

# NKT Holding A/S

## Quarterly report 2/2006

## CONTENTS

Overview	1
Group report	
- 1 January - 30 June 2006	2
- NKT shares	3
Company reports	
- Nilfisk-Advance Group	4
- NKT Cables Group	6
- NKT Photonics Group	8
- NKT Flexibles	10
Statement by the Board of Directors and the Management	11
Key figures for the Group	12
Balance sheet and equity	13
Cash flows and interest bearing items	14
Segment information	15
Useful information	16

NKT's Quarterly Report 2/2006 was issued on 24 August in Danish and English via the Copenhagen Stock Exchange as NKT Release 16/2006.

In the event of any questions of interpretation the Danish text shall prevail.

The report is available on [www.nkt.dk](http://www.nkt.dk) and is sent by email to all registered subscribers.

The printed report is sent by post to all NKT Holding shareholders requesting this service.



## OVERVIEW: 2nd QUARTER 2006

**The 2nd quarter produced satisfactory development which exceeded previously reported expectations.**

The NKT Group realised 2nd quarter revenue of 2,837 mDKK (organic growth +8% compared with last year) and operating income (EBIT) of 324 mDKK (+159% compared with last year).

All the Group's main businesses contributed to the positive development.

### Expectations for 2006

Expectations for 2006 were revised upwards in April due to sale of two Nilfisk-Advance properties in the United States,

after which we announced expected Group earnings before tax for 2006 of around 640 mDKK. At the same time we increased our revenue forecast to around 10 bnDKK as a result of growth realised by NKT Cables in the 1st quarter and the higher metal prices.

The development realised in 2nd quarter 2006 has provided the basis for the following forecast adjustments:

An increase in Group revenue to around 10.7 bnDKK and an increase in Group earnings before tax to around 725 mDKK.

### Key figures

Amounts in mDKK	Q2 2006	Q2 2005	Q1-Q2 2006	Q1-Q2 2005	Year 2005
Revenue	2,837	2,292	5,249	4,158	8,750
Earnings (EBITDA)	373	174	549	299	713
Earnings (EBIT)	324	125	448	199	485
Earnings before tax	312	126	422	185	463
Equity	2,597	2,762	2,597	2,762	2,735
Net interest bearing items	(1,221)	(559)	(1,221)	(559)	(764)

# Group report

I January - 30 June 2006

In conjunction with our reporting we refer to our stock exchange releases issued in 2006. These can be found on [www.nkt.dk](http://www.nkt.dk) under Investor/Stock Exchange Releases. Releases to date in 2006 are listed on page 16.

## 1st HALF 2006

Revenue in 1st half 2006 was 5,249 mDKK, a nominal increase of 26% on the same period last year. The development in revenue was influenced by the development in metal prices, and after adjusting for this the organic growth was 14%.

Operating income (EBIT), which comprised 448 mDKK, was influenced by non-recurring items (proceeds on property sales etc.) to the amount of 109 mDKK. After related adjustment, operating income amounted to 339 mDKK, a comparable increase of 54% on the same period last year.

Group earnings before tax amounted to 422 mDKK, including the above gains on property sales. The adjusted income before tax was therefore 313 mDKK. A similar income level is expected for the 2nd half of the year, corresponding to earnings before tax of around 725 mDKK for 2006.

## 2nd QUARTER 2006

### Revenue

Group revenue in 2nd quarter 2006 was 2,837 mDKK. This was an increase of 24% compared with the 2nd quarter of last year. After adjustment for exchange rates and development in metal prices, organic growth comprised 8%.

### Operating income

2nd quarter operating income before depreciation and amortisation (EBITDA) was 373 mDKK, against 174 mDKK last year. This was an increase of 199 mDKK, which included 127 mDKK relating to non-recurring items (proceeds from properties and restructuring provisions this year and last year). Operations therefore contributed an additional 72 mDKK to earnings, an improvement of 38%.

The NKT Group realised operating income before interest and tax (EBIT) of 324 mDKK for 2nd quarter 2006, as against 125 mDKK for the 2nd quarter of last year. After adjustment for non-recurring items there was a net profit ratio of 7.6% compared with 6.2% for the same period last year.

### Financial items

2nd quarter financial items amounted to (12) mDKK. The financial items this year include gains of 5 mDKK from sale of NKT's remaining shareholding in Inverness Medical Innovations.

#### NKT Group 2006

##### NKT Holding

Niifisk-Advance Group	NKT Cables Group	NKT Photonics Group
> Europe	> Northern Europe	> Crystal Fibre
> North America	> Central Europe	> KOHERAS
> Oceania	> Eastern Europe	> LIOS Technology
> Asia	> China	> NKT Research & Innovation
		> Nanon

##### NKT Flexibles (51%)



## Interest bearing items

2nd quarter cash flow was (45) mDKK after dividend of 294 mDKK had been paid to NKT shareholders. The NKT Group's net interest bearing items at the end of the 2nd quarter were (1,221) mDKK. This corresponds to our published forecast following the 1st quarter.

## Corporate portfolio

NKT Holding's portfolio of directly owned companies was unchanged in 2nd quarter 2006.

## NKT shares

The NKT share price at 30 June 2006 was 366 DKK. This was 26% above the price at 1 January. To this must be added a dividend of 12 DKK per share paid in the 2nd quarter; corresponding to 4% of the share price at 1 January. The value added thus constitutes 30%.

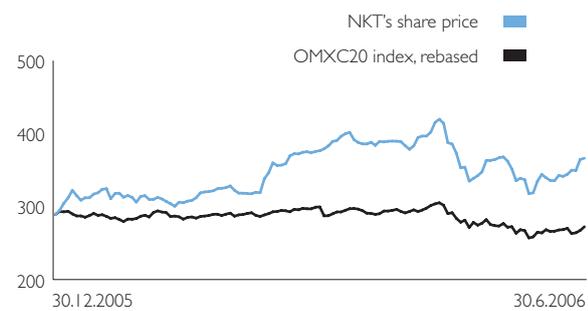
Average daily trading since the turn of the year was 27 mDKK, compared with 18 mDKK in the same period last year.

The NKT Group's market capitalisation at 30 June 2006 was 8.5 bnDKK, excluding treasury shares. After adjustment for net interest bearing items and minority interests, enterprise value was 9.8 bnDKK.

At 30 June 2006 only a single shareholder, ATP (Danish Labour Market Supplementary Pension Fund), represented more than 5% of NKT's share capital.

Further to the decision of the annual general meeting in April 2006, 1,000,000 of NKT's treasury shares - corresponding to

## NKT share price



4.08% - were cancelled (cf. Stock Exchange Releases 10 and 14 2006). Of the remainder, 27,325 shares were used in settlement for warrants and purchase options exercised. NKT thereafter holds 77,675 treasury shares, corresponding to 0.3%.

NKT's share capital subsequently comprises 23,500,000 shares of DKK 20 each - corresponding to a nominal share capital of 470,000,000 DKK.

# Nilfisk-Advance Group

**Nilfisk-Advance is a world leading manufacturer of professional cleaning equipment with a product programme consisting of vacuum cleaners, floor washing, sweeping and polishing machines, and an extensive range of high pressure cleaners.**

## Revenue

Nilfisk-Advance recorded revenue of 1,438 mDKK in the 2nd quarter. This was a rise of 3.1% on the 2nd quarter of the year before. Compared with the same period last year, revenue in the 2nd quarter was unaffected by changes in foreign exchange rates.

Organic growth for 1st half 2006 was 6.5%, which was identical with the growth achieved in the same period last year. This corresponds to the growth rate that Nilfisk-Advance has realised continuously since 2003.

The 2nd quarter increase in revenue was achieved in Europe and Asia. In the United States, where Nilfisk-Advance primarily services the commercial market and to a lesser degree the industrial market, revenue was unchanged compared with the same period last year.

In comparison with last year, revenue development in the 2nd quarter of this year was negatively influenced by fewer working days as a result of public holidays during the spring.

## Operating income

2nd quarter operating income before depreciation and amortisation (EBITDA) was 269 mDKK. After adjustment for

non-recurring items this corresponded to a margin of 11.1%. In the same period last year Nilfisk-Advance realised a comparable margin of 9.8%.

The development in profit margin was satisfactory and supports our forecast of a 10% EBITDA margin for 2006 after non-recurring items.

2nd quarter operating income before interest and tax (EBIT) was 236 mDKK, a margin of 8.8% after adjustment for non-recurring items compared with 7.6% for the same period last year.

## Net interest bearing debt

Net interest bearing debt was reduced by 116 mDKK to 1,182 mDKK in the 2nd quarter. Working capital was reduced during the 2nd quarter by 33 mDKK, and a number of initiatives were launched aimed at further reductions. The current level of working capital corresponds to 22% of revenue, and the ambition in the first instance is to reduce this to 20% by the end of 2007. Furthermore, the quarter was influenced by proceeds of around 220 mDKK from property sales and by dividend payment of 127 mDKK to NKT Holding A/S.

## Developments in 2nd quarter

The integration of activities in Nilfisk-Advance and ALTO is proceeding to plan, and we expect the process to be fully completed in the course of 2006. At the end of the 2nd quarter the factories in Bowling Green (USA), Åmål (Sweden) and Parma (Italy) were closed, and their production



was transferred to other Group factories. This will lead to a transitional period of reduced efficiency in the receiving factories that is expected to be concluded at year end.

We have been gratified to note the growth in contribution ratio during the 2nd quarter. This growth was due to the fact that restructuring initiatives under way combined with implemented price increases have resulted in a rising contribution ratio despite the unfavourable development in raw material, transport and energy prices.

In 2006 we have experienced declining growth in sales of cleaning equipment in the US commercial market. With a view to reversing this development, steps were taken in the 2nd quarter to strengthen our sales management in the United States.

As previously reported, work is taking place to sell a number of properties inside and outside Denmark. In April 2006 two sizeable properties in the United States were disposed of, and all large properties have thus now been sold. Work continues on the sale of a number of smaller properties.

As a result of the negative development in Nilfisk-Advance's Australian subsidiary in 2005 a change in company management was effected in 1st quarter 2006. The company stabilised its sales in the 2nd quarter and earnings are approaching breakeven.

In the period since the end of the 2nd quarter we have announced that the Group Management of Nilfisk-Advance

will be expanded with Dan Stig Jensen who will be responsible for the supply chain. This is linked to the development the Company has been through in recent years in which a number of initiatives implemented in the production subsidiaries (integration, rationalisation, outsourcing and product development) and sales subsidiaries (territory management) have helped establish Nilfisk-Advance among the leaders in its industry in terms of size and earnings. The management change will support a strengthened future effort to improve logistics between the production and sales subsidiaries. The SAP project initiated in Europe is an integral part of this effort.

### Expectations for 2006

Forecast revenue for Nilfisk-Advance for 2006 is unchanged at around 5.4 bnDKK, and a net profit ratio (EBIT) of around 7.4% is expected. This is around 25mDKK lower than earlier expectations. To this must be added the gains on properties etc., amounting to 109 mDKK, realised in the 1st half of the year:

The slightly lower earnings expected are a direct result of the lower efficiency of the factories that must assimilate Nilfisk-Advance and ALTO production activities in the current year:

Organic growth for the year as a whole is expected to be unchanged at around 5%.

# NKT Cables Group

**NKT Cables is among the leading European suppliers of power cables, principally to markets in Central, Northern and Eastern Europe. NKT Cables has its own production facilities in China from which the Chinese market is serviced with selected products.**

## Revenue

The NKT Cables Group realised 2nd quarter revenue of 1,373 mDKK. This was an increase of 58% compared with the 2nd quarter of last year. After adjustment for the development in metal prices and foreign exchange rates this corresponded to a realised growth in revenue of around 17%. This was higher than expected and very satisfactory.

The growth was achieved in all product segments, including low voltage, medium voltage and high voltage cables. The development reflects a continued high level of activity in the electricity sector in the form of expansion and maintenance of grid. Within the building industry, sales of low voltage products are influenced by both newbuild and renovation activities.

The growth was achieved in all European main markets, and progress continues to be realised in the Chinese market.

2nd quarter revenue was significantly influenced by the continuing rise in metal prices. The average price of copper in the 2nd quarter was twice as high as in the same period last year, and 58% higher than at the start of this year.

## Operating income

2nd quarter operating income before depreciation and amortisation (EBITDA) was 99 mDKK, a margin of 7.2%.

EBITDA for the same period last year was 62 mDKK, corresponding to 7.1%.

2nd quarter operating income before interest and tax (EBIT) was 87 mDKK, a margin of 6.3%. EBIT for 2nd quarter 2005 was 47 mDKK, a margin of 5.4%.

Earnings development was very satisfactory, an EBITDA margin of 7.2% being maintained despite the strong increase in revenue derived from rising metal prices. This has a direct link to the continuing high organic growth and thus also to the high level of activity which has led to a high utilisation of capacity.

## Net interest bearing debt

Net interest bearing debt increased by 48 mDKK to 503 mDKK at the end of the 2nd quarter. This related to dividend paid to NKT Holding of 56 mDKK. Working capital is developing satisfactorily and is closely following the development in revenue at an unchanged level of 17%.

## Developments in 2nd quarter

The NKT Cables Group's portfolio of companies and management were unchanged in the 2nd quarter.

In China, a joint venture was established with a local partner for production and sale of joints and accessories for medium voltage cables.

For the past two years, in a joint venture with the US cable producer Southwire Company, NKT Cables has been working on development and installation of a superconducting cable in Ohio. In the period since the end of the 2nd quarter the



cable is successfully being entered into service in the electricity grid.

At the end of 2005, NKT Cables received a number of orders for high voltage products from a leading Spanish electricity utility. As a follow-up to this it has been decided to establish a subsidiary in Spain with a view to ensuring a high level of service to present and future customers.

Similarly, we are implementing a number of investments in production equipment and product development at factories in Denmark, Germany, Poland, Czech Republic and China. These investments are intended to ensure high reliability in the supply of quality products to our customers.

### Expectations for 2006

Forecast NKT Cables' revenue for 2006 is around 5.2 bnDKK, which is 700 mDKK higher than expected after first quarter 2006. The increase is linked to the growth realised in the 2nd quarter and the higher metal prices. Expectations to organic growth for the full year is raised from 12% to 16%.

A net profit ratio (EBIT) of around 5.4% is expected for the year. This is higher than the original forecast, which was around 4.7%.

# NKT Photonics Group

The NKT Photonics Group is a new business segment created by NKT to harness the specialist competences of its companies in the area of optical technology. Focus is aimed at development, manufacture and marketing of advanced light sources (optical fibres) and laser components.

## Revenue

The NKT Photonics Group realised 2nd quarter revenue of 24 mDKK, against 29 mDKK in 2nd quarter 2005. The revenue decrease was primarily due to exceptionally high revenue levels in 2nd quarter 2005, particularly in LIOS Technology and KOHERAS. Both companies expect rising revenue levels towards the end of 2006.

## Operating income

Operating income before depreciation and amortisation (EBITDA) was (7) mDKK, as against (4) mDKK in 2nd quarter 2005. The negative development was due to the revenue decrease mentioned above, and the fact that intensified development and sales work in KOHERAS and Nanon has not yet been reflected in increased sales.

## Developments in NKT Photonics Group

**Crystal Fibre** experienced continuing good order flow. In partnership with a company which is a global market leader in its industry a major development project has been launched aimed at the use of hollow-core fibres for an application with significant potential.

The first 150W fibre laser component has been supplied, and this product now supplements the company's 20W fibre laser component. Vytran, the US company in which Crystal

Fibre acquired a minority interest in March 2006, has won its first military contract. This contract consists of part-projects to be performed at Crystal Fibre.

In 2nd quarter 2006, **KOHERAS** further intensified development of its white light source for microscopy applications. This is taking place in close cooperation with Leica Microsystems.

Orders received for the conventional white light source showed good growth during the 2nd quarter.

In the sphere of ultra-precise lasers, a prototype comprising 10 sensor lasers was supplied for a field trial in the area of oil exploration. If the results of the trial prove successful this may lead to a number of follow-up orders in this area.

**LIOS Technology** continued its stable development, although revenue has been somewhat lower than last year when the company was awarded several very large tunnel projects in the 2nd and 3rd quarters.

The premier installation of a newly developed 10 km, long-range, 8-channel cable monitoring system was successfully implemented in China.

Development in sales of monitoring systems for high voltage cables remained positive in the 2nd quarter.

**Nanon** recorded continuing slow development in its car component coating business during the 2nd quarter; but activity levels had begun returning to normal.



Interest in Nanon's Cohancement™ technology is growing, and several development projects, particularly relating to treatment of silicone, are now transitioning to formal production.

Nanon has a growing portfolio of customers testing its Cohancement™ technology, and the company expects growing demand for this technology in the 2nd half of the year.

### Expectations for 2006

The NKT Photonics Group expects to realise a growth in revenue of around 10% in 2006. Operating income before depreciation and amortisation (EBITDA) is expected to be around (15)-(20) mDKK. This is down on our previous earnings forecast of (10) mDKK.

# NKT Flexibles

(equity share 51%)

**NKT Flexibles I/S supplies flexible subsea pipe systems to the offshore industry for conveying product from oil and gas fields. The remaining 49% of the company's equity is owned by Acergy (formerly Stolt Offshore).**

NKT Flexibles experienced continued favourable development in 2nd quarter 2006. Revenue was 225 mDKK, as against 126 mDKK last year. Operating income (EBITDA) was 39 mDKK, corresponding to a net profit ratio of 17%, as against 8 mDKK in 2nd quarter 2005.

Orders received in 2nd quarter 2006 amounted to 366 mDKK, and at 30 June the company had orders in hand of 1,166 mDKK.

Activity levels in the offshore oil and gas sector remain high, as partly evidenced by a high level of bidding activity.

51% of NKT Flexibles' net earnings after depreciation, amortisation and financial items is recognised in the NKT Group's operating income (EBITDA). 16 mDKK was recognised in 2nd quarter 2006, against (1) mDKK for the same period last year.

## Developments in 2nd quarter

Owing to the rising level of activity, NKT Flexibles continues to expand. At the end of the 2nd quarter the number of employees was 347, against 308 at the start of the year and 275 at the same time last year.

The capacity of the Kalundborg factory is fully utilised, and in the light of orders in hand and future oil exploration projects

announced by the major oil companies, we expect this to continue in the years ahead.

Against this background, ongoing focus is placed on increasing factory capacity and supply capability through investment and improved processes. Focus is also placed on technology and product development with a view to creating still better and more competitive products.

One example of this is a patented technology for production of XLPE materials (using infra-red radiation). This technology is significantly more efficient than conventional methods, and it offers increased competitiveness in a number of situations by enabling expensive PVDF materials to be replaced by XLPE.

The qualification of deep-sea pipes for installation at depths of up to 2 km is also continuing. The qualification and type approval of 6- and 8-inch pipes is expected to be completed at the start of 2007.

## Expectations for 2006

Revenue for NKT Flexibles is expected to increase from around 500 mDKK in 2005 to around 900 mDKK in 2006. Operating income before depreciation and amortisation (EBITDA) is expected to exceed 13% of revenue. NKT's share of earnings after depreciation, amortisation and interest expenses has been revised upwards from around 25 mDKK to around 40 mDKK.

# Statements

The Board of Directors and the Management have today discussed and adopted the report of NKT Holding A/S for the period 1 January - 30 June 2006.

The report is unaudited and has been presented in accordance with the provisions for recognition and measurement in the International Financial Reporting Standards as approved by the EU, and in accordance with Danish disclosure requirements concerning the quarterly reports of listed companies.

We consider the accounting policies adopted to be correct, so that the quarterly report gives a fair view of the Group's assets, liabilities and financial position at 30 June 2006 and of the results of the Group's operations and cash flows for the period 1 January - 30 June 2006.

Brøndby, 24 August 2006

## Board of Management

Thomas Hofman-Bang  
*President and CEO*

Søren Isaksen

## Board of Directors

Christian Kjær  
*Chairman*

Jan Wraae Folting

Jørgen Bjergskov Nielsen

Jan Trøjborg  
*Deputy Chairman*

Jens Maaløe

Gunnar Karsten Jørgensen

Krister Ahlström

Jens Due Olsen

Arne Dan Kjærulff

## Key figures for the Group

Unaudited Amounts in mDKK	Q2 2006	Q2 2005	Q1-Q2 2006	Q1-Q2 2005	Year 2005
<b>Income statement</b>					
Revenue	2,837	2,292	5,249	4,158	8,750
Earnings before interest, tax, depreciation and amortisation (EBITDA)	373	174	549	299	713
Depreciation and impairment of tangible fixed assets	(32)	(35)	(67)	(73)	(159)
Amortisation and impairment of intangible assets	(17)	(14)	(34)	(27)	(69)
Earnings before interest and tax (EBIT)	324	125	448	199	485
Financial items, net	(12)	1	(26)	(14)	(22)
Earnings before tax	312	126	422	185	463
Net income	228	105	313	158	361
NKT Holding A/S' share of net income	220	103	305	155	356
<b>Balance sheet and employees</b>					
Equity attributable to shareholders of NKT Holding A/S	2,526	2,703	2,526	2,703	2,672
Minority interests	71	59	71	59	63
Total equity	2,597	2,762	2,597	2,762	2,735
Total equity and liabilities	6,916	6,031	6,916	6,031	6,177
Net interest bearing items <sup>1)</sup>	(1,221)	(559)	(1,221)	(559)	(764)
Capital employed <sup>2)</sup>	3,818	3,321	3,818	3,321	3,499
Average number of employees y.t.d.	6,056	5,867	6,056	5,867	5,906
<b>Cash flows</b>					
Cash flows from operating activities	79	20	(137)	(168)	41
Investments in tangible assets, net	176	(15)	109	(43)	(105)
Acquisition of business activities	-	-	(10)	(13)	(19)
Divestment of business activities	-	-	-	97	96
<b>Financial ratios</b>					
Equity share	38%	46%	38%	46%	44%
Number of 20 DKK shares ('000) <sup>3)</sup>	23,500	24,500	23,500	24,500	24,500
Treasury shares ('000) <sup>3)</sup>	78	-	78	-	1,105
Earnings per outstanding share (EPS), DKK	9.4	4.2	13.0	6.3	14.7
Dividend paid, DKK per share	12.0	8.0	12.0	8.0	8.0
Equity value, DKK per outstanding share circulation	108	110	108	110	114
Market price, DKK per share	366	229	366	229	289

<sup>1)</sup> Interest bearing cash items and receivables less interest bearing debt.

<sup>2)</sup> Equity and net interest-bearing items.

<sup>3)</sup> Number of shares and holding of treasury shares as at 30 June 2006 are stated after cancellation of one million shares in accordance with the decision of the annual general meeting of 6 April 2006

# Balance sheet and equity

Unaudited Amounts in mDKK	30 June 2006	30 June 2005	Year 2005
<b>Balance sheet</b>			
Intangible assets	989	1,037	1,011
Tangible assets	750	779	805
Investments and deferred tax	421	393	395
<b>Total non-current assets</b>	<b>2,160</b>	<b>2,209</b>	<b>2,211</b>
Inventories	1,909	1,515	1,624
Receivables	2,377	2,024	2,036
Securities	14	31	27
Cash at bank and in hand	456	252	279
<b>Total current assets</b>	<b>4,756</b>	<b>3,822</b>	<b>3,966</b>
<b>Total assets</b>	<b>6,916</b>	<b>6,031</b>	<b>6,177</b>
Equity attributable to shareholders of NKT Holding A/S	2,526	2,703	2,672
Minority interests	71	59	63
<b>Total equity</b>	<b>2,597</b>	<b>2,762</b>	<b>2,735</b>
Deferred tax	12	9	7
Pensions	289	283	284
Provisions	28	16	24
Credit institutions etc.	980	727	982
<b>Total non-current liabilities</b>	<b>1,309</b>	<b>1,035</b>	<b>1,297</b>
Credit institutions etc.	774	269	218
Other current liabilities	2,236	1,965	1,927
<b>Total current liabilities</b>	<b>3,010</b>	<b>2,234</b>	<b>2,145</b>
<b>Total equity and liabilities</b>	<b>6,916</b>	<b>6,031</b>	<b>6,177</b>
<b>Changes in equity</b>			
Equity, 1 January	2,735	2,750	2,750
Net income	313	158	361
Currency adjustment of foreign subsidiaries and value adjustment of cash flow hedges etc.	(101)	107	176
Change in fair value of securities available for sale	-	(2)	1
Gains on securities available for sale transferred to income statement	(6)	(24)	(36)
Shares options paid / share-based payment	(63)	(11)	(24)
Dividend treasury shares / acquisition of treasury shares	13	-	(276)
Disposal minority interest	-	(20)	(21)
Dividend paid	(294)	(196)	(196)
<b>Equity at the end of the period</b>	<b>2,597</b>	<b>2,762</b>	<b>2,735</b>

## Cash flows and interest-bearing items

Unaudited Amounts in mDKK	Q2 2006	Q2 2005	Q1-Q2 2006	Q1-Q2 2005	Year 2005
Earnings before interest, tax, depreciation and amortisation (EBITDA)	373	174	549	299	713
Financial items, net	(12)	1	(26)	(14)	(22)
Change in working capital, utilised provision and proceeds from sale of property etc.	(282)	(155)	(660)	(453)	(650)
Cash flow from operating activities	79	20	(137)	(168)	41
Acquisition of business activities	-	-	(10)	(13)	(19)
Divestment of business activities	-	-	-	97	96
Investments in tangible assets, net	176	(15)	109	(43)	(105)
Other investments, etc.	(21)	(12)	(59)	(44)	(89)
Total cash flows from operating and investing activities	234	(7)	(97)	(171)	(76)
Dividend paid	(294)	(196)	(294)	(196)	(196)
Shares options paid / acquisition and dividend of treasury shares	14	-	(50)	(12)	(302)
Change in interest bearing items, net	(46)	(203)	(441)	(379)	(574)
Net interest bearing items, 1 January	(1,176)	(337)	(764)	(145)	(145)
Currency and value adjustments relating to interest bearing items	1	(19)	(16)	(35)	(45)
<b>Net interest bearing items at the end of the period</b>	<b>(1,221)</b>	<b>(559)</b>	<b>(1,221)</b>	<b>(559)</b>	<b>(764)</b>

## Segment information

Unaudited Amounts in mDKK	Q2 2006	Q2 2005	Q1-Q2 2006	Q1-Q2 2005	Year 2005
<b>Revenue</b>					
Nilfisk-Advance Group	1,438	1,394	2,791	2,589	5,113
NKT Cables Group	1,373	870	2,406	1,514	3,529
NKT Photonics Group	24	29	49	54	104
Intra-Group revenue, etc.	2	(1)	3	1	4
	<b>2,837</b>	<b>2,292</b>	<b>5,249</b>	<b>4,158</b>	<b>8,750</b>

### Earnings before interest, tax, depreciation and amortisation (EBITDA)

Nilfisk-Advance Group	269	119	386	220	469
NKT Cables Group	99	62	161	85	242
NKT Photonics Group	(7)	(4)	(14)	(4)	(8)
NKT Flexibles, share of profit	16	(1)	22	(5)	10
Parent company and eliminations, etc.	(4)	(2)	(6)	3	-
	<b>373</b>	<b>174</b>	<b>549</b>	<b>299</b>	<b>713</b>

### Earnings before interest and tax (EBIT)

Nilfisk-Advance Group	236	88	315	159	334
NKT Cables Group	87	47	138	53	175
NKT Photonics Group	(11)	(8)	(21)	(12)	(29)
NKT Flexibles, share of profit	16	(1)	22	(5)	10
Parent company and eliminations, etc.	(4)	(1)	(6)	4	(5)
	<b>324</b>	<b>125</b>	<b>448</b>	<b>199</b>	<b>485</b>

### Capital employed

Nilfisk-Advance Group			2,407	2,280	2,414
NKT Cables Group			1,179	761	906
NKT Photonics Group			106	74	97
NKT Flexibles, share of equity etc.			98	60	82
Parent company and eliminations, etc. <sup>1)</sup>			28	146	-
			<b>3,818</b>	<b>3,321</b>	<b>3,499</b>

1) Due to changed Danish legislation, tax asset is transferred to subsidiaries per 31 December 2005

## Useful information

### Stock exchange releases 2006

We have issued the following releases via the Copenhagen Stock Exchange. The full text may be found on [www.nkt.dk](http://www.nkt.dk).

- > 02.01.06 #1 Stock exchange calendar 2006
- > 04.01.06 #2 NKT Holding issues warrants
- > 27.01.06 #3 Reporting of changes in shareholdings
- > 06.03.06 #4 Reporting of changes in shareholdings
- > 09.03.06 #5 NKT Annual Report 2005
- > 09.03.06 #6 Amended stock exchange calendar 2006
- > 13.03.06 #7 Stock exchange releases issued in 2005
- > 16.03.06 #8 Notice convening 2006 AGM
- > 30.03.06 #9 NKT's employee Board representatives
- > 06.04.06 #10 NKT 2006 AGM
- > 12.04.06 #11 Sale of properties in USA - Group net income revised upwards
- > 21.04.06 #12 Insider transactions with NKT Holding A/S shares
- > 11.05.06 #13 Q1 2006 - Satisfactory 1st quarter 2006
- > 07.08.06 #14 NKT Holding's share capital reduced
- > 23.08.06 #15 New production manager and executive board member at Nilfisk-Advance

### Stock exchange calendar 2006

24 August 2nd quarter report  
30 November 3rd quarter report

The presentation of NKT's annual and quarterly reports is transmitted online. For details see [www.nkt.dk](http://www.nkt.dk).

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NKT Holding A/S

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