Disclaimer

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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.

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Given the aforementioned uncertainties, prospective investors are cautioned not to place undue reliance on any of these forward-looking statements.
## Agenda

<table>
<thead>
<tr>
<th>TIME</th>
<th>TOPIC</th>
<th>PRESENTER(S)</th>
</tr>
</thead>
<tbody>
<tr>
<td>09:45</td>
<td>Welcome</td>
<td>VP IR Jan Erik Hoff</td>
</tr>
<tr>
<td>09:55</td>
<td>Group status and conclusions from growth strategy and capital structure reviews</td>
<td>CEO Walter Qvam, CFO Hans-Jørgen Wibstad</td>
</tr>
<tr>
<td>11:00</td>
<td>Kongsberg Maritime</td>
<td>EVP Geir Håøy</td>
</tr>
<tr>
<td>11:30</td>
<td>Kongsberg Oil &amp; Gas Technologies</td>
<td>EVP Pål Helsing</td>
</tr>
<tr>
<td>12:00</td>
<td>Lunch</td>
<td></td>
</tr>
<tr>
<td>13:00</td>
<td>Kongsberg Protech Systems</td>
<td>EVP Espen Henriksen</td>
</tr>
<tr>
<td>13:30</td>
<td>Kongsberg Defence Systems</td>
<td>EVP Harald Ånnestad</td>
</tr>
<tr>
<td>14:10</td>
<td>Q&amp;A Session</td>
<td>All</td>
</tr>
<tr>
<td>14:30</td>
<td>Final Remarks</td>
<td>CEO Walter Qvam</td>
</tr>
<tr>
<td>14:45</td>
<td>End</td>
<td></td>
</tr>
</tbody>
</table>
Kongsberg Gruppen ASA
Walter Qvam, CEO
CMD | 7 November 2013
EXTREME PERFORMANCE FOR EXTREME CONDITIONS

We develop and deliver advanced systems and technology for people working under extreme conditions.

Our solutions ensure efficiency, safety and high performance in operations ranging from deep sea to outer space.
Development since CMD 2012

Lower growth
Challenging markets
Good operational performance
Continued international expansion, strengthened alliances
Maritime, Offshore, Oil & Gas growth and milestone contract wins
Defence product launches, missile test successes, CROWS reduction
Strategic growth review, governance adjustment, capital issues review
Space & Surveillance entity creation, Integrated Environmental Monitoring

... ...

Strengthened platform – business, competence, relationships, brand, finances
Agenda

• Introduction – This is KONGSBERG
• Brief financial status
• Group position and opportunities
• Results of our strategic growth reviews and review of capital issues
From whale harpoons to an international technology group

200 years of finding solutions to technology challenges
Today involved in the world’s most technology intensive industries

REVENUE BREAKDOWN YTD 2013

- **Defence** 37%
- **Offshore / Oil & Gas** 52%
- **Merchant Shipping** 6%
- **Other** 5%

WORLD CLASS - THROUGH PEOPLE, TECHNOLOGY & DEDICATION
Now developing leading solutions for the next decades
..and playing an increasingly strategic role
….as well as an important international role
KONGSBERG is a unique multi-industry technology cluster

An internationally competitive technology industry player
Significant growth opportunities. An innovation power house
A strong foundation - business, competence, culture and brand
We genuinely believe that our strong, value based culture drives our business performance.

**DETERMINED**
What we start, we finish. We do not give in.

**INNOVATIVE**
We relentlessly pursue improvements, new ideas and new solutions.

**COLLABORATIVE**
We collaborate as individuals and as an organization.

**RELIABLE**
We are reliable people. We are responsible citizens.
Dedicated, hard working employees
- a strong, prudent and ambitious leadership team

Walter Qvam
President & CEO

Hans-Jørgen Wibstad
CFO

Johnny Løcka
Corporate Functions

Lene Svenne
Corporate Compliance Officer

Even Aas
Public Affairs

Egil Haugsdal
Group Business Development

Hilde Øygarden
Strategy & Analysis

Geir Håøy
Kongsberg Maritime

Harald Ånnessad
Kongsberg Defence Systems

Espen Henriksen
Kongsberg Protech Systems

Pål Helsing
Kongsberg Oil & Gas Technologies
Today we will share with you

• Our status, position and foundation for further development of the Group
• The results of our strategic growth reviews and review of capital issues
  – Growth directions
  – Revenue and margin development
  – Capital issues, e.g. dividend, return on capital
  – Cost and competitiveness initiatives
Agenda

• Introduction – This is KONGSBERG
• Brief financial status
  • Group position and opportunities
  • Results of our strategic growth reviews and review of capital issues
Increased revenues and order intake – robust margins

### Revenues

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013*</th>
</tr>
</thead>
<tbody>
<tr>
<td>BNOK</td>
<td>15.1</td>
<td>15.7</td>
<td>15.8</td>
</tr>
</tbody>
</table>

### Order intake

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013*</th>
</tr>
</thead>
<tbody>
<tr>
<td>BNOK</td>
<td>15.0</td>
<td>14.6</td>
<td>15.1</td>
</tr>
</tbody>
</table>

### EBITDA & EBITDA-margins

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013*</th>
</tr>
</thead>
<tbody>
<tr>
<td>BNOK, percent</td>
<td>2.4</td>
<td>2.3</td>
<td>2.1</td>
</tr>
</tbody>
</table>

### Order backlog

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013*</th>
</tr>
</thead>
<tbody>
<tr>
<td>BNOK</td>
<td>17.8</td>
<td>16.5</td>
<td>16.7</td>
</tr>
</tbody>
</table>

* 2013 figures are “Last 12 months”
Good performance in three out of four business units

Revenue, EBITDA margin

<table>
<thead>
<tr>
<th>Kongsberg Maritime</th>
<th>Kongsberg Oil &amp; Gas Technologies</th>
</tr>
</thead>
<tbody>
<tr>
<td>BNOK, percent</td>
<td>BNOK, percent</td>
</tr>
<tr>
<td>2011</td>
<td>2011</td>
</tr>
<tr>
<td>6.7</td>
<td>9.3%</td>
</tr>
<tr>
<td>7.5</td>
<td>0.7</td>
</tr>
<tr>
<td>8.1</td>
<td>1.0</td>
</tr>
<tr>
<td>17.7%</td>
<td>0.5</td>
</tr>
<tr>
<td>14.0%</td>
<td>6.3%</td>
</tr>
<tr>
<td>14.0%</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Kongsberg Defence Systems</th>
<th>Kongsberg Protech Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>BNOK, percent</td>
<td>BNOK, percent</td>
</tr>
<tr>
<td>2011</td>
<td>2011</td>
</tr>
<tr>
<td>3.9</td>
<td>4.2</td>
</tr>
<tr>
<td>4.7</td>
<td>2.9</td>
</tr>
<tr>
<td>4.2</td>
<td>2.5</td>
</tr>
<tr>
<td>9.0%</td>
<td>19.5%</td>
</tr>
<tr>
<td>10.3%</td>
<td>25.3%</td>
</tr>
<tr>
<td>10.7%</td>
<td>20.0%</td>
</tr>
</tbody>
</table>

* 2013 figures are “Last 12 months”
**Strong maritime order intake – somewhat slower in defence**

### Order intake

<table>
<thead>
<tr>
<th>Kongsberg Maritime</th>
<th>Kongsberg Oil and Gas Technologies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BNOK</strong></td>
<td><strong>BNOK</strong></td>
</tr>
<tr>
<td>2011</td>
<td>4.1</td>
</tr>
<tr>
<td>2012</td>
<td>3.5</td>
</tr>
<tr>
<td>2013*</td>
<td>2.8</td>
</tr>
</tbody>
</table>

<table>
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<tr>
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<tr>
<td><strong>BNOK</strong></td>
<td><strong>BNOK</strong></td>
</tr>
<tr>
<td>2011</td>
<td>2.9</td>
</tr>
<tr>
<td>2012</td>
<td>2.0</td>
</tr>
<tr>
<td>2013*</td>
<td>2.3</td>
</tr>
</tbody>
</table>

*2013 figures are “Last 12 months”*
Solid order book – good earnings visibility

### Backlog of orders

<table>
<thead>
<tr>
<th>BNOK</th>
<th>Q1 2011</th>
<th>Q2 2011</th>
<th>Q3 2011</th>
<th>Q4 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>18.1</td>
<td>17.8</td>
<td>17.2</td>
<td>17.8</td>
<td>17.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BNOK</th>
<th>Q1 2012</th>
<th>Q2 2012</th>
<th>Q3 2012</th>
<th>Q4 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>17.6</td>
<td>17.1</td>
<td>16.5</td>
<td>16.7</td>
<td>16.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BNOK</th>
<th>Q1 2013</th>
<th>Q2 2013</th>
<th>Q3 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>16.7</td>
<td>16.7</td>
<td>16.7</td>
<td>16.7</td>
</tr>
</tbody>
</table>

### Q3 2013 backlog by year

- **Q3 '13**: 16.7
- **2013**: 3.8
- **2014**: 8.0
- **2015+**: 4.8

### Q3 2013 backlog by BU

- **Q3 '13**: 16.7
- **KM**: 7.1
- **KOGT**: 0.9
- **KDS**: 5.8
- **KPS**: 2.7
Strong cash flow over time but fluctuating between quarters

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>Q3 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and short-term deposits</td>
<td>1.467</td>
<td>2.660</td>
<td>3.083</td>
<td>2.509</td>
<td>2.376</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>2.669</td>
<td>2.018</td>
<td>1.643</td>
<td>207</td>
<td>917</td>
</tr>
<tr>
<td>Net interest bearing debt</td>
<td>(634)</td>
<td>(1.813)</td>
<td>(2.191)</td>
<td>(1.198)</td>
<td>(1.067)</td>
</tr>
</tbody>
</table>
Solid balance providing strength and flexibility

<table>
<thead>
<tr>
<th>Equity ratio</th>
<th>Percent</th>
<th>Peer averages</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity ratio</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent</td>
<td>30</td>
<td>27</td>
<td>29</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Debt to EBITDA ratio</th>
<th>Peer averages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Debt to EBITDA ratio</td>
<td></td>
</tr>
<tr>
<td>Percent</td>
<td></td>
</tr>
<tr>
<td>0.9</td>
<td>1.3</td>
</tr>
<tr>
<td>1.3</td>
<td>0.7</td>
</tr>
<tr>
<td>Average 1997-2001</td>
<td>0.4</td>
</tr>
<tr>
<td>Average 2002-2006</td>
<td>0.5</td>
</tr>
<tr>
<td>Average 2007-2011</td>
<td>1.3</td>
</tr>
<tr>
<td>Actual Q3 2013</td>
<td>0.7</td>
</tr>
</tbody>
</table>

All current contracts are currency hedged. Expected order intake hedged up to 2 years

1 Shadow ratings. Average of BBB (DNB), BBB+ (Nordea) and A- (SEB)
2 Net interest bearing debt (NIBD) divided by EBITDA. NIBD equals long-term interest-bearing loans minus cash and cash equivalents

SOURCE: McKinsey CPAT
Agenda

• Introduction – This is KONGSBERG
• Brief financial status
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KONGSBERG going forward

Our ambition
We shall be a leading technology industry group with World Class positions
We shall drive a proactive growth agenda, generate stakeholder value and develop value adding solutions for demanding customers within our key industries

Solid foundation with strong finances
- Solid platforms in Maritime, Oil & Gas, and Defence
- Life cycle business view
- Strong finances
- Unquestioned compliance
- Culture of growth and innovation

Profitable growth from market positions with high entry barriers

Group-wide improvement programs, supplementing continuous improvement in business units

Group competitive advantages
- Cross-fertilization of technology
- Strong brand
- Common culture and value foundation
- Attracting top technology talent
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- Unquestioned compliance
- Culture of growth and innovation

Profitable growth
from market positions
with high entry barriers

Growth through both
organic development
and M&A

Group-wide improvement
programs, supplementing
continuous improvement
in business units

Group competitive
advantages

- Cross-utilization of technology
- Strong brand
- Common culture and value foundation
- Attracting top technology talent
Strong market positions and a wide range of leading technology solutions

<table>
<thead>
<tr>
<th>Kongsberg Maritime</th>
<th>Kongsberg Oil &amp; Gas Technologies</th>
<th>Kongsberg Defence Systems</th>
<th>Kongsberg Protech Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Market leader within both offshore and merchant applications</td>
<td>• Increasing market shares within certain oil &amp; gas niches</td>
<td>• Modern product portfolio positioned in growing defence niches</td>
<td>• Unquestionable world #1 position within remote weapon station solutions</td>
</tr>
<tr>
<td>• Dynamic positioning</td>
<td>• Drilling and production management S/W solutions</td>
<td>• Naval strike missile</td>
<td>• M-153 PROTECTOR (CROWS)</td>
</tr>
<tr>
<td>• “Full picture” integrated automation and control systems</td>
<td>• Subsea structures &amp; engineering</td>
<td>• Joint strike missile</td>
<td>• PROTECTOR Medium Caliber RWS</td>
</tr>
<tr>
<td>• Underwater sensor technologies</td>
<td></td>
<td>• NASAMS</td>
<td>• Other specialized remote weapon stations</td>
</tr>
<tr>
<td>• Autonomous underwater vehicles</td>
<td></td>
<td>• Aerospace equipment and services</td>
<td></td>
</tr>
</tbody>
</table>
World Wide Life Cycle Support

- KM - equipment on more than 15,000 vessels – comprehensive service network
- KPS - more than 17,000 RWS sold to 17 countries – spare parts and service
- KONGSBERG’s life cycle services is a **key differentiator in the market**
Global customer support network supporting our customers 24 / 7

- KONGSBERG is among the very few companies in the world that can provide support, critical spare parts, repairs or maintenance on any location, any vessel, anywhere in the world, on only hours notice

- We support our customers through from design to commissioning, during the operational life and with modernization
Strong finances

Key figures¹

<table>
<thead>
<tr>
<th></th>
<th>Norway</th>
<th>Rest of the world</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>22%</td>
<td>78%</td>
<td>15.8</td>
</tr>
<tr>
<td>EBITDA</td>
<td>2.1</td>
<td>13.3%</td>
<td></td>
</tr>
<tr>
<td>Order intake</td>
<td>15.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Order backlog</td>
<td>16.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity ratio</td>
<td>0.37</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leverage ratio²</td>
<td>-0.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit rating</td>
<td>BBB+</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ Figures are “last 12 months”
² Net interest bearing debt (NIBD) divided by EBITDA. NIBD equals long-term interest-bearing loans minus cash and cash equivalents

Balance sheet and rating

Share performance last 12 months
Unquestioned compliance focus. Corporate social responsibility initiatives

- Clean compliance track record
- High ethical standards
- Zero tolerance for corruption

Our CSR initiatives also have a commercial aim

- Integrated environmental monitoring system for offshore oil & gas
- Green Shipping initiative
- Wind farm steering systems to lower maintenance cost
- Earth observation services
KONGSBERG’s culture and governance model encourages innovation

• Strong product ownership in a distributed, empowered organization of 50-60 entities

• R&D investments ~10% of revenue, incl. 5% customer financing

• Close collaboration with leading research institutes

• Close relationships with customer user forums

• Internal innovation incentives

Internally financed R&D spend

Share of revenues, percent

<table>
<thead>
<tr>
<th></th>
<th>Kongsberg¹</th>
<th>A&amp;D average²</th>
<th>Oil service average³</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4.6</td>
<td>4.3</td>
<td>0.9</td>
</tr>
</tbody>
</table>

1. 4.6 percent financed internally (2012), ~10 percent when including customer-financed R&D
2. Top 89 global A&D companies with 2012 market cap above 100 MUSD. Covers only internal investments
3. Top 159 global OFSE companies with 2012 market cap above 100 MUSD. Covers only internal investments
Capabilities in automation, command and control, decision support systems are leveraged across the Group

Knowledge sharing and innovation are systematically encouraged

- **KONGSBERG Technology Forum** joins the most experienced talent across the Group to encourage the sharing of ideas and practices across business units
- The group-wide **Innovation Fund** encourages innovation from all levels of the Group

Hugin is an example of Group-wide knowledge sharing

- Hugin was developed to provide mine reconnaissance and counter-measures
- The concept was expanded to civilian seabed mapping and sensoring
- Hugin now has applications for both military and civilian use
- Today we are a global leader in AUV systems – Hugin, Remus, Munin, Seaglider
Global reach, with presence in all major market hubs

Country with KOG presence

2012 sales in region, MNOK, 2012

# employees

KM or KOGT
KDS or KPS
KONGSBERG going forward

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We shall be a leading technology industry group with World Class positions
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Solid foundation with strong finances
- Solid platforms in Maritime, Oil & Gas, and Defence
- Life cycle business view
- Strong finances
- Unquestioned compliance
- Culture of growth and innovation

Profitable growth from market positions with high entry barriers

Growth through both organic development and M&A

Group-wide improvement programs, supplementing continuous improvement in business units

Group competitive advantages
- Cross-fertilization of technology
- Strong brand
- Common culture and value foundation
- Attracting top technology talent

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KONGSBERG’s growth has been higher than in most other industries

Kongsberg revenue versus nominal GDP development 1997-2012

BNOK (GDP figures rebased to 1997 Kongsberg revenue)

SOURCE: World Bank
KONGSBERG has attractive market positions with above-market growth

**KM and KOGT revenues vs. global OFSE revenues**

<table>
<thead>
<tr>
<th>Year</th>
<th>KM Revenues</th>
<th>OFSE Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>3.6</td>
<td>4.9</td>
</tr>
<tr>
<td>2007</td>
<td>4.9</td>
<td>6.5</td>
</tr>
<tr>
<td>2008</td>
<td>6.5</td>
<td>7.1</td>
</tr>
<tr>
<td>2009</td>
<td>7.1</td>
<td>6.7</td>
</tr>
<tr>
<td>2010</td>
<td>6.7</td>
<td>7.2</td>
</tr>
<tr>
<td>2011</td>
<td>7.2</td>
<td>8.2</td>
</tr>
</tbody>
</table>

**KDS and KPS revenues vs. global A&D revenues**

<table>
<thead>
<tr>
<th>Year</th>
<th>KDS Revenues</th>
<th>A&amp;D Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>3.0</td>
<td>3.0</td>
</tr>
<tr>
<td>2007</td>
<td>3.3</td>
<td>3.3</td>
</tr>
<tr>
<td>2008</td>
<td>4.5</td>
<td>4.5</td>
</tr>
<tr>
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<td>9.1</td>
<td>9.1</td>
</tr>
<tr>
<td>2011</td>
<td>8.1</td>
<td>8.1</td>
</tr>
<tr>
<td>2012</td>
<td>7.5</td>
<td>7.5</td>
</tr>
</tbody>
</table>

**SOURCE:** McKinsey CPAT
KONGSBERG is well positioned in fast-growing maritime and oil & gas markets with high entry barriers

- Drilling at deep water and in harsh environments drives demand for Offshore Full Picture® systems
- Ship building is recovering from cycle low, driving demand for Merchant Marine solutions
- High growth in Subsea due to increased exploration of marginal fields and size and age of installed subsea base
- Deeper, more complex wells drive development of advanced monitoring and flow control systems in oil & gas
Positioned in fast-growing niches in offshore and oil & gas markets

Kongsberg Maritime

Floating drilling demand scenarios

Floating drilling demand per water depth

Kongsberg Oil and Gas Technology

Offshore Capex per region

Global offshore pipeline installation forecast

SOURCE: IHS CERA
Growing defence market sub segments with high entry barriers

- **Missile systems** set for higher growth as US "AirSea Battle" doctrine shifts focus to naval warfare
- Growth in **Air Defence Systems** driven by upgrades of existing systems and NASAMS sales
- New products and increasing life cycle business offer strong fundament for **Protech Systems**
- Increased demand for **submarine-, surveillance-, communication- and satellite systems** provides opportunities for leading KONGSBERG niche products
KONGSBERG is positioned with a modern portfolio of defence systems

KONGSBERG is Norway’s largest software company........
KONGSBERG going forward

Our ambition
We shall be a leading technology industry group with World Class positions
We shall drive a proactive growth agenda, generate stakeholder value and develop value adding solutions for demanding customers within our key industries

Solid foundation with strong finances
- Solid platforms in Maritime, Oil & Gas, and Defence
- Life cycle business view
- Strong finances
- Unquestioned compliance
- Culture of growth and innovation

Profitable growth from market positions with high entry barriers

Growth through both organic development and M&A

Group competitive advantages
- Cross-fertilization of technology
- Strong brand
- Common culture and value foundation
- Attracting top technology talent

Profitable improvement programs, supplementing continuous improvement in business units
KONGSBERG has a history of successfully integrating companies as part of the Group

Overview of acquired and integrated companies in maritime and defence industries

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1 Not exhaustive
We will continue to broaden our portfolio and drive industrialization

- Continue focus on innovation and organic growth
- Add value through bolt on’s and strategic acquisitions
- Develop industry portfolios in maritime, oil & gas and defence

New Group governance
Strategic management of industry portfolios

Kongsberg Defence is reorganized
Kongsberg Maritime is formed
Kongsberg Protech Systems is formed
Kongsberg Oil and Gas Technologies is formed
Proactive growth with reinforced Group structure

Above-market growth through broadening our product and services portfolio

Growth through product innovation

- Broadening and developing our product portfolio
  - Continuously expanding our “Full picture” offering

- New products
  - Finding new applications for sensor capabilities, e.g. in infrastructure surveillance

Growth through service innovation

- Developing our Life Cycle Service
  - Reducing response time and broadening service offering

- New service offerings
  - Developing capabilities in Subsea inspections, maintenance and repair
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Group-wide improvement programs, supplementing continuous improvement in business units

Group competitive advantages
- Cross-utilization of technology
- Strong brands
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KONGSBERG going forward
Continuous improvement

- Strong focus on continuous improvements in all business areas
  - Products
  - Project execution
  - Logistics
  - Supplier network
  - Management
  - Internal processes

Management incentive system based on YoY improvement achievement
KONGSBERG going forward

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Growth through both organic development and M&A

Group-wide improvement programs, supplementing continuous improvement in business units
At its core, KONGSBERG integrates advanced technologies into complete solutions

Key core capabilities

• Integrating sensors and software

• Supporting human decision making, precision, safety, security

• Cybernetics, software, signal processing and system engineering

• Project and supplier management

Dynamic positioning and vessel automation

Real time drilling support

Advanced robots

Command and control systems
A multi industry technology group with technology, competence and structure synergies

Customer Relationships. Customer need competence. Operator’s perspective – 24/7

Application Knowledge. Function- and Task competency

System Competency. Technology Access Supplier Relationships

Product- and Technology Competency

Base Technologies Competencies

Industry specific competencies Base competencies and technologies

Product and Project Management
Well positioned within key disruptive technologies for the future

- Automation of knowledge work
- The Connectivity of Things
- Advanced robotics
- Autonomous and near-autonomous vehicles
- Energy storage
- Advanced materials
- Advanced O&G exploration and recovery
- Renewable energy
Global footprint

- with local offices in 25 countries, ensures access to all important markets
Flexible cost structure based on offshoring production to local hubs near customers

- **Johnstown, USA**
  - Assembly of RWS units for US deliveries

- **Szczecin, Poland**
  - Software engineering of DP, navigation and communication systems for Offshore and Merchant Marine

- **Bangalore, India**
  - Programming software for KOGT solutions

- **Zhenjiang, China**
  - Designing and engineering of sensors
  - Producing parts for Chinese offshore and shipbuilding industry

- **Busan, South Korea**
  - Producing parts and equipment for Korean rig and shipbuilding industry
**Strong company culture with highly motivated employees**

### Low turnover rate

**Employee turnover**

<table>
<thead>
<tr>
<th>Percent</th>
<th>Kongsberg</th>
<th>Norway average</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.3</td>
<td></td>
<td></td>
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<tr>
<td>13.5</td>
<td></td>
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</tr>
</tbody>
</table>

**Percent change:** -53%

### Low sick leave ratios

**Sick leave**

<table>
<thead>
<tr>
<th>Percent</th>
<th>Kongsberg</th>
<th>Norway average</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.0</td>
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</tbody>
</table>

**Percent change:** -62%

### High employee satisfaction

**“I would recommend Kongsberg as a good place to work”**

<table>
<thead>
<tr>
<th>Percent</th>
<th>0.6</th>
<th>1.3</th>
<th>2.6</th>
<th>8.1</th>
<th>16.5</th>
<th>28.7</th>
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<td></td>
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<tr>
<td>Completely agree</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

**“I am proud to work for Kongsberg”**

<table>
<thead>
<tr>
<th>Percent</th>
<th>0.5</th>
<th>0.8</th>
<th>2.1</th>
<th>6.1</th>
<th>14.8</th>
<th>27.8</th>
<th>48.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completely disagree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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<td>Completely agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

**SOURCE:** OECD Department for Employment, Labour and Social Affairs; Statistics Norway; KONGSBERG internal employee satisfaction survey
Agenda

• Introduction – This is KONGSBERG
• Brief financial status
• Group position and opportunities
• Results of our strategic growth reviews and review of capital issues
Strategic Growth Review

Scaling a modern defence portfolio with increasing international demand

Our defence strategy is about growth, market entry in selected regions and home market support

• Growth drivers: NSM, JSM, NASAMS, Medium Caliber RWS, Submarines
• Enabling strategies: Building/acquiring regional presence, entering/reinforcing alliances, Foreign Military Sales (FMS)

Strong continued organic innovation and product development
Alliances and Acquisitions to strengthen presence and foot-print
Strategic Growth Review

Expanding a leading global maritime position through strong international relationships

Our maritime strategies are about widening scope of supply and maintaining the leading Full Picture® position

• Growth drivers: Full Picture, 24/7 life cycle support, new products/systems that increases “sale per vessel”, underwater technologies
• Enabling strategies: Product development, and bolt-on’s to maintain leading position in current segments, alliances and/or acquisitions to widen scope

Strong continued organic innovation and product development
Acquisitions to widen scope, increase volume per vessel, deliver more comprehensive systems
Alliances
Expanding on existing unique oil and gas technologies and adding new growth

Our oil and gas strategy is about widening our scope and scaling our business in four selected areas:

- **Drilling management, subsea solutions and operations, production optimization and environmental production**

- Growth drivers: World leading S/W solutions/decision support, subsea technologies, drilling and well technologies
- Enabling strategies: Product development and bolt-on’s to maintain current leading positions, alliances or acquisitions to widen scope and establish additional growth platform

### Strong continued organic innovation and product development
- Acquisitions and alliances to widen scope, deliver more comprehensive systems
- Additional growth platform
Our ambition is to grow an average of 10% p.a. over a five year period

**Historical revenue growth (1990-2012)**

- CAGR of 11.5% from 1990-2012
- CAGR of 0.5% from 2010-2012

**Growth ambition next five years**

<table>
<thead>
<tr>
<th>KONGSBERG Business area</th>
<th>Market growth</th>
<th>KONGSBERG Market share</th>
<th>M&amp;A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maritime</td>
<td>↑</td>
<td>↑</td>
<td>✔</td>
</tr>
<tr>
<td>Oil &amp; Gas</td>
<td>↑</td>
<td>↑</td>
<td>✔</td>
</tr>
<tr>
<td>Defense</td>
<td>↑</td>
<td></td>
<td>✔</td>
</tr>
</tbody>
</table>

Group ambition is an annual average growth of 10% over a five year period where about half is organic

*) Organic growth in 2014 expected to be lower than average
We shall be a “double digit” EBITA-margin business

Historical EBITA-% (1990-2013 YTD)

A double digit EBITA-% business

EBITDA-% approximately 2% points higher
Accelerated efforts to increase shareholder return and improve competitiveness

Continuous focus on operational excellence

- Strong operational performance in all business areas
- Continuous focus on competitiveness

Group wide program to strengthen profitability and competitiveness

- Ambition in addition to our ongoing improvements:
  > MNOK 500 annual cost improvements by 2016
- The ambition will be further detailed on Q4 2013 presentation
We will maintain focus on return on capital employed

KONGSBERG ROCE 2008-2012 compared with peers¹)
(EBIT/(BV Equity + Gross debt)

KOG
Defense
Diversified
Oil Service

KONGSBERG will target a return on capital employed matching historic levels

New projects and initiatives will be evaluated against a 10-15% requirement dependent upon project risk

Annualized YTD 2013 ROCE for KONGSBERG is ~21%

¹) Defense peers include Lockheed Martin, Raytheon, Northrop Grumman, General Dynamics, Alliant Techsystems, BAE, Saab, Thales, Rheinmetall and Finmeccanica; Oil service peers include NOV, Cameron, Cargotec, Aker Solutions, FMC Technologies and Saipem; Diversified peers include Honeywell, KBR, Rolls-Royce, L-3 Communications and Wärtsilä
We have reviewed our capital structure in light of performance and growth strategies

• We will continue to target a strong balance sheet* and to have financial flexibility to support our growth ambitions
  - Organic
  - Acquisitions

• Within this strategy of a strong balance sheet and growth, we have concluded that there is room for adjustments in the dividend policy

* We intend to stay within investment grade criteria
We will therefore adjust our dividend policy to 40-50% of ordinary net profit over time.

**Historical pay-out ratio**
(dividend per share/ earnings per share)

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>Going forward</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay-out ratio</td>
<td>29,3</td>
<td>30,1</td>
<td>31,4</td>
<td>33,9</td>
<td>50,0</td>
</tr>
<tr>
<td>Pay-out ratio</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

**Median pay-out ratio selected peers**
(dividend per share/ earnings per share)

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peer</td>
<td>30,1</td>
<td>35,5</td>
<td>32,3</td>
<td>32,9</td>
</tr>
<tr>
<td>Peer</td>
<td>16,9</td>
<td>18,4</td>
<td>21,5</td>
<td>24,1</td>
</tr>
<tr>
<td>Peer</td>
<td>27,4</td>
<td>21,5</td>
<td>21,5</td>
<td>20,8</td>
</tr>
<tr>
<td>Peer</td>
<td>44,8</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

KONGSBERG’s dividend policy will be evaluated against capital requirements, investment grade rating, M&A opportunities and business outlook.

1) Defense peers include Lockheed Martin, Raytheon, Northrop Grumman, General Dynamics, Alliant Techsystems, BAE, Saab, Thales, Rheinmetall and Finmeccanica; Oil service peers include NOV, Cameron, Cargotec, Aker Solutions, FMC Technologies and Saipem; Diversified peers include Honeywell, KBR, Rolls-Royce, L-3 Communications and Wärtsilä.
The company’s objective is that dividends over time shall constitute between 40 and 50 per cent of the company’s ordinary net profits after tax. When determining the size of the dividend, the expected future capital need will be taken into account.
Summary

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