



## OMV Q2 2018 Conference Call – Q&A Transcript

OMV published its results for January–June and Q2 2018 on August 2, 2018. The investor and analyst conference call was broadcast as a live audio- webcast at 11:30 am CEST. Below is the transcript of the question and answer session, by topic, edited for readability.

### OMV Group

#### Hedging

Question by **Mehdi Ennebati – Societe Generale:**

So you say that the hedging impact will be much lower in the second half than in the first half. Can you please be more precise by providing us with the price you hedged in the second half? So I'm asking that question because everybody underestimated the negative impact from hedging in the second quarter. And there will remain some fear about the hedging for the second half despite the information that you provided us, unless you give us the price you hedged in the second half of the year?

Answer by **Reinhard Florey:**

Okay, thanks for your question about hedging. I know this is an important topic today. Rainer has given you some very important messages already in his speech. The first one is that there will be a significantly lower volume, from the oil hedges. He talked about that there will be only half of the volume in there and also at higher prices. We will, of course, also for tactical reasons, not be able to give you exactly hedging levels because that is something that is embedded in our total risk strategy, which we are, of course, looking into. We have given you, I think, a very good guidance in the sense that there will be a significantly lower impact from that. However, what I personally cannot forecast is where the oil prices will move to. And we have seen the impact, because there have been extremely high increases and also not anticipated in that volume. But what is important for 2019 is that we do not have any hedges in place, and for the second half, we are seeing that there will be significant lower impact from that. There is one second aspect that I would like to give you as well. That is the impact on tax, because you have also seen that we have a tax rate which is significantly higher in Q2, and part of that has also been due to the hedging, simply because there have been effects from that from country-by-country effect, as well as from the specific effect of higher oil prices as such. So if you want to have an indication there, the impact from the hedging on the tax rate has been around 7.5% from the hedging. And the other effect on the tax rate have come, of course, also from the effect in Petrom with lower general result throughout the turnaround that we have there and some other smaller effects. And we should also not forget that there has been an effect from FX also on the tax side. But answering your question about hedging, this is also an aspect that you should not forget, the tax rate will improve when we have significant lower hedging effects.

Question by **Jason Gammel – Jefferies:**

I just want to come back to hedging, but from a strategic standpoint. You did mention that you put hedges in place for two reasons, that the price had went above your budget level and also to lock in some cash flow, which is quite understandable, given the outflow for the Abu Dhabi acquisition. So my question really is on a move forward basis, how strategically will you approach hedging given that your free cash flow is so strong, the balance sheet is in good shape, and would you still look to lock in prices when you feel they have gotten above a level you thought was sustainable? Or do you think that the financial condition of the company is now strong enough that you might avoid the hedging market.

Answer by **Rainer Seele:**

I think, Jason, the trend is crystal clear. We have burnt our fingers in the second quarter and we do not like to get our fingers burnt. So we're going to reduce it heavily in the third and fourth quarter. And as I have said to you there are no hedges in place. I fully agree with you that the situation within OMV has changed as we speak about the strong balance sheet and the cash position and the cash flow. So that I don't exclude any kind of hedging activities, but as I remember, the discussion in our board meeting, the probability I would say is not very high. As we speak about hedging, a guidance for Mehdi. Look at the math. In the second quarter, we have said we have hedged below 50% of the oil volumes. Than I've said it's only half in the third and fourth quarter, in the second half of the year. So what I can say is it's less than 25% in the second half of this year. This is just pure math. And the level is above the price level we have seen as a hedging effect in the second quarter. But the number, I think Reinhard doesn't want to release.

Question by **Matthew Lofting – JP Morgan:**

Just coming back to oil hedging, probably following on from Jason's question earlier. I'd like to better understand philosophically the underlying policy if possible. Is it pure risk management or were you looking to take a more risk aware view on price versus the internal budget levels are up and running? And with that mind, what should we expect on hedging from OMV on a medium-term basis and for example, any triggers that will lead you to think about hedging 2019 volumes between now and year-end?

Answer by **Reinhard Florey:**

About hedging strategy, I think, very straightforward in what we have in mind here. It is a means for risk management in order to protect the cash flows which is necessary for our growth strategy. Now if we put ourselves back some half year, three quarters ago, we were still seeing quite low levels of oil prices in the market, with even lower expectations to come. That has been sort of a trigger, and of course not for the first time, to take in a certain volume into hedges to make sure that if there would be a rather steep decline, none of our efforts, that we have in mind to capture good opportunities in the market to grow, would be endangered. So this is a clear protection topic, this is not a thing to do with budget, nothing to do with speculation, it's more of a secure policy protecting the strategy that we have postulated forward. That of course has flexibility and the flexibility is given by the circumstances in the market. If you have higher prices with higher turnovers with higher cash flows running in you have much less of a need to go into the sizeable hedging. Whereas I have to emphasize, we would never hedge more than 50% in this, so we would never expose ourselves to real high risk in that. But we have clearly given you also the implications that we will even half that. And for the long-run, there's nothing where we are taking a big bet on anything for 2019. So this is how we do that from a strategic, as you call it, philosophical point of view.

Answer by **Rainer Seele:**

Matt, only one sentence and I repeat what I have said to Jason, our appetite for oil hedges is extremely low.

### **Tax rate**

Question by **Thomas Adolff – Crédit Suisse:**

Just on the tax rate, to clarify your comments made for the full year, you said mid-30s, which clearly incorporates the high levels in 2Q. And you said earlier on that 7.5 percentage points was linked to the hedges you had in place. So you would've otherwise been in the low 40s. So if you say mid-30s for the full year, that kind of implies a low 30s maybe in the second half. So I wanted to understand why it's much lower than it is in 2Q adjusted for the hedges?

Answer by **Reinhard Florey:**

Thomas, let me start with the tax. When I refer to the differences in the tax rate you correctly cited to the hedging effect to that. But I also said that there has been an effect of the Petrom topics with the turnaround. They have been around 5% and we had some FX-effects, which I had have also mentioned. And FX-effect, just give you an example, the Tunisian Dinar depreciated a lot, which in total for FX-effect also had an effect of close to 3%. It's a significant one-time effect in the tax rate that we are seeing in Q2. So that the reiteration of what we said, that for the full year, we are seeing the tax rate at the mid-30s can be fully confirmed in that respect. However, we also said we are conserving that in the context of our guided oil prices and gas prices. And of course, if you would have massive deviations there, then you would also see some effect there. This is something that we cannot predict at the moment more precisely than from the outlook that we're giving. But I think, in general, that should give you an idea of how our portfolio, when it is balanced in a normal quarter between Upstream and Downstream, and where you see the full impact of the effect that we are also in Romania acting in a lower tax country is then fully realized and that gives us the return to these lower tax rates.

### **Hybrid debt**

Question by **Robert Pulleyn – Morgan Stanley:**

Obviously, you mentioned the hybrid debt. Is that something you would consider doing more going forward, just for our understanding?

Answer by **Reinhard Florey:**

Please take into consideration that, in total, we've even reduced our hybrid exposure on the financing side. We originally had EUR 2.25 bn in hybrid outstanding. We have repaid EUR 750 mn and we have replaced it by EUR 500 mn. So we are now at a level of EUR 2 bn. Now with that move, we have significantly reduced the interest burdens from a level of 6.75 to level of 2.875%. This makes hybrids a more attractive area of financing for us. On the other hand, if we're talking about senior bonds or even facilities in which we can breathe are still more favorable. So my expectation is that the ratio between the senior and the hybrid will not dramatically change, but both instruments are welcome by us as the opportunity of some flexibility is there, also regarding the tenure. And it is also good to see that acceptance also taking into account our upgraded credit rating when Moody's put us back on A level, on A- stable outlook level again contributed to a very high demand for this kind of instruments in the market.

## Working capital

Question by **Yuriy Kukhtanych – Deutsche Bank:**

Very short on your working capital move, which was somewhat counterintuitive given the rising oil price environment. I presume that most of the reversal in receivables can be explained by the gas payments from the first quarter, but the question here is, whether you used any securitization at all? So that would be my first question. And in general, how we should think about the working capital going forward?

Answer by **Reinhard Florey:**

Your assumption is perfectly right, the clear majority is coming from the gas payments from first quarter, respectively from payments with payment terms that are, therefore, not accounted directly as income already. So these effects are the majority of that. Your second question was about whether OMV uses securitization or any instrument like that. Yes, of course, we also do that. This is something that we're doing, that has, in generally, an effect that, over the year, we can balance net working capital effects in second quarter, there has been a slight positive effect from that as well. But clearly, the main part was from the gas payments here. We should also see that in the context of hedging, you will know, hedging contract are concluded at the end of the quarter, which means that this is not counted in that sense in second quarter, but in third quarter when it comes to the conclusion of these contracts. So this is the net working capital situation. We have a clear seasonality in net working capital in every single year, and this is very much to the gas cycle that we have with strong gas input in our storages in the second half of the year and then output in the cold parts of the year.

## Cash flow

Question by **Christopher Kuplent – BofA Merrill Lynch:**

You reiterated once again that you expect the full year cash flow position to be positive? Just wondered whether you could remind us that it is after M&A spent, and I'm guessing also after working capital? Or if I'm wrong please could you specify what kind of free cash flow definition you're using?

Answer by **Rainer Seele:**

With the free cash flow positive after dividends it is also after M&A. So clear guidance is that we would like to finance the M&A transaction, the dividend and the investments and after that we would like to have a positive free cash flow after dividends.

## CAPEX

Question by **Mehdi Ennebati – Societe Generale:**

Regarding the CAPEX, so keep your EUR 1.9 bn CAPEX guidance for this year. You've spent roughly EUR 800 mn - EUR 850 mn in H1. So in terms of cash flow payment should we expect roughly EUR 300 mn CAPEX growth in the second half of the year versus first half?

Answer by **Reinhard Florey:**

There is of course a difference between the accounting CAPEX and the cash flow CAPEX. And you were asking what the impact on the cash flow is and we will certainly see that parts of the CAPEX that is accounted in 2018 will be payable only in 2019. This only will be a minor part, this is what I can say. But for the explanation of what is different between half 1 and half 2, you have to take into account that there are additional investments that we have for our acquisition in Abu Dhabi, which of course have not been there in the first half but will be there in the second half. So therefore, the estimate of the 1.9 is very plausible.

## Upstream

**Achimov IV/V – Asset swap**

Question by **Henri Patricot – UBS:**

Secondly to the asset swap with Gazprom, do you have any update on the timing and progress there?

Answer by **Rainer Seele:**

Henry, to my biggest regret I cannot give you so much information about the progress of the asset swap for a very big reason. We have a new situation in Norway when the energy minister raised some concern which we have to understand better. And I think we need to have a try, a dialogue between the three parties that are involved. And the problem is not the energy minister; the problem is that our partners from Gazprom were very busy with the football championship in their country. And now they are on holiday season and they are not available. That's why I think we will make some progress starting in September, sitting together and having a discussion, and then Henry I will give you a better picture on our last conference call when we talk about the third quarter. But I will repeat myself, both parties are committed to the transaction on the same level we have seen a year or two years ago.

Question by **Christopher Kuplent – BofA Merrill Lynch:**

And a question on Achimov again and your asset swap. If we take it that the deal will be closed before year end, what kind of implication does that have on cash payments, because if I can recall the deal was effective 2017. So would you expect there to be a cash payment in I suppose Gazprom's direction if the deal indeed closes before year end.

Answer by **Rainer Seele:**

You're talking about the Achimov cash payment. The structure of the transaction, and I repeat myself what I said three years ago, there is no cash involved. There's no cash involved as we speak about the transaction, as we speak about the adjustments. So we have agreed on the economic terms that is the share of 24.99% in Achimov, it is equivalent to the shares we have published for OMV Norge. So this is more or less the economic structure, and there's, of course, a retroactively a compensation for investments done in Achimov and the cash flow of OMV Norge which would have an effect. From our point of view, today's point of view, given the fact that we have a little bit of a delay, because of the concern raised by the Norwegian energy minister. In our plans, we don't think that in 2018 our cash position in what sense or ever is being impacted by the transaction. It would be running into the numbers at early as next year.

#### **New Zealand**

Question by **Mehdi Ennebati – Societe Generale:**

Regarding the New Zealand production, you said that the pipeline restarted in July. Can you please provide us with the production level in New Zealand in July? And can you also tell us if you are currently producing in New Zealand at, let's say at the level pre-pipeline issue meaning roughly 18-19 kboe/d?

Answer by **Johann Pleininger:**

So we had an effect of around 5–6 kboe/d less production in the last weeks, so the pipeline is now restored and is in operation again. So we're ramping up the production right now. And just year-to-date we saw production slightly above 17 kboe/d per day. That's the production volume we have in our plan. So slightly above 17 kboe/d is what you can expect at the end of this year from our current assets. If we close the deal, we are assuming that before year-end in Q4, you will see an upside of another 30–31 kboe/d in addition to the 17 kboe/d.

#### **Production Guidance**

Question by **Joshua Stone – Barclays:**

On the Upstream, if you could provide a likely exit production for this year, assuming Abu Dhabi and New Zealand close before the end of the year?

Answer by **Johann Pleininger:**

You asked a very challenging question. What is the exit rate at the end of the year? So if we assume that we close the deal in New Zealand, as I mentioned before, we would see around 30 kboe/d in addition to the current production. For UAE, for our assets which we acquired, SARB and Umm Lulu, we do expect to start the ramp-up phase in Q4. So we expect an exit rate of around plus/minus 10 kboe/d. Aasta Hansteen we will bring on stream beginning of Q4. We will ramp up the production to the plateau production already the end of the year, which is around 18kboe/d. So if you add all these to the current production, which is 420 kboe/d, that's plus 30 kboe/d from New Zealand, plus 17-18 kboe/d from Aasta Hansteen and another 10 kboe/d from SARB and Umm Lulu. And then you can do the math for yourself. Then you will see what will be the exit rate we are expecting for the end of the year.

Question by **Henri Patricot – UBS:**

The first one just following up on production, and on Libya and Yemen. So Libya, do you see the risk more to the upside or downside in your figure given the recent developments on security and your outlook for the rest of year? Secondly, if I so there is some return on some production in Yemen in the quarter and are we going to see some on top on that?

Answer by **Johann Pleininger:**

Okay, the questions regarding Libya and Yemen. So Libya the current situation is, the potential in Libya is 30 kboe/d, we're producing right now due to the shut-in of NC186, this is part of the Sharara field. We are producing right now OMV share 25 kboe/d. That is what we're also estimating production until the end of the year. The total potential in Libya right now is at around 30 kboe/d. So if everything is going well, then we could achieve 30 kboe/d, but as I said our assumption is 25 kboe/d, which is in the same range as we were producing last year. Yemen, we ramped up the production. You saw the effect already in Q2, a rather small one. The current production is at around 5 kboe/d, that is what we're assuming that we will keep until the end of the year, if nothing is changing materially in Yemen. So 5 kboe/d in Yemen until end of the year from now on, and 25 kboe/d in Libya from now on till the end of the year.

Question by **Robert Pulleyn – Morgan Stanley:**

I caught annoyance around this Q4 production that it would be slightly better than 1Q despite the fact, of course, the Russians seasonality. And Aasta Hansteen which you've confirmed at the start of 4Q. Are there some offsetting declines elsewhere that we should be taking into account?

Answer by **Johann Pleininger**:

Again, the question regarding production in Q4, as I outlined before, the exit rate. The exit rate, 1Q adds to the current production of 420 kboe/d, there's 30 kboe/d from New Zealand, Abu Dhabi 10 kboe/d and Aasta Hansteen 18 kboe/d. We would land between 470 and 480 kboe/d. Some of those projects we don't know right now, whether we ramp up the production, beginning of Q4. So then you would see the full impact for the full quarter. Also in New Zealand, we don't know right now when we will have the closing of the deal. If the closing is already beginning of Q4, then you will see the 30 kboe/d for the entire quarter. If the closing is just mid of December, then you will see a minor effect on Q4. So it's very difficult for us to now give you a really firm number for Q4. That's why I've referred before to rather the exit rate than to average production in Q4. What we have to consider as well is, that you will see some decline in our core countries like in Austria and in Romania. In Romania, mainly because of Totea. The big discovery some 8 years ago, is now starting to decline. So you will see a decline of 4–5% in Romania from year-to-year, and there are also 4–5% in Austria. So we can tell you a little bit more at I would say end of Q3, when the project closing in New Zealand will be and whether the ramp up in Abu Dhabi and Aasta Hansteen is as predictive right now.

## Romania

Question by **Yuriy Kukhtanych – Deutsche Bank**:

On upstream in Romania. There were news early in July that the Romanian Government decided to increase taxation for Black Sea gas production, and I can recall that there was a joint statement by OMV Petrom, Lukoil and Exxon Mobil that this will impact very negatively the development of the industry in the country. So if you could just elaborate a little bit what this actually means, this negative development? How it will impact your plans to approve FID for Domino this year? And how we should think about it going forward? And generally, if you could shed some light on why the Romanian Government has been so hostile towards the investors in upstream?

Answer by **Rainer Seele**:

What I've discussed with Petrom is that they are still committed to take FID in the second half of this year. Was the recent development in Romania helpful to go for such an FID? Not at all, I agree with what you've said, this was not the right framework we need to see. That's the reason why I think Petrom is now ready to further intensify the discussion with the Romanian government to find and agree on a framework which is sufficient to go for the positive FID. As my understanding, that both parties really want to go for the FID, I never heard that the Romanian government would like to diminish the attractiveness of their country for investors, yes, to make a clear statement. But on the other hand, what we need is a stable framework with reliable and acceptable terms as to speak about taxes and royalties and as we speak about the freedom to market the gas in Europe. We do have an interest that we are supplying as much as possible of the gas to the remaining countries, it's understandable that from a trade balance point of view Romania does not want to import gas when they have so much excess gas in production, this is accepted. But when we have supplied all customers in Romania we need to have the freedom to sell the gas abroad, this is a must. What I have learned is that now there will be another round to discuss the offshore law. Let's wait for better terms. The terms right now, which we have seen in the last weeks, were not sufficient, but we are cooperating to find the right framework acceptable for both parties, for the government as well as for investors to go for a positive FID. The project is important for the country of Romania as well as for the investors.

## Nawara

Question by **Michael Alsford – Citigroup**:

Firstly, just wanted to touch on the E&P bridge that you kind of stated at the beginning of the call. It clearly shows you're getting pretty close to your 500,000 barrels per day target for 2020. I guess, one of other building blocks within that is Nawara in Tunisia and I just wanted to know if you can update us on that project and just remind us of the contribution net to OMV that this should deliver.

Answer by **Johann Pleininger**:

Regarding Nawara. It is on schedule, as we have announced in the last quarterly meeting. So we said Q2 2019, Nawara will come on stream. This is still what we are planning, we're predicting now Nawara, we expect around 10,000 per day of additional production starting in Q2 in 2019.

## OPEX

Question by **Bertrand Hodée – Kepler Cheuvreux**:

On your OpEx in Upstream, the downside 13% year-on-year from 8.7 to 7.6. Benefiting, I guess, from to a big part from the inclusion of Yuzhno Russkoye. Can you disclose whether your OpEx were down excluding the impact of Yuzhno Russkoye?

Answer by **Johann Pleininger**:

No, we're not disclosing OpEx reduction on project level or on a single country level. And this will be the case if we would give you this information. We are giving the average production cost which has gone down from 8.8 to 7.6. What I can say the major effect was coming from Yuzhno Russkoye.



## Downstream

### Borealis

Question by **Joshua Stone – Barclays:**

On Borealis, very strong earnings results in the quarter, outperforming the indicator margins. You mentioned license agreement income. Could you just share a bit, more detail around that. Is that ongoing income we should expect? Are there any more potential license agreements in Borealis in the pipeline that could help earnings?

Answer by **Manfred Leitner:**

On Borealis, this was a one-time license income that has been accounted for in June being respect to a project that is currently going on in the States. Our share in that is EUR 12 mn, not a repeatable income, it's a one-time one-off.

### Petrochemicals

Question by **Thomas Adloff – Crédit Suisse:**

On the petrochemical guidance you provided, I'm more interested ex Borealis. What's sort of feedstock flexibility do you have in your system? Or do you have some LPG flexibility and if so how much? I'm just trying to better understand the profitability and the impact I have from this oil price.

Answer by **Manfred Leitner:**

The LPG flexibility, I would differentiate between OMV and Borealis, because Borealis is having such an LPG flexibility to a certain extent for the crackers. In northwest Europe, OMV is not using LPG as a feedstock, what we're doing is we're using Naphtha and gas oil in our furnaces.

Question by **Michael Alsford – Citigroup:**

You're not doing similar to what Repsol has done in the past, whereby with some investments you increased the feedstock flexibility to the tune of, kind of, 30% mix sales?

Answer by **Manfred Leitner:**

No, we're not investing into that. One of the main reasons is that we're selling a lot -- that we have already in the past gone for optimization of the whole feedstock and product equation if you want. So LPG, something which -- we are only producing to a certain extent, of course, LPG, but it is going automatically into the cracker. We do not go for an increase by third party purchases for LPG, because this would have an impact on our value chain which would actually not pay off.

### Organic spending

Question by **Thomas Adloff – Crédit Suisse:**

On Downstream inorganic spend, if you don't mind refreshing my memory, kind of new to the story again. I believe in the past you did say that you're interested in expanding your footprint in the UAE, maybe it is Ruwais 3 or whatever it is. So I wondered if it's both for refining and petrochemical, an integrated facility and if so, how imminent this is.

Answer by **Manfred Leitner:**

In March, at the Capital Markets Day, we informed you was that we are earmarking EUR 5bn, until 2025 for that purpose. But in the meantime, what we're doing is we're screening, obviously, the different options that are on the table. Is Abu Dhabi one of them? Yes, definitely yes. The second question, whether it's refining and petrochemicals, that would be a priority for us, and this is the rationale of moving outside of Europe to transfer our knowhow in operating project management and others in refining and petrochemical. So this would be the first priority to find refining and combined petrochemical options.

### Maintenance

Question by **Matthew Lofting – JP Morgan:**

On the Downstream outlook for the second half of the year refining and petchems, is there any scheduled maintenance embedded in the view for the rest of the year? And if could you also touch on how you, today, see demand trends evolve in the context of increased product prices?

Answer by **Manfred Leitner:**

On the downstream question for the second half, there is no major turnaround planned in any of our refineries and you will see, if everything runs as planned, we will have a very high utilization in the second half. And on the product demand, that is a bit trickier but the first half of the year has been building up demand in our market in each of those. And so I would even be inclined to say that a \$70 oil price is potentially limiting the demand growth, but it is not going to be demand destructive.

Question by **Thomas Adloff – Crédit Suisse:**

I just kind of wanted to better understand what was done with the refinery maintenance cycle, moving from two years to four years. I mean what exactly happened there? And why didn't you do it in the first place?

Answer by **Manfred Leitner:**

On the refinery turnaround frequency. Obviously, you cannot do it in one step only, but what we have been doing in the last couple of years is to replace more or less those units in that equipment that have been in a pretty old shape or technically

not at the latest stage. In this turnaround was now the final step to come to a situation where we believe it is actually reliable to say that we can go from two to four years. What are you doing there? What we have replaced is a lot in the fluid catalytic cracking unit. We have replaced material in other parts, you have to replace all the piping and all the kind of things, in order to run without any problems for a period of four years.

#### **Nord Stream 2**

Question by **Michael Alsford – Citigroup:**

And then just secondly, on Nord Stream 2, your commitment was, if I remember correctly, around EUR 950 million to that project. I was under the impression that maybe some of that would be financed with debt, but I think this clearly that is now off the table with the recent sanctions. But also I've heard that the potential route is a little bit longer and could cost a little bit more money. So could you maybe update us as to exactly what we should expect to see in the cash out for that project from an OMV perspective?

Answer by **Manfred Leitner:**

For Nord Stream 2, project finance is not of the table, because the discussion with the credit agencies are currently running. We will see how successful it would be though, maybe it's less than what we have planned. But I think the finance is actually secured and on top of that - the EUR 9.5 billion, we do have reason to believe that we are comfortably within that project limit we have given in the past as well. And the EUR 9.5 million, it's the 100% figure, of course.

#### **Samsun power plant**

Question by **Mehdi Ennebati – Societe Generale:**

Regarding Samsun power plant, could you please tell us if the contribution on a yearly-to-yearly level is positive or negative, because this is just for model purpose. I'm asking a question because for example this quarter you were at roughly EUR 20 mn Gas and Power EBIT, where as you know the Gas Connect Austria contribution was EUR 20 mn. So just would like to understand what would be the impact from the Samsun power generation sell at your EBIT level

Answer by **Manfred Leitner:**

The years in Turkey due to the impact of the authorities are very very different. But what I can tell you is that, this year there is not a significant operating result impact by Samsun so we will not see a significant reduction once we have sold the plant. On Downstream Gas, what you wanted to go behind the 29 or the 20. So that we only have an operating result of EUR 20 million in the second quarter. And if you then, more or less, take out the Samsun power plant, this will not have a real impact on the 20. The only impact is that we are currently not having any depreciation because as you know, the plant is accounted for as asset held for sale and so this is producing to certain extent the result but since we have impaired the plant already twice in the past as well that one is minor.

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