

29.3 Net exchange rate gains (losses)

In 2014 there were net exchange rate losses of €51.1 million (gains of €27.0 million in the previous year).

The change reflects the charge of about €97 million resulting from the adoption by the Group of the new official SICAD 2 exchange rate to translate its net financial assets denominated in the Venezuelan currency (called Bolivar Fuerte or VEF), effective as of June 30, 2014. The €97 million change, noted above, comprises €55 million calculated upon adoption of

the new exchange rate and €42 million connected to changes in balances and the exchange rate during the second half of 2014.

This situation, described in detail in the Section 'Foreign currency translation of the assets and liabilities related to Venezuela' in these explanatory notes, was necessary in light of the continuing financial/currency crisis being experienced in the country, for the purpose of achieving a more reliable estimate of the value that these net financial assets will be realized and also in consideration of the regulatory characteristics of the local currency market, which puts significant restrictions on the movement of Venezuelan currency.