1ST QUARTER REPORT 2013

KONGSBERG

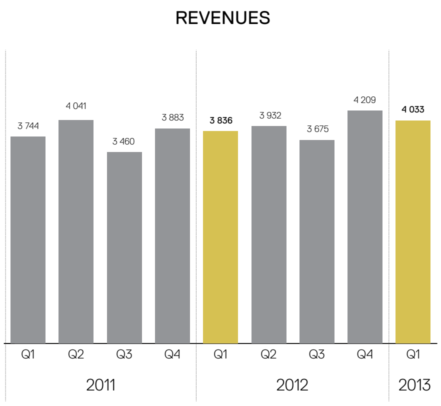
www.kongsberg.com

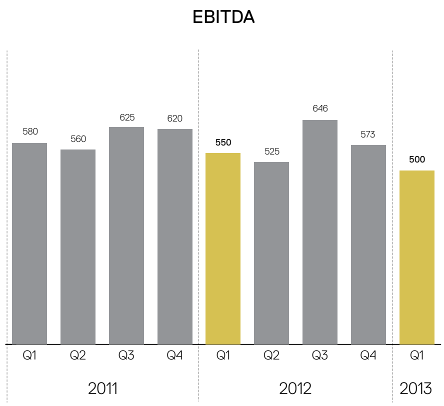
Q1 2013

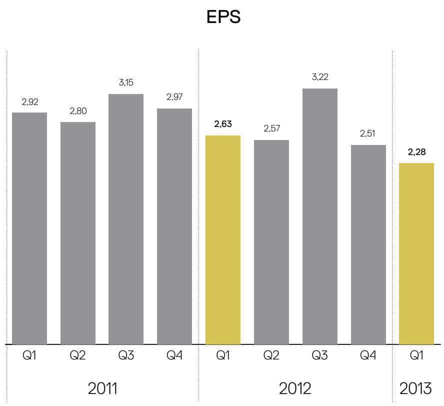
KONGSBERG had a high level of activity in Q1 2013 with revenues of MNOK 4 033, which is an increase of 5.1 per cent from Q1 2012. The EBITDA for Q1 2013 came to MNOK 500 (MNOK 550). The reduction in EBITDA is primarily attributable to lower earnings in Kongsberg Defence Systems (KDS) compared with first quarter 2012. Kongsberg Maritime (KM) had a very good order income in Q1 with MNOK 2 664 (MNOK 2 541), confirming its strong position, especially for deliveries to the offshore market. At the end of Q1 2013, the Group had an order backlog of MNOK 16 733 (MNOK 17 667).

CHANGE IN REPORTING AS FROM 2013:

- EBITDA: As from 2013, KONGSBERG has changed the focus of its reporting from EBITA to EBITDA. This is being done to align with the market standard for listed and comparable companies. For reference purposes, KONGSBERG is also showing its EBITA in this report for Q1 2013.
- Kongsberg Oil & Gas Technologies: As from 2013, Kongsberg Oil & Gas Technologies (KOGT) is being reported as a separate business area. This change is, among other things, due to the acquisition of Advali and Apply Nemo in December 2012 and January 2013, respectively. KOGT has previously been reported under "Others ". A description of KOGT is provided on pages 22-23 and KOGT's results can be found on pages 12-13.







HIGHLIGHTS IN Q1 2013

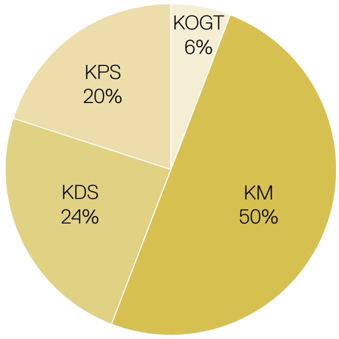
- Record-high new orders during a single quarter for KM
- There are now contracts for deliveries to more than 60 drilling vessels in KM's backlog of orders
- KDS won important contract with Norway for NASAMS upgrade
- KDS' major projects are on schedule
- KPS had a good quarter, although its margins will decline, especially in the latter half of the year
- KOGT has strengthened its position in the oil & gas market through the acquisition of Apply Nemo

KEY FIGURES

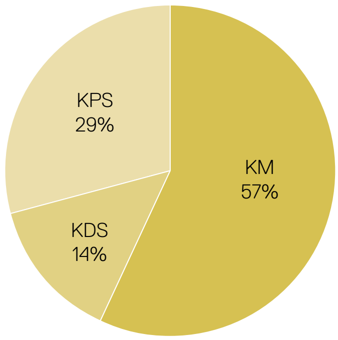
	1.1. - 31.3.		
MNOK	**2013**	2012	2012
Revenues	**4 033**	3 836	15 652
EBITDA	**500**	550	2 294
EBITDA (%)	**12.4**	14.3	14.7
EBIT	**385**	440	1 840
EBIT (%)	**9.5**	11.5	11.8
Earnings before taxes	**376**	437	1 809
Earnings after taxes	**271**	314	1 304
EPS (NOK)	**2.28**	2.63	10.91
New orders	**3 885**	3 724	14 605
EBITA	**418**	478	1 971
EBITA (%)	**10.4**	12.5	12.6

	31.3.	31.12.
MNOK	**2013**	2012
Equity ratio (%)	**38.8**	38.6
Net interest-bearing dept	**(831)**	(1 198)
Working capital	**3 365**	3 528
Order backlog	**16 733**	16 523
No. of employees	**7 408**	7 259

REVENUES BY BUSINESS AREA
Q1



EBITDA BY BUSINESS AREA
Q1



KOGT reports negative EBITDA in Q1

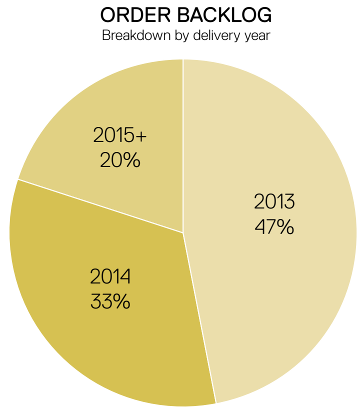
We've had a quarter with high activity regarding deliveries and completions as well as for marketing, resulting in a strong intake of new orders, especially for Kongsberg Maritime

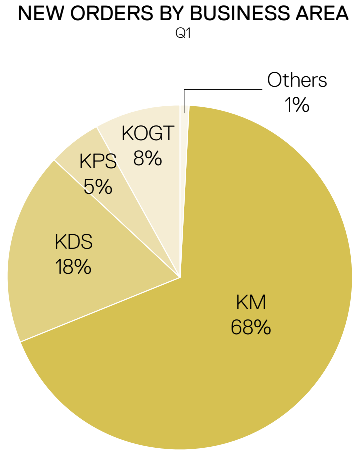
Walter Qvam, CEO

PERFORMANCE AND THE ORDER SITUATION

Revenues in Q1 2013 totalled MNOK 4 033, up 5.1 per cent compared with Q1 2012. EBITDA was MNOK 500 (MNOK 550), resulting in an EBITDA margin of 12.4 per cent (14.3 per cent). Earnings before tax came to MNOK 376 (MNOK 437) in Q1, while earnings after tax were MNOK 271 (MNOK 314).

New orders in Q1 2013 totalled MNOK 3 885 (MNOK 3 724), which translates into a book/bill of 0.96. New orders were particularly in KM, which continues to confirm its strong position in its markets. KOGT can also report good order income, and had a book/bill of 1.23 in Q1.





CASH FLOW

KONGSBERG had net reduction in cash and cash equivalents of MNOK 365 in Q1. Net current assets and other operations-related items have increased by MNOK 423 in Q1. This is mainly due to a large delivery in March which was paid in April. Net cash flow from investing activities was mainly related to the acquisition of Apply Nemo that was completed in Q1, in addition to other investing activities.

	1.1. - 31.3.		
MNOK	**2013**	2012	2012
EBITDA	**500**	550	2 294
Change in net current assets and other operating related items	**(423)**	(1 216)	(2 087)
Net cash flow from operating activities	**77**	(666)	207
Net cash flow from investing activities	**(411)**	(158)	(713)
Net cash flow used in financing activities	**(44)**	(347)	(49)
Effect of changes in exchange rates on cash and cash equivalents	**13**	(10)	(19)
Net change in cash and cash equivalents	**(365)**	(1 181)	(574)

BALANCE SHEET

KONGSBERG's equity ratio increased to 38.8 per cent at end quarter, compared with 38.6 per cent at 31 December 2012. The Group's total working capital was MNOK 3 365 at end quarter, compared with MNOK 3 528 at 31 December 2012. At the end of Q1 2013, net interest-bearing debt was MNOK -831, compared to MNOK -1 198 at 31 December 2012. KONGSBERG has an undrawn credit facility of MNOK 1 000 with a tenor until July 2015. KONGSBERG's cash flow and working capital may fluctuate significantly from quarter to quarter caused by customers' payment terms, payments made to suppliers and fluctuations in capital tied up in ongoing projects..

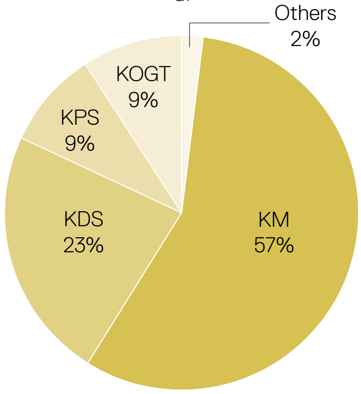
MNOK	30.03. **2013**	31.12. 2012
Equity	**6 457**	6 274
Equity ratio (%)	**38.8**	38.6
Total assets	**16 639**	16 274
Cash and cash equivalents	**2 144**	2 509
Gross interest-bearing liabilities	**1 313**	1 311
Net interest-bearing liabilities	**(831)**	(1 198)
Working capital	**3 365**	3 528

HUMAN RESOURCES

KONGSBERG had 7 408 employees at the end of Q1 2013. The increase of 149 employees during the quarter is mainly in KOGT due to the acquisition of Apply Nemo, which brought 141 new employees to the Group. The number of employees in KM increased by 60 people, mainly in KM's subsidiaries outside Norway. Kongsberg Protec Systems (KPS) has continued to adjust its workforce to its current level of activity, downsizing by 52 employees in Q1. The reduction was done by offering employees other positions within KONGSBERG, as well as by voluntary attrition.

BUSINESS AREA'S SHARE OF EMPLOYEES

Q1



OTHER ACTIVITIES

Other activities mainly consist of eliminations and external sales from Property operations. Comparable figures have been adjusted for KOGT now being reported as a separate business area.

KONGSBERG MARITIME

KEY FIGURES

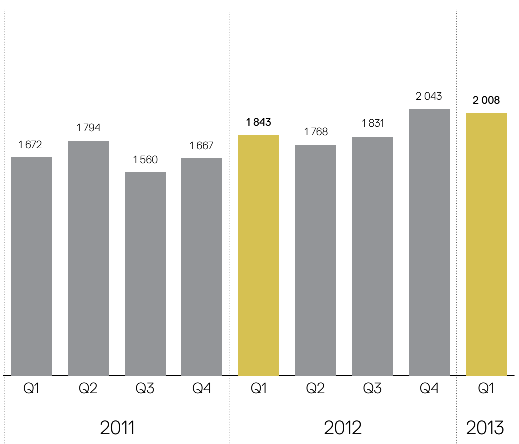
	1.1. - 31.3.		
MNOK	**2013**	2012	2012
Revenues	**2 008**	1 843	7 485
EBITDA	**284**	289	1 050
EBITDA (%)	**14.1**	15.7	14.0
New orders	**2 664**	2 541	8 438
EBITA	**245**	260	908
EBITA (%)	**12.2**	14.1	12.1

	31.3.	31.12.
MNOK	**2013**	2012
Order backlog	**6 893**	6 042
No. of employees	**4 223**	4 163

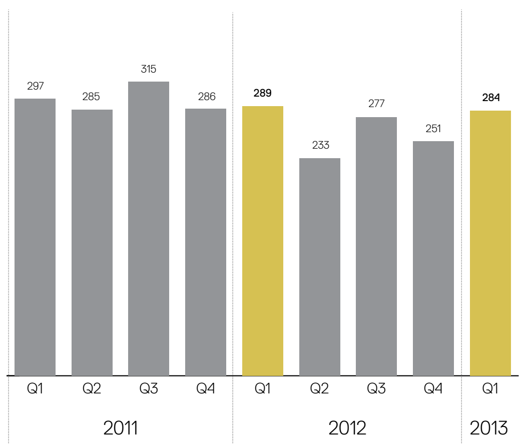
Q1 PERFORMANCE

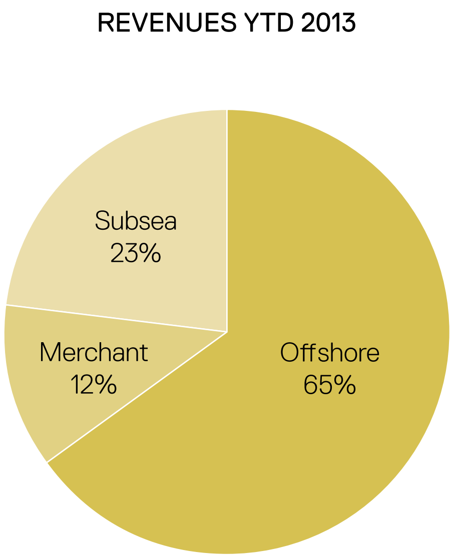
KM has seen a high level of activity in Q1. Revenues were up 9.0 per cent this quarter, compared with Q1 2012. The EBITDA margin is lower than in Q1 2012. This is partly due to changes in the project and product composition, and partly due to somewhat higher cost level.

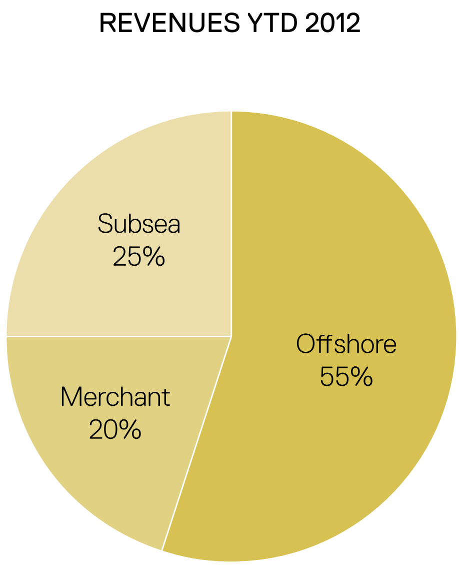
REVENUES



EBITDA





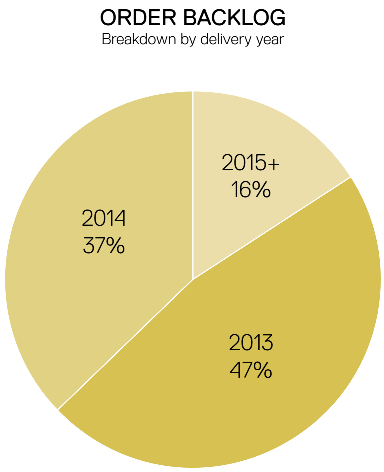


MARKETS AND NEW ORDERS

KM had a strong order income in Q1. New orders represented a total value of MNOK 2 664 (MNOK 2 541), equivalent to a book/bill of 1.33. KM's order backlog is now MNOK 6 893, which provides good visibility for the operations going forward.

"Full Picture" contracts were signed for deliveries to 16 drilling vessels in Q1, which will be built at shipyards in Singapore, South Korea and China. At the end of Q1, KM had orders for deliveries to more than 60 drilling vessels secured in the order backlog. A typical "Full Picture" delivery from KM consists of systems for dynamic positioning (DP), thruster control, automation systems, safety systems, and riser management systems. In combination, these systems represent some of the most important systems a drilling vessels need to operate. During the quarter, KM has maintained its strong position for systems to LNG vessels, signing contracts for deliveries to four LNG carriers. New orders for OSVs and construction vessels were also good. Despite the fact that orders for new merchant vessels have generally been weak for some time, KMs orderbook in this area has increased over the last quarters, and in Q1 the Merchant Marine Division report a book/bill of 1.19.

The trend in offshore exploration and production activities is that these activities are moving to deeper water and further from shore. This has lead to higher demand for advanced offshore vessels in recent years. Modern equipment and technology enable customers to conduct their operations more safely and efficiently. KM's significant investments in the development of products and technology provide the business area with a modern, world-class product portfolio, and KM is very well positioned in the market.



Order backlog at the end of Q1, MNOK 6.893

KONGSBERG DEFENCE SYSTEMS

KEY FIGURES

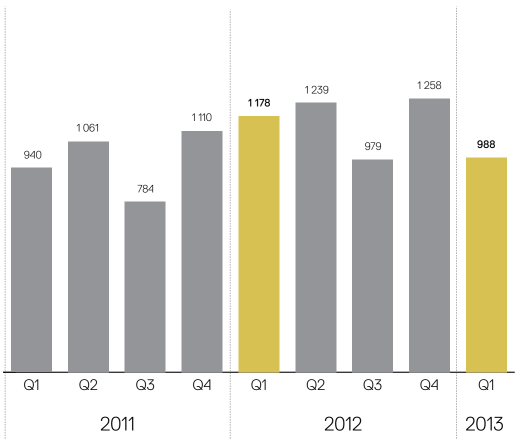
	1.1. - 31.3.		
MNOK	**2013**	2012	2012
Revenues	**988**	1 178	4 654
EBITDA	**69**	111	478
EBITDA (%)	**7.0**	9.4	10.3
New orders	**700**	741	3 514
EBITA	**43**	85	372
EBITA (%)	**4.4**	7.2	8.0

	31.3.	31.12.
MNOK	**2013**	2012
Order backlog	**6 534**	6 817
No. of emplyees	**1 734**	1 747

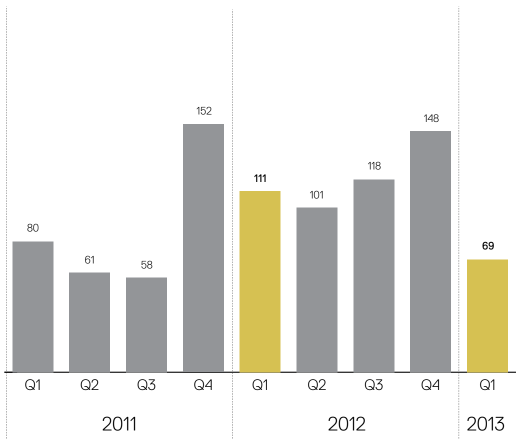
Q1 PERFORMANCE

The business area made good progress in Q1. Revenues and profit is lower than in Q1 2012 due in part by fewer contractual milestones in Q1 2013 compared to Q1 2012. This factor is expected to even out over the year. Revenues ended at MNOK 988 (MNOK 1 178) in Q1, and EBITDA was MNOK 69 (MNOK 111), resulting in an EBITA margin of 7.0 per cent (9.4 per cent).

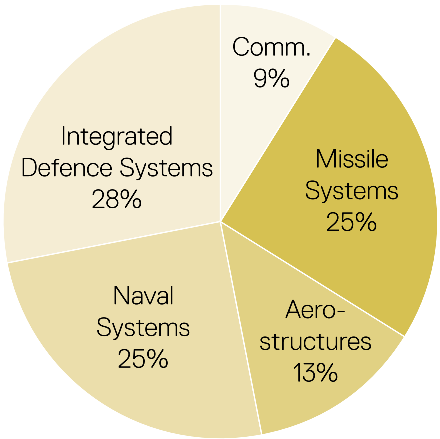
REVENUES



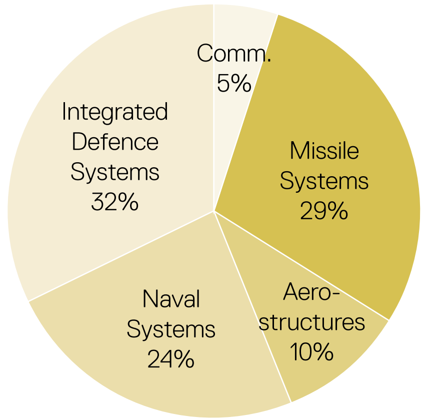
EBITDA



REVENUES YTD 2013



REVENUES YTD 2012



MARKETS AND NEW ORDERS

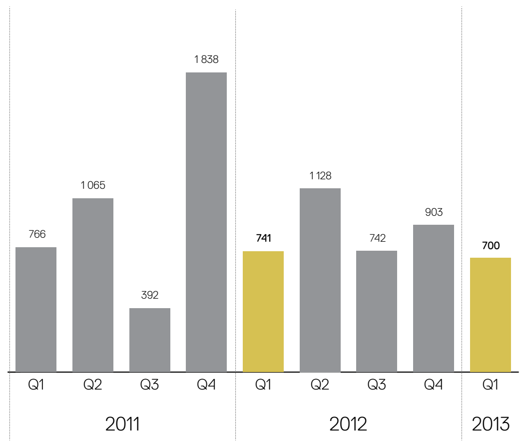
New orders in Q1 aggregated MNOK 700 (MNOK 741). The largest single contract was for an upgrade to the Norwegian Air Force's NASAMS II air defence system with a contract value of MNOK 300. The contract covers upgrading existing launchers with new electronics and software to enhance performance, as well as lifetime extension. The project will run for three years.

For KDS, 2013 will be an important year for both delivery- and completion projects, as well as for market activities. The business area is in the final phase of delivery on several major projects. The NSM missiles for Norway are being delivered on schedule. Deliveries for the air defence contract with Finland signed in 2009 are being made on schedule and will be close to completion at the end of 2013. The coastal artillery system featuring NSM missiles for delivery to Poland is also on schedule, and the deliveries will continue in 2013 and 2014. Development of the JSM is according to schedule. Norway has received assurances from the Joint Executive Steering Board of the JSF-program, regarding the integration of the JSM missile on the F-35. The Defence Communications Division has made strong progress and aircraft component production (Aerostructures) for the F-35 programme has shown a positive trend, though the margins are still at a low level. Satellite activities, mainly Kongsberg Satellite Services, have seen a good start to the year.

Several key nations are reducing their defence budgets. This budget uncertainty may also affect KONGSBERG. However, KDS has a portfolio of modern, advanced and cost-efficient niche products that is considered to be well positioned for future needs in many countries.

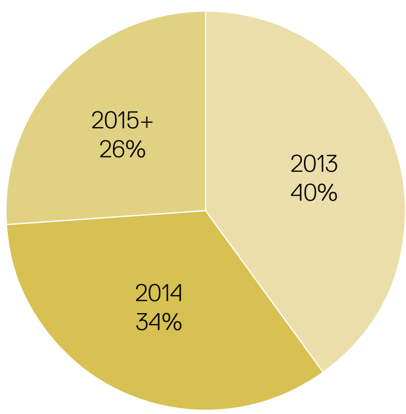
Fluctuations in new orders are normal in the defence market, since the market is marked by relatively few but large-scale contracts. As far as KDS is concerned, the backlog of orders at the end of Q1 is at a relatively good level, but it will be important to secure new orders and build up the order backlog going forward. KDS is in dialogue on several projects and appears well positioned for future contracts.

NEW ORDERS



ORDER BACKLOG

Breakdown by delivery year



Order backlog at the end of Q1, MNOK 6.534

KONGSBERG PROTECH SYSTEMS

KEY FIGURES

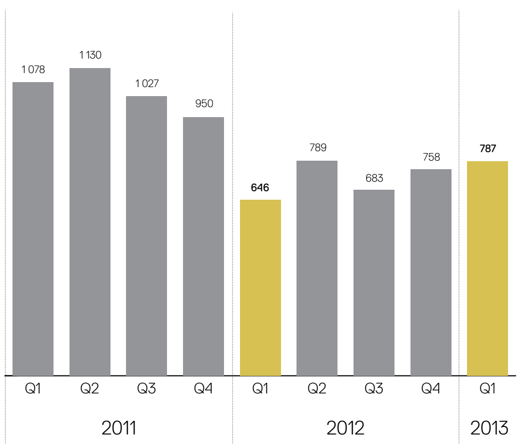
	1.1. - 31.3.		
MNOK	**2013**	2012	2012
Revenues	**787**	646	2 876
EBITDA	**148**	143	727
EBITDA (%)	**18.8**	22.1	25.3
New orders	**184**	261	1 957
EBITA	**132**	127	654
EBITA (%)	**16.8**	19.7	22.7

	31.3.	31.12.
MNOK	**2013**	2012
Order backlog	**2 617**	3 218
No. of emplyees	**672**	724

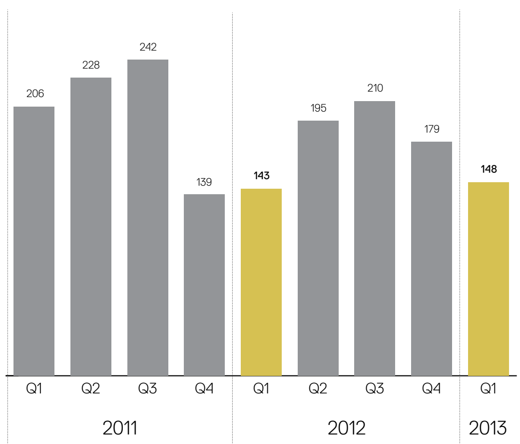
Q1 PERFORMANCE

The business area maintained a good margin level in Q1. During the quarter, deliveries were mainly to the US CROWS programme and to the Norwegian/Swedish Nordic programme. Revenues in Q1 2013 came to MNOK 787 (MNOK 646) and EBITDA was MNOK 148 (MNOK 143). This translates into an EBITDA margin of 18.8 per cent (22.1 per cent). The good margin is related to a favourable product/project mix.

REVENUES



EBITDA

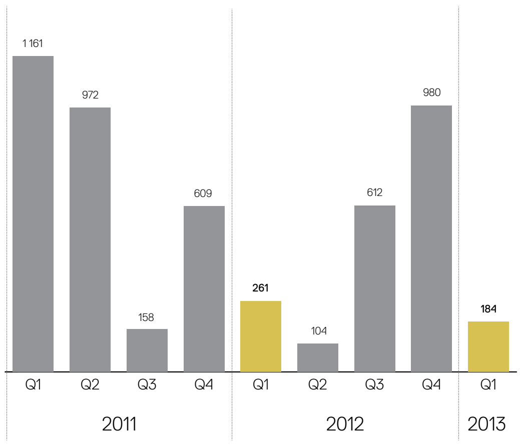


MARKETS AND NEW ORDERS

KPS's markets are now in a period with lower demand. The business area is world leading in its market and this position has been maintained over the past year. There have been no major contracts awarded in this market since KONGSBERG won the CROWS III contract in the USA and the TAPV contract in Canada in 2012. Sales campaigns are being conducted in several countries, and tendering activities are high, but decisions are taking longer than what was the case earlier. Despite its leading position, KPS may also be impacted by budgetary uncertainty in some key countries.

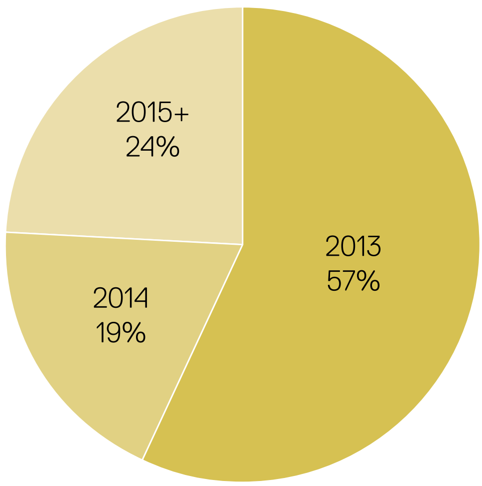
The Division's most important development programme in recent years has been the Medium Caliber Remote Weapon Station (MCRWS). There is significant interest for the product, and over the past year, several successful demonstrations have been made in the presence of several potential customers. The market potential for the system is considered to be significant, but it may still take some time before the first delivery contract is signed.

NEW ORDERS



ORDER BACKLOG

Breakdown by delivery year



Order backlog at the end of Q1, MNOK 2.617

KONGSBERG OIL & GAS TECHNOLOGIES

KEY FIGURES

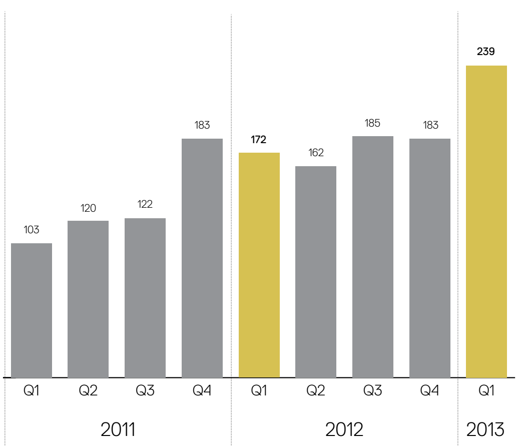
	1.1. - 31.3.		
MNOK	**2013**	2012	2012
Revenues	**239**	172	702
EBITDA	**(2)**	9	44
EBITDA (%)	**(0.8)**	5.2	6.3
New orders	**295**	191	750
EBITA	**(4)**	7	39
EBITA (%)	**(1.7)**	4.1	5.6

	31.3.	31.12.
MNOK	**2013**	2012
Order backlog	**484**	293
No. of employees	**659**	506

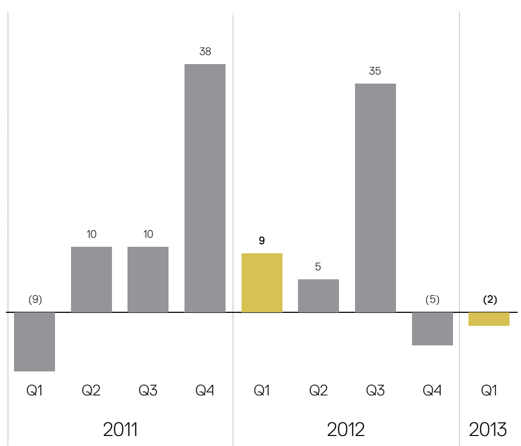
Q1 PERFORMANCE

KOGT had revenues of MNOK 239 in Q1 2013 (MNOK 172). The revenues are relatively evenly distributed between software and subsea sales. The increase in revenues is mainly due to the acquisition of Apply Nemo and Advali. EBITDA in Q1 was MNOK -2 (MNOK 9). The reduction in earnings is due to lower earnings in the subsea segment, while earnings in the software and services area improved from Q1 2012. KOGT's earnings can vary based on the progress of certain larger projects and large-scale individual sales of software products. This impacted the earnings in Q1 2013.

REVENUES



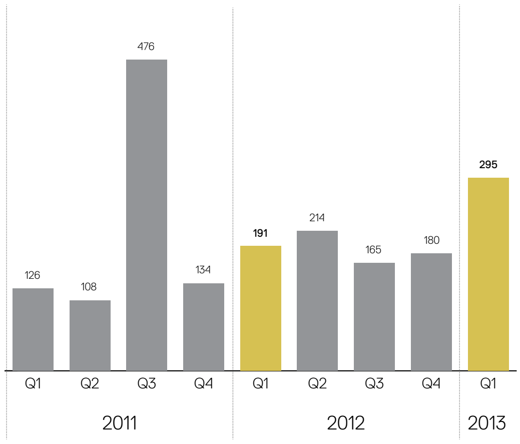
EBITDA



MARKETS AND NEW ORDERS

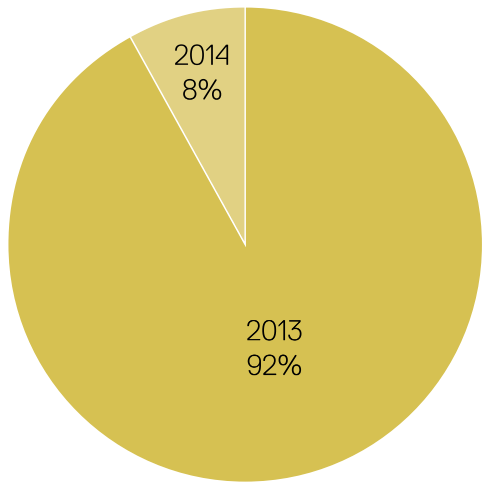
New orders were good in Q1, especially for software and related services. A large proportion of the new orders are related to the renewal of development contracts with oil and oil service companies. The business area's product for real-time data processing for drilling operations, SiteCom, contribute well to the order intake, and is confirming its market position. The activity level is also good, and growing, for services and software solutions related to process simulation and integrated operations. For products and services in the subsea segment, the year has started somewhat weaker than the comparable quarter last year. Tendering activities in this segment is, however, high and it is expected that activity level will improve during 2013.

NEW ORDERS



ORDER BACKLOG

Breakdown by delivery year



Order backlog at the end of Q1, MNOK 484

PROSPECTS FOR THE FUTURE

Foto: Statoil / Ole Jørgen Bratland

In recent years, KM has built up very good market positions which are expected to be maintained 2013. The business area's markets are strongly impacted by trends in the offshore industry, as well as world trade generally. New orders for deliveries to offshore-related vessels are expected to remain at a good level. Orders for new merchant vessels are still relatively slow, and that has had, and is expected to still have, an impact on KM's new orders from this segment. In the longer term, it is expected that this segment will stabilise at a satisfactory level. The strengthening of global after-market and customer support will continue to yield good results, and are also important components of KM's product portfolio. The strong order income over the past year gives a good foundation for KM's revenues also in 2013.

KDS has several major long term delivery programmes in the medium to late engineering and production phase, providing a good foundation for earnings in 2013. The business area is exploring exciting new prospects for sales and further development of missiles, submarine systems, air defence and others. The development of the JSM is on schedule and may represent significant future potential for KONGSBERG. Revenues are expected to remain at a good level in 2013.

KPS has built up a very strong position on the world market for vehicle-based weapons control systems. KPS has expanded its product portfolio over the past year, including MCRWS, and is considered to have a product portfolio that is well positioned for future needs. Customers' purchasing decisions buy take longer than what used to be the case in this market. KPS is expected to have a somewhat lower level of activity compared to what it has been in last years. Revenues in 2013 will to a greater extent come from contracts more recently entered into, as compared with what was the case in 2012. It is expected that this will be reflected in the margin trend over the year - and especially in second half 2013 lower margins are expected.

KOGT is a business area under development, and a niche supplier to the oil- and oil-services industry in Norway and abroad. The business area has an interesting positioning towards several important segments of the oil- and gas industry. The recent years' development in this market is expected to be positive for the products and services offered by the business area. Stricter safety and efficiency standards in the drilling and production phase are considered to provide good opportunities for KOGT's products. The acquisition of Apply Nemo has expanded the business area's range of products and industrial expertise in the subsea segment, where there is significant tendering activity at the moment. This is expected to translate into higher activity level during the year.

KONGSBERG has strong positions in the shipping, offshore and defence markets, and has a solid order backlog. Furthermore, the Group has an interesting positioning towards the oil- and gas market through KOGT. This provides a foundation for the activity level in 2013.

Kongsberg, 29 April 2013

The Board of Directors of Kongsberg Gruppen ASA

KEY FIGURES BY QUARTER

KM	2013	2012					2011				
MNOK	Q1	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Revenues	2 008	7 485	2 043	1 831	1 768	1 843	6 693	1 667	1 560	1 794	1 672
EBITDA	284	1 050	251	277	233	289	1 183	286	315	285	297
EBITDA %	14.1	14,0	12.3	15.1	13.2	15.7	17.7	17.2	20.2	15.9	17.8
New orders	2 664	8 438	1 668	1 941	2 288	2 541	7 331	1 403	2 103	1 743	2 082
Order backlog	6 893	6 042	6 042	6 477	6 443	5 769	5 134	5 134	5 061	4 499	4 583
EBITA	245	908	207	241	200	260	1 076	251	292	261	272
EBITA %	12.2	12.1	10.1	13.2	11.3	14.1	16.1	15.1	18.7	14.5	16.3

KDS	2013	2012					2011				
MNOK	Q1	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Revenues	988	4 654	1 258	979	1 239	1 178	3 895	1 110	784	1 061	940
EBITDA	69	478	148	118	101	111	351	152	58	61	80
EBITDA %	7.0	10.3	11.8	12.1	8.2	9.4	9.0	13.7	7.4	5.7	8.5
New orders	700	3 514	903	742	1 128	741	4 061	1 838	392	1 065	766
Order backlog	6 534	6 817	6 817	7 170	7 418	7 504	7 953	7 953	7 026	7 764	7 761
EBITA	43	372	120	92	75	85	257	126	34	38	59
EBITA %	4.4	8.0	9.5	9.4	6.1	7.2	6.6	11.4	4.3	3.6	6.3

KPS	2013	2012					2011				
MNOK	Q1	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Revenues	787	2 876	758	683	789	646	4 185	950	1 027	1 130	1 078
EBITDA	148	727	179	210	195	143	815	139	242	228	206
EBITDA %	18.8	25.3	23.6	30.7	24.7	22.1	19.5	14.6	23.6	20.2	19.1
New orders	184	1 957	980	612	104	261	2 900	609	158	972	1 161
Order backlog	2 617	3 218	3 218	2 997	3 069	3 753	4 136	4 136	4 478	5 346	5 504
EBITA	132	654	155	193	179	127	755	123	226	213	193
EBITA %	16.8	22.7	20.4	28.3	22.7	19.7	18.0	12.9	22.0	18.8	17.9

KOGT	2013	2012					2011				
MNOK	Q1	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Revenues	239	702	183	185	162	172	528	183	122	120	103
EBITDA	(2)	44	(5)	35	5	9	49	38	10	10	(9)
EBITDA %	(0.8)	6.3	(2.7)	18.9	3.1	5.2	9.3	20.8	8.2	8.3	(8.7)
New orders	295	750	180	165	214	191	844	134	476	108	126
Order backlog	484	293	293	303	560	498	480	480	501	146	162
EBITA	(4)	39	(6)	33	5	7	45	37	9	9	(10)
EBITA %	(1.7)	5.6	(3.3)	17.8	3.1	4.1	8.5	20.2	7.4	7.5	(9.7)

KONGSBERG	2013	2012					2011				
MNOK	Q1	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Revenues	4 033	15 652	4 209	3 675	3 932	3 836	15 128	3 883	3 460	4 041	3 744
EBITDA	500	2 294	573	646	525	550	2 385	620	625	560	580
EBITDA %	12.4	14.7	13.6	17.6	13.4	14.3	15.8	16.0	18.1	13.9	15.5
New orders	3 885	14 605	3 717	3 495	3 669	3 724	15 016	3 970	3 117	3 823	4 106
Order backlog	16 733	16 523	16 523	17 084	17 587	17 667	17 839	17 839	17 183	17 822	18 085
EBITA	418	1 971	477	566	450	478	2 123	542	562	503	516
EBITA %	10.4	12.6	11.3	15.4	11.4	12.5	14.0	14.0	16.2	12.4	13.8

CONDENSED FINANCIAL STATEMENTS AND NOTES

CONDENSED INCOME STATEMENT FOR THE PERIOD

		1.1. - 31.3.		1.1. - 31.12
MNOK	Note	**2013**	2012	2012
Revenues	1	**4 033**	3 836	15 652
Expences		**(3 533)**	(3 286)	(13 358)
EBITDA		**500**	**550**	**2 294**
Depreciation		**(82)**	(72)	(323)
EBITA	**1**	**418**	**478**	**1 971**
Amortisation		**(33)**	(38)	(119)
Impairment		**-**	-	(12)
EBIT		**385**	**440**	**1 840**
Net financial items	8	**(9)**	(3)	(31)
Earnings before taxes (EBT)		**376**	**437**	**1 809**
Income tax		**(105)**	(123)	(505)
Earnings after taxes		**271**	**314**	**1 304**
Attributable to:				
Non-controlling interests		**(2)**	(1)	(5)
Equity holders of the parent		**273**	315	1 309
Earnings per share (EPS), NOK		**2.28**	2.63	10.91
Earnings per share, diluted NOK		**2.28**	2.63	10.91

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD

		1.1. - 31.3.		1.1. - 31.12
MNOK	Note	**2013**	2012	2012
Earnings after taxes		**271**	314	1 304
Change, fair value of financial instr. and hedge instr. for cash flow hedges:	5			
- Change, cash flow hedges and int. rate swap agreements"		**(129)**	110	110
- Change, available-for-sale inv.		**5**	17	16
Actuarial gains/losses pensions		**-**	6	(117)
Translation differences, foreign currency		**41**	(40)	(63)
Tax on items recognised against statement of comprehensive income		**36**	(33)	2
Comprehensive income		**224**	**374**	**1 252**

CONDENSED STATEMENT OF FINANCIAL STATUS

		31.3.	31.12.
MNOK	Note	**2013**	2012
Property, plant and equipment		**2 615**	2 602
Intangible assets	4	**3 138**	2 750
Other non-current assets	5	**279**	280
Total non-current assets		**6 032**	**5 632**
Inventories		**3 138**	3 465
Trade receivables		**2 417**	1 815
Other current assets		**2 908**	2 853
Cash and cash equivalents		**2 144**	2 509
Total current assets		**10 607**	**10 642**
Total assets		**16 639**	**16 274**
Issued capital		**982**	982
Retained earnings		**5 346**	5 074
Fair value of financial instruments		**119**	207
Non-controlling interests		**10**	11
Total equity		**6 457**	**6 274**
Long-term interest-bearing debt	5	**1 313**	1 311
Other non-current liabilities and provisions		**1 627**	1 575
Total non-current liabilities and provisions		**2 940**	**2 886**
Construction contracts in construction, liabilities		**2 599**	2 284
Other current liabilities and provisions	3	**4 643**	4 830
Total current liabilities and provisions		**7 242**	**7 114**
Total equity, liabilities and provisions		**16 639**	**16 274**
Equity ratio(%)		**38.8**	38.6
Net interest-bearing liabilities		**(831)**	(1 198)
Net interest-bearing debt/EBITDA(%)		**n/a**	n/a

CONDENSED STATEMENT OF CHANGES IN EQUITY

	31.3.	31.12.
MNOK	**2013**	2012
Equity opening balance	**6 274**	5 484
Comprehensive income	**224**	1 252
Dividends		(450)
Treasury shares	**(42)**	(6)
Acquisition / disposals non-controlling interests		(2)
Dividends non-controlling interests		(1)
Change in non-controlling interests	**1**	(3)
Equity, closing balance	**6 457**	**6 274**

CONDENSED CASH FLOW STATEMENT

	1.1. - 31.3.		1.1. - 31.12
MNOK	2013	2012	2012
Earnings before interest, tax, depreciation and amortisation	500	550	2 294
Change in net current assets and other operating related items	(423)	(1 216)	(2 087)
Net cash flow from operating activities	**77**	**(666)**	**207**
Acquisition of property, plant and equipment	(66)	(102)	(523)
Acquisition of subsidiaries and non-controlling interests	(329)	(13)	(69)
Net payment of loans and acquisition/sale of shares	-	-	
Other investing activities	(16)	(43)	(121)
Net cash flow from investing activities	**(411)**	**(158)**	**(713)**
New loans raised and repayment	2	(324)	419
Net interest received (paid)	(4)	4	6
Net payments for the purchase/sale of treasury shares	(42)	(27)	(19)
Transactions with non-controlling interests	-	-	(5)
Dividends paid to equity holders of the parent	-	-	(450)
Net cash flow used in financing activities	**(44)**	**(347)**	**(49)**
Effect of changes in exchange rates on cash and short-term deposits	13	(10)	(19)
Net change in cash and short-term deposits	**(365)**	**(1 181)**	**(574)**
Cash and cash equivalents, **opening balance**	**2 509**	**3 083**	**3 083**
Cash and cash equivalents, closing balance	**2 144**	**1 902**	**2 509**

NOTES TO THE QUARTERLY ACCOUNTS

NOTE 1 - INFORMATION BY SEGMENT

	REVENUES			EBITDA			EBITA		
	1.1. - 31.3.			1.1. - 31.3.			1.1. - 31.3.		
MNOK	**2013**	2012	2012	**2013**	2012	2012	**2013**	2012	2012
Kongsberg Maritime	**2 008**	1 843	7 485	**284**	289	1 050	**245**	260	908
Kongsberg Defence Systems	**988**	1 178	4 654	**69**	111	478	**43**	85	372
Kongsberg Protech Systems	**787**	646	2 876	**148**	143	727	**132**	127	654
Kongsberg Oil & Gas Technologies	**239**	172	702	**(2)**	9	44	**(4)**	7	39
Others, elimination	**11**	(3)	(65)	**1**	(2)	(5)	**2**	(1)	(2)
THE GROUP	**4 033**	3 836	15 652	**500**	550	2 294	**418**	478	1 971

NOTE 2 - GENERAL INFORMATION AND PRINCIPLES

The consolidated Q1 2013 (interim) accounts include Kongsberg Gruppen ASA, its subsidiaries and the Group's interests in associated companies.

The condensed accounts have been prepared in accordance 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 2012. The consolidated accounts for 2012 comply with the rules in the Norwegian Accounting Act and with international financial reporting standards, as laid down by the EU. KONGSBERG has applied the same accounting policies as are described in the consolidated accounts for 2012, except of elements as mentioned in Note 8 - Changes to the accounting policy pursuant to IAS 19.

The consolidated accounts for 2012 are available upon request from the Group's headquarters in Kongsberg or at www.kongsberg.com.

The interim accounts have not been audited.

NOTE 3 - ESTIMATES

The preparation of the interim accounts entails the use of valuations, estimates and assumptions that affect the application of the accounting policies 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 policies and the main sources of uncertainty are the same as for the consolidated accounts for 2012.

NOTE 4 – EQUITY-FINANCED DEVELOPMENT

Development costs of MNOK 193 (MNOK 173) were charged against income in Q1 2013. In addition, MNOK 16 (MNOK 43) in equity-financed development was capitalised in Q1.

NOTES TO THE QUARTERLY ACCOUNTS

NOTE 5 – FINANCIAL INSTRUMENTS

Credit facilities
KONGSBERG has undrawn overdraft facilities of MNOK 1 000.

Other non-current assets
The value of available-for-sale shares has increased by MNOK 5 since year end.

Currency futures, options and interest swap agreements
The fair value of currency futures, currency options and interest swap agreements that are classified as prognosis hedges (cash flow hedges), has decreased by MNOK 129 before tax since year end. The change in fair value associated with currency futures and options accounted for a reduction of MNOK 156 during the same period. The currency exchange rates on the spot market at end quarter were NOK 5.83/USD 1 and NOK 7.50/EUR 1.

	Falling due in 2013		Falling due in 2014 or later		Total		
MNOK (before tax)	Value based on agreed exchange rates	Net excess value at 31 March 13	Value based on agreed exchange rates	Net excess value at 31 March 13	Value based on agreed exchange rates	Change in excess value from 31 Dec 12	Net excess value at 31 March 13
EUR	657	5	317	3	975	(18)	8
USD	1 522	1	1 412	8	2 934	(138)	9
Deferred gain [1]		53		59		23	112
Total	**2 179**	**59**	**1 729**	**70**	**3 909**	**(133)**	**129**

1) The gain arises 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 27 in the Annual Report for 2012 lists the details of transactions with close associates. There were no changes or transactions in Q1 in conjunction with close associates that had any material impact on the Group's financial position or on the profit and loss for the period.

NOTE 7 – KEY RISK AND UNCERTAINTY FACTORS

No important new risk or uncertainty factors were discovered during the quarter. For a description of how the Group deals with different risks, please see the Annual Report for 2012.

NOTE 8 – CHANGES TO THE ACCOUNTING POLICY PURSUANT TO IAS 19

As from 1 January 2013, under "Employee benefits", IAS 19 allows the funding element of net pension expenses to be presented as a funding element instead of being included in net pension expenses in the EBITDA. KONGSBERG has chosen to implement this in its reports as from Q1 2013. The principle is included retrospectively, so the comprehensive income statement for 2012 has been adjusted as follows:

	Reported for 2012	Restated comparative figures for 2012	Reported for Q1 2012	Restated comparative figures for Q1 2012
EBITDA	2 308	2 294	554	550
Net financial items	(23)	(31)	(1)	(3)
Tax	(511)	(505)	(125)	(123)
EBT	1 320	1 304	318	314
Net interest effect to comprehensive incom statement		16		4
EPS	11,05	10,91	2,66	2,63

KONGSBERG OIL & GAS TECHNOLOGIES

Kongsberg Oil & Gas Technologies (KOGT) is a supplier of high-technology solutions to the international oil and gas industry. The business area offers engineering services, innovative subsea solutions and decision-support systems. KOGT provide systems and solutions for all phases of a field's useful economic life, from exploration and early-phase engineering to field development and production. KOGT has a product portfolio consisting of a combination of systems that have already gained a foothold in the market and innovative new solutions. Products in the introductory phase are expected to have some impact on the profit in this business area in its current phase, however, in the long run, profitability is expected to improve.

KOGT's main objective is to offer innovative, cost-efficient solutions to the global oil and gas industry and thereby to be considered an important partner for global oil and gas operators. For quite some time, KONGSBERG has recognised the opportunity to offer the Group's core competence in software, decision-support systems and sensor technology directly to the operators in the oil and gas industry. KOGT was founded when the Group's technology and expertise in these fields were organised into a separate business area which has been further augmented by a combination of proprietary development and acquisitions.

"KOGT's objective for the future is to grow through the further development of its existing portfolio of products and services while at the same time, focusing on organic and non-organic growth opportunities to strengthen its position. KOGT's expertise in integrating advanced software and services with subsea expertise and high-technology products, will help to ensure that customers can improve their own production at the same time as they can meet future regulatory safety and environmental requirements as efficiently as possible", comments Pål Helsing, president of KOGT.

KOGT attaches special importance to two main principles that are integral parts of the systems and solutions offered. The first is that open standards are used, meaning the solution that is most appropriate for the job in question at any given time can be used. The other is the opportunity to integrate advanced software and service and high tech product, which is also done in KONGSBERG's other business areas. These results in solutions that help improve customers' efficiency and flexibility.

KOGT has 659 employees located in seven countries, and sales came to MNOK 702 in 2012. The company's current customer roster includes BP, Statoil, Chevron, Total, CNOOC and Lundin.

KOGT's revenues in 2012 were mainly driven by sale of software for monitoring of drilling operations, process simulation and Seaflex systems related to risers. After the acquisition of Apply Nemo, subsea hardware will represent a larger portion of the revenues. The order backlog is comparable with the 2012 sales, but with a larger portion of subsea products.

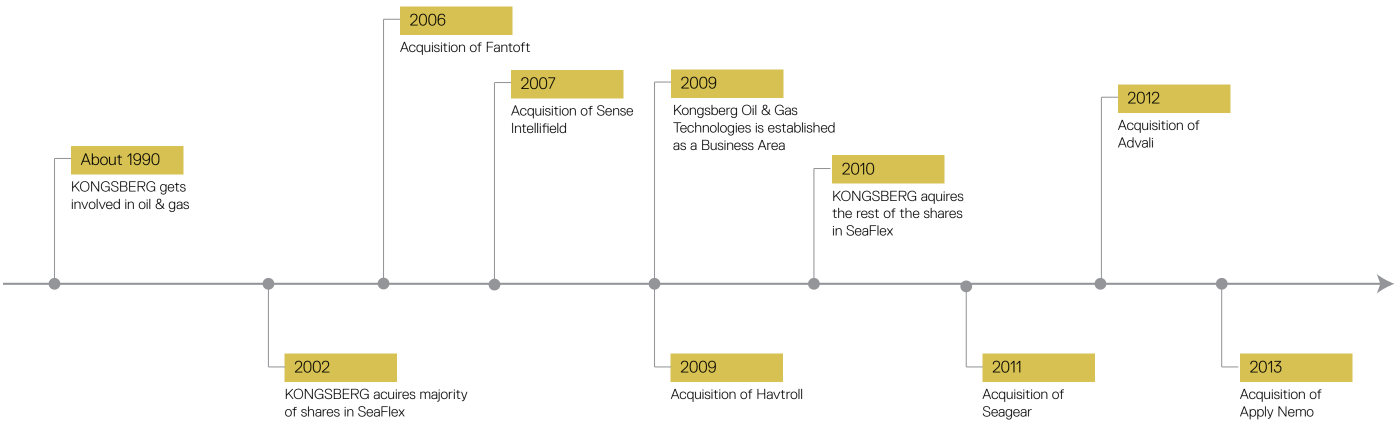
IMPORTANT COMMERCIAL PRODUCTS

- SiteCom - Software for monitoring drilling operations and wells:
    - Thanks to integration across systems, real-time and historic data from several sources can be made available to operators through one single interface. This gives the operator better, faster information to help make the right decisions. This improves efficiency as well as reliability.
- K-Spice - Dynamic process simulation:
    - Using dynamic process simulation, it is possible to validate system designs, estimate load capacities for individual components, and test procedures. This ensures smoother start-ups of new facilities at a lower cost.
- Riser management systems:
    - Real-time monitoring system that gives the operator real-time data and advice for optimal handling of critical risers under varying weather conditions. Mitigates the risk of making mistakes, reducing down time and wear and tear since less strain is placed on the risers.
- Subsea hardware:
    - Protective structures in steel and fibre glass
    - Thor Tie-In System: System for horizontal tie-ins and the connection of pipelines
    - Hot-tap: System for clearing debris from pipelines during production
    - PIG launcher and receiver: loading and receiving inspection and cleaning “PIGs” in pipeline systems without impeding ordinary operations
- LedaFlow:
    - A new generation of simulation technology for oil and gas, based on more detailed models that take account of multidimensional effects in the flow profile. The result is multiphase flow simulations that are more similar to the real thing, giving the operator a better idea of the status of the well and pipeline during production.

TYPICAL CUSTOMERS

- Operators; national, international and multinational oil and gas companies
- Service companies
- Rig companies

TIMELINE/HISTORY



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