EDP - Energias de Portugal
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Chaired by António Mexia

Company Participants

- **António Mexia, Chief Executive Officer**
- **Nuno Alves, Chief Financial Officer**
- **Miguel Viana, Head of Investor Relations**

Antonio Mexia

Hello. Good morning, everybody. Thank you, as usual, for being present in this, the presentation of the 2014 year end results.

What can I say to start? I think they are strong results in a year that was, of course, let's say, challenging in terms of environment, because of the regulatory and legal, and especially legal, changes that were decided in the past; and it was the first year of full impact of those measures. So clearly, we anticipated the impact on the accounts of this. But, at the end of the day, I believe that the measures that we have taken, management-wise, on the front of energy management, cost and even on the debate of those regulatory issues, I believe that we succeeded in having very strong figures.

We see the EBITDA growing 1 percent to EUR3.642 billion, so better than in 2013.Then we have this by block, so understanding exactly how the different components moved.

What can we say? Let's start by Iberia. Iberia, you have 1 percent increase on EBITDA excluding one-offs. I think it's important to stress the very good energy management results of the year. We were also – had a positive impact of the strong hydro; in Portugal it was 27 percent above the average year. And, I would like to stress the very tight control at the level of costs that compensated regulatory cuts. Of course, as you have seen, the reduction of the risk, mainly in Portugal, reduces the remuneration, but that's obvious that the other side of the coin of lower costs (financial costs). I think that we have been able, and we have already stressed this also for the new regulatory period, to make – to have something that makes a lot of sense; so, cost control compensating regulatory costs. So Iberia, even in an environment of weak prices due to the volatility, I think that we have proven that we know how to sell in this market.

Second block, renewables. Renewables, of course we have an increase of new capacity, 5 percent, but it was not enough to compensate remuneration cuts, especially the changes in Spain that were decided at the beginning of last year. And of course, lower power prices affected and created one-offs, as it was already stressed by renewables, EDP Renewables, one-offs, so higher than expected to the average impact of the new measures. So the loss, in 2014, is higher with the new regulations that they are expected to be on a steady state, because of the lag on, especially at the beginning of the year, of the lack of information about what were supposed to be the new rules. So in 2015 the impact will already be smaller than it was in 2014.

The third block, Brazil. In terms of real figures we have a 3 percent increase in euros, 12 percent in local currency, in reais. Excluding the one-offs, you have a lower, 18 percent, EBITDA in reais, basically due to the impact of the drought.

In any case, I would like to stress something that is important, that you have seen. We have been fighting, for a long time, to have the same rules in Brazil that we have in Europe, in terms of accounting of receivables; and finally, we got it. I think it's important for the ratios. It also recognizes the rights of the Company to those amounts. So I think it's good in real terms.

Also, what I would like to stress in Brazil is that we have been able to see in the market; the tariff increases that are needed to have the system under control.

When we look into other markets, like European, and we talk about rate increases of 2 percent or 3 percent, and we spend a lot of time to see if they are acceptable, what we have seen in Brazil is, after increases of more than 20 percent, new increases above 30 percent, shows that the system is designed in a way – of course, let's see what happens on the demand side – but it's designed in a way that is clearly adjusted in the short term.

I will talk – we will talk a little bit about Brazil for 2015 later on, but let's see.

So, Iberia, sailing in a good way. Renewables impacted by the new remuneration in 2014; these are higher than they will be on a steady state. Brazil: a good year. Of course, with the one-offs, that must be considered.

Overall, we have net profit of EUR 1.040 billion; an increase of 4 percent year on year. As we have committed, we will be proposing a cash dividend per share of EUR 0.185, representing a 65 percent pay-out. So fully respecting our policy and fully respecting the commitments that we have presented once again in our Investors Day in May, and that we have been presenting clearly to the market.

At the same time, we have – let's focus a moment on debt. We have a decrease on debt to EUR 17 billion. It's important to save, due to the stronger U.S. dollar – If it was not for the increase on the dollar, the debt would be EUR 16.6 million. So, like-for-like debt will be a bit smaller than it was in 2013.

Another element that I would like to stress is lower regulatory receivables for EDP, compared to the previous year. But most importantly, what we have seen is that the increase on the tariff deficit in Portugal was exactly what was foreseen, EUR 500 million. That compares to EUR 800 million the previous year; more than EUR 1 billion two years ago. We foresee for 2015 no additional increase; so zero. And then create the surpluses after 2016.

So, fully in line with expectations. I think this is important, because people tend to be worried with the sustainability and, clearly, the figure show that the system is evolving exactly as we have been sharing with the market.

Net investments. EUR 1.79 million, minus 20 percent year-on-year. So, clearly, focused on CapEx control. As we have seen, the hydro over the last five projects, we have more than 85 percent – of the CapEx expected for those hydros in the last – the current five that are being developed, 85 percent is done. Then the second big block was wind, mostly in the U.S.. By the way, around two-thirds of the new additions in the two years will be in U.S..

The cost of debt was 4.7 percent, in line with what we have been sharing with the market. An increase from the 4.4 percent last year, due to the replacement of very low-cost funding that, basically, when we started in the U.S. market, it's one of the biggest components. It's clear here we can talk about we have seen a big drop on our marginal cost of debt, and so the trend is, clearly, positive in our direction.

We have a strong liquidity position, above EUR 6 billion by December 2014, with an average maturity of four years. We'll surely be talking about this in the Q&A. But we have, basically, we have just to share positive signs with you and we'll talk about what are our intentions in this field.

Good positives also: EDP back to investment grade status by Moody's. We are already by Fitch. And, clearly, the positive outlook for S&P is also good news. So, basically, on that front, we have been doing what is supposed to be done, and we have been delivering, because it shows creditability in what concerns our deleveraging policy; in what concerns our commitment to getting better financial ratios; and the commitment towards 2015 – 2017 being in our top agenda.

Overall, what we say. Once again, having the risk of being boring. The low-risk profile of the Company supported these resilient results. Portfolio are highly regulated, and we have been able to manage well these regulatory environments. The long-term contracted basis also gives support to our portfolio. And the fact that we have this diversified market and assets allowed us to have this resilient figure.

We clearly proved again, focus on risk; focus on efficiency with lower costs; and also, being on time and on cost, in the amounts that were foreseen in terms of investments. So, giving visibility of controlled and balance growth, as committed in the business plan.

I will pass now to Miguel, and I'll come back for the final remarks in Q&A. Miguel, please.

Miguel Viana

Thank you, Antonio. Good morning, all of you. I will start with the evolution of EDP's generation mix in which installed capacity went up by 1 percent, following essentially the new capacity in wind, mostly in U.S..

In terms of our production, we saw a 2 percent increase, supported by the referred increase of new wind capacity and also the rainy weather in Iberia.

So, by end of 2014, wind and hydro represented 70 percent of installed capacity, and they represented 71 percent of production in 2014.

Moving to the next slide. We can see that the 1 percent growth of EBITDA reflects, first, resilient performance in Iberia; secondly, the impacts of the drought in Brazil; and third, the low revenues at level of EDPR in Spain on the back of the regulatory cuts.

Adjusted EBITDA fell by 3 percent year on year. This is excluding the gains with the sale of Jari and Cachoeira Caldeirao in Brazil, and also human resources restructuring impact in Portugal. We have also a ForEx impact, negative by 2 percent, or EUR 56 million, mostly due to the devaluation of real against the euro of 8 percent.

Operating costs fell by 1 percent on a consolidated basis with a similar decline in Iberia. We have here the positive contribution from some headcount reductions, mostly through early retirements in Portugal.

At level of EDPR, costs were stable despite the 5 percent increase in installed capacity. While in Brazil, costs went up 6 percent in local currency, in line with the inflation in Brazil. Note that our OpEx III efficiency program reached EUR 144 million of savings, so anticipating the target of 2015 to 2014.

Regarding net investments. We have a decline of 20 percent to close to EUR 1.8 billion. This EUR 1.8 billion would have been below EUR 1.6 billion adjusted for some pending proceeds from asset rotation deals at level of EDPR in the United States in the amount of $343 million, which we expect to receive during the first quarter of 2015.

Overall, our focus in terms of investments program continues on the expansion of wind capacity, now very focused in U.S., but also in Brazil and starting in Mexico, and also the conclusion of the five hydro projects that we have under construction in Portugal; four of them that we expect to conclude already in 2015.

Moving to regulatory receivables; namely, regulatory receivables at level of the Portuguese electricity system. They increased EUR 80 million in the fourth quarter 2014, so reaching the EUR 5.3 billion by December 2014 that we had previously guided one year ago when we were releasing the 2013 results.

In the next slide, slide nine, we can see that at level of EDP's balance sheet, these regulatory receivables fell by more than EUR 200 million, reflecting a decline in the region of EUR 100 million in Portugal.

Note that in 2014, we made more than EUR 1.2 billion of securitizations. We had also, obviously, the already known ex-ante deficit which was previously announced by us and some deviations, also net deviations close to EUR 400 million.

In Spain, regulatory receivables in the balance sheet went down to almost zero, following the securitization of the remaining 2013 tariff deficit.

The only markets where we had an increase was in Brazil, due to higher costs with thermal generation. I would highlight that now, the regulatory receivables in Brazil are fully booked at balance sheet level following the accounting change that occurred in Brazil in December 2014.

In terms of net debt, EDP continues to fund all its investments and operations in local currency to mitigate all the ForEx risk. This means that by December 2014, we had our debt – 22 percent of our debt was U.S. dollar-denominated; 5 percent denominated in reais; and 71 percent in euros.

Also, in terms of interest-rate term, we keep a floating rate representing slightly more than 50 percent of our debt; a breakdown that provides some hedging on the impact of inflation on our regulated revenues.

Moving to the evolution of net debt during 2014. We can see that it fell by EUR 41 million to EUR 17 billion by end of the year. So this is the result of EUR 1.7 billion of funds from operations, excluding maintenance CapEx, so the funds generated in our operations and excluding the maintenance CapEx.

We had a positive impact from a decline in regulatory receivables by EUR 0.2 billion. We paid EUR 0.7 billion of dividends and we also spent EUR 0.8 billion on the expansion CapEx and net investment.

Finally, we had a EUR 0.4 billion adverse impact mostly from U.S. dollar appreciation versus the euro, which resulted in the EUR 17 billion of debt by the end of 2014.

Still on financial debt, on page 12. We can see that average cost of debt rose 30 basis points to 4.7 percent. This increase is justified by some debt maturing over 2014, which was paying a low average interest rate still from before 2008, so debt contracted before 2008.

Also, regarding the average debt maturity, it was at four years by December 2014 versus 3.9 years in December 2013.

Financial liquidity, by December 2014, was EUR 6.1 billion, as a result of EUR 3.5 billion of available credit lines and EUR 2.6 billion of cash and equivalents.

As we can see on page 14, this financial liquidity covers all our refinancing needs until the end of 2016.

Finally, our consolidated net profit rose by 4 percent to EUR 1,040 million. This reflects the combined impact of several items: a decline of net depreciations and provisions by EUR 30 million; financial results significantly impacted by the capital gain with the sale of 50 percent of EDP Asia to CTG, a capital gain of EUR 118 million.

It includes also for the first time in 2014 the extraordinary tax introduced in Portugal for energy operations, so an extra cost of EUR 61 million at the bottom line.

We have also a EUR 35 million increase of minorities, both at level of EDP Brasil and EDP renewables, which resulted in the net profit of EUR 1,040 million.

Note that adjusted net profit was EUR 905 million in 2014, representing an 8 percent decline versus 2013.

Regarding dividend policy. The Executive Board of Directors of EDP is proposing to the Shareholders' Meeting a dividend of EUR 0.185 per (euro); a dividend per share that is fully in line with previous years, fully in line also with our commitment in our Investor Day of May 2014 and that represents a payout ratio of 65 percent.

Moving to the 2014 performance by business area. In terms of electricity market environment in Iberia in 2014, I would say that it was marked by – second half of the year with much lower wind and hydro volumes versus the first half of the year, which allowed some recovery both of thermal production and pool prices in the last part of 2014.

In terms of electricity demand in Iberia. It went down by 1.1 percent reflecting milder weather, both in summer and in the fourth quarter. But when adjusted for temperature and working days, it was flat in Portugal and it showed a mere 0.2 percent decline in Spain.

On our division for liberalized energy activities in Iberia. Electricity production went up 13 percent, strongly impacted by the 42 percent increase in hydro volumes on the transfer of the three hydro plants to liberalized market from PPAs, and also the previously-referred rainy weather.

In terms of thermal load factors. At our coal and gas plants, it showed no material changes versus 2013.

In terms of EBITDA. In liberalized energy activities in Iberia, it went up 25 percent in 2014 versus 2013, benefiting from the strong hydro volumes. The positive impact from energy management of our long position in clients, which was stronger in the first half of the year than in the second half. And also, the negative impact from several regulatory changes, such as the clawback cost and lower revenues in ancillary services in Portugal; and also lower capacity payments and higher generation taxes in Spain.

Moving to the EBITDA performance in terms of our division of long-term contracted generation. In Iberia, EBITDA went down 6 percent, penalized by the previously referred transfer of three hydro plants from PPA/CMEC regime to the liberalized market. Also, the EBITDA in terms of special regime was penalized by lower volumes of production following the deterioration of remuneration methodology in Spain.

The EBITDA performance of our division regulated energy networks in Iberia went up 2 percent year on year. When adjusted for non-recurrent impacts, this increase is 1 percent year on year.

Per division we can see that electricity in Portugal, EBITDA went up 3 percent, reflecting tight cost control, even including the lower return on RAB in 2014 versus 2013. Electricity in Spain EBITDA, down 6 percent on also lower regulated revenues and revenues from new grid connections. And gas in Iberia, EBITDA was flat essentially, including our divisions, both in Spain and Portugal.

In terms of the performance of EDP Renovaveis. The growth from capacity addition was mitigated by the regulatory changes implemented in Spain. So EBITDA overall at EDPR fell 2 percent year on year, resulting from a 13 percent decline of EBITDA in Iberia; a 9 percent increase of EBITDA in North America, with a 4 percent increase in output and a 5 percent increase in average selling price; and a 5 percent increase of EBITDA in other markets, reflecting capacity additions in Romania, Poland, France and Italy and also, lower prices in Romania.

In Brazil, our subsidiary, EDP Brasil faced a difficult market environment in the fourth quarter 2014. It was marked by mainly a hydro GSF factor of 88 percent in the fourth quarter, extremely low; and the strong thermal dispatch had to be implemented, in order to preserve the hydro reservoirs.

It was marked also, the fourth quarter, by several double-digit Disco's annual tariff update, in which we benefit at our subsidiary, Bandeirante, from an annual tariff increase of 22 percent.

Also, with the referred accounting change, in which since December 2014 we are able to account regulatory receivables in Brazil, both at the level of P&L and balance sheet, regulatory receivables that we will recover through tariffs in the future.

In this context, EBITDA of EDP Brasil in 2014, in local currency, showed a 12 percent growth. On the referred change-on-accounting method, which allowed the booking of regulatory receivables of EUR 600 million by December 2014, roughly BRL400 million referring to 2014 and BRL200 million referring to 2013.

Our generation division EBITDA went up 14 percent, including the gain with the sale of Jari and Cachoeira Caldeirao, 50 percent stakes to CTG. Adjusted for this, EDP Brasil EBITDA went down 18 percent in local currency with EBITDA in distribution being essentially flat; also reflecting flat regulated revenues without any impact regulatory revenues right now.

Hydro generation recorded a 32 percent decline on EBITDA as a consequence of the abnormally low GSF of 91 percent in 2014, which implied that we had to buy energy in the spot market, in order to comply with our contracts and with a net negative impact net of hedging of minus BRL339 million.

I will pass now to our CEO for the outlook for 2015 and conclusions on this presentation.

Antonio Mexia

Thank you, Miguel. For the outlook I think that it's important, once again, to split among areas, and I'll start by Iberia.

Here the first note I would like to give is the energy demand evolution. As you see, the real increase in electricity demand in Spain and Portugal is 2 percent and 2.9 percent since the beginning of the year. Even with adjusted figures, it's flat in Portugal and an increase in Spain of 2.4 percent.

You see clearly a demand on gas. The change on the mix, because of the lower hydro, of a huge increase on thermal demands and lower hydro generation in Portugal, due to a weaker year, that will have different impacts, some negative and, of course, some positives, especially on the tariff deficit level.

So, on the prices, what we have today is around the EUR 47, so mid-EUR 40s. We have here – we shall review the forward prices. So, typically on balance, let's see, favorable demand; strong client portfolio expansion in the free market. We are adding 80,000 new clients in Portugal per month.

By the way, we will discuss this probably on the Q&A, but on the liberalized market some of the conclusions in terms of a poor fourth quarter is related to higher costs of hiring these clients, but of course this will bring positive margins. So, clearly this is a very positive sign.

As I mentioned, the dry weather; so lower hydro output, but higher prices. The immediate result is less energy management possibilities, because lower volatility and, of course, the low hydro is connected with that phenomenon. Higher thermal demand, better spreads on lower fuel costs and, in theory, also lower gas deviation opportunities.

But the overall picture that, basically, I want to share with you is that we have already sold 23 TWh at $55. The key element is that we have already spreads fixed on 85 percent of the gas sourcing. So when we're talking about the lower global demand of LNG, it's important to say that we have already 85 percent of the gas hedged and 60 percent of the coal output, and both with better margins than in 2014.

So, basically the diversified generation portfolio and the hedge based on clients reduces the exposure to the volatility, even in a market where we have less energy management possibilities. So, clearly, once again, I think sailing brightly in the market.

Regulatory receivables, always a key question for people around the table. I stress there's no tariff deficit expected for 2015. So, flat 2014 and 2015, and then going below

EUR 5 billion already in 2016, and going in the direction of EUR 500 million/EUR 0.5 billion in 2020.

Why we are comfortable with these figures? We are still at the beginning of the year, but let's see. Demand in line with what the regulator expected. Pool prices, the EUR 47.7 in line – making sense with the pool price for the full year of EUR 50.

I remind you that the first quarter is always the one that tends to have lower prices, because of weather conditions typically, so it makes sense.

And also, lower special regime production, once again in line with what was expected by the regulator. Also, remember, the first quarter tends to be a strong quarter in terms of special regimes.

So, the financial sustainability of Portuguese electricity is clearly in front of us. That's important and the evolution of 2014 and now the evolution of 2015 makes us much more comfortable.

Another block, here with, of course, more uncertainties; so, talking about Iberia and receivables, basically we are talking about visibility.

And what concerns Brazil? The uncertainty is, of course, bigger. In January we had the worst January in the last 84 years, so the drop is bigger in 2015 than it was in 2014, at the beginning of the year. February is 59 percent of historical average; so, clearly the inflows below what was supposed to be.

The hydro reservoirs, and let's focus on the key regions, they are at 20 percent compared to what was higher than 40 percent two years ago and 35 percent last year. So, below February 2001 the toughest year since the beginning of the century but let's see what is the impact.

The most important impact is on the GSF. The GSF was 81 percent in January, 78 percent in February and this, of course, makes us wonder what could be for the full year.

At this stage we expect, and we have anticipated, 86 percent for the full year. With 86 percent, that is below the 90 percent that was in 2014, because we have a much lower PLD. The negative impact on the generation should be similar. The issue is if the GSF goes lower, then the 86 percent.

For each 1 percent lower, we are talking about an impact, in terms of EBITDA on EDP Brasil, of minus BRL37 million, so slightly more than EUR 10 million. But, of course, this is the figure that we need to consider if it will happen or not at this stage.

But what is very important and I would like to stress this, is, first, as I mentioned, the new spot price, we have a cap that went down from BRL822 to BRL388. You know how much we have fought for this and we have worked for this. In all the quarter presentations we have mentioned it, and finally I think that this result should be stressed.

Second, tariff flags, they are there and clearly it's a right measure in the right direction in what concerns the tariff increases.

The most important is the third bullet: the extraordinary tariff increase is improved; more than 32 percent at Bandeirante and 33 percent at Escelsa starting March 2. This clearly shows that the measures are taken, in order to have the system under control.

Also structurally a good sign, the regulator final proposal for regulatory WACC for the next revision. As you know people were talking about something below 7.2 percent, in terms of real post-tax and now we are talking about higher than 8 percent, at this stage 8.09 percent. So, it makes – it's also a positive sign in terms of the regulator recognizing the risk evolution on the market.

So, Brazil the key issue is, first of all, what will be the GSF? But I would like to stress something that is very important. We are targeting measures, that we'll be identified in the short term, to mitigate adverse impacts from this eventually lower GSF if it’s the case.

We are clearly working on measures. We should consider this lower GSF as a one-off and we will be working on that front to be sure that we will compensate, if reality gets tougher than what we expected with the 86 percent.

So, after Iberia, after Brazil, one key element; EDP is back to investment grade by Moody's and I think two key issues. The tariff deficit stabilization, so visibility on the sustainability of the system in Portugal, I think it makes people more comfortable.

And also, the fact that we have been working, clearly, with clear measures on the CTG partnership, on the asset rotation, but also on sale of assets and also on lower investment level, so fulfilling the commitments that we have presented to the market and especially stressed again in May last year in the Investors Day.

The average impact is clear. On the five years EDP bond deal, a huge drop in the last 14 months, very, very important; very significant since this rerating. As we have been mentioning, this could have at least an impact on average of lower EUR 50 million a year on average for the next three years.

But also, we are now well-positioned to extend the debt maturity. We have already told the market that we are considering a 10-year bond in the first half of this year.

We have also renegotiated – we have now a new five-year credit facility of EUR 1.6 billion; it was replaced by EUR 2 billion. Just to mention that the spread went down from 4 percent into a 1.1 percent spread in that deal. So, I think that is quite significant.

In terms of 2015 outlook, we see ourselves comfortable with the consensus; more than EUR 3.6 billion on EBITDA, more than EUR 900 million for net profit. That is level assuming an average cost of debt going down to 4.6 percent.

We see also net debt below EUR 17 billion, so reducing again the debt.

The execution of tariff deficit securitization, we have a target of at least EUR 800 million for the Portuguese tariff deficit securitization deals; the asset rotations, that we have already presented to the market; and also the CTG partnership.

As you know between committed – between closed deal and committed, we have already given a visibility of EUR 1.3 billion. Part of this will have financial closing on the first half of this year and our intention is that towards the end of the year we will give visibility to up to EUR 1.7 billion to EUR 1.8 billion out of the EUR 2 billion full commitment.

So, clearly we want to reach the end of the year with an 85 percent of that commitment visible to the market, so typically behind us.

In what concerns the EBITDA, we assume an average hydro year, so lower arbitrage opportunities. We have new hydro capacity additions, I remember this: 250 megawatts in first half, almost 1 giga in the second half of 2015, with the new hydros in Portugal.

In Brazil we don't assume any rationing at this stage. As I mentioned, we expect the 86 percent (GSF); let's see. We have the Pecem fully consolidating.

In what concerns wind, a strong U.S. and new wind capacity. We have almost 400 megawatts commissioned at the end of 2014, so a lot of additions towards the end of last year.

We have lower exposure to power prices in Spain. I've mentioned that the first quarter last year was tough because it was difficult to hedge in a system where we don't know the rules, so we have already 2 terawatt hours hedged at EUR 47 in Spain for EDP Renewables.

And we have for Portugal the full consolidation of EDPR, 40 percent in ENEOP expected at least between six and nine months.

We have also, I would like to stress, at Iberian regulated networks, the sale of energy assets in Murcia with an impact of EUR 18 million on EBITDA with the consolidation.

A lower return on RAB. As you know we have a floor of 6 percent; we have an indexation to the five-year Portugal bond. We have at this stage an expected impact of lower EUR 40 million compared to 2014 on the back of this lower Portuguese risk. So, the figures are clear.

And to finalize, based on this resilient performance, on the focus on profitable growth, and keeping the low risk profile, where here I focus it once again: EUR 1.5 billion tariff deficit securitization last year, EUR 1.3 billion in Portugal, where we have now the intention to do at least EUR 800 million.

The disposals of EUR 400 million of asset rotation strategy and CTG partnership done in 2014, including, of course, looking into the figures and seeing the ForEx impact and then we need to compare the like-for-like; and, of course, the improvement of investment grade, of EDP. I think that there are really positive signs on that commitment.

So, earnings per share 2014 EUR 0.285. We will propose EUR 0.185 fully in cash, 60 percent – 65 percent payout. So I think that we have an improvement on the visibility on the mid-term cash flow, I think it's important.

We have clearly in front of us, visibility on this, based on what we have been proposing to the market: good asset mix, good returns, diversified market, and especially focus on a very good risk agenda and balance approach between deleveraging and growth.

So let's go for the Q&A and thank you.

Stefano Bezzato, Credit Suisse

Three questions, if I may. The first one – sorry to go back to Brazil – but you mentioned the measures announced by the government to promote efficiency, for now a 5 percent target. Do you expect this target to increase over the coming months? Do you expect any risk left of power rationing instead of the efficiency measures

And what would be the impact that you would expect on EBITDA of generation and in distribution from the energy saving measures or power rationing in the coming months.

The second question is on your dividend; I think you did not mention the dividend policy in your 2015 outlook. Can we assume that EUR 0.185 stays as floor independently from the hydro situation in Brazil.

And finally on Iberian generation, I notice that you announced to have sold 23 terawatt hours for this year at EUR 55 per megawatt hour. You also flagged today forward curve point at EUR 45/EUR 46. Are these numbers, the EUR 55 and the EUR 45/EUR 56 comparable and therefore we should expect a reduction in achieved price in the coming quarters? Or does your stated achieved price include more components that we should take into account? Thank you.

Antonio Mexia

Stefano, thank you. Let's start being clear about the dividend policy. Dividend policy, no matter what the EUR 0.185 is a floor, even if the rating was zero in Brazil, let's be clear. And it will, of course, not be the case.

So there will not be change to this commitment and I think that we have been very clear on it, and especially we will never change this for non-recurrent events, one-offs like the impact in Brazil.

In what concerns the third question about the Iberian generation, I think yes, it's comparable. I think that what we have been showing is that even with lower – if you have lower energy management possible, because of lower volatility in the first quarter, what we have already hedged and the fact that especially we have hedged on the gas side, that is a tougher market; but also, to the fact that we have today better margins than in 2014, gives us a comfortable situation.

In terms of Brazil…

Miguel Viana

In terms of Brazil, I would say that for now we don't have a clear view on rationing measures, so we are waiting for what's going to be the decisions by the government.

So that the Company is doing is to prepare itself for such a scenario in terms of operating costs, IT systems, et cetera, in terms of regulatory, management of regulatory agenda.

But I think it's too early to say any impact in terms of impact from rationing. Obviously, it should be negative, but it's difficult to quantify for now. But we'll follow up with the market in the following months as things evolve.

Antonio Mexia

The idea of having a rationing, of course, the decision will be taken probably only towards May, or towards the end of the rainy season.

I've been in Brazil two weeks ago and clearly the environment, the political environment is clear that they're against taking these rationing decision.

Why? We have already shared this, everybody shares this, is the fact that this would be recognizing that the energy policy was not the right on in the recent past, and even the actual President Dilma, in 2001, was very critical of the rationing and that the rationing was just translating bad management.

So I think that the government will do whatever they can to avoid this scenario. But sometimes reality can impose on ourselves. So clearly – but I don't see decisions in the next two months, and it's very difficult to consider.

In any case what has, of course, been discussed is that if we have rationing on the side of the generation, depending on the level, you also get rid of the contract, the responsibility to deliver the contracts that we have signed. So it will reduce your risk of going into the market and buying energy to sell, because you are committed too. So at the same time on the generation side it could have a kind of compensation.

In any case, what is now really challenging is how can a generation sector, after a 90 percent GSF last year, and if GSF goes below – even if it's 86 percent or 85 percent, leave and will ask for any kind of compensation, because the system was supposed to be, let's say, balanced and the reasons why the generators – the hydro generators are suffering is basically because of mismanagement of the central system.

So clearly the discussion is how to compensate and how to create new rules to compensate this. So rationing, let's talk about if any – later on, because today's not only probable at this stage, but also it's difficult to quantify depending upon how they will establish it.

I'm sorry, Stefano, not to be more clear, because nobody is very clear about this.

Stefano Bezzato:Understood. Thank you.

Miguel Viana

The last question, Stefano, on the prices, so the wholesale prices. So of course the EUR 45/EUR 47 you are talking about base load; the sales that we have at around EUR 55, yes, they are comparable.

The only thing that I would highlight is, obviously, our portfolio – most of these sales are through our final clients, and we have been focusing on the residential and the small clients. Obviously, the profile of consumption is more concentrated in peak hours, so the difference is that this EUR 55 is more concentrated in peak hours at higher prices than base load. But, excluding that, the prices are comparable.

I would highlight lastly also that most of these contracts with the clients they were closed in the contracting season for 2015, which was between September/October/November 2014.

Fernando Garcia, Mainfirst

First, starting with your right answer for 2015 with an EBITDA of over EUR 3.6 billion net income of over EUR 900 million, I assume that – my question there is that this includes EUR 78 million gain, from the gain of the divestment of the gas distribution assets in Murcia. So I am right assuming that the recurring net income after taking this out will be below EUR 900 million in your budget?

Then my second question, if you could update me on the European Commission investigation of the extension of the concession of the hydro assets in Portugal? I wanted to know if this investigation is still open.

My third question is on the latest IMF report on Portugal. They said that the Portuguese electricity interim tariff deficit target was not met. Also, they say that the elimination of this tariff deficit was postponed from 2020 to 2022.

Could you provide me what it was the interim target end of 2014? And from the presentation I think you disagree with a 2022 target, could you explain me what is the underlying difference in assumptions between yours and IMF?

And finally, just to understand the rationale for your calculation of the recurring net income for 2014. For example, you are including there – or taking out there, the extraordinary energy tax, but this is happening as well in 2015. There are some political parties saying that they will keep it post-2015. So is this starting to be recurring, so maybe should not be taken out?

And second, for example, you are not taking out the extraordinary effect from the corporate tax reduction in Spain that – I think that is EUR 67 million. So I wanted to know why? Thank you very much.

Antonio Mexia

So I will start with the European investigation, the IMF and then I will leave Nuno to talk about taxes.

So let's be clear, European Commission investigation. No news, I think it's a dossier that is gaining some dust on any shelf. No questions to neither to us, neither to others, let's say, I believe, stakeholders on this process; so no news. No news.

But as, I always mention it's a dossier where, if there is any news eventually it would not be bad news for us.

In what concerns the IMF approach about the Portuguese sustainable deficit or not, 2014 was a year that we have already anticipated it, especially when we saw the first quarter, where the tariff deficit increased by EUR 500 million. We are now stating that is zero in 2015.

The difference compared to what the IMF was saying is probably due to the first quarter of last year. So talking about tariff deficit evolution, because a strong quarter of wind, I think, it's really probably not very meaningful.

If the end of the deficit is not 2020, but 2021 or 2022, putting this as an issue, I would say, that is basically ridiculous. So what I would like to say is that what we will see is: are the tariff increases being put in place according to what was expected? So between 1.5 percent and 2 percent above inflation. The answer is yes.

Are these measures being also taken with others that will minimize any risk of not doing this, like the social tariff? The answer once again is yes.

Is demanding evolving as it was expected in the assumptions? For 2014, it tends to be – rather no. It's the only thing is that demand was lower than the 1 percent expected, but now we are seeing growth in 2015.

So once again I don't see any material change that would make any pressure, or any reason to change the measures that were taken at the cogeneration, at renewables, all the other measures that were taken and are all well known by the markets. So I don't see any news.

In what concerns special taxes, we still live in a world where we tend to believe that the commitments are to be fulfilled. It was a short-term measure towards the sector, not EDP but all the sector that was short term, because it was extraordinary. We still consider this.

Our approach and reaction towards this measure was to take into account that they will be considered in 2014 and 2015.

We see clearly the situation in Portugal evolving, if anything, better than expected. So it doesn't make sense to keep extraordinary taxes for longer. If it's the case we will decide what we will do according to that reality. So at this stage we don't anticipate, and we don't consider, any new taxation after 2016. So let's see if it's the case; if it's not the case, we will act accordingly.

Nuno Alves

The question on the guidance on the EBITDA, I guess is the first one.

Well, the guidance includes everything; includes the positives and the negatives. It's our best guidance we can give you today with what we have at hand. So it does include both positives and negatives. It does also include whatever we see coming.

As part of the adjustments, all we try to do is to give you what we think is our – what the adjustment should be to get the recurring. You have both the other extraordinaries, if you think they are not be adjusted, you can do it yourself.

Carolina Dores, Morgan Stanley

I have three. First one is on leverage. Your net debt in – well, towards the end of 2014 and 2015 has been impacted by the higher FX, and there's also the full consolidation of Pecem. If you add those both – both effects there is EUR 1 billion additional debt versus where your business plan was.

So my question is if you are still comfortable reaching 3x net debt / EBITDA by 2017? And if there is additional measures that you are working to get there?

My second question is a little what Antonio give the heads up; it's on the supply in Portugal, because it was loss-making in 2014. When do you expect this business to be profitable again?

And third, I wanted to understand the negative provision that you've done on Pecem in the fourth quarter. Does that mean that all the negative costs for unavailability of Pecem have been provisioned? And if so, what is the outlook for the earnings of Pecem for 2015? Thank you very much.

Antonio Mexia

So let's see. In what concerns the target going into 3x net debt/EBITDA in 2017, let's be, once again, very clear. We have been stating to all the, on the debt side, on the equity, to all the people that we need to talk at the same time. We don't have different speeches according to people that are in front of us. By the way, here everybody is there on the phone, so we have everybody at the same time.

The commitment to deleverage is very consistent. We have been doing clearly this on the CapEx side. Of course, we cannot – the ForEx effect, we could not anticipate it.

Pecem, of course, as you mentioned, it was not supposed to happen but at the same time it's to be an opportunity in terms of value creation.

In that concerns asset rotation, and what concerns the investment levels, in what concerns the disposals and the partnership with CTG, all these layers will be managed according to the key target of giving, proving, year by year, that we are doing what we need to do to go in that deleveraging path towards 2017 target.

In what concerns supply, let's see, the EBITDA from liberalized activities was poor in the fourth quarter of 2014. Somebody told this. First, let's see, the favorable market environment in the first half; low pool prices; strong gas volumes; strong gas wholesale was not repeatable in the second half. We already anticipated this. The gas wholesale market in the fourth quarter was much weaker than – in 2014 than in 2013. The lower market volatility in the fourth quarter in 2014 without room for additional energy management. But the question is, the difference is not in generation, the difference was in supply, as you mentioned. With that extra cost last year, the bonus – the positive last year, so in 2013, the bonus social, the social bonus in Spain. And the fact that in 2014 we captured 400,000 new clients compared to 100,000 the previous year, so that was a peak moment in terms of new additions.

So, in 2015 we – when we compare year on year, you will not have the same impact as we had when you compare 2014 with 2013.

In what concerns – what was the last question?

Nuno Alves

OK, in as far as Pecem, you're right, all the provisions that are known as of today, they have been accounted for. So in as long as the plants work OK, there won't be any more provisions or penalties to be taken. If it gets worse, then we'll have some extra penalties.

But it assumes the plants were operating as they should, so we provisioned ahead of having to pay those penalties.

In as far as the numbers expected for Pecem, Carolina, I'd ask you to call the Investor Relations and get the right number; I don't have it right here, so we'll give it to you later on.

Antonio Mexia

Just to give you an idea, availability; the availability was 76 percent in 2014, because we stopped for three months at unit number 1 between August and November.

We have been – since then, been well above the regulatory level of 90 percent. We are now, since the beginning of the year, at the level of 95 percent. In December last year it was 97 percent.

So clearly what we see today is, of course, we still have the impact of the moving average of lower than expected with the previous year but now we have been, clearly, improving the average above what the minimum level – the average level of 90 percent. Then the detailed figures can be given to you.

Alberto Gandolfi, UBS

I have four questions. The first one is on the evolution of net debt and free cash flow. You just reported EUR 17 billion and you say below EUR 17 billion.

Now, with the disposals that the Chief Executive just talked about, I understand EUR 400 million to EUR 500 million agreement with CTG, perhaps you don't expect the cash to be received in 2015? I don't know if you can comment on that.

But with this EUR 400 million to EUR 500 million, the pending disposal in the U.S., securitization of receivables, even though you're still contributing to the tariff and a little bit of free cash, I would have expected perhaps a little bit of a narrower guidance to the net debt; so a little bit more precise.

I was wondering if you could help me out with this, because from what you are saying otherwise, the logical – well, not logical, but the conclusion seems that you are largely free cash flow negative in 2015, which I don't think is the case.

Could you maybe help us out a little bit more here on building blocks on what is organic free cash 2015? What is disposals? What is the evolution of the tariff deficit components and securitization obviously?

Second question, forgive me for going back again to this adjusted net income, but on slide 15 you talk about EUR 905 million. Am I right, that is not adjusted for the drought in Brazil, which you mentioned has a negative impact of EUR 121 million? I think it's on slide 2 of the press release.

And if you can also, thirdly, talk about your cost of debt. You're talking about 4.7 percent in 2014; 4.6 percent in 2015; and a debt maturity of four years, so how can it fall just 10 basis points year on year?

And if four years is the average maturity of your debt, shouldn't we see the cost of debt going to something like 3 percent or lower within four years? What am I missing here? 1.5 percent on EUR 17 million is pretty much – it's quite a lot.

Last one, a bigger picture on the dividend. So, I'm thinking, what's next here? EDPR is on track, continues to deliver growth. We know what's going on in Brazil. The hydro is coming in Portugal.

When will you actually be able of beginning to grow again your dividend and if – you cannot give me a precise year, of course. Can you tell me your mindset? Is it a matter of leverage? Is it a matter of credit rating? Or is a matter of payout ratio? Thank you so much.

Nuno Alves

OK. The – what I think you're missing on the debt, and let's be clear, we are – on the guidance, we are including the consolidation of Pecem. Pecem's debt will be roughly about – between EUR 500 million and EUR 600 million total. That will be included in this number, so you will have an increase in debt, because we start consolidating Pecem, if the deal goes through.

Then you also have to consolidate ENEOP, which is the wind business we will split up with Enel throughout this year. As we move it from equity to full consolidation, we will have to consolidate another EUR 200 million.

Yes, if we were not doing those two moves, you're absolutely right, the free cash flow would look terrible. It's not the case. It's despite having to include these extra EUR 800 million, we're still guiding below EUR 17 billion.

Clearly, there is an item here which is the dollar/euro which we cannot do anything about. If it goes to parity, probably it will be complicated to deliver on the EUR 17 billion. But if it stays at reasonable rates, like it is today, I think we could still achieve going below EUR 17 billion, despite, as I said, consolidating an extra EUR 800 million of debt from these new assets.

Alberto Gandolfi, UBS

So Nuno, forgive me. Just to be clear, you're telling me that on constant scope you would expect to lower your net debt year on year, and even in the medium term, don't see why not, between EUR 700 million and EUR 800 million a year, or perhaps a bit more?

Nuno Alves

I think that is going to depend also on – in this, we are including divestments to CTG, which typically you should not count as free cash flow. I would say that in 2014 and 2015, if you exclude divestments and tariff deficits, we should be fairly close to zero free cash flow.

What we said is once EBITDA goes up in 2016 and 2017, and reduction in the CapEx, then free cash flow is probably going to be in the nature of EUR 500 million per year, excluding divestments or tariff deficit, working capital changes. So your recurrent free cash flow in 2016 and 2017, it's supposed to go up to about EUR 500 million in 2016 and 2017.

Now, the adjustment on net income, you're right, it does not include – it does not adjust for the rainy season in Brazil, so that's too bad. It's like having a lot of wind, it's too good. Having less rain, it's too bad, but we don't adjust for that.

In as far as the interest rate, I was waiting to see when that question was going to come up. Clearly, things are looking better. Clearly, the 4.6 percent looks OK this year.

Why? There's two aspects there. We will pay our last fairly cheap refinancing that we have, this month. It's still going to cost us more to replace that refinancing, so on an average then cost will go up.

It will also go up by the consolidation of Pecem; that is still money. Clearly, the revision of the term loan and all the refinancing should still, in the second half of the year, start bringing the cost of – the average cost down. This year won't change much; probably 2016 we'll see it fall another 20 basis points/30 basis points in 2016, and will continue in 2017.

The scenario that was presented in the Investor Day, right now looks a little bit conservative, you're right. But for 2016, the reason has to do with refinancing still this EUR 1 billion bond, which is due in March and the Pecem consolidation.

I'll pass on the dividend to Antonio.

Antonio Mexia

Thank you, Nuno. Dividend, of course when we are considering the dividend we propose next year, at this time based on 2015, as I've mentioned the floor is to be respected no matter what. The floor will always be respected, no matter what.

But as we have anticipated here, based on even without rationing in Brazil, this will have an impact on our accounts. So even if we have good visibility – the visibility we have today makes the net profit slightly lower than in 2014. So proposing at this stage an increase of the dividend would make no sense.

Clearly what we have stated, we need some events to happen. I think that we run throughout the crisis increasing the dividend since 2006 by 85 percent; I think that we were very clear on the message. We have been getting out of the dividend payout range whenever we need to respect the floor, because – and by the way because typically, if we go – it's because of non-recurrent events. Even if we had not considered in the adjustment, hopefully we can consider no rain in Brazil a non-recurrent event.

Let's be rational on this front, we will be changing the dividend as soon as it makes sense net profit-wise – earnings per share-wise.

Alberto Gandolfi, UBS

Excuse me, sorry, I didn't quite catch precisely. When we're talking about the free cash flow deduction, the disposals are one-off, but I don't quite remember what you have said on the securitization.

How much contribution for 2015, 2016 and 2017 do you expect from the securitization of receivables? Thank you.

Nuno Alves

What we've assumed on Investor Day business plan is EUR 800 million of securitization per year.

Alberto Gandolfi, UBS

Thank you so much for your patience.

Antonio Mexia

We have been doing more in 2014 than – it's clear, we have done EUR 500 million more.

Nuno Alves

Maybe I should do some Internet questions. There's quite a few questions here on the Internet, let me see if we could browse through.

One is concerning the average cost of debt going forward; I guess I answered that.

The other is on – if it's still strategic to be 3 times by 2017, I guess we were very clear on that.

What are the obstacles of reaching this target? We still feel that this is do-able. Clearly, Brazil drought lasting two or three years is not on the program. If it gets back to normal, we see no problem in reaching the 2017 numbers. But even with the drought in Brazil, if it's not 3 times, we should be very close.

We will make sure we take care of how to get there, or close enough. We're not too concerned right now that we will not meet the 2017 numbers.

There's a question here on CESE; I don't know if you want to say something.

Antonio Mexia

The CESE I already mentioned. We accept the measure as temporary – as extraordinary, because of extraordinary situation in Portugal, even if we have doubts on the legal framework, as the other companies.

But, clearly, we have been considering that this will be for 2014 and 2015 and no longer than this. If it's the case, we will take in due time in due place, the decisions according to that. But at this stage, we don't anticipate that the commitments that were delivered will be changed.

Nuno Alves

A question on if the agencies are concerned with the situation in Brazil, could that trigger a rating event? I would not say they are worried, but they are attentive. They, as we do, they view the drought as an extraordinary event. They don't view it, right now, as a recurrent event, and that way it should not be taken into consideration when evaluating the ratings.

Clearly, they are attentive, as we are. We're more than attentive; we are even concerned, but it's not impacting, right now.

Javier Garrido, JP Morgan Chase

Most of my questions were on the free cash flow, which I think you have elaborated. Although, to be honest, I – maybe I'm a bit slow, but I don't yet fully understand what is the conclusion on the 2017, 3x net debt / EBITDA target.

Somebody correct me if I'm wrong, should I understand that you are still looking for 3x net debt / EBITDA in 2017, plus whatever may come from the ForEx moves and Pecem? So basically 3x net debt / EBITDA plus the extra net debt on the book, because of the acquisition of Pecem and the negative impact of ForEx, is that right? That will be the first question.

And the second question also on free cash flow, looking backwards in 2014, I notice a significant swing in the financing of working capital from suppliers of equipment.

I wanted to understand whether that means that now that working capital is the stable one or if you should see a reversal in that, and you should see a cash outflow in this line in 2015, so as to understand is a sustainable level from this financing?

And the final question would be on the supply business. Actually, I'm not sure I understand what is going on, because you mentioned that in the fourth quarter you have a negative impact, because of the cost of acquiring those clients. But if I am right, firstly, those clients are your clients in the regulated sector so there shouldn't be such a big one-off cost of acquiring the clients. Could you explain to me why is there the extra cost of getting that client switched from regulated to a liberalized market?

And secondly, I understand that in January you started an aggressive campaign responding to some extent to a Galp campaign in Portugal. Will you expect to see additional one-off costs out of that campaign or would you expect to see the first half results in supply in Portugal being negative, as they were in the fourth quarter in 2014? Thank you.

Nuno Alves

Javier, the 3x net debt / EBITDA continues to be the guidance for 2017. The Pecem consolidation hardly has an impact on that ratio, because you have to consolidate the EBITDA as well as you consolidate the net debt. So net-net by 2017 the expected net debt over EBITDA of Pecem is very close to 3, so it would not change the ratio at all.

What else can I say? It continues to be our guidance and the acquisition of Pecem doesn't change anything. The rest remains the same.

In as far as the suppliers, yes, you see a little excess on – which is not usual, from us. That has to do mostly with EDP Renewables qualifying, or creating some options for the extension of the PTC, which, at a later stage, they will decide or not to use if they see fit, but they had to do that by December, otherwise they would not qualify for the PTCs. So this is invoices that might be used or not going forward.

Antonio Mexia

So I think it's clear about the targets and the swings due to the U.S. market.

Let's see the supply. Clearly, first, we are now leaders, entering or not, with campaigns. We are leaders in the market with 86 percent on the liberalized markets on electricity, with almost 50 percent on the liberalized market in terms of clients in gas. The dual approach has been very effective.

We – I think that we have been using the right policy in terms of transparency and, of course, with lower acquisition costs, I believe compared to others.

But in any case, whenever a client goes from the last-resort consumer to the liberalized market, we are talking about two different entities. EDP needs to compete in that market, as any other players, in terms of campaigns; in terms of third-party supply; in terms of agents; in terms of whatever door to door; all the mechanisms of bringing people out of the regulated market into the liberalized market. I operate in exactly in the same conditions as the others.

So it's normal that in a year where you move from a 1.3 million to 3 million, so let's see, at the end of 2013 you had 1.9 million and you went into 3.1 million liberalized market clients of EDP, so we have increased by 1.1 million clients.

Let's remember that by December of 2012 there were less than 1 million, so clearly the increase last year was big. Of course, the rate, even if we are now considering, as I mentioned, 80,000 a month, will be going down, so you are now capturing the value of the clients.

So the first quarter impact will be probably in the same nature of last year. But now we are taking advantage of all the clients already in the regularized market where, by the way, the churn rate is very small. Typically, the second half of this year will be delivering already very different results from the last two quarters.

Florence Taj, MFS Investment Management

Sorry, I just had a follow-up question on Brazil. If I look at the EUR 3.6 billion guidance for this year, for 2015, you expect 16 percent of that to come from Brazil, which would be EUR 575 million. But in 2014 it was EUR 620 million, including roughly EUR 70 million of accounting change, so let's say it's EUR 550 million.

On an underlying basis you're expecting Brazil to be up this year. I understand there are many moving parts with Pecem, et cetera, and the tariff increase. Can you walk us through how you go from the EUR 620 million this year, or EUR 550 million underlying, to that guidance for 2016, what you are assuming, in terms of Pecem and the tariffs, and the additional impact of the lower hydrology factor?

Miguel Viana

Hello Florence. In terms of what is included in terms of the figures for 2015, you're right, it's slightly higher.

What you have to consider is that, obviously, it includes Pecem, which we assume that it should be fully consolidated in the second quarter of the year.

Obviously distribution, we have the new accounting; so no major impacts. We have a similar impact in terms of the GSF losses versus last year, so as it was referred. We are not forecasting a GSF of 86 percent.

Florence Taj, MFS Investment Management

So how much is Pecem consolidation, how much are you factoring in for this year?

Miguel Viana

We assume, from the second quarter it will depend also on some contractual negotiations ongoing for some improvement. Not – also that we have the reversion of the provision that we made in the fourth quarter that part of it is already to cover losses in 2015.

But regarding the detail below this line of Brazil, namely Pecem and the other parts, I think we prefer not to go into too much detail, because of the previously referred uncertainty on several moving parts in Brazil.

Florence Taj, MFS Investment Management

OK. Thank you.

Miguel Viana

In terms of EBITDA in Pecem, what we had in the budget was in the region of EUR 60 million for 12 months.

Florence Taj, MFS Investment Management

OK. Great, thank you.

Antonio Mexia

Once again, thank you for being present. As it was mentioned in the last question, we have a lot of moving parts. I think that we have the control of those moving parts, especially in the Iberian market.

Also, we have a clear visibility in what concerns renewables.

In what concerns energy management, I think that we have been clear in what concerns the visibility of the 2015 figures. Even if we are, today, at the beginning, we feel comfortable with that visibility.

Of course, the most moving part is Brazil. Brazil, I think that we have already been anticipating lower GSF than the previous year, but we have already seen also legal and regulatory measures that make sense. Even – the impact of Pecem could even be slightly better than the one that Miguel just mentioned. But, clearly, that will be the question mark.

In any case, this question mark will not change anything about either the commitments in terms of deleveraging, neither the commitments of dividend. And by the way, we will be looking, even if it's a one-off extraordinary measure in Brazil, because of the market, we will be looking into measures that will compensate for this.

So after, I believe, a strong 2014, where we delivered slightly better than expected by the market on average, I believe that we will have a 2015 challenging but where, at this stage of the year, we are beginning of March, we have already a good visibility based on the decisions that we have already taken. And the commitments that we have are, today, very clear and we tend to be on the safe side.

So once again, thank you for your presence and see you soon.