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  - EVP Jonathan Day

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Hans Peter Havdal
Kongsberg Automotive – today and tomorrow
Global footprint, portfolio and capabilities

- Supplier of components and systems for passenger cars, trucks, buses and off-highway vehicles
- Product portfolio includes products and systems within vehicle driveline, interior, suspension and fluid handling
- Global presence with 47 locations in 19 countries
- Cost competitive production
- More than 10,000 employees
- 450 dedicated people working with R&D worldwide
Current Business Area structure

- **DRIVELINE**
  - AT Gearshift
  - MT Gearshift
  - Shift Towers
  - 31% Automotive

- **INTERIOR**
  - Seat Climate
  - Seat Support
  - Head Rests
  - Light Duty Cables
  - 25%

- **FLUID TRANSFER**
  - Engine fluid handling
  - Air suspension and brake systems
  - Air brake couplings
  - 16%

- **ACTUATION & CHASSIS**
  - Clutch Actuation Systems
  - Gearshift Systems
  - Vehicle Dynamics
  - Steering Columns
  - 16%

- **POWER PRODUCTS**
  - Pedals
  - Electronic displays
  - Heavy Duty controls & cables
  - Light Duty controls & cables
  - 12%

- **Total**
  - 56% Automotive
  - 44% Commercial Vehicles
Acquisitive growth, financial crisis, organic recovery

Entering the automotive market
Establishing top three positions in attractive segments
Consolidation and recovery

Strengthened portfolio and product mix - expanded the global footprint
The KA journey
- From a small Scandinavian supplier to a global player
  ▶ In the early 90’s KA’s footprint and portfolio offered limited growth opportunities
  ▶ Through acquisitions and organic growth KA expanded product portfolio and global reach
  ▶ The GMS acquisition moved us into a true global player with both regional and global capabilities
## Current strategic position assessment

<table>
<thead>
<tr>
<th>STRATEGIC TARGET</th>
<th>CURRENT STATUS</th>
</tr>
</thead>
</table>
| Balanced end-market between Automotive and Commercial                            | ▪ Close to 50/50 split  
▪ Target achieved                                                                    |
| Company growth above industry                                                    | ▪ Last 10 years: above vehicle production growth  
▪ Target achieved                                                                  |
| Global player with significant regional presence                                 | ▪ 36% US, 52% EU and 12% Asia – a future growth area  
▪ Target achieved                                                                 |
| Technology leadership                                                            | ▪ Leader in certain technology segments  
▪ Lagging in some high volume automotive segments  
▪ Target partly achieved                                                           |
| High margin company                                                              | ▪ High competitive pressure in automotive market  
▪ Upside potential in operational efficiency  
▪ Target not achieved – but wide variations across group                              |
Current strategic position assessment

- Where do we go from here?
Our positions in a changing competitive environment

**Supplier ranking**

**AUTOMOTIVE**
- Just bordering on the global top 100 supplier list
- Consolidation trend – the big get bigger

**COMMERCIAL VEHICLES**
- Among the top 10-30 suppliers to the key customers
Our positions in a changing competitive environment

- Consolidation of big OEM groups triggers consolidation on the supplier side
  - KA is in a strong position to supply global Commercial Vehicle OEM’s
  - Some way to go in Automotive segment

<table>
<thead>
<tr>
<th>Company</th>
<th>Revenue 2010</th>
<th>Revenue 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robert Bosh GmbH</td>
<td>$34.6B</td>
<td>$25.6B</td>
</tr>
<tr>
<td>Denso Corp.</td>
<td>$32.8B</td>
<td>$28.7B</td>
</tr>
<tr>
<td>Continental AG</td>
<td>$24.8B</td>
<td>$18.8B</td>
</tr>
<tr>
<td>Aisin Seiki Co.</td>
<td>$24.6B</td>
<td>$20.5B</td>
</tr>
<tr>
<td>Magna International Inc.</td>
<td>$23.6B</td>
<td>$17.3B</td>
</tr>
<tr>
<td>Faurecia</td>
<td>$18.2B</td>
<td>$13.0B</td>
</tr>
<tr>
<td>Johnson Controls Inc.</td>
<td>$16.6B</td>
<td>$12.8B</td>
</tr>
<tr>
<td>ZF Friedrichshafen AG</td>
<td>$15.8B</td>
<td>$12.1B</td>
</tr>
<tr>
<td>LG Chem Ltd.</td>
<td>$15.5B</td>
<td>$13.0B</td>
</tr>
<tr>
<td>Hyundai Mobis</td>
<td>$14.4B</td>
<td>$11.2B</td>
</tr>
<tr>
<td>TRW Automotive Holdings Corp.</td>
<td>$14.4B</td>
<td>$11.6B</td>
</tr>
<tr>
<td>Delphi Automotive</td>
<td>$13.8B</td>
<td>$11.7B</td>
</tr>
<tr>
<td>Yazaki Corp.</td>
<td>$12.5B</td>
<td>$8.6B</td>
</tr>
<tr>
<td>Lear Corp.</td>
<td>$11.9B</td>
<td>$9.7B</td>
</tr>
<tr>
<td>Sumitomo Electric Industries Ltd.</td>
<td>$11.2B</td>
<td>$8.9B</td>
</tr>
<tr>
<td>BASF SE</td>
<td>$10.4B</td>
<td>$6.8B</td>
</tr>
<tr>
<td>Toyota Boshoku Corp.</td>
<td>$10.4B</td>
<td>$10.2B</td>
</tr>
<tr>
<td>CalsoniKansei Corp.</td>
<td>$8.8B</td>
<td>$6.7B</td>
</tr>
<tr>
<td>JTEK Corp.</td>
<td>$8.2B</td>
<td>$5.9B</td>
</tr>
</tbody>
</table>
Our positions in a changing competitive environment

<table>
<thead>
<tr>
<th></th>
<th>AUTOMOTIVE</th>
<th>COMMERCIAL VEHICLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplier ranking</td>
<td>Just bordering on the global top 100 supplier list</td>
<td>Among the top 10-30 suppliers to the key customers</td>
</tr>
<tr>
<td></td>
<td>Consolidation trend – the big get bigger</td>
<td></td>
</tr>
<tr>
<td>Volume versus margins</td>
<td>High volume market but small sales per unit</td>
<td>Lower volume market but higher sales per unit</td>
</tr>
<tr>
<td>Customer relations</td>
<td>Customer relationships are in general weaker and competition is steep</td>
<td>Strong and long-standing customer relationships</td>
</tr>
<tr>
<td>Geography</td>
<td>China and India increasing in importance, but limited KA content on domestic low end cars</td>
<td>Global growth opportunity from strong European base</td>
</tr>
<tr>
<td>Technology</td>
<td>Technology lead in certain niches, commodity supplier in others</td>
<td>Regarded as a technology partner</td>
</tr>
</tbody>
</table>
Our positions in a changing competitive environment

<table>
<thead>
<tr>
<th>Priorities</th>
<th>AUTOMOTIVE</th>
<th>COMMERICAL VEHICLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profitability before growth</td>
<td>Allocate resources to continue strong profitable growth pattern</td>
<td></td>
</tr>
<tr>
<td>Further develop niche leadership positions based on technology and customer relationships</td>
<td>Optimize organizational structure to increase the leverage of our global resources and footprint</td>
<td></td>
</tr>
<tr>
<td>Exit unprofitable and cash draining products and customers</td>
<td>Expand through M&amp;A to capture high-margin business opportunities</td>
<td></td>
</tr>
</tbody>
</table>

Direction Structural initiatives
The way forward

▸ Build on our strengths

▸ Continue to grow with our key customers

▸ Selective business within the Automotive segment
Shifting the balance towards higher-value businesses

<table>
<thead>
<tr>
<th>AUTOMOTIVE</th>
<th>COMMERCIAL VEHICLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of Revenues</td>
<td>Share of Revenues</td>
</tr>
<tr>
<td>EUR 442 Million</td>
<td>EUR 356 Million</td>
</tr>
<tr>
<td>8.5% CAGR 2010-2012</td>
<td>13.5% CAGR 2010-2012</td>
</tr>
<tr>
<td>Share of Capital Employed</td>
<td>Share of Capital Employed</td>
</tr>
<tr>
<td>EUR 255 Million</td>
<td>EUR 256 Million</td>
</tr>
<tr>
<td>4.1% ROCE</td>
<td>19% ROCE</td>
</tr>
</tbody>
</table>

Year to date 2012: Financials
Focus on high technology businesses

Automotive

High-end shifters

Seat comfort

Key Global Brands

GM
Volvo
Ford
BMW
Audi
Mercedes
Profit before growth

- Build on leading positions in Seat Comfort segments
- Continue to develop shifter business for Automatic transmissions
- Continue cost optimization and operational efficiency programs
- Seeking the right contracts:
  - Advanced technology content
  - Preferred global customers
- Exit unprofitable business

Source: LMC Automotive Ltd. 2012. All rights reserved in all countries
Focus on global leading Commercial Vehicle OEMs

Driver interface products

Key Global Brands

Enhancing the driving experience
Supporting profitable growth trend

▸ Prepare for geographic expansion from strong European base
▸ Further strengthen innovation to sustain technology leadership
▸ Evaluate strategic alternatives for acquisition
▸ Optimize organizational structure to support growth

Global production forecast
Thousand units

Source: LMC Automotive Ltd. 2012. All rights reserved in all countries
Creating a new business structure

Revenue

OPE 40%  Tier 1 50%
Automotive 10%

EUR 100 million

Light Duty Cables
Creating a new business structure
Leveraging combined resources
Creating a new business structure

New structure: 4 Business Areas

- **DRIVELINE**
  - End-market: AUTOMOTIVE

- **INTERIOR**
  - End-market: AUTOMOTIVE

- **FLUID TRANSFER**
  - End-market: COMMERCIAL VEHICLES

- **ACTUATION & CHASSIS**

- **POWER PRODUCTS**

- **LIGHT DUTY CABLES**

- **DRIVER CONTROL SYSTEMS**
Summary – Changes to the current strategy

- Shifting efforts towards higher value business
- Combining A&C and Power Products to form a strong growth platform
- Expand Driver Control Systems portfolio on a global basis
- Profitability before growth in Automotive
Building a platform for growth
Combining Actuation & Chassis and PPS business areas
Strengthening Commercial Vehicles Focus

- Accelerate growth within commercial vehicles (CV), to create a more balanced and profitable business
- Merge A&C and PPS to strengthen growth platform within Commercial Vehicles
- Create a unique and comprehensive offering for commercial vehicle Man to Machine interface controls
Integration to Driver Control Systems

KONGSBERG AUTOMOTIVE

- 2011 Trade Sales: €999 million
- 2011 EBITDA: €82 million
- 10,932 Employees

INTERIOR*
DRIVELINE*

DRIVER CONTROL SYSTEMS

ACTUATION & FLUID TRANSFER

POWER PRODUCTS*

Combination based on underlying core competences around Man to Machine Interfaces

* Adjusted for Light duty cable
Organizational structure – A geographical focus to enhance growth

- Regional heads to have full P&L and business responsibility
- Support front end activities, customer relations and strategic planning
Products and key customers

Driveline control systems and chassis related products to CV

Main product categories

- Gearshift Systems
- Vehicle dynamics
- Clutch Actuation
- Steering columns
Products and key customers

Products for off-highway vehicles and recreational products

Main product categories

- Controls / Shifters
- Controls & Cables
- Pedals
- Electronics & Displays

Enhancing the driving experience
Combined value proposition: Taking the driver’s position
Combined value Proposition: Taking the driver’s position

A portfolio of “Man To Machine Interface products”
Leveraging a combined Sales and Marketing network…
…and a global R&D network
Strong A&C position with the leading CV OEMs

Global truck sales >6t (2005-2011 average)
Units (thousand)

* IHS Global truck sales > 6t. 2005 – 2011 Average
**Strong PPS position with the leading Off-highway OEMs**

**Off-highway end-markets**

<table>
<thead>
<tr>
<th>Recreational Products</th>
<th>PPS Revenue: €0.7M</th>
<th>PPS Revenue: €32.2M</th>
<th>PPS Revenue: €3.2M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Polaris</td>
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<td>Yamaha</td>
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<td>BRP</td>
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<td>Honda</td>
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<td>Suzuki</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Construction</th>
<th>PPS Revenue: €0.11M</th>
<th>PPS Revenue: €3.3M</th>
<th>PPS Revenue: €4.9M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Komatsu</td>
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<tr>
<td>Caterpillar</td>
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<td>Volvo Group</td>
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<tr>
<td>Doosan</td>
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<td>JCB</td>
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<td>YTO</td>
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</table>

<table>
<thead>
<tr>
<th>Agricultural</th>
<th>2011 Revenue: €5.2M</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Deere</td>
<td></td>
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<tr>
<td>Shifeng</td>
<td></td>
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<tr>
<td>Foton</td>
<td></td>
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<tr>
<td>First Tractor</td>
<td></td>
</tr>
</tbody>
</table>

Top 5 OEMs production volume
Collaboration successes, and future potential

- PPS and A&C share similar markets, have untapped synergies that will bring shareholder value
- Significant cross-over and benefits realized from collaboration
  - Steering Column Sales
  - A&C entering the North American market with Paccar
  - Chinese Pedal Business Development
  - Russian Market Development
  - New Product Innovation
  - Close dialogue with Executive Management at customers
Growth potential examples

### On Highway Pedal
- New composite pedal design for On-Hwy applications
- Localized sensor in LCC
- Leverage existing technology
- Start targeting the A&C existing customer base
- Global manufacturing strategy

### BRIC
- Leverage the existing local resources with aligned objectives
- Growth using the existing portfolio for both PPS and A&C
- Leverage global key customer relationships
- Target key global accounts who have established presence in the BRIC regions

### Clutch Actuation North America
- Secure the existing opportunities
- Establish dedicated on highway local front end support
- Target North American market leaders

### Steering Column
- Secure the existing opportunities and open up new
- Strengthen the technical local support
- Target North America Off-Highway
Strong customer positioning

- KA has an excellent position with the leading CV brands

<table>
<thead>
<tr>
<th>LEADING BRANDS</th>
<th>VOLVO</th>
<th>SCANIA</th>
<th>DAF</th>
<th>MAN</th>
<th>MERCEDES</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>AVERAGE REVENUE PER VEHICLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>€320</td>
</tr>
<tr>
<td>€380</td>
</tr>
<tr>
<td>€250</td>
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<tr>
<td>€120</td>
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<tr>
<td>€120</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PRODUCTS EXAMPLES</th>
<th>Shift fork</th>
<th>V-stay</th>
<th>Clutch servo</th>
<th>I-shift</th>
<th>Reservoir</th>
<th>Cabin ARB</th>
<th>Servo</th>
<th>Master</th>
<th>Lever</th>
<th>Sleeve</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cabin ARB</td>
<td>Clutch servo</td>
<td>Master</td>
<td>MGS</td>
<td>HGS</td>
<td>CGS</td>
<td>Clutch Servo</td>
<td>HGS</td>
<td>CGS</td>
<td>Clutch Servo</td>
</tr>
</tbody>
</table>

- A combined portfolio and footprint offers a great opportunity to increase KA content on a global basis
Examples of combined growth potential

- Average revenue per truck: €140
- Addressable on-highway market: 1.9 million trucks

- Average revenue per vehicle: €50
- Addressable off-highway market: 1.7 million vehicles

Potential combined average revenue per vehicle: 210€
Leverage core competences

**ACTUATION & CHASSIS**
- Clutch and gear technology
- Material technology
- Lean product development

**POWER PRODUCTS**
- Mechatronic systems
- Electronics Hardware & Software
- System integration
Combined Value Proposition: Taking the driver’s position

Innovations to the “Man To Machine Interface”
Summary

- Opportunities to gain growth through closer collaboration
- Leveraging existing resources for better utilization of current infrastructure will yield greater profit potential
- Closer collaboration will increase the probability of winning new businesses
- Technology synergies enhance the potential for new products and innovations leading to greater growth
Capital Markets Day, November 6
Fluid Transfer Systems, Jonathan Day
Fluid Transfer – Supporting KA’s direction ahead

▸ Commercial Vehicles focus
  – Well balanced product and customer portfolio
  – 75% of BA revenues

▸ Delivering growth and margins
  – 28.5% revenue growth in 2011 vs. 2010
  – 14% EBITDA (Q312)

▸ Well aligned with KA’s direction
Products and key customers

Fluid handling systems for light duty and commercial vehicles

Main product categories

Fluid Handling Systems

Air Couplings
MARKETS AND PRODUCTS
Fluid Transfer sales YTD-2012

Sales by market segment
EUR Million

- Commercial: 75%
- Automotive: 25%

EUR 133 Million YTD

Sales by region
EUR Million

- Europe: 62%
- North America: 33%
- Asia and South America: 2+3%

EUR 133 Million YTD
FTS – The Fluid Handling Specialist

Commercial Vehicle Fluid Components
- Low Pressure Fuel Pipes
- Turbo & Emission Controls
- Airbrace Assemblies
- Coolant & Hydraulics
- ABC Air Couplings
- BRK Couplings

Automotive Fluid Components
- Alternative Fuel Systems
  Chassis: CNG Fuel Assemblies
- Powertrain: Turbo Oil, Coolant Feed & Drain
- Chassis & Powertrain Fuel Lines
- Air Suspension Lines
- Brake Booster
- Fuel Fill Systems / Fuel Lines (under floor)
- Chassis: Oil Cooler Lines (High Performance Engines)
- Powertrain: Diesel Particulate Filter / SCR lines
- Chassis: Crankcase Ventilation
- Hydraulic Brake Hose/PTFE hose

Enhancing the driving experience
Technology trends providing opportunities for FTS

Tighter emission requirements driving new technologies in engine designs

- Downsizing engine
- Increased Gasoline Direct Injection (GDI) technology
- Cooled EGR system, after treatment
- Bio fuels – different blends & sources

Extra equipment to reduce emissions create higher pressures and temperatures

- Increased turbocharger boosting
- Higher injection pressures
- Higher number of hose assemblies required to cool
- More aggressive fuels

Adapt FTS product portfolio to new demands and legislations

- Turbo feed and drain lines
- Fluorocomp®
- Bio-fuel Line

Strong growth drivers for FTS
## Customers, products and innovations

### Commercial Vehicle Fluid Components

- **BRANDS**
  - Volvo
  - Navistar
  - WABCO

- **PRODUCTS**
  - Air, Oil & Coolant lines
  - Air Brake Couplings
  - Air Brake Systems
  - Oil & Coolant lines
  - Fuel Lines
  - ABC Couplings
  - KArtridge
  - Manifolds

- **INNOVATIONS**
  - Tube Connections (ORFS)
  - Large Bore Bending
  - Induction Brazing
  - Manifolds
  - Valves & Electronic Switches
  - ABC Couplings
  - Tube Connections
  - Large Bore Bending
  - Fluorocomp ®

### Automotive Fluid Components

- **BRANDS**
  - Jaguar
  - Land Rover

- **PRODUCTS**
  - Air Suspension
  - Fuel Lines
  - Selective Power Train
  - ABC Couplings
  - Composite Materials
  - Smart Design Engineering

### FOCUS ON GROWTH

### FOCUS ON HIGH END NICHES
Summary: Supporting KAs future direction

▸ CV focused business, high-end Automotive niche
  – DAF Paccar fastest growing customer in Fluids
  – Volvo significant in Commercial Vehicle sector
  – Premium brand Jaguar Land Rover is growth area in Automotive

▸ Established global footprint

▸ Technology trends providing growth drivers

▸ Delivering robust growth and good margins
Status revenue and EBITDA per segment (LTM)

Revenues
EUR Million

<table>
<thead>
<tr>
<th>Segment</th>
<th>Revenues EUR Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Driveline</td>
<td>328</td>
</tr>
<tr>
<td>Interior</td>
<td>269</td>
</tr>
<tr>
<td>Fluid Transfer</td>
<td>173</td>
</tr>
<tr>
<td>Actuation &amp; Chassis</td>
<td>157</td>
</tr>
<tr>
<td>Power Products</td>
<td>139</td>
</tr>
</tbody>
</table>

EBITDA and EBITDA Margin
EUR Million and percent

<table>
<thead>
<tr>
<th>Segment</th>
<th>EBITDA EUR Million</th>
<th>EBITDA Margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Driveline</td>
<td>24,9</td>
<td>9,8%</td>
</tr>
<tr>
<td>Interior</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fluid Transfer</td>
<td>21,5</td>
<td>14,4%</td>
</tr>
<tr>
<td>Actuation &amp; Chassis</td>
<td>16,5</td>
<td>13,7%</td>
</tr>
</tbody>
</table>

LTM = Last 12 months
Revenue and EBITDA composition in new structure
Based on last 12 month figures
**Our 3-year ambitions**

<table>
<thead>
<tr>
<th></th>
<th>Automotive</th>
<th>Commercial Vehicle</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>Profit before growth</td>
<td>CAGR &gt; 8%</td>
<td></td>
</tr>
<tr>
<td>Margin</td>
<td>Improve</td>
<td>Sustain</td>
<td></td>
</tr>
</tbody>
</table>

**Group**

<p>| | | |</p>
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<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>Selective growth focus</td>
<td></td>
</tr>
<tr>
<td>Margin</td>
<td>Gradually improving margin</td>
<td></td>
</tr>
<tr>
<td>ROCE</td>
<td>&gt; 15% by 2015</td>
<td></td>
</tr>
<tr>
<td>NIBD/EBITDA</td>
<td>&lt; 2x by 2015</td>
<td></td>
</tr>
</tbody>
</table>

- **Our ambition is to grow earnings, sharply improve our return on capital, and greatly enhance our financial flexibility**
Selective growth focus

- Market expected to grow 6% - 8% annually from 2012 to 2015
- Focusing on selected segments playing to KOA’s strengths
- Commercial Vehicles
  - Targeting average revenue growth above 8%
- Automotive
  - Focus on profit before growth
  - Selective approach to products lines and customers
  - Exit unprofitable product lines, customers
Improving operational margins

▶ Structural improvement
  – Margin support from change in revenue mix; higher growth in high-margin segments

▶ Commercial Vehicles
  – Continuous improvement focus
  – Utilizing footprint by combining PPS and A&C
  – TARGET: SUSTAIN MARGINS

▶ Automotive
  – Measures been taken in unprofitable segments
  – Further profitability improvements
  – TARGET: IMPROVE MARGINS
Revenues and EBITDA margin targets

Revenues, LTM
EUR Million

EBITDA margin, LTM
Percent

Profit first
CAGR >8%
IMPROVE
SUSTAIN

<table>
<thead>
<tr>
<th>Category</th>
<th>Revenues, LTM</th>
<th>EBITDA margin, LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Driveline</td>
<td>328</td>
<td>16%</td>
</tr>
<tr>
<td>Interior</td>
<td>259</td>
<td>10%</td>
</tr>
<tr>
<td>Fluid Transfer</td>
<td>173</td>
<td>-2%</td>
</tr>
<tr>
<td>Driver Control Systems</td>
<td>296</td>
<td>14%</td>
</tr>
</tbody>
</table>
Targeting >15% ROCE by 2015

- **Multiple levers**
  - **Revenue growth** in high-margin segments
  - **Improved margins** in currently low-yielding segments
  - **Higher capital efficiency**, i.e. maintaining capital expenditure below D&A

Implies significant improvement in both ROCE and ROE from historic and current levels.
Seeking to reduce financial leverage

- Targeting Net Debt/EBITDA ratio below 2x by 2015

- Consistent with our targets for ROCE and capital intensity
Enterprise Value dynamics

- Current Enterprise value based on LTM EBITDA implies a multiple of 5x

- Seeking to unlock shareholder value potential both through
  1. Improving EBITDA growth
  2. Reduced Net Debt

- Net debt currently accounts for 84% of EV, offering significant leverage effect
Funding objectives

▸ Sound balance sheet structure
  – Strengthen the equity ratio
  – Reduce the debt

▸ Sufficient liquidity
  – Increase cash flow

▸ Optimized capital structure
  – Increase financial flexibility
Strengthening the balance sheet

- Equity to increase with improving results
  Equity ratio currently 5%-points below the 30% target
- Stable asset base
- Retaining solid coverage for long-term assets
- Net Debt/EBITDA target <2x implies increased headroom
Liquidity and financial flexibility

▸ Current Free Cash Flow is insufficient
  – Debt amortization and interest payments of ~EUR 60 million annually

▸ Free Cash Flow expected to improve
  – Revenue growth and margin improvement
  – Continued cautious investment spending
  – Working capital improvements
Further optimizing the capital structure

- Secured 5-year bank loan at favourable terms earlier in 2012
- Seeking to further optimize the capital structure
- May consider opportunities in the corporate bond market
  - Focus on enhancing flexibility at reasonable cost
  - Portioning out longer-term maturities
Summary

▸ Setting new 3-year targets
▸ Selective growth approach – Focus on margin improvement
▸ Enhancing financial flexibility – Seeking sharp reduction in debt to earnings ratios
▸ Targeting gradual improvement to 15% ROCE by 2015

▸ Delivering on targets to unlock shareholder values
SUMMARY AND CONCLUSION
Summary

Our vision

“Enhancing the driving experience”

- focusing on
  - driver control systems
  - comfort systems
  - optimized fluid handling
Summary

- Shifting efforts towards higher value business
- Profit before Growth in the Automotive segment
- Growth above market average in the Commercial segment

Our 3-years Group ambition

<p>| | |</p>
<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>Selective growth focus</td>
</tr>
<tr>
<td>Margin</td>
<td>Gradually improving margin</td>
</tr>
<tr>
<td>ROCE</td>
<td>&gt; 15% by 2015</td>
</tr>
<tr>
<td>NIBD/EBITDA</td>
<td>&lt; 2x by 2015</td>
</tr>
</tbody>
</table>
Summary

Our values

Passionate  Accountable  Prepared
THANK YOU FOR YOUR ATTENTION