(A free translation of the original in Portuguese)

Eneva S.A. - under court-supervised reorganization

Financial statements at December 31, 2014 and independent auditor's report

(A free translation of the original in Portuguese)

Independent auditor's report

To the Board of Directors and Shareholders
Eneva S.A. - under court-supervised reorganization

We have audited the accompanying financial statements of Eneva S.A.- under court-supervised reorganization ("Parent Company"), which comprise the balance sheet as at December 31, 2014 and the statements of operations, comprehensive income changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We have also audited the accompanying consolidated financial statements of Eneva S.A.- under court-supervised reorganization and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2014 and the consolidated statements of operations, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the parent company financial statements in accordance with accounting practices adopted in Brazil, and for the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and accounting practices adopted in Brazil, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the parent company financial statements

In our opinion, the parent company financial statements referred to above present fairly, in all material respects, the financial position of Eneva S.A.- under court-supervised reorganization as at December 31, 2014, and its financial performance and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Eneva S.A.- under court-supervised reorganization and its subsidiaries as at December 31, 2014, and their financial performance and their cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and accounting practices adopted in Brazil.

Emphasis of matter

Going Concern

As mentioned in further details in Note 1, on December 9, 2014 ENEVA S.A. - under court-supervised reorganization - filed a request for court-supervised reorganization in the State of Rio de Janeiro Capital Judicial District. On December 16, 2014, the Court of the 4th Corporate Court of the State of Rio de Janeiro Capital decided to grant the processing of the court-supervised reorganization of the Company and its subsidiary ENEVA Participações S.A. – under court-supervised reorganization. On February 12, 2015, the Company presented the Reorganization Plan to the 4th Corporate Court of the State of Rio de Janeiro Capital. The general meeting of creditors, under the terms of the related Law, will vote for the approval or not of the aforementioned plan in no less than 180 days as from the grant date of the processing of the court-supervised reorganization. Additionally, the Company recorded, at December 31, 2014, accumulated losses of R$ 3,885,741 thousand, loss for the year of R$ 1,517,183 thousand and excess of current liabilities over current assets of R$ 1,842,557 thousand and R$ 2,675,201 thousand in the parent company and consolidated financial statements, respectively. Therefore, the reversal of that situation of accumulated deficit and the readjustment of the financial and equity structure of the Company depend on the success of the measures adopted in reorganization plan, as detailed in Note 1. This situation raises significant doubt as to the ability of the Company to continue as a going concern. No adjustments arising from the uncertainties involved were included in the financial statements. Our opinion is not qualified in respect of this matter.

Other matters

Supplementary information - statements of value added

We also have audited the parent company and consolidated statements of value added for the year ended December 31, 2014, which are the responsibility of the Company's management. The presentation of these statements is required by the Brazilian corporate legislation for listed companies, but they are considered supplementary information for IFRS. These statements were subject to the same audit procedures

described above and, in our opinion, are fairly presented, in all material respects, in relation to the financial statements taken as a whole.

Rio de Janeiro, March 26, 2015

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5 "F" RJ

Guilherme Naves Valle
Contador CRC 1MG070614/O-5 "S" RJ

Dear Shareholders

2014 was marked by major challenges and important events for ENEVA. As a result, several decisions were taken to enable the Company to continue its operations in a consistent manner, contributing to the security of Brazil's electric power security. These included completing the installation of all its generating assets, especially the natural-gas-powered thermal plant Parnaíba II and the preparation and implementation of a vital financial restructuring plan for the Company, as well as a number of initiatives on the regulatory front.

ENEVA became the only fully operational company to deliver a total of 2.4GW of power. There are eight plants in operation, putting it among the largest private power generation companies in Brazil and contributing to the stability of the country's electricity system.

Throughout the year, the plants recorded a substantial improvement in their reliability and operating performances. The Itaqui plant, for example, achieved 96% availability in December 2014, its highest ratio since it began commercial operations.

It is also worth mentioning the year's regulatory achievements, including the reversal of the payments for plant unavailability hours (also known as ADOMP) and the agreement with Aneel that allowed the Company to maintain its Parnaíba II contracts (TAC Parnaíba II). This regulatory success and the plants' operational progress played a fundamental role in generating current revenue of R$1.8 billion.

There were also several important achievements on the corporate front with the beginning of the restructuring plan in May 2014, including reducing the holding company's costs and expenses and the raising of funds through a capital increase, the partial sale of Pecém II to E.ON and the sale of ENEVA's interest in Pecém I to EDP.

Aiming to ensure the Company's financial equilibrium, negotiations with its main creditors continued for the implementation of a stabilization plan to balance the capital structure and the maturity of the holding company's debt. Notwithstanding all the efforts, however, no agreement was reached, leading ENEVA and ENEVA Participações to request court-supervised reorganization in December, in order to

protect and ensure the continuity of its plants and permit negotiations with its creditors under improved conditions.

In 2015, Management will continue concentrating its efforts on reducing costs and expenses and on the plants' operational stability plan, as well as approval of the court-supervised reorganization plan, allowing the stabilization of the Company's capital structure.

Finally, thanks to the confidence of the shareholders' in the Company's Management, ENEVA is certain that it is on the right path to overcoming the current challenges and any future obstacles that may arise.

Management

INDUSTRY REVIEW 2014

1. Forward

In general, the year 2014 saw hydroelectric power output constrained by low reservoir levels and virtually all thermal power stations continuously dispatched.

The average spot market (PLD) electricity price in 2014 was R$ 690/MWh. Thermal power generation in Brazil also led to higher System Service Charges (ESS) throughout the year. The ESS increase came primarily as a result of virtually all thermal power stations in Brazil being brought online to ensure supply reliability.

With all thermal power assets dispatched by merit order throughout 2014, power stations faced technical operation and maintenance constraints that made operation to declared availability levels a major technical and financial challenge. Judicial confirmation that the unavailability refunds payable by ENEVA's power stations are to be calculated on a 60-month rolling average basis as established in its power sales agreements significantly reduced the operating costs incurred by these power stations.

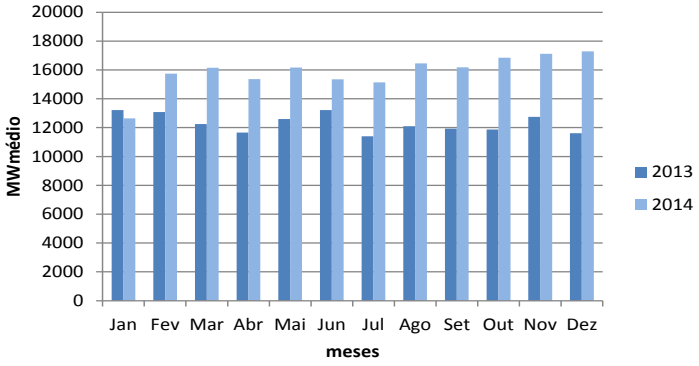
In the auctions held throughout 2014, and particularly with the ceiling price set for the A-5 power auction (R$ 209/MWh), thermal power projects and especially natural gas power stations – which accounted for the bulk of new installed capacity in the auction – have regained attractiveness.

Also in 2014, the Brazilian power sector regulator, ANEEL, approved new spot (PLD) price limits for 2015, reducing the ceiling by 53% from R$ 822.83/MWh to R$ 388.48/MWh.

2. National Interconnected System (SIN) Overview 2014

Thermal power dispatch in 2014 was ongoing and high at over 16,000 MWa. This resulted in consistently high spot prices and an increase in system service charges due to out-of-merit-order dispatching to ensure supply reliability.

Graph 1 – Thermal Power Output (MWh)

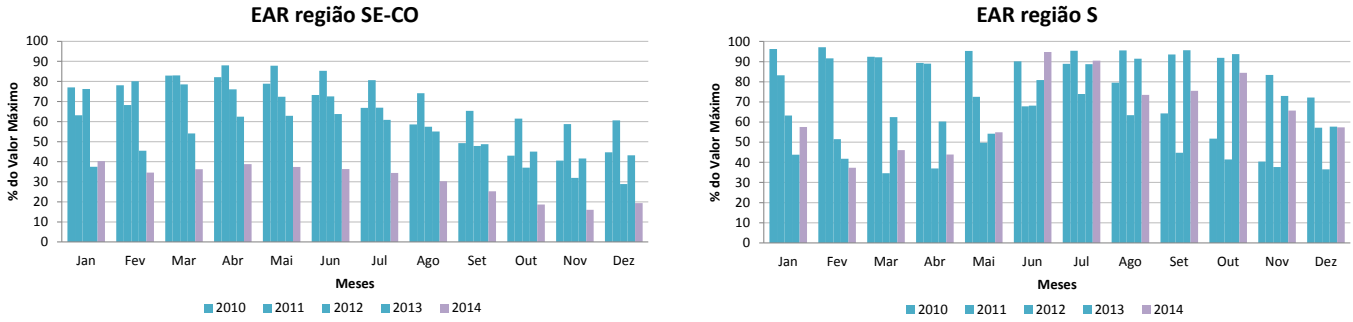


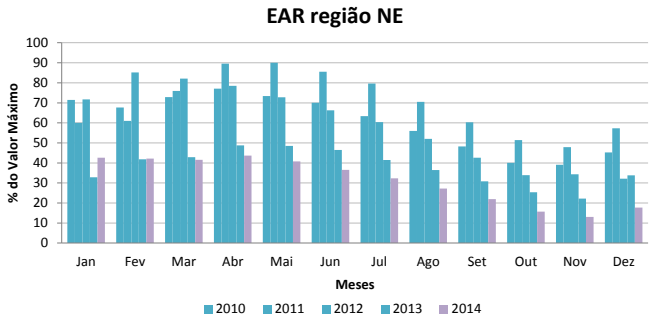
Source: ONS – National Power System Operator

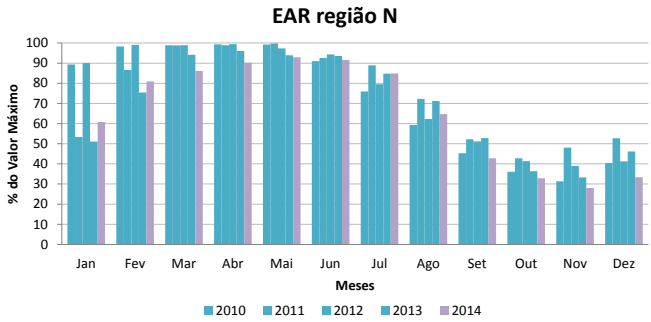
Brazil's hydroelectric reservoirs have reached an all-time low. Inflows in 2014 were below the historical average for January to April in the Southeast/Midwest and Northeast subsystems. In the South and North subsystems, inflows were just slightly higher than the average for this period. These unfavorable hydrological conditions meant that the Southeast/Midwest, South and Northeast subsystems had not recovered their maximum storage capacity by the end of April, with only the North successfully doing so.

Despite the intensive use of thermal power, reservoirs reached the lowest levels in the Southeast, Northeast and North of Brazil in the last five years, indicating the need for added thermal power capacity in the National Interconnected System, or Brazil will become increasingly exposed to hydrological fluctuations.

Graph 2 - Reservoir storage by subsystem (% of max)



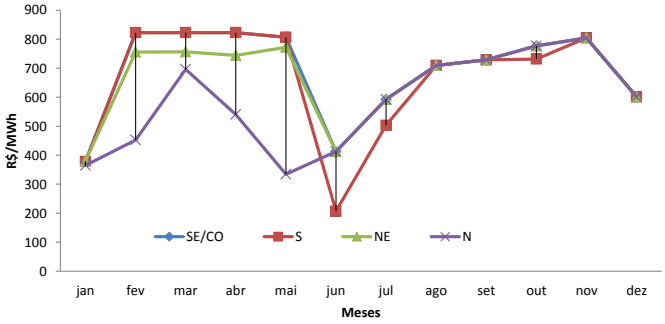




Source: ONS

Spot prices (PLD) throughout the year were affected by reduced inflows in the Southeast and Northeast.

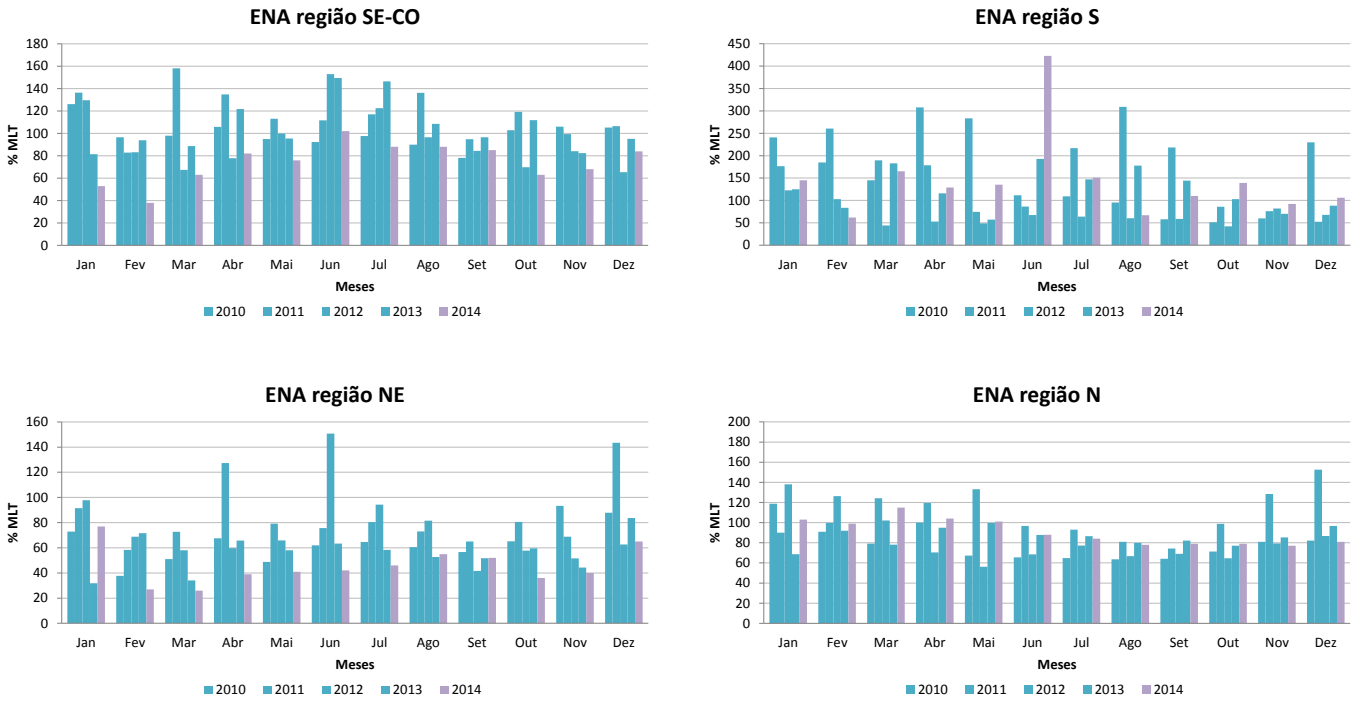
Graph 3 – Average spot prices by subsystem (R$/MWh)



Source: CCEE

Graph 4 correlates Natural Inflow Energy for the last five years.

Graph 4 - Natural Inflow Energy (ENA) by subsystem (% long-term average)



Source: ONS

3. Load and demand (2014)

Electricity consumption in 2014 was 61.48 GWh, a 2.35x increase over 2013.

Electricity consumption was little affected by the economic slowdown. In 2014, Brazil's GDP grew 0.4% while the total electric load increased 2.35%, as shown in Table 5.

Table 5 - Growth of SIN Load and Demand

Year	Load (GW_a)	Demand (MW)
2013	60.07	78,982.0
2014	61.48	84,958.0
Growth	2.35%	7.6%

Source: ONS

4. New Regulatory Policy

Toward the end of 2014, ANEEL approved new spot price levels for 2015, reducing the ceiling price by 53% from R$ 822.83/MWh to R$ 388.48/MWh, while the minimum price increased from R$ 15.62/MWh to R$ 30.26/MWh. The price revision was benchmarked against the *Mário Lago* power station, with a power generation cost of R$ 388.48/MWh.

Although the new pricing would only apply as from 2015, the change in pricing calculations was widely debated throughout 2014. Spot pricing rules had last been amended in 2003 and prices had been annually updated since.

With the low hydroelectric output and with a portion of distributors continually exposed to this market, floating spot prices remained at the ceiling throughout most of 2014.

5. Power Auctions

In 2014 the need to increase thermal power capacity, a subject that has been under debate for years, took center stage. The focus was particularly on natural gas projects, which are preferred among thermal power sources, but which have in recent years been unsuccessful in ANEEL-regulated auctions.

- **New Energy Auction (A-3/2014)**

  Newly awarded projects should come on-line on January 1, 2017.

  The A-3/2014 auction added 968.6 MW of total installed capacity to the system and concluded contracts for 480.7 MWa. A highlight was the Santo Antônio hydroelectric power station expansion (R$ 121.00/MWh), which bid at the ceiling price established for the plant.

  Bids for other projects (21 wind farms) averaged R$ 129.97/MWh on an availability basis (2.27% below the ceiling), with most projects located in the Northeast.

Table 2 - Consolidated Results of the A-3/2014 Auction

Source	Projects awarded	Installed capacity (MW)	Firm capacity (MWa)	Average price (R$/MWh)
Wind power	21	551	274.5	130.05
Santo Antonio	1	417.6	206.2	121.00
TOTAL	**22**	**968.6**	**480.7**	**125.52**

Source: CCEE

- **Reserve Power Auction (LER/2014)**

The LER 2014 auction was held to contract for reserve power capacity from solar, wind and biomass sources. This auction saw the first successful bid for a solar project in a regulated auction, marking the official debut of this renewable source in Brazil's energy mix.

With a strong wind power offering (46.4% of awarded capacity), a total of 62 projects were successful, including 31 solar energy projects and 31 wind power projects. The weighted average price for both sources in the auction was R$ 169.82/MWh. The individual weighted average price was R$ 215.10/MWh for wind and R$ 142.30/MWh for solar.

The new projects will be brought online beginning on October 1, 2017.

Table 3 - Consolidated Results of LER/2014 Auction

Source	Projects awarded	Installed capacity (MW)	Firm capacity (MWa)	Average price (R$/MWh)
Wind power	31	769.1	333.4	142.31
Solar	31	889.66	202.3	215.53
TOTAL	**62**	**1,658.76**	**535.7**	**169.82**

Source: CCEE

- **A-5/2014 Auction**

This auction awarded 51 new power generation projects: three small hydro stations, 12 thermal power stations (eight biomass, three gas and one coal) and 36 wind farms. No solar or hydroelectric projects were successful in the auction. The weighted average price for the auction was R$ 196.11/MWh, with a total of 2,900.2 MWa in contracted capacity to be brought online from January 2019.

The three gas power stations successfully bidding at an average price of R$ 205.64/MWh, with a total capacity of 3,059 MW, are located in the states of Amazonas, Pernambuco and Rio Grande do Sul. The only successful coal power project, in the state of Rio Grande do Sul, bid at a price of R$ 201.98/MWh.

Table 4 - Consolidated Results of 2nd A-5/2014 Auction

Source	Projects awarded	Installed capacity (MW)	Firm capacity (MWa)	Average price (R$/MWh)
Wind power	36	926	435.6	136.05
Coal	1	340	323.5	201.98

Natural Gas	3	3059	1,724.3	205.5
Biomass (wood chippings)	2	328	270.2	207.11
Biomass (sugarcane bagasse)	6	283	121.7	200.8
SHP	3	43.9	25.6	161.97
TOTAL	**51**	**4,979.9**	**2,900.2**	**185.57**

Source: CCEE

6. ENEVA's contribution to supply reliability

ENEVA power plants will provide the SIN with around 2,810 MW of installed capacity and 2,300 MWa of firm capacity. In addition to being economically competitive, the firm capacity provided by ENEVA will reduce dependence on climate conditions, enhancing the system's supply reliability. The table below summarizes ENEVA's asset portfolio.

Table 6 - ENEVA Portfolio

Power stations	Installed Capacity (MW)	Firm Capacity (MWa)	Start of Commercial Operation
Pecém I	720	631	2012/2013
Pecém II	365	294.7	2013
Itaqui	360	332.7	2013
Parnaíba I	675.2	450	2013
Parnaíba III	176.2	101.6	2013
Parnaíba IV	56.31	-	2013
Amapari	23	21	2008
Tauá	1	-	2011
Total in Operation	**2,377**	**1,831**	**-**
Parnaíba II	*518.8*	*470.7*	*2016 (e)*
Total	**2,896**	**2,302**	**-**

Financial Statements

Eneva S.A. – In Judicial Reorganization

(Publicly Held Company)

December 31, 2014

with Independent Auditors' Report on the Financial Statements

26/3/2015

Summary

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Statement of Financial Position

Years ended December 31, 2014 and 2013
(In thousands of Reais - R$)

		Parent Company		Consolidated	
	Note	2014	2013	2014	2013
Assets					
Current					
Cash and cash equivalents	6	72,502	110,156	157,318	277,582
Trade accounts receivable	9		-	304,848	294,396
Subsidies receivable - Fuel Consumption Account	9		-	-	30,802
Inventories	10		-	99,185	78,376
Prepaid expenses		3	-	42,081	9,825
Recoverable taxes	11	12,255	25,701	32,354	47,651
Gain on derivatives	19	-	4,171	-	4,171
Other advances		1,712	1,175	8,880	5,001
Secured deposits	8	41	38	41	38
Other current assets		**300,000**	**-**	**300,000**	**-**
Noncurrent Assets for Sale	12	300,000	-	300,000	-
		386,513	141,241	944,708	747,842
Noncurrent					
Long-term					
Prepaid expenses		786	841	6,774	2,905
Secured deposits	8		-	62,070	118,606
Subsidies receivable - Fuel Consumption Account	9		-	-	-
Recoverable tax	11	33,237	7,215	37,575	14,614
Deferred income and social contribution taxes	11		-	219,713	302,327
Loan with subsidiaries	15	691,287	909,327	284,774	191,968
Accounts receivable from other related parties	15	62,627	217,337	63,970	218,680
Accounts receivable from subsidiaries	15	44,143	123,005	20,492	117,372
AFAC to subsidiaries	15	248,000	206,678	26,250	150
Advance for future capital increase – with subsidiaries	15	-	-	-	-
Gain on Derivatives	17	21,122	0	21,122	0
Other accounts receivable		2	2	2	60
		1,101,204	1,464,405	742,743	966,682
Capital expenditure	12	2,228,139	3,130,979	733,927	941,853
Property, plant and equipment.	13	11,238	12,634	4,423,468	6,819,454
Intangible assets	14	2,876	2,727	199,572	213,381
Total assets		**3,729,971**	**4,751,986**	**7,044,418**	**9,689,212**

	Note	Parent Company		Consolidated	
		2014	2013	2014	2013
Liabilities					
Current					
Trade payables		11,737	3,473	149,785	331,216
Loans and financing	16	2,199,149	1,562,211	3,289,195	2,408,142
Debentures	17	-	112	-	112
Taxes and contributions payable	18	1,602	709	27,116	45,934
Social and labor obligations		6,742	8,424	14,934	16,770
Contractual retention	13	-	-	20,945	84,789
Profit sharing		9,749	4,990	16,592	8,148
Other liabilities		91	91	101,344	83,748
		2,229,071	1,580,009	3,619,909	2,978,859
Noncurrent					
Loans and financing	16	182,749	655,417	1,874,502	3,802,378
Debts with other related parties	15	171,595	34,489	320,875	307,720
Debentures	17	-	5,239	-	5,239
Provision for unsecured liabilities	12	3,541	8,087	442	9,286
Deferred income and social contribution taxes	11	-	-	10,978	9,591
Provision for disassembly	13	-	-	-	2,266
		357,885	703,232	2,206,797	4,136,480
Shareholders' equity					
Capital	21	4,707,088	4,532,313	4,707,088	4,532,313
Capital reserve	23	350,771	350,514	350,771	350,514
Equity appraisal adjustments	21	(36,861)	(53,284)	(36,861)	(53,284)
Accumulated losses	21	(3,877,982)	(2,360,800)	(3,885,741)	(2,379,303)
		1,143,016	2,468,743	1,135,257	2,450,240
Shareholders' equity attributable to controlling shareholders		-	-	82,455	123,633
Minority interests		1,143,016	2,468,743	1,217,712	2,573,873
Total liabilities and shareholders' equity		**3,729,971**	**4,751,986**	**7,044,418**	**9,689,212**

Statements of Income

Years ended December 31, 2014 and 2013
(In thousands of Reais - R$)

	Note	Parent Company		Consolidated	
		2014	2013	2014	2013
Revenue from goods sold and services provided	24	**-**	**-**	**1,798,092**	**1,438,831**
Cost of goods and/or services sold	25	**-**	**-**	**(1,579,302)**	**(1,507,047)**
Gross profit		**-**	**-**	**218,790**	**(68,217)**
Operating Income/Expenses	25	**(749,630)**	**(607,282)**	**(702,499)**	**(358,958)**
General and Administrative		**(145,691)**	**(123,700)**	**(173,013)**	**(167,261)**
Personnel and management		(74,254)	(67,579)	(81,474)	(79,762)
Other expenses		(12,772)	(7,908)	(15,601)	(12,323)
Outsourced Services		(49,406)	(40,401)	(65,280)	(64,803)
Depreciation and Amortization		(2,355)	(2,280)	(3,211)	(3,125)
Leasing and Rentals		(6,904)	(5,533)	(7,446)	(7,248)
Other operating revenue		**442,011**	**1,096**	**484,487**	**4,424**
Sale of PGN (OGX Maranhão)		**21,858**	**-**	**21,858**	**-**
Sale Pecém II		**419,303**	**-**	**419,303**	**-**
Other		**850**	**1,096**	**43,326**	**4,424**
Other operating expenses		**(397,533)**	**(15,499)**	**(843,318)**	**(43,109)**
Unsecured Liability		(197)	(8,272)	197	(7,717)
Losses on the sale of assets		(2,175)	(7,229)	(2,175)	(7,231)
Provision for investment losses		(615)	3	(1,644)	(23)
Write-off of CCC Benefit		-	-	-	(24,617)
Adomp/CCEE Penalty		-	-	(16,842)	-
Sale Pecém II		(378,913)	-	(378,913)	-
Provision for investment losses - Impairment		-	-	(421,303)	-
Loss on Operation in Chile		(4,108)	-	(4,108)	-
Other		(11,525)	-	(18,529)	(3,521)
Equity in income of subsidiaries		**(648,417)**	**(469,179)**	**(170,655)**	**(153,012)**
Income before financial income/loss and taxes		**(749,630)**	**(607,282)**	**(483,709)**	**(427,176)**
Financial income	26	**(206,887)**	**(220,773)**	**(510,055)**	**(506,096)**
Financial revenue		**162,470**	**112,823**	**131,714**	**88,513**

Financial expenses		**(369,357)**	**(333,596)**	**(641,769)**	**(594,609)**
Earnings before tax on net income		**(956,517)**	**(828,056)**	**(993,764)**	**(933,272)**
Income and social contribution taxes on profit	18	**-**	**(114,400)**	**(2,531)**	**(11,152)**
Current		-	-	(1,238)	(3,744)
Deferred charges		-	(114,400)	(1,293)	(7,408)
Consolidated Net Earnings from Continued Operations		**(956,517)**	**(942,456)**	**(996,295)**	**(944,424)**
Discontinued operations					
Loss in discontinued operations - Sale Pecém I		(560,665)		(560,665)	
Net income/Loss for the year		**(1,517,182)**	**(942,456)**	**(1,556,960)**	**(944,424)**
				-	-
Attributed to Partners of the Parent Company		**(1,517,182)**	**(942,456)**	**(1,517,183)**	**(942,456)**
Attributed to Minority Partners		**-**	**-**	**(39,777)**	**(1,966)**
Income/ Loss per Share				**-**	**-**
Basic and diluted loss per share (R$)	22	**(4.86920)**	**(3.51822)**	**(4.99687)**	**(3.52556)**

Comprehensive statements of income

Years ended December 31, 2014 and 2013
(In thousands of Reais - R$)

	Parent Company		Consolidated	
	1/1/2014 to 12/31/2014	**1/1/2013 to 12/31/2013**	**1/1/2014 to 12/31/2014**	**1/1/2013 to 12/31/2013**
Loss for the year	(1,517,182)	(942,455)	(1,556,961)	(944,421)
Accumulated Translation Adjustments	(9,238)	(54,404)	(9,238)	(54,404)
Equity Valuation Adjustments:	(7,184)	(11,379)	(7,184)	(11,379)
Effective portion of the changes in fair value of cash flow hedges - hedge accounting	(10,885)	(17,241)	(10,885)	(17,241)
Deferred income and social contribution taxes - hedge accounting	3,701	5,862	3,701	5,862
Total comprehensive income	(1,533,603)	(1,008,237)	(1,573,383)	(1,010,204)
Comprehensive Income for the Period	**(1,533,603)**	**(1,008,237)**	**(1,573,383)**	**(1,010,204)**
Noncontrolling shareholders	-	-	(39,779)	(1,966)
Controlling shareholders	(1,533,603)	(1,008,237)	(1,533,603)	(1,008,237)
Total comprehensive income	**(1,533,603)**	**(1,008,237)**	**(1,573,383)**	**(1,010,204)**

Statements of Cash Flows

Years ended December 31, 2014 and 2013
(In thousands of Reais - R$)

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Cash flows from operating activities				
Loss for the Year	(1,517,182)	(828,055)	(1,556,961)	(933,269)
Adjustments to reconcile loss to cash flow from operating activities:				
Income from sales of interests	498,417	-	498,417	
Depreciation and amortization	2,355	2,280	170,479	146,539
Operations with derivative financial instruments	(12,828)	3,414	(12,828)	611
Stock options awarded	257	28,610	257	28,610
Provision for disassembly	-	-	(2,266)	149
Equity in income of subsidiaries	648,417	469,179	170,655	153,012
Provision for unsecured liabilities	197	8,272	(197)	7,717
Provision for investment losses	615	7,229	2,175	7,231
Debenture Interest/Cost	501	786	501	786
Embedded derivatives	0	479	0	479
Interest on loans and related parties	209,531	147,857	304,919	364,832
Equity Appraisal Adjustments	-	-	-	-
Adjustments for exchange loss	-	-	-	-
Write-off of CCC Subsidy	-	7,224	12,584	24,617
Sale of Porto do Pecém	-	-	848,990	
Impairment Write-off	-	-	421,303	
Other	(3,707)	-	-	-
	(173,428)	**(152,725)**	**858,028**	**(198,687)**
Changes in assets and liabilities				
Other Advances	(535)	(359)	(3,879)	(3,218)
Prepaid Expenses	51	0	(24,761)	15,115
Accounts Receivable	-	-	(10,451)	(273,051)
Taxes Recoverable/Deferred	(12,576)	(1,249)	(7,665)	(821)
Inventories	-	-	(20,809)	64,311
Taxes and contributions	893	307	(18,819)	38,693
Trade payables	8,264	(375)	(181,431)	215,956
Provisions and payroll charges	(1,682)	5,136	(1,836)	6,908
Accounts payable	-	0	17,596	80,423
CCC subsidies receivable	-	-	30,802	(13,241)
Debts / Credits with related parties	390,323	(275,232)	265,463	(24,824)
Payments of financial charges	-	(144,091)	-	(360,199)
Other Changes in investments		-	-	-
Other Assets and Liabilities	213	(21,299)	(11,705)	(51,027)
Assets Intended for Sale	(300,000)	-	(300,000)	-
	84,951	**(437,162)**	**(267,495)**	**(304,976)**

Net cash used in operating activities	**(88,477)**	**(589,886)**	**590,533**	**(503,663)**
Cash flows produced by investment activities				
Acquisition of PPE and intangible assets	436	(2,602)	(101,514)	(1,275,962)
Securities	-	-	-	3,440
Change in Investments	161,878	(20,718)	(464,974)	(235,965)
AFAC - Contribution	(448,007)	(1,351,709)	(27,963)	(31,555)
AFAC - Loan	-	184,625	-	225
Debt to related parties	218,040	(403,351)	(92,807)	(57,042)
Dividends receivable	-	2,040	-	-
Secured deposits	(3)	102,647	(7,313)	17,040
Net cash used in investment activities	**(67,655)**	**(1,489,069)**	**(694,571)**	**(1,579,819)**
Cash flows from financing activities				
Loans obtained	180,000	2,117,335	180,000	2,562,932
Payment of principal on loans	(226,320)	(930,000)	(361,025)	(1,399,752)
Gain (loss) on settled financial instruments	(4,124)	(4,567)	(4,124)	(119,512)
Capital increase	174,774	800,579	174,774	800,579
Dividends payable	-	-	-	(1,961)
Debenture settlement	(5,852)	(500)	(5,852)	(500)
Net cash provided by (used in) financing activities	**118,478**	**1,982,847**	**(16,227)**	**1,841,786**
Exchange Variance on Cash and Cash Equivalents	-	-	-	-
Increase / (Decrease) in cash and cash equivalents	**(37,654)**	**(96,107)**	**(120,265)**	**(241,694)**
Increase (decrease) in cash and cash equivalents				
At beginning of year	110,156	206,263	277,583	519,277
At end of year	72,502	110,156	157,318	277,583
	(37,654)	**(96,107)**	**(120,265)**	**(241,696)**

Statements of Changes in Shareholders' Equity

Years ended December 31, 2014 and 2013
(In thousands of Reais - R$)

	Parent Company					
	Paid-in share capital	Capital Reserve and Options Awarded	Profit Reserves	Other Comprehensive Income	Accumulated losses	Total shareholders' equity
Balance at December 31, 2012	**3,731,734**	**321,904**	**-**	**(119,067)**	**(1,364,979)**	**2,569,592**
Loss for the year	-	-	-	-	(942,455)	(942,455)
Transactions with shareholders:						
Capital increase	800,579	-	-	-	-	800,579
Stock options granted by the Company	-	-	-	-	-	-
Stock options granted by the controlling shareholder	-	28,610	-	-	-	28,610
Adjustment Deferred Charges - JV	-	-	-	-	-	-
Adjustment spin-off CCX Carvão - Colombia	-	-	-	-	-	-
Other comprehensive income:						
Translation adjustment in the year	-	-	-	54,404	(53,366)	1,038
Financial Instrument Adjustments	-	-	-	11,379	-	11,379
Balance at December 31, 2013	**4,532,314**	**350,514**	**-**	**(53,284)**	**(2,360,800)**	**2,468,744**
Loss for the year	-	-	-	9,238	(1,517,182)	(1,507,944)
Transactions with shareholders:						
Capital increase	174,774	-	-	-	-	174,774
Stock options granted by the Company	-	-	-	-	-	-
Stock options granted by the controlling shareholder	-	257	-	-	-	257
Adjustment Deferred Charges - JV					-	-
Adjustment spin-off CCX Carvão - Colombia	-	-	-	-	-	-
Other comprehensive income:						
Translation adjustment in the year	-	-	-	-	-	-
Financial Instrument Adjustments	-	-	-	7,184	-	7,184
Balance at December 31, 2014	**4,707,088**	**350,771**	**-**	**(36,862)**	**(3,877,982)**	**1,143,015**

	Consolidated						
	Paid-in share capital	Capital Reserve and Options Awarded	Other Comprehensive Income	Accumulated losses	Total shareholders' equity	Minority interests	Total shareholders' equity
Balance at December 31, 2012	3,731,734	321,904	(119,068)	(1,384,971)	2,549,598	151,538	2,701,137
Loss for the year:	-	-	-	(942,455)	(942,455)	(1,966)	(944,421)
Capital Transactions with Partners:							
Capital increase	800,579				800,579	-	800,579
Stock options granted by the controlling shareholder	-	28,610	-	-	28,610		28,610
Deferred Asset Adjustment	-		-	1,489	1,489		1,489
Other comprehensive income:							
Translation adjustment in the year	-	-	54,404	(53,366)	1,038	-	1,038
Financial Instrument Adjustments	-	-	11,379	-	11,379	-	11,379
Minority Interests	-	-	-	-	-	(25,938)	(25,938)
Balance at December 31, 2013	4,532,313	350,514	(53,285)	(2,379,303)	2,450,238	123,634	2,573,873
Loss for the year:	-	-	-	(1,517,182)	(1,517,182)	(41,177)	(1,558,359)
Capital Transactions with Partners:							
Capital increase	174,774				174,774	-	174,774
Stock options granted by the controlling shareholder	-	257	-	-	257	-	257
Deferred Asset Adjustment	-	-	-	10,744	10,744	-	10,744
Other comprehensive income:							
Translation adjustment in the year	-	-	9,238	-	9,238	-	9,239
Financial Instrument Adjustments	-	-	7,185	-	7,184	-	7,185
Balance at December 31, 2014	4,707,087	350,771	(36,861)	(3,885,741)	1,135,256	82,457	1,217,713

Statements of Added Value

Years ended December 31, 2014 and 2013
(In thousands of Reais - R$)

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Revenue	**405,836**	**(6,130)**	**17,211**	**2,841,131**
Sales of goods, products and services		-	2,010,803	1,600,282
Revenue relating to construction of company assets	405,836	(6,130)	(1,993,592)	1,240,848
Consumables acquired from third parties (including ICMS and IPI)	**(61,354)**	**(45,220)**	**(1,113,630)**	**(1,213,964)**
Material, electricity, outsourced services and other	(61,354)	(45,220)	(1,113,630)	(1,213,964)
Gross Added Value	**344,482**	**(51,350)**	**(1,096,419)**	**1,627,167**
	(2,355)	**(2,280)**	**(170,479)**	**(146,539)**
Depreciation, Amortization and Depletion	(2,355)	(2,280)	(170,479)	(146,539)
Net Added Value Produced	**342,127**	**(53,630)**	**(1,266,898)**	**1,480,628**
Transferred Added Value	**(1,431,688)**	**(377,156)**	**(1,367,234)**	**(87,562)**
Equity in income of subsidiaries	(648,417)	(469,179)	(170,655)	(153,012)
Financial revenue	12,325	97,567	39,451	70,439
Other	**(795,596)**	**(5,544)**	**(1,236,031)**	**(4,989)**
Derivative financial instruments	16,952	2,728	16,952	2,728
Provision for investment devaluation	-	-		-
Provision for unsecured liabilities	(197)	(8,272)	197	(7,717)
Losses on the sale of assets	(917,720)	-	(917,720)	-
Provision for Impairment loss	-	-	(421,303)	-
Loss on Operation in Chile	(4,108)	-	(4,108)	-
Other	109,477	-	89,951	-
Total Added Value to be Distributed	**(1,089,561)**	**(430,786)**	**(2,634,133)**	**1,393,066**

Distribution of added value	**(1,089,561)**	**(430,786)**	**(2,634,133)**	**1,393,066**
Personnel	**74,252**	**67,579**	**135,806**	**120,553**
Direct remuneration	46,894	46,638	72,332	61,977
Benefits	13,949	11,487	34,634	33,971
FGTS and Contributions	13,412	9,454	28,840	24,605
Other				
Taxes, Duties and Contributions	**422**	**117,004**	**216,296**	**175,863**
Federal	422	117,004	207,951	175,396
State			8,344	466
Interest Expenses	**352,942**	**327,085**	**(1,429,273)**	**2,041,071**
Interest	500	785	501	786
Rent	6,903	5,532	310,223	172,152
Other	**345,540**	**320,768**	**(1,739,997)**	**1,868,133**
Losses on derivative transactions	4,124	6,142	4,124	3,339
Advances to suppliers	-	-	(2,409,796)	1,247,200
Insurance	401	486	21,125	17,841
Exchange variance	15,747	15,097	13,495	18,399
Financial Expenses	325,268	299,043	596,215	556,738
CCEE Penalty	-	-	16,842	-
Write-off of CCC Benefit	-	-	-	24,617
Others	-	-	17,998	-
Interest earnings	**(1,517,182)**	**(942,455)**	**(1,556,961)**	**(944,421)**
Loss for the year attributed to controlling shareholders	(1,517,182)	(942,455)	(1,517,182)	(942,455)
Loss for the year attributed to noncontrolling shareholders	-	-	(39,779)	(1,966)

Notes to the Financial Statements

(In thousands of Reais - R$, unless stated otherwise)

1. Reporting entity

MPX Energia S.A. ("Company") was founded on April 25, 2001 and is headquartered in Rio de Janeiro. The Extraordinary General Meeting held on September 11, 2013 approved the decision to change the Company's name to Eneva S.A..

Its core activity is the generation of electricity through the development of a diversified portfolio of sources, including mineral coal, natural gas and renewable sources. The Company has a diversified portfolio of projects, including thermal power plants in Brazil, in addition to renewable energy projects, such as solar and wind energy. In order to integrate its operations, the Company is also a shareholder in a natural gas production and exploration project in Brazil, which supplies gas to plants built by the company in Maranhão.

The company participates as a quotaholder or shareholder of the companies that implement these projects and certain projects will be implemented in partnership with other players in the energy sector. These projects were primarily funded through funds obtained under the Company's public share offering made on December 14, 2007 and January 11, 2008 (supplementary batch), amounting to R$ 2,035,410, in addition to financing and the issuance of 21,735,744 convertible debentures on June 15, 2011 amounting to R$ 1,376,527. 21,653,300 debentures were converted on May 24, 2012, triggering the issuance of 33,255,219 new shares, as a result of the corporate reorganization implemented by the Company.

On March 28, 2013 the controlling shareholder of MPX Energia S.A., Mr. Eike Fuhrken Batista, entered into an investment agreement with E.ON SE consisting of the following events:

(a) On May 29, 2013 E.ON acquired Company shares held by Eike Fuhrken Batista accounting for approximately 24.5% of the share capital.

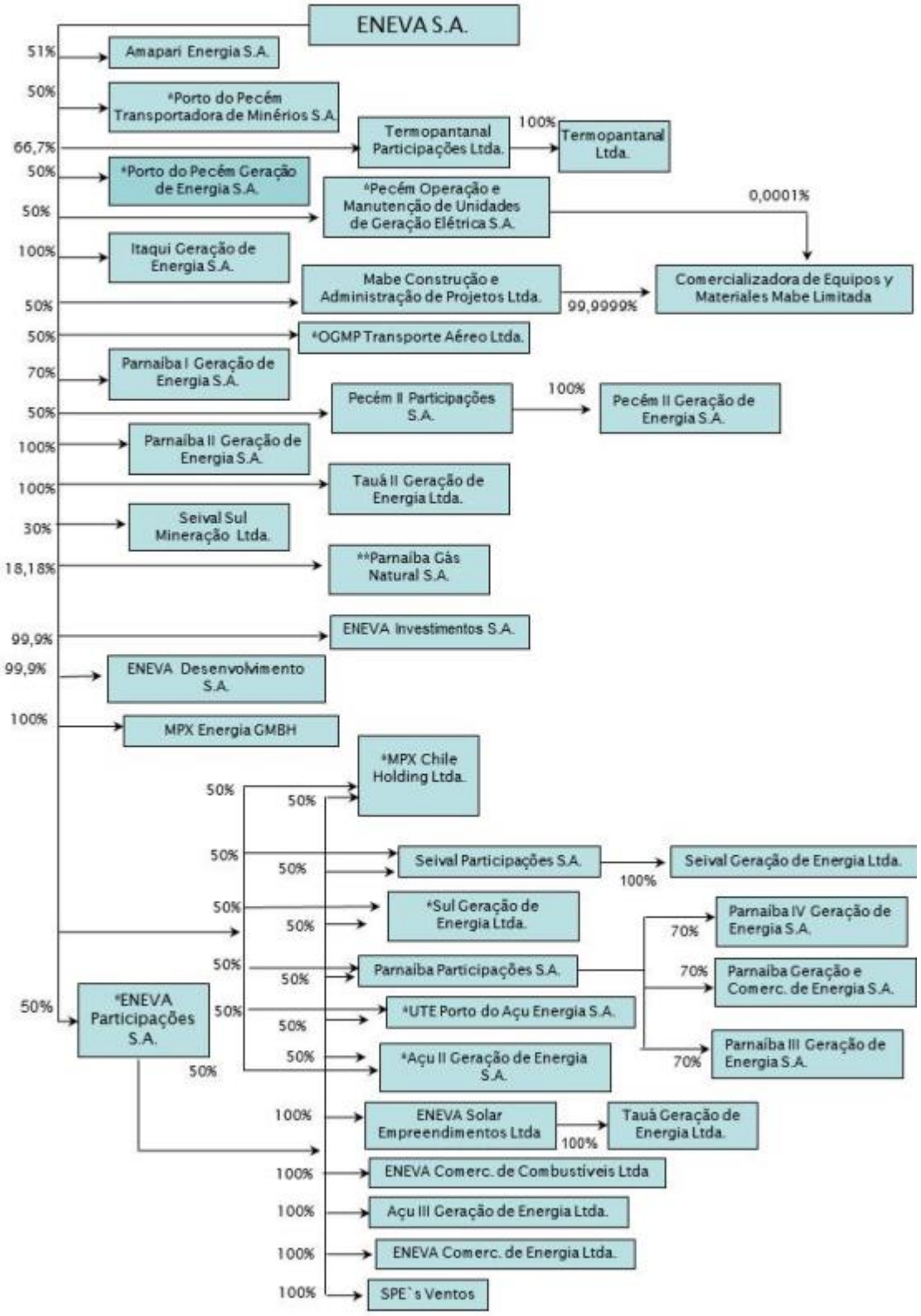
(b) On the date the shares were acquired, E.ON and Eike Batista entered into a new shareholders' agreement, which regulated the exercising of voting rights and restrictions on the transfer of shares held by them.

(c) In August 2013 a private capital increase was concluded of approximately R$ 800 million, with a subscription price fixed at R$ 6.45 per share.

(d) The shareholders will subsequently be asked to approve the acquisition by the Company at equity value of ENEVA Participações S.A. - In judicial reorganization, a joint-venture between the Company and E.ON ("JV").

As shown in the table below, on December 31, 2014 the economic group ("Group" or "Company") includes the Company and its equity interests in associated companies, direct and indirect subsidiaries, joint ventures and the Multimercado FICFI RF CP Eneva investment fund; for further details about the subsidiaries see Note 12:

- Parnaíba I Geração de Energia S.A.;
- Porto do Pecém Geração de Energia S.A.;
- Pecém II Geração de Energia S.A.;
- Itaqui Geração de Energia S.A.,;
- Amapari Energia S.A.;
- ENEVA Comercializadora de Energia Ltda.,
- ENEVA Comercializadora de Combustíveis Ltda.,
- Tauá Geração de Energia Ltda;
- Parnaíba III Geração de Energia S.A.; and
- Parnaíba IV Geração de Energia S.A.



* Joint subsidiary.

** Associated company.

Directly or by way of its subsidiaries, joint subsidiaries and associated companies, the Company has been making the investment required to finalize the ventures in its portfolio and subsequently begin the commercial operation thereof.

The Company took out a short-term debt to finance its operations in 2012 and 2013. In both projects, Parnaíba 2 had its short-term loan to Itaú and CEF rolled forward for 6 months in Dec 14 to Jun 15, which now matures in conjunction with the BNDES's short-term debt. The consolidated loans maturing in the next 12 months can be summarized as follows from December 31, 2014:

- Between 6 and 9 months: R$ 3.246 billion, which includes an overdue balance of R$ 2.0 billion of the holding company which is undergoing judicial reorganization.
- Between 9 and 12 months: R$ 29.9 million.

The short-term debts in force in December 2013 were taken out to finance part of the investments made and to meet working capital requirements. The Company also is working to partially settle and roll forward its short-term debts in the project to the long term and is mainly considering the following events in its business plan:

- Restructuring of the long-term debt of Itaqui, providing a 6-month grace period for the interest and 24 for the principal. Amendment signed by BNDES in the process of being signed by BNB, Bradesco and Votorantim.

- Rolling forward for 12 months of short-term debt of Parnaíba 2, and subsequent procurement of long-term loan amounting to R$ 960 million.

- Long-term financing for Parnaíba III of R$ 150 million.

- Lengthening of short-term debt for the Parnaíba 1 venture for a total term of 18 months and grace period for principal of 6 months. Amendment signed with Bradesco and in the process of being signed with Itaú.

In addition to the financial restructuring of certain projects, as described above, the Company is also working to restructure its own short-term debt. The judicial reorganization plan includes a significant reduction of the holding company's debt, in addition to the lengthening of the debt that remains. These potential measures are extremely necessary to bolster the capital structure and create the means necessary to permit a significant reduction in its leverage and therefore guarantee its long-term sustainable survival.

The judicial reorganization proceeding

On December 9, 2014 ENEVA S.A – In Judicial Reorganization filed for judicial recovery in the courts of the city of Rio de Janeiro. The decision was made in order to maintain the cash conditions necessary for the company, which has seen continued improvement in operating indicators, to continue as a going concern.
The Plan is designed to enable Eneva and Eneva Participações to weather the economic and financial crisis, implement other necessary operational reorganization measures, and protect direct and indirect jobs and the rights of Creditors and shareholders.
The seven power stations operated by the company have not been included in the petition, which applies only to ENEVA S.A. and its subsidiary ENEVA Participações S.A.

The decision to file for judicial recovery came after a standstill agreement with financial institutions expired on November 21, 2014 and was not renewed. Under the expired agreement, the banks agreed to suspend interest and principal payments on ENEVA's financial debt.

Judicial recovery protects the company and its operations from paying current debt, allowing discussions with creditors to continue as the company prepares a judicial recovery plan for submission within 60 days of acceptance of the application.

On December 16, 2014, the judge of the 4th Business Court of the City of Rio de Janeiro accepted the petition for judicial recovery of the company and its subsidiary, ENEVA Participações S.A. The court appointed Deloitte Touché Tohmatsu as trustee.

On February 12, 2015 ENEVA S.A. – In Judicial Reorganization submitted to the 4th Business Court of Rio de Janeiro a Judicial Recovery Plan approved by the Board Of Directors of the Company. The plan is designed to improve the capital structure of the holding company and its subsidiary, ENEVA Participações, by reducing total debt by at least 40%.

The plan includes a cash capital increase, capitalization of loans, pardoning of debt and renegotiation of the remaining debt profile to lengthen maturities and reduce financial costs. In summary, the Plan provides the following means of recovery:

Restructuring of Loans - The Recoverees' financial and operational recovery will require a restructuring of its loans essentially through (i) capitalization of loans from Unsecured Creditors opting for capitalization, (ii) pardoning of a portion of Unsecured Loans, and (iii) re-profiling of the Remaining Balance of Unsecured Loans, among other measures set out in this Plan.

Reprofiling of Eneva Group company liabilities - Concurrently with the Plan, the Recoverees will use their best efforts to renegotiate terms and maturities with the creditors of Eneva Group companies not in Judicial Recovery in order to match the settlement of each company's liabilities with its cash flows from operations.

Optimization of capital structure and balance sheet - Through Capital Increase – Eneva will undertake a capital increase and secure New Financing to strengthen its capital structure and balance sheet, reduce indebtedness and obtain assets that will help improve cash flows and/or its strategic position. To provide the working capital required to continue as a going concern, repay its Loans and continue to implement its business plan, Eneva will seek new financing pursuant to articles 67, 84(II) and 149 of the Judicial Recovery Act, as described in greater detail in article 6 of the Judicial Recovery Plan.

Capital increase – a transaction by which an amount equivalent to the sum of (i) any Cash Consideration (which could be zero), (ii) the full amount of Capitalized Loans and (iii) and the total value of Assets will be contributed to the share capital of Eneva for the paying up of New Shares. For the purposes of this Plan, we estimate the Capital Increase to be in the amount of R$ 3,000,000,000.00 (three billion Reais), to be subscribed and paid by shareholders, Unsecured Creditors, Investors and the owners of other assets and rights acceptable by Eneva for subscription (at its own discretion as to adequacy and timeliness for the purposes of the Plan), observing the reference amounts below for each category, which may however increase or decrease depending on (i) the number of Eneva shareholders exercising their preemptive and/or priority rights, as applicable, to subscription of the Capital Increase and the method of subscription adopted; (ii) the volume of Loan Capitalization by Unsecured Creditors; and (iii) approval by the Annual Stockholder Meeting of the valuation report for each of the Assets owned by shareholders, Investors and/or Unsecured Creditors electing to participate in the Capital Increase through Subscription with Assets:

Means of participation in Capital Increase	**Estimated Reference Values for the participation in the Capital Increase** (in millions of R$)
Cash Contribution	600
Credit Capitalization	1,100
Subscription via Assets	1,300
Total	**3,000**

New Financing - As set out by the Recoverees in a petition and invitation submitted with this Plan as part of the Judicial Recovery proceedings, the Recoverees ratified the invitation made to Unsecured Creditors to offer New Financing of at least 10,000,000.00 (ten million Reais) each but not more than R$ 100,000,000.00 (one hundred million Reais) in aggregate to strengthen Eneva's capital structure. The New Financing must be proportional to each Unsecured Creditor's share of the total amount of Unsecured Loans. If any Unsecured Creditor elects not to grant New Financing, then those Unsecured Creditors electing to grant New Financing made proportionately increase their share of New Financing, subject in all cases to the aggregate limit of R$ 100,000,000.00 (one hundred million Reais).

Reorganization -The Recoverees may additionally undertake a corporate reorganization of Eneva Group as required to support the continuing development of its operations as redesigned within the Judicial Recovery process and in accordance with the business plan deriving from implementation of the Plan.

Disposal and/or pledging of property, plant and equipment - The Recoverees may dispose of and/or pledge any unencumbered assets (or encumbered assets with the consent of any party with a lien on the relevant asset), whether or not such assets are included in property, plant and equipment, as expressly permitted by the Judicial Recovery Court pursuant to article 66 of the Judicial Recovery Act or in accordance with this Plan, subject to the limits established in the Judicial Recovery Act, this Plan and other contracts in force between Eneva Group and creditors not subject to the Judicial Recovery proceedings.

Effects of the Plan

Plan Enforceability - Pursuant to article 59 of the Judicial Recovery Act, the provisions of the Plan will be binding on the Recoverees and on Creditors, as well as on their assigns and successors, as from Judicial Approval of the Plan.

Novation - This Plan constitutes novation of current Loans, which will hereafter be repaid as set out in this Plan. By virtue of said novation, all obligations, covenants, early maturity events and other obligations and guarantees that are inconsistent with the terms of this Plan shall cease to apply and shall be superseded by the provisions of this Plan.

No restructuring of loans of which the Recoverees are Guarantors, Endorsers or Co-obligors – As set out in the initial petition for Judicial Recovery, the Recoverees do not intend to restructure any Loans taken out directly by the Recoverees' subsidiaries in Brazil of which the Recoverees are guarantors, endorsers, joint debtors or otherwise co-obliged as part of the Judicial Recovery process. Accordingly, any loans of which the Recoverees are Guarantors, Endorsers or Co-obligors that are included by the Trustee on the List of Creditors will be paid in accordance with the agreed terms and conditions or such other terms and conditions as are agreed with the relevant Creditor.

Preclusion of Legal Action - Upon approval of the Judicial Recovery Plan, Creditors may no longer (i) bring or prosecute actions or proceedings of any nature relating to any Loan against the Recoverees; (ii) enforce any court decision or arbitral award relating to any Loans against the Recoverees; (iii) pledge any assets of the Recoverees to secure any Loans or otherwise encumber such assets; (iv) create, amend or enforce any guarantee on assets and rights of the Recoverees to secure payment of their Loans; (v) claim any offset rights against any loans payable by the Recoverees; and (vi) pursue any other remedies to secure the settlement of their Loans. Any current judicial enforcement proceedings against the Recoverees in respect of Loans shall be terminated and any pledges and encumbrances discharged.

Settlement – The payments made as established in this Plan shall automatically, and without additional formalities, constitute full, irrevocable and irreversible settlement of all Loan obligations of any type and nature

of the Recoverees and their shareholders and guarantors, including interest, restatement for inflation, penalties, fines and indemnities.

Formalization of documents and other measures – The Recoverees undertake to take all action and execute all agreements and other documents necessary and adequate in form and in substance for the performance and implementation of this Plan and related obligations.

Termination and replacement of endorsements, guarantees and other forms of co-obligation – Considering that with the Capitalization of Loans all Unsecured Creditors opting for such Capitalization of Loans will become shareholders of Eneva, all endorsements, guarantees and other forms of co-obligation of the Recoverees to these Unsecured Creditors will be automatically terminated.

Breach of the Plan – In the event of any delinquency, the Recoverees shall call a meeting with Creditors to agree on the measures most appropriate to remedy the relevant breach of the Plan. For the purposes of this article, Eneva shall be in delinquency if it breaches any provision of this Plan and fails to remedy such breach within 60 (sixty) days of receipt by the Recoverees of notice of such breach from the injured party.

Addenda or amendments to the Plan – Addenda or amendments to the Plan may be proposed at any time following Judicial Approval of the Plan, provided such addenda or amendments are acceptable by the Recoverees and approved by the Meeting of Creditors, pursuant to the Judicial Recovery Act. For the purpose of computation, the Loans shall be adjusted as set out in this plan and deducted from the amount already repaid by any means to the Creditors, including through Capitalization of Loans.

2. Licenses and permits

ENEVA - In judicial reorganization is committed to obtaining all the legal licenses and permits required for each of its facilities and activities. The Company and its investees have the following environmental licenses as of December 31, 2014:

Held by	Ventures	Licenses	Expiry
ITAQUI GERAÇÃO DE ENERGIA S.A.	UTE PORTO DO ITAQUI	LO 1,101/2012	10/26/2017
	TRANSMISSION LINE	LO 1,061/2011	12/16/2017
PORTO DO PECÉM GERAÇÃO DE ENERGIA S.A.	UTE PORTO DO PECEM I	LO 1,062/2012	12/28/2015
	CONVEYOR BELT	LO 371/2014	5/14/2018
	PECEM I TRANSMISSION LINE	LO 889/2012	9/26/2015
PECÉM II GERAÇÃO DE ENERGIA S.A.	UTE PORTO DO PECÉM II	LO 09/2013	2/8/2016
	PECEM II TRANSMISSION LINE	LO 108/2013	7/17/2016
AMAPARI ENERGIA S.A.	UTE SERRA DO NAVIO (including TL)	LO 172/2013	3/25/2016
TAUÁ GERAÇÃO DE ENERGIA LTDA.	USINA SOLAR TAUÁ 1MW - (including TL)	LO 133/2012*	2/28/2014
	USINA SOLAR TAUÁ 4MW	LI 15/2012*	3/5/2014
	USINA SOLAR TAUÁ (45MW)	LP 253/2012	8/15/2015
PARNAÍBA I GERAÇÃO DE ENERGIA S.A.	MARANHÃO IV AND V	LO 559/2012	12/20/2016
PARNAÍBA II GERAÇÃO DE ENERGIA S.A.	MARANHÃO III	LO 55/2014*	2/20/2018
PARNAÍBA I GERAÇÃO DE ENERGIA S.A.	MARANHÃO IV AND V (cycle closure)	LI 273/2011*	12/5/2013
ENEVA S.A. - In judicial reorganization	UTE PARNAIBA I	LI 111/2012*	5/9/2013
ENEVA S.A. - In judicial reorganization	UTE PARNAÍBA II	LI 003/12*	11/11/2013
PARNAÍBA IV GERAÇÃO DE ENERGIA S.A.	PARNAÍBA IV	LO 415/2013	11/25/2017
PARNAÍBA III GERAÇÃO DE ENERGIA S.A.	PARNAÍBA III (MCE NOVA VENECIA 2)	LO 187/2014	9/23/2017
UTE PORTO DO AÇU ENERGIA S.A.	-	-	-
	UTE PORTO DO AÇU II	LP IN 025871	12/30/2015
	TRANSMISSION LINE	LI IN 019365	4/24/2015
AÇU III GERAÇÃO DE ENERGIA LTDA.	EÓLICA MARAVILHA	LI IN 000208*	5/22/2012
	EÓLICA MUNDÉUS	LI IN 000207*	5/22/2012
ENEVA S.A. - In judicial reorganization	UTE SUL	LP 332/2009*	12/22/2012
SUL GERAÇÃO DE ENERGIA LTDA.	BARRAGEM SUL	LP 601/2010*	5/21/2012
SEIVAL GERAÇÃO DE ENERGIA LTDA.	UTE SEIVAL	LI 589/2009*	5/13/2015
SEIVAL SUL MINERAÇÃO LTDA.	SEIVAL MINE	LO No. 9221/2009*	10/20/2013
CENTRAL EÓLICA MORADA NOVA LTDA.	CGE MORADA NOVA	LP 0010/2012	3/19/2016
CENTRAL EÓLICA SÃO FRANCISCO LTDA.	CGE SÃO FRANCISCO	LP 0083/2012	3/20/2016
CENTRAL EÓLICA MILAGRES LTDA.	CGE MILAGRES	LP 0084/2012	3/20/2016
CENTRAL EÓLICA SANTA LUZIA LTDA.	CGE SANTA LUZIA	LP 0085/2012	3/20/2016
CENTRAL EÓLICA PEDRA VERMELHA I LTDA.	CGE PEDRA VERMELHA I	LP 0090/2012	3/19/2016
CENTRAL EÓLICA ASA BRANCA LTDA.	CGE ASA BRANCA	LP 0091/2012	3/19/2016
CENTRAL EÓLICA SANTO EXPEDITO LTDA.	CGE SANTO EXPEDITO	LP 0092/2012	3/19/2016
CENTRAL EÓLICA PEDRA VERMELHA II LTDA.	CGE PEDRA VERMELHA II	LP 0093/2012	3/19/2016
CENTRAL EÓLICA PAU D´ARCO LTDA	CGE PAU D´ARCO	LP 0184/2013	4/26/2015
CENTRAL EÓLICA PEDRA ROSADA LTDA	CGE PEDRA ROSADA	LP 0187/2013	5/2/2015
CENTRAL EÓLICA PAU BRANCO LTDA	CGE PAU BRANCO	LP 0189/2013	5/10/2015
CENTRAL EÓLICA ALGAROBA LTDA	CGE ALGAROBA	LP 0186/2013	5/6/2015
CENTRAL EÓLICA UBAEIRA I LTDA	CGE UBAEIRA I	LP 0188/2013	5/10/2015
CENTRAL EÓLICA UBAEIRA II LTDA	CGE UBAEIRA II	LP 0185/2013	5/6/2015
CENTRAL EÓLICA SANTA BENVINDA I LTDA	CGE SANTA BENVINDA I	LP 0183/2013	5/23/2015
CENTRAL EÓLICA SANTA BENVINDA II LTDA	CGE SANTA BENVINDA II	LP 0191/2013	5/10/2015
CENTRAL EÓLICA BOA VISTA I LTDA	CGE BOA VISTA I	LP 0268/2013	6/18/2015
CENTRAL EÓLICA BOA VISTA II LTDA	CGE BOA VISTA II	LP 0270/2013	6/18/2015
CENTRAL EÓLICA BONSUCESSO LTDA	CGE BONSUCESSO	LP 0271/2013	6/18/2015
CENTRAL EÓLICA PEDRA BRANCA LTDA	CGE PEDRA BRANCA	LP 0269/2013	6/18/2015
CENTRAL EÓLICA OURO NEGRO LTDA	CGE OURO NEGRO	LP 0071/2014	4/11/2016

(*) The renewal of environmental licenses was applied for at least 120 (one hundred and twenty) days before the validity expires, as fixed in the respective license, and is extended automatically until the respective environmental authority states its final position. (Supplementary Law 140/2011 art. 14 (4).

3. Presentation of the financial statements

The financial statements have been prepared based on the historic cost basis, adjusted to realization value when applicable, except for financial instruments held at fair value, including derivative instruments.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company and financial statements are disclosed in Note 5.

(a) Consolidated financial statements

The consolidated financial statements have been prepared and are being presented in accordance with Brazilian accounting practices, including the pronouncements issued by the Accounting Pronouncements Committee (CPCs) and International Financial Reporting Standards issued by the International Accounting Standards Board (IASB).

The presentation of the individual and consolidated Statement of Added Value (DVA) is required by Brazilian corporate legislation and the accounting practices adopted in Brazil that apply to listed companies. IFRS does not require the presentation of this statement. As a consequence, under IFRS this statement is being presented as supplementary information, without prejudice to the set of the financial statements.

(b) Individual financial statements

For the purpose of BR GAAP, Law 11941/09 abolished deferred assets, permitting the maintenance of the balance accumulated up to December 31, 2008, which may be amortized in up to 10 years, subject to impairment tests. Following the adoption of IFRS, the Company recorded the amount of R$ 26,192 in the consolidated accumulated losses, net of tax as of January 01, 2009, corresponding to its and its subsidiaries' deferred charges at that date. The difference between the individual and consolidated shareholders' equity is therefore related to the deferred asset which was recognized in accumulated losses in the consolidated shareholders' equity.

The table below shows the reconciliation between the individual and consolidated shareholders' equities as of December 31, 2014:

	2014
Shareholders' equity - Parent Company	1,143,016
Deferred charges - Law 11941/09	(7,759)
Shareholders' equity - Attributable to controlling shareholders	1,135,257

The Board of Directors authorized the issuance of these financial statements on March 26, 2015.

(c) Changes in accounting policies and disclosures

The following standards and amendments to standards were adopted for the first time in the financial year starting January 01, 2014 and had material impacts on the Group.

(i) Amendment to CPC 01/IAS 36 - Recoverable Amount Disclosures for Non-Financial Assets. The overall effect of the amendments is to reduce the circumstances in which the recoverable amount of cash-generating units is required to be disclosed, which were included in IAS 36 following the issuance of IFRS 13.

(ii) Amendment to CPC 38/IAS 39 - Financial Instruments: Recognition and Measurement - clarifies that replacements of original counterparties by the clearing counterparties as a consequence of laws or regulations or the introduction of laws or regulations does not include changes to the maturity or the payment dates of the hedging instruments. The effects of replacing the original counterparty shall be reflected in the measurement of the hedging instrument and therefore in the assessment of hedge effectiveness and the measurement of hedge effectiveness.

(iii) Amendment to CPC 39/IAS 32 - Financial instruments: presentation regarding the offsetting of financial assets and liabilities. This amendment states that the right of set-off must not be contingent on a future event and must be legally enforceable in the normal course of business, in the event of default and in the event of insolvency or bankruptcy, of the entity and all of the counterparties. The amendment also specifies the characteristics of settlement systems.

(iv) ICPC 19/IFRIC 21 - "Levies" provides guidance on when to recognize a liability for a levy imposed in accordance with IAS 37 - "Provisions" and those where the timing and amount of the levy is certain.

(v) OCPC 07 - "Disclosures of General Financial and Accounting Reports" addresses the quantitative and qualitative nature of disclosures in notes to financial statements, bolstering existing requirements of accounting standards and emphasizing that only information of relevance to the readers of financial statements should be disclosed.

(vi) The Revision of CPC 07 - Equity Method in Separate Financial Statements amends CPC 35 - "Separate Financial Statements" to include the changes made by the IASB in IAS 27 - Separate Financial Statements, which permits the adoption of the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements, thereby converging Brazilian accounting practices with international accounting practices. The changes to IAS 27 have been adopted early specially for the purposes of IFRS.

Other amendments and interpretations in force for the financial year commencing January 01, 2014 are not relevant to the Group.

4. Significant accounting policies

The main accounting policies used to prepare these financial statements are as follows. These policies were consistently applied in the previous years presented, unless stipulated otherwise.

4.1 Consolidation

The consolidated financial statements include the financial statements of the parent company and the companies the Company has the (direct or indirect) control of and Exclusive Funds, as shown below:

	Parent Company Interest	
	2014	2013
Direct and indirect subsidiaries (subsidiaries)		
Pecém II Participações S.A.	50,00%	-
Pecém II Geração de Energia S.A.	100.00%	99.70%
Itaqui Geração de Energia S.A.	100.00%	100.00%
Amapari Energia S.A.	51.00%	51.00%
Seival Sul Mineração Ltda.	70.00%	70.00%
Termopantanal Participações Ltda.	66.67%	66.67%
Parnaíba Geração de Energia S.A.	70.00%	70.00%
Parnaíba II Geração de Energia S.A.	100.00%	100.00%
Parnaíba V Geração de Energia S.A.	99.99%	99.99%
Parnaíba Geração e Comercialização de Energia S.A.	-	70.00%
ENEVA Investimentos S.A.	99.99%	99.99%
ENEVA Desenvolvimento S.A.	99.99%	99.99%
Tauá II Geração de Energia Ltda.	100.00%	100.00%
Exclusive funds:		
Fundo de Investimento em Cotas de Fundos de Investimento Multimercado Crédito Privado FICFI RF CP Eneva	100.00%	100.00%
Fundo de Investimento Multimercado Crédito Privado MPX	100.00%	100.00%

The following accounting policies are applied in the preparation of the consolidated financial statements.

Subsidiary

Subsidiaries are all entities the Company exercises control over. The Company controls an entity when it is exposed or entitled to variable returns deriving from its involvement in the entity and can interfere in its returns due to the power it exercises over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

The Company uses the acquisition method to record business combinations. The amount transferred to acquire a subsidiary is the fair value of the transferred assets, liabilities incurred and equity instruments issued by the Company. The amount transferred includes the fair value of assets and liabilities resulting from a contingent payment contract when applicable. Acquisition costs are expensed in the income statement for the year as and when incurred. The identifiable assets acquired and the liabilities and the contingent liabilities undertaken in a business combination are initially measured at fair value as of the acquisition date. The Company recognizes the minority interest in the acquired party at both fair value and the proportional amount of the minority interest in the fair value of the acquired party's net assets. The minority interest is measured on the date of each acquisition.

Any excess of (i) the amount transferred (ii) the minority interest in the acquiree, (iii) the fair value at the acquisition date of any previous equity interest in the acquired party in relation to the fair value of the Group's interest in net identifiable assets acquired is recorded as goodwill. When the total amount transferred, the

minority interest recognized and the measurement of the interest previously held is lower than the fair value of the net assets of the acquired subsidiary, the difference is recognized directly in profit or loss for the year.

Transactions, balances and unrealized gains on intercompany transactions are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

(a) Transactions with minority interests

The Company accounts for transactions with minority interests as transactions with owners of the Company's assets. For acquisitions of minority interests, the difference between any consideration paid and the portion of the book value of the subsidiary's net assets acquired is recorded in the shareholders' equity. Gains or losses on sales to minority interests are also recorded in the shareholders' equity in the account "Equity Appraisal Adjustment".

(b) Loss of control over subsidiaries

When the Company ceases to exercise control, any interest held in the entity is remeasured at fair value, and the change in book value is recognized in the income statement. The fair value is the book value for the subsequent recording of the interest held in an associated company, joint-venture or a financial asset. Furthermore, any amounts previously recognized in other comprehensive income relating to said entity are recorded as though the Company had directly sold the related assets or liabilities. The amounts previously recognized in other comprehensive income are therefore reclassified in the income statement (as per note 11).

(c) Associated companies and joint arrangements

Associated companies are all the entities over which the Company exercises significant influence but does not control, in which it generally holds an equity interest of between 20% and 50% of the voting rights.

Joint arrangements are arrangements of which the Company has joint control. Joint arrangements are classified as joint operations or joint ventures, depending on the contractual rights and obligations of each investor.

Investments in associated companies and joint ventures are recorded by the equity income method and recognized initially at cost. The Company's investment in associated companies and joint ventures include the goodwill identified in the acquisition, net of any accumulated impairment loss.

The Company's interest in the profits or losses of its associated companies and joint ventures is recognized in the income statement and its interest in the changes in reserves is recognized in the Company's reserves. When the Company's interest in the losses of an associated company or joint venture is equal to or greater than the carrying amount of the interest in that company, including any other receivables, the Company does not recognize additional losses, unless it has incurred obligations or makes payments on behalf of the associated company or joint venture.

Unrealized gains on transactions between the Company and its associated companies and joint ventures are eliminated in proportion to the Company's interest. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of associated companies have been changed where necessary to ensure consistency with the policies adopted by the Company.

If the equity interest in the associated company diminishes but significant influence is maintained, only a proportional part of the amount previously recognized in other comprehensive income shall be reclassified in the income statement, where appropriate.

Gains and losses resulting from dilutions occurring in interests in associated companies are recognized in the income statement.

4.2 Segment reporting

Operating segments are reported consistently with the internal reports provided to the main operating decision takers. The main taker of operating decisions, responsible for allocating funds and evaluating the performance of operating segments, is the Board of Directors, which is also responsible for taking the Company's strategic decisions.

Foreign currency translation

(a) Functional and presentation currency

The items included in each of the company's entities' financial information are measured by using the currency of the main economy in which the company operates ("functional currency"). The individual and consolidated financial statements are presented in R$, which is the Company's functional currency and the Company's reporting currency. The functional currency of its joint venture MPX Chile Holding Ltda. is the Colombian peso (MPX Chile Holding Ltda.). These currencies are determined by business plans, the economic environment and primarily operating costs. Monetary assets and liabilities denominated in foreign currencies were translated into reais at the foreign exchange rate ruling at the balance sheet date. On December 31, 2014 the Company wrote off its entire interest in the joint subsidiary MPX Chile Holding, as described in note 11.

(b) Transactions and balances

Foreign-currency transactions are translated into the functional currency at the exchange rates prevailing on the transaction or valuation dates, on which the items are remeasured. Exchange gains and losses resulting from the settlement of these transactions and the translation at the exchange rates at the end of the financial year for monetary assets and liabilities denominated in foreign currency are recognized in the income statement, except when qualified as hedge accounting and are therefore deferred in equity as cash flow hedges.

Exchange gains and losses related to loans and cash and cash equivalents are stated in the income statement as financial revenue or expenses.

(c) Companies with different functional currency

The results and financial position of MPX Chile Holding Ltda (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the reporting currency are translated into the reporting currency as follows:

(i) The assets and liabilities of each statement of financial position presented are translated at the closing rate on the reporting date.

(ii) The revenue and expenses of each income statement are translated at the average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates in force on the operations' date, in which case the revenue and expenses are translated at the rate on the date of the operations).

(iii) All resulting exchange differences are recognized as a separate component in the equity account "Equity appraisal adjustments".

On consolidation, exchange differences arising from the translation of the net investment in foreign operations is recognized in shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the statement of income as part of the gain or loss on the sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less, with immaterial risk of change in value, where the balance is presented net of the balances of overdrafts in the statement of cash flows.

4.3 Financial assets

4.3.1 Classification

The Company classifies its financial assets at initial recognition in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Assets in this category are classified as current assets. Derivatives are also classified as held for trading, except for those designated as hedge instruments.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented in current assets, except for maturities greater than 12 months after the end of the reporting period (in which case they are classified under noncurrent assets).

4.3.2 Recognition and measurement

The purchase and sale of financial assets are normally recognized at the trading date. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the statement of income. Financial assets are derecognized when the rights to receive cash flows have expired or have been transferred and the Company has substantially transferred all risks and rewards of ownership. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

Gains or losses deriving from changes to the fair value of financial assets measured at fair value through profit and loss are stated in the income statement under "Financial revenue or expense" in the period they occur in.

Exchange variance on the monetary instruments is recognized in profit or loss. Exchange variance on nonmonetary instruments is recognized in equity.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount recorded in the balance sheet when there is a legal right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

4.3.3 Impairment of financial assets

(a) Assets measured at amortized cost

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset ("loss event"), and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

The criteria that the Company uses to determine whether there is objective evidence of an impairment loss include:

(i) significant financial difficulty of the issuer or obligor

(ii) a breach of contract, such as a default or delinquency in interest or principal payments

(iii) the Company, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not normally consider

(iv) it becomes probable that the borrower will enter bankruptcy or other financial reorganization

(v) the disappearance of an active market for that financial asset because of financial difficulties; or

(vi) observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

- adverse changes in the payment status of borrowers in the portfolio, and
- national or local economic conditions that correlate with defaults on the assets in the portfolio.

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the statement of income.

4.3.4 Derivative financial instruments and hedge operations

Derivatives are recognized initially at fair value on the date the derivatives contract is signed, and subsequently remeasured at fair value. The method for recognizing the resulting gain or loss depends on whether the derivative is designated or not, as a hedge instrument in the case of hedge accounting. In this case, the method depends on the nature of the item being hedged. The Company uses hedge accounting and designates certain derivatives as hedges of a specific risk associated to an asset or liability recognized or a highly probable forecast operation (cash flow hedge).

On initial designation, the Company formally documents the relationship between the hedging instrument and hedged items, including the risk management objectives and strategy in undertaking the hedge transactions. The Company also makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items.

The fair values of the derivative instruments used for hedging purposes can be seen in Note 18. The total fair value of a hedging derivative is classified as a non-current asset and liability when the remaining term of the hedged item is greater than 12 months and as a current asset or liability, when the remaining term of the hedged item is less than 12 months. Trading derivatives are classified in current assets or liabilities.

(a) Cash flow hedges

The effective part of the changes in the fair value of the designated derivatives classified as cash flow hedges are recognized in shareholders' equity in the account "Equity Valuation Adjustment". The gain or loss related to the non-effective portion is immediately recognized in profit or loss as "Financial revenue or expense".

The amounts accumulated in equity are realized in the income statement in the periods in which the hedged item affects profit or loss (for example, when the sale occurs of a hedged item). The gain or loss related to the effective portion of interest-rate swaps for hedging floating interest loans is recognized in profit or loss as "Financial revenue or expense". The gain or loss related to the non-effective portion is recognized in profit or loss as "Financial revenue or expense".

When the hedged instrument matures or is sold or when the hedge no longer meets the hedge accounting criteria, any accumulated gain or loss in the equity at that time remains in equity and is recognized in profit or loss when the operation is recognized in the statement of income. When an operation is no longer expected to occur, the accumulated gain or loss that had been recorded in equity is immediately transferred to profit or loss in "Other operating expenses".

Derivatives measured at fair value through profit or loss

Certain derivative instruments do not qualify for hedge accounting. The changes in the fair value of any of the derivative instruments are immediately recognized in the income statement under "Financial revenue or expense".

4.3.5 Trade receivables

Trade receivables are amounts due for the sale of electricity in the ordinary course of the Company's business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less a provision for impairment of trade receivables.

4.3.6 Inventories

Inventories are measured at the lower of cost and net realizable value. The valuation method on the inventory is the average weighted cost. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

4.3.7 Intangible assets

(a) Goodwill

The goodwill consists of the positive difference between the amount paid and/or payable for the acquisition of an entity and the net amount of the acquired subsidiary's assets and liabilities at fair value. Goodwill resulting from the acquisition of subsidiaries is recorded as intangible assets in the consolidated financial statements. Any negative goodwill should be recorded as a gain in the net income for the period, on the acquisition date. The goodwill is tested for impairment annually. Goodwill is recorded at cost value less amortization charges and accumulated impairment losses. The goodwill linked to the concession is amortized over the plant's authorization period. Impairment losses recognized in goodwill are not reversed. The gains and losses from selling an entity include the book value of the goodwill related to the sold entity.

The goodwill is allocated to the cash generating units (UCGs) for the purpose of impairment testing. This allocation is made to the cash generating units or groups of cash generating units that should benefit from the business combination generating the goodwill, and is identified by operational segment.

(b) Other intangible assets

Intangible assets consist of assets acquired from third parties, with finite useful lives and are measured at cost, less accumulated amortization and accumulated impairment, when applicable. The other intangible assets primarily consist of energy generation contracts acquired from third parties.

Property, plant and equipment.

Recognition and measurement

Items of property, plant and equipment are measured at the historic cost of acquisition or construction, less accumulated depreciation and impairment.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of assets built by the Company itself includes:

- The cost of materials and direct labor,
- Any other costs to bring the asset to its location and condition necessary so it can be operated as intended by Management.
- the dismantling costs, and the restoration of the site where these assets are located, and
- loan costs on qualifiable assets.

The cost of property, plant and equipment can include reclassifications from other comprehensive income of qualifiable cash flow hedges for the purchase of fixed assets in foreign currency. The software purchased as an integral part of a piece of equipment is capitalized as a part of said equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gains and losses deriving from the sale of property, plant and equipment (determined by comparing the funds obtained through the sale against the book value of the property, plant and equipment), are recorded net amongst other revenue/expense figures in the income statement.

Subsequent costs

Subsequent expenses are capitalized to the extent it is probable that the future benefits associated with these expenses shall be transferred to the Group. Ongoing repairs and maintenance are expensed as incurred.

Depreciation

Items of property, plant and equipment are depreciated by the straight-line method in the income statement for the year, based on the useful estimated economic life of each component, limited to the concession term. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Impairment of nonfinancial assets

Assets with an indefinite useful life, such as goodwill, are not subject to amortization and are tested annually for impairment. . Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount exceeds its recoverable amount. This value is the higher between the fair value of an asset, minus selling costs, and its value in use. For impairment testing purposes, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash-generating Units - CGUs). Non-financial assets, excluding goodwill, that have been adjusted for impairment are subsequently reviewed in order to analyze a possible reversal of the impairment at the reporting date.

The expected recoverability of nonfinancial assets is based on the projection of future income taking into consideration business and financial assumptions at year end. Accordingly, these estimates may differ from the effective taxable income in the future due to the inherent uncertainties involving these estimates.

4.3.8 Trade accounts payable

Trade payables are obligations payable to suppliers for goods and services acquired in the normal course of business, and are classified as current liabilities if the payment is due within a year. If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

4.3.9 Loans and Financing

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the settlement value is recognized in the statement of income over the period of the borrowings using the effective interest method.

Loans and financing are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

General and specific loans and financing costs that are directly attributed to the acquisition, construction or production of a qualifiable asset, i.e. an asset that requires a long time to be concluded for the purpose of use or sale, are capitalized as part of the asset's cost when it is probable that they will result in future economic benefits for the entity and that such costs can be reliably measured. Other loan costs are recorded as an expense in the period they are incurred in.

4.3.10 Provisions

Provisions are recognized when: (i) the Company has a legal or constructive obligation as a result of past events; (ii) it is not probable that an outflow of resources will be required to settle the obligation; and (iii) the amount can be estimated with certainty. The provisions do not include future operating losses.

When there is a series of similar obligations, the probability of settling them is determined, taking into account the class of the obligations taken as a whole. A provision is recognized even if the probability of settlement related to any other individual items included in the same class of obligations is minimal.

Provisions are carried at the present value of the expenses necessary to settle the obligation, at a before tax rate, which reflects the current market valuations of the money's value and specific risks inherent to the obligation. Any increase in the obligation over the course of time is recognized as a financial expense.

4.3.11 Current and deferred income and social contribution taxes

The income tax and social contribution expenses for the period comprise current and deferred taxes. Income taxes are recognized in the statement of income, except to the extent that they relate to items recognized in comprehensive income or directly in equity. In this case, the taxes are also recognized in comprehensive income or directly in equity.

The current income tax and social contributions are calculated using tax rates enacted or substantively enacted at the reporting date in the countries in which the Company's entities operate and generate taxable income. Management periodically evaluates the positions taken by the Company in income tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current income and social contribution taxes are stated net, by entity, in liabilities when there are amounts payable, or in assets when the prepaid amounts exceed the total amount due at the reporting date.

Deferred income tax and social contribution are recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income and social contribution taxes are not recognized if they arise from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred income tax and social contribution assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is recognized on temporary differences deriving from investments in subsidiaries, except where the reversal of the temporary differences is controlled by the Company and provided it is possible that the temporary difference will not be reverted in the foreseeable future.

Deferred income tax assets and liabilities are stated net in the statement of financial position when there is a legal right and intention to offset them against current taxes, generally related to the same legal entity and tax authority. Deferred tax assets and liabilities in different entities or in different countries are generally presented separately, and not net.

Employee benefits

(a) Share-based payments

The Company has a series of share-based plans, consisting of shares, by which the entity receives services from employees in exchange for shares of the Company. The fair value of the employee's services received in exchange for options is recognized as an expense. The total amount to be recognized is determined by reference to the fair value of the awarded options, not including the impact of any rights acquisition conditions based on service and performance other than market conditions (for example, profitability, sales targets and length of service for a specific time period). The right acquisition conditions other than market conditions are included in the assumptions about the number of options whose rights should be acquired. The total value of the expenses is recognized during the vesting period; during which the specific acquisition conditions have to be met. At the reporting date the entity revises its estimate of the number of options whose rights should be acquired based on the right acquisition conditions other than market conditions. It recognizes the impact on the review of the initial estimates, if applicable, in profit or loss, with a corresponding adjustment in equity.

The amounts received net of any directly attributable transaction costs are credited to share capital (nominal value) when the options are exercised.

(b) Profit sharing

The Company recognizes a profit-sharing liability and expense using a method that takes into account the profit attributable to the Company's employees after certain adjustments. A provision is recognized when the Company has a contractual obligation or a past event that has created a constructive obligation.

4.3.12 Capital

Common shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity, net of any tax effects.

4.3.13 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of electricity in the ordinary course of the Company's activities. Revenue is stated net of tax, returns, rebates and discounts and after eliminating intercompany sales.

The Company recognizes revenue when its amount can be reliably estimated, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities, as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the sale specifics.

(a) Electricity Sales

Revenue on electricity sales is recognized by a measurement equal to the volume of energy transferred to the client and estimates to measure the energy delivered, but does not yet take into account the measurements prior to closing the financial year. Revenue derives from electricity supply agreements, including a fixed monthly amount and variable amount according to the demand required by the National Electric System Operator – ONS.

(b) Financial revenue

Interest income is recognized on the accrual basis, using the effective interest method. When an impairment loss in respect of an accounts receivable is identified, the Company reduces its carrying amount to its recoverable value, which is the estimated future cash flow discounted at the instrument's original effective interest rate. Subsequently, as time goes by, interest is incorporated into receivables against interest income. This interest income is calculated at the same effective interest rate used to determine the recoverable amount, i.e., the original rate of the instrument.

4.3.14 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made for operating leases (net of any incentives receipt from the leaser) are recognized in the income statement by the straight-line method during the lease period.

4.3.15 Distribution of dividends and interest on shareholders' equity

Dividends and interest on shareholders' equity paid to the Company's stockholders are recognized as a liability in the Company's financial statements at the end of the year, pursuant to the Company's bylaws. Any amount in excess of the mandatory minimum is only provisioned for on the date they are approved by the shareholders at the Board of Directors meeting.

The tax incentive for interest on shareholders' equity is recognized in profit or loss.

4.3.16 Fuel Usage Quota Subsidy – CCC

This subsidy aims to cover part of the expensive cost of generating electricity in insulated systems, whose funds derive from the Fuel Consumption Account (CCC).
This denotes revenue from the subsidy received for fuel ordered or paid for via the CCC.

4.3.17 New standards and interpretations of standards that are not yet effective

The following new standards and interpretations have been issued by the IASB but are not in force for FY 2014. Whilst encouraged by the IASB, the early adoption of standards in Brazil is not permitted by the Accounting Pronouncements Committee (CPC).

IFRS 9 - "Financial Instruments" - addresses the classification, measurement and recognition of financial assets and liabilities. IFRS 9 was issued in November 2009 and October 2010, it replaces sections of IAS 39 relating to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two categories: measured at fair value and measured at amortized cost. This determination is made upon initial recognition. The classification depends on the entity's business model and the contractual cash flows from financial instruments. In respect of financial liabilities, the standard maintains most of the requirements established by IAS 39. The main change applies to cases where the fair value option is adopted for financial liabilities, the portion of change of the fair value due to the entity's credit risk is recorded in other comprehensive income instead of the profit or loss, except when this results in an accounting mismatch The Group is evaluating the overall impact of IFRS 9. The standard is applicable from January 01, 2018.

IFRS 15 - "Revenue from Contracts with Customers" specifies how and when an IFRS reporter will recognize and measure revenue. It came into force on January 01, 2017 and replaced IAS 11 - Construction Contracts and IAS 18 Revenue. Management in evaluating the impacts of its adoption.

There were no other IFRS standards or IFRIC interpretations that have not yet come into force which could have a significant impact on the Company.

5. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5.1 Critical Accounting Estimates and Assumptions

Based on assumptions, the company makes estimates concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below.

(a) Impairment of noncurrent assets

The Company conducts impairment tests on property, plant and equipment, intangible assets and deferred income and social contribution taxes, in accordance with the accounting policies described in Note 4.5.10. The recoverable values of Cash Generating Units (UGCs) were determined based on calculations of the value in use using assumptions and estimates primarily relying on studies of the regulated electricity trading market. These functions and estimates were discussed with the operational managers and were revised and approved by Management.

(b) Fair value of derivatives and the options (share-based remuneration)

The fair value of financial instruments that are not traded in active markets is determined by using valuation techniques. The Company uses its judgement to choose several methods and to determine the assumptions that primarily are based on the market conditions in force at the reporting date. The Group used a specific method to calculate the fair value of derivatives and options awarded, instruments which are not traded in active markets.

6. Cash and Cash Equivalents

		Parent Company		Consolidated	
		31 December 2014	December 31 2013	31 December 2014	December 31 2013
Cash and bank deposits		4,055	396	44,229	16,493
Fundo de Investimento FICFI RF CP Eneva	(a)	68,447	109,647	85,084	202,444
CDB	(b)		113	28,006	58,645
		72,502	110,156	157,318	277,582

(a)Substantially consist of quotas in investment funds, of high liquidity, readily convertible into a known amount of cash, regardless of asset maturity, and are subject to an insignificant risk of a change in value. This is a share investment fund FI Multimercado Crédito Privado FICFI RF CP Eneva administrated by Banco Itaú, whose portfolio primarily consists of Bank Deposit Certificates - CDBs and securities subject to repurchase agreements issued by first-rate financial institutions and companies, all linked to floating rates and with an average yield of 100.89% (nominal rate on the curve) of the DI CETIP rate (Interbank Deposit Certificate - CDI). Securities held under repurchase agreements underlied by debentures represent purchase and sale commitments, registered at CETIP or SELIC, when applicable, and with guarantee of repurchase at a previously established rate from the financial institutions. 100% of the portfolio consists of securities held under repurchase agreements as of December 31, 2014.

Existing funds are essentially used for investment in Capex, and to pay for administrative and operational activities.

(b) Amounts invested in CDBs issued by first-rate financial institutions. The companies that hold these amounts are the subsidiaries Pecém II Geração de Energia S.A. and Itaqui Geração de Energia S.A.

The exclusive funds are regularly reviewed/audited by independent auditors and are subject to constraints on the payment of services rendered by the asset manager, attributed to operating investments, such as custody and audits fees and other expenses. There are no material financial obligations or company assets to guarantee these obligations.

7. Secured deposits

		Parent Company		Consolidated	
		31 December 2014	December 31 2013	31 December 2014	December 31 2013
BNDES - Porto do Pecém		41	38	41	38
BNDES/BNB - Itaqui	**(a)**	-	-	37,423	64,811
BNDES/BNB - Pecém II	**(b)**	-	-	-	19,682

BNDES - Parnaíba	**(c)**	-	-	24,648	34,044
Other		-	-	-	69
		41	38	62,111	118,644
Current		**41**	**38**	**41**	**38**
Noncurrent		**-**	**-**	**62,070**	**118,606**

(a)Refers to the debt service reserve accounts linked to the financing agreement between the subsidiary Itaqui Geração de Energia S.A , BNB-Banco do Nordeste do Brasil S.A. and BNDES.

(b) Refers to the debt service reserve accounts linked to the financing agreement between BNDES and the subsidiary UTE Parnaíba Geração de Energia S.A. As part of the set of measures to bolster Eneva's capital structure (In judicial reorganization), Pecém II Geração de Energia S.A. was partly classified as available-for-sale and from the 2nd quarter of 2014 stopped being consolidated (see the description in note 12).

(c)Refers to the debt service reserve accounts linked to the financing agreement between BNDES and the subsidiary Parnaíba Geração de Energia S.A.

8. Accounts receivable and fuel consumption account

		Consolidated	
		2014	**2013**
Amapari Energia S.A.	(a)	-	40,273
Itaqui Geração de Energia S.A.	(b)	86,295	85,026
Parnaíba Geração de Energia S.A.	(b)	136,677	110,113
Parnaíba II Geração de Energia S.A.	(b)	81,876	-
Pecém II Geração de Energia S.A.	(b)	-	89,786
		304,848	**325,198**
Current		**-**	**325,198**
Noncurrent		**-**	**-**

(a) Amapari's accounts receivable consists of three groups: 1) Energy sales to Zamin Ferrous S.A, made in 2014 and amounting to R$ 28,003; 2) CCC subsidy receivable- taxes to Eletrobrás amounting to R$ 9,101; and 3) Reimbursement of CCC fuel in the period November 2008 to May 2009.

Due to the worsening of the financial and economic situation of its only client, with the suspended payment of sales invoices, which led to a shutdown of its operations and contractual termination, dated 11/21/2014, and due to its default, an enforcement proceeding was filed in order to claim the credits described in item (1). As a result of this, provisions were made for all of these amounts in FY 2014. As regards item (2) due to the poor prospects for receiving these amounts, as stated in the innumerous correspondences sent to Eletrobrás, it was also decided to provision for the amounts.
A provision was made for item (3) in FY 2013, as this right is subject to a proceeding filed by the company against ANEEL, and if it is ruled misplaced collection proceedings s will be filed against Zamin, due to the clause in the energy supply agreement triggered by economic and financial disequilibrium.

(a) The balance denotes the accounts receivable of the subsidiaries Itaqui Geração de Energia S.A under the electricity purchase contract in a regulated environment (CCEAR), signed with ANEEL, of R$ 86,295 (R$ 85,026 as of December 31, 2013) and Parnaíba Geração de Energia S.A. R$ 136,677 (R$ 110,113 as of December 31, 2013), also under the CCEAR with ANEEL. The subsidiary Parnaíba II Geração de Energia R$ 81,876 referring to the sale of energy in the free market. As part of the set of measures to bolster Eneva's capital structure (In judicial reorganization), Pecém II Geração de Energia S.A. was partly sold and merged into Pecém II Participações and from the 2nd quarter of 2014 stopped being consolidated (see the description in note 12). and Parnaíba II Geração de Energia S.A.

Accounts receivable accounts for 4.16% and the Company did not provision for receivables rated as a remote risk of loss.

9. Inventories

		Consolidated	
		2014	2013
Diesel oil/lubricant	(a)	6,909	12,685
Coal	(b)	61,209	49,070
Electronic and mechanical parts	(c)	31,067	16,621
		99,185	**78,376**

(a) The balance consists of the reservoirs of diesel oil and lubricating oil used as consumables in electricity generation by the subsidiaries Amapari Energia S.A.(R$ 4,249) and Itaqui Geração de Energia S.A. (R$ 2,660). The subsidiary Amapari Energia S.A. has a contractual acquisition obligation ("take or pay") towards BR Distribuidora S.A., to require a minimum 3,600 m³ of diesel oil a month, for a fixed price or to pay for this even if it is not taken. If the obligation is exercised, this results in the acquisition of the diesel oil used as a consumable by the Company. The Company recorded a provision under trade payables for the difference between the amount required and the minimum mandatory amount under the contract, charged to inventory. The balance for this provision as of December 31, 2014 is R$ 3,615 (R$ 8,481 as of December 31, 2013). This provision is restated semi-annually as specified in the diesel oil supply contract. The new agreement establishes a consumption commitment and acknowledgement of 17,000 m³ which consists of the remaining portion to be consumed.

(b)The balance consists of the inventory of coal used as consumables in electricity generation by the subsidiary Itaqui Geração de Energia S.A. (R$ 61,209). The coal was acquired for the operation and to establish a security inventory at the plant, with a view to the commercial operations.

(c)The balance consists of electronic and mechanical parts for use and replacement in the maintenance operations carried out by the subsidiaries: Amapari Energia S.A. (R$ 3,356), Itaqui Geração de Energia S.A. (R$ 16,518), Parnaíba Geração de Energia S.A. (R$ 7,479) and Parnaíba II Geração de Energia S.A. (R$ 3,714).

10. Recoverable and deferred taxes

The balance of recoverable taxes is as follows:

		Parent Company		Consolidated	
		31 December 2014	December 31 2013	31 December 2014	December 31 2013
Income tax withheld at source	(b)	2,815	3,533	8,206	12,161
Prepaid income tax		-	-	5,080	3,687
Prepaid social contributions		-	-	1,756	2,857
Prepaid social contributions - previous year	(a)	462	462	2,562	464
Income tax withheld at source - previous year	(b)	35,242	13,948	37,507	14,539
Income tax withheld at source - loan		6,695	13,728	7,342	13,727
ICMS		-	-	254	1,994
PIS		47	-	866	1,727
COFINS		216	1	3,975	7,956
Other		15	1,244	2,381	3,153
		45,492	**32,916**	**69,929**	**62,265**
Current		**12,255**	**25,701**	**32,354**	**47,651**
Noncurrent		**33,237**	**7,215**	**37,575**	**14,614**

(a) Refers to income and social contribution taxes prepaid in the course of the year and previous years, which will be offset against the income and social contribution taxes determined on the taxable income.

(b) The balance of income tax withheld at source refers to amounts withheld on interest-earning bank deposits and related-party loans. These balances will be offset against the income and social contribution taxes payable.

Deferred taxes

Deferred income and social contribution taxes reflect future tax effects attributable to temporary differences between the tax bases of assets and liabilities and their carrying values.

The deferred tax was maintained at the subsidiaries due to the expectations of generating future taxable income, determined by a technical valuation approved by Management. The carrying value of the deferred tax asset is reviewed periodically and the projections are reviewed annually. If there are significant factors that change the projections, they are also reviewed by the Company during the year.
The Company and its subsidiaries adopted the Transitional Taxation Scheme (RTT) so that the amendments introduced by Law 11638 of December 28, 2007 and articles 37 and 38 of Law 11941 of 2009, which changed the procedure for recognizing revenue, costs and expenses used to calculate the net income for the year defined in art. 191 of Law 6404 of December 15, 1976, do not affect the calculation of the taxable income and social contribution calculation base of companies that opt for the Transitional Taxation Scheme – RTT. For tax purposes the accounting methods and criteria in force at December 31, 2007 should be used.

Law 12973 was published on May 13, 2014 which revoked the Transitional Taxation Scheme - RTT introduced by Law 11941 on May 27, 2009. This law changes the federal tax legislation regarding corporate income tax - IRPJ, the social contribution on net income - CSLL, PIS/Pasep and Cofins in 2014 for the companies opting to elect the provisions of this law. In 2014 the companies of Eneva S.A. - In judicial reorganization will not opt for this law, the adoption of which is only mandatory from January 2015.

The Company and its subsidiaries will not elect the option provided in MP 12,973, and we believe it will not make any fiscal amendment to be adjusted in the financial statements.

The origin of the deferred income and social contribution taxes is presented below:

	Consolidated	
	31 December 2014	December 31 2013
Noncurrent deferred charges		
Tax loss carryforwards and negative tax base	219,713	302,327
	219,713	302,327
Noncurrent deferred liabilities		
Temporary differences - RTT	10,978	9,591

Breakdown of deferred tax by company:

	31 December 2014	December 31 2013
Parent Company		
Pecém II	-	85,708
Itaqui	192,127	192,127
Amapari	-	1,783
Parnaíba	12,009	14,006
Parnaíba II	15,577	8,703
Tax loss carryforwards and negative tax base	**219,713**	**302,327**

As of December 31, 2014 the taxes calculated on the adjusted net income consisted of IRPJ (rate of 15% and surcharge of 10%) and CSLL (rate of 9%). The reconciliation between the tax expense as calculated by the combined statutory rates and the income and social contribution tax expense charged to net income is presented below:

	December 31, 2014	
	Parent Company	Consolidated
Net income for the period before IRPJ/CSLL	(1,507,182)	(1,667,656)
Statutory rate - %	34%	34%
IRPJ/CSLL at the nominal rate	(512,442)	(567,003)
Equity in income of subsidiaries	220,462	
Permanent differences	(7,254)	(6,749)
Tax asset not recorded (*)	299,234	574,755
Income tax and social contribution expense, current		1,238
Deferred income and social contribution taxes		(235
Total tax		1,003
Effective rate - %	0.00%	(0.06%)

(*) Refers essentially to (i) the portion of deferred taxes of subsidiaries which was not recorded, due to the uncertainty surrounding the valuation thereof.

	December 31, 2013	
	Parent Company	Consolidated
Net income for the period before IRPJ/CSLL	(828,055)	(933,269)
Statutory rate - %	34	34
IRPJ/CSLL at the nominal rate	(281,539)	(317,311)
Tax asset not recorded (*)	117,405	40,211
Provision for impairment of tax credit (a)	114,400	114,400
Permanent differences	164,134	173,853
Income tax and social contribution expense, current		3,744
Deferred income and social contribution taxes	114,400	7,408
Total tax	114,400	11,152
Effective rate - %	(13.82%)	(1.19%)

(*) Refers essentially to (i) the portion of deferred taxes of subsidiaries which was not recorded, due to the uncertainty surrounding the valuation thereof.

Based on the estimated generation of future taxable earnings, by way of its subsidiaries the Company expects to recover these tax credits from FY 2015 onwards, as shown below:

	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Expected annual realization of deferred taxes	14,569	16,696	17,347	16,124	27,490	40,822	30,818	39,524	5,346	208,735

The expected recoverability of the tax credits is based on the projection of future taxable income taking into consideration business and financial assumptions at year end. Accordingly, these estimates may differ from the effective taxable income in the future due to the inherent uncertainties involving these estimates.

11. Capital expenditure

(a) Breakdown of balances

	Parent Company		Consolidated	
	2014	2013	2014	2013
Equity interests	2,228,044	3,130,881	733,831	941,758
Future acquisition of investment	95	95	95	95
	2,228,139	**3,130,978**	**733,927**	**941,853**

(b) Equity interests

The Company's equity interests include the subsidiaries, joint ventures and associates. The balances of the main account groups of equity interests as of December 31, 2014 and December 31, 2013 are:

							December 31, 2014
Equity interests	**Equity interest in %**	**Current assets**	**Noncurrent assets**	**Current liabilities**	**Noncurrent liabilities**	**Shareholders' equity**	**Net income**
Itaqui Geração de Energia S.A.	100.00%	212,967	2,453,975	256,743	1,541,097	1,288,716	(419,614)
Amapari Energia S.A.	51.00%	25,647	443	28,153	1,165	(3,228)	(102,877)
UTE Porto do Açú Energia S.A.	50.00%	1,040	45,283	6	2,316	44,001	(3,016)
Seival Sul Mineração Ltda.	30.00%	471	4,863	-	20	5,314	(739)
Sul Geração de Energia Ltda.	50.00%	65	13,923	-	840	13,147	(69)
Termopantanal Participações Ltda.	66.67%	9	400	1	2,726	(2,318)	(5)
Parnaíba I Geração de Energia S.A	70.00%	206,354	1,179,035	199,311	715,373	470,705	35,961
Porto do Pecém Transportadora de Minérios S.A.	50.00%	2,941	186	550	-	2,577	1,679
OGMP Transporte Aérieo Ltda.	50.00%	399	118	4	-	513	15
PO&M - Pecém Operação e Manutenção de Unidades de Geração Elétrica S.A.	50.00%	2,976	1,413	1,396	2,641	352	(63)
Seival Participações S.A.	50.00%	13	63,120	1	23,639	39,494	(67)
Parnaíba II Geração de Energia S.A.	100.00%	113,192	1,267,631	906,644	11,912	462,268	(13,797)
ENEVA Participações S.A. - In judicial reorganization	50.00%	65,981	355,518	72,824	126,722	221,953	(62,416)
Açú II Geração de Energia S.A.	50.00%	28	5,229	6	579	4,672	10
Parnaíba Participações S.A.	50.00%	107,864	651,878	177,202	326,953	255,586	(16,651)
Pecém II Participações S.A	50.00%	2,420	753,917	2,735	-	753,601	(44,614)

ENEVA Investimentos S.A.	99.99%	2	-	-	11	(9)	-
ENEVA Desenvolvimento S.A.	99.99%	6	166	10	502	(189)	(151)
Tauá II Geração de Energia Ltda.	100.00%	8	477	-	44	442	(239)
MABE Construção e Administração de Projetos Ltda.	50.00%	40,456	50,136	64,547	25,998	47	(32,256)

Equity interests	Equity interest in %	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Shareholders' equity	December 31, 2013 Net income
Porto do Pecém Geração de Energia S.A.	50.00%	290,867	3,906,638	548,838	2,487,934	1,160,732	(282,342)
Pecém II Geração de Energia S.A.	100.00%	170,228	2,029,084	221,660	1,346,518	631,134	(46,331)
Itaqui Geração de Energia S.A.	100.00%	153,100	2,924,724	285,496	1,724,724	1,067,603	(250,736)
Amapari Energia S.A.	51.00%	62,105	69,205	31,608	52	99,649	(3,619)
UTE Porto do Açú Energia S.A.	50.00%	7,341	51,248	6,064	3,124	49,402	(4,296)
Seival Sul Mineração Ltda.	70.00%	477	4,840	-	22	5,295	(792)
Sul Geração de Energia Ltda.	50.00%	29	13,947	8	832	13,136	(521)
Termopantanal Participações Ltda.	66.67%	9	400	(4)	2,726	(2,313)	(2)
Parnaíba I Geração de Energia Ltda.	70.00%	158,288	1,264,731	265,826	768,997	388,195	152
Porto do Pecém Transportadora de Minérios S.A.	50.00%	1,274	98	474	-	899	222
OGMP Transporte Aérieo Ltda.	50.00%	368	130	-	-	498	410
PO&M - Pecém Operação e Manutenção de Geração Elétrica S.A.	50.00%	3,263	-	491	2,357	415	(324)
Seival Participações S.A.	50.00%	30	61,695	6	22,469	39,251	(624)
Parnaíba II Geração de Energia S.A.	100.00%	62,301	1,163,940	594,757	303,322	328,163	(16,806)
Eneva Participações S.A. - In judicial reorganization	50.00%	116,364	388,463	203,084	44,480	257,263	(26,952)
Açú II Geração de Energia S.A.	50.00%	259	4,782	12	367	4,662	(4)
Parnaíba Participações S.A.	50.00%	200,833	399,256	233,955	85,464	206,788	14,076
Parnaíba V Geração de Energia S.A	99.99%	9	-	1	108	(100)	(111)
Parnaíba Gas Natural S.A.	33.33%	258,196	1,100,395	1,134,315	68,572	155,704	12,640
Eneva Investimentos S.A.	99.99%	2	-	-	11	(9)	(12)
Eneva Desenvolvimento S.A.	99.99%	8	303	10	490	(189)	(201)
Tauá II Geração de Energia Ltda.	100.00%	64	69	(506)	44	596	(230)
MABE Construção e Administração de Projetos Ltda.	50.00%	55,866	48,871	69,331	35,378	28	(94,169)

The balance of investments breaks down as follows:

		Parent Company		Consolidated	
Capital expenditure		**12/31/2014**	**12/31/2013**	**12/31/2014**	**12/31/2013**
Porto do Pecém Geração de Energia S.A.	(e)	-	580,367	(123)	580,240
Pecém II Geração de Energia S.A.	(c)	-	631,135	-	-
Itaqui Geração de Energia S.A.		859,102	979,903	-	-
Goodwill based on future profits		15,470	15,001	-	-
Amortization of Goodwill based on future earnings		(980)		-	
Amapari Energia S.A.	(a)	-	50,821		-
UTE Porto do Açu Energia S.A.		21,271	24,701	13,957	17,386
Seival Sul Mineração Ltda.		1,594	3,707	1,275	-
Sul Geração de Energia Ltda.		6,573	6,569	6,573	6,249
Porto do Pecém Transportadora de Minérios S.A.		1,288	449	1,288	449
Parnaíba Gás Natural S.A.	(b)	95,889	51,899	95,889	51,899
Tauá II Geração de Energia Ltda.		442	-	442	-
Parnaíba I Geração de Energia S.A.		197,844	172,637	-	-
OGMP Transporte Aéreo Ltda.		258	277	258	277
Pecém Operação e Manutenção de Unidades de Geração Elétrica S.A. - PO&M		176	207	176	207

Seival Participações S.A.		19,727	19,625	19,727	19,625
Açú II Geração de Energia S.A.		2,336	2,331	2,336	2,331
Eneva Participações S.A. - In judicial reorganization		67,101	97,685	67,101	97,685
Parnaíba II Geração de Energia S.A.		415,018	328,162	-	-
Pecém II Participações	(c)	367,909	-	367,909	-
Parnaíba Geração e Comercialização de Energia S.A.		-		-	-
Parnaíba Participações S.A.		95,003	103,393	95,003	103,393
Eneva Investimentos S.A.		-	-	-	-
Subscription premium		62,000	62,000	62,000	62,000
MABE do Brasil		21	14	23	14
Future acquisition of investment		95	95	95	95
MPX Chile Holding Ltda.	(d)	-		-	
		2,228,139	**3,130,977**	**733,927**	**941,853**

(a) As of December 31, 2014 the balance of the investment with the subsidiaries ENEVA Desenvolvimento S.A., Amapari Energia S.A. and Termopantanal Participações Ltda. was classified under unsecured liabilities in the noncurrent liabilities, due to the fact these companies had negative equity.

(b) On October 30, 2013 the EGM approved the change of the associated company's name from OGX Maranhão Petróleo e Gás S.A. to Parnaíba Gás Natural S.A. A capital increase of R$ 250 million was concluded on February 19, 2014 at the associate Parnaíba Gás Natural S.A. The increase was fully subscribed and paid in by Cambuhy and E.ON, as announced in the press release in October 2013. As a result of the capital increase, the interest held by ENEVA S.A. dropped from 33.33% to 18.18%.

(c) On May 12, 2014 Eneva S.A. issued a press release announcing its intention to sell between 50% and 100% of the shares issued by its subsidiary Pecém II Geração de Energia S.A., via a competition process participated in by potential stakeholders. E.ON undertook to award a backstop guarantee, subject to certain conditions, which will incorporate indirectly up to 50% of the total shares issued by Pecém II., and an intercompany loan awarded by Eneva - In judicial reorganization to Pecém II, via a specific purpose entity, which will have E.ON and ENEVA as shareholders.

As a result of the partial sale of Pecém II, ENEVA In judicial reorganization received approximately R$ 408 million for 50% of the shares issued by Pecém II and the assignment of part of the credits related to an intercompany loan originally awarded by ENEVA In judicial reorganization to Pecém II. The amounts involved in this transaction can be seen in the table below:

	Equity interest (50%)	Intercompany loan (50%)	Sale price	Gain on sale
Pecém II	303,913	75,000	408,000	29,087

Following the completion of the partial sale of Pecém II, ENEVA In judicial reorganization and E.ON became shareholders, each with a 50% interest, of a specific purpose entity, which holds all of the shares issued by Pecém II.

Under the transaction, the parties awarded call options for the remaining 50% of Pecém II.

Pecém II was fully consolidated until May 31, 2014. it stopped being consolidated on June 30, 2014, and began to be recognized via equity income.

(d) On December 09, 2014 MPX Chile Holding sold its equity interest in CGX Castilla Generación S.A., thereby transferring this entity's share control to two subsidiaries of EBX Holding Ltda (REX Inversiones S.A. and REX Inversiones II S.A.). After the sale had gone through, Eneva S.A. opted to write off the balance of the investment in MPX Chile Holding Ltda. This sale generated a loss of R$ 4 million.

(e) On December 09, 2014 Eneva S.A.- In judicial reorganization published a press release announcing the sale of the Company's entire interest in its subsidiary Porto do Pecém Geração de Energia S.A. to EDP – Energias do Brasil S.A., as described in Note 12.

See below the breakdown of the minority interest in the equity and net income of investees.

The balance of investments breaks down as follows:

				Attributed to minority interests	
Capital expenditure	Interest	Shareholders' equity	Net income	Equity liquid	Net income
Amapari Energia S.A.	51%	(3,228)	(102,877)	(1,582)	(50,410)
Parnaíba I Geração de Energia	70%	470,705	35,961	141,211	10,788
Termopantanal Participações	67%	(2,318)	(5)	(772)	(2)
Total				**138,857**	**(39,624)**

(c) Change in investment

	%	Balance at 12/31/2013	Capital subscription	Equity income	Net income from Discontinued Operations	Loss on the sale of investments	Capital reduction	Exchange Variance	Equity Appraisal Adjustment	Adjustment in equity interest	Amortization	Balance at 12/31/2014
Porto do Pecém Geração de Energia S.A.	50.00%	580,366		-	(116,314)	(469,300)	-		5,248			(0)
Pecém II Geração de Energia S.A.	100.00%	631,134		(23,308)						(303,913)		0
Itaqui Geração de Energia S.A.	100.00%	979,903	298,700	(419,501)								859,102
Goodwill based on future profits		15,470		-								15,470
Amortization of Goodwill based on future earnings		(469)									(511)	(980)
UTE Porto do Açu Energia S.A.	50.00%	24,701	1,578	(1,508)			(3,500)					21,271
Seival Sul Mineração Ltda.	70.00%	3,706	531	(2,643)								1,594
Sul Geração de Energia Ltda.	50.00%	6,568	40	(35)								6,573
Porto do Pecém Transportadora de Minérios S.A.	50.00%	449		839								1,288
Parnaíba Gás Natural S.A.	33.30%	51,899		43,990								95,889
Tauá II Geração de Energia Ltda.	100.00%	-		442								442
Parnaíba I Geração de Energia S.A.	70.00%	172,637		25,207								197,844
OGMP Transporte Aereo	50.00%	277	150	9			(178)					258
Pecém Operação e Manutenção de Unidades de Geração Elétrica S.A. - PO&M	50.00%	207		(31)								176
Seival Participações S.A.	99.90%	19,625	135	(33)								19,727
Açú II Geração de Energia S.A.	50.00%	2,331		5								2,336
Eneva Participações S.A. - In judicial reorganization	50.00%	97,685		(30,566)				(1,107)	1,089			67,101
Subscription Premium		62,000										62,000

Parnaíba Participações S.A.	50.00%	103,394		(8,391)								95,003
Pecém II Participações	50.00%		86,303	(22,307)						303,913		367,909
MABE do Brasil	50.00%	14		6								20
Eneva Investimentos S.A.	99.99%	-		-								-
Parnaíba II Geração de Energia S.A.	100.00%	328,163	100,000	(13,145)								415,018
Future acquisition of investment		95										95
MPX Chile Holding Ltda.	50.00%	-	2,878			(2,878)						-
		3,080,157	490,315	(450,970)	(116,314)	(472,178)	(3,678)	(1,107)	6,338	-	(511)	2,228,139

												Parent Company
												2013
Investment	**%**	**Balance at 31 December 2012**	**Paid in Capital**	**Equity income**	**Gain on Increase of participation**	**Decrease Capital**	**Change cambial**	**Adjustment of EVALUATION adjustments**	**Spin-off**	**Amortization**	**Balance at 31 December 2013**
Porto do Pecém Geração de Energia S.A.	50.00	611,561	98,600	(141,171)				11,379			580,366
Pecém II Geração de Energia S.A.	100.00	449,104	227,400	(46,331)	961						631,134
Itaqui Geração de Energia S.A.	100.00	551,549	694,560	(250,736)						(469)	994,904
Amapari Energia S.A.	51.00	52,872		(2,051)							50,821
Porto do Açu Energia S.A.	50.00	27,251	4,850	(7,400)							24,701
Seival Sul Mineração Ltda.	70.00	3,511	750	(554)							3,707
Sul Geração de Energia Ltda.	50.00	6,599	230	(261)							6,568
Porto do Pecém Transportadora de Minérios S.A.	50.00	338	-	111							449
Parnaíba Gás Natural S.A.	33.30	31,861	15,825	4,213							51,899
Parnaíba Geração de Energia S.A.*	70.00	231,101	33,600	106					(92,170)		172,637
OGMP Transporte Aereo	50.00	6,823	250	205		(7,000)					278
Pecém Operação e Manutenção de Unidades de Geração S.A.											
Geração Elétrica S.A. - PO&M	50.00	367		(162)							207
Seival Participações S.A.	99.90	19,365	573	(312)							19,626
Açu II Energia S.A.	50.00	2,133	200	(2)							2,331
ENEVA Participações S.A.	50.00	128,406		(15,074)			267		46,085		159,685
Parnaíba Participações S.A.	50.00	6,917	43.355	7,036					46,085		103,393
Parnaíba V Geração de Energia S.A.	99.99	1	(1)								0
MABE do Brasil	50.00		14								14
Eneva Tauá II Energia Solar Ltda.	100.00										
Eneva - In judicial reorganization	%	1	(1)								0
ENEVA Investimentos S.A.	99.99										
Parnaíba II Geração de Energia S.A.	100.00	85,254	259,715	(16,806)							328,163
Future acquisition of investment		95									95
		2,215,107	1,379,922	(469,189)	961	(7,000)	267	11,379	-	(469)	3,130,978

(*) Denotes the effect of transferring the turbine from Parnaíba I to Parnaíba III.

12. Available-for-sale assets and Discontinued operations

On December 09, 2014 Eneva S.A.- In judicial reorganization published a press release announcing the sale of the Company's entire interest in its subsidiary Porto do Pecém Geração de Energia S.A. to EDP – Energias do Brasil S.A..

The sale consists of the payment of R$ 300 million for the 50% equity interest in the share capital of Porto do Pecém, for the shares held by Eneva - In judicial reorganization at this date, and the future capitalization of credits originally awarded by Eneva - In judicial reorganization to Porto do Pecém, for the total of R$ 391 million, to be made upon closure of the transaction.

The sale shall only be made after precedent conditions have been met, including approval by the Administrative Council for Economic Defense – CADE.

As a result of this, on December 31, 2014 we classified the amount recorded under investments, loans extended and credits referring to energy and coal purchases to current assets, under assets held for trading. This classification was evaluated and ratified in accordance with CPC 31 - Non-current Assets Held for Sale and Discontinued Operations. The current assets - held-for-trading was recorded at fair value of the transaction (R$ 300 million) and the variance generated by the discrepancy between the book value and the fair value of these assets was recorded in profit or loss for the year, and are presented as discontinued operations.

The effects generated by this discontinued operation in FY 2014 are the following:

Table of discontinued operations

	2014 Equity income	Carrying amount of assets(*)	Realization value	Loss on the sale of discontinued operations
Porto do Pecém	(116,314)	860,665	300,000	(560,665)

(*) The carrying amount of the assets involved in this sale consists of: (i) Equity interest (50%), amounting to R$ 469 million; (ii) Credits denoting the purchase of coal and energy amounting to R$ 210 million and (iii) Loan credits of R$ 181 million. As stated contractually, these assets shall be considered upon settlement of the operation.

These funds will be used to bolster the Company's cash position and therefore enable the advancement of the measures necessary to adjust its capital structure, whilst preserving its interests and those of its stakeholders.

13. Property, plant and equipment.

(a) Breakdown of balances

Consolidated

PP&E in service

Dec-14

		Land	Buildings, Civil Works and Improvements	Machinery and Equipment	IT Equipment	Vehicles	Furniture and Fixtures	PP&E in progress	Impairment	Total
Depreciation rate % p.a.			4	7	17	20	10			
Cost										
Balance at	12/31/2013	7,845	2,119,535	1,701,700	4,880	1,694	8,226	1,191,727	-	5,035,606
Balance at	12/31/2013	7,845	2,119,535	1,701,700	4,880	1,694	8,226	1,191,727	-	5,035,606
Additions		167	548	34,084	923	125	988	41,293	-	78,128
Write-offs		-	-	(13)	-	(237)	(1)	(2,001)	(444,221)	(446,474)
Transfers		(167)	588,096	604,118	9	-	8	(1,192,051)	-	12
Balance at	12/31/2014	7,845	2,708,179	2,339,889	5,812	1,582	9,221	38,968	(444,221)	4,667,272
Depreciation										
Balance at	12/31/2013	-	(58,240)	(73,929)	(1,620)	(591)	(2,198)	-	-	(136,576)
Balance at	12/31/2013	-	(58,240)	(73,929)	(1,620)	(591)	(2,198)	-	-	(136,576)
Additions		-	(61,454)	(68,737)	(329)	(324)	(848)	-	-	(131,692)
Write-offs		-	-	-	-	191	-	-	24,274	24,465
Transfers		-	-	-	-	-	-	-	-	-
Balance at	12/31/2014	-	(119,694)	(142,666)	(1,949)	(724)	(3,046)	-	24,274	(243,805)
Carrying Amount										
Balance at	12/31/2013	7,845	2,061,295	1,627,771	3,260	1,103	6,028	1,191,727	-	4,899,030
Balance at	12/31/2014	7,845	2,588,485	2,197,223	3,863	858	6,175	38,968	(419,947)	4,423,467

2013

	Land	Buildings, civil works and improvements	Machinery and equipment	IT equipment	Vehicles	Furnitures and fixtures	Gas pipeline	Provision for impairment loss	Dismantling cost	Property, plant and equipment in progress	Spin-off	Total
Depreciation rate % p.a.		4	7	17	20	10						
Cost												
Balance at December 31, 2012	3,113	18,471	75,162	4,586	1,294	6,269	12,169	(12,169)	3,993	5,478,044		5,590,931
Balance at December 31, 2012	3,113	18,471	75,162	4,586	1,294	6,269	12,169	(12,169)	3,993	5,478,044		5,590,931
Additions		40,522	33,767	485	584	1,865			(39)	1,441,983	(124,118)	1,395,050
Write-offs		(7,742)	(1,241)	(3)	(120)	(54)						(9,160)
Transfers	4,732	3,107,904	2,491,383	35		354				(5,603,522)		885
Balance at December 31, 2013	7,845	3,159,154	2,599,071	5,104	1,757	8,434	12,169	(12,169)	3,954	1,316,505	(124,118)	6,977,706

Depreciation												
Balance at December 31, 2012		(1,496)	(15,826)	(1,280)	(434)	(1,500)						(20,535)
Balance at December 31, 2012		(1,496)	(15,826)	(1,280)	(434)	(1,500)						(20,535)
Additions		(67,470)	(69,376)	(432)	(307)	(749)						(138,335)
Write-offs		518			93	6						616
Transfers												
Balance at December 31, 2013		(68,448)	(85,202)	(1,712)	(649)	(2,243)						(158,254)
Carrying amount												
Balance at December 31, 2012	3,113	16,975	59,336	3,306	860	4,769	12,169	(12,169)	3,993	5,478,044		5,570,399
Balance at December 31, 2013	7,845	3,090,707	2,513,869	3,392	1,109	6,190	12,169	(12,169)	3,954	1,316,505	(124,118	6,819,454

Machinery and equipment

Basically relates to the UTEs Amapari Energia S.A., Itaqui, Parnaíba I and Parnaíba II , which come into operation in November 2008, February 2013, October 2013 and December 2014 respectively. Asset depreciation is based on the concession term and calculated by the straight line method at the rates determined by Normative Resolution 474 issued February 07, 2012 by the National Electric Energy Agency - ANEEL. For the estimated portion of the investments made and not depreciated by the end of the concession, a new depreciation or amortization rate is calculated and recorded in income monthly, so that a value equal to zero is obtained at the end of the concession.

Buildings, Civil Works and Improvements

This basically refers to the UTEs Itaqui and Parnaíba I, which came into operation in February 2013 and October 2013, respectively. Depreciation follows the same procedure and criteria described in the item Machinery and equipment.

Property, plant and equipment in progress

UTEs Parnaíba I and II signed with Duro Felguera do Brasil Desenvolvimento de Projetos Ltda. and Initec do Brasil Engenharia e Construções Ltda. respectively EPC agreements (Engineering, Procurement and Construction) in the form lump sum turn key to build the power stations.

The expenses incurred on advances made for reserves and equipment acquisitions to build the thermal power plants of the companies Itaqui Geração de Energia S.A and Parnaíba´s I and II, are transferred to the respective accounts of property, plant and equipment in service, following the approval of the declaration of commercial operation (DCO). Said subsidiary, Itaqui Geração de Energia S.A. and MABE Construção e Administração de Projetos Ltda. signed EPC agreements ("Engineering, Procurement and Construction") in the form lump sum turn key to build the power stations. As established in the respective agreements, 15% of each advance made should be withheld as a guarantee for delivery of the power station, to be disbursed in the course of FY 2013, if MABE presents bank guarantees. It should be noted that it is not known when this withheld portion of the advance will be applied in the construction of the plant. As of December 30, 2014 the total guarantees retained by said subsidiaries amount to R$ 20,945 (R$ 20,038 as of December 31, 2013) and have been recorded under the respective subsidiary's current liabilities and presented in the consolidated financial statements under "Contractual retentions".

As of December 31, 2014 the remaining balance of property, plant and equipment in progress primarily consists of the purchases in progress and the reserve property, plant and equipment of the plants.

As of December 31, 2014 the costs of consolidated loans capitalized under the property, plant and equipment in progress amounted to R$ 85,950 (2013 - R$ 117,926), as follows:

	Parnaíba I	Parnaíba II	Itaqui	Pecém II	Total
Average rate in 2013 (p.a.)	9.5%	10%	8.5%	8.5%	
Amounts capitalized in 2014	-	85,950	-	-	85,950
Amounts capitalized in 2013	6,683	72,328	13,683	25,232	117,926

Impairment

Under CPC technical pronouncement 01, the entity should test for asset impairment at least annually and calculate the recoverable value, which is determined by the largest monetary difference between the net sale value and value in use. On December 31, 2014 we accordingly recognized impairment losses for the companies Itaqui Geração de Energia S.A and Amapari Energia S.A. of R$ 358,816 and R$ 62,017 respectively.

The Cash-generating Units - CGUs are tested for impairment by the Value in Use method and projections that take into account: the estimated useful life of the set of assets comprising the UGC; assumptions and budget approved by company management and the before tax discount rate, which derives from the average weighted cost of capital method (WACC).

The company conducted an impairment test on the UGC of UTE Itaqui and Amapari via the value in use method and found impairment losses amounting to R$ 359 million and R$ 62 million, recognized in other operating expenses in the income statement for the year.

The future cash flows of the subsidiary Itaqui include:

- Itaqui:
  - Projection time of 25 years

  - Assumptions and budgets approved by company management

    - Average uptime of 85%
    - Average dispatch of 63%
    - Fixed and variable costs deriving from company's official MTP
    - Profile of the remodeled debt according to the expected renegotiations with banks

  - Before tax discount rate, deriving from the WACC methodology, with a capital structure ranging from year to year:

    - Cost of debt Kd*(1-T) of 7.2%
    - Cost of equity of 15.4%

Reporting unit	Before tax discount rate (constant currency)	Value in use	Carrying amount
UTE Itaqui	12%	2,215,717	2,574,533

The asset impairment test did not find any impairment losses in 2013.

14. Intangible assets

(a) Breakdown of balances

Consolidated

Intangible assets in service

		Dec-14					
		Computer programs and licenses	Goodwill on Acquisition of Investments	Concessions and CCEARs	Usage rights	Intangible assets In progress	Total
Amortization rate % p.a.		20			20		
Cost							
Balance at	12/31/2013	6,167	15,470	183,448	10,498	6,089	221,672
Balance at	12/31/2013	6,167	15,470	183,448	10,498	6,089	221,672
Additions		1,220		(0)	-	89	1,309
Write-offs		-		-	-	-	-
Transfers		886		-	5,281	(6,178)	(12)
Balance at	12/31/2014	8,272	15,470	183,448	15,778	-	222,969
Amortization							
Balance at	12/31/2013	(3,031)	(468)	-	(4,792)	-	(8,292)
Balance at	12/31/2013	(3,031)	(468)	-	(4,792)	-	(8,292)
Additions		(1,283)	(511)	(12,236)	(1,076)	-	(15,106)
Write-offs		-		-	-	-	-
Transfers		-		-	-	-	-
Balance at	12/31/2014	(4,314)	(980)	(12,236)	(5,868)	-	(23,397)

Carrying Amount							
Balance at	12/31/2013	3,135	15,002	183,448	5,706	6,089	213,380
Balance at	12/31/2014	3,959	14,490	171,212	9,910	-	199,572

						2013
	Computer programs and licenses	Goodwill on investments	Concessions and CCEARs	Usage rights	Intangible assets in progress	Total
Amortization rate % p.a.	20			20		
Cost						
Balance at December 31, 2012	5,215		183,448	12,900	167	201,730
Balance at December 31, 2012	5,215		183,448	12,900	167	201,730
Additions	5,224	15,470		251	270	21,214
Write-offs						
Transfers	6,613			-7,061	-436	-885
Balance at December 31, 2013	17,053	15,470	183,448	6,089		222,059
Amortization						
Balance at December 31, 2012	-1,965					-1,965
Balance at December 31, 2012	-1,965					-1,965
Additions	-6,244	-469				-6,713
Write-offs						
Transfers						
Balance at December 31, 2013	-8,209	-469				-8,677
Carrying amount						
Balance at December 31, 2012	3,251	15,470	183,448	12,861	166	215,236
Balance at December 31, 2013	8,843	15,001	183,448	6,089		213,381

(b) Goodwill on acquisition of investments

On October 14, 2008 Eneva S.A. - In judicial reorganization acquired the entire capital of Itaqui Geração de Energia S.A. from EDP Energias do Brasil S.A. in an acquisition that involved the swap of a 50% interest in Porto do Pecém Geração de Energia S.A. for said capital. This transaction generated goodwill for Eneva S.A. - In judicial reorganization of R$ 15,470, which is being presented under investments in the parent company's investment financial statements and under intangible assets in the consolidated financial statements. This goodwill is based on the expected future yield and is amortized over the term established in Ordinance authorization 177 issued May 12, 2008.

(c) Concessions and CCEARs – Parnaíba I

Parnaíba Geração de Energia S.A.

Following ANEEL approval, in September 2011 Eneva S.A entered into a 15-year concession acquisition agreement with Grupo Bertin Energia e Participações S.A. to acquire the concessions awarded by ANEEL for the thermal power plants (UTEs) MC2 João Neiva and MC2 Joinville (subsidiaries of Bertin Energia e Participações S.A), to be set up as independent energy producers. This document also determines the assignment of the energy sale agreements (CCEARs) of the UTEs to Eneva S.A.

The MC2 João Neiva and MC2 Joinville UTEs were procured at the A-5 03/2008- ANEEL auction held on December 31, 2008, which ratified the supply of an average 225 MW to each distribution company, with an authorization term of 35 years.

Eneva S.A. and its subsidiary Parnaíba Geração de Energia S.A. ("UTE Parnaíba") signed a rights and obligations assignment agreement for the concessions acquired from Grupo Bertin Energia e Participações S.A. This agreement involves the free assignment to Parnaíba of all the rights and obligations deriving from the concessions purchase agreement.

The Company did not classify this transaction as a business combination, but rather an acquisition of assets as it is acquiring intangible assets that are awarded under concession and the sale contracts.

15. Related parties

The main balances of assets and liabilities as of December 31, 2014 and December 31, 2013 related to related-party transactions, as well as the transactions that influenced the income for the period, relate to transactions between the Company and its direct and indirect subsidiaries, affiliates and key management personnel, which were conducted in accordance with the terms agreed by the parties.

(a) Controlling Shareholder

The Company's control is jointly exercised by Mr. Eike Fuhrken Batista and DD Brazil Holdings S.À.R.L (fully controlled by E.ON AG), which respectively hold 19.9% and 42.9% of the common shares.

(b) Executives

The Company is managed by a Board of Directors and an Executive Board, pursuant to the duties and powers vested by its Bylaws in accordance with corporate law.

(c) Related companies

The Company’s main affiliated companies are: EBX Holding Ltda., E.ON AG and Parnaíba Gás Natural S.A., in addition to its subsidiaries and associated companies.

As of December 31, 2014, the balances of assets, liabilities and effects on income of related-party transactions are as follows:

	Assets			
	Parent Company		Consolidated	
	2014	2013	2014	2013
Pecém II Geração de Energia S.A. (c)	200,022	324,216	200,414	-
Termopantanal Ltda. (a)	7,683	7,683	-	-
Termopantanal Ltda. (a)	(7,453)	(7,453)	-	-
Termopantanal Participações Ltda. (a)	457	457	-	-
Amapari Energia S.A.	25	-	-	-
ENEVA Solar Empreendimentos Ltda.	7	-	7	-
ENEVA Comercializadora de Energia S.A. (d)	1,199	653	1,199	14,387
Parnaíba I Geração de Energia S.A. (e)	7,054	5,159	-	-
Itaqui Geração de Energia S.A. (f)	417,226	404,621	-	-
Sul Geração de Energia S.A. (j)	243	181	243	181
UTE Porto do Açú Energia S.A. (j)	303	241	303.	241
Parnaíba II Geração de Energia S.A. (k)	5,142	2,977	-	-
ENEVA Comercializadora de Combustível Ltda. (j)	542	327	542	327
Seival Participações S.A. (j)	60	-	60	-
EBX Holding Ltda. (b)	1,134	12,542	1,134	12,542
Pecém Operação e Manutenção de Unidades de Geração Elétrica S.A. (h)	1,778	1,547	1,778	1,547
ENEVA Participações S.A. (k)	10,939	5,341	10,939	5,341
Porto do Pecém Geração de Energia S.A. (i)	-	258,749	-	260,268
ENEVA Desenvolvimento (j)	356	346	-	-
Seival Sul Mineração Ltda. (j)	10	10	-	-
Parnaíba Participações S.A. (o)	-	1,131	-	1,131
ENEVA Investimentos S.A. (j)	11	11	-	-
Pecém II Participações S.A. (k)	-	119	-	-
Tauá II Geração Energia Solar Ltda.	44	44	-	-
Parnaíba III Geração de Energia S.A. (k)	365	-	365	-
Parnaíba IV Geração de Energia S.A. (l)	76,425	14,219	76,425	14,219
Parnaíba Gás Natural S.A. (m)	61,492	204,794	62,836	206,138
MABE da Brasil (n)	12,804	11,559	12,804	11,559
Seival Geração de Energia S.A.	185	195	185	196
Advances for future capital increase for subsidiaries (g)	248,000	206,678	26,250	150
	1,046,056	**1,456,347**	**395,486**	**528,227**
Current	**-**	**-**	**-**	**-**
Noncurrent	**1,046,056**	**1,456,347**	**395,486**	**528,227**

	Liabilities			
	Parent Company		Consolidated	
	2014	2013	2014	2013
EBX Holding Ltda. (b)	2,772	2,772	2,820	2,824
ENEVA Comercializadora de Energia Ltda. (d)	27,547	81	27,547	138,478

Copelmi Mineração Ltda.	-	-	146	158
Porto do Pecém Geração de Energia S.A. (i)	-	-	1.	2,502
ENEVA Comercializadora de Combustíveis Ltda. (j)	-	-	-	-
ENEVA Participações S.A. (k)	45,887	3,919	45,887	3,919
Tauá Geração de Energia Ltda.	444	444	444	444
Porto do Pecém Transportadora de Minérios S.A.	-	-	-	70
Petra Energia S.A.(p)	-	-	91,170	80,781
Parnaíba Gás Natural S.A.(m)	61,492	273	112,086	45,128
Itaqui Geração de Energia S.A	2,078			
Parnaíba Participações S.A.(o)	29,852	27,000	29,852	27,000
DD Brazil (q)	1,523	-	8,403	6,416
Pecém II Geração de Energia S.A.(c)			2,518	
	171,595	**34,489**	**320,875**	**307,720**
Current	**-**	**-**	**-**	**-**
Noncurrent	**171,595**	**34,489**	**320,875**	**307,720**

	Net income			
	Parent Company		**Consolidated**	
	2014	**2013**	**2014**	**2013**
Amapari S.A	(13)	-	-	
EBX Holding Ltda. (b)	-	(3,675)	(1,305)	13,280
Pecém II Geração de Energia S.A. (c)	(19,902)	(20,637)	-	36,152
Eneva Comercializadora de Energia S.A. (d)	(1,059)	(931)	42,833	160,728
Parnaíba Geração de Energia S.A. (e)	(1,415)	(1,656)	-	2,233
Itaqui Geração de Energia S.A. (f)	(35,526)	(33,868)	-	119,315
OGX Petróleo e Gás Ltda.	-		-	(136,438)
Sul Geração de Energia S.A. (j)	(30)	(76)	(30)	(76)
Porto do Açú Energia S.A. (j)	(30)	(142)	(30)	(142)
Tauá Geração de Energia Ltda	(3)	-	-	-
Eneva Comercializadora de Combustível Ltda. (j)	(110)	(136)	(110)	(136)
Seival Participações S.A. (j)	(49)	(130)	(49)	(130)
Pecém Operação e Manutenção Elétrica S.A. (h)	(231)	(129)	(231)	19,321
Parnaíba II Geração de Energia (k)	(1,653)	(1,588)	-	10,879
Parnaíba Participações (o)	1,632	-	-	-
Eneva Participações S.A. (k)	28,965	1,264	28,965	1,264
Porto do Pecém Geração de Energia S.A. (i)	(14,542)	(13,029)	(14,542)	(13,029)
Eneva Desenvolvimento S.A.(j)	(10)	(81)	-	-
Parnaíba III Geração de Energia S.A. (k)	2,480	(508)	2,480	(508)
Pecém II Participações S.A. (k)	(101)	(123)	-	-
MABE Construção e Administração de Projetos Ltda. (n)	(1,021)	(342)	(4,862)	5,087
Eneva Investimentos S.A. (j)	-	(11)	-	-
Copelmi Mineração Ltda.	-	-	-	(11)
Parnaíba IV Geração de Energia S.A. (l)	(7,003)	(117)	(7,003)	(117)
Petra Energia S.A.(p)	-	-	-	(85,015)
Parnaiba Gas Natural (m)	(8,694)	-	-	
Total	(58,316)	(75,916)	46,116	132,657

(a) Loan agreement executed with Eneva S.A. (lender) subject to monthly interest (101% of CDI) and with an unfixed term of maturity. Eneva S.A. has made a provision of R$ 7,453 for the devaluation of its 66.67% investment in Termopantanal Participações Ltda.

(b) The Company and its subsidiaries also maintained agreements for sharing costs of operating and financial activities entered into with the company EBX Holding Ltda. involving monthly collections made through trade notes paid according to understandings between the parties. Note that these contracts were terminated in November 2013, leaving the outstanding balance between the parties to be settled. The effect on consolidated net income as of December 31, 2014 is R$ (1,305) (R$ (13,280) as of December 31, 2013).

(c) The balance consists of a loan executed with Eneva S.A. (lender) subject to monthly interest (104% of the DI-Over rate). As of December 31, 2014 the effect on net income is R$ 19,902.

(d) The balance consists of: (i) loan agreement executed in January 2012 with Eneva S.A. (lender) subject to monthly interest (125% of CDI) and with an indefinite maturity amounting to R$ 29,500. As of December 31, 2014 the effect on net income is R$ 1,059 and (ii) operational and financial cost sharing agreements with Eneva S.A., Itaqui Geração de Energia S.A., Parnaíba II Geração de Energia S.A. and Pecém II Geração de Energia S.A., involving monthly collections made through trade notes paid according to understandings between the parties (average DPO of 30 to 60 days). As of December 31, 2014 the effect on consolidated net income is R$ 42,833.

(e) The balance derives from the administrative cost reimbursement contract and feasibility studies. The outstanding balance as of December 31, 2014 is R$ 7,054 and the effect on the parent company's net income is R$ 1,415.

(f) The balance consists of: (i) loan agreement executed in January 2012 with Eneva S.A. (lender) subject to monthly interest (104% of CDI) and with an indefinite maturity amounting to R$ 405,825. As of December 31, 2014 the effect on net income is R$ 33,006 and (ii) revenue from reimbursement of operational, financial and administrative costs, amounting to R$ 11,401. As of December 31, 2014 the effect on net income is R$ 2,520.

(g) Balance consisting of advances for future capital increase (AFACs) of its subsidiaries from investments to noncurrent assets, which are irrevocable and irreversible. However, no fixed value has been defined for the number of shares in the capital increase, in contravention of CPC 38. The following AFACs are outstanding as of December 31, 2014 with the following companies:

Subsidiary	2014	2013
Porto do Açu Energia S.A.	730	-
Seival Participações S.A.	20	-
Parnaíba Geração de Energia S.A.	164,500	118,000
Parnaíba V Geração de Energia S.A.	-	10
Itaqui Geração de Energia S.A.	10,000	87,700
Parnaíba II Geração de Energia S.A..	47,250	-
Pecém II Geração de Energia S.A.	-	
ENEVA Investimentos S.A.	-	3
OGMP Transporte Aéreo Ltda.	-	150
Tauá II Geração de Energia Ltda.	-	815
ENEVA Participações S.A.	25,500	-
	248,000	**206,678**

(h) The balance consists of a loan agreement executed in December 2011 with Eneva S.A. (lender) subject to monthly interest (110% of CDI) and maturity on December 31, 2015, amounting to R$ 1,778. As of December 31, 2014 the effect on net income is R$ 231.

(i) Eneva S.A. decided to sell its interest in Porto do Pecém, and in December 2014 recorded all the outstanding balances between the companies as held for trading (as described in note 11). The balance primarily consisted of: (i) the loan in September 2012 with Eneva S.A. (lender) subject to monthly interest (105% of CDI) and with an indefinite maturity and (ii) contract between the parties to assume the costs of acquiring coal incurred by Porto do Pecém in the period between September and December 2013.

(j) Revenue from reimbursement of project implementation costs.

(k) Operational, financial and administrative costs reimbursement contract.

(l) The balance consists of: (i) loan agreement executed in January 2012 with Eneva S.A. (lender) subject to monthly interest (125% of CDI) and with an indefinite maturity amounting to R$ 76,131. As of December 31, 2014 the effect on net income is R$ 6,804 and (ii) revenue from reimbursement of operational, financial and administrative costs, amounting to R$ 294. As of December 31, 2014 the effect on net income is R$ 199.

(m) The balance consists of: (i) costs relating to the gas purchase agreement and leasing of the gas treatment plant's capacity, between Parnaíba Gás Natural and Parnaíba Geração, amounting to R$ 50,594 as of December 31, 2014, (ii) future commitment to reimburse costs on international subsidiaries amounting to R$ 61,492 and (iii) interest revenue on accounts receivable charged in the outstanding balance of the financial advance made to Parnaíba Gás Natural, of R$ 8,694.

(n) (i) loan agreement executed in January 2013 with Eneva S.A. (lender) subject to monthly interest (105% of CDI) and with an indefinite maturity amounting to R$ 12,804. As of December 31, 2014 the effect on consolidated net income is R$ 4,862.

(o) (i) loan agreement executed in January 2013 with Parnaíba Participações S.A (lender) subject to monthly interest (125% of CDI) and with an indefinite maturity amounting to R$ 29,852. As of December 31, 2014 the effect on consolidated net income is R$ 1,632.

(p) The balance consists of costs relating to the gas purchase agreement and leasing of the gas treatment plant's capacity, between Parnaíba and Petra, amounting to R$ 91,170.

(q) Project implementation costs reimbursement agreement with DD Brazil, amounting to R$ 8,403.

(d) Compensation of the Board of Directors and Executive Board members

In accordance with Law 6404/1976 and the Company's bylaws, the shareholders shall establish the managers' overall annual remuneration at the General Meeting. The Board of Directors shall distribute the amount among the directors.

The annual compensation of officers and the Board of Directors is presented below:

	Parent Company		Consolidated	
	2014	2013	2014	2013

Immediate benefits	7,213	4,565	10,019	9,449
Stock options granted	1,037	350,514	2,653	350,514
	8,250	**355,079**	**12,672**	**359,963**

See below the minimum, average and maximum individual annual compensation of the Board of Directors and Officers, in R$:

	Consolidated					
	2014			2013		
	Minimum	Average	Maximum	Minimum	Average	Maximum
Board of Directors	20,000	22,222	40,000	16,999	62,227	96,000
OFFICERS	2,830	446,295	2,802,366	122,451	822,660	1,815,721

16. Loans and financing

As of December 31, 2014 and December 31, 2013 the loans taken out from financial institutions break down as follows:

							Consolidated									
							12/31/2014					12/31/2014				
Company	Creditor		Currency	Interest rates	Maturity	Effective Rate	Transaction cost	Unappropriated cost	Principal	Interest	Total	Transaction cost	Unappropriated cost	Principal	Interest	Total
Itaqui	BNDES (Direct)	(a)	R$	TJLP+2.78%	6/15/2026	2.89%	11,182	9,217	762,78	2,535	756,107	11,182	9,913	830,630	2,586	823,30
Itaqui	BNB	(b)	R$	10%	12/15/2026	10.14%	2,892	2,602	200,78	852	199,037	2,892	2,727	201,977	857	200,10
Itaqui	BNDES (Indirect)	(c)	R$	IPCA + TR BNDES + 4.8%	6/15/2026	4.94%	2,023	1,878	107,50	5,942	111,569	1,475	1,473	109,302	6,041	113,87
Itaqui	BNDES (Indirect)	(d)	R$	TJLP+4.8%	6/15/2026	4.94%	1,475	1,460	149,08	621	148,249	2,023	1,953	162,052	632	160,73
Pecém II	BNDES (Direct)	(e)	R$	TJLP+2.18%	6/15/2027	-	-	-		-	-	7,803	6,091	710,327	2,054	706,29
Pecém II	BNDES (Direct)	(f)	R$	IPCA + TR BNDES + 2.18%	6/15/2027	-	-	-		-	-	1,740	1,294	131,607	42,840	173,15
Pecém II	BNB	(g)	R$	10.00%	1/31/2028	-	-	-		-	-	4,287	3,620	250,000	4,070	250,45
Parnaíba I	BRADESCO	(h)	R$	CDI +3.00%	4/22/2015	-	-	-	30,29	134	30,428	4,593	-	48,000	117	48,11
Parnaíba I	Banco Itaú BBA	(i)	R$	CDI +3.00%	4/15/2015	-	-	-	53,17	178	53,352	11,516	-	60,670	776	61,44
Parnaíba I	BNDES (Direct)	(j)	R$	TJLP+1.88%	6/15/2027	2.35%	28,395	28,191	456,89	1,353	430,055	16,867	16,860	493,444	1,370	477,95
Parnaíba I	BNDES (Direct)	(k)	R$	IPCA + TR BNDES + 1.88%	7/15/2026	2.37%	11,705	10,629	212,43	4,776	206,585	6,953	6,663	215,988	10,408	219,73
Parnaíba II	Banco Itaú BBA	(l)	R$	CDI +3.00%	6/15/2015	-	-	-	228,33	126	228,456	-	-	200,000	146	200,14
Parnaíba II	CEF	(m)	R$	CDI +3.00%	6/15/2015	-	-	-	280,00	39,843	319,843	-	-	280,000	286	280,28
Parnaíba II	BNDES	(n)	R$	TJLP+2.40%	6/15/2015	5.05%	10,967	3,890	299,38	2,624	298,120	3,619	3,619	280,700	223	277,30
ENEVA S/A	Banco Itaú BBA	(o)	R$	CDI +2.65%	12/16/2014	-	-	-	105,79	14,150	119,940	-	-	105,790	503	106,29
ENEVA S/A	Banco Citibank	(p)	R$	CDI +2.95%	9/22/2014	-	-	-	101,25	19,961	121,211	-	-	101,250	3,107	104,35
ENEVA S/A	Banco Citibank	(q)	USD	LIBOR 3M + 1.26%	9/27/2017	-	-	-	132,81	909	133,719	-	-	117,130	20	117,15
ENEVA S/A	Banco BTG Pactual	(r)	R$	CDI +3.75%	12/9/2014	-	-	-	101,91	6,524	108,437	-	-	101,912	792	102,70
ENEVA S/A	Banco BTG Pactual	(s)	R$	CDI +3.75%	6/9/2015	-	-	-	350,00	22,406	372,406	-	-	350,000	2,559	352,55
ENEVA S/A	Banco BTG Pactual	(t)	R$	CDI +3.75%	12/9/2014	-	-	-	370,00	23,687	393,687	-	-	370,000	1,196	371,19
ENEVA S/A	Banco BTG Pactual	(u)	R$	CDI +2.75%	12/12/2014	-	-	-	303,82	50,296	354,120	-	-	303,825	1,747	305,57
ENEVA S/A	Banco Citibank	(v)	R$	CDI +4.00%	11/3/2014	-	-	-		-	-	-	-	42,000	879	42,87

ENEVA S/A	Banco Citibank	(w)	R$	CDI +4.00%	12/9/2014	-	-	-	102,09	13,014	115,113	-	-	100,000	792	100,79
ENEVA S/A	Banco Itaú BBA	(x)	R$	CDI +2.65%	12/5/2014	-	-	-	200,00	27,505	227,505	-	-	200,000	1,618	201,61
ENEVA S/A	Banco Itaú BBA	(y)	R$	CDI +2.65%	12/9/2014	-	-	-	210,00	28,654	238,654	-	-	210,000	1,499	211,49
ENEVA S/A	Banco Santander	(z)	R$	CDI+3.25-4.25%	1/15/2015	-	-	-		-	-	-	-	66,667	336	67,00
ENEVA S/A	Morgan Stanley	(aa)	R$	CDI+3.25-4.25%	1/15/2015	-	-	-		-	-	-	-	66,667	336	67,00
ENEVA S/A	Banco Itaú BBA	(bb)	R$	CDI+3.25-4.25%	1/15/2015	-	-	-		-	-	-	-	66,667	336	67,00
ENEVA S/A	Banco Itaú BBA	(cc)	R$	CDI +3.15%	1/19/2016	-	-	-	80,00	9,782	89,782	-	-	-	-	-
ENEVA S/A	Banco BTG Pactual	(dd)	R$	CDI +3.00%	10/13/2014	-	-	-	39,78	2,914	42,696	-	-	-	-	-
ENEVA S/A	Banco Itaú BBA	(dd)	R$	CDI +3.00%	10/13/2014	-	-	-	28,83	2,112	30,950	-	-	-	-	-
ENEVA S/A	Banco Citibank	(dd)	R$	CDI +3.00%	10/13/2014	-	-	-	16,67	1,221	17,896	-	-	-	-	-
ENEVA S/A	Banco BTG Pactual	(dd)	R$	CDI +3.00%	10/13/2014	-	-	-	14,70	1,077	15,782	-	-	-	-	-
							68,639	57,867	4,938,36	283,196	5,163,698	74,950	54,213	6,176,605	88,129	6,210,52

	Unappropriated cost	Principal	Interest	Total	Unappropriated cost	Principal	Interest	Total
Current	6,698	3,022,47	273,414	3,289,194	2,607	2,322,843	87,906	2,408,14
Noncurrent	51,171	1,915,89	9,782	1,874,502	51,606	3,853,762	223	3,802,37

The table below shows the breakdown of the loans of the joint subsidiary Porto do Pecém Geração de Energia S.A. and Pecém II Geração de Energia S.A. and the indirect subsidiaries MPX Chile Holding Ltda., UTE Parnaíba IV Geração de Energia S.A. and UTE Parnaíba III Geração de Energia S.A. As a result of the new consolidation rules introduced by IFRS 11, from 2013 we are no longer obliged to consolidate them into the annual information:

						Consolidated										
						12/31/2014						12/31/2013				
Company	Creditor		Currency	Interest rates	Maturity	Effective Rate	Transaction cost	Unappropriated cost	Principal	Interest	Total	Transaction cost	Unappropriated cost	Principal	Interest	T
Pecém I (50%)	BNDES (Direct)	(ee)	R$	TJLP + 2.77%	6/15/2026	TJLP + 3.09%	16,921	4,102	681,213	2,269	679,380	8,461	4,844	740,449	2,312	
Pecém I (50%)	IDB	(ff)	USD	LIBOR + 3.50%	5/15/2026	Libor + 4.67%	17,658	4,846	170,719	798	166,671	8,808	5,296	158,142	779	
Pecém I (50%)	IDB	(gg)	USD	LIBOR + 3.00%	5/15/2022	Libor + 4.16%	17,930	4,086	191,207	777	187,897	8,939	5,374	184,506	791	
Pecém II	BNDES (Direct)	(e)	R$	TJLP+3,14%	6/15/2027	2.30%	7,256	6,322	657,582	2,290	653,550	-	-	-	-	
Pecém II	BNDES (Direct)	(f)	R$	IPCA + TR BNDES + 3,14%	6/15/2027	2.32%	1,611	1,060	203,221	912	203,072	-	-	-	-	
Pecém II	BNB	(g)	R$	10%	1/31/2028	10.17%	4,287	4,153	243,812	-	239,659	-	-	-	-	
Chile (50%)	Banco Credit Suisse	(hh)	USD	9.900%	7/15/2015		-	-	12,392	116	12,508	-	-	17,532	303	
Parnaíba IV (35%)	Banco BTG Pactual	(jj)	R$	CDI + 2.28%	1/29/2014		-	-	-	-	-	-	-	24,500	1,796	
Parnaíba III (35%)	Banco Bradesco	(kk)	R$	CDI + 2.53%	1/27/2015	4.23%	349	52	42,000	601	42,549	-	-	42,000	493	
							66,012	24,621	2,202,145	7,762	2,185,287	26,208	15,514	1,167,129	6,474	

	Unappropriated cost	Principal	Interest	Total	Unappropriated cost	Principal	Interest	T
Current	52	219,652	7,762	227,363	2,481	160,876	6,475	
Noncurrent	24,569	1,982,493	-	1,957,924	13,033	1,006,253	-	

Itaqui Geração de Energia SA (Itaqui)

(a)The National Social and Economic Development Bank ("BNDES") released the entire R$ 784 million of the long-term loan to Itaqui relating to subcredits A, B and C, incurring an annual cost of TJLP + 2.78%. The financing facility has a term of 17 years, with 14 years repayment and a grace period on the principal of until July 2012. Subcredit D, intended for social investments (BNDES Social) of R$ 13.7 million, only incurs TJLP and R$ 11.7 million has been disbursed to date. The "BNDES Social" facility has a total term of 9 years, with 6 years repayment and a grace period of until July 2012. The interest earned during the grace period was capitalized along with the amounts outlaid. The balance of the principal as of December 31, 2014 therefore stands at R$ 762.7 million. The interest on these loans was capitalized during the construction phase. This financing is secured by the traditional guarantee in project finance loans.

(b)To top up the funding from the BNDES, Itaqui took out a loan from BNB-FNE, worth a total R$ 203 million under which the last payment was released on July 28, 2011, completing the loan. The BNB loan has a total term of 17 years, with 14 years repayment and a grace period on the principal of until July 2012. It is charged interest of 10% p.a. The funding has a performance bonus (15%), which consequently reduces the cost to 8.5% per annum. This financing is secured by the traditional guarantee in project finance loans.

(c)R$ 99 million of this indirect BNDES line has been released to Itaqui consisting of subcredits A, B, C, D and E, whose agents are the banks Bradesco and Votorantim This part of the loan has a total term of 17 years, including 14 years of amortization and a grace period for interest and the principal of until July 2012. The loan incurs IPCA + BNDES Reference rate + 4.8% p.a. during the construction stage and IPCA + BNDES Reference rate + 5.3% during the operational stage. The interest earned during the grace period was capitalized along with the amounts outlaid. The balance of the principal as of December 31, 2014 therefore stands at R$ 107.5 million. The interest on these loans was capitalized during the construction phase. This financing is secured by the traditional guarantee in project finance loans.

(d)The entire subcredit F, of the loan mentioned in the previous item equal to R$ 141.8 million, has been passed through to Itaqui. This part of the loan has a total term of 17 years, with 14 years repayment and a grace period on the principal and interest of until July 2012. The loan incurs TJLP + 4.80% p.a. during the construction stage and TJLP + 5.30% during the operational stage. The interest earned during the grace period was capitalized along with the amounts outlaid. The balance of the principal as of December 31, 2014 therefore stands at R$ 149.0 million. The interest on these loans was capitalized during the construction phase. This financing is secured by the traditional guarantee in project finance loans.

Pecém II Geração de Energia SA (Pecém II)

(e)By June 30, 2014 Pecém II had received R$ 615.3 million of the R$ 627.3 million earmarked in subcredits A, B, C, D and L of the long-term financing contract with the BNDES (in nominal R$, excluding interest during the construction). These subcredits have a total term of 17 years, with 14 years repayment and a grace period on the principal and interest of until July 2013. The loan initially incurs LTIR + 2.18% p.a. but in December 2014 an renegociation was held and the spread of the debt was changed to 3.14% per year. The interest earned during the grace period was capitalized along with the amounts outlaid. The balance of the principal as of December 31, 2014 therefore stands at R$ 657.5 million. This financing is secured by the traditional guarantee in project finance loans.

(f)Pecém II received R$ 110.1 million referring to subcredits E, F, G, H and I of the long-term financing contract with the BNDES mentioned in the item above. These subcredits have a total term of 17 years, with 14 years repayment and a grace period on the principal and interest of until June 2014. The loan incurs IPCA + BNDES Reference rate + 2.18% p.a.. In December 2014, an renegotiation of the contract was made and interest incurred to date were incorporated into the main, being the modified vesting until December 2015. In the same renegotiation the spread of the debt was changed to 3.14% . Subcredit J, of R$ 22 million, which comprised this financing line, was transferred in April 2012 to subcredit A of the previous item. This financing is secured by the traditional guarantee in project finance loans.

(g)To top up the funding from the BNDES, Pecém II took out a loan from BNB with FNE funding, worth a total R$ 250 million, which has been disbursed in its entirety. The BNB loan has a total term of 17 years, with quarterly interest and 14 years' repayment and a grace period on the principal of until February 2014. It is charged interest of 10% p.a. The funding has a performance bonus (15%), which consequently reduces the cost to 8.5% per annum. This financing is secured by the traditional guarantee in project finance loans.

Parnaíba Geração de Energia SA (Parnaíba I)

(h)On December 27, 2011 Parnaíba I borrowed R$ 75 million under a CCB loan (Bank Credit Note) with BRADESCO, which was endorsed by the parent company. Taken out to finance the construction of thermoelectric power plants Maranhão IV and V, this bridge loan incurs annual interest of the CDI rate + 3% and matures initially on June 26, 2013, whereupon the principal and interest is due. A further R$ 75 million was disbursed on February 28, 2012 by the bank on the same terms as the previous disbursement. R$ 90 million of the principal plus the interest due was settled on December 28, 2012, when the long-term BNDES loan described in items (j) and (k) was released. On June 26, 2013 the company renegotiated the principal balance of R$ 60 million, paying all the interest due up to that date with the new maturity date changing to September 24, 2013 and the interest held at the CDI rate plus 3% per annum. On September 24 UTE Parnaíba renegotiated the terms of the contract, changing the maturity date to October 24, 2013 and subsequently to November 24, 2013. On October 31, 2013 a new renegotiation amended the loan's maturity to December 18, 2014. The loan was renegotiated and the balance of interest incurred up to the date was included in the principal, and since then both the principal and interest are being paid in 4 monthly instalments commencing in January 2015. The balance of the principal as of December 31, 2014 therefore stands at R$ 30.2 million.

(i)On December 27, 2011 Parnaíba I borrowed R$ 125 million under a CCB loan (Bank Credit Note) with Banco Itaú BBA, which was endorsed by the parent company. Taken out to finance the construction of thermoelectric power plants Maranhão IV and V, this bridge loan incurs annual interest of the CDI rate + 3% and matures originally on June 26, 2013, whereupon the principal and interest is due. R$ 60 million of the principal plus the interest due was settled in December 2012, when the long-term BNDES loan described in items (j) and (k) was released. On June 26, 2013 the company renegotiated the principal balance of R$ 65 million, paying all the interest due up to that date with the new maturity date changing to September 24, 2013 and the interest held at the CDI rate plus 3% per annum. On this date a new renewal amended the loan's maturity to October 24, 2013 and subsequently to April 15, 2015. The loan was renegotiated in December 2014 a balance of interest incurred up to the date was included in the principal, and since then both the principal and interest are being paid in 3 monthly instalments commencing in February 2015. The balance of the principal as of December 31, 2014 therefore stands at R$ 53.1 million.

(j)In December 2012 Parnaíba I received R$ 495.7 million as subcredits B and C of the bridge loan from BNDES, out of a total of R$ 671 million. These subcredits will be amortized over 168 monthly instalments commencing July 15, 2013, along with the interest. The loan incurs LTIR + 1.88% p.a. The balance of the principal as of December 31, 2014 therefore stands at R$ 456.7 million.

(k)In December 2012 Parnaíba I also received R$ 204.3 million referring to the entire subcredit A of the long-term financing contract with the BNDES mentioned in the item above. This subcredit will be amortized over 13 annual instalments commencing July 15, 2014, along with the interest. The loan incurs IPCA + BNDES Reference rate + 1.88% p.a. The interest earned during the grace period was capitalized along with the amounts outlaid. The balance of the principal as of December 31, 2014 therefore stood at R$ 208.9 million. This financing is secured by the traditional guarantee in project finance loans.

Parnaíba II Geração de Energia SA (Parnaíba II)

(l)On March 30, 2012 the Parnaíba II project secured R$ 100 million via a CCB loan from Banco Itaú BBA, endorsed by the parent company. Originally maturing on September 30, 2013 for the payment of principal and interest, this bridge loan was used to finance the building of the Maranhão III thermal power plant. Upon maturity this bridge loan incurs annual interest of the CDI rate + 3% and matures on September 30, 2013, whereupon the principal and interest is due. The company renegotiated the loan, altering its maturity date to December 30, 2013. The loan was subsequently renegotiated, changing its maturity to December 30, 2014 and an additional R$ 100 million was borrowed, maturing on December 30, 2014. At the end of December both contracts were renegotiated and had their maturity altered to June 15, 2015. The balance of the principal as of December 31, 2014 therefore stands at R$ 228.3 million.

(m)In May 2012 Parnaíba II borrowed R$ 325 million under a CCB loan from Caixa Econômica Federal, which was endorsed by the parent company. Taken out to finance the construction of thermoelectric power plant Maranhão III, this bridge loan incurs annual interest of the CDI rate + 3% and originally matures on November 07, 2013, whereupon the principal and interest is due. A portion of R$ 125 million has been released, in addition to two portions of R$ 100 million, on May 08, 2012, May 15, 2012 and May 30, 2012. Upon maturity the company renegotiated the loan, altering its maturity date to December 30, 2013. R$ 45 million of the principal has been repaid to date, in addition to the interest hitherto incurred, and the remaining amount has been renegotiated to December 30, 2014. At the end of December the contract was renegotiated and had its maturity altered to June 15, 2015. The balance of the principal as of December 31, 2014 therefore stands at R$ 280 million.

(n)Parnaíba II received a bridge loan from BNDES of R$ 280.7 million at the end of December 2013. This loan will be amortized in a single payment on June 15, 2015 along with the interest. The annual costs was LTIR + 2.40%.

Eneva SA - In judicial reorganization

(o)On December 16, 2013 Eneva - In judicial reorganization renegotiated the R$ 105.8 million of CCBs (Bank Credit Notes) from Banco Itaú BBA S.A., paying all the interest due up to that date with the new maturity date changing to December 16, 2014. The cost will be CDI plus 2.65% per annum with the interest and principal being paid at the end of the loan. The company did not make the payment on the maturity date due to the judicial reorganization proceedings

(p)On September 27, 2012 the parent company Eneva S.A - In judicial reorganization issued a CCB (Bank Credit Note) via Banco Citibank S.A. for R$ 101,250 maturing on September 27, 2013. The interest agreed was 100% of the CDI rate +1.15% per annum and is due upon maturity, on September 27, 2013. On this date Eneva S/A - In judicial reorganization renewed this agreement, changing its maturity date to September 22, 2014 and changing the interest rate to CDI plus 2.95% per annum. The company did not make the payment on the maturity date due to the judicial reorganization proceedings

(q)On September 27, 2012 Eneva - In judicial reorganization took out a loan equal to USD 50,000 from Banco Citibank S.A. under a Credit Agreement, in due accordance with BACEN Resolution 4131. This loan is subject to interest of Libor + 1.26% p.a. and will be paid quarterly. The principal will be paid semi-annually, with a grace period of September 26, 2014 and the contract expiring on September 27, 2017. Eneva S.A. - In judicial reorganization took out a swap from Citibank in order to hedge this loan against exchange variance. See Note 18. The company did not make the payment on the maturity date due to the judicial reorganization proceedings

(r)On December 13, 2012 Eneva - In judicial reorganization issued a CCB (Bank Credit Note) via Banco BTG Pactual for R$ 101.9 million maturing on December 13, 2013. Upon maturity the line was renegotiated, altering its maturity date to December 09, 2014. The interest will be paid quarterly at the cost of the CDI rate plus 3.75% p.a. The principal will be paid in full upon maturity. The company did not make the payment on the maturity date due to the judicial reorganization proceedings

(s)On February 07, 2013 Eneva - In judicial reorganization issued a CCB (Bank Credit Note) via Banco BTG Pactual for R$ 350 million maturing on August 06, 2013. The interest agreed was 100% of the CDI rate 2.95% per annum and is due upon maturity. On August 06, 2013 the company renegotiated the loan, altering its maturity date to December 02, 2013. A new renegotiation extended the debt's maturity date to June 09, 2015, with interest paid quarterly at the cost of CDI + 3.75% p.a. and the principal paid on maturity.

(t)On December 09, 2013 and December 26, 2013 Eneva - In judicial reorganization issued two CCBs (Bank Credit Notes) via Banco BTG Pactual for the individual amounts of R$ 100 million on December 09, 2013 and R$ 270 million on December 26, 2013, both maturing on December 09, 2014. The interest agreed was 100% of the CDI rate 3.75% per annum and is due quarterly. The company did not make the payment on the maturity date due to the judicial reorganization proceedings

(u)On March 25, 2013 Eneva - In judicial reorganization issued a CCB (Bank Credit Note) via Banco HSBC for R$ 100 million maturing on March 25, 2014. The interest agreed was 100% of the CDI rate 1.75% per annum and is due upon maturity. The interest accumulated to December 12, 2013 was paid and a new maturity was agreed for December 12, 2014. The spread for this new period will be 2.75% per annum. At the time of the renegotiation the company issued a new CCB amounting to R$ 203.8 million scheduled for maturity on December 12, 2014. The cost will be CDI plus 2.75% per annum with the interest and principal being paid at the end of the loan. The company did not make the payment on the maturity date due to the judicial reorganization proceedings On December 30, 2014 Banco HSBC endorsed both CCBs for Banco BTG Pactual, with the consent of ENEVA - In judicial reorganization.

(v)Eneva - In judicial reorganization took out a loan from Citibank S.A of R$ 42 million (in the form of a CCB) on November 01, 2013, maturing on November 03, 2014. The interest will be paid quarterly at the cost of the CDI rate plus 4.00% per annum and the principal will be paid upon maturity. This debt was prepaid in July 2014.

(w)On December 09, 2013 Eneva - In judicial reorganization issued a Banco Citibank CCB (Bank Credit Note) for R$ 100 million maturing on December 09, 2014. The principal and interest will be paid at maturity at the cost of the CDI rate plus a spread of 4.00%. The company did not make the payment on the maturity date due to the judicial reorganization proceedings

(x)On December 05, 2013 Eneva - In judicial reorganization issued a Itaú BBA CCB (Bank Credit Note) for R$ 200 million maturing on December 05, 2014. The interest agreed was 100% of the CDI rate plus 2.65% per annum with principal and interest due upon maturity. The company did not make the payment on the maturity date due to the judicial reorganization proceedings

(y)On December 09, 2013 Eneva - In judicial reorganization issued a Itaú BBA CCB (Bank Credit Note) for R$ 210 million maturing on December 09, 2014. The interest agreed was 100% of the CDI rate plus 2.65% per annum with principal and interest due upon maturity. The company did not make the payment on the maturity date due to the judicial reorganization proceedings

(z)As a result of the negotiations of OGX Maranhão (now Parnaíba Gás Natural), Eneva - In judicial reorganization took out a loan from Banco Santander of R$ 66.6 million (CCB) on November 04, 2013, maturing on January 15, 2015. The interest will be paid monthly at the cost of the CDI rate plus: 3.25% per annum until June 14, 2014, 3.75% per annum until September 14, 2014 and 4.25% until the full settlement of the CCB. The entire CCB was settled in March 2014 along with the interest incurred.

(aa)As a result of the negotiations of OGX Maranhão (now Parnaíba Gás Natural), Eneva - In judicial reorganization took out a loan from Morgan Stanley of R$ 66.6 million (CCB) on November 04, 2013, maturing on January 15, 2015. The interest will be paid monthly at the cost of the CDI rate plus: 3.25% per annum until June 14, 2014, 3.75% per annum until September 14, 2014 and 4.25% until the full settlement of the CCB. The entire CCB was settled in March 2014 along with the interest incurred.

(bb)As a result of the negotiations of OGX Maranhão (now Parnaíba Gás Natural), Eneva - In judicial reorganization took out a loan from Itaú BBA of R$ 66.6 million (CCB) on November 04, 2013, maturing on January 15, 2015. The interest will be paid monthly at the cost of the CDI rate plus: 3.25% per annum until June 14, 2014, 3.75% per annum until September 14, 2014 and 4.25% until the full settlement of the CCB. The entire CCB was settled in March 2014 along with the interest incurred.

(cc)On January 29, 2014 Eneva - In judicial reorganization issued a Itaú BBA CCB (Bank Credit Note) for R$ 80 million maturing on January 19, 2016. The interest agreed was 100% of the CDI rate plus 3.15% per annum with principal and interest due upon maturity.

(dd)On May 12, 2014 Eneva - In judicial reorganization issued 4 CCBs (Bank Credit Notes) to the banks Itaú BBA, BTG Pactual, Citibank and HSBC, which jointly amounted to R$ 100 million and mature on August 12, 2014. The interest agreed was 100% of the CDI rate plus 3% per annum with principal and interest due upon maturity. Eneva - In judicial reorganization and its creditors renegotiated these CCBs, extending their maturities to October 13, 2014. The company did not make the payment on the maturity date due to the judicial reorganization proceedings

Porto do Pecém Geração de Energia SA (Pecém I)

(ee)By June 30, 2013 the BNDES had released R$ 1.40 billion of a long-term loan to Pecém I. The BNDES financing agreement involves a total amount of R$ 1.41 billion (in nominal R$, excluding interest during the construction), with a total term of 17 years, including 14 years for amortization and a grace period for payment of interest and principal of until July 2012. The loan incurs LTIR + 2.77% p.a. The interest was capitalized during the construction phase. The balances of the principal and interest stated in the table above refer to 50% of the original balances, and take into account the 50% interest of EDP Energias do Brasil S.A. in the company. This financing is secured by the traditional guarantee in project finance loans.

(ff)To top up the direct loan from the BNDES, Pecém I has a direct loan from the Interamerican Development Bank – BID ("A loan"), worth a total USD 147 million, of which USD 143.78 million has been released thus far (equal to R$ 341,437 as of December 31, 2014). The A Loan has an annual cost of Libor + 3.5% and a total term of 17 years, with 14 years repayment and a grace period on the principal of until July 2012. The balances of the principal and interest stated in the table above refer to 50% of the original balances, and take into account the 50% interest of EDP Energias do Brasil S.A.

(gg)To top up the direct loan from the BNDES, Pecém I has an indirect loan from the Interamerican Development Bank – BID ("B loan"), worth a total USD 180 million, of which USD 176 million has been released thus far (equal to R$ 382,413 as of December 31, 2014). The onlending banks are Grupo Banco Comercial Português, Calyon and Caixa Geral de Depósito. The B Loan has a total term of 13 years and a cost of 3.0%, with 10 years repayment and a grace period on the principal of until July 2012. The balances of the principal and interest stated in the table above refer to 50% of the original balances, and take into account the 50% interest of EDP Energias do Brasil S.A.

MPX Chile Holding Ltda (MPX Chile)

(hh)On April 13, 2011 MPX Chile took out an offshore loan from Banco Credit Suisse, endorsed by the parent company. The loan is denominated in US dollars amounting to USD 15 million, charged fixed annual interest of Libor + 8.13%. The principal and interest will be paid semi-annually, with a grace period for the principal of until April 15, 2013 and the contract expiring on April 15, 2015. This agreement was subsequently renegotiated and now matures on July 15, 2015, with interest fixed at 9.90% per annum. The balances of principal and interest shown in the table above account for 50% of the original balances.

(ii)On June 29, 2011 MPX Chile took out an offshore loan from Banco Credit Suisse, endorsed by the parent company. The loan is denominated in US dollars amounting to USD 10 million (equal to R$ 8,888 as of June 30, 2014), charged fixed annual interest of Libor + 8%. The principal and interest will be paid semi-annually, with a grace period for the principal of until April 15, 2013 and the contract expires on April 15, 2015. This agreement was subsequently renegotiated and now matures on July 15, 2015, with interest fixed at 9.90% per annum. The balances of principal and interest shown in the table above account for 50% of the original balances.

Parnaíba IV Geração de Energia SA (Parnaíba IV)

(jj)On April 29, 2013 the Parnaíba IV project borrowed R$ 70 million under a CCB contract (Bank Credit Note) with Banco BTG Pactual. Taken out to finance the construction of a natural gas thermal power plant with Kinross Brasil Mineração S.A., this bridge loan incurs annual interest of the CDI rate plus 2.28% per annum and matures on January 29, 2014, whereupon the principal and interest is due. This loan was settled at maturity.

Parnaíba III Geração de Energia SA (Parnaíba III)

(kk)On November 25, 2013 the Parnaíba III project secured a bridge loan from Banco Bradesco of R$ 120 million, initially maturing on January 09, 2014. A new maturity date was agreed for January 31, 2014. The cost of the bridge loan is CDI plus 2.53% per annum. Principal and interest will be paid at the end of the operation. A promissory note was issued to replace this loan on the same terms and with a new maturity date of July 30, 2014. This promissory note was substituted by another at the cost of CDI + 3.0% per annum, now maturing on January 26, 2015.

The portions of the loans and financing classified in non-current liabilities as of December 31, 2014 have the following payment schedule:

	Consolidated
Maturity	
2016	265,578
2017	219,752
2018	155,002
2019 to final maturity	1,234,170
	1,874,502

Financial covenants

Creditors involved in financial contracts use financial covenants in a number of debt contracts to monitor the Company and its investees' financial situation.

The financing contracts relating to the ventures Porto do Pecém Geração de Energia S.A.,Pecém II Geração de Energia S.A., Itaqui Geração de Energia S.A. and Parnaíba Geração de Energia S.A. have minimum debt service coverage indexes that measure the payment capacity of the financial expense in relation to EBITDA.

All the financial covenants had been performed as of December 31, 2014.

Non-financial covenants--Continued

A number of financing contracts also have nonfinancial covenants, which are usual for the market and have been summarized below. As of December 31, 2014 all these covenants were being performed.

- Obligation to periodically submit financial statements to creditors.
- Creditor rights to inspect and visit facilities.

- Obligation to keep up with tax, social security and payroll obligations.
- Obligation to maintain materially important contracts for its operations in force.
- Comply with environmental legislation and keep any operating licenses necessary in force.
- Contractual restrictions on related-party transactions and sales of assets outside the normal course of business.
- Restrictions on the change of share control, corporate restructuring and material changes to the core activities and articles of association of the borrowers, and
- Restrictions on debt ratios and the procurement of new debt

17. Taxes and contributions payable

	Parent Company		Consolidated	
	December 31 2014	December 31 2013	December 31 2014	December 31 2013
Corporate Income Tax – IRPJ	-	-	404	-
Social Contribution on Net Income - CSLL	-	-	158	-
Income Tax Withheld at Source - IRRF	113	6	7,854	6,286
ICMS	2	1	1,025	634
PIS, COFINS, IRRF and CSL	259	570	9,950	25,552
Tax on Financial Transactions - IOF	477	56	481	58
IPI Import	-	-	1,277	2,594
FGTS	647	-	1,585	-
Import Tax	-	-	2,494	3,940
Other	104	76	1,888	6,870
Current	**1,602**	**709**	**27,116**	**45,934**

18. Financial instruments and risk management

The management of these financial instruments is done through operating strategies and internal controls, aimed at liquidity, profitability and security. Our control policy consists of permanently monitoring contract rates versus market rates. The Company and its subsidiaries do not invest in derivative financial instruments or any other risky assets on a speculative basis. This is a determination of the financial investment policy.

The estimated realization values of the financial assets and liabilities of the Company and its subsidiaries were determined through information available in the market and appropriate valuation methodologies. However, considerable judgment was required in the interpretation of the market data to estimate the most adequate realization value. Consequently, the estimates below do not necessarily indicate the values that could be realized in the current exchange market. The use of different market methodologies may have a material effect on the estimated realizable values.

The consolidated book balances of the main financial instruments included in the balance sheets as of December 31, 2014 and 2013 are shown below:

	Parent Company	
Financial instruments	**2014**	**2013**
Assets		
Loans and receivables		
Accounts receivable from other related parties	72,627	217,337
Accounts receivable from subsidiaries	44,143	123,005
AFAC - with subsidiaries	248,000	206,678
Loans to subsidiaries	691,287	909,327
Escrow deposits	41	38
Fair value through profit or loss		
Gains on derivative transactions	-	4,171
Cash and cash equivalents	72,503	110,157
Liabilities		
Other financial liabilities		
Trade payables	11,737	3,473
Loans and financing	2,381,898	2,217,628
Debentures	-	5,350
Debts with subsidiaries	75,956	4,444
Loans with other related parties	95,639	30,045

Financial instruments	Consolidated 2014	2013
Assets		
Loans and receivables		
Trade accounts receivable	304,848	294,396
CCC subsidy receivable	-	30,802
Loans to subsidiaries	284,774	191,968
Accounts receivable from other related parties	73,970	218,680
Accounts receivable from subsidiaries	20,493	117,372
Escrow deposits	62,112	118,644
Fair value through profit or loss		
Gains on derivative transactions	21,122	4,171
Cash and cash equivalents	157,319	277,582
Liabilities		
Other financial liabilities		
Trade payables	149,785	331,216
Loans and financing	5,163,697	6,210,520
Debentures	-	5,350
Debts with subsidiaries	76,398	145,412
Debits with related parties	244,478	162,308
Fair value through profit or loss		
Contractual retentions	20,945	84,789

The financial instruments measured at amortized cost and presented above are close to their market values (fair value).

18.1 Fair value of financial instruments

The concept of fair value states that assets and liabilities should be valued at market prices, in the case of liquid assets, or by using mathematical pricing methods, in other cases. The hierarchy level of the fair value gives priority to unadjusted prices quoted on an active market. A part of the company's accounts has the fair value equal to book value, these accounts include cash equivalents, payables and receivables, bullet debts and short-term. The accounts whose fair value differs from book value can be seen below. Short-term investments are stated at fair value, due to their classification at fair value through profit and loss.

	Consolidated		
	2014		
	Prices observable in an active market (Level I)	Pricing with observable prices (Level II)	Pricing without observable prices (Level III)
Stock options awarded		(350,771)	
Derivatives		-	
Balance at December 31, 2014		**(350,771)**	

	2013		
	Prices observable in an active market (Level I)	Pricing with observable prices (Level II)	Pricing without observable prices (Level III)
Stock options awarded		(350,514)	
Derivatives		4,171	
Balance at December 31, 2013		**(346,343)**	

18.2 Derivatives, hedges and risk management

The Company has a formal policy for financial risk management. The use of financial instruments for hedging purposes is done through an analysis of the risk exposure that (exchange and interest rates, amongst others) and follows the strategy approved by the Board of Directors.

The protection guidelines are applied according to exposure type. The risk factors posed by foreign currencies should be neutralized in the short term (within 01 year), and the protection may be extended for longer. Decision taking regarding the risk posed by interest rates and inflation on liabilities acquired will be assessed in terms of the economic and operational context and when Management deems the risk to be material.

There are currently no outstanding hedge/derivative positions. The previous swap operation generated to balance the debt between Citibank and Eneva - In judicial organization was settled due to early repayment of debt, generating a positive balance for the company of R$ 21.1 million. The derivative contracted to balance the loan from Credit Suisse was settled, generating a balance of USD 669 thousand, used to amortize the debt.

18.2.1 Notional and fair value of derivative instruments

Forward currency contract - acquisition of US dollars (USD)

		2014				2013	
	Maturity	Notional USD	Assets	Liabilities	MTM	Notional USD	MTM
Eneva - In judicial reorganization							
Long position USD							
Morgan Stanley	-					59,207	4,171
Total USD						59,207	4,171

Swap Cross-Currency

		2014				2013	
	Maturity	Notional	Assets	Liabilities	MTM	Notional	MTM
Eneva - In judicial reorganization							
Libor USD | DI							
Citibank	9/27/2017	-				101,250	15,650
Total Swap						101,250	15,650

18.2.2 Market risk

Risk of change in commodities prices, exchange rates and interest rates.

18.2.2.1 Risk of oscillation in commodity prices

In the case of Eneva - In judicial reorganization, this risk is exclusively posed by the coal price, which is recorded, according to the formation of inventory for generating energy in the thermoelectric power plants.

The inventory coal price is established and will be converted into revenue, according to the remuneration for the energy generation, according to the PPA rules1. The period between the purchase of the cargo and its use for generating energy constitutes the price change risk incurred by the thermoelectric power plant.

(a) Risk management

The coal price risk is managed by structuring hedge transactions in the future coal market without physical settlement. Eneva - In judicial reorganization is seeking resources in the domestic market – whose market for this type of operation is still incipient – to mitigate the risk posed by its coal inventory by structuring hedges at the start of 2014. At the end of 2014 the Company did not have any such derivatives.

18.2.2.2 Currency risk

Risk of change in exchange rates which could be associated to the Company's assets and liabilities

(a) Risk management

The Company manages the exchange risk on a consolidated basis for its companies to detect and mitigate risks posed by changes in exchange rates underlying global assets and liabilities. The aim is to detect or create natural hedges, taking advantage of the synergy between the companies' operations, thereby minimizing the use of derivatives. Derivative instruments are used in cases where natural hedges cannot be taken advantage of.

(b) Investment in fixed assets (capex)

The revenue of the consolidated energy generating units of Eneva - In judicial reorganization is denominated in reais. Part of the investment made in fixed assets is also paid in foreign currency, primarily US dollars and euros. The volumes and terms of these payments do not generally require the structuring of hedge transactions. The Company is currently mapping out the payments in foreign currencies - based on historic and future entries, in order to establish an average amount and terms, thereby ensuring control over the related foreign currency exposure.

(c) Coal inventory

The Company goes long when forming its coal inventory for its thermal power plants, which in turn is determined in the international market in US dollars. The Company consequently also assumes a long position in dollars, generally creating a mismatch between its assets and liabilities. As mentioned earlier for the coal price risk, the company is studying hedge mechanisms against the market risks posed by coal purchases. In other words, the commodity price hedge and the exchange risk hedge will be structured simultaneously.

(d) Loans and financing

The Company has foreign exchange exposure on its financial liabilities, deriving from transactions in US dollars by its subsidiaries. The coverage of Eneva's (In judicial reorganization) 50.00 million dollar loan was interrupted by the settlement of the cross-currency swap. in December 2014.

(e) Operations hedged by derivative instruments

US dollar loan of UTE Porto do Pecém

- Hedge accounting

The investment in capex of Energia Pecém (construction of the thermal power plant) will consist of 75% long-term financing, partly in US dollars, and 25% of company capital. The long-term financing agreements were signed with the Inter-American Development Bank ("BID") and the National Social and Economic Development Bank ("BNDES") on July 10, 2009. To finance its capex requirements in the period prior to July 10, 2009 it was necessary to take out a bridge loan from Citibank, which will be repaid using funds provided under said financing agreements.

As most of the investment is denominated in US dollars and Euros and its future revenue will be generated in Brazilian reais, derivative instruments have been taken out for hedge purposes. On April 01, 2009 the Company used hedge accounting in order to hedge against the exchange variance on the long-term US dollar financing loans taken out from IDB. The derivative instrument used is an NDF maturing in October 2012 with a notional value of USD 327 million. (USD 163.5 million equal to 50% of the interest of Eneva S.A.). This NDF was rolled over on September 25, 2012 with a notional value of USD 327 million and maturing between November 2012 and May 2015.

As this is hedge accounting classified as cash flow, changes in the fair value of derivative instruments designated as cash flow hedges are recognized directly in shareholders' equity for the amount of the hedge that is considered effective. The difference between the fair value and the exchange variance is the ineffective portion which is therefore recognized in the income statement.

This bridge loan was settled on October 30, 2009. USD 260 million was released on this date consisting of the first part of the long-term funding from BID and the adjustment to present value (AVP) was calculated based on the USD 67 million yet to be disbursed by the BID (before this release, the AVP was calculated based on the exposure of USD 169 million relating to the difference in the contracted derivative of USD 327 million and the bridge loan of USD 158 million). USD 50 million was released on August 31, 2010 referring to the second portion of the IDB long-term financing, and the AVP accordingly began to be calculated based on the outstanding USD 17 million, not yet disbursed by IDB. USD 9 million was released on February 04, 2011 referring to the third portion of the IDB long-term financing, and the AVP accordingly began to be calculated based on the outstanding USD 7 million, not yet disbursed by IDB.

The impacts of the gains and losses of this hedge accounting transaction in the period were as follows:

	2014	
	Net income	**Shareholders ' equity**
Hedge derivatives		
Derivative gains (losses)	**(3,481)**	**2,297**

	2013	
	Net income	**Shareholders ' equity**
Hedge derivatives		
Derivative gains (losses)	**(3,465)**	**2,287**

On April 01, 2011 the Company used hedge accounting in order to hedge against the libor interest for the amortization period on the long-term US dollar financing loans taken out from IDB. The derivative instrument

designated for this relation is an interest-rate cash-flow float/fixed maturing between October 2012 and October 2024, whose notional amounts refer to the expected accumulated disbursement tranches of the long-term interest owed to IDB.

As this is hedge accounting classified as cash flow, changes generated by the MTM (mark-to-market) variance, net of the interest provisioned for up to the base date, are recognized directly in shareholders' equity in an equity valuation adjustment account. The difference between the fair value and the libor rate is the ineffective portion which is therefore recognized in the income statement.

The impacts of the gains and losses of this hedge accounting transaction in the period were as follows:

	2014	
	Net income	Shareholders' equity
Hedge derivatives		
Derivative losses	(7,404)	4,887

	2013	
	Net income	**Shareholders ' equity**
Hedge derivatives		
Gain on derivatives	(13,776)	9,092

18.2.2.3 Interest rate risk

Risk of shifting of the interest structure that could be associated with the payment flows of the debt principal and interest.

(a) Cash flow risk related to floating interest rates

There is a financial risk associated with floating rates that could increase the future value of the financial liabilities. The common risk is uncertainty about the interest futures market, which makes payment flows unpredictable. In loss scenarios, the interest forward rises, thereby increasing the liability's value. Alternatively, the company's liabilities could diminish if the rates fell.

More than 90% of Eneva (In judicial reorganization) and its subsidiaries' liabilities are indexed to floating interest in the interbank deposit segment (DI) and the long-term interest rate of the BNDES (TJLP), and in the inflationary segment with restatement according to the IPCA price index.

The BNDES facilities restated by the IPCA and TJLP price indexes - which also contain a strong inflation component - are part of a special credit segment posing low volatility and therefore a low probability of abrupt changes in rates. As this is a specific segment, caution should be exercised in respect of interference and hypotheses in statistical models in the attempt to map out and make projections about this segment in order to quantify the hypothetical related losses. Furthermore, the companies' assets consisting of the revenue will also be restated by the same rates, which substantially reduces the mismatch between asset and liability rates.

(b) Interest rate sensitivity

The debt restated by the interbank deposit rate - DI had a principal of R$ 2.7 billion and balance of R$ 3.2 billion as of December 31, 2014. 91.38% of this amount matures by the end of 2015. However, as this is a floating rate in a scenario of rising interest rates, see below the financial loss if the interest rate curve were shifted by 25% and 50%, respecting the payment terms of each facility.

	Risk	Amount Future system Market	Amount Future system (25% increase)	Amount Future system (50% increase)
ENEVA S.A. - In judicial reorganization				
Cash Flow Risk related to	*Increase in Interest Rate*	3,200,745	3,663,572	3,756,394
Liability indexed to CDI				
Outstanding (Principal + Interest)		**3,200,745**	**3,663,572**	**3,756,394**
Increase in financial expense		**-**	**462,828**	**555,649**

(*) The scenarios do not reflect the company's projections for interest rates.
This assessment merely aims for compliance with the legislation.
Method: parallel upwards shift in DI rate of 25% and 50%
CDI at December 31, 2014: 11.57%

18.2.3 Credit risk

This arises from the possibility of the Company and its subsidiaries suffering losses due to the default of their counterparties or of financial institutions where they have funds or financial investments. This risk factor could derive from commercial operations and cash management.

To mitigate these risks, the Company and its subsidiaries have a policy of analyzing the financial position of their counterparties, as well constantly monitoring outstanding accounts.

The Company has a Financial Investment Policy, which establishes investment limits for each institution and considers the credit rating as a reference for limiting the investment amount. The average terms are continually assessed, as are the indexes underlying the investments, in order to diversify the portfolio. The maximum exposure to credit risk is denoted by the balance of short-term investments.

	Consolidated	
	2014	**2013**
Positions of credit risk		
Cash and cash equivalents	157,319	277,582
Trade receivables	304,848	294,396
Gains on derivative transactions	21,122	4,171
CCC subsidy receivable	-	30,802
Escrow deposits	62,111	118,644
Consolidated credit accounts	**545,400**	**725,595**

The cash and cash equivalents substantially consists of the current account and investment fund at Itaú S.A., a first-rate bank and in relation to accounts receivable its main exposure derives from the possibility of the company incurring losses due to problems in realizing receivables. To mitigate this type of risk and to help manage default risk management, the Company monitors the accounts receivable realizing several collection proceedings. Furthermore, the Company's customers have signed an assurance of full performance of the contractual obligations.

18.2.4 Liquidity risk

The Company and its subsidiaries monitor their liquidity levels, based on expected cash flows versus the amount of cash and cash equivalents at hand. Managing the liquidity risk means maintaining cash, sufficient securities and capacity to settle market positions. The amounts recognized as of December 31, 2014 approach the operations' settlement values, including estimated future interest payments (see note 1).

	Consolidated					
						2014
	Up to 6 months	From 6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	Total by account
Liabilities						
Trade payables	149,785	-	-	-	-	149,785
Related parties	-	-	320,875	-	-	320,875
Loans and financing	2,168,102	1,577,102	767,386	1,286,344	2,480,823	8,279,757
Contractual retention	-	20,945	-	-	-	20,945
	2,317,887	**1,598,047**	**1,050,742**	**1,286,344**	**2,480,823**	**8,733,842**

	Consolidated					
						2013
	Up to 6 months	From 6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	Total by account
Liabilities						
Trade payables	331,216	-	-	-	-	331,216
Related parties	-	-	306,545	-	-	306,545
Loans and financing	676,967	2,570,541	1,079,040	1,324,391	2,696,265	8,347,204
Contractual retention	-	84,789	-	-	-	84,789
Derivatives	3,971	2,725	4,694	-	-	11,390
	1,012,154	**2,658,055**	**1,390,279**	**1,324,391**	**2,696,265**	**9,081,144**

19. Provision for contingencies

The Company and its subsidiaries are not party to judicial proceedings, involving labor and tax issues rated as a probable loss, and no provision was therefore made for them.

The Company and its subsidiaries are party to judicial proceedings, involving labor and civil issues to the estimated amount of R$ 332,192 (R$ 108,773 as of December 31, 2013). Their legal advisors rate the proceedings as a possible loss, and management does not believe it is necessary to record a provision for them.

Downtime Costs (ADOMP)

On January 07, 2014 Porto do Pecém and Itaqui filed legal proceedings against Aneel contesting the calculation of downtime, as the CCEARs stipulate the use of a mobile average of 60 months of effective uptime. The Company provisions for downtime costs in accordance with the contractual interpretation.

On January 24, 2014 the 15th Federal Court of the Federal District awarded an injunction to the Porto do Pecém and Itaqui plan suspending the payment for downtime, based on the time calculated, with immediate effect.

On August 07, 2014 the injunction awarded to the above subsidiaries was upheld by court decision. On September 30, 2014 we accordingly recognized the reimbursement of downtime of R$ 107 million and R$ 254 million to Itaqui and Porto do Pecém, respectively.

The for downtime was received on November 10, 2014.

On September 09, 2014 the 7th Federal Court of the Federal District delivered a decision and awarded an injunction to the subsidiaries Parnaíba I Geração de Energia S.A. ("Parnaíba I"), UTE Parnaíba III Geração de Energia S.A. ("Parnaíba III") and Pecém II Geração de Energia S.A. ("Pecém II"), suspending the payment for downtime of the plants based on the time determined, with immediate effect. The decision also determined the Electricity Trading Chamber - CCEE calculate the amounts already paid by the plants in accordance with the new method. To date we have not received a position from CCEE regarding the downtime balance paid previously by the hour method, for reimbursement services.

Also note that the group's companies are provisioning for ADOMP based on the post-judicial decision method, i.e. considering an average for the past 60 months of effective availability. Generating a downtime balance payable of R$ 38 million and R$ 260 million for the subsidiaries Itaqui and Porto do Pecém respectively. No balances of provisions were made for the other group companies.

Change of conduct agreement – Parnaíba II

On August 05, 2014 an extraordinary meeting of the board of Aneel - National Electricity Regulatory Agency approved a Change of Conduct Agreement ("TAC") to adapt the energy supply obligations of Usina Termelétrica Parnaíba II based on the terms and conditions proposed by Company.
As shown below, in our opinion the Change of Conduct Agreement is an instrument which made it possible to maintain future revenue deriving from the CCEARs subject to auction A-3 – 2011, defining the new commercial conditions that will underpin these contracts from July 2016.

Our opinion is essentially based on two factors:

a) The original CCEAR never came into force, as shown below, and at no point has any obligation under this instrument become legally enforceable;

b) In corroboration of this, and given the new commercial terms, these CCEARs will be duly amended and complied with and the regulatory process implemented with ANEEL so the contracting parties are empowered to do so;

In order to demonstrate the contract is not effective, it is necessary to demonstrate the timeline of the procedures adopted by Eneva - In judicial reorganization with the regulator in order to safeguard the Company's interests:

1. The CCEARs of Parnaíba II were originally effective from March 01, 2014. However, due to the CCEE's technical difficulties to collect the signatures (the contract had already been signed by an agent of ENEVA - In judicial reorganization, however, ENEVA - In judicial reorganization's second agent was unable to access the CCEE's signature system) in the contracts, they did not become valid, due to the lack of the essential requisite for entering into a lease agreement (not being duly signed by two agents/officers).

2. The contracts remain invalid until May 13, 2014, when ANEEL issued Notice 1491 establishing the term of 5 working days for Parnaíba II to sign all the CCEARs, and determined the CCEE re-accounted for all months in which these CCEARs had not been recorded because they had not been signed.

3. By way of notice 1579, on May 20, 2014 ANEEL decided to suspend the CCEARs of UTE Maranhão III for the accounting and re-accounting processes, until June 18, 2014.

4. By way of notice 1843, on June 17, 2014 ANEEL decided to extend the term stated in Notice 1579, until July 18, 2014.

5. By way of notice 2742, on July 17, 2014 ANEEL decided to extend the term stated in Notice 1,843, until August 18, 2014.

6. By way of notice 3167, on August 15, 2014 ANEEL decided to extend the term stated in Notice 2,742, until 9/5/2014.

7. By way of notice 3636, on September 05, 2014 the ANEEL Board decided to instruct the CCEE not to consider the CCEARs for Maranhão III in the accounting and re-accounting processes until it had received the TAC definitively approved by ANEEL and the respective accounting guidelines.

The 10th Extraordinary Public Meeting of the 2014 Board approved the preparation of a draft Change of conduct agreement – TAC, in order to enable the optimization of generation resources of the Parnaíba Complex and to permit the maintenance of the CCEARs of UTE Maranhão III.

The TAC shall include the following conditions:

1. Suspension of CCEARs from original effectiveness March 01, 2014, to June 30, 2016.

2. Extension of the end of the supply period from December 31, 2033 to April 30, 2036.

3. Sending the fuel currently available at Complexo Parnaíba I to UTE Maranhão III, so that the energy currently generated by the 2 natural gas turbines of UTE Maranhão IV is generated by the 2 gas turbines of UTE Maranhão III on a substitution basis.

4. Offer to help rate affordability in an amount equal to 1 years' billing (estimate at R$ 333 million) - contribution will be made through a proportional discount to the fixed monthly revenue associated with

the invoicing of the CCEARs as per the flow of free cash from the Venture, i.e. from 2022, and restated by the IPCA price index.

5. Renewal of the Proper Performance Guarantee of UTE Maranhão III (approx. 60 MM R$).

6. Eneva - In judicial reorganization will increase generation for the systems and reduce energy costs for consumers to close the 4-turbine cycle with an estimated capex of R$ 1.5 bn, in up to 5 years as from the date the TAC is signed. If UTE Maranhão III does not have its combined cycle closed by December 31, 2014, the amount equal to the performance of the Proper Performance Guarantee (R$ 60 million) shall be added to the affordability contribution.

7. Exclusive sale commitment in the ACR for electricity, providing it has adequate conditions for qualifying the venture, in up to 5 years from closure of the cycle of the 4 natural gas turbines of Complexo Parnaíba I, integrated by UTE Maranhão IV and UTE Maranhão V. The deadline will be extended for making the committed investment if the regulated procurement auction is not held.

8. If the CCEARs are terminated due to nonperformance by Parnaíba II or its withdrawal from CCEE, the residual value of the affordability contribution, not yet discounted from the Fixed Revenue of the CCEARs, immediately payable, plus a fine of 20%.

9. Any future difficulties in the fuel supply cannot be invoked to renegotiate the TAC.

10. The TAC is being performed by ENEVA and the CCEARs signed by Parnaíba I are being performed in full.

The reasons why ANEEL decided to enter into the TAC with Parnaíba II were: the fact the UTE Maranhão III plant is practically ready, has a low CVU, helps improve the operations due to electric reasons, and the cost for consumers due to the cancellation of the CCEARs is higher than maintaining the venture.
As regards implementing the new commercial conditions resulting from the negotiation, stated in the TAC between ANEEL and Eneva - In judicial reorganization, note that as this is a contract in a regulated system, this is the legal way of proceeding to change commercial terms, i.e. term and price.

Once the final draft of the TAC has been duly signed by the parties, these amendments will be automatically valid and binding. The CCEE will provide the draft amendment to the CCEARs with the conditions stipulated in the TAC, for the approval of Eneva - In judicial reorganization and subsequent collection of signatures, but we emphasize that this is a slow process that depends exclusively on the internal schedule of the Chamber.

These conditions deriving from the negotiation between ANEEL and Eneva - In judicial reorganization resulted in the staggering of the price, according to the availability of free cash flow in the venture.

20. Shareholders' equity

As of December 31, 2014 and 2013 respectively, the Company's share capital consists of 840,106,107 (eight hundred and forty million one hundred and six thousand, one hundred and seven) and 702,524,469 (seven hundred and two million five hundred and twenty-four thousand, four hundred and sixty-nine) nominative common shares, with no par value and the authorized capital is 1.2 billion book-entered common shares with no par value.

As of December 31, 2014 the Company's share capital was R$ 4,707,088 (R$ 4,532,314 as of December 31, 2013), consisting of common shares distributed as follows:

	2014	%	2013	%
Shareholder				
Eike Fuhrken Batista	145,704,988	17.3	145,704,988	20.7
Centennial Asset Mining Fund LLC (*)	20,208,840	2.4	20,208,840	2.9
Centennial Asset Brazilian Equity Fund LLC (*)	1,822,065	0.2	1,822,065	0.3
E.ON	360,725,664	42.9	266,269,556	37.9
BNDESPAR	72,650,210	8.6	72,650,210	10.3
FIA Dinâmica Energia	87,494,400	10.4		
Other	151,499,940	18	195,868,810	27.9
	840,106,107	**100**	**702,524,469**	**100**

(*) Controlled by Eike Fuhrken Batista.

The changes in the share capital up to the fourth quarter of 2014 have been summarized below:

Data	Quantity of shares	Capital share (R$ thousand)	Description
December/2012	578,241,732	3,731,734	Opening balance
January/2013	147,480	232	Capital increase – company plan
February/2013	27,000	95	Capital increase – company plan
April 2013	34,500	114	Capital increase – company plan
May/2013	29,250	99	Capital increase – company plan
September 2013	124,031,007	800,000	Capital increase
October 2013	13,500	40	Capital increase – company plan
May 2014	-	119,959	Capital increase – shareholder contribution
August 2014	137,581,638	54,815	Capital increase – shareholder contribution
December 31, 2014	**840,106,107**	**4,707,088**	**Closing balance**

On August 01, 2014 the Board of Directors' meeting ratified the Company's capital increase, as approved by the Board of Directors' meeting on May 09, 2014, of R$ 174,728, within the authorized capital limit, as a result of the subscription and payment of the 137,581,638 new common registered shares with no par value. The number of Company shares accordingly rose from 702,524,469 to 840,106,107. The Company's share capital has accordingly changed from R$ 4,536,608 to R$ 4,711,337.

21. Earnings per share

Basic and diluted earnings per share

The basic and diluted earnings per share were calculated by dividing the earnings of the year attributable to the controlling and noncontrolling shareholders of the Company as of December 31, 2014 and December 31, 2013 and the respective average number of common shares in circulation, as per the table below:

	2014		2013	
	Common	Total	Common	Total
Basic and diluted numerator				
Loss attributable to shareholders parent companies	(1,517,182)	(1,517,182)	(942,455)	(942,455)
Basic and diluted denominator				
Weighted share average	760,195,676	760,195,676	640,131,923	640,131,923
Loss per share (R$) – basic	**(4.86920)**	**(4.86920)**	**(1.47229)**	**(1.47229)**

As of December 31, 2013 and 2012 there is no material difference between the loss per basic and diluted share.

22. Share-based remuneration plan

The Company's stock options break down as follows:

	Parent Company	Consolidated
	2014	2013
Stock options granted - Shareholders' Equity		
Granted by Company	35,211	36,231
Granted by Mr. Eike Batista	315,560	314,283
	350,771	350,514

	Parent Company	Parent Company
	2014	2013
Expenses incurred on share options awarded	257	(5,714)

The stock option plans were released in two different modalities: the primary plan, which consists of awarding call options, resulting in the issuance of new shares by the Company or the assignment of treasury stock; and secondary plans consisting of options offered by the shareholder to Company executives, which in this case does not entail a dilution of the share capital.

(a) Stock options granted by the Company

The Company awarded stock option plans for its own stock to beneficiaries providing services to it.

The Extraordinary General Meeting held November 26, 2007 approved the Stock Purchase Option Program, which was recorded in the minutes as an appendix. The same date share options were awarded to the Company's executives.

The plan entailed the right to acquire 175,900 shares, following the share split on July 17, 2009, awarded to 5 participants in equal amounts, subject to the individuals remaining at the Company for 5 years in order to exercise all of their rights.

The Options Program consists of the right to acquire a certain amount of Company shares, awarded to the program's beneficiary, at a given strike price per share - or purchase price per share - which has to be exercised in a period or by a deadline.

The plan's regulations state that the Company's Board of Directors should determine the amount of shares to be awarded, the strike prices, maturity terms and expiry dates of the rights.

On the date the right is exercised, the shares sold to the plan beneficiary should be subscribed again or placed in the treasury. The company's other shareholders do not have subscription rights to the shares allocated to the option plans.

The Extraordinary General Meeting held December 07, 2007 approved the grouping of the Company's shares, by which 22 shares were grouped into 1 common share. The Extraordinary General Meeting held July 17, 2009 subsequently approved the splitting of the Company shares, by which each common share on that date was split into 20 common shares. A further split was approved on August 15, 2012, whereby each common share was split into 3 common shares. These events led to an adjustment in the quantity and strike price of the options under the plans awarded.

The minutes from the Extraordinary General Meeting held September 28, 2010 documented the extension to the Company's stock options program to December 31, 2015.

Options were again awarded to executives on December 01, 2010, subject to the individuals remaining at the company for 7 years.

The Extraordinary General Meeting held April 26, 2011 approved the increase to the maximum percentage of shares that can be allocated to the Stock Options Program, to 2% of the Company's total stock.

The table below presents the overall characteristics of the options awarded by the Company, including the splits occurring on August 15, 2012 and split-off of CCX.

Plan	Date Awarded	Vesting period (years)	Initial date of maturity	Date rights expire	Original Amount Awarded (a)	Original Strike Price (a)	Strike Price Restated by IPCA(b)

Plan 1	11/26/2007	5	11/26/2008	11/26/2013	528,000	0.76	-
Plan 2	12/1/2010	7	12/14/2011	12/14/2018	3,300,000	2.97	4.03
Plan 2.1	4/27/2011	7	4/7/2013	4/27/2020	30,000	4.13	-
Plan 2.2	6/2/2012	7	6/2/2013	6/2/2020	60,000	2.97	-
Plan 3	11/24/2011	7	11/24/2012	11/24/2019	2,098,500	5.14	6.17
Plan 3.1	5/31/2012	7	5/31/2013	5/31/2020	225,000	5.14	6.00
Plan 3.2	7/10/2012	7	7/10/2013	7/10/2020	52,500	3.91	4.56
Plan 3.3	7/20/2012	7	7/20/2013	7/20/2020	22,500	4.13	4.82
Plan 3.4	8/1/2012	7	8/1/2013	8/1/2020	90,000	4.23	4.92
Plan 3.5	12/13/2012	7	12/13/2013	12/13/2020	3,000,000	4.53	5.11
				Total	**9,406,500**		

(a) For full expired or exercised options, the strike price is not restated by the IPCA index.

The table below shows the changes in the options plan in FY 2013.

Plan awarded by the Company - number of stock options	**Plan 1**	**Plan 2**	**Plan 2.1**	**Plan 2.2**	**Plan 3**	**Plan 3.1**	**Plan 3.2**	**Plan 3.3**	**Plan 3.4**	**Plan 3.5**
Balance at September 30, 2014	-	780,000	-	-	637,200	67,500	27,000	20,250	54,000	600,000
Exercised	-	-	-	-	-	-	-	-	-	-
Cancelled	-	(157,500)	-	-	(110,400)	-	-	-	-	(72,000)
Awarded	-	-	-	-	-	-	-	-	-	-
Expired	-	(97,500)	-	-	(70,800)	-	-	-	-	(60,000)
Balance at December 31, 2014	**-**	**525,000**	**-**	**-**	**456,000**	**67,500**	**27,000**	**20,250**	**54,000**	**468,000**

The table below shows the changes in the options plan in 2014.

Plan awarded by the Company - number of stock options	Plan 1	Plan 2	Plan 2.1	Plan 2.2	Plan 3	Plan 3.1	Plan 3.2	Plan 3.3	Plan 3.4	Plan 3.5
Balance at December 31, 2013	-	1,776,000	-	-	1,520,100	225,000	52,500	22,500	60,000	2,900,000
Exercised	-	-	-	-	-	-	-	-	-	-
Cancelled	-	(1,153,500)	-	-	(993,300)	(157,500)	(22,500)	-	-	(2,372,000)
Awarded	-	-	-	-	-	-	-	-	-	-
Expired	-	(97,500)	-	-	(70,800)	-	(3,000)	(2,250)	(6,000)	(60,000)
Balance at December 31, 2014	**-**	**525,000**	**-**	**-**	**456,000**	**67,500**	**27,000**	**20,250**	**54,000**	**468,000**

To determine the fair value of the options we used the Merton model (1973)1, which is a variant of the Black & Scholes (1973)2 model which considers dividend payments. A number of assumptions were made for the model's entry variables. Like:

- the share price at the measurement date
- the instrument's strike price
- the expected volatility

[1] MERTON, R. Theory of Rational Option Pricing. *Bell Journal of Economics and Management Science,* 4 (Spring 1973), 141-83

[2] BLACK, F.; SCHOLES, M. The pricing of options and corporate liabilities. *Journal of Political Economy*, Chicago, v. 81, p. 637-654, 1973

- expected dividends
- the instruments' term, and
- risk-free interest rate.

To calculate the expected volatility the continuous returns from the price history of the share were used (based on the past volatility, adjusted for changes expected due to information publicly available). The time window for estimating the expected volatility was the same as the option's term, or the longest term available, when the trading history of the company's share was shorter than the expected term.

The risk-free interest rate was based on public securities and interest rate curves published by BM&FBovespa.

Service conditions and performance conditions outside the market inherent to the transactions are not taken into account when determining fair value.

The table below shows the assumptions made to calculate the fair value of the options awarded by the Company:

Fair Value Assumptions	Plan 2	Plan 2.1	Plan 2.2	Plan 3	Plan 3.1	Plan 3.2	Plan 3.3	Plan 3.4	Plan 3.5
Number of exercisable options (matured)	75,000	-	-	57,000	7,500	3,000	2,250	6,000	52,000
Average outstanding term (years)	2.71	-	-	3.32	3.46	3.58	3.60	3.64	4.01
Fair value of options awarded in R$ (a)	0.01	-	-	0.01	0.01	0.01	0.01	0.01	0.00
Share price in R$ (b)	0.40	-	-	0.40	0.40	0.40	0.40	0.40	0.40
Strike price of the options in R$ (c)	4.03	-	-	6.17	6.00	4.56	4.82	4.92	5.11
Average expected volatility (per annum) (d)	72.5%	-	-	69.6%	73.9%	71.3%	70.8%	70.2%	52.7%
Risk-free interest rate (average) (per annum) (e)	5.94%	-	-	6.04%	6.07%	6.06%	6.07%	6.07%	5.78%
Effects on net income in 2014 in R$ k	1,068	-	-	1,323	157	51	29	84	2,062
Intrinsic value in R$ k (f)	-	-	-	-	-	-	-	-	-

(a) Calculation of the options' fair value based on the Merton model (1973)
(b) The closing price of the share ENEV3
(c) Strike prices of the options restated by the IPCA price index.
(d) To calculate the volatility of the share the continuous returns from the price history of the share ENEV3 were used.
(e) Reference rate to adjust the SWAP contracts for the IPCA coupon disclosed by BM&FBOVESPA.
(f) A value of zero is used when the options' intrinsic value is negative.

(b) Stock options granted by the Shareholder Eike Fuhrken Batista

Most of the employees embraced by the stock option plan awarded by the shareholder Mr. Eike Batista are no longer employees of Eneva S.A. - In judicial reorganization at December 31, 2014. Given the significant decrease in expenses on this plan, the Company is no longer recording the corresponding expense.

23. Operating revenue

The reconciliation between the gross revenue and the net revenue recorded in the income statement for the year is as follows:

	Consolidated	
	2014	**2013**
Gross revenue	2,010,803	1,600,282
Sales taxes	(212,711)	(161,452)
Total net revenue	**1,798,092**	**1,438,831**

24. Costs and expenses by nature

Costs and expenses by nature		Parent Company		Consolidated	
		2014	2013	2014	2013
Depreciation and amortization		(2,355)	(2,280)	(170,479)	(146,539)
Personnel expenses		(74,254)	(38,968)	(136,604)	(91,943)
Outsourced services		(49,406)	(40,401)	(209,150)	(161,595)
Rental expenses		(6,904)	(5,533)	(310,223)	(172,152)
Expenses incurred on stock options awarded		-	(28,610)	799	(28,610)
Provision for Investment Devaluation	(a)	(615)	3	(422,947)	(23)
Provision for Unsecured Liabilities		197	(8,272)	976	(7,716)
Cost per Downtime Incident		-	-	(17,719)	(149,367)
Material		-	-	(22,584)	(14,705)
Insurance		-	-	(20,720)	(17,138)
Other expenses	(b)	(518,148)	(14,042)	(598,625)	(93,975)
Consumables		-	-	(698,663)	(624,050)
CCC Incentive		-	-	13,959	69,182
Electricity for resale		-	-	(69,051)	(274,361)
		(651,878)	**(138,103)**	**(2,661,809)**	**(1,712,991)**
Classified as:					
Cost		-	-	(1,579,302)	(1,507,046)
Administrative and general expenses and stock options granted		(651,878)	(138,103)	(1,082,509)	(205,945)

(a) The balance primarily consisted of: (i) loss on the sale of 50% of the interest and loan in Pecém II Geração de Energia S.A., R$ 344 million and R$ 75 million, and (ii) gain on the dilution of the interest held by the Company in Parnaíba Gás Natural S.A., amounting to R$ 21 million.

(b) The presented amount denotes the negative effect of the operation involving Porto do Pecém, where the Company intends to sell its balances of investments, loans and accounts receivable on coal and energy purchases from the joint subsidiary. This operation has not yet been completed as the conditions precedent have not yet been performed. Said balance of assets is recorded as held for trading, as described in note 12.

25. Financial income

The Company's financial income breaks down as follows:

	Parent Company		Consolidated	
	2014	2013	2014	2013
Financial expenses				
Commission on bank guarantees				
Bank expenses	(282,072)	(147,857)	(516,552)	(364,832)
Monetary variance	(39,463)	(27,625)	(40,929)	(33,745)
Loss on derivative transactions	(4,124)	(6,142)	(4,124)	(3,339)
Debenture interest/cost	(501)	(786)	(501)	(786)

Fair value of debentures	-	-	-	-
Financial Advisory Services	(68,814)	-	(68,814)	-
Other	25,618	(151,186)	(10,881)	(191,907)
	(369,356)	**(333,596)**	**(641,768)**	**(594,609)**
Financial revenue				
Short-term investments	11,635	14,946	27,427	22,973
Income from related parties	109,477	79,686	47,877	40,734
Monetary variance	23,717	12,528	27,434	15,346
Gains (losses) on derivative transactions	16,952	2,728	16,952	2,728
Fair value of debentures	(0)	(479)	(0)	(479)
Other	689	3,414	12,024	7,212
	162,470	112,823	131,713	88,513
Net financial income	**(206,887)**	**(220,773)**	**(510,056)**	**(506,096)**

26. Commitments

The main commitments undertaken with suppliers of goods and services are the following:

(*) The figures presented include commitments undertaken by the subsidiary in conjunction with Pecém Geração de Energia S.A, to an amount equal to the Company's percentage interest (50%).

(**) The environmental compensation amounts are being included as and when the construction costs are incurred.

(***) Refers to the purchase and sale of energy from several suppliers and with several clients for the period between 2014 and 2024, subject to fixed prices and volumes. These purchase and sale prices are not therefore subject to changes in the energy sector.

Supplier	Subject matter of contract	Signature	Term	Total contracted on 12/31/2014	Contract Balance 12/31/2014	Contract Balance 12/31/2013
AVIPAM TURISMO E TECNOLOGIA LTDA	Purchase of Flights/Accommodation	12/11/2012	9/30/2014	720		416
BANCO BANKPAR SA	Supply of accommodation	12/11/2012	12/31/2014	1,360	697	853
BRASLIMP TRANSPORTES ESPECIALIZADOS LTDA	Disposal of Class II waste in general.	5/29/2014	12/31/2014	1,323	733	882
CAL TREVO INDUSTRIAL LTDA	Supply of Burnt Lime	5/2/2013	5/1/2015	1,119	1,083	1,119
CARBOMIL QUIMICA S.A	Supply of Burnt Lime	7/29/2013	5/6/2015	6,000	2,945	5,249
TRAINING AND ENHANCEMENT CENTER OF BRIGADA DE INCENDIO LTDA	Technical Assistance Services	6/16/2014	6/15/2016	1,120	840	-
COMPANHIA DE INTEGRACAO PORTUARIA DO CEARA CEARAPORTOS	Regulation of Solid Bulk Movement	3/18/2014	12/29/2024	7,674	4,233	763
COMPANHIA DE INTEGRACAO PORTUARIA DO CEARA CEARAPORTOS	Supply of Electricity to the Port	8/7/2012	Not determined	2,400	579	1,658
E ON GLOBAL COMMODITIES SE	Supply of coal	1/2/2014	12/31/2014	290,001	9,924	-
E ON GLOBAL COMMODITIES SE	Supply of coal	10/2/2013	12/31/2014	70,921	24,583	9,255
EBM CONSULTORIA E INVESTIMENTOS LTDA	Consultancy for obtaining financing	1/29/2010	9/30/2014	4,428		1,757
ELETROMECANICA CAPISTRANO EIRELI-ME	Maintenance and operation of UTE Pecem II.	1/24/2014	2/28/2015	8,642	1,659	-
ELETROMECANICA CAPISTRANO EIRELI-ME	Turbine no. 03 maintenance services	9/18/2013	9/30/2014	3,300		854
ENGETEC CONSULTORIA GESTAO E SERVICOS EMPRESARIAIS LTDA	Pressure level monitoring services	8/1/2014	8/31/2016	975	885	
FORNECEDORA MAQUINAS E EQUIPAMENTOS LTDA	Compacting of coal in the yard.	7/30/2014	12/31/2014	6,253	1,529	732
FORNECEDORA MAQUINAS E EQUIPAMENTOS LTDA	Heavy Vehicle Leasing Services	5/30/2014	12/29/2015	2,940	2,095	
FORNECEDORA MAQUINAS E EQUIPAMENTOS LTDA	Compacting of coal in the yard.	9/1/2014	9/30/2018	2,226	2,082	
FORNECEDORA MAQUINAS E EQUIPAMENTOS LTDA	Heavy Vehicle Leasing Services	9/1/2014	9/30/2018	12,613	11,798	
FORSHIP ENGENHARIA S/A	Commissioning services at UTE Pecém II	1/2/2013	12/30/2014	9,500		1,596
GUIMAR ENGENHARIA S.A.	Project closure process.	9/28/2012	9/30/2014	2,000		449
ICAL INDUSTRIA DE CALCINAÇÃO LTDA	Supply of Burnt Lime	8/9/2013	4/22/2015	786	732	786
MINERAÇÃO BELOCAL LTDA	Supply of Burnt Lime	9/3/2013	12/31/2014	941		941
MINERAÇÃO LAPA VERMELHA LTDA	Supply of Burnt Lime	9/9/2013	12/31/2014	1,871		871
MONSERTEC MANUTENCAO INDUSTRIAL LTDA	Maintenance of scaffolding and industrial paintwork	10/28/2013	10/27/2015	4,867	2,798	
NUTRINOR RESTAURANTES DE COLETIVIDADE LTDA	Meals - breakfast, lunch, dinner and supper	12/7/2012	9/30/2014	571		175
OPE COMISSIONAMENTO OPERACIONAL LTDA-ME	activities related to commissioning	12/23/2014	Not determined	1,811	784	
NATIONAL ELECTRIC SYSTEM OPERATOR - ONS	Transmission between concession operators and Mpx	5/27/2014	Not determined	52,001	8,966	10,589
PORTO DO PECEM TRANSPORTADORA DE MINERIOS S/A	Unloading of ships moored in the terminal	3/26/2012	12/31/2016	6,950	2,678	5,632
PRIME PLUS LOCACAO DE VEICULOS E TRANSPORTES TURISTICOS LTDA	Worker transportation service	10/1/2014	10/31/2017	992	992	
PHYSICAL ACOUSTICS SOUTH AMERICA LDTA	MACHINERY AND EQUIPMENT MAINTENANCE	6/10/2014	6/9/2016	683	683	
RAIZEN COMBUSTIVEIS S.A	Supply of B S10 Diesel Fuel	4/2/2014	3/31/2015	9,999	7,713	
REX EMPREENDIMENTOS IMOBILIARIOS LTDA	Property rental	1/1/2009	11/27/2042	45,283	37,711	39,592

RH CLEAN SERVICOS PROFISSIONAIS DE LIMPEZA LTDA	Cleaning of the Coal Transfer Towers	1/8/2013	12/31/2014	1,263	532	1,102
RH CLEAN SERVICOS PROFISSIONAIS DE LIMPEZA LTDA	Procurement of outsourced labor	7/2/2012	9/30/2014	750		41
RIP SERVIÇOS INDUSTRIAIS LTDA	Specialist Labor Services	9/24/2014	10/5/2014	7,500		4,163
SEMACE	ENVIRONMENTAL COMPENSATION	9/5/2008	Not determined	4,850	471	1,500
SPIG TORRES DE RESFRIAMENTO LTDA	Electromechanical Monitoring and Assembly	4/1/2014	3/31/2015	1,491	1,491	
SUPRICEL LOGISTICA LTDA	Burnt Lime Shipping Services	8/9/2013	4/22/2015	8,464	2,355	4,826
TDG - TRANSMISSORA DELMIRO GOUVEIA S/A	Connection Bay	3/6/2014	Not determined	1,020	754	-
MABE	Construction of UTE-EPC	1/27/2008	Indefinite	144,144	5,960	2,738
Tecnometal	Supply of coal conveyor transportation system	7/24/2009	7/31/2014	130,757	30,399	27,926
Cargotec	Supply of ship unloading equipment	10/7/2009	7/6/2013	20,161	-	20,161
Carbomil	Supply of Burnt Lime	5/7/2010	7/6/2015	30,000	26,798	26,798
EMS Silvestrini	Maintenance, Industrial Cleaning and Industrial Support	5/1/2012	6/30/2014	19,692	1,800	2,641
Global Crossing	IT SERVICES	8/11/2009	12/9/2012	697	-	7
Fortal Serviços de Segurança	Armed security and surveillance services	7/25/2012	3/24/2014	5,275	-	286
Petroleo Sabba	Supply of diesel oil	7/1/2012	8/31/2014	19,325	-	-
Nova Aliança Locação de Veículos	Personnel Transportation Services	7/1/2012	8/31/2015	3,843	-	1,255
CONSULTORIA PLANEJAMENTO E ESTUDOS AMBIENTAIS	Monitoring of water quality	3/1/2013	5/31/2014	904	79	248
SEMPRE VERDE SERV. E CONSTR. CIVIL	Technical management of agricultural hub	5/20/2013	5/19/2014	522	-	79
RH Global	Leasing of specialist outsourced labor	7/21/2013	7/21/2014	1,406	90	520
ECOSOFT	Air quality monitoring and meteorology	2/1/2013	4/30/2014	697	71	400
OGMO	Collective agreement with dockers' trade unions	10/1/2013	9/30/2015	750	194	750
MONSERTEC	Assembly of scaffold and industrial and civil treatment.	12/5/2013	12/4/2015	8,310	1,621	6,000
E ON GLOBAL COMMODITIES	Supply of coal	1/1/2014	1/31/2015	123,346	12,670	-
Atlas Copco Brasil	Maintenance of atlas compressors	2/25/2014	4/24/2017	664	479	664
Safety Consultoria Empresarial	Emergency services combating fires	1/1/2014	12/31/2014	518	198	-
Avipam	Accommodation services, issuance of flights	3/18/2014	4/17/2015	290	11	-
J DE D S LIMA	Medical service	1/1/2014	10/31/2014	420	-	-
MAQMIX	Coal stacking services during receipt from ship	3/20/2014	3/19/2015	5,562	2,084	-
SEMPRE VERDE SERV. E CONSTR. CIVIL	Maintenance of green areas of UTE and surroundings	3/20/2014	3/19/2015	719	239	-
PROVIDA BRASIL	Monitoring of aquatic biota during operations	4/7/2014	2/18/2015	1,449	1,268	-
EMAP	Unloading and shipping products	4/1/2014	3/31/2016	8,300	5,399	-
VIP VIGILANCIA	Armed security services on-site	1/22/2014	4/25/2014	5,145	4,166	-
CENTRAL DE GERENCIAMENTO AMBIENTAL TITARA S/A	Disposal of ash generated at the landfill	4/17/2014	4/16/2022	90,000	78,849	-
ENVITEK SERVICOS AMBIENTAIS LTDA	Handling and transportation of ashes in the UTE's yard	3/24/2014	3/23/2022	82,000	72,700	-
CONTROL AMBIENTAL ENGENHARIA E PLANEJAMENTO LTDA	Monitoring of groundwater at UTE	4/16/2014	4/15/2015	759	253	-
GE International	GE Turbina e assistencia	5/30/2011	1/18/2014	397,986	266,552	334,792
DURO Felguera	EPC and Turbine and technical assistance	5/30/2011	10/31/2013	586,827	242,013	290,726
Guimar Engenharia	Engineering consultancy for UTE Parnaíba	6/1/2011	10/31/2013	8,335	-	1,940
Biota Projetos e Consultoria Ambiental	Biotic Monitoring	8/10/2012	8/9/2018	1,081	383	1,014
CONSROD CONSTRUCOES RODOVIARIAS LTDA ME	Construction of heliport and new cabin	11/5/2012	6/4/2013	2,194	-	2,194
BESSA & BARREIRA ADVOGADOS	Specialist legal advisory services for environmental matters	1/3/2011	12/31/2013	560	532	532
GASMAR	Distribution system operation and maintenance	12/17/2012	12/16/2027	57,838	109	2,946
ELETRONORTE	Maintenance and operation services - in connection bay	3/21/2013	3/20/2015	2,375	40	981
EMS SILVESTRINI	Preventive and corrective industrial maintenance	4/4/2013	4/3/2015	1,664	235	1,931
M CARTAXO LACERDA	Procurement of specialist labor	6/3/2013	6/2/2015	723	171	952
PARNAÍBA GÁS NATURAL	Natural gas acquisition	1/1/2013	12/31/2027	871,917	216,154	106,968

BPMB PARNAÍBA	Leasing of leased capacity	2/1/2013	1/31/2028	695,234	163,832	279,059
RH GLOBAL CONSULTORIA E ASSESSORIA LTDA	Specialized services: outsourced labor	7/24/2013	1/23/2015	1,598	338	738
VIP VIGILANCIA	Unarmed security and property protection services	8/10/2013	8/9/2015	1,431	685	2,234
INST. AYRTON SENNA	Implementation of management program for school flow	6/18/2013	1/30/2017	2,121	2,121	2,121
FACULDADES CATOLICAS	Research and development.	3/18/2014	4/17/2017	2,161	1,359	-
M CARTAXO LACERDA	Preparation and supply of meals to employees	4/11/2014	4/10/2016	2,574	1,939	-
MPX ENERGIA	Research and development project.	3/19/2014	3/18/2017	790	790	-
PSR SOLUÇÕES	Research and development project.	3/18/2014	3/17/2017	589	327	-
INITEC Energia S.A.	EPC	8/15/2011	2/2/2014	913,300	410,225	539,425
Hidroinga Artesian Wells	WELL ENGINEERING	3/25/2012	7/30/2013	1,578	-	21
Brasilis Kaduna	Consultancy services	2/17/2012	4/16/2013	1,000	352	352
SYNERGIA	Consultancy for Rural Resettlement Action Plan	5/7/2012	7/6/2013	1,239	-	50
Desga Ambiental Industria e Comércio	Water intake and disposal system	8/1/2012	10/31/2013	20,763	9,789	9,789
Desga Ambiental Industria e Comércio	Complete implementation of the water intake	8/1/2012	5/31/2014	42,206	9,450	42,206
General Electric Company	Acquisition of 2 (two) turbo generators	8/20/2012	12/19/2013	61,424	9,920	9,920
Hidroinga Artesian Wells	Planning and construction of two cased wells	11/30/2012	4/29/2014	3,605	104	509
CONEL CONSTRUCOES E ENGENHARIA LTDA	Construction of the well interconnection system	3/21/2013	6/30/2014	12,162	-	3,736
HATCH CONSULTORIA E GERENCIAMENTO DE EMPREENDIMENTOS LTDA	Development of the interconnection system project	3/18/2013	7/17/2014	2,032	-	265
ARM CONSULTORIA EM SEGURANCA LTDA - PREVINE	Consultancy for occupational safety and the environment	5/21/2013	5/20/2014	4,828	-	1,851
RH GLOBAL	Procurement of specialist labor	7/24/2013	7/23/2014	2,751	153	960
LBB TRANSPORTE	Completion of effluent disposal duct	10/15/2013	5/16/2014	3,441	-	1,300
Guimar Engenharia	Engineering consultancy	9/1/2013	2/29/2016	3,040	-	2,512
STEAG Energy	Engineering consultancy	9/1/2013	2/29/2016	6,504	78	4,748
E M S Silvestrini	Industrial correction and maintenance of equipment	1/1/2014	4/3/2015	836	242	739
VIP Vigilância	Unarmed security and property protection services	1/1/2014	8/9/2015	998	387	916
Biota Projetos	Biotic monitoring of Parnaiba	1/1/2014	8/9/2018	551	464	425
M Cartaxo R Lacerda	Preparation, handling and supply of meals	4/11/2014	4/10/2016	2,114	1,507	-
Bripaza Construções	Final implementation of the waste disposal system	3/17/2014	7/16/2014	2,433	-	-
WARTSILA BRASIL LTDA	EPC	3/28/2013	4/30/2014	8,916	877	3,099
CMI CONSTRUÇÕES	ELECTRICAL CONNECTION	10/1/2013	5/20/2014	3,250	117	3,250
Mabe	Construction of UTE-EPC	1/27/2008	Indefinite	2,607,057	25,817	104,527
Mabe/SEMACE	Environmental compensation	09/05/2008	Indefinite	713	713	713
Consulgal Portugal	Owner's engineering	12/20/2007	10/19/2014	2,618	355	1,741
Other	Services/Materials	Other	Indefinite	426,887	177,728	155,594
REX	Operating Leasing	7/23/2008	1/23/2043	8,093	6,325	11,026
Carbomil	Lime	8/20/2010	6/1/2015	11,910	4,765	11,372
ICAL	Lime	9/23/2011	11/10/2014	21,950	-	21,950
Cogerh	Raw Water	10/28/2010	10/27/2020	73,725	43,581	75,025
CAGECE	Waste disposal	2/9/2012	10/10/2031	14,264	3,572	7,650
EDP Comercializadora	Energy for sale	Other	Indefinite	89,972	4,682	-
BTG Energia	Energy for sale	Other	Indefinite	52,920	52,920	-
E-on	Coal	Other	Indefinite	389,100	209,216	-

27. Insurance coverage

It is the policy of the Company and its direct and indirect subsidiaries to take out insurance coverage for the assets subject to risk at amounts considered by management sufficient to cover any incidents, considering the nature of their activity. The policies are in force and the premiums have been paid. The company considers its insurance coverage is consistent with other companies of similar sizes operating in the sector.

As of December 31, 2014 and 2013, the main risks covered are:

	Consolidated	
	2014	2013
Material damages	18,291,418	12,432,201
Civil liability	438,500	269,000

28. Operating segments

Segment information should be prepared in accordance with CPC 22 (Segment reporting), equivalent of IFRS 8, and should be presented with respect to the Company and its subsidiaries' business that was identified based on its management structure and on internal management reporting, provided to the main manager for decision-taking purposes.

Company Management takes its decisions based on four core business segments: energy generation, energy sales, supplies and corporate, which are subject to risks and remuneration managed by centralized decisions.

The current activity is managed by a main manager, who allocates and evaluates the operational segment's performance. In the case of the Company, this manager is the CEO.

As the ventures move forward, Management aims to re-evaluate business segments to provide the market with real and quantitative information.

	December 31, 2014				
	Electricity Generation	Corporate	Other	Eliminations and adjustments	Total consolidated
Balance sheet – assets	5,467,613	3,729,972	174	(2,153,341)	7,044,418
Current	558,187	386,513	7	-	944,708
Cash and cash equivalents	84,809	72,502	7	-	157,318
Trade receivables	304,848	-	-	-	304,848
Securities	-	-	-	-	-
Inventories	99,185	-	-	-	99,185
CCC subsidies receivable	-	-	-	-	-
Gains on derivative transactions	-	-	-	-	-
Secured deposits	-	41	-	-	41
Held-for-trading assets	-	300,000			300,000
Other current assets	69,346	13,970	-	-	83,316

Noncurrent	4,909,425	3,343,458	166	(2,153,341)	6,099,710
Long-term	315,156	1,101,204	-	(673,618)	742,743
Related parties	23,048	808,056	-	(451,868)	379,236
CCC subsidy receivable	24,617	-	-	-	24,617
Deferred taxes	219,713	-	-	-	219,713
Gains on derivative transactions	-	21,122	-	-	21,122
Secured deposits	62,070	-	-	-	62,070
Other noncurrent assets	(14,292)	282,026	-	(221,750)	45,984
Capital expenditure	-	2,228,139	-	(1,494,213)	733,927
Property, plant and equipment.	4,412,063	11,238	166	-	4,423,466
Intangible assets	182,206	2,876	-	14,490	199,572
Deferred charges	-	-	-	-	-

	December 31, 2014				
	Electricity Generation	**Corporate**	**Other**	**Eliminations and adjustments**	**Total consolidated**
Balance Sheet - liabilities	5,467,613	3,729,972	174	(2,153,341)	7,044,418
Current	1,390,854	2,229,071	10	(25)	3,619,910
Loans and financing	1,090,044	2,199,149	-	-	3,289,195
Trade payables	138,048	11,737	1	-	149,785
Losses on derivative transactions	-	-	-	-	-
Related parties	25	-	(1)	(25)	(0)
Debentures	-	-	-	-	-
Other current liabilities	162,736	18,185	10	-	180,930
Noncurrent	2,282,048	357,885	513	(433,649)	2,206,796
Noncurrent liabilities					
Loans and financing	1,691,753	182,749	-	-	1,874,502
Deferred taxes	10,978	-	-	-	10,978
Related parties	577,059	171,595	513	(428,291)	320,875
Debentures	-	-	-	-	-
Losses on derivative transactions	-	-	-	-	-
Other noncurrent liabilities	2,258	3,541	-	(5,357)	442
Noncontrolling shareholders	-	-	-	82,455	82,455
Shareholders' equity	1,794,712	1,143,016	(349)	(1,802,122)	1,135,257

	December 31, 2014				
	Electricity generation	Corporate	Other	Eliminations and adjustments	Total consolidated
Statement of operations					
Revenues	2,022,573	-	-	(11,770)	2,010,803
Deductions from gross revenue	(212,711)	-	-	-	(212,711)
Net operating revenue	1,809,862	-	-	(11,770)	1,798,092
Cost of Goods and/or Services sold	(1,590,523)	-	-	11,770	(1,579,302)
Operating expenses (SG&A)	(27,970)	(145,690)	(151)	799	(173,013)
Other operating income	(403,701)	(516,188)	-	394	(919,496)
Equity in net income of subsidiaries	-	(648,417)	-	477,762	(170,655)
Financial income	(303,200)	(206,887)	0	-	(510,056)
Provision for current and deferred taxes	(2,532)	-	-	-	(2,532)
Non-controlling interests	39,624	-	-	-	39,779
Net Income/Loss for the period	(518,064)	(1,517,182)	(150)	478,955	(1,517,183)

	December 31, 2013					
	Generation de Energia	Supplies	Corporate	Other	Eliminations and adjustments	Total consolidated
Balance sheet – assets	**8,056,566**	**5,317**	**4,751,985**	**313**	**(3,149,193)**	**9,689,212**
Current	**596,950**	**477**	**141,242**	**10**		**747,842**
Cash and cash equivalents	166,960	457	110,156	10		277,583
Trade receivables	294,396					294,396
Securities						
Inventories	78,376					78,376
CCC subsidies receivable	30,802					30,802
Gains on derivative transactions			4,171			4,171
Secured deposits			38			38
Other current assets	26,416	19	26,878			62,477
Noncurrent	**7,459,616**	**4,840**	**4,610,742**	**303**	**(3,149,193)**	**8,941,310**
Long-term						
Related parties	24,418		1,249,669		(746,067)	528,019
CCC subsidy receivable	24,617					24,617
Deferred taxes	302,327					302,327
Gains on derivative transactions						
Secured deposits	118,606					118,606
Other noncurrent assets	(15,175)	21	214,734		(206,528)	(6,947)
Capital expenditure			**3,130,978**		**(2,189,125)**	**941,853**

	December 31, 2013					
	Generation de Energia	Supplies	Corporate	Other	Eliminations and adjustments	Total consolidated
Property, plant and equipment.	**6,805,744**	**773**	**12,634**	**303**		**6,819,454**
Intangible assets	**195,653**		**2,727**			**213,381**
Deferred charges	**3,427**	**4,046**			**(7,473)**	

	December 31, 2013					
	Generation de Energia	Supplies	Corporate	Other	Eliminations and adjustments	Total consolidated
Balance Sheet - liabilities	**8,065,730**	**5,317**	**4,751,987**	**313**	**(3,134,135)**	**9,689,212**
Current	**1,398,839**		**1,580,010**	**10**	**(0)**	**2,978,859**
Loans and financing	845,930		1,562,211			2,408,142
Trade payables	327,743		3,473	1		331,216
Losses on derivative transactions						
Related parties				(1)		
Debentures			112			112
Other current liabilities	225,165		14,215	10		239,389
Noncurrent	**4,156,224**	**22**	**703,232**	**501**	**(723,499)**	**4,136,479**
Noncurrent liabilities						
Loans and financing	3,146,961		655,417			3,802,378
Deferred taxes	9,591		-			9,591
Related parties	995,147	22	34,489	501	(722,438)	307,720
Debentures			5,239			5,239
Losses on derivative transactions						
Other noncurrent liabilities	4,524		8,087		(1,060)	11,551
Noncontrolling shareholders					123,633	123,633
Shareholders' equity	**2,510,668**	**5,295**	**2,468,744**	**(198)**	**(2,534,268)**	**2,450,242**

	December 31, 2013					
	Generation de Energia	Supplies	Corporate	Other	Eliminations and adjustments	Total consolidated
Statement of operations						
Net operating revenue	1,438,831					1,438,831
Cost of goods and/or services sold	(1,506,234)	(812)				(1,507,046)
Operating expenses (SG&A)	(43,375)	(12)	(123,701)	(173)		(167,261)
Other operating income	(24,839)		(14,403)		557	(38,684)
Equity in net income of subsidiaries			(469,179)			(153,012)
Financial income	(285,315)	32	(220,773)	(40)		(506,096)
Provision for current and deferred taxes	103,248		(114,400)			(11,152)
Non-controlling interests parent companies	1,729	238				1,966
Net Income/Loss for the period	(315,957)	(554)	(942,456)	(212)	557	(942,455)

Geographic data

The four segments described above are located in three different geographical areas, as summarized below:

North and North-east System

The North and North-east System consists of the plants of Itaqui Geração de Energia S.A., Porto do Pecém Geração de Energia S.A., Pecém II Geração de Energia S.A., Parnaíba Geração de Energia S.A., Parnaíba II Geração de Energia S.A., Parnaíba III Geração de Energia S.A., Parnaíba IV Geração de Energia S.A., Parnaíba V Geração de Energia S.A., Tauá Geração de Energia Ltda., Tauá II Geração de Energia Ltda. and Amapari Energia S.A.

The coal-fired Itaqui thermal power plant is located in the proximity of Itaqui, in Maranhão state. It has an energy generation capacity of 360 MW and has energy sale orders from 2012.

The pulverized coal-fired power plants Porto do Pecém Geração de Energia S.A. and Pecém II Geração de Energia S.A. are located in the region of Porto do Pecém, Ceará state, with installed capacity of 720 MW and 360 MW respectively.

Tauá and Tauá II are also located in the state of Ceará, and are solar energy generation companies with an environmental license for the joint generation of 5 MW each, where two 1-MW plants have already been built.

Amapari, an Independent Energy Producer (PIE) in the insulated system, is a diesel fuel thermal power plant located in the municipality of Serra do Navio, Amapá state, with an installed capacity of 23 MW.

The Parnaíba complex, a natural gas thermal power plant, is strategically located in block PN-T-68 of the Parnaíba Basin, in Maranhão state. The venture has been licensed by the Maranhão State environment Department (SEMA) and has a forecast total capacity of 3,722 MW. The five Parnaíba companies are located in this complex.

South - Southeast System

The Seival Sul mine, located in the municipality of Candiota, Rio Grande do Sul state, has proven reserves of 152 million tons of coal. The thermoelectric ventures of Sul Geração de Energia and UTE Seival are going to be built in this area. These power plants will have an installed capacity of 727 MW and 600 MW respectively, and will guarantee the supply of fuel for 30 years by integrating with the Seival Sul mine.

29. Subsequent events

In December 2014 we started a negotiation, which was implemented in January 2015, from the project lenders to we made the long-term debt refinancing in order to reach a level of cash as well as short and long term sustainable for the project.

For this long-term debt refinancing with all institutions that finance was necessary to the project, such as BNDES, BNB and lending banks (Bradesco and Votorantim) in a total amount of R$ 1,227 million. In this refinancing all banks agreed with the company's managers that the project needed additional help in relation to cash flow and thus we get the following improvements:

• Grace period of 24 months for payment of principal;
• Lack of 6 months for payment of the remaining debt charges (except for BNB that due to resources being derived from the FNE was not possible to obtain this relief negotiated and approved together with other donors);
• No payment for restructuring committee (with addition of cost of contracts worth R $ 50,000.00 for each institution);
• Project got clearance as the obligation to establish the Debt Service Coverage Ratio;
• amortization gradient application on the outstanding balance, according to the payment capacity of project cash flow: 3% (three percent) in 2017, 5% (five percent) in 2018, 8% (eight percent) in 2019, 10% (ten percent) in 2020 to 74% (seventy-four percent) remaining in subsequent years through constant depreciation system - SAC; and
• Maintenance of the original financial burden.

All this restructuring plan will result in additional liquidity for approximately R$ 76 million project in the next six months and R$ 210 million over the next 2 years (expected numbers based on the interest rate scenario and actual inflation), thus bringing relief significant for the project cash in the short and the long term. Thus the project will have full capacity to achieve a sustainable level of generation / operation in the long run, with cash flow capable of meeting all project operational needs.

On January 26, 2015 was the conclusion of the amendment to the Shareholders' Agreement between DD Brazil Holdings S.À RL ("E.ON") and Mr. Eike Batista Fuhrken. The currently valid version of the Shareholders Agreement reflects, among others, changes in the Company's Bylaws approved at the Extraordinary General Meeting of December 30, 2014, including the change in Board composition.

On February 12, 2015 the Company approved the submission of the Plan of Reorganization before the Judge of the 4th Business Court, District of Rio de Janeiro, under the bankruptcy reorganization of the Company and its subsidiary Eneva Participações SA

Board of Directors

Jorgen Kildahl
Keith Plowman
Stein Dale
Adriano Carvalhêdo Castello Branco Gonçalves
Fabio Hironaka Bicudo (Chairman)

Executive Board

Alexandre Americano (CEO)
Ricardo Levy (Deputy president and Investor Relations Officer)

Accountant

Ana Paula Vergetti Diniz
CRC 087040/O-9

Opinions and Representations / Representation of the Officers about the Financial Statements

In due accordance with the provisions stated in article 25 of Instruction 480/09 issued December 07, 2009, the Executive Board represents it has reviewed, discussed and accepted the Financial Statements (Parent Company and Consolidated) for the period ended December 31, 2014.

Rio de Janeiro, March 26 of 2015.

Alexandre Americano
Chief Executive Officer

Ricardo Levy
Executive Vice President And Investors Relations Officers

Opinions and Representations / Representation of the Officers about the Independent Auditors' Report

In due accordance with the provisions stated in article 25 of Instruction 480/09 issued December 07, 2009, the Executive Board represents it has reviewed, discussed and accepted the conclusion expressed in the Independent Auditors' review report dated March 26, 2015 on the financial statements (Parent Company and Consolidated) for the financial year ended December 31, 2014.

Rio de Janeiro, March 26 of 2015.

Alexandre Americano
Chief Executive Officer

Ricardo Levy
Executive Vice President And Investors Relations Officers