KONGSBERG
AUTOMOTIVE

Press release

KONGSBERG AUTOMOTIVE SECURES REFINANCING

Kongsberg Automotive Holding ASA has together with DNB and Nordea reached an agreement on head terms for a new loan facility to refinance its total interest bearing bank debt. The agreement is a 5 year revolving credit facility in excess of EUR 400 million ending in 2017, extending the average maturity by 4 years.

"This is a very important step to secure a strong financial platform for further development of the company. The new loan facility will provide increased flexibility over the next two years and resolves our funding requirements up to 2017. We are very pleased with our close cooperation with DNB and Nordea in agreeing head terms for refinancing in a challenging credit market", says Trond Stabekk, CFO in Kongsberg Automotive.

The new facility will lift the covenant related to near term earnings and will establish a new margin structure depending on the net gearing ratio.

The refinancing will be done through a revolving credit facility consisting of the following:

- One USD 195 million tranche
- One EUR 231 million tranche
- One overdraft tranche of EUR 35 million

A NOK 130.5 million loan with Innovasjon Norge is not affected by a new bank financing.

The signing of the loan agreement will take place in the first quarter 2012.

Key terms in the new agreement:

- The new agreement will be based on a simpler security structure than the existing agreement.
- The revolving credit facility will be reduced by EUR 15 million in the second quarter 2012 and EUR 15 million in the fourth quarter 2012. Thereafter, the facility will be amortized by EUR 20 million on a semi-annual basis until the NIBD/EBITDA ratio is below 2.5.
- The new covenant structure will be based on an agreed business case reflecting the current market conditions. The covenant structure starts at NIBD/EBITDA at 5.0 in 2012, declining to a level of 3.0 at the end of 2014 and 2.5 in the successive years, leaving the company increased financial headroom. The equity ratio shall be in the range of 20 - 25% for the same period, with a cash reserve above EUR 50 million.
- The margin in the new agreement is given in a matrix that will provide lower margins as the NIBD/EBITDA ratio is reduced. The margin starts at 4.75% for NIBD/EBITDA levels above 4.0, dropping to 2.25% for NIBD/EBITDA levels below 1.75.

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