

INVESTOR PRESENTATION

4TH QUARTER / PRELIMINARY ANNUAL RESULTS

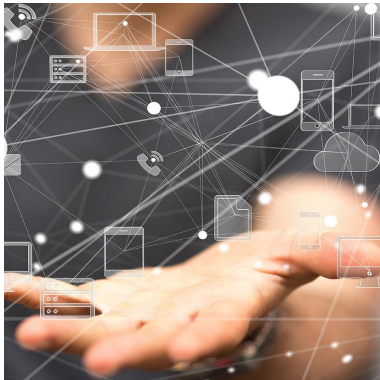
11 FEBRUARY 2016



KONGSBERG

HUGIN

HIGHLIGHTS



High overall activity, mixed EBITDA picture

- 2.5 % growth in revenues in 2015, full year EBITDA margin 10.5 %
- Protector MCRWS selected for Stryker in Q4
- Launching Kongsberg Digital – focusing our digital expertise
- Oil and gas related activities being restructured and consolidated
- The Board proposes a dividend of NOK 4.25 per share



FINANCIAL STATUS



KONGSBERG

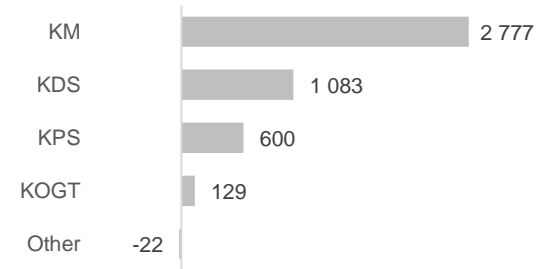
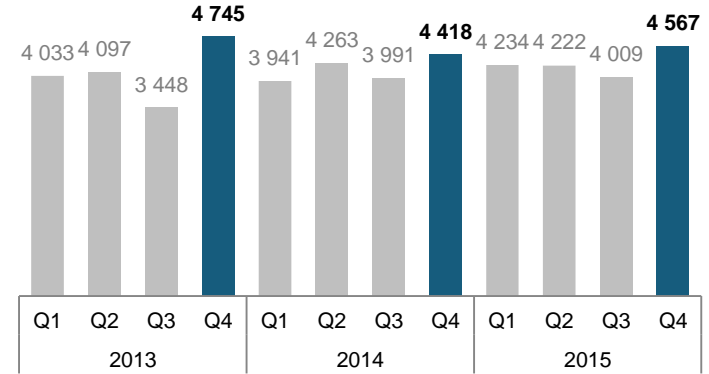
REVENUES Q4



KONGSBERG

Q4 revenues up 3.4 % from 2014

- KM with record high revenues in Q4 – up 9.1 % compared to 2014
- Good activity level in KDS, revenues on par with previous quarters
- Increased KPS revenues – activity picking up
- Continued low activity level in KOGT – revenues down 43.4 % from Q4 2014



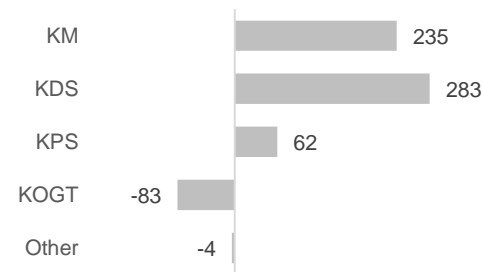
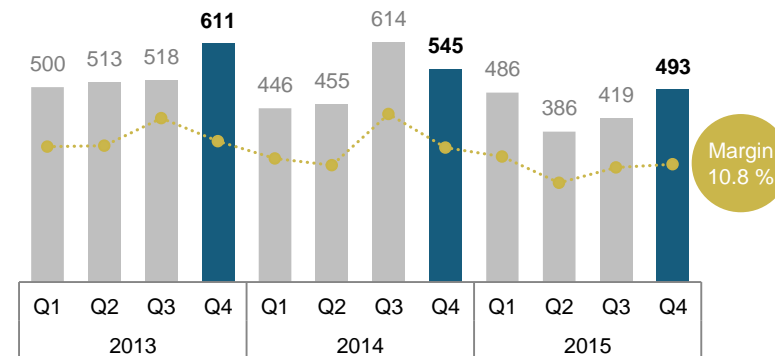
EBITDA Q4



KONGSBERG

Q4 EBITDA MNOK 493

- Influenced by net positive non-recurring items
 - MNOK 168 positive EBITDA effect from changes to pension scheme
 - MNOK 88 restructuring costs in KOGT and KM
- Weaker underlying EBITDA in KM for several reasons
 - e.g. project mix/phase, periodic effects, R&D
- Good profitability in KDS – EBITDA margin 20.7 % (adjusted for pension)
- Improved underlying EBITDA in KPS
- MNOK 300 impairment of goodwill and intangible assets in KOGT due to results and weak outlook



NON-RECURRING ITEMS Q4

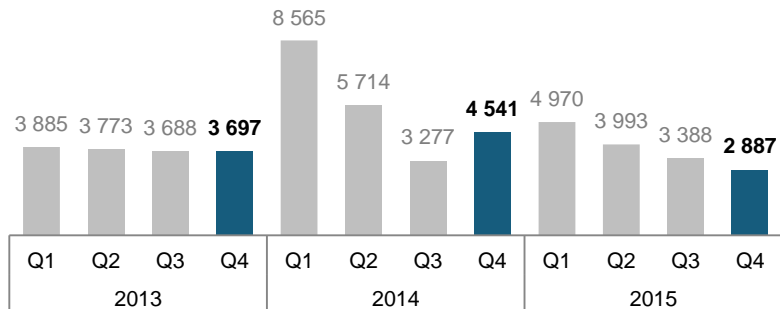
	KM	KDS	KPS	KOGT	OTHER	GROUP
Released provisions			+12			+12
Changes to pension scheme	+76	+59	+15	+13	+5	+168
Restructuring costs	-41			-47		-88
Total¹	+35	+59	+27	-34	+5	+92

1) List is not exhaustive

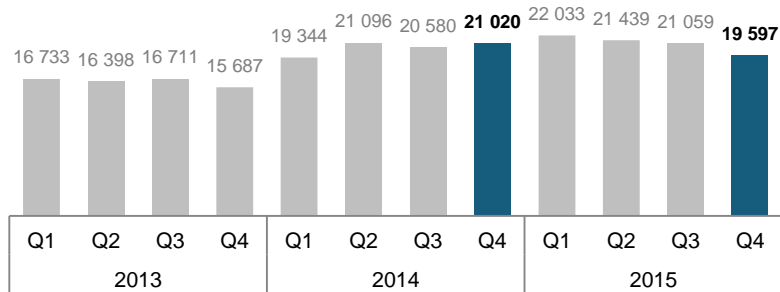
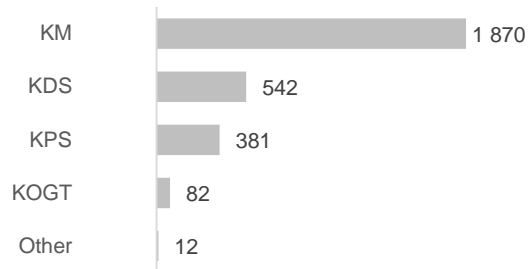
ORDERS Q4



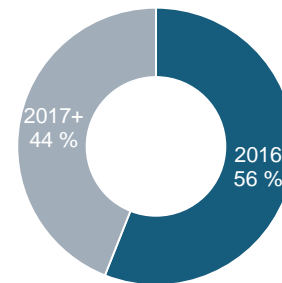
KONGSBERG



New orders:
2 887

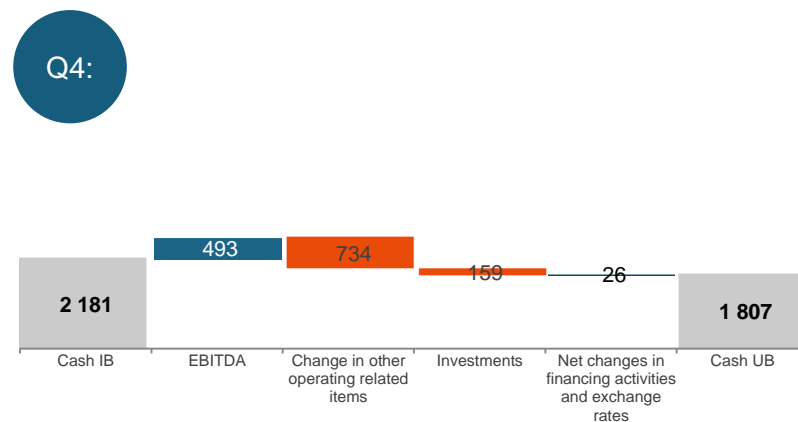
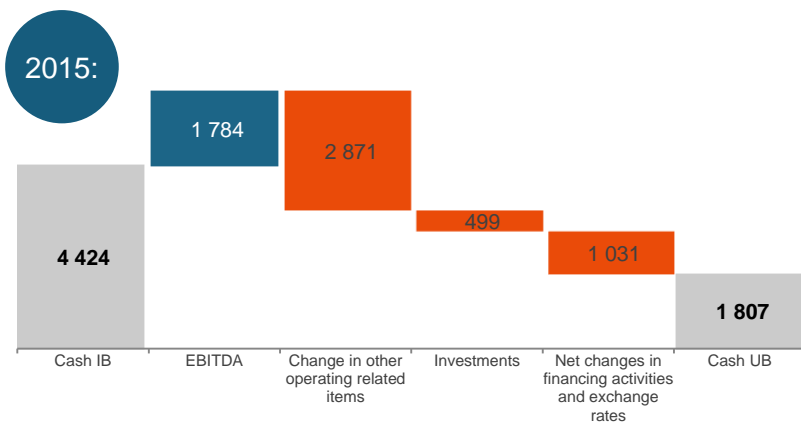


Backlog:
19 597



Life-cycle business and framework agreements not converted into delivery contracts are not included in the backlog.

CASH FLOW



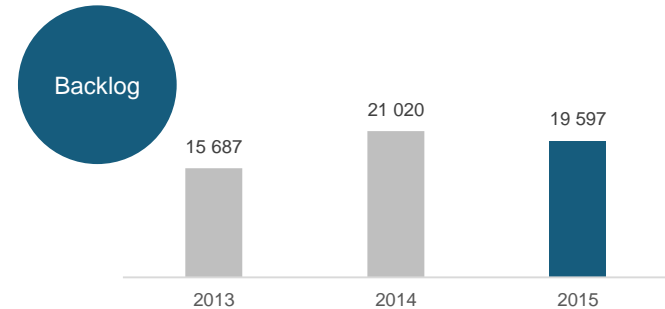
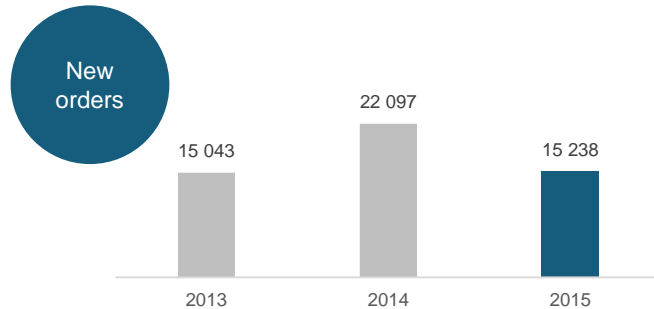
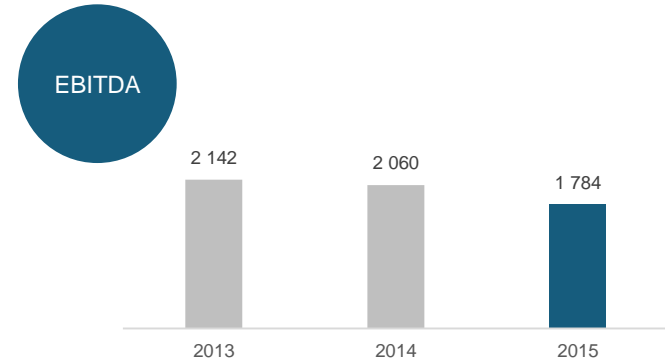
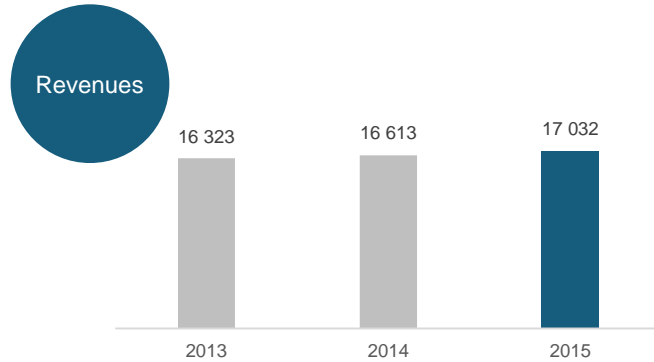
	Q4 2015	Q3 2015	Q4 2014
Cash and short-term deposits	1 807	2 181	4 424
Net interest bearing debt	-941	-1 299	-3 551
Equity ratio	32.0%	30.3%	31.0%
ROACE*	16.9%	14.4%	16.4%

* EBIT divided by 12 month average equity + interest bearing debt

Negative cash flow in Q4, MNOK 374

- Substantial prepayments received in 2014
- MNOK 376 temporary cash outflow from currency hedges in Q4, MNOK 1 167 in 2015
- Other normal fluctuations in working capital

KEY FIGURES 2015



NON-RECURRING ITEMS 2015

	KM	KDS	KPS	KOGT	OTHER	GROUP
Released provisions			+206			+206
Changes to pension scheme	+76	+59	+15	+13	+5	+168
Restructuring costs	-41			-98		-139
RRM damages ¹	-95					-95
Total²	-60	+59	+221	-85	+5	+140

1) Not including legal fees and expenses

2) List is not exhaustive

DIVIDEND



KONGSBERG

“ *Dividends shall over time constitute between 40 and 50 per cent of the company's ordinary net profit after tax, future capital requirements taken into account* ”

The Board proposes a dividend of NOK 4.25 per share

TOTAL DIVIDEND	PAYOUT RATIO	EXCL. IMPAIRMENT
MNOK 510	50.0 %	68.2 %

BUSINESS UPDATE



KONGSBERG



KONGSBERG MARITIME

- High activity level both in the quarter and 2015, weaker margins
- Increased activity within EPC/EIT, merchant, robotics and fisheries
- Increasingly influenced by the challenging oil- and gas market

	Q4	2015
Operating revenues	2 777	10 438
EBITDA	235	1 116
New orders	1 870	9 756
Order backlog	7 245	7 245



KONGSBERG DEFENCE SYSTEMS

- Profitability improvements through 2015, record high EBITDA
- Increasing demand for core KDS solutions
- Several significant opportunities being pursued

	Q4	2015
Operating revenues	1 083	4 149
EBITDA	283	695
New orders	542	3 310
Order backlog	8 622	8 622



KONGSBERG PROTECH SYSTEMS

- Protector MCRWS selected for US Army's Stryker vehicles
- Further medium caliber opportunities being pursued
- Low profile RWS now in production

	Q4	2015
Operating revenues	600	1 777
EBITDA	62	227
New orders	381	1 576
Order backlog	3 325	3 325



KONGSBERG OIL & GAS TECHNOLOGIES

- A weak quarter and year characterized by low activity level and restructuring in a deteriorating oil- and gas market

	Q4	2015
Operating revenues	129	777
EBITDA	-83	-203
New orders	82	642
Order backlog	204	204

Life-cycle business and framework agreements not converted into delivery contracts are not included in the backlog.

SEVERAL IMPORTANT CONTRACTS SIGNED IN 2015



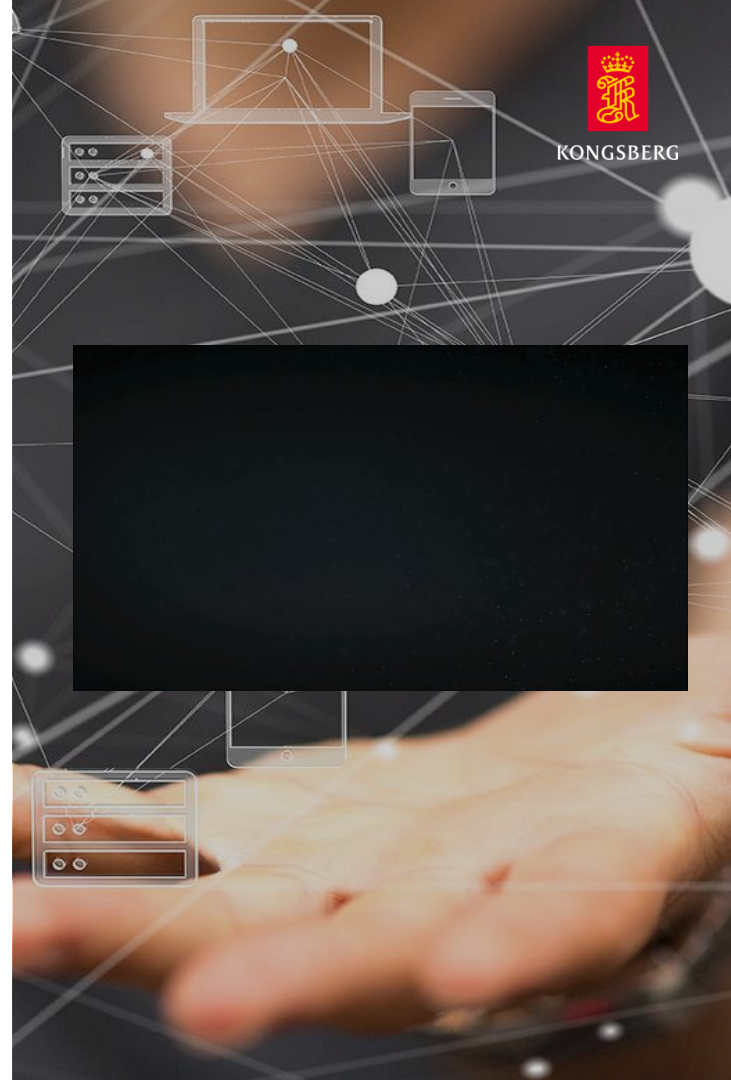
KONGSBERG

- F-35 orders with a total value of MNOK 700, including expanded scope
- Contract with Avinor for Remote ATC towers
- Contract for extensive delivery of KM equipment to Johan Sverdrup
- Several orders within EPC/EIT-segment, including FPSO's
- Protector RWS contract with General Dynamics Land Systems UK for the Scout vehicles
- Protector MCRWS selected for US Army's Stryker vehicles, first contract signed with General Dynamics Land Systems in January 2016
- Naval Strike Missile (NSM) ships equipment to the Malaysian Navy

LAUNCHING KONGSBERG DIGITAL

Industrial internet and big data are significant opportunities and change drivers for KONGSBERG

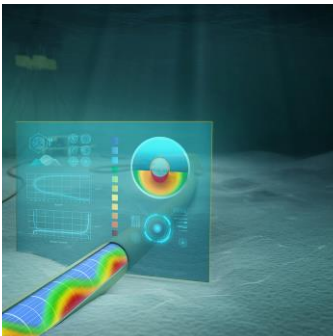
- Essentially, KONGSBERG is a data, electronics and software corporation
- Kongsberg Digital:
 - A leading industrial software environment with about 450 employees
 - Building on existing software and simulation environments in KOGT and KM
 - Group responsibility for developing new digital solutions and related technology alliances
 - Launched during H1 2016
 - Headed by Hege Skryseth
- An important step in the Group's strategy for developing the next generation of digitalized products and services



KONGSBERG



RESTRUCTURING AND CONSOLIDATING THE GROUP'S OIL & GAS ACTIVITIES



- KONGSBERG restructures and consolidates its offshore, oil and gas activities
 - KOGT's Software & Services will be incorporated as an important part of Kongsberg Digital
 - The Group's oil- and gas related engineering services will be consolidated in KM
- As a result, KOGT will not be a separate business area from 2016
- KM will continue and reinforce the Group's overall oil and gas portfolio and client relationships

GEIR HÅØY NEW CEO FROM JUNE 2016



Geir Håøy has been with KONGSBERG since 1993.

President of Kongsberg Maritime and part of the corporate management team since 2010.

Extensive international experience.

Will take on the position as CEO in June 2016.



2016 OUTLOOK

KONGSBERG MARITIME

- Slower contracting of new vessels in the offshore market, good outlook for more advanced merchant and subsea
- Capacity adjustments will lead to restructuring costs in 2016, currently estimated to MNOK 50-100
- Strong market positions, good order backlog and an installed base of 17 500 vessels provides a good platform
- Activity level in 2016 expected to be somewhat lower than in 2015

KONGSBERG DEFENCE SYSTEMS

- Strong position in selected niches and several important opportunities in a generally strengthened defence market
- Solid backlog provides a good platform for a somewhat increased activity level in 2016

KONGSBERG PROTECH SYSTEMS

- Global leader in remote weapon systems with a well positioned product portfolio, including the medium calibre turret
- Activity level expected to increase somewhat in 2016

OTHER

- Establishing Kongsberg Digital during the first half of 2016
- Restructuring and consolidating the Group's oil and gas engineering services in KM

See quarterly report for full text

DISCLAIMER



KONGSBERG

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.

WORLD CLASS

- THROUGH PEOPLE, TECHNOLOGY AND DEDICATION



KONGSBERG