Interim Report Q1 2012

The presentation of NKT's Interim Report for Q1 2012, including a conference call, will take place on 9 May at 11.00 CET and will be webcast live. The presentation itself will take place at Kosmopol (FUHU), Fiolstræde 44, DK-1171 Copenhagen K

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Overview

NKT's revenue for Q1 2012 decreased compared with the same period last year, which was exceptionally influenced by a submarine cable project and high revenue from the Chinese Railway segment. Group EBITDA increased by 19% in Q1 2012. The result was as anticipated. Expectations for the year remain unchanged

Revenue was 3,531 mDKK in Q1 2012, a fall of 243 mDKK on Q1 2011, corresponding to negative organic growth of 5%. The growth was among other things influenced by unusually high revenue in the comparable quarter of 2011 as a result of installation works on a submarine cable project, and by inactivity in the Chinese market for high speed railways.

Operational EBITDA from continuing operations was 229 mDKK, a rise of 36 mDKK or 19% on Q1 2011 which, however, was negatively impacted by a loss of 58 mDKK on a submarine cable project. Operational EBITDA margin was 8.2%, a rise of 1.5% points.

The sale of NKT Flexibles was finally completed on 4 April 2012. The profit from this will be recognised in Q2. NKT Flexibles is recognised as discontinued operations in the financial statements for Q1.

Working capital as at 31 March 2012 amounted to 2,884 mDKK, a rise of 144 mDKK. This is less than for normal seasonal variations typically relating to Q1.

Net interest bearing debt was 4,491 mDKK, a rise of 62 mDKK on 31 December 2011. The debt corresponded to 4.3x operational EBITDA for the last 12 months, which is on a par with the end of 2011. If a pro forma adjustment is made for the effect of the sale of NKT Flexibles this corresponds to an equivalent ratio of 2.4x.

NKT Cables. Revenue declined organically by 13%. Electricity Infrastructure fell by 7% but grew by 3% after adjustment for installation work on submarine cables in Q1 2011. Construction made a positive start with 5% organic growth. The EBITDA margin increased by 1.3% points to 3.6%, although also helped by the fact that Q1 2011 was negatively influenced by a loss of 58 mDKK on a single submarine cable project.

Nilfisk-Advance. Organic growth in revenue was 4%, consisting of 4% in EMEA and 7% in the Americas. APAC revenue fell 2%, chiefly due to high sales of high pressure washers in Australia in the comparable quarter of 2011. The operational EBITDA margin rose to 12.0%, among other things due to product price increases and improved operational gearing. Gross margin rose by 0.4% points on Q1 2011.

Photonics Group. Organic growth in revenue was 31% and EBITDA increased by 7mDKK on Q1 2011.

Expectations for 2012

- Organic growth in revenue remains approx. 5-10%.
- Earnings, operational EBITDA, are still planned to be between 1,050-1,250 mDKK.
- Profit from discontinued operations (NKT Flexibles) is unchanged at approx. 1.3 bnDKK.

Financial highlights - NKT Group

Amounts in mDKK	Q1 2012	Q1 2011	Year 2011
Income statement			
Revenue	3,531	3,774	15,604
Revenue in standard metal prices [1)]	2,806	2,863	12,151
Operational earnings before interest, tax, depreciation and amortisation (EBITDA) [2)]	229	193	878
Earnings before interest, tax, depreciation and amortisation (EBITDA)	228	188	845
Depreciation and impairment of property, plant and equipment	-86	-81	-397
Amortisation and impairment of intangible assets	-39	-38	-161
Earnings before interest and tax (EBIT)	103	69	287
Financial items, net	-59	-43	-280
Earnings before tax (EBT) from continuing operations	44	26	7
Profit from continuing operations	31	30	8
Profit from discontinued operations, NKT Flexibles	0	21	119
Net profit	31	51	127
Profit attributable to equity holders of NKT Holding A/S	30	51	125
Cash flows			
Cash flows from operating activities	27	-453	573
Investments in property, plant and equipment	89	99	445
Cash flows from discontinued operation, NKT Flexibles	0	0	-15
Balance sheet			
Share capital	478	475	475
Equity attributable to equity holders of NKT Holding A/S	4,116	3,989	4,060
Minority interests	6	5	6
Group equity	4,122	3,994	4,066
Total assets	13,771	13,660	13,439
Net interest bearing debt [3)]	4,491	4,821	4,429
Capital employed [4)]	8,661	8,814	8,496
Working capital [5)]	2,884	3,498	2,740
Financial ratios and employees			
Gearing (net interest bearing debt as % of Group equity)	109%	121%	109%
Net interest bearing debt relative to operational EBITDA [6)]	4.3	5.0	4.3
Solvency (equity as % of total assets)	30%	29%	30%
Return on Capital Employed (RoCE) [7)]	5.5%	6.5%	5.5%
Number of 20 DKK shares ('000)	23,888	23,738	23,738
Number of treasury shares ('000)	77	77	77
Earnings, DKK per outstanding share (EPS) [8)]	1.3	2.1	5.3
Dividend adopted at annual general meeting, DKK per share	2.0	2.0	2.0
Equity value, DKK per outstanding share [9)]	173	169	172
Market price, DKK per share	254	309	191
Average number of employees	8,929	8,772	9,038

[1) - 9)] Explanatory comments appear in Note 6.

Financial highlights and ratios are calculated as defined in the 2011 Annual Report with the adjustments that follow from the sale of NKT Flexibles

Management review

Revenue for Q1 2012 was 3,531 mDKK. Operational EBITDA rose by 19% compared with Q1 2011 and amounted to 299 mDKK. The operational EBITDA margin measured in standard metal prices rose by 1.5% points to 8.2% for the quarter. The Group's net interest bearing debt of 4,491 mDKK was reduced in April 2012 by 2 bnDKK due to the sale of NKT Flexibles

Expectations for 2012

NKT's expectations are unchanged with organic growth in revenue in 2012 of approx. 5-10% and operational EBITDA of between 1,050-1,250 mDKK.

The expectations for 2012 are based on a number of assumptions described in detail in the 2011 Annual Report, to which reference should be made. These assumptions are essentially unchanged.

Other targets concerning investment and capital structure are similarly unchanged. Profit from discontinued activity relates solely to the sale of NKT Flexibles, which was finally completed on 4 April 2012 and which is still expected to amount to around 1.3 bnDKK. The profit from the sale of NKT Flexibles will be recognised in Q2 2012.

Financial report

In the Q1 2012 financial statements NKT Flexibles is recognised as a discontinued operation and is therefore presented separately in the statements. Comparative figures have been restated to reflect the sale. A number of financial ratios have also been restated, cf. Notes 2 and 6 for further information.

Revenue and operating earnings

NKT's revenue amounted to 3,531 mDKK (Q1 2011: 3,774 mDKK), equal to a negative nominal growth of 6%. Metal prices and exchange rates influenced growth negatively by around 1% so that organic growth was around -5%. The composition of revenue development by business unit is shown in Fig. 1.

The Group's operational EBITDA amounted to 229 mDKK (Q1 2011: 193 mDKK), an increase of 36 mDKK. The composition of operational EBITDA by business unit is shown in Fig. 2. Measured in standard metal prices the operational EBITDA margin for the quarter was 8.2% (Q1 2011: 6.7%).

Fig. 2 Operational EBITDA by business unit

Amounts in mDKK	Realised Q1 2012	Realised Q1 2011	Nom. change
NKT Cables	40	29	11
Nilfisk-Advance	196	181	15
Photonics Group	-1	-8	7
Other	-6	-9	3
Operational EBITDA	**229**	**193**	**36**
Structural initiatives	-1	-5	4
EBITDA, continuing activities	**228**	**188**	**40**
Discontinued operation (NKT Flexibles)	0	28	-28
EBITDA	228	216	12

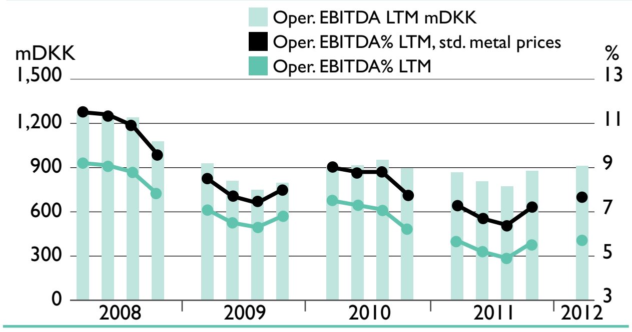
Operational EBITDA on a rolling 12-month basis (LTM) was 914 mDKK, and operational EBITDA margin stated in standard metal prices was 7.6% (31 December 2011: 7.2%). The development in the Group's operational EBITDA on a rolling quarterly basis for the last 12 months (LTM) is shown in Fig. 3.

NKT Cables realised revenue of 1,112 mDKK in standard metal prices (Q1 2011: 1,268 mDKK), a fall of 156 mDKK and negative organic growth of 13%, cf. Fig. 1. The fall in revenue was chiefly due to the fact that 63 mDKK had been recognised in the comparable quarter, Q1 2011, for installation of a submarine cable project. After adjustment for this, there was negative organic growth of 10%, which was mainly due to an expected fall, amounting to 118 mDKK,

Revenue development by business unit

Amounts in mDKK	Q1 2011	Metal prices	Exchange rates	Acquisitions	Growth	Q1 2012	Nom. growth	Org. growth
NKT Cables	2,179	-83	6	0	-265	1,837	-16%	-13%
- Revenue, standard metal prices	*1,268*	-	*4*	*0*	*-160*	*1,112*	-	-
Nilfisk-Advance	1,552	-	24	0	60	1,636	5%	4%
Photonics Group	43	-	2	0	14	59	37%	31%
Other	0	-	-1	0	-	-1	-	-
Revenue, market prices	3,774	-83	31	0	-191	3,531	-6%	-5%
Revenue, standard metal prices	*2,863*	-	*29*	*0*	*-86*	*2,806*	-	-

Fig. 3 Group operational EBITDA



in the level of activity in the Chinese railway segment. Organic growth in Q1 for the four strategic application areas was Electricity Infrastructure -7% (3% after adjustment), Construction 5%, Railway -59% and Automotive -14%.

Revenue for NKT Cables in market prices was 1,837 mDKK (Q1 2011: 2,179 mDKK), a fall of 342 mDKK or 16%.

EBITDA for NKT Cables was 40 mDKK, against 29 mDKK in Q1 2011 which corresponds to an EBITDA margin in standard metal prices of 3.6% (Q1 2011: 2.3%). The increase of 11 mDKK includes a 58 mDKK provision for the submarine cable project in Q1 2011 and a fall of around 34 mDKK in Railway-related earnings in China in Q1 2012 compared to the same quarter the year before.

Nilfisk-Advance realised revenue of 1,636 mDKK (Q1 2011: 1,552 mDKK), a nominal increase of 84 mDKK. 24 mDKK of this amount related to currency, cf. Fig, 1, so that organic growth was 4%.

The organic growth was 4% for EMEA (Europe, Middle East and Africa), 7% for the Americas and -2% for APAC (Asia/Pacific region). Of this the organic growth in emerging markets was 12%. Further particulars are contained in the Nilfisk-Advance company review on page 7.

Nilfisk-Advance realised operational EBITDA of 196 mDKK (Q1 2011: 181 mDKK), a rise of 15 mDKK. This corresponds to an operational EBITDA margin of 12.0% (Q1 2011: 11.7%). The increase in EBITDA margin is mainly attributable to the positive effect of product price increases and operational gearing (ratio of fixed costs to revenue).

Photonics Group realised Q1 revenue of 59 mDKK (Q1 2011: 43 mDKK), corresponding to organic growth of 31%, cf. Fig. 1. The positive development was chiefly driven by NKT Photonics. EBITDA was -1 mDKK, an increase of 7 mDKK on Q1 2011.

The breakdown of operational EBIT by business unit is shown in Fig. 4.

Fig. 4 Operational EBIT by business unit

Amounts in mDKK	Realised Q1 2012	Realised Q1 2011	Nom. change
NKT Cables	-29	-36	7
Nilfisk-Advance	143	130	13
Photonics Group	-5	-11	6
Other	-5	-9	4
Oper. EBIT, continuing operations	**104**	**74**	**30**
Structural initiatives	-1	-5	4
EBIT, continuing operations	**103**	**69**	**34**
Discontinued operation (NKT Flexibles)	0	28	-28
EBIT	103	97	6

Financial items, income before tax, and tax, etc.

Net financial items amounted to an expense of 59 mDKK (Q1 2011: 43 mDKK), an increase of 16 mDKK. The increase was chiefly due to a higher interest margin on the debt and an additional 1 mDKK in foreign exchange adjustments on the financial items.

Group EBT was 44 mDKK (Q1 2011: 26 mDKK). The tax rate in Q1 2012 was 30%, (Q1 2011: -15%). The planned tax rate for 2012 as a whole is around 28%.

Profit from continuing operations, i.e. excluding profit share from NKT Flexibles, was 31 mDKK (Q1 2011: 30 mDKK).

As a result of the sale of NKT Flexibles this business unit is recognised in Q1 2012 as a discontinued operation and is therefore presented separately in the income statement. The profit share for Q1 2012 - until NKT Flexibles is recognised as an asset intended for sale - amounts to 0 mDKK. The proceeds from the sale of NKT Flexibles will be recognised in Q2 2012. Comparative figures have been adjusted so that the profit share from NKT Flexibles of 28 mDKK, which in the Interim Report for Q1 2011, was accounted for in EBITDA, has been reclassified in the current interim report to discontinued operation. In addition, tax on this profit share of 7 mDKK, which in the Interim Report for Q1 2011 had been accounted for in tax, has also been reclassified to discontinued activity.

The net profit for Q1 2012 was therefore 31 mDKK (Q1 2011: 51 mDKK).

Cash flows

Cash flow from operating activities amounted to 27 mDKK (Q1 2011: -453 mDKK), an improvement of 480 mDKK. The improvement is chiefly attributable to a smaller increase of working capital of 438 mDKK in Q1 2012 compared with Q1 2011 and an improved EBITDA of 40 mDKK.

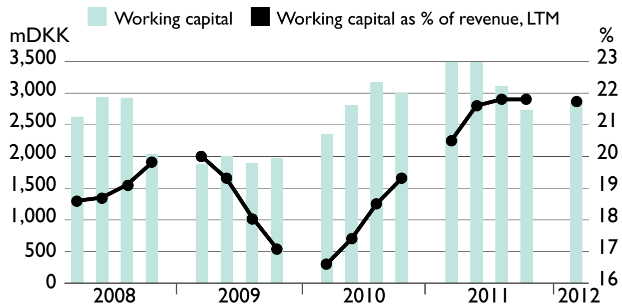
Cash flow from investing activities was 134 mDKK (Q1 2011: 231 mDKK), which mainly comprised tangibles amounting to 89 mDKK (Q1 2011: 99 mDKK). This included investment of 36 mDKK in a stationary turntable that will optimise the production flow and thus the sales possibilities for submarine cables.

Working capital

Working capital amounted to 2,884 mDKK at 31 March 2012, a rise of 144 mDKK (31 December 2011: 2,740 mDKK), corresponding to 21.6% at 31 March (31 December 2011: 21.8%), measured as an average over 12 months (LTM). This development was satisfactory, the increase being smaller than during normal seasonal variations, cf. Fig. 5.

45 mDKK of the increase in working capital in Q1 was accounted for by NKT Cables, 98 mDKK being attributable to Nilfisk-Advance. Expressed as a percentage of revenue (LTM) the working capital amounted to 22.6% for NKT Cables (31 December 2011: 23.2%) and 19.8% for Nilfisk-Advance (31 December 2011: 19.4%).

Fig. 5 Working capital



Net interest bearing debt

NKT's net interest bearing debt amounted to 4,491 mDKK at 31 March 2012 (31 December 2011: 4,429 mDKK), a rise of 62 mDKK primarily fuelled by the increase in working capital of 144 mDKK.

At 31 March 2012 net interest bearing debt corresponded to 4.3x operational EBITDA for the last 12 months.

The sale of NKT Flexibles was completed on 4 April 2012 and has reduced net interest bearing debt in Q2 by 2 bnDKK. In pro forma terms the debt amounts to 2.4x last 12 months' EBITDA (adjusted for the divestment), financial gearing is 46% and solvency is 41%. NKT's capital structure again therefore matches the Group's optimal target criteria.

At 31 March 2012 the currency composition of the Group's net interest bearing debt was materially unchanged from 31 December 2011, cf. 2011 Annual Report. The financing was still predominantly based on floating interest rates.

Cash resources

NKT had total cash resources of around 2.3 bnDKK at 31 March 2012 (31 December 2011: 2.5 bnDKK).

The distribution of the Group's cash resources into committed and uncommitted credit facilities is shown in Fig. 6. The committed facilities cannot be called in by the credit institutions prior to maturity. NKT's credit facilities are still independent of financial covenants with lenders. For details of non-financial covenants, please refer to Note 30 to the consolidated financial statements for 2011.

Amounts in bnDKK	31.03.12	31.12.11	31.03.11
Committed (>3 years)	3.9	3.7	3.8
Committed (1-3 years)	0.9	1.4	1.0
Committed (<1 year)	0.5	0.1	0.1
Committed total	**5.3**	**5.2**	**4.9**
% of total	77%	74%	80%
Uncommitted	1.6	1.8	1.2
% of total	23%	26%	20%
Total	**6.9**	**7.0**	**6.1**
Cash	0.3	0.3	0.2
Drawn	-4.9	-4.8	-5.1
Cash resources	**2.3**	**2.5**	**1.2**
Proceeds from sale of NKT Flexibles at 4 April 2012	2.0		
Total ~	4.3		

Equity

NKT's equity amounted to 4,122 mDKK at 31 March 2012 (31 December 2011: 4,066 mDKK). The currency adjustment of foreign subsidiaries and the value adjustment of hedging instruments, etc., are recognised directly in equity. 50 mDKK was recognised for Q1 2012, chiefly consisting of value adjustments of hedging instruments, etc.

Business units

At the end of Q1 2012 the NKT Group had around 8,900 employees. Some 13% of the employees were based in Denmark and 87% in the Group's companies outside Denmark.

NKT Cables

Fig. 7 Financial highlights

Amounts in mDKK	Q1 2012	Q1 2011	Year 2011
Revenue	**1,837**	**2,179**	**9,088**
Revenue, std. prices	*1,112*	*1,268*	*5,635*
- Growth	-16%	36%	7%
- Organic growth	-13%	20%	1%
EBITDA	**40**	**29**	**182**
- EBITDA margin (std. metal prices)	3.6%	2.3%	3.2%
EBIT	-29	-36	-154
Return on capital employed	4,550	5,191	4,470
Working capital	1,497	2,286	1,452
Employees, period end	3,395	3,563	3,503

NKT Cables is among the leading suppliers of power cables to the European market and a global player within high voltage and submarine cables. Accessories, catenary wires and special cables, etc., are also produced. The company increasingly supplies customers with complete cable solutions. Factories in China manufacture for the South-East Asian market, while European factories principally supply customers in Europe and the Middle East.

NKT Cables reported revenue of 1,837 mDKK in Q1 2012, which is on par with expectations and corresponds to a negative organic growth of 13% compared with the same quarter of 2011. However, revenue in Q1 2011 was exceptionally dominated by installation of a submarine project, which would normally seasonally be installed in Q2-Q3. After adjustment for this project, there was negative organic growth of 10%. Most of the decrease is related to the temporary halt to expansion of high speed railways in China, where activity in the corresponding period in 2011 was at a very high level.

Electricity Infrastructure saw negative organic growth of 7%, which after adjustment for the above mentioned effect corresponds to positive organic growth of 2%. Q1 was characterised by a certain inertia in the market for traditional high voltage cables and a number of small internal and external delays in executing projects, which primarily lead to quarter time lags.

The order backlog for submarine cables is still strong, while there is still room for smaller, traditional high voltage cable projects for delivery in 2012. A number of small orders were received, but the pressure on prices that has characterised the lower end of the segment is unchanged. In China, tests to qualify cables in the high voltage segment continue while the sales organisation has been strengthened.

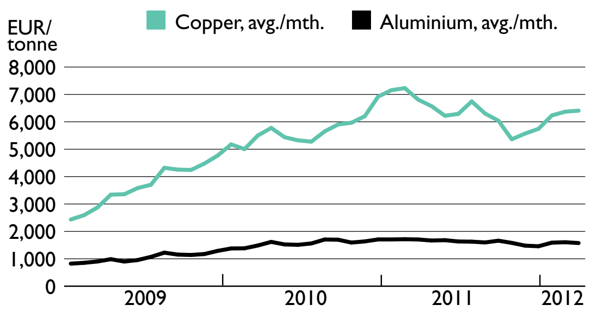
Construction started off well in 2012 and had positive organic growth of 5%, partly due to a mild winter in Europe.

Focus within **Railway** was on execution of smaller projects. As expected there was negative growth of 59% mainly due to China's already mentioned temporary freeze on construction of high speed railways and a high level of activity in the comparable period in 2011. Tendering activity recommenced in Q1 and the market is slowly expected to pick up in 2nd half 2012. In the market for signal cables, where NKT is a new supplier, a number of large tenders were postponed or deemed commercially inappropriate for NKT Cables. However, in Q1 small orders were produced at the Asnæs factory, which is still in the phase of finalising investment in the installation of this, for NKT, new product range.

Organic growth within **Automotive** declined by 14% due to lower call offs from frame contracted customers, presumably due to quarter time lags.

At 31 March 2012 the price of copper had increased by 12% compared with 31 December 2011 and decreased by 6% compared with 31 March 2011. The price of aluminium increased by 8% against 31 December 2011 and decreased by 8% against 31 March 2011. The development in metal prices is shown in Fig. 8.

Fig. 8 Metal prices



Standard metal prices
Since 2007 NKT Cables has 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 (2003 price level).

The price of ethylene, the precursor of the main insulation material polyethylene, rose to an all-time high of more than 1,300 EUR per tonne due to a combination of high oil prices and operational issues at some of the European manufacturers..

EBITDA amounted to 40 mDKK, corresponding to an EBITDA margin of 3.6% (Q1 2011: 29 mDKK and 2.3%). The increase of 11 mDKK in EBITDA was positively affected by a provision of 58 mDKK for a large submarine project in Q1 2011. After adjustment for this provision, NKT Cables realised decreased EBITDA of 47 mDKK, largely attributable to the declining activity level in Railway in China.

Initiatives to increase efficiency and earnings for NKT Cables continued in Q1 2012 by means of the Operational Excellence programme initiated in autumn 2011. The major part of this programme will be implemented in the course of 2012. An integral part of the programme is increased focus on a new operational risk management system which is being implemented.

Output at the factory in Cologne continues to improve, but volatility in efficiency remains too high. All in all, the improvements to stabilise production at the new factory are proceeding to plan, as increased experience is resulting in the elimination of unresolved technical issues and bottlenecks.

Like Nilfisk-Advance, NKT Cables has focus on employee commitment and well-being. In Q1 an employee survey was conducted and the response was dedicated and the participation rate was very high. The survey will be followed by concrete initiatives in the coming quarters.

As reported in Company Announcement No. 10 of 6 July 2011, NKT Cables and NKT Holding received a Statement of Objections from the European Commission in connection with the Commission's investigation of the submarine and underground high voltage cable markets in the period 1998-2008. NKT Cables and NKT Holding examined the documentation from the European Commission and provided the European Commission with their observations by the deadline in early November 2011. Subsequently the European Commission submitted additional documents and NKT Cables and NKT Holding launched a review. The findings of this review were presented on 16 March 2012. Currently it is not possible to determine whether costs will be incurred, and if so, the magnitude of these costs. As a result, no liability is recognised in the balance sheet at 31 March 2012. The European Commission is expected to reach a decision on this issue within the next few years.

Nilfisk-Advance

Fig. 9 Financial highlights

Amounts in mDKK	Q1 2012	Q1 2011	Year 2011
Revenue	**1,636**	**1,552**	**6,307**
- Growth	5%	9%	10%
- Organic growth	4%	5%	8%
Operational EBITDA*	**196**	**181**	**732**
- Operational EBITDA margin*	12.0%	11.7%	11.6%
Operational EBIT*	143	130	523
Return on capital employed	3,314	2,985	3,232
Working capital	1,314	1,152	1,216
Employees, period end	5,326	5,098	5,345

** Adjusted for structural initiatives*

Nilfisk-Advance supplies professional indoor and outdoor cleaning equipment to a global clientele as well as a varied product programme targeted at private consumers. There is increasing focus on sustainable, green solutions that set new product standards for consumption of power, water and detergent. Individual service agreements and spare parts sales are also offered, which ensures that equipment availability can always be relied upon.

Nilfisk-Advance realised revenue of 1,636 mDKK in Q1 2012, equal to organic growth of 4% compared with Q1 2011.

Organic growth in EMEA (Europe, Middle East and Africa) was 4% compared with Q1 2011. As expected, market growth therefore continued at a lower level than in 2011. Seen in the light of the economic uncertainty and the debt crisis in southern Europe this growth rate was satisfactory.

Developments in the Americas were positive in Q1, with rising growth. Organic growth was 7%, with particular progress in the company's primary segment of industrial sweepers and floor care equipment.

Growth in APAC (Asia/Pacific region) was -2%, chiefly due to decrease in sales of high pressure washers on the Australian market after unusually high sales in Q1 2011. Weaker than expected growth was also observed in China, and this is being addressed by increased sales efforts and other means.

The company's corporate strategy for the period to 2015, Customers' Preferred Choice', puts the focus on the customer at all times. To achieve the targets set, Nilfisk-Advance has defined five strategic action areas and is committed to actively consolidating the market for professional cleaning equipment. Accordingly, on 1 February 2012, Nilfisk-Advance strengthened its position in the UK market by acquiring Industrial Cleaning Machines, ICM. This company specialises in sales, service and leasing of industrial cleaning equipment and has a solid customer base.

In Q1 Nilfisk-Advance raised its sales prices approx. 2% in order to offset continuing high raw material prices and general cost increases. Gross margin was 42.7%, an increase of 0.4% points on Q1 2011.

Security of supply is an important parameter for strong customer satisfaction. Through the past 12 months Nilfisk-Advance has experienced satisfactory supply capability, among other things by increasing focus on internal systems and maintaining relatively high stock levels. Stocks were reduced in Q1, but generally remained high, and focus on reduction is continuing, while ensuring customer satisfaction is maintained.

Investment in organisation and customer-oriented activities continues while at the same time keeping general costs at a stable level. Nilfisk-Advance closely monitors market developments and has a contingency plan for adjusting costs in the event of a market downturn.

Operational EBITDA in Q1 was 196 mDKK, corresponding to an EBITDA margin of 12.0% (Q1 2011: 181 mDKK and 11.7%). This was an increase of 0.3% points, cf. review on page 4.

15 new products and product versions were launched in Q1 2012, comprising 11 floorcare solutions, one vacuum cleaner, one high pressure washer and two other products. Nilfisk-Advance expects to launch more than 30 new products and product versions this year. Some 3% of revenue continues to be invested in product development.

Nilfisk-Advance's ethical guidelines were supplemented by the introduction in Q1 of a new set of business principles.

With a view to continued organisational improvement a global employee survey is being prepared. The results of a pilot version with participation from six countries have shown a generally high level of employee commitment. Based on experience obtained from the pilot the first global survey will be introduced in autumn 2012 and will cover all 43 countries with Nilfisk-Advance employees.

Photonics Group

Fig. 10 Financial highlights

Amounts in mDKK	Q1 2012	Q1 2011	Year 2011
Revenue	59	43	210
- Growth	37%	10%	14%
- Organic growth	31%	13%	16%
EBITDA	-1	-8	1
EBIT	-5	-11	-12
Return on capital employed	185	171	183
Working capital	72	67	72
Employees, period end	185	183	188

Photonics Group's activities and competencies target three main segments: 1) High Power - application contexts for which high power laser light is relevant, 2) Fiber Processing - optical fiber processing equipment, and 3) Sensing - new or improved monitoring applications based on optical fiber sensing capabilities. The products range from new types of fibers, new types of lasers and advanced monitoring equipment to equipment for splicing optical fibers and manufacturing fiber-optic components and are principally aimed at applications in the laser, life science, oil and gas, electricity supply, semiconductor, telecom and defence industries.

Photonics Group realised revenue of 59 mDKK in Q1 2012 (Q1 2011: 43 mDKK), corresponding to organic growth of 31%. EBITDA was -1 mDKK (Q1 2011: -8 mDKK).

High Power covers the broad-spectrum lasers in the SuperK series, pulsed fiber lasers, crystal fibers and splicing and processing equipment for special fibers. The broad-spectrum lasers are typically designed into other manufacturers' equipment, such as Leica's confocal microscopes. In Q1 the sale of SuperK light source continued the positive trend from last year especially within the medical imaging market, and a collaboration with an important new

industrial customer, Horiba Scientific, a world leader in fluorescence spectroscopy equipment, was announced.

In **Fiber Processing**, Q1 saw the launch of new splicing equipment that combines high technical performance with ease of operation. The equipment is targeted at production environments that represent a broader market segment than that previously addressed by Photonics Group's splicing equipment. Orders for splicing equipment from the laser and sensing markets increased, while the R&D and telecom markets were characterised by restraint. Overall the order level was unchanged from Q1 2011.

In **Sensing**, activity was at a high level, particularly from the oil industry for applications such as monitoring oil wells and optimising oil field extraction. This resulted in positive sales growth for Koheras precision lasers, with supply in Q1 to a major project for monitoring land-based oil fields. The performance of this supply demonstrated that the Birkerød factory in Denmark can now successfully scale the production of these lasers to the significant volumes in prospect when this new monitoring technology achieves breakthrough in the oil industry. The rising level of activity in the oil and gas sector also resulted in a positive flow of orders for distributed temperature sensing systems (DTS). With the consolidation under way in this sector, Photonics Group is the leading independent DTS supplier, not least by virtue of its experience as a volume supplier of high quality fire detection equipment.

Corporate matters

Financial calendar 2012

24 August	Interim Report Q2
8 November	Interim Report Q3

NKT share

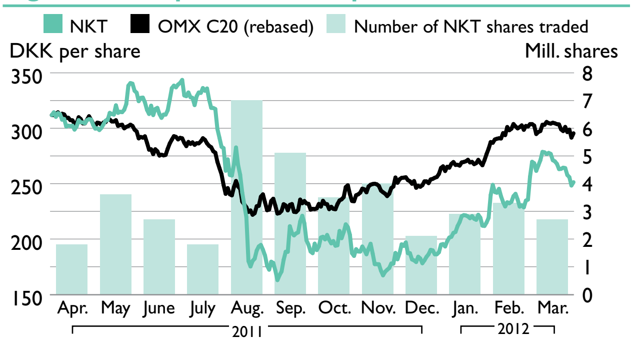
The NKT share is listed on NASDAQ OMX Copenhagen in the C20 index for the most traded shares. The average daily turnover in the NKT share was 33 mDKK. In Q1 2012 (Q1 2011: 42 mDKK). An average of 137,273 shares was traded daily in Q1 (Q1 2011: 135,257). The monthly share turnover is shown in Fig. 11.

The NKT share price at 31 March 2012 was 254.00 DKK, a rise of 34% since the turn of the year, including the effect of the dividend payment in March 2012 (31 December 2011: 190.8 DKK).

Annual General Meeting on 29 march 2012

The Annual General Meeting was held at Tivoli Hotel and Congress Center, Copenhagen, in the presence of 630 shareholders. The

Fig. 11 Development in share price and share turnover



meeting adopted i.a. remuneration principles for the Board of Directors and Executive Management Board, which included maintaining the Board of Directors' remuneration at 2011 level.

The general meeting approved a dividend of 2 DKK for each share of a nominal value of 20 DKK, corresponding to a total dividend payment of 47.8 mDKK. The dividend was paid four banking days after the general meeting.

The general meeting re-elected Christian Kjær, Jens Due Olsen, Jens Maaløe, Kurt Bliggaard Pedersen, Lone Fønss Schrøder and Jan Trøjborg.

The Board of Directors subsequently elected Christian Kjær as Chairman and Jens Due Olsen as Deputy Chairman. Jens Due Olsen and Jens Maaløe were appointed Chairman and member, respectively of the Audit Committee. Christian Kjær and Jens Due Olsen were appointed Chairman and member of the Nomination Committee and of the Remuneration Committee.

KPMG Statsautoriseret Revisionspartnerskab was re-elected as the company's auditor.

Resolutions adopted at the general meeting were made public immediately afterwards (Company Announcement No. 7 of 29 March 2012). The announcement, resolution minutes, AGM video, transcript and a news 'Highlight' can be found on www.nkt.dk, which also contains the introductory film 'Active Ownership'.

The Board of Directors

As a result of NKT's sale of NKT Flexibles, the employee-elected Board member Gunnar Karsten Jørgensen stepped down from the Board and was replaced by alternate board member Niels-Henrik Dreesen, NKT Cables (Company Announcement No. 10 of 12 April 2012).

NKT Board of Directors member Jan Trøjborg died suddenly on 6 May 2012 (Company Announcement No. 11 of 7 May 2012). At its meeting today the Board has discussed the number of Board members elected by the Annual General Meeting and has decided that a new member will not be installed as replacement for Jan Trøjborg. The Board of Directors will therefore consist of five members elected by the Annual General Meeting and three members elected by the employees in the period until the Annual General Meeting in 2013.

Investor contacts

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Management statement

The Board of Directors and the Executive Management Board have today considered and adopted the Interim Report of NKT Holding A/S for the period 1 January - 31 March 2012.

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 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 31 March 2012 and the results of the Group's activities and cash flows for the period 1 January - 31 March 2012.

We also find that the 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, 9 May 2012

The Executive Management Board

Thomas Hofman-Bang, president and *CEO*

Michael Hedegaard Lyng, Group Executive Director, *CFO*

Søren Isaksen, Group Executive Director, *CTO*

The Board of Directors

Christian Kjær, *Chairman*

Jens Due Olsen, *Deputy Chairman*

Niels-Henrik Dreesen

Jan Erik Jensen

Arne Dan Kjærulff

Jens Maaløe

Kurt Bligaard Pedersen

Lone Fønss Schrøder

Income statement

Amounts in mDKK	Q1 2012	Q1 2011	Year 2011
Revenue	3,531	3,774	15,604
Earnings before interest, tax, depreciation and amortisation (EBITDA)	228	188	845
Depreciation and impairment of property, plant and equipment	-86	-81	-397
Amortisation and impairment of intangible assets	-39	-38	-161
Earnings before interest and tax (EBIT)	103	69	287
Financial items, net	-59	-43	-280
Earnings before tax (EBT) from continuing operations	44	26	7
Tax on continuing operations	-13	4	1
Profit from continuing operations	31	30	8
Profit from discontinued operation, NKT Flexibles	0	21	119
Net Profit	31	51	127
To be distributed thus:			
Profit attributable to equity holders of NKT Holding A/S	30	51	125
Profit attributable to minority interests	1	0	2
	31	51	127
Earnings per share:			
Basic earnings, DKK per share (EPS)	1.3	2.1	5.3
Diluted earnings, DKK per share (EPS-D)	1.3	2.1	5.3

Cash flow

Amounts in mDKK	Q1 2012	Q1 2011	Year 2011
EBITDA	228	188	845
Financial items, net	-59	-43	-280
Changes in provisions, tax and non-cash operating items etc.	-26	-44	-111
Changes in working capital	-116	-554	119
Cash flows from operating activities	27	-453	573
Acquisition of business activities	-7	-109	-215
Investments in property, plant and equipment	-89	-99	-445
Disposal of property, plant and equipment	1	6	18
Other investments, net	-39	-29	-156
Cash flows from investing activities	-134	-231	-798
Changes in non-current loans from credit institutions	285	624	118
Changes in current loans from credit institutions	-151	126	185
Minority interests	-1	0	-1
Dividends paid	0	-47	-47
Cash from exercise of share options	22	0	0
Cash flows from financing activities	155	703	255
Cash flows from discontinued operation, NKT Flexibles	0	0	-15
Net cash flows	48	19	15
Cash at bank and in hand at the beginning of the period	271	247	247
Currency adjustments	-4	-15	9
Net cash flows	48	19	15
Cash at bank and in hand at the end of the period	315	251	271

Balance sheet

Amounts in mDKK	31 March 2012	31 March 2011	31 December 2011
Assets			
Intangible assets	1,963	1,803	1,988
Property, plant and equipment	3,282	3,230	3,260
Other non-current assets	664	981	1,270
Total non-current assets	5,909	6,014	6,518
Inventories	3,325	3,410	2,889
Receivables and income tax	3,651	3,985	3,761
Cash at bank and in hand	315	251	271
Asset held for sale, NKT Flexibles	571	0	0
Total current assets	7,862	7,646	6,921
Total assets	13,771	13,660	13,439
Equity and liabilities			
Equity attributable to equity holders of NKT Holding A/S	4,116	3,989	4,060
Minority interests	6	5	6
Total equity	4,122	3,994	4,066
Deferred tax	167	155	213
Employee benefits	296	292	297
Provisions	100	105	98
Interest bearing loans and borrowings	3,874	4,098	3,558
Total non-current liabilities	4,437	4,650	4,166
Interest bearing loans and borrowings	1,008	1,031	1,203
Trade and other payables	4,204	3,985	4,004
Total current liabilities	5,212	5,016	5,207
Total liabilities	9,649	9,666	9,373
Total equity and liabilities	13,771	13,660	13,439

Comprehensive income and equity

Amounts in mDKK	Q1 2012	Q1 2011	Year 2011
Comprehensive income			
Net profit	31	51	127
Other comprehensive income:			
Currency adjustment of foreign subsidiaries			
and value adjustment of hedging instruments, etc.	50	-123	-130
Total comprehensive income for the period	81	-72	-3
Statement of changes in equity			
Group equity, 1 January	4,066	4,112	4,112
Share-based payment	1	1	5
Additions/disposal of minority interests	0	0	-1
Subscribed by exercise of share-based options	22	0	0
Dividend adopted at annual general meeting	-48	-47	-47
Total comprehensive income for the period	81	-72	-3
Group equity at the end of the period	4,122	3,994	4,066

Notes

1 • Accounting policies, accounting estimates, and risks, etc.

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

Apart from the information below, the accounting policies are unchanged in relation to the 2011 Annual Report, to which reference should be made. The 2011 Annual Report contains the full text of the accounting policies.

NKT has implemented the standards and interpretations that become effective for 2012. None of these have influenced recognition and measurement in 2012 or are expected to influence future financial years.

Regarding accounting estimates, please refer to Note 1 on page 53 of the 2011 Annual Report. Regarding risks, please refer to Note 30 on page 80 of the 2011 Annual Report and the information contained in the section on risk factors on page 34 of the Annual Report.

As reported in Company Announcement No. 10 of 6 July 2011, NKT Cables and NKT Holding received a Statement of Objections from the European Commission in connection with the Commission's investigation of the submarine and underground high voltage cable markets in the period 1998-2008. NKT Cables and NKT Holding examined the documentation from the European Commission and provided the European Commission with their observations by the deadline in early November 2011. Subsequently the European Commission submitted additional documents and NKT Cables and NKT Holding launched a review. The findings of this review were presented on 16 March 2012. Currently it is not possible to determine whether costs will be incurred, and if so, the magnitude of these costs. As a result, no liability is recognised in the balance sheet at 31 March 2012. The European Commission is expected to reach a decision on this issue within the next few years.

According to the regulation for financial statements preparation the Management is required to determine whether the quarterly statement can be presented on a 'going concern' basis. Based on outlook estimates, including examination of the latest 'forecast 2011', 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 operating for at least 12 months from the balance sheet date. Information concerning Group cash resources and expectations for 2012 are included in the Management's review.

2 • Discontinued operation

As stated in Company Announcement No. 1, agreement was entered into on 3 February 2012 concerning sale of NKT Flexibles to National Oilwell Varco for a total consideration of 3.8 bnDKK, NKT's share of which is 51%. The sale was subject to customary closure conditions, including approval by relevant competition authorities.

NKT Flexibles constitutes a significant area of operation for the Group and in accordance with the Group's accounting principles, profit after tax and cash flows are presented in a separate entry in the income statement and the cash flow statement. Comparative figures have been restated. Profit from discontinued operation for Q1 2012 is 0 mDKK.

The sale will result in proceeds which will be recognised in Q2 2012, cf. subsequent Note 5.

Notes

3 • Segment reporting

Amounts in mDKK	Q1 2012	Q1 2011	Year 2011
Revenue			
NKT Cables, revenue in market prices	1,837	2,179	9,088
Nilfisk-Advance	1,636	1,552	6,307
Photonics Group	59	43	210
Parent company etc. [1]	0	0	0
Elimination of transactions between segments	-1	0	-1
NKT Group revenue in market prices	3,531	3,774	15,604
NKT Cables, revenue in standard metal prices [2]	*1,112*	*1,268*	*5,635*
NKT Group revenue in standard metal prices	*2,806*	*2,863*	*12,151*
Earnings, EBITDA [3]			
NKT Cables	40	29	182
Nilfisk-Advance	195	175	699
Photonics Group	-1	-8	1
Parent company etc. [1]	-6	-8	-37
EBITDA, continuing operations	228	188	845
Discontinued operation, NKT Flexibles profit share	0	28	158
Group EBITDA	228	216	1,003
Segment profit, EBIT			
NKT Cables	-29	-36	-154
Nilfisk-Advance	142	125	490
Photonics Group	-5	-11	-12
Parent company etc. [1]	-5	-9	-37
EBIT, continuing operations	103	69	287
Discontinued operation, NKT Flexibles profit share	0	28	158
Group EBIT	103	97	445
Capital Employed			
NKT Cables	4,550	5,191	4,470
Nilfisk-Advance	3,314	2,985	3,232
Photonics Group	185	171	183
NKT Flexibles, share of equity etc.	577	466	577
Parent company etc. [1]	35	1	34
Group Capital Employed	8,661	8,814	8,496

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

[2] Revenue in 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	40	29	182
Nilfisk-Advance	196	181	732
Photonics Group	-1	-8	1
Parent company etc. [1]	-6	-9	-37
Operational EBITDA, continuing operations	229	193	878
NKT Flexibles profit share	0	28	158
Group operational EBITDA	229	221	1,036

Notes

4 • Business combinations

Nilfisk-Advance has acquired a minor UK dealership with effect from 1 February 2012. The effect on Group revenue and Group profit is not material.

5 • Events after the balance sheet date

As reported in Company Announcement No. 9 of 4 April 2012 NKT Flexibles has been finally transferred to National Oilwell Varco. NKT's share of the selling price is around 2 bnDKK and will lead to recognition of a profit of around 1.3 bnDKK in Q2 2012.

6 • Explanatory comments to financial highlights

Items below refer to the Financial Highlights contained on page 2.

1) Revenue in standard metal prices - Revenue in standard metal prices for copper and aluminium fixed at 1,550 EUR/tonne and 1,350 EUR/tonne, respectively.
2) Operational earnings before interest, tax, depreciation and amortisation (EBITDA) - Earnings before interest, tax, depreciation and amortisation (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). Operational EBITDA is calculated inclusive of discontinued operation.
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). Operational EBITDA is calculated inclusive of discontinued operation.
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. Dilutive effect from potential shares from executives' and employees' share option plan is not recognised in the financial ratio.

NKT's Interim Report for Q1 2012 was published on 9 may 2012 in Danish and English, and released via 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 to NKT's news service.

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Photos: Bo Tornvig and courtesy of subsidiaries