Speaker key

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AA Andreas Andreades
DA David Arnott
MC Max Chuard
TS Takis Spiliopoulos – Bank Vontobel
CG Chris Grundberg – UBS
HL Hoi Lam – Citigroup
JB Josep Bori – Deutsche Bank
GR Gregory Ramirez – Bryan Garnier
MS Michael Studer - Bell View

BR Hi everyone. Thanks for joining us this afternoon to discuss Temenos' Q1 2010 results. With me on the call are Andreas Andreades, CEO, David Arnott, CFO, and Max Chuard, Head of Corporate Finance and Investor Relations. The presentations to accompany these results can be downloaded from the investor relation section of our website. And, as usual, our prepared remarks will be followed by a Q&A session.

Before I hand you over to the speakers, I just need to make you aware of the legal disclaimer on slide two of the presentation. Various factors may cause actual results in the material of the company estimates, and indeed may cause company estimates to change; therefore undue reliance should not be placed on the forward looking statements made during this call, which reflect the company's opinions only as of today.

With that I will now pass you over to Andreas for an update on the business.

AA Thank you. I would like to welcome you all on the call today, and I will start with the Q1 highlights on slide number five of the presentation. As predicted in Q4, we return to organic growth in the first quarter of 2010, with total revenues growing by 3% organically, and by 16% reported. The return to growth was across all revenue lines. In Q1 we saw the return of larger deals, which helped us to grow organic licences against the challenging comparative, which benefited both from our largest single signing of 2009 with Fortis Bank, but also from a number of deals carried over from the December 2008 quarter. You may remember that in Q1 09 we had organic license growth of 9% against the prior year. We are therefore pleased to report organic licensed growth against such a strong comparison base. This also bodes well for the rest of the year.

In the first quarter we signed four deals with tier one banks, and ten in total. This compares with eight tier one deals for the whole of 2009. We had an excellent cash conversion of 133% of EBITDA, which exceeds our full year outlook, and grew adjusted EBIT by 16%, and adjusted EPS by 31%.

Over on slide number six, pipeline is growing strongly across all regions, and especially in retail and corporate banking. This has resulted in a strong start to the second quarter which, together with the growth in the pipeline, supports our new outlook for double digit organic license growth for the full year. We had good traction with the new products of anti money laundering and STP, and we had our first migration of a VBank, Viveo customers to T24.

The strength of the pipeline and the Q1 results allow us to raise our full year outlook to 19% license growth reported. And the like-for-like license growth to 12%. We also focused adjusted EBIT margins of 25.3%, some 30 basis points higher than previously.

On slides seven, eight and nine I wanted to give you more colour on our sales initiatives, starting with pure T24 sales, where the performance continues to be strong; adding two new tier one relationships and a total eight new customers in the quarter. Deal sizes have increased materially as larger banks have come to market. We saw T24 completed [?] on two occasions for specialised lending solutions in tier one banks. This confirms the product superiority of T24, and that can we can compete successfully against best of breed solutions in the wider capital market space like, in this case, loan IQ for MISIS [?]. The reason for winning was the ability of the banks concerned to extend the use of the product in other parts of the bank, without having to invest in expensive new technology every time a new need arises. This confirms our long-term strategy in investing in a single integrated platform.

In Q1 we had confirmation of our market share gains during 09, with the publication of the IBS league table, which placed T24 at the top of the league for the third consecutive year in a contracting market. According to the IBS report deal volume declined by 9%, validating our estimate that we gained over 2 percentage points of market share in 09.

Insight continues its exceptionally strong performance, with nine licences signed during the quarter, and 36 in the last 12 months; bringing the product installations to more than 100 by now. ARC continues to drive ahead with five new customers, and has started to be recognised as one of the top funding solutions in the mid sized market.

In the quarter we had three anti money laundering sales, and three STP sales. On payments all three were with tier one banks, who are not yet T24 users; specifically Barclays and ANZ bought the STP solution. This presents us with a great opportunity to open new doors for leading institutions through the AML and payment routes.

Finally, on slide number ten, I wanted to give you an update on the partnership initiative. We are making great progress on the Microsoft partnership, as the adoption of the MS platform is ahead of our plans. This provides a distinctive different phase in the market, and offers and lowers the cost of ownership of the combined solution. For example, Danske Bank, which was a Q1 win, was a laudable [?] new taker in the quarter for the lending solution on the Microsoft platform.

Cognizant now boasts more than 250 trained consultants that are fully utilised on existing projects, and still there is more demand from the market. Therefore our plan for 1,000 trained consultants within three years intact and on track. We started joint delivery of new T24 projects, while the pipeline for new opportunities is developing successfully.

We started working together on two projects with Deloitte, and have several joint prospects.

And finally we have appointed CSC as a local partner in Germany, and this evidences our prediction that Germany is offering strong growth potential for Temenos in 2010 and beyond.

Now, with this I would like to pass on to David for a review of the numbers.

DA Thank you Andreas. If you turn now to slide 12, I would like to start with a quick look at our Q1 financial highlights. Both revenues and profit grew by 16% in the quarter, and EPS by 31%. Reported licensing was down, but as you will see in a second, on a like-for-like basis this was up 1%.

On slide 13 I have shown the different revenue lines, and EBIT, EBITDA metrics, and cash flow for the quarter and last 12 months. I'm not going to go through the whole thing, but there are just a few things I'd like to highlight, which are the numbers I've circled here on the page. Maintenance grows strongly as we grow the cumulative client base, and with the impact of acquisitions maintenance has grown by 18% in the last 12 months, and is now at $125 million. Though strong signings, good cost control and maintenance revenue, increases in our adjusted EBIT grew 16% in the quarter and 23% in the last 12 months. Adjusted EBITDA grew by 21% in the quarter. Note that in the quarter we kept group margin flat on last year, and managed to absorb the impact of Viveo, which is operating at lower than group margins in 2010. We've grown EBITDA margins by 690 basis points in the last 12 months. EBITDA margins have now reached 30%, and a further upside potential over the next few years. This, coupled with revenue growth, is exceptional leverage, and will deliver significant increases in operating profit, EPS and cash flow. Adjusted operating cash flow was $25 million in the quarter, and $138 million in the last 12 months. We converted 133% of our adjusted EBITDA into cash in the quarter, and 119% in the last 12 months.

Moving to slide 14, I'm showing the underlying business performance across the revenue lines by adjusting out Metavante, as well as forex and acquisitions. And you can see that on this basis all of the lines are performing very well. This is the last quarter with Metavante revenue in the comparative. Total revenues have returned to growth for the first time in six quarters. Maintenance grows by 6% as we grow our cumulative client base at a rate of 18% of our cumulative T24 signings, give or take a small amount of forex movement, and small single digit attrition. Licensing, when adjusted for Metavante, acquisitions and forex, is up 1%; a strong performance as it represents a growth against a strong comparative quarter, as Andreas has said.

Coupled with this return to growth on revenues we have exhibited very good cost control; and I have shown this on slide 15, where I've put the last three quarters side by side. The last three columns of this page are all Q1 2010: the first being reported; the second stripping out the Viveo restructuring; and the third column adjusting for all the Viveo costs that will remain post restructuring, to get you to a like-for-like cost base compared to Q1 and Q4 of 2009. Q1 2010 has lower underlying variable costs in the 74.4 million you can see there. And underlying this we have begun to make investments in strategic initiatives we have identified to keep driving our growth going forward, of around 2 million in the quarter. Note also that the services margin pre Viveo restructuring is 1%, compared to a reported minus seven, in line with last year. This is in line with our forecast, and reflects the usual Q1 seasonality of our services business.

Let's move now to the below the line items on slide 16. Adjusted EPS grew by 31% in the quarter, and 11% in the last 12 months. We've got very good management of below the line items, including excellent rates on our financing, a very efficient tax structure, and good management of below the line foreign exchange; and really these are the there drivers for EPS accretion, other than the strong EBIT growth, of course. Financing charges are higher, both for the quarter and for the last 12 months, as a result of our cumulative acquisition financing. You can see that forex volatility is now significantly down, and generated a small profit in the first quarter of 2010.

Turning now to cash flow, I've shown on slide 17 two metrics, as I discussed last quarter. The left-hand side shows adjusted operating cash flow conversion of adjusted EBITDA, and the right-hand side shows our classic operating cash flow to EBITDA conversion. The adjustments made between the two are the same as for adjusted EBIT: so backing out amortisation of acquired intangibles, and also restructuring costs. You can see that on both metrics cash performed very strongly, with conversion in both the quarters and the last 12 months under both metrics, so the four boxes I've shaded in grey here, all above the 100% conversion target we have set ourselves.

There are some timing swings on payables that mean we won't be delivering 185% every quarter, but clearly this quarterly performance gives us confidence that our cash management is well under control. We generated $25 million of adjusted operating cash flow in the quarter, and 138 million in the last 12 months.

On slide 19 I've shown some metrics around our cash and debt and leverage. Our debt comprises 132 million of convertible bond, with a coupon of 1.5%. We have drawn down 131 million of debt for our acquisitions, which is with a consortium of seven banks. And there are fixed repayment schedules up to 2012. So, in total this gives us 264 million of debt, even if the likelihood that the bond does not convert is minimal. So, turning below that to our leverage, if you treat the convertible as equity, as we do, we've got no net debt on our balance sheet today. And even taking the convertibles technically as debt leaves us at slightly less than one times EBITDA leveraged, which is still very low on the back of three transactions in 15 months, and a credit to the business model, which generates significant free cash flows.

Looking forward in any future transactions, we continue to favour debt over equity, given the momentum in the business to deliver future shareholder value; while, at the same time, remaining cautious as to acceptable leverage levels, as we have demonstrated successfully in the past. In the short term our current cash position and excepted balance via cash generation should leave us, at the end of 2010, with around $190 million of cash, leaving us very well positioned to take advantage of any opportunities that do arise, either on the financing capital structure of the group, or to support the M&A.

That ends the financial update part of the presentation. So, now I would like to hand you over to Max for an update on Viveo.

MC Thank you David. Over to slide 20, an update on Viveo, our largest acquisition, done at the end of last year. Integration of Viveo is progressing well, and in the quarter we achieved the following milestones. We succeed our first integration of Viveo client T24, and this achievement is based on a combined effort of the Viveo sales organisation and the pre sales supported by our joint Viveo and Temenos team. We had our first customer event at the end of March in Paris. At this event we gathered 168 customers from 98 banks. We introduced Temenos and presented our strategy, which was positively received by the customers. We had good tractions on new AML and STP products in the quarter. We won some significant deals with Barclays and ANZ. In total we had six sales of AML and STP; three of them with new clients. On the payment side we had three sales, all of them with tier one banks who are not T24 users. This is a great opportunity to open new doors in leading institutions.

On the next slide, one quarter after the Viveo acquisition, we managed to dispose of its commodity business to Brady PLC for a cash reconciliation of $3.5 million. The rationale was to dispose of non core assets and focus management efforts. The transaction is marginally accretive earnings in 2010.

With that I will pass over to Andreas to go through the outlook for this year and concluding remarks.

AA Thank you Max. Now, before going on to outlook, I wanted to say a couple of words on the market opportunity on slide 23. We operate clearly in an environment where banks are only just coming back to the market to make large strategic transformational decisions, following two years of pure survival. While they do so the drivers for making investments are greater than ever. Regulation is becoming more complex and stricter. Customer service to secure the deposit base is becoming paramount as governments are exiting support programmes. The IT constraints are unsustainable, with banks spending almost three times more than other industries on IT; and more than 70% of this spending is going towards support of legacy systems. On our side, we are demonstrating to our customer case studies, by slashing the maintenance budgets, banks [unclear] 6% less than PS and IT, while spending relatively more on product and system enhancements.

Now, on slide 24, and from our perspective, we are seeing good momentum across all regions, and bigger multi site corporate and regional banks deals. The organic revenue trajectory improves as we predicted, and the better visibility we have together with the higher level of pipeline, gives us greater confidence about the year.

On slide 25 and on outlook, we are revising our outlook for total revenues to $440 to $450 million, giving an organic revenue growth of 6%, and a reported growth of 20% at the midpoint of this range.

As you can see on the reconciliation on slide 26, after taking account of the adverse currency movement against budget rates, and the revenues lost through disposals, we are actually upgrading our revenue outlook by about $7 million. You need to note that both the currency and the disposal of the commodities revenues have negligible effect on profit, again as shown on slide 26, because our currency exposure is hedged, and the commodities business was regular. Staying in outlook on slide 25, we are displaying formal outlook on licenses, with licenses revenue of approximately 150 million; which is up 12% like-for-like on 2009. This compares to the 6% like-for-like outlook we gave in February. Actually in the appendix to the presentation you can find a reconciliation of the 12% profit in the like-for-like licenses. We also give an adjusted EBIT range of 110 to 115 million, giving a margin of 25.3%, and a growth of 25% over 2009. This compares with a margin outlook of 25% given in February. So, this is the first quarter we are giving a solid dollar range for EBIT. We expect the strong cash conversion to continue, given that the changes we've made in the business are for the long term, and the outlook continues to be for 100% EBITDA to operate in cash conversion for the year. This is unchanged to what we said last quarter. Finally we expect a zero tax rate, absorbing the impact of the Viveo acquisition.

So, the reconciliations are on slide 26 and in the appendix. And on slide 27 I would like now to finish with a brief couple of comments. The first one, we have now turned the corner on the revenue front and have started to report organic growth. We continue to grow margins, and this, together with the integration of Viveo and the accelerating revenue growth, will deliver superior profits growth for the year and beyond. Secondly, we talked many times about our organic growth and the growth rate of 12% for 2010, which is the first year of recovery, reconfirms that we can achieve a mid-term growth rate of organic license growth of between 15% and 20%; which is consistent with what we have been saying the last five years, really.

With that I pass the call over to Q&A.

TS Hi gentlemen. Two questions from my side. Number one, what happened during Q1 that made you upgrade your outlook for organic license growth from 6% to 12% kind of pretty early in this year? And the second one, for Q1 the cash flow been pretty strong; has the seasonality changed, or what is new now for Q1 2010?

AA Takis, I will take the first questions, and then David will take the cash flow. In Q1, as we saw earlier, we saw larger deals, we saw a large number of tier one deals, we saw good traction of our growth initiatives around Insight, the new products, AML and STP. And we actually delivered a number which is a growth on last year, which had a number of items that benefited last year. If you think about it, last year we grew 9%, taking advantage of deals transferred from Q4 08. So, we saw good control of the deals in Q1 and we delivered on the number we wanted to deliver. And furthermore than that, we saw the pipeline firming up; we saw the pipeline actually supporting, developing in a way that support, say, double digit, if you like, like-for-like license growth for the year, with good cover and good progression of the deals. So, if you put all of that, and also take into account, as I said earlier, we actually had a great start to the second quarter. So, if you put all of these things together it was only appropriate that we reflect the increased confidence we have in the business for the year.

DA This is David; let me take the second question. If you look on the balance sheet you will see a payable swing. If I were to split the cash flow on the in-flow side, DSO, as you will see in the appendix, continuing to come down, you will see shorter project execution, you will see better upfront cash. A lot of the benefit is coming in the out-flow side where some large payments can swing from one quarter to another, just depending on when they are due. And you will see a payable swing, which has taken the rate to 185% conversion. Even if you back that out we are coming to north of our 100% conversion regarding it for the full year. So, it is really payables driven.

TS And maybe another one. You had like 7 million of restructuring costs in Q1. What is the outlook for total restructuring costs for the full year?

DA Takis, because we are in the middle of a process with the authorities in France we are not able to comment on that at the moment unfortunately.

CG Just a couple of questions from me. I guess further to the question on your full year guidance: can you put any metrics at all around the visibility you have there? I mean, can you give any sense on what sort of pipeline coverage you have, or the number of tier one details in the pipeline and what their total value might be? I think that might be helpful to understand a little better how you’ve got the greater confidence over that raised guidance.

AA We don’t formally publish pipeline metrics, but we’ve always said that if we have a level of pipeline cover of above three times one, so effectively have opportunities being run by the face organisation, but up to three times the level of business that we have in our focus, then that gives us confidence we are able to execute the forecast and deliver on our commitments.

And, as I said earlier, the pipeline growth during Q1 was such that we felt that we had to get our full year numbers to the right level. As I said also about Q1, and that applies to the balance of the year, if you look at the deal size in Q1 it has increased significantly. And in our business that is a key metric for licensing growth. And with effectively four tier one details across T24 and new products we see that higher content of larger deals, both on the retail side and on the corporate banking side, in the pipeline, if you like mirroring what happened in the first quarter. So, if you put, again, the quality and the deal size, that also gives us the confidence that we are actually on the right track.

CG That is really helpful. And then just a follow up. Can you give a sense of what sort of seasonality you expect during this year then? Is this likely to be normal seasonality in terms of Q2 progression on Q1 etc?

AA First of all let me say I’ve been running the company for quite a few years and I’ve been very consistent: we do not give outlook on a quarterly basis. We don’t believe that in a fast growth licensing business that it is a profit in giving quarterly outlooks. And we run the company on the basis of the metrics of the business, and not the next quarter. However, if you look at the past two or three years, the first half of the year and the second half, is broadly between the 40 to 60, or 45 to 55; this is the range that it is. And we don’t expect anything to be materially different from that, if you like, first half to second half seasonality. So, that is broadly how we see the year.

CG That is really helpful. Thanks.

HL I’ve got three questions. The first one is what are the average kind of deal sizes that you are getting in AML and STP? Let’s say we sign a tier one kind of deal, what kind of ASP can we look at; is it comparable to T24? The second one is on the restructuring charge: I wonder if you break down where that restructuring has been taken in the three lines of opex, or maybe even in the cost services? And then finally on the outlook. The 12% seems like quite a big ramp from the 1% growth in Q1; I wonder if there are any deals that you have signed already, but the revenue will be recognised throughout the rest of the nine months of the year which give you some comfort there.

AA I will take the first one deal sizes. They do vary. They do vary, and we actually had one larger deal, if you like, which would be comparative to a T24 deal size. But that wouldn’t be representative. We had a couple which were in the range, if you like, sub one million, maybe around the half a million mark. But you need to remember that this is still very early days: we’ve only started selling the product actually 20th January. So, we need to see how the deal size evolves over the next few quarters to judge where it is going to settle. Definitely the acquisition is adding credibility to the business. We see that tier one banks are actually confident that with Temenos behind the products they are committing. And that has contributed to a successful, if you like, first quarter.

The second point I would like to make when it comes to deal sizes for even items like ARC and Insight, and a cautionary is that when we bundle modules or extensions like these, and over a period of time you will see us bundling AML and STP with T24 deals, the allocation of values across, if you like, 70 different modules, and part of the system are in the front office, or the back office, or the payments, or compliance, can be quite arbitrary. So, that is a bit of a cautionary note to take, if you like, the ranges we give as indicative of what a standalone sale would look like. But when it is bundled the allocation of values would be different.

David, can you take the next bit?

DA I'll take the last two. So, the restructuring charge, again, much as I'd like to, I'm not able to disclose which cost centres we have allocated that to; it's part of our ongoing discussions. But what I think you're really trying to get to is what is happening to the underlying cost base. Two ways to look at that. If you look back versus Q4 and you take out the variable costs, which is clearly lower in a seasonally low quarter such as the first quarter, we have made about 2 million of investment in the first quarter, which is in line with our strategic initiative, so largely in areas like sales and partners. And you will see that trend looking forward, if you are trying to extrapolate for full year 2010, you will see us leveraging G&A, you will see us leveraging slightly R&D on the product convergence, services is a margin business, and you will see our investment going primarily into the sales area. If that is what you are trying to achieve.

HL Yes, and I was trying to basically gauge how that would improve for the rest of the year. Because if you are taking restructuring charge, then I take it that those lines will improve in the future.

DA Yes, absolutely. The third question on outlook I will pick up on the end of your question, and hope that deals with it. You were asking specifically whether we have signed deals where the revenue hasn't been booked. We do not disclose backlog, but yes, we have signed deals both within and prior to the first quarter, where the revenue hasn't been booked. And also clearly, as Andreas has highlighted, subsequent to the first quarter; which is part of the reason we feel comfortable on the full year number, the 12%.

HL Thank you very much.

GR Thank you for taking my questions; two, if I may. The first one, could you update us on the situation in the UK, Scandinavia, Germany, and where we are now two, three years after the acquisitions of [unclear] and the financial objectives in terms of client update processing etc. Because I think the topic has not been addressed for a long time.

My second question: could you talk about the offshore update, where we are now in terms of offshore headcount, and how you think it will evolve for the remainder of the year as part of the improvement of the cost structure.

AA I will take the first one. In Germany actually one of the premier tier one deals we had in the first quarter was actually in Germany. We see the German market as a key market. We see good traction in the German market. Our model bank offering is in place, and we are starting to see the first, if you like, migrations of the old customer base onto T24. In the UK, and I suppose you are referring to the financial objects acquisition?

GR Yes.

AA The migration of customers has gone into our objectives for 2010. And we are starting, I believe, with our first customers in the second quarter. You might recall that we gave those customers a total of five years to actually to convert onto our product, and we are well within that timeframe.

Purely from an integration perspective both of these transactions have been fully integrated. Both of these contracts have been fully integrated into the company for quite some time now.

DA Let me take the second part, the headcount question. So, today we've got about 3,500, just north of 3,500 people. What is done offshore is primarily the majority of our development, plus increasingly aspects of service that we can package and put offshore, such that our offshore headcount capacity is north of 2,000 today.

If you look at the way the investment is going this year, it is really primarily in the sales and partner sort of area; which means it is mostly on shore. It is countries where we see market demand following the direction that we've give on the markets that we see as being growth areas. So, it is relatively low in number, per head slightly more expensive, but it is on shore, because it is sales driven.

AA I would add to that that from an on shore perspective we are, in terms of ratios, if you like, we are probably more or less where we want to be. Clearly that is before, if you like, the completion of the Viveo integration; that will change the numbers. But from a Temenos business model perspective we are where we want to be at this point in time.

GR Another question. And now, on Viveo, how will you use the offshore team in Romania?

AA Clearly we cannot comment on specifics for the integration of Viveo until we complete the integration. But I would like to say that that is a great part of the company.

GR Thank you very much.

JB Good afternoon, and thank you for taking my questions. A quick one first, and sorry to get back again on the outlook guidance. But your comments on the outlook are encouraging, and you are clearly raising the license from 6% to 12%. If my calculations are correct the overall revenue just on the midpoint goes up about 2%. Just to be clear, your guiding licenses are not yet including any additional contribution of maintenance and services from those additional licenses? Is that a fair interpretation?

AA I'm not sure it's… we can check the numbers. But from our perspective, the services side of the business we have always said is an add on, and for the partners side we are not really targeting for services growth. There is clearly growth on the maintenance part, and should even be accelerating from the like-for-like that we have in Q1. So, I don't think the statement is altogether correct. We can go through the numbers later on.

JB That is fine. And then a quick one on Viveo. The [unclear] been working with them for a few weeks and have a better sense of your install base. How is the penetration of AML solutions among your T24 customers? Do they have an AML solution already, you need to replace somebody; or is it actually an easy kind of cross selling synergy?

AA In Western Europe the larger banks by and large either have a solution or are actively implementing a solution, or even replacing, they are in their second cycle of an AML solution. In emerging economies, in Asia, in Middle East and Africa, I would say this is new territory; this is new stuff. Banks, especially, if you like, tier two downwards, they largely do not have a current AML solution, so they have very basic functionality. So, that is territory for cross selling; that is clear.

JB Thanks very much.

MS I've got also three questions. The first one, you were talking about market expansion and you would invest in some sales on shore; can you give us some specifics on which markets you are adding sales forces? The second question is more on housekeeping. First, the amortisation of acquired intangibles: is the kind of rate in Q1 we see we should take going forward in the next quarters? And the third question is regarding your restructuring services, just so I'm clear with that: that is all related to the Viveo restructuring cost; or are there any additional?

DA Let me kill the two last ones very quickly. Yes, absolutely, the amortisation charge in the first quarter would be almost exactly linear with what you should expect in the remaining quarters. And your second question was about whether it is entirely Viveo related, and it is.

AA In terms of market expansion, we are adding sales capacity pretty much everywhere; maybe with the exception of the United States at this point in time. We see good growth coming actually from Canada. We see robust growth. And we are expanding in countries like Brazil, in South America, very good traction in Asia Pacific, in China, in Hong Kong; so I'd say quite spread. We see a bigger number of countries in continental Europe showing, if you like, stronger growth dynamics this year than last year. We see Germany coming back to the market in a bigger way than one year ago. Clearly in France, where we had an excellent year last year, we've invested more in terms of capacity. And the Viveo acquisition is definitely helping there. So, it's quite broad based.

MS But should we expect any shift in this geographical split versus emerging markets? Or is that maybe not the correct interpretation?

AA To be honest I couldn't say, in the sense that Asia Pacific is showing good growth, but then Europe is starting from a lower base in 2009; so Europe was worst affected out of [unclear]. So, we might see from a growth perspective Europe matching Asia Pacific. But I think the momentum in Asia clearly continues to be bigger than in the rest of the world.

BR Thank you everyone for participating in the call. If there are any follow up questions I'm available at my desk or on my mobile afterwards. Thanks a lot.