

## NKT AGM

held on 31 March 2016

Good afternoon. My name is Jens Due Olsen. I am chairman of the Board in NKT. On behalf of the Board I would like to welcome you most warmly to our Annual General Meeting 2016. We have chosen a new setting this time. Welcome to those of you who are physically present in the room, welcome to those of you who are participating through the website streaming. We will be having this meeting in Danish but it is okay to put questions in English. Also foreign shareholders and employees can listen to a translation into English of what is said in Danish. There are headsets available outside and if you need a set you can still pick one up. We have decided to ask lawyer Anders Lavesen from Kromann Reumert Law Firm as Chairman of the meeting. I will now hand over to Anders. You have the floor.

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Chairman of the meeting, Anders Lavesen

Thank you very much. Just a couple of practical details before we begin. If someone wishes to speak please raise your hand and you will be invited to come up here by me. Please bring along your ballot sheet so I can introduce you by name. And if you wish to leave the AGM in the course of the meeting please bring your admission card along when you leave the room because we need to be aware of how many votes that are in the room at all times. If we are going to have a vote, please remain inside the room while the vote is ongoing and until it has been formally closed. This all in order to avoid any misunderstandings. My first job as a Chairman of the meeting is to establish whether the meeting has been duly and lawfully convened and is constituting a quorum in relation to the items on the agenda. I have noted the following: 1. The meeting is held in the capital region of Denmark. 2. It is held before the expiry of the month of April. 3. The convening notice with the agenda has been announced in the Danish Business Authority's IT system since 8 March this year. The company has informed me that the date of the AGM was announced in the company's statement on 12 November last year, which is much earlier than 8 weeks before the AGM date. And the company has informed me that the convening notice and the agenda and the complete wordings of the proposals were sent by e-mail or letter on 8 March this year to those shareholders who asked for such a communication to be sent to them. Also, the company has informed me that the Annual Report 2015 has been sent by mail to all shareholders who have so requested and the convening notice and the agenda and the complete wordings of the proposals and the Annual Report 2015 and information about the total number of voting stock and shareholders etc. and all forms that are required in order to vote if you wish to vote by mail or by proxy have been accessible on the company website since 8 March this year and finally, although this does not really relate to the lawful convening of the meeting on 16 March the convening notice was sent out to everyone so that was this being dealt with and with regard to a quorum there are no requirements concerning the number of votes that vote in favour of anything in relation to the business

that we have to transact today. I would like to hear if there are anyone objecting to me finding that the meeting has been duly and lawfully convened and that we have a quorum. Thank you very much.

We have an agenda that looks as follows. First of all, the report from the Board on the company's activities in 2015. 2. Presentation of the audited Annual Report. 3. Approval of the audited Annual Report. 4 Resolution concerning the distribution of profit and payment of dividend corresponding to DKK 4 per share. 5. Approval of discharge to members of the Board and the Management. 6. Remuneration to members of Board and Management. 7. Election of Board members. 8. Election of auditors. 9. Proposals from shareholders and Board. We have 9.1 from the Board concerning acquisition of treasury shares. 9.2 using Computershare A/S as an external registrar in relation to the shareholder registry. 9.3 conversion of the company shares so that they are no longer bearer shares but registered shares. 9.4 Proposal concerning the cancellation of an obsolete provision in the Articles and 9.5 Proposal to authorise the chairman of the meeting to effect registration with the Danish Business Authority of amendments of the Articles adopted at the AGM and then 10. Any other business.

Let us now have a look at first items 1 to 4 in one go. I suggest as always that we deal with these four items at the same time so first we will hear a brief report from the chairman of the Board and we will then after the presentations from the Board have a debate and then we will have a vote concerning items 2 and 4. If there are no objections to this I will now hand over to the chairman of the Board. You have the floor, Sir.

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Chairman of the Board, Jens Due Olsen

Thank you Anders. Once again welcome one and all. 2015 was a busy, challenging year for NKT. We worked diligently on a continued long-term transformation of our businesses so as to increase value creation for our shareholders. Specifically, we launched new strategies in both Nilfisk and Cables. In Nilfisk it is the Accelerate strategy we have introduced focusing on growth and consolidation of the company's market leading position and in Cables we call the project the strategy EXCELLENCE 2020 and we focus here on improved earnings and at the same time we have redefined the core business of NKT Photonics in order to commercialise our products more quickly. You can see the initiatives – an overview of them – up here behind me.

In Nilfisk in particular the new strategy has required a number of investments in improved sales processes and additional sales and service tasks. The world economy is still unstable and this has of course impacted our financial results for 2015. Our exercise of active ownership always has a long-term perspective and the Board is convinced that with the strategies now in place there is a good basis for us to maintain our long-term goal of having a return on capital employed of 15%. We still believe that the potential for value creation we can see in our businesses can best be achieved under NKT's ownership even if there is now

speculation in the press and elsewhere about divestments. The transformation is in progress. New strategies are to be implemented so actually to talk about divestment is not to the benefit of our shareholders or the company or employees. It is not that we hold on to companies at any price. We have a long tradition of divesting businesses, we did it with NKT Flexibles in 2012, if we believe that divestment is better, that the company can develop better under a different ownership but the way it is now we think we are the best owner of all our enterprises and we believe that still our shareholders support that view.

Let us take a look at the year under review here, financially. We are displaying figures in Euro this year. We manage and measure activities in Euro in the company so we have chosen to do the same now in the external financial statements.

EUR 2,224 million was our revenue. An improvement of EUR 94 million compared with 2014. Organic growth was 3%. The operational EBITDA also increased by 3% to EUR 175 million and the corresponding margin in standard metal prices was 9.4%. The organic growth was as expected but earnings were lower than initially guided about a year ago. This was primarily and unfortunately because earnings in Nilfisk were below expectations. One-off costs amounted to EUR 23.2 million all related to our DRIVE efficiency enhancement programme in NKT Cables. We also carried out an impairment write-down of EUR 37.8 million in NKT Cables operations in China in Q2 after having reviewed the future structure and potential. In the same quarter we also made a write-down of EUR 2.6 million in connection with the sale of NKT Photonics Fiber Processing operations because with that the profit for the year was EUR 1.2 million against 37.9 in 2014. Adjusted for one-off items the profit for the year was EUR 74.4 million so actually an increase of EUR 36.5 million from 2014. The working capital, that is the amount tied up in stocks and debtors minus supplier credits, was EUR 269.2 million. That was the working capital – a reduction of 10% and this was achieved through a number of improvements in NKT Cables. This reduction was the primary reason why the cash flow from operations amounted to EUR 173.2 and the net interest bearing debt decreased to EUR 88.9 million – that is only 0.5% of the or 0.5x the operational EBITDA so these improved earnings and lower invested capital meant that the return increased by 0.7% to 10.1% and it is a 10.1% that you must see in relation to the goal of reaching 15%.

So NKT has a strong financial position. We have financial headroom, more than EUR 600 million actually to further develop our businesses organically and through investments and acquisitions with a long-term and medium long-term perspective and the Board finds furthermore that we have the financial leeway. Despite the profit for the year we have the leeway to recommend a dividend of DKK 4 per share. The initiative we have launched a share buyback programme for up to DKK 550 million for approval by the AGM here today. That's DKK 647 million that is EUR 87 million that we will thus be returning, distributing to shareholders.

Right, let us have a look at Nilfisk and developments there. In 2015, Nilfisk delivered financial results unfortunately lower than expected. The revenue did go up to EUR 972 million partly driven by the five acquisitions carried out in the year under review but the organic growth was flat. We had actually expected a 5% increase. The EBITDA margin was 10.1%. There was a negative impact from the lack of growth from

the strategically important investments and sales and services made. Actually, one of these initiatives has been that we welcomed 140 new employees. There was also a negative impact on revenue through delivery issues in the first half year because of the replacement of IT systems and port strikes in the US. We solved the issues and in the second half of the year deliveries were on time. As mentioned, Nilfisk has launched a new strategy called Accelerate. Here we focus on expanding the company's position as the world's leading supplier of cleaning equipment. We want to increase our growth 2% more than the growth in GDP so as to have this further increase. Before I tell you more about the strategy I would just like to show you the little film that Nilfisk made in connection with the launch. Here we have it. It is in English.

Text from film:

Across the world you find dedicated people who are committed to their work. These are the people who clean. For them leaving one small detail of their work is not an option. These are the people who keep the wheels turning hour after hour, day after day. And at Nilfisk, we share these people's commitment and dedication to make the world a cleaner place. We have been doing it for over 100 years. From our innovative laboratories and engineering studios through to our servicing customer departments we are determined to offer them only the very best in cleaning solutions. And by empowering our customers with the world's leading cleaning technology we are clearing the way for higher productivity and a cleaner and safer everyday for millions of businesses and homes around the world. From germ-free hospitals to heavy industry, from busy offices and best warehouses, construction sites, in our ports, libraries and even the places our children play – these are the people who are dedicated to you and to everyone and will write their wisdom. We are Nilfisk and we are clearing the way.

Chairman of the Board, Jens Due Olsen

So there was the film. The basic elements of Accelerate you can see behind me. We have four basic elements in Accelerate. We want to strengthen our front end sales and services that is. We want to offer competitive products and services. We want to build up strong brands and we want to improve our logistics.

In the industry where Nilfisk is active, proximity to the customer is important so we have invested quite a lot in expanding our sales and service organisation. We have taken on 140 new people, primarily in Europe. At the same time, we are rolling out a Commercial Excellence programme in the biggest markets so as to have better sales and service efficiency, improved customer experience, more cross sales of products and increased sales of services. In this way, we try to approach customers in different ways and service them better. These are the activities that we haven't seen the full effect of in 2015. It is taking longer than expected to introduce new sales routines and we have also replaced a number of sales personnel members, particularly in Germany. However, we are seeing a number of positive underlying effects and we do expect that as we go forward they will contribute positively to growth and earnings. The rollout has been completed in 10 countries representing about 60% of the total revenue. Another crucial parameter is the continuous provision of competitive new products. We have the broadest product portfolio on the market and our continued product development is based on good quality, products that are easy and intuitive to

use and we want to reduce the overall cost of ownership and we want to ensure that the product can get more quickly to the market. In 2015, we launched 35 new products in Nilfisk and new products, product versions and we spent 3% of our revenue on product development in Nilfisk.

How many of you have a Nilfisk back home? I would just like to ask. This is not in my script so I am looking at the board members too. How many of you have a Nilfisk at home? That is quite a lot of people. It is wonderful, isn't it? You know, it is a good indication, saying that in Denmark we all know Nilfisk but elsewhere in the world of course Nilfisk products are being sold under a wide variety of brand names so as to have more recognition and better positioning of the product going forward we will actually use only two global brands. Nilfisk that we all know and Viper. Nilfisk addresses what we call the high-end market as well as a high product quality, a high service level. Viper targets the mid-market where we have basic products with high reliability but at a lower price. The mid-market in particular there we expect to see a lot of growth potential and Nilfisk does not yet have a high market share there so the product range and the number of dealers have been expanded for this purpose in 2015. In addition to our investments in future organic growth, we have actually acquired five enterprises within the manufacturing high-pressure washers and supply services in 2015. You can see it here. HydroTek on the west coast in the US, PressurePro on the east coast of the US, Contractor in the UK, Smithson in Australia and Kerrick in New Zealand and Australia. Acquisitions will be high on the agenda in Nilfisk going forward because we want to play an active part in the consolidation of our industry also to ensure our global market leadership and to work towards the goal of a return on capital employed of 18-19%.

Let us take a look at NKT Cables now. NKT Cables delivered a satisfactory result in 2015. The revenue increased to EUR 1,220 million and the organic growth was 4%, higher than initially expected. The operational EBITDA margin improved to 9% driven by the Products business and also the impact of the efficiency enhancement programme that I have talked about the last two years, the DRIVE programme. The Projects business that is the high-voltage cables, they delivered earnings on a par with last year while earnings declined in our APAC activities. Submarine cable projects that is a large part of our capacity at the Cologne factory. We received two major new orders in 2015 to supply cables to offshore wind farms so production is therefore assured well into 2017. The last two years we have been talking as I said about the DRIVE programme which we launched at the end of 2013 so as to improve operations and reduce costs. Our original goal was to achieve annual savings of EUR 40 million at the beginning of 2017. The implementation of more than 100 initiatives has actually been going quicker than planned so we have raised the bar a number of times, most recently we said we can save EUR 60 million a year. We actually already achieved that at the end of 2015, one year ahead of schedule. So today is actually the last time I will be giving you an update on DRIVE because DRIVE has been a success and remaining initiatives in DRIVE will now be integrated into the new EXCELLENCE strategy plan so let me say a bit about EXCELLENCE 2020.

The purpose of that is to be the best supplier of power cables by the end of 2020 in the eyes of customers and employees alike. The strategic goals are the following: To realise a return on the capital employed of more than 15%, which we estimate to be above the industrial average – the average of the industry – so it can lever us to be the customers' preferred choice and thirdly we want to achieve employee satisfaction

above an index of 80 and we also consider that to be high for our industry. In our strategy, we have four must-win battles, if you like, across the organisation. Safety, personnel organisation – that is the first one. Improved working environment, a committed organisation and competent management. Secondly, operational and commercial excellence through optimised production and improved sales processes and product mix. Thirdly, we have the development of new materials and products. This includes investment in the development of DC high-voltage cables. This is a growing market, actually, both when you talk about onshore and offshore cables. And fourthly, digitalisation so it is our internal purchases and also digitalisation of customer involvement. Now in addition, the strategy consists of a number of specific initiatives adapted to the seven different segments in which NKT Cables operates. So these initiatives are development and growth, covering high-voltage offshore cables and railway segments and then we have the focus on profitability covering low- and medium-voltage cable segments and cables for the building of automotive industries. And then turnaround. These are segments where we need to turn around the development because there are still opportunities for growth. These are the onshore high-voltage cables, accessories and all of our APAC business the Far Eastern business.

I would like to conclude my review of NKT Cables by showing you a film about Excellence 2020. It is directed primarily at the company's employees but gives you good insight into the entire implementation of the strategic initiatives. Here it is.

Text from film:

In a globalised and inter-connective world everyone depends on power. Without power there is no light in our cities, no trade between countries, no travel to friends abroad and no communication across the globe. Power is the foundation of all the things we take for granted in modern civilisation. At NKT Cables, we play an important role in supplying energy to global societies and bringing power to life. This is our purpose, our reason for doing business.

For more than a century, our passion for developing innovative and sustainable solutions for electrical infrastructure, the construction field and the railway and automotive industries has driven us far. Today we are an international organisation and a respected player in the industry. Everyone in NKT Cables has contributed to the success story. And while it has required hard work and tough decisions along the way, we can all be proud of our strong market position in many segments.

Looking ahead, a number of challenges require us to further strengthen our business to be ahead of the game. Increased cost pressure, fierce competition, new technologies and changing wholesale setups will continue to influence the way we do business in the years to come. That is why we announce setting off towards what we call Excellence 2020. A journey that will help us excel in everything we do and become the best power cable company by 2020. This is our vision and it is as ambitious as it is important. Excellence 2020 will help us focus our efforts on the most important game changing challenges and tasks.

But what does Excellence mean? By being the best we don't mean the biggest, neither the cheapest, nor the fastest growing. We want to be the power cable company our customers prefer to do business with because of our excellent expertise and our world class products and solutions. And equally important, we want to be an excellent workplace where the best people in the industry prefer to build their careers and



develop new excellent ideas together with highly skilled colleagues across the organisation as one company.

To guide us along the way we have developed a new corporate strategy with clear targets that will help us focus on doing the right things at the right time. We have defined four must-win battles that are paramount to reach our vision. These include developing a safe and agile organisation with excellent leadership, building a lean and efficient operation with best in class capabilities, increased focus on customer needs to drive product and material development and a strengthened focus on digitalising the way we work.

Furthermore, we are introducing a new set of values characterising our behaviour by creating a safe work environment, having backbone, embracing change and being passionate our values will enable us to reach excellence in the way we work, lead and serve our customers and in the way we treat each other as colleagues. We believe that by striving for excellence we will be able to grow our business, outperform competition and strengthen our profitability making sure that we will stand even stronger in the years to come. Succeeding with this is important not only to us but to all the people around the world relying on us to get power wherever and whenever they need it. And it matters to future generations that rely on us to transform energy transportation sustainably to benefit both the environment and people living in remote destinations. Let us all team up to bring power to life all around the world.

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Chairman of the Board, Jens Due Olsen

I thought that was a good one. What do you think?

Right then. So let us look at NKT Photonics. NKT Photonics also delivered a satisfactory result in 2015. Organic growth of 9 % was driven by a number of substantial contracts with the industrial customers in the imaging segment. The EBITDA margin increased to 9.6% and for the first time we had a positive return on the capital employed – positive, not a lot but still 0.4%. In July 2015, we welcomed Basil Garabet as the new CEO of NKT Photonics. Basil, you are here in the room. Can I please ask you stand up? Hi, welcome. Right, so with Basil we have been able to speed up the commercialisation of the products, which is so vital for the company's continued growth. Commercialisation means both integrating our products and components in industrial customers' end products and also the ability of us to offer complete solutions to end customers combined with the sale of components so that is moving a step up the value ladder if you like so as not to be so dependent on big intermediate customers. Fianium we have acquired today as you may have heard. It is the cyber and super continuum lasers that they produce. It is a strategic match and an important step towards becoming a leading industrial supplier and to reach the scale that I just talked about. The strategy to support this transformation consists of five elements. We want to offer complete solutions to the end customers as mentioned. We want to actively pursue partnerships and joint ventures, particularly where the customers are already high up on the value chain, right, the value ladder so and then thirdly growth, both organic growth and through acquisitions and this Fianium is part of that. Obviously lean, efficient production and faster launch of new products to increase our competitiveness also because the window for

new products in such a technological market is quite narrow so we need to get products to market more quickly.

With these initiatives, we expect that our long-term strategic goal of annual organic growth of more than 10 % and a return on the capital employed of more than 20 % can be achieved.

To achieve these goals we have redefined our core business. This has meant divesting of the Fiber Processing segment. We thought that potential could best be realised under a different ownership. We will focus on the significant growth opportunities going forward in Imaging & Metrology and this is primarily a question of lasers that enable imaging of the microstructures for instance in cancer cells. You can imagine a picture of a finger or some sort of structure you can go 1500 times closer than with a normal MRI scan, right. This is the brave new world that we are helping to introduce here. And it is in this segment that the acquisition will be integrated in. Also in Sensing & Energy, this is a growth segment too. Lasers for monitoring applications and use in measuring equipment and then Material Processing. These are lasers for cutting very hard materials such as glass, metals and plastics. We have also integrated the companies behind the segments into one management unit – NKT Photonics. We used to have the different companies under an umbrella called Photonics Group.

As I have mentioned in previous years, our governance model in NKT is rather unique. The Board of Directors is well satisfied with our working method. We use our industry relevant and functional competences in closer matters, a partnership with the management of the businesses and the NKT Holding Group functions. When we changed our governance model in 2013 we had the aim of ensuring an efficient, flexible, transparent decision-making process in regard to both strategic and operational elements. We believe we have achieved that and we have restructured the Group functions so as to have cost efficient operation and the good support of the active ownership of our businesses. We believe we have a good, well composed Board of Directors with room for discussion and for disagreement also focusing on issues relevant to NKT.

This notwithstanding we must of course, as you know, elect new members for the Board. The vice chairman, Kristian Siem, and also member Kurt Bligaard Pedersen have chosen not to run for re-election. I would like to thank you Kristian very much for the cooperation I have had with you the last three years with your international operational insight, your unwavering commitment to creating value and your non-bureaucratic approach with all these elements you have been a fantastic sparring partner and a great pleasure to work with. NKT is in a much better shape today than when you started three years ago. Thank you Kristian.



And Kurt you have been a member of the Board since 2011. On behalf of the Board, we would also like to thank you for your great contribution based not least on your profound knowledge of the energy business and also when we changed our governance mode three years ago and you were and had been in the chair of the Nomination Committee. You always have good insight, knowledge and experience that has been valuable and most recently just a few minutes ago before the meeting here. We are going to miss your insight. I would like to offer you a round of applause to both of you. Thank you very much for your sterling efforts.

But after a thorough process we have been able to attract strong candidates. We propose René Svendsen-Tune. You are here, over here. Would you stand up, please? We are proposing you as a new candidate for the Board. René has wide experience from global sales and investment in the technology industry. He is the CEO of GN Netcom which is part of GN Store Nord. We also propose Anders Runevad who unfortunately could not be here today. He has a big knowledge of the energy sector and transformation companies. He is the CEO of Vestas. The election of board members is item 7 on the agenda.

NKT has approximately 8,950 employees across more than 100 countries. This means that every day they are doing a diligent, dedicated effort to develop, produce and sell our products and solutions. It is very much also because of them that we can look back to 2015 as a challenging and busy year but also a year with positive, encouraging results. On behalf of the whole Board of Directors, thank you so much for your sterling efforts. I would like to thank my colleagues on the Board for good cooperation, good discussions and for being a team that always gives priority to NKT. Thank you so much for that.

We have previous periods with relatively good increases in the share price but in 2015 the NKT share rose only by 8% - I say only because the leading C20 CAP index increased 22%. After payment of dividend of DKK 4 per share the yield to shareholders amounted then to 9%.

NKT's companies are undergoing transformation. You can see that also in our guidance for 2016. We expect flat organic growth, operational EBITDA margin on a par with the 9.4% we achieved in 2015. These expectations are based on continuing instability in the global economy. That is important particularly to Nilfisk and also the fact that there is lower profitability in the NKT Cables and the current offshore cable orders and for projects we had in 2015. NKT's journey towards further value creation for our shareholders is well underway. This is where our long-term perspective historically shows its worth. We have significant improvement initiatives going on. They will transform our strategic position, increase our earnings and open up for new interesting business opportunities. Thank you for your attention.

Applause

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Chairman of the meeting

Thank you very much. Before we start the debate as always I would like to read out from the conclusion of the audit report in relation to the annual report. You find it on page 49. And to make it a bit easier I have translated it into Danish it says on page 49: We find that the Group Accounts and the Annual Accounts give a true and fair view of the Group's and the Company's assets and liabilities and financial position as at 31 December 2015 and the result of the Group's and the Company's activities and cash flows for the financial year starting on 1 January 2015 to 31 December 2015 in keeping with IFRS as approved by the EU and Danish disclosure requirements for listed companies. And then there is also a statement concerning the Management Report. The auditors write: In accordance with Danish legislation we have read the report from management. We have not done anything beyond the audit that we have carried out of the group and company reports and we find that there is full accordance. So this is an unqualified endorsement from the auditors. Let us now embark on the debate. There are two speakers on my list. The first is Jakob Johansen from the ATP Labour Market Supplementary Pension Fund.

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Jakob Johansen, ATP

Thank you. As the chairman said, I am Jakob Johansen and I come from the Danish Labour Market Pension Fund, ATP. Thank you to the Chairman for a good report and for reviewing the financial performance in 2015. 2015 was a year with both good points and bad points for NKT so generally speaking you could say that for the group as a whole developments were disappointing.

Let us take Nilfisk first. Nilfisk accounts for the biggest proportion of revenue in the Group and thus also its value. In early 2014, management changed focus in Nilfisk. Sales were to be strengthened by focus being placed more on the commercial agenda. This was followed up by means of a new strategy about 12 months ago. There is a clear ambition in this strategy to the effect that value should be created for shareholders by accelerating growth. Many initiatives have been launched in order to strengthen sales and the initiatives and the increased sales team have resulted in an increase in the cost level. But so far the results of these initiatives have been disappointing for 2015 as a whole. Organic growth was flat and in the fourth quarter it was actually negative. It is vital not only to Nilfisk but to NKT Holding for growth to take off in 2016. We know that the first quarter because of certain aspects cannot really be compared with last year's first quarter and give a fair view so it is vital for Nilfisk from quarter two until the fourth quarter to produce visible results when it comes to growth. This will generate the necessary trust that what has been done actually works. Expectations concerning growth for 2016 spans a wide interval from 0 to 5%. If we go to the low end of this interval, it will be very difficult to say that the initiatives have actually led to something very

positive. So my question is the following: In what position will the office be if we get an outcome after the year at the low end and at the high end of the interval?

And then NKT Cables. Restoration efforts continued in 2015 and the company now generates earnings at an acceptable level. The EXCELLENCE 2020 strategy is management's way of creating a return on invested capital as high as 15 %. In 2016, however, we are not expected to see progress. The order book that has to be executed in the course of the year was arranged on less favourable terms. These fluctuations once again reflect the dependence on isolated orders of NKT. In future it is very important to make sure that the company lands large profitable orders, preferably in the course of 2016 so my question to NKT Cables is the following: In view of the pipeline of potential orders that NKT Cables is looking at what developments took place at the end of the past 12 months? Is the pipeline strengthened so that we can feel more comfortable with regard to the future development?

And then last but not least NKT Photonics. Over the past year, Photonics has undergone a fine development with good growth rates. In 2015 we now have a positive result of operations and return on invested capital. This shows that there is focus on value creation. Today's acquisition we hope can be seen in the same perspective and that is the wish to further enhance growth creation. It is going to be an interesting year, 2016. We need more growth in Nilfisk, more orders in Cables and value creation must be strengthened in Photonics. I wish you all good luck with your efforts. Thank you.

Applause

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Chairman of the Board Jens Due Olsen

Thank you very much for your interest. Thank you for your questions. I will try to answer them one by one. The first question just to sum up had to do with the situation in Nilfisk is depending on whether the year shows that we have 5% organic growth or 0% in organic growth, the low end or the high end. My answer well it depends on the reason because if our initiatives come through and that will mean we achieve 5% growth we will give even further impetus to these initiatives because it means that we have found something that works. If we end up at the low end, which would mean that something is happening also at the world economy level, we will make adjustments but we will still assess very thoroughly if the growth initiatives actually work. Perhaps they are taking us to a level which would have been even worse if things had not been done by us. We don't think that this is going to happen but the reason may also be that our investments in the service organisation and sales representatives in partnerships with distributors with more instructions and teaching training of staff with a redefinition of our sales territories etc. If against all expectations this does not work then we need to assess the situation, make an analysis and reach a conclusion as to where we want to go. You cannot say there is a general conclusion to the whole market. Right now, some of the initiatives we have launched will work very well in some markets and there we will

accelerate efforts. In France, for instance. And as I said in my presentation, in Germany we are not really getting anywhere. There are too many of former sales people that had left us. We have recruited new people but we need to train them before things really take off, but the sales reps that have been with us for a while perform at a higher level than those that left us. So we just need to give this time. And then the US is not really working out for us right now and that is why our large newest competitor is actually ahead of us, not well globally, but because they perform better than we do in their own market and that is why we are adjusting, we are analysing, we are calibrating, we are doing everything we can and depending on where we end up in the growth interval we will take action. It was a long answer. I hope you understand what I am trying to say here.

Then there was a question about Cables. The first question about Cables had to do with the pipeline of potential orders and the development over the past 12 months. In our Annual Report, we have described this. Also, in the report I said that our earnings in Cables will reflect in 2016 compared to 2015 because of the EUR 80 million that we have achieved thanks to our DRIVE programme over the past couple of years. Earnings ought to have risen but the thing is that the orders we are currently delivering from the large facility in Cologne have been signed at a time when the market environment was keenly competitive and that is why the earnings from these projects are lower than they would have been had they been signed later. If we look at the tender situation in the market right now the pipeline of potential orders there is a tendency towards a growing interest in establishing wind farms at sea, high-voltage grid systems also onshore in more demand and also therefore there is growing profitability in the orders that we are currently bidding on and that is the way it should be because we are in an industry that is very sensitive to cyclical changes and fluctuations and we are having an exact opposite situation now compared to the situation one year ago.

The third question had to do with whether the pipeline has strengthened so that we can feel safer in regard to future developments. Again, we try as all the others to look at the possibility of projects, in particular wind farms at sea we are looking at what incentives we could – well, how we can see what the local authorities intend to do. We try to look ahead. Not one year because that is sort already dealt with, but we try to look into the future and there are indications that there will be a growing market in relation to wind farms at sea and then there are projects that are being postponed but generally we feel comfortable in relation to the future. Then there are onshore projects and the product business. This typically has lower visibility. That depends a great deal on the cyclical developments in the individual markets. For onshore projects, we also see a growing interest in a redevelopment of the national grids in order for power to go from the wind farms at sea, for instance the North Sea, all the way to the consumers in southern Germany where wind is not that pronounced. Today we pay Norwegians to take the electricity that we produce because we cannot send it elsewhere right now, but that is why we know that there is a great interest in developing the national grids.

The third question was about our acquisition in the UK business – Fianium – this is precisely done to make sure that we can respond quickly with regard to accelerating our activities. Imaging and metrology are very important areas to us. They will accelerate growth in revenue, in earnings and also our journey towards an attractive return on the invested capital. That is why we have done it. Although we tie up more capital we still think that the journey going forward will be more positive than it would otherwise have been. And that was all my answers. Thank you very much.

0.53.59.1

Chairman of the meeting

Thank you. The next speaker on my list is Carsten Christiansen. You represent the Danish Shareholders Association.

0.54.23.7

Carsten Christiansen

Thank you. So Carsten Christiansen is my name as you heard. I represent the Danish Shareholders Association. I would like to thank the chairman for a good report. In October, I read an interesting article. It was about a study from a university. An institute. It was a Dr. Hassan Enayati that had looked at companies that gave management share options, whether they did better than other companies that did not give management share options. The outcome was that there was no difference. If there were share options it did not really make any difference as to the result achieved by the company so that raises an interesting question concerning the remuneration packages and the effect of these so that is why I am asking: How can NKT ensure that you have the optimised compensation package – remuneration package – for your board and management? And what is the outcome with that for the best possible benefit for the shareholders? I also read an article about a new super material called graphene, something about power cables and super conductors for electricity I think it was. This material contained a number of good properties for conducting electricity and it was lighter than copper so I would like to ask you about your research activities. Do you have any research activities in this direction? I mean, developing new and better conductors, electricity conductors? Maybe you could even have better margins if you were to develop new, interesting conductors.

Nilfisk and the accounts there – we have heard about that from the chairman and the ATP – EUR 971.5 million has been your revenue, mainly because of an effect of exchange rates described on page 7 in the financial statements. All those things being equal, we thought that that should have improved the EBIT result but we have seen that the EBIT result and the EBIT margin have gone down nevertheless. So we would like to ask what the reason is for this development and what initiatives could you expect to have an improved EBIT result and EBIT margin going forward? And finally, Nilfisk – the vacuum cleaner – Yes, I have one at home and I am happy with it. But I read about consumer tests of Nilfisk and they were compared

with other brands much to my surprise Nilfisk was not the winner. And it was the Danish Consumer Council that had talked about this test. When there are consumer tests how do you as a company handle the result, the outcome? How high up in the organisation do you discuss the results of these tests and what about any product improvement initiatives because of that?

But obviously, I also want to praise you. You are very good at presenting things you know. Tables, graphical presentations, all sorts of things, really it is also inspiration to other companies when they do their reporting. I use this when I try to get a better explanation of the development of revenue. There is an Estonian company that is also in my portfolio and I have talked to them about your good way of presenting information. That was it from me. Thank you.

0.58.45.3

Chairman of the Board, Jens Due Olsen

Thank you to Carsten Christiansen from the Danish Shareholders Association. It is always an interesting dialogue and good questions. Let us just repeat the questions so you all know what we are talking about. The first question had to do with how NKT can ensure that we have optimum remuneration structures. Also to the benefit of shareholders. Based on the study. Was it from Cornell – maybe it was Cornell University – that said you couldn't really show a connection between option programmes and better results in companies. First of all, what we want to do is to be sort of in conformity with the market compared with the countries and industries in which we operate. That is one point and secondly we have a combination of fixed salaries for our management and a variable component and the variable component is a short-term bonus – that is the result in each year – and the long-term bonus is in turn to help ensure that we only take short-term decisions. So that should be worthwhile for executive that are doing a good piece of work. That is one thing, but also it should be worth their effort to invest in the future in the way that things only will have an impact 2-3-4 years from now. So, I mean, our management, executive management they are good people, they are skilful people. If we can sort of tie them to the companies for a number of years that is well another objective of the long-term incentive programmes. So that is the way we do it. Many studies have been made of this. We do believe there is a connection between variable pay and results and we also do believe it is necessary to have both short-term and long-term programmes. But we do address these continually, for instance we have had option programmes that related to the development of the NKT share but in Nilfisk and Cables we have had incentive programmes relating directly to the development of the individual company and this is the direction we are moving so the holding company we have some shared functions but they are a smaller and smaller part. It is out in operations and the operational companies that we have value creation so incentive programmes going forward will relate wholly to developments out there in the individual company and not related to the development of the NKT share because that might be influenced by other elements too.



There was a question also concerning research activities you talked about and new conductors. Well, we do spend a lot of time on this, Carsten Christiansen, I can only encourage you when we finish there is actually gentlemen, Detlev Waimann over here, he is the expert on R&D in this field. He can give you a much better reply than I can but I can mention a few things. Copper prices have been very high for a period. And through our R&D work we have developed solutions that consist of aluminium as a conductor instead of copper. That has contributed to much lower prices for many of our customers so satisfactory earnings for us but lower prices for our customers because aluminium has been a just as good conductor when we use it and much cheaper than copper. That is just one example. As I mentioned in my report, we try at the moment to develop more sort of it is type approval and testing that take a long time – DC cables, if you want to carry electricity over long distances you need these DC cables and we need that to get the electricity from offshore wind farms down to consumers in Southern Europe so we spend quite a lot of time and energy on working with these developments. I've just given you just a couple of examples but they are quite important to us.

You talked about the result in Nilfisk. You actually gave the answer in your question. It is quite true, there is a currency effect which you cannot read from the bottom line because we do carry out hedging. We do not want the exchange rate to decide whether we have a positive or negative result in a company so we do carry out hedging on an ongoing basis so you cannot see that. I mean, it will be wonderful if it is going good but not so good if it is going the other way, right, with the exchange rates, and the decline I have talked about it. We are investing quite a lot at the moment in future growth. We would have seen it as I said in 2015 though we have not seen it materialise yet and that is the reason why earnings have declined.

You talk about this consumer test of vacuum cleaners and whether we discuss that and how high up in the organisation that this is being discussed. At all board meetings, I can tell you we review a so-called net promoter score. This is another way of saying that we are looking at our customers' image of us when it comes to product quality, product offerings, delivery, prices, quality – all these parameters are reviewed at all board meetings in all companies. We also look at safety. Safety is very important to us, not only in NKT Cables, there we have these big sort of items potentially a dangerous workplace, right, but we certainly look at safety statistics over time and we also review quality. If there are special consumer studies, obviously, they are also addressed at board level if we think we can learn something from this side or the other but we do get from the net promoter scores an overall picture. I wish I had asked you because you have a Nilfisk and you are happy with it and you are not part of that study it seems. I think that was the reply I was able to give. I hope you are satisfied with my reply.

1.05.21.8

Chairman of the meeting

Thank you, says the chairman of the meeting. I would like to hear if there are other contributions from the audience? If that is not the case we will now make some resolutions. In regard to the first two items we

don't really have to make any resolutions. We find that the AGM has taken note of the report and the audited annual report with the additional comments made today by management and shareholders. Concerning item 3, approval of the annual report, based on the proxies and the postal votes that have arrived we know in advance that the annual report has been approved but all shareholders may of course demand that a detailed statement and explanation be given in regard to such votes so I would just like to hear if anyone demands that we have a vote. That is not the case. I find then that we have so resolved.

Item 4. There is a proposal for payment of dividend to shareholders, DKK 4 per share. The nominal value of the share is DKK 20. As a result, the total amount of DKK 97,425,516 will be paid out and you may have noted that this is slightly higher than the amount stated in the convening notice which is DKK 96,744,916 and the difference is simply because in the interval between the two announcement more shares have been issued under the option programme that exists in the company. I would like to hear well, I will simply ask, well I can tell you that the number of votes already received by means of proxy and personal votes has actually determined the outcome of a vote in advance, but if there are no objections I find that this proposal has been adopted.

Then let us move to item 5 on the agenda which is a question of discharging members of board and executive management of their responsibilities in relation to matters dealt with in the annual report 2015. Again, this proposal has been adopted in advance on the basis of votes received by means of proxies and postal votes so does anyone wish a specific or detailed statement concerning a vote? That is not the case. That item has been dealt with.

Item 6 on the agenda is proposal for remuneration to members of the Board for 2016. The proposal is that the chairman gets DKK 900,000, the vice chairman gets DKK 600,000 and all other members get DKK 300,000. The head of the Audit Committee should get DKK 200,000. The second member of that committee should get DKK 100,000. And the proposal is also that the chairs of the Remuneration Committee and the Nomination Committee each gets DKK 100,000 and the second member of these two committees each get DKK 50,000. Also, it is proposed that the chairman of each of the working committees set up in Nilfisk and NKT Cables gets DKK 200,000 and the second member of these two committees gets DKK 100,000 each and that concerning NKT Photonics the chairman will get DKK 150,000 and the other member will get DKK 75,000. I would point out that this is an unchanged level compared to the remuneration payable for 2015. I would like to hear if there are any comments or questions concerning these amounts or this proposal? That does not seem to be the case.

Once again, we know in advance that the proposal has been adopted on the basis of postal votes and proxy votes. Would anyone like us to get an exact outcome of a vote? That is not the case. We will then move on to item 7 which deals with members to the Board. We need to elect members and as mentioned by the

chairman in his report the proposal is to re-elect Mr Due Olsen, Mr Maaløe, Mr Sandahl Sørensen and Ms Jutta af Rosenborg and that we elect two new members, René Svendsen-Tune and Anders Runevad.

According to section 120 in the Danish Companies Act, before an election of board members you need to give information about the candidates' directorships and managerial positions in other companies and this information concerning these candidates has been contained in the convening notice annexes. I won't go into detail here but you can of course put any questions if you want in relation to the information disclosed in the convening and I have also been asked to point out that all the proposed candidates are willing to run. Any questions or comments? To the election of board members? I would like to hear if there are other candidates for the seats on the Board? That does not seem to be the case. I find that the candidates have all been elected. Congratulations to you all.

We will now move on to item 8. Election of one or more auditors. The proposal is to elect Deloitte auditor of the Group. I would like to hear if there are any comments? Any other candidates? That does not seem to be the case. I find then that Deloitte has been elected. Congratulations.

Under item 9, we have first 9.1 which is a proposal from the Board to the effect that the Board be authorised to acquire treasury shares to a nominal value corresponding to 10 % of the share capital and at a price that does not deviate by more than 10 % from the price listed at Nasdaq Copenhagen at the time of the acquisition. There is also a proposal that this authority be valid for five years until 31 March 2021. And I think we need to have a slide that deals with this specific item. Yes. And as I said this is a standard item that you find on all AGM agendas. I would like to hear if there are any questions or comments from the audience? It has been adopted already on the basis of postal votes and proxies so my question is does anyone wish us to have a vote so that we can get the exact outcome? That is not the case. I find that the proposal has been adopted.

And we go to 9.2. A proposal to the effect that Computershare A/S be elected as the external keeper of the shareholder register. It will take over after the previous registrar or keeper which was VP Investor Services and that is why we need to have an amendment to the Articles of Association so that it now says Computershare and not VP Investor Services. Any questions or comments in this regard? Again the proposal has been adopted in advance and I take it that nobody wants us to go ahead with a vote.

We will then move on to 9.3. There is a proposal here to the effect that the company shares be converted from being bearer shares that may be registered in the name of the holder to being registered shares. The reason for this proposal is that there has been an amendment of the Danish Companies Act according to which it is no longer possible to issue bearer shares. No new bearer shares can be issued from now on and as a result the company's existing authority to issue shares cannot be utilised after 1 July this year unless

the company shares are converted into registered shares, registered shares meaning shares that are registered in the name of the holder and I would refer you to the convening notice where you see the wording of the amendment but it is fairly simple basically. It is merely a replacement of the term bearer shares with registered shares. So any requests for the floor? Again, I would point out that the proposal has been adopted automatically on the basis of proxies and postal votes.

Okay, we will move on to 9.4. a minor amendment of the Articles of Association. Article 3b, viii should be deleted because the authorisation has been exhausted and expired so this is an editorial correction and it has been adopted already. I don't think anyone would like us to go ahead with an actual vote to establish the exact numbers of yes and no votes.

Let us move on. Under 9.5 we have a very important item because it has to do with authorising the chairman of the meeting to make sure that resolutions made at the meeting are announced to the Danish Business Authority and again it is no surprise to you that it has been adopted in advance and I don't think anyone would like us to go ahead with a vote.

Let us move on. Item 10 on the agenda. Any other business. Under any other business no decisions or resolutions can be passed or made but if anyone wishes to speak on a given point this is the time to do it. Okay, I find then that we have exhausted the agenda. I would like to thank the audience for good order and discipline and give the floor to the chairman of the Board, Mr Jens Due.

1.18.54.3

Chairman of the Board Jens Due Olsen

Thank you. That is almost a record, isn't it? We were speedy and expedient at the AGM here today. Thank for re-electing and electing board members and thank you for your continuous support. I have already thanked the employees for their sterling effort in 2015 but I would like to do that again. I would also like to thank our customers and suppliers for the cooperation we have enjoyed from them and I would like to thank my present and future members of the board. Thank you to the chairman of the meeting. Thank you to the interpreters and the technicians. Now we have some refreshments for you in the lobby and I hope you will take the opportunity to talk to board members and members of the executive management from Nilfisk, NKT Cables and Photonics. Thank you for coming.