TEEKAY SHIPPING LTD.

Moderator: Bjorn Moller
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Operator: Ladies and gentlemen, thank you for standing by. And welcome to the Teekay Shipping Corporation fiscal 2004 year-end earnings release conference call.

During the presentation, all participants will be in a listen-only mode. Afterwards, you will be invited to participate in a question-and-answer session. At that time if you do have a question, you will need to press star one on your touch-tone telephone. As a reminder, this conference is being recorded.

And now for opening remarks and introductions, I would like to turn today's conference over to Mr. Bjorn Moller of Teekay Shipping Corporation. Mr. Moller, please go ahead, sir.

(Scott): Before Mr. Moller begins, and before I read the forward-looking statements, I would like to direct all participants to our Web site, at www.teekay.com, where you will find a copy of the fourth quarter of 2004 earnings presentation. Mr. Moller and Mr. Evensen will review this presentation during today's conference call.

I will now read the forward-looking statements.

Please allow me to remind you that various remarks we may make about future expectations, plans and prospects for the company and the shipping industry constitute forward-looking statements for purposes of the Safe Harbor provision under Private Securities Litigation Reform Act of 1995. Actual results may different materially from those indicated by these forward-looking statements as a result of various important factors, including those discussed in our most recent annual report on Form 20-F, which was filed with the SEC on April 26, 2004.

I will now turn it over to Mr. Moller to begin.

Bjorn Moller: Thank you, (Scott) and good morning, ladies and gentlemen. Thanks for joining us.

I'm pleased to report to you on a very strong fourth quarter, which capped a record year for Teekay Shipping. And I'll begin by reviewing the highlights for the quarter, which is on slide number three on our Web site.

Our net income in the fourth quarter was $225 million or $2.50 per share; the best (result) we've ever recorded in the fourth quarter. This figure is net of $51 million in specific items. And without this deduction, the fourth quarter result would have exceeded our previous all-time record, which was in the third quarter of 2004.

We generated $329 million in cash flow from vessel operations, again an all-time quarterly record. We announced the stock buyback program. And under this program, we bought three million of our shares back during December and January at an average price of $42.95.

We took delivery of two newbuildings, an LNG carrier and a Suezmax tanker, both of which commenced long-term fixed-rate charters. And in the quarter, we entered into agreements to sell (a further eight) single-hull vessels, which are expected to deliver to their new owners in the first quarter.

Continuing on slide number four – we announced the filing of a registration statement for an IPO of Teekay LNG Partners. The partnership was formed to expand operations in the LNG sector. After the offering, Teekay expects to own approximately 75 percent of the (Unicenters MLP), whose assets will initially include our four LNG carriers and five Suezmax tankers.

Turning to slide number five – there were several significant highlights for 2004 as a whole. We set new records for annual net income and cash flow from vessel operations. Net income was 757 million, or $8.63 per share. And cash flow from vessel operations was nearly 980 million. Our strategic entry into the LNG sector through the Tapias acquisition in March was followed by our successful tender of three additional 20-year LNG contracts for (Katah).

During the year, we made new investments of $1.8 (billion). We continued our broad fleet renewal program. During the year, we reduced the average age of our conventional tanker fleet from almost seven years to only 5.1 years, giving us one of the youngest fleets in the business. And we increased the percentage of double-hull ships from 71 percent to 89 percent. We continued our disciplined management of the cycle. By gradually selling off nonstrategic assets in a high market in 2004, we recorded a gain of 172 million on the sale of older vessels and (our torn) shares.

Turning next to our quarterly review of tanker market fundamentals, I'll begin with tanker demand, on slide number six. In the fourth quarter, world oil demand – shown here by the green bars – grew at an above-average rate of 2.7 percent compared to the same quarter one year ago. For 2004 overall, oil demand grew even faster, at 3.4 percent, the highest level in 25 years, led by Asia in general and China in particular.

For 2005, the IEA is forecasting a slower rate of demand growth of 1.8 percent. But it has already raised its forecast twice this year due to strong observed oil demand. In fact, market data shows that in January, demand growth accelerated from its fourth quarter average, rising by 3.2 percent, compared with January 2004. And responding to strong demand, oil supply, which is the blue line on the chart, continued to grow in the fourth quarter, averaging 84 million barrels per day. And this led to increased tanker demand.

In December, OPEC countries agreed to cut supply by one million barrels a day from January 1. It appears that (Exel's) January supply declined by only 600,000 barrels a day. But this was enough to drive tanker demand down in January.

Recently OPEC has hinted at possible (phota cuts) in the second quarter to avert a potential price drop during the traditionally weakest quarter. However, with global oil demand continuing to grow at a high rate, and with supply shortfalls from Russia, Canada and other major non-OPEC producers, the so-called (call) on OPEC oil in the first quarter is expected to be higher than current production levels.

And as you can see on the chart on the right-hand side, even with modest oil demand growth of 1.8 percent this year, any cuts by OPEC this spring would soon have to be reversed to meet demand going into the second half of the year.

Turning next to tanker supply on slide number seven – the world tanker fleet grew in 2004 by 17 million tons, or 5.4 percent, as shown by the red line. Twenty-eight million tons of new ship delivered, while 11 million tons were deleted. The forward order book, shown by the light blue bars, stands at 89.5 million tons, or 27 percent of the existing fleet; with 31 million tons scheduled to deliver in 2005 and 26 million tons in 2006. The world's shipyards are largely full through 2007.

In recent months, there has been much debate about how many so-called Category 1 tankers – which are essentially single-hull tankers built prior to 1982 – are expected to be phased out under

IMO regulations coming into effect in April of this year. Anecdotal reports suggest that some Category 1 tankers might be converted to Category 2 in order to extend their trading lives in today's strong market. Originally, about 15 million tons of Category 1 ships were expected to become obsolete in April. At this point, it would appear that this figure might be smaller, but it's not clear how much smaller.

In our view, the prospect of a large number of Category 1 ships converting to Category 2 is remote because of issues such as impractical reconfiguration of cargo spaces, cost and effort, and the potential discrimination by customers and authorities. However, because it is possible physically to convert at least some of these ships, we've taken a closer look at the effect this might have.

On slide number eight, we show our age analysis of the 14.7 million tons of ships in the Category 1 fleet. According to our data, because the mandated phase-out schedule for the oldest Category 2 tankers is not far behind that of Category 1, even if all Category 1 tankers were converted, they would, on average, gain only one year of future trading life. So such conversions, were they to take place, will have a limited effect beyond the very short term.

So, how much tonnage will be scrapped in 2005? Slide number nine highlights that over the past five years, annual deletions have averaged 16 million tons, and that more than 10 million tons were deleted during the historically strong market of 2004. With 14 million tons of Category 1 tankers, and with (the) large number of other old tankers still operating in the world fleet, we believe that 2005 scrapping could reach 10 million to 15 million tons from a combination of mandated and voluntary phase-outs. Volatility in charter rates, increased discrimination by customers and continued high prices for scrap steel could well push this figure even higher.

On slide number 10, we compare historical tanker demand and supply based on data from Platou of Oslo. The resulting quarterly fleet utilization is shown by the shaded area at the bottom of the graph. Ninety percent is considered full utilization of the world fleet. But we are seeing utilization regularly being stretched above this figure during the winter season.

Slide number 11 shows how tanker rates have consistently spiked whenever utilization approaches 90 percent. And last quarter we saw how rates jumped due to the extremely high fleet utilization observed in that quarter.

Looking forward at the outlook for 2005, on the next three slides, we have modeled how the balance between supply and demand could develop in 2005 based on the two main variables: mainly scrapping and oil demand growth. Slide number 12 shows projected 2005 tanker supply based on two different scenarios for scrapping. That is a low case, with 10 million tons, and an average case, with 15 million tons.

If you go to slide number 13, this shows projected tanker demand growth based on two different levels of oil demand growth in the year, remodeling what we are calling an average case, using the current IEA forecast of 1.8 percent oil demand growth for 2005. And the second version is what we refer to as a high case, using the 3.4 percent oil demand growth figure which was actually seen in 2004.

As you can see from the box on the chart, we’re using a conversion factor of one to 1.75 to translate these increases in oil demand into corresponding increases in tanker demand. And these figures, as you see on the right-hand side of the chart, point to tanker demand growth in 2005 of three and six percent, respectively.

So putting it all together on slide number 14, we show how the various combinations of scrapping and tanker demand growth would influence fleet utilization percentages in 2005.

As before, the green-shaded area represents the historical utilization level, but this time on an annual basis. And the blue line shows the average annual (Clarkson) Aframax tanker rates. The yellow-shaded funnel shape on the right shows the range of outcomes. The lower point of the funnel, scenario A, represents 2005 utilization based on a combination of low scrapping coupled with average tanker demand growth.

This combination of events should reduce average utilization from 92 percent in 2004 to 90 percent in 2005. But this would still be a very healthy level. The upper point, scenario B, represents 2005 utilization at the other end of the range; namely, if we experience average scrapping, coupled with high oil demand. This combination of events should result in average fleet utilization in 2005 rising to 94 percent.

As you can also see, because our starting point is very high, with the average utilization for 2004 at close to 92 percent, both scenarios point to another strong year for tanker rates in 2005. Our lower scenario of 90 percent utilization would still be above 2003 levels a year when Aframax rates average $35,000 a day. Our higher scenario suggests an unprecedented high annual level of utilization of 94 percent.

And to provide a context for the effect this could have on ‘05 average ranker rates, the asterisk shown in 2004 indicates the fourth quarter utilization level, which was almost 95 percent and which resulted in average Aframax rates over $80,000 per day. Bear in mind that we’re projecting annual average utilization figures, and that in each case there would be – or should be, at least – a winter peak featuring rates substantially above the annual average.

Turning next to a freight market commentary on slide 15, I’ll take a brief look at the key dynamics of the freight market in the quarter. The very firm freight market was caused by a number of factors. There was higher oil demand, which meant there was room for OPEC to raise production; and concern about vessel availability, (charters saw) tonnage cover further in advance than usual, adding to already bullish sentiment. Production disruptions in the U.S. Gulf and the North Sea created room for longer-haul replacement oil.

Interestingly, there were fewer delays in the Bosphorus in the quarter than in similar periods over the past couple of years. And this actually removed one of the factors normally supporting winter rates.

On slide number 16, we've listed a number of factors we see affecting rates in 2005. In January, as I mentioned, the combination of OPEC cuts, plus a hangover from the forward bookings that took place in December, drove rates down significantly. But since then, we've seen a recovery in rates, to some extent.

Looking ahead, we see several other variables. Firstly, a realization of Venezuela's rhetoric about switching oil to China and away from the U.S. would create a big gain in ton-mile demand due to an increased length of haul for both Venezuelan oil and the U.S. replacement imports. In April, the IMO-mandated phase-out schedule of single-hull tankers comes into effect, initiating the accelerated removal of Category 1, 2 and 3 ships from trading.

In April also, the rest of the world will join Europe in implementing a ban on (nonstop) double-hull tankers carrying heavy oils; that is, certain heavy crude oils and residual fuel oils. On the margin, this should have a positive effect on rates by reducing the efficiency of the world fleet due to stratification. However, it is likely to have a negative impact on the trading of single-hull ships.

China will, of course, continue to be a pivotal driver of oil demand and, therefore, tanker demand, in 2005. And finally, the delays in bringing on-stream certain non-OPEC oil that seems to occur each year has the potential for increasing the call on OPEC oil, leading to more ton-mile incentive Middle East oil.

I will now turn briefly to some of the developments in Teekay's main business segments. And I'll begin with our spot tanker segment on slide number 17.

We took advantage of the very high secondhand market by selling down a further number of single-hull ships in our fleet. In the fourth quarter, we delivered six older vessels to new owners, resulting in a gain of $24.7 million. Throughout our fleet renewal in 2005, we maintained a large spot fleet, thanks to our active newbuilding delivery and (in chartering) programs.

In recent months, and intensifying since the New Year, customer discrimination against single-hull ships has been on the rise. And this is one of the key drivers for our accelerated disposal program of single-hulls. During the quarter, we entered into contracts to sell a further eight single-hull ships for delivery this quarter for an expected gain of approximately $80 million. After the delivery of these ships, the number of single-hulls in our conventional fleet will be only six vessels, down from 23 ships at the beginning of 2004. And as of January 1 this year, we still had (a) further eight newbuildings on order due to join our spot fleet going forward.

Finally, on slide 18, I show the highlights for the fixed-rate segment. We achieved record quarterly cash flow from vessel operations in our fixed-rate segments of $89 million. During the fourth quarter, we announced the planned IPO of LNG – Teekay LNG Partners. We're seeing an increased activity in the offshore sector due to high oil prices. And this is creating positive dynamics for Teekay's shuttle and FSO businesses.

And in fact, as an example of this, we were awarded a profitable contract in the quarter to convert a 1991-built Suezmax tanker to serve as a floating storage unit on the Volve field in the North Sea for a period of three to five years. This contract will not commence until 2007, allowing the ship to remain trading in our spot tanker fleet for the next two years.

We took delivery of our fourth LNG carrier in late December. And in the quarter we also took delivery of a Suezmax newbuilding. Both these (vessels entered) 20-year fixed-rate contracts. And at this time, we have firm contracts in our fixed-rate segments amounting to over $6 billion in forward revenues.

Overall, we were very satisfied with the progress in all of Teekay's businesses, in both the fourth quarter and in 2004.

I'll now hand it over to Peter to discuss our financials. Peter?

Peter Evensen: Thank you. As Bjorn said, this was our highest ever fourth quarter, with net income of 224.6 million, or $2.50 per share. And we reported the highest ever annual net income of 757.4 million, or $8.63 per share. In addition, we generated record-high annual and quarterly cash flow from vessel operations of 979.4 million for all of 2004, and 329.3 million in the fourth quarter.

Looking at the operating results of each of our segments on slide 19 of the presentation – overall, cash flow from vessel operations for the fourth quarter has increased significantly, to 329.3 million from 150.3 million in the fourth quarter of 2003.

The contribution from our spot tanker segment increased by 150.8 million, or 168 percent, to 240.5 million, compared to 89.7 million in the fourth quarter of 2003. This increase was due primarily to the rise in spot tanker rates, partially offset by a net decrease in calendar ship days, resulting from the sale of our older vessels during the past 12 months, including four vessels in the current quarter.

Despite these vessel sales, the number of calendar ship days declined by only five percent this quarter, compared to the prior-year's fourth quarter, as a result of the delivery of newbuildings and additional (chartered-in) vessels. Consequently, we've been able to renew our fleet profitably while maintaining our high operating exposure to the spot tanker market. Our spot Aframax fleet earned an average TCE rate of 58,600 per day in the fourth quarter. And this was up 33,000 per day, or 130 percent over the 25,500 per day earned in the same period last year.

The fixed-rate tanker segment generated a record-high 75.5 million in cash flow from vessel operations during the fourth quarter, compared to 60.6 million in the fourth quarter of 2003, an increase of approximately 25 percent.

This increase was primarily due to the inclusion of Teekay Shipping Spain's fixed-rate Suezmax tankers and the addition of five conventional tankers on long-term fixed-rate charges to Conoco Phillips. Our fixed-rate LNG segment generated 13.3 million in cash flow from vessel operations during the fourth quarter, representing the results of Teekay Shipping Spain's three LNG carriers. A fourth LNG carrier was delivered at the end of the year. So our fixed-rate segments continue to grow, as newbuilding vessels are delivered.

Turning next to slide 20, and reviewing the remaining income statement figures in comparison to the fourth quarter 2003 – the results included specific items which reduced net income by 51.3 million in the quarter and reduced net income by 72.1 million in the fourth quarter 2003, as outlined in Appendix B of our press release.

General and administrative expenses were 48.3 million, compared to 26.4 million in the fourth quarter 2003. This increase is primarily the result of higher accruals for performance-based bonuses in 2004 and includes the 12 and a half million amount authorized by the board In addition to the regular bonus plan – and to a lesser extent due to the acquisition of Tapias and higher non-U.S. dollar costs due to the depreciation of the U.S. dollar, particularly against the Canadian dollar and the Norwegian kroner.

We currently expect our general and administrative expenses to run in the low $30 million range for the first quarter, in part due to the continuing depreciation of the U.S. dollar. In addition, as a result of the new accounting rules that require stock options to be (expended), we expect G&A will increase by approximately two million per quarter, commencing in the third quarter of 2005.

Gains on vessel sales in the fourth quarter of 2004 of 24.7 million are primarily from the sale of six older vessels during the quarter. The vessel writedowns in the fourth quarter of 2003 of 54 million included a 56.8 million writedown in the carrying value of vessels due to the IMO regulations, which require the early phase-out of single-hull tankers.

Net interest expense increased to 27.6 million in the quarter from 22.1 million in the fourth quarter 2003, primarily due to the additional interest expense resulting from our purchase of Tapias and the delivery of newbuildings during the past 12 months.

Income tax expense was 18.7 million this quarter, compared to 13.3 million in the fourth quarter of 2003. Our deferred income tax expense primarily consists of income taxes incurred by our Norwegian shuttle tanker operations. However, included in these income tax figures is 15.2 million and 6.5 million respectively in the fourth quarters of 2004 and 2003, relating to deferred income tax on unrealized foreign exchange gains. So this increase obscures the fact that we have been able to meaningfully reduce our income tax expense in Norway. Unrealized foreign exchange losses of 33.3 million for the quarter related primarily to the euro-denominated debt of Teekay Shipping Spain and to the deferred tax liability denominated in Norwegian kroner.

Finally, our return on equity for the quarter was 42 percent. And the return on equity for the year was 37 percent, a truly exceptional performance.

Turning to slide 21 – we have presented our December 31st, 2004 balance sheet and compared it with the previous quarter. Cash balances are running higher than normal, primarily due to the rearrangement of our loan facilities in connection with operating in Norway and Spain. Our net debt, including capital lease obligations, decreased by 57 million in the quarter. We used our significant cash flow from vessel operations and the proceeds from the sale of vessels primarily to fund the cap ex Bjorn discussed and our share repurchase program.

Treating the mandatory exchangeable preferred issue as equity, net debt to capitalization declined from 44 percent at the end of the previous quarter to 42 percent at the end of the fourth quarter. This decrease is due to the cash flow generated from operations and the previously mentioned asset sales.

As you can see on slide 22, we have very significant operating leverage in our spot tanker segment. Our fleet renewal program on the spot side of the business, along with our increased fixed-rate revenues, has changed our EPS rule of thumb, reducing our operating leverage, but also our breakeven level. Our current net income breakeven Aframax TCE rate is estimated to be between 13,000 and 14,000 per day.

The size of our spot fleet means that for every 1,000-per-day increase in Aframax rates, our earnings per share increases by approximately six to six and a half cents per quarter.

Looking at the current quarter, we (have fixed) approximately two thirds of our total spot voyage days in an average time charter rate of approximately 42,000 per day. However, the market has been volatile recently, and our current Aframax voyages are being booked between 22,000 and 45,000 per day.

I will now turn the mic over to Bjorn to conclude.

Bjorn Moller: Thanks, Peter. Just in closing – looking ahead in 2005, we believe that even though there could be a range of outcomes for the market, Teekay's positioned for another great year. Should oil demand growth remain at or above the IEA's forecast, we expect to enjoy high earnings. However, should tanker supply get ahead of demand in the next few quarters, and we see a more volatile market, then Teekay, with its successful (in-charter) strategy, should be able to add to its fleet on any dips in rates.

By the way, we view 2005 with a great deal of optimism.

Thank you for listening in. And we'll be happy to take your questions.

Operator: Thank you. Our question-and-answer session will proceed electronically. If you do have a question or comment at this time, we do ask that you please press star followed by the digit one on your touch-tone telephone. Once again, that is star followed by the digit one on your touch-tone telephone at this time. We do ask that anyone who is using a hands-free phone or a speakerphone to please pick up the handset when asking your question.

We'll go first to John Chappell, with JP Morgan.

John Chappell: Thanks. Good morning, guys. My first question has to do with uses of cash. Obviously, you generated a lot and expected to generate a lot (to) the sale of your vessels in the first quarter. Peter, Bjorn, can you prioritize uses of cash, as far as share buybacks, dividends, fleet monetization renewal goes?

Bjorn Moller: Yes, we certainly can. First of all, I think we've referred to the fact that we invested $1.8 billion in our business last year. We have $800 million of cap ex. While we're comfortable with our debt levels, we have lots of debt we can pay down. And so, certainly we feel we have very good uses for that cash. As you saw, we did buy back stock as an indication that that's certainly in our toolkit.

But it's worth remembering that, you know, we have a somewhat different business model than many of our peer companies, in that we have businesses where we are able to invest profitably, even at times when asset values in the spot business are very high. And so we actually have, you know, a lot going on at Teekay. And we see some very positive opportunities to continue to build our profitable long-term businesses.

(For example), the North Sea sector is growing quite a bit now because of higher oil prices. And we're seeing a lot more demand in the shuttle and the offshore sector. We know the LNG business, of course, is going to be attractive. But as far as any additional stock buybacks, we're in the situation where we're close to the – you know, the timing of pricing our IPO. And I view – the board views that this will be a good opportunity to address potential stock buybacks once we've concluded the IPO of the LNG company.

John Chappell: (Now) the LNG company will probably be your arm for expansion in the LNG side, obviously. What about the shuttle tanker side? Is that something where you can place more orders for (newbuilds)? Is there secondhand tonnage available? You already have a pretty good market share of that. Or could you possibly charter in vessels on the shuttle tanker side?

Bjorn Moller: We can do all of those things. And we, you know, view all of those as potential viable outcomes. We are active in chartering ships in that sector. (We) are active with the Volve project, to give you an example. That will end up being cap ex of – including the vessel value plus conversion – maybe 40 million to 50 million. So, you know, we're seeing opportunities there for sure.

John Chappell: And just one clarification question for Peter – you mentioned the G&A would go up by about two million per quarter, starting in the third quarter. Is that something that's going to ramp up by two million every quarter as we look out, say, the next year and a half? Or will we get to, like, the mid 30s and kind of flat line there through '06?

Peter Evensen: Based upon the new rules that have come out on the stock option side, we should see it go flat by $2 million per quarter. So barring further growth, that's where we see the level right now, based on what we can see.

John Chappell: Mid 30s by year end '05?

Peter Evensen: I would say yes, low 30s to mid 30s. As I mentioned, we – most of our costs are non-U.S. dollar, because we have operations in Canadian dollars as well as in Norway and Spain. And those – we have had hedges that are rolling off there. So that's increasing our costs, which is bringing up the G&A levels.

John Chappell: OK. Thanks, Peter and Bjorn.

Peter Evensen: Thanks.

Operator: We'll go next to Magnus Fyhr with Jeffries & Company.

Magnus Fyhr: Good morning. Just two questions – first, on – mention that the customer discrimination has intensified against single-hull tonnage. If you could maybe elaborate on that, and also talk to us on how it affected your decision on selling your single-hull tankers, as far as their utilization, versus your double-hull tankers and rates as well.

Bjorn Moller: Yes. Good question. Let me put it this way: We have had a clear sense, just around the edges, that the single-hulls, you know, were being taken last year at very good rates, because there were simply not enough tankers. And, you know, if we have similar situation, single-hull ships will get (fixed); there's no doubt about it. But they are the ones (that are) most vulnerable to idle time, any time you have fluctuations in fleet utilization.

And with the – with the introduction of this ban on heavy oils on single-hulls – for example, in the Indo-Pacific region, there are a number of heavy oils and (back-haul) businesses with fuel. And it will, you know, adversely affect the ability to do profitable combination trading.

So we actually have already seen, in the beginning – since the beginning of this year, a drop-off in the value of single-hull tankers. And I think it's pretty satisfying that we actually got the timing exactly right on these sales. We had the benefit of their cash flow for most of the year. We sold them at very high prices. And now prices have begun to affect – (prices are going) to go down.

So we are also seeing a number of terminals, many of which are operated by major oil companies, come out early in this year and sort of discretely just reject vessels that were nominated because they've, (without) big fanfare, introduced a ban on single-hull ships. So it's happening.

Magnus Fyhr: So those banned – were (they) any of your vessels, or just other vessels that you've seen?

Bjorn Moller: Well, I think we've had a couple situations where we nominated ships, and the first answer back was – sorry – we don't take single-hull ships anymore. (But) when we talked to them and, you know, we were able to actually get Teekay single-hull ships approved, because of the reputation and relationship we have. And I think that that's great. But I'm not sure we can relatively on that for very much longer. It's a risk management issue for the oil (company).

Magnus Fyhr: Right. And second, I guess just a comment on your graph on page 14 – couldn't you argue that the scenario A, with the average oil demand growth, should result in high scrapping, and the scenario with the high oil demand growth should result in low scrapping? I guess it would move (up) the ...

Bjorn Moller: Yes ...

Magnus Fyhr: ... low-case scenario a little bit.

Bjorn Moller: That's right. That's why we're saying there's a range of outcomes, so really kind of four combinations of outcomes you could have, right ...

Magnus Fyhr: Right.

Bjorn Moller: ... and (we've shown) the high and the low. But I think what's going to happen is, as you see in other – in other years, quarterly you have significant movement around in utilization. And so, scrapping is very quick to pick up as soon as you have any dips in the spring season, and especially with steel prices as high as they are, and with the pending phase-out of many of these ships. So I would say we could have high scrapping irrespective of the market, frankly.

Magnus Fyhr: OK. All right. Thank you.

Bjorn Moller: Thanks.

Operator: We'll go next to Harvey Stober with Dahlman Rose Investments.

Harvey Stober: Thank you very much. Can you shed a little light on the $12.5 million bonus? First, why or – why is it not included simply in G&A? And also, maybe you could discuss a little bit about how it's determined. Is it relative to stock market performance, or is it relative to the (peer growth), for example?

Bjorn Moller: OK. I'll offer a couple comments and Peter, if you have (any) to add – firstly, we have a bonus program in Teekay which is very (wide based) in our company. And this additional award by the board also will involve a broad group of employees. The formulae for our bonuses are very closely aligned to a combination of shareholder, you know, factors, such as total shareholder return, return on invested capital and relative invested return on capital.

The board felt that 2004 was an exceptional year. And it was linked to the exceptional performance of the company that (they chose) to award an additional bonus, which in the context, I guess, represents slightly over one percent of the company's results, 1.5 percent.

Peter Evensen: And I would also add that, actually, the 12.9 million is included in the G&A that we had – excuse me – the 12.5 million is included in the G&A. But we put it in Appendix B because we had not given previous guidance on it.

Harvey Stober: OK, thank you.

Male: Thanks.

Operator: Natasha Boyden, with Canter Fitzgerald, has our next question.

Natasha Boyden: Yes, hi. I just wanted to follow on with Harvey's question. Was the reasoning the same with the (FFAs) – the losses from the (FFAs) being split out in the appendix like that, in order to get more specific kind of guidance on what you were doing there?

Peter Evensen: Yes, that's right. We decided to include it in the Appendix B, because that was something that, in our traditional rule of thumb – when we got these exceptional rates in the fourth quarter, things – our rule of thumb started to get – as I like to call it – a little squirrelly because we have certain contracts that are minimum, maximum. And these maximums started to kick in, which meant that our operating leverage dropped a little bit more from where it was.

So for instance, we have very few derivatives, and they're set at high levels. It's only for two vessels. But they're at high enough levels that we saw such exceptional rates that it started to cap the amount of our results. So we wanted to indicate that in Appendix B.

Natasha Boyden: So I guess (you) would say that if that doesn't happen going forward, that won't show up again. Is that right?

Peter Evensen: Yes, we've now incorporated it more into our – in the new rule of thumb that I gave. So you won't see it in the future.

Natasha Boyden: OK. Then, the other question I did have was on the Suezmax rate that you reported for the fourth quarter. I see you did very well in the VLCCs and the Aframaxes. But, you know, we saw one of your competitors come out recently with a rate of $90,000 a day in the first quarter for their Suezmaxes. And you're coming out with $68,900. (Was) wondering if you could maybe tell us what the discrepancy there is.

Bjorn Moller: Sure. First of all, I think ((inaudible)) fantastic results. (I think the guys did) great.

The reason our number's lower is – while we have a lot of Suezmaxes in our fleet, many of them on – we have, like, some on – three on long-term (charter) to Conoco Phillips, we have five on long-term (charter) to Spanish customers. So our spot Suezmax fleet is actually only about six ship equivalents, if you look at the voyage days in the quarter.

And before the market picked up in earnest in late 2003, we entered into a contract of a (freight mend) in the North Sea, which was one of our big customers, which was at a fixed rate, where the TC equivalent is significantly lower than the kind of rates we've seen. But we paired that contract with the (in-charter) of two Suezmaxes at a level which was lower than the contract we entered into. So it was actually a lock-in of a profit.

But when you just look at the headline number – because we only have six ships in our fleet, two of them earning, you know, maybe below 30,000 a day, that's going to drag that number down.

Natasha Boyden: Oh, OK, (I see). OK, fair enough. Well, thank you very much.

Bjorn Moller: Thank you.

Operator: We'll go next to Brandi Shaw with Beekman Capital.

Brandi Shaw: Hi, guys. Great quarter. I was wondering about – there was a couple expenses specifically voyage related, and the (time turner) higher expenses that seemed to come in significantly lower. Like the vessel operating expenses came in about eight and a half or so percentage, down from an average of, like, 11 percent. And same thing with the voyage expenses: down from, you know, 20-ish percent in the last couple quarters to, you know, just under 17. And I was wondering what attributed to that.

Peter Evensen: Yes, that's really a direct result of our vessel sales that we ended up with lower operating expenses. The amount of operating expenses per day came in line with our budgets. So it was just a question of having a lower fleet and selling some of the older, less efficient vessels.

Brandi Shaw: OK. Thank you.

Operator: We'll go next to John Kartsonas with Smith Barney.

John Kartsonas: Yes, good morning. Most of my questions have been answered. But just a general question on the Aframax market – and what happened this year with the Bosphorus situation, which wasn't really what happened in 2003? How would you think about that? I mean, is it really fluctuating that much year over year? And what is causing this year to be better than last year?

Bjorn Moller: Yes, I think that it's probably a combination of things, John. Firstly, I think it's very weather-related. Part of the delays that occur there are nighttime sailing restriction-related. But there are others, such as fog and snowstorms, and other calamities that tend to occur. And so we, I guess, have just had slightly odd winter weather around the world this year. That's one factor.

I think the other factor is that based on experience, some of our customers have found a way to maybe get a little smarter around how they get oil out of the Black Sea. This includes the use of certain smaller ships which are not nighttime restricted, as well as trying to use more Suezmax and less Aframax, so that you're having fewer transits, with more oil.

But I would say it's certainly always prone to be able to flair up. And I think – just the other day, I think the Bosphorus was shut down for a couple days, or at least for a period of time. So there are always ships sitting there, including at this time. It's just not – one year – I think it was last year – we had the equivalent of 10 percent of the world's Aframax fleet sitting waiting on either end of the straight. And that's not happening at the moment.

John Kartsonas: OK. Thank you very much.

Operator: We'll move on next to Gary Yablon with (Impala Investments).

Gary Yablon: Hi, guys. How are you?

Bjorn Moller: Good, thanks.

Gary Yablon: For Bjorn or Peter, I guess – in terms of capital structure, what is the right capital structure as you look out the next few years? I know there's some ups and downs. But what's – what feels right, as you look at the marketplace? You sound very optimistic about it, Bjorn. I would – I would think the company seems pretty over-capitalized at this point in time. But I'd like to hear your thoughts on it.

Bjorn Moller: Well, I'll offer some comments. I think that what has made Teekay very successful is our ability to be decisive in a counter-cyclical way. And when we've only had a spot business, that meant that the window for us growing our business was open and shut, you know, at varying times. And it was kind of a one-trick pony.

Now, because of the various businesses we have, we are, you know, glad that we have potential for investing through the tanker cycle. We historically have felt it was not inappropriate to (delev) our balance sheet down to a 25 to 30 percent net debt to total cap. And, you know, others of our competitors have chosen a more aggressive dividend route, which looks good on paper. However, it doesn't give you a lot of firepower when the – when the market's down. And that's where we have made some of our best acquisitions.

So, you know, we have no qualms returning capital to shareholders if we find ourselves over-capitalized. Your perception that we've over-capitalized, you know, is one view of it. We have a better view of the projects that are coming at Teekay. But I think we've demonstrated, with the various things we've done, that we – it will be a mixture of all of those components. And, you know, I think we've done good with the capital. And so I think shareholders have – we've earned the trust of shareholders that we're not going to do stupid things.

Gary Yablon: OK. OK, fair enough. Thank you.

Operator: We'll go next to Linc Werden with HG Wellington & Company.

Linc Werden: OK. Thanks. I'm wondering whether you could give us a little more fine-tuned timing on your LNG unit offering – also, what the realistic outlook and current situation is in the Aframax rates on your vessels – the 22,000 to 42,000 a day's a pretty wide range – just a little better feel for what the current reality is there.

Bjorn Moller: OK. Thanks, Linc. I guess we can't say too much about the IPO. We are currently under review of that filing by the SEC. And as soon as they finish their review, we'll get on the road. So that process has been underway for awhile. And you can still make your own conclusions how long these things take. But it's a process. And we'll announce whenever we're ready.

On rates, I guess – you touched on one of the things that sometimes make all of our heads shake (a) little bit at Teekay. The incredible volatility – for example, you might recall that between September, late September and early October, rates doubled and tripled in a matter of weeks. So, you know, we're seeing – for example, right now, the North Sea market is 40,000 a day, but the Mediterranean market's 20,000 a day.

Those types of markets will quickly equalize themselves, because they're so close to each other. And you're also having, in the Far East market, you know, inflow of new tonnage, which is, in the short term, depressing rates down toward 20,000 a day.

But I think you're seeing VLCC rates rebound from their low in January of – I think they went (down) to 30,000 a day. And they (quickly got back) to 100,000 a day.

Linc Werden: So do you think that the signs point to the (20-30) shaking out as more the world situation?

Bjorn Moller: I think it's seasonal. OPEC has made a cutback. There's really not that much spare capacity in the world tanker fleet. And so, we now have the IMO regulations kicking in in about, I guess, eight weeks. And so that will be interesting to see what that does. It's going to be volatile; this is a tight market. So I think you have to look at the horizon.

Linc Werden: OK.

Operator: Our next question will come from Justine Fisher with Goldman Sachs.

Justine Fisher: Hi. I just wanted to clarify the comments on potential fleet expansion and acquisitions that are – kind of related to John ((inaudible)) question. So if Teekay decides to acquire additional LNG vessels, you'll fund those at the (MLP) level, perhaps using additional units there rather than using, say, (revolver drawn from Teekay core)?

Peter Evensen: I think what we will envision doing now is that Teekay will warehouse or keep the vessels on its balance sheet during the pre-delivery portion. If you order an LNG right now, you won't get it until 2008 or even 2009. And so, the way the (MLP) economics work is, the investors would like to have an asset when it's (up and) cash generating. So we anticipate that it'll be on Teekay's balance sheet.

The other point I would just point out is that we will continue to own 76 percent – or 75 percent of the (MLP post) offering. So it will be consolidated into Teekay's numbers.

Justine Fisher: OK. So – but – I guess the question is more related to the fact that you have a significant amount of liquidity, and what sort of vessels that that – that that may go towards purchasing – future.

Peter Evensen: Well, I think as Bjorn pointed out, we have a lot of different operating segments. And so we have the ability to ration capital into those different segments, depending upon which gives us the higher return. We also have the ability – rather than buying vessels, we can charter in from other people, which doesn't use any capital per se.

So our job is to make sure that we are allocating that capital properly. And as Bjorn indicated, both in the North Sea with the shuttle tankers, in the LNG segment, we have the ability to invest, if it's at the right returns. And I emphasize that: if it's at the right returns. (But) right now, we're seeing lots of good projects across the spectrum.

And as Bjorn said, the board will look at everything after the IPO of LNG Partners. And one of the questions will be, what is the best way to fund the LNG carriers in a pre-delivery phase?

Justine Fisher: OK and then could you just clarify, I guess, how much you had drawn on all of your revolving facilities? At the end of December, I know you had a little over 800 million available, but just to get, you know, a new amount for the total revolver capacity.

Peter Evensen: Yes. Under our revolvers, we had drawn about 530 million, going forward. And we had undrawn capabilities of about 830 million. And we anticipate that will probably continue to increase during the quarter.

Justine Fisher: Thank you very much.

Peter Evensen: Thank you.

Operator: John Burbank, from Passport Capital, has our next question.

John Burbank: Hi. How are you?

Male: Good, John.

John Burbank: Good. I just wanted to say how pleased we were to see you not only announce a buyback, and actually buy all three million shares back – and actually do it at such good price. I got to say I thought that was an excellent use of capital, and I think proved to a lot of doubters that you were going to do right by shareholders.

Bjorn Moller: John, I'm warmed in my heart. Thank you for ...

John Burbank: Well, anyway, I just remember, you know, 2001, talking through potentially your first buyback, you know, the stock price was one quarter of this price. And I got to say despite that, I think this just is the right thing to do. It's the right message. And I'm, you know, looking forward to any other actions you take that take advantage of the pervasive pessimism that many of the analysts have, not only in the sector but on your company. So, that's all I wanted to say.

Bjorn Moller: Thank you, John. We'd love you to join our investor relations (team).

John Burbank: Thank you.

Operator: We'll move next to Justin Yagerman with Bear Stearns.

Justin Yagerman: Hi. Good morning, guys.

Male: Hi.

Justin Yagerman: I wanted to get a sense for the timing of the sale of the eight Aframax. Are they going to operate in the first quarter at all? Or is this kind of – (has a bid gone out) already?

Bjorn Moller: Two ships have delivered so far, one delivered in, I think, early February; one delivered just this past few days. And we have the remaining six ships will deliver in March, or late February, early – sort of scattered throughout the quarter. So I guess if you had all those ships on average in the quarter, that's probably being conservative.

Justin Yagerman: OK. And then in terms of dry-docking for the year, do you have any guidance or planned dry-docking that you can talk about, across the fleet?

Peter Evensen: We anticipate that dry-docking expense this year (will) be about 25 to 30 million, across the fleet.

Justin Yagerman: And how many days? Or is that kind of – is there a breakdown of days, and kind of which segments that's in?

Peter Evensen: I don't have that right now. I can probably get back to you with it, (and) how many days that would be.

Justin Yagerman: OK. And then finally, on the (FFAs) – you know, you mentioned that it was only on the two vessels. Do you have plans for, you know, being more active going forward in that? And where would we expect to see any kinds of movement on that in the income statement?

Bjorn Moller: It's somewhat opportunistic. It's two ship equivalents that we have hedged. And I would say, at the level where rates are today, it will be about in neutral factor, maybe slightly negative, certainly based on the midpoint of the TC that Peter mentioned earlier of 20,000 to 45,000. So it – you know, it's not a hugely liquid market in the – in the freight futures market for tankers. And so it's not a significant factor.

Peter Evensen: And we're using it as a hedging mechanism. So it's included in our voyage revenues. So that would reduce our voyage revenues by, for example, $13 million.

Justin Yagerman: OK. And that's on Aframaxes, you said?

Peter Evensen: One's a Suezmax, one's an Aframax.

Justin Yagerman: Thank you.

Male: Thanks.

Operator: John Selser, with (Maple Leaf Partners), has our next question.

John Selser: Yes, good morning. Of the three million shares that were repurchased, how much of that was done in the fourth quarter?

Bjorn Moller: Think 1.4 million was done in the fourth quarter, and 1.6 million in January.

John Selser: OK. (Well), I was just looking at the fully diluted share count over the last couple of years. And I realize there was a convertible offering that was done. About how many – how many shares did that account for in the fully diluted number?

Peter Evensen: That's 6.6 million shares. Oh – how much was in the diluted number?

John Selser: Right, yes. Of the fully diluted, how many shares are accounted for in the ...

Peter Evensen: About half, or three million of the 6.6 million shares has been accounted for in the diluted, with the remaining part being the options.

John Selser: (But) were there any other additional, I guess, new equity offerings included – because it's pretty big increase over the last couple years. I guess if you throw back the share increase, you take out the convertible; it's still, what, about six million shares?

Peter Evensen: Yes. But what has happened – well, of course we did the stock split, which we went back and reflected in everything else. But basically, we're accounting for it (under) the treasury stock method.

So what's happening is that as the options become worth more, we'd have to put more of them in, as well as on the (pep) side – as the stock price has gone up, we've had to include more of that share count in the diluted shares outstanding. (So) that's why you have seen it increase without any stock offerings. So for example, you saw a close to 10 percent increase.

John Selser: Right.

Peter Evensen: But the share repurchase program will, of course, reduce that.

John Selser: Right, coming out of the – I guess, the capital of the company. All right. Thank you.

Male: Thank you very much.

Operator: We'll go next to Andreas Vergottis with Oceanic.

Andreas Vergottis: Yes, two questions – firstly, you have a number of conventional Aframaxes (charted in), and 18 of those and four Suezmaxes. Question is, what are the rates for (chartering in) those ships? (And if) ((inaudible)) (give) a figure, to what extent are the recent contracts – old contracts have very low rates, and how do you – the longevity of this contract, and (their all over rates) – when do you expect to (roll) them over, first question.

Second question, on more strategic – regarding your customers – the (org majors) and other customers – how do they view the tanker services at the moment strategically? Are they happy to continue outsourcing? Or would they consider becoming investors?

Bjorn Moller: OK. Well, firstly on the – on the (in charters), I think last quarter we had a chart that showed, I believe, the average (in-charter) rates and average duration, and therefore, how much those charters were in the money. And I would direct you to that. I don't have a copy of it here. We have taken a few extra ships in in the fourth quarter, so maybe that number's gone up slightly. But we haven't – I'd say it hasn't meaningfully increased that number.

So essentially, a lot of our (in-charter) vessels are very attractively priced at this time. We have options on some of the vessels, and we have (fixed period) some vessels (running off). So it's a – it's a living thing. And of course, the longer the strong market lasts, the more we're going to have to pay if we want to extend or add to our (in-charter) fleet. So that's one of the considerations. But luckily, we have a lot of newbuildings coming in at a good time, which are also adding to our operating leverage and which have been ordered at a very attractive time.

As far as the oil company view of third-party providers – I certainly feel that while a couple of the oil companies have taken the route that they wish to control a certain amount of shipping (in house) – particularly Chevron, Texaco and (BP) – there is, in my view, very little focus on increasing those percentages. They're very – they're much more focused investing in their core business.

I think they are becoming increasingly focused on becoming strategic partners with the top-quality operators. And Teekay's certainly getting, I think, a lot of dialogue with the oil companies about ways in which we can be closer. Because I think they recognize the quality of our systems and our operations.

So we think the quality drive is playing into Teekay's hands.

Andreas Vergottis: Would you go as far as saying some of them would make a strategic investment, minority (of control)?

Bjorn Moller: I don't think that would be likely. But we are very responsive to our customers' desires. If somebody wanted to co-invest with us, we'd certainly listen to that. And I guess we do have some very strategic relationships with various customers; who knows where they could go.

But the sale of our single-hull ships, for example, are a good example of us responding to what it is our customers want, and doing so in a way where we're – you know, we're doing it cyclically, very astutely, I think.

Andreas Vergottis: Thank you.

Operator: Just as a reminder if you do have a question or comment at this time, please press star one. And we'll go next to Ole Slorer with Morgan Stanley.

Ole Slorer: Hi, it's Ole here. Just have a quick question – whether you could clarify the rationale for selling the double-hull Suezmax tanker. (I mean), arguably, it was a very good price you got there. But (even on that price tag), your own (stock) you're selling at a premium ((inaudible)) (asset value) you're selling tankers, and you're considering buying back shares. I'm not quite sure if I understand the logic. Just (wonder) maybe you could elaborate.

Bjorn Moller: Yes. Well, I would say that the sale of that vessel was opportunistic. It was an asset which was – it came to us with the Tapias acquisition but was not really part of the core strategy of the Tapias deal. And while it was certainly usable in the rest of our fleet, it was not a vessel specifically ordered by Teekay.

And so the combination of those factors, and the fact we were offered what we thought was a very attractive price, meant that we decided to sell it. But importantly, we are going to retain both the technical and the commercial management of this vessel. So we will have that in our fleet.

Ole Slorer: OK. (This is also) a follow-up to the buyback discussion. I wonder, are you – have you reflected at all about the difference in valuation on tanker stocks that (are) focused on a high-dividend policy, flexible-dividend policy, compared with the (companies) that focus more on buyback of shares?

Bjorn Moller: Well, I think we realize that there are a couple of very interesting contrast examples out there from the last quarter. I think the issue of return capital to shareholders is a valid one. We are primarily looking at building a business here and growing it. We are focused on doing it profitably and will do so in the long term. But we – I can only restate the value we place on having a strong balance sheet in any – you know, at any time in the cycle.

We are certainly looking to – we think that our PE of seven is very low. And there's no doubt that having had the fixed-rate business, compared to other companies that (are) pure spot businesses in the last couple of quarters – that will have been seen as a less pure strategy. But we think it's a very good long-term strategy.

And in fact, the focus on unlocking shareholder value is shown by the IPO of the LNG business, which is intended to crystalize the particular value of that segment. That will be a dividend play.

Ole Slorer: You know, I think that's a good thing. And also, I agree with you on the strong balance sheet. I think that's a very, very attractive feature of Teekay. But I think it will be equally attractive if you could also (play a sort of DMR-style) dividend policy, (with) retaining financial flexibility. But anyway, I'm going to leave you guys to ponder on that one. Thank you very much.

Male: Thank you.

Operator: Our next question will come from Erica Christian with Legacy Investment Partners.

Erica Christian: Good morning, gentlemen. Great quarter. I have a couple questions. I understand with the IPO coming out that you may not be able to answer all of them. Can you give us a better guidance for going forward with this 75 to 78 percent ownership in the LNG; what kind of earnings we can look for to trickle through the balance sheet?

Peter Evensen: Unfortunately, I can't do that, because we're in registration. So everything that we say about the (LNG) will be reflected in the F-1 registration document.

The only thing that I will say is that we will continue to consolidate the LNG space. So there won't be that material of changes to Teekay Shipping Corporation's balance sheet, by the listing of it because it will continue to be consolidated going forward.

But just to follow up on what Bjorn was saying, we think that the listing of Teekay LNG will help demonstrate the value of all of our fixed-rate segments going forward, not just the LNG side. And that perhaps is a better strategy to show shareholders the kind of value that can be created. And there are many ways to do it: not just by paying a dividend, but demonstrating the actual value of these businesses. So we hope to unlock that.

Erica Christian: Now is there going to be any spinoff to shareholders with the LNG business?

Peter Evensen: No, it is not our intention to distribute any shares that we will retain. We intend to grow this business. A lot of times when people list companies, they then want to spin it off, because they want to get rid of it. We're exactly the opposite on the LNG side. We want to retain and grow this business. So the reason we're doing it is to actually accelerate our growth in the LNG space.

Erica Christian: OK. Thank you, guys, very much.

Male: Thank you.

Operator: Now we'll take a question from Walter Lovato with Passport Capital.

Walter Lovato: Just a quick follow-up on the new vessel commitments in ‘05, ‘06 and ‘07. I know you have debt arranged for all that. What portion – is it now all going to be debt financed?

Peter Evensen: Well, we're putting in place revolving credit facilities on that. So it's our choice whether we're able to – whether we want to draw those specific facilities. But as a general matter, whenever we have a newbuilding, and it's of sufficient size, we will go ahead and put revolving credit facilities because that continues to keep our ability to have firepower.

At this time, with the cash flow from vessel operations, as I said, we aren't drawing those revolving credits; we're just building our liquidity in the form of undrawn revolving credit.

Walter Lovato: OK, great. And do you have a breakdown of the $363 million ‘05 number, by quarter?

Bjorn Moller: I don't know if we have that here.

Walter Lovato: Is it (even)?

Bjorn Moller: We can maybe get back to you (with that).

Walter Lovato: OK. Thank you.

Operator: And before moving on to our next question, we'd like to give everyone a final reminder that if you do have a question or comment, please press star one on your touch-tone telephone. And we'll now take a follow-up from Justin Yagerman with Bear Stearns.

Justin Yagerman: Hi, guys. I just wanted to – I don't know if I missed this – get an ending share count for the quarter, and what you're expecting diluted shares to be for first quarter?

Peter Evensen: OK. If I could first answer (Walter's) question – we expect – of the 363 million, we expect 50 million to occur in the first quarter. We expect 76 million to occur in the second quarter. We expect 135 million in the third quarter, and we expect the remaining 102 million at the end of the quarter. And your question (result) was what is the – not what is the average number of common shares outstanding, but what is the ending balance?

Justin Yagerman: Yes, that's correct. Ending balance, and then kind of an estimated diluted share count for first quarter.

Peter Evensen: Hold on. I only have the weighted average in front of me right now. I don't have the end count.

Justin Yagerman: That's fine. We can follow up off-line.

Bjorn Moller: OK. We'll come back to you on that.

Peter Evensen: OK. So it's just moving – just to answer your question – it would – it would reduce probably by the 1.6 million in the – in the first quarter that we've repurchased shares. And we had the 1.4 million. So the ending account was probably a little bit under 83 million, for the quarter.

Justin Yagerman: OK, thanks.

Operator: And gentlemen, there appear to be no further questions at this time. I'll turn the conference back over to you for any additional or closing remarks.

Bjorn Moller: We'd like to thank you for participating. (It was) a good Q&A session. And we look forward to talking to you next quarter. Have a great day.

Operator: And that does conclude today's teleconference. We'd like to thank everyone for their participation and wish everyone a great day. And now at this time, you may disconnect.

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