

NKT AGM

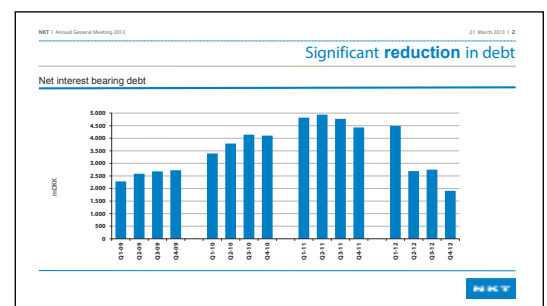
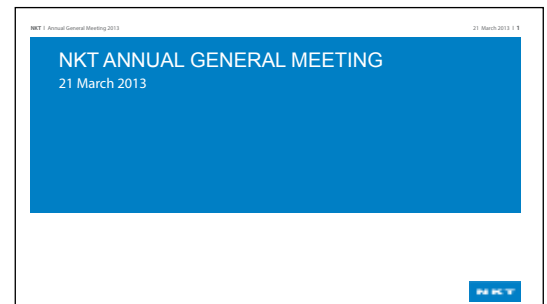
2013

I would have liked the turnover to have been 25 billion, and the earnings to have been significantly higher - but the recession stopped that!

So here we are - a conglomerate with many factors affecting the development. In spite of this, we can look back on times of reasonable earnings and a good yield to shareholders, totalling 8.2 billion kroner, achieved through 25 years of dividends and share buybacks.

If we look at NKT's results for 2012 a complex picture emerges. We realised earnings of 1.6 billion kroner which was in line with our expectations. And we reduced our debts by 2.5 billion kroner. It was the sale of NKT Flexibles at 2 billion kroner that was primarily responsible for this reduction in debts.

We therefore achieved our strategic target for the Group's capital structure. Our debt amounted to 1.8 times operational EBITDA, and the strategic target for the



Slide 3: Capital structure target achieved.

- Net interest bearing debt in relation to operational EBITDA: 1.8x (around 2.5x)
- Solvency ratio: 44% (min. 30%)
- Equity gearing: 33% (max. 100%)

The slide includes an image of binoculars on the right side.

period 2011-2015 is 2.5 times operational EBITDA - so a sound platform now exists for the further development of the Group's three business units in the years ahead.

Our targets for solvency ratio and equity gearing were also reached. Our strategy specifies 30% as the minimum target for solvency, and we delivered 44% in 2012. Equity gearing must be less than 100%, and in 2012 we achieved 33%. All together these are positive results which give NKT a strong foundation to build on.


We also managed to increase earnings by 18% compared with 2011. This was a truly excellent performance that came from cost adjustments in Nilfisk-Advance and from improvement in earnings at NKT Cables, mainly towards the end of the year.

But the picture also includes a 2% decline in revenue - and this is clearly not a cause for celebration. Particularly when at the start of the year we had expected an increase of 5-10%. However, this is a good example of how unpredictable developments are. This applies both to our own performances, particularly in NKT Cables, and also to the market, where neither we nor our competitors achieved the growth anticipated.

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Capital structure target achieved

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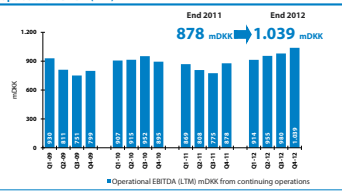


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Strong Q4 boosted earnings

Operational EBITDA (LTM)



NKT

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Group revenue 2012

Amounts in mDKK	2012	2011	Change
Group earnings	15,253	15,604	-2%

NKT

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NKT ANNUAL GENERAL MEETING

21 March 2013

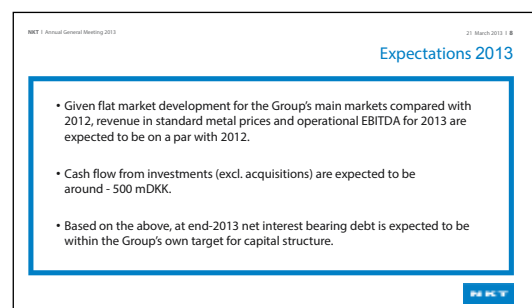
NKT

We revised our financial forecasts downwards twice during the year, and with the benefit of hindsight we can see that once would have been enough. Our initial expectations were reported with a proviso that the market developments could negatively affect results, but we were not able to get this point across to the stock market.

The Board has found it most appropriate not to provide detailed statements about NKT's future expectations. Generally, for 2013, we are saying that: Given flat market developments for the Group's main markets compared with 2012, we expect both revenue and earnings in 2013 to be on a par with 2012. Expectations for cash flow and debt can also be seen on the screen.

We have introduced the same principle with regard to the targets stated in the Group's strategy, Powered by NKT 2011-2015.

Midway through its term we have adjusted this strategy, among other things because the original targets still included NKT Flexibles. Whereas previously we expected a return on capital employed of 20% in 2015, we are now saying that shareholders can expect

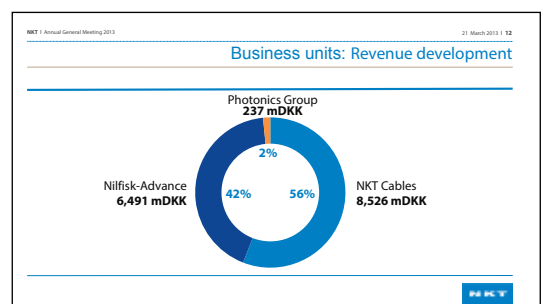


around 15-20%. And, having learned from experience, we will not specify a deadline for achieving this. Market developments have become harder to predict, and forecasts can easily be overtaken by events.

However, we will maintain our existing strategic direction. This builds on long-term development trends, such as urbanisation, sustainability in products and production, and expansion of power supply with renewable energy forms.

In autumn 2012, the Board of Directors visited the Group's factories and offices in the Shanghai area. The mayor of Changzhou [*Sjangzu*] city where NKT Cables has a factory described the city's development to the present day. This city has a population the size of Denmark and annual GNP growth of 12%. Clearly, NKT must have a presence in such a high-growth market, and all three of our business units have operations in China, which after all has contributed more than a quarter of a billion kroner in earnings in the last five years.

Today, NKT consists of NKT Cables, which supplies 56% of revenue, Nilfisk-Advance representing 42%, and Photonics Group, which contributes 2%.

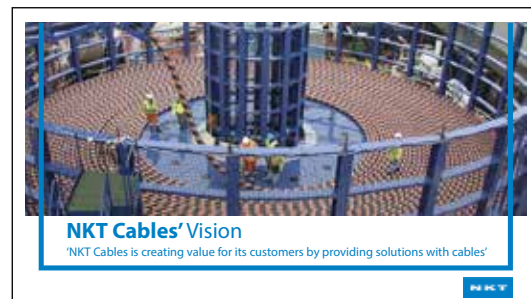


All three business units showed new earnings potential in 2012, but we also saw increasing competition.

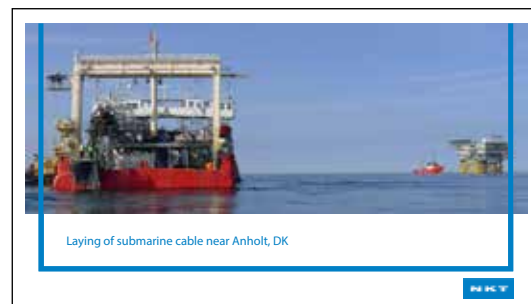
Growth expectations changed in 2012, particularly for NKT Cables. Uncertainty about the regulatory regime surrounding offshore wind farms in, among others, the UK and Germany, which are NKT Cables' main markets, impacted the whole of the North European energy market. As a result, customers postponed delivery of submarine cables already ordered and new projects were shelved.

In the medium voltage cables market NKT Cables has a number of framework agreements with major energy companies. These customers were seen to order far less under these agreements than they themselves had expected at the start of the year. And in the market for installation cables, competition hardened and sales declined.

NKT Cables also has framework agreements in China relating to the supply of catenary wires for high-speed railways. Here too, customers utilised these agreements less than was expected, and the cable market was influenced both by increased competition and political uncertainty.



All in all, this led to unsatisfactory first-half earnings for NKT Cables. However, the company managed to change the pattern of development in the second half, and earnings performance was more acceptable. Among other things, NKT Cables has reorganised its factories and improved efficiency, and in the course of the year three large submarine cables were supplied from the factory in Cologne. A new transshipment and storage terminal was built in Rotterdam, which increases flexibility, and we expanded our sales force in China.



NKT Cables reported total revenue of 8.5 billion kroner, a slight fall compared with the year before. Earnings increased, however, and the EBITDA margin - earnings as a percentage of revenue - was 5.3%. We have invested significantly in NKT Cables in recent years, and we now expect to see earnings increase.

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NKT Cables

Amounts in mDKK	2012	2011	Change
Revenue	8,526	9,088	-562
EBITDA	290	182	108
EBITDA margin, std. metal prices	5.3%	3.2%	

Nilfisk-Advance had its best year ever despite unchanged revenue. Earnings reached an all-time high and we outperformed our competitors.



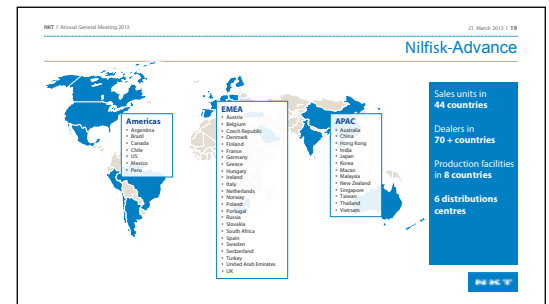
In Europe, where the competition is fierce and customers were cautious, Nilfisk-Advance managed to increase its sales to Germany, UK, France and

several East European countries. In Southern Europe, Nilfisk-Advance made cost reductions and organisational adjustments, and this differentiated strategy seems to be working.

Cleaning equipment from Nilfisk-Advance can now be purchased in more than one hundred countries worldwide. In 2012, the company opened a sales office in Peru, one of the fastest growing economies in South America. Brazil, Russia, India, China, Mexico and Turkey are all high-growth countries, and Nilfisk-Advance increased its revenue in these markets by 25% in 2012.

Over the past 10 years Nilfisk-Advance has made more than 20 acquisitions which now form part of the present company. In this way, two new businesses joined the NKT family in 2012.

Part of what drives development at Nilfisk-Advance is the redirection of focus from being product driven to customer driven. In 2012, the company strengthened its service organisation, and development work led to the launch of 43 new products. Among other things, brand-new technology was introduced in the form of the CS 7000 combined sweeper-scrubber, that now runs on fuel



cells powered by hydrogen. Recharging takes two minutes - compared with eight hours for normal batteries. This new technology was developed together with a major US industrial customer and is currently sold only in the United States.

Revenue levelled 2011. However, Nilfisk-Advance increased its earnings and recorded an operational EBITDA margin - earnings as a percentage of revenue - of 11.9%. It is not least because cost was kept down that we managed to increase earnings.

For the second year in a row we celebrated positive earnings for Photonics Group.

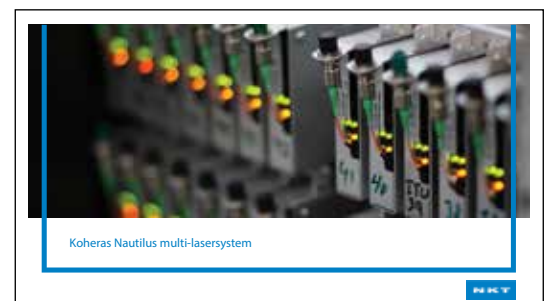
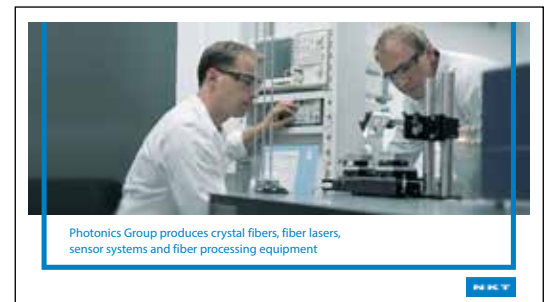
Increasingly, Photonics Group's customers are industrial companies which have discovered the potential of fiber-based equipment.

Lasers are being utilised in a growing number of contexts, ranging from oil recovery to examination of the human eye, and our equipment is typically used as a component in products such as microscopes made by other manufacturers. There is growing demand for our crystal fibers and fiber

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Nilfisk-Advance

Amounts in mDKK	2012	2011	Change
Revenue	6,491	6,307	184
Operational EBITDA	775	732	43
Operational EBITDA margin	11.9%	11.6%	

NKT



processing equipment, and Photonics Group's revenue is supported by a strong portfolio of patents.

Photonics Group reported organic revenue growth of 10% and profit of 9 million kroner. We continue to make significant investments, and, among other things, we expanded our laser production facilities in 2012 and increased our sales force around the world.

-----*short break*-----

In 2012, we had to make a number of work force adjustments across NKT, in order to adapt the Group to the prevailing market conditions. At the end of the year the NKT Group had around 8,800 employees, 87% of whom were based outside Denmark.

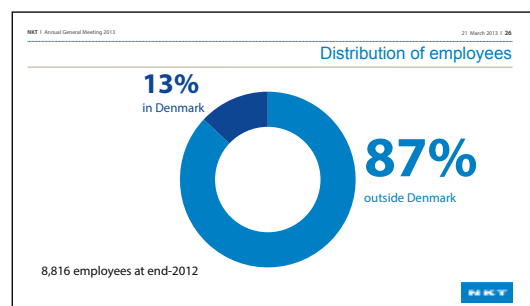
All our business units were focused on optimisation and efficiency, and an 18% improvement in total Group earnings compared with last year is no bad performance on a slightly reduced revenue base. Adding these earnings to the proceeds from the sale of NKT Flexibles produced a Group profit after tax of 1.6 billion kroner. This has strengthened our capital base and recreated financial

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Photonics Group

Amounts in mDKK	2012	2011	Change
Revenue	237	210	24
EBITDA	9	1	8
EBITDA margin	3.8%	0.5%	

NKT



flexibility by which the Group can again actively participate in the developments taking place in the segments in which our business units operate.

But our shareholders must also benefit from such profits, and the Board of Directors therefore proposes a dividend of 8 kroner per share for 2012, which is a total dividend payment of 191 million kroner. This corresponds to 98% of NKT's profit for the year from our three business units. Dividend will be discussed as Item 4 on today's agenda.

As at 31 December 2012, the total market value of NKT's shares was 4.9 billion kroner, compared with 4.5 billion kroner last year, and fortunately since the turn of the year there has been a further slight increase in the share price.

An increasing proportion of NKT's total share capital of 478 million kroner is estimated to be owned by shareholders resident outside Denmark. The size of the ownership group has diminished slightly as the total number of shareholders decreased by 4% from 39,200 to 37,500.

The Annual General Meeting is required to approve the fees paid to the Board of Directors. It is proposed that these fees be unchanged from 2012.

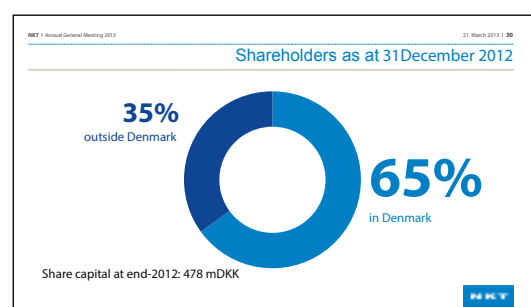
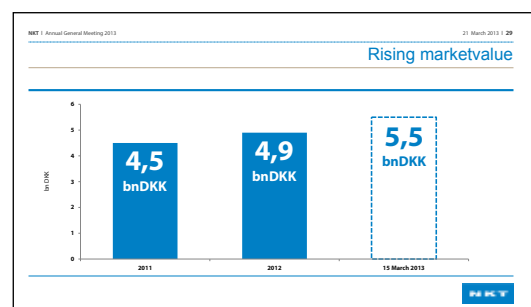
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Ordinary dividend

Year of payment	2013	2012
Ordinary dividend per share, DKK	8	2
Total payment, mDKK	191	48

Dividend will be paid four bank days after the AGM

NKT



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Board of Directors' remuneration

Amounts in '000 DKK	2013	2012
Chairman	900	900
Deputy Chairman	450	450
Other directors, each	300	300
Audit Committee		
Chairman	200	200
Member	100	100
Nomination Committee		
Chairman and member	0	0
Remuneration Committee		
Chairman and member	0	0
Total remuneration	3,750	3,600*

**Adjusted for reduction in number of Board members*

NKT

The Chairman of the Board is paid three times the base fee and the Deputy Chairman 1.5 times the base fee. As previously, the work of the Nomination and Remuneration Committees is not remunerated separately, while the Chairman of the Audit Committee and other Audit Committee members receive two thirds and one third of the base fee, respectively.

-----*short break*-----

It is now 26 years since I was first elected to NKT's Board of Directors and this is my 23rd report to NKT's Annual General Meeting. I am proud of the transformation NKT has undergone during this period. Together the Group Management and NKT's employees have created a global industrial conglomerate whose business units are among the leading in each individual segment.

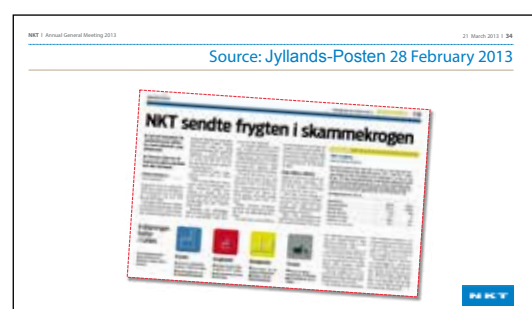
In the Board of Directors we have never shied away from taking a chance if we saw reasonable possibility of a positive outcome. We have created growth, earnings and jobs. We have invested and passed on the resulting profits to our shareholders. We have been active and created the conglomerate through



acquisition of Nilfisk and LK and divestment of Giga, NKT Elektronik, Lexel and NKT Flexibles. We have focused at all times on the long-term development of our companies and we have continuously assessed if we are the best owners to unleash the potential of a given business.

As the Danish national daily Jyllands Posten so kindly wrote on the publication of our financial statements: “.... Where other companies and individuals have invested badly and frittered their money away, NKT has done precisely the reverse. The money has gone back to the shareholders.” I am wholly in agreement with this part of the quote, but I must leave it to others to judge whether - as the newspaper also wrote - I have a slightly ‘old-fashioned approach to being a capitalist’.

Because if being old-fashioned means wishing to remain independent of the dictates of banks and continuing to be the master in my own household then I am proud to be old-fashioned. I am proud too that the Board of Directors steered NKT through the recent economic downturn without sacrificing our freedom of action, and at the same



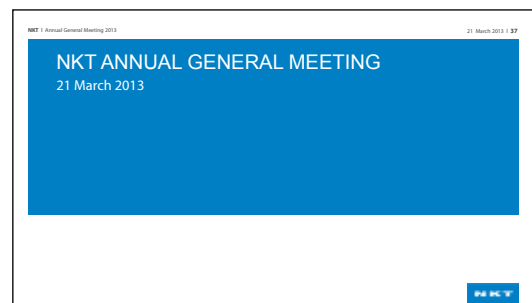
time insisting upon implementing one of the Group's biggest investments of modern times - construction of the new cable factory in Cologne.

I am also proud of the never failing commitment of our employees. Without their daily efforts there would not be a Group as NKT.

I must also say that the NKT Board of Directors has succeeded in creating stability in the Group Management. In the past 26 years we have had only four CEOs, and that is something which creates a stable company climate.

As I will be turning 70 later this spring I have decided not to stand for re-election this year to the Board of Directors. As well as electing my successor, the AGM must also elect a successor to Jan Trøjborg, who died suddenly in May 2012. Jan was a well-liked and extremely knowledgeable member of the Board. He was elected in 2005 and, among other things, served as Deputy Chairman for a five-year period. Let us hold a minute's silence in memory of Jan Trøjborg: We honor his memory.

-----PAUSE - one minute-----



In the process of finding two new candidates for the Board we have considered the qualifications which the Board requires and the number of members which the Board should have, and we have discussed the need for renewal and diversity.

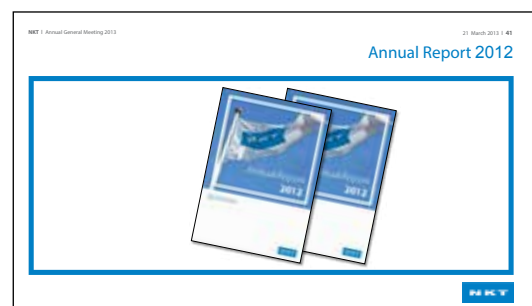
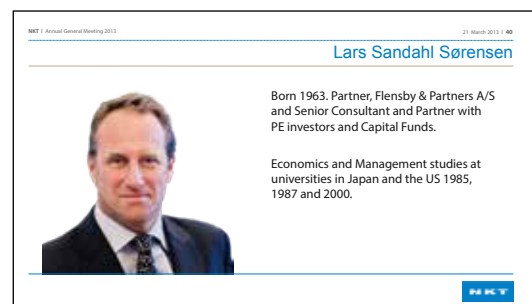
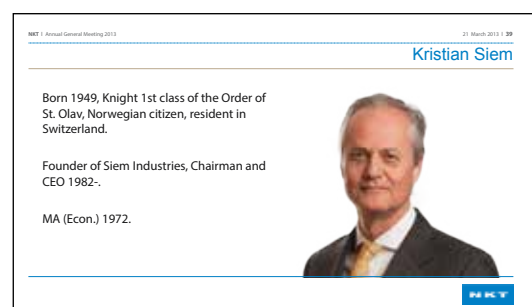
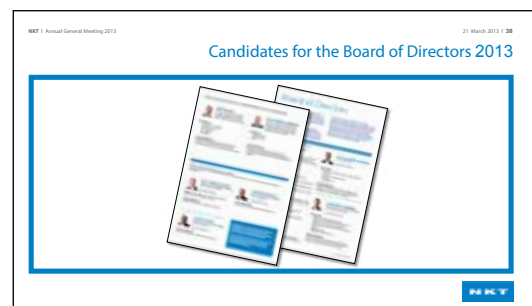
We have decided to nominate Kristian Siem, an experienced Norwegian industrialist with a long record in international industrial management and management of listed companies, and with a thorough knowledge of the energy sector and international financial conditions.

The Board further nominates Lars Sandahl Sørensen, who has a background in international service management and listed companies, as well as specialist experience in corporate trading, international business development, sales and marketing.

Election to the Board of Directors is Item 7 on the agenda.

-----*short break*-----

And now to the financial statements, which have been presented in accordance with financial reporting standards and



disclosure requirements for listed Danish companies. As in previous years, the auditors made no qualifications with regard to the 2012 Annual Report.

Group revenue in 2012 was 15.3 billion kroner, which corresponded to negative organic growth of 2% compared with 2011.

Operational EBITDA was 1 billion and 39 million kroner [1,039 mDKK], compared with 878 million kroner in 2011. This corresponds to an earnings improvement of 161 million kroner or 18%.

We had one-off costs of 30 million kroner relating to Nilfisk-Advance and depreciation, amortisation and impairment of 536 million kroner.

Financial items amounted to 196 million kroner, and earnings for the year from continuing activities before tax were therefore 277 million kroner.

Tax was 81 million kroner, and earnings for the year after tax therefore amounted to 196 million kroner, compared with 8 million kroner in 2011.

Profit from sale of discontinued activities, principally NKT Flexibles, was

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NKT Group

Amounts in mDKK	2012	2011	Change	%-change
Revenue	15,253	15,604	-351	-2%
Operational EBITDA	1,039	878	161	18%

P&GCT

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NKT Group

Amounts in mDKK	2012	2011	Change
Revenue	15,253	15,604	-351
Operational EBITDA	1,039	878	161
One-off costs	-30	-33	3
EBITDA	1,009	845	164
Depreciation, amortisation and impairment	-536	-559	23
EBIT	473	286	187

P&GCT

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Depreciation, amortisation and impairment	-536	-559	23
EBIT	473	286	187
Financial items	-196	-280	84
EBT from continuing operations	277	6	271

P&GCT

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Financial items	-196	-280	84
EBT from continuing operations	277	6	271
Tax of continuing operations	-81	2	-83
Earnings after tax of continuing operations	196	8	188

P&GCT

1 billion 410 million kroner [1,410 mDKK], and the final profit was therefore 1 billion 605 million kroner. [1,605 mDKK].

Group equity amounted to 5.7 billion kroner at the end of 2012, which was significantly higher than the year before. Dividend paid amounted to 48 million kroner in 2012, and with the addition of profit for the year, equity as a percentage of total assets - was 44%, compared with 30% the previous year.

Focus was placed on reducing funds tied up in working capital. As at 31 December 2012, working capital amounted to 2.4 billion kroner, compared with 2.7 billion kroner the year before. Working capital was therefore at its lowest level for a number of years.

Cash flow from operations amounted to 1.1 billion kroner, compared with 573 million kroner in 2011, an improvement of 549 million kroner on the year before.

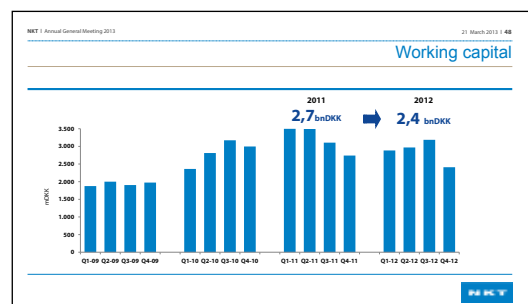
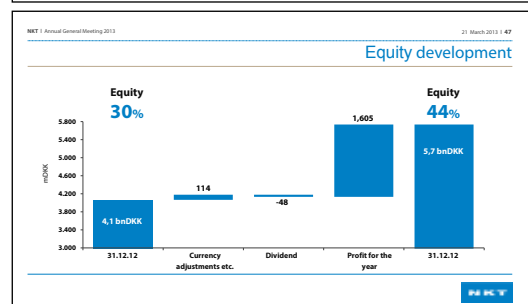
Cash flow from investing activities amounted to 532 million kroner, an improvement of 266 million kroner.

This gave a free cash flow of 590 million kroner, as compared with a negative free

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NKT Group

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EBITDA	1,009	845	164
Depreciation, amortisation and impairment	-536	-559	23
EBIT	473	286	187
Financial items	-196	-280	84
EBT from continuing operations	277	6	271
Tax of continuing operations	-81	2	-83
Earnings after tax of continuing operations	196	8	188
Profit from sale of NKT Flexibles	1,410	119	1,291
Profit	1,605	127	1,478
Operational EBITDA margin	6.6%	7.2%	neg.
Tax	29%		



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Cash flow statement

Amounts in mDKK	2012	2011	Change
Cash flow from operations	1,122	573	549
Cash flow from investments	-532	-798	266
Free cash flow	590	-225	815

cash flow of 225 million in 2011. This is a very significant improvement of 815 million kroner.

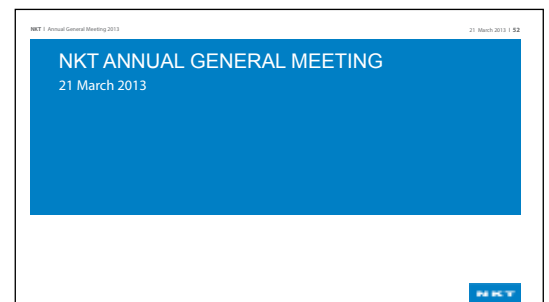
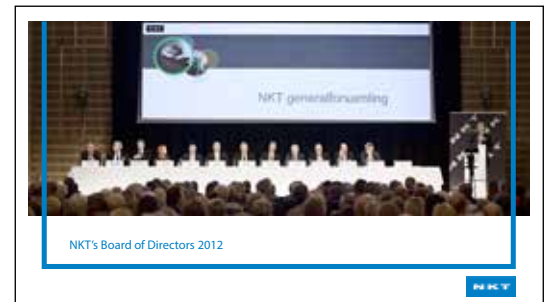
This concludes the review of the financial statements. There will be an opportunity to ask questions at the conclusion of my report.


-----*short break*-----

I would really have stepped down from the Board of Directors last year, as I think I have served for too long. But I felt that the Group was pressed financially, and I was keen to hand it over in a sound condition. I do believe that today I can leave NKT, confident that the Group is healthy, strong and has a good strategy for growth and increased earnings in the years ahead.

Last - but by no means least - at an Annual General Meeting:

I promised the shareholders present at last year's General Meeting that they would receive the same excellent catering this year. I am keeping that promise. However, the new Board of Directors is free to make changes thereafter. Currently, many companies





are switching to electronic voting and attendance for annual general meetings - so who knows whether catering will be relevant at all the future :-).

I hereby conclude the report of the Board of Directors for 2012. Under the last item on the agenda, 'Other Proposals' I will have an opportunity to express my thanks to the General Meeting as I come to the end of my time as Chairman of NKT.