

1st Quarter Report 2014

Kongsberg Automotive



Enhancing the driving experience

2014

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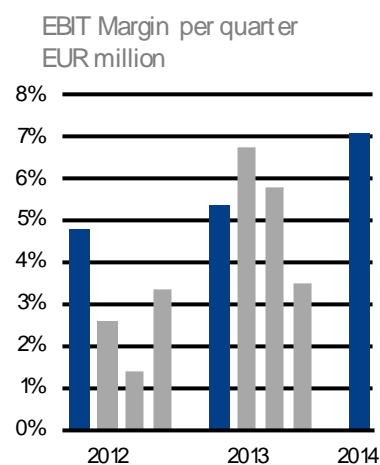
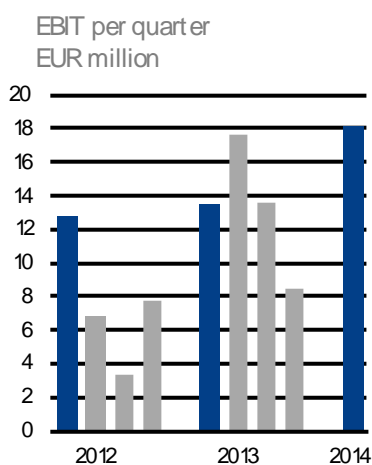
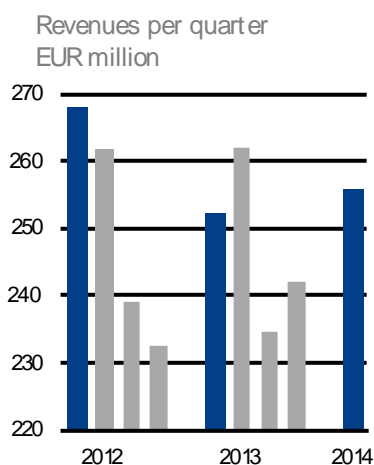
HIGHLIGHTS 1ST QUARTER 2014

HIGHLIGHTS

- ▶ Revenues were EUR 255.8 million in the first quarter, EUR 3.6 million above the first quarter last year.
- ▶ EBIT was EUR 18.1 million in the first quarter, up EUR 4.6 million from the first quarter 2013.
- ▶ Improved profitability, mainly due to operational improvements and operational gearing effects of the higher top line.
- ▶ The financial gearing ratio reduced to 2.4 times NIBD/EBITDA.
- ▶ Annualized business wins in the quarter amounted to MEUR 42.
- ▶ Revenues for the second quarter expected to be approx. EUR 250 million.

KEY FIGURES

MEUR	Q1 2014	Q1 2013	YTD 2014	YTD 2013	2013
Revenues	255.8	252.2	255.8	252.2	990.9
EBITDA	28.5	25.1	28.5	25.1	97.1
EBITDA %	11.1%	9.9%	11.1%	9.9%	9.8%
EBIT	18.1	13.5	18.1	13.5	53.2
EBIT (%)	7.1%	5.3%	7.1%	5.3%	5.4%
Net profit	11.4	2.3	11.4	2.3	6.6
NIBD/EBITDA (LTM)	2.4	3.8	2.4	3.8	2.5
Equity ratio (%)	28.7%	24.8%	28.7%	24.8%	27.6%



GROUP FINANCIALS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

MEUR	Q1 2014	Q1 2013	YTD 2014	YTD 2013	2013
Revenues	255.8	252.2	255.8	252.2	990.9
Opex	(227.3)	(227.1)	(227.3)	(227.1)	(893.8)
EBITDA	28.5	25.1	28.5	25.1	97.1
<i>EBITDA (%)</i>	<i>11.1%</i>	<i>9.9%</i>	<i>11.1%</i>	<i>9.9%</i>	<i>9.8%</i>
Depreciation and amortization	(10.4)	(11.6)	(10.4)	(11.6)	(43.9)
EBIT	18.1	13.5	18.1	13.5	53.2
<i>EBIT (%)</i>	<i>7.1%</i>	<i>5.3%</i>	<i>7.1%</i>	<i>5.3%</i>	<i>5.4%</i>
Net financial items	(2.7)	(10.4)	(2.7)	(10.4)	(40.4)
Profit before taxes	15.4	3.0	15.4	3.0	12.8
Income taxes	(4.0)	(0.8)	(4.0)	(0.8)	(6.2)
Net profit	11.4	2.3	11.4	2.3	6.6

REVENUES

Revenues for the Group amounted to EUR 255.8 million in the first quarter of 2014. The revenues were EUR 3.6 million (1.4%) above the comparable period last year, including an unfavorable currency effect of EUR -11.8 million. Excluding the currency effect revenues were up by 6.1 %.

Revenues related to the commercial vehicle market increased by EUR 4.6 million (4.1 %) compared to the first quarter of 2013. Fluid Transfer increased its revenues by EUR 4.8 million. The revenue increase was primarily due to an improved European market. Revenues in Driver Control decreased by EUR 0.2 million.

On the segments exposed to the passenger car market the revenues decreased by EUR 1.2 million (-0.8 %) compared to the same quarter of 2013.

Driveline Systems experienced an expected decline of EUR -2.9 million. The decline in revenues was mainly due to some programs reaching end of production. Interior Systems delivered revenues of EUR 1.7 million above the same period last year. Revenues in the first quarter of last year were impacted negatively by customer shutdowns in North America.

EBIT

The EBIT for the Group was EUR 18.1 million in the first quarter of 2014, an increase of EUR 4.6 (34.0%) million compared to the first quarter of 2013. The improved profitability was primarily achieved through operational improvements and operational gearing effects of the higher top line. The depreciation and amortization last year was influenced negatively by a write off related to a discontinued customer contract.

NET FINANCIALS

Net financial items (see note 3.6) were EUR -2.7 million in the first quarter of 2014, compared to EUR -10.4 million in the same period in 2013. The decrease in net financial items was driven by positive unrealized currency effects, as opposed to negative effects last year, and lower interest expenses. The latter is attributable to the decrease in debt, and the reduced interest rate margin as a consequence of the lower gearing ratio.

PROFIT BEFORE TAX / NET PROFIT

Profit before tax increased from EUR 3.0 million to EUR 15.4 million in the first quarter, driven by the lower net financial items and the higher operating profit. Net profit was EUR 11.4 million in the first quarter, compared to EUR 2.3 million in the comparable quarter last year.

GROUP FINANCIALS

CONDENSED STATEMENT OF CASH FLOW

MEUR	Q1 2014	Q1 2013	YTD 2014	YTD 2013	2013
Cash flow from operating activities	13.5	5.3	13.5	5.3	87.6
Cash flow from investing activities	(5.3)	(5.9)	(5.3)	(5.9)	(27.2)
Cash flow from financing activities	(15.8)	(0.7)	(15.8)	(0.7)	(60.2)
Currency effects on cash	0.0	0.4	0.0	0.4	(0.9)
Net change in cash	(7.6)	(0.9)	(7.6)	(0.9)	(0.7)
Net cash at 01.01*	32.7	33.5	32.7	33.5	33.5
Net cash at period end *	25.1	32.6	25.1	32.6	32.7
Of this, restricted cash	1.0	2.1	1.0	2.1	2.7

* Includes bank overdraft

CASH FLOW FROM OPERATING ACTIVITIES

The cash flow from operating activities increased by EUR 8.3 million to EUR 13.5 million in the first quarter of 2014 compared to the same quarter last year.

A strong EBITDA of 28.5 million, partially offset by increased net working capital of EUR 17.1 million, due to seasonal effects, were the main contributors to the cash flow from operating activities.

CASH FLOW FROM INVESTING ACTIVITIES

Cash flow from investing activities amounted to EUR 5.3 million in the first quarter of 2014, a decrease of EUR 0.6 million compared to the first quarter in 2013.

Investments for the first quarter year-over-year was EUR 0.7 million lower, from EUR 6.0 to EUR 5.3 million. The lower level relates to the commercial vehicle segments, while investments increased in Driveline.

CASH FLOW FROM FINANCING ACTIVITIES

Cash flow from financing activities was EUR -15.8 million in the first quarter, a decrease of EUR 15.1 million compared to the same quarter last year, primarily due to debt repayments.

Repayment of loans amounted to EUR 11.1 million in the first quarter of 2014 compared to a drawn amount of EUR 3.6 million in the same period last year.

Interest payments decreased by EUR 1.7 million to EUR 2.8 million in the first quarter of 2014 compared to the same quarter last year, as a consequence of reduced debt, and lower interest rate margin.

NET CHANGE IN CASH

Change in net cash, including bank overdraft, was EUR -7.6 million in the first quarter of 2014. The cash holding decreased by EUR 10.1 million from EUR 57.1 million to EUR 47.0 million during the first quarter. Bank overdraft was reduced by EUR 2.5 million from EUR 24.3 to EUR 21.9 during the first quarter.

LIQUIDITY RESERVE

Liquidity reserve (see note 3.5) was EUR 111.6 million at the end of the first quarter, compared to EUR 106.5 million at year end, primarily due to positive free cash flow.

GROUP FINANCIALS

CONDENSED STATEMENT OF FINANCIAL POSITION

MEUR	31.03.14	31.03.13	31.12.13
Non-current assets	376.7	418.2	384.5
Cash and cash equivalents	47.0	61.8	57.1
Other current assets	268.9	281.9	245.7
Total assets	692.7	761.9	687.3
Equity	198.6	189.0	189.6
Interest bearing debt	263.7	329.4	274.0
Other liabilities	230.3	243.5	223.6
Total equity and liabilities	692.7	761.9	687.3
<hr/>			
NIBD	238.6	296.9	241.3
Equity ratio	28.7%	24.8%	27.6%

ASSETS

Total assets were EUR 692.7 million as of 31st of March 2014, an increase of EUR 5.3 million from year end 2013, driven by an increase in current assets, partially offset by a reduction in cash and non-current assets. The increase in current assets was primarily related to increased account receivables and inventory, while the cash reduction was primarily related to the debt repayment.

EQUITY

From year end 2013 equity increased by EUR 8.9 million to EUR 198.6 million. The increase was mainly driven by a positive net profit for the period of EUR 11.4 million partly offset by currency translation effects. The equity ratio improved by 1.1 percentage points to 28.7%.

INTEREST BEARING DEBT

Gross interest bearing debt amounted to EUR 263.7 million at the end of the first quarter 2014, a reduction of EUR 10.3 million since year end 2013. The change reflects debt repayments and amortization of capitalized arrangement fees.

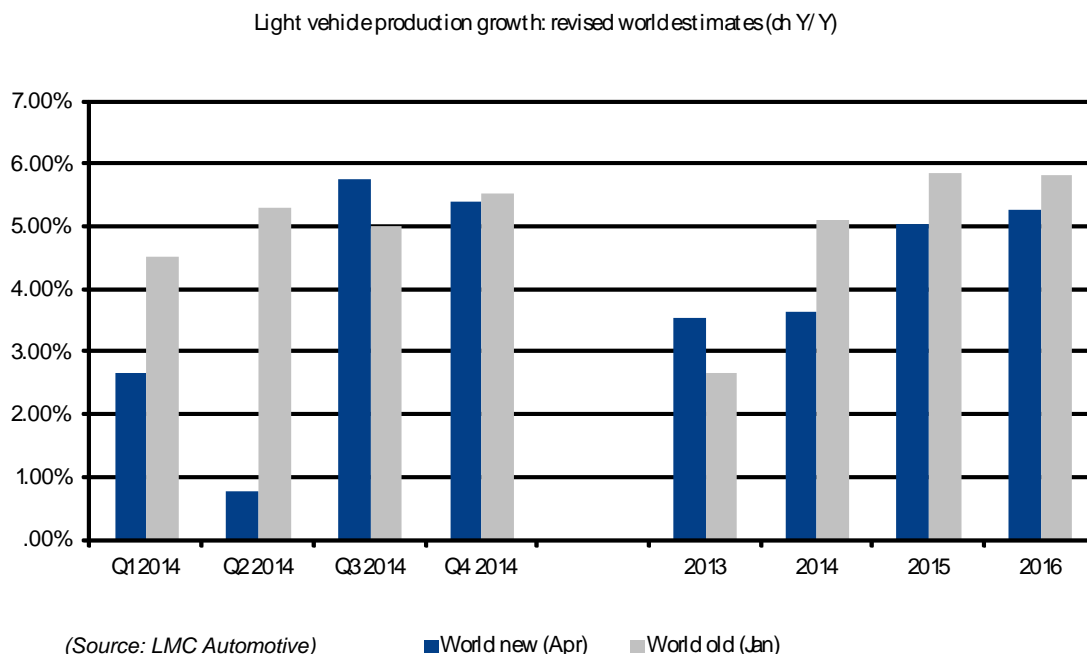
Net interest bearing debt was reduced by EUR 2.7 million to EUR 238.6 million since year end 2013. The reduction was driven by a strong operational cash flow partly offset by payment of interest and financial charges.

The company secured further financial flexibility in the last quarter by freezing the revolver at the level as of 31.12.2013. The repayments in the first quarter of 2014 confirm the trend towards the Group's target of a gearing ratio below 2.0 times NIBD/EBITDA.

MARKET OUTLOOK

LIGHT VEHICLE PRODUCTION (LVP) ESTIMATES

Year-on-year change in production growth rate:



GLOBAL LIGHT VEHICLE PRODUCTION

Actual Light Vehicle Production (LVP) in the fourth quarter of 2013, ended higher than expected, with an increase of 6.8% compared to the fourth quarter of 2012. The Light Vehicle Production was 84.6 million vehicles in 2013, an increase of 3.5% from 2012.

The increase in the fourth quarter negatively impacted the first quarter of 2014, the first quarter increased by 2.7%, compared to the last forecast of 4.5%.

In Europe, the LVP is estimated to have increased with 3.1% in the first quarter of 2014. Key markets, such as Germany and UK (approximately 5% growth), benefited from discounts given by the manufacturers, and Spain benefited from a scrap program.

The recovery in North America continued to lose some of its momentum, with an increase of 2.8% in first quarter 2014 compared to first quarter last year.

The launch of the new version of the best selling model, the Ford F-150, has been delayed until October. Higher sales are expected when the F-150 is introduced.

In South America, Argentina introduced new taxation to limit the import of vehicles. Brazil ended up with no growth in consumption, affected by credit restrictions. Brazil will gradually reintroduce the taxation on vehicles which they reduced in 2012. For the first half of 2014, the South America LV market is estimated to decrease with 12%, compared to same period last year.

China continues the positive development, with a production growth of 10% in the first quarter of 2014. Despite the purchase restriction in eight major cities, the governmental support of domestic consumption growth is leading to high passenger car sales in all other areas.

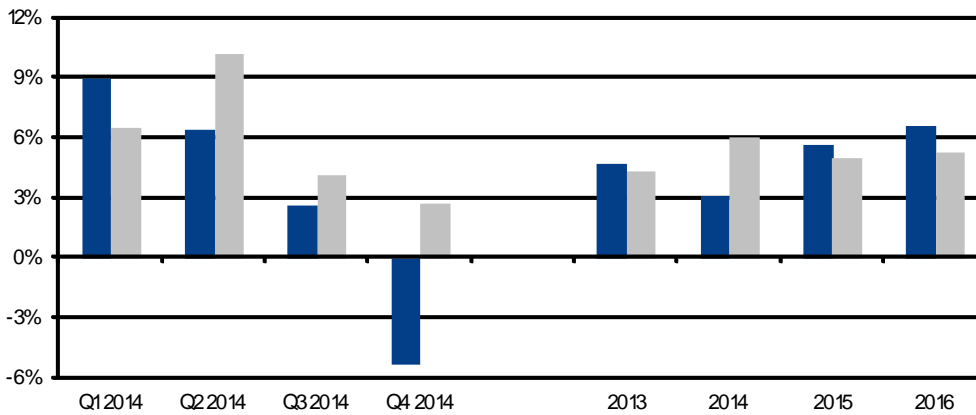
The global production growth in 2014 is expected to grow by approximately 3.6%. The production of Light Duty Vehicles is expected to reach 87.7 million vehicles.

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)



(Source: LMC Automotive)

■ World new (Apr) ■ World old (Jan)

GLOBAL COMMERCIAL VEHICLE PRODUCTION

The Commercial Vehicle Production in the first quarter of 2014 was impacted by the high growth in Asia and the EURO 6 pre-buy effect in the fourth quarter of 2013.

The revised production volume in Europe, for the fourth quarter of 2013, was 175 000 units, 28% above the same quarter in 2012. The CV production increased with 3.7% in the first quarter of 2014 compared to same quarter last year, despite the EURO 6 pre-buy effect.

In China, the production in the fourth quarter of 2013 ended on a high note, which continues into the first half of 2014. The CV production in China is estimated to have increased with 8% in the first quarter of 2014. The Indian and ASEAN market were estimated to have recovered, with a 10.7% growth in the first quarter of 2014.

The South American market had a strong comeback in 2013, with 43% projected growth. The growth rate has substantially decreased in the estimate for 2014, and the South American market is expected to be in line with 2013.

North America continued the strong growth in the first quarter of 2014, with a growth rate close to 20% compared to same period last year. However, the first quarter of 2013 was especially low. The growth rate for 2014 is estimated to be around 10 %.

For 2014 the world production is expected to increase with 3% to 2.89 million vehicles. The growth forecast for the last quarter of 2014 is low, due to the exceptionally high volumes in Europe and Asia in the same period last year.

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, 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	Q1 2014	Q1 2013	YTD 2014	YTD 2013	2013
Revenues	78.0	76.3	78.0	76.3	299.0
EBITDA	10.6	9.4	10.6	9.4	34.7
EBITDA (%)	13.5 %	12.4 %	13.5 %	12.4 %	11.6 %
Depreciation	(1.8)	(2.9)	(1.8)	(2.9)	(9.5)
Amortization	(0.5)	(0.5)	(0.5)	(0.5)	(2.1)
EBIT	8.3	6.0	8.3	6.0	23.1
EBIT (%)	10.6 %	7.9 %	10.6 %	7.9 %	7.7 %
Investments	(1.1)	(1.1)	(1.1)	(1.1)	(7.2)
Capital Employed *	151.6	159.7	151.6	159.7	148.4

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

FINANCIAL UPDATE

Revenues in Interior increased by EUR 1.7 million (2.3%) to EUR 78.0 million in the first quarter 2014 compared to the same quarter 2013, including an unfavorable currency effect of EUR -2.0 million.

EBIT was EUR 8.3 million in the first quarter, an increase of EUR 2.2 million compared to the first quarter 2013. The main drivers of the quarterly increase were increased revenues and fixed cost improvements. In addition the first quarter last year carried higher depreciations as a consequence of a discontinued customer contract. The EBIT margin increased by 2.7 percentage points to 10.6%

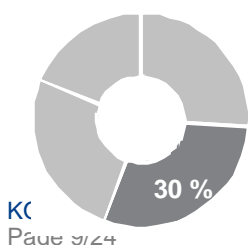
OPERATIONAL UPDATE

In the first quarter Interior Systems won three new seat heat contracts in Europe, worth an estimated lifetime value of EUR 10 million.

The Light Duty Cable product group sees increased activity for body closure cables in the automotive sector, expanding the market focus outside of seating cables. Stronger relationships with the OEMs are developed as the hood, trunk, door and window cable products are now being supplied direct and not through a Tier1. Business wins in the first quarter included a package of seat and window cables for a US-produced Japanese pick-up truck worth an estimated lifetime value of EUR 5.0 million.

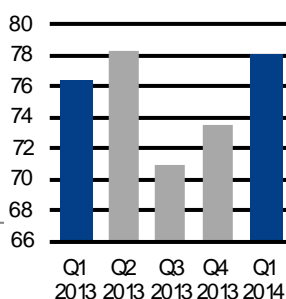
The business area is realizing the benefits from increased efforts within innovation and new product development. The first result of these efforts will be the introduction of a unique pneumatic pump family, which can be applied on multiple car models across one OEM platform. The efforts will continue in the coming years and further strengthen the relationship to strategic customers by developing and delivering market leading comfort features.

Share of Group Q1 2014 revenues

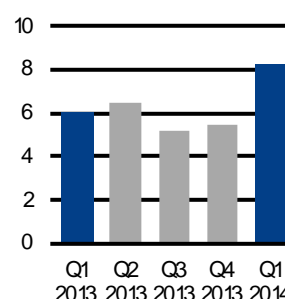


OTIVE 1ST QUART

Revenues (MEUR)



EBIT (MEUR)



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	Q1 2014	Q1 2013	YTD 2014	YTD 2013	2013
Revenues	69.0	71.9	69.0	71.9	279.8
EBITDA	3.3	3.4	3.3	3.4	12.8
EBITDA (%)	4.8 %	4.7 %	4.8 %	4.7 %	4.6 %
Depreciation	(1.9)	(2.0)	(1.9)	(2.0)	(7.7)
Amortization	(0.8)	(0.7)	(0.8)	(0.7)	(3.0)
EBIT	0.6	0.7	0.6	0.7	2.1
EBIT (%)	0.9 %	1.0 %	0.9 %	1.0 %	0.8 %
Investments	(1.4)	(1.1)	(1.4)	(1.1)	(6.1)
Capital Employed *	76.8	88.6	76.8	88.6	77.7

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

FINANCIAL UPDATE

Revenues in Driveline decreased by EUR -2.9 million (-4.0%) to EUR 69.0 million in the first quarter 2014 compared to the same quarter 2013, including an unfavorable currency effect of EUR -1.8 million. The decline in revenues was mainly due to some major programs reaching end of production.

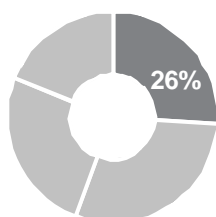
EBIT was EUR 0.6 million in the first quarter, a decrease of EUR -0.1 million compared to the first quarter 2013, mainly driven by lower revenues which were partly offset by fixed cost improvements and margin improvement on existing business. The EBIT margin decreased by -0.1 percentage points to 0.9%.

OPERATIONAL UPDATE

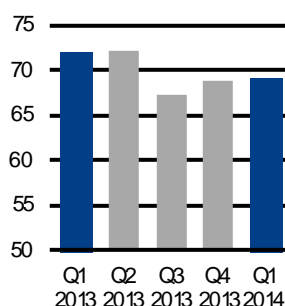
The business area continues to work on further improving margins. Driveline sees the high activity level with regards to business wins from last year continuing in 2014, with global opportunities.

In the first quarter Driveline was awarded new business for the supply of the complete manual and automatic gear shifter systems, worth an estimated lifetime value of EUR 28 million.

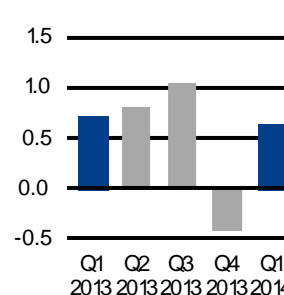
Share of Group Q1 2014 revenues



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 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	Q1 2014	Q1 2013	YTD 2014	YTD 2013	2013
Revenues	50.2	45.4	50.2	45.4	189.0
EBITDA	9.3	7.0	9.3	7.0	33.1
EBITDA (%)	18.5 %	15.4 %	18.5 %	15.4 %	17.5 %
Depreciation	(1.9)	(1.8)	(1.9)	(1.8)	(7.2)
Amortization	(0.8)	(0.9)	(0.8)	(0.9)	(3.4)
EBIT	6.6	4.3	6.6	4.3	22.5
EBIT (%)	13.2 %	9.6 %	13.2 %	9.6 %	11.9 %
Investments	(0.7)	(1.2)	(0.7)	(1.2)	(6.1)
Capital Employed *	112.7	116.0	112.7	116.0	109.4

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

FINANCIAL UPDATE

Revenues in Fluid Transfer increased by EUR 4.8 million (10.7%) to EUR 50.2 million in the first quarter 2014 compared to the same quarter 2013, including an unfavorable currency effect of EUR -2.3 million.

The revenue increase reflects strength in the European commercial vehicle market in addition to a good level in the North American automotive and industrial businesses. This was partially offset by continued weakness in our North American commercial vehicle portfolio.

EBIT was EUR 6.6 million in the first quarter, an increase of EUR 2.5 million compared to the first quarter 2013. The EBIT margin increased by 3.9 percentage points to 13.2% based on the operational gearing effects of the higher top line.

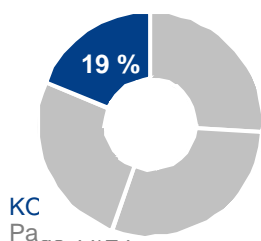
OPERATIONAL UPDATE

During the first quarter Fluid Transfer was awarded two contracts totaling an estimated EUR 30 million.

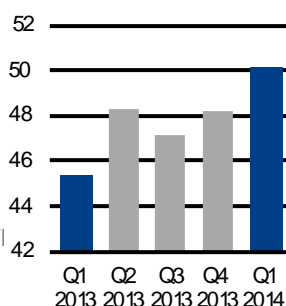
The first contract is worth an estimated EUR 15 million to supply safety critical brake vacuum assemblies to one of the world's largest car makers. The five year contract will commence in 2016 with manufacturing at facilities in Europe and China. This award enhances Fluid Transfers' position as a specialist manufacturer of lightweight brake vacuum assemblies for the automotive sector and supports the strategy of balanced growth between passenger cars and commercial vehicles.

The second contract is worth an estimated EUR 15 million to supply fuel hose assemblies to a leading manufacturer in the premium SUV segment over its six year duration. Production under the contract will commence in 2016 at the recently expanded facility in Normanton, UK. This award illustrates the value of having integrated processes in the demanding segment of fuel distribution.

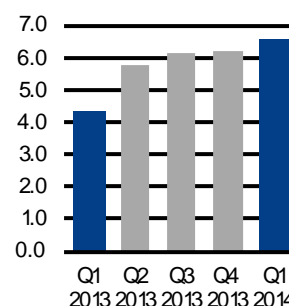
Share of Group Q1 2014 revenues



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 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 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	Q1 2014	Q1 2013	YTD 2014	YTD 2013	2013
Revenues	67.3	67.5	67.3	67.5	257.2
EBITDA	9.3	9.9	9.3	9.9	33.1
<i>EBITDA (%)</i>	<i>13.8 %</i>	<i>14.7 %</i>	<i>13.8 %</i>	<i>14.7 %</i>	<i>12.9 %</i>
Depreciation	(1.5)	(1.6)	(1.5)	(1.6)	(6.3)
Amortization	(1.1)	(1.1)	(1.1)	(1.1)	(4.6)
EBIT	6.6	7.2	6.6	7.2	22.3
<i>EBIT (%)</i>	<i>9.8 %</i>	<i>10.7 %</i>	<i>9.8 %</i>	<i>10.7 %</i>	<i>8.7 %</i>
Investments	(2.0)	(2.6)	(2.0)	(2.6)	(9.5)
Capital Employed *	119.6	130.5	119.6	130.5	114.4

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

FINANCIAL UPDATE

Revenues in Driver Control decreased by EUR 0.2 million to EUR 67.3 million in the first quarter 2014 compared to the same quarter 2013, including an unfavorable currency effect of EUR 6.0 million. Revenues decreased primarily due to the currency effect caused by a strengthening Euro and a slight slowdown in the Brazilian market offset by new product launches and increased aftermarket sales.

EBIT was EUR 6.6 million in the first quarter, a decrease of EUR 0.6 million compared to the first quarter 2013. The decrease in EBIT was primarily driven by sales mix and higher project activity. The EBIT margin decreased 0.9 percentage points to 9.8%.

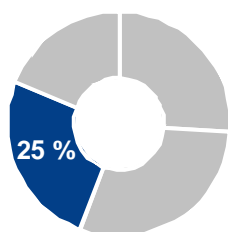
Lower capital expenditures for the year 2014 are primarily the result of a high level of investments in 2013.

OPERATIONAL UPDATE

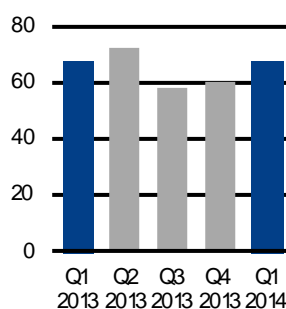
The operational issues in Norway that influenced the fourth quarter results have been contained and the margin level is back to normal. Customer delays of several new launches has also contributed to the change in mix and had a slight negative impact in overall sales and margins. These launches, although postponed and experiencing slower than expected volumes in the ramp up phase, are expected to recover as the year progresses.

New business activity levels remain quite high with additional investments being made in R&D in order to meet the customer demand and strategic plans. Booked business wins in the quarter were EUR 16.3 million in annual sales. Over 50% of these wins have been associated with the efforts in BRIC countries and in line with the strategy. Comparative business wins for Q1 2013 were EUR 7.4 million.

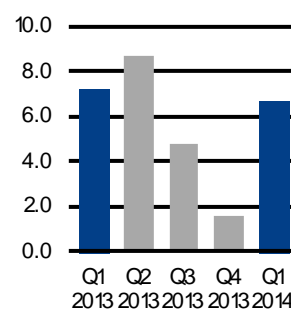
Share of Group Q1 2014 revenues



Revenues (MEUR)



EBIT (MEUR)



CONDENSED CONSOLIDATED FINANCIAL STATEMENT

STATEMENT OF COMPREHENSIVE INCOME

MEUR	Q1 2014	Q1 2013	YTD 2014	YTD 2013	2013
Revenues	255.8	252.2	255.8	252.2	990.9
Opex	(227.3)	(227.1)	(227.3)	(227.1)	(893.8)
EBITDA	28.5	25.1	28.5	25.1	97.1
<i>EBITDA (%)</i>	11.1%	9.9%	11.1%	9.9%	9.8%
Depreciation and amortization	(10.4)	(11.6)	(10.4)	(11.6)	(43.9)
EBIT	18.1	13.5	18.1	13.5	53.2
<i>EBIT (%)</i>	7.1%	5.3%	7.1%	5.3%	5.4%
Net financial items	(2.7)	(10.4)	(2.7)	(10.4)	(40.4)
Profit before taxes	15.4	3.0	15.4	3.0	12.8
Income taxes	(4.0)	(0.8)	(4.0)	(0.8)	(6.2)
Net profit	11.4	2.3	11.4	2.3	6.6
Other comprehensive income (Items that will not be reclassified subsequently to profit or loss):					
Translation differences	(3.4)	6.8	(3.4)	6.8	7.3
Tax on translation differences	0.9	(3.0)	0.9	(3.0)	(6.7)
Other comprehensive income (Items that will be reclassified subsequently to profit or loss):					
Remeasurement of the net PBO	0.0	0.0	0.0	0.0	(3.2)
Tax on remeasurement of the net PBO	0.0	0.0	0.0	0.0	0.9
Other comprehensive income	(2.5)	3.7	(2.5)	3.7	(1.6)
Total compr income	8.9	6.0	8.9	6.0	5.0
Net profit attributable to:					
Equity holders (parent comp)	11.4	2.3	11.4	2.3	6.3
Non-controlling interests	0.0	(0.0)	0.0	(0.0)	0.2
Total	11.4	2.3	11.4	2.3	6.6
Total comprehensive income attributable to:					
Equity holders (parent comp)	8.9	6.0	8.9	6.0	4.7
Non-controlling interests	0.0	(0.0)	0.0	(0.0)	0.2
Total	8.9	6.0	8.9	6.0	5.0
Earnings per share:					
Basic earnings per share, EUR	0.03	0.01	0.03	0.01	0.02
Diluted earnings per share, EUR	0.03	0.01	0.03	0.01	0.02

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

STATEMENT OF FINANCIAL POSITION

MEUR	31.03.14	31.03.13	31.12.13
Deferred tax assets	44.9	55.1	46.8
Intangible assets	211.0	232.1	214.5
Property, plant and equipment	119.8	128.9	122.0
Other non-current assets	1.0	2.1	1.1
Non-current assets	376.7	418.2	384.5
Inventories	80.4	80.0	77.3
Accounts receivable	155.1	161.2	136.4
Other short term receivables	33.4	40.6	32.0
Cash and cash equivalents	47.0	61.8	57.1
Current assets	315.9	343.7	302.8
Total assets	692.7	761.9	687.3
Share capital	24.2	26.7	23.9
Share premium reserve	204.2	225.6	201.2
Other equity	(32.5)	(66.4)	(38.1)
Non-controlling interests	2.7	3.0	2.8
Total equity	198.6	189.0	189.6
Interest bearing loans and borrowings	262.7	328.4	273.0
Deferred tax liabilities	12.5	17.4	14.1
Other long term liabilities	17.1	16.9	17.4
Non-current liabilities	292.2	362.7	304.5
Bank overdraft	21.9	29.2	24.3
Other short term liabilities, interest bearing	1.1	1.0	1.0
Accounts payable	105.1	107.5	100.3
Other short term liabilities	73.8	72.4	67.5
Current liabilities	201.8	210.2	193.2
Total liabilities	494.1	572.9	497.7
Total equity and liabilities	692.7	761.9	687.3

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

STATEMENT OF CHANGE IN EQUITY

MEUR	31.03.14	31.03.13	31.12.13
Equity as of start of period	189.6	184.7	184.7
Net profit for the period	11.4	2.3	6.6
Translation differences	(3.4)	6.8	7.3
Tax on translation differences	0.9	(3.0)	(6.7)
Remeasurement of the net PBO	0.0	0.0	(3.2)
Tax on remeasurement of the net PBO	0.0	0.0	0.9
Total comprehensive income	8.9	6.0	5.0
Options contracts (employees)	0.1	0.1	0.4
Treasury shares	0.0	0.0	0.2
Other changes in non-controlling interests	0.0	0.0	(0.7)
Other changes in equity	0.0	(1.9)	0.1
Change pension debt - corridor	0.0	0.0	0.0
Equity as of end of period	198.6	189.0	189.6

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

STATEMENT OF CASH FLOW

MEUR	Q1 2014	Q1 2013	YTD 2014	YTD 2013	2013
<i>Operating activities</i>					
(Loss)/ profit before taxes	15.4	3.0	15.4	3.0	12.8
Depreciation	7.1	8.3	7.1	8.3	30.7
Amortization	3.3	3.3	3.3	3.3	13.2
Interest income	(0.0)	(0.1)	(0.0)	(0.1)	(2.1)
Interest expenses	2.8	4.5	2.8	4.5	17.3
Taxes paid	(1.9)	(1.4)	(1.9)	(1.4)	(8.5)
(Gain)/ loss on sale of non-current assets	0.0	0.0	0.0	0.0	0.0
Changes in receivables	(18.7)	(31.9)	(18.7)	(31.9)	(7.0)
Changes in inventory	(3.1)	(1.2)	(3.1)	(1.2)	1.5
Changes in payables	4.7	11.6	4.7	11.6	4.4
Currency (gain)/ loss	(1.1)	5.6	(1.1)	5.6	19.7
Changes in value fin. derivatives	(0.3)	(0.3)	(0.3)	(0.3)	(1.2)
Changes in other items	5.5	3.8	5.5	3.8	6.8
Cash flow from operating activities	13.5	5.3	13.5	5.3	87.6
<i>Investing activities</i>					
Investments	(5.3)	(6.0)	(5.3)	(6.0)	(29.4)
Sale of fixed assets	0.0	0.0	0.0	0.0	0.1
Investments in subsidiaries	0.0	0.0	0.0	0.0	0.0
Interest received	0.0	0.1	0.0	0.1	2.1
Cash flow from investing activities	(5.3)	(5.9)	(5.3)	(5.9)	(27.2)
<i>Financing activities</i>					
Proceeds from sale of treasury shares	0.0	0.0	0.0	0.0	0.2
Repayment of external loans	(11.1)	3.6	(11.1)	3.6	(42.0)
Interest paid	(3.2)	(4.2)	(3.2)	(4.2)	(15.9)
Dividends paid*	0.0	0.0	0.0	0.0	(0.7)
Other financial charges	(1.4)	(0.0)	(1.4)	(0.0)	(1.8)
Cash flow from financing activities	(15.8)	(0.7)	(15.8)	(0.7)	(60.2)
Currency effects on cash	0.0	0.4	0.0	0.4	(0.9)
Net change in cash	(7.6)	(0.9)	(7.6)	(0.9)	(0.7)
Net cash at 01.01**	32.7	33.5	32.7	33.5	33.5
Net cash at period end**	25.1	32.6	25.1	32.6	32.7
Of this, restricted cash	1.0	2.1	1.0	2.1	2.7

* 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 31st March 2014, 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 2013, 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 2013, 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'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 third quarter and December each year having lower sales.

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

Note 2 – Segment Reporting

2.1 OPERATING REPORTABLE SEGMENTS

YTD 2014

MEUR	Driveline	Interior	Driver Controls	Fluid Transfer	Elim & other	Group
Operating Revenues	69.0	78.0	67.3	50.2	(8.7)	255.8
EBITDA	3.3	10.6	9.3	9.3	(4.0)	28.5
Depreciation	(1.9)	(1.8)	(1.5)	(1.9)	(0.0)	(7.1)
Amortization	(0.8)	(0.5)	(1.1)	(0.8)	(0.0)	(3.3)
EBIT	0.6	8.3	6.6	6.6	(4.0)	18.1
<i>Assets and liabilities</i>						
Goodwill	6.0	70.7	33.0	46.4	0.0	156.0
Other intangible assets	12.3	8.4	20.4	12.8	0.9	54.9
Property, plant and equipment	31.5	28.9	33.1	25.8	0.5	119.8
Inventories	19.1	16.4	27.3	18.2	(0.6)	80.4
Trade receivables	35.6	52.9	34.8	31.5	0.2	155.1
Segment assets	104.6	177.4	148.6	134.7	1.0	566.3
Unallocated assets	-	-	-	-	126.4	126.4
Total assets	104.6	177.4	148.6	134.7	127.4	692.7
Trade payables	27.8	25.8	28.9	22.0	0.6	105.1
Unallocated liabilities	-	-	-	-	389.0	389.0
Total liabilities	27.8	25.8	28.9	22.0	389.6	494.1
Capital expenditure	1.1	1.1	1.9	0.7	0.1	4.8

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

YTD 2013

MEUR	Driveline	Interior	Driver Controls	Fluid Transfer	Elim & other	Group
Operating Revenues	71.9	76.3	67.5	45.4	(8.8)	252.2
EBITDA	3.4	9.4	9.9	7.0	(4.7)	25.1
Depreciation	(2.0)	(2.9)	(1.6)	(1.8)	(0.0)	(8.3)
Amortization	(0.7)	(0.5)	(1.1)	(0.9)	(0.0)	(3.3)
EBIT	0.7	6.0	7.2	4.3	(4.8)	13.5
<i>Assets and liabilities</i>						
Goodwill	6.3	73.6	34.4	48.8	0.0	163.1
Other intangible assets	15.4	10.9	25.7	16.7	0.4	69.0
Property, plant and equipment	34.3	31.4	34.3	28.5	0.5	128.9
Inventories	23.1	16.3	26.9	14.3	(0.6)	80.0
Trade receivables	38.6	53.6	38.0	31.0	0.0	161.2
Segment assets	117.7	185.7	159.2	139.3	0.4	602.3
Unallocated assets	-	-	-	-	159.5	159.5
Total assets	117.7	185.7	159.2	139.3	159.9	761.9
Trade payables	29.1	26.1	28.7	23.3	0.3	107.5
Unallocated liabilities	-	-	-	-	465.3	465.3
Total liabilities	29.1	26.1	28.7	23.3	465.6	572.9
Capital expenditure	1.1	1.1	2.4	1.2	(0.0)	5.8

Full year 2013

MEUR	Driveline	Interior	Driver Controls	Fluid Transfer	Elim & other	Group
Operating Revenues	279.8	299.0	257.2	189.0	(34.1)	990.9
EBITDA	12.8	34.7	33.1	33.1	(16.7)	97.1
Depreciation	(7.7)	(9.5)	(6.3)	(7.2)	(0.0)	(30.7)
Amortization	(3.0)	(2.1)	(4.6)	(3.4)	(0.2)	(13.2)
EBIT	2.1	23.1	22.3	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	29.8	32.8	26.8	0.5	122.0
Inventories	18.8	16.4	26.3	16.4	(0.6)	77.3
Trade receivables	33.5	47.4	27.3	28.3	(0.1)	136.4
Segment assets	103.2	173.8	141.1	131.5	0.6	550.3
Unallocated assets	-	-	-	-	137.1	137.1
Total assets	103.2	173.8	141.1	131.5	137.7	687.3
Trade payables	25.4	25.4	26.7	22.1	0.7	100.3
Unallocated liabilities	-	-	-	-	397.3	397.3
Total liabilities	25.4	25.4	26.7	22.1	398.0	497.7
Capital expenditure	6.0	7.2	8.8	6.0	(0.1)	27.9

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

2.2 SEGMENTS BY GEOGRAPHICAL LOCATION

2.2.1 Sales to customers by geographical location

MEUR	2014		2013		2013	
	Jan - March	%	Jan - March	%	Jan - Dec	%
Sweden	23.5	9.2%	21.8	8.6%	88.6	8.9%
Germany	27.6	10.8%	30.1	11.9%	109.7	11.1%
France	21.6	8.4%	21.4	8.5%	81.3	8.2%
Other EUR	66.3	25.9%	55.9	22.2%	253.0	25.5%
Total EUR	138.9	54.3%	129.2	51.2%	532.6	53.7%
USA	62.1	24.3%	63.2	25.0%	246.9	24.9%
NA other	28.8	11.3%	28.5	11.3%	96.4	9.7%
Total NA	90.8	35.5%	91.6	36.3%	343.3	34.6%
China	13.2	5.2%	13.2	5.2%	56.2	5.7%
Asia Other	5.6	2.2%	6.0	2.4%	24.6	2.5%
Total Asia	18.8	7.3%	19.1	7.6%	80.8	8.1%
Other countries	7.3	2.9%	12.3	4.9%	34.3	3.5%
Operating revenues	255.8	100.0%	252.2	100.0%	990.9	100.0%

2.2.2 Non-current assets by geographical location

MEUR	2014		2013		2013	
	Jan - March	%	Jan - March	%	Jan - Dec	%
USA	105.6	31.9%	133.6	37.0%	109.7	32.6%
UK	11.8	3.6%	12.9	3.6%	12.0	3.6%
Norway	27.6	8.3%	30.7	8.5%	27.6	8.2%
Germany	15.8	4.8%	20.6	5.7%	15.8	4.7%
Sweden	30.9	9.3%	33.9	9.4%	31.9	9.5%
Poland	35.3	10.7%	36.0	10.0%	35.8	10.6%
Other	103.8	31.4%	93.3	25.8%	103.9	30.9%
Total Non-Current Assets*	330.8	100.0%	361.0	100.0%	336.7	100.0%

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

Note 3 – Interest bearing loans and borrowings

MEUR	31.03.14	31.12.13
Bank loans	262.7	273.0
Other current interest-bearing liabilities	1.1	1.0
Total interest-bearing liabilities	263.7	274.0

3.1 NON-CURRENT LIABILITIES

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

Facilities	Facility Currency	Total facility Amounts	Maturity/ expiration date	Drawn Amounts	Interest Rate (incl margin)
DNB/ Nordea Reducing Revolving Facility					
Tranche in EUR	EUR	206.0	30.03.17	140.0	3.75%
Tranche in USD	USD	181.7	30.03.17	152.0	3.75%
Innovasjon Norge	NOK	130.5	10.12.21	130.5	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.

3.3 BORROWING BY CURRENCY

MEUR	31.03.14	31.12.13
EUR	140.0	146.0
USD	110.2	115.4
NOK	15.9	15.7
Other currencies	0.4	0.0
Capitalized arrangement fee	(2.8)	(3.0)
Total interest-bearing liabilities	263.7	274.0

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

3.4 MATURITY SCHEDULE

Year	EUR	USD	NOK
Facility reduction 2014			8.7
Facility reduction 2015			17.4
Facility reduction 2016			17.4
Facility reduction 2017	206.0	181.7	17.4
Facility reduction 2018 (and later)			69.6
Total			130.5

3.5 LIQUIDITY RESERVE

The liquidity reserve of KA group consists of:

MEUR	31.03.14	31.12.13
Cash reserve	46.0	54.4
Unutilized facility	87.5	76.4
Total (before use)	133.5	130.8
Used (Bankoverdraft)	(21.9)	(24.3)
Unused liquidity reserve	111.6	106.5

3.6 NET FINANCIALS

MEUR	Q1 2014	Q1 2013	YTD 2014	YTD 2013	2013
Interest income	0.0	0.1	0.0	0.1	2.1
Interest expenses	(2.8)	(4.5)	(2.8)	(4.5)	(17.3)
Foreign currency gains (losses)	1.1	(5.6)	1.1	(5.6)	(19.7)
Change in valuation currency contracts	0.3	0.3	0.3	0.3	1.2
Other financial items	(1.4)	(0.8)	(1.4)	(0.8)	(6.7)
Net financial items	(2.7)	(10.4)	(2.7)	(10.4)	(40.4)

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

OTHER COMPANY INFORMATION

THE BOARD OF DIRECTORS:

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

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
1st Quarter 2014	10 April 2014	11 April 2014
2nd Quarter 2013	10 July 2014	11 July 2014
3rd Quarter 2013	15 October 2014	16 October 2014
4rd Quarter 2013	TBA	TBA

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