

# **Transcript from presentation of NKT Annual General Meeting 2011**

## Introduction

NKT has close on 120 years' experience as a major player in the industrial market. In a century we have created a global industrial conglomerate. In our a new strategy: Powered by NKT 2011 to 2015 we are now aiming for new targets like achieving revenue of DKK 20 billion measured in market prices. Return on investments of 20 % and a quadrupling of earnings per share. But why are we so specific?

Well the strategy should hopefully give security for the shareholders - security where they know where the company is going and what is going to happen.

The emerging markets should play an important future role.

We are obsessed by achieving market leadership in all the major emerging markets and that is because emerging markets will play a very important role in the years to come because that is where the growth will be in the world economy. In the mature markets, like Europe and the USA, we can probably not expect more than a couple of percentage points growth every year in those markets whereas in the emerging markets where we focus on Brazil, Russia, India, China but also Mexico and Turkey what we call BRIC-MT, those countries they will show growth rates above 10 % for the years to come and therefore it is very important that we position ourselves as market leaders in these years.

Forecast growth in the emerging markets is estimated at between 10 and 30 % in the years ahead. And China is particularly interesting.

There is no doubt that among the emerging markets China is the most important one – they are most advanced, they have very strong growth, a very high population number and therefore a big economy and they are going to be a decisive force in the world economy for the years to come and that is why we in particular have focused on positioning ourselves in China in recent years.

A lynchpin and global strategy is active ownership. The NKT Group benefits from its joint industrial base.

I think it is very important for these four businesses that they are members of the NKT family. In the way we are set up and have organised ourselves they have the optimal conditions for development and with the push and our global mindset, our financial resources, etc. then they probably cannot develop any better in any other ownership.

NKT's people represent a key asset to the group just like our production machinery, contact network, our suppliers and the customers.

Growth and knowledge are key to maintaining shareholders' trust in the NKT share and obtaining an attractive dividend.

It is my opinion that the success of the company is the success of the combined employees, the management and people working with the product, sales people and the people sitting in the calculation department so for me the employees are the company.

AGM 0.04.12

Welcome to the shareholders of NKT. We are at a new venue this year. I like the venue very much and if you want to complain about the venue of course you can later. But you cannot complain about the food until next year because you won't get any food or beverages until after the AGM. I also want to welcome the people who have come here about the NKT Group to hear about our strategy towards 2015.

First a few practical points. The film we just showed you is on our website and will be available after the AGM so that you can look at it again at your leisure. The AGM is being web streamed directly to our website so that you can follow the AGM at nkt.dk. We have interpretation to English so that our guests from abroad can also take part in the AGM at the same time, as I said it is web streamed on the website and on our television channel so you can listen to Danish or English if you are watching by your computer. And afterwards the Danish and English transmission will be on our website. For people who have difficulty hearing we have enhanced signal in the room and you can also read a full verbatim report – a so-called transcript - and that will be available after the AGM. I would like to welcome the interpreters, technicians and other people who help us with the practical work being done at the AGM and with these words I would like to give the floor to the chairman of the AGM, the lawyer Anders Lavesen who comes from the company Kromann and Reumert. Anders you have the floor.

Anders Lavesen

Thank you very much. I also have some practical initial comments. First of all, if you want to take the floor later on, please raise your arm and then I will point to that person who can then come up here to the rostrum where you can introduce yourself. If somebody wants to leave the room during the AGM please use the two doors in the left-hand side of the room and if you want to leave the lobby outside also, please bring your access card because then you have to hand that access card in so that you can be de-registered. In that way we can keep track of the votes represented here today. There are toilet facilities on the floor below us and that is also close to that door on the left. If we will need to do written elections, please stay in the room until we have finished that so that there are not any problems with the ballot process. I can also tell you that NKT today has a photographer present who will be taking pictures during the AGM. My first task as chairman of the AGM is to make sure that the AGM has been convened in accordance with the rules and that we can make decisions on the items on the agenda. And I have noted the following: This meeting is taking place in the capital region of Denmark. It is held before the end of April. The AGM has been convened in the IT system of the business register of Denmark since 1 March and the agenda has also been published since 1 March and been sent out to shareholders who are registered by name. The Annual Report 2010 has been sent by e-mail or by post to all shareholders who have asked for it. And the agenda and other material have been available on the website of the company since 1 March.

I have also noted other things that are maybe not that relevant to whether this is all legal and that is that the AGM has been announced in Danish newspapers since 1 March and also a message has been sent to the Copenhagen Stock Exchange - the OMX. The question of whether we have a quorum I can tell you that with the agenda we have today we don't need to have a certain part of the share capital represented today. So it is my opinion that this is a legal Annual General Meeting and we have a quorum but before I state that as a fact I want to make sure that nobody disagrees with me. That is not the case. So we can move on to the agenda.

The first item on the agenda is a report by the Board of Directors on the company's activities in 2010. Item two: presentation of the Annual Report. Three: adoption of the Annual Report. Four: Proposals by the Board of Directors for the distribution of profits. Five: Resolution discharging the Management and the Board of Directors. Six: Approval of the Board of Directors' remuneration. Seven: Election of Board members. Eight: Election of Public Accountants. Nine: Proposals. There are proposals from the Board of Directors. That is 9-9.5 and finally item no. 10 which is: Any other business.

As is tradition I suggest that items 1-4 are dealt with in one go. And what will happen is that the chairman of the Board of Director, Mr. Christian Kjær, will make his report and present the Annual Report and the proposal for distribution of profits. And after that report we will have a debate on items 1-4. And the vote on items 3 and 4 will then be carried out.

So I will now give the floor to the chairman of the Board of Directors, Mr. Christian Kjær:

Christian Kjær

NKT – we have a major purpose and that is to make cutbacks where we can without it affecting our profits so I can start with a small thing here because I have received a question in writing from a shareholder and I have tried to answer the questions in my report but for now I can say that the report I will read out now has been cut back by 25 % from 19,000 words to 14,000 words so we can leave more quickly today.

0.12.18

NKT has undergone a massive transformation over the past couple of years, and while the world economy has struggled we have had the courage to invest and change, and we are now poised to deliver growth. And growth is what I want to talk about today.

2010 was a record year for NKT. With organic growth of 12 per cent we achieved 14.5 billion kroner in revenue, thus surpassing our own expectations of 6 to 10 per cent growth. Furthermore, 2010 showed that we are currently among the best performers in our industries.

We also delivered the expected profits. Operational earnings approached 1 billion kroner, falling just short at 985 million, but – and there is a but - this was an increase of only five per cent compared with last year, and that has to change. Going forward, we have to make more money.

In my report today I will therefore be talking about:

- Our growth initiatives over the past few years
- And our new growth strategy for the period 2011-2015

Over the past few years we have invested heavily in new production factories, new products and new markets. In the last two years, costs have been trimmed and our companies put into good shape to deliver growth for the future.

NKT Cables has undergone a significant change in profile. Previously we had our main emphasis on installation cables, and therefore also the building sector. Now, with investment of more than 1 and a half billion kroner in new factories in Germany and China, the main emphasis is on high and medium voltage cables for applications such as offshore wind farms and electricity supply systems. Customers are typically the major power companies.

With this change, NKT Cables has gone from being just one of many cable producers to being one of the six international cable manufacturers that can supply specialist products in the high voltage and submarine cable segment.

In 2010 we found to our cost that both for better and for worse we are more project-oriented than previously. While NKT Cables made a strong entry into the submarine cables market with its unique technology, we experienced major temporary challenges at the factory in Cologne, along with factory commissioning costs which impacted negatively on the Group's overall earnings. We have learned our lesson and brought new project expertise on board. At the same time, a strong order book confirms the correctness of the switch to increased emphasis on project work.

NKT Cables has also been reorganized into a sales organization and a production organization. The factories are specialized, and strategic acquisitions - like that recently in Australia - are opening the door to new markets.

In China, NKT Cables is the leading supplier of catenary wire for the rail network, and we are seeing increased sales of other products, for example in the medium voltage cables and accessories segment. In 2010 we received our first Chinese orders for 110 kilovolt high voltage cables, and the authorities are right now testing our 220 kilovolt cables.

At Nilfisk-Advance too we are focused on growth. In addition, we have transferred production from Western Europe to Hungary and from the United States to Mexico. The Board had an opportunity to see the Mexico factory in September 2010, and it is a super-modern plant with focus on efficiency and wellbeing. Placing production in Mexico was also done with an eye to the huge growth potential we see in the Latin American countries in the years ahead.

In 2010 Nilfisk-Advance acquired a Brazilian company by the name of Plataforma which produces its own a range of professional cleaning equipment. This acquisition will give Nilfisk-Advance access to the Brazilian market.

Nilfisk-Advance currently has sales units in 43 countries and is making good progress in emerging markets. In 2010 alone, sales grew by almost 40 per cent in the so-called BRIKMT countries: Brazil, Russia, India, China, Mexico and Turkey.

The growth at Nilfisk-Advance is also a result of continuous product development. In 2010 product development was reorganized in order to increasingly reflect customer needs. This resulted in the launch of 38 new products and product versions.

By means of acquisitions Nilfisk-Advance expands its product range. At the end of the year we acquired the Danish company Egholm which makes outdoor sweepers, garden equipment and snow-clearing equipment.

- And with snow from November to March it certainly looks as though we'll have a market for this equipment in Denmark!

Nilfisk-Advance also continued its work to cut costs. With an EBITDA margin of 10.7 per cent, earnings were substantially up on the 10.2 per cent we forecast at the start of the year.

Photonics Group showed a positive trend in 2010 and 14 per cent growth was recorded. We expect to reach breakeven in 2011 and to post a profit from then on. Photonics Group consists of three companies, all concerned with optical fibres.

At NKT Photonics we produce crystal fibres which are chiefly used in the laser industry. We also develop fibres lasers ourselves, for both industry and research use. We have a strong patent position and we defended it during 2010.

At LIOS Technology we have developed a new generation of temperature measuring equipment with particular focus on the growth potential which exists in applications such as oil and gas well monitoring.

At Vytran we sent two new fibre-handling products to market in 2010. In the course of the year we also succeeded in entering the life science market where we are hopeful of increased sales in the years ahead.

At NKT Flexibles we expanded capacity at our factory in Kalundborg, giving us greater flexibility. Production of flexible subsea pipe systems calls for highly specialized people and focus is therefore on securing the necessary skills. This goes hand in the hand with the fact that 2010 saw us continue our work on developing deepwater technology for use at depths as great as 2.5 kilometres.

We recruited more people in all four of our business units in 2010 so as to be ready to secure our share of growth. The NKT Group now employs more than 9,000 people. 82 per cent of them work outside Denmark, and during our visits abroad the Board has seen at first hand the enthusiasm and pride shown by our employees in working for NKT, and we commend them for their efforts in 2010. Therefore we also thank them for their efforts.

I will now move on to the second main topic in my report: NKT's new growth strategy for the period 2011- 2015.

We have called this new strategy ***Powered by NKT*** because NKT's active ownership is in focus. Essentially, NKT only wishes to own companies as long we can bring them something new and make them grow. And this growth comes from close follow-up and exchange of ideas between the management of NKT Holding and the management teams of our four business units. A number of specialist issues such as legal affairs, tax and financing are dealt with by the holding company - otherwise each business unit stands on its own feet. This conglomerate structure is central to our strategy.

After several years of heavy investment the objective for the Group is to significantly increase earnings. By 2015 our goal is:

- Revenue of around 20 billion kroner
- Annual organic growth of between 7 and 8 per cent
- An operational EBITDA margin of 14 to 15 per cent
- And a return on investment of 20 per cent - which is the level we were at before the recession.

And what does this mean for our shareholders? Well, earnings per share in 2010 were 11 kroner. We want to more than quadruple this figure to 50 kroner per share by 2015.

We will maintain our existing capital structure with a minimum solvency ratio of 30 per cent, a debt level of around 2.5 times earnings, and a maximum equity gearing of 100 per cent.

At 4.2 times earnings, debt in 2010 was higher than the target level. At the end of 2011 we expect debt to have fallen to 3.5 times earnings, and to continue falling in the years thereafter.

Developments show that we have the will to invest and then generate earnings from this new, higher level. But we are always alive to potential consolidations in our business units and to new opportunities on the periphery.

The way to achieving these targets is fully described in the 2010 annual report. At the macro level we can see a number of mega-trends which are working in our direction:

- Investment is taking place internationally in efficient and flexible electricity supply. NKT can supply high and medium voltage cables and optic-based sensors.
- The need for sustainable energy is growing. NKT can supply submarine cables for offshore wind farms along with technology for wind turbines.
- Transport infrastructure is being expanded. NKT can supply catenary wire for high-speed railways and fire detection systems for tunnels.
- Oil recovery is taking place in ever-deeper waters. NKT is ready with flexible pipe systems and optical sensors.
- Improved exploitation of existing oil and gas reservoirs. NKT has products that can both determine the location of oil under the seabed and help increase the volume of extraction from wells.
- Population concentrated in large and larger cities, increased prosperity and focus on environment in the emerging markets. NKT supplies automated cleaning processes and professional equipment.

All four NKT business units are equipped for new growth with people, skills and organizations that support increased sales. We have factories and production equipment. And we have new products that can reach customers quickly and efficiently.

And that's what you're investing in when you buy an NKT share.

At 31 December 2010 NKT had a market capitalization of 7.1 billion kroner, against 6.9 billion kroner the year before.

We have some 40,000 shareholders - a small increase of 2 per cent in 2010. Most of our shareholders are resident in Denmark and represent around 75 per cent of our share capital.

NKT has a long tradition for paying dividend. This year is no exception. But with interest-bearing debt of 4.2 times earnings, the Board considers it prudent to distribute 18 % or 47 million kroner of the profit for the year - corresponding to a dividend of 2 kroner per share -

despite the fact that the target also in the new strategy period is for the annual distribution of one third of profits.

A shareholder has enquired about management severance schemes and share warrants. The details are contained in the Annual Report, but briefly, NKT does not lead the way in salaries and neither are there lucrative severance schemes.

Comparisons of Board of Directors' remunerations in large Danish companies have recently appeared in the press. NKT's Board of Directors does not lie at the top end of the remuneration scale, and the Chairman's remuneration certainly does not. It is becoming increasingly common, we note, for the Chairman to receive three times the Board's basic remuneration, and we will be proposing that this also apply at NKT.

We further propose that the Board of Directors' remuneration otherwise be unchanged.

The Board has followed Danish corporate governance recommendations by appointing a Nomination Committee and a Remuneration Committee, thereby bringing us into line with other listed companies in Europe. The two committees consist of the Chairman and the Deputy Chairman of the Board and the Board recommends that no special remuneration be paid for this work.

Shortly after the Annual General Meeting in 2010 the Board was informed of the sad death of our long serving colleague on the Board, Jørgen Bjergskov Nielsen, who had been ill for some time. Jørgen had been an employee-elected Board member since 1991. His place on the Board was taken by Jan Erik Jensen who has been employed with Nilfisk-Advance since 1978. Jan, I would now like to officially welcome you to the Board.

We will this year be taking leave of Krister Ahlström, our long-standing Board member from Finland who has now reached the Board's retirement age of 70. Krister has been a member of the NKT Board since 1995, joining us in conjunction with the Lexel merger. Since then he has faithfully followed NKT on the road towards today's international company. We thank Krister for 16 years' instructive and inspirational collaboration and for the interest he has always shown in NKT. We have greatly benefited from his international experience.

He is sitting just there so you can see him.

In our work of finding a new Board member we have assessed the Board's tasks and the competencies necessary to supplement those of the existing members. We have discussed the need for renewal and diversity with regard to international experience, gender and age. After careful consideration the Board will later propose Kurt Bligaard Pedersen as NKT's new Board member. Kurt has considerable experience from the international energy sector and therefore possesses knowledge which is valuable to NKT in the development outlined in the new strategic plan.

The composition of the Board of Directors is an important element in the Danish Corporate Governance recommendations. In 2010 a series of new recommendations were issued, and we are now required to spend time on following a schedule. We have attacked this task with such thoroughness, however, that we are in compliance with all 78 recommendations. The report can be viewed on our website.

The 2010 Annual Report is also available on the internet. This means one can decide for oneself which pages one wishes to print. Those few shareholders without internet access are kindly requested to contact NKT who will print and post them a copy.

Oh, somebody switched on their mobile phones. That was fantastic, we have this fine poster here – well it must be the audit.

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***And now onto the financial statements*** which have been prepared in accordance with financial reporting standards and disclosure requirements for listed companies in Denmark. As in previous years, the auditors had no qualifications to make with regard to the 2010 Annual Report.

The Group's net revenue in 2010 was 14.5 billion kroner, corresponding to organic growth of 12 per cent compared with 2009. Expectations at the start of the year were for growth of 6 to 10 per cent.

The growth was composed of

- 16 per cent contributed by NKT Cables
- 7 per cent contributed by Nilfisk-Advance
- And 14 per cent contributed by Photonics Group.

Earnings development at EBITDA level - in other words earnings before interest, tax, depreciation and amortization - amounted to 899 million kroner, compared with 783 million for 2009. This corresponds to an increase in earnings of 116 million kroner or 15 per cent.

Earnings for 2010 were influenced by one-off costs of 86 million kroner relating to structural initiatives in Nilfisk-Advance.

I will soon finish now.

Operational earnings for 2010 were therefore 985 million kroner, compared with 935 million kroner for 2009. This figure was influenced by commissioning issues in the cables business in Cologne and losses on one major submarine cable project, but overall we reached the target of around 1 billion kroner.

Looking at the operational earnings margin we see that this was 8.6 per cent for the Group against 9.4 per cent last year. Nilfisk-Advance increased its margin from 9.2 to 10.7 per cent, but this could not compensate for the fall in EBITDA margin at NKT Cables, which was down to 5.9 per cent from 8 per cent the previous year.

For NKT Flexibles, EBITDA fell to 224 million kroner from 305 million kroner in 2009. EBITDA margin therefore decreased to 18.7 per cent in 2010 from 23.3 per cent in 2009, which was better than originally expected.

Net profit for the year after tax was therefore 270 million kroner, compared with 238 million kroner for 2009.

The balance sheet total comprised 12.5 billion kroner at the end of 2010, against around 10 billion kroner the year before. This was an increase of approximately 2.5 billion kroner.

Group equity was 4.1 billion kroner at the end of 2010, against 3.7 billion kroner in 2009. Solvency was 33 per cent, against 37 per cent the previous year.

Cash flow from operating activities was negative, amounting to minus 374 million kroner, in relation to 582 million kroner in 2009, and was therefore 956 million kroner lower than the previous year, mainly due to the increased activity.

Investment for 2010 was 913 million kroner, of which 744 million kroner related to property, plant and equipment. This amount included 360 million kroner relating to the new cable plant in Cologne and 140 million kroner relating to a new cable factory in China.

NKT's net interest bearing debt comprised 4.1 billion kroner, against 2.7 billion kroner at the end of 2009. The increase was due to a combination of investment, higher copper prices and rising level of activity with increased tie-up of capital in inventories and debtors.

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Those were the figures from the financial statements which we have highlighted for comment this year. After my report there will be an opportunity to put questions and to ask for more detailed comments regarding other figures.

I have now talked about the growth initiatives of the past few years and about our ambitious new strategy for the period to 2015. Finally, I will now look at the immediate future - our expectations for 2011.

We are expecting organic growth of 5 per cent split evenly between our main business units NKT Cables and Nilfisk-Advance, while Photonics Group is naturally expected to deliver a higher level of growth.

Operational earnings are expected to reach approximately 1.2 billion kroner in the coming year, an increase of more than 20 per cent. Money is to be made in 2011.

We anticipate an increase in earnings margin of 2.5 to 3 per cent for NKT Cables, 1 per cent for Nilfisk-Advance, breakeven for Photonics Group and a fall of up to 5 percentage points for NKT Flexibles.

Investment in capacity or productivity improvements, such as a mobile turntable for submarine cable products at NKT Cables, is expected to amount to 550 million kroner. To this must be added 150 million kroner for acquisitions.

We do not expect to initiate new structural activities in 2011.

Finally, I would like to express my confidence that, given a world with normal economic activity, we will be able to implement our strategy.

We have set targets whose successful accomplishment will require effort and commitment on the part of all our 9,200 people. We believe in the future and we have invested in making our industrial businesses ready for profitable new growth. We are a clearly structured conglomerate with able managers and employees and an experienced Board. Whether someone is Chinese, American or Polish is irrelevant. What counts is a global long-term and industrial mindset. This is key to success. And at NKT we have that mindset.

And these were the final words of my report and I will say that we had this mindset and we will also show it in future. Thank you

0.39.18

Thank you so much. Before we start the debates, I would like to read out the central elements of the audit reports in the Annual Report. That is on page 52 and said there in summary:

It is our point of view that the Annual Report gives a true and fair view of the Company's and the parent company's financial position at 31 December 2010 and the result of the Group's and the parent company's operations and cash flows for the financial year 1 January – 31 December 2010 in accordance with international financial reporting standards as adopted by the EU and Danish disclosure requirements for listed companies.

And a statement on the Management's review.

Pursuant to the Danish Financial Statements Act we have read the Management's review. We have not performed any procedures in addition to the audit of the consolidated financial statements of the parent company's financial statements. On this basis it is our opinion that information given in the Management's review is consistent with the consolidated financial statements and the parent company's financial statements.

And then signed by KPMG, thank you.

Now we will open up for the discussion regarding the first four items of the agenda and I have already one list of speakers. And the first person on the list is Jacob Johansen of ATP who wants the floor. Please come forward.

Jacob Johansen

Thank you. My name is Jacob Johansen. I am from the ATP. Thank you for chairman report and the review of the annual report of 2010 and the presentation of the new strategic plan until 2015. In 2010 we had great focus on the starting up of the new production facility in Cologne and the execution of the first major submarine cable contract. But you also note the development in Nilfisk-Advance.

NKT lived up to the expectation we had at the beginning of the year. The new strategy pipeline in NKT shows the way towards 2015, not just financially but also operationally so if we replace the previously planned building powers, the financial targets of the previous plan were not met - the main reason was external factors. The major parts of the plans – initiatives of the plans – were accomplished. Particularly in Nilfisk-Advance that is left much better than previously and most of the production in the so-called countries with low salaries NKT Cables is also better suited with the new production facility in Cologne and its presence in China and we can see the new target plans – target stones so we see this as a good ownership philosophy – to live up to this philosophy is central to be able to realise the targets of this plan. For the past 18 months it has not been a party for an NKT shareholder – the price of the share has been around the same level as the current price of DKK 300. Value creation is an essential element of the new strategic plan and the accomplishment of the plan should also be visible in the share price, but there is some uncertainty in the short term that has also created the very small expectations for 2011 so we had expected at least expectations that would reflect realistic expectations of what will happen. That will also create more satisfaction about

the long-term expectations so we had expected earnings to increase but increasing copper prices and also the completion of the new factory are the main reasons for this. They expect not to be able to reduce debts in 2011 even though they increase earnings, then the debt is still expected to be higher. Therefore I have two questions. So what possibilities does the management have to satisfy its targets? And what restrictions are there on the gearing level to the company so I wish both employees and management good luck to complete all the goals before 2015. Thank you for the attention.

0.44.55

Thank you, Jacob for your kind words. And I noted that you said that you would like to see results to fluctuate so that they went within a certain framework. We try to be a little conservative as you might have noted. Because we have realised that if we are not a little conservative, we have to stick our nose a little too much ahead, and we have to reduce the figures, then we get speeded up so we prefer not to give a large range, but we state what we consider realistic. And the reason why I do not want to state a range – and that is that the copper prices meant that our loan facility of DKK 260 million was fully used in 2010 and already this year prices had increased so much that we have all seen much more pressure so we have even taken up DKK 100 million more on our facilities but now I want to answer you questions. On the condition that the metal prices do not increase any more - but I said they probably will - but we expect that the organic developments will increase earnings and reduce debts so that in 2012 we are there where we want to be. To this should be added the possibility that we have according to the articles of association that we may increase the share capital by 10 % relatively easy if you feel much pressured, but if you feel it will comfortable for NKT. We haven't increased the share capital since 1948. On the contrary we have reduced the share capital and paid out money to the shareholders. Well, it is essential to emphasise that nothing has been decided yet. But I have to mention the opportunities that we have when I am asked in this way that I am. And then you also asked for the restrictions that apply to the level of the debt. Well, it is correct as the household and for Denmark and for everyone has realised they have to save – maybe we knew that do not take over big steaks in 2011 but take chopped meat instead so in other words there might be some attractive expansion, investment possibilities that we will not exploit. Rather we will build up from the bottom in the markets we find it essential to focus on and you can always discuss: Should we increase our earnings by generating growth ourselves by getting new markets or by acquiring existing enterprises as it is quite expensive and we have been known to want to buy other enterprises when they are not too expensive and that will also benefit the shareholders. I hope that was a satisfactory answer.

0.48.46

Thank you very much. Now it is Karsten Kristiansen who represents the Danish Shareholders' Association.

0.49.02

Thank you for giving me the floor. My name is Karsten Kristiansen and I represent the Danish Shareholders' Association. First of all I would like to thank the chairman of the Board for a good report. We heard him present an annual report with a nice increase in revenue, but not such a nice development in the actual result. And I hope that will improve in 2011. We have also heard about a new strategy plan, Powered by NKT, and in this strategy plan there is an EBITDA of 14 % - which I think sounds rather ambitious – this EBITDA margin of 15 % but I am happy that you are ambitious and I hope that you have done proper calculations to make sure that you can achieve this and that you can achieve the financial targets because it did not quite work with the previous strategy plan. And the new strategy plan, you also write about a

global mindset. And I can support this but at the same time I have to ask: Where is the global mindset in the Board of Directors. If we look at the Board of Directors, there is only one member of the Board who is a member of a board in an international company. We also heard that China plays a more and more important role in NKT and I would like to ask where is your experience and insight into the Chinese market. How is that represented on the Board of Directors? This is a bit too much north of Copenhagen and not very international. It is nice to read about the possibilities created by increased use of renewable energy sources like wind turbines where NKT can supply submarine cables to offshore wind farms but what about other environmentally friendly technologies like solar panels or fuel cells? Has NKT thought about working more in those sectors? It is also positive to read about NKT Cables that you have some pilot projects about cables for electric cars and I would like to ask which car producers it is that you are working with currently. It is also interesting to read about the many applications for fibre and laser products which are produced by Photonics. You say that there is a potential market of DKK 2.7-2.9 billion and with revenue of 185 million in 2010 the growth potential is very great in Photonics. But I think it also raises the question: How long will it take to realise this market potential of up to 2.9 billion. Unfortunately, you don't write anything about that so I would like to ask what is the time frame for achieving this target of almost DKK 3 billion. I must say I am happy with the strategy plan and I hope that NKT can live up to it and preferably before 2015. Thank you very much.

0.52.40

Thank you Karsten Kristiansen. These were some major questions.

0.52.51

That is true. We don't have a lot of Chinese people on the Board. But that does not mean that we don't make use of all the knowledge and insight we can get into the Chinese market. NKT Cables has Chinese management and in Nilfisk-Advance there are also Chinese representatives in the management. I think it was back 1980s where I even had the honour of representing the vice president from China – I know it does not help much here today but still we have a lot of people here who know about China. And I can just mention that Lone Fønss who was on our Board of Directors is also a member of the Board of Directors of Volvo in China so what we do is we talk to other Danish companies and we use our network to find out how to handle the Chinese market. And I must admit also it is difficult to speak Chinese on the Board, and it is difficult to find English people who really know how to speak Chinese and who want to come to Denmark to sit on a Board like ours.

You also asked about other environmentally friendly technologies like solar panels or fuel cells and where are we focusing on that. We are actually focusing on every market where we can supply our cables but the fact is that it is the wind turbines and the wind farms that play an important part now, but of course if you have solar panels they also have to be connected by a wire or a cable.

You asked about Photonics – I think that is a very interesting place myself. And I think it will grow but the overall market potential is DKK 2.7-2.9 billion so that is the total market potential which all producers want to get a share of. And we currently have DKK 200 million of the market and we expect to achieve DKK 500 million by 2015. So we hope and believe - would probably be better phrasing - because suddenly the market can slow down or it can suddenly move much faster. I hope that answered your question or all your questions. Were there other questions that I forgot about? You had another question? What was that about? Oh, I thought I could forget about that one – it was probably the one about collaborating with

car manufacturers. Well, even though I know who these car manufacturers are I am not allowed to say who they are so I thought I could just skip over that, but I am actually not at liberty to tell you, I hope it is OK: But we do work with car manufacturers.

0.56.24

Thank you very much. Does anybody else want the floor? Nobody is asking for the floor? So I guess that means that we can close the debate on items 1-4 on the agenda and move on to the vote. When we talk about the vote, we have new rules in the Danish Companies Act which means that each shareholder can ask for a vote where we know in detail what the result is. And the exact number of votes for or against a proposal. In this context we have decided that the vote about the annual report and other votes today will be done by getting the complete voting result whether anybody asks for it or not. But I will suggest that we try to get the exact result without having to do a written vote or a written procedure because otherwise this could be a very long AGM. The way we can achieve this is if the AGM is willing to cooperate and for each proposal will answer whether anybody will vote against the proposal or whether anybody wants to abstain from voting and if that is not the case I will then conclude that everybody else voted for and then we know how many people are in the room and then with the proxies which have been given also and votes that have come in by letter we will be able to establish the exact result for each proposal. Now if anybody wants to vote against or wants to abstain and it is only a small number of people I would ask these people to cooperate and maybe give me their voting slip so that we can quickly calculate the number of votes in question so that we can get the exact voting result in that way but of course if there are many people who want to vote against or want to abstain from voting then it will be necessary to have a written procedure, but I do hope that that will not be necessary.

Now, after these general comments on the voting procedure we will now move on to the vote. And the items 1 and 2 on the agenda do not involve a vote as these are presentations and reports. So the AGM has noted the report and noted the comments made by shareholders. Item 3 – adoption of the Annual Report. I will try to use the new procedure I just told you about. I want to ask: Does anybody want to vote against the Annual Report? Does anybody want to abstain from voting? Neither seems to be the case so I will conclude that everybody else wants to vote for the adoption of the Annual Report so I will conclude that that is the case. The Annual Report has been adopted. So this was a good beginning to our new procedure. Lovely. Then there is item 4 on the agenda the proposal for the distribution of profits. The Board of Directors proposes that a dividend of DKK 2 per share of a nominal value of DKK 20 is paid out to the shareholders for the financial year 2010. This is equal to a total dividend of DKK 47 million of the registered share capital. The AGM cannot approve a larger dividend than proposed by the Board of Directors. I want to ask: Does anybody want to vote against the proposal for dividends? Does anybody want to abstain from voting? And again I conclude that everybody else has voted for the proposal and it is adopted.

So we move on to item 5 on the agenda which is a proposal of discharging the Management and Board of Directors from their liabilities. Discharge does mean that the Management and Board of Directors are relieved of their liabilities for the Annual Report for 2010. Does anybody have any comments on this? Does anybody want to vote against discharge? Does anybody want to abstain? Again I conclude that everybody else has voted for and with the proxies we have received the proposal is adopted.

Now under item 6 there is a proposal for the remuneration of the Board of Directors and it is proposed that the remuneration for 2011 shall DKK 900,000 for the chairman and DKK

450,000 for the deputy chairman and DKK 300,000 for each of the other members. It is proposed that the chairman of the audit committee is remunerated with DKK 200,000 whereas the other members are remunerated with DKK 100,000. And I know that the chairman of the Board briefly explained the proposal during his report. I will now leave the floor open for a debate if anybody has questions or comments in this context.

That is not the case so we will move on to the vote. So I want to ask: Does anybody want to vote against the proposal? There is one person voting against over there, or two rather. I assume that you will accept that we will just get your voting slip so that we can note how many votes you represent and if you don't protest I will ask somebody from NKT to just pick up those voting slips from the two people, if you could just raise your hand again so we can see who this was.

So we will get your voting slips. In the meantime I want to ask whether anybody wants to abstain from voting on the approval of the remuneration for the Board of Directors – I think there are three people here who want to abstain.

So everybody else who did not vote against and/or abstained from voting – everybody else has voted against – so everybody else who wants to vote against and who has not handed in the voting slip yet, if you don't mind could you please stand so that we are sure that we don't forget someone.

Now has anyone not handed in their voting slip? We have another one down here. Ah, this is a person who wants to abstain from voting so could we just get your voting slip also. We will hand them in to the people who do the counting. I don't want to do that.

I think the situation is more or less under control now. Does anybody feel that they have not been heard? All right, so based on the proxies we have received and the votes that have come in by letter I can conclude that the proposal has been adopted even though a few people are voting against it. This was item 6 on the agenda. Then we have item 7 and that is the election of members of the Board.

#### 1.05.33

It is so that the Board proposes re-election of Christian Kjær, Jens Due Olsen, Jens Maaløe, Jan Trøjborg, Lone Fønss Schrøder and the Board also proposes as you know Kurt Bligaard should be elected as a new member and according to section 120(3) of the Danish Companies Act then all shareholders should be informed about the managerial positions of the candidates and there is as you can see the post up here where Kurt Bligaard's managerial positions – we will not go through this slide in detail – actually I will not go through it at all – and we also have a slide listing all the current members of the Board and describing their managerial positions and I know that the chairman will also comment on these candidates so while you are reading the chairman of the Board will add some words as well.

#### 1.07.13

Christian Kjær, Chairman of the Board

First of all, Kurt, I want to welcome you and then I want to avoid having a discussion as to whether it should be male or female who was elected – I want to tell you that we have also looked at female candidates but we took the best candidates and it is a male job, this, and we want to have a person who knows what pipes and gas and what DONG does so this is - there are most men in this business so therefore it was easy for us to take a man but it could have

been a woman as well if it had been a woman who had this job, but it wasn't. It was just to avoid any discussions about that. That is how it is.

1.08.11

Then we should ask Kurt Bligaard, please stand up so everybody can see you.

And then the Board of Directors has also asked me to tell you that all candidates proposed are willing to be re-elected. Or elected. So now we will open the floor for you if anyone has any questions?

Please come forward.

1.08.57

Gert Gylvig is that correct? Yes.

Thank you for letting me ask a question. What is the reason why Jan is not here today? Jan Trøjborg? Has he too much to do as the chairman of the musical organisation or what has happened. Otherwise he should have been able to find time to come over here because it is not that far from Jutland to Copenhagen.

1.09.25

That is my fault. Jan has been very diligent because he was a member of the Audit Committee and he has been here all the time actually and he has also been very active but this very day the fact is that politically we have some meetings that those who are summoned for the meetings cannot always decide and I understand this was the case today and he was not able to skip that meeting so we have been very pleased with having him as a Board member - we have enjoyed his work and I do hope that also the AGM will accept this because every now and again it happens that one of us falls ill or something else happens around us and we will not be able to attend. There is not something happening every time so I think we should be large in this situation – I do understand that well, he should have come now we are coming I do understand that we all of us do our best to come but we are not under the same political pressure and maybe there might be restructuring of the government, I don't know.

Chairman of the meeting

Thank you, any other questions? Any comments? I cannot really see all of you because of all the sharp light – but it seems that there is no one else. So then I would ask you whether you have any other candidates for the Board of Directors, because if that is not the case then I can ascertain that the candidates have been elected all of them. So now they are elected. Congratulations.

We continue with item 8: Election of public accountants and the Board of Directors proposes re-election of KPMG and again I have to ask you whether you have any questions or comments?

Do you have any other suggestions, any other proposals, otherwise KPMG has been elected. KPMG has been elected as auditor.

Then item 9 and the various proposals from the Board of Directors – the first proposal is item 9.1 that is a proposal that the Board of Directors will be authorised to issue warrants to

employees and management of the company and consolidated companies and these warrants give a right to subscription of shares of a nominal amount of DKK 12 million and that is 600,000 shares of DKK 20 each. And the Board of Directors is also authorised to effect the necessary capital increase connected with these warrants and that corresponds to a nominal amount DKK 12 million and if this is adopted this section will be article 3B, subsection 4 of the Articles of Association and then the existing article called 3B, subsection 4 will be renamed to subsection 3B, subsection 5. So then I will have to ask you whether you have any comments, any questions. That seems not to be the case so I have to ask you whether any of you vote against this proposal - there is one person voting against there - so please keep up your hand until your voting slip has been fetched. Is there anybody who abstains? That is not the case. So this means that everybody must have voted for this proposal and I can also see based on the proxies received and all the letters received with votes that this proposal has been passed.

#### 1.14.22

Then item 9.2, this is a proposal to the Board of Directors that for the period until 23 March 2016 the Board can acquire own shares until it corresponds with 25 % of the share capital so when it is 25 % and not 10 % the reason is that the new Companies Act does not have any limitation of 10 % anymore on treasury shares and therefore the Board of Directors has found it more expedient to increase this 10 % to a higher proportion. So according to the previous authorisation the purchase price should be the official price +/- 10 %. Again I have to ask whether you have any questions or comments. If not, then we continue with the voting procedure - does anybody vote against? That is not the case. Does anybody abstain? That is not the case either. So then it means that everybody entitled to vote has voted for this proposal so it means it has been adopted as well.

#### 1.15.52

Item 9.3 which has to do with the existing guidelines for the company's use of incentive pay to the Board of Directors and the Management of NKT Holding A/S. The existing guidelines are proposed to be supplemented as follows: The Board of Directors can decide to compensate the warrant holders for deterioration of terms as a consequence of a change in the company's capital structure or a proposal of an offer to buy the company's shares. No other amendments are made in the existing guidelines under this proposal. And if the proposal is carried the supplementary provision will be consolidated with the existing guidelines and the guidelines are all available on the website. Are there any comments or questions regarding this proposal? No, I think we can move on to the vote then. Does anybody want to vote against? Abstain from voting? So everybody votes for the proposal and it is thus adopted.

Then there is item 9.4 which has to do with the principle of remuneration of the Board of Directors and the Management. The existing guidelines for the company's use of incentive pay are supplemented and the most important principles for the remuneration of the Board of Directors are proposed to be the following: The Board proposes a fee to the members of the Board for the current year at the Annual General Meeting - that was 1. 2: every member of the Board of Directors shall receive a fixed fee every year which for the ordinary members of the Board is determined as a basic fee whereas the chairmanship shall receive a multiple hereof. 3: For participation in the Audit Committee the members of the Board are entitled to receive an additional fee which for the chairman of the committee amounts to two thirds of the basic fee and the third of the additional fee for the additional members of the Audit Committee. And then there is a proposal for principles for the remuneration of the Management. 1: The chairman of the Board proposes a remuneration of the Management which is considered and

decided upon by the Board. 2: The remuneration package for the Management shall consist of a fixed yearly cash salary, a short-term cash bonus, long-term incentive pay and other benefits in the form usual non-monetary benefits and reimbursement of expenses incurred in relation to the work. 3: Incentive pay of the management shall be carried out in accordance with the guidelines for the company's use of incentive pay to the Board. 4: The pension contribution for the Management shall be 15 % of the fixed basic salary and 5: The notice of termination for the company's managing director shall be 24 months and for the company's remaining group management the notice of termination shall be 12 months. In relation to substantial changes in the company's ownership structure the said notices may be extended by 12 months for a transition period. No other changes are proposed. And if the proposal is adopted the supplementary principles will be consolidated with the existing guidelines for incentive pay which we just amended slightly under item 9.3. And the new consolidated guidelines will be made public on the website of the company. Again I want to ask whether there are any questions or comments regarding the remuneration principles. That is not the case so we will move on to the vote. Does anybody want to vote against the proposal? Does anybody want to abstain from voting? That means everybody present is voting for the proposal and it is thus adopted.

Then we have the small technical proposal under item 9.4 where the Board of Directors proposes that the chairman of the AGM shall be authorised to carry out registration with the Danish Commerce and Companies Agency of the amendments to the Articles of Association which are carried at the Annual General Meeting. I don't expect any comments or questions regarding this. Does anybody want to vote against this proposal or abstain? The proposal is carried then. So all that is left now is item 10 on the agenda: Any other business. We cannot make any decisions under this item but maybe somebody wants the floor? You have the chance now. One person.

Gert Gylvig  
1.21.31

I am back. I am Gert Gylvig – I have been here for many years. I have been a former employee of NKT and I like to see the very many young attendants today because there are so many other grey haired of us, but what is interesting is that I think that our chairman has a management that we have – and is actually coming with a management that has got also increase in his pay – we are still in a crisis situation so in that case he should not come and ask for more – our chairman said that we have now transferred our companies to all the low pay areas to be able to give them the pay that they receive now and so that we can have the dividends that we get. I don't care about the dividends – I want workplaces in Denmark instead.

1.22.42

Well, I do prefer that myself as well, but the situation is so that if we are not competitive with those who move out then we don't have any places whether in Denmark or abroad and we want to maintain a Danish company, Danish production where it is possible, otherwise we have to open factories elsewhere so if it is at a price of DKK 400 then we will take the cheaper one and not the more expensive one. If we don't do that we would have no Danish workplaces. So we are proud of having done it in this way and being able to keep some Danish workplaces. Well, we will not ask for more - for higher fees - I can promise you. Actually, we have been rather reluctant, I have also been pretty good at keeping down the fee of the management because it gets more difficult every time you replace the chief officers, but definitely we are not the one giving our chief officers the most - you are not ready yet?

No. But I will give you the floor again.

I want to ask the general meeting whether any of you have any other questions. That is not the case. Then I can just ascertain that this was the last item of the agenda and thank you for contributing to these good proceedings and we did not have all these written voting procedures. And I will pass the floor to the chairman now.

Chairman of the Board

So I want to make a joke now, otherwise I want to thank you for being elected for the Board of Directors because I think we had a good Board and I, like you, support this Board and also thank you that I got also a larger fee myself and then I will say I will retire soon so then we should have also - to make it attractive - to replace me so you should have a very good chairman of the board to replace me but of course you did nothing about it when I made you a comment. I want also to comment on the chairman of the meeting other than his very competent - he is also very photogenic so you can also - it has been a pleasure to attend this general meeting. Also I want to thank interpreters, technicians. I want to also - last but not least - all the employees of NKT of the NKT Group who made it possible to make this AGM and you also made it possible to survive yet another year. That was very difficult but thank you so much. I know that it is not a satisfactory result but you did your best and so did we and we should try to do it also again next year. Thank you - thank you to our guests and see you again and I am interested in seeing how many speakers next year will say that the meal afterwards was not as good as last year - but we will take that next year. Thank you so much.