

Cargotec Financial Statements January-December 2010

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12:00 Hrs UK time

Chaired by Paula Liimatta

Paula Liimatta

Good afternoon, ladies and gentlemen, and welcome to Cargotec's conference call on financial statements 2010. My name is Paula Liimatta, and I also have our President and CEO, Mikael Makinen; and our CFO, Eeva Sipila here with me.

Today we have live audience in Helsinki, and also people on the phone lines. We will start with the presentation by Mikael Makinen, and then we will have time to answer your questions. We will start with the questions with the live audience in Helsinki, and then we can take the questions from the people on the phone lines. Before starting... asking a question, please state your name and company to benefit the people on the phone lines.

But now I think we are ready to start. Mikael, please.

Mikael Makinen

Thank you. So welcome, everybody. When we look at 2010, I think it was a year when we stabilised the course and the development of our company, and you can see it in some of the results. Of course, are we happy with the result? We are happy with the development of the result; result as an absolute term of course. We are aiming at a higher level.

But let's have a quick look at the various slides, and after that, we'll go to your questions.

Highlights 2010; market recovery in all areas. I'll come back to that a bit later, but I think it's very important to remember, but I think it's very important to remember that we have seen in all segments and all geographies a recovery. And that's maybe something that we didn't expect to happen so quickly. You can see it in the order intake for quarter four. It was 54% up from last year's quarter four.

If we take the full year order intake, it was up 49%, so in my opinion, it's a very, very strong recovery of the market. And we have been fairly successful. Still one year ago people were talking, what, hey, are they losing market share? They are very much inward focusing. But I think that we have managed to shift the full organisation to look at the outside world to be much, much more focused on the market and on our customers. So I'm very happy about that.

Sales grew 12% year on year quarter four, and Industrial & Terminal 29%. And, of course, for us, Industrial & Terminal, very important that we get that recovery.

You know the Marine, what we have said, it will be on that level; we have said that it's at least on the same level next year. We have said that the profitability will come down a bit, as we have said, always saying, and a double-digit number. But I'll come back to that during the Marine part.

Profitability in the Industrial & Terminal improved further. Yes, you can always say that why it did not improve more. It always takes time when you start to ramp up. You need more people; you need to put all the systems in order; you have to fill up the whole chain. So it's not so... And industrial operation is not so that you just switch it on and off. There is time lag between something happens and you can see the result.

Marine profitability, of course, still strong; very good figure.

Cash flow; I have to say that I'm extremely happy about the cash flow. We saw one year ago a healthy cash flow, and you saw it in many other companies as well. But what we have managed to do is to continue to have a very good cash flow, and that's what I'm very happy about.

When the recession started, people were able to make a fairly good cash flow by emptying their stock, not restocking; emptying their stock; taking out everything from the system. But we have been able to continue with that. The cash flow was close to 100 million in quarter four, and 292 million for the whole year; so a very, very good figure.

Market environment; of course, you still have markets that are... I came last night back from the United States, and you see that the construction related market is still down in the United States. Distribution is up in that market, but there are other geographical markets where you can see again mixed feelings. But overall, it's much more positive than what we have seen earlier.

Container throughput; that grew by 13%. So actually, we are back to the very high volumes of containers. We are back actually to that figures that we were on the top of the cycle. And that's maybe a remarkable thing that we have so quickly come back to that.

What is the reason for it? Of course, there is a change. We see much more into Asia transportation of containers. We see new routes; we see new products in containers. But still, overall, good recovery.

We have been talking about the big projects. Now you can see that they are coming. We have also received some of the bigger orders for equipment. So also here we see a good recovery.

Marine; already for many years we have seen that there is a boom and it will be over, but actually, it's not over. It's still continuing. And the average age of the world fleet is still old. There is still room for a long period of new ordering of ships at this level. And that's maybe an interesting thing.

And very happy in Marine that we have been able to... or we have products for all the different ship types. That means that we can, whatever ship type there is, we will have order intake. And that's very important in Marine that you are not only delivering to one ship type, because it will be like waves; containers go up, ro-ro go down, and so on.

Service market; finally we have seen a good improvement. If you look at the service full year, it grew by 8%, and I think that that's also a very, very good development.

Key figures; I already talked about that. Order book stands now at 2.3 billion, or 2.4 billion if you round it. Good chains; very good base for 2011. Sales, as I said, 12% improvement from... on the quarter from last year, or from 2009 to 2010. Sales year on year same level. Again here very happy we didn't have a decline in the sales. We managed to keep the sales on the same level. And as you will see in the forecast for this year, we will see a good improvement in sales as well.

Operating profit; excluding restructuring, 141 million; good 5.5%, very well on the way towards our target. Yes, we are not there yet. And taking into consideration we had some restructuring also during the year which we had to do, 131 million after that.

Cash flow I already touched; good figure; very good achievement from our organisation to have a healthy cash flow, because that's real base for being able to invest in the future.

Industrial & Terminal fourth quarter; good improvement towards the end of the year. Good improvement also year on year. 53% comes from EMEA. It's still our home market in Industrial & Terminal, but the market is growing in Americas and APAC more than in EMEA. So here I do also feel that there is a shift going on that we will see more and more orders from this to... or from the areas outside EMEA.

Marine order intake strong. And if we look at the order intake beginning of 2011, we can say that in both businesses it has been good. So we can see it continuing after 2010 as well. 80% comes from APAC, from the big shipbuilding nations, and bulk ships was the real winner last year. And I think that it will be another ship type that we will see this year.

Sales, as you have seen, grew in Industrial in quarter four very well. Marine, again, seasonality a bit lower; nothing that we are too concerned about.

Operating margin for Industrial & Terminal improved; it improved in quarter four. Yes, it didn't improve that much, but as I said, there is a lag in the system. It takes some time for the system to be as efficient as it should be. But I'm very confident that we are on the right track. We have done the right thing, so very happy with that as well.

Marine profitability; we have seen now that it will slowly come down. The best orders are out of the system. It's still on a level 12%, a very good level, and we see it staying, as I said, over the long run as well, well above 10%. So again, a good quarter. I'm very confident in the continuation of this business as well.

Gross profit came down a bit; again, partly seasonality. Partly it's a mix of products; nothing that I'm too worried about. Yes, the competition is tough, and that's why we... you will see later when I talk about the Navis investment that we have made, the company that we are in the process of acquiring, that's one way of countering this hard competition on equipment against equipment.

Cash flow robust; very good. I'm very happy. I must say that when we squeezed out everything from the system in 2009, we felt that can it be...? Are we able to have a good cash flow in 2010? Yes, we were. How about here, from here going forward? Of course, we will tie (?) capital during 2011 when we ramp up the volumes, but we will have good cash flow, but maybe not on the same level we have seen 2009/2010, but on a good level.

Service, as I said, grew in all areas; good, healthy year on year, plus 8%. Again, comparing to many of our peers a good figure, so here again I think that our organisation has done an excellent job.

Earnings per share; okay, that's mathematics; 1.21 (?).

Looking at our long term target, how to develop the company, you can see that now we start to be that APAC and EMEA are the same size in our total offering. Still I hope that we will have further growth in Americas, but based on my visit there, I feel that it's coming. Certain segments there are in a good shape; construction related, not but distributions and these types of industries. And also, the port in the States, they have very, very ambitious for the future.

Dividend proposal by the board, 0.61 cents, exactly in line with our dividend policy, so nothing to surprise there.

Then I would like to spend a few words about... you have seen the slide about the next corporate teams, but I want to take it up meeting after meeting to show that this is exactly the way we are going. We built the regions; we put the key accounts; we think about the segments; we are looking at what are the areas where we are going to invest, and what are the areas where we are going to divest.

And, of course, first here was last week when we signed up for acquiring Navis. Navis is, of course, a software company, totally different from where we are today, but as I see the market, we can either consolidate the market horizontally by buying more equipment, but that means that we will always be fighting equipment against equipment. But we already earlier said that we will go into service, and then we will take the next step. And Navis, which is the market leader in terminal operating systems, is really the next step.

This is really what the port operators are interested in. This is where they start. They take a terminal operating system, how are they going to operate the terminal; then they decide on what type of equipment they are going to have.

And in between there is then automation. We have been talking earlier about products and then we go to automation. But now we took the next step, and we are actually the

only company in the world who can offer a total solution, including everything; including service, including the terminal operating system.

And when we look at Navis, we see very, very exciting opportunities in how to develop this company, how to develop our company; how to develop the most optimal solutions and products for our customers. And here I must say that we looked at other alternatives. Yes, could we have done something else? We could have bought three/four of the smaller competitors. Navis is by far the market leader in the world. We could have bought some of the small competitors, combined them, or we could have developed it ourselves. But in both cases, it would have been more uncertain and definitely more expensive.

So that's why we made a proposal to Navis' mother company Zebra we will go in. Of course, we were not alone in this... in the discussions with Zebra, but we had a bit of a different approach, maybe a faster approach. We made the due diligence and everything very quickly. You can see here Pekka Vauramo here on the picture. They were staying there for four weeks. We were preparing it during Christmas holidays, and so on. So it was very quickly done, very efficiently done by our organisation.

Navis has 300 employees mainly in the United States and India; again, very interesting for us. In India, they have a call centre where they have a 24 hour service where they serve the port operators, and that's very interesting for us. Navis has about 200 installed systems in more than 50 countries. There are many areas where we are not today where we can learn from them. There are many areas where Navis is not where we can be of their help once this deal is closed, which should happen during quarter one.

So it's the closing. We are filing the papers for the authorities. That takes a few weeks and then it's done.

Strategic focus; you remember we had the four areas; customer, customer segment. This is exactly what we are talking about. Of course, when we show to you these pictures, we are very... we cannot be very specific. We are working on all these areas all the time, and now you saw the first on the red square; customer and customer segment development. Now we are saying that we want to be the biggest, the best one in container terminals, whether it's inland or ports. You will see other areas that maybe we'll go in. You will also see divestments.

Position in Chinese market; yes, of course, we are working on that. As you know, my deputy, Pekka Vauramo, is now based in Hong Kong, and that's exactly the reason that we have exciting development in China, and we want to have another, or key persons in that area.

Service; it's longer term to develop the system, but I think with Navis, we can now look at service from a very different point of view than we have been able to do before.

Internal clarity; that's more our internal issue. It's the organisation of the R&D (?). It's the ERP (?) system that we have to implement, and so on.

This slide with the traffic lights is just a reminder for you that all our products will be put in these three sectors. We have done some evaluation of it already, but it depends on other discussions then how and when you will see something happening in that area.

Key priorities 2011, responding to the growing demand. Extremely important for us to see that we have... now we have the Polish factory up and running, how can we get the full effects out of that? We have to see that we are at the same time reducing the number of subcontractors in order for us to be quicker in ramp-ups and not to have too many small sub-suppliers.

Service network expansion, service growth extremely important. We continue to do that, but in small steps.

Customer segments; you now saw Navis, one of the first customer segments that here we are going to focus on heavily, and you will see other segments following.

Position in the Chinese market, as I said, the Deputy CEO is in that market. We are in the process of evaluating, looking, negotiating how to go into the Chinese market in a very different way, and in a much bigger scale than we have done before.

Last but not least is the Cargotec ERP system. That's why... why do I have it here? Because that's our biggest investment this year. Most of our investment money will go into that. Investment will be on the same level as 2010 but it's a different distribution between where we put our money.

Outlook. We estimate that our sales will grow over 10%. We estimate that it will grow well over 10% during 2011. And that will be both in Industrial & Terminal and Marine segments.

We also believe that the operating profit margin will continue to improve. That's a result of the growth and, of course, of the significant efficiency improvements. We are doing many things at the same time but, of course, we will grow both the top line and the bottom line.

So that's... maybe that's a short summary I think that we are... We will spend the rest of the time by answering questions, or comments, whatever you have. I think that's more fruitful way of spending the time. Thank you.

As I said, very happy with 2010; very happy with what we have achieved now. I think that we have... for me at least it feels that now we are doing the positive things; now we are really developing the company.

Thank you.

Questions and Answers

Paula Liimatta

Okay. Let's start with the questions from the live audience here in Helsinki. Please.

Unidentified Questioner

() () (), Kauppalehti (?). Can you tell me about price level, new orders you have got end of the last year and the beginning of this year?

Mikael Makinen

I don't think there is a very big... there is not a big change in the price level, no. No, there is not a big... neither positive nor negative.

Paula Liimatta

Okay. Do we have any more questions from the live audience? If not, we can start to take questions from the people on the phone lines.

Christer Fredriksson - ABD Stockholm

Hi, it's Christer Fredriksson. I have a question on responsibilities () () () in Q4 (?). If you compare it to Q3 margins, it didn't really improve that much. And you talked about that you were adding costs and it will take time before efficiency improvements, and so on. But can you give some more colour on what kind of costs you added in Q4 and what happened if you had doubled production costs, for instance, for the Polish factory? And how long time lag are you talking about before we see margins improve again?

Mikael Makinen

Okay. Yes, Eeva, maybe you would like to answer this item.

Eeva Sipila

Yes, maybe one thing that is worth mentioning is just the mix of the business. If you compare the share of service sales in I&T in the third quarter and the fourth quarter, you will note that their relative share is smaller in Q4; so no surprise it has an impact on the profitability and on the leverage.

Other than that, I don't think there is anything specific about Poland affecting the fourth quarter. It is very similar to the story we discussed in our Capital Markets Day. There's still ample room to grow the production in Poland and get, obviously, the most efficiency out. But we're very happy to see the order intake growth which will obviously fill in that factor and get in that sense the best out of it. Other than that I think you should not always expect a linear trend in leverage in this type of business where we have very different types of products, what we sell, but I think the overall direction is what is important. Then, as our CEO stated, we do expect that overall direction to be very clear this year as well.

And about the time lag, you say that you weren't really affected by the efficiency now and that there were some lag even before the increased production levels would lead to higher margins and so on. How long time lag are you talking about?

I think I'm not fully sure I understand your question but the time lag is obviously related to just us getting the business back into growth mode. I mean, if you look at overall sales 2010, we're still flat compared to 2009 and now with a very healthy recovery in order intake we are back in that growth mode but obviously before we are delivering and running at a higher speed. That is the time lag, so it's very related to the order intake and the throughput time of that order book.

Also on the growth side you said that you should grow more but is it possible for you to maybe rank the different divisions, which division should grow the most between them and also if you can break it up between the industrial and the terminal side. Is it possible to do that?

Well, we've commented in the report on certain product groups, for instance the loader cranes having a very good recovery, the same applies to terminal tractors related to the US distribution, our CEO mentioned. What has been lagging still is the bigger projects, the bigger crane side. As you well know, there's now been an improvement there but obviously we still hope that business now with a very healthy container throughput levels starts to recover and we get even more orders. So, it's very dependent on really the customer segments and you are right in the fact that there's certain differences between the products and divisions.

Development you've seen thus far in Q1, one of your competitors on the industrial side was quite bullish on the development in January where they saw that order intake were actually even stronger than in Q4. What have you seen thus far in Q1?

Q1 has... I mean, what we have seen so far is good, yes.

Okay. Thanks a lot.

Freddie Neave – Goldman Sachs

Hi, it's Freddie Neave from Goldman Sachs. Just a couple of questions, if I may, please. The first, I was hoping you could comment on the impact of raw materials that you expect to see through 2011, whether they impact the gross margin or whether you expect to pass on any increases through to customers. And my second question, you commented at the beginning of your presentation that you're starting to see bigger projects coming through. Am I right to think that bigger projects may come through obviously increasing the top line but at a lower margin maybe than some other smaller projects or is that incorrect? Thank you.

If we first talk about the, yes, I mean, the bigger projects, first of all you have to remember that the bigger... if it's a big project, then you will see order intake but not very much revenue recognised this year, that big projects have a long delivery time. That's something to keep in mind. It depends on what the big project includes. It's not so that they automatically have a lower margin or they have a higher margin. It's,

again, a question of what type of project it is. So, you cannot give a yes or no answer there as well but you have to look at it on project by project.

Raw materials, of course we hope to pass it through to our customers and, of course, we are analysing it very, very thoroughly every month, what's happening with the raw materials, to give that input to our sales network. Hey, be careful, longer delivery times, you have to take into consideration this. So, we hope to pass it on to the customer but, of course, if there's a very quick swing, then it will at least temporarily affect us. But you have to remember that marine has actually no impact because it's... we have a steel clause, which steel is the biggest material. It could have on the terminal type of product if there is a big sudden swing in material costs. Again, industrial side, short delivery time, two/three months delivery time, not so much can happen, then we can, again, adjust the prices if needed.

Thank you very much, very clear.

Thanks.

Erkki Besola – Swedbank, Helsinki

Hi, it's Erkki from Swedbank. About your margin improvement expectation for this year, do you see it... or is it just operating leverage kicking in in line with sales growth or are there still some cost-cutting items having an effect in 2011, for instance components, as we have discussed? How would you divide between these two issues with regards to your margin improvement?

Okay. Operational leverage of course has an effect but you have to remember that all those measures that we have taken over the years, they, of course, still have an impact on 2011. They have a full impact when you are at a higher volume, let's say 20% about today, so then you have a full impact. So, both of them have... are impacting that. What was your second question? It was...

Well, that was the only one I had. Any kind of an indication of how to divide the margin improvement between these two, be it operating leverage or cost-cutting issues?

Yes and no. I mean... How should I...? Yes, but we have a good way of... We haven't, of course...

Yes, that's maybe a bit more position than we want to give at this point of the year. Obviously it should be clear that the efficiency and the leverage impact mostly on the industrial and terminal businesses and, yes, marine we expect to grow and will have some of that but it's mainly... it is less on that side because the overall order book possibilities is somewhat higher than it was at the boom peak. So, yes, I think you need to calculate on those and, of course, it depends a bit on what your sales expectation is, how you interpret our over 10% growth as well.

Okay. Fair enough. Thank you.

Sebastian Ubert – UBS, Frankfurt

Yes, hi, this is Sebastian Ubert from UBS. I have got two questions, please, with regard to the order quality in the marine segment. Can you give us an indication where you see the margins of the new projects coming in? Will it be also above 10% margin orders? And, secondly, assuming 10% plus sales growth in both divisions, marine and terminal industrial, and given the high growth rate we would expect for the old hire business. Given the news from Palfinger, some 20% or organic growth this year, this would imply that you would see roughly the old Kalmar business just flat to slightly growing. Is that a fair conclusion? Thank you.

Order quality on marine is, as we have said, it's not as high as during the peak but it is... yes, it's... The answer is yes to your question. Yes, it's about 10%. If we then talk about your... You are partly right because, as I said earlier, the terminal projects that we get this year, they will most probably not be recognised as revenue this year. So, you will see a higher growth in industrial, you will see a growth in marine and you will also see a growth but a more modest growth on the terminal side. So, very much in line with what we just... you just said.

Okay. Thank you

Sasu Ristimäki – Carnegie, Helsinki

Yes, it's Carnegie. Two questions. One is on the industrial terminal business where we just think of the sequential order intake pattern through 2010. Can you give us an idea of has the industrial business actually continued to grow sequentially through the year or is the growth that we're seeing actually a pick-up in the port equipment market? And I'm asking this in the context that if I look at the numbers of one of your competitors in this business, it seems that we have seen a recovery in port equipment but that applied to your numbers it would be rather poor indication for industrial. Then the second question is that the Group cross margin came down quite a lot in Q4 versus Q3. You seem to be indicating that that's very much a mix issue. Can you also give us some idea of what is the underlying gross margin development if we just think of like-on-like businesses?

Okay. Eeva, do you want to talk about the gross margin? Then, yes, please.

Okay. Yes. As you said, the mix has an issue. What is also true is, and I think we discussed this at some of our earlier calls, is the fact that obviously with the big restructuring we did in supply, we were able to in a big way get the gross margin back to a decent level. However, now during the latter part of 2010 we've also seen more... a bit more pressure on raw materials and components at the same time as there... it's still been somewhat challenging to hike up the customer prices because the recovery has been a bit uneven in certain parts of the customer segment so that... although things together has meant that it has put a cap on the gross margin development in the short term. We do think that there's still things we can and should do better, especially in our sourcing side which should medium-term help on that but you shouldn't expect any big swings in... between quarters, now and in the short term

necessarily, because the pressures are there and it's very much now depending on how the market recovers and the pricing environment obviously.

Okay, and the... Can you ask once again the first question, exactly what do you want to know?

Yes. If I look at the quarterly order intake for industrial and terminal, you've gone from a level of about 420 million in the first half to a level of 460 million in the fourth quarter, so there is growth within the year. Now, can you give us an idea of are both of the businesses in I&T actually growing or is it that the terminal business has come back but the industrial business is more flat-lining?

Both businesses have come back but then you have to remember that if you go then quarter by quarter, you have to see that it, again, depends on if you have a bigger project. But, yes, both of them have come back. But industrial will have a bigger impact on 2011 revenue because the delivery time is two to three months.

Yes. Okay. Thank you.

Johan Eliason – Cheuvreux, Stockholm

Hi, this is Johan at Cheuvreux, Stockholm. Two questions. Just coming back to the industrial side, Palfinger was expecting 20% growth organically this year. Are you growing faster or slower than that on the industrial side, do you think? And then the other thing on working capital, you said it's probably not going to generate as much cash as volumes come back but on the net working capital ratio, is there any reason why we should expect this to change in relation to sales, so to say, during this year?

Sorry. If we take the first question, yes, you are saying that Palfinger is saying that they will grow by 20%. Maybe I could answer like this, that we are not planning to lose market share.

Good.

Okay? Second, the ratio. The ratio shouldn't change. You have to remember we maybe tie up a bit more capital but we free, because during the first half of this year, of course, we will have... we will be over the phase of overlapping, having stock in an old factory and in Poland. So, that's a positive side, that we will tie up less capital there but we will tie up more because of the volume increase. So, the end result is not a big change.

And pre-payments, you think, in marine will not change the picture either?

The pre-payments have been on the same level now for a long period. I don't know why they should suddenly change.

Okay. Thank you.

Tom Skogman – Handelsbanken, Helsinki

Yes, this is Tom Skogman from Handelsbanken. I've got three questions. First of all, the terminal order backlog, is it up or down year-on-year? Is there a risk that the utilisation will be very low in Q1 and Q2 this year? The second question is relating to your comments about the marine margins when you say they will be about 10% also in the future. Is this comment relating to all the individual quarters or is it more like a full year comment? I mean, do you have a visibility that the margin will be about 10% all the quarters? And then my third question is just on the cost level. Could you just once again specify what is... how much will the ongoing costs in 2011 or like the full-year costs be down compared to 2010?

Sorry, Eeva, will you...? You can take the last question. So, I'll answer the two first ones. You can start, Eeva, if you want.

Yes. Sorry, I didn't quite catch... What costs did you ask about?

Your peak cost. After the restructuring, when you compare the 2011 base with the 2010 cost base, how much down is it?

Well, I think if you... I think the difference between the second half 2010 and 2011, there is not a big amount. Our CEO mentioned that we obviously still have the transfer ongoing from Finland to Poland that has had impact but that is... I don't see that changing in a big way. That will be with us. It's a long-term transfer. So, it's more about us getting more volume out with the same amount of fixed cost. That is the key thing for this year. And we plan to be good in the last part but that, of course, will be up for your judgement, how we are able to utilise the network we have.

Okay. If we go to the first... the question about the marine margins, we have said that it will be about double digits from here onwards. That means also quarter by quarter. There is not that big swings between the quarters. If we then... The last question about the terminal, how will it be at the beginning of the year, you are totally right, that the first quarter is, of course, the most, from that point of view, difficult. Not disappointing but difficult ones because that's when we are delivering orders that were taken one year ago and you know that the order intake was very low at that time. So, yes, there is definitely a difference between the quarters and my estimate is the second half of the year is better than the first half of the year on the terminal side.

Thank you.

Sebastian Ubert – UBS, Frankfurt

Yes, it's Sebastian Ubert from UBS again. A follow-up question on the T&I business. Can you give us a rough indication about the split of how much is terminal and how much is industrial? Is it rather about 50/50 or is it 60/40? Thank you.

Have we given out that figure? I don't think... It depends on, again, the quarterly... I think you have to go... I think you should go back to... We haven't given that but

the... it's not far away from... Look at the years before the recession because there you can see the separate figures. It has not changed very much from that time.

Okay. Thank you.

Christer Fredriksson – ABD, Stockholm

Yes, hi, one final follow-up question regarding the SGMA cost in the quarter and comparing that to the Q4 last year. I note that both selling and marketing expenses is up quite dramatically and also the admin costs are up almost €10 million. Is it possible to give more flavour on that and maybe how this will develop going forward?

Okay, thank you. Eeva...

Yes, we've... On the admin side we have a note in the text as well. It does relate to the fact that with the new operating model we have more... pulled certain functions together working from a centralised to gain efficiency and that does increase the share of... or admin costs in absolute terms. I think the overall key, of course, is then the margin development and not necessarily between the rows. Then on sales and marketing expenses, I think that increase is also reflecting the improvement in the market. We are... Versus late 2009 when there was still a lot of uncertainty in the market and we, of course, had a very tight marketing budget, we are now more active, more out there and... to make sure that we meet our customers and we do take our fair share of the market share. So, hopefully that sort of absolute cost in sales and marketing is well then explained by increased sales.

Excellent. Thanks

Closing Comments

Thank you. I think we are ready to finalise the event today, if we don't have any more questions. No? I would like to thank you and wish you a good day.

Thank you.