TURK TELEKOMUNIKASYON A.S.

Moderator: Onur Oz
July 21, 2014
15:45 GMT

Operator: Ladies and gentlemen, thank you for standing by, and welcome to the Turk Telekom Q2 2014 investor call. At this time, all participants are in a listen-only mode. There will be a presentation followed by a question-and-answer session, at which time, if you wish to ask a question, you'll need to press star-one on your telephone. I must advise you that the conference is being recorded today, Monday, 21 July 2014.

And I'd now like to turn the conference over to your speaker today, Head of Investor Relations, Onur Oz. Please go ahead.

Onur Oz: Good afternoon. Thank you for joining us today. Let me kindly remind you before we start to read our (announcements) page in the presentation on page two.

Presenting today, Rami Aslan, Turk Telekom's CEO, followed by Murat Kirkgoz, Turk Telekom's CFO. At the end, we will have a Q&A session as always. And I will now hand the call over to Rami to start today's presentation.

Rami Aslan: Good afternoon. And good morning to those dialing from east to west coast. This is Rami Aslan. Let me run you through the highlights of the quarter before delving into details of our (financial) performance this quarter.

In the second quarter of 2014, our consolidated revenues contracted by 1 percent year-on-year. However, if we take out the inorganic MTR cut effect and the decline in non-operational IFRIC 12 construction revenues, our revenues actually grew by 4.5 percent in the second quarter.

In our mobile business, we had (audio gap) last year. Our top line growth in mobile was 14 percent. On the broadband side, we grew our revenues by 7 percent.

The decline in our low margin revenues, such as IFRIC 12 construction revenues, which was (mandatory) recognition on the books in relation to our (fiber) investments, has positive effect on our profitability. Adding the effect of our tight office control, our EBITDA margin actually improved about 1 percentage point.

This quarter we had a big jump in our net income as the result of favorable FX rate environment. Net income was up 186 percent year-on-year in the second quarter.

Last highlight – we launched our debut bond in the second quarter. It was a five-year, U.S. $500 million, and a 10 year U. S. $500 million dual tranche issuance. It proved to be a very success deal, which was almost (eight times) (oversubscribed).

We achieved a great cost of funding improvement, and increased our average maturity debt. And Murat will tell you a little bit more about it, and the tremendous benefits in the financial sections.

On slide four, we have our consolidated financial figures. Our revenues in the second quarter was TL 3.3 billion. Our EBITDA reached a little over TL 1.25 billion, and EBITDA margin this quarter was 38 percent, a percentage point improvement over last year.

Net income reached TL 801 million in the second quarter, which is our highest quarterly net income in the last six years. Apart form the solid operating performance, this was driven by both the appreciation of Turkish lira against (euro) dollars compared to last quarter, and the lack of unrealized FX losses that we incurred in the second quarter of last year.

On the next slide, we demonstrate the diversified nature of our revenues, which places us in the most advantageous position in Turkish telecom market.

As you see on the left side of the page, we generate roughly a third of our revenues from broadband, another third from mobile, about a tenth from corporate data, and as of the second quarter, almost only a fifth from fixed voice.

The first three businesses I just mentioned, mainly broadband, mobile and corporate data, are high growth businesses, and they add up to almost 70 percent of our total revenues.

As you can see from the chart on the right side, except for the fixed voice, all our businesses and other business lines are growing. Equally important, we don't have (over exposure) to the mobile market or the broadband market, or any other single part of the telecom market. We have great diversification that is designed to enable us to grow in a healthy way in the years to come.

Now, let's go to individual businesses performances, starting with high speed broadband on slide six. Seasonally, the second quarter is not our strongest quarter in broadband business. However, we were able to grow our revenues by 7 percent year-on-year. About 300,000 more subscribers, and one (fixed) year additional ARPU were the drivers of this year-on-year growth.

We added 18,000 net subscribers in the second quarter, which is the weakest quarter of the year. However, this wasn't unexpected due to the seasonality as I just mentioned.

Another factor for low subscriber additions was our price increase at the beginning of the year. However, our annual targets are still intact, and we expect stronger third and fourth quarter growth, which should get us where we want to be.

Moving on to slide seven. In the second quarter, we continued our emphasis on providing speed with our customers. Our leadership in fiber connectivity strengthen with 2.7 million home (bases) in fiber for the home and building, while we converted more than a quarter of those into customers.

Our unique position in fiber (to the cabinet) enabled us to offer our customers hypernet offers, which have similar speeds with fiber to the home. As a result, as of the second quarter of this year, 14 percent of our customers are on ultra-fast fibernet or hypernet carriers.

In the meantime, to our doubling the speed project, we are increasing the speed of our introductory eight megabits per second (for) customers to 16 megabits per second.

Our natural outcome of having incredible speed on the Internet is consuming the deal (OTB). And our IPTV and Web TV products benefit the most from this with 77 percent and 45 percent average annual subscriber growth, respectively.

Moving to slide eight. When people have speedy connections to the Internet, they need capacity. And capacity appetite in our market has never been higher. Our average customer consumes 40 gigabytes data in a month. The consumption is mainly driven by video.

The capacity trend we experience results with upselling of our customers into unlimited packages. As of the second quarter of the year, 83 percent of our customers are in unlimited capacity tariffs, up from 75 percent a year ago. On average, moving a subscriber from a limited package to an unlimited one results with almost doubling the price.

Another (pricing) I mentioned we utilized is the Fair Usage level we applied on unlimited tariffs. If an unlimited tariff subscriber reaches these fair usage levels in a month, their speeds drop down. Some of our customers demand high fair usage levels. And this enables us to up sell these customers into higher fair usage level packages as well.

On page nine, we look into the Fixed Voice trends. In Q2, we recorded an improvement in fixed voice revenue decline rates. Our revenue declined 10 percent year-on-year in the second quarter, as opposed to 12 percent in the quarter before.

Our total access line decline was about 160,000, while we realized a slight upward growth in this quarter.

Another good news in the fixed voice side is that we increased the prices by an average of 8 percent, effective July 1st. Although the net effect of this increase will be EBIT less on our revenues to the increased counting activity, it surely will help us on our effort to curb the decline of revenues in this business line. Nevertheless, we know so well that this is a declining business, and we do have (similarly) cost to the revenue lines to mitigate this decline, while we continue to do a good job controlling it.

Moving on to Mobile on slide 10. Our mobile business continues to deliver strong growth, fueled by the phenomenal performance on subscriber gains. Our mobile revenues grew 5 percent year-on-year, and reached TL 1.1 billion. This growth would be 14 percent if we exclude MTR effects.

Despite very intense competition and our successful efforts to build scale, we succeeded to improve our profitability through a 15 percent in EBITDA, and more than a full percentage point improvement in our EBITDA margin, reaching over 14 percent.

On slide 11, the first half of 2014 was marked by our mobile business subscriber net additions. We recorded 1.25 million net additions in half a year, which was more than the already very high 2013 full year net additions.

In the second quarter, our net additions were 493,000, over half of which came as postpaid subscribers. So our net additions continue, too, with a healthy balance of postpaid and prepaid mix.

On the ARPU side, we continue to build it up. Our ARPU increased 5 percent quarter-on-quarter. And excluding MTR cuts, to compare apples to apples, we were also up a year-on-year bases by about 1 percent.

On slide 12, around 80 percent of our net additions this quarter came from mobile number portability. An important point I'd like to make here is that a very active (winning) subscribers, it is getting better at keeping them.

Our churn reported a meaningful improvement year-on-year by declining to 8.8 percent from almost 12 percent a year ago. This shows that the investments we made in our (band) product and network quality and superior customer service are paying off.

On slide 13, we will look into Mobile Data trends. Mobile data resumes to be a strong driver of service revenue in the second quarter. Our mobile data revenues grew 76 percent year-on-year. Mobile data's share of our service revenues includes 22 percent, while an additional 11 percent comes from SMS and other added services.

A wide variety of device selection, including our own inTouch3, customized, best in class data offers, and our traditional strength in (lead) markets enable us to have the highest smart phone penetration in the market.

Our smart phone penetration increased to 47 percent in the second quarter, from 42 percent a year ago. Just to remind, smart phone users ARPU is roughly 50 percent higher than feature phone ARPU users – users ARPU.

We will continue to leverage our strengths to build up our smart phone penetration and increase our mobile data revenues.

At this point, I'd like to hand over to the call to Murat who will take you through the financials. And I'll be back with you for the Q&A session.

Murat Kirkgoz: Thank you, Rami. Good afternoon and good morning, everyone.

And on page 14 of the presentation is the Summary Income Statement. Our total reported revenues, TL 3.3 billion (renders) a 1 percent year-over-year contraction. And, however, is (NTR effect on) construction revenues that our IFRIC 12 accounting adjustment are (eliminated). Our underlying operational revenue (growth) is around 4.5 percent for Q2.

Our EBITDA gains over TL 1.25 billion, in line with last year, and 4 percent higher versus first quarter. Margins improved by 1 percent year-over-year. EBIT margin is at 24 percent, in line with 2013, same period.

In the second quarter, we had recorded a net TL 246 million for financial income, which is (basically) by the evolution of Turkish (gains), compared to a TL 445 million loss of 2013 second quarter.

Finally, the net income increased by TL 521 million to TL 800 million in second quarter 2014.

Going to page 15. The balance sheet on each Turk TeleKom in the second quarter, the major event was our (debut bond) issuance of $1 billion. And this was for the purpose of refinancing of the existing liabilities, and to (diverse), (find) new sources, and to reach into a longer term situations more healthier.

And just to (kept) up some (figures) here, the (TT) net debt is (is offered) at the same level (at the year-end) at TL 7.3 billion, reducing by 2.7 (versus last year same period. In dollar terms, the equivalent reduction in the debt is around (11) percent.

Our second quarter cash position is very strong at TL 1.8 billion. And I will give more color on the details of the benefits of the (debut bond) in a while.

Moving to page 16, Summary Cash Flow Statement. You can see that we continue to develop a strong and consistent cash flow from our operations. Where you may observe a decline of previous year, which is due to the working capital changes. This year, we observe (not a generous) CapEx (spend) compared to 2013 where the CapEx spend was (posted) to the first quarter of this year.

And (then) free cash flow post-CapEx has been TL (553) million in the first quarter, and total – unlike free cash flow in the first, reached TL 995 million.

Moving to page 17, you will see our Debt Profile post- and pre-bond issuance. And as a result of the (some) cash flows, the net debt levels have decreased. Our leverage improved to 1.4 times of (post-dividends). And this dropped the debt down 1.5 for the year and the last year same period.

(TT) debut issuance had two tranches of (U.S. $) 500 million equal in size. One is five years and the other one is 10 years maturities.

We achieved mainly three main objectives post the bond issuance. First, improved liquidity metrics. Now, current ratio improved from 0.9 to 1.3 percent. Secondly, we extended the average maturity of our liabilities to 3.9 years, vis-à-vis 2.5 years. And the cost of funding also has decreased. The bond yield had been 210 (bps) for five years, and (230) (bps) over the (the mid slip). This is just 30 bps over the (treasurer solvent) at the time. And we anticipate that 1 percent of cost reduction in the refinance (of) U.S. $1 billion.

Here, I will pass back the (words) to Rami for his closing remarks.

Rami Aslan: Thank you, Murat. In closing, before we mover to the Q&A session, I'd like to state that we are very pleased with our H1 results, despite the various challenges. Our management changes are starting to show great signs for higher group focus and stronger efficiencies. And we expect those to be more meaningful in H2, and certainly in 2015 and beyond. We, therefore, remain very confident in our H2 plans and in meeting our earlier guidance.

We are ready to answer your questions.

Operator: Thank you. As a reminder, if you wish to ask a question, please press star-one on your telephone and wait for your name to be announced. If you wish to cancel your request, please press the hash key.

Your first question comes from the line of Ivan Kim from VTB Capital. Please go ahead.

Ivan Kim: Good afternoon. Two questions, please. First, on the fixed voice price increase from mid-year this year, what kind of impact on your (PS10) lines you expect in the second half, and maybe next year as well? And second, you made the (non-binding) before Digiturk a while ago. Has there been any development or update on that? Thank you.

Rami Aslan: Let me take the second question first, and my colleagues will answer the first.

On Digiturk, there hasn't been a lot of movement. As you probably know, their exclusivity will no longer be renewed, so this would be – the upcoming year will be the last year – exclusive year for them. But there hasn't been any developments since our last (call).

And talking (through) my colleague Murat, and he will be handling the first question on the fixed voice.

(Mert Basar): For the first question, this is (Mert Basar) speaking, Chief Marketing Officer for Fixed Consumer. The average price increase for the PS10 lines in 8 percent. But the overall effect will be less than 8 percent when considering the rest of the year, simply because we have contracted subscribers and we cannot apply the price increase to those contracted subscribers. And we also are going have also the effect of campaigns to balance these price increases. So in total, this will be, of course, positive for the revenues to come. But it will be less than 8 percent.

To mitigate any churn effect on our customer base, we have already launched a (bonus) program in parallel of price increase, by which our customers will gain lots of points and advantages by staying with us. And also we are going to have other campaigns to balance, if there will be an (immediate) CapEx on price increases.

Rami Aslan: Thank you, Mert.

Ivan Kim: Sorry. Just a quick follow-up on this one. Can you maybe provide a couple of examples of such bonus program? What do subscribers get to stay? Thank you.

(Mert Basar): Our customers are getting bonuses based on the years they have spent with us. And they are getting double ones based on the years – based on the – let's say – months they are going to spend with us in the near future. So the customers may redeem these bonuses with many different gifts, like they can get minutes – wifi minutes from our product portfolio. As well they can get trips, holidays and other bonuses from different – from different vendors that we are working together with.

Ivan Kim: OK. Great. Thank you.

Operator: Your next question comes from the line of Alper Ozdemir from Oyak Securities. Please go ahead.

Alper Ozdemir: Hi. This is Alper Ozdemir. Posting zero percent growth in the first half on a consolidated basis, how do you think you'll be achieving 4 or 5 percent growth in the full year? Could you please give us color on that? Thanks.

Rami Aslan: Before I pass you to Murat to answer this, I don't think it's fair to say that we have zero percent growth this year. I mean, we need to be mindful of what the real growth is. And the real growth, as I mentioned earlier, is around 12.5 percent. There's clearly an IFRIC impact, which is an accounting impact on (operational), which we had to do and we had to apply. There's also the MTR effect for the first half of this year, which we will not have in the second half because this, actually, was in effect in the first half of last year. So starting from July 1 last year. So when you compare first half to first half, the MTR effect is there. But second half to second half you will not have that MTR effect as well.

Murat Kirkgoz: Thank you, Rami. So, as Rami mentioned, there are three main elements in the first half, with the first one being the IFRIC revenues, which is a function of our speed-up of our investments. And second one the MTR. And both of these had a minus 3 percent effect on the year-over-year growth. So in second quarter – second half of the year, we will not have these. So the MTR effect will be eliminated. So in the second half, we expect a much stronger (mobile growth). And the mid-teens of double-digit growth in the first half, which is eliminating MTR cuts would be giving the indication of that.

Secondly, we have the fixed voice (base) adjustment is effective from 1st of July, which is going to support also (on the line) revenue (occupational) growth.

And we expecting also (steady) growth (on both of the) second half because of its seasonality.

And the fourth and the last point, our reported revenues will have the (total) adjustments. And the CapEx realization is (skewed) to the second half of the year. And that will be including such revenues, which will be at the much lower margin than our regular (ratings), of course.

Alper Ozdemir: Thank you.

Operator: Thank you. Your next question comes from the line of Ranjan Sharma from JP Morgan. Please go ahead.

Ranjan Sharma: Good evening. And thank you for the presentation. It's Ranjan Sharma from JP Morgan. Two questions from my side. Can you please provide an update on your integration program that you announced earlier this year? And, secondly, do you have any plans to acquire the minority stake in (Avea) which you already don't own? Thank you.

Rami Aslan: Thank you. On the integration, let me just give a little bit of background here. As you recall in our previous call, I had mentioned that we would be embarking on some changes related to integration, also change of management. On April 30, we announced our changes. These were significant changes in the way we do business towards integrating the Company. We have applied major changes on the revenue line. And we have also (on the) sales. And we have also applied significant changes in the support functions and the main functions.

So this was, as I mentioned, announced in the middle of the quarter. And, clearly, the management is in place and is intact without any hiccups. I can tell you very comfortably that we are on track. This was a major step towards integration on the operational side, on the technology side, on the procurement side. We have fully integrated the functions. And the HR side as well. And that is basically in line with all, of course, the laws and regulations, while we maintain a full focus on the Group as a group, and also a full focus on the ability to extract synergies and make sure that we improve our efficiencies.

Did we expect significant improvement in Q2 and impact? Not really. But I can tell you that I'm extremely pleased with where we are. I believe that we are actually going slightly faster than anticipated in many areas. And we see – we start to see a very good impact in the dynamics and also in the results of this integration.

There will be more to come. But the significant impact should start to bear fruit with existing changes. And we do expect to see good results in Q3. Certainly better in Q4. And we should see the full impact in 2015 and beyond.

On the Isbank minority for Avea, there hasn't been any interest. We know that there is – this is a non-core investment for Isbank. But, at the same time, they are a very good partner. And they have been a constructive partner in our business. And we continue to work very closely with them to make sure that Avea is moving on the right track. Should there be any interest, we would study it and we will update the market accordingly.

Ranjan Sharma: Thank you so much.

Operator: Thank you. Your next question comes from the line of Vibhor Kumar from Citigroup. Please go ahead.

Vibhor Kumar: Hi. Thank you so much for the opportunity. I have a follow-up on the integration project which you just discussed. Probably on the cost (side), if you could highlight exactly where you could see the improvements, especially on personal calls and maybe on network and commercial expenses? So a little bit of color would be very, very helpful to understand how the management (deferreds) have been – are going to (receive)? Thank you?

Rami Aslan: Thank you. Clearly, you've touched the main areas. Clearly, operations, IT and network would be where there will be a significant impact. There's always an overlap in our investments. So what we are doing here is focusing on efficiencies in our program, and making sure that we have a greater return on investment where we are initiating investments. And we are investing in the right place and in the right technology and in the right business line as well.

So having a birds-eye and having one planning effort would certainly create greater efficiencies. On top of that, procurement. Procurement is very significant for us as a group – one of the largest in the country. And I can tell you that we are making use of the best-in-class standards while we use the scale of the group. And we have initiated many pilots before we actually embarked into this integration. We realized that the impact can be very significant. Certainly, higher than a single-digit improvement. So it is a very significant improvement for us on the procurement side.

On the personnel, we don't anticipate a major impact in the next quarter or two. But we are making sure that we are aligning the businesses in a way that they are much more efficient. And we are making sure that redundancies are addressed. But this is not going to be a very significant impact for 2014.

Vibhor Kumar: OK. Thank you so much.

Operator: Thank you. Your next question comes from the line of David Kaplan from Barclays. Please go ahead.

David Kaplan: Hi. I have two quick questions. The first one is on CapEx. Could you just give us a little more color on what's going on with CapEx. What projects do you have now that you're planning because CapEx keeps coming in a little bit lower than estimates? And the second question is on the long term margin goals for the fixed line side. There's been some nice improvement there now, plus the 47 percent. In the past, you had much higher margins. So what do you see over the next 12 to 18 months as potential for margin – EBITDA margin – sorry – on the fixed line side? Thanks.

Rami Aslan: OK. Just trying to remember the details of your first question. Basically – I'm not sure if you stated that we have lower than estimates usually in the past. Is that what you said?

David Kaplan: Lower than our estimates. As a percent of revenues, if I look at CapEx on a consolidated basis.

Rami Aslan: I got the question. Sorry for that. CapEx for the year – we've given you guidance. And we believe that we will meet that. We are on track to meet it. As you know it's cyclical and it's always stronger in the second half of the year because you can (mix) CapEx and you realize it in the second half mostly.

But also, bearing in mind our integration, we also wanted to make sure that we are embarking on the right CapEx projects and CapEx initiatives where we are also capturing some of the good synergies. And also we are investing in the better and higher return on investment projects as well.

So with (Joshkin) leading this process for us as a group, we certainly expect to realize higher returns on our investment, while we are very confident that we will meet the CapEx guidance that we've provided you.

Murat Kirkgoz: Yes. Yes. Sure.

Rami Aslan: For the 47 percent EBITDA margins, Murat will answer that question.

Murat Kirkgoz: The fixed line margins are pretty much flat and slightly improving compared to the previous year. And if you would note, from the last quarter of 2012, there is a continuous improvement of the fixed line margins. Slight, but a consistent improvement.

And (we have been working on) our OpEx base to match it up with our revenues. And the margins are managed and maintained in this level.

You may recall that we had the incentive of personnel initiatives last year first quarter, which resulted to 2,000 reduction in the headcount, which we actually (bought then) as of last year's (closer to) last year's second quarter (eventually).

We also had some efficiencies in almost all levels of OpEx items. And the year OpEx (growth) is similar to the revenues (spread in) our fixed business.

And we continue to build up more efficiencies going forward with the integration efforts.

David Kaplan: OK. So just – I mean, we all see this from 4Q that the margins have been improving. But prior to 4Q 2012, margins were, at times, over 50 percent. So I'm just trying to get a sense of how much is in the system and how much cost can you cut out and how many efficiencies are there? And is it likely that, over the next two or three years, we could see a 50 or 51 percent margin again? That's really the question.

Murat Kirkgoz: So we are pretty confident with the (mid-40) levels of the fixed line margins. And this is (realistic) level of margins going forward. While the growth of fixed line is limited, the mobile margins are promising going forward as we build up scale in this area of our business.

David Kaplan: OK. Great. Thanks very much.

Operator: Thank you. Once again, ladies and gentlemen, if you wish to ask a question, please press star-one. Your next question comes from the line of Herve Drouet from HSBC. Please go ahead.

Herve Drouet: Yes. Good afternoon. I have two questions as well from my side. The first one is improvement of churn. Is it mostly coming from the post-paid segment, which is increasing in term of number of subscribers? And a follow-up question is as the market seems to develop as well increasingly – I mean, on your side, on the post-paid segment – do you anticipate some competitive reaction of one of your main competitors? Thank you.

(Murat Kirkgoz): Hello? Actually, both post-paid and pre-paid churn improved both year-over-year and quarter-over-quarter this quarter. We have already 2.1 post-paid churn rate on 2Q 2014. That's the lowest for (hour), however. And our pre-paid churn also is 3.6 percent. That's one of the low pre-paid churn rates ever for (our history). And thanks to, mainly, our network investments, (analytical machines), brand improvement, our segmental approach to our customers that we have been able to execute and follow up (couple of) prices. They are all the factors of this low churn rate in both segments.

And about the possible competitor actions in the market. We already faced them, actually, in quarter two from (both) competition. And that's about (the results) an impact on the (churn rate).

Herve Drouet: All right. And would you anticipate any further reactions following some of the (movement), maybe, we've seen from one of your main competitors in some of the package? Or do you think things will remain relatively stable as it is?

(Murat Kirkgoz): Actually, this mobile competition in Turkey has been more a continuing for so long – it's been, maybe, 10, 15 quarters that (have the) numbers. And sometimes, (players react) to others. I think sometimes they don't. But what we see in the (rest of low prices) and what we want to execute is – we should say that we are determined to grow Avea in terms of revenues, subscriber and EBITDA. So on all fronts, we are determined to deliver this growth.

At what (accretion) levels or at what price levels – that's the question. And the answer is I think that's how the competition reacts is going to determine the level of pricing and (accretion) that would play a role in Avea's growth.

Herve Drouet: OK. All right. Thank you.

Operator: Your next question comes from the line of Andre (Capatek) from Wood & Company. Please go ahead.

(Andre Capatek): Hi. I want to just ask whether you can shed some light on your pricing strategies in mobile in the second half of the year? If, perhaps, you plan to cut some of the cheap offers? And are they to support your revenue growth? In order to also reach guidance? And, as a follow-up to the question before, you said you overreacted to what's going on in the market. But you've been the challenger, basically, with (Techsell) and (Vodafone), but following what you do. So what is the plan for the second half of the year? Thanks.

Rami Aslan: I will pass it to Dehsan.

(Dehsan): Hello, again. First of all, the (accretion) or the reactive or (executive) offers were for the consumers are just for the acquisition market, as you know. So, in terms of retention or retainable, we did not observe any price decreases in the market. And the acquisition business quarterly or annually will not be deterministic in our annual revenues or revenue growth.

So there is not much functional relationship for the short term to mid term in terms of revenue growth and acquisition market prices.

And in terms of our pricing strategy, what we are trying to do is we are trying to offer value to our premium customers, for our youth – and for our youth customers – young customers and for the professionals – white collars and public servants. Those are our key segments where we are trying to double up in the market a differentiated value set for those key segments for our growth.

(Andre Capatek): OK. Thank you.

Operator: Once again, to ask a question, please press star-one. There are no further questions at this time. Please continue.

Rami Aslan: At this point, we can finish the call if there is no more questions. I want to thank everyone for joining our call. And would like to remind you that for any follow-ups, please get in touch with our IR team. Thank you for joining us. Bye.

Operator: Thank you. That does conclude the conference for today. Thank you all for participating. You may now disconnect.

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