### Group highlights for the third quarter

| **REVENUES** |  
|  
|  
| ▶ Revenues of EUR 239.0 million, including positive currency effect of EUR 15.5 million  
| ▶ Market outlook for Q4 indicates a revenue level of ca. EUR 245 million  |

| **PROFITABILITY** |  
|  
|  
| ▶ EBITDA of EUR 14.8 million, including restructuring cost of EUR 5.2 million  
| ▶ Driveline, adjusted for restructuring costs, delivered an EBITDA margin of 4.2% demonstrating an underlying margin improvement  
| ▶ Commercial vehicle segment continued to deliver strong margins despite weak EU sales  |

| **MARKET** |  
|  
| ▶ Continued to experience a positive North American market, offset by a slow European market  |

| **OPERATIONS** |  
|  
| ▶ Completed closure of the operations in the facility in Dassel, Germany  
| ▶ High level of business wins, EUR 94 million of annual sales won in the quarter  |
New business wins last 4 quarters

- High level of quarterly business wins of MEUR 94 per annum, confirms good order intake trend
- KA needs to secure business wins in the area of 15% of annual revenue to compensate for expiring programs
Hans Peter Havdal

OPERATIONAL REVIEW
Q3 2012: Business area overview

<table>
<thead>
<tr>
<th>Market</th>
<th>PASSENGER CARS</th>
<th>COMMERCIAL VEHICLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety and comfort related products for vehicle interiors</td>
<td>25% of total revenues</td>
<td>33% of total revenues</td>
</tr>
<tr>
<td>Gear shift systems for light duty vehicles</td>
<td>16% of total revenues</td>
<td>14% of total revenues</td>
</tr>
<tr>
<td>Fluid handling systems for passenger cars, industrial and commercial vehicles</td>
<td>14% of total revenues</td>
<td>12% of total revenues</td>
</tr>
<tr>
<td>Driver control systems and chassis related products to commercial vehicles</td>
<td>16% of total revenues</td>
<td>14% of total revenues</td>
</tr>
<tr>
<td>Vehicle operator systems for the off-highway vehicle market</td>
<td>12% of total revenues</td>
<td>12% of total revenues</td>
</tr>
</tbody>
</table>

EBITDA margin:
- 9%
- -2% *
- 14%
- 17%
- 9%

* Including a one-time restructuring cost of EUR 5.2 million
Highlights and performance

▸ Operational update
  – On-going fixed cost reduction initiative is inline with the plan
  – All operations closed in Germany and final head count to be phased out in Q4-2012
  – Improved commercial terms reached with one out of three target customers. Agreements expected to be reached for the other two in Q4-2012
  – These initiatives will gradually improve the underlying profitability of the business area during Q4-2012

▸ Market & Trends
  – The US market is still going strong with a 12.4% YoY growth in Q3
  – EU market continue to be weak, -7.6% YoY
  – New launches in Q3 of European and Asian programs will strengthen business ahead:
    • Automatic Shifter to Jaguar Land Rover with a full year volume of 37.000 vehicles
New contract- value EUR 181 million

- Contracts within Driveline core segments: Automatic gear shifters and shift by wire systems
- 6 different car models on a new platform in the period between 2015 and 2024
- C, D, E segment premium cars in Europe, North America and Asia
- Production from KA in Mullsjö, Sweden, likely expanded to Asia
Highlights and performance

▸ Operational update
  – Q3 highlight was Interior segment’s most significant contract, worth EUR 287 million (NOK 2.150 million) with a European OEM for the supply of seat comfort products to a total of 6 different car models on a new platform between 2015 and 2024
  – Future business opportunities expected from a Supplier Day held at a North American OEM, with 300 of the company’s top engineering and purchasing personnel in attendance

▸ Market & trends
  – Benefited from good North American market
  – Less exposure to southern EU OEMs
  – Significant exposure to German premium OEMs:
New Contract – value EUR 287 million

- Seat comfort products: fixed, adjustable pneumatic lumbar support systems, seat heating, seat cooling ventilation.
- European OEM
- Same platforms as Driveline contract: 6 different car models on a new platform between 2015 and 2024
- SOP: H2 2014 at Pruszkow, Poland
Highlights and performance

▸ Operational update
  – Initiated serial production in North America of clutch actuation system in KA plant in Easley, South Carolina
  – Volvo presented its new FH truck model at the IAA motor show with many KA products
  – Good aftermarket sale during the third quarter
  – High R&D activity level due to strong customer interest

▸ Market & Trends
  – Underlying demand declining in Europe due to economic uncertainty
  – Brazilian market is significantly down, but recovery is expected by 2013
  – North American market remains strong, and will start to benefit this business area from late 2012 due to new product launches
Highlights and performance

- **Operational update**
  - Moved production from Pickens facility to Easley facility in order to expand capacity and allow for future growth

- **Market & trends**
  - The North American market remained strong for both automotive and commercial vehicle segments
  - European market remains weak as expected
  - Continue to win new contracts strengthening our position as an expert niche supplier
Highlights and performance

- **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 good cost controls and execution.

- **Market & trends**
  - New product launches continue to provide revenue growth particularly for the electronic Tier 4 emission standards
  - Order trend will continue to closely coincide with general economic conditions
  - Weak European market offset by stronger North American market
Enhancing the driving experience

Trond Stabekk
FINANCIAL UPDATE
Revenue and EBITDA

Revenues
EUR Million

Q3 2011: 229.6
Q4 2011: 246.1
Q1 2012: 267.8
Q2 2012: 261.6
Q3 2012: 239.0

EBITDA and EBITDA Margin
EUR Million and percent

Q3 2011: 15.4%
Q4 2011: 14.2%
Q1 2012: 23.2%
Q2 2012: 20.0%
Q3 2012: 14.8%
Segment financials 3rd quarter

Revenues and EBITDA margin
EUR Million and percent
Driveline profitability

- Adj for restructuring cost the underlying EBITDA margin improved from 1.3% to 4.2%
- First wave of effects from implemented improvement actions
- Dassel operations closed
## Consolidated income statement

<table>
<thead>
<tr>
<th>EUR Million</th>
<th>Quarters</th>
<th>Twelve months ending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>239.0</td>
<td>261.6</td>
</tr>
<tr>
<td>OPEX</td>
<td>(224.2)</td>
<td>(241.6)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>14.8</td>
<td>20.0</td>
</tr>
<tr>
<td>EBITDA (%)</td>
<td>6.2%</td>
<td>7.6%</td>
</tr>
<tr>
<td>D&amp;A</td>
<td>(11.5)</td>
<td>(13.3)</td>
</tr>
<tr>
<td>EBIT</td>
<td>3.4</td>
<td>6.7</td>
</tr>
<tr>
<td>EBIT (%)</td>
<td>1.4%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Financial items</td>
<td>(2.4)</td>
<td>(13.0)</td>
</tr>
<tr>
<td>PBT</td>
<td>1.0</td>
<td>(6.3)</td>
</tr>
<tr>
<td>Tax</td>
<td>(0.2)</td>
<td>1.6</td>
</tr>
<tr>
<td>Net profit</td>
<td>0.8</td>
<td>(4.6)</td>
</tr>
</tbody>
</table>
Financial items

First 9 months 2012 Net interest EUR 2.2 million lower compared to same period 2011

FX effects contributing positively by EUR 4.0 million
Cash flow development

Cash flow
EUR Million

<table>
<thead>
<tr>
<th>Cash as at 30.06.2012</th>
<th>EBITDA</th>
<th>Working capital</th>
<th>CAPEX</th>
<th>Interest</th>
<th>Debt repayment</th>
<th>Other incl. FX</th>
<th>Cash as at 30.09.2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>77.8</td>
<td></td>
<td>-3.7</td>
<td>-7.3</td>
<td>-4.7</td>
<td>2.0</td>
<td>-4.4</td>
<td>74.5</td>
</tr>
</tbody>
</table>
Available funds and utilization

<table>
<thead>
<tr>
<th>Available funds</th>
<th>Credit utilization</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR Million</td>
<td>EUR Million</td>
</tr>
<tr>
<td></td>
<td>Q3 2012</td>
</tr>
<tr>
<td>Q3 2011</td>
<td>79</td>
</tr>
<tr>
<td>Q4 2011</td>
<td>47</td>
</tr>
<tr>
<td>Q1 2012</td>
<td>48</td>
</tr>
<tr>
<td>Q2 2012</td>
<td>31,2</td>
</tr>
</tbody>
</table>
Financial ratios

NIBD
EUR Million

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3 2011</th>
<th>Q4 2011</th>
<th>Q1 2012</th>
<th>Q2 2012</th>
<th>Q3 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>314,0</td>
<td>316,0</td>
<td>314,9</td>
<td>310,5</td>
<td>310,7</td>
</tr>
</tbody>
</table>

NIBD/EBITDA
Times

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3 2011</th>
<th>Q4 2011</th>
<th>Q1 2012</th>
<th>Q2 2012</th>
<th>Q3 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Times</td>
<td>4,1</td>
<td>3,9</td>
<td>4,2</td>
<td>4,2</td>
<td>4,3</td>
</tr>
</tbody>
</table>

Equity
EUR Million

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3 2011</th>
<th>Q4 2011</th>
<th>Q1 2012</th>
<th>Q2 2012</th>
<th>Q3 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>182,0</td>
<td>185,2</td>
<td>192,2</td>
<td>193,6</td>
<td>193,5</td>
</tr>
</tbody>
</table>

Equity ratio
Percent

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3 2011</th>
<th>Q4 2011</th>
<th>Q1 2012</th>
<th>Q2 2012</th>
<th>Q3 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>23,0%</td>
<td>23,3%</td>
<td>23,8%</td>
<td>24,2%</td>
<td>24,8%</td>
</tr>
</tbody>
</table>
### Production and revenue growth (YoY change)

#### North America
- **CV production growth**: -0.5%
- **LV production growth**: 12.4%
- **KA revenue growth**: 7.9%

#### Europe
- **CV production growth**: -9.5%
- **LV production growth**: -7.6%
- **KA revenue growth**: -11.2%

#### Worldwide
- **CV production growth**: -2.7%
- **LV production growth**: 2.4%
- **KA revenue growth**: -2.7%

#### Asia
- **CV production growth**: 2.3%
- **LV production growth**: 4.6%
- **KA revenue growth**: 3.4%

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* CV: Commercial Vehicles (GVW>6t) estimates by LCM
** LV: Light Vehicle (GVW<6t) estimates by LCM
***: adjusted for currency effect
Light vehicle production – 2012 forecast

- **Total production**
  - Total production revised down from 82 million to 81.7 millions vehicles in 2012 mainly due to the weak European and South American market

- **Production growth**
  - The global production of light vehicles is expected to grow by 7 to 6% in 2012
  - In Europe, LV production in Q4 is expected to decline by 7.9%
  - In all other regions, LV production in Q4 is expected to grow

Source: LMC Automotive – October 2012
Commercial vehicle production – 2012 forecast

- **Total production**
  - Total production of commercial vehicles is estimated to reach ca. 2.75 millions units in 2012.

- **Production growth**
  - The commercial vehicle production is expected to slow down between 6 to 7% in 2012
  - CV production in Q4 is expected to decline in all regions
  - The biggest drops would be seen in China and South America with a decline respectively by 10% and 25.6%

Source: LMC Automotive – October 2012
Summary and outlook

Company outlook for Q4 2012
EUR Million

- KA expects revenue of approx. EUR 245 million for Q4 2012
- Four out of five business areas are performing well
- Driveline is improving and remains the main focus
Capital Markets Day, November 6

- **Venue**
  - At KA HQ in Kongsberg

- **Program**
  - Presentations by management
  - Lunch
  - Visit to R&D/Test center
  - Q&A session

- **Transportation**
  - Bus departs Vika Atrium at 0745h
  - Return to Vika Atrium by 1430h

- **Registration**
  - E-mail to cmd@ka-group.com by Oct. 31.
THANK YOU FOR YOUR ATTENTION