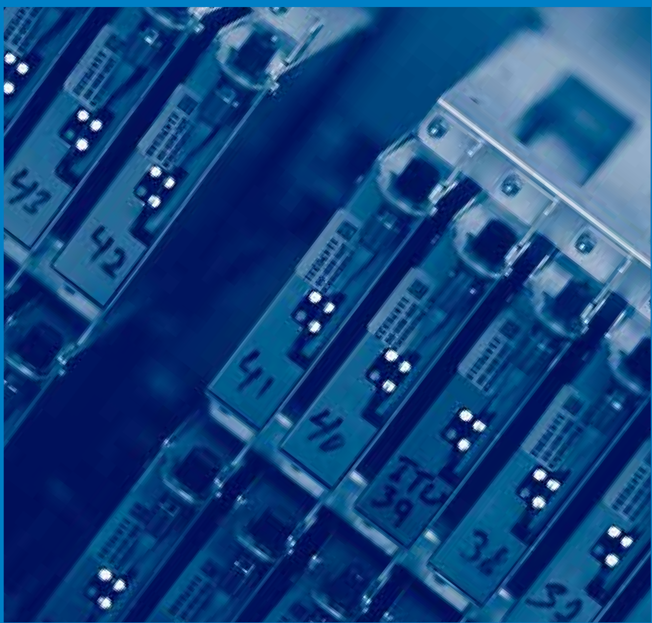
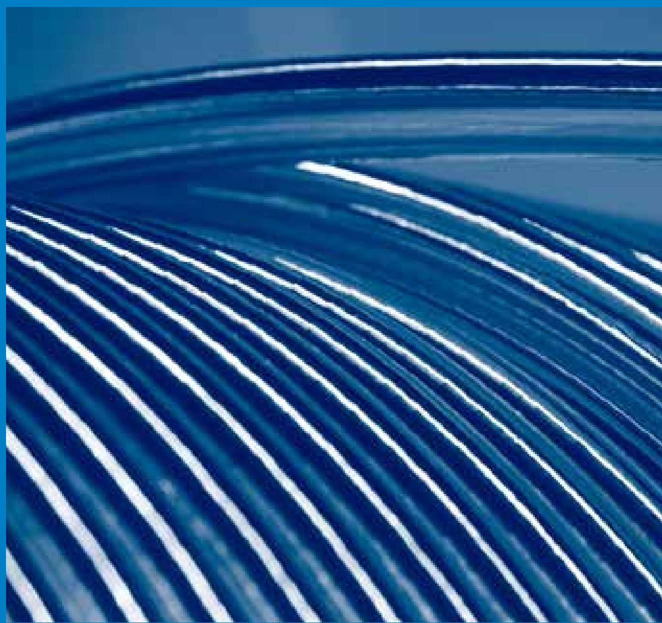


Interim Report
Q3 2014

CONTENTS

Management's review
- Key messages 2
- Financial highlights 3
- Group financials 4
- Nilfisk-Advance 8
- NKT Cables 11
- Photonics Group 15

Group Management's statement 17
Income statement 18
Cash flow 19
Balance sheet 20
Comprehensive income and Equity 21
Notes 22

13 November 2014, Announcement No. 15
NKT Holding A/S, CVR No. 62 72 52 14

Key messages

For the year to date, NKT has reported **an organic growth of 2%** and **improvement of DKK 95m in operational EBITDA**. Cash flow from opeating activities for the first nine months is up by DKK 612m. The expected **2014 effect of DRIVE was raised by DKK 40m to DKK 170m**. 2014 full-year expectations are unchanged

For **Nilfisk-Advance,** overall organic growth for Q3 and year to date is considered satisfactory when compared with the very strong Q3 2013 and a challenging world economy. In EMEA growth rates were higher than the general economic growth. In order to drive long-term growth and earnings, investments were made in the sales and service set-up. In the short term these costs will impact operational EBITDA negatively.

For **NKT Cables**, overall organic growth for Q3 and year to date was as expected. Compared with previous years, the current order portfolio results in slightly lower revenues but increased profitability. The DRIVE efficiency improvement programme was a significant contributor to the 30% increase in operational EBITDA. The expected 2014 full-year impact of DRIVE was increased by DKK 40m to total savings of DKK 170m.

Q3 organic growth for **Photonics Group** was satisfactory viewed against a strong Q3 2013. Year to date organic growth is in the lower end of the 10-20% range expected for 2014.

NKT's expectations for 2014 are unchanged with consolidated organic growth of 0-3% and an operational EBITDA margin of 9-9.5% (std. metal prices). The expectations are further described on page 6 of this report.

NKT

	Q3		Q1-Q3	
Amounts in DKKm	**2014**	**2013**	**2014**	**2013**
Revenue*	3,281	3,282	9,797	9,405
Organic growth	1%	3%	2%	4%
Oper. EBITDA	270	257	848	753
Oper. EBITDA margin*	8.2%	7.8%	8.7%	8.0%

	Q3	
	2014	**2013**
NIBD	2,119	2,753
NIBD/oper. EBITDA, LTM	1.8x	2.6x
Working capital	3,049	3,272
% of revenue, LTM	18.7%	19.8%

	Nilfisk Advance				nkt cables				NKT Photonics Group			
	Q3		Q1-Q3		Q3		Q1-Q3		Q3		Q1-Q3	
Amounts in DKKm	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Revenue	1,559	1,556	5,059	4,952	1,657*	1,661*	4,541*	4,273*	65	62	197	179
Organic growth	0%	7%	5%	4%	1%	-2%	-2%	4%	4%	25%	11%	11%
Oper. EBITDA	141	156	572	568	134	103	299	216	1	2	-1	-4
Oper. EBITDA margin	9.0%	10.0%	11.3%	11.5%	8.2%*	6.2%*	6.6%*	5.1%*	1.7%	3.1%	neg.	neg.

**Standard metal prices*

Financial **highlights**

Amounts in DKKm	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	Year 2013
Income statement					
Revenue	3,946	4,077	11,839	11,624	15,809
Revenue in std. metal prices [1)]	3,281	3,282	9,797	9,405	12,843
Operational earnings before interest, tax, depreciation and amortisation (Oper. EBITDA) [2)]	270	257	848	753	1,085
Earnings before interest, tax, depreciation and amortisation (EBITDA)	226	241	744	737	1,103
Depreciation and impairment of property, plant and equipment	-86	-93	-264	-265	-405
Amortisation and impairment of intangible assets	-43	-43	-136	-130	-190
Earnings before interest and tax (EBIT)	97	105	344	342	508
Financial items, net	-21	-36	-73	-124	-160
Earnings before tax (EBT)	76	69	271	218	348
Net profit	60	53	194	154	253
Profit attributable to equity holders of NKT Holding A/S	60	53	193	153	252
Cash flow					
Cash flow from operating activities	129	356	437	-175	545
Cash flow from investing activities	-124	-326	-242	-551	-694
hereof investments in property, plant and equipment	-73	-54	-175	-172	-257
Free cash flow	5	30	195	-726	-149
Balance sheet					
Share capital	479	479	479	479	479
Equity attributable to equity holders of NKT Holding A/S	5,913	5,611	5,913	5,611	5,667
Minority interests	6	7	6	7	7
Group equity	5,919	5,618	5,919	5,618	5,674
Total assets	13,432	13,534	13,432	13,534	12,995
Net interest-bearing debt [3)]	2,119	2,753	2,119	2,753	2,111
Capital employed [4)]	8,038	8,371	8,038	8,371	7,785
Working capital [5)]	3,049	3,272	3,049	3,272	2,812
Financial ratios and employees					
Operational EBITDA margin (std. metal prices)	8.2%	7.8%	8.7%	8.0%	8.4%
Gearing (net interest-bearing debt as % of Group equity)	36%	49%	36%	49%	37%
Net interest bearing debt relative to operational EBITDA [6)]	1.8	2.6	1.8	2.6	1.9
Solvency ratio (equity as % of total assets) [7)]	44%	41%	44%	41%	44%
Return on Capital Employed (RoCE) [8)]	8.1%	6.5%	8.1%	6.5%	6.7%
Number of 20 DKK shares ('000)	23,934	23,930	23,934	23,930	23,930
Number of treasury shares ('000)	77	77	77	77	77
Earnings, DKK per outstanding share (EPS) [9)]	2.5	2.2	8.1	6.4	10.6
Dividend paid, DKK per share	0.0	0.0	3.5	8.0	8.0
Equity value, DKK per outstanding share [10)]	248	235	248	235	238
Market price, DKK per share	325	274	325	274	268
Average number of employees	9,132	8,850	9,132	8,850	8,899

[1) - 10)] Explanatory comments appear in Note 5.

Financial highlights and ratios are calculated as defined in the 2013 Annual Report.

Group financials

The **upward earnings trend continued** in Q3 which was **in line with expectations.** Organic growth was 1%. The **expectations for the full-year 2014** are **unchanged**

Flat organic growth
NKT achieved an organic growth of 1% in Q3 2014 and 2% for the first nine months of 2014, which was within the 0-3% range initially expected for the full-year 2014.

Nilfisk-Advance achieved an organic growth of 3% for EMEA despite difficult market conditions. The overall revenue development was, however, flat as the organic growth in the Americas and APAC declined by 1% and 8%, respectively.

Overall organic growth for NKT Cables was 1%, which was solely attributable to organic growth of 13% by Projects. However, this growth was due to the finalisation of the loss-making Baltic 1 project and therefore had no nominal effect on earnings. Excluding this contribution, organic growth was -6% for NKT Cables and -6% for Projects, which was in line with expectations. Also as expected, Products achieved a negative organic growth of 5% due to the expiry of certain medium-voltage framework contracts. A negative organic growth of 10% was achieved for APAC.

Photonics Group delivered an organic growth of 4% based on a 9% increase in Imaging. Sensing and Fiber Processing realised negative organic growth of 4% and 1%, respectively.

Continued improvement in operational EBITDA
Operational EBITDA amounted to DKK 270m compared with DKK 257m in the same period last year. The operational EBITDA margin (std. metal prices) increased to 8.2% from 7.8% in Q3 2013.

Revenue by business area

Amounts in DKKm	Q3 2013	Currency effect	Growth	Q3 2014	Organic growth
Nilfisk-Advance	1,556	-2	5	1,559	0%
NKT Cables	1,661	-13	9	1,657	1%
Photonics Group	62	0	3	65	4%
Other	3	-3	0	0	-
Revenue, std. metal prices	3,282	-18	17	3,281	1%
Adjustment, metal prices	795	-20	-110	665	-
Revenue, market prices	4,077	-38	-93	3,946	-

For the first nine months of 2014, operational EBITDA was DKK 848m compared with DKK 753m in the same period last year. The operational EBITDA margin (std. metal prices) increased to 8.7% compared with 8.0% in the same period last year, the development was mainly driven by an improvement in earnings in NKT Cables.

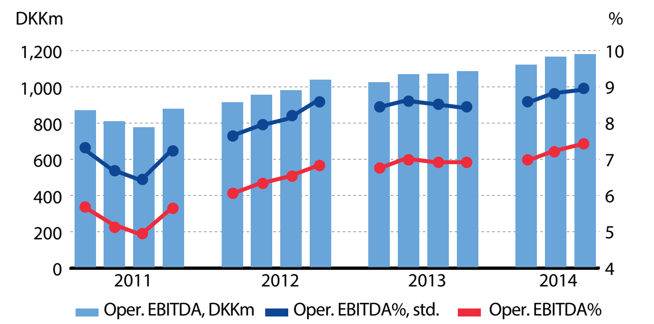
The operational EBITDA has been adjusted for one-off items to reflect the underlying earnings from ordinary operations. In Q3 2014, NKT Cables incurred one-off costs amounting to DKK 44m, solely relating to DRIVE. No other adjustments were made in the period.

One-off costs for the first nine months of 2014 amounted to DKK 104m, comprising a gain of DKK 97m from the Nilfisk-Advance divestment of floor sanding activities, DKK 97m relating to DRIVE, a provision of DKK 75m relating to the Baltic 1 settlement, and DKK 29m relating to the fine received from the European Commission.

NKT Cables increased operational EBITDA to DKK 134m, up from DKK 103m in Q3 2013, thereby continuing the positive trend from 1st half 2014. Nilfisk-Advance generated an operational EBITDA of DKK 141m, down from DKK 156m for the same period last year. This was primarily a consequence of the continuing front-end investments intended to fuel future growth. Photonics Group was largely on par with last year.

Rolling 12-month operational EBITDA was DKK 1,180m, continuing the positive development. The operational EBITDA margin (LTM) in std. metal prices increased to 8.9% from 8.8% at end-June 2014 and from 8.4% in 2013.

Operational EBITDA (LTM)



At end-September 2014, NKT had just under 9,000 employees, which is approx. 100 people less than at the end of the previous quarter. This was mainly due to seasonal fluctuations in Nilfisk-Advance, but also due to efficiency improvements from the DRIVE initiatives in NKT Cables.

Financial items, Group earnings and tax

Net financial items amounted to DKK -21m compared with DKK -36m in Q3 2013. This improvement was mainly due to lower net interest-bearing debt over the period, while lower interest rates due to an optimised loan structure also positively impacted net financial items. Financial items for the first nine months of 2014 were DKK -73m, well below the DKK -124m recorded in the same period last year.

Earnings before tax increased to DKK 76m from DKK 69m in Q3 2013, but remained impacted by extraordinary costs relating to DRIVE. These costs were, however, more than counterbalanced by higher ordinary operating results and significantly lower net financial items.

The tax rate in Q3 2014 was 21%, the level being lower than normal due to loss-making entities in countries with a relatively high tax percentage. The tax rate for the first nine months of 2014 was 28%, 1% point below last year. A tax rate of around 30% is still expected for the full-year.

Continuing improvement in operating cash flow

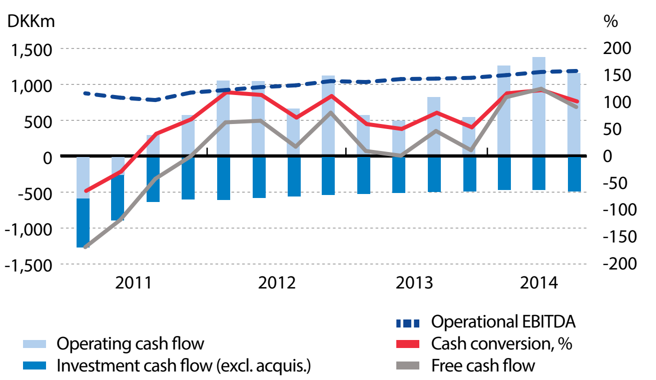
Cash flow from operating activities amounted to DKK 129m compared with DKK 356m in the same period last year. Last year was positively impacted by a significant release of working capital of DKK 193m. Cash flow from operating activities for the first nine months of 2014 amounted to DKK 437m compared with DKK -175m for the same period last year.

Net investments in tangible and intangible fixed assets amounted to DKK -124m, up DKK 28m from Q3 2013. The increase was mainly due to timing, as investments for the first nine months of 2014 were only slightly higher than last year.

Free cash flow for the first nine months of 2014 increased significantly from DKK -726m to DKK 195m.

At end-September 2014, the cash conversion rate (ratio of operating cash flow to operational EBITDA, LTM) was 98% which, although down on the last quarter, remained at a high level. A long-term sustainable level would be approx. 60-70%.

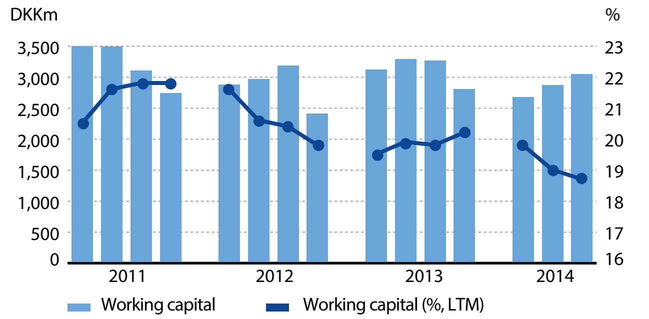
Cash conversion (LTM)



Further reduction in the net working capital ratio

Net working capital at end-September 2014 was DKK 3,049m, up from DKK 2,869m at end-June. This development was primarily due to currency fluctuations, which impacts working capital items significantly in Q3. Additionally, working capital was impacted by an increase in NKT Cables' Project business in line with planned project deliveries. Compared with end-September 2013 net working capital has been reduced by DKK 223m.

Working capital



Working capital ratio (LTM) was 18.7% at end-September 2014, down from 19.0% at end-June 2014. The positive development in Q3 2014 further builds on the reduction achieved in previous periods. This is, essentially, also linked to the Project business of NKT Cables.

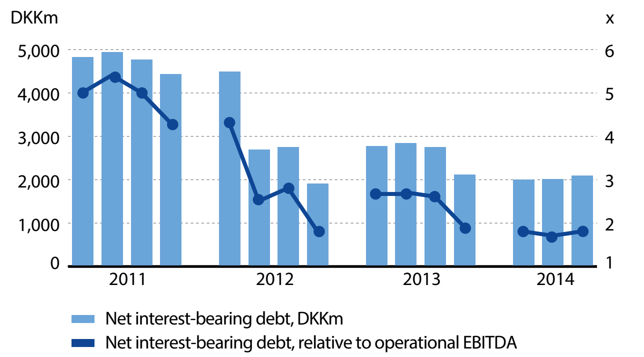
For Nilfisk-Advance, net working capital increased by DKK 27m in absolute terms from end-June 2014. However; this is solely due to currency fluctuations, primarily in USD. Working capital ratio (LTM) was impacted negatively, increasing to 19.5% at end-September from 19.1% at end-June.

Net working capital for NKT Cables increased to DKK 1,607m, up from DKK 1,459m at end-June 2014. This is mainly attributable to currency fluctuations, while also affected by a movement in net working capital in the Projects business. Working capital ratio (LTM) continued to decline, and was 18.0% at end-September against 18.7% at end-June.

Net interest-bearing debt ratio largely unchanged

Net interest-bearing debt was DKK 2,119m at end-September 2014, slightly higher than the DKK 2,008m recorded at end-June 2014. This corresponds to 1.8x operational EBITDA (LTM), slightly higher than the 1.7x at end-June 2014.

Net interest-bearing debt



Continued strong liquidity reserves

As at 30 September 2014, NKT's total available liquidity reserves were approx. DKK 4.3bn. Total credit facilities amounted to DKK 6.5bn of which 62% were undrawn. NKT's policy is to maintain adequate committed facilities, and 84% of total facilities were committed by the banks at the end of Q3 2014. All committed credit facilities remain without financial covenants.

NKT's level of committed financial reserves aims to maintain operating and strategic flexibility.

Equity

Equity amounted to DKK 5,919m against DKK 5,691m at the end of Q2 2014. This increase was attributable to a net profit of DKK 60m, currency adjustment of foreign subsidiaries as well as value adjustment of hedging instruments, etc., which totalled DKK 168m.

Equity gearing was 36%, which was slightly lower than the figure of 37% at year-end 2013 and considerably lower than the 49% at end-September 2013.

Solvency ratio was 44%, exceeding the internal target of minimum 30%.

Expectations for full-year 2014

NKT's expectations for 2014 are unchanged with consolidated organic growth of 0-3% and an operational EBITDA margin of 9-9.5% (std. metal prices).

In Nilfisk-Advance, organic growth is now expected to be around 4-5% against 2-3% previously anticipated. The operational EBITDA margin is expected to be around 11.5% against the 12-12.5% previously announced. The lower operational EBITDA margin is solely attributable to increased investments relating to the sales and service set-up.

In NKT Cables, a negative organic growth of up to 5% is now expected against -2-3% previously anticipated. The operational EBITDA margin is still expected to around 7.1%, which is an improvement of 1.5% points on the 6.4% realised in 2013. As in previous years, both revenue and earnings (EBITDA) are exposed to potential customer delays which may impact the percentage of completion of several projects at year-end 2014. There is limited risk of delays caused by circumstances falling within NKT Cables' control.

The impact from DRIVE is included in the above expectations and amounts to around DKK 170m, compared with DKK 130m previously anticipated. At end-2014 the expected run rate will be DKK 250m against DKK 220m previously anticipated.

The above expectations with regard to operational EBITDA margin exclude the following one-offs:

- Profit of DKK 97m from the divestment of floor sanding activities in Nilfisk-Advance (included in Q1 2014)
- The DKK 29m fine imposed by the European Commission (included in Q1 2014)

- DRIVE-related one-off costs of DKK 160m for 2014; this is unchanged from Q2 and comprises DKK 97m for the first nine months and DKK 63m expected for Q4. Total one-off costs relating to the implementation of DRIVE remain unchanged at DKK 240m

- Provision of DKK 75m for the Baltic 1 settlement (included in Q2 2014)

In total, the above initiatives in Nilfisk-Advance and NKT Cables is expected to have a combined negative impact on EBITDA of around DKK 167m in 2014.

NKT shares

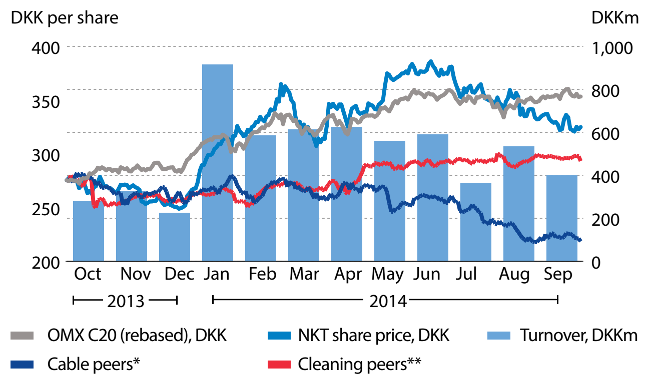
NKT shares are listed under ID code DK0010287663 on Nasdaq Copenhagen and are among the 30 most traded shares.

In Q3 2014, the daily turnover in NKT shares on Nasdaq Copenhagen averaged DKK 20m against DKK 22m in the same period last year. An average of 57,000 NKT shares was traded daily in Q3 2014 compared with 87,000 in Q3 2013. An estimated 35% of NKT share trading takes place outside of Nasdaq Copenhagen. The above data have not been adjusted to reflect this.

As at 30 September 2014, NKT's share price was DKK 325.00 against DKK 267.60 at 31 December 2013. Including the effect of the dividend payment made in March 2014, this represents a 23% increase in the share price since year-end 2013.

At end-September 2014 four investors had notified NKT of shareholdings of more than 5%: ATP (Denmark), EdgePoint Investment Group Inc. (Canada), Nordea Invest (Luxembourg) and Nordea Funds Oy, Danish Branch.

NKT share price and turnover



* *Cable peers are: Nexans S.A., Prysmian S.p.A., and General Cable Corp.*
** *Cleaning peers are: Husqvarna AB, Stanley Black & Decker, Inc., Tennant Company, and the Toro Company.*

FINANCIAL CALENDAR

2015

27 February	**2014 Annual Report**
25 March	**Annual General Meeting**
13 May	**Interim Report, Q1**
20 August	**Interim Report, Q2**
12 November	**Interim Report, Q3**

2016

26 February	**2015 Annual Report**

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Nilfisk-Advance

Relaunch of the Nilfisk BU800 burnisher

Organic growth for the year to date was 5%. The development in Q3 was flat, although EMEA still contributed positively. The **gross profit margin increased** and investments in sales and service set-up continued

Financial highlights

Amounts in DKKm	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	Year 2013
Income statement					
Revenue	1,559	1,556	5,059	4,952	6,561
Operational EBITDA	141	156	572	568	778
EBITDA	141	156	669	568	778
Depreciation and amortisation	-53	-53	-161	-158	-214
EBIT	88	103	508	410	564
Cash flow					
Cash flow from operating activities	153	216	180	221	500
Cash flow from investing activities	-47	-42	-143	-158	-218
Free cash flow	106	174	37	63	282
Balance sheet					
Capital employed	3,439	3,222	3,439	3,222	3,074
Working capital	1,370	1,208	1,370	1,208	1,073
Financial ratios and employees					
Gross margin	40.9%	40.3%	41.2%	40.9%	40.9%
Overhead cost ratio	34.6%	33.2%	32.7%	32.1%	31.8%
Operational EBITDA margin	9.0%	10.0%	11.3%	11.5%	11.9%
Organic growth	0%	7%	5%	4%	3%
Return on capital employed (RoCE)	17.4%	17.4%	17.4%	17.4%	17.5%
Number of employees, end of period	5,404	5,161	5,404	5,161	5,321

Nilfisk-Advance saw a flat organic development in Q3 2014 compared with the same period last year. A positive organic growth was still achieved in the mature markets in EMEA and also across regions for both industrial vacuum cleaners and for high-pressure washers for the DIY-market. Overall organic growth was negatively impacted, however, by weakened performance in APAC and the US. Organic growth for the first nine months of 2014 was 5%.

Organic growth

	Q3 2014	Q1-Q3 2014
EMEA	3%	6%
Americas	-1%	3%
APAC	-8%	-1%
Total	**0%**	**5%**

Earnings impacted by investments in sales and service initiatives

Operational EBITDA was DKK 141m compared with DKK 156m in Q3 2013. For the first nine months, DKK 572m was realised against DKK 568m in the same period last year. The operational EBITDA margin was

9.0% in Q3 2014, down by 1.0% point from the same quarter last year. Earnings were positively impacted by revenue growth, while growth-driving investments in the sales and service set-up put temporary pressure on the margin. Approx. 70 full-time employees were added within sales and service since end-2013. Furthermore, the divestment of the high-margin floor sanding activities impacted earnings and margins negatively.

The gross margin was 40.9% against 40.3% in Q3 2013 and the gross margin for the first nine months of 2014 was 41.2% against 40.9% in the same period last year - underpinning that the previous initiatives taken to reverse the decline of the gross margin had a positive effect.

The overhead cost ratio was 34.6% compared with 33.2% in Q3 2013. For the first nine months of 2014, 32.7% was realised against 32.1% for the same period last year. The increase was due to the previously mentioned reasons.

Working capital ratio (LTM) was 19.5%, as a result of currency fluctuation effects from unrealised currency contracts, and a slight increase in accounts receivables.

Nilfisk-Advance will continue to focus on operational and commercial excellence. Initial positive effects of the Commercial Excellence programme are evident in increased product cross-sales and sales of service contracts. An initial positive development was also registered in the sales force productivity, which should impact sales positively in the longer term.

Continued roll-out of Commercial Excellence programme

The implementation of the Commercial Excellence programme, which introduces new tools and collaboration models to increase sales and service effectiveness, has been launched in Germany and is currently being implemented in France, the US, Spain, Portugal and Sweden. The programme is scheduled for launch in the UK in Q4 2014.

EMEA

Organic growth for the region was 3% in Q3 and 6% for the first nine months of 2014. The professional and the consumer businesses both continued growing despite a negative impact from conflicts both in the Middle East and Ukraine.

Diverse market development in the mature markets

Growth rates in some of the large mature European markets were moderate with customers becoming more cautious, as all the economic indicators turned negative, e.g. in Germany. However, other large markets across the region realised positive growth.

Nilfisk-Advance remained an active player in the global consolidation of the cleaning industry, acquiring Gesco, one of the largest dealers within professional cleaning equipment in Belgium.

NEW ENERGY RATINGS ON VACUUM CLEANERS

In order to reduce the energy consumption of vacuum cleaners, the European Union has introduced new energy labelling and eco design regulations that ban vacuum cleaners with excessively high power consumption and poor cleaning performance. The new regulations, which make performance labelling mandatory for all manufacturers of vacuum cleaners, became effective on 1 September 2014.

Nilfisk-Advance has been preparing for the new regulations for a long time and some necessary modifications to both its commercial and consumer programmes were implemented in due time. All models marketed in the EU are now provided with energy labelling, and test facilities have been fitted with additional equipment to ensure compliance with the new EU regulations.

AMERICAS

The Americas reported a negative organic growth of 1% in Q3, while the region is up 3% for the first nine months of 2014. Whereas growth in Latin America continued, a weak US performance was primarily due to important direct customers postponing large orders. However, the order backlog for these customers remains strong.

Success with focused market initiatives

The US market recorded growth in both the commercial and industrial customer segments. This was due to focused sales initiatives such as end-user ownership, campaigns targeting universities, and stronger collaboration between Nilfisk-Advance and dealers aimed at increasing market coverage. The roll-out of the Commercial Excellence programme was started in the US, aiming to improve sales and service efficiency and improve sales performance.

APAC

A negative organic growth of 8% was achieved in Q3 and a negative growth of 1% was realised for the first nine months of 2014. This development was caused by weakened performance in several Asian markets. In Australia, sales of consumer vacuum cleaners were still negatively impacted by the loss of a distributor earlier this year. Further initiatives are being launched to meet these challenges, including rebalancing the portfolio towards higher-margin professional cleaning equipment and capturing new large key accounts.

A challenging quarter in China
China realised negative growth of 2% for Q3. More initiatives to boost sales were launched by the strengthened management team, including an on-going expansion of the distribution network and restructuring of the direct sales team.

PRODUCTION, PRODUCTS AND BRANDS

During Q3, updated product versions and modifications were introduced to the vacuum cleaner range to meet new EU requirements for energy rating (see box on page 9). The product portfolio was also expanded to include 15 new products and product versions; three floor-care units, seven vacuum cleaners, two high-pressure washers and three sophisticated speciality low-pressure products.

Nilfisk-Advance continues to invest around 3% of revenue in product development, and 40 new products and product versions were launched in the first nine months of 2014 - another seven are expected for the remainder of the year.

Rebranding: Nilfisk-CFM to become Nilfisk
It was announced in September in relevant markets that the Nilfisk-CFM brand of industrial vacuum cleaners will change name to Nilfisk as of 1 January 2015 and become part of the growing portfolio of high-quality products under the Nilfisk label. Today, Nilfisk-CFM is one of the predominant brands among industrial vacuum cleaners, with the potential to become a global market leader.

The name change will allow further expansion of the industrial vacuum business under the Nilfisk brand, which is known and recognised worldwide, enabling synergies such as cross-sales and promotion as well as reduced marketing costs.

Nilfisk-Advance will continue to have dedicated industrial vacuum cleaner divisions within its local sales companies and continue to work with strategic plans for this business.

STRATEGIC PROJECTS

Further progress was made in the Must Win Battles defined as part of Nilfisk-Advance's strategy to become Customers' Preferred Choice.

Another battle won
One of the Must Win Battles is 'To develop strong culture and excellent leadership skills'. To achieve this objective, two major initiatives were implemented in Q3: a local leadership development programme was launched in a number of sales companies worldwide, and the global Employee Engagement Survey was conducted. The survey generated a 91% response rate and scores for key parameters such as performance excellence, leadership and communication were further increased. As significant improvements were recorded, victory in this Must Win Battle was declared in November 2014.

NEW GLOBAL SERVICE CONCEPTS

Increased focus on integrating service into products and solutions is a key element in the Commercial Excellence programme. Therefore, Nilfisk-Advance has launched a series of new service solutions to match the needs of the professional cleaning customer. Quick and easy access to professional service is a key factor in efficient cleaning operations, and extensive customer research has led to the development of three alternative service options designed to cater for different customer needs.

When signing a service contract, customers now have the opportunity to choose between Standard, Plus and Premium solutions designed to their specific needs. A growing number of Nilfisk-Advance customers now operate internationally, and the new concepts will be rolled out globally in the coming year. The new service contracts were introduced in selected European markets during Q3 2014.

Accelerated strategy implementation
Good progress was also made on other strategic projects. With the launch of the global supply chain transformation programme at end-2013, another Must Win Battle: 'To meet customers' delivery expectations' was won. This programme has subsequently made substantial progress towards further improving the customer delivery experience, while significantly reducing cost-to-serve and working capital. For example, the delivery date confirmation process has been substantially improved and overnight delivery of critical spare parts has been introduced.

NKT Cables

A layer of copper foil added to an offshore cable during a stage of the manufacturing process

Operational EBITDA increased by 30% due to DRIVE and the **full-year impact** of the efficiency programme was **further increased** by DKK 40m to DKK 170m

Financial highlights

Amounts in DKKm	**Q3 2014**	**Q3 2013**	**Q1-Q3 2014**	**Q1-Q3 2013**	**Year 2013**
Income statement					
Revenue	2,322	2,456	6,583	6,492	8,983
Revenue in std. metal prices	1,657	1,661	4,541	4,273	6,017
Operational EBITDA	134	103	299	216	335
EBITDA	90	103	98	216	372
Depreciation and amortisation	-70	-78	-219	-223	-357
EBIT	20	25	-121	-7	15
Cash flow					
Cash flow from operating activities	-36	149	216	-415	-67
Cash flow from investment	-70	-46	-167	-132	-215
Free cash flow	-106	103	49	-547	-282
Balance sheet					
Capital employed	4,447	4,901	4,447	4,901	4,557
Working capital	1,607	1,918	1,607	1,918	1,681
Financial ratios and employees					
Gross margin, std. metal prices	32.1%	36.3%	37.2%	37.2%	37.7%
Operational overhead cost ratio, std. metal prices	28.4%	30.1%	32.2%	32.1%	31.5%
Operational EBITDA margin, std. metal prices	8.2%	6.2%	6.6%	5.1%	5.6%
Organic growth	1%	-2%	-2%	4%	4%
Return on capital employed (RoCE)	2.8%	0.3%	2.8%	0.3%	0.8%
Number of employees, end of period	3,334	3,569	3,334	3,569	3,560

NKT Cables realised overall organic growth of 1% in Q3. While organic growth of 13% was recorded for the Projects business, this was solely derived from the remedial work on the Baltic 1 contract and did not contribute to earnings for the quarter. Excluding this, organic growth for Projects was -6%. Products and APAC realised negative organic growth of 5% and 10%, respectively.

Organic growth for the first nine months of 2014 was -2%. This development is as expected and reflects a change in NKT Cables' order portfolio, which is now characterised by orders generating slightly lower revenue, but increased profitability - such as offshore submarine projects not containing civil or installation work.

Organic growth

	Q3 2014	**Q1-Q3 2014**
Projects	13%	-6%
Products	-5%	7%
APAC	-10%	-24%
Total	**1%**	**-2%**

Operational EBITDA increased by DRIVE

Operational EBITDA amounted to DKK 134m, up from DKK 103m in Q3 2013. This improvement was predominantly due to the DRIVE programme. Operational EBITDA for the first nine months of 2014 was DKK 299m, up from DKK 216m in the same period last year.

The operational EBITDA margin in std. metal prices was 8.2% compared with 6.2% for Q3 2013. Excluding an increase in bad debt provisions in China, the operational EBITDA margin for the quarter was 8.7%. Operational EBITDA margin in std. metal prices for the first nine months of 2014 was 6.6% against 5.1% in the same period last year.

Efforts to reduce overdue balances strengthened

In China, overdue balances continued rising in Q3, although at a slower pace. This led to a further increase in bad debt reserves of DKK 10m. The main driver is the that many state controlled companies lack funding from the Chinese government to settle their outstanding bills. A task force has been established to reduce the overdue balances.

EBITDA decreased by DRIVE-related one-off costs

EBITDA amounted to DKK 90m, a decrease of DKK 13m on Q3 2013. The one-off costs of DKK 44m all related to DRIVE. EBITDA for the first nine months of 2014 was DKK 98m against DKK 216m for the same period last year. The decrease was attributable to total one-off costs of DKK 201m, comprising DKK 75m related to the Baltic 1 settlement, DKK 97m relating to DRIVE and DKK 29m relating to the fine imposed by the European Commission.

Working capital increased due to Projects, while the ratio decreased

Working capital increased by DKK 148m in Q3, primarily due to an increase in construction contracts in Projects of DKK 231m. Working capital (%, LTM) was 18.0%, down from 18.3% at end-June 2014, which reflects a reduction in the level of working capital needed to support operations. Compared with end-September 2013, working capital (%, LTM) was down by 2% points, a significant reduction in one year.

CONTINUOUS DRIVE IMPROVEMENTS

Good progress was made on implementing the DRIVE cost-saving initiatives in the European operations.

The scope of the programme is focused around five overall focus areas: Manufacturing and supply chain, external spend, optimisation of the organisation, product portfolio management and working capital. At end-September, 32 sub-projects relating to these focus areas were fully implemented and a further 58 were under way. As a consequence of these initiatives , 66 full-time employees left NKT Cables during the quarter, the total reduction for the year now being 184. An additional 65 full-time employees are expected to leave the company in the coming quarter, bringing the total number of redundancies relating to DRIVE to around 250 in 2014 - an increase of 50 full-time employees compared with initial expectations.

DRIVE impact

	Cost improvements	FTE reduction	One-off costs	Capex
Q3 2014 Realised	~DKK 50m	66 FTE	DKK 44m	DKK 2m
YTD 2014 Realised	~DKK 110m (Run rate: ~DKK 180m)*	184 FTE	DKK 97m	DKK 6m
FY 2014 Expectation	~DKK 170m (Run rate: ~DKK 250m)*	~250 FTE	~DKK 160m	~DKK 10m
Full impact going into 2016	~DKK 300m p.a.	~400-450 FTE	~DKK 240m**	~DKK 50m**

** Run rate effect: Estimate for full year effect if fully implemented*
*** Total accumulated effect when fully implemented*
Note: All cash effect

DRIVE cost savings of DKK 50m were recorded in Q3, bringing the savings for the first nine months of 2014 to DKK 110m. At end-September, the run rate amounted to DKK 180m, up DKK 50m from end-June.

Further increase of DKK 40m in expected full-year impact

Based on the continuing, faster-than-planned implementation of DRIVE, the expected full-year 2014 impact has increased by DKK 40m to overall savings of DKK 170m. Furthermore, the expected DRIVE-related capital expenditures for the full-year 2014 were lowered to DKK 10m from DKK 20m end-June 2014.

PROJECTS

The organic growth of 13% derived from the remedial work which followed the Baltic 1 settlement announced in Interim Report Q2 2014. Excluding this, organic growth was -6%, which is identical to the growth for the first nine months of 2014. Quarter-on-quarter comparison of organic growth is increasingly misleading, as the level of operating activity varies with the type of project (supply contract or turnkey contract) and the cable production cycle.

Visibility regarding the manufacturing of offshore cables is good for the remainder of 2014 and well into 2015. Tenders scheduled for immediate closure were postponed by customers in Q3 2014. Tender activity remains at a satisfactory level and NKT is involved in a number of potential projects.

Good visibility in high-voltage onshore cables

Competition in the high-voltage onshore market remains intense and has led to pressure on selling prices. The order book for 2015 is at a satisfactory level for this time of year. In contrast to previous years, the high-voltage onshore portfolio is still dominated by small-size projects.

TAKING LEAN TO THE NEXT LEVEL - THE DRIVE INITIATIVE OFFERING GREATEST SAVINGS

When the DRIVE efficiency improvement programme was launched at end-2013 more than 80 cost-saving initiatives were identified. The one category which offered the greatest potential saving of all was to take the LEAN manufacturing concept to the next level. The prerequisites to further accelerate benefits from this philosophy are now in place; among them, production at the Cologne factory is now at a stable level and the acquisition of Ericsson's power cable business has been finalised.

The roll-out of the revised LEAN concept is a key focus area in the coming years. Implementation is well underway at five locations in Germany, Denmark, Sweden, and the Czech Republic and the objectives are to improve efficiency, streamline processes, reduce complexity and achieve production excellence. The concept will be implemented in the remainder of NKT Cables' manufacturing plants in 2015.

To support successful implementation a special LEAN organisation is being set up; experts have been trained at all locations and a knowledge centre is to be established for sharing ideas and know-how, and to ensure continued project focus. Workshops have also been organised for teaching LEAN principles and methods, and KPI systems have been applied to increase data transparency.

Although the programme is still being implemented, many benefits have already been identified and numerous improvements have been obtained.

Letter of intent for new mid-size project

Since the end of Q3, NKT Cables has received a letter of intent for a mid-size contract to supply high-voltage cables for a project in Northern Europe. The cables are expected to be manufactured and delivered in 2015 and 2016.

PRODUCTS

Due to the expected expiry of large medium-voltage framework contracts, Products generated a negative organic growth of 5%, breaking with the positive trend from 1st half 2014, and positive growth of 7% for the first nine months of 2014.

Continued growth within sales of building wires and 1kV cables

The continued growth in the wholesale segment was mainly fuelled by the demand for products such as building wires and 1kV cables. The level of demand reflects the economic situation in the building sector of each individual country. The positive trend reported in the Q2 Interim Report continued in more Central European markets. The segment remains highly price-sensitive, but price increases were implemented by NKT Cables in 1st half 2014 in selected market segments. Further price increases were introduced in certain markets in Q3 2014.

Diverse market development for medium-voltage cables

Sales to the medium-voltage segment as a whole exceeded expectations, but organic growth was, however, still negative. The outlook for the separate markets varies; in the Nordic region, some markets are expected to continue generating medium-voltage infrastructure projects, while others are expected to show a flat development. In Central Europe, satisfactory sales to the renewable energy sector were recorded in, for example, Germany but were off-set by decreasing sales to utilities. Several markets remain characterised by increasing price pressure, and a flat development is expected.

APAC

Organic growth was -10% in Q3 and -24% for the first nine months of 2014. The decline was due to a lower but still satisfactory level of activity in the Railway segment in China. This development must be seen against a strong catch-up effect in 2013 which followed a very low level of activity in 2012 where construction of high-speed rail projects were temporarily suspended by the government.

The intensified price competition mentioned in previous Interim Reports and the abolition of strict supplier certification procedures by the Ministry of Telecommunications were unchanged in Q3. The consequence of reduced quality standards is not considered to be in conformance with the overall safety standards of high-speed railway systems.

The local Chinese cable market remains under pressure due to significant regional overcapacity. The cable business is also impacted by the challenging financial situation in other industries such as steel, cement and coal, and by lower growth rates in infrastructure investments. The overall outcome is a lower demand for cable products.

Notwithstanding the above, the Chinese government's continued strategy of investing in the railway segment to achieve its GDP growth target implied that NKT Cables' railway business remained at a satisfactory level.

Railway export projects

After expanding its domestic high-speed rail network for more than a decade, the Chinese government is increasingly seeking to export its know-how to international markets. Recently, the government has engaged in several major investments relating to rail export projects, including the construction of the 800 km high-speed rail link between Moscow and Kazan in Russia. Other export projects are being discussed in Venezuela and Mexico.

As a key supplier to the Chinese rail contractors, NKT Cables is pursuing supply contracts for such key electrification projects planned for 2015-2018. NKT has already supplied railway cables for the Turkish Istanbul-Ankara high-speed rail project executed by the Chinese contractors CRCC and CCECC.

DRIVE launched in China

As mentioned in the Q2 2014 report, a cost-reduction programme similar to DRIVE in the European operation has been launched in China with a view to increasing profitability in this challenging market environment. The project scope is the same as in the European DRIVE programme, the focus being on manufacturing and the supply chain, external spend, organisation, product portfolio optimisation and working capital. Currently the programme has 19 sub-projects, some of which were already completed during Q3 2014. Fully implemented the total annual savings target is estimated to DKK 30m.

Outcome of strategic review process

Early 2014 a strategic review of APAC operations was launched due to unsatisfactory business development caused by changes in market conditions. The aim was to identify a set-up that would increase value creation for NKT Cables - a well-recognised player in the APAC region with significant credentials such as being a market leader in railway wires, a full system supplier in the medium and high-voltage cables and accessories segment, and a premium-quality provider with a strong international brand.

Key findings from the strategic review confirmed many trends mentioned in previous financial reports:

- Attractive growth opportunities in China due to significant energy infrastructure investments and railway expansion plans

- Cable export opportunities from China to other countries in the APAC region - as well as supply of railway wires in China and to Chinese export projects

- Challenging market competition as a result of large regional overcapacity in certain market segments, e.g. medium-voltage and high-voltage. New market entrants, especially within the lower-speed segments, has added price pressure on railway wires

- Difficult business environment due to lack of funding at regional government level, causing longer payment cycles and a favouring of domestic Chinese producers

Further progress will be reported if deemed relevant for the process.

Photonics Group

The new AeroPULSE fiber lasers are based on the acknowledged Crystal Fiber platform of Photonics Group. AeroPULSE is applicable for e.g. advanced microscopes to distinguish between different types of human cells, or to inspect tiny structures used for making powerful computer chips for next generation, smart phones and tablets

A **positive development** in Imaging **resulted in an overall organic growth of 4%** in Q3, which must be seen against a strong organic growth in the same quarter last year

Financial highlights

Amounts in DKKm	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	Year 2013
Income statement					
Revenue	65	62	197	179	266
EBITDA	1	2	-1	-4	6
Depreciation and amortisation	-6	-5	-20	-13	-24
EBIT	-5	-3	-21	-17	-18
Cash flow					
Cash flow from operating activities	-4	17	-12	7	22
Cash flow from investing activities	-6	-8	-17	-25	-35
Free cash flow	-10	9	-29	-18	-13
Balance sheet					
Capital employed	208	211	208	211	200
Working capital	96	83	96	83	86
Financial ratios and employees					
EBITDA margin	1.7%	3.1%	neg.	neg.	2.3%
Organic growth	4%	25%	11%	11%	13%
Number of employees, end of period	205	212	205	212	205

Driven by Imaging, Photonics Group achieved an organic growth of 4%. The growth for the first nine months was 11%.

Revenue was DKK 65m, compared with DKK 62m in Q3 2013. EBITDA was DKK 1m against DKK 2m for the same quarter last year, which was positively impacted by the execution of a major project in Sensing.

Organic growth

	Q3 2014	Q1-Q3 2014
Imaging	9%	0%
Sensing	-4%	17%
Fiber Processing	-1%	15%
Total	**4%**	**11%**

IMAGING

Organic growth of 9% was realised in Q3 and0% for the first nine months of 2014. The OEM (Original Equipment Manufacturer) business continued its positive development and, as previously announced, early in the quarter Photonics Group's biggest existing customer in this field renewed a frame contract covering the next 18 months.

Deliveries of the recently introduced AeroPULSE product were completed during the quarter, attracting attention from other potential blue-chip customers. AeroPULSE is designed for multiple applications, including to distinguish between different types of human cells in advanced microscopes and to inspect tiny structures used for making powerful computer chips for micro electronics, e.g. the next generation of smart phones and tablets.

The challenging market conditions in the science segment continued, with public funding being impacted by budget constraints. In Europe, the end of Q3 saw an easing of these constraints, while in the US the low level of segment activity was unchanged throughout the quarter.

SENSING

Sensing experienced a negative organic growth of 4% compared with the same period last year, which was positively impacted by the execution of a major project. Organic growth for the first nine months of 2014 was 17%. The sales of Koheras™ lasers to the oil and gas segment were encouraging, as was also the case for installation of DTS fire detection systems in metros around the world.

FiOPS, the newly established business activity in the US focusing on leak detection systems for onshore oil and gas pipelines, entered into dialogue with potential customers on specific projects. The target is to close a number of contracts this year with installation of the systems scheduled for 2015.

FIBER PROCESSING

The Q3 development was flat, while 15% organic growth was recorded for the first nine months of 2014. The overall financial performance improved significantly due to the successfully implemented turnaround process.

A realigned development focus has led to new product launches, starting with a processing solution for fiber tapers. Introduced in June, this product has been well received by the targeted R&D lab customers. More product releases are planned for Q4 and early next year.

AWARD FOR NEW LASER FOR MONITORING PIPELINES AND FOR SEISMIC SURVEY

In September, the new Koheras™ X15 laser from Photonics Group received the Technology Innovation Award at OFweek in China. The X15 laser combines cutting-edge performance normally only found in large, expensive scientific lasers with the ruggedness and size of the Koheras™ industrial lasers designed to cope with harsh environments such as offshore oil rigs.

The X15 laser is used in fiber sensing applications, such as monitoring of pipelines, and in seismic surveys of the seabed for e.g. oil exploration. The ultra-precise light from the X15 allows for longer fiber spans and better detection accuracy. This can help prevent environmental disasters caused by oil spills from leaking pipelines as well as improve early warning systems for earthquakes and ensure more efficient oil extraction from oil fields.

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 2014.

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 2014 and the results of the Group's activities and cash flow for the period 1 January - 30 September 2014.

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, 13 November 2014

Executive Management Board

Michael Hedegaard Lyng, *Group Executive Director & CFO*

Board of Directors

Jens Due Olsen, *Chairman*

Kristian Siem, *Deputy Chairman*

Niels-Henrik Dreesen

René Engel Kristiansen

Jens Maaløe

Gitte Toft Nielsen

Kurt Bligaard Pedersen

Lone Fønss Schrøder

Lars Sandahl Sørensen

Income statement

Amounts in DKKm	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	Year 2013
Revenue	3,946	4,077	11,839	11,624	15,809
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**226**	**241**	**744**	**737**	**1,103**
Depreciation and impairment of property, plant and equipment	-86	-93	-264	-265	-405
Amortisation and impairment of intangible assets	-43	-43	-136	-130	-190
Earnings before interest and tax (EBIT)	**97**	**105**	**344**	**342**	**508**
Financial items, net	-21	-36	-73	-124	-160
Earnings before tax (EBT)	**76**	**69**	**271**	**218**	**348**
Tax	-16	-16	-77	-64	-95
Profit	**60**	**53**	**194**	**154**	**253**
To be distributed thus:					
Profit attributable to equity holders of NKT Holding A/S	60	53	193	153	252
Profit attributable to minority interests	0	0	1	1	1
	60	**53**	**194**	**154**	**253**
Basic earnings, DKK per outstanding share (EPS)	2.5	2.2	8.1	6.4	10.6
Diluted earnings, DKK per share (EPS-D)	2.5	2.2	8.0	6.4	10.6

Cash flow

Amounts in DKKm	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	Year 2013
Earnings before interest, tax, depreciation and amortisation (EBITDA)	226	241	744	737	1,103
Financial items, net	-21	-36	-73	-124	-160
Changes in provisions, tax and non-cash operating items, profit on sales of non-current assets etc.	-60	-42	-26	-98	-176
Gain from divestment of business activities	0	0	-101	0	0
Changes in working capital	-16	193	-107	-690	-222
Cash flow from operating activities	**129**	**356**	**437**	**-175**	**545**
Acquisition of business activities	0	-230	-22	-235	-226
Divestment of business activities	0	0	108	0	0
Investments in property, plant and equipment	-73	-54	-175	-172	-257
Disposal of property, plant and equipment	3	2	6	7	13
Intangible assets and other investments, net	-54	-44	-159	-151	-224
Cash flow from investing activities	**-124**	**-326**	**-242**	**-551**	**-694**
Free cash flow	**5**	**30**	**195**	**-726**	**-149**
Changes in non-current loans from credit institutions	151	-3	11	1,189	1,611
Changes in current loans from credit institutions	-169	-49	-216	-274	-1,249
Dividends paid	0	0	-84	-191	-191
Cash from exercise of warrants	0	0	1	7	7
Cash flow from financing activities	**-18**	**-52**	**-288**	**731**	**178**
Net cash flow	**-13**	**-22**	**-93**	**5**	**29**
Cash at bank and in hand at the beginning of the period	294	391	376	363	363
Currency adjustments	27	-11	25	-10	-16
Net cash flow	-13	-22	-93	5	29
Cash at bank and in hand at the end of the period	**308**	**358**	**308**	**358**	**376**

Balance sheet

Amounts in DKKm	30 September 2014	30 September 2013	31 December 2013
Assets			
Intangible assets	2,132	2,014	2,001
Property, plant and equipment	3,075	3,174	3,138
Other non-current assets	800	716	769
Total non-current assets	**6,007**	**5,904**	**5,908**
Inventories	2,891	2,973	2,657
Receivables and income tax	4,226	4,299	4,054
Cash at bank and in hand	308	358	376
Total current assets	**7,425**	**7,630**	**7,087**
Total assets	**13,432**	**13,534**	**12,995**
Equity and liabilities			
Equity attributable to equity holders of NKT Holding A/S	5,913	5,611	5,667
Minority interests	6	7	7
Total equity	**5,919**	**5,618**	**5,674**
Deferred tax	379	251	346
Employee benefits	343	343	342
Provisions	69	71	70
Interest-bearing loans and borrowings	2,135	1,717	2,098
Total non-current liabilities	**2,926**	**2,382**	**2,856**
Interest-bearing loans and borrowings	360	1,523	480
Trade and other payables	4,227	4,011	3,985
Total current liabilities	**4,587**	**5,534**	**4,465**
Total liabilities	**7,513**	**7,916**	**7,321**
Total equity and liabilities	**13,432**	**13,534**	**12,995**

Comprehensive income and Equity

Amounts in DKKm	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	Year 2013
Comprehensive income					
Net profit	60	53	194	154	253
Other comprehensive income:					
Items that may not be reclassified to income statement:					
Actuarial gains/(losses) on defined benefit pension plans	0	0	0	-28	-30
Items that may be reclassified to income statement:					
Currency adjustment of foreign subsidiaries and value adjustment of hedging instruments, etc.	168	-46	133	-64	-109
Total comprehensive income for the period	**228**	**7**	**327**	**62**	**114**

Amounts in DKKm	Q1-Q3 2014	Q1-Q3 2013	Year 2013
Statement of changes in equity			
Group equity, 1 January	5,674	5,737	5,737
Total comprehensive income for the period	327	62	114
Share-based payment	1	3	7
Additions/disposal of minority interests	0	0	0
Cash from exercise of share warrants	1	7	7
Dividend adopted at annual general meeting	-84	-191	-191
Group equity at the end of the period	**5,919**	**5,618**	**5,674**

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.

The accounting policies are unchanged in relation to the 2013 Annual Report, to which reference should be made. The 2013 Annual Report contains the full text of the accounting policies.

NKT has implemented the standards and interpretations that become effective for 2014. The implementation of standards and interpretations has not influenced recognition and measurement in 2014 or is expected to influence future financial years.

Regarding accounting estimates, please refer to Note 1.2 on page 54 of the 2013 Annual Report. Regarding risks, please refer to Note 6.7 on page 85 of the 2013 Annual Report and the information contained in the section on risk management on page 35 and page 16, 26 and 32 of the Annual Report.

On 2 April 2014 NKT received a fine of DKK 29m following the investigation conducted by the European Commission into alleged price-fixing activities in the power cables industry, cf. Company Announcement No. 8. By defining NKT as a 'fringe player' - as the only European manufacturer - the European Commission explicitly establishes that the role of NKT was substantially limited. This is further emphasised by the fact that NKT was the only European manufacturer to receive a 10% reduction on the fine amount.

While the European Commission has assessed that NKT's role is substantially limited and the fine is considerably smaller than those imposed on the other cable manufacturers, NKT disagrees with the Commission's decision and has therefore lodged an appeal. A provision of DKK 29m has been made in the financial statements for Q1 2014. The provision does not affect operational EBITDA.

NKT Cables has as reported in the financial statements for Q2 2014 made a final settlement with 50Hertz regarding the Baltic 1 offshore project. During the cable installation phase in 2011 it was discovered that the cable could not be buried in the seabed as first planned. The agreement is expected to result in an additional loss of DKK 35-75m for NKT Cables. As a consequence, NKT has decided to make a provision of DKK 75m in the Q2 2014 amounts. The provision does not affect operational EBITDA.

According to the regulation for financial statements preparation the Group Management is required to determine whether the interim statement can be presented on a 'going concern' basis. Based on outlook estimates, including examination of the latest 'forecast 2014', 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 2014 are included in the Management's review.

2 - SEGMENT REPORTING

Amounts in DKKm	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	Year 2013
Revenue					
Nilfisk-Advance	1,559	1,556	5,059	4,952	6,561
NKT Cables, revenue in market prices	2,322	2,456	6,583	6,492	8,983
Photonics Group	65	62	197	179	266
Parent company, etc. 1)	0	2	0	1	0
Elimination of transactions between segments	0	1	0	0	-1
NKT Group revenue in market prices	**3,946**	**4,077**	**11,839**	**11,624**	**15,809**
NKT Cables, revenue in std. metal prices	*1,657*	*1,661*	*4,541*	*4,273*	*6,017*
NKT Group, revenue in std. metal prices	***3,281***	***3,282***	***9,797***	***9,405***	***12,843***
Operational EBITDA					
Nilfisk-Advance	141	156	572	568	778
NKT Cables	134	103	299	216	335
Photonics Group	1	2	-1	-4	6
Parent company, etc. 1)	-6	-4	-22	-27	-34
Group operational EBITDA	**270**	**257**	**848**	**753**	**1,085**
Earnings, EBITDA					
Nilfisk-Advance	141	156	669	568	778
NKT Cables	90	103	98	216	372
Photonics Group	1	2	-1	-4	6
Parent company, etc. 1)	-6	-20	-22	-43	-53
Group EBITDA	**226**	**241**	**744**	**737**	**1,103**
Segment profit, EBIT					
Nilfisk-Advance	88	103	508	410	564
NKT Cables	20	25	-121	-7	15
Photonics Group	-5	-3	-21	-17	-18
Parent company, etc. 1)	-6	-20	-22	-44	-53
Group EBIT	**97**	**105**	**344**	**342**	**508**
Capital Employed					
Nilfisk-Advance			3,439	3,222	3,074
NKT Cables			4,447	4,901	4,557
Photonics Group			208	211	200
Parent company, etc. 1)			-56	37	-46
Group Capital Employed			**8,038**	**8,371**	**7,785**

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

Notes

3 - ACQUISITION OF BUSINESS

Cash purchase consideration for minor acquisitions in Nilfisk-Advance comprised DKK 22m. Interest bearing payables acquired comprised DKK 4m. The effect on Group revenue and Group profit is not material.

4 - DIVESTMENT OF BUSINESS

As reported in Company Announcement No. 4 of 28 February 2014, Nilfisk-Advance has divested its wooden floor sanding activities. Divestment proceeds of DKK 98m are recognised in EBITDA in Q1 2014.

5 - 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 included in this ratio.

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Photos: Courtesy of NKT subsidiaries.