



NASDAQ OMX Copenhagen  
Nikolaj Plads 6  
DK-1007 Copenhagen K

16 November 2011

Release No. 17

## **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 100,000 share warrants to the management and employees 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 25 persons at NKT Holding A/S: 50,400 to the management, 29,200 to senior executives and 20,400 to other employees. 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 2015, 2016 and 2017, respectively and during a two-week period following publication of the half-year report in the years 2015 and 2016, respectively.

Each warrant conveys the right to subscribe for one share of nominally 20 DKK at a subscription price of 199.59 DKK that is based on the average NKT share price for the period 17 October - 11 November 2011, plus an annual hurdle rate of 8% for each of the years 2012, 2013 and 2014 - corresponding to the internal WACC (Weighted Average Cost of Capital) - and minus dividends paid to the shareholders until the time of exercise. Accordingly, the subscription price per share of nominally 20 DKK before deduction of dividends shall be 251.42 DKK.

### **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 warrantholder has not terminated his/her employment with the company prior to 15 November 2014. If the warrantholder is given

**NKT Holding A/S** is one of Denmark's major industrial groups with 9,800 employees at 30 September 2011 and a turnover in 2010 of 14.5 bnDKK. The group consists of NKT Cables (the energy sector), Nilfisk-Advance (the cleaning industry), Photonics Group (the optical industry) and the 51% owned NKT Flexibles (the offshore sector). Read more at [www.nkt.dk](http://www.nkt.dk).



notice of employment termination by the company for any reason except misconduct, the employee shall be entitled to retain and exercise his/her warrants.

The warrants are taxable partly under Section 7H of the Danish Tax Assessment Act (up to 10% of the warrant holder's yearly salary package defined in accordance with Section 7H of the Danish Tax Assessment Act) and partly as normal taxable income. The Company's auditors have been requested to certify that the warrants comply with the conditions therefore.

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**

Based on a price per share of 251.42 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 3 mDKK assuming that the share warrants are exercised at the earliest possible time. The calculation assumes volatility of 30% and a risk-free interest rate of 1.6%.

The value of the warrants constitutes an average of 12% of the annual salary expenditure relating to the persons allocated warrants.

### **Further information**

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

Yours faithfully,  
**NKT Holding A/S,**  
*Thomas Hofman-Bang,*  
President and CEO

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 15 November 2011**

With reference to the articles of association art. 3 B sec. 3 and 3 B X 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 2015, 2016 and 2017 and during a two-week period following publication of the company's statement of half-year accounts during the years 2015 and 2016 (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 2015 in the period from the publication of the preliminary statement of annual accounts for 2014 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 2017, two weeks after the publication of the statement of annual accounts for 2016 - 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, including prohibition against insider trading, in force at the time of exercise. The warrants only entitle the holder to subscribe for shares in one transaction. Partial exercise of a warrant for subscription of shares shall therefore result in a lapse of the remaining part of the warrant.

The subscription price per share of nominally 20 DKK is set as a fixed subscription price less any dividend approved by the general meeting of the company during the period from 15 November 2011 up to and including the date of the general meeting which is held immediately prior to the warrantholder'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 20 DKK is set as 251.42 DKK regardless whether subscription is effected in 2015, 2016 or 2017. If, for example, a fixed yearly dividend of 10 DKK per share of nominally 20 DKK is paid during the period up to 2017, the subscription price shall be adjusted accordingly to 201.42 DKK in case of subscription in 2017, provided registration of the new



shares is effected prior to the company's general meeting in the relevant year with entitlement to dividend.

The warrants are further subject to the terms and conditions set out in Exhibit A, although the dates mentioned under section 2 shall be 15 November 2014.



## EXHIBIT II

### **Amendments to the Article of Association in connection with issue and grant of warrants 15 November 2011**

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 X and as a new Exhibit K with reference to the existing article 3 B.

An updated version of the Article 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).