

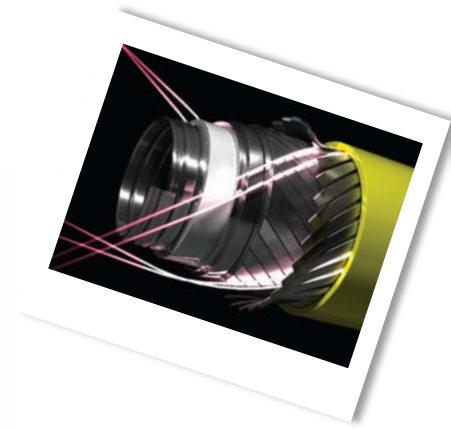


# INTERIM REPORT Q1 - 2011

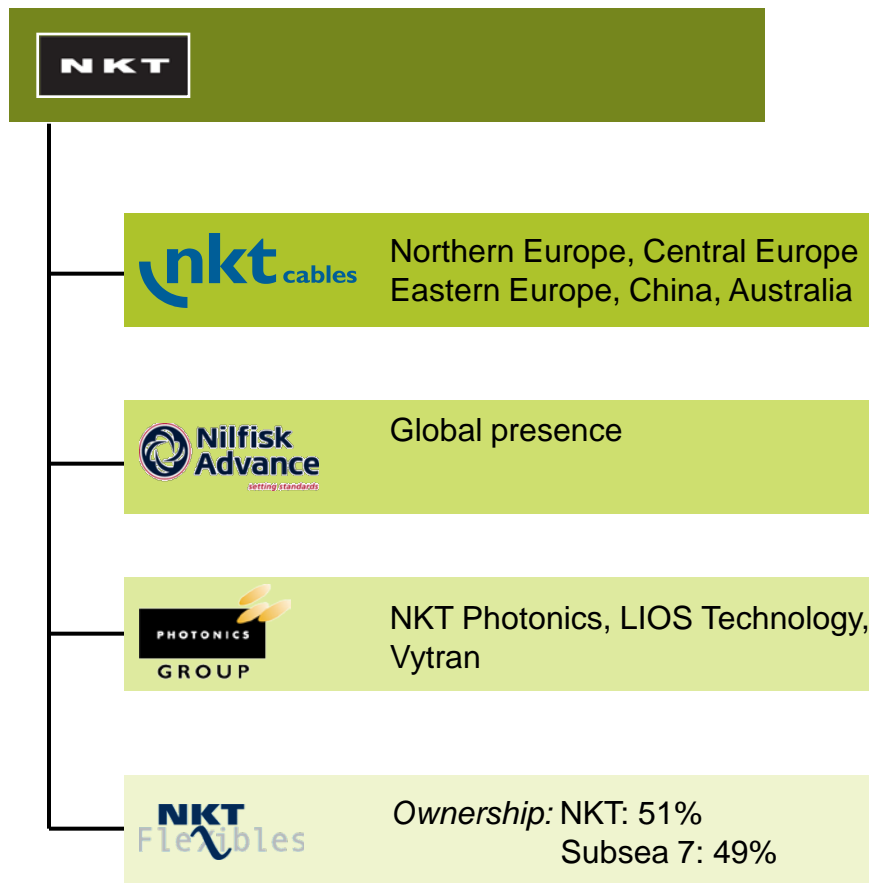
Live presentation 11 May 2011 at 11:00 am

# Agenda

- NKT Group – Q1 2011 in headlines
- Financial results Q1 2011
- Companies
  - NKT Cables
  - Nilfisk-Advance
  - Photonics Group
  - NKT Flexibles (51%)
- Expectations 2011
- Questions & Answers



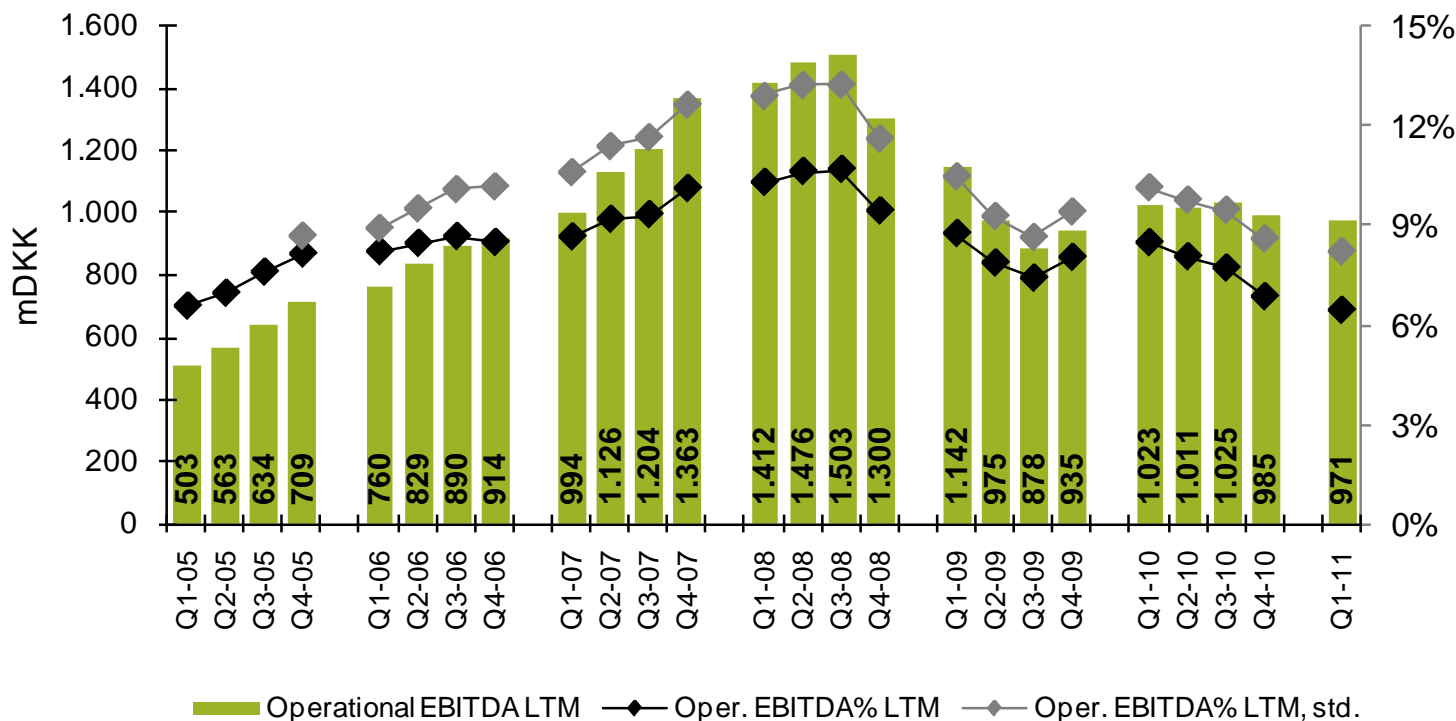
# Group structure May 2011



# NKT Group Q1 2011 in headlines

- Revenue up from 3.062 mDKK in Q1 2010 to 3.774 mDKK in Q1 2011
- Nominal growth of 20% in Q1. Organic growth of 13% in Q1 2011
  - NKT Cables 20%
  - Nilfisk-Advance 5%
  - Photonics Group 13%
- Operational EBITDA Q1 2011: 221 mDKK (7,7%) vs. 235 mDKK (9,4%) in Q1 2010
- EBITDA negatively impacted by 58 mDKK from a subsea cable project in NKT Cables
- Adjusted for this EBITDA Q1 2011 came in at 279 mDKK (10,0%) vs. 212 mDKK (8,8%) for Q1 2010
- Operational EBITDA, LTM, amounts to 971 mDKK (8,2%)
- Earnings before tax (EBT) amount to 54 mDKK in Q1 2011 vs. 93 mDKK in Q1 2010
- 47 mDKK paid out in dividend for 2010
- NIBD increased to 4,8 bn.DKK at 31 March 2011 (5,0x operational EBITDA) from 4,1 bn.DKK at 31 December 2010 (4,2x operational EBITDA)
- **Unchanged expectations for full year 2011:**
  - approx. 5% organic revenue growth
  - Operational EBITDA is planned in the level of 1.200 mDKK despite the additional cost to a subsea cable project in the amount of 58 mDKK that was not included in the full year guidance from March 2011
  - Target of NIBD/Operational EBITDA remains 3,5x at year end

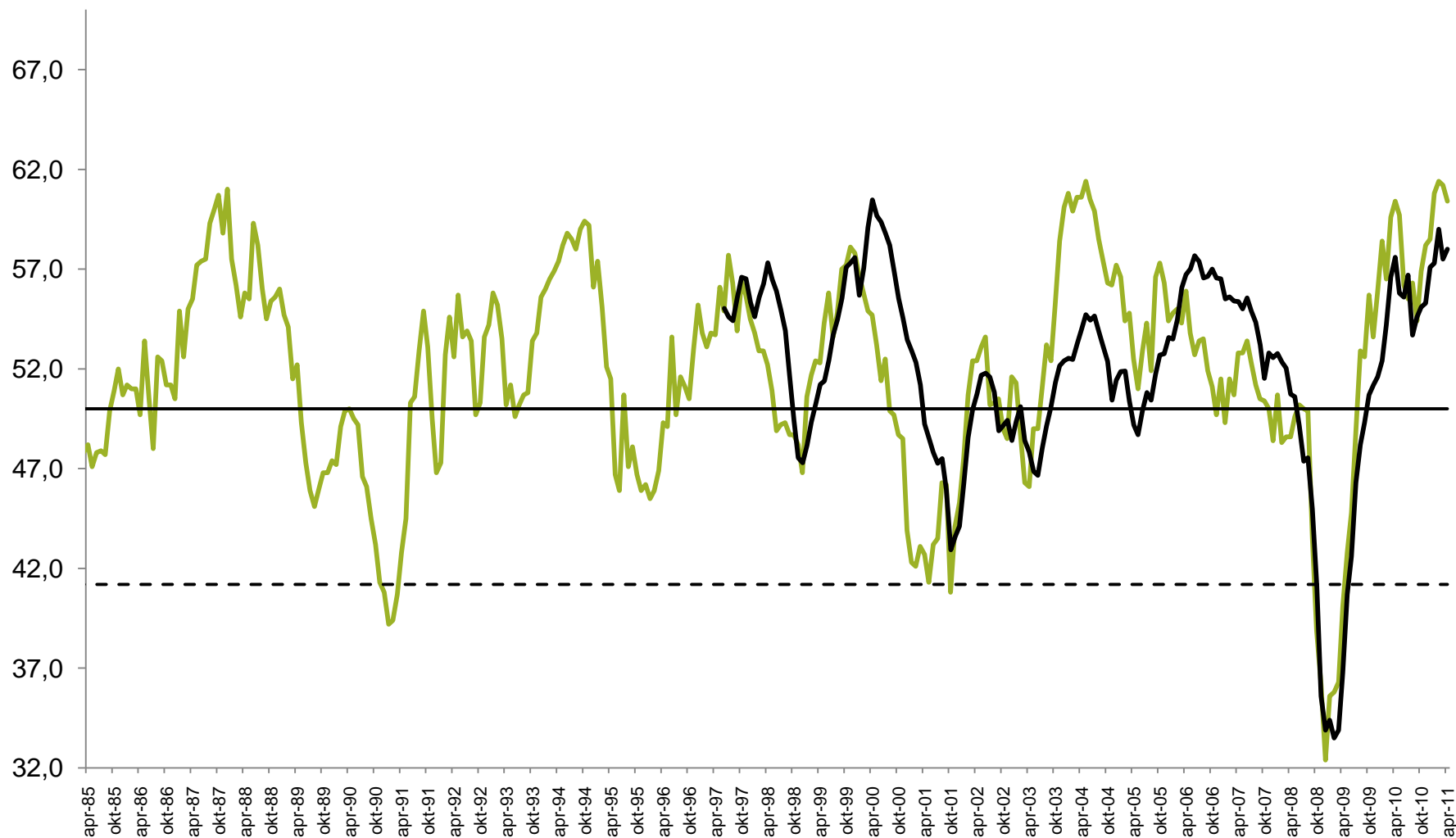
# EBITDA Group



- › Organic growth of 13% for Q1 2011
- › EBITDA-margin std. LTM for Q1 2011 of 8,2% or 971 mDKK vs. 8,6% (985 mDKK) for Q4 2010

# Manufacturing PMI

— USA — EURO zone



# Agenda

- NKT Group – Q1 2011 in headlines
- Financial results Q1 2011
- Companies
  - NKT Cables
  - Nilfisk-Advance
  - Photonics Group
  - NKT Flexibles (51%)
- Expectations 2011
- Questions & Answers



# Realized Q1 2011 vs. Q1 2010

mDKK	Q1 2011	Q1 2010	Change		Consensus
<b>Revenue</b>	<b>3.774</b>	<b>3.062</b>	712	23%	<b>3.547</b>
EBITDA (operational)	221	235	-14	-6%	<b>259</b>
Depreciation	-119	-93	-26	-28%	-110
<b>EBIT (operational)</b>	<b>102</b>	<b>142</b>	<b>-40</b>	<b>-28%</b>	<b>149</b>
"One-off´s"	-5	-22	17		-9
Financial items	-43	-27	-16	-59%	-38
Result before tax	54	93	-39	-42%	102
Tax	-3	-28	25		-28
<b>Net result</b>	<b>51</b>	<b>65</b>	<b>-14</b>	<b>-22%</b>	<b>74</b>
<i>Revenue, std.</i>	2.863	2.494	369	15%	2.770
<i>Oper. EBITDA-margin std.</i>	7,7%	9,4%			9,4%
<i>Oper. EBIT-margin std.</i>	3,6%	5,7%			5,4%
<i>Tax %</i>	7%	30%			27%

› Organic growth => NKT Cables 20%, Nilfisk-Advance 5%, Photonics Group 13%



# Realized Q1 2011 vs. Q1 2010

mDKK	Q1 2011	Q1 2010	Change
<b>Revenue</b>	<b>3.774</b>	<b>3.062</b>	<b>712</b>
EBITDA (operational)	221	235	-14
Depreciation	-119	-93	-26
<b>EBIT (operational)</b>	<b>102</b>	<b>142</b>	<b>-40</b>
"One-off's"	-5	-22	17
Financial items	-43	-27	-16
Result before tax	54	93	-39
Tax	-3	-28	25
<b>Net result</b>	<b>51</b>	<b>65</b>	<b>-14</b>
<i>Revenue, std.</i>	2.863	2.494	369
<i>EBITDA-margin std.</i>	7,7%	9,4%	
<i>EBIT-margin std.</i>	3,6%	5,7%	
<i>Tax %</i>	7%	30%	

	mDKK
Revenue increased by	712
• Metal prices =>	177
• FX changes =>	57
• Acquisitions =>	45
• 13% organic growth =>	433
- NKT Cables	20%
- Nilfisk-Advance	5%
- Photonics Group	13%

	mDKK
EBITDA decreased by	14
• NKT Cables =>	-31
- down from 5,8% to 2,3%	
• Nilfisk-Advance =>	9
- down from 12,1% to 11,7%	
• Photonics Group =>	-2
• NKT Flexibles =>	12
- margin at 18,2%	
• Other =>	-2

	mDKK
One-off s in Nilfisk-Advance	5

# Trends – NKT Cables



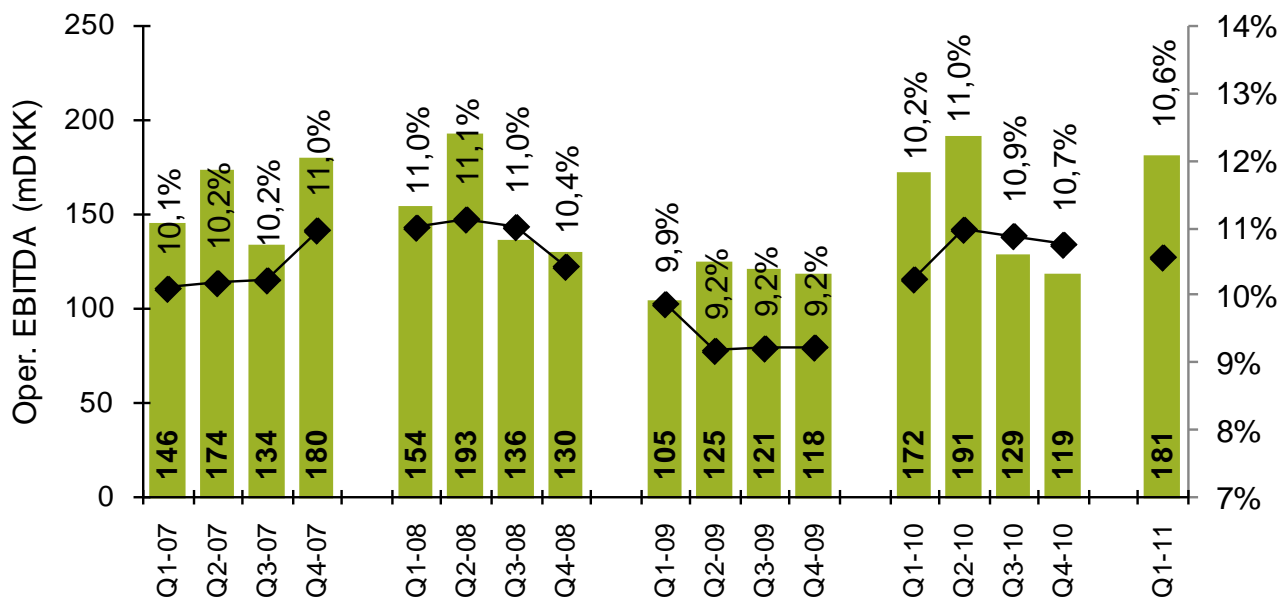
Margin if adjusted  
Baltic I:  
Q1 2010: 3,8%  
Q1 2011: 7,2%  
Q1 2011 LTM: 8,4%

Realized 20% organic growth in Q1 2011:  
Electricity Infrastructure 30%,  
Construction 7%, Railway 29%,  
Automotive 21%

Q1 2011 organic growth peer 13%:  
Energy Infrastructure 11%, Industry 20%,  
Construction 10%

	2008				2009				2010				2011			
Organic growth - Quarterly (Y/Y)	4%	3%	3%	0%	-14%	3%	-10%	-8%	4%	1%	25%	34%	20%			
- Annually	3%				-7%				16%				20%			

# Trends – Nilfisk-Advance



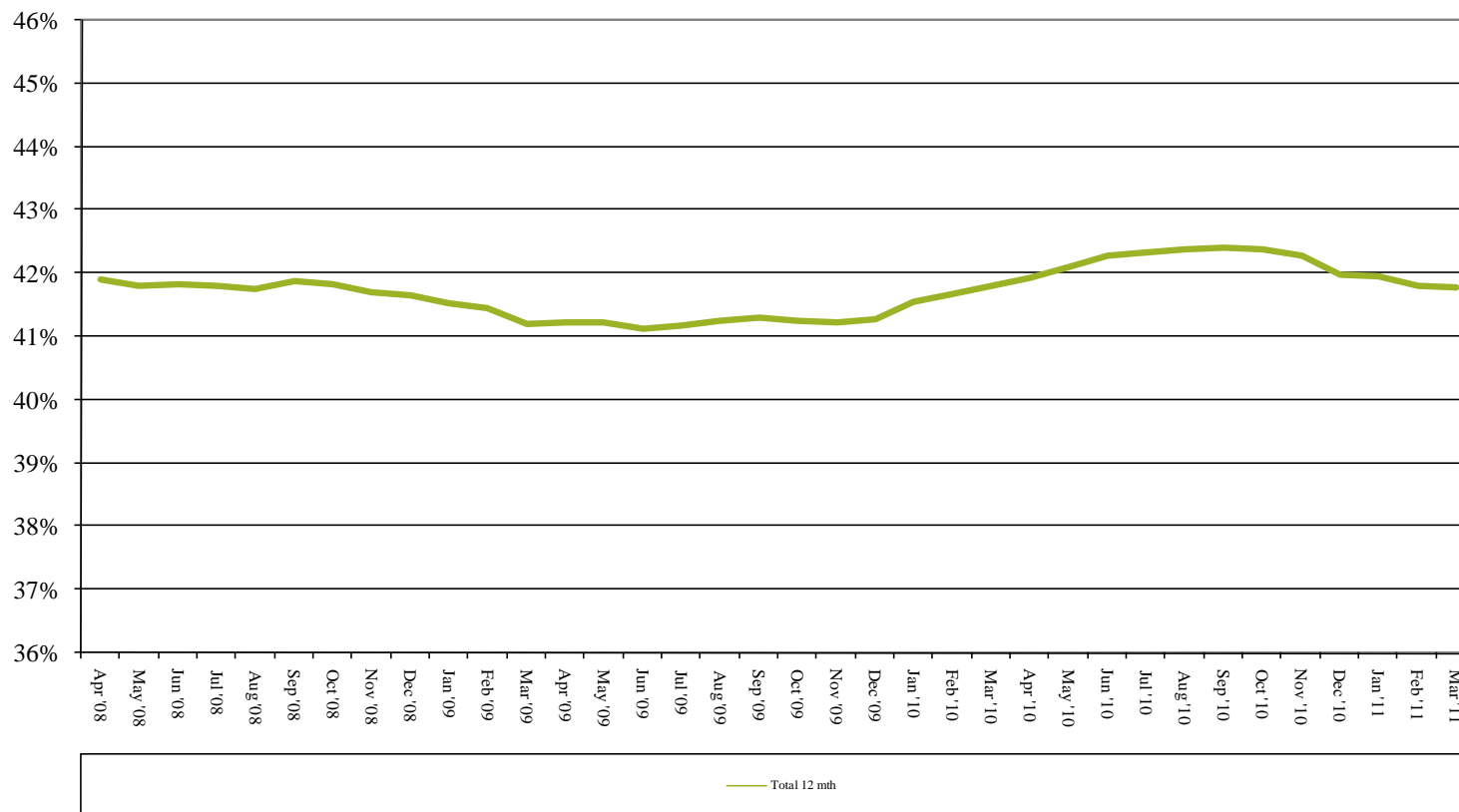
Realized 5% organic growth Q1 2011:  
EMEA 5%, Americas -2%,  
Asia/Pacific 25%

Q1 2011 organic growth peer: 13%  
EMEA 6%, Americas 16%,  
Asia/Pacific 22%

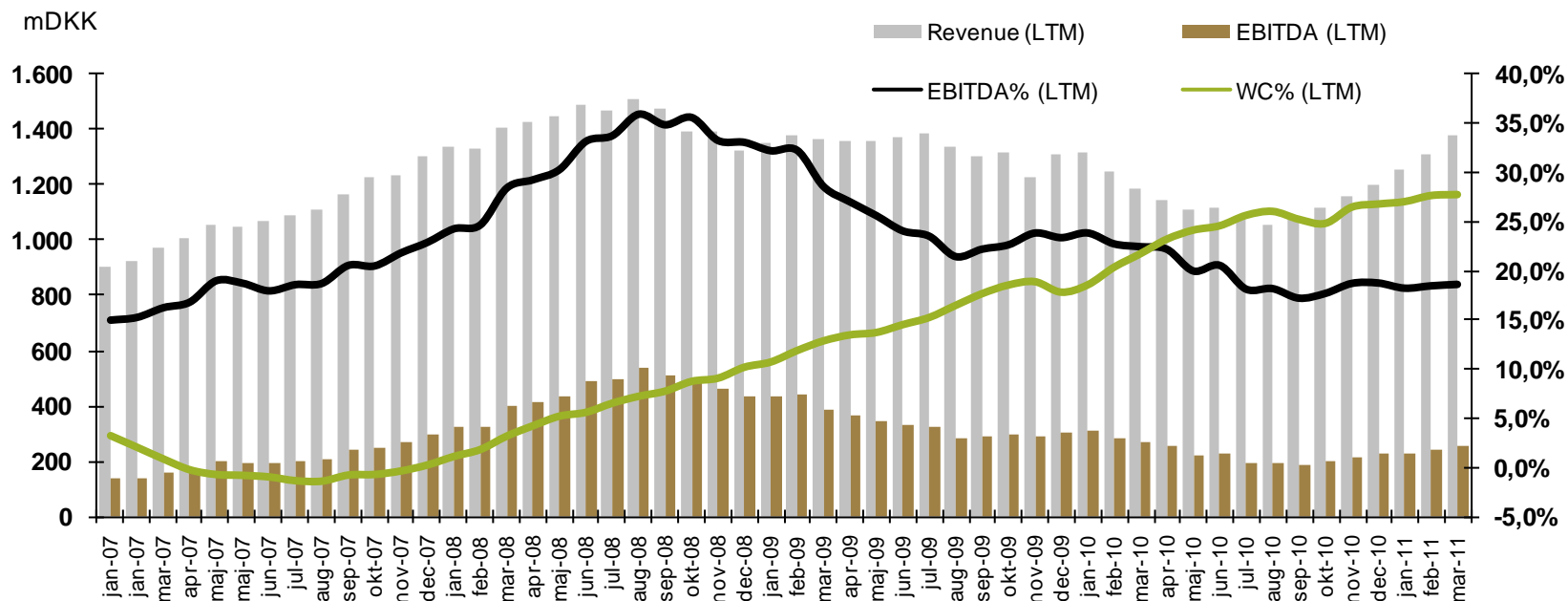
	2008				2009				2010				2011			
Organic growth - Quarterly (Y/Y)	4%	6%	5%	-12%	-12%	-20%	-13%	-3%	6%	10%	5%	7%	5%			
- Annually	1%				-13%				7%				5%			

# Gross profit development – Nilfisk-Advance

- › Gross profit at 42,3% end Q1 2011 vs. 41,9% last year and 43,2% end of Q1 2010
  - positively impacted by structural initiatives
  - negatively impacted by increased input prices
  - price increase implemented during Q1 2011 – planned to do another increase mid year to compensate for raw material prices



# Trends – NKT Flexibles



- › Organic growth Q1 2011: 83%
- › Turnover up from 216 mDKK in Q1 2010 to 397 mDKK in Q1 2011
- › EBITDA-margin of 18,2% in Q1 2011 vs. 18,7% in Q1 2010

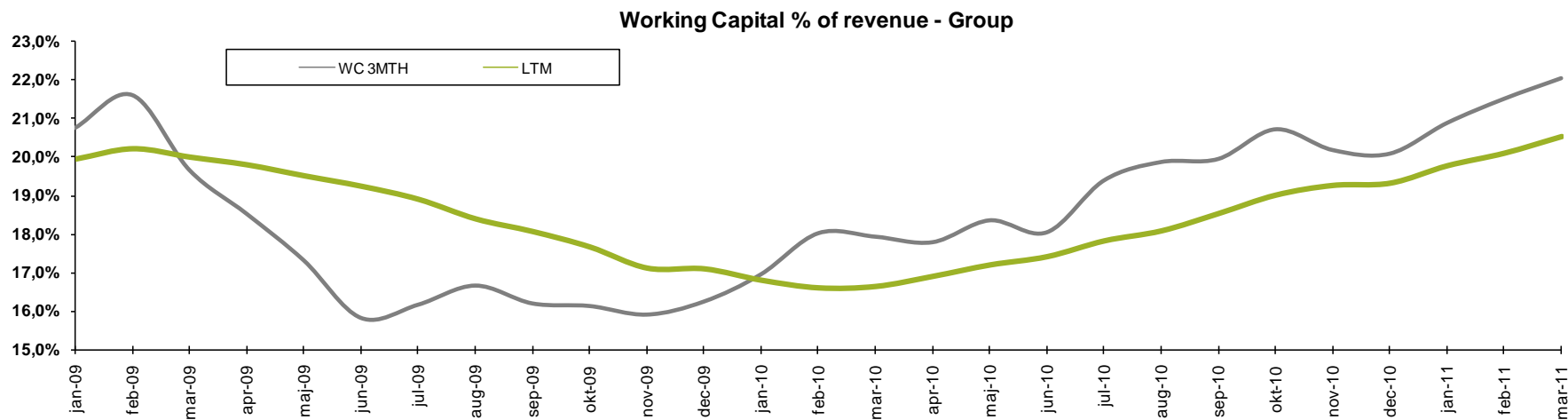
- › NKT's share of profit in Q1 2011 is 28 mDKK vs. 16 mDKK in Q1 2010
- › Order back-log as per end March 2011 amount to 1,0 bn.DKK vs. 1,1 bn.DKK end 2010

# Working Capital (in% of revenue)

Q1 2010  
16,6%



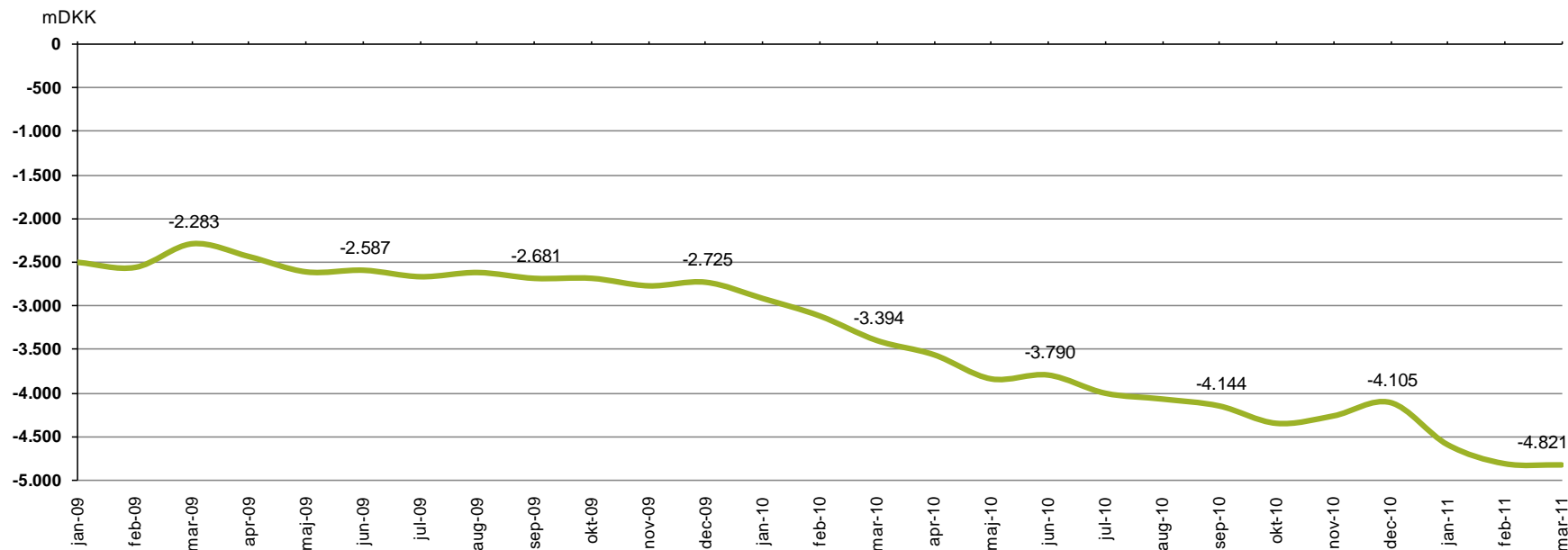
Q1 2011  
20,5%



- › WC of 3.498 mDKK as per 31 March 2011 vs. 2.997 mDKK end 2010
- › 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 20,5% (LTM) vs. 19,3% end 2010
- › NKT Cables increased to 21,2% vs. 19,4% end 2010
- › Nilfisk-Advance increased to 19,3% vs. 19,0% end 2010

# Net interest bearing debt – 31 March 2011



- › NIBD of 4.821 mDKK as per 31 March 2011 vs. 4.105 mDKK end of 2010
- › NIBD impacted by increased working capital (501 mDKK) and other investments (208 mDKK) in Q1 2011
- › Unchanged expectations to NIBD of 3,5x operational EBITDA end 2011. NIBD is expected to increase further in the Q2 before decreasing in the year's 2<sup>nd</sup> half.

- › End March 2011 net interest bearing debt amounts to 5,0x operational EBITDA (2010: 4,2x). Max. NIBD of 2,5x operational EBITDA remains the internal target
- › Gearing of 121% (end 2010: 100%). Max. ratio of 100% remains the internal target
- › Solvency ratio of 29% (end 2010: 33%). Ratio >30% remains the internal target

# Cash flows Q1 2011

mDKK	<u>Q1 2011</u>	<u>Q1 2010</u>
Earnings, EBITDA	216	213
Interest, net	-43	-27
Tax	-20	-24
Change in working capital	-554	-355
Other	-24	-12
Share of profit in NKT Flexibles	-28	-16
<b>Cash flows from operating activities</b>	<b>-453</b>	<b>-221</b>
Acquisitions of business activities, net	-109	0
Acquisitions of tangible assets, net	-93	-295
Other investments, net	-29	-26
<b>Cash flows from investment activities</b>	<b>-231</b>	<b>-321</b>
<b>Cash flows operating and investment activities</b>	<b>-684</b>	<b>-542</b>
Change in long- and short-term loans	750	561
Dividend paid, etc.	-47	-86
<b>Cash flows from financing activities</b>	<b>703</b>	<b>475</b>
<b>Net cash flow</b>	<b>19</b>	<b>-67</b>



# Capital Structure and Cash Resources

## Capital structure:

- Gross debt: 65% in DKK, 18% in CZK and remaining part in EUR, USD & CNY
- Largest part is at variable interest
- +/- 1% change in interest will impact net interest with +/- 35 mDKK (2010: 29 mDKK)

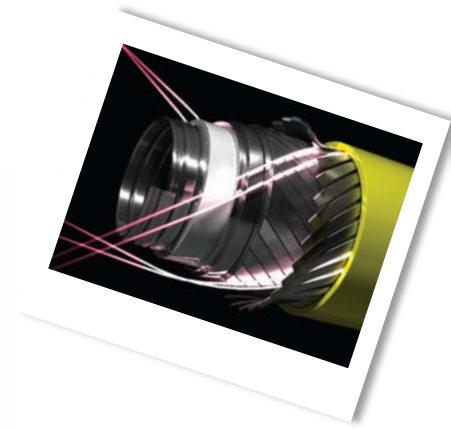
## Cash resources:

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

<i>Amounts in bn.DKK</i>	31.03.11	31.12.10	30.03.10
	Total	Total	Total
Committede (>3 years)	3,8	4,6	1,3
Committede (1-3 years)	1,0	0,1	2,0
Committede (<1 year)	0,1	0,1	1,0
<b>Committede total</b>	4,9	4,8	4,3
% of total	80%	80%	80%
Uncommittede	1,2	1,2	1,1
% of total	20%	20%	20%
<b>Total</b>	6,1	6,0	5,4
Cash	0,2	0,2	0,2
Utilize	-5,1	-4,4	-3,6
<b>Cash resources</b>	1,2	1,8	2,0

# Agenda

- NKT Group – Q1 2011 in headlines
- Financial results Q1 2011
- Companies
  - NKT Cables
  - Nilfisk-Advance
  - Photonics Group
  - NKT Flexibles (51%)
- Expectations 2011
- Questions & Answers

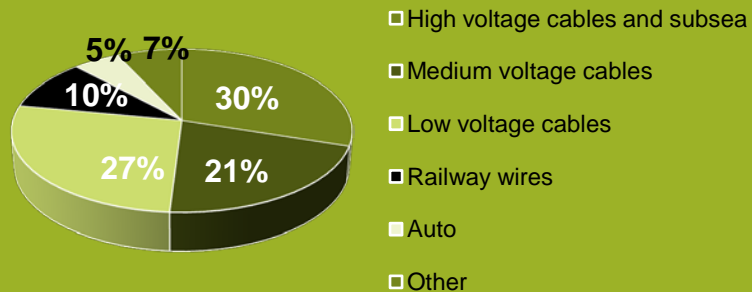


# NKT Cables Group

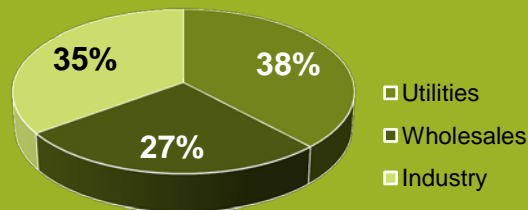


- Manufacturing Companies
- Sales Entities

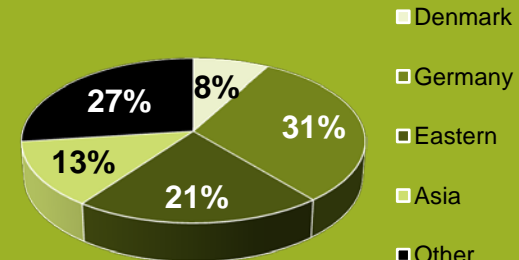
### Sales by Products



### Sales by Customers



### Sales by Markets



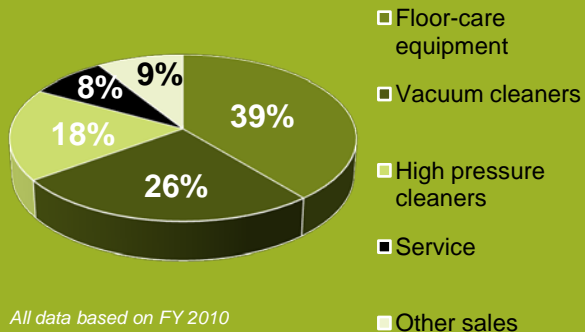
All data based on revenue std. for FY 2010

# Nilfisk-Advance Group

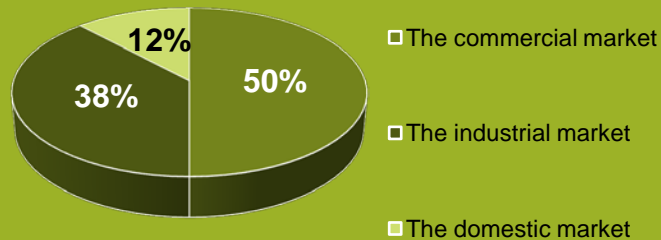


- Manufacturing Companies
- Sales Entities

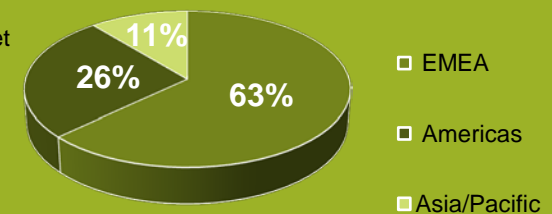
### Sales by Products



### Sales by Customers



### Sales by Markets



# Agenda

- NKT Group – Q1 2011 in headlines
- Financial results Q1 2011
- Companies
  - NKT Cables
  - Nilfisk-Advance
  - Photonics Group
  - NKT Flexibles (51%)
- Expectations 2011
- Questions & Answers



# Expectations 2011 – Consensus

mDKK  
Revenue, std. Consensus 15.879

Unchanged expectations  
Organic growth by approx. 5%

## Operational EBITDA

NKT Cables 526

Nilfisk-Advance 717

Photonics Group 0

NKT Flexibles 75

Others -29

**Operational EBITDA** 1.289

D&A -451

**Operational EBIT** 838

One off's -21

Financial items -145

**Earnings before tax, EBT** 672

Tax -174

**Earnings after tax** 498

Approx. 1,2 bn.DKK excluding costs for structural initiatives despite the additional cost to a subsea cable project in the amount of 58 mDKK

Approx. 25 mDKK in one-off's

## Expectations organic growth 5%

- › NKT Cables approx. 5%
- › Nilfisk-Advance approx. 5%
- › Photonics Group at least 20%

## Unchanged expectations EBITDA

- › Planned in the level of 1.200 mDKK despite the additional cost to a subsea cable project in the amount of 58 mDKK

# Agenda

- NKT Group – 2011 in headlines
- Financial results 2011
- Companies
  - NKT Cables
  - Nilfisk-Advance
  - Photonics Group
  - NKT Flexibles (51%)
- Expectations 2011
- Questions & Answers



**NKT**