



The Nordic Exchange
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Nilfisk-Advance acquires Viper Group

Nilfisk-Advance has entered into an agreement to acquire the Viper Group (“Viper”). Based in Dongguan in southern China, Viper is a leading Chinese manufacturer and supplier of professional cleaning equipment. The acquisition will give Nilfisk-Advance a leading position in the rapidly growing Chinese market and provide a platform for accelerated access to new markets.

The acquisition of Viper Group is conditional upon the Chinese authorities approving the sale of Viper’s Chinese companies. We expect the transaction to be finalized in the course of the coming months.

The transaction includes acquisition of three Asian companies (Dongguan Viper Cleaning Equipment Company Limited, Viper Cleaning Equipment (Shanghai) Limited and Viper (Hong Kong) Company Limited), along with acquisition of the business and assets of the separate US company, Viper Industrial Products LLC.

With the anticipated takeover of Viper, Nilfisk-Advance will be able to supplement its existing production platform in China, and - through Viper’s well-established sales organisation - gain access to an additional network of sales channels and customers principally in the United States and China.

Viper Group

A well-run company with around 600 employees, Viper is expecting revenue of around 25 mUSD in 2007. Viper is a 25-year-old, private-owned company with a product programme comprising vacuum cleaners, floor washers, wet/dry vacuum cleaners, floor polishers and carpet cleaning equipment. This programme principally addresses the commercial cleaning market (i.e. contract cleaning companies) with products in the mid-price range.



Viper has headquarters and production in Dongguan, southern China, a number of Chinese regional sales offices managed from Shanghai, and a sales and distribution centre based in Hong Kong. In North America, Viper consists of a separate sales company in the state of Michigan.

Read about Viper at www.viperind.com.

Purchase price and effect on earnings

The agreed purchase price for Viper is around 54 mUSD (Enterprise Value), corresponding to an expected EV/EBITDA of around 11 for 2007. Based on anticipated continuing high organic growth, Viper's earnings after three years of ownership are expected to correspond to an EV/EBITDA of around 4.

The acquisition is expected to receive authority approval in mid-2007, and will thus increase current-year revenue 12 mUSD. Owing to amortisation of intangible assets, financing costs and minor implementation costs, NKT's consolidated net income before tax for 2007 will be moderately reduced - by 4 mDKK. The acquisition will be financed through the NKT Group's existing credit facilities.

Our Quarterly Report 1/2007 which will be published on 24 May 2007 will include revised 2007 expectations for the NKT Group.

Element of expansion strategy

The Viper acquisition is an element in our expansion strategy, and represents an attractive supplement to the strong underlying organic growth rate of Nilfisk-Advance, amounting to 7% annually in recent years. The transaction will provide Nilfisk-Advance with an enlarged platform for positioning itself in the fast-growing Chinese market and for increasing utilisation of its existing sales network. As soon as Viper becomes a member of the Nilfisk-Advance organisation, NKT (Nilfisk-Advance plus NKT Cables) employs around 1.100 people in China.

Synergies

The principal synergy attached to the Viper acquisition lies in the potential for creation of growth in existing and future markets. Nilfisk-Advance will be able to utilize its global sales network to market Viper products in existing markets, and at the same time Viper's mid-price products will be well-suited for paving the way in new markets - such as in Asia, Eastern Europe and South America.



Sales of Viper products are expected to triple over a five-year period, with cost synergies of around 3 mUSD being realised.

Further, Viper's vertically-integrated low-cost production set-up can be utilised also in conjunction with Nilfisk-Advance's existing production.

There is expected to be no need to implement rationalisation and efficiency measures in contexts other than possibly procurement and administration.

Organisation

Viper's current Chief Executive, Simon Chen, will continue to be responsible for the company management, the future plan being to operate Viper as a separate entity in the Nilfisk-Advance Group.

The combined Nilfisk-Advance and Viper organization will be represented through production and sales subsidiaries in 36 countries. There will also be an extensive network of dealers covering most of the world.

Nilfisk-Advance and Viper together represent annual overall revenue of around 800 mEUR (6 bnDKK). The combined organization will contain some 4,500 people (3,900 at Nilfisk-Advance and 600 at Viper).

Read about Nilfisk-Advance at www.nilfisk-advance.com.

Further information

Please address any questions regarding the information above to the undersigned on telephone no. +45 4348 2000 - or to Jørgen Jensen, Chief Executive of Nilfisk-Advance, on telephone no. +45 4323 8100.

Yours faithfully

NKT Holding A/S

Thomas Hofman-Bang

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