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PRESENTATION

Operator

Ladies and gentlemen, thank you for standing by, and welcome to Calgon Carbon Corporation first-quarter 2016 earnings conference call. (Operator Instructions)

It is now my pleasure to turn the floor over to Dan Crookshank, Director of Investor Relations. Please go ahead, sir.

Dan Crookshank - *Calgon Carbon Corporation - IR Director*

Thank you very much, Lori. Good morning, everyone, and thank you for joining us for today's conference call.

Our speakers today are Calgon Carbon's Chairman, President, and Chief Executive Officer, Randy Dearth; our Senior Vice President and Chief Financial Officer, Bob Fortwangler; Executive Vice President and leader of our Core Carbon and Services business, Jim Coccagno; and Executive Vice President and leader of our Advanced Materials, Manufacturing and Equipment business, Steve Schott.

Before we begin, I would like to remind you that comments made by Calgon Carbon executives in their prepared remarks, as well as additional comments made during the Q&A portion of this call, may contain statements that are forward-looking. Forward-looking statements are subject to risks and uncertainties, and Calgon Carbon's actual results may differ materially from those expressed in such forward-looking statements. A list of factors that could affect Calgon Carbon's actual results can be found in the news release that we issued earlier this morning and are discussed more fully in the reports we filed with the Securities and Exchange Commission, particularly in our latest annual report on Form 10-K. These filings, as well as this morning's news release, can also be found on the Investor Relations page of our website.

With that, I will now turn the call over to Randy for his initial remarks.

Randy Dearth - *Calgon Carbon Corporation - Chairman, President and CEO*

Thank you, Dan, and good morning, everybody. I will kick it off this morning with a few comments on our first-quarter results, as well as mention a few business-related highlights in the quarter.

Starting with our first-quarter financial results, as indicated in this morning's press release, we are off to a slow and expected start to the year, mainly due to adverse market dynamics in the coal-fired electric utility market, as well as delays in municipal water carbon exchange projects.

Total first-quarter sales of $120.2 million came up about $5 million short of our expectations. First, our FLUEPAC pack powdered activated carbon sales to North American power plant customers were negatively impacted to a greater extent than we anticipated from the combination of the unseasonably warm winter weather conditions and very low natural gas prices. And second, the timing of several North American municipal water carbon exchange projects shifted out of the first quarter to later in the year. Performance in our industrial and food and beverage markets were in line with our expectations and indicative of continued soft economic conditions.

In most years for us, the first quarter is typically the lightest revenue quarter of the year. While we expect this to hold true in 2016, this was not the case in 2015. Last year's first quarter was atypical as it included the benefit of the large initial water municipal carbon fills in Asia, Europe, and in the US, events that come when they come and events that did not repeat in the current year. This was the primary driver of the $15.5 million decline in total revenues from last year's first quarter.

Jim, Steve and Bob will provide more details regarding our actual and expected performance in a moment.

Now, let me mention a couple of highlights for the quarter. First, we continue to receive commitments to supply FLUEPAC powdered activated carbon products from the grouping of coal-fired power plants that were required to begin complying with the MATS regulation in April of this year. Steve will have more to share regarding the dynamics that are currently impacting this market area later on.

Second, our Calgon Carbon Asia subsidiary has partnered with Jardine Engineering Corporation for the supply of approximately 3.8 million pounds of granular activated carbon for an initial municipal water fill in Hong Kong. We expect contributions to our sales from this arrangement to begin in the second half of the year.

Third, we made progress on our objective of expanding into the growing carbon market in India as we are now incorporated in country, and our sales teams are off and running.

And, last, but certainly not least, we made a binding offer to acquire the wood-based activated carbon, carbon reactivation, and mineral-based filtration muni business of CECA, a subsidiary of the Arkema Group. This is an exciting transaction for Calgon Carbon in many ways as it allows us to simultaneously execute on several of our targeted areas for growth and diversification. I will be back to recap these for you in a few moments.

So now I will turn it over to Bob for the first quarter financial review.

Bob Fortwangler - *Calgon Carbon Corporation - SVP and CFO*

Thank you, Randy. Good morning, everyone. Let's start with the income statement.

Total sales for the first quarter of 2016 were $120.2 million, $15.5 million lower than last year's first quarter. Currency translation negatively impacted on our sales in the current quarter by $1.1 million.

Regarding our segments, sales in the activated carbon and service segment decreased $16.5 million to $106.2 million in the first quarter of 2016 compared to last year's first quarter. Currency translation represented $1 million of the decline.

As Randy already highlighted, the remaining decline was primarily from the absence of significant initial granular activated carbon fills that occurred in the first quarter of 2015.

In addition, environmental air market sales were lower due to a decline in the sales of powdered activated carbon for treating mercury emissions, which were partially offset by higher activated carbon pellet sales in Asia.

In the equipment segment, first-quarter 2016 sales increased by $800,000 to $11.5 million as higher sales in the Americas of carbon absorption and ion exchange equipment more than offset lower ballast water treatment system sales. Sales in the consumer segment increased $200,000 to $2.5 million in the first quarter of 2016, as compared to last year's first quarter, primarily due to higher sales of carbon [claws] for defense applications.

Consolidated gross profit before depreciation and amortization as a percentage of net sales was in line with our outlook at 34.7% in the first quarter of 2016 as compared to 35.7% in last year's first quarter. The lower margin rate was due to a less favorable sales mix and higher pension plan costs in the current year, which were partially offset by the receipt of an anticipated $900,000 business interruption insurance settlement.

Depreciation and amortization expense was in line with our expectations at $8.8 million in the first quarter of 2016 compared to $8.7 million in last year's first quarter.

Selling, administrative, and research expense for the first quarter of 2016 was $24.5 million versus $22.5 million in last year's first quarter. The increase is primarily due to $1.6 million of transaction-related expenses attributable to the Company's planned acquisition. Absent these costs, recurring, selling, administrative, and research expenses were in line with our outlook.

The combination of these items resulted in income from operations for the first quarter of 2016 of $8.5 million compared to $17.3 million for the same period last year.

Our income tax rate for the 2016 first quarter was 34.7%, was slightly higher than expectations due to the mix of income across all tax jurisdictions. This compares to our income tax rate of 33.5% in last year's first quarter.

In summary, net income for the first quarter of 2016 decreased to $5.5 million compared to $11.1 million for the first quarter of 2015. On a fully diluted share basis, first-quarter 2016 earnings per common share were $0.11 compared to $0.21 for the 2015 first quarter.

Turning back to the Company's business segments, the activated carbon and service segment recognized $16.8 million in operating income before depreciation and amortization in the first quarter of 2016 compared to $25.9 million in the first quarter of 2015. The decline primarily resulted from the lower and the less favorable mix of sales in the current year, as well as the costs associated with the planned acquisition, which were partially offset by the business interruption insurance settlement. The equipment segment recognized an approximate $100,000 operating loss before depreciation and amortization in the first quarter of 2016 compared to a loss of $400,000 in the first quarter of 2015 with the improvement due to higher carbon absorption in ion exchange equipment sales. Consumer segment operating income before depreciation and amortization in the first quarter of 2016 was comparable to last year at $500,000.

Turning to our balance sheet and cash flows, at March 31, we had $50.9 million of cash. Cash flow from operations was $12.1 million for the first quarter of 2016, an increase of $3.2 million from last year's first quarter. The negative impact on our operating cash flow from our lower first-quarter net income was more than offset by a net favorable working capital change, primarily from a decrease in accounts receivables.

During the first quarter, we continued to use our available capital in a balanced manner. Capital spending totaled $7.4 million in the first quarter compared to $16.1 million last year. We continue to expect our full-year capital spending to be in the range of $50 million to $60 million, which includes spending of approximately $20 million on our Neville Island project.

We also returned value to stockholders during the quarter. We paid a quarterly dividend of $0.05 per share in March, and through our open market share repurchase program, we repurchased 519,000 shares or $8.2 million.

As we announced last month, we suspended our share repurchase program as we will be directing a portion of our available capital to complete the planned acquisition. Currently, the Company's remaining authorization to repurchase common stock is $64.1 million.

And, finally, based on the sources and uses of our funds during the first quarter of 2016, our total debt outstanding increased nominally to $112.7 million from $111.4 million at the end of last year.

That completes my financial review.

Randy Dearth - *Calgon Carbon Corporation - Chairman, President and CEO*

Thanks, Bob. Now we will go to Jim for an update on the core carbon and service business activities.

Jim Coccagno - *Calgon Carbon Corporation - EVP, Core Carbon and Services*

Thanks, Dan, and good morning, everyone. I will start with a look at our North American industrial and food and beverage business.

As we anticipated, market conditions in the industrial sector remain soft. This led to steady industrial process activity for our business and project activity that continued to remain subdued, particularly for new expansion projects.

With respect to industrial maintenance projects, we saw an encouraging uptick in activity during the quarter, including the receipt of several equipment orders. In the food and beverage market, quarterly volumes continued to be stable. As a result, our first-quarter North American industrial and food and beverage business volumes were in line with our overall expectations. We expect second-quarter revenues in this business area to be sequentially higher than in the first quarter, which is typical.

In North American municipal water, our first-quarter results lagged our expectations as several carbon exchange projects that were expected to occur in the first quarter have shifted to future quarters. We expect the deferral of these projects to contribute to a typically stronger second quarter.

Notably this quarter, our North American municipal water business began to see increased interest and, in many cases, (inaudible) of our carbon and equipment solutions for the treatment of contaminations such as perfluorinated compounds or PFCs. We believe this to be a direct result of heightened public and utility operator awareness being driven by ongoing publicity of the recent drinking water contamination events in Flint, Michigan, and Hoosick Falls, New York. This is another example supporting our expectation that adoption of activated carbon and, in particular, our FILTRASORB product line, has an effective barrier defense against many contaminants found in drinking water sources will continue to increase.

Turning to Asia, our sales were lower in the region, due to the large contribution last year from the initial carbon fill in South Korea. However, I am pleased that when setting this item aside, we saw modest growth in the first quarter led by contracts we secured last year for activated carbon pellets to treat nitrogen and sulfur oxide emissions. We expect activities in this region to deliver year-over-year growth in each of the next three quarters as a result of these contracts, the new initial municipal water carbon fill in Hong Kong that will begin to deliver in Q3, and higher reactivation volumes from the anticipated approval of the conversion of our food grade kiln to industrial grade in Suzhou, China.

Specifically in India, we continue to make good progress and remain bullish in our opportunities in this 130 million pound per year market.

We have recently established a new entity, Calgon Carbon India, LLP, and are in the process of refining our organization and supply chains to help our -- help take our success to the next level. These efforts combined with the CECA activated carbon and filter grade acquisition will position us as a leader in the market and prepare us for greater success in the future.

That concludes my remarks.

Dan Crookshank - *Calgon Carbon Corporation - IR Director*

Thanks, Jim. Now we will go to Steve for an update on the advanced materials, manufacturing and equipment business area.

Steve Schott - *Calgon Carbon Corporation - EVP, Advanced Materials, Manufacturing and Equipment*

Thank you, Dan, and good morning, everyone. I will start with mercury removal and provide an update on the status of the MATS rule, our current and expected performance, as well as where we stand with the power plants that began complying with MATS last month.

On April 25, the EPA's final supplemental finding on the MATS rule was published in the Federal Register. As expected, the finding concludes that a consideration of cost does not cause the EPA to change its determination that regulation of hazardous air pollutant emissions from coal and oil-powered electric generating units is appropriate and necessary. Despite currently outstanding legal challenges, we continue to expect the role to remain in effect going forward.

In terms of our performance for the quarter, our FLUEPAC revenues of $8.2 million were $3.4 million below both our expectations and our first-quarter 2015 sales. We underestimated the adverse impact at historically mild temperatures, coupled with very low natural gas prices would have on the utilization of coal-fired generating units that use our products. These impacts have lingered into the second quarter as many coal-fired generating units have run intermittently or not at all.

In addition, several units we supply under requirements-based contracts have decided to switch from coal to natural gas and have stopped their activated carbon purchases. The market dynamics have also significantly impacted the timing of activated carbon procurement decisions of the group of electric generating units required to comply with MATS beginning in April of this year.

While we continue to add to our list of electric generating units from this group that have committed to using our FLUEPAC products, many generating units in this group, particularly those that are not running or are running sparingly, have delayed activated carbon testing and longer-term buying decisions. By our account, we believe there may be as many as 40 million annual standard first generation basis pounds of activated carbon represented by the subset of generating units that have yet to make a decision on an activated carbon supplier. We are now, however, beginning to see increased activity and expect many to finalize their buying decisions in the near future.

Regarding the total market size, in spite of the natural gas, weather, and other issues impacting our 2016 first-quarter results, we continue to believe the market size is 290 million to 400 million pounds of activated carbon, measured on the basis of standard first generation products. We now estimate the annual value of this range to be $170 million to $260 million by 2017.

Our belief is that we will achieve a market share of 30% or more, but our revenue in 2016 will likely be well off these assumed levels owing to the issues previously discussed. However, due to a new group of generating units that began to comply in mid-April, we expect to see significant improvement in revenues in the second quarter as compared to the first. We expect to know more about this market by the end of our second quarter, and we will provide further update at that time.

Looking at our equipment segment for a moment, Jim already highlighted the equipment opportunities we are seeing from our North American municipal water and industrial businesses. So let me provide a quick update on the status of our ballast water business and the applicable regulations. The ion low ballast water management convention has still not achieved full ratification. We currently remain just shy of the 35% of world shipping tonnage required to put the role into effect as the tonnage represented by the countries that have ratified the convention so far sits at 34.79% as of the end of March. Both Peru and Finland have the necessary approvals to ratify the convention, and Panama has indicated that it may ratify soon. As such, we believe we sit on the brink of ratification.

The independent laboratory testing of our ballast water system to update our IMO certification, as well as potentially apply for US Coast Guard type approval, is expected to move into the shipboard phase in the second half of the year with completion targeted for the first quarter of 2017.

With respect to the Coast Guard situation, where we have appealed its decision to disallow the use of the most probable number method for testing the efficacy of UV-based treatment systems such as ours, we await their response to our appeal and have continued to work through our congressional and regulatory network for a favorable resolution.

In addition, the Coast Guard has yet to type approve any system for treating ballast water in US waters, and the number of compliant extensions has grown to over 5300 vessels as of March 18.

As a result, our first-quarter revenues were down compared to last year's first quarter, and we took in only a few orders for the quarter, all from repeat customers. We ended the quarter with total equipment backlog of $12.6 million compared to $18.5 million at the end of 2015.

In our European region, we continued to perform well. We got off to a slow start compared to last year where the first quarter included a large initial municipal fill in the region. Similar to the North American municipal and industrial businesses, we expect to see a typically stronger second quarter in Europe across most market applications.

Our Tipton reactivation plant in the UK, which commenced operations in the first quarter, is up and running. As a result, we have made a decision to permanently shut and sell our Grays UK reactivation site. It will be marketed for either commercial or residential development, and we are targeting completing the sale of this site later in the year.

From a manufacturing perspective, our US Virgin activated carbon manufacturing plants continue to perform extremely well. This strong performance has contributed to our first quarter build of inventory and we believe will likely lead to our purchasing less coal-based activated carbons from third parties in the near term.

And that concludes my remarks.

Steve Schott - *Calgon Carbon Corporation - EVP, Advanced Materials, Manufacturing and Equipment*

Thanks, Steve. Now we will go back to Bob for our 2016 second-quarter outlook.

Bob Fortwangler - *Calgon Carbon Corporation - SVP and CFO*

Let me start with revenue. Based on the commentary provided by Jim and Steve, we expect our 2016 second-quarter revenues to improve by 6% to 10% from our 2016 first-quarter revenues. This range represented decrease from last year second-quarter revenues, principally due to unexpected decline in mercury removal revenues. This includes a negligible impact on currency translation.

We gross margin before depreciation and amortization to show modest sequential improvement. We expect our depreciation and amortization expense to remain relatively constant with our Q1 levels. Excluding the impact of costs related to our planned acquisition, second-quarter selling, general, and research-related operating expenses are expected to be comparable to the first quarter. We expect our other income and expense to be comparable to last year's second quarter and our interest expense to be approximately equal to this year's first quarter.

And finally, we expect our effective income rate to be in the range of 34% to 35%.

I will turn it back to Randy for some final thoughts.

Randy Dearth - *Calgon Carbon Corporation - Chairman, President and CEO*

Thank you, Bob. So due to continued soft well economic conditions and uncertainty that continues to surround our primary regulatory driven revenue opportunities, 2016 will not be without its challenges, and it will be difficult to achieve full-year growth in revenues compared to last year. Accordingly, we continue to focus on things within our control and execute on initiatives that will enable us to grow profitably when market conditions turn and regulatory dynamics become better defined.

During the quarter, we continue to execute actions to improve our profitability through cost improvements and asset optimization. With the recent reopening of our expanded Tipton reactivation facility in England, we just informed you of our decision to close and dispose of our older reactivation site located in Grays, England, which will reduce operating costs and advance our efforts to optimize our reactivation assets.

In the area of water purification, we are channeling our marketing and sales efforts towards numerous opportunities. In particular, we are seeking out and responding to opportunities that are developing in North America due to the heightened awareness of the harmfulness of certain unregulated compounds that exist in many drinking water sources around the country.

And, finally, we continue to execute on our longer-term growth strategies by strengthening our presence in certain markets and deploying our balance sheet to expand into new complementary product areas. Jim and I already mentioned the progress we made this quarter, aimed at increasing our participation in the attractive activated carbon market in India.

In addition, as we announced last month, we committed approximately $160 million to purchase the activated carbon and filtering business of CECA, which upon closing later this year will immediately provide us with know-how and market positions for complementary wood-based activated carbons, as well as diatomaceous earth and perlite mineral-based filtration media.

To wrap it up, despite the current challenging market conditions, we believe our positions in our core activated carbon and equipment markets are, indeed, solid. And that activity levels in most of our served markets are relatively stable. We intend to focus on areas we can control, particularly on the cost side, and we will push the levers we need to push to maximize our performance. And we will continue executing on strategic initiatives that we believe will augment our opportunities for profitable growth and generate enhanced shareholder value in the future.

So with that, we will now take your questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Nick Prendergast, BB&T.

Nick Prendergast - *BB&T Capital Markets - Analyst*

Just had a question here. I mean, obviously, growth has been an issue, and you are very, very clear about stating that you expect some sequential improvement. But can you just maybe -- I know you kind of individually ran through each segment, but can you maybe just summarize what gives you confidence in growth in the second quarter?

Randy Dearth - *Calgon Carbon Corporation - Chairman, President and CEO*

Steve, do you want to start?

Steve Schott - *Calgon Carbon Corporation - EVP, Advanced Materials, Manufacturing and Equipment*

Sure. Nick, the growth that we foresee really is based on the knowledge we have of the orders that we already have in hand or that we expect to receive. So it is not that far out in our sales cycle that we wouldn't already have a very good expectation of where we are headed.

Randy Dearth - *Calgon Carbon Corporation - Chairman, President and CEO*

(inaudible) Jim?

Jim Coccagno - *Calgon Carbon Corporation - EVP, Core Carbon and Services*

Yes. From the municipal side, second quarter is usually a strong quarter for us. Work is already in process. With the favorable weather conditions, we are confident that quarter over quarter we are going to see good growth.

Nick Prendergast - *BB&T Capital Markets - Analyst*

Got it. And then, you guys had mentioned the municipal pushouts. Can you explain exactly what is going on there, why they were pushed out, and why they didn't really come in as expected?

Jim Coccagno - *Calgon Carbon Corporation - EVP, Core Carbon and Services*

Yes. So we spent a lot of time looking at that, obviously, and it is just called normal ebb and flow of these types of projects. With the exception of one small project, they all will roll into later in 2016 with the vast majority of them coming in in the second quarter. I would just say more rolled out than what we historically would see and expected.

Operator

(Operator Instructions) David Rose, Wedbush Securities.

Unidentified Participant

This is actually James calling in for David. My first question is, I know you talked about challenges you are seeing in your end markets, particularly in the mercury markets coming in below expectations, and I know you have added a lot of capacity recently. So I just wanted to ask about your capacity utilization. How is that coming along? I mean, are you -- I know you added capacity in anticipation of growing demand, but with some of the delays you are seeing for extensions you are seeing recently as well for MATS compliance, how do you guys feel about that?

Randy Dearth - *Calgon Carbon Corporation - Chairman, President and CEO*

Sure. Steve mentioned in the prepared remarks, our plans are running well, and that is very positive. And, as you pointed out, we have put a lot of effort into making sure that the plants would be running well.

As you know, a lot of our business is based on purchasing outsourced carbons and being able to sell those into our markets. So a lot of effort is going in right now to where we have in the past been selling those outsourced carbons, replacing those with what we have available to us. Obviously, from a margin perspective, it is a positive for us. So that is obviously where we are looking right now to be able to make sure that we are optimized and have the right (inaudible) between the two.

David Rose - *Wedbush Securities - Analyst*

Thank you. And I wanted to ask about your acquisition strategy in general. I know we are seeing -- many of the companies in the water sector are looking at acquiring technology-focused companies. So with your recent acquisition of CECA's carbon and filter business, do you think you may be behind the curve on adding more technology to your portfolio -- product portfolio?

Jim Coccagno - *Calgon Carbon Corporation - EVP, Core Carbon and Services*

Yes, James. This is Jim. Our focus has been primarily in activated carbon, and with the recent acquisition or planned acquisition of the CECA assets, we really stick to that.

In addition, it diversifies us outside of coal-based activated carbon into wood based, and then really what we are excited about is it diversifies us outside of growth via regulation and gives us a platform of just traditional growth. So combining the activated carbon and the filtration side, it sticks to what we do best. And from a technology standpoint, we will combine efforts with the acquiring group and come up with the best products that the market will demand. And, yes, we think that is the best strategy for us going forward.

Operator

Gerry Sweeney, ROTH Capital.

Gerry Sweeney - *ROTH Capital Partners - Analyst*

I apologize. You may have touched on this, but I had to step away for three or four minutes during some of the commentary, but I wanted to focus in a little bit more on the municipal side. It seems like some of these fills are getting pushed out longer and longer. And we have discussed this at length, I think, in the past about just when -- how long those carbon fills need to be and when they start to stabilize. Is this still what is going on here in this segment, and, if it is, have we gotten to the point where they are starting to stabilize?

Jim Coccagno - *Calgon Carbon Corporation - EVP, Core Carbon and Services*

Yes, Jerry. This is Jim. So I think in the past, we have discussed the extension of the exchange frequency. In this quarter, our expectations, there really isn't a lot of downside from that. So this is -- as I mentioned earlier, it is really just the ebb and flow of projects.

With these type of projects, there is maintenance that comes up. When you're getting ready to fill it, they move it from one quarter to another. We have adjusted what our expectations are based on the extensions, but in this quarter, we are not really feeling that. It is just normal ebb and flow of projects, and like I mentioned, we will get most of those accomplished in the second quarter and the rest of the year.

Randy Dearth - *Calgon Carbon Corporation - Chairman, President and CEO*

Adding to that, Jerry, looking at some of the statistics that are out there for the quarter and they are not very positive, when we look overall at the economic situation in the US, the government spending especially in the first quarter is predicted to be extremely low, and that includes both state spending and municipality spending. So that also plays into it.

Gerry Sweeney - *ROTH Capital Partners - Analyst*

Actually, Randy, on a follow-up to that, on the industrial side, if you look at industrial production, that covers, I think, utilities, mining, and manufacturing here in the US. That has been trending down for quite some time and continue to do so, I guess, through March. Is that what is one of the drivers on the industrial side, just lower spending in the (multiple speakers)?

Randy Dearth - *Calgon Carbon Corporation - Chairman, President and CEO*

Exactly. Those lower production centers that some of the units that would normally be up for maintenance just haven't been running and some of it as well as the fact that they are just delaying spending on some of their key projects. It could be a remediation project that they have been either forced to do or have to do and they just delayed it. Or again, as I said, when production is down, they are using activated carbon as part of the process. They are just not making as much.

Gerry Sweeney - *ROTH Capital Partners - Analyst*

And at some point, you have a base business, and that base business, even though spending is declining, because of just, let's just say, overall demand. There has to be a level of -- it should naturally flatten out regardless because there is going to be a certain level of maintenance. Are we getting to that, or as you talk to your customers and clients, are we getting to a point where this slowdown should stop impacting sales?

Jim Coccagno - *Calgon Carbon Corporation - EVP, Core Carbon and Services*

This is Jim. Yes, in our industrial business, that is exactly where we are at. It is stable. There is the ongoing process-related sales that we have, and they are stable. They are going to ebb and flow, and they are going to go with GDP. Some of the capital projects that Randy mentioned, new expansions, new investment, obviously those have slowed. They are very slow right now.

We are seeing a slight uptick in some of the capital work. This is very good because last year we didn't see much of it. But the capital projects have given us a little bit of hope on the carbon and equipment side.

Randy Dearth - *Calgon Carbon Corporation - Chairman, President and CEO*

And let me just add -- and, Jerry, you have gotten to know us a little bit. In terms of what makes this successful, we have been very successful over the past several years with these large fills -- these large projects that come in, like in Korea, like in England, like with our UV business in LA, like Phoenix of a few years ago. Those are going to come back. I mean, it is inevitable those projects surface. We mentioned one today in Hong Kong that will be -- that we will start to fill later this year. So that is another element. We are just absent a lot of those large projects right now that eventually will come back. Some of them perhaps financially driven. Some of it is just timing.

Gerry Sweeney - *ROTH Capital Partners - Analyst*

Okay. I got it.

Operator

At this time, there are no further questions. I will now return the call to Dan Crookshank for any additional or closing remarks.

Dan Crookshank - *Calgon Carbon Corporation - IR Director*

Thank you very much, Lori. I just want people to know that we will be available for follow-up calls as the day goes on. I will turn it back to you and close out the call. Thanks, Lori.

Operator

Thank you. That does conclude Calgon Carbon Corporation's first-quarter 2016 earnings conference call. You may now disconnect.
