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PRESENTATION

Olli Turunen - *Kemira Oyj - VP of IR*

Ladies and gentlemen, welcome to Kemira Second Quarter 2018 Result Presentation. My name is Olli Turunen. Today's presentation will be held by our President and CEO, Jari Rosendal; and financials will be covered by our CFO, Petri Castrén. After both presentations, you have a chance to ask questions here in the room and also over the webcast. Let's begin. Jari, please go ahead.

Jari Rosendal - *Kemira Oyj - Chairman of Mgmt. Board, President & CEO*

Thank you, Olli. Good afternoon.

A few highlights of Q2.

Our organic growth continued well, driven by Industry & Water segment, but also Pulp & Paper grew nicely. Sales prices are starting now to catch up to the increasing raw material prices. We are not there yet. We have still work to do, but it's good to see that progress now happening.

Q2 is typically a intensive maintenance shutdown season. It's a maintenance shutdown season for our suppliers. It's a maintenance shutdown season for ourselves and for our customers. And this year, the impact was a bit higher than last year.

We are progressing with our strategic execution and gaining the benefits step-by-step. The FX impact year-on-year in Q2 and year-to-date is overshadowing those a bit than they've been historically high. And we are still waiting for the last authority approvals for the China JV to be formed and the deal closed, but that's hopefully coming in the next few times here.

So let's look at the Q2 group level main figures.

Organic growth, 9%. Revenue, EUR 648 million. Most of the organic growth came from increasing sales prices and less from increased volume. Strong momentum continued in oil and gas, but all business areas grew nicely also.

Operative EBITDA increased by 4% from EUR 77 million to EUR 80 million. And year-on-year, FX impact is a negative EUR 9 million in Q2, and year-to-date minus EUR 16 million all together from FX, and that's a big number to operationally cover in such a short time. Petri will open up the FX dynamics a bit more in his update.

EPS, up by EUR 0.02 to EUR 0.14. We did decide to close down a unit that manufactured an intermediate product for making polymers. It wasn't efficient enough, so it follows our strategic initiatives to drive efficiency in our manufacturing network.

Variable costs and cost volatility has been a headache for a while now. And it comes from supplier input prices like oil-related things, oil and gas prices, but it also then comes from a supply-demand balance and any upsets in the production value chains. This has been quite volatile the last 12 months, including weather. Therefore, I wanted to give you a bit more dynamic on how this works.

Here, you can see a chart where it splits up EUR 1.5 billion of our input cost purchases: 20% is logistics, inbound and outbound logistics; 15% is energy, mostly electricity; and 65% is the classic raw materials which we use then to make our own products.

When we look at the raw materials, 70% of those are non oil and gas-related and 30% are oil and gas derivatives.

The 10 top materials, you can see on the right side. They form about 45% of the 70% of raw material purchases. And biggest one being sodium hydroxide by caustic soda. And it's good to note that, that is mostly a trade-through product for us on a cost-plus basis. We manufacture a bit here in Finland, but there has been a lot of volatility in that and prices are significantly higher in Q2 than they were a year ago. And then you can see a marking in the 10 raw materials, which are oil and gas-related derivatives.

I said after Q1, since last year, prices have been on an inflatory (sic) [inflationary] path, but a lot of volatility in there. There are also regional differences in price development depending on supply and demand balance and if there are any upsets in the value system.

And in the chart, you can see some year-on-year price changes history for 2.5 years, and these are from United States or North American area. And these are oil-based raw materials, so based on WTI-grade oil.

And just as an example of volatility. Last 30 days, first 5 days of that period, WTI traded at $65 a barrel. 10 days later, it was $75 a barrel. Yesterday, it was $68 a barrel. So within 30 days, we saw 10% to 15% volatility in those prices and, obviously, we need to look at average pricing when we go forward and do all the pricing to the customers.

There's usually a delay of 2 to 4 months in how it rolls into our numbers, depending on a product line and how our inventories roll over.

Even if we now are on the right path of passing these increases to the -- our customers and seeing that benefit coming through. As said, we're not there yet and we need to push for more increases, second and third round increases in the future.

Then let's look at how the dynamic works on taking this to the customer contracts. A lot of our customer contracts are longer term, 1 year or longer contracts with fixed prices. Therefore, rapid raw material price increases are a headwind to us and then -- them coming down is a benefit to us. And as said, averages count.

In Pulp & Paper, you can see here that 95% of our contracts are 1 year or multi-year contracts. But even in multi-year contracts, the prices are checked at least once a year. If we look at then pricing, 70% is fixed price and 30% or 25% roughly is formula price. And then we have very little spot pricing and very little spot business.

In Industry & Water, the water business, water treatment business, very similar 1-year contracts are a locked. But in oil and gas, it's mostly framed contract type of pricing and more day-to-day type of pricing or formula pricing. And therefore, there is more room to update the prices per the input cost as they change. This is why I&W has been faster in taking the price increases to the customer prices, and it's been slower, especially in the process and functional chemicals for Pulp & Paper segment.

Moving on, looking at the first half of the segment performance.

Pulp & Paper organic growth has been above our targets, but profitability has hampered a lot by FX and slowness in taking the prices into the customer prices. Year-to-date, organic growth, 5%; Q2 was 6%. And I'd like to here remind also that, in the organic growth, we do trade a lot of that caustic soda under Pulp & Paper. It's a [costless] business, so if there's a big market dynamic, it plays into our gross numbers. But even without the caustic soda trading, the growth was per our targets.

Sales prices are starting to come up. But as said, we need to do much more work on that in process and functional chemicals.

Operative EBITDA in the first half is below last year, but impacted by a EUR 9 million FX impact in 6 months, so that's a big number.

Our bleaching units are running well, and the new Finland Joutseno bleaching unit is also running well. And as said, shutdown season in Q2 was a bit bigger one than last year.

We are also working on the JV closing and expecting those final approvals from the Chinese officials.

In Industry & Water, organic growth year-to-date, 12%; Q2, 14%, a good number, driven by oil and gas, which is north of 30% growth. But you have to remember that, going forward, the comparison base is going to be bigger, so that's good to keep in mind.

Positive development also in the water treatment business, naturally, more modest growth numbers, but also those in the level where we have been expecting.

Clear improvement on EBITDA, operative EBITDA, from EUR 52 million to EUR 61 million in first half, despite a minus EUR 7 million negative FX impact.

We continued to optimize our manufacturing footprint and efficiency. We look at how do we allocate our volumes, especially in polymers, to the right customers and how do we allocate the right polymer types to our processes and manufacturing site, and then this way, maximize and optimize our yield from those. Naturally, we continue in I&W also to work on sales prices as contracts are rolled over.

And as said, and it impacts I&W, we have decided to close a production line, an inefficient one production line in Europe. Instead of making that product, we will buy it from the market. That gives us better quality, better yield and better flexibility going further, and as said, according to our base strategy.

To close off my update. Good organic growth. Prices are now in -- coming through increases, but much more work is being done, especially in Pulp & Paper process and functional. Good progress in our strategic programs gaining efficiencies, which were overshadowed by a historically high negative FX impact.

We repeat our outlook for 2018. Kemira expects its operating EBITDA to increase from prior year.

Next, I'll ask Petri to come and give you some more detail on the financial. Petri, please.

Petri Castrén - *Kemira Oyj - CFO, Member of Management Board & President of Americas*

Thanks, Jari.

So in addition to the big picture that Jari was explaining, and Jari was going through a lot of the year-to-date numbers, I will then focus on some of the impacts that took place particularly in Q2.

And really, the 3 things that I will focus is just about the continuing growth, organic growth. Now it is, in this quarter, clearly more pricing driven than volume driven. Second impact is obviously the big, big ForEx, FX impact. And thirdly, I'll give some more color on the items affecting comparability as there were some offsetting items there. So let's go.

So growth accelerated from Q1. So our organic growth was at the level of 9% versus 7% in Q1. And as said, clearly, it was now driven by sales prices, so of -- 8% of the growth was in sales prices, only 2% in volumes. And those 2 were this time clearly offsetting the negative currency impact on top line.

EPS was up by 17%, and this was mostly driven by the items affecting comparability.

Jari mentioned the manufacturing harmonization for polymer production. That was a EUR 9 million impairment. Please note, as it was an impairment, it only impacts the operative EBIT result, not operative EBITDA result. On the other hand, we did have an offsetting EUR 6 million gain for a sale of an earlier closed manufacturing plant for (inaudible). And in the corresponding period time, we had a EUR 10 million restructuring item, so the comparison is, I think, a EUR 3 million positive. And Jari talked about our profitability having been impacted negatively by FX.

So let's look at a little bit more carefully on the currency situation.

And I have a year-to-date picture here on the left. You see 10 -- I'm sorry, 18 months of chart between euro and U.S. dollar. And I focus on the euro-U. S. dollar exchange rate because that explains EUR 10 million out of the EUR 16 million currency impact during the first half, so roughly 2/3 of it.

And it comes -- the impact is a bit more complicated, but it can be sort of simplified into 2 buckets. One is, obviously, the currency impact that arises out of comparison periods, so Q2 of '18 versus Q2 of '17. I'm looking at the average rates between those comparative quarters.

In 2017 Q2, the average U.S. dollar rate was 1.10. In '18, it was 1.19. So about 8% depreciation of the dollar or appreciation of the euro, so that causes bulk of the EUR 4 million negative impact reported in Q1 -- I'm sorry, in Q2.

And last year, in the comparable period, we did have approximately EUR 1 million negative impact as well, so the delta there is EUR 3 million.

Then to the other aspects of the currency impact, and this is -- really comes out of the balance sheet revaluation items, but also our hedging or our hedges. And this one is perhaps the more difficult to anticipate, particularly looking from the outside.

And the key component here is our FX hedges, which obviously are targeting to offset, i.e. hedge, the currency impact that you see on the above. U.S. dollar sort of took a -- has appreciated against euro during the last 3 months. And it's important to note and discuss a little bit technicality, but we do not use hedge accounting, so we mark to market the full hedging book every month. And so therefore, we will have a negative impact between March 30 and -- March 31 and June 30. And again, bulk of the EUR 4 million underlying hedges in balance sheet is caused by the U.S. dollar hedges. So this is sort of a, I would say, a rare occurrence. We have big currency moves in our key currency, and they are going in the opposite directions and they're amplifying the FX result during Q2. So that explains why the currency impact is so big.

The one thing is sort of -- is positive when you start looking at Q3. So if you look at the rate -- I'm sorry, the chart on the left, you'll see that the impact from the currency should not be nearly as this big, because we are roughly at the same level where we were a year ago. So on the average rates, if the rates remain at the current level, there should not be that big of an impact. And obviously, if -- regardless of whether dollar would depreciate or appreciate, we would have offsetting hedging impact softening there. So that's the situation on the euro-U. S. dollar exchange.

Moving on to the raw materials. Jari was explaining the dynamics and what -- how the raw materials are increasing and what's causing it here, so that the results visually that the pricing -- price increases really have started to offset in Q2 the impact of raw material prices. But it's good to know that this is only the first quarter in 2 years when this is true. And like Jari was saying, we still have a lot of work to do to sort of offset the last 2 years of headwind, if you will. So the work continues on that sense.

And secondly, I think it's fair to say that our current walk-off of the raw material environment is such we'll continue to see an inflationary pressure on raw material and other input costs as long as we can see in our deliver -- planning horizon, estimation horizon, which is now covering even 2019. So that's the environment that we are in now.

Regarding Pulp & Paper. Again, there was some modest volume growth, and organic growth was driven more by pricing than volume. Part of the reason why volume growth moderated was that there were some maintenance breaks, both for us and with our customers that impacted volumes delivered. And as I said, while the positive impact of pricing more than offset the input cost inflation. We still have a lot of work to do to improve our profitability.

Jari mentioned the FX impact for the first half. For the quarter, the EUR 9 million FX negative impact can be broken such that it was a bit more than EUR 5 million or approximately EUR 5 million negative impact on Pulp & Paper and roughly EUR 3 million rounding together to EUR 9 million for I&W.

Regions. A comment on regions using local currencies. We grew in EMEA, North America and APAC, whereas, in South America, paper chemicals declined. Also, the customer shutdowns did have an impact in that region.

As said by Jari, excellent growth in I&W, Industry & Water, led by the oil and gas business. A 30% organic growth rate is really, really dramatic.

And now if you sort of look at the big picture and look at the business, now it is more than -- last 12 months trailing, we're more than EUR 200 million business in oil and gas. So this oil and business -- oil and gas business has really grown to be quite meaningful in the last 1 or 2 years, if you look at it that way. And then similarly, maturity of the oil and gas grow is also coming from higher sales prices, which are offsetting higher input costs.

Underlying profitability is also improving in our water treatment business. We see the increasing input costs also impacting that business. But at a steady rate, we are passing this to our customers. And that customer base and contract base rolls on -- rolls over on a steady basis. So profitability, on a good upward trend regardless of the negative currency and raw material impact.

Then I'll cover a couple of points from the selected key figures.

First, CapEx. Our CapEx is about EUR 20 million below last year's year-to-date level. And we do -- and remind that we do have the seasonal tendency to be second half-heavy, but I think it's still fair to say that we will probably land, I will expect that we will land more towards the bottom half of the range than towards the upper end of the half for the full year. Net working capital also tends to be somewhat seasonal, and that reduced Q2 cash flow, while year-to-date, we're ahead of last year. Net debt, slightly higher than a year ago, but leverage ratio is lower than a year ago.

With that, I'll stop my remarks, and we are ready to move over to the Q&A session.

Olli Turunen - *Kemira Oyj - VP of IR*

Very good. Let's move on to the Q&A. And you can ask also questions over the webcast either over the phone or using and typing the question, and then I will pick it up here on the iPad. But let's first ask questions here in the room. Are there any questions? And by the way, please state your name and company.

QUESTIONS AND ANSWERS

Anssi Kiviniemi - *SEB, Research Division - Analyst*

Anssi Kiviniemi from SEB. Four, if I calculate it right, questions from my side. First of all, you highlight the Chinese joint venture there. When do you expect to get the authority approvals necessary for the joint venture? And when should we get the sales production and some, hopefully, profits from that investment?

Jari Rosendal - *Kemira Oyj - Chairman of Mgmt. Board, President & CEO*

Well, when we announced it late last year, we estimated that it would be -- during the first -- or end of the first half of this year. It didn't happen, so it's in the hands of the Chinese officials. And they haven't given us any specific schedule on it but hopefully, as soon as possible, we get to go. And then it takes us roughly 9 months to start to see any significant benefits from there. We need to complete the plant and take the safety issues on the plant, meaning technical safety, instrument safety and so on to higher level of standards. And that's what we need for the 9 months' work.

Anssi Kiviniemi - *SEB, Research Division - Analyst*

Great. Then on price increases, it sounds to me that you're currently accelerating the pace you are doing price increases. Or are you now talking about the effect coming in on larger scale?

Jari Rosendal - *Kemira Oyj - Chairman of Mgmt. Board, President & CEO*

I think a bit of both. Because once you negotiate the price increases, and if you look at the number of customers it starts one by one. So now it starts to slowly bite. But obviously, I'm pushing hard the organization also that they are more aggressive. And also, the customer base is starting to realize that it's not a sustainable situation for the suppliers to eat this price increase. So there are both effects, so it's just the share of the contracts that is starting to have bigger price increases. But there is competition out there, so it's also depending on area and on the market and what the competition is doing.

Anssi Kiviniemi - *SEB, Research Division - Analyst*

When I look at the raw material charts, I kind of think that we have seen most of the kind of peak in growth in raw material prices. Is this a fair assumption? And going forward, you have posted positive priced variable cost spread first time for a while. Should we expect this to continue, accelerate or be in similar levels than it was in Q2?

Jari Rosendal - *Kemira Oyj - Chairman of Mgmt. Board, President & CEO*

I think the trend there is speaking for itself. Hopefully, we don't have any upsets in the value systems that short term will do something like we had the hurricanes last year and those type of things. So obviously, the trend has been pretty solid going forward. So that's what we want to hold on to.

Anssi Kiviniemi - *SEB, Research Division - Analyst*

Okay. Then last one. We saw the big FX move. You highlighted it there pretty nicely. Looking at Q3, there shouldn't be any surprises from that front, right?

Petri Castrén - *Kemira Oyj - CFO, Member of Management Board & President of Americas*

Well, obviously, I cannot predict. I would be doing something else, more lucrative if I was able to...

Anssi Kiviniemi - *SEB, Research Division - Analyst*

But as you look at it now?

Petri Castrén - *Kemira Oyj - CFO, Member of Management Board & President of Americas*

Like I said, the big -- 2/3 of our FX change is really explained by the euro-U. S. dollar rate. And looking at that chart, regardless of which direction the ratio goes, it should not create significant. Then we do have some other currencies which have impacted, with now sort of combining for the 1/3, it's the Brazilian reais, we have now had a hit on Argentinian peso. We have a small entity in Argentina, but the entity -- or the currency being depreciated by 40%, it actually does create some -- So with those ones, I cannot predict. But the big ones, we should see -- we shouldn't see any major moves on the U.S. dollar exchange rate or impacting from the U.S. dollar exchange rate.

Olli Turunen - *Kemira Oyj - VP of IR*

Excellent. Okay. Operator, let's take questions over the webcast.

Operator

(Operator Instructions) And our first question comes from the line of Ben Gorman from UBS.

Ben Gorman - *UBS Investment Bank, Research Division - Associate Analyst*

Just a few questions from me, if that's all right. First of all, can you give an idea of the exit rate for pricing in the quarter? So it looks like the impact was sort of 8% at group level and 1% volumes. But should we think about this and going forward being the average of the quarter? Or did you sort of raise prices in April and then that's your sort of 1 year contract? Or are we thinking about the highest prices that you're seeing so far being at the end of the quarter? That's the first question. Second question, in terms of volumes. Volumes appear to be slowing slightly or at least the impacts on EBITDA seems to be slowing. Obviously, you're coming up against a bit of a utilization barrier in oil and gas. Where are you in terms of oil and gas utilization at the moment? And how much further on volumes do you have left? And then the final the one, just in terms of what you're seeing in the market at the moment. This time last year, we were still talking about price pressure from Solenis. Is there any early signs on the possible dis-synergies from BASF and Solenis? And have you got any idea about the sort of quantum of volume benefit that you could gain over the next few years?

Jari Rosendal - *Kemira Oyj - Chairman of Mgmt. Board, President & CEO*

Okay. If I start from the last one, really the Solenis and BASF water and paper chemical combination that was announced in May. Generally -- can't comment their activities and I guess their thoughts. But generally, consolidation of the market is good for the industry. So in a sense, that's -- there, they are still competing with each other until they can close. I think they announced that they can close or look forward to close by the end of the year. So in that sense, nothing has changed. And then it remains to be seen on how they start to behave once they close. When it comes to the capacities and volume growth, like Petri said, the 3 months is a short term to compare, especially in a shutdown season, so some impact from there. But clearly, we are, in many of our bigger product lines, in good utilization rate, and we're now focusing much more on optimizing and maybe not producing the lower value-adding products and going to the higher value-adding products; and that plays into polymers, which is mainly the business in oil and gas. We are also debottlenecking our assets as we find opportunities, and our team has done great work in that. And obviously, we are considering potential expansions. But if those decisions come, we'll tell you about those when the time is right. And the NLP capacity is under construction in Botlek, and we look forward of getting that online around this time next year. So there will be a step into the capacity. Petri, can you answer the first part?

Petri Castrén - *Kemira Oyj - CFO, Member of Management Board & President of Americas*

Yes. There was also a question about the -- what the timing of the price impact, so whether we have reached the peak. And obviously, we have thousands of customers and many of them buy multiple products, so -- and we don't -- I couldn't time it. And so that's, in that sense, impossible to say whether the 6% for the quarter was big or anything. However, I think we've highlighted the impact of caustic here. And caustic on year-to-year, I don't have the data with me, and it's a publicly traded commodity, so that has increased significantly. So the caustic price increase year-on-year does impact or sort of amplify the impact of the 6% increase. And it seems like we rather have reached the peak on the caustic pricing. So assuming that holds, and everything else being the same, the 6% should be lower number in the coming quarters, but that's only isolating on the impact of caustic price increases.

Jari Rosendal - *Kemira Oyj - Chairman of Mgmt. Board, President & CEO*

And adding on that, that goes also into the Pulp & Paper organic growth, but still, that was healthy even without the caustic. And we do trade the caustic cost plus, so in a sense, the price coming down or up really doesn't drive the bottom line that much. It just drives our percentages.

Operator

And the next question comes from the line of Panu Laitinmäki from Danske Bank.

Panu Laitinmäki - *Danske Bank Markets Equity Research - Senior Analyst*

Most of my questions were already answered, but still 2. Firstly, on the raw materials. Just kind of can you comment whether this situation is now the same, or are you more optimistic or more cautious on this over kind of a cost-versus-pricing outlook for the coming quarters? And then secondly, on CapEx. Could you clarify -- so you expect CapEx to be closer to EUR 160 million this year, if I understood correctly.

Jari Rosendal - *Kemira Oyj - Chairman of Mgmt. Board, President & CEO*

Yes. On the CapEx, I mean we've guided EUR 160 million to EUR 200 million depending on the timing of the project, but possible additional projects coming online. But like Petri said, from [Denmark] we're probably on the lower side with the outlook today. And we see raw materials, especially the oil-based, that's 30% accretive, and they're sort of following trend. The oil prices are going up. But as I demonstrated that, that can be very volatile and politically driven, so yet to be seen. More I'm worried, there are upsets in the values in terms of oil derivatives that their structures down or damaged to something like that whether or so and so, then they are very steep and going up. We keep on working quite steady on increasing our prices and negotiating hard with the customers. And yes, they are negotiating hard with us also, but we are in an inflatory (sic) [inflationary] path, hopefully a slower one now.

Operator

And the next question comes from the line of Johannes Grasberger from Nordea.

Johannes Grasberger - *Nordea Markets, Research Division - Senior Analyst of Materials*

Johannes from Nordea. Most of the questions were asked already, but let's start about -- maybe you could talk a little bit more about the mix. I remember that in Industry & Water, that was supposed to be kind of a tailwind to improve the mix. Has that already improved? Or is there still runway left, and how much?

Jari Rosendal - *Kemira Oyj - Chairman of Mgmt. Board, President & CEO*

I'm not sure if I get the drift on mix. But in Industry & Water, if you look at the mix of oil and gas, obviously, it's growing. And there, we've been able to pass on the price increases, because it's more like a daily pricing type of a dealmaking. And our EMEA business in water treatment is going well. So maybe that's part of the mix. I'm not sure which type of mix you're looking for.

Petri Castrén - *Kemira Oyj - CFO, Member of Management Board & President of Americas*

If I'm sort of interpreting the question, it may refer to some of the lower-margin business which we have got within oil and gas, meaning, for example, the CEO of our business. And here, it's not really a mix issue, but that part of the business is still creating lower margin. And Jari was talking about the NLP investment. This is the investment that we are doing in Netherlands. And until that investment is complete in early part first half 2019 or we will see the benefit or the margin uplift on that part of the business only after that. In a meaningful way, we will see some incremental improvement on the margin on the way towards that. But it's not the mix of business, but it's really, really that part of the business will be helped in the future.

Jari Rosendal - *Kemira Oyj - Chairman of Mgmt. Board, President & CEO*

Yes. That's a good point. The other point that we have some seasonality now coming in. So our Oil Sands business in Alberta in Canada, which, during the winter, I can tell you is a cold place, so they can't treat their waters during the winter time. So our deliveries are sort of during the summer season, and that's when we get volume from there and they do their year's worth of treating in 6 months. And that is somewhat mix related, so it's a diluting business, but still, we are developing it to be less dilutive and a healthy business. But we just started those contract deliveries a month or 2 ago.

Johannes Grasberger - *Nordea Markets, Research Division - Senior Analyst of Materials*

Okay. Just shortly to Petri. You mentioned second half '19, meaningful impact on margin. Is that -- was that now coming from CEOR volumes or something else?

Petri Castrén - *Kemira Oyj - CFO, Member of Management Board & President of Americas*

Next year, next -- second half 2019. So we will have the investment in Netherlands, which will be complete in the first half of '19. So after that, we will have the ability to deliver more volumes, but also we will create a more meaningful margin uplift for that part of the business after the investment is complete. I also said that in the second half of '18, we will have some marginal improvement to our cost base for that part of the business. But really, that is marginal and will be sort of a -- will probably not be visible in this type of numbers.

Operator

(Operator Instructions) As there are no further questions, I'll hand back to the speakers.

Olli Turunen - *Kemira Oyj - VP of IR*

Thank you. So this concludes the Q2 presentation. Thank you for your participation, and have a good summer.

Jari Rosendal - *Kemira Oyj - Chairman of Mgmt. Board, President & CEO*

Thank you.

Petri Castrén - *Kemira Oyj - CFO, Member of Management Board & President of Americas*

Thank you.

Operator

This now concludes our conference call. Thank you all for attending. You may now disconnect your lines.
