

Q3 2014 Earnings Call

Company Participants

- Miguel Dias Amaro, Chief Financial Officer
- Miguel Nuno Simoes Nunes Ferreira Setas, Chief Executive Officer

Other Participants

- Marcos Severine, Analyst
- Miguel Rodrigues, Analyst
- Paulo Ferreira, Analyst
- Unidentified Participant

Presentation

Operator

Good afternoon and welcome to Conference Call of EDP Energias do Brasil in which we are going to discuss the Earnings of the Third Quarter 2014. All participants are connected in listen-only mode. Later on, we are going to open for questions-and-answers, then we will provide further instructions. (Operator Instructions). This presentation as well as its slides will be simultaneously webcast at www.edpbr.com.br/ri. In there, you can also have the company's earnings release.

Before going on, EDP Energias do Brasil would like to let you know that any statements made in this conference call relative to the company's business outlook as well as projections, operating and financial goals concerning its potential growth are based on the management's expectations with regards to the future of EDP Energias do Brasil. Forward-looking statements depend on the country's economic scenario, the performance, and regulation of the electric sector, in addition to other variables, and therefore, are subject to change.

Now I'm going to turn it over to Miguel Setas, CEO of EDP Energias do Brasil, to start the call. Please Mr. Setas, you may go on.

Miguel Nuno Simoes Nunes Ferreira Setas {BIO 15901389 <GO>}

Good afternoon, everyone. I'd like to start by thank you for joining us in this conference call of EDP Energias do Brasil regarding the third quarter and year-to-date 2014. Today with us are myself; Dias Amaro, our CFO; Mayte Albuquerque, CFO and Investor Relations Officer. Similarly to previous quarters, the third quarter was marked by a quite challenging energy and regulatory scenarios. So I'd like to highlight that the company concentrated in whatever is manageable. And in this variables that we're going to see

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later on, we have some positive advancements but we're not certain to spike at all enough to offset the effects of the current energy scenario.

I'm going to start with slide three for us to start our presentation. And on slide three, I'd remind you that we have five topics as our priorities. Our main commitments for the management, they are our proactive management of our energy scenario, optimization of costs and protection of cash, execution of growth, improvement of customer satisfaction and finally the improvement in performance in terms of operating and regulatory and financial of our Pecem Thermal Plant.

Let's look in a very summarized manner to each one of these topics. So first I'm going to make a brief reference to the Energy Regulatory Scenario. I think you you're all acquainted with the fact that we continue to have a very unfavorable energy level, because reservoir levels especially in the Southeast markets are below 20%. The third quarter finished -- that closed at 25%, but now we are at 19% with reservoir levels in the Southeast region.

This is one of the factors that really limits the condition of our GSF, the average GSF in the quarter was 84.5, year-to-date 91.5%; and obviously all those scenario also reflected for all the reasons that we know, intensive dispatch of thermal electric plants led to a substantial increase of short time prices in this spot market, where average price was BRL677. So all these factors together and unfavorable water level, an increase in the dispatch of thermal plants, and on the other hand a delta in GSF in electricity energies all that bring an impact to the margins of our generating companies. Later on Miguel Amaro is going to elaborate on the topic that we are talking about something that amounts to millions of rials in year-to-date.

Also, I'd like to highlight that until the third quarter of 2014, the company was able to accrue an amount of BRL864.6 million in the Regulated Contracting Environment Energy Developments Account and these 864 million represents a percentage of the tariff that are accrued by the company Bandeirante and Escelsa. Also in distribution EDP Bandeirante and Escelsa had that tariff readjustment, EDP Escelsa is 26.5% as of August and Bandeirante 22.3% as of the 23rd of October. Therefore the company not only attained an investment in its regulated contracting environment accounts, which really offset some of its investors but also had a tariff readjustment in both companies reestablishing its economic balance.

As for costs and cash, I would say that here we have an excessive increase in the results of our third quarter, we would like to draw your attention to our (inaudible) with a decrease of 15.5% in the third quarter of 2014 compared to the previous year. Excluding the results of the sale of EDP Escelsa's operational and control center, which was conducted last year and brought BRL53 million to the company. So excluding this effect we have a decrease of 15.5%. Year-to-date that reduction is 7.4% and later on Miguel Amaro is going to give you details about this difference. But this is a very important message that I would like to talk, to reinforce the idea that the company whatever is manageable in its manageable costs is doing everything possible to really continue the effects of the current energy scenario and minimize the detrimental effect. As for investments, we -- just an update of information reported in the second quarter year-to-date, we raised BRL1.8 billion, not only to finance our investments related to company

growth but also to reinforce our cash flow and cope with the needs of working capital, especially for our distribution companies.

And therefore we closed the quarter, the third quarter of 2014 with a ratio net debt EBITDA of 1.4 times, very much in line with history levels in the company in recent quarters. As for our third topic of our strategic agenda, I'm going to address growth. And I'd like to draw your attention to what I thought was the main event or one of the main event of the period, which translated in delivery, the first generating unit of Santo Antonio do Jari Hydro Power Plants 3.5 months before. This is something that was very important for our performance during the period and up to the moment it has enabled us to generate a BRL150 [ph] million in cash that is additional resources for the projects.

So as we started the test period until the end of September, we had a generation of cash of approximately BRL50 million with the 3.5 months before. The status of the work is now at 98.1% completion and I would like to tell you that in the middle of the night today we had a successful synchrony in the network -- the national network of the second generating units. Therefore, we are starting with tests in the beginning of the week and last night the second generating units had the first synchrony exercise with the National Interconnected Network. So the message here again is very clear. We are being able to deliver our projects, particularly starting in time, even starting operating before it's deadline with economic benefits and a strict control of project budget.

The second message is with Cachoeira Caldeirao Hydropower Plant as you know in the second quarter 2014, we were at the completion level of approximately 20% and I would like to draw your attention to the fact that in the third quarter 2014, our completion has achieved surpassed 50% that is.

Today a better in September 2014, our Cachoeira Caldeirao project had a 50% completion and you know that our commitment is to deliver energy in the first of January 2017. So, as well as with Jari, we are following a very good level of completion that deserves being highlighted.

The third project is part of our growth pipeline is Sao Manoel Plant and the main piece of news here, and you already know that the construction site, the plant construction is started in August. So we are starting construction, we still have -- we still do not have a completion rates, but we are taking the first half to complete this project as well.

Now I'm going to slide number four. And here I would like to refer to the customer site, here we have the maintenance of the main service quality indicators of both distributors (inaudible) Bandeirante, Escelsa are within regulatory levels quite stable, positive evolution and therefore this is something that deserves to be highlighted and it shows the level of operation of both plants.

Today in both distributions we have average availability about 80%, so we are very much, okay with that. But I have to mention something about the results that tariff readjustment the terms in the execute that is the related to the quality and then here both in Bandeirante and Escelsa we had a negative (inaudible) therefore a positive effect in the

tariffs of minus 0.74 in Bandeirante and 0.36 in Escelsa reflecting the improvement in the quality of services that companies have engaged in past years, particularly in the past year.

And now I'm going to make a brief comment about the last topic of our agenda which regards the same thermal plants. I think the positive highlights here is the fact that the regulatory agency are now approved in the period, I will request to suspend the calculation of cost based on unavailability on an hourly base, which was the previous determination. So that was suspended and the agency now determined the calculation to be based on the moving average of the last 16 months.

And because of this new regulation, the differences between December 2012, 2013 is going to be a made and we believe that we are going to have a recovery of approximately BRL254 million, 237 operationally speaking and 17 million in financial terms, which is an impact of 127 million to each of the plant. So I think this is the most positive element that will affect the performance of Pecem.

We also have a less favorable points that we have already reported to the market and to the investors, which has to do with the incident that you are aware of that happened on August 25th, that lead to an untimely shutdown of generating Unit 1 due to a failure in the protection of generators and transformers that led to the burning of this stator.

That incident in fact translated into unavailability of generating Unit 1 till now and now we have a recovery plan that was announced to the market and probably we're going to resume operation of those equipment until the end of 2014, work is being conducted regularly and we hope to meet the deadline.

I would also like to highlight to close my part of the presentation and turn to Amaro that Generating Units II recorded during the third quarter 2014, an average availability of 88%. So a level that is close to the levels that demanded from Pecem and particularly in October, the units reached 98% up to October the 28th. So we are working with Unit II at a very nice commissioning level and performance over the minimum amount established by law.

Well, with that I close the summary of our strategic agenda and the main advances in five topics. And again, drawing your attention to the fact that the company is doing everything that is manageable to try to offset the effect resulting from the current energy scenario.

Well, with that I close my part and I turn it over to Amaro.

Miguel Dias Amaro {BIO 19148334 <GO>}

Good afternoon, gentlemen and ladies. We are going to slide number five, as Miguel mentioned we have an unfavorable water level and reservoir level. Water levels have not being enough and we are having very low natural energy and therefore the thermal dispatch continues to increase. And that's on slide five, you have four charts talking about average natural energy, reservoir levels, the stock prices, and this map this side.

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On slide six, we talk about our non-manageable cost that is the buying of energy distribution burdens grew by 73% and therefore we decreased gross margin by 32%; investments in distribution reached 264 million, altogether 864 million year-to-date. Positive part, we had our margin debt almost tripled compared to the same period last year and also as Miguel said non-manageable cost in generation in our operation increased because of high cost price and low GSF, year-to-date costs accrue BRL319 million.

On slide seven, you can see the company's response to this advert scenario. So as we mentioned before, we are really controlling costs and you have year-to-date, a reduction of 8.3% excluding the sale of the property that we had in 2013 and we have a decrease in distribution of 9%. So OpEx goes down 7.4%, again excluding the effects of the sale of property in the third quarter. But even if we took that into consideration, we would still have better results.

As a consequence of what was mentioned before, the slide eight shows the evolution of our EBITDA in the quarter and again even with the positive reduction of OpEx, we still had a drop of 50% in the quarter; and 9% in the nine months of 2014. Again impacted by non-manageable cost that is the effect of the gross margin, if we were thinking of all the regulatory effects, we would have an increase of 15.5% year-to-date of compared to 2013.

Going to slide nine. You see the evolution of our net income and the main highlights here is the reduction of 50% in our EBITDA and therefore our net income has a reduction of 28.3% in the quarter. But so year-to-date again we have the sale of our share 50% in (inaudible) we have an increase of 27.5% that is impacted by different effects. The result of our equity share, the fact of the re-calculations of Pecem as Miguel mentioned and also level of taxes and minority shares.

With that giving continuity to our priorities and the financing we increased BRL1.8 billion along 2014 in the third quarter 739, with allocation in the profile of our debt and also a loan bridge for the beginning of the construction of Sao Manoel. It is important to highlight that not only we are able to raise funds, but also we were able to negotiate and extend our debt with conditions of five to six years to Bandeirante and Escelsa which spreads up to 1.20%, this is better than what we have already contracted in the past. And that the net debt reached BRL2 billion, 1.4 times as it has mentioned before.

In addition to that, that [ph] management and cash management have been bringing very good financial results and therefore minimizing the impact of a decrease in our gross margin despite all our efforts. In October, we had the first issuance of promissory notes to extend our bridge loan for the construction of Cachoeira Caldeirao until we get the loan from BNDES that have already been approved.

Now going to slide number 11 as already communicated to the market on August 25th we had the shutdown of generating one of Pecem, it was unplanned shutdown, we already contacted the insurance, we have all the parts to be replaced. And just remember the insurance is not only for the equity coverage but also for the start-up activities. We also

said that we have acquired the new generator in September, and it is under assembly and in the end of the year it should resume its operation.

And as Miguel said the shutdown will impact the recalculation of cost base on availability according to a new decision. The member's amount is 154 million for the project to 137 operating results and 17 million for the financial results. So all that is going to be accounted for as of now.

Going to slide number 12. We have some additional data about what was mentioned in terms of availability of the same units, obviously affected in September lead by the shutdown of the Unit I, but Unit II had 97% of availability in September and in October 98%. So in October, we showed consistency and stability in the third quarter. The availability was 71% and also we can see a positive evolution with decreasing failure rate.

On slide 13 seeing and 14, we show the evolution in some pictures of Santo Antonio do Jari with 98.1% completion of work and to an advance of 3.5 months already communicated to the market. We started to supply energy test on the 26th of August. It's part of operation September 17 with CapEx of 1.2 billion and revenue tests are not accounted for results, because it is considered a reduction to our CapEx. Remember that our CapEx so far has accomplished 93.4% of the plant.

On slide four, we have some pictures you see the generating unit and commercial operation Units II and the commissioning as Miguel mentioned, last night we had the test connection and generating fee under assembly.

On slide 15. We have Cachoeira Caldeirao, that has alters as plant, really picking up the quarter with more than 50% in completion. The highlight is basically the structuring of the electro mechanical equipments. And on slide 17, we have the beginning of work with the construction of the construction site. The land ceiling for the construction of the first (inaudible). To close, looking at slide 17 and 18 basically talk on distribution, is to improve efficiency, productivity and fight failures, especially in Escelsa, where they are a bit more resilient, quality indicators are kept under the levels defined by ANEEL and we believe that Miguel already mentioned that we are having good concrete results by reducing the XQ factors because of tariff readjustment we had improvement of 6.1, BRL2.1 million respectively for Bandeirante and Escelsa.

On slide 18, a positive evolution in distribution cost, remember that in the case of Escelsa we are not accounting for the amount that was acquired with the sale of the plot of land and even in Bandeirante we have a flat evolution at year-to-date. So quite according to what was our commitment, that is to keep costs below inflation. Despite the accounting of 864 million the regulatory assets accounts for 500 million. So we have to have a financial effort in both distributors.

And with that, I thank you very much for your attention and we can go to the Q&A session.

Questions And Answers

Operator

(Operator Instructions) Our first question comes from Marcos Severine from JP Morgan.

Q - Marcos Severine {BIO 3322666 <GO>}

Good afternoon, everyone. Thanks for the call. I have two questions. And I would thank you to answer them.

The first is with regards to the Sao Manoel Hydropower Plant, I heard of some difficulties in terms of the plant facility, so I'd like to have a more recent updates about that?

And the other thing is, what do you see in terms of possibility. So try to mitigate risks in projects, especially with regard to GSF. If the GSF level is going to be recurrent from now on. What do you think is going to happen. Do you think that you're going to have a more negative and still with regards to that as you were investing in Greenfields. Two, do you have any expectations with regards to interest rates that TJLP in Brazil, is there any alternative to mitigate any impact in the project?

And finally, when we look into 2015 (inaudible) year that still going to be quite challenging for the industry. GSF is still at this level, low loads and you have a CapEx for Sao Manoel as well. So my question is with regard to dividend, you have been maintaining the policy of minimum dividend, if I'm not mistaken is 0.78, we know that your plans are to maintain that. So do you think this is possible, do you think you're going to revisit something because of the tighter cash? Thank you very much.

A - Miguel Dias Amaro {BIO 19148334 <GO>}

Well, hi, Marcos this is Amaro, about Sao Manoel, I'm not sure if I heard your question clearly. But you're talking about the most recent news, talking about difficulties. Well, how can I put it? We haven't experienced any problems with the construction. We haven't had any kind of interference, I know that there is a problem between the public prosecutor's office and the environmental agency but it has nothing to do with EDP. Our work is in progress, our operating permits has been approved. So everything is going smoothly. We might have some kind of interferences in the future but so far there has been no disruptions. Is that your question?

Q - Marcos Severine {BIO 3322666 <GO>}

Yes, yes. I was talking about licenses?

A - Miguel Dias Amaro {BIO 19148334 <GO>}

Okay, good then. Your second question I believe was about the current GSF, is that correct?

Q - Marcos Severine {BIO 3322666 <GO>}

Yes, let me ask you the question again. GSF is a relatively new risk for everyone. I suppose that very few companies perhaps no one has worked with the possibility of keeping those

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levels. And if they are kept there is going to be an impact in the project? It is not -- it's something that is anyone's fault, but it is a problem for the industry?

A - Miguel Dias Amaro {BIO 19148334 <GO>}

Yeah, you are right. GSF has an impact and you saw it clear in our accounts to mitigators that we have, in addition to some hedge that we have, which is about 32%. So for the year we're probably going to keep the same, but remember that in 26 we are going to terminate the contract with enterprise and we believe and we hope that GSF is not going to behave the same in 2016. otherwise, we would have a problem.

But, it's difficult to say what the evolution of rainfall is going to be like what we have been hearing is that we're probably we are going to have rainfall in the average levels or a bit less than that. But we have to consider different scenarios and it is the reality, perhaps it's something new, especially because of its impact of GSF at this level is something that really has an impact. We have a strategy as we showed along the -- of allocating energy, more in the first quarter.

Of course the condition deteriorated in the second half of the year and therefore we still expect a negative impact in the fourth quarter. But then we have a small mitigates and certainly the greatest mitigator would be the execution before time like with we did in Jari. In addition to the termination of contracts to manage our energy.

As for interest rates TJLP, we do not have any news of change up or down. Yesterday, we had an increase in SELIC and so we know that TJLP is a decision of the National Committee, but for now we haven't heard that they were going to be any changes. Obviously this is a rate that is very important for infrastructure projects, it has been higher. It's now at 5% but if we have no news that it will either go up or down, at least in the short-term. And as for dividends, I'm going to leave that question to my CEO.

A - Miguel Nuno Simoes Nunes Ferreira Setas {BIO 15901389 <GO>}

Well, Marcos before going to the dividend, I would like to add to Miguel's answer. In fact, the management of our schedules in Cachoeira Caldeirao and Jari will help us. So when you ask if there is any leverage or any anyway to mitigate risks that are affecting project namely GSF, which is a greater risk that was not initially expected when we approved the project.

But I think that we showed well what Jari that really advancing the project is something that has to be taking account in terms of project profitability in Jari, it has a very heavy weight in Caldeirao and we still do not know what expectation is. But as you have seen, we are in 2014 and we have 50% of the project completed so we are betting on those rationale.

So with regard to Sao Manoel, our expectation is the same, we want to be proactive, control everything strictly and try to anticipate the project that can be a positive variable to really rebuild the plant levels of profitability. As Amaro mentioned, this is the time to

control our CapEx really delivered beforehand. These are variables that are in our hands and have to be leveraged.

As for dividend here I think that we are all aware of the degree of uncertainty that affect the energy industry in Brazil. So we would like to keep our policy as Marcos very well said, we do have a minimum commitment of a payout of 50% and so this understand remains for now and this is our intention.

Well, obviously we are now going through a very challenging period, quite aggressive and therefore we have to check, what's going to happen in the future, especially what water levels are going to be like in the rainy season and that can have an impact in company cash. So it is a decision that we have to make based on whatever scenario we are going to have for the coming months. But being quite honest and clear about this subject, our intention is to continue with the same rationale.

Q - Marcos Severine {BIO 3322666 <GO>}

Very well. Thank you very much.

A - Miguel Nuno Simoes Nunes Ferreira Setas {BIO 15901389 <GO>}

Thank you, Marcos.

Operator

(Operator Instructions) Our next question comes from Paulo Ferreira from Bradesco BBI. Paulo from Bradesco, your line is open.

Q - Paulo Ferreira {BIO 18941383 <GO>}

I'm sorry. Good afternoon, gentlemen. I'd like to ask a question with regard to Pecem. If you see for next year or in the near future any need for an investment of capital in the plant, especially because of the situation of another rate right now?

A - Miguel Dias Amaro {BIO 19148334 <GO>}

Hello, Paulo. This is Amaro, in Pecem we have some improvements to make. The resolution is going to bring an important cash fund if there is the need for an investment of capital, we will have to do that as we did in the past. We will continue to support the project but for now, we are still building our budgets. We haven't closed everything that will be needed in terms of improvements for the project, but for now especially generating units is reaching a very good stability, we went to the (inaudible) rate and that might need some CapEx, perhaps 65 million in CapEx for the whole of the project for this year.

And for next year we still don't know we are having the discussions this week for Pecem. So I still cannot say what the amounts are going to be. Naturally we are going to make the announcement after the budget is approved, but for now we really do not know. But we know that if there is the needs we are going to support the project and go on with that.

Q - Paulo Ferreira {BIO 18941383 <GO>}

Thank you very much.

Operator

Our next question comes from (inaudible) from Santander.

Q - Unidentified Participant

Good afternoon, everyone. I have two questions, the first with regard to cost performance. We can see that you had an improvement of cost in distribution companies, you've really changed the levels especially (inaudible). And I would like to know if we can take the thing to consideration for the future?

And also the second question is with regards to the A minus five auction, ANEEL has just approved the new levels of selling prices for the auction and I would like you to comment on this level. What you think of its interesting especially for the development of thermal projects. Thank you very much.

A - Miguel Dias Amaro {BIO 19148334 <GO>}

This is Amaro. Well as for costs we believe that they are quite positive in distribution especially at Escelsa we did have some additional cost in Bandeirante. But, so we are having positive evolution, especially because of inflation levels inflation and IPCA an also service inflation although IGPM had some deflation in the beginning of the year. If that show a growth last year and that's had, we really don't think we are going to go down 16% a year. This is not really doable. We have readjustments, we have several elements that has to be taken into consideration.

Of course that we have to concentrate efforts whenever and whatever necessary in Espirito Santo is more regarded to losses in Bandeirante too, but we are closer to the regulatory limit. But that said we have engaged to great efforts in monitoring default levels, collection rate. So all these areas can be improved and you can a certain stability in costs for services. We had an initial in the beginning of the year. So some hold new hires, so we want to maintain our commitment of growing costs below inflation levels. Now projecting a performance similar to this quarter maybe a bit aggressive.

As for your second question, it was about A minus five. Yes, so with A minus five auction, I would like to reaffirm -- restate something that we have been saying whenever we talk about potential growth. The company right now does not want to take part in this auction. Our focus as we have been saying is in the execution of the three projects that are ongoing, the three hydroelectric power plants that are under construction. And for now we don't want to change that.

So we do not have any intention to take part in the A minus five auction.

Q - Unidentified Participant

Okay, thank you very much.

Operator

(Operator Instructions) Our next question comes from Miguel Rodrigues from Morgan Stanley.

Q - Miguel Rodrigues {BIO 16533007 <GO>}

Good afternoon, everyone. I would like you to give us a more detailed update about your last law fighting program. I know that you have installed meters, what are your metrics for the next quarters?

A - Miguel Nuno Simoes Nunes Ferreira Setas {BIO 15901389 <GO>}

Well, with regards to losses in Bandeirante, the target is the regulatory limits that is closed the year at 11.83, which is what ANEEL has established for Bandeirante. It seems that we are on the right track to accomplish those numbers and so this is our target for Bandeirante. As far as Escelsa, our limit would be 9%, 3%, [ph] but that is undoable until the end of the year. So given the fact that in the end of the year we had a very long period of heavy rain in several areas in Espirito Santo had a problem. We had a mismatch of events and losses, therefore, we went more than 15%. And our objective was to get to the end of the year to 16.8%, 16.9%.

In Escelsa, we had some difficulties to take off with the initiatives. We have a program to change vendors in the beginning of 2014, end of 2013. Now we have a new operation in place, we disconnected 95,000 illegal connections in just one day. So our effort is towards working better with Escelsa in law fighting programs.

It has a social reality that is different from the Bandeirante and therefore it is more difficult and slower. But anyway this is our limit for this year and we want to have losses go down, but in a realistic manner.

Q - Miguel Rodrigues {BIO 16533007 <GO>}

Thank you. I understand that one of the main initiatives would be the new meters. Could you tell us how many you have installed so far?

A - Miguel Nuno Simoes Nunes Ferreira Setas {BIO 15901389 <GO>}

The total number of meters, we did everything work high tension and indirect lower tension. So if you think of all our customers, we would have a number that would encompass the population as a whole. But we are focused on our maps to think of what we consecrated metering. I do not have the numbers here and then I can tell you per region what the numbers are and what our objectives are to reach until the end of the year and the year of 2015, the whole of the population.

Q - Miguel Rodrigues {BIO 16533007 <GO>}

Thank you very much.

Operator

(Operator Instructions) Our next question comes from (inaudible).

Q - Unidentified Participant

Good afternoon, everyone. Miguel in 2014 you have 1.2 billion in the raising of funds to strengthen your cash. Are you thinking of resulting to market, rising new allowance for any of the groups companies until the end of the year?

A - Miguel Nuno Simoes Nunes Ferreira Setas {BIO 15901389 <GO>}

Hello (inaudible) for distribution companies I think that we have everything into place. Basically, we had an extension of debt in the distribution companies and recently was Banco do Brasil. We also had an extension of our bridge loan until we get our long-term loans from the BNDES. But other than that we have the investments with Cachoeira with BNDES and nothing else, of course, that will depend on the evolution of water levels, industry conditions that in a way interfere in the company results and also with the market.

Q - Unidentified Participant

Okay, thank you very much.

A - Miguel Nuno Simoes Nunes Ferreira Setas {BIO 15901389 <GO>}

Thank you.

Operator

There are no further questions in EDT Conference Call on the earnings of the third quarter 2014 is now closed. Questions taken on the webcast are going to be later answered by the company's IR team. We thank you very much for joining us and wish you a good afternoon. Thank you.

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