NORBORD INC.
Q3 2011 CONFERENCE CALL
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CORRECTED TRANSCRIPT

OPERATOR

Good day, everyone. Welcome to Norbord Inc.'s 2011 Third Quarter Earnings Conference Call. As a reminder today's call is being recorded and webcast on Norbord's website at www.norbord.com.

Norbord's discussion today may include certain projections and forward-looking statements regarding Norbord's business, future actions and expected results. These statements are subject to known and unknown risks and future results may differ materially. For further information on known risks, please see the caution regarding forward-looking information statement in Norbord's March 1, 2011 Annual Information Form and the cautionary statement contained in the forward-looking statements section of Norbord's management's discussion and analysis dated October 28, 2011.

And now I will turn the call over Barrie Shineton, President and Chief Executive Officer. Please go ahead, sir.

J. BARRIE SHINETON, PRESIDENT AND CHIEF EXECUTIVE OFFICER

Thank you very much, Michelle and good morning, everyone. Welcome to our conference call. I have Robin Lampard, our CFO, Peter Wijnbergen, our COO and Heather Colpitts, our Manager of Corporate Affairs around the table today. I have a few brief comments on our third quarter before I turn the call over to Robin for her review of our financial performance.

We delivered a positive EBITDA result again this quarter in spite of weak North American demand. Our $12 million result is a modest improvement over the prior quarter and it's the ninth consecutive quarter that we've delivered positive EBITDA. This reflects both the steady operational and financial performance from Europe and significant gains from our Margin Improvement Program.

In North America, our margin improvement initiatives delivered impressive results, particularly higher mill productivity and lower raw material usages. And both have been key in offsetting the negative effect of higher raw material input prices. In North America, quarterly shipments were up overall, and we maintained our home improvement, industrial and export sales volume. It is these alternative end-use markets that are enabling us to maintain our volumes, despite the stagnant US housing market.

In Europe, our panel business had another solid quarter, generating $10 million of EBITDA. Sales continued to outperform – panel prices were 11% higher on average and volume was up 6% over the same period last year. These price increases are important as we continue to face sharply escalating resin and wood costs across all of our European operations.

I'll share my outlook for the reminder of the year after Robin's comments. And as always, Robin, Peter and I will take your questions after our prepared remarks.

And I'll pass the call over to Robin right now.

ROBIN E. LAMPARD, SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

Thanks Barrie. I'll begin with a few comments regarding markets. The US housing market remains challenging. Year-to-date housing starts, including multi-family, are approximately 2% lower than last year. Single family starts, which are more important to the OSB industry, are down 12% versus last year. Nonetheless, North American OSB prices did hold up during the third quarter. The North Central benchmark OSB price improved somewhat to $184 per Msf compared to $173 in the prior quarter and $180 during the same quarter last year. In the Southeast region, where approximately 55% of Norbord's North American capacity is located, the price averaged $169 in Q3 versus $162 in Q2 and $156 in Q3 of last year.

In Europe, overall panel demand softened slightly due to slowing construction and retail spending. Panel prices, however, continued to trend up compared to both the prior quarter and the same quarter last year, reflecting the ongoing increases we are facing on wood, resin and energy costs. Quarter-over-quarter, particleboard and MDF prices increased by 7% and 3%, respectively, while OSB prices eased 2%. Year-over-year, average particleboard, MDF and OSB prices increased by 20%, 16% and 6% respectively in order to recover input cost escalation.

And now to our results. As Barrie mentioned, we generated positive EBITDA of $12 million in the third quarter. This compares to $10 million in the second quarter and $13 million in the third quarter of last year. Norbord recorded a loss of $1 million or $0.02 per share in the third quarter, compared to earnings of $1 million or $0.03 per share in the second quarter and a loss of $4 million or $0.09 per share in the third quarter of 2010.

I'll point out that our income tax recovery this quarter is quite a bit higher than you might have expected due to the fact that we operate in multiple jurisdictions with different tax rates and currency rates were particularly volatile this quarter.

Our North American operations generated EBITDA of $5 million this quarter versus break-even in the prior quarter and $4 million in the same quarter last year. Year-over-year higher productivity and lower key input usages more than offset higher resin and fiber prices and lower OSB mill nets. Quarter-over-quarter, higher OSB prices and lower resin and fiber usages more than offset higher energy and fiber prices. Q3 OSB shipment volumes were 4% higher than the prior quarter and in line with the same quarter last year.

Norbord's operating North American OSB mills continued to run at approximately 85% of capacity this quarter. Including the two indefinitely closed mills in Huguley, Alabama and Jefferson, Texas, our operations ran at about 65% of capacity in both the third and second quarters of 2011, slightly lower than the 70% in the third quarter of 2010. Despite running 5% more curtailed, we've been able to hold our production volumes steady versus last year, thanks to the significant productivity improvements we've achieved.

Our North American OSB cash production costs per unit decreased by 1% versus both the prior quarter and the same quarter last year. Excluding the impact of higher raw material prices, our controllable unit costs decreased even more – by 2% quarter-over-quarter and 4% year-over-year. This was the result of the improved manufacturing productivity I just mentioned and lower raw materials usage.

Our European operations continued to run at full capacity, generating EBITDA of $10 million this quarter versus $13 million in the prior quarter and $11 million in the same quarter last year.

Year-over-year, higher panel prices and shipment volumes were offset by higher prices for all key raw material inputs. Quarter-over-quarter, lower shipment volumes and higher resin costs were only partially offset by higher panel prices. Q3 panel shipment volume was 6% lower than Q2 but 6% higher than Q3 last year and is up about 15% year-to-date. Our European operations have generated EBITDA of $34 million year-to-date versus $25 million in 2010, a $9 million increase. Higher shipment volumes and lower raw material usages delivered these improvements, while higher selling prices offset the impact of higher costs for all key inputs.

Focusing on our Margin Improvement Program for a moment. MIP benefits continue to accelerate and we've generated $21 million in gains year-to-date. These benefits come from a richer sales mix, improved production efficiencies and reduced raw materials usage and, particularly in North America, have helped to offset the negative impact of higher raw material prices. MIP represents our single most important operating focus in these challenging markets and we are on track to deliver our full year target of $30 million in improvements.

Turning now to our balance sheet and cash flow. Operating working capital was $65 million at period-end compared to $52 million in the prior quarter and $49 million in the prior year. The quarter-over-quarter increase is primarily due to the timing of sales and collections of accounts receivable. The year-over-year increase is due to higher accounts receivable and inventory. Receivables were higher due to higher prices and sales volume in Europe and the timing of sales and collections. Inventories were higher due to more finished goods in transit over quarter end. So, the increase in both of these periods is really just timing. Working capital remains well controlled and accounts receivable performance is in line with prior periods.

Capex totaled $4 million this quarter and $16 million year-to-date. Our capex target for the year is $25 million. This is modestly higher than last year due to the completion of the Cowie, Scotland particleboard mill upgrade we talked about last quarter.

You will have seen in our Q3 disclosure documents reference to our plans for the upcoming July 2012 bond maturity. I told you last quarter that this debt maturity has been on our radar for some time but that we didn't want to refinance it too early given the significant make-whole we would have had to pay on an early call of the bonds.

It is still our intention to refinance the bonds prior to their July 1st maturity, but recognizing the current volatile state of financial markets and to provide additional flexibility in case it is needed, we've now put in place a backup refinancing plan. If required, we have the option to repay up to half of this $240 million maturity from our bank lines and the other half from a $120 million lending commitment from our largest shareholder, Brookfield. In addition, we amended our committed revolving bank lines so that the net debt to total capitalization covenant is now 65% instead of 60%.

This backup plan and the bank amendments provide the flexibility and liquidity Norbord needs to manage through these volatile financial markets and what appears to be an extended housing recovery.

We finished the quarter with $55 million in cash and $262 million in undrawn revolving bank lines. This is in addition to the $120 million Brookfield commitment I just outlined. Our tangible net worth was $352 million and net debt to total capitalization remained at 53%, both well within our bank covenants.

And with that I'll turn the call back over to Barrie.

J. BARRIE SHINETON, PRESIDENT AND CHIEF EXECUTIVE OFFICER

Thank you, Robin. As I stated in my opening remarks, I'm pleased with the progress of our margin improvement efforts. These initiatives continue to deliver significant productivity gains and manufacturing cost reductions. In fact, five of our OSB mills set production records this past quarter. This was important in North America because it allowed us to avoid the cost of restarting an idled line in the US Southeast.

As Robin mentioned, our company-wide margin improvement target is $30 million this year, and I'm pleased to report, as of quarter three, our operations have delivered more than 70% of this goal. And the biggest single contributor to this year's MIP effort was the new resin technology we introduced in early 2010.

In quarter four, we are making our first investment in more extensive fines screening equipment at our mill in Nacogdoches, Texas. This is a pilot initiative, and if successful and if we choose to implement it company-wide, we think has the same potential upside for Norbord as our resin conversion project is delivering. However, unlike the resin conversion, this initiative requires significant capex and we don't have a lot of that right now.

Looking ahead, little has changed in the North American housing market. US housing starts are now forecast to finish the year in the 570,000 range, slightly lower than last year's level. And I have to admit that I am becoming increasingly bearish about any near-term rebound in new home construction. Employment numbers and house prices have not yet stabilized and the current mortgage lending environment is discouraging potential new home buyers.

Although our European panel business has been a solid performer all year, I do expect the very robust demand of the past two years to ease. Norbord's customers in both the UK and across Europe have become cautious as they react to the developing sovereign debt issue. And we're seeing a significant de-stocking in the supply chain as a result.

In spite of this, UK house builders, who are Norbord's largest customer group, are in good financial shape and remain optimistic about next year. They are well positioned to respond to an expected increase in demand, driven by the unprecedented low new home inventory levels. This is similar to the situation we saw early in 2010, when builders had no homes to show customers. And back then, we saw a sharp bump in demand for panels as builders reacted to this circumstance.

The next two quarters will be a challenge. However, I continue to be pleased with Norbord's progress. In North America, margin improvement initiatives are delivering solid results, and we continue to reposition sales away from new home construction. In Europe, our operations are performing well and are running at capacity. And finally, our modified banking arrangements give us comfort that we have the financial flexibility we need over the longer term.

And with that, I'll turn things over to the operator, who will open up your lines for questions. Over to you, Michelle.

Q&A

OPERATOR

Thank you. [Operator Instructions] The first question comes from Andrew Kuske of Credit

Suisse. Please go ahead.

<Q - Andrew M. Kuske>: Thank you, good morning. I guess my first question is just on the covenant amendment. Was there any incremental cost or additional costs from your banking group on just changing the terms of the existing covenants?

<A - Robin E. Lampard>: Yeah, as you can expect, Andrew, these things don't ever come for free these days, but it was a very modest cost and it wouldn't even show up in our financials.

<Q - Andrew M. Kuske>: Okay, that is helpful. And I guess just given the comments Barrie that you made on your bearishness on the housing market, if you could just put into perspective where you see Norbord's operations on the OSB cost curve relative to others in North America?

<A - J. Barrie Shineton>: Well, we do a lot of benchmarking of course and we think we're well positioned on the cost curve. But what's really important for us is that we continue to make improvements and continue to push down our conversion costs and you've probably picked up that we've talked a lot about our margin improvement initiative and what it's done on the call. So that's really what we are focusing on. We think we have a good cost position and we're even pushing to make it better.

<Q - Andrew M. Kuske>: And then finally if I may, just on the MIP because you mentioned that. So you're 70% done on your $30 million target for the year. What are really the areas of focus in Q4 to achieve that $30 million number?

<A - J. Barrie Shineton>: Well, Peter Wijnbergen is here with me and this is his big initiative and I'll let him respond to the question.

<A - Peter C. Wijnbergen>: Good morning. Well, you have heard us talk about our resin conversion project. The bulk of these improvements have been achieved in the third quarter, but it's been a gradual installation, so I expect there's more fine-tuning to be done there going forward. But it's really about delivering those results that we saw in the third quarter also in the fourth quarter.

<A - J. Barrie Shineton>: But we did see them step up big time in the third quarter and we expect the same thing in the fourth quarter as well.

<Q - Andrew M. Kuske>: That's very helpful. Thank you.

OPERATOR
Thank you. Your next question comes from Paul Quinn of RBC Capital Markets. Please go ahead.

<Q - Paul C. Quinn>: Yeah. Thanks, good morning. Just a question on – it seems like you made a pretty good, pretty substantial gains from the change in the use of resin. Maybe you could quantify those gains?

<A - J. Barrie Shineton>: So it's a question for Robin, Paul?

<Q - Paul C. Quinn>: Anybody who is going to come up with a number on what those savings have been.

<A - Robin E. Lampard>: Well Paul, we said we got margin improvement gains of $21 million year-to-date.

<Q - Paul C. Quinn>: Yeah.

<A - Robin E. Lampard>: And certainly the bulk of that has come from North America and the bulk of what we got in North America would be driven by this resin conversion initiative. So I can't be more specific than that but it's a big number.

<Q - Paul C. Quinn>: Okay. And can I also – because you started this program last year, can I also add in a little bit from last year to try to get a ballpark?

<A - J. Barrie Shineton>: Add in a little bit of?

<Q - Paul C. Quinn>: Cost savings, sorry.

<A - J. Barrie Shineton>: Yeah, I mean the benefits from this initiative have been ramping up since the middle of 2010 when we started the conversion. But as you know, it's simple to talk about but it's complicated from an implementation point of view. And while we are not the only company that uses MDI – it's been around for a while, we've used it for 10 years in Europe – we are doing some unique things with it that we'd like to remain proprietary for at least the time being.

<Q - Paul C. Quinn>: Okay. So it sounds like it's somewhere in sort of a $15 million to $20 million savings and from your press release, it looks like your move on fines screening is going to contribute about the same amount?

<A - J. Barrie Shineton>: Your estimates are pretty good.

<A - Robin E. Lampard>: But Paul, I would just point out as we've said that on the fines screening we're in the very early stages. We're about to pilot one of our mills, prove to ourselves that the benefits are there. And as we also pointed out, this one will take capital, significant capex and our balance sheet is constrained right now.

<Q - Paul C. Quinn>: Okay. So just my understanding of the fines screening is to reduce resin use, but what is with the increased capital, where are you spending that money?

<A - J. Barrie Shineton>: Well, you have to install equipment. And in our case, we'd be retro-fitting mills that don't have that equipment. And it's big equipment, it takes buildings and space and fitting it into existing operations is a more expensive proposition. So we want to quantify the results and the benefits, we want to know truly what gains there are for us and then we have to map out that capex plan over time to deliver that. It clearly won't be a one-year or a two-year project for us.

<Q - Paul C. Quinn>: Okay, great. Thanks for the additional colour.

<A - J. Barrie Shineton>: Thanks, Paul.

OPERATOR
Thank you. Your next question comes from Pierre Lacroix of Desjardins Capital Markets. Please go ahead.

<Q - Pierre Lacroix>: Thank you, good morning. The question I had was about the cost of the facility with Brookfield. Is it similar to the previous facility you had with them and is it variable, fixed, can you give us some indications there?

<A - Robin E. Lampard>: Pierre, it isn't similar to the one you were referring to before, which I presume is the subordinated facility we put in place in 2008. The terms of the loan will be determined at the time that it's put in place, if needed. So that would obviously be closer to July of next year. But in terms of the commitment that Brookfield has given us to provide that loan, there is no fee on that.

<Q - Pierre Lacroix>: Okay, no fee on the commitment and you'll know the conditions if you put that in place, whenever it's going to happen?

<A - Robin E. Lampard>: Right. And it will be what the market dictates at the time.

<Q - Pierre Lacroix>: Okay, perfect. And finally, on the European slowdown that you see, Barrie, are you kind of envisioning a soft landing or something a little bit more pronounced than that? Can you give us a...

<A - J. Barrie Shineton>: I think a soft landing, Pierre. The market dynamic there isn't the same as North America and it's always confusing when you look through a bit of a North American lens, I guess. You remember on the January call, I think I said we expected prices to soften in 2011. In fact, price levels have held up, in fact increased, over the past three quarters. So the market is a different kind of market. But what we're seeing today is a de-stocking going on as our customers generally are very concerned about the banking crisis, the sovereign debt issue over there, and we have seen a sharp drop in retail discretionary spending in the UK specifically. And that's more driven by the government announcement of lay-offs and things like that.
However, having said all of that, you will recall in 2010 we saw a bit of a building boom in the UK as homebuilders ran out of inventory of new homes, and they are right back into that situation again today now. And they are saying and indicating to us that they have to build more homes so they can show them to people so people can buy them. And remember, there's a structural shortfall of new housing in the UK that's always there, recession or no recession. And we actually think panel demand in 2012 will be better than maybe most people predict. So I guess that's a long answer to say we expect the landing to be soft, not hard.

<Q - Pierre Lacroix>: That's a good answer, thank you. And in terms of the pricing there, have you started to see erosion on the pricing side or is it still holding up?

<A - J. Barrie Shineton>: Yes, we're seeing some cracks on OSB pricing.

<Q - Pierre Lacroix>: Okay.

<A - J. Barrie Shineton>: And when I say cracks, we're seeing indications of customers wanting to pay lower prices. We actually haven't sold anything at lower pricing yet.

<Q - Pierre Lacroix>: Okay.

<A - Robin E. Lampard>: In the third quarter Pierre, you will have seen in our disclosure, that prices eased by 2% if you look across all the OSB we sold in Europe. So a very modest decrease, and that's what Barrie is talking about.

<Q - Pierre Lacroix>: Okay, good. Just one final question. On the North American market, I know that you don't necessarily like to comment on your competitors, but the industry overall, do you see a bit more curtailments happening at current prices or it's – you don't see much of them?

<A - J. Barrie Shineton>: Well, in quarter three – by our arithmetic and this is Norbord arithmetic – we think the industry ran at about 51% of its theoretically capable capacity. So there is lots of curtailment there in quarter three. And there have been announcements and there have been rumors and gossip of more indefinite curtailments at the beginning of quarter four here. So, my expectation certainly is that the industry will operate less capacity in quarter four, and of course that's probably the right decision for most companies, including ourselves.

<Q - Pierre Lacroix>: Okay. Thank you very much.

<A - J. Barrie Shineton>: Thank you, Pierre.

OPERATOR
Thank you. The next question comes from Bill Hoffman of RBC Capital Markets. Please go ahead.

<Q - Bill H. Hoffman>: Hi, yeah. Thanks and good morning. Barrie, I wonder if you could talk a little bit about just the fourth quarter over in Europe. You talked about some of the inventory de-stocking that's going on. Just want to get a sense of what kind of operating reach you expect there. I mean, obviously we know there's seasonality, but just curious on how much deeper this fourth quarter de-stocking might affect this year's quarter versus others.

<A - J. Barrie Shineton>: I don't know that I can answer that question with any precision. There is the view in our company that most of that de-stocking has actually taken place in the third quarter and we might be behind that curve. But that's not my view. I think it will continue through the fourth quarter. So, we are expecting – business basically stops in Europe in December and in the month of January and so we are planning for that to be real and we are gearing our operations for the fact that there won't be much buying when we hit December.

<Q - Bill H. Hoffman>: And is it fair to say in the third quarter you guys are running relatively full?

<A - J. Barrie Shineton>: Yeah, we ran at capacity all through the third quarter.

<Q - Bill H. Hoffman>: So, as you look at Q4, I mean, assuming you take most of the downtime in December, the October, November months, would they be running relatively full as well or do they get dialed back a little bit?

<A - J. Barrie Shineton>: Well, the way we look at that and manage it is we've given up trying to take a position on the market as a whole. In determining what our running strategy is, we simply look at our inventories and if I see any indication of inventory build, particularly in the UK, we plan for curtailment.

<Q - Bill H. Hoffman>: Okay.

<A - J. Barrie Shineton>: And our inventory is at very good levels over there and we intend to keep it at very good levels.

<Q - Bill H. Hoffman>: Okay.

<A - J. Barrie Shineton>: And so that's how we manage it, and it's worked for us the last few years.

<Q - Bill H. Hoffman>: Thanks. And then if you look – as you look at the US market, any sense of where inventory levels look like in the US market for the...

<A - J. Barrie Shineton>: There are no inventories in the field in North America.

<Q - Bill H. Hoffman>: Okay. And any sense of what the sort of October, November, December trends in the US look like for this year? Any sense of...

<A - J. Barrie Shineton>: I think we're in for a tough fourth quarter and a tougher first quarter in the US.

<Q - Bill H. Hoffman>: Okay. Even relative to what it was last year's fourth and first?

<A - J. Barrie Shineton>: Yeah... well, I can't even remember what it was last year. Was it tough last year? Remind me.

<A - Robin E. Lampard>: It's been tough for five years.

<Q - Bill H. Hoffman>: Yeah, I was going to say the last five years, but...

<A - J. Barrie Shineton>: Yeah, what is a bit discouraging in North America is you usually see a bump in demand as the building season picks up, you get the better weather in the US South in the fall, and in the Midwest people are trying to close up houses before the snow comes. And that usually translates into better demand, and we just haven't really seen that this third quarter and we don't expect to see any of that in the fourth quarter either.

<Q - Bill H. Hoffman>: Okay. Thanks. That's very helpful.

<A - J. Barrie Shineton>: Thank you.

OPERATOR
Thank you. Your next question comes from James Armstrong of Vertical Research. Please go ahead.

<Q - James H. Armstrong>: Good morning.

<A - J. Barrie Shineton>: Good morning.

<A - Robin E. Lampard>: Good morning, James.

<Q - James H. Armstrong>: The first question – in North America are you seeing any regional variances beyond normal in pricing and demand, and if so, what's driving those variances?

<A - J. Barrie Shineton>: That's not an easy question to answer. I mean, there are always regional variations in demand because housing, I think as I said before, is a very regional dynamic. It's very misleading to look at averages when we look at the housing market or when we look at demand from housing. So, yeah, there are always regional differences, and that's generally reflected in Random Lengths pricing, and you can see that when you look at that pricing yourself.

<Q - James H. Armstrong>: Okay. And then switching gears, at what point do you consider permanently shutting the idle mills and can you give us an idea of what the cost of keeping those mills idle is versus permanently closing them?

<A - J. Barrie Shineton>: I'll maybe chuck that question over to Peter and let him answer it because he's got two idle mills, so he knows what it costs to keep them there.

<A - Peter C. Wijnbergen>: Well, I mean, the cost to keep those mills idle is actually not very high. We have done a lot of work with the local authorities to minimize our costs to keep these mills as they are and we have just a few people providing security and turning things over.

<A - Robin E. Lampard>: Yeah, it's only a couple of million dollars a year; it's not significant.

<Q - James H. Armstrong>: Okay, that's helpful. Thank you.

OPERATOR
Thank you. The next question comes from Sean Steuart of TD Securities. Please go ahead.

<Q - Sean Steuart>: Thanks. Good morning, everyone. A couple questions. Following on Paul's question earlier, Barrie, the screening project at Nacogdoches, I know it's a hypothetical question, but can you just give us context on maybe for one mill to put this project in place, what sort of capex we'd be looking at?

<A - J. Barrie Shineton>: I guess I can you give ballpark numbers. The reason we're tackling Nacogdoches first is because it has some screening equipment already in place that we can use, so that obviously keeps the capex down. So we can put this pilot project in place with less capex than we would at any of our other mills. But generally Peter when he talks to me is talking about $5 to $7 million a mill, that sort of capital expenditure – perhaps even more in some of our mills where we have to put big buildings up.

<Q - Sean Steuart>: Okay, that's helpful. Then, Barrie, the second question, you touched early on about how the industry has adapted and you're moving 60% of your North American product into repair and remodeling, industrial and I guess offshore markets as well. I guess just your perspective on your ability to push that ratio higher and what sort of marketing efforts required to do that if we're looking at an extended housing trough through in the States here.

<A - J. Barrie Shineton>: Well, I think I talked about what Norbord is doing. I don't think I commented, Sean, on what our competitors are doing. But yeah, we continue to find ways to push that ratio, but I would say we've pretty much optimized it. There continues to be small gains, but we've done quite well so far.

<Q - Sean Steuart>: Okay. That's all I had. Thanks, guys.

<A - J. Barrie Shineton>: Thanks, Sean.

OPERATOR
Thank you. The next question comes from Angie Salam of Deutsche Bank. Please go ahead.

<Q - Angie Salam>: Hi. Thank you. Most of my questions have been answered. But one quick clarification on the existing credit facility. Why did you need to get an amendment from the bank group to draw the $120 million if you need to draw the $120 million? Given you're currently in compliance with the covenants, wouldn't you've been able to draw on it regardless or was it something else?

<A - Robin E. Lampard>: Well, Angie, it's primarily driven by the fact that we have $240 million maturing next year. If we can't or choose not to refinance it in the high yield market and we draw on our bank lines, it leaves us with almost no backup liquidity. So, we felt we needed to put a broader backup plan in place that added additional liquidity if we needed to rely on the backup plan. So that's it.

<Q - Angie Salam>: So in terms – did you have – I guess my question is, Robin, did you have to get the bank to amend the facility in order for you to draw on it or were you just getting an amendment for the covenants?

<A - Robin E. Lampard>: It was both.

<Q - Angie Salam>: Okay. I guess that's my confusion, if you are in compliance with the covenants, wouldn't you be able to draw on it regardless or is it just a courtesy kind of giving them a heads up or ---?

<A - Robin E. Lampard>: We have to make sure that we respect the terms of the agreement in terms of the use of the facility, so that's what it was driven by.

<Q - Angie Salam>: Okay. Thank you. That's all I had.

<A - Robin E. Lampard>: Okay.

OPERATOR

Thank you. There are no further questions at this time. Please continue.

J. Barrie Shineton, President and Chief Executive Officer

Thank you very much, Michelle. As always, Robin, Heather and I will take any calls you have, we're around for the rest of today. And thank you for participating and I look forward to talking to you again after our January Board Meeting. Thanks very much. Bye-bye.

OPERATOR

Ladies and gentlemen, this does conclude the conference call for today. We thank you for your participation. You may now disconnect your lines. And have a great day.