



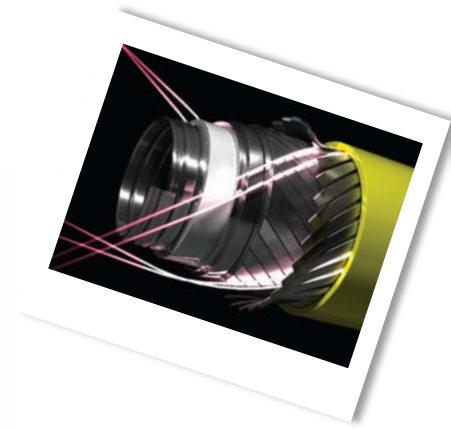
NKT

NKT

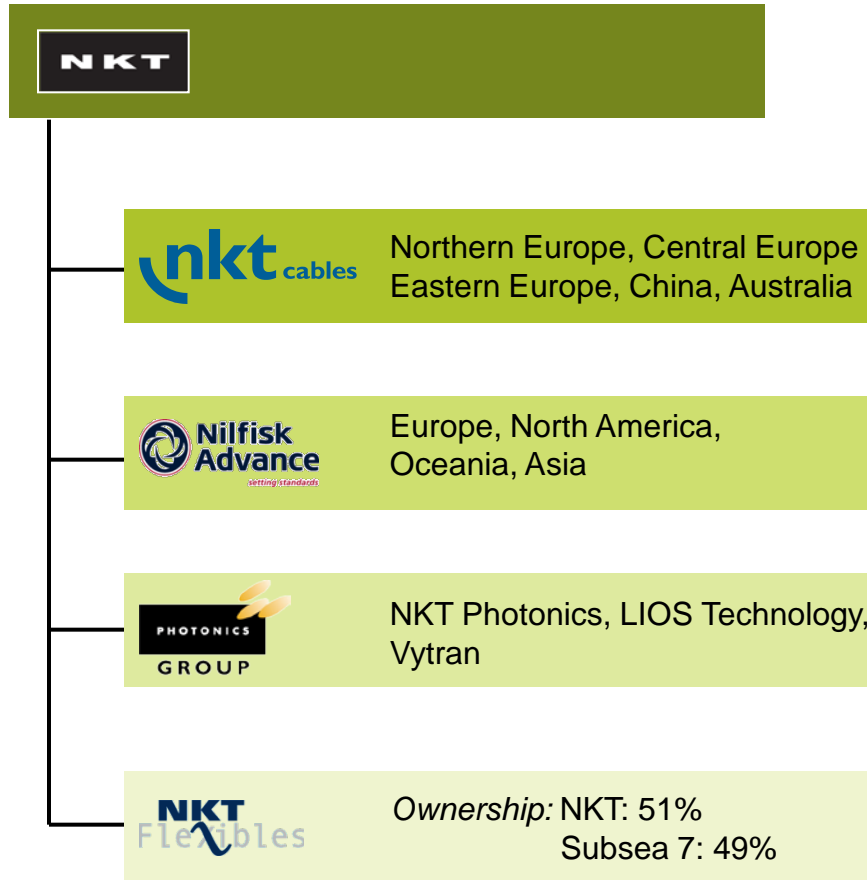
Annual Report 2010
Live presentation
1 March 2011 at 11:00 am

Agenda

- NKT Group – 2010 in headlines
- Expectations 2011
- Financial results 2010
- NKT Strategy 2011-2015 “Powered by NKT”
- Questions & Answers



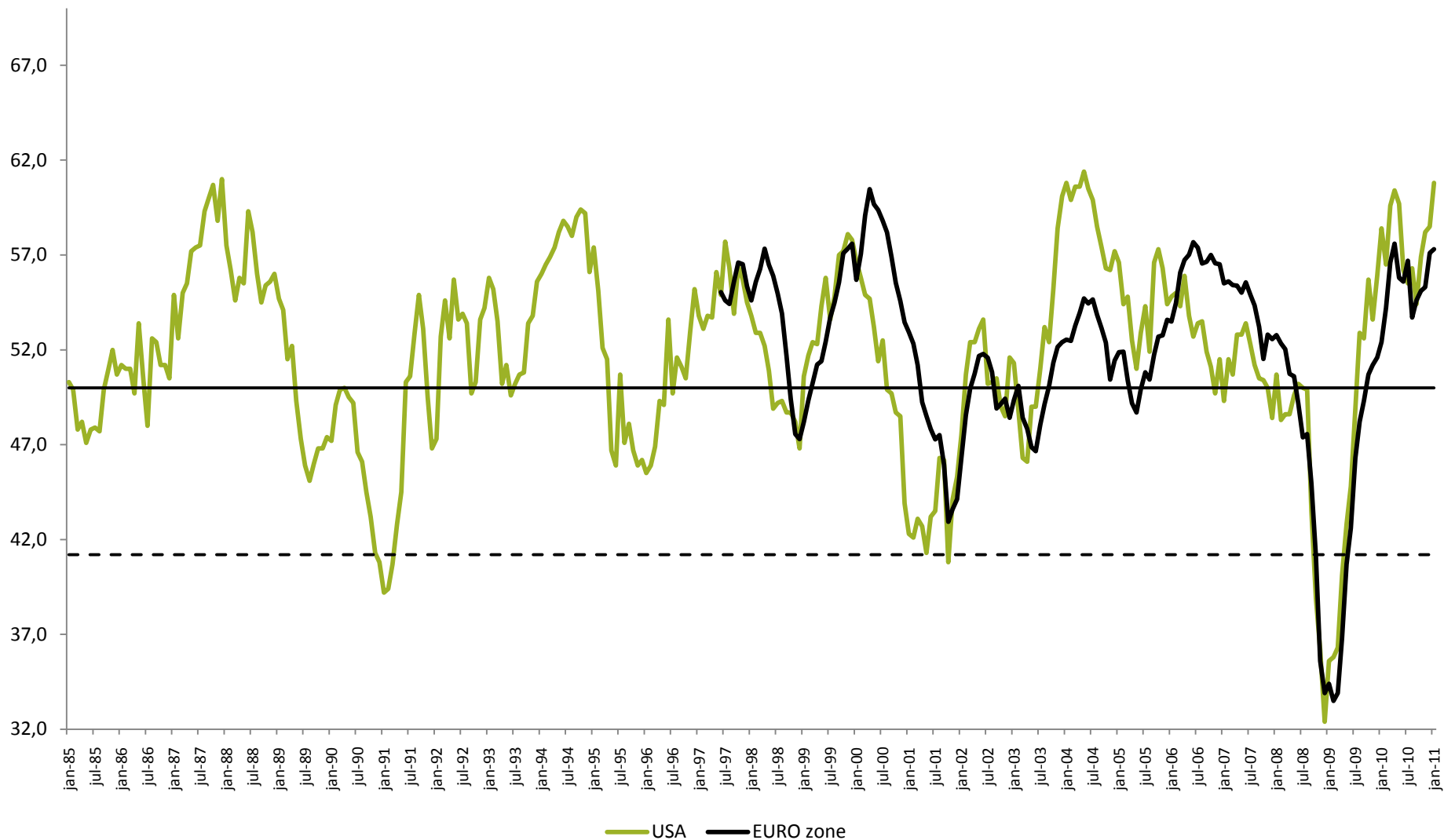
Group structure March 2011



NKT Group 2010 in headlines

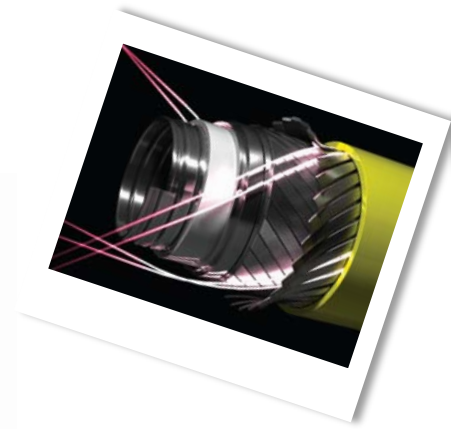
- Revenue up from 2.927 mDKK in Q4 2009 to 4.029 mDKK in Q4 2010
- Full year 2010: 14.451 mDKK vs. full year 2009: 11.687 mDKK
- Organic growth of 23% in Q4 and 12% in Q1-Q4 2010
 - NKT Cables 34% in Q4
16% in Q1-Q4 2010
 - Nilfisk-Advance 7% in Q4
7% in Q1-Q4 2010
 - Photonics Group 26% in Q4
14% in Q1-Q4 2010
- Operational EBITDA Q4 2010: 193 mDKK (6,3%) vs. 231 mDKK (9,4%) in Q4 2009
- Operational EBITDA Q1-Q4 2010: 985 mDKK (8,6%) vs. 935 mDKK (9,4%) in Q1-Q4 2009
- EBITDA significantly impacted by negative earnings in a subsea cable project in NKT Cables
- One-off costs in Nilfisk-Advance: 15 mDKK in Q4 2010 vs. 86 mDKK full year
- Financial costs: 135 mDKK in 2010 vs. 125 mDKK in 2009
- Earnings before tax (EBT) amount to 345 mDKK in 2010 vs. 291 mDKK in 2009
- Total investment in 2010 represents 913 mDKK
- NIBD increased by 1,4 bnDKK to 4,1 bnDKK (4,2x operational EBITDA)
- Proposed dividend of 2 DKK/share => 47 mDKK
- Expectations for 2011:
 - approx. 5% organic revenue growth
 - Operational EBITDA is planned in the level of 1.200 mDKK

Manufacturing PMI



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Expectations 2011

Expectations for 2011:

- Approx. 5% organic revenue growth
- Operational EBITDA is planned in the level of 1.200 mDKK

Based on the following assumptions:

- NKT Cables – organic growth of approx. 5% and an improvement in the EBITDA-margin in the level of 2,5 – 3%-points over the year
- Nilfisk-Advance – organic growth of approx. 5% and an expected improvement in the EBITDA-margin of approx. 1%-points
- Photonics Group – organic growth of at least 20% and expected EBITDA at breakeven
- NKT Flexibles – up to 5% decrease in EBITDA-margin from 18,7% in 2010
- Cost of approx. 25 mDKK related to structural initiatives in Nilfisk-Advance
- Investments in PPE growth, PPE maintenance and capitalized development costs of all in all approx. 550 mDKK to which must be added 150 mDKK relating to acquisitions
- A decrease in the NIBD/operational EBITDA ratio from 4,2x end 2010 to approx. 3,5x end of 2011 is expected

Expectations 2011 – Consensus (mDKK)

	<u>Consensus</u>
Revenue	15.243
Operational EBITDA	
NKT Cables	554
Nilfisk-Advance	700
Photonics Group	-3
NKT Flexibles	77
Others	-24
Operational EBITDA	<u>1.304</u>
D&A	-427
Operational EBIT	<u>877</u>
One off's	-11
Financial items	-134
Earnings before tax, EBT	<u>732</u>
Tax	-198
Earnings after tax	<u><u>534</u></u>

Expectations

Approx. organic growth of 5%

Realized revenue std. in 2010 of 11.478 =>

Revenue in 2011 of 12.052 mDKK

Approx. 1.200 mDKK excluding cost for structural initiatives

Approx. 25 mDKK in one-off's

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Financial results 2010 vs. 2009

mDKK	2010	2009	Change		Consensus
Revenue	14.451	11.687	2.764	24%	13.860
EBITDA (operational)	985	935	50	5%	1.028
Depreciation	-419	-367	-52	-14%	-403
EBIT (operational)	566	568	-2	0%	625
"One-off´s"	-86	-152	66		-76
Financial items	-135	-125	-10	-8%	-131
Result before tax	345	291	54	19%	418
Tax	-76	-53	-23		-116
Net result	270	238	32	13%	302
<i>Revenue, std.</i>	11.478	9.950	1.528	15%	11.004
<i>Oper. EBITDA-margin std.</i>	8,6%	9,4%			9,3%
<i>Oper. EBIT-margin std.</i>	4,9%	5,7%			5,7%
<i>Tax %</i>	22%	18%			28%

- 12% organic growth => NKT Cables 16%, Nilfisk-Advance 7%, Photonics Group 14%
- Proposed dividend of 2 DKK per share corresponding to 47 mDKK or 18% of net result

Financial results 2010 vs. 2009

mDKK	2010	2009	Change
Revenue	14.451	11.687	2.764
EBITDA (operational)	985	935	50
Depreciation	-419	-367	-52
EBIT (operational)	566	568	-2
"One-off´s"	-86	-152	66
Financial items	-135	-125	-10
Result before tax	345	291	54
Tax	-76	-53	-23
Net result	270	238	32
<i>Revenue, std.</i>	11.478	9.950	1.528
<i>EBITDA-margin std.</i>	8,6%	9,4%	
<i>EBIT-margin std.</i>	4,9%	5,7%	
<i>Tax %</i>	22%	18%	

	mDKK
Revenue increased by	2.764
• Metal prices =>	771
• FX changes =>	368
• Acquisitions =>	47
• 12% organic growth =>	1.578
- NKT Cables	16%
- Nilfisk-Advance	7%
- Photonics Group	14%

	mDKK
EBITDA increased by	50
• NKT Cables =>	-44
- down from 8,0% to 5,9%	
• Nilfisk-Advance =>	143
- up from 9,2% to 10,7%	
• Photonics Group =>	20
• NKT Flexibles =>	-46
- margin (LTM) down to 18,7%	
• Other =>	-23
- 2009 impacted by 18 mDKK re. divestment of property	

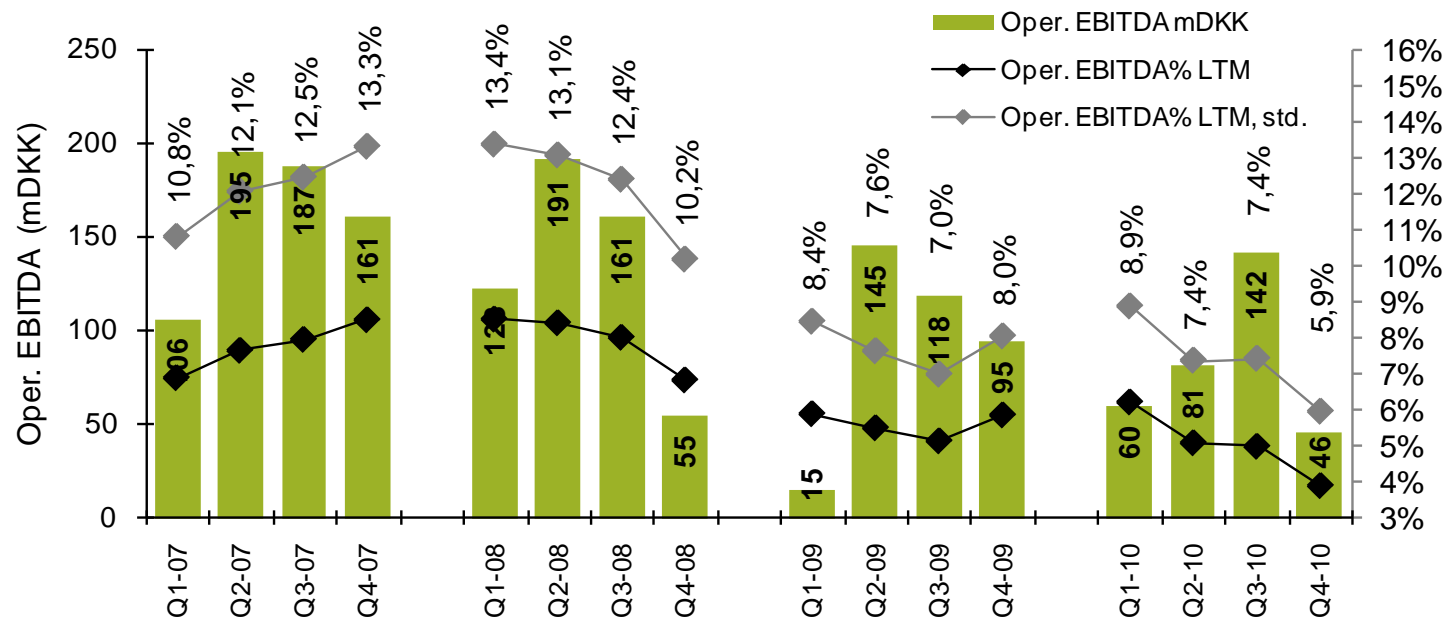
	mDKK
One-off´s in Nilfisk-Advance	86

Financial target performance

Amounts in mDKK	Expectations 2010	Changes during 2010	Realized 2010	
NKT Group				
Organic growth	6-10%	approx. 10%	12%	✓
Operational EBITDA	approx. 1 bnDKK	no change	985	✓
NKT Cables				
Organic growth	min. 10%	no change	16%	✓
EBITDA-margin	approx. 8,5%	approx. 7,5%	5,9 %	÷
Nilfisk-Advance				
Organic growth	min. 2%	approx. 6%	7%	✓
Operational EBITDA margin	approx. 10,2%	approx. 10,7%	10,7%	✓
Structural initiative costs	approx. 75	no change	86	✓
Photonics Group				
EBITDA	-10-20	no change	-11	✓
NKT Flexibles				
EBITDA margin	approx. 13%	approx. 15%	18,7%	✓

- NIBD above assumptions beginning of the year mainly due to the following reasons:
 - higher investments (~200 mDKK)
 - significantly higher copper prices leading to higher WC
 - higher organic growth leading to higher WC
 - still high inventory levels in Nilfisk-Advance due to relocation of production units

Trends – NKT Cables

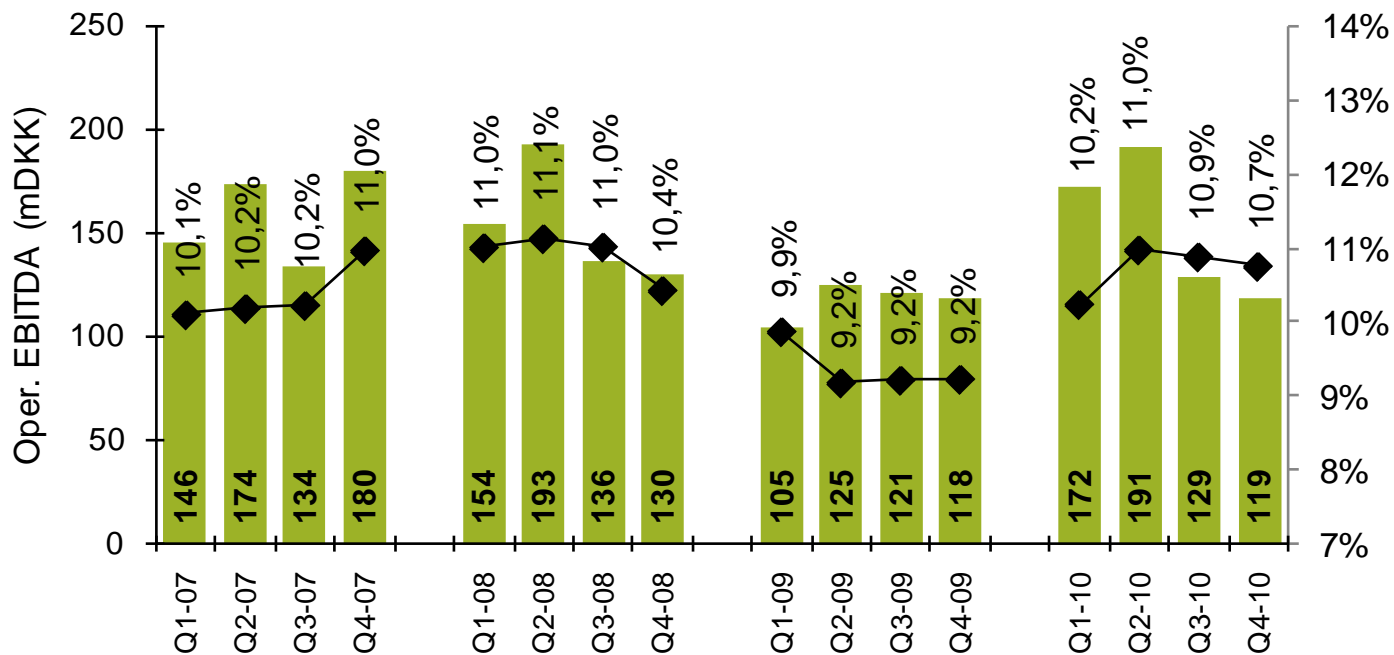


Realized 16% organic growth in 2010
 HV/Sub 45%, MV 12%, LV 7%, RW -1%,
 Automotive >100% & Other 4%

2010 organic growth Peer: -1% (Utility 6%,
 Construction -5%)

	2007				2008				2009				2010			
Organic growth - Quarterly (Y/Y)	19%	21%	12%	7%	4%	3%	3%	0%	-14%	3%	-10%	-8%	4%	1%	25%	34%
- Annually	15%				3%				-7%				16%			

Trends - Nilfisk-Advance

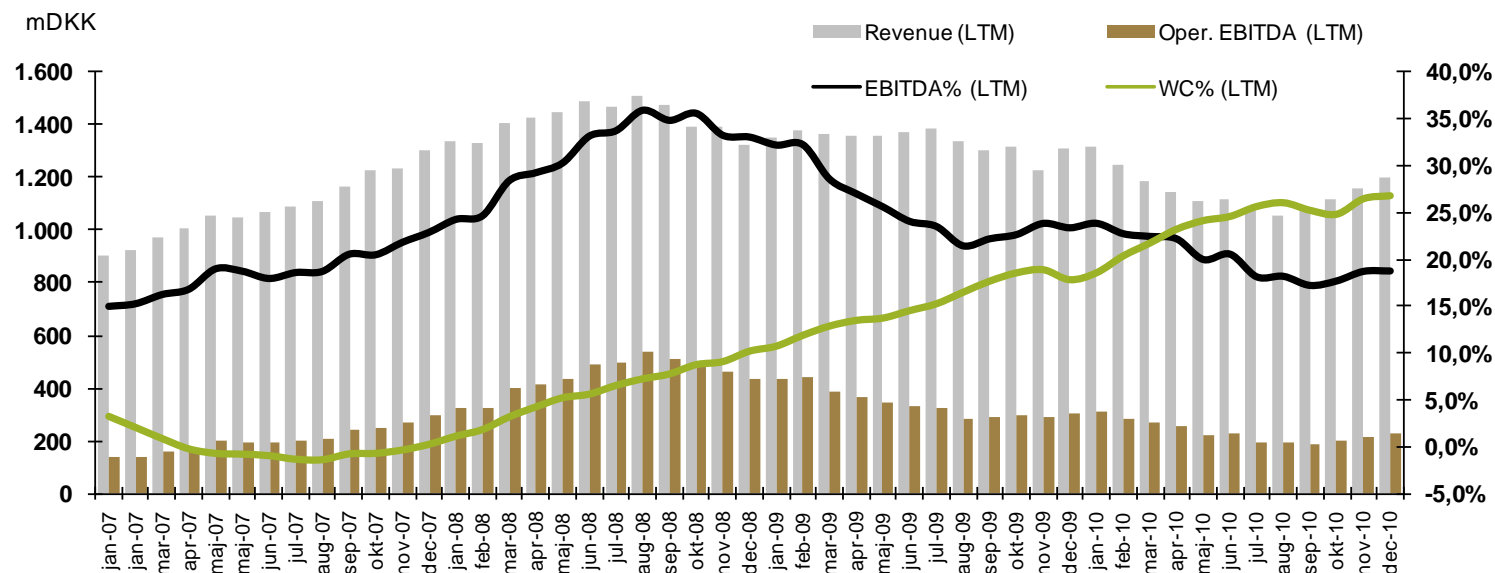


Realized 7% organic growth in 2010
 EMEA 7%, Americas 7% & Asia/Pacific 9%
 Gross profit of 42% for 2010 - up from 41%
 in 2009

2010 organic growth Peer: 12%
 EMEA -3%, Americas 16% & Asia/Pacific
 36%

	2007				2008				2009				2010			
Organic growth - Quarterly (Y/Y)	8%	7%	5%	8%	4%	6%	5%	-12%	-12%	-20%	-13%	-3%	6%	10%	5%	7%
- Annually	7%				1%				-13%				7%			

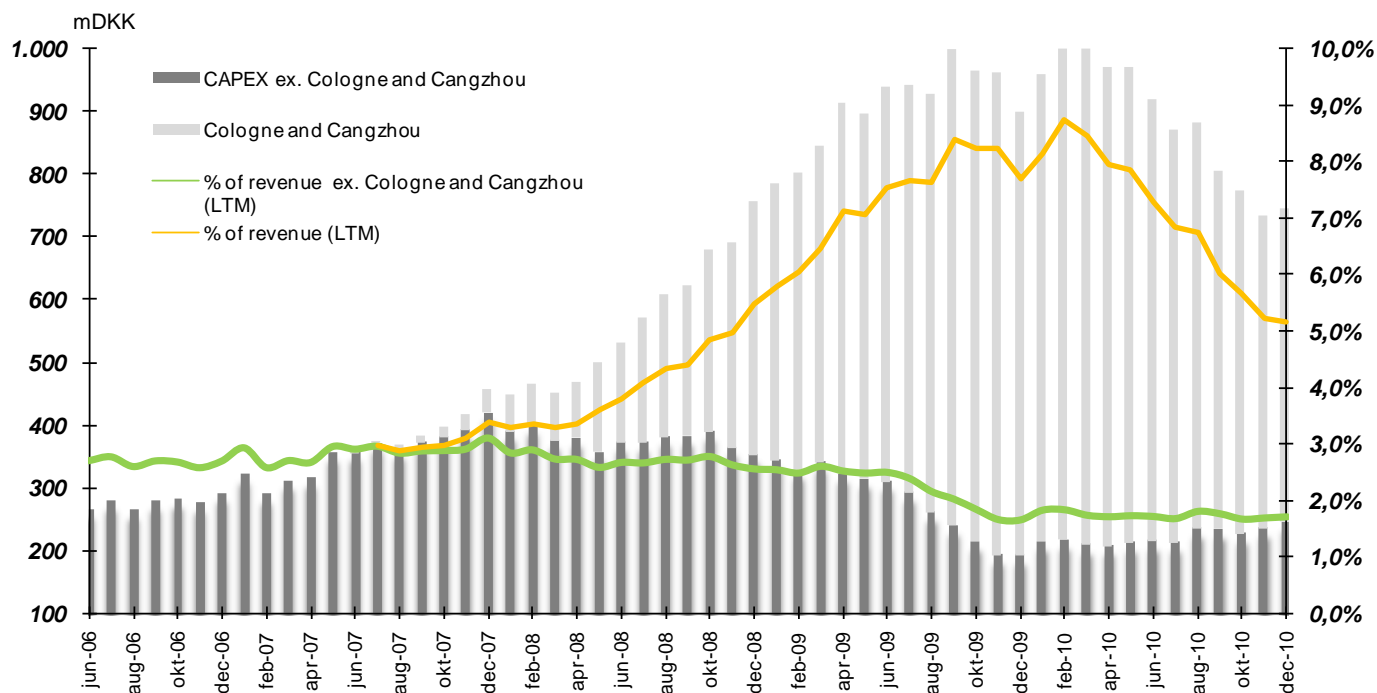
Trends – NKT Flexibles



- Nom. growth -9% full year 2010
- Turnover of 1.199 mDKK in 2010 vs. 1.311 mDKK in 2009
- EBITDA-margin of 18,7% in 2010 vs. 23,3% in 2009

- NKT's share of profit in 2010 is 90 mDKK vs. 136 mDKK in 2009
- Order back-log as per end January 2011 amounts to 1,3 bnDKK of which around 1 bnDKK is for 2011

12 months investments in tangible assets (gross)

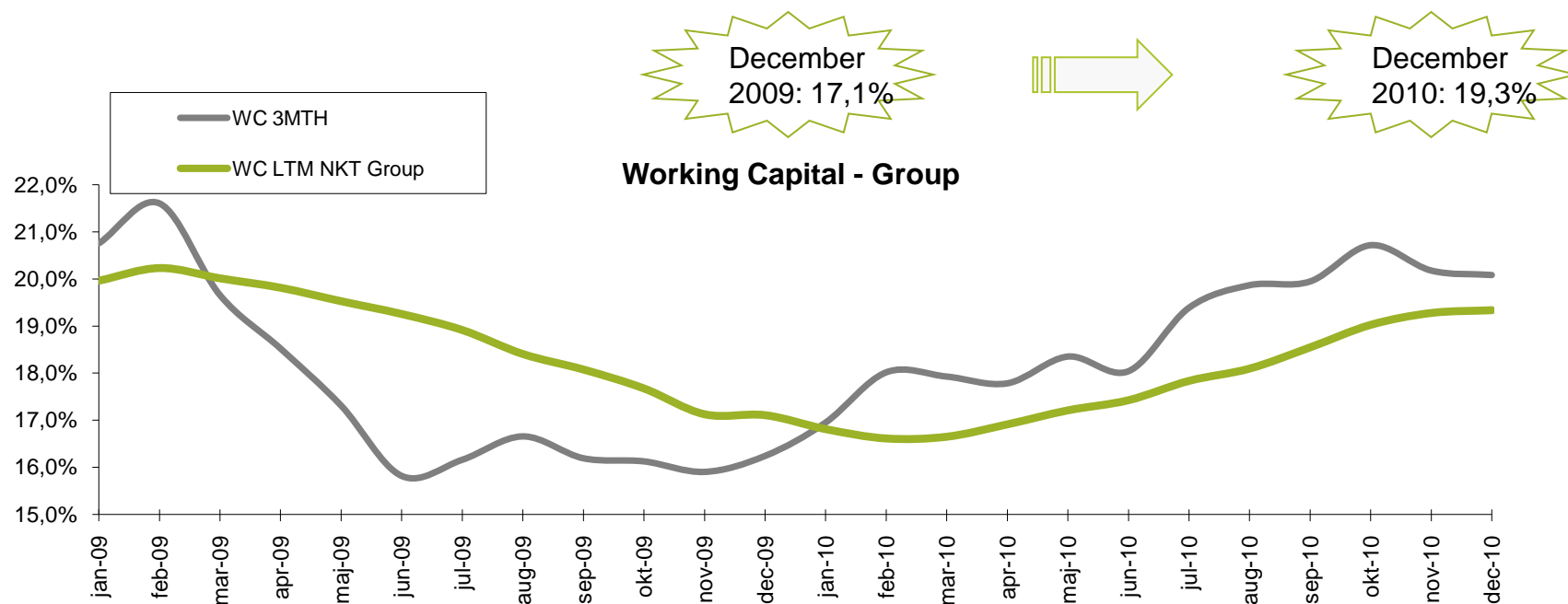


Gross CAPEX in 2010 is 744 mDKK (2009: 934 mDKK) with
 ~89% to NKT Cables
 ~10% to Nilfisk-Advance
 ~1% other

500 mDKK is related to the new Cologne plant and Cangzhou. Adj. for the impact investments would have been 1,7% of revenue (LTM) vs. 5,1% including the Cologne and Cangzhou plant

Investments in intangible assets are 169 mDKK (2009: 127 mDKK), with
 ~33% to NKT Cables
 ~60% to Nilfisk-Advance
 ~7% others

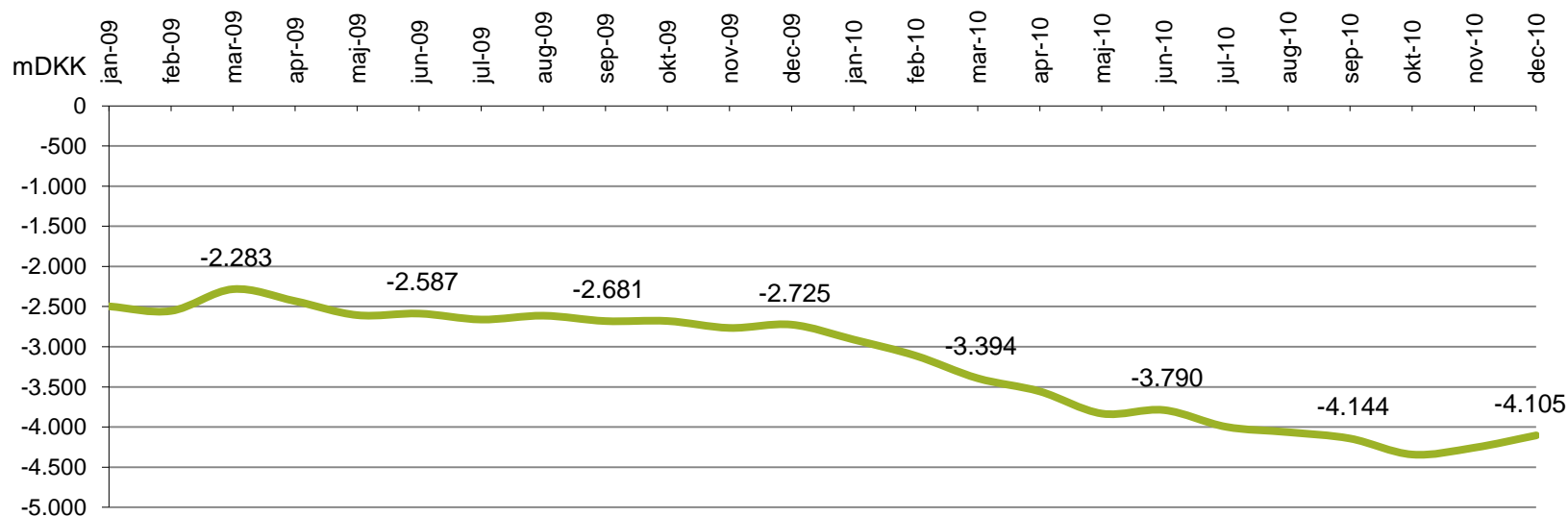
Working Capital (in% of revenue)



- WC of 2.997 mDKK as per end 2010 vs. 1.974 mDKK end 2009
- Still high focus area in both NKT Cables and Nilfisk-Advance
- Strategic target remains 18% in Nilfisk-Advance and <17% in NKT Cables

- WC increased to 19,3% (LTM) vs. 17,1% end 2009
- NKT Cables increased to 19,4% vs. 15,2% end 2009. Impacted by increased metal prices
- Nilfisk-Advance decreased to 19,0% vs. 19,2% end 2009

Net interest bearing debt – 31 December 2010



- NIBD of 4.105 mDKK as per 31 December 2010 vs. 2.725 mDKK end 2009
- NIBD impacted by increased working capital (1.023 mDKK), investment in Cologne and Xinhua (500 mDKK), other investments (413 mDKK), etc.

- End 2010 net interest bearing debt amounts to 4,2x operational EBITDA (2009: 2,9x). Max. NIBD of 2,5x operational EBITDA remains the internal target
- Gearing of 100% (2009: 73%). Max. ratio of 100% remains the internal target
- Solvency ratio of 33% (2009: 37%). Ratio >30% remains the internal target

Capital Structure and Cash Resources

Capital structure:

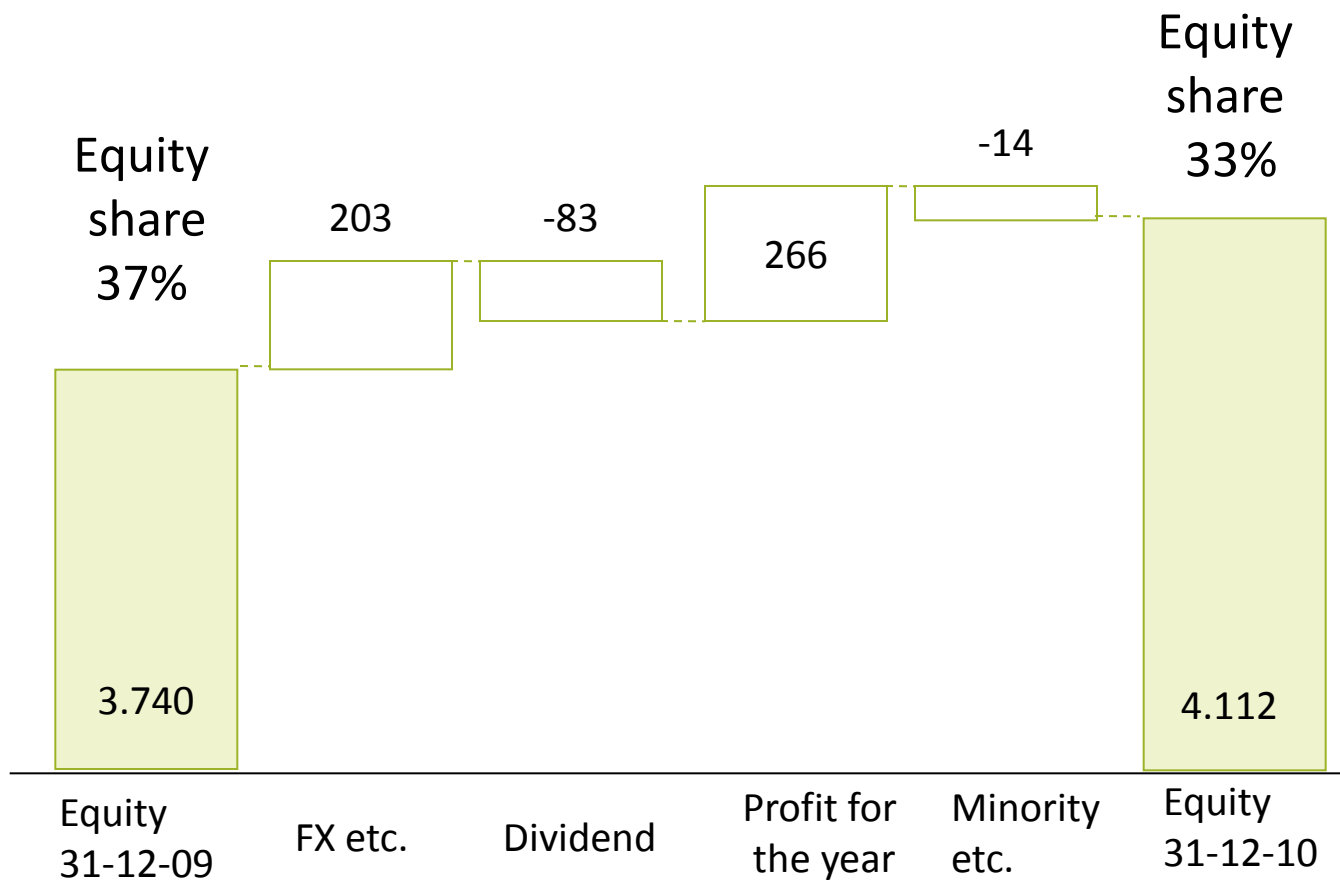
- Gross debt: 62% in DKK, 20% in CZK and remaining part in EUR, USD & CNY
- Largest part is at variable interest
- +/- 1% change in interest will impact net interest with +/- 29 mDKK (2009: 22 mDKK)

Cash resources:

- Undrawn facilities of 1,6 bnDKK + cash of 0,2 bnDKK. In total 1,8 bnDKK
- The debt is not subject to any kind of financial covenants

Amount in bnDKK	2010	2009
Committede (>3 years)	4,6	1,3
Committede (1-3 years)	0,1	2,0
Committede (<1 year)	0,1	1,0
Committede total	4,8	4,3
% of total	80%	83%
Uncommittede	1,2	0,9
% of total	20%	17%
Total	6,0	5,2
Cash	0,2	0,3
Utilize	4,4	3,0
Cash resources	1,8	2,5

Development in Equity (mDKK)

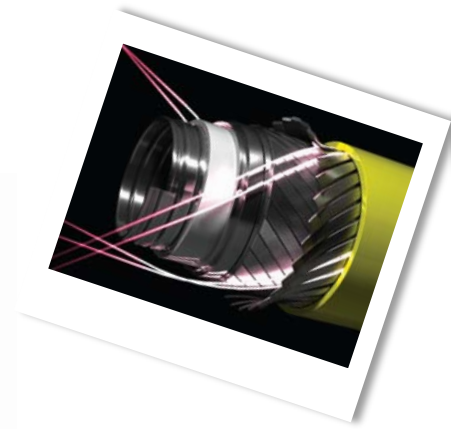


Cash flows 2010

mDKK	2010	2009
Earnings, EBITDA	899	783
Interest, net	-124	-146
Tax	-122	-65
Change in working capital	-919	157
Other	-18	-11
Share of profit in NKT Flexibles	-90	-136
Cash flows from operating activities	-374	582
Acquisitions of business activities, net	-48	-11
Acquisitions of tangible assets, net	-724	-868
Other investments, net	-77	-126
Cash flows from investment activities	-849	-1.005
Cash flows operating and investment activities	-1.223	-423
Change in long- and short-term loans	1.286	110
Dividend paid, etc.	-103	-23
Cash flows from financing activities	1.183	87
Net cash flow	-40	-336

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Strategy 2011-2015 "Powered by NKT"

	2010	Goal 2015		2010	Goal 2015
Revenue, market prices (bnDKK)	14,5	ap. 20			
Revenue, std. prices (bnDKK)	11,5	ap. 16			
Average organic growth (CAGR)	12%	7-8%			
Operational EBITDA margin, std. prices	8,6%	14-15%	Gearing (NIBD/Equity)	100%	<100%
Return on Capital Employed (RoCE)	7,5%	20%	NIBD/Operational EBITDA	4,2x	<2,5x
Earnings per share, EPS (DKK)	11,3	50	Solvency ratio	33%	>30%

- Strategic goals based on current levels for commodity prices, interest rates and currencies, etc.
- Expected growth of 1-3% in developed markets and 5-10% in emerging markets
- Unchanged view on optimal capital structure
- Continued best owner philosophy
- Appreciation of "powering" capabilities
- Structure, i.e. current number of business units and their exact scope not set in stone for the full strategy period – but expected to remain unchanged during first half of the period

Megatrends in the industries

Trend	Opportunity
Investments in reliable, efficient and flexible electricity supply	HV/MV cables and optical sensors
Sustainable energy production	Subsea cables for wind farms Lasers for LIDAR wind sensors
Infrastructure expansions	Railway wires and fire detection in tunnels
Exploitation of oil at deep water levels	Flexible pipe systems and optical sensors
Better utilization of existing oil and gas reservoirs	Pipes for water/steam injection and optical sensors for well monitoring and seismic investigations
Urbanization, higher wealth and increased focus on environment in emerging markets	Automated cleaning processes/new professional cleaning equipment



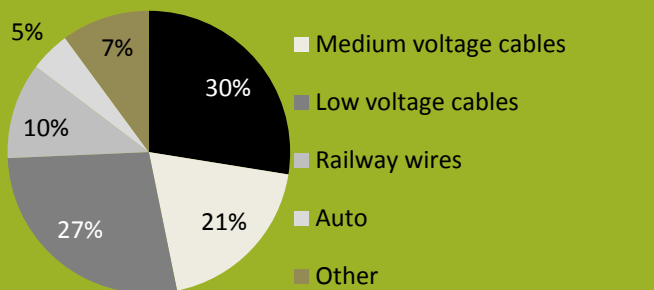
NKT Cables

- Sales and Product Companies
- Sales Entities

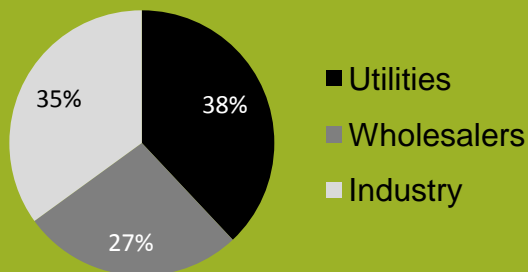


All data based on FY 2010 at std. price

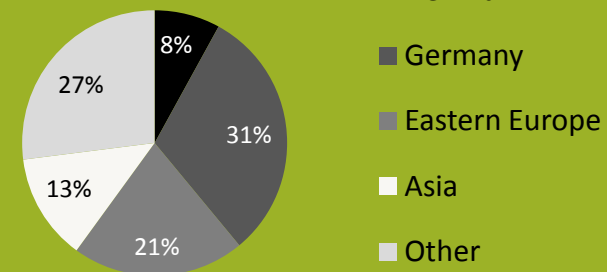
Sales by Products



Sales by Customers



Sales by Markets



NKT Cables

2008-2011 initiatives

- Significant investments in production facilities
 - New factory in Cologne
 - HV production in China
 - RW production in China
- Geographical expansion
- Intensified product development and certification
- One company organization

Industry drivers

- Connectivity of electricity grids
- New sustainable energy sources
- Expansion of electricity grids in emerging markets
- Investments in high speed trains
- Construction industry
- Car industry incl. electrical cars

2011-2015

- Electricity infrastructure, Construction, Automotive, Railway
- Continue growth and development from current position
- Build a stronger presence in HV utilizing recent investments
- Stronger presence in emerging markets
- Focus on high value segments

Vision

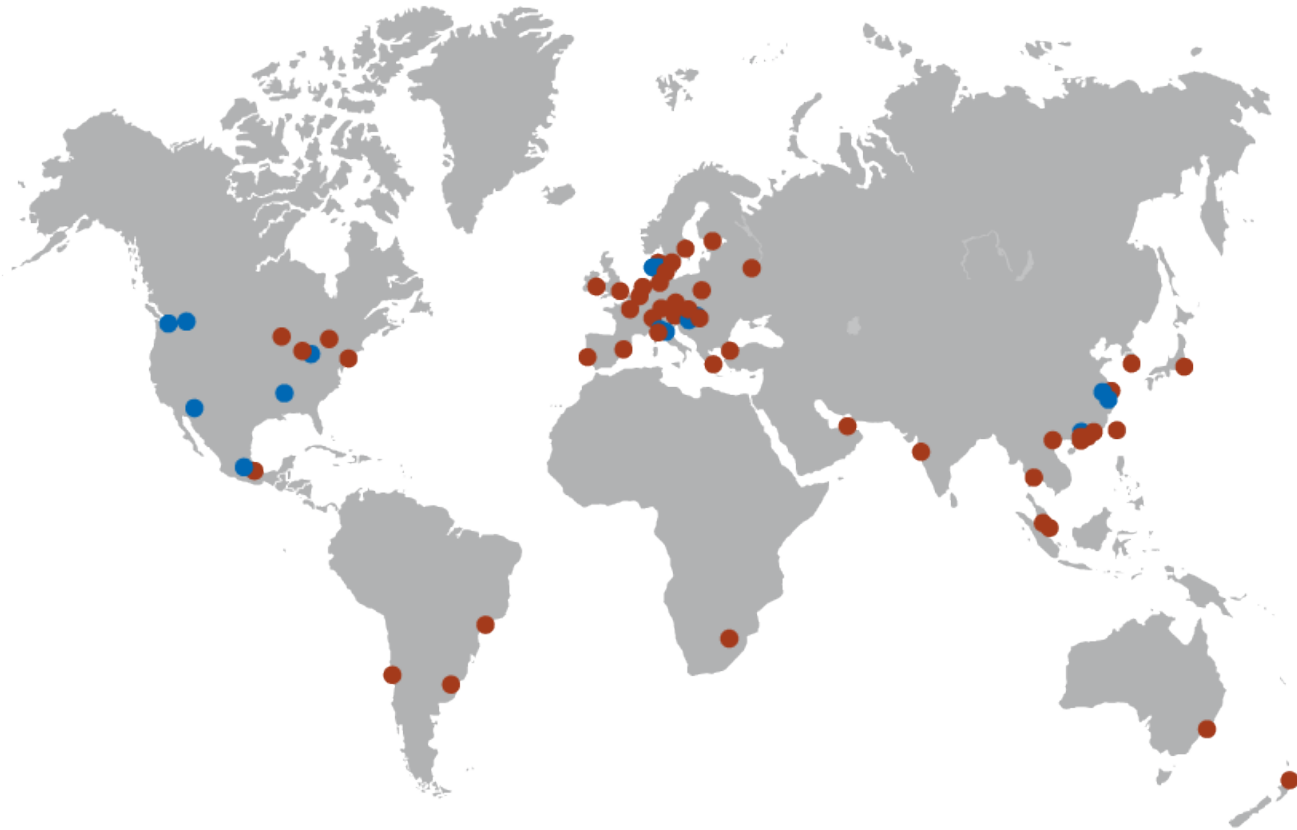
NKT Cables is creating value for its customers by providing solutions with cables

NKT Cables strategic goals

	Realized 2010	Goal 2015
Revenue, std. prices (bnDKK)	5,5	7,8
CAGR	16%	7-8%
EBITDA margin, std. prices	5,9%	13%

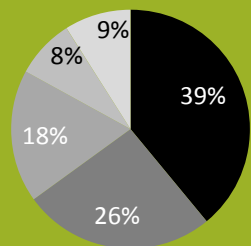
Nilfisk-Advance

- Product Companies
- Sales Entities



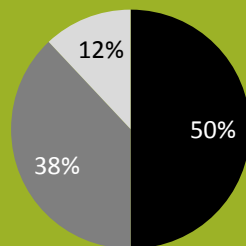
All data based on FY 2010

Sales by Products



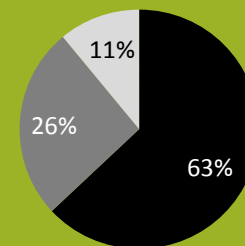
- Floor-care equipment
- Vacuum cleaners
- High pressure cleaners
- Service
- Other sales

Sales by Customers



- The commercial market
- The industrial market
- The domestic market

Sales by Markets



- EMEA
- Americas
- Asia/Pacific

Nilfisk-Advance

2008-2011 initiatives

- Production relocated to low cost countries
- Outsourcing of component manufacturing and more sourcing in low cost countries
- Strengthened sales presence in growth markets
- Product development
- Customer focus, innovation and sustainability

Industry drivers

- Demand for reliable and efficient cleaning processes
- Wealth and salary levels in emerging markets
- Global GDP growth

2011-2015

- Customers' preferred choice - High customer satisfaction
- Leading position in significant emerging markets
- Organization, culture and people
- Flexible delivery time
- Reduced complexity
- Consolidation

Mission

We enable sustainable cleaning worldwide to improve quality of life

Nilfisk-Advance strategic goals

	Realized 2010	Goal 2015
Revenue, std. prices (bnDKK)	5,7	7,7
CAGR	7%	6-7%
Operational EBITDA margin	10,7%	14%

Photonics Group

2008-2011 initiatives

- Maturing technology platform and expansion of product range
- Addressing new and maturing existing applications
- Sales organizations established in main markets
- Organizational strengthening: NKT Photonics – a merger of Crystal Fibre and KOHERAS

Industry drivers

- Miniaturization in e.g. semiconductor
- “Seeing the invisible” in life science and bio-tech industries
- Precision manufacturing (welding and cutting)
- Sensing to improve efficiency in energy sector
- Quality and test

2011-2015

- Continue to mature the crystal fiber technology
- NKT Photonics and LIOS Technology to become key supplier for leading industrial players
- Vytran to realize high earnings and product range expansion
- Increased market penetration through partnerships within selected segments or technologies

Vision

To lead the way in transforming the photonics industry

Photonics Group strategic goals

	Realized 2010	Goal 2015
Revenue, std. prices (mDKK)	185	500
CAGR	14%	20%
EBITDA margin	neg.	20%

NKT Flexibles

2008-2011 initiatives

- Frame agreement with Petrobras in Brazil
- 6" and 8" pipes for 2.000 metres
- Expansion of production capacity from 125 to 175 km

Industry drivers

- Development in oil prices
- Exploitation of deep water reservoirs
- Replacement of existing offshore installations

Powered by NKT 2011-2015

- Bring company to a new level with special focus on Brazil
- New frame agreements with Petrobras – can potentially lead to considerations on local presence
- Maintain strong market position for demanding applications in "Rest of World"
- Solutions for 2.500 metres

Vision

By excellent performance to become the preferred supplier of high quality flexible pipe systems based on best-in-class technology

NKT Flexibles strategic goals

	Realized 2010	Goal 2015
Revenue, std. prices (bnDKK)	1,2	2,5
CAGR	-9%	15%
EBITDA margin	18,7%	20-25%

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