014
Revenues	266.0	254.4	536.0	510.2	979.1
Opex	(239.9)	(226.4)	(480.9)	(453.7)	(882.1)
<b>EBITDA</b>	<b>26.1</b>	<b>28.0</b>	<b>55.2</b>	<b>56.5</b>	<b>97.0</b>
<i>EBITDA (%)</i>	<i>9.8 %</i>	<i>11.0 %</i>	<i>10.3 %</i>	<i>11.1 %</i>	<i>9.9 %</i>
Depreciation and amortization	(30.9)	(10.2)	(43.3)	(20.6)	(42.1)
<b>EBIT</b>	<b>(4.8)</b>	<b>17.8</b>	<b>11.9</b>	<b>35.9</b>	<b>54.8</b>
<i>EBIT (%)</i>	<i>-1.8 %</i>	<i>7.0 %</i>	<i>2.2 %</i>	<i>7.0 %</i>	<i>5.6 %</i>
Net financial items	(2.1)	(8.3)	(9.8)	(11.0)	(35.9)
<b>Profit before taxes</b>	<b>(6.9)</b>	<b>9.6</b>	<b>2.1</b>	<b>24.9</b>	<b>18.9</b>
Income taxes	(2.6)	(4.5)	(5.7)	(8.5)	(13.5)
<b>Net profit</b>	<b>(9.6)</b>	<b>5.0</b>	<b>(3.6)</b>	<b>16.4</b>	<b>5.4</b>
Other comprehensive income (Items that may be reclassified to profit or loss in subsequent periods):					
Translation differences	(9.3)	3.9	12.7	0.5	27.9
Tax on translation differences	2.1	(1.6)	(3.7)	(0.7)	(12.6)
Other comprehensive income (Items that will not be reclassified to profit or loss in subsequent periods):					
Remeasurement of the net PBO	(0.0)	0.0	(0.0)	0.0	(2.7)
Tax on remeasurement of the net PBO	0.0	0.0	0.0	0.0	0.8
<b>Other comprehensive income</b>	<b>(7.2)</b>	<b>2.3</b>	<b>9.1</b>	<b>(0.2)</b>	<b>13.4</b>
<b>Total compr income</b>	<b>(16.8)</b>	<b>7.3</b>	<b>5.5</b>	<b>16.2</b>	<b>18.8</b>
Net profit attributable to:					
Equity holders (parent comp)	(9.8)	5.0	(3.9)	16.3	5.1
Non-controlling interests	0.3	0.1	0.3	0.1	0.3
<b>Total</b>	<b>(9.6)</b>	<b>5.0</b>	<b>(3.6)</b>	<b>16.4</b>	<b>5.4</b>
Total comprehensive income attributable to:					
Equity holders (parent comp)	(17.0)	7.3	5.2	16.1	18.5
Non-controlling interests	0.3	0.1	0.3	0.1	0.3
<b>Total</b>	<b>(16.8)</b>	<b>7.3</b>	<b>5.5</b>	<b>16.2</b>	<b>18.8</b>
Earnings per share:					
Basic earnings per share, EUR	(0.02)	0.01	(0.01)	0.04	0.01
Diluted earnings per share, EUR	(0.02)	0.01	(0.01)	0.04	0.01

# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

## STATEMENT OF FINANCIAL POSITION

MEUR	Notes	30.06.15	30.06.14	31.12.14
Deferred tax assets		41.8	44.6	41.8
Intangible assets		199.8	209.1	214.7
Property, plant and equipment		128.1	118.6	128.3
Other non-current assets		1.9	1.8	1.8
<b>Non-current assets</b>		<b>371.5</b>	<b>374.1</b>	<b>386.6</b>
Inventories		86.0	80.9	76.8
Accounts receivable		166.4	150.4	140.1
Other short term receivables		43.4	31.6	32.3
Cash and cash equivalents		53.5	46.5	53.5
<b>Current assets</b>		<b>349.2</b>	<b>309.4</b>	<b>302.7</b>
<b>Total assets</b>		<b>720.8</b>	<b>683.5</b>	<b>689.2</b>
Share capital		22.9	23.9	22.3
Share premium reserve		191.8	200.7	186.5
Other equity		(5.9)	(21.8)	(2.5)
Non-controlling interests		4.6	3.4	4.0
<b>Total equity</b>		<b>213.4</b>	<b>206.0</b>	<b>210.3</b>
Interest bearing loans and borrowings	3	255.7	249.9	252.8
Deferred tax liabilities		19.1	14.8	17.5
Other long term liabilities		18.5	16.9	18.8
<b>Non-current liabilities</b>		<b>293.3</b>	<b>281.6</b>	<b>289.0</b>
Bank overdraft		25.4	18.9	18.8
Other short term liabilities, interest bearing		0.0	1.0	0.0
Accounts payable		108.6	99.9	99.1
Other short term liabilities		80.1	76.0	72.0
<b>Current liabilities</b>		<b>214.1</b>	<b>195.8</b>	<b>189.9</b>
<b>Total liabilities</b>		<b>507.4</b>	<b>477.4</b>	<b>478.9</b>
<b>Total equity and liabilities</b>		<b>720.8</b>	<b>683.5</b>	<b>689.2</b>

# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

## STATEMENT OF CHANGE IN EQUITY

MEUR	30.06.15	30.06.14	31.12.14
<b>Equity as of start of period</b>	<b>210.3</b>	<b>189.6</b>	<b>189.6</b>
Net profit for the period	(3.6)	16.4	5.4
Translation differences	12.7	0.5	27.9
Tax on translation differences	(3.7)	(0.7)	(12.6)
Remeasurement of the net PBO	(0.0)	0.0	(2.7)
Tax on remeasurement of the net PBO	0.0	0.0	0.8
<b>Total comprehensive income</b>	<b>5.5</b>	<b>16.2</b>	<b>18.8</b>
Options contracts (employees)	0.3	0.2	0.4
Treasury shares	(2.7)	0.3	1.9
Other changes in non-controlling interests	0.0	(0.4)	(0.4)
Other changes in equity	0.0	0.1	0.0
<b>Equity as of end of period</b>	<b>213.4</b>	<b>206.0</b>	<b>210.3</b>



# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

## STATEMENT OF CASH FLOW

MEUR	Q2 2015	Q2 2014	YTD 2015	YTD 2014	2014
<i>Operating activities</i>					
(Loss) / profit before taxes	(6.9)	9.6	2.1	24.9	18.9
Depreciation	7.4	6.9	14.8	14.0	28.6
Amortization	23.5	3.3	28.4	6.6	13.5
Interest income	(0.0)	(0.0)	(0.0)	(0.0)	(0.2)
Interest expenses	1.8	3.1	4.4	5.8	11.9
Taxes paid	(2.3)	(1.9)	(4.6)	(3.9)	(9.1)
(Gain) / loss on sale of non-current assets	0.0	0.0	0.0	0.0	0.0
Changes in receivables	9.5	4.7	(26.3)	(14.0)	(3.7)
Changes in inventory	0.7	(0.4)	(9.2)	(3.5)	0.5
Changes in payables	(5.9)	(5.2)	9.5	(0.5)	(1.3)
Currency (gain)/ loss	(0.1)	3.9	3.7	2.7	20.6
Changes in value fin. derivatives	(0.4)	0.6	(1.3)	0.2	0.2
Changes in other items	(11.6)	3.3	(0.7)	8.8	6.0
<b>Cash flow from operating activities</b>	<b>15.9</b>	<b>27.7</b>	<b>20.8</b>	<b>41.1</b>	<b>86.1</b>
<i>Investing activities</i>					
Investments	(7.2)	(7.3)	(12.1)	(12.7)	(36.1)
Sale of fixed assets	0.1	0.0	0.1	0.0	0.1
Investments in subsidiaries	0.0	(0.4)	0.0	(0.4)	(0.4)
Interest received	0.0	0.0	0.0	0.0	0.2
Proceeds from sale of subsidiaries	0.0	0.0	0.3	0.0	0.0
<b>Cash flow from investing activities</b>	<b>(7.1)</b>	<b>(7.7)</b>	<b>(11.7)</b>	<b>(13.1)</b>	<b>(36.2)</b>
<i>Financing activities</i>					
Proceeds from sale/purchase of treasury shares	(2.7)	0.2	(2.7)	0.2	1.9
Repayment of external loans	(7.1)	(13.8)	(8.2)	(24.9)	(36.7)
Interest paid	(2.1)	(3.2)	(4.7)	(6.5)	(12.8)
Dividends paid	0.0	0.0	0.0	0.0	0.0
Other financial charges	(0.0)	(0.8)	(1.3)	(2.3)	(2.4)
<b>Cash flow from financing activities</b>	<b>(12.0)</b>	<b>(17.6)</b>	<b>(16.9)</b>	<b>(33.4)</b>	<b>(49.9)</b>
<b>Currency effects on cash</b>	<b>(0.6)</b>	<b>0.2</b>	<b>1.3</b>	<b>0.2</b>	<b>2.0</b>
Net change in cash	(3.8)	2.5	(6.5)	(5.1)	1.9
Net cash at beginning period *	31.9	25.1	34.6	32.7	32.7
<b>Net cash at period end *</b>	<b>28.1</b>	<b>27.6</b>	<b>28.1</b>	<b>27.6</b>	<b>34.6</b>
Of this, restricted cash	0.3	1.1	0.3	1.1	1.0

\* Includes bank overdraft

# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

### Note 1 – Disclosures

#### GENERAL INFORMATION

Kongsberg Automotive ASA and its subsidiaries develop, manufacture and sell products to the automotive industry all over the world. Kongsberg Automotive 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<sup>th</sup> June 2015, and has been prepared in accordance with IAS 34 "Interim financial reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31<sup>st</sup> December 2014, 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<sup>st</sup> December 2014, as described in those annual financial statements.

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

#### RISK

The Group continuously monitors its risk factors. The Group's activities are exposed to different types of risk. Some of the most important risk factors are foreign-exchange rates, interest rates, raw material prices and credit risks. As the Group 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 overall market is considered to be the most significant risk factor.

#### SEASONALITY

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

# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

## Note 2 – Segment Reporting

### 2.1 OPERATING REPORTABLE SEGMENTS

#### YTD 2015

MEUR	Interior	Driveline	Fluid Transfer	Driver Controls	Elim & other	Group
Operating Revenues	165.0	136.5	113.0	140.0	(18.5)	536.0
<b>EBITDA</b>	<b>17.8</b>	<b>7.0</b>	<b>21.9</b>	<b>17.9</b>	<b>(9.4)</b>	<b>55.2</b>
Depreciation	(4.4)	(3.8)	(3.1)	(3.5)	(0.1)	(14.8)
Amortization	(20.6)	(1.5)	(1.9)	(4.3)	(0.2)	(28.4)
<b>EBIT</b>	<b>(7.2)</b>	<b>1.7</b>	<b>16.9</b>	<b>10.2</b>	<b>(9.7)</b>	<b>11.9</b>
<i>Assets and liabilities</i>						
Goodwill	59.8	6.7	54.6	32.8	0.0	153.8
Other intangible assets	6.9	10.5	11.2	16.3	1.1	45.9
Property, plant and equipment	33.1	33.0	28.5	32.8	0.7	128.1
Inventories	18.7	18.9	19.6	29.3	(0.6)	86.0
Trade receivables	60.7	33.2	36.6	35.9	(0.0)	166.4
Segment assets	179.1	102.3	150.5	147.1	1.2	580.2
Unallocated assets	0	0	0	0	140.5	140.5
<b>Total assets</b>	<b>179.1</b>	<b>102.3</b>	<b>150.5</b>	<b>147.1</b>	<b>141.7</b>	<b>720.8</b>
Trade payables	27.8	29.2	24.1	26.8	0.6	108.6
Unallocated liabilities	0	0	0	0	398.8	398.8
<b>Total liabilities</b>	<b>27.8</b>	<b>29.2</b>	<b>24.1</b>	<b>26.8</b>	<b>399.4</b>	<b>507.4</b>
Capital expenditure	3.0	2.3	2.7	2.5	0.0	10.5

# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

YTD 2014

MEUR	Interior	Driveline	Fluid Transfer	Driver Controls	Elim & other	Group
Operating Revenues	155.8	139.7	99.2	133.8	(18.4)	510.2
<b>EBITDA</b>	<b>20.5</b>	<b>8.1</b>	<b>18.4</b>	<b>18.0</b>	<b>(8.5)</b>	<b>56.5</b>
Depreciation	(3.6)	(3.7)	(3.6)	(3.1)	(0.0)	(14.0)
Amortization	(1.0)	(1.5)	(1.6)	(2.3)	(0.1)	(6.6)
<b>EBIT</b>	<b>15.9</b>	<b>2.9</b>	<b>13.1</b>	<b>12.5</b>	<b>(8.6)</b>	<b>35.9</b>
<i>Assets and liabilities</i>						
Goodwill	71.1	6.0	46.8	32.7	0.0	156.6
Other intangible assets	8.0	11.8	12.4	19.4	0.9	52.5
Property, plant and equipment	28.7	30.9	25.8	32.5	0.6	118.6
Inventories	16.3	19.1	18.1	27.9	(0.6)	80.9
Trade receivables	51.2	36.0	28.9	34.5	(0.3)	150.4
Segment assets	175.2	103.9	132.1	147.1	0.7	559.0
Unallocated assets	0	0	0	0	124.5	124.5
<b>Total assets</b>	<b>175.2</b>	<b>103.9</b>	<b>132.1</b>	<b>147.1</b>	<b>125.1</b>	<b>683.5</b>
Trade payables	24.5	28.3	20.3	26.3	0.5	99.9
Unallocated liabilities	0	0	0	0	377.6	377.6
<b>Total liabilities</b>	<b>24.5</b>	<b>28.3</b>	<b>20.3</b>	<b>26.3</b>	<b>378.1</b>	<b>477.4</b>
Capital expenditure	2.7	2.5	2.4	3.9	(0.1)	11.5

Full year 2014

MEUR	Interior	Driveline	Fluid Transfer	Driver Controls	Elim & other	Group
Operating Revenues	304.5	265.0	193.5	252.7	(36.8)	979.1
<b>EBITDA</b>	<b>35.3</b>	<b>15.6</b>	<b>34.1</b>	<b>29.3</b>	<b>(17.4)</b>	<b>97.0</b>
Depreciation	(7.3)	(8.1)	(7.1)	(6.1)	(0.0)	(28.6)
Amortization	(2.1)	(3.0)	(3.4)	(4.8)	(0.3)	(13.5)
<b>EBIT</b>	<b>25.9</b>	<b>4.5</b>	<b>23.6</b>	<b>18.4</b>	<b>(17.6)</b>	<b>54.8</b>
<i>Assets and liabilities</i>						
Goodwill	75.1	6.4	51.1	33.3	0.0	165.9
Other intangible assets	7.5	10.9	11.6	17.8	1.0	48.8
Property, plant and equipment	33.2	33.9	28.0	32.6	0.6	128.3
Inventories	17.2	16.9	15.8	27.5	(0.6)	76.8
Trade receivables	49.6	33.6	26.5	30.4	0.0	140.1
Segment assets	182.6	101.7	132.9	141.7	1.0	559.9
Unallocated assets	-	-	-	-	129.3	129.3
<b>Total assets</b>	<b>182.6</b>	<b>101.7</b>	<b>132.9</b>	<b>141.7</b>	<b>130.3</b>	<b>689.2</b>
Trade payables	26.6	25.0	21.4	25.2	0.8	99.1
Unallocated liabilities	-	-	-	-	379.9	379.9
<b>Total liabilities</b>	<b>26.6</b>	<b>25.0</b>	<b>21.4</b>	<b>25.2</b>	<b>380.6</b>	<b>478.9</b>
Capital expenditure	9.5	9.2	7.4	7.4	0.5	34.0

# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

## 2.2 SEGMENTS BY GEOGRAPHICAL LOCATION

### 2.2.1 Sales to customers by geographical location

MEUR	2015		2014		2014	
	Jan - June	%	Jan - June	%	Jan - Dec	%
Sweden	42.8	8.0 %	49.8	9.8 %	82.6	8.4 %
Germany	54.8	10.2 %	55.5	10.9 %	102.4	10.5 %
France	39.8	7.4 %	40.8	8.0 %	73.2	7.5 %
Other EUR	135.1	25.2 %	128.8	25.2 %	252.3	25.8 %
<b>Total EUR</b>	<b>272.4</b>	<b>50.8 %</b>	<b>274.9</b>	<b>53.9 %</b>	<b>510.4</b>	<b>52.1 %</b>
USA	156.2	29.1 %	125.8	24.7 %	251.5	25.7 %
NA other	54.8	10.2 %	58.0	11.4 %	114.0	11.6 %
<b>Total NA</b>	<b>211.0</b>	<b>39.4 %</b>	<b>183.8</b>	<b>36.0 %</b>	<b>365.5</b>	<b>37.3 %</b>
China	30.6	5.7 %	27.1	5.3 %	57.0	5.8 %
Asia Other	11.3	2.1 %	11.5	2.3 %	22.6	2.3 %
<b>Total Asia</b>	<b>41.8</b>	<b>7.8 %</b>	<b>38.6</b>	<b>7.6 %</b>	<b>79.5</b>	<b>8.1 %</b>
Other countries	10.8	2.0 %	12.9	2.5 %	23.6	2.4 %
<b>Operating revenues</b>	<b>536.0</b>	<b>100.0 %</b>	<b>510.2</b>	<b>100.0 %</b>	<b>979.1</b>	<b>100.0 %</b>

### 2.2.2 Non-current assets by geographical location

MEUR	2015		2014		2014	
	Jan - June	%	Jan - June	%	Jan - Dec	%
USA	107.5	32.8 %	107.7	32.8 %	119.9	34.9 %
UK	13.8	4.2 %	12.0	3.7 %	12.8	3.7 %
Norway	25.6	7.8 %	26.6	8.1 %	25.8	7.5 %
Germany	14.9	4.5 %	16.0	4.9 %	15.6	4.5 %
Sweden	30.0	9.1 %	30.4	9.3 %	29.8	8.7 %
Poland	36.1	11.0 %	35.4	10.8 %	36.0	10.5 %
Other	99.9	30.5 %	99.7	30.4 %	103.1	30.0 %
<b>Total Non-Current Assets*</b>	<b>327.9</b>	<b>100.0 %</b>	<b>327.8</b>	<b>100.0 %</b>	<b>343.0</b>	<b>100.0 %</b>

\* Includes intangible assets, property, plant and equipment

# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

## Note 3 – Interest-bearing loans and borrowings

### 3.1 Interest-bearing liabilities as presented in statement of financial position

MEUR	30.06.15	31.12.14
Non current interest-bearing loans and borrowings	256.8	254.9
Capitalized arrangement fees	(1.2)	(2.1)
<b>Total interest-bearing liabilities</b>	<b>255.7</b>	<b>252.8</b>

MEUR	30.06.15	31.12.14
EUR	124.0	135.0
USD	132.3	119.4
Other currencies	0.6	0.5
Capitalized arrangement fee	(1.2)	(2.1)
<b>Total interest-bearing liabilities</b>	<b>255.7</b>	<b>252.8</b>

### 3.2 Specification of interest-bearing loans and borrowings (in local currencies)

Facilities	Currency	Total amounts	Maturity/ date	Drawn amount	Interest rate (incl margin)
Tranche EUR	EUR	162.0	02.03.18	124.0	1.50%
Tranche USD	USD	172.0	02.03.18	148.0	1.70%

# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

## 3.3 Facility reduction schedule - Interest-bearing loans and borrowings (in local currencies)

Year	EUR	USD
2015		
2016		
2017		
2018 and later	162.0	172.0
<b>Total</b>	<b>162.0</b>	<b>172.0</b>

## 3.4 Liquidity reserve

The liquidity reserve of KA group consists of cash equivalents in addition to undrawn credit facilities.

MEUR	30.06.15	31.12.14
Cash reserve, excl. restricted cash	53.2	52.4
Undrawn facility*	79.4	101.2
<b>Total (before bankoverdraft)</b>	<b>132.7</b>	<b>153.6</b>
Bank overdraft	(25.4)	(18.8)
<b>Liquidity reserve</b>	<b>107.3</b>	<b>134.8</b>

\*including a short-term overdraft facility of MEUR 20.0 which can be renewed each year.

## Note 4 - Net financial items

### 4.1 Net financials

MEUR	Q2 2015	Q2 2014	YTD 2015	YTD 2014	2014
Interest income	0.0	0.0	0.0	0.0	0.2
Interest expenses	(1.8)	(3.1)	(4.4)	(5.8)	(11.9)
Foreign currency gains (losses)	0.1	(3.9)	(3.7)	(2.7)	(20.6)
Change in valuation currency contracts	0.4	(0.6)	1.3	(0.2)	(0.2)
Other financial items*	(0.7)	(0.8)	(3.1)	(2.2)	(3.3)
<b>Net financial items</b>	<b>(2.1)</b>	<b>(8.3)</b>	<b>(9.8)</b>	<b>(11.0)</b>	<b>(35.9)</b>

\* Other financial items include arrangement fees, interest component on pension liability, and other fees and charges.

# 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 2015 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 2015 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 9th July 2015

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**Ulla-Britt Fräjdin-Hellqvist**  
Chairwoman  
(Sign.)

---

**Thomas Falck**  
(Sign.)

---

**Malin Persson**  
(Sign.)

---

**Magnus Jonsson**  
(Sign.)

---

**Halvor Stenstadvold**  
(Sign.)

---

**Jon Ivar Jørnby**  
(Sign.)

---

**Kari Brænden Aaslund**  
(Sign.)

---

**Kjell Kristiansen**  
(Sign.)

---

**Hans Peter Havdal**  
President and CEO  
(Sign.)



# OTHER COMPANY INFORMATION

## THE BOARD OF DIRECTORS:

Ulla-Britt Fräjdin-Hellqvist	Chairwoman
Thomas Falck	Shareholder elected
Malin Persson	Shareholder elected
Magnus Jonsson	Shareholder elected
Halvor Stenstadvold	Shareholder elected
Jon Ivar Jørnby	Employee elected
Kari Brænden Aaslund	Employee elected
Kjell Kristiansen	Employee elected

## EXECUTIVE COMMITTEE:

Hans Peter Havdal	President & CEO
Trond Stabekk	Executive Vice President & CFO
Jarle Nymoen	Executive Vice President, Human Resources
Anders Nyström	Executive Vice President, Interior
Joachim Magnusson	Executive Vice President, Driveline
Scott Paquette	Executive Vice President, Driver Control
Jonathan Day	Executive Vice President, Fluid Transfer
Lovisa Söderholm	Executive Vice President, Purchase
Philippe Toth	Senior Vice President Business Development & IR

## 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
2nd Quarter 2015	9 July 2015	10 July 2015
3rd Quarter 2015	14 October 2015	15 October 2015
4th Quarter 2015	TBD	TBD
1st Quarter 2016	TBD	TBD

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