

# 1st Quarter Report 2016

Kongsberg Automotive



Enhancing the driving experience

2016



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# HIGHLIGHTS 1ST QUARTER 2016

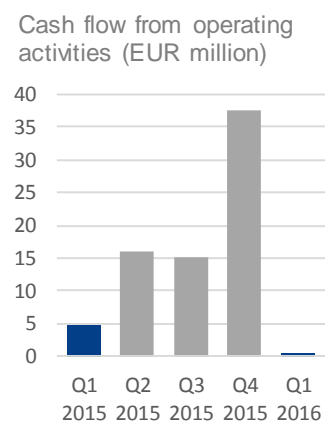
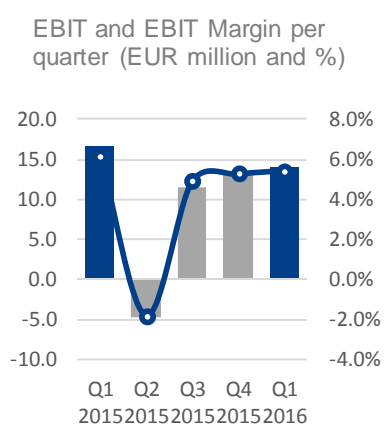
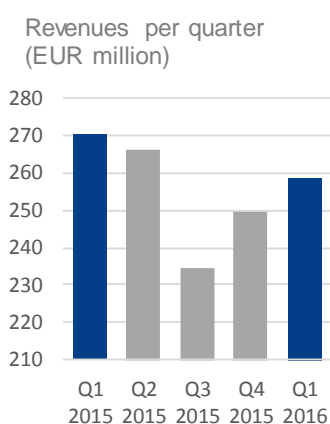
First quarter sales in line with previous communication. Operational improvements partly offset the increased R&D spend. Investments for the future continue in line with the strategy communicated at the capital markets day in December 2015.

## HIGHLIGHTS

- Revenues were EUR 258.7 million in the first quarter, EUR 11.3 million below the first quarter last year, including negative currency effects of EUR 5.9 million.
- EBIT was EUR 14.1 million (5.4%) in the first quarter, versus 16.7 million (6.2%) the first quarter last year.
- The financial gearing ratio was at 2.2 times at the end of first quarter 2016 versus 2.4 in the first quarter 2015.
- Annualized business wins in the quarter amounted to EUR 35 million bringing the last twelve month run rate to EUR 301 million.
- Revenues for the next quarter 2016 are expected to be in line with Q1 16.

## KEY FIGURES

MEUR	Q1 2016	Q1 2015	YTD 2016	YTD 2015	2015
Revenues	258.7	270.0	258.7	270.0	1020.1
EBITDA	24.6	29.0	24.6	29.0	102.6
EBITDA %	9.5 %	10.8 %	9.5 %	10.8 %	10.1 %
EBIT	14.1	16.7	14.1	16.7	36.5
EBIT (%)	5.4 %	6.2 %	5.4 %	6.2 %	3.6 %
Net profit	13.0	5.9	13.0	5.9	(8.3)
NIBD/EBITDA (LTM)	2.2	2.4	2.2	2.4	2.1
Equity ratio (%)	32.4 %	31.7 %	32.4 %	31.7 %	31.3 %



All amounts in the report are rounded to the nearest hundred thousand.

# GROUP FINANCIALS

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

MEUR	Q1 2016	Q1 2015	YTD 2016	YTD 2015	2015
Revenues	258.7	270.0	258.7	270.0	1020.1
Opex	(234.2)	(241.0)	(234.2)	(241.0)	(917.5)
EBITDA	24.6	29.0	24.6	29.0	102.6
<i>EBITDA (%)</i>	<i>9.5 %</i>	<i>10.8 %</i>	<i>9.5 %</i>	<i>10.8 %</i>	<i>10.1 %</i>
Depreciation and amortization/impairment	(10.5)	(12.4)	(10.5)	(12.4)	(66.1)
EBIT	14.1	16.7	14.1	16.7	36.5
<i>EBIT (%)</i>	<i>5.4 %</i>	<i>6.2 %</i>	<i>5.4 %</i>	<i>6.2 %</i>	<i>3.6 %</i>
Net financial items	5.6	(7.7)	5.6	(7.7)	(32.8)
Profit before taxes	19.7	9.0	19.7	9.0	3.7
Income taxes	(6.7)	(3.1)	(6.7)	(3.1)	(12.0)
Net profit	13.0	5.9	13.0	5.9	(8.3)

### REVENUES

Revenues for the Group amounted to EUR 258.7 million in the first quarter of 2016. Revenues were EUR -11.3 million (-4.2%) below the comparable period last year, including negative currency effect of EUR 5.9 million.

In the passenger car segments revenues decreased by EUR 2.9 million (-1.9%) compared to the first quarter of 2015. Interior had EUR 4.2 million (5.0%) higher revenues in the first quarter compared to the same period last year, including a negative currency effect of EUR 0.4 million. A customer shutdown negatively impacting the North American head-restraint business in the comparable quarter last year. The higher current quarter revenues in both the European and North American premium car seat comfort segment, drove the year-over-year increase in revenues. Revenues in Driveline decreased by EUR 7.0 million (-10.3%) compared to the same quarter last year. The decline in revenues was due to lower sales across all regions, especially in North America and Europe due to major programs reaching end of production.

Revenues from the commercial vehicle segments decreased by EUR 8.3 million (-6.5%) compared to the same quarter in 2015. Revenues in Fluid Transfer decreased by EUR 2.1 million (-3.8%), including negative currency effects of EUR 1.5 million. The revenue decrease, excluding the currency effects, reflects lower tooling sales. Strength in Europe for air coupling systems to the commercial vehicle business were offset by weakness in the commercial vehicle and industrial business in North America. Revenues in Driver Control decreased by EUR 6.1 million (-8.6%), including negative currency effect of EUR 4.0 million. The change in revenues, excluding the currency effects, reflects lower sales in the South American, Chinese and European business, partially offset by stronger sales in the North American off-highway business.

### EBIT

EBIT for the Group was EUR 14.1 million in the first quarter of 2016, a decrease of EUR -2.6 (-15.6%) million compared to first quarter of 2015. The operational improvement and favourable change in product mix partly offset the increased fixed costs to support operational improvements, and increased R&D activity to support future growth opportunities (EUR 2.3 million including e-Power). The first quarter of 2015 was negatively impacted by the loss on sale of business of EUR 1.5 million. Net currency effects were negative by EUR 0.5 million.

### NET FINANCIALS

Net financials (see note 4.1) were EUR 5.6 million in the first quarter of 2016, compared to EUR -7.7 million in the same period in 2015. 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 lower interest expenses are driven by the reduced debt level. In addition the first quarter last year was negatively impacted by refinancing fees and derecognition of capitalized arrangement fees.

### PROFIT BEFORE TAX / NET PROFIT

Profit before tax was EUR 19.7 million in the first quarter of 2016, compared to EUR 9.0 million in the same period in 2015. The increase reflects the positive change in net financial items, partially offset by the decrease in operating profit. Net profit was EUR 13.0 million in the first quarter of 2016, compared to EUR 5.9 million in the comparable quarter last year.

# GROUP FINANCIALS

## CONDENSED STATEMENT OF CASH FLOW

MEUR	Q1 2016	Q1 2015	YTD 2016	YTD 2015	2015
Cash flow from operating activities	0.2	4.9	0.2	4.9	73.5
Cash flow from investing activities	(8.3)	(4.5)	(8.3)	(4.5)	(43.5)
Cash flow from financing activities	(10.4)	(5.0)	(10.4)	(5.0)	(26.3)
Currency effects on cash	(0.4)	1.9	(0.4)	1.9	1.5
Change in cash	(19.0)	(2.7)	(19.0)	(2.7)	5.2
Cash at beginning period	39.9	34.6	39.9	34.6	34.6
Cash at period end	20.8	31.9	20.8	31.9	39.9
Of this, restricted cash	0.3	0.2	0.3	0.2	0.3

### CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities decreased by EUR 4.7 million to EUR 0.2 million in the first quarter of 2016 compared to the comparable quarter last year. The decrease was primarily driven by the decrease in EBITDA and increased net working capital.

Seasonality and increase in project related receivables were the main drivers behind the increase in working capital.

### CASH FLOW FROM INVESTING ACTIVITIES

Net cash flow from investing activities amounted to EUR -8.3 million in the first quarter of 2016, EUR 3.7 million higher than in the comparable period in 2015.

The increase was due to investments in production facilities and tooling and equipment for the coming launch of new business. The investments were mainly related to significant contracts won over the last couple of years.

### CASH FLOW FROM FINANCING ACTIVITIES

Cash flow from financing activities was EUR -10.4 million in the first quarter, EUR 5.5 million below the comparable period last year, primarily due to higher debt repayments.

Net repayment of debt and bank overdraft amounted to EUR 8.6 million in the first quarter of 2016 compared to repayments of EUR 1.1 million in the same period last year.

First quarter interest payments, of EUR 1.8 million, decreased by EUR 0.8 million compared to the same quarter last year. The lower interest expenses are driven by the reduced debt level.

### CHANGE IN CASH

Change in cash was EUR -19.0 million in the first quarter of 2016, resulting in cash of EUR 20.8 million at the end of the quarter. The change in cash reflects the negative free cash flow (before repayment) and debt repayments during the quarter.

### LIQUIDITY RESERVE

The liquidity reserve was EUR 113.6 million at the end of the first quarter, compared to EUR 125.2 million at year end 2015. The change relates to the negative free cash flow and negative currency effects. See note 3.4 for more information.

# GROUP FINANCIALS

## CONDENSED STATEMENT OF FINANCIAL POSITION

MEUR	31.03.16	31.03.15	31.12.15
Non-current assets	369.9	403.3	379.7
Cash and cash equivalents	20.8	31.9	39.9
Other current assets	283.6	299.3	264.5
Total assets	674.4	734.5	684.1
Equity	218.7	232.6	214.2
Interest bearing debt	233.3	268.0	253.9
Other liabilities	222.3	233.9	216.0
Total equity and liabilities	674.4	734.5	684.1
NIBD	219.3	236.1	214.0
Equity ratio	32.4%	31.7%	31.3%

### ASSETS

Total assets were EUR 674.4 million as of March 31, 2016, a decrease of EUR 9.7 million from year end 2015. The decrease was mainly due to currency translation effects.

Cash pool overdraft has been retrospectively reclassified as a reduction of cash.

### EQUITY

From year end 2015 equity increased by EUR 4.5 million to EUR 218.7 million. The increase was driven by a positive net profit for the period of EUR 13.0 million, partially offset by negative currency translation effects. The equity ratio increased by 1.1 percentage points to 32.4%.

### INTEREST BEARING DEBT

Long-term interest bearing debt amounted to EUR 233.3 million at the end of the first quarter, a decrease of EUR 20.5 million since year end 2015. The change reflects debt repayments and positive currency effects of EUR 5.5 million, partially offset by depreciation of capitalized arrangement fees.

Net interest bearing debt amounted to EUR 219.3 million at the end of the first quarter, an increase of EUR 5.3 million compared to EUR 214.0 million at year end 2015. The increase was due to a negative free cash flow, partially offset by positive currency effects.

During the first quarter KA has exercised its option to extend the termination date in the loan agreement by one year, so that the extended termination date will occur on 3 March 2019.

# INTERIOR

## Segment Reporting

### INTERIOR SYSTEMS

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

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 are especially high in medium to higher end cars, while 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 2016	Q1 2015	YTD 2016	YTD 2015	2015
Revenues	87.6	83.4	87.6	83.4	330.1
EBITDA	10.6	9.4	10.6	9.4	39.0
EBITDA (%)	12.1 %	11.2 %	12.1 %	11.2 %	11.8 %
Depreciation	(2.3)	(2.1)	(2.3)	(2.1)	(8.8)
Amortization/impairment	(0.6)	(0.6)	(0.6)	(0.6)	(21.9)
EBIT	7.7	6.6	7.7	6.6	8.4
EBIT (%)	8.8 %	8.0 %	8.8 %	8.0 %	2.5 %
Investments	(3.0)	(1.4)	(3.0)	(1.4)	(15.8)
Capital Employed *	154.7	174.5	154.7	174.5	151.2

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

### FINANCIAL UPDATE

Revenues in Interior increased by EUR 4.2 million (5.0%) to EUR 87.6 million in the first quarter 2016 compared to the same quarter in 2015, including negative currency effect of EUR 0.4 million. A customer shutdown negatively impacted the North American head-restraint business in the comparable quarter last year. Higher revenues in both the European and North American premium car seat comfort segment drove the year-over-year increase in revenues.

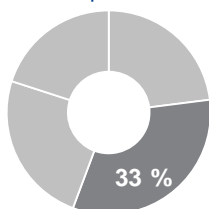
EBIT was EUR 7.7 million in the first quarter, an increase of EUR 1.0 million compared to the first quarter 2015. The first quarter EBIT margin increased by 0.8 percentage points to 8.8%. The change in EBIT was related to favorable sales volumes off-setting the increased R&D efforts (EUR 1.3 million) to support future growth opportunities.

### COMMERCIAL & OPERATIONAL UPDATE

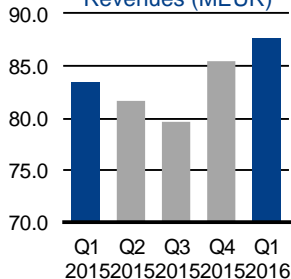
In the first quarter total business wins amounted to EUR 15.4 million in annual sales. Business wins for the Light Duty Cable business segment amounted to EUR 3.1 million in annual sales.

Significant wins included contracts from three major European OEMs and two major North American OEMs spanning our product offerings in seat comfort. The awards with the most demanding customers in the industry, reflect our continued development of technology that supports our customers' efforts to deliver the highest level of comfort to the end-user. These awards will launch in mid-2016 and continue through 2017.

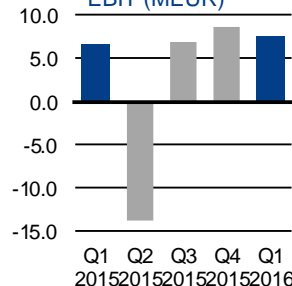
Share of Group Q1 2016 revenues



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.

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 2016	Q1 2015	YTD 2016	YTD 2015	2015
Revenues	61.5	68.6	61.5	68.6	253.9
EBITDA	2.9	3.6	2.9	3.6	13.2
EBITDA (%)	4.7 %	5.3 %	4.7 %	5.3 %	5.2 %
Depreciation	(1.7)	(1.9)	(1.7)	(1.9)	(8.0)
Amortization	(0.7)	(0.7)	(0.7)	(0.7)	(3.0)
EBIT	0.4	1.0	0.4	1.0	2.2
EBIT (%)	0.7 %	1.4 %	0.7 %	1.4 %	0.9 %
Investments	(1.8)	(1.1)	(1.8)	(1.1)	(9.6)
Capital Employed *	80.9	80.0	80.9	80.0	73.3

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

### FINANCIAL UPDATE

Revenues in Driveline decreased by EUR 7.0 million (-10.3%) to EUR 61.5 million in the first quarter 2016 compared to the same quarter in 2015. The decline in revenues was due to programs reaching end of production, effecting all regions.

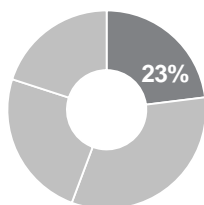
EBIT was EUR 0.4 million in the first quarter, a decrease of EUR 0.6 million compared to the first quarter 2015. The main drivers for the decrease in EBIT were the lower external sales offset partly by capacity adjustments and operational improvements. The first quarter EBIT margin decreased by 0.8 percentage points to 0.7%.

### COMMERCIAL & OPERATIONAL UPDATE

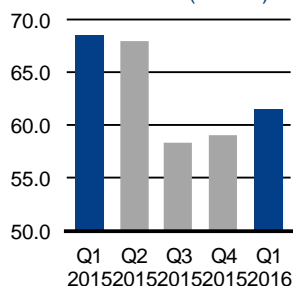
Cost reduction actions have been effectuated to compensate for the lower sales. Efficiency in operational activities and fixed cost reductions have been the main focus.

Overall project activity remains high and new business opportunities remain strong. No business awards were recorded during the first quarter, due to postponed customer sourcing decisions.

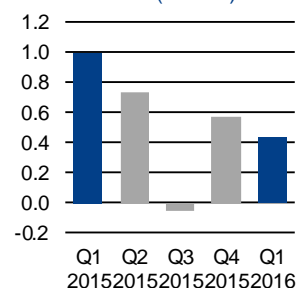
Share of Group Q1 2016 revenues



Revenues (MEUR)



EBIT (MEUR)





# FLUID TRANSFER

## Segment Reporting

### FLUID TRANSFER

Fluid Transfer designs and manufactures fluid handling systems for both the automotive and commercial vehicle markets, as well as coupling systems for compressed-air circuits in heavy trucks. The business area provides completely engineered flexible fluid assemblies for all market segments in which it operates. The business area is also specialized in manufacturing tube and hose assemblies for difficult environments.

Fluid Transfer products primarily address the commercial vehicle

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

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

### KEY FIGURES

MEUR	Q1 2016	Q1 2015	YTD 2016	YTD 2015	2015
Revenues	53.6	55.8	53.6	55.8	215.0
EBITDA	10.3	11.1	10.3	11.1	41.2
<i>EBITDA (%)</i>	<i>19.2 %</i>	<i>19.9 %</i>	<i>19.2 %</i>	<i>19.9 %</i>	<i>19.1 %</i>
Depreciation	(1.2)	(1.6)	(1.2)	(1.6)	(6.0)
Amortization	(1.0)	(0.9)	(1.0)	(0.9)	(3.9)
EBIT	8.1	8.6	8.1	8.6	31.3
<i>EBIT (%)</i>	<i>15.2 %</i>	<i>15.3 %</i>	<i>15.2 %</i>	<i>15.3 %</i>	<i>14.6 %</i>
Investments	(0.6)	(0.5)	(0.6)	(0.5)	(8.1)
Capital Employed *	122.3	128.6	122.3	128.6	125.4

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

### FINANCIAL UPDATE

Revenues in Fluid Transfer decreased by EUR -2.1 million (-3.8%) to EUR 53.6 million in the first quarter 2016 compared to the same quarter in 2015, including negative currency effect of EUR 1.5 million and lower tooling sales of EUR 0.7 million.

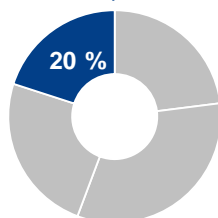
The revenues were close to last year as strength in Europe for air coupling systems to the commercial vehicle market were offset by weakness in the North American commercial vehicle and industrial business.

EBIT was EUR 8.1 million in the first quarter, a decrease of EUR 0.4 million compared to the first quarter 2015. The first quarter EBIT margin decreased by 0.2 percentage points to 15.2% primarily due to an increase in fixed costs to support future growth opportunities, partially offset by favorable product mix.

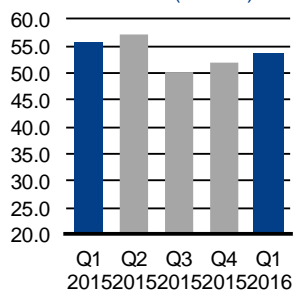
### COMMERCIAL & OPERATIONAL UPDATE

First quarter business awards were EUR 8.2 million in annual sales. The sales opportunities in pipeline and quoting activity remain robust.

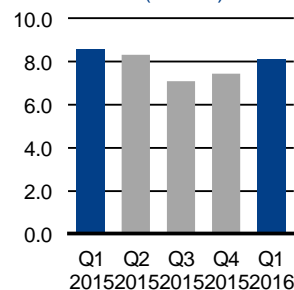
Share of Group Q1 2016 revenues



Revenues (MEUR)



EBIT (MEUR)



# DRIVER CONTROL

## Segment Reporting

### DRIVER CONTROL

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

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

### KEY FIGURES

MEUR	Q1 2016	Q1 2015	YTD 2016	YTD 2015	2015
Revenues	65.0	71.1	65.0	71.1	256.1
EBITDA	6.9	9.1	6.9	9.1	30.9
EBITDA (%)	10.6 %	12.8 %	10.6 %	12.8 %	12.1 %
Depreciation	(1.6)	(1.8)	(1.6)	(1.8)	(6.6)
Amortization	(1.2)	(2.6)	(1.2)	(2.6)	(7.5)
EBIT	4.1	4.7	4.1	4.7	16.8
EBIT (%)	6.3 %	6.6 %	6.3 %	6.6 %	6.5 %
Investments	(2.7)	(1.6)	(2.7)	(1.6)	(10.1)
Capital Employed *	115.5	124.5	115.5	124.5	111.1

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

### FINANCIAL UPDATE

Revenues in Driver Control Systems decreased by EUR -6.1 million (-8.6%) to EUR 65.0 million in the first quarter 2016 compared to the same quarter in 2015, including negative currency effect of EUR 4.0 million. The decrease in the first quarter revenues was driven by lower sales in the South American, Chinese and European businesses, partially offset by stronger sales in the North American off-highway business.

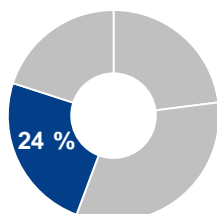
EBIT was EUR 4.1 million in the first quarter, a decrease of EUR -0.6 million compared to the first quarter 2015. The first quarter EBIT margin decreased by -0.3 percentage points to 6.3%. Excluding the loss of business last year, the change mainly reflects lower product sales and an unfavorable product mix.

### COMMERCIAL & OPERATIONAL UPDATE

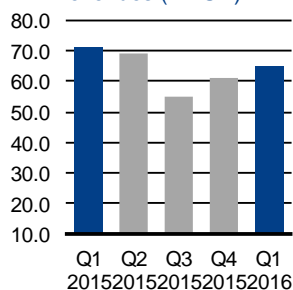
Significant cost reductions have been implemented which partly have set the lower sales. The R&D project activity is high and this will continue through 2016. The R&D spend is directed towards the development of a new Automated Manual Transmission (AMT) system where significant contracts were announced in the fourth quarter of 2014 and 2015. Deliveries on these new contracts will start in 2017.

Business wins in the quarter amounted to EUR 8.1 million with the majority coming from emerging countries.

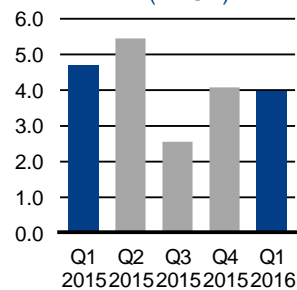
Share of Group Q1 2016 revenues



Revenues (MEUR)



EBIT (MEUR)



# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

## STATEMENT OF COMPREHENSIVE INCOME

MEUR	Q1 2016	Q1 2015	YTD 2016	YTD 2015	2015
Revenues	258.7	270.0	258.7	270.0	1020.1
Opex	(234.2)	(241.0)	(234.2)	(241.0)	(917.5)
EBITDA	24.6	29.0	24.6	29.0	102.6
EBITDA (%)	9.5 %	10.8 %	9.5 %	10.8 %	10.1 %
Depreciation and amortization/impairment	(10.5)	(12.4)	(10.5)	(12.4)	(66.1)
EBIT	14.1	16.7	14.1	16.7	36.5
EBIT (%)	5.4 %	6.2 %	5.4 %	6.2 %	3.6 %
Net financial items	5.6	(7.7)	5.6	(7.7)	(32.8)
Profit before taxes	19.7	9.0	19.7	9.0	3.7
Income taxes	(6.7)	(3.1)	(6.7)	(3.1)	(12.0)
Net profit	13.0	5.9	13.0	5.9	(8.3)
Other comprehensive income (Items that may be reclassified to profit or loss in subsequent periods):					
Translation differences	(12.9)	22.1	(12.9)	22.1	25.6
Tax on translation differences	4.2	(5.8)	4.2	(5.8)	(11.2)
Other comprehensive income (Items that will not be reclassified to profit or loss in subsequent periods):					
Remeasurement of the net PBO	0.0	0.0	0.0	0.0	0.2
Tax on remeasurement of the net PBO	0.0	0.0	0.0	0.0	(0.1)
Other comprehensive income	(8.7)	16.3	(8.7)	16.3	14.5
Total compr income	4.3	22.2	4.3	22.2	6.2
Net profit attributable to:					
Equity holders (parent comp)	13.0	5.9	13.0	5.9	(8.4)
Non-controlling interests	(0.0)	0.0	(0.0)	0.0	0.0
Total	13.0	5.9	13.0	5.9	(8.3)
Total comprehensive income attributable to:					
Equity holders (parent comp)	4.3	22.2	4.3	22.2	6.2
Non-controlling interests	(0.0)	0.0	(0.0)	0.0	0.0
Total	4.3	22.2	4.3	22.2	6.2
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	Note	31.03.16	31.03.15	31.12.15
Deferred tax assets		40.4	41.4	41.8
Intangible assets		186.5	227.5	193.5
Property, plant and equipment		141.9	132.4	143.3
Other non-current assets		1.1	1.9	1.1
<b>Non-current assets</b>		<b>369.9</b>	<b>403.3</b>	<b>379.7</b>
Inventories		81.0	86.7	80.5
Accounts receivable		162.9	175.9	144.6
Other short term receivables		39.7	36.7	39.4
Cash and cash equivalents		20.8	31.9	39.9
<b>Current assets</b>		<b>304.5</b>	<b>331.2</b>	<b>304.4</b>
<b>Total assets</b>		<b>674.4</b>	<b>734.5</b>	<b>684.1</b>
Share capital		21.6	23.2	21.2
Share premium reserve		179.1	193.7	175.6
Other equity		14.4	11.1	13.6
Non-controlling interests		3.7	4.5	3.9
<b>Total equity</b>		<b>218.7</b>	<b>232.6</b>	<b>214.2</b>
Interest bearing loans and borrowings	3	233.3	268.0	253.9
Deferred tax liabilities		30.1	20.6	30.8
Other long term liabilities		18.1	18.5	17.9
<b>Non-current liabilities</b>		<b>281.5</b>	<b>307.1</b>	<b>302.5</b>
Bank overdraft		6.8	0.0	0.0
Other short term liabilities, interest bearing		0.0	0.0	0.0
Accounts payable		98.9	114.5	101.0
Other short term liabilities		68.4	80.3	66.3
<b>Current liabilities</b>		<b>174.1</b>	<b>194.8</b>	<b>167.3</b>
<b>Total liabilities</b>		<b>455.6</b>	<b>501.9</b>	<b>469.9</b>
<b>Total equity and liabilities</b>		<b>674.4</b>	<b>734.5</b>	<b>684.1</b>

# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

## STATEMENT OF CHANGE IN EQUITY

MEUR	31.03.16	31.03.15	31.12.15
Equity as of start of period	214.2	210.3	210.3
Net profit for the period	13.0	5.9	(8.3)
Translation differences	(12.9)	22.1	25.6
Tax on translation differences	4.2	(5.8)	(11.2)
Remeasurement of the net PBO	0.0	0.0	0.2
Tax on remeasurement of the net PBO	0.0	0.0	(0.1)
Total comprehensive income	4.3	22.2	6.2
Options contracts (employees)	0.2	0.1	0.7
Treasury shares	0.0	0.0	(2.6)
Other changes in non-controlling interests	0.0	0.0	(0.0)
Other changes in equity	0.0	(0.1)	(0.4)
Equity as of end of period	218.7	232.6	214.2

# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

## STATEMENT OF CASH FLOW

MEUR	Q1 2016	Q1 2015	YTD 2016	YTD 2015	2015
<i>Operating activities</i>					
(Loss) / profit before taxes	19.7	9.0	19.7	9.0	3.7
Depreciation	6.9	7.4	6.9	7.4	29.6
Amortization/impairment	3.6	4.9	3.6	4.9	36.5
Interest income	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)
Interest expenses	1.7	2.5	1.7	2.5	8.2
Taxes paid	(2.3)	(2.3)	(2.3)	(2.3)	(11.2)
(Gain) / loss on sale of non-current assets	0.0	0.0	0.0	0.0	0.0
Changes in receivables	(18.3)	(35.8)	(18.3)	(35.8)	(4.5)
Changes in inventory	(0.5)	(9.9)	(0.5)	(9.9)	(3.7)
Changes in payables	(2.1)	15.4	(2.1)	15.4	1.9
Currency (gain)/ loss	(6.1)	3.8	(6.1)	3.8	22.5
Changes in value fin. derivatives	(1.4)	(1.0)	(1.4)	(1.0)	(1.0)
Changes in other items	(1.1)	10.8	(1.1)	10.8	(8.2)
<b>Cash flow from operating activities</b>	<b>0.2</b>	<b>4.9</b>	<b>0.2</b>	<b>4.9</b>	<b>73.5</b>
<i>Investing activities</i>					
Investments	(8.6)	(4.8)	(8.6)	(4.8)	(43.9)
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	0.0	0.0	0.0	0.1
Proceeds from sale of subsidiaries	0.2	0.3	0.2	0.3	0.3
<b>Cash flow from investing activities</b>	<b>(8.3)</b>	<b>(4.5)</b>	<b>(8.3)</b>	<b>(4.5)</b>	<b>(43.5)</b>
<i>Financing activities</i>					
Proceeds from sale/purchase of treasury share	0.0	0.0	0.0	0.0	(2.6)
Repayment of debt	(8.6)	(1.1)	(8.6)	(1.1)	(13.6)
Interest paid	(1.8)	(2.6)	(1.8)	(2.6)	(8.5)
Dividends paid*	0.0	0.0	0.0	0.0	(0.4)
Other financial charges	(0.0)	(1.3)	(0.0)	(1.3)	(1.3)
<b>Cash flow from financing activities</b>	<b>(10.4)</b>	<b>(5.0)</b>	<b>(10.4)</b>	<b>(5.0)</b>	<b>(26.3)</b>
<b>Currency effects on cash</b>	<b>(0.4)</b>	<b>1.9</b>	<b>(0.4)</b>	<b>1.9</b>	<b>1.5</b>
<b>Change in cash</b>	<b>(19.0)</b>	<b>(2.7)</b>	<b>(19.0)</b>	<b>(2.7)</b>	<b>5.2</b>
Cash at beginning period	39.9	34.6	39.9	34.6	34.6
Cash at period end	20.8	31.9	20.8	31.9	39.9
Of this, restricted cash	0.3	0.2	0.3	0.2	0.3

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



# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

### Note 1 – Disclosures

#### GENERAL INFORMATION

Kongsberg Automotive ASA and its subsidiaries develop, manufacture and sell products to the automotive industry globally. Kongsberg Automotive ASA is a limited liability company which is listed on the Oslo Stock Exchange. The consolidated interim financial statements are not audited.

#### BASIS OF PREPARATION

This condensed consolidated interim financial information, ended March 31, 2016, 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 December 31, 2015, 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 December 31, 2015, as described in those annual financial statements.

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

#### RISK

The Group continuously monitors its risk factors.

The Group's activities are exposed to different types of risk. Some of the most important risk factors are foreign-exchange rates, interest rates, raw material prices and credit risks. As the Group operates in many countries, it is vulnerable to currency risk. The greatest currency exposure is associated with EUR and USD, while raw material exposure is greatest in copper, zinc, aluminum and steel. The development in the overall market is considered to be the most significant risk factor.

#### SEASONALITY

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



# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

## Note 2 – Segment Reporting

### 2.1 OPERATING REPORTABLE SEGMENTS

YTD 2016

MEUR	Interior	Driveline	Fluid Transfer	Driver Controls	Elim & other	Group
Operating Revenues	87.6	61.5	53.6	65.0	(9.0)	258.7
EBITDA	10.6	2.9	10.3	6.9	(6.1)	24.6
Depreciation	(2.3)	(1.7)	(1.2)	(1.6)	(0.1)	(6.9)
Amortization	(0.6)	(0.7)	(1.0)	(1.2)	(0.1)	(3.6)
EBIT	7.7	0.4	8.1	4.1	(6.3)	14.1
<i>Assets and liabilities</i>						
Goodwill	59.0	6.5	53.5	31.6	0.0	150.7
Other intangible assets	5.4	9.0	7.5	12.6	1.3	35.8
Property, plant and equipment	40.5	34.7	29.8	36.2	0.8	141.9
Inventories	17.8	17.5	18.2	28.4	(0.9)	81.0
Trade receivables	62.5	36.7	32.5	31.2	(0.0)	162.9
Segment assets	185.2	104.4	141.5	140.1	1.2	572.4
Unallocated assets	0	0	0	0	102.0	102.0
Total assets	185.2	104.4	141.5	140.1	103.2	674.4
Trade payables	30.5	23.5	19.2	24.6	1.1	98.9
Unallocated liabilities	0	0	0	0	356.7	356.7
Total liabilities	30.5	23.5	19.2	24.6	357.8	455.6
Capital expenditure	2.9	1.5	0.6	2.5	0.0	7.6

# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

YTD 2015

MEUR	Interior	Driveline	Fluid Transfer	Driver Controls	Elim & other	Group
Operating Revenues	83.4	68.6	55.8	71.1	(8.9)	270.0
EBITDA	9.4	3.6	11.1	9.1	(4.1)	29.0
Depreciation	(2.1)	(1.9)	(1.6)	(1.8)	(0.0)	(7.4)
Amortization/impairment	(0.6)	(0.7)	(0.9)	(2.6)	(0.1)	(4.9)
EBIT	6.6	1.0	8.6	4.7	(4.2)	16.7

## Assets and liabilities

Goodwill	82.3	6.8	56.1	33.4	0.1	178.6
Other intangible assets	7.7	11.0	11.7	17.4	1.1	48.9
Property, plant and equipment	34.9	33.9	28.9	33.8	0.7	132.4
Inventories	19.3	19.1	18.9	30.0	(0.6)	86.7
Trade receivables	61.4	37.7	37.4	39.4	(0.0)	175.9
Segment assets	205.6	108.6	153.0	154.0	1.3	622.5
Unallocated assets	0	0	0	0	112.0	112.0
Total assets	205.6	108.6	153.0	154.0	113.3	734.5
Trade payables	31.1	28.6	24.4	29.5	0.8	114.5
Unallocated liabilities	0	0	0	0	387.4	387.4
Total liabilities	31.1	28.6	24.4	29.5	388.2	501.9
Capital expenditure	1.4	0.7	0.5	1.4	0.0	4.0

Full year 2015

MEUR	Interior	Driveline	Fluid Transfer	Driver Controls	Elim & other	Group
Operating Revenues	330.1	253.9	215.0	256.1	(35.0)	1,020.1
EBITDA	39.0	13.2	41.2	30.9	(21.7)	102.6
Depreciation	(8.8)	(8.0)	(6.0)	(6.6)	(0.2)	(29.6)
Amortization/impairment	(21.9)	(3.0)	(3.9)	(7.5)	(0.3)	(36.5)
EBIT	8.4	2.2	31.3	16.8	(22.2)	36.5
<i>Assets and liabilities</i>						
Goodwill	60.2	6.7	55.6	31.9	0.0	154.5
Other intangible assets	6.1	9.5	8.8	13.9	0.8	39.0
Property, plant and equipment	41.1	35.3	31.2	35.0	0.8	143.3
Inventories	18.3	16.9	19.1	27.0	(0.8)	80.5
Trade receivables	56.8	28.9	30.6	28.4	(0.0)	144.6
Segment assets	182.4	97.3	145.3	136.2	0.8	562.0
Unallocated assets	-	-	-	-	122.1	122.1
Total assets	182.4	97.3	145.3	136.2	122.9	684.1
Trade payables	31.2	24.0	19.9	25.1	0.8	101.0
Unallocated liabilities	-	-	-	-	368.9	368.9
Total liabilities	31.2	24.0	19.9	25.1	369.7	469.9
Capital expenditure	15.5	8.4	7.9	9.2	0.1	41.0

# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

## 2.2 SEGMENTS BY GEOGRAPHICAL LOCATION

### 2.2.1 Sales to customers by geographical location

MEUR	2016		2015		2015	
	Jan - March	%	Jan - March	%	Jan - Dec	%
Sw eden	23.3	9.0 %	20.1	7.5 %	83.0	8.1 %
Germany	23.0	8.9 %	27.7	10.3 %	96.6	9.5 %
France	20.5	7.9 %	21.3	7.9 %	70.5	6.9 %
Other EUR	63.0	24.3 %	65.9	24.4 %	252.1	24.7 %
<b>Total EUR</b>	<b>129.8</b>	<b>50.2 %</b>	<b>135.0</b>	<b>50.0 %</b>	<b>502.2</b>	<b>49.2 %</b>
USA	68.8	26.6 %	83.8	31.0 %	296.1	29.0 %
NA other	37.4	14.5 %	25.4	9.4 %	113.7	11.1 %
<b>Total NA</b>	<b>106.2</b>	<b>41.1 %</b>	<b>109.1</b>	<b>40.4 %</b>	<b>409.7</b>	<b>40.2 %</b>
China	14.1	5.5 %	14.9	5.5 %	65.8	6.4 %
Asia Other	4.9	1.9 %	5.7	2.1 %	21.5	2.1 %
<b>Total Asia</b>	<b>19.0</b>	<b>7.3 %</b>	<b>20.6</b>	<b>7.6 %</b>	<b>87.2</b>	<b>8.6 %</b>
Other countries	3.8	1.5 %	5.2	1.9 %	20.9	2.0 %
<b>Operating revenues</b>	<b>258.7</b>	<b>100 %</b>	<b>270.0</b>	<b>100 %</b>	<b>1,020.1</b>	<b>100.0 %</b>

### 2.2.2 Non-current assets by geographical location

MEUR	2016		2015		2015	
	Jan - March	%	Jan - March	%	Jan - Dec	%
USA	103.4	31.5 %	133.4	37.0 %	107.5	31.9 %
UK	12.5	3.8 %	12.9	3.6 %	13.8	4.1 %
Norway	25.6	7.8 %	26.5	7.3 %	25.2	7.5 %
Germany	14.5	4.4 %	15.7	4.3 %	14.8	4.4 %
Sw eden	31.2	9.5 %	30.2	8.4 %	30.8	9.1 %
Poland	44.8	13.6 %	37.3	10.3 %	43.3	12.8 %
Other	96.4	29.3 %	104.1	28.9 %	101.5	30.1 %
<b>Total Non-Current Assets*</b>	<b>328.4</b>	<b>100 %</b>	<b>359.9</b>	<b>100 %</b>	<b>336.8</b>	<b>100.0 %</b>

\* Includes intangible assets, property, plant and equipment

# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

## Note 3 – Interest-bearing loans and borrowings

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

MEUR	31.03.16	31.12.15
Non current interest-bearing loans and borrowings	234.2	254.8
Capitalized arrangement fees	(0.8)	(1.0)
<b>Total interest-bearing liabilities</b>	<b>233.3</b>	<b>253.9</b>
	31.03.16	31.12.15
EUR	112.0	123.0
USD	121.2	131.3
Other currencies	1.0	0.5
Capitalized arrangement fee	(0.8)	(1.0)
<b>Total interest-bearing liabilities</b>	<b>233.3</b>	<b>253.9</b>

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

Facilities	Currency	Total amounts	Maturity/ date	Draw n amount	Interest rate (incl margin)
Tranche EUR	EUR	162.0	02.03.19	112.0	1.50%
Tranche USD	USD	172.0	02.03.19	138.0	1.95%

The Group has a short-term bank overdraft facility of MEUR 20.0, where MEUR 6.8 was drawn at the quarter end.

# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

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

Year	EUR	USD
2016	-	-
2017	-	-
2018	-	-
2019	162.0	172.0
Total	162.0	172.0

## 3.4 Liquidity reserve

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

MEUR	31.03.16	31.12.15
Cash reserve, excl. restricted cash	20.5	39.6
Undrawn facility*	99.9	85.6
Total (before bank overdraft)	120.4	125.2
Bank overdraft	(6.8)	(0.0)
Liquidity reserve	113.6	125.2

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

## Note 4 – Net financial items

### 4.1 Net financials

MEUR	Q1 2016	Q1 2015	YTD 2016	YTD 2015	2015
Interest income	0.0	0.0	0.0	0.0	0.1
Interest expenses	(1.7)	(2.5)	(1.7)	(2.5)	(8.2)
Foreign currency gains (losses)	6.1	(3.8)	6.1	(3.8)	(22.5)
Change in valuation currency contracts	1.4	1.0	1.4	1.0	1.0
Other financial items*	(0.1)	(2.4)	(0.1)	(2.4)	(3.3)
Net financial items	5.6	(7.7)	5.6	(7.7)	(32.8)

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

## Note 5 – Subsequent events

### Sale of North American headrest business

None binding letter of intent has been signed for the sale of the headrest business in North America. The exact financial impact is yet to be established; however, the transaction could generate an accounting loss in the range of EUR 3 to 5 million related to compensation for potential future losses and restructuring activities. The transaction is following the strategic decision to exit the headrest business and is considered a favorable option to gradually winding down the business. The transaction is subject to reaching an acceptable agreement and final board approval. Assumptions regarding the transaction has not changed since year end.

# OTHER COMPANY INFORMATION

## THE BOARD OF DIRECTORS:

Henning E. Jensen	Chairman
Thomas Falck	Shareholder elected
Malin Persson	Shareholder elected
Ellen M. Hanetho	Shareholder elected
Bruce E. Taylor	Shareholder elected
Jon Ivar Jørnby	Employee elected
Kari Brænden Aaslund	Employee elected
Kjell Kristiansen	Employee elected

## EXECUTIVE COMMITTEE:

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

## INVESTOR RELATIONS:

Hans Peter Havdal	+47 920 65 690
Trond Stabekk	+47 982 14 054
Philippe Toth	+47 982 14 021

## FINANCIAL CALENDAR:

Publication of the quarterly financial statements:

	Interim reports	Presentation
2nd Quarter 2016	13 July 2016	14 July 2016
3rd Quarter 2016	20 October 2016	21 October 2016
4th Quarter 2016	TBD	TBD
1st Quarter 2017	TBD	TBD

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