

**DIAMOND FOODS INC.**  
**Q3 Earnings Release Q&A Transcript**  
**May 27, 2009**  
**3:30 pm CT**

Operator: Thank you sir. As a reminder if you do have a question at this time, you may signal by pressing star 1 on your touch-tone phone. We'll pause just a moment to allow everyone a chance to signal.

And today's first question will come from Tim Ramey with DA Davidson.

Tim Ramey: Good morning, congratulations or afternoon. What time is it?

Michael Mendes: It's afternoon. Hello Tim.

Tim Ramey: In your prepared remarks you talked about the strength of the Emerald brand up 30%. Was that in the quarter or is that IRI data or...?

Michael Mendes: That was our last 12 week Neilson data.

Tim Ramey: Okay I can't remember if you'll give us that information relative to the company itself one - or a 3Q over 3Q.

Steve Neil: Yes, Tim, this is Steve Neil. We have snack product lines that are in the Q. We don't break out Emerald specifically from a public product line sales.

Tim Ramey: I know you don't. I was just hoping you'd give us a percent change even if we don't have the...

Steve Neil: Well the snack sales are up 108% over the third quarter last year. Last year did not have...

Tim Ramey: Popcorn, I understand.

Steve Neil: Right.

Tim Ramey: Yes. Okay. Would that be attributable in some way to the new product line at Wal-Mart? Or I'm trying to - I'm thinking more about the 30% number obviously now than the 108.

Michael Mendes: That's a grocery channel only Tim.

Tim Ramey: Okay.

Michael Mendes: And so yes, that 30% is in groceries. So that does reflect a few things. Obviously building out distribution of our core snack items has been a big part of our objective.

And those core items have a higher velocity turn than the more fringe items. It also reflects some of the new products like sea salt and pepper cashews, cocoa roast almonds and our new 16 ounce peanut items which have just begun distribution in the Northeast and also just more effective merchandising.

One thing we've learned a lot about as an entrant in the snack category is the importance of off-shelf displays – we've just done a lot better job of executing against our promotions than we have historically. So I think those are some of the elements behind that velocity movement in the period.

Tim Ramey: But it specifically wouldn't capture the Wal-Mart because (IRI) doesn't capture that.

Michael Mendes: Right.

Tim Ramey: Okay.

Michael Mendes: That's just grocery number we're talking there which excludes Target or Wal-Mart.

Tim Ramey: Okay and I guess the pricing tracked better than I thought it might in the quarter. Would you have any commentary on that? I mean leaving aside the ingredient business and international, just thinking about retail, did pricing surprise you on the upside or...

Michael Mendes: Well I would say that we've worked very hard to not compromise the quality of the product, the packaging and our merchandising for our brands in Emerald, Diamond and Pop Secret. And I think we've been rewarded for that in that consumers are voting with their pocketbook.

I think that we have been quite effective in managing our promotional dollars to try to pass on value to consumers recognizing the environment that we're in.

But, by and large, consumers have shown a preference for the way our products are differentiated from some of the offerings. I think that's the key.

Tim Ramey: All right. Thanks. Congratulations Michael.

Michael Mendes: Thank you Tim.

Operator: We'll go next to Mark Argento with Craig-Hallum.

Mark Argento: Good afternoon guys.

Michael Mendes: Hi Mark.

Mark Argento: Just a couple of questions around some of the input pricing trends you're seeing in terms of raw materials. Have the commodity prices stabilized from what you guys are seeing?

Michael Mendes: We've seen some stabilization on the nut side. The almond crop that's projected for this coming year will be smaller than last year's crop (which was a record crop). The most recent estimate, which was north of 1.4 billion pounds, was higher than some of the early estimates in the industry. So I think that has had a tendency to flatten out pricing a bit.

On the pecan side, last year's pecan crop was about 190 million pounds which is the "off" crop. This coming year which is the "on" crop, people project might be something between 350 to 380 million pounds. Pricing however is still in that mid \$3 per pound range on the bulk value for pecans which is 50% to 100% higher than certain times of almonds and walnuts. So I'd say pecan prices are strong, but in light of the shorter crop, it's probably not unexpected. I think the one thing about pecans is they do seem to have more product in cold storage than would be normal for this time of year in a short crop than going into big crop. That might reflect in some price relief in that commodity by the back half of the fall.

But outside of those trends, everything else is relatively stable from the last time we were on the call.

Mark Argento: And walnuts as well I think?

Michael Mendes: Yes, walnuts actually have strengthened just a tad for some lighter material. But darker material is flat.

Mark Argento: Okay. And then I know you guys touched on peanut and you guys are putting in the roasting facility. Specific to that SKU, I know it's a higher turn rate type of SKU of course being in the peanut category. How are retailers being receptive to introducing that product on the shelves?

Michael Mendes: Well in the places we've had in distribution, I think they've been pleased by the velocity. And I think we've done some good work in terms of our flavoring on that roasted item. I think the see-through PET packaging is more in caring with what consumers expect. They like to see the product for that material type for dry roasted peanuts. And so early feedback has been very good. And so, it is too early to say there's a trend, but we'd like the start with that item.

Mark Argento: Great. And then just last on Pop Secret. It seems like that product, that acquisition, made a lot of sense. It looks like you guys are actually getting well there.

I know one of the avenues that you wanted to explore with that business was focusing on some product innovation. Any thoughts on when we could see some new SKUs coming out of the Pop Secret business?

Michael Mendes: I would say that the technology around microwave popcorn is quite a bit more complex than some of the things that we've done in snack nuts in terms of there's a susceptor technology. And so the lead time on new product development is a bit longer, particularly when you're looking at trying to improve the portability or the functionality of the package. So I think we may be looking at longer lead time for innovation on that front. But we do think there's some opportunity in the adjacencies to microwave popcorn where the brand may lend itself to bring some innovation that we would be well-suited for.

We're also exploring things in the area of some flavor profiles.

We do think, though, that the merchandising vehicles that were developed for Pop Secret were really more generic merchandising vehicles. They were not designed specifically for Pop Secret. The artwork and the imagery of those display vehicles were really not suited specifically for that brand.

We think that's some low-hanging fruit. We're putting a lot of effort there, and hopefully you'll quite soon see an improved effort and a focused effort on our capabilities to merchandise that product off the shelf. So I think that's where we see the more immediate work. And then I think you might see us explore some areas in the adjacencies to the microwave set.

But we feel long term that there's a real opportunity to bring some innovation in terms of flavors and textures around microwave popcorn. I think there's some opportunities perhaps improve the functionality of the packaging.

I would say that there are some technological hurdles there that we still need to learn about and overcome. And so those would be longer lead time opportunities.

Mark Argento: Great, appreciate it.

Operator: We'll go next to Alton Stump with Longbow Research.

(Phil Terpolilli): Good afternoon. This is actually Phil Terpolilli for Alton. How are you guys?

Michael Mendes: Good, thanks.

(Phil Terpolilli): Good. I wanted to ask a question about the pistachio recall. What you guys have seen since April if there's been any, kind of a halo effect from that or if you've seen any benefits from that? Thanks.

Michael Mendes: We don't like to see any kind of recall in any food category, much less in a category that is near us. All that being said, we are happy to know that the people who have been more intimately involved in that have not actually had any food borne illness as a result from that.

We had a very, very minor involvement. And it's an area that we are very vigilant in terms of evaluating if there's any downstream effect on us. But as far as a negative halo on the risk of snack nuts, we've not seen that. And if we needed to deliver on the promise of quality and food safety in our line, our hope is long term that consumers will consider us to be trusted home.

But the issues around food safety, more broadly, are that it's the type of thing that when anyone has an issue, it's not generally good for the category. And we're glad to see that in the rear view mirror and that there haven't been any new occurrences on that front.

Phil Terpolilli: Okay great. Thanks a lot.

Operator: And our next question comes from Akshay Jagdale with KeyBanc.

Akshay Jagdale: Good evening guys. Congratulations on a great quarter.

Michael Mendes: Thanks Akshay.

Akshay Jagdale: Just quickly, I'm trying to understand the gross profit came in well ahead of what I was expecting, which is great news. And what's even better is I saw that you guys invested a lot of that back into your business. It's very clear to me what you're doing on the advertising front.

Obviously we see the commercials on TV, et cetera. But I'm just trying to understand a little bit better the SG&A side. I know you've talked about a few issues there. Steve mentioned some too. But can you talk about like what in a portion of the SG&A that maybe could be deemed as investment for the future for this quarter specifically? I mean I guess before you even answer that, did gross profits come in better than you had expected or initially modeled?

Steve Neil: I'll take a shot at that. This is Steve, Akshay.

No, I think gross profits certainly were in the range of where we expected them to be. I think it's really a balance between your promotional spending, your slotting dollars for new distribution as well as your overall inputs costs. So there are many, many variables that are going on. But it certainly was within our realm of expectation. It's difficult to be exact on that with a number of variables. So, we certainly were in the ballpark of where we expected it to be.

I think when you look at SG&A, the investments in the future really have three components.

One is product development. We are spending more dollars on product development. We are spending more dollars on product development; that is included in SG&A. We spend a significant amount of dollars on our people.

I think one of the benefits we got from Pop Secret was we were able to certainly invest in our marketing, in our managing of the Pop Secret process in sales as well, so the whole supply chain infrastructure as well. So I think that definitely is an investment when you look year to year.

And the third thing is investing in our broker network. That's the most variable piece of the sales and how we invest with our brokers, and how they partner in the Go-To-Market, and, from a long-term perspective, they're certainly assisting our dedicated employees on long-term drivers.

Is there a particular dollar amount that's a long-term investment versus a current market support?

We don't look at it that way, but I do think there are elements certainly that are both focusing on the market and long-term.

Michael Mendes: There are some remaining costs associated with the Pop Secret transition and some search fees associated with new employees. Do you recollect, when we acquired that asset, we didn't get any employees. So those would be some one-time costs that we would not hopefully have to repeat next year given that we didn't have that same transaction.

Akshay Jagdale: That is helpful. Are you going to disclose what Pop Secret sales were? I know you've mentioned grocery sales have been growing, but can you at least say if they were up or down year-over-year, net revenues or not really?

Steve Neil: We aren't going to comment on it, and let me take that shot again. This is Steve, Akshay.

One of the difficulties that we have is you have a pool of promotional dollars that you work with the retailers to get feature and off-shelf displays and really drive velocity of the product. And we tend not to be overly focused on whether that was funded by an Emerald sale or by a Pop Secret sale and to allocate those [promotion] dollars becomes very, very arbitrary. So we don't want any impression out there as to what particular product line is growing or not growing as a result of that. So we don't provide that information.

I can tell you that our sales for the quarter in all of our product lines met our expectation. There are a lot of moving parts with the Easter promotion on culinary and the various merchandising items that we're certainly doing in Pop Secret as well as Emerald. So we won't break it out just because they become so co-mingled, it's very difficult to do that on some of the shared dollars. So hopefully, that gives a little bit of color, but we really don't want to break those product line sales out.

Akshay Jagdale: This is just more of a comment, I totally agree with what you guys are doing, especially on snack nuts, given you are in the initial launch stage and there are a lot of slotting issues. So as long as you can continue to give us that AC Nielson number, I think that's a good way to track growth there. So that number was certainly helpful to have. But I'll pass it along and get back in the line. Thanks a lot.

Steve Neil: Thanks Akshay.

Operator: We'll go next to Heather Jones with BB&T Capital Markets.

Brett Hundley: Hi guys, this is Brett Hundley standing in for Heather. Good afternoon.

Steve Neil: Hello, Brett.

Brett Hundley: Steve, I just want to make sure I'm clear on the operating expenses as a percentage of sales. Do you see that at least continuing at those levels for some time?

Steve Neil: Yeah, I think you really have to look at it on a quarter-to-quarter basis. I mean clearly this quarter with \$9 million in advertising, the percentage of operating expenses to the revenues because largely our culinary business or certainly our in-shell business is very, very seasonal. So you got to be really, really careful looking at it on a quarterly basis. I think if you look at it on an annual basis, we would expect probably to level off and perhaps go down next year, only from the perspective as we don't have the transition costs associated with Pop Secret. So that's certainly one element. You know, we haven't gotten into guidance or anything next year on advertising spend. That is a big variable, but we really think that one of the ways that we'll drive profit going forward is getting leverage off our operating expenses. So we would expect our gross margin to grow frankly faster than our operating expenses. But again, I'd caution you just a little bit on the

quarterly side and look at it a little bit more on an annual basis just because of the seasonality associated with the spend, specifically on the advertising front.

Brett Hundley: That's very helpful; I appreciate it. And Michael, gross margin was obviously very good, and you guys talked about being able to use promo dollars in lieu of some input cost deflation. I was just wondering if you could talk about the competitive landscape out there and why these margins can be sustainable going forward.

Michael Mendes: Well the Nielson data does give a good lead indicator. For the last twelve-week period, our Emerald sales were up 30%, the category was down 3% and store brands were up 5%. We've done a series of studies to determine how much interaction there is between our brand and store brands and we have very low interaction.

One of the key reasons is many of our products, if not most all of our products, have some distinguishable characteristics that cannot be offered for a consumer who's choosing to buy product from other brands of store label. That was part of our strategy and the innovation of our product offering and that's definitely been the case on the snack side.

On the culinary side, we have over 90 years in this business. Our brand has a lot of credibility to consumers. When people are looking to buy nuts for a meal preparation experience, it's by far the most expensive ingredient generally that they're buying of volume. And there's a significant concern that the quality of that product meets expectations. And I think we're enjoying a lot of the benefits of a long-held credibility on quality on that front. And so, I think a lesson in these periods of time is you want to be a good partner to your retailers, you need to be bringing a unique consumer experience. You need to be bringing good value and you need to drive exceptional velocity in the real estate that you command.

One thing that if you pull back and look at our Pop Secret business, our Emerald business, and our Diamond business, for our Diamond business, we have about a 30-share of the culinary set. Yet we have nine of the top ten branded items in the culinary nut segment, which really indicates that we're driving share and we're doing with a very efficient number of SKUs. For Pop Secret we have about a 24-share, in the microwave popcorn category, yet six of the two ten microwave popcorn items are Pop Secret items. So I think driving velocity is a key in terms of us being able to sustain profitability and be a good value partner for our retail partners.

Brett Hundley: All right. Thank you for that. And just one final question, if I may. Culinary, which you were just speaking about, performed very well relative to our expectations.

You guys were talking about this Easter promotion. I'm wondering if you can put a weight on that Easter promotion. Was it very helpful during the quarter? I'm wondering if you could speak to that a little bit.

Michael Mendes: Well, again, for the last 12-week period, we were able to drive a 7% growth versus a category growth of about 2-1/2. Which for generally a flat period, was a nice bump in movement. Easter is relatively speaking, compared to the fall, a very, very small period, but all that being said, because that's generally a lower volume period for us, a small spike is still significant.

When you look at things that helped us this quarter, one of the things that helped the general profitability, that I haven't spoke to, to reiterate Steve's earlier points in his prepared remarks, is the shift from our ingredient, lower margin business to value added products. In 2005, retail only represented 49% of our sales. We're now projecting that retail is going to represent 82% of our sales and within that, the items that we're selling with retail are more profitable then some of the items that are representing in our line just three years ago.

And so when you talk about three years ago the percentage of our sales that was tied to maybe one pound and three pound culinary items, versus the inclusion of things like Breakfast on the Go multi-packs, 100 calorie snacks - places where we're bringing more service and convenience to the consumers and able to earn a bit more margin for that service and convenience. All of that has helped lift our margin structure.

Brett Hundley: Perfect. Thanks for your time, guys.

Operator: We'll go next to Ken Zaslow with BMO Capital Markets.

Ken Zaslow: Good afternoon, guys.

Michael Mendes: Hello, Ken.

Ken Zaslow: Can you talk about the lift that you received from the increased marketing from Pop Secret?

Michael Mendes: Ken, we are just getting underway with our promotional activities in Pop Secret. We're hoping to probably see more of that in the fourth quarter of this coming year. We are up versus last year and we've been able to solidify virtually all of our distribution in grocery.

That was our objective starting out with this new brand. We're pretty happy with the relationship we're building with the retailer and their encouragement for us to bring innovation to the segment and their willingness to participate with us in promotional activities. So, I think we've still got that lift hopefully ahead of us, but I think we've really improved our learnings in the type of activities that are needed. And we've not lost any distribution in this transition, which is always something you're concerned about in the grocery side of the segment.

So that's where we are today with it. The merchandising vehicles are interesting, Ken. I think you've monitored our Emerald business and how we've handled Diamond historically. And I think one thing you'd know about us is we really try to get a lot of off-shelf display activity. We see 300% to 400% lifts when we have a off-shelf display retail or circular ad and a TPR, we can have that concurrent promotional event. And we're working very hard to try to do that with Pop Secret.

I would say that Pop Secret's promotional frequency is an area of opportunity, we think for us to help improve the performance of the brand, being that this is very important for us and we will be very focused on it. That's going to be something we'll be driving hard against.

So if you looked at the point of sale material that was used on the brand prior to acquisition, there wasn't even really any Pop Secret branding on the POP material. It was more generic, corporate material that was basically, I think more re-purposed for use for the brand. So we've taken a very deliberate approach towards developing merchandising material. We've come to some good interim tools. We're working on the design and back end of the fiscal year, we think we'll come up with some very attractive and functional merchandising vehicles. And that, I think, is going to be a very critical part of us getting effective execution is that the retailers are looking for partners who can give them off-shelf display that's easy for them to manage. And that would be what shippers are designed for.

Ken Zaslow: And you said -- I didn't catch the (IRI) data on that. Did you say it was up, down?.

Michael Mendes: Yeah, we're up. The category's up and we're up.

Ken Zaslow: 5%, 10% -- what was it?

Michael Mendes: Single digit.

Ken Zaslow: Single digit; Okay.

Michael Mendes: Category is up single digit. We were up single digit.

Ken Zaslow: Okay. So there's still more room to go once you start the advertising?

Michael Mendes: We hope so. You know, I think that the proof's in the pudding. Obviously General Mills is an outstanding company. They're very good merchants. And we're going to need to learn what it takes to maintain their performance and to improve upon that and we've been very hardworking students of the game up to this point. But we still have to perform in that front - I feel good about what we've learned so far, and we think there's some things we can do with some energy and effort.

Ken Zaslow: Where did you exceed their expectations going into the fourth quarter for 2009? What exceeded your expectations?

Michael Mendes: Well, I would say that expectations are more broad in my mind perhaps than they are in yours, Ken. And so, I would say that I was pleased with our ability to get off-shelf displays in this last 12-week period, and the more efficient use of promotional dollars.

I think that that takes some very hard pick work at the regional level, and I think we're getting better there and we've strengthened our Go-To-Market Team. I think they're executing very well. Our broker partners have been very focused in having their merchandising resources help us achieve our efforts.

And I've been happy with people really getting their mind around we need to drive stronger distribution, stronger merchandising with our core items versus just fringe items. One of the battles that we've been struggling with is on occasion a retailer might view us as a niche brand or

as someone bringing just unique items whereas we see ourselves as a core tenant of that category and really, we believe that we're the ones that bringing innovation and excitement to the segment. But in order to do that we need to have core items or we make good progress of shifting the makeup of our distribution to be represented by more of those core items, almonds, cashews, mixed nuts, et cetera.

Ken Zaslow: So your confidence in 2009 stems from your mixed shift?

Michael Mendes: Yes, I would say that mix shift is a big help.

Steve Neil: And I'll add one thing, too, Ken. I think Go-To-Market certainly met or exceeded our expectations, but if you look behind the scenes, integrating Pop Secret well over a month ahead of time, including a seamless execution with our customers, that's always a risk. Remember we're trying to focus on that and that behind the scenes activity there was good.

I also think the pretty interesting culinary nut market this year and how we've managed that, certainly from my perspective shows our depth of experience in that area, as well. So certainly it's visible out to our consumer and our customers, but also in the back in the factory where we make things happen as well. So I think it was a pretty balanced performance.

Ken Zaslow: How do you think about 2009 earnings? Do you think of this as a base to which will grow or do you think of it as an isolated event? And, you know, 2010 is another year, which is just another isolated event or do you think that 2009 becomes a base to which to grow?

Michael Mendes: We see 2009 as a base to grow for our retail business. Obviously our ingredient to international business is something we've going to constantly evaluate and determine the best size of that business to optimize profitability. But for our grocery business, it's definitely a base upon which to grow.

Ken Zaslow: And my last question is when you think about 2010, what are you going to learn in the next two to four months that will help you craft your 2010 guidance? What are the key factors that you're thinking about?

Michael Mendes: Well, time is always helpful in terms as we get a little closer to some of the harvest of some of these commodities that still are a significant percentage of the cost of goods sold particularly on the culinary nut business and to a latter degree on the snack business. So I think that will have a little more clarity on that front. And I think that we are going to continue to measure how rapidly our products are turning at retail. The thing that's always tough, Ken, is to know what kind of headwind we're going to be driving into. I would say that I think our performance in light of the economic environment has been strong relative to some of our other competitors that have struggled with this environment. If the headwind is to pick up more in the next three months than it has, let's say, in the last six months that would be instructive of what we're looking at next year. So it'll be good in the next three months to try to add value to the environment to which we're competing with.

We're also going to be speaking very closely with our retail partners and trying to make sure that we're well established as a profitable part of their mix rather than seeing us as a competitive part of their mix. And as we continue to reinforce that positioning, I think that's going to put us in a very good position to give more color on our sales outlook for next year.

Ken Zaslow: So, just to make sure I understand this, you're looking for the reset for the products going forward is kind of where in that stage of kind of seeing which products get shelf space and plus the commodity cost -- is that the two things that you're kind of thinking about?

Michael Mendes: Well, I think...

Ken Zaslow: I don't want to pin you down. I'm just trying to craft an idea of what you guys are looking at.

Michael Mendes: Yeah. I would say that with our three newest items, our sea salt and pepper cashew and our cocoa roast almonds and the more recent trend, our peanut items (which could have a significant shift on how much this grows next year) - we'll have three months behind us which will give us a lot more visibility. And also three months at this stage of our development in microwave popcorn is going to feel like three years in terms of our ability to learn about this business. So we'll feel much more capable to give a full-year guidance next year having our microwave popcorn, in particular, with that little bit of time behind us, Ken.

Ken Zaslow: Okay. I appreciate it.

Michael Mendes: Thanks.

Operator: We'll go next to Sarah Lester with Sidoti & Company.

Sarah Lester: Good afternoon.

Michael Mendes: Hi, Sarah.

Sarah Lester: I wanted to ask about any co-promotions planned for this summer. I know last year, you did a few. Are you planning any for this summer?

Andrew Burke: Sarah, it's Andrew. We are working with a few beverage brands over the next few months specifically a Miller tie-in that we're going to be doing across the country. That's on our snack nut business. On our culinary business, we're actually doing a tie-in with salads and doing some leverage between the produce department and the culinary nut department. We think that makes a nice tie together and so we're going to be doing some joint promotions there.

And then on our popcorn business, we're working with some movie companies with some tie-ins that we're going to be doing in grocery stores relating to DVD sales. So those are kind of three promotions that we have coming over the summer that we feel very good about.

Sarah Lester: Okay. And then you talked about expanding capacity for the dry roasting facility. Can you remind me of what you're spending on that project?

Steve Neil: Sarah, this is Steve. We haven't specifically identified the cost for that project, but our capital spend for the year is 6 to \$8 million is what our estimate is, and so we expect to be within that perhaps, I think we are \$4.6 million for nine months.

So perhaps toward the middle part of that range, maybe the upper part, but fitting all within that which is pretty much a normal spend for us in that range.

Sarah Lester: Okay. And then, I guess in the past you've talked about Emerald needing to get volumes up for that to turn profitable and I'm just wondering with the addition of the peanuts and also the capacity expansion, does this change your expectations?

Michael Mendes: We're very pleased with the trajectory of the Emerald business and we think that it can be a much larger business than it is today. I think the focal point is what's your terminal point? If a 10 market share is all the business you want to be, it could be very profitable any moment in time.

But the reality is we think this brand has a trajectory to go beyond a 10-share and we know that it's required an investment and so that's a relative statement. I would say we're particularly pleased with our mix of items and the relative profitability of those items and the ability for the business to be intrinsically profitable.

You know, versus just selling a very unprocessed me-too snack item in a very undifferentiated package, we've got quite a robust offering with some very unique items that are quite differentiated with our glazed items, our dry roasted almonds which is unique, our cocoa roast product which is special proprietary double roast patent process.

We have a lot of convenience items. Our unique proprietary packaging for our Emerald products, all of those elements in the proportion of that Emerald business that is in that more of a unique offering goes very well for the intrinsic profitability of this business.

Now, I will say that we are investing in this brand and we will grow it, and that's going to be our profile in the near to mid-term.

Sarah Lester: Okay. That's all I have. Thank you.

Operator: And at this time, there appear to be no further questions. I'd like to turn the conference back over to Mr. Bob Philipps for any additional or closing comments.

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