2013

2ND QUARTER / FIRST HALF

KONGSBERG

kongsberg.com

Q2 2013/H1 2013

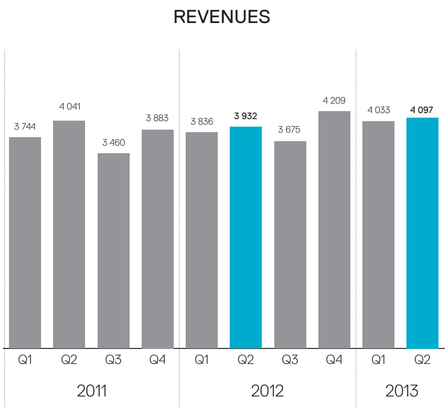
STRONG GROWTH FOR KONGSBERG MARITIME

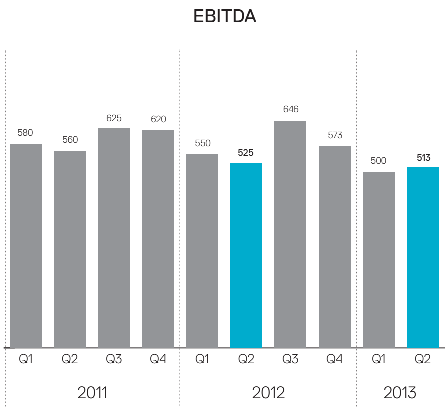
KONGSBERG is reporting operating revenues in Q2 2013 of MNOK 4 097, up 4.2 per cent year-on-year. In H1 2013, operating revenues came to MNOK 8 130, reflecting growth of 4.7 per cent compared with H1 2012. The revenue increase is driven by Kongsberg Maritime (KM), which grew 13.9 per cent year-on-year. The Q2 2013 EBITDA was MNOK 513 (MNOK 525) and the H1 EBITDA was MNOK 1 013 (MNOK 1 075). The reduction is mainly related to lower EBITDA at Kongsberg Protech Systems (KPS). Cash flow from operating activities was MNOK 1 019 in Q2. During the quarter, the Group booked new orders valued at MNOK 3 773.

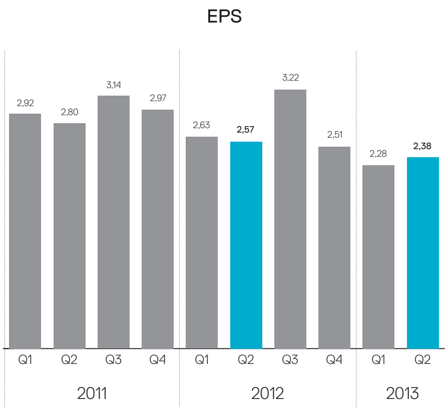
KEY FIGURES

	1.4 - 30.6		1.1 - 30.6		
MNOK	**2013**	2012	**2013**	2012	2012
Revenues	**4 097**	3 932	**8 130**	7 768	15 652
EBITDA	**513**	525	**1 013**	1 075	2 294
EBITDA (%)	**12.5**	13.4	**12.5**	13.8	14.7
EBIT	**397**	422	**782**	862	1 840
EBIT (%)	**9.7**	10.7	**9.6**	11.1	11.8
Earnings before tax	**395**	420	**771**	857	1 809
Earnings after tax	**285**	308	**556**	622	1 304
EPS (NOK)	**2.38**	2.57	**4.65**	5.20	10.91
New orders	**3 773**	3 669	**7 658**	7 393	14 605

	30.6	31.3	31.12
MNOK	**2013**	2013	2012
Equity ratio (%)	**36.4**	38.8	38.6
Net interest-bearing debt	**(1 319)**	(831)	(1 198)
Working capital	**3 140**	3 365	3 528
Order backlog	**16 398**	16 733	16 523
No. of employees	**7 370**	7 408	7 259

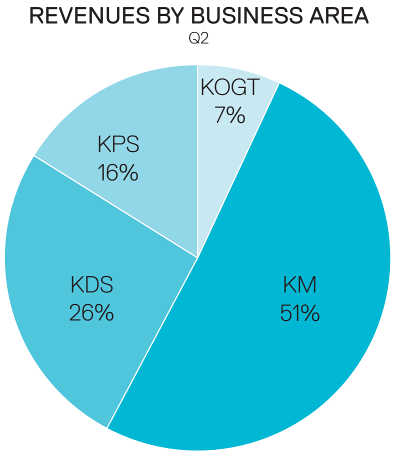


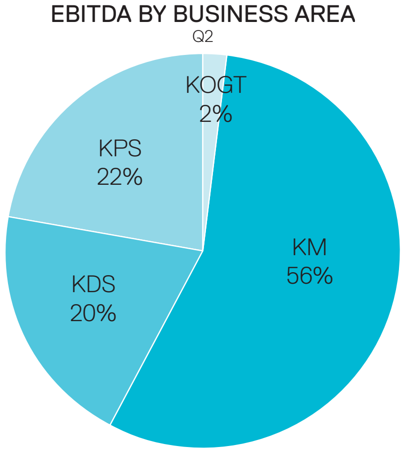




HIGHLIGHTS

- Growth in operating revenues of 4.7 per cent in H1 2013, compared with H1 2012
- EBITDA reduced by 6.1 per cent in H1 2013, compared with H1 2012, mainly related to KPS
- Strong growth in KM, H1 year-on-year growth in operating revenues of 13.9 per cent
- Good cash flow from operations in H1, MNOK 1 096, compared with MNOK -906 in H1 2012
- KM has strong intake of new orders in H1, MNOK 5 095, which is comparable to a book/bill of 1.24
- Important verification in the development of the JSM missile, and successful NSM firing tests
- KPS has booked important orders from Sweden and Croatia, while activities in the US are being reduced
- Kongsberg Oil & Gas Technologies (KOGT) has made progress in decision-support systems (software) for oil companies, earning it a good positioning towards the subsea segment





We are pleased with the growth in Kongsberg Maritime in H1 2013. This further underlines our strong global position. Despite a slower market for our weapon stations in the US, we now see several significant opportunities on the defence side. This provides a good basis for an exciting progress for the technology corporation KONGSBERG.

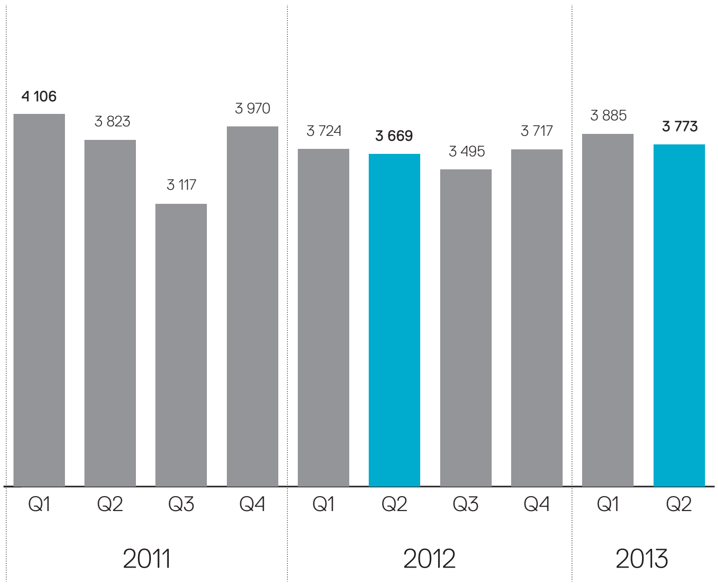
Walter Qvam, CEO

PERFORMANCE AND THE ORDER SITUATION

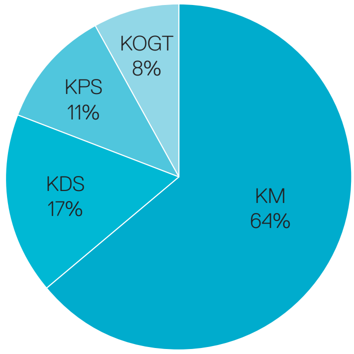
Operating revenues totalled MNOK 4 097 in Q2 2013, up 4.2 per cent from Q2 2012. EBITDA was MNOK 513 (MNOK 525), resulting in an EBITDA margin of 12.5 per cent (13.4 per cent). The reduction is mainly related to KPS. Earnings before tax came to MNOK 395 (MNOK 420) in Q2, while earnings after tax were MNOK 285 (MNOK 308). New orders in Q2 2013 totalled MNOK 3 773 (MNOK 3 669), translating into a book/bill of 0.92. New orders were driven by KM, confirming its strong position, especially in the offshore market.

At mid-year, operating revenues totalled MNOK 8 130, up 4.7 per cent from H1 2012, while EBITDA was MNOK 1 013 (MNOK 1 075). This gives an EBITDA margin of 12.5 per cent, down from 13.8 per cent in H1 2012. Earnings before tax came to MNOK 771 (MNOK 857) at mid-year, while earnings after tax were MNOK 556 (MNOK 622).

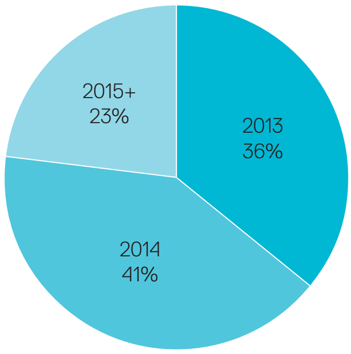
NEW ORDERS



NEW ORDERS BY BUSINESS AREA
Q2



ORDER BACKLOG
Breakdown by delivery year



Order backlog at the end of Q2 2013, MNOK 16.398

CASH FLOW

KONGSBERG saw a net increase of MNOK 486 in bank deposits and cash equivalents in Q2, compared with MNOK -843 in Q2 2012 The net cash flow from operating activities in H1 was MNOK 1 096, a significant improvement from MNOK -906 in H1 2012. During H1, taxes of MNOK 225 were paid, while investing activities amounted to MNOK 522. Dividends of MNOK 450 (MNOK 450) were paid out in Q2.

	1.4 - 30.6		1.1 - 30.6		
MNOK	**2013**	2012	**2013**	2012	2012
EBITDA	**513**	525	**1 013**	1 075	2 294
Change in net current assets and other operating related items	**506**	(765)	**83**	(1 981)	(2 087)
Net cash flow from operating activities	**1 019**	**(240)**	**1 096**	**(906)**	**207**
Net cash flow from investing activities	**(111)**	(171)	**(522)**	(329)	(713)
Net cash flow used in financing activities	**(431)**	(441)	**(475)**	(788)	(49)
Effect of changes in exchange rates on cash and short-term deposits	**9**	9	**22**	(1)	(19)
Net change in cash and short-term deposits	**486**	**(843)**	**121**	**(2 024)**	**(574)**

BALANCE SHEET

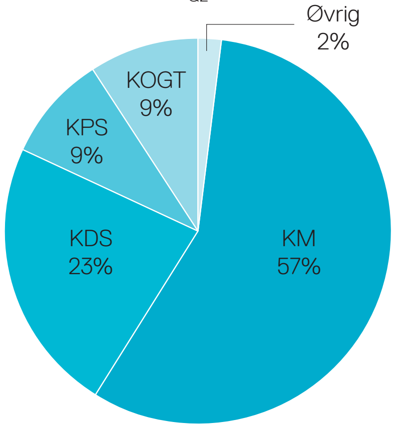
At the end of Q2 2013, the Group had net interest-bearing debt of MNOK -1 319, compared with MNOK -831 at the end of Q1. The improvement in net interest-bearing debt is primarily attributable a positive net cash flow from operations. Consolidated bank deposits and cash equivalents totalled MNOK 2 630 at end quarter, compared with MNOK 2 144 at the end of Q1. KONGSBERG's equity was MNOK 6 211 (36.4 per cent), compared with MNOK 6 457 (38.8 per cent) at the end of Q1. KONGSBERG has an undrawn credit facility of MNOK 1 000 that will expire in July 2015.

	30.6	31.3.	31.12.
MNOK	**2013**	2013	2012
Equity	**6 211**	6 457	6 274
Equity ratio (%)	**36.4**	38.8	38.6
Total assets	**17 072**	16 639	16 274
Working capital	**3 140**	3 365	3 528
Gross interest-bearing liabilities	**1 311**	1 313	1 311
Gross bank deposits and cash equivalents	**2 630**	2 144	2 509
Net interest-bearing liabilities	**(1 319)**	**(831)**	**(1 198)**

HUMAN RESOURCES

KONGSBERG cut its staff to 7 370 at the end of Q2, compared with 7 408 employees in Q1 2013. The reduction in the number of employees has mainly occurred at KPS, which adapted its staffing to the current level of activity. The reduction was conducted by offering employees other positions with KONGSBERG, as well as by voluntary attrition.

BUSINESS AREA'S SHARE OF EMPLOYEES
Q2



OTHER ACTIVITIES

Other activities mainly consist of eliminations and external operating revenues for Property Operations. The figures provided in this report for the sake of comparison have been adjusted in the light of the fact that KOGT is now being reported as a separate business area.

KONGSBERG MARITIME

KEY FIGURES

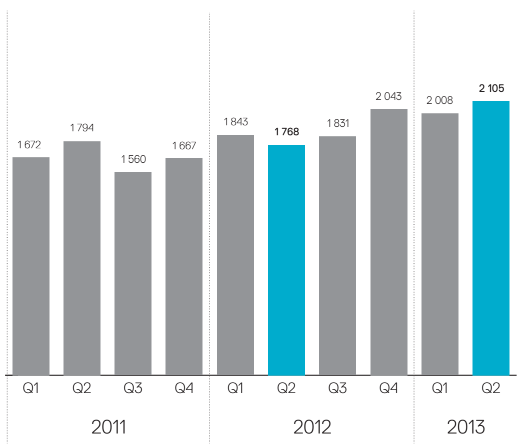
	1.4 - 30.6		1.1 - 30.6		
MNOK	**2013**	2012	**2013**	2012	2012
Revenues	**2 105**	1 768	**4 113**	3 611	7 485
EBITDA	**293**	233	**577**	522	1 050
EBITDA (%)	**13.9**	13.2	**14.0**	14.5	14.0
New orders	**2 431**	2 288	**5 095**	4 829	8 438

	30.6	31.3	31.12
MNOK	**2013**	2013	2012
Order backlog	**7 219**	6 893	6 042
No. of employees	**4 212**	4 223	4 163

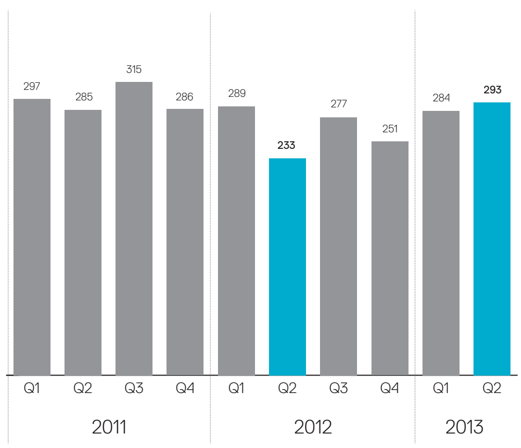
PERFORMANCE

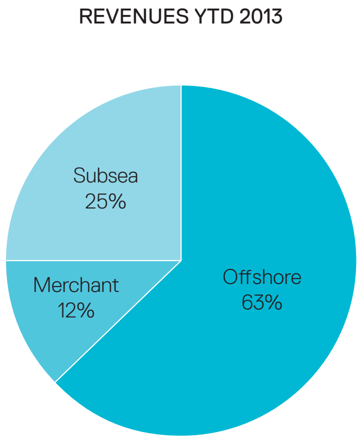
KM has seen high activity in Q2, with year-on-year growth in operating revenues of 19.1 per cent. Operating revenues during the quarter ended at MNOK 2 105 (MNOK 1 768). EBITDA was MNOK 293 (MNOK 233), resulting in an EBITA margin of 13.9 per cent (13.2 per cent). At mid-year, operating revenues totalled MNOK 4 113 (MNOK 3 611), while EBITDA was MNOK 577 (MNOK 522).

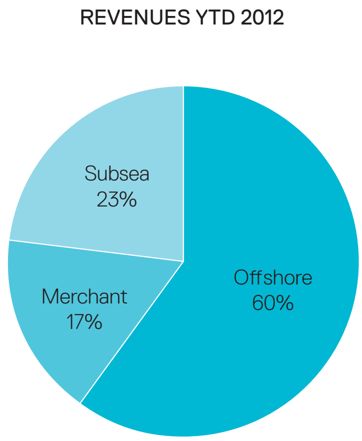
REVENUES

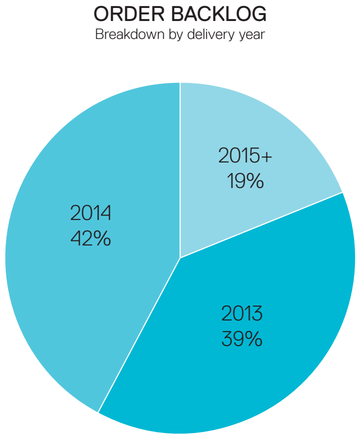


EBITDA









Order backlog at the end of Q2 2013, MNOK 7.219

MARKETS AND NEW ORDERS

KM had a strong influx of new orders again in Q2. Signed new orders represented a total value of MNOK 2 431 (MNOK 2 288), which gives a book/bill of 1.15. KM's order backlog is now worth MNOK 7 219, translating into good predictability for future operations.

The strong position KM has earned in the market for advanced offshore vessels was maintained in Q2 and new orders were booked for a variety of vessels during the quarter. "Full Picture" delivery contracts for drilling vessels made an especially strong contribution. Large parts of KM's operating revenues and order backlog are related to our drilling units. There are still many drilling units scheduled for delivery this year, in addition to more than 50 units scheduled for delivery in 2014 and beyond. A typical "Full Picture" delivery from KM includes systems for dynamic positioning (DP), thruster control, vessel automation, safety systems, riser management systems, etc. Collectively, these products represent some of the most important elements that drilling vessels need to operate.

New orders have also been also good from vessel segments such as LNG (liquid natural gas), seismic and construction vessels. KM enjoys a strong market position in these segments as well. The vessels for which delivery contracts have been signed will, for the most part, be built at shipyards in Singapore, South Korea and China, as well as in Norway. Orders in Q2 include "Full Picture" contracts for four drilling vessels ordered by Transocean and two seismic vessels ordered by Petroleum Geo Services.

Over the past few years, the number of orders for conventional merchant newbuildings has been weak. This has also affected KM's influx of orders from this segment. There are indications that this market has bottomed out, and we expect the influx of new orders to pick up somewhat in future. In H1, KM increased its order backlog for equipment to this market. In Q2, the Merchant Marine Division reported a book/bill of 1.07. The Merchant Marine Division is well- positioned for the possibility of an upturn in this segment.

Due to that oil and gas exploration and production activities are moving into deeper water and facing more demanding conditions, there have been significant developments on the equipment front. Requirements for efficient and reliable service and customer support have also increased. KM has made major investments in the development of products, technology and customer support. This puts the business area in a good position not only with a state-of-the-art product portfolio, but also as a safe, efficient choice for customers.

US CLIMATE PROJECT INVESTS IN KONGSBERG TECHNOLOGY

In May, KM signed a contract with the US Ocean Observatories Initiative (OOI). Using sonar technology from KONGSBERG, scientists can study marine mammals such as whales, as well as fish and plankton. They can also monitor climate variations in marine ecosystems. Within the project a cable-based array of sensors designed to scientific monitor the marine habitat will be build. Everything from fish and plant life, to chemical, physical and geological changes will be measured. The contract with OOI offers an important opportunity for testing our technical environmental monitoring solutions on real applications in collaboration with others. The contract will help KM gain valuable experience for further developing KM's solution to meet future scenarios and environmental monitoring requirements.

It is not only along the US coasts where environmental experts are building up this kind of monitoring network. Similar initiatives are being taken off the coasts of Australia, Canada and Africa, as well as in Norway's own Arctic waters off the Lofoten archipelago. The Norwegian Ocean Observatory Network (NOON), with which KM is affiliated, is a project designed to monitor the complex environmental and climatic changes associated with global warming. Among other things, KM is providing remotely controlled underwater vehicles (AUVs).

KONGSBERG DEFENCE SYSTEMS

KONGSBERG

KEY FIGURES

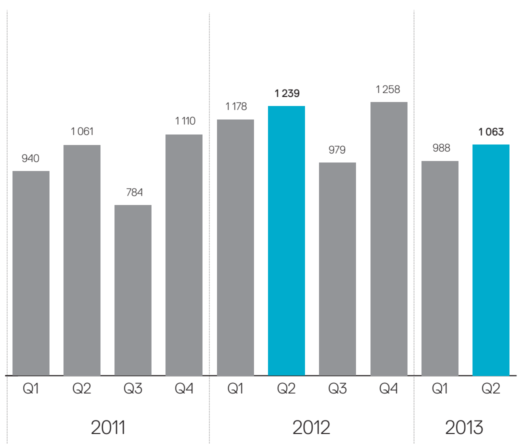
	1.4 - 30.6		1.1 - 30.6		
MNOK	**2013**	2012	**2013**	2012	2012
Revenues	**1 063**	1 239	**2 051**	2 417	4 654
EBITDA	**104**	101	**173**	212	478
EBITDA (%)	**9.8**	8.2	**8.4**	8.8	10.3
New orders	**651**	1 128	**1 351**	1 869	3 514

	30.6	31.3	31.12
MNOK	**2013**	2013	2012
Order backlog	**6 112**	6 534	6 817
No. of employees	**1 728**	1 734	1 747

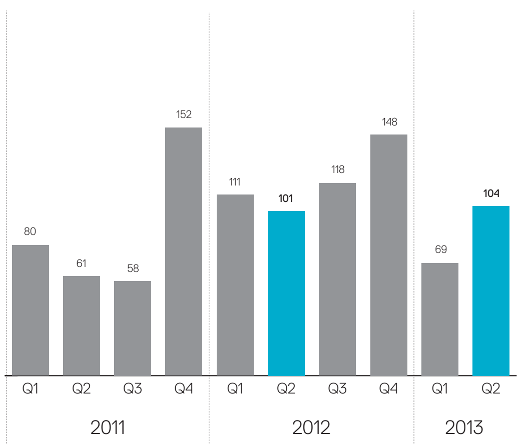
PERFORMANCE

Kongsberg Defence Systems (KDS) reported lower operating revenues, but an increase in EBITDA during the quarter, compared with Q2 2012. Operating revenues during the quarter ended at MNOK 1 063 (MNOK 1 239). EBITDA was MNOK 104 (MNOK 101), resulting in an EBITDA margin of 9.8 per cent (8.2 per cent). H1 operating revenues were MNOK 2 051 (MNOK 2 417), while EBITDA was MNOK 173 (MNOK 212). While the JSM project is maintaining a high level of activity, the project is between two development contracts. This adversely impacted both the profit and operating revenues in H1.

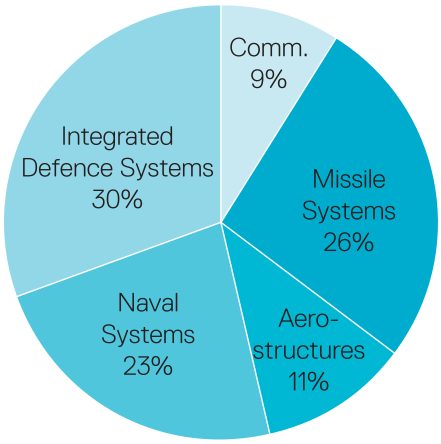
REVENUES



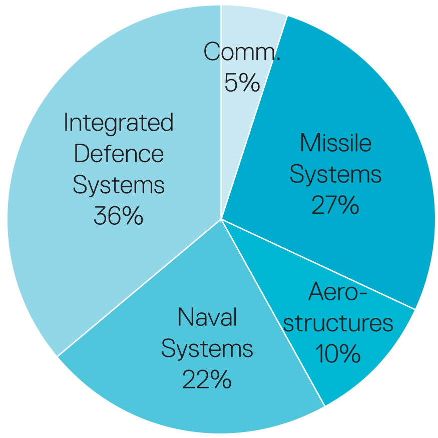
EBITDA



REVENUES YTD 2013



REVENUES YTD 2012



MARKETS AND NEW ORDERS

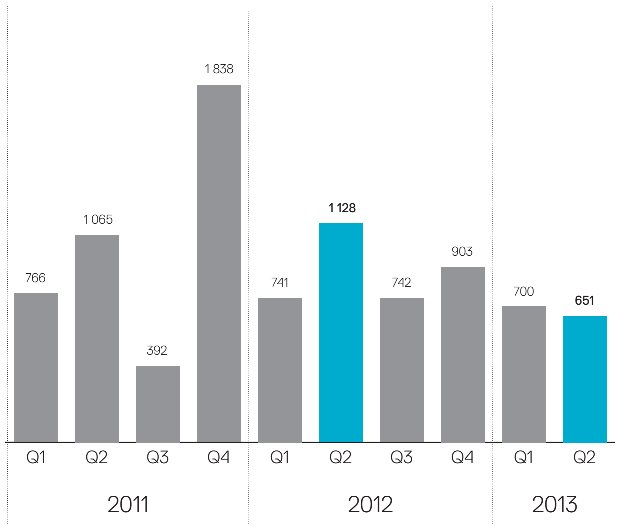
New orders in Q2 aggregated MNOK 651 (MNOK 1 128).

KDS has seen high activity in both development and delivery projects in 2013. The NSM missiles for Norway are being delivered on schedule. During the quarter, two live firing tests took place as part of a Technical Evaluation Programme (TechEval) that the Royal Norwegian Navy is performing under the NSM contract. The TechEval Programme consists of a total of eight firings. The first firing was conducted with a live warhead, demonstrating the missile's target accuracy and its sophisticated tactical manoeuvrability capabilities. During the second test, the missile was fired from a vessel at high speed. This was the most demanding NSM test firing to date, as several of the missile's performance parameters were tested to the extreme. Both tests were highly successful. The coastal artillery system featuring NSM missiles scheduled for delivery to Poland is also on schedule, and deliveries will continue in 2013 and 2014. Deliveries ensuing from the air defence contract with Finland signed in 2009 are on schedule and will near completion at the end of 2013.

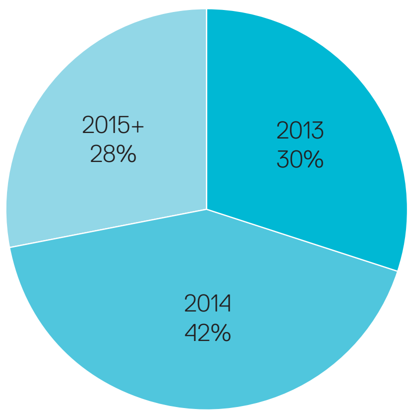
The development of the JSM is moving forward. In spring 2013, Norway received confirmation from the F-35 programme's Joint Executive Steering Board that the JSM will be integrated into the F-35. During Q2, the enterprise performed a so-called "fit check", where the physical characteristics of the JSM were tested in the internal carriage bay of the F-35. The purpose of the test was to demonstrate that the missile's properties comply with the requirements for internal carriage. The tests were successful.

Several key nations are cutting their defence budgets. This budgetary uncertainty may also affect KONGSBERG. However, KDS has a portfolio of state-of-the-art, advanced and cost-efficient niche products that are deemed to be well positioned for the future needs of many countries. Fluctuations in new orders are normal in the defence market, since the market is marked by relatively few but large-scale contracts. KDS' backlog of orders at mid-year was at a satisfactory level, but in future it will be essential to secure new orders. 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 Q2 2013, MNOK 6.112

KONGSBERG PROTECH SYSTEMS

KONGSBERG

KEY FIGURES

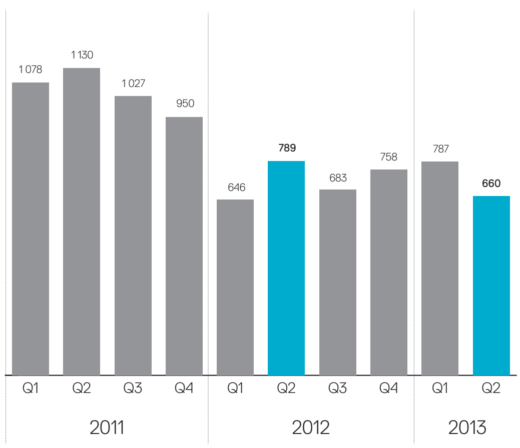
	1.4 - 30.6		1.1 - 30.6		
MNOK	**2013**	2012	**2013**	2012	2012
Revenues	**660**	789	**1 447**	1 435	2 876
EBITDA	**115**	195	**263**	338	727
EBITDA (%)	**17.4**	24.7	**18.2**	23.6	25.3
New orders	**438**	104	**622**	365	1 957

	30.6	31.3	31.12
MNOK	**2013**	2013	2012
Order backlog	**2 396**	2 617	3 218
No. of employees	**637**	672	724

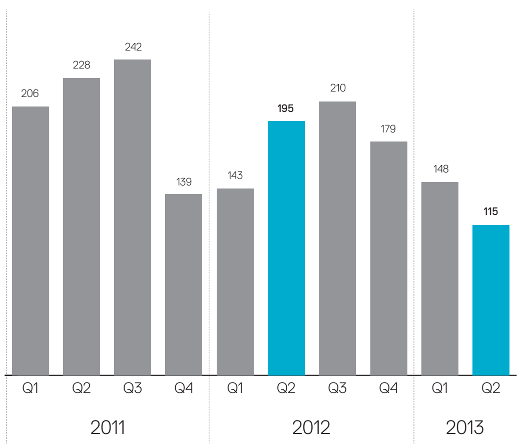
PERFORMANCE

Operating revenues during the quarter ended at MNOK 660 (MNOK 789). EBITDA was MNOK 115 (MNOK 195), resulting in an EBITDA margin of 17.4 per cent (24.7 per cent). H1 operating revenues aggregated MNOK 1 447 (MNOK 1 435), while EBITDA was MNOK 263 (MNOK 338). During the quarter, the bulk of deliveries went to the US CROWS programme and the Norwegian/ Swedish "Nordic" programme. The good margin is primarily attributable to a favourable product/project mix.

REVENUES



EBITDA



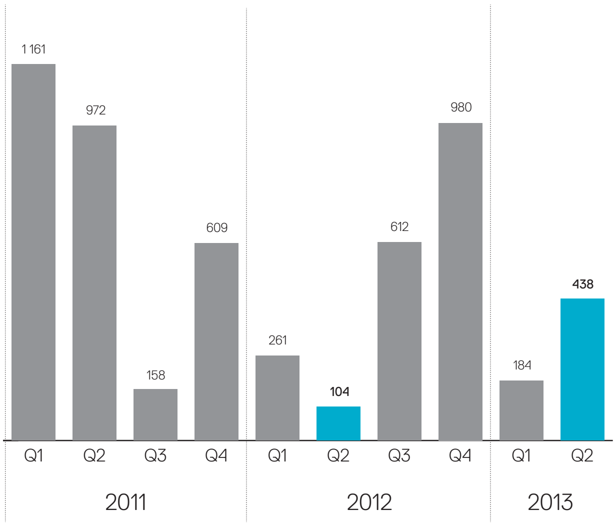
MARKETS AND NEW ORDERS

New orders in Q2 totalled MNOK 438 (MNOK 104). A MNOK 149 contract was signed with the Swedish Defence Materiel Administration (FMV) , and a contract worth MNOK 100 was signed with Croatia. This indicates that KPS is maintaining its strong position in the market for remotely controlled weapons control systems, despite the fact that KPS' products currently are experiencing a reduction in demand. At the beginning of Q3, KPS also signed a frame contract with the French Ministry of Defence for repair, overhaul and logistic support for the PROTECTOR Remote Weapon Stations to the French Army. The Division's most important development programme in recent years has been the Medium Caliber Remote Weapon Station (MCRWS). There is still significant interest in the product and its market potential is believed to be substantial. Sales campaigns are being staged in several countries and marketing efforts are in high gear, but decisions are taking longer than what was the case earlier.

DELIVERIES

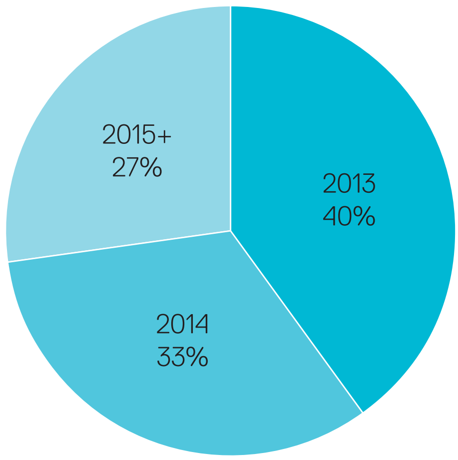
KPS is influenced by budgetary uncertainty in several key countries. The activity level towards the USA is expected to be slower going forward as a result of this. The effects we have seen thus far include a downward adjustment in delivery volumes to the US compared with what was originally planned. The reduction in H1 was partially compensated by higher volumes for other projects outside the US. The trend with lower volumes to the US is expected to continue in H2. It is currently expected that deliveries to the US will be approximately MNOK 350 lower in H2 2013 than in H1 2013. The reduction is expected to be partially compensated by expansion in the scope of other projects, although KPS' operating revenues will be adversely impacted. The profit margin on these projects is also lower than that under the CROWS II framework contract signed in 2007. The total effect of this is expected to be a relatively large reduction in profits from KPS' ordinary operations in H2 2013.

NEW ORDERS



ORDER BACKLOG

Breakdown by delivery year



Order backlog at the end of Q2 2013, MNOK 2.396

KONGSBERG OIL & GAS TECHNOLOGIES

KEY FIGURES

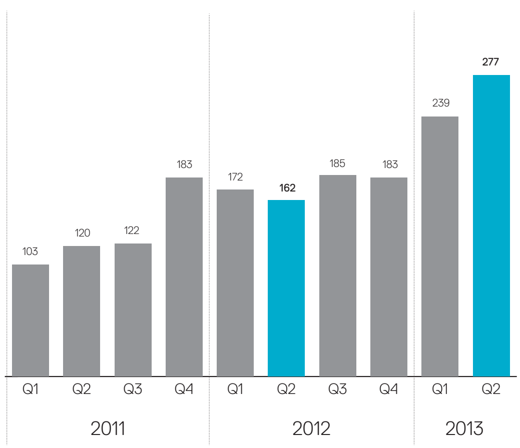
	1.4 - 30.6		1.1 - 30.6		
MNOK	**2013**	2012	**2013**	2012	2012
Revenues	**277**	162	**516**	334	702
EBITDA	**8**	5	**6**	14	44
EBITDA (%)	**2.9**	3.1	**1.2**	4.2	6.3
New orders	**299**	214	**594**	405	750

	30.6	31.3	31.12
MNOK	**2013**	2013	2012
Order backlog	**505**	484	293
No. of employees	**675**	659	506

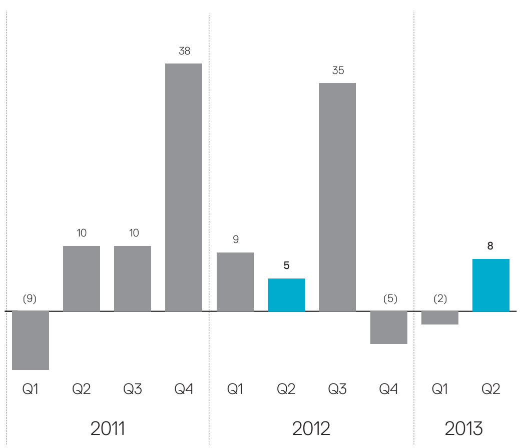
PERFORMANCE

Operating revenues during the quarter ended at MNOK 277 (MNOK 162). EBITDA was MNOK 8 (MNOK 5), resulting in an EBITDA margin of 2.9 per cent (3.1 per cent). In H1, operating revenues came to MNOK 516 (MNOK 334), while EBITDA was MNOK 6 (MNOK 14). Q2 operating revenues were relatively equally divided between software and subsea. The growth in operating revenues is mainly due to the acquisition of Apply Nemo and Advali. The segment Software & Services reported improved earnings year-on-year , while the Subsea segment reported somewhat weaker earnings. KOGT's earnings can vary based on the progress of certain larger projects and large-scale individual sales of software products. The business area is in a development phase and is being positioned for further growth. In the long run, earnings are expected to improve.

REVENUES



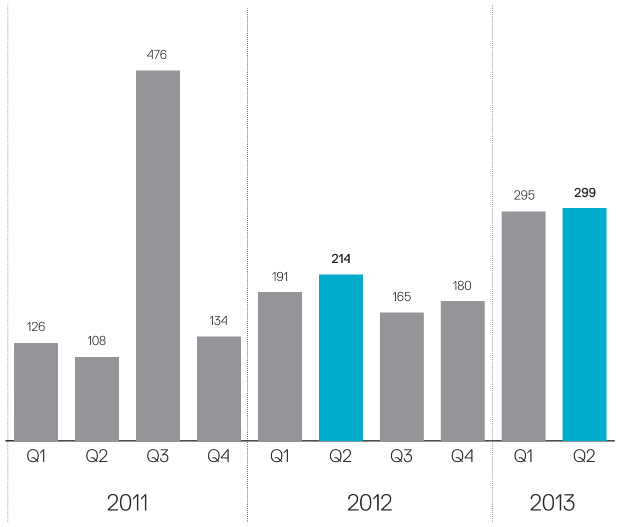
EBITDA



MARKETS AND NEW ORDERS

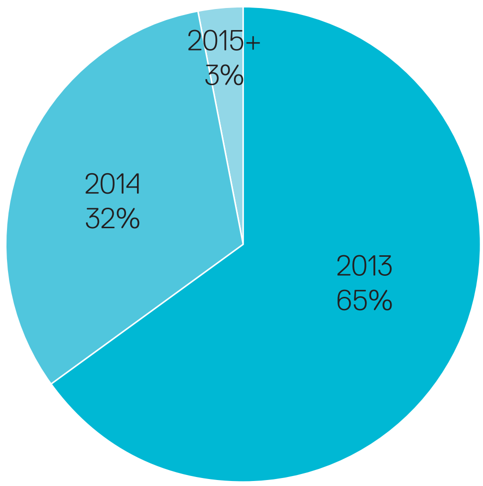
New orders were satisfactory in Q2, especially for software and related services. A large proportion of the new orders is related to the renewal of development contracts with oil and oil service companies. The business area's product for real-time decision-support systems for drilling operations, SiteCom, contributed many new orders, consolidating their market position. Operations are also expanding for the business area's services and software solutions related to process simulation and integrated operations. For products and services in the subsea segment, the year thus far has been slightly slower than during the comparable months last year. A higher level of activity is expected in the Subsea segment in H2 2013.

NEW ORDERS



ORDER BACKLOG

Breakdown by delivery year



Order backlog at the end of Q2 2013, MNOK 505

PROSPECTS FOR THE FUTURE

In recent years, KM has built up very good market positions which it is expected to maintain in H2 as well. The business area's markets are strongly impacted by trends in the offshore industry and in world trade in general. New orders for deliveries to offshore-related vessels are expected to remain at a good level. Orders for new merchant vessels are still at a relatively low level. This is expected to continue to impact KM's new orders from this segment. There are indications that this market has now bottomed out and, in the longer term, this segment is expected to stabilise at a more normal level. The strengthening of the 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 in H2 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 H2 2013. The business area is exploring on 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 H2 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 to meet future needs. Customers in this market are taking more time than before to make procurement decisions, and the business area is susceptible to budget cuts. A lower level of activity is expected in the USA in particular. Thus KPS is expected to see a reduction in activities from H1 2013 to H2 2013. The profit margins on the remaining contracts at KPS are also lower than under the CROWS II framework contract signed in 2007. The total effect of this is expected to be a relatively large reduction in profits from KPS' ordinary operations in H2 2013.

KOGT is a business area under development, and a niche supplier to the oil and oil services industry in Norway and abroad. Recent years' trends in this market are 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. Thus the business area has a good position in several important segments of the oil and gas industry.

KONGSBERG has a strong position in the shipping, offshore and defence markets and has a solid order backlog. Furthermore , the Group has an interesting position towards the oil- and gas market through KOGT. This provides a strong platform for activity level in H2 2013.

Kongsberg, 13 August 2013

The Board of Directors of Kongsberg Gruppen ASA

KEY FIGURES BY QUARTER

KM	2013		2012					2011				
MNOK	**Q2**	Q1	**Total**	Q4	Q3	Q2	Q1	**Total**	Q4	Q3	Q2	Q1
Revenues	**2 105**	2 008	**7 485**	2 043	1 831	1 768	1 843	**6 693**	1 667	1 560	1 794	1 672
EBITDA	**293**	284	**1 050**	251	277	233	289	**1 183**	286	315	285	297
EBITDA %	**13.9**	14.1	**14.0**	12.3	15.1	13.2	15.7	**17.7**	17.2	20.2	15.9	17.8
New orders	**2 431**	2 664	**8 438**	1 668	1 941	2 288	2 541	**7 331**	1 403	2 103	1 743	2 082
Order backlog	**7 219**	6 893	**6 042**	6 042	6 477	6 443	5 769	**5 134**	5 134	5 061	4 499	4 583
EBITA	**253**	245	**908**	207	241	200	260	**1 076**	251	292	261	272
EBITA %	**12**	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	**Q2**	Q1	**Total**	Q4	Q3	Q2	Q1	**Total**	Q4	Q3	Q2	Q1
Revenues	**1 063**	988	**4 654**	1 258	979	1 239	1 178	**3 895**	1 110	784	1 061	940
EBITDA	**104**	69	**478**	148	118	101	111	**351**	152	58	61	80
EBITDA %	**9.8**	7.0	**10.3**	11.8	12.1	8.2	9.4	**9.0**	13.7	7.4	5.7	8.5
New orders	**651**	700	**3 514**	903	742	1 128	741	**4 061**	1 838	392	1 065	766
Order backlog	**6 112**	6 534	**6 817**	6 817	7 170	7 418	7 504	**7 953**	7 953	7 026	7 764	7 761
EBITA	**77**	43	**372**	120	92	75	85	**257**	126	34	38	59
EBITA %	**7.2**	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	**Q2**	Q1	**Total**	Q4	Q3	Q2	Q1	**Total**	Q4	Q3	Q2	Q1
Revenues	**660**	787	**2 876**	758	683	789	646	**4 185**	950	1 027	1 130	1 078
EBITDA	**115**	148	**727**	179	210	195	143	**815**	139	242	228	206
EBITDA %	**17.4**	18.8	**25.3**	23.6	30.7	24.7	22.1	**19.5**	14.6	23.6	20.2	19.1
New orders	**438**	184	**1 957**	980	612	104	261	**2 900**	609	158	972	1 161
Order backlog	**2 396**	2 617	**3 218**	3 218	2 997	3 069	3 753	**4 136**	4 136	4 478	5 346	5 504
EBITA	**102**	132	**654**	155	193	179	127	**755**	123	226	213	193
EBITA %	**15.5**	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	**Q2**	Q1	**Total**	Q4	Q3	Q2	Q1	**Total**	Q4	Q3	Q2	Q1
Revenues	**277**	239	**702**	183	185	162	172	**528**	183	122	120	103
EBITDA	**8**	(2)	**44**	(5)	35	5	9	**49**	38	10	10	(9)
EBITDA %	**2.9**	(0.8)	**6.3**	(2.7)	18.9	3.1	5.2	**9.3**	20.8	8.2	8.3	(8.7)
New orders	**299**	295	**750**	180	165	214	191	**844**	134	476	108	126
Order backlog	**505**	484	**293**	293	303	560	498	**480**	480	501	146	162
EBITA	**6**	(4)	**39**	(6)	33	5	7	**45**	37	9	9	(10)
EBITA %	**2.2**	(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	**Q2**	Q1	**Total**	Q4	Q3	Q2	Q1	**Total**	Q4	Q3	Q2	Q1
Revenues	**4 097**	4 033	**15 652**	4 209	3 675	3 932	3 836	**15 128**	3 883	3 460	4 041	3 744
EBITDA	**513**	500	**2 294**	573	646	525	550	**2 385**	620	625	560	580
EBITDA %	**12.5**	12.4	**14.7**	13.6	17.6	13.4	14.3	**15.8**	16.0	18.1	13.9	15.5
New orders	**3 773**	3 885	**14 605**	3 717	3 495	3 669	3 724	**15 016**	3 970	3 117	3 823	4 106
Order backlog	**16 398**	16 733	**16 523**	16 523	17 084	17 587	17 667	**17 839**	17 839	17 183	17 822	18 085
EBITA	**430**	418	**1 971**	477	566	450	478	**2 123**	542	562	503	516
EBITA %	**10.5**	10.4	**12.6**	11.3	15.4	11.4	12.5	**14.0**	14.0	16.2	12.4	13.8

CONDENSED INCOME STATEMENT FOR THE PERIOD

		1.4. - 30.6.		1.1. - 30.6.		1.1 - 31.12.
MNOK	Note	**2013**	2012	**2013**	2012	2012
Revenues	1	**4 097**	3 932	**8 130**	7 768	15 652
Operating expenses		**(3 584)**	(3 407)	**(7 117)**	(6 693)	(13 358)
EBITDA		**513**	**525**	**1 013**	**1 075**	**2 294**
Depreciation		**(83)**	(75)	**(165)**	(147)	(323)
EBITA	**1**	**430**	**450**	**848**	**928**	**1 971**
Amortisation		**(33)**	(28)	**(66)**	(56)	(119)
Impairment		**-**	-	**-**	(10)	(12)
EBIT		**397**	**422**	**782**	**862**	**1 840**
Net financial items	8	**(2)**	(2)	**(11)**	(5)	(31)
Earnings before tax (EBT)		**395**	**420**	**771**	**857**	**1 809**
Income tax		**(110)**	(112)	**(215)**	(235)	(505)
Earnings after tax		**285**	**308**	**556**	**622**	**1 304**
Attributable to:						
Non-controlling interests		**-**	-	**(2)**	(1)	(5)
Equity holders of the parent		**285**	308	**558**	623	1 309
Earnings per share (EPS). NOK		**2.38**	2.57	**4.65**	5.20	10.91
Earnings per share. diluted NOK		**2.38**	2.57	**4.65**	5.20	10.91

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD

		1.4. - 30.6.		1.1. - 30.6.		1.1 - 31.12.
MNOK	Note	**2013**	2012	**2013**	2012	2012
Earnings after tax		**285**	308	**556**	622	1 304
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Change. fair value of financial instr. and hedge instr. for cash flow hedges:	5					
- Change. cash flow hedges and int. rate swap agreements		**(9)**	(3)	**(4)**	14	16
- Change. available-for-sale inv.		**(202)**	(135)	**(331)**	(25)	110
Tax effect. cash flow hedges and int. rate swap agreements		**57**	38	**93**	7	(30)
"Translation differences, foreign currency"		**36**	44	**77**	4	(63)
Net items that may be reclassified subsequently to profit or loss		**(118)**	**(56)**	**(165)**	**-**	**33**
Items that will not be reclassified to profit or loss:						
Actuarial gains/losses pensions		**-**	5	**-**	11	(117)
"Tax on items recognised against statement of comprehensive income"		-	(1)	-	(3)	32
Net items that will not be reclassified to profit or loss:		**-**	**4**	**-**	**8**	**(85)**
Comprehensive income		**167**	**256**	**391**	**630**	**1 252**

CONDENSED STATEMENT OF FINANCIAL STATUS

		30.6.	31.3.	31.12.
MNOK	Note	**2013**	2013	2012
Property, plant and equipment		**2 640**	2 615	2 602
Intangible assets	4	**3 133**	3 138	2 750
Other non-current assets	5	**288**	279	280
Total non-current assets		**6 061**	**6 032**	**5 632**
Inventories		**2 948**	3 138	3 465
Trade receivables		**2 316**	2 417	1 815
Other current assets		**3 117**	2 908	2 853
Cash and short-term deposits		**2 630**	2 144	2 509
Total current assets		**11 011**	**10 607**	**10 642**
Total assets		**17 072**	**16 639**	**16 274**
Paid-in equity		**982**	982	982
Retained earnings		**5 253**	5 346	5 074
Fair value of financial instruments		**(35)**	119	207
Non-controlling interests		**11**	10	11
Total equity		**6 211**	**6 457**	**6 274**
Long-term interest-bearing debt	5	**1 311**	1 313	1 311
Other non-current liabilities and provisions		**1 679**	1 627	1 575
Total non-current liabilities and provisions		**2 990**	**2 940**	**2 886**
Construction contracts under construction, liabilities		**2 679**	2 599	2 284
Other current liabilities and provisions	3	**5 192**	4 643	4 830
Total current liabilities and provisions		**7 871**	**7 242**	**7 114**
Total equity, liabilities and provisions		**17 072**	**16 639**	**16 274**
Equity ratio(%)		**36.4**	38.8	38.6
Net interest-bearing liabilities		**(1 319)**	(831)	(1 198)
Net interest-bearing debt/EBITDA(%)		**n/a**	n/a	n/a

CONDENSED STATEMENT OF CHANGES IN EQUITY

	30.6.	31.3.	31.12.
MNOK	**2013**	2013	2012
Equity opening balance	**6 274**	6 274	5 484
Comprehensive income	**391**	224	1 252
Dividends	**(450)**	-	(450)
Treasury shares	**(5)**	(42)	(6)
Acquisition / disposals non-controlling interests	**-**	-	(2)
Dividends non-controlling interests	**-**	-	(1)
Change in non-controlling interests	**1**	1	(3)
Equity, closing balance	**6 211**	**6 457**	**6 274**

CONDENSED CASH FLOW STATEMENT

	1.4. - 30.6.		1.1. - 30.6.		1.1 - 31.12.
MNOK	**2013**	2012	**2013**	2012	2012
Earnings before interest, tax, depreciation and amortisation	**513**	525	**1 013**	1 075	2 294
Change in net current assets and other operating related items	**506**	(765)	**83**	(1 981)	(2 087)
Net cash flow from operating activities	**1 019**	**(240)**	**1 096**	**(906)**	**207**
Acquisition of property, plant and equipment	**(99)**	(132)	**(165)**	(234)	(523)
Acquisition of subsidiaries and non-controlling interests	**-**	-	**(329)**	(13)	(69)
Net payment of loans and acquisition/sale of shares	**-**	-	**-**	-	-
Other investing activities	**(12)**	(39)	**(28)**	(82)	(121)
Net cash flow from investing activities	**(111)**	**(171)**	**(522)**	**(329)**	**(713)**
New loans raised and repayment	**(2)**	-	**-**	(324)	419
Net interest received (paid)	**(3)**	1	**(7)**	5	6
Net payments for the purchase/sale of treasury shares	**24**	8	**(18)**	(19)	(19)
Transactions with non-controlling interests	**-**	-	**-**	-	(5)
Dividends paid to equity holders of the parent	**(450)**	(450)	**(450)**	(450)	(450)
Net cash flow used in financing activities	**(431)**	**(441)**	**(475)**	**(788)**	**(49)**
"Effect of changes in exchange rates on cash and short-term deposits"	**9**	9	**22**	(1)	(19)
Net change in cash and short-term deposits	**486**	**(843)**	**121**	**(2 024)**	**(574)**
Cash and short-term deposits opening balance	**2 144**	**1 902**	**2 509**	**3 083**	**3 083**
Cash and short-term deposits, closing balance	**2 630**	**1 059**	**2 630**	**1 059**	**2 509**

NOTES TO THE QUARTERLY ACCOUNTS

NOTE 1 – INFORMATION BY SEGMENT

	REVENUES					EBITDA					EBITA				
	1.4. - 30.6.		1.1. - 30.6.			1.4. - 30.6.		1.1. - 30.6.			1.4. - 30.6.		1.1. - 30.6.		
MNOK	**2013**	2012	**2013**	2012	2012	**2013**	2012	**2013**	2012	2012	**2013**	2012	**2013**	2012	2012
KM	**2 105**	1 768	**4 113**	3 611	7 485	**293**	233	**577**	522	1 050	**253**	200	**498**	460	908
KDS	**1 063**	1 239	**2 051**	2 417	4 654	**104**	101	**173**	212	478	**77**	75	**120**	160	372
KPS	**660**	789	**1 447**	1 435	2 876	**115**	195	**263**	338	727	**102**	179	**234**	306	654
KOGT	**277**	162	**516**	334	702	**8**	5	**6**	14	44	**6**	5	**2**	12	39
Other / elimination	**(8)**	(26)	**3**	(29)	(65)	**(7)**	(9)	**(6)**	(11)	(5)	**(8)**	(9)	**(6)**	(10)	(2)
THE GROUP	**4 097**	3 932	**8 130**	7 768	15 652	**513**	525	**1 013**	1 075	2 294	**430**	450	**848**	928	1 971

NOTE 2 – GENERAL INFORMATION AND PRINCIPLES

The consolidated (interim) Q2 accounts encompass Kongsberg Gruppen ASA, its subsidiaries and the Group's stakes in associates.

The interim 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 on 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 policy and the main sources of uncertainty are the same as for the consolidated accounts for 2012.

NOTE 4 – INTERNALLY FINANCED DEVELOPMENT

In Q2 2013, MNOK 196 (MNOK 166) in internally financed development was charged against income. In addition, MNOK 11 (MNOK 35) in internally financed development was capitalised in Q2. Similarly, during the period from 1 Jan. -30 June 2013, MNOK 389 (MNOK 339) was charged against income and MNOK 27 (MNOK 35) was capitalised.

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 been reduced by MNOK 4 since year end. During the quarter, there was a decrease of MNOK 9.

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 decreased by MNOK 331 before tax since year end. The change in fair value associated with currency futures accounted for a decrease of MNOK 267 during the same period. The currency exchange rates on the spot market at end quarter were NOK 6.03/USD 1 and NOK 7.89 /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 30 June 13	Value based on agreed exchange rates	Net excess value at 30 June 13	Value based on agreed exchange rates	Change in excess value from 31 Dec 12	Net excess value at 30 June 13
EUR	466	(11)	436	(13)	902	(50)	(24)
USD	1 571	(36)	2 138	(34)	3 708	(217)	(70)
Deferred gain 1)	-	7	-	13	-	(69)	20
Total	**2 037**	**(40)**	**2 574**	**(34)**	**4 610**	**(336)**	**(74)**

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.

NOTES TO THE QUARTERLY ACCOUNTS

NOTE 6 – CLOSE ASSOCIATES

The Board is not aware of any close associates making changes or transactions in H1 that have had a material impact on the Group's financial position or performance for the period. Reference is otherwise made to Note 27 in the Annual Report for 2012.

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 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. The comparative figures in the Q2/H1 report have been adjusted as follows:

	Reported for 1 Jan. - 31 Dec.2012	Restated comparative figures for 1 Jan. - 31 Dec. 2012	Reported for 1 Jan. - 30 June 2012	Restated comparative figures for 1 Jan. - 30 June 2012	Reported for 1 April - 30 June 2012	Restated comparative figures for 1 April - 30 June 2012
EBITDA	2 308	2 294	1 082	1 075	528	525
Net financial items	(23)	(31)	(1)	(5)	-	(2)
Tax	(511)	(505)	(238)	(235)	(113)	(112)
EBT	1 320	1 304	630	622	312	308
Net interest effect to OCI	-	16	-	8	-	4
EPS	11.05	10.91	5.27	5.20	2.61	2.57

STATEMENT FROM THE BOARD OF DIRECTORS AND THE CEO

We hereby confirm that, to the best of our conviction, the H1 accounts for 1 January to 30 June 2013 have been drawn up in compliance with IAS 34 - Interim Reporting, and that the information disclosed in the H1 accounts gives an accurate picture of the Group's assets, liabilities, financial position and performance as a whole, and gives an accurate picture of the information mentioned in §5-6 fourth subsection of Norway's Securities Trading Act.

Kongsberg, 13 August 2013

Finn Jebsen
Chairman

Anne-Lise Aukner
Deputy chairman

Morten Henriksen
Director

Irene Waage Basili
Director

Roar Marthiniussen
Director

Helge Lintvedt
Director

Magnar Hovde
Director

Roar Flåthen
Director

Walter Qvam
President & CEO

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Disclaimer: in the event of any discrepancy between the Norwegian and English versions of Kongsbergs Quarterlyreports, the Norwegian version is the authoritative one.

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KONGSBERG

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