

Welcome to the webcast for NKT Holding where we are presenting our annual results for 2009, and today I am accompanied by my CFO, Michael Lyng who will cover part of the presentation. The agenda for today is that I will cover the headlines and then I will also cover the financial results, or Michael will cover the financial results and then I will come back and cover the details about the individual divisions and then I will cover expectations and then in the end we will have Q and A, where as usual we have a telecon where participants watching on the web can dial in and ask questions, and then we will take questions from the audience as well.

If we look at the group structure, it is unchanged compared to what we have seen for quite a while for the NKT Group meaning that we have four business lines and we have also illustrated here that we increasingly focus on CSR. In 2009 we signed up for the UN Global Compact and they have just released the report that you see on the slide where we are communicating on progress according to the UN Global Compact guidelines. That is high on our agenda as a result of what we have been through the last 18 months, it is very important that we all conduct ourselves, and we believe that the ethic aspect of doing business is becoming more and more important, we experience that customers pay more and more attention to that and obviously we are tying into that agenda and are making sure that the way we conduct ourselves is in line with that, but also that we continue to develop products and solutions that help our customers comply with the CSR agendas.

I would also like to emphasise being on this slide that in today's report we are also mentioning that a year from now we will launch a new strategy. We launched a strategy a couple of years back called Building Power, and that is the one we have been executing, and with all the initiatives we have taken in 2009 we have basically exhausted that strategy in terms of initiatives. As you know we have in 2009 invested heavily in more capacity within high voltage cables and submarine cables in Europe and in Asia, also we have grown capacity in market positions within wires for railway as some of the more important initiatives in NKT Cables and on top of that the NKT Cables Group has been reorganised in 2009 to be sure that we are in a better position to take advantage of the growth opportunities that we see in the years ahead of us so that we now are more aligned to offer all products in all markets. And in terms of Nilfisk-Advance, they have executed a number of restructuring projects during 2009 which in essence increases the competitiveness of Nilfisk-Advance by establishing production in low-cost countries and moving production from high-cost countries to low-cost countries. That has been some of the key initiatives in Nilfisk-Advance and they have on top of that continued at a high pace with product development launching close to 40 products last year, also bringing them into an important position to go for the opportunities that we see in the years ahead of us.

So 2009 has been a very exciting year where, if we look at the results, we came out on the top line as guided, we lost 10 %, which taking into account that we are quite cyclical with a number of our activities is quite okay that we limited the loss of top line to 10 %, and on the bottom line we delivered 935 million on EBITDA, and that is more than we dared to guide for 12 months ago when we guided for a range of 700 to 900, so coming out with 935 is very satisfactory taking the difficult year into perspective. And as we also guided we have executed on our restructuring programs and we incurred 152 million in cost from that, which is in line with the 150 million guidance that we have been following all year on that.

And if we turn to 2010, then overall we don't believe that the world economy is going to yield us a lot of growth opportunities. We believe that the world economy will continue to be in a stabilisation

phase in 2010, but despite that we dare to guide for between 6 and 10 % growth in 2010, and that's stemming from all the initiatives that we have taken in 2009, which will bring us growth and we are relatively certain of that because we have a good backlog position in NKT Cables, supporting the guidance for NKT Cables where we are guiding growth of at least 10 %.

If we look at the Nilfisk-Advance, there we are guiding at least 2 % growth, there uncertainty as to what that growth figure is going to be is higher because we have basically no visibility in that business segment. But based on what we have seen, coming out of 2009 into 2010, and the price stability that we see in the markets, and us as the market leader, leading the price adjustments in the market where, as always, we have increased prices on our products starting 2010, we believe that the 2 % growth guidance is a good guidance for now. And based on that we are guiding overall at the level 1 billion on EBITDA, which is to be compared with the 935 that we delivered for 2009, but the figure does not compare apples to apples because in 2010 we will be negatively impacted by the fact that we are running two factories in parallel in Cologne while we are shutting down the old high voltage factory and the other element to be taken into account is that, as a more or less a given factor, we also know that the margins in NKT Flexibles will decline which will take about 80 or 85 million away from earnings in 2010 compared to 2009 due to the quality of that backlog compared to what we saw in 2009. So imbedded in the level 1 billion EBITDA is a significant profit improvement in Cables as well as in Nilfisk. And in terms of margins, we see Nilfisk-Advance expand their margins with about a percentage point, and we see Cables expand their margin with about half a percentage point.

That is the main perspectives on what we are going to see in 2010. If we look at earnings development in a broader perspective, you have seen this slide many, many times, and you see that we reached the turning point in the third quarter where we bottomed out at slightly below 900 million on operational EBITDA, and we ended at the 935, so we saw a pickup in the fourth quarter on a 12-month basis, and then we expect that to continue during 2010 as we follow the guidance heading for the level of 1 billion. It is also worth mentioning when we talk about guidance for 2010 that we are following the same pattern as always when we guide, meaning that we are cautious when we guide early in the year due to the fact that there is uncertainty related to where the world economy is going to go and also the fact that we have more and more project business in our portfolio which has an inherent risk also due to the fact that projects sometimes slip because of customers not being able to take delivery as they initially agreed because they lack permissions for installation or whatever, so it is not all in our hands to determine exactly when delivery takes place, and that, of course, is a risk component. And then also on the execution part of projects, there is risk related to executing very complicated projects as what we are doing in NKT Cables, and of course we have also imbedded that in our guidance that there is room for risk on execution.

I would also like to empathise that we are back to our dividend policy where for many years we have been paying out a third of our result to shareholders in annual dividend. We paused that last year due to the financial crisis, but now we resume that policy and we are back, and we will propose to the General Assembly on 25 March that we pay out 3.5 kroner per share which is equivalent to 35 % of the net result for 2009.

Taking a brief view on the manufacturing PMI which is a pretty good indicator for how the world economy is going for companies like us exposed to business to business with capital goods and you see a strong rebound in the PMI, you see the US PMI ahead of the European PMI, indicating that the world economy is improving, we have not seen the same improvement in the markets we are

operating in as you would believe from just looking at this graph, but it is positive that this early indicator is pointing to an expansion of the world economy overall and obviously that also ties into the overall perspective of what the world economy is going to yield in terms of growth where EMS has indicated between 3.5 and 4 % growth in the world economy, and we all of course hope that it is going to materialise as such. By that I will turn over to Michael to cover the financial results, and then I will be back with the individual companies.

Michael. Thank you Thomas, and as usual we will start by looking at the P&L for full-year 2009 compared to 2008. Thomas has already touched upon some of the figures here. We did top line revenue of DKK 11.7 billion down from 13.8 billion in 2008. On the next slide I will show you the development in the change. EBITDA operational 935 compared to 1.3 billion last year, so down DKK 365 million, depreciation slightly up compared to 2008, up by DKK 20 million, stemming from the fact that we are starting to depreciate on our new factory in Cologne in Germany. So left is the operational EBIT of DKK 568 million compared to 953 last year.

Then the one-off costs of 152 compared to 135 last year, we have mentioned them before, and then financial costs of DKK 125 million, significantly better than last year where we had costs of DKK 226 million. The reason for the improvement here is that we have not had any negative impact from currency adjustments in 2009. So left is the result before tax of almost DKK 300 million down from DKK 592 million in 2008. If we then deduct at the expected tax rate for 2009 we have a net result of DKK 238 million for 2009. EBITDA margins of 9.4 if we measure it to standard metal prices and an EBIT margin of 5.7 %. At the right side of the slide you can see the consensus numbers based on estimates from the analysts in Copenhagen, collected here in February, late February, and line by line we are almost in line with the consensus, we are doing slightly better on the net result because of lower tax rates compared to consensus.

If we look a little further into the revenue development, the decrease of DKK 2.1 billion, then we can start by looking at the metal price impact. That has reduced our revenue by almost DKK 649 million due to, on average, lower copper prices in 2009 compared to 2008. Then we have also been negative impacted by FX of DKK 245 million, we have not had any impacts from acquisitions this year, or in 2009, so left is the negative organic growth of 10 % corresponding to DKK 1.2 billion in revenue.

Out of that, NKT Cables are negative with 7 %, Nilfisk Advance negative with 13 %, and Photonics Group negative with 8 %. Similarly, if we go down to the EBITDA development, the decrease of DKK 365 million, then out of that, DKK 157 million is related to development in the NKT Cables Group where we have seen a decrease of the EBITDA margin from 10.2 % in 2008 to 8 % in 2009. Similarly in Nilfisk there is a negative development of DKK 144 million where also here we have seen a decline of EBITDA margins from 10.4 % in 2008 to 9.2 % in 2009. Photonics Group are basically flat and then we are down to the NKT Flexibles impact of minus 86 as a result of a decline in EBITDA margins from 33 % in 2008 to 23 % in 2009.

This slide we have seen before, every quarter when we have announced figures we have been through this bridge here, and this is probably the last time that we will use it as a communication tool in explaining what has happened from 2008 down to 2009. Starting by looking at the NKT Cables Group, we have seen negative organic growth in the low voltage segment of 16 %, slightly better than expectations we had in the beginning of the year where we actually expected a decline of 20 %. That has diluted our EBITDA by DKK 53 million using this incremental impact of 20 %.

Similarly, in the medium voltage segment, we have seen an organic decline of 8 %, diluting our top line by DKK 100 million and the EBITDA by DKK 30 million.

Here we are actually also doing slightly better than we anticipated at the beginning of 2009 where we expected that market segment to be down 10 %. Then we have a sum of falling earning margins and other, diluting or reducing the EBITDA by DKK 74 million, included in that figure are of course slightly lower margins as a result of pressure on prices, but there is also positive impacts from better makes, especially in the railway segment but also from the high voltage segment. But all in all, if you add it together, there is a negative impact of DKK 74 million. In the Nilfisk-Advance business we have seen a decline in the top line of 13 % which is above what we thought in the beginning of the year where we anticipated -10 %, that has diluted or reduced top line by DKK 747 million and the EBITDA by DKK 270 million.

Then, as we have mentioned many times, we have implemented many structural initiatives in order to offset that negative impact, and we have had a positive impact from that of DKK 130 million. On top of that we have had normal cost savings adding up to a positive impact of DKK 40 million, which, those two elements together are partly offsetting the negative impact from the reduced top line.

We have also seen a small decline in gross profit in Nilfisk of 0.4 % which has reduced EBITDA by DKK 20 million, and then we have a sum of other smaller impacts of minus DKK 24 million. The Flex business has seen a decline in EBITDA margins of 10 %, slightly better than we actually thought in the beginning of 2009 where we anticipated a decline of 12 %, and that has reduced our EBITDA by DKK 86 million. Left is a sum of other with a positive impact of DKK 22 million, a sum of reduced fixed cost at holding level and smaller items.

If we continue by looking at the trend curve, then we should have seen some bars in the right side of the figure here, I don't know what is wrong here, but at least we have seen an improvement up to 8 % in the EBITDA margins, and the nominal value we have earned in the fourth quarter 2009 is DKK 95 million. So we have seen an improvement of EBITDA margins from 7 % up to 8 % looking at the last 12 months' figures, and at the bottom of the slide you can see the organic growth rate of negative 8 %, realised in the fourth quarter, leading to the minus 7 % for the full year 2009.

If we compare our growth figures with peers in the market, we did minus 7 % for 2009, and one of the peers did minus 17 %, so we are quite happy with our development in a very difficult year, and if we dig into the different segments, we have had a negative decline in the high voltage business of 8 % which is more or less in line with the market, and in medium voltage of minus 8 % and low voltage minus 16 % where peers are doing minus 26 %, so also there we are quite happy with our development. Then there is a very positive figure from the railway business, where we have seen an improvement of 57 %.

The gross margin development is illustrated on the slide here in the right side and as you can see we have now constantly been above 40 % in the second half of 2009, in the beginning of 2009 we were constantly below, and as you can see at the brown line, the last 12 months gross margin development, we were under pressure, but then we started to see improvement in the second half. The productivity figure, if we have a very simple definition here where we divide sales by full time employees, we also saw improvements during the year, in the end of 2009 we see a negative development here because we have started to employ a lot of people in the new site in Cologne, and

where we have not seen full productivity yet, and also in China where we recently have acquired the Xinhua Plant, also there we have started to employ people.

So year to year we are flat in the full time employees figure, but in reality we have seen a reduction in the low voltage segment of the business, but that is partly offset by the factors I have just mentioned. In Nilfisk, we did see improvements in the organic growth figures, we realised a minus 3 % in the fourth quarter improvement, and now we have, so we ended the year with negative growth of 13 %. In nominal figures, we had positive earnings of DKK 118 million, and we were able to maintain the 9.2 % EBITDA margin that we have seen over the last couple of quarters.

Comparing our figures numbers with those of the peers, we are also, comparing with the peers, we are more or less having the same figures they also had in 2009, minus 13 % growth, and if we look at the development in the different markets, we did minus 15 % in Europe compared to minus 12 % for peer, and in US it is the other way around, minus 11 % versus minus 14 %, we saw very good, very nice improvements in the rest of the world where we were basically flat with positive growth rates in Asia and China where peers are having a development of minus 12 %.

Looking at the gross profit development in Nilfisk-Advance, I mentioned earlier on in the presentation that we especially in the first half, we were under pressure, full-year we realised 41.3 %, so we are down 0.4 % compared to figures realised for 2008. But in the second half of 2009 we have been constantly above the last 12-month curve and we also expect that to improve further into 2010.

The Flexibles EBITDA margins and trend curves are illustrated on this slide, we realised DKK 1.3 billion in turnover for the full year, 2009, so we are down by DKK 100 million compared to 2008, we knew that we were seeing lower prices and thereby also lower EBITDA margins in 2009, so it is not a surprise that we have seen this negative development from 33 % realised in 2008 to 23 % realised in 2009. The NKT share of profit in 2009 is DKK 136 million compared to DKK 222 million in 2008.

We still have good visibility going into 2010 as Thomas mentioned before, and we have a backlog at the beginning of February of DKK 1.2 billion of firm orders and then on top of that we have a pre backlog of DKK 700 million to be executed in late 2010 and going into 2011.

Investments, we have invested heavily during 2009. A large part of our investments is related to the Cologne site as you can see here on the left side at the bottom, we had a gross CAPEX in 2009 of DKK 934 million, a large part of that, 92 %, is related to the cable business and out of the 934, DKK 690 million is related to the new investments in the new Cologne plant. If we adjust that from the figures in the graph, we have seen investments compared to turnover of 2.1 %, so we are holding back in a large part of the business, but we are of course investing significantly in the high voltage segment. We have also invested a lot in development projects, we have invested DKK 127 million kroner in intangible assets, out of that a large part is related to the product launches in Nilfisk-Advance, and that goes for 76 % out of the DKK 127 million.

Working capital, looking at the blue curve here, the last 12 months curve, we have seen nice improvements in 2009 where we have been able to reduce working capital from close to 20 % realised at the end of 2008 down to 17.1 % at the end of 2009.

If we look further into the Cables and Nilfisk development in the Nilfisk business we have seen an improvement from 21.4 % down to 19.2 %, they are still working on a lot of different initiatives in Nilfisk in order to improve further in 2010, in order also to realise our strategic targets of around 18 %. In the Cables business we have seen significant reduction in working capital from 18.5 % down to 15.2 % realised at the end on 2009, and there we are actually now below our strategic target of less than 17 %, and also as a result of that we will expect or we do expect to see working capital build up in the Cables business going into 2010.

The net interest-bearing debt has been more or less flat in the last 6 to 9 months of 2009, we ended at DKK 2.7 billion, and if we compare that to the operational EBITDA it is 2.9 times operational EBITDA, slightly above our internal target of 2.5 times EBITDA, but that is only our internal target. As we have mentioned before we do not have any financial covenants so we are doing fine here. Solvency ratio is 37 %, slightly up from 35 % at the end of 2008, and there we have still the target of being above 30 %, this remains unchanged. The gearing is 73 % which is up from 65 %, at the end of 2008, as a result of the increased net interest-bearing debt. The development in the equity and the solvency ratio, we started the year with an equity of DKK 3.4 billion and ended at DKK 3.7 billion. We have had a positive impact from FX of DKK 52 million, then of course the result of the impact from the result, and then all other is negative with DKK minus 17 million.

Left is the cash flow, if we start with cash flow from operating activities, it is positive by DKK 582 million compared to DKK 763 million at the end of 2008, we still have positive impact in this line coming from reduced working capital impacting positively by DKK 157 million, and then of course it is negatively impacted by the reduced EBITDA down from 1.2 to DKK 783 million. And then you should be aware that we also reduced the operating activities cash flow with the share of profit from NKT Flexibles because we have not taken out dividend in 2009, we don't have any positive impact cash flow-wise from that business.

Then looking at cash flow from investment activities, it is negative by DKK 1 billion, but here we should of course be aware of the impact from the investment in Cologne, out of which the negative DKK 1 billion is DKK 690 million, so it is fully as expected. So in total cash flow from operating and investment activities is negative by DKK 423 million compared to a positive figure last year, in 2008, of DKK 140 million.

The capital structuring and cash resources, we have talked a lot about that during 2008 and 2009, the picture is very much unchanged, we have very strong cash resources of DKK 2.5 billion up from 1.8 at the end of 2008, and still without any kind of financial covenants we have worked a lot with the split between committed and uncommitted facilities, so today as at the end of December 2009, the committed facilities are 83 % of our total resources compared to 66 % at the end of 2008. We have also been working with our maturity profile of the debt, so as you can see here, a large part of our committed facilities is committed lines with a maturity above one year, and that was not the situation at the end of 2008.

A large part of our debt is denominated in Danish kroner, 58 %, also a part in the Czech currency, 29 %, and the remaining part in Euro, US dollars and the Chinese currency. And the largest part of our debt is at variable interest. And that concluded the financial result, so back to Thomas for further comments on the companies.

Thomas. Thank you very much Michael. And if we start with NKT Cables, I touched upon it in my opening – NKT Cables for 2009 was a mixed bag because we have so different activities within the portfolio, and if we take them from the top, then we now see the clear signs of the strategy to move more and more into infrastructure-related components. So you see on the pie chart that high voltage cables and submarine cables now account for 24 %, and in the years ahead we will see that relatively grow faster than the other business lines, and therefore will be more and more of what we do and that is a deliberate effort following our strategy. And the other infrastructure-related component, the railway, also expanded in 2009 where it now accounts for 12 %, which is also up compared to I think it was 9 % last year, so also that component is growing relatively in size, and where we are losing some traction is in the low voltage which is obviously the most cyclical part of the portfolio in NKT Cables, so that part has been declining and Michael displayed the actual figures where we saw a decline of 16 % on low voltage in 2009, clearly linking into low activity in the building sector, which will probably remain for a while, also most of 2010. So that is some key takeaways from the product side, in terms of geography, if you look up our annual report, I think its note no. 2 to the annual accounts that we have published today you will see that in 2009 we passed the 1 billion mark in sales in China overall, that is not only NKT Cables, but it is a big chunk of NKT Cables, so China is now the third largest market for us globally after... where Germany is the biggest one and the US is number two, now China is number three. A market where we, five years ago, hardly had any sales, and a clear result of a clear strategy, to go for the opportunity in China, and with the acquisition of Zinhua high voltage cables, that has no effect in 2009, but will start to show effect in 2010 and the coming years, we will see a further growth contribution also from that investment that will bring China further up the ladder in terms of being one of our key markets.

Overall for NKT Cables, we undertook a major reorganisation in 2009 as I explained in my opening, and all that has been completed, so here, as we speak now, we are organised in the new setup which is much more aligned to the market where the organisation has been split basically into two organisations, a sales company and a product company, which means that the employees in the product company side of the business are aligned to make sure that we have all the products available for the sales people at the right cost at the right time, and on the other side of the fence we have the sales organisation making sure that we offer all our products in all markets. We have been constrained by the country organisation that we have had so far, and that is why we decided to change the organisation to the same structure as we have seen working brilliantly in Nilfisk-Advance for many years where we have had the same structure, now we apply the same medicine in the NKT Cables division.

Looking ahead we continue to see a lot of opportunities in the submarine high voltage cable arena, we have illustrated that by also publishing a number of orders early this year which is an illustration of the fact that we continue to see an influx of attractive orders from all over Europe and more and more also outside Europe actually. So we had a very important win in Greece the other day, a project for land cables and we also had an important win on submarine cables, the Anholt project where we are going to develop the largest submarine cable ever produced globally in terms of diameter and voltage level on A/C, so it is a very challenging project, but again illustrating that we are in the forefront technology-wise in this industry, and that's why customers prefer to tender these big projects with us and we are very proud of that position.

And going forward we will continue to go for these opportunities and now with the Zinhua up and running in China, we will also start to go for the opportunities we see in the Chinese market where

we have positive indications from the customer side in terms of the Chinese government that we are very welcome to play on that market, and we will now exploit that opportunity in the years ahead.

For 2010 we are guiding between at least 10 % growth for the cable business and of course a lot of that is coming from the high voltage and submarine cable part where we have a lot of visibility due to backlog, also on the medium voltage side we do also expect growth there based on what we have seen in the frame agreement negotiations in Europe so far this year, and that's also supporting that we are well positioned to continue to play a very important role in that market in Europe. In the low voltage segment we expect that to continue to be difficult, we don't see any pickup in construction in Europe, and we don't expect that in the short-term, so we continue to be cautious in that market segment where, if we are to enjoy any growth, it is because we are also deliberately trying to penetrate new markets with our products, so if we end up having growth in that segment it will be due to increased sales in new markets, basically. And all in all, that together consolidates to guidance where we at least should grow 10 %.

In terms of profitability that translates to a market expansion of half a percentage point, and I am sure that you had expected more, that's at least what we can see from consensus, and the reason for not guiding more aggressively on profitability is because of the risk elements we also see in our business where it is a risk factor when customers take delivery, where projects slip into next year as one risk item, another risk item is basically on execution where a lot of these projects we have in hand are complicated projects and therefore we have also imbedded a cushion for handling these risk elements, and if it turns out that we have a smooth execution with no hiccups, yeah then probably we can do better, but as a starting point we would like to start out with a guidance of a margin expansion of half a percentage point. And then also, please bear in mind that we are negatively impacted by the double setup in Cologne, we have quantified that in the annual report to approximately DKK 50 million that will hit us negatively in 2010, and will go away as we enter into 2011. So those are some of the key takeaways when looking at our guidance.

If we look at Nilfisk-Advance, they lost, as Michael explained, 13 % on top line in 2009, which is in line with what we see the major players in this industry report, we believe the overall industry is probably down in the magnitude of 15 to 20 % meaning that the bigger players gain market share on behalf of the smaller players because we have more R&D, we have more distribution power, we have more ability to structurally work with our cost base compared to the small and midsize players in this industry, and that is some of the tools we have used during 2009 to protect our earnings and the fact that we report 9.2 % EBITDA margin on a 13 % sales drop is actually quite okay, and as Michael showed you when he showed the bridge from 2008 to 2009 is to a large extent stemming from the fact that we have been very successful with our structural initiatives and cost saving programs in 2009.

On top of that we have deliberately continued at a high activity level with product development because that is key to success in this industry, and we will also continue at the same pace going ahead for the coming years, and we have continued to work with the structural initiatives of the business where we continued to expand in the emerging markets on the front end, we have established ourselves now in Brazil as the latest initiative, reported in December, following the setup in many other emerging markets in the previous years, and we will continue with that strategy to make sure that we gain market leadership in these emerging markets early on because that is going to be a key growth driver for many years ahead of us.

And in order to really try to take advantage of the crisis and structure our business differently, we have accelerated the move-out of production to low-cost countries where we proudly announced our new production facility in Mexico, also in December, which is going to be one of the enablers for further enhancing our competitiveness because we there have our third low-cost platform following the establishment in China and Hungary in previous years, so now we are set up with three low-cost zones where in the longer term all our professional floor care equipment is going to be manufactured.

And we also restructured the setup in the US where we consolidated all our back-office functions into our Minneapolis facility during 2009, so we have taken a number of important steps in 2009, and in the guidance for 2010 where we are guiding for a margin expansion of 1 percentage point despite the fact that we only dare to guide for at least 2 % top line growth is stemming from the fact that we will see the full-year effect of many of these initiatives. The 2 % growth alone does not yield a margin expansion of 1 percentage point, so we are depending on continuing success on our structural initiatives, and we will continue to execute boldly on the many initiatives already taken, and to cover the cost for that in 2010 also we will have a one-off in terms of restructuring charges amounting to DKK 75 million, and then we should be done with the catalogued initiatives that we have been working on for the last two years, and then we will see what else we can then do once we get to that point at the end of 2010. So all in all, Nilfisk-Advance is very well-positioned for 2010, and then I guess we share your desire to see more growth, but it is very dependent on growth in the world economy, so if it ends up with more growth compared to what we can see right now, yeah then obviously Nilfisk-Advance will probably grow more than the 2 %, but based on what we see today and the very limited visibility we have, we believe that the 2 % growth guidance is a good prudent starting point here early in 2010.

That was some of the few additional comments we would like to add to the financial part, moving into expectations where we have covered during the presentation all the details of the guidance, so this is just to consolidate and reconcile with the consensus in the market, and we are fully aware that we are at the low end of expectations in the market, where the consensus on the EBITDA seems to be around the 1.1 billion and we are guiding for around the 1 billion. And then let's see how 2010 unfolds whether we will be able to please you and meet your expectations as we go along into the year.

And then we are at the end with Q and A, and as always I would like to ask the operator if there are any questions from the non-participating audience here?

Operator: Thank you. If you have a question, please press star and then 1 on your touchstone phone. Christian Estrup from Jyske Bank is on line with a question.

Q: Yes, hello, Christian Estrup from Jyske Bank, I have a few questions. Regarding Cables, how much revenue can you take in for 2010 before you reach your full capacity?

A: That's very difficult to guide in terms of a figure, we are pretty occupied with the backlog we have in hands today but we still have room for further order intake, is the most precise answer I can give to that today.

Q: Okay, so it would be fair to assume not a lot if you look at your current backlog?

A: No, I guess, if we are going to beat the guidance it is because projects do not slip, meaning that we do come to recognize what we have in our plans but have not dared to guide you, and then on top of that we have some cushion for further order intake.

Q: Okay, thank you. And then, if you, let's say you execute like you did in 2009, would that in your mind be then this upside? Or how did you execute in 2009?

A: I think we executed quite well in 2009, but the projects that we look into for 2010 are much more complicated compared to the product mix we had in 2009, bear in mind that 2010 is going to be the year where we are going to deliver huge submarine cable projects announced previously, so we have a number of very complicated projects, and therefore the risk profile is different, but I hope that we will be able to execute according to plan, and thereby also being able to release some of the reserves that we have imbedded in those projects.

Q: Okay, thanks. And if you say the risk profile is higher, is it also fair to assume that then if everything goes well, you could say, then there is a higher upside than usual?

A: Yes, that goes hand in hand.

Q: Yes. And then on Nilfisk, you say minimum 2 % organic growth, how much would be from your existing business, and how much would be from new businesses or new markets, you could say?

A: I would say broadly, it is almost all coming from existing business, because on the many projects we have launched, that is what we do every year, so I don't consider that new business, that's part of ordinary business, and in terms of new market positions, yeah, we have added a few new market positions, but in the broad scheme of things, that's going to be a small growth component.

Q: Okay, thank you. And then the last question, if I may, on net working capital, how are the prospects for 2010, do you aim to drive it down further, and where can you adjust?

A: You can see a mixed picture in working capital, Nilfisk-Advance is going to continue the good trend we have seen in 2009 in reducing working capital further, they took a big step in 2009 to something that I guess is close to all-time low for Nilfisk-Advance, but we are still not at our strategic target for Nilfisk-Advance, and they will take a further step in that direction in 2010. On the other hand, Cables is going to see a different working capital pattern. Because of all these projects and the way they unfold we are going to see a build-up of working capital actually over the year for NKT Cables, so when you add all that together, we will actually see working capital increase over the year to, at the end of the year, return to a position basically where we started.

Q: Okay. Thanks a lot.

Operator: Jacob Petersen from Sydbank is on line with a question

Q: Yeah, hi. I have a couple of questions. First of all, NKT Cables and the double cost of a new factory in Cologne, I expect that's only the cost side, if you were to net that with the revenue side and earnings side, because you must be able to draw some earnings out of a new factory also, what is the net effect on the new factory?

A: I cannot give you a very precise answer to that, of course we have a contribution from the new facility, but the overall capacity picture in 2010 is going to be a fluctuating picture where we will tear down two lines in the existing facility during the year and install them in the new facility, and therefore there will be periods with less capacity compared to 2009, and then there will be periods with more capacity compared to 2009, so that's a very mixed picture, and therefore very difficult to give you a precise answer to the contribution, and then on top of that, the new facility is an enabler for another product mix which we did not have in the old factory, so many factors play into the picture here, which makes it difficult to answer.

Q: Okay. Could you then tell me a bit about the price in the high voltage segment, and what do you expect from that going forward?

A: I believe that the picture we have seen coming out of 2009 with fierce competition in the lower end of the high voltage market will continue, and in the higher end of the high voltage markets where the number of players are limited we will continue to be competitive, but not to the same extent as what we have seen in the lower end of the market.

Q: Okay. Could you also talk a bit about your expectations for capacity utilisation in Flexibles in 2010? How does that look?

A: We will be running at a relatively high capacity utilisation in 2010, so the only reason for the declining margin is the quality of backlog. It is not because we are not running a lot of pipes in the factory.

Q: Okay. A comment to Nilfisk-Advance also, I have a question there. You add 75 million in restructuring costs, but I can't see that they produce further cost reductions going forward, is that correct?

A: No, that's not correct. We are guiding a margin expansion of 1 percentage point on modest growth on the top line, and we can only do that because we see a result of restructuring initiatives, and the 75 million is related to the package that we have worked on all through 2009 and will complete in 2010, due to accounting rules we are not allowed to put up a provision for that in 2009, but have to expense it as we incur the cost, that's why we have to split that cost over two years, so you have to add the 150 million last year and the 75 million in 2010 to a total price tag of 225 million for the package that is going to yield in total the same earnings enhancement once it has been completed.

Q: Great, great. Just a couple of questions more – you say that you are ready to make some acquisitions now, I expect that other companies in your businesses are too, could you give us some thoughts on the group structure, why the plan is going forward?

A: The message we are sending is, that we have put M&A back on the management agenda again for the first year into the crisis M&A was non-existing on our management agenda, we had 100 % focus on internal matters, and we did not spend one minute on M&A activity. But starting in the later end of 2009 where we saw the stability, we saw that all our programs were running well and yielding the results planned, we started to put M&A back on the agenda, and the way it works in our company is, that we work with M&A on a very decentralised level because we are in so many different business lines and geographies, so the local GM in a given market, he's now being asked

to scout for opportunities in his market, so that's what we mean when we put M&A back on the management agenda, meaning that our people start to scout for opportunities and then we start to get reporting on those opportunities and stack up a long list of opportunities and start to work on that from a group management perspective. So that's how we are working with that, will that lead to any M&A in 2010, I don't know, so its only to send a signal that we are open for partnering or buying other companies if anybody out there are willing to engage with us, and then we will se how that unfolds over the coming years.

Q: Are you willing to tell as well?

A: The best owner philosophy for the group still applies and has always done, meaning that if you are sitting in Jutland and is desperate to buy one of my divisions, then come forward and offer a good, attractive price. If it exceeds what I believe I can generate in value, then you will be the happy new owner. That goes for all.....

Q: Okay, last question. How will you finance any acquisitions if you already have debt levels above your own target? Should we expect a revision of these targets or what are your alternatives?

A: No, you should not expect a revision, if you look at our targets, we are following three different targets when we look at our capital structure, and it's correct that on the ratio EBITDA to debt we are exceeding our definition of an optimal capital structure, but within solvency and gearing we are handsomely within our targets. So when we take an overall holistic perspective on that, then we believe we have the resources to undertake M&A without going to the market and ask for money.

Q: Thanks, you've been very helpful.

Operator: Once again, if you have a question, please press star and 1 on your touchstone phone. There are no questions at this time.

Good, then I will revert to the audience here, and we have the first question over here.

Q: Dan Wejse, Nordea Markets, quite a lot of questions on NKT Cables, you give your split on revenue, and I was wondering, why is medium voltage up to 23 % compared to 7 % last year? That is actually growth of 11 %, and also looking at the low voltage down 40 %, just taking the figures you disclosed this year compared to last year, what are the reasons behind that? Because I simply cannot have the math be as it should be.

A: I need to look at my sheet here.. I don't understand the question, sorry.

Q: Okay, just looking medium voltage you state that there is 23 % of revenue compared to 17 % last year, that implies growth of 11 %, and you have a negative FX effect, you have a negative metal price effect, you have organic growth that is negative by 8 %, I'm just wondering how are these numbers adding up? And also if you look at low voltage, it's down 40 % if you just take the numbers calculated on the full revenue.

A: I am not sure I am able to answer that question because they don't reconcile with my perception of the business, so we need to take that off line.

Q: Okay. But then just to be sure, you have 47 % of revenue in high and medium voltage this year, and also adding the Catenary business, then you have 15.9. How come you don't earn more, so to speak? Because that is, at least some of them rather attractive businesses, can you give us a bit more flavour on... given the development we have seen and the mixed shifts we have already seen in 2009.

A: There is no doubt that the price level in all of these segments is different compared to how it was years ago. So it has become competitive as we have also loudly said for a number of quarters in those segments as one component. The other component is that when we bid for projects from time to time, references are very important to gain a position in these markets. And therefore sometimes we do make an evaluation that we go relatively aggressive for a specific project because it will act as a reference project later on, so that also plays in when you really want to gain a position in an industry that you sometimes have to invest in that position in terms of maybe being a little more aggressive on certain projects compared to once you have earned your position in the industry.

Q: Okay, then looking at the medium voltage business, you state that we should see significant growth driven by this EDF deal, what level are we looking at, and if there is a reference project, so have you been down on margins on that project?

A: When I talk about reference projects, it is in submarine and it is in high voltage, and in particular in extra high voltage. A customer as an example would seldom engage with a newcomer on a 400kb project unless you can prove that you have done that many times – there we have been playing for many years, and have references, but not in all markets so sometimes if we want to gain positions in new markets, you have to be a little more aggressive as an example. In medium voltage which is the example you are talking about, there it works differently, there references do not work in that way, there you are an established player, you bid for a frame agreement together with all your competitors, and the customer decides how to split his volume needs on typically a number of manufacturers after he has type approved your facilities. So once you have the type approval and the certificate that your customer accepts your factory, then you are a player, so it is not a matter of reference in the same sense as in project business. And it is correct that we increased our market share with EDF in France, we are very satisfied with that development and with the corporation we have with that customer, and that in itself will yield growth without being able to give you a figure because I don't want to, but it will yield growth, there is more volume in that account compared to the previous years.

Q: Okay, then understanding the extra cost in high voltages, you state 50, just for comparison, what level are we looking at in 2009?

A: I don't have that figure, but it was a smaller figure, because 2009 was predominantly being used to erect the new factory, so we had not been operating for a very long time in 2009. 2010 will be a full year where we operate two facilities, and that's why we are giving that figure for 2010. It's something close to 10 million kroner.

Q: Okay, thanks. And then just in Cables, how has the start been so far, I mean, we all know the winter, can you just give us a bit on the first two months we have seen, especially in the low voltage business?

A: They have been starting out in line with the trend we have seen last year meaning we have not seen a whole lot of improvement in the first two months of this year, and some of that probably is weather-related because the winter has been extremely tough in many parts of Europe this year compared to last year, so I am sure that there has not been the same activity level within deploying medium voltage cables for maintenance of distribution network and there has not been the same activity level within construction compared to the same month last year. So that's most likely a component behind that picture.

Q: Okay, thanks.

Q: Yes, on your Cables business and the structural change of the business that we are seeing, could you comment on the reservation and the risk reservations you have now? Are they abnormal, reflecting that you are running new products on new facility or should we in general just get use to a different risk profile on your high voltage business?

A: They are not abnormal, I would say they are normal compared to the type of business it is. We have many years of experience in NKT Flexibles about being in project business running complex projects, and therefore we have a lot of experience as to how to apply risk reservations on projects, and it is exactly the same methodology that we are now applying in NKT Cables on these complex projects, so I would say they are very normal and yes, you should get used to a more volatile business in terms of the timing of these projects and the magnitude of projects within certain periods, and also on the execution side there is more risk compared to where we are coming from.

Q: Then on the risk of slipping revenue recognition into 2011, could you try and quantify what amount are we talking about that could slip?

A: Yeah, but that, if we take an artificial example of a project where we are executing projects where some of them are up to a 100 million euro in size, and therefore you can imagine that it can mean at least 20-30 million euro in difference whether that defaults in one quarter or the other, whether it's coming in the fourth quarter or coming in the first quarter next year, as an example, and if you are running several projects in parallel, then it stacks up to a significant number that you have to bear in mind.

Q: But your 10 % organic growth, that assumes basically all the slippage you can imagine?

A: No, it's a balanced view on the business where we will probably experience some slippage and we will launch a number of projects and experience that they go according to plan, so we are trying to make a balanced assessment here.

Q: Okay. Then on your railway business in 2010, could you outline the growth perspectives on that?

A: We are going to see growth again, very much driven by China, but of course we will not see as much growth as you saw last year, because there we were coming from a position where we deployed new capacity – we don't have the same situation, we do have more capacity, we will see growth, but not to the same extent as, I think it was 54 % we grew last year. We cannot repeat that once again, but we will see growth.

Q: Then finally on Nilfisk-Advance and your Q4 performance, could you discuss your performance versus your key peer and also the geographic trends you have seen in Q4 and into the first two months of 2010?

A: The Nilfisk declined 3 % in the fourth quarter, and I think my listed peer reported 2 % growth in the fourth quarter, so face value, they appeared to do better than us, but if you factor in the geography, then we are doing pretty much the same. We gained, I think we gained 9 % in the US in Q4, and they gained 8, we lost 10 % in Europe, they lost 9 or something like that, so we're stacking up very, very close, so the differences in figures where we are losing 3 and they are gaining 2 is completely related to the different geography mix.

Q: And down to the two segments, commercial and industrial, could you comment on any trends if any?

A: There is no profound trend yet, other than customers are still careful, protecting cash flow and therefore we don't see a significant growth pickup yet.

Q: Okay, thank you.

Q: Claus Gehl from Nykredit Markets. A couple of questions to Cables again. First of all, you guide for 10 % organic growth in 2010. But should that be connected to the sales on standard prices or..?

A: On standard

Q: On standard prices, meaning growth of roughly DKK 500 million, just roughly.

A: Yeah.

Q: Okay, can you try to give us a kind of flavour for what the impact from the new factory in Cologne has been in 2009?

A: I don't have that figure on the top of my head. But it's very limited in 2009.

Q: It's very limited in 2009?

A: Yeah.

Q: Okay. And then, related to the low voltage market, you say that you probably expect 2010 to be another tough year, and you don't show us the profitability on that segment, but I guess it's low to say it in a polite way. What's the risk forward for write-downs on your production facilities in low voltage...?

A: That has been detailed out in the report if you look down on one of the notes to the annual accounts, we have to display in detail how our assessment of the various assets stack-up and what the sensitivity is for impairment charges, and there you see that we are absolutely in the comfort zone, and do not expect any write-downs any time soon

Q: Okay. And my final question about the order intake in Flexibles in Q4, you say that you have a solid backlog for 2010, but how has the order intake in Q4 been?

A: The Q4 has been low to decent, which is in line with our communication for a number of quarters where the activity level in that sector is low and has been for a while. All companies are hesitant to invest and we expect that to last for a while, we have seen some small positive signals in the last couple of months, so order-intake in the beginning of the year has been okay'ish, it's not fantastic, but it's okay'ish. And that's the picture that we also expected for 2010, that we will see slightly improved activity levels, but still far from where we came from.

Q: Okay, thank you.

Q: Daniel Patterson, SEB Enskilda, a couple of questions again on Cables. At the beginning of this year, the weather especially in Europe has been pretty bad – have you seen a negative impact in low and medium voltage?

A: Yeah, we definitely believe that we are impacted negatively by all the winter and snow.

Q: Okay, so that is included in the guidance?

A: That is included in the guidance, yes.

Q: Now that Cables is turning more towards project business, could you tell us how much are you actually setting aside, what is this provision? Most companies are at 3 % or 5 %, but what is this number, do you know?

A: It is project specific, so it's not one guideline for how to apply risk reservation on a project. It depends completely on the complexity and the magnitude of a given project. So we have a matrix of a number of risk factors that we look at when we decide how much risk reservations we apply to a project.

Q: Okay. And following up on that, I think one or two months ago you mentioned that you are finishing off the new subsea armouring line in Cologne, and could you give us a little bit of flavour where are you now, is it now fully finished, how is testing is going and will you meet Baltic one deadline?

A: We definitely believe we will meet the Baltic deadline, Michael and I were visiting the factory last week and it looks very well, we have cables on the turntables down there now, the twisting which was one of the bottlenecks is up and running, the armouring machines are up and running, so we definitely believe that we are positioned to meet deadlines.

Q: Right, thanks. Just one final thing on Flexibles, you touched briefly on it earlier, I just want to be sure, you are guiding for a 10 percentage points decline, you have been down margined for Flexibles, this is almost all due to price pressures, is that correct?

A: Only price.

Q: Okay, thank you.

Good, then we have Claus. I would have been disappointed if you had no questions.

Claus. Yeah, yeah sure - just waiting. Claus Emmer from Carnage. Another question about Cables. The order backlog, you used to provide us with the figures for how much of sale you have in the order backlog for the high voltage part.

A: Have we given that figure?

Claus: 18 months of sales, around that. So how has that developed since the last couple of order announcements?

A: With the last couple of announcements we are on the right side of the line, so we have at least 18 months now.

Claus. Okay. Then about these, what you have included and not included in the cable guidance. Of course projects can slip to 2011, lets just be positive in our view – how much of revenue growth or in money, you could say, have you assumed could slip to 2011?

A: We don't want to give you a specific figure for that, we are just sending a signal that we are trying to give a cautious, balanced, realistic guidance today, factoring in the many different aspects that can influence our earnings and growth in 2010, and we don't want to dig in to the single components and give you details of that because there are so many factors playing into that guidance, and you know us for many years, and you know that when we give a guidance, we put a lot of effort into giving a guidance that we believe we can meet, and that has also....

Claus: Did you beat or meet?

Meet. And hopefully also beat, and that has also been the aim this time around, and then let us see how the many different factors play out.

Claus. Okay, then about China and it seems like you are now ready to go out fronting your potential clients. Will it be orders that are so large that you will announce them? And what will the timing be?

A: Could be. Talking about the policy for announcing orders, we don't have a specific policy, so we take them one by one and one criterion for announcing is size without having a specific limit as to where that is, one is whether to reference project that we will want to brag a little bit about that we have won, one is if we enter a new market, establish new market positions, so that many different elements are playing a role as to whether we announce a project or not. So since this is a new market very important for us, I would say that we are probably more inclined to announce a project there of certain sizes, we don't of course announce everything, but if we receive orders of a certain size, then we will probably announce it.

Claus. And could that happen in the first half already?

A: That's difficult to say.

Claus: Then my final question about Nilfisk, I think you include in the report that you expect again to increase your prices by 2-3 %, and that is more or less equal to your guidance. Does that mean you expect flat volumes or is it just a net effect?

A: There is a combination of volume and a combination of price in that guidance because one thing is raising prices in the market with all the rebate structures etc. and the penetration time, implementation time of price increases in the market, you don't get, if you can try to implement 2 % you don't get 2 % full-year effect of that, so there is a component of both.

Claus. Thank you so much.

Anybody else? Okay, there is one here.

Q: Yes, just a final question regarding China. You said that among others the Chinese government has welcomed you to the Chinese market – but could you give us more indications of what the customers are saying in China actually and what the market opportunities are and what kind of financial impact we could expect in a positive scenario from your new Chinese factories?

A: I can just refer to the announcement we made in 2009 when we announced this acquisition, and back then we gave some comments as to the potential where we definitely in the medium term see an opportunity to yield 4-500 million renmenbi in sales out of that factory, and with a potential to probably yield about a billion in the longer term out of that factory with the current capacity.

Q: And what are the clients saying to you right now?

A: We have a positive dialogue with the clients, and therefore have a clear ambition and expectation that we will start to see revenue from that factory in 2010 without being specific as to what that figure is. But it is in our guidance, it is factored in with a relatively small figure, because we just know for a fact, that one thing is getting control over a factory – this factory was not a going concern when we acquired it, it was a factory basically at standstill. So we have first to build up an organisation, get it up and running and therefore the impact will be somewhat limited for 2010.

Q: Okay, thank you.

I guess that concludes Q and A from the audience here, so I will make a final request to the operator, as to whether there are any questions on line?

Operator: As a reminder, if you have a question, please press star, then 1 on your touchstone phone. There are no questions at this time.

Thank you very much. But then I will conclude. Thank you very much for listening, those of you participating here physically and those of you who participated on the web, and we will be back with our General Assembly on 25 March, which will be also webcasted on our homepage, I hope you will join us there, and then we will be back with the first quarter on 11 May. Thank you very much.