



NASDAQ OMX Copenhagen  
Nikolaj Plads 6  
DK-1007 Copenhagen K

10 January 2014  
Release No. 1

## **NKT HOLDING ISSUES SHARE WARRANTS**

With reference to authorisation granted at the company's general meeting on 23 March 2011 (Article 3 B of the Articles of Association) the Board of Directors of NKT Holding A/S has decided to grant 136,342 share warrants to the management and senior executives of NKT Holding A/S. The issuance also takes place in accordance with the remuneration policy approved by the general meeting in March 2011.

### **Recipients, exercise periods and subscription price**

The warrants have been issued to a total of 5 persons at NKT Holding A/S: 83.740 to the management and 52,602 to senior executives of NKT Holding A/S. Warrants and options will not be issued to the Board of Directors of NKT Holding A/S.

The warrants may be exercised during a two-week period following publication of the annual financial statements in the years 2017, 2018 and 2019, respectively and during a two-week period following publication of the quarterly reports in the years 2017 and 2018, respectively.

Each warrant conveys the right to subscribe for one share of nominally 20 DKK at a fixed subscription price of 319.74 DKK. The subscription price is adjusted for dividends paid to the shareholders until the time of exercise.

### **Purpose**

The purpose of the allocation of warrants is to create a link between the efforts of employees and the company's long-term value creation.

### **Conditions for exercise**

The principal condition for exercise of the warrants is that the employee has not terminated his/her employment with the company prior to 1 January 2017. If the employee is given notice of employment termination by the company for any reason except misconduct, the employee is entitled to retain and exercise his/her warrants.

Allocated warrants are covered by the rules of taxes under section 28 of the Danish Tax Act and are taxable as normal taxable income.



The terms governing the warrants are further described in the enclosed Exhibit I. The full text of the amendments made to the company's Articles of Association by virtue of the warrant allocation is contained in the attached Articles of Association.

**Market value**

The subscription price is set on the basis of the average NKT share price for a four week period after the latest financial statement plus an annual hurdle rate of 8% for each of the years 2014, 2015 and 2016. Based on a price per share of 391.74 DKK and including the expected dividend payments during the term of the warrant, the value of the allocated warrants is calculated using the Black-Scholes formula as 1.9 mDKK assuming that the share warrants are exercised at the earliest possible time. The calculation assumes volatility of 21% and a risk-free interest rate of 0.9%.

The value of the warrants constitutes an average of 18% of the annual salary expenditure relating to the persons who are granted warrants.

**Further information**

Please address questions regarding the above to the undersigned on telephone +45 4348 2000.

Yours faithfully,

**NKT Holding A/S,**

*Michael Hedegaard Lyng*

Group Executive Director & CFO

Exhibit:   Exhibit I - Issue and grant of warrants  
              Exhibit II - Amendments to the Articles of Association in connection with issue and grant of warrants



## EXHIBIT I

### **Issue and grant of warrants 10 January 2014**

With reference to the Articles of Association article 3 B sec. 4 and 3 B XII the Board of Directors has decided to issue and grant warrants to the employees of the Company on the following terms and conditions:

The warrants may be wholly or partly exercised to subscribe for shares during a two-week period after the publication of the Company's statement of annual accounts during each of the years 2017, 2018 and 2019 and during a two-week period following publication of the Company's statement of quarterly accounts during the years 2017 and 2018 (hereinafter referred to as "the period of exercise"). This means that the warrants may be exercised for the first time for the subscription of shares in 2017 in the period from the publication of the preliminary statement of annual accounts for 2016 and two weeks onwards. The warrants may not be exercised for subscription of shares outside a period of exercise. After the expiry of the last period of exercise - i.e. in 2019, two weeks after the publication of the statement of annual accounts for 2018 - non-exercised warrants shall automatically lapse without notice and without compensation. The period of exercise may be changed solely by the Board of Directors, if required, in order to observe stock exchange rules in force at the time of exercise including prohibition against insider trading. The warrants only entitle the holder to subscribe for shares in one transaction. Partial exercise of the warrants for subscription of shares shall therefore result in a lapse of the remaining part of the warrants.

The subscription price per share of nominally DKK 20 is set as a fixed subscription price less any dividend approved by the General Meeting of the Company during the period from 10 January 2014 up to and including the date of the General Meeting which is held immediately prior to the warrant holder's exercise of the warrant and registration of the newly subscribed shares, cf. below. If newly subscribed shares convey entitlement to dividend at the Company's General Meeting during the year in which the warrant is exercised, no reduction in the subscription price shall be effected for dividend paid during the relevant year.

The fixed subscription price per share of nominally DKK 20 amounts to DKK 319.74 regardless whether subscription is effected in 2017, 2018 or 2019. If, for example, a fixed yearly dividend of DKK 10 per share of nominally DKK 20 is paid during the period up to 2019, the subscription price shall be adjusted accordingly to DKK 269.74 in case of subscription in 2019, provided registration of the new shares is effected prior to the Company's General Meeting in the relevant year with entitlement to dividend.



At the time of the warrant holder's exercise of the warrants the Board of Directors may decide to issue the warrant holder access to a cash settlement instead of receiving shares in the Company. By cash settlement the warrant holder, upon exercise of the issued warrants, will receive a cash amount equal to the difference between the fixed subscription price and the average volume weighted price of the shares of the Company on the date of the warrant holder's exercise of the warrants.

The warrants are further subject to the terms and conditions set out in Exhibit A to the Articles of Association, although the dates mentioned under section 2 shall be 1 January 2017.

## **EXHIBIT II**

### **Amendments to the Articles of Association in connection with issue and grant of warrants 10 January 2014**

The decision of the Board of Directors containing the conditions for subscription and exercise of warrants has been added to the Articles of Association of the company as a new article 3 B XII and as a new Exhibit M with reference to the existing article 3 B.

An updated version of the Articles of Association, including the amendments to the Articles of Association, has been attached. The Articles of Association can also be found at [www.nkt.dk](http://www.nkt.dk).