HUSKY ENERGY THIRD QUARTER RESULTS CONFERENCE CALL TRANSCRIPT

Date: Thursday, November 3, 2011
Time: 10:00 AM MT 9:00 AM Pacific

Speakers:

Rob McInnis
Manager - Investor Relations

Asim Ghosh
President and Chief Executive Officer

Alister Cowen
Chief Financial Officer

Rob Peabody
Chief Operating Officer, Operations & Refining
OPERATOR:
At this time I would like to turn the conference over to Rob McInnis, Manager Investor Relations. Please go ahead.

ROB McINNIS:
Good morning, everyone. Thank you for joining us to discuss our 2011 Third Quarter results. With me today are our CEO, Asim Ghosh; CFO, Alister Cowen; COO, Roger Peabody; our Vice President of Midstream and Refined Products, Terrance Kutryk and our Vice President of Downstream Bob Baird.

In today’s call we will provide an update on Husky’s business strategy and an overview of results followed by a question-and-answer session. Please note that today’s comments contain forward-looking information.

Actual results may differ materially from expected results because of various risk factors and assumptions that are described in our quarterly release and in our annual filings which are available on SEDAR, EDGAR, and our website. I will now turn the call over to Asim.

ASIM GHOSH:
Good morning. Thank you for joining us. This is the third consecutive quarter in which we have been able to demonstrate steady improvements across a broad set of performance metrics. I’ll summarize by saying our business is on course and we are making gains in the areas we targeted for improvement. Production is towards the high-end of our guidance, and our focused integrated assets are performing well and contributing substantial value. And we are on track to achieve the milestones set out for our mid and long-term growth pillars. The results for the quarter were solid with earnings up 100% compared to the third quarter of year ago. Cash flow was up 67% and production grew 7% averaging 309,000 barrels of oil equivalent per day.

I just touched on the focused integration strategy. That strategy is delivering because of its substantial refining capacity in the U.S. Midwest, specifically the PADDII market. We’ve been able to capture a material portion of the higher market crack spreads prevailing in that market. As a result, midstream and downstream operations contributed $302 million to net earnings in the quarter.

Coming to some quarter highlights by area, starts at the Asia-Pacific, we sanctioned development of the principle fields of the Liwan Gas project which followed the submission of an overall development plan for the Liwan 3-1 field with the Chinese government authorities. You will recollect that in the previous quarter we had signed a Gas Sales Agreement for volumes from this field. These are very important milestones as we continue to advance the project towards planned first cash towards the end of 2013, beginning of 2014. And together with our Madeira Straits developments which are offshore Indonesia, we envision producing in the range of 50,000-barrels equivalent per day from the Asia-Pacific region in 2015.

Next growth pillar I would like to talk about is oil sands. So, another important highlight for the quarter was the commencement of major construction activity at our Sunrise Energy project and the completion of drilling of approximately half of our planned SAGD wells for Phase I. The contractor for the central plant facility is mobilized to the site and the construction of a 1,500
person camp is underway. And overall, the Sunrise Phase I project remains on schedule and on budget towards production, first production in 2014.

Coming to the Atlantic region we achieved a significant milestone in the third quarter. Our first production was achieved from two-well pilot program at West White Rose which is the next satellite field to be developed at our core White Rose development. And this pilot should provide us with very valuable information which will be used to refine the full development plan for the West White Rose resource.

A word about production; production remained towards the high-end of our guidance for the quarter supported by strong performance from North Amethyst and new volumes from the West White Rose pilot. But I do want to remind you that volumes were impacted by the prolonged shutdown of the Rainbow Pipeline in Northern Alberta which resumed operations in September, but over the course of the third quarter we estimate production was reduced by approximately 6,000 barrels a day.

The second thing I would like to remind you is, we have set a compound annual growth target of production of 3% to 5% through 2015, but this is not an annual growth target. I’ve said this before, but it’s worth repeating, it is a compound annual growth target. We will see some spikes in production as projects come online, and then we will see flat periods as we experienced natural declines and of course most importantly turnarounds.

But overall, from everything we’ve seen so far, we remain comfortable with our target over the planned period and in fact expect to be at the higher end of the target as we increase investment following our recent raising on capital.

So in summary, we continue to execute against our strategic plan. We are on course to achieve the milestones we set out a year ago, and I think the achievements in the quarter are a vindication of that conclusion.

Our solid financial results demonstrate the gains we have made to increase near-term production, and the value behind our focused integration strategy. We continue to achieve key milestones in advancing our three growth pillars in oil sands, Asia-Pac, and the Atlantic region. And the strength of our balance sheet leaves us well positioned to weather the economic uncertainty that we are faced with a new piece of news emerging with a standing regularity every month, over much of the last year. So we are well positioned to keep the ship on course regardless of that uncertainty. On that note let me hand you over to Alister.

ALISTER COWAN:
Thanks, Asim. As Asim indicated we’ve had another very solid quarter. However, I would like to point out that the results do reflect some items relating to higher expensed exploration costs in our upstream business and also higher FIFO inventory accounting, WTI Brent differentials in respect to accrued feed stock and higher U.S. tax rates in the U.S. downstream business.

Our net earnings for the quarter were $521 million, or $0.53 per share. That compares to $261 million or $0.30 per share in the third quarter of last year. Cash flows, Asim’s mentioned, increased 67% to $1.3 billion or $1.39 per share compared to $794 million or $0.93 per share a year ago.
In looking at upstream, the earnings in that business segment increased by $81 million in the third quarter or 35% and higher volumes and prices were partially offset by increased expensed exploration costs in accordance with our new accounting policy. For the first nine months of 2011 upstream net earnings are up 72%. Midstream and downstream businesses performed well during the quarter, and they continued to benefit from increased refining -- the marketing margins as well as higher volume. Midstream contributed $56 million to net earnings and compared to $25 million a year earlier and that was primarily due to higher pipeline throughputs.

Canadian downstream contributed $165 million to net earnings compared to $39 million a year earlier. Reflects of 53-day turnaround that took place in the third and fourth quarters of 2010 of the Lloydminster upgrade, but also higher realized margins in both upgrading and asphalt businesses this year. And the U.S. downstream contributed $81 million to net earnings, now compared to net earnings of $1 million a year earlier. Three points I would like to make on U.S. downstream. Firstly, as a result of the location of our refineries we do have a product and location discounts to benchmark market cracks, and that's approximately 20% to 25% depending on our product stream.

The results we reported do reflect the impact of our overall U.S. downstream accrued feedstock slate being approximately 6% WTI price and the remainder being Brent price. Plus, we have an estimated $83 million negative cash flow impact from FIFO inventory accounting in the quarter. Now, as you know, this is variable quarter-to-quarter, it does depend on the delta between crude oil prices at the beginning and the end of the quarter.

From a big picture perspective it has been a very troubling period for the economy and our industry. Crude prices are strong, but we have seen increased volatility. The WTI Brent differential remains unusually wide, but it is mitigated in Husky's case by our Atlantic and Asia Pacific production and our U.S. downstream PADDII exposure.

Natural gas prices in North America do remain weak, and as Asim said the actions we undertook earlier this year to strengthen the balance sheet have certainly given us a financial flexibility to continue to execute against our balanced growth strategy through this period of volatility. In looking at pricing during the quarter, the details are in the MD&A, but I do want to point to three sort of key highlights. The average realized crude oil price was $77.95 per barrel that compared to $64.28 per barrel for the same period last year.

The realized upgrading differential in the quarter was $29.87 per barrel and that compared to $13.80 last year. That was driven by wider heavy oil differentials and higher synthetic oil pricing. The realized refining margin in U.S. downstream averaged $16.13, U.S. per barrel compared to $7.77 U.S. a year ago.

As I look forward, we're seeing a positive pricing environment in the fourth quarter to date, but it is within the context of heightened market volatility. I think there are some key points I want you to keep in mind as we look forward to the fourth quarter. The Lloydminster upgraded completed minor 42-day turnaround at the H-oil plant in October, and during this period the upgrader operated at approximately 80% of capacity.
The Toledo Refinery is going to have two routine turnarounds scheduled to last 14 and 25 days, respectively, during which time throughput will be reduced to approximately 90% of normal level. And a 28-day turnaround of the Terra Nova FPSO has been rescheduled from September to October, so it will happen in the fourth quarter now.

As I look further ahead into next year, the 15-week dockside maintenance tore the Terra Nova FPSO which was scheduled for July 2011 has been deferred to 2012 with an estimated 3,000-barrels per day impact to annual production next year, and the SeaRose FPSO is scheduled to undergo approximately a 125-day maintenance off station commencing in the second quarter of 2012, and the impact to production averaged over the entire year is estimated to be about 12,000 barrels per day.

Finally, the Board of Directors has approved a quarterly dividend of $0.30 per share. And now Robs going to take over and discuss the upstream operations.

ROBERT PEBODY:
Thanks, Alister. As usual, I’ll start with safety. We recently completed a comprehensive review of our well-tracking procedures, and the other day along with the president of one of the key service companies that provide this service to us, I had the opportunity to spend a day in the field talking to the people carrying out the work and observing the revised procedures.

The additional measures we are taking are to further safeguard our people from potential hazards. Now, during critical phases of the operation, workers are completely removed from high-risk areas. This is one example of how we are using Husky’s Operational Integrity Management System, or HOIMS, to introduce intrinsically higher levels of integrity and safety into our operations.

Turning to production, and starting with our foundation, as you know, excluding heavy oil and the oil sands business we currently produce about 160,000 BOEs per day of oil and natural gas from our base in Western Canada. Our strategy is to continue to shore up that solid foundation by repositioning our investment into an emerging portfolio of oil and liquids-rich, gas resource plays. Taking a look first at oil resource plays, following wet weather delays in the second quarter, drilling and completion operations resumed at our Bakken project at Unger in Southeast Saskatchewan. Four wells were drilled in the quarter, and a further five wells are planned before year end.

Production at the end of 3Q, from four wells completed in 2010 and one completed in 2011 was 570 barrels per day. We also continued our activities in the Viking play in both Saskatchewan at Elrose and in Alberta at Red Water. Year-to-date 20 wells have been drilled and a further 15 are planned for the fourth quarter. At Red Water, we are also constructing a gas-gathering system to reduce flaring. Production performance in both areas is meeting our expectations.

With improved conditions we have also stepped up activities in our other resource plays in the Lower Shaunavon Zone, in Southern Saskatchewan and in the Northern Cardium Trend at Wapiti and Kakwa in West Central Alberta.

In gas resource plays our key focus continues to be our liquid-rich Ansell assets. A preliminary development plan has been advanced which could potentially see up to around 2,600 Cardium
and deeper Manville formation wells drilled. To date in 2011, 28 Cardium formation wells and four, multi-zone wells have been drilled at Ansell. Planned activity for the remainder of the year includes six additional Cardium wells and five deeper multi-zone well tests. We recently commissioned additional offload capacity which increases total production capacity at Ansell to over 50 million cubic feet per day and 2,000 barrels per day of liquids.

Moving to our heavy oil business in Lloyd, we continue to make good progress on our thermal developments. Our goal is to achieve an increasingly higher proportion of heavy oil production from long-life thermal projects, at finding and development and operating costs that are comparable to the current levels we see with CHOPS production. Construction of the 8000-barrel per day South Pike Peaks project was approximately 70% complete at the end of the quarter and is progressing on schedule towards first production in mid-2012. Construction of a 3,000-barrels per day Paradise Hill Thermal project is approximately 45% complete and is on schedule towards first production in the third quarter of 2012. A single well, thermal pilot was also commissioned during the quarter and has achieved first oil at Rush Lake. The design process has commenced on four additional thermal projects.

Our goal remains to increase our heavy oil thermal production from around 20,000-barrels per day, today it’s between 40,000 and 50,000-barrels per day.

Turning to our growth pillars; as Asim mentioned, Phase I of the Sunrise Energy project continues on schedule towards planned first production in 2014. Construction of a central processing facility and the camp for construction workers is underway. To date drilling has been completed on approximately half of the 49 SAGD well pairs planned for Phase I.

Finally, with respect to Sunrise, a contract for design-based engineering for subsequent phases was awarded in October and frontend engineering and design is expected to be completed by 2Q 2013. We also continue to make progress at the Tucker Oil Sands project, Tucker exited the quarter with production rates in excess of 9,000 barrels per day and we have recently seen daily production rates touching 10,000-barrels per day.

In the Atlantic region as Asim indicated achieving first oil production from the West White Rose pilot marked another significant milestone for us. Information gained from the pilot will be critical in advancing a full field development plan.

Our North Amethyst satellite field continued to perform well with average gross production of 37,000-barrels per day, which is in line with our production target rate for the project.

A third water injection well was completed in the quarter, and we now have three, production wells in three, water injection wells on stream. Drilling commenced early in the fourth quarter on an exploration well to test the Fiddlehead prospect located south of the Terra Nova field. Husky holds a 50% working interest.

Looking at our activity in the Asia-Pacific region, significant achievements have been made at the Liwan project. All major development contracts have been awarded. Liwan 3-1 development well drilling has been finished, and well completion is underway. The shallow water platform, on-shore gas processing plant, and pipeline fabrication is progressing.
We also made good progress in our plans to develop the Madeira Straits natural gas discovery offshore Indonesia. Tendering of equipment and services for the Madeira BD Field development is now under way. First gas production is targeted for 2014. We also drilled the successful MDA 4 exploration well. The well confirmed significant additional gas resources in the MDA field. The well tested at an equipment restricted rate of 18.8 million cubic feet per day and a plan for the development of the MDA field is expected to be filed in 2012.

So in summary, we continue to make substantial progress on developing our emerging oil and gas resource plays and in advancing our growth pillars while maintaining our focus on the current quarter's performance.

At this time I would like to turn you over to the moderator for your questions and following the Q&A, Asim will offer closing remarks.

OPERATOR:
Your first question is from George Toriola of UBS. Please go ahead.

GEORGE TORIOLA:
Thanks a lot. Good morning, guys. My question is around the oil and gas resource plays that you have, Ansell, and you talk about project in the Bakken. Just could you, starting with Ansell, layout what you think the plan would be for accelerating some of those things and the scale that you expect out of your resource plays here. If you could go through the top three, that would be very helpful.

ASIM GHOSH:
Rob, do you want to take that?

ROBERT PEABODY:
Yes. Thank you, George. Just going through them, I guess – and I'll keep it relatively light. Ansell, we're clearly in the, I won't say early stages of development, but we still have a lot of work to do there, and we're working through the play.

I think as previously indicated, we think Ansell can be very material as we've talked about the potential for 2,600 development wells. If you do the math on that, you get very material amounts of production, something that approaches the current production level of Husky. Now, clearly in terms of gas, and clearly keep in mind, though, we are -- we do have a value acceleration process under way, so that could factor into the final net volumes that are developed by Husky.

If we look at the Bakken, I think we've indicated before, again we're seeing great results at the Bakken, well in line with our expectations, but we don't have huge running room in the Bakken. It's a reasonably modest play, and we're looking for something in the 3,000-barrel-a-day-plus range. We may do a little better than that, but that's -- to give you an indication, it's not huge running room there.

Those are the ones I would focus on right now. Clearly we have some -- we have a number of other plays with various stages of running room, and we have a number of emerging plays that we're working on which we think could be very material. So, our overall strategy has been to
start exploiting the ones that we have in the portfolio. Part of our current land base, while at the same time developing longer-term emerging plays.

**GEORGE TORIOLA:**
Thanks a lot. And maybe just a quick follow-up question. You talked about the process that's under way at Ansell; when do you think you would be able to speak to that? When do you think you would have something on that?

**ASIM GHOSH:**
Well, as Rob mentioned, George, we are in the early stages of that process, and as soon as we have something concrete to disclose, we will, but I do want to remind you of the whole idea of, far more it's called value acceleration, is value acceleration, so if you get the value, we will progress it, and if for some reason we don't get the value we think the project deserves at this point in time we won't. I mean, I think that's about all I can say at this point in time.

**ROBERT PEABoDY:**
George, just one other thing is that we will be giving a bit more of update on these plays at our Investor Day in December.

**GEORGE TORIOLA:**
Okay. Thank you very much.

**OPERATOR:**
The next question is from Greg Pardy of RBC Capital Markets. Please go ahead, sir.

**GREG PARDY:**
Good morning, guys. Just how are you thinking about 2012 in terms of capital investment? I mean, you're well financed, very strong balance sheet? How much would be discretionary in the budget and is there a likelihood when you come out with numbers that you may take a more conservative approach and then look to increase capital in the second half of the year as opportunities present themselves? Thanks very much.

**ASIM GHOSH:**
We – overall, the overall answer really has to be what we just told the previous caller which is we will be in a position to give more concrete guidance to you guys at Investor Day. But overall, I think I'd make one comment which harkens back to what I spoke earlier. The ship is on track, and we don't see massive changes from the sorts of stuff we've discussed in the past with you. The reason we re-capitalized was to be able to ride through the ups and downs and topsy turvies of the market, so don't expect a major -- we see no reason for course correction.

**GREG PARDY:**
Okay. Thanks very much.

**OPERATOR:**
The next question is from Joe Citarella of Goldman Sachs. Please go ahead.
JOE CITARELLA:
Thank you. Anything you can say or more color if you are able to give on the heavy oil sands pilots, I guess including the two new ones you’ve started here in the third quarter? How are things trending there and any update would be much appreciated.

ASIM GHOSH:
I’ll just hand you over to Rob for that one.

ROBERT PEBODY:
Yes, okay, we are continuing to move forward on those pilots. We have four of them in operation now, and the initial focus on the pilots was to prove the technical feasibility of the project, that’s worked well. We’ve definitely seen increased recoveries using that. Now the focus is on getting the costs down so that those projects will be comparable to the type of economics we can realize on our thermal projects and in heavy oil. The next stage of that, as I think is included in the MD&A, is we are actually commissioning a Co2 recovery plant that takes Co2 off our ethanol plant and will be used as part of these -- as part of the piloting program.

JOE CITARELLA:
That’s very helpful. Thank you.

OPERATOR:
The next question is from Andrew Potter of CIBC. Please go ahead.

ANDREW POTTER:
Hi guys. Just a broader question on acquisitions; it seems like every second week I hear you rumored as buyer of specific assets or even big corporate deals. I know you won’t be able to give anything specific. But maybe just a few thoughts on how you are thinking about the acquisition market and if it is at all a possibility that we see you look at bigger corporate type deals or are you more focused on kind of smaller, one-off strategic things?

ASIM GHOSH:
Andrew, I just have to stick to the party line here and don’t read any particular thing into the party line. But if I digress on the party line then this sort of question, we don’t comment on speculative rumors. Okay, so I just can’t comment on that. I’ve told you the housekeeping stuff just kind of goes on in a small way on an ongoing basis, and there is nothing material that I can talk of at this time that’s on the horizon.

ANDREW POTTER:
Okay, and then maybe just one other question on some of the emerging resource plays. Some of these plays that -- or these newer stage plays, can you comment at all in terms of where you’re at on some of these things like in terms of how many wells or if there are -- how many wells you might have on production or when we’re going to get a little bit more definition on some of these things?

ROBERT PEBODY:
Yes. Andrew, just let -- this is Rob Peabody again. Just -- what I would say on that is we are taking a very, I would say, rigorous process to how we develop these plays and the first phase of this is to drill some vertical wells into some of the plays and then some observations wells
and then to test some frac’ing procedures. So the idea is to be very clear about the potential for the play before we start deploying material amounts of capital.

**ANDREW POTTER:**
Will there be more to say at your Investor Day on those kind of things or further out than that to get to any real insight in terms of where you’re looking?

**ROBERT PEABODY:**
Yes, we will certainly give an update of where we are.

**ANDREW POTTER:**
And then last question, I promise, is Mizen I don't know if you can comment at all on when you expect to be at TD there?

**ROBERT PEABODY:**
We have TD’d the Mizen exploration well and we’re evaluating the results of well at this time. It is a tight hole and there is an upcoming land sale in the area.

**ANDREW POTTER:**
Okay. Perfect. Thanks.

**OPERATOR:**
We will now open the question and answer to members of the media. The next question is from Abbey Barren of VOCM radio. Please go ahead.

**ABBY BARRON:**
Hello, just looking for you guys to do a little highlight of some strategies and developments planned for the Province of Newfoundland and Labrador?

**ASIM GHOSH:**
Well, as you know we have a material position where the core of our business goes back with five, six years at the White Rose project. And we have -- we basically have extension fields around that we have spoken to you about. Then you also know about explorations in Mizen and some of you are aware of our extensions in the Greenland process which is really part of the same larger basin. But as we move forward we’re at the early stages of our examination of our well-head platform concept which will be the next phase of development of that field from the floating drill rig concept.

It’s a proven concept employed worldwide. We believe it could extend the economic life of the White Rose project and increase oil recovery from nearby fields, makes drilling more efficient. But our preferred concept, and which again, I stress is at the very early stages of evaluation would be significantly different from Hibernia or Hebron in scale because we would keep the SeaRose as an integral part of the production methodology.

But again, I would basically stress that it’s at an early stage but nonetheless it’s a concept that we believe has material -- gives us material opportunity to extend the life of the area where we have a very significant presence.
ABBY BARRON:  
Okay. Thank you.

OPERATOR:  
The next question is from Nathan Vanderklippe of Globe & Mail. Please go ahead.

NATHAN VANDERKLIPPE:  
Good morning. Just wondering if you can just provide any insights your views of gas prices going forward and I know these things are a bit crystal ball efforts, but how are your views on gas prices, and how soon a recovery might be at hand is influencing your investment right now?

ASIM GHOSH:  
I will give you the official party line, the official party line is we don’t make forward-looking statements on things determined by the market, and I will give you the unofficial party line which is any CEO who sticks his neck out in predicting the price of any hydrocarbons is really sticking his neck out. So in short, Nathan, we don’t have -- we don’t give guidance of that.

NATHAN VANDERKLIPPE:  
Can you suggest whether you are generally bullish or bearish?

ASIM GHOSH:  
I will give you a more general answer which I spoke very early at out Investor Day and in my various meetings, where I believe in drown proofing our business, so therefore I believe in creating a balance sheet and a set of plans that ride through cycles.

NATHAN VANDERKLIPPE:  
Thank you.

ASIM GHOSH:  
And if you look at where our new capital is being deployed, we are basically going after liquids-rich gas resource plays as an extension of that drown proofing strategy.

NATHAN VANDERKLIPPE:  
Thank you.

OPERATOR:  
The next question is from Dan Healing of Calgary Herald. Please go ahead.

DAN HEALING:  
Good morning. I just had a quick question about the Northwest Territories investment made earlier this summer. Can you -- I realize its early days, but can you give us some ideas of what you hope to see up there; what your initial plans are?

ASIM GHOSH:  
Well, you know, I just want to first of all re-clarify what I said earlier. It is not an investment. It is an exploration license which is a work commitment. So therefore, we've actually not spent any money.
We have an intent in exploration in the area and what we have said is we will -- the so-called commitment is really a commitment to spend a certain amount of money over the next five years. We have made significant progress and we have a foundation to work with. We have got an access and benefits agreement with the key stakeholders in the area, and we are proceeding in the near term with the winter program that includes acquiring 3D seismic and drilling of two vertical wells. But it's early days yet, and once we have properly evaluated the lands we will have more so say.

**DAN HEALING:**
Again, can you speculate at all what will you find there?

**ASIM GHOSH:**
Exploration and speculation, I am going to double speculate.

**DAN HEALING:**
Okay. Great. Thanks.

**OPERATOR:**
The next question is from Jeff Lee of Pipeline News. Please go ahead.

**JEFF LEE:**
Yes. With your new building there in Lloydminster, what's the status of that, and what -- you're going to switch to thermal, how many new people have you been hiring in the last few months?

**ROBERT PEEBODY:**
It's Rob Peabody again. The build -- we're making good progress in just -- we had to replace the current office building because it was very old and had some issues with it. So we have put a replacement building in place. It is -- we're expecting to move into it early next year. I think the only thing I would take from the building really is that it does represent the fact we think Lloydminster is a very long-wavelength business, and we expect to be there in another 20 years the same way we've been there for the past 60 years. So that's just -- if you just take the view that we expect to be there for a long time.

**JEFF LEE:**
Okay. Thank you.

**OPERATOR:**
There are no for questions at this time. I would turn the conference back to Mr. Ghosh.

**ASIM GHOSH:**
Thank you. Thank you for joining us. Thank you for your questions. I do want to remind you that we will be holding our Second Annual Investor Day on December 5th in Toronto at the Royal York Hotel. And our leadership team will be on hand to answer any questions you've got an update on you on our strategy and performance.

As we part, I would just like to leave one thought with you. We have been focusing on making Husky an execution machine and I hope that the results of the quarter indicate some progress in
that direction, and that is what we will keep working on. There have been no significant changes in strategy in the quarter or indeed since – in the year since we first outlined it to you, so broadly we remain a ship on course. Thank you.

OPERATOR:
Ladies and gentlemen, the conference is now concluded. You may disconnect your telephones. Thank you for participating. Have a pleasant day.