

Strong finish to a good year

KONGSBERG completed 2010 with yet another strong quarter. The Group embarks on 2011 with a high level of activity, new and strengthened market positions in more areas, and a substantial project portfolio. The Group is also exploring many important new market opportunities. The good profit margins in 2010 are a result of favourable project mix and continuous improvement work throughout the organisation with a view to project implementation, capital and logistics optimisation, administration and utilisation of the Group's marketing system. The strong focus on continuous improvement has been, and will continue to be, crucial in all units in the Group.

Performance and orders

The Q4 EBITA came to MNOK 744 (MNOK 473). Operating revenues totalled MNOK 4 014, up 3.4 per cent from Q4 2009. This resulted in an EBITA margin of 18.5 per cent (12.2 per cent). During the quarter, Kongsberg Maritime's margin was favourably impacted by the recovery of MNOK 59 on bad debts. New orders totalled MNOK 3 327 during the quarter (MNOK 3 147). Earnings per share (EPS) came to NOK 4.45 (NOK 2.58) in Q4.

In 2010, KONGSBERG earned operating revenues of MNOK 15 497, an increase of 12.2 per cent relative to 2009. The EBITA was MNOK 2 216, an improvement of MNOK 840 year on year. EBITA includes MNOK 39 entered as income (in Q1 2010) related to the settlement required to close the previous pension scheme. The Group booked new orders in 2010 valued at MNOK 13 584 (MNOK 17 605), translating into a strong year-end order backlog of MNOK 17 759 (MNOK 19 892). Earnings per share (EPS) came to NOK 12.46 (NOK 6.83) in 2010. The Board of Directors will propose a dividend for 2010 of NOK 3.75 per share (NOK 2.00) to the General Meeting. This is in accordance with the Group's dividend policy.

Net financial items totalled MNOK 2 (MNOK -8) in Q4, and MNOK -16 (MNOK -94) in 2010 as a whole. Earnings before tax were MNOK 718 (MNOK 430) in Q4, and MNOK 2 097 (MNOK 1 169) in 2010.

Kongsberg Maritime and Kongsberg Protech Systems earned EBITAs of nearly NOK 1 billion each, and Kongsberg Defence Systems showed good improvement in terms of operating revenues, performance and margins. Performance, margins and order trends are discussed in more detail under the sections on the individual business areas.

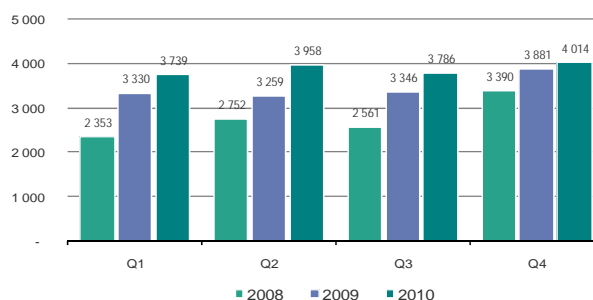
* Figures in parentheses refer to the same period in the previous year.

Key figures

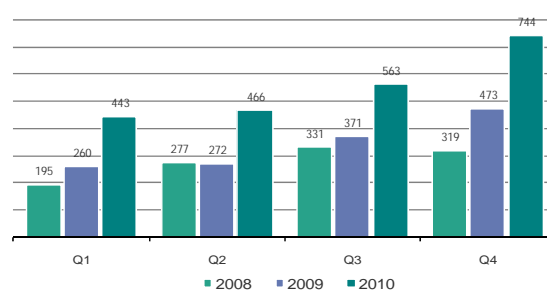
MNOK	1.10. - 31.12.		1.1. - 31.12.	
	2010	2009	2010	2009
Driftsinntekter / Op. revenues	4 014	3 881	15 497	13 816
EBITA	744	473	2 216	1 376
EBITA margin (%)	18,5	12,2	14,3	10,0
Ordreinnngang / New orders	3 327	3 147	13 584	17 605
EPS (NOK)	4,45	2,58	12,46	6,83

MNOK	31.12.	30.09.	31.12.
	2010	2010	2009
Egenkap.andel / Equity ratio (%)	34,9	33,4	30,1
Netto rentebærende gjeld (Netto kontantbeh.) / Net interest-bearing debt (Net cash reserves)	(1 813)	(693)	(634)
Netto rentebærende gjeld/ EBITDA / Net interest-bearing debt / EBITDA	neg.	neg.	neg.
Ordresreserve / Order backlog	17 759	18 279	19 892
Ant. ansatte / No. of employees	5 681	5 591	5 423

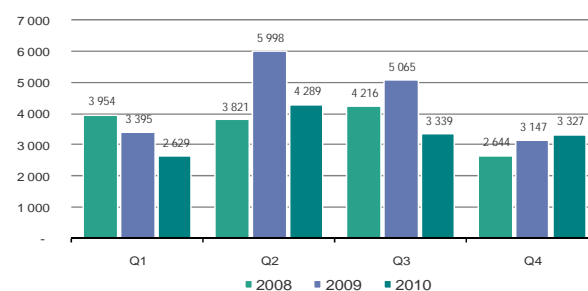
Operating revenues



EBITA



New orders



Balance sheet

Total assets aggregated MNOK 13 977 at year-end. This reflects an increase of MNOK 878 during the quarter. At year end, equity totalled MNOK 4 881, which is equivalent to an equity ratio of 34.9 per cent (30.1 per cent). Good earnings are the main reason for the increase in the equity-to-assets ratio in Q4.

The Group began 2010 with net cash reserves of MNOK 634. At year end, net cash reserves had increased to MNOK 1 813. Long-term interest-bearing liabilities were MNOK 847 at year end, against MNOK 829 at year-end 2009. The average term to maturity for drawn loans was 2.5 years. In addition, KONGSBERG has undrawn credit facilities of NOK 1 billion.

Cash flow

EBITDA was MNOK 819, accompanied by a reduction of MNOK 461 in net current assets and other operations-related balance sheet items. This led to a cash flow from operating activities of MNOK 1 280. The net outgoing cash flow from investing activities was MNOK 169, and the net cash flow from financing activities was MNOK 19 during the quarter.

Human resources

KONGSBERG had 5 681 employees at the end of 2010. This marks an increase of 90 employees during Q4. Kongsberg Maritime had 3 136 employees, Kongsberg Defence Systems had 1 496 employees and Kongsberg Protech Systems had 670 employees. At the end of Q4, 30 per cent of the Group's employees worked outside Norway.

Other activities

Other activities mainly consist of Kongsberg Oil & Gas Technologies, external sales related to property operations and the elimination of intra-Group sales.

Kongsberg Maritime

MNOK	1.10. - 31.12.		1.1. - 31.12.	
	2010	2009	2010	2009
Driftsinnt. / Op. revenues	1 604	1 661	6 286	6 657
EBITA	343	233	991	831
EBITA margin (%)	21,4	14,0	15,8	12,5
Ordreingang / New orders	1 498	1 051	5 641	5 476

MNOK	31.12.	30.09.	31.12.
	2010	2010	2009
Ordrereserve / Order backlog	4 218	4 164	5 087

Performance

Revenues in Q4 totalled MNOK 1 604 (MNOK 1 661). EBITA was MNOK 343 (MNOK 233). The EBITA margin was 21.4 per cent (14.0 per cent). The business area has seen high activity throughout the organisation. In the offshore segment, many projects are currently in the installation and ramp-up phase, providing a favourable contribution to the margin profile. During the quarter, the margin was favourably impacted by the recovery of MNOK 59 on bad debts.

2010 was a good year for Kongsberg Maritime, not least given the market situation prevailing in the BA's core segments. Comprehensive productivity and economisation measures introduced during the year had a positive impact on profitability. The EBITA margin for the year was 15.8 per cent, compared with 12.5 per cent in 2009. Operating revenues came to MNOK 6 286 (MNOK 6 657) and EBITA was MNOK 991 (MNOK 831).

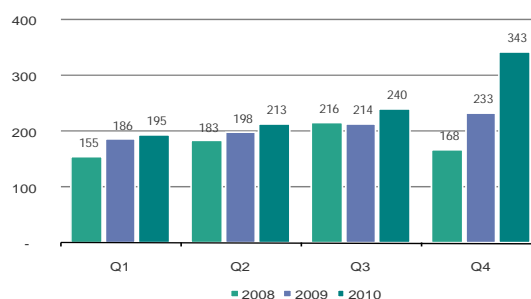
Markets and orders

New orders added up to MNOK 1 498 (MNOK 1 051) in Q4. For the year as a whole, new orders carried a total value of MNOK 5 641 (MNOK 5 476), signifying strong performance in markets that have been weak in recent years. The backlog was valued at MNOK 4 218 at year-end 2010, i.e. up MNOK 54 during the quarter and down MNOK 869 year on year.

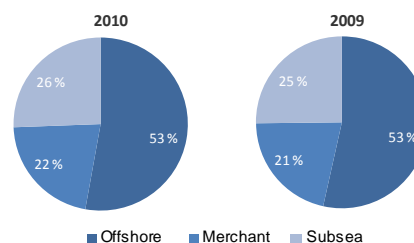
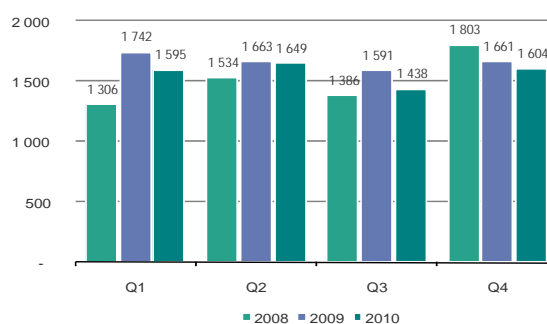
During the year, Kongsberg Maritime has consolidated its position in more areas. The business area won several FPSO contracts, reflecting a breakthrough for its engineering unit. Kongsberg Maritime's autonomous underwater vehicle (AUV) operations saw a strong influx of new orders and robust earnings in 2010, further underscoring the company's position as a leading player in this area. In north-east Asia in particular, shipyards still have good backlogs of orders, and new orders picked up somewhat for the shipyards in the latter half of 2010. Combined with stronger marketing activities on the part of the business area, this contributed to the positive trend in new orders.

The time that elapses from when orders are placed until actual delivery has been reduced recently. This translates into pressure to deliver quickly. Kongsberg Maritime's systems are often installed late in the construction process, which offers relatively good predictability.

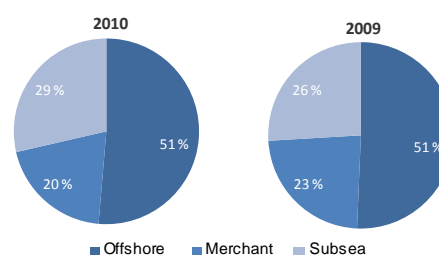
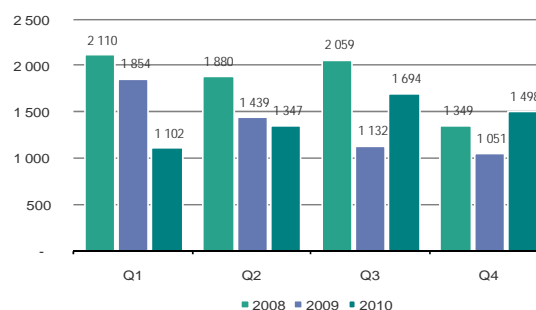
EBITA



Operating revenues



New orders



Kongsberg Defence Systems

MNOK	1.10. - 31.12.		1.1. - 31.12.	
	2010	2009	2010	2009
Driftsinnt. / Op. revenues	991	917	3 376	2 734
EBITA	72	98	245	144
EBITA margin (%)	7,3	10,7	7,3	5,3
Ordreingang / New orders	1 236	518	2 823	5 725

MNOK	31.12.	30.09.	31.12.
	2010	2010	2009
Ordrereserve / Order backlog	7 933	7 672	8 465

Performance

Revenues totalled MNOK 991 (MNOK 917) in Q4. EBITA was MNOK 72 (MNOK 98). The EBITA margin was 7.3 per cent (10.7 per cent). In 2010, operating revenues came to MNOK 3 376 (MNOK 2 734) and EBITA was MNOK 245 (MNOK 144). In 2010, the EBITA margin was 7.3 per cent (5.3 per cent). Kongsberg Defence Systems saw satisfactory improvement in margins in 2010 compared with previous years. This can generally be ascribed to smooth operations and good project performance.

Markets and orders

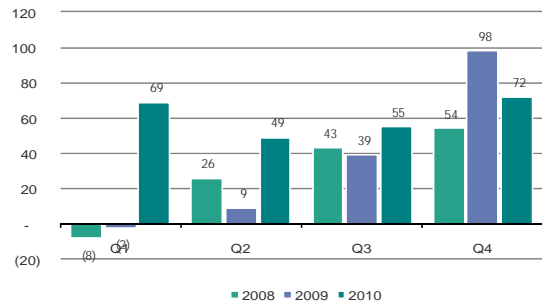
New orders carried a value of MNOK 1 236 (MNOK 518) in Q4. Important contracts were signed in several areas during the quarter:

- Simulator contract valued at MNOK 85 with the Swedish Army.
- Contract valued at MNOK 660 for Naval Strike Missiles (NSM) for Poland, an extension of the agreement signed in December 2008. The contract has not been counted in the Group's order backlog as it is contingent on Polish approval of the offset agreement.
- Contract valued at MNOK 65 for delivery of navigation and radar control systems for Norwegian submarines.
- Contract valued at MNOK 650 with the US company Digital Globe for the delivery of services from Kongsberg Satellite Services' (KSAT) Mid-latitude stations. The contract also includes options that could bring its value up to roughly NOK 1.1 billion. KONGSBERG owns 50 per cent of KSAT.
- Orders valued at MNOK 120 for delivery of rudder components to the F-35 Joint Strike Fighter.

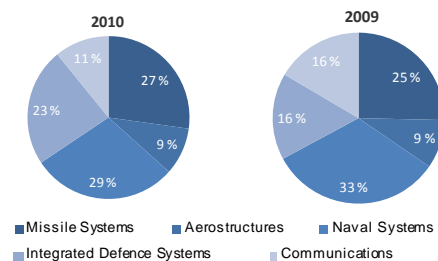
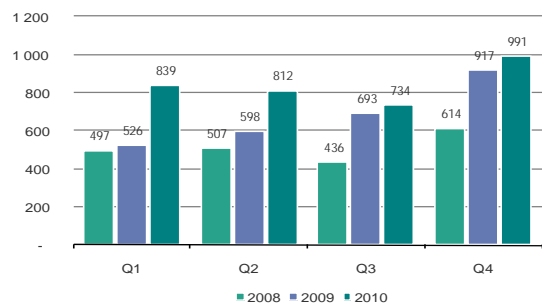
The backlog increased by MNOK 261 to MNOK 7 933 (MNOK 8 465) during the quarter.

Kongsberg Defence Systems has a very modern product portfolio, featuring many recently developed systems that are just beginning their life cycle. The BA operates from a strong position in niches that are not heavily affected by the cutbacks seen in several nations' defence budgets thus far. As a result, combined with the identified market opportunities for our systems, there is a firm platform for growth in the years ahead.

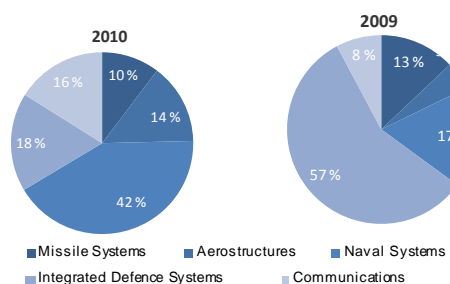
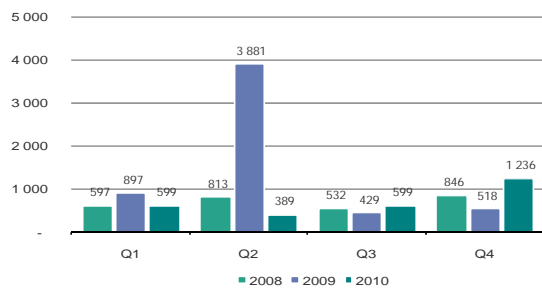
EBITA



Operating revenues



New orders



Kongsberg Protech Systems

MNOK	1.10. - 31.12.		1.1. - 31.12.	
	2010	2009	2010	2009
Driftsinnt. / Op. revenues	1 359	1 237	5 683	4 123
EBITA	333	142	995	442
EBITA margin (%)	24,5	11,5	17,5	10,7
Ordreingang / New orders	381	1 521	4 759	6 196

MNOK	31.12.	30.09.	31.12.
	2010	2010	2009
Ordrereserve / Order backlog	5 422	6 399	6 345

Performance

Revenues totalled MNOK 1 359 (MNOK 1 237) in Q4. EBITA was MNOK 333 (MNOK 142). The EBITA margin was 24.5 per cent (11.5 per cent). 2010 marked another good year for the business area. A high production volume and continuous improvements in processes, productivity and cost levels have had significant effects on performance. In 2010, operating revenues came to MNOK 5 683 (MNOK 4 123) and EBITA was MNOK 995 (MNOK 442). In 2010, the EBITA margin was 17.5 per cent (10.7 per cent). The robust margin, especially in the latter half of the year, is ascribable to cost cutting both intra-Group and among subcontractors, in addition to productivity improvements and a favourable product and project mix. The BA has managed to keep its overheads down during a period of substantial growth.

Markets and orders

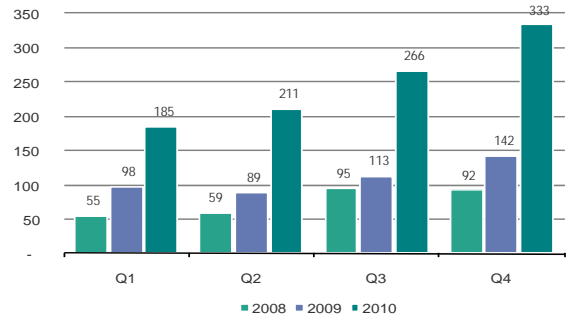
New orders carried a value of MNOK 381 (MNOK 1 521) in Q4. The backlog of orders was valued at MNOK 5 422 (MNOK 6 345) at year end.

In Q4, a contract of MNOK 109 was signed with General Dynamics Land Systems in relation to the Stryker vehicle programme. In addition, a framework agreement was signed between KONGSBERG and Rheinmetall (Germany) in mid-October. The agreement will form the basis for cooperation on Remote Weapons Systems (RWS), and implies joint marketing of KONGSBERG's Protector weapon control system as well as more integration of the companies' products. This is further confirmation of KONGSBERG's position as the leading supplier of remotely operated weapon control systems.

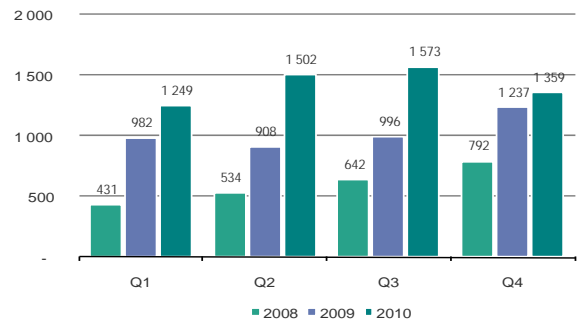
CROWS programme

In January 2011, the CROWS framework agreement was expanded by a further MNOK 451 for the procurement of spare parts. At the same time, KONGSBERG received an order that accounted for MNOK 364 of the expanded framework. In February 2011, the US Army decided to expand the CROWS II framework agreement by 1 341 systems, bringing the total to 11 690 systems. The next phase of the CROWS programme is currently the strongest of several prospects for the business area. KONGSBERG is working in a goal-oriented manner to get into position. The situation with regard to the next phase of CROWS remains unchanged from the previous quarter. The US Army has not announced which procurement strategy they plan to pursue. CROWS is a joint procurement programme for remotely operated weapon control systems for the US Army's vehicle programmes.

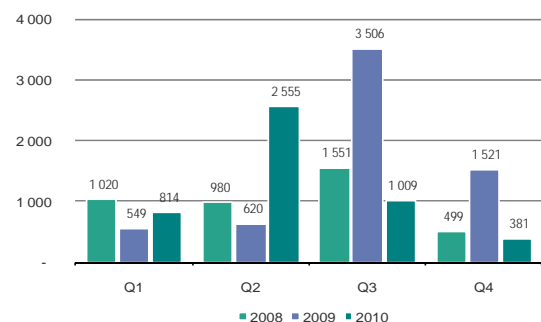
EBITA



Operating revenues



New orders



Prospects for the future

Kongsberg Maritime is expected to maintain its good market positions. The momentum gained in global after-sales and customer support will generate positive results. The business area continuously carries out different initiatives to adapt its capacity and product portfolio to the needs of the market. Kongsberg Maritime's markets are strongly impacted by trends in the offshore industry and in world trade in general. Contracting activities at the shipyards for certain types of vessels picked up the latter half of 2010, but they continue to be at a relatively low level. There may still be cancellations and postponements of contracts. In the Board's opinion, the workload for the business area will remain at a good level in 2011 as well.

Kongsberg Defence Systems expects activity levels to continue to rise in 2011. Several major long-term delivery programmes are in the engineering and production phase, making earnings more predictable. The business area is exploring specific opportunities for sales as well as for the further development of missiles, submarine systems and air defence. The build-up of production for advanced composite components for the JSF programme continues.

Kongsberg Protech Systems has a strong position in its market. 2011 promises to be another busy year and active efforts are being made with new and existing customers, e.g. the next phase of the US Army's CROWS programme. Major vehicle programmes have been adopted or are in the pipeline in the US and Europe. These programmes offer significant potential for several of the BA's products.

Generally speaking, KONGSBERG is well-positioned in the shipping/offshore and defence markets, and has a strong backlog of orders. This provides a strong platform for operations and profitability in 2011, however the operating margin is expected to be lower than what was the case in the final quarter of 2010, in particular for Kongsberg Protech Systems and Kongsberg Maritime.

Kongsberg, 11 February 2011

The Board of Directors of Kongsberg Gruppen ASA

Performance

MNOK	Note	1.10. - 31.12.		1.1. - 31.12.	
		2010	2009	2010	2009
Driftsinntekter /					
Operating revenues	1	4 014	3 881	15 497	13 816
Driftskostnader /					
Operating expenses	7	(3 195)	(3 341)	(13 012)	(12 197)
EBITDA ¹		819	540	2 485	1 619
Avskrivninger /					
Depreciation		(75)	(67)	(269)	(243)
EBITA ²	1	744	473	2 216	1 376
Amortisering /					
Amortisation		(28)	(35)	(103)	(113)
EBIT ³		716	438	2 113	1 263
Netto nedskrivning/tap/gevinst på finansielle eiendeler /					
Net impairment/loss/gain on financial assets		-	-	-	5
Netto andre finansposter /					
Net other financial items		2	(8)	(16)	(99)
Resultat før skatt /					
Earnings before tax (EBT)		718	430	2 097	1 169
Skattekostnad /					
Income tax		(183)	(119)	(597)	(341)
Resultat etter skatt /					
Earnings after tax		535	311	1 500	828
<i>Henførbart til /</i>					
<i>Attributable to:</i>					
Ikke-kontrollerende interesser /					
Non-controlling interests		1	1	5	8
Aksjonærene i morselskapet /					
Equity holders of the parent		534	310	1 495	820
Resultat pr. aksje /					
Earnings per share (EPS), NOK		4,45	2,58	12,46	6,83
Resultat pr. aksje, utvannet /					
Earnings per share, diluted NOK		4,45	2,58	12,46	6,83

1) Resultat før finansposter, skatt, avskrivninger og amortiseringer /
Earnings before interest, tax, depreciation and amortisation (EBITDA)

2) Resultat før finansposter, skatt og amortiseringer /
Earnings before interest, tax and amortisation (EBITA)

3) Resultat før finansposter og skatt /
Earnings before interest and tax (EBIT)

Balance Sheet

MNOK	Note	31.12.	30.09.	31.12.
		2010	2010	2009
Eiendom, anlegg og utstyr /				
Property, plant and equipment		2 182	2 130	2 029
Immaterielle eiendeler /				
Intangible assets	4, 8	2 436	2 404	2 209
Andre langsiktige eiendeler /				
Other non-current assets	5	230	244	226
Sum anleggsmidler /		4 848	4 778	4 464
Total non-current assets		4 848	4 778	4 464
Varelager /				
inventories		3 034	2 949	2 587
Kundefordringer /				
Trade receivables		1 350	1 695	1 428
Andre omløpsmidler /				
Other current assets		2 085	2 156	2 424
Betalingsmidler /				
Cash and short-term deposits		2 660	1 521	1 463
Sum omløpsmidler /		9 129	8 321	7 902
Total current assets		9 129	8 321	7 902
Sum eiendeler /		13 977	13 099	12 366
Total assets		13 977	13 099	12 366
Innskutt egenkapital /				
Paid-in equity		982	982	982
Opptjent egenkapital /				
Retained earnings		3 562	3 062	2 323
Mer-/mindreverdi verdi finansielle instrumenter /				
Fair value of financial instruments		313	314	399
Ikke-kontrollerende interesser /				
Non-controlling interests		24	18	22
Sum egenkapital /		4 881	4 376	3 726
Total equity		4 881	4 376	3 726
Langsiktig rentebærende lån /				
Long-term interest-bearing debt		847	828	829
Andre langsiktige forpliktelser og avsetninger /				
Other non-current liabilities and provisions		1 081	1 517	1 092
Sum langsiktige forpliktelser og avsetninger /		1 928	2 345	1 921
Total non-current liabilities and provisions		1 928	2 345	1 921
Forskudd fra kunder /				
Prepayments from customers		1 849	1 581	2 116
Andre kortsiktige forpliktelser og avsetninger /				
Other current liabilities and provisions	3	5 319	4 797	4 603
Sum kortsiktige forpliktelser og avsetninger /		7 168	6 378	6 719
Total current liabilities and provisions		7 168	6 378	6 719
Sum egenkapital, forpliktelser og avsetninger /		13 977	13 099	12 366
Total equity, liabilities and provisions		13 977	13 099	12 366
Egenkapitalandel(%) /				
Equity ratio(%)		34,9	33,4	30,1
Netto rentebærende gjeld /				
Net interest-bearing liabilities		(1 813)	(693)	(634)
Netto rentebærende gjeld/EBITDA(%) /				
Net interest-bearing debt/EBITDA(%)		neg.	neg.	neg.

Statement of comprehensive income

MNOK	Note	1.10. - 31.12.		1.1. - 31.12.	
		2010	2009	2010	2009
Resultat etter skatt /					
Earnings after tax		535	311	1 500	828
Endring i virkelig verdi fin. instr. og					
sikring sinstr. ved kontantstrømsikring /					
Change, fair value of financial instr.					
and hedge instr. for cash flow hedges:	5				
- Endring, kontantstrømsikringer og					
rentebytteavtaler /					
Change, cash flow hedges and int.					
rate swap agreements		1	(7)	(60)	1 814
- Endring, tilgjengelig for salg inv. /					
Change, available-for-sale inv.		(4)	45	(44)	32
Estimatavvik pensjoner /					
Actuarial gains/losses pensions		(54)	(107)	(54)	(107)
Omregningsdifferanser, valuta /					
Translation differences, foreign currency		7	1	27	(101)
Skatt på poster innregnet i oppstilling over					
totalresultatet /					
Tax on items recognised against					
statement of comprehensive income		(34)	32	32	(478)
Totalresultat for perioden /		451	275	1 401	1 988
Comprehensive income		451	275	1 401	1 988

Cash flow statement

MNOK	1.10-31.12		1.10-31.12	
	2010	2009	2010	2009
Driftsresultat før renter, skatt, avskrivninger og amortiseringer / Earnings before interest, tax, depreciation and amortisation	819	540	2 485	1 619
Endring i netto omløpsmidler og andre driftsrelaterte poster / Change in net current assets and other operating related items	461	218	(470)	1 050
Netto kontantstrøm fra driftsaktiviteter / Net cash flow from operating activities	1 280	758	2 015	2 669
Kjøp av eiendom, anlegg og utstyr / Acquisition of property, plant and equipment	(133)	(129)	(414)	(451)
Kjøp av datterselskaper og ikke-kontrollerende interesser / Acquisition of subsidiaries and non-controlling interests	(1)	(18)	(103)	(37)
Netto betaling ved utlån og kjøp/salg av aksjer / Net payment of loans and acquisition/sale of shares	-	-	56	210
Andre investeringsaktiviteter / Other investing activities	(35)	(28)	(124)	(54)
Netto kontantstrøm fra investeringsaktiviteter / Net cash flow from investing activities	(169)	(175)	(585)	(332)
Opptak og nedbetaling av lån / New loans raised and repayment	19	4	18	(893)
Netto mottatte (betalte) renter / Net interest received (paid)	-	5	(20)	(44)
Netto utbetaling av kjøp/salg av egne aksjer / Net payments for the purchase/sale of treasury shares	-	-	(9)	11
Utbytte betalt til aksjonærene i morselskapet / Dividends paid to equity holders of the parent	-	-	(240)	(165)
Netto kontantstrøm fra finansieringsaktiviteter / Net cash flow used in financing activities	19	9	(251)	(1 091)
Effekt av valutakursendringer på betalingsmidler / Effect of changes in exchange rates on cash and short-term deposits	9	(2)	18	(66)
Netto endring betalingsmidler / Net change in cash and short-term deposits	1 139	590	1 197	1 180
Betalingsmidler IB / Cash and short-term deposits opening balance	1 521	873	1 463	283
Betalingsmidler UB / Cash and short-term deposits, closing balance	2 660	1 463	2 660	1 463

Statement of changes in equity

MNOK	1.10. - 31.12.	1.1 - 31.12.	
	2010	2010	2009
Egenkapital IB / Equity opening balance	4 376	3 726	1 894
Totalresultat for perioden / Comprehensive income	500	1 401	1 988
Utbytte / Dividends	-	(240)	(165)
Egne aksjer / Treasury shares	-	-	11
Kjøp ikke-kontrollerende interesser / Acquisition non-controlling interests	-	(3)	-
Utbytte ikke-kontrollerende interesser / Dividends non-controlling interests	-	(3)	-
Endring ikke-kontrollerende interesser / Change in non-controlling interests	5	-	(2)
Egenkapital UB / Equity, closing balance	4 881	4 881	3 726

Notes to the quarterly accounts

Note 1 - Information by segment

MNOK	Driftsinntekter/ Operating revenues		Driftsresultat før amortisering (EBITA)/ Operating profit before amortisation (EBITA)		1.10. - 31.12.		1.1. - 31.12.	
	2010	2009	2010	2009	2010	2009	2010	2009
Kongsberg Maritime	1 604	1 661	6 286	6 657	343	233	991	831
Kongsberg Defence Systems	991	917	3 376	2 734	72	98	245	144
Kongsberg Protech Systems	1 359	1 237	5 683	4 123	333	142	995	442
Øvrig. elim. / Other elimination	60	66	152	302	(4)	-	(15)	(41)
KONSERN / THE GROUP	4 014	3 881	15 497	13 816	744	473	2 216	1 376

Note 2 - General information and principles

The consolidated Q4 2010 accounts encompass Kongsberg Gruppen ASA, its subsidiaries and the Group's stakes in associates.

The consolidated accounts comply with IAS 34 for interim reporting, the Stock Exchange regulations and the supplementary requirements in Norway's Securities Trading Act. The interim accounts do not include all the information required for a full financial statement and should therefore be read in the light of the consolidated accounts for 2009. The consolidated accounts for 2009 are in compliance with the rules in the Norwegian Accounting Act and international financial reporting standards, as laid down by the EU. KONGSBERG has applied the same accounting principles as were described in the consolidated accounts for 2009, except that KONGSBERG has implemented the changes from IFRS 3 (Business Combinations) and IAS 27 (Consolidated Financial Statements and Accounting for Investment in Subsidiaries) in 2010.

The consolidated accounts are available upon request from the Group's headquarters in Kongsberg or at www.kongsberg.com.

Note 3 - Estimates

The preparation of the interim accounts entails the use of valuations, estimates and assumptions that affect the application of the accounting policy and the amounts recognised as assets and liabilities, income and expenses. The actual results may deviate from these estimates. The material assessments underlying the application of the Group's accounting policy and the main sources of uncertainty are the same as for the consolidated accounts for 2009.

In 2003, KONGSBERG concluded a contract with the Hungarian armed forces for the delivery of military radios. Since the Hungarian armed forces now have less need for radios, negotiations were initiated with a view to reducing the volume of the contract. The negotiations failed, so KONGSBERG has filed an arbitration action against the Hungarian Ministry of Defence. Court proceedings were held in 2010 and there is still uncertainty associated with the outcome of the action.

Note 4 - Equity-financed development

Equity-financed development costs came to MNOK 146 (MNOK 102) in Q4 2010. In addition, MNOK 34 (MNOK 28) in equity-financed development was capitalised in Q4 2010.

Note 5 - Financial instruments

Credit facilities

KONGSBERG has undrawn overdraft facilities of NOK 1 billion.

Other non-current assets

Shares available for sale are recognised as an unrealised gain of MNOK 12, which makes a year-to-date reduction of MNOK 44.

Currency futures, options and interest swap agreements

The fair value of currency futures, currency options and interest swap agreements, which are classified as prognosis hedges (cash flow hedges), has declined by MNOK 60 before tax since year end. The change in fair value associated with currency futures and options accounts for a reduction of MNOK 89 during the same period.

	Forfaller i 2011 / Falling due in 2011		Forfaller i 2012 eller senere / Falling due in 2012 or later		Totalt / Total		
	Verdi basert på avtalte kurser / Value based on agreed exchange rates	Merverdi pr. 31.12.10 / Net excess value at 31 Dec 10	Verdi basert på avtalte kurser / Value based on agreed exchange rates	Merverdi pr. 31.12.10 / Net excess value at 31 Dec 10	Verdi basert på avtalte kurser / Value based on agreed exchange rates	Endring merverdi fra 31.12.09 / Change in excess value from 31 Dec 09	Merverdi pr. 31.12.10 / Net excess value at 31 Dec 10
MNOK (før skatt) / MNOK (before tax)							
EUR	1 218	100	173	14	1 391	61	114
USD	1 439	112	607	42	2 046	(150)	154
Utsatt gevinst ¹⁾ / deferred gain ¹⁾		77		56		(28)	133
Totalt / Total	2 657	289	780	112	3 437	(117)	401

¹⁾ Gevinsten oppstår når terminene til prognosesikringene blir realisert og nye terminer inngås for prosjektene. Eventuell gevinst/tap som oppstår, blir utsatt og realiseres i takt med fremdriften i prosjektene. /
The gain arise when the prognosis hedges mature and new hedges are secured for the projects. Any gains/losses that arise are deferred and realised proportional to the progress of the project.

Note 6 - Close associates

Note 28 in the Annual Report for 2009 lists the details of transactions with close associates. There were no changes or transactions in Q4 in conjunction with close associates that had any material impact on the Group's financial position or on the profit or loss for the period.

Note 7 - Contractual early retirement (AFP)

Contractual early retirement (AFP): The Act related to the funding of early retirement was adopted on 19 February 2010. The previous early retirement scheme was recognised as a defined benefit pension plan. The new early retirement scheme is recognised as a deposit-based scheme. KONGSBERG complies with the guidelines issued by the Norwegian Accounting Foundation on this change. In Q1 2010, KONGSBERG recognised as revenue part of its pension liabilities for employees born after 1948. This resulted in an increase in EBITA of MNOK 39. The amount includes a provision for underfunding, as well as a co-payment for pensioners who have taken early retirement under the old retirement plan.

Note 8 - Acquisition of subsidiaries

On 19 August 2010, KONGSBERG concluded an agreement to acquire 100 per cent of the shares in Odfjell Consulting AS. The company is part of the business area Kongsberg Oil & Gas Technologies, which reports under "Other activities". Odfjell Consulting AS offers integrated rig technology and consultancy services. The acquisition of the company brings more strategic and operational expertise to KONGSBERG's products and services. As a result of the acquisition, KONGSBERG will be able to offer customers a complete range of services to optimise their upstream activities. Since the acquisition, the company's name has been changed to Kongsberg Drilling Management Solutions AS. Reference is made to note 8 in the report for Q3 2010, which indicates the preliminary purchase price allocation.