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Renova Energy Projects I Combined statements of cash flows for the years ended December 31, 2014 and 2013

Amounts in thousands of Brazilian Reals—R\$	Note	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income		24,229	43,860
Adjustments to reconcile Net Income to cash provided by operating activities:			
Depreciation and amortization	7	68,073	66,919
Interest on borrowings	17	69,725	73,446
Debt issuance costs	8	617	615
Interest on short-term investments and restricted deposits	17	(19,963)	(12,103)
(Increase) decrease in operating assets:			
Trade receivables		(1,554)	—
Prepaid and recoverable taxes		(1,780)	(829)
Other assets		(954)	1,068
Increase (decrease) in operating liabilities:			
Trade payables		6,394	(50,138)
Taxes payable		10,831	8,095
Energy balance—CCEE/Eletrabras, net	6	17,752	309
Other payables		(18)	47
Other cash flows from operating activities:			
Income and social contribution taxes paid		(8,633)	(7,999)
Interest paid on borrowings	8	(69,721)	(54,532)
Net cash provided by operating activities		<u>94,998</u>	<u>68,758</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Short-term investments		18,764	(7,940)
Restricted deposits		7,524	(33,488)
Purchase of property, plant and equipment		(8,064)	(14,285)
Net cash provided by (used in) investing activities		<u>18,224</u>	<u>(55,713)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	8	7,313	2,752
Payments on borrowings	8	(67,433)	(47,721)
Net contribution from parent		12,258	51,227
Payment of dividends	14	(52,050)	(12,000)
Net cash used in financing activities		<u>(99,912)</u>	<u>(5,742)</u>
INCREASE IN CASH AND CASH EQUIVALENTS		<u>13,310</u>	<u>7,303</u>
Cash and cash equivalents at beginning of year	4	20,799	13,496
Cash and cash equivalents at end of year	4	<u>34,109</u>	<u>20,799</u>
INCREASE IN CASH AND CASH EQUIVALENTS		<u>13,310</u>	<u>7,303</u>

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

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