



Godrej Industries Limited

Q3&9M FY2016 Earnings Conference Call Transcript  
February 15, 2016

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**Moderator:** Ladies and Gentlemen, Good Day and Welcome to the Godrej Industries Limited Earnings Conference Call. As a reminder, all participants' lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference, please signal an operator by pressing '\*' and then '0' on your touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Anoop Poojari of CDR India. Thank you and over to you, sir.

**AnoopPoojari:** Thank you. Good Afternoon, Everyone and thank you for joining us on Godrej Industries Q3 & 9M FY2016 Earnings Conference Call. We have Mr. A.B. Godrej – Chairman of Godrej Industries; Mr. Pirojsha Godrej – Managing Director and CEO of Godrej Properties; Mr. Balram Singh Yadav – Managing Director of Godrej Agrovvet; Mr. Nitin Nabar – Executive Director and President, Chemicals' Mr. P. Ganesh – CFO and Company Secretary and Mr. Clement Pinto – VP, Finance of the company.

We would like to begin the call with brief opening remarks from the management following which we will have the forum open for an interactive question-and-answer session. Before we start I would like to point out that some statements made in this call may be forward-looking and a disclaimer to this effect has been included in the 'Earnings Presentation' shared with you earlier.

I would now like to invite Mr. Adi Godrej to make the initial remarks

**A.B. Godrej:** Thanks, Anoop. Good Afternoon, Everyone. I welcome you to the Godrej Industries Conference Call to discuss the operating and financial performance for the quarter and nine months ended December 31<sup>st</sup>, 2015. I shall take you through some of the key developments and operational highlights of each of our businesses followed by a summary of our financial results. I am pleased to share that our overall performance for the quarter has witnessed a healthy growth in profits with consolidated net profit growing by 53%. Godrej Properties registered another strong operational quarter. GPL surpassed Rs.1,200 crore in booking value for the third consequent quarter of this financial year. I am happy to share that GPL had

its best ever launch in the quarter, The Trees Vikhroli where 93% of launch inventory of 348 Apartments with 455,500 sq.ft. were sold for Rs.862 crore within one month of launch. Net profit (after minority interest) in Q3 FY16 increased by 10% over Q3 FY15. On the operation front, GPL successfully delivered 1.34 mn sq.ft. at Godrej Genesis Kolkata and 144 Apartments, measuring 0.21 mn sq.ft at Godrej Horizon, Pune.

Godrej Agrovet business has been adversely impacted on account of a poor monsoon and subdued commodity prices. Despite the situation, Godrej Agrovet's Total Income for the quarter has increased by 14% over the corresponding period of the previous year.

I am happy to share with you that GAVL acquired controlling stake in Creamline Dairy Products Limited. GAVL intends to build an entire cattle feed to high quality milk/milk products value proposition.

Our Agri Input business during the quarter, managed to clock a steady growth of 11% over the corresponding period of the previous year. Judicious sales planning across key Categories helped us maintain our growth trajectory. Astec Life Science acquisition will help the business and augment its retail product portfolio. Sales growth in feeds business was flat during the quarter due to lower prices of all feed output agri commodities which impacted the compound feed consumption industry. During the quarter Oil Palm business vertical clocked 53% growth in topline, driven by higher volumes.

Our Joint Venture in Bangladesh, ACI Godrej has shown a robust sales growth of 51% and this has been driven by strong volume growth across categories of Poultry Feed, Cattle Feed and Aqua Feed.

Godrej Tyson continues to focus on building brand-based business and strengthening our '*Real Good Chicken*' and '*Yummiez brands*'. In Q3 FY 2016, despite live broiler pricing being subdued, sales grew by 12% over the corresponding quarter of the previous year.

With an agile team, focused on continuously improving our operational efficiency and research and development in Agri businesses, I am confident that Godrej Agrovet will continue to do well across verticals and add value through the years to come.

Moving on to the performance of Godrej Consumer Products, in a challenging operating environment, we have delivered a resilient and competitive performance in Q3 FY2016. Our consolidated organic constant currency sales saw growth of 9% and EBITDA growth of 19% are well ahead of the market growth. India business branded net sales increased by 8%, driven by 9% volume growth; double digit volume growth in Household Insecticides and robust mid-single digit volume growth in Soaps.

International business grew by 9% on an organic constant currency basis. In Q3FY2016 GCPL has delivered 23% growth in net profit. I am confident that with our clear strategic focus, differentiated product portfolio, superior execution and top notch team, we will continue to deliver industry leading results and that our medium and long term growth prospects in India and our other emerging markets would remain robust.

Our Chemicals business had a steady performance in Q3 FY 2016. PBIT for the nine months' period has increased by 141% as compared to the corresponding period of the previous year. I am also happy to share that our Chemicals business was recognised by Chemexcil, (an industry council up by the Ministry of Commerce and Industry) for its past export performance and has received the 'Trishul Award' and 'Gold Award'.

Let me now briefly run through our Financial Highlights: During the quarter, consolidated total income stood at Rs.2,561 crore, growth of 8% as compared to corresponding period in the previous year. Consolidated net profit stood at Rs.139 crore and grew by 53% during the quarter as compared to the corresponding period of the previous year.

During the nine months period, consolidated total income stood at Rs.8,462 crore, growth of 19% as compared to the corresponding period of the previous year. Consolidated net profit stood at Rs.368 crore and grew by 40% as compared to corresponding period of the previous year.

To conclude, we remain encouraged and confident in achieving our long-term objectives of exclusive sustainable and profitable growth. I am confident that our disciplined strategy, prudent approach, focus on agile execution and our committed team will enable us to improve performance further and create greater shareholder value.

**Moderator:** Thank you. We will now begin with the Question-and-Answer Session. The first question is from the line of Farzan Madon from Axis Capital. Please go ahead.

**Farzan Madon:** My question is on the acquisition of Creamline Dairy. So, could you just elaborate as to what the strategy of GAVL would be and would you be rebranding the products would GAVL act as a front end?

**A.B. Godrej:** We are not likely to rebrand the products, they are a very successful brand and this will add tremendous value because we are already the largest manufacturer of Cattle Feed and of course all Animal Feeds in the country. So it will give us a great opportunity in value added products in the milk industry. Creamline Dairy we already had 26% share of the company, so we knew the company quite well, now, we have a controlling interest and the results would be consolidated with both Godrej Agrovet and Godrej

Industries. We feel that our knowledge both in R&D and other areas in Godrej Agrovet as well as our knowledge in sales and marketing in Godrej Consumer Products will add a lot of value as we take over the growth in Creamline Dairy, but I would like to ask Balram to add to it.

**Balram Singh Yadav:** The other thing Creamline Dairy would also do now is that they will geographically expand to several places first in South India because for the last few years there have been no investments made by their company and more of that investment will be towards value addition, that is in products rather than only liquid milk.

**Farzan Madon:** What would be the top line and the EBITDA margins be – would it be close to Rs.500 crore top line?

**Balram Singh Yadav:** The annual number will be close to Rs.1,000 crore with close to 6% EBITDA margin.

**Farzan Madon:** My second question is on the Chemicals or the Non-Edible Palm Oil prices. Where would we be seeing these prices considering that El Nino has panned out last year and the effects could be?

**A.B. Godrej:** Palm Oil prices are much lower in this year; they have gone up a little bit in the last couple of months, but they are lower than the previous year.

**Moderator:** Thank you. The next question is from the line of Abhishek Anand from JM Financial. Please go ahead.

**Abhishek Anand:** Again, coming back to the Creamline Dairy, it would be helpful if we could get some ballpark number on either the valuation or the consideration and how it was financed?

**A.B. Godrej:** That is confidential, but as you know, we already have 26% shareholding, we got it at a very reasonable valuation.

**Abhishek Anand:** Because I was actually going through our Agrovet Annual Report where Creamline was actually reclassified from non-current investment to current investment and it was mentioned that we were looking to divest stake in Creamline Dairy. So just wanted to understand why there was a reversal of the stand and we actually ended up acquiring stake?

**A.B. Godrej:** No, we were comfortable looking at a divestiture and then an opportunity came for an acquisition at a very reasonable valuation based on the businesses because the other promoters were not happy with divestiture. So we agreed to take a majority.

**Abhishek Anand:** Secondly, sir, I would like to know the outlook on Animal Feed. Clearly, this quarter I think we saw a flat sales growth but the margins declined, if I am comparing with Q3 last year. So, how is the market panning out? You mentioned in your presentation that the end product prices are down, but are we seeing any uptick in either the milk prices, broiler prices or it is status quo as compared to last quarter?

**Balram Singh Yadav:** Yes, all Animal Protein prices have improved in this quarter.

**Abhishek Anand:** So are you seeing better growth going forward ?

**Balram Singh Yadav:** We are hopeful that it will be definitely better than Q3.

**A.B. Godrej:** We think growth will be very good if the monsoon this year is good.

**Abhishek Anand:** Sir, on Agri Input side, how is the Rabi season? We have seen 12% growth. Could you give us more insight on how season is panning out and maybe outlook for the coming season?

**Balram Singh Yadav:** In Rabi the sowing was about 97% of last year. But the soil moisture condition is not very good. So we might see a yield discount over last year. So we believe that it will not be as good as it was last year and it will be little subdued Rabi this year.

**Moderator:** Thank you. The next question is from the line of Anand Krishnan from Infina Finance. Please go ahead.

**Anand Krishnan:** Sir, were there any inventory losses in the Chemicals division for the quarter due to fall in crude prices?

**Clement Pinto:** No inventory loss.

**Anand Krishnan:** What would be the reason for higher margins in the Veg Oil business year-on-year despite lower CPO prices this time around.

**A.B. Godrej:** No, Veg Oil business has changed a little, earlier we had agreement with Hershey now, and we are doing our own refining of our brands.

**Anand Krishnan:** So the better margins can be expected going forward as such?

**A.B. Godrej:** I think it will continue to do better than in the past.

**Anand Krishnan:** With respect to your Animal Feed business if you could just give us a broad guideline as to what sort of capacity utilization you are actually running at in your Indian business and the Bangladesh JV as such? What would be the volume growth in each category that will be helpful?

- Balram Singh Yadav:** In the Indian business capacity utilization is close to 60% and for the Bangladesh business, capacity utilization is close to about 77%. However, we are about to commission in another two months a very big Fish Feed plant in Bangladesh. So we believe that the capacity utilization will fall a little in the coming year but absolute growth will be close to about 30% in Bangladesh next year. In India, our growth has been subdued because of very poor output prices. So we have a flat growth this year compared to last year.
- Anand Krishnan:** With respect to this Nature's Basket as in what sort of investment do you look at and what is the total outlay you are actually looking at? What will be the economics per store for Nature's Basket?
- A.B. Godrej:** We do not look at any fixed investments, we look at the opportunities, once new opportunities come up, and we think of them. To your second question, in the beginning, the economics were not very good. As the store mature, economics improves. So the mature stores are doing very well new store need some time before they mature.
- Moderator:** Thank you. The next question is from the line of Yashesh Bhatt from LKP Securities. Please go ahead.
- Yashesh Bhatt:** My question is with respect to Godrej Agrovet. As we know that there has been 20% stake of a private equity player Temasek Holding if I am not mistaken, so usually these investments go, they usually have a 3-5-year holding period capacity. So, are we looking at Godrej Agrovet listing anytime soon?
- A.B. Godrej:** Our agreement with a private equity investor provide that we should list the company as and when they ask us. We are open to do it so but as of now there is no plan.
- Yashesh Bhatt:** Also, with respect to Creamline Dairy, what kind of an outlook can you look for – are you still thinking of staying only in South India for now or what kind of growth are we looking at with respect to what has been told before like the value added products, but is there any kind of better outlook that you can give with respect to Dairy business?
- Balram Singh Yadav:** Initially, we would like to restrict ourselves to South India because we still do not cover all the important pockets of South India and an investment plan is coming up with three more processing plants, focused on value addition in different parts of South India, this is as of now the plan for the next two to three years.
- Yashesh Bhatt:** Sir, with respect to your Chemicals division, could you throw a bit of a light upon what is the nature of this business? How big is Godrej Industries in terms of the India as well as the global market?

**Nitin Nabar:** We are a B2B business we are into Oleochemicals and Surfactants. We cater to the needs of Personal Care, Home Care and other Industrial Chemicals industries.

**A.B. Godrej:** To your next question, certainly, not one of the largest players in the world, we are a fair sized player, a lot of our products are exported and the competition in this, there are companies across the world.

**Yashesh Bhatt:** With respect to your Nature's Basket I understand we are going for a bit of online process. How are you seeing this pan out in terms of your total sales in Nature's Basket because now there is a wider reach with respect to all of the gourmet products that we are providing?

**A.B. Godrej:** Nature's Basket is already growing quite well. With the online initiatives, I think the growth will further accelerate and we think this can add a lot of value.

**Moderator:** Thank you. The next question is from the line of Manish Gandhi, he is an individual investor. Please go ahead.

**Manish Gandhi:** My question is first on Nature's Basket. Last few years urban consumption had some problem in India and I think next five years could be better for urban consumption and we have positioned ourselves very well in Nature's Basket. I just want to know just way forward where at least we can come to cash profit level and we can invest from our cash generation?

**A.B. Godrej:** We cannot give any guidance on that basis because we are still growing very rapidly, we are creating a lot of value by fast growth and clearly our old stores are doing well, whereas our newer stores need time before they can start doing well. So we are investing into growth in Nature's Basket as of now.

**Manish Gandhi:** My next question is for Pirojsha. A question is where do you see for the next five years the land price in India? Why I am asking is of course we had a 10-15-years of historical rise in the land prices in India which anyway the growth is difficult to sustain and all these restructuring going on by RBI, the government focus on the banks and a lot of real estate players has a lot of land bank which I do not know when they will develop or where they will sell. So from our company point of view, how it affects us because I feel that next 5-10-years there is no chance land prices can go up and I feel that is beneficial for us, I just want your view on that

**Pirojsha Godrej:** To be honest, I am not sure I have a very strong view on it, I think obviously a lot of different factors will impact how land prices move, but if I have to hazard a guess, I would probably say that I have to agree with you that in the very short term over the next year or so that it might be unlikely that the land prices go up. I actually think over a 10-year horizon it is very likely that they

will continue to move up. I think India is doing well from an economic growth standpoint, our urbanization is continuing, higher standard of living for which land is going to be required for industries, for real estate development, for agriculture. So I do not see any real likelihood in the medium to long term land prices reducing. But as I said a lot factors that will put downward pressure in the near term.

**Manish Gandhi:** Of course we have all the models like JV and DM and of course our APG platform, so are we looking at another platform for a more bigger fund to take advantage of this land prices in the near term?

**Pirojsha Godrej:** Manish, certainly we are looking at options as we are presently expanding our business development, so that has been our intent, we were able to add a couple of new projects in January and we hope to add many more this year. I think whether it is through a platform or whether it is through joint venture, the fact that there is tightness in the industry and there is relatively lower level of competition for new land parcel, does give us an opportunity to add to the portfolio and we will certainly do our best to seize that opportunity.

**Manish Gandhi:** Balram, I just want your view, what is happening in the Seed industry from the Maharashtra government and the court cases? Of course we are a very small player in Seeds. But do you feel any kind of this thing comes in future in the Seed industry or something, is there a possibility, I do not know, I just want to know?

**Balram Singh Yadav:** Going by the reactions of several states this year to drought, I think two things are very sure – one is that there will be price control and second is a lot of subsidy on Seed will be given in several states. So, while I feel price control will be a cap on the profitability of certain companies, but a lot of Seed going into subsidy will be a good for the industry.

**Manish Gandhi:** So do you think that even in Seed industry we may see a price control kind of situation, is that a probability?

**Balram Singh Yadav:** Depends on monsoon, because last price control also came when we had almost 1 month of no rain. So, I think the government will wait and watch. I think they would not bring in price control before the season but you can expect in case the rains are not very good price control across India on several seed species.

**Moderator:** Thank you. The next question is from the line of Anubhav Goel from Enigma Capital. Please go ahead.

**Anubhav Goel:** How is the CSM part of Astec's business shaping up if you could share some details in terms of line traction apart from Sumitomo and New Farm, are we



getting any new traction from clients? What sort of margins and asset turnovers would be existing this space?

**Balram Singh Yadav:** For Astec, it is an ongoing business to look for Contract Manufacturing partner. So I presume that there are certain opportunities in pipeline; however, they take time to mature because it is a collaboration where technology comes from the partner. So we will see more of that happening because we have the capacity at Astec LifeSciences. We are also in the process of commissioning a new plant which will add to the capacity for Contract Manufacturing in future.

**Anubhav Goel:** Last quarter we had announced Rs.25 crore CAPEX towards Astec. So is this towards the enterprise sales part of the business or the CSM part?

**Balram Singh Yadav:** It is for both and a part of that CAPEX is also acquisition of land for future expansion.

**Anubhav Goel:** On an overall entity basis for Astec, could you share the capacity utilization figure if it is possible?

**Balram Singh Yadav:** Without this plant, we are at about 70%. Once we commission this plant, then definitely there will be addition to capacity; however, you have to see for these companies which have got seasonal businesses which have 100% capacity utilization for almost 5-6-months.

**Anubhav Goel:** Talking about the global export markets, are we seeing a lot of pressure on realizations maybe due to excessive Chinese competition, is anything like that there in the market?

**Balram Singh Yadav:** Yes, the only pressure we feel right now is from Latin America which is Argentina and Brazil. But we believe that the coming weeks, the demand is going to improve in these two countries.

**Moderator:** Thank you. The next question is from the line of Deepak Shah, he is an individual investor. Please go ahead.

**Deepak Shah:** Mr. Godrej, I had a couple of questions regarding one of your subsidiaries- Godrej Properties. We had a wonderful launch of 'The Trees' and the company has managed to sell almost everything in a matter of about 2-3-months. I just got a mail today morning saying that Phase-2 is likely to get launched very soon actually. So, what is going to be the size in Phase-2 and when are we expecting that to get launched?

**Pirojsha Godrej:** The square footage in terms of saleable area Phase-2 is about 340,000 sq.ft. or so. Phase-1 to put that in perspective was about 500,000 and we do expect to launch that this quarter.

- Deepak Shah:** What about pricing – is it going to be a little higher than the first phase?
- Pirojsha Godrej:** Yes, we have not taken a final decision on pricing yet, but obviously we are very happy with the response to Phase-1. So there is a likelihood of slight price increase at least.
- Deepak Shah:** Like we have been holding shares of Godrej Properties for now almost 6-years, I think you came out with the IPO in January 2010. I was just working out the absolute return, the stock has given an absolute return of about 25% in 6-years. If I look at Godrej Industries which has rewarded shareholders very well over the last 15-years; Godrej Consumer has also done the same thing but unfortunately in case of Godrej Properties that has not happened. So when can we expect that to happen actually?
- Pirojsha Godrej:** I think our ability to predict the exact market movements may not be as good as you would like. Certainly, we do think by the way lot of value has been created in Godrej Properties over the time. The stock market as a whole frankly has not done very well over this period. So Godrej Properties if we look at the end of last quarter has performed exactly in line with the SENSEX since its IPO and incidentally real estate index which is our comparable set of that same period has declined by about 70%. You said our return is 25%, our number is a little bit higher than that but we can check that .So, I think there has been quite a lot of collective outperformance that we feel created a lot of value in establishing a large country wide presence and we are likely to be the developer with the highest sales in the country this year and we will keep working hard to improve our operations, improve our results and we are quite confident that will sooner or later translate into great market value creation as well.
- Deepak Shah:** ‘The Trees Project’ is going to launch residential space of about 1 million square feet if I am correct?
- Pirojsha Godrej:** About 1.2 million square feet
- Deepak Shah:** Besides that the one which we had before the last concall, I think you had mentioned about 4 million square feet getting launched in Vikhroli, is it going to come into Vikhroli?
- Pirojsha Godrej:** What we said is that we have a large land holding in Vikhroli. So obviously the total developable area over a period of time will be much larger than that. It is about 4 million square feet of residential, for which we have already announced plans. In addition to that there will be some commercial office space and hospitality space. So, yes, more than 4 million square feet already planned.

- Deepak Shah:** About the commercial space which you have in Godrej one, has it been finally leased out to somebody or?
- Pirojsha Godrej:** Most is leased out and rest we are in discussion.
- Moderator:** Thank you. The next question is from the line of Abhijeet Akela from IIFL. Please go ahead.
- Abhijeet Akela:** I had a few questions on Agrovet, specifically, on the Agri Inputs business first. There has been some growth but if I am not mistaken, AstecLife Sciences has been consolidated beginning this quarter, right? If I strip out Astec, what would the organic growth have been? It seems like there might have been a decrease in revenue. So if you could just talk a little bit about that.
- Balram Singh Yadav:** Pure Agri business first nine months' growth is 11%, this is excluding Astec; for the quarter it was also close to about 11% of revenue growth in Agri excluding Astec.
- Abhijeet Akela:** I am looking at Slide #20 of your presentation which says that Agri Input sales have gone from Rs.60 crore to Rs.67 crore. Now, does that include Astec or is that excluding Astec?
- Balram Singh Yadav:** This is excluding Astec .
- Abhijeet Akela:** Just on Astec itself, you have spoken about 23% degrowth this quarter and you have spoken about some pressure in Argentina market. What we also heard from some other agrochemical companies is that Brazil in particular is also in fairly bad shape. Can you talk a little bit about how the whole export market environment is for Astec and whether it necessitates any change to your outlook for 25% revenue growth going forward, if you could speak a little bit about that please?
- Balram Singh Yadav:** For rest of the continents, there is no change in the outlook and the sales has been as planned. The only problem was Latin America. But we were conveyed by the Astec management that February and March there has been a pick up in the demand from Latin America. So we believe if this continues we will continue to be on the growth path which we have conveyed earlier.
- Abhijeet Akela:** Would Astec be selling mainly Fungicides in that part of the world or are there any Insecticides as well?
- Balram Singh Yadav:** Primarily Fungicides and its intermediates.
- Abhijeet Akela:** Would Mancozeb be one of them or?
- Balram Singh Yadav:** No, their basic core competence is Trizol.

**Abhijeet Akela:** Second, just on the Animal Feeds business, there seems to have been some margin erosion this quarter on a sequential basis. So if you could just talk about which part of the business coming from – is it Cattle or is it Poultry?

**Balram Singh Yadav:** Actually, the margin erosion was largely in Poultry because the output prices just collapsed in this quarter. So there was an expectation that the raw material cost will also come down because the Kharif crop will come and RM cost will come down and we will be able to hold on to margins but that did not happen. It was quite surprising if you know the commodity market that during season the corn prices went up, soya prices went up, the cotton seed extraction prices went up, etc., So there was a double whammy; there was a decrease in the output prices and increase in the raw material prices which hit poultry in quite a big way.

**Abhijeet Akela:** What would your outlook be for this – when should we reasonably expect any kind of turnaround in this market?

**Balram Singh Yadav:** In this quarter you will see a change in the scenario because all Animal Protein prices have risen and raw materials are steady and we see a consequent improvement in margin.

**Abhijeet Akela:** Just on Creamline now that we have begun consolidating it into financial, if you could give a little bit more detail about what the plans are there, what are the major markets right now, what are the growth drivers, geographical expansion or is there addition of value added products, and what is your outlook for that business is?

**Balram Singh Yadav:** It is a South India focus company, it has still not represented in several important pockets in South India, expansion of new processing facilities will be focused only in South India in three or four locations, there will be sufficient focus and investment in Value Added segment also because margins are much better than liquid milk in Value Added segment. The brand is very good and well accepted by the consumers and we believe that there is an opportunity to grow rapidly in these markets in next two to three years.

**Abhijeet Akela:** Also, in the Oils Trading business, have we seen any kind of improvement in margins because of the volatility in Palm Oil prices, is that what is reflected in the EBIT line this quarter?

**A.B. Godrej:** Margins vary for various reasons, it is nothing to do with the volatility.

**Abhijeet Akela:** We have been waiting for the registration for this Rice Herbicide for quite a while, but it has been delayed due to regulatory reasons. Now, with the change in I guess the rules that the regulator is putting in place, is there a chance that this could be approved sometime in the next few months?

**Balram Singh Yadav:** We are trying very hard like we were trying in the past and we are hopeful that we will get registration, but there is no timeline which I can give because we have been trying for past several years to get that registration.

**Moderator:** Thank you. Ladies and Gentlemen, that was the last question. I would now like to hand the floor over to the management for closing comments.

**A.B. Godrej:** Thank you. I hope we have been able to answer your questions satisfactory. If you have any further questions or would like to know more about the company we would be happy to be of assistance. Thank you once again for taking the time to join us on this call.

**Moderator:** Thank you. On behalf of Godrej Industries Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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