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Thomas Hofman-Bang: Welcome to the teleconference for NKT following our release of our Q1 Report this morning. My name is Thomas Hofman-Bang. I'm President and CEO of NKT Holding and, as always, I'm seconded my Michael Lyng, our Group CFO, and together we will cover the agenda for today's teleconference.

The agenda is the standard one. I will open up with a few highlights. Then Michael will cover the financial results. Then I will add more flavour to our three business lines and then we will address the expectations and finally we'll get to the Q&A session where you will get the opportunity to challenge us on the Q1 Report.

The structure in first quarter is unchanged. We have the three business lines that you know. We did in the quarter announce an acquisition in NKT Cables, being the Ericsson's power cable activities in Sweden. And as announced when we published that transaction, we expect to close that early third quarter and therefore that should be included starting third quarter. In Nilfisk-Advance, we did a couple of very small acquisitions in the quarter, the typical dealers or service setups that we continue to do to strengthen our footprint. But other than that, an unchanged structure.

If we turn to the highlights of the quarter, the headline of the quarter is that we are delivering a quarter in line with expectation, and that's also why we maintain our guidance for the full year unchanged. We saw a little bit of growth, being 2% to be specific, and that was as planned, and the growth came from where we have invested in recent years being Electrical Infrastructure and Railway in NKT Cables. And also Nilfisk-Advance saw a little bit of growth, being 1%, and we'll be back to more details on that later in the presentation. We saw good capacity utilisations. And on the offshore sector, weather actually permitted that we could do a little bit of installation work in the quarter, which is not customary. And on our footprint in cables, we completed the establishment of a storage terminal in Rotterdam, so that is complete now, and we actually loaded - it's actually being loaded with cables as we speak. In Nilfisk-Advance, the growth came from the EMEA region and the Americas, not surprisingly. And comparing to competition, the overall growth in the 1% in the quarter and a 2% growth in the EMEA region is approved and therefore Nilfisk is off to a good start taking the market conditions into consideration, which has also been confirmed by competition. Looking at gross profit in Nilfisk, we saw a slightly negative development in the gross margin. We saw a slightly tougher market and therefore it has been the implementation of pricing increases in the beginning of the year has been slower than what we have planned for. There's also been some change in sales mix and then the number of working days which impact the Nilfisk numbers quite a bit was lower in Q1 compared to last year, which has been confirmed looking at our April numbers where we can see that definitely activity moved from March into April. And as you can imagine, corrective action has been taken to make sure that we stay on top of a satisfactory gross profit development in Nilfisk, and indications in April through May indicate that it will correct itself. As already mentioned, in the quarter we acquired the Ericsson's power cable operation in Sweden, which has a very good fit with our products business within medium voltage and low voltage and therefore we're strengthening our market position and product offering which is a very logic step as scale is key to profitability in the products part of the cable operation. And as already mentioned, overall delivering a first quarter align with last year also makes it very meaningful to maintain our guidance full year, so that's what we're doing.

With that, we can turn to the next page, which shows how the operational EBITDA developed on a rolling 12 months and also from looking at that, it looks very realistic to maintain our full year guidance as we are for first quarter is in line with last year, now standing at 1.027 million on operational EBITDA.

And if we look at how the macro scene is, there's a clear picture that it's sidetracking, meaning that there is a growth in the U.S. still. China is also in growth mode and Europe continues to be in kind of recession mode and that has definitely not changed through first quarter and as consequence IMF has taken down their growth outlook for Europe this year and we also sense that a continued very difficult market environment in the southern part of Europe, but it's also spreading to markets like Germany, France, and the U.K., as you have seen from the published PMI numbers. So that environment that we operate in and also from that perspective, we believe that the best guidance for this year is to repeat what we did last year.

With that, I'll hand over to Michael that will cover the financials in great detail.

Michael Lyng: Thank you, Thomas. We will start with an overview of financial highlights for our first quarter 2013. We ended up with a top line of 3.5 billion DKK, nominal values more or less in line with last year and similar to an organic growth of 2% as already mentioned by Thomas. If we look at 2% and divide it up through the divisions, NKT Cables realised 4%, Nilfisk-Advance 1%, and then we saw a negative growth of 6% in the Photonics Group. And later on in the presentation, I will break it up further. EBITDA margins of 7.6% in the quarter, slightly below same period last year where EBITDA came in at DKK 229 million and 8.2% margin. Despite that, we are satisfied with the results that also follow our internal expectations. Working capital, as expected, we saw a build up in first quarter, and we ended at DKK 3.1 billion, up from DKK 2.4 billion at year-end 2012. That being said, we continue to see a positive development in the last 12 months, trend curves declining from 19.8% to now 19.5%. As a consequence of higher working capital and paid out dividends, we also see an increased net interest bearing debt ending at DKK 2.8 billion, similar to a ratio of 2.7 times last 12 months EBITDA, and I'll also come back to that later on in the presentation. Then we paid out dividend of DKK 191 million in March following the approval at the Annual General Meeting on March 21, which is of course also impacting the net interest bearing debt. And as Thomas already mentioned, unchanged expectations for 2013.

If we continue to the next slide 9, there's a comparison first quarter against first quarter last year and also with consensus in the right side of the slide. Top line, I already commented on, and it's fair to say that we are more or less in line with consensus in the markets. Realising the okay growth of 2% organically reflected with Cables 4%, Nilfisk-Advance 1%, and then the minus 6% in the Photonics

Group. EBITDA margin in the quarter came it at 7.6%, down from the 8.2% last year, reflecting a nominal EBITDA of 217 million, down from DKK 290 - - 29 million last year, and there we are slightly below consensus in the market that had expected an EBITDA of DKK 252 million. Depreciations of 129 are slightly up from last year level of 125, realising an EBIT of DKK 88 million. Financial items, down from last year level of DKK 59 million to now DKK 48 million, so an improvement of DKK 11 million there, and then we have earnings before tax of DKK 40 million more or less in line with last year. As also illustrated here in the slide, you can see the capex level where we have capitalised investments of DKK 103 million, down from last year level of DKK 127 million, working capital at 3.1 billion, slightly up from first quarter last year where we had working capital of DKK 2.9 million. And then of course the net interest bearing debt is significantly lower than last year level where we had not concluded the divestment of NKT Flexibles.

If we continue to the next slide and break up the revenue decrease of the minus DKK 22 million, you can see on the right side of the slide that we're negatively impacted by lower metal prices diluting our top line with DKK 71 million. FX changes are more or less not impacting the top line and also no impact from acquisitions, so that leaves us with the 2% organic growth. If we look into the decrease of DKK 12 million on EBITDA, you can see that we actually have a small improvement in the NKT Cables business where margins came up from 3.6% last year to now 3.8% in the quarter and then we have a negative impact from Nilfisk-Advance, reflecting what Thomas said in the beginning. Last year we had 12% EBITDA margin in the quarter, now we realised 11.3% EBITDA margin, and also Photonics Group had first quarter lower than first quarter last year, and we will come back to that further in the presentation.

If we continue to page 11, looking at the trend curves for NKT Cables, you can see in the blue box the breakup of the 4% organic growth. We saw an okay development in the Electricity Infrastructure segment, up 11%, so we have continued to execute well on our high voltage factory in Cologne. We also managed to get some new high voltage orders to secure production in 2013 in the high voltage segment. Submarine remains okay with good weather conditions, so we started up earlier with installation than expected, and we still see a relatively high tender activity in that segment. Railway market, in particular in China, also started to see better performance in Q1. We have started up executing on existing backlog and that's why we have realised organic growth of the 19% and we also managed to secure three new orders to be executed late in 2013 and going into 2014. Automotive down with 8%, so that continued to be tough market, but it's relatively small number, and the same goes for the Construction market that also remains to be very difficult, down 19%, difficult market, and on top of that we have seen a very long and also cold winter throughout Europe impacting the construction activity in the markets. If we compare it to peer, we are slightly up on the top line, but it's probably fair to say that we more or less see the same development in the respective segments. Looking at EBITDA nominal, it came at DKK 43 million, only slightly up from the 40 million last year, but it's also fair to mention that Q1 this year were impacted negatively by approximately DKK 15 million in one-off costs, partly related to acquisition of the Ericsson business, and that's why we more or less see a flat development on EBITDA margins only slightly up from 5.3% in 2012 to now 5.4%.

If we continue on slide 12 looking at trend curves for Nilfisk-Advance, you can see the breakup of the growth in the blue box, the 1% that realised in first quarter. EMEA was up 2%, which is okay taking into consideration that we were down 4% end of in fourth quarter last year. Americas also came in with relatively good numbers, up 4%, so continuing the positive development that we saw end of last year. And then we continue to see a tough Asian Pacific market partly because of mature markets, for example, Australia, but also the Asian markets were difficult in the quarter. If we compare our growth with the peers, we can just conclude that we are very satisfied with what we have achieved in the different segments. Nominal EBITDA came in at 188 DKK million, so margins in the quarter are slightly down compared to last year as already mentioned and that means that we see a small decline of EBITDA margins last 12 months down from 11.9% to 11.8% end the first quarter '13.

If we look a little bit further into the gross profit development for Nilfisk-Advance, we ended at 41.3%, so we're down with 1.4 percentage points compared to first quarter last year. Gross profit was negatively influenced by market pressure on prices and also a change in the sales mix with higher sales to the do-it-yourself segment. In addition, we also have seen a product produced in China, ended up having a relatively higher or small higher cost related to a rising FX rates and also to increase the cost in China. Gross margin at last 12 months numbers ended at 41.7%, down from 41.9% at yearend, but it's also fair to say, as already mentioned by Thomas, that or full year expectations for gross profit remains unchanged.

Continuing to page 14 where we have - - see where we have a trend curve for Photonics Group here reflecting the revenue last 12 months development. We can see the minus 6% achieved organic growth in the quarter, but that should also be seen in light of a very strong 31% organic growth in first quarter 2012 where we were shipping out one very large order. So if we adjust for that, we actually do see underlying growth that are more or less reflecting what we saw end of 2012.

Next slide, the working capital slide. Working capital ended at DKK 3.1 billion, up from DKK 2.4 billion end of 2012. That result in the last 12 months ratio of 19.5%, down from 19.8% at year end. If we compare the level to first quarter last year where we ended at DKK 2.9 million, we are approximately DKK 200 million up to the DKK 3.1 billion level year-over-year. Working capital build up in the quarter was around DKK 700 million, partly as expected and should be seen in light of normal working capital build up in the first half for the NKT Group, but also in light of the very strong reduction that we have achieved in fourth quarter 2012. In addition to that, Easter payments received at the end of the quarter were not in the banks until April because of the many bank holidays end of March and beginning of April, so we expect to see a more normal level going into second quarter. Approximately DKK 500 million of the increase relates to NKT Cables and DKK 250 million to Nilfisk-Advance.

The net interest bearing debt on the next slide ended at DKK 2.8 billion, up from DKK 1.9 billion end of 2012. That corresponds to a ratio of 2.7 times operational EBITDA, and the increase of course reflect the working capital build up and on top of that also impacted by the paid out dividend of approximately 200 million that we paid out late first quarter. And the different ratio for capital structure as is illustrated in the blue box, you can see that we more or less are in line with our internal target for an optimal capital structure, slightly above on the ratio between earnings and debt.

Next slide looking at the cash flow more or less reflecting what I already have said on working capital and thereby the debt level. We realised cash flow from operating activities of minus DKK 521 million compared to a more or less flat level first quarter last year and of course the big swing factor here is the change in working capital where we are negatively impacted by DKK 666 million in the quarter. Cash flow from investments - - investing activities came in at minus DKK 113 million, so there we are trading a little bit lower than the level we saw last year, so all in all we had free cash flow in first quarter of negatively DKK 634 million. And on top of that, we are also impacted on the paid out dividends as you can see here in cash flow from financing activities. That includes the dividend paid out of 191 million in first quarter as well.

And the last slide illustrating the cash conversion realised in first quarter, a relatively volatile picture and end of March 2013 cash conversion rate ended at 56% and of course partly influenced by the change in working capital.

And with that, back to Thomas.

Thomas Hofman-Bang: Thank you very much, Michael. And if we then further in the presentation and look at the three business lines starting with NKT Cables. On Page 20, you see a newly taken picture of our uploading station in Rotterdam where you see turntables loaded with the cables and you see one of our barges at the pier and it's been a very good move that we have established this uploading station, adding a lot of flexibility to our Cologne setup thereby increasing our ability to execute on large projects. And as part of this move, we have also qualified what we call Harbour joints where you're able to join sections of cables on these turntables and therefore where our limit historically has been to load out approximately 20 kilometres of cables in continuous length, we can now double that and therefore now the limit for link to cables is now the ship capacity and not our capacity, so that's been a very good move and also being recognised by our customers.

If we turn to page 22 where the bullet points illustrates the highlights of the quarter. We have already touched upon several of them during the presentation so far, so I'd just like to add a little bit about the tender activity on submarine where we have not announced any new orders in the quarter. We continue to see good tender activity, meaning that a lot of live projects are active out there and customers continue to spend a lot of resources on qualification and tender activity for projects and of course we actually participate in that. It has so far not led to a board or to us or competition in the quarter because there's been some continued hesitation to move to the award step on several of these projects. It's important to stress in that context that our backlog is sufficient to deliver on the guidance for this year, so we're not dependent on winning new business to deliver on the guidance for this year, but of course we need to build our backlog for the coming years and the winter for that is still not closed for building up a satisfactory backlog for 2014 and we actually also see still some occasionally fast track projects out there that could even activity for this year, so we continue to be very active on that front. On the terrestrial high voltage cables, as already covered by Michael, we continue to add to the backlog there, which we also should, and it's going according to plan and therefore it also supports the guidance given on that business line for this year. On the railway, it's very positive to see that the development in China continues and it's not only a matter of reactivating existing projects that was halted, but we also see now tender activity where our new projects are being - - are tendered and we have won a couple of projects in the quarter building to our backlog so that we also continue to secure work for further growth on that business line. And finally, as already covered by Michael, the construction segment continues to be difficult. It's always difficult in first quarter because the activity here is very seasonal, but it has been harsh - - has been impacted by the harsh winter in Europe in particular this year first quarter over last year's first quarter and then combined with general low activity within construction led to a decline in sales, which we have also seen competition experience. Of course now moving into the season, we see the pickup of activity that we should, but we have no expectations to see any growth on that business line in 2013. And that illustrates the importance of the strategic direction that we have for NKT Cables where the main focus is on infrastructure and railway, that's where we have invested in the redirection of NKT Cables in recent year, and this quarter confirms that it was the right thing to do because that's where we see the growth and we also expect to see the growth coming from those business lines in particular in the coming years.

Page 23 just briefly addressed the Ericsson acquisition that we announced a couple of weeks back. As already mentioned, we expect to close that transaction early third quarter. We are waiting approval from competition authorities, which is expected to be a non-issue. And therefore in respect of this activity, focus right now is on finalising the post merger integration plans so that we can hit the ground running once we close the transaction hopefully in July. And we are also mentioning in today's report that the - - assuming a close early July, we expect to have a revenue impact from this at standard (inaudible) prices of around DKK 500 million this year and at market prices around - - I think it's around 700 million this year. And we don't expect any impact on earnings from this transaction this year, but it should start to be accretive next year.

If we move onto Nilfisk-Advance where on page 26 we also have the bullet points from today's report and if we take them from the top, we are - - we're very satisfied with reporting 2 percentage point growth in the EMEA region in first quarter. It's no secret that Europe is a rather difficult place to be in and therefore also benchmarking to competition the fact that we've been able to report 2% growth is absolutely approved and it's just yet another proof of how well positioned we are in Europe with our sales companies and our extensive direct service force, and that's what is driving this result. If we look to the cost side of the business, then we continue to execute very strictly on our cost saving plans and therefore our overhead cost percentage has developed for satisfactory in first quarter and, as already mentioned, the development, slightly negative development we've seen in gross profit in first quarter is not alarming. Corrective action has been taken and we therefore have an unchanged perspective as to how we should realise their gross profit for this year for the year in total. The U.S. market, including also Central and South America, continues to do well. We're growing 4% there. And in the APAC region, on the other hand, we have experienced widely spread hesitation in first quarter. It's not a single market sticking out behind the minus 10% in APAC, it's across the board in both emerging economies and mature economies in APAC where we've seen this development. If we break out the BRIC countries, plus Mexico and Turkey, we don't disclose the number. But if we break it out, then we can continue to see double digit growth in those economies as a total, which is an important part of our strategy where one of our five must win battles is to secure market leadership in those emerging markets, and we continue to do well there. We increased our prices early in the year with around 2 percentage points and one of the drivers behind the slightly negative gross profit development first quarter is that it has been slightly more difficult to implement that price increase in first quarter compared to what we had expected. We still have expectations that we will be able to implement it, but it will take - - it will stretch into second quarter and then the gross profit development first quarter has also been influenced by sales mix, a little bit more domestic product sales and sales to do-it-yourself channels, which obviously have lower gross profit. They also have much lower cost to serve and therefore that needs to be taken into perspective when you look at the gross profit development in the second quarter. And then finally, the number of working days in the quarter, which was lower than last year, of course also have an impact and therefore lower our ability to absorb overhead costs of course with fewer working days, it has been slightly reduced. Michael already covered the China comment where we do see rising exchange rates for the Chinese renminbi and we also continue to see rising costs in China and of course that has an inflation pressure on the products coming into Europe from our China operation that we need to offset with price increases in the market and then we - - in the last bullet point you can see that we reduced our fixed costs with 1.5%, and that's due to very tight cost controls and saving initiatives that of course will continue. So that's the overall reflections on Nilfisk-Advance.

And finally on the Photonics business on page 29, Michael already covered that don't be alarmed with the minus 6% reported organic growth in the quarter. We did have an exceptionally high order that was delivered in the comparable quarter last year. The underlying trend is absolutely satisfactory with the double digit growth. In particular, the imaging sector, we see significant order intake, which continues to confirm our footprint. And also in the sensing segment, we see good growth, so... And where we have seen less growth in the fibre processing segment where the U.S. market had been hesitant, but we here also moving into the second quarter start to see some improvement in that segment. So overall, Photonics definitely on track to realise the growth expectations for this year.

With that, we move to the overall expectations outlined on page 31, and the message is that we don't see any reason to have a different perspective after first quarter compared to the initial guidance we gave, so we're still targeting unchanged in our sales and earnings unchanged level compared to last year when you look at the business scope that we had at the beginning of the year. And then, as already mentioned, of course the Ericsson will add revenue on top of that, but is not expected to deliver any significant earnings this year.

So that's the overall situation.

And with that, let's move to Q&A. So, operator, do you have anybody online with questions?

Operator: *Thank you. If you have a question, please press star then one on your touchtone phone.*

Claus Almer from Carnegie is online with a question.

Claus Almer: Yeah, hello. Just a few questions. **The first one goes for the order intake in Q1, which you mentioned within the high voltage segment, can you try to specify the amount of orders both in number terms but also on price and terms.** Thanks.

Thomas Hofman-Bang: We… When we started the year, we had coverage for terrestrial high voltage cables of 75% of what we had planned for this year and we had continuously added to that in the course of first quarter in line with our plans and therefore that coverage percentage is somewhat higher now. It's still not 100 percent, but it's somewhat higher. And with what we have in the pipeline, it confirms that we will do what we have planned to do on high voltage this year.

In terms of commercial terms, it's basically the same picture as we've been discussing on previous conference calls where price - - the competitive pressure remains unchanged here. So in the lower half of the segment, we continue to see a quite competitive environment, not any worse/not any better than what we've seen reported earlier.

Claus Almer: Okay. **And do you see more tenders for rest of the year or we should more look into 2014 now in this segment?**

Thomas Hofman-Bang: Of course also starting to build backlog for 2014, so the order intake we have received and is receiving is both adding to the plan for this year and the plan for next year, as it should.

Claus Almer: Okay. **And then a question regarding your working capital tie up in the first quarter, which you of course mentioned in the report, could you try to give a kind of colour on the reverse effect in April?**

Thomas Hofman-Bang: April is still high season, so it's not fair to talk about a reverse trend in April. You do have the seasonal curve in our working capital and therefore we do have significant build up of in particular inventories in first quarter stemming from a different - - couple of different segments. On the cable side, we have of course produce medium voltage cables in particular for the high season where we need to build up inventories of medium voltage cables in first quarter to third customers say in second quarter and third quarter, so that's part of it. Then on Nilfisk, we do have a seasonal pattern around the in particular the high pressure washers where we always have a season where we have a build up of high pressure washers to deliver it basically in second quarter, so those are some of the more distinct segments where we have build up of inventories. Then we have a smaller issue around the receivables where the timing of Easter simply cost that inbound payments on receivables hit our bank accounts in early April instead of end of March, and the third element in the pickup of working capital is simply the phasing on our construction contracts where we have pre agreed milestone payments on projects depending on progress and there we had a very favourable development at the end of last quarter bringing, if I remember correctly, basically the total working capital tied up in projects around zero and now we do have an absolute working capital tied up in projects at the end of first quarter simply due to how the milestone payments are timed, which is according to contract, so it's purely a timing aspect.

Claus Almer: Okay, thanks. Then just my last question. **The railway and the positive development in the order intake, is this mainly or only high speed train connections or have you also tried to penetrate the lower speed segments?**

Thomas Hofman-Bang: We definitely have an ambition also to penetrate the lower speed segments, but where we have seen the order from this quarter is in the high speed.

Claus Almer: Okay, thanks so much.

Operator: Patrick Setterberg from Nordea is online with a question.

Patrick Setterberg: Yes, good morning, gentlemen. It's Patrick Setterberg from Nordea markets with a couple of questions. **My first question is relating to your guidance where you have been including this comment that your guidance independent on a project timeline on your projects in NKT Cables, this was not included in connection with your full year report. I just wondering: Should we read anything into this extra comment in your expectation or is it just a neutral statement compared to what we heard after the Q4 report?**

Thomas Hofman-Bang: A neutral statement. Don't read anything particular into it, it's just a generic comment that of course our guidance depending on project execution. It's not meant to send any signal at all to the market.

Patrick Setterberg: Okay, thank you. **My second question is relating to this gross profit development in Nilfisk-Advance. I just wondering this change in sales mix you're observing in the first quarter, are you expecting this to turn back to a more favourable sales mix in the coming quarters in 2013?**

Thomas Hofman-Bang: There is a… There has been a general trend over last couple of years where we have been growing above average in the consumer and do-it-yourself and OEM business, which you have also been able to see from the pie chart that we published as part of our annual part. You have seen that percentage increase with a couple of percentage points, so it is a general trend that it has been growing as part of - - and the weight of it has been growing in our portfolio and obviously those segments have a lower gross profit and also a much lower cost to serve, so that is - - it is a general trend. And then in particular in first quarter here, we have seen a more significant development in that right direction, in particular in this first quarter. Not that we expect it to be something you can read into the coming three quarters, we do expect the gross profit to improve and rectify its development over the coming quarters.

Patrick Setterberg: Okay, thank you for the clarification. **My last question is also relating to this gross profit development in Nilfisk-Advance. This price pressure you're mentioning, is that isolated to fewer geographical markets or certain business segments within Nilfisk-Advance?**

Thomas Hofman-Bang: It's in the professional segment in Europe in general and of course reflecting that the European economy is having a tough time and therefore it has just proven to be slightly more difficult to implement price increases. We have continued to see hesitation on customer sides to close the deals, which of course has a tendency then to put pressure on our sales force and therefore maybe increase the willingness to increase rebate levels. That - - and that is one of the areas where

	we have taken corrective actions to be sure that we have a more strict centralised control of rebates.
Patrick Setterberg:	Okay, thank you very much.
Operator:	*Daniel Patterson from SEB is online with a question.*
Daniel Patterson:	Yes, good morning, gentlemen. Good morning, everyone. I have a few questions. **First regarding cables, on the net working capital, you've already sort of explained what's been causing the move in Q1, but what about this Rotterdam transition or turntable setup? Has that any affect on working capital in Q1 or is that an affect that'll be material in coming quarters?**
Thomas Hofman-Bang:	In itself, it has no impact on working capital because it's simply part of the contracts. We recognise revenue on the contracts on a rate of completion, which of course then moves into working capital as we produce and then we have the milestone payments agreed also linked to progress on project. So the fact that the cable is there, you cannot conclude that it's - - as an isolated event is having an adverse impact on working capital.
Daniel Patterson:	Okay. **And to be totally clear, here we're talking about the net working capital because you get payments from customers who should net out basically.**
Thomas Hofman-Bang:	Yes, exactly.
Daniel Patterson:	Okay, that's very clear. **Also on cables, you mentioned these 15 million in special costs partly related to acquisitions and yet you've included them in operational EBITDA. Any particular reason for that?**
Thomas Hofman-Bang:	We did not include them in that definition because we have been in the part and then also the machine going forward. We're very… We're hesitant to throw in a number of items on that line in the P&L. So when we do that, if it's very distinct restructuring projects as you have seen in Nilfisk over the last couple of years where we have preannounced that will have a chart and then we report on it as we go along. The costs here, transaction costs on an acquisition, yeah, it's a one-off and that's why we explain it to you so that you can read the numbers and conclude meaningfully on the numbers, but we don't want to put it on the line because it's not a restructure - - restructuring project.
Daniel Patterson:	Okay, that's clear as well. **Then finally on cables, in China, you mentioned seeing a pickup in railway. I was just curious here, when we go back a few years, 2009/10, your profitability on Chinese high speed rail components and catenary-wise was very, very good, as far as I recall. Now that you're seeing the orders coming back and you're seeing some pick up, is the profitability today on the orders as good as then or any sort of flavour on that would be helpful?**
Thomas Hofman-Bang:	It's not at the level where it was when it peaked because it was an overheated market back then, but it's still very good margins and it's accretive to the overall margin picture in NKT Cables.

Daniel Patterson: Okay, thank you. **And then just finally on Nilfisk, you mentioned this lower gross profit margin, and we've had a few questions on it already and you also mentioned in your presentation - it's not alarming - and yet you are sort of looking at this increased price pressure, as far as I understand it. So really, what should we read into this? I mean it's not a big deal, but you are seeing increased competition. Or how should we think about this since you mentioned it apparently?**

Thomas Hofman-Bang: It's a fact of life. We try and run this with an open book transparency to you guys and we report on the gross profit every quarter and therefore it's fair to comment when you see a certain development as we've seen in this quarter, so that's why we address it, and it is…Don't read more into it then what we have explained, and of course it's on our radar screen. We rather like to see gross profit percentage increase. So when it does the opposite, of course we take corrective actions and we have done that in this quarter as well and then there is a small segment in there that apparently there is some hesitations in the market, meaning that you cannot just implement price increases, you need to fight a little harder for it. So if anything, that is the message.

Daniel Patterson: Okay, thank you very much for the clarification.

Operator: *Klaus Kehl from Nykredit Markets is online with a question.*

Klaus Kehl: Yeah, hello, Klaus Kehl from Nykredit Markets with a couple of questions. **First of all, you mentioned that you have made a couple of acquisitions in Nilfisk in this quarter. But just to clarify, have you adjusted the organic growth for these acquisitions, just to be absolutely sure?**

Thomas Hofman-Bang: They're so small and they have no impact in this quarter and so that's why there's no adjustment. It's a dealership here, it's a small service organisation with a few guys there, that's the type of additions that we've seen this quarter.

Klaus Kehl: Okay, excellent. **And then secondly, you have a comment in the report saying that the ministry of railway in China has been reorganised, which could mean increased competition going forward. Could you try to elaborate on that?**

Thomas Hofman-Bang: Yeah, it's - - we find it important to put that message in the report so that you understand the dynamics of the China railway market where in the past there was one customer and they have now reorganised the whole setup and our reading is that it could cause more competition the way it's being handled going forward. It doesn't change the fact that we have a solid position on technology, in particular the upper end of the market. So it's not that we have seen new competitors move in on the technology front challenging us, it's more the way the work is being led and also combined with the fact that ambitions going forward probably is slightly lower speed compared to what it was when the market peaked, which will open up for other technology solutions where our strength in particular is to cover magnesium alloys, but it will open up for solutions with copper tin or copper silver and therefore other competitors could at least participate on those bids as well.

Klaus Kehl: Okay. But that would affect, yeah, prices on your orders for coming quarters and haven't affected the numbers yet. Is that greatly understood?

Thomas Hofman-Bang: Yeah, we have not seen an impact yet on it, no.

Klaus Kehl: Okay. Then my final question would be: **We also previously discussed pricing on the high voltage segment, but could you try to elaborate a bit on the prices in the backlog compared to the prices in the P&L right now, meaning should we expect a slight pressure on margins going forward or perhaps the opposite?**

Thomas Hofman-Bang: I think my comment was that we have seen an unchanged situation, not better/not worse. What we have in the backlog is also what you've seen currently reflected in the P&L.

Klaus Kehl: Okay. **So there's no major differences between the two?**

Thomas Hofman-Bang: There should not be, no.

Klaus Kehl: Okay, excellent. Thank you very much.

Operator: Jesper Christensen from ABM is online with a question.

Jesper Christensen: Hello. **And also questions from me on your (inaudible) order book. I've noticed that for 2014 you still have plenty of time to build your order book there, but what - - actually how much time do you have? How many quarters can pass before we need to see some order intake there (inaudible) for '14? And second question: At the (inaudible) you said you have approximately six months left of order book for 2013. Could you perhaps elaborate on how you distribute those six months in the remaining quarter and (inaudible).** Thank you.

Thomas Hofman-Bang: Yeah, to the first one, it's correctly understood that the window is still open for order intake to build a meaningful backlog for 2014. We're not able to and don't want to be specific in terms of how many months because the nature of the projects out there are very different, so the simple message is: There's still a window and it's not that the window closed tomorrow, there's still time to build a meaningful backlog for 2014.

On the second question, it's correct that we - - when the year started, guided you that we had approximately half a year of coverage on offshore, which is also what's embedded in the guidance, and it's not that it started January 1st and ended June 30 because it's a moving target and they are spread over the year and they continue - - it continues to be a moving target depending on when customers can take delivery. So therefore as it looks right now, we are having coverage into second half as well with the current backlog.

I hope that answered the question satisfactory.

Jesper Christensen: Yes, yes, yes, thank you very much. No further question.

Operator: We have no further questions today.

Thomas Hofman-Bang: Good. Then I would thank everybody for participating and for the good questions, and we will be back with our second quarter on 21st of August. Thank you very much and have a good day, everybody. Bye.

Operator: *Thank you, ladies and gentlemen. This concludes today's conference. Thank you for participating. You may now disconnect.*

Please Note: * Proper names/organisations spelling not verified.
[sic] Verbatim, might need confirmation.
- - Indicates hesitation, faltering speech, or stammering.