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As the Group did not operate as a stand-alone entity in the past, this unaudited condensed combined interim financial statements may not be indicative of the Group's future performance and does not necessarily reflect what its combined results of operations, financial position and cash flows would have been had the Group operated as a separate entity apart from Renova during the periods presented.

The condensed combined interim financial statements is presented in thousands of Brazilian Reals (R\$), unless otherwise stated

Management of the Group authorized the issuance of these condensed combined interim financial statements on June 10, 2015.

**3. Summary of significant accounting policies**

The accounting policies adopted in the preparation of the condensed combined interim financial statements are consistent with those followed in the preparation of the Group's combined financial statements as of and for the years ended December 31, 2014 and 2013, except for the adoption of new standards and interpretations effective as of January 1, 2015, none of which had a material impact on the condensed combined interim financial statements of the Group.

The preparation of the condensed combined interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period, and the reported amounts of revenue and expenses during the reporting period. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**4. Cash and cash equivalents and short-term investments**

	March 31, 2015	December 31, 2014
Cash	19	1
Banks accounts	18,392	34,108
Short-term investments	41,828	24,477
Total	<u>60,239</u>	<u>58,586</u>
Stated as:		
Cash and cash equivalents	23,455	34,109
Short-term investments	36,784	24,477
Total	<u>60,239</u>	<u>58,586</u>

The Group invests its excess unrestricted cash in short-term investments, which are generally fixed-income instruments and investments funds that earn interest at rates ranging from 90% to 102% of the CDI rate (Brazilian Interbank Certificate of Deposit rate).

For further discussion regarding the Group's exposure to interest rate risk and a sensitivity analysis of financial assets and liabilities, see note 18.

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