



NASDAQ OMX Copenhagen
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Updated earnings expectations for 2008

As notified in stock exchange announcement no. 22 of 18 December 2008, the present announcement contains an updated earnings forecast for 2008 along with details of further restructuring measures.

We can now confirm that forecast 2008 earnings both for the NKT Group and for the individual business segments remain in line with the last reported figures. This means that the Group's overall net income before tax and after restructuring costs is still estimated at just under 600 mDKK.

Developments in liquidity in the year's final months were similarly as planned, and forecast net interest bearing debt at the end of 2008 is just short of 2.3 bnDKK.

The 2008 annual accounts are currently being compiled and audited. The final, audited annual report for 2008, including earnings expectations for 2009, will be published on 5 March 2009.

Changed procedure for reporting of earnings expectations

The NKT Group has in recent years published detailed earnings projections both at Group level and for the individual business segments. We now consider that while macroeconomic and financial market conditions remain as uncertain and volatile as is currently the case this procedure is inappropriate. Accordingly, when published on 5 March 2009, statements for 2009 will be less detailed, but will continue to adequately describe the conditions and uncertainties on which the calculation is based. The annual report will also contain extensive description of the risks relating to each business segment.

It must be emphasized that the future reporting of realized results will not be affected by the change in procedure. It remains our intention to provide investors and other users of our financial statements with detailed insight into the NKT Group.



Cash resources

NKT's interim financial statement for the 3rd quarter published on 24 November 2008 contained a detailed description of the Group's capital structure and cash resources. From this description it is evident that the cash resources are wholly adequate.

In order to further strengthen the Group's cash resources the Group Management has focused on raising long-term mortgage finance relating to NKT Cables' new factory in Cologne. At the start of February, firm loan approvals were received that will reinforce the Group's cash resources by an additional 500 mDKK.

Structural initiatives

Since August 2008, in step with the changing market conditions, NKT Cables and Nilfisk-Advance have introduced a number of structural initiatives and adjustment measures.

As previously reported, NKT Cables has shed 300 production and sales jobs in its low voltage cables business, around 10% of the total staff. The product programme for this customer segment has also undergone minor rationalization. This has resulted in restructuring costs of 75 mDKK, which are included in our earnings forecast for 2008.

When published, the earnings projections for 2009 will not include further adjustment measures relating to NKT Cables. However, any further deterioration in market conditions will lead to additional measures being introduced, details of which will be provided.

Nilfisk-Advance too implemented organizational adjustments last autumn aimed at reducing the number of employees to around 4900 at the end of 2008 by shedding 300 jobs. As previously reported, a number of structural measures have also been carried out. This has resulted in restructuring costs of 50 mDKK, which are included in our 2008 earnings forecast stated earlier in this announcement.

When published, the 2009 earnings projections for the NKT Group will contain costs of around 150 mDKK for structural initiatives in Nilfisk-Advance, comprising 25 mDKK relating to the activities begun in 2008 and 125 mDKK relating to new activities. The initiatives include further organizational adjustments aimed at reducing employee numbers to around 4,700. In addition, a number of plans for consolidation of production have been moved forward. These plans entail further transfer of production from high-wage to low-wage countries, and include further expansion of the production



entities in low cost countries. As part of these plans, global adjustments will also be made to the company's distribution and logistics infrastructure. The reduction of employees to around 4,700 are expected to improve earnings by around 90 mDKK in 2009, whereas the current structural initiatives are not expected to have positive influence on earnings until 2010 onwards.

The structural initiatives referred to are all intended to safeguard and strengthen the future of the NKT Group's business segments. Maintaining the level of investment in product development is a significant element in this and will remain unchanged for the time being.

Contact

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Yours faithfully

NKT Holding A/S

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