

# **Moncler S.p.A**

**“First Quarter 2017 Interim Management Statement Conference Call”**

**Thursday, May 04, 2017, 18:00 CET**

MODERATORS: PAOLA DURANTE, INVESTOR RELATION AND STRATEGIC  
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OPERATOR: Good afternoon. This is the Chorus Call conference operator. Welcome, and thank you for joining the Moncler First Quarter 2017 Interim Management Statement Conference Call. After the presentation, there will be an opportunity to ask questions.

At this time, I would like to turn the conference over to Ms. Paola Durante, Investor Relator and Strategic Development Director of Moncler. Please go ahead, madam.

PAOLA DURANTE: Hi, thank you. Good afternoon, everybody. Thank you, first of all, to joining in our call today on Moncler's interim management statement for the first quarter 2017 revenues results. I am here as usual for Q1 and Q3 results' conference call with our Chief Corporate Officer, Luciano Santel.

Let me just say before commenting on results that this presentation may contain certain statements that are neither reported financial results nor other historical information. Any forward-looking statements are based on Moncler's current expectations and projections about future events, and are subject to risk and uncertainties, that could cause results to differ even materially from those expressed herein or implied by these statements. In addition, let me also remind you that we have invited the members of the media to participate in this conference in a listen-only mode.

Let's now go to the presentation. Moving to Page 3, I just want to make few comments. We are extremely satisfied with these results which as you have seen, continue to show double-digit growth notwithstanding a fairly demanding base of comparison. All regions and all channels have contributed positive to them. I would move directly to Page 4 to comment revenue breakdown by region.

It is important first of all to highlight that in the first three months of 2017, global expansion continued with international markets growing at 17% at constant exchange rate, and account now for 86% of our total revenues. This growth has been driven by an accelerated positive trend in Europe, ongoing solid growth in Asia and the good trend in the Americas. At the same time, we are extremely satisfied with our domestic market with Italy that as you see, has grown 7% in the quarter.

Moving to Page 5, both channels showed strong performances. Let me now talk about the Retail which has grown 18%, driven by good comp store sales growth and the contribution of not only newly opened stores, but also stores that have been enlarged or relocated in 2016, some of which are achieving results ahead of our expectations. Wholesale, plus 8% at constant currencies, very good performance which has been driven by very good acceptance of our Spring/Summer collections, not only in outerwear, but also in the complementary product categories and particularly I would like to highlight knitwear that is performing very well. Wholesale results have been particularly strong in the UK, in Japan and North America.

If we go to Page 6 now, we can analyze in more detail the performance by each region. I start with EMEA including Italy, which reported a solid growth. The two markets together rose 19% growth at constant currencies, in acceleration compared to fiscal year 2016. We continue to see excellent performance in UK, but not only in the UK, also in Germany and France, particularly in France revenues have grown double-digit driven both by good local demand and an improved trend for travelers. Clearly, also off a fairly easier base of comparison. Sales in Italy have been driven by the

positive performance of both channels, Wholesale and Retail, with Retail outperforming.

Let's go now to Page 7 where we see the Asia performance. I remind you that in Asia we include APAC, Japan and Korea. Asia recorded, you see, a 12% growth. Japan, which is our main single market, in the region has shown a double-digit growth driven both by organic growth and new space contribution. We are very happy in particular with the performance of our flagship store in Tokyo Ginza.

Mainland China is our second largest single market for the region, which has performed well, mainly driven by a sound organic growth. Finally, Korea, which has really performed well also in this quarter, is benefiting from the work that has been done since we took control of the region.

Finally, let me make a couple of comments on the Americas. I am on Page 8 of the presentation. Revenues increased 12% in the region with Canada outperforming, clearly off a smaller base. In the region, both distribution channels have driven the performance, in particular I have to highlight Retail revenues have been good, also supported by the contribution of the newly opened stores.

Page 9, just a couple of comments on the stores network. We had at the end of March 191 DOS. We opened one in the quarter, actually at the very end of the quarter, that is our first store in Australia in Melbourne and we are actually very happy, clearly it is still very early days. We confirm that we have some 14 locations secured for this year, including the one that we just opened. We are also, as you perfectly know, working on some important enlargement and relocations.

In particular, we have already started working to enlarge our store in Montenapoleone in Milano, which will become our largest store in the network. And during the summer, the store will be actually closed and reopened in October under the new layout. In addition, we are targeting at least 15 new shop-in-shop openings in 2017. Shop-in-shops are under the Wholesale business. Half of which will be in North America. In the first quarter, we have opened three.

My very quick and brief presentation is finished. So we will now leave the floor to your questions. Operator can you please open the Q&A session?

## Q&A

OPERATOR: Excuse me, this is the Chorus Call conference operator. We will now begin the question and answer session. The first question is from Elena Mariani with Morgan Stanley. Please go ahead.

ELENA MARIANI: Good evening, a few questions from me, please. The first one is on your trends in Asia...in Asia PAC. Within a set of very, very strong results perhaps the 12% growth with the number that was a little bit below my expectation. Can you comment perhaps on the trends of the single markets and which ones perhaps decelerated quarter-on-quarter or did you see trends reaccelerating. I was just trying to understand a little bit better that 12%, please? The second question is about Retail and your inventory control. Did you observe any shortage of stocks perhaps during Q1? And how would you...I mean, which comment would you have on your control over inventory, which I know is always very tight? And what would you change, going forward, you know, ahead of the upcoming seasons? And thirdly, on your store openings and relocations, can you confirm how they

are going to be phased throughout the year, both the openings and the relocation and enlargements that, I guess, are around 11, if I am correct? Thank you.

PAOLA DURANTE: Sure, Elena, I will leave Luciano to answer the question. Just on the last one that may be, the easiest one: relocations and enlargement, they are a little bit more than 11, but some are smaller. I would say three are very important and they are more skewed towards Q3, also Q2, but mainly Q3 of this year.

LUCIANO SANTEL: Okay, good morning Elena. Thank you for your question about Asia. We are honestly very happy with the performance in all different countries in Asia. And just to remind you that the 12% comes on a plus 30% of first quarter of last year. So Q1 last year was very, very strong. And the difference is to be a little bit allocated to Hong Kong that last year in first quarter was particularly strong. So overall, nothing particular to make comment, and we are happy with the 12%, it is not something that we see negatively. And I mean, in Asia, all the markets performed well, in Korea first very, very well, Mainland China very well, Japan very well, Hong Kong weaker, but still I mean overall we are happy with the growth rate in Asia.

ELENA MARIANI: And in China in particular, did you observe improving trends quarter-on-quarter? Thank you.

LUCIANO SANTEL: Mainland China was very good in Q4 honestly. And so, I can't tell you that...it keeps growing, it is still doing very well. I mean Mainland, China, it is still...and since many months, many quarters has been performing very, very well.

ELENA MARIANI: Thank you.

LUCIANO SANTEL: Okay. About your second question about inventories, I mean inventories, as you highlighted are very, very under control. We have not seen any shortage, we have to distinguish the two different seasons: on the fall season you may remember at the time we reported fiscal year that our sell-through was very high and significantly higher than last year. Honestly, I can't tell you, I mean the numbers speak themselves, that we missed sales because of shortage of inventory, needless to say that we are very happy with the financials throughout the fall season. But we have not seen any specific shortage of inventory that may have jeopardized our Fall/Winter business.

About the Spring/Summer, our inventory honestly is higher, I would say much higher than last year, because for this year we have invested a lot and much more than last year in the other categories, because you may remember that last year in Spring we run short of inventory in some of the other categories. This year we invested more. And so, I would say that inventory position for this current Spring/Summer season is higher than last year. But overall, the number is very good, but no worry or no concern about shortage of inventory.

ELENA MARIANI: Okay. Thank you.

OPERATOR: The next question is from Fred Speirs with UBS. Please go ahead.

FRED SPEIRS: Hi, good evening, Luciano and Paola. I've got a couple of questions, please. First was, could you comment on how the Chinese cluster developed worldwide? And by region I was wondering did you see a better growth amongst Chinese consumers in Europe than perhaps you did

in Greater China? Second question was around the composition of Q1. If you could give us a bit more color on the performance of the end of Fall/Winter versus the start of Spring/Summer. Was there a sort of particular difference in those rates? And perhaps could you share any color on how April has developed? Thank you.

PAOLA DURANTE: Yes Fred, I will take the question on Chinese. So Chinese has been growing in the quarter, has been growing double-digit, we are very happy. The overall performance in Europe is good absolutely, in particular in some markets, like France. So we are overall happy with the Chinese performance. In terms of Q1 performance, I leave it to Luciano.

LUCIANO SANTEL: Okay, Q1 sales are mostly driven by Fall/Winter, the majority of our sales in Q1 are still Fall/Winter sales, we started to sell Spring/Summer in late February/March. But what I can tell you is that the Spring/Summer collection is being appreciated by our customers.

And about your second question related to April, April is, of course, totally 100% or 99% Spring/Summer collection. And April is performing well...very well, in line with the first quarter.

FRED SPEIRS: Thank you. And maybe just as a follow up on sort of on the Chinese, how do you feel at the moment, given the trends you are seeing, relative to your sort of the price gaps you have between Mainland China and Europe? And what's your latest thinking around the actions you want to take for Fall/Winter 2017? Thank you.

LUCIANO SANTEL: About price gap, you know, that this was a big important problem in 2015. Last year we started to adjust the problem, actually we adjusted this problem price gap. Last year in Spring/Summer was about 160 – being

100 the euro price - this year it is slightly lower, it is more in the region of 150, which is honestly not higher than what it used to be in the past, even lower. So honestly we don't see any specific problem with the price gap between Mainland China and Europe, of course we keep monitoring prices in Mainland China, as well as in all the other regions. But right now we are in the region of 50%.

FRED SPEIRS: Thank you very much.

OPERATOR: The next question is from Piral Dadhania with Royal Bank of Canada. Please go ahead.

PIRAL DADHANIA: Hi good evening, Luciano, Paola. I have one question on e-commerce. I think you said in Retail it was one of your stronger performance. Could you give any indication as to what the growth rate was in the first quarter and also whether the product mix looks different in the e-commerce channel, relative to your physical store network? Thank you.

LUCIANO SANTEL: Performance in Q1 was good...very good, let's say higher than the traditional stores, of course, as you know we don't provide any specific number on e-commerce and digital, but again the color I can give you is that we are very happy with our digital performance in Q1. About product, there are some slight differences but honestly not so material, not so significant, so nothing to highlight particularly.

PIRAL DADHANIA: Okay, great. Thanks, Luciano. Just one follow up then, on you Wholesale sell-in I guess for spring/summer, is some of that strong growth, plus 8%, does any of that reflect third party reseller websites and could you just provide any color on what the sell-out trends in your Wholesale partners in the online channel looks like as well?

PAOLA DURANTE: No, it doesn't include any resale, Piral, sorry it is Paola. Wholesale also online is performing strongly, so it's doing well. We don't provide any detailed information, particularly on quarterly, but it's clearly doing very well.

PIRAL DADHANIA: Thank you.

OPERATOR: Next question is from Erwan Rambourg with HSBC. Please go ahead.

ERWAN RAMBOURG: Hi, good afternoon and thanks for taking my questions. Congratulations on the sales and thanks a lot for a short efficient presentation. Three follow-up, please, I know you mentioned Asia and I think a lot of peers in your sector has pointed to a pickup recently in Hong Kong and Macau. So I am just wondering if you could comment on the relevance of Hong Kong notably and if you are seeing that inflection. The second follow-up is on the split between outerwear and more diversification products for the quarter, if you can give us an update on how that looks? And then thirdly, can you comment on the relevance and the growth with the Russian clientele and how that potentially has helped your European sales in the quarter as well. Thank you.

PAOLA DURANTE: Hi, Erwan, thank you for the comments you made on the quick presentation. I just take the last one and then I will leave Luciano the first two. On Russian actually, there was something I wanted to comment even before, when there was a question on Chinese. Yes, we are seeing very good performance in terms of Russians coming back to Europe, not in all Europe but in some markets, specifically Italy. So we have seen a very important growth. It's a good trend that we started to see in Q4 last year that has continued.

Along with Russian, if I can comment, there are also some other nationalities, in particular in Europe that are growing very nicely like Korea and like Taiwanese, so overall, travelers are doing well, not only Chinese I would say, but also other nationalities.

LUCIANO SANTEL: Okay. This is Luciano, about Hong Kong and Macau, honestly they are two different animals for our business simply because Macau our business is pretty young and I can tell you that in Macau we have been performing very well since we opened our first store and we are still doing very well but, I mean, just to make some kind of comparison with other brands, our base is still smaller, our size is still smaller than other brands.

About Hong Kong, Hong Kong is much more material business since a few years ago at least, say four years ago, and business grew a lot and kept growing also when everyone reported a slowdown in Hong Kong. Hong Kong has been very good for our business and already last year we said that was weaker, weaker than the other countries, but honestly not very weak. So right now, I can't honestly give you any specific difference as compared to before.

Business in Hong Kong for our brand is very important, in the last quarter of 2016 we opened another store in Hong Kong, in Pacific Place, which is performing well and totally in line with our plan. So we are happy with Hong Kong, but important to highlight the growth rate of Hong Kong is lower than the other countries, and specifically than Mainland China.

ERWAN RAMBOURG: Thank you very much and just on the outerwear versus diversification question.

LUCIANO SANTEL: Yes, sorry. About diversification, other categories are very important strategically, but specifically for this current season we invested a lot because we strongly believe in the potential of these categories, but also we believe in the potential of this specific collection under the knitwear and cut-and-sewn category. Results are good, also because the growth rate of these other categories is higher than the average and higher than the outerwear. So I mean overall, we are happy. Of course, as you know, strategically, we don't want to push that much the other categories.

We want and we aim customers to come to our stores to look for and to ask us for the other categories, which is happening step-by-step but again the current growth rate of the other categories, and I am talking about not only Q1 but also April, is higher than the average.

ERWAN RAMBOURG: Okay, thank you very much. Thanks

OPERATOR: The next question is from Andrea Randone with Intermonte. Please go ahead.

ANDREA RANDONE: Thank you and good evening. My first question is about KPIs you mentioned in your presentation, that main Retail KPIs have improved also in the quarter. So if you can comment about these trends, especially in light of the business in Europe. And the second question is on the other hand about the wholesale channel. Again, if you can give us some qualitative indications about the trends you experienced from department stores and from shop-in-shops. Thank you.

LUCIANO SANTEL: About Retail KPIs, it's something that we keep monitoring and we have been monitoring since ever because I mean Retail is very important, but even more, even better, even more in depth since we started with the Retail excellence project that, as you know, started last year. And so, I

mean the most important KPI I would like to highlight is that the Unit Per Transaction is growing, which is something that strategically is very important for the reasons I mean we just talked about, the importance of the other categories. UPT used to be in the past 1.0x; year-after-year is growing and in this season keeps growing nicely because we keep cross-selling. We sell outerwear and knitwear, or accessories, so this is very good.

About the selling price, it's totally flat, totally in line with last year. And traffic is an important KPI, but not the traffic itself, but the traffic generated by our stores through all that activities associated with customer relations. And this is something that, I can't give you number, but it's something that is improving because this kind of Retail culture we are implementing and we are developing in our stores is providing very good results.

About the second question, the Wholesale department stores, looking at the US, in North America where we have an important Wholesale business with department stores, business is doing well. The sell-through of current Spring/Summer season in the department stores is good, which is something we keep monitoring, because you know, that the US department stores provide on a weekly basis their sell-through which is very important not only for them but for us too, so our current business is doing well. About shop-in-shop, we have an important plan to open shop-in-shops in the US...and not only. But, talking about US we see important opportunities to grow our business in the Wholesale channel through the opening of shop-in-shops.

You know we have experienced that any time we convert the Wholesale business to a shop-in-shop business, sales grow significantly, but it is not

just a matter of sales themselves, it is even more important mostly a matter of image of the brand, credibility of the brand. So I mean, the shop-in-shop plan we have in place for this year is to open about 15 shop-in-shops this year not in the US only, because it is also Asia and other countries. But this is a very important plan, I would say as much as the Retail stores in our opening plan.

PAOLA DURANTE: Yes, Andrea. Just a clarification, when we talked and we said average of selling price is flat, it's average price per unit, okay just to be clear, which is different from average price per ticket, which is growing.

ANDREA RANDONE: Thank you. Thank you very much.

OPERATOR: The next question is from Melanie Flouquet with JP Morgan. Please go ahead.

MELANIE FLOUQUET: Yes, good evening. Thank you for taking my questions. My first question is on the space growth directionally. Sorry, I know you don't want to provide like-for-likes on the quarterly basis. But, I wondered whether you could help us understand that it's more, maybe the impact on the full year basis that we should put in and also directionally, you know, the seasonality of it. So in full year 2017, should we...would it be right to assume roughly 11% to 12% space growth for your Retail business, and would it be right to assume that Q1 had rather a bit less of that contribution because you have more openings in Q3, I know there is also inheritance of the prior year, so this is precisely why I ask? My second question is on the US, I was wondering whether you could provide us maybe the growth rate of the US excluding your Madison store avenue opening which should have helped quite a lot this number. And I assume that this means it was single-digit, so I wanted to check whether it was

right. And therefore, what is driving the sequential deceleration, what do you think is happening in the US, I know you mentioned everything sounds good but maybe something is not quite as good. And maybe you can share with us what, you know, what you are doing in Retail versus Wholesale excluding the Madison store opening. And then, when I look at rest of Europe, there was a big FOREX impact in there clearly i.e. the pound must have hurt, I was wondering whether you could share with us what the growth rate was in the UK and what contribution the UK represents? Thank you very much.

LUCIANO SANTEL: Okay. About the space growth, I can tell you honestly even if we don't provide these numbers as you said, but your assumption is correct. It is definitely correct, I mean in the region of low double-digit, which is exactly what you said 11% to 12%. I mean, just to give you some more color about the space growth. Of course, if you look at the number of stores that have been opened as compared to last year, first point.

And second point you consider that the average size of the new stores is materially higher than the size of existing stores, you come out with a number that is exactly what you said. So right answer.

About US, I mean, Americas reported a plus 12% which is good. Important to say that I mean last year, I mean, in 2016, in Q4, America reported plus 35%. And so, what you highlight as deceleration is because in Q4 of 2015 business was very weak in America. You may remember that in Q4 of 2015 and also in Q3 in America the weather was very, very warm, and our business, and not only our business, but all the Retail business and department store business suffered a lot in Q4 of 2015.

In Q1 of 2016, our business did very well much better than in Q4 of 2015, as much as all the other Retail brands. So I mean I hope, I didn't make too much confusion, but just to see that honestly there is not any deceleration, is the base of comparison which is different. Q4 2016 very strong because Q4 2015 very weak, Q1 2017 apparently weak, but still 12%, but last year was plus 21%. So I mean, overall I would say that it's very good.

About Madison, I mean Madison Avenue very important store, we opened in October. So honestly, we started pretty well still too early to judge, but we are fairly confident and happy with that store. I think we have a strong potential that still is to be exploited, because the store is amazing, and also it is not just a design, but also in the service we provide in that store. About...the other question was about UK...?

PAOLA DURANTE: About the UK performance, we said that has grown double-digit...is a strong double-digit in both reported and constant currencies. And the weight we always say that UK is around 5% - 6% of total sales.

MELANIE FLOUQUET: Thank you. The answer on the US was actually very useful, thank you. But maybe on the seasonality of the store contribution, would you say that it is correct to assume that you wanted rather less of this 11 to 12%. You opened only one store in Q1, but you ran everything in the store openings of the prior year. So I am just trying to?

LUCIANO SANTEL: Yes, correct. I mean, you don't have to look only at the stores was opened, but also the rollout or the rolling impact of the store that has been opened. So I mean, the low double-digit is a fair assumption in each different quarter honestly with not significant differences.

MELANIE FLOUQUET: Thank you very much.

LUCIANO SANTEL: You're welcome.

OPERATOR: As a reminder, if you wish to register for a question, please press "\*" and "1" on your telephone. Once again, if you wish to ask a question, please press "\*" and "1" on your telephone. The next question is a follow-up from Melanie Flouquet with JP Morgan. Please go ahead.

MELANIE FLOUQUET: Yes, I'm sorry. I have a follow-up actually. I was trying to understand the difference between your rest-of-Europe growth, which is a big positive surprise and particularly strong, and Asia, which was indeed a little bit maybe softer than what we've seen our peers posting. And there seems to be a faster growth out of the Chinese traveler for you than in Mainland China. I don't know whether this is right. Maybe you can confirm that. And if is this the case, is this, in your view, due to the price differential? Or is this due to a catch-up; the fact that you are now grabbing more of the tourists? You had less in this quarter I suspect the tourists than your peers. So thank you.

PAOLA DURANTE: Hi, Melanie. No, actually, I wouldn't say that there is a growth of Chinese in Europe which is higher than in Mainland China. The EMEA performance is very good, we said that this has been driven by both local and travelers, but travelers are also not the Chinese, they are Korean, Taiwanese, Russians, some of them are Americans. So it's overall, also other nationalities that are growing very nicely. Again, I would like to go back to Luciano's point, if in the Americas and in Asia, the base of comparison Q1 versus Q1 was demanding, in EMEA it was a bit easier. So there is always also the comparison effect that has to be taken into consideration.

MELANIE FLOUQUET: Thank you.

OPERATOR: The next question is from Daniele Gianera with Macquarie. Please go ahead.

DANIELE GIANERA: Daniele with Macquarie. Just one question please, on the project in the Wholesale channel. So I understand the shop-in-shops, and I think you gave quite a very good explanation already. I'm actually wondering on the travel Retail channel, is there any update, and you have maybe already a targeted number of locations you are planning for this year? Thank you.

LUCIANO SANTEL: Yes, travel Retail is an important channel we are looking at, we are working on and it is something that strategically is very important. Of course, very important to highlight first is that we will approach and we are approaching this channel in a very selective way, exactly the same we did for all the other different channels. So we don't aim to open travel Retail stores in every airport in the world, but we are targeting only airports where the brand image may be enhanced and so, we look at adjacencies but not only at the traffic.

About travel Retail, of course, I mean we opened a couple of years ago in Malpensa, in Fiumicino Roma, in Hong Kong, we opened last year in Seoul Incheon airport, we opened just in beginning of this year under the Wholesale in the Doha, Qatar airport and we are targeting for this year Munich.

PAOLA DURANTE: Munich, Taipei.

LUCIANO SANTEL: Taipei and Charles De Gaulle, Paris, and of course, you know, in these airports we are looking very closely at the adjacencies and at, again, the image of our brand.

DANIELE GIANERA: Got you.

PAOLA DURANTE: Just to remind that is something we talked already I think on the last call that we finalized the agreement with Dufry and this is something that will, hopefully, further help us in developing these travel Retail channel. But none of the four airports that Luciano just mentioned are part of the agreement. Any follow-up questions, sorry?

OPERATOR: For any further questions, please press “\*” and “1” on your telephone. The next question is from Paola Carboni with Equita SIM. Please go ahead.

PAOLA CARBONI: Yes, hi, everybody. Few quick questions. The first one is about UK, if you are thinking about any adjustments in pricing. Then about Wholesale, which posted very nice plus-8% growth at constant forex, which is a bit ahead of the low mid-single-digit growth you usually shared as an ongoing target. So I just wonder whether we might be a bit more optimistic for the full year, or we should bear in mind something which was specific to this quarter. And last is on accessories, specifically. So when you mentioned the good performance of the other categories which are outperforming outerwear, I understand that knitwear is the best among them. But I would like also a few colors, if possible, on accessories specifically; so shoes, and, secondly handbags. Thank you.

LUCIANO SANTEL: Okay. Paola, about UK we made decision not to adjust the prices in UK and this is a decision we made for this spring/summer season. About the

Wholesale, I mean the 7% we reported was very very good and better than what we originally planned. I can tell you that for this year, originally we said in the past that we expected also the business to grow at low single-digit. I can tell you that this year we expect more a mid-single-digit for the Wholesale business considering the current Spring/Summer season and the order campaign that has been finalized for the fall winter season.

About the other categories and accessories, honestly, you are right, we talk more about the knitwear because it is the category under knitwear means and includes not only the traditional knitwear, but also the jersey and the cut-and-sewn, and because this is the category we strategically believe more in the potential and that this category is performing well, very well. About the other shoes, bags, honestly I think that we still have an important work to do. It is doing better, but still the weight on this category handbags and shoes it is still not particularly significant. And anyway it is doing better, but again I want to highlight that our attention we want to provide you is about knitwear, which is very important and again it's doing well.

PAOLA CARBONI: Okay. Sorry. Just a follow-up, if I may, about pricing in UK. I guess you have already decided also for the Fall/Winter, so would you say prices will remain stable also for the Fall/Winter?

LUCIANO SANTEL: For Fall/Winter we are adjusting a little bit prices in the UK, sure.

PAOLA CARBONI: Okay. Perfect, thank you very much.

OPERATOR: Mr. Santel, there are no more questions registered at this time.

PAOLA DURANTE: Okay. So if there are no more questions, thank you very much for participating. As usual, I will give you a quick remainder of the upcoming releases. First half results will be published on July 26 closing of business. The conference call will take place at 6:00 PM and our quiet period will start on June 27. Thank you very much. We are at your disposal for any follow-up. Thank you. Bye.