



KONGSBERG
AUTOMOTIVE

4th Quarter Report 2013

Kongsberg Automotive Group

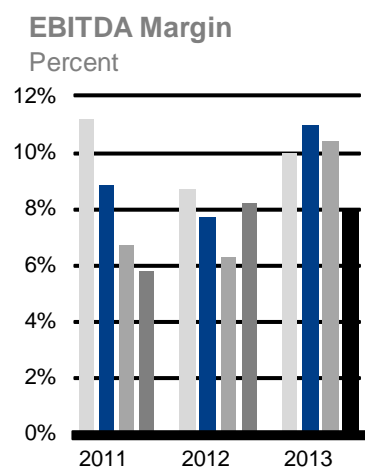
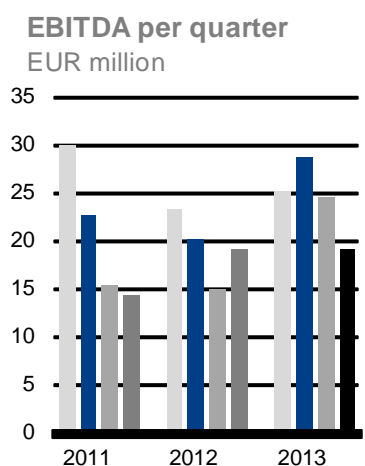
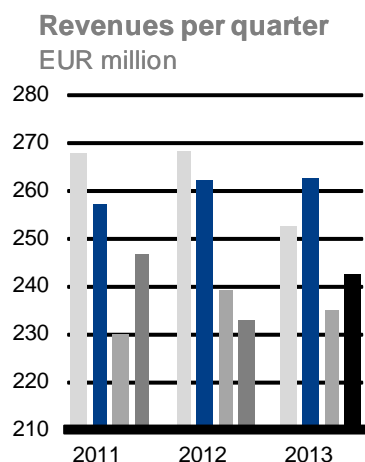


Enhancing the driving experience

2013



Highlights 4th quarter and full year 2013



Highlights

- Revenues were EUR 242 million in the fourth quarter, EUR 9.4 above fourth quarter last year. Revenues for the year amounted to EUR 991 million, slightly below 2012.
- EBITDA was EUR 19.0 million in the fourth quarter, in line with last year. EBITDA in 2013 was EUR 97.1 million, EUR 20.1 million above last year, despite lower revenues.
- The gearing ratio reduced to 2.5 times NIBD/EBITDA. Debt repayment of EUR 42 million for the full year.
- Strong operational cash flow in the fourth quarter of EUR 36.3 million
- Improved financial flexibility through amended loan agreement
- Revenues for 2014 expected to be in line with 2013. The 1st quarter 2014 is expected to be approx. EUR 250 million

Key figures

MEUR	Q4 2013	Q4 2012	2013	2012
Revenues	242.0	232.6	990.9	1001.1
EBITDA	19.0	19.0	97.1	77.0
EBITDA %	7.9 %	8.1 %	9.8 %	7.7 %
EBIT	8.4	7.8	53.2	30.7
EBIT (%)	3.5 %	3.3 %	5.4 %	3.1 %
Net profit	(4.3)	(1.7)	6.6	5.3
NIBD/EBITDA (LTM)	2.5	3.8	2.5	3.8
Equity ratio (%)	27.6 %	24.8 %	27.6 %	24.8 %



Group Financial Summary

Condensed consolidated statement of profit and loss

MEUR	Q4 2013	Q4 2012	2013	2012
Revenues	242.0	232.6	990.9	1001.1
Opex	(223.0)	(213.6)	(893.8)	(924.1)
EBITDA	19.0	19.0	97.1	77.0
<i>EBITDA (%)</i>	7.9 %	8.1 %	9.8 %	7.7 %
Depreciation and amortization	(10.6)	(11.2)	(43.9)	(46.3)
EBIT	8.4	7.8	53.2	30.7
<i>EBIT (%)</i>	3.5 %	3.3 %	5.4 %	3.1 %
Net financial items	(10.4)	(5.3)	(40.4)	(18.7)
Profit before taxes	(1.9)	2.5	12.8	11.9
Income taxes	(2.4)	(4.3)	(6.2)	(6.7)
Net profit	(4.3)	(1.7)	6.6	5.3

REVENUES

Revenues for the Group amounted to EUR 242.0 million in the fourth quarter of 2013. The revenues were EUR 9.4 million (4.1%) above the comparable period last year, including an unfavorable currency effect of EUR -11.4 million. Excluding the currency effect revenues were up by 9 %.

Revenues in the commercial vehicle segments increased by EUR 7.3 million. Driver Control Systems (DCS) increased year over year by EUR 1.9 million, due to new product launches, pre-buy effects, and higher aftermarket sales in addition to an improving Brazilian market. Fluid Transfer Systems (FTS) increased its revenues by EUR 5.4 million, primarily driven by Euro 6 pre-buy effects, in addition to an improved European commercial vehicle market.

On the automotive side *Interior Systems* (IS) delivered revenues of EUR 3.1 million above the same period last year, driven by an improving North American market in addition to increased sales in Europe. *Driveline Systems* (DS) experienced a drop of EUR -1.7 million, including an unfavorable currency effect of EUR -1.8 million.

Revenues for the full year 2013 decreased by EUR 10.2 million to EUR 991, including a negative currency effect of EUR 24.1 million. Driveline experienced a decline of EUR -29.1 million in 2013. This decline in revenues was primarily driven by exposure to southern European markets and programs reaching end of production. Fluid experienced increased revenues of EUR 13.3 million compared to last year, mainly driven by an improving European commercial vehicle market in addition to Euro 6 pre-buy effects. Revenues for Driver Control and Interior were in line with last year.

EBITDA/ EBIT

The EBITDA for the Group was EUR 19.0 million in the fourth quarter of 2013 and in line with the same quarter last year. The 4th quarter 2013 includes an accrual for bonus of EUR 3.1 million, while the 4th quarter last year included a release of EUR 2.8. Hence comparing the two quarters this gives a EUR 6 million effect. The operational gearing effects of the higher sales in Fluids were offset by increased costs in Driver Control Systems. The increased costs were due to some operational issues in the Norwegian plants, and higher engineering cost due to high project activity.

EBITDA for 2013 was EUR 20.1 million above 2012. The improved profitability was achieved despite the drop in revenues, driven by operational and commercial improvements, including the effects of a restructuring cost of EUR 5.2 million recognized last year.

NET FINANCIALS

Net financials (see note 3.6) were EUR -10.4 million in the fourth quarter of 2013, compared to EUR -5.3 million in the same period in 2012. Lower interest expenses were offset by unrealized foreign currency effects. The change in FX effects was EUR -6.2 million comparing Q4 2013 with Q4 2012.

PROFIT BEFORE TAX / NET PROFIT

Fourth quarter profit before tax decreased from EUR 2.5 million to EUR -1.9 million driven primarily by unrealized foreign currency effects. The deficit was EUR 4.3 million in the fourth quarter, compared to a deficit of EUR 1.7 million in the comparable quarter last year, taxes in the fourth quarter was effected by a write-down of deferred tax assets due change in tax loss carry forward regulations in Slovakia.



Group Financial Summary

Condensed statement of cash flow

MEUR	Q4 2013	Q4 2012	2013	2012
Cash flow from operating activities	36.3	36.2	87.6	78.9
Cash flow from investing activities	(10.0)	(9.8)	(27.2)	(32.0)
Cash flow from financing activities	(14.5)	(24.7)	(60.2)	(65.3)
Currency effects on cash	(0.6)	(0.4)	(0.9)	(0.3)
Net change in cash	11.1	1.3	(0.7)	(18.8)
Net cash at 01.01 *	21.6	32.2	33.5	52.3
Net cash at period end *	32.7	33.5	32.7	33.5
Of this, restricted cash	2.7	2.6	2.7	2.6

* Includes bank overdraft

CASH FLOW FROM OPERATING ACTIVITIES

The cash flow from operating activities increased by EUR 0.1 million to EUR 36.3 million in the fourth quarter of 2013 compared to the same quarter last year. A strong EBITDA of 97.1 contributed to a net cash flow from operating activities of EUR 87.6 million in 2013, an increase of EUR 8.8 million from last year.

Cash flow from operating activities in 2012 were positively influenced by a reduction in net working capital of EUR 18.4 million, compared to an increased net working capital of EUR 1.1 million in 2013.

CASH FLOW FROM INVESTING ACTIVITIES

Cash flow from investing activities amounted to EUR 10.0, an increase of EUR 0.3 compared to the fourth quarter in 2012.

Investments in 2013 amounted to EUR 29.4 million, a decrease EUR 0.5 million compared to 2012. Investments for the fourth quarter increased year-over-year by EUR 3.0 million, from EUR 7.4 to EUR 10.4 million.

CASH FLOW FROM FINANCING ACTIVITIES

Cash flow from financing activities was EUR -14.5 million in the fourth quarter 2013, a reduction of EUR 10.2 million compared to the same quarter last year due to reduced debt repayments and interest expenses.

Interest payments decreased by EUR 2.1 million to EUR 3.2 million in the fourth quarter of 2013 compared to the same quarter last year, as a consequence of reduced debt and facility level in 2013.

Net cash flow from financing activities was EUR 60.2 million in 2013, compared to EUR -65.3 million in 2012. The decrease was primarily related to a decrease of other financial charges which were influenced by fees due to renewal of the loan agreements in 2012 and lower interest expenses.

Repayment of external loans amounted to EUR 42.0 million in 2013 compared to EUR 39.3 million in 2012.

NET CHANGE IN CASH

Change in net cash, including bank overdraft, was EUR -0.7 million in 2013. The cash holding decreased by EUR 18.2 million from EUR 75.3 million to EUR 57.1 million during 2013. Bank overdraft was reduced by EUR 17.5 million from EUR 41.8 to EUR 24.3 during the year.



Group Financial Summary

Condensed statement of financial position

MEUR	31.12.13	31.12.12
Non-current assets	384.5	419.4
Cash and cash equivalents	57.1	75.3
Other current assets	245.7	250.2
Total assets	687.3	744.9
Equity	189.6	184.7
Interest bearing debt	274.0	322.8
Other liabilities	223.6	237.4
Total equity and liabilities	687.3	744.9
<i>NIBD</i>	241.3	289.3
<i>Equity ratio</i>	27.6%	24.8%

ASSETS

Total assets were EUR 687.3 million as of 31st December 2013, a decrease of EUR 57.6 million from 2012, driven by a decrease in non-current assets and cash. The reduction in cash was primarily related to reduction in the debt level.

EQUITY

From year end 2012 equity increased by EUR 5.0 million to EUR 189.6 million. The increase was mainly driven by a positive net profit for the period of EUR 6.6 million partly offset by an equity adjustment due to a change in IFRS (ref note 1). The equity ratio improved by 2.8 percentage points to 27.6%.

INTEREST BEARING DEBT

Gross interest bearing debt amounted to EUR 274.0 million at the end of 2013, a reduction of EUR 48.8 million since from 2012. The change reflects debt repayment and currency effects.

Net interest bearing debt was decreased by EUR 48.0 million to EUR 241.3 million since year end 2012. The decrease was driven by a strong operational cash flow partly offset by payment of interest and financial charges.

The company has secured further financial flexibility through negotiated a change to the current loan agreement. The revolver will be frozen at the current level EUR 206 million and USD 182 million. This means that there will be no more mandatory amortization of the revolver, which previously was EUR 40 million per year

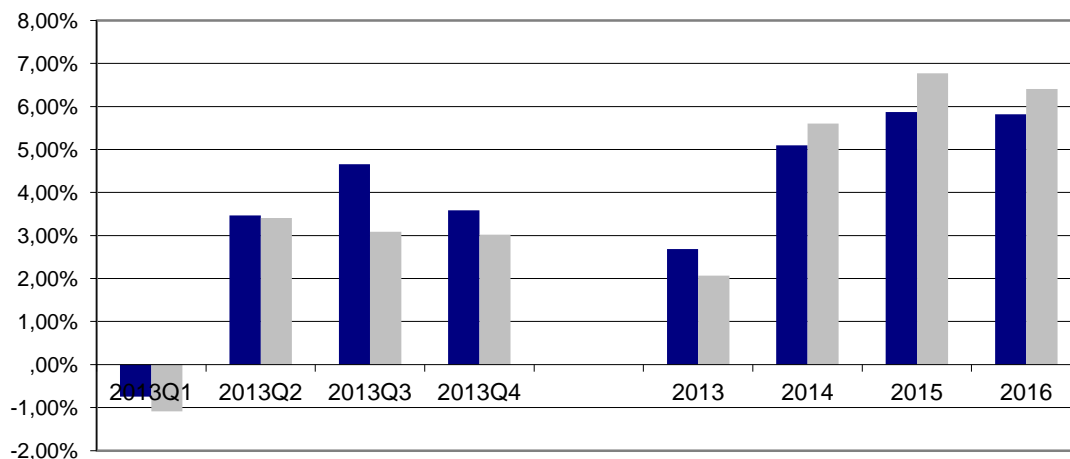


Market Outlook

Light Vehicle Production (LVP) estimates

Year-on-year change in production growth rate:

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



(Source: LMC Automotive)

■ World new (Jan) ■ World old (Oct)

GLOBAL LIGHT VEHICLE PRODUCTION

Light vehicle production (LVP) ended slightly higher than expected with a 3.6 % increase, compared to the October forecast. The revised third quarter production ended higher than expected, giving a total Light Vehicle Production (LVP) of 83.9 million vehicles for the full year 2013, and an increase of 2.7 % from 2012.

Europe started a slight rebound from August, giving a positive trend in the second half of 2013. In the end, 2013 ended slightly better than expected at the beginning of the year with a decline of 1.1% to 19.2 million units compared to 2012.

Especially the southern European markets were significantly down (sales in Spain and Italy down by approximately 40%).

The positive trend in the North American market continued from Q3, and the Q4 figures were up by 6.3 percentage points.

The recovery in North America in 2012 lost some momentum in 2013, but continued at a more sustainable pace, with 16-17 million vehicles being produced. This was an increase of 5% compared to 2012.

The loss of consumer confidence in Thailand and India is the main reason for the downfall in Asia. The Asian (excluding China) fourth quarter production continued the negative trend with a 0.3% contraction. On the other hand China has continued its strong growth with a production growth of 12.5% in 2013, to a world-leading 20.5 million vehicles.

For 2014 LMC expectation is that the world production will grow in total by 5.1%. Even Europe is assumed to have a positive development, with a growth of 1.7% for 2014.

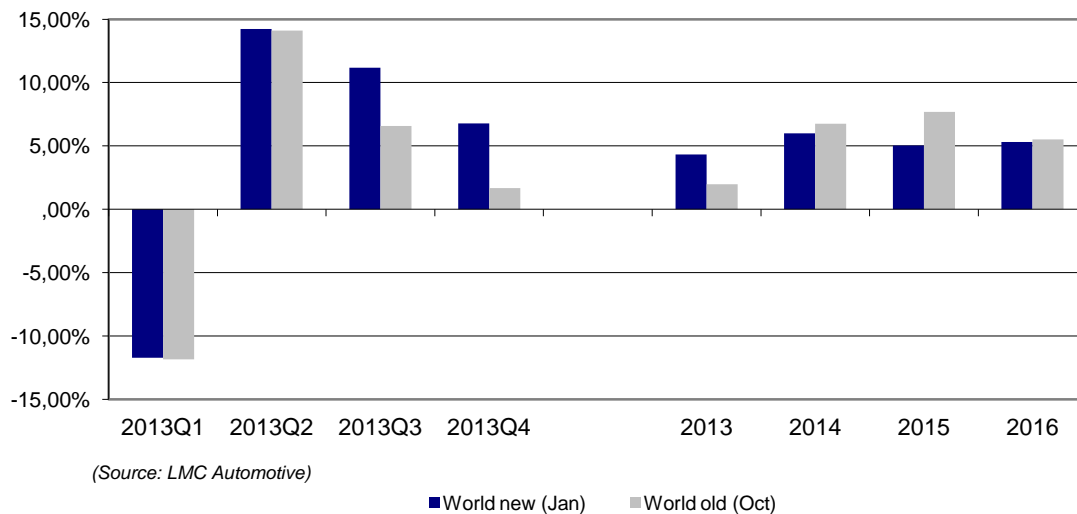


Market Outlook

Commercial Vehicle Production (CVP) estimates

Year-on-year change in production growth rate:

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



GLOBAL COMMERCIAL VEHICLE PRODUCTION

The overall production of medium and heavy-duty commercial vehicles increased by 4.3% to 2.75 million in 2013 compared to 2012. The largest increase came in China with 13 %, as truck sales accelerated after the decline in 2012. China ended at 994.000 units.

We also see the results of the pre-buy effect due to the introduction of the EURO6 emission standards in Europe in January 2014. 4th quarter saw an increase in production of 16 % compared to the same quarter 2012. For the full year 2013 the production is expected to be approximately 1 % lower year over year. 2014 will still be below the 2008 level in Europe.

The South American market continued its strong growth also in Q4 (+52% compared to Q4 2012). South America (mainly Brazil) ended 2013 with a growth close to 50%. It should be noted that 2012 showed a steep decline because of the significant EURO5 pre-buy effect in 2011.

North America continued the positive trend from Q3 with an increase of 8.6%. Production in 2013 declined by 3.2 % to 449k units, it should be noted that there were a substantial production growth in 2012 (10 %). The North American market is expected to continue the positive development from Q3 and Q4 into 2014.

For 2014 the world production is expected to increase the momentum again with 6% growth.

Interior Systems

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, 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. 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	Q4 2013	Q4 2012	2013	2012
Revenues	74.9	71.8	305.0	304.5
EBITDA	8.3	8.4	36.0	32.8
EBITDA (%)	11.1 %	11.7 %	11.8 %	10.8 %
Depreciation	(2.1)	(2.6)	(9.6)	(8.6)
Amortization	(0.5)	(0.5)	(2.1)	(2.1)
EBIT	5.7	5.3	24.4	22.1
EBIT (%)	7.6 %	7.3 %	8.0 %	7.2 %
Investments	(3.4)	(1.4)	(7.3)	(8.3)
Capital Employed *	149.5	156.5	149.5	156.5

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

Financial update

Interior revenues increased by EUR 3.1 million (4.3%) to EUR 74.9 million in the fourth quarter 2013 compared to the same quarter 2012, including a negative currency effect of EUR -2.7 million. Revenues for the full year 2013 amounted to EUR 305.0 million, including a negative currency effect of EUR -5.9 million which, was in line with 2012. The full year revenues were negatively impacted by an inventory adjustment during the first quarter at two major North American customers.

EBITDA was EUR 8.3 million in the fourth quarter, which is in line with the same quarter 2012. EBITDA for the full year increased by EUR 3.3 million (10.0%).

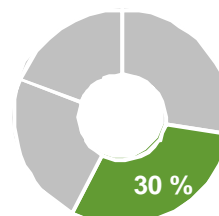
Operational update

In the comfort seating side of the business, Interior Systems realized important new business wins in the fourth quarter. In North America three contracts worth an estimated total of EUR 24 million were signed. These contracts included lumbar support systems to one of the high-end vehicle platforms in North America. In Europe a contract with a premium European OEM for the supply of massage systems worth an estimated total of EUR 62.5 million over its lifetime was secured.

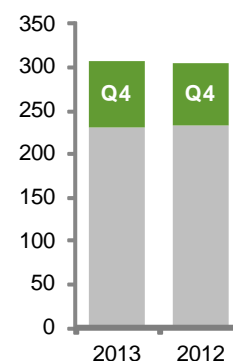
In the Light Duty Cable (LDC) side of the business, new business was won across all market sectors. In the fourth quarter KA was awarded a major program worth EUR 25 million for a new Electromechanical Actuator to be fitted to a premium SUV in Europe and China. The actuator is a new product in these markets and has great sales potential as more complex seating arrangements demand different solutions. The production start is in the third quarter of 2014 in our plant in Siofok, Hungary.

The business area is beginning to realize the rewards from increased efforts within innovation and new product development. The efforts will continue in the coming years and further strengthening the relationship to strategic customers by developing and delivering the best seat comfort solutions on the market.

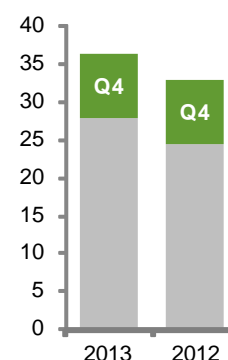
Share of Q4 2013 revenues



Revenues (MEUR)



EBITDA (MEUR)





Driveline Systems

Driveline is a global Tier 1 supplier of gear shifter systems for the passenger car market. The portfolio contains innovative shift by wire solutions primary used by premium cars as well as mechanical systems for both manual and automatic transmission for mid segment cars. 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	Q4 2013	Q4 2012	2013	2012
Revenues	68.8	70.5	279.8	308.9
EBITDA	2.2	2.5	12.8	1.6
EBITDA (%)	3.1 %	3.6 %	4.6 %	0.5 %
Depreciation	(1.8)	(1.7)	(7.7)	(9.7)
Amortization	(0.8)	(0.7)	(3.0)	(2.7)
EBIT	(0.4)	0.1	2.1	(10.8)
EBIT (%)	-0.6 %	0.2 %	0.8 %	-3.5 %
Investments	(3.0)	(1.5)	(6.1)	(9.3)
Capital Employed *	77.7	86.4	77.7	86.4

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

Financial update

Driveline revenues decreased by EUR -1.7 million (-2.4%) to EUR 68.8 million in the fourth quarter 2013 compared to the same quarter 2012, including an unfavorable currency effect of EUR -1.8 million. Revenues for the full year 2013 were down by EUR -29.1 million (-9.4%) to EUR 279.8 million including an unfavorable currency effect of EUR -3.3 million. The decline in revenues was mainly due to a general decline in sales in the European market, in combination with some programs reaching end of production.

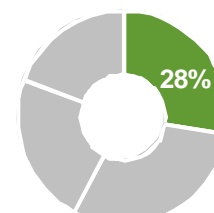
EBITDA was EUR 2.2 million in the fourth quarter, a decrease of EUR 0.4 million compared with the fourth quarter 2012, mainly driven by lower revenues in combination with a lower share of product sales. The EBITDA margin was 3.1%, down 0.4 percentage points from the comparable quarter last year, mainly driven by lower sales. The 2013 EBITDA increased by EUR 11.2 million (683.3%) to 12.8 million compared to last year, on a 10% lower top line. The increase was related to significant operational and commercial improvements.

Operational update

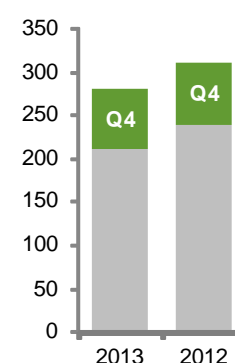
The BA continues to work on further improving the margins. Several actions related to capacity adjustments and cost reductions are implemented that are expected to continue the positive trend. Management is focusing on profitable growth and repositioning some of the product offering at the right margin level, as well as developing new technology concepts.

The success of booking new business in 2013 continued in the fourth quarter, where Driveline systems was awarded a contract for the supply of a complete manual gearshift system to a major European OEM. The shifter system will be used in a B Segment car which will be sold in India and South America. The contract has a total value of EUR 33 million over 4 year lifetime. Production will start at KA's facilities in Jundiai (Brazil) and Gurgaon (India) in the third quarter 2015. The full year business wins are worth MEUR 340 over life time.

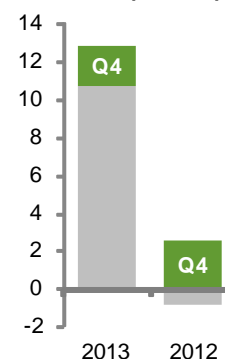
Share of Q4 2013 revenues



Revenues (MEUR)



EBITDA (MEUR)



Fluid Transfer Systems

Segment Reporting



Fluid Transfer Systems

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 and Navistar. OEM automotive customers are Volvo Cars, 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	Q4 2013	Q4 2012	2013	2012
Revenues	48.2	42.8	189.0	176.0
EBITDA	8.8	6.6	33.1	27.9
EBITDA (%)	18.3 %	15.4 %	17.5 %	15.8 %
Depreciation	(1.8)	(2.0)	(7.2)	(7.0)
Amortization	(0.8)	(0.9)	(3.4)	(3.5)
EBIT	6.2	3.8	22.5	17.3
EBIT (%)	12.9 %	8.8 %	11.9 %	9.8 %
Investments	(1.7)	(2.0)	(6.1)	(5.5)
Capital Employed *	109.4	113.2	109.4	113.2

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

Financial update

Fluid Transfer revenues increased by EUR 5.4 million (12.6%) to EUR 48.2 million in the fourth quarter 2013 compared to the same quarter 2012, including an unfavorable currency effect of EUR -2.9 million.

The revenue increase reflects an improving European commercial vehicle market supported by a pre-buy effect prior to the introduction of Euro 6 emissions standards in January 2014. This was partially offset by flat revenues in North America as gains in our automotive business were offset by negative currency effects.

Revenues for the full year 2013 were up by EUR 13.0 million (7.4%) to EUR 189.0 million including an unfavorable currency effect of EUR -5.7 million. A gradually improving European commercial vehicle market in 2013 aided by the Euro 6 pre-buy in addition to continued global automotive strength was partially offset by commercial vehicle market weakness in North America.

EBITDA was EUR 8.8 million in the fourth quarter, an increase of EUR 2.2 million compared to the fourth quarter 2012. The EBITDA margin increased by 2.8 percentage points to 18.3% based on the operational gearing effects of the improved top line in Europe partially offset by weak commercial vehicle performance in North America.

For YTD 2013 EBITDA was EUR 33.1 million, an increase of EUR 5.2 million compared to the full year 2012

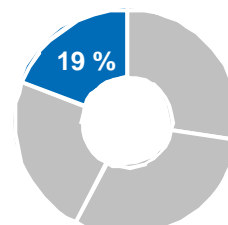
The YTD EBITDA margin increased by 1.7 percentage points to 17.5%.

Operational update

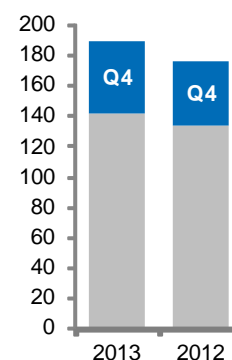
In 2013, Fluid Transfer was awarded new contracts totaling EUR 83 million, concluding another successful year for new business awards. The ability to provide engineering services and our manufacturing footprint globally were critical to securing these contracts.

Fluid Transfer recently celebrated the opening of its factory extension in Normanton, UK. This significant investment expands and upgrades our existing facility in Normanton, adding 3,000 square meters of manufacturing space to accommodate increasing customer demand. A key customer for this plant is Jaguar - Land Rover who is enjoying great success in the premium market.

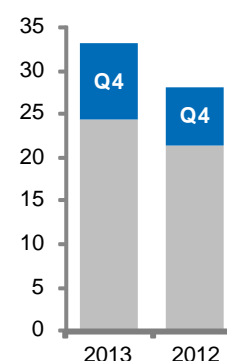
Share of Q4 2013 revenues



Revenues (MEUR)



EBITDA (MEUR)



Driver Control Systems

Segment Reporting

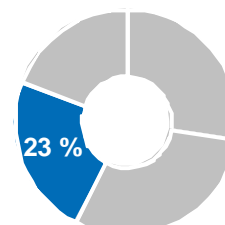


Driver Control Systems

Driver Control Systems is a global leader in the development, design and manufacturing of operator control systems for commercial, industrial, agricultural, construction and power sports vehicles offering a robust product portfolio of clutch actuation systems, gearshift systems, vehicle dynamics, steering columns, pedal systems and electronic displays.

Driver Control Systems' 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.

Share of Q4 2013 revenues

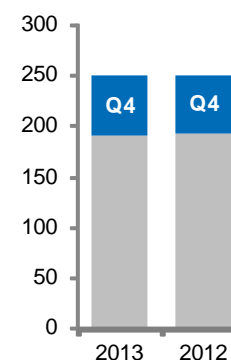


Key figures

MEUR	Q4 2013	Q4 2012	2013	2012
Revenues	57.9	56.0	248.5	248.6
EBITDA	4.0	5.7	31.8	31.7
EBITDA (%)	6.9 %	10.2 %	12.8 %	12.7 %
Depreciation	(1.6)	(1.6)	(6.3)	(6.2)
Amortization	(1.1)	(1.2)	(4.6)	(4.7)
EBIT	1.3	3.0	21.0	20.8
EBIT (%)	2.3 %	5.4 %	8.4 %	8.3 %
Investments	(1.9)	(2.6)	(9.5)	(7.7)
Capital Employed *	113.4	120.0	113.4	120.0

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

Revenues (MEUR)



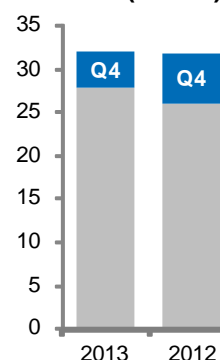
Financial update

Driver Control Systems revenues increased by EUR 1.9 million (3.4%) to EUR 57.9 million in the fourth quarter 2013 compared to the same quarter 2012, including an unfavorable currency effect of EUR -4.4 million. The revenue increase was primarily due to new product launches, Euro 6 pre-buy effects, increased aftermarket sales and an improving Brazilian market. The YTD 2013 revenues were in line with 2012 with the increased activity discussed above offset by an unfavorable currency effect of EUR -10.1 million.

EBITDA was EUR 4.0 million in the fourth quarter, a decrease of EUR 1.7 million (-29.8%) compared to the fourth quarter 2012. Adjusting for the increase in revenue, the lower EBITDA was driven by capacity challenges impacting overtime and higher maintenance cost. The BA also had increased spend in engineering to leverage project opportunities. The EBITDA for full-year 2013 was EUR 31.8 million, an increase of EUR 0.1 million giving a margin of 12.8% which was in line with 2012.

Higher capital expenditures for the year 2013 are the result of investments in new capacities as well as equipment upgrades to enhance operational efficiencies.

EBITDA (MEUR)



Operations update

Fourth quarter realized factory inefficiencies in the Norwegian locations due to higher than expected demand and new product launches. This combined with the negative raw material currency effects due to the strong Euro and an unfavorable mix led to a reduced performance in the quarter. Actions towards closing the operational gaps are being implemented. Booked business wins in the quarter exceeded EUR 15 million and EUR 37 million for the year.

Condensed Consolidated Financial Statement



Statement of comprehensive income

MEUR	Q4 2013	Q4 2012	2013	2012
Revenues	242.0	232.6	990.9	1001.1
Opex	(223.0)	(213.6)	(893.8)	(924.1)
EBITDA	19.0	19.0	97.1	77.0
<i>EBITDA (%)</i>	7.9 %	8.1 %	9.8 %	7.7 %
Depreciation and amortization	(10.6)	(11.2)	(43.9)	(46.3)
EBIT	8.4	7.8	53.2	30.7
<i>EBIT (%)</i>	3.5 %	3.3 %	5.4 %	3.1 %
Net financial items	(10.4)	(5.3)	(40.4)	(18.7)
Profit before taxes	(1.9)	2.5	12.8	11.9
Income taxes	(2.4)	(4.3)	(6.2)	(6.7)
Net profit	(4.3)	(1.7)	6.6	5.3
Translation differences	1.8	(6.2)	7.3	(8.6)
Tax on translation differences	(1.0)	1.5	(6.7)	5.8
Remeasurement of the net defined pension liability	(3.2)	0.0	(3.2)	0.0
Tax on remeasurement of the net defined pension liability	0.9	0.0	0.9	0.0
Total compr income	(5.8)	(6.4)	5.0	2.4
<i>Net profit attributable to:</i>				
Equity holders (parent comp)	(4.4)	(1.7)	6.3	5.2
Non-controlling interests	0.1	(0.0)	0.2	0.1
Total	(4.3)	(1.7)	6.6	5.3
<i>Total comprehensive income attributable to:</i>				
Equity holders (parent comp)	(6.0)	(6.4)	4.7	2.3
Non-controlling interests	0.1	(0.0)	0.2	0.1
Total	(5.8)	(6.4)	5.0	2.4
Earnings per share:				
Basic earnings per share, EUR	(0.01)	(0.02)	0.02	0.01
Diluted earnings per share, EUR	(0.01)	(0.02)	0.02	0.01

Condensed Consolidated Financial Statement



Statement of financial position

MEUR	31.12.13	31.12.12
Deferred tax assets	46.8	54.2
Intangible assets	214.5	232.9
Property, plant and equipment	122.0	131.1
Other non-current assets	1.1	1.2
Non-current assets	384.5	419.4
Inventories	77.3	78.8
Accounts receivable	136.4	129.4
Other short term receivables	32.0	42.0
Cash and cash equivalents	57.1	75.3
Current assets	302.8	325.5
Total assets	687.3	744.9
Share capital	23.9	27.2
Share premium reserve	201.2	229.7
Other equity	(38.1)	(75.2)
Non-controlling interests	2.8	2.9
Total equity	189.6	184.7
Interest bearing loans and borrowings	273.0	321.2
Deferred tax liabilities	14.1	15.9
Other long term liabilities	17.4	14.8
Non-current liabilities	304.5	351.8
Bank overdraft	24.3	41.8
Other short term liabilities, interest bearing	1.0	1.6
Accounts payable	100.3	95.9
Other short term liabilities	67.5	69.0
Current liabilities	193.2	208.4
Total liabilities	497.7	560.2
Total equity and liabilities	687.3	744.9

Condensed Consolidated Financial Statement



Statement of change in equity

MEUR	31.12.13	31.12.12
Equity as of start of period	184.7	185.3
Net profit for the period	6.6	5.3
Translation differences	7.3	(8.6)
Tax on translation differences	(6.7)	5.8
Remeasurement of the net defined pension liability	(3.2)	0.0
Tax on remeasurement of the net defined pension liability	0.9	0.0
<i>Total comprehensive income</i>	<i>5.0</i>	<i>2.4</i>
Options contracts (employees)	0.4	0.6
Treasury shares	0.2	0.0
Other changes in non-controlling interests	(0.7)	(3.4)
Other changes in equity	0.1	(0.2)
Change pension debt- corridor	0.0	0.0
Equity as of end of period	189.6	184.7

Condensed Consolidated Financial Statement



Statement of cash flow

<i>MEUR</i>	Q4 2013	Q4 2012	2013	2012
<i>Operating activities</i>				
(Loss) / profit before taxes	(1.9)	2.5	12.8	11.9
Depreciation	7.3	7.8	30.7	31.5
Amortization	3.3	3.4	13.2	14.8
Interest income	(0.9)	(0.1)	(2.1)	(0.3)
Interest expenses	3.9	5.4	17.3	19.1
Taxes paid	(2.6)	(6.6)	(8.5)	(8.4)
(Gain) / loss on sale of non-current assets	0.0	0.0	0.0	0.0
Changes in receivables	12.8	20.7	(7.0)	16.3
Changes in inventory	0.5	7.3	1.5	15.6
Changes in payables	5.2	0.1	4.4	(13.4)
Currency (gain)/ loss	4.4	(1.7)	19.7	(10.3)
Changes in value fin. derivatives	0.4	0.4	(1.2)	3.8
Changes in other items	4.1	(3.0)	6.8	(1.7)
Cash flow from operating activities	36.3	36.2	87.6	78.9
<i>Investing activities</i>				
Investments	(10.4)	(7.4)	(29.4)	(29.9)
Sale of fixed assets	0.1	0.0	0.1	0.0
Investments in subsidiaries	0.0	(2.4)	0.0	(2.4)
Interest received	0.2	0.1	2.1	0.3
Cash flow from investing activities	(10.0)	(9.8)	(27.2)	(32.0)
<i>Financing activities</i>				
Proceeds from sale of treasury shares	0.2	0.0	0.2	0.0
Repayment of external loans	(10.0)	(18.0)	(42.0)	(39.3)
Interest paid	(3.2)	(5.3)	(15.9)	(16.7)
Dividends paid*	(0.1)	(0.7)	(0.7)	(1.2)
Other financial charges	(1.4)	(0.8)	(1.8)	(8.2)
Cash flow from financing activities	(14.5)	(24.7)	(60.2)	(65.3)
Currency effects on cash	(0.6)	(0.4)	(0.9)	(0.3)
Net change in cash	11.1	1.3	(0.7)	(18.8)
Net cash at 01.01 **	21.6	32.2	33.5	52.3
Net cash at period end **	32.7	33.5	32.7	33.5
Of this, restricted cash	2.7	2.6	2.7	2.6

* Dividend to JV partner in Shanghai Kongsberg Automotive Dong Feng Morse Co Ltd (China).

** Includes bank overdraft

Condensed Consolidated Financial Statement



Notes to the 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 31 December 2013, 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 December 2012, 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 2012, as described in those annual financial statements, with the exception of the revised IAS 19 "Employee Benefits" that became effective 1st of January 2013. Historical figures not restated due to immaterial effects. The change means that all actuarial gains and losses will be recognized in comprehensive income as they arise (no corridor), and finance cost will be calculated on a net funding basis.

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

RISK

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

SEASONALITY

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

Condensed Consolidated Financial Statement



Note 2 - Segment reporting

2.1 OPERATING REPORTABLE SEGMENTS

Full year 2013

MEUR	Driveline	Interior	Driver Controls	Fluid Transfer	Elim & other	Group
Operating Revenues	279.8	305.0	248.5	189.0	(31.4)	990.9
EBITDA	12.8	36.0	31.8	33.1	(16.7)	97.1
Depreciation	(7.7)	(9.6)	(6.3)	(7.2)	(0.0)	(30.7)
Amortization	(3.0)	(2.1)	(4.6)	(3.4)	(0.2)	(13.2)
EBIT	2.1	24.4	21.0	22.5	(16.9)	53.2
<i>Assets and liabilities</i>						
Goodwill	6.0	71.2	33.3	46.4	0.0	156.8
Other intangible assets	12.8	9.0	21.5	13.6	0.8	57.7
Property, plant and equipment	32.1	29.9	32.7	26.8	0.5	122.0
Inventories	18.8	16.9	25.8	16.4	(0.6)	77.3
Trade receivables	33.5	48.1	26.5	28.3	(0.1)	136.4
Segment assets	103.2	175.2	139.8	131.5	0.6	550.3
Unallocated assets	-	-	-	-	138.4	138.4
Total assets	103.2	175.2	139.8	131.5	139.1	688.7
Trade payables	25.4	25.7	26.4	22.1	0.7	100.3
Unallocated liabilities	-	-	-	-	397.3	397.3
Total liabilities	25.4	25.7	26.4	22.1	398.0	497.7
Capital expenditure	6.0	7.3	8.7	6.0	(0.1)	27.9

* The column "Eliminations & other" includes mainly elimination of intercompany transactions, corporate expenses and balance sheet items related to tax, pension and financing.

Condensed Consolidated Financial Statement



Full year 2012

MEUR	Driveline	Interior	Driver Controls	Fluid Transfer	Elim & other	Group
Operating Revenues	308.9	304.5	248.6	176.0	(37.0)	1,001.1
EBITDA	1.6	32.8	31.7	27.9	(17.0)	77.0
Depreciation	(9.7)	(8.6)	(6.2)	(7.0)	(0.0)	(31.5)
Amortization	(2.7)	(2.1)	(4.7)	(3.5)	(1.7)	(14.8)
EBIT	(10.8)	22.1	20.8	17.3	(18.7)	30.7
<i>Assets and liabilities</i>						
Goodwill	6.2	73.4	33.8	47.9	0.0	161.3
Other intangible assets	15.4	11.9	26.5	17.3	0.5	71.6
Property, plant and equipment	34.6	33.1	33.5	29.3	0.5	131.1
Inventories	22.5	18.3	25.1	13.6	(0.6)	78.8
Trade receivables	33.8	45.5	25.8	24.2	0.1	129.4
Segment assets	112.4	182.2	144.7	132.3	0.5	572.2
Unallocated assets	-	-	-	-	172.7	172.7
Total assets	112.4	182.2	144.7	132.3	173.2	744.9
Trade payables	26.0	25.7	24.7	19.2	0.3	95.9
Unallocated liabilities	-	-	-	-	464.3	464.3
Total liabilities	26.0	25.7	24.7	19.2	464.6	560.2
Capital expenditure	8.2	8.3	6.8	5.3	0.0	28.6

Condensed Consolidated Financial Statement



2.2 SEGMENTS BY GEOGRAPHICAL LOCATION

2.2.1 Sales to customers by geographical location

MEUR	2013		2012	
	Jan - Dec	%	Jan - Dec	%
Sweden	88.6	8.9 %	85.9	8.6 %
Germany	109.7	11.1 %	118.0	11.8 %
France	81.3	8.2 %	71.5	7.1 %
Other EUR	253.0	25.5 %	241.9	24.2 %
Total EUR	532.6	53.7 %	517.3	51.7 %
USA	246.9	24.9 %	249.3	24.9 %
NA other	96.4	9.7 %	108.2	10.8 %
Total NA	343.3	34.6 %	357.5	35.7 %
China	56.2	5.7 %	65.1	6.5 %
Asia Other	24.6	2.5 %	28.6	2.9 %
Total Asia	80.8	8.1 %	93.7	9.4 %
Other countries	34.3	3.5 %	32.5	3.3 %
Operating revenues	990.9	100.0 %	1,001.1	100.0 %

All countries with identified revenue of more than 5 % of total revenue are reported separately.

2.2.2 Non-current assets by geographical location

MEUR	2013		2012	
	Jan - Dec	%	Jan - Dec	%
USA	109.7	32.6 %	131.7	36.2 %
UK	12.0	3.6 %	13.4	3.7 %
Norway	27.6	8.2 %	32.0	8.8 %
Germany	15.8	4.7 %	20.8	5.7 %
Sweden	31.9	9.5 %	32.9	9.0 %
Poland	35.8	10.6 %	37.1	10.2 %
Other	103.9	30.9 %	96.1	26.4 %
Total Non-Current Assets*	336.7	100.0 %	364.0	100.0 %

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

Condensed Consolidated Financial Statement



Note 3 – Interest bearing loans and borrowings

MEUR	31.12.13	31.12.12
Bank loans	273.0	321.2
Other current interest-bearing liabilities	1.0	1.6
Total interest-bearing liabilities	274.0	322.8

3.1 NON-CURRENT LIABILITIES

The group has outstanding financing facilities as follows (in local currencies, million):

Facilities	Facility Currency	Total facility Amounts	Drawn Amounts	Maturity Date	Interest Rate (incl margin)
DNB / Nordea Reducing Revolving Facility					
Tranche in EUR	EUR	206.0	146.0	30.03.17	3.75%
Tranche in USD	USD	181.7	159.0	30.03.17	3.75%
Innovasjon Norge	NOK	130.5	130.5	10.12.21	4.90%- 5.75%

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 as certain other short-term interest-bearing liabilities.

Condensed Consolidated Financial Statement



3.3 BORROWING BY CURRENCY

MEUR	31.12.13	31.12.12
EUR	146.0	176.0
USD	115.4	132.7
NOK	15.7	17.8
Other currencies	0.0	0.6
Capitalized arrangement fee	(3.0)	(4.3)
Total interest-bearing liabilities	274.0	322.8

3.4 MATURITY SCHEDULE

Based on amendments to current loan agreement there are no further mandatory maturity schedule. The maturity schedule for the Innovasjon Norge loan remains the same.

3.5 LIQUIDITY RESERVE

The liquidity reserve of KA group consists of:

MEUR	31.12.13	31.12.12
Cash reserve	54.4	72.7
Unutilized facility	76.4	75.2
Total (before use)	130.8	147.8
Used (Bankoverdraft)	(24.3)	(41.8)
Unused liquidity reserve	106.5	106.0

Condensed Consolidated Financial Statement



3.6 NET FINANCIALS

MEUR	Q4 2013	Q4 2012	2013	2012
Interest income	0.9	0.1	2.1	0.3
Interest expenses	(3.9)	(5.4)	(17.3)	(19.1)
Foreign currency gains (losses)	(4.4)	1.8	(19.7)	10.3
Change in valuation currency contracts	(0.4)	(0.4)	1.2	(3.8)
Other financial items	(2.6)	(1.3)	(6.7)	(6.4)
Net financial items	(10.4)	(5.3)	(40.4)	(18.7)



Other Company Information

Kongsberg Automotive Holding ASA
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The Board of Directors:

Ulla-Britt Fräjdin-Hellqvist	(Chairman)
Thomas Falck	(Shareholder elected)
Maria Borch Helsingreen	(Shareholder elected)
Magnus Jonsson	(Shareholder elected)
Halvor Stenstadvold	(Shareholder elected)
Eivind Holvik	(Employee elected)
Tonje Sivesindtjet	(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, Purchase
Joachim Magnusson	Executive Vice President, Driveline
Scott Paquette	Executive Vice President, Interior
Jonathan Day	Executive Vice President, Fluid Transfer
James G. Ryan	Executive Vice President, Driver Control Systems

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
1 st Quarter 2014	10 April 2014	11 April 2014
2 nd Quarter 2014	10 June 2014	11 June 2014
3 rd Quarter 2014	15 October 2014	16 October 2014
4 th Quarter 2014	TBA	TBA



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