

3rd Quarter Report 2015

Kongsberg Automotive



Enhancing the driving experience

2015

CONTENTS

<u>Contents</u>	<u>2</u>
<u>Highlights</u>	<u>3</u>
<u>Group Financials</u>	<u>4</u>
<u>Market Outlook</u>	<u>7</u>
<u>Segment Reporting</u>	<u>9</u>
<u>Interior</u>	<u>9</u>
<u>Driveline</u>	<u>10</u>
<u>Fluid Transfer</u>	<u>11</u>
<u>Driver Control</u>	<u>12</u>
<u>Condensed Consolidated Financial Statement and Notes</u>	<u>17</u>
<u>Other Company Information</u>	<u>23</u>

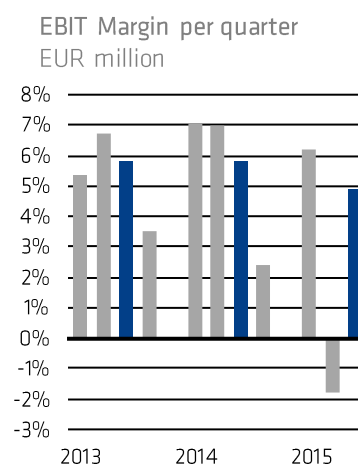
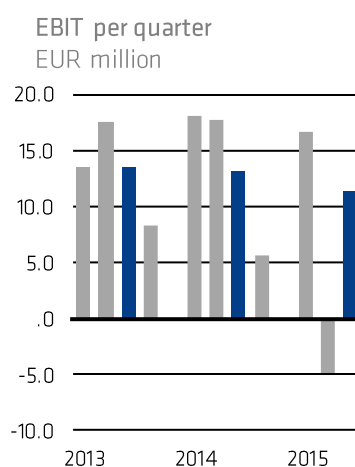
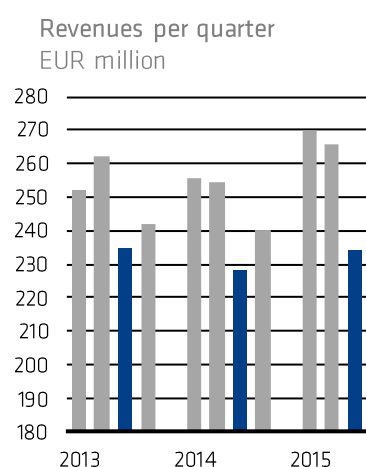
HIGHLIGHTS 3RD QUARTER 2015

HIGHLIGHTS

- Revenues were EUR 234.5 million in the third quarter, EUR 5.9 million (2.6 %) above the third quarter last year, including favorable currency effects of EUR 12.2 million.
- The EBIT was EUR 11.5 million in the third quarter, EUR 1.8 (-13.4 %) million below the third quarter last year, impacted by lower sales volumes, and increased R&D activity to address future growth opportunities (EUR 2.5 million).
- The financial gearing ratio was at 2.4 times NIBD/EBITDA at the end of the third quarter.
- Annualized business wins in the quarter amounted to EUR 67.7 million.
- Revenues for the fourth quarter 2015 are expected to be approximately EUR 240 million.

KEY FIGURES

MEUR	Q3 2015	Q3 2014	YTD 2015	YTD 2014	2014
Revenues	234.5	228.6	770.5	738.8	979.1
EBITDA	22.7	23.5	77.9	80.0	97.0
EBITDA %	9.7 %	10.3 %	10.1 %	10.8 %	9.9 %
EBIT	11.5	13.2	23.4	49.2	54.8
EBIT (%)	4.9 %	5.8 %	3.0 %	6.7 %	5.6 %
Net profit	(3.7)	7.1	(7.4)	23.5	5.4
NIBD/EBITDA (LTM)	2.4	2.3	2.4	2.3	2.2
Equity ratio (%)	30.0 %	31.2 %	30.0 %	31.2 %	30.5 %



GROUP FINANCIALS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

MEUR	Q3 2015	Q3 2014	YTD 2015	YTD 2014	2014
Revenues	234.5	228.6	770.5	738.8	979.1
Opex	(211.8)	(205.1)	(692.7)	(658.8)	(882.1)
EBITDA	22.7	23.5	77.9	80.0	97.0
<i>EBITDA (%)</i>	<i>9.7 %</i>	<i>10.3 %</i>	<i>10.1 %</i>	<i>10.8 %</i>	<i>9.9 %</i>
Depreciation and amortization	(11.2)	(10.3)	(54.5)	(30.9)	(42.1)
EBIT	11.5	13.2	23.4	49.2	54.8
<i>EBIT (%)</i>	<i>4.9 %</i>	<i>5.8 %</i>	<i>3.0 %</i>	<i>6.7 %</i>	<i>5.6 %</i>
Net financial items	(17.0)	(2.5)	(26.8)	(13.5)	(35.9)
Profit before taxes	(5.5)	10.7	(3.4)	35.7	18.9
Income taxes	1.8	(3.6)	(3.9)	(12.1)	(13.5)
Net profit	(3.7)	7.1	(7.4)	23.5	5.4

REVENUES

Revenues for the Group amounted to EUR 234.5 million in the third quarter of 2015. The revenues were EUR 5.9 million (2.6%) above the comparable period last year, including a favorable currency effect of EUR 12.2 million.

In the passenger car segments the revenues increased by EUR 4.5 million (3.4 %) compared to the same quarter in 2014. Interior Systems delivered revenues of EUR 7.6 million (10.6 %) above the same period last year, due to favorable currency effects of EUR 7.6 million. Lower sales volumes in North America driven by a program reaching end of production was offset by higher sales in the both the premium car and light duty cable business in Europe. Revenues in Driveline decreased by EUR 3.1 million (-5.1 %) compared to the same quarter last year, including favorable currency effects of EUR 3.5 million. The decline in revenues was mainly due to some programs reaching end of production.

Revenues from the commercial vehicle segments increased by EUR 1.6 million (1.6%) compared to the third quarter of 2014. Revenues in Fluid Transfer increased by EUR 3.2 million (6.9%), including favorable currency effects of EUR 2.1 million. Excluding the favorable currency effects, the commercial vehicle business in Europe was the main driver behind the revenue increase. Revenues in Driver Control decreased by EUR 1.6 million (2.8%). The change in revenues reflects lower sales in both South American, Chinese and European business, partially offset by stronger sales in the North American business.

EBIT

The EBIT for the Group was EUR 11.5 million in the third quarter of 2015, a decrease of EUR -1.8 (-13.4%) million compared to third quarter of 2014. The effect of lower volumes, increased R&D activities (EUR 2.5 million) to support future growth opportunities, and operational issues on a recent product launch, were the key drivers behind the margin drop.

NET FINANCIALS

Net financials (see note 4.1) were EUR -17.0 million in the third quarter of 2015, compared to EUR -2.5 million in the same period in 2014. The increase in the net financial items was driven by higher unrealized currency losses (EUR 13.8 million), partially offset by lower interest expenses. The lower net interest expenses (EUR 1.1 million) was driven by the lower interest rate margin as a consequence of the new loan agreement signed in the first quarter of 2015.

PROFIT BEFORE TAX / NET PROFIT

Profit before tax decreased from EUR 10.7 million in the third quarter 2014 to EUR -5.5 million in the third quarter 2015, impacted by the higher negative net financial items. Respectively net profit decreased from EUR 7.1 million to EUR -3.7 million.

GROUP FINANCIALS

CONDENSED STATEMENT OF CASH FLOW

MEUR	Q3 2015	Q3 2014	YTD 2015	YTD 2014	2014
Cash flow from operating activities	15.1	12.6	35.9	53.8	86.1
Cash flow from investing activities	(11.0)	(7.0)	(22.7)	(20.1)	(36.2)
Cash flow from financing activities	(7.3)	(6.9)	(24.2)	(40.3)	(49.9)
Currency effects on cash	0.0	1.2	1.3	1.4	2.0
Net change in cash	(3.2)	(0.0)	(9.7)	(5.2)	1.9
Net cash at beginning period *	28.1	27.6	34.6	32.7	32.7
Net cash at period end *	24.9	27.6	24.9	27.6	34.6
Of this, restricted cash	0.4	1.1	0.4	1.1	1.0

* Includes bank overdraft

CASH FLOW FROM OPERATING ACTIVITIES

The cash flow from operating activities increased by EUR 2.4 million to EUR 15.1 million in the third quarter of 2015 compared to the third quarter of 2014. The increase was driven by decreased net working capital, partially offset by a lower operating result.

CASH FLOW FROM INVESTING ACTIVITIES

Net cash flow from investing activities amounted to EUR -11.0 million in the third quarter of 2015, EUR 4.0 million higher than comparable period in 2014. The increase were concentrated on capex for new orders, rationalizing and investments in production facilities. The latter include upgrade and expansion of production facilities. The capex related to the new orders and production facilities are mainly related to a significant contract won in the fourth quarter last year.

CASH FLOW FROM FINANCING ACTIVITIES

Cash flow from financing activities was EUR -7.3 million in the third quarter, EUR 0.4 million below the comparable period last year, primarily due to higher debt repayments. The interest expenses has developed positively compared to the same quarter last year. The third quarter last year had positive effects of proceeds from sale of treasury shares.

Repayment of debt amounted to EUR 5.5 million in the third quarter of 2015 compared to repayments of EUR 5.2 million in the same period last year.

Third quarter interest payments, of EUR 1.8 million, decreased by EUR 1.1 million compared to the same quarter last year. The decrease in interest payments is driven by the lower interest rate margin as a consequence of the new loan agreement.

NET CHANGE IN CASH

Change in net cash, including bank overdraft, was EUR -3.2 million in the third quarter of 2015. The cash holding increased by EUR 3.3 million from EUR 53.5 million to EUR 56.8 million during the third quarter. Bank overdraft increased by EUR 6.5 million from EUR 25.4 to EUR 31.9 during the third quarter.

LIQUIDITY RESERVE

The liquidity reserve was EUR 109.4 million at the end of the third quarter, compared to EUR 134.8 million at year end 2014. The reduction is primarily due the reduced facilities as a consequence of the new loan agreement, partially offset by positive currency effects. See note 3.4 for more information.

GROUP FINANCIALS

CONDENSED STATEMENT OF FINANCIAL POSITION

MEUR	30.09.15	30.09.14	31.12.14
Non-current assets	368.4	386.9	386.6
Cash and cash equivalents	56.8	58.9	53.5
Other current assets	278.3	267.5	249.2
Total assets	703.5	713.3	689.2
Equity	210.9	222.5	210.3
Interest bearing debt	250.1	255.3	252.8
Other liabilities	242.5	235.5	226.1
Total equity and liabilities	703.5	713.3	689.2
NIBD	225.2	227.7	218.2
Equity ratio	30.0%	31.2%	30.5%

ASSETS

Total assets were EUR 703.5 million as of 30th of September 2015, an increase of EUR 14.3 million from year end 2014. The increase is primarily driven by translation currency effects and increased working capital, partially offset by the goodwill write-off in the second quarter.

EQUITY

From year end 2014 equity increased by EUR 0.6 million to EUR 210.9 million. The increase was mainly driven by positive currency translation effects, partially offset by the negative net profit for the period of EUR 7.4 million and purchase of treasury shares. The equity ratio decreased by 0.5 percentage points to 30.0%.

INTEREST BEARING DEBT

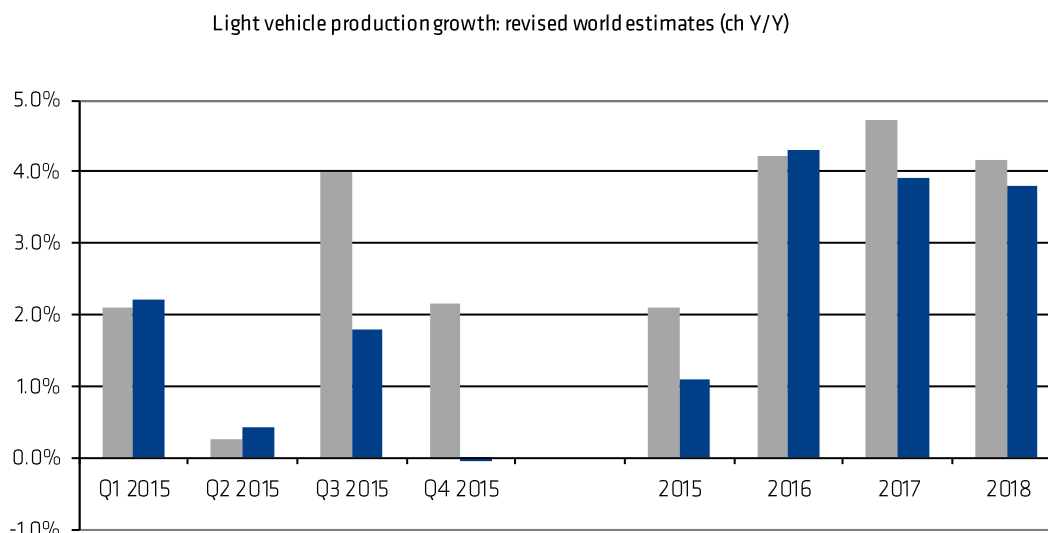
Gross long term interest bearing debt amounted to EUR 250.1 million at the end of the third quarter, a decrease of EUR 2.7 million since year end 2014. The net change reflects debt repayments, negative currency effects of EUR -9.9 million and derecognition of capitalized arrangement fees in the first quarter.

The net interest bearing debt increased by EUR 7.0 million to EUR 225.2 million since year end 2014. The increase was mainly driven by negative currency effects.

MARKET OUTLOOK

LIGHT VEHICLE PRODUCTION (LVP) ESTIMATES

Year-on-year change in production growth rate:



(Source: LMC Automotive)

■ Old Forecast (July) ■ New Forecast (October)

GLOBAL LIGHT VEHICLE PRODUCTION

Light Vehicle Production (LVP) in the third quarter of 2015, ended 1.8% higher than the third quarter of 2014. This was mainly driven by growth in North America and Europe.

European production increased by 4.8% in the third quarter 2015, helped by growth in the Western European market.

The North American production, continues to show strong growth with 6.8% in the third quarter compared to the same quarter last year. The forecast for the full year 2015 is maintained at 17.5 million vehicles.

The reduction we have seen in the commercial vehicle market in China has now also reached the light vehicle market. The Chinese production declined by -1.6% in the third quarter of 2015 compared to the same quarter in 2014.

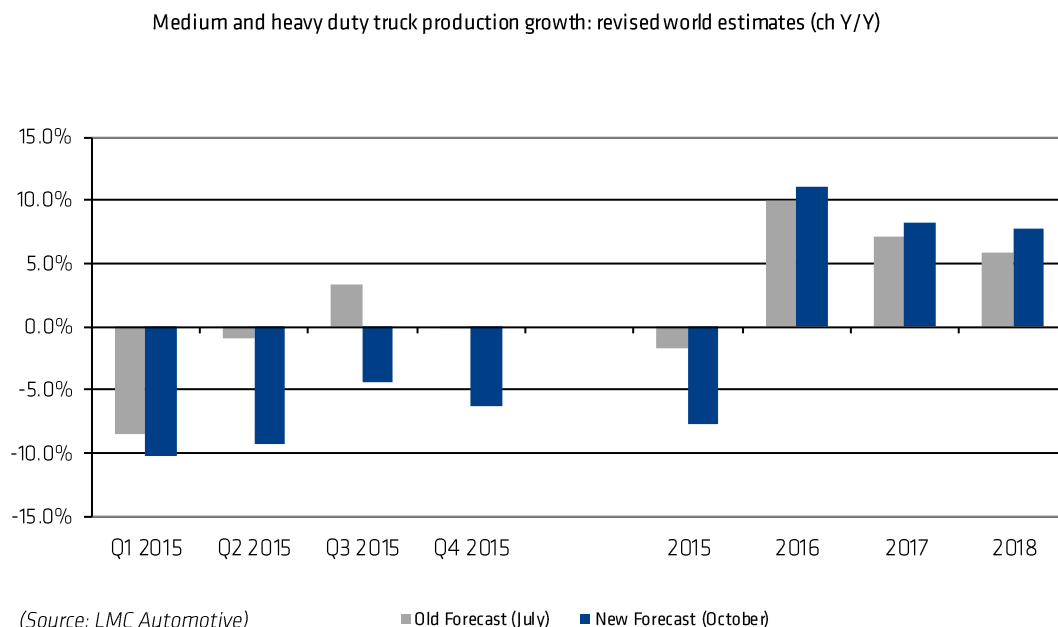
South America, especially Brazil, continues its downward spiral with a decline of 19.3% in the third quarter compared to the same quarter last year.

The revised global production forecast for the full year 2015 is again slightly down at 88.3 million vehicles, which would give an estimated growth of 1.1% from 2014.

MARKET OUTLOOK

COMMERCIAL VEHICLE PRODUCTION (CVP) ESTIMATES

Year-on-year change in production growth rate:



GLOBAL COMMERCIAL VEHICLE PRODUCTION

The Commercial Vehicle Production (CVP) in the third quarter of 2015 declined by -4.5%, compared to the same quarter in 2014. The decline in world production of vehicles was driven by the continued reduction in Chinese production.

The production in China continues to decline, with a 19.6% reduction in the third quarter of 2015, compared to the same quarter last year. The lower volumes were driven by the reduction of Governmental spending in infrastructure investments. The outlook for the Chinese production is a drop of close to 30% for the full year 2015.

The Indian production recovered and was up by 16% in the third quarter compared to the comparable quarter last year. The Indian production is now twice the size of the South American production.

The European production increased by 6.7% in the third quarter of 2015, including the decline in the Russian production.

The growth in the European production was driven by strong growth in both the EU (excluding Russia and Turkey) sales and export (+12% in the third quarter of 2015).

North America stagnated in the third quarter. The production declined by -0.8% compared to the comparable quarter last year. The Heavy Duty (class 8) segment is growing, however, this was offset by the decline in the Medium Duty segment.

South America continues to decline. The production in the third quarter of 2015 was reduced by -19%. The estimated production for 2015 is now a reduction of 21% from the already weak production in 2014.

The revised global forecast for the commercial vehicles production is a reduction of -7.7% in 2015 to 2.5 million trucks.

INTERIOR

Segment Reporting

INTERIOR SYSTEMS

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

The Interior products address the passenger car market, with particularly strong positions in the European and North American

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

KEY FIGURES

MEUR	Q3 2015	Q3 2014	YTD 2015	YTD 2014	2014
Revenues	79.6	71.9	244.6	227.8	304.5
EBITDA	9.7	7.5	27.6	28.0	35.3
EBITDA (%)	12.2 %	10.4 %	11.3 %	12.3 %	11.6 %
Depreciation	(2.2)	(1.8)	(6.6)	(5.3)	(7.3)
Amortization*	(0.6)	(0.5)	(21.2)	(1.5)	(2.1)
EBIT	6.9	5.2	(0.3)	21.1	25.9
EBIT (%)	8.7 %	7.2 %	-0.1 %	9.3 %	8.5 %
Investments	(3.9)	(2.8)	(6.9)	(5.6)	(9.6)
Capital Employed **	150.2	158.1	150.2	158.1	156.0

* YTD Includes the write-off of EUR 19.5 million related to the Armrest and Headrest business in the second quarter

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

FINANCIAL UPDATE

Revenues in Interior increased by EUR 7.6 million (10.6%) to EUR 79.6 million in the third quarter of 2015 compared to the same quarter 2014, including a favorable currency effect of EUR 7.6 million. Lower sales volumes in the North American head-restraint business (a major program reaching end of production) was offset by higher sales in both the premium car and light duty cable business in Europe. Revenues for the first nine months amounted to EUR 244.6 million, an increase of 7.4% from 2014.

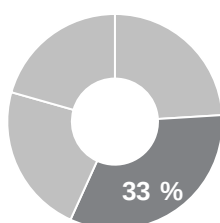
EBIT was EUR 6.9 million in the third quarter, an increase of EUR 1.7 million compared to the third quarter 2014. The EBIT margin increased by 1.5 percentage points to 8.7%. The change in EBIT margin was related to favorable sales mix and operational improvements off-setting increased R&D efforts (EUR 1.8 million) to support future growth opportunities. EBIT for the first nine months decreased by EUR -21.4 million (-101.3%) over last year including a EUR 19.5 million goodwill write-off.

COMMERCIAL & OPERATIONAL UPDATE

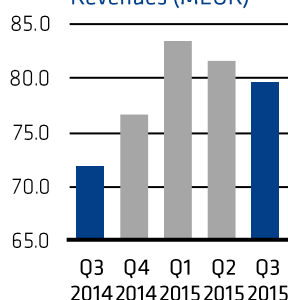
In the third quarter total business wins amounted to EUR 40.9 million in annual value. Among the business wins were three major new contracts. Most important was a Strategic Supplier Agreement for seat comfort solutions with a leading North American vehicle manufacturer. The agreement was worth an estimated EUR 50 million over 6 years. Further, two significant contracts were awarded for the supply of seat comfort systems to two European premium automakers, with a combined estimated value of EUR 56 million.

The business wins year to date and significant new business opportunities, demonstrates that Kongsberg Automotive has both the required technology and reputation to work with the best in the business, representing a good platform for growth in the attractive seat comfort segment.

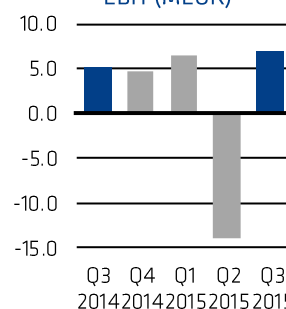
Share of Group Q3 2015 revenues



Revenues (MEUR)



EBIT (MEUR)



DRIVELINE

Segment Reporting

DRIVELINE

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

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

KEY FIGURES

MEUR	Q3 2015	Q3 2014	YTD 2015	YTD 2014	2014
Revenues	58.4	61.5	194.9	201.2	265.0
EBITDA	2.7	4.3	9.7	12.4	15.6
EBITDA (%)	4.6 %	7.0 %	5.0 %	6.2 %	5.9 %
Depreciation	(2.0)	(1.8)	(5.8)	(5.5)	(8.1)
Amortization	(0.7)	(0.8)	(2.2)	(2.3)	(3.0)
EBIT	(0.1)	1.7	1.7	4.7	4.5
EBIT (%)	-0.1 %	2.8 %	0.8 %	2.3 %	1.7 %
Investments	(2.3)	(2.0)	(5.4)	(5.1)	(10.2)
Capital Employed *	77.1	79.8	77.1	79.8	76.6

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

FINANCIAL UPDATE

Revenues in Driveline decreased by EUR -3.1 million (-5.1%) to EUR 58.4 million in the third quarter 2015 compared to the same quarter 2014, including a favorable currency effect of EUR 3.5 million. The decline in revenues, excluding the currency effect, was due to some major programs reaching end of production in Europe. Revenues for the first nine months amounted to EUR 194.9 million, a decrease of -3.1% from 2014.

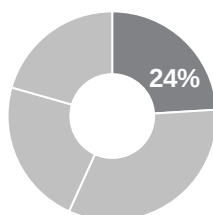
EBIT was EUR -0.1 million in the third quarter, a decrease of EUR -1.8 million compared to the third quarter 2014. The main drivers for the decrease in EBIT were the effects of lower volume and additional costs related to new program launches. The EBIT margin decreased by -2.9 percentage points to -0.1%. EBIT for the first nine months decreased by EUR -3.0 million (-64.6%) over last year.

COMMERCIAL & OPERATIONAL UPDATE

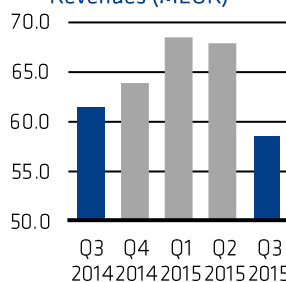
R&D and marketing activities to support further business wins continues to be the main focus. During the second quarter Driveline launched a manual shifter system to a new platform for a European OEM that continued to cause some operational issues during the third quarter.

Third quarter business awards amounted to EUR 2.5 million in annual sales. The awarded contracts was for supply of Manual shifter systems. Total business awards in 2015 amounts to EUR 44.9 million in annual sales.

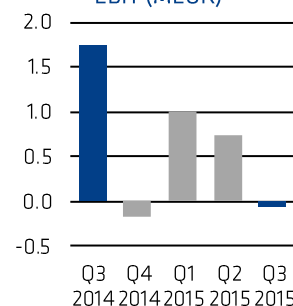
Share of Group Q3 2015 revenues



Revenues (MEUR)



EBIT (MEUR)



FLUID TRANSFER

Segment Reporting

FLUID TRANSFER

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

Fluid Transfer products primarily address the commercial vehicle

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

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

KEY FIGURES

MEUR	Q3 2015	Q3 2014	YTD 2015	YTD 2014	2014
Revenues	50.1	46.8	163.1	146.0	193.5
EBITDA	9.5	8.6	31.3	27.0	34.1
EBITDA (%)	18.9 %	18.4 %	19.2 %	18.5 %	17.6 %
Depreciation	(1.4)	(1.7)	(4.5)	(5.4)	(7.1)
Amortization	(1.0)	(0.9)	(2.9)	(2.5)	(3.4)
EBIT	7.1	6.0	23.9	19.1	23.6
EBIT (%)	14.1 %	12.8 %	14.7 %	13.1 %	12.2 %
Investments	(2.5)	(1.1)	(5.2)	(3.6)	(7.4)
Capital Employed *	126.5	115.7	126.5	115.7	111.5

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

FINANCIAL UPDATE

Revenues in Fluid Transfer increased by EUR 3.2 million (6.9%) to EUR 50.1 million in the third quarter 2015 compared to the same quarter 2014, including a favorable currency effect of EUR 2.1 million. Revenues for the first nine months amounted to EUR 163.1 million, an increase of 11.7% from 2014.

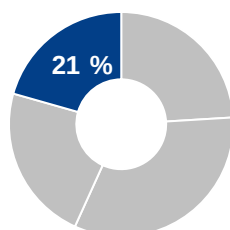
The increase in revenues in the third quarter was driven by strength in Europe for air coupling systems to the commercial vehicle business, new automotive program launches in China (launched earlier this year) and favorable currency translation effects in the North American and U.K. businesses partially offset by weakness in the North American industrial business.

EBIT was EUR 7.1 million in the third quarter, an increase of EUR 1.1 million compared to the third quarter 2014. The EBIT margin increased by 1.3 percentage points to 14.1%, primarily due to favorable product mix and volume effects. EBIT for the first nine months increased by EUR 4.8 million (25.2%) over last year.

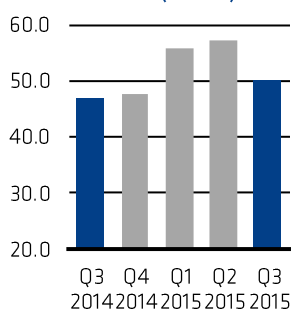
COMMERCIAL & OPERATIONAL UPDATE

During the third quarter Fluid Transfer received a contract award from one of Europe's major truck manufacturers for the ABC air brake connector range which is manufactured in Raufoss, Norway. The contract is worth an estimated EUR 1.2 million annually over the coming 5 years and is the first award with this particular customer. Total third quarter business awards amounted to EUR 6.8 million in annual sales.

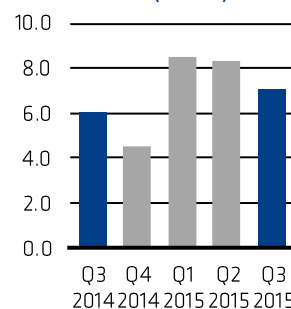
Share of Group Q3 2015 revenues



Revenues (MEUR)



EBIT (MEUR)



DRIVER CONTROL

Segment Reporting

DRIVER CONTROL

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

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

KEY FIGURES

MEUR	Q3 2015	Q3 2014	YTD 2015	YTD 2014	2014
Revenues	55.0	56.6	195.0	190.5	252.7
EBITDA	5.7	6.7	23.6	24.7	29.3
EBITDA (%)	10.4 %	11.8 %	12.1 %	12.9 %	11.6 %
Depreciation	(1.6)	(1.5)	(5.0)	(4.6)	(6.1)
Amortization	(1.6)	(1.2)	(5.9)	(3.5)	(4.8)
EBIT	2.5	4.0	12.7	16.5	18.4
EBIT (%)	4.6 %	7.0 %	6.5 %	8.7 %	7.3 %
Investments	(2.3)	(1.0)	(5.3)	(5.1)	(7.9)
Capital Employed *	113.4	122.8	113.4	122.8	116.5

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

FINANCIAL UPDATE

Revenues in Driver Control Systems decreased by EUR -1.6 million (-2.8%) to EUR 55.0 million in the third quarter 2015 compared to the same quarter 2014, including an unfavorable currency effect of EUR -0.4 million. The decrease in the third quarter revenues were driven by lower sales in the South American, Chinese and European business, partially offset by stronger sales in the North American off-highway business. Compared to the same quarter last year, sales in the European business was EUR 0.7 million lower, due to the sale of the Italian business in the first quarter. Revenues for the first nine months amounted to EUR 195.0 million, an increase of 2.4% from 2014.

EBIT was EUR 2.5 million in the third quarter, a decrease of EUR -1.4 million compared to the third quarter 2014. The EBIT margin decreased by -2.4 percentage points to 4.6%. The decrease was primarily driven by the volume effects and unfavorable product mix.

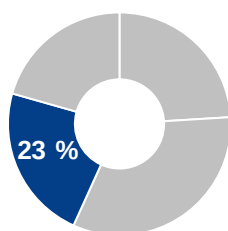
EBIT for the first nine months decreased by EUR -3.8 million (-23.1%) over last year, driven by the loss on sale of business (EUR 1.5 million), volume and product mix effects, and higher development costs (EUR 0.3 million) to support future growth opportunities.

COMMERCIAL & OPERATIONAL UPDATE

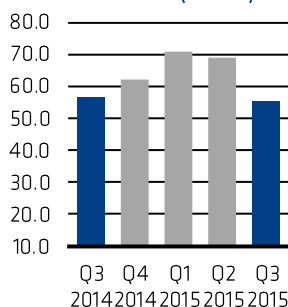
Saving plans have been effectuated to compensate for lower sales. Overall project activity is high and a high level of research and development spend continued in the third quarter. The higher R&D spend is mainly directed towards the development of a new Automated Manual Transmission (AMT) system where a significant contract was announced in the fourth quarter of 2014. Deliveries on this new contract will start in 2017.

Business wins in the quarter amounted to EUR 17.8 million. New business wins exceeded EUR 42.8 million year to date with 20% coming from BRIC countries.

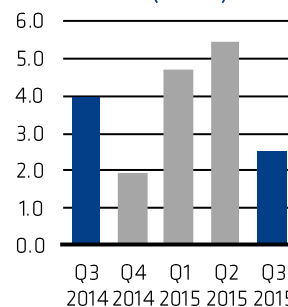
Share of Group Q3 2015 revenues



Revenues (MEUR)



EBIT (MEUR)



CONDENSED CONSOLIDATED FINANCIAL STATEMENT

STATEMENT OF COMPREHENSIVE INCOME

MEUR	Q3 2015	Q3 2014	YTD 2015	YTD 2014	2014
Revenues	234.5	228.6	770.5	738.8	979.1
Opex	(211.8)	(205.1)	(692.7)	(658.8)	(882.1)
EBITDA	22.7	23.5	77.9	80.0	97.0
<i>EBITDA (%)</i>	<i>9.7 %</i>	<i>10.3 %</i>	<i>10.1 %</i>	<i>10.8 %</i>	<i>9.9 %</i>
Depreciation and amortization	(11.2)	(10.3)	(54.5)	(30.9)	(42.1)
EBIT	11.5	13.2	23.4	49.2	54.8
<i>EBIT (%)</i>	<i>4.9 %</i>	<i>5.8 %</i>	<i>3.0 %</i>	<i>6.7 %</i>	<i>5.6 %</i>
Net financial items	(17.0)	(2.5)	(26.8)	(13.5)	(35.9)
Profit before taxes	(5.5)	10.7	(3.4)	35.7	18.9
Income taxes	1.8	(3.6)	(3.9)	(12.1)	(13.5)
Net profit	(3.7)	7.1	(7.4)	23.5	5.4

Other comprehensive income (Items that may be reclassified to profit or loss in subsequent periods):

Translation differences	6.1	10.9	18.8	11.4	27.9
Tax on translation differences	(5.0)	(2.9)	(8.7)	(3.5)	(12.6)

Other comprehensive income (Items that will not be reclassified to profit or loss in subsequent periods):

Remeasurement of the net PBO	0.0	0.0	0.0	0.0	(2.7)
Tax on remeasurement of the net PBO	0.0	0.0	0.0	0.0	0.8
Other comprehensive income	1.1	8.1	10.2	7.9	13.4
Total compr income	(2.6)	15.2	2.8	31.4	18.8

Net profit attributable to:

Equity holders (parent comp)	(3.5)	7.1	(7.4)	23.5	5.1
Non-controlling interests	(0.2)	(0.0)	0.1	0.1	0.3
Total	(3.7)	7.1	(7.4)	23.5	5.4

Total comprehensive income attributable to:

Equity holders (parent comp)	(2.4)	15.2	2.8	31.3	18.5
Non-controlling interests	(0.2)	(0.0)	0.1	0.1	0.3
Total	(2.6)	15.2	2.8	31.4	18.8

Earnings per share:

Basic earnings per share, EUR	(0.01)	0.02	(0.02)	0.06	0.01
Diluted earnings per share, EUR	(0.01)	0.02	(0.02)	0.06	0.01

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

STATEMENT OF FINANCIAL POSITION

MEUR	Note	30.09.15	30.09.14	31.12.14
Deferred tax assets		44.0	46.9	41.8
Intangible assets		194.4	215.5	214.7
Property, plant and equipment		128.3	122.6	128.3
Other non-current assets		1.7	1.8	1.8
Non-current assets		368.4	386.9	386.6
Inventories		84.4	83.3	76.8
Accounts receivable		156.6	150.0	140.1
Other short term receivables		37.2	34.2	32.3
Cash and cash equivalents		56.8	58.9	53.5
Current assets		335.1	326.4	302.7
Total assets		703.5	713.3	689.2
Share capital		21.4	24.8	22.3
Share premium reserve		177.0	207.7	186.5
Other equity		8.2	(13.7)	(2.5)
Non-controlling interests		4.3	3.7	4.0
Total equity		210.9	222.5	210.3
Interest bearing loans and borrowings	3	250.1	254.2	252.8
Deferred tax liabilities		16.8	15.8	17.5
Other long term liabilities		18.2	17.2	18.8
Non-current liabilities		285.1	287.2	289.0
Bank overdraft		31.9	31.4	18.8
Other short term liabilities, interest bearing		0.0	1.1	0.0
Accounts payable		96.2	93.6	99.1
Other short term liabilities		79.4	77.6	72.0
Current liabilities		207.5	203.6	189.9
Total liabilities		492.6	490.8	478.9
Total equity and liabilities		703.5	713.3	689.2

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

STATEMENT OF CHANGE IN EQUITY

MEUR	30.09.15	30.09.14	31.12.14
Equity as of start of period	210.3	189.6	189.6
Net profit for the period	(7.4)	23.5	5.4
Translation differences	18.8	11.4	27.9
Tax on translation differences	(8.7)	(3.5)	(12.6)
Remeasurement of the net PBO	0.0	0.0	(2.7)
Tax on remeasurement of the net PBO	0.0	0.0	0.8
Total comprehensive income	2.8	31.4	18.8
Options contracts (employees)	0.5	0.4	0.4
Treasury shares	(2.7)	1.5	1.9
Other changes in non-controlling interests	0.0	(0.4)	(0.4)
Other changes in equity	(0.0)	(0.0)	0.0
Equity as of end of period	210.9	222.5	210.3

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

STATEMENT OF CASH FLOW

MEUR	Q3 2015	Q3 2014	YTD 2015	YTD 2014	2014
<i>Operating activities</i>					
(Loss) / profit before taxes	(5.5)	10.7	(3.4)	35.7	18.9
Depreciation	7.3	6.8	22.1	20.9	28.6
Amortization	4.0	3.4	32.4	10.0	13.5
Interest income	(0.0)	(0.1)	(0.0)	(0.1)	(0.2)
Interest expenses	1.9	3.0	6.3	8.8	11.9
Taxes paid	(2.3)	(1.9)	(6.8)	(5.8)	(9.1)
(Gain) / loss on sale of non-current assets	0.0	0.0	0.0	0.0	0.0
Changes in receivables	9.8	0.3	(16.5)	(13.6)	(3.7)
Changes in inventory	1.5	(2.4)	(7.7)	(5.9)	0.5
Changes in payables	(12.4)	(6.2)	(2.9)	(6.7)	(1.3)
Currency (gain)/ loss	13.3	(0.3)	17.0	2.4	20.6
Changes in value fin. derivatives	1.5	(0.5)	0.2	(0.3)	0.2
Changes in other items	(4.0)	(0.3)	(4.7)	8.5	6.0
Cash flow from operating activities	15.1	12.6	35.9	53.8	86.1
<i>Investing activities</i>					
Investments	(11.0)	(7.1)	(23.1)	(19.8)	(36.1)
Sale of fixed assets	0.0	0.0	0.1	0.0	0.1
Investments in subsidiaries	0.0	0.0	0.0	(0.4)	(0.4)
Interest received	0.0	0.1	0.0	0.1	0.2
Proceeds from sale of subsidiaries	0.0	0.0	0.3	0.0	0.0
Cash flow from investing activities	(11.0)	(7.0)	(22.7)	(20.1)	(36.2)
<i>Financing activities</i>					
Proceeds from sale/purchase of treasury shares	0.0	1.2	(2.7)	1.4	1.9
Repayment of external loans	(5.5)	(5.2)	(13.6)	(30.1)	(36.7)
Interest paid	(1.8)	(3.0)	(6.6)	(9.4)	(12.8)
Dividends paid	0.0	0.0	0.0	0.0	0.0
Other financial charges	(0.0)	0.1	(1.3)	(2.2)	(2.4)
Cash flow from financing activities	(7.3)	(6.9)	(24.2)	(40.3)	(49.9)
Currency effects on cash	0.0	1.2	1.3	1.4	2.0
Net change in cash	(3.2)	(0.0)	(9.7)	(5.2)	1.9
Net cash at beginning period *	28.1	27.6	34.6	32.7	32.7
Net cash at period end *	24.9	27.6	24.9	27.6	34.6
Of this, restricted cash	0.4	1.1	0.4	1.1	1.0

* Includes bank overdraft

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

Note 1 – Disclosures

GENERAL INFORMATION

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

BASIS OF PREPARATION

This condensed consolidated interim financial information, ended 30th September 2015, 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 31st December 2014, 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 31st December 2014, as described in those annual financial statements.

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

RISK

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

SEASONALITY

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

Note 2 – Segment Reporting

2.1 OPERATING REPORTABLE SEGMENTS

YTD 2015

MEUR	Interior	Driveline	Fluid Transfer	Driver Controls	Elim & other	Group
Operating Revenues	244.6	194.9	163.1	195.0	(27.1)	770.5
EBITDA	27.6	9.7	31.3	23.6	(14.3)	77.9
Depreciation	(6.6)	(5.8)	(4.5)	(5.0)	(0.1)	(22.1)
Amortization	(21.2)	(2.2)	(2.9)	(5.9)	(0.2)	(32.4)
EBIT	(0.3)	1.7	23.9	12.7	(14.6)	23.4
<i>Assets and liabilities</i>						
Goodwill	59.5	6.6	54.4	32.0	0.0	152.5
Other intangible assets	6.4	9.8	10.1	14.7	0.9	42.0
Property, plant and equipment	34.2	33.0	28.9	31.5	0.7	128.3
Inventories	19.4	18.6	20.4	26.7	(0.6)	84.4
Trade receivables	59.1	33.6	33.0	31.0	(0.0)	156.6
Segment assets	178.7	101.5	146.8	135.8	1.1	563.8
Unallocated assets	0	0	0	0	139.7	139.7
Total assets	178.7	101.5	146.8	135.8	140.7	703.5
Trade payables	28.5	24.3	20.2	22.4	0.7	96.2
Unallocated liabilities	0	0	0	0	396.4	396.4
Total liabilities	28.5	24.3	20.2	22.4	397.1	492.6
Capital expenditure	6.7	4.6	5.1	4.6	0.0	21.0

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

YTD 2014

MEUR	Interior	Driveline	Fluid Transfer	Driver Controls	Elim & other	Group
Operating Revenues	227.8	201.2	146.0	190.5	(26.7)	738.8
EBITDA	28.0	12.4	27.0	24.7	(12.0)	80.0
Depreciation	(5.3)	(5.5)	(5.4)	(4.6)	(0.0)	(20.9)
Amortization	(1.5)	(2.3)	(2.5)	(3.5)	(0.2)	(10.0)
EBIT	21.1	4.7	19.1	16.5	(12.2)	49.2
<i>Assets and liabilities</i>						
Goodwill	74.3	6.3	49.7	33.4	0.0	163.7
Other intangible assets	7.9	11.5	12.2	19.1	1.1	51.7
Property, plant and equipment	31.0	31.5	26.2	33.3	0.6	122.6
Inventories	18.3	19.3	17.8	28.5	(0.6)	83.3
Trade receivables	52.6	35.7	29.0	32.0	0.8	150.0
Segment assets	184.0	104.3	134.9	146.3	1.9	571.4
Unallocated assets	0	0	0	0	141.9	141.9
Total assets	184.0	104.3	134.9	146.3	143.8	713.3
Trade payables	25.9	24.5	19.2	23.5	0.4	93.6
Unallocated liabilities	0	0	0	0	397.2	397.2
Total liabilities	25.9	24.5	19.2	23.5	397.6	490.8
Capital expenditure	5.6	4.3	3.6	4.6	(0.0)	18.1

Full year 2014

MEUR	Interior	Driveline	Fluid Transfer	Driver Controls	Elim & other	Group
Operating Revenues	304.5	265.0	193.5	252.7	(36.8)	979.1
EBITDA	35.3	15.6	34.1	29.3	(17.4)	97.0
Depreciation	(7.3)	(8.1)	(7.1)	(6.1)	(0.0)	(28.6)
Amortization	(2.1)	(3.0)	(3.4)	(4.8)	(0.3)	(13.5)
EBIT	25.9	4.5	23.6	18.4	(17.6)	54.8
<i>Assets and liabilities</i>						
Goodwill	75.1	6.4	51.1	33.3	0.0	165.9
Other intangible assets	7.5	10.9	11.6	17.8	1.0	48.8
Property, plant and equipment	33.2	33.9	28.0	32.6	0.6	128.3
Inventories	17.2	16.9	15.8	27.5	(0.6)	76.8
Trade receivables	49.6	33.6	26.5	30.4	0.0	140.1
Segment assets	182.6	101.7	132.9	141.7	1.0	559.9
Unallocated assets	-	-	-	-	129.3	129.3
Total assets	182.6	101.7	132.9	141.7	130.3	689.2
Trade payables	26.6	25.0	21.4	25.2	0.8	99.1
Unallocated liabilities	-	-	-	-	379.9	379.9
Total liabilities	26.6	25.0	21.4	25.2	380.6	478.9
Capital expenditure	9.5	9.2	7.4	7.4	0.5	34.0

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

2.2 SEGMENTS BY GEOGRAPHICAL LOCATION

2.2.1 Sales to customers by geographical location

MEUR	2015		2014		2014	
	Jan - Sept	%	Jan - Sept	%	Jan - Dec	%
Sweden	60.9	7.9 %	66.3	9.0 %	82.6	8.4 %
Germany	77.0	10.0 %	80.6	10.9 %	102.4	10.5 %
France	55.9	7.3 %	57.0	7.7 %	73.2	7.5 %
Other EUR	192.6	25.0 %	186.4	25.2 %	252.3	25.8 %
Total EUR	386.5	50.2 %	390.2	52.8 %	510.4	52.1 %
USA	228.6	29.7 %	188.4	25.5 %	251.5	25.7 %
NA other	77.2	10.0 %	83.8	11.3 %	114.0	11.6 %
Total NA	305.8	39.7 %	272.2	36.9 %	365.5	37.3 %
China	46.4	6.0 %	39.8	5.4 %	57.0	5.8 %
Asia Other	16.2	2.1 %	17.4	2.4 %	22.6	2.3 %
Total Asia	62.7	8.1 %	57.2	7.7 %	79.5	8.1 %
Other countries	15.6	2.0 %	19.1	2.6 %	23.6	2.4 %
Operating revenues	770.5	100.0 %	738.8	100.0 %	979.1	100.0 %

2.2.2 Non-current assets by geographical location

MEUR	2015		2014		2014	
	Jan - Sept	%	Jan - Sept	%	Jan - Dec	%
USA	106.6	33.0 %	116.3	34.4 %	119.9	34.9 %
UK	13.5	4.2 %	12.2	3.6 %	12.8	3.7 %
Norway	24.1	7.4 %	26.7	7.9 %	25.8	7.5 %
Germany	14.9	4.6 %	15.7	4.6 %	15.6	4.5 %
Sweden	29.5	9.1 %	30.6	9.0 %	29.8	8.7 %
Poland	37.5	11.6 %	35.5	10.5 %	36.0	10.5 %
Other	96.8	30.0 %	101.1	29.9 %	103.1	30.0 %
Total Non-Current Assets*	322.7	100.0 %	338.1	100.0 %	343.0	100.0 %

* Includes intangible assets, property, plant and equipment

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

Note 3 – Interest-bearing loans and borrowings

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

MEUR	30.09.15	31.12.14
Non current interest-bearing loans and borrowings	251.1	254.9
Capitalized arrangement fees	(1.1)	(2.1)
Total interest-bearing liabilities	250.1	252.8

MEUR	30.09.15	31.12.14
EUR	123.0	135.0
USD	127.6	119.4
Other currencies	0.5	0.5
Capitalized arrangement fee	(1.1)	(2.1)
Total interest-bearing liabilities	250.1	252.8

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

Facilities	Currency	Total amounts	Maturity/ date	Drawn amount	Interest rate (incl margin)
Tranche EUR	EUR	162.0	02.03.18	123.0	1.50%
Tranche USD	USD	172.0	02.03.18	143.0	1.70%

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

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

Year	EUR	USD
2015		
2016		
2017		
2018 and later	162.0	172.0
Total	162.0	172.0

3.4 Liquidity reserve

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

MEUR	30.09.15	31.12.14
Cash reserve, excl. restricted cash	56.4	52.4
Undrawn facility*	84.9	101.2
Total (before bank overdraft)	141.3	153.6
Bank overdraft	(31.9)	(18.8)
Liquidity reserve	109.4	134.8

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

Note 4 – Net financial items

4.1 Net financials

MEUR	Q3 2015	Q3 2014	YTD 2015	YTD 2014	2014
Interest income	0.0	0.1	0.0	0.1	0.2
Interest expenses	(1.9)	(3.0)	(6.3)	(8.8)	(11.9)
Foreign currency gains (losses)	(13.3)	0.3	(17.0)	(2.4)	(20.6)
Change in valuation currency contracts	(1.5)	0.5	(0.2)	0.3	(0.2)
Other financial items*	(0.2)	(0.4)	(3.4)	(2.6)	(3.3)
Net financial items	(17.0)	(2.5)	(26.8)	(13.5)	(35.9)

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

OTHER COMPANY INFORMATION

THE BOARD OF DIRECTORS:

Ulla-Britt Fräjdin-Hellqvist	Chairwoman
Thomas Falck	Shareholder elected
Malin Persson	Shareholder elected
Magnus Jonsson	Shareholder elected
Halvor Stenstadvold	Shareholder elected
Jon Ivar Jørnby	Employee elected
Kari Brænden Aaslund	Employee elected
Kjell Kristiansen	Employee elected

EXECUTIVE COMMITTEE:

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

INVESTOR RELATIONS:

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

FINANCIAL CALENDAR:

Publication of the quarterly financial statements:

	Interim reports	Presentation
4th Quarter 2015	11 February 2016	12 February 2016
1st Quarter 2016	14 April 2016	15 April 2016
2nd Quarter 2016	13 July 2016	14 July 2016
3rd Quarter 2016	20 October 2016	21 October 2016

Kongsberg Automotive ASA

Dyrmyrgata 48

3601 Kongsberg, Norway

Phone +47 32 77 05 00

www.kongsbergautomotive.com



Enhancing the driving experience

Kongsberg Automotive ASA, Dyrmyrgata 48, 3601 Kongsberg, Norway, Phone +47 32 77 05 00

www.kongsbergautomotive.com