When I stood under this slide one year ago I said that we were in the eye of the storm. This sounded dramatic and it was dramatic. I also said dramatic times create opportunities and Trelleborg had the power to take advantage of these opportunities. We have done so and we are currently a stronger Trelleborg than we were before the crisis and the recession hit. I will explore this theme in my remarks today, which will include three central messages.

I have already touched on the first. 2009 was a dramatic year to which we rapidly and successfully adapted. The second message is that we have a better structure and stronger positions. We are also financially stronger and have created a lower and more flexible cost base. And we have tangible plans and ideas for how we can continue to improve our operations a combination that leaves me confident that we are now well prepared to face the future.

By way of conclusion, I will also comment briefly on the first quarter of the year. But allow me to begin with a few words on 2009. Many predicted that 2008 would mark a period of economic downturn. However, I don’t think that anyone expected this downturn to hit as rapidly and as hard as it did. Following a highly favorable market trend at the beginning of 2008 with many companies experiencing their strongest first quarter to date the decline prompted by the financial crisis at the end of the year was dramatic.

This decline continued in 2009, which naturally had an impact on our sales. Our organic sales fell 21 percent during the year. However, by focusing on our most valuable customers and businesses, accepting the reality of the situation and quickly adapting capacity to demand while at the same time increasing the rate of the ongoing action programs we had already initiated we were relatively successful and quick in adapting our operations to the new conditions.

So 2009 turned out to be a dramatic year filled with difficult decisions. Many people were forced to leave us, which I regret. No matter how necessary the decision, it is always extremely unfortunate to see capable employees leave our operations.

During 2009, the measures taken over the past several years in Trelleborg Automotive also began to yield results. Thanks to our combined actions, we were able to improve our EBITDA margin from nearly 4 percent in the fourth quarter of 2008 to slightly more than 10 percent at the end of 2009. This during a period of essentially unchanged sales per quarter.

These gradual margin improvements had a positive impact on our cash flow. We also implemented a number of measures to reduce our working capital. Our inventories were reduced, and we became increasingly successful at managing accounts receivable and accounts payable. This enabled us to double our cash flow in 2009, compared with 2008.

With the support of our shareholders, we were also able to implement a rights issue of about SEK 2.2 billion to strengthen our capital base and enable us to make aggressive strategic decisions in the future. The rights issue was oversubscribed and I would like to thank all of our shareholders for their confidence.

Our favorable cash flow and rights issue meant that, despite the severe conditions of 2009 we were able to improve our debt/equity ratio from 124 to 68 percent. However, financial debt was no longer considered an overall goal in our new, more focused financial targets. Our future goal is to maintain a low debt/equity ratio of between 50 and 100 percent shareholders’ equity.

From a purely mathematical perspective, our lower debt/equity level impacted the target for return on shareholders’ equity, which we adjusted to 12 percent.
The target of an EBITDA margin that exceeds 12 percent remained unchanged. We will achieve this target by focusing on selected positions in profitable and expanding market segments combined with continuous efforts to improve our operational structure and to maintain control over our costs.

The target for growth focuses on organic growth, which shall amount to 5 percent per year on average over a business cycle. Acquired growth remains a vital part of our strategy. As in the past, this primarily involves supplementary acquisitions to strengthen, for example, our presence in selected geographic markets or our market position in selected segments.

We consider these targets to be reasonable, particularly since we currently have a significantly better structure and stronger positions than in the past. These targets have been achieved due to our clear, long-term strategy based on leading positions in attractive segments, which has also proved to be successful as we stood in the eye of the storm.

This strategy is based on our core expertise in developing solutions built on our leading polymer technology and that seal, damp and protect in demanding industrial environments throughout the world. The materials we work with have a number of specific properties that are specially suited to these functions. Properties that you had the opportunity to learn more about in the videos shown before today’s meeting.

Our business is to develop and combine these unique materials using our applications know-how. And thus to develop highly appreciate products and solutions that create value for customers in our selected segments. Customers who require our functions and are prepared to pay the right price for our high-quality products and solutions.

One example is seals for fuel-injection engines. As new fuels, such as bio-fuel, are developed we develop new seals that can handle the specific demands imposed by bio-fuel. And we are a world leader in this growing segment.

For the subway system in Hong Kong, which transports nearly four million passengers every day, we have developed dampening rubber springs for the trains. We have also developed dampening rubber slab track bearings that are placed below the rail to protect buildings near the tracks from damaging vibrations. This makes the journey quieter and more comfortable for the passengers and for all of the people in area near the subway system.

We offer many products that help oil companies extract oil and gas in deep waters. We have developed a broad range of products to protect the oil pipes that run from the platforms and down to the bottom of the sea, including bend restrictors, which are used to prevent breaks in the pipelines that transport oil and gas from the source to the platforms at the surface of the sea. You can look at more offshore solutions in the entrance hall outside.

For us, innovation in all areas and continuous product development are crucial to achieving and maintaining leading positions. And we are investing major resources in the research and development of new products. Despite the difficulties experienced in 2009, we continued to increase our investments in research and development. Since 2005, we have also invested in improving and enhancing the efficiency of our production structure to strengthen and create leading positions.

Since 2005, we have closed 25 production units in more mature markets in Western Europe and North America. During the same period, we have invested in ten new production units in markets outside Western Europe and North America. This has given us a better structure and increasingly focused and specialized plants. And at the same time created synergies.
By localizing units to new markets with high growth, we have improved our global balance. At the same time, we have also moved closer to our customers in their critical markets. China is one of our single most important markets. We now have nearly 1,000 employees in China and tangible plans for our continued growth in the area. Since 2005, we have gone from one 50-percent share in a unit to five wholly owned production units.

At our latest facility in the area, which was inaugurated in autumn 2009, we manufacture products for infrastructure projects, including fender systems for harbors, tunnel seals and dredging hoses.

South America is another high-growth continent in which we aim to grow. We currently have approximately 1,000 employees in Brazil. During the year, a new facility was inaugurated in São José dos Campos, located a couple hours outside Sao Paolo. The unit manufactures high-performance seals for such applications as airplanes, passenger cars and a variety of industrial applications.

And the list doesn’t end there. At today’s Board meeting, held shortly before we gathered here we decided to build a new facility in Bangalore in southern Indian, which will serve as an excellence center for certain production processes and industrial niche segments.

We will also establish our first fully-owned production unit in Russia in Nizhny Novgorod to improve our opportunities to capitalize on the growing Russian automotive market. In markets outside Western Europe and North America, we have been experiencing rapid growth for several years. Since 2005, we have increased our sales in these markets by more than 75 percent. Our sales in these areas currently amount to nearly SEK 7 billion. This means that approximately 25 percent of our sales are now made to these markets.

A total of approximately 35 percent of our employees are currently located in markets outside Western Europe and North America. This indicates that our growth potential in these markets remains favorable. Trelleborg Automotive is an excellent example of how we have achieved a significantly stronger position compared with three to four years ago by relocating our operations.

The anti-vibration operations in Trelleborg Automotive, which account for about 60 percent of the business area, have the same number of employees today as in 2005.

However, 60 percent of these operations are currently located outside Western Europe and the US, compared with 44 percent in 2005.

We have become more competitive, reduced out costs by 25 percent and, above all, are better able to support our customers in the markets in which they are growing.

Our long-term investments in an improved structure and shift to new markets also facilitated the short-term capacity adjustments we implemented in all areas of the Group in 2009. This was also decisive when it came to reducing personnel costs’ share of sales throughout the Group.

Another reason is that we began focusing on ongoing Group-wide excellence programs a few years ago as a means of further enhancing Trelleborg’s efficiency. Today, we have implemented such programs for manufacturing, purchasing, sales and working capital utilization. These programs have also enabled us to initiate a number of improvements and to create the necessary conditions for increased synergies throughout the Group. However, it is our employees that carry out this work in their everyday jobs. In 2009, we saw more than ever how important it is to have competent and action-oriented employees.
To ensure that we have such employees and that we have the right people to fill key positions we have well established and continuously ongoing programs. We also have a business model that allows us to assign considerable responsibility to our managers within clear guidelines. This fosters strong leaders. At Trelleborg, we have also succeeded in establishing a favorable age structure among our managers which has now been tested in the eye of the storm. This structure will create necessary prerequisites for continued success. I find this reassuring.

Diversity is also important. That is why it is gratifying to know that we are welcoming more and more female managers, particularly in the younger age groups. We currently have a highly international business with more than 90 percent of our sales conducted outside Sweden.

And I am pleased to state that an increasing percentage of our managers come from countries outside Sweden. In fact, the current figure is seven out of ten. We now continue to improve our operations. Although we are still uncertain as to how the economic situation will progress we are well prepared for whatever trends emerge. We entered 2010 with a significantly more efficient organization and a reduced cost base which is reflected in our improved margins.

We are also strong in terms of our breadth and our balanced exposure to a wide variety of customer segments ranging from capital-intensive investments in such areas as infrastructure and oil production to a wide assortment of input goods for the industrial sector and the automotive industry. Overall, I believe that we have a sound and balanced exposure to various industries with different degrees of supplementary demand cycles.

However, we remain cautious in terms of relying on stable help from our underlying markets. Nonetheless, we expect to see a stabilization of global demand during the year with continued increases in growth markets particularly in Asia and Latin America. We anticipate that our sales to these markets outside Western Europe and North America will continue to increase with slow and gradual recovery expected in these areas.

Should the market perform better than we currently anticipate we are well prepared to boost our volumes without significantly increasing our costs. Naturally, this would ultimately result in improved profitability.

So to summarize: We had an incredibly difficult 2009 as we faced the eye of the storm. We rapidly implemented adjustments and improved our margins with each passing quarter. After a number of years of focused work, we have created a stronger and more efficient Trelleborg with a clear overall strategy, increased our share of sales in new markets, strengthened our market positions and achieved a better structure with a lower cost base.

This is a strong foundation to stand on. Although we have made considerable progress, there is more work to be done. We will continue to improve our structure by making new investments in Asia and other attractive markets. We will continue to focus our operations on mature markets to create more specialized units. This means that we will continue close down individual plants. We will continue to strengthen our positions in selected markets. And we will continue to improve our profitability.

The first quarter showed that we are on the right track. We continued to improve our EBITDA margin, which amounted to 11.3 percent during the quarter making the first quarter one of our strongest in terms of margins. Our net sales during the first quarter of 2010 increased 3 percent to slightly more than SEK 7 billion. Organic sales, meaning excluding currency effects, rose 12 percent.

Our sales of input goods to the industrial sector increased compared with the year-earlier period and the fourth quarter of 2009. Sales of passenger cars were significantly higher. While sales were lower in project-related segments offshore oil/gas and infrastructure as well as the agricultural industry.
Operating profit in the quarter increased to slightly more than SEK 500 M. Our financial items decreased from an expense of SEK 139 M to an expense of SEK 70 M. This corresponds to a very low average interest rate of 3.3 percent. Accordingly, earnings before tax rose from a loss of SEK 93 M to profit of SEK 431 M. And finally, profit after tax amounted to SEK 292 M.

Now let’s take a look at the outlook for the next quarter.

Overall, demand is expected to remain in line with or slightly better than the first quarter of 2010.

In conclusion, I would like to extend my thanks to all of you shareholders who have supported us during this turbulent period. You have helped us to create what I have just presented a stronger Trelleborg. The dramatic events of 2009 also demonstrated that Trelleborg has incredibly capable employees throughout its operations. And I am very proud of the performance of all Trelleborg employees. With that, I would like to open the floor for questions.

Thank you very much.