



KONGSBERG

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Capital Markets Day 2009

Kongsberg, 8 September 2009

KONGSBERG

Topics covered by the presentation



- Strengthening of long-term prospects over the past 12 months
- KONGSBERG at a glance
- Future targets
- Financial status and outlook

- The past 12 months have been highly eventful
- The achievement of many important milestones boosts the Group's long-term growth
- The high backlog of orders + the growth potential inherent in certain important events and contracts are indicative of further positive prospects

The Group has strengthened its position and organisation



Growth

- Rolling 12-month operating revenues 35% higher than on CMD last year
- Order backlog up NOK 4 billion since CMD last year
- Number of employees up from 4 396 to 5 359
- Employees outside Norway: 27%
- New orders well over operating revenues in recent years

The past 12 months have been highly eventful

Selected highlights

- *Kongsberg Defence Systems*
 - Opening of the composite plant
 - Selection of the F-35 fighter craft
 - Components for F-35
 - Lockheed Martin
 - Northrop Grumman
 - Air defence to Finland
 - NSM coastal artillery for Poland
 - Joint Strike Missile (JSM)
 - Collaboration agreement with Lockheed Martin
 - Development contract with NDLO
 - Penguin sale to Brazil
 - Harbour surveillance
 - Submarine contract with Italy
- *Kongsberg Maritime*
 - Building up in Asia (India, China)
 - Important measures implemented in the AUV market
 - Good influx of new orders throughout the period
 - Launch of important new products
 - Building up global after-sales operations
 - Building up new oil and gas operations
 - Strong hold on the rig market
- *Kongsberg Protech Systems*
 - Opening of a factory in the USA and building up to full capacity
 - High volume under the CROWS framework contract
 - Further fortified market position
 - Great Britain – important new market
 - Strong international focus on the importance of protecting troops

Early response to changing market conditions

KONGSBERG's long-term growth potential has improved over the past 12 months

Several important new business ventures

- Improved advanced production capacity, e.g. the composite plant, RWS factory in the US, production facilities in China
- Improved presence, e.g. Finland, China, India, the USA

Good market positions

- Kongsberg Maritime's is well-positioned in important growth segments, including Subsea, autonomous underwater vehicles (AUV)
- Kongsberg Protech Systems has consolidated its position as a world leader in weapon control systems for armoured personnel carriers
- Kongsberg Defence Systems has had significant breakthroughs: F-35, air defence, NSM and JSM

Efficiency

- Capital optimisation, operational efficiency, adjustment measures

New product launches and initiatives

- New products at Kongsberg Maritime, including Dynamic positioning, LEDAFlow, Automation, Remus
- New area of application for the NSM – coastal artillery
- Composite and titanium production for the F-35

After-sale market growing

- A larger number of KONGSBERG systems in use translates into more after-sales

We stand by our ambition for growth in the years ahead

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- Operating revenues 2008 11 056
- Number of employees (Q2 2009) 5 359
- Percentage of engineers 72%
- Number of countries 25
- Share of sales outside Norway 77%

- Market positions:
 - Global no. 1 to 3 in a number of maritime technology applications
 - Well-respected supplier of leading niche products to the international defence market

- Economic development, H1 2009
Compared with H1 2008
 - Operating revenues + 29%
 - EBITA + 13%
 - EBITA margin 8.1% (9.2%)



Organisation



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Kongsberg Maritime



Kongsberg Protech Systems



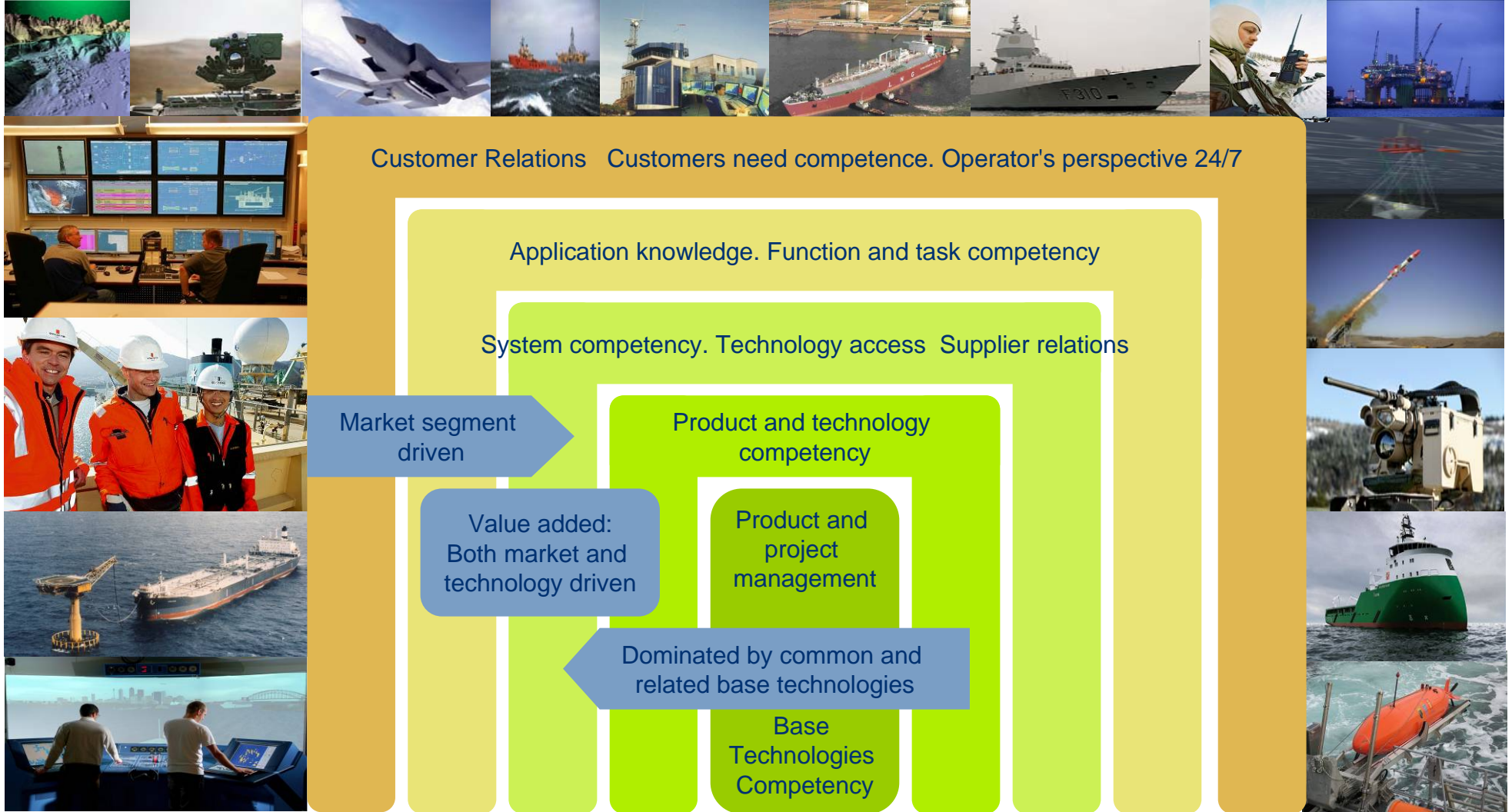
Kongsberg Defence Systems



KONGSBERG is building up its international structure further



The Group's competency mix results in user-oriented technological solutions



Customer Relations Customers need competence. Operator's perspective 24/7

Application knowledge. Function and task competency

System competency. Technology access Supplier relations

Market segment driven

Value added: Both market and technology driven

Product and technology competency

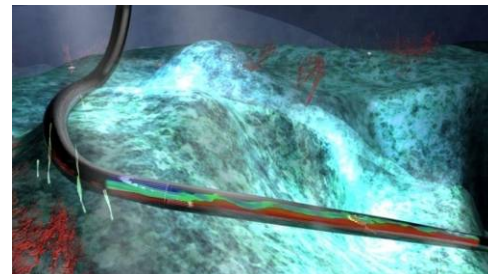
Product and project management

Dominated by common and related base technologies

Base Technologies Competency

The Group invests considerable resources in the development of products and technologies

- A long-term approach underlies all product and market trends
- Each year, KONGSBERG spends about 10% of its operating revenues on research and development
 - Approx. 50% is customer-financed
 - Aspires to stay ahead of the market and engages 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 winning positions in international competition
 - – and then further developing them



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Future targets

- In the years ahead, KONGSBERG will further enhance its market position and achieve an annual turnover of NOK 20 billion.
- This is a challenging target which we feel is attainable, given our strong position
 - The Group has a high backlog of orders for delivery in the years ahead
 - Growing aftersales
 - Breakthrough contracts
 - Our international positions are stronger now than 12 months ago
 - We have established new advanced and scalable facilities
 - New product-releases within all business areas
 - The organization is strengthened and improved continuously

Prospects for H2

Excerpts – see 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 specialized and diversified products based on 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, there is somewhat more uncertainty in some of the Group's operations. The Board of Directors is following the situation closely and considering further initiatives on an ongoing basis

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Topics covered by the presentation

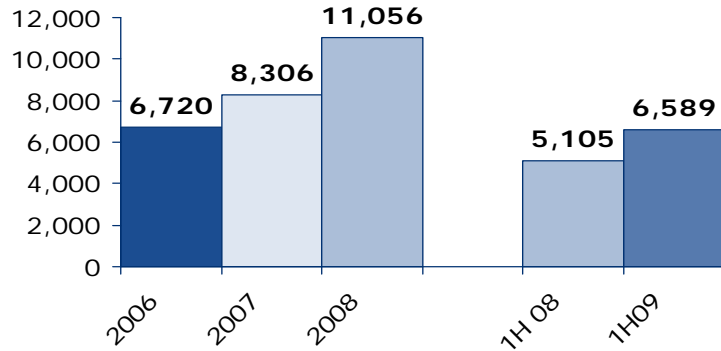


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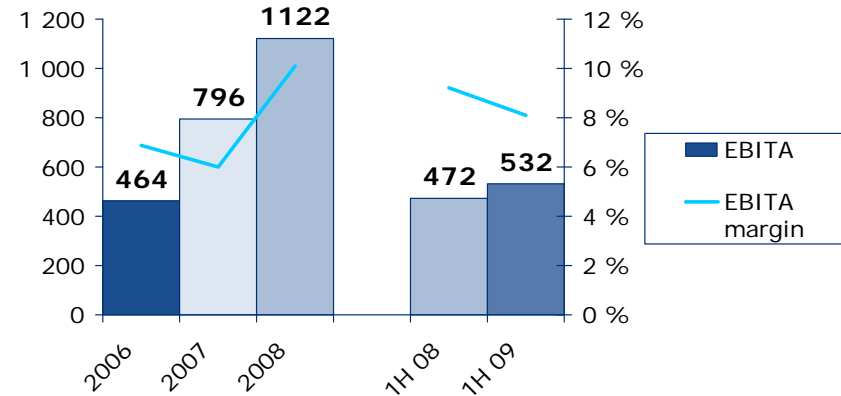
Financial status

First half 2009

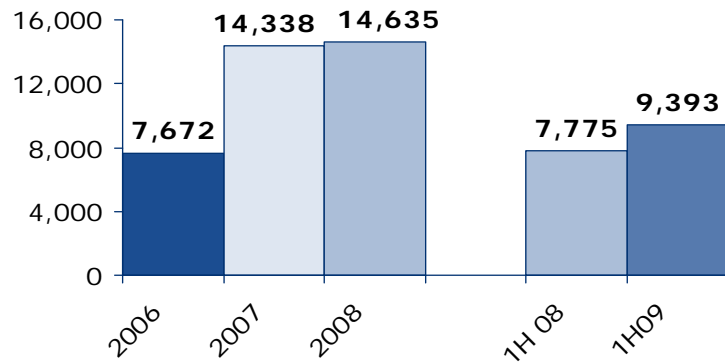
Operating revenues



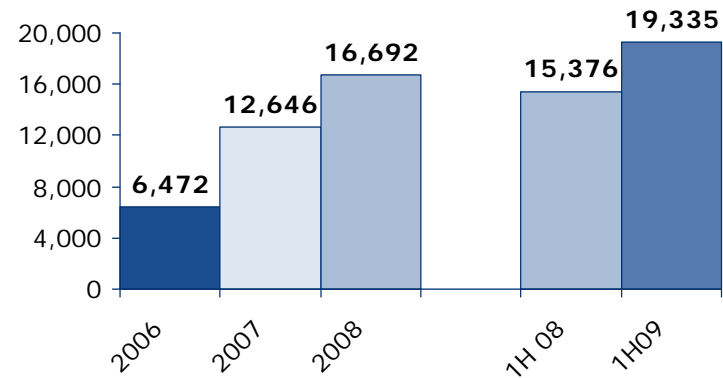
EBITA/EBITA margin



New orders



Backlog



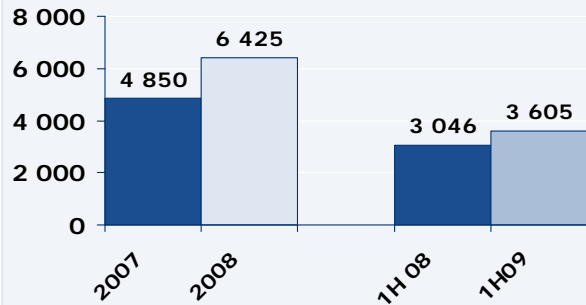
Business areas

H1 2009

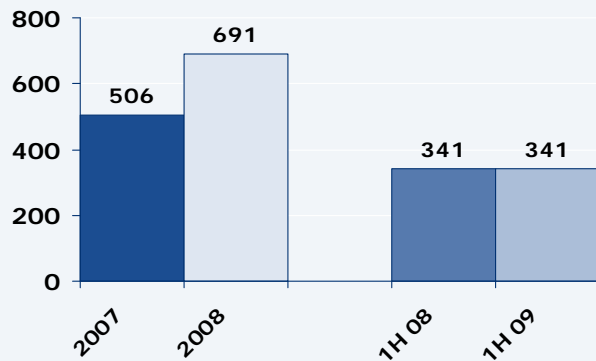


Kongsberg Maritime

Operating revenues

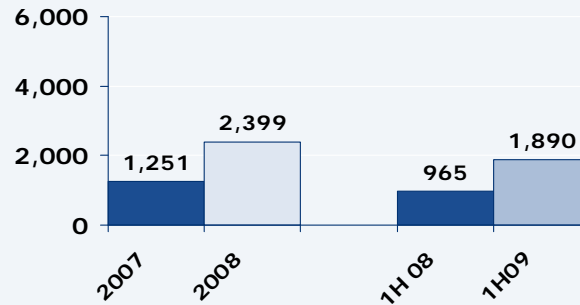


EBITA/EBITA margin

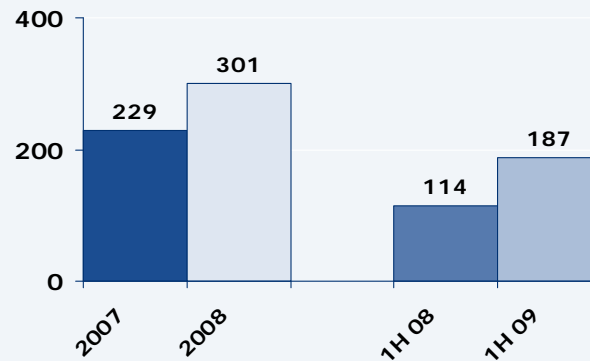


Kongsberg Protech Systems

Operating revenues

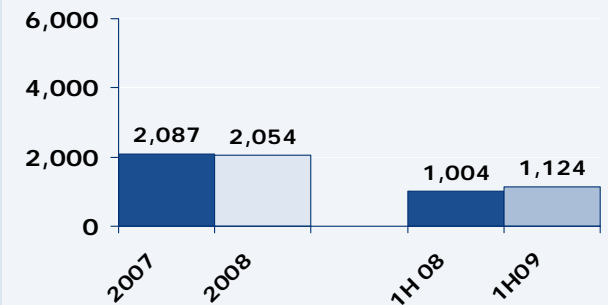


EBITA/EBITA margin

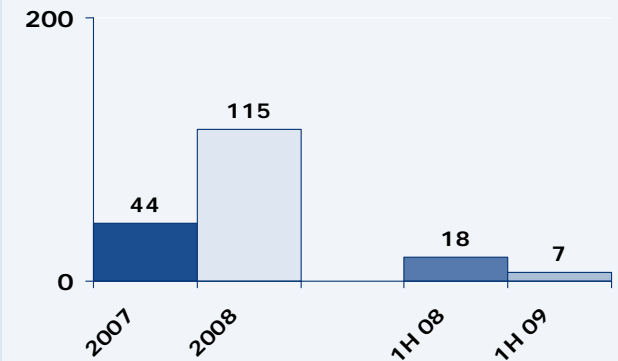


Kongsberg Defence Systems

Operating revenues



EBITA/EBITA margin

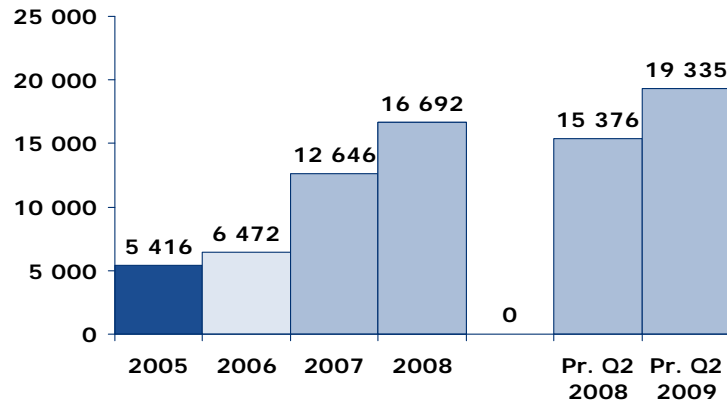


Orders

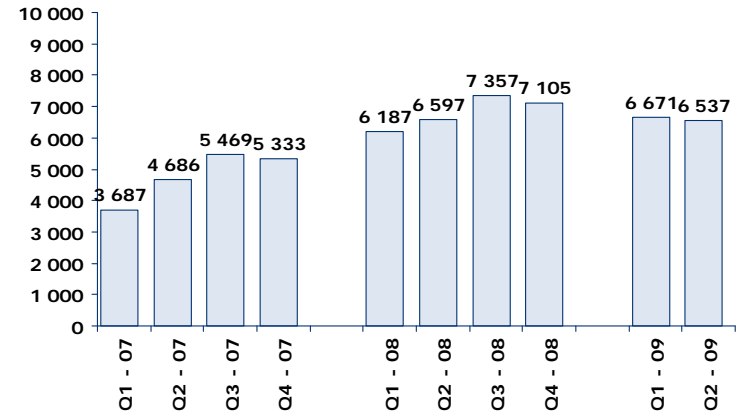
Strong backlog of orders in the various market areas



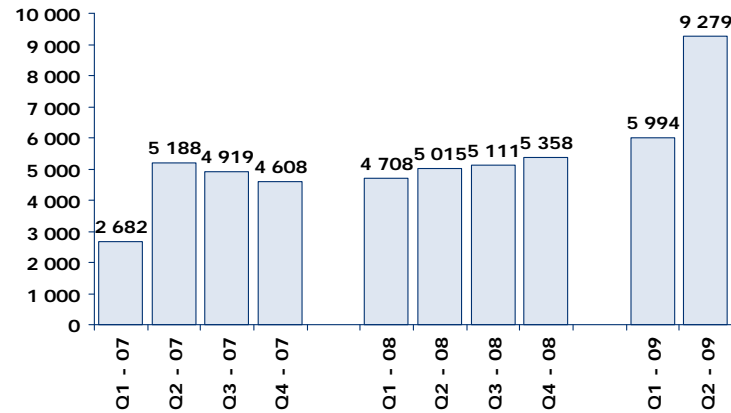
Kongsberg Gruppen



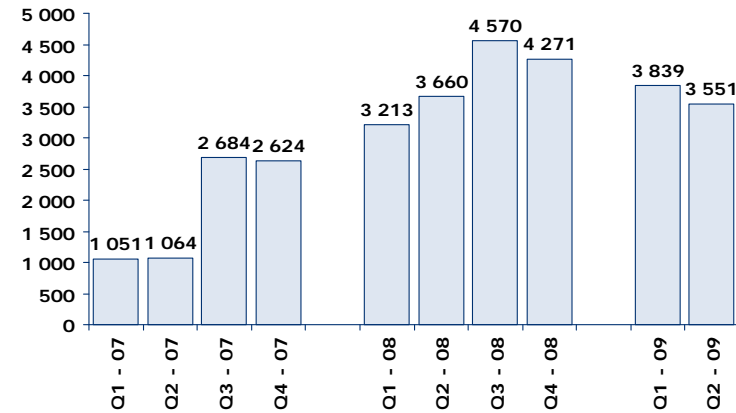
Kongsberg Maritime



Kongsberg Defence Systems



Kongsberg Protech Systems

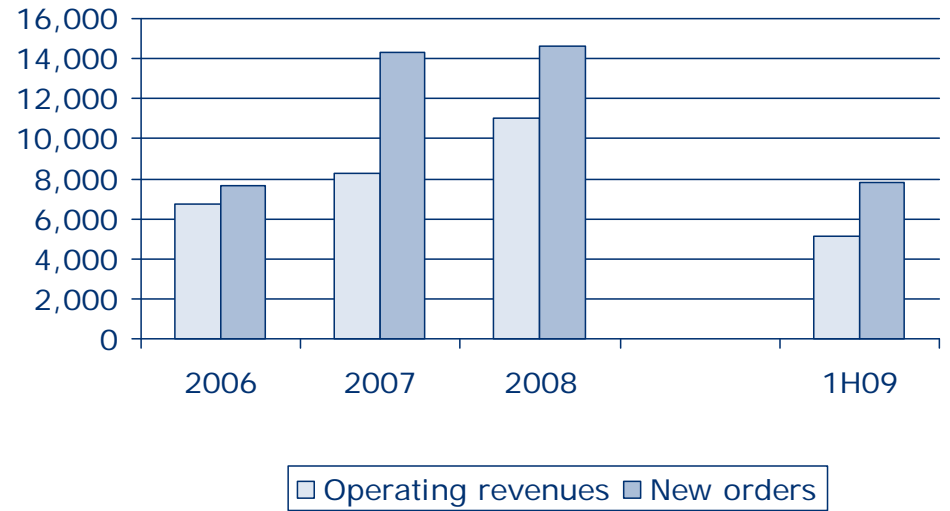
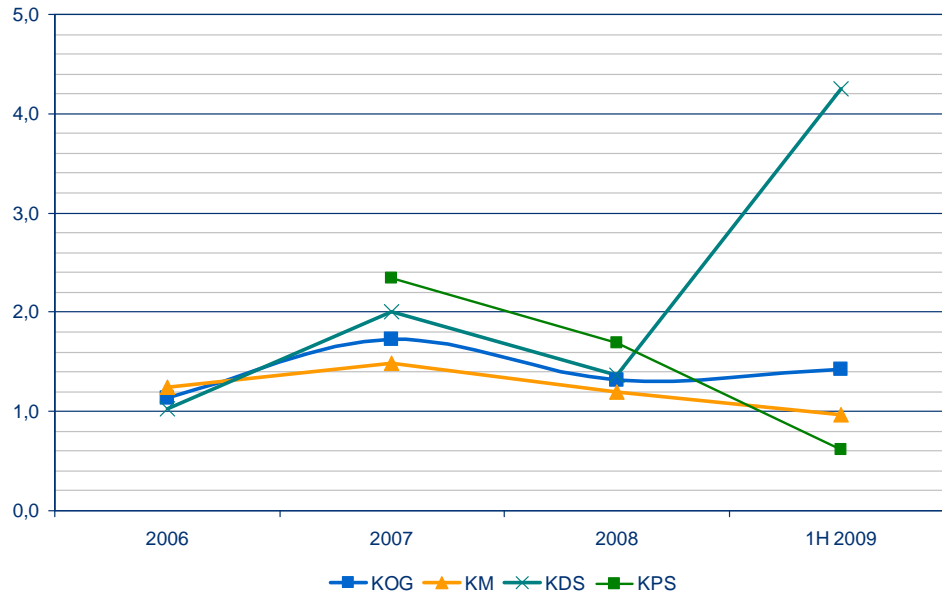


Key figures

	2006	2007	2008	1H 2008	1H 2009
Change, op. Rev.	16%	24%	33%	24%	29%
EBITDA	627	966	1 319	556	651
EBITDA/employees* (NOK 1 000)	172	230	279	125.6	122.8
EBITA	464	796	1 122	472	532
EBITA margin	6.9%	9.6%	10.1%	9.2%	8.1%
EBT	390	685	861	436	429
Net interest-bearing debt/EBITDA	0.17	- 0.09	1.09	0.52	0.90
Equity %	23%	30%	15.2%	28%	23.2%
Book/bill	1.14	1.73	1.32	1.52	1.43
EPS	2.08	4.04	4.86	2.54	2.45

* Average number of employees

Book/bill





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