

INTERIM REPORT Q2 - 2011

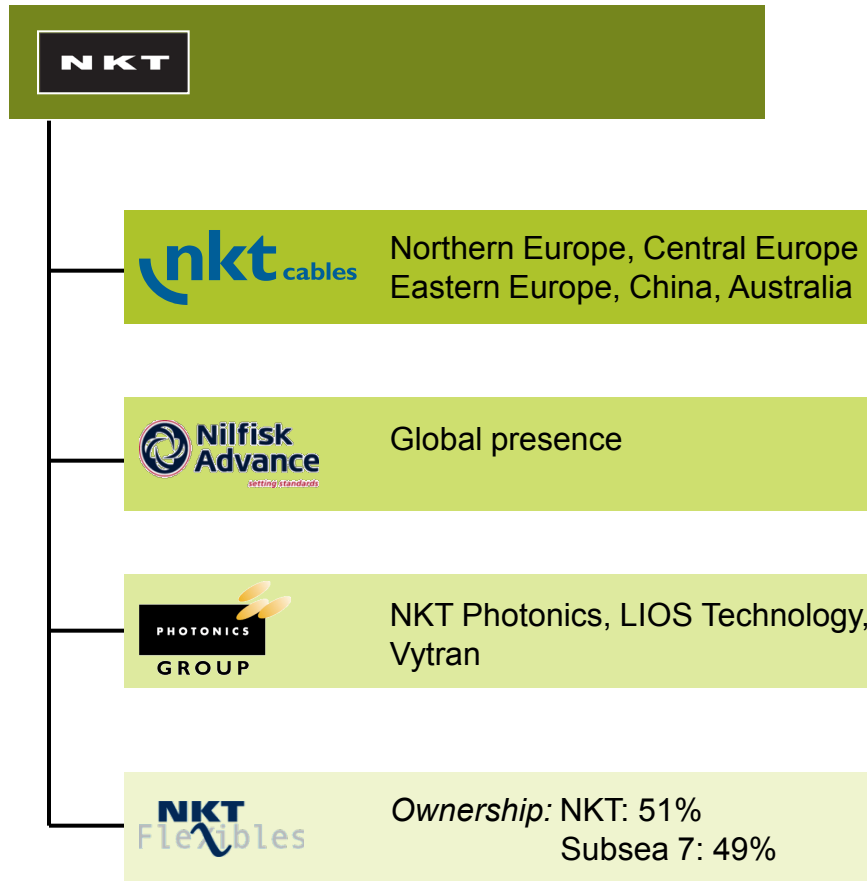
Live presentation 23 August 2011 at 11:00 am

Agenda

- Highlights Q2
- Financial results Q2 2011
- Companies
 - NKT Cables
 - Nilfisk-Advance
 - Photonics Group
 - NKT Flexibles (51%)
- Expectations 2011
- Questions & Answers



Group structure August 2011



Highlights Q2 - Revenue increased as expected (3% organic growth) but EBITDA failed to follow suit

- **Revenue** up from 3.635 mDKK in Q2 2010 to 4.016 mDKK in Q2 2011
- **Organic growth** of 3% in Q2 2011 and 8% in H1 2011

	Q2 2011	H1 2011
– NKT Cables	0%	9%
– Nilfisk-Advance	8%	6%
– Photonics Group	6%	9%

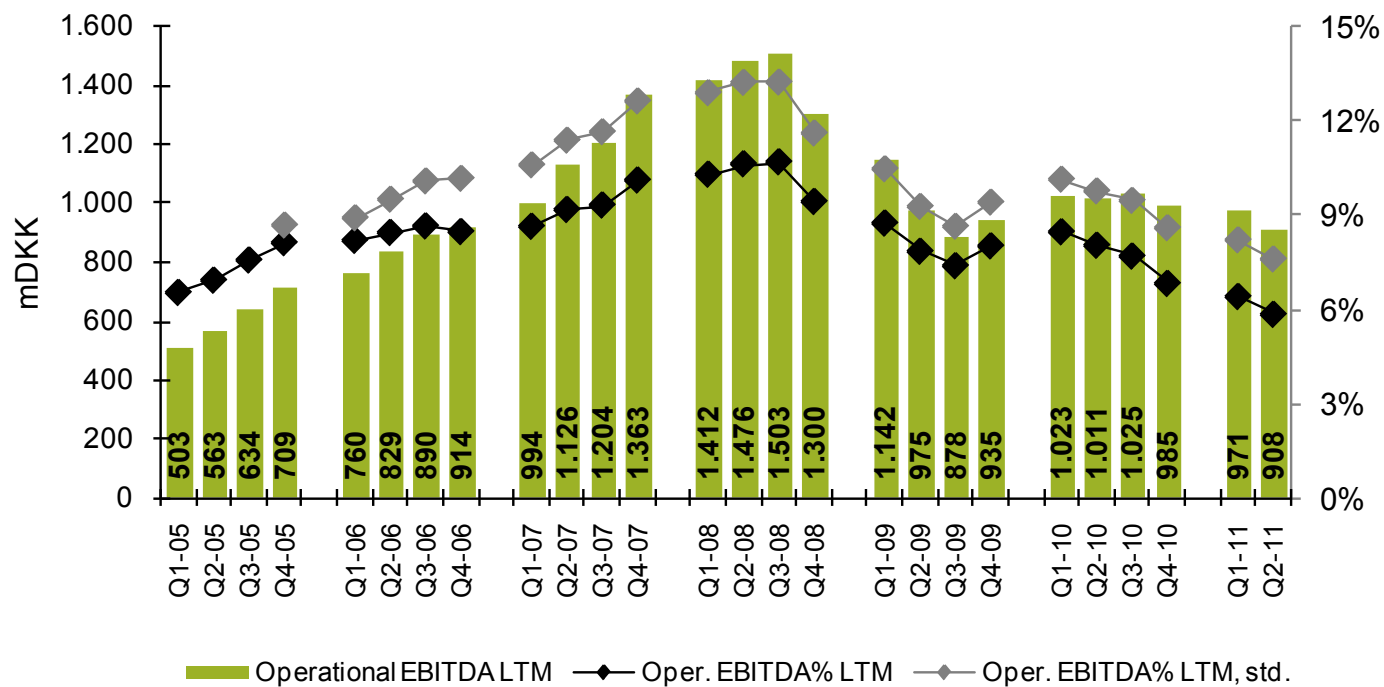
- **Operational EBITDA** Q2 2011: 218 mDKK (7,1%) vs. 282 mDKK (9,5%) in Q2 2010. H1 2011: 439 mDKK (7,4%) vs. 517 mDKK (9,5%) in H1 2010
- **Operational EBITDA, LTM** amounts to 908 mDKK (EBITDA-margin, LTM, std. 7,6%)
- **EBITDA** negatively impacted by the Cologne factory (NKT Cables) by 62 mDKK

- **One-off costs** in Nilfisk-Advance: 8 mDKK in Q2
- **Earnings before tax (EBT)** amount to 89 mDKK in H1 2011 vs. 231 mDKK in H1 2010
- **WC** amounts to 3,5 bn.DKK vs. 3,5 bn.DKK in Q1. LTM at 21,6% vs. 20,5%
- **NIBD** stabilized at 4,9 bn.DKK at 30 June 2011 (5,4x operational EBITDA) from 4,8 bn.DKK at end Q1 (5,0x operational EBITDA)

Updated expectations for full year 2011:

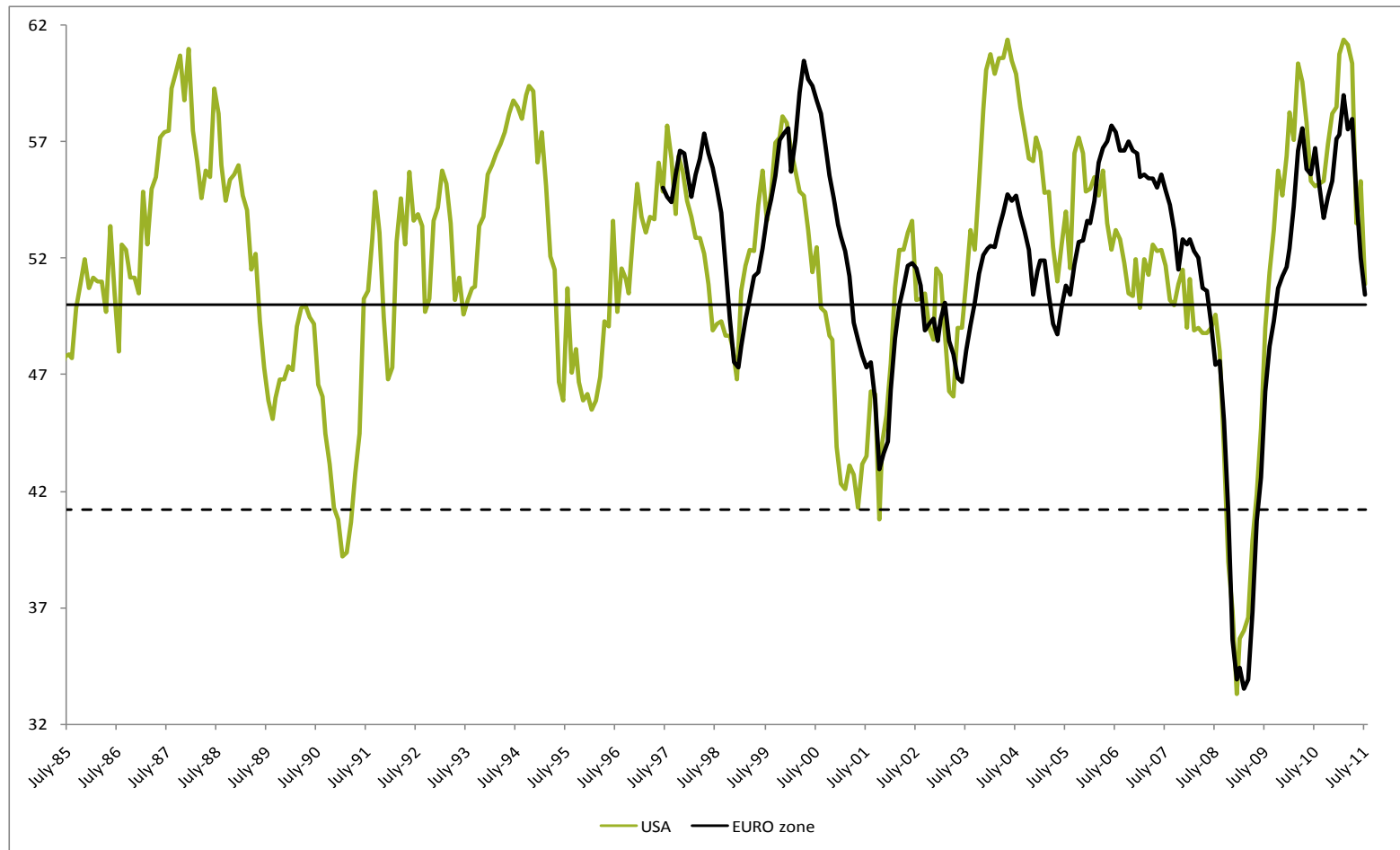
- approx. 5% organic revenue growth
- Operational EBITDA is changes from 1.200 mDKK to the level 1.000-1.100 mDKK

EBITDA Group



- › Organic growth of 3% for Q2 2011
- › EBITDA-margin std. LTM for Q2 2011 of 7,6% or 908 mDKK vs. 8,2% (971 mDKK) for Q1 2011

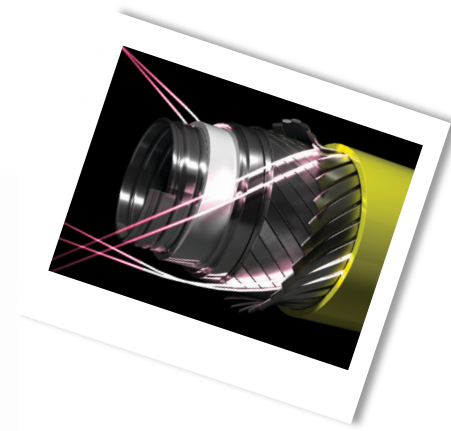
Manufacturing PMI



- Expectation indicator – Above the line indicates positive expectations for the manufacturing sector and below the line indicates declining expectations for the manufacturing sector
- - - Below the line indicate expectations of recession

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Financial results Q2 2011 vs. Q2 2010

mDKK	Q2 2011	Q2 2010	Change		Consensus
Revenue	4.016	3.635	381	10%	4.030
EBITDA (operational)	218	282	-64	-23%	341
Depreciation	-114	-98	-16	-16%	-118
EBIT (operational)	104	184	-80	-43%	223
"One-off's"	-8	-24	16		-8
Financial items	-61	-22	-39	-177%	-42
Result before tax	35	138	-103	-75%	173
Tax	-5	-41	36		-41
Net result	30	97	-67	-69%	132
<i>Revenue, std.</i>	<i>3.077</i>	<i>2.953</i>	<i>124</i>	<i>4%</i>	<i>3.127</i>
<i>Oper. EBITDA-margin std.</i>	<i>7,1%</i>	<i>9,5%</i>			<i>10,9%</i>
<i>Oper. EBIT-margin std.</i>	<i>3,4%</i>	<i>6,2%</i>			<i>7,1%</i>
<i>Tax %</i>	<i>14%</i>	<i>30%</i>			<i>24%</i>

› Organic growth => NKT Cables 0%, Nilfisk-Advance 8% and Photonics Group 6%

Financial results Q2 2011 vs. Q2 2010

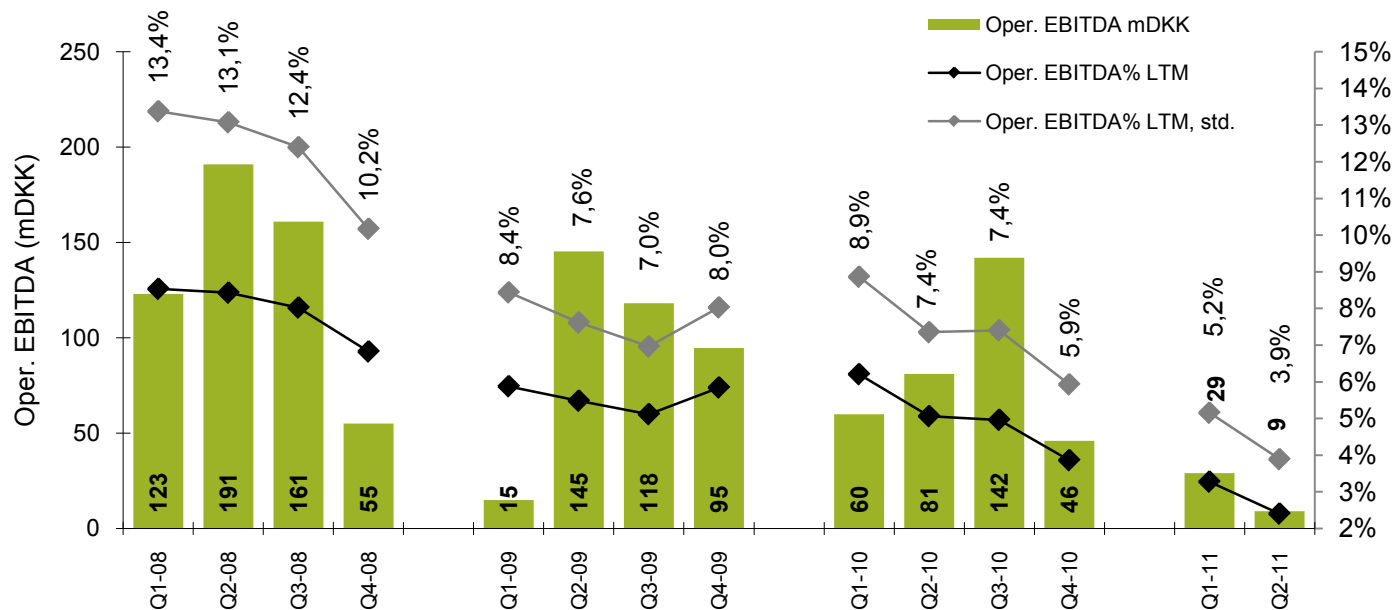
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Net result	30	97	-67
<i>Revenue, std.</i>	3.077	2.953	124
<i>EBITDA-margin std.</i>	7,1%	9,5%	
<i>EBIT-margin std.</i>	3,4%	6,2%	
<i>Tax %</i>	14%	30%	

	mDKK
Revenue increased by	381
• Metal prices	235
• FX changes	-20
• Acquisitions	44
• 3% organic growth	122
- NKT Cables	0%
- Nilfisk-Advance	8%
- Photonics Group	6%

	mDKK
EBITDA decreased by	64
• NKT Cables	-72
- down from 5,9% to 0,7%	
• Nilfisk-Advance	9
- down from 12,5% to 12,1%	
• Photonics Group	4
• NKT Flexibles (51% share)	-2
- down from 16,4% to 14,5%	
• Other	-3

	mDKK
One-off's in Nilfisk-Advance	8

Trends – NKT Cables



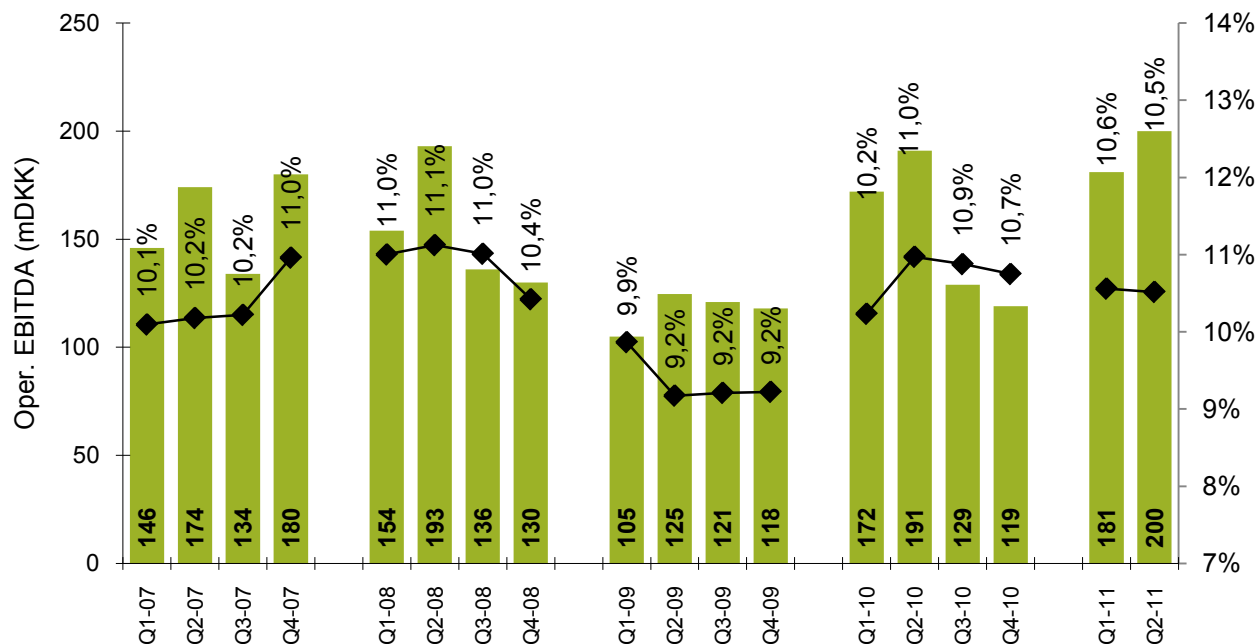
EBITDA Q2:
Cologne -63 mDKK
Rest 72 mDKK

Realized 0% organic growth Q2 (H1: 9%):
Electricity Infrastructure -3% (H1: 10%),
Construction -4% (H1: 1%), Railway 10%
(H1: 20%), and Automotive 14%
(H1: 17%)

H1 organic growth peer 9%:
Energy Infrastructure 5%, Industry 16%,
and Buildings 9%

	2008				2009				2010				2011			
Organic growth - Quarterly (Y/Y)	4%	3%	3%	0%	-14%	3%	-10%	-8%	4%	1%	25%	34%	20%	0%		
- Annually	3%				-7%				16%				9%			

Trends Nilfisk-Advance

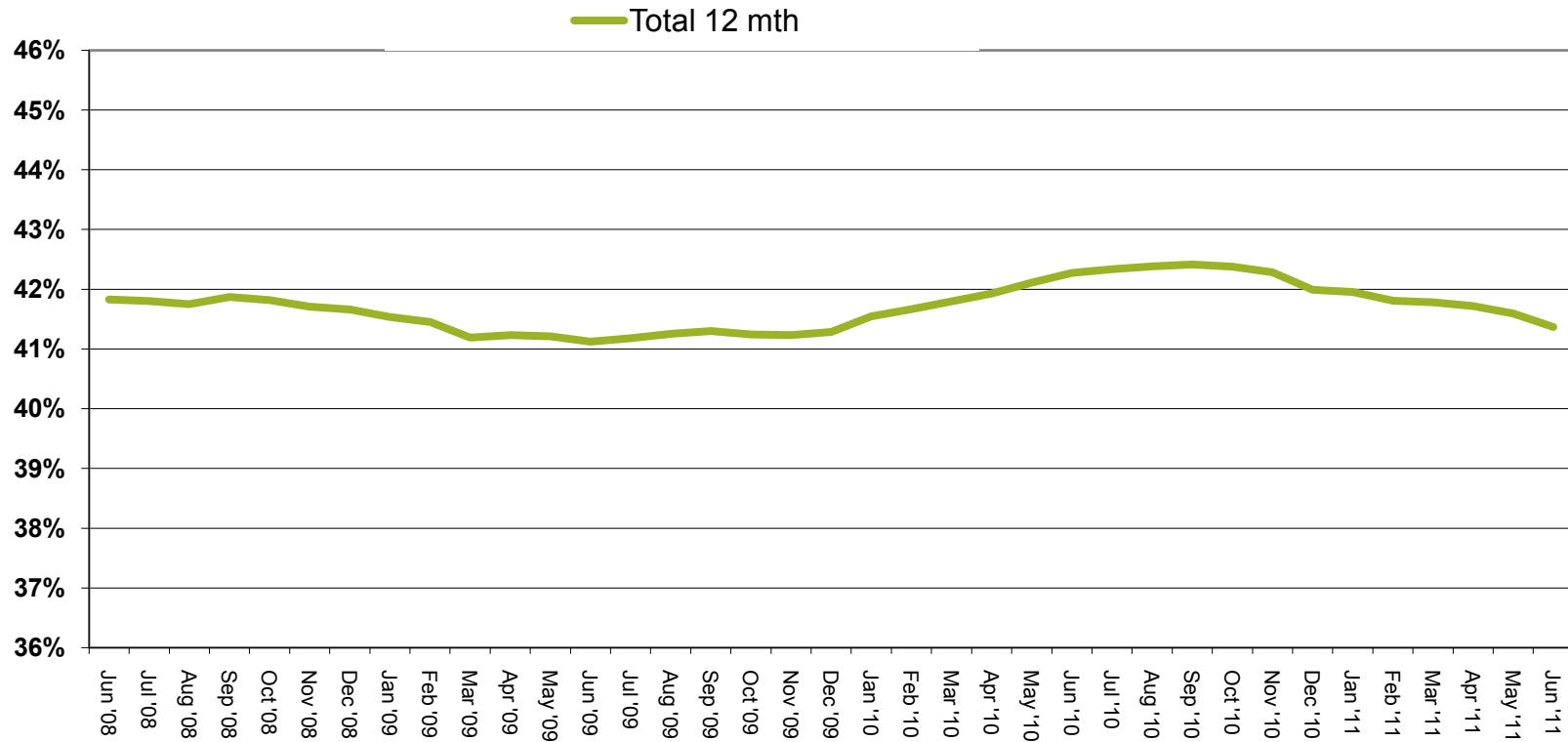


Realized 8% organic growth Q2:
EMEA 8%, Americas 8% and
Asia/Pacific 9% (17% adjusted for
phasing out of customer)

Q2 organic growth peer: 16%
EMEA 6%, Americas 19% and
Asia/Pacific 18%

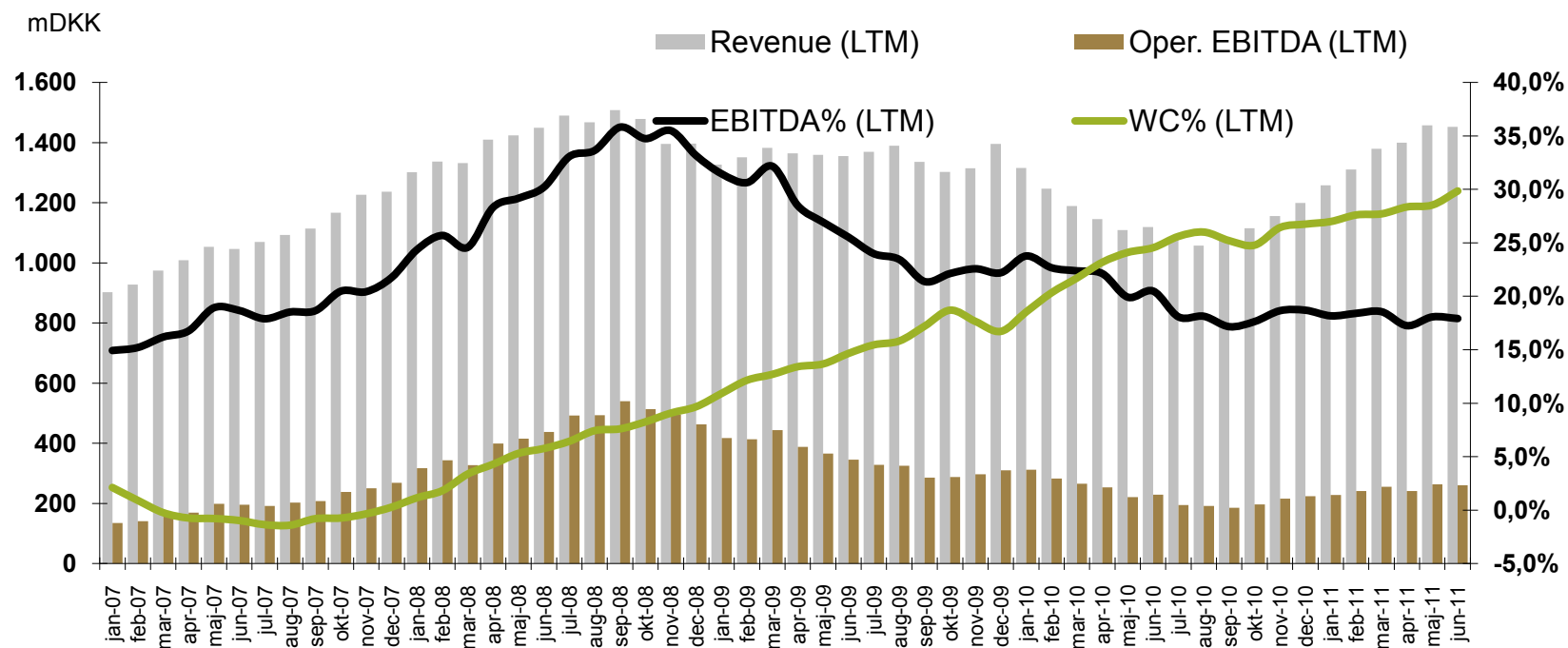
	2008				2009				2010				2011			
Organic growth - Quarterly (Y/Y)	4%	6%	5%	-12%	-12%	-20%	-13%	-3%	6%	10%	5%	7%	5%	8%		
- Annually	1%				-13%				7%				6%			

Gross profit development – Nilfisk-Advance



- Gross profit at 41,1% for Q2 2011 vs. 42,6% for Q2 2010
 - positively impacted by structural initiatives and negatively impacted by increased input prices
 - sales prices increased by app. 1,5% in May-June. The full impact on gross profit is expected in Q3
- Gross profit LTM at 41,4% vs. 42,0% at year end.

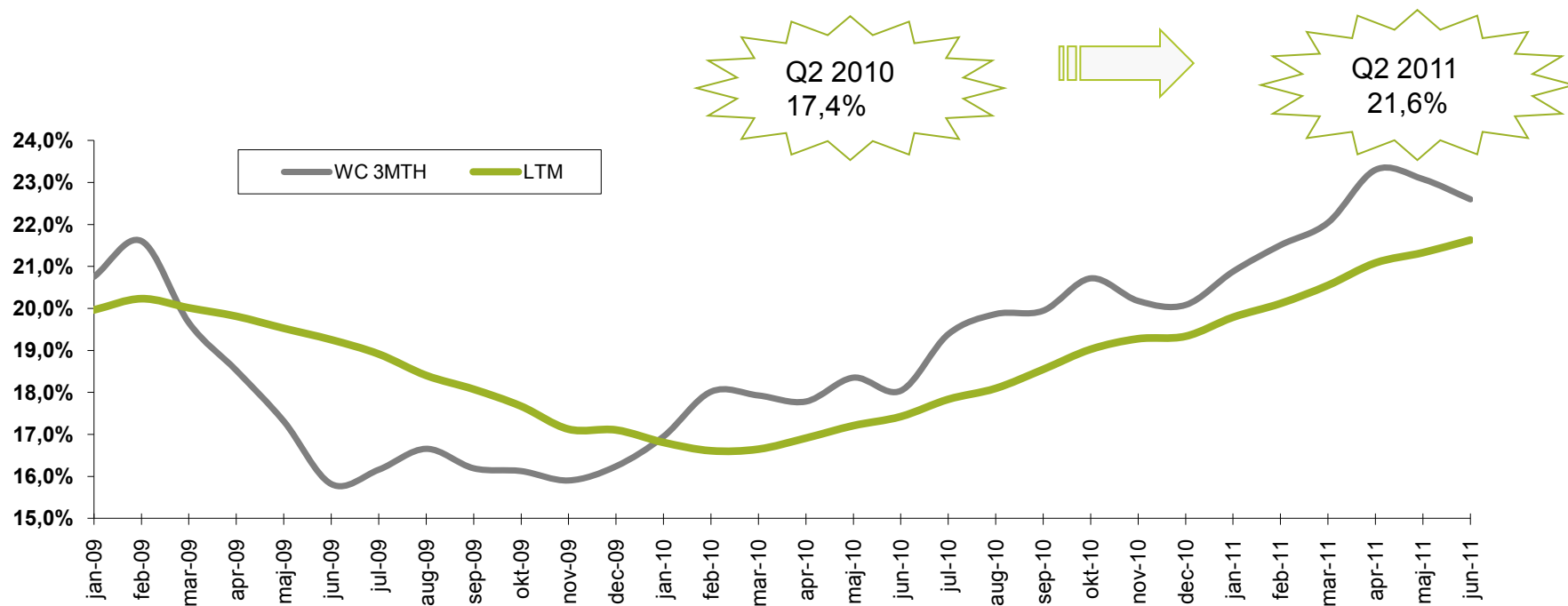
Trends – NKT Flexibles



- › Nom. growth Q2: 23%
- › Turnover up from 318 mDKK in Q2 2010 to 390 mDKK in Q2 2011
- › EBITDA-margin of 14,5% in Q2 2011 vs. 16,4% in Q2 2010

- › NKT's share of profit in Q2 2011 is 21 mDKK vs. 23 mDKK in Q2 2010
- › Order back-log as per end June 2011 amount to 1,0 bn.DKK vs. 1,0 bn.DKK end March 2011. In addition the new frame agreement with Petrobras with a value of 9,7 bn. DKK

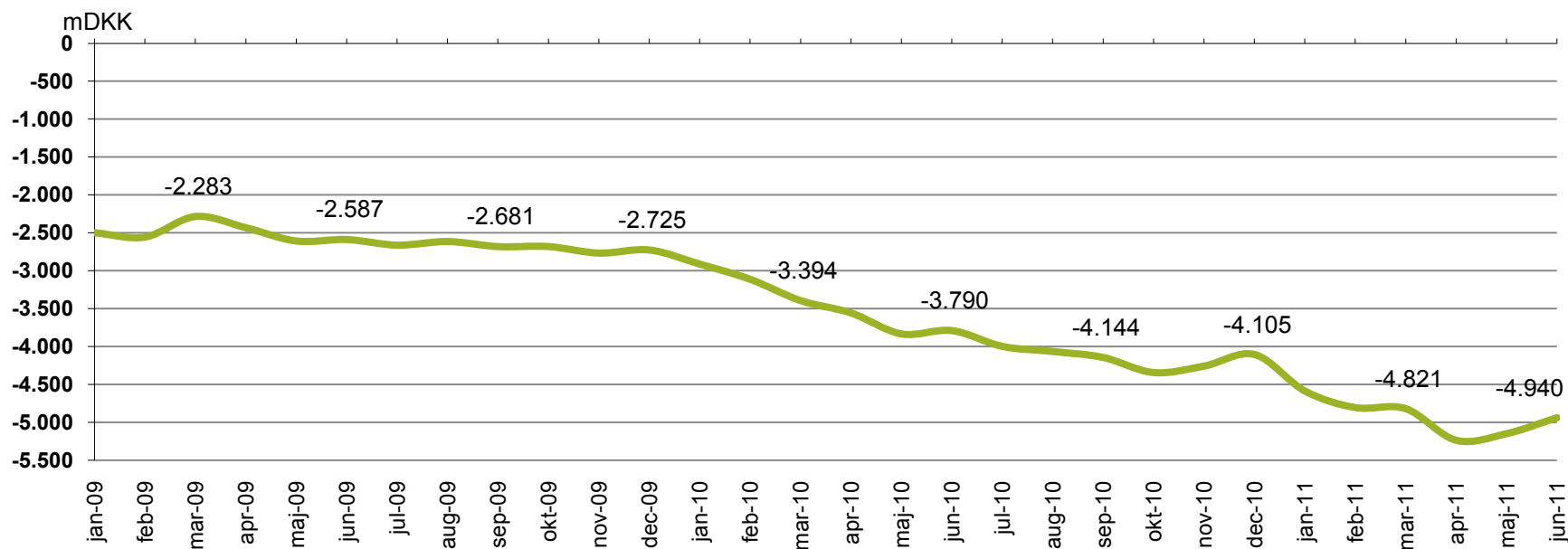
Working Capital (in% of revenue) - Group



- › WC of 3.492 mDKK as per 30 June 2011 vs. 3.498 mDKK as per 31 March 2011 and 2.812 mDKK as per 30 June 2010.
- › Still high focus area in both NKT Cables and Nilfisk-Advance
- › Strategic target remains 18% in Nilfisk-Advance and <17% in NKT Cables

- › WC increased to 21,6% (LTM) vs. 20,5 % end Q1 and 19,3% end 2010
- › NKT Cables increased to 22,9% vs. 21,2% end Q1 and 19,4% end 2010
- › Nilfisk-Advance is unchanged 19,3% from end Q1 and 19,0% end 2010

Net interest bearing debt – 30 June 2011



- › NIBD of 4.940 mDKK as per 30 June 2011 vs. 4.821 mDKK end 31 March 2011 and 3.790 mDKK as per 30 June 2010
- › NIBD decreased at 30 June (4.940 mDKK) compared to April and May
- › NIBD increased by 119 mDKK in Q2 mainly impacted by investments of 157 mDKK

- › End June 2011 net interest bearing debt amounts to 5,4x operational EBITDA (end Q1: 5,0x). Max. NIBD of 2,5x operational EBITDA remains the internal target
- › Gearing of 124% (end Q1: 121%). Max. ratio of 100% remains the internal target
- › Solvency ratio of 29% (end Q1: 29%). Ratio >30% remains the internal target

Cash flows Q2 2011

mDKK	Q2 2011	Q2 2010	H1 2011	H1 2010
Earnings, EBITDA	210	258	426	471
Interest, net	-61	-22	-104	-49
Change in working capital	-27	-435	-581	-790
Other	-29	-41	-73	-77
Share of profit in NKT Flexibles	-21	-23	-49	-39
Cash flows from operating activities	72	-263	-381	-484
Acquisition of business activities	-39	-22	-148	-22
Acq. of property, plant and equipment, net	-109	-153	-202	-448
Other investments, net	-38	38	-67	12
Cash flows from investing activities	-186	-137	-417	-458
Cash flows operating and investing activities	-114	-400	-798	-942
Change in long- and short-term loans	116	403	866	964
Dividend paid, etc.	0	3	-47	-83
Cash flows from financing activities	116	406	819	881
Net cash flow	2	6	21	-61

Gross debt and Cash Resources

Gross debt:

- Gross debt: 63% in DKK, 19% in CZK and remaining part in EUR, USD & CNY
- Largest part is at variable interest
- +/- 1% change in interest will impact net interest with +/- 34 mDKK (Q1: 35 mDKK)

Cash resources:

- Undrawn facilities of 1,4 bn.DKK + cash of 0,2 bn.DKK. In total 1,6 bn.DKK
- The debt is not subject to any kind of financial covenants

Amounts in bn.DKK

	30.06.11	31.03.11	30.06.10
	Total	Total	Total
Committed (>3 years)	3,8	3,8	1,3
Committed (1-3 years)	1,0	1,0	2,4
Committed (<1 year)	0,3	0,1	0,6
Committed total	5,1	4,9	4,3
% of total	76%	80%	81%
Uncommitted	1,6	1,2	1,0
% of total	24%	20%	19%
Total	6,7	6,1	5,3
Cash	0,2	0,2	0,2
Utilize	-5,3	-5,1	-4,0
Cash resources	1,6	1,2	1,5

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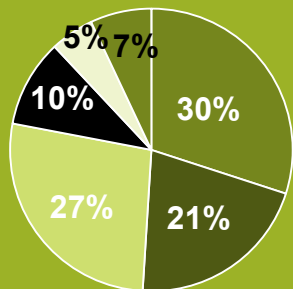
NKT Cables Group



- Manufacturing Companies
- Sales Entities

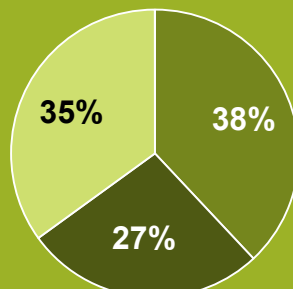
All data based on revenue std. for FY 2010

Sales by Products



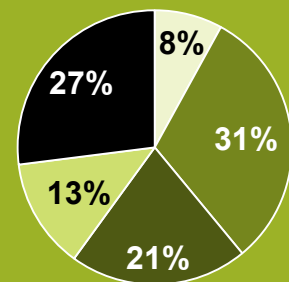
- High voltage cables and subsea
- Medium voltage cables
- Low voltage cables
- Railway wires
- Auto
- Other

Sales by Customers



- Utilities
- Wholesales
- Industry

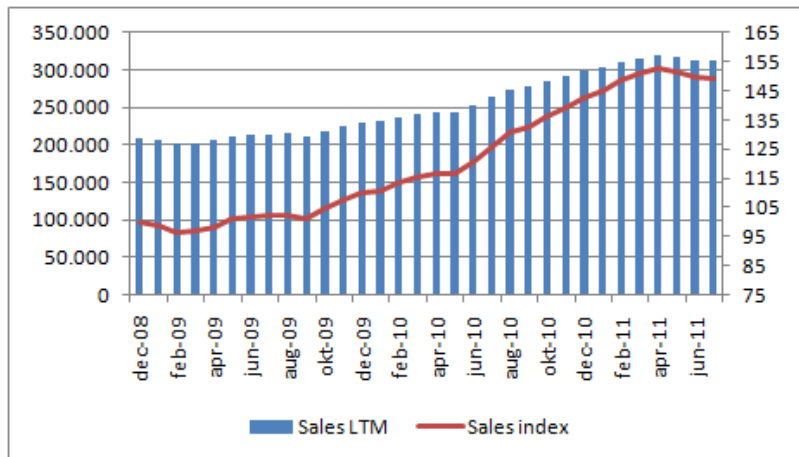
Sales by Markets



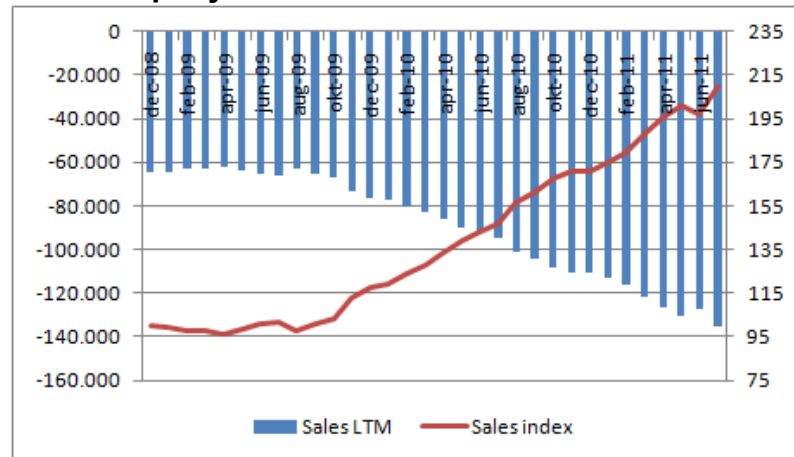
- Denmark
- Germany
- Eastern
- Asia
- Other

NKT Cables – Sales development (KEUR)

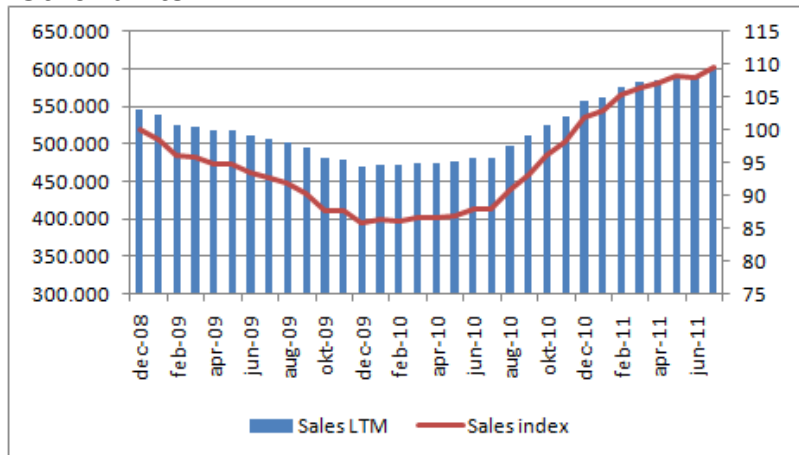
Cologne



Intercompany elimination

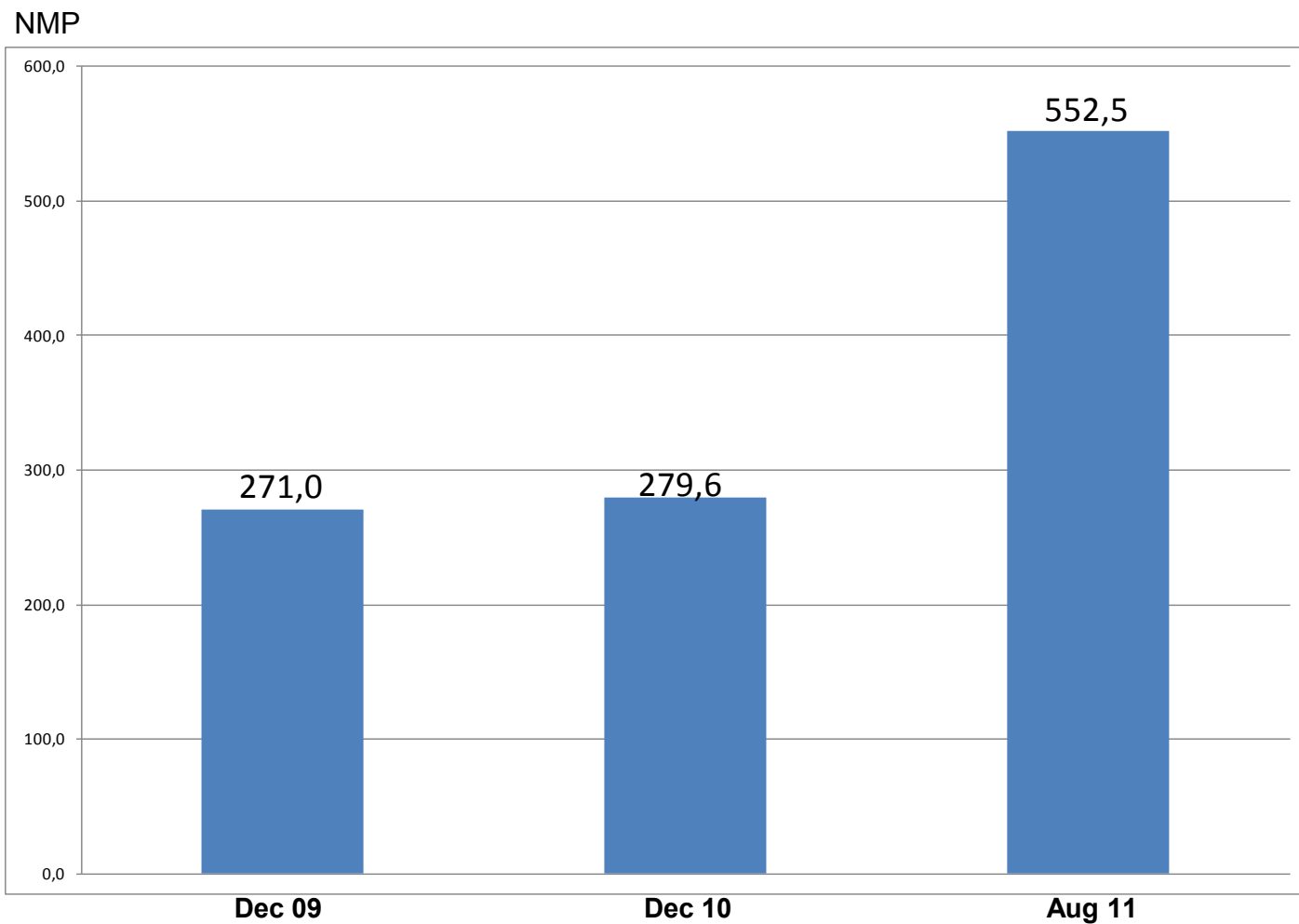


Other units



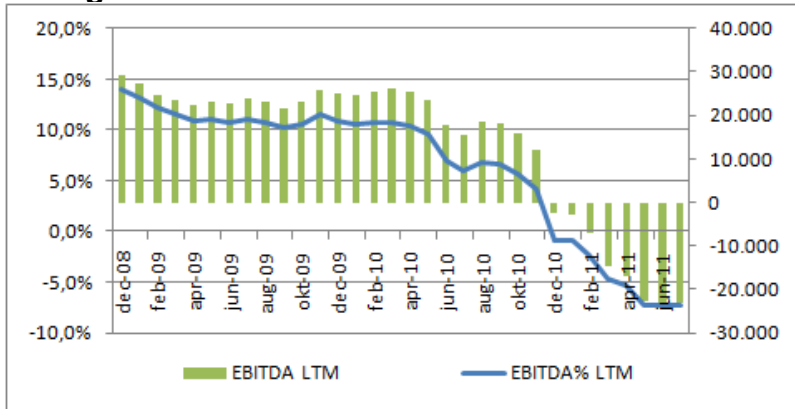
- Production value in Cologne hurt in Q2 by final relocation of machines
- Stable development in rest of the Cable group
- The “one company” organization is contributing to growing cross selling between units

Cologne backlog (KEUR)

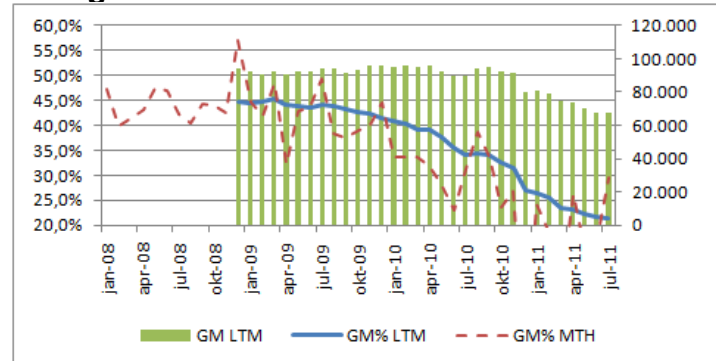


NKT Cables – EBITDA development (KEUR)

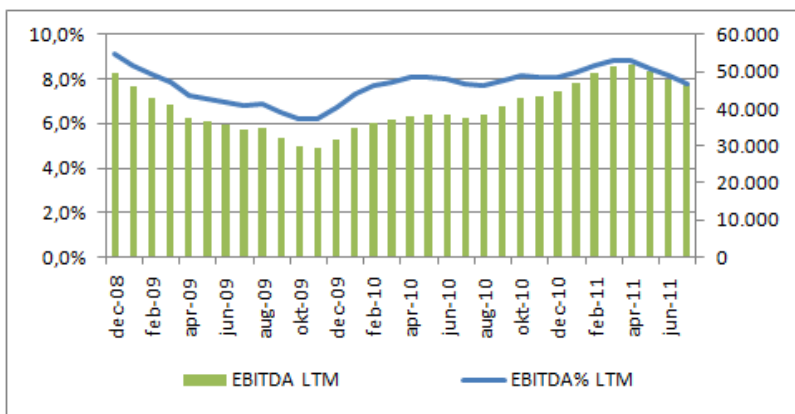
Cologne - EBITDA



Cologne – GM and Fixed cost

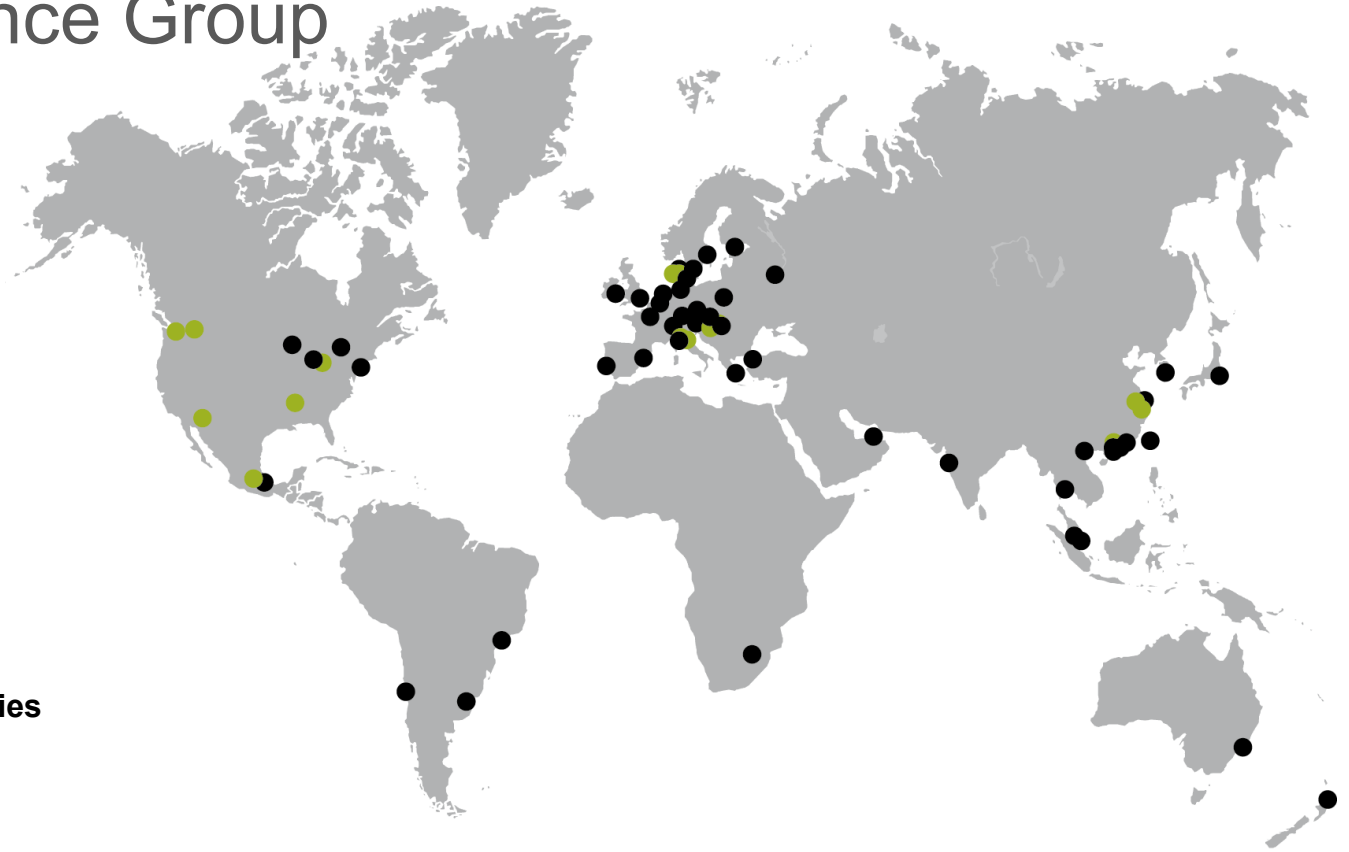


Other units - EBITDA



- The last 9 months deteriorating GM in Cologne is single cause for the unsatisfactory development in 2011
- Fixed cost development in Cologne reflect investments in the organization as well as an element of double cost
- Cost follows plans and has peaked

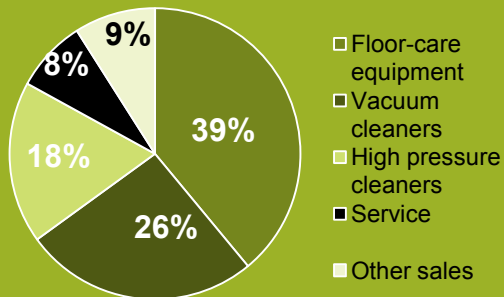
Nilfisk-Advance Group



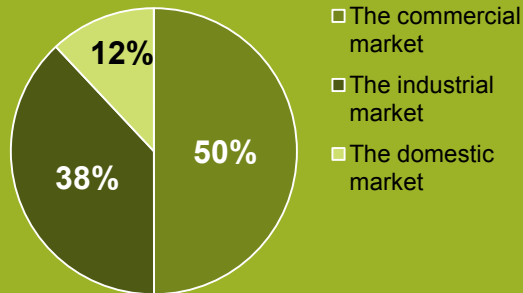
- Manufacturing Companies
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All data based on FY 2010

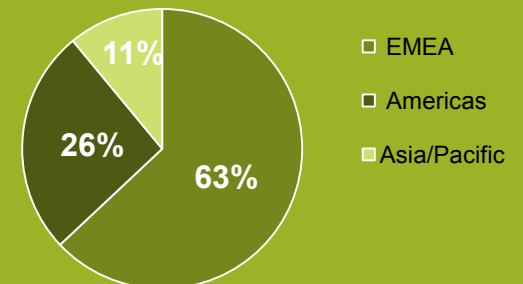
Sales by Products



Sales by Customers



Sales by Markets



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Expectations 2011 – Consensus

mDKK	Consensus
Revenue	16.027
Operational EBITDA	
NKT Cables	491
Nilfisk-Advance	714
Photonics Group	-2
NKT Flexibles	89
Others	-30
Operational EBITDA	1.262
D&A	-466
Operational EBIT	796
One off's	-25
Financial items	-167
Earnings before tax, EBT	604
Tax	-164
Earnings after tax	440

Expectations unchanged: organic growth of 5%

- › NKT Cables approx. 5%
- › Nilfisk-Advance approx. 5%
- › Photonics Group approx. 20%

Updated EBITDA expectations:

- › Planned in the level of 1-1,1 bn.DKK compared to earlier communicated 1,2 bn.DKK

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NKT