PARTICIPANTS

Corporate Participants

Kristi Cushing – Manager-Investor Relations
Robert Craig Breese – President, Chief Executive Officer & Director
Nikhil Atul Mehta – Treasurer, Chief Financial & Accounting Officer

Other Participants

Ian T. Gilson – Analyst, Zacks Investment Research, Inc.

MANAGEMENT DISCUSSION SECTION

Operator: Good day, ladies and gentlemen, and welcome to the Clean Diesel Technologies Second Quarter 2012 Financial Results Conference Call. At this time, all participants are in a listen-only mode. Later, we will conduct a question-and-answer session with instructions to follow at that time. [Operator Instructions] As a reminder, this conference is being recorded.

I would now like to turn the call over to your host for today, Ms. Kristi Cushing, Investor Relations Manager. Ma'am, you may begin.

Kristi Cushing, Manager-Investor Relations

Thank you, Ben, and good morning, everyone. Thank you for joining the Clean Diesel Technologies, or CDTi, conference call and webcast to discuss the company's financial results for the second quarter of 2012, which ended on June 30, 2012. By now you should have a copy of our results press release, which crossed the wire this morning prior to market open. A copy of the press release along with other company information may be found on the Investor Relations page of the company's website at www.cdti.com.

Before I turn the call over to Craig Breese, President and Chief Executive Officer of CDTi, I want to emphasize that some of the information discussed in this call are forward-looking statements, particularly statements about expected sales, regulatory enforcement of retrofit mandate and receipt of regulatory product approvals or verifications pertaining to the California mandate, as well as overall business growth, anticipated cost savings and margin improvement.

These forward-looking statements speak only as of today and involve risks and uncertainties that are outside of CDTi's control. Accordingly, undue reliance should not be placed on such forward-looking statements as actual results may materially differ. Risks and uncertainties that may affect such forward-looking statements include among others, the risk of decreased government spending on emission control projects or decreased regulation of emissions and the risks associated with the receipt of regulatory approvals and continued customer acceptance of our products, as well as other risk factors previously detailed in our filings with the SEC. For a complete discussion and understanding of the risks our company faces, you should review the Risk Factors in the Annual Report on Form 10-K, which was filed with the SEC on March 29, 2012.

Call participants are advised that the audio of this conference call is being broadcast live over the internet and will be available as an archived replay on our website. The archive may not be rerecorded or otherwise reproduced or distributed without prior written permission from CDTi.

I will now turn the call over to Craig Breese, President and Chief Executive Officer of CDTi.

Robert Craig Breese, President, Chief Executive Officer & Director

Thank you, Kristi, and good morning to everyone and thank you for attending our second quarter 2012 conference call. Joining me this morning will be Nikhil Mehta, our Chief Financial Officer. I'd like to take the opportunity now to share with you my perspective on our business performance and outline the plan forward for the remainder of this year 2012 and beyond. Nikhil will then be providing you with greater details on our financial and operating results a bit later in this call.

I'll start with the total company results and we'll take a closer look at our division results after that. The second quarter actually played out pretty much largely as we'd expected and we're pleased to report significant revenue growth of 45% compared to last year. Our Heavy Duty Diesel Systems business grew by 15% year-over-year, and our actual external Catalyst sales grew by 190%. We continue to be optimistic about the overall strength of our business model and our end markets, as well as the timing of customer buying patterns as we now head into the remainder of the second half of 2012.

Moving further down the income statement, while our margins and our loss were within our expectations, they're still disappointing. Those through structural cost actions that we'll discuss later on in these discussions today that are already underway now, we expect to see both gross and operating margin improvements going forward. But only a small portion of the savings were realized in the second quarter, we expect to see a ramp up in the second half of 2012 and well into 2013 fiscal year.

By streamlining our manufacturing process, creating a flatter organizational structure, scaling back our operations in London, along with other productivity and cost takeout measurements already implemented or in process, we believe that we can drive down SG&A significantly to improve our leverage as a business. We believe there are still many opportunities to show additional improvement in profitability for this reason. And we'll continue to work on areas such as lean manufacturing, cycle time reduction, material usage and supply chain management to help contribute to this. Of course, we'll continue to focus on driving demand and the top line in both our Heavy Duty Diesel Systems and Catalyst businesses as well.

Now, turning to a review of our individual divisions, let me start first with the Heavy Duty Diesel Systems business, which reported $11 million in revenue in Q2, which represents two-thirds of our total revenues, a good quarter and growth for this business. Key drivers of growth included the previously announced retrofit programs in New Jersey and Texas, as well as residual retrofit sales in the London project.

However, nearly 40% of Heavy Duty Diesel sales were generated from non-retrofit sources and sales of these types of products going into original equipment manufacturers and aftermarket customers, primarily for off road applications. This balances our business with the retrofit business.

Q2 sales under the California mandate were nearly $2.5 million, slightly higher than what we reported in the first quarter. As we mentioned in our last conference call, our expectation is that sales under this program will be weighted to the back half of 2012 and particularly in the fourth quarter.

CARB reinforcement will be critical in operator decisions and timing in purchases and in installing our retrofit solutions for this project. We've dedicated a substantial amount of sales, marketing and engineering resources to ensure that we are the single strongest provider of retrofit emission control solutions and products to this market. And in fact, we offer a comprehensive product and services portfolio that positions us as the premier supplier of emission solutions to meet the California mandate. And I'd like to just quickly go through what those encompass.

First, an extensive distribution network now of over 50 distributors, not covering just California, but also neighboring states and Mexico for those trucks that will be transiting California highways.

Next, a first and only lease option in the market to acquire these systems through a lease program.

Next, significant engineering and service support to vehicle owners and distributors; a state-of-the-art website and information portal; targeted advertising to trade media; dedicated pull through sales to our fleet owners; and, finally, a growing product portfolio to be extended with pending CARB approvals, which when received will significantly increase our market coverage through enhanced product offerings.

Finally, we believe that CARB will certainly be initiating a number of steps to enhance awareness within the trucking industry about the mandatory emission program and the deadline for compliance, as well as commencing enforcement of penalties for non-compliance, which is extremely important. We think this demonstrates CARB's commitment to ensuring that operators will meet the deadline for compliance and we support their efforts. CARB estimates that significant retrofit activity will occur late this year and will reach its peak in 2013 with a final portion to occur in the year 2014.

Now, moving to our Catalyst division, we reported external revenue of $5.7 million, which represented approximately a third, or 34%, of our total revenue, up, as I mentioned earlier, significantly over last year. And you'll recall last year's sales were negatively impacted by the effect of the Japanese earthquake and tsunami on our key customer, Honda's business. Honda's U.S. sales have grown substantially this year and at a faster pace than the U.S. auto industry as a whole.

As recently announced, we've begun supplying Catalysts to Honda for the new 2013 model year to the Accord. In fact, we've already started shipping those products. And also, not only for the four cylinder model, but in addition for the first time we are also now enjoying six cylinder business as well.

In addition, we're working with Honda on an exciting high performance six cylinder and hybrid vehicle application business, which could result in additional volumes for the year 2013. This business from Honda represents significant breakthroughs in Catalyst technologies. Hence, the reasons we were granted the award.

Keep in mind, as with all new product launches, our Q2 sales included initial ramp up of requirements for the new 2013 model year. The Honda story is a great example of how we deploy technology to drive profitable growth.

And finally, we continue to make investments in our businesses to expand our revenue base and improve our cost structure. We expect to begin to realize more of these benefits, as I stated previously, in the second half of this year and clearly working into 2013.

I've been part of the CDTi team now for about five months and I've gained a deeper appreciation for the parts of our business that have performed well quarter-after-quarter and year-after-year. I'm not sure we've done the best job of explaining this, however, to our shareholders and it's an area we intend to improve upon. And as a result, I'd like to ensure that we all have a clear understanding of our strategic focus for driving our business forward.

So a good example of this resides within our Heavy Duty Diesel Systems business. While a portion of this business is diesel retrofit for trucks, buses and other on-road applications, given the increasingly stringent emission regulations, as stated earlier, nearly 40% of our sales in this division are now derived from non-retrofit businesses, or sources. And these sources include original equipment, manufactures of many different types of equipment and products, and aftermarket businesses for off-road applications, stationary diesel applications, such as generator sets, gasoline and alternative fuel engines, including propane and natural gas for the reduction of exhaust emissions.

In fact, this non-retrofit business grew 6%, which is a kind of an annual type of increase through the first six months of the year. These applications are driven by employee health and workplace safety, as much as they are by regulations. Our diesel oxidation catalyst, known as DOCs in the industry, and diesel particulate filters, known as DPFs in the industry, have been proven in most severe conditions, including underground and open-pit mining, tunneling, cargo handling and material handling, industrial and stationary power generator sets and other off-road fleets. In addition of benefiting the environment, these products help to ensure our quality, productivity and employee health and safety.

And so we believe that these types of applications provide us with a greater visibility and predictability to our business and are less prone to a change or delay in regulations. We also utilize our deep engineering and design expertise to custom manufacturing distribute high quality exhaust and intake parts and specialty items as aftermarket replacement components, or in the installation of our branded original equipment manufactured and verified retrofit products.

My goal in sharing this information with you today is to ensure that there is a clear and better understanding of the depth of our product applications and the diversity of the markets we serve, some of which are growing independent of any government regulations. Our expectation going forward is that we will share more about these market opportunities and how we can benefit from them and in fact grow faster. We also expect to continue to invest resources to grow out market share in these areas and look opportunistically and selectively to acquire companies or technologies that will enhance our presence in these areas. We view these product applications and markets as steady growth areas.

And while they can't be characterized as reoccurring, they do represent more sustainable and repeat type business for us. And they do help to smooth out the rapid growth, though, often less predictable diesel retrofit business that is driven by the voluntary and incentivized or mandated compliance programs. So to state, succinctly, we are not just a retrofit company, but rather a company that in addition to other markets, such as OEM and aftermarket off-road, also sells retrofit solutions.

So in summary, we remain confident in our fundamental strength, including our best-in-class technology, our applications know-how, the significant and more predictable revenue opportunities derived from products sold to customers in the construction, mining, material handling industries and an excellent position and rapid growth opportunities, such as the mandatory California program. Not to mention, our continued support of the original equipment manufacturing industry and the automotive industry, such as Honda. Above all, we have a dedicated global team and I am confident that they will continue to strive to deliver profitable growth over the long-term.

So now, it's my pleasure to turn this call over to Nikhil for his comments on our operations. Nikhil?

Nikhil Atul Mehta, Treasurer, Chief Financial & Accounting Officer

Thanks, Craig, and good morning, everyone. I am pleased to report our second quarter fiscal 2012 results. Revenue of $16.7 million is up 45%, compared to last year, where our gross margin was at 25%, compared to just under 30% in the prior year period. Our year-over-year gross margin was negatively impacted by a shift in product mix in the Catalyst division, primarily resulting from increased pass-through revenue at zero margin.

We anticipate that gross margins will gradually improve as a result of product mix and higher volume of sales in our HDD divisions in the back half of the year driven by the California mandate. Our loss from operations was $1.9 million, compared to $3.5 million last year. And our loss per diluted share was $0.31 compared to $0.89 last year.

Moving on to business segment highlights. Our Heavy Duty Diesel Systems business had another strong quarter, increasing revenues by 15% compared to last year. We recorded approximately $2.5 million of sales in California, about $1 million in New Jersey and $800,000 in Texas and lastly about $1 million of residual sales in London.

Gross margin in this division improved to nearly 31% from just under 26% last year. Our Catalyst OEM sales increased by 192% compared to last year, driven by sales to Honda. We continue to control expenses while investing strategically in opportunities for near and longer term revenue generation. During the quarter, we booked a severance charge of approximately $350,000. This charge was a result of severance payments associated with the consolidation of certain functions and departments across the company. We expect savings of approximately $800,000 per year as a result of these cost reductions.

We will continue to aggressively look for opportunities to increase efficiency and reduce costs. Operating expenses for the quarter were $6.1 million including the severance charge, compared to $6.9 million a year ago. This decrease was primarily a result of scaling back our London operations and reduced stock compensation expense. We recorded an income tax expense of $100,000 for the second quarter.

Just a quick summary on the balance sheet, our net working capital was $2.6 million at the end of June versus about $11.3 million a year ago. This includes a reclassification of approximately $4.5 million of debt from long-term to short-term status this year. Cash and cash equivalents were $3.4 million.

On July 31, we announced that we had entered into an agreement with an existing investor, pursuant to which the investor loaned CDTi $3 million. The loan principal along with unpaid interests at 8% per year will be due and payable in full in July 2015. We intend to use proceeds from the loan for working capital and general corporate purposes.

That concludes our formal comments. Operator, we are ready for questions.

QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] And our first question today comes from the line of Philip Shen of ROTH Capital. Your line is open. Please go ahead.

<Q>: Hey, guys. It's Matt for Phil. How is it going?

<A – Craig Breese – Clean Diesel Technologies, Inc.>: Good Matt.

<A – Nikhil Mehta – Clean Diesel Technologies, Inc.>: Hi Matt.

<Q>: Just a couple of questions for you this morning. Just want to start out with a bigger picture, can you provide us with an update on your vertical integration efforts? Craig, on this end, maybe you could provide us with some quarterly goals ahead or annual milestones?

<A – Craig Breese – Clean Diesel Technologies, Inc.>: Sure, Matt. Let me talk about the vertical integration kind of looking backwards first, because I think it's an important piece of the story. Believe what Matt is referring to for others on the phone is, when we acquired the Engine Control Systems' business several years ago, one of the reasons for doing so was that that particular business purchased a lot of coated substrates for the different applications that they were constructing systems around.

As a result, what we've now been able to do successfully is bring a very high percentage of the total requirements of coated substrates in-house. In other words, we manufacture the coating, apply the coating to the substrate in our Oxnard, California facility and then ship that coated substrate to our Canadian operations for final assembly and engineering into the actual engine control systems product that is in turn sold to our end-users.

So that vertical integration, obviously, gives us two things. It gives us enhanced profitability, because we're, in fact, selling a higher percentage of the content ourselves through the coating process. And secondly, it gives us a better management of the supply chain so that we don't have, obviously, as many different steps to have to go through and different suppliers to work with in terms of that vertical integration.

So, actually, Matt, it's going very well. And frankly, with the London program last year and early this year and now the California program kicking in, we're seeing those types of vertical integration opportunities be realized in a very good way. So, that's part of the reason you're seeing these results improving so much year-over-year in the Heavy Duty Diesel Systems particularly.

<Q>: Okay, great. And that's actually brings me to my next question. I want to touch on California for a bit. In terms of the overall market, during the first half, can you guys talk about just kind of how many trucks in the overall market you think were addressed? And then how many you think will be addressed in the second half? I mean maybe you can talk about it in terms of percentage of the total market?

<A – Craig Breese – Clean Diesel Technologies, Inc.>: Well, the answer for the first half is not nearly enough trucks were retrofitted in the first half. Our discussions – our information comes from a variety of sources, which are public, but we have ongoing discussions with the CARB organization. And what everyone is basically saying within our industry is that primarily due to lack of aggressive enforcement, which I touched on in my opening remarks, there is a tendency by a lot of the fleet owners and independents to hold back in investing in compliance, which is mandatory, because they just really don't want to put that cash out until they really feel that they have to or they compel to.

So, the first half was, in fact, quite disappointing. I don't have specific percentages in terms of the actual amount of trucks retrofit because that's a moving target. As time goes on, those numbers actually – the CARB numbers have actually increased somewhat. They actually now estimate that the total pool for retrofit over this three year process that we discuss is now slightly above 100,000 trucks and clearly probably less than 15% of those trucks have, in fact, been retrofitted to date.

What I can tell you for the remainder of this year is assuming that CARB is true to what they say in terms of stepping up compliance, setting up checkpoints around the state, and having California Highway Patrol's actually writing citations of the actual trucks that are not in compliance. If that actually occurs the way CARB is telling us they're going to do it, I think you will see a significant uptick in certainly the fourth quarter or so by the end of the year, because that's really when the emphasis is going to be on getting this done so that these trucks are in compliance in a timely manner. But, again, some of this really is unfortunately out of our own business control in the sense that we've got to rely on CARB to really reinforce that compliance component of the business.

<Q>: Yes, understandable. And so as far as other than increased enforcement, is there anything you guys can do to drive fleet owners to retrofit earlier? And we know that you guys have the financing program with AIL. Maybe you can touch on that and then some other stuff that you guys can do to bring in that demand a little bit?

<A – Craig Breese – Clean Diesel Technologies, Inc.>: Absolutely, and that's – I think this is one of the differentiators of Clean Diesel from maybe some of the competitors in the industry. This is a core business for us. It's not necessarily a core business for everyone. So what we do, what you're touching on is our lease program, which is a fantastic tool. And when I talk to distributors about that tool and how is it been received by their customers, they're saying, look, this opens a niche, but is an important niche, particularly for smaller operators, owner operators, who would only have the cash flow to go out and put a $10,000 or $12,000 or $15,000 retrofit system on their truck. But now through this leasing option, they're in a situation where they can actually fit this up. So the actual acceptance of the program and the communication of the program, [ph] is picked (24:44) on I think very well by our team internally. Out to our distributors who are in turn putting up literature and putting on websites the various information as to how to access this leasing tool, but we're not stopping there.

We are having fleet nights. With a number of our distributors, what we do is we invite many of the major fleets in California into our distributors, we present them with our various solutions of our products and services and how we can really make it seamless for them to go in and get the retrofit systems installed on their truck with a minimum of downtime for them. And what we are trying to do, wherever possible, is we're trying to facilitate that activity as early as we can so that as the numbers start to ramp up later in this year, certainly by Q4 and into next year, they're not disadvantaged by the fact that they're staying in a long queue, waiting to get their trucks retrofitted along with everyone else's, we're trying to incentivize them and help them to understand that it's important to do that early, and that there's advantages in terms of them avoiding downtime or lack of availability of their equipment as a result of that.

Clearly, though, the center piece to all of this remains CARB and their ability to drive a hard and fast enforcement to this. So I want to emphasize that as well. But there are things we can do. There are things we are doing. And again, I think the take up with our distributor network, which is primarily how we sell, has actually been very good.

<Q>: Great, great. Then, I just wanted to also touch briefly on the off-road side. You mentioned that the non-retrofit business was about 40% of HDD sales. Maybe you can give us a sense for the longer term percentage overall makeup of HDD that you see this making up?

<A – Craig Breese – Clean Diesel Technologies, Inc.>: Yeah. I mean, I think it's one of the things that we probably haven't talked about enough yet on these call, so I appreciate the question, Matt. I don't necessarily have a percentage in mind other than to tell you that I would think it would be healthy to have a majority of our Heavy Duty Diesel business in the OEM and aftermarket realm. So I would certainly be targeting over 50% as time goes on.

Now, because of the big initiatives, such as California that are staring us in the face, as you can appreciate that may not be possible in the near-term or the short-term. But, overall, the plan is to get a very healthy balance between, I would say that more cycled type business, that more repeatable type business, so that the retrofit business when it comes is very, very enjoyable for us and we want it, but we're not so dependent upon it, if for whatever reason it's delayed, it's pushed out, it doesn't materialize, we still have a very healthy business model then with this other segment of business. But I can tell you, we're picking up new customers in that area. What you're seeing as a result of that 40% is a reflection of both new customers and deeper penetration of existing customers, because the team now is very focused on picking up that business. So, again, in rough numbers I want it to be more than 50%. How much more? Will depend a lot on how quickly we can adapt new customers. And I don't want to do it sacrificing obviously any good retrofit business that comes along.

<Q>: Great, that's great color. Thanks, Craig. Then, on the Catalyst side, I just want to touch on automotive business as well. We noticed that the gross margins on this side tick down substantially. And I know you guys addressed that in the prepared remarks, but maybe if you could just give us some more color on that, the pass-through that you had with your OEMs?

<A – Craig Breese – Clean Diesel Technologies, Inc.>: I'm going to turn that over to Nikhil, because he's done a lot of detailed analysis around that. But I think this is an important area that we want to tell you about.

<A – Nikhil Mehta – Clean Diesel Technologies, Inc.>: Yeah. Matt, I think this is something that has been coming on that we've been seeing for the last few quarters, primarily related to increased prices of rare earth. Though, we all know that they are now beginning to go down, so they're going to start seeing a sort of different trend in that going forward. But essentially the way we have the arrangements with customers like Honda and we're trying to get into with some more other OEM customers is that increased rare earth prices has passed onto them and it's just that we don't make margin on that. If you look at our Q, it's about $1.5 million of revenue increase in the Catalyst division came out of just increased rare earth prices. And that comes at zero margin. So if you just back that out of our Catalyst revenue, at zero margin you'll see that the Catalyst margin is actually pretty healthy. And just I mean this similar kind of thing happens in PGMs, but with Honda especially, all our PGM sales are pretty much in the consignment. So they don't enter our revenue picture. But this rare earth thing has been causing a bit of an issue over the last few quarters.

<Q>: Okay. I understand that.

<A – Craig Breese – Clean Diesel Technologies, Inc.>: I think that's a very good explanation, Matt. And I think, again, when you look at our business, we get paid a coating fee. And this is pretty standard in the industry that we participate in. And so, typically, when raw materials go up, it looks like the gross margin, in fact, is going down, if you're including that in your cost base. But as Nikhil is saying, these are pass-throughs that really go up and down with the market. So you want to be aware of that as you're looking at our true gross margins of what we actually do on a value added basis for the OEM.

<Q>: Okay, got it. Now I want to talk on the Honda contract you guys announced recently as well. Can you guys quantify at all the Catalyst opportunity that exists with the hybrid vehicle segment. I know you guys have mentioned that. And we also know that Honda has just announced their new

Accord plug-in model. Given your familiarity with the Accord model, what's the likelihood of leveraging what you have right now to win that contract and to do the additional hybrid vehicle contracts with them?

<A – Craig Breese – Clean Diesel Technologies, Inc.>: Well, again, I mean on a forward-looking basis, I can't give any guarantees or anything of that sort. What I can tell you though is, we've been working with Honda on the two projects that you've touched on from their inception. Clearly, we have pretty much in North America the entire Accord business now on the four and six cylinder standard gasoline engine versions. And so what you basically are looking at there is a pretty obvious connection through the technology leadership that we have in the four and six cylinder on gasoline. And then, what are Honda's key points that they're trying to drive in both performance and costs are around these hybrid vehicles or in the case of the plug-in vehicle.

So what I guess I would tell you is, I think we're well positioned. In fact, we had some Honda engineers with us yesterday in the Oxnard facility to discuss those and other programs, but at the same time these are competitive bids. There's many factors that are into winning or losing them. And Honda wants to keep that kind of approach going.

So there is no guarantee, but I do feel we are well positioned. These are by definition still more niche. They're not going to be the volumes that you're going to see in a normal gasoline combustion engine application or platform, but they are growing. And they are very important from a profiling standpoint for the future, both for Honda and for us. So we're keen to participate. We believe our technology has positioned us well to do so. And I'm hoping that we, going forward, can have similar types of announcements to the ones we just released a few weeks ago.

<Q>: Okay, great. And then just wanted to touch on capacity utilization in the Catalyst segment. What kind of capacity utilization did you guys see in Q2 and what do you expect in Q3?

<A – Craig Breese – Clean Diesel Technologies, Inc.>: Well, Q2 definitely improved a lot over Q1. And the reasons cited were; first of all, the really poor performance of the Honda business last year due to the tsunami and the earthquake. So we actually got really two very good positive impacts in Q2. One was the lack of, if you will, the natural disaster impact. Second was this ramp up of the model year 2013 business, which we've announced. So in fact, our loading in our plants improved significantly over a year ago and even over Q1. I don't like to give that kind of information out only because it's competitive information that I don't necessarily want my competitors to be aware of it, Matt (34:03). So, I think you can respect that.

<Q>: Sure, sure, that's very understandable. And then lastly just want to touch on outlook, if I may. I know you guys are expecting a back half weighted year in HDD for California. But is there any way you could provide us with maybe a little bit more color on the breakdown between Q3 and Q4, maybe we've been seeing – our channel checks have indicated maybe Q4 is going to be a lot heavier. What do you guys expect on this front?

<A – Craig Breese – Clean Diesel Technologies, Inc.>: Well, I mean, I think your channel checks are right on the money. I think they're very accurate indications of what we see as well. So, we think there's a very heavy loading coming at us in Q4, again, driven primarily by the [ph] consigns (34:46) discussion and the enforcement activities of CARB. But having said that, I think what we're still trying to do where we can is find ways to work with our distributors and our fleet owners to try to find ways to engage and shift product even still in Q3 to help mitigate that kind of bottleneck scenario that could occur in Q4. So, number one, I think your channel check information is right on the money. Number two, we're going to do everything we can to mitigate it. But I think in the interest of being conservative in the outlook, the waiting is definitely much more on the fourth quarter.

<Q>: Okay, great. That's it from me guys. Thank you.

<A – Craig Breese – Clean Diesel Technologies, Inc.>: Thanks, Matthew.

Operator: Thank you. [Operator Instructions] Our next question comes from the line of Ian Gilson from Zacks Investment Research. Your line is open. Please go ahead.

<Q – Ian Gilson – Zacks Investment Research, Inc.>: Hi, good day, gentlemen.

<A – Craig Breese – Clean Diesel Technologies, Inc.>: Hi, Ian.

<Q – Ian Gilson – Zacks Investment Research, Inc.>: You quoted numbers – hi. You quoted numbers by state and I got a little mixed up on here. Could you go through those again? You got about $7.5 million in California?

<A – Nikhil Mehta – Clean Diesel Technologies, Inc.>: Yes.

<Q – Ian Gilson – Zacks Investment Research, Inc.>: And $1 million in New Jersey?

<A – Nikhil Mehta – Clean Diesel Technologies, Inc.>: Yeah, about $1 million in New Jersey, about $800,000 in Texas. There's about $1 million of sales in London.

<Q – Ian Gilson – Zacks Investment Research, Inc.>: Okay, good.

<A – Nikhil Mehta – Clean Diesel Technologies, Inc.>: And this [indiscernible] (36:12) highlight some of our retrofit programs, really.

<Q – Ian Gilson – Zacks Investment Research, Inc.>: Okay. Now, I believe, last year, when we discussed the Japanese situation, it was a parts problem in the United States. Now, is the Honda contract are worldwide or just for U.S. produced vehicles?

<A – Craig Breese – Clean Diesel Technologies, Inc.>: It's really just U.S. produced vehicles, Ian.

<A – Nikhil Mehta – Clean Diesel Technologies, Inc.>: There's a small percentage that goes to Japan, but [indiscernible] (36:42).

<A – Craig Breese – Clean Diesel Technologies, Inc.>: Yeah. It's really not material outside the U.S.

<A – Nikhil Mehta – Clean Diesel Technologies, Inc.>: [indiscernible] (36:45) majority U.S., yeah.

<A – Craig Breese – Clean Diesel Technologies, Inc.>: Yeah.

<Q – Ian Gilson – Zacks Investment Research, Inc.>: Okay, great. Thank you very much.

<A – Craig Breese – Clean Diesel Technologies, Inc.>: You're welcome.

Operator: Thank you. I'm showing no further questions in queue and would like to turn the conference back over to management for any closing remarks.

Robert Craig Breese, President, Chief Executive Officer & Director

Thank you. Again, I'd like to thank all of you that joined us on the – on a line this morning for your interest and support to the CDTi business and for taking time to participate in the calls. We look forward to updating you at the end of the Q3 period, as we continue our saga of growing profitably into the future at CDTi. So thanks again for attending the call.

Operator: Ladies and gentlemen, thank you for your participation in today's conference. This does conclude the program and you may all disconnect. Have a good rest of the day.