Kongsberg Maritime
An ocean of opportunities
• Offshore – Merchant – Subsea – Emerging Business
• 63 offices in 21 countries
• 4 500 employees (approx.)
• LTM Revenues MNOK 9 358
• Installed base more than 16,500 vessels
• Dynamic positioning, navigation, automation, simulation, Subsea and seismic instrumentation and fisheries

A solid platform for further growth
Offshore

Main offerings
• Integrated and scalable fit for purpose - dynamic positioning, automation & control, safety, energy management, navigation and sensors

Systems typically used by
• From offshore support vessels (OSV) to offshore production units (OPU) and everything in between.
• The diversity and our marked position at large drives the revenues

Backlog of orders
• MNOK 5 131
• Solid backlog both for 2015 and 2016 for high-end offshore

Merchant Marine

Main offerings
• Scaleable tailored to operational needs - automation & control, safety, energy management, navigation and cargo handling

Systems typically used by
• From bulk carriers to tankers and complex gas carriers
• The diversity and our marked position at large drives the revenues

Backlog of orders
• MNOK 1 066
## Subsea

**Main offerings**
- Underwater navigation systems, underwater vehicles, underwater mapping and imaging systems, subsea monitoring solutions, acoustic sensor systems for fishery, marine research and naval

**Systems typically used by**
- KM marine operations and dynamic positioning systems
- Oil companies
- Survey companies
- Navies
- National hydrographic offices, ports and harbours, marine research institutes
- Fisheries

**Backlog of orders**
- MNOK 1 138

## Emerging businesses

**Main offerings**
- Satellite positioning, seismic streamer instrumentation and handling, and customised training simulators

**Systems typically used by**
- For all types of vessels and training entities
- Highly specialized products with a high threshold for market entry drives our revenues

**Backlog of orders**
- MNOK 1 003
Installed base securing recurring business for years

Sales

Installed base = 1

Life cycle value = 3

Life cycle support

Value of business
No. of installations

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Holistic approach
A differentiator to our customers

Strategy
• Providing value added applications improving operations
• Bundling products and services – a holistic approach
• Locations close to all major hubs

Resulting in
• Increased efficiency and secured operations for our customers
• Close customer relations
• Increased competiveness through globalization
The Octopus business model gives added value to our clients

Integrated solutions
Market success for extended scope of work in general and especially for the OPU and FPSO market segments

The Full Picture

Carpus – DP
- Automation
- Navigation
- Safety
- IMS

Horten – HiPAP
- Hain

Asker – Pipe management

New Orleans

Rio de Janeiro

- Operation

Aberdeen

Singapore

EIT Engineering

Trondheim
- Reference systems
- Motion sensors
- Sensors

Korea
- Site management

Singapore
- Commissioning

China
- Installation

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WORLD CLASS - through people, technology and dedication

Page 8
Our presence provides proximity to customers

Kongsberg Maritime
- Offices
- O&G activities

SOURCE: Kongsberg & IHS data
Year to date Revenue and EBITDA drivers

Key revenue and EBITDA drivers

- Premium market position and increased market shares in core segments
- Increased scope and market position for EIT deliveries to the OPU market
- Continuous growth in high volume OSV market, especially in China
- Growth in the subsea market, fueling our system deliveries;
  - Under water navigation
  - Autonomous under water vehicles (AUV)
- Increased market shares and scope for merchant marine at large
Key achievements since CMD 2013

Offshore
Continuous success with our integrated approach to the high end offshore segment
- Johan Sverdrup – production unit
- Petrofac – pipe layer
- Catcher - floating production

Merchant Marine
Increased market shares in all segments
- United Arab Shipping Corp. – 17 high end container vessels, 18,800 TEU
- BP Shipping – 24 high end Crude/Product tankers
- 90 % market share of all LPG (VLGC) contracted the last two years
Key achievements since CMD 2013

Subsea
Continuous growth in the subsea segments
• Increased activity for AUV pipe line inspection, e.g., NCS and offshore Brazil
• Delivery of two persistent Remus AUV systems to Ocean Observatories Initiative in US
• Ocean laboratories (K-Lander) for marine research to the Centre for Arctic Gas Hydrate (Svalbard)

Building competence and innovative solutions in cooperation with the industry, e.g.
• Training simulators to Heerema and Oceaneering
• Enhanced control of seismic streamers, enables increased efficiency in seismic operations for e.g. the existing fleet
Solid position in a forecasted stable market

- Vessels relevant for Kongsberg Maritime
Despite more uncertain market development, we see new opportunities in offshore and subsea.

- Aver. p.a. growth of 18% for harsh & deepwater pipelines in period 2013-18
- Average p.a. growth of 5% for shallow & benign pipelines in period 2013-18
Diversified sources of business makes KM less dependent on specific cycles

Order income per Q3 2014

- Increased market shares and scope at large, and success for EIT deliveries to the OPU segments, compensates for the declining drilling market.
- Value added customer support caters for growth, as the installed based increases
Development since CMD 2013

Where we wanted to go

Offshore
- Strengthen our position for offshore production units, by becoming a direction driver EIT solutions
- Expand the offering of associated services and support - competitive asset management and life cycle support

Merchant marine
- Developing complementary products that will further strengthen our position as a full picture supplier, e.g. navigation and IT solutions for operational support

Subsea
- Venture into the IMR (Inspection, Maintenance and Repair) market, by investing in unmanned vehicle technology and associated instrumentation and products

Where we are

Offshore
- Securing and in position for significant order to the OPU and FPSO market through Kongsberg Maritime Engineering
- Continuous success in the LNG and FLNG segment

Merchant marine
- Value added applications, such as fuel optimizations and ship shore interaction is furthering our market shares
- Repositioning of navigation products has proven successful, especially for integrated solutions

Subsea
- Launched the compact MUNIN AUV for commercial survey and pipeline inspection.
- Launched µPap portable acoustic positioning systems.

Bundling Innovation
Kongsberg is World Leading in AUVs

**HUGIN** AUVs have surveyed more kilometers than any other AUV (> 700,000 paid line km). Most deep water fields oil and gas fields worldwide are mapped by HUGIN.

**REMUS** has been a tremendous success with more than 300 vehicles delivered to 17 countries. REMUS vehicles are used in a wide number of applications including navies, hydrography and marine research.

**MUNIN** incorporates the best from REMUS and HUGIN into the most capable vehicle for water depths down to 1500 m for commercial applications.

**SEAGLIDER** provides extremely long endurance for collection of oceanographic data at a fraction of the cost of traditional methods.

**Future developments in oil and gas** will focus on improved autonomy, subsea residence, light intervention and enhanced inspection and monitoring.
AUV Pipeline Inspection

• HUGIN AUVs are increasingly applied in pipeline inspections

• MUNIN AUVs come with pipeline inspection capability

• HUGIN and MUNIN AUVs provide superior data quality and increased efficiency
AUV Leakage Detection

Sonar

Camera

Methane Sensor
KONGSBERG is World Leading in Acoustic Sensor Systems

Harbour inspection, Port of London, Tilbury Docks.
Recent product launches in Subsea Monitoring business unit

- **K-Observer** hydro acoustic monitoring system for detection of scour, deformation, marine growth and corrosion on and around wind mills and underwater structures

- **K-Point** compact leak detection node for critical underwater structures (mobile and permanent)

- **K-Lander** modular sensor carrier for permanent subsea monitoring systems
Modular – Scalable - Networked

- Monitoring, inspection and light intervention on subsea installations without a surface vessel
- Always present and ready capability
- Real-time and or near real-time data transfer to shore
- Faster reaction time and significantly less operational cost
Subsea Monitoring is Networked
Subsea Monitoring is Integrated Operations
In position today – preparing for tomorrow

• Our diversity makes us less vulnerable in a cyclic market
• Solid back log of orders – book/bill ratio > 1
• Cost base – continuous improvement initiatives in addition to DeltaOne
• Increased install base drives the growth
• Modern product portfolio – a solid base for new applications and thus business opportunities
Ocean of opportunities

To continue our innovation effort with the objective to refine our solutions for:
• Future maneuvering and positioning
• Hybrid power solutions
• K-IMS Kongsberg Information Management system
• Fish farming

To be continued