Q1 2015 TRADING UPDATE
TRANSCRIPT

14 May 2015

Julian Roberts: Thank you very much. Good morning everybody. Welcome to the conference call for Old Mutual's first quarter trading update of the year. As you know, this is also the day for our Annual General Meeting. Ingrid Johnson, Group Finance Director, is here with me, and she is going to take you through most of what we are going to say. I'll then at the end make a few concluding remarks before we open the call to questions. So, straightaway, over to you, Ingrid.

Ingrid Johnson: Thank you Julian, and good morning. Let me begin with trading at the Group level. Gross sales are up by 18% to £7.3 billion and net client cash flow (NCCF) has improved to £0.5 billion positive from a £0.5 billion outflow in the comparative quarter. Funds under management at 31st March were £351.4 billion, up 10% from the beginning of the year. This is due to positive NCCF, appreciation in equity markets and the first time inclusion of funds held by Quilter Cheviot. There was also a £6.6 billion positive impact of currency, mostly resulting from the stronger US dollar given that a high proportion of our funds are dollar-denominated.

Now to the business unit highlights, with results and comparisons based on the reported currency of each business. Old Mutual Emerging Markets delivered a 19% increase in gross sales and R11.3 billion of net client cash flows, nearly three times the level in the comparative period. Our South African retail businesses continue to perform well in a tough economic environment.

Retail Affluent gross sales were up by 15% at R16.6 billion. Single premium APE sales were up by 53%, reflecting continued popularity of XtraMax and also the new Wealth products. Non-covered sales were up by 31%, driven by sales of unit trusts and flows into Private Client Securities in Wealth.

Mass Foundation gross sales were up by 10%, driven in part by the increased ownership of Old Mutual Finance but also reflecting continued growth of 2-IN-ONE savings and the new funeral products. Within Mass Foundation we have aligned our APE sales recognition to that used by Retail Affluent. The change had no impact on gross sales but added R75 million to reported APE sales in the quarter. Net of this change and the increased ownership of OMF, APE sales were up by 4%.

Old Mutual Investment Group had another good quarter, with gross sales up by 15% at R9.2 billion, driven by a number of large deals as well as flows into Futuregrowth. Net client cash flows were R3.1 billion, a significant achievement in the quarter, and investment performance continued to improve, including in the key Balanced Fund and retail equity mandates.

Corporate gross sales were up by 87%. Non-covered sales were boosted by the gain of a large contract by Old Mutual Multi Managers, but covered sales are down, as the comparative quarter included strong Group Assurance sales as well as two large deals, which were not repeated. This illustrates the general lumpy nature of corporate business.

Gross sales from the rest of Africa were up by 34%, driven by a number of factors: strong unit trust sales in Namibia and Malawi, a large asset management mandate secured in Kenya, some large single premium deals in Malawi and Swaziland, increased advisor numbers in Zimbabwe and credit life sales from CABS. Net client cash flows for Rest of Africa were R1.6 billion positive against a R0.1 billion outflow in the comparative quarter.

Nedbank has had a strong start to the year. Interest-earning banking assets grew by 9% and net interest income was up by 4%. The narrowing of the net interest margin was mainly a result of changes in the advances mix and the impact of funding the ETI shareholding. Note that income from Nedbank's share of the profits of ETI is reported outside net interest margin, as part of associate income. Non-interest revenue grew by 18%, benefiting from higher transactional banking volumes and fees as well as the impact of renewable energy transactions. And the credit loss ratio, at 80 basis points, is at the lower end of Nedbank's through-the-cycle target range.

Moving on to Old Mutual Wealth. First quarter flows and funds include one month of Quilter Cheviot following completion of the acquisition in late February. This added £196 million of gross sales, £60 million of net client cash flows, and £17.5 billion of funds under management. The Wealth business had a solid start to the year, and at 31st March funds under management were £102.3 billion, up 5% in the quarter, excluding the impact of Quilter Cheviot and the sale of our businesses in France and Luxembourg.

Looking at two specific areas, the UK platform and Old Mutual Global Investors. It was a difficult quarter for the industry: Market and investor sentiment were impacted by political uncertainty before the election. There was further uncertainty in the run-up to pensions liberalisation, and many investors crystallised gains in March, following strong equity market performance. The Investment Association reported that net retail sales in quarter one were less than half the comparative quarter; nonetheless, gross sales on the platform were up by 15% at £1.4 billion. Pension and ISA sales were strong, boosted by a successful high-profile marketing campaign as well as a contribution from Intrinsic.

Platform funds at the end of March were £33 billion, up 7% since the beginning of the year. Gross sales by Old Mutual Global Investors were up by 5% on a very strong comparative quarter, with good flows into the Global Equity Absolute Return Fund, the Cirilium Fund as well as Wealth Select. Net client cash flows were down on a reported basis, with the comparator including seeding for the foundation fund range as well as a large segregated mandate inflow. Excluding these factors, NCCF was up on prior year, a good result against the industry background. Investment performance continues to be good, with 60% of core funds in the top quartile and 84% above the median.

It is encouraging to see the increasing level of vertical integration in the Wealth business. At 31st March OMGI managed some 12% of platform assets, up from 9% at 31st March 2014. More than 10% of platform sales in the quarter came via Intrinsic's restricted advisors, double the proportion in our first full quarter of ownership, and gross sales from the platform into OMGI were £565 million, up more than 60% on quarter one 2014.

Moving finally to the US. OM Asset Management's gross inflows were up by 25% at $7 billion, largely in international and emerging market equities. Gross outflows were some 9% adverse to the comparative period at $7.2

billion, concentrated in US Value and some global equity products as well as $0.3 billion of hard asset disposals for Heitman. The mix of flows is expected to generate an overall positive revenue impact of just over $11 million. Key three- and five-year investment performance remains strong with one-year performance continuing to be adversely affected by certain low-fee US equity strategies. In respect of earnings, note that OMAM will report its first quarter financial and operating results today at 08.00 Eastern time with a conference call at 10.00.

Ladies and gentlemen, that concludes my review of the first quarter trading, and I'll now hand back to Julian.

Julian Roberts: Thank you Ingrid. I said in February that we are in a period of operational execution, through which we'll drive returns from the investments we've made in transforming our group. In the first quarter, as you can see from our trading update and have heard from Ingrid, the focus on execution helped us to deliver excellent performance once again. We've also continued to make good strategic progress.

Let me conclude with a few additional remarks. I'm really pleased with the progress we're making in Africa, in integrating the businesses we've acquired and delivering growth through our partnerships and alliances. It was encouraging to see the 34% increase in gross sales and such strongly positive net client cash flows.

In South Africa our retail businesses are performing well, and we are improving our speed of product development and delivery. For example, we are one of the first companies in the market to launch a tax-free savings account. It's pleasing to see that three of our focus areas for improvement in South Africa over the last couple of years – Retail Affluent, Wealth and OMIG – are all showing good performance, although there is still work to do in these and other areas. We continue to expect long-term business growth from Mass Foundation in line with our previous guidance.

In Old Mutual Wealth, integration of Quilter Cheviot is progressing to plan and the business is performing in line with our expectations. We have a strong management team who are absolutely focused on driving the value from that acquisition and creating the vertically integrated business that will generate future growth. Old Mutual Wealth is strongly positioned and remains on track to achieving its 2015 target of £270 million of profit, excluding of course the contribution from, and integration costs of, Quilter Cheviot.

That's as much as I wish to say this morning. Let me now hand back to the operator to open up the lines for questions. Thank you.

Ravi Tanna: Hi, good morning, it's Ravi from Goldman's here. I just have a couple of questions please. The first is on pension freedoms in the UK. Could you perhaps just give us a little bit of an update please on the reaction of customers and changes in behaviour and kind of the volume of customer enquiries since the pension freedoms were introduced?

And the second one was on Rogge. It seems as though outflows this quarter have moderated just slightly compared with last year. I appreciate that flows can be quite volatile from one quarter to the next, but I was just wondering perhaps if you could give us an update on the situation there, given the issues and the high level of outflows last year, and whether you anticipate further stabilisation over the rest of this year and into 2016?

Ingrid Johnson: Thanks very much Ravi. On the first question, what's been interesting is that there's been a number of calls and – materially increased. What we are pleased about is we've been responding to customers within two minutes, and that's actually quite good relative to some of the industry experiences customers have described. Importantly, generally enquiries on releasing all of their pension pots and wanting to take those releases into cash has actually been roughly in the £20,000–50,000 range. However what we are seeing is increased enquiries around increasing monthly draw-down. What the FCA has encouraged is we have a second line of defence-type dialogue to educate the client around what the expectations are and the implications of their request, and generally clients are then seeking to defer any action and rather to reflect on it.

Julian Roberts: On Rogge, I think the really pleasing thing with Rogge is investment performance over the last six months or so has been particularly good and has been improving. However, you know, the business is still suffering the aftermath of a couple of consultant downgrades so, you know, I think we still have, as most people think – we're in an outflow position. But I think the fundamental business has been improving its investment performance, and that's good for the future.

Ravi Tanna: Okay, thank you.

Michael Christelis: Hi, good morning guys. Three questions if I can on the South African business. Firstly, the Mass Foundation sales, I mean, you mentioned like for like sales, if you can call it that, up 4%. I wonder if you can just sort of give us an indication on, you know, how much of this is due to the re-pricing you've done on your funeral policy, and sort of try and give us a split between, you know, volume or case counts, so to speak, versus – versus actual rand millions, just to try and understand what's happening there. And also, you know, how this fits in with your guidance in the past of sort of 10–15% per annum; should we be revising our estimates there?

And then thirdly just on – on the policy count data that you've sent out, I noticed for the first time certainly since I've covered the stock the Retail Affluent policy count is actually down slightly year-on-year. You know, what is being assumed within your valuation about sort of per-policy costs and potential headwinds on inflation, you know, impacts of a dwindling policy count there – maybe you can just give some colour on that as well? Thanks.

Ingrid Johnson: Michael, thanks very much. So, certainly on the Mass Foundation, you're correct in terms of the adjustments to give more of a comparison year-on-year for the quarter, which would be around 4%. It's very difficult to be able to split between price and volume, but you're absolutely right in that we have adjusted downwards some of our pricing on the funeral plans, as well as ensuring that we have competitive pricing on our existing products with in-force business, as well as in the new business which APE reflects, to make sure that we're competitive to retain customers and attract new customers to our innovative offerings like the 2-IN-ONE. And so you would have actually seen, because of the pricing adjustments, with better benefits, that you would have a downward moderation on price. The volume would have picked up a little bit~~, but interestingly it is a bit flattered because, where before with our 2-IN-ONE offering we would show it as one sale, we now actually record it as two sales~~. [Editor's correction: Volumes were also negatively impacted in the early part of the quarter as a result of lower adviser productivity due to training on the new electronic sales submission system as well as training for the FAIS exams]. However, we are still giving you the indication that we will be in keeping with our long-term guidance of 10–15%.

On the policy count, I think that's a much more complex discussion so we'd rather give that to you separately.

Michael Christelis: Okay, thanks.

Larissa v Deventer: Thank you very much, good morning. Just a quick question on your FGD surplus. You did caution coming into the first quarter that the acquisition of Quilter Cheviot would put downward pressure on the statutory cover ratio; you also mention that it was adversely impacted by the initial stake in UAP in Kenya. Can you give us an indication of major acquisition and merger-related outflows that we should expect in the second quarter, specifically the second stake in Kenya, whether the flows from France and Luxembourg are already in there or whether we should expect them, and also whether the BEE schemes are likely to have any impact please?

Ingrid Johnson: That's exactly correct, as we indicated, that the acquisitions that we'd announced in UAP and Quilter Cheviot were the 20% points impact on our FGD. So effectively for the quarter, you're correct in terms of the acquisitions. And the other aspect is on dividends, where you actually reduce your first quarter based on the declaration rather than when it's paid, so you have a lot of the outflow impact in the quarter one, yet you're only building up your FGD in terms of profit from quarter two. So the one point – we ended up at 1.4; if we look in quarter two you would have the benefit of the BEE flows, additional statutory profit earnings moderated downwards by the balance of UAP. But we're comfortable, as expected, in terms of the timing of FGD flows.

Larissa v Deventer: Can you quantify the BEE in the additional UAP outflows to be expected in Q2?

Ingrid Johnson: So the BEE proceeds – actually I can come back to you, I do have that figure.

Julian Roberts: Sorry, did you hear that?

Larissa v Deventer: No, sorry.

Julian Roberts: Everybody was just talking in the room at the same time. The BEE proceeds are around £175 million.

Larissa v Deventer: Thank you.

Andy Sinclair: Thanks and good morning. Three quick questions please. Firstly OMIG in South Africa had a very strong quarter. I just wondered how much of that was related to the large corporate scheme win, and how much was just due to underlying good performance from OMIG?

Secondly, I just wondered if you could give us a bit more detail on the integration of Quilter Cheviot? I realise it's only been a couple of months, but has there been any impact on flows as a result of the transition? And thirdly, I just wondered, now that we've got confirmation of the raised FDI limits in India, your expectations for your Indian JV business and if there's a fixed formula for the price for – for any increase in the stake there?

Ingrid Johnson: Thanks. Firstly, on OMIG, this is just a reflection of the – the good performance that we are seeing in terms of the underlying investment coming through, and it really is a function of strong gross sales, as we mentioned in the call, which are up 15%. And it's just a number of large deals, as well as the flows into Futuregrowth, and again that's generally – more lumpy transactions, but then that's depending on the influence from the corporate side.

On Quilter Cheviot, we're very pleased with the performance, as Julian has mentioned, and the flows are as expected, particularly given the background we were operating in.

The third question, on the FDI change, we certainly welcome that in India and it's something that we'll update you if there are any developments.

Andy Sinclair: Is there any fixed formula for any increase in the stake there? Or has that been confirmed in the past?

Ingrid Johnson: There are contractual arrangements, but that's not necessarily something we would share.

Andy Sinclair: Okay, I understand. Thanks.

Greig Paterson: Morning everybody. Can you hear me?

Julian Roberts: Yes, fire away.

Greig Paterson: Just on these accounting changes that – at the Mass Foundation, I'm a little confused. You said the year-on-year growth rate, if you strip out the accounting change, is 4%, but also there was a comment that there's a 75 million boost to the first quarter number from this change. The latter implies a 8% year-on-year growth, so I wonder if you could just clarify exactly what the number would be in rand millions if the accounting change hadn't gone through?

Ingrid Johnson: So, effectively the 75 million is that impact and then the other one is the OMF acquisition that took us from 50% to 75%.

Greig Paterson: But you said earlier on that there was a – the Mass Foundation would have grown 4% year on year if you stripped out the accounting change?

Julian Roberts: Correct.

Greig Paterson: That's not consistent to the 75.

Ingrid Johnson: Now, so what you've said, you've also got to take the change in ownership of OMF. So, on the prior-year quarter we adjusted it downwards by about R24 million. So in quarter one '15, we deducted 75 million for the base – a revenue change to make it comparable, and quarter one '14 we took off 24 million effectively for the change in shareholding in OMF, and that gets you to 4%.

Greig Paterson: Right. And then just when you make this accounting change does that bring forward sales from the next quarter?

Ingrid Johnson: No, this is – in fact, this is a much better methodology, because what you're doing is reflecting on when the first premium was paid, so it gives you some certainty, whereas on the prior methodology it was based on a contractual signature, and then the next three months you take the cancellations that have happened, but it wasn't necessarily against the same client. So this, we feel, is a purer form of recognising the revenue.

Greig Paterson: So there's no knock-on effect in the second – in the second half of the year – second quarter, third quarter?

Ingrid Johnson: It will continue throughout the year because we're not unfortunately going to adjust the base, but you know, we can certainly give the information to help you

Greig Paterson: Just as a last thing, I wonder if you could update Intrinsic. What was the increase in restricted advisors over the quarter? What was it at the beginning and what was it at the end of the quarter?

Ingrid Johnson: It's very modest. We can give the specifics for you, but it's still below...

Julian Roberts: It's pretty well flat.

Greig Paterson: Excellent, thank you.

François du Toit: Hi, hello. Just quickly on the jump in sales in Asia – regular premium sales, I think there's a comment somewhere that there were strong bancassurance sales in India, I think the regular premium sales up 80% on both the fourth quarter and the first quarter of last year. Can you give an indication where that's come from and whether that's likely to repeat going forward, and maybe also just some indication in terms of the margins on those sales as well, first question. The second question, if you can give an idea of whether the strong flows – net flows – in OMIG came from? How much of that came from – from unit trusts, more specifically?

Ingrid Johnson: Certainly on both of those that's a level of detail I perhaps would prefer to come back to you on; other than what we've placed in the press release, there's nothing more than what we've said in the script to add. You're wanting to get into a very granular level.

François du Toit: Okay, thank you.

Ingrid Johnson: And just to actually go back to an earlier question on FGD, just for clarity, if we take the rest of the acquisitions in the second quarter, that would be minus four percentage points, and then if we take the BEE proceeds that would be plus four percentage points, and then you'd start to pick up the benefits of your statutory profits.

Julian Roberts: We have a pause. Does that mean there are further questions, or not?

Greig Paterson: Thank you. I'm just wondering, if Mass – it keeps changing its name – Mass Foundation is 4% year-on-year up, you know, what levers are you going to pull to move it into the 10–15% range? I don't know – is that a medium-term range, or do we expect it to happen this year? That's the one thought. And the other one is, just in terms of the corporate, just remind me, are you setting any bulk annuities? What's the sort of outlook there? Is it the high or low margins stuff, you know, in South Africa?

Julian Roberts: I mean, let me just take the – the – the first one. If you look at the first quarter there are two things that still were keeping the sales down. One, our sales numbers were slightly lower than we anticipated, and if you remember in the past I still talked about the way that we've been changing our sales process and training people, the sales agents, to do their IT and processing when they're with the customer. That is coming through and almost finished, and we reckon that that will be finished coming through into the second quarter. And from that – that's one of the reasons why we anticipate the sales getting back onto our indicative range.

Greig Paterson: All right, cool.

Ingrid Johnson: And was your second question on corporate?

Greig Paterson: Yeah, I mean, because you know, when you look at the margins on the corporate, it swings around according to whether you're selling bulk annuities or not, and within that whether they're with-profit or CPI. I'm just trying to understand, you know, what's the sort of level of bulks you're selling and what their nature is now and whether there's an outlook improvement or not, yeah?

Julian Roberts: Greig, you always know that this is incredibly lumpy and difficult to predict.

Greig Paterson: Yeah.

Julian Roberts: I mean, our annuity sales were slightly – were slightly lower towards the end of last year. I think we're fairly confident the pipeline is reasonably good but, you know, one can't go into any more detail than that. But we're fairly confident that the single premium annuities – we're fairly optimistic on what we can put in.

Greig Paterson: Is it the CPI stuff or the with-profit stuff?

Julian Roberts: It's – yeah, it's a mix.

Greig Paterson: Right, cool, thank you.

Ingrid Johnson: Thanks very much.

WJ de Vries: Hi, good morning guys. Thank you for taking my question. Just a quick one also focusing on corporate, more on the regular premium side, you mentioned the comments of – though I appreciate the fact that sales can be lumpy, it just looks – if I look at the numbers, it looks like it's half at what it usually is on average, if I look at all the quarters in 2014. My question is I just want to know how's the competition in that space and how's – how's demand looking going forward?

Ingrid Johnson: Again, as you – as you rightly observe, we actually had a very strong prior-year quarter, which wasn't repeated, and it really does depend on the timing. So this year we've got a very strong pipeline but not necessarily concluded in the first quarter.

WJ de Vries: All right, thank you.

François du Toit: Hi, thank you. Just quickly, the launch of your tax-free savings account, I know you haven't had much experience during the quarter – I think it was launched towards the end of the quarter – can you maybe give us a bit of an update on that? And also in your experience do you see or do you believe it will maybe begin to cannibalise on some of the tax-efficient life insurance savings products out there?

Julian Roberts: Look, it's – it's too early to say. We are – we're really pleased with the progress that we've had to date. It is really early days. We don't particularly think it will cannibalise our – our product. This is a product that, as you can tell, gets to the customers, through tied agents, but also direct and through the digital channels. So, you know, to date the sales are fairly small but we want to be in the market and we want to be a reasonable player in the market, so that's where we are.

François du Toit: Thank you. And maybe one additional question, while I've got you: could you maybe give a bit of an update on Mutual & Federal's experience in South Africa? Are you still seeing an underlying improving underwriting trend, if you exclude catastrophes?

Ingrid Johnson: Yes, I mean we've certainly – I think it's more an absence of catastrophes that you then end up showing the modest underwriting performance, and I think we've continued to see that improve, but clearly we still have work to do.

François du Toit: Thank you.

Blair Stewart: Thank you, a very good morning. Just one question on the UK: you talked earlier about the pension freedoms and seeing lots more enquiries etc., but I wonder if you could just talk in a little more detail about the opportunity in draw-down, what you've seen since the changes and what the economics of that product look like for you? Thank you.

Ingrid Johnson: Good question, Blair. I'm reflecting on how to answer it. If anything, it's more in the accumulation that we've seen continued investment in pensions and ISAs, and that's certainly been a very strong benefit, not necessarily as much in actual draw-down as yet.

Julian Roberts: Yeah, I think the main thing that I would just add is, as Ingrid said earlier in her script, we're getting a lot of enquiries, the volumes aren't necessarily coming through because I think people are concerned, but I do believe that there is going to be quite a bit of movement moving forward, but it's still relatively early days. But you can see as you go through, our pension products has picked up quite significantly in the first quarter, and I anticipate that continuing.

Blair Stewart: Are you now, you know, – I appreciate the accumulation side, that – that's obvious from looking at the numbers that it's going well, but when someone does reach retirement age and you send out the vesting packs, what are you actually offering them in terms of draw-down? Do you – I mean, have you got the full product up and running as you – as you want it? Is it there and available for – for the customers now?

Julian Roberts: Look, there's still more that we're doing. I mean, it's basically an income product. It doesn't have – what we want to be able to do, and we will be able to do soon, is to make sure that people can draw down the income on the day that they want to. At the moment we are limited on the days that we can, but pretty quickly, pretty soon, we will have that total flexibility. So, I know we're more advanced than many people so we can draw down, but we're still working on a bit more flexibility for them, so that is – you know, people can choose the date they want. But as I say it's still pretty early days.

Blair Stewart: Okay, thank you.

Gordon Aitken: Good morning. A couple of questions please. Firstly, you're selling annuities in South Africa but not in the UK. I'm just wondering why this is? Is it – is there external reasons for this, or do you see different longevity, or is it internal reasons in just how you want to use your capital in the UK?

And just, second question, OMGI is – you're now managing 12% of the assets on the platform, it's up from 9% – just give us an idea of the difference and if it's margin or basis points that, you know, if you're managing and administering, how sort of beneficial is that to you? Thanks.

Julian Roberts: Let me just deal with the first one. It comes back to the base of business that we have been writing. For years in South Africa we've had a guaranteed product, we've been used to writing annuities, capital-heavy products; in the UK the derivation of that business was unit-linked insurance, so capital-light products, and therefore we've never gone into annuities and we wouldn't ever go into annuities in the UK.

Ingrid Johnson: Then on your second question, clearly it's very beneficial to firstly get the flows onto the platform – and we have a market-leading platform – and the second then is to earn the rights, having been on the platform, to deliver the performance that the advisor and the client would wish to see, which gives you then additional margin. So the platform margin is roughly 25–30 basis points. In addition, if you can actually have that flow through to your own funds under asset management, that would be roughly 50–70 basis points. And that's really for us the benefit of vertical integration, because you want to be able to – depending on the client's needs, be able to capture the flows through whichever means they come through to your business.

Julian Roberts: And I think most important, just going back to Blair's question: not only do we want to do that while people are building up their wealth, but most important now, with the flexibility of the regulation change, we want to be able to allow them to manage their retirement draw-downs as they move forward. So, hopefully the more we can manage ourselves, the higher margin, the more product we can give and we're meeting the customer's need. It's easier for us, we believe, to do so through a vertically integrated model.

Gordon Aitken: Thanks. Can I just come back on the platform? It's very interesting. I mean, what's the average basis points you – or revenue basis points – you're getting on the platform at the moment?

Ingrid Johnson: High twenties.

Gordon Aitken: Okay, so presumably that can go a fair bit north?

Ingrid Johnson: Not necessarily.

Julian Roberts: Yeah, no, I think the thing with the platform is – the platform is in many respects the means – yes, to make it profitable as well, we needed to – you know, to get up to 20 billion, so we're growing that really quite fast. But the contribution that the margins will make on the platform is never going to be that significant. The real value comes in the other areas.

Gordon Aitken: Okay, thank you.

Ingrid Johnson: Thank you.

Julian Roberts: Okay, thank you very much. Thank you everyone for listening in on the call and, as always, for your questions. And Patrick and the team are very happy to talk to each of you as always offline if you want further clarification or you've got additional questions. We've made a pretty good start to the year. I'm pretty positive. All our businesses are performing well, and we're continuing to focus on creating value through operational execution. We expect continued sound performance this year, and Ingrid and I both look forward to talking to you again in August with our interim results. Thanks very much everyone.