

Strong finish to the year– sound platform for 2012

KONGSBERG reports a good Q4, with an EBITA of MNOK 544 for the quarter and MNOK 2 132 for 2011 as a whole. The Group consolidated its leading market positions and enjoyed a strong influx of new orders in Q4. All the business areas won major contracts during the quarter. Kongsberg Protech Systems was chosen by Norway and Sweden to be the supplier in connection with a Nordic cooperative project for the procurement of remotely controlled weapons control systems (RWS). As for Kongsberg Defence Systems, the enlargement of the contract for the sale of missiles to Poland was approved. Kongsberg Maritime saw a good influx of new orders in all divisions.

The preliminary profit for the year after tax came to MNOK 1 430 (MNOK 1 500). The Board of Directors will therefore propose to the General Meeting that dividends for 2011 be set at NOK 3.75 per share (NOK 3.75).

Key figures

MNOK	1.10. - 31.12.		1.1. - 31.12.	
	2011	2010	2011	2010
Driftsinntekter / Op. revenues	3 883	4 014	15 128	15 497
EBITA	544	744	2 132	2 216
EBITA margin (%)	14,0	18,5	14,1	14,3
Ordreingang / New orders	3 970	3 327	15 016	13 584
EPS (NOK)	2,98	4,45	11,93	12,46

MNOK	31.12. 2011	30.9. 2011	31.12. 2010
Egenkap. andel / Equity ratio (%)	35,1	37,6	34,9
Netto rentebærende gjeld (Netto kontantbeh.) / Net interest-bearing debt (Net cash reserves)	(2 191)	(728)	(1 813)
Netto rentebærende gjeld/ EBITDA / Net interest-bearing debt / EBITDA	neg.	neg.	neg.
Arbeidskapital / Working capital	1 932	2 474	1 957
Ordreserver / Order backlog	17 839	17 183	17 759
Ant. ansatte / No. of employees	6 681	6 472	5 681

Profit/(loss) and the order situation

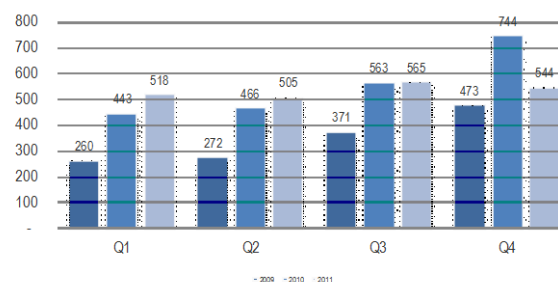
In Q4, the EBITA was MNOK 544 (MNOK 744). Operating revenues totalled MNOK 3 883 (MNOK 4 014). The decline in operating revenues is mainly ascribable to a lower pace of deliveries to Kongsberg Protech System's largest customer. Compared with Q4 2010, changes in the product and project mix resulted in lower, but still good margins for Kongsberg Maritime and Kongsberg Protech Systems. Kongsberg Defence Systems posted an increase in both operating revenues and EBITA due to good progress in major projects. Altogether, this adds up to an EBITA margin for the Group of 14.0 per cent (18.5 per cent) for the quarter. Net financial items were subject to an adverse impact of MNOK 18 due to write downs on the Group's stake in Kitron ASA in Q4. Earnings before tax were MNOK 491 (MNOK 718). Earnings per share (EPS) came to NOK 2.98 (NOK 4.45) in Q4.

Revenues for 2011 totalled MNOK 15 128, i.e. a decline of 2.4 per cent compared with 2010. The EBITA ended at MNOK 2 132 (MNOK 2 216). The result for 2011 includes an adverse impact of roughly MNOK 60 related to an arbitration case that was lost in Hungary. The result for 2010 includes a positive effect of about MNOK 59 related to payments received on bad debts. Earnings per share came to NOK 11.93 (NOK 12.46) in 2011.

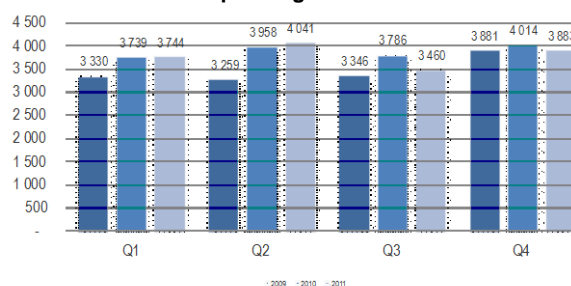
New orders were good throughout the Group, aggregating MNOK 3 970 (MNOK 3 327) in Q4. In 2011, new orders totalled MNOK 15 016 (MNOK 13 584). At year end, the Group's backlog of orders added up to MNOK 17 839, which is on a par with year-end 2010.

* The figures in parentheses refer to the same quarter of the previous year.

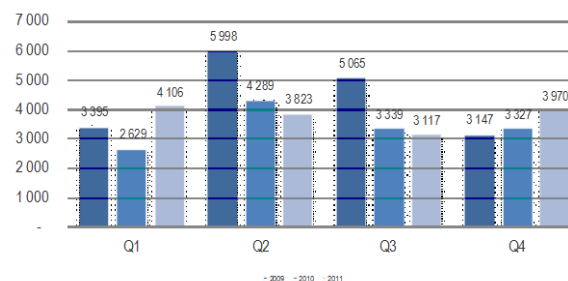
EBITA



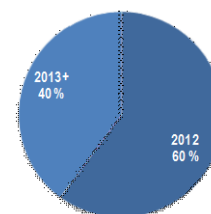
Operating revenues



Orders received



Backlog of orders Breakdown by delivery dates



Balance sheet

Total assets came to MNOK 15 618 at the close of 2011. At year end, equity totalled MNOK 5 484, which is equivalent to an equity ratio of 35.1 per cent (34.9 per cent).

Interest-bearing debt added up to MNOK 892 (MNOK 847) at 31 December 2011. In addition, KONGSBERG has undrawn credit facilities of NOK 1 billion due to mature in July 2015.

Cash flow

Earnings before interest, tax, depreciation and amortisation (EBITDA) totalled MNOK 622 during the quarter. Adjusted for the change in current assets and other operations-related items, this adds up to a cash flow from operating activities of MNOK 1 721.

At year end, the Group had gross bank deposits and cash equivalents of MNOK 3 083 (MNOK 2 660). Net cash reserves (less interest-bearing debt) totalled MNOK 2 191 (MNOK 1 813). Net interest-bearing debt (net cash reserves) can fluctuate significantly from quarter to quarter, and from year to year, owing among other to customers' payment-structure. The cash flow in Q4 includes large project-related payments from customers. Consolidated working capital was MNOK 1 932 (MNOK 1 957) at the end of 2011.

Human resources

KONGSBERG had 6 681 employees at the end of 2011, an increase of 209 employees during the quarter. Kongsberg Maritime had 3 700 employees, Kongsberg Defence Systems had 1 705 employees, and Kongsberg Protech Systems had 834 employees. At end quarter, roughly 33 per cent of the Group's employees worked outside Norway.

Changes in executive management as from 1 January 2012

Hans-Jørgen Wibstad joined KONGSBERG as the new Chief Financial Officer. Wibstad has broad experience from executive positions with Norwegian and international shipping and offshore companies.

Hilde Øygarden has been appointed Executive Vice President, Strategy and Analysis. Øygarden has many years of experience from various corporate management positions at KONGSBERG.

Former Chief Financial Officer Arne Solberg has moved on to a new role where he will be working with a variety of corporate projects. Solberg has served KONGSBERG as CFO since 1987. The Board of Directors would like to thank Solberg for his formidable contribution to the company's development during the almost 25 years in which he has been a member of corporate executive management.

Other activities

Other activities mainly consist of Kongsberg Oil & Gas Technologies and external sales related to property operations.

Kongsberg Maritime

Key figures

MNOK	1.10. - 31.12.		1.1. - 31.12.	
	2011	2010	2011	2010
Driftsinnt. / Op. revenues	1 667	1 604	6 693	6 286
EBITA	252	343	1 078	991
EBITA margin (%)	15,1	21,4	16,1	15,8
Ordreinnngang / New orders	1 403	1 498	7 331	5 641

MNOK	31.12. 2011	30.9. 2011	31.12. 2010
Ordrereserve / Order backlog	5 134	5 061	4 218

Performance

Q4 revenues totalled MNOK 1 667 (MNOK 1 604). EBITA was MNOK 252 (MNOK 343). In Q4 2010, the EBITA was subject to positive one-off effects totalling MNOK 59. The EBITA margin was 15.1 per cent (21.4 per cent). The business area has seen a high level of activity in all divisions.

All divisions earned satisfactory operating revenues in 2011. The EBITA increased for Offshore & Merchant Marine and remained stable for Subsea. The good margin during the quarter and in 2011 was primarily attributable to a favourable project mix. The after-sales market continued to contribute favourably to the business area's profits.

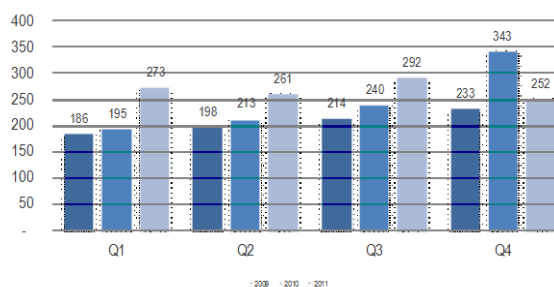
Markets and orders

New orders in Q4 had a value of MNOK 1 403 (MNOK 1 498). The backlog of orders was valued at MNOK 5 134 at year-end 2011, up 22 per cent from year-end 2010. New orders were higher for all divisions in 2011 compared with 2010. New orders were especially high for drilling vessels and LNG carriers. Kongsberg Maritime's subsea activities remained at a stable high level. The initiative aimed at the FPSO market is bringing results and the business area has won the last three contracts awarded in this segment. The Merchant Marine Division, which generally supplies equipment for commercial vessels, booked a satisfactory influx of new orders in a challenging market.

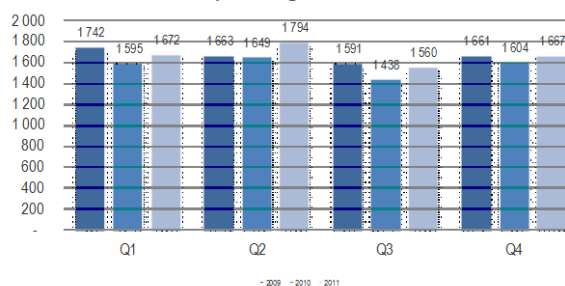
The overall pace of contracting at the shipyards in Q4 was on par with Q3. The level in H2 was generally lower than at mid-year 2011. The contracting mix is nonetheless still relatively favourable for Kongsberg Maritime, as it features a large proportion of offshore vessels. The business area's market shares have remained high and grown in important segments during the year. Orders for drilling vessels and other advanced offshore vessels, as well as for LNG carriers, were good for 2011 and Kongsberg Maritime has won a high proportion of the contracts up for tender in these segments. These are important types of vessels and the business area has leading positions for its systems.

In 2011, Kongsberg Maritime expanded its workforce by 18 per cent. The increase is a result of acquisitions, venture creation and hiring in general. The business area has a large backlog, which calls for more resources to be made available. The strategy aimed at improving and strengthening local capabilities to provide even better service and support to customers continues to apply. Nearly half of all Kongsberg Maritime employees are located outside Norway.

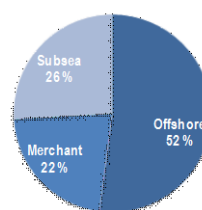
EBITA



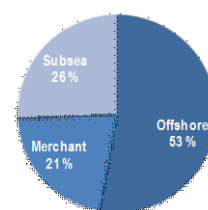
Operating revenues



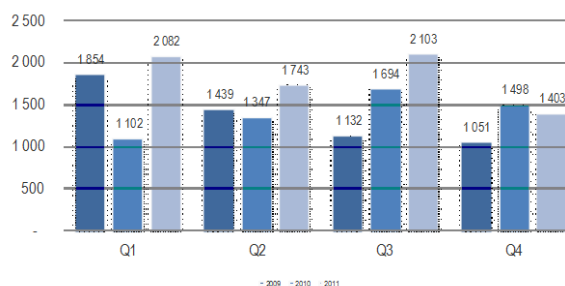
2011



2010

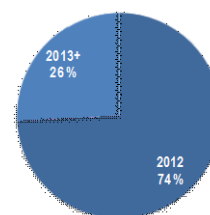


Orders received



Backlog of orders

Breakdown by delivery dates



Kongsberg Defence Systems

Key figures

MNOK	1.10. - 31.12.		1.1. - 31.12.	
	2011	2010	2011	2010
Driftsinnt. / Op. revenues	1 110	991	3 895	3 376
EBITA	127	72	263	245
EBITA margin (%)	11,4	7,3	6,8	7,3
Ordreinngang / New orders	1 838	1 236	4 061	2 823

MNOK	31.12. 2011	30.9. 2011	31.12. 2010
Ordrereserve / Order backlog	7 953	7 026	7 933

Performance

Q4 revenues totalled MNOK 1 110 (MNOK 991). The EBITA was MNOK 127 (MNOK 72). The EBITA margin was 11.4 per cent (7.3 per cent). The business area has seen good growth in volume compared with previous years. Operating revenues were up 15 per cent in 2011 compared with 2010. This was driven in particular by a high level of activity in Missile Systems and Integrated Defence Systems (air defence). The EBITA was up by 7 per cent, despite a negative effect of MNOK 60 related to an arbitration case in Hungary. Excluding this effect, the EBITA increased by 32 per cent compared with last year. Deliveries to the F35 programme are still delayed compared with the original plans, adversely impacting margins.

Markets and orders

The business area saw a good influx of new orders in Q4. New contracts signed in Q4 include:

- Simulator contract for new destroyers for Australia valued at MNOK 50
- Contract for upgrading Norway's NASAMS air defence system valued at MNOK 360
- MNOK 712 NSM missile contract with Poland approved. The contract was first reported to the stock exchange in December 2010
- Kongsberg Satellite Services won a contract valued at MNOK 330 with GeoEye of the US

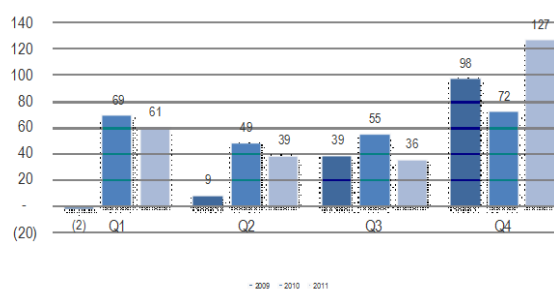
The major ongoing delivery projects for coastal artillery for Poland, the NSM for Norway and air defence for Finland are all on schedule.

In October, an agreement was signed for the acquisition of Norspace AS. The company is headquartered in Horten, Norway. Combined with KONGSBERG's other aerospace business, this acquisition strengthens the Group's position as Norway's premier supplier to the aerospace industry. Norspace is a world leader in the delivery of high-technology components and equipment for the international aerospace industry. The company is a participant in several international space programmes, and its equipment is carried on more than 140 satellites operated by customers the world over.

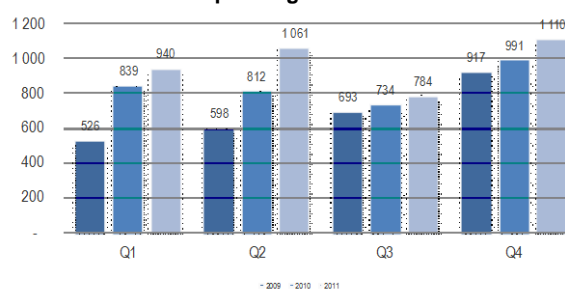
The defence market is now experiencing that many nations are cutting their defence budgets. KONGSBERG nonetheless appears to be relatively well positioned with its state-of-the-art portfolio of niche products.

Contracts up for tender on the defence market are few, but sizable. Fluctuations in new orders are therefore normal. The backlog of orders was valued at MNOK 7 953 at year-end 2011, ensuring satisfactory predictability for future activity levels.

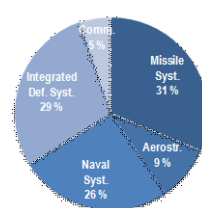
EBITA



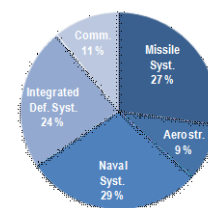
Operating revenues



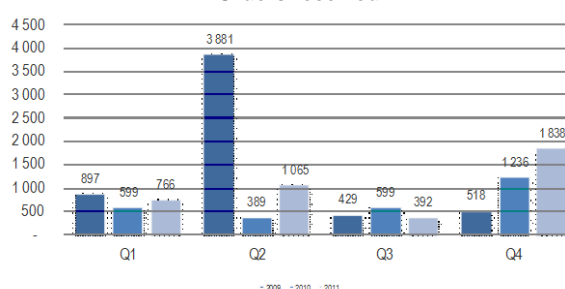
2011



2010

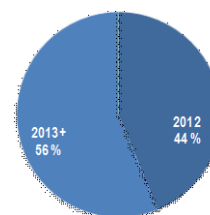


Orders received



Backlog of orders

Breakdown by delivery dates



Kongsberg Protech Systems

Key figures

MNOK	1.10. - 31.12.		1.1. - 31.12.	
	2011	2010	2011	2010
Driftsinnt. / Op. revenues	950	1 359	4 185	5 683
EBITA	122	333	755	995
EBITA margin (%)	12,8	24,5	18,0	17,5
Ordreinnang / New orders	609	381	2 900	4 759

MNOK	31.12. 2011	30.9. 2011	31.12. 2010
Ordrereserve / Order backlog	4 136	4 478	5 422

Performance

Q4 revenues totalled MNOK 950 (MNOK 1 359). The EBITA was MNOK 122 (MNOK 333). The EBITA margin was 12.8 per cent (24.5 per cent). This is mainly due to the composition of the product and project mix and lower volume. For 2011 as a whole, operating revenues aggregated MNOK 4 185 (MNOK 5 683) and the EBITA was MNOK 755 (MNOK 995). As previously announced, the number of units delivered was lower in 2011 than in 2010. Roughly 3 000 weapons stations were supplied in 2011, compared with about 4 300 in 2010. This is in line with the delivery plan agreed with the US Army, the largest customer. In 2011, the EBITA margin was 18.0 per cent (17.5 per cent). The strong margin is ascribable to improvements in productivity both internally and in the supplier chain, in addition to a favourable product and project mix.

Markets and orders

New orders added up to MNOK 609 (MNOK 381) in Q4. New contracts signed in Q4 include:

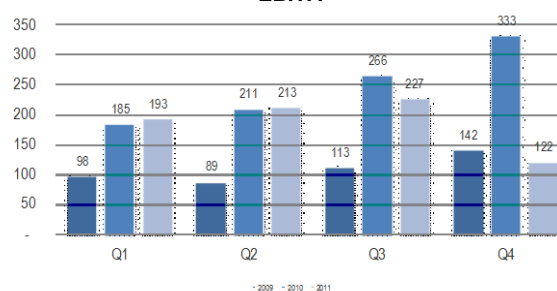
- A framework contract with Norway and Sweden valued at MNOK 960. The first call off under the framework was for MNOK 380.
- Order for the Stryker programme valued at MNOK 145

New orders for 2011 added up to MNOK 2 900, resulting in a backlog at year end of MNOK 4 136. New orders for spare parts accounted for about 25 per cent of total new orders in 2011. This is considered a high level. The bulk of the backlog of orders (70 per cent) will be converted into deliveries in 2012. This means the business area has relatively good order coverage for 2012.

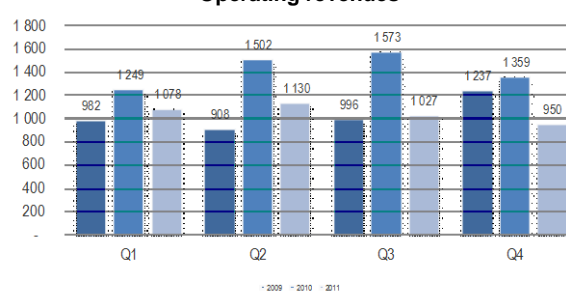
In 2011, KONGSBERG further consolidated its position as a market leader in the global market for weapons control systems for vehicles. The Group is in a phase in which it is laying the foundation for the further development of its weapons control systems. The Group's strategy for this area involves securing the company's position in the USA, increasing volumes in other countries, and substantial efforts aimed at the development of new products and segments. This implies, *inter alia*, getting into position for the next phase of the CROWS programme, for which KONGSBERG's design has been chosen. The choice of suppliers is pending and a decision is expected in 2012.

There is also a promising high level of activity related to product development and the testing of new products, including the Medium Caliber RWS. The first contracts may be signed in 2012, and volumes are expected to increase over time. The market potential for these and other new solutions is considered substantial. The further development of existing systems also serves to consolidate the business area's leading position in the market for remotely controlled weapons control systems.

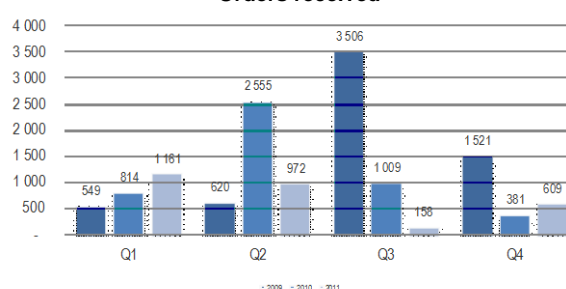
EBITA



Operating revenues

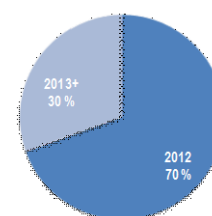


Orders received



Backlog of orders

Breakdown by delivery dates



Prospects for the future

In recent years, Kongsberg Maritime has built up strong market positions, which are expected to be maintained. The business area's markets are strongly impacted by trends in the offshore industry and in world trade in general. New orders are largely dependent on the shipyards' order books. New orders for offshore vessels continue to be relatively good. Offshore-related orders have accounted for roughly 60 per cent of Kongsberg Maritime's new orders in the past few years. Orders for new merchant vessels were nonetheless relatively slow throughout 2011, which may affect Kongsberg Maritime's new orders from this segment. The strengthening of the global after-market and customer support are bringing good results and building a sound, stable platform for future earnings. The business area continuously carries out initiatives to adapt its capacity and product portfolio to the needs of the market. In the Board's opinion, the business area's level of activity will remain good in 2012.

Kongsberg Defence Systems has several major, long-term delivery programmes in the engineering and production phase, laying a good foundation for future earnings. The business area is exploring specific prospects for sales and for the further development of missiles, submarine systems and air defence. The build-up of production for advanced composite components for the F35 programme continues, but the programme is moving somewhat slower than previously expected. The Norwegian parliament approved the development and funding of phase two of the Joint Strike Missile programme (JSM), entailing continued development of the missile. The Board of Directors expects the business area to continue to grow in 2012.

Kongsberg Protech Systems has built up a very strong position on the world market for vehicle-based weapons control systems. KONGSBERG's design has been chosen for the next phase of the CROWS programme in the USA, and the production supplier is expected to be chosen in 2012. Active efforts are being made to interface with new and existing customers in many 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 business area's products. There is a great deal of development activity in the business area and the first contract for the new Medium Caliber Remote Weapon Station may be awarded in 2012. The backlog of orders contains satisfactory margins, but the 2012 margin is expected to be somewhat lower than the overall margin in 2011. The level of activity for 2012 is expected to be in line with 2011.

All in all, KONGSBERG is well positioned in the maritime, offshore and defence markets. The Group has a satisfactory backlog of orders, and the business prospects are good even though there is still uncertainty in the global economy.

Kongsberg, 9 February 2012

The Board of Directors of Kongsberg Gruppen ASA

Income statement

MNOK	Note	1.10. - 31.12.		1.1. - 31.12.	
		2011	2010	2011	2010
Driftsinntekter / Operating revenues	1	3 883	4 014	15 128	15 497
Driftskostnader / Operating expenses		(3 261)	(3 195)	(12 734)	(13 012)
EBITDA ¹		622	819	2 394	2 485
Avskrivninger / Depreciation		(78)	(75)	(262)	(269)
EBITA ²	1	544	744	2 132	2 216
Amortisering / Amortisation		(30)	(28)	(97)	(103)
EBIT ³		514	716	2 035	2 113
Netto finansposter / Net financial items		(23)	2	(27)	(16)
Resultat før skatt / Earnings before tax (EBT)		491	718	2 008	2 097
Skattekostnad / Income tax		(138)	(183)	(578)	(597)
Resultat etter skatt / Earnings after tax		353	535	1 430	1 500
<i>Henførbart til / Attributable to:</i>					
Ikke-kontrollerende interesser / Non-controlling interests		(5)	1	(1)	5
Aksjonærene i morselskapet / Equity holders of the parent		358	534	1 431	1 495
Resultat pr. aksje / Earnings per share (EPS), NOK		2,98	4,45	11,93	12,46
Resultat pr. aksje, utvannet / Earnings per share, diluted NOK		2,98	4,45	11,93	12,46

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

2) Resultat før finansposter, skatt og amortiseringer /
Earnings before interest, tax and amortisation (EBITA)

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

Statement of comprehensive income

MNOK	Note	1.10. - 31.12.		1.1. - 31.12.	
		2011	2010	2011	2010
Resultat etter skatt / Earnings after tax		353	535	1 430	1 500
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 og rentebytteavtaler / Change, cash flow hedges and int. rate swap agreements		(25)	1	(261)	(60)
- Endring, tilgjengelig for salg inv. / Change, available-for-sale inv.		10	(4)	(12)	(44)
Estimatavvik pensjoner / Actuarial gains/losses pensions		(246)	(54)	(246)	(54)
Omregningsdifferanser, valuta / Translation differences, foreign currency		30	7	14	27
Skatt på poster innregnet i oppstilling over totalresultatet / Tax on items recognised against statement of comprehensive income		76	(34)	142	32
Totalresultat for perioden / Comprehensive income		198	451	1 067	1 401

Balance sheet

MNOK	Note	31.12.	30.9.	31.12.
		2011	2011	2010
Eiendom, anlegg og utstyr / Property, plant and equipment		2 430	2 337	2 182
Immaterielle eiendeler / Intangible assets	4	2 744	2 650	2 436
Andre langsiktige eiendeler / Other non-current assets	5	258	231	230
Sum anleggsmidler / Total non-current assets		5 432	5 218	4 848
Varelager / inventories		3 181	3 483	3 034
Kundefordringer / Trade receivables		1 853	1 468	1 350
Andre omløpsmidler / Other current assets		2 069	2 315	2 085
Betalingsmidler / Cash and short-term deposits		3 083	1 611	2 660
Sum omløpsmidler / Total current assets		10 186	8 877	9 129
Sum eiendeler / Total assets		15 618	14 095	13 977
Innskutt egenkapital / Paid-in equity		982	982	982
Opptjent egenkapital / Retained earnings		4 370	4 171	3 562
Mer- /mindreverdi verdi finansielle instrumenter / Fair value of financial instruments		112	120	313
Ikke-kontrollerende interesser / Non-controlling interests		20	28	24
Sum egenkapital / Total equity		5 484	5 301	4 881
Langsiktig rentebærende lån / Long-term interest-bearing debt	5	570	883	847
Andre langsiktige forpliktelser og avsetninger / Other non-current liabilities and provisions		1 310	1 508	1 077
Sum langsiktige forpliktelser og avsetninger / Total non-current liabilities and provisions		1 880	2 391	1 924
Anleggskontrakter under utførelse, gjeld / Construction contracts under construction, liabilities		3 200	2 836	3 053
Kortsiktig rentebærende lån/ Short-term interest bearing debt	5	322		
Andre kortsiktige forpliktelser og avsetninger / Other current liabilities and provisions	3	4 732	3 567	4 119
Sum kortsiktige forpliktelser og avsetninger / Total current liabilities and provisions		8 254	6 403	7 172
Sum egenkapital, forpliktelser og avsetninger / Total equity, liabilities and provisions		15 618	14 095	13 977
Egenkapitalandel(%) / Equity ratio(%)		35,1	37,6	34,9
Netto rentebærende gjeld / Net interest-bearing liabilities		(2 191)	(728)	(1 813)

Cash flow statement

MNOK	1.10. - 31.12.		1.1. - 31.12.	
	2011	2010	2011	2010
Driftsresultat før renter, skatt, avskrivninger og amortiseringer / Earnings before interest, tax, depreciation and amortisation	622	819	2 394	2 485
Endring i netto omløpsmidler og andre driftsrelaterte poster / Change in net current assets and other operating related items	1 099	461	(748)	(467)
Netto kontantstrøm fra driftsaktiviteter / Net cash flow from operating activities	1 721	1 280	1 646	2 018
Kjøp av eiendom, anlegg og utstyr / Acquisition of property, plant and equipment	(112)	(133)	(448)	(414)
Kjøp av datterselskaper og ikke-kontrollerende interesser / Acquisition of subsidiaries and non-controlling interests	(91)	(1)	(227)	(93)
Netto betaling ved utlån og kjøp/salg av aksjer / Net payment of loans and acquisition/sale of shares	-	-	-	56
Andre investeringsaktiviteter / Other investing activities	(56)	(35)	(127)	(124)
Netto kontantstrøm fra investeringsaktiviteter / Net cash flow from investing activities	(259)	(169)	(802)	(575)
Opptak og nedbetaling av lån / New loans raised and repayment	9	19	45	18
Netto mottatte (betalte) renter / Net interest received (paid)	-	-	7	(20)
Netto utbetaling av kjøp/salg av egne aksjer / Net payments for the purchase/sale of treasury shares	(5)	-	(19)	(9)
Transaksjoner med ikke-kontrollerende interesser / Transactions with non-controlling interests	(9)	-	(8)	(13)
Utbytte betalt til aksjonærene i morselskapet / Dividends paid to equity holders of the parent	-	-	(450)	(240)
Netto kontantstrøm fra finansieringsaktiviteter / Net cash flow used in financing activities	(5)	19	(425)	(264)
Effekt av valutakursendringer på betalingsmidler / Effect of changes in exchange rates on cash and short-term deposits	15	9	4	18
Netto endring betalingsmidler / Net change in cash and short-term deposits	1 472	1 139	423	1 197
Betalingsmidler IB / Cash and short-term deposits opening balance	1 611	1 521	2 660	1 463
Betalingsmidler UB / Cash and short-term deposits, closing balance	3 083	2 660	3 083	2 660

Statement of changes in equity

MNOK	31.12. 2011	30.9. 2011	31.12. 2010
Egenkapital IB / Equity opening balance	4 881	4 881	3 726
Totalresultat for perioden / Comprehensive income	1 067	645	1 401
Utbytte / Dividends	(450)	(450)	(240)
Egne aksjer / Treasury shares	(6)	1	-
Kjøp / salg ikke-kontrollerende interesser / Acquisition / disposals non-controlling interests	(5)	2	(3)
Utbytte ikke-kontrollerende interesser / Dividends non-controlling interests	(1)	(1)	(3)
Endring ikke-kontrollerende interesser / Change in non-controlling interests	(2)	(1)	-
Egenkapital UB / Equity, closing balance	5 484	5 077	4 881

Notes to the quarterly accounts

Note 1 - Information by segment

MNOK	Driftsinntekter/ Operating revenues				Driftsresultat for amortisering (EBITA)/ Op. profit before amortisation (EBITA)			
	1.10. - 31.12.		1.1. - 31.12.		1.10. - 31.12.		1.1. - 31.12.	
	2011	2010	2011	2010	2011	2010	2011	2010
Kongsberg Maritime	1 667	1 604	6 693	6 286	252	343	1 078	991
Kongsberg Defence Systems	1 110	991	3 895	3 376	127	72	263	245
Kongsberg Protech Systems	950	1 359	4 185	5 683	122	333	755	995
Øvrig, elim. / Other elimination	156	60	355	152	43	(4)	36	(15)
KONSERN / THE GROUP	3 883	4 014	15 128	15 497	544	744	2 132	2 216

Note 2 - General information and principles

The consolidated Q4 2011 accounts encompass Kongsberg Gruppen ASA, its subsidiaries and the Group's stakes in associates.

The interim 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 2010. The consolidated accounts for 2010 are in alignment with the rules in the Norwegian Accounting Act and international financial reporting standards (IFRS), as laid down by the EU. KONGSBERG has applied the same accounting policy as described in the consolidated accounts for 2010.

The consolidated accounts for 2010 are available upon request from the Group's headquarters in Kongsberg or at www.kongsberg.com.

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. 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 2010.

Note 4 - Equity-financed R&D

Equity-financed development costs came to MNOK 205 (MNOK 146) in Q4 2011. In addition, MNOK 56 (MNOK 34) in equity-financed development costs were capitalised in Q4 2011.

Note 5 - Financial instruments

Credit facilities

KONGSBERG has undrawn overdraft facilities of NOK 1 billion.

Other non-current assets

The value of available-for-sale shares was reduced by MNOK 30, from unrealised gains of MNOK 12 at year end to an unrealised loss of MNOK 18 that was recognised at the end of Q4.

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 261 before tax since year end. The change in fair value associated with currency futures and options accounts for a reduction of MNOK 245 during the same period. Currency exchange rates on the spot market at year end were NOK 5.99/USD 1 and NOK 7.76/EUR 1.

	Forfaller i 2012 / Falling due in 2012		Forfaller i 2013 eller senere / Falling due in 2013 or later		Totalt / Total		
	Verdi basert på avtalte kurser / Value based on agreed exchange rates	Merverdi pr. 31.12.11 / Net excess value at 31 Dec 11	Verdi basert på avtalte kurser / Value based on agreed exchange rates	Merverdi pr. 31.12.11 / Net excess value at 31 Dec 11	Verdi basert på avtalte kurser / Value based on agreed exchange rates	Endring merverdi fra 31.12.10 / Change in excess value from 31 Dec 10	Merverdi pr. 31.12.11 / Net excess value at 31 Dec 11
MNOK (før skatt) / MNOK (before tax)							
EUR	995	20	254	3	1 249	(91)	23
USD	1 647	15	664	(15)	2 311	(154)	-
Utsatt gevinst ¹⁾ / deferred gain ¹⁾		79		52		(2)	131
Totalt / Total	2 642	114	918	40	3 560	(247)	154

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 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 2010 lists the details of transactions with close associates. There were no changes or transactions in Q4 involving close associates that had any material impact on the Group's financial position or on the profit or loss for the period.

Note 7 – Acquisitions in Q4**Norspace AS**

On 21 September 2011, KONGSBERG signed an agreement to acquire the shares in Norspace AS in Horten. The transaction was concluded on 31 October 2011. Norspace AS had 95 employees on the date of its acquisition and is a world leader in the delivery of high-technology components and equipment for the international aerospace industry. Now part of the business area Kongsberg Defence Systems, Norspace AS strengthens KONGSBERG'S commercial position in the international aerospace and industry. The estimated acquisition price of the shares was MNOK 93.

Provisional purchase price allocation:

	Innregnede verdier ved overtagelse / Recognised values at acquisition	Justering av virkelig verdi / Adjustments of fair value	Bokført verdi før oppkjøp / Carrying amount prior to acquisition
MNOK			
Immatrielle eiendeler eksklusive goodwill / Intangible assets excluding goodwill	11	11	
Andre eiendler / Other Assets	118	12	106
Gjeld / Liabilities	(73)	(6)	(67)
Netto identifiserbare eiendeler og forpliktelser / Net identifiable assets and liabilities	56	17	39
Goodwill ved kjøp / Goodwill upon acquisition	37		
Totalt vederlag inkludert kontantvederlag og estimert tilleggsvederlag/ Total remuneration incl. cash payment and estimated additional remuneration	93		
Kontanter overtatt / Cash acquired	(3)		
Netto utgående kontantstrøm / Net closing cashflow	90		

Goodwill that arises from the preliminary purchase price allocation is mainly related to expertise and capacity.

Pro forma figures have not been drawn up for the period from 1 January 2011 and up to the date of acquisition 31 October 2011, as the figures are considered insignificant in the context of the consolidated accounts.