18 August 2016, Announcement No. 38. NKT Holding A/S, Vibeholms Allé 25, DK-2605 Brøndby, CVR No. 62 72 52 14

Interim Report Q2 **2016**

CONTENTS

Financial highlights

Amounts in EURm	Q2 2016	Q2 2015	1st half 2016	1st half 2015	Year 2015
Income statement					
Revenue	553.2	600.4	1,038.8	1,159.2	2,223.6
Revenue in std. metal prices [1)]	485.5	494.8	911.4	961.1	1,869.2
Operational earnings before interest, tax, depreciation and amortisation (Oper. EBITDA) [2)]	52.9	59.5	91.2	97.3	175.2
Earnings before interest, tax, depreciation and amortisation (EBITDA)	50.8	54.9	86.7	87.7	152.0
Depreciation and impairment of property, plant and equipment	-12.0	-49.3	-23.7	-61.3	-85.1
Amortisation and impairment of intangible assets	-8.5	-11.3	-16.5	-17.6	-32.7
Operational earnings before interest and tax (Oper. EBIT) [3)]	32.4	39.9	51.0	59.4	97.9
Earnings before interest and tax (EBIT)	30.3	-5.7	46.5	8.8	34.2
Financial items, net	-2.9	-2.8	-4.1	-0.7	-6.1
Earnings before tax (EBT)	27.4	-8.5	42.4	8.1	28.1
Net profit	20.2	-27.9	30.8	-15.6	1.2
Profit attributable to equity holders of NKT Holding A/S	20.2	-28.0	30.8	-15.8	1.0
Cash flow					
Cash flow from operating activities	28.7	5.2	19.6	17.5	173.2
Cash flow from investing activities	-17.5	-29.8	-87.8	-41.9	-87.9
hereof acquisition and divestment of business	0.0	-15.7	-53.0	-15.7	-23.1
hereof investments in property, plant and equipment	-7.5	-7.9	-18.3	-13.3	-39.0
Free cash flow	11.2	-24.6	-68.2	-24.4	85.3
Balance sheet					
Share capital	65.4	64.9	65.4	64.9	64.9
Equity attributable to equity holders of NKT Holding A/S	801.7	802.5	801.7	802.5	808.6
Non-controlling interest	0.0	0.9	0.0	0.9	0.9
Group equity	801.7	803.4	801.7	803.4	809.5
Total assets	1,787.2	1,860.5	1,787.2	1,860.5	1,683.6
Net interest-bearing debt [4)]	188.2	193.1	188.2	193.1	88.9
Capital employed [5)]	989.9	996.5	989.9	996.5	898.4
Working capital [6)]	318.8	374.2	318.8	374.2	269.2
Financial ratios and employees					
Operational EBITDA margin (std. metal prices)	10.9%	12.0%	10.0%	10.1%	9.4%
Gearing (net interest-bearing debt as % of Group equity)	23%	24%	23%	24%	11%
Net interest-bearing debt relative to operational EBITDA [7)]	1.1	1.0	1.1	1.0	0.5
Solvency ratio (equity as % of total assets) [8)]	45%	43%	45%	43%	48%
Return on capital employed (RoCE) (LTM) [9)]	9.3%	11.2%	9.3%	11.2%	10.1%
Number of DKK 20 shares ('000)	24,356	24,186	24,356	24,186	24,186
Number of treasury shares ('000)	589	77	589	77	77
Earnings, EUR per outstanding share (EPS) [10)]	0.9	-1.2	1.3	-0.7	0.0
Dividend, DKK per share	0.0	0.0	4.0	4.0	4.0
Equity value, EUR per outstanding share [11)]	34	33	34	33	34
Market price, DKK per share	337	384	337	384	357
Number of full-time employees, average	9,130	8,843	9,130	8,843	8,895

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

Financial highlights and ratios are calculated as defined in the 2015 Annual Report.

Key messages

Organic growth and earnings improved. New organisational structure to secure future growth and with cost savings of EUR 35m by 2019

Nilfisk realised organic growth of 3%, driven by EMEA, and operational EBITDA margin improved by 0.4%-points. Positive effects from the increased focus on sales and service were seen, however, overall organic growth development is lower than expected. A new organisational structure will be implemented by end-2016 to ensure growth and at the same time realise cost savings of EUR 35m by 2019.

Overall growth and earnings in line with expectations with positive performance by Products

Overall, Q2 performance was as expected. The Products business delivered organic growth of 9%, while the Projects business was impacted by the current order portfolio. Roll-out of the EXCELLENCE 2020 strategy is on track; the new Group management team is now complete, and the new organisation structure is being finalised.

Satisfactory financial performance. Basis for commercial scale enhanced

NKT Photonics realised satisfactory organic growth, and earnings were slightly improved. Integration of Fianium progressed to plan and the basis for more industrial solutions to gain commercial scale is in place. This was further supported by a major 18-month frame contract with an industrial customer.

Earnings in line with expectations. Outlook for 2016 maintained, underlying assumptions specified

Overall, NKT's Q2 operational EBITDA margin of 10.9% was in line with expectations and based on organic growth of -5%. Working capital was significantly reduced, driven by NKT Cables and Nilfisk. Cash flow from operating activities improved to EUR 28.7m and net-interest bearing debt remained at a low level.

2016 outlook was maintained with flat consolidated organic growth and operational EBITDA margin (std. metal prices) of approx. 9.4%, while the underlying assumptions were specified, cf. page 16.

	Nilfisk		NKT Cables		NKT Photonics		NKT	
Amounts in EURm	**Q2 2016**	**Q2 2015**	**Q2 2016**	**Q2 2015**	**Q2 2016**	**Q2 2015**	**Q2 2016**	**Q2 2015**
Revenue	276.5	253.2	267.8	338.7	8.9	8.5	553.2	600.4
Organic growth	3%	0%**	-13%	13%	9%	-14%	-5%	6%**
Operational EBITDA	32.5	28.9	21.5	32.7	-0.3	-1.0	52.9	59.5
Operational EBITDA margin	11.8%	11.4%	10.8%*	14.0%*	neg.	neg.	10.9%*	12.0%*
Working capital	193.8	198.4	115.7	165.5	8.9	9.7	318.8	374.2
Working capital % of revenue, LTM	19.6%	20.2%	11.0%	14.0%	22.7%	29.2%	15.4%	16.9%
Return on capital employed (RoCE)	12.7%	15.1%	6.1%	9.3%	1.0%	neg.	9.3%	11.2%

** Std. metal prices*
*** Adjusted for the impact of floor-sanding activities*

Nilfisk

Q2 organic growth was 3% and operational EBITDA margin was up 0.4%-points driven by improved gross margin and reduced overhead cost ratio. To realise the full Accelerate growth potential a new organisational structure will be implemented. In addition, a cost saving programme with a EUR 35m impact by 2019

ORGANIC GROWTH 2016

	Q2	1st half
EMEA	7%	3%
Americas	-4%	-3%
APAC	0%	-2%
Total	**3%**	**1%**

OPER. EBITDA MARGIN

11.8%

Financial highlights

Amounts in EURm	Q2 2016	Q2 2015	1 half 2016	1 half 2015	Year 2015
Income statement					
Revenue	276.5	253.2	531.9	494.2	971.5
Operational EBITDA	32.5	28.9	59.7	53.2	97.9
EBITDA	32.5	28.9	59.7	53.2	97.9
Depreciation and amortisation	-9.9	-8.3	-19.5	-15.9	-33.7
Impairment	-	-	-	-	-0.5
Operational EBIT	22.6	20.6	40.2	37.3	63.7
EBIT	22.6	20.6	40.2	37.3	63.7
Cash flow					
Cash flow from operating activities	26.2	6.0	25.3	1.9	59.8
Cash flow from investing activities	-10.3	-9.0	-22.4	-18.9	-39.8
Free cash flow excl. acq./divest.	15.9	-3.0	2.9	-17.0	20.0
Balance sheet					
Capital employed	545.4	515.1	545.4	515.1	501.6
Working capital	193.8	198.4	193.8	198.4	173.4
Financial ratios and employees					
Organic growth	3%	0%*	1%	-1%*	0%*
Gross margin	41.2%	40.9%	41.9%	41.3%	40.4%
Overhead cost ratio	32.2%	32.7%	33.5%	33.2%	33.1%
Operational EBITDA margin	11.8%	11.4%	11.2%	10.8%	10.1%
RoCE	12.7%	15.1%	12.7%	15.1%	12.9%
Number of full-time employees, end of period	5,673	5,409	5,673	5,409	5,545

** Adjusted for the impact of floor-sanding activities*

Organic growth driven by EMEA

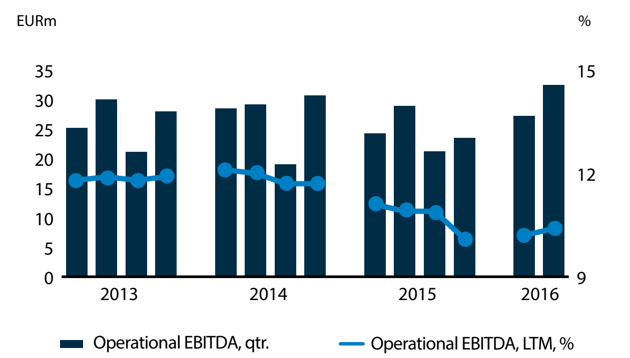
Driven by the development in the EMEA region, Nilfisk realised overall organic growth of 3% in Q2. The negative trend in the Americas region was driven by the floor-care segment while the flat growth in APAC primarily related to a weak performance in China.

Overall organic growth for 1st half 2016 was 1% and lower than expected. The benefits from the investments in sales and service and the Commercial Excellence programme are materialising at a slower pace slower than anticipated. A new organisational structure and business model will therefore be implemented to realise the full growth potential of the Accelerate business strategy. The new setup will be fully operational end-2016, cf. page 7.

Operational EBITDA increased

Operational EBITDA was EUR 32.5m, up from EUR 28.9m in Q2 2015. Operational EBITDA margin was 11.8%, an increase of 0.4%-points from the same quarter last year, driven by improved gross margin and overhead cost ratio. Operational EBITDA margin for 1st half 2016 was 11.2% against 10.8% for the same period last year.

Operational EBITDA



Improved gross margin

Gross margin was 41.2%, compared with 40.9% in Q2 2015. The increase was driven by all regions and related to pricing initiatives and procurement benefits. The positive trend was, however, partly offset by the development of CNY currency. Gross margin for 1st half 2016 was 41.9% against 41.3% in the same period last year.

Overhead cost ratio decreased

Overhead costs amounted to EUR 89.2m, up by EUR 6.3m from Q2 2015, primarily impacted by acquisitions but also investments in sales and service and higher marketing costs. Overhead cost ratio was 32.2%, down from 32.7% in Q2 2015, driven by cost saving initiatives to adjust to the lower level of revenue growth. Overhead cost ratio for 1st half 2016 was 33.5% compared with 33.2% in the same period last year.

Lower working capital

Despite significant impact from acquisitions, working capital was reduced to EUR 193.8m, down from EUR 198.4m in Q2 2015. This development was primarily driven by reduced inventories following the temporary increase caused by delivery issues in Q2 2015. Working capital was down by EUR 1.0m against end-March 2016. Working capital ratio was 19.6%, down 0.6%-points from end-March 2016.

EMEA

ORGANIC GROWTH	REVENUE, EUR
7%	168m

Organic growth in EMEA was partly driven by the mid-market segment, which in Q2 almost doubled revenue compared with the same quarter last year.

In the high-end market, major European markets, such as France, Spain and the Nordic countries, contributed positively to growth, while Germany and the UK saw a flat development. Markets in the Middle East and Africa continued to be impacted by political unrest and repercussions from the lower oil price.

With regard to Brexit, Nilfisk foresees a potential short-term negative impact particularly in the DIY segment, which, however, is a relatively small part of the business, due to reluctance of private consumer spending.

Nilfisk's headquarters in Broendby, Denmark, relocated in Q2 2016 to new office facilities offering an upgraded and more productive work environment as well as increased warehouse capacity.

The Nilfisk MH 3M and MH 4M are part of the new HPW series which takes mid-range hotwater high-pressure cleaners to a new level, meeting the latest productivity demands in the market.

AMERICAS

ORGANIC GROWTH	REVENUE, EUR
-4%	83m

Performance in North America was negatively impacted by lower order intake from commercial and industrial dealers in the floor-care segment. Excluding this, organic growth was 7%.

A major floor-care order was received in Mexico, and overall organic growth for the markets in Latin America was satisfactory.

In Nord America, Nilfisk has taken a number of initiatives to improve earnings, reduce overhead costs to match current market conditions and restore growth.

As of September 2016, Andrew Ray has been appointed EVP Nilfisk Americas with overall responsibility for the sales and service organisation. Andrew Ray holds more than 20 years of experience in general business management, sales, marketing and global integration. He will also become member of Nilfisk's Group Management. As a consequence, Jeff Barna has stepped down as EVP, Americas sales & service to seek career opportunities outside Nilfisk.

APAC

ORGANIC GROWTH	REVENUE, EUR
0%	26m

Development in the APAC region continued to be negatively impacted by a challenging Chinese market and comparison to a strong Q2 2015 in the Outdoor segment. In South East Asia, satisfactory growth was achieved based on both the high-end and mid-markets. Excluding China, organic growth for APAC was 4%.

PRODUCTS

In Q2 2016, Nilfisk launched twelve new products comprising five industrial vacuum cleaners, four floor-care products, two high-pressure cleaners, and one accessory.

Nilfisk's MC 4M compact coldwater high-pressure washer, launched in 2015, was presented with the 2016 IF Design Award and specifically commended for its intuitive operation and ergonomic design. The design of the MC 4M was based on detailed customer interviews and observation sessions.

In May, Nilfisk attended the Interclean Trade Show in Amsterdam, the world's leading cleaning industry event. Nilfisk was present with three stands built around the Accelerate value propositions with themes on 'safe', 'clean' and 'productive' and introduced a record number of new products in all product ranges, some of which contributed positively to Q2 growth.

NEW ORGANISATIONAL STRUCTURE TO SECURE GROWTH AND WITH IDENTIFIED COST SAVINGS OF EUR 35m

A key element of the Accelerate strategy is to enlarge Nilfisk's sales and service organisation and implement the roll-out of a Commercial Excellence programme to increase market share. Significant investments have been made, but growth has not materialised to the extent expected despite the fact that a number of positive effects have been identified, confirming the increased front-end focus.

To secure realisation of the growth ambitions, Accelerate+ which includes a new organisational structure and business model will be launched. The new structure aligns the organisation with market and customer segmentation, and will be fully implemented by end-2016, with the majority of the individual sales organisations in place by autumn 2016. The business structure will be based on the four elements outlined below.

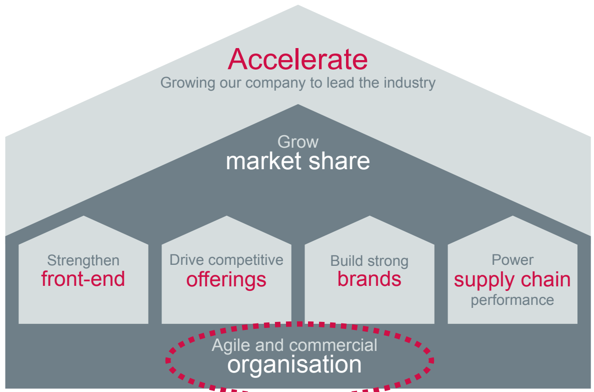
Lever 1: Simpler and more agile organisation focused on sales and with clear responsibilities
Overall, the new organisation consists of a regional sales structure and global functional services.

The regional sales structure, based on full P&L responsibilities, will have a dedicated segment focus in the defined business areas; Premium (high-end), Value (mid-market) and Service with a consistent setup across countries. These business areas share a centralised Portfolio Management, R&D and Marketing setup. In addition, two new stand-alone global business units will be

The Accelerate strategy

Nilfisk's Accelerate strategy, launched in Q1 2015, aims to drive growth and to consolidate the company's leading position through increased market share.

The long-term financial targets are to achieve organic growth of 2-3% above GDP and RoCE of 18-19%.



Identified organisational elements to secure growth

Get closer to the customers

1 Customer orientation
- Organise according to customer characteristics
- Focus on core business
- Organise to empower sales

2 Accountability
- Clearly defined roles and responsibility (incl. P&L) empowered business decision
- One profit center in the value chain
- Performance culture

Empower the organisation

3 Simplify
- Lean structure
- Low complexity with limited interfaces and responsibility overlaps
- Build consistent organisational structures

4 Speed and agility
- Focus on bottom-line performance
- Business process optimisation
- Fast and transparent decision-making based on flat organisation

introduced, addressing the Consumer and Specialty markets (industrial vacuum cleaners, outdoor, food as well as the US-based cyclone and restoration businesses). The two units will each hold full P&L responsibilities, as well as production, product management and R&D.

Global services comprise operations as well a number of support functions, including Finance, HR, Marketing and Commercial Excellence. The aim is to consolidate the services to ensure clear responsibilities and consistency while realising scale benefits.

Lever 2: Implementation of cost saving programme
In addition to the new organisation, Accelerate+ includes a cost saving programme which will be launched immediately, as a number of potential savings, relating to e.g. sourcing, operations and overall complexity, have been identified.

Effects of Accelerate+
The aim of Accelerate+ is to deliver organic growth of 2-3% above GDP and in addition to increase EBITDA through cost savings by approx. EUR 35m by 2019 against 2016. Apart from the below-mentioned one-off cost, the effects of Accelerate+ are not expected to impact 2016 earnings.

Nilfisk still intends to pursue its M&A agenda, but effects of potential acquisitions are not included.

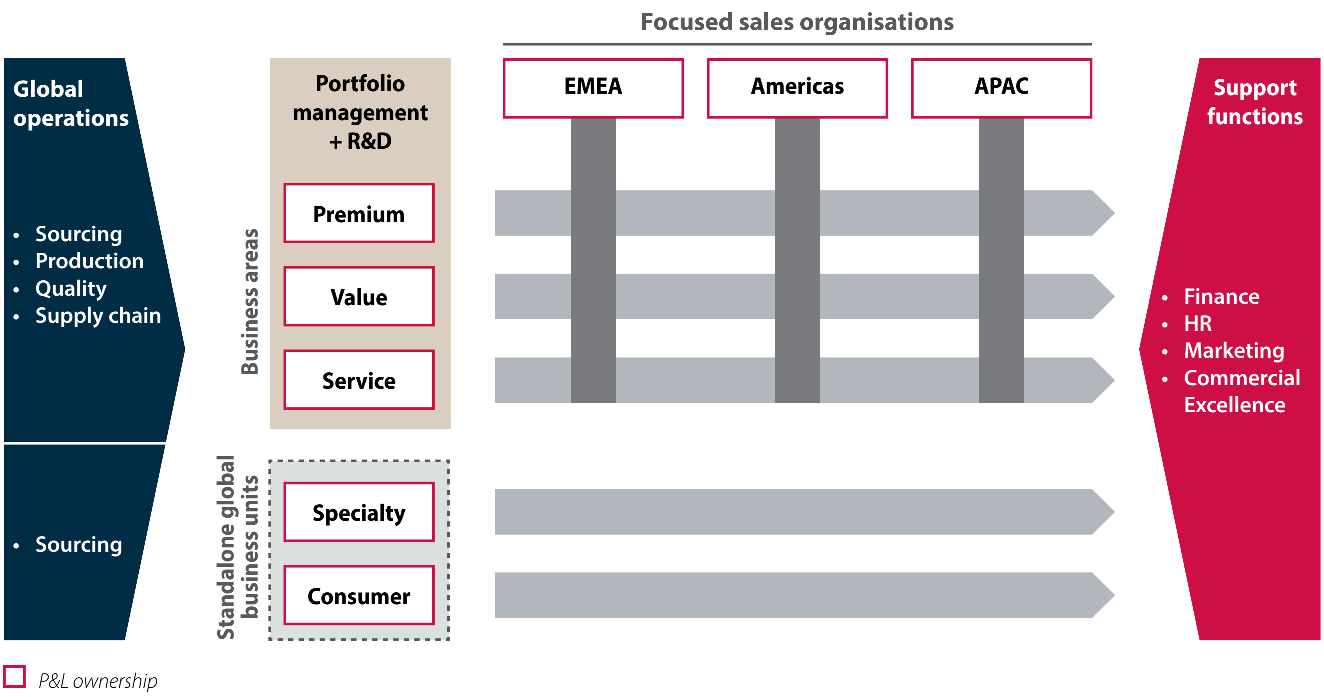
Accelerate+ impact

	Key initiatives	Full impact 2019, EBITDA EURm
Cost savings	• Overhead reductions through structural changes • Sourcing • Optimisation of production footprint • Complexity reduction • Price management	35

To realise the cost savings, one-off cost of EUR 35m are expected. An additional cost of approx. EUR 5m is anticipated for implementing the new structure and business model. The total restructuring cost amounts to EUR 40m and hereof approx. EUR 20m are expected to be incurred in 2016 relating to the launch and activities necessary to ensure early 2017 effects.

Further details and updates will follow in NKT's interim and annual reports.

Organisational structure and business model when fully implemented end-2016



125 YEARS 1891-2016

nkt cables

NKT Cables

The Products business continued to develop positively in Q2 2016. The Projects business was impacted as expected by lower profitability from current orders under production. Execution of the EXCELLENCE 2020 strategy progressed as planned

In July 1891, the Danish entrepreneur Hans Peter Prior founded a wire and cable business which a few years later became listed on the Danish stock exchange as NKT, "Nordiske Kabel og Traadfabrikker". Today, 125 years later, NKT Cables celebrates its proud brand history of bringing power to life all over the world though the supply of highly technological and sustainable cable products, services and solutions.

ORGANIC GROWTH 2016

	Q2	1st half
Projects	-43%	-49%
Products	9%	5%
APAC	-26%	-34%
Total	**-13%**	**-19%**

OPER. EBITDA MARGIN*

10.8%

Financial highlights

	Q2		1st half		Year
Amounts in EURm	**2016**	**2015**	**2016**	**2015**	**2015**
Income statement					
Revenue	267.8	338.7	490.8	647.9	1,211.9
Revenue, std. metal prices	200.1	233.1	363.4	449.8	857.5
Operational EBITDA	21.5	32.7	33.6	47.1	77.0
EBITDA	19.4	28.1	29.1	37.5	53.8
Depreciation and amortisation	-9.3	-10.2	-18.7	-20.2	-39.6
Impairment	-	-38.4	-	-38.4	-37.8
Operational EBIT	12.2	22.5	14.9	26.9	37.5
EBIT	10.1	-20.5	10.4	-21.1	-23.6
Cash flow					
Cash flow from operating activities	1.2	-0.6	-10.0	11.6	102.6
Cash flow from investing activities	-6.4	-4.1	-11.0	-6.1	-21.2
Free cash flow excl. acq./divest.	-5.2	-4.7	-21.0	5.5	81.4
Balance sheet					
Capital employed	404.1	463.6	404.1	463.6	381.3
Working capital	115.7	165.5	115.7	165.5	87.1
Financial ratios and employees					
Organic growth	-13%	13%	-19%	15%	4%
Gross margin*	44.5%	42.9%	42.7%	40.7%	40.6%
Overhead cost ratio*	35.7%	29.8%	38.1%	31.9%	32.7%
Operational EBITDA margin*	10.8%	14.0%	9.3%	10.5%	9.0%
RoCE	6.1%	9.3%	6.1%	9.3%	8.2%
Number of full-time employees, end of period	3,148	3,212	3,148	3,212	3,208

** Std. metal prices*

In Q2 2016, NKT Cables introduced a marketing campaign for a new range of halogen-free flame retardant (HFFR) building wires in Sweden. The new range is expected to be on the market by end-2016.

Organic growth in line with expectations

Overall organic growth for Q2 2016 was -13%, in line with expectations. The Products business continued the positive trend in all business lines and delivered significant organic growth in Q2. In particular, sales in Central Europe were satisfactory, and in the Nordic countries the Swedish market showed positive trends.

Due to the nature of the Projects business, revenue is highly volatile, which makes quarter-to-quarter comparison difficult. In Q2 2015, Projects achieved organic growth of 72%, driven by a high level of civil works and a changed method for estimating completion stages of offshore projects. In this context, and as previously communicated, the Q2 2016 development was as expected.

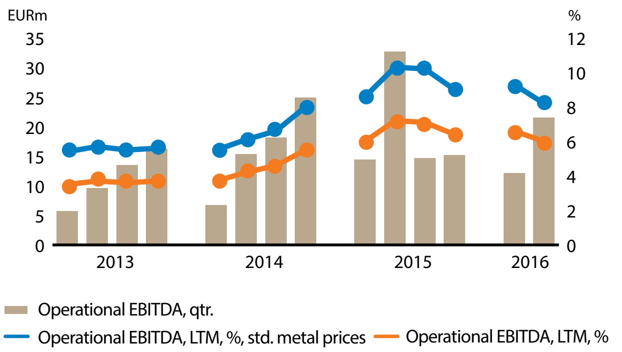
Total organic growth for 1st half 2016 was -19% and in line with expectations.

Operational EBITDA down due to lower revenue

Operational EBITDA amounted to EUR 21.5m, down from EUR 32.7m in Q2 2015. This development was driven by reduced revenue and lower profitability on offshore projects currently being executed. Operational EBITDA margin (std. metal prices) was 10.8%, down from 14.0% in Q2 2015. Operational EBITDA margin, LTM, was 8.2%, a decrease of 1.1%-points from end-March 2016. One-offs amounted to EUR 2.1m relating to execution of the new organisational structure.

Operational EBITDA margin (std. metal prices) for 1st half 2016 was 9.3% against 10.5% for the same period last year.

Operational EBITDA



Working capital reduced

Working capital amounted to EUR 115.7m at end-June 2016, down from EUR 165.5m in Q2 2015 and up from EUR 103.4m at end-March 2016. The decline compared with the same period last year was mainly due to a constant focus on improving working capital in the Projects business. Working capital ratio was 11.0%, down by 0.6%-points from end-March 2016.

EXCELLENCE 2020

Since its launch in Q3 2015 the EXCELLENCE 2020 strategy has been further detailed. Implementation of the business plan is progressing as planned, both in terms of the defined segment initiatives and the must-win battles. In Q2 2016, selected highlights were:

Group Management team complete
In April 2016, NKT Cables presented a new organisational structure in support of the EXCELLENCE 2020 strategy. The aim is to create a leaner and more agile setup with increased customer focus, cf. Q1 2016 Interim Report pages 11-12.

To support the new structure, two new members have joined the Group Management. As of 1 June 2016, Frida Norrbom Sams was appointed Head of the new Applications division, and as of 1 October 2016 Dietmar Müller is appointed Head of Operations in charge of all production activities in Europe.

Frida Norrbom Sams has a strong commercial background and leadership experience from a number of senior positions within industry and consulting. She also possesses extensive experience from establishing and managing global businesses, including focus on commercial excellence.

Dietmar Müller has more than 20 years' experience with driving manufacturing excellence, supply chain innovation and safety. He also possesses extensive leadership experience from a number of leading positions with industry and consulting.

The new organisational structure will become effective on 1 January 2017.

Development of new range of building wires
NKT Cables has developed a new range of halogen-free flame retardant (HFFR) building wires which complies with new CPR (Construction Product Regulation) requirements in Sweden. In Q2 2016, NKT Cables launched a marketing campaign in all Nordic countries, supported with extensive customer guidelines, to inform about this new EU cable test standard which will be implemented in the coming year, cf. the information box.

NKT Cables ready for new EU standard
A new EU standard for how to harmonise test and fire classification of cables came into force 10 June 2016. It is included in the CPR (Construction Product Regulation) which aims to ensure reliable information on the performance of products used in buildings. The transition to the new common standard and national adaptations combined with mandatory CE marking of products will take place in the period 10 June 2016 to 1 July 2017.

Turnaround of high-voltage onshore
In the high-voltage onshore business, the turnaround activities continued in order to improve profitability. Certain defined cost initiatives began to materialise, and new sales measures were launched to increase the market share of extra high-voltage projects.

PROJECTS

ORGANIC GROWTH	REVENUE, EUR*
-43%	51m

As in Q1 2016, the Projects business was negatively impacted by a number of factors: By EUR 9.7m relating to the new method introduced in Q1 2015 for estimating the completion stage of projects; by EUR 7.0m from fewer civil works; by EUR 15.4m related to reduced revenue generation from current project portfolio and by EUR 7.7m from delays caused by supplier quality issues, cf. this and previous financial reports.

Overview of supplier quality issues
Early in 2016, NKT Cables discovered quality issues in deliveries from a raw material supplier. These issues were entirely outside NKT Cables' control, and necessary corrective actions were taken by the supplier. The number of products affected was identified

**Std. metal prices*

and initial tests revealed no impact on product operational performance or lifetime. However, planned production flow in 1st half 2016 was delayed as it was decided to remanufacture certain products as a preventive measure.

Estimated compensation from the supplier for reproduction costs was recognised in Q1 and Q2 2016. A final settlement is expected to be reached in 2nd half 2016.

Satisfactory order book
With the Hornsea Project One order, which NKT Cables was awarded in April, cf. Company Announcement No. 14 of 5 April 2016, full visibility is ensured until end-2017 regarding offshore production lines. The 2016 order book for high-voltage onshore projects is satisfactory but remains slightly lower than the normal level.

No short-term Brexit impact
Based on an analysis after Brexit in June 2016, NKT Cables does not expect to be significantly impacted by the outcome in 2016-2017.

PRODUCTS

ORGANIC GROWTH	REVENUE, EUR*
9%	139m

The positive sales development in the Products business was particularly driven by Central Europe, but the Nordics and Specialities business lines also delivered positive organic growth. Earnings increased accordingly, partly reflecting the continued positive effects of the DRIVE efficiency programme.

In the utility segment, revenue increased in Central Europe and in Sweden where NKT Cables in April was awarded a major three-year frame contract by the country's largest electrical utility, Ellevio, cf. Q1 2016 Interim Report.

The wholesale segment also delivered positive revenue development in several markets driven by an increased level of construction activities.

APAC

ORGANIC GROWTH	REVENUE, EUR*
-26%	10m

The Q2 2016 development in APAC was not satisfactory and reflected continued difficult market conditions in China, characterised by overcapacity and an increasing competitive situation. Activities to define a sustainable setup for the APAC operations are ongoing and are expected to be finalised by end-2016.

**Std. metal prices*

NKT Photonics is one of the leading suppliers of Distributed Temperature Sensing systems for monitoring of fire in road and rail tunnels.

NKT Photonics

Satisfactory organic growth of 9% was driven by strong performance in the Sensing & Energy segment. Integration of Fianium progressed to plan. Major frame contract signed with industrial customer

Financial highlights

	Q2		1st half		Year
Amounts in EURm	**2016**	**2015**	**2016**	**2015**	**2015**
Income statement					
Revenue	8.9	8.5	16.1	17.1	40.6
Operational EBITDA	-0.3	-1.0	-0.6	-1.0	3.7
EBITDA	-0.3	-1.0	-0.6	-1.0	3.7
Depreciation and amortisation	-1.3	-1.1	-2.0	-1.8	-3.6
Impairment	-	-2.6	-	-2.6	-2.6
Operational EBIT	-1.6	-2.1	-2.6	-2.8	0.1
EBIT	-1.6	-4.7	-2.6	-5.4	-2.5
Cash flow					
Cash flow from operating activities	-2.5	-	-1.5	0.6	4.3
Cash flow from investing activities	-0.8	-0.7	-1.3	-1.3	-3.8
Free cash flow excl. acq./divest.	-3.3	-0.7	-2.8	-0.7	0.5
Balance sheet					
Capital employed	44.6	22.2	44.6	22.2	19.2
Working capital	8.9	9.7	8.9	9.7	8.5
Financial ratios and employees					
Organic growth	9%	-14%	11%	-9%	9%
Gross margin	68.8%	67.5%	71.2%	69.0%	69.4%
Overhead cost ratio	57.8%	61.1%	57.9%	57.2%	45.5%
Operational EBITDA margin	neg.	neg.	neg.	neg.	9.6%
RoCE	1%	neg.	1%	neg.	0.4%
Number of full-time employees, end of period	237	207	237	207	180

Organic growth driven by Sensing & Energy

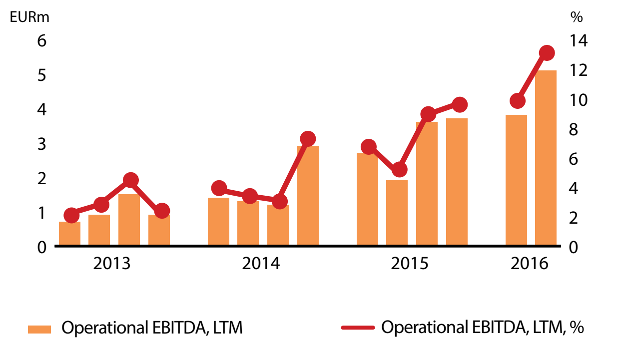
NKT Photonics achieved organic growth of 9% in Q2 2016. The positive development was primarily based on the Sensing & Energy segment.

Overall organic growth for 1st half 2016 was 11% and was attributable to both the Sensing & Energy and Material Processing segments.

EBITDA driven by higher revenue

EBITDA amounted to EUR -0.3m compared with EUR -1.0m in Q2 2015. The improvement was primarily due to higher revenue and improved margins. EBITDA for 1st half 2016 amounted to EUR -0.6m compared with EUR -1.0m for the same period last year.

Operational EBITDA



Working capital at end-June 2016 amounted to EUR 8.9m, on par with end-March 2016, and down by EUR 0.8m from end-June 2015. Compared with Q2 2015, working capital included Fianium and excluded the Fiber Processing business.

Integration of Fianium on track
The integration of Fianium is progressing to plan. During Q2 2016, Fianium's engineering, manufacturing and sales functions were integrated into the corresponding departments at NKT Photonics. At the same time, Thomas Oldemeyer from NKT Photonics' Senior Management has been appointed General Manager of Fianium with overall responsibility for a successful integration.

NKT Photonics now services its customers with a broader product portfolio and with strengthened development competences for industrial solutions.

IMAGING & METROLOGY

The existing Imaging & Metrology segment delivered organic growth in Q2 2016 but overall, this was offset by the Fianium business, where revenue was lower due to extraordinary high sales in the previous quarter. Order backlog remained satisfactory and NKT Photonics signed a significant 18-month frame contract with an industrial customer in the semiconductor business.

SENSING & ENERGY

The strong performance in the Sensing & Energy business was attributable to all segments. A strategic review in 2015 redefined the primary markets as energy, security and structural monitoring and the positive trend in Q2 is principally attributed to this refocus. An example of a recent structural monitoring project can be found in the case box dealing with the Gotthard Base Tunnel.

MATERIAL PROCESSING

Material Processing is currently the company's smallest business segment but also the fastest growing. Consequently, the segment is volatile quarter-on-quarter. While Q2 organic growth was slightly negative, overall organic growth in 1st half 2016 was strong. In Q2 2016, deliveries continued on major orders awarded in 2015 and Q1 2016.

NKT PHOTONICS PROVIDING PART OF SAFETY SOLUTION FOR THE LONGEST RAIL TUNNEL IN THE WORLD

The Gotthard Base Tunnel is the centrepiece of the new transalpine route for rail transport into and through Switzerland. With a length of 57 km it is the world's longest rail tunnel, and approx. 200 trains are expected to traverse it every day at speeds of up to 250 km/h.

Among a number of a safety measures being implemented is a sophisticated fire protection solution. Based on NKT Photonics' FibroLaser technology and operated by Siemens, the solution can quickly identify and localise a fire and then automatically activate comprehensive exhaust ventilation. This technique will prevent smoke from spreading and ensure a smoke-free environment for firefighters and passenger evacuation. The FibroLaser cables will be installed in both the ceiling and the floor of the Gotthard Base Tunnel.

Q2 earnings in line with expectations

Organic growth impacted by NKT Cables

In Q2 2016, both Nilfisk and NKT Photonics achieved positive organic growth. Overall, NKT realised organic growth of -5%, as expected impacted by overall development in NKT Cables.

Nilfisk delivered overall organic growth of 3%. The EMEA region delivered 7% organic growth, Americas -4% and APAC 0%.

In NKT Cables, the Products business continued its positive trend with organic growth of 9%. Overall organic growth was -13%. As previously communicated, this related to the current order composition in the Projects business, which realised -43%, while the APAC business performed below expectations at -26%.

In total, NKT's organic growth for 1st half 2016 was -8%.

Operational EBITDA impacted by lower revenue

NKT's operational EBITDA, which is adjusted for one-offs to reflect the underlying earnings from operations, amounted to EUR 52.9m, down from EUR 59.5m in Q2 2015. One-offs amounted to EUR 2.1m, all relating to NKT Cables. Operational EBITDA margin (std. metal prices) was 10.9%, a decrease from 12.0% driven by NKT Cables, which realised a strong Q2 2015 due to finalisation of a number of projects.

Operational EBITDA by business unit

Amounts in EURm	Q2 2016	Q2 2015	Nom. change
Nilfisk	32.5	28.9	3.6
NKT Cables	21.5	32.7	-11.2
NKT Photonics	-0.3	-1.0	0.7
Other	-0.8	-1.1	0.3
Operational EBITDA	**52.9**	**59.5**	**-6.6**
One-off items	-2.1	-4.6	2.5
EBITDA	**50.8**	**54.9**	**-4.1**

EBITDA amounted to EUR 50.8m, a decrease from EUR 54.9m in the same quarter last year.

For 1st half 2016, NKT reported operational EBITDA of EUR 91.2m, down from EUR 97.3m in the same period last year. Operational EBITDA margin (std. metal prices) was 10.0%, which was in line with expectations and on par with 1st half 2015.

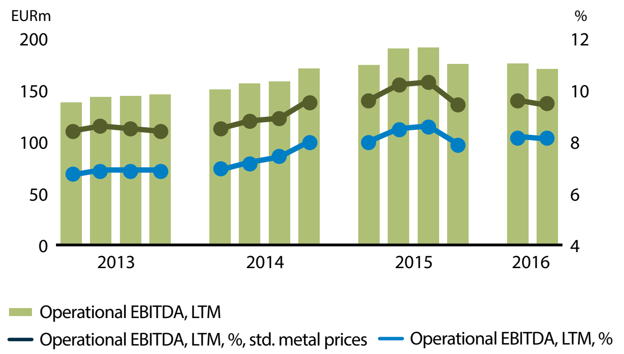
Operational EBITDA, LTM, decreased to EUR 169.1m from EUR 175.7m in Q1 2016. Operational EBITDA margin, LTM (std. metal prices), was 9.3%, compared with 9.6% in Q1 2016.

Revenue development by business unit

Amounts in EURm	Q2 2015	Currency effect	Acquisitions/ divestments	Growth	Q2 2016	Organic growth*
Nilfisk	253.2	-5.3	21.3	7.3	**276.5**	3%
NKT Cables	233.1	-1.8	-0.4	-30.8	**200.1**	-13%
NKT Photonics	8.5	-0.4	0.0	0.8	**8.9**	9%
Revenue, std. metal prices	494.8	-7.5	20.9	-22.7	**485.5**	-5%
Adjustments, metal prices	105.6	-1.6	-	-36.3	**67.7**	
Revenue, market prices	**600.4**	**-9.1**	**20.9**	**-59.0**	**553.2**	

** Organic growth is adjusted for currency effects, metal prices and acquisitions/divestments*

Operational EBITDA



Financial items, earnings and tax

Net financial items amounted to EUR -2.9m on par with Q2 2015.

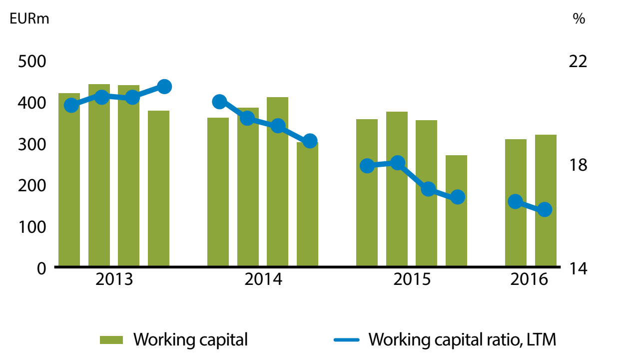
Earnings before tax increased to EUR 27.4m against EUR -8.5m in the corresponding period last year which was impacted by impairment losses of EUR 41m primarily in NKT Cables' APAC business.

Tax rate in Q2 2016 was 26%, in line with full-year 2016 expectations.

Working capital level reduced

Working capital ratio, LTM, was 15.4%, a reduction from 15.8% in Q1 2016, driven by the Projects business in NKT Cables.

Working capital



Cash flow

Driven by working capital, cash flow from operating activities amounted to EUR 28.7m, compared with EUR 5.2m in Q2 2015.

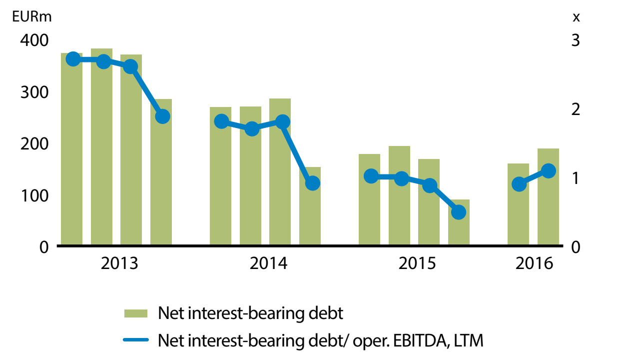
Investments in tangible and intangible fixed assets amounted to EUR -17.5m compared with EUR -14.1m in the same period last year. Cash flow from acquisitions was EUR 0.0m against EUR -15.7m in Q2 2015.

Liquidity, debt leverage and equity

Net interest-bearing debt amounted to EUR 188.2m at end-June 2016, up by EUR 29.3m compared with end-March 2016. This development was primarily driven by the share buyback programme, which amounted to EUR 20.1m and dividend payment of EUR 13.0m. The debt level corresponded to 1.1x operational EBITDA, LTM, up from 0.9x at end-March 2016.

At end-June 2016, NKT's total available liquidity reserves were EUR 415.3m, comprising a cash amount of EUR 31.1m and undrawn credit facilities of EUR 384.2m.

Net interest-bearing debt



Equity amounted to EUR 801.7m at end-June 2016, slightly down from EUR 803.0m at end-March 2016. Equity gearing was 23%, up from 20% at end-March 2016, based on an increase in net interest-bearing debt. Solvency ratio was 45%, above the internal target of minimum 30%.

Overall outlook for 2016 maintained. Underlying assumptions specified

NKT's outlook for 2016 is unchanged with flat organic growth and operational EBITDA margin (std. metal prices) of approx. 9.4% - on par with 2015. Outlook is based on the following, specified assumptions:

Nilfisk

Organic growth is expected to be approx. 1-3% against 0-5% initially anticipated. The specification is based on delayed benefits from the Commercial Excellence programme and lower growth than anticipated in the Americas and APAC. In addition to organic growth, revenue is still expected to be improved by approx. 6% from acquisitions.

Operational EBITDA margin is expected to be approx. 10.0-10.5% from initially 10-11%, depending on realised organic growth rate.

One-off cost of EUR 20m is expected in 2016 due to the Accelerate+ programme to realise savings from 2017.

NKT Cables

Organic growth is still expected to be approx. -5%. The strong performance by the Products business has offset the negative impact from the supplier quality issues mentioned in the 2015 Annual report, and lower APAC revenue.

Operational EBITDA margin (std. metal prices) is expected to be approx. 9.0% against the initial guidance of 8-9%, driven by the Products business.

One-off cost of EUR 10m relating to execution of EXCELLENCE2020 is still expected.

NKT Photonics

Organic growth is still expected to be approx. 10% based on growth in all segments. Expected operational EBITDA margin is unchanged at 12-14%.

Net effect from acquisitions and divestments is not expected to have a significant impact on 2016.

NKT shares

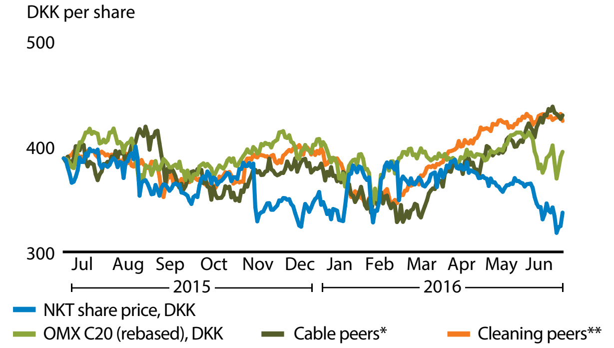
NKT SHARES BASIC DATA

ID code:	DK0010287663
Listing:	Nasdaq Copenhagen, LargeCap
Share capital:	EUR 65.4m (DKK 487m)
Number of shares:	24,4 million
Nominal value:	DKK 20
Share classes:	1

In Q2 2016, the daily turnover in NKT shares on all trading markets averaged EUR 9m compared with EUR 11m in Q2 2015. An average of 191,000 NKT shares was traded daily compared with 198,000 in Q2 2015. Nasdaq Copenhagen is the main trading market for NKT shares with 40% of the total traded volume.

At end-June 2016, NKT's share price was DKK 337.30 against DKK 356.90 at 31 December 2015. Including the effect of the dividend payment of DKK 4 per share made in March 2016, this represents a 4% decrease since the year end.

NKT share price



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

At end-June 2016, ATP (Denmark) reported shareholdings in NKT of more than 5%. After the balance sheet date Nordea Funds Oy (Denmark) reported having acquired shares in NKT which resulted in the 5% threshold being passed.

Share buyback programme

At end-June 2016, the buyback of shares under NKT's share buyback programme had reached EUR 24.8m of the maximum amount of EUR 74m, and NKT owned 2.42% of its share capital. The programme was launched in Q1 2016 to adjust NKT's capital structure in accordance with communicated targets, cf. Company Announcement No 4 of 26 February 2016.

FINANCIAL CALENDAR

2016

11 November	Interim Report, Q3

2017

1 March	2016 Annual Report

Group Management's statement

The Board of Directors and the Executive Management Board have today considered and adopted the Interim Report of NKT Holding A/S for the period 1 January - 30 June 2016.

The Interim Report, which has not been audited or reviewed by the company auditor, has been prepared in accordance with IAS 34 'Interim Financial Reporting', as approved by the EU, and Danish disclosure requirements for interim reporting by listed companies.

In our opinion the Interim Report gives a true and fair view of the Group's assets, liabilities and financial position at 30 June 2016 and the results of the Group's activities and cash flow for the period 1 January - 30 June 2016.

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, 18 August 2016

Group Executive Director

Michael Hedegaard Lyng

Board of Directors

Jens Due Olsen, Chairman

René Svendsen-Tune, Deputy Chairman

Niels-Henrik Dreesen

René Engel Kristiansen

Jens Maaløe

Gitte Toft Nielsen

Jutta af Rosenborg

Anders Runevad

Lars Sandahl Sørensen

Income statement

Amounts in EURm	Q2 2016	Q2 2015	1st half 2016	1st half 2015	Year 2015
Revenue	553.2	600.4	1,038.8	1,159.2	2,223.6
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**50.8**	**54.9**	**86.7**	**87.7**	**152.0**
Depreciation and impairment of property, plant and equipment	-12.0	-49.3	-23.7	-61.3	-85.1
Amortisation and impairment of intangible assets	-8.5	-11.3	-16.5	-17.6	-32.7
Earnings before interest and tax (EBIT)	**30.3**	**-5.7**	**46.5**	**8.8**	**34.2**
Financial items, net	-2.9	-2.8	-4.1	-0.7	-6.1
Earnings before tax (EBT)	**27.4**	**-8.5**	**42.4**	**8.1**	**28.1**
Tax	-7.2	-19.4	-11.6	-23.7	-26.9
Net Profit	**20.2**	**-27.9**	**30.8**	**-15.6**	**1.2**
To be distributed thus:					
Profit attributable to equity holders of NKT Holding A/S	20.2	-28.0	30.8	-15.8	1.0
Profit attributable to non-controlling interest	0.0	0.1	0.0	0.2	0.2
	20.2	**-27.9**	**30.8**	**-15.6**	**1.2**
Basic earnings, EUR per outstanding share (EPS)	0.9	-1.2	1.3	-0.7	0.0
Diluted earnings, EUR per share (EPS-D)	0.9	-1.2	1.3	-0.7	0.0

Cash flow

Amounts in EURm	Q2 2016	Q2 2015	1st half 2016	1st half 2015	Year 2015
Earnings before interest, tax, depreciation and amortisation (EBITDA)	50.8	54.9	86.7	87.7	152.0
Financial items, net	-2.9	-2.8	-4.1	-0.7	-6.1
Changes in provisions, tax paid, non-cash operating items, profit on sales of non-current assets, etc.	-10.2	-9.0	-15.7	-3.5	-14.4
Changes in working capital	-9.0	-37.9	-47.3	-66.0	41.7
Cash flow from operating activities	**28.7**	**5.2**	**19.6**	**17.5**	**173.2**
Acquisition of business	0.0	-15.7	-53.0	-15.7	-29.1
Divestment of business	0.0	0.0	0.0	0.0	6.0
Investments in property, plant and equipment	-7.5	-7.9	-18.3	-13.3	-39.0
Disposal of property, plant and equipment	0.9	0.5	1.4	1.0	3.9
Intangible assets and other investments, net	-10.9	-6.7	-17.9	-13.9	-29.7
Cash flow from investing activities	**-17.5**	**-29.8**	**-87.8**	**-41.9**	**-87.9**
Free cash flow	**11.2**	**-24.6**	**-68.2**	**-24.4**	**85.3**
Changes in non-current loans from credit institutions	14.7	43.7	69.7	70.9	-35.7
Changes in current loans from credit institutions	-3.2	-10.3	6.8	-36.2	-43.6
Non-controlling interests	-3.0	0.0	-3.0	0.0	0.0
Share buyback programme	-20.1	0.0	-24.8	0.0	0.0
Dividends paid	-13.0	0.0	-13.0	-13.0	-13.0
Cash from exercise of warrants, etc.	0.0	0.0	6.3	11.3	11.3
Cash flow from financing activities	**-24.6**	**33.4**	**42.0**	**33.0**	**-81.0**
Net cash flow	**-13.4**	**8.8**	**-26.2**	**8.6**	**4.3**
Cash at bank and in hand at the beginning of the period	45.0	57.1	58.3	50.1	50.1
Currency adjustments	-0.5	-1.8	-1.0	5.4	3.9
Net cash flow	-13.4	8.8	-26.2	8.6	4.3
Cash at bank and in hand at the end of the period	**31.1**	**64.1**	**31.1**	**64.1**	**58.3**

Balance sheet

Amounts in EURm	30 June 2016	30 June 2015	31 December 2015
Assets			
Intangible assets	373.5	322.1	333.2
Property, plant and equipment	359.3	368.0	367.2
Other non-current assets	85.8	85.6	86.6
Total non-current assets	**818.6**	**775.7**	**787.0**
Inventories	393.4	405.6	342.5
Receivables and income tax	544.1	615.1	495.8
Cash at bank and in hand	31.1	64.1	58.3
Total current assets	**968.6**	**1,084.8**	**896.6**
Total assets	**1,787.2**	**1,860.5**	**1,683.6**
Equity and liabilities			
Equity attributable to equity holders of NKT Holding A/S	801.7	802.5	808.6
Non-controlling interest	0.0	0.9	0.9
Total equity	**801.7**	**803.4**	**809.5**
Deferred tax	39.3	38.4	42.9
Pension liabilities	54.7	59.2	55.0
Provisions	18.9	20.0	19.6
Interest-bearing loans and borrowings	212.5	251.6	143.9
Total non-current liabilities	**325.4**	**369.2**	**261.4**
Interest-bearing loans and borrowings	16.3	15.4	11.6
Trade payables and other liabilities	643.8	672.5	601.1
Total current liabilities	**660.1**	**687.9**	**612.7**
Total liabilities	**985.5**	**1,057.1**	**874.1**
Total equity and liabilities	**1,787.2**	**1,860.5**	**1,683.6**

Comprehensive income and Equity

Amounts in EURm	Q2 2016	Q2 2015	1st half 2016	1st half 2015	Year 2015
Comprehensive income					
Net profit	20.2	-27.9	30.8	-15.6	1.2
Other comprehensive income:					
Items that may not be reclassified to income statement:					
Actuarial gains/(losses) on defined benefit pension plans	0.0	0.0	0.0	0.0	1.7
Items that may be reclassified to income statement:					
Currency adjustment of foreign subsidiaries and value adjustment of hedging instruments, etc.	1.6	-16.6	-4.2	18.6	6.0
Total comprehensive income for the period	**21.8**	**-44.5**	**26.6**	**3.0**	**8.9**
Statement of changes in equity					
Group equity, 1 January			809.5	802.0	802.0
Total comprehensive income for the period			26.6	3.0	8.9
Share-based payment			0.1	0.1	0.3
Dividends on treasury shares			0.1	0.0	0.0
Additions/disposal of non-controlling interest			-3.0	0.0	0.0
Exercise of warrants			6.3	11.3	11.3
Share buyback programme			-24.8	0.0	0.0
Dividend adopted at annual general meeting			-13.1	-13.0	-13.0
Group equity at the end of the period			**801.7**	**803.4**	**809.5**

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 2015 Annual Report, to which reference should be made. The 2015 Annual Report contains the full text of the accounting policies.

NKT has implemented the standards and interpretations that become effective for 2016. The implementation of standards and interpretations has not influenced recognition and measurement in 2016 or is expected to influence future financial years.

Regarding **accounting estimates**, please refer to Note 1.1 on page 57 of the 2015 Annual Report. Regarding **risks**, please refer to Note 6.6 on page 89 of the 2015 Annual Report and the information contained in the section on risk management on page 38 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 2014. 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 was substantially limited and the fine is considerably smaller than those imposed on other cable manufacturers, NKT disagrees with the Commission's decision and therefore has filed an appeal. As a consequence of the Commission's decision, NKT and other power cables producers face exposure to claims for damages in proceedings brought by customers or other third parties, including two claims that have been filed by respectively National Grid and Scottish Power in the UK. In line with its appeal against the Commission's decision, NKT contests any civil damages claim that is based on this Commission decision.

Early in 2016 NKT Cables discovered quality issues in deliveries from a raw material supplier. These issues were entirely outside NKT Cables' control and necessary corrective actions were taken by the supplier. The number of products affected was identified and initial tests revealed no impact on product operational performance or lifetime. However, planned production flow in 1st half 2016 was delayed as it was decided to remanufacture certain products as a preventive measure.

Estimated compensation from the supplier for reproduction costs was recognised in Q1 and Q2 2016. A final settlement is expected to be reached in 2nd half 2016.

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 2016', 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 2016 are included in the Management's review.

Notes

2 - SEGMENT REPORTING

Amounts in EURm	Q2 2016	Q2 2015	1st half 2016	1st half 2015	Year 2015
Revenue					
Nilfisk	276.5	253.2	531.9	494.2	971.5
NKT Cables, revenue in market prices	267.8	338.7	490.8	647.9	1,211.9
NKT Photonics	8.9	8.5	16.1	17.1	40.6
Elimination of transactions between segments	0.0	0.0	0.0	0.0	-0.4
NKT revenue in market prices	**553.2**	**600.4**	**1,038.8**	**1,159.2**	**2,223.6**
NKT Cables, revenue in std. metal prices	*200.1*	*233.1*	*363.4*	*449.8*	*857.5*
NKT, revenue in std. metal prices	***485.5***	***494.8***	***911.4***	***961.1***	***1,869.2***
Operational EBITDA					
Nilfisk	32.5	28.9	59.7	53.2	97.9
NKT Cables	21.5	32.7	33.6	47.1	77.0
NKT Photonics	-0.3	-1.0	-0.6	-1.0	3.7
Parent company, etc. [1]	-0.8	-1.1	-1.5	-2.0	-3.4
NKT operational EBITDA	**52.9**	**59.5**	**91.2**	**97.3**	**175.2**
Earnings, EBITDA					
Nilfisk	32.5	28.9	59.7	53.2	97.9
NKT Cables	19.4	28.1	29.1	37.5	53.8
NKT Photonics	-0.3	-1.0	-0.6	-1.0	3.7
Parent company, etc. [1]	-0.8	-1.1	-1.5	-2.0	-3.4
NKT EBITDA	**50.8**	**54.9**	**86.7**	**87.7**	**152.0**
Segment profit, EBIT					
Nilfisk	22.6	20.6	40.2	37.3	63.7
NKT Cables (inclusive impairment in Q2 2015 of 38.4)	10.1	-20.5	10.4	-21.1	-23.6
NKT Photonics (inclusive impairment in Q2 2015 of 2.6)	-1.6	-4.7	-2.6	-5.4	-2.5
Parent company, etc. [1]	-0.8	-1.1	-1.5	-2.0	-3.4
NKT EBIT	**30.3**	**-5.7**	**46.5**	**8.8**	**34.2**
Capital employed					
Nilfisk			545.4	515.1	501.6
NKT Cables			404.1	463.6	381.3
NKT Photonics			44.6	22.2	19.2
Parent company, etc. [1]			-4.2	-4.4	-3.7
NKT Capital employed			**989.9**	**996.5**	**898.4**

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

Notes

3 - ACQUISITION OF BUSINESSES

Acquisitions 2016

Amounts in EURm (preliminary)		Nilfisk acquisition	NKT Photonics acquisition	Total
Non-current assets	Intangible assets	15.6	15.2	30.8
	Tangible assets	0.8	0.3	1.1
	Deferred tax	0.0	1.3	1.3
Current assets	Inventories	5.2	2.5	7.7
	Receivables	3.7	1.7	5.4
Non-current liabilities	Provisions	-0.2	0.0	-0.2
Current liabilities	Interest-bearing loans and borrowings	0.0	-0.1	-0.1
	Payables and provisions	-2.9	-2.3	-5.2
	Net assets acquired	22.2	18.6	40.8
	Goodwill	5.6	7.9	13.5
	Purchase consideration	27.8	26.5	54.3
	Deferred contingent purchase consideration	0.0	-1.3	-1.3
	Cash purchase consideration	27.8	25.2	53.0
	Interest-bearing loans and borrowings acquired	0.0	0.1	0.1
	Total effect on net interest bearing debt	27.8	25.3	53.1

Goodwill represents the value of personnel and anticipated synergies arising from merger of the Group's existing activities.

Effective from 1 January 2016, Nilfisk acquired Pressure-Pro. Inc., a leading manufacturer of high-pressure washers headquartered in Florida, US, cf. Company Announcement No. 22 2015.

Pressure-Pro manufactures both cold and hot water high-pressure washers and has a nationwide distributor and dealer network. Annual revenue is approx. EUR 38m and Pressure-Pro has 90 employees.

NKT Photonics acquired Fianium Holdings Ltd. with effect from 31 March 2016, cf. Company Announcement No. 11 2016.

Fianium Holdings Ltd. supplies both ultra-fast and supercontinuum fiber lasers and has a strong presence in the US, combined with a global distribution network. In 2015, Fianium Holdings Ltd. realised revenue of EUR 9m and has 54 employees.

Notes

4 - EXPLANATORY COMMENTS TO FINANCIAL HIGHLIGHTS

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

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. **Operational earnings before interest and tax (Oper. EBIT)** - Earnings before interest and tax (EBIT) adjusted for one-off items.
4. **Net interest-bearing debt** - Cash, investments and interest-bearing receivables less interest-bearing debt.
5. **Capital employed** - Group equity plus net interest-bearing debt.
6. **Working capital** - Current assets minus current liabilities (excluding interest-bearing items and provisions).
7. **Net interest-bearing debt relative to operational EBITDA** - Operational EBITDA is calculated on a rolling 12-months basis (LTM).
8. **Solvency ratio (equity as a percentage of total assets)** - Equity excl. non-controlling interest as a percentage of total assets.
9. **Return on capital employed (RoCE)** - Operational EBIT as a percentage of average capital employed. Calculated on a rolling 12-months basis (LTM).
10. **Earnings, EUR per outstanding share (EPS)** - Earnings attributable to equity holders of NKT Holding A/S relative to average number of outstanding shares (EPS).
11. **Equity value, EUR 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 warrants plan for Group Management and employees is not included in this ratio.

Statements made about the future in this report reflect the Group Management's current expectations with regard to future events and financial results. Statements about the future are by their nature subject to uncertainty, and the results achieved may therefore differ from the expectations, among other things due to economic and financial market developments, legislative and regulatory changes in NKT markets, development in product demand, competitive conditions, and energy and raw material prices. See also latest Annual Report for a more detailed description of risk factors.

NKT Holding A/S disclaims any liability to update or adjust statements about the future or the possible reasons for differences between actual and anticipated results except where required by legislation or other regulations

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