KONGSBERG
AUTOMOTIVE

3rd Quarter Report 2012

Kongsberg Automotive Group

Enhancing the driving Experience

2012

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Highlights for the third quarter 2012

- Revenues amounted to EUR 239.0 million, including a positive currency effect of EUR 15.5 million
- Continue to experience a positive North American market, offset by a slow European market
- EBITDA of EUR 14.8 million, including restructuring cost of EUR 5.2 million
- Completed closure of the operations in the facility in Dassel, Germany
- Driveline, adjusted for the restructuring cost, delivered an EBITDA margin of 4.2 % demonstrating an underlying margin improvement
- Commercial vehicle segment continue to deliver strong margins despite weak EU sales
- High level of business wins, EUR 94 million of annual sales won in the quarter
- The market outlook for the fourth quarter indicates a revenue level of approximately EUR 245 million. Uncertainty about EU market conditions remains

Key figures

MEUR	Q3 2012	Q3 2011	YTD 2012	YTD 2011	2011
Revenues	239.0	229.6	768.5	753.6	999.7
EBITDA	**14.8**	**15.4**	**58.0**	**67.8**	**82.0**
EBITDA %	6.2 %	6.7 %	7.6 %	9.0 %	8.2 %
Net profit	**0.8**	**(5.6)**	**7.0**	**10.5**	**7.8**
NIBD/EBITDA	4.3	4.1	4.3	4.1	3.9
Equity ratio (%)	24.8 %	23.0 %	24.8 %	23.0 %	23.3 %

Financials & segments KA Group

Third quarter 2012

Condensed consolidated statement of profit and loss

MEUR	Q3 2012	Q3 2011	YTD 2012	YTD 2011	2011
Revenues	239.0	229.6	768.5	753.6	999.7
Opex	(224.2)	(214.3)	(710.5)	(685.8)	(917.7)
EBITDA	**14.8**	**15.4**	**58.0**	**67.8**	**82.0**
EBITDA (%)	*6.2 %*	*6.7 %*	*7.6 %*	*9.0 %*	*8.2 %*
Depreciation and amortization	(11.5)	(10.3)	(35.1)	(31.0)	(43.5)
EBIT	**3.4**	**5.0**	**22.9**	**36.8**	**38.5**
EBIT (%)	*1.4 %*	*2.2 %*	*3.0 %*	*4.9 %*	*3.9 %*
Net financial items	(2.4)	(13.1)	(13.5)	(23.0)	(30.4)
Profit before taxes	**1.0**	**(8.0)**	**9.4**	**13.8**	**8.2**
Income taxes	(1.5)	(0.2)	(6.4)	(4.3)	(8.6)
Change in deferred tax	1.3	2.6	4.0	1.0	8.2
Net profit	**0.8**	**(5.6)**	**7.0**	**10.5**	**7.8**

Revenues

Revenues for the Group amounted to EUR 239.0 million in the third quarter of 2012. The revenues was 9.4 million (4.1 %) above the comparable period last year, including a favorable currency effect of EUR 15.5 million, mainly driven by EUR/USD rate compared to the same period last year.

A slow European market impacts the revenues negatively this quarter compared to the third quarter last year. The weaker European market is offset by a growth in the North American market. Reduced GDP growth in China slows down the volumes in the Chinese market compared to same period last year.

EBITDA

The EBITDA for the Group was EUR 14.8 million in the third quarter of 2012, including a restructuring cost of EUR 5.2 million. EBITDA was EUR 0.6 million lower than the third quarter 2011. The EBITDA margin adjusted for restructuring cost was 8.4 % compared to 6.7 % same period last year.

The revenue mix is contributing negatively on the margins, with lower sales in the higher margin segments. Adjusted for restructuring cost the higher revenues and operational improvement actions were the main factors behind the underlying margin improvement.

Driveline is starting to deliver improved margins. This quarter shows the early effects of the improvements, based on the implemented actions.

Net financials

Net financials (see note 3) were EUR -2.4 million in the third quarter of 2012, compared to EUR -13.1 million in the same period 2011. The main element was a change in FX effects of EUR 10 million.

Profit before tax

Profit before tax was EUR 1.0 million in the third quarter of 2012. This was an increase of EUR 9.0 million from the third quarter 2011.

Statement of cash flow and financial position

Condensed statement of cash flow

MEUR	Q3 2012	Q3 2011	YTD 2012	YTD 2011	2011
Cash flow operating activities	9.9	8.3	42.7	25.2	41.2
Cash flow investing activities	(7.3)	(10.2)	(22.3)	(23.1)	(34.7)
Cash flow financing activities	(2.7)	(7.6)	(40.6)	(45.2)	(55.3)
Currency effects on cash	(1.5)	0.8	0.1	(6.7)	0.1
Net change in cash	(1.5)	(8.8)	(20.1)	(49.7)	(48.6)
Net cash at 01.01.	33.7	60.0	52.3	101.0	101.0
Net cash at period end	**32.2**	**51.2**	**32.2**	**51.2**	**52.3**
Of this, restricted cash	4.9	2.5	4.9	2.5	3.1

Net cash flow from operating activities amounted to EUR 42.7 million in the first nine months of 2012, compared to EUR 25.2 million in the corresponding period in 2011.

The increase in Net Working Capital (EUR -9.7 million) in first nine months of 2012 was lower compared to same period last year (EUR -37.8 million). Accounts receivables increased by EUR 4.4 million to EUR 150.0 million YTD third quarter 2012 reflecting higher sales level compared to December last year. Accounts payables are reduced by EUR 13.5 million to EUR 95.8 million. Inventory levels were reduced with EUR 8.2 million to EUR 86.2 million in the same period.

Net working capital in percent of revenues was 14.7 % by the end of this quarter, which is 0.3 % points lower than comparable period last year.

The capital expenditure was EUR 22.5 million in the three first quarters of 2012 which was EUR 0.9 lower than the same period in 2011.

Net cash flow from financing activities was EUR -40.6 million year to date 2012, compared to EUR -45.2 million year to date 2011. Reduction in interest payment and repayment of debt is partly offset by fee from debt restructuring (see section Financing and funding below).

The net change in cash amounted to EUR - 20.1 million since year end 2011. This included a decline in the cash holding from EUR 82.5 million at the beginning of the year to EUR 74.5 million per 30 September 2012, and an increase in bank overdraft from EUR 30.2 million to EUR 42.3 million during the same period.

Statement of financial position

Total assets were EUR 781.4 million as of 30 September 2012, a reduction of EUR 12.5 million since year end 2011, mainly due to a reduction in inventory and cash.

Equity amounted to EUR 193.5 million as of 30 September 2012, an increase of EUR 8.3 million from the end of 2011, reflecting the positive net profit. The equity ratio was 24.8 %, an increase from 23.3% as of 31 December 2011.

Gross interest bearing debt amounted to EUR 342.8 million at the end of the third quarter 2012, compared to EUR 368.1 million at the end of 2011.

Net interest bearing debt was EUR 310.7 million, reduced by EUR -5.1 million from the end of 2011.

For more information see section Consolidated statement of financial position.

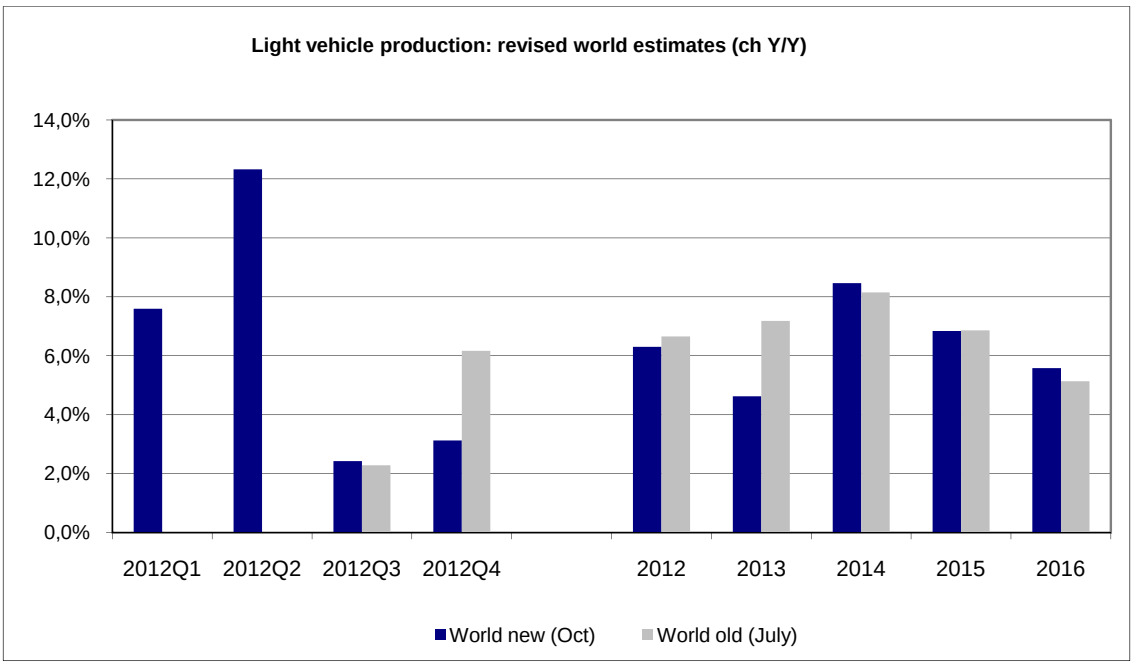
Financing and funding

There are no major changes since last quarter, please see also note 3.

Market outlook

Light vehicle production estimates (Oct. 2012)

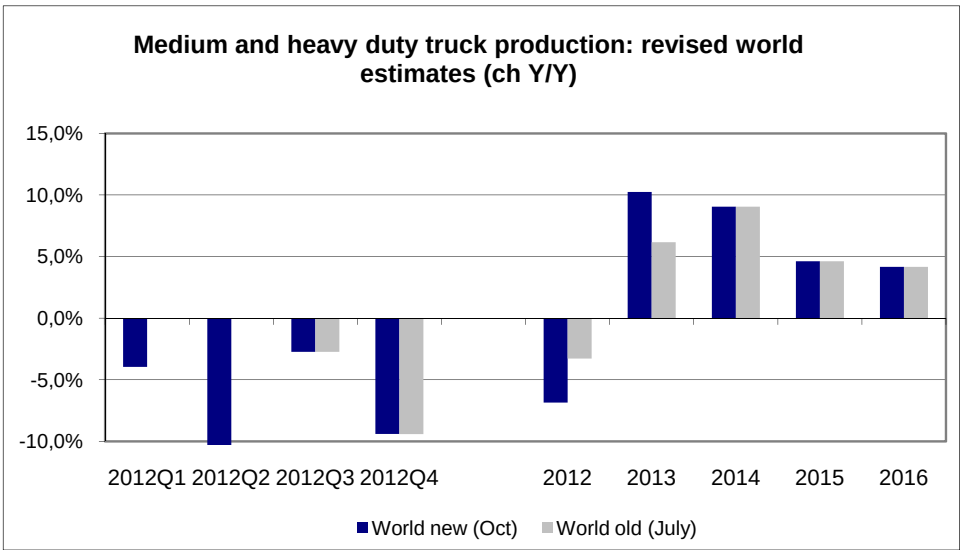
Year-on-year change in production growth rate (source: LMC Automotive):



Light vehicle production (LVP) is revised downward in 2012 compared to July with an expected 81.7million vehicles produced in 2012. All regions are expected to grow with the exception of Europe and South America which are expected to decline respectively by 5.9% and 3.6%. This downturn is mainly expected in Southern Europe while Northern Europe is expected to remain rather stabile. North American LVP continues to perform above expectation and is expected to still display a moderate growth in the last quarter.

Commercial vehicle production estimates (Oct. 2012)

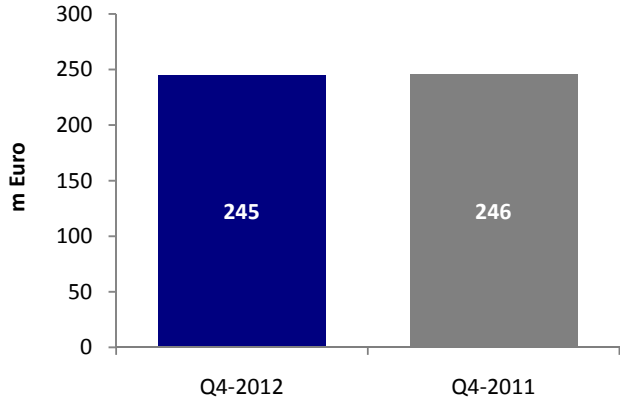
Year-on-year change in production growth rate (source: LMC Automotive):



Commercial vehicle production (CVP) is expected to reach approximately 2.75 million vehicles in 2012 a downward adjustment of 100.000 vehicles compared to the July forecast. Most of the geographical regions are expected to be negatively affected while North America is still expected to grow around 10.8% in 2012.

South America is expected to be the region displaying the strongest decline with a CVP reduction of -19.2%.

Revenue outlook for the fourth quarter 2012



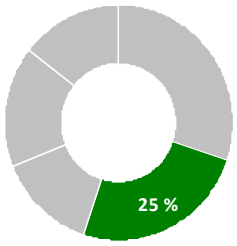
The company expects revenue of approximately EUR 245 million for the fourth quarter 2012, based on underlying production of vehicles and indications from customers.

Interior

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

The Interior products address the passenger car market, with particularly strong positions in the European and North American markets. Market penetration for products such as seat heating, seat ventilation and massage systems is especially high in medium to higher end cars, whereas headrests and light duty cables can be found in all ranges of cars. Customers include all major European and North American car and seat manufacturers such as Johnson Controls, Faurecia, Audi, Volvo and BMW.

Share of Q3 2012 revenues

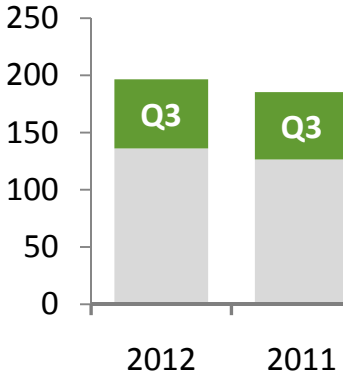


Key figures – Interior

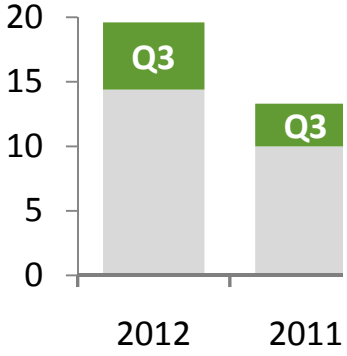
MEUR	Q3 2012	Q3 2011	YTD 2012	YTD 2011
Revenues	60.5	58.8	196.5	185.3
EBITDA	5.2	3.3	19.6	13.3
EBITDA (%)	*8.6 %*	*5.6 %*	*10.0 %*	*7.2 %*
Depreciation	(2.0)	(1.5)	(5.5)	(4.6)
Amortization	(0.5)	(0.6)	(1.4)	(1.8)
EBIT	2.8	1.2	12.6	7.0
EBIT (%)	*4.6 %*	*2.1 %*	*6.4 %*	*3.8 %*
Capex	1.7	3.1	6.6	7.2
Capital employed *	148.4	147.0	148.4	147.0

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

Revenues (MEUR)



EBITDA (MEUR)



Financial update

Interior revenues increased by EUR 1.7 million (2.9%) to EUR 60.5 million in the third quarter 2012, including a favourable currency effect of EUR 4.1 million. For YTD 2012, revenue amounted to EUR 196.5 million, an increase of 6.1% from 2011. Higher revenues were mainly a result of a stronger USD and higher volumes due to a strengthened market in North America.

EBITDA was EUR 5.2 million in the third quarter of 2012, an increase of EUR 1.9 million (57.6%) from the same period last year as a consequence of improvement actions and the closure of the Burton facility in the UK. For YTD 2012, EBITDA increased by EUR 6.3 million (47.4%) to EUR 19.6 million. The EBITDA improvement mainly reflects a conversion of the higher revenue in addition to successful restructuring and continued improvement actions.

Operational update

The highlight of the third quarter was the signing of one of KA's most significant contracts. The contract is worth EUR 287 million (NOK 2.150 million) and was agreed with a European OEM for the supply of seat comfort products to a total of six different car models on a new platform in the period between 2015 and 2024. The seat comfort products include fixed and

adjustable pneumatic lumbar support systems, seat heating and seat cooling ventilation. KA will start production in second half 2014 out of its Pruszkow, Poland facility. The largest volumes will be produced and delivered between 2016 and 2023. These seating systems will be some of the most advanced in the market and by receiving the nomination KA shows itself as one of the leading players in this market.

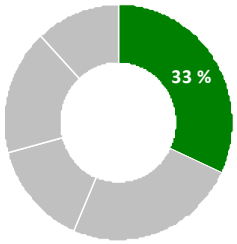
Combined with a continuing strong contract flow in the U.S. market, this provides a strong new business win rate in the quarter.
The re-organization of the advanced product development group continues to increase the efforts on the research side on new innovations and improved products to stay competitive in the future.

Driveline

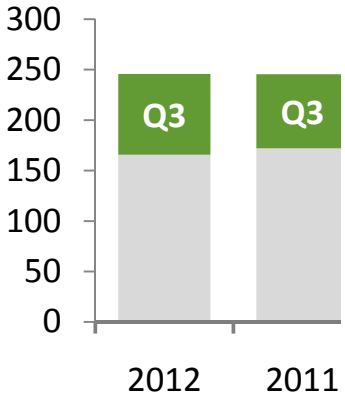
Driveline is a global Tier 1 supplier of driver controls in the automotive market. The portfolio includes custom-engineered cable controls and complete shift systems, including shifter modules, shift cables and shift towers.

The *Driveline* products address the passenger car market, with particularly strong positions in Europe. With a global footprint, Driveline is able to support customers worldwide. Key customers include Ford, General Motors, Volvo and Renault-Nissan.

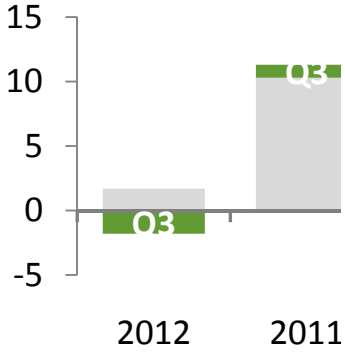
Share of Q3 2012 revenues



Revenues (MEUR)



EBITDA (MEUR)



Key figures – Driveline

MEUR	Q3 2012	Q3 2011	YTD 2012	YTD 2011
Revenues	80.1	73.3	245.8	245.4
EBITDA	(1.8)	1.0	(0.1)	11.3
EBITDA (%)	*-2.3 %*	*1.3 %*	*-0.1 %*	*4.6 %*
Depreciation	(2.6)	(2.1)	(8.1)	(6.0)
Amortization	(0.7)	(0.8)	(2.1)	(2.4)
EBIT	(5.1)	(1.9)	(10.3)	2.8
EBIT (%)	*-6.4 %*	*-2.6 %*	*-4.2 %*	*1.1 %*
Capex	1.8	3.0	6.9	6.1
Capital employed *	106.9	104.9	106.9	104.9

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

Financial update

Driveline revenues increased by EUR 6.8 million (9.3%) to EUR 80.1 million in the third quarter 2012, compared to the same quarter 2011, including a favorable currency effect of EUR 5.0 million and tooling sales of EUR 3.4 million. The decline in the underlying revenue was mainly due to a general decline in sales to the French OEMs. The North American market shows strong growth with a 12.4 % increase compared to the third quarter last year. For the first 9 months the revenue are on the same level as last year including favorable currency effect of EUR 10.0 million.

EBITDA was EUR -1.8 million in the third quarter, down with EUR 2.8 million compared with third quarter 2011. EBITDA margin was -2.3 %, down 3.6 % points from the comparable quarter last year. The quarter includes EUR 5.2 million in restructuring cost for the final closure of the operations in the plant in Dassel, Germany. Adjusted for this one off restructuring cost and lower revenue, the underlying margin is improved based on the operational improvement actions implemented. For the first 9 months EBITDA was down EUR 11.3 million versus last year.

Operational update

The following actions is implemented to further improve margins:

- On-going white collar headcount reduction to compensate for lower sales in southern Europe and to address weak segment margins.
- Dassel operations closed by the end of the third quarter.

- Improved commercial terms reached with one out of three key customers. Agreement expected to be reached for a second customer in Q4.
- These initiatives are gradually improve the profitability of the business area during Q4, together with concluded price negotiations with some key customers done in Q3.

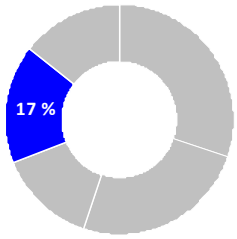
Fluid Transfer

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 is also specialized in manufacturing tube and hose assemblies for difficult environments.

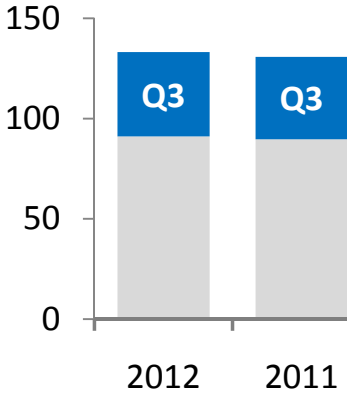
Fluid Transfer products primarily address the commercial vehicle market, with particularly strong positions in the United States and Western Europe.

Key customers in commercial vehicles include Volvo Trucks and Navistar. OEM automotive customers are Volvo, 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. The business area provides completely engineered flexible fluid assemblies for all market segments in which it operates.

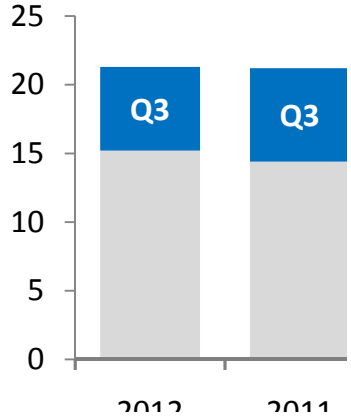
Share of Q3 2012 revenues



Revenues (MEUR)



EBITDA (MEUR)



Key figures – Fluid Transfer

MEUR	Q3 2012	Q3 2011	YTD 2012	YTD 2011
Revenues	42.1	41.1	133.2	130.8
EBITDA	6.1	6.8	21.3	21.2
EBITDA (%)	*14.4 %*	*16.5 %*	*16.0 %*	*16.2 %*
Depreciation	(1.7)	(1.6)	(5.0)	(4.6)
Amortization	(0.9)	(0.8)	(2.6)	(2.5)
EBIT	3.4	4.4	13.6	14.1
EBIT (%)	*8.2 %*	*10.6 %*	*10.2 %*	*10.8 %*
Capex	1.4	1.1	3.3	2.8
Capital employed *	121.7	117.4	121.7	117.4

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

Financial update

Fluid Transfer revenue increased by EUR 1.0 million (2.4%) to EUR 42.1 million in the third quarter, including a favorable currency effect of EUR 2.8 million. Automotive and industrial strength in North America was offset by global commercial vehicle weakness with coupling systems experiencing a significant volume decline in Europe.

The YTD 2012 revenues were up EUR 2.4 million (1.8%) to EUR 133.2 million including a positive currency effect of EUR 6.6 million. Pricing actions have been agreed to address significant raw material price increases. In addition strength in North American markets was offset by commercial vehicle weakness in Europe.

EBITDA was EUR 6.1 million, a decrease of EUR 0.7 million compared with the third quarter 2011. The EBITDA margin decreased 2.1 % points to 14.4 %, largely due to the negative mix associated with the significantly lower volumes in commercial vehicles versus the automotive and industrial segments.

The YTD 2012 EBITDA was EUR 21.3 million, an increase of EUR 0.1 million compared with the first three quarters of 2011. The EBITDA margin decreased 0.2% points to 16.0%, as the effects of operational improvements, previously mentioned pricing actions and strength in the North American automotive and industrial markets were more than offset by negative mix and weakness in commercial vehicles in Europe.

Operational update

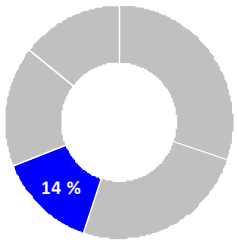
On the 31st July, two warehouses rented by the company's plant in Epila, Spain sustained significant damage as the result of a fire. Production and customer deliveries were not impacted. At the current time, the company considers that they are adequately insured to cover losses from damage to inventory and other assets.

Actuation & Chassis

Actuation & Chassis is a global developer and manufacturer of operator control systems for commercial and industrial vehicle markets, offering a robust product portfolio of clutch actuation systems, gearshift systems, vehicle dynamics and steering columns.

Actuation & Chassis' products address the commercial vehicle market, with particularly strong positions in Europe, Brazil, and Korea. Key customers include Volvo Trucks, Scania, MAN, Daimler, Hyundai and DAF/PACCAR.

Share of Q3 2012 revenues

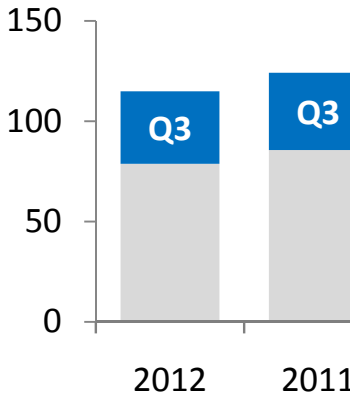


Key figures – Actuation & Chassis

MEUR	Q3 2012	Q3 2011	YTD 2012	YTD 2011
Revenues	36.1	38.5	114.9	124.1
EBITDA	6.1	5.9	16.1	20.3
EBITDA (%)	*16.9 %*	*15.2 %*	*14.0 %*	*16.3 %*
Depreciation	(1.1)	(1.2)	(3.5)	(3.5)
Amortization	(0.6)	(0.5)	(1.4)	(1.5)
EBIT	4.5	4.2	11.3	15.3
EBIT (%)	*12.4 %*	*11.0 %*	*9.8 %*	*12.3 %*
Capex	1.4	1.8	2.9	3.5
Capital employed *	84.2	83.5	84.2	83.5

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

Revenues (MEUR)

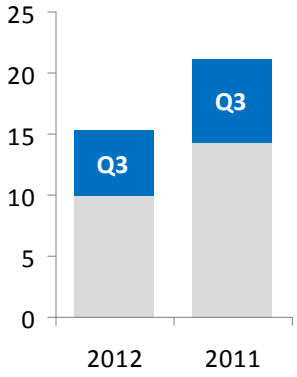


Financial update

Actuation & Chassis revenues were down EUR 2.4 million (6.2 %) to EUR 36.1 million in the third quarter 2012 compared to the third quarter 2011, including a favorable currency effect of EUR 1.5 million. The revenue decline reflects a weak European commercial vehicle market due to the general economic situation. Furthermore, the Brazilian truck market is significantly down due to the introduction of the EURO 5 emission standards in 2012, and the Chinese truck production slowed down reflecting reduced GDP growth. These effects give a revenue decline for the first three quarters of the year of EUR 9.2 million.

EBITDA was EUR 6.1 million, which was EUR 0.2 million above the third quarter 2011. Lower sales were partly offset by higher margins due to improved operational performance, strong aftermarket sales and higher prototype and invoiced R&D hours. Fixed costs were higher on account of more R&D activities. For the first three quarters of the year the EBITDA was down EUR 4.2 million, primarily because of lower sales.

EBITDA (MEUR)



Operational update

Started serial production in North America of clutch actuation system, complete linkage from clutch pedal to clutch housing in the KA plant in Easley, South Carolina. This is a good example of European technology entering new markets. We see further growth opportunities being developed from this market entry. High R&D and new product launch activity level due to strong customer interests in A&C product offering.

Power Products

Power Products is one of the global leaders in the design, manufacture and supply of vehicle operator control systems, providing quality engineered pedal systems, electronic displays and a full range or mechanical and electronic controls to the world's foremost manufacturers of industrial, agricultural and construction vehicles.

PPS' products and services support the off-highway vehicle markets of Lawn & Garden, Agriculture, Construction and Power Sports, with particularly strong positions in Europe and North America. Key customers include John Deere, Husqvarna, MTD and BRP.

Key figures – Power Products Systems

MEUR	Q3 2012	Q3 2011	YTD 2012	YTD 2011
Revenues	29.8	28.3	108.3	103.1
EBITDA	2.8	2.1	13.8	12.4
EBITDA (%)	*9.4 %*	*7.3 %*	*12.8 %*	*12.1 %*
Depreciation	(0.6)	(0.4)	(1.4)	(1.3)
Amortization	(0.8)	(0.7)	(2.3)	(2.2)
EBIT	1.4	0.9	10.1	8.9
EBIT (%)	*4.7 %*	*3.1 %*	*9.3 %*	*8.6 %*
Capex	0.9	0.8	1.7	1.5
Capital employed *	50.5	54.1	50.5	54.1

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

Financial update

Power Products revenues were up EUR 1.5 million (5.6%) to EUR 29.8 million compared to third quarter last year, including a favorable currency effect of EUR 3.0 million.

A weak European market compared to last year is influencing this quarter's revenue, but North America and China are also down compared to last year. The North American revenues are down despite an introduction of a new power steering product for a major North American Power Sports customer.

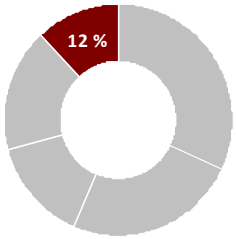
EBITDA was EUR 2.8 million in the third quarter, which was EUR 0.7 million above the third quarter last year. This reflects controlled spending, lower fixed cost and a positive product mix. New products and improving performance are driving higher margins that partly offset a slower European and North American market.

Operational update

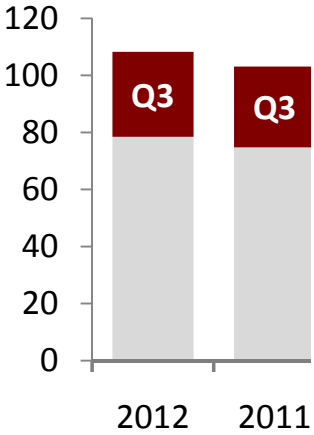
The transfer of production from Italy to Hungary is in the final phase and has been accomplished YTD with minimal negative financial impacts due to cost controls and execution.

Order backlog and forecasts for PPS including new product launches are slightly above 2011 however in certain segment visibility is limited.

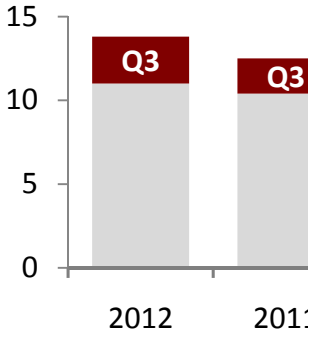
Share of Q3 2012 revenues



Revenues (MEUR)



EBITDA (MEUR)



Expectations are that the order trend will closely coincide with general economic and weather conditions as it has done historically.

New product launches continue to provide revenue growth within PPS particularly for the electronic Tier 4 emission standards. Here the portfolio development continues as planned with the new electronic control modules (Smart Can Interface Module, SCIM) fully launching in Q2.

A new power steering product for a major North American Power Sports customer has been introduced to the market.

Condensed consolidated statement of comprehensive income

MEUR	Q3 2012	Q3 2011	YTD 2012	YTD 2011	2011
Revenues	239.0	229.6	768.5	753.6	999.7
Opex	(224.2)	(214.3)	(710.5)	(685.8)	(917.7)
EBITDA	**14.8**	**15.4**	**58.0**	**67.8**	**82.0**
EBITDA (%)	*6.2 %*	*6.7 %*	*7.6 %*	*9.0 %*	*8.2 %*
Depreciation and amortization	(11.5)	(10.3)	(35.1)	(31.0)	(43.5)
EBIT	**3.4**	**5.0**	**22.9**	**36.8**	**38.5**
EBIT (%)	*1.4 %*	*2.2 %*	*3.0 %*	*4.9 %*	*3.9 %*
Net financial items	(2.4)	(13.1)	(13.5)	(23.0)	(30.4)
Profit before taxes	**1.0**	**(8.0)**	**9.4**	**13.8**	**8.2**
Income taxes	(1.5)	(0.2)	(6.4)	(4.3)	(8.6)
Change in deferred tax	1.3	2.6	4.0	1.0	8.2
Net profit	**0.8**	**(5.6)**	**7.0**	**10.5**	**7.8**
Translation differences	(4.5)	9.9	(2.5)	(1.9)	6.5
Tax on translation differences	3.4	(4.9)	4.3	(1.6)	(3.7)
Total comprehensive income	**(0.3)**	**(0.6)**	**8.8**	**7.0**	**10.5**
Net profit attributable to:					
Equity holders (parent comp)	0.7	(5.7)	6.9	10.1	7.5
Non-controlling interests	0.1	0.1	0.1	0.4	0.3
Total	**0.8**	**(5.6)**	**7.0**	**10.5**	**7.8**
Total comprehensive income attributable to:					
Equity holders (parent comp)	(0.4)	(0.7)	8.7	6.6	10.2
Non-controlling interests	0.1	0.1	0.1	0.4	0.3
Total	**(0.3)**	**(0.6)**	**8.8**	**7.0**	**10.5**
Earnings per share:					
Basic earnings per share, Eur	0.00	(0.01)	0.02	0.03	0.02
Diluted earnings per share, Eur	0.00	(0.01)	0.02	0.03	0.02

Condensed consolidated statement of financial position

MEUR	30.09.12	30.09.11	31.12.11
Deferred tax asset	57.0	63.5	50.6
Intangible assets	238.8	239.9	242.9
Property, plant and equipment	132.8	129.8	132.6
Other non-current assets	3.7	1.2	3.2
Non-current assets	**432.3**	**434.3**	**429.3**
Inventories	86.2	93.0	94.4
Account receivables	150.0	152.0	145.6
Other short term receivables	38.3	39.5	42.0
Cash and cash equivalents	74.5	73.1	82.5
Current assets	**349.1**	**357.6**	**364.6**
Total assets	**781.4**	**792.0**	**793.9**
Share capital	27.1	25.3	26.2
Share premium reserve	228.8	213.8	217.6
Other equity	(68.8)	(63.6)	(65.1)
Non-controlling interests	6.4	6.3	6.6
Total equity	**193.5**	**181.8**	**185.2**
Interest bearing loans and borrowings	306.7	334.2	326.9
Deferred tax liabilities	18.3	33.8	19.7
Other long term liabilities	15.0	15.2	14.5
Non-current liabilities	**340.0**	**383.2**	**361.1**
Bank overdraft	42.3	21.9	30.2
Other short term liabilities, interest bearing	36.1	31.1	41.2
Accounts payable	95.8	107.5	109.4
Other short term liabilities	73.6	66.5	66.7
Current liabilities	**247.9**	**227.0**	**247.5**
Total liabilities	**587.9**	**610.2**	**608.6**
Total equity and liabilities	**781.4**	**792.0**	**793.9**

Condensed consolidated statement of changes in equity

MEUR	30.09.12	30.09.11	31.12.11
Equity as of start of period	**185.2**	**174.6**	**174.6**
Net profit for the period	7.0	10.5	7.8
Translation differences	(2.5)	(1.9)	6.5
Tax on translation differences	4.3	(1.6)	(3.7)
Total comprehensive income	*8.8*	*7.0*	*10.5*
Options contracts (employees)	0.4	0.6	0.8
Treasury shares	0.0	0.1	0.1
Other changes in non-controlling interest	(0.5)	(0.5)	(0.5)
Other changes in equity	(0.5)	0.0	(0.3)
Equity as of end of period	**193.5**	**181.8**	**185.2**

Condensed consolidated statement of cash flow

MEUR	Q3 2012	Q3 2011	YTD 2012	YTD 2011	2011
Operating activities					
(Loss)/profit before taxes	1.0	(8.0)	9.4	13.8	8.2
Depreciation	7.9	6.8	23.6	20.3	29.0
Amortization	3.5	3.6	11.5	10.8	14.4
Interest income	0.0	(0.1)	(0.2)	(0.4)	(0.5)
Interest expenses	5.2	5.5	13.8	16.0	20.0
Taxes paid	(0.6)	(1.5)	(1.8)	(2.0)	(2.0)
(Gain)/loss sale non-curr asset	0.0	0.0	0.0	0.0	(0.2)
Change in receivables	8.7	4.0	(4.4)	(25.4)	(18.1)
Change in inventory	4.6	(3.7)	8.2	(9.7)	(10.1)
Change in payables	(17.0)	(3.1)	(13.5)	(2.8)	(2.4)
Currency (gain)/loss	(5.2)	6.2	(8.5)	6.4	8.9
Change value of derivatives	1.2	0.5	3.4	(1.8)	(1.5)
Change other items	0.6	(1.7)	1.1	0.1	(4.5)
CF operating activities	**9.9**	**8.3**	**42.7**	**25.2**	**41.2**
Investing activities					
Capital expenditures	(7.3)	(10.3)	(22.5)	(23.4)	(35.1)
Investments in subsidiaries	0.0	0.0	0.0	(0.1)	(0.1)
Interest received	0.0	0.1	0.2	0.4	0.5
CF investing activities	**(7.3)**	**(10.2)**	**(22.3)**	**(23.1)**	**(34.7)**
Financing activities					
Proceeds sale treasury shares	0.0	0.0	0.0	0.0	0.1
Repayment of external loans*	2.0	0.0	(21.3)	(27.1)	(32.3)
Interest paid	(4.7)	(4.6)	(11.4)	(14.8)	(19.1)
Dividends paid**	0.0	(0.5)	(0.5)	(0.5)	(0.5)
Other financial charges	0.0	(2.5)	(7.4)	(2.8)	(3.5)
CF financing activities	**(2.7)**	**(7.6)**	**(40.6)**	**(45.2)**	**(55.3)**
Currency effects on cash	**(1.5)**	**0.8**	**0.1**	**(6.7)**	**0.1**
Net change in cash	(1.5)	(8.8)	(20.1)	(49.7)	(48.6)
Net cash 01.01.	33.7	60.0	52.3	101.0	101.0
Net cash period end	**32.2**	**51.2**	**32.2**	**51.2**	**52.3**
Of this, restricted cash	4.9	2.5	4.9	2.5	3.1

* See note 3 for comments.

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

Notes to the condensed consolidated financial statement

Note 1 – Disclosures

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

Basis of preparation
This condensed consolidated interim financial information, ended 30 September 2012, has been prepared in accordance with IAS 34 “Interim financial reporting”. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2011, which have been prepared in accordance with IFRS.

Accounting policies
The accounting policies are consistent with those of the annual financial statements for the year ended 31 December 2011, as described in those annual financial statements.

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

Risks
The Group’s activities are exposed to different types of risks. Some of the most important factors are foreign exchange rates, interest rates, raw material prices and credit risks, as well as liquidity risk. As the Company operates in many countries, it is vulnerable to currency risk. The greatest currency exposure is associated with EUR and USD, while raw material exposure is greatest in copper, zinc, aluminum and steel. The gearing level in the company is high, which influences the liquidity situation in the Group. Uncertainty in the market’s development is still a risk factor. The Board of Directors and management continue to proactively address the risk factors described above.

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

Note 2 - Segment reporting

2.1 Operating reportable segments

30.09.12

MEUR	Driveline	Interior	Actuation & Chassis	Fluid Transfer	Power Products	Elim & other	Group
Operating Revenues	245.8	196.5	114.9	133.2	108.3	(30.2)	768.5
EBITDA	**(0.1)**	**19.6**	**16.1**	**21.3**	**13.8**	**(12.6)**	**58.0**
Depreciation	(8.1)	(5.5)	(3.5)	(5.0)	(1.4)	0.0	(23.6)
Amortization	(2.1)	(1.4)	(1.4)	(2.6)	(2.3)	(1.7)	(11.5)
EBIT	**(10.3)**	**12.6**	**11.3**	**13.6**	**10.1**	**(14.3)**	**22.9**
Assets and liabilities							
Goodwill	6.3	72.9	28.6	48.7	6.8	0.0	163.3
Other intangible assets	17.0	10.8	12.3	18.4	16.4	0.6	75.5
Property, plant and equipment	36.2	32.4	24.0	29.4	10.2	0.5	132.8
Inventories	28.0	13.1	14.5	15.3	15.8	(0.6)	86.2
Trade receivables	49.2	39.7	19.5	27.5	14.1	0.0	150.0
Segment assets	136.8	169.0	98.9	139.3	63.3	0.5	607.8
Unallocated assets						173.5	173.5
Total assets	**136.8**	**169.0**	**98.9**	**139.3**	**63.3**	**174.1**	**781.4**
Trade payables	29.8	20.6	14.7	17.6	12.8	0.2	95.8
Unallocated liabilities						492.1	492.1
Total liabilities	**29.8**	**20.6**	**14.7**	**17.6**	**12.8**	**492.3**	**587.9**
Capital expenditure	6.9	6.6	2.9	3.3	1.7	0.0	21.5

30.09.11

MEUR	Driveline	Interior	Actuation & Chassis	Fluid Transfer	Power Products	Elim & other	Group
Operating Revenues	245.4	185.3	124.1	130.8	103.1	(35.1)	753.6
EBITDA	**11.3**	**13.3**	**20.3**	**21.2**	**12.4**	**(10.7)**	**67.8**
Depreciation	(6.0)	(4.6)	(3.5)	(4.6)	(1.3)	(0.1)	(20.3)
Amortization	(2.4)	(1.8)	(1.5)	(2.5)	(2.2)	(0.4)	(10.8)
EBIT	**2.8**	**7.0**	**15.3**	**14.1**	**8.9**	**(11.3)**	**36.8**
Assets and liabilities							
Goodwill	6.0	70.2	26.0	47.0	7.9	(0.0)	157.1
Other intangible assets	17.5	12.7	12.5	20.7	18.6	0.8	82.8
Property, plant and equipment	39.7	27.3	24.1	29.0	9.2	0.5	129.8
Inventories	33.4	13.6	16.3	15.3	15.0	(0.5)	93.0
Trade receivables	43.5	45.6	22.7	25.6	14.5	0.0	152.0
Segment assets	140.1	169.5	101.6	137.5	65.1	0.8	614.7
Unallocated assets						177.3	177.3
Total assets	**140.1**	**169.5**	**101.6**	**137.5**	**65.1**	**178.1**	**792.0**
Trade payables	35.2	22.5	18.1	20.2	11.0	0.5	107.5
Unallocated liabilities						502.7	502.7
Total liabilities	**35.2**	**22.5**	**18.1**	**20.2**	**11.0**	**503.2**	**610.2**
Capital expenditure	6.1	7.2	3.5	2.8	1.5	0.0	21.1

31.12.11

MEUR	Driveline	Interior	Actuation & Chassis	Fluid Transfer	Power Products	Elim & other	Group
Operating Revenues	327.3	247.9	166.0	170.9	133.3	(45.7)	999.7
EBITDA	**6.4**	**18.6**	**25.7**	**27.3**	**18.5**	**(14.6)**	**82.0**
Depreciation	(9.9)	(6.3)	(4.7)	(6.3)	(1.7)	(0.2)	(29.0)
Amortization	(3.3)	(2.3)	(1.9)	(3.3)	(3.0)	(0.5)	(14.4)
EBIT	**(6.7)**	**10.0**	**19.1**	**17.7**	**13.8**	**(15.4)**	**38.5**
Assets and liabilities							
Goodwill	6.2	71.2	26.7	48.5	8.0	0.0	160.6
Other intangible assets	17.4	12.3	12.7	20.6	18.6	0.7	82.3
Property, plant and equipment	38.6	28.8	24.8	29.8	10.0	0.5	132.6
Inventories	34.9	14.1	13.3	14.9	17.8	(0.6)	94.4
Trade receivables	42.4	45.0	21.5	22.7	13.9	0.1	145.6
Segment assets	139.6	171.4	99.1	136.6	68.2	0.7	615.6
Unallocated assets						178.3	178.3
Total assets	**139.6**	**171.4**	**99.1**	**136.6**	**68.2**	**179.0**	**793.9**
Trade payables	35.2	21.7	19.1	18.8	14.3	0.4	109.4
Unallocated liabilities						499.3	499.3
Total liabilities	**35.2**	**21.7**	**19.1**	**18.8**	**14.3**	**499.6**	**608.6**
Capital expenditure	8.9	9.5	5.1	5.3	2.5	0.0	31.3

2.2 Segments by geographical location

2.2.1 Sales to customers by geographical location

MEUR	2012 Jan - Sep	%	2011 Jan - Sep	%	2011 Jan-Dec	%
Sweden	63.9	8.3 %	97.8	13.0 %	100.2	10.0 %
Germany	95.5	12.4 %	84.0	11.2 %	124.3	12.4 %
France	62.0	8.1 %	63.3	8.4 %	85.2	8.5 %
Other EU	175.4	22.8 %	161.4	21.4 %	216.0	21.6 %
Total EUR	**396.9**	**51.6 %**	**406.6**	**54.0 %**	**525.8**	**52.6 %**
USA	199.9	26.0 %	197.7	26.2 %	230.8	23.1 %
NA other	73.5	9.6 %	49.3	6.5 %	93.1	9.3 %
Total NA	**273.3**	**35.6 %**	**247.0**	**32.8 %**	**323.9**	**32.4 %**
China	48.9	6.4 %	44.4	5.9 %	66.8	6.7 %
Asia Other	20.7	2.7 %	24.6	3.3 %	41.4	4.1 %
Total Asia	**69.6**	**9.1 %**	**69.0**	**9.2 %**	**108.2**	**10.8 %**
Other countries	28.6	3.7 %	31.0	4.1 %	41.8	4.2 %
Operating revenues	**768.5**	**100.0 %**	**753.6**	**100.0 %**	**999.7**	**100.0 %**

All contries with identified revenue of more than 5 % of total revenue are split out.

2.2.2 Non-current assets by geographical location

MEUR	2012 Jan - Sep	%	2011 Jan - Sep	%	2011 Jan-Dec	%
USA	136.4	36.7 %	137.6	37.2 %	143.0	38.1 %
UK	14.1	3.8 %	17.2	4.7 %	15.9	4.2 %
Norway	31.8	8.6 %	31.7	8.6 %	32.3	8.6 %
Germany	21.6	5.8 %	30.0	8.1 %	28.0	7.5 %
Sweden	33.5	9.0 %	30.7	8.3 %	31.8	8.5 %
Poland	37.2	10.0 %	30.1	8.1 %	31.7	8.4 %
Other	97.0	26.1 %	92.2	24.9 %	92.8	24.7 %
Total Non-Current Assets*	**371.6**	**100.0 %**	**369.6**	**100.0 %**	**375.5**	**100.0 %**

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

Note 3 – Interest bearing loans and borrowings

MEUR	30.09.12	31.12.11
Non-current liabilities		
Bank loans	306.7	326.9
Current liabilities		
Bank overdrafts	42.3	30.2
Other current interest-bearing liabilities	36.1	41.2
Total interest-bearing liabilities	**385.2**	**398.3**

3.1 Non-current liabilities

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

Facilities	Currency	Total Amounts	Drawn Amounts	Maturity Date	Interest Rate (incl margin)
DNB / Nordea Reducing Revolving Facility					
Tranche in EUR	EUR	251.0	188.0	30.03.17	5.00 %
Tranche in USD	USD	195.0	182.0	30.03.17	5.10 %
Innovasjon Norge	NOK	130.5	130.5	10.12.21	4.90%- 6.09%

3.2 Other current interest-bearing liabilities

These comprise accrued interest and capital repayments on long-term loans payable within twelve months of the balance sheet date, as well certain other short-term interest-bearing liabilities.

3.3 Borrowings by currency

MEUR	30.09.12	31.12.11
EUR	227.4	218.3
USD	138.9	146.9
NOK	17.7	27.4
Other currencies	1.2	5.6
Total interest-bearing liabilities	**385.2**	**398.3**

3.4 Maturity schedule

The maturity schedule for liabilities is as follows (in local currencies, million):

Year	EUR	USD	NOK
Repayable during 2012	15.0		
Repayable during 2013	40.0		7.7
Repayable during 2014	40.0		15.4
Repayable during 2015	40.0		15.4
Repayable during 2016	40.0		15.4
Repayable during 2017 (and later)	76.0	195.0	76.6
Total	**251.0**	**195.0**	**130.5**

3.5 Liquidity reserve

The liquidity reserve of KA group consists of:

MEUR	30.09.12	31.12.11
Free cash	69.6	79.4
Undrawn RRCF EUR/USD	38.1	12.2
Undrawn overdraft facility	35.0	64.5
Total (before use)	**142.7**	**156.1**
Used (Bank overdraft)	(42.3)	(30.2)
Unused liquidity reserve	**100.4**	**125.8**

3.6 Net financials

MEUR	Q3 2012	Q3 2011	YTD 2012	YTD 2011	2011
Interest income	0.0	0.1	0.2	0.4	0.5
Interest expenses	(5.2)	(5.5)	(13.8)	(16.0)	(20.0)
Foreign currency gains/losses	5.2	(6.2)	8.5	(6.4)	(8.9)
Chg in valuation of FX contracts	(1.2)	(0.5)	(3.4)	1.8	1.5
Other financial items	(1.2)	(1.0)	(5.0)	(2.8)	(3.5)
Net financial items	**(2.4)**	**(13.1)**	**(13.5)**	**(23.0)**	**(30.4)**

Other company information

Kongsberg Automotive Holding ASA
Dyrmyrgata 48
3601 Kongsberg, Norway
Phone +47 32 77 05 00
www.kongsbergautomotive.com

The Board of Directors:

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

Executive Committee:

Hans Peter Havdal	President & CEO
Trond Stabekk	Executive Vice President & CFO

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**
4th Quarter 2012	7 February 2013	8 February 2013