

CONTINUED GROWTH AND IMPROVED MARGINS

KONGSBERG continues to grow, delivering an EBITA of MNOK 466 in Q2 (MNOK 272). Operating revenues totalled MNOK 3 958, up 21 per cent relative to Q2 2009. This resulted in an EBITA margin of 11.8 per cent (8.3 per cent). Earnings before tax (EBT) came to MNOK 437 (MNOK 220). New orders totalled MNOK 4 289 in Q2 (MNOK 5 998). The Q2 2009 order intake includes a NOK 3 billion contract for delivery of air defence systems to Finland. The Group had a backlog of orders valued at MNOK 18 884 at the end of the first half-year. Earnings per share (EPS) came to NOK 2.54 (NOK 1.25) in Q2.

KONGSBERG is reporting a strong quarter and first-half, with growth in operating revenues and improved profit margins. The Group has seen a good market trend and the development and delivery programmes are on schedule. The Group's defence segments have made headway, reporting stronger growth and margins. The maritime segment continues to maintain a high level of activity, reporting good margins and more new orders than in the preceding quarter.

At the end of the first half-year 2010, the Group had net cash reserves of MNOK 747, up by MNOK 113 since year-end 2009. At 30 June, KONGSBERG had an equity ratio of 30.1 per cent, the same as at year end.

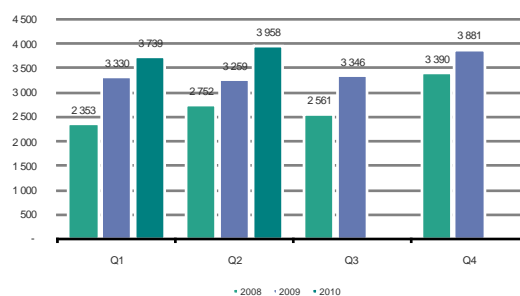
Key figures

MNOK	1.4. - 30.6.		1.1. - 30.6.		2009
	2010	2009	2010	2009	
Driftsinntekter / Op. revenues	3 958	3 259	7 697	6 589	13 816
EBITA	466	272	909*	532	1 376
EBITA margin (%)	11,8	8,3	11,8	8,1	10,0
Ordreingang / New orders	4 289	5 998	6 918	9 393	17 605
EPS (NOK)	2,54	1,25	4,98	2,45	6,83

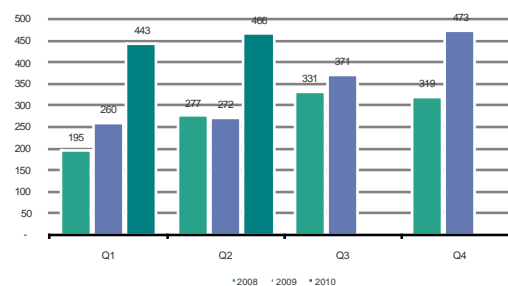
*) Herav engangsposter (AFP) på 39 mill. kr. /
Of which non-recurring item (AFP) of 39 mill.kr.

MNOK	30.6.	31.03.	31.12.
	2010	2010	2009
Egenkap.andel / Equity ratio (%)	30,1	30,6	30,1
Netto rentebærende gjeld/ Net interest-bearing debt	(747)	(949)	(634)
Netto rentebærende gjeld/ EBITDA / Net interest-bearing debt / EBITDA	neg.	neg.	neg.
Ordrereserve / Order backlog	18 884	18 744	19 892
Ant. ansatte / No. of employees	5 531	5 488	5 423

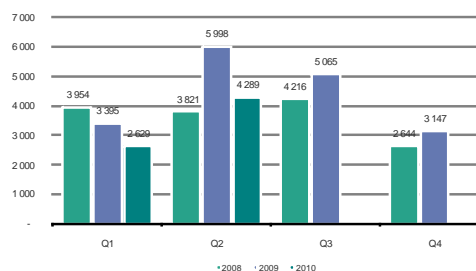
Operating revenues



EBIT/EBITA



New orders



Performance

Operating revenues in Q2 added up to MNOK 3 958, up 21 per cent from Q2 2009. The operating profit (EBITA) was MNOK 466 (MNOK 272). The EBITA margin for the quarter was 11.8 per cent (8.3 per cent).

Net other financial items came to MNOK -3 (MNOK -32) in Q2, and earnings before tax were MNOK 437 (MNOK 220).

Performance and the margin trend are discussed in more detail under the sections on the individual business areas (BA's).

Balance sheet

At the end of Q2 2010, the Group had total assets of MNOK 13 151, up MNOK 242 during the quarter. At 30 June 2010, equity amounted to MNOK 3 962, which is equivalent to an equity ratio of per cent 30.1 per cent. The equity ratio was 30.6 per cent at the end of Q1 and 30.1 per cent at year-end 2009. The main reason for the decline in the equity ratio during the quarter is that the fair value of financial instruments decreased by MNOK 123.

The Group entered 2010 with net cash reserves of MNOK 634. At the end of Q1, net cash reserves had increased to MNOK 949, and at 30 June, they totalled MNOK 747. The Group paid out dividends totalling MNOK 240 in Q2 and paid taxes amounting to MNOK 505 during the first half-year. Long-term interest-bearing liabilities came to MNOK 831 at the end of the first half-year, against MNOK 829 at year end. The average term to maturity for drawn loans was 3.0 years. In addition, KONGSBERG has undrawn credit facilities of NOK 1 billion.

Cash flow

The cash flow from operating activities was MNOK 124 during the quarter. The EBITDA aggregated MNOK 531, while net current assets and other operations-related balance sheet items increased by MNOK 407. The net cash flow from investing activities was negative, adding up to MNOK 114 during the quarter. The net cash flow from financing activities was negative, coming to MNOK 252 during the quarter.

New orders and the backlog of orders

New orders aggregated MNOK 4 289 (MNOK 5 998) in Q2. The backlog at 30 June was valued at MNOK 18 884, compared with MNOK 19 892 at year end.

During the quarter, Kongsberg Defence Systems' order backlog was reduced by MNOK 417 to MNOK 7 812 and Kongsberg Protech Systems saw an increase of MNOK 1 054 to MNOK 6 963, while Kongsberg Maritime's order backlog declined by MNOK 441 to MNOK 4 060.

Human resources

KONGSBERG had 5 531 employees at the end of June 2010. This marks an increase of 43 co-workers during the quarter and 108 during the first half-year. Kongsberg Maritime had 3 085 employees, Kongsberg Defence Systems had 1 451 employees and Kongsberg Protech Systems had 635 employees. At the end of Q2, 30 per cent of the Group's employees worked outside Norway.

Other activities

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

Kongsberg Maritime

MNOK	1.4. - 30.6.		1.1. - 30.6.		2009
	2010	2009	2010	2009	
Driftsinnt. / Op. revenues	1 649	1 663	3 244	3 405	6 657
EBITA	213	198	408*	384	831
EBITA margin (%)	12,9	11,9	12,6	11,3	12,5
Ordreinngang / New orders	1 347	1 439	2 449	3 293	5 476

*) Herav engangsposter (AFP) på 22 mill. kr. /
Of which non-recurring item (AFP) of 22 mill.kr.

MNOK	30.6. 2010	31.03. 2010	31.12. 2009
Ordrereserve / Order backlog	4 060	4 501	5 087

Performance

Q2 revenues amounted to MNOK 1 649 (MNOK 1 663). The EBITA came to MNOK 213 (MNOK 198). The EBITA margin was 12.9 per cent (11.9 per cent).

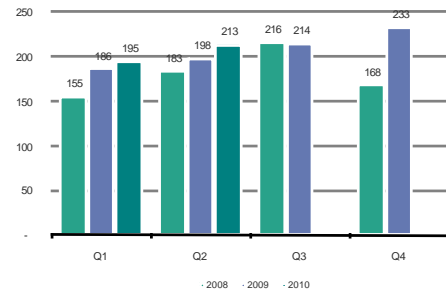
Markets and orders

New orders totalled MNOK 1 347 (MNOK 1 439) during the quarter. Kongsberg Maritime's new orders increased in Q2 compared with Q1 2010. This is the second consecutive quarter in which new orders have been higher than in the preceding quarter. The backlog was valued at MNOK 4 060 at end-June, a reduction of MNOK 1 027 since year end. The backlog of orders has been adjusted for cancellations, which totalled about MNOK 230 in the first half-year.

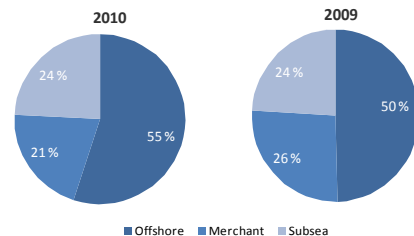
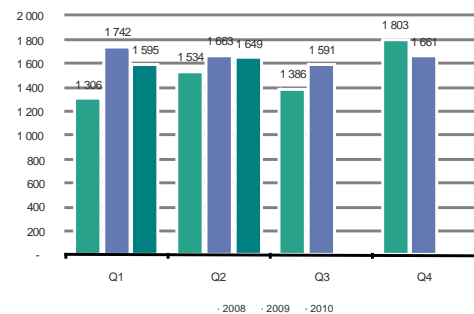
The business area is maintaining a high level of activity. The backlog of orders was satisfactory under the circumstances. The shipyards still have large backlogs, especially in northeast Asia. As a result, many vessels are scheduled for delivery in 2010 and 2011. Kongsberg Maritime supplies systems that are often installed late in the building process. Postponements in delivery times and further cancellations could have a negative impact on the scope of deliveries for Kongsberg Maritime.

Following a period of very low global contracting activity, orders for newbuildings have picked up slightly in the past few months. Seabed surveying, inspection, oceanography and fisheries activities, along with growing after-sales, have only to a limited extent been impacted by the pace of contracting new vessels, and will have a positive impact on the BA's overall business throughout 2010.

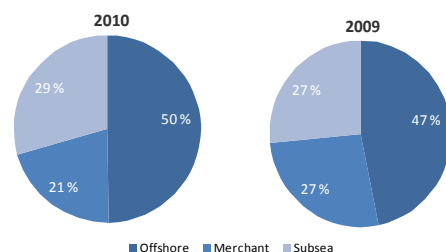
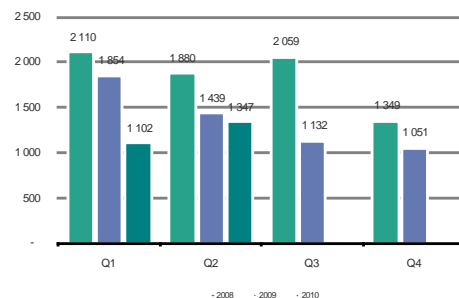
Operating profit/EBITA



Operating revenues



New orders



Kongsberg Defence Systems

MNOK	1.4. - 30.6.		1.1. - 30.6.		2009
	2010	2009	2010	2009	
Driftsinnt. / Op. revenues	812	598	1 651	1 124	2 734
EBITA	49	9	118*	7	144
EBITA margin (%)	6,0	1,5	7,1	0,6	5,3
Ordreinngang / New orders	389	3 881	988	4 778	5 725
*) Herav engangsposter (AFP) på 10 mill. kr. / Of which non-recurring item (AFP) of 10 mill.kr.					
MNOK			30.6. 2010	31.03. 2010	31.12. 2009
Ordrereserve / Order backlog			7 812	8 229	8 465

Performance

Q2 operating revenues totalled MNOK 812, up 36 per cent compared with Q2 2009. The EBITA came to MNOK 49 (MNOK 9). The EBITA margin was 6.0 per cent (1.5 per cent).

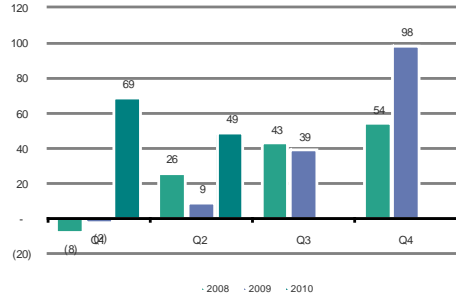
The BA's operating activities are good and the profit trend during the year has become more even due to a high degree of completion on several major projects.

Markets and orders

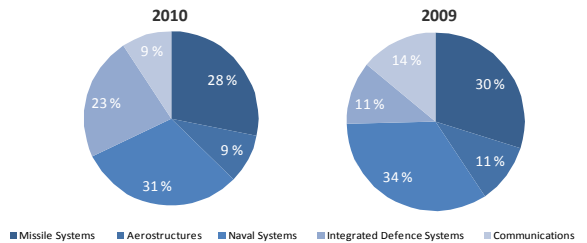
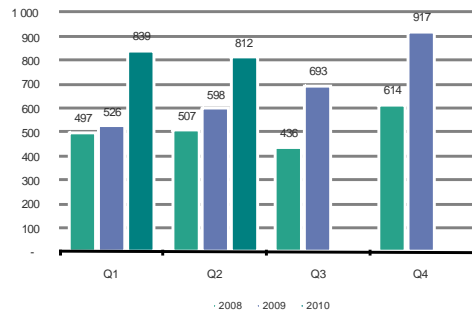
New orders aggregated MNOK 389 (MNOK 3 881) in Q2. Quarterly fluctuations in new orders are normal for the business area, for example, in Q2 2009, the BA won a NOK 3 billion contract for the delivery of air defence systems to Finland. The backlog of orders was valued at on MNOK 7 812 at the end of the first half-year, a reduction of MNOK 417 during the quarter and MNOK 653 since the turn of the year.

Kongsberg Defence Systems is in the engineering and production phase with a view to the coastal artillery system for Poland, the NSM to Norway and air defence for Finland. All these projects, including the production of aircraft components, are on schedule and have passed the first milestones.

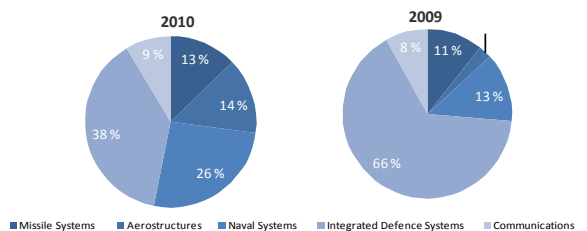
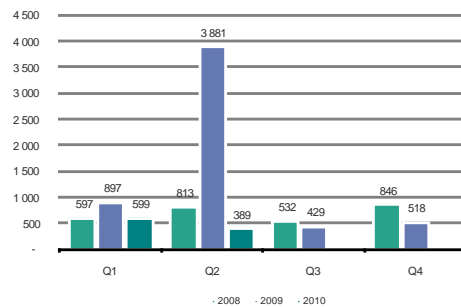
Operating profit/EBITA



Operating revenues



New orders



Kongsberg Protech Systems

MNOK	1.4. - 30.6.		1.1. - 30.6.		2009
	2010	2009	2010	2009	
Driftsinnt. / Op. revenues	1 502	908	2 751	1 890	4 123
EBITA	211	89	396*	187	442
EBITA margin (%)	14,0	9,8	14,4	9,9	10,7
Ordreingang / New orders	2 555	620	3 369	1 169	6 196

*) Herav engangsposter (AFP) på 4 mill. kr. /
Of which non-recurring item (AFP) of 4 mill.kr.

MNOK	30.6. 2010	31.03. 2010	31.12. 2009
Ordrereserve / Order backlog	6 963	5 909	6 345

Performance

Q2 operating revenues totalled MNOK 1 502, up 65 per cent compared with Q2 2009. The EBITA came to MNOK 211 (MNOK 89). The EBITA margin was 14.0 per cent (9.8 per cent).

The good profit trend is primarily ascribable to efficient operation and logistical improvements, along with increased volume associated with production in the USA in particular. Kongsberg Protech Systems has also seen a rise in after-sales.

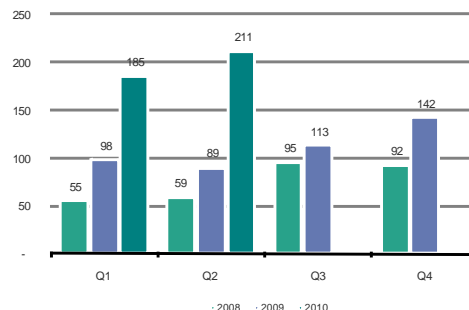
Markets and orders

New orders aggregated MNOK 2 555 (MNOK 620) in Q2. Contracts under the CROWS programme aggregated MNOK 2 311 during the quarter. Counting the MNOK 515 order placed in August, almost all of the expansion of the CROWS II framework agreement announced in December 2009 has now been converted into contracts. The backlog of orders was valued at MNOK 6 963 at the end of the first half-year, an increase of MNOK 618 since year-end.

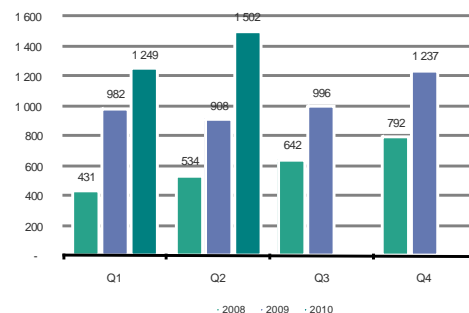
Updates

KONGSBERG is currently a supplier to the CROWS programme and has delivered a large number of systems. System number 5 000 was delivered to the customer in June 2010. The greatest opportunity ahead lies in the competition for the next phase of the CROWS programme in the USA, which is scheduled for a decision towards the end of 2011.

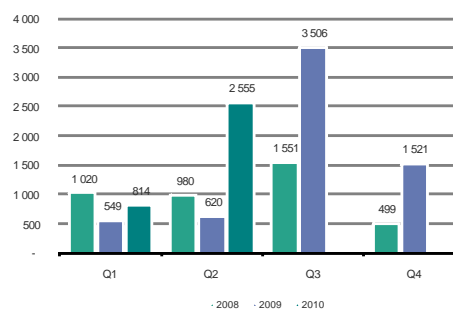
Operating profit/EBITA



Operating revenues



New orders



Prospects for the future

Kongsberg Maritime's markets are strongly affected by trends in world trade and the demand for energy. There may still be cancellations and postponements of existing contracts. The slow contracting activity at the shipyards is expected to continue for some time. Kongsberg Maritime is expected to maintain its good market positions in the offshore industry and the maritime segment in 2010. The pick-up in global after-sales and customer support will have positive results. In the Board's opinion, the workload will be somewhat lower in second half 2010 compared to 2009. Measures have been initiated to adapt capacity and reduce risk.

Kongsberg Defence Systems expects continued good activity levels. Several major, long-term delivery programs are in the engineering and production phase. This will even out earnings throughout 2010 compared with previous years. The focus on advanced composite components for the aviation industry continues, and significant marketing efforts are being made to prepare the ground for sales and the further development of missiles and air defence.

Kongsberg Protech Systems has had particularly good earnings in the first half-year. The level of activity is still expected to be high throughout the rest of the year, and the margins are expected to be good, but probably somewhat lower than in first half of 2010. The market prospects are good and many new and existing customers are being addressed proactively in countries in which the BA already has contracts as well as in new countries. Major vehicle programmes have been adopted or are in the pipeline in the US and Europe. These programmes offer significant potential for several of the BA's products.

The NOK/USD and NOK/EUR exchange rates are of great importance to the Group. Initiatives are being put into place on an ongoing basis to reduce the Group's foreign exchange exposure. Besides hedging all signed contracts, the Group hedges a percentage of anticipated new orders.

Generally speaking, KONGSBERG has good positions in the shipping/offshore and defence markets, and has a high order backlog providing a strong platform for operations and profitability in the rest of 2010. However, the general economic situation remains uncertain and a setback could, over time, have an adverse impact on the Group's level of activity.

Kongsberg, 18 August 2010

The Board of Directors of Kongsberg Gruppen ASA

Income statement

MNOK	Note	1.4. - 30.6. 2010	1.4. - 30.6. 2009	1.1. - 30.6. 2010	1.1. - 30.6. 2009	2009
Driftsinntekter / Operating revenues	1	3 958	3 259	7 697	6 589	13 816
Driftskostnader / Operating expenses	7	(3 427)	(2 920)	(6 664)	(5 938)	(12 197)
EBITDA ¹		531	339	1 033	651	1 619
Avskrivninger / Depreciation		(65)	(67)	(124)	(119)	(243)
Driftsresultat (EBITA) / Operating profit (EBITA)	1	466	272	909	532	1 376
Amortisering / Amortisation		(26)	(25)	(49)	(47)	(113)
EBIT ²		440	247	860	485	1 263
Netto nedskrivning/tap/gevinst på finansielle eiendeler / Net impairment/loss/gain on financial assets			5	-	5	5
Netto andre finansposter / Net other financial items		(3)	(32)	(3)	(61)	(99)
Resultat før skatt / Earnings before tax (EBT)		437	220	857	429	1 169
Skattekostnad / Income tax expense		(131)	(67)	(257)	(130)	(341)
Resultat etter skatt / Earnings after tax		306	153	600	299	828
Minoritetsinteresser / Non-controlling interests	1	3		2	5	8
Majoritetsinteresser / Equity holders of the parent		305	150	598	294	820
Resultat pr. aksje / Earnings per share (NOK)		2,54	1,25	4,98	2,45	6,83
Resultat pr. aksje, utvannet / Earnings per share, diluted (NOK)		2,54	1,25	4,98	2,45	6,83

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

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

Overview of aggregate results

MNOK	Note	1.4. - 30.6. 2010	1.4. - 30.6. 2009	1.1. - 30.6. 2010	1.1. - 30.6. 2009	2009
Resultat etter skatt / Earnings after tax		306	153	600	299	828
Endring i virkelig verdi fin. instr. og sikringsinstr. ved kontantstrømsikring / Change, fair value of financial instr. and hedge instr. for cash flow hedges:	5					
- Endring, kontantstrømsikringer / rentebytteavtaler / Change, cash flow hedges/ int. Rate swap agreements		(151)	274	(236)	1 154	1 814
- Endring, tilgjengelig for salg inv. / Change, available-for-sale inv.		(15)	(71)	(43)	(11)	32
Estimatavvik pensjoner / Actuarial gains/losses pensions		-	-	-	-	(107)
Omgregningsdifferanser, valuta / Translation differences, foreign currency		62	9	89	(50)	(101)
Skatt på poster innregnet i oppstilling over totalresultatet / Tax on items recognised against statement of comprehensive income		42	(76)	66	(323)	(478)
Totalresultat for perioden / Comprehensive income		244	289	476	1 069	1 988

Balance sheet

MNOK	Note	30.6. 2010	31.03. 2010	31.12. 2009
Eiendom, anlegg og utstyr / Property, plant and equipment		2 143	2 089	2 029
Immaterielle eiendeler / Intangible assets	4	2 298	2 224	2 209
Andre langsiktige eiendeler / Other non-current assets	5	201	212	226
Sum anleggsmidler / Total non-current assets		4 642	4 525	4 464
Varelager / inventories		2 863	2 835	2 587
Kundefordringer / Trade receivables		1 314	1 427	1 428
Andre omløpsmidler / Other current assets		2 754	2 343	2 424
Betalingsmidler / Cash and short-term deposits		1 578	1 779	1 463
Sum omløpsmidler / Total current assets		8 509	8 384	7 902
Total eiendeler / Total assets		13 151	12 909	12 366
Innskutt egenkapital / Paid-in equity		982	982	982
Opptjent egenkapital / Retained earnings		2 768	2 641	2 323
Mer-/mindreverdi verdi finansielle instrumenter / fair value of financial instruments		187	310	399
Minoritetsinteresser / Non-controlling interests		25	23	22
Sum egenkapital / Total equity		3 962	3 956	3 726
Langsiktig rentebærende lån / Long-term interest-bearing debt		831	830	829
Andre langsiktige forpliktelser og avsetninger / Other non-current liabilities and provisions		1 224	1 171	1 092
Sum langsiktige forpliktelser og avsetninger / Total non-current liabilities and provisions		2 055	2 001	1 921
Forskudd fra kunder / Prepayments from customers		1 795	2 052	2 116
Andre kortsiktige forpliktelser og avsetninger / Other current liabilities and provisions	3	5 339	4 900	4 603
Sum kortsiktige forpliktelser og avsetninger / Total current liabilities and provisions		7 134	6 952	6 719
Sum egenkapital, forpliktelser og avsetninger / Total equity, liabilities and provisions		13 151	12 909	12 366
Egenkapitalandel (%) / Equity ratio (%)		30,1	30,6	30,1
Netto rentebærende gjeld / Net interest-bearing liabilities		(747)	(949)	(634)
Netto rentebærende gjeld / EBITDA (%) / Net interest-bearing debt / EBITDA (%)		neg.	neg.	neg.

Cash flow statement

MNOK	1.4-30.6		1.1-30.6		2009
	2010	2009	2010	2009	
Driftsresultat før renter, skatt, avskrivninger og amortiseringer / Earnings before interest, tax, depreciation and amortisation	531	339	1 033	651	1 619
Endring i netto omløpsmidler og andre driftsrelaterte poster / Change in net current assets and other operating related items	(407)	(193)	(467)	(215)	1 050
Netto kontantstrøm fra driftsaktiviteter / Net cash flow from operating activities	124	146	566	436	2 669
Kjøp av eiendom, anlegg og utstyr / Acquisition of property, plant and equipment	(73)	(188)	(182)	(230)	(451)
Kjøp av datterselskaper og minoritet / Acquisition of subsidiaries and minority	-	(4)	-	(19)	(37)
Netto betaling ved utlån og kjøp/salg av aksjer / Net payment of loans and acquisition/sale of shares	-	210	-	210	210
Andre investeringsaktiviteter / Other investing activities	(41)	(3)	(59)	(6)	(54)
Netto kontantstrøm fra investeringsaktiviteter / Net cash flow from investing activities	(114)	15	(241)	(45)	(332)
Opptak og nedbetaling av lån / New loans raised and repayment	1	107	2	109	(893)
Netto mottatte (betalte) renter / Net interest received (paid)	(6)	(20)	(12)	(39)	(44)
Netto utbetaling av kjøp/salg av egne aksjer / Net payments for the purchase/sale of treasury shares	(7)	32	(9)	11	11
Utbytte betalt til majoritetsinteressenter / Dividends paid to equity holders of the parent	(240)	(165)	(240)	(165)	(165)
Netto kontantstrøm fra finansieringsaktiviteter / Net cash flow used in financing activities	(252)	(46)	(259)	(84)	(1 091)
Effekt av valutakursendringer på betalingsmidler / Effect of changes in exchange rates on cash and short-term deposits	41	1	49	(31)	(66)
Netto endring betalingsmidler / Net change in cash and short-term deposits	(201)	116	115	276	1 180
Betalingsmidler IB / Cash and short-term deposits opening balance	1 779	283	1 463	283	283
Betalingsmidler UB / Cash and short-term deposits, closing balance	1 578	399	1 578	559	1 463

Net current assets on the balance sheet showed an increase of MNOK 77 from 31 December 2009 to 30 June 2010, while the cash flow statement showed an increase of MNOK 467. The difference is primarily attributable to changes in fair value associated with financial instruments and translation differences.

Statement of changes in equity

MNOK	1.4. - 30.6.	1.1 - 30.6.		2009
	2010	2010	2009	
Egenkapital IB / Equity opening balance	3 956	3 726	1 894	1 894
Totalresultat for perioden / Comprehensive income	244	476	1 069	1 988
Utbytte / Dividends	(240)	(240)	(165)	(165)
Egne aksjer / Treasury shares	2	-	11	11
Endring minoritetsinteressenter / Change in non-controlling interests	-	-	(1)	(2)
Egenkapital UB / Equity, closing balance	3 962	3 962	2 808	3 726

Notes to the quarterly accounts

Note 1 - Information by segment

MNOK	Driftsinntekter/ Operating revenues				Driftsresultat (EBITA)/ Operating profit (EBITA)					
	1.4. - 30.6.		1.1. - 30.6.		1.4. - 30.6.		1.1. - 30.6.		2009	
	2010	2009	2010	2009	2010	2009	2010	2009		
Kongsberg Maritime	1 649	1 663	3 244	3 405	6 657	213	198	408	384	831
Kongsberg Defence Systems	812	598	1 651	1 124	2 734	49	9	118	7	144
Kongsberg Protech Systems	1 502	908	2 751	1 890	4 123	211	89	396	187	442
Øvrig. elim. / Other elimination	(5)	90	51	170	302	(7)	(24)	(13)	(46)	(41)
KONSERN / THE GROUP	3 958	3 259	7 697	6 589	13 816	466	272	909	532	1 376

Note 2 - General information and principles

The consolidated Q2 and first-half 2010 accounts encompass Kongsberg Gruppen ASA, its subsidiaries and the Group's stakes in associates. The consolidated accounts are available upon request from the Group's headquarters in Kongsberg or at www.kongsberg.com.

The consolidated accounts have been drawn up 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 2009. The consolidated accounts for 2009 were drawn up in accordance with the rules in the Norwegian Accounting Act and international standards for financial reporting, as laid down by the EU. KONGSBERG has applied the same accounting principles as were described in the consolidated accounts for 2009.

Note 3 - Estimates

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

In 2003, KONGSBERG concluded a contract with the Hungarian armed forces for the delivery of military radios. Since the Hungarian armed forces now has less need for radios, negotiations have been initiated with a view to reducing the volume of the contract. As the negotiations have failed, KONGSBERG has filed for an arbitration decision against the Hungarian Ministry of Defence. There is still uncertainty associated with the outcome.

Note 4 - Equity-financed development

Equity-financed development costs came to MNOK 120 (MNOK 154) in Q2 2010. In addition, MNOK 41 (MNOK 3) in equity-financed development was capitalised in Q2 2010. Similarly, from 1 January - 30 June 2010, the Group expensed MNOK 245 (MNOK 277) and capitalised MNOK 59 (MNOK 6) in equity-financed development. Capitalised, equity-financed development is at a higher level now than a year ago because several projects in the defence segments met the criteria for capitalisation in autumn 2009.

Note 5 - Financial instruments

Credit facilities

KONGSBERG has undrawn overdraft facilities of MNOK 1 000.

Other non-current assets

Shares available for sale are recognised with an unrealised gain of MNOK 13, i.e. a year-to-date reduction of MNOK 43.

Currency futures, options and interest swap agreements

The fair value of currency futures, currency options and interest swap agreements, which are classified as prognosis hedges (cash flow hedges), has declined by MNOK 235 before tax since year-end. The change in fair value associated with currency futures and options accounts for a reduction of MNOK 255 during the same period.

	Forfaller i 2010 / Falling due in 2010		Forfaller i 2011 eller senere / Falling due in 2011 or later		Totalt / Total		
	Verdi basert på avtalte kurser / Value based on agreed exchange rates	Mer-/mindre verdi pr. 30.06.10 / Net excess/ negative value at 30 Jun 10	Verdi basert på avtalte kurser / Value based on agreed exchange rates	Mer-/mindre verdi pr. 30.06.10 / Net excess/ negative value at 30 Jun 10	Verdi basert på avtalte kurser / Value based on agreed exchange rates	Endring mer- mindre verdi fra 31.12.09 / Change in excess/ negative value from 31 Dec 09	Mer-/mindre verdi pr. 30.06.10 / Net excess/ negative value at 30 Jun 10
MNOK (før skatt) / MNOK (before tax)							
EUR	771	22	937	80	1 708	49	102
USD	853	18	1 312	(18)	2 165	(304)	-
Utsatt gevinst ¹⁾ / deferred gain ¹⁾		46		93		20	139
Totalt / Total	1 624	86	2 249	155	3 873	(235)	241

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

Note 6 - Close associates

Note 28 in the Annual Report for 2009 lists the details of transactions with close associates. There were no changes or transactions in Q2 in conjunction with close associates that had any material impact on the Group's financial position or on the profit or loss for the period.

Note 7 - Contractual early retirement (AFP)

Contractual early retirement (AFP) – the Act related to the funding of early retirement was adopted on 19 February 2010. The earlier early retirement scheme was recognised as a defined benefit pension plan. The new early retirement scheme will be recognised as a deposit-based scheme. KONGSBERG has complied with the guidelines issued by the Norwegian Accounting Foundation on this change. In Q1 2010, it has recognised as revenue one component of its pension liabilities for employees born after 1948. This resulted in an increase in the EBITA of MNOK 39. The amount includes a provision for underfunding the old scheme. The pension liabilities on the balance sheet are also to cover the co-payment for pensioners who have already taken early retirement, as well as the co-payment for pensioners the enterprise expects will take early retirement under the old scheme in 2010.

Statement from the directors and the CEO

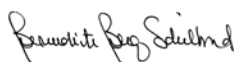
We hereby confirm that, to the best of our conviction, the following half-year accounts for 1 January to 30 June 2010 have been drawn up in compliance with IAS 34 - Interim Reporting, and that the information disclosed in the mid-year accounts gives an accurate picture of the Group's assets, liabilities, 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, 18 August 2010



Finn Jebsen

Chair of the Board
Chair



Benedicte Berg Schilbred

Deputy Chair
Deputy chair



Erik Must

Director




Anne-Lise Aukner

Director
Director

John Giverholt

Director
Director



Roar Marthiniusen

Director /
Director




Helge Lintvedt

Director
Director



Kai Johansen

Director
Director



Walter Qvam

CEO /
CEO