



2nd Quarter 2009 - headlines



- Growth continues
- Strong influx of orders - backlog of orders strengthened substantially
- Satisfactory profit margin for corporate operations as a whole
 - Ramp-up and non-recurring expenses, as well as provisions again in Q2
- Good results in the maritime segment
 - Good influx of new orders and good EBITA
 - Level of cancellations still low
- Strengthening of market positions
 - Air defence contract with Finland
 - JSM development contract and cooperation with Lockheed Martin on the JSM
 - In an important market and product development phase for the RWS/Protector
 - Product launches in vessel automation and dynamic positioning
 - Build-up of multi-phase flow products (LedaFlow)
- Currency fluctuations
 - Major exchange rate fluctuations, fluctuations in equity for accounting purposes
- Continued economisation and focus on operations
 - Group-wide efficiency improvement programme
 - Reorganisation in units with weak profitability

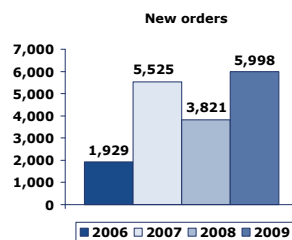
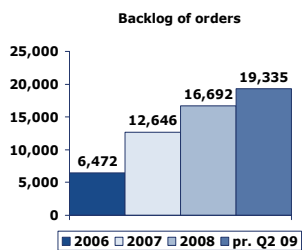
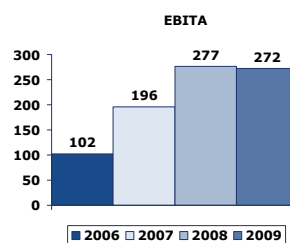
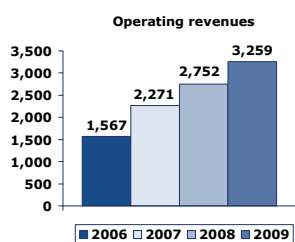


AGENDA

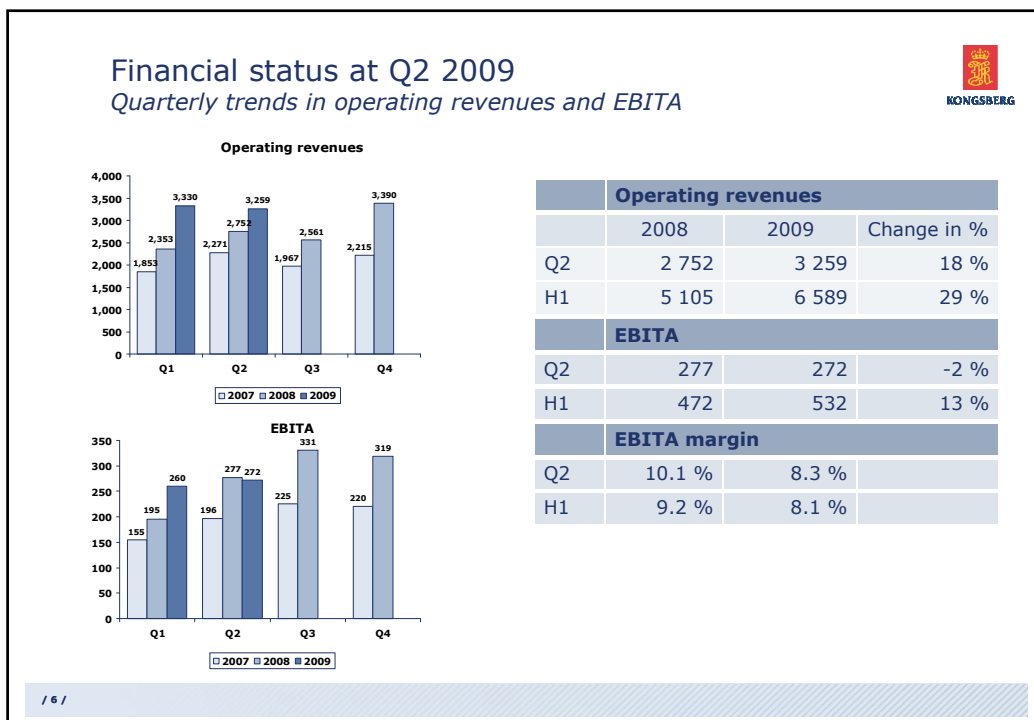
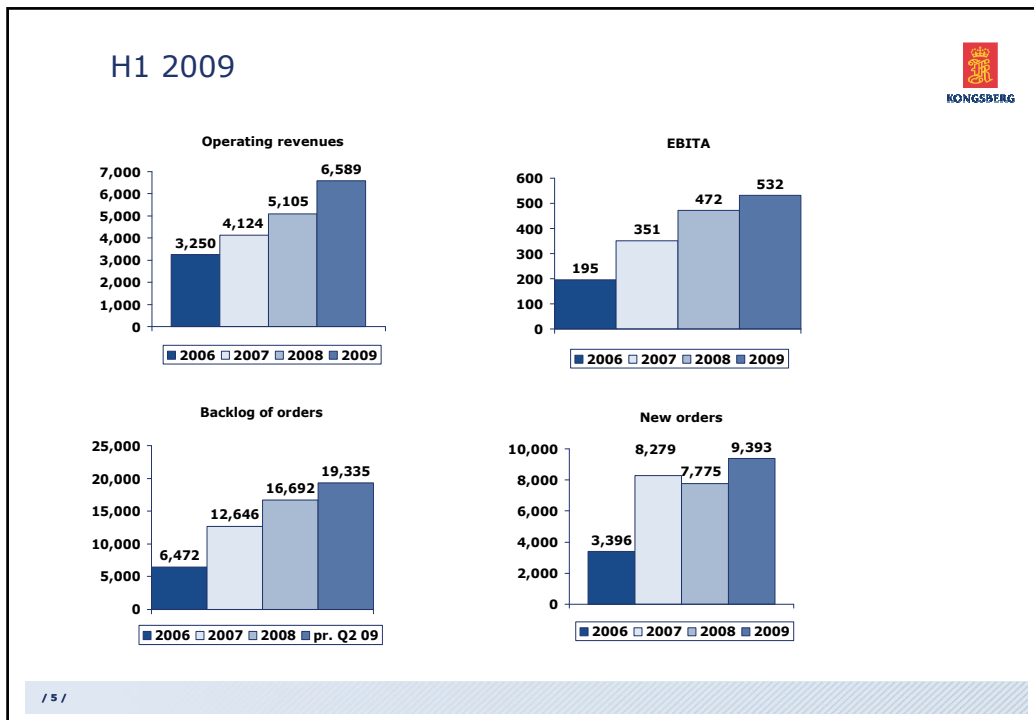
- Financial status - Q2 2009
- Status for the business areas
- Updates

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Q2 2009

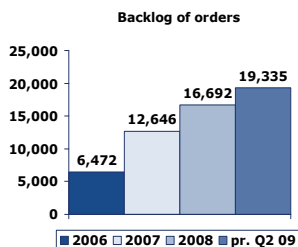


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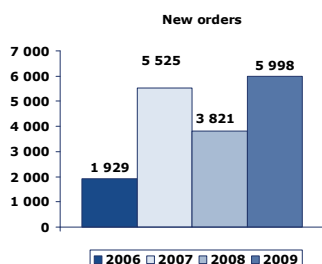
Financial status at Q2 2009

New orders and the backlog of orders



Backlog of orders			
	2008	Q2 2009	Change in %
Acc.	16 692	19 335	16 %

New orders			
	2008	2009	
Q2	3 821	5 998	57 %
H1	7 775	9 393	21 %



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Financial status at Q2 2009

Liabilities and equity



- KONGSBERG has MNOK 1 272 in net interest-bearing debt
 - The bond loan for MNOK 500 agreed in March 2009 was paid-in on 17 April
 - In Q2, the Group redeemed a bond loan for MNOK 400
 - Average term to maturity on loans = 4.0 years
 - The Group also has an undrawn credit facility of MNOK 800
- The consolidated equity ratio is 23.2 per cent, compared with 21.1 per cent at Q1 and 15.2 per cent at year end 2008
 - The value of forward foreign exchange contracts rose by MNOK 831 after tax in the first half of 2009

Maturity profile – loan agreements

Amount	Maturity
MNOK 800*	Dec 2010
MNOK 300	2012
MNOK 1 000	2013
MNOK 500	2014

* The credit facility was undrawn at 30 June 2009

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Financial status at Q2 2009

Cash flow



- Comments to cash flow:
 - Net cash flow provided by operations
 - Trade receivables reduced by MNOK 292 since year end
 - Prepayments from customers reduced by MNOK 215 since year end
 - Cash flow from investing activities
 - Proceeds from the sale of shares in Roxar – MNOK 195
 - Cash flow from financing activities
 - Proceeds from the new bond issue – MNOK 500
 - Payment in connection with redeeming the bond due in June 2009 – MNOK 400
 - Payment of dividends: – MNOK 165
- KONGSBERG had net interest-bearing debt of MNOK 1 272 at 30 June, down 12 per cent from year end

Net cash flow, 1st half (MNOK)	
EBITDA	651
Change in other operations-related items	(215)
Cash flow from operating activities	436
Acquisition of fixed assets	(230)
Acquisition of subsidiaries	(19)
Net payments from acquisition/sale of shares	210
Other investing activities	(6)
Cash flow from investing activities	(45)
Cash flow from financing activities	(84)
Effect of exchange rate fluctuations on cash and bank deposits	(31)
Net change in cash and bank deposits	276
Net interest-bearing debt at 30 June 2009	1 272

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Key figures



	Q2 2009	Q2 2008	H1 2009	H1 2008	2008
Change, operating revenues	18 %	21 %	29 %	24 %	33 %
EBITDA	339	319	651	556	1 319
EBITDA/employee* (in NOK 1 000)	63.7	70.5	122.8	125.6	279
EBITA	272	277	532	472	1 122
EBITA margin	8.3 %	10.1 %	8.1 %	9.2 %	10.1 %
EBT	220	255	429	436	861
Net interest-bearing debt / EBITDA	0.90	0.52			1.09
Equity %	23.2 %	28 %			15.2 %
Book/bill	1.84	1.39	1.43	1.52	1.32
EPS	1.25	1.49	2.45	2.54	4.86

* Average number of employees

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KONGSBERG

Kongsberg Maritime Status



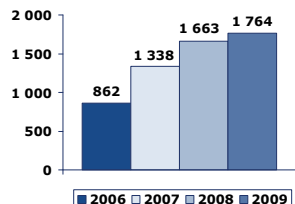
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KONGSBERG

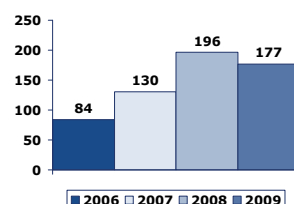
Kongsberg Maritime Q2 2009

Operating revenues



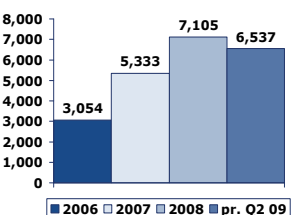
Year	Operating revenues
2006	862
2007	1,338
2008	1,663
2009	1,764

EBITA



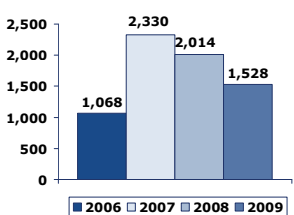
Year	EBITA
2006	84
2007	130
2008	196
2009	177

Backlog of orders



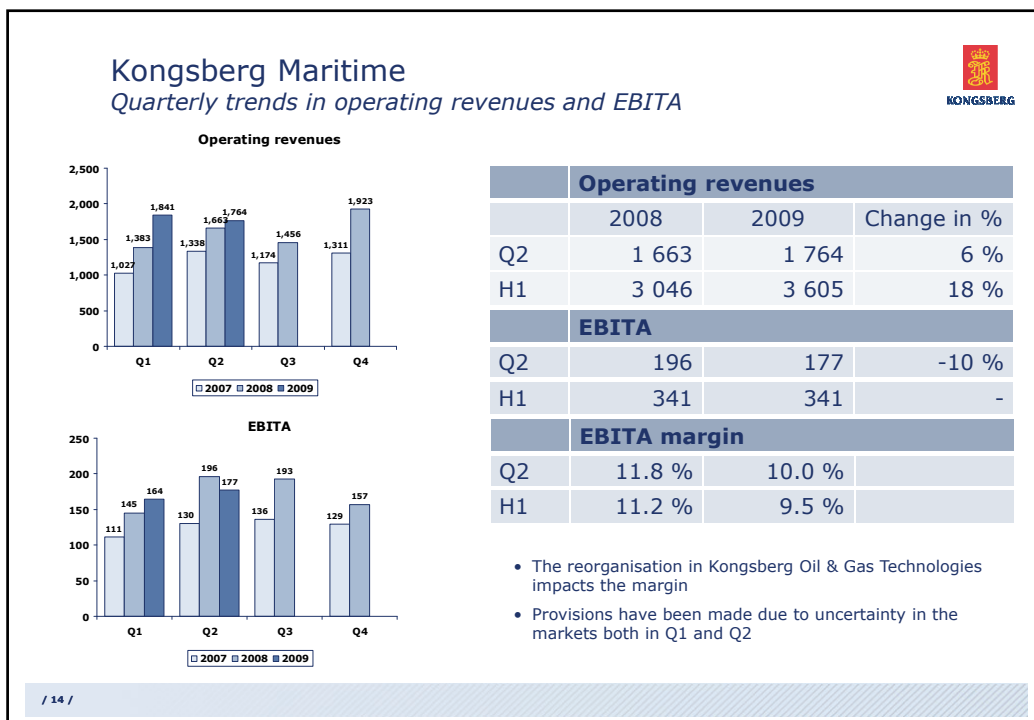
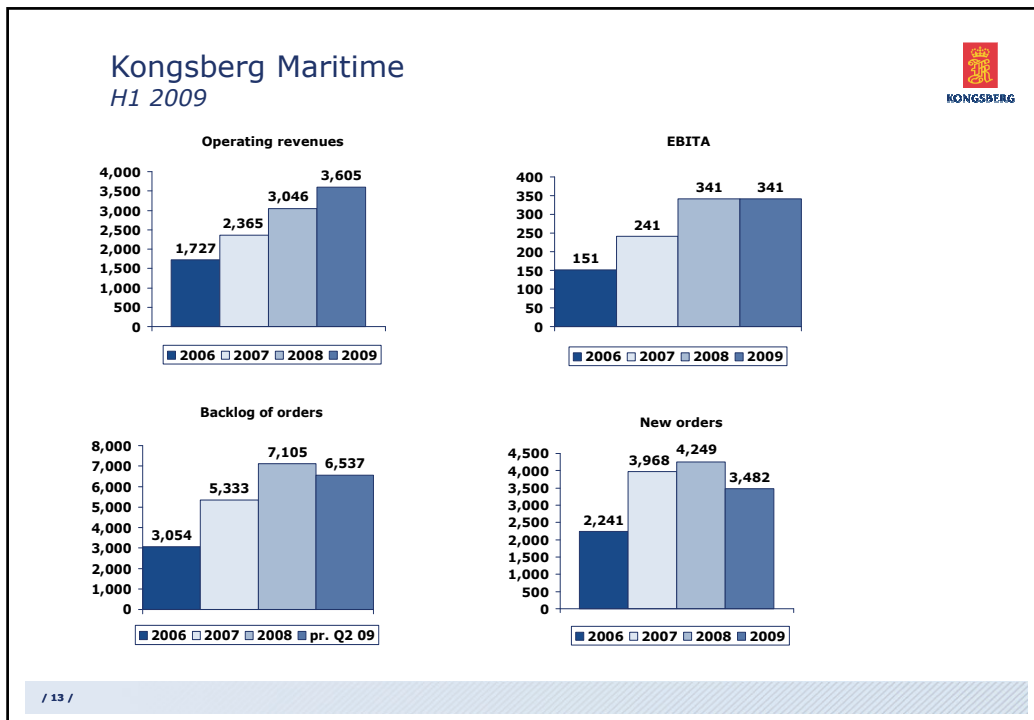
Year	Backlog of orders
2006	3,054
2007	5,333
2008	7,105
pr. Q2 09	6,537

New orders



Year	New orders
2006	1,068
2007	2,330
2008	2,014
2009	1,528

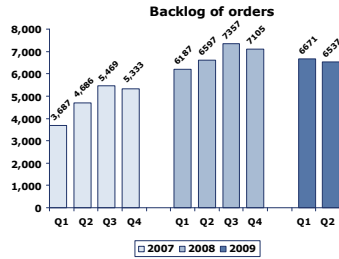
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- The reorganisation in Kongsberg Oil & Gas Technologies impacts the margin
- Provisions have been made due to uncertainty in the markets both in Q1 and Q2

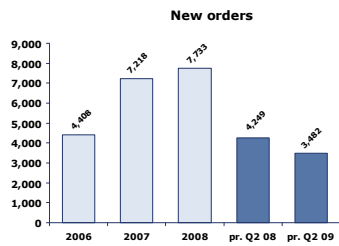
Kongsberg Maritime

New orders and the backlog of orders



Backlog of orders			
	2008	Q2 2009	Change in %
Acc.	7 105	6 537	-8 %

New orders			
	2008	2009	
Q2	2 014	1 528	- 24 %
H1	4 249	3 482	- 18 %

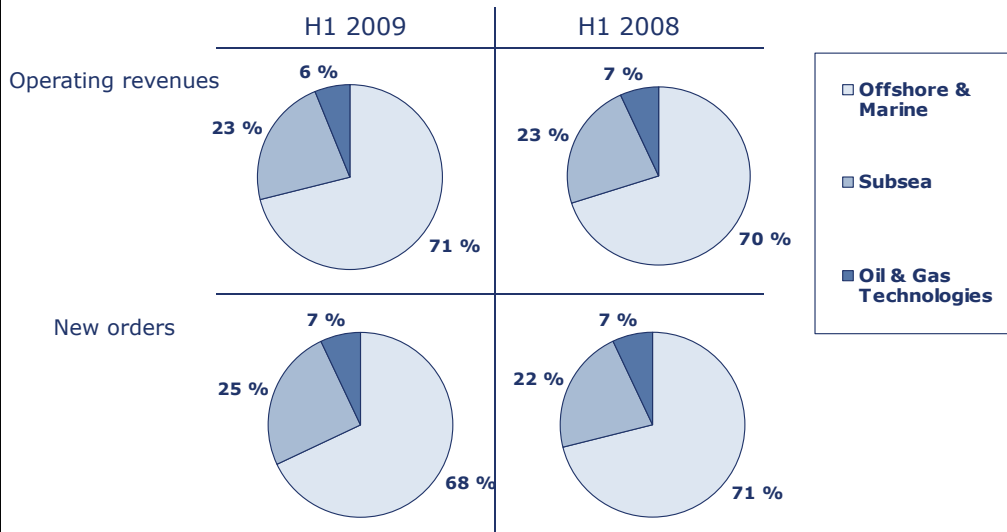


- Kongsberg Maritime has had cancellations totalling MNOK 250 during H1 2009
 - Approx. MNOK 128 in Q2 2009
 - Mainly within the market for commercial vessels

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Kongsberg Maritime

Divisional breakdown

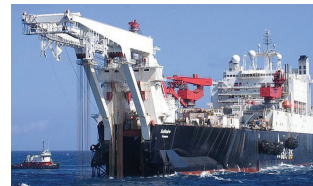


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Kongsberg Maritime in Q2

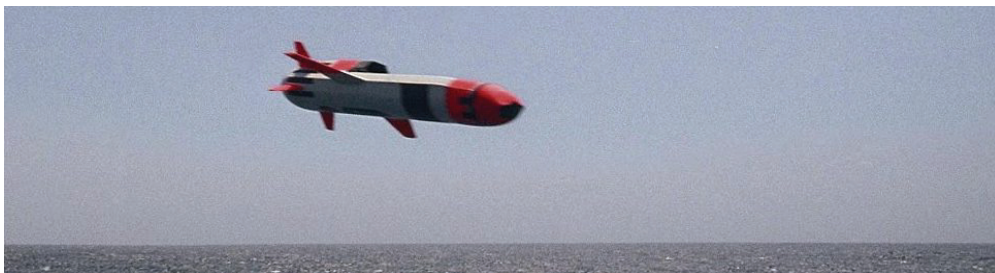


- The BA is maintaining its strong market positions
 - Very high level of activity in Asia
- Good influx of new orders during the quarter despite the fact that the pace of ordering new vessels has been very slow at the shipyards
 - The backlog of orders remains strong
- The backlog of orders and substantial after sales business ensure good predictability for coming quarters
- Monitoring market trends very closely

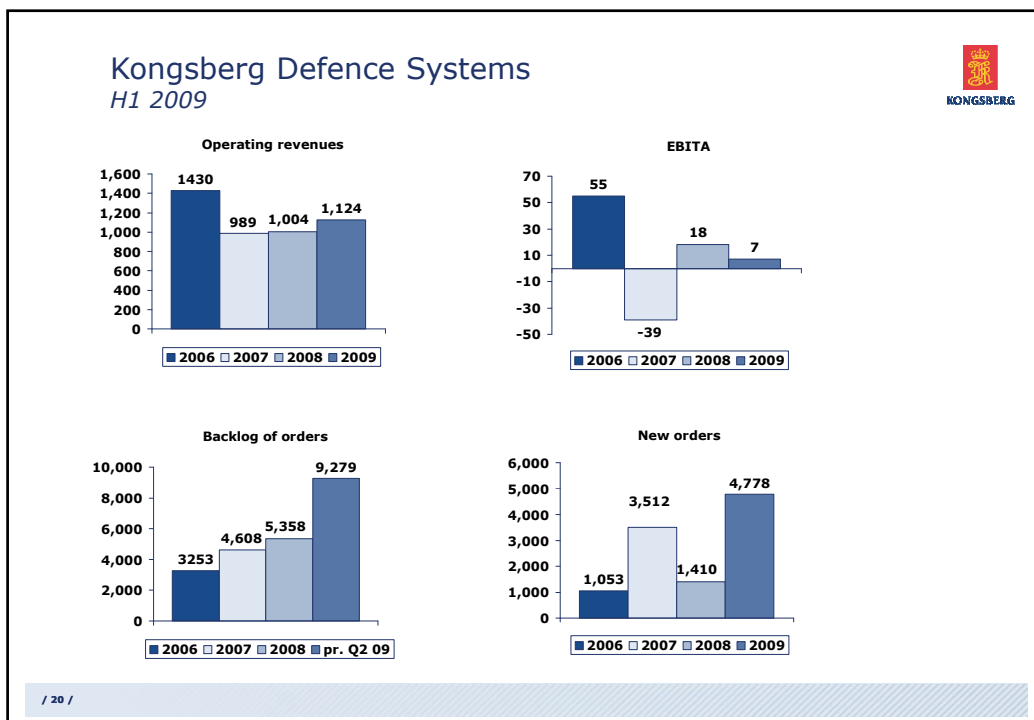
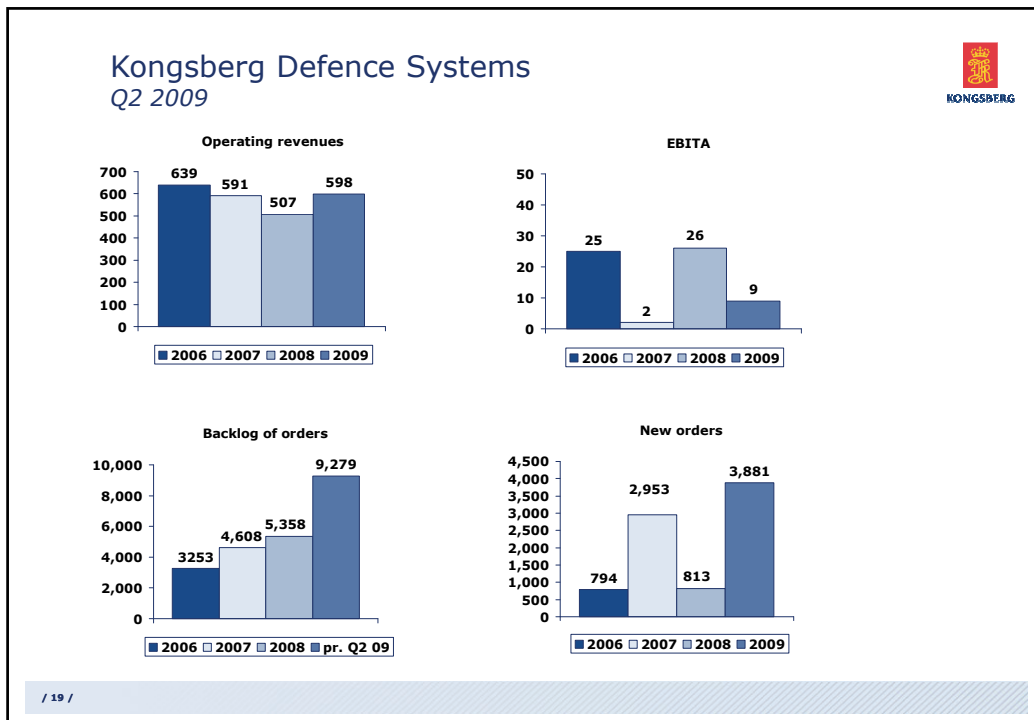


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Kongsberg Defence Systems Status

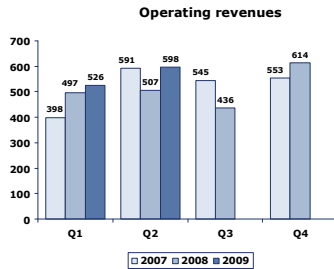


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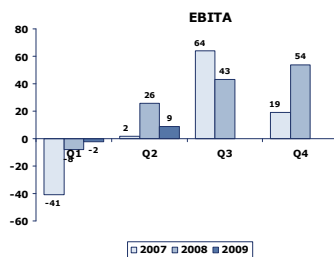


Kongsberg Defence Systems

Quarterly trends in operating revenues and EBITA



Operating revenues			
	2008	2009	Change in %
Q2	507	598	18 %
H1	1 004	1 124	12 %



EBITA			
	2008	2009	Change in %
Q2	26	9	-65 %
H1	18	7	-61 %

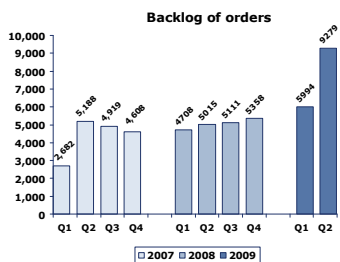
EBITA margin			
	2008	2009	
Q2	5.1 %	1.5 %	
H1	1.8 %	0.6 %	

- Usually few milestones early in the year
- Profitability coloured by the start-up of large-scale delivery programmes and the new composite plant

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Kongsberg Defence Systems

New orders and the backlog of orders



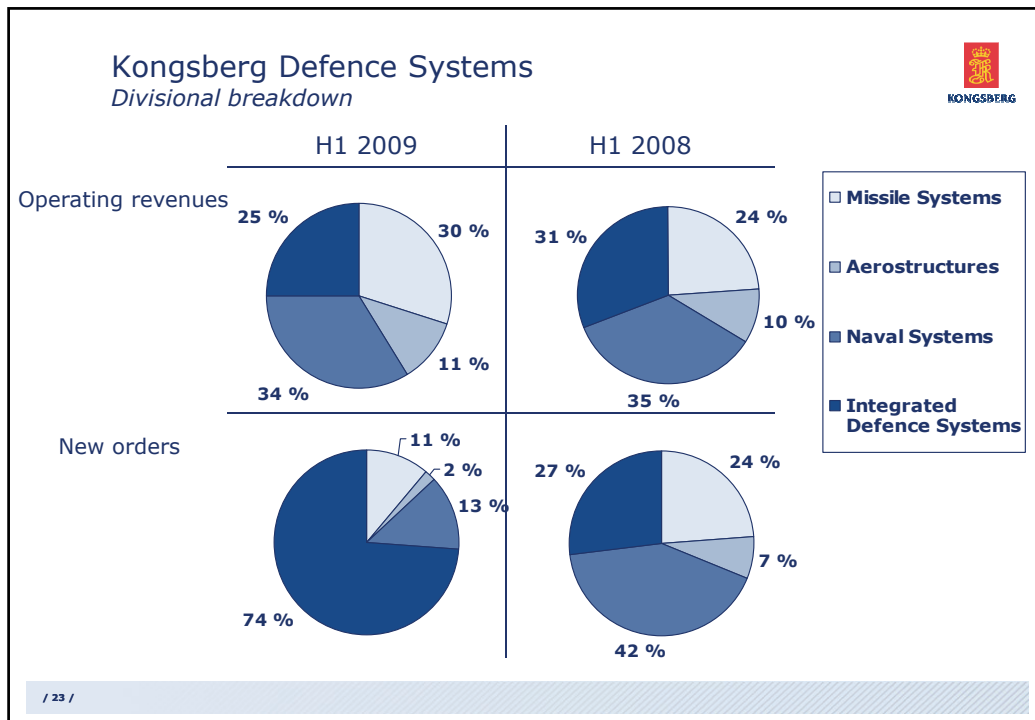
Backlog of orders			
	2008	Q2 2009	Change in %
Acc.	5 358	9 279	73 %




New orders			
	2008	2009	
Q2	813	3 881	377 %
H1	1 410	4 778	239 %

- The defence market is generally characterised by few but large contracts, and sales orders fluctuate as a result



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Kongsberg Defence Systems in Q2




- Important air defence contract with Finland
 - Contract worth approx. NOK 3 billion for the NASAMS II air defence system with the Finnish Armed Forces
- Other important contracts signed during the quarter
 - Development contract for phase 1 of the Joint Strike Missile (JSM)
 - Collaboration agreement with Lockheed Martin to adapt the JSM to the F-35 fighter craft
 - Framework agreement with Northrop Grumman on composite parts for the F-35
 - Contract with Raytheon Australia for fire control systems for new Australian frigates
- Served with papers for a lawsuit in which SAAB of Sweden has sued the Polish Ministry of Defence and KONGSBERG
 - Both the Polish Ministry of Defence and KONGSBERG had filed defence responses, repudiating SAAB's contentions and claims





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Kongsberg Protech Systems Status



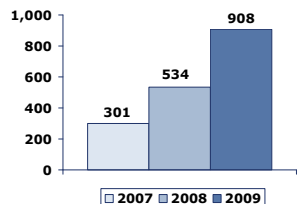
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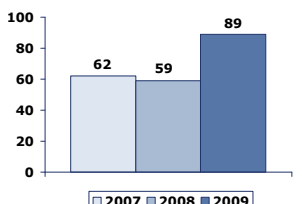
Kongsberg Protech Systems Q2 2009

Operating revenues



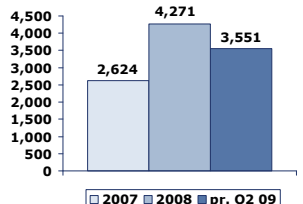
Year	Operating revenues
2007	301
2008	534
2009	908

EBITA



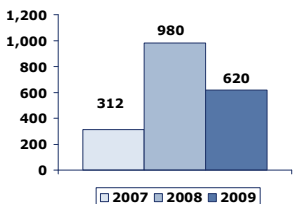
Year	EBITA
2007	62
2008	59
2009	89

Backlog of orders



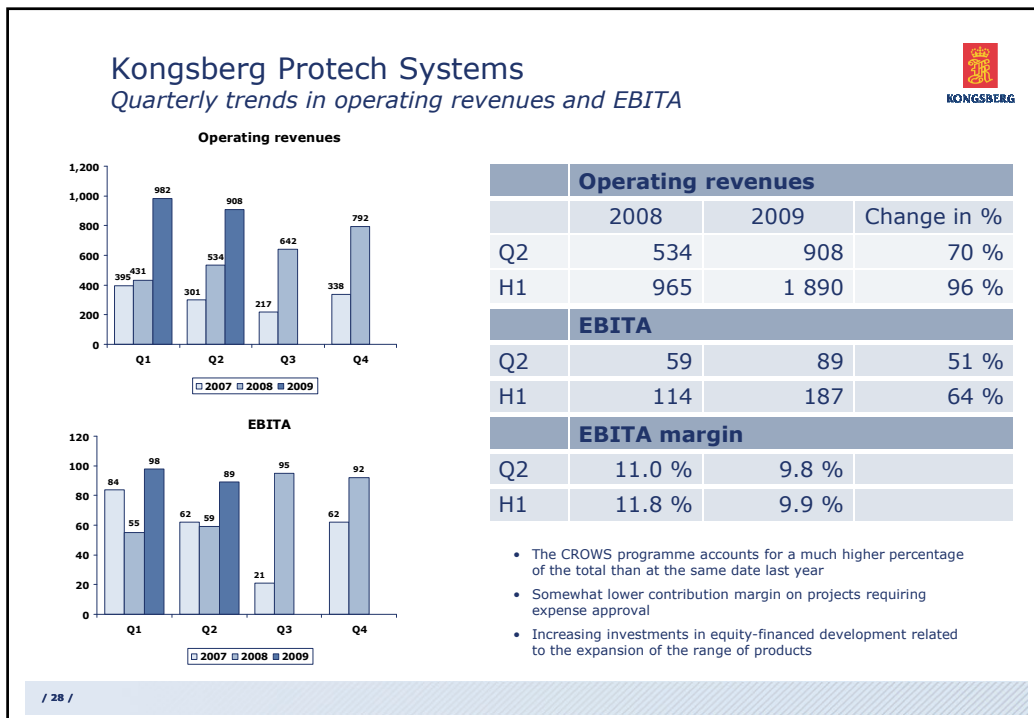
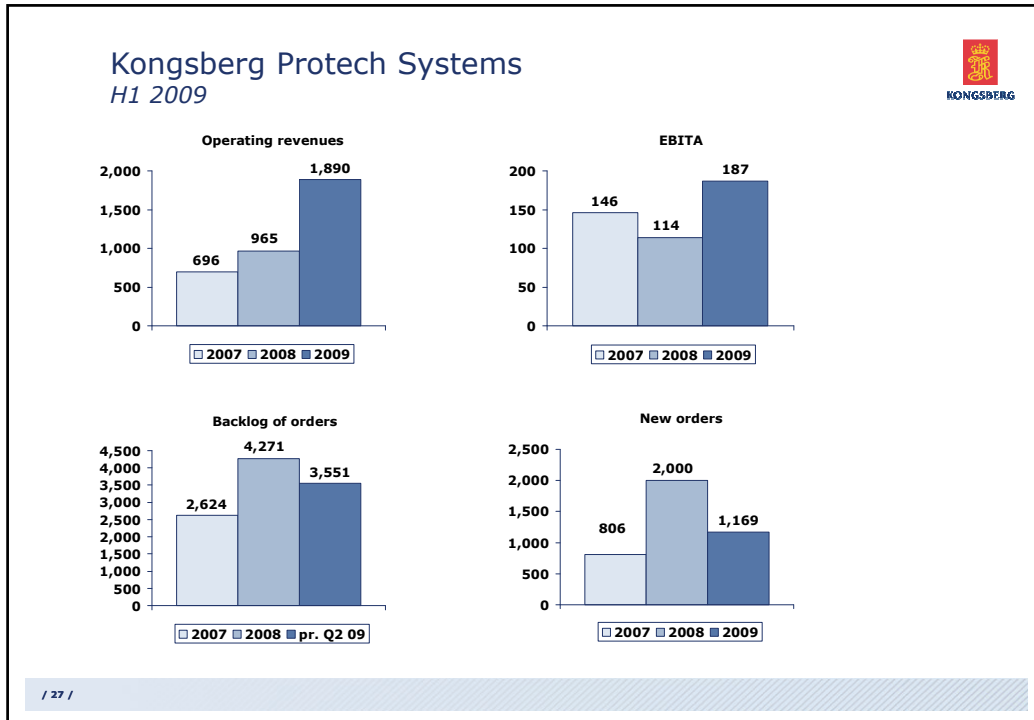
Year	Backlog of orders
2007	2,624
2008	4,271
pr. Q2 09	3,551

New orders



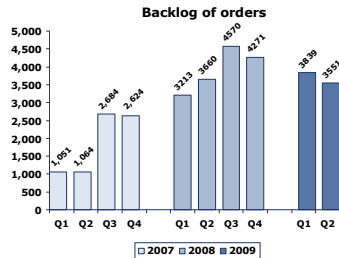
Year	New orders
2007	312
2008	980
2009	620

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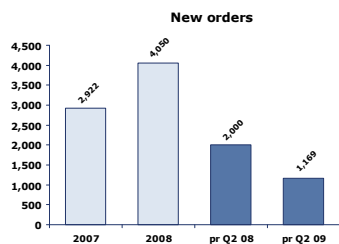


- The CROWS programme accounts for a much higher percentage of the total than at the same date last year
- Somewhat lower contribution margin on projects requiring expense approval
- Increasing investments in equity-financed development related to the expansion of the range of products

Kongsberg Protech Systems New orders and the backlog of orders



Backlog of orders			
	2008	Q2 2009	Change in %
Acc.	4 271	3 551	-17 %
New orders			
	2008	2009	
Q2	980	620	-37 %
H1	2 000	1 169	-41 %



- Natural fluctuations in new orders
- Larger parts of new orders expected last half of the year

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Kongsberg Protech Systems in Q2



- Kongsberg Protech Systems is the leading player in the market for weapon control systems for armoured personnel carriers
- The market prospects for the BA's products are good
 - Budget allocations in the USA bode well for KONGSBERG
 - Growing percentage of after sales, repair and overhaul
- The new factory for assembling weapon control systems in the USA is now at full capacity
 - Capacity can be expanded further without major investments



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Updates

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KONGSBERG

Forward-looking in uncertain times

- A long-term approach underlies all product and market development
- Each year, KONGSBERG spends about 10% of its operating revenues on research and development
 - Approx. 50% is customer-financed
 - We aspire to stay ahead of the market and engage in development in close cooperation with customers
- We have to succeed with world-class products in most of our niches
 - A relatively small enterprise compared with many competitors
- Consequently, for us, it is all about taking positions against international competition
 - – and then further developing them





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An example of positioning for the future

Events related to F-35 Lightning II (JSF) and JSM



- Contract signed with the Norwegian Defence Logistics Organisation in April for the **first phase in the development** of the Joint Strike Missile (JSM). The contract has a financial framework of MNOK 166, and is scheduled for completion within 18 months.
- On 8 June, the Norwegian parliament voted to agree to the Norwegian government's proposal to **initiate a negotiating process** with Lockheed Martin regarding the acquisition of new F-35 fighter craft for the Armed Forces. The mandate for contract negotiations is scheduled to be treated by the Storting in 2011.
- In early June, KONGSBERG and Lockheed Martin concluded a **cooperation agreement to adapt the** Joint Strike Missile to the F-35 Lightning II fighter craft. After integration and certification, the Joint Strike Missile can be transported both inside or outside the F-35.
- At the change of the quarter, Northrop Grumman and KONGSBERG signed a **long-term framework agreement** worth approx. MNOK 460 and with a potential value of NOK 2.5 billion in connection with the F-35 programme. The agreement is for the production of composite parts for the F-35.

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Prospects for 2nd half

Excerpts – read the quarterly report for the full text



- Kongsberg Maritime is maintaining its good market positions. It is addressing a more difficult market by providing highly specialised products and an efficient production system
- Kongsberg Defence Systems and Kongsberg Protech Systems expect a continued strong influx of new orders and activities
- Initiatives are being put into place on an ongoing basis to reduce the Group's foreign exchange exposure. Besides hedging all signed contracts, the Group hedges a percentage of anticipated new orders. Changes in the value of futures hedges are recognised directly against equity
- KONGSBERG is in a good position, furnishing a good platform for operations. However, the uncertainty is somewhat greater in certain parts of the groups operations. The Board of Directors is following the situation closely and in addition to the initiatives put into place there are ongoing assessments of further operational adjustments

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Appendix

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Financial status at 30 June 2009

Income statement

MNOK	Q1 - 09	Q1 - 08	H1 - 09	H1 - 08	2008
Operating revenues	3 259	2 752	6 589	5 105	11 056
Total revenues	3 259	2 752	6 589	5 105	11 056
Operating expenses	(2 920)	(2 433)	(5 938)	(4 549)	(9 737)
Operating profit (EBITDA)	339	319	651	556	1 319
Write-downs	(67)	(42)	(119)	(84)	(197)
EBITA	272	277	532	472	1 122
Amortisation	(25)	(18)	(47)	(30)	(84)
Operating profit (EBIT)	247	259	485	442	1 038
Net gain / write-down on financial assets	5		5		(138)
Net other financial items	(32)	(4)	(61)	(6)	(39)
EBT	220	254	429	436	861
Taxes	(67)	(76)	(130)	(131)	(274)
Profit/loss for the period, after taxes and disposals	153	179	299	305	587
Minority interests	3	-	5	1	4
Equity holders of the parent	150	179	294	304	583
<i>Earnings per share (NOK)</i>	<i>1.25</i>	<i>1.49</i>	<i>2.45</i>	<i>2.54</i>	<i>4.86</i>
<i>Earnings per share, diluted (NOK)</i>	<i>1.25</i>	<i>1.49</i>	<i>2.45</i>	<i>2.54</i>	<i>4.86</i>
New orders (MNOK)	5 998	3 821	9 393	7 775	14 635

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Financial status at H1 2009

Balance sheet



MNOK	30.06.09	31.12.08	30.06.08
Tangible fixed assets	1 987	1 863	1 493
Intangible assets	2 285	2 379	2 252
Other long-term assets	204	421	485
Total long-term assets	4 476	4 663	4 230
Short-term assets	7 083	7 504	5 560
Bank deposits and cash equivalents	559	283	392
Total current assets	7 642	7 787	5 952
Total assets	12 118	12 450	10 182
Paid-in capital	982	982	982
Retained earnings	1 925	1 835	1 508
Excess/negative value, financial instruments	(119)	(939)	353
Minority interests	20	16	7
Total equity	2 808	1 894	2 850
Long-term interest-bearing debt	1 831	1 722	956
Other long-term liabilities	1 281	830	1 580
Total long-term liabilities	3 112	2 552	2 536
Pre-payments from customers	1 628	1 320	1 917
Other short-term liabilities	4 570	6 684	2 879
Total short-term liabilities	6 198	8 004	4 796
Total equity and liabilities	12 118	12 450	10 182

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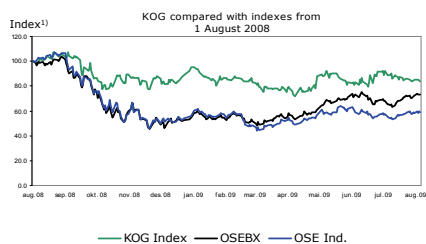
Shares and shareholders



20 largest shareholders (at 7 August 2009)

1 State repr. by the Ministry of Trade and Industry	60 001 600	50,00 %	-
2 Folketrygdfondet (National Insurance Fund)	13 320 120	11,10 %	1,28 %
3 Arendals Fossekompani ASA	9 552 796	7,96 %	-
4 MP Pensjon	4 812 800	4,01 %	-
5 Orkla ASA	2 950 660	2,46 %	0,09 %
Total for the 5 largest shareholders	90 637 976	75,53 %	
6 Skagen Vekst	2 800 000	2,33 %	-0,11 %
7 Odin Norden	2 606 568	2,17 %	0,33 %
8 Odin Norge	2 602 160	2,17 %	-0,07 %
9 Odin Offshore	1 030 000	0,86 %	0,03 %
10 State Street Bank and Trust Co. - nominee	545 814	0,45 %	-0,16 %
11 DnB NOR Norge (IV)	524 792	0,44 %	-0,29 %
12 VP Danske Invest	493 192	0,41 %	0,05 %
13 BNP Paribas - nominee	488 000	0,41 %	0,09 %
14 JP Morgan Chase Bank - nominee	412 000	0,34 %	-0,15 %
15 Vital Forsikring ASA	406 528	0,34 %	-0,14 %
16 Must Invest AS	400 000	0,33 %	-
17 The Northern Trust - nominee	387 770	0,32 %	Ny
18 JP Morgan Chase Bank - nominee	376 800	0,31 %	-0,03 %
19 Verdipapirfondet DI Norge	372 332	0,31 %	Ny
20 Bank of New York, Mellon - nominee	309 282	0,26 %	-0,16 %
Total for the 20 largest shareholders	104 393 214	87,0 %	
Total number of shares	120 000 000	100,0 %	

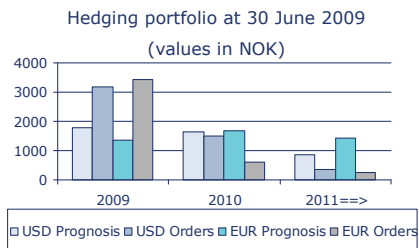
Share price performance over the past year



- 1) KOG's share price relative to OSEBX and the industrial index. Closing share price on 1 August 2008 = 100
- 2) The share was split 1:4 with effect as from 8 May 2009

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Currency



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 Foreign Exchange Policy

Foreign exchange policy

- Hedging of all signed contracts
- Partial hedging of anticipated revenues in foreign currencies two years ahead.
- Objectives:
 - 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
- Approx. 35 per cent net exposure, primarily USD and EUR
- Our competitiveness is influenced by:
 - Changes in the NOK exchange rate, 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

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The Board of Directors of Kongsberg Gruppen ASA



Finn Jebesen (58), Chair of the Board

- Self-employed
- CEO of Orkla from 2001 to 2005
- Other directorships: Chair of the Board of Directors Kavli Holding AS, Deputy Chair of KLP forsikring (insurance), director of Berner Gruppen AS, Anders Wilhelmsen Management AS and Norsk Hydro ASA.



Benedicte Berg Schilbred (61), Deputy Chair

- Executive Chair of the Board of the Odd Berg Group
- Other directorships: Chairman of the Board Tos Lab AS, director in Norway Pelagic Group AS, Norsildmel AS and Norsildmel Innovation AS



Erik Must (65), Director

- Other directorships: Chair of the Board of Directors in Fondsfinans ASA, Fondsfinans Kapitalforvaltning Holding AS, Arendals Fossekompani, Gyldendal ASA and Erik Must AS. Member of the Boards of the NSTC Media Group and the Norwegian Museum of Cultural History.



John Giverholt (55), Director

- CFO, Ferd AS
- Experience from Orkla ASA, DnB ASA and Norsk Hydro ASA
- Other directorships: Director of Telenor ASA



Anne-Lise Aukner (52), Director

- Chief Executive Officer and Country Manager Nexans Norway AS
- Other directorships: EDB Business Partner ASA, Federation of Norwegian Industries, Europacable Norge AS, Energi 21, INTPOW, Nexans Norway AS, and Aukner Holding AS. Member of the Executive Committee of the Confederation of Norwegian Enterprise (NHO), NHO's Board of Directors and NHO's Ethics Committee.



Roar Marthiniussen (51) – Director (employee representative)

- Sales and Marketing Manager, Kongsberg Maritime AS
- Engineer from the Horten College of Engineering
- Employee representative since 1999



Helge Lintvedt (52), employee representative

- Head of the Norwegian Society of Engineers and Technologists' corporate chapter at KDA, director, KDA
- Senior Project Engineer in Kongsberg Defence Systems
- Graduate of the Kongsberg College of Engineering
- Employee representative since 2009



Kai Johansen (40), Director (employee representative)

- Shop Steward in the Norwegian United Federation of Trade Unions, Kongsberg Protech Systems
- Training from Kongsberg Vocational School
- Guild certificate as a CNC operator
- Employee representative since 2007

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Financial Calendar and Investor Relations Contacts



Financial calendar 2009

Publication of quarterly figures

- Q3 - 23 October

Capital Market Day

- 8 September

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