

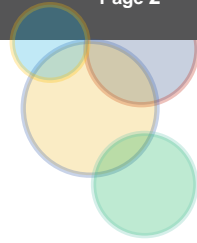


NKT Holding

Annual Report 2011

Live presentation

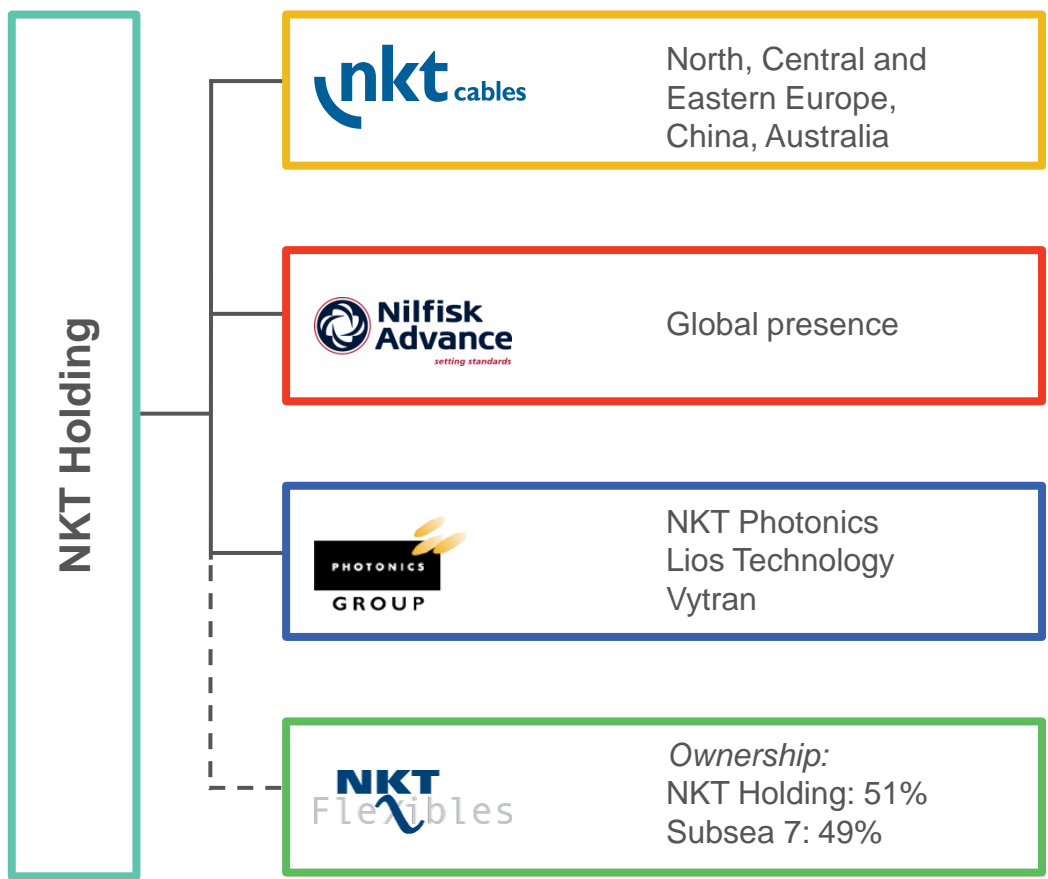
1 March 2012 at 11:00 am



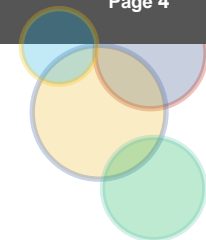
Agenda

- **NKT Group – Highlights 2011**
- Expectations 2012
- Financial results 2011
- Companies
 - NKT Cables
 - Nilfisk-Advance
 - Photonics Group
 - NKT Flexibles (51%)
- Questions & Answers

Group structure March 2012



In February 2012 agreement was signed concerning sale of NKT Flexibles to National Oilwell Varco

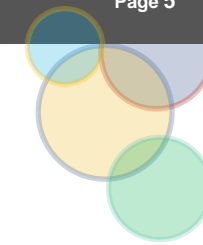


Highlights 2011

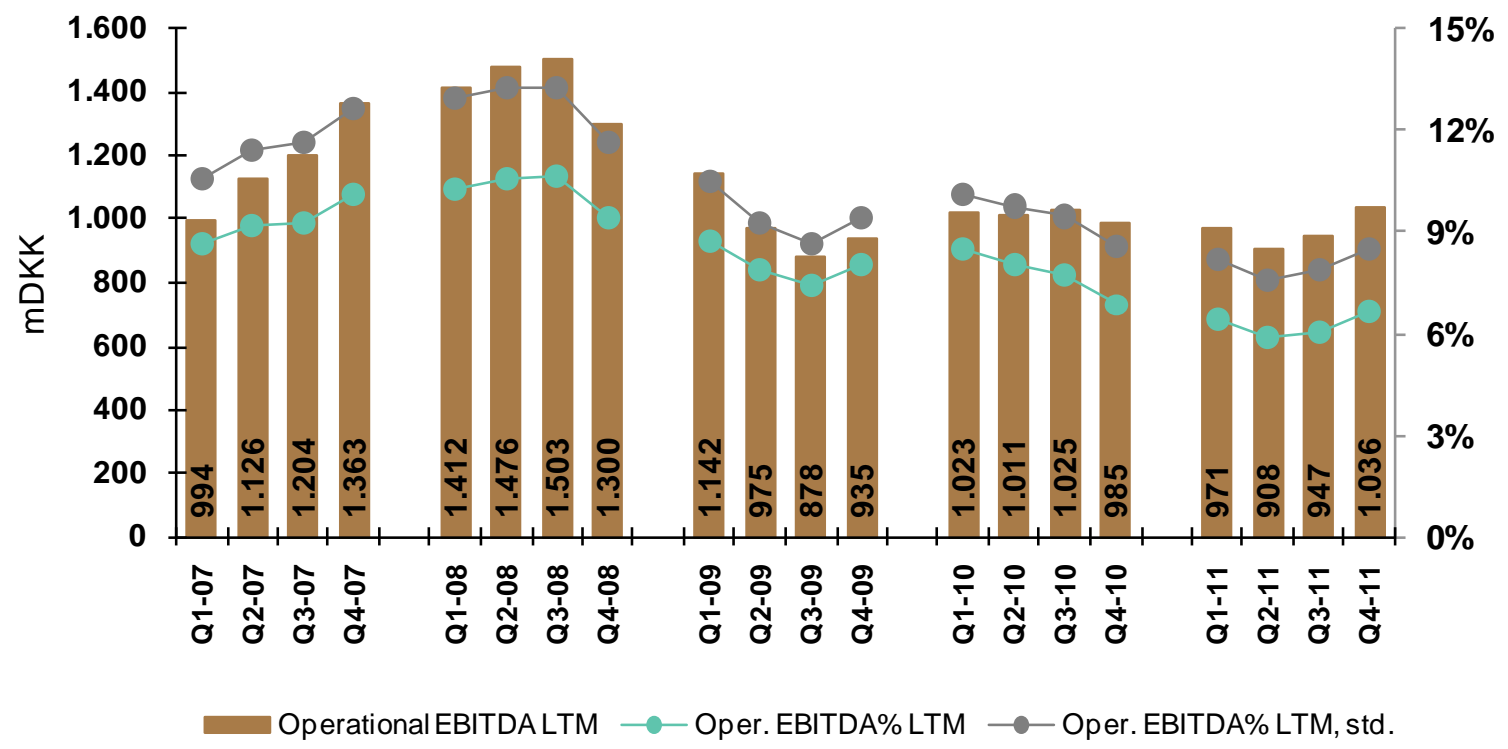
- **Revenue** full year 2011 at 15.604 mDKK vs. full year 2010: 14.451 mDKK
- **Revenue** from 4.029 mDKK in Q4 2010 to 3.902 mDKK in Q4 2011
- **Organic growth** 4% for full year and 0% in Q4

Organic growth	2011	Q4 2011
NKT Cables	1%	-6%
Nilfisk-Advance	8%	9%
Photonics Group	16%	19%

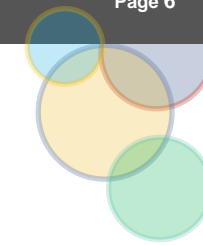
- **Operational EBITDA 2011:** 1.036 mDKK (8,5%) vs. 985 mDKK (8,6%) in 2010
- **Operational EBITDA Q4 2011:** 282 mDKK (8,9%) vs. 193 mDKK (6,3%) in Q4 2010
- **EBITDA 2011:** 1.003 mDKK vs. 899 mDKK in 2010
- **Financial items** amount to 280 mDKK (2010: 135 mDKK) were impacted negatively by 53 mDKK due to high volatility in FX, increase in NIBD and higher interest rate
- **Earnings before tax (EBT)** amount to 165 mDKK in 2011 vs. 345 mDKK in 2010
- **WC** amounts to 2,7 bn.DKK vs. 3,0 bnDKK end 2010. LTM at 21,8% vs. 19,3%
- **NIBD** increased to 4.429 mDKK in 2011 (4,3x operational EBITDA) from 4.105 MDKK in 2010 (4,2x operational EBITDA)
- **Proposed dividend** 2 DKK per share corresponding to 47 mDKK or 38% of net result



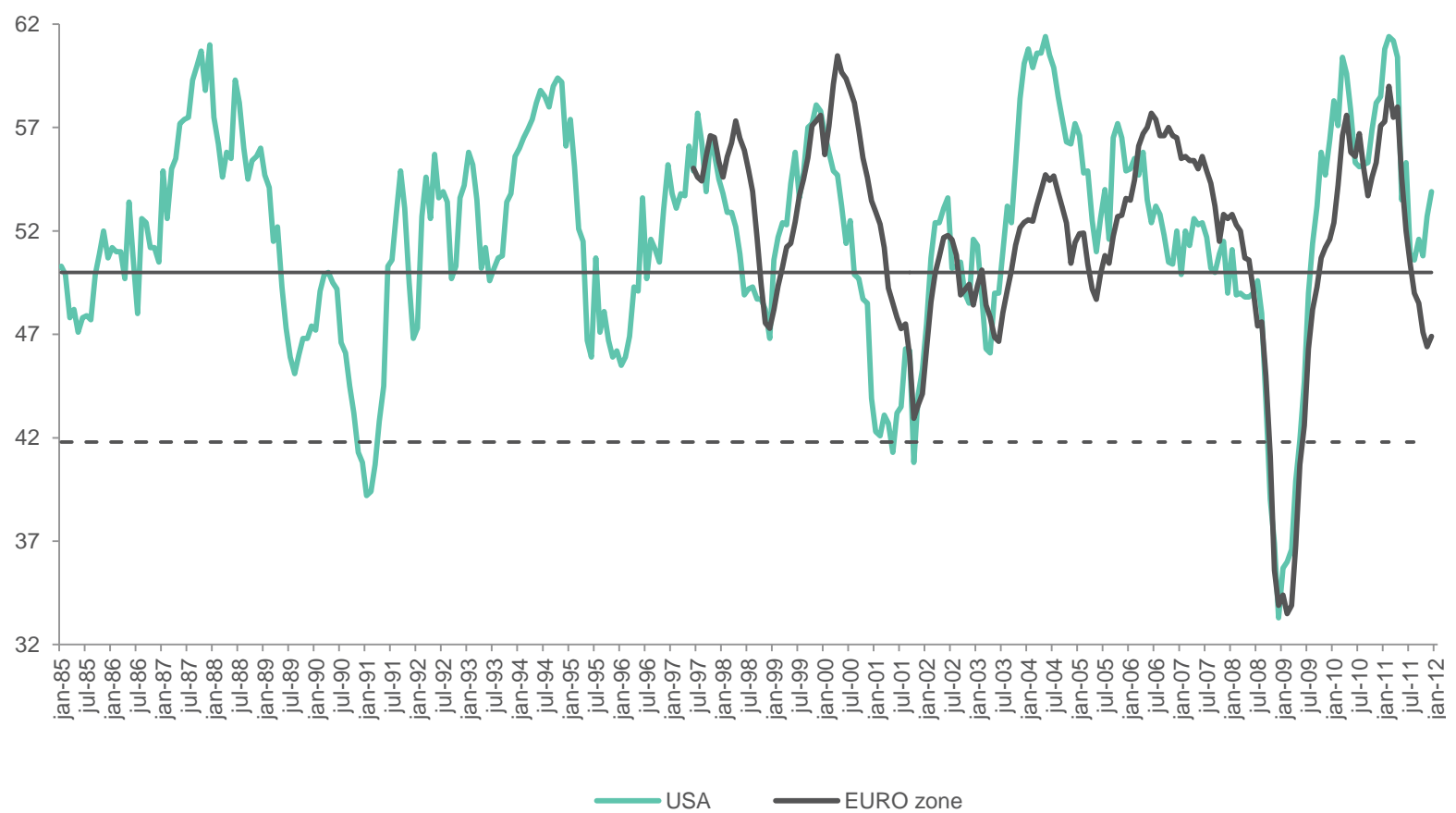
Operational EBITDA Group



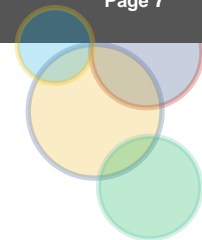
- Organic growth of 4% for 2011
- EBITDA margin std. LTM end 2011 of 8,5% or 1.036 mDKK – a reduction from 8,6% (985 mDKK) in 2010



Manufacturing PMI



— Expectation indicator – Above the line indicates positive expectations for the manufacturing sector and below the line indicates declining expectations for the manufacturing sector
- - - Below the line indicates expectations of recession



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Expectations 2012

Expect organic growth in revenue of approx. **5-10%**

- **NKT Cables** approx. **5-10%**
- **Nilfisk-Advance** approx. **5%**
- **Photonics Group** approx. **20%**

Operational EBITDA (excl. NKT Flexibles) is planned to be **1.050 – 1.250** mDKK, an operational improvement up to 400 mDKK on 2011 after adjustment for the sale of NKT Flexibles

Profit from discontinued operations relates solely to NKT Flexibles and is expected to amount to approx. **1,3** bnDKK

Risks relating to declared earnings expectations. As seen from the operational EBITDA expectations, an interval of 200 mDKK (1.050-1.250 mDKK) is applied. This corresponds to a weighting of 50% of a realistic EBITDA swing factor for 2012 of approx. 400 mDKK (NKT Cables: 300 mDKK and Nilfisk-Advance: 100 mDKK)



Expectations 2012

Expectations for 2012 is based on the following assumptions:

	NKT Cables	Nilfisk-Advance	Photonics Group
Organic growth	Approx. 5-10% - Electricity infrastructure approx. 15-20% - Construction, Railway and Automotive approx. 0%	Approx. 5% - BRIC+MT min. 25% - Mature markets approx. 2-4%	Approx. 20%
Operational EBITDA	Margin of approx. 7,5%, a nominal improvement of 250-300 mDKK	Margin of approx. 12%, an increase of approx. 75-100 mDKK or 0,5%points	Approx. 10 mDKK

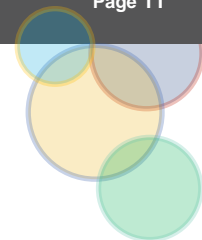
- **Investments** in PPE and capitalized development costs is approx. 500 mDKK, which includes approx. 100 mDKK relating to capacity increase in NKT Cables
- Reduced **NIBD/operational EBITDA** ratio to approx. 2x at end-2012, chiefly driven by the sale of NKT Flexibles

Expectations 2012 – after adjustment for the sale of NKT Flexibles

mDKK	Adjusted 2011	Expectations 2012
Revenue	15.604	
<i>Revenue, std.</i>	12.151	
Organic growth	4%	5-10%
EBITDA		
NKT Cables	182	
Nilfisk-Advance	732	
Photonics Group	1	
Other	-37	
Operational EBITDA	878	1.050-1.250
One off's	-33	
EBITDA	845	
Profit from discontinued operations	119	1.300

The share of profit for NKT Flexibles of 158 mDKK before tax and 119 mDKK after tax is shown as profit from discontinued operations

Expectations 2012 – Consensus (mDKK)



Market Consensus adjusted

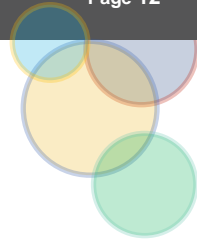
Revenue	15.761
<i>Organic growth</i>	3%
EBITDA	
NKT Cables	457
Nilfisk-Advance	719
Photonics Group	8
Other	-36
Operational EBITDA	1.148
D&A	-484
Operational EBIT	664
One off 's	0
Financial items	-208
Earnings before tax of continuing operations	456
Tax expense of continuing operations	-125
Profit from continuing operations	331
Profit from discontinued operations	83
Profit after tax	414

Expect organic growth in revenue of approx. **5-10%**

- NKT Cables approx. **5-10%**
- Nilfisk-Advance approx. **5%**
- Photonics Group approx. **20%**

Operational EBITDA is planned to be **1.050 – 1.250** mDKK, an operational improvement up to 400 mDKK on 2011 after adjustment for the sale of NKT Flexibles

Profit from discontinued operations related to NKT Flexibles and is expected to amount to approx. **1,3** bnDKK



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Financial results 2011 vs. 2010

mDKK	2011	2010	Change		Consensus
Revenue	15.604	14.451	1.153	8%	15.621
<i>Revenue, std.</i>	<i>12.151</i>	<i>11.478</i>	<i>673</i>		<i>12.141</i>
EBITDA (operational)	1.036	985	51	5%	1.025
One-off´s	-33	-86	53		-23
EBITDA	1.003	899	104		1.002
Depreciation	-490	-419	-71		-475
Writedown	-68	0	-68		0
EBIT	445	480	-35		527
Financial items	-280	-135	-145		-262
Earnings before tax	165	345	-180		265
Tax	-38	-76	38		-71
Profit for the year	127	270	-143		194
<i>Oper. EBITDA margin std.</i>	<i>8,5%</i>	<i>8,6%</i>			<i>8,4%</i>
<i>Tax %</i>	<i>23%</i>	<i>22%</i>			<i>27%</i>

Organic growth 4%:

- NKT Cables 1%
 - Nilfisk-Advance 8%
 - Photonics Group 16%
- **Proposed dividend** of 2 DKK per share corresponding to 47 mDKK or 38% of net result

Financial results 2011 vs. 2010

mDKK	2011	2010	Change
Revenue	15.604	14.451	1.153
<i>Revenue, std.</i>	12.151	11.478	673
EBITDA (operational)	1.036	985	51
One-off´s	-33	-86	53
EBITDA	1.003	899	104
Depreciation	-490	-419	-71
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EBIT	445	480	-35
Financial items	-280	-135	-145
Earnings before tax	165	345	-180
Tax	-38	-76	38
Profit for the year	127	270	-143
<i>Oper. EBITDA margin std.</i>	8,5%	8,6%	
<i>Tax %</i>	23%	22%	

	mDKK
Revenue increased by	1.153
Metal prices	423
FX changes	-14
Acquisitions	166
4% organic growth	578
- NKT Cables	1%
- Nilfisk-Advance	8%
- Photonics Group	16%

	mDKK
Operational EBITDA increased by	51
NKT Cables Down from 5,9% to 3,2%	-147
Nilfisk-Advance Up from 10,7% to 11,6%	120
Photonics Group	12
NKT Flexibles Up from 18,7% to 23,3% (hereof price escalating fact. 71 mDKK)	68
Other	-2

	mDKK
Financial items (2010: 134 mDKK)	280
Net interest expense (2010: 143mDKK)	227
Net exchange loss (2010: -8 mDKK including cap. int.)	53

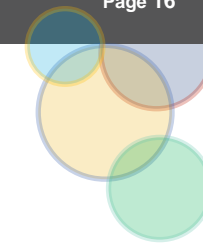
Financial target performance

Amounts in mDKK	Initial expectations 2011	Last update in 2011	Realised 2011	Income difference
NKT Group				
- Organic growth	Approx. 5%	Unchanged	4%	✓
- Operational EBITDA	Approx. 1,200 excl. structural initiatives (one-offs)	Approx. 1,000 (Nov.) Approx. 1,000-1,100 (Aug.)	1,036 operational 1,003 incl. one-offs	÷ ~ -200
Assumptions:				
NKT Cables				
- Organic growth	Approx. 5% (EI, Con 5-10%, Rw, Au 10-15%)*	<5%	1%	÷
- Operational EBITDA	EBITDA% up by approx. 2.5-3.0% from 5.9% in 2010	Approx. 5%	-2.7% pts.	÷ ~ -300
Nilfisk-Advance				
- Organic growth	Approx. 5% (W.Europe/USA 3-4%, BRIC+MT min. 25%)	>5%	8%	✓
- Operational EBITDA	EBITDA% up by approx. 1% pts. from 10.7% in 2010	Unchanged	0.9% pts.	✓
Photonics Group				
- Organic growth	Min. 20%	Approx. 10%	16%	(✓)
- Operational EBITDA	Breakeven	Unchanged	1	(✓)
NKT Flexibles				
- Operational EBITDA	EBITDA% down by up to 5% pts. from 18.7% in 2010 (23.1%***)	Approx. 15% + 75 mDKK**	19.6% (-3.5% pts.)***	✓ ~ +100
Others				
- Investment	Approx. 550 in property, plant and equipment and capitalised development projects. Approx. 150 in acquisitions		617 215	
- Interest bearing debt	Approx. 3.5x based on operational EBITDA of approx. 1,200	Approx. 4,500	4,429	

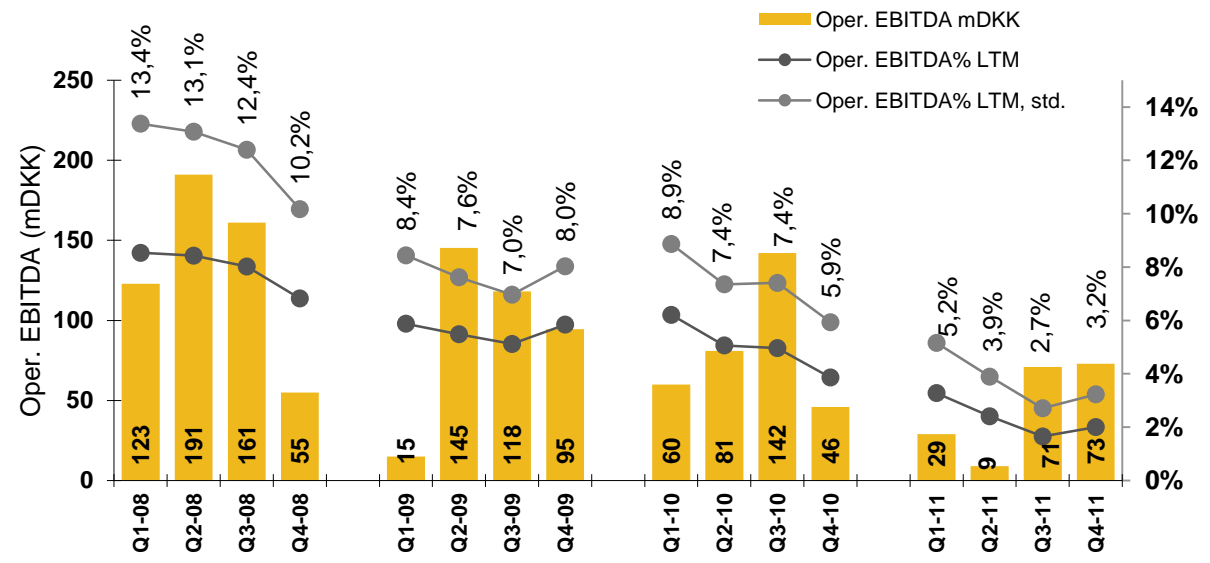
* EI: Electricity Infrastructure; Con: Construction; Rw: Railway; Au: Automotive

** From Price Escalating Factor

*** Adjusted for Price Escalating Factor

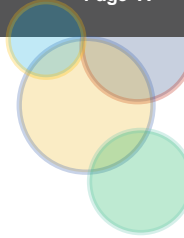


NKT Cables - Trends

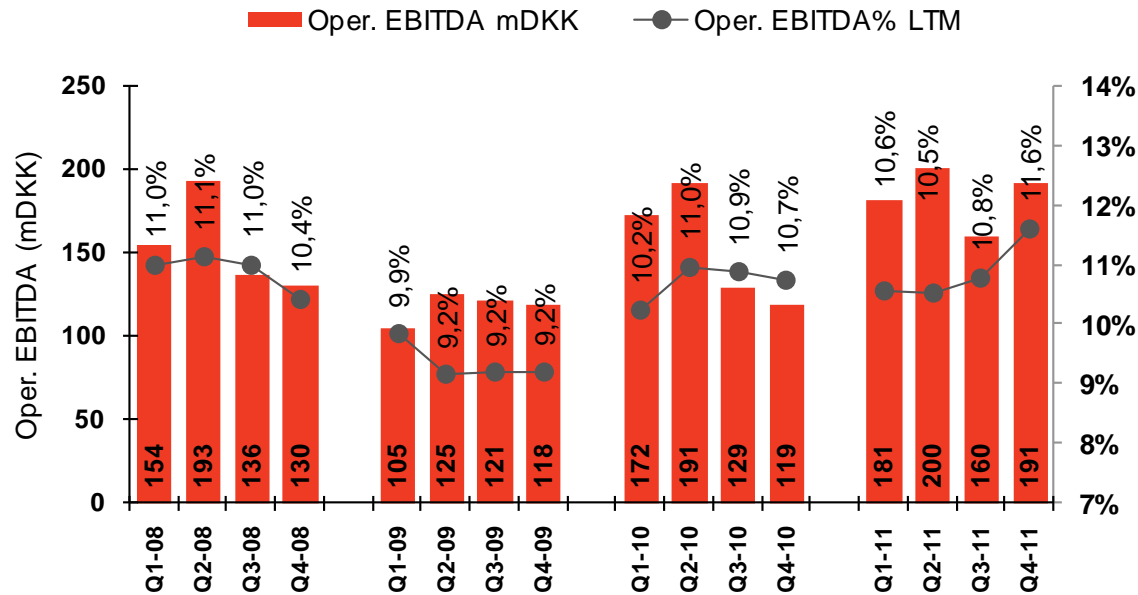


- Realised 1% organic growth 2011:**
- Electricity Infrastructure 8%
 - Construction -7%
 - Railway -26%
 - Automotive 6%
- 2011 organic growth peer 7%:**
- Energy Infrastructure 6%
 - Industry 11%
 - Buildings 7%

	2008				2009				2010				2011			
Organic growth - Quarterly (Y/Y)	4%	3%	3%	0%	-14%	3%	-10%	-8%	4%	1%	25%	34%	20%	0%	-4%	-6%
- Annually	3%				-7%				16%				1%			



Nilfisk-Advance – Trends



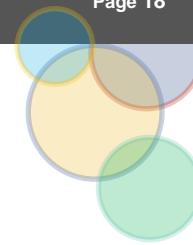
Realised 8% organic growth in 2011:

- EMEA 8%
- Americas 6%
- Asia/Pacific 11%

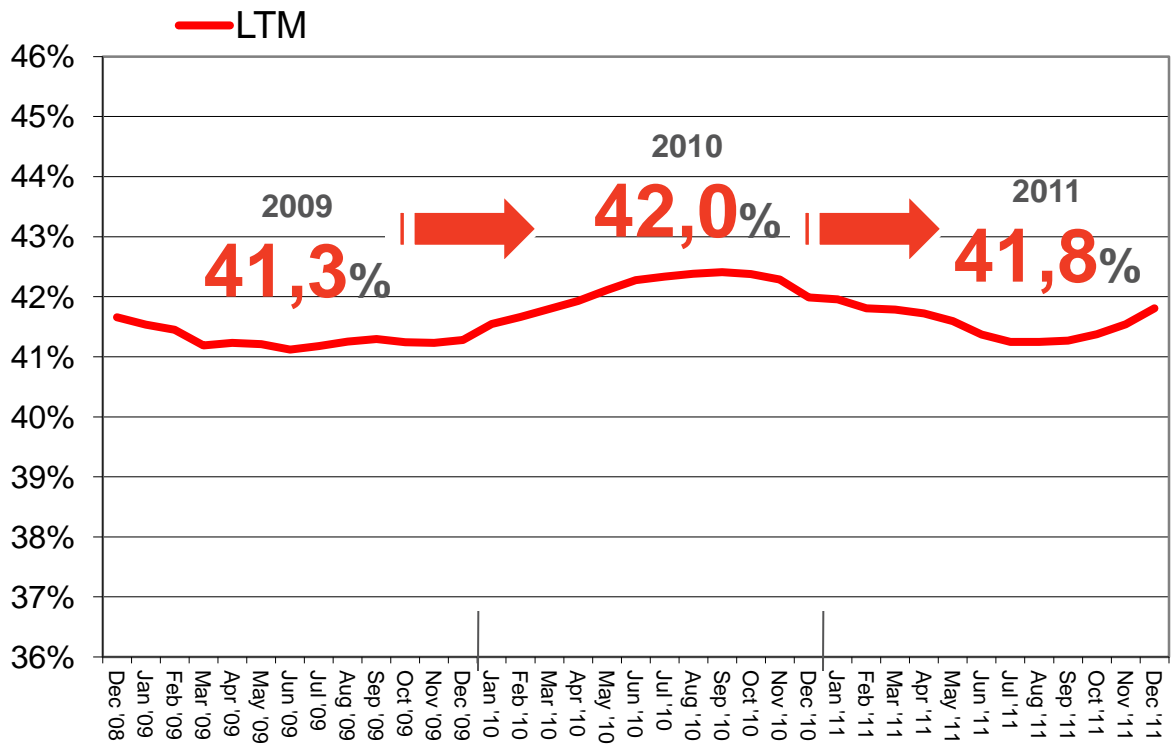
2011 organic growth peer 10%:

- EMEA 5%
- Americas 13%
- Asia/Pacific 10%

	2008				2009				2010				2011			
Organic growth - Quarterly (Y/Y)	4%	6%	5%	-12%	-12%	-20%	-13%	-3%	6%	10%	5%	7%	5%	8%	9%	9%
- Annually	1%				-13%				7%				8%			



Nilfisk-Advance - Gross profit development



Gross profit was positively impacted by structural initiatives and sales price increases during the summer and negatively impacted by increased input prices

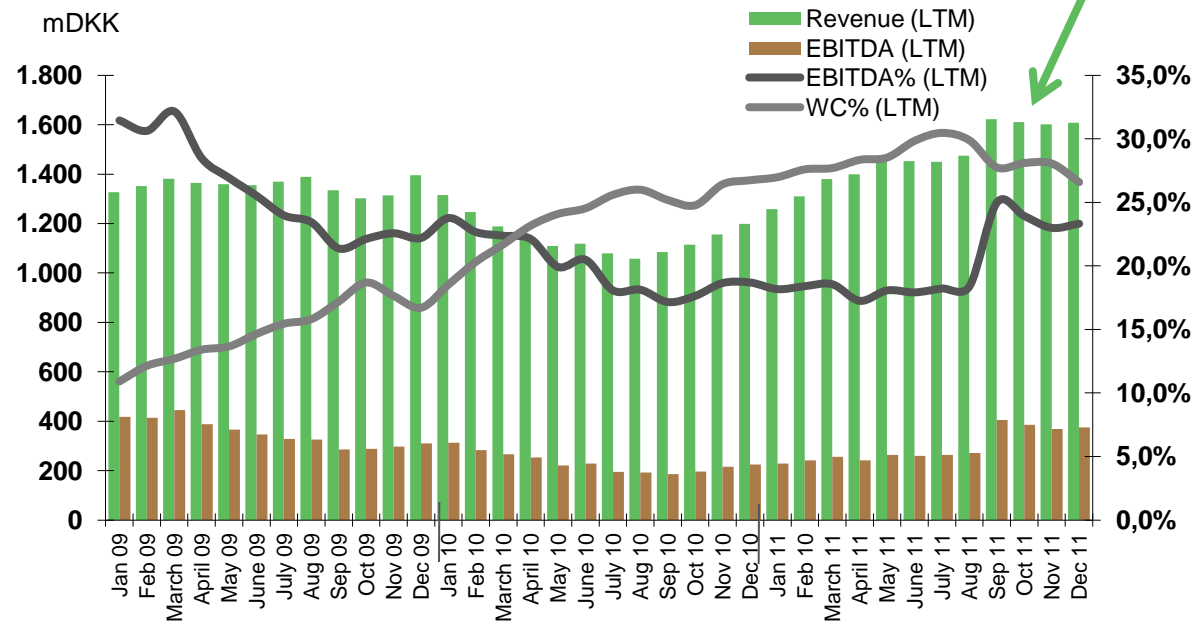


NKT Flexibles – Trends

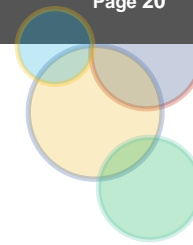
Price Escalating Factor

139 mDKK

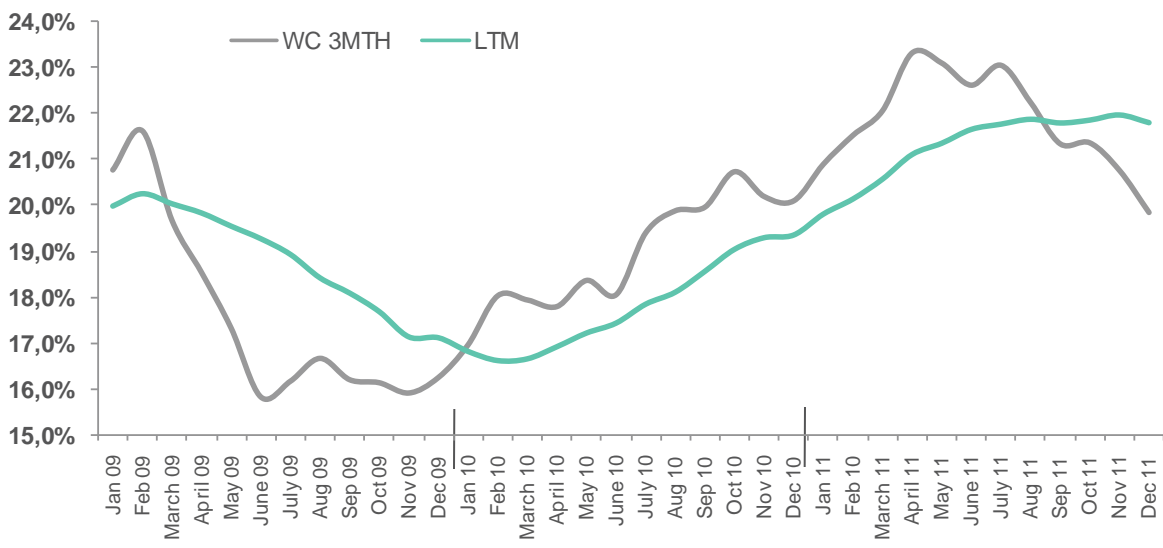
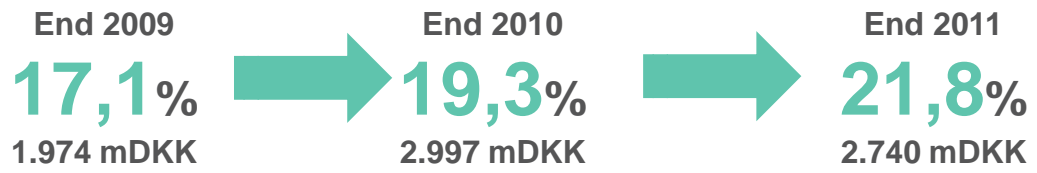
2011	65 mDKK
2010	68 mDKK
2009	6 mDKK



- **Nom. growth 2011:** 34% (adjusted 21%)
- **Revenue** full year 2011 at 1.609 mDKK (adjusted for PEF: 1.535 mDKK) vs. 1.199 mDKK (adjusted for PEF: 1.267 mDKK) in 2010
- **EBITDA margin** of 23% in 2011 (adjusted for PEF: 20%) vs. 19% (adjusted for PEF: 23%) in 2010
- **NKT's share of profit** in 2011 amounts to 158 mDKK vs. 90 mDKK in 2010
- **Order back-log** as per end 2011 amounts to 2,0 bnDKK (excl. Frame Agreements not called)



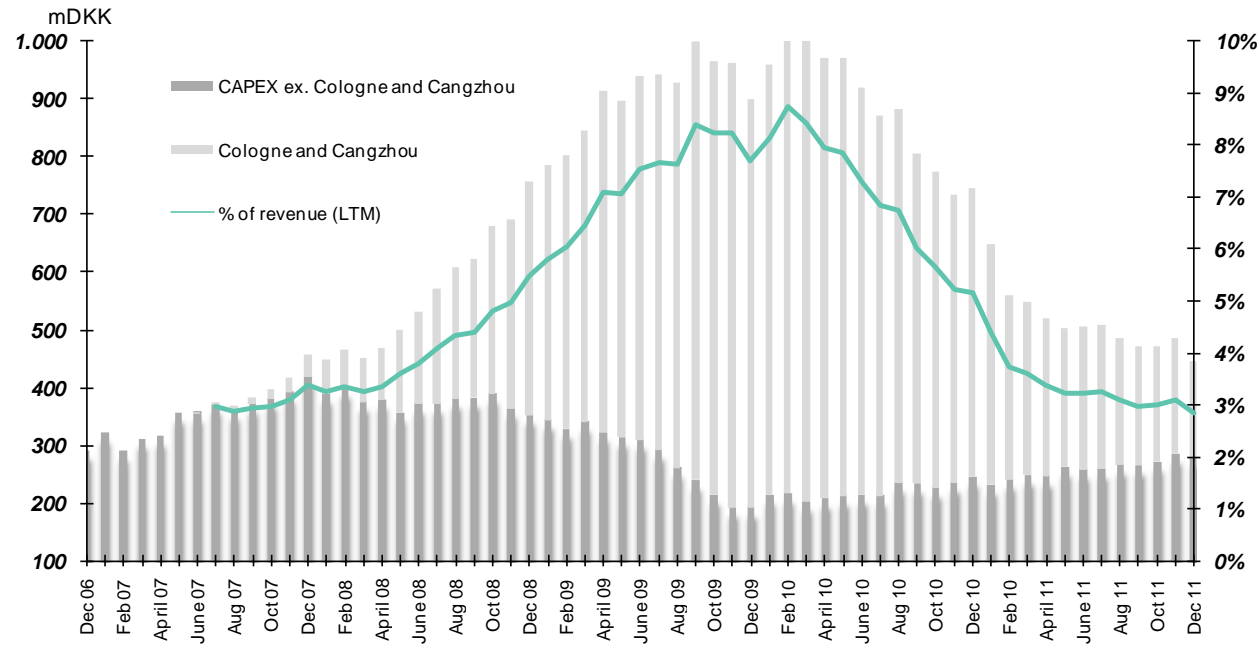
Working Capital (in% of revenue)



- **WC** of 2.740 mDKK end 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 21,8% (LTM) vs. 19,3% end 2010
- **NKT Cables** increased to 23,2% vs. 19,4% end 2010
- **Nilfisk-Advance** increased to 19,4% vs. 19,0% end 2010



12 months investments in tangible assets (gross)



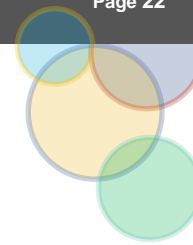
Gross CAPEX in 2011 is 449 mDKK (2010: 744 mDKK) with

- ~77% to NKT Cables
- ~21% to Nilfisk-Advance
- ~2% other

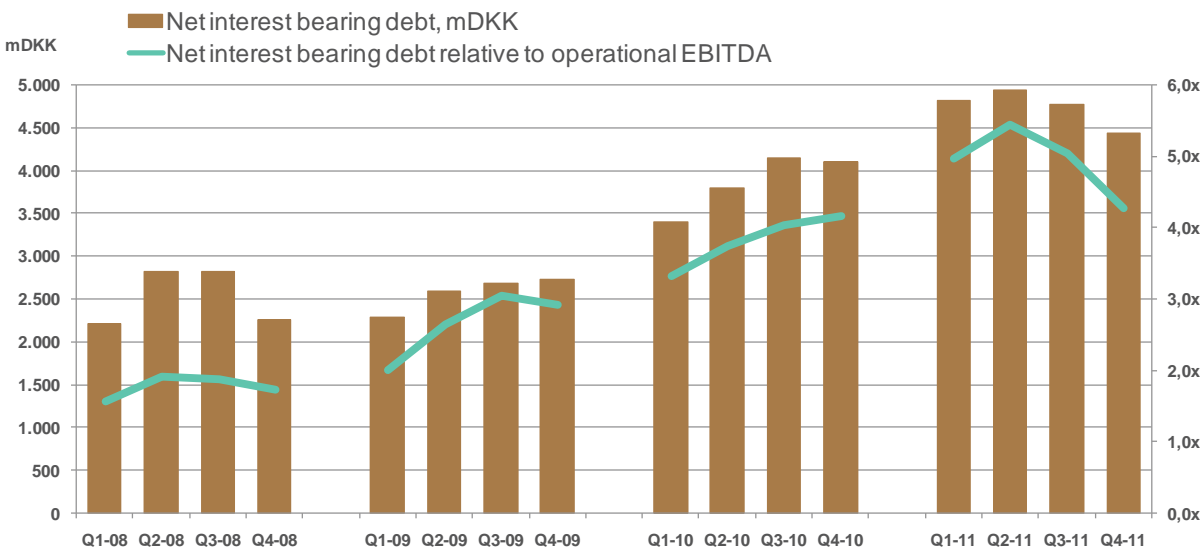
130 mDKK is related to the new Cologne plant and adj. for the impact investments would have been 2,0% of revenue (market prices) vs. 2,8% including the Cologne plant

Investments in intangible assets in 2011 is 168 mDKK (2010: 169 mDKK) with

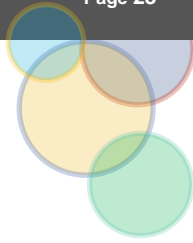
- ~27% to NKT Cables
- ~61% to Nilfisk-Advance
- ~12% other



Net interest bearing debt



- **NIBD** of 4.429 mDKK as per 31 December 2011 vs. 4.105 mDKK as per 31 December 2010
- Max NIBD in 2011 was 5,2 bnDKK in April and has decreased with 0,8 bnDKK
- **NIBD** increased by 324 mDKK in 2011 primarily driven by investments amounting to 617 mDKK minus an improvement in working capital by 257 mDKK
- End December 2011 NIBD amounts to **4,3x** operational EBITDA (2010: 4,2x). Max. NIBD of 2,5x operational EBITDA remains the internal target
- **Gearing** of 109% (2010: 100%). Max. ratio of 100% remains the internal target
- **Solvency ratio** of 30% (2010: 33%). Ratio >30% remains the internal target



Gross debt and Cash Resources

Gross debt:

- 62% 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 +/- 34 mDKK (2010: 29 mDKK)



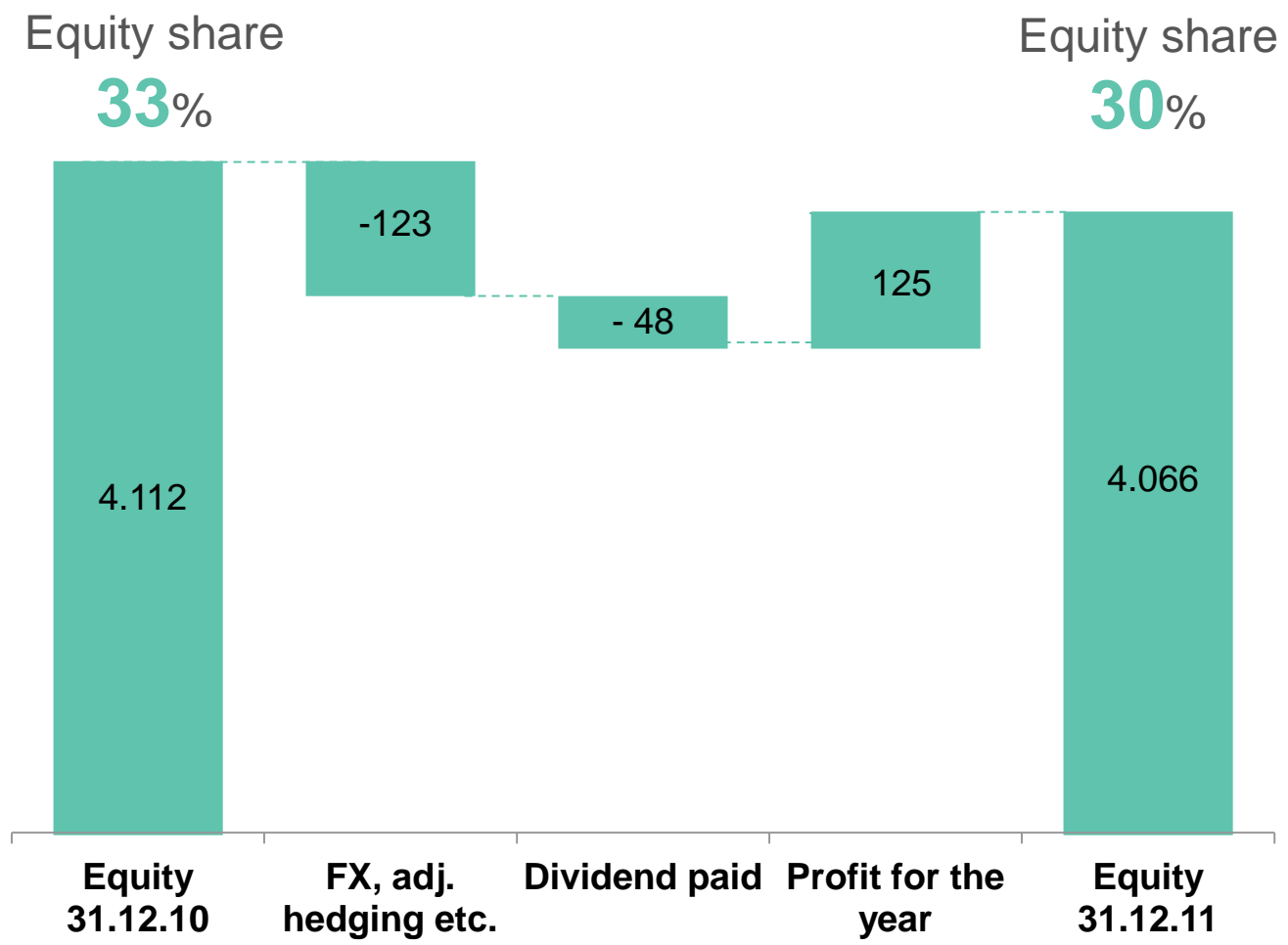
Cash resources:

- Undrawn facilities of 2,2 bnDKK + cash of 0,3 bnDKK. In total 2,5 bnDKK
- The debt is not subject to any kind of financial covenants

<i>Amounts in bn.DKK</i>	2011	2010
Committed (>3 years)	3,7	4,6
Committed (1-3 years)	1,4	0,1
Committed (<1 year)	0,1	0,1
Committed total	5,2	4,8
% of total	74%	80%
Uncommitted	1,8	1,2
% of total	26%	20%
Total	7,0	6,0
Cash	0,3	0,2
Utilised	-4,8	-4,4
Cash resources	2,5	1,8

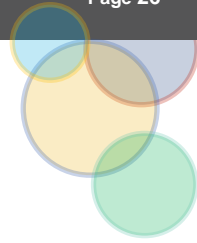


Development in Equity (mDKK)



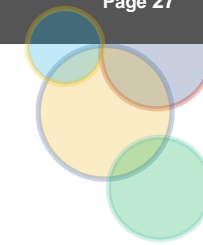
Cash flows 2011

mDKK	2011	2010
Earnings, EBITDA	1.003	899
Interest, net	-283	-124
Tax	-90	-122
Change in working capital	119	-919
Other	-33	-18
Share of profit in NKT Flexibles	-158	-90
Cash flows from operating activities	558	-374
Acquisition of business activities	-215	-48
Acq. of property, plant and equipment, net	-427	-724
Dividend NKT Flexibles	0	77
Other investments, net	-156	-154
Cash flows from investing activities	-798	-849
Cash flows operating and investing activities	-240	-1.223
Change in long- and short-term loans	304	1.286
Dividend paid	-48	-83
Other	-1	-20
Cash flows from financing activities	255	1.183
Net cash flow	15	-40



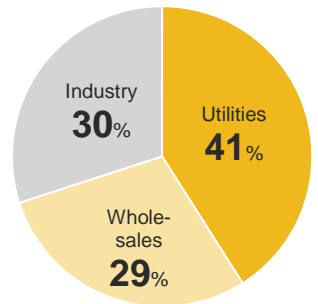
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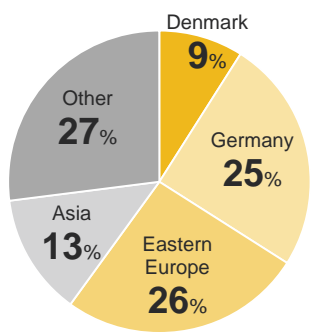


NKT Cables

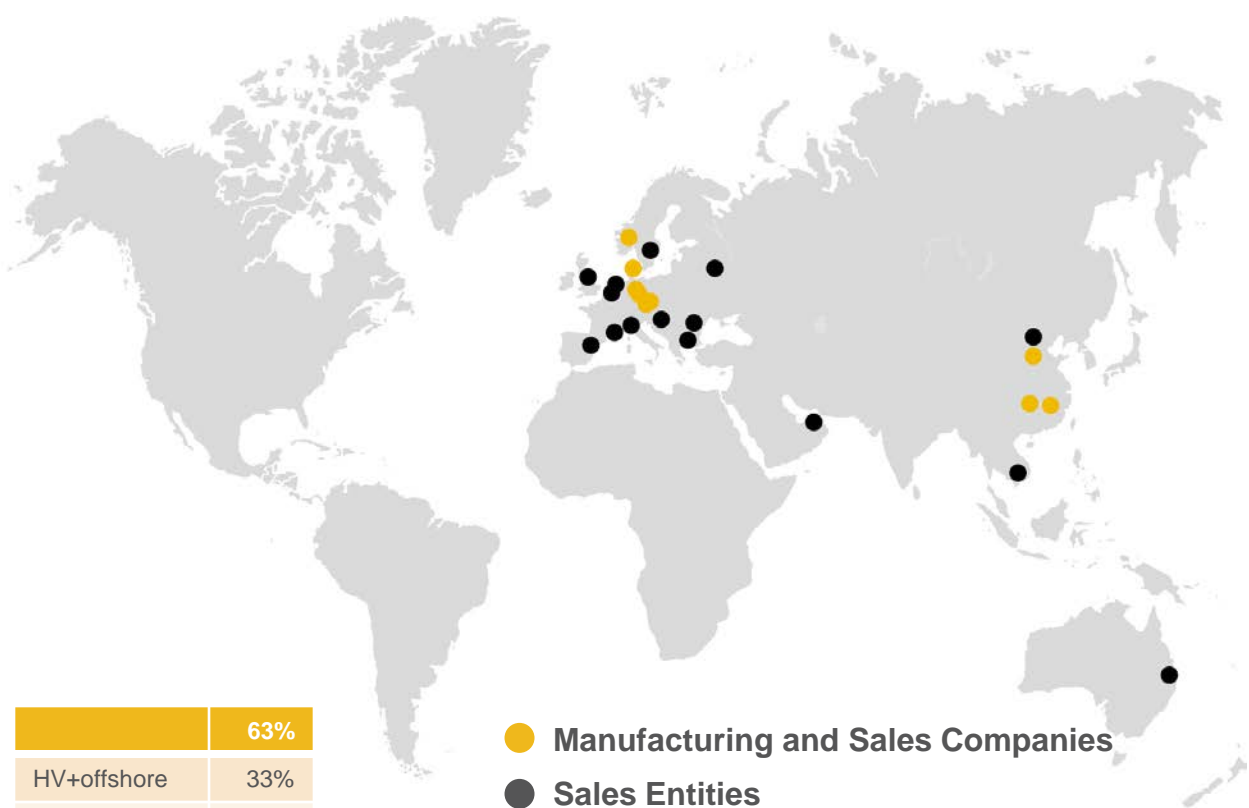
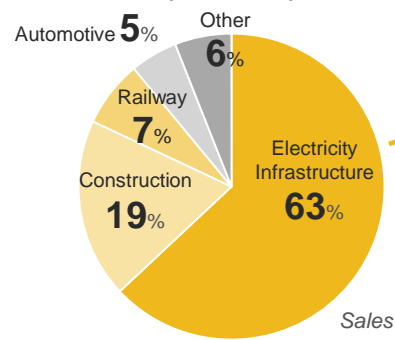
Sales by Customers



Sales by Markets



Sales by Fields of Applications (Products)



	63%
HV+offshore	33%
MV	18%
Other	12%

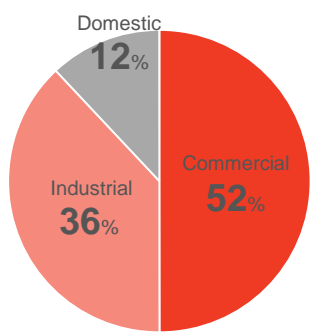
- Manufacturing and Sales Companies
- Sales Entities

Sales by Customers and Fields of Applications are based on std. prices for FY 2011. Sales by Markets is based on market prices for FY 2011.

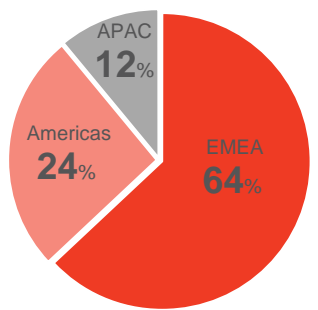


Nilfisk-Advance

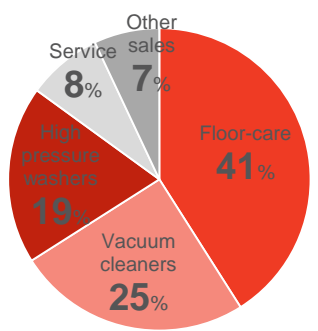
Sales by Customers



Sales by Markets



Sales by Products



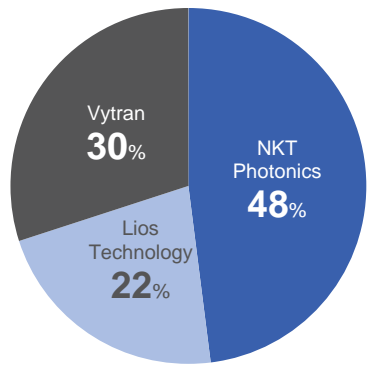
All data based on FY 2011



Photonics Group



Sales by entities



All data based on FY 2011



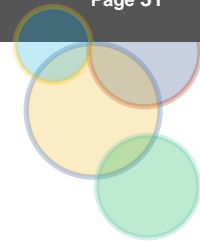
NKT Flexibles

NKT Flexibles engineers are developing deepwater technology for use below 2.000 metres

In February 2012 agreement was signed concerning sale of NKT Flexibles to National Oilwell Varco



● Production units
(Brazil is under construction)



Agenda

- NKT Group – Highlights 2011
- Expectations 2012
- Financial results 2011
- Companies
 - NKT Cables
 - Nilfisk-Advance
 - Photonics Group
 - NKT Flexibles (51%)
- **Questions & Answers**

Questions & Answers

Expectation 2012

Expect organic growth in revenue of approx. **5-10%**

- NKT Cables approx. **5-10%**
- Nilfisk-Advance approx. **5%**
- Photonics Group approx. **20%**

Operational EBITDA is planned to be **1.050 – 1.250** mDKK, an operational improvement up to 400 mDKK on 2011 after adjustment for the sale of NKT Flexibles

Profit from discontinued operations related to NKT Flexibles and is expected to amount to approx. **1,3** bnDKK

