KONGSBERG
AUTOMOTIVE

2nd Quarter Report 2013

Kongsberg Automotive Group

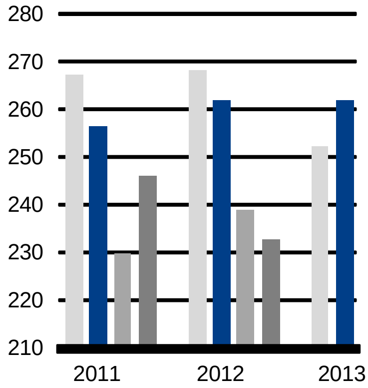
Enhancing the driving experience

2013

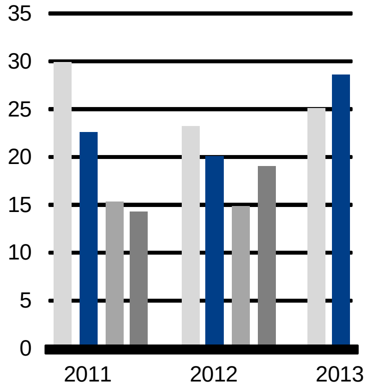
Highlights 2nd quarter 2013

2nd Quarter

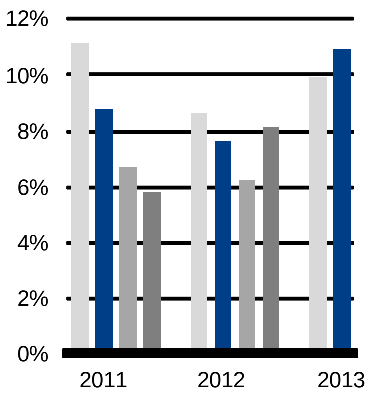
Revenues per quarter
EUR million



EBITDA per quarter
EUR million



EBITDA Margin
Percent



Highlights

- Revenues of EUR 262 million in line with second quarter last year
- EBITDA of EUR 28.6 million (10.9%), up EUR 8.6 million from 2nd quarter 2012
- Improved profitability on same revenues, reflecting the effects of operational and commercial improvements
- Strong cash flow from operations, exceeding EBITDA
- The gearing ratio further reduced to 3.1 times NIBD/EBITDA
- Revenues for 3rd quarter are expected to be approx EUR 235 million

Key figures

MEUR	Q2 2013	Q2 2012	YTD 2013	YTD 2012	2012
Revenues	262.0	261.6	514.2	529.5	1001.1
EBITDA	**28.6**	**20.0**	**53.7**	**43.2**	**77.0**
EBITDA %	10.9 %	7.6 %	10.5 %	8.2 %	7.7 %
EBIT	**17.7**	**6.7**	**31.1**	**19.5**	**30.7**
EBIT (%)	6.7 %	2.6 %	6.1 %	3.7 %	3.1 %
Net profit	**4.5**	**(4.6)**	**6.8**	**6.3**	**5.3**
NIBD/EBITDA	3.1	4.2	3.1	4.2	3.8
Equity ratio (%)	25.2 %	24.2 %	25.2 %	24.2 %	24.8 %

KEY EVENTS

The Board of Directors'
First half year report

In the first 6 months of 2013 the global economy has been less unstable and the automotive markets in total have been developing in line with expectations. Europe has been the weakest region both on the passenger car and commercial vehicle side. North America and China have still been showing good growth numbers. From a profitability standpoint, KA's Driveline business segment has for the last years been the key challenge. We are pleased to see that this area now is gradually showing improvements in the underlying profitability, based on all the actions taken over the last couple of years. The other three business segments have continued to deliver strong margins. KA has continued to show a strong performance in the market by booking a significant amount of new business across regions. The company has booked significantly more business in the BRIC countries than over the last years. This will over time improve KA's exposure to the fastest growing regions.

FINANCIALS

The revenues in the first half year of 2013 amounted to EUR 514.2 million compared to EUR 529.5 million in the same period 2012. EBITDA for the first half year was EUR 53.7 million, an increase of EUR 10.5 million compared with the first half of 2012. Net profit of EUR 6.8 million was significantly influenced by unrealized foreign currency losses (MEUR -12.1) included in net financial items.

THE MARKET

The global Light Vehicle Production (LVP) was slightly better than expected in 2nd quarter 2013 with a 3.3% increase, compared to the April forecast of 0.3%.The main reason for this slightly stronger growth was that Europe was not doing as bad as feared in the beginning of 2013. European production, saved by export of premium brands, is only down 1.5% in 2nd quarter 2013 compared to a year ago, versus a forecast of -6% last quarter.

By the end of 2nd quarter, the US light vehicle seasonally adjusted annualized sales rate came in close to 16 million vehicles. That was the highest since December 2007. Replacement demand, low interest rates, rebounding housing market, falling gasoline prices and improved consumer confidence was driving the growth in car sales. Especially higher sales of full size pickups led to higher than expected sales (+22% in the first 6 months). Due to this, the production figures in North America remained strong.

China also saw a higher than expected light vehicle production for the first half of 2013; +12% instead of previously forecasted 9% on the back of a still strong demand. The global Commercial Vehicle Production (CVP) saw an even further growth reduction in Q2 2013 compared to the outlook three months ago, due to a Europe region in recession. As the (especially Heavy Duty) commercial vehicle market is closely related to the GDP growth, any trends opposite to GDP forecasts have other explanations. So, any improvements in Europe for 2013 might be an indication of a forthcoming pre-buy effect to the January 1st 2014 EURO 6 introduction

RISKS

The Group's activities are exposed to different types of risk. Some of the most important risk factors are foreign-exchange rates, interest rates, raw material prices and credit risks, as 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 development in the overall market is considered to be the biggest risk factor at the moment. The company continuously monitors the risk factors.

SHARE AND SHAREHOLDERS

During the 2nd quarter the share price has developed from NOK 1.48 to 2.65. The total number of shareholders in KOA is 6.151. The total number of shares is 406.8 million, of those 20.1 % were owned by foreigners.

FUTURE OUTLOOK

The market outlook continues to be influenced by the general uncertainty in the global economy, particularly in Europe. The company, with the existing information, does not see signs of major negative changes in the overall trend lines for the industry. However it is difficult to predict how the general economic uncertainty will influence this picture. The company expects revenue of approximately EUR 235 million in the 3rd quarter 2013, mainly influenced by seasonality. For 2013 KA keeps its revenue estimate of slightly below EUR 1000 million, based on the current market assumptions.

Condensed consolidated statement of profit and loss

MEUR	Q2 2013	Q2 2012	YTD 2013	YTD 2012	2012
Revenues	262.0	261.6	514.2	529.5	1001.1
Opex	(233.3)	(241.6)	(460.4)	(486.3)	(924.1)
EBITDA	**28.6**	**20.0**	**53.7**	**43.2**	**77.0**
EBITDA (%)	*10.9 %*	*7.6 %*	*10.5 %*	*8.2 %*	*7.7 %*
Depreciation and amortization	(11.0)	(13.3)	(22.6)	(23.7)	(46.3)
EBIT	**17.7**	**6.7**	**31.1**	**19.5**	**30.7**
EBIT (%)	*6.7 %*	*2.6 %*	*6.1 %*	*3.7 %*	*3.1 %*
Net financial items	(11.5)	(13.0)	(22.0)	(11.1)	(18.7)
Profit before taxes	**6.1**	**(6.3)**	**9.2**	**8.5**	**11.9**
Income taxes	(3.9)	(1.7)	(6.4)	(4.9)	(6.1)
Change in deferred tax	2.3	3.3	4.0	2.7	(0.5)
Net profit	**4.5**	**(4.6)**	**6.8**	**6.3**	**5.3**

REVENUES

Revenues for the Group amounted to EUR 262 million in the second quarter of 2013. The revenues were EUR 0.4 million (0.2%) above the comparable period last year, including an unfavourable currency effect of EUR -1.5 million.

Revenues in the commercial vehicle segments *Driver Control Systems* (DCS) and *Fluid Transfer Systems* (FTS) increased year over year by respectively EUR 2.2 million and EUR 2.5 million. On the automotive side *Interior Systems* (IS) delivered revenues in line with same period last year, while *Driveline Systems* (DS) experienced a significant drop of EUR -6.4 million. The revenue decrease in DS was primarily driven by exposure to southern European markets and exit of unprofitable business.

EBITDA/ EBIT

The EBITDA for the Group was EUR 28.6 million in the second quarter of 2013, an increase of EUR 8.6 (43.2%) million compared to second quarter of 2012. The EBITDA margin was 10.9% compared to 7.6 % in the same period last year, an increase of 3.3 % points.

The EBITDA margin was improved across all BAs, however the improvement in DS of 4.6 % points had the biggest impact on the consolidated figures. The improvements in the BAs have been driven by improved operational performance, cost reductions, and commercial improvements, including favorable sales mix and exit of unprofitable business.

NET FINANCIALS

Net financials (see note 3) was EUR -11.5 million in the second quarter of 2013, compared to EUR -13.0 million in the same period 2012. The decrease is primarily related to higher financial fees accrued in 2012.

PROFIT BEFORE TAX / NET PROFIT

Second quarter profit before tax increased from EUR - 6.3 million to EUR 6.1 million driven primarily by EBITDA improvements. Tax expense in the second quarter is in line with the estimated effective tax rate of 26 % resulting in a net profit for the quarter of EUR 4.5 million.

Group Financial Summary

Condensed statement of cash flow

MEUR	Q2 2013	Q2 2012	YTD 2013	YTD 2012	2012
Cash flow from operating activities	30.9	22.3	36.2	32.8	78.8
Cash flow from investing activities	(7.7)	(7.9)	(13.6)	(15.0)	(32.0)
Cash flow from financing activities	(17.8)	(23.4)	(18.5)	(37.9)	(65.3)
Currency effects on cash	(0.4)	3.9	(0.0)	1.6	(0.3)
Net change in cash	5.0	(5.0)	4.1	(18.6)	(18.8)
Net cash at 01.01 *	32.6	38.7	33.5	52.3	52.3
Net cash at period end *	**37.6**	**33.7**	**37.6**	**33.7**	**33.5**
Of this, restricted cash	3.0	3.4	3.0	3.4	2.6

** Includes bank overdraft*

CASH FLOW FROM OPERATING ACTIVITIES

A strong second quarter EBITDA and a positive change in net working capital contributed to a Net cash flow from operating activities of EUR 30.9 million, an increase of EUR 8.6 million compared to the same period in 2012.

CASH FLOW FROM INVESTING ACTIVITIES

Net investments in tangible and intangible assets amounted to EUR 7.7 million during the second quarter of 2013, a reduction of EUR 0.2 million compared to same period last year.

CASH FLOW FROM FINANCING ACTIVITIES

Net cash flow from financing activities was EUR -17.8 million in second quarter 2013, compared to EUR -23.4 million in 2012. The reduction was primarily related to financial fees paid in 2012. Interest payments increased by EUR 1.3 million to EUR 4.5 million due to different date of payments.

NET CHANGE IN CASH

Changes in net cash, including bank overdraft, was EUR 5.0 million in the second quarter 2013. The cash holding increased by EUR 5.8 million from EUR 61.8 million to EUR 67.6 million during the second quarter. Bank overdraft was unchanged during the second quarter.

Condensed statement of financial position

MEUR	30.06.13	30.06.12	31.12.12
Non-current assets	408.4	433.5	419.4
Cash and cash equivalents	67.6	77.8	75.3
Other current assets	274.7	290.2	250.2
Total assets	**750.7**	**801.5**	**744.9**
Equity	189.4	193.6	184.7
Interest bearing debt	313.1	344.2	322.8
Other liabilities	248.2	263.7	237.4
Total equity and liabilities	**750.7**	**801.5**	**744.9**
NIBD	*275.5*	*310.5*	*289.3*
Equity ratio	*25.2%*	*24.2%*	*24.8%*

ASSETS

Total assets were EUR 750.7 million as of 30. June 2013, an increase of EUR 5.8 million since year end 2012, mainly due to an increase in working capital.

EQUITY

From year end 2012 equity increased by EUR 4.7 million to EUR 189.4 million. The increase is mainly driven by a positive net profit for the period of EUR 6.8 million partly offset by an equity adjustment due to the change in the IFRS principles (ref note 1). The equity ratio improved by 0.4% points to 25.2%.

INTEREST BEARING DEBT

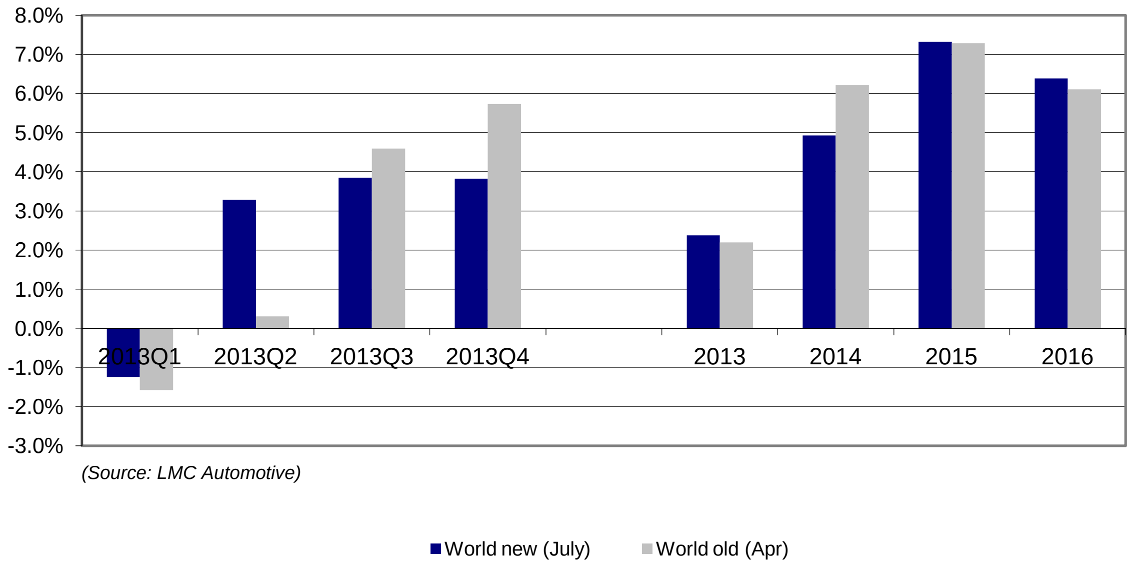
Gross interest bearing debt amounted to EUR 313.1 million at the end of the second quarter 2013, a reduction of EUR 9.7 million since year end 2012. The change reflects reduction in drawn amount, timing of interest payments and currency effects.

Net interest bearing debt was decreased by EUR 13.8 million to EUR 275.5 million since year end 2012. The decrease was driven by a strong operational cash flow partly offset by payment of interests and financial charges.

Light Vehicle Production (LVP) estimates

Year-on-year change in production growth rate:

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



(Source: LMC Automotive)

GLOBAL LIGHT VEHICLE PRODUCTION

Light vehicle production (LVP) was better than expected in 2nd quarter 2013 with a 3.3% increase, compared to the 1st quarter forecast of 0.3%.For the full year 2013 it is estimated that production volumes will end slightly higher than previous estimates. (+2.4% compared to +2.2%).

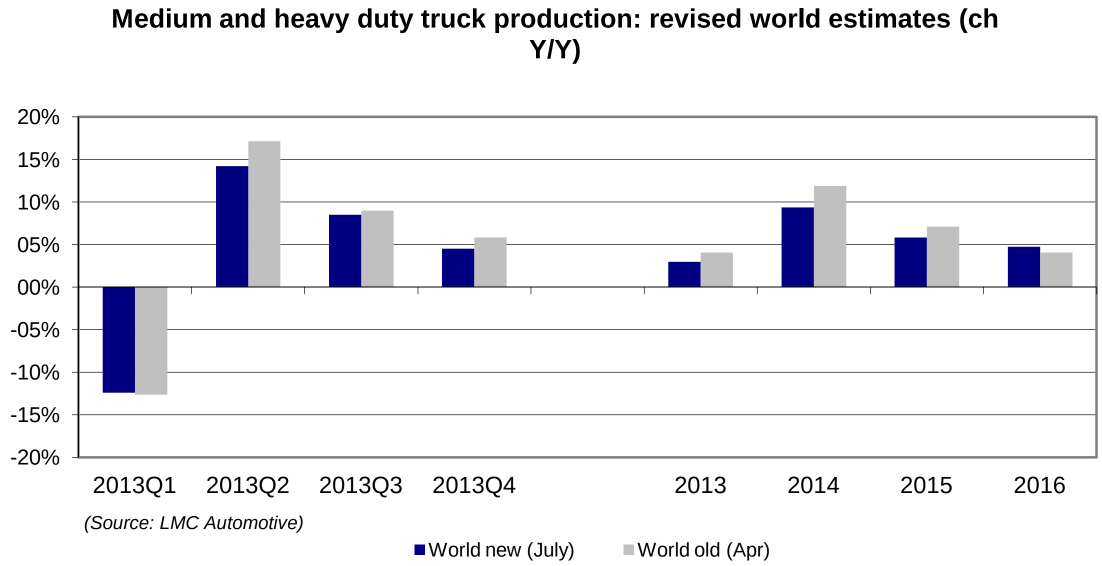
The main reason for the slightly stronger outlook is that Europe is not doing as bad as feared in the beginning of 2013. European production was down 1.5% in 2nd quarter 2013 versus same period last year by versus a previous forecast of -6%. The downturn in Europe was predicted to be at around -2.9% for the full year 2013. EU production is saved by export of premium brands.

By the end of 2nd quarter, the US light vehicle seasonally adjusted annualized sales rate came in at close to 16 million vehicles. That is the highest rate since December 2007 Especially increased sales of full size pickups is the reason for the higher than expected sales (+22% in the first 6 months) Based on this, the production figures in North America have a steady growth.

China also saw a higher than expected light vehicle production for the First half of 2013; +12% instead of previously forecasted 9%.

Commercial Vehicle Production (CVP) estimates

Year-on-year change in production growth rate:



GLOBAL COMMERCIAL VEHICLE PRODUCTION

Commercial vehicle production (CVP) saw an even further reduction in growth rate in 2nd quarter 2013 compared to the estimate three months ago, however we see some signs that Europe is slightly improving.

As the commercial vehicle market, in particular the Heavy Duty segment, is closely correlated to the GDP growth, any trends opposite to GDP forecasts have other explanations. So, any improvements in Europe for 2013 might be an indication of a forthcoming pre-buy effect to the January 1st 2014 EURO 6 introduction.

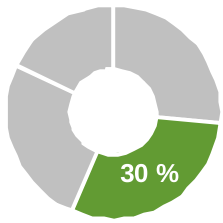
The revised outlook for 2013 is slightly down to 2.72 million vehicles (from 2.75 in April outlook).The main reason for the reduction of the total volume for 2013 is the slower growth rate of the commercial vehicle market in China. Down from 13% to 9%. Europe has been revised slightly up to a forecast of -4.2% instead of -6.3% for the full year 2013. The South American market still has a strong growth at the backend of the reduction in 2012.

Interior Systems

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

The Interior products address the passenger car market, with particularly strong positions in the European and North American markets. Market penetration for products such as seat heating, seat ventilation and massage systems is especially high in medium to higher end cars, whereas headrests and light duty cables can be found in all ranges of cars. Customers include all major European and North American car and seat manufacturers such as Johnson Controls, Faurecia, Audi, Volvo and BMW. In addition the division is a market leader in the supply of light-duty cables to the Outdoor Power Equipment market globally and several other niche industrial market sectors.

Share of Q2 2013 revenues

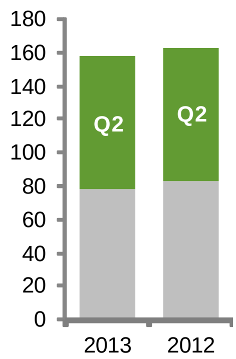


Key figures

MEUR	Q2 2013	Q2 2012	YTD 2013	YTD 2012	2012
Revenues	80.2	79.9	158.0	163.0	304.5
EBITDA	9.7	8.2	19.6	18.6	32.8
EBITDA (%)	*12.1 %*	*10.2 %*	*12.4 %*	*11.4 %*	*10.8 %*
Depreciation	(2.3)	(2.0)	(5.2)	(3.9)	(8.6)
Amortization	(0.5)	(0.5)	(1.0)	(1.0)	(2.1)
EBIT	6.9	5.6	13.3	13.7	22.1
EBIT (%)	*8.6 %*	*7.1 %*	*8.4 %*	*8.4 %*	*7.2 %*
Capex	(1.2)	(3.1)	(2.3)	(5.1)	(8.3)
Capital employed *	155.1	166.3	155.1	166.3	156.5

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

Revenues (MEUR)

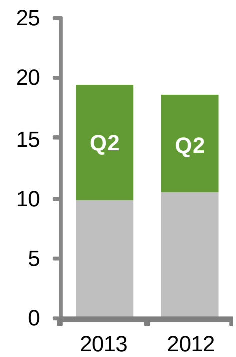


Financial update

Interior revenues increased by EUR 0.3 million (0.4%) to EUR 80.2 million in the second quarter 2013 compared to the same quarter 2012, including an unfavourable currency effect of EUR -0.3 million. We foresee a continued strong market in North America. For YTD 2013, revenues amounted to EUR 158.0 million, a decrease of -3.1% from 2012. This reduction was driven by a Q1 inventory correction at two major North American customers.

EBITDA was EUR 9.7 million in the second quarter of 2013, an increase of EUR 1.6 million (19.2%) compared to the same period last year as a consequence of improvement actions and fixed costs reduction. For YTD 2013, EBITDA increased by EUR 1.0 million (4.9%) to EUR 19.6 million.

EBITDA (MEUR)



Operational update

During the second quarter the Interior division secured major contracts in North America worth approximately 20 MEUR over lifetime and in China worth approximately 7 MEUR over life. The American contracts confirms KA's position as the leading supplier in the world of pneumatic seat support systems, while the Chinese contracts shows that Kongsberg Automotive is continuing its growth journey into the Chinese market with its Interior portfolio.

In April, Kongsberg Automotive were present at the Shanghai Auto Show where the company exhibited its full product portfolio for passenger cars to all the leading OEMs in the world. In addition, Interior Systems has held numerous "Tech Days" with their strategic customer base sharing their next generation developments in comfort products. These have been well received and should aid in securing future contracts.

The Light Duty Cable (LDC) Business Unit continued to develop their focus in both the Automotive and Outdoor Power Equipment (OPE) sectors. In Q2 KA won their first Automotive cable system business in China, setting a foundation for strong future growth in this area. There were several other win s for Automotive cable applications in North America and OPE applications globally.

Driveline Systems

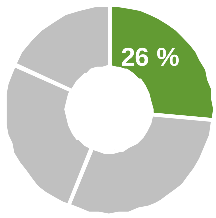
Segment Reporting

Driveline Systems

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 Q2 2013 revenues

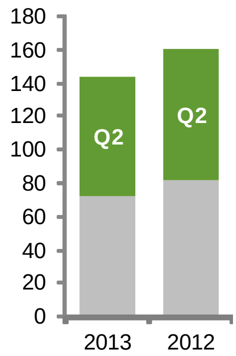


Key figures

M EUR	Q2 2013	Q2 2012	YTD 2013	YTD 2012	2012
Revenues	72.0	78.4	143.9	160.7	308.9
EBITDA	3.6	0.3	7.0	1.2	1.6
EBITDA (%)	*4.9 %*	*0.4 %*	*4.8 %*	*0.8 %*	*0.5 %*
Depreciation	(2.0)	(3.4)	(4.0)	(5.5)	(9.7)
Amortization	(0.8)	(0.7)	(1.5)	(1.3)	(2.7)
EBIT	0.8	(3.8)	1.5	(5.6)	(10.8)
EBIT (%)	*1.1 %*	*-4.8 %*	*1.0 %*	*-3.5 %*	*-3.5 %*
Capex	(1.4)	(2.1)	(2.5)	(5.9)	(9.3)
Capital employed *	86.8	98.2	86.8	98.2	86.4

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

Revenues (MEUR)

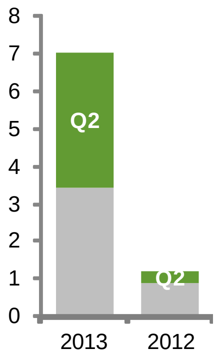


Financial update

Driveline revenues decreased by EUR -6.4 million (-8.2 %) to EUR 72 million in the second quarter 2013 compared to the same quarter 2012, including a favourable currency effect of EUR 0.3 million. The decline in revenues was mainly due to a general decline in sales in the European market, in combination with some programs reaching end of production.

EBITDA was EUR 3.6 million in the second quarter, up EUR 3.3 million compared to second quarter 2012. EBITDA margin was 5%, up 4.6 points from the comparable quarter last year. The improvement is related to strong focus on operational performance, exit from unprofitable business, price increases and fixed cost reduction.

EBITDA (MEUR)



Operational update

The focus is still on further improving margins and several actions related to continuous capacity adjustment and cost reductions are implemented to achieve this. Management is continuing the focus on profitable growth to reposition some of the product offering at the right margin level, as well as developing new concepts for next generation technology. The business area has in the 2nd quarter booked a significant amount of new business, showing that their focus on technology and profitable growth is showing result. A big portion of the growth was taken in the BRIC countries leveraging the footprint as a global supplier.

Fluid Transfer Systems

Segment Reporting

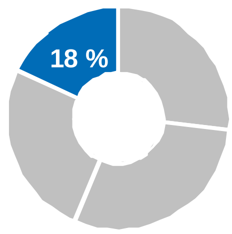
Fluid Transfer Systems

Fluid Transfer designs and manufactures fluid handling systems for both the automotive and commercial vehicle markets, as well as coupling systems for compressed-air circuits in heavy trucks. The business area 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 Cars, Ford and Jaguar Land Rover. Key Tier 1 automotive customers include TI Automotive, Cooper Standard Automotive and Martinrea in addition to an industrial customer base primarily in North America and Europe. The business area provides completely engineered flexible fluid assemblies for all market segments in which it operates.

Share of Q2 2013 revenues

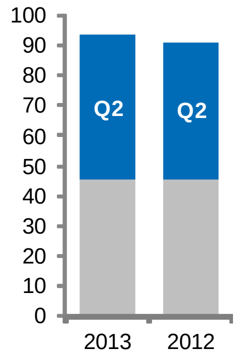


Key figures

M EUR	Q2 2013	Q2 2012	YTD 2013	YTD 2012	2012
Revenues	48.3	45.8	93.6	91.1	176.0
EBITDA	8.4	7.4	15.4	15.2	27.9
EBITDA (%)	*17.5 %*	*16.2 %*	*16.5 %*	*16.7 %*	*15.8 %*
Depreciation	(1.8)	(1.6)	(3.6)	(3.3)	(7.0)
Amortization	(0.9)	(0.9)	(1.7)	(1.7)	(3.5)
EBIT	5.8	4.9	10.1	10.1	17.3
EBIT (%)	*12.0 %*	*10.7 %*	*10.8 %*	*11.1 %*	*9.8 %*
Capex	(1.8)	(1.4)	(3.1)	(2.0)	(5.5)
Capital employed *	112.2	121.2	112.2	121.2	113.2

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

Revenues (MEUR)

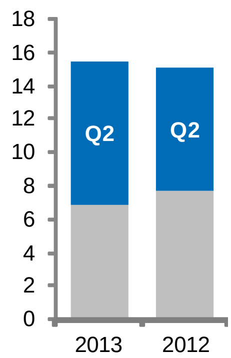


Financial update

Fluid Transfer revenues increased by EUR 2.5 million (5.5%) to EUR 48.3 million in the second quarter 2013 compared to the same quarter 2012, including an unfavourable currency effect of EUR -0.6 million. The revenue increase reflects an improving European commercial vehicle market and global automotive strength that was partially offset by commercial vehicle weakness in North America. These effects give an increase in revenues for the first half year of EUR 2.5 million (2.7%) including a negative currency effect of EUR -0.6 million.

EBITDA was EUR 8.5 million in the second quarter, an increase of EUR 1.1 million compared to second quarter 2012. The EBITDA margin increased 1.4% points to 17.6%, based on the operational gearing effects of the improved top line in Europe and higher global automotive sales volumes, partially offset by weak commercial vehicle performance in North America. For the first half year EBITDA was EUR 15.4 million, an increase of EUR 0.3 million compared with the first half of 2012. The EBITDA margin decreased -0.1% points to 16.5%, due to soft commercial vehicle performance in North America.

EBITDA (MEUR)



Operational update

In the quarter, Fluid Transfer was awarded two contracts totaling EUR 22 million, continuing their good performance in the market. The first contract is worth 18.2 million with one of the world's largest suppliers of braking and vehicle control systems for the commercial vehicle industry and covers the "Raufoss" Air Brake coupling range. The second contract is worth 3.8 million with one of Europe's major manufacturers of Heavy Duty Trucks and covers the Power-Train assembly range that meets stringent Euro 6 emission standards.

KONGSBERG
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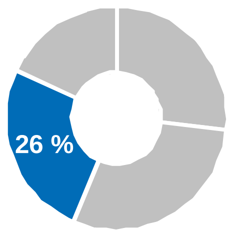
Driver Control Systems

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

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

Share of Q2 2013 revenues

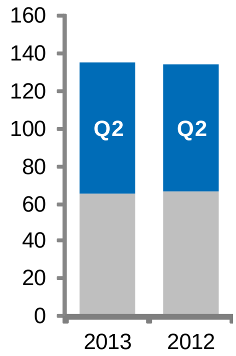


Key figures

M EUR	Q2 2013	Q2 2012	YTD 2013	YTD 2012	2012
Revenues	69.7	67.5	134.8	133.9	248.6
EBITDA	11.0	9.0	20.5	17.3	31.7
EBITDA (%)	*15.8 %*	*13.4 %*	*15.2 %*	*12.9 %*	*12.7 %*
Depreciation	(1.6)	(1.6)	(3.2)	(3.1)	(6.2)
Amortization	(1.1)	(1.1)	(2.3)	(2.2)	(4.7)
EBIT	8.3	6.4	15.1	12.0	20.8
EBIT (%)	*11.9 %*	*9.5 %*	*11.2 %*	*8.9 %*	*8.3 %*
Capex	(3.5)	(1.5)	(6.1)	(2.7)	(7.7)
Capital employed *	125.9	126.5	125.9	126.5	120.0

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

Revenues (MEUR)



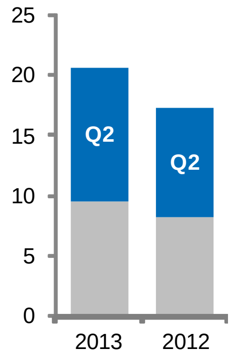
Financial update

Driver Control Systems revenues increased by EUR 2.2 million (+3.3%) to EUR 69.7 million in the second quarter 2013 compared to the same quarter 2012, including an unfavourable currency effect of EUR -0.9 million. The revenue increase reflects a combination of new product launches, increased aftermarket sales and an improving Brazilian market, partially offset by negative economic and weather effects particularly in the Off-Highway segment. Market outlook includes improving demand due to reducing inventories for Off-Highway equipment, stabilized economic conditions within the EU, and stronger On-Highway demand partially driven by Euro 6 pre-buy effects.

EBITDA was EUR 11 million in the second quarter, an increase of EUR 1.9 million (+30%) compared to second quarter 2012. Higher sales volumes including a favorable mix of new products and strong aftermarket sales, combined with improved operating performance and cost control, all contributed to the improved Q2 performance.

Higher capital expenditures are the result of investments in new capacities as well as equipment upgrades to enhance operational efficiencies. The capacity investments are primarily driven by business wins that are already awarded or are pending with high probabilities.

EBITDA (MEUR)



Operations update

Synergies from the combined business areas of PPS and A&C that went into effect January 1st continue to be realized. A strong initiative for Lean is now underway with expected further operational improvements heading into next year. Additionally a fully integrated front end of sales and engineering resources is now in place and poised to aggressively pursue the growth plans. With the emphasis on growth, Driver Control Systems experienced new business wins totaling EUR 17.0 million annually in Q2, of which over 1/3 coming from the efforts associated with the BRIC growth strategy.

Statement of comprehensive income

MEUR	Q2 2013	Q2 2012	YTD 2013	YTD 2012	2012
Revenues	262.0	261.7	514.2	529.5	1001.1
Opex	(233.3)	(241.7)	(460.4)	(486.3)	(924.1)
EBITDA	**28.6**	**20.0**	**53.7**	**43.2**	**77.0**
EBITDA (%)	*10.9 %*	*7.6 %*	*10.5 %*	*8.2 %*	*7.7 %*
Depreciation and amortization	(11.0)	(13.3)	(22.6)	(23.7)	(46.3)
EBIT	**17.7**	**6.7**	**31.1**	**19.5**	**30.7**
EBIT (%)	*6.7 %*	*2.6 %*	*6.1 %*	*3.7 %*	*3.1 %*
Net financial items	(11.5)	(13.0)	(22.0)	(11.1)	(18.7)
Profit before taxes	**6.1**	**(6.3)**	**9.2**	**8.5**	**11.9**
Income taxes	(3.9)	(1.7)	(6.4)	(4.9)	(6.1)
Change in deferred tax	2.3	3.3	4.0	2.7	(0.5)
Net profit	**4.5**	**(4.7)**	**6.8**	**6.3**	**5.3**
Translation differences	(1.0)	9.1	5.7	2.0	(8.6)
Tax on translation differences	(2.6)	(3.1)	(5.6)	0.9	5.8
Total compr income	**0.9**	**1.3**	**6.9**	**9.1**	**2.4**
Net profit attributable to:					
Equity holders (parent comp)	4.5	(4.6)	6.7	6.3	5.2
Non-controlling interests	(0.1)	0.0	(0.0)	0.0	0.1
Total	**4.5**	**(4.6)**	**6.8**	**6.3**	**5.3**
Total comprehensive income attributable to:					
Equity holders (parent comp)	0.9	1.4	6.9	9.1	2.3
Non-controlling interests	(0.1)	0.0	(0.0)	0.0	0.1
Total	**4.5**	**(4.6)**	**6.8**	**6.3**	**5.3**
Earnings per share:					
Basic earnings per share, Eur	0.01	0.00	0.02	0.02	0.01
Diluted earnings per share, Eur	0.01	0.00	0.02	0.02	0.01

Statement of financial position

MEUR	30.06.13	30.06.12	31.12.12
Deferred tax asset	56.7	54.0	54.2
Intangible assets	224.9	242.9	232.9
Property, plant and equipment	125.6	132.8	131.1
Other non-current assets	1.3	3.8	1.2
Non-current assets	**408.4**	**433.5**	**419.4**
Inventories	78.6	90.8	78.8
Account receivables	157.1	158.8	129.4
Other short term receivables	38.9	40.7	42.0
Cash and cash equivalents	67.6	77.8	75.3
Current assets	**342.2**	**368.1**	**325.5**
Total assets	**750.7**	**801.5**	**744.9**
Share capital	25.3	26.5	27.2
Share premium reserve	213.9	223.8	229.7
Other equity	(53.0)	(63.0)	(75.1)
Non-controlling interests	2.7	6.2	2.9
Total equity	**189.4**	**193.6**	**184.7**
Interest bearing loans and borrow ings	313.1	308.0	321.2
Deferred tax liabilities	20.5	19.7	15.9
Other long term liabilities	16.6	14.5	14.7
Non-current liabilities	**350.2**	**342.2**	**351.8**
Bank overdraft	30.0	44.1	41.8
Other short term liabilities, interest bearing	0.0	36.2	1.6
Accounts payable	106.0	112.9	95.9
Other short term liabilities	75.0	72.5	69.0
Current liabilities	**211.0**	**265.7**	**208.4**
Total liabilities	**561.2**	**607.9**	**560.2**
Total equity and liabilities	**750.7**	**801.5**	**744.9**

Statement of change in equity

MEUR	30.06.13	30.06.12	31.12.12
Equity as of start of period	**184.7**	**185.3**	**185.3**
Net profit for the period	6.8	6.3	5.3
Translation differences	5.7	2.0	(8.6)
Tax on translation differences	(5.6)	0.9	5.8
Total comprehensive income	*6.9*	*9.1*	*2.4*
Options contracts (employees)	0.2	0.3	0.6
Treasury shares	0.0	0.0	0.0
Other changes in non-controlling interest	(0.6)	(0.5)	(3.4)
Other changes in equity	(1.8)	(0.5)	(0.2)
Equity as of end of period	**189.4**	**193.6**	**184.7**

KONGSBERG
AUTOMOTIVE

Statement of cash flow

M EUR	Q2 2013	Q2 2012	YTD 2013	YTD 2012	2012
Operating activities					
(Loss) / profit before taxes	6.1	(6.3)	9.2	8.5	11.9
Depreciation	7.6	8.6	15.9	15.7	31.5
Amortization	3.4	4.7	6.7	7.9	14.8
Interest income	(0.0)	(0.1)	(0.1)	(0.2)	(0.3)
Interest expenses	4.6	4.6	9.0	8.6	19.1
Taxes paid	(1.8)	(0.6)	(3.1)	(1.2)	(8.4)
(Gain) / loss on sale of non-current assets	0.0	0.0	0.0	0.0	0.0
Changes in receivables	4.2	10.0	(27.7)	(13.1)	16.3
Changes in inventory	1.4	1.5	0.2	3.7	15.6
Changes in payables	(1.5)	(3.7)	10.1	3.5	(13.4)
Currency (gain)/ loss	6.5	4.0	12.0	(3.3)	(10.3)
Changes in value fin derivatives	(1.3)	1.7	(1.6)	2.2	3.8
Changes in other items	1.8	(1.9)	5.7	0.6	(1.7)
Cash flow from operating activities	**30.9**	**22.3**	**36.2**	**32.8**	**78.8**
Investing activities					
Capital expenditures	(7.7)	(8.0)	(13.7)	(15.2)	(29.9)
Investments in subsidiaries	0.0	0.0	0.0	0.0	(2.4)
Interest received	0.0	0.1	0.1	0.2	0.3
Cash flow from investing activities	**(7.7)**	**(7.9)**	**(13.6)**	**(15.0)**	**(32.0)**
Financing activities					
Proceeds from sale of treasury shares	0.0	0.0	0.0	0.0	0.0
Repayment of external loans	(13.1)	(13.2)	(9.5)	(23.3)	(39.3)
Interest paid	(4.5)	(3.2)	(8.7)	(6.7)	(16.7)
Dividends paid*	0.0	0.0	0.0	(0.5)	(1.2)
Other financial charges	(0.2)	(7.0)	(0.3)	(7.4)	(8.2)
Cash flow from financing activities	**(17.8)**	**(23.4)**	**(18.5)**	**(37.9)**	**(65.3)**
Currency effects on cash	**(0.4)**	**3.9**	**(0.0)**	**1.6**	**(0.3)**
Net change in cash	5.0	(5.0)	4.1	(18.6)	(18.8)
Net cash at 01.01 **	32.6	38.7	33.5	52.3	52.3
Net cash at period end **	**37.6**	**33.7**	**37.6**	**33.7**	**33.5**
Of this, restricted cash	3.0	3.4	3.0	3.4	2.6

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

*** Includes bank overdraft*

Notes to the consolidated financial statement

Note 1 – Disclosures

GENERAL INFORMATION

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

BASIS OF PREPARATION

This condensed consolidated interim financial information, ended 30 June 2013, and has been prepared in accordance with IAS 34 “Interim financial reporting”. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2012, which have been prepared in accordance with IFRS.

ACCOUNTING POLICIES

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

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

RISK

The Group’s activities are exposed to different types of risks. Some of the most important factors are foreign exchange rates, interest rates, raw material prices and credit 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

YTD 2013

M EUR	Driveline	Interior	Driver Controls	Fluid Transfer	Elim & other	Group
Operating Revenues	143.9	158.0	134.8	93.6	(16.1)	514.2
EBITDA	**7.0**	**19.6**	**20.5**	**15.4**	**(8.8)**	**53.7**
Depreciation	(4.0)	(5.2)	(3.2)	(3.6)	(0.0)	(15.9)
Amortization	(1.5)	(1.0)	(2.3)	(1.7)	(0.1)	(6.7)
EBIT	**1.5**	**13.3**	**15.1**	**10.1**	**(8.9)**	**31.1**
Assets and liabilities						
Goodwill	6.2	72.2	33.6	48.1	0.0	160.1
Other intangible assets	14.4	10.3	24.1	15.6	0.4	64.7
Property, plant and equipment	32.5	29.7	34.8	28.1	0.5	125.6
Inventories	22.6	15.6	25.7	15.3	(0.6)	78.6
Trade receivables	39.4	54.3	34.4	29.0	(1.0)	156.1
Segment assets	115.0	182.1	152.6	136.1	(0.7)	585.2
Unallocated assets	-	-	-	-	165.5	165.5
Total assets	**115.0**	**182.1**	**152.6**	**136.1**	**164.9**	**750.7**
Trade payables	28.3	27.0	26.8	23.9	0.1	106.0
Unallocated liabilities	-	-	-	-	455.2	455.2
Total liabilities	**28.3**	**27.0**	**26.8**	**23.9**	**455.3**	**561.3**
Capital expenditure	2.5	2.3	5.6	3.0	(0.0)	13.4

YTD 2012

M EUR	Driveline	Interior	Driver Controls	Fluid Transfer	Elim & other	Group
Operating Revenues	160.7	163.0	133.9	91.1	(19.3)	529.5
EBITDA	**1.2**	**18.6**	**17.3**	**15.2**	**(9.1)**	**43.2**
Depreciation	(5.5)	(3.9)	(3.1)	(3.3)	(0.0)	(15.7)
Amortization	(1.3)	(1.0)	(2.2)	(1.7)	(1.6)	(7.9)
EBIT	**(5.6)**	**13.7**	**12.0**	**10.1**	**(10.7)**	**19.5**
Assets and liabilities						
Goodwill	6.3	74.5	33.7	49.6	0.0	164.1
Other intangible assets	16.7	13.4	28.6	19.4	0.6	78.8
Property, plant and equipment	35.5	35.0	32.2	29.6	0.5	132.8
Inventories	29.6	17.9	27.1	16.8	(0.6)	90.8
Trade receivables	43.3	52.8	33.9	28.8	(2.0)	156.8
Segment assets	131.5	193.5	155.4	144.2	(1.5)	623.2
Unallocated assets	-	-	-	-	178.3	178.3
Total assets	**131.5**	**193.5**	**155.4**	**144.2**	**176.8**	**801.5**
Trade payables	33.3	27.2	29.0	23.1	0.3	112.9
Unallocated liabilities	-	-	-	-	495.0	495.0
Total liabilities	**33.3**	**27.2**	**29.0**	**23.1**	**495.3**	**607.9**
Capital expenditure	5.0	5.1	2.3	1.9	0.0	14.3

2012

M EUR	Driveline	Interior	Driver Controls	Fluid Transfer	Elim & other	Group
Operating Revenues	308.9	304.5	248.6	176.0	(37.0)	1,001.1
EBITDA	**1.6**	**32.8**	**31.7**	**27.9**	**(17.0)**	**77.0**
Depreciation	(9.7)	(8.6)	(6.2)	(7.0)	(0.0)	(31.5)
Amortization	(2.7)	(2.1)	(4.7)	(3.5)	(1.7)	(14.8)
EBIT	**(10.8)**	**22.1**	**20.8**	**17.3**	**(18.7)**	**30.7**
Assets and liabilities						
Goodwill	6.2	73.4	33.8	47.9	0.0	161.3
Other intangible assets	15.4	11.9	26.5	17.3	0.5	71.6
Property, plant and equipment	34.6	33.1	33.5	29.3	0.5	131.1
Inventories	22.5	18.3	25.1	13.6	(0.6)	78.8
Trade receivables	33.8	45.5	25.8	24.2	(1.5)	127.8
Segment assets	112.4	182.2	144.7	132.3	(1.1)	570.6
Unallocated assets	-	-	-	-	174.3	174.3
Total assets	**112.4**	**182.2**	**144.7**	**132.3**	**173.2**	**744.9**
Trade payables	26.0	25.7	24.7	19.2	0.3	95.9
Unallocated liabilities	-	-	-	-	464.3	464.3
Total liabilities	**26.0**	**25.7**	**24.7**	**19.2**	**464.6**	**560.2**
Capital expenditure	8.2	8.3	6.8	5.3	0.0	28.6

2.2 SEGMENTS BY GEOGRAPHICAL LOCATION

2.2.1 Sales to customers by geographical location

	2013		2012		2012	
MEUR	**Jan - June**	**%**	**Jan - June**	**%**	**Jan-Dec**	**%**
Sweden	44.5	8.7 %	46.8	8.8 %	85.9	8.6 %
Germany	59.2	11.5 %	63.9	12.1 %	118.0	11.8 %
France	38.8	7.5 %	40.9	7.7 %	71.5	7.1 %
Other EU	127.4	24.7 %	120.9	22.8 %	241.9	24.2 %
Total EUR	**269.9**	**52.5 %**	**272.6**	**51.5 %**	**517.3**	**51.7 %**
USA	128.0	24.9 %	133.5	25.2 %	249.3	24.9 %
NA other	55.5	10.8 %	59.1	11.2 %	108.2	10.8 %
Total NA	**183.5**	**35.7 %**	**192.6**	**36.4 %**	**357.5**	**35.7 %**
China	27.0	5.3 %	33.6	6.3 %	65.1	6.5 %
Asia Other	11.8	2.3 %	14.5	2.7 %	28.6	2.9 %
Total Asia	**38.8**	**7.5 %**	**48.1**	**9.1 %**	**93.7**	**9.4 %**
Other countries	21.9	4.3 %	16.2	3.1 %	32.5	3.3 %
Operating revenues	**514.2**	**100.0 %**	**529.5**	**100.0 %**	**1,001.1**	**100.0 %**

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

2.2.2 Non-current assets by geographical location

	2013		2012		2012	
MEUR	**Jan - June**	**%**	**Jan - June**	**%**	**Jan - Dec**	**%**
USA	118.3	33.7 %	142.4	37.9 %	131.7	36.2 %
UK	4.6	1.3 %	14.4	3.8 %	13.4	3.7 %
Norway	30.1	8.6 %	31.5	8.4 %	32.0	8.8 %
Germany	20.6	5.9 %	22.2	5.9 %	20.8	5.7 %
Sweden	32.1	9.2 %	32.6	8.7 %	32.9	9.0 %
Poland	34.3	9.8 %	35.5	9.5 %	37.1	10.2 %
Other	110.7	31.6 %	97.0	25.8 %	96.1	26.4 %
Total Non-Current Assets*	**350.6**	**100.0 %**	**375.7**	**100.0 %**	**364.0**	**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	30.06.13	31.12.12
Non-current liabilities		
Bank loans	313.1	321.2
Current liabilities		
Bank overdrafts	30.0	41.8
Other current interest-bearing liabilities	0.0	1.6
Total interest-bearing liabilities	**343.1**	**364.6**

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	226.0	171.0	30.03.17	4.50%
Tranche in USD	USD	181.7	169.0	30.03.17	4.50%
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 BORROWING BY CURRENCY

MEUR	30.06.13	31.12.12
EUR	199.0	217.8
USD	127.5	132.7
NOK	16.6	13.5
Other currencies	0.0	0.6
Total interest-bearing liabilities	**343.1**	**364.6**

3.4 MATURITY SCHEDULE

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

Year	EUR	USD	NOK
Facility reduction 4th quarter 2013	20.0	-	-
Facility reduction 2014	40.0	-	7.7
Facility reduction 2015	40.0	-	15.4
Facility reduction 2016	40.0	-	15.4
Facility reduction 2017 (and later)	86.0	181.7	92.0
Total	**226.0**	**181.7**	**130.5**

3.5 LIQUIDITY RESERVE

The liquidity reserve of KA group consists of:

MEUR	30.06.13	31.12.12
Cash reserve	64.6	72.7
Un-utilized facility	64.7	75.2
Total (before use)	**129.3**	**147.8**
Used (Bankoverdraft)	(30.0)	(41.8)
Unused liquidity reserve	**99.2**	**106.0**

3.6 NET FINANCIALS

MEUR	Q2 2013	Q2 2012	YTD 2013	YTD 2012	2012
Interest income	0.0	0.1	0.1	0.2	0.3
Interest expenses	(4.6)	(4.6)	(9.0)	(8.6)	(19.1)
Foreign currency gains/losses	(6.5)	(3.9)	(12.1)	3.3	10.3
Change in valuation currency contracts	1.3	(1.7)	1.6	(2.2)	(3.8)
Other financial items	(1.8)	(2.9)	(2.6)	(3.7)	(6.4)
Net financial items	**(11.5)**	**(13.0)**	**(22.0)**	**(11.1)**	**(18.7)**

Responsibility statement

We confirm, to the best of our knowledge, that the condensed set of financial statement for the period 1 January to 30 June 2013 has been prepared in accordance with IAS34 – Interim Financial Reporting, and gives a true and fair view of Kongsberg Automotive Holding ASA and group companies' assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year 2013 and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties' transactions.

Kongsberg 11th July 2013

(sign)	(sign)	(sign)
Ulla-Britt Fräjdin-Hellqvist Chairwoman	**Maria Borch Helsengreen**	**Thomas Falck**
(sign)	(sign)	(sign)
Magnus Jonsson	**Halvor Stenstadvold**	**Eivind Holvik**
(sign)	(sign)	(sign)
Tonje Sivesindtajet	**Kjell Kristiansen**	**Hans Peter Havdal** President and CEO

Other Company Information

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3601 Kongsberg, Norway
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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
Jarle Nymoen	Executive Vice President, Human Resources
Anders Nyström	Executive Vice President, Purchase
Joachim Magnusson	Executive Vice President, Driveline
Scott Paquette	Executive Vice President, Interior
Jonathan Day	Executive Vice President, Fluid Transfer
James G. Ryan	Executive Vice President, Driver Control Systems

Investor Relations:

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

Financial Calendar

Publication of the quarterly financial statements:

	Interim reports	**Presentation**
1st Quarter 2013	16 April 2013	17 April 2013
2nd Quarter 2013	11 July 2013	12 July 2013
3rd Quarter 2013	17 October 2013	18 October 2013
4th Quarter 2013	13 February 2014	14 February 2014