HIGHLIGHTS

High overall activity, mixed EBITDA picture

- 2.5% growth in revenues in 2015, full year EBITDA margin 10.5%
- Protector MCRWS selected for Stryker in Q4
- Launching Kongsberg Digital – focusing our digital expertise
- Oil and gas related activities being restructured and consolidated
- The Board proposes a dividend of NOK 4.25 per share

Q4:
- Revenues: 4 567
- EBITDA: 493
- New orders: 2 887

2015:
- Revenues: 17 032
- EBITDA: 1 784
- New orders: 15 238
FINANCIAL STATUS
REVENUES Q4

Q4 revenues up 3.4 % from 2014

• KM with record high revenues in Q4 – up 9.1 % compared to 2014

• Good activity level in KDS, revenues on par with previous quarters

• Increased KPS revenues – activity picking up

• Continued low activity level in KOGT – revenues down 43.4 % from Q4 2014
EBITDA Q4

Q4 EBITDA MNOK 493

- Influenced by net positive non-recurring items
  - MNOK 168 positive EBITDA effect from changes to pension scheme
  - MNOK 88 restructuring costs in KOGT and KM

- Weaker underlying EBITDA in KM for several reasons
  - e.g. project mix/phase, periodic effects, R&D

- Good profitability in KDS – EBITDA margin 20.7 % (adjusted for pension)

- Improved underlying EBITDA in KPS

- MNOK 300 impairment of goodwill and intangible assets in KOGT due to results and weak outlook
## NON-RECURRING ITEMS Q4

<table>
<thead>
<tr>
<th></th>
<th>KM</th>
<th>KDS</th>
<th>KPS</th>
<th>KOGT</th>
<th>OTHER</th>
<th>GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Released provisions</td>
<td></td>
<td></td>
<td>+12</td>
<td></td>
<td></td>
<td>+12</td>
</tr>
<tr>
<td>Changes to pension scheme</td>
<td>+76</td>
<td>+59</td>
<td>+15</td>
<td>+13</td>
<td>+5</td>
<td>+168</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>−41</td>
<td></td>
<td></td>
<td>−47</td>
<td></td>
<td>−88</td>
</tr>
<tr>
<td><strong>Total</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td>+35</td>
<td>+59</td>
<td>+27</td>
<td>−34</td>
<td>+5</td>
<td>+92</td>
</tr>
</tbody>
</table>

1) List is not exhaustive
ORDERS Q4

New orders: 2,887

Backlog: 19,597

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

**2015:**

- Cash IB: 4,424
- EBITDA: 1,784
- Change in other operating related items: 2,871
- Investments: 499
- Net changes in financing activities and exchange rates: 1,031
- Cash UB: 1,807

**Q4:**

- Cash IB: 2,181
- EBITDA: 493
- Change in other operating related items: 734
- Investments: 159
- Net changes in financing activities and exchange rates: 26
- Cash UB: 1,807

### Negative cash flow in Q4, MNOK 374

- Substantial prepayments received in 2014
- MNOK 376 temporary cash outflow from currency hedges in Q4, MNOK 1,167 in 2015
- Other normal fluctuations in working capital

### Financials

<table>
<thead>
<tr>
<th></th>
<th>Q4 2015</th>
<th>Q3 2015</th>
<th>Q4 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and short-term deposits</td>
<td>1,807</td>
<td>2,181</td>
<td>4,424</td>
</tr>
<tr>
<td>Net interest bearing debt</td>
<td>−941</td>
<td>−1,299</td>
<td>−3,551</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>32.0%</td>
<td>30.3%</td>
<td>31.0%</td>
</tr>
<tr>
<td>ROACE*</td>
<td>16.9%</td>
<td>14.4%</td>
<td>16.4%</td>
</tr>
</tbody>
</table>

* EBIT divided by 12 month average equity + interest bearing debt
KEY FIGURES 2015

Revenues
- 2013: 16,323
- 2014: 16,613
- 2015: 17,032

EBITDA
- 2013: 2,142
- 2014: 2,060
- 2015: 1,784

New orders
- 2013: 15,043
- 2014: 22,097
- 2015: 15,238

Backlog
- 2013: 15,687
- 2014: 21,020
- 2015: 19,597
## NON-RECURRING ITEMS 2015

<table>
<thead>
<tr>
<th></th>
<th>KM</th>
<th>KDS</th>
<th>KPS</th>
<th>KOGT</th>
<th>OTHER</th>
<th>GROUP</th>
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</thead>
<tbody>
<tr>
<td>Released provisions</td>
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<td>+206</td>
<td></td>
<td></td>
<td>+206</td>
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<tr>
<td>Changes to pension scheme</td>
<td>+76</td>
<td>+59</td>
<td>+15</td>
<td>+13</td>
<td>+5</td>
<td>+168</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>−41</td>
<td></td>
<td>−98</td>
<td></td>
<td></td>
<td>−139</td>
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<tr>
<td>RRM damages¹</td>
<td>−95</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>−95</td>
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<tr>
<td><strong>Total²</strong></td>
<td>−60</td>
<td>+59</td>
<td>+221</td>
<td>−85</td>
<td>+5</td>
<td>+140</td>
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</tbody>
</table>

1) Not including legal fees and expenses
2) List is not exhaustive
Dividends shall over time constitute between 40 and 50 per cent of the company’s ordinary net profit after tax, future capital requirements taken into account.

The Board proposes a dividend of NOK 4.25 per share.

<table>
<thead>
<tr>
<th>TOTAL DIVIDEND</th>
<th>PAYOUT RATIO</th>
<th>EXCL. IMPAIRMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>MNOK 510</td>
<td>50.0 %</td>
<td>68.2 %</td>
</tr>
</tbody>
</table>
BUSINESS UPDATE
KONGSBERG MARITIME

- High activity level both in the quarter and 2015, weaker margins
- Increased activity within EPC/EIT, merchant, robotics and fisheries
- Increasingly influenced by the challenging oil- and gas market

KONGSBERG DEFENCE SYSTEMS

- Profitability improvements through 2015, record high EBITDA
- Increasing demand for core KDS solutions
- Several significant opportunities being pursued

KONGSBERG PROTECH SYSTEMS

- Protector MCRWS selected for US Army’s Stryker vehicles
- Further medium caliber opportunities being pursued
- Low profile RWS now in production

KONGSBERG OIL & GAS TECHNOLOGIES

- A weak quarter and year characterized by low activity level and restructuring in a deteriorating oil- and gas market

<table>
<thead>
<tr>
<th></th>
<th>Q4 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td>2 777</td>
</tr>
<tr>
<td>EBITDA</td>
<td>235</td>
</tr>
<tr>
<td>New orders</td>
<td>1 870</td>
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<tr>
<td>Order backlog</td>
<td>7 245</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>Q4 2015</th>
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</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td>1 083</td>
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<tr>
<td>EBITDA</td>
<td>283</td>
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<tr>
<td>New orders</td>
<td>542</td>
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<tr>
<td>Order backlog</td>
<td>8 622</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>Q4 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td>600</td>
</tr>
<tr>
<td>EBITDA</td>
<td>62</td>
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<tr>
<td>New orders</td>
<td>381</td>
</tr>
<tr>
<td>Order backlog</td>
<td>3 325</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>Q4 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td>129</td>
</tr>
<tr>
<td>EBITDA</td>
<td>-83</td>
</tr>
<tr>
<td>New orders</td>
<td>82</td>
</tr>
<tr>
<td>Order backlog</td>
<td>204</td>
</tr>
</tbody>
</table>

Life cycle business and framework agreements not converted into delivery contracts are not included in the backlog.
SEVERAL IMPORTANT CONTRACTS SIGNED IN 2015

• F-35 orders with a total value of MNOK 700, including expanded scope

• Contract with Avinor for Remote ATC towers

• Contract for extensive delivery of KM equipment to Johan Sverdrup

• Several orders within EPC/EIT-segment, including FPSO’s

• Protector RWS contract with General Dynamics Land Systems UK for the Scout vehicles

• Protector MCRWS selected for US Army’s Stryker vehicles, first contract signed with General Dynamics Land Systems in January 2016

• Naval Strike Missile (NSM) ships equipment to the Malaysian Navy
LAUNCHING KONGSBERG DIGITAL

Industrial internet and big data are significant opportunities and change drivers for KONGSBERG

- Essentially, KONGSBERG is a data, electronics and software corporation

- Kongsberg Digital:
  - A leading industrial software environment with about 450 employees
  - Building on existing software and simulation environments in KOGT and KM
  - Group responsibility for developing new digital solutions and related technology alliances
  - Launched during H1 2016
  - Headed by Hege Skryseth

- An important step in the Group’s strategy for developing the next generation of digitalized products and services
RESTRUCTURING AND CONSOLIDATING THE GROUP’S OIL & GAS ACTIVITIES

• KONGSBERG restructures and consolidates its offshore, oil and gas activities
  – KOGT’s Software & Services will be incorporated as an important part of Kongsberg Digital
  – The Group's oil- and gas related engineering services will be consolidated in KM

• As a result, KOGT will not be a separate business area from 2016

• KM will continue and reinforce the Group’s overall oil and gas portfolio and client relationships
GEIR HÅØY NEW CEO FROM JUNE 2016

Geir Håøy has been with KONGSBERG since 1993.

President of Kongsberg Maritime and part of the corporate management team since 2010.

Extensive international experience.

Will take on the position as CEO in June 2016.
2016 OUTLOOK

KONGSBERG MARITIME
• Slower contracting of new vessels in the offshore market, good outlook for more advanced merchant and subsea
• Capacity adjustments will lead to restructuring costs in 2016, currently estimated to MNOK 50-100
• Strong market positions, good order backlog and an installed base of 17 500 vessels provides a good platform
• Activity level in 2016 expected to be somewhat lower than in 2015

KONGSBERG DEFENCE SYSTEMS
• Strong position in selected niches and several important opportunities in a generally strengthened defence market
• Solid backlog provides a good platform for a somewhat increased activity level in 2016

KONGSBERG PROTECH SYSTEMS
• Global leader in remote weapon systems with a well positioned product portfolio, including the medium calibre turret
• Activity level expected to increase somewhat in 2016

OTHER
• Establishing Kongsberg Digital during the first half of 2016
• Restructuring and consolidating the Group’s oil and gas engineering services in KM

See quarterly report for full text
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