Conference Title: **IntriCon Third-Quarter 2016 Results**
Moderator: **Scott Longval**
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Operator: Good day, everyone, and welcome to the IntriCon Third Quarter 2016 Results conference call. Today's call is being recorded. At this time, I would like to turn the conference over to Scott Longval, Chief Financial Officer. Please go ahead, sir.

Scott Longval: Thank you, operator. Joining me on today's call is Mark Gorder, IntriCon's CEO. Before we begin, I'd like to preface our remarks with the customary safe harbor statement. Today's conference call contains certain forward-looking statements. These statements are based on current estimates and assumptions of IntriCon's management and are subject to uncertainty and changes in circumstances. Given these uncertainties, you should not place undue reliance on these forward-looking statements.

Actual results may vary materially from the expectations contained in today's call. Important factors that could cause such differences, among others, those set forth under the headings 'risk factors' and management's discussion analysis of financial condition and results of operations in our 10-K filing for the year ended 31 December 2015. With that, I'd like to introduce Mark for a strategic look at IntriCon's third quarter.

Mark Gorder: Thank you, Scott, and thank you everyone for joining us today. I would like to begin by reviewing key highlights and results for the third quarter. Then I'll cover the Hearing Help acquisition we announced simultaneously. After that, Scott will cover the financials in more detail, and then we'll take your questions. By this time, most of you have had a chance to review our third quarter press release. For the quarter, net sales of $16 million reflect the continued timing shift in orders from our largest medical customer. However, despite this timing shift in orders, we were able to deliver year over year revenue gains in hearing health and professional audio, and we anticipate medical revenues will begin to rebound in our fourth quarter.

Equally important, we remain encouraged by our technology pipeline and the growing appetite for an alternative hearing health channel. Looking at our three businesses, sales in hearing health grew 7% over the prior year period, primarily due to contributions from PC Werth, which we acquired in November 2015. During the quarter, we also experienced gains in value hearing aides, personal sound amplifier products and assisted living- listening devices. We are intently focused on opportunities in value hearing health versus the declining conventional channel. More on that strategy in just a moment.

Our medical business sales decreased 17% in the 2016 third quarter, chiefly driven by IntriCon’s largest customer, Medtronic. The lower sales to Medtronic were expected, as they managed the transition of their recently FDA-approved MiniMed 630G system. We anticipate Medtronic sales to begin ramping up in the fourth quarter as they launch the MiniMed 630G system. Long term, we believe we are well positioned for growth with Medtronic. In addition to the MiniMed 630G system, IntriCon has also designed into the MiniMed 670G system, the world’s first hybrid closed loop insulin delivery system, which was also recently approved by the FDA and is scheduled to be launched in the spring of 2017.

I will now give you some context for today’s acquisition news. Within hearing health, there’s a groundswell building for fundamental change among regulators and consumers. As a company, we are steadfast in our commitment to overcome barriers to device access and spur development and innovation. This is why, despite our lower revenue levels, we maintained our level of investment in mission critical, ultralow-power wireless and DSP technologies during the quarter. These technologies are required to support our emerging alternative channels and our goal of delivering superior outcomes-based, affordable hearing healthcare directly to consumers.

To that end, we're very excited to announce that we're acquiring DeKalb, Illinois-based Hearing Help Express, a direct-to-consumer mail order hearing aid provider. Untreated hearing loss in the United States is a substantial problem and high device price tags have created significant hurdles to purchase for most Americans. Hearing Help Express offers a lower-priced alternative for consumers to buy devices directly, circumventing layers of costs that have swelled within the conventional hearing aid channel. We disclosed terms of the deal at today's press release that went out as the same time as our earnings announcement.

I'd like to share with you what - in our due diligence - we found appealing about Hearing Help Express. It is their more than three decades of experience and a proven track record of customer care for hearing aid patients. This acquisition gives us direct access to the emerging value-based hearing healthcare market and a platform we can build. We will leverage our own technically advanced devices and make targeted investments in management, marketing- and marketing and advertising. Ultimately, we will incorporate an online ordering and fitting component as well.

I want to emphasize the point that purchasing Hearing Help Express is a key next step in our value-based hearing healthcare strategy. Why do I say that? Over the last decade, IntriCon as a company has invested in the technology and low-cost manufacturing infrastructure to design and build superior devices and fitting solutions. This is so we can successfully address what we estimate to be a $1 billion annual value hearing health market. With this acquisition, we not have the channel infrastructure to directly reach consumers and importantly for millions, the ability to offer high-quality hearing healthcare at a fraction of the cost.

Through our other BBHH initiatives and tests, we have formed alliances with other key partner, which have given us experience in vital learnings as well move aggressively into a more consumer-facing role. Our Hearing Help Express purchase provides an efficient, traditional direct-to-consumer channel to reach consumers who likely don't have insurance that will cover hearing devices. This is a channel that we can build on and expand via technology and one that's complementary with many of our existing relationships.

We anticipate Hearing Help Express will contribute $6-7 million in revenue in 2017 and in the near term are intently focused on a three-pronged approach to ramp up this business. First, identifying a vice president candidate to lead Hearing Help Express. A search firm has been engaged and the process is currently underway. Second, once leadership is in place, enhancing Hearing Help Express sales and marketing capability and increasing advertising, a tactic historically proven to drive sales. And third, introducing IntriCon's digital hearing aids and other technical advancements to Hearing Help Express customer base.

Currently, Hearing Help Express offers primarily analog devices. We fully expect that capitalizing on this value-based hearing healthcare opportunity will lead to both a very bright future for IntriCon and to long-term growth in shareholder value and we're excited to share our future progress with you. Specifically, we will schedule an additional investor call after the new year, to lay out more definitive plans and metrics for this business. Now I'd like to turn the call over to Scott.

Scott Longval: Thank you, Mark. I'll begin by reviewing our third quarter financial results in more detail. For the 2016 third quarter, the company reported net sales of $16 million compared to $17.3 million in the prior year period. We posted a net loss of $1,339,000, or $0.19 per share, versus net income of $628,000, or $0.10 per diluted share, for the 2015 third quarter. Gross profit margins were 22.8% compared to 26.7% in the prior year third quarter. The decrease was primarily due to lower revenue and slightly less favorable sales mix.

Operating results for the third quarter were $4.7 million compared to $3.9 million in the prior year third quarter. The increase was largely due to the inclusion of PC Werth, acquired by IntriCon UK in November 2015. Sequentially, IntriCon decreased operating expenses $343,000 in response to temporary lower revenue levels. Turning to other financial metrics, our net debt of $8.8 million decreased sequentially from $9.6 million, primarily due to tight working capital management, specifically greater inventory control. Our total cash cycle days at the end of the third quarter were 83. This is a decrease from 86 days, from the end of the 2016 second quarter.

In terms of guidance, based on information currently available, we anticipate fourth quarter net sales to increase by approximately $1 million from the 2016 third quarter, excluding any potential contributions from Hearing Help Express and near break-even from a profitability perspective with notably stronger results in the first quarter of 2017. Turning to Hearing Help Express transaction, let me reiterate the terms outlined in that press release.

We have already acquired a 20% stake in Hearing Help Express. We expect to exercise our option to acquire the remaining 80% of Hearing Help Express before the end of the year. The terms of the transaction, assuming exercise of the option, include a $1.3 million cash at closing, guarantee of a $2 million dollar note and an earnout. Now, I'd like to turn the call back over to the operator so we can take your questions.

Operator: Thank you. If you would like to ask a question, please signal by pressing *1 on your telephone keypad. If you're using a speakerphone, please make sure your mute function is turned off to allow your signal to reach our equipment. One again, that's *1 to signal for a question. We'll go first to Scott Billeaudeau with Walrus Partners.

Scott Billeaudeau: Hello. Hi guys. I've got a - just a couple questions here. One just related to Medtronic, as you mentioned, the 630G will be shipping their launch in Q4, but also the 670G in the spring. I'm wondering do you have a sense will there be a pause for people to wait for the 670G, or will Medtronic take very minimal inventory of the 30G with the 70-670 G coming? Do you have a sense for - what that transition? Because historically, transitions haven't been fun for you.

Mark Gorder: That's a good question, Scott. As you know, the 630G was delayed significantly and the 670 actually came far in advance of when they were expecting it. But we understand - and I don't know to what extent Medtronic has made it public any of the information, so I have to be careful about what I disclose. But I know that they plan on encouraging people to take up the 630G through various incentives. I don't know exactly what those incentives are, but they're anticipating a- a good rollout of the 630G.

They want to be very careful on the launch of the 670G, because it's the first product in the artificial pancreas category and they want to make sure that all of the quality controls are in place as they launch that. So, we don't anticipate there's going to be a significant dip like there has been in the past, because they can do a planned rollout here and they don't anticipate being reactive.

Scott Billeaudeau: And then is there any different content that you guys have between the two?

Mark Gorder: No. The content is pretty much the same, except that there are obviously slight modifications to the content for the 670 versus the 630, but it's primarily the same platform.

Scott Billeaudeau: Great, thanks. And then a question on the Hearing Health Express acquisition. One thing is what channel conflict will this provide, I mean, since you've kind of got some, you know, a relationship with the academy and the partnership with the audiologist, does this not kind of cut them out? I'm just trying to get me comfortable with how this isn't a channel conflict with that channel.

Mark Gorder: Well, there is some very good data out there. There were some studies done on direct-to-consumer channel that 80% of the people that go into the direct-to-consumer channel would not likely go to the conventional channel. So we see that there is significant segmentation between the two markets. In the one case, you've got people who have-can afford hearing aids that have been going to this market for decades. The market we're addressing is primarily people who - where cost is a significant barrier.

And so what we're finding is that there is significant market segmentation between the two channels, and we anticipate that there's some that we can provide a linkup to the academy by referring people who cannot be helped by the more direct-to-consumer method if their hearing loss is more complex. In many cases, they will need to be referred. And so we see it that the two could be very complementary in the long run.

Scott Billeaudeau: And then last question related to that, you mention you're looking for leadership for that entity. Did the leadership not come with? What there someone leading that firm that is kind of exiting completely? Maybe give us a little info on that.

Mark Gorder: Well, there is- there is talent to come there, but there isn't a lot of - where we see this market going is it's starting out as a mail order business. The gentleman that was running it is retiring, and we're going to replace the leadership with an individual that's far more knowledgeable about how to market over the internet. We see that the emerging market will consist more of baby boomers who are more tech savvy. They're going to do more of their shopping over the internet.

Our existing business is primarily directed at mail order to 70-to-80-year-olds who still use mail order predominantly in many cases to receive information. So, we are going to transition this business over time to a segment of younger users, and we're going to need that kind of talent. So we anticipate building that structure from the ground up.

Scott Billeaudeau: Okay, great. Thanks. I'll hop back in the queue.

Operator: And as a reminder, that is *1 to signal for a question. We'll go next to Dick Ryan with Dougherty.

Dick Ryan: Great, thank you. Say, Mark, can you give us a little more context on Hearing Help? You've put a marker out there, $6-7 million for next year. Just wondering what would - how do you break that down from their existing level versus what you would hope to add on with your digital products. Also can you talk a little bit about margin expectations?

Mark Gorder: That's a good question, Dick. I think we were very conservative in the press release. Historically, the business has at least done this or better going back years. They had significantly cut back in their advertising for financial reasons in the last few years, but they had previous to that run at much higher revenue levels. And we're anticipating just - I think that in the press release we had the revenue level that they had done last year and just projecting that forward. But we would anticipate that with, number one, with higher advertising revenue and number two, with putting digital products into the realm where they've previously had analog products should provide a much better consumer experience.

Relative to the margins, for us the margins are significantly higher because rather than- if you look at the OEM business, we sell devices in the OEM market for anywhere from $60 to $120-$130 per unit. In the OEM market, even the analog devices selling today are in the $300 to $400 range. So, the- obviously the cost doesn't change at all, but the selling price goes up considerably. Where your expenses are higher in the direct-to-consume obviously is the lead generation, and that will be new for us. But from the margin standpoint, the margins will be significantly higher in the DTC business than they are in the OEM business.

Dick Ryan: What investments are needed to - I think you mentioned having to stand up some online ordering and fitting capabilities. What sort of investments and how long or how quickly can you ramp that effort?

Mark Gorder: Well, short term, we would simply add digital product in the existing advertising methodology to what's already been done and just scale that. So, there's significant scale up that can be done just with those two things. The introduction of improved fitting technology we see as more of a longer term investment and should not impede us from getting good solid revenue growth out of this business as it is with more advertising and better products like some of our digital platforms.

Dick Ryan: Okay, one more on this front. Has this business grown over the last say two, three, four years or so?

Mark Gorder: This particular business, as I mentioned, they had cut back on their advertising in recent years, so it was actually lower in the last couple of years than it had been prior. But this market is growing tremendously. We see the direct-to-consumer market as being on the verge of a significant growth period. There was some interesting - I think we mentioned in the past that some of the reports that had come out relative to the President's Council on the Advancement of Technology, the PCAST report and the Institute of Medicine had both recommended changes in how hearing aids are distributed and regulated.

The FDA had taken up a symposium to gather information back in April, but there's considerable consumer pressure mounting. In fact, just last week, a bill was introduced by Senator Warren and Senator Grassley to - among other things - mandate that the FDA create an over-the-counter hearing aid category. We think that this represents the continued up-swell of consumer pressure - the understanding that hearing aids are very, very expensive. In fact, they sell for about 30 times - 20 to 30 times the manufacturing cost. We think that the direct-to-consumer market is very large and we can, with proper execution, grow quite rapidly into this market.

Scott Longval: Dick, this is Scott. I just want to echo some of Mark's comments on the DTC industry. We see this industry growing. Where we think we're unique and can outgrow the industry is we will be the first, at least to our knowledge, the first manufacturer developer of hearing aids that are taking devices directly from the manufacturer to the consumer. So, from a cost perspective, we have a very distinct advantage over the competition in this industry.

Mark Gorder: Maybe to add another point onto Scott's, when you look into the marketplace and see some of the direct-to-consumer companies that are currently in the market, we sell product to a lot of those people. So, they are middlemen between the manufacturer and the consumer. So, in this case, we own our own manufacturing in Asia and we own our own technology. So, we are in a position to take that directly to the consumer through this newly acquired channel.

Dick Ryan: Is there a way to put a market size out there and how many competitors you might be dealing with initially?

Mark Gorder: Well, the way we tag the market, Dick, was we looked to some of the markets in Europe that had already eliminated cost as a barrier. So, if you go to Scandinavia, you go to the UK, where they have national health plans, their penetration rates are between 40% and 70%. In the US market, it's about 20%. So, the way we calculate the market is over time it's possible, with the right execution, for a number of competitors to step in here and increase the penetration by an additional 20%.

If you figure the 20% of the hearing impaired population, which is growing by the way with the aging baby boomers and you calculate it by binaural fit, for most of those, roughly 70% of hearing impaired now have a binaural fit, so it's about 1.7 times the number of hearing impaired. If you multiply that by about $200 to $250 per device, you come up with a billion dollar market. We think that's an achievable market over time by eliminating cost as a barrier. There are so many Americans that can't afford hearing care and the current market is way out of their ability to participate.

Dick Ryan: Okay, maybe one last one. Can you kind of give a update on what's happening over in the UK with PC Werth?

Mark Gorder: Yes. As we mentioned, we purchased that business back in November. The original goal there was to set them up as a distributor, but events led to the fact that we had to acquire them, and we acquired them in November and we had to move the business. So, we moved it in Q1 and we've kind of stabilized it. There were originally some suppliers to the PC Werth market that were tied into the big six, and those suppliers moved away from us. We had to replace those suppliers, which we've done.

We've also added to the sales force over there and we're introducing a couple of new products. So, it's been slower than we would have looked, but we have stabilized the business. We've got a very strong relationship with the technical and management teams at the National Health Service to the point where they're going to participate with us on clinical trials in Q1 of next year on some of the new wireless fitting technology, which could enhance the productivity of how aids are fitted in the UK.

We're also introducing a new product in Q1, which is widely anticipated to help us grow the revenue there. We have shipped initial devices in there. It's gone much slower than we would have liked, partly to the fact that some of these product lines had to be replaced, and we had to get a new product line in there that was delayed, so to speak. But, we think by- by Q1, we will have put the business in a very stable condition and look forward to growing it next year.

Dick Ryan: Okay, thank you.

Operator: We'll take a follow-up question from Scott Billeaudeau with Walrus Partners.

Scott Billeaudeau: On the direct-to-consumer, how much of that business do you have now with other quote-unquote vendors and do you expect that to go away as you become direct competitors to them?

Mark Gorder: Well, the interesting thing is that we are a very high technology provider and there aren't many suppliers providing the low power DSP and wireless technology into these middle men, so to speak. So, we provide these guys with high-end amplifiers and to some cases, complete devices, and we're not easily replaced. So we don't see that in- in the short term that this is going to have much of an impact there, and I think our business with the larger manufacturers is pretty much gone away, as we talked in the past.

If you look back to the business we used to do with that big six manufacturers, you go back 10-15 years, we had over $25 million in business with those manufacturers. This year, it will be $1-2 million. So we've pretty much taken that hit with that group, so we anticipate some erosion, but not- I would say not significant erosion going into 2017. Scott, do you concur?

Scott Longval: Yep.

Scott Billeaudeau: Okay, thanks.

Operator: We'll go next to Larry Haimovitch with HMTC Investment Management.

Larry Haimovitch: Good afternoon, gentlemen.

Mark Gorder: Hi, Larry.

Larry Haimovitch: So, some more questions on the deal. How long has it been since you've been working on this deal? When did you first get acquainted with it, and how long has it been for the process from the start to- to the conclusion?

Scott Longval: We've long been moving down this process, not only with Hearing Help Express, but we've also been looking at other potential targets within the DTC industry. As we went through that evaluation, it became clear to us that Hearing Help Express was the best fit for IntriCon at this point. I think Mark highlighted some of the things in today's call that drove us to Hearing Help Express, most notably the high level of customer service and the vast customer list. So, I would say we started kind of more of the heated discussions with them over the course of the last nine months in trying to figure out a way to structure a deal that made sense for both parties. We were able to do that and happy to get it behind us and allow us now to focus on driving revenue in this channel.

Larry Haimovitch: Do you know, Scott, if there were any other bidders or any other interested that affected the price at all?

Scott Longval: No. To our knowledge, as we kind of went through this process, we were really the only bidder there to our knowledge. That being said, we did hear that there were other people in there expressing interest and that was confirmed. But for us, it was such a vital next move, Larry, that we needed to move on it and move on it as quickly as we could. Frankly, if we can come out and do the things that we've outlined on today's call in terms of growing this business, this is going to be a tremendous deal for IntriCon and IntriCon shareholders.

Larry Haimovitch: Scott, tell me a little bit more about the due diligence process. Did you hire some outside people to help you evaluate the channel and the products and the service, or was all the due diligence done internally?

Scott Longval: That's a good question, Larry. There's been some interesting data published on the DTC market. There was a study that was done in early 2014 from one of the leading researchers in the hearing health industry. It was published in - I believe it was the Hearing Journal, Mark, by Dr. Sergei Kochkin. Dr. Kochkin actually led all of the studies of market track for the hearing aid industry. He did a study on the DTC market and specifically on Hearing Help Express and through that study, he basically compared that model and their customer satisfaction level to what the traditional channel was seeing.

His conclusion for that study was that Hearing Health Express had superior customer satisfaction, and the only areas where customer satisfaction was higher were if the traditional channel would use best practices in fitting a device. Taking all those pieces of data - and that's just one area that we looked at. Frankly, Larry, to Mark's point, we work with a lot of these direct-to-consumer companies, so we know a little bit about their business.

Obviously as we got more interested, we did even more diligence on those companies. So, it was a pretty in depth diligence process, with not only internal resources, but external resources as well.

Larry Haimovitch: Great. Follow-up question on that, there's an old adage in probably investment banking, if not other fields of finance, that every deal has some hair on it. What hair did you see in this deal that gave you cause for pause, or maybe some concerns? Or - I'll let you answer the question this way, if this deal doesn't' work out to the hopes that you currently have, where would you think it might have slipped?

Scott Longval: Well, I think I'd take a step back and I'd just look at the market itself. It appears to us, with everything that has been published and this groundswell of interest coming from our politicians, our consumer groups, the advancement in technology - that this market is coming. So if I look at the Hearing Help Express acquisition itself, we're putting in a new management team there. We think there's highly capable people there today, but we felt like new leadership was important for us to take the step from a traditional mail order company to maybe a more progressive online marketing company.

But really, Larry, just by understanding what other people are doing in this market, they're growing without some of the tools that IntriCon has, which is its own manufacturing, its own set of technology both on the hardware and the software sides. So, we really are very bullish on this acquisition. We put a lot of time and effort in making sure that we've identified the right target. Now, turning into the last part of '16 into '17, we're going to invest heavily to ensure that we see the type of growth that we know this market can bear.

Mark Gorder: I would-

Larry Haimovitch: I have a couple more - sorry, go ahead please.

Mark Gorder: I was going to add to that too, Larry. I think specifically we have to execute on generating and converting leads in order to scale it. So, our assumption is that we will increase advertising, which all these businesses are doing, and they seem to be effective doing it. We have to prove that we're also effective doing it. This business has done it in the past before they were forced for cash reasons to scale back on their advertising.

We think we can scale advertising back up again, and by paying attention to not only the advertising, but good sales technique to convert the leads into hearing aid sales, we think that we can be effective. Others are doing it. We just have to make sure we stay on task and make sure we're also doing it properly.

Larry Haimovitch: I've got a couple more questions, but I don't want to hog the floor. If you want me to step back in queue, I can and then come back, or continue. It's up to you guys. You can see the queue, or the operator can see the queue.

Mark Gorder: Go ahead, Larry.

Scott Longval Go ahead, Larry.

Larry Haimovitch: Okay. So, thank you. So, you mentioned looking for a seasoned executive to run this business. I thought we'd talked about this in the past. It seems to me from meeting you, talking to you, conference calls, that you've had a search out for quite a while. Am I correct that you've been looking for several months now?

Mark Gorder: Well, we actually - we started the process about two months ago defining the job description, so I think when you and I talked, we had just recruited a search firm skilled in this area. And so we've been at it for about two months.

Larry Haimovitch: Okay. I thought for some reason it was longer than that. Okay. And then, my second question is on the next two quarters - the quarter we're in and next - the first quarter. I couldn't understand from what you said if you're expecting Q4 to be up or down in revenue from last year?

Scott Longval: We're coming at it from the sequential quarter, so it will be down from the- the prior year quarter, but up sequentially about $1 million. And that will include any contribution from Hearing Help Express.

Mark Gorder: And it's down because we're still in the Medtronic transition. And that will kick in sounds like Q1, you said it will be up. So Medtronic will now kick in very nicely in Q1 and hopefully for the rest of the year.

Scott Longval: Yeah. We anticipate to start to see some of that kick up in the fourth quarter, which is part of the reason you're going to see some of the growth in the fourth quarter over the third quarter. Then looking forward to the first quarter, we anticipate, as they do, having been kind of firing on all cylinders. We'll start to see more of the historical revenue levels from Medtronic and anticipate that growing throughout the year.

Larry Haimovitch: Okay. And then last question on the acquisition, most times when company make deals, they say it's accretive, it's diluted. I realize you're losing money, making money in different quarters. But how do you view the acquisition as regards accretion or dilution?

Scott Longval: We envision that this will be an accretive acquisition in 2017.

Larry Haimovitch: Okay. And $6-7 million is kind of your preliminary look at 2017?

Scott Longval: Correct. And, as noted in the script today, we're going to hold an additional investor call sometime in January. We will lay out more definitive plans and metrics related to Hearing Help Express. As you can appreciate, we're in there right now, still learning some things. We want to be transparent about this business, but we also think we're better off being cautious in doing so until we have all the facts. And we'll lay that out early next year.

Larry Haimovitch: Yeah, because you and I have talked, Scott and Mark, about kind of putting together some metrics for the whole hearing business, and in particular PC Werth. You give us a little bit of color on PC Werth every call and when you and I talk on the phone we get some color. But, we never really, at least in my opinion, we never really seem to understand how to view how well it's going. So the metrics that you can provide for the acquisition, and even for the whole hearing aid business, would be very helpful to us.

Scott Longval: Understood and agreed.

Mark Gorder: Yeah, agree 100%, Larry.

Larry Haimovitch: Okay, great. Thanks, guys.

Operator: With no further questions in the queue, I'd like to turn the conference back over to Mr. Mark Gorder for any additional closing remarks.

Mark Gorder: Once again, we appreciate you taking time out of your day to join the call. In closing, I'd like to reiterate that I'm excited with the direction we're headed. Our established medical business will rebound nicely. It has a long runway for success. And in the emerging value-based hearing healthcare channel, we're faced with tremendous opportunity and we have taken a giant step forward with the acquisition we announced today. With solid execution, the future looks very bright for our organization. Thank you again for joining the call.

Operator: Again, that does conclude today's presentation. We thank you for your participation.