A good start to 2015

- Strong order intake and continued growth
  - BNOK 5.0 order intake, book/bill 1.17
  - Record high order backlog of BNOK 22
  - BNOK 4.2 revenues, 7.4% growth YoY
  - Increased net working capital, negative cash flow

- KM builds backlog and achieves all time high quarterly revenues

- Strong first quarter and good margins in KDS

- Continued strong order intake in KPS, book/bill 2.17

- Positive EBITDA in KOGT
Financial status Q1 - 2015

*Operating revenues*

- Revenues up 7.4 % from Q1-14
- KM with a solid 10.4 % revenue growth compared with Q1-14
- KDS revenues up 17.8 % YoY
- KPS revenues in line with recent quarters
- KOGT revenues slightly down
Financial status Q1 - 2015

**EBITDA**

- Solid MNOK 486 EBITDA, up 9.0 % from Q1-14
  - EBITDA-margin 11.5 % (11.3 %)
- KM delivers MNOK 352 EBITDA in Q1 (MNOK 341)
- Strong MNOK 128 EBITDA in KDS
- Positive EBITDA in KPS
- Positive EBITDA in KOGT on the back of actions taken in 2014
Financial status 2015

Order backlog

Backlog of orders

New orders per quarter

New orders Q1 2015

Life-cycle business and framework agreements not converted into delivery contracts are not included in the backlog.

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# Financial status Q1 2015

## Cash Flow

<table>
<thead>
<tr>
<th>Cash IB</th>
<th>EBITDA Q1</th>
<th>Change in other operating related items</th>
<th>Investments</th>
<th>Net changes in financing activities and exchange rates</th>
<th>Cash UB</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 424</td>
<td>486</td>
<td>1 010</td>
<td>155</td>
<td>16</td>
<td>3 761</td>
</tr>
</tbody>
</table>

### Financial Data

<table>
<thead>
<tr>
<th></th>
<th>Q1-15</th>
<th>Q4-14</th>
<th>Q1-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and short-term deposits</td>
<td>3 761</td>
<td>4 424</td>
<td>4 618</td>
</tr>
<tr>
<td>Working capital</td>
<td>3 362</td>
<td>3 274</td>
<td>4 060</td>
</tr>
<tr>
<td>Net interest bearing debt</td>
<td>(2 874)</td>
<td>(3 551)</td>
<td>(3 291)</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>31.6%</td>
<td>31.0%</td>
<td>37.6%</td>
</tr>
<tr>
<td>Return on Capital Employed (ROCE)*</td>
<td>17.3%</td>
<td>16.4%</td>
<td>20.4%</td>
</tr>
</tbody>
</table>

*Average capital employed, quarterly ROCE based on last twelve months

KONGSBERG has unused credit lines of NOK 1.5 billion
Financial status Q1 2015

Net Cash flow from operating activities - development
Business Area Status
## Kongsberg Maritime

### Solid start of the year
- All-time-high quarterly revenues, 10.4 % revenue growth YoY
- Record high revenues both within offshore and subsea, solid 35 % YoY growth within merchant marine

### Strong and diversified order intake
- MNOK 2.975 order intake in Q1 2015
  - Building backlog in both offshore, merchant marine and subsea
  - Very diversified order intake, both new builds, non-vessel related and life cycle services
  - No single vessel category accounts for more than 7 % of total

### Order backlog, delivery time

<table>
<thead>
<tr>
<th>Order backlog, delivery time</th>
<th>MNOK</th>
<th>Q1-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td>2,611</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>352</td>
<td></td>
</tr>
<tr>
<td>Order intake</td>
<td>2,975</td>
<td></td>
</tr>
<tr>
<td>Order Backlog</td>
<td>8,092</td>
<td></td>
</tr>
</tbody>
</table>

### Robust business model and diversified exposure
- Diversified product portfolio with strong and maintained market shares
- Market leading solutions within offshore, merchant marine and subsea
- Strengthened position within EIT-projects
- Advanced 24/7 life-cycle services
- Long standing customer and partner relationships

### Pro-actively adapting to a weaker offshore market
- Life-cycle business and framework agreements not converted into delivery contracts are not included in the backlog

*Life-cycle business and framework agreements not converted into delivery contracts are not included in the backlog*
Technology for Sustainable Fisheries

• Main technologies are echosounder and sonar

• 2014 sales was approx. MNOK 350
  – Majority of sales to the retrofit market (85%), the rest are New Builds

• 80% of products sold to commercial fisheries and 20% to government
  – Within commercial: 80% pelagic fishery, 20% trawling

• More than 80% of world fish biomass estimation is made based on data from surveys using KONGSBERG SIMRAD equipment
Fishery fleet becoming more advanced

- Fishery quota’s stable since 1980, approx. 85 mill tons world wide
  - Increased resource scarcity entails need for catch optimization – more advanced technology needed
  - “Sustainable fisheries” increasingly important for research, fishery and government

- More optimal fisheries requires a more modern fishing fleet – KONGSBERG SIMRAD technology well positioned for rebuild and new-build of larger vessels and more modern fleet

- Service and support increasing as key competitive advantage
Kongsberg Defence Systems

<table>
<thead>
<tr>
<th>(MNOK)</th>
<th>Q1-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td>1 041</td>
</tr>
<tr>
<td>EBITDA</td>
<td>128</td>
</tr>
<tr>
<td>Order intake</td>
<td>1 002</td>
</tr>
<tr>
<td>Order Backlog</td>
<td>9 425</td>
</tr>
</tbody>
</table>

**Order backlog, delivery time**

- Rest of 2015: 30%
- 2016: 29%
- 2017 and forward: 41%

*Framework agreements not converted into delivery contracts are not included in the backlog

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**Solid Q1 and strong order backlog**

- Solid 2015 start
  - Delivery programs executed on plan
  - Strong 12.3 % EBITDA-margin
  - Improved and growing activity related to F-35

**BNOK 9.4 in order backlog ensures good visibility**

**Strong position within selected niches in a changing defence market**

- Market leading positions within missiles, air defence, defence communications and naval command & control
  - Increased demand for KDS portfolio
  - Several medium- to long term opportunities
  - Defence budgets bottoming out

**Good start of Q2 – several important announcements**

**Alliance strategy proven successful**

- Agreement to deliver equipment for preparing future Malaysian Littoral Combat Ships for NSM.

- Agreement between Raytheon and KONGSBERG with regards to NSM, the second step in the joint effort to provide the worlds leading anti-surface solutions
Aerostructures – F-35 ramping up

• Factory opened in 2008
• Recognized for high quality and extreme precision
• Solid operational improvements and strong order intake
  – MNOK 560 to LRIP 9-10 in Q1 15
  – Close to BNOK 1.5 order backlog (F-35 and other)
## Kongsberg Protech Systems

### Solid order intake, low EBITDA
- Revenues driven by life-cycle business, i.e. reset-activities
  - Expected to be a dominating portion of revenues in 2015
- 2.12 book/bill in Q1, above 1.0 for 4th consecutive quarter

### Important win in the UK market
- Contract with General Dynamics UK for delivery of Protector RWS to the British Armed Forces’ SCOUT SV vehicle program
  - MNOK 678 contract value

### Building up for the next growth curve
- Solid BNOK 3.9 order backlog, strong R&D efforts and high market activity
  - Several ongoing market campaigns, both for traditional RWS and the new MCRWS
- KPS is the world’s #1 supplier of remotely operated weapon stations
  - The market outside the USA is growing

<table>
<thead>
<tr>
<th>(MNOK)</th>
<th>Q1-15</th>
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<tbody>
<tr>
<td>Operating revenues</td>
<td>369</td>
</tr>
<tr>
<td>EBITDA</td>
<td>14</td>
</tr>
<tr>
<td>Order intake</td>
<td>782</td>
</tr>
<tr>
<td>Order Backlog</td>
<td>3,935</td>
</tr>
</tbody>
</table>

<table>
<thead>
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<th>Order backlog, delivery time</th>
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<tbody>
<tr>
<td>Rest of 2015</td>
</tr>
<tr>
<td>2016</td>
</tr>
<tr>
<td>2017 and forward</td>
</tr>
</tbody>
</table>

*Framework agreements not converted into delivery contracts are not included in the backlog*
Defence

*Several mid- and long term opportunities*
Low revenues and EBITDA but positive effects from measures implemented in 2014

- MNOK 243 Q1 revenues, down 10.3% YoY
- The initiatives implemented in 2014 results in a positive MNOK 5 EBITDA
  - Cost base more adapted to the current market situation
  - Additional adjustments considered on an ongoing basis

Attractive technology positioning in a challenging market

- KONGSBERG’s solutions meet cost reduction requirements in the industry
  - Significant technology development programs

General reduction in oil companies’ exploration and development activity

- Investment level is expected to stay low in the near to medium-term future
- Several projects postponed or cancelled

<table>
<thead>
<tr>
<th>(MNOK)</th>
<th>Q1-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td>243</td>
</tr>
<tr>
<td>EBITDA</td>
<td>5</td>
</tr>
<tr>
<td>Order intake</td>
<td>205</td>
</tr>
<tr>
<td>Order backlog</td>
<td>374</td>
</tr>
</tbody>
</table>

Order backlog, delivery time

- Rest of 2015: 76 %
- 2016: 24 %

*Life-cycle and framework agreements not converted into delivery contracts are not included in the backlog
2015 Outlook

• Kongsberg Maritime
  – Good start to 2015
  – Slower contracting of new vessels in the offshore market, good outlook for advanced merchant and subsea

• Kongsberg Defence Systems
  – Strong position in selected niches and several important opportunities
  – Strong backlog provides a robust business platform

• Kongsberg Protech Systems
  – Well positioned to meet anticipated future demand
  – Activity expected to increase in 2015

• Kongsberg Oil & Gas Technologies
  – Challenging market conditions in the oil & gas market
  – A modern product portfolio is expected to provide long term opportunities, but revenues are expected to decline in 2015

See quarterly report for full text
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