

**KONGSBERG**  
A U T O M O T I V E

Proposed Private Placement of MEUR 120 to MEUR 170

1 September 2009



Global Co-ordinator, Joint Lead Manager and Bookrunner

 **Pareto** Securities AS

Joint Lead Manager and Joint Bookrunner

**SEB** ENSKILDA

Co-Managers

**DnB NOR**  
Markets

**Nordea**  
Markets

Solely for review in connection with the Private Placement – not for reproduction or distribution. The information contained herein may be subject to change without prior notice.

THIS DOCUMENT MAY NOT BE DISTRIBUTED IN, OR TO ANY PERSON RESIDENT IN THE U.S., CANADA, AUSTRALIA OR JAPAN OR TO ANY AMERICAN CITIZEN EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. ANY FAILURE TO COMPLY WITH THESE RESTRICTIONS MAY CONSTITUTE A VIOLATION OF APPLICABLE SECURITIES LEGISLATION.

# Important information/Disclaimer

This presentation and its appendixes (the "Presentation") has been issued by Kongsberg Automotive Holding ASA (the "Company" or "KOA") for the sole purpose of assisting potential investors in deciding whether they wish to further pursue their interest in a transaction involving KOA shares (the "Transaction"). This Presentation has been prepared for information purposes relating to the Transaction only, and recipients of this Presentation may not reproduce, redistribute or pass on, in whole or in part, in writing or orally or in any other way or form, this Presentation or any of the information set out herein. This Presentation has not been reviewed or registered with any public authority or stock exchange.

This Presentation has been produced by the Company with assistance from Pareto Securities AS, SEB Enskilda AS, DnB NOR Markets and Nordea Markets (the "Managers"). Unless otherwise explicitly indicated, the Company has furnished the information in this Presentation and the Company confirms, to the best of its knowledge and belief, that the information contained in this Presentation is in accordance with the facts. However, no representation or warranty (express or implied) is made as to, and no reliance should be placed on, any projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any omissions contained herein. This Presentation contains information obtained from third parties. Such information has as far as the Company is aware and able to ascertain been accurately reproduced.

This Presentation does not purport to be all-inclusive or to contain all the information that a prospective investor may desire in deciding whether or not to pursue the Transaction. In furnishing this Presentation, neither the Company nor the Managers assume any obligation to provide the recipient with access to any additional information. Neither the Company nor any of its subsidiaries or associated companies shall have any obligation to consider or to accept any offer or Transaction.

The Managers have not independently verified any of the information contained in this Presentation. Neither the Managers nor their advisors or the advisors of the Company, nor their respective affiliates make any representation or warranty (expressed or implied) as to the accuracy or completeness of this Presentation or any statements, estimates or projections contained herein, and none of them will have any liability for the recipient's use of this Presentation or any other oral, written or other communications transmitted to the recipient in the course of its evaluation of the Company.

By attending or receiving this Presentation recipients acknowledge that they will be solely responsible for their own assessment of the market and the market position of the Company and that they will conduct their own analysis and be solely responsible for forming their own view of the potential future performance of the Company's business.

The information contained herein is as of 01/09/2009 and subject to change, completion or amendment without notice. There may have been changes affecting the Company or its subsidiaries subsequent to the date of this Presentation. The delivery of this Presentation at any time after the date hereof will not, under any circumstances, create any implication that there has been no change in the Company's affairs since the date hereof or that the information set forth in this Presentation is correct as of any time since its date. The Company does not intend, and does not assume any obligation, to update or correct the information included in this Presentation.

**AN INVESTMENT IN THE COMPANY INVOLVES RISK, AND SEVERAL FACTORS COULD CAUSE THE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS OF THE COMPANY TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS THAT MAY BE EXPRESSED OR IMPLIED BY STATEMENTS AND INFORMATION IN THIS PRESENTATION. SHOULD ONE OR MORE OF THESE RISKS OR UNCERTAINTIES MATERIALISE, OR SHOULD UNDERLYING ASSUMPTIONS PROVE INCORRECT, ACTUAL RESULTS MAY VARY MATERIALLY FROM THOSE DESCRIBED IN THIS PRESENTATION. PLEASE READ IN THE FOLLOWING SECTION FOR SOME OF THE FACTORS INVESTORS SHOULD CAREFULLY CONSIDER BEFORE INVESTING IN THE COMPANY.**

This Presentation contains certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. The forward-looking statements contained in this Presentation, including assumptions, opinions and views of the Company or cited from third party sources are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. None of the Company, the Managers or any of their parent or subsidiary undertakings or any such entity's officers or employees provides any assurance that the assumptions underlying such forward-looking statements are free from errors nor does any of them accept any responsibility for the future accuracy of the opinions expressed in this Presentation or the actual occurrence of the forecasted developments. The Company assumes no obligation, except as required by law, to update any forward-looking statements or to conform these forward-looking statements to our actual results.

**The distribution of this Presentation may in certain jurisdictions be restricted by law. Persons in possession of this Presentation are required to inform themselves about and to observe any such restrictions. No action has been taken or will be taken in any jurisdiction by the Company or the Managers that would permit the possession or distribution of any documents relating to a possible Transaction or any amendment or supplement thereto, including but not limited to this Presentation, in any country or jurisdiction where specific action for that purpose is required.**



# Important information/Disclaimer (cont'd)

In relation to the United States and U.S. Persons, this Presentation is strictly confidential and is being furnished solely in reliance on applicable exemptions from the registration requirements under the U.S. Securities Act of 1933, as amended. The shares of the Company have not and will not be registered under the U.S. Securities Act or any state securities laws, and may not be offered or sold within the United States unless an exemption from the registration requirements of the U.S. Securities Act is available. Accordingly, any offer or sale of shares in the Company will only be offered or sold (i) within the United States, or to or for the account or benefit of U.S. Persons, only to Qualified Institutional Buyers ("QIBs") in private placement transactions not involving a public offering and (ii) outside the United States in offshore transactions in accordance with Regulation S. Neither the U.S. Securities and Exchange Commission nor any other U.S. authority have approved the Company's shares or this Presentation, including determined whether this Presentation is accurate or complete.

This Presentation has been prepared on the basis that any offer of shares in the Company will be made pursuant to an exemption under the Prospectus Directive, as implemented in member states of the European Economic Area ("EEA"), from the requirement to produce a prospectus for offers of shares. Accordingly, any person making or intending to make any offer within the EEA of shares in the Company which are the subject of the placement contemplated in this Presentation should only do so in circumstances in which no obligation arises for the Company or any of the Managers to produce a prospectus for such offer. Neither the Company nor the Managers have authorized, nor do they authorize, the making of any offer of shares in the Company through any financial intermediary, other than any offers made by the Managers which constitute the final placement of shares contemplated in a possible Transaction.

In relation to the United Kingdom, this Presentation and its contents are confidential and its distribution (which term shall include any form of communication) is restricted pursuant to Section 21 (Restrictions on Financial Promotion) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005. In relation to the United Kingdom, this Presentation is only directed at, and may only be distributed to, persons who fall within the meaning of article 19 (Investment Professionals) or 49 (High Net Worth Companies, Unincorporated Associations, etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or who are persons to whom the document may otherwise lawfully be distributed.

The contents of this Presentation shall not to be construed as legal, business or tax advice. Each reader of this Presentation should consult its own legal, business or tax advisor as to legal, business or tax advice. If you are in any doubt about the contents of this Presentation, you should consult your stockbroker, bank manager, lawyer, accountant or other professional adviser.

In the ordinary course of their respective businesses, the Managers and certain of their respective affiliates have engaged, and may continue to engage, in investment and commercial banking transactions with the Company and its subsidiaries.

This Presentation shall be governed by Norwegian law. Any dispute arising in respect of this Presentation is subject to the exclusive jurisdiction of the Norwegian courts with Oslo City Court as legal venue.



# Risk Factors

## GENERAL

Below the term the "Company" is used in the meaning of Kongsberg Automotive Holding ASA and its subsidiaries (as the context requires). Investing in the shares in the Company involves inherent risks. Prospective investors should consider, among other things, the risk factors set out herein before making an investment decision. The risks described below are not the only ones facing the Company. Additional risks not presently known to the Company or that the Company currently deems immaterial may also impair the Company's business operations and adversely affect the price of the Shares. If any of the following risks actually occur, the Company's business, financial position and operating results could be materially and adversely affected. A prospective investor should carefully consider the factors set forth below, and should consult his or her own expert advisors as to the suitability of an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment. The information in this presentation is presented as of the date hereof and is subject to change, completion or amendment without notice. All forward-looking statements included in this document are based on information available to the Company on the date hereof, and the Company assumes no obligation to update any such forward-looking statements. Forward-looking statements will, however, be updated if required by applicable law or regulation. Investors are cautioned that any forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties, and the actual results may differ materially from those included within the forward-looking statements as a result of various factors. Factors that could cause or contribute to such differences include, but are not limited to, those described below and elsewhere in this Presentation.

## RISK FACTORS RELATING TO THE COMPANY AND THE INDUSTRY IN WHICH IT OPERATES

### Volatility in Prices of Input Factors

The Company's financial condition is dependent on prices of input factors, i.e. raw materials and different semi finished components with a varying degree of processing, used in the production of the various automotive parts. Some of the major raw materials are:

- Steel including rod and sheet metal, cast iron and machined steel components
- Polymer components of rubber, foam, plastic components and plastic raw materials
- Copper
- Zinc
- Aluminum

As a result of the raw material exposure, a change in the prices of these raw materials will have an effect on the Company. The steel, copper, aluminum and polymer prices have reached historically high levels over the last years, being subject to large fluctuations in response to relatively minor changes in supply and demand and a variety of additional factors beyond the control of the Company, including government regulation, capacity, and general economic conditions. A substantial part of the Company's steel and brass (copper and zinc) based products is sold to truck manufacturers. Business practice in the truck industry allows the Company to some extent to pass increases in steel and brass prices over to its customers. However, there is a time lag of three to six months before the Company can adjust the price of its products to reflect fluctuations in steel and brass prices, and a sudden change in market conditions could therefore impact the Company's financial position, revenues, profits and cash flow. When the market prices go down the adverse affect will occur. Nevertheless, the Company also endeavors to use other hedging measures to secure the price paid for raw materials. For products with high polymer content, which are mainly sold to passenger car manufacturers, the Company does not have the same opportunity to pass increases in polymer prices over to its customers. Thus, a sudden change in polymer prices or special polymer market conditions could impact the Company's financial position, revenues, profits and cash flow.

### Cost of Energy

Energy consumption at the Kongsberg Automotive facilities is mainly based on electric power. In addition, there is consumption of oil and gas. The cost of energy will fluctuate in line with the market prices for the different energy sources.



# Risk Factors (cont'd)

## **RISK FACTORS SPECIFIC TO THE COMPANY**

### **Operation and Investment Risks and Uncertainties**

The Company is usually contracted as a supplier with a long-term commitment. Purchase orders are achieved on a competitive bidding basis for either a specific time-period or indefinite time. Even if present commitments are cost reimbursable they can be adversely affected by many factors and short term variances including shortages of materials, equipment and work force, political risk, customer default, labour conflicts, accidents, environmental pollution, the prices of raw materials, unforeseen problems, changes in circumstances that may lead to cancellations and other factors beyond the control of the Company. The failure to complete a project on schedule or to its planned specifications may result in, among other things, reduced project efficiency, increased project costs, liabilities and/or lower returns. In addition, some of the Company's customer contracts may be reduced, suspended or terminated by the customer at any time upon the giving of notice. Customer contracts also permit the customer to vary the scope of work under the contract. As a result, the Company may be required to renegotiate the terms or scope of such contracts at any time, which may result in the imposition of terms less favourable than the previous terms.

### **Competition**

The Company has significant competitors in each of its business areas and across the geographical markets in which the Company operates. The Company believes that competition in the business areas in which Kongsberg Automotive operates is most likely to continue in the future. The Company's future business prospects are to a large degree dependent on its ability to meet changing customer preferences, to anticipate and respond to technological changes and to develop effective and competitive relationships with its customers.

### **Uncertainty of Future Contract Awards**

The Company's future performance depends, among other matters, on whether and when it will receive new contract awards. Contract awards can be affected by events outside the control of the Company, such as fluctuations in commodity prices and general economic conditions affecting the Company's customers. Because the timing of project awards, as well as the timing of project execution, is often uncertain, effective utilisation of the work force, such as the ability to re-deploy employees, is a critical factor in achieving satisfactory profit margins. The Company expects that workforce management challenges will continue to be an important factor in achieving satisfactory profitability within its business areas. Difficulties in workforce management and loss of expected contract awards may adversely affect the Company's operations and financial condition.

### **Uninsured Losses**

The Company maintains a number of separate insurance policies to protect its core businesses against loss and/or liability to third parties. Risks insured include general liability, business interruption, workers' compensation and employee liability, professional indemnity and material damage. There are, however, certain types of losses that generally are not insured because they are either uninsurable or not economically insurable, such as losses occasioned by war, terrorism, dishonesty, gross negligence, criminal acts and possibly consequential damages. The results of operations, business and the financial condition of the Company could be materially adversely affected in the event of an uninsured loss, a loss that exceeds insured limits, or a succession of such losses.

### **Operational Accidents and Hazards**

The Company's operations are subject to the usual hazards inherent in industrial production, such as the risk of equipment failure, work accidents, fire or explosion. These hazards can cause personal injury and loss of life, business interruptions, property and equipment damage, pollution and environmental damage. The Company may be subject to claims as a result of these hazards, and may also be subject to claims resulting from the subsequent products it has delivered. The Company's policy of covering these risks through contractual limitations of liability and indemnities and through insurance may not always be effective. Failure to effectively cover the Company against industry risks for any of these reasons could expose the Company to substantial costs and potentially lead to material losses. Additionally, the occurrence of any of these risks could hurt the Company's reputation.

### **Labour Risks**

#### **Reductions in workforce may be difficult or costly**

The Company may need to make employee reductions within its existing businesses in response to business downturns or other factors. The ability of the Company to reduce its workforce can be affected by applicable laws affecting employee terminations and agreements of companies in the Company with labour unions and governmental authorities. These legal and contractual requirements may make employee reductions difficult and/or costly to implement.

#### **Group executives and key personnel**

The Company depends, and will continue to depend in the foreseeable future, on the services of its executives and key employees who have extensive experience within the different business areas. The ability for the Company to retain its executives and key employees is important to its continued success and growth. The loss of key personnel could have a material adverse effect on the Company.

#### **Labour disputes and adverse employee relations**

The Company is subject to the risk of labour disputes and adverse employee relations, and such disputes and adverse relations may disrupt business operations and adversely affect the results of operations and financial condition.



# Risk Factors (cont'd)

## Legal Risks

### Contractual relationships

As a player in an international market with large multinational corporations, the Company will often have to accept standard terms and conditions used by their customers, raw material suppliers or influential suppliers of components. To some extent such standard terms and conditions will appear to be to the disadvantage of the Company. The strict terms and conditions in the customer contracts could potentially expose the Company to costs and lead to losses. The Company may further experience that there is a substantial discrepancy between the warranties made by the Company to their customers, and the warranties made by component or raw material suppliers in favour of the Company. Inability to effectively being able to place liability with the supplier could potentially expose the Company to costs and lead to losses.

### Regulatory and environmental matters

The Company's operations are subject to numerous national and supra-national, environmental, health and safety laws, regulations, treaties and conventions (together "Regulations"), including, among other things, those controlling the discharge of materials into the environment, requiring removal and cleanup of environmental contamination, establishing certification, licensing, health and safety, taxes, labour and training standards, or otherwise relating to the protection of human health and the environment. The amendment or modification of existing Regulations or the adoption of new Regulations curtailing or further regulating the Company's business could have a material adverse effect on the Company's operating results or financial condition. The Company cannot predict the extent to which future earnings may be affected by compliance with such new Regulations. In addition, the Company may be subject to fines and penalties if it does not comply with such Regulations, many of them relating to the discharge of chemicals or hazardous substances and the protection of the environment. Pursuant to these Regulations, the Company could be held liable for remediation of some types of pollution, including the release of chemicals, hazardous substances and debris from production and industrial facilities. Environmental remediation costs could be significant and cause the Company to incur substantial losses. Furthermore, some environmental laws provide for joint and several strict liabilities for remediation of releases of hazardous substances, which could result in liability for environmental damage without regard to the Company's negligence or fault. Such laws and regulations could expose the Company to liability arising out of the conduct of operations or conditions caused by others, or for the Company's acts which were in compliance with all applicable laws at the time the acts were performed. Additionally, the Company may be subject to claims alleging personal injury or property damage as a result of alleged exposure to hazardous substances. Changes in environmental laws and regulations, or claims for damages to persons, property, natural resources or the environment, could result in substantial costs and liabilities to the Company.

### Disputes

The Company will from time to time be involved in disputes in the ordinary course of its business activities. Such disputes may disrupt business operations and adversely affect the results of operations and financial condition.

## FINANCIAL RISK

### Financial leverage and bank debt – Negotiated bank-package

The Company remains highly leveraged. As of 30 June 2009, the Company had approximately EUR 482.4 million of gross borrowings, including EUR 55.4 million of short-term borrowings (including current portion of long-term debt), and as at 30 June 2009, the Company had total shareholders' equity (including minority interests) of EUR 49.7 million.

The Company's ability to make scheduled payments or to refinance the Company's obligations with respect to its indebtedness depends on the Company's financial operating performance, which, in turn, is subject to prevailing economic and competitive conditions and to financial, business and other factors beyond its control. There can be no assurance that the Company will have a level of cash flow from operations sufficient to permit the relevant company to pay the principal, premium, if any, and interest on its indebtedness.

If the Company's cash flow and capital resources are insufficient to fund its debt service obligations, the Company may be forced to reduce or delay capital expenditures, sell assets or seek to obtain additional equity capital or restructure or refinance the Company's debt. There can be no assurance that such alternative measures would be successful or would permit the Company to meet its debt service obligations. In the absence of such operating results and resources, the Company could face substantial liquidity problems and might be required to dispose of material assets or operations, to meet its debt service and other obligations. There can be no assurance as to the ability of the Company to consummate such sales or that such proceeds would be adequate to meet the obligations then due.

In the event that the Company is unable to generate sufficient cash flow and the Company is otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on its indebtedness, or if the Company otherwise fails to comply with the various covenants in the instruments governing such indebtedness the Company could be in default under the terms of the agreements governing such indebtedness.



# Risk Factors (cont'd)

## **Fulfilment of loan obligations**

The loan facilities of the Company contain certain requirements as regards the financial condition of the Company (financial covenants) relating to i.a. Nominal Equity, Minimum Liquidity, Capital Expenditure and Gearing Ratio, change of control etc. and other obligations of financial nature, in addition to repayment obligations at the respective maturity dates. No assurance can be given that the Company will be able to satisfy all these terms and conditions at all times, or that its lenders will waive or change the terms to avoid an actual or expected default of the above mentioned conditions. This could mean that repayment of the loans is accelerated by the lenders, including acceleration based on the provisions regarding cross-default, which could itself oblige the Company to seek to refinance its loans. There can be no assurance that the Company will, if required, be able to enter into new loan facilities on satisfactory terms, and to the extent necessary to maintain its existing and future business.

## **Foreign Exchange Rate Exposure**

Given that Kongsberg Automotive operates in a number of countries, the Company is exposed and susceptible to exchange rate fluctuations in different currencies, principally EUR, USD, SEK, NOK and GBP among others. As the Company reports its financial results in EUR, changes in the relative strength of EUR to the currencies in which the Company conduct business can adversely affect the Company's financial results.

## **RISK FACTORS RELATING TO THE COMPANY'S SHARES**

### **General**

All share investments are connected with risks. The Company is exposed to fluctuations in the general economy, changes in e.g. interest rates and foreign exchange ratios will influence the financial situation of the Company.

### **Price volatility of publicly traded securities**

The trading price of the shares could fluctuate significantly in response to, amongst other factors, quarterly variations in operating results, adverse business developments, interest rate, changes in financial estimates by securities analysts, matters announced in respect of major customers or competitors, or changes to the regulatory environment in which the Company operates.

The market price of the shares could decline due to sales of a large number of the shares in the market or the perception that such sales could occur. Such sales could also make it more difficult for the Company to offer equity securities in the future at a time and at a price that is deemed appropriate.

## **OTHER RISKS**

### **Enforceability of civil liabilities**

The Company is a public limited liability company organised under the laws of Norway. The directors of the Company and executives and certain of the experts named herein, reside in Norway. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company, to enforce against such persons or the Company judgments obtained in non-Norwegian courts, or to enforce judgments on such persons or the Company in other jurisdictions.

### **Foreign shareholders may be diluted if they are unable to participate in future offerings**

Because non-Norwegian investors may be unable to participate in future offerings, their percentage shareholding, may be diluted. Unless otherwise resolved by the general meeting, shareholders in Norwegian limited liability companies such as the Company have preferential rights proportionate to the aggregate amount of the shares they hold with respect to new shares issued by the Company. For reasons relating to foreign securities laws or other factors, foreign investors may not be able to participate in a new issuance of shares or other securities and may face dilution as a result.

### **Norwegian law may limit the shareholders' ability to bring an action against the Company**

The Company is a public limited company incorporated under the laws of Norway. The rights of holders of shares are governed by Norwegian law and by the Articles of Association. These rights differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. Under Norwegian law, any action brought by a company in respect of wrongful acts committed against the company takes priority over actions brought by shareholders in respect of such acts. In addition, it may be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.





# Agenda

- ▶ Transaction overview and Executive summary
- ▶ Financial restructuring
- ▶ Company overview
- ▶ Key figures and improvement measures
- ▶ Outlook and key market drivers
- ▶ Appendix: Financial figures





# Transaction summary (1/2)

## Transaction and key conditions

- ▶ Private Placement of MEUR 120 to MEUR 170
  - Minimum application of EUR 50,000
  - The number of new ordinary shares to be decided by the Board depending on the price set in the book-building
  - 65,164,304 shares outstanding pre-offering
- ▶ Book-building:
  - Book building process with indicative price range from NOK 4.0 to closing price September 1, 2009
  - Final price will be determined by the Board in its absolute discretion, following the close of the book-building period and may be set above or below the indicative price range.
- ▶ Subscription guarantee from Lenders:
  - The Lenders have further agreed to guarantee subscription of shares in the Private Placement amounting to MEUR 60 to be settled by conversion of debt under the current credit facility (“Guarantee Amount”). The guarantee presupposes a minimum gross proceed of MEUR 120 in the Private Placement including the Guaranteed Amount. Allocation of shares to the Lenders will be reduced accordingly upon the Company receiving subscriptions in the Private Placement of gross proceeds in excess of MEUR 60.
- ▶ Use of proceeds:
  - Increase of liquidity buffer by MEUR 50
  - Repayment of debt in order to strengthen the balance sheet and improve covenant ratios
- ▶ Allocation criteria: The allotment will be made at the sole discretion of the Board
- ▶ Investor requirement:
  - (i) Norwegian professional investors, (ii) international institutional investors, and (iii) US 144A (QIBs as defined by Rule 144A)
- ▶ Private Placement is conditional upon inter alia,
  - the extraordinary general meeting in the Company scheduled for on or about 25 September 2009 (the “EGM”) approving the share capital increase and the issue of warrants under the New Credit Facility.
  - final loan documentation being completed for the New Credit Facility in accordance with the New Credit Facility Term Sheet (however so that non-material adjustments may occur) within 25 September 2009
  - The Board further reserves the right, in its absolute discretion, to cancel the Private Placement at any time.



# Transaction summary (2/2)

## Timetable

- ▶ A limited financial Due Diligence has been conducted by Ernst & Young
- ▶ A limited legal Due Diligence has been conducted by Wiersholm, Mellbye & Bech, advokatfirma AS
- ▶ Application/ Book-building period:
  - Book open 1 September 2009, at 17.30 hours CET
  - Book close 2 September 2009, at 08.30 hours CET
  - Note! Book may be closed or extended at the Manager's and Company's sole discretion dependent on applications received and level of interest but no earlier than 1 September 2009, at 20:00 (Oslo-time)
- ▶ Notification of conditional allocation: on or about 2 September 2009
- ▶ Confirmation of allocation:
  - Confirmation of allocation with detailed payment instructions after all conditions are met
- ▶ Payment of allocated shares: Two days subsequent to all conditions being met and upon filing of Prospectus, on or about 29 September 2009
- ▶ Delivery of allocated shares after registration of share capital increase, expected on or about 6 October 2009, subject to a Listing Prospectus having been approved by Oslo Børs ASA.
- ▶ Listing of the offer shares:
  - The shares are listed under OSE ticker "KOA" and ISIN NO 0003033102 (VPS). The offer shares are to be listed at OSE subject to issue in the VPS and filing and approval of a listing prospectus.
- ▶ Subsequent Repair Offering:
  - The Board will propose to conduct a subsequent repair offering directed to the shareholders of the Company that were not offered or invited to participate in the Private Placement and that are not restricted from participating due to laws and regulations in their applicable jurisdiction at same price as the Private Placement
- ▶ Global Co-ordinator, Joint Lead Manager and Bookrunner: Pareto Securities AS; Joint Lead Manager and Bookrunner: SEB Enskilda AS; Co-Managers: DnB NOR Markets and Nordea Markets



# Kongsberg Automotive

- ▶ Kongsberg Automotive is a world leading supplier of components and systems for cars, trucks, buses and off-highway vehicles
- ▶ No 1 or 2 player in all key product segments
- ▶ Supplies almost every major vehicle manufacturer in the world
- ▶ Unique products and patented solutions
- ▶ Strong global footprint and diversified portfolio





## An attractive entry point for investors

- ▶ Well positioned to take part in expected recovery in the auto industry and the overall economy
- ▶ High operational gearing, leading to significant margin improvements when volumes are increasing
- ▶ Attractive combination of high financial leverage and comfortable financial headroom in new bank agreement
- ▶ Leading market positions and growing order intake
- ▶ To emerge from “financial crisis” with strengthened market position and significantly reduced cost level





## Rationale for Private Placement

- ▶ The placement will bring the company back into normal business mode and significantly improve its ability to take advantage of business opportunities that may arise in the wake of the financial crisis
- ▶ Secure reasonable financial headroom going forward
- ▶ Provide financial and operational flexibility
- ▶ Improve comfort for all stakeholders; customers, suppliers, employees, owners and banks





# Agenda

- ▶ Transaction overview and Executive summary
- ▶ Financial restructuring
- ▶ Company overview
- ▶ Key figures and improvement measures
- ▶ Outlook and key market drivers
- ▶ Appendix: Financial figures



## New attractive terms agreed with lending banks

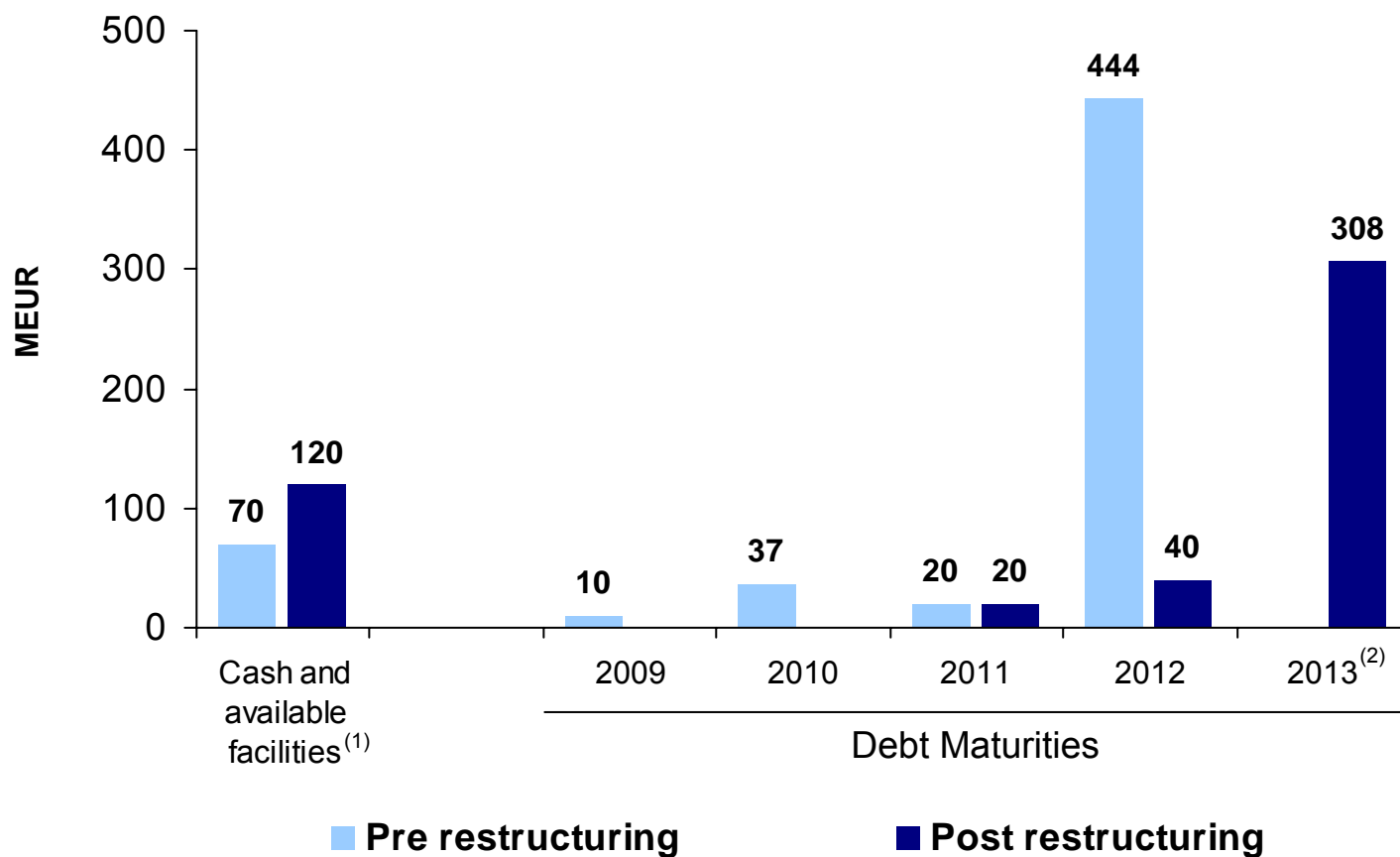
- ▶ Renegotiated loan agreement – subject to successful Private Placement
  - Extended maturity to December 2013 (from 2012)
  - No amortization before June 2011 (vs. currently MEUR 57 for the same period)
  - Reduced interest costs to IBOR +3% (from 6.25%), nominal value of >MEUR 50
  - Accumulated not paid fees of MEUR 5 converted to warrants\* (currently a liability)
  - Covenant holiday up to 2Q 2011 for key financial covenants (vs. quarterly measurements)
  - Simplified and more comfortable covenant structure
  - Less stringent reporting requirements

\*) The number of warrants issued will after conversion equal 10% of the shares outstanding after the Private Placement; 50% of warrants will have strike 50% above issue price in private placement and 50% of warrants will have strike 100% above issue price in Private Placement; the warrants have maturity date 31 December 2013; each warrant gives the right to subscribe for one share





## New maturity profile secures financial headroom



# Renegotiated debt structure old vs. new structure

	Old structure	New structure
<b>Termination Date:</b>	19.12.2012	29.12.2013
<b>Repayment:</b>	<ul style="list-style-type: none"> <li>▶ MEUR 10 semi-annually from 2Q 2009</li> <li>▶ MNOK 240 maturing 19.12.2010</li> <li>▶ Reduction of Revolving Credit by MNOK 200 on 15.01.2011</li> </ul>	<ul style="list-style-type: none"> <li>▶ MEUR 10 semiannually in 2011;</li> <li>▶ MEUR 20 semi-annually in 2012</li> <li>▶ MEUR 20 June 2013 and residual amount on Termination date</li> </ul>
<b>Mandatory Prepayment:</b>	Illegality, Change of Control, Insurance, Excess Cash Flow, Net Sales Proceeds	Illegality, Change of Control, Insurance
<b>Margin:</b>	<ul style="list-style-type: none"> <li>▶ Cash margin of 3% p.a.</li> <li>▶ PIK margin of 3.25%</li> </ul>	<ul style="list-style-type: none"> <li>▶ Cash margin of 3% p.a</li> <li>▶ Banks to receive warrants* equaling present value of 0.25% cash margin</li> </ul>
<b>Fees:</b>	Back-End Fee of MEUR 5	▶ Back-end Fee swapped with a warrant* structure
<b>Financial Covenants</b>	<ul style="list-style-type: none"> <li>▶ Nominal Equity</li> <li>▶ Nominal EBITDA</li> <li>▶ Interest Cover Ratio</li> <li>▶ Gearing Ratio</li> <li>▶ Cash Flow Cover Ratio</li> <li>▶ Capital Expenditure</li> </ul>	<ul style="list-style-type: none"> <li>▶ Nominal Equity (MEUR 50 plus 50% of gross proceeds in equity issue above MEUR 120)</li> <li>▶ Minimum Liquidity (MEUR 50)</li> <li>▶ Capital Expenditure restrictions (2009: 3%; thereafter 4% of revenue)</li> <li>▶ Gearing ratio measured first time 2Q 2011 (20% headroom to company budgets)</li> </ul>
<b>Disposal restrictions:</b>	Proceeds from asset sales to prepay debt	No proceeds from asset sales to be distributed to banks
<b>Dividend restrictions:</b>	No dividend if Gearing Ratio is above 2.50:1	No dividend if Gearing Ratio is above 3.00:1
<b>Security:</b>	Pledge in shares in material subsidiaries, intra-company loans, fixed assets, inventory and account receivables, guarantees from material subsidiaries	Existing security structure frozen at current level



# Improving balance sheet

Balance Sheet (MEUR)			
	Q2 '09	Q2 '09 adj <sup>1</sup>	Delta
Deferred tax asset	50.7	50.7	0.0
Intangible assets	267.1	267.1	0.0
Plant, building, and property	150.3	150.3	0.0
Other Non-current Assets	6.2	6.2	0.0
<b>Total Non-Current Assets</b>	<b>474.3</b>	<b>474.3</b>	<b>0.0</b>
Inventories	69.9	69.9	0.0
Account receivables	99.1	99.1	0.0
Other current assets	18.3	18.3	0.0
Cash and cash equivalents	44.3	76.0	31.7
<b>Current assets</b>	<b>231.6</b>	<b>263.3</b>	<b>31.7</b>
<b>Assets</b>	<b>705.9</b>	<b>737.6</b>	<b>31.7</b>
<b>Total Equity</b>	<b>49.7</b>	<b>189.7</b>	<b>140.0</b>
Interest bearing loans and borrowings	427.0	374.1	-52.9
Other long term liabilities	57.4	57.4	0.0
<b>Total Long term liability</b>	<b>484.4</b>	<b>431.5</b>	<b>-52.9</b>
Bank overdraft	18.3	0.0	-18.3
Other short term liabilities, interest bearing	37.1	0.0	-37.1
Accounts payable	65.8	65.8	0.0
Other short term liabilities	50.6	50.6	0.0
<b>Short Term Liability</b>	<b>171.8</b>	<b>116.4</b>	<b>-55.4</b>
<b>Total liability</b>	<b>656.2</b>	<b>547.9</b>	<b>-108.3</b>
<b>Total Equity and Liabilities</b>	<b>705.9</b>	<b>737.6</b>	<b>31.7</b>

Equity Ratio	7.0%	25.7%	18.7%
NIBD	438.1	298.1	-140.0

1) Assuming MEUR 145 raised

Source: Management estimates

- ▶ Based on how management currently regards the market going forward, there is no need for a write down of intangible assets
- ▶ Nominal equity covenant: MEUR 50 plus 50% of equity raised above MEUR 120





# Agenda

- ▶ Transaction overview and Executive summary
- ▶ Financial restructuring
- ▶ **Company overview**
- ▶ Key figures and improvement measures
- ▶ Outlook and key market drivers
- ▶ Financials



# Kongsberg Automotive (KA) in brief

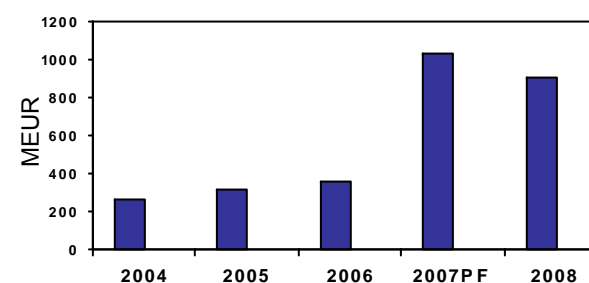
## Global footprint, portfolio and capabilities

- ▶ Kongsberg Automotive (KA) is a world leading supplier of components and systems for cars, trucks, buses and off-highway vehicles
- ▶ The product portfolio includes gearshift systems, seating systems, cables, clutch actuation, rods and pedals
- ▶ Close to 8.000 employees
- ▶ About 50 locations in 20 countries (Europe, Americas and Asia)
- ▶ Cost competitive production
- ▶ R&D team of about 350 people

## Some of our customers



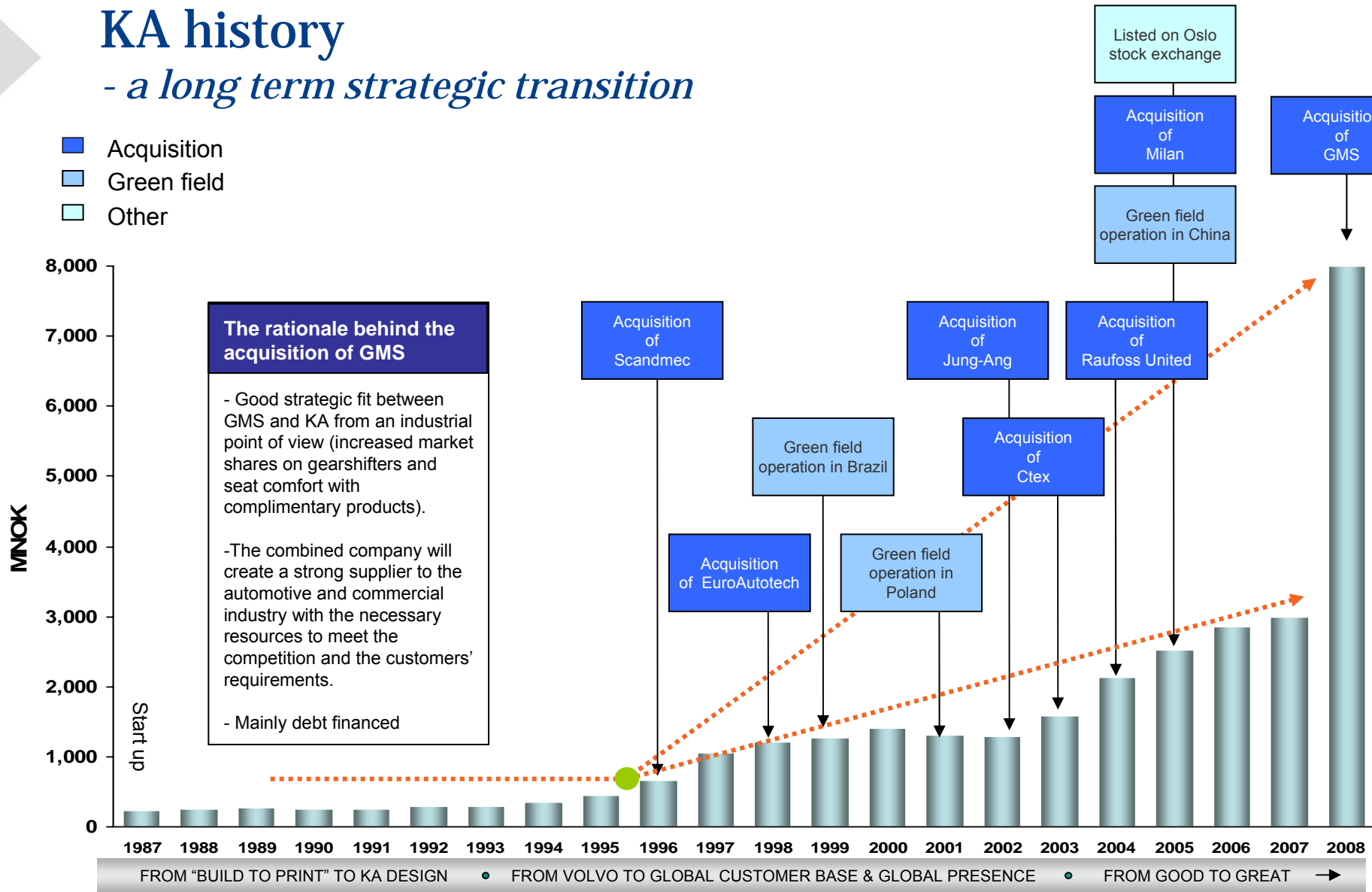
## Revenues of MEUR 900 in 2008



# KA history

## - a long term strategic transition

- Acquisition
- Green field
- Other

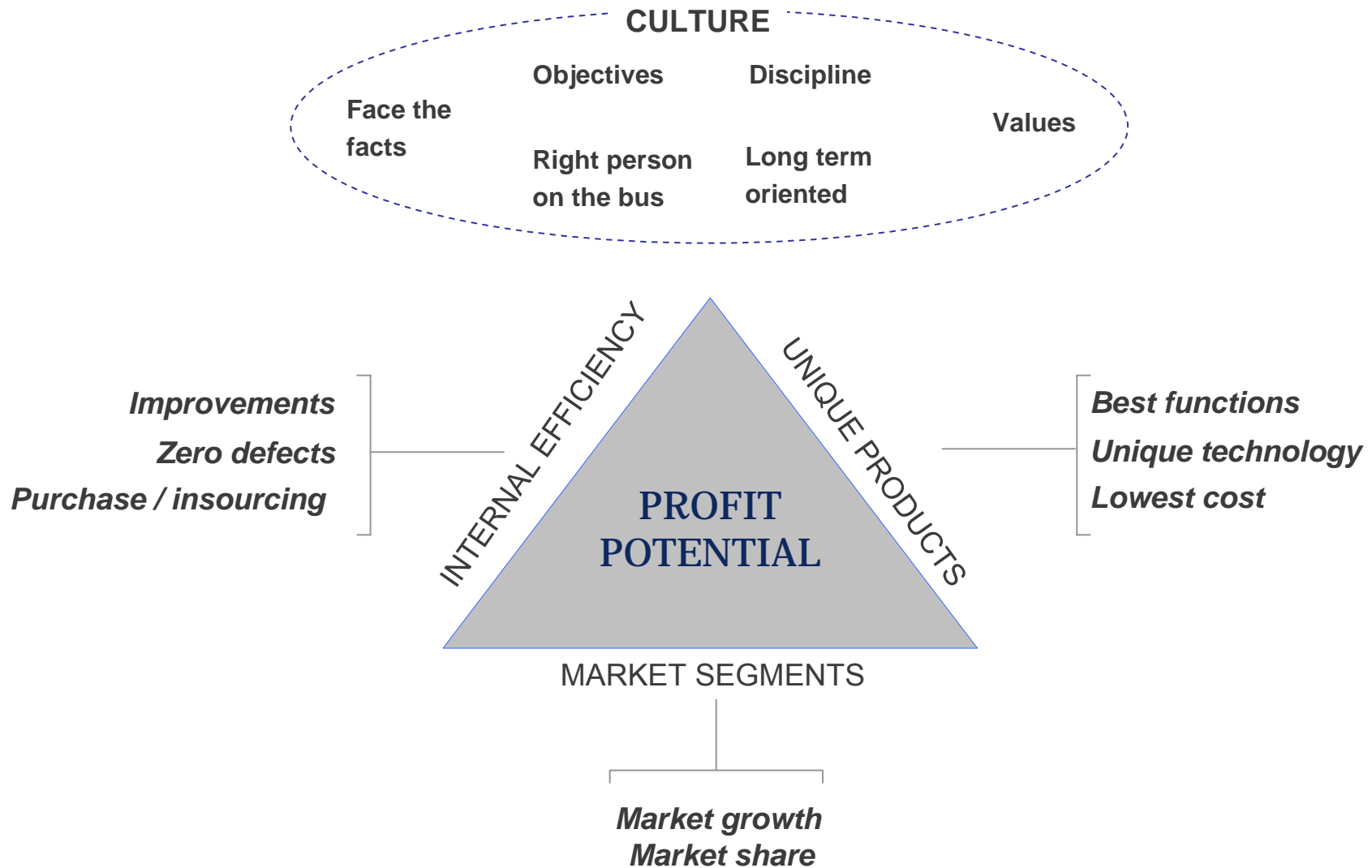


# Our global footprint



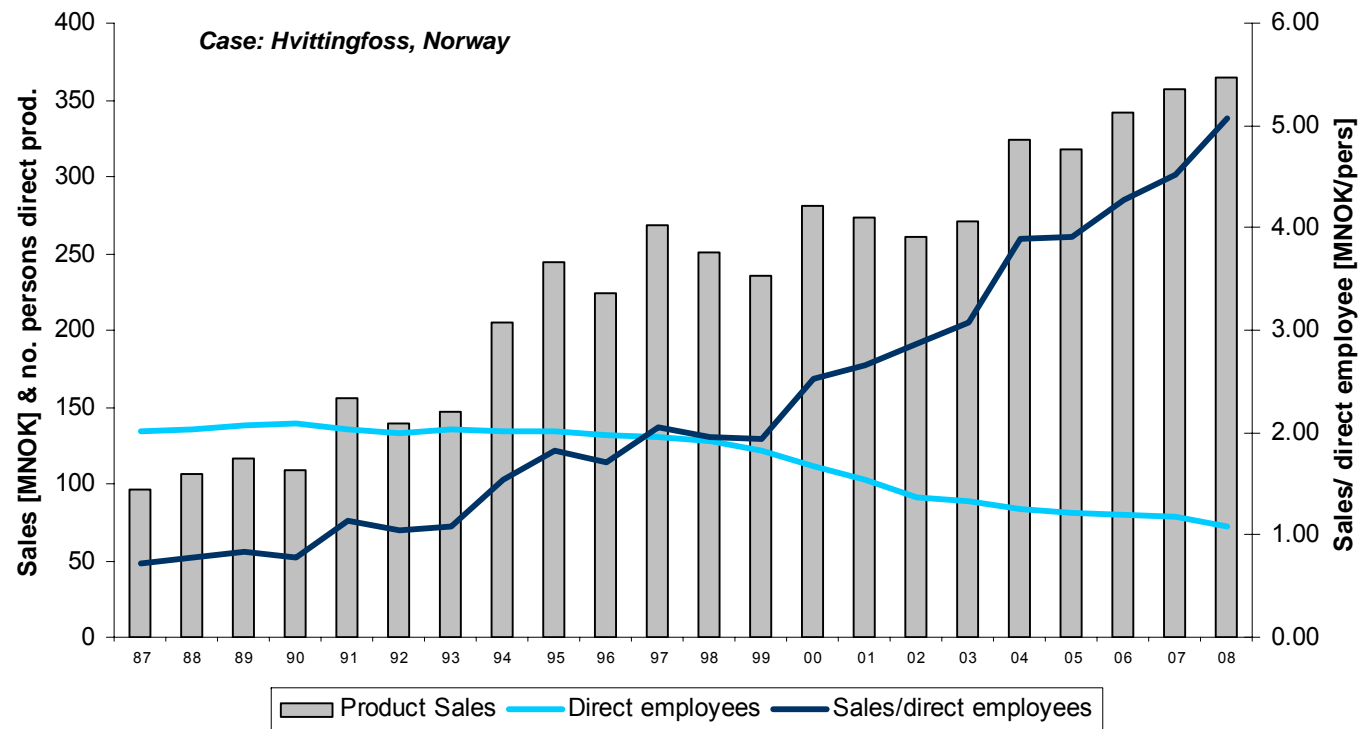


# Our business concept



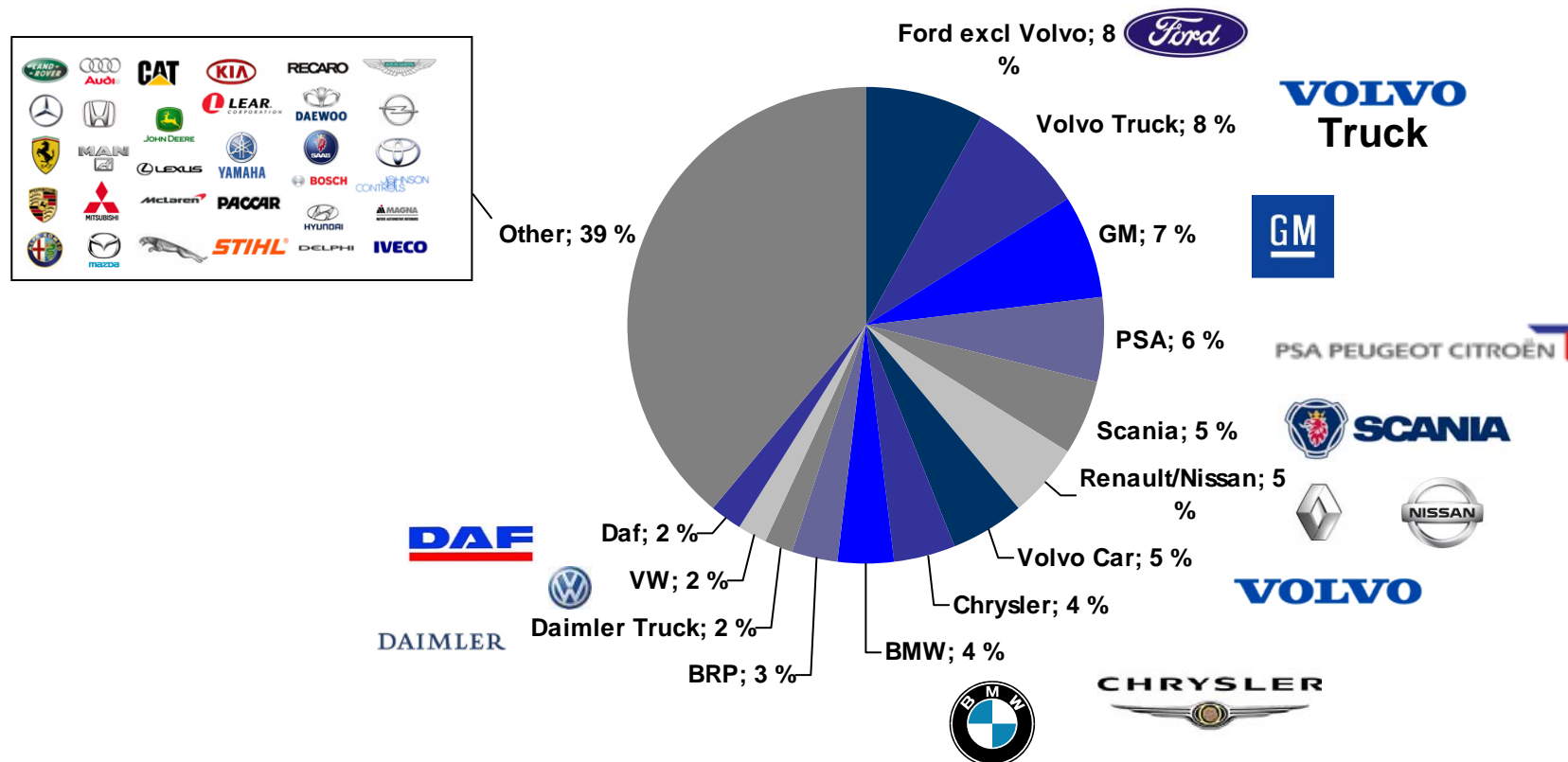
# World class manufacturing

- ▶ KOA has achieved world class manufacturing standards and maintained competitiveness through continuous improvements and Lean manufacturing techniques



# Strong and diversified customer base

Revenue per OEM (2008)



# Business overview



# Automotive Systems – business segment overview

## - *product portfolio*



Gearshift Systems



Knobs and Boots



Head Restraints



Seat Support Systems

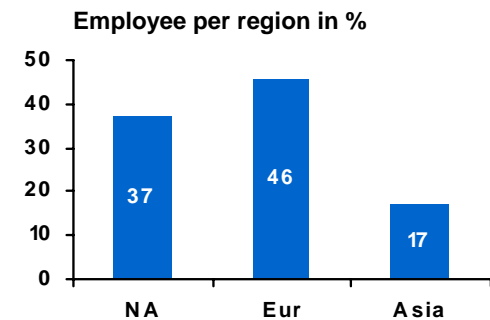


Cable Systems



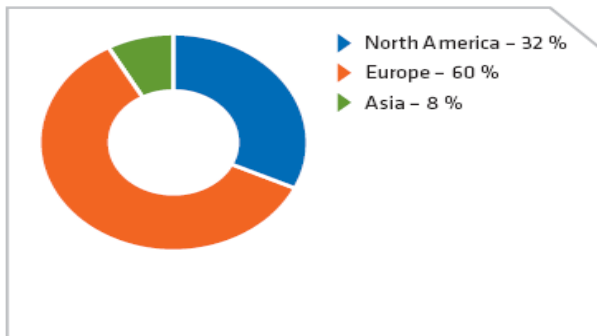
# Automotive Systems – business segment overview

## - Sales and markets (2008 figures)



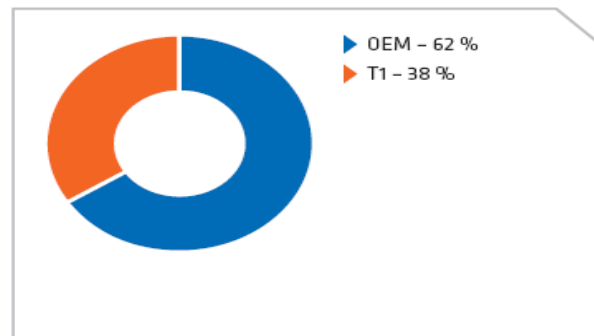
### Market Segments (% of revenues)

Market Segments (% of Sales)



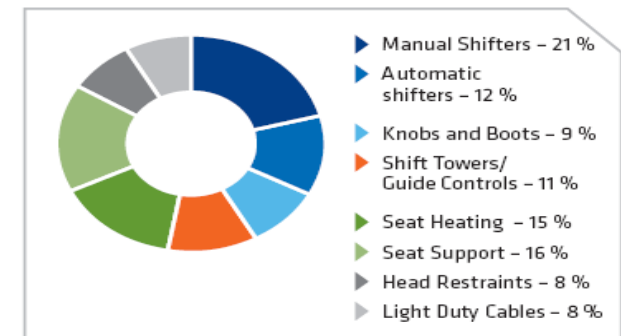
### Revenues by Market Sector

Sales by Market Sector



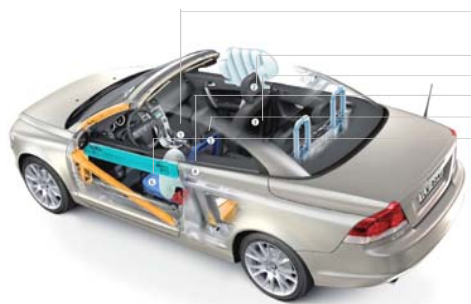
### Revenues by Product Group

Sales by Product Group



# Automotive Systems – business segment overview

## - Strong market positions at the leading OEMs (2008 figures)



- Gearshift Systems
- Seat Comfort Systems:
  - Head Restraints
  - Seat Support Systems
  - Seat Actuators
  - Arm Rests
  - Cable Systems

**STRONG  
POSITIONS IN ALL  
SEGMENTS**

Market Segments			
Product Range	Customer Examples	Market Position Europe	Market Position World wide
AT Shifters	VCC, GM, Ford, Renault, BMW, SMART, Land Rover, VW	No 2	No 3
MT Shifters	GM, Ford, PSA, Renault, Mercedes-Benz, VCC, VW	No 2	No 2
Knobs & Gaiters	VW, BMW, SMART, VCC, GM, Renault	No 3	No 4
Push / Pull Cables	PSA, Renault, VCC, GM, Land Rover	No 3	No 2
Shift Towers	PSA, Renault	No 3	No 4
Head Restraints	Audi, VCC, GM, Land Rover	Niche	
Seat Supports	BMW, Porsche, Jaguar, Land Rover, Bentley, Aston Martin, Lancia, Maserati	No 2	No 3
Seat Climate	VCC, Jaguar, Land Rover, PSA, Renault, Toyota, VW, Audi, Alfa Romeo, GM	No 2	No 2
Seat Actuation	GM, Ford, Nissan, Honda	No 3	No 2





# Commercial Vehicle Systems – business segment overview

## - *product portfolio*



- Gearshift Systems
- Clutch Actuation Systems
- Fluid Systems & Couplings
- Rods

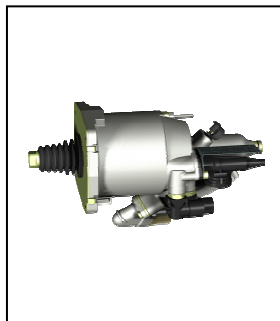
Gearshift Systems



Rods



Clutch Actuation



Couplings



Fluid Systems



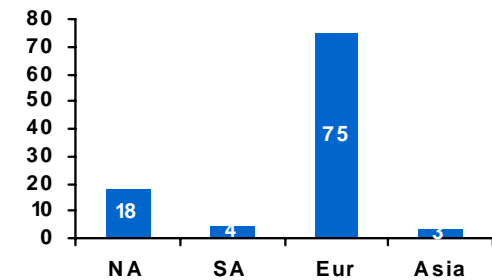
# Commercial Vehicle Systems – business segment overview

## - sales and markets (2008 figures)



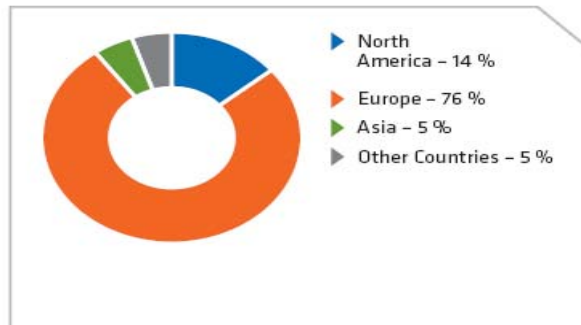
- Gearshift Systems
- Vehicle Dynamics
- Clutch Actuation Systems
- Couplings
- Fluid Systems
- Rods

Employee per region in %



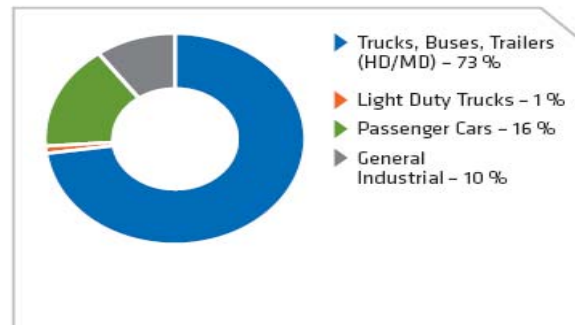
Market Segments (% of revenues)

Market Segments (% of Sales)



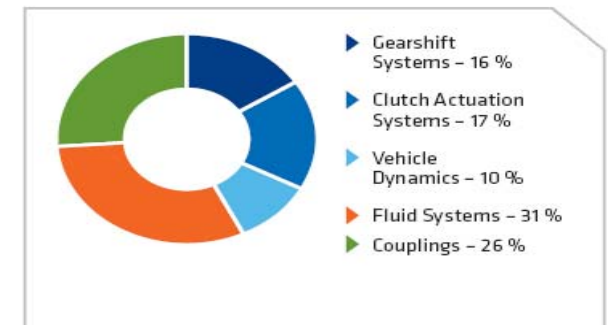
Revenues by Market Sector

Sales by Market Sector



Revenues by Product Group

Sales by Product Group



# Commercial Vehicle Systems – business segment overview

## - Market leader positions at the leading OEMs (2008 figures)



- Gearshift Systems
- Vehicle Dynamics
- Clutch Actuation Systems
- Couplings
- Fluid Systems
- Rods

LEADING  
POSITIONS IN ALL  
SEGMENTS

Market Segments			
Product Range	Customer Examples	Market Position Europe	Market Position World wide
Gearshift Systems	Volvo, Daimler, MAN, VW, Scania, DAF, Hyundai	No 1	
Clutch Actuation Systems	Volvo, Scania, Daimler, RVI, DAF, Hyundai	No 1	No 1/2
Vehicle Dynamics	Volvo, Scania, DAF	No 2	
Fluid Systems	Volvo, RVI, Daimler, DAF, Ford, UTEC, ITEC, Martin Rea, Cooper, TI		No 1/2
Couplings	Volvo, Scania, Iveco, Wabco, Knorr-Bremse, Schmitz	No 1	



# Power Products Systems – business segment overview

## - *product portfolio*

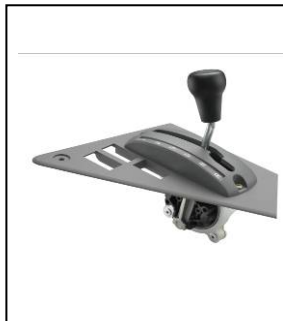


- Throttle Pedal Systems
- Controls/shifters
- Electronics
- Steering Columns
- Cables
- Display

Throttle Pedal Systems



Controls/shifters



Steering Columns



Displays/electronics



Cables



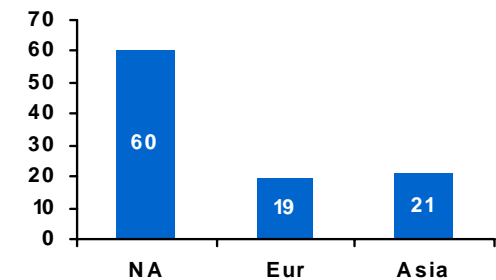
# Power Products System – business segment overview

## - sales and markets (2008 figures)

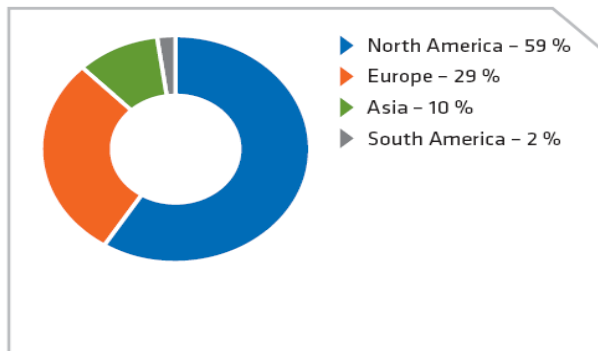


- Throttle Pedal Systems
- Controls/shifters
- Electronics
- Steering Columns
- Cables
- Display

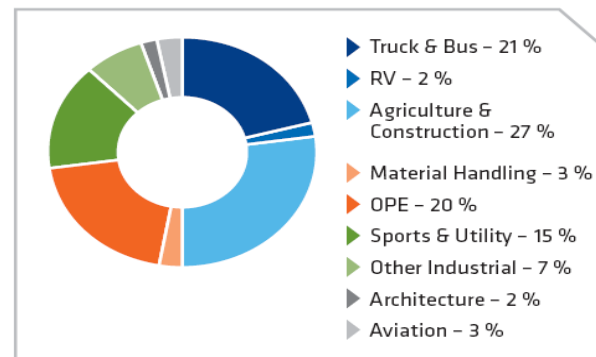
Employee per region in %



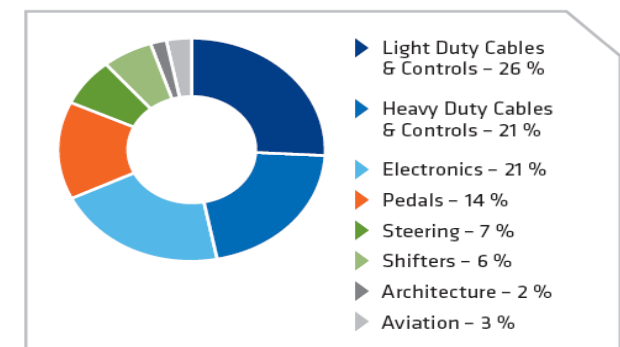
**Market Segments (% of revenues)**  
Market Segments (% of Sales)



**Revenues by Market Sector**  
Sales by Market Sector



**Revenues by Product Group**  
Sales by Product Group



# Power Products System – business segment overview

- *Market leader positions at the leading OEMs (2008 figures)*



- Throttle Pedal Systems
- Controls/shifters
- Electronics
- Steering Columns
- Cables
- Display

LEADING  
POSITIONS IN ALL  
SEGMENTS

Market Segments		
Product	Position Europe	Position Global
Mechanical Controls (Outdoor Power Equipment)	No 1	No 1
Mechanical Controls (Ag & Construction)	No 1	No 1
Electronics and Displays	n/a	No 4
Throttle Pedal (Const & Utility)	No 1	No 1
Throttle Pedal Systems (RV)	n/a	No 2
Steering Systems (Ag & Const)	No 3	No 3





**Green products**

- Head Restraints
- Seat Support
- Seat Actuators and Cables
- Seat Climate Systems

# Green factories

An aerial photograph of a large industrial facility, likely a paper mill, featuring several large buildings with green roofs. The facility is situated in a lush green landscape with a dense forest in the background and a road in the foreground. A small red-roofed building is visible near the entrance of the main complex.

## Sustainable management



A photograph of three men standing outdoors in a parking lot. The man on the left is wearing a light blue shirt and a dark tie. The man in the center is wearing a plaid shirt and holding a white cord. The man on the right is wearing a light blue shirt and khaki pants. They are all smiling. Above them is a blue banner with the text 'Sustainable management' in white.

# KA and Hybrid Drivelines

The diagram illustrates the power distribution in a KA and Hybrid Driveline system. It shows the following components and their interconnections:

- MECH. DRIVE SYSTEM:** Includes the **EL. ENGINE** and **EM CONTR.** (Electric Motor Controller).
- 12V SYSTEMS:** Includes the **IGN. CONT.** (Ignition Controller), **400V GEN.** (Generator), **STARTER**, **DC** (Direct Current) components, and the **ON BOARD CHARGER ACDC** (On-board Charger AC/DC converter).
- 400V SYSTEMS:** Includes the **INVERTER** (AC/DC, DC/AC), **EL. CABIN HEATER**, **AC COMPR.** (Air Conditioner Compressor), **BRAKE BY WIRE**, and **POWER STEERING**.
- ENERGY MGMT. SYSTEM:** Includes the **BATTERY MGMT. SYS.** (Battery Management System) and the **400V** (400V DC) component.
- VEHICLE CONTR. UNIT:** Includes **DISPLAYS**, **ENTERTAINM.** (Entertainment), **COMFORT SYS.** (Comfort System), and **LIGHTING SYS.** (Lighting System).

The diagram shows the flow of power between these systems, with the 400V system being the primary power source for the vehicle's electrical components. The 12V system is used for auxiliary power, and the energy management system controls the battery and the 400V system.







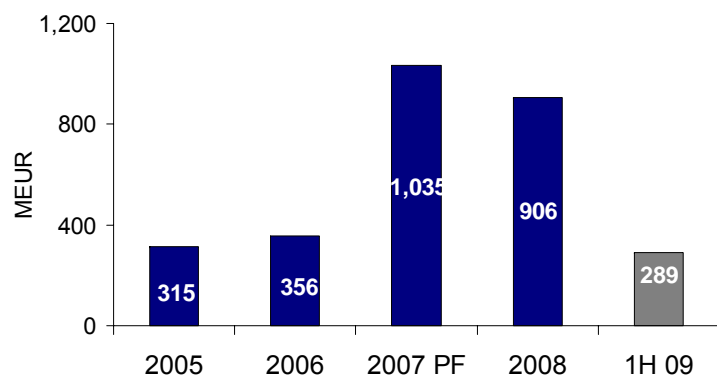
# Agenda

- ▶ Transaction overview and Executive summary
- ▶ Financial restructuring
- ▶ Company overview
- ▶ **Key figures and improvement measures**
- ▶ Outlook and key market drivers
- ▶ Appendix: Financial figures

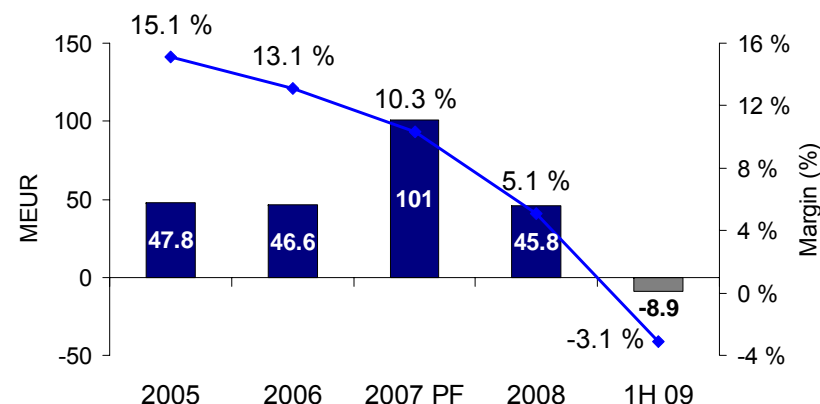


# Kongsberg Automotive Group development

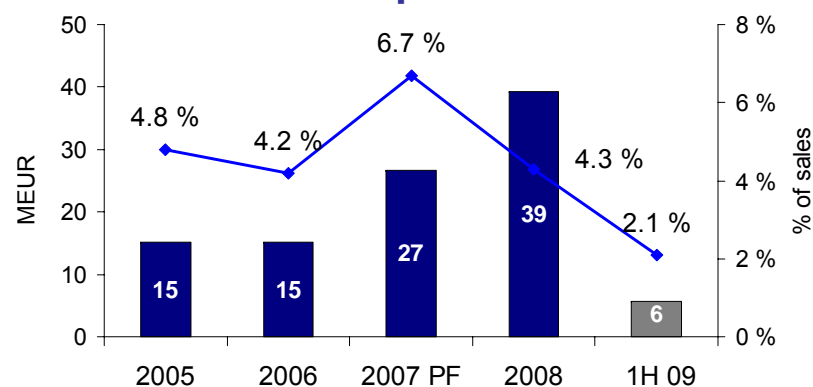
## Revenues



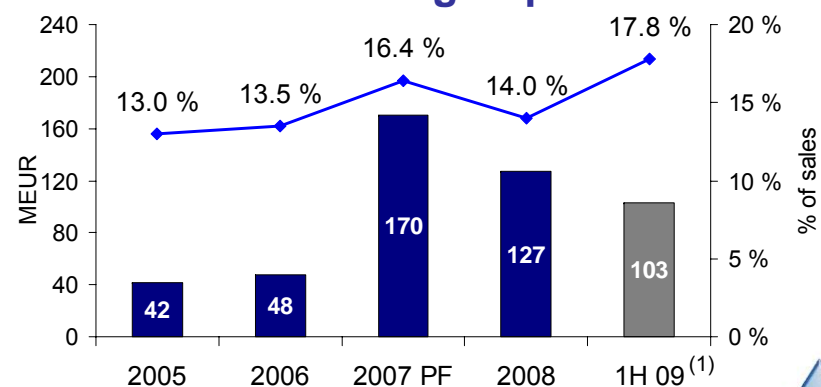
## EBITDA



## Capex

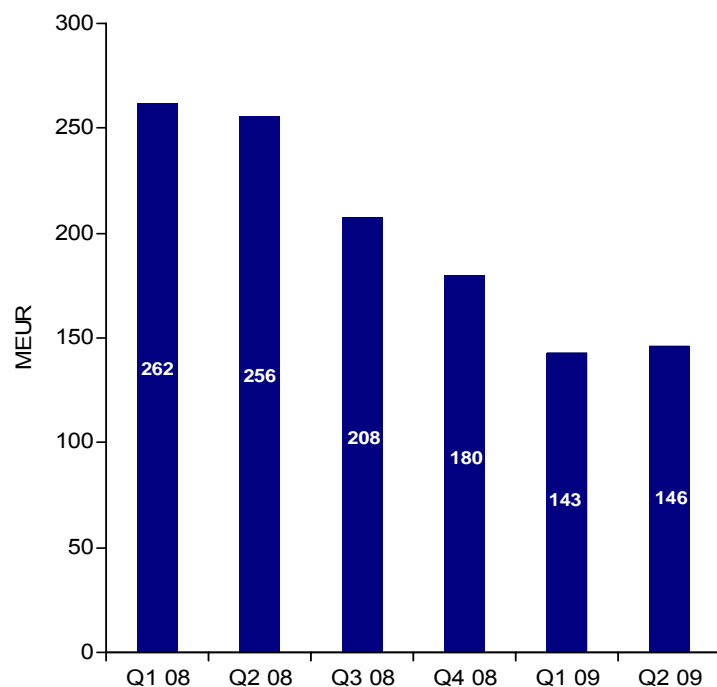


## Net Working Capital

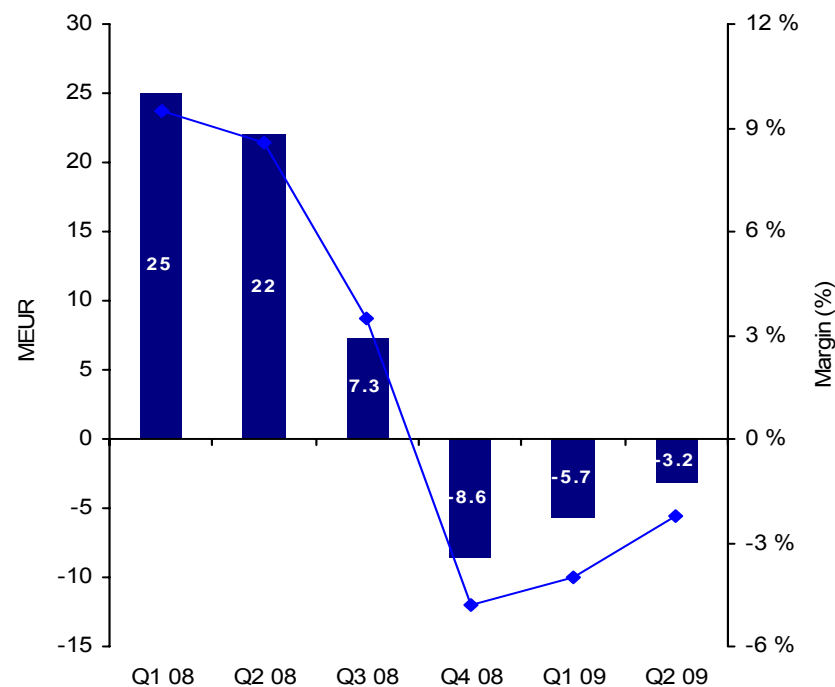


# KA Group quarterly development

## Revenues



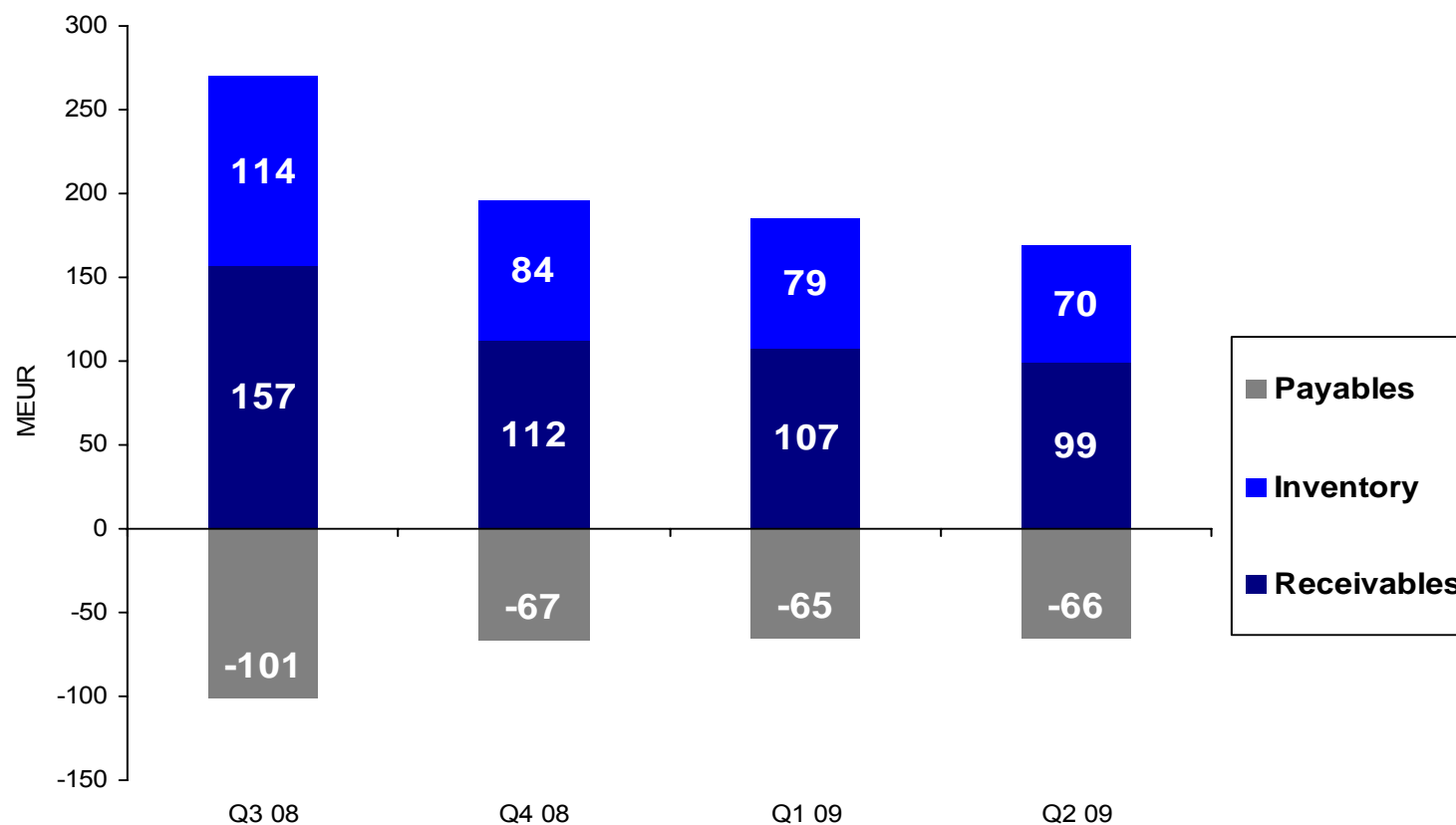
## EBITDA



**Q3 expected to be in line with two previous two quarters, against a normal seasonal drop of 15%**



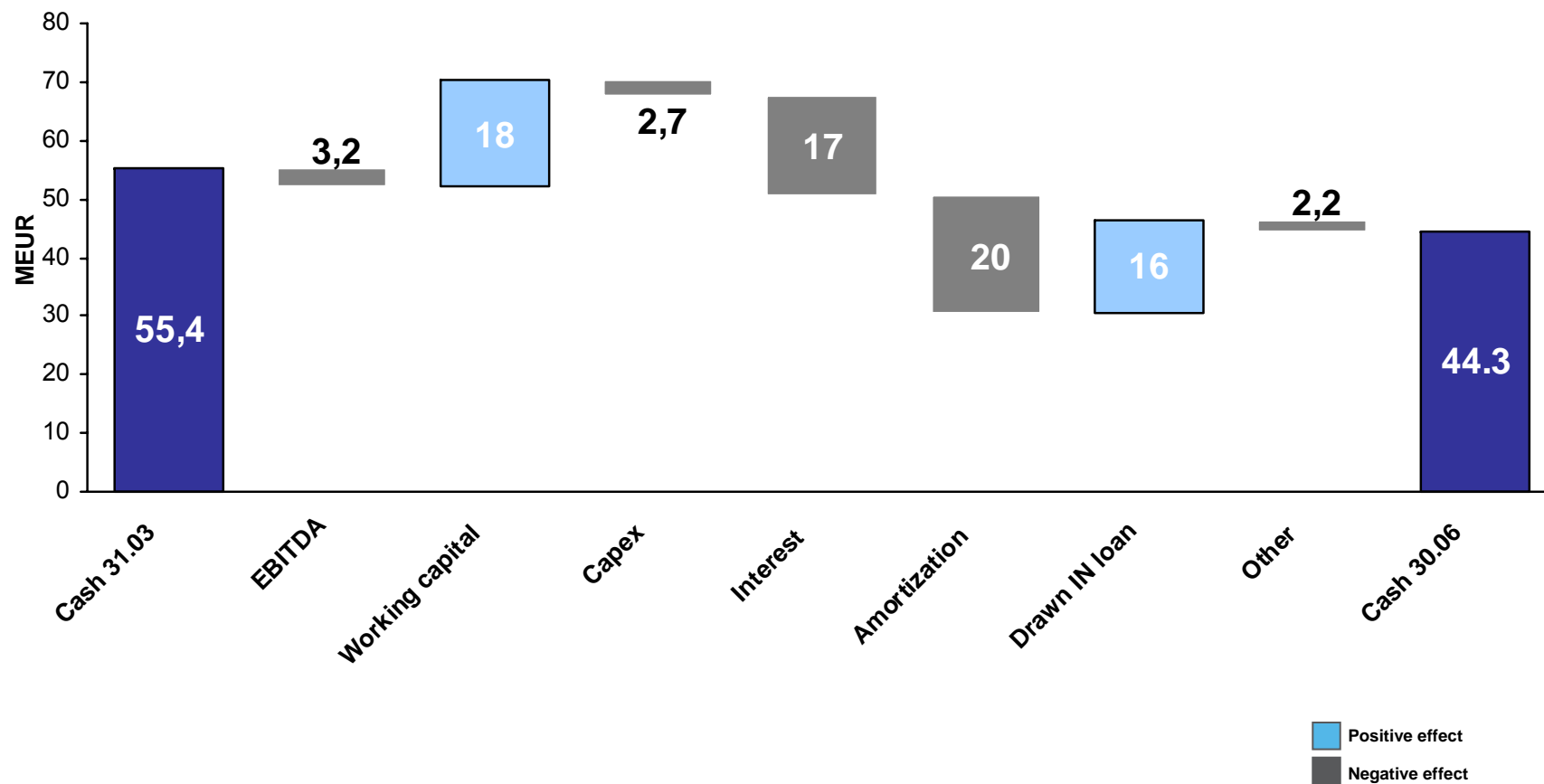
## Working capital reductions



**Net Working Capital reduced by MEUR 67 (40%) over last 3 quarters  
Further reduction of MEUR 18 (15%) in Q2 despite stable revenues**



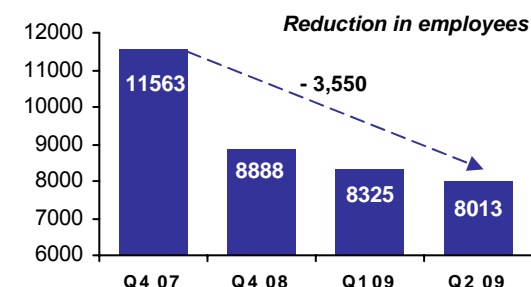
## Cash flow 2nd quarter 2009



# Widespread cost measures implemented

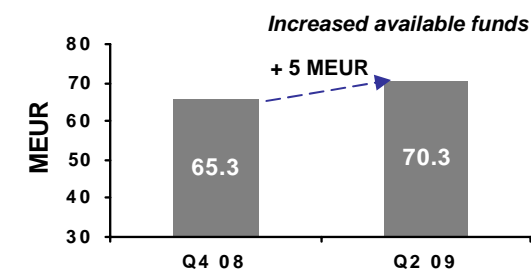
## COSTS

- ▶ Significant headcount reduction
- ▶ Temp. plant closures
- ▶ Reduced work week
- ▶ Reduced salaries and benefits
- ▶ Travel and other cost elements down to a minimum



## LIQUIDITY

- ▶ Refinancing / new bank agreement
- ▶ New loan from Innovation Norway
- ▶ Divestiture of Aviation
- ▶ Reduced working capital
- ▶ Reduced CAPEX



## RESTRUCTURING

- ▶ Plant consolidations
- ▶ Move from high- to low cost areas
- ▶ Synergies / organizational changes
- ▶ Increased efficiency (Lean & KBD)

### Closures and/or transfers

<b>2008 Actions:</b>	Q3: Selmer, USA
Q1: Kingswinford, UK	Q3: Pruszkow, Poland
Q1: Åmotfors, Sweden	Q4: Divisional reorganisation
Q2: Westland, USA	Q4: Limerick, USA
Q2: Willis, USA	Q4: Haysville, USA
Q2: Marsta, Sweden	
Q2: Van Wert, Ohio	<b>2009 Actions:</b>
Q3: Itajuba, Brazil	Q1: Geelong, Australia
	Q1: Enschede, Holland



# Permanent impact from improvements

## COST REDUCTION

- Headcount reduction
- Reduced salaries and benefits

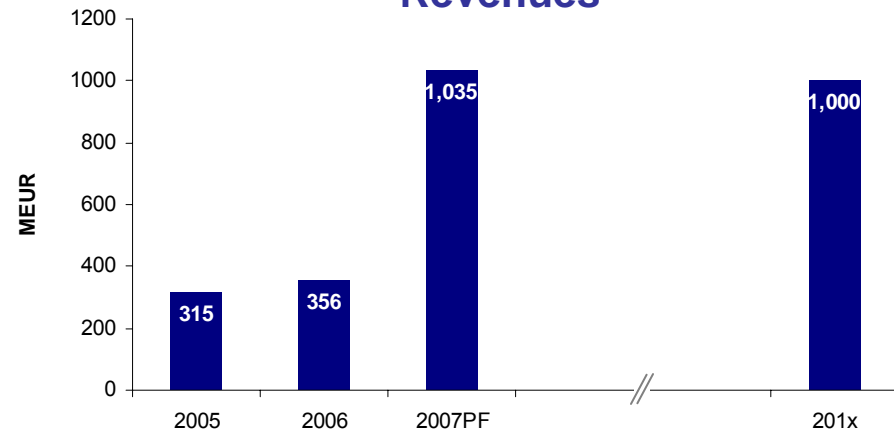
## RESTRUCTURING

- Relocation to low-cost areas
- Plant consolidations
- Increased efficiency
- Synergies/ organizational changes

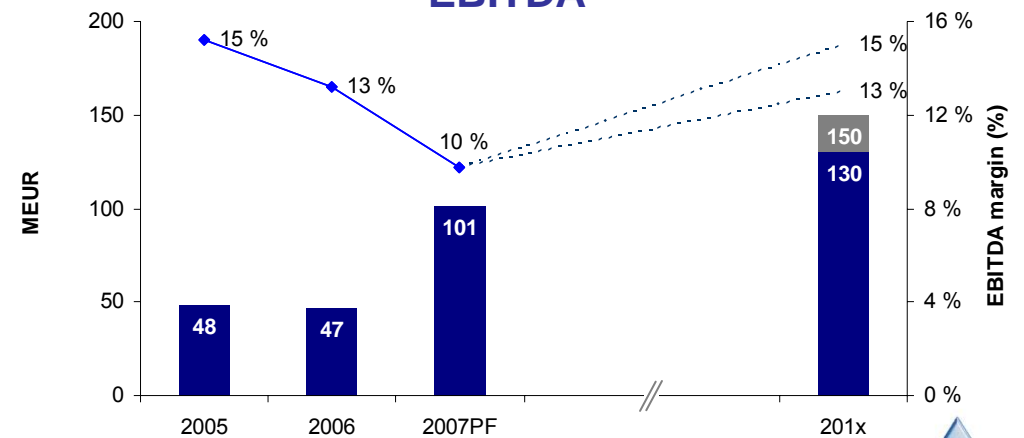
## OPERATIONAL GEARING

WHEN WE GET  
BACK TO 1 BEUR  
IN REVENUES

## Revenues



## EBITDA





# Agenda

- ▶ Transaction overview and Executive summary
- ▶ Financial restructuring
- ▶ Company overview
- ▶ Cost and improvement measures
- ▶ Outlook and key market drivers
- ▶ Appendix: Financial figures





## KOA awarded several new contracts recently

### Recent announcements

DATE / PRODUCT	REGION	MEUR
▶ 19/8 Head Restraints (car)	EU	13.5
▶ 10/8 Suspension/rods (truck)	EU	65.0
▶ 15/7 Fuel lines (truck)	EU	2.0
▶ 13/7 Head Restraints (car)	NA	45.0
▶ 8/7 Fuel Systems (truck)	NA	8.6
▶ 7/7 Seat Heat (car)	EU	3.4
▶ 2/7 Turbo lines (car)	EU	3.0
▶ 1/7 Gearshift (truck)	SA	26.0
▶ 20/5 Gearshift (EV)	EU	2.9
▶ 28/4 Head Restraints (car)	EU	38.0
▶ 23/4 Gearshift (EV)	EU	4.5
▶ 20/4 Clutch Actuation (truck)	CH	NA
<b>TOTAL contracts announced (Apr-Aug)</b>		<b>211.9</b>

Total contracts Q109 (MEUR) 59.5

- ▶ Take new orders based on:
  - introduction of unique and competitive concepts
  - strong R&D and marketing performance
  - substituting weak competitors

- ▶ **“KONGSBERG  
AUTOMOTIVE AWARDED  
ITS SECOND BIGGEST  
NOMINATION EVER  
VALUED AT 65 MEUR”**

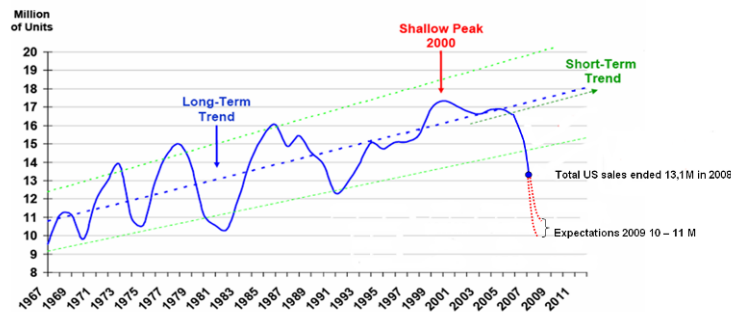
Press release 10 Aug



# Where does the market go?

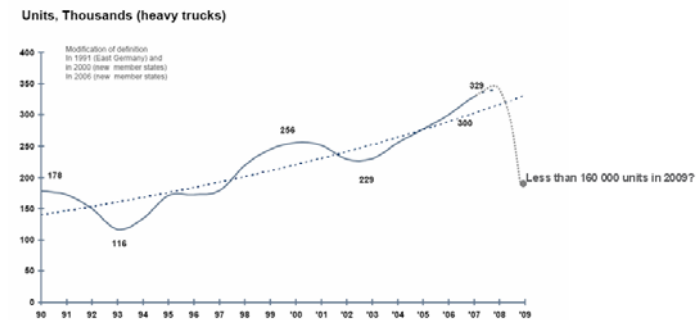
The automotive market has always been characterized by fluctuations

US light vehicle sales



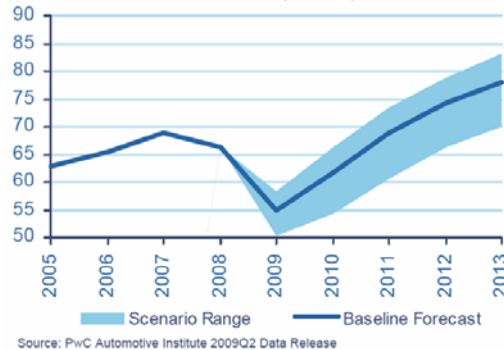
Truck market more stable although negative development last months

Heavy-duty truck market - Europe



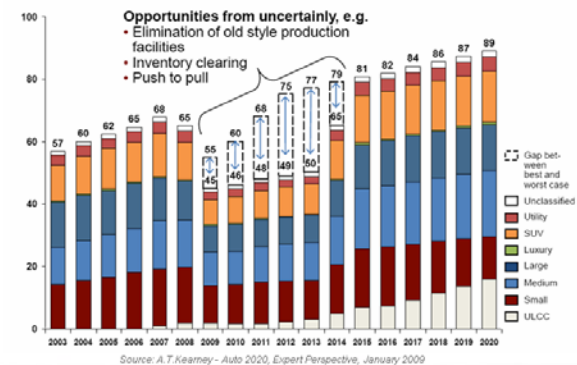
Assembly outlook from PwC (Analyst note, April 09)

Global Light Vehicle Assembly Outlook  
Baseline vs. Scenario Forecast (Millions)



Global car sales forecast (AT Kearney)

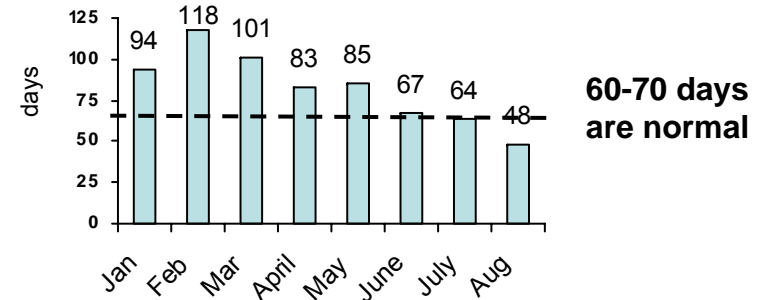
Global Passenger Car Sales Forecast  
2003 – 2020 (in million units) including ULCC



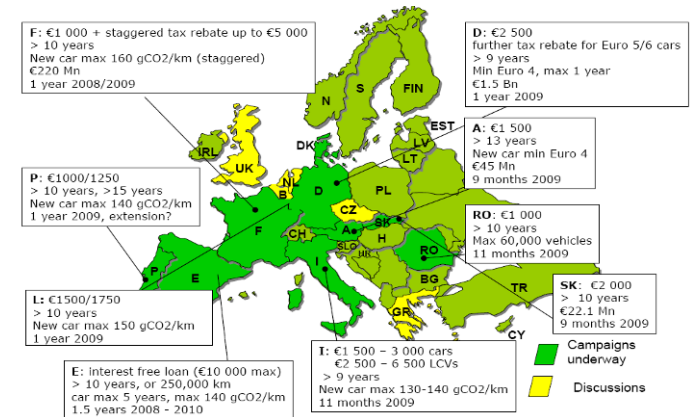
# Key market drivers (short term)

- ▶ Inventory cleaning
- ▶ Credit access / buyer incentives
- ▶ Service and maintenance cost on existing cars and commercial vehicles
- ▶ Monetary and fiscal stimulus
  - Many EU countries have put a fleet renewal programme in place, including market incentives and car scrapping schemes
  - Highly successful US 'Cash for Clunkers' scheme extended
  - June '09 new car registrations in Europe turn to positive with 2.4% increase
- ▶ Market expectations / consumer confidence

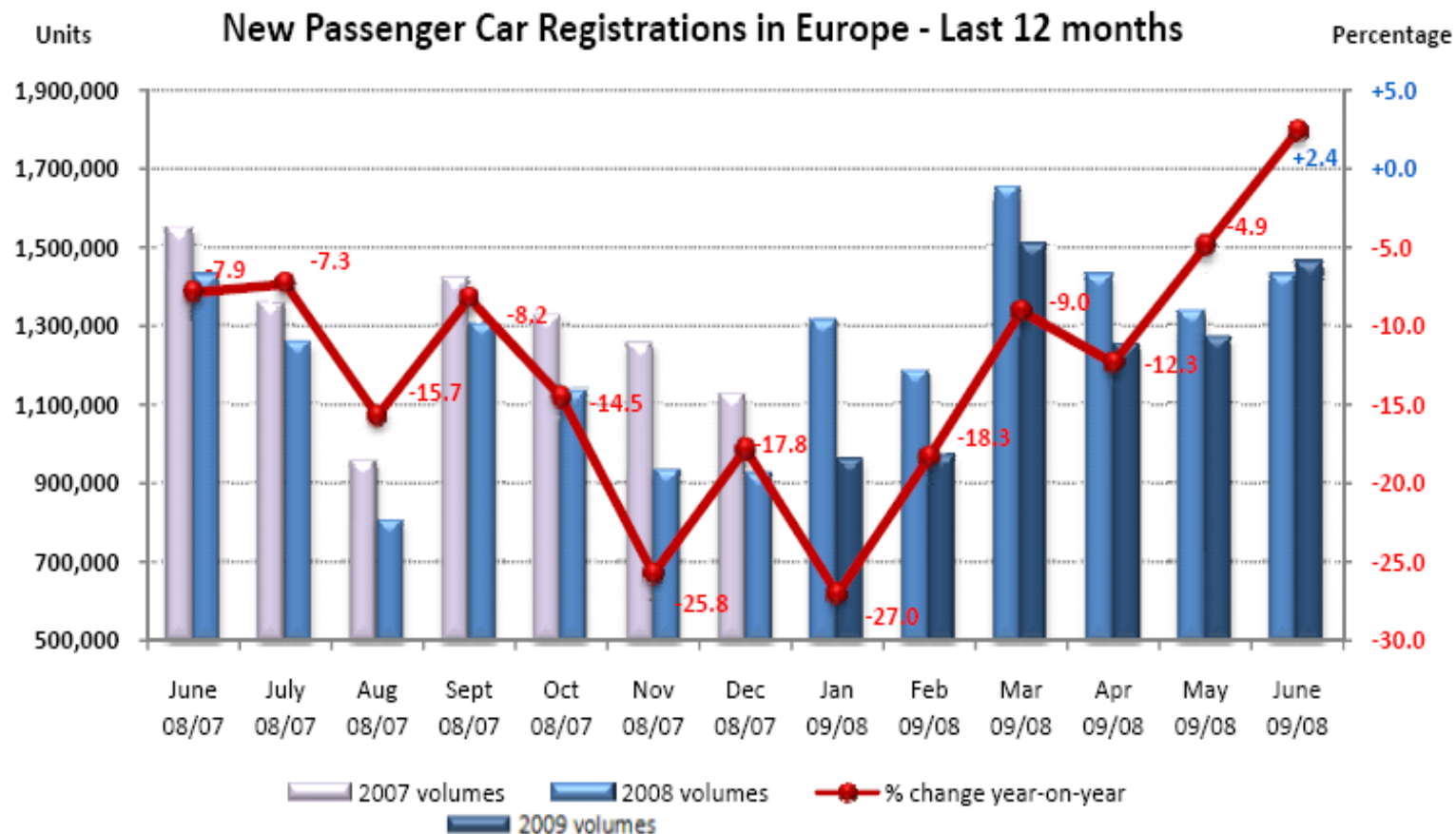
## Falling inventory levels in the US



## Current Fleet Renewal Schemes



## Incentives lift European registrations to +2.4% in June



# Future still uncertain, but business sentiment is improving



## SIGNS OF RECOVERY

Car sales in Western Europe grew by 4.1% over last year in June, the first positive year-on-year result for over a year.

German June new-car sales rose 40%, leading first-half registrations to rise 26%.

China Car sales jump 48% in June, most since 2006

GM first-half sales in China rose 38% to a record 814,442 vehicles

Volvo Trucks: "We are observing positive signs of a recovery regarding light trucks and buses. In terms of heavy trucks, the market is still declining but at a slower rate."





# Agenda

- ▶ Transaction overview and Executive summary
- ▶ Financial restructuring
- ▶ Company overview
- ▶ Key figures and improvement measures
- ▶ Outlook and key market drivers
- ▶ Appendix: Financial figures



## P&L Q2 2009

Income statement MEUR	2nd Quarter		YTD		
	2009	2008	2009	2008	31.12.08
Revenue	146,0	255,7	289,3	518,0	905,9
Opex	(149,2)	(233,9)	(298,2)	(471,5)	(860,1)
<b>EBITDA</b>	<b>(3,2)</b>	<b>21,8</b>	<b>(8,9)</b>	<b>47,2</b>	<b>45,8</b>
<b>EBITDA %</b>	<b>-2,2 %</b>	<b>8,5 %</b>	<b>-3,1 %</b>	<b>9,1 %</b>	<b>5,1 %</b>
Deprecation and Amortization	(11,6)	(14,3)	(23,1)	(22,9)	(46,9)
<b>EBIT</b>	<b>(14,8)</b>	<b>7,5</b>	<b>(32,0)</b>	<b>24,3</b>	<b>(1,1)</b>
<b>EBIT %</b>	<b>-10,1 %</b>	<b>2,9 %</b>	<b>-11,1 %</b>	<b>4,7 %</b>	<b>-0,1 %</b>
Financial items	(12,2)	(10,8)	8,4	(17,0)	(141,1)
<b>Profit before taxes</b>	<b>(27,1)</b>	<b>(3,3)</b>	<b>(23,6)</b>	<b>7,3</b>	<b>(142,2)</b>
Taxes on ordinary profit	5,9	1,1	2,3	(2,2)	47,9
<b>Net profit</b>	<b>(21,2)</b>	<b>(2,2)</b>	<b>(21,3)</b>	<b>5,1</b>	<b>(94,3)</b>

### Net financials

- Interest expenses have increased Q2 09 Vs Q2 08 due to higher margin on the debt
- There is a positive currency effect of MEUR 28,0 in the first half of 2009



## Balance sheet as of June 30, 2009

<b>Balance Sheet</b>			
<b>MEUR</b>	<b>30.06.09</b>	<b>30.06.08</b>	<b>31.12.08</b>
Deferred tax asset	50,7	11,6	44,3
Intangible assets	267,1	258,0	282,8
Plant, building, and property	150,3	169,8	156,1
Other Non-current Assets	6,2	5,6	5,2
<b>Total Non-Current Assets</b>	<b>474,3</b>	<b>445,0</b>	<b>488,4</b>
Inventories	69,9	109,5	84,8
Account receivables	99,1	172,4	110,5
Other Short term receivables	18,3	28,2	18,2
Cash and cash equivalents	44,3	45,4	47,6
<b>Current assets</b>	<b>231,5</b>	<b>355,5</b>	<b>261,1</b>
<b>Assets</b>	<b>705,9</b>	<b>800,5</b>	<b>749,5</b>
Share Capital	3,6	4,0	3,3
Share premium reserve	60,8	68,4	55,5
Other Equity	(20,7)	60,8	24,5
Minority interest	6,0	-	7,4
<b>Total Equity</b>	<b>49,7</b>	<b>133,2</b>	<b>90,7</b>
Interest bearing loans and borrowings	427,0	389,7	420,6
Other long term liabilities	57,4	61,2	58,1
<b>Total Long term liability</b>	<b>484,4</b>	<b>450,9</b>	<b>478,7</b>
Bank overdraft	18,3	21,5	24,4
Other short term liabilities, interest bearing	37,1	55,5	36,0
Accounts payable	65,8	111,9	67,9
Other short term liabilities	50,6	27,5	51,8
<b>Short Term Liability</b>	<b>171,8</b>	<b>216,4</b>	<b>180,1</b>
<b>Total liability</b>	<b>656,2</b>	<b>667,3</b>	<b>658,8</b>
<b>Total Equity and Liabilities</b>	<b>705,9</b>	<b>800,5</b>	<b>749,5</b>

