



**KONGSBERG**  
AUTOMOTIVE

# 2nd Quarter Report 2011

Kongsberg Automotive Holding ASA



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# KONGSBERG AUTOMOTIVE GROUP

Interim report 2nd quarter 2011

(The report is based on IFRS)



## Highlights second quarter & first half year 2011

- ▶ Revenues in Q2 ended at MEUR 256.6 up 13% YoY. Adjusted for negative currency effects of MEUR 9.3, revenues were MEUR 265.9 up 17 %.
- ▶ EBITDA in the second quarter ended at MEUR 22.6, including a restructuring effect of MEUR 1.8.
- ▶ For the first half year the EBITDA was MEUR 52.4, at same level as for the full year 2010. EBITDA margin at 10%.
- ▶ Net profit for the first half year improved from break even 1H 2010 to MEUR 16.1 1H 2011.
- ▶ The transfer of production from our UK plant to our Polish plant is ahead of plan and will close in August.
- ▶ Revenue expectation for Q3 MEUR 225 and for the year MEUR 985. EBITDA for the year expected at MEUR 105.

## Our business

*Kongsberg Automotive* provides system solutions and components to vehicle makers around the world.

Kongsberg Automotive's business has a global presence. The company is headquartered in Kongsberg, Norway and has 35 production facilities worldwide.

The organizational structure is made up of five business areas with a clear customer and product focus.

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

**Interior** is a global leader in the design, development and manufacture of seat comfort systems and mechanical and electro-mechanical light-duty motion control to Tier 1 and OEM customers. The product range includes seat adjusters, seat cables, side bolsters and lumbar support, seat heating,

ventilation and massage systems, arm rests and head restraints.

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

**Fluid Transfer** designs and manufactures fluid handling systems for both the automotive and commercial vehicle markets, as well as coupling systems for compressed-air circuits in heavy trucks. The business area is also specialized in manufacturing tube and hose assemblies for difficult environments.

**Power Products** is one of the global leaders in the design, manufacture and supply of vehicle control systems, providing quality engineered pedal systems, steering systems, electronic displays and cable controls to the world's foremost manufacturers of industrial, agricultural and construction vehicles.



### Key events

In the first 6 months of 2011 the market conditions have continued to develop positively. In addition KA's market share and customer footprint have secured the Group growth above the market volumes for all business areas. Overall the revenues for the first half year were up 23 % compared to the first half year 2010.

Our markets continue to be on the positive side even though there still is a lot of uncertainty regarding the development in the global economy in general.

The key focus for the company in the first half of 2011 has been to secure that we were able to deliver on the increased activity. Important factors have been to secure enough capacity both in employees and machinery in our own plants as well as for our supply chain. In addition both access and prices on raw material are challenging. These elements need to be handled while at the same time maintaining the fixed cost level to get the operational gearing effect of the higher revenues. Through this focus the margins have improved for the first 6 months of 2011 versus 2010.

In total the company has over the first half year increased the number of employees from 10,535 at the end of 2010 to 10,895 at 30<sup>th</sup> of June 2011. The increase has been on blue collars and is reflecting the improved volumes.

KA has continued to book many new orders that both will strengthen future revenues as well as securing the company a better strategic position when it comes to customer portfolio, geographic footprint and product portfolio.

### Financials

The revenues in first half year 2011 were MEUR 524 compared to MEUR 425 for the same period 2010. EBITDA was MEUR 52.4 in the first half year 2011 compared to MEUR 36.1 first half year 2010. Net profit was improved from breakeven in first half 2010 to MEUR 16.1 in first half 2011.

### The market

The market for light vehicles has shown a good growth in the US, while the growth in the European market has been more modest in the first half of 2011. The European heavy truck market has shown a very positive trend throughout the first half year of 2011, compared to first half year 2010. The Asian market has been somewhat weaker, in particular in the second quarter.

### Risks

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

### Share and shareholders

During the 2<sup>nd</sup> quarter the share price has varied between NOK 5.28 and 3.69. The total number of shareholders in KOA is 7,225. The total number of shares is 406.2 million, of those 15.0 % were owned by foreigners.

### Future outlook

The market outlook continues to be on the positive side. There is still some recovery to be made in the mature markets and the forecast for the emerging markets is still showing growth. The company, with the existing information, does not see signs of major negative changes in the overall trend lines for the industry. However it is difficult to predict how the general economic uncertainty will influence this picture. The company has no reason, to the best of our knowledge, to change the long term ambitions earlier communicated. The company expects revenue of approximately MEUR 225 for the 3<sup>rd</sup> quarter 2011, mainly influenced by seasonality. For 2011 KA raises its revenue estimate from MEUR 950 to MEUR 985, based on the current market assumptions. EBITDA for 2011 expected to come in at MEUR 105.



## Financials KA Group & Segments

2<sup>nd</sup> quarter 2011

### Group

Condensed Consolidated Statement of Profit & Loss	2nd Quarter		YTD		Year
	2011	2010	2011	2010	2010
<b>MEUR</b>					
Revenues	256.6	227.8	523.9	425.4	864.4
Opex	(233.9)	(205.0)	(471.5)	(389.4)	(807.3)
<b>EBITDA</b>	<b>22.6</b>	<b>22.7</b>	<b>52.4</b>	<b>36.1</b>	<b>57.1</b>
<b>EBITDA %</b>	<b>8.8 %</b>	<b>10.0 %</b>	<b>10.0 %</b>	<b>8.5 %</b>	<b>6.6 %</b>
Depreciation and Amortization	(10.3)	(12.0)	(20.7)	(23.3)	(46.9)
<b>EBIT</b>	<b>12.4</b>	<b>10.8</b>	<b>31.7</b>	<b>12.8</b>	<b>10.2</b>
<b>EBIT %</b>	<b>4.8 %</b>	<b>4.7 %</b>	<b>6.1 %</b>	<b>3.0 %</b>	<b>1.2 %</b>
Net Financial items	(9.3)	(12.7)	(9.9)	(13.6)	(12.1)
<b>Profit before taxes</b>	<b>3.1</b>	<b>(1.9)</b>	<b>21.8</b>	<b>(0.9)</b>	<b>(1.9)</b>
Income tax	(1.8)	1.4	(4.1)	0.0	(6.2)
Change in deferred tax	0.6	(0.5)	(1.6)	0.0	(1.1)
<b>Net profit</b>	<b>1.9</b>	<b>(1.0)</b>	<b>16.1</b>	<b>(0.9)</b>	<b>(9.2)</b>

### Segments

MEUR	2nd Quarter		YTD		Year
	2011	2010	2011	2010	2010
<b>Interior</b>					
Revenues	61.0	58.0	126.5	108.9	220.5
EBITDA	3.4 5.7 %	7.4 12.8 %	10.0 7.9 %	14.3 13.1 %	23.0 10.5 %
<b>Driveline</b>					
Revenues	84.4	76.6	172.1	144.8	289.5
EBITDA	3.5 4.1 %	3.0 3.9 %	10.3 6.0 %	4.5 3.1 %	(1.2) -0.4 %
<b>Fluid Transfer</b>					
Revenues	45.4	32.9	89.7	62.4	132.6
EBITDA	7.8 17.2 %	4.5 13.7 %	14.5 16.1 %	6.6 10.6 %	15.7 11.8 %
<b>Actuation &amp; Chassis</b>					
Revenues	43.6	28.9	85.6	51.8	114.3
EBITDA	6.8 15.7 %	6.3 21.8 %	14.4 16.8 %	8.6 16.6 %	18.6 16.2 %
<b>Power Products</b>					
Revenues	35.6	36.1	74.8	68.0	134.9
EBITDA	4.8 13.6 %	2.4 6.6 %	10.4 13.9 %	5.0 7.4 %	7.0 5.2 %
<b>Elim &amp; other</b>					
Revenues	(13.4)	(4.8)	(24.84)	(10.4)	(27.4)
EBITDA	(3.7)	(0.9)	(7.2)	(2.9)	(6.0)
<b>Group</b>					
<b>Revenues</b>	<b>256.6</b>	<b>227.8</b>	<b>523.9</b>	<b>425.4</b>	<b>864.4</b>
<b>EBITDA</b>	<b>22.6 8.8 %</b>	<b>22.7 10.0 %</b>	<b>52.4 10.0 %</b>	<b>36.1 8.5 %</b>	<b>57.1 6.6 %</b>

Revenues in the 2<sup>nd</sup> quarter of 2011 were MEUR 256.6 for the Group which was MEUR 28.8 (12.6 %) higher compared to the 2<sup>nd</sup> quarter last year including a negative currency effect of MEUR -9.3. The growth excluding currency effects was 16.7 %. The Interior revenues were up MEUR 3.0 (5.2 %), including a negative currency effect of MEUR -3.8. The Driveline revenues were up MEUR 7.8 (10.2 %), including a negative currency effect of MEUR -1.9. The Fluid

Transfer revenues were up MEUR 12.5 (38.0 %), including a negative currency effect of MEUR -1.6. The Actuation & Chassis revenues were up MEUR 14.7 (50.6 %), including a positive currency effect of MEUR 0.3. The Power Products revenues were down MEUR -0.5 (-1.4 %), including a negative currency effect of MEUR -2.6

For the first half year the revenues were up 23 % from MEUR 425 to 524, reflecting an



improved underlying market in 2011 compared to 2010, in addition to KA's market share and customer portfolio.

**EBITDA** for the Group in the 2<sup>nd</sup> quarter 2011 was MEUR 22.6 (8.8 %). The 2<sup>nd</sup> quarter 2010 included a positive one-off effect regarding a change in the Norwegian pension scheme of MEUR 2.6.

The EBITDA for Interior was negatively influenced by a negative portfolio mix in North America versus Europe. In addition the second quarter includes restructuring cost of MEUR 1.8 from the transfer of the production from UK to Poland as well as product launch cost of MEUR 1.4 related to two projects. The EBITDA for Interior ended at MEUR 3.4 in the 2<sup>nd</sup> quarter of 2011, down from MEUR 7.4 in the same period last year.

The EBITDA for Driveline was negatively influenced by a capacity issue at a sub supplier which resulted in MEUR 1.5 of extra cost in the quarter. The EBITDA ended at MEUR 3.5 in the 2<sup>nd</sup> quarter of 2011, which is MEUR 0.5 above same period last year. The EBITDA margin was up 0.2 % points, to 4.1 %.

EBITDA for Actuation & Chassis was MEUR 6.8, which was MEUR 0.5 above comparable period last year. Q2 2010 included a positive one off element of MEUR 1.3 related to a

change in the pension scheme in Norway. On comparable bases the EBITDA then is improved by 36%. The second quarter for Actuation & Chassis carries higher maintenance cost and supplier capacity issues of in total MEUR 0,9.

EBITDA for Fluid Transfer was MEUR 7.8, which is MEUR 3.3 above comparable period last year. Also here there was a positive one off effect related to pensions last year of MEUR 1.3, so the absolute improvement in the EBITDA is actually 144%, based on the operation gearing effects of the higher top line. The EBITDA margin was up 3.5 % points to 17.2 %.

EBITDA for Power Product was MEUR 4.8 in the 2<sup>nd</sup> quarter 2011, which is MEUR 2.4 above comparable period last year. Improvements in underlying profitability and good cost control results in an improved EBITDA margin of 7.0 % points.

For the first half year the margins improved in all segments except Interior Systems, and the Group in total realizes almost the same EBITDA in the first half year as for 2010 in total, and the margin was at double digits.

**Net financials** were negative MEUR -9.3 in the 2<sup>nd</sup> quarter of 2011, compared to MEUR -12.7 in the same period 2010. Foreign currency loss was MEUR -3.9 in 2<sup>nd</sup> quarter of 2011. These effects arise from the currency conversion of the debt portfolio. For more info see note 2.

**Profit before tax** improved by MEUR 5.0 compared to the same period last year to MEUR 3.1.

**Net profit** was MEUR 1.9 in the 2<sup>nd</sup> quarter of 2011.

## Statement of Comprehensive Income

2<sup>nd</sup> quarter 2011

Condensed Consolidated Statement of Comprehensive Income MEUR	2nd Quarter		YTD		Year
	2011	2010	2011	2010	2010
Revenues	256.6	227.8	523.9	425.4	864.4
Opex	(233.9)	(205.0)	(471.5)	(389.4)	(807.3)
<b>EBITDA</b>	<b>22.6</b>	<b>22.7</b>	<b>52.4</b>	<b>36.1</b>	<b>57.1</b>
<b>EBITDA %</b>	<b>8.8 %</b>	<b>10.0 %</b>	<b>10.0 %</b>	<b>8.5 %</b>	<b>6.6 %</b>
Depreciation and Amortization	(10.3)	(12.0)	(20.7)	(23.3)	(46.9)
<b>EBIT</b>	<b>12.4</b>	<b>10.8</b>	<b>31.7</b>	<b>12.8</b>	<b>10.2</b>
<b>EBIT %</b>	<b>4.8 %</b>	<b>4.7 %</b>	<b>6.1 %</b>	<b>3.0 %</b>	<b>1.2 %</b>
Net Financial items	(9.3)	(12.7)	(9.9)	(13.6)	(12.1)
<b>Profit before taxes</b>	<b>3.1</b>	<b>(1.9)</b>	<b>21.8</b>	<b>(0.9)</b>	<b>(1.9)</b>
Income tax	(1.8)	1.4	(4.1)	0.0	(6.2)
Change in deferred tax	0.6	(0.5)	(1.6)	0.0	(1.1)
<b>Net profit</b>	<b>1.9</b>	<b>(1.0)</b>	<b>16.1</b>	<b>(0.9)</b>	<b>(9.2)</b>
Translation differences	(0.4)	21.6	(11.8)	31.5	11.2
Tax on translation differences	(0.4)	(6.0)	3.3	(7.3)	(0.1)
<b>Total comprehensive income for the period</b>	<b>1.1</b>	<b>14.6</b>	<b>7.6</b>	<b>23.3</b>	<b>1.9</b>
<b>Net profit attributable to:</b>					
Equity holders (mother company)	1.7	(0.8)	15.8	(0.6)	(9.8)
Non-controlling interests	0.2	(0.2)	0.3	(0.3)	0.6
<b>Total comprehensive income attributable to:</b>					
Equity holders (mother company)	0.9	13.9	7.3	22.2	1.1
Non-controlling interests	0.2	0.7	0.3	1.1	0.8
<b>Earnings per share:</b>					
Basic earnings per share, Euros	0.00	0.00	0.04	0.00	(0.02)
Diluted earnings per share, Euros	0.00	0.00	0.04	0.00	(0.02)



## Statement of Financial Position

2<sup>nd</sup> quarter 2011

<b>Balance Sheet</b>			
<b>MEUR</b>	<b>30.06.2011</b>	<b>30.06.2010</b>	<b>31.12.2010</b>
Deferred tax asset	56.2	63.3	61.9
Intangible assets	237.0	274.3	253.4
Plant, building, and property	126.6	143.4	131.9
Other non-current assets	1.4	2.8	3.2
<b>Total Non-Current Assets</b>	<b>421.2</b>	<b>483.8</b>	<b>450.4</b>
Inventories	89.3	79.0	83.4
Account receivables	155.9	146.5	126.6
Other short term receivables	36.0	35.3	37.6
Cash and cash equivalents	76.2	96.1	106.9
<b>Current assets</b>	<b>357.4</b>	<b>356.9</b>	<b>354.5</b>
<b>Assets</b>	<b>778.6</b>	<b>840.7</b>	<b>804.9</b>
Share capital	25.7	25.0	25.6
Share premium reserve	216.5	211.5	215.8
Other equity	(63.9)	(45.7)	(73.0)
Non-controlling interests	6.2	7.6	6.2
<b>Total Equity</b>	<b>184.5</b>	<b>198.4</b>	<b>174.6</b>
Interest bearing loans and borrowings	325.0	405.7	370.5
Other long term liabilities	42.5	53.9	51.4
<b>Total Long term liability</b>	<b>367.5</b>	<b>459.6</b>	<b>421.9</b>
Bank overdraft	16.2	3.5	5.9
Other short term liabilities, interest bearing	31.1	5.5	24.9
Accounts payable	110.6	106.9	110.3
Other short term liabilities	68.7	66.8	67.3
<b>Short Term Liability</b>	<b>226.6</b>	<b>182.8</b>	<b>208.4</b>
<b>Total liability</b>	<b>594.1</b>	<b>642.4</b>	<b>630.3</b>
<b>Total Equity and Liabilities</b>	<b>778.6</b>	<b>840.7</b>	<b>804.9</b>

The total assets have decreased by MEUR 26.3 since year end 2010. Cash and cash equivalents were reduced by MEUR 30.7, mainly due to reduction in the utilization of the revolving credit facility (MEUR 27.3), of which MEUR 10 was fixed amortization on the debt. Higher sales have led to a higher level of net working capital.

The Equity was MEUR 184.5 at the end of the 2<sup>nd</sup> quarter of 2011, up MEUR 9.9 since

year end 2010. The equity ratio was 23.7 %, increased by 2 % points since year end 2010.

The liquidity reserve was MEUR 141.3 in 2<sup>nd</sup> quarter of 2011, down MEUR 14.0 from the same period last year.

Net Interest Bearing Debt of MEUR 296.2 at the end of 2<sup>nd</sup> quarter of 2011 was reduced by MEUR 22.4 since 2<sup>nd</sup> quarter 2010.

# Consolidated statement of changes in Equity and Cash Flow



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Consolidated statement of changes in equity MEUR	YTD		
	30.06.11	30.06.10	31.12.10
<b>Equity as of start of period</b>	<b>174.6</b>	<b>178.9</b>	<b>178.9</b>
Net profit for the period	16.1	(0.9)	(9.2)
Translation differences	(11.8)	31.5	11.2
Tax on translation differences	3.3	(7.3)	(0.1)
<i>Total comprehensive income</i>	<i>7.6</i>	<i>23.3</i>	<i>1.9</i>
Options contracts (employees)	0.4	0.4	0.8
Treasury shares	0.1	(4.2)	(4.3)
Other changes in non-controlling interests	0.0	0.0	(0.3)
Other changes in equity	1.8	0.0	(2.4)
<b>Equity as of end of period</b>	<b>184.5</b>	<b>198.4</b>	<b>174.6</b>

  

Cash flow statement MEUR	YTD		
	30.06.11	30.06.10	31.12.10
<b>Operating activities</b>			
(Loss) / profit before taxes	21.8	(0.9)	(1.9)
Depreciation	13.5	15.0	30.1
Amortization	7.2	8.3	16.8
Interest income	(0.3)	(0.5)	(0.8)
Interest expenses	10.5	10.5	22.2
Taxes paid	(0.6)	(1.8)	(6.6)
(Gain) / loss on sale of non-current assets	0.0	0.0	3.7
Changes in working capital	(34.9)	(27.9)	(9.0)
Currency differences over P/L	0.2	4.9	(7.7)
Changes in value of financial derivatives	(2.3)	(2.7)	(5.9)
Changes in other items	1.8	1.4	3.0
<b>Cash flow from operating activities</b>	<b>16.9</b>	<b>6.3</b>	<b>43.9</b>
<b>Investing activities</b>			
Capital expenditures, including intangible assets	(13.1)	(8.0)	(23.7)
Proceeds from sale of fixed assets	0.0	0.0	3.7
Proceeds from sale and liquidation of subsidiaries	0.0	0.1	1.5
Investments in subsidiaries	(0.1)	0.0	(1.0)
Interest received	0.3	0.5	0.8
<b>Cash flow from investing activities</b>	<b>(12.8)</b>	<b>(7.4)</b>	<b>(18.8)</b>
<b>Financing activities</b>			
Purchase of treasury shares	0.0	(4.2)	(4.3)
Proceeds from sale of treasury shares	0.2	0.0	0.1
Repayment of external loans*	(27.3)	0.0	(1.9)
Interest paid	(10.1)	(10.5)	(21.9)
Dividends paid	0.0	0.0	0.0
Other financial charges	(0.3)	0.0	(0.4)
<b>Cash flow from financing activities</b>	<b>(37.6)</b>	<b>(14.7)</b>	<b>(28.4)</b>
<b>Currency effects on cash</b>	<b>(7.5)</b>	<b>4.9</b>	<b>0.9</b>
Net change in cash	(41.0)	(10.9)	(2.5)
Net cash at 01.01 (including bank overdraft)	101.0	103.5	103.5
<b>Net cash at period end (including bank overdraft)</b>	<b>60.0</b>	<b>92.6</b>	<b>101.0</b>
Of this, restricted cash	1.5	1.4	1.5

\* See note 2 for comments.



## Operating Segments

MEUR	30.06.2011						
	Driveline	Interior	Actuation & Chassis	Fluid Transfer	Power Products	Elim & other	Group
Operating Revenues	172.1	126.5	85.6	89.7	74.8	(24.8)	523.9
<b>EBITDA</b>	<b>10.3</b>	<b>10.0</b>	<b>14.4</b>	<b>14.5</b>	<b>10.4</b>	<b>(7.2)</b>	<b>52.4</b>
Depreciation	(4.0)	(3.1)	(2.4)	(3.1)	(0.9)	(0.1)	(13.5)
Amortization	(1.6)	(1.2)	(1.0)	(1.7)	(1.5)	(0.3)	(7.2)
<b>EBIT</b>	<b>4.7</b>	<b>5.8</b>	<b>11.1</b>	<b>9.7</b>	<b>8.0</b>	<b>(7.6)</b>	<b>31.7</b>
<i>Assets and liabilities</i>							
Goodwill	5.9	69.7	25.7	44.6	7.8	0.0	153.6
Other intangible assets	17.6	13.0	12.6	20.6	18.7	0.9	83.4
Property, plant and equipment	38.3	25.9	23.6	29.7	8.6	0.6	126.6
Inventories	31.2	12.8	15.8	14.9	15.1	(0.5)	89.3
Trade receivables	46.5	43.3	24.0	24.4	17.8	0.0	155.9
<b>Segment assets</b>	<b>139.4</b>	<b>164.6</b>	<b>101.7</b>	<b>134.2</b>	<b>68.0</b>	<b>1.0</b>	<b>608.9</b>
Unallocated assets	-	-	-	-	-	169.7	169.7
<b>Total assets</b>	<b>139.4</b>	<b>164.6</b>	<b>101.7</b>	<b>134.2</b>	<b>68.0</b>	<b>170.7</b>	<b>778.6</b>
Trade payables	37.9	20.0	20.4	19.6	12.2	0.4	110.6
Unallocated liabilities	-	-	-	-	-	483.5	483.5
<b>Total liabilities</b>	<b>37.9</b>	<b>20.0</b>	<b>20.4</b>	<b>19.6</b>	<b>12.2</b>	<b>483.9</b>	<b>594.1</b>
<b>Capital expenditure</b>	<b>3.1</b>	<b>4.1</b>	<b>1.7</b>	<b>1.7</b>	<b>0.7</b>	<b>-</b>	<b>11.4</b>

MEUR	30.06.2010						
	Driveline	Interior	Actuation & Chassis	Fluid Transfer	Power Products	Elim & other	Group
Operating Revenues	144.8	108.9	51.8	62.4	68.0	(10.4)	425.4
<b>EBITDA</b>	<b>4.5</b>	<b>14.3</b>	<b>8.6</b>	<b>6.6</b>	<b>5.0</b>	<b>(2.9)</b>	<b>36.1</b>
Depreciation	(4.8)	(3.3)	(2.4)	(3.3)	(1.1)	(0.1)	(15.0)
Amortization	(1.6)	(1.5)	(1.0)	(2.0)	(1.9)	(0.2)	(8.3)
<b>EBIT</b>	<b>(1.9)</b>	<b>9.5</b>	<b>5.2</b>	<b>1.3</b>	<b>1.9</b>	<b>(3.2)</b>	<b>12.8</b>
<i>Assets and liabilities</i>							
Goodwill	7.6	78.1	19.5	50.5	14.5	0.7	170.9
Other intangible assets	21.2	17.2	11.3	26.7	26.3	0.8	103.4
Property, plant and equipment	45.3	25.5	21.4	32.9	17.5	0.8	143.4
Inventories	31.1	10.7	8.7	10.6	18.4	(0.5)	79.0
Trade receivables	45.8	38.5	15.1	21.6	25.6	(0.0)	146.5
<b>Segment assets</b>	<b>151.0</b>	<b>169.9</b>	<b>75.9</b>	<b>142.4</b>	<b>102.3</b>	<b>1.8</b>	<b>643.2</b>
Unallocated assets	-	-	-	-	-	197.5	197.5
<b>Total assets</b>	<b>151.0</b>	<b>169.9</b>	<b>75.9</b>	<b>142.4</b>	<b>102.3</b>	<b>199.3</b>	<b>840.7</b>
Trade payables	45.0	18.1	10.6	16.4	16.8	0.1	106.9
Unallocated liabilities	-	-	-	-	-	535.4	535.4
<b>Total liabilities</b>	<b>45.0</b>	<b>18.1</b>	<b>10.6</b>	<b>16.4</b>	<b>16.8</b>	<b>535.5</b>	<b>642.4</b>
<b>Capital expenditure</b>	<b>2.8</b>	<b>2.7</b>	<b>0.5</b>	<b>0.9</b>	<b>0.4</b>	<b>-</b>	<b>7.1</b>

MEUR	31.12.2010						
	Driveline	Interior	Actuation & Chassis	Fluid Transfer	Power Products	Elim & other	Group
Operating Revenues	289.5	220.5	114.3	132.6	134.9	(27.4)	864.4
<b>EBITDA</b>	<b>(1.2)</b>	<b>23.0</b>	<b>18.6</b>	<b>15.7</b>	<b>7.0</b>	<b>(6.0)</b>	<b>57.1</b>
Depreciation	(9.4)	(6.6)	(4.6)	(6.4)	(2.8)	(0.2)	(30.1)
Amortization	(3.2)	(2.9)	(2.1)	(4.1)	(3.9)	(0.4)	(16.8)
<b>EBIT</b>	<b>(13.9)</b>	<b>13.5</b>	<b>11.8</b>	<b>5.2</b>	<b>0.3</b>	<b>(6.6)</b>	<b>10.2</b>
<i>Assets and liabilities</i>							
Goodwill	6.2	73.6	20.3	47.4	14.0	(0.1)	161.3
Other intangible assets	19.0	14.8	11.1	23.3	23.1	0.6	92.1
Property, plant and equipment	40.9	25.8	22.1	31.5	10.9	0.7	131.9
Inventories	27.3	12.2	10.3	16.3	17.7	(0.5)	83.4
Trade receivables	36.5	36.3	12.7	20.5	20.6	(0.0)	126.6
<b>Segment assets</b>	<b>129.9</b>	<b>162.7</b>	<b>76.6</b>	<b>139.0</b>	<b>86.3</b>	<b>0.7</b>	<b>595.3</b>
Unallocated assets	-	-	-	-	-	209.6	209.6
<b>Total assets</b>	<b>129.9</b>	<b>162.7</b>	<b>76.6</b>	<b>139.0</b>	<b>86.3</b>	<b>210.4</b>	<b>804.9</b>
Trade payables	37.9	22.7	13.2	20.0	16.1	0.3	110.3
Unallocated liabilities	-	-	-	-	-	520.0	520.0
<b>Total liabilities</b>	<b>37.9</b>	<b>22.7</b>	<b>13.2</b>	<b>20.0</b>	<b>16.1</b>	<b>520.4</b>	<b>630.3</b>
<b>Capital expenditure</b>	<b>5.1</b>	<b>8.9</b>	<b>2.9</b>	<b>2.8</b>	<b>1.0</b>	<b>0.9</b>	<b>21.7</b>

## Segments - geographical location

Operating revenues by geography						
MEUR	YTD Q2				Full year	
	2011	%	2010	%	2010	%
Sweden	52.2	10.0 %	36.7	8.6 %	82.2	9.5 %
Germany	59.6	11.4 %	48.2	11.3 %	114.1	13.2 %
Other EU	170.6	32.6 %	126.0	29.6 %	248.4	28.7 %
<b>Total EUR</b>	<b>282.5</b>	<b>53.9 %</b>	<b>210.9</b>	<b>49.6 %</b>	<b>444.6</b>	<b>51.4 %</b>
USA	120.1	22.9 %	85.4	20.1 %	202.3	23.4 %
NA other	51.0	9.7 %	62.8	14.8 %	80.7	9.3 %
<b>Total NA</b>	<b>171.1</b>	<b>32.7 %</b>	<b>148.1</b>	<b>34.8 %</b>	<b>283.0</b>	<b>32.7 %</b>
China	29.4	5.6 %	34.3	8.1 %	65.4	7.6 %
Asia Other	17.5	3.3 %	14.2	3.3 %	31.7	3.7 %
<b>Total Asia</b>	<b>47.0</b>	<b>9.0 %</b>	<b>48.6</b>	<b>11.4 %</b>	<b>97.1</b>	<b>11.2 %</b>
Other countries	23.4	4.5 %	17.8	4.2 %	39.7	4.6 %
<b>Operating revenues</b>	<b>523.9</b>	<b>100.0 %</b>	<b>425.4</b>	<b>100.0 %</b>	<b>864.4</b>	<b>100.0 %</b>

All countries with identified revenue of more than 10% of the total revenue are split out.

Non-current assets by geography						
MEUR	YTD Q2				Full year	
	2011	%	2010	%	2010	%
USA	129.7	35.7 %	164.0	39.3 %	143.8	37.3 %
UK	40.9	11.2 %	48.3	11.6 %	44.3	11.5 %
Norway	32.3	8.9 %	34.0	8.1 %	33.9	8.8 %
Germany	30.7	8.4 %	33.3	8.0 %	32.0	8.3 %
Sweden	30.4	8.4 %	29.4	7.0 %	31.3	8.1 %
Other	99.6	27.4 %	108.6	26.0 %	100.1	26.0 %
<b>Non-Current Assets</b>	<b>363.6</b>	<b>100 %</b>	<b>417.7</b>	<b>100.0 %</b>	<b>385.3</b>	<b>100.0 %</b>

Non-current assets comprise intangible assets (including goodwill) and property, plant and equipment.

## Notes

### Note 1 Disclosures

#### General information

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

#### Basis of preparation

This condensed consolidated interim financial information, ended 30 June 2011, has been prepared in accordance with IAS 34 "Interim financial reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with IFRS.

#### Accounting policies

The accounting policies are consistent with those of the annual financial statements for the year ended 31 December 2010, as described in those annual financial statements.

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

#### Risks

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

#### Seasonality

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

## Note 2 Interest Bearing Loans and Borrowings



MEUR	YTD	
	30.06.2011	31.12.2010
<b>Non-current liabilities</b>		
Bank loans	325.0	370.5
<b>Current liabilities</b>		
Bank overdrafts	16.2	5.9
Other current interest-bearing liabilities	31.1	24.9
<b>Total interest-bearing liabilities</b>	<b>372.4</b>	<b>401.2</b>

### Non-current liabilities

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

Facilities	Currency	Total Amounts	Drawn Amounts	Maturity Date	Interest Rate (incl. margin)
DnB Nor / Nordea Reducing Revolving Facility					
Tranche in EUR*	EUR	211.4	205.0	29.12.2013	4.53%
Tranche in USD*	USD	208.2	192.5	29.12.2013	3.25%
Nordea Revolving Facility	NOK	250.0	0.0	29.12.2013	1.20% - 5.90%
DNB Nor Overdraft Facility	NOK	250.0	125.8	29.12.2013	0.50% - 5.90%
Innovasjon Norge**	NOK	130.5	130.5	10.12.2021	4.90%- 6.09%

\* The DNB NOR/ Nordea Facility was reduced by MEUR 10 in June 2011. The un-drawn amount is MEUR 17.2 after this down payment.

\*\* In June 2011, the maturity of the Innovasjon Norge Facility was extended by 6.5 years from June 2015 to December 2021. The next installment under the loan has been postponed to December 2013.

### Other current interest-bearing liabilities

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

### Borrowings by currency

MEUR	YTD	
	30.06.2011	31.12.2010
EUR	215.2	226.2
USD	139.1	156.8
NOK	16.8	17.0
Other currencies	1.3	1.2
<b>Total interest-bearing liabilities</b>	<b>372.4</b>	<b>401.2</b>



### Maturity schedule

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

Year	EUR	USD	NOK
Repayable during 2011	10.0		14.5
Repayable during 2012	40.0		
Repayable during 2013	161.4	208.2	14.5
Repayable during 2014			29.0
Repayable during 2015			14.5
Repayable during 2016 (and later)			58.0
<b>Total</b>	<b>211.4</b>	<b>208.2</b>	<b>130.5</b>

### Liquidity reserve

The liquidity reserve of KA group consists of: cash & cash equivalents + un-drawn credit facilities.

MEUR	30.06.2011	31.12.2010
Total (before use)	157.6	170.9
Used (Bankoverdraft)	(16.2)	(5.9)
<b>Unused liquidity reserve</b>	<b>141.3</b>	<b>165.0</b>

### Net Financials

Financial income and expenses MEUR	2nd Quarter		YTD		Year
	2011	2010	2011	2010	2010
Interest income	0.2	0.3	0.3	0.5	0.8
Interest expenses	(5.5)	(5.4)	(10.5)	(10.5)	(22.2)
Foreign currency gains/losses	(3.9)	(7.7)	(0.2)	(4.9)	7.7
Change in valuation currency contracts	0.8	1.0	2.3	2.7	5.9
Other financial items	(0.9)	(0.9)	(1.8)	(1.4)	(4.3)
<b>Net financial items</b>	<b>(9.3)</b>	<b>(12.7)</b>	<b>(9.9)</b>	<b>(13.6)</b>	<b>(12.1)</b>



## Other company information



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### The Board of Directors:

Ulla-Britt Fräjdin-Hellqvist	(Chairman)
Thomas Falck	(Shareholder elected)
Tone Bjørnov	(Shareholder elected)
Magnus Jonsson	(Shareholder elected)
Halvor Stenstadvold	(Shareholder elected)
Eivind Holvik	(Employee elected)
Tonje Sivesindtjet	(Employee elected)
Kjell Kristiansen	(Employee elected)

### Executive Committee:

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

### Investor Relations

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### Financial Calendar

Publication of the quarterly financial statements:

	Report distributed	Presentation
2nd Quarter 2011	14 July 2011	15 July 2011
3rd Quarter 2011	20 October 2011	21 October 2011
4th Quarter 2011	TBD	TBD