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The fair values of short-term investments, restricted deposits, and trade receivables and payables approximate their carrying values due to their short-term nature and as they have characteristics similar to those that would be obtained had these financial instruments been traded in the market.

The fair values for the Group´s financial assets and liabilities that are measured at fair value in the combined financial statements, are classified based on the following fair value hierarchy depending on the inputs used in the valuation methods applied:

Level 1—Use of quoted prices (unadjusted) in active markets for identical instruments. A financial instrument is considered as quoted in an active market if the quoted prices are immediately and regularly available from a stock exchange or organized over-the-counter market, by operators, brokers or market association, by entities whose purpose is to disclose the prices by regulatory agencies, and if these prices represent market transactions regularly carried out between market participants in orderly transactions.

Level 2—Use of inputs other than quoted prices included in Level 1 that are observable for the instrument, either directly (that is, as prices) or indirectly (that is, derived from prices). In relation to financial instruments not traded in an active market, the fair value must be determined based on the valuation/pricing methodology.

Level 3—Use of inputs that are not based on observable market data (non-observable inputs).

The classification of financial instruments that are measured at fair value in the combined financial statements by fair value hierarchy level is as follows:

Description	Balance at 12/31/14	Fair value as of December 31, 2014 Level 1	Level 2	Level 3
Assets				
Short-term investments	24,477		24,477	

Market risk—The market risk reflects the possibility of monetary losses due to the changes in variables that impact the prices and rates traded in the market. These fluctuations basically impact all sectors and, therefore, represent financial risk factors.

The Group´s principal market risk exposure is to interest rate risk, specifically variable rate CDI interest received on the Group´s short term investments and restricted deposits and to the TJLP rate on borrowings with BNDES.

Furthermore, the Group´s borrowings are concentrated with BNB and BNDES. The contractual rules applicable to financial liabilities represent risks related to these exposures.