Interim Report **2nd Quarter 2010**

NKT Holding A/S
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Announcement No. 18

With Group revenue of 3,635 mDKK for 2nd quarter, corresponding to organic growth of 5%, the positive trend from 1st quarter 2010 continued. Positively influenced by Nilfisk-Advance, operational EBITDA for 1st half was 517 mDKK, while developments at NKT Cables' new factory in Cologne not yet has led to a satisfactory productivity

Contents

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Q2

Summary

NKT experienced overall a satisfactory 2nd quarter, maintaining the organic growth of 5% realized in the 1st quarter, and organic growth for 1st half 2010 was also 5%. The performance of Nilfisk-Advance was particularly noteworthy, with 10% organic growth, while NKT Cables did not effect the expected high voltage production in Cologne and therefore did not achieve satisfactory growth and earnings.

Operational EBITDA decreased in 2nd quarter 2010 by 12 mDKK compared with 2nd quarter 2009 and amounted to 517 mDKK for 1st half 2010, an increase of 76 mDKK (1st half 2009: 441 mDKK). On a rolling 12-month basis (LTM), operational EBITDA was 1,011 mDKK at 30 June 2010 (31 March 2010: 1,023 mDKK), corresponding to an EBITDA margin of 9.8% (31 March 2010: 10.1%).

Expectations relating to Group revenue and operational EBITDA remain in line with the initial announcements and comprise organic growth of approx. 6-10% and operational EBITDA of approx. 1 bnDKK, respectively. The assumptions are based on the expectation of a stronger result for Nilfisk-Advance than initially anticipated, balanced however by a poorer than expected result for NKT Cables.

As expected, working capital increased in the 2nd quarter and at 30 June 2010 amounted to 2,812 mDKK or 17.4% LTM (31 March 2010: 16.6%).

NKT Cables realized an increase in organic growth of 1% in 2nd quarter 2010 compared with 2nd quarter 2009 (1st half 2010: 2%). The high voltage/submarine cable segment and the medium voltage segment grew by 16% and 14% respectively, while negative growth of 1% was realized for the low voltage segment. Developments for other segments were as expected. The quarter was influenced by unsatisfactory productivity development in Cologne which impact negatively on both growth and earnings for the period. EBITDA margin (LTM) was 7.4%, corresponding to quarterly earnings of 81 mDKK (1st half 2010: 141 mDKK).

Nilfisk-Advance realized organic growth of 10% in 2nd quarter 2010 compared with 2nd quarter 2009 (1st half 2010: 8%). This positive development was distributed by region: EMEA 11%, Americas 10% and Asia/Pacific 9%. At the same time the gross profit margin increased to 43%, which together with continued tight cost control led to an increase in EBITDA margin (LTM) of 11%, a rise of 0.8%-points. This corresponds to operational EBITDA for the quarter of 191 mDKK (1st half 2010: 363 mDKK).

NKT Flexibles and **Photonics Group** both lived up to expectations in the 2nd quarter with an EBITDA margin of 16% (1st half 2010: 17%) for NKT Flexibles, and an improvement in EBITDA of 7 mDKK to -5 mDKK (1st half 2010: -11 mDKK) for Photonics Group.

Financial highlights

amounts in **mDKK**
- unaudited

	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	Year 2009
Income statement					
Revenue	3,635	3,144	6,697	5,779	11,687
Revenue at standard prices [1)]	2,953	2,691	5,447	5,034	9,950
Operational EBITDA [2)]	282	294	517	441	935
EBITDA	258	237	471	364	783
Depreciation and impairment of property, plant and equipment	-67	-60	-129	-119	-243
Amortization and impairment of intangible assets	-31	-31	-62	-63	-124
EBIT	160	146	280	182	416
Financial items, net	-22	-26	-49	-61	-125
Earnings before tax (EBT)	138	120	231	121	291
Profit	97	94	162	94	238
Profit attributable to equity holders of NKT Holding A/S	95	94	160	96	240
Cash flows					
Cash flows from operating activities	-263	21	-484	188	582
Investments in property, plant and equipment	159	260	455	438	912
Balance sheet					
Share capital	475	474	475	474	474
Equity attributable to equity holders of NKT Holding A/S	4,030	3,508	4,030	3,508	3,719
Minority interests	23	34	23	34	21
Group equity	4,053	3,542	4,053	3,542	3,740
Total assets	12,134	9,889	12,134	9,889	10,124
Net interest bearing debt [3)]	3,790	2,587	3,790	2,587	2,725
Capital employed [4)]	7,843	6,129	7,843	6,129	6,465
Working capital [5)]	2,812	2,000	2,812	2,000	1,974
Financial ratios and employees					
Gearing (net interest bearing debt / Group equity)	94%	73%	94%	73%	73%
Net interest bearing debt relative to operational EBITDA [6)]	3.7	2.7	3.7	2.7	2.9
Equity share (solvency)	33%	36%	33%	36%	37%
Return on Capital Employed (RoCE) [7)]	9.9%	10.0%	9.9%	10.0%	9.4%
Number of 20 DKK shares ('000)	23,738	23,718	23,738	23,718	23,718
Number of treasury shares ('000)	77	78	77	78	78
Earnings, DKK, per outstanding share (EPS) [8)]	4.1	4.0	6.8	4.1	10.2
Dividend paid, DKK per share	0.0	0.0	3.5	0.0	0.0
Equity value, DKK, per outstanding share [9) 10)]	170	148	170	148	157
Market price, DKK per share	274	179	274	179	291
Average number of employees	8,346	7,929	8,346	7,929	7,938

[1) - 10)] Explanatory comments appear in Note 5.

Financial highlights and ratios are calculated as defined in the 2009 Annual Report.

MANAGEMENTS REVIEW
2nd QUARTER 2010

The positive trend from 1st quarter continued in 2nd quarter with unchanged organic growth of 5%, and for 1st half 2010 organic growth was also 5%. Nilfisk-Advance continued its positive development with organic growth of 10%, while NKT Cables, which realized organic growth of 1%, was still influenced by production complexities in Cologne

Revenue development by business unit — Fig. 1

Amounts in mDKK	2009 Q2	Metal prices	Exchange rates	Acqui-sitions	Growth	2010 Q2	Org. growth
NKT Cables	1,781	208	45	7	15	2,056	1%
- Revenue, std. prices	*1,328*	-	*32*	*5*	*9*	*1,374*	-
Nilfisk-Advance	1,324	-	66	0	142	1,532	10%
Photonics Group	37	-	2	0	9	48	23%
Other	2	-	0	0	-3	-1	-
Revenue, market prices	**3,144**	**208**	**113**	**7**	**163**	**3,635**	**5%**
- Revenue, std. prices	*2,691*	-	*100*	*5*	*157*	*2,953*	-

Revenue

Group net revenue for 2nd quarter 2010 was 3,635 mDKK, against 3,144 mDKK for the corresponding period in 2009 and 6,697 mDKK for the 1st half of 2010 (1st half 2009: 5,779 mDKK). The increase in revenue corresponds to 5% organic growth for both the 2nd quarter and 1st half of 2010. The nominal increase in revenue for 2nd quarter 2010 amounted to 16% and was positively influenced by metal prices (approx. 7%) and exchange rates (approx. 4%), respectively, cf. Fig. 1.

NKT Cables realized revenue, measured in standard metal prices, of 1,374 mDKK for 2nd quarter 2010, compared with 1,328 mDKK for the same period in 2009, corresponding to 1% organic growth. This growth was primarily attributable to the high voltage/submarine cable segment 16%, the medium voltage segment 14%, and the low voltage segment -1%. Revenue development in the high voltage/ submarine cable segment was not satisfactory due to low productivity caused by production complexities and challenges with the running in of large projects at the new Cologne facility. This situation is regarded as temporary and illustrates that 2010 is a transitional year and that the new facility in Cologne will not enter a stable phase until 2011.

Measured in market prices, NKT Cables realized revenue of 2,056 mDKK in 2nd quarter 2010, against 1,781 mDKK in 2nd quarter 2009, an increase of 275 mDKK. The revenue was positively influenced by metal prices and exchange rates to the amount of 208 mDKK and 45 mDKK, respectively.

Revenue measured in standard prices amounted to 2,410 mDKK for 1st half 2010, against 2,306 mDKK for 1st half 2009. Measured in market prices revenue amounted to 3,660 mDKK, against 3,051 mDKK for 1st half 2009. Overall organic growth for 1st half 2010 was 2%.

Nilfisk-Advance realized revenue of 1,532 mDKK in 2nd quarter 2010, against 1,324 mDKK for the corresponding period in 2009, a nominal increase of 208 mDKK or 16%. After exchange rate adjustments of 66 mDKK organic growth was therefore 10%. Organic growth distribution by region was EMEA (Europe, Middle East and Africa) 11% (1st half 2010: 7%), the Americas 10% (1st half 2010: 10%) and Asia/Pacific 9% (1st half 2010:12%). Revenue for 1st half 2010 amounted to 2,950 mDKK, against 2,642 mDKK for 1st half 2009. This corresponds to an increase of 308 mDKK and organic growth of 8%.

Photonics Group realized revenue of 48 mDKK for 2nd quarter 2010 compared with 37 mDKK for the corresponding period in 2009, and 87 mDKK for 1st half 2010 compared with 83 mDKK for 1st half 2009. This corresponds to organic growth of 23% for 2nd quarter 2010 compared with 2nd quarter 2009 (1st half 2010: 3%).

NKT Flexibles realized revenue of 318 mDKK in 2nd quarter 2010, against 387 mDKK for the corresponding period in 2009. This decrease of 18% was, as expected, primarily due to lower selling prices on projects in progress as a result of the

Operational EBITDA by business unit

Fig. 2

Amounts in mDKK	Realized Q2 2010	Realized Q2 2009	Nom. change	Change
NKT Cables	81	145	-64	-44%
Nilfisk-Advance	191	125	66	53%
Photonics Group	-5	-12	7	58%
NKT Flexibles (51%)	23	43	-20	-47%
Other	-8	-7	-1	-
Operational EBITDA	**282**	**294**	**-12**	**-4%**
Structural initiatives	-24	-57	33	-
EBITDA	**258**	**237**	**21**	**9%**

reduced level of activity in the oil industry. NKT Flexibles' revenue is not recognized in NKT Group revenue as NKT Flexibles is not recognized in full in the consolidated financial statements.

NKT Flexibles realized revenue of 534 mDKK for 1st half 2010, against 726 mDKK (-26%) for the corresponding period in 2009.

Earnings development, EBITDA

Group operational EBITDA for 2nd quarter 2010 amounted to 282 mDKK, against 294 mDKK for the corresponding period in 2009. This equates to a nominal decrease of 12 mDKK.

The decrease of 12 mDKK includes -64 mDKK relating to NKT Cables, -20 mDKK relating to NKT Flexibles while Nilfisk-Advance impacted positively with 66 mDKK and 6 mDKK came from Photonics Group and Others. Measured in standard prices the operational EBITDA margin for 2nd quarter 2010 was 9.5%, which was a decrease compared with the corresponding period in 2009 (10.9%).

2nd quarter costs relating to structural initiatives were solely attributable to Nilfisk-Advance and amounted to 24 mDKK, compared with 57 mDKK for the corresponding period in 2009. The initiatives are going to plan and are expected to be concluded in 2011. Group EBITDA therefore comprised 258 mDKK for 2nd quarter 2010, against 237 mDKK for the corresponding period in 2009, a rise of 21 mDKK or 9%.

2nd quarter breakdown of operational EBITDA by business unit is shown in Fig. 2.

NKT realized a 1st half operational EBITDA of 517 mDKK, compared with 441 mDKK for 1st half 2009, an improvement of 76 mDKK or 17%. The increase of 76 mDKK includes -19 mDKK relating to NKT Cables, 133 mDKK relating to Nilfisk-Advance, -41 mDKK relating to NKT Flexibles and 3 mDKK relating to Photonics Group and Others. Operational EBITDA margin on a rolling 12-month basis (LTM) amounted to 9.8% at 30 June 2010, compared with 10.1% at 31 March 2010. The quarterly trend in the Group's operational EBITDA (LTM) is shown in Fig. 3.

NKT Cables realized EBITDA of 81 mDKK for 2nd quarter 2010, against 145 mDKK for the corresponding period in 2009. Measured in standard metal prices the EBITDA margin was 5.9% for 2nd quarter 2010, against 10.9% for 2nd quarter 2009 and 5.8% for 1st quarter 2010.

The gross margin decreased in 2. quarter 2010 by approx. 1% compared with the same period in 2009. This is due to an unsatisfactory development in high-voltage/ submarine cables with extra costs related to a few large projects, only partially offset by a positive effect from changes in product mix and increased gross margin percentage for other product groups. The ongoing relocation and running in of the new high voltage factory in Cologne also affects the gross margin percentage negatively.

Nilfisk-Advance realized operational EBITDA of 191 mDKK in 2nd quarter 2010, against 125 mDKK for the corresponding period in 2009, an increase of 66 mDKK. This equates to an operational EBITDA margin of 12.5% compared with 9.4% for 2nd quarter 2009 and 12.1% for 1st quarter 2010.

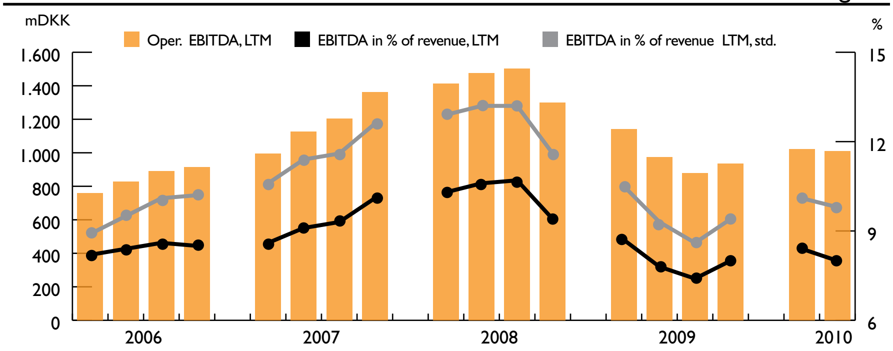
Nilfisk-Advance increased its gross profit margin by a further 2% compared with the corresponding period in 2009. This satisfying development was chiefly driven by the structural initiatives carried out in recent years, which included focus on low cost countries for sourcing components and relocating production. The rate of cost was also reduced. These factors have improved earnings.

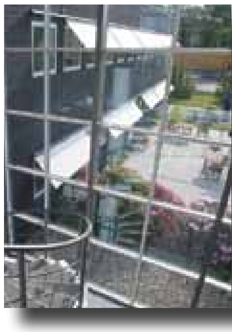
Photonics Group realized EBITDA of -5 mDKK for 2nd quarter 2010, an improvement of 7 mDKK on the corresponding period in 2009.

NKT Flexibles realized EBITDA of 52 mDKK for 2nd quarter 2010, against 89 mDKK for 2nd quarter 2009. The decrease

EBITDA

Fig. 3






in EBITDA of 37 mDKK between the two periods was primarily attributable to a reduction in revenue of 69 mDKK and a fall in EBITDA margin from 23% in 2nd quarter 2009 to 16% in 2nd quarter 2010.

51% of NKT Flexibles' net profit after depreciation, amortization and financial items is recognized in the NKT Group's EBITDA. 23 mDKK was recognized for 2nd quarter 2010, against 43 mDKK for the corresponding period in 2009.

Earnings development, EBIT

NKT realized operational EBIT of 184 mDKK for 2nd quarter 2010, against 203 mDKK for 2nd quarter 2009, an decrease of 19 mDKK. The main reason for the fall in operational EBIT is described in the section headed 'Earnings development, EBITDA'. Operational EBIT breakdown by business unit is shown in Fig. 4.

Operational EBIT amounted to 326 mDKK for 1st half 2010, against 259 mDKK for 1st half 2009, an increase of 67 mDKK or 26%.

Financial items, income before tax, tax, etc.

Net financial items for 2nd quarter 2010 amounted to an expense of 22 mDKK, against 26 mDKK for the corresponding period in 2009. The net improvement, 4 mDKK, was positively influenced by exchange rate adjustments, but this was partly balanced by further interest expenses arising from higher net interest bearing debt.

Group EBT amounted to 138 mDKK for 2nd quarter 2010, against 120 mDKK for the corresponding period in 2009, an improvement of 18 mDKK. The difference resulted from change in EBITDA 21 mDKK, depreciation and amortization -7 mDKK and financial items 4 mDKK.

Tax for 2nd quarter 2010 was 41 mDKK, which corresponds to a provisionally estimated tax rate of 30%.

NKT therefore realized a profit of 97 mDKK for 2nd quarter 2010, compared with 94 mDKK for the corresponding period in 2009. Realized profit for 1st half 2010 was 162 mDKK, against 94 mDKK for 1st half 2009.

Cash flow

Cash flow from operating activities was -263 mDKK for 2nd quarter 2010, against 21 mDKK for the same period in 2009. This corresponds, as expected, to a fall of 284 mDKK for 2nd quarter 2010 and primarily relates to the effect of the change in EBITDA, amounting to 21 mDKK, and the expected change in working capital, amounting to -355 mDKK.

Cash flow from investing activities amounted to -137 mDKK in 2nd quarter 2010, compared with -296 mDKK for the corresponding period in 2009. Investments in 2nd quarter 2010 comprised 76 mDKK relating to the high voltage facility in Cologne and 22 mDKK relating to acquisition of an Australian cable installation company. NKT has received 77 mDKK in dividend from NKT Flexibles which is included in 'Other investments, net'.

Cash flow from operating activities for 1st half 2010 amounted to -484 mDKK, against 188 mDKK for the corresponding period in 2009, while cash flow from investing activities for 1st half 2010 amounted to -458 mDKK, against -501 mDKK for 2nd half 2009.

Working capital

NKT's working capital amounted to 2,812 mDKK at 30 June 2010, corresponding to 17.4% measured as an average percentage of revenue over 12 months (LTM). This corresponds, as expected, to an increase of 451 mDKK or 0.8%-points compared with 31 March 2010. The increase includes 353 mDKK attributable to NKT Cables and 71 mDKK attributable to Nilfisk-Advance and principally relates to further tie-up of capital in receivables, inventory and work in progress, which is only partly balanced by increase in creditors. As stated in the 2009 Annual Report under 'Expectations for

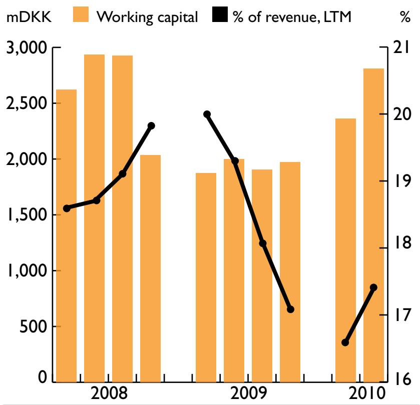
Operational EBIT by business unit

Fig. 4

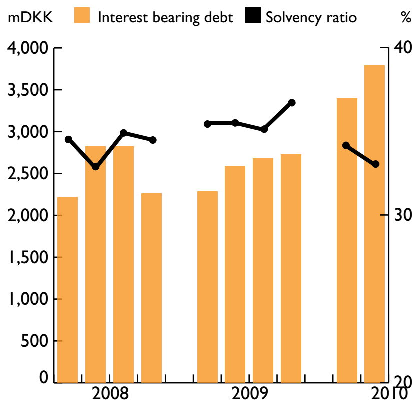
Amounts in mDKK	Realized Q2 2010	Realized Q2 2009	Nom. change	Change
NKT Cables	30	104	-74	-71%
Nilfisk-Advance	147	81	66	81%
Photonics Group	-8	-16	8	50%
NKT Flexibles (51%)	23	43	-20	-47%
Other	-8	-9	1	-
Operational EBIT	**184**	**203**	**-19**	**-9%**
Structural initiatives	-24	-57	33	-
EBIT	**160**	**146**	**14**	**10%**

Operational EBITDA, 1st half: 517 mDKK, corresponding to an increase of 76 mDKK or 17%

Working capital Fig. 5



Net interest bearing debt Fig. 6



2010', this development was expected and a reduction is anticipated towards the end of 2nd half 2010. For NKT Cables, working capital as a percentage of revenue amounted to 17.0% (LTM) at 30 June 2010, against 15.3% at 31 March 2010. For Nilfisk-Advance the corresponding figure was 17.7% at 30 June 2010, against 18.1% at 31 March 2010. Development in working capital at Group level is shown in Fig. 5.

Net interest bearing debt

The Group's net interest bearing debt comprised 3,790 mDKK at 30 June 2010 (31 March 2010: 3,394 mDKK), an expected increase of 396 mDKK. The primary reasons for the increase were investments in non-current assets amounting to 159 mDKK, increased cash flow relating to working capital amounting to 435 mDKK, and positive impact of 2nd quarter EBITDA. The development in net interest bearing debt is shown in Fig. 6.

The current level of net interest bearing debt corresponds to 3.7x operational EBITDA for the last 12 months (31 March 2010: 3.3x). This ratio is influenced by the fact that LTM operational EBITDA only to a limited extent contains income from the investment in the new high voltage facility in Cologne and from the high voltage facility acquired in China (Cangzhou), while these investments impact fully on net interest bearing debt.

As at 30 June the currency composition of the Group's net interest bearing debt was materially unchanged from 31 December 2009 (cf. 2009 Annual Report). Debt financing remains predominantly based on floating interest rates.

Cash resources

At 30 June 2010 the NKT Group's cash resources totalled approx. 1.5 bnDKK.

Fig. 7 shows the distribution of NKT's cash resources into committed and uncommitted credit facilities. The committed facilities are not subject to credit institution requests for repayment prior to maturity.

In 2nd quarter 2010, a 395 mDKK facility with a life of less than 12 months was rescheduled and extended to beyond 12 months.

The Group's debt remains independent of financial covenants with lenders. For non-financial covenants, please refer to Note 30 of the consolidated financial statements for 2009.

Equity

Group equity amounted to 4,053 mDKK at 30 June 2010. Currency adjustment of foreign subsidiaries and value adjustments of hedging instruments etc. are recognized directly in equity. 230 mDKK was recognized for 1st half 2010 (1st half 2009: -20 mDKK), which chiefly consisted of currency conversion of net investments of subsidiaries as a result of increases in USD and other currencies.

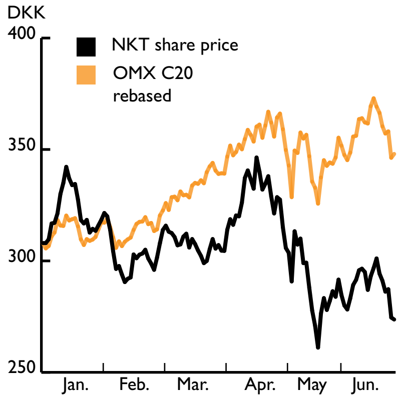
Credit facilities Fig. 7

Amounts in bnDKK	30.06.10 Total	31.03.10 Total	30.06.09 Total
Committed (>3 years)	1.3	1.3	1.3
Committed (1-3 years)	2.4	2.0	2.4
Committed (<1 year)	0.6	1.0	0.4
Committed total	**4.3**	**4.3**	**4.1**
% of total	81%	80%	79%
Uncommitted	1.0	1.1	1.1
% of total	19%	20%	21%
Total	**5.3**	**5.4**	**5.2**
Cash	0.2	0.2	0.2
Drawn	-4.0	-3.6	-2.8
Cash resources	**1.5**	**2.0**	**2.6**

NKT shares

NKT shares are listed on the NASDAQ OMX Copenhagen Stock Exchange in C20, the index for the most heavily traded shares. Daily turnover on NKT share trading averaged 47 mDKK in 2nd quarter 2010, against 35 mDKK for the same period last year. Average daily trading in the 2nd quarter amounted to 156,878 shares, against 208,114 shares for the same period in 2009, a fall of 25%.

Share price trend Fig. 8



At 30 June 2010 the NKT share price stood at 274 DKK, a fall of 10% on 31 March 2010 (304 DKK). The market capitalization of the NKT Group stood at 6.5 bnDKK at 30 June 2010, compared with 7.2 bnDKK at the end of the 1st quarter.

Management matters

Jørgen Bjergskov Nielsen, a long time, employee-elected member of the NKT Board of Directors, passed away at the beginning of June. Besides his work as an electrician with NKT Cables and a member of the Board of Directors of NKT Holding A/S, Jørgen Bjergskov Nielsen was an active trade union convenor and shop steward, and chairman of NKT Cables' European Works Council. The vacant position on the Board has been filled by Jan Erik Jensen, a facilities management assistant with Nilfisk-Advance. The employee-elected Board members are elected for a four-year term (2010-2014).

Corporate Social Responsibility

At the end of May, NKT reported its 2009 CO_2 emission to the Carbon Disclosure Project, the organization which on behalf of institutional investors worldwide focuses on reducing company CO_2 emission. NKT's total CO_2 emission from energy consumption was 113,073 tonnes in 2009, against 112,896 tonnes the previous year. The level of activity fell during the same period by 10%. The CO_2 emission relative to the level of activity therefore increased, indicating that the energy consumption in buildings are largely the same in spite of falling production. In addition, the operation by NKT Cables of two facilities in Cologne will lead for a transitional period to further CO_2 emission due to heating. NKT still anticipates achieving its targeted 12% reduction in CO_2 emission in the period 2009-2011.

NKT upgraded its website in the 2nd quarter so that the section on Corporate Social Responsibility (CSR) is now more readily accessible and reflects the Group's activities under the UN Global Compact programme.

Expectations for 2010

The Group's expectations with regard to revenue and operational EBITDA are generally unchanged from the 2009 Annual Report and the Interim Report for 1st quarter 2010. However, the results realized at 30 June 2010 and the provisional results for July and August warrant adjustment to the underlying assumptions.

Revenue

Overall Group growth expectations are unchanged at approx. 6-10%

Initially, organic growth of approx. 6-10% was expected, based on min. 10% for NKT Cables, min. 2% for Nilfisk-Advance, and 20% for Photonics Group. While the expectations for Photonics Group are unchanged at 20%, the expectations for Nilfisk-Advance have now been revised upwards by 3%-points to approx. 5%, based on anticipated organic growth of approx. 3% for 2nd half 2010.

Regarding NKT Cables, growing uncertainty exists as to whether it is realistic to continue expecting organic growth of approx. 10% for 2010 which, however, remains the target. This uncertainty relates to the high voltage/submarine cable segment where productivity developments in Cologne are decisive for organic growth. This growth is also vulnerable to high voltage order postponements by customers. Other product segments are expected to match or exceed the initial prediction.

Operational EBITDA

Group operational EBITDA expectations are unchanged at approx. 1 bnDKK

These expectations are based on the following assumptions:

- Following a strong 1st half, Nilfisk-Advance is now expected to improve on its 9.2% EBITDA margin for 2009 by approx. 1.5%-points and not by 1%-point as previously anticipated.
- NKT Cables is exposed to productivity issues at its new Cologne facility, and this substantially affects earnings on major projects currently in progress. This means it is harder than normal to predict a narrow earnings band for 2010. An EBITDA margin of approx. 7.5% is expected for 2010 corresponding to a decrease of approx. 50 mDKK, rather than approx. 8.5% as earlier predicted.
- Expectations for Photonics Group are unchanged with an EBITDA deficit of approx. 10-20 mDKK.
- An EBITDA margin of approx. 13% was initially expected for NKT Flexibles. This has now been revised upwards by 2%- points to approx. 15%.

BUSINESS UNITS

NKT's business units comprise the cable company NKT Cables, the cleaning equipment manufacturer Nilfisk-Advance, the fiber-optics based Photonics Group, and 51%-owned NKT Flexibles which manufactures flexible pipes for the offshore oil industry. At the end of 2nd quarter 2010 the NKT Group had approx. 9,100 employees, including some 600 in NKT Flexibles. Approx. 1,600 of the employees are based in Denmark and approx. 7,500 are based in other countries

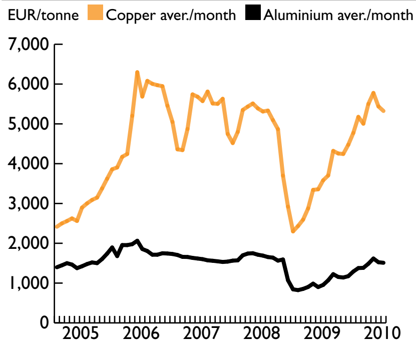
NKT Cables

NKT Cables is one of the leading suppliers of power cables to the European market. Moreover, NKT Cables is a global player within high voltage cables and railway wires, and delivers increasingly cable solutions to customers. From factories in China production is addressing the Southeast Asian market, while a newly built factory in Germany focuses on high voltage cables to the growing European market as well as submarine cables primarily for off-shore wind farms. In automotive, reported as a part of special cables, NKT Cables has broadened its reach in close dialogue with car manufacturers.

The 2nd quarter 2010 showed organic growth of 1% compared to the same quarter last year (1st half year 2010: 2%) covering fluctuations between the product segments with growth within high voltage/ submarine, medium voltage and automotive, relative growth in low voltage and negative growth in the railway segment.

Copper and aluminium are key cost components in the production of power cables. At 30 June 2010 the price of copper was 49% higher than at 30 June 2009, but since 31 March 2010 it has dropped 3%. Similarly, the price of aluminium has risen by 58% compared to 30 June 2009 and increased by 2% compared to 31 March 2010. The development in metal prices is shown in Fig. 9.

Metal prices Fig. 9



** Standard metal prices, std.*
NKT Cables has since 2007 adjusted and validated data so that the effect of changes in metal prices can be isolated from standard copper and aluminium prices set at 1,550 EUR/tonne and 1,350 EUR/tonne, respectively.

Highlights - NKT Cables

	Q2		Q1-Q2		Year
Amounts in mDKK	**2010**	**2009**	**2010**	**2009**	**2009**
Revenue	**2,056**	**1,781**	**3,660**	**3,051**	**6,383**
Revenue. std. prices	*1,374*	*1,328*	*2,410*	*2,306*	*4,646*
- Growth (%)	15%	-15%	20%	-23%	-18%
- Organic growth (%)	1%	3%	2%	-5%	-7%
EBITDA	**81**	**145**	**141**	**160**	**373**
EBITDA-margin (std. prices) (%)	5.9%	10.9%	5.9%	6.9%	8.0%
EBIT	30	104	43	78	197
Capital employed	4,321	2,926	4,321	2,926	3,313
Working capital	1,668	990	1,668	990	1,089
Number of employees, period end	3,323	3,081	3,323	3,081	3,127

2nd quarter 2010 operating income before depreciation and amortization, EBITDA, was 81 mDKK (2nd quarter 2009: 145 mDKK), corresponding to a margin - measured in standard metal prices - of 5.9% (2nd quarter 2009: 10.9% and 1st quarter 2010: 5.8%). EBITDA dropped 64 mDKK compared to 2nd quarter 2009. The development in EBITDA was influenced by:

- Additional costs related to some large high-voltage/submarine projects, due to high complexity combined with production at the new factory. This

Medium Voltage

The sales in the 2nd quarter 2010 were significantly better than last year with organic growth of 14%

situation will also affect earnings levels negatively in the second half of 2010
- Dual costs in Cologne following operations in both the new and the old factory that will continue until the move has been completed in the beginning of 2011.

The sales within **high voltage/submarine** continued to grow in the 2nd quarter 2010 with organic growth of 16% compared with 2nd quarter 2009 (1st half year 2010: 16%). Growth is below the original expected level due to the above mentioned temporary difficulties in producing complex orders at the new factory in Cologne, which is undergoing a learning and running curve, that will also affect the second half of 2010.

The quotation activity in this segment has been high and NKT Cables has succeeded in maintaining the existing order backlog at an unchanged level. A number of outstanding tenders are expected to result in new orders in the second half of 2010, which will ensure growth in 2011 and 2012 in accordance with the plans for the newly built factory in Cologne.

The new high voltage factory in Cangzhou in China has produced its first 110 kV cables for commercial use (110 kV) and a test cable for 220 kV. This test cable, in combination with cable accessories produced by NKT Cables in Germany, will ensure the qualification to enable commercial production in this segment of the Chinese market. The acquisition of Aussa Power - now NKT Cables Australia Ltd - which was announced on April 22nd, has facilitated NKT Cables to enter the high voltage market in Australia and New Zealand. The response from the market has been very encouraging creating new opportunities in a market that will require large investments in the energy infrastructure.

Medium voltage sales for the 2nd quarter 2010 were significantly better than last year with growth of 14% (1st half year: 10%). The execution of the newly won frame agreements were in line with plans and in some markets - for instance Germany - even better. The German government has introduced temporary incentives for utilities in order to ensure continuous investment in new infrastructure. This will benefit medium voltage sales throughout 2010 and into 2011. Also in China the medium voltage business was satisfactory, driven by the continuing win of medium voltage cables with NKT Cables prime railway customers and this secured a solid success.

The **low voltage** business segment saw a relatively satisfactory development in 2nd quarter, with a negative growth of 1% almost reaching the same level as 2nd quarter 2009 (1st half year 2010: -8%). This despite the fact that negative organic growth of 15% was seen in 1st quarter 2010. The relative success compared with the development of the 1st quarter can be attributed to focus on presence in several countries in combination with orders from a larger number of customers, thus helping to provide stability compared to a consistently negatively influenced European construction industry.

The sale of **railway catenary** wires lay with a negative organic growth of 54% significantly below 2nd quarter 2009 (1st half year 2010: -33%) which on the other hand was extraordinary high. Activity in 2nd quarter 2010 was characterized by completion of existing orders, but also several new orders were won that will ensure growth in 3rd and 4th quarter 2010. NKT Cables continues to be the market leader in the field of catenary wires for high speed trains in China where competitors have challenges providing similar high quality products produced with the technology that NKT Cables has been using for the past approx. 10 years.

Special cables include automotive. The automotive business, with organic growth of 54% in 2nd quarter 2010, continued its strong performance of 1st quarter 2010 (1st half year 2010: 39%). After the loss of a major customer - bankruptcy - in January within automotive, NKT Cables has more than compensated for the lost volume by winning new customers. Whereas the current production capacity is fully utilized, NKT Cables is now seeking a marginal capacity increase in this segment, in order to target harness makers and car producers in Eastern Europe. In addition, work with product development aimed at future demands for new solutions within the automotive industry is taking place.

The new 'One Company' organization process has continued to unfold and the extended sales coverage has triggered the creation of 4 major sales regions for which 2 new Senior Vice Presidents have joined NKT Cables. Customer service centres have been created and extended product know how is established within the organization through training. Customers are enhanced with value by being able to access the complete NKT Cables product portfolio and NKT Cables deep experience creating complete solutions with cables.

Environmentally aware

Ecoflex: Flexible equipment for green cleaning and clean floors

Highlights - Nilfisk-Advance

	Q2		Q1-Q2		Year
Amounts in mDKK	2010	2009	2010	2009	2009
Revenue	**1,532**	**1,324**	**2,950**	**2,642**	**5,138**
- Growth (%)	16%	-19%	12%	-15%	-13%
- Organic growth (%)	10%	-20%	8%	-16%	-13%
Operational EBITDA*	**191**	**125**	**363**	**230**	**469**
- Operational EBITDA margin (%)	12.5%	9.4%	12.3%	8.7%	9.2%
Operational EBIT*	147	81	276	139	293
Capital employed	2,978	2,671	2,978	2,671	2,580
Working capital	1,087	961	1,087	961	852
Number of employees, period end	5,019	4,585	5,019	4,585	4,779
*Adjusted for one-off items					

Nilfisk-Advance

Nilfisk-Advance is a global manufacturer and supplier of professional cleaning equipment for both indoor and outdoor applications. Focus is on environment-friendly products and optimal use of resources. The company markets a broad product programme including floor care equipment (sweepers, sanders, washers, dryers and polishers), a full range of vacuum cleaners, and a comprehensive selection of high pressure cleaners, including special models that recycle and minimize water consumption, thereby saving customers money and shielding the environment. Nilfisk-Advance also provides individual service agreements and spare parts sales, ensuring that customers can always rely upon equipment availability.

The positive trend in organic growth continued and strengthened, amounting to 10% for 2nd quarter 2010 against 2nd quarter 2009. Total organic growth for 1st half 2010 was 8% against same period in 2009. Significant organic growth was experienced in 2nd quarter 2010 in sales to Americas 10% and Asia/Pacific 9%. Despite otherwise difficult market conditions in Europe, Nilfisk-Advance recorded satisfying growth of 11% in the EMEA region (Europe, Middle East and Africa). It remains the general assessment that the global market for professional cleaning equipment will show small growth in 2010.

Gross profit for 2nd quarter 2010 was 2%-points above the level for 2nd quarter 2009. With a gross margin of around 43% for 1st half 2010 Nilfisk-Advance has reaped the benefits of higher production volume combined with sourcing from low cost countries.

As was the case in 1st quarter 2010, the market showed increasing price aggressiveness in the 2nd quarter, while raw material prices also began rising. This pressure on prices and costs will curb the increase in gross profit and illustrates the need for continued focus on cost structure.

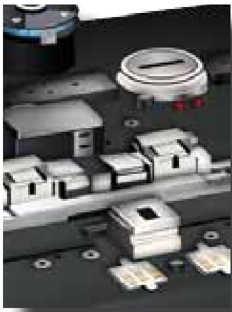
Tight control continues to be maintained on costs. For example, the rate of cost in the first half was 2%-points below that for the same period in 2009. Net costs after currency adjustments have therefore risen only 2% compared with 2009.

Based on the positive development in gross profit Nilfisk-Advance posted record-high operational EBITDA for the second consecutive period. The operational EBITDA margin for the 2nd quarter was 12.5%, against 9.4% in 2nd quarter 2009.

In line with Nilfisk-Advance's structured product development process, 16 new products were launched in 1st half 2010, including six in the 2nd quarter. The introduction of the ground-breaking Ecoflex cleaning concept is proceeding to plan. With Ecoflex, customers stand to make considerable savings on time and resources, and floor care equipment fitted with Ecoflex is effective even on very grimy surfaces. The Ecoflex concept meets customers environmental and reliability demands with no limitations on application, and is considered so attractive that some market segments will in future solely be offered products equipped with Ecoflex technology.

In 2nd quarter, as part of efforts to increase customer focus, Nilfisk-Advance launched its 'Voice of the Customer' project. All personnel, from production workers to sales and service staff, have become familiar with customers' present and future demands to the company. The goal is to create an organization which is still more customer-oriented and is at all times ready to service customers and meet their needs. The sphere of customer satisfaction and understanding is also targeted for considerable future investment.

Nilfisk-Advance's business model has proved that it is not only strong enough to withstand economic recession but that it can also generate growth when market recovery begins in earnest. Going forward, this is the platform on which Nilfisk-Advance will pursue new market and customer development opportunities.

Photonics Group

Photonics Group consists of three companies, NKT Photonics, LIOS Technology and Vytran, which all base their activities on optical fiber technology. Focus is on sophisticated products with functionalities essentially linked to the unique light-conducting properties of optical fibers. Products range from new types of fibers, new types of lasers and advanced measuring devices to production equipment related to optical fiber handling. The product programme covers both basic components and system solutions.

The common denominator for all Photonics Group activities is that market focus is aimed at industrial applications and product development usually takes place in collaboration with the industry. Importance is placed on creating partnerships with robust manufacturers and system builders in industries such as lasers, life sciences, energy, semiconductor and defence, and agreements are established with local distributors.

Led by Vytran, all three companies experienced positive development in 2nd quarter 2010 compared with the corresponding period in 2009. Photonics Group realized organic growth of 23% in 2nd quarter 2010 compared with 1st quarter 2009 (1st half 2010: 3%). Operational EBITDA was -5 mDKK, against -12 mDKK for 2nd quarter 2009.

NKT Photonics reported increased sales of equipment and fibers for R&D applications, while sales for industrial systems were relatively normal. The number of new orders received during the period in the various customer categories was also positive. Orders from industrial system builders included several new customers with whom collaboration is taking place to qualify Ultra Precise Lasers and SuperK lasers for application in future equipment. NKT Photonics' strength in the area of patents for crystal fibers was underlined in a recent patent suit concluded against a UK firm.

LIOS Technology experienced improved sales in 2nd quarter 2010 compared with the same period last year. Orders received also increased, particularly with regard to fire detection equipment and equipment for the oil and gas sector. The general level of activity, in the form of both enquiries and orders from the oil and gas sector, remains higher than in recent years. An increased interest is visible in equipping oil recovery systems with monitoring capability in order to increase oil well performance and safety. Dialogue on closer collaboration continues with core segment players.

Vytran reported solid revenue growth compared with the same period in 2009. The market for production equipment remains generally slow, but Vytran managed to compensate for this through active presence in several new geographical markets. Determined effort is also taking place to achieve a breakthrough in the life science sector where need is believed to exist for the type of equipment offered by Vytran. Vytran introduced a new fiber cutting device during the quarter under review and has a number of product launches planned for the months ahead.

Highlights - Photonics Group

	Q2		Q1-Q2		Year
Amounts in mDKK	2010	2009	2010	2009	2009
Revenue	**48**	**37**	**87**	**83**	**160**
- Growth (%)	28%	-30%	5%	8%	-6%
- Organic growth (%)	23%	-32%	3%	3%	-8%
EBITDA	**-5**	**-12**	**-11**	**-20**	**-32**
EBIT	-8	-16	-17	-28	-47
Capital employed	165	132	165	132	122
Working capital	57	47	57	47	40
Number of employees, period end	171	175	171	175	163

NKT Flexibles (51%)

NKT Flexibles supplies flexible pipelines and systems for oil and gas recovery from offshore fields. 49% of the company is owned by the offshore contractor Acergy. This means that the company is not recognized in full in the NKT Group's consolidated financial statements.

In 2nd quarter 2010 the oil price remained around 75 USD/bbl, but new project activity continued at a comparatively low level. This is believed to be due to the relatively slow stabilization of world economy. The market for NKT Flexibles' products and solutions therefore remains tight, which as expected was reflected in lower earnings in 2nd quarter 2010 than 2nd quarter in 2009.

EBITDA amounted to 52 mDKK for 2nd quarter 2010, against 89 mDKK for 2nd quarter 2009, the corresponding EBITDA margins being 16% and 23%, respectively.



Highlights - NKT Flexibles

	Q2		Q1-Q2		Year
Amounts in mDKK	2010	2009	2010	2009	2009
Revenue	**318**	**387**	**534**	**726**	**1,311**
- Growth (%)	-18%	-6%	-26%	-5%	-6%
EBITDA	**52**	**89**	**93**	**169**	**305**
EBITDA-margin (%)	16.4%	23.0%	17.4%	23.3%	23.3%
EBIT	41	79	69	149	261
Capital employed	935	651	935	651	780
Working capital	275	180	275	180	250
Number of employees, period end	568	586	568	586	490
Profit share attributable to NKT Holding A/S	23	43	39	80	136

Organic growth for the quarter comprised -18% (1st half 2010: -26%), which was in line with expectations. The development in revenue was principally due to the impact of lower selling prices for the project portfolio in production in the current year. This was due to the reduced level of activity that has characterized the oil industry since mid-2008 and which has resulted in substantial price pressure throughout the industry during the past 24 months.

An amount of 23 mDKK was recognized in the NKT Group EBITDA in 2nd quarter 2010, against 43 mDKK for the corres-ponding period in 2009. The temporary decrease in activity is expected to last until the oil companies are sufficiently reassured in their expectations regarding the future oil price level. No significant improvement in the market situation for flexible pipe systems is therefore anticipated until rising energy demand restores equilibrium between supply and demand for oil and natural gas. The present market situation is expected to have an impact well into 2011.

The BP oil spill in the Gulf of Mexico is expected to have little significance for NKT Flexibles in the short term. The incident occurred during closure of a drilling operation, so there is no direct connection between the subsea field developments and the production segment which is NKT Flexibles' market. The secondary effects of the oil spill are difficult to predict, but measures to tighten up regulations and conditions are likely to focus primarily on safety related to drilling operations. However, it is to be expected that the oil companies will be cautious about new investment until the situation has been finally clarified. NKT Flexibles has historically had a very low level of involvement in the Gulf of Mexico, partly due to the preference of the oil companies for alternative steel solutions in the area concerned.

Acergy, the co-owner of NKT Flexibles, announced during 2nd quarter 2010 that it was working on a merger with the company Subsea 7. Over the years NKT Flexibles has developed a good relationship with Subsea 7 and believes the two companies will be complementary. The new company will be an even stronger collaboration partner for NKT Flexibles.

During 2nd quarter 2010 NKT Flexibles was commissioned to supply two dynamic risers and a static jumper in spring 2011 for a project on the Norwegian shelf. Other activities have included front-end engineering, engineer-related projects and operational support with ongoing customer servicing.

Orders in hand amounted to around 1.5 bnDKK at the end of June 2010 (31 March 2010: 1.7 bnDKK). Visibility therefore remains strong for the next 12-18 months.

The Kalundborg production facility was busy throughout 2nd quarter 2010, with focus placed on the manufacture of flexible pipes under the framework contract with Petrobras.

During 2nd quarter 2010 NKT Flexibles continued its controlled expansion of specific, operations-related departments to accommodate the planned level of activity over the year, including manning of the new production lines at Kalundborg.

The current expansion of production capacity is proceeding to plan. The new tensile reinforcement line was installed during 2nd quarter 2010, while installation of the new pressure reinforcement line is still in progress. The new production capacity is expected to be ready to enter service in autumn 2010.

Work on the development of flexible pipe systems for service at depths to 2,500 meters is going as planned. Production of the first pilot deliveries is expected to take place late this year.

As part of an increasing focus on CSR, NKT Flexibles has defined targets for specific measures that will continuously help ensure sustainable and efficient production with minimum waste and energy consumption.

MANAGEMENT STATEMENT

The Board of Directors and the Board of Management have today considered and adopted the Interim Report of NKT Holding A/S for the period 1 January - 30 June 2010.

The Interim Report, which has not been audited or reviewed by the company auditor, has been prepared in accordance with IAS 34 'Interim Financial Reporting', as approved by the EU, and additional Danish disclosure requirements for interim reporting by listed companies.

In our opinion the Interim Report gives a true and fair view of the Group's assets, liabilities and financial position at 30 June 2010 and the results of the Group's activities and cash flows for the period 1 January - 30 June 2010.

We also find that Management's review provides a fair statement of developments in the activities and financial situation of the Group, financial results for the period, the general financial position of the Group, and a description of major risks and elements of uncertainty faced by the Group.

Brøndby, 24 August 2010

Board of Management

Thomas Hofman-Bang
President and CEO

Søren Isaksen
Group Executive Director, CTO

Michael Hedegaard Lyng
Group Executive Director, CFO

Board of Directors

Christian Kjær
Chairman

Jens Due Olsen
Deputy Chairman

Krister Ahlström

Jan Erik Jensen

Gunnar Karsten Jørgensen

Arne Dan Kjærulff

Jens Maaløe

Lone Fønss Schrøder

Jan Trøjborg

Income statement

amounts in **mDKK**
- unaudited

	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	Year 2009
Revenue	3,635	3,144	6,697	5,779	11,687
Earnings before interest, tax, depreciation and amortization (EBITDA)	258	237	471	364	783
Depreciation and impairment of property, plant and equipment	-67	-60	-129	-119	-243
Amortization and impairment of intangible assets	-31	-31	-62	-63	-124
Earnings before interest and tax (EBIT)	160	146	280	182	416
Financial items, net	-22	-26	-49	-61	-125
Earnings before tax (EBT)	138	120	231	121	291
Tax	-41	-26	-69	-27	-53
Profit	97	94	162	94	238
To be distributed thus:					
Profit attributable to equity holders of the parent	95	94	160	96	240
Profit attributable to minority interests	2	0	2	-2	-2
	97	94	162	94	238
Earnings per share:					
Basic earnings, DKK, per share (EPS)	4.1	4.0	6.8	4.1	10.2
Diluted earnings, DKK, per share (EPS-D)	4.0	4.0	6.7	4.1	10.1

Cash flows

amounts in **mDKK**
- unaudited

	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	Year 2009
Earnings before interest, tax, depreciation and amortization (EBITDA)	258	237	471	364	783
Financial items, net	-22	-26	-49	-61	-125
Share of profit, NKT Flexibles I/S	-23	-43	-39	-80	-136
Changes in provisions, tax and non-cash operating items etc.	-41	-67	-77	-114	-97
Changes in working capital	-435	-80	-790	79	157
Cash flows from operating activities	-263	21	-484	188	582
Acquisition of business activities	-22	0	-22	0	-11
Investments in property, plant and equipment	-159	-260	-455	-438	-912
Disposal of property, plant and equipment	6	5	7	17	44
Other investments, net	38	-41	12	-80	-126
Cash flows from investing activities	-137	-296	-458	-501	-1,005
Changes in non-current loans from credit institutions	385	625	750	575	624
Changes in current loans from credit institutions	18	-338	214	-637	-514
Minority interests	0	0	-4	0	-23
Dividends paid	0	0	-83	0	0
Cash from exercise of share-based options	3	0	4	0	0
Cash flows from financing activities	406	287	881	-62	87
Net cash flows	6	12	-61	-375	-336
Cash at bank and in hand at the beginning of the period	206	209	254	587	587
Currency adjustments	30	-6	49	3	3
Net cash flows	6	12	-61	-375	-336
Cash at bank and in hand at the end of the period	242	215	242	215	254

Balance sheet

amounts in **mDKK**
- unaudited

	30 June 2010	30 June 2009	31 December 2009
Balance sheet			
Intangible assets	1,806	1,605	1,621
Property, plant and equipment	3,057	2,343	2,667
Other non-current assets	853	808	884
Total non-current assets	5,716	4,756	5,172
Inventories	2,855	2,150	2,195
Receivables and income tax	3,321	2,768	2,503
Cash at bank and in hand	242	215	254
Total current assets	6,418	5,133	4,952
Total assets	12,134	9,889	10,124
Equity attributable to equity holders of NKT Holding A/S	4,030	3,508	3,719
Minority interests	23	34	21
Group equity	4,053	3,542	3,740
Deferred tax	149	144	154
Pensions and similar liabilities	294	285	285
Provisions	105	85	112
Credit institutions	2,722	1,907	1,947
Total non-current liabilities	3,270	2,421	2,498
Credit institutions	1,338	826	926
Trade and other payables etc.	3,473	3,100	2,960
Total current liabilities	4,811	3,926	3,886
Total liabilities	8,081	6,347	6,384
Total equity and liabilities	12,134	9,889	10,124

Comprehensive income and Equity

amounts in **mDKK**
- unaudited

	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	Year 2009
Comprehensive income					
Profit	97	94	162	94	238
Other comprehensive income:					
Currency adjustment of foreign subsidiaries					
and value adjustment of hedging instruments, etc.	119	-37	230	-20	47
Total comprehensive income	216	57	392	74	285

	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	Year 2009
Statement of changes in equity					
Group equity, 1 January			3,740	3,465	3,465
Share-based payment			3	3	5
Additions/disposal minority interests			-3	0	-15
Subscribed by exercise of share-based options			4	0	0
Paid dividend			-83	0	0
Total comprehensive income for the period			392	74	285
Group equity at the end of the period			4,053	3,542	3,740

1 Accounting policies, accounting estimates and risks, etc.

The interim Report is presented in accordance with IAS 34 'Interim Financial Reporting' as approved by the EU and additional Danish disclosure requirements for interim reports for listed companies.

Apart from the information below, the accounting policies are unchanged in relation to the 2009 Annual Report, to which reference should be made. The 2009 Annual Report contains the full text of the accounting policies.

With effect from 1 January 2010, NKT has implemented IFRS 3 'Business Combinations' and IAS 27 'Consolidation and Separate Financial Statements'. In addition, other new and amended standards and interpretations effective as at 1 January 2010 have been implemented from 1 January 2010.

IFRS 3 has amended the Group's accounting policy in the following areas with regard to statement of consideration for entities acquired:

- Transaction costs relating to business combinations are expensed as incurred. These costs were previously included in cost of acquisitions.
- Contingent purchase consideration relating for instance to earn-out is recognized at fair value at the date of acquisition, and subsequent value adjustments are recognized in the income statement. Changes in contingent purchase consideration were previously recognized in cost of acquisitions.
- In the case of step acquisitions the purchase price allocation must be effected when NKT obtains control. Previously acquired interests are therefore calculated at fair value when control is obtained, and any adjustment in relation to the carrying amount is recognized in the income statement. Previously, goodwill were calculated upon each individual acquisition and value adjustment was recognized directly in equity.

IFRS 3 (2008) has also amended the calculation of goodwill. Option is now provided for full recognition of goodwill even with less than 100% acquisition of the acquired entity. Previously, goodwill could only be recognized for the acquired portion of the entity. The measurement may be elected on a transaction-by-transaction basis, and the election stated in the notes in conjunction with description of entities acquired.

The new accounting standards and interpretations have not material influenced recognition and measurement.

Regarding accounting estimates, please refer to Note 1 on page 53 of the 2009 Annual Report. Regarding risks, please refer to Note 30 on page 78 of the 2009 Annual Report, the information contained in the risk section of the Annual Report (page 34), and the individual company reviews.

According to the regulation for financial statements preparation the Group Management is required to determine whether the quarterly statement can be presented on a 'going concern' basis. Based on outlook estimates, including examination of latest 'forecast 2010', and future cash flow expectations, existence of credit facilities, etc. it is the opinion of the Group Management that there are no factors giving rise to doubt as to whether NKT can continue trading for a minimum of 12 months from the balance sheet date. Information concerning Group cash resources and expectations for 2010 are included in Management's review.

Notes

amounts in **mDKK**
- unaudited

2 Segment reporting

	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	Year 2009
Revenue					
NKT Cables, revenue at market prices	2,056	1,781	3,660	3,051	6,383
Nilfisk-Advance	1,532	1,324	2,950	2,642	5,138
Photonics Group	48	37	87	83	160
Parent company etc. [1]	-1	2	0	3	6
Elimination of transactions between segments	0	0	0	0	0
NKT Group revenue at market prices	3,635	3,144	6,697	5,779	11,687
NKT Cables, revenue at standard prices [2]	*1,374*	*1,328*	*2,410*	*2,306*	*4,646*
NKT Group revenue at standard prices	*2,953*	*2,691*	*5,447*	*5,034*	*9,950*
EBITDA [3]					
NKT Cables	81	145	141	160	373
Nilfisk-Advance	167	68	317	153	317
Photonics Group	-5	-12	-11	-20	-32
NKT Flexibles, share of profit	23	43	39	80	136
Parent company etc. [1]	-8	-7	-15	-9	-11
Group EBITDA	258	237	471	364	783
Segment profit, EBIT					
NKT Cables	30	104	43	78	197
Nilfisk-Advance	123	24	230	62	141
Photonics Group	-8	-16	-17	-28	-47
NKT Flexibles, share of profit	23	43	39	80	136
Parent company etc. [1]	-8	-9	-15	-10	-11
Group EBIT	160	146	280	182	416
Capital Employed					
NKT Cables			4,321	2,926	3,313
Nilfisk-Advance			2,978	2,671	2,580
Photonics Group			165	132	122
NKT Flexibles, share of equity etc.			391	367	441
Parent company etc. [1]			-12	33	9
Group Capital Employed			7,843	6,129	6,465

[1] The segment comprises the parent company and entities of lesser significance with similar economic characteristics.

[2] Revenue at standard metal prices for copper and aluminium fixed at 1,550 EUR/tonne and 1,350 EUR/tonne, respectively.

[3] Operational EBITDA, approx. (excl. one-off items):

NKT Cables	81	145	141	160	373
Nilfisk-Advance	191	125	363	230	469
Photonics Group	-5	-12	-11	-20	-32
NKT Flexibles, share of profit	23	43	39	80	136
Parent company etc. [1]	-8	-7	-15	-9	-11
Group operational EBITDA	282	294	517	441	935

3 Business combinations

On 30 April 2010, NKT Cables acquired 100% of the shares of the Australian company Aussa Power Products Ltd. The company has in recent years worked as a distributor for NKT Cables. The acquisition is part of NKT Cables' growth strategy in the region. The purchase price allocation is expected to be available at the time of the 2010 Annual Report. A provisional acquisition balance sheet is stated below:

	Fair value on acquisition
Intangible assets	7
Property, plant and equipment	2
Inventories	2
Receivables	8
Cash at bank and in hand	4
Deferred tax	-2
Trade and other payables etc.	-11
Net assets acquired	10
Goodwill	16
Total consideration for the company	26
Of which, cash in Aussa Power Products Ltd.	-4
Cash consideration	22

Goodwill represents the value of the employees and expected synergies arising from combining with existing Group activities. Profit since the acquisition date is included in Group profit at 0 mDKK. Pro-forma calculation of Group revenue for the 1st half, determined as if the company had been acquired on 1 January 2010, amounts to 6,707 mDKK (effect 10 mDKK). Pro-forma profit for the same period amounts to 188 mDKK (effect 0 mDKK). Acquisition-related transaction costs are included in EBITDA at 0.6 mDKK.

4 Events after the balance sheet date

No significant events have taken place after the balance sheet date.

5 Explanatory comments to financial highlights

Items below refer to overview of financial highlights.

1) Revenue at standard prices - Revenue with standard prices for copper and aluminium fixed at 1,550 EUR/tonne and 1,350 EUR/tonne respectively.
2) Operational EBITDA - earnings before interest, tax, depreciation and amortization (EBITDA) adjusted for one-off items.
3) Net interest bearing debt - Cash, investments and interest bearing receivables less interest bearing debt.
4) Capital Employed - Group equity plus net interest bearing debt.
5) Working capital - Current assets less current liabilities (excluding interest bearing items and provisions).
6) Net interest bearing debt relative to operational EBITDA - Operational EBITDA is calculated on a rolling 12-month basis (LTM).
7) Return on capital employed (RoCE) - EBIT adjusted for one-off items as a percentage of average capital employed. Calculated on a rolling 12-month basis (LTM).
8) Earnings, DKK, per outstanding share (EPS) - Profit attributable to equity holders of NKT Holding A/S relative to average number of outstanding shares (EPS).
9) Equity value, DKK, per outstanding share - Equity attributable to equity holders of NKT Holding A/S at period end per outstanding share at period end.
10) Equity value, DKK, per outstanding share - Dilutive effect from potential shares from executives' and employees' share option plan is not recognized in the financial ratio.

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PRACTICAL INFORMATIONS

Stock market announcements 2010

Announcements released through the NASDAQ OMX Copenhagen Stock Exchange in 2010 are listed below. They can be found together with earlier and later announcements on www.nkt.dk.

12.01.10	#1	NKT's earnings expectations 2009 revised upwards
12.02.10	#2	NKT Cables wins order for one of the world's largest submarine cables
16.02.10	#3	NKT Cables wins Extra High Voltage Project in Greece
02.03.10	#4	NKT Annual Report 2009
02.03.10	#5	Announcement - Annual General Meeting 2010
18.03.10	#6	Employee Representation on NKT's Board of Directors
19.03.10	#7	Exercise of warrants - increase of NKT Group share capital
22.03.10	#8	Articles of Association up-date
25.03.10	#9	Decisions of Annual General Meeting 2010
26.03.10	#10	Articles of Association up-date
20.04.10	#11	Exercise of warrants - increase of NKT Holding's share capital and changes in Articles of Association
11.05.10	#12	Interim Report 1st quarter 2010
02.06.10	#13	Shareholdings report
10.06.10	#14	Employee representation on NKT's Board of Directors
16.06.10	#15	Shareholdings report
21.06.10	#16	Shareholdings report
22.06.10	#17	Shareholdings report

Stock market calendar 2010

16 November Interim Report, 3rd quarter

A live webcast of the NKT Interim Report for 2nd quarter 2010 - including conference call - will take place at 11:00 AM on 24 August. The actual report presentation will take place at First Hotel Skt. Petri, Krystalgade 22, DK-1172 Copenhagen.

An on-demand version of the presentation will subsequently be available on www.nkt.dk. After 24 hours a full transcript of the presentation will also be available on this site.

Statements about the future in this report reflect the current expectations of the NKT Group Management with regard to future events and financial results. Statements about the future are naturally subject to uncertainty, and the results achieved may therefore differ from expectations. Issues that may cause this difference include, but are not limited to, economic and financial market developments, legislative and regulatory changes in NKT markets, developments in product demand, competitive conditions and energy and raw material prices.

NKT disclaims all responsibility for revising or adjusting such statements about the future or for revising the possible reasons for any material differences between actual results and statements of future expectations unless required by law.

The NKT Interim Report for 2nd quarter 2010 was published on 24 August 2010 in Danish and English and released through NASDAQ OMX Copenhagen. In questions of interpretation the Danish text shall prevail. The report is available on www.nkt.dk and is emailed to all subscribers registered for NKT's e-news service.

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