

[Table of Contents](#)

Renova Energy Projects I

Condensed combined statements of cash flows for the three-month periods ended March 31, 2015 and 2014 (Unaudited)

| Amounts in thousands of Brazilian Reals—RS | Note | Three month period ended March 31, | |
|---|-------|------------------------------------|----------|
| | | 2015 | 2014 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net Income | | 14,119 | 8,492 |
| Adjustments to reconcile Net Income to cash provided by operating activities: | | | |
| Depreciation | 7, 16 | 16,869 | 16,972 |
| Interest on borrowings | 8, 17 | 17,537 | 17,535 |
| Debt issuance costs | 8 | 155 | 153 |
| Interest on short-term investments and restricted deposits | 17 | (5,563) | (4,332) |
| (Increase) decrease in operating assets: | | | |
| Trade receivables | | 1,217 | (1,991) |
| Prepaid and recoverable taxes | | 2,437 | 70 |
| Other assets | | 326 | 607 |
| Increase (decrease) in operating liabilities: | | | |
| Trade payables | | (2,035) | (221) |
| Taxes payable | | 628 | 2,009 |
| Energy balance—CCEE/Eletrabras, net | | (2,424) | 3,524 |
| Other payables | | 208 | 1 |
| Other cash flows from operating activities: | | | |
| Income and social contribution taxes paid | | (1,921) | (1,722) |
| Interest paid on borrowings | 8 | (17,490) | (17,770) |
| Net cash provided by operating activities | | 24,063 | 23,327 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Short-term investments | | (6,744) | 16,293 |
| Restricted deposits | | (10,531) | (9,109) |
| Purchase of property, plant and equipment | | (3,832) | — |
| Net cash (used in) provided by investing activities | | (21,107) | 7,184 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Payments on borrowings | 8 | (17,029) | (16,668) |
| Others transfers from parent, net | | 3,419 | 3,134 |
| Payment of dividends | 14 | — | (16,830) |
| Net cash used in financing activities | | (13,610) | (30,364) |
| (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | | | |
| Cash and cash equivalents at beginning of period | 4 | 34,109 | 20,799 |
| Cash and cash equivalents at end of period | 4 | 23,455 | 20,946 |
| (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | | | |
| | | (10,654) | 147 |

The accompanying notes are an integral part of these condensed combined interim financial statements.

F-69