



**KONGSBERG**  
AUTOMOTIVE

# 2nd Quarter Report 2010

Kongsberg Automotive Holding ASA



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## **KONGSBERG AUTOMOTIVE GROUP**

Interim report 2nd quarter 2010

(The report is based on IFRS)

### **Highlights Q2 2010**

- ▶ **Revenues: Q2 revenues ended at MEUR 228, up 56% YoY**
- ▶ **EBITDA: Continued to improve margins. EBITDA at MEUR 22.7 (10 %)**
- ▶ **EBIT: The positive trend from Q1 continued, EBIT ended at MEUR 10.8 (4.7%)**
- ▶ **Kongsberg Automotive's revenue growth was stronger than the growth in the global vehicle production volume**
- ▶ **Important business win in China for Chinese Heavy-Duty trucks**
- ▶ **New innovative seat comfort massage system sold in the Chinese market**
- ▶ **Booked MEUR 40 in average annual sales in new orders**



**KONGSBERG**  
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## Our business

*Kongsberg Automotive* is a global provider of engineering, design, and manufacture for seat comfort, driver and motion control systems, fluid assemblies, and industrial driver interface products.

The organizational structure, effective from 1 April 2010, is made up by five market specific business areas with a clear customer and product focus.

**Driveline** is a global supplier of driver controls in the light vehicle automotive market. The business area is a Tier 1 global supplier of custom-engineered cable controls, complete shift systems, including shifter modules, shift cables and shift towers. *Kongsberg Automotive* is a strong leader in both control cables and shifter systems world-wide.

**Interior** is a global leader in the design, development and manufacture of mechanical and electro-mechanical light-duty motion control and seat comfort systems to Tier 1 and OEM customers. Product range includes seat adjusters, seat cables, side bolsters and lumbar support, seat heating, ventilation and massage systems, arm rests and head restraints. *Kongsberg Automotive* is the only

supplier in the world currently delivering a complete range of seat comfort products.

**Actuation and Chassis** is a global developer and manufacturer of operator control systems for industrial vehicle markets, offering a robust product portfolio of clutch actuation systems, gearshift systems, vehicle dynamics and steering columns. *Kongsberg Automotive* strives to add value by listening, identifying and understanding needs, and working to provide innovative solutions that benefit our valued customers.

**Fluid Transfer** designs and manufactures fluid handling systems for both the automotive and commercial vehicle sectors, and 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.



# Kongsberg Automotive Group

## The Board of Directors' first half year report

### Key events

The first 6 months of 2010 have been characterized by a significantly improved market situation across all regions and business areas compared to same period 2009. Overall the revenues for the first half year were up close to 50% compared to the first half year 2009.

The revenues in the second quarter 2010 were further up from the first quarter in 2010, indicating that our markets continue the underlying improvement even though there is a lot of uncertainty in the global economy in general.

The main focus for the company in the first half of 2010 has been to secure that we were able to deliver on the increased activity, while at the same time maintain the fixed cost level to get the operational gearing effect of the higher revenue down to the EBIT line. The Board of Directors is very pleased with the development in the results in the first half of 2010.

In total the company has over the first half year increased the number of employees from 8.860 at the end of 2009 to 9.892 at 30<sup>th</sup> of June 2010. Most of the increase was blue collars and are reflecting the increased demand from our customers.

During the first 6 months of 2010 KA has continued to book many new orders that both will benefit to future revenues as well as securing the company a better strategic positions when it comes to customer portfolio, geographic footprint and product portfolio.

On the 18<sup>th</sup> of June Kongsberg Automotive was included in the OBX list on the Oslo Stock Exchange, an important achievement for the Group.

### Financials

The revenues in first half year 2010 were MEUR 425.4 compared to MEUR 289.3 for the same period 2009. EBITDA was MEUR 36.1 in the first half year 2010 compared to MEUR (8.9) first half year 2009.

### 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 compared to 2009. The European heavy truck market has shown a very positive trend throughout the first half year of 2010, compared to first half year 2009 which were very low. The Asian market was still showing good growth rates.

### 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 5.80 and 3.01.

The total number of shareholders in KOA is 7.714. The total number of shares is 406.2 million, of those 17.6 % were owned by foreigners.

### Future outlook

There has been a period with stabilization and recovery in the market and 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 a revenue of approximately MEUR 200 for the 3<sup>rd</sup> quarter 2010, mainly influenced by seasonality. This represents a 27 % growth compared to 3<sup>rd</sup> quarter 2009.

## Financials KA Group 2nd quarter 2010



Consolidated Statement of Comprehensive Income MEUR	2nd Quarter		YTD		Year
	2010	2009	2010	2009	2009
Revenues	227.8	146.0	425.4	289.3	622.8
Opex	(205.0)	(149.2)	(389.4)	(298.2)	(622.2)
<b>EBITDA</b>	<b>22.7</b>	<b>(3.2)</b>	<b>36.1</b>	<b>(8.9)</b>	<b>0.5</b>
<b>EBITDA %</b>	<b>10.0 %</b>	<b>-2.2 %</b>	<b>8.5 %</b>	<b>-3.1 %</b>	<b>0.1 %</b>
Depreciation and Amortization	(12.0)	(11.6)	(23.3)	(23.1)	(46.8)
<b>EBIT</b>	<b>10.8</b>	<b>(14.8)</b>	<b>12.8</b>	<b>(32.0)</b>	<b>(46.3)</b>
<b>EBIT %</b>	<b>4.7 %</b>	<b>-10.1 %</b>	<b>3.0 %</b>	<b>-11.1 %</b>	<b>-7.4 %</b>
Net Financial items	(12.7)	(12.2)	(13.6)	8.4	18.1
<b>Profit before taxes</b>	<b>(1.9)</b>	<b>(27.1)</b>	<b>(0.9)</b>	<b>(23.6)</b>	<b>(28.2)</b>
Taxes on ordinary profit	0.9	5.9	0.0	2.3	0.7
<b>Net profit</b>	<b>(1.0)</b>	<b>(21.2)</b>	<b>(0.9)</b>	<b>(21.3)</b>	<b>(27.5)</b>
Translation differences	21.6	(16.7)	31.5	(26.2)	(53.3)
Tax on translation differences	(6.0)	1.8	(7.3)	6.3	13.7
<b>Total comprehensive income for the period</b>	<b>14.6</b>	<b>(36.1)</b>	<b>23.3</b>	<b>(41.3)</b>	<b>(67.1)</b>
<b>Net profit attributable to:</b>					
Equity holders (mother company)	(0.8)	(21.1)	(0.6)	(21.2)	(27.1)
Non-controlling interests	(0.2)	(0.1)	(0.3)	(0.1)	(0.4)
<b>Total comprehensive income attributable to:</b>					
Equity holders (mother company)	13.9	(36.0)	22.2	(41.2)	(67.1)
Non-controlling interests	0.7	(0.1)	1.1	(0.1)	0.0
<b>Earnings per share:</b>					
Basic earnings per share, Euros	(0.00)	(0.33)	(0.00)	(0.33)	(0.18)
Diluted earnings per share, Euros	(0.00)	(0.33)	(0.00)	(0.33)	(0.18)

**Revenues** in the 2<sup>nd</sup> quarter of 2010 for the Group were MEUR 227.8 which was MEUR 81.8 (56 %) above comparable period last year including a positive currency effect of MEUR 15.2.

**EBITDA** for the Group was MEUR 22.7 (10 %) in the 2<sup>nd</sup> quarter. EBITDA has improved by MEUR 25.9. There was a positive one off effect of MEUR 2.6 in the 2<sup>nd</sup> quarter as a consequence of changes to the pension system in Norway. The EBITDA margin was 12.2 % points above 2<sup>nd</sup> quarter 2009. The effect of higher production volumes for cars and commercial vehicles, start up of new

orders and maintaining the fixed cost level were driving the strong improvement.

Net financials were MEUR 12.7 versus MEUR 12.2 in the same period 2009. Interest expenses were significantly lower, however currency conversion effects influenced net financials negatively.

Net profit in the 2<sup>nd</sup> quarter was negative with MEUR -1.0 compared to MEUR -21.2 in the 2<sup>nd</sup> quarter of 2009. Net profit, excluding the foreign currency losses, would have been MEUR 5,7.

Financial income and expenses MEUR	2nd Quarter		YTD		Year
	2010	2009	2010	2009	2009
Interest income	0.3	1.1	0.5	2.3	1.4
Interest expenses	(5.4)	(15.1)	(10.5)	(29.0)	(41.6)
Foreign currency gains/losses	(7.7)	1.7	(4.9)	28.0	61.4
Change in valuation currency contracts	1.0	0.2	2.7	6.7	2.9
Other financial items	(0.9)	(0.1)	(1.4)	0.4	(6.0)
<b>Net financial items</b>	<b>(12.7)</b>	<b>(12.2)</b>	<b>(13.6)</b>	<b>8.4</b>	<b>18.1</b>

Interest expenses in the 2<sup>nd</sup> quarter of 2010 were 64 % below the same period in 2009,

due to lower debt lever and improved terms. There were negative currency effects of MEUR 6.7 in 2<sup>nd</sup> quarter 2010.

## Financials - Segments

### 2nd quarter 2010

	2nd Quarter		YTD		Year
	2010	2009	2010	2009	2009
<b>Interior</b>					
Revenues	58,0	34,4	108,9	65,3	153,3
EBITDA	7,4 12,8 %	1,3 3,8 %	14,3 13,1 %	1,8 2,8 %	6,3 4,1 %
<b>Driveline</b>					
Revenues	76,6	57,6	144,8	107,4	234,7
EBITDA	3,0 3,9 %	(3,0) -5,2 %	4,5 3,1 %	(10,2) -9,5 %	(11,9) -5,1 %
<b>Fluid Transfer</b>					
Revenues	32,9	18,6	62,4	38,8	87,6
EBITDA	4,5 13,7 %	(1,1) -5,9 %	6,6 10,6 %	(3,6) -9,3 %	(1,8) -2,1 %
<b>Actuation &amp; Chassis</b>					
Revenues	28,9	14,7	51,8	32,4	67,9
EBITDA	6,3 21,8 %	- 0,0 %	8,6 16,6 %	0,4 1,2 %	1,7 2,5 %
<b>Power Products</b>					
Revenues	36,1	27,1	68,0	57,4	103,4
EBITDA	2,4 6,6 %	1,3 4,8 %	5,0 7,4 %	3,9 6,8 %	3,8 3,7 %
<b>Elim&amp;other</b>					
Revenues	(4,8)	(6,4)	(10,4)	(12,0)	(24,1)
EBITDA	(0,9) 18,8 %	(1,7) 26,6 %	(3,0) 28,8 %	(1,2) 10,0 %	2,4 -10,0 %
<b>Group</b>					
Revenues	227,8	146,0	425,4	289,3	622,8
EBITDA	22,7 10,0 %	(3,2) -2,2 %	36,1 8,5 %	(8,9) -3,1 %	0,5 0,1 %

An improved market across regions has contributed to higher production of cars and commercial vehicles and hence increased revenues across all business areas in the 2<sup>nd</sup> quarter 2010 compared to 2<sup>nd</sup> quarter 2009.

The increase in revenues combined with good cost control throughout all BAs brings the operational gearing effect down to the EBITDA line. The 2<sup>nd</sup> quarter EBITDA margin has also improved across all business areas. The 2<sup>nd</sup> quarter 2010 includes a positive one off effect of MEUR 2.6 as a

consequence of changes to the pension system (AFP) in Norway.

*The Interior* revenues were up MEUR 23.6 (68.6 %), including a positive currency effect of MEUR 3.9. EBITDA for Interior was MEUR 7.4 in the 2<sup>nd</sup> quarter 2010, which is MEUR 6.1 above comparable period last year. The EBITDA margin is up 9.0 % points.

*The Driveline* revenues were up MEUR 19.0 (33.0 %), including a positive currency effect of MEUR 3.4. EBITDA for Driveline was MEUR 3.0 in the 2<sup>nd</sup> quarter 2010, which is MEUR 6.0 above comparable period last year. The EBITDA margin is up 9.1 % points.

*The Fluid Transfer* revenues were up MEUR 14.3 (76.9 %), including a positive currency effect of MEUR 1.9. EBITDA for Fluid Transfer was MEUR 4.5, which is MEUR 5.6 above comparable period last year, including

a positive one off effect of MEUR 1.3. The EBITDA margin was up 19.6 % points.

*The Actuation & Chassis* revenues were up MEUR 14.2 (96.6 %), including a positive currency effect of MEUR 3.5. EBITDA for Actuation & Chassis was MEUR 6.3, which is MEUR 6.3 above comparable period last year, including a positive one off effect of MEUR 1.3. The EBITDA margin was up 21.8 % points.

*The Power Products* revenues were up MEUR 9.0 (33.2 %), including a positive currency effect of MEUR 2.8. EBITDA for Power Product was MEUR 2.4, which is MEUR 1.1 above comparable period last year. The EBITDA margin was up 1.8 % points.



## Statement of financial position

### 2nd quarter 2010

<b>Balance Sheet</b>			
<b>MEUR</b>	<b>30.06.10</b>	<b>30.06.09</b>	<b>31.12.09</b>
Deferred tax asset	63.3	50.7	61.6
Intangible assets	274.3	267.1	255.6
Plant, building, and property	143.4	150.3	140.7
Other Non-current Assets	2.8	6.2	2.2
<b>Total Non-Current Assets</b>	<b>483.8</b>	<b>474.3</b>	<b>460.2</b>
Inventories	79.0	69.9	66.5
Account receivables	146.5	99.1	103.7
Other Short term receivables	35.3	18.3	25.1
Cash and cash equivalents	96.1	44.3	107.7
<b>Total Current Assets</b>	<b>356.9</b>	<b>231.6</b>	<b>303.0</b>
<b>Total Assets</b>	<b>840.7</b>	<b>705.9</b>	<b>763.2</b>
Share Capital	25.0	3.6	24.4
Share premium reserve	211.5	60.8	202.8
Other Equity	(45.7)	(20.7)	(54.7)
Minority interest	7.6	6.0	6.5
<b>Total Equity</b>	<b>198.4</b>	<b>49.7</b>	<b>178.9</b>
Interest bearing loans and borrowings	405.7	427.0	381.8
Other long term liabilities	53.9	57.4	55.2
<b>Total Long Term Liabilities</b>	<b>459.6</b>	<b>484.4</b>	<b>437.0</b>
Bank overdraft	3.5	18.3	4.2
Other short term liabilities, interest bearing	5.5	37.1	6.8
Accounts payable	106.9	65.8	79.5
Other short term liabilities	66.8	50.6	56.8
<b>Total Short Term Liabilities</b>	<b>182.8</b>	<b>171.8</b>	<b>147.2</b>
<b>Total Liabilities</b>	<b>642.4</b>	<b>656.2</b>	<b>584.2</b>
<b>Total Equity and Liabilities</b>	<b>840.7</b>	<b>705.9</b>	<b>763.2</b>

The total assets have increased by MEUR 77.5 since year end 2009. The intangible assets and the interest bearing loans have increased mostly due to currency effects. Increased activity has increased the net working capital.

The cash has been reduced since year end 2009 partly due to quarterly interest

payments on loans and partly due to acquisition of own shares in February 2010.

The Equity was MEUR 198.4 at the end of the 2nd quarter 2010. The equity ratio was 23.6 %, up from 23.4 % at year end. The increase in equity of MEUR 148.7 since 2nd quarter 2009 was partly due to the private placement and the subsequent offering carried out in October 2009.

# Consolidated statement of changes in equity and Cash Flow



Consolidated statement of changes in equity MEUR	YTD		
	30.06.10	30.06.09	31.12.09
<b>Equity as of start of period</b>	<b>178.9</b>	<b>90.7</b>	<b>90.7</b>
Net profit for the period	(0.9)	(21.3)	(27.5)
Translation differences	31.5	(26.2)	(53.3)
Tax on translation differences	(7.3)	6.3	13.7
<i>Total comprehensive income</i>	<i>23.3</i>	<i>(41.3)</i>	<i>(67.1)</i>
Issued new shares	0.0	0.0	151.0
Warranties (banks)	0.0	0.0	5.0
Options contracts (employees)	0.4	0.1	0.2
Treasury shares	(4.2)	0.0	0.0
Changes in non-controlling interests	0.0	0.1	(0.9)
<b>Equity as of end of period</b>	<b>198.4</b>	<b>49.7</b>	<b>178.9</b>

Cash flow statement MEUR	YTD		
	30.06.10	30.06.09	31.12.09
<b>Operating activities</b>			
(Loss) / profit before taxes	(0.9)	(23.6)	(28.2)
Depreciation	15.0	14.6	30.0
Amortization	8.3	8.5	16.8
Interest income	(0.5)	(2.3)	(1.4)
Interest expenses	10.5	29.0	41.6
Taxes paid	(1.8)	(1.5)	(2.2)
(Gain) / loss on sale of non-current assets	0.0	(2.0)	(2.0)
Changes in working capital	(27.9)	25.5	36.7
Currency differences over P/L	4.9	(28.0)	(61.4)
Changes in value of financial derivatives	(2.7)	(6.7)	(11.0)
Changes in other items	1.4	3.8	3.7
<b>Cash flow from operating activities</b>	<b>6.3</b>	<b>17.4</b>	<b>22.6</b>
<b>Investing activities</b>			
Capital expenditures, including intangible assets	(8.0)	(5.7)	(14.2)
Proceeds from sale of business units / subsidiaries	0.1	20.0	23.5
Investment in subsidiaries	0.0	0.0	0.0
Interest received	0.5	2.3	1.4
<b>Cash flow from investing activities</b>	<b>(7.4)</b>	<b>16.6</b>	<b>10.7</b>
<b>Financing activities</b>			
Proceeds from issuance of ordinary shares	0.0	0.0	151.0
Purchase of own shares	(4.2)	0.0	0.0
Proceeds from new external loans	0.0	16.0	16.0
Repayments of external loans	0.0	(20.0)	(92.2)
Interest paid	(10.5)	(29.0)	(36.8)
Dividends paid	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>(14.7)</b>	<b>(33.0)</b>	<b>38.0</b>
<b>Currency effects on cash</b>	<b>4.9</b>	<b>1.8</b>	<b>9.0</b>
Net change in cash	(10.9)	2.8	80.3
Net cash at 01.01 (including bank overdraft)	103.5	23.2	23.2
<b>Net cash at end of period (including bank overdraft)</b>	<b>92.6</b>	<b>26.0</b>	<b>103.5</b>
Of this, restricted cash	1.4	1.3	1.0



## Operating segments – assets and liabilities

Assets and liabilities	YTD 30.06.10						
	Driveline	Interior	Actuation & Chassis	Fluid Transfer	Power Products	Elim & other	Group
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>

Assets and liabilities	YTD 30.06.09						
	Driveline	Interior	Actuation & Chassis	Fluid Transfer	Power Products	Elim & other	Group
Goodwill	8.5	71.9	24.0	45.5	8.0	(0.5)	157.3
Other intangible assets	22.9	20.1	14.8	26.7	24.2	1.0	109.7
Property, plant and equipment	47.7	27.1	41.2	17.5	15.9	1.0	150.3
Inventories	26.1	9.0	6.3	8.8	20.5	(0.7)	69.9
Trade receivables	33.1	24.3	9.6	13.4	18.9	(0.4)	99.1
<b>Segment assets</b>	<b>138.3</b>	<b>152.3</b>	<b>95.9</b>	<b>111.9</b>	<b>87.5</b>	<b>0.4</b>	<b>586.3</b>
Unallocated assets	-	-	-	-	-	119.6	119.6
<b>Total assets</b>	<b>138.3</b>	<b>152.3</b>	<b>95.9</b>	<b>111.9</b>	<b>87.5</b>	<b>120.0</b>	<b>705.9</b>
Trade payables	30.7	10.5	5.3	8.4	10.7	0.1	65.8
Unallocated liabilities	-	-	-	-	-	590.4	590.4
<b>Total liabilities</b>	<b>30.7</b>	<b>10.5</b>	<b>5.3</b>	<b>8.4</b>	<b>10.7</b>	<b>590.5</b>	<b>656.2</b>
<b>Capital expenditure</b>	<b>1.2</b>	<b>1.3</b>	<b>1.5</b>	<b>1.3</b>	<b>0.4</b>	<b>-</b>	<b>5.7</b>

Assets and liabilities	YTD 30.12.09						
	Driveline	Interior	Actuation & Chassis	Fluid Transfer	Power Products	Elim & other	Group
Goodwill	6.9	69.8	18.8	44.8	13.4	0.4	154.1
Other intangible assets	21.1	18.2	11.1	25.8	25.2	0.2	101.5
Property, plant and equipment	44.5	24.0	21.7	33.7	16.1	0.8	140.7
Inventories	24.9	8.9	6.8	9.2	17.2	(0.5)	66.5
Trade receivables	31.9	28.0	10.6	16.7	16.6	(0.1)	103.7
<b>Segment assets</b>	<b>129.4</b>	<b>148.8</b>	<b>68.9</b>	<b>130.1</b>	<b>88.5</b>	<b>0.8</b>	<b>566.4</b>
Unallocated assets	-	-	-	-	-	196.7	196.7
<b>Total assets</b>	<b>129.4</b>	<b>148.8</b>	<b>68.9</b>	<b>130.1</b>	<b>88.5</b>	<b>197.5</b>	<b>763.2</b>
Trade payables	32.7	12.8	7.5	14.7	11.7	0.1	79.5
Unallocated liabilities	-	-	-	-	-	504.8	504.8
<b>Total liabilities</b>	<b>32.7</b>	<b>12.8</b>	<b>7.5</b>	<b>14.7</b>	<b>11.7</b>	<b>504.9</b>	<b>584.2</b>
<b>Capital expenditure</b>	<b>3.7</b>	<b>4.2</b>	<b>2.6</b>	<b>1.9</b>	<b>0.4</b>	<b>-</b>	<b>12.8</b>

## Segments - geographical location

Operating revenues by geography						
MEUR	YTD					
	30.06.10	%	30.06.09	%	31.12.09	%
Sweden	36.7	8.6 %	23.6	8.2 %	52.9	8.5 %
Germany	48.2	11.3 %	27.5	9.5 %	88.3	14.2 %
Other EU	126.0	29.6 %	110.6	38.2 %	190.1	30.5 %
<b>Total EUR</b>	<b>210.9</b>	<b>49.6 %</b>	<b>161.7</b>	<b>55.9 %</b>	<b>331.3</b>	<b>53.2 %</b>
USA	85.4	20.1 %	85.5	29.6 %	148.2	23.8 %
NA other	62.8	14.8 %	6.2	2.1 %	48.6	7.8 %
<b>Total NA</b>	<b>148.1</b>	<b>34.8 %</b>	<b>91.7</b>	<b>31.7 %</b>	<b>196.8</b>	<b>31.6 %</b>
China	34.3	8.1 %	17.4	6.0 %	52.1	8.4 %
Asia Other	14.2	3.3 %	9.8	3.4 %	20.8	3.3 %
<b>Total Asia</b>	<b>48.6</b>	<b>11.4 %</b>	<b>27.2</b>	<b>9.4 %</b>	<b>73.0</b>	<b>11.7 %</b>
Other countries	17.8	4.2 %	8.7	3.0 %	21.6	3.5 %
<b>Operating revenues</b>	<b>425.4</b>	<b>100.0 %</b>	<b>289.3</b>	<b>100.0 %</b>	<b>622.8</b>	<b>100.0 %</b>

Non-current assets by geography						
MEUR	YTD					
	30.06.10	%	30.06.09	%	31.12.09	%
USA	164.0	39.3 %	152.7	36.6 %	143.9	36.3 %
UK	48.3	11.6 %	49.4	11.8 %	45.8	11.6 %
Norway	34.0	8.1 %	35.8	8.6 %	35.5	9.0 %
Germany	33.3	8.0 %	36.1	8.7 %	34.8	8.8 %
Sweden	29.4	7.0 %	29.5	7.1 %	28.8	7.3 %
Other	108.6	26.0 %	113.7	27.2 %	107.6	27.1 %
<b>Total Non-Current Assets (*)</b>	<b>417.7</b>	<b>100 %</b>	<b>417.3</b>	<b>100.0 %</b>	<b>396.4</b>	<b>100.0 %</b>

(\*) Non-current assets by geographical location includes Intangible assets (incl. Goodwill) and Property, plant and equipment.

## 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 financial statements are unaudited.

### Basis of preparation

This condensed consolidated interim financial information, ended 30 June 2010, 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 2009, which have been prepared in accordance with IFRS.

### Accounting policies

The accounting policies are basically consistent with those of the annual financial statements for the year ended 31 December 2009, as described in those annual financial statements. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

### 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, aluminum and steel. The gearing level in the company is high, which influences the liquidity situation in the Group. Uncertainty in the market's development is still a risk factor. The 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.



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## Responsibility Statement

We confirm, to the best of our knowledge, that the condensed set of financial statement for the period 1 January to 30 June 2010 has been prepared in accordance with IAS34 – Interim Financial Reporting, and gives a true and fair view of the (Company's and) Group's assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties transactions.

Kongsberg 15 July 2010

\_\_\_\_\_  
Ulla-Britt Fräjdin-Hellqvist  
Chairman

\_\_\_\_\_  
Dr. Jürgen Harnisch

\_\_\_\_\_  
Tone Bjørnov

\_\_\_\_\_  
Thomas Falck

\_\_\_\_\_  
Kjell Kristiansen

\_\_\_\_\_  
Eivind Holvik

\_\_\_\_\_  
Tonje Sivesindtjet

## Pro-forma historical figures new structure for business areas

	Revenues					
	Q1 09	Q2 09	Q3 09	Q4 09	2009	Q1 10
Interior	30,9	34,4	41,7	46,3	153,3	50,9
Driveline	49,8	57,6	58,2	69,1	234,7	68,2
Fluid	20,2	18,6	23,9	24,9	87,6	29,5
Actuation	17,7	14,7	16,0	19,5	67,9	22,8
PPS	30,3	27,1	21,9	24,1	103,4	31,8
<i>Elim</i>	<i>(5,6)</i>	<i>(6,4)</i>	<i>(5,1)</i>	<i>(7,0)</i>	<i>(24,1)</i>	<i>(5,5)</i>
<b>Group</b>	<b>143,3</b>	<b>146,0</b>	<b>156,6</b>	<b>176,9</b>	<b>622,8</b>	<b>197,7</b>

	EBITDA					
	Q1 09	Q2 09	Q3 09	Q4 09	2009	Q1 10
Interior	0,5	1,3	4,5	6,3	12,6	6,9
Driveline	(7,2)	(3,0)	(1,7)	(2,1)	(14,0)	1,5
Fluid	(2,5)	(1,1)	1,8	1,4	(0,4)	2,1
Actuation	0,4	0,0	1,3	1,2	2,9	2,4
PPS	2,6	1,3	(0,1)	(1,8)	2,0	2,6
<i>Elim</i>	<i>0,5</i>	<i>(1,7)</i>	<i>(0,4)</i>	<i>(1,1)</i>	<i>(2,6)</i>	<i>(2,2)</i>
<b>Group</b>	<b>(5,7)</b>	<b>(3,2)</b>	<b>5,4</b>	<b>3,9</b>	<b>0,5</b>	<b>13,3</b>

	EBITDA %					
	Q1 09	Q2 09	Q3 09	Q4 09	2009	Q1 10
Interior	1,6 %	3,8 %	10,8 %	13,6 %	8,2 %	13,6 %
Driveline	-14,5 %	-5,2 %	-2,9 %	-3,0 %	-6,0 %	2,2 %
Fluid	-12,4 %	-5,9 %	7,5 %	5,6 %	-0,5 %	7,1 %
Actuation	2,3 %	0,0 %	8,1 %	6,2 %	4,3 %	10,5 %
PPS	8,6 %	4,8 %	-0,5 %	-7,5 %	1,9 %	8,2 %
<i>Elim</i>						
<b>Group</b>	<b>-4,0 %</b>	<b>-2,2 %</b>	<b>3,4 %</b>	<b>2,2 %</b>	<b>0,1 %</b>	<b>6,7 %</b>

## Other company information

Kongsberg Automotive Holding ASA

Dyrmyrgata 48

3601 Kongsberg, Norway

Phone +47 32 77 05 00

www.kongsbergautomotive.com

### The Board of Directors:

Ulla-Britt Fråjdin-Hellqvist	(Chairman)
Thomas Falck	(Shareholder elected)
Tone Bjørnov	(Shareholder elected)
Jürgen Harnisch	(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
Bård Klungseth	Executive Vice President & COO

### Investor Relations

Contact:

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 in 2010:

	Report distributed	Presentation
2nd Quarter 2010	15 July, 2010	16 July, 2010
3rd Quarter 2010	20 October, 2010	21 October, 2010
4th Quarter 2010	10 February 2011	11 February 2011