



DPTG/TPSA Award for Phase 1

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Background

- GN Store Nord has been involved in an arbitration case against Telekomunikacja Polska S.A. (TPSA) through its 75% share of DPTG I/S.
- The dispute concerns determination of traffic volumes carried over the NSL fiber optical telecommunication system in Poland.
- DPTG is entitled to 14.8% of net profits from NSL.
- On August 28, 2009, DPTG submitted a claim of DKK 5.0 billion, including accrued interest, for the time period 1994 to mid-2004 (phase 1) based on directions issued by the Arbitration Tribunal on how to calculate the claim.



Ruling from the Arbitration Tribunal

- On September 3, GN received the ruling from the Arbitration Tribunal stating that DPTG has been awarded around DKK 2.0 billion plus interest for phase 1.
- GN preliminary estimated the interest for phase 1 to DKK 0.9 billion and the total amount due to DPTG is thus DKK 2.9 billion.
 - The estimate of the interest due has now been confirmed.
- GN will therefore receive around DKK 2.2 billion before tax, corresponding to around DKK 1.6 billion after tax and capitalized legal expenses.
 - GN has around DKK 1.3 billion in tax assets which can be set-off against the proceeds.
- According to the ruling, payment of the amount is due within 14 days of the Arbitration Tribunal's decision.



Impact on the Financial Statements

- The award for phase 1 will be booked in "Other income" in the Q3 Interim Report 2010 (including interest but before tax).
- The cash impact for GN is around DKK 1.95 billion.
- The award for phase 2 will be booked in the Financial Statements at a later stage.



Utilization of the Award (I)

- The proceeds will initially be utilized to repay debt or retained as cash.
- According to the ruling in the DPTG case, payment of the proceeds shall be made within 14 days from the ruling (i.e. within September 17, 2010)
 - Shortly after receiving the proceeds, GN will initiate a DKK 600 million share buyback program (step 1).
 - The share buyback program is expected to be completed no later than at the Annual General Meeting in early 2011.
 - During the period when the share buyback program is running, GN may decide to discontinue the program should GN decide to pursue strategic opportunities which warrant the cancellation of the program.
 - GN currently holds 6,395,545 own shares corresponding to 3.1% of the total share capital. Based on GN's share price on NASDAQ OMX at the closing Friday September 3, 2010, the share buyback program will take GN's holding of own shares to approximately 10% of the total share capital.



Utilization of the Award (II)

- Obviously, in the anticipation of the award we have spent much time considering how to utilize the remaining proceeds in the best interest of our shareholders, including various strategic opportunities.
- We will now carefully finalize our considerations.
- A recommendation for the utilization of the remaining proceeds will be put forward in the proposals for the Annual General Meeting in early 2011 (step 2).



What Happens Next?

- According to the ruling, payment of the amount is due within 14 days of the Arbitration Tribunal's decision.
- When proceeds have been received, a DKK 600 million share buyback program will be initiated (step 1).
- After a thorough analysis of the ruling for phase 1, DPTG will calculate and submit a claim as quickly as possible for the remaining contract period from mid-2004 to 2009 (phase 2) using the same rationale as for phase 1.
 - Our initial assessment of the amount due to DPTG based on the methodology applied by the Arbitration Tribunal in the ruling for phase 1, is above DKK 1.0 billion.
 - GN has an internal target of filing the claim around year-end.
 - The legal deadline for filing the claim is September 2011.
 - The Arbitration Tribunal in Vienna will also handle the claim for phase 2.
- A recommendation for the utilization of the remaining proceeds will be put forward in the proposals for the Annual General Meeting in early 2011 (step 2).



Thank you

Q&A