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The following summarizes the Group's transactions with its parent Renova.

Allocated expenses from Parent—As discussed in note 2, 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, 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 for 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. Total corporate expenses that were allocated to the Group and recorded in general and administrative expenses in the combined income statements were R\$3,058 and R\$3,134 for the three month period ended at 3/31/2015 and 3/31/2014, respectively.

Intercompany loans and balances—Periodically the Group and Renova enter into intercompany loans based on the Group's working capital needs and available cash positions. These intercompany loans generally bear interest at TJLP plus a credit spread. Outstanding intercompany loans payable and receivable, including accrued interest are reflected as part of Parent's net investment. At March 31, 2015 and December 31, 2014, the outstanding balances of loans payable by the Group to Renova were R\$2,077 and R\$1,683, respectively.

Dividends—The Group companies are all incorporated as Brazilian corporations (*sociedades anônimas—S.A.*) in accordance with Brazilian corporate law. Based on the law and their articles of incorporation, the Group companies are required to pay mandatory dividends based on net income, if any, after allocations to legal reserves on profits and compensation of accumulated losses, if any. Additional distributions may be made, but are restricted under the terms of the project company borrowing agreements. Any such additional dividends must be approved by the applicable financial institution. During the three month period ended at 3/31/2015 the Company has not paid dividends (3/31/14, R\$ 16,830).

Guarantees—Renova has issued nonconvertible debentures, which are collateralized by the pledge of its shares in Enerbras and a collateral assignment of assets and certain rights to dividends distributed by Espra, Bahia and Salvador, which are deposited in a restricted accounts.

Transactions with other related parties included the following:

Director's and key management remuneration expense—Remuneration expense of directors and other key management personnel of Renova of R\$1,946 and R\$ 754, were allocated to the Group in 2015 and 2014, respectively.

15. Net revenue

| | March 31, 2015 | March 31, 2014 |
|----------------------------------|-------------------|-------------------|
| <u>Power generation</u> | | |
| Electric power supply—Eletrobras | 5,763 | 5,682 |
| Electric power supply—CCEE | 55,969 | 49,937 |
| Gross revenue | <u>61,732</u> | <u>55,619</u> |
| Less: Federal sales taxes | | |
| COFINS | (1,846) | (1,658) |
| PIS | (401) | (360) |
| Total deductions | <u>(2,247)</u> | <u>(2,018)</u> |
| Net revenue | <u>59,485</u> | <u>53,601</u> |

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