Strong influx of orders in Kongsberg Maritime and a good total result

KONGSBERG is reporting operating revenues of MNOK 3,932 in Q2 2012 and an EBITA of MNOK 453, which translates into a margin of 11.5 per cent. The influx of new orders has been good, especially at Kongsberg Maritime, and the Group has further improved its positions in demanding markets.

For H1 2012, KONGSBERG is reporting operating revenues of MNOK 7,768 and an EBITA of MNOK 935. This translates into an EBITA margin of 12.0 per cent. The levels of activity at Kongsberg Maritime and Kongsberg Defence Systems were high at mid-year and both business areas report growth in sales compared with H1 2011. At Kongsberg Protech Systems, operating revenues were down from last year, but the margins are remaining at a good level and marketing activities are high. Total new orders added up to MNOK 7,393 at the end of H1 2012.

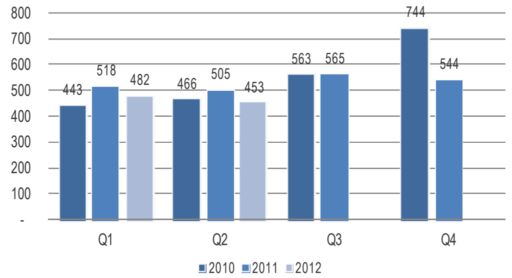
For Q2 the profit after tax came to MNOK 312 (MNOK 339), resulting in earnings per share of NOK 2.61 (NOK 2.83). The net profit at H1 was MNOK 630 (MNOK 693), which translates into MNOK 5.27 (NOK 5.77) per share.

Key figures

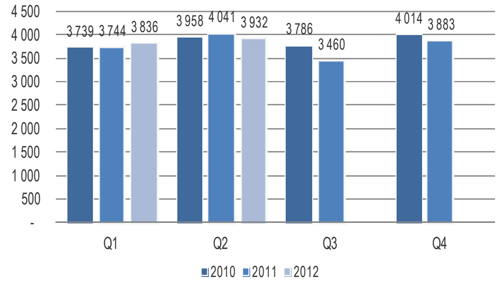
MNOK	1.4. - 30.6. 2012	2011	1.1. - 30.6. 2012	2011	2011
Op. revenues	**3 932**	4 041	**7 768**	7 785	15 128
EBITA	**453**	505	**935**	1 023	2 132
EBITA margin (%)	**11,5**	12,5	**12,0**	13,1	14,1
New orders	**3 669**	3 823	**7 393**	7 929	15 016
EPS (NOK)	**2,61**	2,83	**5,27**	5,77	11,93

MNOK	30.6. 2012	31.3. 2012	31.12. 2011
Equity ratio (%)	**38,1**	39,9	35,1
Net interest-bearing debt	**(491)**	(1 334)	(2 191)
Net interest-bearing debt / EBITDA	**n.a.**	n/a	n.a.
Working capital	**2 187**	-	1 928
Order backlog	**17 587**	-	17 839
No. of employees	**6 920**	-	6 681

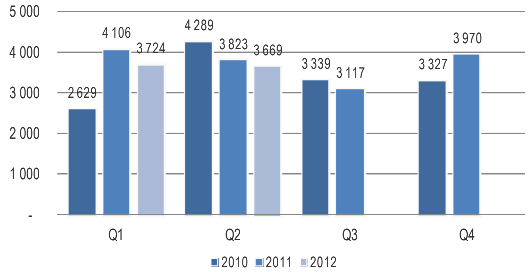
EBITA



Operating revenues

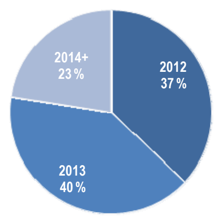


Orders received



Order backlog

Breakdown by delivery dates



Profit/(loss) and the order situation

Q2 operating revenues totalled MNOK 3,932 (MNOK 4,041). Revenues increased for Kongsberg Defence Systems, while Kongsberg Maritime was at the same level as at Q2 2011. Kongsberg Protech Systems saw a decline in operating revenues year on year. The Q2 EBITA was MNOK 453 (MNOK 505), which was comparable to an EBITA margin for the Group of 11.5 per cent (12.5 per cent). Compared with Q2 2011, the different product and project mix resulted in lower, but nonetheless continued good margins for the Group. Earnings before tax came to MNOK 425 (MNOK 477) in Q2, while earnings after tax were MNOK 312 (MNOK 339). Earnings per share (EPS) in Q2 came to NOK 2.61 (NOK 2.83).

In the light of the market situation, orders were also good in Q2, totalling MNOK 3,669 (MNOK 3,823). Kongsberg Maritime experienced a strong influx of new orders valued at MNOK 2,288. New orders were also good at Kongsberg Defence Systems, while Kongsberg Protech Systems had a modest influx of new orders in H1. However, Kongsberg Protech Systems has submitted several tenders and the business area has succeeded in taking position towards new markets, evidenced by an important contract in France and future activity in Canada.

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

Cash flow
Earnings before depreciation and amortisation (EBITDA) came to MNOK 528 in Q2 (MNOK 562). The change in current assets and other operations-related items was MNOK -768 in Q2 (MNOK -1,408). The change is primarily due to more capital being tied up in the projects especially at Kongsberg Maritime. This adds up to a cash flow from operating activities of MNOK -240 (MNOK -846). During the quarter, dividends of MNOK 450 (MNOK 450) and tax of MNOK 170 (MNOK 330) were paid.

The Group's working capital increased during H1 2012 from MNOK 1,928 to MNOK 2,187 at 30 June 2012. Working capital came to MNOK 2,270 at 31 March 2012. KONGSBERG's cash flow and working capital can fluctuate significantly from quarter to quarter, owing not least to customers' payment dates, payments to suppliers and the amount of capital tied up in ongoing projects

Balance sheet
Total assets came to MNOK 14,854 at the end of H1 2012. Equity was MNOK 5,657 at 30 June 2012, which results in an equity ratio of 38.1 per, compared with 35.1 per cent at 31 Dec. 2011 and 39.9 at the end of Q1.

The Group's gross interest-bearing liabilities at 30 June 2012 accounted for MNOK 568, compared with MNOK 892 at year end. KONGSBERG has an undrawn credit facility of MNOK 1,000 with maturity in July 2015. At 30 June, the Group had gross bank deposits and cash equivalents of MNOK 1,059, compared with MNOK 1,902 at the end of Q1 and MNOK 3,083 at 31 Dec. 2011. Net interest-bearing debt was MNOK -491, as against MNOK -1,334 at the end of Q1 and MNOK -2,191 at year end.

Human resources
KONGSBERG had 6,920 employees at the end of H1 2012. This marked an increase of 101 employees during the quarter. The increase has generally been at Kongsberg Maritime, which had 3,957 employees, while Kongsberg Defence Systems had 1,741 employees and Kongsberg Protech Systems had 769. At end quarter, roughly 33 per cent of the Group's employees worked outside Norway.

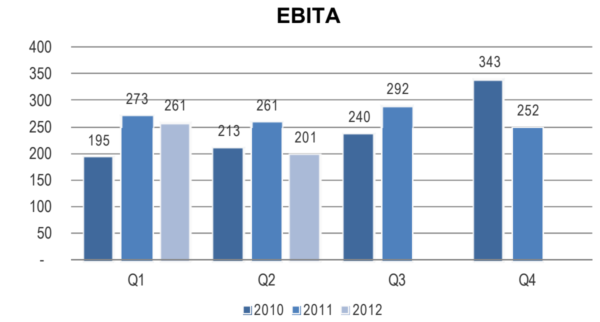
Other activities
Other activities mainly consist of Kongsberg Oil & Gas Technologies and external sales related to property operations.

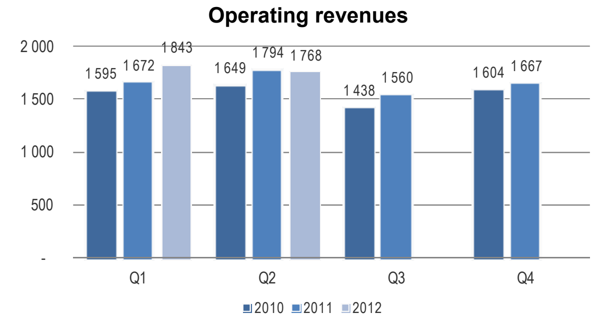
Kongsberg Maritime

Key figures

MNOK	1.4. - 30.6. 2012	2011	1.1. - 30.6. 2012	2011	2011
Op. revenues	**1 768**	1 794	**3 611**	3 466	6 693
EBITA	**201**	261	**462**	534	1 078
EBITA margin (%)	**11,4**	14,5	**12,8**	15,4	16,1
New orders	**2 288**	1 743	**4 829**	3 825	7 331

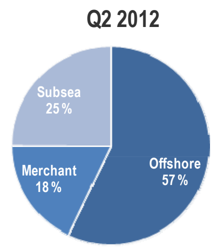
MNOK	30.6. 2012	31.12. 2012		31.12. 2011
Order backlog	**6 443**	5 769	0	5 134

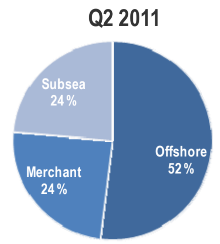




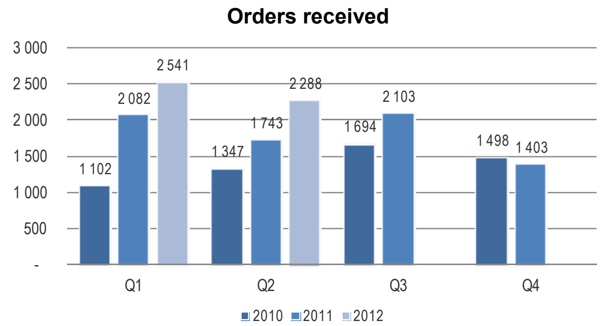
Profit/loss
Q2 revenues aggregated MNOK 1,768 (MNOK 1,794) and EBITA was MNOK 201 (MNOK 261), which translates into an EBITA margin of 11.4 per cent (14.5 per cent). The business area has seen buoyant level of activity in all its divisions, especially in the offshore segment. The decline in the H1 profit is partially ascribable to a loss incurred as a result of a subcontractor declaring bankruptcy.

Markets and orders
Kongsberg Maritime had a strong influx of new orders once again in Q2, i.e. MNOK 2,288 (MNOK 1,743). Total orders ended up at MNOK 4,829 in H1. The Q2 book/bill was 1.29 (0.97). The backlog of orders was valued at MNOK 6,443 in H1, up 11.7 per cent during the quarter and up 25.5 per cent since year end 2011. All Kongsberg Maritime divisions report a higher level of new orders in Q2 2012 than in Q2 2011. During H1, the Offshore Division booked important orders for advanced rigs and drilling vessels that are under construction, and strengthened its position with a view to deliveries to advanced OSV vessels and standard PSV vessels. In addition to strengthening the already good market positions, an important part of the strategy for the business area is to extend the 'scope of supply' and to gain access to even more classes of vessels. Kongsberg Maritime did well with this in H1 2012, as evidenced by the contracts for pipelaying vessels and shuttle tankers. There is still burgeoning activity in 'life-cycle support'.

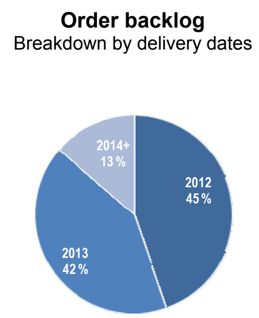




The company's strong position in the advanced offshore market was further confirmed
In H1, Kongsberg Maritime booked a large number of new orders for advanced drilling vessels and rigs. It won contracts with several leading shipyards in South Korea and Singapore. The collective value of the contracts is several hundred million NOK. The vessels will operate at water depths up to 3,000 metres, mainly in the Gulf of Mexico, Brazil, West Africa and Norway.



Over the past 5-6 years, exploration and production activities have migrated towards deeper water and are getting further away from land. This has boosted demand for advanced offshore vessels. During this period, Kongsberg Maritime has invested a great deal in developing products and technologies aimed at this market segment. Modern equipment and technology enable customers to perform their operations in a safer, more efficient manner. The business area will be well positioned in this market in future as well.



Kongsberg Defence Systems

Key figures

MNOK	1.4. - 30.6. 2012	1.4. - 30.6. 2011	1.1. - 30.6. 2012	1.1. - 30.6. 2011	2011
Op. revenues	**1 239**	1 061	**2 417**	2 001	3 895
EBITA	**77**	39	**164**	100	263
EBITA margin (%)	**6,2**	3,7	**6,8**	5,0	6,8
New orders	**1 128**	1 065	**1 869**	1 831	4 061

MNOK	30.6. 2012	31.3. 2012		31.12. 2011
Order backlog	**7 418**	7 504	0	7 953

Profit/loss
Revenues in Q2 were MNOK 1,239 (MNOK 1,061) and EBITA was MNOK 77 (MNOK 39), which translates into to an EBITA margin of 6.2 per cent (3.7 per cent) in Q2. The business area is continuing its good volume trend from previous years. Operating revenues climbed by 16.8 per cent in Q2 2012, year on year. This was to a large extent driven by Integrated Defence Systems (mainly air defence).

Markets and orders
New orders during the quarter were on a par with Q2 2011. The recently signed contracts include:

- Contract valued at MNOK 196 with Northrop Grumman ISS for the development of software in NATO's Alliance Ground Surveillance programme
- Order valued at MNOK 182 to supply communications equipment to Raytheon for the Patriot air defence system
- Contract valued at MNOK 388 with BAE Systems for systems for the Norwegian Army's infantry fighting vehicle

In mid-June, the Norwegian government announced that the USA had confirmed its support for the integration of the Joint Strike Missile (JSM) on the F-35. In connection with the first phases of the JSM's development, KONGSBERG recruited a number of Norwegian subcontractors. In the light of the support for integration on the F-35, potential full-scale production would open significant long-term contract opportunities not only for KONGSBERG, but also for a number of Norwegian subcontractors. The decision to support integration of the JSM on the F-35 marked an important milestone for KONGSBERG.

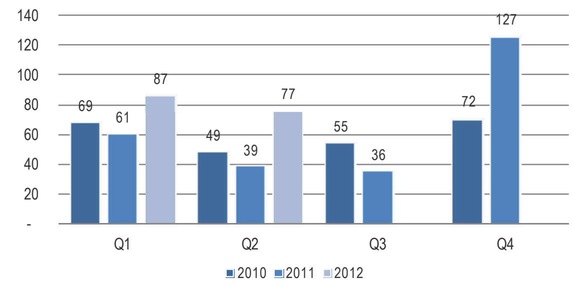
The Naval Strike Missile (NSM) is currently in production for the Armed Forces of Norway and the Armed Forces of Poland.

The large-scale delivery projects for Poland's coastal artillery, the NSM for Norway and air defence for Finland are all on schedule.

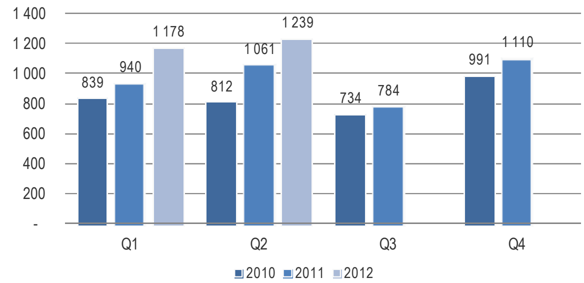
The defence market is now experiencing that many nations are cutting their defence budgets. However, KONGSBERG is relatively well positioned with its portfolio of cost-efficient, advanced niche products.

Contracts up for tender on the defence market are few, but sizable. Fluctuations in the influx of new orders are therefore normal. The backlog of orders was valued at MNOK 7,418 at the end of Q2, ensuring good predictability for future activity levels.

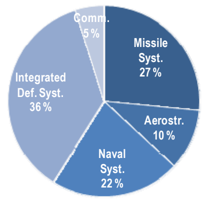
EBITA



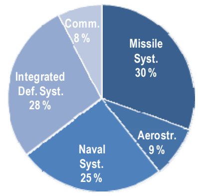
Operating revenues



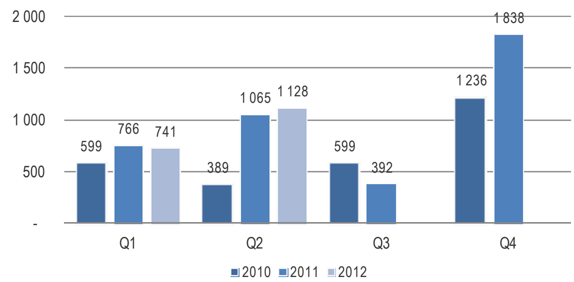
Q2 2012



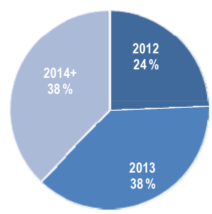
Q2 2011



Orders received



Order backlog
Breakdown by delivery dates



Kongsberg Protech Systems

Key figures

	1.4. - 30.6.		1.1. - 30.6.		
MNOK	**2012**	2011	**2012**	2011	2011
Op. revenues	**789**	1 130	**1 435**	2 208	4 185
EBITA	**180**	213	**307**	406	755
EBITA margin (%)	**22,8**	18,8	**21,4**	18,4	18,0
New orders	**104**	972	**365**	2 133	2 900

	30.6.	31.3.		31.12.
MNOK	**2012**	2012		2011
Order backlog	**3 069**	3 753	0	4 136

Profit/loss
Q2 revenues totalled MNOK 789 (MNOK 1,130) and EBITA was MNOK 180 (MNOK 213), which translates into to an EBITA margin of 22.8 per cent (18.8 per cent). The reduction in operating revenues is generally due to changing levels of deliveries, belated new orders and lower contract volumes. The good margin is mainly the result of a better product mix, not least from contracts signed several years ago when production and development costs were higher.

Markets and orders
New orders totalled MNOK 104 (MNOK 972) in Q2. The backlog of orders at the end of Q2 2012 came to MNOK 3,069.

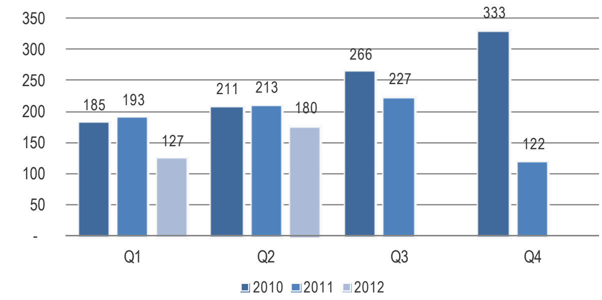
In early June, the company Textron Systems was chosen to supply the next generation of "Tactical Armoured Protected Vehicles" (TAPV) to Canada. As a partner in this programme, KONGSBERG will be supplying advanced remotely operated 'Dual Remote Weapon Stations'. Negotiations on KONGSBERG's part of the agreement are expected to be completed in H2 2012.

Kongsberg Protech Systems is in a phase in which it is building a foundation for the further development of the Group's weapons control systems. This is being done through substantial product development and positioning aimed at new markets. Volumes will be lower than in 2011, at the same time there is great interest in the products and the early half of the year was focused on submitting tenders. The business area's position as a world leader in the market for remotely controlled weapon systems was maintained in Q2.

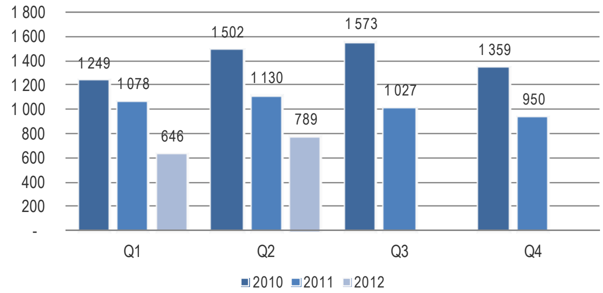
Kongsberg Protech Systems' strategy includes further securing its already strong position in the USA, increasing volumes to other countries, and launching new products. The largest, most important development programme is for the Medium Caliber Remote Weapon Station (MCRWS). The first contract for this system may be signed already in 2012, but the real growth in volume will be seen over time. The market potential for MCRWS is believed to be considerable. Further development of existing systems is also an important part of the strategy to consolidate the business area's leading position.

Events subsequent to the date of balance sheet recognition
In July, KONGSBERG signed a contract with the US Army that expands the existing framework agreement (CROWS II) by MNOK 508 for the purchase of spare parts, repairs and maintenance services. Along with the expansion, KONGSBERG booked orders worth MNOK 198.

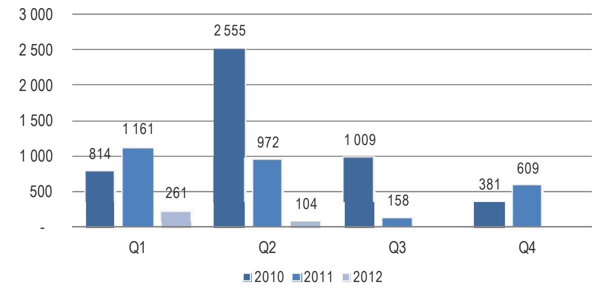
EBITA



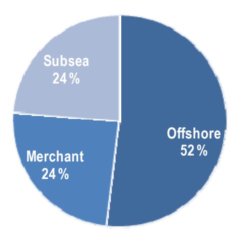
Operating revenues



New orders



Order backlog
Breakdown by delivery dates



Prospects for the future

Kongsberg Maritime has built up good 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. Kongsberg Maritime's new orders are largely dependent on the shipyards' order books. New orders for offshore vessels continue to be at a good level. 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 are still relatively slow, which, over time, will have an impact on Kongsberg Maritime's new orders from this segment. The strengthening of the global after-market and customer support are bringing good results and give a sound and 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 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 the production of advanced composite components for the F35 programme continues, but the programme is moving somewhat slower than previously expected. The development of the Joint Strike Missile programme (JSM) is on schedule, and the US has now officially expressed its support for integration of the F-35. This is a major milestone for KONGSBERG. The Board of Directors expects the business area to continue to grow in 2012.

Kongsberg Protech Systems has built up a good 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 that have large vehicles- or have upgrading programmes in the pipeline or decided. These programmes offer significant potential for several of the business area's products. After a period of intense product development, several new products will be launched in the years ahead. Due to changes in delivery plans and belated new orders in Kongsberg Protech Systems, the Board expects a lower level of activity in this business area in 2012 than there was in 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, 15 August 2012

The Board of Directors of Kongsberg Gruppen ASA

Consolidated income statement

MNOK	Note	1.4. - 30.6. 2012	2011	1.1. - 30.6. 2012	2011	2011
Operating revenues	1	**3 932**	4 041	**7 768**	7 785	15 128
Operating expenses		**(3 404)**	(3 479)	**(6 686)**	(6 641)	(12 734)
EBITDA [1]		**528**	562	**1 082**	1 144	2 394
Depreciation		**(75)**	(57)	**(147)**	(121)	(262)
EBITA [2]	1	**453**	505	**935**	1 023	2 132
Amortisation		**(28)**	(22)	**(56)**	(45)	(97)
Impairment		**-**	-	**(10)**	-	-
EBIT [3]		**425**	483	**869**	978	2 035
Net financial items		**-**	(6)	**(1)**	(2)	(27)
Earnings before tax (EBT)		**425**	477	**868**	976	2 008
Income tax		**(113)**	(138)	**(238)**	(283)	(578)
Earnings after tax		**312**	339	**630**	693	1 430
Attributable to:						
Non-controlling interests		**-**	-	**(1)**	1	(1)
Equity holders of the parent		**312**	339	**631**	692	1 431
		0	-	0	-	0
Earnings per share (EPS), NOK		**2,61**	2,83	**5,27**	5,77	11,93
Earnings per share, diluted NOK		**2,61**	2,83	**5,27**	5,77	11,93

1) Profit/loss before financial items, tax, write-offs and amortisation

2) Profit/loss before financial items, tax and amortisation

3) Profit/loss before financial items and tax

Consolidated statement of comprehensive income

MNOK	Note	1.4. - 30.6. 2012	2011	1.1. - 30.6. 2012	2011	2011
Earnings after tax		**312**	339	**630**	693	1 430
Change, fair value of financial instr. and hedge instr. for cash flow hedges:	5	**-**	-	**-**	-	-
Change, cash flow hedges and int. rate swap agreements		**(135)**	28	**(25)**	33	(261)
Change, available-for-sale inv.		**(3)**	(15)	**14**	(14)	(12)
Actuarial gains/losses pensions		**-**	-	**-**	-	(246)
Translation differences, foreign currency		**44**	(45)	**4**	(58)	14
Tax on items recognised against statement of comprehensive income		**38**	(8)	**7**	(9)	142
Comprehensive income		**256**	**299**	**630**	**645**	1 067

Consolidated statement of financial position

MNOK	Note	30.6. 2012	31.3. 2012	31.12. 2011
Property, plant and equipment		**2 514**	2 444	2 430
Intangible assets	4	**2 777**	2 737	2 744
Other non-current assets	5	**283**	274	258
Total non-current assets		**5 574**	5 455	5 432
inventories		**3 357**	3 327	3 274
Trade receivables		**2 100**	1 896	1 854
Other current assets		**2 764**	2 038	1 975
Cash and short-term deposits		**1 059**	1 902	3 083
Total current assets		**9 280**	9 163	10 186
Total assets		**14 854**	14 618	15 618
Paid-in equity		**982**	982	982
Retained earnings		**4 550**	4 622	4 370
Fair value of financial instruments		**108**	208	112
Non-controlling interests		**17**	18	20
Total equity		**5 657**	5 830	5 484
Long-term interest-bearing debt	5	**568**	568	570
Other non-current liabilities and provisions		**1 536**	1 327	1 306
Total non-current liabilities and provisions		**2 104**	1 895	1 876
Construction contracts under construction, liabilities		**2 649**	2 416	2 703
Short-term interest bearing debt	5	**-**	-	322
Other current liabilities and provisions	3	**4 444**	4 477	5 233
Total current liabilities and provisions		**7 093**	6 893	8 258
Total equity, liabilities and provisions		**14 854**	14 618	15 618
Equity ratio(%)		**38,1**	39,9	35,1
Net interest-bearing liabilities		**(491)**	(1 334)	(2 191)
Net interest-bearing debt/EBITDA(%)		n/a	n/a	n/a

Consolidated statement of changes in equity

MNOK	30.6. 2012	2012	31.3. 2012	31.12. 2011
Equity opening balance	**5 484**	**5 484**	5 484	4 881
Comprehensive income	**630**		374	1 067
Dividends	**(450)**		-	(450)
Treasury shares	**(5)**		(27)	(6)
Acquisition / disposals non-controlling interes	**-**		-	(5)
Dividends non-controlling interests	**-**		-	(1)
Change in non-controlling interests	**(2)**		(1)	(2)
Equity, closing balance	**5 657**	**-**	**5 830**	**5 484**

Consolidated cash flow statement

MNOK	1.4. - 30.6. 2012	1.4. - 30.6. 2011	1.1. - 30.6. 2012	1.1. - 30.6. 2011
Earnings before interest, tax, depreciation and amortisation	**528**	562	**1 082**	1 144
Change in net current assets and other operating related items	**(768)**	(1 408)	**(1 988)**	(1 708)
Net cash flow from operating activities	**(240)**	(846)	**(906)**	(564)
Acquisition of property, plant and equipment	**(132)**	(115)	**(234)**	(219)
interests	**-**	(20)	**(13)**	(20)
Net payment of loans and acquisition/sale of shares	**-**	-	**-**	-
Other investing activities	**(39)**	(19)	**(82)**	(43)
Net cash flow from investing activities	**(171)**	(154)	**(329)**	(282)
New loans raised and repayment	**-**	(3)	**(324)**	6
Net interest received (paid)	**1**	(1)	**5**	5
Net payments for the purchase/sale of treasury shares	**8**	(12)	**(19)**	(12)
Transactions w ith non-controlling interests	**-**	1	**-**	1
Dividends paid to equity holders of the parent	**(450)**	(450)	**(450)**	(450)
Net cash flow used in financing activities	**(441)**	(465)	**(788)**	(450)
Effect of changes in exchange rates on cash and short-term deposits	**9**	(6)	**(1)**	(23)
Net change in cash and short-term deposits	**(843)**	(1 471)	**(2 024)**	(1 319)
	-	-	**-**	-
Cash and short-term deposits opening balance	**1 902**	2 812	**3 083**	2 660
Cash and short-term deposits, closing balance	**1 059**	1 341	**1 059**	1 341

Notes to the quarterly accounts

Note 1 - Information by segment

MNOK	Operating revenues 1.4. - 30.6. 2012	2011	1.1. - 30.6. 2012	2011	2011	Op. profit before amortisation (EBITA) 1.4. - 30.6. 2012	2011	1.1. - 30.6. 2012	2011	2011
Kongsberg Maritime	**1 768**	1 794	**3 611**	3 466	6 693	**201**	261	**462**	534	1 078
Kongsberg Defence Systems	**1 239**	1 061	**2 417**	2 001	3 895	**77**	39	**164**	100	263
Kongsberg Protech Systems	**789**	1 130	**1 435**	2 208	4 185	**180**	213	**307**	406	755
Øvrig, elim. / Other elimination	**136**	56	**305**	110	355	**(5)**	(8)	**2**	(17)	36
THE GROUP	**3 932**	4 041	**7 768**	7 785	15 128	**453**	505	**935**	1 023	2 132

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 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 2011. The consolidated accounts for 2011 are in alignment with the rules in the Norwegian Accounting Act and international financial reporting standards, as laid down by the EU. KONGSBERG has applied the same accounting policy as described in the consolidated accounts for 2011.

The consolidated accounts for 2011 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 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 2011.

Note 4 – Equity-financed development
In Q2 2012, development costs of MNOK 166 (MNOK 135) were charged against income. In addition, MNOK 35 (MNOK 19) in equity-financed development was capitalised in Q2. Similarly, during the period from 1 Jan. -30 June 2012, MNOK 339 was charged against income and MNOK 78 (MNOK 43) was capitalised.

Note 5 – Financial instruments
Credit facilities
KONGSBERG has undrawn overdraft facilities of MNOK 1,000.

Other non-current assets
The value on available-for-sale shares has increased by MNOK 14 since year end.

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 25 before tax since year end. The change in fair value associated with currency futures and options accounted for a reduction of MNOK 22 during the same period. Currency exchange rates on the spot market at end quarter were NOK 5.99/USD 1 and NOK 7.54/EUR 1.

MNOK (before tax)	Falling due in 2012: Value based on agreed exchange rates	Net excess value at 31 Mar 12	Falling due in 2013 or later: Value based on agreed exchange rates	Net excess value at 31 Mar 12	Total: Value based on agreed exchange rates	Change in excess value from 31 Dec 11	Net excess value at 31 Mar 12
EUR	683	17	316	12	1 000	6	29
USD	1 256	(1)	1 725	(27)	2 982	(28)	(28)
Deferred gain[1)]		49		82		-	131
Total	**1 939**	**65**	**2 041**	**67**	**3 982**	**(22)**	**132**

1) The gain arises when the prognosis hedges mature and new hedges are secured for the projects. Any gains/losses that arise are deferred and realised proportional to the progress of the project.

Note 6 – Close associates
Note 27 in the Annual Report for 2011 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 – Key risk or uncertainty factors

No significant risk or uncertainty factors were discovered during the first half of 2012. For a description of the Group's response to different types of risk, please see the Annual Report for 2011.

Statement from the Board of Directors and the CEO

We hereby confirm that, to the best of our conviction, the following H1 accounts for 1 January to 30 June 2012 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, 15 August 2012

Finn Jebsen *Chair of the Board*	**Anne-Lise Aukner** *Deputy Chair*	**Erik Must** *Director*	**Irene Waage Basili** *Director*	**John Giverholt** *Director*
Roar Marthiniussen *Director*	**Helge Lintvedt** *Director*	**Kai Johansen** *Director*	**Walter Qvam** *CEO*	