

PRESS RELEASE

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NKT Flexibles factory in Brazil to be placed in Superporto do Açu

NKT Flexibles' Brazilian facility will be located in Superporto do Açu, less than 300 km north of Rio de Janeiro. NKT Flexibles CEO Michael C. Hjorth has signed the agreement with the CEO of LLX, the company behind the TX2 industrial complex in Superporto do Açu, Otávio Lazcano in a ceremony attended by LLX' owner, Eike Batista, and the Governor of the State of Rio de Janeiro, Sérgio Cabral.

The signing was the result of a prolonged negotiation, so it is a relieved Michael C. Hjorth who has signed the lease on the location of NKT Flexibles' Brazilian factory in Superporto do Açu.

“Superporto do Açu is perfectly located in relation to the major oil fields, where our pipes are deployed as per our four-year frame agreement with Petrobras,” says Michael C. Hjorth and continues, “At the same time, the harbour is the largest of its kind in Latin America, and is set to boost Brazil's infrastructure as a whole thus helping the country to get the most out of its offshore oil reserves”.

Next year, NKT Flexibles will build a factory with a capacity of over 250 km flexible pipes per year, primarily for Brazilian oil company Petrobras. In June 2011, Petrobras and NKT Flexibles signed a frame agreement worth €1.3 billion, with a minimum of 50% guaranteed for the four-year period. Based on the agreement, NKT Flexibles decided to establish itself in Brazil with the Danish factory providing flexible pipe solutions to the rest of the world.

Otávio Lazcano, CEO of LLX, that manages the industrial complex TX2 in Superporto do Açu emphasizes the strong perspectives in the agreement with NKT Flexibles, “The signing of this trade agreement marks the birth of the centre for offshore support industries at TX2 and confirms the standard of excellence offered by the Açu Superport for companies providing services for the oil and gas industry”.

Thursday's agreement marks an important step in establishing NKT Flexibles' factory, scheduled to be ready to start mid-2013.

Please direct any questions to NKT Flexibles CEO, Michael C. Hjorth on telephone +45 43 48 30 00