



"Sasken Earnings Conference Call"

July 25, 2011



**MODERATORS:**

**MR. RAJIV MODY- CHAIRMAN & CEO, SASKEN**

**DR. G VENKATESH – CTO**

**MS. NEETA REVANKAR- CFO & GLOBAL HEAD, HR**

**MR. RAJESH MANIAR – VP, FINANCE**

**MR. S. RAMRAJ – SENIOR VP & HEAD, DELIVERY**

**MR. RAJESH RAO – SENIOR VP & HEAD, WORLDWIDE SALES**

**MR. T.K. SRIKANTH – VP & HEAD, BUSINESS DEVELOPMENT**

**MR. S. RAMESH – VP, HR.**

**Moderator**

Ladies and gentlemen thank you for standing-by and welcome to the Q1 FY12 earnings conference call of Sasken. Before we begin we must point out that certain statements made during the call concerning Sasken's future growth prospects maybe forward looking statements. Please read the Safe Harbor Clause in the presentation for full details. As a reminder all participant lines will be in the listen only mode. Should you need any assistance during this conference call, please signal an operator by pressing "\*" and then "0" on your touchtone phone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Rajiv C. Mody, Chairman and CEO of Sasken. Mr. Modi will take you through the financials and the highlights of the quarter followed by the question and answer session. Thank you and over to you sir.

**Rajiv C. Mody**

Thank you Rochelle. Ladies and gentlemen good morning to you all. It is my pleasure to welcome you to the conference call to discuss the business performance of the Sasken Group for the 1<sup>st</sup> Quarter ended June 30<sup>th</sup>, 2011. Before we begin, we may point out that certain statements made during the call concerning our future growth prospects are forward-looking statements. Please read the Safe Harbor Clause in the 2<sup>nd</sup> slide of our presentation for full details. I am joined on this call by my colleagues, the Executive Directors, Neeta Revankar and Dr. G Venkatesh. Rajesh Maniar, Vice President – Finance, S. Ramraj, Senior Vice President and Head of Delivery, Rajesh Rao, Senior Vice President and Head of Worldwide Sales, P.K. Srikanth, Vice President and Head of Business Development and Ramesh, Vice President HR.

Let me begin by walking you through our financials for the 1<sup>st</sup> Quarter FY-12. For the 1<sup>st</sup> Quarter of fiscal 2012, the consolidated revenues for the Sasken Group grew by 1.2% over the previous quarter to Rs. 130 crores. Earnings before interest depreciation, taxes and amortization cost for the 1<sup>st</sup> Quarter fiscal 2012 was at Rs. 16.1 crores, a drop of 5.4% sequentially over the previous quarter. Consolidated PAT for Q1 fiscal 2012 was at 10.7 crores sequentially down 43% over the previous quarter. PAT margins for the

quarter was at 8.2%. Software services revenue for the quarter were at 119.4 crores, a growth of 2.3% over the previous quarter. Software products revenue for the quarter were at 8.3 crores, down 5% sequentially over the previous quarter. Services EBITDA margin for the quarter was at 12.1%. Product EBITDA margins were at 27.1%. The consolidated earnings per share for the 1<sup>st</sup> Quarter were approximately Rs. 4.16. Cash and cash equivalent were approximately 175 crores as of June 30<sup>th</sup> 2011.

I will now take you through some of the key highlights for the quarter. As we communicated in our last call one of our key customers continues to transition to the newer software platform which has a material impact on our business. However, we see continuity in the work that we are doing on their existing software platforms in particular the one they have chosen to retain in-house. We are continuously monitoring the changes and have put in place mechanisms to revector and redeploy resources in the event any change if there is further change in their development strategy. We are consolidating our leadership position in Android and are helping a large number of players in growing Android Ecosystem to keep pace with rapid evolution of the Android platform. As part of this process we have played a crucial role in delivering R&D services to port various versions of Android on all leading fixed platforms in the market today and helped launch over 20 different models. These Android based products have shift in North America, Europe and Asian continents in over 50 countries. Several leading telecom service providers such as Verizon, eMobile, SK Telecom, etc., have carried these Android based devices as their flagship products in all these markets. We also expect to reap the benefits of Android making entry into other verticals.

We have recently been selected by a leading Tier-1 equipment vendor in the network equipment space. We have recently commenced an engagement with an European based global leader in digital radio products. We are assisting them in developing products that will deliver mission critical communications for public safety military transports and utilities. One of

our recent wins has been with a Korea based company specialized in the manufacturing and marketing of telecom equipment. Our engagement is currently focused on 3G Femtocell base stations. We continue to be engaged in satellite communication segment and remain hopeful of securing follow-on business for which we have been in constant dialogue with our customer. ConnectM, our JV won repeat orders for its energy management solutions from two large customers to cover a larger footprint. We continue to demand straight significant energy savings in the lighting and HVC Energy areas through our ConnectM solutions. We have launched a comprehensive M2M software platform for remote monitoring and management of assets which is independent of verticals and applications. ConnectM won the IBM Smart Camp award for the most innovative startup company in India competing against 250 startup companies. With the launch of the platform for remote monitoring and management of assets, ConnectM has emerged as the largest independent vendor of remote surveillance and management services for passive telecom infrastructure. These solutions are readily extendable across multiple entry industry segments.

We have added 13 new customers this quarter taking our active customer base to 129. The headcount stood at 3413 as of June 30<sup>th</sup>, 2011. We had a reduction of headcount of 95 employees that contributed to improved utilization. Concrete steps are being taken to add headcount commensurate with our business needs and improve utilization in order to achieve our targeted EBITDA margins. We are aware of our challenges in our operating environment and we are geared towards leading this. We believe that in the second half of the year some of these changes would have played out and we expect to see better growth in our business. Thank you and over to you Rochelle for the question and answers.

**Moderator**

Thank you very much sir. Ladies and gentlemen we will now begin the question and answer session. Our first question is from the line of Dimple Sheth of SKS Capital. Please go ahead.

**Dimple Sheth** I wanted to know why have the EBITDA margins gone down for both the services and products in this quarter?

**Rajiv C. Mody** I will request Rajesh Maniar to give exact details and meet out in the more broad answer on that. Yeah Rajesh, you want to go ahead?

**Rajesh Maniar** So what really has happened during quarter as you see, the onsite revenues have increased with really is not a trend that we see going forward But with the higher onsite revenues during the quarter the EBITDA margins were lower compared to last quarter in the services side. So utilization has improved as we expected and as per our guidance but really EBITDA has look as aberration as we see the onsite business. And on the product side really the product revenues have been lower in absolute terms so which clearly has translated to the lower EBITDA during the quarter.

**Dimple Sheth** Going forward what kind of growth are you seeing in both your top line and the bottom line?

**Rajiv C. Mody** I will answer that question. We have said in the last call also that we are refraining from giving any guidance on the growth keeping in mind particularly the changes and the challenges that are there with one of our large key customer. It is very difficult for us to predict, however, having said that as you know that large customer operates in a manner whereby we get a clarity of the business visibility on a half-yearly basis. We currently have a visibility on our business for this, for the July through December time period and we do not see any significant impact coming over there. However, we are geared like I said in my opening remarks to be able to meet with any challenge that may arise and redeploy our re-sources and our growth areas and growth trajectories.

**Dimple Sheth** I missed out on the opening commentary as the challenge faced from your key customer. Can you repeat that?

**Rajiv C. Mody** Let me repeat the paragraph. As we communicated in our last call one of our key customers continues to transition to the newer software platform which has a material impact on our business. However, we see continuity in the work that we are doing on their existing software platforms in particular the one they have chosen to retain in-house. We are continuously monitoring the changes and have put in place mechanisms to revector and redeploy resources in the event any change if there is further change in their development strategy

**Dimple Sheth** What would be material indices, can you give me a quantum?

**Rajiv C. Mody** Well it is hard, for like I told you we are just giving a view in terms of what can possibly happen in case they decide to take any action which are untowards. Having said that, like I also said in my statement that as of now we are not seeing any major changes that are coming in based on the way they plan and execute on their programs.

**Dimple Sheth** Maybe not a quantum, just if you could throw a light that the EBITDA margins going in services products and all, are going to be maintained at this level or you will find any improvement, just an outlook if not in quantum?

**Rajiv C. Mody** EBITDA margins going forward will be affected by clearly the improvement in utilization that we see. So we are currently running at around 65% utilization overall. Clearly we expect the utilization to improve going forward which would affect the EBITDA margins positively. But having said that, our Quarter 2 represents two important factors for us. There will be a wage increase impact coming in Quarter 2 and also the Finland revenue will be lower during Quarter 2. So both of these factors in the immediate quarter, you may not see an improve in the EBITDA margins. Having said that, the overall in the outlook is that we are looking at all measures to ensure that our EBITDA margin improve from where they are at present specifically on the services side.

**Dimple Sheth** What was the revenue of Finland, of the total top line?

- Rajiv C. Mody** Finland revenues, we do not normally give these numbers by subsidiary. We will continue with that same position. We do not disclose subsidiary-wise revenues.
- Dimple Sheth** Thanks a lot for my questions. I will come back in case I have more.
- Moderator** Thank you Mr. Sheth. Our next question is from the line of Shraddha Agarwal of B&K Securities. Please go ahead.
- Shraddha Agarwal** You have clarified a bit on your top account but wanted further clarification on that. Would you be associated with your top account on their new Windows platform?
- Rajiv C. Mody** As of now we are not associated with them on their Windows platform. However, we are associated with them on the S40 platform in a good way and we know for sure from all the announcements that they will continue to deliver phones in the market based on S40 platform for the foreseeable future. The only thing we are not able to comment in any shape or form, Shraddha, is on the Symbian platform knowing clearly one, that they have decided to discontinue and two, they have decided to hand it over to Accenture.
- Shraddha Agarwal** But have you been associated? I mean has Accenture kind of agreed to sub-contract any portion of work on Symbian to you?
- Rajiv C. Mody** Let me clarify that a little more. As of now all Symbian engagements with Nokia in this case continues from July into December. We are not seeing any change in fact on that. However, you cannot predict beyond that frankly, one. And two, within that period also there is a possibility if Nokia comes back and says that they want to discontinue some program. Even though the purchase orders have been put in place, contractually they can do that.
- Shraddha Agarwal** So if I have understood it correctly as of today you have some clarity on working with Nokia on their Symbian platform from July to December period?

- Rajiv C. Mody** Correct.
- Shraddha Agarwal** So in that case would you be counting in Nokia as your end customers or would that be Accenture?
- Rajiv C. Mody** In that if Nokia continues to be our end customers.
- Shraddha Agarwal** Secondly what is happening on the semiconductor side of the business because the recent set of results from Intel and AMD have been, to some extent I would say, positive. So your comments on the business traction from that side of the business?
- Rajiv C. Mody** We definitely are seeing a continued demand traction growth on the semiconductor side of the business both on the chip design on the software and serving their end customers in an aggressive fashion. The big challenge particularly from the India angle on the chip design side there is attrition because of the significant growth that are going on in that area. So, that is a big challenge that we are faced with which is in some ways hampering our expectation and growth in that. But otherwise frankly we are seeing continued growth. As a matter of fact the remark I made on the Android operating system is actually serving many semiconductor companies in their end customer marketplace for the various upgrades that Android keeps coming up on their different operating systems on their framework. Rajesh, do you want to make any comment on this?
- Rajesh Maniar** As Rajiv said, a lot of traction in this space. We are taking these offerings to more and more customers in the market and this will continue to be a growth area for us.
- Rajiv C. Mody** Protocol stack is another significant growth trajectory that we are seeing, we are working with large semiconductor companies.
- Shraddha Agarwal** Secondly, onsite contribution has moved up by, if I remember right, by 2% this time around. So has it been that you have started working on some



new engagements and we could assume some off shoring to flow in the future quarters?

**Rajesh Maniar** We are taking offerings which have an onsite and offshore component but to say that there is a trend here and some work is following would be a bit premature. We will talk about that in the quarters to come.

**Shraddha Agarwal** If I could follow up with one more question? We are operating at sub 70% utilization but we still continue with hiring people. I want to check what is the utilization would you be wanting to operate at? Are you comfortable with the sub 70% utilization and continue with hiring? Your stance on this?

**Rajiv C. Mody** So let me answer that question. Definitely we are not comfortable operating at 60-67% utilization. However, having said that we would like to operate somewhere in the range of 73 - 75% utilization keeping the growth trajectory in mind. It has taken a little longer for us to train some of our people in the same competencies, which is kind of the reason why the utilization is low. Second reason frankly, also we are seeing in some of the key core areas we are finding it difficult to replace people so we are definitely going and attracting talent at the higher its ability competences. So we continue to see that need and continue to hire in those areas.

**Shraddha Agarwal** Last question. Your SG&A seems to have moved up this quarter. So was there any one off item or would that be a recurring trend?

**Rajesh Maniar** You should see this more as an aberration. But having said that, we have clearly made investments for growth and as a trend we do not see this as a trend is increasing from here onwards.

**Shraddha Agarwal** Rajesh would it be possible for you to quantify the one-off charges in this quarter?

**Rajesh Maniar** It is not a one off charge as in the current quarter as it is. On a comparative basis the impact is due to quarterly movements in the SG&A expenses. So there is not an amount of one off charges that we can quantify in the

current quarter. As a key growth clearly the SG&A expenses as a percentage should come within more manageable levels than what they are at present.

**Shraddha Agarwal**

Thanks.

**Moderator**

Thank you Ms. Agarwal. Our next question is from the line of Omkar Hadkar of Edelweiss Securities. Please go ahead.

**Kunal Sangoi**

Hi, this is Kunal Sangoi. Rajiv, I just wanted to try and understand with regard to you mentioned the one of the top client impacts. At this point in time if you can give some color, how significant it is right now and how significant it was. What is the extent of revenue leakage that you have seen and secondly within existing base, how does it break down between S40 and Symbian?

**Rajiv C. Mody**

Let me take that con question first on a same period last year, same period this year basis as well as consecutive quarter basis and third is going forward basis. Is that what you seek clarity Kunal?

**Kunal Sangoi**

Sir, basically how is the tracking on a monthly basis maybe that is the latest to look at?

**Rajiv C. Mody**

Yeah, so it is pretty, like I said in the opening remark itself, we actually have seen a growth in that key customer from Q4 to Q1 and second thing we have a visibility on our business, particularly on the Symbian platform which is one that they have announced, one ram down and two hand over the thing to Accenture. From that one we had seen that they have committed on the program where we have been working on between July and December time period, that's the other peg in the ground. The third peg in the ground we are seeing also like I told you the contractually they can terminate if they so choose to buy giving a certain time period notice. So being paranoid one is observing and watching this whole thing, ensuring that there is a minimum impact to us in case they decide prematurely to pull some plug on any of these Symbian related programs. S40 is another area we are engaged with

them on and we continue to see engagement with them going forward even beyond December.

**Kunal Sangoi** So Rajiv, if you can give some color in terms of how significant they are in terms of maybe how many people are working on each of these areas?

**Rajiv C. Mody** I would not like to comment on that frankly in absolute terms because like I said, we are seeing that stable thing right now, when we are geared to handle, manage any transition if so required in the short notice. I can give you color in terms of what actions we are taking, for example most of our people who are working on the Symbian side are getting trained very quickly on the Android side where we have seen good demand growth. So, we are revectoring and seeing wherever need to. However, we would not like to disclose because it could in some way give away some customer confidential information also.

**Kunal Sangoi** Yes, but at least from that perspective at least give us some indication about how it is overall business portfolio is moving. It's okay. So the other question is, what is happening on the India business, we have seen in the last two quarters significant decline. Is this more on the network engineering side and what is leading to this decline?

**Rajiv C. Mody** Let me answer the question; we have seen growth in network engineering side of our business quarter on quarter. So that business is growing, by the way network engineering focuses on India and as well as on the US market so we had seen growth in both in India and as well as in the US. So that is not the reason one which is the reason for Rajesh do you have a view on that, on where have see decline on the India side.

**Rajesh Rao** Kunal, I guess you may be referring to the offshore business in India during the quarter. Is that the one you are referring to?

**Kunal Sangoi** Yeah, correct.

**Rajesh Rao** What really has happened in the quarter, some of the customer revenue including, in India some of the larger customer revenues have dropped but we

added newer customers during the quarter 2 off set for this change and clearly there is a time gap in terms of, how much time does it take for the people to be revector from the existing business into the new business that we see with the new customers. So that is why you see a small change but nothing significant that is happened during the quarter overall either way in terms of the offshore businesses. In fact the business in SCTL India as we talk about, had in fact increased quarter-on-quarter though the number is strong and the overall numbers get impacted by what we see as the impact of our SNEL and other subsidiaries related to business. So SCTL business that is the offshore business has impact marginally increase as a combination of degrowth in some of the larger customers we have seen off set by the growth that we see in new customers. That is the overall story of services side.

**Kunal Sangoi**

In no way it reflects any India business which comes from maybe the larger customers that we talk about?

**Rajesh Rao**

No.

**Kunal Sangoi**

Okay, so these are the customers. Lastly, apart from this account that we spoke about, could you share some, how do you see the projects flows from some of your other larger customers because at least till now service overall revenues we have seen decline driven by this account but going forward if this account remains stable, impacted account and rest of the customers. How do you see revenues overall from them?

**Rajesh Rao**

We are seeing a growth opportunities from other accounts. One of the things that we have started doing very deliberately it to diversify and de-risk our portfolio so that dependence on specific customers drops and our portfolio becomes broader. So in keeping with that objective we have started adding other accounts and some of these new accounts. Rajesh Maniar also mentioned that we have added several new accounts. Many of them are potential to grow. We are taking proactively specific new offerings to these customers. So we expect that these accounts will continue to grow and become a big part of our portfolio. We have identified specific areas where we

are investing and these areas are in alignment with growth areas that these customers see, so that we are investing where these customers expect us to invest. So we expect that these new accounts will contribute significantly to our revenue in the quarters to come. So both on the, in developing new offerings and in growing new accounts we are investing quite a bit. I expect that they will contribute significantly to our revenue.

**Rajiv C. Mody**

And adding to the what Rajesh has said and based also on the opening remarks I made, we had significantly made leading position for ourselves particularly in Android upgrade strategy, Android upgrade platforms. We are working with the tier 1 silicon suppliers both who supplies App processors as well as modem combination and delivered successfully various leading edge devices like we talked about in the opening remark to the marketplace, which is one, opening up a new customers based for us to be able to serve them and two, the same customers their repeat activities with the newer flavors of android coming into the market place. So from a full perspective we see that as a good growth strategy in the short term. How long it will continue, hard to make any statement predictions but today we are confident and we are bullish about it.

**Kunal Sangoi**

Okay, on the product side, do you see any significant traction coming up in any of the product because your license fee this time has been better than at least quarter but royalty has been subdued? So this would be probably seasonal impact?

**Rajiv C. Mody**

No, I would probably say that this is what we feel comfortable that we will sustain at \$1.8 million to \$2 million at this time based on what would be the outlook. There is a slight change because I think in Japan market we have seen a lowering of royalty revenues coming in from one of our handset customers.

**Kunal Sangoi**

Okay and lastly any update on the buyback front. I think we bought back 7% of the equities so for?

- Rajiv C. Mody** I think we completed the entire buyback process and Neeta you want to highlight that?
- Neeta Revankar** Sure. We bought back 21.62 lakh shares and exhausted almost the entire amount as we had approvals for. Yeah, that program is complete and it was yeah close to 7%.
- Kunal Sangoi** Okay. Thank you.
- Moderator** Thank you Mr. Sangoi. The next question is from the line of Abhishek Shindadkar of ICICI Securities. Please go ahead.
- Abhishek Shindadkar** Hi. Could you just break up the sales and marketing and the G&A expenses?
- Rajiv C. Mody** We don't give the break up unfortunately. It won't be possible for us to give that break down, Abhishek.
- Abhishek Shindadkar** Okay, this change is from the current quarter because I feel that earlier you used to give the breakup of the two?
- Rajesh Maniar** We have not given it in the past. In SG&A always we have given a composite numbers.
- Abhishek Shindadkar** Okay, the second one, you talked about some investment into sales which have led to this improvement in SG&A. Could you talk a little bit about what exactly has gone into that and are the sales managers hired for any specific reach in with any specific targets?
- Rajiv C. Mody** We can separate the two questions. We can tell you the progress we have made on addition of sales people globally. So Rajesh you want to?
- Rajesh Rao** We have made some progress in improving the sales coverage. There were some areas that we thought should be better covered both in terms of industry that we cover and the geographies that we cover. So the coverage certainly has improved and surely they come with the necessary experience and so on and they come with the target as well. Certainly they carry targets.

So I think some of the most critical positions have been covered now and we have got the right people on board. I expect the impact to be visible in starting this quarter. So we also have made some changes to the composition of the team and reprioritized with in and how we set the goals and so on so that certain kinds of, we are looking for the business mix, we are looking for the quality of business, we are looking for certain qualitative aspects of that kind so we have emphasized the right things in the way we set the goals and we set priorities. So, both in terms of coverage of industries, coverage of geographies and in terms of how we set the goals and how we set priorities with these sales for colleagues, I think we have taken the right step. The result should be visible for enough.

**Abhishek Shindadkar** I am sorry that I missed it. Did you quantify the wage hikes that you plan to give this quarter and the likely impact on EBITDA margins?

**Rajiv C. Mody** We will give you the exact information on the wage hike.

**S. Ramesh** We have rolled out salary increases effective July 1<sup>st</sup> across all the locations we operate except for Finland. For India, it is in the range of about 11% to 12% and outside the country is about 5% is the salary increases going forward. Overall, this will have an impact of 5% on the EBITDA margin for the year.

**Abhishek Shindadkar** Okay, and last one for my side. The fixed-price contract to the T&M, the proportion has changed significantly. Anything that we should read in to that?

**Rajiv C. Mody** There has been a marginal change in the fixed-price to T&M, it's from 25 to 23, that's really a quarterly aberration, there is no trend, we maintained our fixed-price proportion to the region of 23% to 25%, that is really where we are.

**Abhishek Shindadkar** Thank you for taking my question.

**Moderator** Thank you. Our next question for from the line of Ravikant K of Unicon Securities. Please go ahead.

- Ravikant K** Hello sir. Just wanted to know, in one portion of your, FY11 revenues came from Nokia?
- Rajiv C. Mody** What percentage?
- Ravikant K** Yes sir.
- Rajiv C. Mody** Normally don't disclose, I can say top five contributed 60% to 65% of our total revenue last year.
- Ravikant K** Okay and the other one is what percentage of your FY11 revenues come from new customers secured in the last one year?
- Rajiv C. Mody** Just give us few minutes we will give you an answer on that. Do you have any other question?
- Ravikant K** Yes sir. Could you throw some light and ConnectM venture. How is the revenue, is the recurring revenue or is it only once in revenue at the time of customer acquisition?
- Rajiv C. Mody** GV, you want to answer this?
- Dr G Venkatesh** As we said in the opening remarks, actually it is in the business of an energy management solutions where we have some very leading customers, banks and IT sector where we are installing sensors and monitoring energy usage of the respective companies both lighting as well as HVAC. So this revenue is recurring in nature we get repeat orders to cover more square feet of their building. And the other part of the business which is currently doing very well and growing is the monitoring of telecom tower, passive infrastructure and tower and this business is primarily with the tower operating companies, the new ones the tower companies have been set up and here again we have both kinds, we have revenues that come with CapEx sales and as well as recurring revenues.
- Ravikant K** The recurring revenues come as a per square foot basis or.. ?



- Dr G Venkatesh** Per square basis, in the energy management recurring, revenues returns covering more square feet, so we actually sell more and more into the company and we get repeat orders because the cover more floor than more building areas so on. We also have some part of our contract there which is in terms of energy savings which is more recurring in nature but that is smaller. But in the tower company situation we get paid by per tower per month.
- Ravikant K** What is the amount, could you share with us?
- Rajiv C. Mody** That we cannot, it is a confidential information, we can't share this gives away our pricing.
- Ravikant K** Okay, is it in the range of under one Lakh or above one Lakh. Just wanted to understand what is the position?
- Rajiv C. Mody** We will not give that information. Impact significant part of our revenues, we disclose the breakup by segment that there is a automotive, industrial and utility line. So you can track, connect them under that one.
- Rajiv Mody** Going back to the question you asked about the impact of the new customers?
- Ravikant K** Yes, sir.
- Rajesh Rao** Q1 revenue for new customers is about 3%.
- Ravikant K** Okay. Thank you.
- Moderator** Thank you very much. As there are no further questions from participants, we now hand the conference over to Mr. Rajiv C. Mody for closing comments.
- Rajiv C. Mody** Once again thank you all for joining on our quarter results and look forward to seeing you again in October. Thank you.



*Sasken  
July 25, 2011*

**Moderator**

Thank you Mr. Mody, thank you members of the management team. Ladies and gentlemen with that we conclude this conference call. Thank you for your participation, have a pleasant day ahead. You may disconnect your lines.