25 August 2008, Announcement 19

Interim financial report

- 2nd quarter 2008

CONTENTS

SUMMARY

Satisfactory quarter with more difficult market conditions

With Group revenue of 3,789 mDKK (+5% compared with 2nd quarter 2007), operating income (EBIT) of 377 mDKK (+14%) and Group net income before tax of 309 mDKK, earnings development has been satisfactory compared with the same period in 2007. Overall, organic growth of 4% was realised in 2nd quarter 2008. "Business as usual" in the 1st quarter has been succeeded by the prospect of more uncertain market conditions in the 2nd half which are expected to affect NKT Cables negatively in relation to our latest forecasts.

For NKT Cables, 2nd quarter growth in revenue has not lived up to expectations, and the low voltage markets in Eastern Europe in particular are showing signs of slowdown and increasing competition. To this must be added unchanged expectations with regard to a normalisation of the low voltage market in Denmark during 2nd half 2008. The expectations of a reduced level of activity in the low voltage segment have led to an adjustment being made to the work force in the Czech Republic. The high voltage market appears still very strong, but the effect of this is not sufficient to compensate for the fall in the low voltage segment, among other things because this segment cannot be provided with additional capacity before the new factory in Cologne is ready for production in 2009.

For Nilfisk-Advance the results for the 2nd quarter are satisfactory. The assessment for the 2nd half is that market growth is falling and pressure on earnings is rising. This has led to our decision to now implement a number of structural and other adjustments to the company's business systems with a view to maintaining an attractive level of earnings.

For NKT Flexibles, developments continue to be very positive and a very fine performance was achieved in the 2nd quarter.

For the NKT Group, expected net income for 2008 before tax and restructuring costs remains unchanged at around 950 mDKK, which corresponds to the revised forecast after the 1st quarter.

As stated, the decision has been taken to address the more negative market situation at Nilfisk-Advance by introducing a number of structural and other adjustments. These measures will entail implementation costs totalling around 75 mDKK, of which 50 mDKK will affect 2008 and the remaining 25 mDKK will affect 2009. These measures will have a positive impact on earnings of around 75 mDKK, the full effect being expected in 2010. Provision has not previously been made for this initiative, which will mean that expected overall Group net income before tax is reduced to around 900 mDKK.

Should market conditions in 2nd half 2008 deteriorate **markedly** in relation to present possible estimates, it is expected that earnings could be reduced by around 50 mDKK (cf. page 5).

FINANCIAL HIGHLIGHTS

Amounts in mDKK	Q2 2008	Q2 2007	Q1-Q2 2008	Q1-Q2 2007	Full-year 2007
Revenue	3,789	3,612	7,155	6,742	13,525
Earnings (EBITDA)	461	397	766	653	1,433
Earnings (EBIT)	377	331	603	522	1,133
Earnings (EBT)	309	308	493	468	988
Equity			3,397	2,872	3,283
Net interest bearing items			(2,825)	(2,319)	(1,995)

Financial highlights - NKT Group

Unaudited Amounts in mDKK	Q2 2008	Q2 2007	Q1-Q2 2008	Q1-Q2 2007	Year 2007 [1)]
Income statement					
Revenue	3,789	3,612	7,155	6,742	13,525
Earnings before interest, tax, depreciation and amortisation (EBITDA)	461	397	766	653	1,433
Depreciation and impairment of tangible fixed assets	(55)	(42)	(109)	(85)	(192)
Amortisation and impairment of intangible assets	(29)	(24)	(54)	(46)	(108)
Earnings before interest and tax (EBIT)	377	331	603	522	1,133
Financial items, net	(68)	(23)	(110)	(54)	(145)
Earnings before tax	309	308	493	468	988
Net income	232	224	370	344	820
NKT Holding A/S' share of net income	231	220	367	339	805
Balance sheet and employees					
Share capital	474	473	474	473	473
Equity attributable to shareholders of NKT Holding A/S	3,355	2,847	3,355	2,847	3,246
Minority interests	42	25	42	25	37
Total equity	3,397	2,872	3,397	2,872	3,283
Total assets	10,231	8,588	10,231	8,588	9,099
Net interest bearing items [2)]	(2,825)	(2,319)	(2,825)	(2,319)	(1,995)
Capital employed [3)]	6,222	5,191	6,222	5,191	5,006
Working capital	2,938	2,819	2,938	2,819	2,176
Average number of employees y.t.d.	8,707	7,146	8,707	7,146	7,575
Cash flows					
Cash flows from operating activities	(23)	140	(273)	190	1,162
Acquisition of business activities	(95)	(57)	(177)	(703)	(1,039)
Investments in tangible assets, net	(154)	(85)	33	(174)	(389)
Financial ratios					
Equity share	33%	33%	33%	33%	36%
Return on capital employed (RoCE) [4)]	20.9%	20.7%	20.9%	20.7%	22.0%
Number of 20 DKK shares ('000)	23,718	23,638	23,718	23,638	23,638
Number of treasury shares ('000)	78	78	78	78	78
Earnings after tax per outstanding share (EPS), DKK	9.8	9.3	15.6	14.4	34.2
Dividend paid during accounting period, DKK per share	11.0	10.0	11.0	10.0	10.0
Equity value, DKK per outstanding share	142	121	142	121	137
Market price, DKK per share	383	549	383	549	459

[1)] Operating income etc. for 2007 was increased by one-off items of 70mDKK attributable to NKT Cables

[2)] Interest bearing cash items and receivables less interest bearing debt

[3)] Total equity plus net interest bearing debt and, for year-end 2007, minus receivables of 272 mDKK relating to sale of property

[4)] Operating income (EBIT) adjusted for one-offs as a percentage of capital employed. EBIT is stated on a rolling 12-month basis

Financial highlights and ratios are calculated in accordance with the 2007 annual report.

Group Management report

1ST HALF 2008

Revenue for 1st half 2008 comprised 7,155 mDKK in relation to 6,742 mDKK for the same period last year, a nominal increase therefore of 413 mDKK, corresponding to 6%. 1st half revenue was influenced by developments in metal prices (-4%), currencies (+2%) and acquisitions (+2%). After adjustment for these factors, overall organic growth amounted to 4%.

Operating income (EBIT) was 603 mDKK for 1st half 2008 in relation to 522 mDKK for the same period in 2007, an increase therefore of 81 mDKK (+16%) in relation to last year's 1st half.

Group net income before tax was 493 mDKK for 1st half 2008 in relation to 468 mDKK for the same period in 2007.

2ND QUARTER 2008

Revenue

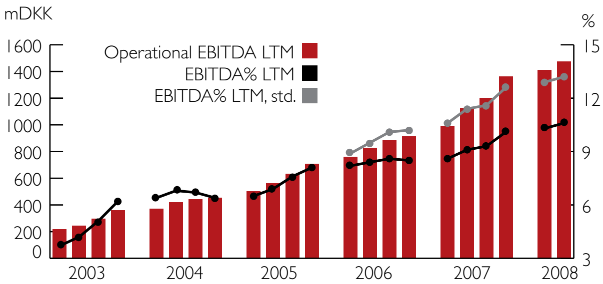
Revenue for the 2nd quarter was 3,789 mDKK in relation to 3,612 mDKK for the same period in 2007. The nominal increase was thus 177 mDKK (+5%). The revenue for the period was influenced by developments in metal prices (-4%), acquisitions (+2%), and currencies (+2%). Currency influences included a negative effect of 2% attributable to the falling US dollar, which, however, was more than outweighed by, among other things, rising exchange rates in the Czech Republic and Poland which had a combined positive effect of 4%. After adjustment for the effects referred to, the overall organic growth was 4%.

Revenue development for the individual companies is shown in Fig. 1.

Income development

Operating income before depreciation and amortisation (EBITDA) for 2nd quarter 2008 was 461 mDKK, as against 397 mDKK the previous year, corresponding to an increase of 64 mDKK (+16%). The increase includes 19 mDKK attributable to Nilfisk-Advance, while 56 mDKK was attributable to NKT Flexibles. NKT Cables realised a fall of 4 mDKK, while NKT's other businesses had a collective negative effect on EBITDA of 7 mDKK.

EBITDA TREND Fig. 2



REVENUE DEVELOPMENT BY COMPANY IN 2ND QUARTER Fig. 1

Amounts in mDKK	Realised Q2 2007	Metal prices	Currencies	Acquisitions	Organic growth	Realised Q2 2008	Nominal growth (%)	Organic growth (%)
NKT Cables Group	2,048	(144)	137	-	56	2,097	2	3
Nilfisk-Advance	1,530	-	(62)	77	92	1,637	7	6
NKT Photonics Group	31	-	-	11	11	53	71	35
Other	3	-	-	-	(1)	2	-	-
Total	**3,612**	**(144)**	**75**	**88**	**158**	**3,789**	**5**	**4**

The positive EBITDA trend - driven particularly by developments at NKT Flexibles - has meant that earnings capacity is continuing to rise, and in 2nd quarter 2008 an EBITDA margin measured on rolling 12 month basis (LTM) of 13.2% in standard prices, was realised, as against 12.9% at the end of 1st quarter 2008 (10.6% in relation to 10.3% measured in current metal prices), cf. Fig. 2.

EBIT operating income was 377 mDKK for the year's 2nd quarter, as against 331 mDKK for the same period in 2007, corresponding to an increase of 46 mDKK (+14%) in relation to the same period last year. Operating income by company is shown in Fig. 3.

OPERATING INCOME BY COMPANY — Fig. 3

Amounts in mDKK	Realised Q2 2008	Realised Q2 2007	Nom. change	Change %
NKT Cables Group	153	163	(10)	(6)
Nilfisk-Advance	151	143	8	6
NKT Photonics Group	(4)	(5)	1	20
NKT Flexibles (51%)	91	35	56	160
Other	(14)	(5)	(9)	-
Reported EBIT	**377**	**331**	**46**	**14**

Financial items and net income before tax

2nd quarter financials were (68) mDKK, as against (23) mDKK for the same period last year, which reflects a number of realised and unrealised exchange losses relating, among other things, to developments in GBP, CZK and PLN, and also to the increase in financial gearing compared to the same period last year. The net interest expenses comprise 76 mDKK for 1st half 2008 in relation to 59 mDKK for the same period in 2007.

Group net income before tax was 309 mDKK for the year's 2nd quarter, which is similar to the same period last year (308 mDKK), the increase in operating income being correspondingly reduced by the increase in financial items.

Capital structure and cash flow

Net interest bearing debt has risen from 1,995 mDKK to 2,825 during 1st half 2008 and thus amounts to 1.9x the realised operating income (EBITDA) for the past 12 months. This is an increase from 1.4x at the end of 2007. Net interest bearing debt at the end of 2008 is expected to be around 1.6x EBITDA.

The increase of 830 mDKK in net interest bearing debt can be principally itemised as follows:

Build-up of working capital	(700) mDKK
Dividend paid	(260) mDKK
Acquisitions	(191) mDKK
Investments, net	(54) mDKK
Other, net (including net income for period)	375 mDKK

The increase of 700 mDKK in working capital includes 473 mDKK attributable to NKT Cables and 226 mDKK attributable to Nilfisk-Advance. Measured as a percentage of revenue, the working capital of Nilfisk-Advance amounted to 20.0% (LTM) at 30 June 2008, compared with 20.1% at the end of 2007 and 21.7% at the end of the same period in 2007.

For Nilfisk-Advance the increase was primarily attributable to seasonal fluctuations, while for NKT Cables it was due to a combination of seasonal fluctuations and shorter credit periods on the part of several copper suppliers. A number of measures are currently being prepared aimed at restoring the working capital to its 2007 level. Measured as a percentage of revenue, the working capital for NKT Cables amounts to 17.6% (LTM),

EXPECTATIONS BY COMPANY — Fig. 4

Amounts in mDKK		Realised 2007	Forecast March 2008	Forecast May 2008	Forecast August 2008
nkt cables	Revenue	7,624	8,100	8,400	7,900
	Revenue, std.	4,897	5,300	5,300	5,200
	Organic growth	15%	8%	8%	4%
	EBIT margin, std.	10.3%	9.5%	9.5%	9.0-9.3%
Nilfisk Advance	Revenue	5,784	6,200	6,200	6,100
	Organic growth	7%	5%	5%	5%
	EBIT margin	8.5%	8.5%	8.5%	8.5%
NKT PHOTONICS	Revenue	112	180	180	180
	Organic growth	19%	30%	30%	30%
	EBIT	(32)	(20)	(20)	(20)
NKT Flexibles	EBITDA margin, std.	21.8%	23.0%	>25.0%	>30%
	Net income (51%)	121	120	150	200
NKT	Revenue	13,525	14,500	14,800	14,200
	Organic growth	11%	7%	7%	5%
	Net income before tax (operational)	918	900	950	950
	Net income before tax incl. restructuring costs	-	-	-	900

which is similar to the figure at 31 December 2007 and compares with 17.0% at the end of the same period in 2007.

NKT's strategic objective of reducing working capital (<18% at Nilfisk-Advance and <17% in NKT Cables) is unchanged. The development in working capital is the primary reason why cash flow from operating activities is negative for 1st half 2008, (273) mDKK, rather than positive for the same period in 2007, 190 mDKK.

Expectations for 2008

Forecast organic growth in revenue for the year has been reduced from 7% to around 5%, which is based on unchanged expectations for Nilfisk-Advance (5%) and NKT Photonics (30%). For NKT Cables, 2nd quarter developments in the low voltage segment mean it is unlikely that the growth initially expected will be achieved, as a result of which forecast growth has been reduced from 8% initially to 4%.

Based on current metal prices and exchange rates this corresponds to anticipated revenue of around 14.2 bnDKK. This must be seen in relation to an initial forecast of 14.5 bnDKK, which was adjusted in the 1st quarter report to 14.8 mDKK as a result of an expectation of rising metal prices.

Expected Group net income for 2008 before tax and restructuring costs is unchanged at around 950 mDKK, which corresponds to the revised forecast after the 1st quarter.

From this amount must be deducted costs of 50 mDKK relating to the implementation at Nilfisk-Advance of a number of structural and other adjustments. These measures are more fully described in the company review for Nilfisk-Advance starting on page 8.

Forecast Group net income before tax, including the above restructuring costs for Nilfisk-Advance, is around 900 mDKK.

As stated in the annual report for 2007, we have **not** made provision in our 2008 forecasts for consequences that may be related to a marked deterioration in market conditions impacting on demand for our products. Should market conditions in 2nd half 2008 deteriorate **markedly** in relation to present possible estimates, it is expected that earnings could be reduced by around 50 mDKK.

The forecasts for the individual NKT companies are included in the reviews starting on page 6 and also in Fig. 4. The reviews for NKT Cables and Nilfisk-Advance also contain a summary of significant risk factors relating to these companies. These risk factors are moreover covered in depth in NKT's 2007 annual report to which reference should be made for a complete assessment.

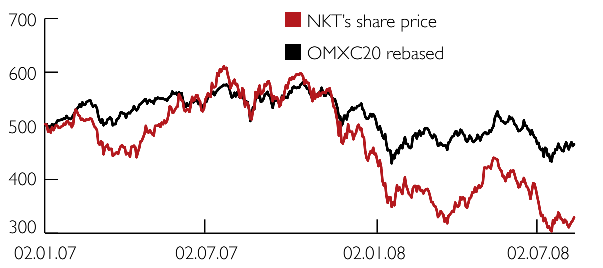
NKT shares

NKT shares will also be represented in the OMX C20 Index in 2nd half 2008.

Daily trading turnover on NKT shares since the turn of the year has averaged 60 mDKK, compared with 79 mDKK in the same period last year. At 30 June 2008, NKT's share price stood at 383 DKK, a fall of 16% on the year's opening price (459 DKK). The annual general meeting on 10 April 2008 approved payment of a dividend of 11 DKK per share, corresponding to 2% of NKT's market capitalisation at 31 December 2007. The actual fall in share value in 1st half 2008 was therefore 14%.

NKT's market capitalisation at 30 June 2008 was 9.1 bnDKK. After adjustment for net interest bearing items and minority interests this gives an enterprise value of 11.9 bnDKK.

SHARE PRICE TREND **Fig. 5**



Shareholders owning more than 5% of NKT's share capital at 30 June 2008 comprised the Danish Labour Market Supplementary Fund (>10%) and Credit Suisse (>5%). NKT owns 77,675 treasury shares, corresponding to 0.3% of the total, which is unchanged from the 1st quarter report.

NKT's share capital comprises 23,718,379 shares of a nominal value of 20 DKK each. The nominal share capital is therefore 474,367,580 DKK.

At the end of June 2008 NKT had 22,767 registered shareholders (including 605 foreign shareholders) who represented 73% of the share capital.

Group companies

NKT CABLES GROUP

NKT Cables is among the leading suppliers of power cables in Europe, principally to the Central, Northern and Eastern European markets. In China, NKT Cables has its own production facilities from which the Chinese market is serviced with selected products. High voltage projects and catenary wire projects are increasingly global businesses.

Developments in 2nd quarter 2008

Revenue

NKT Cables realised 2nd quarter revenue of 2,097 mDKK. In comparison with the 2nd quarter last year this was a nominal rise in revenue of 2% and an organic growth of 3%. Changes in metal prices had a negative influence on revenue amounting to around 144 mDKK. The composition of the revenue increase is shown in Fig. 1 on page 3.

Organic growth failed to live up to expectations, the low voltage market in Eastern European weakening during the quarter, with clear signs of downturn particularly in the Czech Republic.

The trend in the high voltage market remained very positive, but was unable to offset the decline in the low voltage segment.

Total organic growth for 1st half 2008 was 4%, which means that achieving the initial 8% target for the year as a whole is considered unlikely.

Income development

2nd quarter operating income before depreciation and amortisation (EBITDA) was 191 mDKK, a margin of 13.8% - measured in standard prices - compared with 195 mDKK and 14.9% in the same period last year. Calculated on the basis of rolling 12-month revenue at standard prices, the EBITDA margin decreased from 13.4% at the end of the 1st quarter to 13.1% in the 2nd quarter.

2nd quarter operating income before interest and tax (EBIT) amounted to 153 mDKK, a margin of 11.0% (std.). 2nd quarter 2007 EBIT amounted to 163 mDKK with a margin of 12.4% (std.). The aggregate EBIT margin for 1st half 2008 was 9.3% (std.), which is a fall in relation both to the 10.0% for the same period in 2007 and to the 9.5% initially forecast for 2008. This was due to rising energy, transport, staff costs and to reduced earnings margin as a result of pressure on prices caused by the fall in activity in the Czech Republic.

2nd quarter events

NKT Cables' different business segments experienced varying trends also in the 2nd quarter of the year.

In the *high voltage segment* activity levels - for both new and existing projects - remained high. The positive development in NKT Cables' high voltage business thus continued with receipt of a number of new projects. There is every prospect therefore that the new high voltage factory currently under construction in Cologne will operate to full capacity from its very start.

It was announced on 24 April 2008 that NKT Cables had been appointed a project partner for the design, production and installation of a 380 kV cable system to be supplied to "Zuidring Transmission Line" in the western Netherlands. The contract value at that time depended on the ratio of power line to cable and was estimated at 35 - 120 mEUR.

As a part of the contract basis it has now been finally determined that two thirds of the total project will be a cable supply, which means the actual contract value to NKT Cables is at least 70 mEUR (525 mDKK). The project will be carried out in 2009 and 2010.

Developments in the *medium voltage segment* were also satisfactory, principally against the background of the signature of a number of multi-year framework contracts for medium voltage cables.

Developments in the *low voltage segment* varied from market to market. The Danish market was showing early signs of recession and the Czech market registered a substantial fall in activity in the 2nd quarter. As a result of the uncertainties relating to the level of activity in NKT Cables' existing part of the low voltage market, steps have been initiated with a view to positioning the company's products in markets where NKT Cables has not previously been active. On account of the reduced expectations regarding developments in the Czech Republic and the general stagnation in the building and construction sector, an adjustment is being made to the work force in the Czech Republic that is expected to affect 130 employees. The costs of this will influence earnings in 2008, while the major part of the savings will be realised in 2009. Allowance has been made for this in the forecast for full-year 2008.

In the *railway products segment* significant progress was made in China. This confirms the expectations of a high level of activity in the 2nd half of the year based on successful project tenders. The company's *OPGW* (Optical Ground Wires) products have aroused interest in a number of markets and appear to hold greater potential for this segment than previously thought.

NKT Cables' business targeted at the automotive sector developed in line with expectations, and operations in the area of *cable accessories* continued their healthy development with an increase in sales of, among other things, cabinets and service boxes.

Earnings expectations 2008

2nd quarter developments in the low voltage segment have made it unlikely that the expected 8% organic growth for the year will be realised. Forecast organic growth has therefore been reduced to 4%. This means that expected revenue is now 5.2 bnDKK measured in standard metal prices and 7.9 bnDKK measured in current metal prices. This must be compared with previous expectations of 5.3 bnDKK and 8.4 bnDKK, respectively.

The outlook is assuming that exchange rates in the Czech Republic and Poland will remain strong, while metal prices are expected to weaken slightly in 2nd half 2008.

The reduced organic growth is expected to have a negative influence on income, at the same time as earnings are squeezed by the growing competition in certain markets. Forecast EBIT margin (std.) is now 9.0 - 9.3%, compared with around 9.5% initially.

Risk factors - NKT Cables Group

The uncertain market conditions affect a number of the risk parameters defined as relevant for NKT Cables in NKT's Annual Report 2007.

Metal - principally copper and aluminium - is the company's most important production raw material and represents on average more than 50% of the selling price with the current sales mix, varying from 20% to 75% depending on product type. NKT Cables' earnings sensitivity is considered limited as changes in metal prices are reflected relatively quickly in selling prices. Over time, changes in metal prices are therefore deemed to have neutral effect on earnings.

Some 90% of NKT Cables' revenue is obtained from sales to EUR-zone companies, Eastern Europe, Denmark and China, 10% coming from sales to other markets. The company's currency sensitivity is therefore confined to currency developments in the main markets of Poland, Czech Republic, UK and China - and to the purchasing of USD-based NF - metals.

It is estimated that up to half of NKT Cables' revenue - primarily that deriving from sales of low voltage products to the building industry - is sensitive to developments in trading conditions. The company's 1 kV Al cables, medium and high voltage cables and accessories are chiefly sold to the energy sector, which is not considered cyclically sensitive as activity levels in this sector are primarily determined by maintenance requirements for the electricity supply system and by development resulting from rising power consumption. Added to this is the fact that sales of medium voltage cables are largely driven by framework orders covering a two- to three-year period. Medium voltage operations are therefore less vulnerable to cyclical fluctuations.

NILFISK-ADVANCE GROUP

Nilfisk-Advance is a world leading manufacturer of professional cleaning equipment with a product portfolio consisting of vacuum cleaners, indoor and outdoor floor washers, sweepers and polishers, and an extensive range of high pressure cleaners.

Developments in 2nd quarter 2008

Revenue

Nilfisk-Advance realised revenue of 1,637 mDKK in 2nd quarter 2008. This corresponds to a growth in local currency of 12%, of which 6% is organic growth and the remaining 6% is from acquisitions. Revenue in the 2nd quarter was reduced by around 62 mDKK due to currency changes. After taking this and the effect of acquisitions into consideration Nilfisk-Advance realised nominal growth of 7%.

2nd quarter organic growth in Europe and RoW (Rest of World) was very pleasing at 9% and 10%, respectively. In North America - minus 2% organic growth - the trend from the 1st quarter continued, with satisfactory sales growth of 19% in the core business, professional cleaning equipment, corresponding to 5% with acquisitions excluded. The positive trend was weakened, however, by negative development in sales to niche markets, which are related to the building industry and affected by general consumer behaviour. Sales of, for example, floor sanders to the building sector decreased by 46%. The floor sander segment represents 2% of the total Nilfisk-Advance Group revenue.

Overall growth in local currency for 1st half 2008 was 10%, of which 5% was organic growth and the remaining 5% was from acquisitions. This was in line with the target of 5% organic growth for 2008 as a whole.

Income development

2nd quarter operating income (EBITDA) was 193 mDKK, a margin of 11.8% compared with 11.4% for the same period last year. It was pleasing that income increased despite the difficult market conditions in the form of lower general growth and continuing high raw material prices.

Operating income (EBITDA) of 347 mDKK and a corresponding margin of 11.1% were realised for the 1st half, as against 320 mDKK and 10.8% for 1st half 2007. The rolling 12-month EBITDA margin also showed positive development, increasing to 11.1% from 11.0% at the end of 1st quarter 2008.

EBIT margin for 1st half 2008 was 8.6% compared with 8.7% for the same period in 2007. The slightly lower EBIT margin was attributable to increased depreciation as a result of the acquisitions (primarily Viper) made in 2007 and starting depreciation on Nilfisk-Advance's ERP-system.

Overall, both revenue and earnings for 1st half 2008 were therefore as planned.

2nd quarter events and initiatives

1st half growth and operating earnings were satisfactory and realised the established plans. However, there is no doubt that market growth is decreasing and pressure on prices is increasing. Signs of weaker growth are evident in Western Europe, and the market in North America was characterised by increasing slowdown. The general inflationary pressure, and in particular the high material prices, had negative effect on earnings. However, a satisfactory earnings margin was maintained through continued adjustments to the company's business structure, reduction of production costs, and by passing on rising material prices to the market as higher product prices.

The more difficult market situation generally and the lower growth expectations have resulted in a decision to implement a number of structural and other adjustments in 2nd half 2008, the purpose of which is to continue positive development in long-term earnings. Three principal measures have been defined.

1. Considerations regarding concentration of development activities relating to vacuum cleaners in Denmark
2. Streamline the brand and sales structure in North America
3. Optimise the production structure and overheads

Overall, these measures will entail restructuring costs of around 75 mDKK, of which 50 mDKK will affect 2008 and the remaining 25 mDKK will affect 2009.

These measures will have a positive impact on earnings of around 75 mDKK, the full effect being expected in 2010. In the short term there will be a reduction in employee numbers from an average of 5,200 in 1st half 2008 to around 5,000 at the end of 2008.

A possible amalgamation of development activities in the vacuum cleaner segment will be a natural consequence of the relocation of vacuum production from Åmål in Sweden to Hungary in 2006. Over the last couple of years an international competence centre for high pressure cleaners and vacuum cleaners has also been established in Denmark, thereby enabling concentration of development competences with a view to optimising factors such as economics, pace of development and level of ambition.

In North America it has been decided to increase focus on leading brands - Advance, Clarke and Viper - and to establish a unified US sales structure. Improved coordination of North American sales of professional cleaning equipment will ensure a more targeted effort in relation to customers, thereby strengthening Nilfisk-Advance's overall market position. The reorganisation of the North American sales and brand structure will also lead to cost savings.

The global manufacturing structure will be further streamlined, concentrating production on fewer units and relocating even more production to low-wage countries. This will take place by a gradual transfer of production lines. In such cases, affected personnel will wherever possible be informed in good time and any reductions will be effected voluntarily through ongoing natural wastage.

In addition to the measures stated, a global initiative has been launched aimed at increasing the overall proportion of components sourced from low-wage countries (including China and Eastern Europe). The target is that by 2011 at least 50% of all components should be supplied by low-wage countries, as against around 25% today.

Focus on market expansion and increased customer choice continued in the 2nd quarter. Besides the acquisition of Aquatech in Sweden referred to in the 1st quarter report, the Nilfisk-Advance family was joined in May by the US company Cyclone, a market leader in heavy-duty cleaning equipment for airports, car parks, amusement parks and other large outdoor areas. Cyclone has developed a water recycling technology that enables large surfaces to be cleaned effectively and also sustainable as the same water can be re-used many times over. In June, acquisition was completed of the company Frithiof in Denmark which markets and distributes centralised vacuum cleaning systems. Nilfisk-Advance has thereby strengthened its position in Scandinavia in this growing market.

Product development at Nilfisk-Advance is targeted both at bringing new and advanced products to market and developing new technologies. 10 new products were launched in the 2nd quarter.

Over the past 24 months, in partnership with customers, Nilfisk-Advance has further-developed its Boost® floor-wash technology for which there is strongly increasing demand. Boost® incorporates square-shaped wash pads that clean by means of a patented orbital movement, resulting in savings on pads, water and chemicals. Boost® also offers an environmental perspective by enabling more sustainable cleaning than is obtained with conventional floor-wash methods. As the Boost® technology is based on a mechanical improvement of the floor-wash process it has proven to be a simpler and more reliable way of achieving good cleaning results than is the case with more complex technologies.

At Nilfisk-Advance the focus is also on automating the cleaning processes. One example is the introduction of Multicleaner, a high pressure robot cleaner for heavy, very dirty and manual cleaning in agriculture. The intention is to expand the Multicleaner concept beyond agriculture to other areas of application in the years ahead.

Earnings expectations 2008

Expected organic growth for Nilfisk-Advance is unchanged from our previous forecast and thus remains at 5%. Due to the continued fall in the US dollar, forecast nominal revenue has been reduced to 6.1 bnDKK from 6.2 bnDKK previously.

Earnings margin (EBIT) is also unchanged from previously and thus remains 8.5%. From this must be deducted the extraordinary restructuring costs of 50 mDKK described earlier.

Risk factors - Nilfisk-Advance

The uncertain market conditions also affect a number of risk parameters that relate to Nilfisk-Advance and are defined in the 2007 annual report.

Some 25% of Nilfisk-Advance's revenue in the United States is exposed - primary to exchange-rate risk - relating to the US dollar.

Nilfisk-Advance is considered cyclically sensitive in a broad sense as the majority of customers regard the purchase of cleaning equipment as capital investments that in times of recession can easily be deferred in the interests of company liquidity.

To continuously remain a leading supplier of professional cleaning equipment it is imperative that Nilfisk-Advance has a product portfolio that can compete with its rivals. Ongoing focus is therefore placed on launching products with greater functionality, lower running costs, higher quality and lower purchase price than earlier models. Constant focus is further placed on making improvements to business systems by introducing efficiencies in production, administration and sales. It is against this background, among other things, that Nilfisk-Advance is now initiating a number of structural and other adjustments.

Customers of Nilfisk-Advance also choose suppliers according to their market coverage and range of aftersales services offered. These are contributory factors in the company's ongoing acquisition policy.

NKT PHOTONICS GROUP

NKT Photonics Group is NKT's newest business segment and is based on the specialist optical competences possessed by the member companies. Focus is on developing, manufacturing and marketing of advanced components, lasers and measuring equipment based on optical fibres.

Developments in 2nd quarter 2008

Revenue

NKT Photonics realised total revenue of 53 mDKK in 2nd quarter 2008, an increase of just over 70%, compared with 31 mDKK for the same period in 2007. 35% of the increase in revenue was attributable to organic growth. The rest of the increase was attributable to the acquisition of Vytran LLC which joined the NKT Group on 1 February 2008. Vytran realised a 2nd quarter growth increase of 50% compared with the same period last year.

Income development

The positive development in revenue meant that NKT Photonics realised a 2nd quarter breakeven EBITDA profit, compared with a loss of 2 mDKK for the same period last year.

2nd quarter EBIT was (4) mDKK, compared with a loss of 5 mDKK for the same period in 2007, which however did not include amortisation relating to the acquisition of Vytran. Efforts to strengthen product maturing and production competence continued in 2nd quarter 2008, particularly in the companies KOHERAS and Crystal Fibre.

2nd quarter events

Crystal Fibre continues to experience large and growing demand for its sub-assemblies for applications that include 3D metalworking and microprocessing in the semiconductor and solar cell industries. We believe there is now a growing acceptance in the laser industry that crystal fibre technology offers substantial advantages for high power fibre lasers.

At **KOHERAS**, the flow of new orders continues to increase steadily. This applies to both product segments - ultra-precise lasers and SuperK white light sources - with revenue more than double that for the same period last year. The growth is due to existing industrial customers starting to buy larger volumes for commercial applications. Parallel with this, collaboration is under way with new industrial customers on other potential applications.

With a view to fully exploiting the growth potential of the KOHERAS product portfolio, substantial resources are being spent on continued product development and establishing an efficient production setup.

LIOS Technology continues to experience a fine flow of orders and also enjoyed an excellent quarter principally against the background of sales of fire alarm technology and power cable monitoring equipment.

Besides stable growth within the above two applications, LIOS Technology's strategic ambition for 2008 is to develop a stronger presence in the market for oil and gas extraction.

In 2008, under NKT ownership, **Vytran** has continued its growth of recent years. In the 2nd quarter Vytran supplied another of its fully automatic fibre splicing stations to a major telecoms manufacturer.

A widening of Vytrans' structural organisation has begun aimed at expanding the company from a small, family-owned enterprise into an established industrial supplier that can effectively support a global customer base. As part of the transformation, Jean-Michel Pelaprat, formerly an incumbent of several executive positions with US laser manufacturer Coherent Inc., was appointed Vytran chief executive on 1 July 2008.

Earnings expectations 2008

Forecast earnings for NKT Photonics for 2008 are unchanged from the information contained in NKT's annual report for 2007 and reiterated in the report for the 1st quarter report of 2008.

The NKT Photonics Group experienced pleasing development in 2nd quarter 2008. Accordingly, the NKT Photonics companies are expected to achieve a 60% increase in revenue (30% organic growth, 30% growth from acquisitions) compared with 2007, corresponding to around 180 mDKK. EBIT operating income is expected to be around (20) mDKK, as against (32) mDKK in 2007.

NKT FLEXIBLES (51%)

NKT Flexibles I/S supplies flexible pipelines designed to recover oil and gas from offshore fields. 49% of the company's share capital is owned by offshore contractor Acergy.

Developments in 2nd quarter 2008

Revenue and income

NKT Flexibles realised revenue of 414 mDKK in 2nd quarter 2008, as against 297 mDKK the previous year (+39%). 1st half revenue totalled 767 mDKK, compared with 555 mDKK for the same period in 2007 (+38%).

In the 2nd quarter the product mix once again positively influenced operating income (EBITDA), which amounted to 286 mDKK for the year's first six months, a margin of 37%, compared with 117 mDKK and 21% for the same period in 2007.

Market visibility remains satisfactory and the level of orders is stable. At the end of the 2nd quarter the company had an order book equivalent to more than one year's production.

51% of NKT Flexibles' net earnings after depreciation, amortisation and financials is recognised in the operating income (EBITDA) of the NKT Group. The recognised amount for the 2nd quarter was 91 mDKK, as against 35 mDKK for the same period last year. For the 1st half of 2008 the amount was 138 mDKK compared with 51 mDKK in 2007.

2nd quarter events

The 2nd quarter of the year was also notable for high oil prices which over the summer reached the record level of 145 USD a barrel. Although in August the oil price has fallen back to around 120 USD per barrel, the price level is such that it is likely to continue to stimulate offshore activity, and thus also demand for the products that NKT Flexibles supplies.

As a result of the substantial need for offshore equipment, and the limited capacity availability - and subsequent long lead times - of the qualified suppliers, the established pipe manufacturers Technip (France), Wellstream (UK) and NKT Flexibles have all initiated measures to expand their production capacity. It is expected that from 2009 the above three suppliers will be able to fulfil demand, leading to market equilibrium.

The expansion of capacity by NKT Flexibles in Kalundborg, which began at the start of the year, is aimed at increasing production capability by 65%. The project, which is scheduled for completion in 1st half 2010, is proceeding to plan.

NKT Flexibles is committed to realising right-time project deliveries and establishing an attractive order book for 2009. The situation as regards 2008 is that the company's existing orders will utilise factory capacity for the remainder of the year.

In 2nd quarter 2008 NKT Flexibles made good progress on the production of flexible pipe systems for projects centred primarily around the North Sea, West Africa and the Far East.

During 3rd quarter 2008 NKT Flexibles plans to relocate its head office to new facilities at Priorparken, Copenhagen. Parallel with this the Development Department's laboratory and testing facilities will be expanded considerably.

Expected earnings 2008

A very strong 2nd quarter has provided the basis for a further upward revision of forecasts regarding NKT's share of NKT Flexibles' net earnings. It is estimated that these earnings will amount to a minimum of 200 mDKK, as compared with previous estimates of around 150 mDKK.

The above is based on expected revenue of approximately 1.4 bnDKK, as against approximately 1.2 bn DKK previously forecast, while EBITDA margin is now expected to be 30% minimum, as against 25% minimum previously.

Management Statement

The Board of Directors and the Management have today considered and adopted the interim financial report of NKT Holding A/S for the period 1 January - 30 June 2008.

The interim financial 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 additional Danish disclosure requirements for interim financial reports of listed companies.

In our opinion, the interim financial report gives a true and fair view of the Group's assets, liabilities and financial position at 30 June 2008 and the results of the Group's activities and the cash flows for the period 1 January - 30 June 2008.

We also find that 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, 25 August 2008

Board of Management

Thomas Hofman-Bang	Søren Isaksen	Michael Hedegaard Lyng
President and CEO	*Group Executive Director, CTO*	*Group Executive Director, CFO*

Board of Directors

Christian Kjær	Jan Trøjborg	Krister Ahlström
Chairman	*Deputy Chairman*	
Gunnar Karsten Jørgensen	Arne Dan Kjærulff	Jens Maaløe
Jørgen Bjergskov Nielsen	Jens Due Olsen	Lone Fønss Schrøder

Income statement - NKT Group

Unaudited Amounts in mDKK	Q2 2008	Q2 2007	Q1-Q2 2008	Q1-Q2 2007	Year 2007
Revenue	3,789	3,612	7,155	6,742	13,525
Earnings before interest, tax, depreciation and amortisation (EBITDA)	461	397	766	653	1,433
Depreciation and impairment of tangible fixed assets	(55)	(42)	(109)	(85)	(192)
Amortisation and impairment of intangible assets	(29)	(24)	(54)	(46)	(108)
Earnings before interest and tax (EBIT)	377	331	603	522	1,133
Financial items, net	(68)	(23)	(110)	(54)	(145)
Earnings before tax	309	308	493	468	988
Tax	(77)	(84)	(123)	(124)	(168)
Net income	232	224	370	344	820
To be distributed thus:					
Profit attributable to equity holders of the parent	231	220	367	339	805
Profit attributable to minority interests	1	4	3	5	15
	232	224	370	344	820
Basic earnings per share (EPS)	9.8	9.3	15.6	14.4	34.2
Diluted earnings per share (EPS-D)	9.8	9.4	15.5	14.4	34.0

Cash flows - NKT Group

Unaudited Amounts in mDKK	Q2 2008	Q2 2007	Q1-Q2 2008	Q1-Q2 2007	Year 2007
Earnings before interest, tax, depreciation and amortisation (EBITDA)	461	397	766	653	1,433
Financial items, net	(68)	(23)	(110)	(54)	(145)
Change in working capital, utilised provision proceeds from sale of non-current assets reversed etc.	(416)	(234)	(929)	(409)	(126)
Cash flows from operating activities	(23)	140	(273)	190	1,162
Acquisition of business activities	(95)	(57)	(177)	(703)	(1,039)
Investments in tangible assets, net	(154)	(85)	33	(174)	(389)
Change in securities and loans to associated company	13	(6)	18	7	31
Other investments, etc.	(36)	(43)	(61)	(27)	(108)
Cash flows from investing activities	(272)	(191)	(187)	(897)	(1,505)
Changes in long-term loans	(22)	(7)	(5)	230	(147)
Changes in short-term loans	543	196	598	(33)	239
Dividends paid	(260)	(236)	(260)	(236)	(236)
Subscribed by exercise of options	10	9	13	16	15
Cash flows from financing activities	271	(38)	346	(23)	(129)
Cash flows for the period	(24)	(89)	(114)	(730)	(472)
Cash at bank and in hand at the beginning of the period	449	375	539	1,017	1,017
Currency adjustments	12	1	12	-	(6)
Cash flows for the period	(24)	(89)	(114)	(730)	(472)
Cash at bank and in hand at the end of the period	437	287	437	287	539

Balance sheet and equity - NKT Group

Unaudited Amounts in mDKK	30 June 2008	30 June 2007	Year 2007
Balance sheet			
Intangible assets	1,506	1,234	1,387
Tangible assets	1,754	1,119	1,508
Investments and deferred tax	669	557	541
Total non-current assets	3,929	2,910	3,436
Inventories	2,693	2,352	2,287
Receivables	3,172	3,009	2,819
Securities	-	30	18
Cash at bank and in hand	437	287	539
Total current assets	6,302	5,678	5,663
Total assets	10,231	8,588	9,099
Equity attributable to shareholders of NKT Holding A/S	3,355	2,847	3,246
Minority interests	42	25	37
Total equity	3,397	2,872	3,283
Deferred tax	124	33	95
Pensions	286	290	286
Provisions	105	53	93
Credit institutions etc.	1,462	1,721	1,343
Total non-current liabilities	1,977	2,097	1,817
Credit institutions etc.	1,741	889	1,205
Other current liabilities	3,116	2,730	2,794
Total current liabilities	4,857	3,619	3,999
Total equity and liabilities	10,231	8,588	9,099
Changes in equity			
Equity, 1 January	3,283	2,806	2,806
Net income	370	344	820
Currency adjustment of foreign subsidiaries and value adjustment of cash flow hedges etc.	(12)	(59)	(125)
Total recognised income and expense	358	285	695
Share-based payment	2	1	2
Distributed dividends, treaury shares	1	1	1
Subscribed by exercise of options	13	15	15
Distributed dividends	(260)	(236)	(236)
Total changes in equity	114	66	477
Total equity at the end of the period	3,397	2,872	3,283

Notes - NKT Group

1 Accounting policies, accounting estimates and risks

The interim financial report is presented in accordance with IAS 34 "Interim Financial Reporting" as approved by the EU and additional Danish discloure requirements relating to interim financial reports for listed companies. The accounting policies are unchanged in relation to the 2007 annual report. The 2007 annual report contains the complete description of the accounting policies.

Regarding accounting estimates, please refer to Note 2 on page 53 of the 2007 Annual Report. Regarding risks, please refer to Note 31 on page 73 of the 2007 Annual Report and to the sections describing risk factors in the company reviews.

2 Segment reporting

	Q2 2008	Q2 2007	Q1-Q2 2008	Q1-Q2 2007	Year 2007 [1]
Revenue					
NKT Cables Group, revenue at market prices	2,097	2,048	3,953	3,722	7,624
Nilfisk-Advance Group	1,637	1,530	3,120	2,962	5,784
NKT Photonics Group	53	31	77	51	112
Other companies etc.	2	3	5	7	5
NKT consolidated revenue at market prices	3,789	3,612	7,155	6,742	13,525
NKT Cables Group, revenue at standard prices [2]	*1,389*	*1,305*	*2,578*	*2,388*	*4,897*
NKT consolidated revenue at market prices	*3,081*	*2,869*	*5,780*	*5,408*	*10,798*
Earnings before interest, tax, depreciation and amortisation (EBITDA)					
NKT Cables Group	191	195	314	301	719
Nilfisk-Advance Group	193	174	347	320	635
NKT Photonics Group	0	(2)	(13)	(11)	(18)
NKT Flexibles, share of profit	91	35	138	51	121
Parent company and eliminations, etc.	(14)	(5)	(20)	(8)	(24)
	461	397	766	653	1,433
Earnings before interest and tax (EBIT)					
NKT Cables Group	153	163	239	240	574
Nilfisk-Advance Group	151	143	268	257	494
NKT Photonics Group	(4)	(5)	(21)	(17)	(32)
NKT Flexibles, share of profit	91	35	138	51	121
Parent company and eliminations, etc.	(14)	(5)	(21)	(9)	(24)
	377	331	603	522	1,133
Capital employed					
NKT Cables Group			2,967	2,480	2,220
Nilfisk-Advance Group			2,850	2,457	2,511
NKT Photonics Group			136	101	96
NKT Flexibles, share of equity etc.			247	123	169
Parent company and eliminations, etc.			22	30	10
			6,222	5,191	5,006

[1] Operating income etc. for 2007 was increased by one-off items of 70mDKK attributable to NKT Cables

[2] Revenue at standard metal prices for copper and aluminium fixed at 1,550 EUR/tonne and 1,350 EUR/tonne, respectively, which was the prevailing price level until 2003.

Notes - NKT Group

3 Acquisition of business activities

A number of small business acquisitions were made in the 1st half of the year.

In 1st quarter 2008, WAP South Africa (Pty) Ltd and HydraMaster, USA, became 100% acquisitions, and a further 73% acquisition was made in the associated undertaking Vytran LLC, USA. Vytran is hereafter wholly owned by the NKT Group. These acquisitions are covered in Note 32 of the 2007 annual report.. "Post balance sheet events".

In 2nd quarter 2008, Aquatech, Sweden, and Cyclone, USA, became 100% acquisitions.

Preparation of acquisition balance sheets for the above is taking place, and no final purchase price allocation yet exists.
Provisional acquisitions balance sheets are stated as follows.

	Fair value at acquisition date	Carrying amount before acquisition
Non-current assets		
Intangible assets	75	3
Property, plant and equipment	26	16
Current assets		
Inventories	50	52
Receivables	48	50
Cash at hand and in bank	17	17
Non-current liabilities		
Deferred tax liabilities	-3	0
Provisions	-5	-2
Credit institutions	-13	-13
Current Liabilities		
Credit institutions	-2	-2
Payables and provisions	-37	-39
Disposal of recognises value of associated undertaking	-9	
Net assets acquired	147	82
Goodwill	67	
Acquisition cost	214	
Of which cash funds	-17	
Earnout provision	-20	
Cash acquisition cost	177	
Direct purchase expenses	6	
Recognised net income after tax	0	
Pro-forma revenue (estimated) 1/1 - 30/6	122	
Pro-forma net income after tax (estimated) 1/1 - 30/6	0	

Useful information

Stock exchange releases 2008

In 2008 we have issued the following releases via OMX Nordic Exchange, Copenhagen. The full text may be found on www.nkt.dk.

› 03.01.08 #1 NKT Holding A/S issues share warrants
› 03.03.08 #2 Nilfisk-Advance makes new US acquisition
› 05.03.08 #3 NKT Flexibles to increase production capacity by 65%
› 05.03.08 #4 NKT Annual Report for 2007
› 05.03.08 #5 Financial calendar 2008 update
› 14.03.08 #6 Exercise of warrants - increase of NKT Group share capital
› 18.03.08 #7 Articles of Association update
› 26.03.08 #8 Announcement - Annual General Meeting 2008
› 10.04.08 #9 NKT Annual General Meeting 2008
› 10.04.08 #10 New Articles of Association
› 16.04.08 #11 Shareholdings report
› 16.04.08 #12 Exercise of warrants - increase of NKT Group share capital
› 16.04.08 #13 Articles of Association update
› 16.04.08 #14 Major shareholding
› 24.04.08 #15 NKT Cables wins prestigious Extra High Voltage Project in the Netherlands
› 05.05.08 #16 NKT Flexibles - groundbreaking agreement with Brazil's largest oil company
› 14.05.08 #17 Interim financial report - 1st quarter 2008
› 23.06.08 #18 NKT Holding A/S - Michael Hedegaard Lyng appointed Group Executive Director, CFO

Financial calendar for remainder of 2008

24 November Interim financial report - 3rd quarter

Online presentation of NKT's annual and interim reports - including teleconference - takes place on the date of publication at 3 p.m. CET. For details see www.nkt.dk.

This interim financial report is published by:

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Statements in this interim financial report that relate to the future reflect the current expectations of the management of NKT Holding A/S regarding future events and financial results.

Statements about 2008 as a whole are naturally subject to uncertainty, and the results achieved may therefore differ from the expectations expressed.

Factors that may lead to differences between results and expectations include, but are not limited to, developments in trading conditions and financial markets, changes in legislation and regulations in NKT company markets, changes in product demand, competitive conditions, and energy and raw material prices.

The interim financial report for 2nd quarter 2008 was published on 25 August 2008 in Danish and English via OMX Nordic Exchange, Copenhagen. In the event of any questions of interpretation the Danish text shall prevail.

The interim financial report is available on www.nkt.dk and is distributed electronically to all subscribers who register their email details with NKT's electronic news service.

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