Highlights

• Solid revenues BNOK 4.2

• EBITDA of MNOK 386
  Impacted by one-offs in several business areas

• Continued good order intake, maintaining a strong backlog

• Continued solid performance in KM – book/bill at 1.01

• Maintaining high activity level with strong margins in KDS

• Pursuing significant KPS opportunities – still low activity level

• Weak results and major capacity adjustments in KOGT.
  New President appointed in August 2015
Financial status Q2 - 2015

Operating revenues

- Q2 revenues in line with Q2-14
- KM with 6.4 % revenue growth compared to Q2-14
- KDS revenues in line with 2014 year-to-date
- KPS revenues slightly above recent quarters, but still at a low level
- KOGT revenues in line with recent quarters
Financial status Q2 - 2015

EBITDA

- KM with good underlying operations – impacted by significant one-offs, increased product development and changed project mix
- KDS with solid margins
- KPS with low underlying margins, positively impacted by one-offs
- KOGT weak earnings and one-off costs from capacity adjustments

Major one-offs in Q2:

- Provision for RRM damages KM: MNOK -95
- Capacity adjustments KOGT: MNOK -43
- Higher costs on ongoing projects: MNOK -44
- Reduced provisions KPS: MNOK 154

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Financial status H1 - 2015

Operating revenues and EBITDA

• All-time high revenues in H1-15
  – 3.1% growth compared to H1-14, driven by a strong 8.4% growth in KM
  – KDS and KPS in line with H1-14
  – KOGT down 6.9%, impacted by a weak market

• Underlying EBITDA in line with H1-14
  – Earnings in KM impacted by Kongsberg Evotec court case and product development
  – Strong performance in KDS, margin 13.0%, up from 10.1% in H1-14
  – Low underlying EBITDA in KPS, positive one-offs, major MCT-30 initiatives ahead
  – KOGT has a weak first half-year, both underlying and due to capacity adjustments
Financial status Q2 - 2015

Orders

New orders

Order backlog

Life-cycle business and framework agreements not converted into delivery contracts are not included in the backlog.
Financial status Q2 - 2015

Cash flow

- In Q2 KONGSBERG paid out MNOK 1.110 in dividend
- KONGSBERG has unused credit lines of BNOK 1.5

*Quarterly ROACE based on last twelve months, average capital employed
Business Area status
**Kongsberg Maritime**

**Revenue growth, EBITDA impacted by one-offs**

- Q2 revenues up 6.4% compared to Q2-14
- EBITDA-margin impacted by RRM damages, product development initiatives and a somewhat changed project mix
- High activity in offshore and subsea, strong growth in merchant marine

**Strong and diversified order intake**

- Diversified order intake, both newbuildings, non-vessel related and life-cycle services
  - Increased share of EIT/EPC contracts
  - ~25% of order intake related to traditional offshore vessels and rigs (ex. production units etc.)
  - Strong life-cycle services
- Maintaining a solid backlog
- High focus on major development initiatives

**Order backlog, delivery time:**

<table>
<thead>
<tr>
<th>Time</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rest of 2015</td>
<td>40 %</td>
</tr>
<tr>
<td>2016</td>
<td>38 %</td>
</tr>
<tr>
<td>2017 and forward</td>
<td>22 %</td>
</tr>
</tbody>
</table>

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

**High demand for KM’s subsea technologies**

- Fishery and naval sonars
- Underwater mapping & surveillance
- Autonomous Underwater Vehicles (AUV)
Kongsberg Defence Systems

Solid Q2 and strong order backlog

- Strong 13.7 % EBITDA-margin
- Delivery programs executed on plan
- BNOK 9.2 in order backlog ensures good visibility

Several important agreements signed in Q2

- Teaming agreements signed with Raytheon
  - NSM
  - NASAMS extension
- NSM ships equipment to the Malaysian Navy
- Expanded scope on F-35 with contract on parts for Main Landing Gear
- NASAMS upgrade in Norway

Several significant opportunities ahead

- Significant and growing potential
  - NSM/JSM
  - NASAMS
  - F-35
  - Defence communication
  - Space technologies
  - Submarines

<table>
<thead>
<tr>
<th>Q2-15</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td>1 117</td>
</tr>
<tr>
<td>EBITDA</td>
<td>153</td>
</tr>
<tr>
<td>New orders</td>
<td>934</td>
</tr>
<tr>
<td>Order backlog</td>
<td>9 238</td>
</tr>
</tbody>
</table>

Order backlog, delivery time:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rest of 2015</td>
<td>21 %</td>
</tr>
<tr>
<td>2016</td>
<td>32 %</td>
</tr>
<tr>
<td>2017 and forward</td>
<td>47 %</td>
</tr>
</tbody>
</table>

*Framework agreements not converted into delivery contracts are not included in the backlog
# Kongsberg Protech Systems

## Increased revenues, low underlying EBITDA
- Revenues driven by life-cycle business, continues to be a dominating portion of revenues in 2015
- EBITDA reflects reduced cost provisions of MNOK 154
- Continued significant marketing and R&D efforts

## Solid order backlog
- Good revenue visibility next two years

## Intensified investments in the next growth curve
- Product and technology development
  - New and current product lines
- Medium caliber turret (MCT-30)
  - Intensified marketing and R&D activities
  - Specific opportunities maturing – gearing up investments
  - Cost impact on H2-15 margins

<table>
<thead>
<tr>
<th></th>
<th>Q2-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td>416</td>
</tr>
<tr>
<td>EBITDA</td>
<td>148</td>
</tr>
<tr>
<td>New orders</td>
<td>271</td>
</tr>
<tr>
<td>Order backlog</td>
<td>3 790</td>
</tr>
</tbody>
</table>

**Order backlog, delivery time:**
- Rest of 2015: 25%
- 2016: 50%
- 2017 and forward: 25%

*Framework agreements not converted into delivery contracts are not included in the backlog*
Kongsberg Oil & Gas Technologies

Very weak quarter

- Revenues in line with recent quarters
- Negative underlying EBITDA
- MNOK 43 in restructuring costs
- Increased costs on ongoing delivery project
- Management changes – Egil Haugsdal appointed new President in August

| Q2-15 | 
| Operating revenues | 239 |
| EBITDA | (94) |
| New orders | 275 |
| Order backlog | 390 |

Attractive technology positions in a challenging market

- Book/bill 1.15
- KONGSBERG’s solutions meet cost reduction requirements in the industry
  - General reduction in oil companies’ exploration and development activity
  - Investment level is expected to stay low in the near to medium-term
- Two of the largest ongoing projects in final delivery phase – expected completion in Q3
- Adjusting capacity to meet continuing challenging market situation

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

Order backlog, delivery time:

<table>
<thead>
<tr>
<th></th>
<th>Rest of 2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>52 %</td>
<td>48 %</td>
</tr>
</tbody>
</table>

*Life-cycle business and framework agreements not converted into delivery contracts are not included in the backlog*
Essentially, KONGSBERG is a software company

- Digitalisation and connectivity are key in KONGSBERG’s development strategy
  - Big data, IoT, robotics, sensors etc.

- The framework “KONGSBERG Smart Data” can be established in virtually any business or environment
  - Advanced Search Technology for Complex Information Discovery and Processing
  - Ability to store any data item and format
  - Secure real-time sharing of data and analyses
2015 Outlook

• **Kongsberg Maritime**
  – High activity in first half of 2015 and solid activity level in 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 somewhat in 2015
  – Increased development initiatives will impact H2-15 underlying margin

• **Kongsberg Oil & Gas Technologies**
  – Making capacity adjustments in very challenging market conditions
  – A modern product portfolio is expected to provide long term opportunities, but in the short term the BA’s results are impacted by restructuring and weak markets

*See quarterly report for full text*
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