



NASDAQ OMX Copenhagen
Nikolaj Plads 6
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Announcement No. 10

NKT Cables to acquire Ericsson's power cable operations

Acquisition of Ericsson's power cable operations to strengthen NKT Cables' position in the market for medium and low voltage cables in the Nordic region.

Today NKT Cables has signed a conditional purchase agreement with Ericsson concerning an acquisition of Ericsson's power cable operations ("Energy Business"). The transaction is subject to relevant regulatory approval and is expected to be completed beginning of 3rd quarter 2013. The total consideration amounts to 250 mSEK, equivalent to approx. 220 mDKK (enterprise value).

Ericsson's Energy Business realised a revenue in market prices of approx. 1.3 bnDKK in 2012, and the company is a leading supplier of medium voltage products to the Nordic utility groups. In addition, Ericsson's Energy Business is an important supplier of low voltage products to the wholesalers and installers in Sweden, and a significant portion of revenue also comes from innovative specialty power cables.

The acquisition is a central element in the growth strategy for NKT Cables' Products business unit, focusing on strengthening the company's position in the medium and low voltage cables segment in selected markets. The acquisition of Ericsson's power cable operations will add a number of unique products to NKT Cables' portfolio, strengthen development competences for new and innovative power solutions, and improve scope for servicing Nordic customers.

NKT Cables will gain approx. 320 employees and a factory in Falun, Sweden, which contains production facilities, a development department as well as sales and administration. The factory's location and product portfolio will be complementary to NKT Cables' factory in Asnæs, Denmark, thereby creating a cost-efficient production and logistics set-up for servicing the Nordic market.



The transaction is expected to have neutral impact on the NKT Group's earnings in 2013, but to contribute positively as from 2014.

Further announcement will be published when relevant authority approvals have been received.

- NKT's focus is the long term value creation in all our companies. The acquisition of Ericsson's power cable operations is a good example of how we exercise our active ownership, meaning that we capitalise on such opportunities as they arise, says NKT Holding CEO, Thomas Hofman-Bang.

NKT Cables CEO, Marc van't Noordende, stresses that the acquisition of the Ericsson's Energy Business is in line with the NKT Cables strategy:

- We have developed long term growth plans for all three NKT Cables business units. The acquisition of Ericsson's Energy Business provides an interesting opportunity to strengthen the Products unit within one of our focus markets.

- Throughout our dialogue with Ericsson we have noted a significant cultural fit between the two companies, both having long histories in the cable industry. We look forward to welcoming the new colleagues to NKT Cables and to continuing our strong tradition for creating innovative and sustainable cable solutions, says Marc van't Noordende.

You are welcome to call on +45 4348 2000 if you have questions to the above.

Yours sincerely,

NKT Holding A/S

Thomas Hofman-Bang

President and CEO

NKT Cables has the majority of its operations in Europe with a strong position in the high voltage and submarine cables as well as low and medium voltage cables, accessories and catenary wires. Factories in Germany, Poland, Czech Republic, Norway and Denmark deliver to customers in Europe and the Middle East, while factories in China are producing for the Southeast Asian market.