

Q4 2012 Earnings Call

Company Participants

- Armando Casado de Araujo, CFO and IR Director

Other Participants

- Lilyanna Yang, Analyst
- Marcelo Correa, Analyst
- Unidentified Participant, Analyst

Presentation

Operator

Ladies and gentlemen, thank you for (inaudible). Welcome to the audio conference for Eletricas Brasileiras for the disclosure of financial statements regarding the Fourth Quarter of 2012. I inform that all the participants will be only listening to the audio conference during the presentation. Right after, we are going to start the Q&A session. Later, instructions will be given.

We remind you that all the presentation is available on the website, Eletricas website. Before we proceed, we would like to clear up the eventual -- the declaration that might be given during the audio conference regarding with respect to the business of the Company. Forecasts constitute premises and ideas of Eletricas. And based on information presently available to the Company, they are not guaranteed of performance because they're incurring risks or others. So things might happen or not. The investors should understand that the economical conditions and other operating factors might influence the results expressed in such future considerations.

Now I'll give the floor to Mr. Armando Casado de Araujo, CFO and Director of Relations with Investors. Please, Mr. Armando.

Armando Casado de Araujo {BIO 16673880 <GO>}

Good morning, all. I would like to thank for everybody's presence and with such a great number of listeners about (inaudible) from Brazil. It's a great satisfaction to disclose the results of the Fourth Quarter. And to be fast, I'm going to pass through the presentation very deeply, not always the slides because I believe that most of you have already knowledge of the results.

And so the Q&A session will be the most important part of this presentation. As you know, the Fourth Quarter is a loss of about BRL10 billion. And this is influencing our final results of

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the exercise at BRL6.8 billion, 244% less than what was -- that happened the year before. Even though our net operating income had increased in the BRL3 billion in relation to BRL29 billion debit credit into 2011 with a positive variation of 17%, even considering the decrease that we had on receivables from (inaudible) of about BRL800 million due to the variation of the American currency, which is 5.5 into 2011 and 2.5 in 2012.

In the materials and services, we have a cost of BRL8.4 billion in 2012, BRL10.2 billion more than in 2011. But a little less than the increase on the income of 16% in relation to the P&L. There was a variation of 1.2% less than 2012. Our EBITDA consolidated is about BRL5.5 billion, 8.4% less than 2011. However, the EBITDA after the variables that influenced with the income from Itaipu, as I've commented before. And it was -- and the provision that I'm going to detail later on, that increased from BRL435 million to BRL1.09 billion.

And on page three of the presentation, there is a detail of those accounts getting to a result of 6.8, that I leave for you to clear out later on. With the results of BRL06.8 billion, the Company, because it had reserves, decided to distribute dividends.

And we used the fixed dividend of 3% of the preferred shares and the capital (inaudible) - on capital is 72% and EBITDA of 6%. And we calculated on interest and on capital gave (inaudible) BRL34 million. And we gave an additional dividend proposed for the same ILC's, giving a remuneration to shareholders of BRL868 million. Highlighting that item that we highlighted before, which is our commitment to the reduction of PMS, we could highlight that even though this income has increased in 16% from 29% to 34%, we increased the PMS in 10% from 7% to 8%. So the variation from one type to the other, the expenses of PMS from 2012 in relation to 2011 was a commitment of 26.3% (technical difficulty), while it is exercise of 24.8% so it's (inaudible) of 1.5% and of like type details like in personnel, materials. And services.

But the open results by the Company I can highlight that by slide 6, that the losses the Company came from a result of 2300 for a loss of 7700 in the generation and transmission. But for fullness had an adjustment that I'm going to detail later on. But of end result of 3874 and had an adjustment 2067 electric suit had an adjustment positive and have a contract of BRL800 million. The (inaudible) partnership with Chesf and here we should explain.

The shareholders is a proportion of their capital bought free energy. This free energy was bought about BRL140 and the contract that -- sales contract that was conceding for us to sell this energy was based on the historical average of last 10 years. And as you know to date this is not the market price. And the price for this is not based on the history average but our independent auditor, based on the accounting, being very conservative here (inaudible) the last 10 years.

But we are completed that we should have an increase of this value when we put this energy on the market, a letter of margin has a deficit of BRL\$482 million mainly in San Juel and by -- and have an increase of \$666 million. And just passed an increase of BRL8 billion. And with this conflict, as I said before, of about BRL800 million being this explanation I have just given you.

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The other ones came from the negative results from BRL1 billion -- 400 to \$1.300 billion being that the (inaudible) provision of (inaudible) due to the new regulation, the efficient energy for efficient generation that we're requesting from (inaudible) a result that is going to be very positive to the Company that many points in relation to that. And if you wish to ask a question, I can clear it up for you. And I'm not going to explain further now because I have to continue here.

But so there was a provision of credit of 480 billion POE had a part that was de-contracted of 99 million and future increase of capital. So (inaudible) has BRL105 million that will take exposition as soon as the conflict that was given to ANEL is signed by the parties. This will take this exposition and won't do again. Just going back to (inaudible) the QC PLB average admitted by ANEL in the last 10 years. And due to that, we have the same criteria for general. So Acre had the reduction of at least of 5 million in slide -- what's the next slide, please?

Here I'm going to (inaudible) there is why slide number 8. This is only a detailed what I'm speaking to you by activity, remembering that generation carries as we are segmenting by activity. And by now energy is verticalized. So a third now generation is acquired generation. So the generation of the cost of Manalt is within the total generation segment.

So an important (inaudible) that were the premises that we -- that they wanted us to adopt on this balance sheet to verify the impact of extension of the concession. So it was important for us to say that (inaudible) what did we conceded. That the concession is extended based on the basic project, it takes a book value less the identity value that is the indemnity value calculated by the new reposition value and the accounting value -- the book value. The indemnity value is less than the book value so we have a write-off in assets.

But in modernization an improvement the book value less the new value of our position if it is greater than the book value. So we are going to disclose the (inaudible) but I keep the accounting value. But if you adhere to the book value then I have a provision for losses. This is within the (inaudible) of the conservatives. So the concessions are not extended in the determined tasks. So those concessions that were not extended, we conceded that anticipation of the extension of 30 years, we calculated value by the newer position value. And adjust the flow by the new period of extension.

If the (inaudible) is adhered to the book value, it was cash flow for three years and we considered the extension for two more years. And in distribution, the accounting value continues to equal to the DNR. So each has the (inaudible) of regulation and reflects conceded work through 2015. And obviously it was given by (inaudible) and independent auditors and standardized. Regarding the impacts of extension of the concession, the concession is extended to (inaudible).

The book value less indemnity value (inaudible) the same thing, a write-off. But if the RPSC is the group value is less than the DNR, the DNR is adhered to the book value on the

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disclosure of the DNR. But the VCNR is adhered to the book value so there is a provision for losses in modernization and improvements also by conservative.

So out of from like so now we keeping the assets. And the non-authorized service for (inaudible) we made a provision for losses, remembering that we have up to the 31st of this exercise to request indemnities. If the concession is not extended, we keep the book value completely at the new assets is equal to the book value close to VNR. And the assets that are already compensated by RPN were close to its book value. REP portion to recover the investment. The (inaudible) consider the extension for concessions for 30 years.

May (inaudible) we have given those preferences and I passed it very fast. But I'd like to leave some time for better clarification. I'd like to now make a summary of our results.

My profit before the loss, 12.783, they would be about BRL5.9 billion. But so we should calculate with the extraordinary effect of this profit that are about BRL2.7 billion due to the fact that the BRL1.6 million, which is the contract of (inaudible) and the detail of value that was due to of BRL149 million and that was north of BRL482 million (inaudible) of BRL1.058 billion but generally speaking if to 782. If I didn't have this event -- extraordinary event, I would have a profit of 5900. But since I had it, my profit came to 3 and 200. But considering the effects of the law that gave about BRL10.085 billion without the effects of the law, losses for (inaudible).

That is the calculation adjusted to the new value of our position. It is about BRL3.044 billion an adjustment to the new position value of the non-affected -- the power plant not affected by the position. (inaudible) BRL3.82 billion and generation 1091 and generation 141.91 and I'd like to clear up the other conflict that we are close to (inaudible). This impedance, which is the contract of (inaudible), which is BRL750 million, that before the calculations, this accounting was already -- for the book value was already being entered as investments and (inaudible) at BRL1.361 billion. So this is the result of BRL10.085 billion the actual results -- the final result after the effects of the law of BRL6.8 billion that is marked off it would be (inaudible) events with the extraordinary events, 3.2 with the effects of the law, giving to a loss of BRL6.8 billion.

There are the other slides that I'm going to highlight that you have in a consolidated asset of BRL178 billion. The write-off on slide 17. Our net assets went down to 67 and today was 10.8 for profit reserve and we are considering from this reserve the payment of the dividends. The capital we have leveraged (inaudible) 26 million I already told you. Our net debt is BRL50 billion if I take the RGI that has accounted parts which would be 61 and if we could take all of them in 6.5 towards our net debt of BRL23 billion. But considering that the debts by (inaudible) will be paid by the project (inaudible) of 9.3 billion so I like received and pay.

So we have (inaudible) a debt of 16.9 billion, making this operation. And in the part of my assets for debt, I have 29.3 billion -- 23.6 billion to receive. And to pay 18 billion. And this slide is separating the (inaudible) slide 20 and it separates each one of the items. So by

taking those configurations, I'm giving much more value to the prices than to the presentation, considering that the slides are self explain -- explicable.

So I can answer questions right now. So by saying that, I pass the floor -- I pass now to executing the Q&A session. So we're going to start right now the Q&A session.

Questions And Answers

Operator

(Operator Instructions) Barclays Bank in London.

Q - Unidentified Participant

Good morning, Dr. Armando.

A - Armando Casado de Araujo {BIO 16673880 <GO>}

Good morning.

Q - Unidentified Participant

It's very low. Could you speak closer to the phone. Much better. First on the CapEx, the numbers that you put on the release of 52 billion for the next five years, I'd like to understand two things. First, what's the breakdown of the 52 billion in SPS and investments? And about the SPEs, I would like to know if it includes only the value of equity distribution or if this is already a value from both of the equity and the debt that is going to be put there to finance in there?

A - Armando Casado de Araujo {BIO 16673880 <GO>}

No. Therefore the 32 billion was already higher and 80 million to be higher and the investment considers the participation. It is not as strong as the equity. The rest I'm going to put on SPEs. And how much of this 52 billion is equity from SPE's? It is a % that we saw last year or this could be different? Predominantly, we are going to be part of the cooperative. We are now planning. We have completed that 50% of the corporate cooperative and 50% equity.

Q - Unidentified Participant

Okay. Another thing is relation to consolidation. Was there any change of SPEs? And I'd like to know if the debt of the SPEs will be consolidated in the balance sheet or not? Can you give an idea of what will happen in relation to the CapEx?

A - Armando Casado de Araujo {BIO 16673880 <GO>}

I can also, with afterwards with my accountant, send you this answer back. I know that there was a change of the rules and that it will be entered by shareholders equity. But I don't know if this is going to happen in the next quarter. So it's confirmed that everything is going to be given by shareholders equity, yes. But I don't know because there are SPCs

in the answer that is moving this. So I don't know if the answer that I got from the Consulate so I don't know if this is going to happen from the next quarter on.

So we are waiting for a definite answer. So even if the (inaudible) to be really have a guarantee for the participation of SPEs and the debt. It's not going to appear on the balance sheet, no, because that's what the change that was at the end of the year and they were saying that they might have the change. I don't know if it's going to be at the (inaudible) or accounting code. But this is going to be valid from the next quarter on.

So I commit myself to give you this information later on when I know it's for sure. But this is what's going to happen. What happens now is that today we make the consolidation as a proportion of our capital. And now to change is that it's going to go to the result of the shareholders equity result. But we believe that this is information that will be given in the explanation of the balance sheet. Yes. We will prepare.

Q - Unidentified Participant

So when you talk about the cost of 20% in 2013 and 30% in three years, what lines are you referring to? Only the personnel, materials. And the (inaudible) services or are you talking about the whole company? 20% was measured. But is in relation to the PNSO and 20% is with PNSO. Okay. And the last question is in relation to the EBITDA's 2013, do you have any idea of what to expect?

A - Armando Casado de Araujo {BIO 16673880 <GO>}

Taking out this (inaudible) today the improvement in prices and etc. But take into consideration only last year and with the beginning of this year, what would be the result. What do we expect considering the potential reduction of cost as well. (multiple speakers)

We have generally, we make this adjustment in our forecast, which is a very positive factor that was taken into consideration in the Board meeting. And we commit ourselves to deliver this at the next Board meeting. And as soon as I have this information, I can pass that out to you.

Q - Unidentified Participant

Okay. Thank you.

Operator

(foreign language)

Q - Unidentified Participant

My question regards the indemnity to be received by the Company due to the renewal of the concessions. I'd like to know what do you expect in relation to the taxes on this indemnity. In the case, for example, of the letters from where there was an increase, again, by the difference between the book value and the proposed value of indemnity of BRL568 million, do you have any understanding or any monetization apart of the

government, in relation to the income tax relation to this gain? And that's the first question.

The second question is in relation of about -- to the continuity if the tax money (inaudible) in relation to these indemnities? Do you have any expectations regarding this? And what is the position of the government? Thank you.

A - Armando Casado de Araujo {BIO 16673880 <GO>}

We made a consultation. ANEL has pronounced itself regarding this consultation, together with the Ministry of Finance, to give better clarifications about that. And the information I've got is that there is no incidence of this (inaudible). It's treated as indemnity. It's an asset. And the question we had is because this asset stayed in the Company you received the indemnity. And you stayed with the assets in the Company.

Q - Unidentified Participant

What are we working with now?

A - Armando Casado de Araujo {BIO 16673880 <GO>}

We want to have Aliquot [ph], because that was the day expression that in truth the paradoxical -- the amendment to the contract said that they only have the right to exploit the operation and maintenance. And due to that, the understanding that the asset is off (inaudible) Island.

It is going to only take care of new investments on these assets, et cetera. So it is a great deal to change and then the record believe it is long delayed that it is going to until 2042. This investment will be remunerated.

So there is no need for the asset to be in the federal government. And you're going to make the investment Brazil's assets and appropriated through the fixed assets of the Company. So it will become -- the assets will be taken care of by the Company. However, they're going to be -- they are going to have an indemnity. So there is no provision for face conference.

After the capital gain I think that it is not on these copies. I'm almost sure. And I had given information about that. But the capital gain might have an impact in terms of income tax, yes.

So you can't have both things. But then the accounting of this gain that should indeed underscore the quarter that gave a generation of 578 million for part of the quarter. And that was so, as I say, accounting and it is not considered real taxes in relation to the asset.

No. We do not consider. And I didn't clear out, because there is also the possibility of this month will be taxed.

Q - Unidentified Participant

But do you believe that it will be?

A - Armando Casado de Araujo {BIO 16673880 <GO>}

My private opinion, I'm going to give you my opinion. And it is very (inaudible). I do not think that there is no (inaudible).

Q - Unidentified Participant

So you give to write up on the asset. So you have a tax credit. If you haven't tried, amortization of the assets issued accounts this.

A - Armando Casado de Araujo {BIO 16673880 <GO>}

So that is when I have a write-off of assets. Then I am appropriating tax credit. So you cannot gain both sides, okay?

Operator

Lilyanna Yang, UBS.

Q - Lilyanna Yang {BIO 14003234 <GO>}

Good morning, Armando. I have two questions, just to clear up. It was almost BRL3 billion that you recognized internally by the book value and the value of the amortization. You acknowledge that credit, though, of just -- of income tax, right? So you did not acknowledge the income tax, right?

The other question is why are you proposing to pay dividends towards the ON shares? To my understanding I am not seeing where the bylaws allow the payment of dividends for ON if you have a loss.

A - Armando Casado de Araujo {BIO 16673880 <GO>}

That would really be for EN, PN and APND. So we feel it very deeply. We have gone thoroughly and we talked a lot to a great lawyer. And there is a big understanding in relation to this. The profit reserved -- it is everybody's.

So usually I have a fixed dividend. I did to them and the profit reserve belongs to everybody. So even though there is a question regarding this, there are different opinions from important lawyers.

The Board configuring the policies that we used to use, we attributed -- as we did in the last three years we decided to extend it to ordinary shares. We don't have a definite policy. If we had, we wouldn't have followed this. But since there was no restriction regarding this we took this decision.

Q - Lilyanna Yang {BIO 14003234 <GO>}

So it is coincidence that -- it is a coincidence that at the same brand that it is PN and ON value BRL434 million. So you could have proposed a bigger -- a proposal of BRL1.39 per share.

A - Armando Casado de Araujo {BIO 16673880 <GO>}

It is true. But this year we have a commitment with our shareholders which is the payment of everything dividends. Don't have to pay those dividends (inaudible) shares. The collective effect is that this is going to have for the Company. So we are making a lot of adjustments. So we practice what we were practicing before.

Q - Lilyanna Yang {BIO 14003234 <GO>}

If you allow me the next question, I don't understand BRL1.1 million readjustment for owners' conflicts.

A - Armando Casado de Araujo {BIO 16673880 <GO>}

So this is a plan that has a fixed cost. And it is a plan that it does not operate -- does not have income availability. And now it is going to be detached because -- by marriage for this.

But it is now even (inaudible) due to that. But when you calculate and as soon as you calculated it by any near requisition value, both its value and -- both -- and the fact that it is not a fixed plan. So it doesn't have income or availability. So it was one part of it that can come the asset and the other part is from the owners' contracts.

Then you have to think that there is BRL1-point-something-million that you pointed out, because when you are just adjust C&R, the fact of (inaudible) of (inaudible) it is computed as an investment. It was part of the works during construction. So it is considered an investment, though it is approximately BRL1 million still, it was 400 to the owners' contract. That 400 we will be paying with. And so we have another for 400 million.

Q - Lilyanna Yang {BIO 14003234 <GO>}

Okay. Thank you.

A - Armando Casado de Araujo {BIO 16673880 <GO>}

Did you understand? Was it clear for you?

Q - Lilyanna Yang {BIO 14003234 <GO>}

I have other questions. But I will ask them later on.

Operator

Bernardo, Equity Investments. We are waiting for Bernardo. Marcelo Correa, Banco do Brasil.

Q - Marcelo Correa

Good morning, Armando, two questions in relation to the future of (inaudible). You have disclosed a plan from 2013 to 2017. What would be the main things that you're going to drive your profit?

But let me ask you a question. Do you intend to disclose the numbers, then, make forecast and cash flow? And if you're going to do this, what is your expectation and when they will be able to ask?

A - Armando Casado de Araujo {BIO 16673880 <GO>}

No. We do not intend to disclose. In truth we are -- we are going to detail the plan. But we have not disclosed any projection, any forecast. So our attention right now is strongly we are going to first tackle and show to the market the shares that we are going to take back, which is the group of shares for a part of the operating improvement, where we have a problem of -- we have to fire employees and we have to approve this plan in April.

But we have said standardized the program of -- to fire people from our Company. We have approved from -- in our Board and we have sent it to the Ministry of Mines and Energy. And it was approved. So it is because the Ministry of Planning wants us, the program for firing employees together with the contract of gold and another adjustment to do that.

So we are employing this proposal. That is part of our plan and a part of mobilizing personnel with these -- the fact of PD. We have to reallocate people. We have to dishonorate activities.

On those conflicts, let me tell you something very important regarding this. First, what brought those owners' contracts we have is the contract of the Toparika. The contract of the Toparika is honored due to the replacement of Toparika that has BRL133 million per year and what happened vis-a-vis replacement of people at Toparika.

And it's on our shares contract and we were able to create a group of work in the Ministry of Mines and Energy, Ministry of Integration, Ministry of Planning and Electrobras to a group, a workgroup. So that in 188 ways we can take through placement of people from Itaparika and put them in another place.

Q - Marcelo Correa

Do you give a conclusion of study to transfer?

A - Armando Casado de Araujo {BIO 16673880 <GO>}

Ultimately, obligation to community of integration and this by itself we (inaudible) a full result of the conflict. And it is officially signed. So it came as a rectification to take back the owners' contract of roads in the case of the (inaudible) submission of BRL1.407 million.

Q - Marcelo Correa

We should like that when you make an owners' contract fulfillment do have (inaudible) the option of extending or not?

A - Armando Casado de Araujo {BIO 16673880 <GO>}

So the extension we did not take into consideration in the MVE immunization like I said. So it is if you extend the concession on (inaudible) extend the concession, we will have the right of indemnity through EBSA. When you put in cash flow to extend or not. So it became -- become part of it. And the content becomes onerous. So this is an important conclusion.

We are standardizing our system with SAP actually. So due to a bidding, because some people did not have SAP. So we did not use it. But now we have -- we said that it would be a better result because of the continuation and shared activities. And we are able to have an indemnity to implement this SAP.

And we received the indemnities. We should receive the indemnities until 3108 to make the adaptation of reform, improvement, et cetera. The OEM management that improvement now of performance, it is also it is in the contract of improvement and efficiency.

Well in the situation of the Company's business, we are promoting -- during today we are submitting to the approval of the Company that would be creating a line in terms of energy. For the (inaudible) we have a solution for them that they could be one of the possibilities.

And it is actually of improvement -- or we are going to hire a consulting company to a 90 days review and answer towards what we are going to talk about. Privatization of distribution of operators would not be logic, because of the possibility of awaiting the extension of operators. So we are trying to make all the studies to disclose the best avenue to this problem.

And the SAP commuter of energy were spread out all over the country with offices, et cetera. And we are able to make now one only management.

Q - Marcelo Correa

Are you going to leverage other solutions for the group of SPE?

A - Armando Casado de Araujo {BIO 16673880 <GO>}

We have.

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Q - Marcelo Correa

So yes, all your conversation?

A - Armando Casado de Araujo {BIO 16673880 <GO>}

Today it is not (inaudible) comprehend part of the Eletronuclear. It has our four companies participating in the project. The idea is to have only one project where it isn't going to be managed. Maybe not within this (inaudible).

It is going to improve profit, improve distribution.

Q - Marcelo Correa

So if it goes, it will be low ASPs that you're constituting at those projects for participation, or they're a higher end, smaller?

A - Armando Casado de Araujo {BIO 16673880 <GO>}

No, no. That is not it. It is not it, because it is the following. Today we have -- each company has one entity that is (inaudible). But we were only to have one (inaudible). And we will -- and compared to four (inaudible) and this is our experience that we're going to put it out there now that it is clear.

But the management mainly because (inaudible) data, it is very big. It is a mass. It is, I mentioned, it is very big. There is a lot of gains and synergies out of this. They're going to involve relations to the other ASPs.

From the organization there is a center for sharing services with informatics, researching of payroll. And now with this standardization of the service, this will become possible. To create a regulating area of regulating systems, there is how many happenings you have. Standardize it and put the control of the holding over all regulatory subject matters.

In summary, to improve the operating efficiency and the restructuring of the business model and accompanying the investments as part of the delaying words. And did already something internal that was already improved. With the follow-up of projects -- backed project by project every month, checking the management, checking the regulating aspects and as for our rights. But also what is the problem in the management of this.

So there is organization. We are making -- and it (inaudible) country classification to be able to make an assessment of our projections and forecasts.

Q - Marcelo Correa

Now the second question, it is even simpler. The result of the First Quarter, when are you going to have them available?

A - Armando Casado de Araujo {BIO 16673880 <GO>}

When do I have them available? On basic team, basic team is my terms and I am thinking is it.

Q - Marcelo Correa

Okay. Thank you, Armando, those were my questions.

A - Armando Casado de Araujo {BIO 16673880 <GO>}

Thank you very much. We'll talk later on.

Operator

From this moment on we close the Q&A session. So we test the floor again to be sure Armando Casado de Araujo for the final consideration. Please, Mr. Armando.

A - Armando Casado de Araujo {BIO 16673880 <GO>}

Okay, I would like to thank you all for listening to me. I would like to make it clear that today we are -- (inaudible) ourselves to the effects of the law. So the considerations I made today I would have made them anyway. I would have made an adjustment for 2015.

I would like to say that today we have two types of assets, one asset that is -- that we had no regulation to do investments. There are concessions that are not objected and now we have an OEM asset to manage and it's going to be relevant in 2014 (inaudible), have and will have a profit of cost reduction, the figures on top of that. So we have a rating efficiency regarding this.

So we have -- and it is very fortunate to have this asset until 2042. This has become imperative. It has become a quota.

So the change I generated at this former (inaudible) to have to have an authorization from the Omni L and the authorization from Omni L, with this this investment will be amortized and remunerated. So I believe it for anything you can gain and we should take handle of this opportunity, because these assets for the renewal of 30 more years will require significant investments.

We are fighting again for the acknowledgment until 2032 and the parts of reforms and improvements. We are making all the surveys to show all the result of the SPSV. So we have a good (inaudible) still to receive ahead of us.

For you what I have to say is the following. We should adjust our accounts now. As you saw our relationships. And evaluation EBITDA and net debt is very big. But the funding we eventually take will have -- will be guaranteed by the federal government.

So we have the least cost of having money of funding to fund our projects. So we have created a work group to manage our largest internal investment assets which is -- and there are three. So we should -- it has got a lot of importance to it. And all I can say is that

we have a very firm commitment to deliver those commitments that you have put in the plan -- in the master plan to you start the short-term possible.

And another thing, in the next Board meeting we are also putting up the bidding for an international restructuring software. And plus a restructuring on the part of the distributors, an organizational structure proposed by an international consultants.

With these words I would like to put at your disposal where you can be free to ask questions, without doubt. And I will be -- I will have the pleasure to answer you. But at this moment the Company's (inaudible) at the near moment. That was the great impact of the renewal of concessions, as I said, that we should test now, either now or within two years.

So I thank you for your attention. Thank you very much. So we close for now. The other conference are going to take off. We thank you for your participation and have a good afternoon.

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