



The Nordic Exchange
Nikolaj Plads 6
DK-1007 Copenhagen K

8 January 2007
Release No. 2

NKT Holding A/S issues share warrants

In accordance with Article 3 B of the Articles of Association of NKT Holding A/S the Board of Directors has exercised its authorisation to issue 73,950 share warrants to the management and employees of NKT Holding A/S. Reference is made to page 3 of Quarterly Report 3/2006 in which the decision to issue warrants in January 2007 is mentioned.

Recipients, exercise periods and subscription price

The warrants have been issued to a total of 23 persons at NKT Holding A/S: 42,100 to the Group Management (2 persons), 20,800 to senior executives (5 persons) and 11,050 to other employees (16 persons). Warrants and options will not be issued to members of the Board of Directors of NKT Holding A/S.

The warrants can be exercised during a two-week period following publication of the annual financial statements in the years 2010, 2011 and 2012, respectively.

Each warrant conveys the right to subscribe for one share of nominally 20 DKK at a price that is based on the average NKT share price for December 2006, plus an annual hurdle rate of 8% - 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 617.00 DKK, 666.40 DKK and 719.70 DKK, respectively, depending on whether exercise takes place in 2010, 2011 or 2012.

Purpose

The purpose of the allocation of warrants is to create a link between the efforts of employees and management and the company's long-term value creation.



Conditions

The principal condition for exercise of the warrants is that the warrantholder has not terminated his/her employment with the company prior to 1 January 2010. If the warrantholder is given notice of employment termination by the company for any reason except misconduct, the warrantholder shall be entitled to retain and exercise his/her warrants.

If possible, the warrants will be taxable according to Section 7 H of the Danish Tax Assessment Act. The terms governing the warrants are further described in the enclosure, which contains the full text of the amendments made to the company's Articles of Association by virtue of the warrant allocation.

Market value

As described above, the exercise price for the warrants is based on the average NKT share price for December 2006 (calculated as 489.82 DKK) plus an annual hurdle rate of 8% and minus yearly dividends until the time of exercise.

Based on a price per share of 489.82 DKK and an unchanged dividend policy of 8 DKK per share per year, the value of the new warrants is calculated using the Black-Scholes formula as 3.8 – 4.1 mDKK depending on the exercise period chosen. The calculation assumes volatility of 23% and an interest rate of 3.5% per annum.

The value of the warrants constitutes an average of 18% of the annual salary expenditure relating to the persons allocated warrants.

Further information

Please address any questions regarding the above to the undersigned on telephone +45 43 48 20 00.

Yours faithfully

NKT Holding A/S

Thomas Hofman-Bang

President and CEO

Enclosure: Amendments to the Articles of Association by virtue of the warrant allocation.



Enclosure to Stock Exchange Release No. 2 of 8 January 2007

Amendments to the Articles and Association in connection with the issuance of Warrants in 2007

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 I with reference to the existing article 3 C.

Article 3 I has the following wording:

In accordance with article 3 B the Board of Directors of NKT Holding A/S has in January 2007 decided to issue warrants to the employees of the company with a right to subscribe for up to nominally DKK 1,479,000 shares in the company. No separate payment shall be effected for the warrants. In accordance with article 3 B the Board of Directors has also passed a resolution regarding the related capital increase. The General Meeting's authorisation of April 3, 2003 stated in article 3 B is hereby reduced to nominally DKK 2,798,720.

The warrants may be wholly or partly exercised to subscribe for shares two weeks after the publication of the company's statement of annual accounts for each of the years 2010, 2011 and 2012 (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 2010 in the period from the publication of the preliminary statement of annual accounts for 2009 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 2012, two weeks after the publication of the statement of annual accounts for 2011 – 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 DKK 20 is set as a fixed subscription price less any dividend approved by the general meeting of the company during the period from 1 January 2007 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 DKK 20 is set as (i) DKK 617.00 if subscription is effected in 2010, (ii) DKK 666.40 if subscription is effected in 2011, and (iii) DKK 719.70 if subscription is effected in 2012. If, for example, a fixed yearly dividend of DKK 8 per share of nominally DKK 20 is paid during the period up to 2012, the subscription price shall be adjusted accordingly to DKK 671.70 in case of subscription in 2012, provided registration of the new shares is effected after the company's general meeting in the relevant year without entitlement to dividend.

The new shares, which may be subscribed for in accordance with the warrants, shall belong to the same class of shares as the existing shares and shall in all respects be subject to the same conditions as the existing shares. The shares shall carry a right to dividend from the time of registration of the new subscription with the Danish Commerce and Companies Agency.

The warrants are further subject to article 3 C (1-9). However, article 3 C (3) shall be replaced by the following wording:

3.a If the warrantholder's employment is terminated before 1 January 2010 based on the warrantholder's own termination thereof, the warrantholder's right to exercise his/her warrant shall cease in full without warning and compensation. However, if the warrantholder terminates his/her employment on grounds of gross misconduct by the employer, article 3 (b) shall apply.

3.b If the warrantholder's employment is terminated before 1 January 2010 based on the employer's termination thereof, or if the warrantholder's employment terminates after 1 January 2010, the warrantholder shall be entitled to retain and exercise his/her warrant in full according to the conditions contained herein. However, if the employer terminates the warrantholder's employment on grounds of gross misconduct by the warrantholder, including cases of immediate dismissal, article 3 (a) shall apply.

3.c If, before 1 January 2010 the warrantholder retires due to (i) old-age pension; or (ii) the general ability to work on grounds of ill-health (i.e. physical or mental invalidity) has been permanently decreased by two thirds (2/3) or more; or (iii) the warrantholder dies, the conditions of article 3 (b) shall apply.



3.d The Board of Directors of the Company is at its sole discretion entitled to decide on a departure from the conditions of articles 3 (a) and 3 (b) in favour of the warrant holder, giving the warrant holder a right to retain and exercise his/her warrants irrespective of termination of the employment.

Further, Article 3 C (4) (last bullet point) concerning distribution of extraordinary high dividend shall not apply to the warrants.

Article 3 C together with the amendments stated in Article 3 I can be summarized as follows:

1. The warrant holder shall exercise a warrant by written notification to the company's office within a period of exercise. The company shall confirm receipt of the notification to the warrant holder. Payment shall be effected in cash to the company simultaneously with entry on the subscription list and within 14 days after the company's confirmation has been forwarded to the warrant holder.

2. A warrant is personal and may under no circumstances become subject to transfer or assignment, nor in the case of division of an estate, and cannot be charged or in any other way serve as satisfaction of the warrant holder's creditors.

3.a If the warrant holder's employment is terminated before 1 January 2010 based on the warrant holder's own termination thereof, the warrant holder's right to exercise his/her warrants shall cease in full without warning and compensation. However, if the warrant holder terminates his/her employment on grounds of gross misconduct by the employer, article 3 (b) shall apply.

3.b If the warrant holder's employment is terminated before 1 January 2010 based on the employer's termination thereof, or if the warrant holder's employment terminates after 1 January 2010, the warrant holder shall be entitled to retain and exercise his/her warrants in full according to the conditions contained herein. However, if the employer terminates the warrant holder's employment on grounds of gross misconduct by the warrant holder, including cases of immediate dismissal, article 3 (a) shall apply.

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3.d The Board of Directors of the Company is at its sole discretion entitled to decide on a departure from the conditions of articles 3 (a) and 3 (b) in favour of the warrant holder, giving the warrant holder a right to retain and exercise his/her warrants irrespective of termination of the employment.

4. If prior to the exercise of a warrant one or several of the following capital changes are implemented, the warrant holder shall in connection with exercise of the warrants be compensated in relation to the number of shares which may be subscribed for in accordance with the warrant and/or in relation to the subscription price for the shares, so that the warrant holder, both financially and in relation to the share interest (rounded down), is placed in a situation as if the warrant had been exercised immediately before the implementation of the relevant resolution:

- Capital increase by the issue of bonus shares.
- Capital increase whereby shares may be subscribed at a price which is more than 10 per cent lower than the market value at the time of subscription (cf. paragraph 6 below).
- Issue of warrants, convertible debt certificates or the like whereby shares may be subscribed at a price which is more than 10 per cent lower than the market value at the time of subscription (cf. paragraph 6 below). No adjustment shall be effected in connection with subsequent exercise/conversion.
- Capital reduction where payment is effected to existing shareholders of amounts, which exceed the market value of the relevant shares by more than 10 per cent at the time when the capital reduction is decided.
- Capital reduction to cover loss.

5. The circumstances mentioned in paragraph 4 shall be administered by the company's Board of Directors, who shall make the final and binding decision on implementation and calculation of any adjustment of the warrants, also in relation to the subscription price and share interest.

6. Notwithstanding paragraph 4 and the subscription price the following circumstances shall not result in adjustment:

- Issue and subsequent exercise/conversion of warrants, convertible debt certificates or the like to board members or employees of the company or of a subsidiary.



- Capital increase by subscription of new shares, including employee shares, without a preferential right of subscription for the company's shareholders.

7. If, before the exercise of the warrants,

- a resolution is passed to dissolve the company, also by merger or demerger where the company ceases to exist,
- a resolution is passed regarding delisting of the company's shares at the Nordic Exchange, or
- if a shareholder together with the company's Board of Directors decides that the other shareholders in the company must let their shares be redeemed by the shareholder, cf. section 20 b of the Danish Companies Act,

the company must, before the implementation of such a resolution, enable the warrant holders to exercise their warrants for subscription of new shares in the company. The subscription price shall be fixed at the subscription price applicable for the closest period of exercise. The warrant holders are then given a deadline by the company of four weeks within which they shall notify the company in writing of whether the warrants will be exercised. After the expiry of this period the warrants in respect of which no notification has been given about exercise shall lapse automatically without notice and without compensation.

8. If, before the exercise of the warrants, a public bid is made for the company's shares – either voluntarily or involuntarily – whereby one shareholder directly or indirectly acquires more than 2/3 of the company's nominal share capital the company shall enable the warrant holder to exercise their warrants for subscription of new shares in the company. The warrant holders are then given a deadline by the company of four weeks within which they shall notify the company in writing whether the warrants will be exercised. The subscription price shall be fixed at the subscription price applicable for the closest period of exercise. The holders shall be entitled but not obliged to exercise the warrants, and warrants which are not exercised within the above-mentioned period shall continue unchanged and may be exercised for subsequent subscription of shares within the ordinary periods of exercise. If the situations in paragraphs 7 and 8 become relevant at the same time paragraph 7 shall take precedence.

9. Resolutions regarding other matters of the company than the matters mentioned in paragraphs 4-8 shall not affect the conditions for exercise of the warrants.