

Investor presentation

2nd Quarter 2013

14th August 2013



KONGSBERG



Disclaimer

This presentation contains certain forward-looking information and statements. Such forward-looking information and statements are based on the current, estimates and projections of the Company or assumptions based on information currently available to the Company. Such forward-looking information and statements reflect current views with respect to future events and are subject to risks, uncertainties and assumptions. The Company cannot give assurance to the correctness of such information and statements. These forward-looking information and statements can generally be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use terminology such as "targets", "believes", "expects", "aims", "assumes", "intends", "plans", "seeks", "will", "may", "anticipates", "would", "could", "continues", "estimate", "milestone" or other words of similar meaning and similar expressions or the negatives thereof.

By their nature, forward-looking information and statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements that may be expressed or implied by the forward-looking information and statements in this presentation. Should one or more of these risks or uncertainties materialize, or should any underlying assumptions prove to be incorrect, the Company's actual financial condition or results of operations could differ materially from that or those described herein as anticipated, believed, estimated or expected.

Any forward-looking information or statements in this presentation speak only as at the date of this presentation. Except as required by the Oslo Stock Exchange rules or applicable law, the Company does not intend, and expressly disclaims any obligation or undertaking, to publicly update, correct or revise any of the information included in this presentation, including forward-looking information and statements, whether to reflect changes in the Company's expectations with regard thereto or as a result of new information, future events, changes in conditions or circumstances or otherwise on which any statement in this presentation is based.

Given the aforementioned uncertainties, prospective investors are cautioned not to place undue reliance on any of these forward-looking statements.

Agenda

- Financial status Q2 2013
- Status - Business Areas
- Updates
- Appendix

Speakers:

- *Walter Qvam – CEO*
- *Hans-Jørgen Wibstad – CFO*

Highlights

- Revenues up 4.7% in H1 2013 from H1 2012
- Strong revenue growth in Kongsberg Maritime with 13.9% in H1 and continued high order intake with book/bill 1.24
- Strong operating cash flow in Q2 2013 with MNOK 1 019
- Excellent test results for Joint Strike Missile & Naval Strike Missile
- Remote Weapon Stations delivery volumes to USA decreasing
- Succeeding in “battle for talent”



Financial status 2013

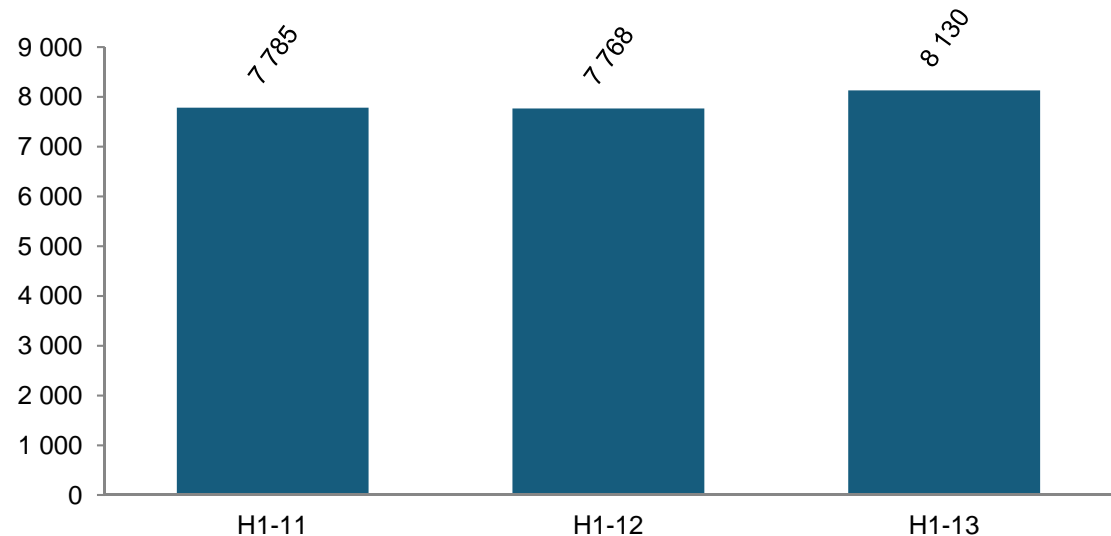
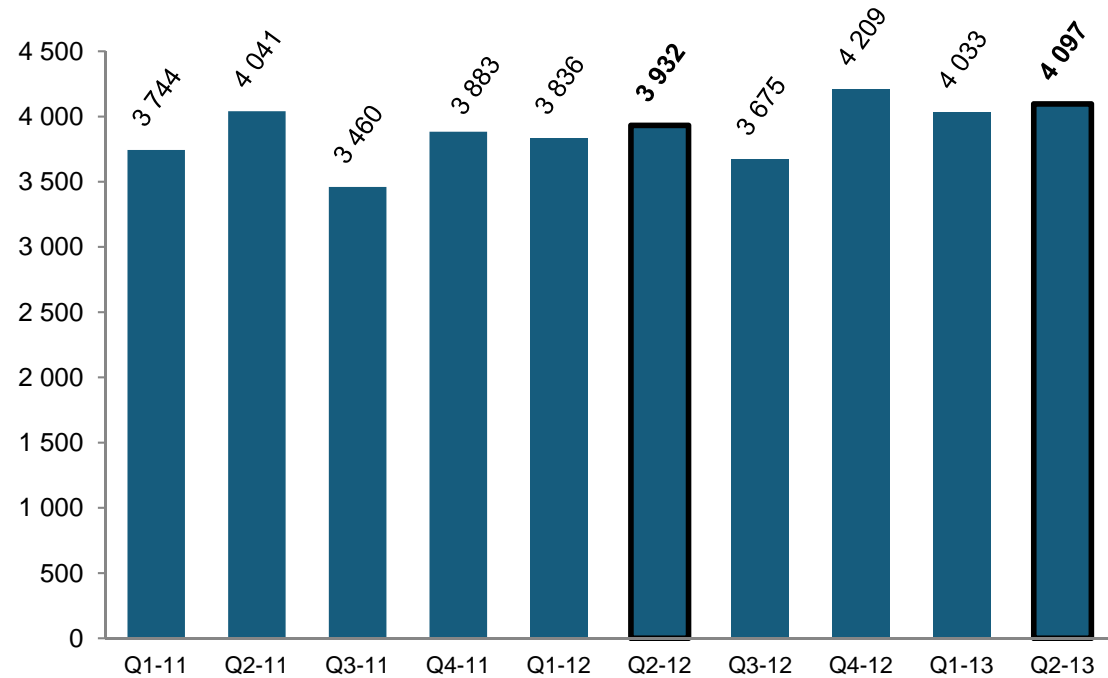
Operating revenues



KONGSBERG

- Growth continues

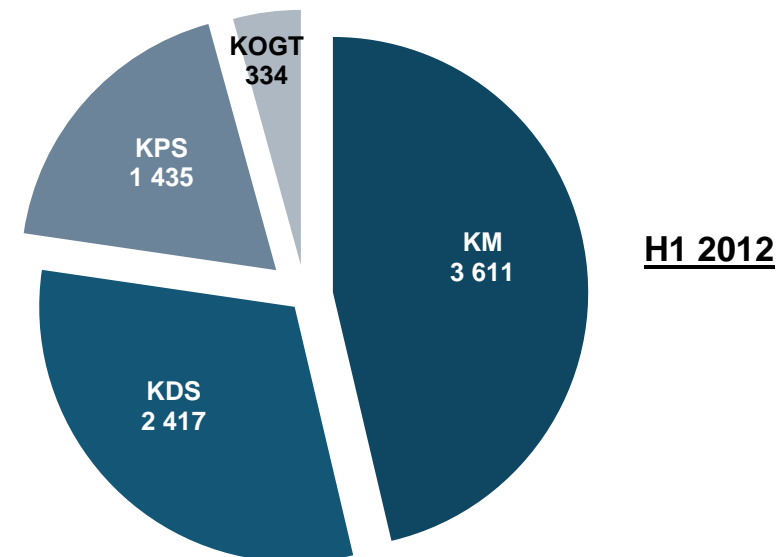
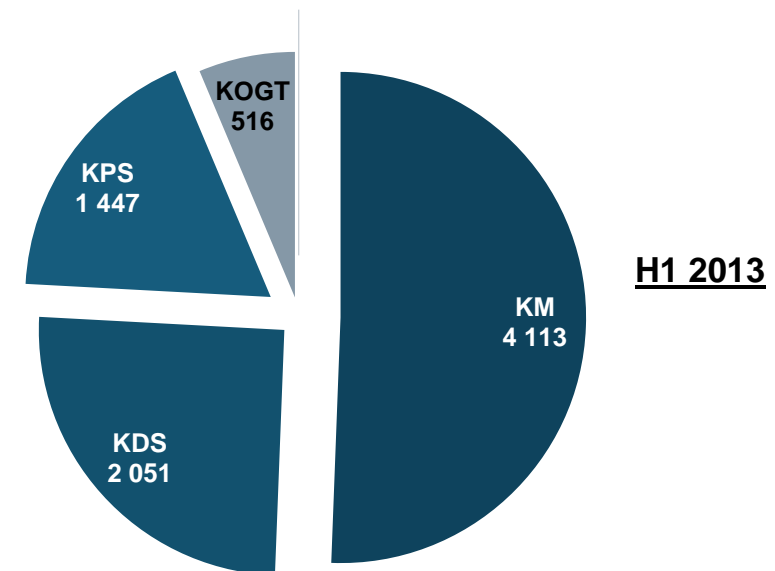
- Q2 growth 4.2 % from Q2 2012
- H1 growth 4.7 % from H1 2012
- Growth in KM and KOGT more than compensates reduced Q2 revenues in defence areas



Financial status 2013

Half year operating revenues per business area

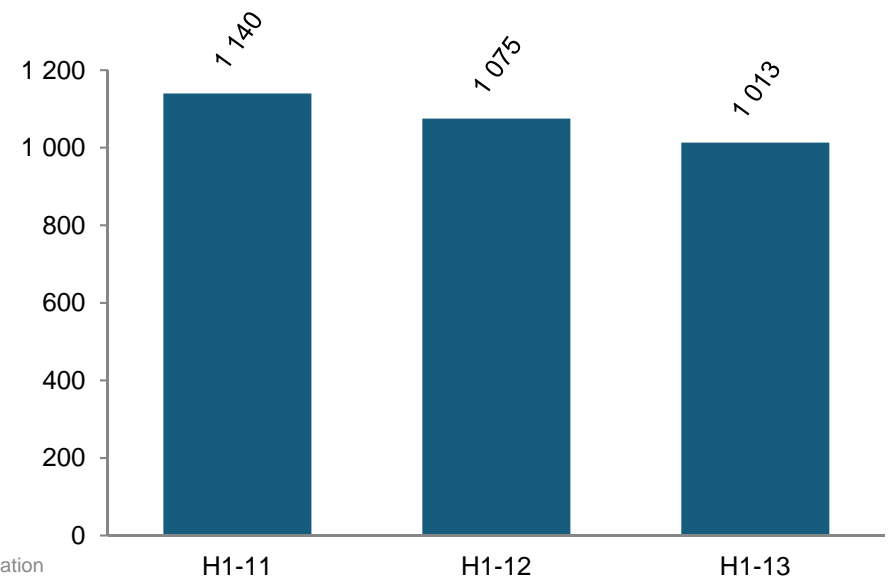
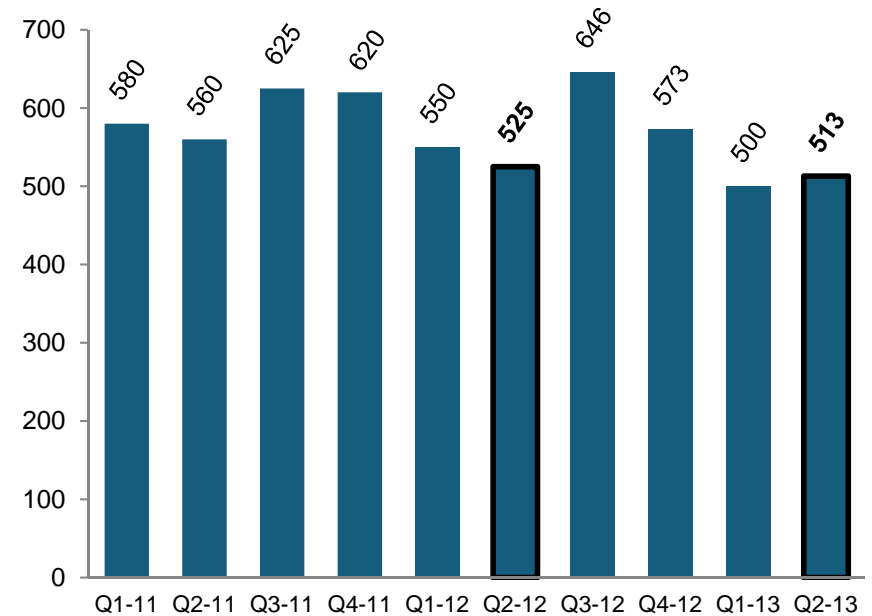
- Strong 13,9 % growth in H1 in Kongsberg Maritime
- Delivery- and development programs on track in Kongsberg Defence Systems
- Kongsberg Protech Systems is experiencing reductions in the USA
 - H1 revenue reductions from the USA compensated by increases in other projects
- Acquisitions trigger growth in Kongsberg Oil & Gas Technologies with 54.5 % in H1



Financial status 2013

EBITDA

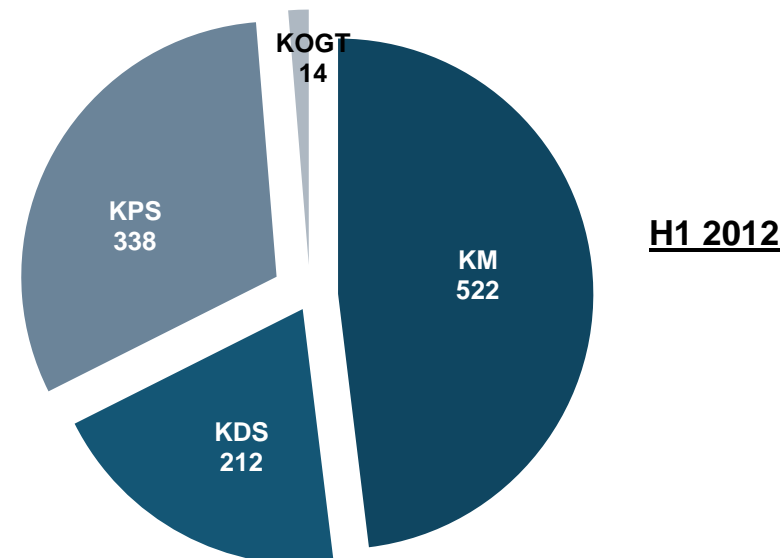
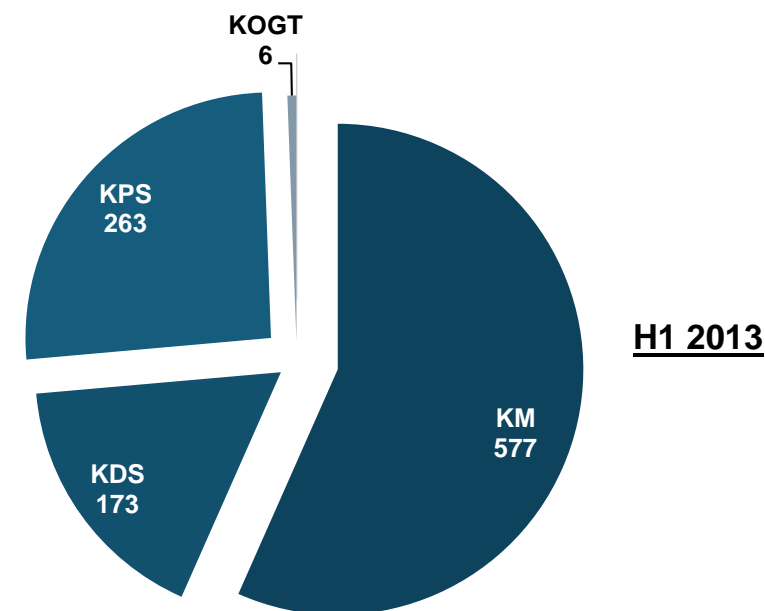
- 2Q 2013 EBITDA MNOK 513 (MNOK 525)
- H1 EBITDA MNOK 1 013 (MNOK 1075)
- Higher H1 EBITDA in KM
- Lower H1 EBITDA in KOGT and defence areas, particularly KPS



Financial status 2013

Half year EBITDA per business area

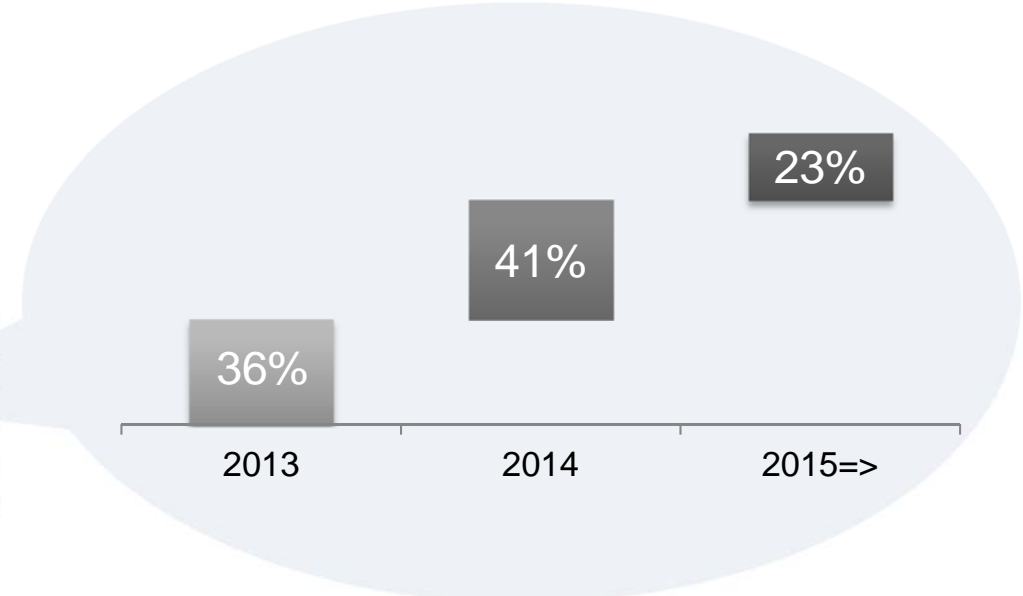
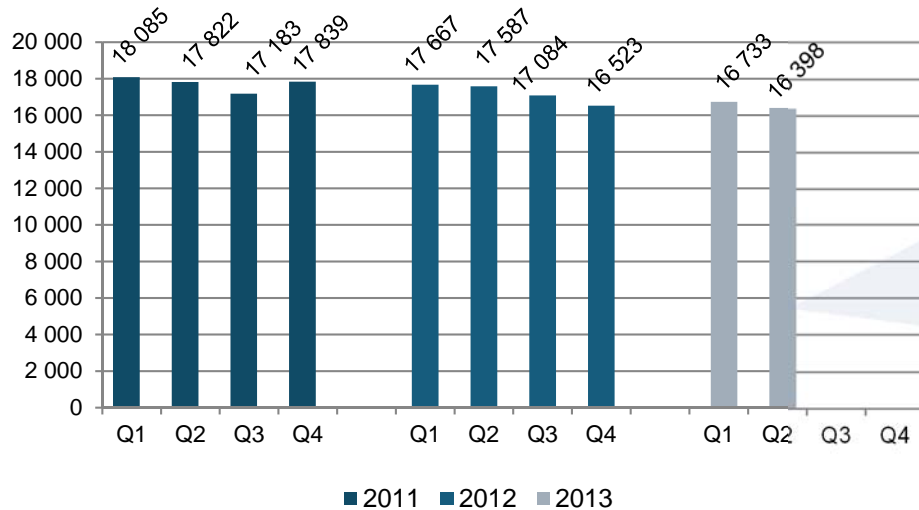
- Increased EBITDA in Kongsberg Maritime
- Kongsberg Defence Systems on track
 - High level of activity in JSM-development but project between two contract phases impacts revenues and EBITDA
- Reduced volumes to USA and different project mix in Kongsberg Protech Systems
 - Compensating volumes has lower margins
 - USA volumes expected to be further reduced by approx MNOK 350 in H2 from H1
- Kongsberg Oil & Gas Technologies EBITDA as planned



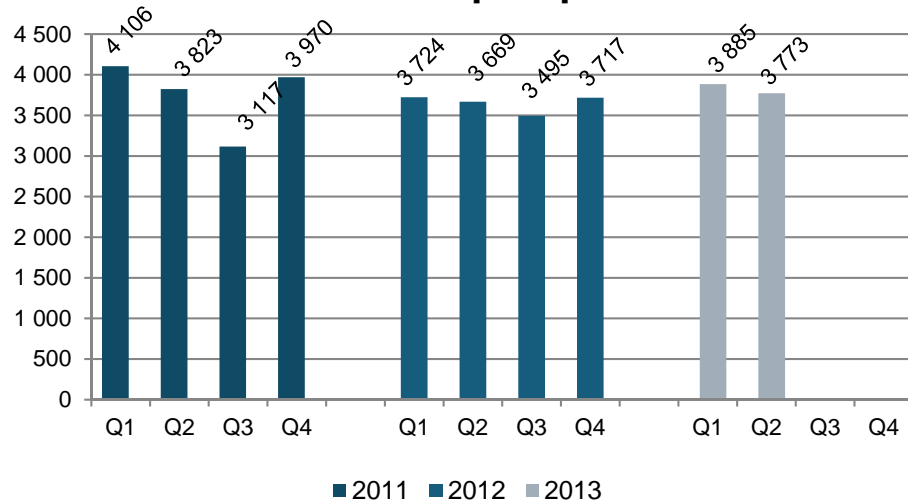
Financial status Q2 2013

Quarterly trends in orders

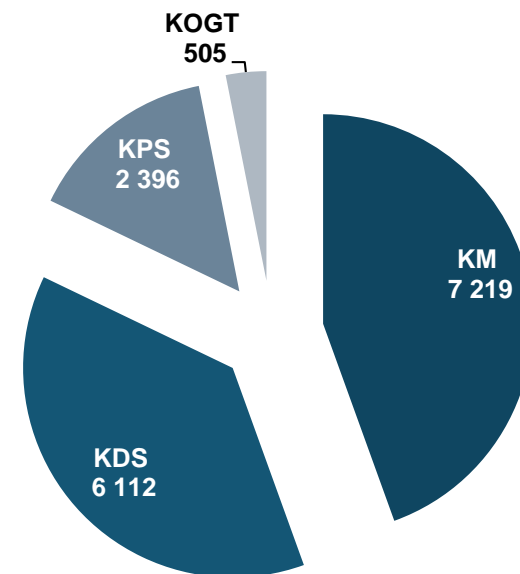
Backlog of orders



New orders per quarter



Backlog of orders Q2- 2013



- After sales and framework agreements not converted into delivery contracts are not included in the backlog

Financial status Q2 2013

Cash Flow

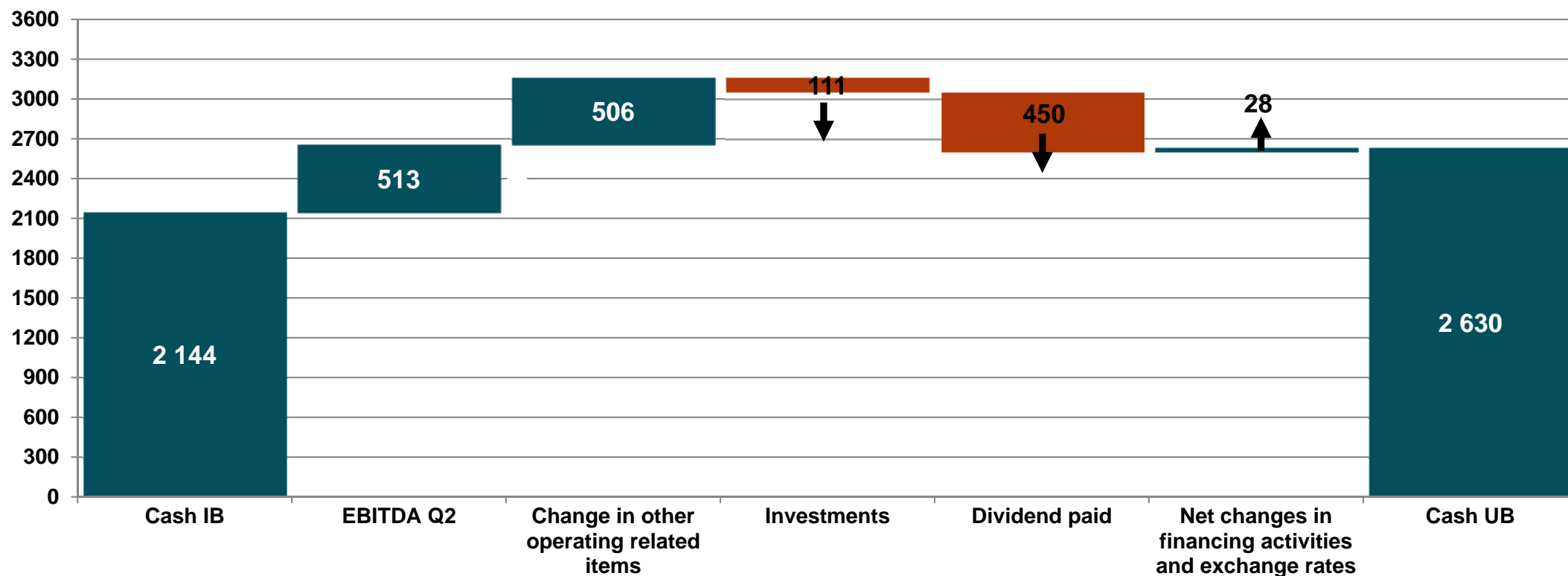


KONGSBERG

| | Q2-13 | Q2-12 | H1-13 | H1-12 | 2012 |
|------------------------------------------------------------------------------|--------------|--------------|--------------|----------------|--------------|
| <i>EBITDA</i> | 513 | 525 | 1,013 | 1,075 | 2,294 |
| <i>Change in other operating related items</i> | 506 | (765) | 83 | (1,981) | (2,087) |
| Cash flow from operating activities | 1,019 | (240) | 1,096 | (906) | 207 |
| <i>Acquisition of fixed assets</i> | (99) | (132) | (165) | (234) | (523) |
| <i>Acquisition of subsidiaries and non-controlling interests</i> | | | (329) | (13) | (69) |
| <i>Other investment activities</i> | (12) | (39) | (28) | (82) | (121) |
| Cash flow from investing activities | (111) | (171) | (522) | (329) | (713) |
| Cash flow from financing activities | (431) | (441) | (475) | (788) | (49) |
| <i>Impact of currency fluctuations on bank deposits and cash equivalents</i> | 9 | 9 | 22 | (1) | (19) |
| Net change, bank deposits and cash equivalents | 486 | (843) | 121 | (2,024) | (574) |

Financial status Q2 2013

Cash Flow



| | Q2-13 | Q1-13 | 2012 |
|------------------------------|---------|-------|---------|
| Cash and short-term deposits | 2,630 | 2,144 | 2,509 |
| Working capital | 3,140 | 3,365 | 3,528 |
| Net interest bearing debt | (1,319) | (831) | (1,198) |
| Equity ratio | 36.4% | 38.8% | 38.6% |

KONGSBERG has unused credit lines of NOK 1 billion

Summary key figures



KONGSBERG

| | Q2 2013 | Q2 2012 | H1 2013 | H1 2012 | 2012 |
|---------------------|---------|---------|---------|---------|--------|
| Operating revenues | 4,097 | 3,932 | 8,130 | 7,768 | 15,652 |
| EBITDA | 513 | 525 | 1,013 | 1,075 | 2,294 |
| EBITDA margin | 12.5% | 13.4% | 12.5% | 13.8% | 14.7% |
| EBIT | 397 | 422 | 782 | 862 | 1,840 |
| EBT | 395 | 420 | 771 | 857 | 1,809 |
| EPS | 2.38 | 2.57 | 4.65 | 5.20 | 10.91 |
| Equity % | - | - | 36.4% | 38.1% | 38.6% |
| Backlog of orders | - | - | 16,398 | 17,587 | 16,523 |
| New orders | 3,773 | 3,669 | 7,658 | 7,393 | 14,605 |
| Book/bill | 0.92 | 0.93 | 0.94 | 0.95 | 0.93 |
| Number of employees | - | - | 7,370 | 6,920 | 7,259 |

Kongsberg Maritime

Status



KONGSBERG

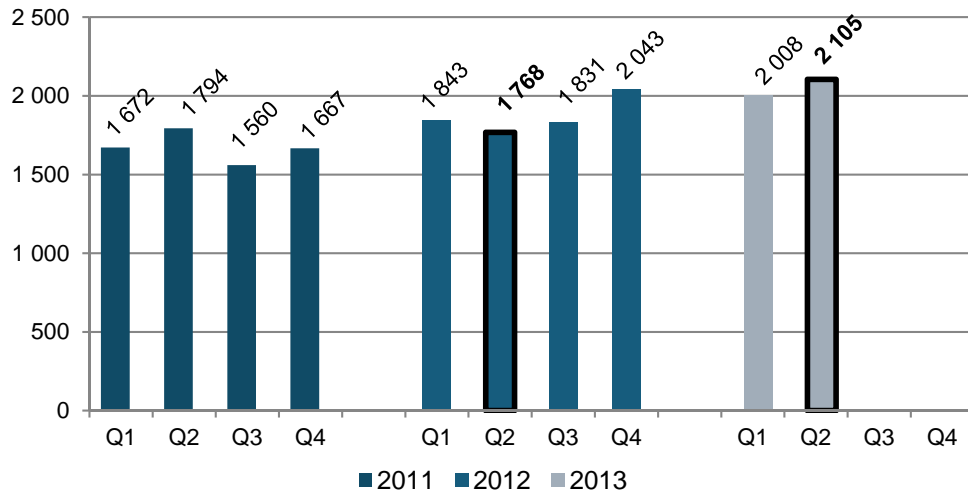


Kongsberg Maritime Q2 2013

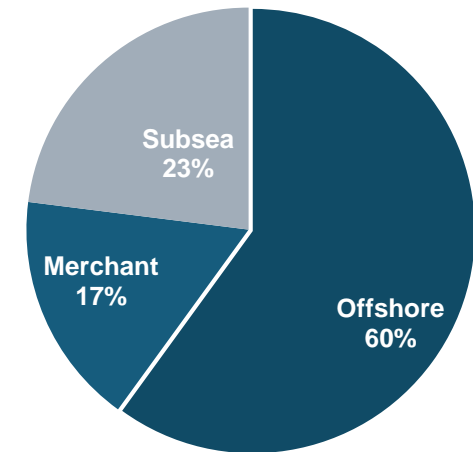
Quarterly trends in operating revenues and EBITDA



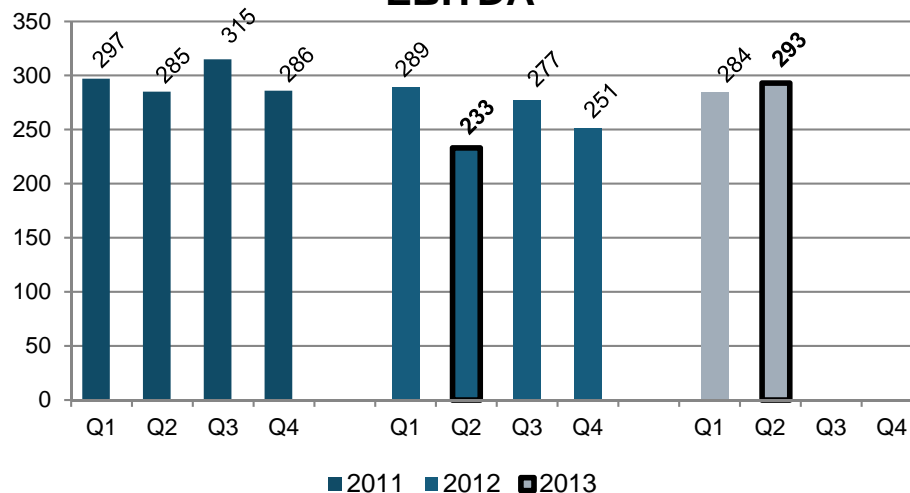
Operating revenues



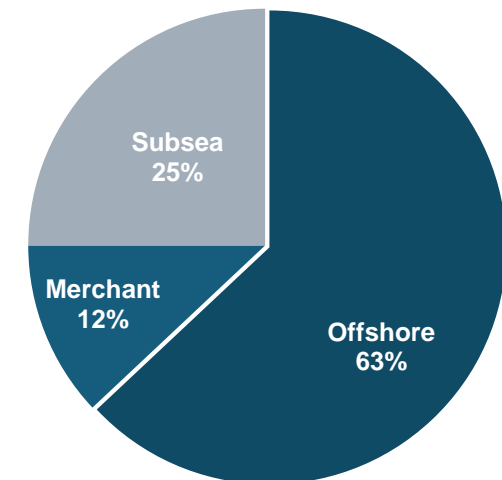
Revenues 2012



EBITDA



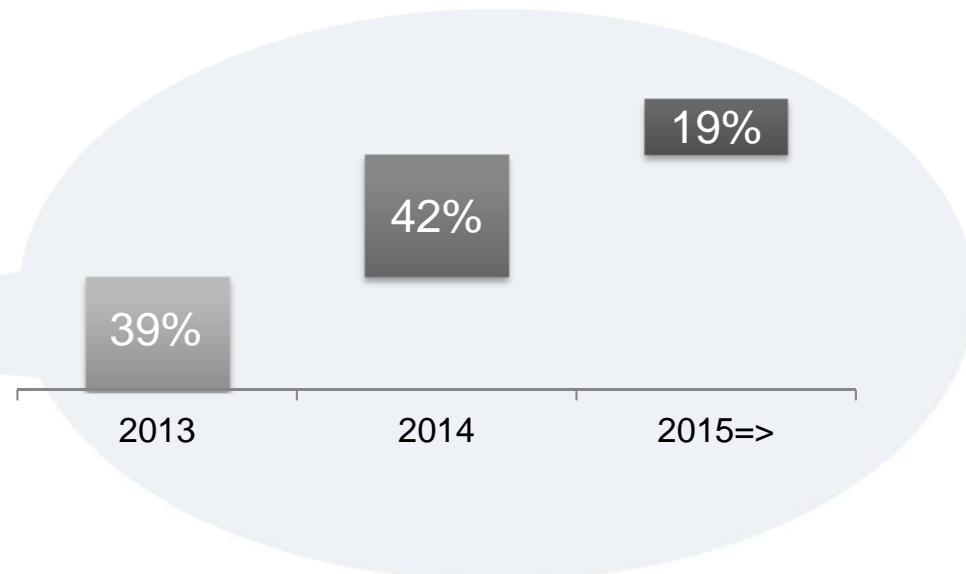
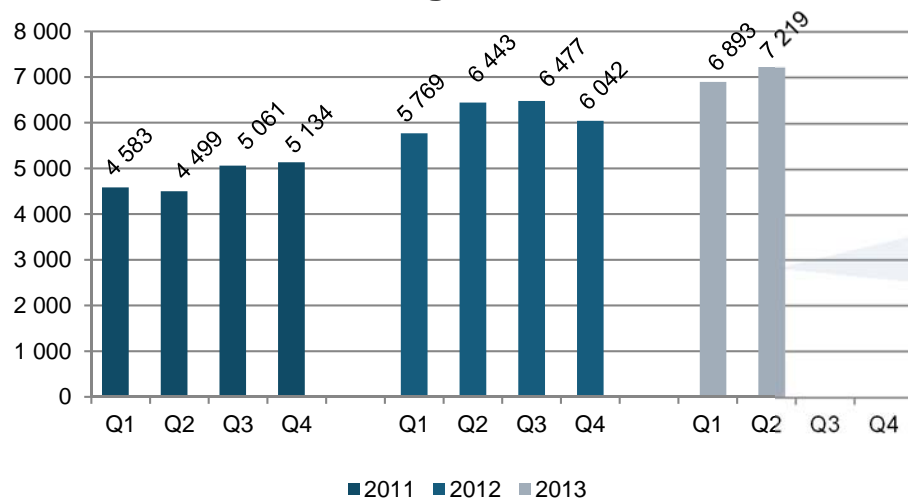
Revenues 2013



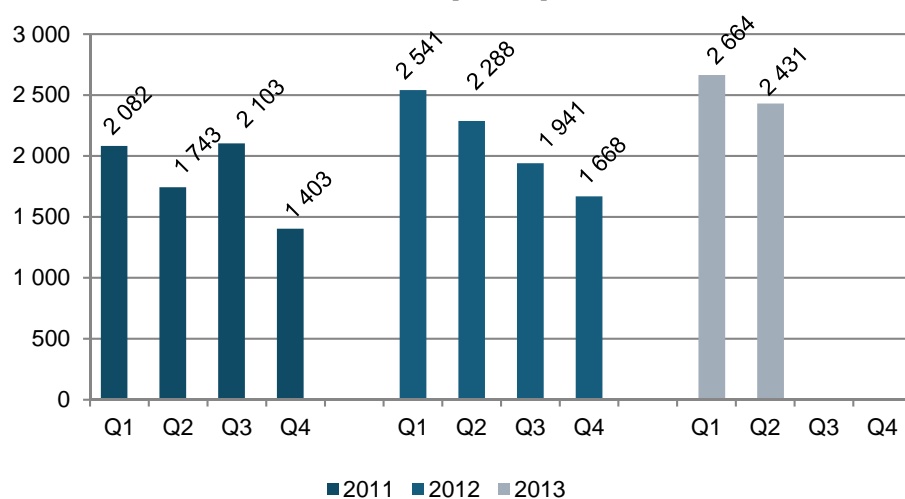
Kongsberg Maritime Q2 2013

Quarterly trends in orders

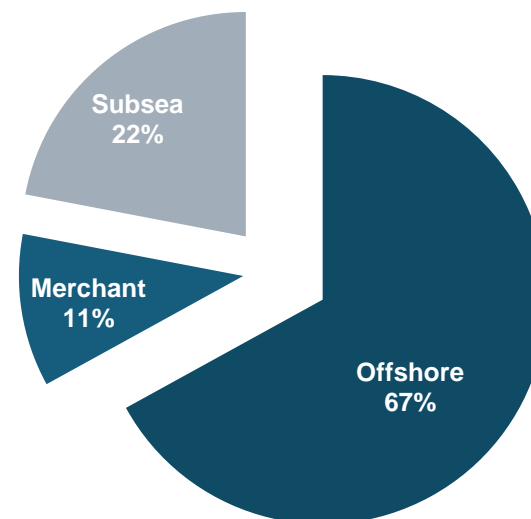
Backlog of orders



New orders per quarter



New orders YTD 2013



- After sales and framework agreements not converted into delivery contracts are not included in the backlog

Highlights Kongsberg Maritime

- Continued strong order intake
 - Book/Bill ratio at 1.15 in Q2 and 1.24 YTD
 - “Full Picture” delivery contracts to 11 drilling units
 - Close to 100 OSV-contracts signed in Q2, 200 YTD
 - Important confirmations in seismic market
 - Seismic Vessel System contract worth more than MUSD 50 for deliveries to two PGS-vessels
 - Back deck handling system for GC Rieber Seismic Vessel
 - Signed contracts for deliveries to 10 LNG-vessels in H1
 - Book/bill at 1.07 for merchant division
 - Subsea performing well
- Strong performance in a highly competitive environment



Well positioned for the years to come

- Market leader in mission critical technologies and systems at sea
 - Full Picture® - integrated solutions
 - Expanding scope – handling, package engineering
- Further expanding our strong subsea product portfolio
 - Hugin, Remus → Seaglider
 - Subsea hydro acoustic solutions → inspection, environment, operations
- Record high backlog
 - Systems to more than 50 drilling units to be delivered from 2014 and onwards
- Continued investments in product and service development
- Leading Global Life Cycle service provider
 - Follow the Sun
- Strong competence and solid geographic footprint



Kongsberg Defence Systems

Status



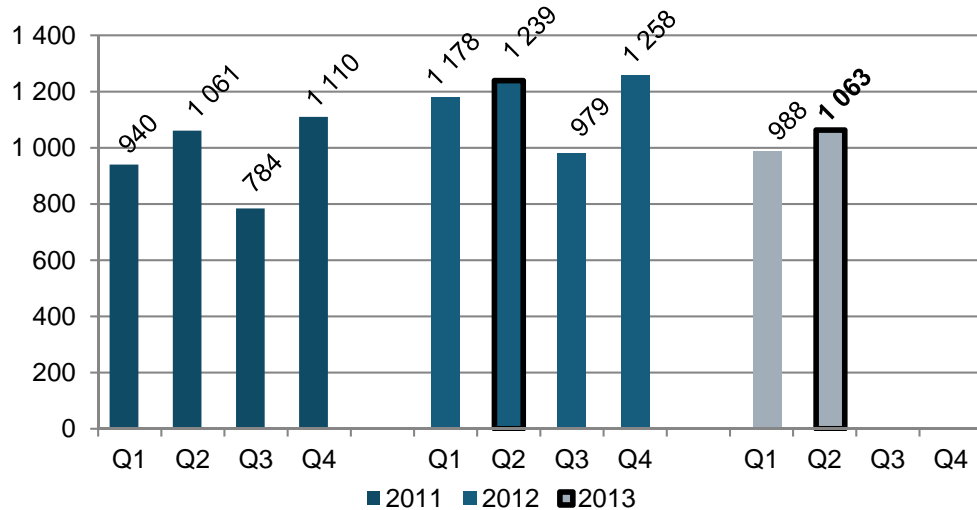
KONGSBERG



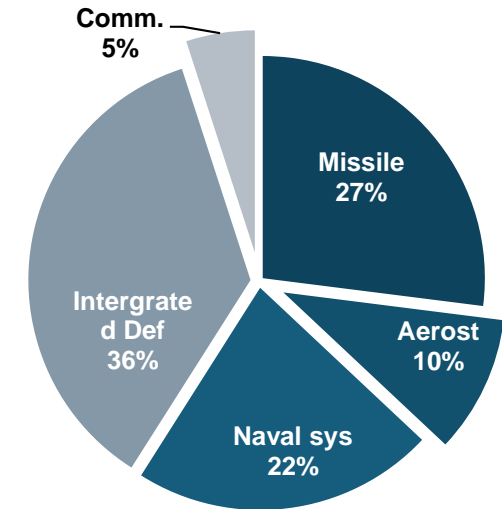
Kongsberg Defence Systems Q2 2013

Quarterly trends in operating revenues and EBITDA

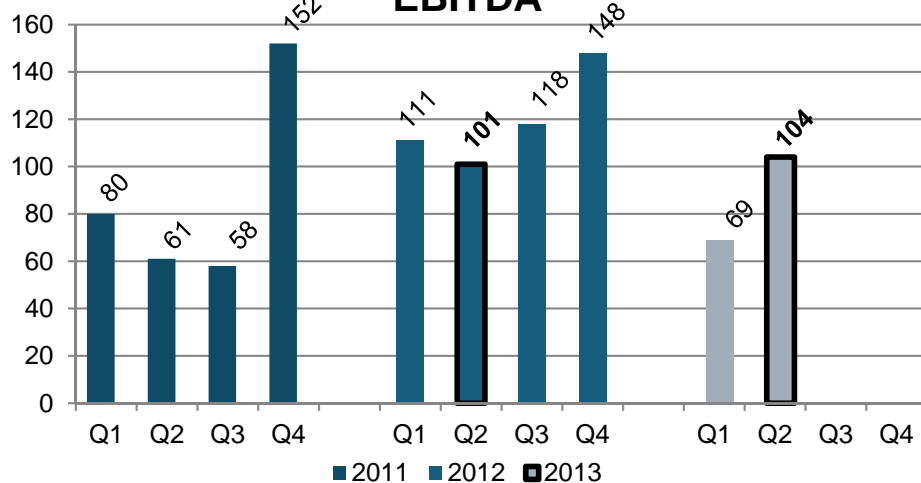
Operating revenues



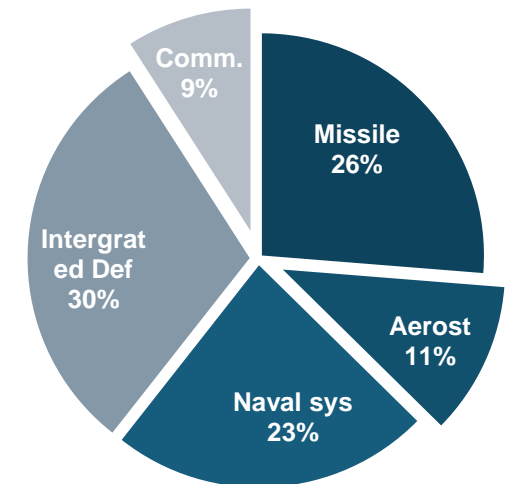
Revenues 2012



EBITDA



Revenues 2013

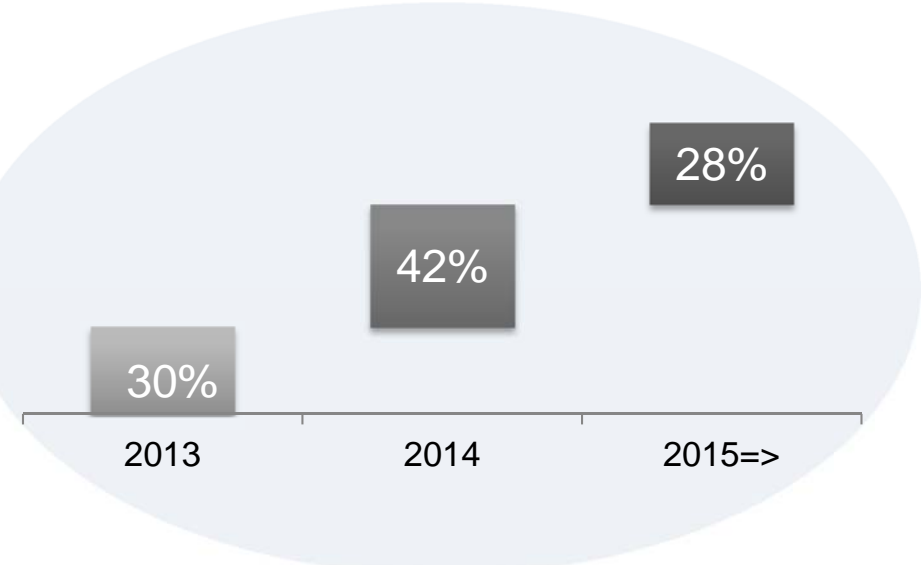
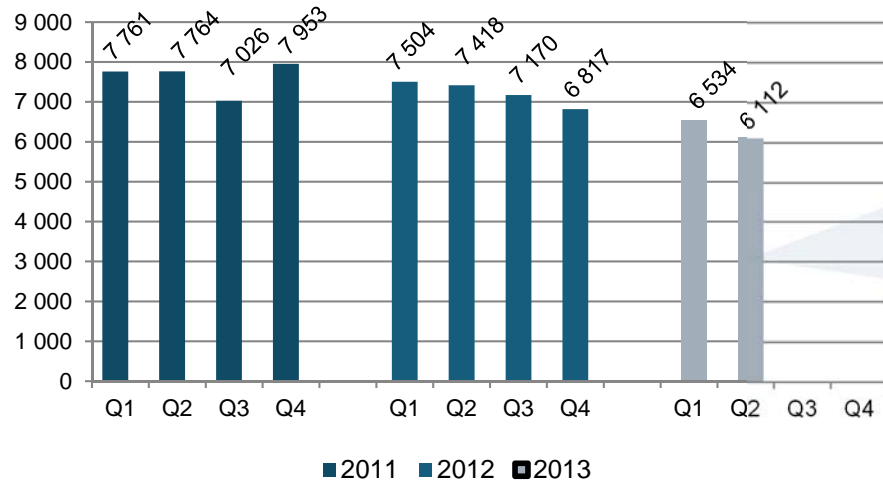


Kongsberg Defence Systems Q2 2013

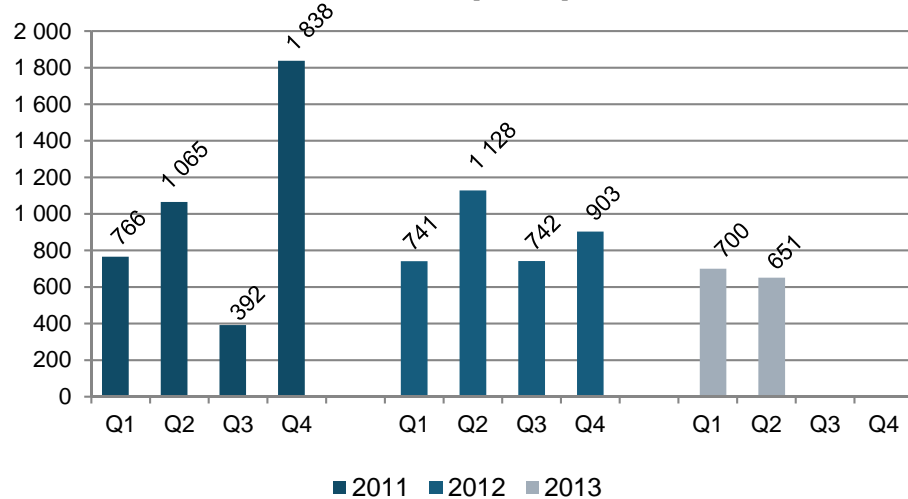
Quarterly trends in orders



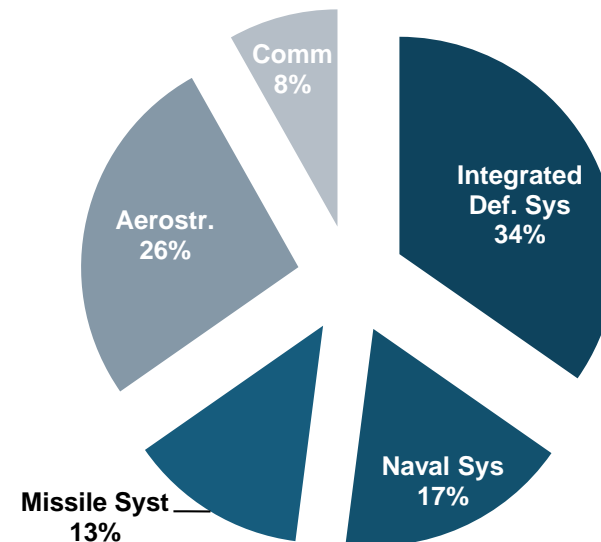
Backlog of orders



New orders per quarter



New orders YTD 2013



- Framework agreements not converted into delivery contracts are not included in the backlog

Highlights Kongsberg Defence Systems

- Royal Norwegian Navy (RNoN) has conducted two successful firings with the Naval Strike Missile (NSM)
 - Part of RNoN's evaluation program
 - Included "live warhead" firing
- KONGSBERG and Lockheed Martin has successfully completed fit check of Joint Strike Missile (JSM) in the internal carriage bay of the F-35 Joint Strike Fighter
- Orders worth 190 MNOK for deliveries of Rudders & Vertical Leading Edges and Centre Fuselage parts to the F-35 Joint Strike Fighter



Satellite surveillance – a growing market

- Increasing demand from oil companies
- By 2021, 263 new satellites will be launched
 - KONGSBERG is in a good position
- In Q2 Kongsberg Satellite Services won the EU project “Meolut” which secure better satellite coverage and safer operations at sea in Northern Europe and the Barents sea



KONGSBERG is the world's largest supplier of services involving the retrieval and compilation of satellite data used for monitoring changes in the environment, delivering crucial weather data and monitoring vessel traffic, oil spills and rain forest deforestation

Modern product portfolio and significant market opportunities

- A modern and advanced portfolio of products and systems
 - Anti-ship missiles
 - Air-defence system
 - Command control system for submarines and naval vessels
 - Communication technologies
- Significant contract opportunities
 - Several major contracts will be awarded in the short to medium time horizon



Kongsberg Protech Systems

Status



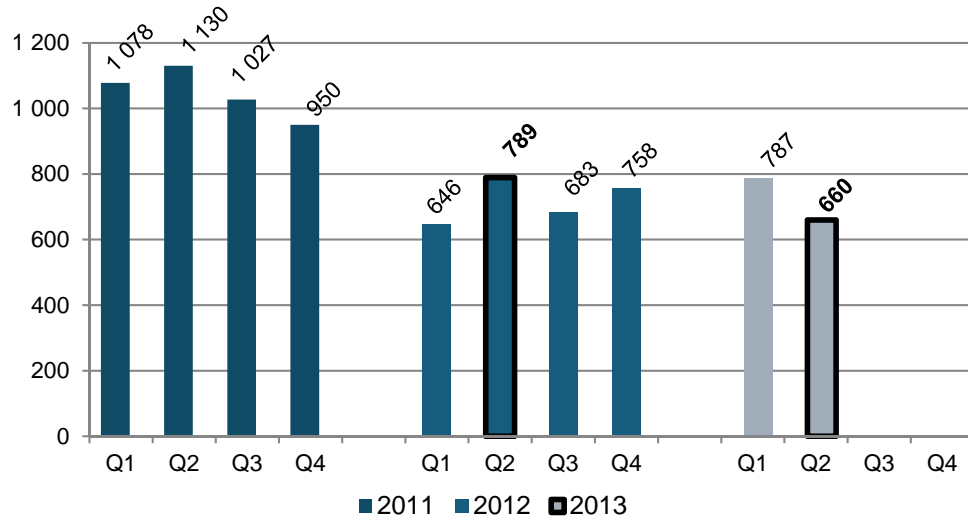
KONGSBERG



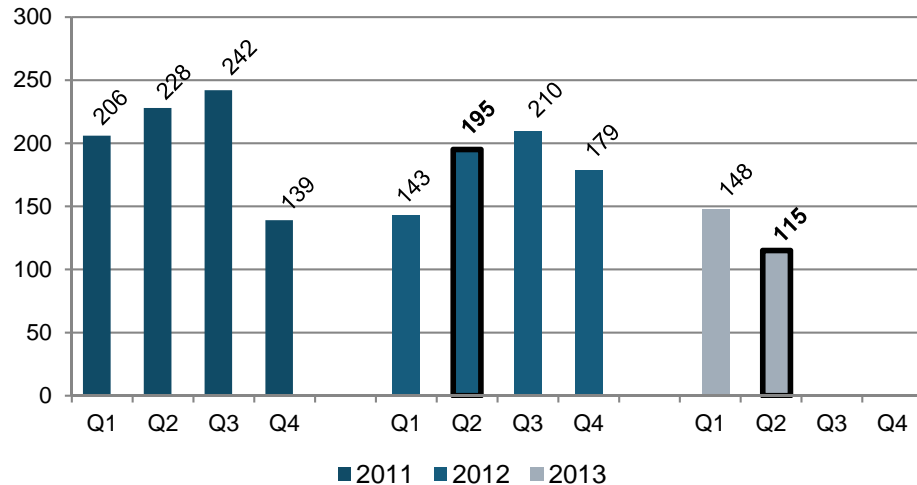
Kongsberg Protech Systems Q2 2013

Quarterly trends in operating revenues and EBITDA

Operating revenues



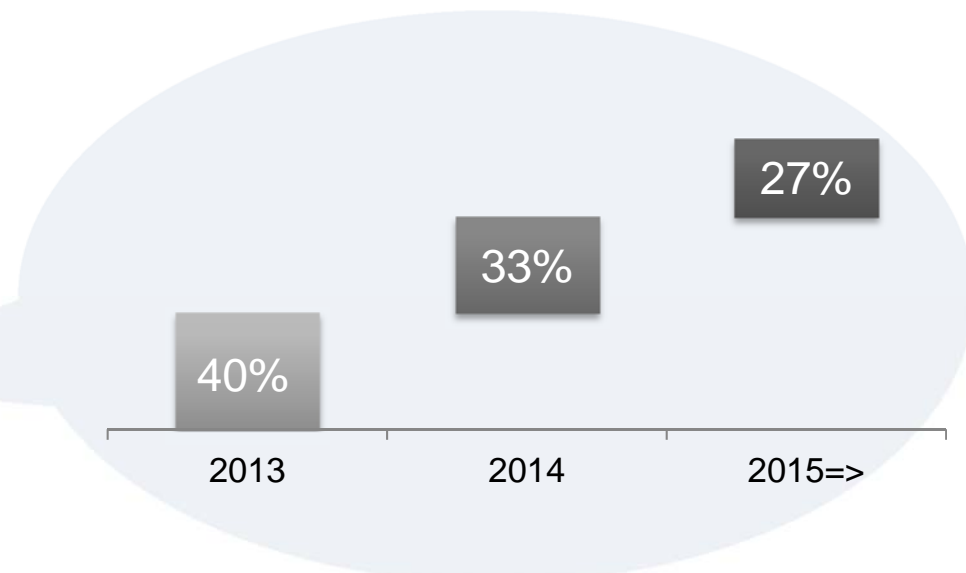
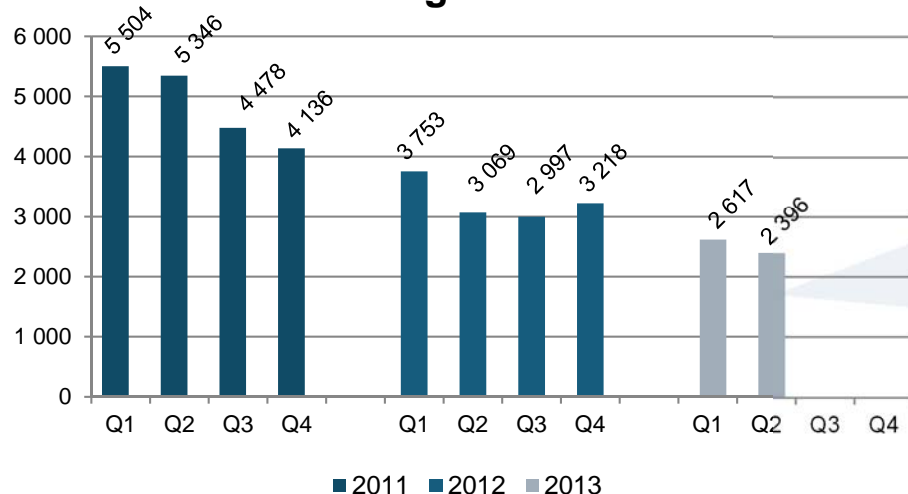
EBITDA



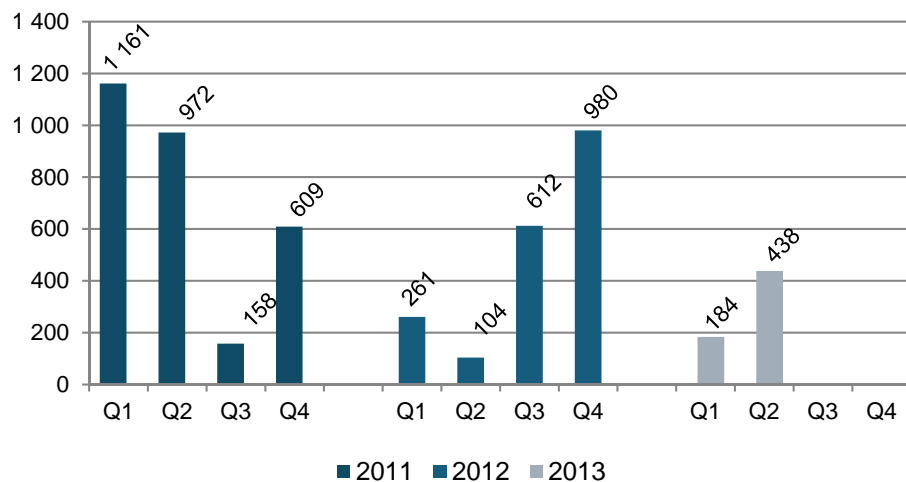
Kongsberg Protech Systems Q2 2013

Quarterly trends in orders

Backlog of orders



New orders per quarter



- After sales and framework agreements not converted into delivery contracts are not included in the backlog

Highlights Kongsberg Protech Systems

- Contracts awarded despite slow market:
 - MNOK 149 for the Nordic program
 - MNOK 100 contract in Croatia
 - MNOK 100 framework agreement with France (Q3)
- Continued effort to commercialise Medium Caliber Remote Weapon Station
 - Development is finished and the system is ready
 - Several potential “launch” customers
 - Positive response from both existing RWS-customers and new countries
 - Decision processes are slower in this market compared to before
- Organisational capacity continuously adjusted to reflect reductions in volume



Positive in long term but weaker in the short to medium term

- Global #1 in the market for remotely operated weapon stations
 - Has won all the major contracts awarded in this market
 - Market is currently slow
- Deliveries to the largest customer have been lower than expected and the trend will continue
 - H1 2013 deliveries to US decreased but were compensated by increase in other programs
 - In H2 2013 revenues and results will be influenced by continued decrease in deliveries to the US and lower margins in the contracts delivered
 - Approx MNOK 350 reduction planned compared to H1 2013
- Expanding product portfolio and leveraging strategic alliances

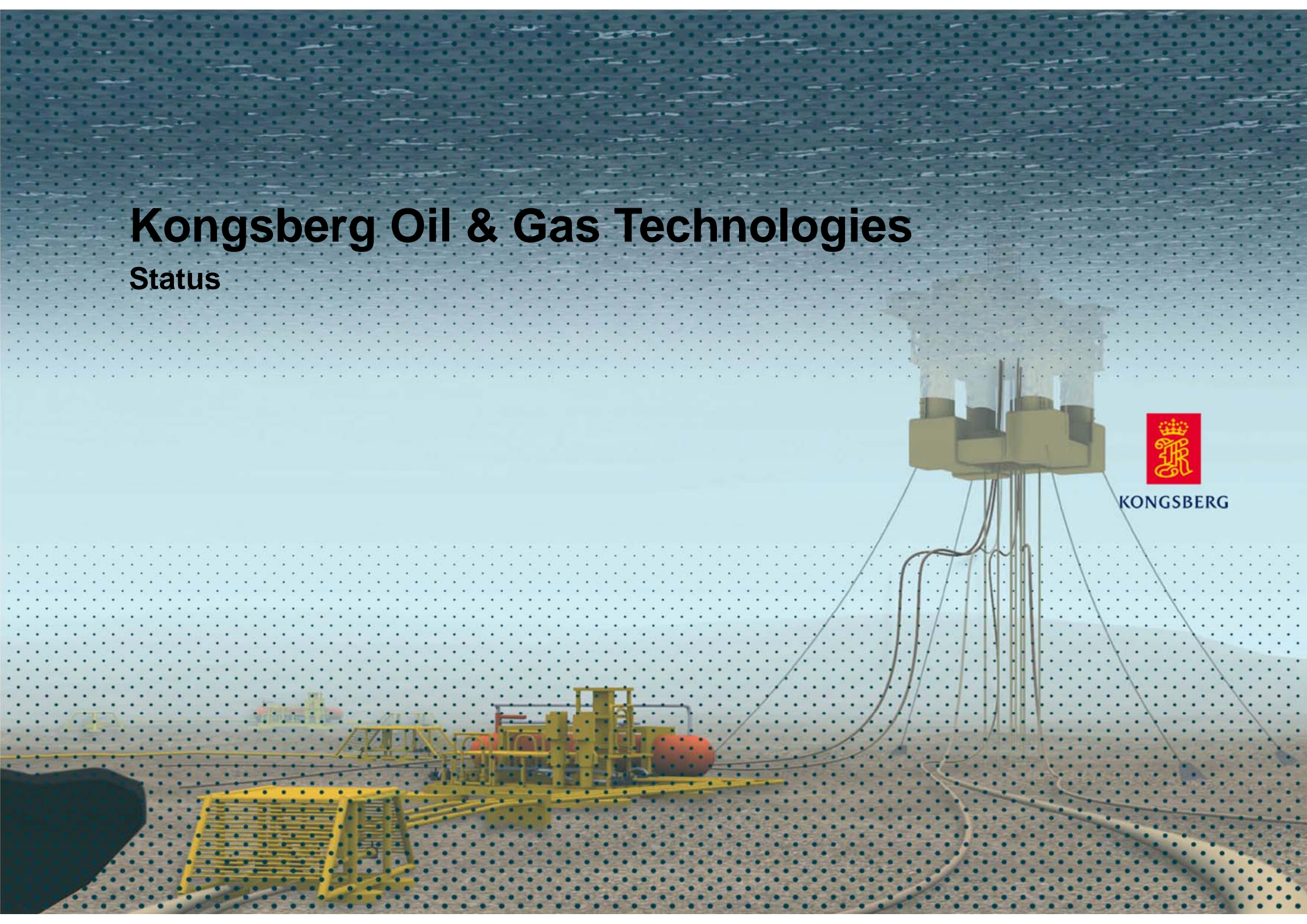


Kongsberg Oil & Gas Technologies

Status



KONGSBERG

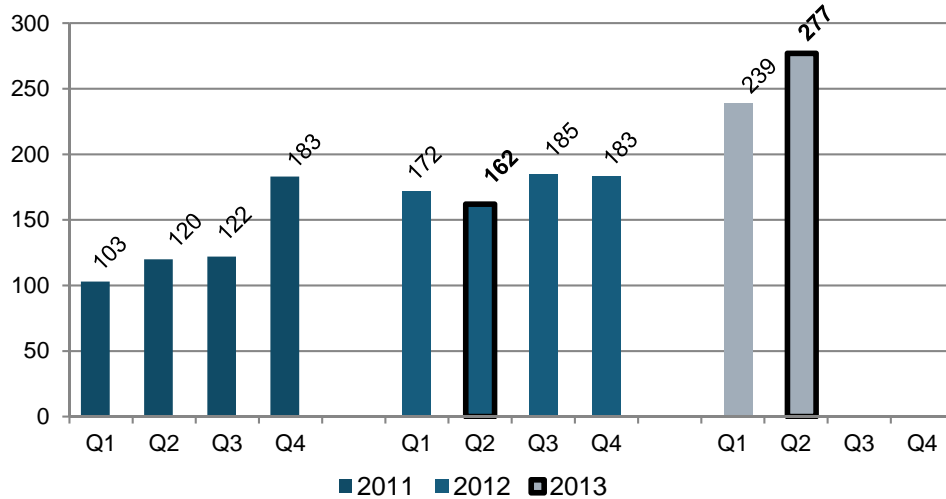


Kongsberg Oil & Gas Technologies Q2 2013

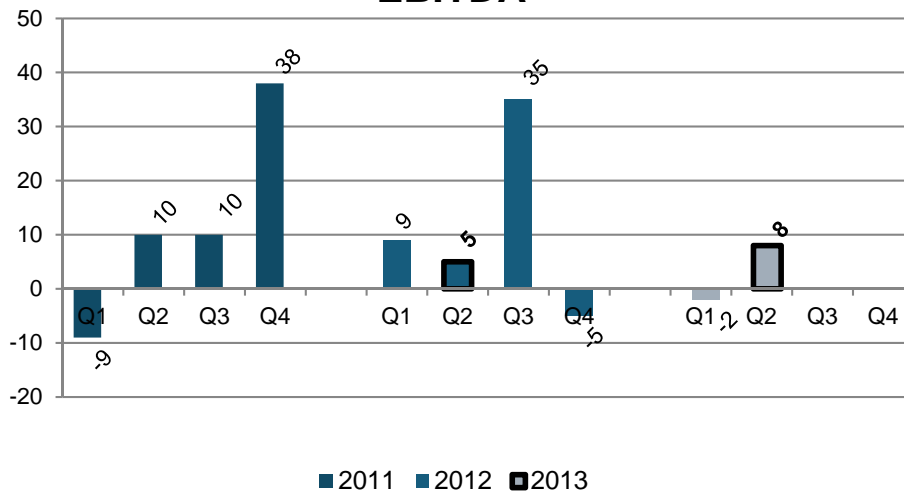
Quarterly trends in operating revenues and EBITDA



Operating revenues



EBITDA

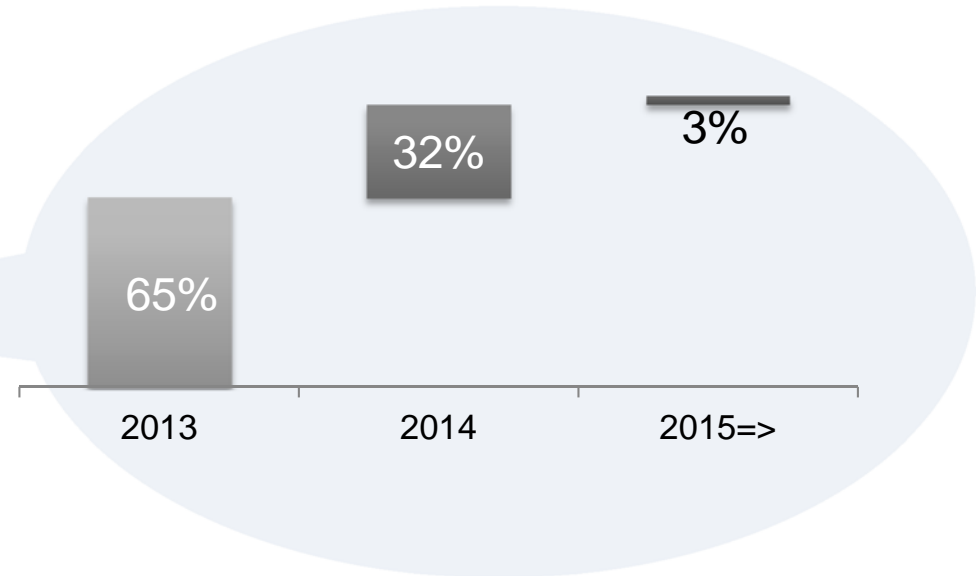
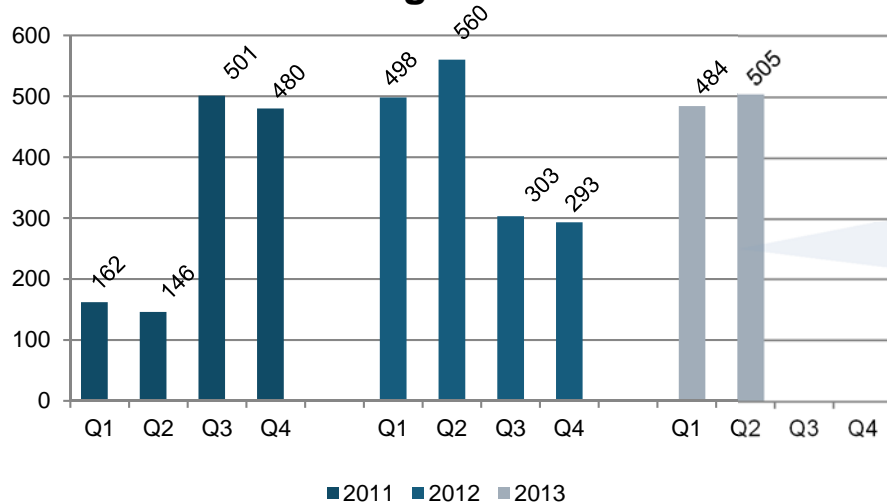


Kongsberg Oil & Gas Technologies Q2 2013

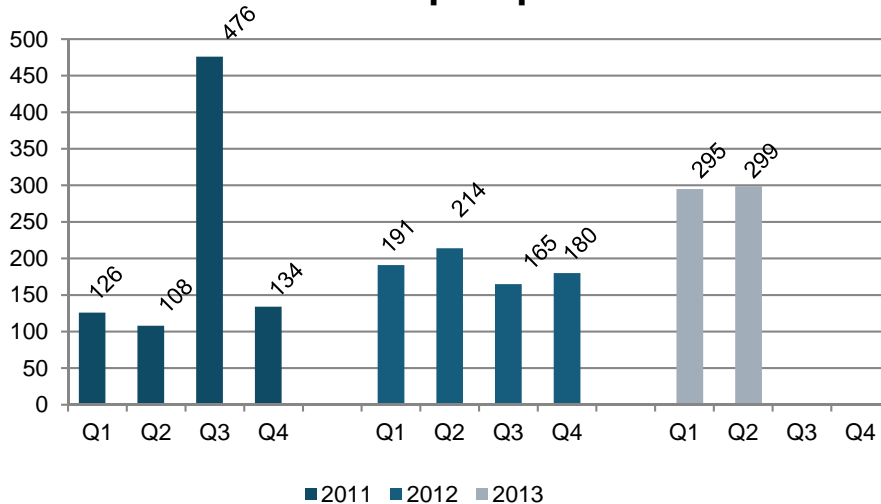
Quarterly trends in orders



Backlog of orders



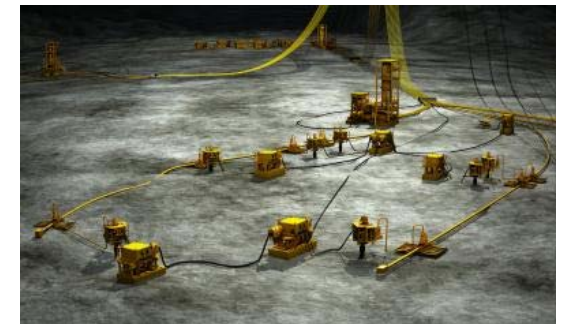
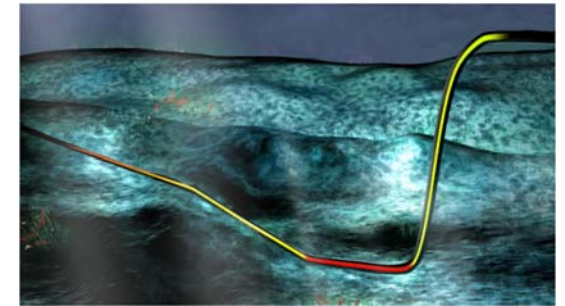
New orders per quarter



- After sales and framework agreements not converted into delivery contracts are not included in the backlog

Highlights Kongsberg Oil & Gas Technologies

- Good order intake in Q2
 - Book/Bill ratio at 1.08
 - Large part of order intake related to renewal of software development contracts
- Integration of Kongsberg Nemo and Advali as planned
 - Acquisition of Apply Nemo is well received in the oil & gas market
 - Advali is delivering on several KOGT projects – approximately 50 % of its revenues
- High market activity and promising prospects within the subsea segment



Improved positioning and scaling in a strong market

- KOGT delivers niche-systems and services to a strong market
- From restructuring of product portfolio to scaling
 - Modern and high tech product portfolio
 - Increased contract complexity and size
 - Acquisitions expands and complements product offerings, foot print and client list
- Most major oil companies on client list



Outlook



In recent years, KM has built up very good market positions which it is expected to maintain in H2 as well. The strong order income over the past year gives a good foundation for KM's revenues in H2 2013.

KDS has several major long term delivery programmes in the medium to late engineering and production phase, providing a good foundation for earnings in H2 2013. Revenues are expected to remain at a good level in H2 2013.

KPS has built up a very strong position on the world market for vehicle-based weapons control systems. A lower level of activity is expected in the USA in particular. Thus KPS is expected to see a reduction in activities from H1 2013 to H2 2013. The profit margins on the remaining contracts at KPS are also lower than under the CROWS II framework contract signed in 2007. The total effect of this is expected to be a relatively large reduction in profits from KPS' ordinary operations in H2 2013.

KOGT is a business area under development, and a niche supplier to the oil and oil services industry in Norway and abroad. The acquisition of Apply Nemo has expanded the business area's range of products and industrial expertise in the subsea segment. Thus the business area has a good position in several important segments of the oil and gas industry.

KONGSBERG has a strong position in the shipping, offshore and defence markets and has a solid order backlog. This provides a strong platform for activity level in H2 2013.

Appendix



KONGSBERG



WORLD CLASS

— THROUGH PEOPLE, TECHNOLOGY AND DEDICATION

DETERMINED

**What we start we finish.
We do not give in.**

INNOVATIVE

**We relentlessly pursue
improvements, new ideas
and new solutions.**

COLLABORATIVE

**We collaborate as individuals and
as an organisation.**

RELIABLE

**We are reliable people.
We are responsible citizens.**

Solutions from deep sea to outer space

- Extreme performance for extreme conditions



KONGSBERG is a world leading supplier of high-technology solutions and advanced applications for the Maritime, Oil & Gas, Defence and Space industry. Our solutions creates safety and performance for people and companies operating in extreme conditions.

Financial status at 30 June 2013

Income statement



KONGSBERG

| MNOK. | Q2-13 | Q2-12 | H1-13 | H1-12 | 2012 |
|------------------------------------------------------------------------------|-------------|-------------|--------------|--------------|--------------|
| Operating revenues | 4 097 | 3 932 | 8 130 | 7 768 | 15 652 |
| Operating expenses | (3 584) | (3 407) | (7 117) | (6 693) | (13 358) |
| Earnings before interest, tax, depreciation and amortisation (EBITDA) | 513 | 525 | 1 013 | 1 075 | 2 294 |
| Depreciation | (83) | (75) | (165) | (147) | (323) |
| Earnings before interest, tax and amortisation (EBITA) | 430 | 450 | 848 | 928 | 1 971 |
| Amortisation | (33) | (28) | (66) | (56) | (119) |
| Impairment | - | - | - | (10) | (12) |
| Earnings before interest and tax (EBIT) | 397 | 422 | 782 | 862 | 1 840 |
| Net financial items | (2) | (2) | (11) | (5) | (31) |
| Earnings before tax | 395 | 420 | 771 | 857 | 1 809 |
| Income tax | (110) | (112) | (215) | (235) | (505) |
| Earnings after tax | 285 | 308 | 556 | 622 | 1 304 |
| Non-controlling interests | - | - | (2) | (1) | (5) |
| Equity holders of the parent | 285 | 308 | 558 | 623 | 1 309 |
| <i>Earnings per share (NOK)</i> | <i>2.38</i> | <i>2.57</i> | <i>4.65</i> | <i>5.20</i> | <i>10.91</i> |
| <i>Earnings per share, diluted (NOK)</i> | <i>2.38</i> | <i>2.57</i> | <i>4.65</i> | <i>5.20</i> | <i>10.91</i> |
| | | | | | |
| New orders (MNOK) | 3 773 | 3 669 | 7 659 | 7 395 | 14 605 |

Financial status at 30 June 2013

Balance sheet



KONGSBERG

| MNOK | 30 Jun.13 | 31 Mar.13 | 31 Dec.12 |
|--------------------------------------|---------------|---------------|---------------|
| Property, plant and equipment | 2 640 | 2 615 | 2 602 |
| Intangible assets | 3 133 | 3 138 | 2 750 |
| Other non-current assets | 288 | 279 | 280 |
| Total non-current assets | 6 061 | 6 032 | 5 632 |
| Short-term assets | 8 381 | 8 463 | 8 133 |
| Cash and short-term deposits | 2 630 | 2 144 | 2 509 |
| Total current assets | 11 011 | 10 607 | 10 642 |
| TOTAL ASSETS | 17 072 | 16 639 | 16 274 |
| Paid-in capital | 982 | 982 | 982 |
| Retained earnings | 5 253 | 5 346 | 5 074 |
| Fair value, financial instruments | (35) | 119 | 207 |
| Non-controlling interests | 11 | 10 | 11 |
| Total equity | 6 211 | 6 457 | 6 274 |
| Long-term interest-bearing debt | 1 311 | 1 313 | 1 311 |
| Other non-current liabilities | 1 679 | 1 627 | 1 575 |
| Total non-current liabilities | 2 990 | 2 940 | 2 886 |
| Construction contracts, liabilities | 2 679 | 2 599 | 2 284 |
| Other current liabilities | 5 192 | 4 643 | 4 830 |
| Total current liabilities | 7 871 | 7 242 | 7 114 |
| TOTAL EQUITY AND LIABILITIES | 17 072 | 16 639 | 16 274 |

Shares and shareholders

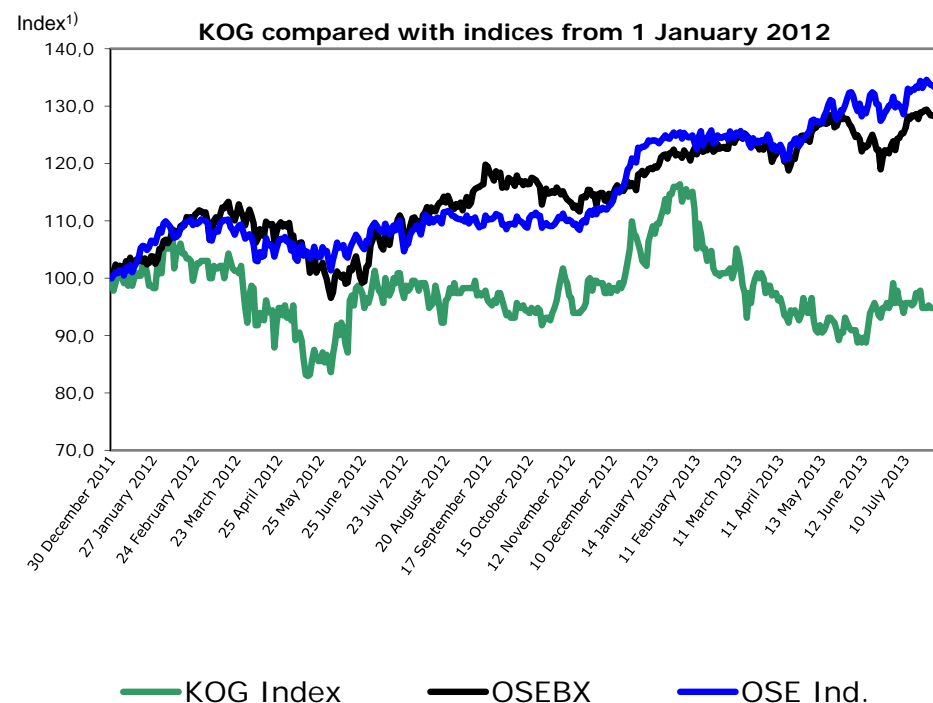


KONGSBERG

20 largest shareholders (2 August 2013)

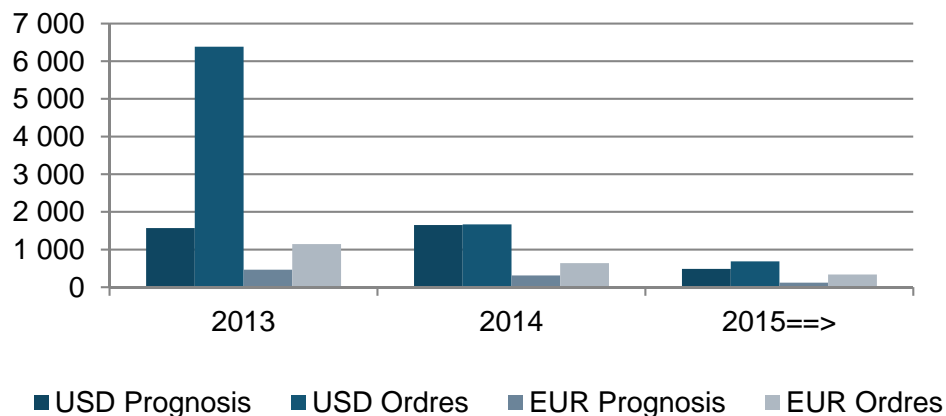
| Shareholders | # shares | Stake | Δ 01.01.11 |
|-----------------------------------------------------|--------------------|----------------|------------|
| 1 State repr. by the Ministry of Trade and Industry | 60 001 600 | 50.00% | - |
| 2 Arendals Fossekompagni | 9 552 796 | 7.96% | - |
| 3 National Insurance Fund | 8 695 992 | 7.25% | -1.81 %p |
| 4 MP Pensjon | 4 812 800 | 4.01% | - |
| 5 Skagen Vekst | 2 940 497 | 2.45% | -0.25 %p |
| Total for the 5 largest shareholders | 86 003 685 | 72.37% | |
| 6 JP Morgan Chase bank - nominee | 1 984 550 | 1.65% | -0.02 %p |
| 7 Aberdeen Asset Management | 2 015 000 | 1.43% | 1.18 %p |
| 8 Odin Norden | 1 542 443 | 1.29% | -0.50 %p |
| 9 Danske Invest Norske II | 1 447 764 | 1.21% | 0.95 %p |
| 10 Odin Norge | 1 446 925 | 1.21% | -0.70 %p |
| 11 REASSURE LIMITED | 965 000 | 0.80% | New |
| 12 Verdipapirfondet DNB | 684 729 | 0.57% | 0.50 %p |
| 13 The Northern Trust C Non-treaty acc. | 601 921 | 0.50% | New |
| 14 BNP Paribas - nominee | 534 489 | 0.45% | New |
| 15 JP Morgan Chase bank - nominee | 496 552 | 0.41% | 0.39 %p |
| 16 KLP Aksje Norge Indeks Vpf | 476 429 | 0.40% | 0.13 %p |
| 17 JP Morgan Chase bank - nominee | 475 000 | 0.40% | New |
| 18 Odin Offshore | 455 500 | 0.38% | -0.40 %p |
| 19 Must Invest AS | 400 000 | 0.33% | - |
| 20 STATOIL PENSJON | 378 549 | 0.32% | -0.03 %p |
| Total for the 20 largest shareholders | 99 908 536 | 83.26% | |
| Total number of shares | 120 000 000 | 100.00% | |

Share price performance



1) KOG's share price relative to the Oslo Stock Exchange Benchmark Index and the Industrials Index. Closing share price on 1 January 2012 = 100

Hedging portfolio at 30 June 2013 (values in MNOK)



Hedging portfolio

- Orders: All orders signed in foreign currencies are hedged, eliminating currency risk
- Prognosis: Prior to signature, probable contracts are also hedged pursuant to the guidelines stipulated in the Group's Foreign Exchange Policy

Foreign exchange policy

- Hedging of all signed contracts
- Partial hedging of anticipated revenues in foreign currencies two years ahead
- Goals:
 - Create predictability and ensure profitability for the existing product portfolio
 - Allow time for operational and strategic initiatives in the event of lasting changes in exchange rates

Foreign currency position

- 70-75 per cent of sales influenced by exchange rates
- 30-35 per cent of costs in foreign currencies
- About 35 per cent net exposure, primarily in USD and EUR
- Our competitiveness is influenced by:
 - Changes in NOK exchange rates, NOK/EUR, against all foreign competitors
 - Changes in the USD exchange rate, USD/EUR, against all competitors with their cost base in USD or currencies linked to the USD

Financial calendar and Investor Relations contacts



KONGSBERG

Financial calendar 2013

Publication of quarterly figures

- Q3 31 October

Capital Markets Day 2013

- 07 November

IR contacts

Hans-Jørgen Wibstad CFO

Telephone: +47 32 28 39 90

E-mail: hans.jorgen.wibstad@kongsberg.com

Jan Erik Hoff VP Investor Relations and Reporting

Telephone: +47 32 28 83 30 / +47 99 11 19 16

E-mail: jan.erik.hoff@kongsberg.com

Tor Egil Kili IR Manager

Telephone: +47 98 21 40 19

E-mail: tor.egil.kili@kongsberg.com

Kongsberg Gruppen ASA

Telephone: +47 32 28 82 00

E-mail: office@kongsberg.com

For more information, see: <http://www.kongsberg.com/en/KOG/InvestorRelations.aspx>

kongsberg.com



KONSGBERG