

Royal Gold, Inc. NasdaqGS:RGLD

FQ4 2014 Earnings Call Transcripts

Thursday, August 07, 2014 4:00 PM GMT

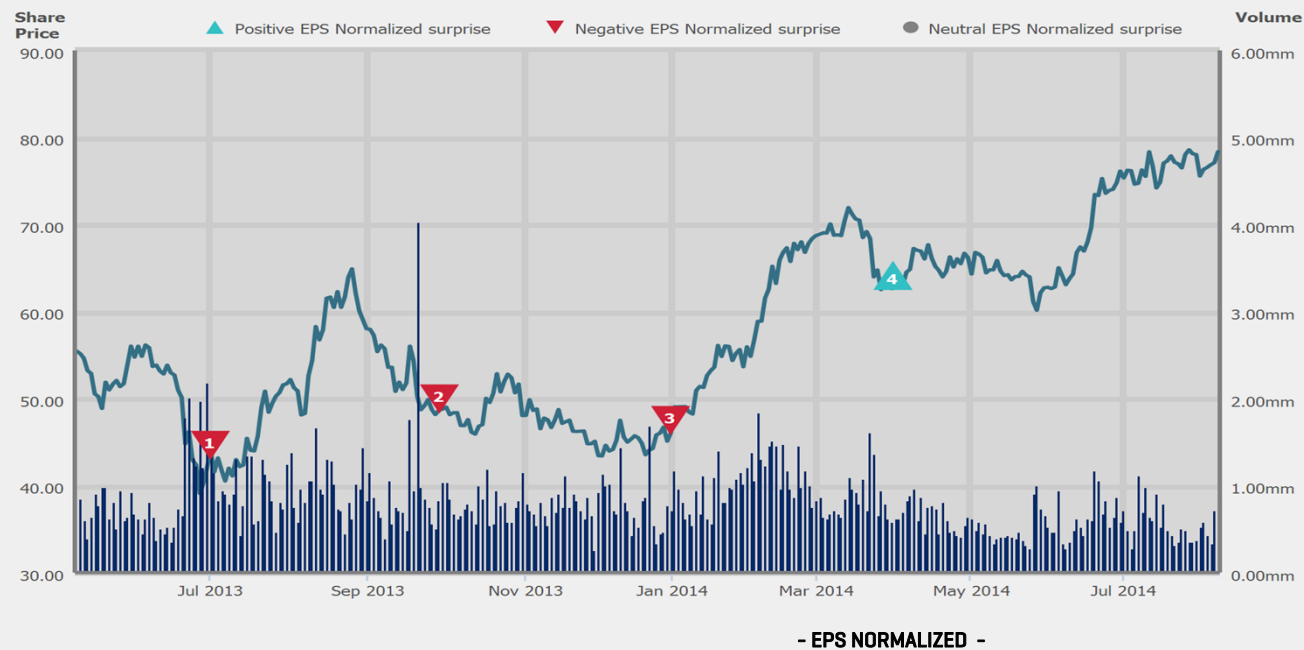
S&P Capital IQ Estimates

	-FQ4 2014-			-FQ1 2015-		-FY 2014-		-FY 2015-	
	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS	SURPRISE	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS
EPS Normalized	0.31	0.31	●0.00	0.35	▼ [3.33]	1.03	1.02	▼ [0.97]	1.67
Revenue [mm]	74.60	70.14	▼ [5.98]	86.62	▼ [7.84]	241.12	237.16	▼ [1.64]	364.35

Currency: USD

Consensus as of Aug-07-2014 3:49 PM GMT

Stock Price [USD] vs. Volume [mm] with earnings surprise annotations



	CONSENSUS	ACTUAL	SURPRISE
FQ4 2013	0.27	0.16	▼ ¹ [40.74 %]
FQ1 2014	0.24	0.23	▼ ² [4.17 %]
FQ2 2014	0.25	0.16	▼ ³ [36.00 %]
FQ3 2014	0.23	0.31	▲ ⁴ [34.78 %]

Call Participants

EXECUTIVES

Karli S. Anderson

Vice President of Investor Relations

Stefan L. Wenger

*Chief Financial Officer, Principal
Accounting Officer and Treasurer*

Tony A. Jensen

*Chief Executive Officer, President and
Non Independent Director*

William H. Heissenbuttel

*Vice President of Corporate
Development*

William M. Zisch

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ANALYSTS

Adam P. Graf

*Cowen and Company, LLC, Research
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Alex Terentiew

Raymond James Ltd., Research Division

Andrew C. Quail

*Goldman Sachs Group Inc., Research
Division*

Brian MacArthur

UBS Investment Bank, Research Division

Cosmos Chiu

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Division*

Presentation

Operator

Good day, and welcome to the Royal Gold's Fiscal 2014 Fourth Quarter and Year-End Conference Call. [Operator Instructions] Please note, this event is being recorded. I would now like to turn the conference over to Karli Anderson, Vice President, Investor Relations. Please, go ahead.

Karli S. Anderson

Vice President of Investor Relations

Thank you, operator. Good morning, and welcome to our discussion of Royal Gold's Fiscal 2014 Results. This event is being webcast live, and you'll be able to access a replay of this call on our website. Participating on the call today are Tony Jensen, President and CEO; Stefan Wenger, CFO and Treasurer; Bill Heissenbuttel, Vice President, Corporate Development; Bill Zisch, Vice President, Operations; and Bruce Kirchhoff, Vice President, General Counsel and Secretary.

Tony will open with an overview of the quarter, followed by Bill with an operational review, and then Stefan will discuss our financial performance. After management completes their opening remarks, we'll open the line for a Q&A session.

This discussion falls under the Safe Harbor provision of the Private Securities Litigation Reform Act. A discussion of the company's current risks and uncertainties is included in the Safe Harbor statement in today's press release and is presented in greater detail in our filings with the SEC.

Now, I will turn the call over to Tony.

Tony A. Jensen

Chief Executive Officer, President and Non Independent Director

Good morning. And thank you for taking time to join us. We are pleased to report today very strong financial results for the fourth quarter, as well as the fiscal year. Our remarks will be limited to focus more time on questions you may have. We have slides that go along with today's discussion, and I'll begin on Slide 4.

In fiscal 2014, we embarked upon our next phase of growth. Mt. Milligan, our largest investment, began production. We completed several royalty and streaming transactions that will enhance our long-term growth. We increased our dividend at a time when many precious metal companies were reducing their payouts, and we maintained a strong balance sheet with over \$1 billion still uncommitted.

The operating results reflect higher contributions from Mt. Milligan, along with increased production at Peñasquito and on our interest at Cortez during the second half of our fiscal year. Growth at these properties offset the expected decline in grades and associated gold production at Andacollo. Bill Zisch will discuss our operating results momentarily.

The gold price in fiscal 2014 was 19% lower than fiscal 2013, while earnings were only down 12% at \$0.96 per share. Stronger production volume, lower G&A and a lower tax rate help offset the lower gold price during the year. Stefan will go over our financial results in more detail later in the call.

Turning to Slide 5. Mt. Milligan was commissioned last fall, moved steadily into production and provided us with 3 straight quarters of volume growth. In fact, in the June quarter, Mt. Milligan became our largest revenue generator, and it only averaged at about 65% of production capacity during that period. If you look at the chart on the left-hand side of the page, you'll see the progression of ounces we received from Mt. Milligan. And by the way, we're not including the 7,800 ounces we have in inventory on this chart.

Looking at the chart on the right-hand side of the page, we expect the mine will continue to drive our growth as production increases over the next several quarters. Mt. Milligan will likely be the largest single stream in the gold business, once it reaches full capacity.

Thompson Creek reports that the ramp-up at Mt. Milligan continues to progress well. Ore grades and metal recoveries are as expected for this point in the ramp-up schedule, and more throughputs are steadily improving.

Thompson Creek has targeted 80% of design capacity by the end of this calendar year, but notes that normal production variances can be expected until steady-state operations are achieved.

I'll turn the call over to Bill Zisch for commentary on our operating results.

William M. Zisch

Vice President of Operations

Thank you, Tony. And good morning, everyone. Slide 6 shows a production and revenue waterfall comparing the current June 2014 quarter with the March 2014 quarter. I will focus my initial comments on operational performance differences at our principal properties. After that, I will provide a brief update on development of the Phoenix project in Red Lake and Mt. Milligan's ramp-up, and I will end with a brief discussion on commissioning status at the Long Harbour processing plant, which will process Voisey's Bay nickel concentrates.

As you can see in the production and revenue waterfall, we were well served by our 37 producing properties. We had a handful of properties that, in total, realized lower production of 2,500 gold equivalent ounces, that was offset by a number of properties that realized a 2,500-ounce positive variance in production. Beyond that offset in the portfolio, the growth in production and revenue was provided by Mt. Milligan's ramp-up, which I will address in a moment.

Briefly, results in the portfolio included reductions in production at Andacollo related to the continued mining of lower grade material; at Canadian Malartic, due to changes in the sequence of mining from our area of interest; and at Holt, a result of lower mine grades and lower tonnage.

Production levels in the June quarter at Las Cruces and Mulatos were very close to the March quarter. Increases in production were realized at Robinson as they supplemented in-pit mining with mining from stockpiles; at Cortez, where Barrick increased activities in the pipeline in Gap regions that are subject to our interest; and at Peñasquito, as mining continued in the higher grade phase 4 portion of the pit and mill throughput, grade and recoveries realized increases when compared to the March quarter.

Beyond that balanced production result was the growth in the portfolio provided by the continued ramp-up at Mt. Milligan.

Now on Slide 7. Thompson Creek reports that a number of mining and milling adjustments were made in April and May, after which they achieved an average daily throughput of about 48,000 tonnes per day for the month of June, with a record daily mill throughput of 63,970 tonnes, roughly equivalent to design capacity on June 16.

While these operational results are significant milestones for them at this stage of the ramp-up, Thompson Creek reports that they continue to expect variability and mill throughput until they consistently achieve about 80% of design capacity, which is expected by the end of this year.

Thompson Creek also updated their calendar 2014 projections for the mine, increasing their production range by 20,000 ounces to 185,000 to 195,000 ounces of gold and reducing their byproduct cash cost range to \$1 to \$1.50 per pound of copper. Midpoint of this range would place the project in the second quartile of worldwide production costs.

On the development front, Rubicon Minerals has continued to progress the Phoenix project in the Red Lake district in Ontario. As of the end of June, they were about 1/3 of the way through the development of the project, which has a mid-2015 startup target. Development of underground infrastructure related to ventilation and ore transport systems is well underway. They've mobilized 2 diamond drills for underground infill and definition drilling. Construction of the mill facilities is on schedule and the tailings management facility is well advanced towards completion.

At Voisey's Bay, we saw expected seasonal reductions in copper shipments in the June quarter. Currently, Vale is commissioning its new Long Harbour processing plant, and they intend to begin introducing nickel concentrates from Voisey's Bay in the coming quarters. Vale will transition the processing of Voisey's Bay nickel concentrates from their Sudbury and Thompson smelters to Long Harbour. We are discussing with Vale how the nickel royalty will be calculated going forward. We have pending litigation

with Vale concerning calculations of royalty, and if we cannot reach agreement on the proper calculation going forward, we will pursue all legal remedies to enforce the terms of our royalty through this litigation.

Turning to Slide 8. We provided a comparison of the operator's full year guidance versus actual production to date. Some of the operations, notably Andacollo, Peñasquito, Malartic and Las Cruces have had strong performance in the first half of calendar 2014. You will note that both Cortez and Mt. Milligan are forecasting a strong second half of calendar 2014.

Now I'll turn the call over to Stefan to discuss the financial results.

Stefan L. Wenger

Chief Financial Officer, Principal Accounting Officer and Treasurer

Thank you, Bill. And good morning, everyone. Moving on to Slide 9, I'll briefly go over our fiscal year financial highlights. We generated \$237 million in revenue compared with \$289 million in fiscal 2013. Net income totaled \$62.6 million or \$0.96 per share compared with \$69.2 million or \$1.09 per share for fiscal 2013. We had a couple of one-time items hit our fourth quarter results, including a noncash loss on marketable securities of \$4.5 million or \$0.07 per share, while income tax expense benefited from the decrease of \$5.9 million or \$0.09 per share for a noncash reduction of our uncertain tax positions.

Our adjusted EBITDA was \$202.1 million, representing 85% of revenue compared with adjusted EBITDA of \$260.5 million or 90% of revenue for fiscal 2013. Adjusted EBITDA as a percentage of revenue was lower in fiscal 2014, due to the inclusion of ongoing streaming payments to Mt. Milligan of \$435 per ounce, which are recorded as a cost of sales.

For fiscal 2015, as Mt. Milligan continues to increase its contribution to our revenue, we expect adjusted EBITDA to be about 80% of our revenue. During our fiscal year we paid out \$53 million in dividends, which is a payout ratio of about 36% of our operating cash flow of \$147 million.

After accounting for the one-time items discussed a moment ago, our reported effective tax rate for fiscal 2014 was 23.5%. However, if you were to normalize our results for the year, our tax rate would've been about 31%. Looking forward to fiscal 2015, we expect that our effective tax rate will be between 28% and 32%.

For fiscal 2014, we recorded DD&A expense of \$91 million or just under \$500 per gold equivalent ounce. For fiscal 2015, we expect to record DD&A of between \$400 and \$450 per gold equivalent ounce, with the reduction coming from an increase in contribution from Mt. Milligan, which has a DD&A rate per ounce of only \$370.

Slide 10 shows our strong balance sheet, with working capital of \$714 million, our expanded available credit line of \$450 million and about \$150 million of operating cash flow for the past 12 months. We have just 3 commitments on our capital that currently total about \$100 million, and \$1 billion remains uncommitted.

Now, I'll turn the call back over to Tony.

Tony A. Jensen

Chief Executive Officer, President and Non Independent Director

Thank you, Stefan. And I'll wrap up with just a few closing comments. This quarter, it was really all about Mt. Milligan. We have been talking about the expected impact this project will have on Royal Gold for some time, and it is impressive to see the magnitude of growth now coming through and its contributions to our financials. The quality of the project, its location and the management team are critically important to our investment process. Mt. Milligan met all of those criteria for us, and we use that same lens to evaluate new opportunities. We spend the time and effort to find projects with strong potential, using our own data to make investment decisions and getting to know the deposits and the management teams carefully before we invest.

We continue to be encouraged by the amount of deal flow in the business and by the current market environment where royalty and stream products offer a compelling cost of capital for operators. But we will remain selective in our investments to those opportunities that we believe will provide strong shareholder return.

Operator, that concludes our prepared remarks, and we'll be happy to talk to any questions, if there were some.

Question and Answer

Operator

[Operator Instructions] Our first question comes from Cosmos Chiu of CIBC.

Cosmos Chiu

CIBC World Markets Inc., Research Division

Just have a few questions here, maybe first off on Cortez. Thanks for putting up the comparison of full year versus what's been done so far. Can you remind us again why the uptick in the second half of calendar 2014 -- I guess, in part its due to some of the ore going through the roster at Goldstrike, but what else is there that we can take a look at?

Tony A. Jensen

Chief Executive Officer, President and Non Independent Director

This is Tony. And with regard to Cortez, you know that a lot of the effort has been focused over on Cortez Hills, which is an area where we do not have a royalty interest over the last several years. And now they have moved the equipment back over to the pipeline, South Pipeline complex, including Gap, and those -- all of those deposits, we do have a very strong royalty interest on. And so we just expect that there'll be more production from the Gap pipeline, South Pipeline in the second half of this year.

Cosmos Chiu

CIBC World Markets Inc., Research Division

Okay, so it's not a one-off, Tony. Like since they've moved the equipment back to pipelines, we're expecting there's higher production that's attributable back to Royal Gold to last a while?

Tony A. Jensen

Chief Executive Officer, President and Non Independent Director

It will certainly fluctuate back and forth. Like any good miner, the Barrick folks are looking for the higher grade to maximize NPV. And so there are areas -- even over in the pipeline complex, where we don't have a royalty interest. So I hesitate to give you guidance that it's going to be this strong in the next couple of quarters. But as we look forward several years, I remind you that we do have the Crossroads deposit, which I think, Bill Zisch -- I think, we're someone in the order of about 3 million ounces of reserve in -- at Crossroads that are subject to our royalty interests.

William M. Zisch

Vice President of Operations

Correct.

Tony A. Jensen

Chief Executive Officer, President and Non Independent Director

So that is a very powerful piece of Cortez -- our future at Cortez.

Cosmos Chiu

CIBC World Markets Inc., Research Division

Okay. Is there any new timing on Crossroads because I know a few years back, we had talked about Crossroads, and there was a high royalty on it, so it may have delayed some of the production from Crossroads. But since then, the royalty has been restructured. What's the current timing on it?

Tony A. Jensen

Chief Executive Officer, President and Non Independent Director

Yes, you do have a very good memory, and I think the best way to answer that question is Crossroads is probably one of the lower priority targets that they have on the site. So they're going to be pursuing some of the other reserves before they get to the Crossroads deposit. But I think that's something that we'll get a whole lot more clearance or more vision on in the coming year or 2. We'll get a good idea of when they're going to put that back into the schedule.

Cosmos Chiu

CIBC World Markets Inc., Research Division

Great. Maybe if I can ask about Andacollo. Certainly, grades were a bit lower in the current quarter, as expected, as per the mine plan. Is there any kind of clarity in terms of if they are ever going to get back to like the higher production? I know for example, last year, same quarter, you guys -- Royal Gold saw about 15,000 ounces of gold contribution. Is that royalty ever -- again, capable of going back to that type of production?

Tony A. Jensen

Chief Executive Officer, President and Non Independent Director

I don't think we're going to see those grades that we saw in the first couple of years of production at Andacollo, as we go forward, given the reserves we know now. But we do expect stronger grades next year than we have this year. So there should be some better benefit as the laid-back stage back and forth as you've seen at many other operations, which is going through a lower grade section of the pit at the present time, Cosmos, and we expect that to rebound slightly next year.

Cosmos Chiu

CIBC World Markets Inc., Research Division

Right. And maybe if I can switch gears again, in terms of the development stage projects, I know you have an agreement with Chieftain Metals. Can you remind me if you've extended that \$45 million cash payment yet? And you talk about -- it's still subject to satisfaction of certain conditions. Given the accident that has happened in the Province of BC 2 days ago with Imperial Metals, has that changed your thinking in terms of your investment or possible investment at Chieftain Metals?

Tony A. Jensen

Chief Executive Officer, President and Non Independent Director

Let me take the latter question first, and then Bill Heissenbittel can talk to the prior question. But I think it's way too early for us to make any assessments about what may be the future of permitting in British Columbia with regard to the accident that happened this week. But we are going to look at each investment very, very critically; and that and a number of other things will come into our thinking whether we decide to move forward with any project anywhere in the world. But with regard specifically to [indiscernible] achieve at Chieftain, Bill, do you want to comment on that?

William H. Heissenbittel

Vice President of Corporate Development

Sure. Cosmos, if you mean have we advanced the \$45 million, have we made the payment? No, we have not. We still only have \$10 million invested there. You are correct, it is subject to conditions precedent, which includes full financing for the project and in the latest, restructuring. I think you might recall in the original deal, we had the ability to recall that \$10 million at the end of this year. And in the restructuring, we retained that right. So we'll have another look at the project later this year.

Cosmos Chiu

CIBC World Markets Inc., Research Division

Okay. And when would you -- maybe, I know that, as part of the new restructuring, there's new terms to that agreement. Maybe if you can, Bill, since I have you on the phone, talk about how you came about some of those new terms? And what factors did you consider and agree to essentially the newer revised agreement?

William H. Heissenbittel

Vice President of Corporate Development

Yes. Chieftain has not -- I don't think, has been specific about what they're now looking at in terms of a new feasibility study, so I might be a little limited as to what I can say. But they are considering something that would have lower capital, lower throughput, higher grades, new transport options, and we were able to sort of consider some conceptual ideas in looking at that new transaction. That's pretty much I have.

Operator

Our next question is from Andrew Quail of Goldman Sachs.

Andrew C. Quail

Goldman Sachs Group Inc., Research Division

Question on Voisey's Bay. Is the transition going to affect, through the next couple of quarters, production there? And if so, what sort of impact will that have to you guys? And any sort of -- I suppose any sort of color you could put around the discussions with Vale would be helpful too.

Tony A. Jensen

Chief Executive Officer, President and Non Independent Director

Tony here. Now we anticipate that some of the ore will start moving through the Long Harbour process, maybe late this year and more aggressively next year and probably turning all away over to Long Harbour next year. So we don't expect any kind of change in procedures to hit our any kind of financials until next year, if at all. And let me just say with regard to the comments that Bill Zisch made in his discussion about Voisey's Bay, we -- suffice it to say, we've been in discussions with Vale. We've tabled some proposals in how we think the royalty should be calculated, and Vale has done the same, and we still have negotiations to happen before we ever see some common ground there. So we just want to give you a good sense that these discussions were going on and we can't predict at this point the outcome of those discussions. But beyond that, I think I should probably keep my remarks to those words.

Andrew C. Quail

Goldman Sachs Group Inc., Research Division

That's fair. Question on Mt. Milligan. I mean obviously, you probably can't give us what's going to happen to your guidance in 2015. When do you actually think you guys will be providing that to the market? And say, in grade and recovery, pretty much going to be consistent?

Tony A. Jensen

Chief Executive Officer, President and Non Independent Director

Sorry, I'm not sure I understood that question. Can you repeat that for us, please?

Andrew C. Quail

Goldman Sachs Group Inc., Research Division

Just trying sort of guidance for next year, what would you guys, if we hit to a steady-state, do you think something like grade and recovery is pretty consistent from where we're at?

Tony A. Jensen

Chief Executive Officer, President and Non Independent Director

Well, let me talk generalities for a bit and then Bill Zisch might have a little bit more color on the detail. But remember that at Mt. Milligan, we anticipate the first 6 years elevated copper and gold grade. Of course, we're only concerned from a payment standpoint on the gold side of it, and the average production if we think about all years there is about 260,000 ounces a year. So the guidance that have been just modified by Mt. Milligan is still well below that 260,000. But yet again, we're talking about a full year of production in this last fiscal year and significant ramp-up. So we would probably expect to see elevated grades in the first part of the year. But with regard to year-to-year, Bill, do you have any guidance on that?

William M. Zisch

Vice President of Operations

Year-to-year is rather similar. And in their continuing ramp-up, we're going to see them continue to optimize around recovery on copper and gold, and they're making some modifications to the plant to help optimize that. So we would expect they would continue to move up to design recoveries through 2015.

Operator

Our next question is from Alex Terentiew of Raymond James.

Alex Terentiew

Raymond James Ltd., Research Division

I just wanted to follow-up on one of Andrew's questions and I understand you can't say too much on Voisey's Bay, as discussions are ongoing. But is it fair to say that the current deductions, the current payabilities that you're getting will be a worst-case outcome with the possibility of higher payments? I mean, I'm just trying to gauge where the discussions may be going. And I can't imagine they would be any worse, but I just wanted to hear from you guys what your thoughts are.

Tony A. Jensen

Chief Executive Officer, President and Non Independent Director

Alex, let me just take a bit of a step back and say that with the current litigation, one of the issues in that litigation is contesting the current deductions in the royalty. And obviously, I don't want to get into the details, but we are very, very carefully monitoring what we think is appropriate there. We're going to make sure that we pursue all of the discussions that are available to us to try to find common ground on this. But just give us a chance to work through this over the next couple of quarters and we'll continue to provide guidance to you as more certainty comes about on this.

Alex Terentiew

Raymond James Ltd., Research Division

Is there any specific timeline when you expect to have a resolution? Or just, I mean, just going through the motions and -- as you said...?

Tony A. Jensen

Chief Executive Officer, President and Non Independent Director

No. I don't think I can give you a timeline, other than to tell you that it's a priority for Royal Gold. So we will act accordingly. And I know we'll be talking about it at the next conference call. So we'll certainly be continuing to provide you what we know.

Operator

Our next question is from Adam Graf of Cowen.

Adam P. Graf

Cowen and Company, LLC, Research Division

Just a quick question, a follow-up maybe on Cosmos' question about the Mount Polley incident. Have you guys been looking at your existing exposure with existing royalties and if any of those properties have 0 discharge tailing designs in wet climates that could possibly be an issue down the line?

Tony A. Jensen

Chief Executive Officer, President and Non Independent Director

Adam, we're looking at those things in every due diligence effort we do. And so it's not necessarily the Mount Polley issue that would bring that to our mind on a once in a while basis; we look at that frequently, as we do all our due diligences. And then I might also add that Bill Zisch leads the team that goes around and -- I hate to use the word audit, because it's a much more friendly process than that. We go and make sure we understand the mine plans at our major operating partners. And in those

times, we're talking about a whole number of things. And generally what we see is -- impacting the majority of the time, we see very high quality work done by all of our business partners, but it's going to be difficult for us to get into the details of the exact design at each facility, although I do want you to know that we do consider that as we do our due diligence efforts.

Adam P. Graf

Cowen and Company, LLC, Research Division

Just as a follow-up to that, Tony, just on Mt. Milligan, specifically, or Thompson Creek, specifically, could you comment on the tailings design at Mt. Milligan? And then, importantly, Thompson Creek's other assets? Because obviously, an issue there could impact Thompson Creek's corporate viability.

Tony A. Jensen

Chief Executive Officer, President and Non Independent Director

Exactly. Well look, I'll mention just a few things and I'll direct your question directly to Thompson Creek to ask those questions in more detail. I'm sure they'll be able to answer them better than I would ever be able to do. But this is a very young facility, so far, at Mt. Milligan. It's been engineered for closure from Day 1. It's a very -- we've been very impressed with design all the way around. As you know, there's very little extra waste on this deposit and so they covered the waste dearly and use it for the construction activities around the tailings facility. And I can tell you that they have QA, QC activities that go on a daily and on a frequent basis, not only internal to the company, but also by external oversight. So beyond that, Adam, I'm not able to comment in any detail, given the events of this week and, again, I encourage you to talk directly to Thompson Creek if there's any concerns you might have.

Operator

Our next question is from Brian MacArthur of UBS.

Brian MacArthur

UBS Investment Bank, Research Division

I was wondering if you can just give me some guidance. You've given tax guidance for next year. But actually the deferred versus current portion -- because I noticed in the fourth quarter it looks like it's reversed on the deferred tax. I'm just trying to figure out as you ramp up, where the cash part goes over the next little while.

Tony A. Jensen

Chief Executive Officer, President and Non Independent Director

Stefan?

Stefan L. Wenger

Chief Financial Officer, Principal Accounting Officer and Treasurer

Yes, sure, Brian. Our cash taxes this year we're just above 30%. For next year, really, the cash taxes should follow that guidance that I've given you. And within that range of guidance that I've given, more production we see from Mt. Milligan relative to our other revenue, we'll push that guidance towards the lower end of the range compared to the upper end of the range. So that's what I would tell you as far as cash taxes. This year, we did have a number of deferred items that you know that impacted our taxes, along with some of those noncash reductions on our uncertain cash positions and other items. So next year, it should be a bit cleaner on that front.

Operator

And this concludes our question-and-answer session. I'd like to turn the conference back over to Tony Jensen for any closing remarks.

Tony A. Jensen

Chief Executive Officer, President and Non Independent Director

Well, thank you very much for your questions and for taking time to join us today. We very much appreciate your interest and continued support of Royal Gold, and we look forward to updating you on our progress during our next quarterly call. Bye for now.

OperatorThe conference has now concluded. Thank you for attending today's presentation. You may now disconnect.

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