

ORANGE POLSKA Q2 2014 RESULTS CONFERENCE CALL

July 25, 2014, 11:00 am CET

Bruno Duthoit, Orange Polska SA - CEO

Good morning, ladies and gentlemen. The agenda for today is as follows: I will begin with the highlights of the second quarter and our main commercial achievements; Maciej Nowohonski will follow with the financial review; finally, I will conclude the presentation with a few takeaways for 2014.

Let's start with Q1 highlights on slide 5.

Our offers launched during Q2 are selling well. We enhanced our existing offers, introduced installment sales, and made smartphones more easily available. In a nutshell, our marketing efforts translated into another strong quarter for net customer acquisition in postpaid.

In mobile broadband, we had the best quarter ever with 86,000 new clients; Orange Open maintained its pace of growth from Q1; and we have also continued to limit the churn in fixed voice.

Our financial performance was marked by substantial improvement in profitability. Excluding regulatory impact, our top line was down only 2% year on year, due to growth in mobile. Our cost optimization program accelerated and brought higher savings than in Q1.

As a result, our restated EBITDA was up comparing to a year ago, and the EBITDA margin is much better. We refinanced our bonds, which will lower interest costs going forward. After first half of the year, our organic cash flow is on track to reach full-year guidance.

We have made substantial progress in our network deployment. Our 3G coverage is already at 97%, and 4G at 52% of population. And our network coverage is very close to be completed, as scheduled. An important development is the initiation of the fixed broadband market deregulation process by the regulator.

Let's now look at some examples of our new offers.

During Q2 we have launched new, more attractive mobile plans both with handsets and in SIM-only solutions. As a unique feature in the higher plans, the customer is now offered a new smartphone already after one year within a 24-month contract.

During holiday season, we are promoting increased data usage and roaming package. For example, we offer up to 10 gigabytes of data in smartphone. In addition, as the only one operator on the market currently, we offer 400 minutes in roaming.

We introduced installment sales for smartphones and tablets in order to accelerate adoption of advanced devices, to reduce subsidies, and to encourage SIM-only customers to switch to handset offers. As a result, we sold more than 100,000 installment contracts in Q2.

Starting mid-August, we will enhance our nju.mobile offer to push broadband consumption to our sub brand users. We will increase data allowance from 1 gigabyte to 3 gigabytes for the same price. Since Q2, our convergent offer consists of a wider number of services which translates into higher discounts available.

On the next slide, we review performance of Orange Open.

As you can see, by the end of Q2, we had 418,000 customers of Orange Open. The pace of expansion was maintained from Q1, despite increasing interest of competition for convergence. We are quite happy with this result. Our enhanced offer resulted in an increase of upsell statistics. The share of those customers who bought additional services, when entering Open, went up from 57% in the previous quarter to 60%. This is equivalent to approximately 250,000 service customers.

As a consequence, close to 6% of our mobile postpaid customers, and 17% of our broadband clients, are now in Open. Multi-product bundles are key to customer loyalty, as their churn rate is much lower than among single-product users.

Let's now review our commercial progress in other key areas.

In mobile, we continued to add customers in postpaid. Although net additions in Q2 were below Q1, the growth in year-on-year terms was still very substantial. Please note that, over the past 12 months, we added close to 500,000 postpaid customers. Nju mobile also kept on performing well with 81,000 net additions in Q2.

We achieved balanced mobile number portability and, if we exclude key accounts from the calculation, we have done better than in the previous quarter. In fixed voice, we are very satisfied with the progress in the slowdown of the churn. In Q2 we lost 52,000 customers which was only 1.1% of the total. This compared to 1.9% of lost customers in Q2 last year, and 2.9% two years ago.

This results from comebacks of customers from the WLR offers of the alternative operators, but also from increased attractiveness of 3P and around Open bundles.

Thank you very much. This sums up our commercial highlights and I will give the floor to Maciej.

Maciej Nowohonski, Orange Polska SA - CFO

Thank you, Bruno. Hello, everyone. Let's begin the financial review on slide 11.

We have a number of encouraging news to share with you. Bruno mentioned already our attractive offers. They allowed to significantly improve revenue dynamics. It was also the last quarter in which we saw the impact of MTR reductions from mid-2013.

Better top line performance, combined with robust cost savings, drove our restated EBITDA up 5%. As we said a quarter ago, our cash flow generation considerably improved.

Let's now review our results in more detail, starting from revenues.

Excluding regulatory impact, revenues decreased by just 2%, or PLN70 million, versus Q2 of last year. This is thanks to improved performance across all lines, but notably mobile. In fixed area, we do better in narrow band; on the other hand, price pressure has hit enterprise solutions and especially managed networks. Other revenue increased, due to broadband infrastructure projects realized in cooperation with local communities.

Let's review revenue evolution in more detail, starting with mobile.

Revenue, excluding regulatory impact, was up 1.7% year on year. The key driver of this growth was launch of installment offers which impacted mainly equipment revenue. Expansion of our customer base also contributed to this improvement. It went up by 3.4% year on year, which is similar to the dynamics seen in Q1.

ARPU still suffers from price pressure, especially in B2B segment. Average revenue per customer is also diluted by higher popularity of our SIM-only offers both in voice and data. Overall, retail ARPU declined 9% year on year, offsetting the positive effect of customer growth.

Let's now turn to broadband.

Overall broadband performance is stable; this is below our ambitions, however. We see shift towards high speed Internet as evidenced by 19,000 net additions of VDSL services. Total xDSL customer base has been stable over the past few quarters; however, the number of customers of our CDMA legacy product continues to fall.

ARPU is stable at around PLN60. On one hand, it is supported by stronger triple play bundles and VDSL offer sales; on the other hand, it is negatively affected by the re-pricing of old contracts, both on consumer and business markets.

Let's now turn to fixed voice.

Fixed voice revenue evolution has improved. In Q2, this revenue category contracted by 13% year on year, versus 15% in the first quarter, and 17% a year ago. The improvement is mostly driven by a better subscriber trend. The number of fixed voice clients went down by 52,000 in Q2, versus 56,000 in Q1, and 95,000 a year ago.

This concludes the review of our top line. Let's now look at our restated EBITDA.

In Q2, our restated EBITDA was above PLN1 billion; this was 5% better than last year. Both cost control and better revenue trends contributed to this improvement. Revenue affected EBITDA by only PLN70 million, much less than in Q1; it was PLN159 million. This is a consequence of the more favorable performance in mobile that we have just discussed a while ago.

On the cost side, EBITDA was supported by lower direct commercial costs, this is PLN31 million, by our cost optimization program which added PLN78 million, and other OpEx which was helped by non-recurring items.

On the next two slides, we will take a closer look at the performance of some cost categories.

We are optimizing our commercial expenses, despite adding more customers of mobile services. In Q2, these expenses were down 7% year on year. We continue to be selective in advertising; we benefit from enhanced operational management of client acquisition and retention processes; and finally, we see higher popularity of SIM-only offers both in voice and data.

Reported unitary subscriber acquisition and retention costs benefited from launch of installment offers. However, even excluding this effect, they were down double digit versus Q2 of the previous year.

Let's now look at cost savings in more detail.

Cost optimization has already been a sustainable part of our internal focus for a number of years; more than one-half of the savings in H1 came from non-labor categories. In terms of workforce optimization, everything goes as scheduled. During first half of the year, 940 employees have already left, and another 320 applied to leave, which, combined, is more than 80% of our full-year target.

Let's now turn to net income.

Net income amounted to PLN94 million in Q2, versus PLN76 million a year before. Income tax charge was positive, due to accruals for tax refunds and new technologies tax relief. We can expect the impact of the new technologies tax relief also in the second semester of this year.

Our finance costs were up year on year; however, it was only due to the non-cash effect of mark to market valuation of derivatives. Going forward, our financial costs shall benefit from lower interest expenses related to the recent debt refinancing executed in May this year.

Let's now review how all of this translated into cash generation.

Organic cash flow amounted to PLN325 million in Q2, and posted significant growth over the previous year. It stemmed from three factors. First, the improvement in net cash from operating activities driven by restated EBITDA, and lower net interest expenses; second, we spent less cash on capital expenditures; thirdly, from lower year-on-year increase in working capital requirement.

As for the cash impact of the net financial expenses in the near future, please bear in mind that we now pay on a semiannual basis, as opposed to mostly on annual basis before debt refinancing which happened in May.

Ladies and gentlemen thank you for your attention and I hand the floor back to Bruno for conclusion.

Bruno Duthoit, Orange Polska SA - CEO

Thank you, Maciej. Let me wrap up and give you a short update on our H2 expectations.

In the first half, we improve our performance in most areas. Our commercial momentum was better than one year ago and we managed to deliver solid top-line profitability and cash flow. Our main areas of concern are mobile ARPU and broadband customer base; we are actively addressing those issues.

The deregulation process in fixed broadband market, if effective, could bring to us new opportunities. As now the auction for LTE has been delayed, we continue to exploit the potential of the spectrum we have at the moment and grow and monetize our 3G and 4G networks.

Going forward, we expect the market to remain challenging and pricing pressure not to ease. Commercial focus is on top of our agenda for H2. We expect offers launched in H1 to gain further momentum. We will continue to promote our convergence solutions. We are also planning to launch new product features to make our services even more appealing. At the same time, we will keep on rigorous cost control.

Let's now turn to the last slide to look how this impact our full-year expectation.

We confirm our full-year outlook and trend expectations which we presented at the beginning of the year. In H2, revenue decline should slow down considerably as it will not be any more affected by MTR cuts from 2013. However, we expect pricing pressure to continue.

OpEx optimization will remain our priority; however, our commercial agenda will inflate commercial costs.

CapEx is under full control and we do not expect it to exceed PLN1.8 billion. We confirm the cash flow guidance.

Thank you very much for your attention. This concludes the presentation, and we are now ready for your questions. Thank you.

Questions and Answers

Leszek Iwaszko, head of IR

As usually, we first take questions from the floor, if there are any?

Przemyslaw Sawala-Uryasz, UniCredit Research - Analyst

Przemyslaw Sawala-Uryasz, UniCredit. First of all, congratulations on the results. Could you elaborate on the impact of installment accounting changes, the (...) installment payments on the equipment that you sold on the top line and EBITDA?

Maciej Nowohonski, Orange Polska SA - CFO

First of all, I would like to give you some color what this offer is about. So the offer that we have implemented is business driven and the main feature of the offer is lowering the price point, entry price point, for the customers to enter into a contractual agreement with us.

Moreover, we believe that this offer, when properly managed within our portfolio, is able to give us better shift from SIM-only uptake to handset uptake. So this is the business, I would say, environment which is around this offer.

From the accounting perspective and the real how the customer is seeing this offer, the customer is paying a relatively low fee for a handset at the beginning when he is buying and when he is signing a contract with us. And then he is repaying the cost of the handset within the 24, normally, monthly installments across the duration of the service contract.

In the accounting treatment we are treating it very properly, as it should be. So we are recognizing the full revenue from that when the contract is signed. Then, we are collecting the money from this contract across the period that I mentioned.

Przemyslaw Sawala-Uryasz, UniCredit Research - Analyst

So in other words, revenue-wise you recognize a sale at the point of sale? Right? And the cash flows are coming in on the contract on others?.

Maciej Nowohonski, Orange Polska SA - CFO

When the contract is being realized, the cash is coming then. I just wanted to give you the information that, in fact for the Polish market, we are the last to implement it. The offer is available from our competition more or less from two to three years already, and you see the impact of that in the results of the competition, especially T-Mobile, for a period of time.

Przemyslaw Sawala-Uryasz, UniCredit Research - Analyst

Would you be able to quantify any impact in EBITDA line?

Maciej Nowohonski, Orange Polska SA - CFO

This is, roughly speaking, around PLN70 million in Q2.

Przemyslaw Sawala-Uryasz, UniCredit Research - Analyst

Thank you.

Leszek Iwaszko- head of IR

No further questions from the floor? Let's open the line for our conference call

Operator

(Operator Instructions). Herve Drouet, HSBC.

Herve Drouet, HSBC Global Research - Analyst

I have a few questions on my side. The first one, can you explain more in detail why your working capital requirements are decreasing? Is there any specific items that explain it?

The second thing is, in the second quarter it looks like there's been quite a significant jump compared with the first quarter of depreciation and amortization. I just wanted to check with you if it was a specific one-off that may explain it.

And finally, is there any news on the EC fine of EUR127 million in term of potential date of payment? Thank you.

Bruno Duthoit, Orange Polska SA - CEO

I will start with your last then give the floor to Maciej. Concerning the fine, no, nothing new. We are waiting normally a hearing which would be organized by Tribunal in Luxembourg during the next month and then the Tribunal will take its decision. No agenda today, but obviously there is no -- very low chance if no chance left to have to pay something in 2014. Maciej, for the other point?

Maciej Nowohonski, Orange Polska SA - CFO

So as for the working question, first of all, the working capital is driven by our results in revenue and costs and here we could see that our impact on the installments is visible in the receivables which are growing. Part of these receivables will normally be paid in the longer period of time than 12 months because our contracts are, on average, close to 24 months. And then, all the activity that we do on our cost base, which is visible in very strong reduction of our costs, especially the fixed costs, this is then driving the requirement from the payables perspective.

The depreciation, I confirm that this is one-off catch-up item.

Herve Drouet, HSBC Global Research - Analyst

Can you be more specific on the nature of this one-off?

Maciej Nowohonski, Orange Polska SA - CFO

This is the item which is related to the treatment of our fixed assets. It's not related to the scrapping of some items from our portfolio, but it's a pure timing catch-up factor which is especially, and on a single basis, visible right now in our accounts.

Herve Drouet, HSBC Global Research - Analyst

Is it related to any regulatory framework or decision?

Maciej Nowohonski, Orange Polska SA - CFO

No.

Herve Drouet, HSBC Global Research - Analyst

Okay. Thank you.

Operator

David Kaplan, Barclays.

David Kaplan, Barclays - Analyst

Hello everyone. The line loss on the fixed line side is improving. I would imagine that some of that's related to the rollout of the broadband and the rollout of the fiber. You have not included investments in broadband in your guidance for CapEx. I'd like to know why not, and what is it are you thinking about in terms of the plan for investing in that infrastructure over the next 12 to 18 months?

Bruno Duthoit, Orange Polska SA - CEO

I will answer. You know there is two elements; the first, we need to understand if there will be an evolution of the regulation. You know that the telecom regulator in Poland initiated a process to deregulate the bitstream access in approximately 25% of the country. So process is ongoing; there was consultation. Now regulator is waiting for an opinion of the European Union in Brussels which could happen soon, and then the decision will be taken, possibly in September. And that's element, you know, if the decision is positive, could help the Company to reinvest, or to invest in very high broadband infrastructure.

The other element is that today, we are still to improve our performance on I can say traditional fixed broadband network we have. ADSL, VDSL is not going so bad. Even if customer base is flat, we improve a lot in very high broadband VDSL more than ADSL. And we have still a room to maneuver. The long-term plan, if any, in very high broadband are now discussed at the management level and will be presented if relevant to the Supervisory Board in the next months.

David Kaplan, Barclays - Analyst

Okay. Thank you.

Operator

Vera Sutedja, Erste Bank.

Vera Sutedja, Erste Bank - Analyst

Good morning to everybody. My question is related to the free cash flow target, the organic cash flow target. Considering that the CapEx spending is going to be higher in the second half I think, and on top of that to the installments method, one would expect a higher working capital requirement. Can you guide us to how you are going to achieve this free cash flow target?

The second question would be on the spectrum auction please. Since it's delayed could you update us when do you expect this to be concluded, later stage, or any development on it would be appreciated? Thank you.

Maciej Nowohonski, Orange Polska SA - CFO

Thank you for the questions. In terms of the cash flow, you're right to point out the impact of the installments on the working capital. You're right to point out the elements of the CapEx. However, the CapEx is more intensive in our business as a rule each year in the second semester of the year. So this is not a changing factor which is disallowing us to achieve the guidance on cash.

Coming back to the working capital, it is very important to note that we are, quite intensively, developing different options to optimize the working capital. So we are not doomed to stay with the high level of receivables or payables for a long period of time. Supply chain financing instruments are well developed in this country. We have quite promising cooperation with the banking sector in that respect. So we are well equipped to secure the guidance as we see it today.

Bruno Duthoit, Orange Polska SA - CEO

Concerning LTE 800Mhz frequency auction, we didn't receive during the last days or weeks concrete information about next steps. We will see, but we believe that the decision will be taken possibly in August, beginning of September. Anyway, if the auction is restarted as an auction, most probably the process will end only at the beginning of 2015.

Vera Sutedja, Erste Bank - Analyst

Thank you. So if I may follow up back on the cash flow target. Does it also imply that we should expect improvement in the EBITDA, so most of the free cash flow target would be actually borne by the improvement in EBITDA. Do I understand that correctly?

Maciej Nowohonski, Orange Polska SA - CFO

We are not specifically guiding on the EBITDA item but I would say this is in our DNA to fight for the good EBITDA results. I would comment like that.

Vera Sutedja, Erste Bank - Analyst

And if I may ask a last question? It's about this other OpEx adjustment on social fund; could you elaborate what's that? Is that related to redundancy, or what is a positive adjustment, as far as I understand the slide?

Maciej Nowohonski, Orange Polska SA - CFO

This item is, in fact, a correction of a provision in our balance sheet, and relates to the social funds that we are keeping in our balance sheet, related to the retirees from Telekomunikacja Polska and Orange Polska globally. So we have been able to renegotiate the level of those provisions successfully with our trade union partners. And as a result of that, we were able to reduce this exposure in our balance sheet.

Vera Sutedja, Erste Bank - Analyst

Okay. Thank you very much for the answers.

Maciej Nowohonski, Orange Polska SA - CFO

This is not an item related to the redundancy program.

Vera Sutedja, Erste Bank - Analyst

Okay. Thank you.

Operator

Ivan Kim, VTB Capital.

Ivan Kim, VTB Capital - Analyst

Good afternoon. Two questions, please. Can you roughly estimate the CapEx requirement in fiber, in case there is deregulation coming this autumn?

And then, secondly, can you please elaborate on this positive PLN254 million effect from spectrum acquisition in 2013, that you had on your organic free cash flow? Thank you.

Bruno Duthoit, Orange Polska SA - CEO

On the first point, I already partly answered. I think that today, our plan for investments in very high broadband are not finalized, because they are partly depending, not only, but partly depending on a decision on the deregulation of the market, which could be taken at the beginning of Q4. Today, we are not giving any information on this aspect. For the second point, I will pass to Maciej too.

Maciej Nowohonski, Orange Polska SA - CFO

Apologies, but I'm not sure I understood the question about the spectrum. Could you please repeat it and elaborate?

Ivan Kim, VTB Capital - Analyst

Sure. Your excel file just contains a note that a positive -- I don't know what's that, a reversal PLN254 million effect relates to the acquisition of spectrum in 2013, and basically appeared. I'm not sure what's that exactly related to. It says it also decreased the cash outflow for CapEx payables.

Maciej Nowohonski, Orange Polska SA - CFO

Okay. So this is the item which is related to the spectrum that we are using, and we have bought in 2013 from the owner of the spectrum, which was T-Mobile. So that's the spectrum that we are using today to provide to our customers LTE services for 1,800 megahertz bandwidth.

Ivan Kim, VTB Capital - Analyst

Okay. And why exactly this positive effect appeared?

Maciej Nowohonski, Orange Polska SA - CFO

It's not exactly positive because this item is not particular cash item in our cash flow. We are paying, in fact, in monthly installments for the period of the next 15 years.

Ivan Kim, VTB Capital - Analyst

Okay. Thanks.

Operator

(Operator Instructions). [Vibhor Kumar, Citigroup].

Vibhor Kumar, Citigroup - Analyst

Thank you so much for the presentation. I have a question on the convergence performance. It looks like, on the Open side, net additions similar to first quarter. And the fixed broad performance has also improved in this quarter. But looking at industry traditions it's, again, an average performance.

So just trying to understand how this convergence is going to play out in the next 12 months or so, when there's a -- and as you mentioned in the presentation, there is high competition in the convergence projects. Thank you.

Bruno Duthoit, Orange Polska SA - CEO

Vincent, you can take it.

Vincent Lobry, Orange Polska SA – Deputy CEO responsible for Value Management & Convergence

Yes, I was saying that important factor is RGU. So the different services, the basic services in the broadband in fixed or mobile broadband or voice that you include in Open. And this is increasing.

And also, something which is important, we change our Open, we enrich our Open offer in April this year where, in fact, we allowed to have a broader offer, and more you have RGU or basic offer, more discount you have. So it's quite a good tool, in fact, to increase the number to up-sell the customers to sell more offers, including the TV in fact.

It was one of the big move in Q2 in order that you can add up to eight different basic services. But the trends are quite good and the number of up-sell/cross-sell is quite okay, both in B2C and B2B.

Vibhor Kumar, Citigroup - Analyst

I have a follow-up as well. How do you look at the convergence product versus availability of the similar product in the market by the competitors? Thank you.

Vincent Lobry, Orange Polska SA - Deputy CEO responsible for Value Management & Convergence

So there is, on the convergence side there is one main competitor which is a group with Plus and Polsat which is using convergence between mobile voice and broadband and television. So they're not including, because they don't provide, fixed broadband.

They launched also this new offer in Q2. We think our offer is really competitive with that offer, and is maybe more complete because it includes more services. And also, the entry level is lower so we can have more customers coming in our offer than in the other offer of Plus. But they are competing quite aggressively on this base.

On the other competitors, up to now we don't see really move of convergence except on B2B market where the merger between GTS and T-Mobile is bringing, but on a very specific segment, some convergence between fixed services and mobile services. But it's more on a tender basis than really on a offer basis.

Vibhor Kumar, Citigroup - Analyst

Okay, thank you. Just one last question on mobile market. Looking at PLAY, it seems to be less aggressive, but there has been news that T-Mobile had been aggressive on SIM-only offers lately. So how do you look at the overall mobile market in this second half of the year? Thank you.

Vincent Lobry, Orange Polska SA - Vice Chairman of the Management Board for Value Management & Convergence

I think there's has been, since the arrival of PLAY on the market, with four competitors the mobile market remains very, very competitive. And you mentioned the move of T-Mobile and PLAY in the recent month, especially on the SIMO.

We try not to compete only on the price level, even if we have different offers which are really also competitive on installment, as already mentioned, but also we have a Nju which is a good tool to compete in some segments of the market.

And we are competing also with not only price but first convergence, so you have higher discounts if you are buying more products from us, not only mobile, but also on the fixed side and broadband. And also the functionalities in terms of, for example, insurance, other services than just a basic price of gigabyte or minute or SMS.

But the market will stay quite competitive, for sure moving more from the voice SMS market to the data market, both on the smartphone but also on mobile broadband which is, today, the market which is growing the most quickly. So it will stay competitive. And we have also, I think mobile broadband is a real challenge because we know we have to invest because the growth of the usage is very big on data side, more than, let's say, triple digit.

So it's really very challenging in terms of cost and network development. And we have to really keep to monetize this data increase usage by the customer. And I think it will be the biggest challenge in the next months to continue to get money from the data usage.

Vibhor Kumar, Citigroup - Analyst

Okay. Thank you so much.

Operator

Ondrej Cabejsek, Wood & Company.

Ondrej Cabejsek, Wood & Company - Analyst

I would like to ask first thing regarding your commercial costs in the second half of the year. If you could provide more visibility on where you see them going?

And second question regarding the LTE tender; say in September the tender gets cancelled, it's going to be likely pushed back into 2015. Do you think it's a fair assessment to say that the decision to increase dividends would be impacted by this, given the low visibility on how much you will be spending in the auction? Thank you.

Maciej Nowohonski, Orange Polska SA - CFO

Okay, thank you for the questions. Obviously, for the dividend part of the question I will keep repeating what we have been saying previously, so the next checkpoint is February 2015. I hope that, by this time, we will be more clear about the auction.

In terms of the first question, which was about the color on commercial performance of the second semester, we do not guide it obviously. But you perfectly know, Ondrej, what are the drivers of the first semester of our commercial performance, and we believe that they will also work in the second semester. And then please take into account the fact that the high season is the Q4.

Ondrej Cabejsek, Wood & Company - Analyst

Okay. So just in terms of sustainability of this commercial cost decrease, because you say that in the second half of the year you plan to increase this somewhat, can we expect relative to the second half of the year 2013, can we still expect a decrease year over year, or do you see these as maybe leveled year over year?

Maciej Nowohonski, Orange Polska SA - CFO

I cannot comment so specifically because we have also some elements still uncertain in front of us, especially the level of competition. And in some aspects we shall continue the strong selectivity, like, for example, selective approach to the messages that we are giving through the advertising.

Ondrej Cabejsek, Wood & Company - Analyst

Okay, great. Thank you very much.

Operator

As there are no further questions at this time, I'd like to hand the call back to the speakers for any additional or closing remarks.

Leszek Iwaszko, head of IR

Thank you very much. If there are no further questions then thank you for attention. We'll be reporting Q3 results on October 22. Thank you.

Operator

That will conclude today's conference call. Thank you for your participation ladies and gentlemen. You may now disconnect

