

**CARGOTEC CORPORATION
Q2 2015 INTERIM REPORT**

**July 21, 2015
10:00 a.m. EEST**

Operator: Welcome to the Cargotec Corporation Q2 2015 Interim Report. I would now hand it over to your first speaker today, Paula Liimatta. Please go ahead.

Paula Liimatta: OK. Welcome to Cargotec's conference call on (Q2) 2015 report. My name is Paula Liimatta and I'm the head of the investor relations.

Today, we have a live audience here in Helsinki and people on the phone lines. We will start with a presentation by our CEO Mika Vehviläinen and CFO Eeva Sipilä. After that, we will open a Q&A session. Mika, please.

Mika Vehviläinen: Thank you, Paula and good morning from my behalf as well. We have a surprisingly large audience here in Helsinki today considering this past few (summer days) we have had so far.

Let me start with some highlights of the second quarter. I would also talk briefly about the market environment and then I will hand over to Eeva to talk about the numbers more in detail.

Let's start with the orders. The decline year-on-year 11 percent is – which, of course, looks like a significant drop, but I would like to put that a little bit in context. The second quarter of 2014 was one of the highest, if not, the highest order intake in the corporate history.

We had one very large (military) order for Hiab and that one must take into account when looking the Hiab order intake. There were also significant orders

for both bulk ship market as well as for the offshore in the second quarter of 2014.

The order intake after the second quarter of 2015 of 887 million is actually a fairly solid number still and we are relatively satisfied with that one as well. One needs to also take into account that our order book is still increasing and was up 6 percent from 2014 year-end and stands at 2.3 billion euros.

Also, if you look at MacGregor, although the orders declined significantly, we are still looking at a very solid order book in MacGregor which will obviously help us moving forward.

Sales grew by 16 percent year-on-year driven by, of course, the MacGregor deliveries but also we saw a very satisfactory increase in the Kalmar revenues as well, whereas Hiab was relatively stable, still good progress in the U.S.A, but in the Europe and especially some of the other regions in the South America and Asia Pacific, we saw a decline in revenues.

Operating profit is continuing to progress to the right direction. Obviously, year-on-year comparison is not really relevant in a sense that the Q2 2014 was characterised by one very large project overrun cost but even if you exclude that one, we saw a solid progress now with the operating profit across the different businesses.

Also we are very satisfied with our cash flow that stood at 101 million. There we're a few very large project payments that helped in that one but also so the operational cash flow as such is progressing into the right direction as well.

I'm also very satisfied that when I started in the early spring of 2013 in Cargotec, we set up a profit improvement and profit acceleration programs for Kalmar and Hiab targeting 40 million run rate improvements by the end of 2015 and we've actually been able to close those programs now ahead of the schedule and that is obviously very visible both in Hiab's as well as in Kalmar's current profitability trend.

Obviously, the berth continuously still see many good opportunities to drive this improvement in the Kalmar as well as in Hiab moving forward, but we also want to shift our focus more from the pure operating profit improvements into the profitable growth in this business area as well.

If I look at the market environment, it's obvious that marine market at the moment is facing serious challenges. In the merchant side especially at the bulk ship orders are down considerably compared to the same time in 2014 and 2013 and that's not expected to recover any time soon.

There are a number of orders placed at the moment for very large container ships and that market is actually moving ahead at a very satisfactory rate. Those orders are not yet visible in our own – as the equipment orders for those ships has not been placed. We expect to start to receive equipment orders for the large container ships during the second half of 2015.

There are also smaller segments in the merchant marine but actually has looked very good. Our RoRo business, driven by that interest for the new car carriers, actually looks quite promising moving ahead. Obviously, the oil price situation and now including, of course, the potential lifting of the Iran sanctions is having an impact overall on the offshore sector and it also starts to be visible in our market situation.

We are in a fortunate situation that our segment, we are serving in offshore, are not impacted as drastically as some, for example oil drilling markets have been impacted. We are mostly in the deepwater which is still expected to grow moving forward as well as more in the production rather than the exploration and drilling phase as well.

But it's very clear that the tight offshore situation and the capex restrictions are starting to be visible in our operations as well. On our other business segments, the outlook is actually quite a lot more positive.

In Kalmar's case, the demand for the container is still growing, one expects that market to grow more than 4 percent over the year and actually the cargo flow situation is positive in all the different markets and continents we are serving. There's also considerable, sort of replacement cycle that we're already seeing in U.S.A happening at the moment and would probably require to be happening in Europe in the near future.

However, this – the biggest driver actually for the Kalmar market in the coming months and years is not going to be so much the pure container flow and the increase of the container flow, but the arrival of the new so called mega ships,

the 18,000 TE.U. ships. Overall, about 135 vessels have been ordered or are going to be ordered and that practically means that by 2017, every major port in Europe and U.S.A will have one mega ship serving or visiting that port every day.

That will have significant impact for the infrastructure requirements in these ports and one should not forget the cascading effect, i.e. the current large ship serving those markets will be then actually moved to so called secondary roots and again ship sizes in those ports will be increasing.

The other trend which is partly related to the efficiency requirements driven by large ships is the automation trend and we see the interest towards the port automation increasing continuously as well. From Hiab's point of view, the load handling markets continued pretty much as we saw in the Q1. U.S.A is still very strong. The new housing starts is at a very high level in the U.S. markets and we see the market continuing at the moment at a good pace.

The Europe, the situation, is actually overall very varying. Markets like U.K. actually are progressing very well. The German construction market was actually fairly weak during the beginning of the year and obviously some of the markets are suffering in an overall level.

Overall, we saw the European markets to be weaker than we probably anticipated in the connection of the Q1, we still see the positive signs there and for – the order intake towards the end of the period was quite strong but that growth expectation obviously has not materialised in Europe so far.

If one looks at the overall numbers, which Eeva will cover more in detail including the different business areas. The operating margin is obviously at 6.2, it's heading to the right direction but there's still a room for improvement and we are working on that one very much.

Cash flow as I said was very satisfactory, also obviously connected to operating profit and cash flow, very satisfied with the reduction in our net debt that now stood at 735 million. As we have communicated before our long-term target for the gearing is to be below 50 percent and we are well underway to reach that target with the current cash flow profile.

Earnings per share was partly impacted by sort of one-on tax. Tax structuring that actually benefited us in the long run, Eeva is probably can go to that one a bit more in detail as well as the financing cost part of that related to the hedging losses that are incurring with the increased currency in there. And Eeva, again, will comment to currency situation by business area more in detail initiatives her presentation.

With that one, those were the, sort of, overall highlights and I'll hand over to Eeva to talk about the business areas.

Eeva Sipilä: Thank you, Mika, and good morning to everyone on my behalf. Let's start with MacGregor; the order intake of 220 million is obviously a clear indication of the challenging market we are facing both the merchant marine as well as the offshore – offshore market.

At the same time, sales are growing - 308 million for the quarter. This is supported by the good order intake we had in late 2013 from a lot of bulk ships and those are now being delivered with the typical order to delivery timeline that we have in the MacGregor business.

This, unfortunately, means that these standard basic bulk ships are lower margin deliveries and that is visible in the operating profit margin of 4.1 percent. The 4.1 percent in the quarter is unsatisfactory. We also had some internal issues in some of our offshore deliveries. So we do expect that we can do somewhat better in the second half, but overall the market situation is such that we are now expecting MacGregor for the operating profit before restructuring to be about 5 percent.

The restructuring costs booked in the quarter 2.9 million are results of the announced restructuring measures in our previous quarter. As you may remember, we said that there will be around 5 million of restructuring cost from that program and this 2.9 is an indication of the progress of those negotiations. We do still have some negotiations ongoing with personnel in a few countries.

Overall, we're satisfied with the progress of the effectiveness and savings programs. As you may remember, we have quite a lot of actions ongoing specifically in the services side, which is specifically important for the 2016 outlook.

As the new equipment side will relatively be reduced, we do focus on the services side and then to build relatively, actually better mix for 2016 than what we are currently seeing.

Finally, one important highlight is that we have the new head of MacGregor starting now in two weeks' time and he would also obviously be able to fully focus and help us push the business further in the challenging market situation.

We're obviously benefited by the fact that we do have an operation model in MacGregor that is used to a cyclical business and volumes going both up and down and now, we need to leverage on that.

Going then into Kalmar, good quarter, strong in orders and sales and I think the order is 450 million coming without any bigger projects is an indication that the underlying health of the container handling market is good and as Mika already said, it is well balanced geographically as well.

We had a good delivery quarter, although as we already said in April that we didn't expect quarter-over-quarter growth and so their sales is 391 million and we're very much stable as well as in the first quarter.

Profitability of 7.3 percent is also something we're satisfied with and an indication of the fact that the profit improvement program is coming ahead. Obviously, there's always – is and will be some variation in the mix between the quarters and that is good to know and keep in mind.

Going then into Hiab, the order situation is obviously sort of good knowing the 40 million comparison difference that made this year-over-year comparison very tough excluding that it is, of course, also visible that the business is still not yet growing. We see some positive signals in Europe but based on just the numbers from the quarter.

The market and the focus going ahead, we think, we can be more growth oriented and that will be an important shift change now as we clearly, with the 10.7 percent margin, have proved that Hiab is sustainably on a very different level of operating profit and it has been in many, many years.

It is good to note that this 10.7 is very much underlying. We only had very small transaction positive impact from currencies in this quarter. As you may

remember, we said in April that we expect this sort of 5 to 10 million EBIT boost from the strong USD.

If everything remains the same and the currency rates, surprisingly, if you look at the euro and dollar currency rate at the start of the second quarter and the end of the second quarter, it is very same. So our guidance in that sense remains intact.

And our hedging period is from four to six months. So from that, you can calculate quite well that is sort of clearly higher, higher euro rates we'll still have at the end of the year, early this year are now coming – Those hedges have expired and we're now going ahead into this second quarter with somewhat of a currency boost.

But obviously we're very happy that this double-digit level has and can be achieved without currency boost. That gives us confidence on the improvement trending to 2016 where we at least have no visibility into what the currencies can or will be in that time.

With that, so looking at the cash flow as Mika already mentioned, so Q2 was strong, it should be. We are very focused in both Hiab and Kalmar besides the profit improvement on the cash conversion that is a strong theme for the full year, but certainly it is good to note that in second quarter we had several bigger milestone payments in projects that helped boost that number specifically so you shouldn't expect as high number in the third quarter.

Looking at the geographical mix - you obviously see the Americas market's strength in an increased share of that. And then also APAC number going up is very much a reflection of the MacGregor high sales.

As you see from the next page, MacGregor sales is a big portion of those – of that really does come from and from Asia Pacific. For both Hiab and Kalmar, you see that positive influence of the U.S. market that we've been able to take advantage of in the first six months of the year.

And with that, I think we're ready for the target and outlook comments. So, Mika, please.

Mika Vehviläinen: Thank you, Eeva. As we said, we are progressing to the right direction. The ROCE (Return on Capital) target we have set for ourselves of over 13 percent is

well in our sights when we move to next year we see good, solid progress both in our capital employed as well as in the operating profit moving to the right direction. It clearly identified further opportunities to drive the improvement.

In Kalmar, Hiab and obviously in MacGregor a number of similar programs have been started. We start to see the traction of those programs and as such we are confident to be able to manage the situation in MacGregor as well into the 2016.

Obviously, our guidance is out changed with the revenues expected to increase in 2015 compared to the 2014 and operating profit excluding restructuring costs also to improve from the last year. With that one, I think we are ready for questions.

Paula Liimatta: Thank you, Eeva and Mika. We will start the questions from the live audience here in Helsinki. Wait for a microphone and state your name before asking any questions.

Elina Riutta: Hello, Elina Riutta from Evli Bank. You said that there were some internal issues with some deliveries in offshore. Could you elaborate in detail what these were?

Mika Vehviläinen: That were some of the larger offshore projects that we delivered in during the quarter have certain complexity in terms of technology and other issues that actually meant that the margins were not quite what they were forecasted to be.

Elina Riutta: And then still on MacGregor, Wärtsilä commented last week that they are seeing some customers wanting to postpone deliveries. Are you seeing anything like that?

Mika Vehviläinen: We have seen the, I would say, normal situation in this kind of cycle where there's a question of postponement and even limited cancellations of some of the projects. It's something that we are managing internally. I don't see a significant issue there.

Elina Riutta: And then finally, I think Volvo commented last week that they believe that the U.S. truck market has peaked. How do you see this?

Mika Vehviläinen: Well, obviously, there are different truck markets as well. We are primarily driven by the construction industry in U.S. and in general the heavy truck market as such is a different situation.

One thing that I think is also driving overall softening of the truck orders in the U.S. is that the delivery times have extended now to a very long situation and in that sense people are not necessarily ordering. My understanding is that if you want order a truck in U.S. at the moment, you would have to effectively wait for next year to get that one as well.

If you look at the construction industry activity in the U.S. that actually has continuously increased at the moment. I think we saw another very strong quarter in terms of housing starts there.

Manu Rimpelä: Manu Rimpelä from Nordea Markets. Two questions from me. Firstly, you had the 8 percent EBIT margin target for 2016 and I looked at the Q1 report and you (kind of) clearly stated that you are going towards that target but then no mention at the Q2 report. Is that just a coincidence or should we read something into that?

And then the second question would be on the MacGregor cost savings. So, do you feel that that the 20 million you communicated in the Q1 result is going to be enough given what you're seeing in the offshore market and the overall MacGregor order intake at the moment?

Mika Vehviläinen: If I start with the second one, as I have a short memory. So, the thing we announced in MacGregor is really a proactive approach for the market situation that we see developing in full front of us. The challenge, I think, we and many of the other companies are working with is that we all see the weakening of the market situation.

But at the same time, the actual, current activities within the divisions is on quite high level, we are still delivering high quantities as you can see from our revenues, et cetera. So as such, the sort of potential, further reductions would have to be done when the activity levels that permit so.

At the moment, we are obviously reviewing the situation continuously and I can't drill out the further potential reductions in MacGregor when the situation builds and does sort of in tale as well.

When it comes to the 8 percent target, that's very much still our target for the next year. It's obviously clear that when you look at the target setting, which we

announced in the connection of the capital market day, was it October or November last year, that market situation in MacGregor has deteriorated and that makes the target setting more challenging than it was at that situation but we see very solid and good progress happening in Kalmar and Hiab and we are still aiming for that one. I would say that the risk level, obviously, has increased from the where we have been six or seven months ago.

Manu Rimpelä: OK. Thank you.

Pekka Spolander: Pekka Spolander from Pohjola Bank. I have more questions about MacGregor. In the first quarter report, you commented 2016 outlook and you said that you expect slight decline on sales, but somewhat improving margin. Can you update this outlook at the moment?

Mika Vehviläinen: Yes. I think we still see that in a similar way that we will or have a decline in revenues due to the order intake we are seeing at the moment. At the same time the mix is going to be better for next year.

The soft margin in the Q2 was very much driven partly by the offshore issues we saw and that we see as temporary but also, secondly, there is a very high concentration of these bulk ship crane deliveries on that one which they were done in a very competitive market situation primarily for the Chinese shipyards.

We expect the revenue mix to be more favourable and obviously the proportion of the services, where we are making good progress in terms of profit improvement, to increase in 2016 and that as such should then result to a more favorable mix as such.

So when I talk about improvement in profitability, I talk about the relative improvement, not the absolute obviously. The absolute profit is likely to decline from 2015 to 2016 due to the revenue decrease.

But as Eeva was saying, the MacGregor business model has been proven time after time. We have a very little manufacturing in-house and also quite a big part of our engineering and other the resources are partially done with partners. So the business model is pretty sustainable and it's able to take this kind of revenue declines as well.

Pekka Spolander: Thank you.

Tomi Railo: Tomi Railo, SEB. You have also commented earlier that you would expect MacGregor revenues to grow slightly 2015. Is that still valid?

Mika Vehviläinen: I mean, we have seen them in the revenue and we expect that to continue in the second half. So this year, we will grow in revenues and next year, we will start to decline.

Tomi Railo: And then second half order intake levels, you said that there is some container activity coming in. Would you say that 220 million is close to bottom and should we expect the second half quarter to be somewhat better? Are other business segments still dragging?

Mika Vehviläinen: I would say regarding the MacGregor, you'll probably look at the roughly same levels. To maybe slightly better, we will see more merchant orders coming from the container side and hopefully we secure the deals but then again the offshore activities probably will be declining from first half through the second half. So it's somewhere in the ballpark of what we saw in first half, overall.

Tomi Railo: And then perhaps to Eeva, you mentioned that Kalmar mix obviously varies between quarters and so was there any indications for sort of what happened in the second quarter or what we should expect in the second half?

Eeva Sipilä: We're expecting Kalmar's margin to develop favourably during the year. So overall, we target a clear improvement in 2015 versus 2014 even if we will have some quarterly variations as not every quarter is always better than the previous one.

Tomi Railo: And then on the financial items and the tax issue, fairly high tax rate in the second quarter - if you can comment on that?

Eeva Sipilä: If I start with the financial items, I think that sort of 12.44 million net financing cost for first six months is a pretty indication of the full year speed as well. Obviously, as the currency fluctuations do have an impact on the hedging result and that may sort of vary it a bit, but not to a significant degree.

This is more related to that sort of absolute amount of debt we have and the cost of that which we do report. Then on the tax row, so no changes on the full year guidance. We said that to be on the cautious side, you can use 30 percent but we do aim to be below that also so this year.

However, in the second quarter, we had one specific structural change in our business which, as the tax consequence comes before the benefit in a way and that hiked the second quarter number up to around 40 percent.

These types of structural changes we need to do to optimally support our business. And but as said in a year's time, when thinking the overall, this is not the first time we've had such and will not be the last one either.

Paula Liimatta: OK. If there are no further questions here in Helsinki, we can start with the questions from the conference call participants. Operator, please.

Operator: Thank you very much. To ask a question at the phone line, please press star one and wait for your name to be announced. Star one to ask a question over the phone line. You have a question from the line of Antti Suttelin. Please go ahead.

Antti Suttelin: Hi. Thanks. Two questions. First of all, new guidance for MacGregor EBIT margin for this year was 5 percent. Can you just remind what the previous guidance was?

And then secondly, you seemed to have downgraded slightly global containers throughput growth from 5 percent to 4 percent. What drives that? Thanks.

Eeva Sipilä: On the first question; we said that in conjunction with the first quarter earnings report that we aim to improve the MacGregor margin slightly in 2015 versus 2014 when it was 5.2 percent excluding restructuring. So this new guidance is now deterioration to that so we would be in about 5 percent so no improvement materializing due to the outlook we see for the second half, what comes to low orders and less percentage of completion deliveries coming through.

Mika Vehviläinen: Yes. I can take the container side. That's true, I mean we haven't actually done credit, that is coming from the outside market drew which is sort of the authority in container traffic, I think, downgraded their estimates from 5.3 to 4.3, if I remember correct.

But as I said, I mean, that's still a good number but that's really not the main driver at the moment in ports. The replacement cycle is a big driver that looks in our sort of core business in mobile equipment at the moment especially driving the numbers especially North America.

But the bigger driver will be this arrival of the larger container ships that will then start to impact their infrastructure and efficiency requirements not just in the large ports but obviously with the cascading effects on that one and that will require further investments and then also, I think the automation into the forefront of ports thinking as well and that's a significant driver.

Antti Suttelin: OK. And third if I may, I mean, considering MacGregor a low order intake volumes, would you say that the order intake margins are getting lower now that the levels are so low? Do you see positive trend that order intake margin would be weakening from the levels where they have been?

Mika Vehviläinen: That varies from segment and product categories, but it's very clear at the moment especially in the categories that are declining such as some of those offshore markets the pricing pressures are there more clearly than they were one year ago.

And so the other markets that the container ships, the RoRo, with the market situation actually it looks fairly very positive and we don't necessarily see the same pricing pressure in there.

Antti Suttelin: OK. Thank you.

Operator: Thank you very much. Your next question comes from the line of Sean McLoughlin. Please go ahead.

Sean McLoughlin: Yes. Good morning. Two questions from me. Firstly, on Hiab, just wondering the margin is now firmly into double digit historically. Do you think this is sustainable level for the margins that we should look at going forward? Secondly, if you could just help me understand the high tax charge you're having in the quarter. Thank you.

Mika Vehviläinen: I start then the Hiab and Eeva to take the tax charge. So, yes, I firmly believe that that's very much sustainable. Their margin was not impacted by material, by currencies and yet and there will be an upside on that one going to the second half now. The benefit was primarily transactional.

We've been driving the program through with the very fundamental changes in product cost, operational cost, and margins. We see opportunities to further

improve the Hiab operations and moving forward as well so I see very a much sustainable with an upside potential in that one.

Eeva, would you just comment on the tax charge?

Eeva Sipilä: Right. And maybe, Sean, you missed my answer a few minutes ago but I was basically saying that in the second quarter, we had one specific implementation of the structures to the supports our business and that has a tax implication and that is now booked in the second quarter which explains the 40 percent rough tax rate.

For the full year, we're still guiding on for you to use 30 percent to be on the cautious side but we do have to be below 30 percent for the full year. So there's no change in the so-called operational side of this business.

Obviously, at this point of the year it's still a bit early to estimate more exactly the tax rate due to the fact that we have, from the previous years, tax losses in some countries and depending on where the profit comes from, it can impact the outcome slightly.

Sean McLoughlin: Thank you.

Operator: Your next question comes from the line of Tom Skogman. Please go ahead.

Tom Skogman: Yes. I have two questions, I'll state them one by one. The first of all, can you please specify the U.S. dollar impact by division and the split into 2015 and 2016 based on the current post rate, so we know you know how big the impacts will be in millions of euros for this year and next year by division?

Mika Vehviläinen: Eeva?

Eeva Sipilä: Well, if I start from the orders where we had the group impact in six percentage points. That is per business areas, seven in Kalmar and Hiab and five in MacGregor.

Then if I go to the sales line where we had, on the group level, the nine percentage point impact in second quarter. That was somewhat higher in MacGregor, so 10 percentage points there and then nine in Hiab, and Kalmar at eight percentage points. So no dramatic changes between the business areas on that side.

Then, going into operating profit. As we've said earlier, the Kalmar business is very well balanced geographically, so we don't really see much transactional movements to the positive or to the negative and hence, nothing really to comment on that. Similarly in MacGregor.

In Hiab, we have part of the U.S. business is exported from Europe and there when it sold in dollars against European competition, we obviously do have a transaction exposure which in this year with the current currency rate is positive impact.

And what I said on the call earlier, so we said already in April that it could impact with the 5 million to 10 million additional boost on the EBIT line in Hiab, this specific transaction element and as the sort of currency rates were surprisingly stable during the second quarter if you look at the starting and ending rates.

So, we have had no reasons to change that view. We said already in April majorities on the second half because the hedging times are four to six months. So, basically we had some supporting in June to make it very simple coming through in the Hiab bottom line, but – so you can expect somewhat sort of improved outcomes from this specific.

Again, assuming that things don't change, the Hiab market does change quickly and obviously, it's also related to what our competition does and does it do from their pricing standpoint view, so it's not only related to currencies per se or our actions alone.

Tom Skogman: So, now, should we expect another 5 million to 10 million euro dues for Hiab in 2016 and this is the transactional exposure but what about the transitional boost EBIT looking into next year?

Eeva Sipilä: Well, we have not really adhered to venture into speculating the currencies in 2016. As I've said, the further changes in Q2 were surprisingly small. So, if being stabilized the euro-dollar on this 1.1 level, then there's not much additional coming in 2016, per se, on top of what comes to it in 2015.

But, of course, it's very much dependent on what happens in the currency markets which are driven a lot by the political situation. So, I think it's better if we come back to that closer to year end.

Our target, per se for next year were set with no big assumptions from currencies. So, it doesn't impact the 8 percent or 13 percent target, obviously so we will be able to discuss this more than in the coming quarters as we see where global situation takes us.

Tom Skogman: And my other question about MacGregor. I think, to me, the situation is very different in the ship building world compared to 2010 when we had the last crisis because, now, the financial health is very weak of many ship builders and many shipping companies as well.

So, do you see a risk that this recession plays out in a kind of unpredicted way and if we have a lot of surprising cancellations and delays, can you react quickly enough to adjust your own cost base to this because I see that things could really move quickly if you have the SME, you know, going into bankruptcy or something like that happening?

Mika Vehviläinen: I look at that situation. First of all, on the finance health of the ship builders and it's not great, of course, but I do not think the situation has drastically changed. There has been actually quite a bit of consolidation in the last few years around the ship building.

If you look at then the how the change is in order intake now and ships is impacting different countries, the biggest impact, by far, is in China at the moment where the bulk ships are almost entirely built.

So, there is a quite big order reduction happening in China. I'm fairly confident that the Chinese government will step in. We have seen some measures on that one to support the local industry and there has been a considerable consolidation which I expect to continue into China ship building.

The Korea, actually has suffered in a relatively small way because they are the primary builder of these larger container ships and their order intake is in a quite healthy level.

And obviously, the shipping lines themselves are varying in terms of the financial conditions but then generally, not in the great shape. We are continuously monitoring the potential delays and cancellations as we did in just last time this kind of crisis hit.

As I've said, we obviously see some delays and willingness, sort of not to open the letter of credits in this time and pushing the revenues back but I have not seen this kind of drastic change in the market situation. I think this is more as a business as usual in this kind of situation that we are managing.

Tom Skogman: All right. Thank you.

Operator: Once again, star one to ask a question over the phone lines. And no further questions coming through from the phone. Please continue.

Paula Liimatta: Do we have any further questions here in Helsinki? Yes?

Male: About the sort of underlying seasonality on Hiab extremely strong result in the second half, would you expect the normal – slightly weak third quarter and the best quarter in the fourth quarter?

Mika Vehviläinen: That tends to be the case and is primarily driven by Europe has been such large market for Hiab in the holiday season tends to have been impact on that one as well.

Paula Liimatta: Are there any further questions from the conference call participants?

Operator: No further questions from the phone.

Paula Liimatta: OK. If all the questions have been asked, I would like to thank everybody for attention today and I wish a sunny summer for all of you. Thank you. **END**