Agenda

• Introduction – This is KDS
• Business Model
• Achievements since CMD 2013
• Innovation
• The Defence Market
• A KDS Delta One project
Sea – Land – Air – Space
- Command and control, surveillance, tactical communication, missiles, space and aero structures
- 23 offices in 19 countries
- 1,675 employees
- LTM Revenues MNOK 4,714
- Order Backlog MNOK 8,856
- International success in selected segments

A modern portfolio positioned for further growth
Integrated Defence Systems

Main offerings
• NASAMS and Air defence solutions
• NATO programs including AGS and AWACS
• Artillery fire control and Army Vehicle digitalization

Systems typically used for
• Defending strategic areas such as air bases, cities for homeland defence, vital assets

Main customers
• Norway, Finland, Spain, Netherlands, US, Raytheon
• NATO

Successful Air-Defence partnership with Raytheon
• NASAMS is the most sold air-defence system in it's class
• Major NASAMS contracted February 2014
• Export of NASAMS solutions exceeds 11BNOK

Order Backlog
• MNOK 4 730

Communications

Main offerings
• Tactical Communications Systems
• Broad range of products for most tactical applications
• Government grade crypto and cyber defence

Systems typically used for
• Army C2, Air Defence communications subsystem
• Soldier and vehicular combat networks

Main customers
• Norway and Hungary
• Air Defence integrators Raytheon and KDA
• Selected MENA countries

Order Backlog
• MNOK 571
Kongsberg Defence Systems

Naval Systems

Main offerings
• MSI-90U Mk2 CMS, Navigation and Sonar Systems, PROTEUS

Systems typically used for
• Submarines
• Surface Ships
• Force Protection
• Simulation and Training

Main customers
• Norway, Italy, Germany, Australia, S-Korea, Indonesia, the Netherlands

Order Backlog
• MNOK 583

Space & Surveillance

Main offerings
• Booster attachment & release mechanisms
• Mechanisms and electronics for satellites
• Turn-key ground stations for satellites
• Satellite operations and data download-services
• Systems for maritime surveillance

Systems typically used for
• Ariane5 heavy lift launcher
• Control of solar panels on satellites
• Earth observation and scientific space missions
• Frequency conversion and telemetry, tracking & command (TT&C) equipment on commercial satellites
• Downloading of satellite data, satellite control services

Main customers
• Digital Globe, SS Loral, NASA/NOAA, ESA, Airbus, National Coastal Authorities

Order Backlog
• MNOK 1 700
Kongsberg Defence Systems

Aerostructures

Main offerings
- Composites and metallic structures
- Repair and overhaul

Systems typically used for
- Aircraft, helicopters, missiles

Main customers
- Lockheed Martin
- Northrop Grumman
- Agusta Westland

Order Backlog
- MNOK 1 058

Missile Systems

Main offerings
- NSM, JSM and Penguin
- NSM and JSM are the world’s only 5th generation anti-ship missiles

Systems typically used for
- Ship and air launched stand-off missiles for sea and land targets

Main customers
- Norwegian Navy and Air Force
- NATO and allied navies

Order Backlog
- MNOK 1 668
International success, has resulted in improved margins

**Revenues, MNOK**

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**EBITDA, MNOK**

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**Key revenue and EBITDA drivers**

- International sales
- Financed development programs
- Strong global Partnerships
- Continuous improvement
- Increased Volume effects
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International success in selected markets
- built on broad position in the home market

Competitive position within international defense business differs with level of industrial partnership

The Norwegian industrial partnership position has been the cradle to new products and to international market access

Governmental consideration

Major defence investment
- National security
- National industry
- National finances

Value proposition

BUY ABROAD - MOTS:
- Alliances
- Best product
- Best price

BUY DOMESTIC:
- National req.
- Control capabilities
- Build industry
- Jobs

Supplier winning position

Price / product performance

Trusted industrial partnerships

- Niche international markets 63 % of rev.
- Broad home market 37 % of rev.
Our global business system

- with local offices in 19 countries, ensures access to all important markets and proximity to customers

Revenue split, 2013
MNOK

Employee split, 2013
# employees

Norway
International

4,654
1,440
1,747
3,214
1,681
66

Kongsberg Defence Systems
Our global business system
- complemented with key partners in 14 countries.
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NASAMS – An international success
JSM
Phase III contract signed
Important Commercial Breakthrough
Contracts
Aerostructures ready for the next 20 years
KDS has maintained Helicopters for 40 years
Agreements signed in 2014 secures the next 40
Important contracts with RNoN
NSM firing during RIMPAC
Teaming Agreement with Raytheon
World Leading Band IV RL
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2014-15 is expected to be the turning point

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KDS Initiative: Titan Spar

Change of production method

- Today 488 kg titan to 8 kg complete Titan Spar

From Water Cutting to Die Forging

- Reduce incoming titan from 488 kg to 147 kg

Saving 70% Titan
KDS expects continued growth based on our strong Value and performance culture

• Modern well positioned product portfolio – a solid base for business opportunities

• Solid backlog of orders – book/bill ratio > 1

• DeltaOne improves competitiveness

• Strategic Partnership

• We expect growth going forward