PARTICIPANTS

Corporate Participants

Mark J. Namaroff – Director-Strategic Marketing & Investor Relations
James W. Green – President, Chief Executive Officer & Director
Michael L. Levitz – Chief Financial Officer, Treasurer & Senior VP

Other Participants

Larry Solow – Analyst, CJS Securities, Inc.
Dalton L. Chandler – Analyst, Needham & Co. LLC
Jiwon Lee – Analyst, Sidoti & Co. LLC
James M. Terwilliger – Analyst, The Benchmark Co. LLC

MANAGEMENT DISCUSSION SECTION

Operator: Good afternoon and welcome to Analogic Corporation's First Quarter Conference Call for Fiscal 2013. The following corporate officers are present: Mr. Jim Green, President and CEO; Mr. Michael Levitz, Senior Vice President, CFO and Treasurer; and Mr. John Fry, Senior Vice President, General Counsel and Corporation Secretary.

I'd like to remind everyone that a supplementary financial presentation will be used during today's call. If you have not already downloaded that presentation, you can do so at any time at investor.analogic.com. That presentation will remain available until January 6, 2013.

Now I would like to turn the call over to Mark Namaroff, Director of Investor Relations.

Mark J. Namaroff, Director-Strategic Marketing & Investor Relations

Good afternoon, everyone, and welcome to Analogic's First Quarter Conference Call for Fiscal 2013. I'm sure all of you have downloaded our press release issued earlier today describing our results for our first quarter. If not, you could do so via our website at investor.analogic.com. Please note the procedure for asking questions at the conclusion of our prepared remarks today. [Operator Instructions] We will repeat these instructions at the end of the presentation.

Before I turn the call over to Jim Green and Mike Levitz to review our first quarter results, I would like to remind everyone of our Safe Harbor statement. Today's call may include forward-looking statements, such as comments about our plans, expectations and projections. For more information on risks and other factors that could cause our actual results to differ significantly from our forward-looking statements, please refer to our most recent Form 10-K and 10-Q reports on file with the Securities and Exchange Commission.

And now, I'd like to turn the call over to Jim Green, our President and CEO.

James W. Green, President, Chief Executive Officer & Director

Thanks, Mark. Good afternoon, everybody. Let's start by moving through page four of the presentation. The first thing you'll notice is that we've reformatted the graph on the right-hand side to give a better view of the seasonality of our business. Now, looking at the numbers for the quarter, our revenues came in at $120 million, that's up 2% from Q1 of last year. Our gross margin improved to 38%, that's up one full point. Our operating margin measured 6% on a GAAP basis, that's one full point better than the same quarter last year.

On a non-GAAP basis, our operating margin in the quarter was 9%, also up one full point. Our GAAP EPS measured $0.35, that's up 9% from last year. And our non-GAAP EPS measured $0.53, which is flat to last year.

Now with revenue growth and improved margins, we might ask – we might expect more significant improvement in EPS. In a few minutes, Mike will give you the detail around the tax rate and how currency exchange affected the quarter.

Through to slide five, looking at the business highlights in the quarter, starting with Medical Imaging, revenue was up 5% from last year. MRI drove the growth, helped by the continued migration to high-power, wide-bore systems. CT shipped new higher content systems, in line with our strategy of moving closer to full systems.

Mammography revenues were down slightly, though when margins improved – although our margins improved nicely. Motion sales were down further on the semiconductor market cycle. Ultrasound revenue declined 8%. We saw hesitancy in hospital purchasing, likely associated with the election and uncertainties about the upcoming healthcare law.

U.S. sales were impacted short-term in the quarter as we had expected, as we had adjusted our existing sales coverages and added 10 new sales reps. We did this around the end of our last fiscal year. These last hires complete our coverage structure for our core markets of surgery, robotic surgery and urology and give us early access to the growing point of care segment. Outside U.S. sales were impacted by currency and by the planned Eastern European distributor transition.

Lastly, our European direct sales showed modest growth. For security, we saw revenue growth of 15%. We continue to see growing demand for high-speed systems, along with more customer funded engineering. I'm excited to say that we received the first production orders for the Smiths new high-speed XCT systems. We saw a solid increase in backlog, primarily high-speed units from our two primary customers.

Finally, we see shipments continue to strengthen throughout the fiscal year.

Now, I will hand it over Mike Levitz, our CFO. Mike?

Michael L. Levitz, Chief Financial Officer, Treasurer & Senior VP

Thank you, Jim. Good evening, everyone. I'm going to walk you through our financial performance in the first quarter, which ended October 31, as compared to the same quarter of last fiscal year.

As you can see on slide 6 of our online presentation, our revenues in the first quarter were $120 million, up 2% from the same quarter a year ago. Our Medical Imaging segment revenue grew 5% and Security segment revenue grew 15%, in support of our previously stated segment expectations for the year. Offsetting this growth were lower revenues in our Ultrasound segment, which I will discuss in more detail shortly.

Gross margin was 38% in the first quarter and more than 100 basis point improvement from the first quarter of last year. Key drivers of the improved gross margin in the quarter were the cost savings benefit of our manufacturing consolidation that occurred last year, improved manufacturing yields, as well as product cost reductions.

Operating profitability, both in terms of operating income dollars and operating margin percentage also improved year-over-year. Specifically, our operating income improved 33% year-over-year on a GAAP basis and 14% on a non-GAAP basis, reflecting our focus on gross margin improvement and overall operating efficiency while also growing our revenues. Our operating margin improved by 100 basis points from last year, even as we continued our investments in expanding our direct sales channel and new product development.

Turning to slide seven and our P&L for the quarter, if you look halfway down the page, you will see that the growth in our operating income in the quarter that I just described was partially offset by unusually high unrealized foreign currency translation adjustments due to the timing of currency fluctuations relative to our balance sheet date. Also, offsetting the growth in operating income was a higher effective tax rate, which we had expected this quarter, as we await the U.S. government's decision on whether to renew the deduction for U.S. research and development efforts.

As a result of these items, while operating income grew by 33% and 14% on a GAAP and non-GAAP basis respectively, our net income grew by 9% on a GAAP basis and less than 1% on a non-GAAP basis. We continue to expect our effective tax rate on a full-year basis for fiscal 2013 to be between 28% and 30%, subject to the renewal by Congress of the U.S. R&D Tax Credit.

Our GAAP earnings per share for the quarter was $0.35, up 9% from $0.32 per share in the same quarter last year and our non-GAAP EPS in the first quarter was $0.53, consistent with the same quarter last year.

Now, if you turn the slide eight, I'll begin to discuss our segment performance starting with Medical Imaging. Our Medical Imaging segment revenue totaled $76 million in the first quarter, a 5% improvement over the same quarter last year. A key driver of growth this quarter was our MRI product line, reflecting demand for high powered amplifiers able to drive wide-bore MRI systems. Our CT revenues were stable and mammography experienced slightly reduced sales when compared to the same quarter a year ago, due to market headwinds.

In addition, our motion control product revenues were lower than the same quarter last year, as Jim mentioned, reflecting the semiconductor market cycle. Along with the revenue growth, we continued to see nice improvement in our operating margins in this segment with non-GAAP operating margins reaching 13%, up almost 3 points from a year ago. This improvement reflects improved yields in our mammography product lines, favorable component pricing, operating efficiency and additional customer funded engineering.

Please now turn to slide nine. Our Ultrasound segment revenues were $32 million in the first quarter, down $3 million or 8% from the same period last year. Our Ultrasound business is generally a seasonal business with the first and third quarters lower than our second and fourth quarters. The decrease in revenues on a year-over-year basis reflects lower sales in the U.S., where we saw hospital purchasing hesitancy due to the economic uncertainty, as well as an expected temporary disruption in sales force productivity, as we realigned our sales territories and brought on new reps as part of our sales force expansion.

Outside the U.S., we saw sales growth through our direct sales channel in Europe, but we had three points of unfavorable foreign currency impact on revenues. And distributor sales in Eastern Europe decreased year-over-year due to distributor transitions as we had expected. In spite of the challenges in the quarter, our Ultrasound sales – or systems for robotic assistance surgery continued to grow, almost doubling in the first quarter as compared to the same quarter a year ago. Our operating margin in the Ultrasound segment declined year-over-year as a result of the lower sales, as well as our continued investment in sales force expansion.

Please turn to slide 10. In our Security segment, we reported revenues of $12 million in the first quarter, up 15% from the same quarter of last year. Sales in the quarter reflected growing demand for high-speed systems and growing revenues from customer-funded engineering. Our operating margin grew by over 300 basis points in the quarter as compared to the same quarter a year ago, largely due to increased customer funded engineering.

Our backlog in Security increased over $45 million at quarter end, up from $39 million a year earlier and we have received over $5 million in additional orders since the quarter ended. The increase in backlog in the quarter includes the initial production orders for our new high-speed Smiths XCT subsystem and the overall increase reflects continued growing demand for high-speed units, as airports outside the United States begin to convert from x-ray to CT technology. We expect this backlog to ship over the next six to 12 months.

Now turning to slide 11, our cash balance was $171 million at the end of the first quarter, up almost $20 million from a year earlier, but down $16 million from the fourth quarter of last fiscal year. The decrease reflected an investment in inventories to support customer demand, payment of performance-based annual incentive compensation associated with our strong fiscal 2012 performance, as well as the repurchase of just under $4 million of our common stock.

In summary, we were pleased with the revenue growth in our Medical Imaging and Security segments, as well as the 100 basis point improvement in operating margin, in spite of the lower revenues in our Ultrasound segment in the quarter and we are confident in the growth drivers and opportunities across our business going forward.

Now, I will turn the call back to Jim to discuss our fiscal 2013 outlook.

James W. Green, President, Chief Executive Officer & Director

Thanks, Mike. Let's move to slide 12. So to summarize our fiscal 2013 outlook, we expect Medical Imaging will continue to outperform the market with mid single-digit revenue growth. With the accelerated shipments of new high-value content CT products, our technology-enabling mid and premium CT detection subsystems are expect to drive share growth. New generation high-power MRI steering amplifiers are further penetrating existing and new entering OEMs. And our selenium mammography detectors are gaining adoption with emerging markets and new entrant OEMs.

Even with the challenges of the first quarter, our overall ultrasound is still expected to outperform the market. We are now expecting upper single-digit direct sales growth. We see double-digit growth in North America, as our new sales coverage ramps up to quotas.

Europe should see modest growth, plus the ramp-up of new distributors in Eastern Europe. We expect our OEM probe sales to remain flat-to-down from the headwinds experienced by our diagnostic radiology OEM ultrasound customers.

Lastly, we expect that the intraoperative guidance markets of surgery and urology and robotic surgery, along with point-of-care will remain solid growth segments for Analogic. For Security, we see continued strong double-digit growth ramping throughout the year. The high-speed segment will drive greater volume, Smiths XCT high-speed begins shipments in the second half and medium speed replacement orders begin to flow.

So, in summary, our FY 2013 full-year outlook is in line with our stated goal, as we expect upper single-digit organic revenue growth with 100 basis points of operating margin improvement over fiscal 2012.

Thank you and now we'll open the line for questions.

QUESTION AND ANSWER SECTION

Operator: Thank you. Ladies and gentlemen, the floor is now open for questions. [Operator Instructions] Our first question comes from Larry Solow from CJS Securities.

<Q – Larry Solow – CJS Securities, Inc.>: Hi, good afternoon, guys.

<A – Jim Green – Analogic Corp.>: Hi, Larry.

<Q – Larry Solow – CJS Securities, Inc.>: Just on the Ultrasound pieces. So, I guess, you're a little surprised about the short – the shortfall in the quarter and looks like you sort of tweaked your targets on that growth outlook from double digit to upper single. So, not a significant switch on the outlook. What kind of gives you the confidence that, I guess – so you're going to get to double-digit growth in North America? Do you – I mean, I guess you really think these hospitals slowdown is – is that temporary or any color on that would be great?

<A – Jim Green – Analogic Corp.>: Yeah, Larry, that's what we believe and what we look at is we look at the strength of the pipeline with each of the reps and how they are performing and how things are closing with the customers that each of them have. And when you take the fact that we've layered on 10 new reps at the beginning or near the end of last year, we start to see that entire group incrementally also starting to add to their pipeline.

So we're able to look – we're pretty close with the customers. We get a pretty good feel for when they're going to be able to spend and what they expect to do. And again, our Ultrasound business, because it's primarily intra-operative oriented, it's really driven – it's driven by the procedure rates in the various areas where these products are used, so we still believe that we're going to see good solid growth here. We are investing in the right place here and these are the areas that are expected to continue to grow this year.

<Q – Larry Solow – CJS Securities, Inc.>: Do you have what the North America number is? You may have said on the call, what that North America's number did year-over-year this quarter?

<A – Mike Levitz – Analogic Corp.>: Year-over-year it was – we didn't really say specifically what it was, but it was down somewhat on a year-over-year basis.

<Q – Larry Solow – CJS Securities, Inc.>: Well, no, that – yeah, I could tell it was down. But clearly you are obviously thinking it's turning around. Okay. And, let's see, other questions – let me just ask you the – so the – in radiology, the Millennium, the [ph] slots (16:24) there, did they – it sounds like they were just down modestly, is that sort of a fair assessment in mammography?

<A – Jim Green – Analogic Corp.>: Mammography was down slightly, but just in general [indiscernible] (16:41) there's been some pressure in Europe, a lot of our mammography systems are sold in Europe and we know Europe has been pressured just in general. But as you know we've also – in the meantime we've corrected some of the issues with yields and we see the margins continuing to move up nicely.

<Q – Larry Solow – CJS Securities, Inc.>: Right. And the whole segment there, the margin was – actually for the last two quarters has been sort of closing in on 12%, 13%. Is this sort of a sustainable number or you think it gets a little bit ahead – it's possible it could – I realize it can go plus or minus any quarter. But do you think this number is something that's reasonable to expect going forward?

<A – Jim Green – Analogic Corp.>: Well, in general, we're pretty confident in seeing a 100 basis points of improvement across the net business.

<Q – Larry Solow – CJS Securities, Inc.>: Right.

<A – Jim Green – Analogic Corp.>: And we also expect to see each of the areas contributing towards that improvement in margins.

<Q – Larry Solow – CJS Securities, Inc.>: Right.

<A – Jim Green – Analogic Corp.>: As we build to more scale in ultrasound, you see our Ultrasound business as we get to well over the breakeven point, how nice the dropdown is there. And that's the area where you see us making the continued investment and we expect that to continue to build to scale to profitability, and improved profitability.

<A – Mike Levitz – Analogic Corp.>: One other thing I would add to that, Larry – this is Mike – is the timing of customer funded engineering does have an impact.

<Q – Larry Solow – CJS Securities, Inc.>: Right.

<A – Mike Levitz – Analogic Corp.>: And so – as we've said that one of the reasons for the improved margin was definitely the improved gross margin, but also the funded engineering. And I don't view that as something that stays stable each quarter, it really depends upon the projects we're working on. But when we do those projects, those are projects that we expect will drive product revenue in the future. So – but I would agree with what Jim said about the improvement in the – over last year.

<Q – Larry Solow – CJS Securities, Inc.>: Okay, great. Thanks a lot.

<A – Mike Levitz – Analogic Corp.>: Thanks, Larry.

Operator: Thank you. Our next question comes from Dalton Chandler from Needham & Company.

<Q – Dalton Chandler – Needham & Co. LLC>: Hi. Good afternoon.

<A – Jim Green – Analogic Corp.>: Hi, Dalton.

<Q – Dalton Chandler – Needham & Co. LLC>: Hi. So, I just want to ask about the – I guess you call it a disconnect between the Ultrasound business, which was weak in North America, yet MRI was strong and CT was kind of flattish, so is there just something different about the purchasing process there?

<A – Jim Green – Analogic Corp.>: Yeah, well there is. It's – the MRI business is a fairly long rolling business, where when you're installing MRIs, there is a – there are major updates of facilities and that's not something that gets delayed typically. I mean that tends to run pretty smooth, and it's also driven very – it's driven by the number of procedures that you are adding, going from whatever – 20 procedures a day to 40, you're going to need to have another system online as you project those procedure rates increasing.

CT, as you know, sometimes there are some – there had – we have seen in the past when there's issues of funding, where they might delay. Now we're not – we're seeing our CT business, we expect it to continue to do quite well, and much better than the market. In ultrasound, we had – there's a couple – the confluence of a couple of different things.

As we have made a substantial growth in our number of reps, we knew we would go through a series of adjustments to territories. And when you do that the new reps are starting to come up to speed in areas where the old reps maybe used to cover. The old reps have to help get them up to speed. So there's always you'd have to count on a certain amount of degradation during that process.

But as that settles out here, we expect that typically takes a quarter or so for that to settle out and then for all the new folks and the existing folks, they really start moving towards their quotas. So we're pretty bullish on that business and it is an area that we've a lot of line of sight and we have a product that again is very procedure-oriented.

Now certainly around the election timeframe, everybody saw in general, hesitancy to make purchases if CFOs and department heads were able to hold off a little bit, just to kind of get a – during the uncertainty period, they were holding off, but we don't expect to see that to continue. We expect it was more of a delay than anything, not so much any kind of a systemic thing there.

And, again, it's because our products are needed for the actual interventional procedures that are performed and that's driven by the age of the folks and the kind of procedures.

<Q – Dalton Chandler – Needham & Co. LLC>: Okay, thanks. And just moving to the deal with Smiths, you mentioned shipment in the second half. Could you just clarify, did you mean the second half of your fiscal year or is that second half of calendar 2013?

<A – Jim Green – Analogic Corp.>: Second half of our fiscal year, our fiscal year, yes.

<Q – Dalton Chandler – Needham & Co. LLC>: Okay. And so that's when they expect to start shipping to their customers, but do you recognize revenue when you ship the equipment to Smiths?

<A – Jim Green – Analogic Corp.>: This would be when we expect to be shipping to our customer and then they go through their piece and then ship on from there.

<Q – Dalton Chandler – Needham & Co. LLC>: Okay.

<A – Jim Green – Analogic Corp.>: These will be our revenue shipments and like I said, we expect Security to continue to ramp up and grow throughout the year. We're very high and bullish on Security going forward.

<Q – Dalton Chandler – Needham & Co. LLC>: Okay. So then the lead time on a Smiths order is around six months, is that fair to say?

<A – Jim Green – Analogic Corp.>: No that's probably just in general, for large equipment like CT-ish equipment, whether it be medical or Security that's not an unrealistic number in that kind of six-month timeframe.

<Q – Dalton Chandler – Needham & Co. LLC>: Okay, all right, thanks a lot.

<A – Jim Green – Analogic Corp.>: All right. Thanks, Dalton.

Operator: Thank you. [Operator Instructions] Our next comes from Jiwon Lee from Sidoti & Company.

<Q – Jiwon Lee – Sidoti & Co. LLC>: Thank you and good afternoon.

<A – Jim Green – Analogic Corp.>: Good afternoon, Jiwon.

<Q – Jiwon Lee – Sidoti & Co. LLC>: Jim, just wanted to circle back on the ultrasound. So if I hear you correctly, do you think at this point in North America you are kind of shipping under true demand because of the uncertainty that you mention?

<A – Jim Green – Analogic Corp.>: Well, we saw some uncertainty and delays in Q1, but we expect to see that. I mean we already see that starting to change. We're confident we're going to see the growth that we expect this year. Again, it delayed somewhat, so maybe instead of the full number we expected in the year, we expect some of what – what delayed may not make it in this year. But we still expect good double-digit growth in the U.S.

Europe for us, interestingly enough, it's actually modestly growing. The unfortunate situation in having to switch distributors in Eastern Europe, that set us back a bit. But we've already have new distributors in place to start to come up to speed. And we expect that that to get – we expect that segment to be getting – coming back on line fairly quickly here this year. So we're – again, we're – we think ultrasound is a great place for us to build scale, add products and to expand our distribution and that's our investment thesis there.

<Q – Jiwon Lee – Sidoti & Co. LLC>: Terrific. And wonder how does your China side and the market there play into your revenue growth and the margin expansion goal for 2013?

<A – Jim Green – Analogic Corp.>: Yeah. That's a great question. We, typically, historically have had very little opportunity directly or through distribution into China. The growth in China we've tended to sweep along with our big OEM customers, who are well penetrated in China and they will drive medical imaging growth.

But on the ultrasound side, we were just typically really weak. We are now – we have put a lot of effort into expanding our distribution efforts into China. We do think that will become a growth driver for us. But it starts on a fairly low, I should say, a very low base, not a significant mover of the needle. But it is coming up and in time we expect that to become more and more of a contributor.

<Q – Jiwon Lee – Sidoti & Co. LLC>: Okay, and shifting gears to the Security side, the $5 million new order that you mentioned you received after the quarter I think. Could you give us the mix of the systems, is it more towards the high speed or more towards the mid speed?

<A – Jim Green – Analogic Corp.>: I think it's fair to say more toward the high speed at this point.

<Q – Jiwon Lee – Sidoti & Co. LLC>: Okay.

<A – Jim Green – Analogic Corp.>: And like I said, we're expecting to start to see significant orders coming in on the mid speed as associated with the replacement cycle in the United States.

<Q – Jiwon Lee – Sidoti & Co. LLC>: Okay, excellent. And for Mike, just remind us how much of the authorized repurchased program is left as of now?

<A – Mike Levitz – Analogic Corp.>: I believe we have about $15 million left under the repurchase program.

<Q – Jiwon Lee – Sidoti & Co. LLC>: Okay. It's perfect. And is there any CapEx goal for 2013 that may or may not have changed?

<A – Mike Levitz – Analogic Corp.>: Okay, CapEx – the CapEx goal?

<Q – Jiwon Lee – Sidoti & Co. LLC>: Yes.

<A – Mike Levitz – Analogic Corp.>: No, our CapEx is – we expect to be in line with that we had said before.

<Q – Jiwon Lee – Sidoti & Co. LLC>: Okay, perfect. Thank you.

<A – Jim Green – Analogic Corp.>: Thanks, Jiwon.

Operator: Thank you. Our next question comes from James Terwilliger from Benchmark Company.

<Q – James Terwilliger – The Benchmark Co. LLC>: Yeah, hey, guys. Can you hear me?

<A – Jim Green – Analogic Corp.>: Yes. Hi, James.

<Q – James Terwilliger – The Benchmark Co. LLC>: Oh, excellent. Two quick questions and I apologize I had some meeting conflict, so I may have missed a couple of things, I won't ask you to repeat anything. But two quick questions. The first is if you could, for me at least, talk about the Clinical Conference in Chicago. How was the tone as you see it as it relates to your business and how was the tone as it relates to your customers?

<A – Jim Green – Analogic Corp.>: That's a great question. RSNA it's one of the major shows for diagnostic imaging, it was well attended. From what I understand, though, it may have been slightly down, the overall number of radiologists that came in the year. I haven't seen the actual number floated out yet. But from our perspective, most of the people we see at RSNA is our big OEM customers and in that respect it was a very good show.

As typical, we were able to show our enabling technology and work with our large existing OEM customers and you see more and more of our product becoming a larger, larger content of our OEM customers. You also see us working with some of the potential new entrants into this space. So for it's a very good show to see the other businesses who really need our technology in order to penetrate these markets.

<Q – James Terwilliger – The Benchmark Co. LLC>: Okay, thanks very much. And then in terms of my second question and while that one is very focused on the customers this is focused a little bit more on the investors potentially. With your stock where it's at, and a stock buyback in place, dividend in place, is there any thought from a management perspective in terms of a potential stock split, in terms of the stocks just to add more liquidity in the domain?

<A – Jim Green – Analogic Corp.>: You know, we've even looked at that and honestly the data suggests that the liquidity on a dollar basis doesn't really change by having a larger number of shares out. So, when we look at our – our institutional investors there certainly has not been much of a push to do that and we're heavily institutionally held. So, at this point I'd say no, we haven't really given a lot of thought to that and we also don't believe that we'd really do much for liquidity. As our prices moved up, we certainly seen substantial improvement in liquidity, which is – that's the way we of course would really want to see it happening.

<Q – James Terwilliger – The Benchmark Co. LLC>: Okay. Thank you, guys. I'll jump back in queue. Thank you very much for taking my questions.

<A – Jim Green – Analogic Corp.>: Thanks, James.

Operator: Thank you. There are no further questions at this time. I'll now turn the call back to Mr. Green for closing comments.

James W. Green, President, Chief Executive Officer & Director

Okay. Well, thank you everybody for your interest in Analogic. We invite you to call in again in March, when the company will review its second quarter fiscal 2013 results. Thank you.

Operator: Thank you. For listeners who may have come in late, this call has been recorded. You can access the telephone replay by dialing 1-877-919-4059. Again that's 1-877-919-4059 or for international callers, 1-334-323-7226, again international callers may dial 1-334-323-7226 and entering pass code 86130734. Again your pass code 86130734.

The telephone replay will be available at that number beginning two hours from now and running through midnight Eastern Time Sunday, January 6, 2013. The webcast replay will be available on the Investor Relations page of our website at www.analogic.com beginning about three hours from now and will be available through Sunday, January 6, 2013.

Thank you all for your participation in today's conference. And you may now disconnect.