

## NKT Annual General Meeting (AGM) 29 March 2012

There is simultaneous interpretation in the room for our guests from abroad and the interpretation is also being streamed to the website, to the English version of our website, that is. And after the AGM both the English and the Danish version will be available on the website. For people hard at hearing we have an enhanced signal in the room and I hope those who need equipment for that have received it. After the AGM a full transcript will be available on the website if you have not had enough during the web streaming and therefore I would also like to welcome our interpreters and technicians who make sure that we can have all these practicalities done. This year we have decided to ask the shareholders how you use the communication from NKT. It is very modern to ask people in the municipalities or shareholders how they use various services and we would also like to know how you use our services so we can make improvements. So these were some pieces of information I was asked to pass on to you and I hope they were useful for you. The Board of Directors has selected a chairman of the AGM and again this year it is lawyer Anders Lavesen who is a partner in Kromann Reumert and I am sure he will guide us very safely through the AGM. Thank you.

### 2.00 Anders Lavesen

Thank you very much for appointing me. Before we move on to the formalities I also have a few pieces of information. At some point during today we will open the debate and those who want the floor are asked to put a hand in the air and I will then try to give people the floor in the right order and please then come up here and bring your voting slips so that I can introduce you by name and there are already two people on my speakers list. If you want to leave the room during the AGM please use the two doors on the left side of the room and if you also want to leave the lobby please remember to bring your access card in case you want to come into the AGM: If we need a written vote, which we don't expect, I would ask everybody to stay in the room until we have finished the voting process and finally I want to tell you that there is a photographer hired by NKT who will be taking pictures during the AGM and afterwards at the refreshments. But it is only registered members of the press otherwise who are allowed to take pictures.

My first job as a chairman is quite formal. I have to establish whether the AGM has been convened in accordance with the Articles of Association and whether we have a quorum. And I have noted various things, first of all the AGM is taking place in the capital region of Denmark, it is before the end of April and it has been convened in the IT system of the Registry of Companies since 6 March and the invitation and the agenda have been available since 6 March and have been sent to all the registered shareholders of the company. The Annual Report for 2011 has also been sent by e-mail or in hard copy to all shareholders who have requested it. And the invitation and the agenda and the complete proposals, information about the total number of shares and the date for the invitation and all the forms that are needed for votes and also if you give power of attorney – all that information has been available on the website of the company since 6 March of this year. And even though this does not have to do with the legal convening of the company there has been a piece of information about this in the newspaper Berlingske so therefore I believe that the AGM is convened in accordance with the Articles of Association. Now whether we have a quorum with the agenda we have today, we don't have any items that require a minimum of shareholders being present so therefore I also believe that we can make decisions. So I believe this is an AGM convened in accordance with the Articles of Association but I want to ask whether anyone disagrees with me. That is not the case so we can move on.

Today's agenda: There is first a report by the Board of Directors on the company's activities in 2011. Secondly, the presentation of the Annual Report. Thirdly, adoption of the Annual Report. Fourthly, proposal by the Board of Directors for the distribution of profits. Fifthly, resolution discharging the management or the board from their liabilities. Sixthly, approval of the Board of Directors' remuneration. 7 Election of board members. 8 Election of public accountants. 9 Three proposals from the Board of Directors and 10 Any other business.

As is traditional, I propose that items 1-4 in the agenda they will pass as one and I will therefore give the floor to the chairman of the Board of Directors to present his report and present the Annual Report for 2011 and the proposal for distribution of profits and after that report I will open the debate and after that again we will then vote or get approval on the other items on the agenda. So if no one disagrees with that I will now give the floor to Mr. Christian Kjær.

### 7.30 Christian Kjær

Well, that was almost a very quick report as you took my manuscript. It is because lawyers want to make a quick buck, so if he gets a fixed fund so he wants to get home early today. The NKT Group of today has been created on the basis of active ownership. As we saw in the film, the Group has worked on focusing and developing businesses. In recent years we have therefore had two large international companies - NKT Cables and Nilfisk-Advance. And next to them we have had two companies at separate stages of development: NKT Flexibles and Photonics Group. The core of NKT's active ownership is the Board of Directors' continued willingness to examine whether its businesses remain best for NKT ownership. Such an assessment was launched in 2011 regarding the company NKT Flexibles. NKT owns 51 % of NKT Flexibles and Subsea 7 owns 49 % and in February 2012 we were able to find a contract for the sale to the US company National Oilwell Varco for 3.8 bnDKK subject to approval by relevant competition authorities. With this sale NKT Flexibles will become part of an industrial group that spans the entire product chain in the area of all production and services. With 42,000 employees and annual growth in revenue of almost 16% for the past five years National Oilwell Varco opens up entirely new possibilities for NKT Flexibles. And it is certainly both with pleasure and also with a bit of sorrow that we sell a promising business which we ourselves have developed from scratch. In the spring of 2011, NKT Flexibles signed a contract with the Brazilian oil company Petrobras for up to 9.7 bnDKK, the largest order in the NKT Group's history. With this contract NKT Flexibles is faced with making massive investments in Brazil with the construction of a new factory, organisational development and establishment of a network and subcontractors also. The company's new owner, National Oilwell Varco, is already well established in Brazil and will be able to provide NKT Flexibles with the necessary experience and business development in the years ahead. It was based on this that the Board of Directors found that the time was ripe to sell NKT Flexibles and we expect that the transaction will be concluded finally in the first half of 2012. In addition to our largest ever order, we also set another record in 2011, the revenue of 15.6 bnDKK was the highest in NKT's history. It corresponds to organic growth of 4%, which was in line with expectations, but operating income did not keep pace and the EBITDA earnings were just over 1 bnDKK compared with a start-of-the-year expectation of around 1.2 bnDKK. Still, this was a good result and now I would like to discuss it more in detail. Three of our four business segments reported growth in both revenue and income. Nilfisk-Advance has never performed better than now and increased its revenue by 10% assisted partly by a positive contribution from the acquisitions made during 2011. One acquisition is the Danish company Egholm that became part of Nilfisk-Advance. Egholm is a manufacturer of outdoor cleaning equipment. Nilfisk-Advance also acquired a French-German company which manufactures the Jungo sweeper and together with earlier acquisitions these two entities form the

nucleus of a new outdoor equipment division. In the emerging markets Brazil, Russia, China, India, Mexico and Turkey Nilfisk-Advance grew by 35% and in the emerging markets as a whole Nilfisk-Advance achieved growth rates between 15 and 50%. In Nilfisk-Advance profit also increased and operational EBITDA margin was 11.6%.

NKT Flexibles also reported record high revenue. The Kalundborg factory worked at full speed to produce pipes for oil extraction in areas such as the North Sea, the Atlantic Ocean off the coast of Brazil and in the Persian Gulf. The rise in oil prices has triggered new drilling activity and NKT Flexibles is expanding its storage capacity with another larger turntable in Kalundborg. Profit increased and EBITDA margin was 23.3%. NKT's 51% ownership of NKT Flexibles therefore added 158 mDKK to the NKT group in 2011.

Photonics Group accounts for just over 1% of NKT's revenue and revenue of 210 mDKK in 2011. Organic growth was 16% and this was a sign that we are correct in our belief that the laser industry will change in the years ahead. NKT's crystal fibres and fibre lasers are being integrated in an increasing number of products. As a new development we are also seeing that it makes a difference in the oil industry using lasers and temperature measuring systems. The volume of oil in the underground reservoirs can be monitored and extraction thereby optimised. Parts of the Photonics group were created in research partnership with the Danish Technical University in 1999 and in the area of crystal fibres we have the industry's largest portfolio of patents. 2011 was the first year with positive EBITDA for the Photonics Group, another notable record. We have expectations of future annual growth rates of 20% in the Photonics Group area of business and substantial investment in development is naturally continuing.

The NKT Group's fourth business segment, NKT Cables, experienced mixed fortunes in 2011. We have entered into a new market, namely production of submarine cables. The cables are made at the company's new factory in Cologne, and after initial difficulties in 2010 there was improvement in 2011 with growth of 8% in what we call Electricity Infrastructure. The photo shows how a submarine cable for a coming wind farm off the Wales coast is loaded onto a barge situated in the Rhine close to our factory. The barge is equipped with a turntable from which the cable can be wound aboard a cable installation ship or transferred to a storage turntable at a port of shipment. NKT Cables has produced 85 km of high voltage submarine cables for the Welsh wind farm project. This project is a fine example of the new market which NKT Cables has entered. Our submarine cable order book for 2012 is full and we have begun booking projects for the following years.

However, in other areas we encountered challenges. The European market for installation cables is not doing too well and although these products account for a still smaller part of NKT Cables' business, the fall in sales is perceptible. Add to this, we transferred the production equipment from the old to the new Cologne plant, a task which proved more complicated than first anticipated. Nevertheless these were challenges we could do something about and the management took strong action.

But we were powerless when political factors in China stopped construction work for high-speed railways. The production of catenary wire which had previously been proceeding at a very fast pace had to be temporarily halted in the summer of 2011. However, this production is expected to resume at a more normal level in the second half of 2011. Catenary wire has been a very good market for NKT Cables, primarily in China, but also in several other countries. As a new development we now

also produce railway signal cables. We chose to set up production in Denmark at our factory in Asnæs and we hope that NKT Cables will benefit from the future replacement of signal cables by Europe's railways. NKT Cables recorded overall revenue of 9.1 bnDKK, which is organic growth of 1%. Profit as a percentage of revenue, the EBITDA margin, was 3.2%. So, as you can see, 2011 was in many ways a good year for NKT and the problems we saw in NKT Cables and which we ourselves had control over have been dealt with. Production at the new Cologne factory started to increase at the end of 2011 and we expect the organisation and its new management to achieve the expected performance in the course of the summer of 2012.

All four of our business units enlisted new personnel in 2011 so at the end of the year we had 9,700 employees. NKT Flexibles is one of Copenhagen's large engineering companies and took on people both in Copenhagen and the Danish town of Kalundborg, but we also have new employees in Brazil and Nilfisk-Advance also took on many new staff around the world. 83% of NKT's employees are based outside Denmark and without NKT's international expansion it is unlikely that Danish jobs could have been retained. Many of our employees have been with NKT for a considerable number of years and I am proud of their longstanding commitment to the company. At the same time I would like to welcome the new employees, both in Denmark and abroad who will help in NKT's future.

The Board of Directors is strongly committed to securing the future of NKT. In 2011 we launched a new strategic plan covering the period of 2011-2015 and we have taken significant initiatives in many different areas to support our strategic direction. One of our targets in the strategic plan is to pay a third of the company's profits to the shareholders. For 2011 the Board of Directors therefore proposes a dividend of 2 DKK per share, amounting to a total of 47.5 mDKK or 38% of net profits for 2011. As of 31 December 2011 NKT's shares have a market value of 4.5 bnDKK compared with 7.5 bnDKK the previous year. A drop of 36%, but to the delight of many NKT's share price has risen steadily since the turn of the year making NKT one of the strongest performers in the C20-index with an increase of 35%. Viewed over 25 years an NKT share has multiplied its value tenfold equal to an average return of around 10% a year. By comparison, the leading global share indexes have multiplied 4-6 times in the same period.

We have 39,200 shareholders. The same level as last year. Most of our shareholders are resident in Denmark and represent around 72% of NKT's share capital, but the number of shareholders resident outside Denmark has increased by 3% since last year. In continuation of the remuneration policy adopted by the AGM the Board of Directors proposes that the remuneration for 2012 remain unchanged from last year and that the same apply to the Board of Directors' committees, the nomination committee, the remuneration committee and the audit committee. These committees are an element in good corporate governance and have strengthened the work of the Board of Directors because they deal in depth with many issues before they are discussed at the board meetings. Our audit committee particularly has received praise from the external auditors. The recommendations relating to corporate governance were supplemented in 2011 by a recommendation on diversity. It is the Board of Directors' objective to ensure a management composition with broad global insight and background and a broad, balanced age profile. NKT therefore has adopted a diversity policy and an action plan and continues to comply with all recommendations relating to corporate governance. A detailed review can be found on our website in NKT's corporate governance report.

At [nkt.dk](http://nkt.dk) as a novelty we now feature special pages containing extracts from the NKT Annual Report and then the report can also be printed from the website. Any shareholder not having

internet access can obtain a print-out by contacting NKT. All NKT's written communication is now electronic and subsequently in the years to come we will announce the AGM electronically as well. Shareholders requesting it from VP Investor will continue to receive a written notice. And now to the financial statement which is presented in accordance with the standards prescribed for companies in Denmark and there are no comments from the auditors.

In 2011 the group's revenue was 15.6 bnDKK and we had organic growth of 4% compared to 2010. The EBITDA income, i.e. earnings before interest, tax, depreciation and amortisation, amounted to 1.3 bnDKK compared with 899 mDKK in 2010. This was an increase of 104 mDKK or 12%. I am moving quickly over this because not everyone is interested in all the numbers and of course you can always look at the numbers here on the website. Looking at the group's operational EBITDA margin we can see that it was 8.5% against 8.6% last year. The margin increased for Nilfisk-Advance by 0.9% while decreasing by 2.7% for NKT Cables. The EBITDA margin for NKT Flexibles increased by 4.6% as a result of price escalating factors relating to previous years. Depreciation and amortisation amounted to 490 mDKK which included an increase of 81 mDKK among other things related to the Cologne factory. To this must be added impairments of 68 mDKK related to buildings and production facilities in NKT Cables and closing of a development project in Nilfisk-Advance. Financial items amounted to 280 mDKK and profit before tax was therefore 165 mDKK. Tax was 38 mDKK and profit for the year after tax was 127 mDKK compared with 270 mDKK in 2010. Total assets amounted to 13.4 bnDKK at the end of 2011 against just over 12.5 bnDKK the year before. Total assets therefore increased by around 0.9 bnDKK. Group equity amounted to 4.1 bnDKK at the end of 2011, which was on a level with the figure for 2010. Solvency amounted to 30% as against 33% the previous year. Investments for the year amounted to 617 mDKK including 449 mDKK relating to property, plant and equipment of which 130 mDKK concerned for instances turntable equipment for NKT Cables. NKT's net interest-bearing debt amounted to 4.4 bnDKK against 4.1 bnDKK at the end of 2010. The debt peaked in April at 5.2 bnDKK since when it has fallen by 0.8 bnDKK. As of 31 December 2011 the debt equated to 4.3 times operational EBITDA for the last 12 months. At NKT we have set ourselves a target for around 2.5 x operational EBITDA for the last 12 months. The goal is to reduce debt and with the expected sale of NKT Flexibles the debt level will be decreased to around 2 times operational EBITDA. Cash flows from operations were thus 558 mDKK compared with -374 mDKK in 2010 – an improvement therefore of 932 mDKK on the previous year. Cash flows from investments were 798 mDKK – an improvement of 51 mDKK. This concludes the review of the financial statements and there will be an opportunity at the end of my report to ask questions.

I have spoken to you today about the group's development. NKT's strategic direction is based on solid megatrends and is described in our strategy from last year: Powered by NKT which runs until 2015. In conjunction with the sale of NKT Flexibles the Board of Directors will look at the strategic targets and implement any subsequent necessary adjustments. For 2012 we expect to achieve organic growth in revenue of around 5-10%. This is based on NKT Cables realising overall organic growth of 5-10%, with anticipation of zero growth in Catenary wire and installation cables but substantial growth in submarine high-voltage and medium-voltage cables. Furthermore, expectations are based on organic growth of around 5% for Nilfisk-Advance and organic growth around 20% for the Photonics Group: We expect operational EBITDA to be between 1,050 mDKK and 1,250 mDKK – an operational improvement of up to 400 mDKK on 2011 after adjustment for the sale of NKT Flexibles. Income from the discontinued operations, i.e. NKT's share of the gain from the sale of NKT Flexibles is expected to be around 1.3 bnDKK. Investment is planned to be around 500 mDKK with 100 mDKK relating to capacity improvement measures while the balance

relates to the normal level of maintenance and investment. Developments at NKT over the past 25 years have made us an increasingly focused group. In 1987 we had a large number of different companies. In 2012 we aim to have three business units with an abundance of growth potential. We face some exciting years offering a wealth of opportunities for an international group such as NKT. With talented people at all levels we have every chance of achieving these goals. Thank you.

#### 30.35 Anders Lavesen

Before we begin the debate I would like to read some parts of the auditors' report on page 45 of the Annual Report we have the conclusion here. In our opinion the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2011 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January to 31 December 2011 in accordance with the International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies so this is a clear report from the auditors and now we can have a debate about the report and I already have two speakers on my list and the first one is Jacob Johansen from ATP, the Labour Market Supplementary Pension Scheme.

#### 32.55 Jacob Johansen, ATP

Thank you very much. I am Jacob Johansen and I represent ATP. Thank you to the chairman for his report and the presentation of the 2011 Annual Report. This has been a year with very diverse developments for the various companies in the group. There is good, solid development in Nilfisk-Advance. The problems at the new factory in Cologne drew headlines for NKT Cables. There is decent growth in the Photonics Group, while the sales process in NKT Flexibles concluded with the final divestment in February 2012. Let us begin with that. For many years developments in NKT Flexibles have been very strong and in the spring of 2011 the company managed to land a record high order for deliveries to Brazil and because of that it was necessary to build a new plant and in the light of future activities in the company, NKT Holding found that it was no longer the best owner of that company. The result was divestment at a pretty reasonable price. In addition to adding value to NKT's shareholders it also meant that debt was reduced and this strengthened strategic opportunities in the other companies in the group. The divestment shows that NKT is loyal to its active ownership philosophy and this is important when you have a conglomerate of this nature. The entire focus in NKT Cables has been on the start-up of the new factory in Cologne. This has been a lengthy process and it has been much more expensive than we and management expected and because of that there was a downward adjustment of expectations for the result of the year. There is a record high number of orders in NKT Cables and these orders are to be executed now. Recent years in Cologne must have given management some experience and it must be in the light of this experience that the expectations for this year have been prepared because at the end of the day all the focus in Cables must be on ensuring efficiency and efficacy and acceptable earnings. I have a question concerning the situation in Cologne. The vast majority of the orders already placed were received before the plant in Cologne really started. Are there any projects in the order book that give rise to concern concerning timely delivery and other things? As regards the expectations concerning results for 2012 the management now presents intervals for the expected result. I think that is a reasonable approach; however we believe that it can be used better because if we look at the expectations for the individual business areas, they are very specific. We believe that it would be a good idea to put the interval there. That would give a much better impression of the underlying risks, both the upwards moving ones and the downward moving ones. I wish everyone in the NKT Group best of luck in their work in 2012. Thank you very much.

35.47 Christian Kjær

Thank you, ATP for the fine words and thank you for your questions. ATP is a very straightforward business asking very straightforward questions and I will be straightforward in my answers because the answer to the first question is no – and that was the question concerning our orders. We have no problems whatsoever with our orders. We have not accepted any cheap orders. We have a very good, large order portfolio and we are doing well in terms of large cables but as regards installation cables there is room for improvement as I said before but once we have a construction sector boom again just wait and see what will happen then. As regards the interval that we have used in our outlook for the future we have given it at 1.050 to 1.25 bnDKK and we have tried to be conservative for many years. We were not quite successful in 2011 but otherwise I think it has been a very good idea to adopt a conservative approach. If one of the areas does not perform as we said and another one does, then we can simply say: Well the overall key figure was correct so you will probably never get figures, numbers for individual companies. We are a conglomerate and we work as a conglomerate and we want to have the privilege of announcing things in the way we do. There are benefits in that.

37.38 Anders Lavesen

Thank you very much. Then it is Karsten Kristiansen from the Danish Shareholders Association.

37.54 Karsten Kristiansen

Thank you for giving me the floor, my name is Karsten Kristiansen and I represent the Danish Shareholders Association. I would like to start by thanking the chairman of the board for a good report. With the divestment of NKT Flexibles in 2012, we may see a completely different ownership structure in the individual divisions of NKT. Are you working on divesting other divisions or maybe splitting up the group in several separate listed companies? I would like to get an answer to that Will the divestment of NKT Flexibles also have a negative influence on the targets set up in the strategy plan, such as achieving a revenue per share of 50 DKK by 2015? The results in NKT Cables were not good in 2011. The EBITDA margin went down from 5.9 to 3.2% and if we look at one of the competitors, Nexans, their EBITDA margin went up from 8.0 to 8.5% so we expect much better numbers for 2012 now. And I also have to ask where is the experience and the competency for production of electric cables? Where is the experience in the Board of Directors, I have not been able to see that from the material we have received? In Nilfisk-Advance developments have been much more positive, both with growth in revenue and in EBITDA. And also like some of the measures that have been taken such as Green Meets Clean and some of the other improvements in processes and logistics and product development that have been implemented. And I will look forward to reading about the financial results of these measures in the years to come. At last year's AGM I asked for a more international composition of the Board of Directors. Today, Vestas is probably electing a Swede as the chairman of the board and that may create a more international situation in Danish companies. And with English as a working language in NKT I think that could also be an idea for us and I think we could have an international board of directors. NKT's remuneration level is more or less in the same line as the Swedish group SKF that has an international board of directors already and that is a much larger group than NKT, about three times larger when you look at the revenue and the result is also better, but I also want to commend you a bit and one of the things I have noticed this year is that all the members of the board are now up for election every year and we think that is very good in the Danish Shareholders Association so thank you for your attention

41.33 Christian Kjær

Thank you for your questions Karsten Kristiansen. I always think it is interesting when the Danish Shareholders Association asks questions and I am glad that I am able to answer almost all of them. Some of them I have answered before because you also change your people in the Danish Shareholders Association so you may not remember what I have said before but for instance divestments and splitting up companies, well we have a strategy, you know the strategy, you can read the strategy and that is our basis of work. And as long as we believe that we are the best owners of the companies then they stay with us and you always keep asking about splitting up companies and my answer is: Yes, when we achieve revenue of 25 bnDKK and I stand by that, it is only then that we will look at splitting up a company. You asked about the revenue per share. We maintain our strategy. If suddenly there is a great boom then we may go above our target, but we have our target and we will try to achieve it. I probably won't be the chairman of the board when we achieve that target so then you won't have to confront me on that. What were the other questions? You asked about Cables, and Nexans, the competitor, you compare the two companies. Now Nexans is a very large company and it is a French company, and please don't quote me on this but I don't think there are any journalists here – you would not think always that France is a member of the EU, but they really do have a special position when they sell their products in France. I know we have considered very much how we expand the company and I think we will achieve the level of Nexans at some point. We are actually performing quite well but we have had some problems. And you can be happy that we have not placed our new cables factory in a low cost country. We would have had lower wage costs but we would have lost a lot of knowledge which meant that it would take four-five years before we were back on track and I would like to underline that we are back on track already. Now you asked about the international influence on the Board of Directors. Well, that is one thing I love, I love saying that with the Board of Directors we have it is an international board. This is not a question of citizenship or languages, but it is a question of knowing the world and how that contributes to the company you are a director of. And when you ask why don't you have anyone from Cables here, I have to say that we are a conglomerate – and the knowledge we need is in the individual company and the reason why we don't have it on the Board of Directors is that we would rather help our companies and communicate information from the holding company to the shareholders but when we get to a revenue of 25 bnDKK then maybe everything will change. Now have I answered all the questions? And the English language. It is funny, you ask about all the things I could talk about for hours. I think it is great to have English as a language but we have Danish legislation that says we have to have employee representatives and there is no requirement that they have to be able to speak English. Therefore formalities like minutes from the AGM and the AGM they will all be in Danish, but sometimes the things we have to read are from our companies and that is in English, but I hope you will respect our decisions and I must say actually the rest of the board would like to have everything in English, but I think the minutes of the AGM and minutes in general have to be in Danish as things stand now. Thank you.

46.46 Anders Lavesen

Anybody else who want to take the floor? Yes, please come up here. There is another one down there. Perhaps you could move up here to wait.

It is Mr Gert Leif Gylvig

47.11 Gert Leif Gylvig

Well, first I would like to say to say thank you. My name is Gert Leif Gylvig. I would like to thank you because you made sure that NKT is still a power fort company in the world. Then I noted that our chairman just like last year said that he worked with the Danish Technical University engineers

and I would like to ask you whether there is something in the pipeline. Do you bring in new engineers, senior engineers, etc. so that they do not all become jobless so that they can come here and help you develop some things you would like to develop. It seems as if Photonics is now generating profit so use the people out there. They are almost free of charge because they are students and I think you should do that, think about that. I have seen it before and I have been a teacher there myself and I think they need to be used. And they must be used for good and they must be used by the Danish company or in the Danish company and there are only 900 Danes in NKT, the rest are non-Danish nationals because 83% of 9,700 people would give that result.

48.47 Anders Lavesen

Let us have one more question and we have answered the questions together. It is Mr Keld Bayer.

50.11 Keld Bayer

Thank you. First of all I would like to thank Christian Kjær for his opinion to the effect that in Denmark we do speak Danish, even at AGMs. There are so many Danish shareholders here so it would be silly to speak English so thank you very much for that. I have written to the company because there are a few things still missing in various companies in Denmark in general. And there are also some things that I did then find in NKT even though I have to commend NKT because it meets most of the wishes and requirements I am talking about. You no longer will be sending us a hard copy version of the annual report and if you don't want to do that you have to make it easier for the shareholders so I suggest that four pages are sent to shareholders containing a five-year overview of all the key ratios so that people can make their own calculations and that would be inclusive intrinsic value and the share capital, etc. because we now know what we... the OMX and the Financial Statements Act, that does not help because there are so many changes relative to share capital and employee shares, etc. We don't really know how many shares there are so it is very important that we have an opportunity to follow these things very closely by means of these five-year overviews. I also praised your website because it is one of the few websites that you can reach the Annual Report on relatively easily – you only have to click a few times. On some other websites you have to be a detective to find the annual report so you deserve great praise for that. I would also like to praise you for showing up here all of you, that you are not hiding away somewhere. I hope you will continue to do that. And then I have a small remark. Don't cross the water to fill a bucket. There was another AGM I attended ... and if the City of Copenhagen does not like us all those of us who to Copenhagen, I suggest that in future the AGM be held at Ballerup Arena. There is a lot of space and parking is free. And finally many companies have issued employee shares and what have you and it ended in a Danish company, Danisco, being sold to foreign investors. Fortunately you do not have any plans like that and I hope you won't have any in the future because that is really treating the shareholders in an indecent way. If a director needs to get salary and good bonus just pay that salary and the bonus. All these employee shares are just rubbish. That is all I wanted to say but I would like to congratulate you with the good result and thank you for a great job done. You deserve to be appreciated for that. Thank you very much.

54.20 Christian Kjær

Mr Bayer, if I can deal with you first because now you are most present in my mind and you ask that we send out four pages with the financial statements of five years. We have our little pamphlet that is sent out to all registered shareholders, I think it only covers two years but we will consider putting in the numbers for five years but it is my experience that 90% of shareholders are happy with a couple of years. They don't need five years and we do try to cut back on costs but if there is a massive request for this we are happy to look into it. Maybe you could also make a proposal for

next year, or we could, we will look into that. Now the congestion zone in Copenhagen, I am not a fan of that either so I think it is great that the idea was abandoned so we can have our AGM here in Copenhagen. We need a lot of room for our AGM and we think this location is very good. There are actually twice as many people who have announced they would be here than people who have actually turned up and there would have been room for them but it is difficult to find a venue which has room for so many people but of course if we need a larger venue we will look into that. About the day-to-day management, the CEO and their salary and owner schemes, etc. that is something that is discussed very much and if we are to employ CEOs from abroad we do need to pay them, and we discuss this in the Board of Directors and I know suddenly somebody will be earning a lot of money. I think when Giga was sold the CEO received more than 100 mDKK. I think it is fair because the shareholders also get money and if the result is that share prices go up and the net result of the company is positive then I think the management also deserves money. We have of course said that the Board of Directors does not get any employee shares, as they were called back then, but management does and we would like to stick to that scheme because we think it motivates the CEO/CFO, etc. and of course we are careful to make sure that they don't just sell off the company and get money for that. I must say, I have a wonderful Board of Directors and if I entered into an agreement where the CEO or other management people got too much money the Board of Directors would be right on my back. Gert, thank you for your kind words. I think half of the employees in Photonics are actually engineers, and we are in touch with both Danish and foreign universities and we use the knowledge we can get from universities as much as we can, we have some very good agreements and the CEO of Photonics really spends all his time to take care of engineers and to invent things and we are very proud of that and that is also why we maintain that 20% increase every year.

58.45 Anders Lavesen

Thank you. Any supplementary remarks?

58.54 Keld Bayer

I have to come back, I have written this to the board and the management so I might not have explained it sufficiently well. You can together with the notice of the AGM you can send this material you can do it online or in hard copy with these five-year highlights. We also need to have the balance sheet and we also have to have an explanation a capital explanation because if you receive that material together with the message of the meeting you can go to the website and find all the other figures. That would make it easier for us to find out what is in the accounts and we can ask relevant questions at the AGM. I am sorry it was not sufficiently clear before but I give this paper to the chairman of the meeting now

59.56 Anders Lavesen

Thank you for the supplementary comments. I don't think that requires another answer. We have another request for the floor.

60.24 Grethe Lisby Troensegaard

I have a very good friend who became a CEO of a state-owned company. She asked all the middle managers to come to a meeting and they arranged that they would make a budget for their next meeting. When the next meeting then arrived she had not received any budgets and when she asked about the budgets people looked at her and said: But did you mean it? And that reminds me of the day in 1990 where Christian Kjær had become the chairman of the Board of NKT. He asked all the people, the CEOs of NKT Holding individually and he said to all of them, I want to have realistic

budgets and I only want to be informed if you don't stick to the budget no matter whether it is in a positive or a negative direction. I don't know whether the five gentlemen asked Christian Kjær: Do you really mean that? I doubt it, but I don't think it is any secret that people were surprised that he asked that of them. This also reminds me of another little episode after an AGM at the Danish Stock Exchange I met Søren Isaksen outside and he said: Do you own shares? And I said: Yes I do. And I actually still have those shares. I was also happy to see that Søren now also has shares. Yes, Søren, because I had the habit that in my capital pension fund I have invested in the company where I also worked including NKT. Now I knew that Christian Kjær had a very large stock portfolio in NKT and I felt very secure because I was sure that Christian Kjær would make sure that there would be dividends paid out every year and I was also sure that Christian Kjær in his private budget would calculate dividends from his investments in NKT. And I haven't been able to complain about the dividends, especially I don't want to complain about the giga dividends when we sold off Giga so we had a giga fest, but one thing is dividends that you have to pay tax on, another thing is the share price and unfortunately I am not completely satisfied in that context. I am sure that there are many shareholders who like I expected that they would be able to sell their NKT shares at a profit when they needed to. We saw a graph today that showed that the share price has performed in a satisfactory way, I guess. But when I pay 10,000 DKK for a portfolio of shares 20 years ago I would like to sell them at a higher price today. Now like other investors I have spread my investments so I have more than one type of eggs in my basket but my message today is as a shareholder I would wish that the management and the board of directors run the group in a way that gives us a result that will influence the share price in a positive direction. And as this is an international company I would end by saying: Do all the best you can in all the ways you can at all the times you can, then you will succeed. Thank you.

#### 64.25 Christian Kjær

Thank you, Grethe Troensegaard, for the nice words. It was a great pleasure to hear you. It is always good to see a former employee and hear her saying nice words about her old employer and you had one question and that was whether I can do something about the share price. The only thing I can tell you is that I am not pleased either and I, too, think that the share price is too low. And when you look at the values we have and the way we are doing things I think that people could pay more for our shares but I am sure that ATP will now go home and help us by buying some of our shares so that the price can go up or some of the foundations can help us, the equity funds, etc. because they like Danish shares. Thank you.

#### 65.50 Anders Lavesen

Thank you, any other questions? That doesn't seem to be the case so we can proceed and go to the ballot and according to the Danish Companies Act, any shareholder can demand that all voting is very clear and no one has expressed that wish but we hope that we will provide full information but we hope we can do this without taking a formal ballot and instead I will ask if anybody votes against the proposals here, anybody who abstains and if you do that, please give us a show of hand and if there are only a few such hands shown we will go and count because then we can give the exact result because then we will assume that everyone else has voted in favour. If there are many abstainers or many voting against we may have to adopt a more formal approach.

As regards the two first items on the agenda, we are not going to vote about those, I can only say that they have been considered and the remarks have been heard. And then we have item 3, adoption of the 2011 Annual Report. So now I ask you whether anybody votes against the adoption of the annual report? Anybody who abstains? And since that is not the case we assume that

everyone else has voted in favour so the Annual Report has been adopted. As regards item 4 the board as already explained by Mr. Kjær has proposed distribution of profits in this way that an amount of 2 DKK per share or 20 DKK nominal value equal to a total dividend of 47,475,958 DKK will be paid out as dividend based on the registered share capital of the company. Again I would like to know whether anyone would not like to have a dividend? Anyone who abstains in voting about this item? That is not the case so anyone else has voted in favour. So this proposal has been carried.

Item 5, question of a resolution discharging the Management and Board of Directors from their liabilities and this means that the Board of Directors and Management can no longer be held liable as regards matters set out in the 2011 annual report. Any remarks on that? And then anyone voting against the discharge? Anyone abstaining? No. So everyone else has voted in favour.

So we have item 6, approval of the Board of Directors' remuneration for 2012. It is proposed that the amount shall be 900,000 DKK to the chairman, 450,000 DKK to the deputy chairman and 300,000 DKK to each of the other members. It is also proposed that the chairman of the audit committee is remunerated by 200,000 DKK kroner while the other member is remunerated with 100,000 DKK. In the chairman's report he said why these amounts have been proposed. Any comments on this? Anybody voting against? Anybody abstaining? This has been carried.

Then we have item 7, election of board members. The board proposes re-election of the members of the board elected in general meeting that would be Christian Kjær, Jens Due Olsen, Jens Maaløe, Kurt Bligaard Pedersen, Lone Fønss Schrøder and Jan Trøjborg. And according to the Danish Companies Act it is a requirement that any positions held in other business organisations must be stated and I can tell you what you can see on this slide that all the information required is presented here on this slide. I am not going to go through it but if you have any questions you are more than welcome to ask them. Now I want to ask whether there are any comments for this proposal for re-election? There is one person, please come up here. This is Hanne Løkke Winther, thank you.

71.09 Hanne Løkke Winther

Firstly, I would like to say I think this is a very interesting and innovative group. I would be a bit worried if you are not as innovative in the future, though. That is one thing. The other thing I want to say is that at the moment we have a very strong debate about women on boards of directors and I want to ask where are the women in the Board of Directors of NKT? Where are the women who can give all the creativity and other things women have more than men? If there were a law setting a quota for women on boards, what would NKT do in that situation?

Christian Kjær

Well, if I can give you a slightly humorous answer, I would say that if I only had women like Lone on the board I would be a very happy man because it would be very nice because she is very, very competent but I also have some male members on the board who have qualities and sometimes it can be difficult to find a woman who has the same qualities as some of the men on this board. Sometimes it is possible, sometimes it is not. And I promise you that we are working on this and maybe in 10 years' time half will be women and then the men will be having the children, I expect. Thank you.

Anders Lavesen

Well, I am happy that I am beyond child-bearing age. Any other comments or questions? Are there other proposals for the Board of Directors? As that is not the case the board has been re-elected. Congratulations.

Item 8 is election of public accountants. It is proposed that KPMG is re-elected and again I want to ask whether there are any comments? Are there any other proposals? As that is not the case, KPMG is re-elected. Congratulations.

Item 9 are three proposals or really only two proposals from the Board of Directors and the first one under item 9.1 is a proposal for the authorisation for the board to raise loans against bonds which confer upon the lender the right to convert his claim into a maximum of nominally 44 mDKK corresponding to 2.2 mDKK new shares. The authorisation shall apply for a period of five years until 29 March 2017 by a decision of the Board of Directors and the authorisation shall commit the Board of Directors to raise convertible loans by one or more issues. The board shall also be authorised to effect the consequential increase of the capital and the board may decide to depart from the shareholders' pre-emption right and if they do that they have to ensure a conversion price which in aggregate corresponds to at least the market price of the shares of the decision of the board. This is in correspondence with the authorisation we have today but the new provision looks differently than the existing article 3c because the authorisation is now divided into articles 3c I, 3c II and 3c III. This is due to the recent decision of the Danish Business Authority requiring that decisions of capital increases are to include a provision regarding capital increases where departure from the shareholders pre-emption right and an additional provision regarding capital increases with pre-emption right for the shareholders. Materially no change has been made in the existing article 3c as a cap on the amount of the convertible loans in 3c II and 3c III cannot go above the cap of 44 mDKK. If the proposal is adopted the three new provisions will replace article 3c and the authorisation in article 3c expires on 11 April 2012 and for the specific wording I refer you to the agenda. The chairman of the board has asked me to say that if you want further explanation he is happy to give it. So are there any comments or questions regarding this proposal? That is not the case. Does anybody want to vote against? Does anybody want to abstain? So everybody else votes for the proposal and it is adopted.

Then under item 9.2. There is a proposal which is an amendment of the procedure for notices convening AGMs with the purpose of simplifying the procedure of notices so that the notice convening annual general meetings in future shall take place by a notice being published on the company's website say for situations where shareholders entered in the company's share register and have requested to receive written notice. Notices convening general meetings will also be advertised in the IT system of the Danish Business Authority. And the people who want written notice will receive a notice by letter as has been the case up until now. And if this proposal is adopted it will replace the existing article 5, item 3 in the articles of association and there will also be a consistency change in article 5, paragraph 4. And again for the specific wording I will refer you to the notice of the AGM and the agenda. The chairman of the board has already explained the reasoning behind this so I want to ask whether there are any comments or questions. That is not the case. Does anyone want to vote against? Does anybody abstain? So this is then adopted.

So now under item 9 we have another small thing, that is giving the chairman of the AGM the authority to make the changes in the Articles of Association with the Danish Business Authority. I don't know whether we need a long debate about this, I just want to ask whether anyone votes against or abstains. So I have been given this authority.

That only leaves one point on the agenda, and that is ‘Any other business’ where we can’t make any decisions but we can say things. So does anyone want the floor on the ‘Any other business’? This is not the case. We have been through all the items on the agenda and I would like to thank you for this annual general meeting and I will give the floor to the chairman once again.

Chairman Christian Kjær

Well, the AGM is approaching it’s end and I would like to thank you, Anders, for a job well done, thank you for keeping such good order here but it is because our shareholders are special. Thank you from the members of the board for the re-election, we are really pleased with it. We are sorry we don’t have more women on the board. I said something pretty silly before. I would like to say that I was one of the first who had a woman elected to the F. L. Schmidh board in the late 1980s. I have always been in favour of women on boards and thought it was a good thing to have them there. Thank you to the interpreters and the technicians, thank you to the NKT people who have made this day a success, all the films, the entertainment and not least I would like to thank the people in the NKT group who made it possible to achieve such a good result together with the management. Thank you to our visitors. Could you please note that the sun is shining outside? It normally does when we have our AGMs. It might be symbolic, I hope it shines next year as well and we hope that profits will be a bit more shining than they were this year. We have some refreshments for you outside, we hope you will enjoy them. Thank you very much for coming and enjoy the next year. Goodbye.

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