CONFERENCE CALL TRANSCRIPT

4Q15 and 2015 earnings

March 1, 2016

Operator:

Good morning and thank you for waiting. Welcome to Magazine Luiza's conference call to discuss 4Q15 earnings.

Please note that this event is being recorded and all participants will be in listen-only mode during the Company's presentation. Then we will open up for our Q&A session and additional instructions will be provided. If you need assistance during the conference, please ask an operator for help by pressing *0.

When the event ends, a replay will be available for a period of one week.

We also note that any statements that may be made during this conference call concerning Magazine Luiza's business prospects, projections and operating and financial targets are the Company management's beliefs and assumptions based on information currently available. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions since they refer to future events and therefore depend on circumstances that may or may not occur.

Investors should be aware that general economic conditions, conditions in the industry and other operating factors may also affect Magazine Luiza's future performance and may cause earnings to differ materially from those expressed in these forward-looking statements.

To open the conference, Mr. Marcelo Silva will be making the introduction. You may begin Mr. Silva.

Marcelo Silva:

Good morning everyone. I am delighted to be making this presentation, which is my last as CEO of the Company up to December 31, 2015, when I completed my term of office on Magazine Luiza's Executive Board. On this occasion I would like to thank all of you for all the quarters we have reported on together, and to take this opportunity to draw a timeline since I joined the Company in 2009, when Luiza Helena asked me to set up more professional Executive Board, which I did.

In that year of 2009 there was a material fact, which was the renewal of the joint venture we had with Unibanco, later renamed Itaú Unibanco; this renewal for another 20 years is an important fact showing what a healthy partnership exists between Itaú, Luizacred and Magazine Luiza.

In 2010 we formulated a strategic plan for the coming five years, in which the main strategy was sustainable growth. We needed to grow and get a much larger market share in Brazil, and we decided it would be through sustainable growth; and so we had to consolidate our business in the regions where we already were active, which were southeast and south Brazil, and we had to enter new regions, primarily Brazil's northeast, which has a lot of capillarity with Magazine Luiza because of the predominance of class C.

In that same year we moved our business office from Franca to São Paulo, bearing in mind our presence in the São Paulo market, since São Paulo is the country's economic capital. In the same year we completed the acquisition of Lojas Maia's 140 stores in the Northeast.

In 2011, continuing with the strategic plan, we took the Company public and had our IPO, then we acquired Lojas do Baú with the aim of consolidating the southeast and south, which we achieved.

Over the next two years, 2012 and 2013, we worked on integrating these two networks or chains in a two-year period, which was considered a historical achievement and a huge success because everyone knows how difficult it is to integrate chain stores. History shows that it is difficult in many situations. However we did it, we were very successful.

In 2014 we posted the highest growth numbers in the industry, the best results ever in our history, so it was a very important year for us. We saw our e-commerce evolving to become increasingly sustainable and growing faster, tracking and even outperforming the market. So we started to go multi-channel, digitizing the Company, which is a subject we will talk about later.

In 2015, which we also will comment on in detail because it is part of our conference today, we renewed our contract with Cardif for ten years, again showing the worth of our partnership, our joint governance with Cardif and BNB. We made even more progress in e-commerce, in the digitization process, which Frederico will be commenting on in more detail shortly.

The last point I would like to raise about this 7-year cycle is our corporate governance. In addition to successful joint ventures with institutions of the scale of Itaú Unibanco and BNP Paribas, for many years we have had a board of directors with independent directors, and up to last year in 2015, we had Mr. Castro Neto as chairman of our board.

We believed that we needed to review our corporate governance, and we did so with very specialized consultants. We decided to set up two advisory committees, finance and audit and risks, which have now expanded to include a Compliance committee with market experts.

As part of this review, Luiza Helena became chair of the board of directors. I was asked to be deputy chairman and I accepted, of course.

We have two independent directors and in the course of the year we had been looking for a third independent director. We then elected Frederico Trajano to the Executive Board, as its president - Frederico was already our CEO - in a succession process and we believe this was a very good move.

He took over this year, 2016, together with Fabrício, who is executive vice-president, but Roberto Bellissimo remains as CFO, Isabel remains as our director for Administration and

Control, as do other colleagues who have joined this team to strengthen the acquisitions while maintaining consistency. Our high level of business drive is very much a characteristic of Magazine Luiza, not only in the operation but also in the organizational culture aspect, the preservation of its values.

Individuals and businesses both go through their cycles. I am starting a new cycle, and I have ended one as an executive, but I am absolutely confident, and therefore continue to be heavily involved in the Company's life, because the CEO's baton is now being passed on to an executive who has a thorough understanding of retailing and physical stores, and has been heading the process of setting up the e-commerce company and multi-channel digitization since we started it.

So I am totally confident that we are on the right road, leading to a sound future for the Company, which is something of great importance for all the shareholders, the whole family.

I would like to end by thanking everybody for the attention we have always had over all these years since 2011, when we went public, and I call on Frederico Trajano, the Company's Chief Executive Officer.

Frederico Trajano:

Good morning everyone. Thank you for taking part in our results call. Before talking about 2015 I would like to pay a well deserved tribute to Marcelo Silva. I want to thank him not only for the solid organizational legacy he has just described, but above all for his personal legacy. Marcelo leaves us his example of ethical conduct, consistency, and his absolute focus on managing the people who are part of our Company. For this whole legacy, Marcelo, thank you very much.

Turning now to our 2015 results, I would like to make a brief summary of the year. It would be unnecessary and repetitive to say that we had a year of very challenging macroeconomic conditions. Since we are in a cyclical industry, retailing durable goods, we see that our sector ultimately reflects economic trends to a greater or lesser extent. Last year, the sector ended up feeling the effects of the slowdown that Brazil witnessed in 2015.

Despite this situation - as Marcelo said, there was a very high basis of comparison from 2014, when we grew 18.7%, one of the best annual growth performances in Magazine Luiza's history - we were once able to gain market share and preserve our gross margin.

We did post a fall of 8.7% in our sales for the full year, but this was offset by an increase of over 1 pp in gross margin. By the way, we posted the best gross margin of the last four years.

I want to emphasize that we do not believe it is necessary to let go of margins to gain share in the online or offline business. We are very disciplined in this respect, and we will remain so in 2016. Our focus this year will continue to be gaining market share while preserving profitability and I think we'll probably have better microeconomic conditions this year. I will go into more detail about this in the Q & A.

I also want to highlight the performance of e-commerce, especially in the year's 2H. For a long time, in conference calls and meetings with investors, I have been saying that at some point economic rationality would return to e-commerce. Once this happened, we would have benefited from having a lower cost base due to our multichannel strategy, and finally this is now happening.

We grew 19.1% in e-commerce, even with the of e-commerce taking a larger share of the total; we had an increase in gross margin, showing that in e-commerce too we have a rational operation.

In an economy with indexed costs like ours in Brazil, and a scenario of high inflation and rising interest rates, which require all our efforts to cut costs, we posted a lower EBITDA margin and net income in 2015; this fall was actually inevitable given all the macroeconomic conditions.

In September last year we hired Galeazzi to really intensify our cost cutting focus, and we are already implementing several of the projects that were concentrated in that period. But as the Americans say, *cash is king*. At a time of economic difficulty, companies have to focus on cash generation and this is exactly what we did last year.

We had a solid cash flow and we posted a significant improvement in our cash for the last quarter of last year. Our debt fell from R$ 1.2 billion in September 2015 to R$ 489 million at the end of the year. Our net debt / EBITDA ratio fell from R$ 2.3 billion to R$ 1.1 billion in the same period.

On this basis, we feel we are well prepared to face the turbulence that may be ahead in the year 2016. Roberto Bellissimo will now be giving details of all these figures and the Company's other figures and I'll be back later to talk about our strategy, not only for 2016 but also for the coming years, and to answer your questions.

Roberto Bellissimo:

Good morning everyone. Starting our presentation on slide two, we again emphasize the R$ 3 billion sales figure in Q4, which was down 8.6% after 10% growth in the previous year, so the 4Q basis of comparison was also a high one.

E-commerce once again grew 19% and now accounts for 21% of our sales. The higher gross margins again this quarter was due to improved product mix, charging for freight and fitting, increasing share and services.

EBITDA was again influenced by a higher gross margin, but dilution of expenses was less due to performance of the sales and the market, but it reached R$ 100 million with a margin of 4% on net revenue.

Then on debt we had a reduction in the quarter of more than R$ 700 million in net debt - from R$ 1.2 billion to less than R$ 5,000 million and 2.3x net debt / EBITDA to R$ 1.1 billion, and a operating cash flow in the quarter of R$ 614 million, also quite heavily influenced by improved working capital that we worked on over the past year as a whole.

In the year as a whole, we billed R$ 10.5 billion, a decrease of 8.7% also on a still higher base of comparison of 18.7%. E-commerce grew almost 10% in the year and accounted for 20% of our sales, an increase in share of more than 3 pp in the Company's total sales.

Gross margin similarly rose by 1.2 pp due to the same factors, and EBITDA fell 1 pp in the year as a whole, from 6.2% to 5.2% of net revenues, to reach R$ 465 million. In the year as a whole, net debt fell from R$ 651 million to R$ 489 million. So it fell in the quarter and in the year too, and we reached an adjusted net debt to EBITDA ratio of 1.1x.

Our cash position increased by almost R$ 300 million in the year, starting from a level of R$ 860 million to reach R$ 1.160 billion, which is double our short-term debt. So we also raised the Company's liquidity quite a lot this year.

On the next slide, we are showing the evolution of number of stores. We opened 30 new stores during the year. We still have almost a quarter of our stores shops in the process of reaching maturity. We invested R$ 158 million in the year with an emphasis on increased investment in new stores and technology. We invested R$ 54 million to support the entire company, all e-commerce and all stores. And we invested less in refurbishing stores since almost all Northeast stores had been refurbished in previous years.

On the next slide, we show the quarterly evolution of gross revenue, with much better performance than in Q2 and Q3, highlighted by the change in e-commerce which grew 19% against 20% growth in 4Q14. And total e-commerce sales were more than R$ 2 billion.

Going on to the next slide, we show the evolution of gross profit. All quarters posted better gross margin than the previous year'. Overall, gross profit was down by just 4%. On the operating expenses line, we see that this quarter's selling expenses, for example, were lower than the previous year's, and administrative expenses were lower too.

Overall, these expenses were down 1% in nominal terms, even with much higher marketing expenses due to our soccer sponsorship project, but expenses did not fall as a share of net revenue due to sales numbers. But at least they did fall nominally because of all the spending cuts that we have made.

On the equity equivalence line, we see that the figure for the year as a whole was R$ 76 million, slightly less than the previous year's R$ 100 million. The Luizacred figure was influenced by higher delinquency provisions of course. But the quarter showed a profit of $ 8 million and the year R$ 123 million. Luizacred posted growth in profit - R$ 5 million in the quarter and R$ 28 million in the year, and the insurer's profits grew more than 50%.

On the next slide, we show the quarterly evolution of EBITDA, again influenced by higher gross margin and lower dilution of operating expenses and a slightly lower Luizacred number too. For the year as a whole, then, our EBITDA margin variation was from 6.2% to 5.2%.

Page 8 shows some of the financial results. Most financial expenses continue to be advances for receivables, very much influenced by an increase of over 20% in the CDI rate in the quarter and the year. And we may add this does not reflect the improvement in the Company's cash structure. Renewal with Cardif, for example, went through at the end of December. We had a big increase in cash position at the end of the year.

Next, we show the reduction in net debt across all quarters. In the last quarter we reduced debt by more than R$ 700 million. Due to the improved operating cash flow and renewal of insurance agreements too. Working capital improved across almost all the accounts. We reduced accounts receivable and stocks and increased the suppliers account to get a longer period for bills. So the three major working capital accounts were addressed in the course of the year.

And on the next slide, we show a breakdown of operating cash flow. In the year as a whole, operating cash flow was R$ 428 million. From Cardif and Luizacred we received R$ 288 million. We invested R$ 158 million and so on to generation total cash flow of R$ 299 million, almost R$ 300 million, which increased the cash position in financial investments at the end of the year as a whole to the level of R$ 1.160 billion.

On the next slide, we show the evolution of net income. As Marcelo said, in 2014 we posted R$ 129 million. This year, we ended the period with a negative R$ 66 million and a net margin of 0.7%, driven by sales performance, higher marketing expenses, which have meant that SG & A as a whole has been less diluted, and the CDI rate in the period has been much higher, which also affected financial expense.

On the next slide, we show some of Luizacred's revenue numbers. Here we can see lower Luizacred revenues in DCC. In the quarter, for example, Luizacred's DCC fell 52%. But the card, on the other hand, rose 3%, showing how important our Luiza cardholder base is. In the year as a whole, DCC for example, fell from a level of R$ 1.2 billion to R$ 700 million.

Therefore our reduction in sales of more than R$ 500 million comes from this conservative approach of reducing DCC sales, which has been partially reversed in the last two months by Project Losango, which we talked about in the last call.

Again, we show that for the year as a whole, a highlight of the Luiza card was that it grew even in a market that was shrinking, sales via Luiza card both outside and especially in Magazine Luiza have been growing, so Luiza card's share of our mix has risen.

In the next slide we give details of the Luizacred portfolio. With a lower level of DCC sales, the portfolio fell from R$1 billion to R$600 million. And the credit card portfolio grew from R$3.6 billion to R$3.8 billion. Thus there was a change in the sales mix and the profile of the Luizacred portfolio, in line with its strategy of recent years.

And finally we give details of default ratios: an increase in payments overdue for more than 90 days, in line with the market trend. But there was also a reduction in short-term default ratios, particularly in the latest quarter which showed that the ratio had fallen to 3.4%.

The Luizacred coverage ratio remained at around 118%, 120%. And provisions were raised, as you would expect, while overall card and DCC approval rates continued to be conservative.

Now I will ask Frederico to take the microphone again.

Frederico Trajano:

Talking a little now about strategy and 2016, I took over the Company with a very clear mandate from the Board of Directors, which was to speed up the digital transformation of our business. Today we are a traditional retailing company with a significant digital area. We want to go farther: we want to be a digital company with physical outlets and a human touch.

We have a number of ongoing projects to make this vision a reality, and they are supported on six pillars. I'll describe each category briefly.

The first is digital inclusion. The Company's objective is, and always has been, to give the many access to what has been the privilege of the few. This is the Company's objective, the objective of all of us, the heart of our business. At present we are focusing on democratizing connected products and digital services: we want to be the brand that offers Brazilian consumers not just ownership of these technologies, but mastery over them. There is still enormous growth potential in these areas.

Don't forget that some 70% of the people in the country are still without a smartphone. 90% are without a smart TV. There are great business opportunities in these areas, and we want to be a leader in this type of service.

The second pillar is digitalizing the physical store. We want to revolutionize the shopping experience and increase the productivity of the physical stores, bringing digital technology to the point of sale. The best example of this is our Mobile Sales project.

We have already equipped 180 stores and trained about 2000 salespeople to use this technology, which cuts the total sales process from 45 minutes to one minute, significantly improving the consumer's shopping experience and boosting the store staff's productivity, as well as reducing in-store costs. By the end of the year we want to have completed the rollout to all 786 Magazine Luiza stores.

The third pillar is multi-channel selling. We are today the only truly multi-channel retailer in the market, and we want to take this integration to a new level. In 2015, more than half the online sales made in the south and northeast regions were handled by the regional logistics network, which previously served only the physical stores. In this way we cut shipment time and costs by more than 70% in these regions.

We also trained the Magazine Luiza salespeople to sell the more than 40,000 items on our website in a more structured way. They sell a product on the website and earn commission, and this counts against their targets – all fully integrated. And we are going to take this to a new level, equipping the stores to be distribution centers for our e-commerce.

The fourth pillar is transform the website into a digital platform. Here we are carrying out the first tests with our subsidiary Época Cosméticos for market place sales. And we are going to launch our market place project for other networks, other online stores, by the end of 1H16. We want to offer the more than 15 million consumers who visit our website each month a wider range of categories and available items.

I should mention that we acquired our subsidiary Época Cosméticos three years ago. Our results release has some information about this. But Época has had a spectacular year. It is a new category for us – Health and Beauty. It grew by 60% and produced a net profit of R$8 million last year. Just one more e-commerce operation of ours that proves that you can do this business profitably in Brazil, at the same time as growing and gaining market share.

The final pillar is digital culture. Wanting to be digital is not enough. You have to have the technical capacity and the cultural basis for it. I would like to remind you that in 2014 we set up Luizalabs, which has been the cornerstone of our digital transformation. It is here that we have developed practically all the projects I have mentioned, the pillars, and we also test shared management practices for the companies that are essential for a digital transformation process.

I would like to end here, before taking questions, by saying that today we face a number of challenges that have to be addressed with the utmost determination. But I think that these challenges are a lot smaller than the opportunities the future holds for us.

I will stop now, and take your questions.

Fabio Monteiro, BTG Pactual:

Good morning everyone. I would like to hear a bit about your forecasts for market growth in 2016 in your sector, both in e-commerce and physical retailing. What I really want are your views on the sector, whether it is going to grow or to shrink, irrespective of any change in your share of it. Thank you.

Frederico Trajano:

Good morning, Fabio A good question. I have already expressed my views on this in interviews with the mass circulation press. Our view is that the market is likely to shrink by the same amount as last year, not very much different from last year.

I think that 2016 is going to be very much like 2015, in terms of the macroeconomic scenario; and that the opportunities that arise are going to be microeconomic ones, such as an increase in market share, and a more efficient organization.

So the Company's focus this year will, yes, be on a bigger market share, both online and offline, but this will not be to the detriment of margin. We believe that the opportunity exists for us to gain market share this year, once again, and that we can do it - if you look at our past record, we have been achieving this every year, adding to our share of the market without having to destroy shareholder value in the process; and this is where the opportunities lie.

E-commerce, the EBIT figures, it launched last month, more or less, and there was good growth – basically, with the increase in the average ticket, I think we can grow more than this year, with more input from online sales.

Fabio Monteiro:

Thank you. Just one last question. About Luizacred, this year you will have the effect of the increase in PIS/COFINS throughout the year and, possibly, more provisions because of the economic situation. I would like you to tell us what prospects we should expect for Luizacred, taking all this into account. Whether you are expecting a significant fall in profits, or what level of ROE you would consider reasonable for Luizacred. Thank you.

Marcelo Ferreira:

I am not able to issue any guidance on this, but what I can say is this: the outlook is very challenging for credit, just as it is for retailing. What we are doing in Luizacred is focusing on the less risky assets. And if you look at this year's balance sheet, why do you think that DCC decreased so fast? Because we are concentrating on less risky assets.

And there was a decrease this year, but you can see that revenues did not fall – we were able to increase revenues because we focused more on the Luiza card, which has a great deal of client loyalty, and we can sell credit on the basis of this card.

So what I see for the year ahead is continuing with this strategy, but in a climate of worsening credit quality as we have seen this last year. We are in reasonably good shape, looking at 4Q rather than the first quarters of the year, because during those first quarters we still had a better credit outlook.

Fabio Monteiro:

That's great, Marcelo. Thank you all very much.

Luiz Cesta, Votorantim Corretora:

Good morning! Thank you for taking my question. It is to do with e-commerce. This 9% growth is really impressive. I would like to hear a bit more from you about how you achieved this. Was it all through organic growth? Was there some increase in the click purchases? Has the app improved conversions from mobile access?

Finally, I would like to understand a bit better how you achieved this strong internet growth, and perhaps you could give us an update on the market place project, if there is anything new you can tell us. Thank you.

Marcelo Ferreira:

Luiz, thanks for your question. I will answer you, but if Eduardo Galanternick, our Executive Director for E-Commerce, would like to comment, please do so, Eduardo.

If you look at our last four years, we grew above the average market rate for e-commerce every year, so we have a very consistent growth record to show in e-commerce, and always with our special type of rationality.

In 1H we were growing at 45% of the 1H14 rate, and we were feeling the economic slowdown more keenly – it affected even e-commerce, and there was some rationalization in the market in 1H15; but in 2H we were back at a normal rate of growth and, as I said, this is usual for our performance record in recent years.

I think I can say that we have an operation that is managed rationally, and that we are good at getting customers. We have the advantage of being a multi-channel operation with shorter delivery dates and lower costs for the more remote regions, like the south and the northeast, which are regions where most of the e-commerce businesses in the southeast cannot match us.

So I think it's a combination of factors, not a silver bullet. Yes, a movement does exist, as I said at the beginning of my presentation, to rationalize e-commerce, because there comes a time when the cash runs out if you are selling below cost, and we welcome this development.

I think that it's good for the market as a whole, this movement towards rationalization, and I think the time will come when it will benefit us. It has already brought us benefits, last year, and I think this will continue this year. I will let Eduardo deal with specifics of this sort.

Eduardo Galanternick:

Just to add some remarks about improved conversion. We launched the app at the end of October, a doorway on to our platform, and we did indeed see better conversion, even better than desktop, and this contributed to our growth this year.

As for the market place, as Frederico said, we are in production testing with our subsidiary Época, carrying out operating tests of production, and we expect to be able to expand the number of partners in 2Q, albeit in a small way, so that we can sustain the whole operation and our relationship with the customers.

Luiz Cesta:

OK. Thank you very much

Guilherme Assis, Brasil Plural:

Good morning everyone. Thank you for taking my question. I would like to hear a bit more about how you see the competitive climate. We have heard you say today that you recognize this is a challenging year. And that you intend to keep or gain market share, that this should be your strategy. But I wanted to know how you view the competitive climate for this strategy.

And what you said about preserving margin, is this really possible when sales are falling so dramatically? I would like to know if you could talk about your key competitors, if there are some regional or even national ones that you think are sufficiently weakened in a particular region, where you can gain market share without sacrificing margins. That is my question. Thank you.

Frederico Trajano:

Many thanks for the question, Guilherme. Good morning. Yes, we believe that there is room both online and offline to gain share while preserving profitability. I do not think we need sacrifice margin in order to grow above the market average, or even to be able to ride out an abrupt fall in the market, while continuing to perform better than the rest.

I believe this for two reasons: from the point of view of e-commerce, we have already mentioned this; I think there is a trend among the key players in the segment, without naming names. Prices are becoming more rational, the companies need this to maintain their financial balance, and this tends to be to our benefit as the last quarter has shown. And from the point of view of the physical store, I feel the same thing.

I think that, unfortunately, the economy ends up affecting companies in general, all the market players. We should remember that our market is a R$140 billion market. Even if it falls by 10%, or whatever, it still adds up to R$130 billion, so there is a great deal of potential market share to be won.

This market is not a duopoly, it's not an oligopoly, there are a number of competitors, and so I think that the better structured and more highly capitalized companies [will be most successful], and I think that our Company is one of these. We have the ability to gain market share because some retailers may have supply problems, or may start closing stores, while we continue with our store base intact.

And we still intend to go on expanding the store base, I would say we can take advantage of this microeconomic moment to partly compensate for the macroeconomic effects we foresaw in our presentation. So yes, I think there are opportunities, but obviously we shall have to be very skilful in the way we grasp them. We must get it right, and we must do what retail companies do as well as we can.

There is no magic formula. It takes a lot of work, and gaining market share is harder than growing with the economy, so we have to be very focused if we are going to do our basic retailing business well and more profitably.

If you look at our record, once again you can see that this is what we have been doing over the years. You can choose any year, and you will find that we grew above the market average and preserved our gross margin. And this is what we plan to do again this year.

Guilherme Assis:

Just to take this a little further. Looking back at the year-end and January promotions, did you observe any change in pricing strategy among your competitors? Either because they were selling more aggressively or some competitor was changing strategy because of a cash flow problem? How are things going? How do you see the start of the year in terms of pricing strategy?

You mentioned that you think the market is relatively rational. Personally, I think this is true of e-commerce. Do you think the same is true of physical retailing? Looking at the January figures, and your radar for competitors' pricing, in January, do you think that this is actually happening?

Frederico Trajano:

Guilherme, I don't want to talk about January and February, because I don't want to get an official letter from the CVM for answering a question of this sort. But to talk a little about the market, what I have said here about what I believe is going to happen in the market, I think it will happen this year, and there has been nothing in January or February to indicate the contrary.

So I think we shall have an opportunity to execute our tactical plan for the year, and we will be very disciplined about this, whatever one or other of our competitors may do; but I think things are turning out very much in the way I explained to you in the conference call.

Guilherme Assis:

That's fine, thank you.

Operator:

As there are no more questions, I would like to ask Mr. Frederico Trajano for his final comments.

Frederico Trajano:

People, I would like to thank you all for taking part in the results conference call. Once more, just to wrap this up, and summarizing our message somewhat, I think we have a challenging year ahead, but I am very confident in our Company, in our team and in our planning, in the short, medium and long term; and I am sure that we can get through these difficult times and take advantage of the opportunities the future will bring us. Thank you very much and good afternoon to you all.

Operator:

Thank you. The Magazine Luiza 4Q14 teleconference is now closed. Please hang up now. Have a nice afternoon.