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Centrais Eólicas Rio Verde S.A.
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The Group presented negative working capital for March 31, 2015 which, based on the Company's analysis, will be solved by its own operation. The negative working capital is reducing monthly.

2. Basis of presentation

The unaudited condensed combined interim financial statements for the three-month periods ended March 31, 2015 and 2014 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") and are presented on a condensed basis as permitted by IAS 34. Therefore, they do not include all disclosures that would otherwise be required in a full set of financial statements. They should be read in conjunction with the Group's combined financial statements as of and for the years ended December 31, 2014 and 2013.

The Group has applied the same accounting policies, presentation and methods of calculation as those followed in the preparation of the Group's combined financial statements as of and for the years ended December 31, 2014 and 2013, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The Group also follows the guidance in the Accounting Manual for the Brazilian Electricity Industry and standards established by the Brazilian National Agency for Electric Energy (*Agência Nacional de Energia Elétrica* – ANEEL) Renova and its affiliated entities, together with the cost allocations, is included in note 14 to the condensed combined interim financial statements.

The condensed combined interim financial statements with respect to the Group is reflected in the individual legal entities that comprise the Group, which were all under the common control and management of Renova for all periods presented. These condensed combined interim financial statements have been prepared from the accounting records of Renova and reflect the cash flows, revenues, expenses, assets, and liabilities of these individual legal entities. All transactions and balances between the individual legal entities within the Group have been eliminated in combination.

Because the separate legal entities that comprise the Group were not and are not held by a single legal entity, Parent's net investment is shown in lieu of shareholders' equity in these condensed combined interim financial statements. Parent's net investment represents the cumulative net investment by Renova in the Group through that date. The impact of transactions between the Group and Renova that were not historically settled in cash, including certain intercompany loans, are also included in Parent's net investment (see note 14).

During the periods presented, the Group functioned as part of the larger group of companies controlled by Renova, and accordingly, Renova performed certain operating and corporate overhead functions for the Group. These functions include, but are not limited to, executive oversight, legal, finance, human resources, information technology, internal audit, financial reporting, tax planning and investor relations. The costs of such services have been allocated to the Group based on the most relevant allocation method to the service provided, primarily based on relative percentage of revenue, installed capacity or headcount. Management believes such allocations are reasonable; however, they may not be indicative of the actual expense that would have been incurred had the Group been operating as a separate entity apart from Renova. The cost allocated for these functions is included in general and administrative expenses in the combined income statements for the historical periods presented. A complete discussion of the Group's relationship with Renova and its affiliated entities, together with the cost allocations, is included in note 14 to the condensed combined interim financial statements.

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