Interim Report
Q2 2013

NKT Holding A/S, Interim Report Q2 2013
21 August 2013, Announcement No. 13

CONTENTS

NKT

Key messages

Q2 2013:

Revenue in std. metal prices: 3,264 mDKK
(Q2 2012: 3,079 mDKK)

Organic growth: 7%
NKT Cables: **10**%
Electricity Infrastructure: 19%, Railway: 48%
Construction: -13%, Automotive: -2%
Nilfisk-Advance: **4**%
EMEA: 5%, Americas: 6%, APAC: -3%
Photonics Group: **16**%

Revenue in market prices: 4,038 mDKK
(Q2 2012: 3,904 mDKK)

Operational EBITDA: 279 mDKK
(Q2 2012: 239 mDKK)

Operational EBITDA margin: 8.5%
in std. metal prices (Q2: 2012: 7.8%)

Profit: 76 mDKK
(Q2 2012: 35 mDKK)

Working capital: 3,291 mDKK
(Q2 2012: 2,969 mDKK)

NIBD: 2,839 mDKK
(Q2 2012: 2,692 mDKK)

NIBD/Oper. EBITDA LTM: 2.7x
(Q2 2012: 2.5x)

NEW MANAGEMENT STRUCTURE IN NKT HOLDING

NKT will apply a new governance structure meaning that going forward the NKT Board of Directors will operate NKT's existing three business units as independent entities without a Group Executive Management Board as an intermediary element. Read more about the changes on page 4.

The CEOs of Nilfisk-Advance and NKT Cables will henceforth report to the NKT Group Board of Directors. Søren Isaksen will continue as responsible for Photonics Group in which capacity he will report to the NKT Board of Directors. The Executive Management Board of NKT Holding will henceforth consist of Group Executive Director and CFO Michael Hedegaard Lyng.

This structure means that CEO Thomas Hofman-Bang will step down as at the end of August 2013 and Group Executive Director Søren Isaksen will step down from the Executive Management Board of NKT, but will continue as responsible for Photonics Group.

Independently of these changes Jørgen Jensen, CEO of Nilfisk-Advance and with the company for 15 years, has resigned and has been appointed CEO in another company outside the NKT Group. New Nilfisk-Advance CEO will be Jonas Persson, currently Executive Vice President in the Assa Abloy Group with responsibility for the Asia-Pacific region. Jonas Persson will take up his duties at the latest by the start of 2014. Please refer to separate Company Announcement No. 14, 21 August 2013.

CONTINUING POSITIVE GROWTH AND EARNINGS CONSISTENT WITH EXPECTATIONS

The NKT Group realised satisfactory organic revenue growth of 7% in Q2 2013.

NKT Cables contributed 10% of this growth, while Nilfisk-Advance accounted for 4% and Photonics Group 16%.

Operational EBITDA increased by 17% in Q2, which was in line with expected development. On a rolling 12 month basis the operational EBITDA was 1,068 mDKK - the highest level since the end of 2008.

Unchanged expectations
The expectations for 2013 covering the existing part of the Group are unchanged from the forecast in the 2012 Annual Report and Interim Report Q1 2013.

Financial **highlights**

Amounts in mDKK	Q2 2013	Q2 2012	Q1-Q2 2013	Q1-Q2 2012	Year 2012
Income statement					
Revenue	4,038	3,904	7,547	7,435	15,253
Revenue in std. metal prices [1]	3,264	3,079	6,123	5,885	12,148
Operational earnings before interest, tax, depreciation and amortisation (Oper. EBITDA) [2]	279	239	496	467	1,039
Earnings before interest, tax, depreciation and amortisation (EBITDA)	279	229	496	457	1,009
Depreciation and impairment of property, plant and equipment	-85	-88	-172	-174	-360
Amortisation and impairment of intangible assets	-45	-42	-87	-81	-176
Earnings before interest and tax (EBIT)	149	99	237	202	473
Financial items, net	-40	-52	-88	-111	-196
Earnings before tax (EBT) from continuing operations	109	47	149	91	277
Profit from continuing operations	76	35	101	66	195
Profit from discontinued operations	0	1,404	0	1,404	1,410
Net profit	76	1,439	101	1,470	1,605
Profit attributable to equity holders of NKT Holding A/S	75	1,440	100	1,470	1,604
Cash flow					
Cash flow from operating activities	-10	66	-531	93	1,122
Cash flow from investing activities	-112	-119	-225	-253	-532
of which investments in property, plant and equipment	-54	-83	-118	-172	-364
Free cash flow	-122	-53	-756	-160	590
Balance sheet					
Share capital	479	478	479	478	478
Equity attributable to equity holders of NKT Holding A/S	5,603	5,552	5,603	5,552	5,730
Minority interests	7	6	7	6	7
Group equity	5,610	5,558	5,610	5,558	5,737
Total assets	13,345	13,385	13,345	13,385	12,936
Net interest bearing debt [3]	2,839	2,692	2,839	2,692	1,909
Capital employed [4]	8,449	8,250	8,449	8,250	7,646
Working capital [5]	3,291	2,969	3,291	2,969	2,409
Financial ratios and employees					
Gearing (net interest bearing debt as % of Group equity)	51%	48%	51%	48%	33%
Net interest bearing debt relative to operational EBITDA [6]	2.7	2.5	2.7	2.5	1.8
Solvency (equity as % of total assets) [7]	42%	41%	42%	41%	44%
Return on Capital Employed (RoCE) [8]	6.5%	5.6%	6.5%	5.6%	6.2%
Number of 20 DKK shares ('000)	23,930	23,888	23,930	23,888	23,888
Number of treasury shares ('000)	77	77	77	77	77
Earnings from continuing ope., DKK per outstanding share (EPS)	3.2	1.5	4.2	2.8	8.2
Earnings, DKK per outstanding share (EPS) [9]	3.2	60.6	4.2	61.9	67.5
Dividend paid, DKK per share	0.0	0.0	8.0	2.0	2.0
Equity value, DKK per outstanding share [10]	235	233	235	233	241
Market price, DKK per share	208	190	208	190	204
Average number of employees	8,828	8,937	8,828	8,937	8,867

[1) - 10)] Explanatory comments appear in Note 4.

Financial highlights and ratios are calculated as defined in the 2012 Annual Report.

New management structure for NKT Holding

The NKT Board of Directors **changes the management structure**

Following the Annual General Meeting in March 2013 the Board of Directors and the Executive Management Board of NKT Holding embarked on a discussion concerning NKT's governance model. As a result of this discussion, going forward the Board of Directors will operate NKT's existing three business units as independent entities without a Group Executive Management Board as an intermediary element.

The NKT Group's present strategic plan will continue unchanged.

The CEOs of Nilfisk-Advance and NKT Cables will henceforth report to the NKT Group Board of Directors. Søren Isaksen will continue as responsible for Photonics Group in which capacity he will report to the NKT Board of Directors. The Executive Management Board of NKT Holding will henceforth consist of current Group Executive Director and CFO Michael Hedegaard Lyng, who will take on the responsibility for all Group services within NKT Holding.

The listed company NKT Holding will continue to be operated as a competency centre, which will support the business units in areas which include investor relations, compliance and consolidation, legal affairs, and financial issues.

This structure means that President and CEO Thomas Hofman-Bang will step down as at the end of August 2013 and Group Executive Director Søren Isaksen will step down from the Executive Management Board of NKT, but will continue as responsible for Photonics Group.

Going forward the governance structure will be based, besides Board of Directors' meetings, on an individual company meeting structure attended by the Board of Directors, the managements of the individual business units and Michael Hedegaard Lyng. The meetings will be chaired by the Chairman of the Board of Directors of NKT Holding, Jens Due Olsen, and follow a customary annual plan. The existing Board of Directors' committees will continue unchanged, attended by the business units when relevant.

Independently of these changes, Jørgen Jensen, CEO of Nilfisk-Advance and with the company for 15 years, has resigned and has been appointed CEO in another company outside the NKT Group. New Nilfisk-Advance CEO will be Jonas Persson, currently Executive Vice President in the Assa Abloy Group with responsibility for the Asia-Pacific region. Jonas Persson will take up his duties at the latest by the start of 2014. Please refer to separate Company Announcement No. 14, 21 August 2013.

The changes are expected to result in an annual cost saving of approx. 10-15 mDKK and a saving in one-off costs of approx. 15 mDKK.

The work of the NKT Board of Directors will be more extensive than previously. At the Annual General Meeting in 2014 the Board will recommend that the remuneration be increased to reflect the additional work.

> *"The new structure will ensure that the Board increases focus on the role and division of responsibilities in the business units, while also continuing to operate the active ownership which has been the foundation for NKT Holding. I would like to take this opportunity to thank Thomas, Søren and Jørgen for their strong, loyal and positive cooperation through many years"*
>
> *Jens Due Olsen*
> *Chairman of the Board*

THE NKT GROUP

INVESTOR CONTACTS

Financial analysts and institutional investors
Michael Hedegaard Lyng
CFO
Tel.: +45 4348 2000
email: michael.lyng@nkt.dk

Private investors
Anne Schoen
Corporate Communications Manager
Tel.: +45 4348 3216
email: anne.schoen@nkt.dk

FINANCIAL CALENDAR

20 November 2013
Interim Report Q3

28 February 2014
2013 Annual Report

All three NKT business units showed **positive organic growth**, and operational EBITDA (LTM) for the Group was at its **highest level** since 2008

Fig. 1 Revenue by business unit

Amounts in mDKK	Q2 2012	Currency-effect	Growth	Q2 2013	Org.* growth
NKT Cables	1,334	-5	134	1,463	10%
Nilfisk-Advance	1,693	-23	71	1,741	4%
Photonics Group	52	2	8	62	16%
Other	0	0	-2	-2	-
Revenue, std. metal prices	3,079	-26	211	3,264	7%
Adjustment, metal prices	825	-11	-40	774	-
Revenue, market prices	3,904	-37	171	4,038	-

**Organic growth is adjusted for the effect of exchange rates, metal prices and acquisitions*

7% organic growth
NKT achieved organic growth of 7%, and the revenue for the quarter amounted to 4,028 mDKK calculated in market prices and 3,264 mDKK measured in standard metal prices.

NKT Cables realised organic growth for Q2 of 10%, which was primarily driven by Electricity Infrastructure and by Railway in China.

Nilfisk-Advance achieved organic growth for Q2 of 4%, which was driven by growth in EMEA and the Americas and by displacement in number of working days from Q1.

Photonics Group realised organic growth of 16% compared with the same period last year, primarily driven by the Imaging and Sensing segments.

Fig. 1 shows the development in revenue by business unit. Changes in metal prices had a negative effect of 4% on revenue in market prices.

Revenue in market prices for 1st half 2013 amounted to 7,547 mDKK, which was an increase of 112 mDKK and represented organic growth of 5%.

Earnings on par with expectations

The Group's operational EBITDA for Q2 2013 was 279 mDKK, an increase of 40 mDKK or 17%. NKT Cables represented 25 mDKK of this increase while Nilfisk-Advance contributed with 15 mDKK.

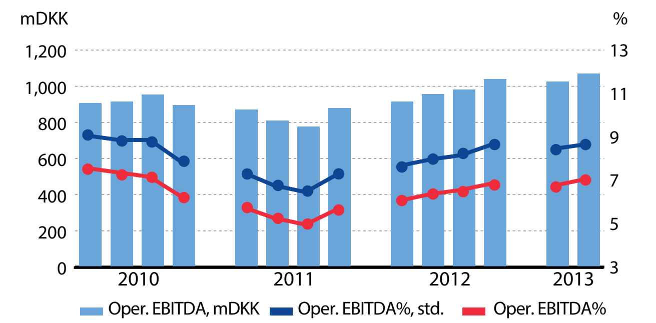
Fig. 2 Operational EBITDA by business unit

Amounts in mDKK	Q2 2013	Q2 2012	1st half 2013	1st half 2012
NKT Cables	70	45	113	85
Nilfisk-Advance	224	209	412	404
Photonics Group	-1	-4	-6	-5
Other	-14	-11	23	-17
Operational EBITDA	**279**	**239**	**496**	**467**
Structural initiatives	-	-10	-	-10
EBITDA	**279**	**229**	**496**	**457**

Operational EBITDA margin measured in standard metal prices was 8.5% for the period (Q2 2012: 7.8%). The improvement in earnings was the result of revenue growth combined with tight cost control.

Operational EBITDA calculated on a rolling 12-month basis was 1,068 mDKK (31 March 2013: 1,026 mDKK), the highest level since the end of 2008 (continuing operations). Operational EBITDA margin (LTM), stated in standard metal prices, was 8.6% (31 March 2013: 8.4%). Rolling 12-month development in NKT's operational EBITDA is shown in Fig. 3.

Fig. 3 Operational EBITDA (LTM)



At the end of Q2 2013 the NKT Group had around 8,824 employees, approx. 13% based in Denmark and approx. 87% abroad, the same distribution as in the same period last year. The number of employees has decreased by 87 compared with last year.

Improved profit and unchanged tax rate

Net financial items amounted to -40 mDKK (Q2 2012: -52 mDKK), an improvement of 12 mDKK that was chiefly due to a lower interest rate margin.

Also increasing was Group profit before tax (EBT) to 109 mDKK, an improvement of 62 mDKK compared with the same period last year.

The tax rate was 30% for Q2 and 32% for 1st half 2013. The full-year tax rate is expected to be around 30%.

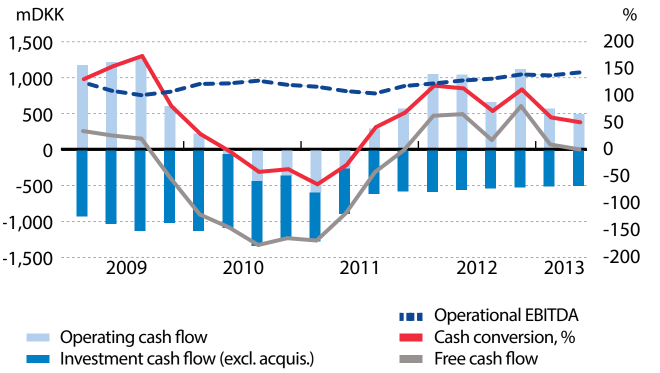
Cash flow

Cash flow from operating activities amounted to -10 mDKK (Q2 2012: 66 mDKK), a decrease of 76 mDKK. This development was chiefly driven by an expected increase in working capital (cf. section on working capital).

Cash flow from investing activities was 112 mDKK (Q2 2012: 119 mDKK), which comprised 62 mDKK relating to development activities at Nilfisk-Advance, including development of software, and 38 mDKK relating to NKT Cables for i.a. completion of the transhipment and storage terminal in Rotterdam.

Fig. 4 shows quarterly cash flow trends for operations and investments.

Fig. 4 Cash conversion, LTM



As at 30 June 2013 cash conversion - operating cash flow as a proportion of EBITDA - was 47% (LTM).

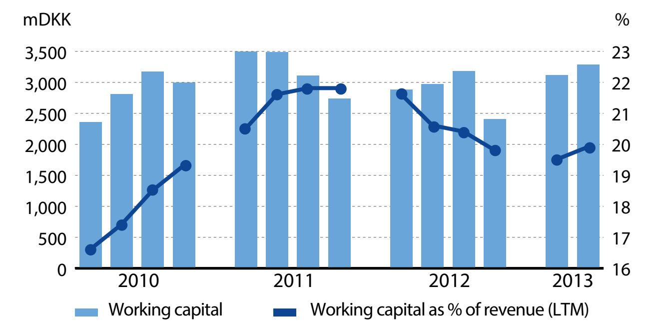
The cash conversion rate was negatively influenced particularly by the change in working capital of 322 mDKK in the last 12 months.

Increase in working capital

Working capital amounted to 3,291 mDKK as at 30 June 2013, an increase of 172 mDKK since 31 March 2013. This was in line with expectations.

As at 30 June 2013 working capital as a proportion of revenue was 19.9% (31 March: 19.5%), cf. Fig. 5, measured as an average over 12 months.

Fig. 5 Working capital



79 mDKK of the increase in working capital was attributable to NKT Cables and mainly related to the net tie-up of funds in submarine cable projects in progress, while 52 mDKK was attributable to Nilfisk-Advance and was mainly influenced by the

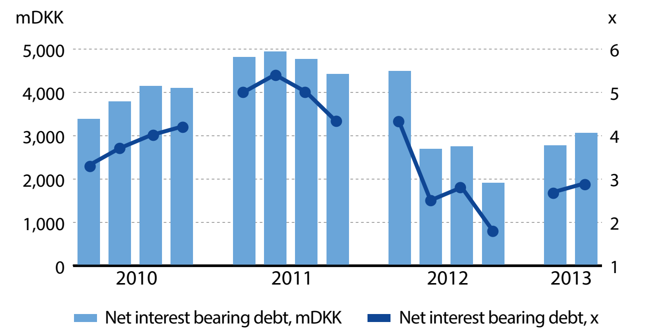
growth in revenue. Working capital as a percentage of revenue (LTM) amounted for NKT Cables to 20.3% (31 March 2013: 19.5%) and for Nilfisk-Advance to 19.0% (31 March 2013: 19.1%).

Net interest bearing debt on par with expectations

NKT's net Interest bearing debt was 2,839 mDKK as at 30 June 2013 (31 March 2013: 2,776 mDKK), which was on par with expectations. The increase was primarily driven by the change in working capital of 172 mDKK. As at 30 June 2013 the debt corresponded to 2.7x operational EBITDA (LTM), which was unchanged from 31 March 2013.

As at 30 June 2013 the currency mix for the Group's net interest bearing debt was essentially unchanged from 31 December 2012, cf. the 2012 Annual Report. The debt financing was still predominantly based on floating interest rates.

Fig. 6 Net interest bearing debt relative to operational EBITDA



Continuing strong cash resources

As at 30 June 2013 NKT had total cash resources of approx. 3.3 bnDKK (31 March 2013: 3.6 bnDKK), comprising committed credit facilities of 5.0 bnDKK and uncommitted credit facilities of 1.3 bnDKK. This strong liquidity position is instrumental in ensuring financial flexibility for business unit development.

Equity

Equity amounted to 5,610 mDKK as at 30 June 2013 (31 March 2013: 5,579 mDKK). Recognised currency adjustment of foreign subsidiaries comprised 45 mDKK and recognised value adjustment of hedging instruments etc. was 1 mDKK.

Gearing (the relationship between net interest bearing debt and equity) was 51% (31 March 2013: 50%), an increase of 3% points against the same period last year.

Solvency was 42% (31 March 2013: 41%), which exceeds NKT's minimum target of 30%.

Events after the balance sheet date

As notified in Company Announcement No. 12 of 1 July 2013, the acquisition of Ericsson's power cable operations has been completed. These operations have thus finally been acquired by NKT Cables on the terms of the conditional purchase agreement referred to in Company Announcement No. 10 of 3 May 2013. The acquisition has been approved by the relevant competition authorities.

Unchanged expectations

Revenue for 2013 measured in standard metal prices for 2013 covering the existing part of the Group is expected to be on a par with 2012, which is unchanged from the forecast in the 2012 Annual Report and reiterated in Interim Report Q1. The same applies to operational EBITDA.

It remains the basis for these expectations that project timetables are met by NKT Cables and that the development in NKT's main markets is in line with 2012.

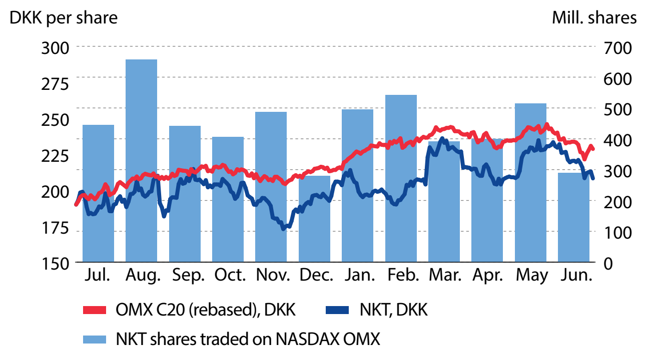
The acquisition of Ericsson's power cable operations in July 2013 will, however, increase revenue in standard metal prices by approx. 500 mDKK but is not expected to significantly influence earnings in 2013.

NKT shares

Approx. 30% of NKT share trading takes place outside NASDAQ OMX Copenhagen on which the NKT share is listed under ID code DK0010287663 and is among the 30 most traded shares.

In Q2 2013 the daily turnover in NKT shares on NASDAQ OMX Copenhagen averaged 20 mDKK (Q2 2012: 23 mDKK). The average number of NKT shares traded daily in Q2 was 93,000 (Q2 2012: 105,000). Monthly NKT share trading on NASDAQ OMX is shown in Fig. 7.

Fig. 7 Development in NKT share price and turnover



The NKT share price was 208.20 DKK as at 30 June 2013 (31 December 2012: 203.50 DKK), an increase of 6% since the turn of the year, including the effect of dividend payment in March 2013. As at 30 June 2013 there were two NKT investors with registered shareholdings of more than 5%: ATP Group and EdgePoint Investment Group Inc.

Falling CO_2 emission

The Group's CO_2 emission for 2012 was reported to the Carbon Disclosure Project at the end of May 2013.

NKT's total CO_2 emission fell by 6% in 2012 compared with the previous year - measured relative to revenue in standard metal prices. This result thus exceeded NKT's average annual reduction target of 3% - a target based on the Group's CO_2 emission in 2011 and the current number of business units and entities.

Fig. 8 Highlights

Amounts in mDKK	Q2 2013	Q2 2012	1st half 2013	1st half 2012
Revenue	**2,237**	**2,159**	**4,036**	**3,996**
*Revenue**	*1,463*	*1,334*	*2,612*	*2,446*
- Organic growth	10%	-4%	7%	-8%
EBITDA	**70**	**45**	**113**	**85**
EBITDA margin*	4.8%	3.4%	4.3%	3.5%
EBIT	-3	-25	-32	-54
Capital employed	4,820	4,685	4,820	4,685
Working capital	1,850	1,622	1,850	1,622
Employees, period end	3,312	3,367	3,312	3,367

** Standard metal prices*

NKT Cables is among the leading suppliers of power cables to the European market with strong positions in on- and offshore cables, as well as medium and low voltage cables, accessories and railway catenary wires. 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.

Fig. 9 Organic growth

	Q2 2013	1st half 2013
Electricity Infrastructure	19%	15%
Railway	48%	36%
Construction	-13%	-16%
Automotive	-2%	-5%
NKT Cables	**10%**	**7%**

Satisfactory growth in Q2 from submarine cables and Railway activities in China

NKT Cables maintained the progress from Q1 and realised satisfactory growth in revenue in Q2 which was primarily based on increased sales of submarine cables and catenary wires for high speed railways in China.

Q2 revenue stated in standard metal prices was 1,463 mDKK and organic growth for the period was 10%. Year-to-date revenue in standard metal prices amounted to 2,612 mDKK, which was an increase compared to last year of 166 mDKK, corresponding to 7% growth.

Electricity infrastructure continued the positive performance from Q1 with an organic growth of 19% in Q2 compared to the same period last year. The main driver of this growth was a high level of activity in submarine cables. Factory capacity in Cologne was fully utilised in the quarter and offshore installation works were ongoing on a number of projects. During Q2 NKT Cables received a submarine cable order with a short-term delivery time, thus creating full backlog visibility for the remainder of the year.

The organic growth for the first six months of 2013 amounted to 15% compared to 1st half 2012.

The level of tender activity within submarine cables continued to be satisfactory. Due to the increasing size and complexity of many projects it is difficult to judge when the projects negotiated will develop into actual orders.

The activity level in Europe for traditional land-based high voltage systems was also high, and in spite of a competitive market a number of smaller contracts were awarded during the quarter. The current order book for submarine cables and land-based high voltage cable systems ensures a full capacity load for the Cologne factory for the remainder of the year.

In China the level of activity for domestic sales of high and medium voltage cables remained disappointing, with continuing strong price competition as a result. Furthermore there was a slowdown in infrastructure-related investments, which was reflected in lower demand for power cables. Production and delivery on the Australian medium voltage cable contract obtained last year were completed during Q2 2013.

In **Railway** the Chinese market continued the positive trend from Q1 and revenue improved further during the second quarter. The revenue expectations for 2013 are now fully assured as a result of orders received.

Organic growth for Railway activity was 48% for the quarter and 36% for the year to date. The increased revenue in 1st half 2013 must be seen against the background of last year's negative growth, which resulted from a moratorium on the construction of high-speed railways in China and a subsequent period when existing orders were frozen and postponed. The current activity is a sign of a return to more normal market conditions although a strongly influential factor was that production started from a very low level.

In Europe, NKT Cables' railway activities were stable, mainly relating to maintenance projects.

Construction showed organic growth of -13% for the quarter and -16% for the year to date. Customers - wholesalers and electrical installers - experienced negative growth and increased build-up of stocks, and this meant falling orders for NKT Cables. Price competition was fierce with East European markets particularly being price-sensitive.

In **Automotive** organic growth in Q2 was negative at 2%, reflecting the ongoing weakness in the European automotive industry. The products are manufactured in Vrchlabi in the Czech Republic and supplied under frame agreements with automotive industry subcontractors. Year-to-date organic growth was negative at -5%.

As notified in Company Announcement No. 12, 1 July 2013, NKT Cables completed the acquisition of Ericsson's power cable operations on 1 July 2013. NKT Cables has gained approx. 320 employees and a factory in Falun, Sweden, which contains production facilities, a development department as well as sales and administration. The factory's location and product portfolio will be complementary to NKT Cables' factory in Asnæs, Denmark, thereby creating a cost-efficient production and logistics set-up.

The acquisition of Ericsson's power cable operations is a central element in NKT Cables' growth strategy, which among other things focuses on securing a strong position in the medium and low voltage cables segment in selected markets. The acquisition will add a number of unique products to NKT Cables' portfolio, strengthen development competences for new and innovative cable solutions, and improve scope for servicing Nordic customers.

The price of copper and aluminum decreased in Q2, but this had negligible impact on earnings. The greater part of raw materials procurement is either hedged with financial instruments in accordance with NKT's risk management policy or offset by variable selling prices.

EBITDA for Q2 2013 was 70 mDKK, corresponding to an EBITDA margin in standard metal prices of 4.8% (Q2 2012: 45 mDKK and 3.4%). The increased earnings compared to last year reflects the improved performance in the submarine cables business, increased Railway sales in China, and medium voltage sales in Australia. Together this development more than offset the reduced sales in the European market for construction and medium voltage cables. Further cost reductions have been implemented in order to meet the gross margin challenges.

EBITDA for 1st half 2013 amounted to 113 mDKK, an improvement of 28 mDKK on the 1st half of 2012.

As at 30 June 2013 working capital amounted to 1,850 mDKK, corresponding to an increase of 228 mDKK compared to 30 June 2012. The increase was expected and was driven by the shift in funds tied up in execution of contracts from the existing order book.

As reported in Company Announcement No. 10 of 6 July 2011 and in all subsequent financial reports, NKT Cables and NKT Holding have 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. Please refer to Note 1 for further information.

Nilfisk-Advance

SC1500 Series is stand-on scrubber launched in the second quarter of 2013

Fig. 10 Highlights

Amounts in mDKK	Q2 2013	Q2 2012	1st half 2013	1st half 2012
Revenue	**1,741**	**1,693**	**3,396**	**3,329**
- Organic growth	4%	-1%	3%	1%
Oper. EBITDA*	**224**	**209**	**412**	**404**
Oper. EBITDA margin	12.9%.	12.3%	12.1%	12.1%
Oper. EBIT*	171	154	307	296
Capital employed	3,399	3,345	3,399	3,345
Working capital	1,353	1,276	1,353	1,276
Employees, period end	5,285	5,329	5,285	5,329

** Adjusted for structural initiatives in 2012*

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

Fig. 11 Organic growth

	Q2 2013	1st half 2013
EMEA	5%	3%
Americas	6%	5%
APAC	-3%	-6%
Nilfisk-Advance	**4%**	**3%**

Sound 2nd quarter **growth** and **satisfactory** earnings

The growth in Q1 2013 continued in Q2 and was derived from the mature markets in EMEA and the Americas. Slight improvement was observed in the APAC markets but growth remained below the level in the same period last year. The revenue was as usual positively influenced by seasonal sales of high pressure washers.

Nilfisk-Advance realised revenue of 1,741 mDKK in Q2 2013, corresponding to organic growth of 4% compared with Q2 2012. This growth was achieved in a difficult market characterised by unfavourable economic conditions, particularly in parts of Europe. Total organic growth for 1st half 2013 was 3%.

In **EMEA** (Europe, Middle East and Africa), organic growth in Q2 increased by 5% on Q2 2012 and was 3% for 1st half 2013. Nilfisk-Advance is uniquely positioned by virtue of having strong brands, a long-standing market presence and a well-developed service organisation, and these assets were utilised to take market shares in Scandinavia and other parts of Europe. Other markets in Central and Southern Europe remained negative owing to economic uncertainty.

In the **Americas** (North, South and Central America), organic growth increased by 6% compared with Q2 2012 and by 5% in 1st half 2013. The industrial segment in the United States showed particularly strong growth and sales in Mexico were also satisfactory.

In **APAC** (Asia/Pacific region), organic growth fell by 3% compared with the same quarter last year and by 6% in 1st half 2013. Double-digit growth was recorded in Japan and Korea while the Australian and Chinese markets remained depressed. However, both the industrial and outdoor segments in China are expected to show positive development in the second half of the year.

Operational EBITDA was 224 mDKK, corresponding to an operational EBITDA margin of 12.9% (Q2 2012: 209 mDKK and 12.3%). The improved performance was primarily due to tight cost control.

Operational EBITDA for 1st half 2013 was 412 mDKK, an operational EBITDA margin of 12.1% (1st half 2012: 404 mDKK and 12.1%).

The gross profit margin fell to 41.1% against 41.9% for the same period in 2012. This fall was mainly due to changed sales mix; there was increasing demand in product categories with lower margins and falling demand for products with higher margins. Nilfisk-Advance raised its list prices by approx. 2% in Q1 in order to counter general increases in costs, and the full effect of these price rises was seen in Q2.

Fixed costs were further reduced, decreasing by approx. 1.2% in relation to Q2 2012.

Working capital as a percentage of sales (LTM) was 1.2% points lower than at the end of the same period last year, which was due to a continued reduction in inventories and an increase in creditors. By contrast there was an increase in debtors as well as increased incidence of deferred payment by customers.

In Q2 Nilfisk-Advance continued to strengthen its market presence in China, and two minor dealership acquisitions were made in the provinces of Tianjin and Shandong with effect from 1 July 2013. The acquisitions are a central element in the strategy of increasing direct market presence and establishing closer proximity to customers. In addition to its sales offices in Beijing and Shanghai Nilfisk-Advance therefore has a direct presence in 11 provinces and product dealerships in other key provinces.

In Q2 Nilfisk-Advance launched a new product category for the floorcare segment. The SC1500 is a stand-on scrubber targeted at professional customers such as retail stores and shopping centres, as well as schools, universities, hospitals and clinics. The SC1500 series of scrubbers increase productivity while also maintaining high and eco-friendly cleaning standards.

Customer demand was the direct reason for another product launch in Q2. The VL500 is ideally suited for vacuuming wet areas and is sold under both the Nilfisk and Advance brands. A similar model, the MAXXI II, has been developed for the Nilfisk-ALTO and Clarke brands. The VL500 has from its launch attracted strong customer interest and received the innovation award at the Pulire 2.0 Fair in Italy in May 2013.

13 new products and product versions were launched in Q2, comprising six floorcare units, two vacuum cleaners, four high pressure washers and one product for the Outdoor segment. Nilfisk-Advance expects to launch a total of more than 30 new products and product versions in 2013. Around 3% of revenue continues to be invested in product development.

Photonics **Group**

Sound **growth** for Photonics Group and new development and collaboration agreements in the **Imaging** segment

Fig. 12 Highlights

Amounts in mDKK	Q2 2013	Q2 2012	1st half 2013	1st half 2012
Revenue	**62**	**52**	**117**	**111**
- Organic growth	16%	3%	5%	16%
EBITDA	**-1**	**-4**	**-6**	**-5**
EBIT	-5	-7	-14	-12
Capital employed	224	189	224	189
Working capital	84	70	84	70
Employees, period end	204	189	204	189

Photonics Group divides its activities into three core segments:

Imaging	Light sources and optical equipment that enable viewing of microscopic details. Main application areas are the medico and semiconductor industry (microchips) as well as in the life sciences industry
Sensing	Long-range measuring systems based on optical fibers: Current application areas are mainly fire detection and temperature sensing in power cables and oil wells. Laser light sources: Current applications include seismic measurement systems for use in oil exploration
Fiber Processing	Precision equipment for production of fiber-related assemblies. Fields of application include the above sectors as well as the fiber laser, defense and telecom industries

Q2 growth principally resulted from the Imaging segment but the Sensing segment also contributed positively. The improvement in revenue and earnings was achieved despite decreased sales in the Fiber Processing segment.

Organic growth for Photonics Group was 16% for Q2 and 5% for 1st half 2013.

In the **Imaging** segment, order intake and revenue increased, primarily based on industrial customers. A development agreement was signed with a new customer in the medical industry. Collaboration was also announced with the company, Bioptigen, who has launched a commercial product based on the SuperK laser that enables the user to see cell changes in the body (in vivo) in preclinical trials. This product has demonstrated a higher degree of detailing in the study of biological tissue than OCT (Optical Coherence Tomography) equipment which uses other light sources.

In order to meet the rising demand in the Imaging segment Photonics Group has upgraded its production plant in Birkerød, Denmark, and expanded its cleanroom facilities. Additional personnel has also been appointed, particularly in production and development.

In the **Sensing** segment there was rising demand and positive growth for the distributed temperature sensing systems used to monitor power cables and oil and gas pipelines. A promising new application for the energy sector is presently being developed and supplied for inaugural installation in the US. Fiber-optic measurements of submarine oil and gas fields using Photonics Group lasers are developing promisingly, and in Q2 two test customers published positive results from pilot installations for permanent reservoir monitoring. The US sales force for Sensing equipment was expanded.

The market for **Fiber Processing** equipment remained difficult with very low demand from public research bodies, the defense industry and telecommunications. In order to counter this trend the sales organisation was strengthened both centrally and regionally while focus was placed on reducing other fixed costs.

Group Management's **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 - 30 June 2013.

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 30 June 2013 and the results of the Group's activities and cash flows for the period 1 January - 30 June 2013.

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, 21 August 2013

The Executive Management Board

Thomas Hofman-Bang, *CEO*

Michael Hedegaard Lyng, *CFO*

Søren Isaksen, *CTO*

The Board of Directors

Jens Due Olsen, *Chairman*

Kristian Siem, *Deputy Chairman*

Niels-Henrik Dreesen

Jan Erik Jensen

Arne Dan Kjærulff

Jens Maaløe

Kurt Bligaard Pedersen

Lone Fønss Schrøder

Lars Sandahl Sørensen

Income statement

Amounts in mDKK	Q2 2013	Q2 2012	Q1-Q2 2013	Q1-Q2 2012	Year 2012
Revenue	4,038	3,904	7,547	7,435	15,253
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**279**	**229**	**496**	**457**	**1,009**
Depreciation and impairment of property, plant and equipment	-85	-88	-172	-174	-360
Amortisation and impairment of intangible assets	-45	-42	-87	-81	-176
Earnings before interest and tax (EBIT)	**149**	**99**	**237**	**202**	**473**
Financial items, net	-40	-52	-88	-111	-196
Earnings before tax (EBT) from continuing operations	**109**	**47**	**149**	**91**	**277**
Tax on continuing operations	-33	-12	-48	-25	-82
Profit from continuing operations	**76**	**35**	**101**	**66**	**195**
Profit from discontinued operation	0	1,404	0	1,404	1,410
Net Profit	**76**	**1,439**	**101**	**1,470**	**1,605**
To be distributed thus:					
Profit attributable to equity holders of NKT Holding A/S	75	1,440	100	1,470	1,604
Profit attributable to minority interests	1	-1	1	0	1
	76	**1,439**	**101**	**1,470**	**1,605**
Basic earnings, DKK per outstanding share (EPS)	3.2	60.6	4.2	61.9	67.5
Diluted earnings, DKK per share (EPS-D)	3.2	60.6	4.2	61.9	67.4
Earnings from continuing operations per share	3.2	1.5	4.2	2.8	8.2
Diluted earnings from continuing operations per share	3.2	1.5	4.2	2.8	8.2

Cash flow

Amounts in mDKK	Q2 2013	Q2 2012	Q1-Q2 2013	Q1-Q2 2012	Year 2012
Earnings before interest, tax, depreciation and amortisation (EBITDA)	279	229	496	457	1,009
Financial items, net	-40	-52	-88	-111	-196
Changes in provisions, tax and non-cash operating items, etc.	-32	-27	-56	-53	-77
Changes in working capital	-217	-84	-883	-200	386
Cash flow from operating activities	**-10**	**66**	**-531**	**93**	**1,122**
Acquisition of business activities	-4	0	-5	-7	-8
Investments in property, plant and equipment	-54	-83	-118	-172	-364
Disposal of property, plant and equipment	1	16	5	17	46
Other investments, net	-55	-52	-107	-91	-206
Cash flow from investing activities	**-112**	**-119**	**-225**	**-253**	**-532**
Free cash flow	**-122**	**-53**	**-756**	**-160**	**590**
Changes in non-current loans from credit institutions	592	-1,959	1,192	-1,674	-3,037
Changes in current loans from credit institutions	-450	18	-225	-133	602
Minority interests, dividend etc.	0	-1	0	-2	-1
Dividends paid	0	-48	-191	-48	-48
Cash from exercise of share options	0	0	7	22	22
Cash flow from financing activities	**142**	**-1,990**	**783**	**-1,835**	**-2,462**
Cash flow from discontinued operation	**0**	**1,961**	**0**	**1,961**	**1,967**
Net cash flow	**20**	**-82**	**27**	**-34**	**95**
Cash at bank and in hand at the beginning of the period	381	315	363	271	271
Currency adjustments	-10	10	1	6	-3
Net cash flow	20	-82	27	-34	95
Cash at bank and in hand at the end of the period	**391**	**243**	**391**	**243**	**363**

Balance sheet

Amounts in mDKK	30 June 2013	30 June 2012	31 December 2012
Assets			
Intangible assets	2,017	2,029	2,008
Property, plant and equipment	3,186	3,256	3,252
Other non-current assets	774	674	779
Total non-current assets	**5,977**	**5,959**	**6,039**
Inventories	3,021	3,269	2,744
Receivables and income tax	3,956	3,914	3,790
Cash at bank and in hand	391	243	363
Total current assets	**7,368**	**7,426**	**6,897**
Total assets	**13,345**	**13,385**	**12,936**
Equity and liabilities			
Equity attributable to equity holders of NKT Holding A/S	5,603	5,552	5,730
Minority interests	7	6	7
Total equity	**5,610**	**5,558**	**5,737**
Deferred tax	260	140	274
Employee benefits	341	298	300
Provisions	72	96	87
Interest bearing loans and borrowings	1,717	1,895	544
Total non-current liabilities	**2,390**	**2,429**	**1,205**
Interest bearing loans and borrowings	1,662	1,085	1,823
Trade and other payables	3,683	4,313	4,171
Total current liabilities	**5,345**	**5,398**	**5,994**
Total liabilities	**7,735**	**7,827**	**7,199**
Total equity and liabilities	**13,345**	**13,385**	**12,936**

Comprehensive income and Equity

Amounts in mDKK	Q2 2013	Q2 2012	Q1-Q2 2013	Q1-Q2 2012	Year 2012
Comprehensive income					
Net profit	76	1,439	101	1,470	1,605
Other comprehensive income:					
Items that will not be reclassified to income statement:					
Actuarial gains/(losses) on defined benefit pension plans	0	0	-28	0	0
Items that may be reclassified to income statement:					
Currency adjustment of foreign subsidiaries and value adjustment of hedging instruments, etc.	-46	-4	-18	46	88
Total comprehensive income for the period	**30**	**1,435**	**55**	**1,516**	**1,693**
Statement of changes in equity					
Group equity, 1 January			5,737	4,066	4,066
Total comprehensive income for the period			55	1,516	1,693
Share-based payment			2	2	5
Additions/disposal of minority interests			0	0	-1
Subscribed by exercise of share options			7	22	22
Dividend adopted at annual general meeting			-191	-48	-48
Group equity at the end of the period			**5,610**	**5,558**	**5,737**

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 2012 Annual Report, to which reference should be made. The 2012 Annual Report contains the full text of the accounting policies.

NKT has implemented the standards and interpretations that become effective for 2013. The implementation of IAS 19R 'Employee benefits' has meant that actuarial gains and losses on defined benefit pension plans are recognised in other comprehensive income as they arise. The change has no material effect on NKT's financial reporting and has, with regard to materiality, been recognised in 2013 without restatement of comparative figures for previous financial years. The implementation has reduced NKT's equity and other comprehensive income by 28 mDKK. The implementation of other standards and interpretations has not influenced recognition and measurement in 2013 or is expected to influence future financial years.

Regarding accounting estimates, please refer to Note 1 on page 51 of the 2012 Annual Report. Regarding risks, please refer to Note 2 on page 52 of the 2012 Annual Report and the information contained in the section on risk management on page 10 of the Annual Report.

As reported in Company Announcement No. 10 of 6 July 2011, and in subsequent annual and interim reports, 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 submitted their response by the deadline in early November 2011. Subsequently the European Commission produced additional documents and NKT Cables and NKT Holding launched a review. The findings of this review were submitted on 16 March 2012. NKT Cables and NKT Holding gave an oral presentation of NKT's viewpoints at a hearing held by the European Commission in June 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 30 June 2013. 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 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 the latest 'forecast 2013', 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 2013 are included in the Management's review.

Notes

2 - SEGMENT REPORTING

Amounts in mDKK	Q2 2013	Q2 2012	Q1-Q2 2013	Q1-Q2 2012	Year 2012
Revenue					
NKT Cables, revenue in market prices	2,237	2,159	4,036	3,996	8,526
Nilfisk-Advance	1,741	1,693	3,396	3,329	6,491
Photonics Group	62	52	117	111	237
Parent company etc. 1)	0	-1	-1	-1	0
Elimination of transactions between segments	-2	1	-1	0	-1
NKT Group revenue in market prices	**4,038**	**3,904**	**7,547**	**7,435**	**15,253**
NKT Cables, revenue in std. metal prices	*1,463*	*1,334*	*2,612*	*2,446*	*5,421*
NKT Group, revenue in std. metal prices	***3,264***	***3,079***	***6,123***	***5,885***	***12,148***
Operational EBITDA					
NKT Cables	70	45	113	85	290
Nilfisk-Advance	224	209	412	404	775
Photonics Group	-1	-4	-6	-5	9
Parent company etc. 1)	-14	-11	-23	-17	-35
Group operational EBITDA	**279**	**239**	**496**	**467**	**1,039**
Earnings, EBITDA					
NKT Cables	70	45	113	84	290
Nilfisk-Advance	224	198	412	393	745
Photonics Group	-1	-4	-6	-5	9
Parent company etc. 1)	-14	-10	-23	-15	-35
Group EBITDA	**279**	**229**	**496**	**457**	**1,009**
Segment profit, EBIT					
NKT Cables	-3	-25	-32	-54	-2
Nilfisk-Advance	171	143	307	285	518
Photonics Group	-5	-7	-14	-12	-8
Parent company etc. 1)	-14	-12	-24	-17	-35
Group EBIT	**149**	**99**	**237**	**202**	**473**
Capital Employed					
NKT Cables			4,820	4,685	4,346
Nilfisk-Advance			3,399	3,345	3,073
Photonics Group			224	189	210
Parent company etc. 1)			6	31	17
Group Capital Employed			**8,449**	**8,250**	**7,646**

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

Notes

3 - EVENTS AFTER THE BALANCE SHEET DATE

NKT Cables effected the acquisition of Ericsson's power cable operations on 1 July 2013. NKT Cables has gained approx. 320 employees, a factory in Falun, Sweden, which contains production facilities, a development department as well as sales and administration.

The acquisition is a central element in NKT Cables' growth strategy, which includes focus on strengthening NKT Cables' position in medium and low voltage cables in selected markets.

The purchase sum comprises 250 mSEK in cash, corresponding to approx. 220 mDKK (Enterprise Value).

Allocation of the purchase sum to the acquired assets and liabilities has not been completed. It is expected that Interim Report Q3/2013 will contain a provisional allocation of the purchase sum.

Ericsson's power cable operations in 2012 generated revenue of around 1.3 bnDKK.

The transaction is not expected to materially affect earnings in 2013.

4 - EXPLANATORY COMMENTS TO FINANCIAL HIGHLIGHTS

Items below refer to the Financial Highlights contained on page 3.

1) **Revenue in std. metal prices:** Revenue in std. 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 (Oper. 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 (excl. profit from disposal).
7) **Solvency ratio (equity as a percentage of total assets):** Equity excl. minority interests as a percentage of total assets.
8) **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). EBIT is calculated inclusive of discontinued operation (excl. profit from disposal).
9) **Earnings, DKK per outstanding share (EPS):** Profit attributable to equity holders of NKT Holding A/S relative to average number of outstanding shares (EPS).
10) **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.

Statements made about the future in this report reflect the Group Management's current expectations with regard to future events and financial results. Statements about the future are by their nature subject to uncertainty, and the results achieved may therefore differ from the expectations, among other things due to economic and financial market developments, legislative and regulatory changes in NKT markets, development in product demand, competitive conditions, and energy and raw material prices. See also last annual report for more detailed description of risk factors. NKT Holding A/S disclaims any liability to update or adjust statements about the future or the possible reasons for differences between actual and anticipated results except where required by legislation or other regulations.

NKT's Interim Report Q2 2013 was published on 21 August 2013 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 to NKT's news service.

NKT Holding A/S, Vibeholms Allé 25, DK-2605 Brøndby, Denmark. Company reg. no. 62 72 52 14.
Photos: Bo Tornvig and courtesy of NKT subsidiaries.