



Copenhagen Stock Exchange
Nikolaj Plads 6
DK-1007 Copenhagen K

January 7, 2002
Announcement No. 3

Share warrants and share options

- supplement to Announcement No. 1 of 2 January 2002 to the Copenhagen Stock Exchange

In our Announcement No. 1 of 2 January 2002 to the Copenhagen Stock Exchange we informed that 173,250 share warrants and 13,125 share options would be issued at the beginning of 2002.

Distribution

In accordance with the Copenhagen Stock Exchange's new code of practice we hereby inform that the share warrants have been allocated to a total of 72 persons at NKT Holding A/S and NKT Research & Innovation A/S, with 75,000 being distributed to the Management, 30,000 to senior executives, and 68,250 to other employees. The 13,125 share options have been allocated to the nine members of the Board of Directors of NKT Holding A/S.

Purpose

The purpose of the allocation of share warrants and share options is to attract and retain relevant and qualified people, and to serve as motivation for future work effort, a link being created between the individual's effort and the Company's long-term value creation.

Conditions

With regard to the share warrants, we can inform that the principal condition for exercise relates to the holder's continued employment in the Company on 1 January 2005. Reference should also be made to Enclosure 1 which contains the full text of the amendment that will be made to the Company's Articles of Association by virtue of the warrant allocation.

The share options to the Board of Directors are issued subject to approval at the Company's General Meeting of the Company's annual report for 2002, in which the option scheme will be presented. The principal condition for exercise relates to the Board member's continued membership



of the Board of Directors until expiry of the member's term of office as stipulated by law or the Company's Articles of Association.

The provision stated in items 7 and 8 of Enclosure 1 also apply to the share options.

Market value

The exercise price for both share warrants and share options is based on the average price of all NKT shares traded in December 2001 – which is 100. To this is added a hurdle-rate of 5% per year until the time of exercise. Based on a price per share of DKK 100 and using the Black-Scholes formula, the value of share warrants and share options is calculated at DKK 6.6 million, taking account of the current interest rate (4.9%) and the historic volatility of NKT shares. This valuation assumes exercise taking place at the first exercise period. No adjustment has been included in the valuation for ordinary dividends.

Further information

Please address any questions regarding the above to Thomas Hofman-Bang, Group Executive Director, CFO, on +45 43 48 20 00.

Yours faithfully

NKT Holding A/S

Tom Knutzen

President and CEO

Enclosure



**Enclosure 1 –
Amendments to the Articles of Association in connection with the issuance of Warrants**

The decision of the Board of Directors containing the conditions for subscription and exercise of Warrants has been added to the articles of association of the company as a new Article 3 D with reference in part to the existing Article 3 C.

Article 3 D has the following wording:

In accordance with Article 3 B the board of directors has in January 2002 decided to issue warrants to the employees of the company and to employees in NKT Research & Innovation A/S with a right to subscribe for up to nominally DKK 3,465,000 shares in the company. No separate payment shall be effected for the warrants. In accordance with Article 3 B the board of directors has also passed a resolution regarding the relevant capital increase. The authorisation stated in Article 3 B is hereby reduced to nominally DKK 5,235,000, cf. also article 3 C.

The warrants may be wholly or partly exercised to subscribe for shares six weeks after the publication of the company's latest preliminary statement of annual accounts for each of the years 2005, 2006 and 2007 (hereinafter referred to as "the period of exercise"). This means that the warrants may be exercised for the first time for the subscription of shares in 2005 in the period from the publication of the preliminary statement of annual accounts for 2004 and six weeks onwards. The warrants may not be exercised for subscription of shares outside a period of exercise. After the expiry of the last period of exercise – i.e. in 2007, six weeks after the publication of the preliminary statement of annual accounts for 2006 – non-exercised warrants shall automatically lapse without notice and without compensation. The period of exercise may be changed solely by the board of directors, if required, in order to observe current stock exchange rules, including prohibition against insider trading at the time of exercise. The warrants only entitle the holder to subscribe for shares in one transaction. Partial exercise of a warrant for subscription of shares shall therefore result in a lapse of the remaining part of the warrant.

The subscription price per share of nominally DKK 20.00 shall be fixed at (i) DKK 115 if subscription is effected in 2005, (ii) DKK 121 if subscription is effected in 2006, and (iii) DKK 127 if subscription is effected in 2007.

The new shares which may be subscribed for in accordance with the warrants shall belong to the same class of shares as the existing shares and shall in all respects be subject to the same conditions as the existing shares. The shares shall carry a right to dividend from the time of registration of the new subscription with the Danish Commerce and Companies Agency. Registration will, in so far as this is possible, be effected after the ordinary general meeting in the relevant year and the shares will therefore not carry a right to dividend until the following year.

The warrants are in addition to the above subject to Article 3 C, sub-items no. 1–9. However, the condition relating to continuous employment in Article 3 C, sub-item no. 3 shall apply until 1 January 2005 with respect to the warrants referred to in this article.

Article 3 C, sub-items no. 1-9 with amendment of the date in Article 3, sub-item no. 3 has the following wording:

1. The holder of a warrant shall exercise a warrant by written notification to the company's office within a period of exercise. The company shall confirm receipt of the notification to the holder of the warrant. Payment shall be effected in cash to the company simultaneously with entry on the subscription list and within 14 days after the company's confirmation has been forwarded to the holder of the warrant.



2. A warrant is personal and may under no circumstances become subject to transfer or assignment, nor in the case of division of an estate, and cannot be charged or in any other way serve as satisfaction of the warrant holder's creditors.
3. If a holder of warrants gives notice of resignation or is dismissed by the company or by a wholly or partly owned subsidiary of the Company before *1 January 2005* the holder's warrants shall lapse automatically at the time of termination of the employment without notice and without compensation. If the termination of the holder's employment is due to (i) retirement pension after having obtained the age of 60, (ii) permanent reduction of the holder's general earning capacity for health reasons (i.e. physical or mental disability) by two thirds (2/3) or more, or (iii) death of the holder, the holder or the holder's estate shall be entitled to keep the warrants for exercise in accordance with the applicable rules. Where the company itself or a wholly or partly owned subsidiary of the company gives notice of dismissal to the holder, the board of directors may in special situations and according to its own discretion decide that the holder shall still be entitled to keep and exercise the warrants in whole or in part – possibly on special terms specified and determined by the board of directors.
4. If one or several of the following capital changes are implemented before the exercise of a warrant the holder of the warrant shall receive compensation at the exercise of the relevant warrant in relation to the number of shares which may be subscribed in accordance with the warrant and/or the subscription price for the shares so that the warrant holder, both financially and in relation to the share interest (rounded down), is placed in the same situation as if the warrant had been exercised immediately before the implementation of the relevant resolution:
 - Capital increase by the issue of bonus shares.
 - Capital increase whereby shares may be subscribed at a price which is more than 10 per cent lower than the market value at the time of subscription (cf. paragraph 6 below).
 - Issue of warrants, convertible debt certificates or the like whereby shares may be subscribed at a price which is more than 10 per cent lower than the market value at the time of subscription (cf. paragraph 6 below). No adjustment shall be effected in connection with subsequent exercise/conversion.
 - Capital reduction where payment is effected to existing shareholders of amounts which exceed the market value of the relevant shares by more than 10 per cent at the time when the capital reduction is decided.
 - Capital reduction to cover loss.
 - Distribution of extraordinarily high dividend. The board of directors shall decide whether a dividend is to be regarded as extraordinarily high. Adjustment shall only be effected in relation to the extraordinary share of the dividend.
5. The circumstances mentioned in paragraph 4 shall be administered by the company's board of directors, who shall make the final and binding decision on implementation and calculation of any adjustment of the warrants, also in relation to the subscription price and share interest.
6. Notwithstanding paragraph 4 and the subscription price the following circumstances shall not result in adjustment:
 - Issue and subsequent exercise/conversion of warrants, convertible debt certificates or the like to board members or employees of the company or of a subsidiary.
 - Capital increase by subscription of new shares, including employee shares, without a preferential right of subscription for the company's shareholders.
7. If, before the exercise of the warrants,
 - (i) a resolution is passed to dissolve the company, also by merger or demerger where the company ceases to exist,
 - (ii) a resolution is passed regarding delisting of the company's shares at the Copenhagen Stock Exchange, or
 - (iii) if a shareholder together with the company's board of directors decides that the other shareholders in the company must let their shares be redeemed by the shareholder, cf. section 20 b of the Danish Companies Act,



the company must, before the implementation of such a resolution, enable the holders of warrants to exercise their warrants for subscription of new shares in the company. The subscription price shall be fixed at the subscription price applicable for the closest period of exercise. The holders of the warrants are then given a deadline by the company of four weeks within which they shall notify the company in writing of whether the warrants will be exercised. After the expiry of this period the warrants in respect of which no notification has been given about exercise shall lapse automatically without notice and without compensation.

8. If, before the exercise of the warrants, a public bid is made for the company's shares – either voluntarily or involuntarily – whereby one shareholder directly or indirectly acquires more than 2/3 of the company's nominal share capital the company shall enable the holders of warrants to exercise their warrants for subscription of new shares in the company. The holders of the warrants are then given a deadline by the company of four weeks within which they shall notify the company in writing whether the warrants will be exercised. The subscription price shall be fixed at the subscription price applicable for the closest period of exercise. The holders shall be entitled but not obliged to exercise the warrants, and warrants which are not exercised within the above-mentioned period shall continue unchanged and may be exercised for subsequent subscription of shares within the ordinary periods of exercise. If the situations in paragraphs 7 and 8 become relevant at the same time paragraph 7 shall take precedence.
9. Resolutions regarding other matters of the company than the matters mentioned in paragraphs 4-8 shall not affect the conditions for exercise of the warrants.