

**CryptoLogic Inc.**  
**2003 Second Quarter Results Conference Call**  
**August 14, 2003**

**Operator:** Good morning ladies and gentlemen. Welcome to the CryptoLogic Second Quarter 2003 Financial Results Conference Call. I would like to turn the meeting over to Mr. Lewis Rose, President and Chief Executive Officer. Please go ahead, Mr. Rose.

**Lewis Rose:** Thank you. Good morning ladies and gentlemen. Thank you for joining us today for CryptoLogic's 2003 Second Quarter Conference Call. I am Lewis Rose, President and Chief Executive Officer of CryptoLogic. Also here with me today are Jim Ryan, our Chief Financial Officer, who will address our financial results specifically, and Nancy Chan-Palmateer, our Director of Communications.

I'm delighted to report our best quarterly performance in the last year and a half. The second is seasonally a strong quarter, yet we did better-than-expected and outperformed in both revenue and earnings terms.

At CryptoLogic, we are building on the success and positive momentum of the past few quarters. We continue to leverage our fundamentally strong and solid business by driving organic growth through new product introductions and international expansion. This has resulted in revenue rising by more than 20% and earnings up more than 25% compared to last year.

These results reflect our continued attention to, and execution of, our three-pronged strategy, in what remains a challenging online gaming environment.

First, we've stabilized our business – and we've strengthened it for the future. This speaks to the success of our global strategy and pro-active consolidation of our core business.

Foreign markets continue to represent the best near-term growth opportunities for online gaming. We work with some of the most prominent international names in land-based and online gaming. William Hill, InterCasino, Littlewoods Gaming, The Ritz Club London, and more recently, ukbetting and Bingo Entertainment collectively reach millions of European players. As a result, international revenue from our licensees continues to climb, reaching approximately 55% in the first half of 2003, up from almost 50% in the first quarter.

At CryptoLogic, we manage according to ROE in everything we do. It's what we call "return on effort". In keeping with this strategy of allocating our resources most efficiently to generate the best possible returns, we have begun the process of consolidating and rationalizing our licensee base. This allows us to focus on a

smaller number of high quality customers. That's why we have pruned our customer base from 21 licensees in the first quarter to 17 in the second quarter, and we expect this trend to continue. We will continue to focus our resources on those customers with the brand, the databases, the resources and the potential to be major forces in the online gaming industry.

Online gaming is an increasingly competitive global market with more than 1,800 gaming sites, including large and sophisticated brand name operators. Against this background, we are determined to provide our customers with the most competitive suite of games, e-cash processing, and customer support in the industry.

Secondly, not only are we diversifying geographically, but we are also diversifying our products. CryptoLogic's comprehensive market-oriented gaming products enhance player loyalty by expanding player choice and convenience. The key to our customers' success is acquisition of new players, retention of existing players and reactivation of lapsed players. It's all about delivering gaming technology and support that enables our customers to build the most profitable online businesses.

To that end, CryptoLogic expanded its product suite with more than 10 new choices of the most popular casino games giving players more chances and ways to win. This brand new bonus pack introduced Single Deck and Multi-Split Blackjack, an enhanced European Roulette, and an exciting new series of slots including 9-Line slots.

CryptoLogic's most recent poker and bingo products continued to top expectations in the quarter, and together, are on track to exceed 10% of total revenue in 2003. And remember, these products were only introduced last autumn and are already making meaningful contributions.

Today, five major licensees use our poker solution including our newest customers, ukbetting and Bingo Entertainment. We also recently added new single and private tournament features for poker, which is contributing to increased player traffic. The success of our poker solution is enhancing CryptoLogic's financial results and extending our leadership into the burgeoning online poker market.

And third, our regulatory commitment is an essential component of our strategy. While the global regulatory landscape continues to evolve, CryptoLogic is dedicated to safe, secure and responsible gaming as key to the credibility, growth and success of the Internet gaming industry.

For example, as a licensed software provider in Alderney - one of the world's most strictly regulated markets for online gaming - we have begun the software

certification process to enable our licensee, The Ritz Club London Online, to set up its online operations in that jurisdiction later on this year.

Certification requires a significant amount of time, resources and money. This rigorous process subjects our software to independent third party audit by a government-accredited testing company that validates our gaming system as being safe, fair, and responsible.

Internet gaming is here to stay. This means more governments are going to see the value of regulating this business to protect and benefit all participants. And as they move to regulate the industry, CryptoLogic will have a major competitive advantage.

This month, Britain has started to draft legislation to establish itself as a leading, world-class regulated and licensed market for online gaming and to modernize the UK's gambling laws. In July, the first set of draft clauses of the UK's new Gambling Bill was published. This forms part of a whole Bill that will be submitted later this year to Parliament for pre-legislative review. The review process is expected to take about four months, with a goal of implementing regulations by 2004/2005.

Given CryptoLogic's experience and acceptance in multiple highly-regulated jurisdictions, including the Isle of Man and Alderney, we've begun a dialogue with the UK government to participate in its objective to create a successful regulatory framework. We will seek every opportunity to contribute to this legislative process, and are committed to shaping the future of the industry we helped pioneer.

As part of our commitment to seek the highest level of transparency and compliance, CryptoLogic has also commenced the application process to list and trade our shares on the Main Board of the London Stock Exchange.

A LSE listing would highlight our strong European presence, particularly our local UK operations and our major UK-based gaming customers, and enhance our profile in this key growth market. A listing on this major international exchange would also extend our capital market reach to a broader global shareholder base in a gaming-friendly market with a receptive investor community.

During the UK listing process, we are unable to provide earnings guidance. We are re-evaluating our policy on guidance in accordance with UK guidelines and practice.

Looking ahead, while the first half of 2003 continued a highly positive trend for CryptoLogic, it is important to remember that we still operate in a challenging marketplace. Increasing competition will reduce future margins from our

licensees, and as you are aware, our industry continues to be challenged by an uncertain U.S. market.

Efforts to ban online gaming date back to 1995, and continue to persist. In the latest attempt, a prohibition bill managed to pass the full House of Representative by providing an exemption for major interest groups and by not including civil or criminal penalties for breach of the proposed law.

The Senate Banking Committee - which is the first step of the Senate process - recently approved a similar bill, but it differed from the House of Representative's bill in that the Senate Banking version included both civil and criminal liabilities, and it exempted only horse and dog racing. These carve-outs are creating strong opposition from other powerful industry groups including land-based casinos, Indian tribes, and individual states.

If the full Senate approves the bill, any differences with the House of Representative bill would have to be reconciled into a single piece of legislation. Then both the House and Senate must vote on the bill again, before it can advance to the White House for vote or veto.

As we've seen in previous efforts, these bills may never become law. Nonetheless, until this regulatory uncertainty is definitively resolved in the U.S., we will continue our successful strategy to diversify our business to international markets that embrace online gaming.

We will therefore continue to invest in key areas of our business - international diversification, strong marketing, new and enhanced payment options, new innovation and regulatory initiatives. These investments are vital to sustain our forward momentum and long-term growth and we are seeing rewarding results.

Jim Ryan, our Chief Financial Officer, will now review our financial results.

**Jim Ryan:** Good morning. I am delighted to speak to the stabilization of our business and positive financial momentum as witnessed in our second quarter results. I remind you that all figures are in U.S. dollars.

CryptoLogic is making measurable progress in a challenging business environment. In fact, we achieved stronger-than-expected performance in the second quarter that topped both management's and analysts' estimates.

In revenue terms, the second quarter of 2003 was one of our best performances. Revenue was up 22% to \$10.8 million compared with \$8.9 million in the same quarter last year. Top line results exceeded management's guidance for revenue of \$8.8 to \$9.0 million and analysts' consensus of \$8.9 million. As well, revenue this quarter improved sequentially over the \$8.9 million we recorded in the first quarter of 2003.

Year-to-date revenue increased 12% to \$19.7 million compared with \$17.6 million in the same six-month period of 2002.

The strength of our second quarter performance highlights the successful execution of our strategy. We achieved better than expected results due in part to our continuing commitment to develop, implement and enhance payment choices and convenience for players, which contributed to the stabilization of our core business.

We continued to enjoy steady revenue growth from our poker and bingo applications. We are confident that these exciting offerings will continue to contribute positively and are on target to meet our 2003 objectives.

CryptoLogic's strategy of "going global" - diversifying revenue with international customers - continued to payoff. Licensees' revenue from overseas markets now account for approximately 55% of total revenue, up from almost 50% from our first quarter and 40% from the prior year.

Software development and support costs include all personnel, licensee support, customer service and compliance-related expenditures. For the first six months ended June 30, 2003, software development and support expenditures were \$11.9 million, up from \$9.7 million. Higher costs were consistent with planned expenditures in key areas of our business that are vital to sustaining our business and building for long-term growth.

These investments remain focused on expanding payment methods, international diversification, increased marketing spend, and new product introductions and enhancements. As well, there are ongoing costs associated with advancing our regulatory initiatives - currently centered on our software certification in Alderney.

General and administrative expenses for the first six months of 2003 were \$2.5 million, down from \$3.0 million from the prior year. The decline was primarily due to operational efficiencies.

Net income in the second quarter rose 27% to \$2.6 million or \$0.21 per diluted share, well ahead of analysts' consensus of \$0.15 per share and management's estimates of \$0.14 to \$0.16 per share. Second quarter earnings also compared strongly to Q2 of the prior year. Last year, we recorded net income of \$2.0 million or \$0.16 per diluted share, before a non-recurring special charge, and a net loss of \$7.8 million or \$0.65 per diluted share after taking into account the special charge. In addition, net income improved sequentially over the \$1.8 million or \$0.15 per diluted share we recorded in the first quarter of the year.

On a year-to-date basis, our net income has increased to \$4.4 million or \$0.36 per diluted share, versus \$4.2 million or \$0.32 per diluted share before the special charge, and a net loss of \$5.6 million or \$0.46 per diluted share after accounting for the special charge.

Our improved bottom line results reflect our focus on ensuring that we're making the right investments to produce the best returns for our shareholders.

In the quarter, we continued to add to our strong financial position. CryptoLogic remained debt-free, with total cash reserves of \$58.3 million or \$4.74 per diluted share, which comprised of cash and cash equivalents and \$7.1 million of restricted cash. Our working capital was \$39.8 million or \$3.23 per diluted share.

As a result of the growing strength of our business, there was a \$6.7 million increase in accounts payable and accrued liabilities compared to the end of 2002. The increase was primarily attributed to:

1. higher deposit levels - a good sign that our business has stabilized - but also warranted an increase in our charge back contingency by about \$2.0 million;
2. approximately \$1.0 million related to a growing provision for Jackpot prizes which have not yet been won; and
3. approximately \$2.0 million related to renegotiated frequency of payments to licensees, which extended the timing of our payables.

The balance was attributable to regular fluctuations in accounts payable and accrued liabilities.

Separately, it's also interesting to note the \$2.9 million increase in our funds held on deposit. This amount represents player deposits, and the increase in this amount reflects players' confidence in our licensees' casinos.

For three months ended June 30, 2003, operating cash flow was \$15.5 million compared with \$1.3 million in the same period last year. Cash generated from operations was unusually high due to stronger player deposits, lower reserve requirements with payment processors and timing of accounts payable. We expect approximately half of the positive changes in the working capital to be reversed over the latter half of 2003, as related to reserve requirements and increases in our accounts payable.

For the second quarter of 2003, cash generated from earnings increased to \$3.0 million compared with negative cash flow of \$0.7 in the same period last year.

In summary, we continue our track record of consistent operating profit, healthy cash flows and balance sheet strength. We are achieving strong performance during these challenging times. By all financial measures, we are building a stable business with opportunities for upside. We will continue to leverage this solid base to capitalize on our company's full potential, and return value to shareholders.

I'll now turn the call back to Lewis.

**Lewis Rose:** Thank you, Jim. We're now pleased to open the call to questions.

**Operator:** Thank you. We will now begin the question and answer session. To place yourself into the question queue, please press \*1 on your touch-tone phone. If you're using a speakerphone, please pick up your handset and press \*1 at that time. If your question has been answered and you wish to withdraw your request, you may do so by pressing \*2. Please go ahead if you have any questions.

Your first question comes from Scott Preston. Please go ahead.

**Scott Preston:** Good morning. Great quarter, guys. Jim, capex was rather high in the quarter, what was the unusual expense there.

**Jim Ryan:** During the quarter we made investments in software and license rights to augment our gaming applications.

**Scott Preston:** Were these from third parties?

**Jim Ryan:** Yes.

**Scott Preston:** Of the four licensees that were cut off in the quarter, how many were strictly U.S.-based licensees and of the future licensees you mentioned that you might be stopping business with, how many of those will be U.S.?

**Lewis Rose:** Three of the four that we ceased operations and terminated were primarily U.S. oriented gaming sites. The others that we will be terminating have probably a 50/50 split.

**Scott Preston:** Should we assume then that your support costs will go down now that you have fewer licensees?

**Lewis Rose:** Not necessarily. Our focus is, as I indicated in my remarks, on the concept that we term "return on effort" so our expense is not

necessarily going to go down as a result of having fewer licensees. We'll be more efficient and we'll focus on growing our business.

**Scott Preston:** You said international was 55% in the first half. I assume it would have been 60% if you just have Q2?

**Lewis Rose:** That's correct.

**Scott Preston:** What were the top three customers as a percent of revenue?

**Jim Ryan:** We report on the top five, and the top five were approximately 90%.

**Scott Preston:** Okay. Great. Thanks a lot, guys, and congratulations.

**Lewis Rose:** Thank you.

**Operator:** Your next question comes from David Shore. Please go ahead.

**David Shore:** Thanks. Congratulations, guys, it was a good quarter. Jim, was there any foreign exchange impact that was material in the quarter?

**Jim Ryan:** There was no material impact from foreign exchange. In fact, we've actually hedged our position out for the balance of this fiscal year.

**David Shore:** Lewis, can you talk a little bit further about the pricing pressure that you're seeing on margins and where you think that will move to going forward?

**Lewis Rose:** It's inevitable, in a maturing industry that there will be increasing pressures on margins. We've been saying this for some time. The brand name presence and larger, more sophisticated operators have attracted significant competition in the industry. Having said that, CryptoLogic is the granddaddy of the industry - we pioneered Internet gaming and continue to lead in terms of both integrity, innovation, and new product development, and one would expect, as a result of that, we would end up with the relationships that we've managed to secure - large, very prominent international, blue chip brand name customers.

What we're doing to counteract the impact of the pressure on margin is two things: First, we're ensuring that the suite of games that we offer are the most competitive - the range of services that we provide and the customer support that complements that range is comprehensive and competitive. Secondly, in order

to incentivize our customers to continue their growth, we are providing volume incentives. So as the customer's business with us grows, there is an incentive to continue that growth by virtue of a reduced revenue share partnership.

**David Shore:** Can you further talk a little bit about alternative payments and some of the efforts that you guys are doing in that area?

**Jim Ryan:** Certainly. Over the course of the balance of this year, we plan on introducing five new payment solutions. We are going to introduce our second phone-based payment solution, we're introducing a stored value card, an ATM-based payment solution and a private label credit card, as well as introducing two European credit and debit card processors. In addition, over the balance of the second quarter, we enhanced our payment solution framework by introducing something we call Web ECash, which makes it significantly easier for us to integrate third party applications and roll them out to our licensees. As well, we've improved the usability of our application in terms of removing PIN numbers on deposit levels and facilitating customers when they have a credit card rejected. They now either get an e-mail or a phone call from us where we educate them on payment solutions. So we are now bringing a high-touch approach to the various payment applications that we have already added, and complementing both the technology with the customer service.

**David Shore:** The land-based casinos - what activities have they been up to and what are they doing?

**Lewis Rose:** One that everybody's focused on is MGM. They were licensed in the Isle of Man and have ceased operations. The Venetian has been licensed in Alderney. We've not seen visible activity as a result of that but I suspect that they're going through the certification process in Alderney as we are with Ritz. And Harrah's has a play-for-fun site.

In terms of the growth opportunities, I suspect it's going to be entirely dependent on the clarification of the regulations in the United States. We are continuing to grow our business independent of any reliance on U.S. land-based opportunities. Our revenue from licensees whose revenue in turn comes from outside of the United States has continued to grow, from 40% to 50% to 55%. We are continuing to target the UK and Europe as our major opportunities for growth, and we are not in any way dependent or reliant on future growth opportunities from U.S. land-based casinos. Clearly we are continuing to ensure that we are aware of activities in the U.S. In the event that that market does open, it would potentially be a huge opportunity for us. We are not building our business case on that eventuality.

**David Shore:** Lewis, is there anything happening in Japan?

**Lewis Rose:** I'm happy to say that we are slowly starting some progress in China and Japan. We've actually just re-launched the Chinese version of our software. We've learnt along the way literal translation doesn't work. The newest website that's just been re-launched is the InterCasino Chinese website. The slogan is "May luck bring you good fortune" and there's some more meaningful customer testimonials on the homepage. To attract Chinese players, trust and credibility is a huge issue. So we've been more attune to local markets rather than literally translating sites, which has been our practice in the past. We're becoming more customer responsive. Equally in Japan, we've seen some growth over the last four to five weeks.

**David Shore:** Okay. Thanks and congratulations.

**Operator:** Your next question comes from Mathieu Roy. Please go ahead.

**Mathieu Roy:** Thank you. Congratulations on the quarter. Many of my questions have been answered but I still have a few. Your revenues were significantly better than expected, I was just wondering if you could give a little colour on, if it came from the U.S. doing better because of payment alternatives or the international licensee driving growth.

**Lewis Rose:** Well it's a combination of growth across the board. In terms of international revenues, we've noted that international revenues from our licensees have grown to approximately 55%, and that's up substantially from the 40% last year and from the 50% in the first quarter. The growth of our new products has been a significant contributor. If the trends continue the way they're going, we are going to experience revenue growth from poker and bingo that will exceed 10% of our revenues for the year. That's substantial growth considering that there was no comparable revenue from bingo and poker in the corresponding period last year because these products were only launched towards the end of last year.

We've also made some tactical and strategic changes internally to ensure increased customer deposits. That's helped us to simplify the registration process, made the product much more user friendly, and we continue to enhance features that ultimately lead to increased playability and revenue.

**Mathieu Roy:** Great, thanks for that. Not that I don't like seeing significant cash on your balance sheet but has there been any more discussion on the way you're going to use that cash or perhaps maybe return some of it to shareholders?

**Lewis Rose:** Mathieu, this is a discussion that is a constant topic at the Board level.

We are looking at a range of alternatives from acquisition opportunities to dividends to buybacks; it's a constant discussion that we engage in. Our focus absolutely is on enhancing shareholder value, and we can create value by advancing our growth plans through investments in vital areas to attract new customers, new products, new payment options, and our continued global expansion. We will focus on executing well against our strategic imperatives. We've said that many times. That in turn is producing positive results, which will continue to grow our earnings.

In terms of acquisition opportunities, we continue to look very carefully but very selectively at a limited number of opportunities. Our growth has been successful in the past organically, so this is not something that we would undertake lightly. And we continue to look at the other range of options that would enhance shareholder value.

**Mathieu Roy:** Okay. Thanks for your comments and, again, congratulations on the quarter.

**Lewis Rose:** Thank you, Mathieu.

**Operator:** Your next question comes from Michael James. Please go ahead.

**Michael James:** Congratulations, guys, on the quarter. What is the company doing to tell the story out to the investment community?

**Lewis Rose:** We have regular quarterly conference calls like this one, we have had a number of presentations at both retail and institutional investor conferences over the past 12 months in Toronto, New York and Chicago. We are looking at alternatives in Boston and other key centres in North America.

Our expectation is that with the LSE listing, we will have a much broader investor and institutional base in a marketplace that's much more gaming friendly. The UK, as you know, embraces online gaming because gaming in the UK is a way of life, unlike North America where gaming is an industry that still needs to come into the sunlight, as we say constantly. In the UK, gaming is embedded in the fabric of life. There are retail betting shops on every corner and as a result, the institutional investment community is well aware of the cash-generative nature of this business. And so we're optimistic that our focus on a UK listing is the right strategy, particularly given the fact that our business continues to grow in Europe and we have such significant UK customer base. So, the answer to your question is, in the short-term, our focus is on the UK, beyond that the investor program will continue to expand to include major financial centres in North America.

**Michael James:** Thank you.

**Operator:** Your next question comes from Brandon Osten. Please go ahead.

**Brandon Osten:** Could you recap why the capex was so high?

**Jim Ryan:** In the quarter we made an investment in software and license rights. These are augmenting our gaming applications, targeted particularly to the areas of back office operations and customer relations.

**Brandon Osten:** So this isn't related to the actual gaming software?

**Jim Ryan:** No. These are third party applications.

**Brandon Osten:** Okay. Would I be correct in assuming that the U.S. business was down from Q1?

**Jim Ryan:** The U.S. business has stabilized. It was not down.

**Brandon Osten:** So it was basically flat?

**Jim Ryan:** Yes.

**Brandon Osten:** Has the jackpot provision been knocked off against revenues in the quarter?

**Jim Ryan:** As a player plays a jackpot game and, for example, makes a \$1 bet, that \$1 is put into a sinking fund, and it's a liability that we accrue. As it turns out, these games are statistical in nature, and we've gone through a quarter where there have been fewer than the norm in terms of jackpot wins, so hence you see a larger jackpot accrual on our balance sheet.

**Brandon Osten:** So when a jackpot is won, it's not going to impact your revenues?

**Jim Ryan:** That is correct.

**Brandon Osten:** Finally, can you comment on the competitive landscape? Who do you see as maybe stronger out there? Is it the same players as before? Are they strong in Europe?

**Lewis Rose:** Well what we're seeing is pressure on margins as a result of continuing new entrants and the fact that there is increased competition for existing players. What we're doing is clearly offering a premium product, with customer responsiveness, to focus on a value-added offering. It's a

comprehensive, proven suite of online gaming products across casino, bingo, and poker, to enable our customers to build the most profitable online gaming business.

There are clearly some key players who are dominating this industry who are major players, we're one of those. We offer 24/7 multi-language customer support. We have customer relationship management tools and services. We have an integrated ECash management system in multi-currencies and, above all, we have invested in, and are now reaping the benefits of regulatory compliance. We are a public company, we have significant cash reserves, and we have a proven track record. All of this together makes us one of the most desirable service providers in the industry. That's one of the ways in which we are dealing with the margin pressure, because we can provide a complete and comprehensive suite of products and services to enable the online gaming operators to maximize their profitability.

**Brandon Osten:** Who are you seeing out there? Is it still Boss Media and Casino-on-Net, or are there new players popping up?

**Lewis Rose:** It's a range. What we are seeing is that there's becoming increased specialization by product. So not only are we competing against other companies that may be able to offer a relatively broad range of products, we are competing for example in the poker arena against poker specialists. We're in the bingo arena against bingo specialists. Companies that focus only on a single product.

**Operator:** Your next question comes from Jeffrey Lown. Please go ahead.

**Jeffrey Lown:** Good morning, gentlemen. Could you enlighten me a little bit in terms of the proposed listing on the London Stock Exchange? What is the process and when do you anticipate that listing being approved?

**Jim Ryan:** We have actually filed a listing application, which is referred to as "Listing Particulars". The process thereafter involves the UK Listing Authority reviewing the particular application and commenting on it. That is the stage we're in right now. It's our hope to be through that and to be trading by the end of our third quarter.

**Jeffrey Lown:** My follow-up question goes back to a comment made by one of your guests about the application of your cash. You mention that you had an ongoing discussion at the Board level to determine what the potential applications of that cash might be. Since this has been ongoing, what is the stumbling block to getting to resolution on that application, an acquisition candidate, if the other alternatives on the docket are a buy-back or a special dividend? Where is the sand in the ointment in coming to a decision?

**Lewis Rose:** Our focus is to balance our growth prospects with potential investment opportunities to return cash to shareholders, like dividends or buy-backs and there is active, healthy debate on an ongoing basis. We continue to grow the business in many areas, all of which require investment, and there is the balance of growth to acquisition as well. It is a healthy debate that occurs at the Board level and at this point in time we're comfortable with where we are in the evolution of CryptoLogic based on its growth prospects and based on the earnings that we've achieved, and we will continue to monitor it.

**Jeffrey Lown:** Thank you very much.

**Operator:** Once again, if there are any questions on the phone lines, please press \*1. Mr. Rose, there are no further questions. Please continue.

**Lewis Rose:** Thank you. We have made considerable progress year to date. CryptoLogic has proven that Internet gaming is a profitable business even in a tough and uncertain market environment.

Our strong financial position coupled with the cash generative nature of our business and the remarkable quality and talent of our employees provide CryptoLogic with a solid foundation to capitalize on our industry's exciting potential.

We are a global company with an enviable roster of blue chip customers in a growing industry that is exciting and entertaining. We have a clear growth plan. And we are advancing that strategy with positive results. We are committed to expanding our market leadership and to produce the best returns for our shareholders.

I look forward to sharing our continued success with you on our next quarterly conference call. Thank you.

**Operator:** Thank you. This concludes today's conference call. Please disconnect your lines and have a great day.