EVRAZ H1 2013 results
Transcript of the conference call

Corporate Participants

Alexander Frolov
Giacomo Baizini
Pavel Tatyanin

Questions and Answers

Operator

Thank you very much. If you wish to ask a question please press * 1 on your telephone keypad and wait for your name to be announced. If you wish to cancel your request please press the # key. Once again, it's * 1 for any questions or comments. If all the participants could please announce their company names. Your first question comes from Sergey Donskoy. Please ask your question.

Sergey Donskoy – *Soc Gen*

Hello, everyone, thank you for the presentation and congratulations on very strong results. I have three questions, if I may. One: speaking of your overseas divisions, specifically EVRAZ Ukraine and EVRAZ Europe, these two divisions demonstrated a very strong improvement compared to last year despite a very significant $60 to $70 slide in steel prices. Could you comment a bit on how this improvement was achieved despite such unfavourable steel price environment?

Question number two: your interest expenses increased noticeably to 377 million from 320 million last year. Was it simply the effect of Raspadskaya consolidation or something else contributed to this?

And lastly, has there been any news regarding the announced sale of Highveld? Do you think it is still reasonable to expect the deal to be closed by the end of the year and do you think there could be any changes to the previously agreed parameters of the deal? Thank you.

Giacomo Baizini

Sergey, this is Giacomo. Could you repeat your second question because the line dropped for a bit.

Sergey Donsky – *Soc Gen*

My second question was about interest expenses. Your interest expenses increased from 320 to 377 million this year, in the first half this year. I wonder, was it simply due to consolidation of Raspadskaya or some other factors contributed to this?

Giacomo Baizini
This is Giacomo. This is in large part the effect of the consolidation of Raspadskaya but we can give you the breakdown if you like offline.

Sergey Donsky – *Soc Gen*
Okay.

Alexander Frolov
I think that for the third question, Pavel Tatyanin will give you an answer. Pavel, please.

Pavel Tatyanin
Hello. I guess, as far as Ukrainian results are concerned, please remember Ukraine is a composition of steel assets and iron ore assets so an improvement in the overall performance in the first half of this year is a contribution of better volumes of the EVRAZ Sukha Balka and better iron ore pricing in the first half of the year. And on the EVRAZ DMZ steel mill side of things the mill was marginally loss-making on the EBITDA side of things in the first half of the year but the losses were very small, primarily because of the better productivity of the blast furnaces.

And the third factor which led to better Ukrainian segment performance was basically better performance of our coke batteries. We were able to load the two remaining coke mills to a much greater extent in the first half of the year. That was primarily attributable to better performance of the blast furnaces that I've already mentioned and also some better market conditions because we were able to adjust our Bagleykoks coke mill in particular to meet the demand in the local Ukrainian market.

As far as the European mills are concerned we were much better in operating our steelmaking facilities in the Czech Republic in an on-and-off mode which allowed us to negotiate some better pricing from Arcelor Mittal in the first half of the year which consequently resulted in improved margins. So I guess these are the main contributing factors to better performance of the two regions.

And referring to your last question, we still believe that it is reasonable to expect the Highveld sale to be closed before year end. The buying consortium, Nemascore, is taking a little longer time to put together financing package because the transaction that we're talking about basically is a large transaction in the South African context, therefore it takes them longer time to put together funding. However, we believe that, you know, there is progress in our negotiations there and that all leaves us optimistic for the deal closing before year end.

Sergey Donsky – *Soc Gen*

Thank you.

Operator

Your next question comes from the line of Dmitry Kolomytsin. Please ask your question.

Dmitry Kolomytsin – *Morgan Stanley*

It's Dmitry Kolomytsin from Morgan Stanley. A quick question about Mezhegey. I just would like to understand whether you're trying to develop this project because there are certain licence obligations or you really feel there is a need to develop this project because you need this coal. Would you be able to give us some update on the current plans to create some infrastructure near the project, has there been any progress regarding railroad construction, how do you plan to ship coal in the meantime and what sort of cash cost do you expect to see at Mezhegey in the beginning? Thank you.

Alexander Frolov

This is Alexander Frolov. I think that the main reason for us to develop Mezhegey is not because of licence obligations, it's because we believe that this is high-quality coal. It's so-called grade Zh, which we have a lack of in Kuzbass. So we believe that it's a really good project despite of sudden softening in the coke and coal prices.

Speaking about railroad, I think it's not so much relevant to our approach to Mezhegey development because in the initial stage we plan to mine about 1.5 million tonne of coal per year and this coal will be transported by trucks to one of our mining sites which is located in a distance of 450km from Mezhegey deposit.

Speaking about cost, I think it's important to speak about the cost of the coal delivered to the railroad and it's going to be of the realm of $90 per tonne and we believe that for this quality of coal it's a quite competitive cost.

Dmitry Kolomytsin – *Morgan Stanley*

Can I just clarify one thing? So are you going to bring this coal by truck and the distance is 450km?

Alexander Frolov

Yes.

Dmitry Kolomytsin – *Morgan Stanley*

And you also said it's going to take you $90, nine zero?

Alexander Frolov

Yes, including the mining costs plus truck transportation.

Dmitry Kolomytsin – *Morgan Stanley*

Okay, and how much more would it take to convert it into concentrate?

Alexander Frolov

Again, it's probably another $30 maximum.

Dmitry Kolomytsin – *Morgan Stanley*

Okay, and…

Alexander Frolov

It might be less.

Dmitry Kolomytsin – *Morgan Stanley*

Okay, and wouldn't it be cheaper to buy such coke and coal on the domestic market at this point or…?

Alexander Frolov

No, I think this is below current local prices for the similar grades.

Dmitry Kolomytsin – *Morgan Stanley*

Okay, thank you very much.

Operator

Your next question comes from Victor Drozdov. Please ask your question.

Victor Drozdov – VTB Capital

Hi, this is Victor Drozdov from VTB Capital. Thank you for your presentation. I have some questions. Firstly, could you please comment on financial divestment from VGOK or some other mining assets as there have been some speculations in press on the issue?

The second question is, apart from maintenance capex, what is the main source of your 2013 capex guidance reduction?

And the third question is on your slab cash costs; what was it in the first half of 2013?

Alexander Frolov
Okay, it's Alexander Frolov again. I will answer the first two of your questions and then Giacomo will give additional comments. Unfortunately the quality of the line was not perfect. If I understand your first question correctly you're asking about potential development of VGOK. I can reconfirm that we have such an intention because for this moment we're seeing that it's not a core asset for us, it's underground mining with high cost of production and we believe that there is a potential risk in case of further iron ore price decline that this asset would create unnecessary financial burdens for EVRAZ. So we are now speaking to the potential buyers and again, as soon as we come to any firm agreement it will be disclosed in accordance with our disclosure obligations.

Then speaking about capex reduction, I think that this reduction is coming from two sources. The first one is project capex because we have completed the largest projects we have in our portfolio. Again, just to remind you, this is reconstruction of the rail mill and of the Yerunakovskaya VIII mine and PCI at EVRAZ NTMK. So the next largest project which we're going to complete next year, it is PCI at EVRAZ ZSMK and that's basically it. We don't have any other major projects in the pipeline.

Maintenance capex, especially in the mining, was another source of total capex reduction. And then on slab costs I think Giacomo will be able to give you…

Giacomo Baizini
Yes. I think on that one we will follow up because we're having problems looking at the data. I want to make sure that it's also on the same basis that we've previously disclosed slab cash costs.

Victor Drozdov – VTB Capital
Okay, thank you.

Operator
Your next question comes from Vladimir Sergievsky. Please ask your question.

Vladimir Sergievsky – *Barclays*
Hi, gentlemen. Congratulations on strong numbers. A couple of questions from my side. Just to follow up on your maintenance capex, you actually introduced a pretty significant decrease. Just wondered if you could give some colour on how you are going to achieve this. That's number one. The second one is on

your working capital. You were capital-building during the first half of the year. Is there any chance that this trend could be reversed in the second half? Thanks.

Alexander Frolov

Repeat your first question because we did not quite understand.

Vladimir Sergievsky – *Barclays*

All right. The first one was on maintenance capex. You introduced a pretty significant decrease for this year. The question is, is there any particular measures how you are going to achieve this decrease?

Alexander Frolov

Well, you know that we always have some flexibility to do some maintenance a little bit sooner or a little bit later. If we postpone some capex, which we actually did, then we simply run a risk of more frequent accidental stoppages but we believe that under current market conditions it's a better trade-off for us to reduce maintenance capex and just deal with the stoppages ad hoc.

There is, of course, certain limits on this approach. We cannot decrease our maintenance capex further from the projected level. It would be more difficult and more risky.

Vladimir Sergievsky – *Barclays*

Right, thanks. And in terms of working capital and its performance during the second half of the year?

Giacomo Baizini

This is Giacomo, I'll take that question. Yes, we continue to work on working capital in particular. In the first half we had a build-up due to the increased volume of sales, particularly in Russia, so there is a chance that this trend will reverse in the second half.

Vladimir Sergievsky – *Barclays*

Right, thanks a lot. And just maybe a quick follow-up; I'm just looking on your presentation on slide six when, where you have a breakdown of your EBITDA by divisions and there is a large elimination and it substantially increased in the first half of this year, by four times versus last year. Could you give some colour on this increase please?

Giacomo Baizini

Yes, sure. So this is quite a technical matter and we can follow up by email if my explanation is not completely clear but basically the eliminations is profit that is booked within one division on sales to another division within the group so, for example, when the iron ore mining division sells iron ore to the steel division it books an EBITDA at the value of the price at which it sells that iron ore. So that is booked as EBITDA for that division but when you look at the consolidated accounts, this is profit that the company itself as a whole has not made so that needs to be subtracted when looking at the consolidated EBITDA and we call that URP, unrealised profit so it is taken out.

That's the major component which has a volatility from period to period and because of also the movement in stocks and the movement in prices, that's why at different periods that adjustment called unrealised profit changes from period to period and is not constant.

Vladimir Sergievsky – *Barclays*
Right, perfect, thank you very much for this.

Operator
Your next question comes from Denis Gabrielik. Please ask your question.

Denis Gabrielik – *Otkritie*
Hello. Actually all my questions have been answered, thank you.

Operator
Thank you. Your next question comes from Yuri Vlasov. Please ask your question.

Yuri Vlasov – *JP Morgan*
Hello, gentlemen, two questions; coming back to your EBITDA reconciliation which you can see on page 20 of your accounts where you move from 807 million of your EBITDA status and management account into 939, the number you reported, there are a number of things that affect this bridge and it's 102, 20, 150 and -100. Could you please give us an indication, where in P&L will we be able to find these? That's the first question.

And the second question; could you please give us any indication of the transportation cost of slab from your Russian facility to the Far East port? Thank you.

Alexander Frolov
I will answer the second one because it's more simple. I think the transportation cost from ZSMK roughly was about $80 and at NTMK, it is about $90 per tonne.

Giacomo Baizini

On EBITDA there are a few adjustments there and again, I think it's best if we follow up with email on the exact calculations please, but one of the differences is because the recalculation was done also based on the forecast in the management accounts. There is a difference between forecast and actuals and a slight difference in the consolidation scope of what we have for the management accounts and what we have for the IFRS accounts.

The other differences are due, as I mentioned, mostly to the unrealised profit and the unallocated subsidiaries adjustment; these are the management companies that are not allocated to any particular segment.

Yuri Vlasov – *JP Morgan*
Okay, but we'll reserve the right to come back and follow up by email.

Giacomo Baizini
Oh, sure, we're happy to provide a full analysis by email.

Yuri Vlasov – *JP Morgan*
Fantastic, thank you.

Operator
Your next question comes from Rodney Thomas. Please ask your question.

Rodney Thomas – *Citigroup*
Hi, Giacomo, thanks for the call. On slide ten where you indicate the net debt and total debt history and then you have the note indicating cash deposits collateral under swaps, does that mean that all of the difference between the net debt and the total debt is, all of those deposits are pledged as collateral on your swaps?

Giacomo Baizini
No. That's a bit of an issue with formatting. Basically this is also a slight difference from what we previously had in the accounting of debt. Basically what I decided this time is to include – as you obviously know, the difference between total debt and net debt is basically cash, right, so it's a question of what's considered cash. So before we just had cash and deposits so there should be a comma between the deposits, between cash and deposits and there also should be a comma after deposits which is the third component we add at this time which is the collateral under swaps.

And the reason why we added that is that, because it is collateral which goes towards the payment of the principal of the debt when the swap is closed, when the debt becomes due so it's logical to take that out of the total debt when calculating net debt. It is not a large number, it fluctuates from period to period. For example, in the previous period we had zero. Now I think it's somewhere between 20 and $30 million but I can provide that figure.

Rodney Thomas – *Citigroup*
Okay. Thanks a lot, that's very helpful.

Operator
Your next question comes from Emmy Al-Ghabra. Your line is open.

Emmy Al-Ghabra – *UBS*
Hi, thanks very much for the presentation. It's Emmy Al-Ghabra from UBS. I just had a question on your remaining maintenance covenant. So is it just this 260 million bilateral facilities which have the maintenance covenant? And can you confirm if it's the same as what you disclosed, I think, on your end of 2012 call? So I think it was 3.5 times net leverage maintenance coverage at Evraz Group SA level. Is that still the same?

Giacomo Baizini
In brief, the answer to both of those questions is yes. Within that 260 million there are some facilities that have even higher maintenance, particularly the late facilities that we closed but the lowest maintenance covenant is at 3.5.

Emmy Al-Ghabra – *UBS*
And what is your net leverage as calculated in that form as of first half 2013?

Giacomo Baizini
As you rightly mentioned, we're tested on the leverage of Evraz Group SA, not EVRAZ plc so the leverage we disclose on the pro forma calculation on page ten is for EVRAZ plc. So honestly, because we have not had to do that compliance this time, I don't have the number in my head but we can do that calculation and send that to you.

Emmy Al-Ghabra – *UBS*
That would be very helpful if you could, thank you. Just a follow-up question; what is the maturity of these facilities with the maintenance covenant and do you have any plans to repay them early in order to remove all of the maintenance covenants remaining?

Giacomo Baizini

As you obviously know we repaid $750 million of pre-export finance facility which had those covenants in there precisely because it was fairly, relatively short-term. What we're left with is $260 million; it is actually fairly long-term and cheap so it really didn't make much sense to repay it early. And the reason why it's cheap is because it's mainly ECA-backed financing - Export Credit Agency guaranteed financing for the import of equipment for our investment projects. So it's basically subsidised by the governments where this equipment is produced so it's very low interest rate. I mean, unless there are issues with getting away from those covenants in future, we don't plan to repay early.

Emmy Al-Ghabra – *UBS*

Okay, great, thank you.

Operator

Your next question comes from Nikolay Sosnovsky. Please ask your question.

Nikolay Sosnovsky – *VTB Capital*

Yes, hello, thanks a lot for the presentation. I've got actually a small question in addition to what we asked already. Given your Ukraine exposure and the growing tensions between Russia and Ukraine do you expect any implications on your operations? And subsequently when presumably Ukraine enters any agreements with either custom union or European Union do you expect any changes for profitability or any other matters? Thank you.

Alexander Frolov

Pavel, could you answer this?

Pavel Tatyanin

Hi. Thank you for the question. I guess, from the short-term perspective we haven't had any implications on our operations and our trading was basically not impacted by the tensions that Russia and Ukraine had lately on the border. From the long-term perspective I guess the real impact still needs to be evaluated depending on the exact details of the potential agreements that Ukraine may enter into. So we would not be in position to evaluate the direct impact without knowing the details which, I believe, are unknown to the key participants as of now, as yet.

Nikolay Sosnovsky – *VTB Capital*

I see, fair enough, thank you.

Pavel Tatyanin

Thank you.

Operator

Your next question comes from Olga Fedotova. Please ask your question.

Olga Fedotova – *Unicredit*

Thank you very much for the presentation. I have a quick question regarding your funding plans. Do you plan to reduce your total debt in the medium term?

Giacomo Baizini

I'll take that question. Yes, we do have the objective and we have had for a while the objective to reduce our debt. The question is the speed and the way in which we get there and I think it's easier to talk about net debt than total debt as it is less volatile. So, we're now at just over seven billion in net debt. I think we should like to be somewhere in 5.5 billion range of net debt and, a number of things we can do to get there apart from an improving economic environment which is not really much under our control, is the increase of free cashflow through capex reduction, through further work on working capital and, of course, disposals, as you're aware, we're undertaking.

I guess at some point another option could be equity but we have no concrete plans for that.

Olga Fedotova – *Unicredit*

Okay, thank you very much and actually the last question; what is your outlook for steel prices in the second half of 2013?

Alexander Frolov

That's Alexander Frolov speaking. I don't think that we could give a precise forecast for the steel prices. We believe that market would remain at the kind of, maybe some potential improvement but we don't see any bad things happening at least during this period of time.

Olga Fedotova – *Unicredit*

Okay, thank you very much.

Operator

Your next question comes from Semyon Mironov. Please ask your question.

Semyon Mironov – *Credit Suisse*

Hi, this is Semyon Mironov from Credit Suisse. I have a question regarding page seven of the presentation on cost of revenue. Looking at the table I see that very significant decline in raw materials managed to pretty much compensate for growth in the rest of costs. And, as it is explained on this page, it is coming from lower prices and some higher intra-group coal supplies. But I'm trying to understand whether this potential for cost declines is over and not much can be done on top of what has been already achieved, while everything else pretty much keeps going higher due to inflationary pressure, or there is some potential for further cost declines especially on raw materials side.

Of course, I understand that weak rouble would help as well but I am speaking from the point of view of what company can do internally. Thanks.

Giacomo Baizini

The answer I was going to give was related to the weakening of the rouble that would help and I guess, otherwise a lot will depend on the pricing of the raw materials that we buy. I guess in coke and coal, if we have the new capacity or expand our own production in the future, we will be buying less from the market so that that would give you a decrease in the raw material costs but less of an increase in the other factors so that's where some effect could come.

Also, as we streamline our portfolio of iron ore assets as well we should be able to buy cheaper iron ore maybe from the market than we can produce ourselves in some of our higher-cost operations. Of course, on everything else we will continue to work on that.

Semyon Mironov – *Credit Suisse*

Just a follow-up on the question asked earlier about Mezhegey coal, can you please say what is the current price of this type of coal on Russian market?

Alexander Frolov

I would say it's slightly below 4,000 roubles per tonne.

Semyon Mironov – *Credit Suisse*

Thank you.

Operator

Your next question comes from the line of Barry Ehrlich. Please ask your question.

Barry Ehrlich – *Citigroup*

Yes, I have three questions, if I may. How does the order book compare with this time last year? How does channel inventory, especially in the construction field product range, again compare with this time last year? And if you can discuss this, what coke and coal and iron ore self-coverage are you targeting for the second half? Thank you.

Alexander Frolov

To answer your first question, I think that our order book these days is pretty normal, as well as level of inventory on both raw material and finished product side. Then talking about self-coverage, in the second half I would say that numbers would remain flat mostly to compare with the first half of 2013. We do not expect any major changes.

Barry Ehrlich – *Citigroup*

Okay, great, thank you.

Operator

You've got a follow-up question from Dmitry Kolomytsin. Please ask your question.

Dmitry Kolomytsin – *Morgan Stanley*

Just a follow-up on Highveld and the sale of the asset. You said earlier that you expect some news by the end of the fourth quarter but have there been any changes to the price of the sale, the 320 million that was agreed in March?

Alexander Frolov

Pavel, could you elaborate on that?

Pavel Tatyanin

Yes, this is Pavel Tatyanin. We have not seen and we have not negotiated any significant change to the terms that were announced in the first quarter of the year when the MOU was signed.

Dmitry Kolomytsin – *Morgan Stanley*

Perfect, thank you very much.

Pavel Tatyanin

Thank you.

Operator

Your next question comes from Maria Krasnikova. Please ask your question.

Maria Krasnikova – *BTG*

Hello. It's Maria Krasnikova from BTG. Giacomo, just follow up the question on covenants and liquidity. You mentioned that there is a maintenance covenant and in your presentation there is a statement that you got a waiver for the next two testing periods. Does it mean that by the end of the next year you would not test the maintenance covenant, correct?

Giacomo Baizini

To be clear, the waiver we have had for testing the results on 30th June 2013 so these results are not being tested and the results for 2013, full year results so the next time we will be tested will be in end of August or beginning of September 2014 when we will issue the accounts for the first half of 2014.

Maria Krasnikova – *BTG*

Okay, clear, thank you. My next question regarding credit lines from banks, would you give an idea what's the size?

Giacomo Baizini

We have no major committed lines at the moment as we have enough liquidity and with our current lines so our next large maturity is in the fourth quarter of 2014, so we will deal with that in time. I guess one slight exception to that is the ADL in North America which is a commercial revolving credit facility which is committed and that's a total of just over $500 million but again, it's a revolving credit line.

Maria Krasnikova – *BTG*

Okay, and in the presentation you put information that there is a quite sizable repayment in the third quarter of 2013 so you have already repaid it or rollover?

Giacomo Baizini

Yes, correct.

Maria Krasnikova – *BTG*

Okay, and what's the maturity of this facility at the moment?

Giacomo Baizini

Well, it's repaid so basically what was due we repaid and this was the $404 million, for example, Nordea facility that we had that's been fully repaid and most of the rest is the commercial lines that we utilised to more or less of an extent depending on the cash balance that we wish to hold.

Maria Krasnikova – *BTG*

Okay, thank you very much.

Operator

Your next question comes from Vasily Kuligin. Please ask your question.

Vasily Kuligin – *Renaissance Capital*

Good evening, two questions from me, if I may. The first one is about any orders for high-speed rails. What is the situation there right now? It will be interesting to get some updates if you've got or will have any orders from Russian Railways in the near future.

And the second question; actually I'm not quite sure that that was an official statement but I saw a headline on Bloomberg today that said that EVRAZ may invest $200 million into Timir project and reach about three million tonnes per year capacity. So is it true or if not, can you please comment on this project and tell your short-term plans on this? Thank you.

Alexander Frolov

So speaking about high-speed rails, we are now moving slowly with certification process because it takes some time since the rails should be physically tested for the stress and it's happening right now and this process will probably take another two, three months. And after that we would expect that the first orders for high-speed rails could be placed with us. At the same time, because the testing is not yet finished, it would be premature to speak to RZhD about these possibilities.

I mean, we have high-speed rails as part of our five-year contract with RZhD so I believe that as soon as we're capable to produce or when we reckon the quality is satisfactory then we'll supply.

Then speaking about Timir, I think I haven't seen this particular quotation but what we are saying to some newspapers this morning is the following; we have found the possibility to start development of Timir project initially from a smaller scale than it was originally planned. So we see the way how to make it so the production there will be on the level of three million tonnes per year and the required capex would be not more than 200 million US. So there will be some initial beneficiation of the iron ore which would take place at Timir site and then material would be transported to already existing beneficiation plant which we have very close to our steel mill in Zabsib. So this would give us significant advantage in the total capex for this project.

Vasily Kuligin – *Renaissance Capital*

Understood, thank you. And what is the timing of these events?

Alexander Frolov

We are still moving through project studies. At least the current plan is that production could – if all goes well - production could start there in 2016.

Vasily Kuligin – *Renaissance Capital*

Thank you.

Operator

Your next question comes from the line of Andrew MacFarlane. Please ask your question.

Andrew MacFarlane – *Moody's*

Hi, thanks for taking my questions. Just quickly on Raspadskaya, they said that they can rely on the sole support of EVRAZ. Could you give us a little bit more detail on exactly what that means and have you provided support in the past or are you planning to any time in the short future?

And also just going back to leverage, I know we talked about it before briefly but could you perhaps give us slightly more short-term guidance in terms of what you think it will be by the year end? I know you want to reduce net debt but perhaps where you expect net leverage to be by year end. Thanks.

Giacomo Baizini

On Raspadskaya, the support letter was really linked to a technical matter whereby the Raspadskaya is a $150 million facility with Raiffeisenbank and that facility is callable upon a change of rating of the borrower and, as you know, Moody's downgraded Raspadskaya recently so we are ready to repay the line and we're in discussions with Raiffeisen about what next steps to take. Now, I hasten to add that Raiffeisen has not issued any requests and we don't think they will so that letter of support was to give comfort to the board and management of Raspadskaya that even if that were to happen they would have the support of the group in repaying that debt very swiftly.

And regarding your second question on leverage, we're not giving any sort of outlook so, I think, depending on your view of our EBITDA and free cashflow generation, it should be fairly clear to see where you think our leverage will go because those should be really the main factors in changing the leverage from now to the year end.

Andrew MacFarlane – *Moody's*

Okay, thank you.

Operator

There are no further questions at this time. Please continue.

Alexander Frolov

If we don't have any further questions I would like to thank you for participation and I think we will speak again during the announcement of our full year 2013 results. Thank you very much.

Giacomo Baizini

Thank you.

Pavel Tatyanin

Thank you.

Operator

That does conclude the conference for today. Thank you for participating. You may now disconnect.
