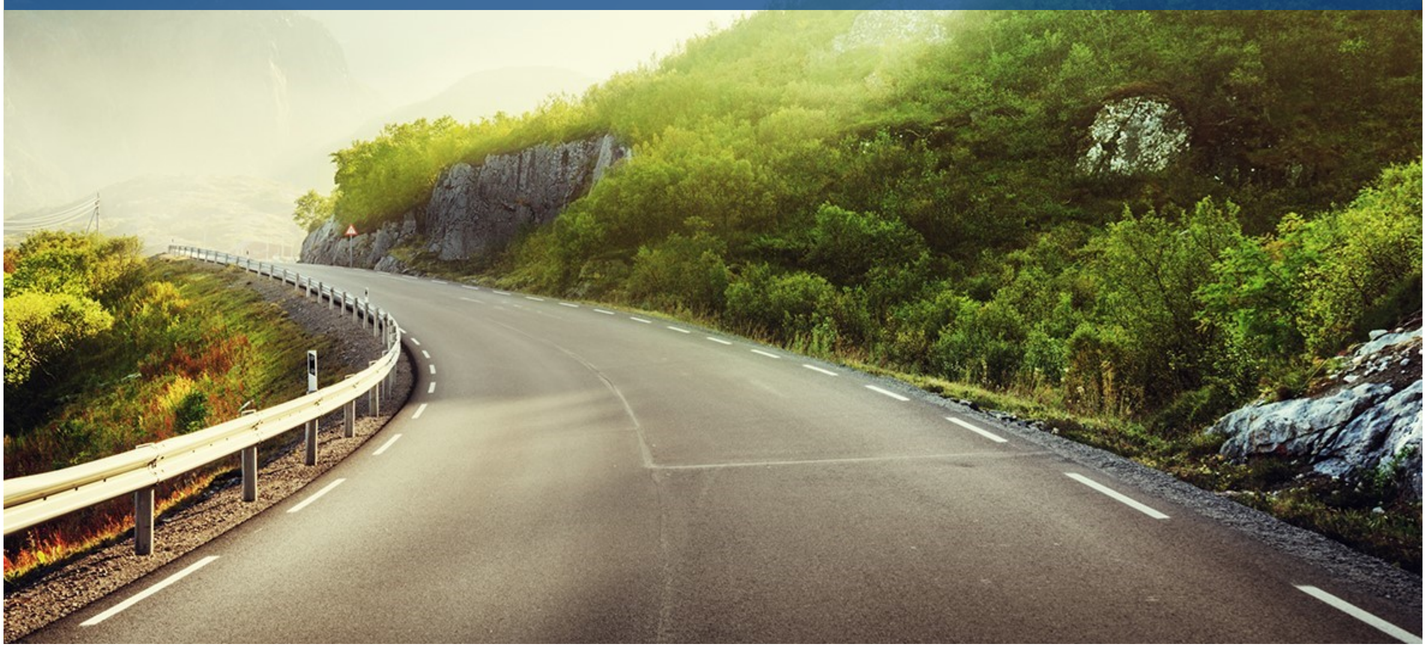
3rd Quarter Report 2017

Kongsberg Automotive



Enhancing the driving experience **2017**

CONTENTS

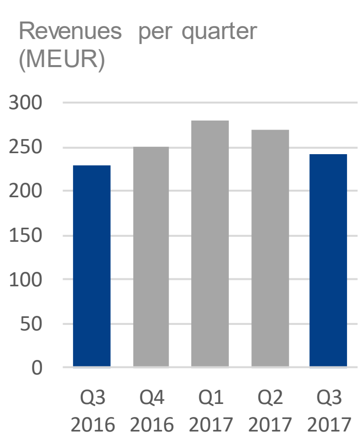
HIGHLIGHTS 3RD QUARTER 2017

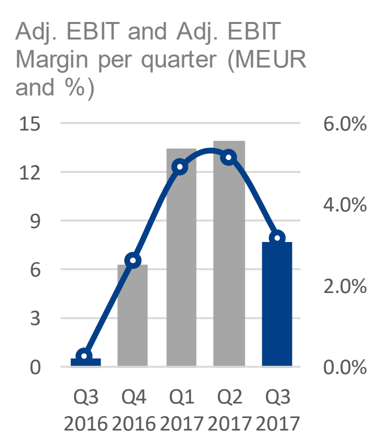
- Revenues were MEUR 240.7 in the third quarter, MEUR 22.4 (10.3%) above the third quarter last year, including negative currency translation effects of MEUR 5.2.
- Adjusted EBIT amounted to MEUR 7.7 in the third quarter, MEUR 7.1 above the third quarter last year.
- During the third quarter, KA announced the closure of the Easley facility in the United States.
- Annualized business wins in the third quarter amounted to MEUR 61.9 bringing the total annualized business wins for the last twelve months to MEUR 286.1.
- The adjusted gearing ratio (NIBD/EBITDA) was 2.5 at the end of third quarter excluding discontinued operations.

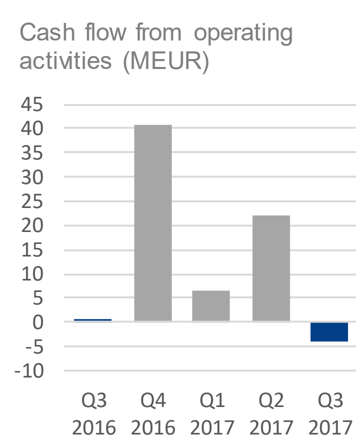
KEY FIGURES

MEUR	Q3 2017	Q3 2016	YTD 2017	YTD 2016	2016
Revenues	240.7	218.3	779.5	703.1	943.8
EBITDA	11.5	7.0	52.7	48.2	60.1
EBITDA %	4.8 %	3.2 %	6.8 %	6.9 %	6.4 %
Adjusted EBIT*	7.7	0.6	35.1	21.3	27.7
Adjusted EBIT (%)*	3.2 %	0.3 %	4.5 %	3.0 %	2.9 %
EBIT	(0.2)	(3.6)	19.4	17.1	17.6
EBIT (%)	-0.1 %	-1.7 %	2.5 %	2.4 %	1.9 %
Net profit continuing operations	0.3	(8.4)	2.3	9.4	2.7
Net profit discontinued operations**	0.0	(1.5)	1.1	(0.6)	(1.4)
Total net profit	0.3	(9.9)	3.4	8.8	1.3
Adj. NIBD/EBITDA (LTM) cont. op.	2.5	2.9	2.5	2.9	2.9
Equity ratio (%)	28.5 %	31.0 %	28.5 %	31.0 %	30.2 %

* Adjusted for restructuring costs, see section APM for the reconciliation.
** Discontinued operations refer to the Headrest and Armrest business in North America, which was sold during the first quarter 2017. See note 6 for more information.







The above graphs show continuing business only, except cash flow from operation activities.

CEO LETTER

The third quarter is normally associated with the summer vacation period. From a customer activity and revenue level standpoint, this is also the case for Kongsberg Automotive. However, given the amount of improvement initiatives we have put in motion and the length of our to do list, this period also provides some room for catching up with non day-to-day items and take stock on how we are progressing on all our initiatives and make sure that we are chasing the right initiatives with the right amount of resources.

PERFORMANCE

We earned revenues of €241 million for the quarter with an adjusted EBIT of €7.7 million or 3.2%. Driven by seasonality, the third quarter is the lowest revenue quarter for Kongsberg Automotive. For the third quarter in a row, we increased both our Revenue and Adjusted EBIT lines. This is an ensuring step on the way to becoming a better performing company, but we do realize that we have a long way towards our goals of becoming a better than average performing automotive supplier.

We continue to book important new business wins. Our Q3 bookings of €64 million of annualized revenues pretty much matched those of last year which is consistent with our long term planning. There was no single program standing out from a size point of view, but rather these bookings represent many small programs, none of which exceeds €5 million in annual future revenues. From a single customer or platform dependency, this is great as our OEM and platform dependency is reduced.

With regards to our improvement program, we did close the doors of our Basildon, UK facility during the third quarter. We also announced the closure of our Easley, US manufacturing location. This was followed by the announcement that we have initiated closure discussions with the appropriate workers' representatives relating to a desired closure of our manufacturing facility in Burton, UK in October. Relating to our product portfolio, we initiated activities during Q3 to divest our ePower business, which led to entering into negotiations with one party in October 2017.

OUTLOOK

The underlying assumptions for our outlook is that there are no significant changes in market conditions and foreign exchange rates. For the last quarter of the year, we expect revenues of around €260 million. I refer to our Capital Markets day event on November 8, following our Q3 presentation, where we will go through our plans for the next three years including the associated financials. During the Capital markets Day presentation we will give more perspective relating to our overall business outlook.

GROUP FINANCIALS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

MEUR	Q3 2017	Q3 2016	YTD 2017	YTD 2016	2016
Revenues	240.7	218.3	779.5	703.1	943.8
Opex	(229.2)	(211.3)	(726.7)	(654.9)	(883.7)
EBITDA	11.5	7.0	52.7	48.2	60.1
EBITDA (%)	4.8%	3.2%	6.8%	6.9%	6.4%
Depreciation and amortization/impairment	(11.7)	(10.7)	(33.3)	(31.2)	(42.5)
EBIT	(0.2)	(3.6)	19.4	17.1	17.6
EBIT (%)	*-0.1%*	*-1.7 %*	*2.5 %*	*2.4 %*	*1.9 %*
Adjusted EBIT*	7.7	0.6	35.1	21.3	27.7
*Adjusted EBIT (%)**	*3.2 %*	*0.3 %*	*4.5 %*	*3.0 %*	*2.9 %*
Net financial items	1.2	4.2	(6.8)	10.8	1.0
Profit before taxes	1.1	0.5	12.6	27.8	18.6
Income taxes	(0.8)	(9.0)	(10.3)	(18.5)	(15.9)
Net profit continuing operations	0.3	(8.4)	2.3	9.4	2.7
Net profit discontinued operations**	0.0	(1.5)	1.1	(0.6)	(1.4)
Total net profit	0.3	(9.9)	3.4	8.8	1.3

* See section APM for the reconciliation.
** See note six for more information.

REVENUES

Revenues for the Group amounted to MEUR 240.7 in the third quarter of 2017. The revenues were MEUR 22.4 (10.3%) above the comparable period last year, including negative currency translation effects of MEUR -5.2. All three segments contributed to that increase in revenues.

In the Interior Systems segment, which serves the passenger car end market, revenues increased by MEUR 3.0 (5.4%) compared to the third quarter of 2016, including negative currency translation effects of MEUR -0.7. The revenue increase was due to growth in both the European and Chinese Comfort business, partly offset by a decrease in both the North American Light Duty Cable and Comfort business.

In the Powertrain & Chassis segment, which serves both the passenger car and commercial vehicle end markets, revenues increased by MEUR 13.9 (16.9%) compared to the same quarter in 2016, including negative currency translation effects of MEUR -2.2. The revenue increase came from the European, American and the Chinese business. The sales growth in Europe is mainly related to programs for shift systems in the passenger car business, the vehicle dynamics business and commercial vehicle business. The sales growth in China is mainly related to new programs for shift systems for the passenger car business.

In the Specialty Products segment, which serves the passenger car, commercial vehicle end markets and general industry customers, revenues increased by MEUR 5.6 (6.9%) compared to the same quarter in 2016, including negative currency translation effects of MEUR -2.3. The increase was driven by growth in the fluid handling systems in Europe for the automotive, commercial vehicle business and industrial business, and increased sales in the North America industrial business. In addition, increased coupling sales in Europe and China contributed to the increase.

ADJUSTED EBIT / EBIT

Adjusted EBIT for the Group was MEUR 7.7 in the third quarter of 2017, an increase of MEUR 7.1 compared to the third quarter of 2016. The effects of higher volumes and lower R&D costs (MEUR 2.5) were partially offset by increased raw material costs, production relocation costs and start-up costs.

Including restructuring cost of MEUR 7.9, EBIT in Q3 2017 amounted to MEUR -0.2, compared to MEUR -3.6 in Q3 2016 which was impacted by one-offs of MEUR 5.9.

NET FINANCIAL ITEMS

Net financial items (see note 4.1) were positive at MEUR 1.2 in the third quarter of 2017, compared to positive at MEUR 4.2 in the same period in 2016. Unrealized and realized currency effects as well as increased interest expenses due to the new bank waiver contributed to the change.

PROFIT BEFORE TAX / NET PROFIT

Profit before tax amounted to MEUR 1.1 in the third quarter of 2017, an increase of MEUR 0.6 compared to the same quarter in 2016. The positive change in EBIT was partially offset by the negative change in net financial items.

GROUP FINANCIALS

CONDENSED STATEMENT OF CASH FLOW

MEUR	Q3 2017	Q3 2016	YTD 2017	YTD 2016	2016
Cash flow from operating activities	(3.8)	0.9	24.8	30.2	70.8
Cash flow from investing activities	(13.1)	(8.2)	(32.2)	(28.1)	(50.5)
Cash flow from financing activities	19.6	11.5	9.3	(10.2)	(26.4)
Currency effects on cash	(0.6)	(0.1)	(1.9)	(0.2)	0.8
Change in cash	2.2	4.1	(0.1)	(8.4)	(5.3)
Cash at beginning period	32.3	27.4	34.6	39.9	39.9
Cash at period end	34.5	31.5	34.5	31.5	34.6
Of this, restricted cash	0.9	0.3	0.9	0.3	0.4

CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities decreased by MEUR 4.7 to a cash outflow of MEUR -3.8 in the third quarter of 2017 compared to the same quarter last year. The decrease was primarily driven by increased net working capital, partially offset by the increase in EBITDA and a decrease in taxes paid.

Restructuring had a cash effect of ca. MEUR 4.5 in the quarter.

CASH FLOW FROM INVESTING ACTIVITIES

Net cash flow from investing activities amounted to MEUR -13.1 in the third quarter of 2017, MEUR 4.9 more than the comparable quarter last year. Investments were made in capacity expansions to accommodate current and future, manufacturing requirements, maintenance investments as well as intangible assets.

CASH FLOW FROM FINANCING ACTIVITIES

Cash flow from financing activities was MEUR 19.6 in the third quarter, compared to MEUR 11.5 in the comparable quarter last year. The change was primarily driven by increased borrowing and the sale of treasury shares (as opposed to purchase of treasury shares last year), partially offset by higher interest payments.

Net borrowing amounted to MEUR 21.1 in the third quarter, compared to net borrowing of MEUR 13.7 in the same period last year. Interest payments in the third quarter amounted to MEUR 2.3, an increase of MEUR 0.4 compared to MEUR 1.9 during the same period last year. The increased interest margins due to the new bank waiver drove the change in interest payments. Sale of treasury shares amounted to MEUR 0.8 compared to purchase of treasury shares of MEUR 0.2 in the third quarter last year.

CHANGE IN CASH

Cash increased by MEUR 2.2 during the third quarter, resulting in cash position of MEUR 34.5 at the end of the quarter.

LIQUIDITY RESERVE

The liquidity reserve was MEUR 116.2 at the end of the third quarter, compared to MEUR 140.8 at year-end 2016. The change relates to the negative free cash flow and negative currency effects of MEUR 9.6. See note 3.4 for more information.

GROUP FINANCIALS

CONDENSED STATEMENT OF FINANCIAL POSITION

MEUR	30.09.17	30.09.16	31.12.16
Non-current assets	359.3	362.3	376.0
Cash and cash equivalents	34.5	31.5	34.6
Other current assets	313.2	281.6	281.0
Non-current assets held for sale*	0.0	0.0	0.0
Total assets	707.0	675.5	691.6
Equity	201.3	209.4	208.6
Interest bearing debt	244.9	246.8	238.4
Other liabilities	260.8	219.3	244.5
Total equity and liabilities	707.0	675.5	691.6
NIBD	210.4	215.3	203.9
Equity ratio	28.5%	31.0%	30.2%

* Non-current assets related to discontinued business, which was written off to zero in the third quarter 2016.

ASSETS

Total assets were MEUR 707.0 at the end of the third quarter, an increase of MEUR 15.4 from year-end 2016.

The increase was due to an increase in working capital and net capital expenditures, partially offset by net amortization of intangible assets and translation currency effects. Seasonality and a higher level of revenues were the main driver behind the increase in net working capital. The increased sales in China with long payment terms impacted the change in accounts receivables.

EQUITY

From year-end equity decreased by MEUR 7.3 to MEUR 201.3. The main driver were net negative currency translation effects of MEUR 11.1 after tax, partially offset by the positive net profit for the period of MEUR 3.4. The equity ratio decreased by 1.7 percentage points to 28.5%.

INTEREST BEARING DEBT

Long-term interest bearing debt amounted to MEUR 244.8 at the end of the third quarter, an increase of MEUR 6.4 compared to year-end 2016. The increase in net borrowing was partially offset by positive currency translation effects of MEUR 10.0.

NET INTEREST BEARING DEBT

At the end of the third quarter 2017, net interest bearing debt amounted to MEUR 210.4, an increase of MEUR 6.5 compared to year-end 2016.

INTERIOR

SEGMENT REPORTING

INTERIOR SYSTEMS

Interior Systems 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 and head restraints.

Interior Systems addresses the passenger car market, with particularly strong positions on premium car platforms in Europe and North America. The product penetration for products such as seat heating, seat ventilation and massage systems are especially high in medium to higher end cars, while headrests and light duty cables are found in all ranges of cars. Customers include all major European and North American car and seat manufacturers and most premium OEMs such as Adient, Magna, Faurecia, Lear, Jaguar, Land Rover, Audi, Volvo Cars, Daimler and BMW.

KEY FIGURES

MEUR	Q3 2017	Q3 2016	YTD 2017	YTD 2016	2016
Revenues	58.3	55.3	187.7	175.8	235.8
Adjusted EBITDA continuing operations	3.1	3.7	14.7	17.5	20.8
Adjusted EBITDA (%) continuing operation	*5.4 %*	*6.7 %*	*7.9 %*	*10.0 %*	*8.8 %*
Adjusted EBIT continuing operations	0.5	1.4	7.1	10.6	11.5
Adjusted EBIT (%) continuing operations	*0.8 %*	*2.5 %*	*3.8 %*	*6.0 %*	*4.9 %*
Restructuring	(0.3)	(0.3)	(0.1)	(0.3)	(0.7)
EBIT	0.1	1.1	7.0	10.3	10.8
EBIT (%)	*0.2 %*	*2.0 %*	*3.7 %*	*5.9 %*	*4.6 %*
Investments	(5.3)	(3.4)	(14.0)	(9.3)	(19.3)
Capital Employed *	154.6	144.8	154.6	144.8	147.1

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

FINANCIAL UPDATE

Revenues in Interior Systems increased by MEUR 3.0 (5.4%) to MEUR 58.3 in the third quarter 2017 compared to the same quarter in 2016, including negative currency effects of MEUR 0.7. The revenue increase was due to growth in both the European and Chinese Comfort business, partially offset by a decrease in both the North American Light Duty Cable and Comfort businesses. Revenues for the first nine months amounted to MEUR 187.7, an increase of 6.8% in comparison with 2016.

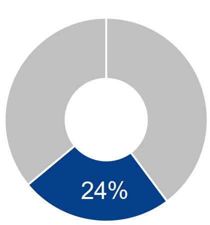
Adjusted EBIT was MEUR 0.5 in the third quarter, a decrease of MEUR -0.9 compared to the third quarter 2016. The adjusted EBIT margin decreased by -1.7 percentage points to 0.8%. The negative change in EBIT was related to continuing industrialization costs of new production lines, negative changes in the raw material prices and costs related to suppliers' issues, as well as negative transactional FX effects. It was partially offset by the higher sales volume, operational improvements and lower R&D expenses (MEUR 2.4).

Adjusted EBIT for the first nine months decreased by MEUR -3.3 (-31.5%) over last year. The adjusted EBIT margin for the first nine months decreased by -2.2 percentage points to 3.9%.

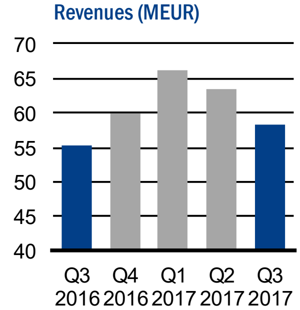
COMMERCIAL & OPERATIONAL UPDATE

The third quarter total business wins amounted to MEUR 15.5. in annual sales for the Interior Systems segment. Comfort Systems business wins included takeover business for an enhanced seat climate systems to an American electric vehicle manufacturer, and business wins for an established Japanese OEM operating in Europe and to an American transplant OEM in Asia. Light Duty Cables secured a significant nomination for a seat actuator on a popular large SUV platform in North America and continue to make a strong presence in China with several contracts with Local Chinese OEMs.

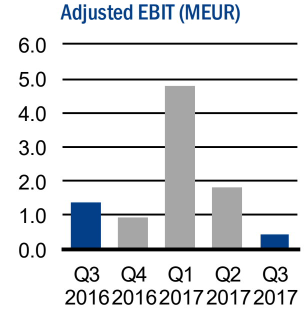
Share of Group Q3 2017 revenues



Revenues (MEUR)



Adjusted EBIT (MEUR)



POWERTRAIN & CHASSIS PRODUCTS

SEGMENT REPORTING

POWERTRAIN & CHASSIS PRODUCTS

Powertrain & Chassis Products is a global Tier 1 supplier of driver control and driveline products into the passenger and commercial vehicle automotive markets. The portfolio includes custom-engineered cable controls and complete shift systems, clutch actuation systems, vehicle dynamics, shift cables and shift towers for transmissions.

Powertrain & Chassis Products serves the passenger car and the commercial vehicle market, with particularly strong positions in Europe and the Americas. With a global footprint, Powertrain & Chassis is able to support customers worldwide. Key customers include Ford, General Motors, FCA, Volvo, Scania, DAF, John Deere, PSA and Renault-Nissan.

KEY FIGURES

MEUR	Q3 2017	Q3 2016	YTD 2017	YTD 2016	2016
Revenues	95.7	81.9	302.6	256.5	350.4
Adjusted EBITDA	5.3	4.2	12.7	8.8	14.2
Adjusted EBITDA (%)	*5.5 %*	*5.2 %*	*4.2 %*	*3.4 %*	*4.0 %*
Adjusted EBIT	1.1	(0.1)	(0.1)	(3.7)	(3.2)
Adjusted EBIT (%)	*1.1 %*	*-0.1 %*	*0.0 %*	*-1.4 %*	*-0.9 %*
Restructuring	(2.3)	(3.8)	(7.3)	(3.8)	(4.7)
EBIT	(1.2)	(4.0)	(7.4)	(7.5)	(7.9)
EBIT (%)	*-1.2 %*	*-4.8 %*	*-2.4 %*	*-2.9 %*	*-2.3 %*
Investments	(5.8)	(3.4)	(15.9)	(14.3)	(19.6)
Capital Employed *	156.7	146.6	156.7	146.6	140.4

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

FINANCIAL UPDATE

Revenues in Powertrain & Chassis increased by MEUR 13.9 (16.9%) to MEUR 95.7 in the third quarter 2017 compared to the same quarter in 2016, including negative currency effect of MEUR -2.2. The revenue increase came from the European, American and Chinese business. The sales growth in Europe is mainly related to programs for shift systems in the passenger car business, the vehicle dynamics business and commercial vehicle business. The sales growth in China is mainly driven by new programs on shift systems for the passenger car business. Revenues for the first nine months amounted to MEUR 302.6, an increase of 18.0% from 2016.

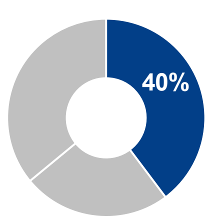
Adjusted EBIT was MEUR 1.1 in the third quarter, an increase of MEUR 1.2 compared to the third quarter 2016. The third quarter adjusted EBIT margin increased by 1.3 percentage points to 1.1%. The main drivers for the increase were higher sales volumes, partially offset by product start-up costs and increased raw material prices.

Adjusted EBIT for the first nine months increased by MEUR 3.6 over last year. The adjusted EBIT margin for the first nine months increased by 1.4 percentage points to 0.0%.

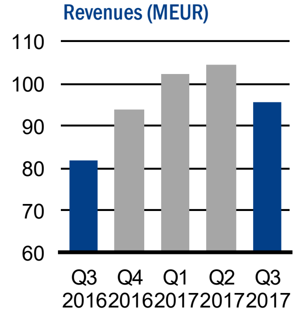
COMMERCIAL & OPERATIONAL UPDATE

Overall project activity continues on a high level with strong new business win opportunities. Business wins for the third quarter amounted to MEUR 12.9 in annual sales. Engineering activity remains high to support upcoming product launches and will continue through 2017. The main focus remains on the preparation of customer product introductions along with operational efficiency improvement measures and fixed costs reductions. The processes to close the Heiligenhaus (Germany) and Rollag (Norway) facilities, to sustainably enhance efficiency and reduce fixed cost levels, are progressing. For Heiligenhaus, we are on plan. For Rollag we are slightly behind plan due to increased customer volume demands.

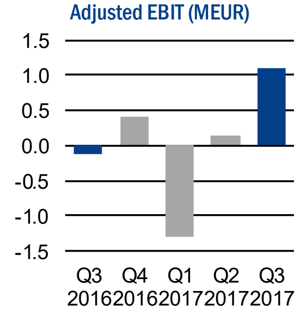
Share of Group Q3 2017 revenues



Revenues (MEUR)



Adjusted EBIT (MEUR)



SPECIALTY PRODUCTS

SEGMENT REPORTING

SPECIALTY PRODUCTS

The Specialty Products segment designs and manufactures fluid handling systems for both the automotive and commercial vehicle markets, couplings systems for compressed-air circuits in heavy-duty vehicles, operator control systems for power sports construction, agriculture, outdoor power equipment, power electronics and MRF technology based products.

Key customers include Volvo Trucks/Group, Scania, Navistar, Paccar/DAF, Ford, Jaguar Land Rover, Club Car, John Deere, CAT, Husqvarna, CNH and BRP and several Tier 1 customers in addition to an industrial customer base.

KEY FIGURES

MEUR	Q3 2017	Q3 2016	YTD 2017	YTD 2016	2016
Revenues	86.7	81.1	289.2	270.8	357.5
Adjusted EBITDA	12.5	6.7	49.3	37.4	50.5
Adjusted EBITDA (%)	*14.4 %*	*8.2 %*	*17.0 %*	*13.8 %*	*14.1 %*
Adjusted EBIT	9.0	3.0	38.4	26.4	36.0
Adjusted EBIT (%)	*10.4 %*	*3.7 %*	*13.3 %*	*9.7 %*	*10.1 %*
Restructuring	(4.0)	(0.1)	(6.7)	(0.1)	(4.4)
EBIT	5.1	2.9	31.7	26.3	31.6
EBIT (%)	*5.8 %*	*3.6 %*	*11.0 %*	*9.7 %*	*8.8 %*
Investments	(2.0)	(1.7)	(4.7)	(4.5)	(9.9)
Capital Employed *	175.0	177.9	175.0	177.9	175.0

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

FINANCIAL UPDATE

Special Products Revenues increased by MEUR 5.6 (6.9%) to MEUR 86.7 in the third quarter 2017 compared to the same quarter in 2016, including a negative currency translation effect of MEUR -2.3. This revenue increase was driven by growth in Coupling sales, especially in the European and Chinese business. Furthermore, the sales increase in Europe of FTS products commercial vehicle business and industrial business, as well as the strength of the North American industrial business contributed to the revenue development. This was partially offset by a modestly negative change in the North American automotive business for FTS products, and a slight decrease of off-highway sales due to divestments related to the Basildon closure. Revenues for the first nine months amounted to MEUR 289.2, an increase of 6.8% from 2016.

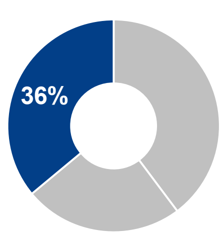
Adjusted EBIT was MEUR 9.0 in the third quarter, an increase of MEUR 6.0 compared to the third quarter 2016, which was impacted by one-offs amounting to MEUR 4.5. The adjusted EBIT margin increased by 6.7 percentage points to 10.4%. This change was driven by higher sales volumes, partially offset by increased material costs and freight costs.

Adjusted EBIT for the first nine months increased by EUR 12.1 million (45.9%) over last year. The adjusted EBIT margin for the first nine months increased by 3.6 percentage points to 13.3% due to higher sales volume, lower R&D costs (MEUR 2.0), partially offset by increased raw material and freight costs.

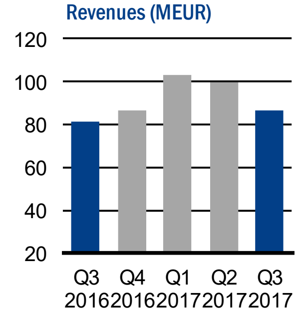
COMMERCIAL & OPERATIONAL UPDATE

In the third quarter total business awards amounted to MEUR 33.5 in annual sales, the majority of the business wins was within the Fluid business unit. Sales opportunities and quoting activity remain robust. To sustainably enhance efficiency and reduce fixed cost levels the closure and transfer of activities from the Heiligenhaus (Germany) facility continues In addition in the third quarter we announced that the manufacturing facility in Easley, South Carolina will be closed and that operations will be discontinued during the first quarter of 2018. The majority of production and equipment will be moved to a new facility in Mexico. A very competitive market in the area of the Easley products has lead this plant to an uncompetitive position. This means there is a strong need to become more efficient and reduce costs, which can only be achieved by relocating the Easley manufacturing operations

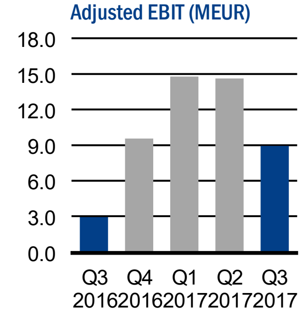
Share of Group Q3 2017 revenues



Revenues (MEUR)



Adjusted EBIT (MEUR)



CONDENSED CONSOLIDATED FINANCIAL STATEMENT

STATEMENT OF COMPREHENSIVE INCOME

MEUR	Q3 2017	Q3 2016	YTD 2017	YTD 2016	2016
Revenues	240.7	218.3	779.5	703.1	943.8
Opex	(229.2)	(211.3)	(726.7)	(654.9)	(883.7)
EBITDA	11.5	7.0	52.7	48.2	60.1
EBITDA (%)	4.8%	3.2%	6.8%	6.9%	6.4%
Depreciation and amortization/impairment	(11.7)	(10.7)	(33.3)	(31.2)	(42.5)
EBIT	(0.2)	(3.6)	19.4	17.1	17.6
EBIT (%)	*-0.1%*	*-1.7 %*	*2.5 %*	*2.4 %*	*1.9 %*
Adjusted EBIT*	7.7	0.6	35.1	21.3	27.7
*Adjusted EBIT (%)**	*3.2 %*	*0.3 %*	*4.5 %*	*3.0 %*	*2.9 %*
Net financial items	1.2	4.2	(6.8)	10.8	1.0
Profit before taxes	1.1	0.5	12.6	27.8	18.6
Income taxes	(0.8)	(9.0)	(10.3)	(18.5)	(15.9)
Net profit continuing operations	0.3	(8.4)	2.3	9.4	2.7
Net profit discontinued operations**	0.0	(1.5)	1.1	(0.6)	(1.4)
Total net profit	0.3	(9.9)	3.4	8.8	1.3
Other comprehensive income (Items that may be reclassified to profit or loss in subsequent periods):					
Translation differences	(9.8)	(6.7)	(15.8)	(20.2)	(8.5)
Tax on translation differences	3.0	2.7	4.7	6.2	1.5
Other comprehensive income (Items that w ill not be reclassified to profit or loss in subsequent periods):					
Remeasurement of the net PBO	0.0	0.0	0.0	0.0	(1.2)
Tax on remeasurement of the net PBO	0.0	0.0	0.0	0.0	0.3
Other comphrehensive income	(6.8)	(4.0)	(11.1)	(14.0)	(7.8)
Total comprehensive income	(6.6)	(13.9)	(7.7)	(5.2)	(6.5)
Net profit attributable to:					
Equity holders (parent comp)	0.3	(9.9)	3.4	8.8	1.3
Non-controlling interests	(0.0)	0.0	0.0	0.0	0.1
Total	0.3	(9.9)	3.4	8.8	1.3
Total comprehensive income attributable to:					
Equity holders (parent comp)	(6.6)	(13.9)	(7.7)	(5.3)	(6.6)
Non-controlling interests	(0.0)	0.0	0.0	0.0	0.1
Total	(6.6)	(13.9)	(7.7)	(5.2)	(6.5)
Earnings per share:					
Basic earnings per share, EUR	0.00	(0.02)	0.01	0.02	0.00
Diluted earnings per share, EUR	0.00	(0.02)	0.01	0.02	0.00

* Adjusted for restructuring costs, see section APM for the reconciliation.

** Discontinued operations refer to the Headrest and Armrest business in North America, which was sold during the first quarter 2017. See note 6 for more information.

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

STATEMENT OF FINANCIAL POSITION

MEUR	Note	30.09.17	30.09.16	31.12.16
Deferred tax assets		29.6	35.7	32.4
Intangible assets		165.7	179.5	182.3
Property, plant and equipment		163.0	146.0	160.2
Other non-current assets		1.0	1.1	1.1
Non-current assets		359.3	362.3	376.0
Inventories		97.1	80.9	78.6
Accounts receivable		174.6	156.9	155.2
Other short term receivables		41.4	43.9	47.3
Cash and cash equivalents		34.5	31.5	34.6
Current assets		347.7	313.1	315.6
Non-current assets held for sale*		0.0	0.0	0.0
Continued assets		707.0	675.5	691.6
Total assets		707.0	675.5	691.6
Share capital		21.6	22.6	22.4
Share premium reserve		179.1	187.6	185.6
Other equity		(3.0)	(4.6)	(3.1)
Non-controlling interests		3.5	3.6	3.8
Total equity		201.3	209.4	208.6
Interest bearing loans and borrow ings		244.8	246.8	238.4
Deferred tax liabilities		22.8	28.0	27.1
Other long term liabilities		20.5	17.6	20.7
Non-current liabilities		288.1	292.4	286.2
Bank overdraft		0.0	0.0	0.0
Other short term liabilities, interest bearing		0.1	0.0	0.0
Accounts payable		113.2	93.5	111.0
Other short term liabilities		104.3	80.1	85.8
Current liabilities		217.5	173.7	196.8
Total liabilities		505.7	466.1	483.0
Total equity and liabilities		707.0	675.5	691.6

* Non-current assets related to discontinued business, which was written down to zero in the third quarter 2016.

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

STATEMENT OF CHANGE IN EQUITY

MEUR	30.09.17	30.09.16	31.12.16
Equity as of start of period	208.6	214.2	214.2
Net profit for the period	3.4	8.8	1.3
Translation differences	(15.8)	(20.2)	(8.5)
Tax on translation differences	4.7	6.2	1.5
Remeasurement of the net pension benefit obligation	0.0	0.0	(1.2)
Tax on remeasurement of the net pension benefit obligation	0.0	0.0	0.3
Total comprehensive income	(7.7)	(5.2)	(6.5)
Options contracts (employees)	0.0	0.4	0.5
Treasury shares	(0.2)	(0.0)	0.4
Other changes in non-controlling interests	0.0	0.0	0.0
Other changes in equity	0.6	0.0	(0.0)
Equity as of end of period	201.3	209.4	208.6

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

STATEMENT OF CASH FLOW

MEUR	Q3 2017	Q3 2016	YTD 2017	YTD 2016	2016
Operating activities					
(Loss) / profit before taxes	1.1	(0.8)	13.6	27.5	19.3
Depreciation	8.2	8.9	22.7	22.8	30.4
Amortization/impairment	3.4	3.7	10.7	11.0	14.7
Interest income	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)
Interest expenses	2.4	1.9	7.2	5.4	6.9
Taxes paid	(0.8)	(1.5)	(4.6)	(5.4)	(6.9)
(Gain) / loss on sale of non-current assets	0.0	0.0	(1.1)	0.0	0.0
Changes in receivables	4.0	5.2	(18.3)	(12.2)	(10.6)
Changes in inventory	(8.5)	1.2	(20.4)	(0.4)	2.0
Changes in payables	(7.2)	(7.3)	2.3	(7.5)	10.0
Currency (gain)/ loss	(3.9)	(4.8)	(2.0)	(12.8)	(5.4)
Changes in value fin. derivatives	(0.0)	(1.3)	0.6	(3.8)	(3.4)
Changes in other items	(2.5)	(4.1)	14.3	5.7	14.1
Cash flow from operating activities	(3.8)	0.9	24.8	30.2	70.8
Investing activities					
Investments	(13.1)	(8.5)	(35.4)	(28.8)	(51.3)
Sale of fixed assets/business	0.0	0.3	2.9	0.3	0.4
Investments in subsidiaries	0.0	0.0	0.0	0.0	0.0
Interest received	0.1	0.1	0.1	0.1	0.2
Proceeds from sale of subsidiaries	0.0	0.0	0.2	0.2	0.2
Cash flow from investing activities	(13.1)	(8.2)	(32.2)	(28.1)	(50.5)
Financing activities					
Sale/purchase of treasury shares	0.8	(0.3)	(0.2)	(0.0)	0.4
Net repayment of debt	21.1	13.7	16.5	(4.8)	(19.8)
Interest paid	(2.3)	(1.9)	(7.0)	(5.4)	(6.9)
Dividends paid	0.0	0.0	0.0	0.0	0.0
Other financial charges	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Cash flow from financing activities	19.6	11.5	9.3	(10.2)	(26.4)
Currency effects on cash	(0.6)	(0.1)	(1.9)	(0.2)	0.8
Change in cash	2.2	4.1	(0.1)	(8.4)	(5.3)
Cash at beginning period	32.3	27.4	34.6	39.9	39.9
Cash at period end	34.5	31.5	34.5	31.5	34.6
Of this, restricted cash	0.9	0.3	0.9	0.3	0.4

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

Alternative Performance Measures (APM)

This section describes the non-GAAP financial measures that are used in this report and in the quarterly presentation.

The following measures are not defined or specified in the applicable financial reporting framework of the IFRS GAAP. They may be considered non-GAAP financial measures that may include or exclude amounts that are calculated and presented according to the IFRS GAAP.

- **EBIT/Adjusted EBIT**
- **EBITDA/Adjusted EBITDA**
- **Restructuring per segment**
- **Free Cash Flow**
- **NIBD**
- **Capital Employed**
- **ROCE**
- **Gearing Ratio/Adjusted Gearing Ratio**

EBIT/Adjusted EBIT

EBIT, earnings before interest and tax, is defined as the earnings excluding the effects from how the operations were financed, taxed and excluding foreign exchange gains & losses. EBIT adjusted is defined as EBIT excluding restructuring. Restructuring costs is defined, as any incurred costs of an unusual or non-recurring nature in connection with the contemplated restructuring of the activities of the Group.

EBIT is used as a measure to view the Group's operational profitability. In order to measure the running business, as usual, the Group also lists the adjusted EBIT, the EBIT excluding restructuring costs.

Adjusted EBIT reconciliation

Adjusted EBIT	Q3 2017	Q3 2016	YTD 2017	YTD 2016	2016
EBIT (1)	(0.2)	(3.6)	19.4	17.1	17.6
Restructuring costs (2)	7.9	4.2	15.7	4.2	10.0
Adjusted EBIT, (1) + (2)	7.7	0.6	35.1	21.3	27.7

The table shows continuing business only.

EBITDA/Adjusted EBITDA

Earnings before interest expenses and interest income, tax, depreciation, amortization and excluding foreign exchange gains and losses. EBITDA adjusted is defined as EBITDA excluding restructuring costs.

EBITDA is used as an additional measure the view the Group's operational profitability, excluding the impact from depreciations and amortizations.

Adjusted EBITDA reconciliation

Adjusted EBITDA	Q3 2017	Q3 2016	YTD 2017	YTD 2016	2016
EBITDA (1)	11.5	7.0	52.7	48.2	60.1
Restructuring costs (2)*	6.7	4.2	14.3	4.2	9.6
Adjusted EBITDA, (1) + (2)	18.3	11.2	67.0	52.4	69.7

The table shows continuing business only.
* Excluding impairment, depreciation and amortization.

Restructuring costs per segment

MEUR	Q3 2017	Q3 2016	YTD 2017	YTD 2016	2016
Interior	(0.3)	(0.3)	(0.1)	(0.3)	(0.7)
Powertrain & Chassis Products	(2.3)	(3.8)	(7.3)	(3.8)	(4.7)
Specialty Products	(4.0)	(0.1)	(6.7)	(0.1)	(4.4)
Others	(1.3)	(0.1)	(1.6)	(0.1)	(0.2)
Group continuing business	(7.9)	(4.2)	(15.7)	(4.2)	(10.0)
Group discontinued business	-	-	(0.6)	-	-
Group total	(7.9)	(4.2)	(16.3)	(4.2)	(10.0)

The restructuring costs in 2017 mainly relates to the closure and transfer of activities in the Heiligenhaus facility and Rollag facility within the Powertrain & Chassis and Specialty Products segments, as well as the Easley facility in the Specialty Product segment.

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

Free Cash Flow

Free cash flow from operations (FCF), investments and finance excluding debt repayments.

Free Cash Flow is used in order to measure the Group's ability to generate cash. It allows the Group to view how much cash it generates from its operations after subtracting the cash flow from investing activities and financing excluding debt repayments. We believe this shows how much money the Group has to pursue additional investments or to repay debt.

Free Cash Flow (MEUR) from reported cash flow statement	30.09.17	30.09.16	31.12.16
Cash flow from operating activities	24.8	30.2	70.8
Cash flow from investing activities	(32.2)	(28.1)	(50.5)
Cash flow from financing activities	9.3	(10.2)	(26.4)
Net repayment of debt	(16.5)	4.8	19.8
Free Cash Flow	(14.6)	(3.4)	13.7

NIBD

Net interesting bearing debt (NIBD), consists of interest-bearing liabilities less cash and cash equivalents.

The Group risk of default and financial strength is measured by the net interesting bearing debt, it shows the Group's financial position and leverage. Since the cash can be used to repay debt, the interest-bearing liabilities less cash shows the net overall financial position. The measure is useful information for investors as well as the Group.

Net Interest Bearing Debt (MEUR) from reported balance sheet	30.09.17	30.09.16	31.12.16
Interest bearing loans and borrow ings	244.8	246.8	238.4
Other short term liabilities, interest bearing	0.1	0.0	0.0
Bank overdraft	0.0	0.0	0.0
Cash and cash equivalents	34.5	31.5	34.6
Net Interesting Bearing Debt	210.4	215.3	203.9

Capital Employed

Capital Employed (CE) is equal to operating assets less operating liabilities. Operating assets and liabilities are assets which are involved in the process of selling goods and services, the business. Financial assets and obligations are excluded, these assets are involved in raising cash for operations and disbursing excess cash from operations.

Capital employed is measured in order to assess how much capital is needed for the operations/business to function. In order to evaluate if the capital employed can be utilized more efficient and if operations should be discontinued. The capital employed is also used to measure the profitability of the operations compared to the capital employed.

Capital Employed (MEUR) from reported balance sheet	30.09.17	30.09.16	31.12.16
Total assets	707.0	675.5	691.6
Deferred tax liabilities	(22.8)	(28.0)	(27.1)
Other long term liabilities	(20.5)	(17.6)	(20.7)
Current liabilities incl. other short-term interest bearing liabilities	(217.5)	(173.7)	(196.8)
Other short term liabilities, interest bearing	0.1	0.0	0.0
Capital Employed	446.2	456.1	447.0

The table shows continuing business only

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

ROCE (Last twelve Months)

Return on Capital Employed (ROCE) is based on EBIT for the last twelve months divided by the average of capital employed at beginning period and period end.

Return on Capital Employed is used to measure the return on the capital employed without taking into consideration the way the operations and assets are financed during the period under review. The Group believes this is a good measure for the results from the period.

Return on Capital Employed		30.09.17
Capital Employed at period beginning (1)	30.09.16	456.1
Capital Employed at period end (2)	30.09.17	446.2
Adjusted EBIT last tw elve months (3)		41.5
ROCE, (3) / ((1) +(2)/2)		9.2%

The table shows continuing business only.

Gearing ratio / Adjusted Gearing Ratio

Gearing ratio is calculated as the net interest bearing debt divided by the last twelve months EBITDA, adjusted for restructuring costs.

Gearing ratio is a covenant from the Group's lenders, which sets the interest margin on the Group's debt. The Group also believe this is a good measure of the Groups financial gearing and financial position.

Gearing ratio - including all restructuring costs of the last twelve months

Adjusted Gearing Ratio	30.09.17
EBITDA last tw elve months (1)	64.6
Restructuring costs last tw elve months (2)*	19.7
EBITDA last tw elve months adjusted for restructuring costs (3), (1) + (2)	84.3
NIBD (4)	210.4
Adjusted Gearing Ratio (4)/(3)	2.5

The table shows continuing business only.
* Excluding impairment, depreciation and amortization.

Gearing ratio - according to bank covenants on restructuration costs limits

Adjusted Gearing Ratio	30.09.17
EBITDA last tw elve months (1)	64.6
Restructuring costs last tw elve months (2)*	19.7
EBITDA last tw elve months adjusted for restructuring costs (3), (1) + (2)	84.3
NIBD (4)	210.4
Adjusted Gearing Ratio (4)/(3)	2.5

The table shows continuing business only.
* Excluding impairment, depreciation and amortization.

Refer to the annual report for further information on covenants.

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

Note 1 – Disclosures

GENERAL INFORMATION

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

BASIS OF PREPARATION

This condensed consolidated interim financial information, ended September 30, 2017, and has been prepared in accordance with IAS 34 "Interim financial reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year-ended December 31, 2016, which have been prepared in accordance with IFRS.

ACCOUNTING POLICIES

The accounting policies are consistent with those of the annual financial statements for the year-ended December 31, 2016, as described in those annual financial statements. Taxes on income in the interim periods are accrued using the estimated effective tax rate.

RISK

Kongsberg Automotive continuously monitors its risk factors. Our activities are exposed to different types of risk.

The single most important risk that Kongsberg Automotive is exposed to is the development of demand in the end markets for light duty and commercial vehicles worldwide. Some of the most important additional risk factors are foreign-exchange rates, interest rates, raw material prices, and credit risks. As we operate in many countries, we are vulnerable to currency risk. The most significant currency exposure for Kongsberg Automotive is associated with EUR and USD exchange rate. The greatest raw material exposures are for copper, zinc, aluminum and steel. As most of our revenues are earned from automotive OEMs and automotive tier-1 and -2 customers, the financial health of these automotive companies is critical to our credit risk.

SEASONALITY

The Group quarterly results are 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. Also, year-over-year seasonality differences may occur as a result of varying number of working days in each quarter.

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

Note 2 – Segment Reporting

2.1 OPERATING REPORTABLE SEGMENTS

YTD 2017 MEUR	Interior	Powertrain & Chassis	Speciality Products	Others	Continuing operations Group	Discontinued operations	Total Group
Revenues	187.7	302.6	289.2	0.0	779.5	9.7	789.2
Adjusted EBITDA	14.7	12.2	48.6	(8.5)	67.0	1.7	68.7
Adjusted depreciation	(5.8)	(9.4)	(5.7)	(0.4)	(21.2)	(0.0)	(21.2)
Adjusted amortization	(1.9)	(2.8)	(4.5)	(1.5)	(10.7)	0.0	(10.7)
Adjusted EBIT	7.1	(0.1)	38.4	(10.4)	35.1	1.7	36.8
Assets and liabilities							
Goodwill	56.5	22.8	67.4	0.0	146.7	0.0	146.7
Other intangible assets	2.8	10.7	4.0	1.4	19.0	0.0	19.0
Property, plant and equipment	52.4	65.0	44.4	1.2	163.0	0.0	163.0
Inventories	16.3	39.8	42.5	(1.4)	97.1	0.0	97.1
Trade receivables	51.6	64.9	58.2	(0.0)	174.6	0.0	174.6
Segment assets	179.7	203.1	216.4	1.3	600.5	0.0	600.5
Unallocated assets	0.0	0.0	0.0	106.5	106.5	0.0	106.5
Total assets	179.7	203.1	216.4	107.8	707.0	0.0	707.0
Trade payables	25.1	46.4	41.5	0.3	113.2	0.0	113.2
Unallocated liabilities	0.0	0.0	0.0	392.4	392.4	0.0	392.4
Total liabilities	25.1	46.4	41.5	392.7	505.7	0.0	505.7
Capital expenditure	14.0	15.9	4.7	(4.5)	30.1	0.0	30.1

The column others includes corporate cost, transactions and balance sheet items related to tax, pension and financing. See next section for specification of unallocated assets and liabilities.

The sale of the headrest/armrest business was comprised of the fixed assets and inventories, while all other current assets and liabilities remain with the Group. For this reason, these figures are included in the respective line items in the Interior segment in the table above.

For segment reporting purposes the revenues are only external revenues, the related expenses are adjusted accordingly. The EBIT is thus excluding IC profit.

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

YTD 2016 MEUR	Interior	Powertrain & Chassis	Speciality Products	Others	Continuing operations Group	Discontinued operations	Total Group
Revenues	175.8	256.5	270.8	0.1	703.1	32.8	735.9
Adjusted EBITDA	17.5	8.7	37.4	(11.3)	52.4	2.2	54.6
Adjusted depreciation	(5.1)	(9.1)	(5.4)	(0.4)	(20.1)	(2.6)	(22.7)
Adjusted amortization	(1.8)	(3.3)	(5.6)	(0.3)	(11.0)	0.0	(11.0)
Adjusted EBIT	10.6	(3.7)	26.4	(12.0)	21.3	(0.4)	20.9
Assets and liabilities							
Goodwill	58.0	23.3	69.8	0.0	151.1	0.0	151.1
Other intangible assets	4.1	11.4	11.6	1.2	28.4	0.0	28.4
Property, plant and equipment	37.9	63.7	42.8	1.6	146.0	0.0	146.0
Inventories	14.8	31.1	36.1	(1.2)	80.9	0.0	80.9
Trade receivables	54.0	52.1	50.8	(0.0)	156.9	0.0	156.9
Segment assets	168.8	181.7	211.1	1.8	563.3	0.0	563.3
Unallocated assets	0.0	0.0	0.0	112.2	112.2	0.0	112.2
Total assets	168.8	181.7	211.1	113.9	675.5	0.0	675.5
Trade payables	23.9	35.0	33.1	1.4	93.5	0.0	93.5
Unallocated liabilities	0.0	0.0	0.0	372.6	372.6	0.0	372.6
Total liabilities	23.9	35.0	33.1	374.0	466.1	0.0	466.1
Capital expenditure	9.3	14.3	4.5	(0.6)	27.5	0.1	27.5

Q1 2016 MEUR	Interior	Powertrain & Chassis	Speciality Products	Others	Continuing operations Group	Discontinued operations	Total Group
Revenues	61.9	84.5	97.4	0.1	243.8	13.4	257.2
Adjusted EBITDA	7.5	1.7	16.5	(3.9)	21.9	1.2	23.1
Adjusted depreciation	(1.7)	(2.9)	(1.8)	(0.1)	(6.5)	(0.4)	(6.9)
Adjusted amortization	(0.6)	(1.1)	(1.9)	(0.1)	(3.6)	0.0	(3.6)
Adjusted EBIT	5.2	(2.2)	12.8	(4.1)	11.7	0.8	12.6
Assets and liabilities							
Goodwill	57.7	23.3	69.6	0.0	150.7	0.0	150.7
Other intangible assets	5.1	14.0	15.4	1.3	35.8	0.0	35.8
Property, plant and equipment	35.3	59.1	43.8	1.6	139.8	2.2	141.9
Inventories	13.4	31.0	37.5	(0.9)	81.0	0.0	81.0
Trade receivables	57.6	51.4	54.0	(0.0)	162.9	0.0	162.9
Segment assets	169.1	178.8	220.3	2.1	570.2	2.2	572.4
Unallocated assets	0.0	0.0	0.0	105.1	105.1	0.0	105.1
Total assets	169.1	178.8	220.3	107.2	675.4	2.2	677.5
Trade payables	26.9	34.2	37.1	0.7	98.9	0.0	98.9
Unallocated liabilities	0.0	0.0	0.0	359.8	359.8	0.0	359.8
Total liabilities	26.9	34.2	37.1	360.5	458.8	0.0	458.8
Capital expenditure	2.9	3.9	1.2	(0.5)	7.6	(0.0)	7.6

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

Q2 2016

MEUR	Interior	Powertrain & Chassis	Speciality Products	Others	Continuing operations Group	Discontinued operations	Total Group
Revenues	58.6	90.1	92.3	0.0	241.0	9.7	250.7
Adjusted EBITDA	6.3	2.9	14.2	(4.0)	19.3	0.5	19.8
Adjusted depreciation	(1.7)	(3.0)	(1.8)	(0.1)	(6.7)	(0.4)	(7.0)
Adjusted amortization	(0.6)	(1.1)	(1.9)	(0.1)	(3.6)	0.0	(3.6)
Adjusted EBIT	4.0	(1.3)	10.5	(4.2)	9.0	0.1	9.1
Assets and liabilities							
Goodwill	57.4	23.4	70.3	0.0	151.1	0.0	151.1
Other intangible assets	4.6	12.9	13.6	1.2	32.3	0.0	32.3
Property, plant and equipment	36.1	63.2	43.4	1.6	144.3	1.9	146.2
Inventories	14.1	32.3	36.7	(1.0)	82.1	0.0	82.1
Trade receivables	54.5	54.3	53.3	0.0	162.1	0.0	162.1
Segment assets	166.7	186.0	217.4	1.9	571.9	1.9	573.9
Unallocated assets	0.0	0.0	0.0	109.9	109.9	0.0	109.9
Total assets	166.7	186.0	217.4	111.8	681.9	1.9	683.8
Trade payables	26.6	38.3	35.0	0.9	100.8	0.0	100.8
Unallocated liabilities	0.0	0.0	0.0	359.5	359.5	0.0	359.5
Total liabilities	26.6	38.3	35.0	360.3	460.3	0.0	460.3
Capital expenditure	3.0	6.9	1.6	7.7	19.2	0.1	19.2

Q3 2016

MEUR	Interior	Powertrain & Chassis	Speciality Products	Others	Continuing operations Group	Discontinued operations	Total Group
Revenues	55.3	81.9	81.1	0.0	218.3	9.7	228.0
Adjusted EBITDA	3.7	4.3	6.7	(3.5)	11.2	0.6	11.8
Adjusted depreciation	(1.7)	(3.2)	(1.8)	(0.1)	(6.9)	(1.9)	(8.8)
Adjusted amortization	(0.6)	(1.2)	(1.8)	(0.1)	(3.7)	0.0	(3.7)
Adjusted EBIT	1.4	(0.1)	3.0	(3.6)	0.6	(1.4)	(0.8)
Assets and liabilities							
Goodwill	58.0	23.3	69.8	0.0	151.1	0.0	151.1
Other intangible assets	4.1	11.4	11.6	1.2	28.4	0.0	28.4
Property, plant and equipment	37.9	63.7	42.8	1.6	146.0	0.0	146.0
Inventories	14.8	31.1	36.1	(1.2)	80.9	0.0	80.9
Trade receivables	54.0	52.1	50.8	(0.0)	156.9	0.0	156.9
Segment assets	168.8	181.7	211.1	1.8	563.3	0.0	563.3
Unallocated assets	0.0	0.0	0.0	112.2	112.2	0.0	112.2
Total assets	168.8	181.7	211.1	113.9	675.5	0.0	675.5
Trade payables	23.9	35.0	33.1	1.4	93.5	0.0	93.5
Unallocated liabilities	0.0	0.0	0.0	372.6	372.6	0.0	372.6
Total liabilities	23.9	35.0	33.1	374.0	466.1	0.0	466.1
Capital expenditure	3.4	3.4	1.7	19.1	27.5	(0.0)	27.5

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

Q4 2016 MEUR	Interior	Powertrain & Chassis	Speciality Products	Others	Continuing operations Group	Discontinued operations	Total Group
Revenues	60.0	93.9	86.7	0.0	240.6	9.1	249.8
Adjusted EBITDA	3.3	5.3	13.1	(4.4)	17.3	1.0	18.4
Adjusted depreciation	(1.7)	(3.9)	(1.6)	(0.1)	(7.3)	(0.0)	(7.3)
Adjusted amortization	(0.6)	(1.1)	(1.9)	(0.1)	(3.7)	(0.0)	(3.7)
Adjusted EBIT	0.9	0.4	9.6	(4.6)	6.4	1.0	7.4
Assets and liabilities							
Goodwill	59.1	23.6	72.3	0.0	155.0	0.0	155.0
Other intangible assets	3.7	10.7	10.2	2.8	27.3	0.0	27.3
Property, plant and equipment	45.3	65.9	47.3	1.6	160.2	0.0	160.2
Inventories	14.6	29.8	35.6	(1.4)	78.6	0.0	78.6
Trade receivables	54.5	51.8	48.1	0.8	155.2	0.0	155.2
Segment assets	177.1	181.7	213.5	3.8	576.2	0.0	576.2
Unallocated assets	0.0	0.0	0.0	115.4	115.4	0.0	115.4
Total assets	177.1	181.7	213.5	119.2	691.6	0.0	691.6
Trade payables	30.1	41.3	38.5	1.0	111.0	0.0	111.0
Unallocated liabilities	0.0	0.0	0.0	372.0	372.0	0.0	372.0
Total liabilities	30.1	41.3	38.5	373.0	483.0	0.0	483.0
Capital expenditure	10.0	5.4	5.4	27.4	48.1	(0.0)	48.1

Full year 2016 MEUR	Interior	Powertrain & Chassis	Speciality Products	Others	Continuing operations Group	Discontinued operations	Total Group
Revenues	235.8	350.4	357.5	0.1	943.8	41.9	985.7
Adjusted EBITDA	20.8	14.2	50.5	(15.7)	69.7	3.3	73.0
Adjusted depreciation	(6.9)	(13.0)	(7.0)	(0.6)	(27.4)	(2.6)	(30.0)
Adjusted amortization	(2.4)	(4.4)	(7.5)	(0.3)	(14.7)	0.0	(14.7)
Adjusted EBIT	11.5	(3.2)	36.0	(16.6)	27.7	0.6	28.3
Assets and liabilities							
Goodwill	59.1	23.6	72.3	0.0	155.0	0.0	155.0
Other intangible assets	3.7	10.7	10.2	2.8	27.3	0.0	27.3
Property, plant and equipment	45.3	65.9	47.3	1.6	160.2	0.0	160.2
Inventories	14.6	29.8	35.6	(1.4)	78.6	0.0	78.6
Trade receivables	54.5	51.8	48.1	0.8	155.2	0.0	155.2
Segment assets	177.1	181.7	213.5	3.8	576.2	0.0	576.2
Unallocated assets	0.0	0.0	0.0	115.4	115.4	0.0	115.4
Total assets	177.1	181.7	213.5	119.2	691.6	0.0	691.6
Trade payables	30.1	41.3	38.5	1.0	111.0	0.0	111.0
Unallocated liabilities	0.0	0.0	0.0	372.0	372.0	0.0	372.0
Total liabilities	30.1	41.3	38.5	373.0	483.0	0.0	483.0
Capital expenditure	19.3	19.6	9.9	(0.8)	48.1	0.0	48.1

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

2.2 SALES AND NON-CURRENT ASSETS BY GEOGRAPHICAL LOCATION

2.2.1 Sales to customers by geographical location

	2017		2016		2016	
MEUR	Jan - Sept	%	Jan - Sept	%	Jan - Dec	%
Sw eden	83.6	10.6 %	65.7	9.4 %	91.4	9.7 %
Germany	63.1	8.0 %	65.7	9.3 %	83.4	8.8 %
France	54.8	6.9 %	52.3	7.4 %	74.0	7.8 %
United Kingdom	46.7	5.9 %	49.0	7.0 %	64.7	6.9 %
Other EUR	156.7	19.9 %	137.5	19.5 %	172.3	18.3 %
Total EUR	404.9	51.3 %	370.2	52.6 %	485.8	51.5 %
USA	174.7	22.8 %	175.9	25.0 %	235.6	25.0 %
Canada	25.7	3.8 %	33.8	4.8 %	46.4	4.9 %
NA other	53.8	6.8 %	44.4	6.3 %	61.4	6.5 %
Total NA	254.2	33.4 %	254.1	36.1 %	343.4	36.4 %
Brazil	14.0	1.8 %	10.7	1.5 %	12.3	1.3 %
SA other	3.8	0.5 %	2.7	0.4 %	4.2	0.4 %
Total SA	17.8	2.3 %	13.4	1.9 %	16.5	1.7 %
China	76.6	9.7 %	46.9	6.7 %	66.5	7.0 %
Asia Other	19.0	2.4 %	16.7	2.4 %	23.3	2.5 %
Total Asia	95.7	12.1 %	63.6	9.0 %	89.7	9.5 %
Other countries	6.9	0.9 %	1.8	0.3 %	8.3	0.9 %
Revenues total	779.5	100 %	703.1	100 %	943.8	100 %

The table shows continuing business only.

2.2.2 Non-current assets by geographical location

		2017		2016		2016
MEUR	Jan - Sept	%	Jan - Sept	%	Jan - Dec	%
USA	86.5	26.3 %	99.1	30.3 %	105.5	30.8 %
UK	9.4	2.8 %	10.7	3.3 %	10.9	3.2 %
Norw ay	24.7	7.5 %	26.4	8.1 %	27.6	8.1 %
Germany	12.5	3.8 %	14.1	4.3 %	13.8	4.0 %
Sw eden	27.7	8.4 %	29.1	8.9 %	29.5	8.6 %
Poland	66.7	20.3 %	49.7	15.2 %	56.9	16.6 %
Other	101.3	30.8 %	96.4	29.4 %	98.2	28.7 %
Total Non-Current Assets*	328.7	100 %	325.5	100 %	342.5	100.0 %

* Includes intangible assets, property, plant and equipment for continuing business

Note 3 – Interest-bearing loans and borrowings

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

MEUR	30.09.17	31.12.16
Non current interest-bearing loans and borrow ings	246.3	240.0
Other current interest-bearing liabilities	0.1	0.0
Capitalized arrangement fees*	(1.5)	(1.7)
Total interest-bearing liabilities	244.9	238.4

MEUR	30.09.17	31.12.16
EUR	162.0	120.0
USD	83.0	118.6
Other currencies	1.4	1.5
Capitalized arrangement fee*	(1.5)	(1.7)
Total interest-bearing liabilities	244.9	238.4

* The fee relates to borrowing costs, and amortized over the duration of the loan period.

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

Facilities	Currency	Total amounts	Maturity/ date	Draw n amount	Interest rate (incl margin)
Tranche EUR*	EUR	182.0	01.03.20	162.0	3.00%
Tranche USD*	USD	172.0	01.03.20	98.0	4.24%

* The EUR facility will be reduced by 10.8 MEUR and the USD facility by 11.5 MUSD from 01.03.2019 to 01.03.2020.

The Group has a short-term bank overdraft facility of MEUR 20.0. Nothing was drawn against this overdraft facility as of 30.09.17.

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

Year	EUR	USD
2017	-	-
2018	-	-
2019	10.8	11.5
2020	171.2	160.5
Total	182.0	172.0

In the first quarter, the Group exercised an option to extend the termination date of the revolving credit facility by one year, from 01.03.2019 to 01.03.2020. The available facility will be slightly reduced in the extension period.

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

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

MEUR	30.09.17	31.12.16
Cash reserve, excl. restricted cash	33.6	34.2
Undraw n facility*	82.7	106.6
Total (before bank overdraft)	116.2	140.8
Bank overdraft	(0.0)	(0.0)
Liquidity reserve	116.2	140.8

*Including a short-term overdraft facility of MEUR 20.0 renewable each year; negative currency translation decreased undrawn facility by MEUR 7.5

Note 4 – Net financial items

4.1 Net financials

MEUR	Q3 2017	Q3 2016	YTD 2017	YTD 2016	2016
Interest income	0.1	0.1	0.1	0.2	0.2
Interest expenses	(2.4)	(1.9)	(7.1)	(5.4)	(6.9)
Foreign currency gains (losses)*	3.9	4.8	2.0	12.8	5.4
Change in valuation currency contracts	0.0	1.3	(0.6)	3.8	3.4
Other financial items**	(0.4)	(0.2)	(1.3)	(0.6)	(1.1)
Net financial items	1.2	4.2	(6.8)	10.8	1.0

* Includes unrealized currency gain of MEUR 4.0 and realized currency losses of MEUR -0.1 in Q3 2017 (Q3 2016: unrealized gains of MEUR 5.4 and realized losses of MEUR -0.6)
** Other financial items include arrangement fees, interest component on pension liability, and other fees and charges.

Note 5 – Other events

Easley restructuring
On August 28, 2017, KA announced that the Easley plant in the US will be closed and that operations at the plant will be discontinued during the first quarter of 2018. The Easley facility manufactures and supplies quality engineered hose and tube assemblies for the world's top makers of commercial and industrial vehicles. The majority of production and equipment will be moved to a new KA facility in Mexico.

Burton restructuring
On October 5, 2017, KA announced that the Burton plant in the UK will be under consideration as one of the six production facilities that could be closed, and that operations at the plant could potentially cease from April 2018.

E-power
On October 19, 2017, KA management announced that KA is considering divesting its ePower business. Consequently, KA has entered into negotiations with a potential buyer to divest its ePower business which is headquartered in Sweden. KA's ePower business develops, manufactures and markets on board chargers for the vehicle industry and currently has 20 employees. This business generated less than 1 million Euro in revenues in 2016.

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

Note 6 – Sale of North American Headrest and Armrest business

The sale of the North American Headrest and Armrest was concluded on March 17, 2017. The Group will continue to supply various components and provide some services to the buyer during a transition period not to exceed 9 months. All 170 employees within our North American Headrest and Armrest factory location in Milan, USA transitioned over to the buyer.

As a result of the sale, the North American Headrest and Armrest business has been classified and is reported as discontinued business according to IFRS 5.

STATEMENT OF INCOME FOR DISCONTINUED BUSINESS

MEUR	Q3 2017	Q3 2016	YTD 2017	YTD 2016	2016
Revenues	0.0	9.7	9.7	32.8	41.9
Opex	0.0	(9.1)	(8.6)	(30.5)	(38.6)
EBITDA	0.0	0.6	1.1	2.3	3.3
EBITDA (%)	*0.0 %*	*5.7 %*	*11.3 %*	*6.9 %*	*7.9 %*
Depreciation and amortization/impairment	0.0	(1.9)	(0.0)	(2.6)	(2.6)
EBIT	0.0	(1.4)	1.1	(0.4)	0.6
EBIT (%)	*0.0 %*	*-14.0 %*	*11.3 %*	*-1.1 %*	*1.5 %*
Adjusted EBIT*	0.0	(1.4)	1.7	(0.4)	0.6
Adjusted EBIT (%)*	0.0%	-14.0 %	17.7 %	-1.1 %	1.5 %
Net financial items	0.0	0.0	0.0	0.0	0.0
Profit before taxes	0.0	(1.4)	1.1	(0.4)	0.6
Income taxes	0.0	(0.1)	0.0	(0.2)	(2.0)
Net profit	0.0	(1.5)	1.1	(0.6)	(1.4)

The statement of income for discontinued business includes the business operations and the sales transaction.

STATEMENT OF CASH FLOW FOR DISCONTINUED BUSINESS

MEUR	Q3 2017	Q3 2016	YTD 2017	YTD 2016	2016
Cash flow from operating activities	0.0	(4.0)	0.4	(4.7)	(3.4)
Cash flow from investing activities	0.0	0.0	2.2	(0.1)	(0.0)
Cash flow from financing activities	0.0	0.0	0.0	0.0	0.0
Currency effects on cash	0.0	0.0	0.0	0.0	0.0
Change in cash	0.0	(4.0)	2.6	(4.8)	(3.4)

The statement of cash flow for discontinued business includes the running business and the sale of the business

OTHER COMPANY INFORMATION

THE BOARD OF DIRECTORS

Bruce E. Taylor	Chairman
Thomas Falck	Shareholder elected
Gunilla Nordstrom	Shareholder elected
Ellen M. Hanetho	Shareholder elected
Ernst Kellermann	Shareholder elected
Jon Ivar Jørnby	Employee elected
Bjørn Ivan Ødegård	Employee elected
Kari Brænden Aaslund	Employee elected

EXECUTIVE COMMITTEE

Henning E. Jensen	President & CEO
Norbert Loers	Executive Vice President & CFO
Anders Nyström	Executive Vice President, Interior Systems
Geert Quaegebeur	Executive Vice President, Powertrain & Chassis
Henning E. Jensen	Executive Vice President, Specialty Products (acting)
Lovisa Söderholm	Executive Vice President, Purchasing
Staffan Spethz	Director Marketing
Jon Munthe	General Counsel

CORPORATE COMMUNICATIONS

Anke Niemann		+41 43 508 65 61
Hallstein Kvam Oma	Investor relations	+41 43 508 89 63

FINANCIAL CALENDAR

Publication of the quarterly financial statements:

	Interim reports	Presentation
4th quarter 2017	28 February 2018	28 February 2018

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

www.kongsbergautomotive.com

KONGSBERG
AUTOMOTIVE

Enhancing the driving experience

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

www.kongsbergautomotive.com