

Table of Contents

The following table details the sensitivity of the expected variation of 10% of the exposure to the rates of interest on financial assets and liabilities as of December 31, 2014. This percentage is the average rate sensitivity used to internally present risks to key management personnel and corresponds to management's assessment of the possible changes in these rates.

	Risk	Impact on income and equity
Financial assets		
Short-term investments	CDI decrease	(264)
Restricted deposits	CDI decrease	(1,728)
Financial liabilities		
Borrowings	TJLP increase	(5,297)

Liquidity risk—Liquidity risk is the risk associated with the Group's ability to meet its obligations underlying its financial liabilities.

Cash flow from operating activities provides the funds to service financial liabilities on a day-to-day basis. The Group enters into borrowings solely to leverage its operating capacity. This assumption is confirmed based on the characteristics of the Group's borrowings.

The table below sets out details of the obligations assumed by the Group according to the contractual maturities of its financial liabilities as of December 31, 2014, taking into account principal and interest, based on the undiscounted cash flows, considering the earliest date on which the Group may have to settle the respective obligation:

Financial instruments	Note	Weighted average interest rate	Less than 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total
Borrowings	8	7.02%	5,867	11,735	52,813	348,532	553,012	971,959
Trade payables			18,460	—	—	—	—	18,460
Total			24,327	11,735	52,813	348,532	553,012	990,419

Credit risk—Credit risk is the risk of financial loss to the Group that a counterparty will not meet its obligations under a financial instrument or customer contract. The Company is exposed to credit risk from its operating activities (principally, trade receivables) and its investing activities, including deposits with banks and financial institutions, and other financial instruments.

	Note	Carrying amount Combined	
		12/31/14	12/31/13
Financial assets			
Current			
Short-term investments	4	24,477	40,567
Trade receivables	5	22,475	20,921

Short-term investments—Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

F-299