



Brookfield Infrastructure Partners L.P. First Quarter 2016 Conference Call and Webcast Transcript

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Speakers: **Sam Pollock**
Chief Executive Officer

Bahir Manios
Chief Financial Officer

Melissa Low
Vice President, Investor Relations and Communications

OPERATOR:

Welcome to the Brookfield Infrastructure Partners First Quarter 2016 Conference Call and Webcast. As a reminder, all participants are in listen-only mode and the conference is being recorded. After the presentation, there will be an opportunity to ask questions. To join the question queue, you may press star, then one on your telephone keypad. Should you need assistance during the conference call, you may signal an Operator by pressing star and zero.

I would now like to turn the conference over to Melissa Low, Vice President, Investor Relations and Communications. Please go ahead.

MELISSA LOW:

Thank you, Operator, and good morning. Thank you all for joining us for Brookfield Infrastructure Partners' First Quarter Earnings Conference Call for 2016. On the call today is Bahir Manios, our Chief Financial Officer, and Sam Pollock, Chief Executive Officer. Following their remarks, we look forward to taking your questions and comments.

At this time, I would like to remind you that in responding to questions and in talking about our growth initiatives and our financial and operating performance, we may make forward-looking statements. These statements are subject to known and unknown risks and future results may differ materially. For further information on known risks, I would encourage you to review our Annual Report on Form 20-F which is available on our website.

With that, I would like to turn the call over to Bahir Manios. Bahir?

BAHIR MANIOS:

Thank you, Melissa, and good morning everyone. We're pleased to report that we're off to a great start to the year. We generated strong first quarter results that continue to reflect the benefit of our overall diversification and the regulated and contractual nature of our cash flows. We generated funds from operations, or FFO, of \$234 million, or \$1.02 on a per unit basis, which was 15% higher than the prior year. Taking into account our recent 7.5% distribution increase, our payout ratio for the quarter was approximately 65% of FFO, which is well within our long-term target range of 60% to 70%.

The overall results for the quarter benefitted from strong organic growth, as the business delivered yet another impressive period of same store constant currency growth of 11%. Additionally, the contribution from our newly acquired investments and dividends received from our toehold interest in Asciano led to the strong results for the quarter.

I'll now touch on the financial results and operating performance for our various operating segments and then conclude my remarks with an update on our balance sheet and liquidity position.

First off, on our financial results, specifically, our utilities operating group posted solid results, reporting FFO of \$100 million for the quarter, compared to \$95 million last year. The increase was the result of continued strength and connection activity in our UK regulated distribution business, inflation indexation, and commissioning of capital into the rate base in the last 12 months. While we are pleased with the overall performance and reliability of our utilities business, the regulated return at our Australian terminal will decrease over the next cycle, reflecting the movement in interest rates since the last re-set period five years ago. Despite this,

from an overall utilities perspective, any reduction in FFO from our regulated terminal should largely be offset by growth in our FFO from smart meters.

Our transport segment generated FFO of \$94 million in the first quarter, which was relatively consistent with prior year levels. Underlying results in local currencies improved by 10%, as our results benefitted from tariff growth across the majority of our operations, higher volumes at our Brazilian rail business, as well as cost reductions at our Australian rail operations.

Performance at our rail operations remains strong. Our expansion projects in our Brazilian rail operations are progressing well and should be commissioned over the next 12 months. We expect these projects to generate approximately \$6 million of incremental FFO per quarter on a run rate basis in 2017.

In Australia, in light of the challenging environment for iron ore producers, we've been working with key customers on solutions that enhance their long-term viability. We have progressed negotiations on an agreement with our largest iron ore customer to provide tariff relief over the next three years. The mechanism to which we have agreed includes a sliding scale structure whereby rebates will be provided at depressed price levels. We are concurrently working on a number of cost-saving initiatives within our operations to offset the overall impact to our business, and in exchange, we will receive additional collateral, as well as a five-year extension of our existing access agreement. This extension will enable us to be net present value neutral on an overall basis.

Our South American toll road operations continue to see resilient light vehicle volumes and significant inflationary tariff increases that offset the reduction in heavy vehicle traffic. EBITDA for this business on a constant currency basis increased by 12%.

This quarter, results at our toll road operations also benefitted from our recently acquired toll road portfolio in India. With institutional partners, we acquired six toll roads from a local infrastructure company for approximately \$100 million or \$40 million our share.

Our energy segment generated FFO of \$40 million in the quarter, compared to \$28 million in the prior year. This improvement reflects the incremental contribution from increased ownership in our North American natural gas transmission business, as well as same store growth of 20%. The same store organic growth was driven primarily by operating efficiency gains at our natural gas transmission business and growing contribution from our district energy business.

Our French communications infrastructure business, which we acquired in March of 2015, generated FFO of \$19 million for the first three months of 2016. Our results have been consistent quarter-over-quarter and this business is performing ahead of expectations.

Finally, before I conclude my remarks and turn the call over to Sam who will update you on our various growth initiatives, I wanted to touch quickly on our balance sheet and liquidity positions.

We had a good quarter on the corporate finance front. Amidst all the volatility in the credit markets, we are very pleased to have completed a number of important financing initiatives that, together, have improved our debt maturity profile. First, we completed the refinancing of the remaining €800 million of acquisition financing at our French communication infrastructure business at a coupon of 2.5% for 10 years; and second, in March, we completed the refinancing of A\$350 million of maturing notes at our regulated terminal at a coupon of approximately 4% for five years. In addition, we've recently injected approximately \$310 million to retire 20% of the

total outstanding debt at NGPL, alongside our partner Kinder Morgan, as part of our overall deleveraging strategy for the business. We will continue to advance the strategy with the ultimate goal of re-establishing NGPL as an investment grade issuer over time.

We closed the quarter of 2016 with total liquidity of \$3 billion, and upon the completion of the Asciano transaction will generate approximately \$600 million of net proceeds from the monetization of our toehold stake, less the capital we deploy for Asciano's ports business. In addition, the two assets sales signed this year will generate more than \$300 million of net proceeds for us once completed.

With a strong balance sheet and ample liquidity in the system, we believe that we are extremely well positioned to fund a number of growth initiatives that Sam will take you through in his remarks.

So, with that, thank you, and I will turn now the call over to Sam.

SAM POLLOCK:

Great, thanks, Bahir. Good morning, everyone. As Bahir mentioned, I'll make a few brief comments on our various growth initiatives and conclude with an outlook for the business.

First off, I wanted to spend a few minutes to spotlight the various organic capital projects we have on the go which traditionally have been a meaningful contributor to FFO and distribution growth since our inception. The amount of our capital backlog has varied over the years and we currently have about \$1.7 billion pipeline of committed growth projects that will be accretive to our results. This level of activity has nearly doubled in the last two years and now exceeds our annual target of reinvesting 15% to 20% of our annual FFO back into our businesses. We see this as a very positive development, as our organic growth investments virtually always generate the best risk-adjusted returns for us. For the next year or two, we expect to invest an additional \$250 million per annum over and above the approximately \$130 million to \$150 million we would typically reinvest from our FFO. Let me highlight some of the key updates on this front.

First, at our UK regulated distribution business, which continues to perform well, as Bahir mentioned, we added 76,000 new connections to our backlog in the first quarter, and that's 36% ahead of the prior year. We also acquired 200,000 accredited smart meters during the quarter and we expect the number of smart meters will be ramped up to 700,000 over the next year or two, at a total capital spend of approximately \$220 million. Not only do we expect to generate solid returns from the deployment of these smart meters, we expect this to be a major growth driver for the business.

In Chile, we are growing our franchise by expanding coverage of our electricity transmission system and growing our regulated rate base. During the quarter, we secured two new transmission projects, acquired a development project from a local company that was encountering financial challenges, and received regulatory approval for 10 system upgrades. Together, these initiatives require total capital of approximately \$110 million.

Lastly, we are progressing a number of expansion projects in our North American natural gas transmission business. We received approval from FERC for our Chicago market expansion project recently and we have commenced construction. The project includes the construction of additional compression facilities in the Gulf Coast Line, providing incremental long-term

contracted capacity into Chicago from our existing interconnect with the Rocky Express Pipeline. We anticipate investing an additional \$40 million for the project to be up and running by the end of this year. In conjunction with this project, NGPL's largest customer extended its entire transportation and storage contract portfolio with us by another 10 years.

We are also proceeding with the first phase of our southbound Gulf Coast reversal project, which is anchored by a 20-year contract with a large LNG operator. We anticipate investing approximately \$105 million with an expected in-service date in 2018. In addition to these projects, we see further opportunities for the business associated with the extensive development of natural gas pipeline infrastructure into Mexico.

I'd like to turn to our ongoing new investments initiatives. Over the past few years, we've built our operating groups to enable us to operate our \$40 billion of assets in the utilities, transport, energy and communications sectors. In addition, within Brookfield's Infrastructure group, we have over 150 corporate professionals, including many business development originators, in each of our targeted regions generating deal flow. As a result, we have considerable flexibility to opportunistically make investments in sectors and geographies that offer the most attractive risk-adjusted returns. Thus, while we're finding in certain sectors, such as the utilities sector in North America and Europe, appear to be richly priced, we can still capitalize on attractive opportunities in other areas. Our focus for the past year has been to identify high-quality public companies that are mispriced and take them private. We've also been pursuing opportunities in out-of-favour sectors and regions where we can acquire businesses for value. We currently have three advanced transactions in which Brookfield Infrastructure can deploy almost \$500 million of capital, all of which will be funded from our existing liquidity.

In March, we announced a revised agreement to acquire Asciano, a leading Australian port and rail logistics business for A\$12 billion. Upon completion, a Brookfield consortium will own Asciano's port businesses in a 50/50 joint arrangement with an Australian partner, and we'll also own 100% of a port services business. Brookfield Infrastructure has committed to invest approximately \$350 million into this consortium. On top of our investment, we'll earn A\$95 million from our share of a break fee, plus a gain on the toehold we acquired last November. We are pleased with this transaction, as it's structured to address a number of regulatory concerns raised in the previous offers. With our partner's local expertise in the Australian logistics industry and history with these assets, combined with our global shipping relationships, this partnership is well positioned to generate value from these operations. We expect this transaction will be completed in the third quarter of 2016.

Second, we continue to work on the privatization of our Brazilian toll road business. We mailed the circular in April and our expectation is that the privatization will be completed by the end of May. We see this as an opportunity to invest in a quality network that will deliver attractive returns over the long term. In addition, the government has strong motivation for improving the roads in Brazil and is providing incentive to owners like us to participate in that program.

Lastly, our previously announced acquisition of Niska Gas Storage is also progressing. We expect the transaction to close in July of this year, pending regulatory approval. In the meantime, we took advantage of variable credit market prices to acquire additional Niska bonds of roughly 75 cents on the dollar, which should further increase our overall returns from our hybrid debt and equity investment.

I would also like to mention that we have re-entered the Brazilian transmission business and are seeking to consolidate a number of opportunities to establish a business with substantial scale. We recently signed an agreement with a Spanish construction company for the buildout of 1,200 kilometres of transmission lines over the next five years, and that, in combination with the three projects signed late last year, we'll have almost 3,000 kilometres of greenfield transmission projects underway. Over the next several years, this initiative will provide Brookfield Infrastructure with the opportunity to invest approximately \$200 million in high-quality assets at what we think are very attractive returns. We are also valuing a number of other brownfield and greenfield opportunities that could establish Brookfield as an industry leader in the transmission sector over the next few years. We are excited to re-enter the Brazilian transmission market given our prior successful experience from 2006 to 2009.

Now, turning to our outlook, we believe that the global economic conditions are generally stable and upward trending. This is driven by the U.S. economy, which appears to be steadily moving forward. Even though we are operating in a relatively benign economic environment, we still continue to experience shifts in sentiment around commodity prices and weak economic growth in a number of emerging markets, particularly in Brazil. We are of the view that the recent surge in commodity prices is likely not sustainable and that prices will remain lower for longer. Furthermore, while there is some enthusiasm in the capital markets for the recent political events in Brazil, we expect that the difficult economic slowdown will persist for the next year or so.

Irregardless of market conditions, our business is well diversified and underpinned by networks that have high barriers to entry and cash flow streams that are regulated and contractual. Our operations are also achieving a lot of success in originating new organic growth projects. We have generally performed very well in the past during periods when our business was undergoing outsized organic growth projects, given the attractive and predictable returns they tend to generate. As such, we are very excited that our current backlog of projects, which has never been as large, could lead to another period of outperformance.

We're also fortunate to have a solid balance sheet with few near-term maturities and substantial liquidity and capital to invest. Our current pipeline of new investments is strong and we believe that the challenges in the North American energy sector, and more broadly in South America, are providing us with tremendous investment opportunities. As a result, our expectation is that we can meaningfully grow our FFO per unit for the next year and beyond. Overall, we expect to deliver same store growth this year at the high end of our long-term range of 6% to 9%.

With that, I'll turn the call back over to the Operator to open the line for questions.

OPERATOR:

Thank you. We will now begin the question and answer session. To join the question queue, you may press star, then one on your telephone keypad. You will hear a tone acknowledging your request. If you are using a speakerphone, please pick up your handset before pressing any keys. To withdraw your question, please press star, then two. We will pause for a moment as callers join the queue.

The first question today is from Bert Powell of BMO. Please go ahead.

BERT POWELL:

Thanks. Just a question on DBCT and the change in the rate base and the offset with smart meters. Can you just help us figure out how that paces out over time? Are you talking about the \$220 million of capital for 700,000 meters mitigating it, or are you talking about matching it over time and starting with the first 200,000 and that kind of covers it off for 2016?

BAHIR MANIOS:

Hey Bert, it's Bahir. I can at least start on this one. So, we commissioned—of the total 700,000 meters that we signed up late last year, we commissioned about 200,000 in the quarter and that should generate about \$2 million in quarterly FFO, and then there's about another 480,000 to 500,000 in our backlog and that will slowly be ramped up over time, it should take about four to five quarters, but on a run rate basis should lead to another \$3 million a quarter once it's all said and done, so probably about \$5 million a quarter once it's all fully ramped up over the next four to five quarters.

BERT POWELL:

Okay. Bahir, that \$5 million is an exact offset for the recalculation of the rate base for the terminal. I'm just trying to figure out how to line that up with the new rate base or the rate of return on DBCT? Does that come off right away and these kind of meet up four quarters from now, or just how the DBCT rate base folds into the FFO?

BAHIR MANIOS:

Sure, Bert. So, we put in our Supplemental just an estimate of how much our FFO at DBCT could likely be going down by. We're still in negotiations mode with the regulator in Queensland there, but probably what you'll see happening is, effective July 1st, our FFO at DBCT will decline by \$3 million to \$5 million, and with the \$2 million of smart meters that are already online, that negates a good chunk of it, and then as we ramp up the smart meters in the next three, four, five quarters, it should at least offset the entire impact at the high end of the range for DBCT.

BERT POWELL:

Okay. Sorry, if that's in the Supplemental. It's kind of a busy morning today here.

BAHIR MANIOS:

Oh, no, no.

BERT POWELL:

Then, just the other clarification, on the access agreements in Australia for iron ore, is that just Karara or are there others that are contemplated as part of needing some sort of relief?

SAM POLLOCK:

Hey, Bert, it's Sam.

BERT POWELL:

Hey, Sam.

SAM POLLOCK:

So, Karara is the only one that's significant. There are always discussions with customers on a special basis. At this price, all our other customers are comfortably profitable. To the extent that prices go lower again, then we may have to have other conversations with people, but they tend to be profitable, except for Karara which has a bit of higher cost. They tend to be profitable down, even in the low 40s. It's once the price gets below low 40s that some of our other customers tend to have—and that's US\$40—that tend to have some challenges.

BERT POWELL:

So, based on the grid or the scale that you have with them today—I mean, obviously, we've had some recovery in iron ore price. I'm not sure what was contemplated when you did the deal with them, at—call it whatever we are today, \$57. Is there much relief you have to give them here? Was it contemplated at 40? Just try to give us a sense of what the impact is just in the context of the volatility we've seen in these commodity prices in literally the last month.

SAM POLLOCK:

Yes, it's relative de minimis at these price levels that they're at today. It really was contemplated to the extent that prices stay at much lower levels.

BERT POWELL:

So, if iron ore stayed here today at the current price level, there's no impact relative to what you have seen.

SAM POLLOCK:

Yes, it's negligible. There's a sliding scale, so there might be a modest amount, but you wouldn't probably notice it in the numbers.

BERT POWELL:

So, as of today, we expect kind of steady state there?

SAM POLLOCK:

That's correct.

BERT POWELL:

Awesome. Thanks.

SAM POLLOCK:

Thanks, Bert.

OPERATOR:

As a reminder, if you have a question, please press star, then one. Our next question is from Rupert Merer of National Bank Financial. Please go ahead. Mr. Merer, your line is open.

RYAN:

Good morning, everyone. This is Ryan filling in for Rupert.

BAHIR MANIOS:

Good morning, Ryan.

SAM POLLOCK:

Hi, Ryan.

RYAN:

I actually have a couple of questions here. The first one is are you still considering capital recycling initiatives, and if so, what type of assets would kind of be at the top of the list?

SAM POLLOCK:

Hi, Ryan, I'll tackle that one. The short answer is we are always contemplating capital recycling, so we are evaluating sort of life-cycle of the businesses and if there are some that have matured, have limited growth prospects, and where we think other investors might value them materially higher than we value them at. Having said all that, at this particular moment in time we don't have any projects underway, so we're not looking to sell anything in the foreseeable future, but that's something that we'll continue to evaluate as the year goes on, and probably once we get to budget season in the fall we'll contemplate whether or not there'll some recycling opportunities in 2017.

RYAN:

Okay, perfect, that's really helpful, and just one last question here about Asciano. With the restructured deal, are you going to see any regulatory hurdles here that are foreseeable; and also can you discuss some of the potential synergy opportunities, both on the operational cost and market access?

SAM POLLOCK:

Okay, I will tackle that one, as well. So, on the first part of your question regarding whether or not we think there will be any regulatory hurdles, I really hope not, given it's been a year of dancing through those hurdles, but it's impossible to say. We haven't received the market feedback yet from the regulator. We do have interactions with them and I think the discussions have all been very constructive, so it feels like many of the concerns that they had have been addressed, but until we're done, I don't want to say we are done. So, I will leave it at that for that question.

With respect to synergies and market access, I don't think there's anything in market access that I can really comment on. With respect to synergies, I think there's no real opportunities to combine our businesses or Qube's businesses into Patrick's, so I don't think there's synergies from that perspective. I think there are costs that we can take out from a corporate perspective that Asciano had in running a large public company, that we'll share with the other consortiums as it gets dismantled, so I think there will be cost synergies from that perspective. I know Qube, given their previous history with the business, have some interesting operating strategies that they want to deploy, and so I think that will generate lots of value. We are having good conversations with some of our customers in North America and Europe and figuring out ways where we can drive more volumes through the terminal.

So, I think there is lots of ways we can create value, but they're not necessarily from a combination of businesses.

RYAN:

Okay, thank you. That's all my questions. I'll jump back in the queue.

SAM POLLOCK:

Okay. Thank you.

OPERATOR:

The next question is from Frederic Bastien of Raymond James. Please go ahead.

FREDERIC BASTIEN:

Hi, good morning.

BAHIR MANIOS:

Good morning.

SAM POLLOCK:

Good morning.

FREDERIC BASTIEN:

I appreciate that your energy platform enjoyed solid year-over-year growth in Q1, but it came in a little light relative to our expectations. Was there anything unusual about the quarter, maybe timing differences that might have impacted the performance?

BAHIR MANIOS:

Hey, Frederick, it's Bahir. I'll start and maybe Sam will jump in as well, but with respect to NGPL, we obviously had this step up in interest as a result of our additional acquisition that we did there. In addition to that, we saw pretty solid same store growth in the business. That was really driven by operational gains that were offset by a milder winter, and so what we would expect is towards the latter part of the year, as we bring online some of the organic CapEx initiatives that we have on the go, you should see more of a ramp-up in that business in the second half. In addition to that, the district energy also saw some pretty meaningful growth, but we're also bringing online a few projects in that business, as well, and there's a bit of seasonality to do with the results in Q1, as well. So, again, on that one I expect in the second half of the year results should be better, albeit we still enjoyed some pretty decent growth organically on a same store basis compared to the prior year.

FREDERIC BASTIEN:

Okay, that's helpful. Now, understanding NGPL will obviously grow in size and contribution, how should we think about the seasonality of the business? Is it similar to what most energy-related names experience in Canada or is it more smooth across quarters?

BAHIR MANIOS:

NGPL does tend to have a little bit of seasonality. If you look at BIP from an overall perspective, there some pluses and some minuses and generally they all sort of wash each other out, but with respect to NGPL, typically, Q2 and Q3 are a little lighter than Q4 and Q1.

FREDERIC BASTIEN:

Okay, great. Feel free not to answer that or just deviate from my question, but you have roughly \$3 billion in liquidity. How much of that amount do you have currently earmarked, you're comfortable that you can redeploy, will deploy into acquisitions?

SAM POLLOCK:

I'm not sure entirely the direction of the question, but we feel pretty good that that level of liquidity sets us up well for all the things that we have in front of us. So, as we talked about, we've got the initial deployment of capital of plus or minus \$500 million, we've got a big program of organic projects over the next two years, and then we've got a couple of interesting opportunities that we haven't really got into much detail on this call because they're just not quite at an advanced enough stage, but we think that that could also provide meaningful opportunities to deploy anywhere between \$500 million to \$1 billion in the next short while. I'm actually happy with what we have because we could be pretty opportunistic at this period of time.

FREDERIC BASTIEN:

Perfect. That's all I have. Thank you.

BAHIR MANIOS:

Thanks, Frederic.

OPERATOR:

The next question is from Robert Kwan of RBC Capital Markets. Please go ahead.

ROBERT KWAN:

Good morning. If I can just turn back to NGPL, and whether it's specific to Q1 or just as we look forward—Bahir, you talked about some of the operational gains this quarter and then the new projects. I'm also just wondering, though, with some of the contracting you've done on the FT side, how do we think about those contracts kind of phasing in over the next little bit and how does that change the FFO progression?

SAM POLLOCK:

Hey, Robert. I'll start and Bahir can jump in. I think what we've tried to convey to people is that we're expecting growth in underlying EBITDA for the business over the next year or two of about 25%, I think that's what we mentioned last time, and it's pretty much all backed up by new contracts. One of the more meaningful ones will start in Q2, which is with Sabine Pass and the LNG terminal down there. We've got the contract for the Chicago expansion that kicks in probably mid-fourth quarter. Then, we've got a couple of others that will come into 2017, and then even a few today related to that southbound expansion that are related to some of the LNG

terminals that are coming online in 2018. I'm not sure I can give you much more specificity than that, but the way I would think about it is over the next two years you'll just gradually see a number of new customers come online.

BAHIR MANIOS:

Robert, maybe I'll just add to that. So, those are the sort of the good EBITDA wins that you're going to see in our results going forward. Just coming down to FFO, in April we injected or paid down about \$310 million, our share of debt, and so that should lead to lower interest expense, and so you'll see a pickup in our FFO immediately going forward as a result of that, and due to other future deleveraging activities.

ROBERT KWAN:

What was the interest rate on that there?

BAHIR MANIOS:

It was about 6.5%, 7%.

SAM POLLOCK:

Yes, the one thing I think, too, as an opportunity, is that as we refinance debt next year, in 2017—it's probably mid-year—much of the debt that we'll be refinancing is all in the 7.5% to 9% range. So, if our plans play out as we expect and we're refinancing as an investment grade issuer, then we should see that cost of debt come down materially.

ROBERT KWAN:

Great. Then, just following on NGPL, you talked about potential projects for gas infrastructure on the system and into Mexico. I'm wondering do you have any thoughts on investment directly in Mexican gas pipes, either existing or some of the new tenders that are out?

SAM POLLOCK:

We've been looking at a couple. There's assets for sale, obviously, which you're probably aware of. So far, we've just not found an opportunity that met our return thresholds. Surprisingly, the availability of capital in the Mexican market is actually pretty robust, and with the type of structure they've had—I'd say a lot of the structures down there are much more robust than what we've seen in the past in North America, and as a result, they tend to attract lower return investors. A long-winded way of saying that we haven't found anything yet, we're still looking, and hopefully over time we'll find something.

ROBERT KWAN:

Great, and if I can ask one last question? Just on reinvestment in the existing business, those tend to be great returns. You discussed that that's kind of now reached a rate that's higher than the 15% to 20% of FFO. So, how does this change or does it change how you think about your payout ratio? I think the idea in the past was a lot of the reinvestment activity could be done out of free cash flow. Just any kind of additional thoughts as we go forward here?

SAM POLLOCK:

Well, at this stage, it doesn't change our approach. This may be just a relatively short period of time where we have this mismatch and we have all the available liquidity in our balance sheet to

deal with it. If this is something that is more perpetual or sustainable over a longer period of time, then we'll maybe revisit our payout ratios, but at this stage I don't think, given it's just recently happened, it doesn't make sense to change our policy.

ROBERT KWAN:

Great. Thank you very much.

BAHIR MANIOS:

Thanks, Robert.

OPERATOR:

This concludes the time allocated for questions on today's call. I would now like to turn the conference back over to Mr. Sam Pollock. Please go ahead.

SAM POLLOCK:

Thank you, Operator, and thank you everyone for joining our call today. We look forward to updating again next quarter.

OPERATOR:

This concludes today's conference call. You may disconnect your lines. Thank you for participating and have a pleasant day.