



KONGSBERG

Q2 2006

WORLD CLASS – through people, technology and dedication



General summary

- MNOK 1 542 in operating revenues, up 10.1% from Q2 2005
- EBIT MNOK 99 (MNOK 49)
- EBIT margin 6.4% (3.5%)
- Profit per share NOK 2.03 (NOK 1.14)

Defence & Aerospace	Offshore & Merchant Marine
<ul style="list-style-type: none">▪ Growth in operatin revenues and EBIT compared with Q2 2005▪ MNOK 769 in new orders (MNOK 699) translates into MNOK 154 higher backlog than at 31 March 2006▪ Succesful NSM tests	<ul style="list-style-type: none">▪ Generally good Q2▪ 9.7 % EBIT margin▪ Strong influx of new orders translates into record-high backlog▪ Still good markets



- Financial status at Q2 2006
- The business areas – Status and prospects for the future
- Relevant factors
- Shares and shareholders
- Appendix

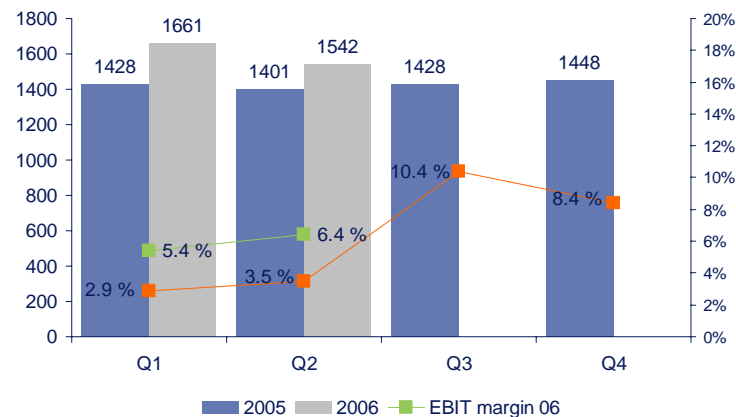
Financial status at Q2 2006

Operating revenues and EBIT

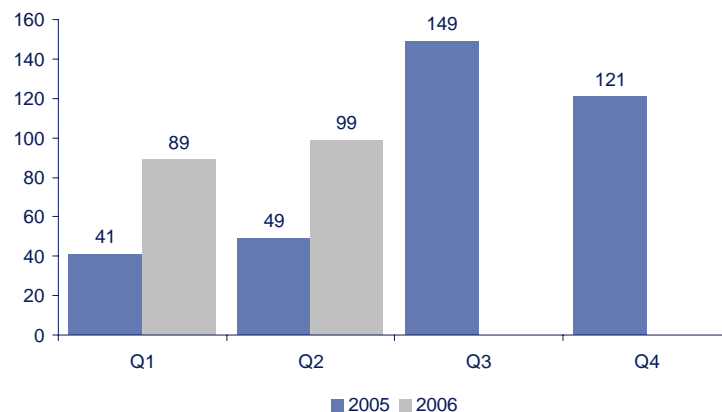


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Operating revenues by quarter



EBIT by quarter



- Both business areas demonstrated growth in profits and volume compared with 2005
- Operating revenues up MNOK 141 (+10.1 %) from corresponding quarter last year
- YTD operating revenues up MNOK 374 compared with mid-year 2005 (+ 13.2 %)
- Operating profit up MNOK 50 from Q2 2005
- YTD operating profit up MNOK 98 compared with mid-year 2005
- The Group's Q2 operating margin was 6.4%

Financial status at Q2 2006

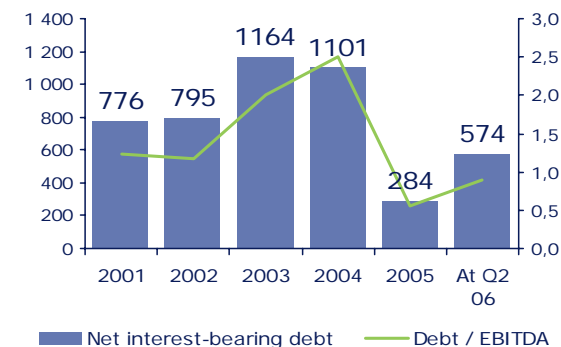
Cash flow



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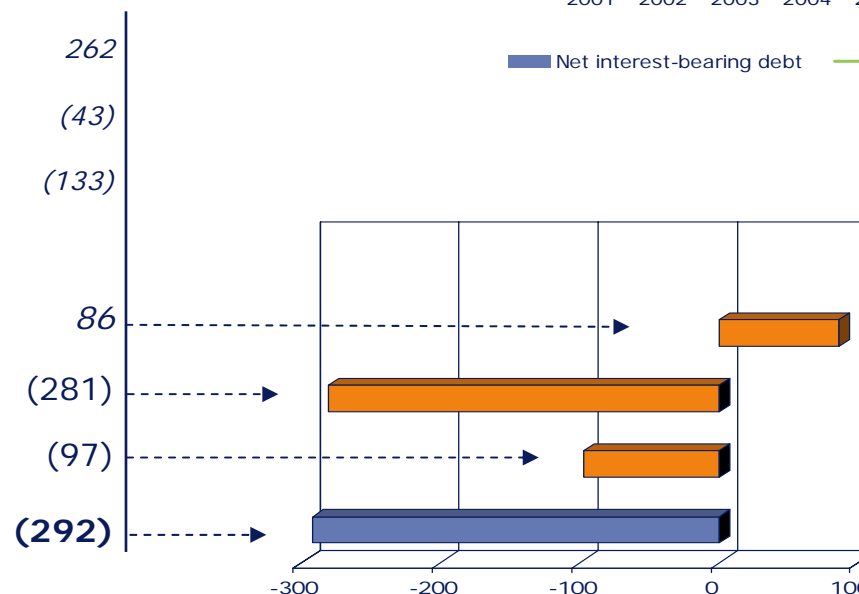
- Net interest-bearing debt up MNOK 166 during Q2 2006. MNOK
- 290 increase since year-end 2005.
- MNOK 228 of the increase is ascribable to payments in connection with corporate acquisitions

Net interest-bearing debt



Net cash flow mid-year 2006 MNOK

EBITDA	262
Change in prepayments from customers	(43)
Change in working capital and other operational items	(133)
Cash flow from operating activities	86
Cash flow from investment activities	(281)
Cash flow from financial activities	(97)
Net change, liquid assets	(292)

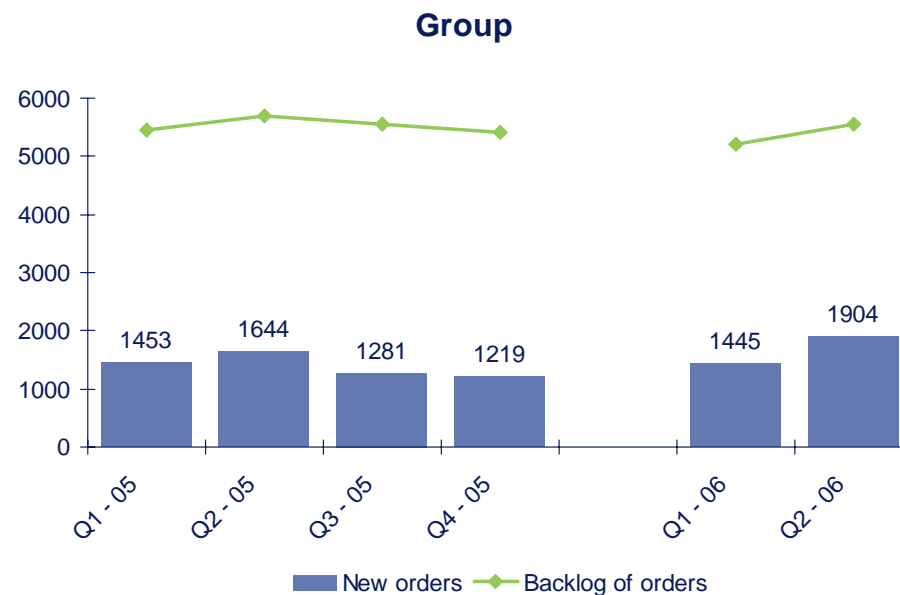


Financial status at mid-year 2006

New orders and backlog of orders



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- New orders for the Group
 - MNOK 1 904 in Q2, up MNOK 260 from same quarter last year
 - YTD new orders of MNOK 3 349 (MNOK 3 097)

- The Group's backlog of orders
 - MNOK 5 562, down MNOK 139 since 30 June 2005 and up MNOK 146 since 31 Dec. 2005

Financial status at Q2 2006

Key figures



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MNOK	Q2-06	Q2-05	YTD 2006	YTD 2005	2005
EBIT margin:					
Group	6.4 %	3.5 %	5.9 %	3.2 %	6.3 %
Offshore & Merchant Marine	9.7 %	7.7 %	8.7 %	6.9 %	8.6 %
Defence & Aerospace	3.6 %	-1.5 %	3.5 %	-1.2 %	4.6 %
EPS, ongoing operations (NOK)	2.03	0.67	3.74	1.20	7.19
EPS	2.03	1.14	3.74	1.67	8.70
Net interest-bearing debt/ EBITDA			0.9	2.2	0.6
Equity ratio			24.3 %	25.1 %	23 %
Net interest-bearing debt (MNOK)			574	1 131	284
No. Of employees			3 437	3 369	3 372

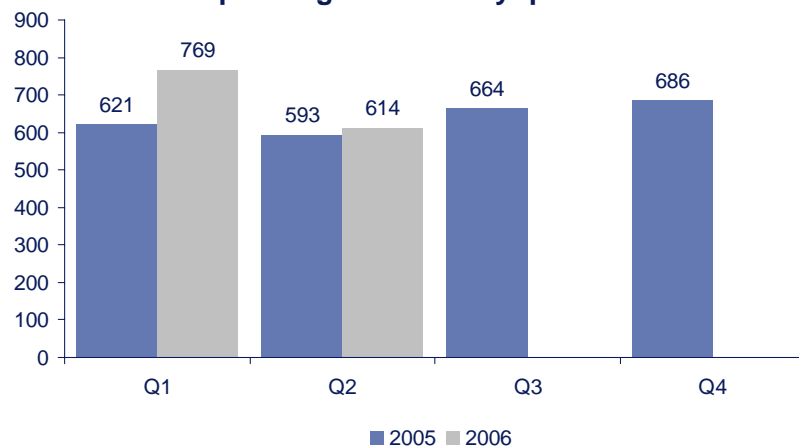


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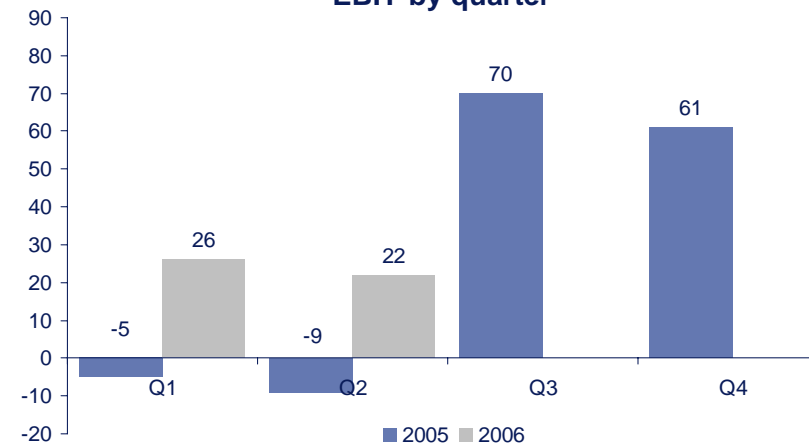


Defence & Aerospace Performance trends

Operating revenues by quarter



EBIT by quarter



Operating revenues

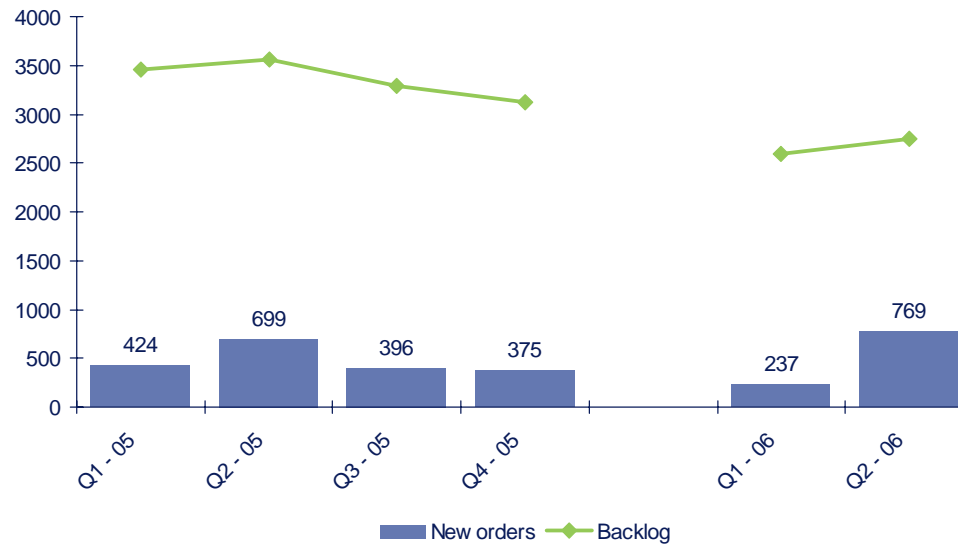
- MNOK 614 in Q2, up 3.5% from corresponding quarter last year.
- YTD MNOK 1 383 (up 13.9 %)

Earnings before tax

- MNOK 22 in Q2, up MNOK 31 from corresponding quarter last year
- MNOK 48 YTD, up MNOK 62 compared with last year



Defence & Aerospace

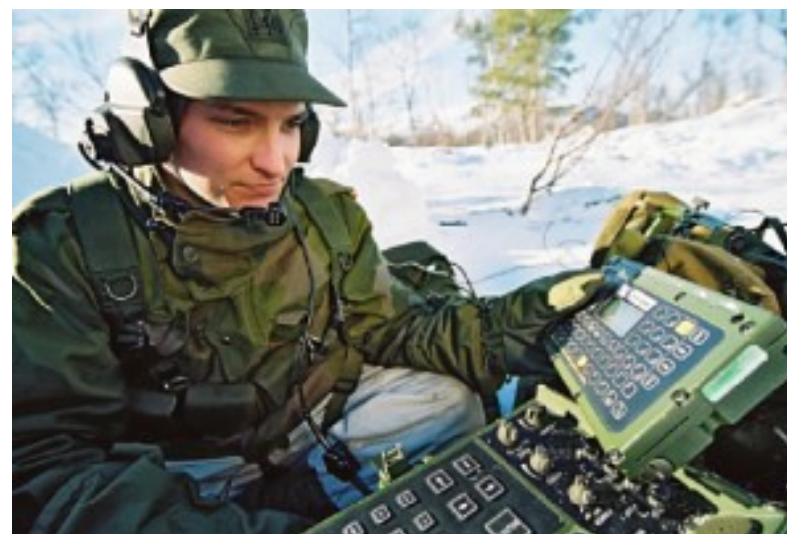


- MNOK 769 in new orders in Q2 (MNOK 1 006). Up MNOK 70 from corresponding quarter last year (MNOK - 117 YTD)
- Total new orders expected to be higher than last year



Defence & Aerospace *Defence market Q2 2006*

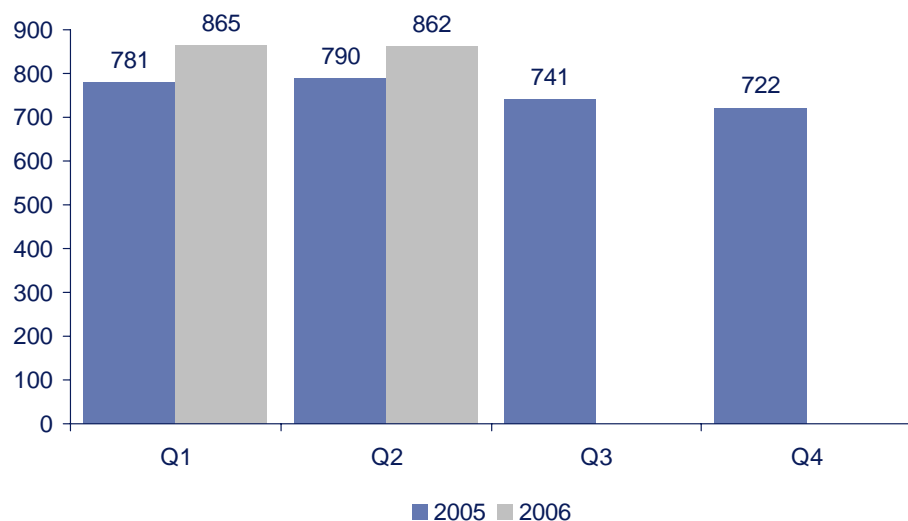
- Signed contracts worth MNOK 426 for remote weapons systems during the quarter
 - Weapons stations contracts with the U.S. and Canada
- Cooperation agreement with Rheinmetall Landsysteme (Germany)
- Signed surveillance contracts for MNOK 75
- Acquisition of Gallium Software Inc. of Canada completed
- NSM is on schedule. Two successful test firings conducted in summer 2006



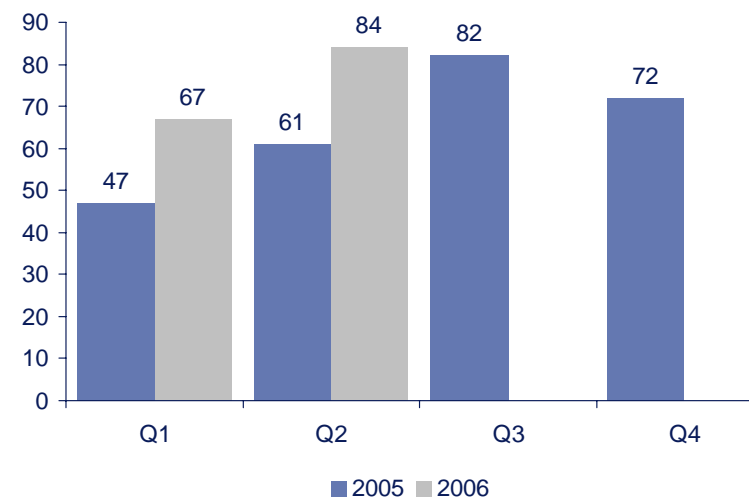


Offshore & Merchant Marine *Performance trend*

Operating revenues by quarter



EBIT by quarter



Operating revenues

- MNOK 862 in Q2, up 9.1% from corresponding quarter last year
- MNOK 1 727 YTD (up 9.9 %)
- The business area has smooth operations and good capacity utilisation

Earnings before tax

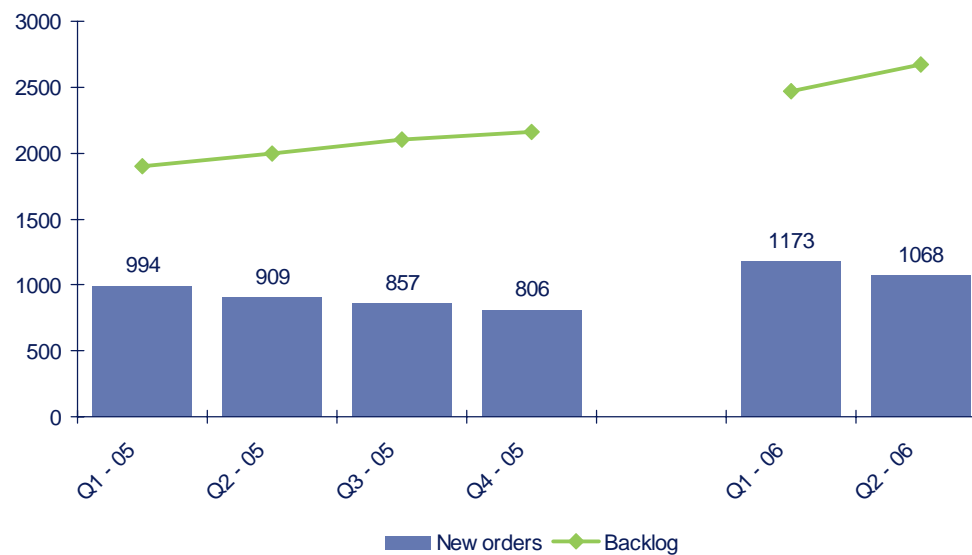
- MNOK 84 in Q2, up MNOK 23 from corresponding quarter last year
- MNOK 151 YTD, up MNOK 43 compared with last year

The figures have been adjusted for the sale of Yachting



Offshore & Merchant Marine *New orders and backlog of orders*

Offshore & Merchant Marine



- Good influx of new orders in Q2
- MNOK 1 068 in new orders (MNOK 2 241 YTD)
- All-time record high backlog of orders (MNOK 2 673)

Offshore & Merchant Marine

The market for Q2 2006 – Continued buoyant activity



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- Merchant marine market, including LNG, stable at a good level.
- New orders for rigs came to MNOK 370 in Q2, and MNOK 770 YTD. Since the rig boom began, KONGSBERG has landed contracts worth a total of MNOK 870
- Acquired Fantoft Process Technologies AS. The acquisition is in line with KONGSBERG's strategy for placing more emphasis on the international oil and gas industry.





- Financial status at Q1 2006
- The business areas – Status and prospects for the future
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Downloading of satellite data from both poles



TrollSat and SvalSat

- Kongsberg Satellite Services
 - Tromsø (main station)
 - Svalbard (SvalSat)
 - Antarctica (TrollSat) – will operate from 2007
- Together, these two ground stations can download data 26 times per day per satellite

▪ Kongsberg Satellite Services

- World leading supplier of satellite based earth observation services
- Satellites facilitate meteorological surveys, earth observation, surveillance, research and communication.

Why satellites in KONGSBERG?

▪ Surveillance

- Surveillance is a relatively new target area for KONGSBERG.
- Access to satellite data will open up a myriad of possibilities in this field

▪ Technology

- KONGSBERG's strategy is to lead the domestic market in aerospace applications
- Positioning relative to cutting edge technological expertise

Fantoft – a new member of the KONGSBERG family



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Products and services

- Fantoft Process Technologies has comprehensive expertise within modelling, simulation and control of processes, as well as long experience with consultancy services for engineering communities in the oil and gas industry.
- Delivered a number of customer-specific training simulators at home and abroad.

- KONGSBERG has acquired Fantoft Process Technologies
- The acquisition is in line with KONGSBERG's strategy for placing more emphasis on the international oil and gas industry

Market areas

- Oil and Gas (offshore and onshore)
- LNG and LPG (Liquified gas)
- Pipelines (single phase and multiphase)
- Refineries
- Chemistry and petrochemicals
- Power plants



Prospects for the future

- KONGSBERG's maritime markets remain very buoyant
 - Strong offshore charter market, especially for rigs
 - In the market for merchant vessels, the shipyards are running at very high capacity, which translates into longer than usual delivery times for newbuildings
 - KONGSBERG expects a continued strong influx of new orders in these markets, but a large part of the new orders booked in 2006 will be delivered in 2007 and 2008
- Defence & Aerospace has seen an increase in new orders compared with Q1 2006 and Q2 2005. Total new orders for 2006 are expected to be higher than in 2005.
- Aggregate operating revenues and the operating margin are expected to be slightly better in 2006 than last year



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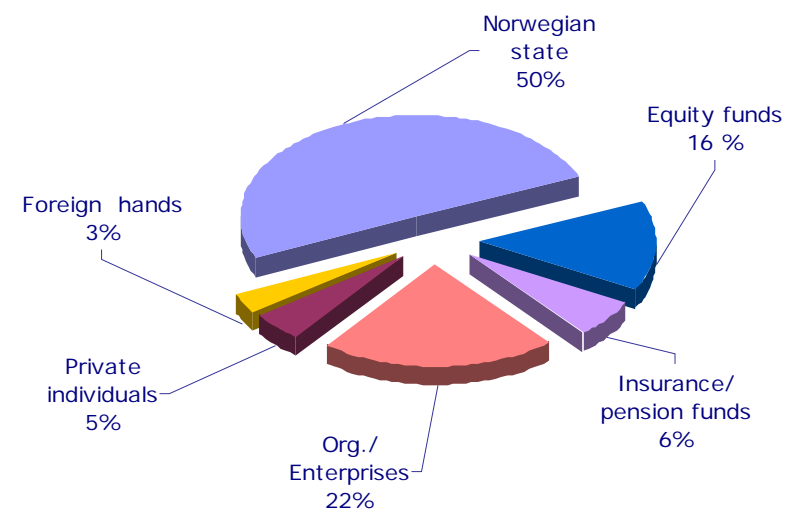


Ownership structure

20 largest shareholders (at 7 August 2006)

Shareholders	# aksjer	Andel	Δ 2006
1 Norw. State/Ministry of Trade and Indus	15 000 400	50,00 %	-
2 National Insurance Fund	2 722 060	9,07 %	0,18 %
3 Arendals Fossekompni ASA	2 055 822	6,85 %	-
4 MP Pensen	1 203 200	4,01 %	-
5 Odin Norge	1 162 900	3,88 %	-1,25 %
Total, 5 largest shareholders	22 144 382	73,81 %	
6 Skagen Vekst	960 000	3,20 %	0,05 %
7 Odin Norden	915 737	3,05 %	-0,08 %
8 Ferd Invest AS	650 000	2,17 %	-
9 Orkla ASA	387 300	1,29 %	New
10 Odin Offshore	281 550	0,94 %	-0,16 %
11 Mellon Bank as agent	126 557	0,42 %	New
12 Danske Fund Norge	121 750	0,41 %	New
13 Vital Forsikring	117 257	0,39 %	-0,01 %
14 Danske Fund Norge Vekst	113 800	0,38 %	-0,24 %
15 Mellon Bank as agent	110 328	0,37 %	New
16 State Street Bank & client Omnibus	107 637	0,36 %	New
17 DFA-intl small cap	100 000	0,33 %	New
18 Fondsaveanse AS	100 000	0,33 %	-
19 Pactum	100 000	0,33 %	-
20 Mustad Industrier	91 550	0,31 %	-0,09 %
Total, 20 largest shareholders	26 427 848	88,1 %	
Total, all shares	30 000 000	100,0 %	

Distribution of shareholders



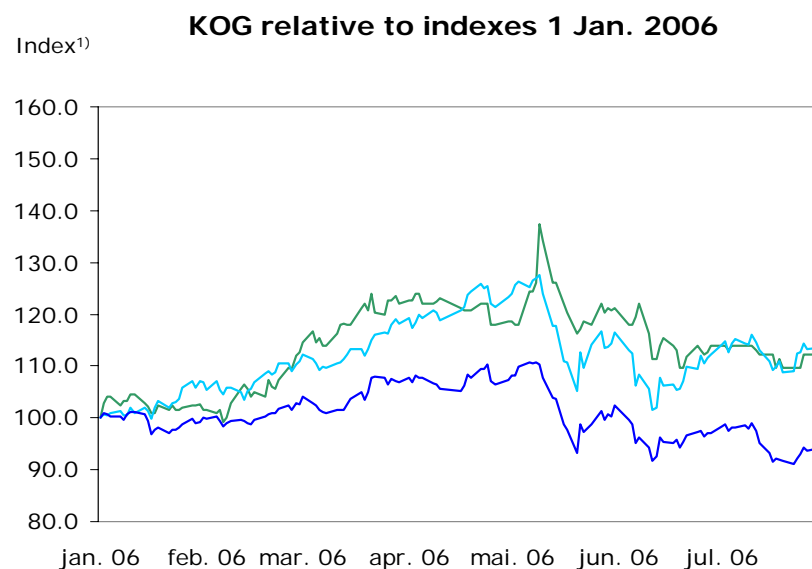
Stake	Number of shares	% of shareholders	% of total number of shares
1 – 1 000	3 657	87.26%	2.56%
1 000 – 10 000	456	12.88%	3.36%
10 000 – 100 000	59	1.41%	6.28%
100 000 – 1 000 000	14	0.33%	13.99%
1 000 000 <	5	0.12%	73.81%



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Share price and liquidity

Share price performance from 1 Jan. 2006

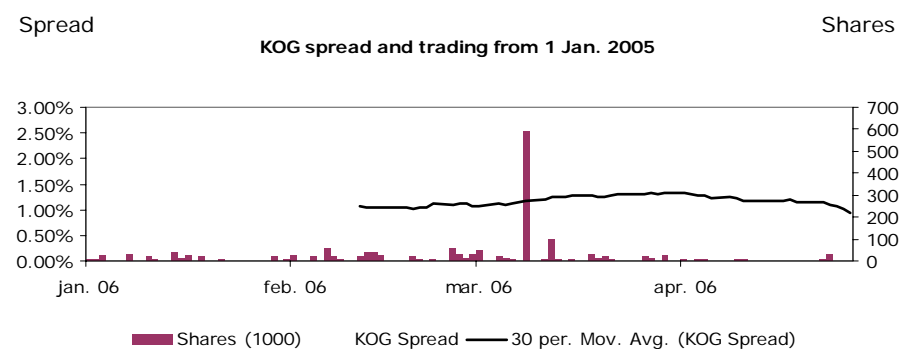


— KOG Index — OSEBX — OSE Ind.

Share price performance

- The price of KONGSBERG shares have climbed by approx. 12.5 % since 1 January 2006. All-time high set on 12 May 2006. KOG was then traded at NOK 170

Liquidity trend from 1 Jan. 2006



Liquidity trend

- The trading volume and the liquidity of the share remain low
- Approx. 500 more shareholders on the year

1) Comparison of KOG share price relative to OSEBX and the Industrial Index. Price = 100 at 1 Jan. 2006



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Financial status at Q2 2006

Income statement



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MNOK	Q2 06	Q2 05	YTD 2006	YTD 2005	2005
Operating revenues	1 542	1 401	3 203	2 829	5 705
Operating expenses	(1 409)	(1 314)	(2 941)	(2 658)	(5 189)
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	133	87	262	171	516
Depreciation	(34)	(38)	(74)	(81)	(156)
Earnings before interest and taxes (EBIT)	99	49	188	90	360
Net financial items	(14)	(16)	(29)	(32)	(57)
Share of profit/(loss) in associates	2	2	4	3	8
Profit from ongoing operations before tax	87	35	163	61	311
Tax expense	(25)	(13)	(49)	(23)	(96)
Result from ongoing operations, net after tax	62	22	114	38	215
Profit from non-ongoing operations	-	14	-	14	47
The consolidated net profit and non- ongoing operations	62	36	114	52	262
Minority share	1	2	2	2	2
Majority share	61	34	112	50	260
<i>EPS, ongoing activities (NOK)</i>	<i>2,03</i>	<i>0,67</i>	<i>3,74</i>	<i>1,20</i>	<i>7,19</i>
<i>EPS (NOK)</i>	<i>2,03</i>	<i>1,14</i>	<i>3,74</i>	<i>1,67</i>	<i>8,70</i>
<i>EPS, diluted (NOK)</i>	<i>2,03</i>	<i>1,14</i>	<i>3,73</i>	<i>1,67</i>	<i>8,69</i>
New orders (MNOK)	1 904	1 644	3 349	3 097	5 597

Financial status at Q2 2006

Balance sheet



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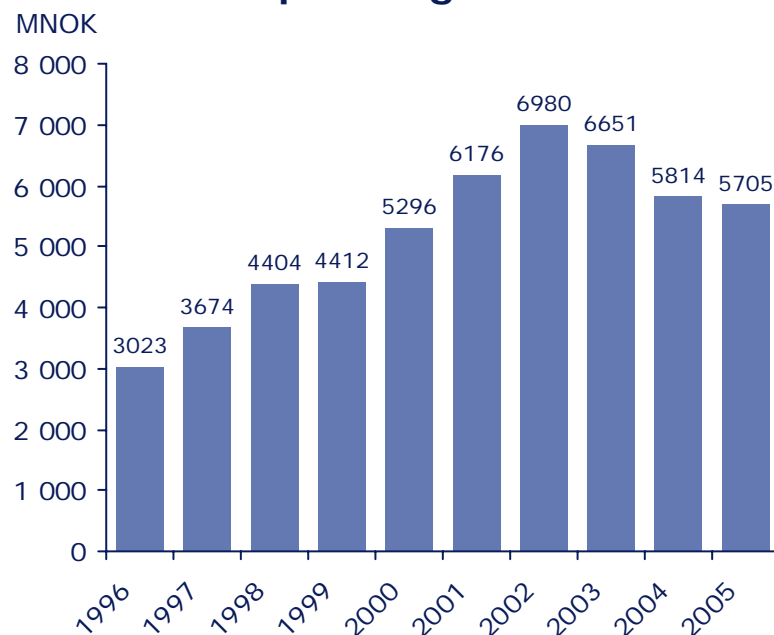
MNOK	30 June 06 IFRS	31 Dec. 05 IFRS	30 June 05 IFRS
Tangible fixed assets	936	924	1 004
Intangible assets	1 327	1 127	1 251
Other long-term assets	350	325	238
Total long-term assets	2 613	2 376	2 493
Short-term assets	3 662	3 444	3 671
Liquid assets	431	723	97
Total current assets	4 093	4 167	3 768
Total assets	6 706	6 543	6 261
Paid-in capital	981	981	981
Retained equity	638	514	576
Minority share	8	10	16
Total equity	1 627	1 505	1 573
Long-term interest-bearing debt	1 005	1 005	1 226
Other long-term liabilities	1 278	1 184	1 037
Total long-term liabilities	2 283	2 189	2 263
Prepayments from customers	1 574	1 617	1 127
Short-term interest-bearing debt	-	2	2
Other short-term debt	1 222	1 230	1 296
Total short-term debt	2 796	2 849	2 425
Total equity and liabilities	6 706	6 543	6 261

Historical development of operating revenues and EBIT

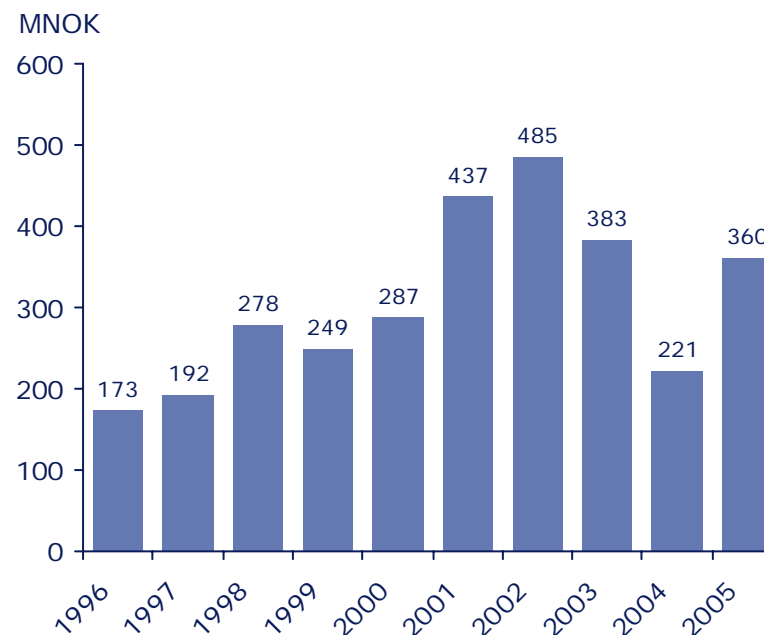


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Operating revenues²⁾



EBIT¹⁾²⁾

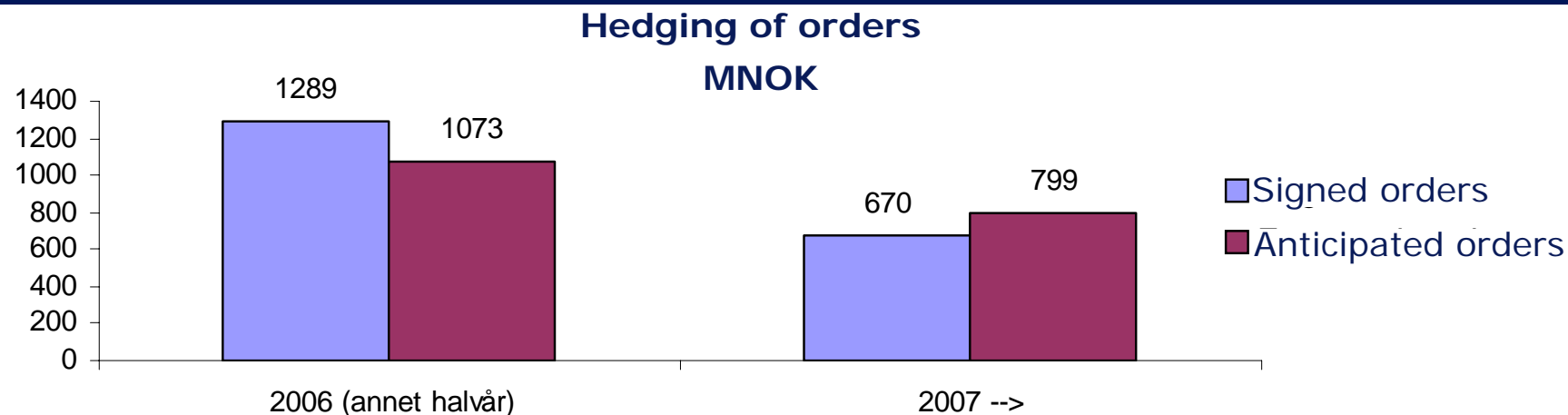


1) 1996-2003, not IFRS-compliant

2) 2004 and 2005 have been adjusted for the sale of yachting activities. 2004 includes one-off effects due to the delay in the NSM development programme (operating revenues MNOK 70 and EBIT MNOK 150)



Currency hedges at 30 June 2006



Risk

- Significant foreign currency exposure – more than 70% of sales outside Norway, mostly USD, but increasing volume in EUR
- Procurements from abroad and own activities abroad mitigate net exposure
- In certain markets and product areas, currency fluctuations can wholly or partially be compensated through pricing
- The combination of hedging strategy, commercial measures and strong product markets has limited the effect of the substantial decline in the USD in recent years

Hedging

- All signed orders are 100 % hedged through forward exchange contracts
- Certain percentages of anticipated new orders are hedged
- Average hedging exchange rates are reflected in price trends over the past 2-3 years
- High hedging ratio for the remainder of 2006
- Lower hedging ratio in 2007 and later
- New offers based on today's price levels

Board of Directors of Kongsberg Gruppen ASA



KONGSBERG



Finn Jebesen (56), Chair of the Board

- Self-employed
- CEO of Orkla from 2001 to 2005
- Member of Orkla's corporate management since 1984
- Has had several directorships in Orkla-related companies, for example, as Chair of the Boards of Directors of Orkla Foods AS and Elkem



Benedicte Berg Schilbred (59), Deputy Chair

- Executive Chair of the Board of the Odd Berg Group
- A number of other directorships: Chairman of the Board Tos Lab AS. Director of Norway Pelagic Group AS, Egersund Seafood AS, Fiskeriforskning AS, Norsildmel AS and Norsildmel Innovation AS



Erik Must (63), Director

- Chair of the Board of Fondsfinans ASA and Fondsfinans Kapitalforvaltning Holding AS
- A number of other directorships: Chair of the Board of Arendals Fossekompani and Erik Must AS. Director of Gyldendal and Norges Handels- og Sjøfartstidende, among others



John Giverholt (53), Director

- CFO of Ferd AS
- Experience from Orkla ASA, DNB ASA and Norsk Hydro ASA
- Other directorships: Chair of the Board of Oslo Pensjonsforsikring. Director of Telenor ASA



Siri Hatlen (48), Director

- Self-employed
- A number of directorships: Chair of the Board of Health East, SIFA SF, State Education Loan Fund, Det Norske Samlaget Publishing House and AS Vinmonopolet. Director of Smedvig ASA, NTNU and Det Norske Teateret, among others



Roar Marthiniussen (49) – Director (employee representative)

- Sales & Marketing Manager at Kongsberg Maritime AS
- Engineer from the Horten College of Engineering
- Employee representative on KONGSBERG's Board of Directors since 1999



Jan Hagen (47), Director (employee representative)

- Shop steward at Kongsberg Protech AS
- Educated at the Kongsberg College of Engineering
- Guild certificate as a mechanical engineering supervisor
- Employee representative since 2003



Audun Solås (47), Director (employee representative)

- Chief engineer at Kongsberg Defence & Aerospace
- Graduate engineer, Royal College of Technology, Stockholm
- Employee representative since 2005

Financial Calendar and Investor Relations contacts



KONGSBERG

Financial Calendar 2006

Capital Markets Day

- 21 September

Announcement of quarterly performance figures

- Q3: 23 October

Presentations

- Q3: 24 October

IR contacts

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For more information, please see: www.kongsberg.com/nor/kog/Investor_information/



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WORLD CLASS – through people, technology and dedication