



Nasdaq Copenhagen
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UPDATED 2017 OUTLOOK FOR NKT CABLES AND DELIVERY TAKEN OF CABLE-LAYING VESSEL

Closing of the acquired ABB HV Cables activities took place on 1 March 2017, cf. Company Announcement No. 4 of 1 March 2017. As communicated in the NKT 2016 Annual Report, Company Announcement No. 2 of 21 February 2017, NKT Cables can now provide an updated 2017 financial outlook including the impact from the acquired ABB HV Cables activities.

NKT Cables 2017 outlook

The acquired ABB HV Cables activities will be financially consolidated into NKT Cables as of 1 March 2017. Based on this, NKT Cables expects revenue (std. metal prices) in 2017 of approx. EUR 1.1bn, corresponding to approx. EUR 1.4bn in market prices depending on the development of metal prices during the remaining part of 2017. The previously underlying assumption of an organic growth of 0-5% in the existing business remains unchanged.

Operational EBITDA for 2017 is expected to be approx. EUR 140m against previous outlook of an operational EBITDA margin of approx. 9.5%, equivalent to approx. EUR 70m. The composition of the new consolidated project portfolio and the timing of closing of the acquisition results in earnings expected to be significantly lower in Q1 2017 compared with the remaining three quarters.

The previously expected and communicated annual synergies of approx. EUR 30m from the acquisition by end-2018 are confirmed. Realised synergies in 2017 are, however, expected to be limited due to high focus on timely execution of the existing order backlog. Total integration costs of ABB HV Cables are still expected to amount to approx. EUR 35-40m by end-2018. The majority is expected to be expensed in 2017 and early 2018. In line with previous communication, costs related to closing of the transaction are expected to be approx. EUR 7m to be expensed in Q1 2017. Integration costs and costs related to the transaction will be treated as one-off items and will not impact operational EBITDA.

The 2017 outlook for Nilfisk and NKT Photonics remains unchanged, cf. the table below.

2017 outlook for all NKT business units

	NKT Cables	NKT Photonics	Nilfisk**
Revenue*	~EUR 1.1bn		
Organic growth		~10%	2-4%
Operational EBITDA	~EUR 140m	~15% (margin)	11.0-11.5% (margin)***

* Std. metal prices, ** discontinued operations, *** before special items

Further information and details regarding the acquisition of ABB HV Cables will be included in the Q1 2017 Interim Report expected to be released on 17 May 2017.

NKT Cables has taken delivery of its cable-laying vessel

The delivery of the cable-laying vessel, which was part of the acquisition of ABB HV Cables, cf. Company Announcement No. 45 of 21 September 2016, has taken place on 10 April 2017.

The vessel is among the world's most advanced and provides improved cable-laying precision based on e.g. DP3 (Dynamic Positioning) capability and a remotely operated vehicle using cameras and sonar, eliminating the need for divers. The vessel was built at Kleven shipyard in Norway.

With this vessel, NKT Cables will strengthen its leading position in the high-voltage offshore industry offering its customers complete turn-key solutions; including design and production of the AC/DC offshore cable as well as full installation and related cable-laying services.

Michael Hedegaard Lyng, President and CEO of NKT Cables, says:

- This cutting-edge cable-laying vessel will complete our project execution set-up and cements our position as a global, leading cable solutions provider. Now, we can offer our customers turn-key solutions which provides them with increased project flexibility and lower execution risk.

The cable-laying vessel will be at the NKT Cables plant in Karlskrona, Sweden, for a naming ceremony, including a customer seminar, on 4 May 2017. Hereafter, it will head out for its first cable-laying project. More information about the vessel is available at www.nktcables.com

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Forward looking statements, etc.

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This announcement has been prepared in both Danish and English. In case of any inconsistencies, the English version shall prevail.