Interim Report
Q3 2013

NKT Holding A/S, Interim Report Q3 2013
20 November 2013, Announcement No. 18

CONTENTS

Key messages

Q3 2013

Revenue in std. metal prices: 3,282 mDKK
(Q3 2012: 3,036 mDKK)

Organic growth: 3%
NKT Cables: **-2**%
Electricity Infrastructure: -11%, Railway: 61%
Construction: -2%, Automotive: 12%
Nilfisk-Advance: **7**%
EMEA: 8%, Americas: 7%, APAC: 4%
Photonics Group: **25**%

Revenue in market prices: 4,077 mDKK
(Q3 2012: 3,816 mDKK)

Operational EBITDA: 257 mDKK
(Q3 2012: 251 mDKK)

Operational EBITDA margin: 7.8%
in std. metal prices (Q3 2012: 8.3%)

Profit after tax: 53 mDKK
(Q3 2012: 37 mDKK)

Working capital: 3,272 mDKK
(Q3 2012: 3,186 mDKK)

Working capital as % of revenue: 19.8%
(Q3 2012: 20.4%)

NIBD: 2,753 mDKK
(Q3 2012: 2,751 mDKK)

NIBD/oper. EBITDA (LTM): 2.6x
(Q3 2012: 2.8x)

NKT REALISED ORGANIC GROWTH OF 3% FOR Q3 AND 4% FOR THE FIRST NINE MONTHS

Q3 organic growth was 3%, primarily driven by 7% from Nilfisk-Advance and 25% from Photonics Group, while NKT Cables realised organic growth of -2%.

Revenue for the first nine months was 11,624 mDKK measured in market prices, equal to organic growth of 4% and an increase of 373 mDKK compared to the same period last year.

The anticipated earnings level was reached and operational EBITDA was 257 mDKK, an increase of 6 mDKK. Operational EBITDA calculated on a rolling 12-month basis was 1,073 mDKK, equivalent to an EBITDA margin of 8.5% measured in standard metal prices.

Operational EBITDA for the first nine months was 753 mDKK, up 34 mDKK compared to the same period last year, an increase of 5%.

NKT Cables: Nominal growth of 13% was realised, which was attributable to the Ericsson acquisition. Q3 organic growth was -2%, influenced primarily by developments in Electricity Infrastructure, with a negative growth for medium voltage cables and cable accessories. Construction reported growth of -2%, while Railway continued its 1st half year progress in China, realising positive growth of 61%. A number of initiatives have been set in motion aimed at improving earnings and competitiveness significantly. EBITDA margin measured in standard metal prices (LTM) decreased by 0.2% points compared to last quarter to 5.5%.

Nilfisk-Advance: Q3 organic growth was 7% as Nilfisk-Advance captured market shares. EMEA and the Americas generated growth of 8% and 7% respectively, while positive development was realised in APAC with organic growth of 4%. Gross margin stabilised below last year's level at 40.3% for Q3 and 40.9% for the first nine months. EBITDA margin (LTM) dropped 0.1% point compared to last quarter to 11.8%.

Photonics Group: Q3 provided organic growth of 25% generated primarily by the Imaging and Sensing segments. The Fiber Processing segment has been strengthened with the appointment of a new CEO as per 1 November 2013.

Updated expectations 2013
Consistent with previous forecasts, operational EBITDA is expected to be on par with 2012. Based on revenue for the year's first nine months, organic growth for 2013 is now specified and is expected to be around 2-4%.

Financial **highlights**

Amounts in mDKK	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	Year 2012
Income statement					
Revenue	4,077	3,816	11,624	11,251	15,253
Revenue in std. metal prices [1]	3,282	3,036	9,405	8,921	12,148
Operational earnings before interest, tax, depreciation and amortisation (Oper. EBITDA) [2]	257	251	753	719	1,039
Earnings before interest, tax, depreciation and amortisation (EBITDA)	241	239	737	696	1,009
Depreciation and impairment of property, plant and equipment	-93	-90	-265	-264	-360
Amortisation and impairment of intangible assets	-43	-47	-130	-128	-176
Earnings before interest and tax (EBIT)	105	102	342	304	473
Financial items, net	-36	-44	-124	-155	-196
Earnings before tax (EBT) from continuing operations	69	58	218	149	277
Profit from continuing operations	53	37	154	103	195
Profit from discontinued operations	0	0	0	1,404	1,410
Net profit	53	37	154	1,507	1,605
Profit attributable to equity holders of NKT Holding A/S	53	36	153	1,506	1,604
Cash flow					
Cash flow from operating activities	356	30	-175	123	1,122
Cash flow from investing activities	-326	-117	-551	-370	-532
of which investments in property, plant and equipment	-54	-77	-172	-249	-364
Free cash flow	30	-87	-726	-247	590
Balance sheet					
Share capital	479	478	479	478	478
Equity attributable to equity holders of NKT Holding A/S	5,611	5,650	5,611	5,650	5,730
Minority interests	7	7	7	7	7
Group equity	5,618	5,657	5,618	5,657	5,737
Total assets	13,534	13,208	13,534	13,208	12,936
Net interest bearing debt [3]	2,753	2,751	2,753	2,751	1,909
Capital employed [4]	8,371	8,408	8,371	8,408	7,646
Working capital [5]	3,272	3,186	3,272	3,186	2,409
Financial ratios and employees					
Gearing (net interest bearing debt as % of Group equity)	49%	49%	49%	49%	33%
Net interest bearing debt relative to operational EBITDA [6]	2.6	2.8	2.6	2.8	1.8
Solvency (equity as % of total assets) [7]	41%	43%	41%	43%	44%
Return on Capital Employed (RoCE) [8]	6.5%	4.8%	6.5%	4.8%	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)	2.2	1.5	6.5	4.3	8.2
Earnings, DKK per outstanding share (EPS) [9]	2.2	1.5	6.4	63.4	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	237	235	237	241
Market price, DKK per share	274	202	274	202	204
Average number of employees	8,850	8,947	8,850	8,947	8,867

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

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

The NKT Group

NKT's revenue **increased by 7%** in Q3, of which 3% was organic growth

Fig. 1 Revenue by business unit

Amounts in mDKK	Q3 2012	Currency effect	Acquisi-tions	Growth	Q3 2013	Nominal growth	Org.* growth
NKT Cables	1,467	-11	233	-28	1,661	13%	-2%
Nilfisk-Advance	1,517	-64	0	103	1,556	3%	7%
Photonics Group	51	-2	0	13	62	22%	25%
Other	1	0	0	2	3	-	-
Revenue, std. metal prices	3,036	-77	233	90	3,282	-	3%
Adjustment, metal prices	780	-4	72	-53	795	-	-
Revenue, market prices	3,816	-81	305	37	4,077	7%	-

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

3% organic growth

NKT realised organic growth of 3% while revenue amounted to 4,077 mDKK in market prices and 3,282 mDKK in standard metal prices.

Positively influenced by the Ericsson acquisition, NKT Cables realised nominal growth of 13% calculated in standard metal prices. Q3 organic growth was -2%, which was negatively influenced by developments in Electricity Infrastructure and Construction. In the Electricity Infrastructure segment submarine cables showed flat development, while negative growth was registered for onshore medium voltage cables and cable accessories.

Nilfisk-Advance realised organic growth of 7% in Q3 driven by improvement in all three main markets.

Photonics Group realised organic growth of 25% compared with the same quarter last year. The Imaging and Sensing segments contributed positively to this development, while Fiber Processing realised negative growth.

Fig. 1 shows revenue development by business unit. Changes in metal prices influenced revenue in market prices by -2%.

Revenue for the first nine months was 11,624 mDKK in market prices, an increase of 373 mDKK and organic growth of 4%.

Earnings on par with expectations

Group operational EBITDA for Q3 2013 was 257 mDKK, an increase of 6 mDKK after adjustment for costs of 16 mDKK relating to the change in management structure at NKT Holding. The earnings levels for NKT Cables, Nilfisk-Advance and Photonics Group were similar to the same period last year. Q3 operational EBITDA margin measured in standard metal prices was 7.8% (Q3 2012: 8.3%).

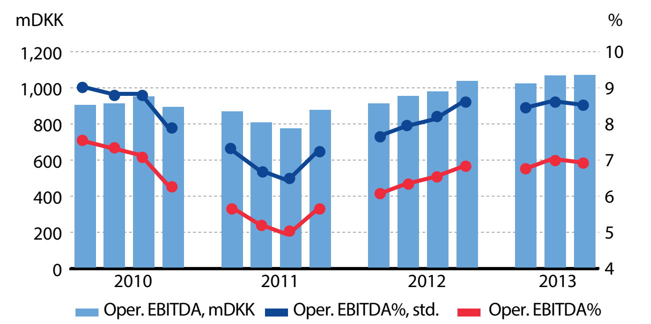
Fig. 2 Operational EBITDA by business unit

Amounts in mDKK	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012
NKT Cables	103	102	216	187
Nilfisk-Advance	156	158	568	562
Photonics Group	2	-1	-4	-6
Other	-4	-8	-27	-24
Operational EBITDA	**257**	**251**	**753**	**719**
Structural initiatives	-16	-12	-16	-23
EBITDA	**241**	**239**	**737**	**696**

Operational EBITDA calculated on a rolling 12-month basis amounted to 1,073 mDKK (30 June 2013: 1,068 mDKK).

Operational EBITDA margin (LTM) in standard metal prices was 8.5% (30 June 2013: 8.6%). The development in NKT's rolling 12-month operational EBITDA is shown in Fig. 3.

Fig. 3 Operational EBITDA (LTM)



At the end of Q3 2013 the NKT Group had around 9,000 employees, approx. 13% in Denmark and 87% abroad, the same distribution as the corresponding period last year. The number of employees has increased compared with last year, partly due to the acquisition of Ericsson's power cable operations.

Accounting recognition of Ericsson's power cable operations

Ericsson's power cable operations were acquired by the NKT Group on 1 July 2013 and included in the consolidated financial statements from that date. The acquired assets and liabilities were valued on a provisional basis and recognised in the balance sheet at their estimated fair value at the closing date. The net asset value was 217 mDKK, corresponding to the net cost price, cf. Note 3.

Financial items, Group earnings and tax

Net financial items amounted to -36 mDKK, an improvement of 8 mDKK compared to the same period last year (Q3 2012: -44 mDKK). The improvement was mainly due to a lower interest rate margin.

Group earnings before tax (EBT) similarly increased to 69 mDKK, an improvement of 11 mDKK compared to the same period last year.

The tax rate was 23% in Q3 and 29% for the first nine months. Expected overall tax rate for the year as a whole is unchanged at around 30%.

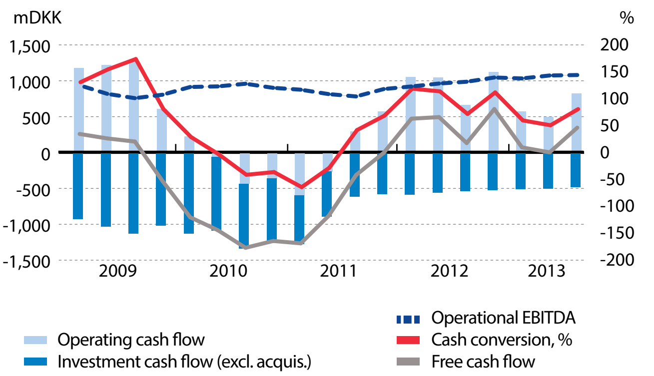
Cash flow

Cash flow from operating activities amounted to 356 mDKK (Q3 2012: 30 mDKK), an increase of 326 mDKK, based on positive EBITDA and reduction in working capital (cf. section on working capital).

Cash flow from investment activities was -326 mDKK (Q3 2012: -117 mDKK). This included 61 mDKK primarily relating to development activities, including software development, at Nilfisk-Advance. A further 257 mDKK was attributable to NKT Cables and primarily related to the Ericsson acquisition.

Fig. 4 shows quarterly cash flow trends for operating and investment activities.

Fig. 4 Cash conversion (LTM)



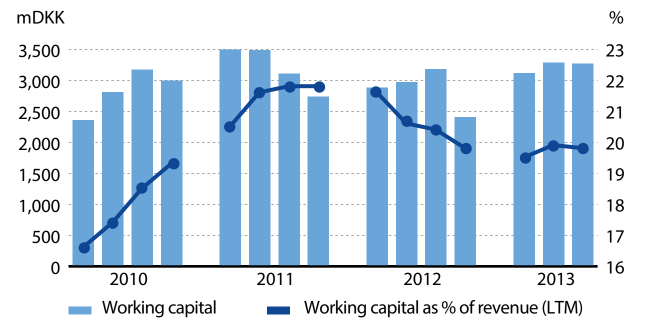
As at 30 September 2013 cash conversion (operating cash flow in relation to EBITDA) was 77% (LTM).

Development in working capital

As at 30 September 2013 working capital amounted to 3,272 mDKK, a decline of 172 mDKK since 30 June 2013 in respect of the existing operations and a rise of 153 mDKK relating to the acquisition of Ericsson's power cable operations.

Working capital as percentage of revenue amounted to 19.8% as at 30 September 2013 (30 June 2013: 19.9%), measured as an average over 12 months, cf. Fig. 5.

Fig. 5 Working capital



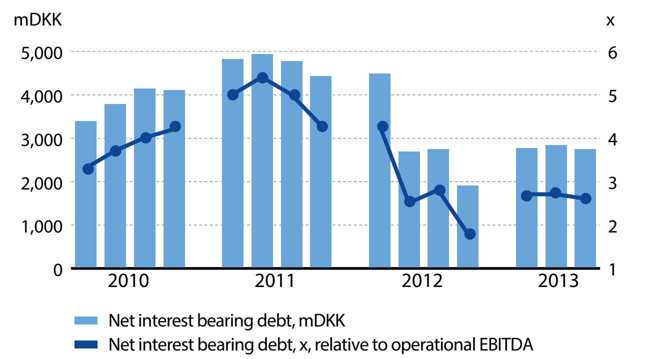
Excluded the acquisition of Ericsson's power cable operations, working capital improved by 85 mDKK for NKT Cables, mainly driven by an increase in trade payables. For Nilfisk-Advance, working capital improved by 145 mDKK, mainly driven by reduced inventories and increase in trade payables.

Working capital as a percentage of revenue (LTM) was 20.0% (30 June 2013: 20.3%) for NKT Cables. For Nilfisk-Advance it was unchanged from Q2 at 19.0%.

Net interest bearing debt

NKT's net interest bearing debt as at 30 September 2013 amounted to 2,753 mDKK (30 June 2013: 2,839 mDKK), which was on par with the previous year. As at 30 September 2013 the debt corresponded to 2.6x operational EBITDA (LTM), against 2.7x at 30 June 2013.

Fig. 6 Net interest bearing debt



The interest bearing debt was positively influenced by the period's free cash flow of 30 mDKK including a negative influence by 210 mDKK relating to the acquisition of Ericsson's power cable operations. As at 30 September 2013 the currency mix for the Group's debt was essentially unchanged from 31 December 2012, cf. the 2012 Annual Report. The debt financing was still predominantly based on floating interest rates.

Continuing strong cash resources

As at 30 September 2013 NKT had total cash resources available of approx. 3.4 bnDKK (30 June 2013: 3.3 bnDKK), which included committed credit facilities of 5.1 bnDKK and uncommitted facilities of 1.2 bnDKK. Committed bank facilities maturing in the period up to January 2015 are expected to be replaced by new committed facilities without financial covenants in Q4 2013. When the refinancing has been completed no significant facilities will become due until January 2016. This strong liquidity position is instrumental in providing financial flexibility for operation and development of the business units.

Equity

Equity amounted to 5,618 mDKK as at 30 September 2013 (30 June 2013: 5,610 mDKK). Currency adjustment of foreign subsidiaries was recognised at -51 mDKK, value adjustment of hedging instruments etc. being recognised at 5 mDKK.

Gearing (the relationship between net interest bearing debt and equity) was 49% (30 June 2013: 51%), which was unchanged from the same period last year.

Solvency was 41% (30 June 2013: 42%), which was above NKT's target of minimum 30%.

Updated expectations for 2013

Operational EBITDA for 2013 is expected to be on par with 2012, which is unchanged from the forecasts in the 2012 Annual Report and most recently in Interim Report Q2. In earlier statements, forecast revenue in standard metal prices has also been on par with 2012. Based on realised revenue as at end September, organic growth for 2013 is now specified and is expected to be around 2-4%. When the value of revenue arising from the Ericsson acquisition is added, the total revenue amount is expected to be around 13 bnDKK in standard prices and 16 bnDKK in market prices.

NKT shares

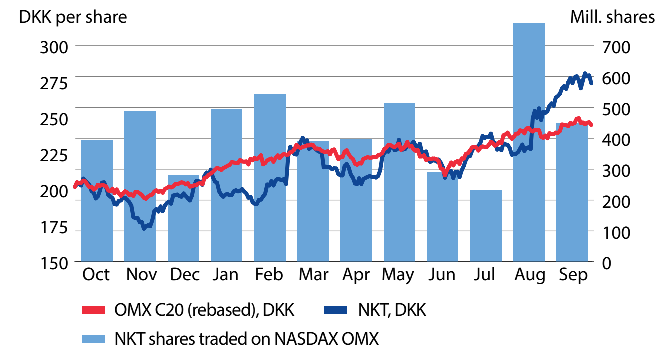
Around 30% of NKT share trading takes place outside NASDAQ OMX Copenhagen where the NKT share is listed under ID code DK0010287663 and is among the 30 most traded shares.

In Q3 2013 the daily turnover in NKT shares on NASDAQ OMX Copenhagen averaged 22 mDKK (Q3 2012: 24 mDKK). The average number of NKT shares traded daily in Q3 was 88,000 (Q3 2012: 122,000). Monthly NKT share trading on NASDAQ OMX is shown in Fig. 7.

As at 30 September 2013 the NKT share price was 273.90 DKK (31 December 2012: 203.50 DKK), an increase of 39% since the turn of the year, including the effect of dividend payment in March 2013.

As at 30 September 2013 NKT had two investors with registered shareholdings of more than 5%: ATP and EdgePoint Investment Group Inc. As stated in company announcement No. 16 issued on 7 October 2013, Nordea Invest Luxembourg has acquired shares in NKT Holding A/S resulting in the 5% threshold being

Fig. 7 Development in NKT share price and turnover



passed. Nordea Invest Luxembourg's portfolio increased to 1,199,772 shares, corresponding to 5.014% of the share capital of NKT Holding A/S.

Social responsibility

On 12 October 2013 NKT published its CSR report for the period 1 July 2012 - 30 June 2013. The report also constituted the Group's progress report to the UN Global Compact and described targets and results both at Group level and at business unit level.

During the reporting period the number of suppliers contractually declaring their acceptance of the 10 principles of the UN Global Compact increased. NKT's aim is to secure declarations of compliance from 80% of all suppliers with annual sales to NKT exceeding 370,000 DKK. In the period NKT Cables achieved compliance of 84% (2011-12: 86%), Nilfisk-Advance 50% (2011-12: 44%) and Photonics Group 63% (2011-12: 43%). The sizeable difference in results is largely attributable to significant differences in the supplier base. The work of incorporating the UN Global Compact in new contracts is continuing.

Since the reporting period 2010-2011, NKT Cables and Nilfisk-Advance have both experienced significant reductions in work-related accidents, 66% and 45%, respectively. Photonics Group has not registered one single accident in the last three years. The reductions are due to strong focus on near-misses, information campaigns and employee involvement.

More goals and targets can be found in NKT's CSR report at www.nkt.dk under 'CSR'.

FINANCIAL CALENDAR

2014

25 February	Deadline for receipt of AGM agenda proposals
28 February	Annual Report 2013
25 March	Annual General Meeting
14 May	Interim Report Q1
20 August	Interim Report Q2
13 November	Interim Report Q3

2015

27 February	Annual Report 2014

INVESTOR CONTACT

Michael Hedegaard Lyng
Group Executive Director & CFO
Tel.: +45 4348 2000
email: michael.lyng@nkt.dk

NKT Cables

Fig. 8 Highlights

Amounts in mDKK	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012
Revenue	**2,456**	**2,247**	**6,492**	**6,243**
*Revenue**	*1,661*	*1,467*	*4,273*	*3,913*
- Organic growth	-2%	0%	4%	-6%
EBITDA	**103**	**102**	**216**	**187**
EBITDA margin*	6.2%	7.0%	5.1%	4.8%
EBIT	25	29	-7	-25
Capital employed	4,901	4,931	4,901	4,931
Working capital	1,918	1,885	1,918	1,885
Employees, period end	3,569	3,400	3,569	3,400

** 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, railway catenary wires and cable accessories. 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

	Q3 2013	Q1-Q3 2013
Electricity Infrastructure	-11%	5%
Railway	61%	44%
Construction	-2%	-12%
Automotive	12%	1%
NKT Cables	**-2%**	**4%**

The positive development in high voltage projects and the Railway segment could not outweigh **the continued challenges** in the medium voltage and Construction markets

Following the positive start to the year and disregarding the Ericsson acquisition, Q3 2013 yielded slightly lower revenue than the same period last year. Railway showed continued good growth and Electrical Infrastructure projects (on- and offshore high voltage projects) were on par with last year. However, this could not compensate for the negative development in the medium voltage and Construction markets.

Q3 revenue measured in standard metal prices was 1,661 mDKK. Organic growth for the period was -2%. The first nine months revenue in standard metal prices amounted to 4,273 mDKK which was an increase of 360 mDKK compared with last year. The increase was due to the acquisition of power cable operations from Ericsson which was completed at the beginning of the quarter.

Electricity Infrastructure realised organic growth of -11% in Q3 compared with the same period last year. The negative trend was mainly due to decreased sales of medium voltage cables and accessories, while the high voltage segment showed flat growth. Capacity utilisation at the Cologne factory was at a high level in the quarter and offshore installation works were ongoing on a number of projects, some of which are expected to be finalised within the current year.

Organic growth for the first three quarters of 2013 amounted to 5% compared with the same period of 2012.

The level of tender activity within submarine cables continued to be satisfactory, although there is a trend towards prolonged negotiations due to the complexity, funding structure, and size of many projects.

The type of projects NKT Cables is involved in has changed in recent years. Previously, projects were negotiated directly with the customer and a prepayment was received at the time of contract signature. Several of the major projects which NKT Cables is currently involved in are run as development consortiums where the funding is not in place until the final stage of the process. In these situations, provisional contracts are signed which, among other things, are conditional upon subsequent availability of project funding.

As a result of these changes, NKT's disclosure policy regarding the announcement of orders has been updated such that the market will only be informed of significant orders when a final and unconditional contract exists.

In the event of a market leak relating for example to the funding process, NKT will issue a brief comment as required by current legislation. For example, NKT published company announcement No. 17 on 5 November 2013 confirming NKT Cables' involvement in Project Gemini, and stating that NKT will immediately notify the market by publishing a company announcement if this involvement results in a final and unconditional order.

The activity level in Europe for onshore high voltage systems was satisfying, and a number of smaller contracts were awarded during the quarter. The current order book for submarine cables and onshore high voltage cable systems will ensure high capacity utilisation at 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. Among other things there was a slowdown in infrastructure-related investments. During Q3, NKT Cables won a substantial order for supply of 220 kV high voltage cables and cable accessories to a major city in China. Deliveries will mainly take place in 2014.

In 2013, NKT Cables has strengthened its management in China with the appointment of Geoffrey Cao as President of the APAC region. Geoffrey Cao previously worked for a competing company manufacturing high voltage accessories.

In **Railway**, the Chinese market continued the positive trend from the first six months, and revenue improved further during the quarter. The growth rate for Q3 was 61% and growth for the first nine months amounted to 44%.

The revenue growth must be seen against the background of last year's negative growth, which resulted from a temporary suspension on the construction of high-speed railways in China and a subsequent period when existing orders were frozen and postponed. The current level of activity is considered a sign of a return to more normal market conditions and includes an element of catch-up after the exceptionally low activity level in 2011 and 2012.

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

Organic growth in **Construction** was -2% for the quarter. The downward trend slowed considerably during the quarter compared with the first six months of the year, but for the first nine months the negative growth rate remained significant at -12%. The continued slowdown reflects the general economic climate in Europe and the market conditions remain challenging.

Automotive showed positive organic growth of 12% during the quarter. Due to the strong Q3 the volume for the first nine months was almost back to last year's level, and organic growth after nine months totalled 1%. The segment products are manufactured in Vrchlabi in the Czech Republic and supplied under frame agreements with automotive industry subcontractors.

Q3 EBITDA for **NKT Cables** was 103 mDKK, corresponding to an EBITDA margin in standard metal prices of 6.2% (Q3 2012: 102 mDKK and 7.0%).

The decline in margin was, among other things, due to decreased sales in low and medium voltage. The cost reductions referred to in the Q2 Interim Report were initiated and began to take effect, but could not wholly compensate for the fall in gross margin.

As current earnings development is not satisfactory, a number of initiatives have been introduced to identify opportunities for long-term earnings improvement and ensure NKT Cables' competitiveness significantly.

EBITDA for the first nine months was 216 mDKK, an increase of 29 mDKK against the same period in 2012.

As at 30 September 2013, working capital amounted to 1,918 mDKK, an increase of 33 mDKK compared with 30 September 2012. Adjusted for the impact of the Ericsson acquisition, working capital decreased by 120 mDKK compared with the same period last year.

Since the end of 2011 NKT Cables has a health and safety policy primarily focusing on reducing work-related accidents. The target is an accident rate of 5 or less per million working hours by end-2016 (2011: 22). The rate for the period H2 2012 - H1 2013 was 8, the fall being due to targeted focus on recording and eliminating potential accident hazards and behaviour, along with root cause analysis of actual accidents occurring. In autumn 2013, with a view to ensuring continued focus and involvement, NKT Cables introduced a Safety Buddy Award for employees making the greatest contribution to a safer workplace. The first award will be presented in February 2014.

As previously reported, cf. also Note 1 on page 18, NKT Cables and NKT Holding received a Statement of Objections from the European Commission in July 2011. A decision on this matter is now expected within the next six months and not within the next few years as previously anticipated. As stated in Note 1, no liability is recognised in the financial statements as at 30 September 2013.

The VL500 wet and dry vacuum cleaner has received several innovation awards

Fig. 10 Highlights

Amounts in mDKK	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012
Revenue	**1,556**	**1,517**	**4,952**	**4,846**
- Organic growth	7%	-4%	4%	-1%
Oper. EBITDA*	**156**	**158**	**568**	**562**
Oper. EBITDA margin	10.0%	10.4%	11.5%	11.6%
Oper. EBIT*	103	102	410	397
Capital employed	3,222	3,264	3,222	3,264
Working capital	1,208	1,237	1,208	1,237
Employees, period end	5,161	5,139	5,161	5,139

** 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

	Q3 2013	Q1-Q3 2013
EMEA	8%	5%
Americas	7%	6%
APAC	4%	-3%
Nilfisk-Advance	**7%**	**4%**

Nilfisk-Advance **captured market shares in Q3** and realised 7% organic growth

Q3 continued the trend from the two preceding periods, delivering the year's highest organic growth to date. The positive development was again most apparent in the mature markets in EMEA and the Americas where the growth was supported by an efficient distribution and service organisation. In APAC, the improvement from Q2 continued.

Being summer months in EMEA, July and August are traditionally a low season for Nilfisk-Advance. However, total revenue for Q3 2013 was 1,556 DKK, an increase in organic growth of 7% compared with Q3 2012. Organic growth for the first nine months of 2013 was 4%.

EMEA (Europe, Middle East and Africa) generated strong organic growth which was 8% up on Q3 2012, while growth for the first nine months of 2013 was 5%. Benefiting from its distribution and service organisation and strong customer partnerships, Nilfisk-Advance captured market shares in, for example, France. However, the growth was underpinned by a strong service organisation and presence also in a number of other markets.

At the end of Q3 Nilfisk-Advance established a sales subsidiary in Romania, where sales previously solely had been effected through a network of distributors and dealers. However, based on the positive development in sales in recent years the next step was taken to exploit the potential further by setting up a sales subsidiary. Nilfisk-Advance now has sales subsidiaries in 45 countries worldwide.

In the **Americas** (North, South and Central America), Q3 organic growth was 7% up on Q3 2012 and comprised 6% for the first nine months. The growth was primarily driven by the industrial customer segment and the DIY market, Latin America also showing positive growth mainly based on sales in Mexico.

In **APAC** (Asia/Pacific region), organic growth increased by 4% on Q3 2012, reducing the total fall in revenue for the first nine months to -3%. Just as in Q2, Japan and Korea were the growth drivers, but improvement was also evident in Q3 in the Australian and Chinese markets.

Nilfisk-Advance's gross margin fell to 40.3% in Q3 against 42.0% for the same period last year. The margin for the first nine months was 40.9% (first nine months 2012: 42.2%) and fell due to a changed sales mix because of greater demand for products with a lower contribution ratio. The margin has stabilised below the level of last year. As well as a continued strong focus on cost management, Nilfisk-Advance wishes to optimise the sales mix relative to costs and is continuously looking at product pricing. The competition has intensified in a number of markets and customers' focus on price has increased. There is greater focus on prices generally, and the unstable economic situation in a number of countries is helping to amplify this focus.

Fixed costs continued to fall, decreasing as a percentage of revenue by approx. 1.5% points compared with Q3 2012.

The modified sales mix has on one hand reduced the gross margin, but on the other hand also led to fewer fixed costs. For example, private label products make fewer demands on the sales organisation and distribution network. The pressure on the gross margin is therefore partly offset by reduced fixed costs, enabling the EBITDA margin to be kept stable.

Q3 operational EBITDA and corresponding EBITDA margin were 156 mDKK and 10.0%, respectively (Q3 2012: 158 mDKK and 10.4%). Operational EBITDA for the first nine months of 2013 was 568 mDKK, corresponding to an EBITDA margin of 11.5% (first nine months 2012: 562 mDKK and 11.6%).

Working capital as a percentage of revenue (LTM) was approx. 1% point lower than at the end of Q3 2012. This was due to a continued reduction in inventories, focus on debtor management, and the ability to maintain attractive payment terms.

For two years Nilfisk-Advance has been measuring global customer satisfaction with the Net Promoter Score survey tool. The survey reveals that customer satisfaction has improved in the past year due to closer customer contact, further improvement in product quality and increased security of supply.

In Q3, as part of the strengthened customer focus in recent years, Nilfisk-Advance launched its new Total Care concept, which is aimed at contract cleaners and helps customers optimise their cleaning tasks, equipment fleet, and service contracts. The concept has provisionally been introduced in Germany, the Netherlands, UK, and Denmark and will later be launched in other markets.

At end-September the new and innovative high-quality VL500 wet and dry vacuum cleaner launched in Q2 received the Purus Award for exceptional design at the CMS cleaning exhibition fair in Berlin. The VL500 which in May 2013 also had received the innovation award at the Pulire 2.0 cleaning fair in Italy will be launched in the US and Canada in Q4.

A total of 10 new products and product versions were launched in Q3, consisting of four floorcare models, four vacuum cleaners, one high pressure washer and one outdoor unit. Nilfisk-Advance expects to introduce a total of more than 30 new products and product versions in 2013. Around 3% of revenue continues to be invested in product development.

Jonas Persson, the new CEO of Nilfisk-Advance, will take up his post on 20 January 2014. Jørgen Jensen will continue as company CEO until end-2013 and will be available to assist Jonas Persson for a transitional period.

Photonics **Group**

Fig. 12 Highlights

	Q3		Q1-Q3	
Amounts in mDKK	**2013**	**2012**	**2013**	**2012**
Revenue	**62**	**51**	**179**	**162**
- Organic growth	25%	-11%	11%	6%
EBITDA	**2**	**-1**	**-4**	**-6**
EBIT	2	-6	-17	-18
Capital employed	211	192	211	192
Working capital	83	68	83	68
Employees, period end	212	184	212	184

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 medical and semiconductor industry (microchips) as well as the life science 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

25% organic growth in Photonics Group

Both the Sensing and Imaging segments contributed to the growth in Photonics Group, while the Fiber Processing segment was still characterised by low activity.

Organic growth for Photonics Group was 25% for Q3 2013 and 11% for the first nine months.

In the **Imaging** segment, revenue and order intake increased from both industrial and R&D customers. The company received its largest 12-month frame agreement to date, which i.a. has resulted in production capacity being raised to a higher level than before. The increased activity is attributed to the impact of focused sales initiatives, such as campaigns targeted on particularly promising fields of analysis in the life science sector. An important new development agreement was signed with an industrial medtech customer and this is expected to have a positive impact on growth in 2016 following dedicated development work in the intervening years.

Growth in the **Sensing** segment was significant compared with last year, and mainly derived from distributed temperature sensing systems for power cables and fire detection. Order intake was in both cases also strong and included a substantial contract to supply a fire detection system for an important metro project in Asia. Development in oil and gas sector activity was not quite as positive as expected, which is attributed to the low US gas and energy prices that have led to a reluctance to develop new wells.

Activity in the **Fiber Processing** markets remained low, in particular in the defense and research segments. However, activity has stabilised and an upward trend is indicated for the rest of the year. The focus remains on keeping costs low while continuing efforts on new product development and customer support. In order to strengthen management in the Fiber Processing segment, which has not shown satisfactory development for some time, a part of the management was replaced, and Ed Connor has been appointed new CEO of this segment as per 1 November 2013.

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 September 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 September 2013 and the results of the Group's activities and cash flows for the period 1 January - 30 September 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, 20 November 2013

Executive Management Board
Michael Hedegaard Lyng, *Group Executive Director & CFO*

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	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	Year 2012
Revenue	4,077	3,816	11,624	11,251	15,253
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**241**	**239**	**737**	**696**	**1,009**
Depreciation and impairment of property, plant and equipment	-93	-90	-265	-264	-360
Amortisation and impairment of intangible assets	-43	-47	-130	-128	-176
Earnings before interest and tax (EBIT)	**105**	**102**	**342**	**304**	**473**
Financial items, net	-36	-44	-124	-155	-196
Earnings before tax (EBT) from continuing operations	**69**	**58**	**218**	**149**	**277**
Tax on continuing operations	-16	-21	-64	-46	-82
Profit from continuing operations	**53**	**37**	**154**	**103**	**195**
Profit from discontinued operation	0	0	0	1,404	1,410
Net Profit	**53**	**37**	**154**	**1,507**	**1,605**
To be distributed thus:					
Profit attributable to equity holders of NKT Holding A/S	53	36	153	1,506	1,604
Profit attributable to minority interests	0	1	1	1	1
	53	**37**	**154**	**1,507**	**1,605**
Basic earnings, DKK per outstanding share (EPS)	2.2	1.5	6.4	63.4	67.5
Diluted earnings, DKK per share (EPS-D)	2.2	1.4	6.4	63.3	67.4
Earnings from continuing operations per share	2.2	1.5	6.5	4.3	8.2
Diluted earnings from continuing operations per share	2.2	1.4	6.4	4.3	8.2

Cash flow

Amounts in mDKK	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	Year 2012
Earnings before interest, tax, depreciation and amortisation (EBITDA)	241	239	737	696	1,009
Financial items, net	-36	-44	-124	-155	-196
Changes in provisions, tax and non-cash operating items, etc.	-42	-29	-98	-82	-77
Changes in working capital	193	-136	-690	-336	386
Cash flow from operating activities	**356**	**30**	**-175**	**123**	**1,122**
Acquisition of business activities	-230	-3	-235	-10	-8
Investments in property, plant and equipment	-54	-77	-172	-249	-364
Disposal of property, plant and equipment	2	24	7	41	46
Other investments, net	-44	-61	-151	-152	-206
Cash flow from investing activities	**-326**	**-117**	**-551**	**-370**	**-532**
Free cash flow	**30**	**-87**	**-726**	**-247**	**590**
Changes in non-current loans from credit institutions	-3	106	1,189	-1,568	-3,037
Changes in current loans from credit institutions	-49	21	-274	-112	602
Minority interests, dividend, etc.	0	0	0	-2	-1
Dividends paid	0	0	-191	-48	-48
Cash from exercise of share options	0	0	7	22	22
Cash flow from financing activities	**-52**	**127**	**731**	**-1,708**	**-2,462**
Cash flow from discontinued operation	**0**	**0**	**0**	**1,961**	**1,967**
Net cash flow	**-22**	**40**	**5**	**6**	**95**
Cash at bank and in hand at the beginning of the period	391	243	363	271	271
Currency adjustments	-11	-3	-10	3	-3
Net cash flow	-22	40	5	6	95
Cash at bank and in hand at the end of the period	**358**	**280**	**358**	**280**	**363**

Balance sheet

Amounts in mDKK	30 September 2013	30 September 2012	31 December 2012
Assets			
Intangible assets	2,014	2,020	2,008
Property, plant and equipment	3,174	3,243	3,252
Other non-current assets	716	654	779
Total non-current assets	**5,904**	**5,917**	**6,039**
Inventories	2,973	3,273	2,744
Receivables and income tax	4,299	3,738	3,790
Cash at bank and in hand	358	280	363
Total current assets	**7,630**	**7,291**	**6,897**
Total assets	**13,534**	**13,208**	**12,936**
Equity and liabilities			
Equity attributable to equity holders of NKT Holding A/S	5,611	5,650	5,730
Minority interests	7	7	7
Total equity	**5,618**	**5,657**	**5,737**
Deferred tax	251	160	274
Employee benefits	343	299	300
Provisions	71	92	87
Interest bearing loans and borrowings	1,717	2,012	544
Total non-current liabilities	**2,382**	**2,563**	**1,205**
Interest bearing loans and borrowings	1,523	1,081	1,823
Trade and other payables	4,011	3,907	4,171
Total current liabilities	**5,534**	**4,988**	**5,994**
Total liabilities	**7,916**	**7,551**	**7,199**
Total equity and liabilities	**13,534**	**13,208**	**12,936**

Comprehensive income and Equity

Amounts in mDKK	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	Year 2012
Comprehensive income					
Net profit	53	37	154	1,507	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	60	-64	106	88
Total comprehensive income for the period	**7**	**97**	**62**	**1,613**	**1,693**
Statement of changes in equity					
Group equity, 1 January			5,737	4,066	4,066
Total comprehensive income for the period			62	1,613	1,693
Share-based payment			3	4	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			**5,618**	**5,657**	**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 September 2013. The European Commission is expected to reach a decision on this issue within the next six months.

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.

2 - SEGMENT REPORTING

Amounts in mDKK	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	Year 2012
Revenue					
NKT Cables, revenue in market prices	2,456	2,247	6,492	6,243	8,526
Nilfisk-Advance	1,556	1,517	4,952	4,846	6,491
Photonics Group	62	51	179	162	237
Parent company, etc. [1)]	2	1	1	0	0
Elimination of transactions between segments	1	0	0	0	-1
NKT Group revenue in market prices	**4,077**	**3,816**	**11,624**	**11,251**	**15,253**
NKT Cables, revenue in std. metal prices	*1,661*	*1,467*	*4,273*	*3,913*	*5,421*
NKT Group, revenue in std. metal prices	***3,282***	***3,036***	***9,405***	***8,921***	***12,148***
Operational EBITDA					
NKT Cables	103	102	216	187	290
Nilfisk-Advance	156	158	568	562	775
Photonics Group	2	-1	-4	-6	9
Parent company, etc. [1)]	-4	-8	-27	-24	-35
Group operational EBITDA	**257**	**251**	**753**	**719**	**1,039**
Earnings, EBITDA					
NKT Cables	103	102	216	187	290
Nilfisk-Advance	156	146	568	539	745
Photonics Group	2	-1	-4	-6	9
Parent company, etc. [1)]	-20	-8	-43	-24	-35
Group EBITDA	**241**	**239**	**737**	**696**	**1,009**
Segment profit, EBIT					
NKT Cables	25	29	-7	-25	-2
Nilfisk-Advance	103	87	410	372	518
Photonics Group	-3	-6	-17	-18	-8
Parent company, etc. [1)]	-20	-8	-44	-25	-35
Group EBIT	**105**	**102**	**342**	**304**	**473**
Capital Employed					
NKT Cables			4,901	4,931	4,346
Nilfisk-Advance			3,222	3,264	3,073
Photonics Group			211	192	210
Parent company, etc. [1)]			37	21	17
Group Capital Employed			**8,371**	**8,408**	**7,646**

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

Notes

3 - ACQUISITIONS

NKT Cables effected the acquisition of Ericsson's power cable operations on 1 July 2013. NKT Cables has gained approx. 240 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 provisional balance sheet relating to the acquisition of Ericsson's power cable operations is as follows:

Amounts in mDKK	Fair value at acquisition
Property, plant and equipment	38
Inventories	187
Receivables	241
Provisions	-4
Trade and other payables	-245
Net assets acquired	217
Negative goodwill	-7
Cash purchase consideration	**210**

Revenue and earnings for Q3 have been recognised at 305 mDKK (233 mDKK calculated at standard prices) and 11 mDKK, respectively. The acquired operation constituted an integral part of Ericsson AB until the acquisition. Due to absence of information concerning the operation as an independent entity is is not possible to disclose the NKT Group's revenue and earnings as if the acquisition date had been 1 January 2013.

Negative goodwill (income) of 7 mDKK and direct purchase costs of 7 mDKK have been recognised in the income statement at a total of 0 mDKK in accordance with IFRS 3.

Cash purchase consideration for other minor acquisitions in Nilfisk-Advance comprised 25 mDKK.

Notes

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.

NKT's Interim Report Q3 2013 was published on 20 November 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: Courtesy of NKT subsidiaries.