

Strong influx of orders in Kongsberg Maritime and good margins for KONGSBERG

KONGSBERG reports good margins in Q3. The constant focus on operational improvements and a favourable project mix contributed to continued good profitability. The Group consolidate its leading market positions as the strong trend in new orders continues for its maritime activities. In the market for remotely operated weapon control systems, the underlying assumptions for the upcoming CROWS competition were changed in Q3, so there will be a lower volume specified under the framework contract and just one supplier, rather than two as previously announced. The Group's leading position in the global market for such systems is considered to have been further strengthened during the reporting period. Kongsberg Defence Systems has a high level of activity and is in the engineering and production phase of several major delivery programmes.

Key figures

MNOK	17. - 30.9.		11. - 30.9.		2010
	2011	2010	2011	2010	
Driftsinntekter / Op. revenues	3 460	3 786	11 245	11 483	15 497
EBITA	565	563	1 588	1 472	2 216
EBITA margin (%)	16,3	14,9	14,1	12,8	14,3
Ordreinnang / New orders	3 117	3 339	11 046	10 257	13 584
EPS (NOK)	3,18	3,03	8,94	8,01	12,46

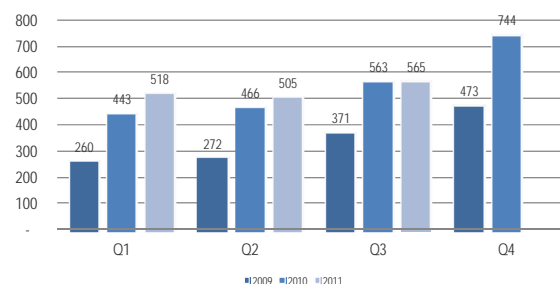
MNOK	30.9.	30.6.	31.12.
	2011	2011	2010
Egenkap.andel / Equity ratio (%)	37,6	36,9	34,9
Netto rentebærende gjeld (Netto kontantbeh.) / Net interest-bearing debt (Net cash reserves)	(728)	(488)	(1813)
Netto rentebærende gjeld/ EBITDA / Net interest-bearing debt / EBITDA	neg.	neg.	neg.
Orderreserve / Order backlog	17 183	17 822	17 759
Ant. ansatte / No. of employees	6 472	6 441	5 681

Performance and the order situation

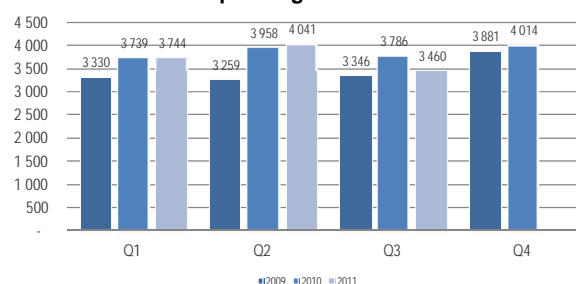
The Q3 EBITA was MNOK 565 (MNOK 563). This includes a loss of MNOK 60 in an arbitration tribunal decline on KONGSBERG's claim for compensation on a contract in Hungary (See Note 19 in the Annual Report for 2010 and the Stock Exchange Bulletin dated 1 Sept. 2011). The loss has no impact on the cash flow. Operating revenues totalled MNOK 3 460 (MNOK 3 786). The decline in revenues mainly applies to Kongsberg Protech Systems. This translates into an EBITA margin of 16.3 per cent (14.9 per cent). Earnings before tax came to MNOK 541 (MNOK 522). Earnings per share (EPS) in Q3 came to NOK 3.18 (NOK 3.03). YTD operating revenues at Q3 were 2 per cent lower than in 2010. However, the EBITA is up MNOK 116, leading to an EBITA margin of 14.1 per cent (12.8 per cent) YTD in 2011.

New orders totalled MNOK 3 117 in Q3 (MNOK 3 339). The influx of new orders has been especially high for the Group's maritime operations. New orders totalled MNOK 11 046 at 30 September (MNOK 10 257). The Group's order backlog at end quarter aggregated MNOK 17 183.

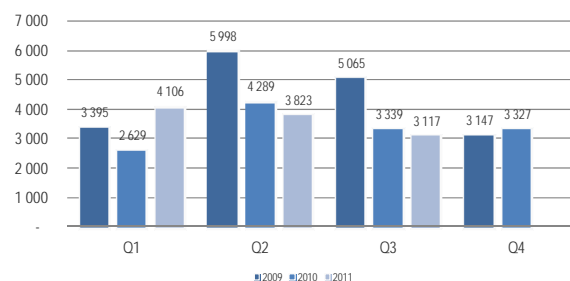
EBITA



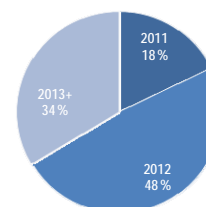
Operating revenue



Order income



Backlog of orders Breakdown by delivery dates



* The figures in parentheses refer to Q3 2010.

Balance sheet

Total assets came to MNOK 14 095 at end quarter. At 30 September 2011, equity totalled MNOK 5 301, which is equivalent to an equity ratio of 37.6 per cent, as against 34.9 per cent at year-end 2010.

The average term to maturity for drawn loans was 1.8 years. In addition, KONGSBERG has undrawn credit facilities of NOK 1 billion.

Cash flow

Earnings before depreciation and amortisation (EBITDA) totalled MNOK 628 during the quarter. Adjusted for changes in current assets and other items related to operations, this translates into a cash flow from operating activities of MNOK 489. To ensure our ability to deliver in the time ahead, the amount of capital tied up in projects and inventories has been increased somewhat.

At the end of Q3 2011, the Group had gross cash and short-term deposits of MNOK 1 611 and net cash reserves (less deductions for interest-bearing liabilities) of MNOK 728.

Human resources

KONGSBERG had 6 472 employees at the end of Q3. This is an increase of 331 co-workers during the quarter. The increase in number of co-workers counts partly against a decrease in external consultants. Kongsberg Maritime had 3 604 employees, Kongsberg Defence Systems had 1 608 employees and Kongsberg Protech Systems had 829 employees. 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 revenues related to property operations.

Kongsberg Maritime

Key figures

MNOK	17. - 30.9.		11. - 30.9.		2010
	2011	2010	2011	2010	
Driftsinnt. / Op. revenues	1 560	1438	5 026	4 682	6 286
EBITA	292	240	826	648	991
EBITA margin (%)	18,7	16,7	16,4	13,8	15,8
Ordreinngang / New orders	2 103	1694	5 928	4 143	5 641

MNOK	30.9.	30.6.	31.12.
	2011	2011	2010
Ordresreserve / Order backlog	5 061	4 499	4 218

Performance

Revenues totalled MNOK 1 560 (MNOK 1 438) in Q3. EBITA was MNOK 292 (MNOK 240). The EBITA margin was 18.7 per cent (16.7 per cent). The business area has seen burgeoning activities in all divisions.

YTD in 2011, all areas have reported stronger operating revenues, combined with a higher EBITA and more new orders compared with 2010. The good margins during the quarter and YTD are primarily attributable to a favourable project mix. After-sales continue to contribute favourably to the business area's profits.

Markets and orders

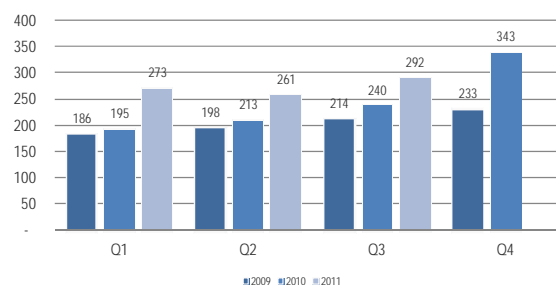
The positive market trend is continuing, and new orders added up to MNOK 2 103 (MNOK 1 694) during the quarter. The backlog of orders was valued at MNOK 5 061 at the end of Q3, up MNOK 562 during the quarter and MNOK 843 since year end. The influx of orders is higher for all areas thus far in 2011, relative to 2010. New orders have been good for drilling and LNG vessels in particular, and Kongsberg Maritime's subsea activities have maintained a stable high level.

The acquisition of the company Evotec AS was completed in Q3. The company develops and delivers marine handling technology, not least to the seismic, subsea and supply markets. The acquisition will enhance the business area's delivery potential for seismic and anchor handling tug supply vessels.

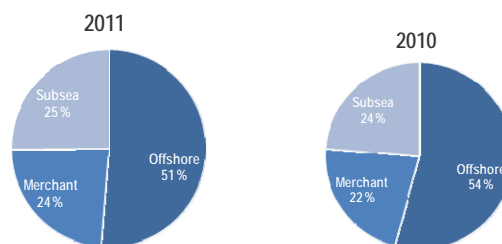
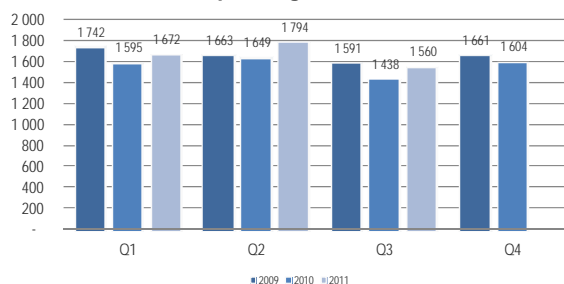
Shipyards' total level of new orders was weaker in Q3 than in the first two quarters of 2011. However, the composition of new orders is still favourable for Kongsberg Maritime since it includes a large percentage of offshore vessels. Offshore vessels accounted for about 40 per cent of the total orders placed in July. The business area's market shares remain robust and have increased in important segments thus far this year. Orders for vessels such as drilling ships and other advanced offshore vessels, as well as for LNG carriers, have been good thus far in 2011. These are important types of vessels in which the business area's systems enjoy leading positions.

Kongsberg Maritime Engineering was founded in 2008 by Kongsberg Maritime. The company was established, among other things, to win a larger percentage of value creation in the FPSO market by offering deliveries that also include major engineering contracts, e.g. the integration of overall systems in addition to KONGSBERG's systems. The business area has won several major contracts in this area and is currently in the process of concluding several delivery programmes. These deliveries have been within the original schedules and conditions. This positions KONGSBERG as a strong player in an active, future-oriented market.

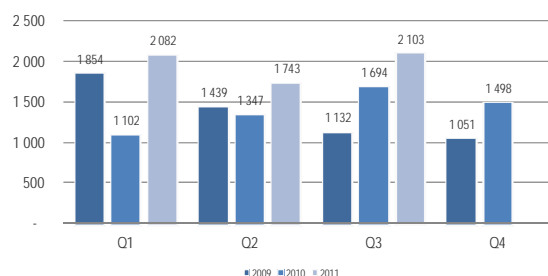
EBITA



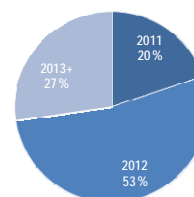
Operating revenue



Order income



Backlog of orders
Breakdown by delivery dates



Kongsberg Defence Systems

Key figures

MNOK	17. - 30.9.		1.1. - 30.9.		2010
	2011	2010	2011	2010	
Driftsinnt. / Op. revenues	784	734	2 785	2 385	3 376
EBITA	36	55	136	173	245
EBITA margin (%)	4,6	7,5	4,9	7,3	7,3
Ordreinngang / New orders	392	599	2 223	1587	2 823

MNOK	30.9.	30.6.	31.12.
	2011	2011	2010
Ordresreserve / Order backlog	7 026	7 764	7 933

Performance

Revenues totalled MNOK 784 (MNOK 734) in Q3. EBITA was MNOK 36 (MNOK 55). This includes the previously mentioned one-off effect of MNOK 60 on the Hungarian contract. The Q3 EBITA margin was 4.6 per cent (7.5 per cent). Excluding the one-off effect mentioned, the EBITA margin was 12.2 per cent. The business area has seen strong growth in volume compared with previous years. YTD in 2011, operating revenues have climbed 16.8 per cent. This is in particular driven by a higher level of activity in Missile Systems and Integrated Defence Systems. Excluding said one-off effect, the YTD EBITA margin at Q3 is on a par with last year. Deliveries to the F35 programme are delayed relative to the original schedules, reducing the margin.

Markets and orders

New orders added up to MNOK 392 (MNOK 599) in Q3. The backlog of orders was valued at MNOK 7 026 at the end of Q3. This has been adjusted to reflect the situation with the Hungarian contract. Marketing activities remain strong and there is a great deal of international interest in the business area's product portfolio.

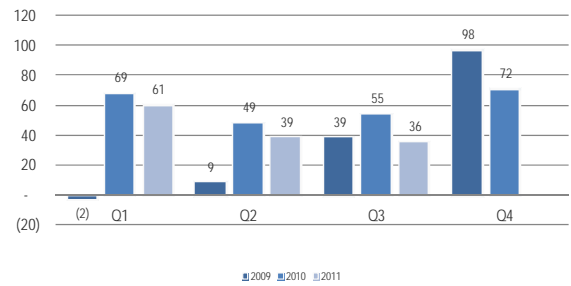
The large-scale delivery projects to Poland, Norway (NSM) and Finland (Air defence) are on schedule.

In summer 2011, two important tests were performed for the NSM missile. The first test was with a live warhead against a sea target and the second test was against a land target. Both tests are described as successful; the missiles hit their targets and performed they're intended test operations. These were very important milestones for the missile from both a technical and market point of view.

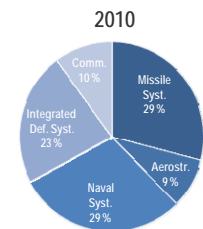
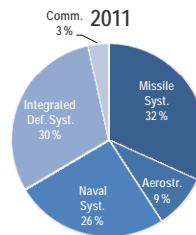
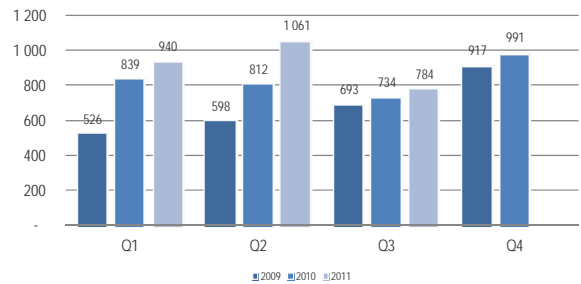
The current trend in the defence market is that many nations are in the process of cutting their defence budgets. However, KONGSBERG is relatively well positioned with a portfolio of state-of-the-art niche products.

Defence market contracts are few, but large. It is therefore normal to see fluctuations in new orders. The backlog of orders at the end of Q3 accounted for 2.1 times annual revenues (based on revenues in 2010).

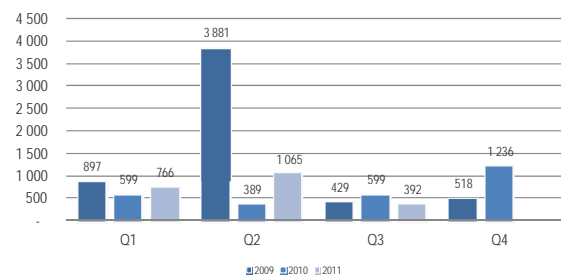
EBITA



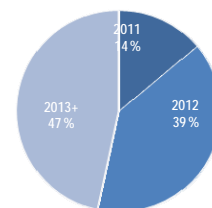
Operating revenue



Order income



Backlog of orders
Breakdown by delivery dates



Kongsberg Protech Systems

Key figures

MNOK	17. - 30.9.		1.1 - 30.9.		2010
	2011	2010	2011	2010	
Driftsinnt. / Op. revenues	1 027	1573	3 235	4 324	5 683
EBITA	227	266	633	662	995
EBITA margin (%)	22,1	16,9	19,6	15,3	17,5
Ordreinngang / New orders	158	1009	2 291	4 378	4 759

MNOK	30.9.	30.6.	31.12.
	2011	2011	2010
Ordresreserve / Order backlog	4 478	5 346	5 422

Performance

Revenues in Q3 were MNOK 1 027 (MNOK 1 573). EBITA was MNOK 227 (MNOK 266). The EBITA margin was 22.1 per cent (16.9 per cent). As previously reported, the number of units delivered is lower than during the corresponding quarter of 2010. This is due to a slower pace of delivery to the largest customer (the US Army), which is in line with agreed plans. The good margin is ascribable to continuous productivity improvements both in-house and in the supplier chain, as well as to a favourable product and project mix.

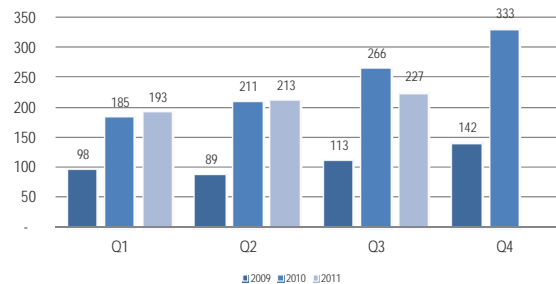
Markets and orders

New orders in Q3 added up to MNOK 158 (MNOK 1 009). YTD, new orders for spare parts have accounted for approx. 25 per cent of all new orders. The backlog of orders was valued at MNOK 4 478 at the end of Q3. Most of the backlog of orders (55 per cent) will be converted into deliveries in 2012. This means that the business area has a relatively good backlog for the year ahead.

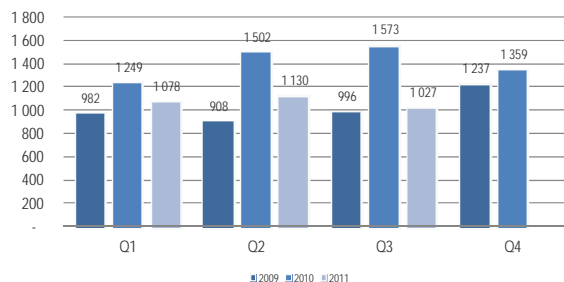
KONGSBERG is now in a phase in which the foundation is being laid for the further development of the Group's weapon control system. The Group's strategy in this area is to safeguard the company's position in the USA, boost volumes in other countries, and invest a great deal of hard work in the development of new products and segments. Among other things, this implies getting into position for the next phase of the CROWS programme where KONGSBERG's design has been chosen, but the choice of supplier remains open. In September, the US Army announced a change in the assumptions underlying the programme. The two most important changes are a decrease in the previously assumed volume and that the customer has decided not to contract with more than one supplier. KONGSBERG is well positioned at the forefront of the competition and is positive to the idea that just one supplier will be chosen. The contract is expected to be awarded during 2012.

Besides a high level of promising activities in connection with product development and the testing of new products, Medium Calibre RWS is one of the areas in which the first contracts are expected to be signed in 2012, but larger volumes are to be expected on a later stage. The market potential of these and other new solutions is believed to be substantial. Further development of existing systems will also help consolidate the business area's leading position in the market for this type of remotely operated weapon control systems.

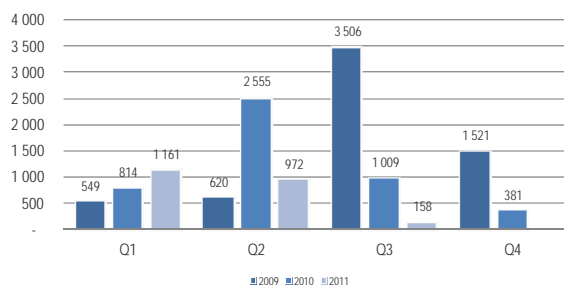
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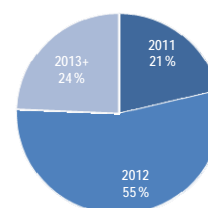
Operating revenue



Order income



Backlog of orders
Breakdown by delivery dates



Prospects for the future

Kongsberg Maritime expects to maintain its good market positions. The strengthening of the global after-market and customer support are bringing good results. The business area continuously implements different initiatives to adapt its capacity and product portfolio to the needs of the market. Kongsberg Maritime's markets are strongly impacted by trends in the offshore industry and in world trade in general. The merchant marine market is still characterised by uncertainty. In the Board's opinion, the business area's level of activity will remain at a satisfactory level in 2012.

Kongsberg Defence Systems will have high activity throughout 2011. Several major long-term delivery programmes are in the engineering and production phase, paving 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 F-35 programme continues. 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 is of the opinion that the business area will continue to grow in 2012.

Kongsberg Protech Systems continues to occupy a strong position in the market. Operating revenue for the rest of 2011 is expected to be lower than in 2010 as deliveries to the USA fluctuate and appear to be reduced. KONGSBERG's design has been chosen for the next phase of the CROWS programme, but no manufacturer has been selected as yet. 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. Development activities are advancing rapidly in the business area and it is expected that the first contract for the new Medium Calibre Remote Weapon Station will be signed in 2012. The backlog of orders includes satisfactory margins, but the Q4-margin may be somewhat lower, depending on the delivery mix.

All in all, KONGSBERG is well-positioned in the shipping, offshore and defence markets. The Group has a strong backlog of orders, and the prospects for operating activities are good, even though uncertainty about the global economy has increased.

Kongsberg, 25 October 2011

The Board of Directors of Kongsberg Gruppen ASA

Performance

MNOK	Note	2011	17. - 30.9. 2010	2011	1.1. - 30.9. 2010	2010
Driftsinntekter / Operating revenues	1	3 460	3 786	11 245	11 483	15 497
Driftskostnader / Operating expenses		(2 832)	(3 153)	(9 473)	(9 817)	(13 012)
EBITDA ¹		628	633	1 772	1 666	2 485
Avskrivninger / Depreciation		(63)	(70)	(184)	(194)	(269)
EBITA ²	1	565	563	1 588	1 472	2 216
Amortisering / Amortisation		(22)	(26)	(67)	(75)	(103)
EBIT ³		543	537	1 521	1 397	2 113
Net other financial items		(2)	(15)	(4)	(18)	(16)
Resultat før skatt / Earnings before tax (EBT)		541	522	1 517	1 379	2 097
Skattekostnad / Income tax		(157)	(157)	(440)	(414)	(597)
Resultat etter skatt / Earnings after tax		384	365	1 077	965	1 500
<i>Henførbart til / Attributable to:</i>						
Ikke-kontrollerende interesser / Non-controlling interests		3	2	4	4	5
Aksjonærene i morselskapet / Equity holders of the parent		381	363	1 073	961	1 495
Resultat pr. aksje / Earnings per share (EPS), NOK		3,18	3,03	8,94	8,01	12,46
Resultat pr. aksje, utvannet / Earnings per share, diluted NOK		3,18	3,03	8,94	8,01	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	2011	17. - 30.9. 2010	2011	1.1. - 30.9. 2010	2010
Resultat etter skatt / Earnings after tax		384	365	1 077	965	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		(269)	175	(236)	(61)	(60)
- Endring, tilgjengelig for salg inv. / Change, available-for-sale inv.		(8)	3	(22)	(40)	(44)
Estimatavvik pensjoner / Actuarial gains/losses pensions		-	-	-	-	(54)
Omregningsdifferanser, valuta / Translation differences, foreign		42	(69)	(16)	20	27
Skatt på poster innregnet i oppstilling over totalresultatet / Tax on items recognised against statement of comprehensive income		75	(49)	66	17	32
Totalresultat for perioden / Comprehensive income		224	425	869	901	1 401

Balance sheet

MNOK	Note	30.9. 2011	30.6. 2011	31.12. 2010
Eiendom, anlegg og utstyr / Property, plant and equipment		2 337	2 261	2 182
Immaterielle eiendeler / Intangible assets	4	2 650	2 409	2 436
Andre langsiktige eiendeler / Other non-current assets	5	231	240	230
Sum anleggsmidler / Total non-current assets		5 218	4 910	4 848
Varelager / inventories		3 483	2 901	3 034
Kundefordringer / Trade receivables		1 468	1 635	1 350
Andre omløpsmidler / Other current assets		2 315	2 990	2 085
Betalingsmidler / Cash and short-term deposits		1 611	1 341	2 660
Sum omløpsmidler / Total current assets		8 877	8 867	9 129
Sum eiendeler / Total assets		14 095	13 777	13 977
Innskutt egenkapital / Paid-in equity		982	982	982
Opptjent egenkapital / Retained earnings		4 171	3 749	3 562
Mer- /mindreverdi verdi finansielle instrumenter / Fair value of financial instruments		120	322	313
Ikke-kontrollerende interesser / Non-controlling interests		28	24	24
Sum egenkapital / Total equity		5 301	5 077	4 881
Langsiktig rentebærende lån / Long-term interest-bearing debt	5	883	853	847
Andre langsiktige forpliktelser og avsetninger / Other non-current liabilities and provisions		1 508	1 342	1 077
Sum langsiktige forpliktelser og avsetninger / Total non-current liabilities and provisions		2 391	2 195	1 924
Forskudd fra kunder / Prepayments from customers		1 612	1 564	1 849
Andre kortsiktige forpliktelser og avsetninger / Other current liabilities and provisions	3	4 791	4 941	5 323
Sum kortsiktige forpliktelser og avsetninger / Total current liabilities and provisions		6 403	6 505	7 172
Sum egenkapital, forpliktelser og avsetninger / Total equity, liabilities and provisions		14 095	13 777	13 977
Egenkapitalandel(%) / Equity ratio(%)		37,6	36,9	34,9
Netto rentebærende gjeld / Net interest-bearing liabilities		(728)	(488)	(1 813)
Netto rentebærende gjeld/EBITDA(%) / Net interest-bearing debt/EBITDA(%)		neg.	neg.	neg.

Cash flow statement

MNOK	17. - 30.9.		11. - 30.9.		2010
	2011	2010	2011	2010	
Driftsresultat før renter, skatt, avskrivninger og amortiseringer / Earnings before interest, tax, depreciation and amortisation	6 28	633	1 772	1666	2 485
Endring i netto omløpsmidler og andre driftsrelaterte poster / Change in net current assets and other operating related items	(139)	(464)	(1 847)	(931)	(467)
Netto kontantstrøm fra driftsaktiviteter / Net cash flow from operating activities	489	169	(75)	735	2 018
Kjøp av eiendom, anlegg og utstyr / Acquisition of property, plant and equipment	(117)	(99)	(336)	(281)	(414)
Kjøp av datterselskaper og ikke-kontrollerende interesser / Acquisition of subsidiaries and non-controlling interests	(116)	(102)	(136)	(102)	(93)
Netto betaling ved utlån og kjøp/salg av aksjer / Net payment of loans and acquisition/sale of shares	-	56	-	56	56
Andre investeringsaktiviteter / Other investing activities	(28)	(30)	(71)	(89)	(124)
Netto kontantstrøm fra investeringsaktiviteter / Net cash flow from investing activities	(261)	(175)	(543)	(416)	(575)
Opptak og nedbetaling av lån / New loans raised and repayment	30	(3)	36	(1)	18
Netto mottatte (betalte) renter / Net interest received (paid)	2	(8)	7	(20)	(20)
Netto utbetaling av kjøp/salg av egne aksjer / Net payments for the purchase/sale of treasury shares	(2)	-	(14)	(9)	(9)
Transaksjoner med ikke-kontrollerende interesser / Transactions with non-controlling interests	-	-	1	-	(13)
Utbytte betalt til aksjonærene i morselskapet / Dividends paid to equity holders of the parent	-	-	(450)	(240)	(240)
Netto kontantstrøm fra finansieringsaktiviteter / Net cash flow used in financing activities	30	(11)	(420)	(270)	(264)
Effekt av valutakursendringer på betalingsmidler / Effect of changes in exchange rates on cash and short-term	12	(40)	(11)	9	18
Netto endring betalingsmidler / Net change in cash and short-term deposits	270	(57)	(1 049)	58	1 197
Betalingsmidler IB / Cash and short-term deposits opening balance	1 341	1578	2 660	1463	1463
Betalingsmidler UB / Cash and short-term deposits, closing balance	1 611	1521	1 611	1521	2 660

Statement of changes in equity

MNOK	17. - 30.9.		11. - 30.9.		2010
	2011	2010	2011	2010	
Egenkapital IB / Equity opening balance	5077	3 956	4 881	3 726	3 726
Totalresultat for perioden / Comprehensive income	224	4 25	869	901	1401
Utbytte / Dividends	-	-	(450)	(240)	(240)
Egne aksjer / Treasury shares	(1)	-	-	-	-
Kjøp / salg ikke-kontrollerende interesser / Acquisition / disposals non-controlling interests	-	(3)	2	(3)	(3)
Utbytte ikke-kontrollerende interesser / Dividends non-controlling interests	-	-	(1)	(3)	(3)
Endring ikke-kontrollerende interesser / Change in non-controlling interests	1	-	-	(3)	-
Egenkapital UB / Equity, closing balance	5301	4 378	5 301	4 378	4 881

Notes to the interim accounts

Note 1 - Information by segment

MNOK	Driftsinntekter/ Operating revenues				Driftsresultat før amortisering (EBITA)/ Op. profit before amortisation (EBITA)					
	2011	1.7. - 30.9. 2010	2011	1.1. - 30.9. 2010	2010	2011	1.7. - 30.9. 2010	2011	1.1. - 30.9. 2010	2010
Kongsberg Maritime	1 560	1438	5 026	4 682	6 286	292	240	826	648	991
Kongsberg Defence Systems	784	734	2 785	2 385	3 376	36	55	136	173	245
Kongsberg Protech Systems	1 027	1573	3 235	4 324	5 683	227	266	633	662	995
Øvrig, elim. / Other elimination	89	41	199	92	152	10	2	(7)	(11)	(15)
KONSERN / THE GROUP	3 460	3 786	11 245	11 483	15 497	565	563	1 588	1 472	2 216

Note 2 - General information and policies

The consolidated accounts for Q3 (the interim accounts) comprise Kongsberg Gruppen ASA, its subsidiaries and the Group's stakes in associates.

The interim accounts are drawn up in compliance with IAS 34 (Interim Financial 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 compliance 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 2010.

The consolidated accounts for 2010 are available upon request from the company's offices 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. 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 2010.

Note 4 - Equity-financed R&D

Equity-financed development costs of MNOK 133 (MNOK 111) were recognised in the Q3 2011 accounts. In addition, MNOK 22 (MNOK 30) in equity-financed development was capitalised in Q3 2011.

Note 5 - Financial instruments

Credit facilities

KONGSBERG has undrawn credit facilities of NOK 1 billion.

Other non-current assets

The value of available-for-sale shares was reduced by MNOK 22 from an unrealised gain of MNOK 12 at year end to an unrealised loss of MNOK 10 at the end of 3Q.

Currency futures, options and interest swap agreements

The fair value of currency futures, currency options and interest swap agreements, classified as prognosis hedges (cash flow hedges), is reduced by MNOK 236 before tax since year end. The change in fair value associated with currency futures and options accounted for a reduction of MNOK 107 during the same period. The exchange-rates at end-Q3 were 5.84 for NOK/USD and 7.88 for NOK/EUR.

	Forfaller i 2011 / Falling due in 2011		Forfaller i 2012 eller senere / Falling due in 2012 or later		Totalt / Total		
	Verdi basert på avtalte kurser / Value based on agreed exchange rates	Merverdi pr. 30.09.11 / Net excess value at 30 Sept 11	Verdi basert på avtalte kurser / Value based on agreed exchange rates	Merverdi pr. 30.09.11 / Net excess value at 30 Sept 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. 30.09.11 / Net excess value at 30 Sept 11
MNOK (før skatt) / MNOK (before tax)							
EUR	723	52	489	15	1 212	(47)	67
USD	746	49	1 015	45	1 761	(60)	94
Utsatt gevinst ¹⁾ / deferred gain ¹⁾		8		39		(86)	47
Totalt / Total	1 469	109	1 504	99	2 973	(193)	208

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 – Related parties

Note 27 in the Annual Report for 2010 lists the details of transactions with related parties. There were no changes or transactions in Q3 in conjunction with related parties that had any material impact on the Group's financial position or on the profit or loss for the period.

Note 7 - Acquisitions of operation

On 4 July 2011, KONGSBERG concluded a letter of intent to purchase 100 per cent of the shares in the company Evotec AS. The company will be integrated into the business area Kongsberg Maritime. Evotec AS develops and delivers marine handling technology, not least to seismic, subsea and supply markets, where it is a leading supplier.

The acquisition was completed on 30 September 2011 for an estimated remuneration of MNOK 208. The cost of acquisition consists of a cash consideration and estimated additional remuneration triggered upon the fulfilment of certain criteria related to the profitability and synergic effects of the company in 2012 and 2013. The maximum addition to the estimated acquisition cost, provided that all criteria are satisfied, is MNOK 52.

Preliminary 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	46	46	
Andre eiendler / Other Assets	57		57
Gjeld / Liabilities	(47)	(13)	(34)
Netto identifiserbare eiendeler og forpliktelser / Net identifiable assets and liabilities	56	33	23
Goodwill ved kjøp / Goodwill upon acquisition	152		
Totalt vederlag inkludert kontantvederlag og estimert tilleggsvederlag/ Total remuneration incl. cash payment and estimated additional remuneration	208		
Estimert tilleggsvederlag / Estimated additional remuneration	(76)		
Konter over tatt / Cash acquired	(16)		
Netto utgående kontantstrøm / Net closing cashflow	116		

The goodwill that arises in the preliminary purchase price allocation is predominantly related to competency, capacity, market access, networks, synergies, distribution channels and geographical position.

Pro forma figures have not been drawn up for the period from 1 January 2011 to the date of acquisition, 30 September 2011, because the figures are considered insignificant in the context of the consolidated accounts.