



Capital Markets Day Kongsberg Protech Systems

8 September 2009



KONGSBERG

- KONGSBERG is a world leader in RWS with its Protector RWS families of products. As a supplier of CROWS II to the US Army and 15 other nations, we have proven our competitiveness
- There is still a potential for further growth for the RWS
- The market is there, but so are our competitors. Those who win the competition for the major markets have good prospects

Kongsberg Protech Systems "Outlook"

September 2009

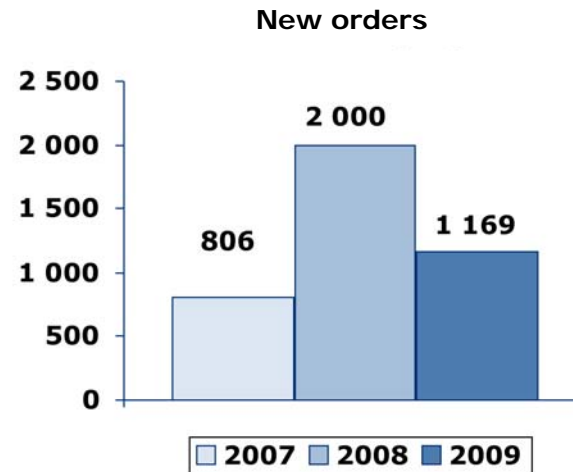
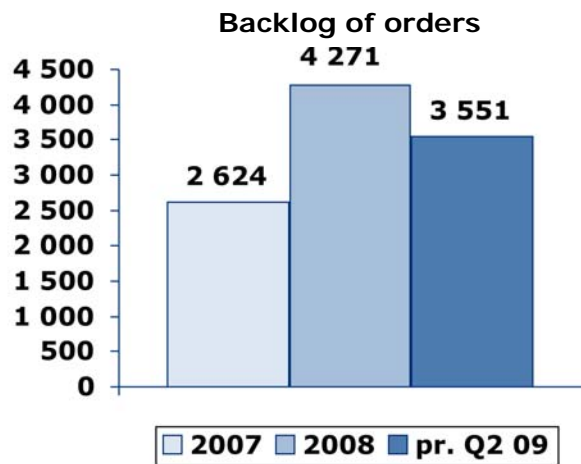
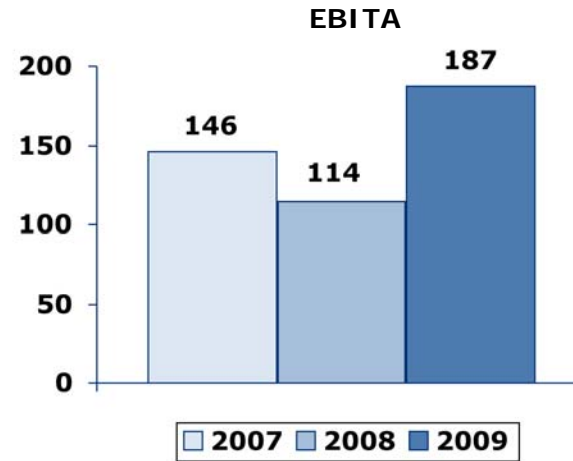
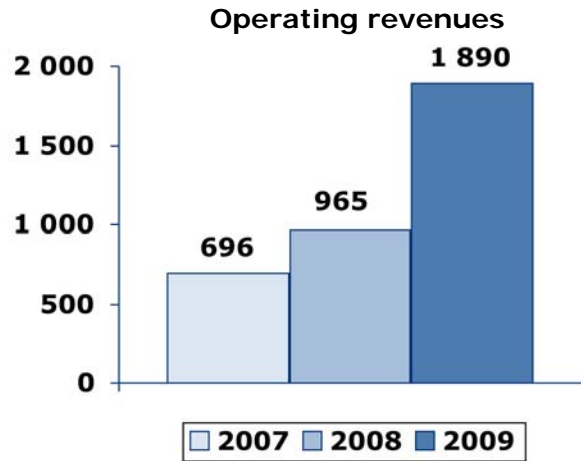


- Financial affairs
- Product
- Market



Kongsberg Protech Systems

H1 2009

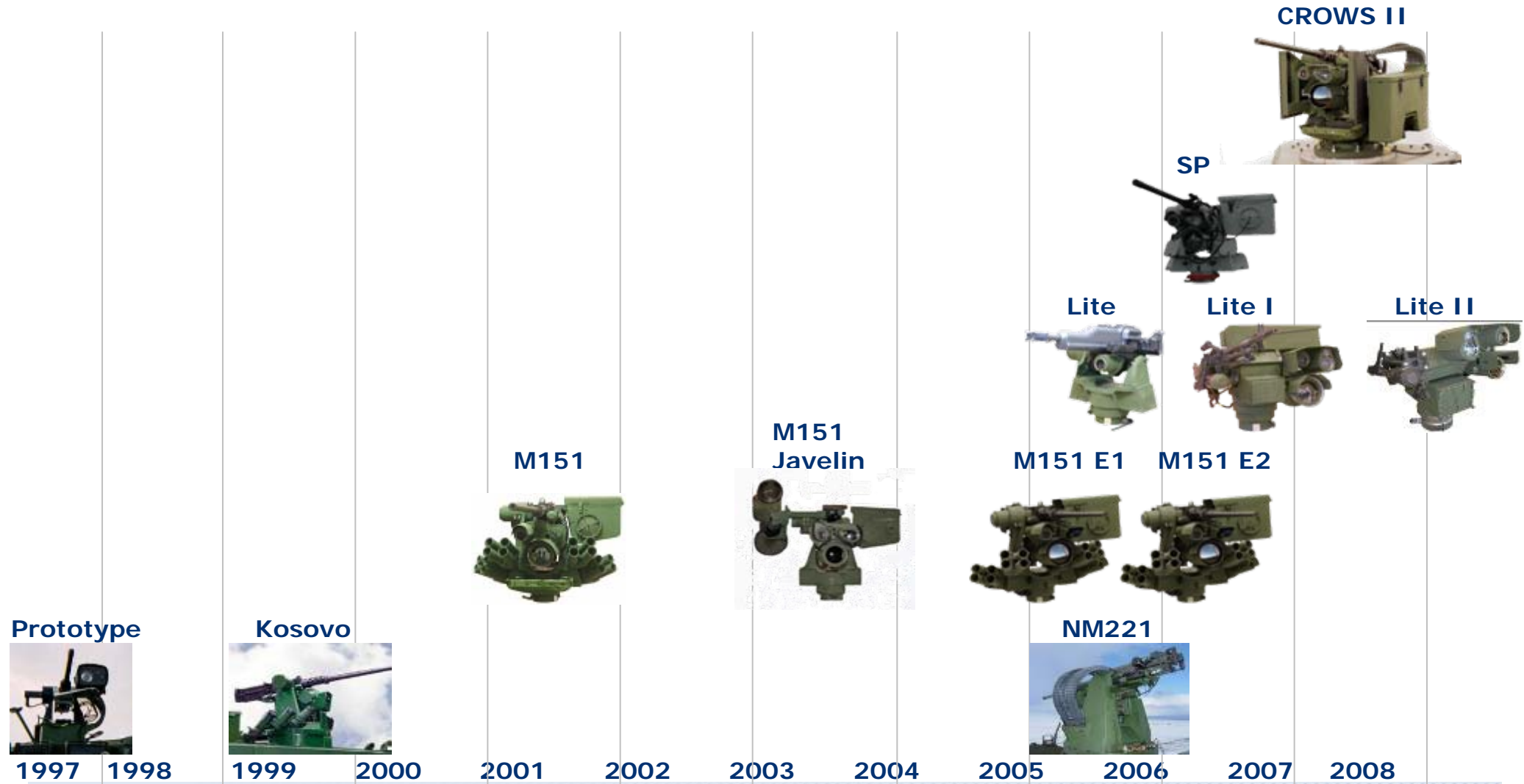


Product - Remote Weapon Stations (RWS)



RWS gives soldiers a chance to operate the vehicle's weapons from a protected position inside armoured personnel carriers.

PROTECTOR history

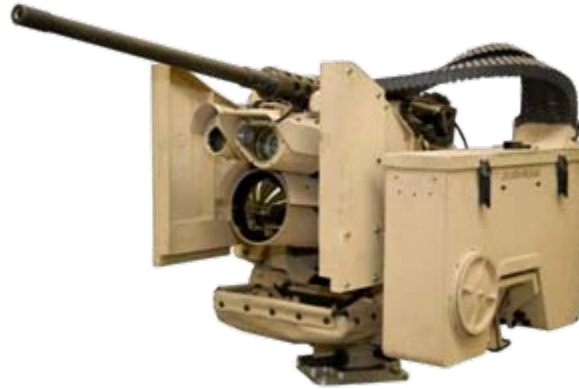


PROTECTOR product family

M151 A2 PROTECTOR



XM153 PROTECTOR CROWS II



Gunner Skill Trainer



PROTECTOR Lite II



Sea PROTECTOR



E-learning



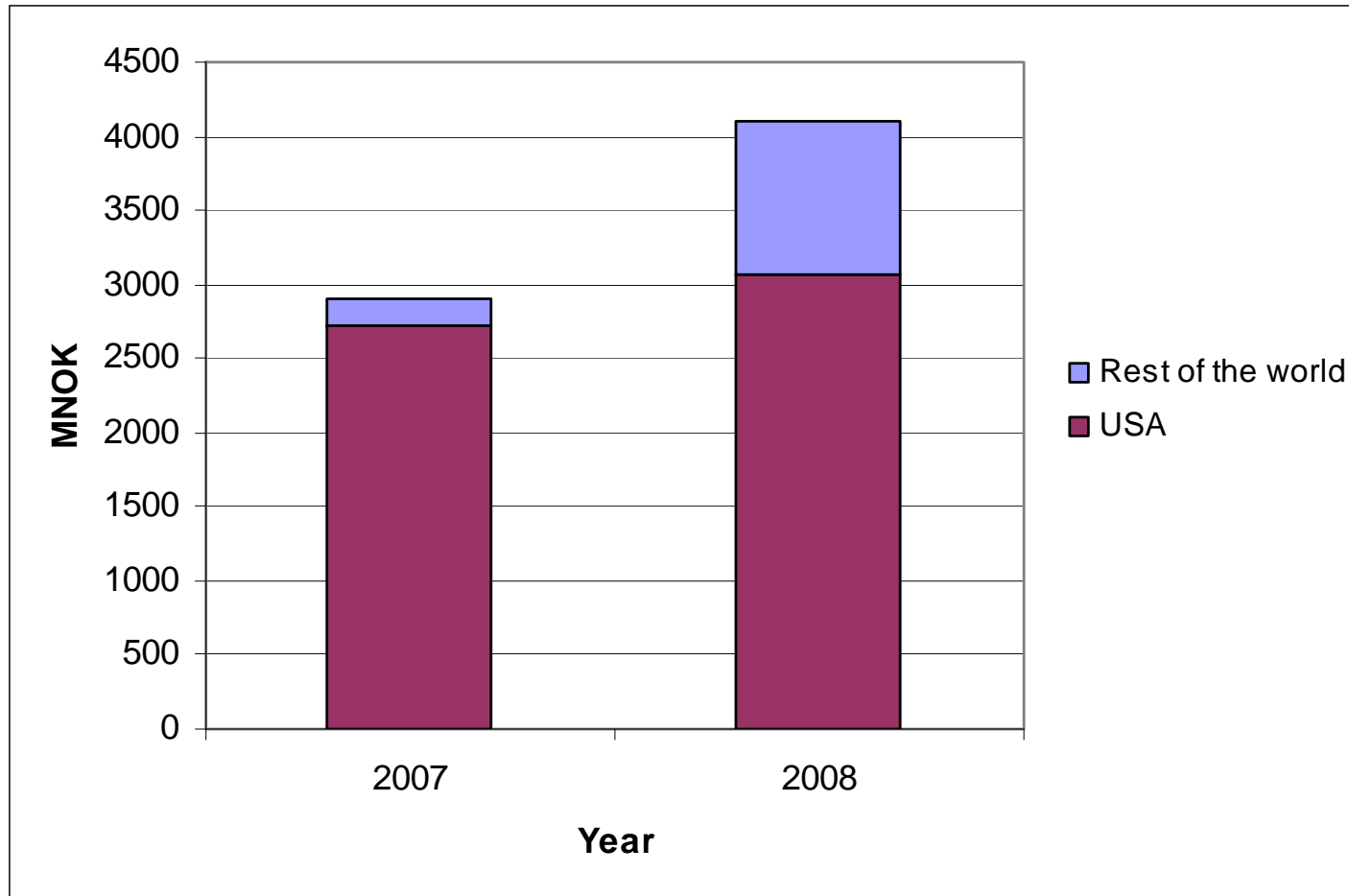
- Interactive Maintenance Library
- Computer Based Training
- Interactive Electronic Technical Manuals

Market



- Development of sensors over the past ten years have made it possible to develop systems like the RWS.
- KONGSBERG got to the market early and quickly became a world leader
- KONGSBERG makes considerable investments in further developing existing products and expanding families of products

New orders, by market





- A growing number of nations are opting to procure RWS to protect vehicles and soldiers. Most of the nations that buy RWS choose to buy several units
- Thus far, 16 nations have chosen KONGSBERG's Protector RWS

After sales

- KONGSBERG has now built up a professional organisation that offers service, upgrades and maintenance for our RWS family of products
- In recent years, KONGSBERG has had annual after-sales of MNOK 300 to 500 for this area
- We expect this area to grow in step with the number of units delivered



What impacts the market?

- The number of armoured personell vehicles
- Upgrade programs for armoured veihicles
- Experienced from using the system
- The market is influenced by the budgets of the individual countries and their investments to improve safety for their own troops
- The USA is especially important to us. Budget processes are transparent in the USA
- (Ref http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_reports&docid=f:hr230.111.pdf) Please note that the final budget is not approved until it is signed by the president

Does this help?



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5 HELLFIRE SYSTEM SUMMARY	219,700	207,600	-12,100
Unjustified cost growth		-12,100	
6 JAVELIN (AAWS-M) SYSTEM SUMMARY	140,979	115,979	-25,000
Funding ahead of need		-25,000	
7 TOW 2 SYSTEM SUMMARY	59,200	34,200	-25,000
Funding ahead of need		-25,000	
8 GUIDED MULTIPLE LAUNCH ROCKET	60,600	60,600	0
14 MODIFICATIONS	18,772	18,772	0
HIGH MOBILITY ARTILLERY ROCKET SYSTEM			
15 MODIFICATIONS	32,319	32,319	0
TOTAL, MISSILE PROCUREMENT, ARMY	531,570	469,470	-62,100
PROCUREMENT OF W&TCV, ARMY			
9 FIST VEHICLE	36,000	36,000	0
10 BRADLEY PROGRAM MODS	243,600	243,600	0
11 HOWITZER, MED SP FT 155MM M109A6	37,620	37,620	0
27 XM320 GRENADE LAUNCHER MODULE	13,900	13,900	0
31 COMMON REMOTELY OPERATED WEAPONS STATION	235,000	695,000	460,000
Transfer from Other Procurement, Army Line 187 for execution		360,000	
Program increase		100,000	
33 HOWITZER LT WT 155MM (T)	107,996	107,996	0
36 M2 50 CAL MACHINE GUN MODS	27,600	27,600	0
37 M249 SAW MACHINE GUN MODS	20,900	20,900	0
38 M240 MEDIUM MACHINE GUN MODS	4,800	4,800	0
40 M119 MODIFICATIONS	21,250	21,250	0
41 M16 RIFLE MODS	5,800	5,800	0
43 ITEMS LESS THAN \$5.0M (WOCV-WTCV)	5,000	5,000	0
TOTAL, PROCUREMENT OF W&TCV, ARMY	759,456	1,219,466	460,000

CROWS (Common Remotely Operated Weapon Station)



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- CROWS is the specification for a common RWS solution for the US Army. In 2007, KONGSBERG won the contract to supply CROWS. The framework agreement has a scope of approx. NOK 8 billion, limited to 5 years and 6500 systems. CROWS has been crucial to RWS growth in recent years
- The demand for CROWS has been greater than expected. We expect the contract to be fulfilled during this year's budget period
- The US has clear rules about putting major contracts up for tender. The normal procedure would be for the CROWS contract to be put up for tender once the framework agreement is satisfied



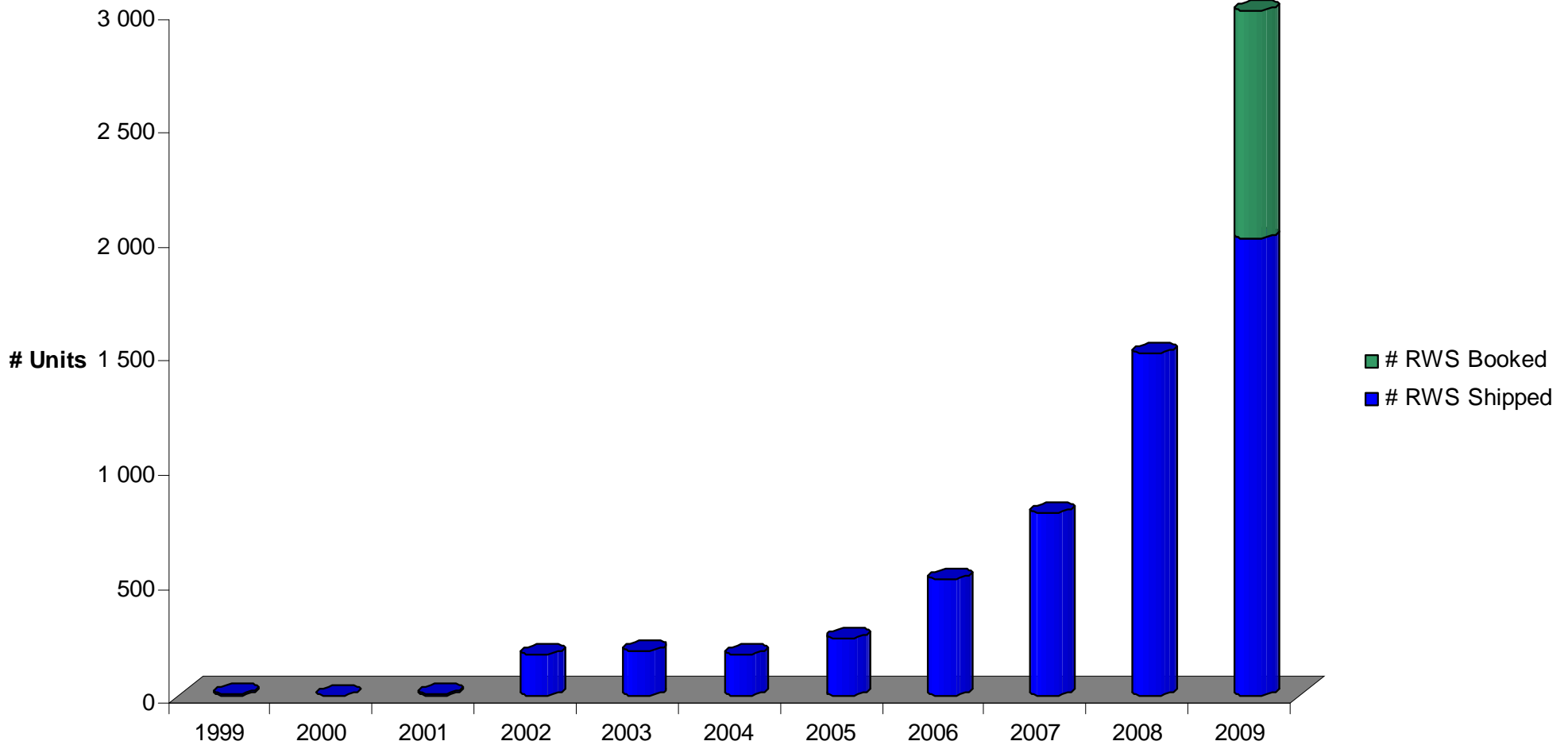


Production capacity

- KONGSBERG has production facilities in Norway and in the USA. Deliveries for the US Army are currently manufactured in Johnstown, PA, based on a large network of US subcontractors
- Products for the rest of the world are manufactured in Norway
- Overall capacity is currently 4000 systems per year. We would be able to increase capacity quickly without major investments in buildings or infrastructure

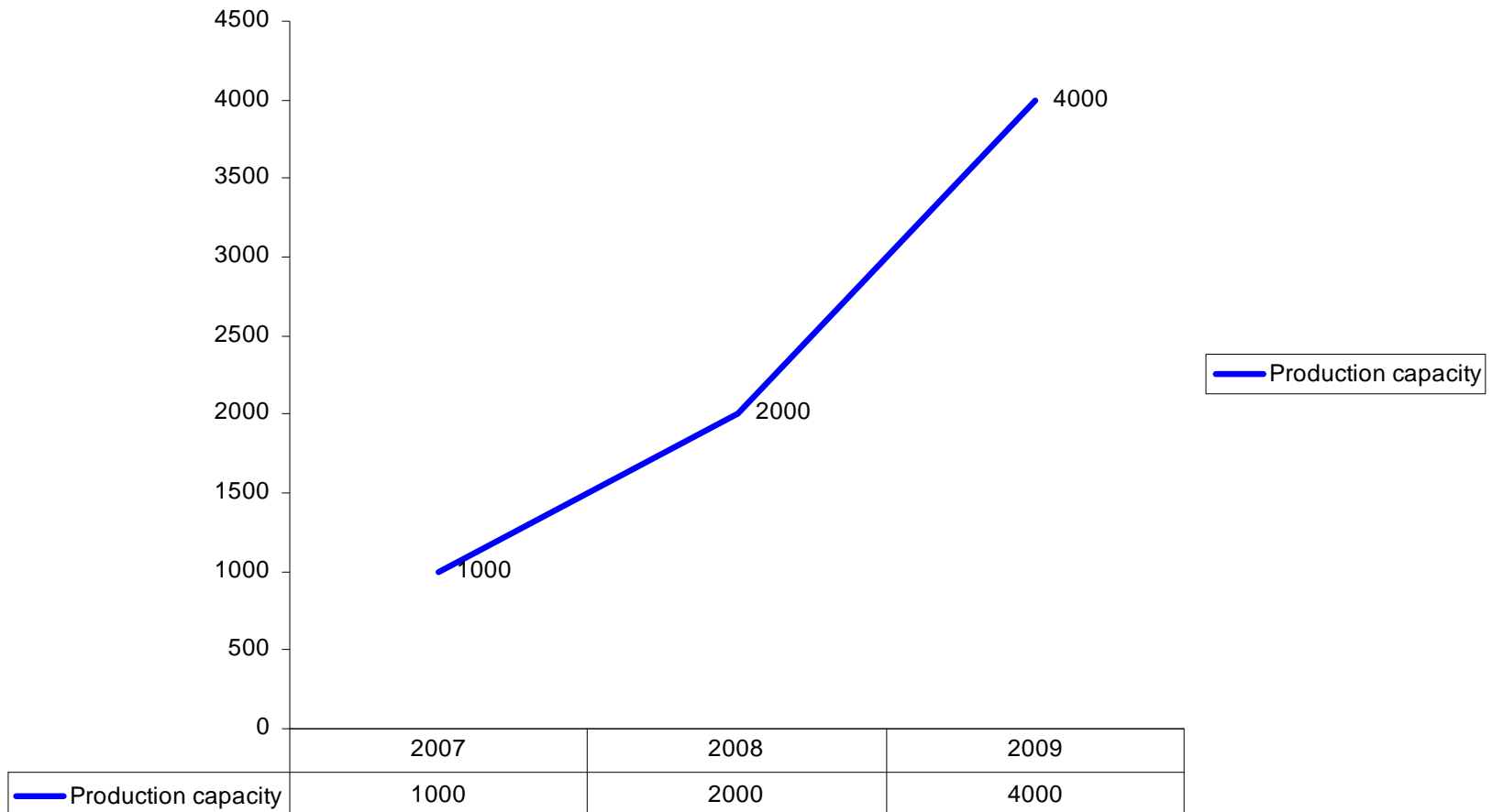


PROTECTOR Systems per year (new production and upgrades)



Scaleable production capacity

Scaleable production capacity





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