

Multiner S.A.

Financial statements

December 31, 2008 and 2007

**An unaudited free translation of the originals in
Portuguese**

Multiner S.A.

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Management Report

Corporate profile

Multiner S.A. was founded in May 2007, originally under the name of 2010 Geração de Energia e Participações S.A. The Company arose from a partnership among its current shareholders, initiated in 2005, in order to build, assemble and operate the Cristiano Rocha Thermoelectric Power Plant, in the city of Manaus, Amazon, belonging to Rio Amazonas Energia S.A. (RAESA). The success of this undertaking, combined with the technical expertise and enterprising capacity of the Company's shareholders, as well the favorable scenario of the Brazilian power generation market, led them to strengthen their association through Multiner.

In October 2007, 2010 Geração de Energia e Participações S.A. changed its corporate name to Multiner S.A. The Company's purpose is to hold interest in other companies and projects, especially in the power sector, providing the market with power generation alternatives.

Multiner's strategic guidelines include a portfolio composed of the most important projects in Brazil, in view of future installed capacity – currently estimated at 5.7 GW –, its diversified energy sources matrix, and the strategic location of its plants.

Multiner's generation complex will consist of thermoelectric power plants (oil, natural gas and biomass), wind and hydroelectric power plants. In addition, in line with its expansion strategy, the Company plans to operate in other Latin American countries, starting in Chile.

Multiner's current portfolio – represented by power generation units already associated to future sales guaranteed through PPAs (Power Purchase Agreements) – consists of 1.5 GW total capacity, ranking Multiner in an outstanding position in the Brazilian power sector.

Message from the Management

2008 was an outstanding year for Multiner, as the Company confirmed and consolidated its strategy of becoming one of the most important privately-held power generation companies in Brazil. The measures adopted to attain such objective were carefully planned and implemented during 2008, resulting in the achievement of the previously set goals.

In February, we acquired the option to purchase 67% of 2007 Participações S.A shares, which holds 99.99% of the capital of Rio Amazonas Energia S.A. (RAESA), which exploits power production and commercialization through the Thermoelectric Power Plant Cristiano Rocha (UTE Cristiano Rocha), which composes the Power System of Manaus, providing power to the local distribution company, Manaus Energia S.A. (MESA). Total power generated by the plant (65 MW) is sold to MESA, supported by a 20-year term PPA that both parties signed in May, 2005.

In March, we signed purchase and sale commitment agreements to acquire 100% of Termelétrica Itapebi S.A. and Termelétrica Monte Pascoal S.A. shares, winners of the New Energy Auction #002/2007 held by ANEEL and holders of PPAs of 103 MW and 104 MW, respectively, which will generate joint revenues exceeding R\$1.7 billion during a 15-year term.

In May, we received authorization from ANEEL to transfer ownership control of New Energy

Options Geração de Energia S.A. (NEO). As a result, we now control this company with a stake of 80% of its capital stock. NEO holds PPAs signed with Eletrobrás, within the scope of PROINFA (Alternative Energy Sources Incentive Program), for the sale of two of its three plants: Wind Power Plants Alegria I and Alegria II, for the sale of 382,321 MWh/year, during a 20-year term.

Multiner emerged victorious from the two New Energy Auctions held by ANEEL in September, ensuring PPAs for other five plants: Pernambuco IV and Santa Rita de Cássia Thermoelectric Power Plants (A-3 Auction), and Pernambuco III, Termopower V, and Termopower VI Thermoelectric Power Plants (A-5 Auction). On that occasion, PPAs were guaranteed, totaling average 512 MW and fixed revenues of R\$5.1 billion over a 15-year period.

As a result of both Auctions, Multiner's energy sales portfolio – comprising plants that are already operational and those that have guaranteed sales contracts – has a total capacity now of around 1.5 GW, fully in line with its business plan, ranking Multiner in an outstanding position in the Brazilian power sector.

All these achievements took place in a year that was marked by the development of an unprecedented global financial crisis, which has had a direct impact on Brazil's economy, within a scenario of countless interconnections and complexities inherent in a globalized world. Facing this new reality, Multiner acted in a creative and timely manner to ensure that its investments would be maintained in 2008 and to make feasible its CAPEX plan for the next years. In view of stock market's adverse conditions, we temporarily and appropriately cancelled our initiatives geared towards the Initial Public Offering of our Company. Nevertheless, we maintained actions aiming at going public, and in July, we obtained the registration as a public company at the Brazilian Securities and Exchange Commission. To guarantee short-term funds necessary to proceed with our investments, we began capitalizing R\$412 million through the Equity Investment Fund (FIP Multiner). At the same time, we continued negotiating loans with several private banks as well as the Brazilian Development Bank (BNDES) and Banco do Nordeste do Brasil (BNB) to provide the necessary funding to our power plants. We received from the latter, in October, a letter of approval to finance 90% of the Wind Power Plant Alegria I.

Aiming at providing equipment to our plants to which we have already guaranteed power purchase agreements, we signed equipment purchase agreements with the Danish company Vestas Wind Systems AIS for Alegria I and Alegria II Wind Power Plants, and with the American company Caterpillar and with Finnish Wärtsilä for Itapebi and Monte Pascoal Thermoelectric Power Plants.

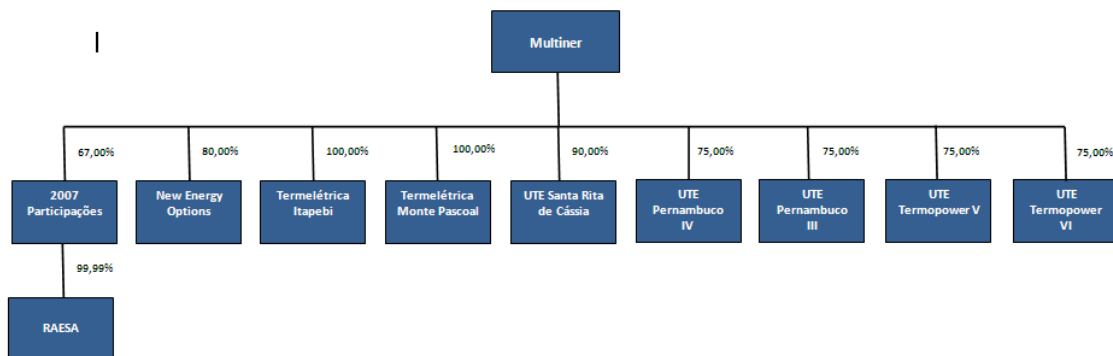
We are confident that Brazil has all necessary conditions to resume its path of economic growth and continuous improvement of its population's life quality. We will continue working with this optimistic attitude, which we believe is realistic and accomplishing. We are aware that we may face challenges and obstacles in the future, which we will strive to overcome with redoubled determination and commitment. Power generation is one of pillars for Brazil's sustainable development. Therefore, Multiner intends to contribute to such development and wishes to be always in the front line of institutions that participate proactively in the challenge of finding the best solutions for the power sector and for our country.

Multiner's important achievements during 2008 were only possible thanks to the dedication and commitment of our employees, to whom we would like to extend our acknowledgment and gratitude for the remarkable professionalism, diligence, and competence with which they have carried out their duties.

The Management.

Organizational chart

Multiner operates as a holding company in the power sector, holding interest in the capital of other companies:



Macroeconomic scenario

The year 2008 was characterized by the aggravation of the global financial crisis, as of September, which affected the credit system, which, in turn, impacted the so-called “real side of economy”. During the first nine months of the year, Brazil’s GDP had a 6.4% increase in relation to the same period of the previous year. In the last three months, nevertheless, the economic slowdown, measured by GDP performance, was negative by 3.6%, compared to the third quarter of 2008, which resulted in a GDP accumulated growth of 5.1% in the year.

Inflation rate was kept below the target limit established by the government, and IPCA ranged by 5.9% against the target of 6.5%. However, the U.S. dollar had a significant appreciation against the Real, closing the year at R\$2.34 compared to R\$1.77 at the end of December 2007, causing severe losses in Brazilian assets and liabilities exposed to foreign exchange.

Monetary policy was kept restrictive until September due to inflationary pressures which caused a substantial increase in domestic price indexes. In this scenario, the Brazilian Central Bank raised the basic interest rate (Selic) from 11.25%, in April, to 13.75% p.a., in September. As of October, due to negative impacts deriving from an aggravation of the global financial crisis on the Brazilian economy, COPOM (Brazilian Monetary Policy Committee) started to signal a change in the domestic interest rates trend. Such indication was confirmed in early 2009, with reductions of 1 and 1.5 p.p. at the two meetings held in the year, on January 21 and March 11, 2009, respectively, and the Selic rate went back to the pre-crisis level of 11.25% p.a.

In spite of the slowdown occurred over the last two months of 2008, Brazil’s foreign trade continued growing during that year. Both exports and imports reached record levels of R\$197.9 billion and R\$173.2 billion, respectively. Trade Balance was positive at R\$24.7 million, although lower than the amount recorded in 2007 of R\$40.0 billion. This decrease is due to the fact that imports were more vigorous than exports, which was mainly related to the domestic currency appreciation during most part of the year and to Brazil’s economic growth.

Regulatory environment

For the power sector, 2008 was marked by several auctions held by ANEEL. In May, Jirau Hydroelectric Power Plant, of the Madeira River complex, was auctioned, which will add, after its conclusion, 3,300 MW installed capacity and 1,975 average MW of firm energy to the Brazilian

Power System.

In August, the first reserve energy auction was held, a new kind of energy established by the Ministry of Mines and Energy (MME), through Decree 6,353/2008, which aim at guaranteeing a safety additional electric power supply for occasional periods of drought and/or delays in the start up of projects estimated to sell power directly to distribution companies over the next years. The auction will result in the start up of 23 average MW in 2009, 328 average MW in 2010, 424 average MW in 2011 and 513 average MW in 2012.

In September, two New Energy Auctions were held (A-3 and A-5), which will deliver new capacity within 3 and 5 years, respectively, i.e., in 2011 and in 2013. These auctions sold 1,076 average MW and 3,125 average MW of energy, respectively. In these two auctions, Multiner sold a total 512 average MW, guaranteeing sale of electric power to five of its projects, with total installed capacity of 977.8 MW.

Operating performance

Multiner holds the option to purchase 67% of 2007 Participações S.A shares, which holds 99.99% of the capital of Rio Amazonas Energia S.A. (RAESA), which exploits the production and commercialization of power energy through Cristiano Rocha Thermolectric Power Plant based on the PPA signed with Manaus Energia S.A. (MESA) in 2005. The 545,286 MWh (62.25 average MW) generated by Cristiano Rocha TPP in 2008, were sold to MESA.

Corporate governance

Multiner is guided by advanced Corporate Governance practices and by respect for the environment, aiming at the sustainable development of its business model. Therefore, the Company is guided by transparency, ample disclosure of its information, respect for the environment, and commitment to the social development of communities where it operates. In addition, Multiner has adopted its own material fact disclosure policy and established a Board of Directors with members who have broad operational and financial experience, besides participating in several other Boards of Directors. Currently, 50% of Multiner's Board of Directors members are independent.

Board of Directors

Pursuant to the Company's Bylaws, the Board of Directors may be composed of, at least, five (5) and, at most, nine (9) members, for a combined term of office up to one year, reelection allowed. At least, twenty percent (20%) of the Board of Directors' sitting members shall be Independent Members. In 2008, Multiner's Board of Directors was composed of six (6) members, of which three (3) are independent members:

- Chairman: José Augusto Ferreira dos Santos;
- Vice-Chairman: Luis Octavio da Motta Veiga (independent member);
- Board member: Jorge Amilcar Boueri da Rocha;
- Board member: Carlos Henrique Figueiredo;
- Board member: Mauro Molchansky (independent member); and
- Board member: Carlos Alberto Pires e Albuquerque (independent member).

Board of Executive Officers

Pursuant to the Company's Bylaws, Multiner's Board of Executive Officers may be composed of up to ten members elected by the Board of Directors, for terms of office of up to three years, reelection allowed. Currently, Multiner's Board of Executive Officers is composed of eight members:

- Chief Executive Officer: Jorge Amilcar Boueri da Rocha;
- Vice-President: Carlos Henrique Figueiredo;
- Corporate Management Officer: Mauro Barros Dantas;
- Business Development Officer: José Armando Nogueira Pinto;
- Investor Relations Officer: José Marcos Treiger;
- Operation and Maintenance Officer: José Mauro Mendonça;
- Technical Planning Officer: Júlio Pedro Vaz Esmeraldo; and
- Deputy Officer: Marcelo Penello Meirelles.

Capital Markets

Proceeding with its future plans of conducting its Initial Public Offering, on July 10, Multiner obtained at the Brazilian Securities and Exchange Commission (CVM) its registration as a public company.

Ownership structure

On December 31, 2008, Multiner's capital stock was totally represented by 1,727,000 registered common shares and 67,099 redeemable preferred shares, as follows:

Shareholder's name	Common	Preferred	Total	%
JABR Participações S.A.	774,650		774,650	43.17
Companhia 44 de Negócios	774,650		774,650	43.17
Companhia de Investimentos Resultado	171,700		171,700	9.57
BVA Empreendimentos S.A.	-	52,148	52,148	2.90
Fundo de Investimentos em Participações	-	14,951	14,951	0.83
Jorge Amilcar Boueri da Rocha	1,000		1,000	0.06
José Augusto Ferreira dos Santos	1,000		1,000	0.06
Carlos Henrique Figueiredo	1,000		1,000	0.06
Luiz Octavio Motta Veiga	1,000		1,000	0.06
Mauro Molchansky	1,000		1,000	0.06
Carlos Alberto Pires de Albuquerque	1,000		1,000	0.06
Total	<u>1,727,000</u>	<u>67,099</u>	<u>1,794,099</u>	<u>100.00</u>

Dividends

Multiner's policy is to pay dividends and/or interest on own capital in the minimum amount, which corresponds to 25% of its adjusted net income, calculated in compliance with Article 189 of the accounting practices adopted in Brazil, and rules of the Brazilian Securities and Exchange Commission, deducting: (a) 5%, at least, for establishment of Legal Reserve, until reaching 20% of the capital stock. In the year when the legal reserve balance accrued of capital reserves, referred to by paragraph 1 of Article 182 of the accounting practices adopted in Brazil, exceeds 30% of the capital stock, the allocation of part of the net income for the year to the Legal Reserve shall not be mandatory; (h) from 5% to 50% to establish a reserve for preferred shares redemption and/or payment of dividends; and (c) from 5% to 75% to establish an investment and working capital reserve, destined to finance operations and investments of the Company and its subsidiaries or associated companies. This reserve aims at ensuring investments in permanent assets or working capital additions, also via debt amortization, regardless of profit retention associated to the capital budget, and its balance may be used to absorb losses, whenever necessary, for payment of dividends, at any moment, for redemption operations, reimbursement or purchase of shares, authorized by law, or to be incorporated into the capital stock, inclusive by means of new share bonuses. The establishment of the reserves aforementioned in items (b) and (c) shall not compromise shareholders' right to receive mandatory dividends.

The Company's redeemable preferred shares receive dividends, at least, ten percent (10%) higher than those attributed to the common shares.

Human resources

Multiner ended 2008 with 27 employees, an intangible asset that is essential for the Company's success. Our staff is highly qualified: 33% of our employees are undergraduate and 33% are

graduate. Among the other 34% employees, 26% have completed high school. 37% of our employees are under 35 years old, 22% are between 36 and 45 years old and 41% are over 45 years old.

Acknowledgments

Multiner's Management extends its most sincere gratitude to everyone who contributed to the Company achieving its detached position in the Brazilian power sector in 2008. Thus, we would like to thank our shareholders' confidence, our employees for their efforts and competence, our clients, suppliers, and other partners for their support.

Independent auditors

In compliance with CVM Rule 381/2003, we would like to inform that KPMG Auditores Independentes provides external audit services to Multiner S.A. related to the analysis of the financial statements and review of the quarterly information and that it did not provide any other services to the Company in the year ended December 31, 2008.



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Report of independent auditors

To the
Management and Shareholders of
Multiner S.A.
Rio de Janeiro - RJ

We reviewed the balance sheets of Multiner S.A. ("Multiner" or "Company"), as of December 31, 2008 and 2007 and the balance sheet of this Company and its subsidiary, as of December 31, 2008, and respective statements of income, statements of changes in shareholders' equity, statements of cash flows corresponding to the year ended December 31, 2008, and the period from May 21 (incorporation date) to December 31, 2007, as well as the statement of value added, corresponding to the year ended December 31, 2008 prepared under the Management's responsibility. Our responsibility is to express an opinion on these financial statements.

Our reviews were conducted in compliance with the Brazilian audit standards and included: (a) the planning of works, considering the relevance of balances, the volume of transactions, and the accounting and internal control systems of the Company and its subsidiary; (b) the test-based verification of evidence and records supporting the book values and accounting information disclosed; and (c) the evaluation of the most representative accounting practices and estimates adopted by the Management of the Company and its subsidiary and of the financial statements taken as a whole.

In our opinion, the aforementioned financial statements fairly represent in all material aspects the equity and financial position of Multiner S.A. on December 31, 2008 and 2007, and the consolidated equity and financial position of this Company and its subsidiary on December 31, 2008, the results of their operations, the changes in shareholders' equity and cash flows, corresponding to the year and the period ended on those dates, as well as the values added on operations, corresponding to the year ended December 31, 2008, pursuant to the accounting practices adopted in Brazil.

Multiner S.A.

The financial statements were prepared considering the regular business activity of the Company and its subsidiary. As mentioned in the Notes 1 and 7, the subsidiary is in a pre-operating stage. Thus, the results corresponding to the pre-operating activities of this subsidiary are recorded under deferred assets, as well as costs related to projects under construction are recorded under fixed assets. The Company also has a goodwill balance deriving from an acquisition of subsidiary and from intangible assets of new projects. The recovery of values recorded in permanent assets depends on the success of the Company's and its subsidiary's future operations, as well as on the financial support of shareholders and/or third party funds until the operations become profitable. The Management's plans regarding the operating activities are outlined in the same Notes 1 and 7.

March 31, 2009

KPMG Auditores Independentes
CRC-SP-14.428/0-6-F-RJ

Vânia Andrade de Souza
Accountant CRC-RJ-057.497/0-2

Multiner S.A.

Balance sheet

On December 31, 2008 and 2007

(In thousands of reais)

	Note	Parent Company		Consolidated
		2008	2007	2008
Assets				
Current assets				
Cash and cash equivalents	5	6,651	22	114,691
Advances to suppliers	6	670	-	687
Related parties	14	153	3	162
Other		39	-	524
		<u>7,513</u>	<u>95</u>	<u>116,064</u>
Non-current assets				
Long-term assets				
Advances to suppliers	6	-	-	6,191
Related parties	14	3,724	2,535	3,724
		3,724	2,535	9,915
Investments	7	14,863	4	14,862
Property, plant and equipment	8	21,897	27	146,034
Intangible assets	9	26,624	-	26,624
Deferred charges	10	-	-	13,502
		<u>67,108</u>	<u>2,566</u>	<u>210,937</u>
		<u>74,621</u>	<u>2,591</u>	<u>327,001</u>

The notes are an integral part of the financial statements.

Multiner S.A.

	Note	<u>Parent Company</u>		<u>Consolidated</u>
		<u>2008</u>	<u>2007</u>	<u>2008</u>
Liabilities				
Current liabilities				
Financing	11	-	-	1,031
Suppliers		389	-	820
Payroll and charges		417	6	422
Tax liabilities		43	5	183
Accounts payable	12	7,503	-	7,503
Related parties	14	100	4	93
		<u>8,452</u>	<u>15</u>	<u>10,052</u>
Non-current liabilities				
Financing	11	-	-	250,633
Advance for future capital increase	13	-	-	382
Related parties	14	15,030	-	14,795
		<u>15,030</u>	<u>-</u>	<u>265,810</u>
Shareholders' equity	16			
Capital stock		20,884	728	20,884
Capital reserves		42,109	1,908	42,109
Accumulated losses		(11, 854)	(60)	(11,854)
		<u>51,139</u>	<u>2,576</u>	<u>51,139</u>
		<u>74,621</u>	<u>2,591</u>	<u>327,001</u>

Multiner S.A.

Statements of income

**Year ended December 31, 2008 and period as of
May 21 (incorporation date) to December 31, 2007**

(In thousands of reais, except for loss per thousand shares of paid-up capital)

	Parent Company		Consolidated
	2008	2007	2008
Operating revenues (expenses)			
Personnel	(2,519)	(9)	(2,519)
Management fees	(2,894)	-	(2,894)
General and administrative	(1,462)	(43)	(1,462)
Third parties services	(3,698)	-	(3,698)
Tax	(38)	(7)	(38)
Depreciation and amortization	(106)	-	(106)
	<u>(10,717)</u>	<u>(59)</u>	<u>(10,717)</u>
Financial result			
Financial expenses	(1,255)	(1)	(1,255)
Financial revenues	178	-	178
	<u>(1,077)</u>	<u>(1)</u>	<u>(1,077)</u>
Loss for the year/period	<u>(11,794)</u>	<u>(60)</u>	<u>(11,794)</u>
Outstanding shares at the end of the year/period (in thousands)	<u>1,794</u>	<u>1,727</u>	
Loss per thousand shares of the paid-up capital at the end of the year/period - R\$	<u>(6.57)</u>	<u>(0.03)</u>	

The notes are an integral part of the financial statements.

Multiner S.A.

Statements of changes in shareholders' equity

**Year ended December 31, 2008 and period as of
May 21 (incorporation date) to December 31, 2007**

(In thousands of reais)

	Capital stock	Capital reserves		Accumulated losses	Total
		Goodwill on the issue of shares	For future investments		
Payment of subscribed capital on May 21, 2007	1	-	-	-	1
Capital increase and recording of capital reserve on December 31, 2007	727	-	1,908	-	2,635
Loss for the period	-	-	-	(60)	(60)
Balances on December 31, 2007	728	-	1,908	(60)	2,576
Capital increase	20,156	40,201	-	-	60,357
Loss for the period	-	-	-	(11,794)	(11 794)
Balances on December 31, 2008	<u>20,884</u>	<u>40,201</u>	<u>1,908</u>	<u>(11,854)</u>	<u>51,139</u>

The notes are an integral part of the financial statements.

Multiner S.A.

Statements of cash flows

**Year ended December 31, 2008 and period
as of May 21 (incorporation date) to December 31, 2007**

(In thousands of reais)

	Parent Company		Consolidated
	2008	2007	2008
Operating activity			
Loss for the year/period	(11,794)	(60)	(11,794)
Adjustments:			
Depreciation and amortization	106	-	106
Financial charges	421		421
Variation in assets and liabilities:			
Increase in advances to suppliers	(670)	-	(665)
Increase in related parties	(54)	(3)	(69)
Increase in other currents assets	(39)	-	(488)
Increase in tax liabilities	38	6	4
Increase in suppliers	389	4	819
Increase in payroll and charges	411	6	416
Increase in accounts payable	7,503	-	7,503
Cash and cash equivalents, net, used in operating activities	(3,689)	(47)	(3,747)
Investment activities			
Related parties	(1,189)	(2,535)	(1,189)
Investments in equity interest	(14,859)	(4)	(14,858)
In property, plant and equipment	(21,976)	(27)	(118,987)
In intangible assets	(26,624)	-	(26,624)
In deferred charges	-	-	3,230
Cash and cash equivalents, net, used in investment activities	(64,648)	(2,566)	(158,428)
Financing activities			
Related parties	14,609	-	14,374
Funding	-	-	144,144
Issue of shares	60,357	2,636	60,357
Cash and cash equivalents, net, generated from financing activities	74,966	2,636	218,875
Net variation of cash and cash equivalents in the year /period	6,629	22	56,700
Cash and cash equivalents at the beginning of the year/period		-	57,991
Cash and cash equivalents at the end of the year/period	6,651	22	114,691

The notes are an integral part of the financial statements.

Multiner S.A.

Statements of value added

Year ended December 31, 2008

(In thousands of reais)

	<u>Parent Company</u>	<u>Consolidated</u>
Value added received from transfer		
Financial revenues – including monetary variations	178	178
Inputs acquired from third parties		
Third parties services and other	(5,160)	(5,160)
Retentions		
Depreciation and amortization	(106)	(106)
Value added to be distributed	<u>(5,088)</u>	<u>(5,088)</u>
Distribution of value added		
Personnel		
Payroll and charges	2,519	2,519
Management fees	2,894	2,894
	<u>5,413</u>	<u>5,413</u>
Tax		
Taxes and contributions	38	38
Financial institutions and suppliers		
Interest and monetary variations	1,255	1,255
	<u>1,255</u>	<u>1,255</u>
Shareholders		
Loss for the year	(11,794)	(11,794)
Distributed value added	<u>(5,088)</u>	<u>(5,088)</u>

Multiner S.A.

Notes to the financial statements

For the year ended December 31, 2008, and the period from May 21, 2007 (incorporation date) to December 31, 2007

(In thousands of reais)

1 Operations

Multiner S.A. "Multiner" or the "Company", a public corporation, was incorporated on May 21, 2007, headquartered in the City of Rio de Janeiro, originally with the corporate name 2010 Geração de Energia e Participações S.A. On October 31, 2007, the shareholders representing all the capital stock approved to change its corporate name to Multiner S.A.

On July 10, 2008, Multiner S.A. obtained its registration as a public company with the Brazilian Securities and Exchange Commission (CVM).

The Company's purpose is to hold interest in other companies and ventures, mainly in the energy sector, providing the consuming and distribution markets with electric power alternatives. The Company has undertakings and projects for a diversified energy generation basis with alternatives in wind, hydroelectric, thermoelectric power.

In 2007, the Company held options for the purchase of New Energy Options Geração de Energia S.A. ("NEO"), which were exercised in 2008, once on May 25, 2008, Eletrobrás authorized the transfer of this company's share control to Multiner, represented by an 80% interest in its capital stock (Note 7). For this reason, the Company started presenting consolidated financial statements in 2008.

Multiner has also purchase and sale commitments and purchase options of the following projects and companies:

- Purchase and Sale Commitments:
 - Termelétrica Itapebi S.A.; and
 - Termelétrica Monte Pascoal S.A.

- Purchase Options: 67% of 2007 Participações S.A.

Except for 2007 Participações S.A., all other projects listed above are in pre-operating stage (Note 7).

Management's plans include, up to date, the development of 26 projects (Note 9), two of which have

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

won the A-3 Auction and three of which have won the A-5 Auction.

Undertakings and project development funds are being basically obtained from the current shareholders, from third parties financing and by means of Multiner S.A.'s new issuance of shares.

2 Presentation of financial statements

The separated and consolidated financial statements were prepared pursuant to the accounting practices adopted in Brazil, recommendations, guidelines and interpretations issued by the Brazilian Accounting Standards Committee (CPC), and the Brazilian Securities and Exchange Commission's (CVM) regulations.

When preparing the individual and consolidated financial statements for 2008, the Company adopted for the first time the changes in the accounting practices adopted in Brazil brought to effect by Law 11,638, approved on December 28, 2007, with its respective changes set forth by Provisional Measure 449 of December 31, 2008.

Law 11,638/07 and Provisional Measure 449/08 have amended Law 6,404/76 with regard to the preparation and disclosure of financial statements.

Adjustments regarding the first-time adoption of Law 11,638/07 and Provisional Measure 449/08 are detailed in Note 3.

The Company's Board of Directors authorized the conclusion of these financial statements on March 30, 2009.

The notes to the financial statements include information referring to projected investments, the development division, and kw to be produced (Notes 7 and 9), which are not included within the scope of financial statements audit, thus, they have not been audited by KPMG Auditores Independentes.

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

3 Summary of the main accounting practices

3.1 Amendment to the Brazilian Corporation Law

The Company and its subsidiary have chosen to prepare the transitional balance sheet on January 1, 2008, the basis for accounting purposes pursuant to the accounting practices adopted in Brazil modified by Law 11,638/07 and by Provisional Measure 449/08. Changes introduced by this law are characterized as a change in accounting practices; however, as authorized by Technical Pronouncement CPC 13 – First-Time Adoption of Law 11,638/07 and Provisional Measure 449/08, approved by CVM’s Resolution 565 of December 17, 2008, had no impact on the income for the year, and/or on retained earnings and accumulated loss.

Below we present a summary of the recommendations adopted:

3.1.1 Statements of Cash Flows (DFC) and Value Added (DVA)

CPC 03 and CPC 09 set forth requirements for preparing the Statements of Cash Flows and Value Added, and require they are reported as an integral part of the financial statements disclosed at the end of each fiscal year.

Especially in this first year of CPC 09 adoption, the Company is not required to state a comparable DVA with information related to the year ended on December 31, 2007.

3.1.2 Financial instruments

The Company and its subsidiary contracted financial instruments whose balances on the transition date were reclassified to: (i) financial asset or liability measured at fair value through profit and loss; (ii) held-to-maturity investments; and (iii) loans and receivables.

3.1.3 Impairment

CPC 01 sets forth that companies shall revise their property, plant and equipment, intangible assets with definite useful life, and deferred assets whenever any events or circumstances indicate the book value may not be recovered based on future cash flows, net of interest rates before taxes. Intangible assets with indefinite useful life shall be tested on a yearly basis. If there is clear evidence that the assets are valued by non-recoverable value in the future, the Company shall immediately recognize this devaluation by recording a provision for losses. The Management carried out this evaluation and did not identify balances to be accrued on December 31, 2008.

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Notes to the financial statements

(In thousands of reais)

3.1.4 Related parties disclosures

CPC 05 has improved the notes to the financial statements reporting of transactions and balances with related parties.

3.1.5 Adjustment to present value (AVP)

CPC 12 sets forth the basic requirements to be observed when applying this method to measure assets and liabilities, resulting from long-term operations and material short-term operations. This CPC does not apply to the Company's and its subsidiaries' assets and liabilities.

3.1.6 Effects of the CPCs issued

The Company and its subsidiary have not identified adjustments resulting from the adoption of the CPCs which required their recording on the adoption date and on December 31, 2008.

3.2 Summary of the main accounting practices

3.2.1 Determination of income

The result of operations determined pursuant to the accrual basis for the years comprises yields, charges and monetary or exchange variations related to official indexes or rates, incurring on current and non-current assets and liabilities, including, where applicable, the effects of assets adjustments to the market or realization value.

3.2.2 Financial instruments

Non-derivative financial instruments include financial investments, investments in debt and equity instruments, receivables, cash and cash equivalents, loans and financing, as well as accounts payable and other debts.

Non-derivative financial instruments are initially recognized at fair value. Instruments not recognized at fair value through profit and loss are recognized by any directly attributable transaction cost. Subsequently to the initial recognition, non-derivative financial instruments are measured as described below.

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Notes to the financial statements

(In thousands of reais)

Held-to-maturity instruments

If the Company has a clear intention and ability to hold its debt instruments to maturity, these are recorded as held-to-maturity investments. Held-to-maturity investments are measured by the amortized cost using the effective interest rate method, net of eventual impairment.

Available-for-sale instruments

The Company's investments in equity instruments and certain assets related to debt instruments are recorded as available-for-sale instruments. Subsequently to the initial recognition, these are measured at fair value, and its variations, except for impairment and these instruments' differences in foreign currency are directly recognized in shareholders' equity, net of tax effects. When an investment is no longer recognized, gains or losses accumulated in shareholders' equity are transferred to profit and loss.

Financial instruments at fair value through profit and loss

An instrument is recognized at fair value through profit and loss if it is held for trading, i.e., designated as such at the initial recognition. Financial instruments are recognized at fair value through profit or loss if the Company manages these investments and makes buy and sell decisions based on their fair value according to the investment and risk management strategy documented by the Company. After the initial recognition, attributable transaction costs are recognized in profit and loss when incurred. Financial instruments at fair value through profit and loss are measured by fair value, and their fluctuations are recognized in profit and loss.

Other

Other non-derivative financial instruments are measured by the amortized cost using the effective interest rate method, net of eventual impairment.

3.2.3 *Cash and cash equivalents*

Cash and cash equivalents are represented by balances of bank and short-term financial investments, which are promptly convertible into cash, maturing within three months or lower as of the acquisition date.

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Notes to the financial statements

(In thousands of reais)

3.2.4 *Investments*

Investments in subsidiary are valued by the equity method. Other investments referring to advances for investment acquisition, advances for future capital increase, and options for the purchase of equity interest are recorded at cost.

3.2.5 *Property, plant and equipment*

These are recorded at acquisition, formation, or construction cost, including interest and financial charges incurred in financing, net of the financial revenue deriving from temporary investment of this financing. Depreciation of administrative assets (parent company) is calculated on a straight-line basis at rates mentioned in Note 8, considering the estimated useful life of the assets. Depreciation of the subsidiary's assets shall be calculated according to the rates set forth by the Brazilian Electricity Regulatory Agency (ANEEL), as of the subsidiary's startup.

3.2.6 *Intangible Assets*

Intangible assets are assets acquired from third parties, including by means of business combination, and those internally generated by the Company and its subsidiary. The following criteria are applied:

- Assets acquired from third parties by means of business combination: goodwill from acquisitions involving business combinations;
- Intangible assets acquired from third parties: these are measured at total acquisition cost, deducting amortization expenses; and
- Internally generated intangible assets: these are recognized as assets only in the development stage, provided that the following aspects are evidenced:
 - Technical feasibility to conclude the intangible asset so that it is available for use or sale;
 - Intention to conclude the intangible asset and use or sell it;
 - Ability to use or sell the intangible asset;
 - Evidence the existence of a market or other means to generate economic benefits;

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Notes to the financial statements

(In thousands of reais)

- Availability of technical and financial resources;
- Ability to measure reliably the expenses attributable to the intangible asset during its development;
- Amortization:

Intangible assets with a definite useful life will be amortized for a maximum term of 20 years as of these projects startup and when they start contributing to the Company's and its subsidiary's results.

Intangible assets with an indefinite useful life and the goodwill from expected future profitability are not amortized, and their recoverable value is tested on a yearly basis.

When recognizing projects expenses, the Management considered as intangible assets: (i) the non-existence of fact or event indicating the deterioration of future profitability prospects of the project, as announced in the business plan that justified the commitment of the Company and its subsidiary to the project and (ii) these expenses are connected to future incremental revenues, specific of asset to which these are related.

3.2.7 *Deferred assets*

Deferred assets were extinguished as of fiscal year 2008 following the amendment to Law 6,404/76 by Provisional Measure 449/08 of December 3, 2008. However, the balance existing on December 31, 2008 which could not be allocated to another group of accounts given its nature will be kept in assets under this classification until its full recovery, and it will be subject to impairment test pursuant to CPC 01. The Company and its subsidiary have chosen to keep the deferred asset balance up to its full realization, by means of amortization or write-off against profit and loss.

Deferred assets refer to the subsidiary's pre-operating expenses. These assets will be amortized by the straight-line method for a period of up to 10 years as of the date when the subsidiary becomes operational.

3.2.8 *Other current and non-current assets*

These are stated at amounts net of realization.

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Notes to the financial statements

(In thousands of reais)

3.2.9 *Current and non-current liabilities*

These are recognized at known or calculable values, plus, where applicable, the corresponding charges, and monetary and/or exchange variations incurred.

A provision is recognized in the balance sheet when the Company and its subsidiary have a legal liability or if it is established due to a past event, and it is likely that economic resources will be necessary to pay off the liability. The provisions are recorded based on the best estimates of the risk involved.

3.2.10 *Income and social contribution taxes*

The Company did not determine tax bases for income and social contribution taxes, as well as it did not recognize deferred income and social contribution taxes, given the current activity level of the Company and of its subsidiary.

3.2.11 *Accounting estimates*

The preparation of financial statements according to the accounting principles requires that Management uses its judgment when determining and recording accounting estimates. Significant assets and liabilities subject to these estimates and assumptions include, basically, the residual value of the property, plant and equipment. The settlement of transactions involving these estimates may result in amounts different from those estimated, due to inaccuracies inherent to the process of their determination. The Company reviews the estimates and assumptions, at least, on an annually basis.

4 Consolidated financial statements

The consolidated financial statements were prepared in conformity with CVM Rule 247/96, and include the financial statements of the Company and its subsidiary NEO on the same reporting date. The Company holds an 80% interest in NEO's capital stock (Note 1).

Description of main consolidation procedures

- a. Elimination of assets and liabilities accounts balances among consolidated companies;
- b. Elimination of capital interest, reserves and retained earnings of the subsidiary; and

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Notes to the financial statements

(In thousands of reais)

c. The minority interest is highlighted in the consolidated financial statements.

Below is a summary of the balance sheet of subsidiary NEO on December 31, 2008:

	2008
Assets:	
Current	108,558
Non-current	<u>144,133</u>
	<u>252,691</u>
Liabilities and shareholders' equity:	
Current	1,607
Non-current	251,083
Shareholders' equity	<u>1</u>
	<u>252,691</u>

The accounting policies were consistently applied for all consolidated companies.

The subsidiary's statement of income for the year has not been reported, as the subsidiary is currently in pre-operating stage.

5 Cash and cash equivalents

	<u>Parent company</u>		<u>Consolidated</u>
	2008	2007	2008
Cash	3	1	3
Banks checking account	603	21	650
Financial investments	6,045	-	114,038
	<u>6,651</u>	<u>22</u>	<u>114,691</u>

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Notes to the financial statements

(In thousands of reais)

Short-term investments, classified as “Held for trading,” are represented by bank deposit certificates issued by Banco BVA S.A., restated at an interest rate of 105% to 110% of the CDI in the amount of R\$15,058 (consolidated), and by investments in debentures issued by BVA Empreendimentos S.A., in the amount of R\$6,045 (parent company) and R\$92,935 (consolidated), yielded at a rate of 107% of the CDI. The instruments are not convertible into shares, with maturities starting in December 2010, and have daily liquidity, valued at the instrument’s curve.

The debentures are privately issued, and have an advance redemption clause, with *pro rata temporis* remuneration up to the date of the effective redemption. Thus, the Management understands the fair value of these instruments is the instrument’s curve value.

6 Advances to suppliers

	<u>Parent company</u>		<u>Consolidated</u>
	2008	2007	2008
Mundo Limpo S.A. (1)	574	-	574
DeWind Inc. (2)	-	-	6,191
Other	96	-	113
	670	-	6,878
Current	(670)	-	(687)
Non-Current	-	-	6,191

(1) These refer to disbursements made to the company Mundo Limpo S.A, which according to an agreement executed on May 5, 2008 will reach the amount of R\$717, which aims the implementation of a recycling and urban garbage processing plant. The total amount will be received by Multiner in 12 monthly equal and consecutive installments, restated by IGPM, as of April 2009. A hangar with approximate are of 4,827.80 m², built in Parobé was accepted as a guarantee of receipt.

(2) It refers to advances to U.S. company DeWind Inc., in the amount of US\$2,650,000, equivalent to R\$6,191 on December 31, 2008, as reserve for the acquisition of equipment for future utilization by NEO subsidiary.

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Notes to the financial statements

(In thousands of reais)

7 Investments

	<u>Parent company</u>		<u>Consolidated</u>
	<u>2008</u>	<u>2007</u>	<u>2008</u>
Investment in subsidiaries	1	-	-
Other Investments	14,862	4	14,862
	<u>14,863</u>	<u>4</u>	<u>14,862</u>

Investment in subsidiary

This item refers to the 80% interest in NEO's capital. NEO is currently in pre-operating stage, with a project for wind power generation consisting of the operation of two units (Alegrias I and II) already under construction. The construction works are expected to be concluded in the second half of 2009. A Power Purchase Agreement (PPA) has been executed with Eletrobrás for the sale of energy (382,321 MWh/year) for 20 years.

On May 25, 2008, Eletrobrás authorized the transfer of share control of NEO to Multiner according to the process 1781/63, and on June 23, 2008, shares were transferred in the share registration book. Thus, in June 2008, the Company acquired this equity interest, whose shareholders' equity on May 31, 2008 stood at R\$0.8, by the restated amount of R\$15,504, and R\$7,993 has already been paid, remaining R\$7,510 payable on that date, which is monetarily restated from the date of effective transfer of share control, as outlined in the Note 11. A goodwill of R\$15,503 was determined in this transaction, stated in the Note 9.

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(In thousands of reais)

Additionally, the Company's interest in the companies listed below is recorded as investment in subsidiaries. One of the subsidiaries was incorporated in October 2008, and four were created in November 2008, and they will incorporate the winning projects of the A-3 and A-5 Auctions held in September 2008, as follows:

	Interest		
	Total Shares	Multiner	Paid-Up Capital Stock
Termelétrica Termopower V S.A.	1,000	99%	0.1
Termelétrica Termopower VI S.A.	1,000	99%	0.1
Termelétrica Pernambuco III S/A	1,000	99%	0.1
Termelétrica Pernambuco IV S/A	1,000	99%	0.1
Termelétrica Santa Rita de Cássia S/A	1,000	90%	0.1

Up to December 31, 2008, the Company paid up the equivalent to 10% of the capital of these investees, which are currently not operating and, thus, have not been included in the consolidated financial statements.

Other investments - Advances for acquisition of property, plant and equipment, and advances for future capital increase

	Parent Company		Consolidated
	2008	2007	2008
Termelétrica Monte Pascoal S/A - Acquisition (1)	5,882	1	5,882
Termelétrica Monte Pascoal S/A - AFAC (1)	1,729		1,729
Termelétrica Itapebi S/A - Acquisition (2)	5,882	1	5,882
Termelétrica Itapebi S/A - AFAC (2)	1,369		1,369
2007 Participações S.A. (3)			
SPE Genpower - Eunápolis			
SPE Genpower - Caxias			
	<u>14,862</u>	<u>4</u>	<u>14,862</u>

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The advances for acquisition of investments and advance for future increase are stated under the Investments Group in view of Management's intention of maintaining them on a permanent basis, however they are subject to approvals from ANEEL for the share control transfer processes to become effective as permanent investments and to be valued by equity accounting method, as provided for in CVM Rule 247/96 and further amendments, after the effective transfer of share control, pursuant to paragraph 3 of Article 226 of Law 11,638/07.

During 2008, the Company revaluated the power generation project called "Caxias" powered by oil green coke, and verified that it could face drawbacks in its development and implementation. In addition, calculation was reviewed and achieving a US\$/Kw ratio installed above the average of other Company's projects portfolio. Within this context, Multiner rejected the purchase option exercise of said project and as said option also comprised Eunápolis thermoelectric power plant project, both projects were written off against the provision for payment of the option value.

Purchase and sale commitments

(1) Termelétrica Monte Pascoal S.A.

This company is under a pre-operating stage with a thermoelectric power generation project using fuel oil and the power wholesale trade for sale to the Power Distribution System, as a result of Auction #002/2007 promoted by ANEEL, as Independent Producer.

On February 25, 2008, a PPA was signed for approximately R\$4,727 per month, base price in January 2007 to be restated by the IPCA, corresponding approximately to R\$850,000 for a 15-year term, with total contracted energy of 104 MW p.a.. The term will initiate as of the startup date, foreseen for January 2010.

Multiner has a purchase and sale commitment agreement to acquire 100% of Termelétrica Monte Pascoal S.A. shares, dated March 17, 2008. The investment, amounting to R\$5,882, was fully paid by the Company as advance.

In order to cover the expenses already incurred, on May 30, 2008, Multiner made an advance for future capital increase, in the amount of R\$ 1,729 to be paid up after the authorization by ANEEL

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(In thousands of reais)

for the share control transfer, which occurred on January 2, 2009.

(2) Termelétrica Itapebi S.A.

This company is under a pre-operating stage with a thermal power generation project using fuel oil and the power wholesale trade for sale to the Power Distribution System, as a result of Auction #002/2007 promoted by ANEEL, as Independent Producer.

On June 11, 2008, a PPA was signed for approximately R\$4,720 per month, base price in January 2007 to be restated by the IPCA, corresponding to nearly R\$850,000 for a 15-year term, with total contracted energy of 103 MW p.a. The term will start as of the startup date, foreseen for January 2010.

Multiner has a purchase and sale commitment agreement to acquire 100% of Termelétrica Itapebi S.A. shares, dated March 17, 2008. The investment, amounting to R\$5,882, was already paid by the Company as advance.

On May 30, 2008, Multiner made an advance for future capital increase, in the amount of R\$ 1,369, to be paid up after the authorization by ANEEL for the share control transfer, which occurred on January 2, 2009.

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Notes to the financial statements

(In thousands of reais)

Purchase option

(3) 2007 Participações S.A.

The amount refers to the acquisition of the option to buy 67% of 2007 Participações S.A shares that took place on February 28, 2008. The investment will be approximately R\$5, of which R\$0.5 were paid on the date of agreement.

2007 Participações S.A. holds 99.99% of Rio Amazonas Energia S.A.'s capital ("RAESA"), a business corporation aiming the generation and commercialization of power to the isolated system of the city of Manaus and to the north region of the country.

RAESA is a company incorporated with the specific purpose of exploiting the production and commercialization of power through the Cristiano Rocha Thermoelectric Power Plant (UTE Cristiano Rocha) which composes the Power System of Manaus, providing power to the local distribution company, Manaus Energia S.A. ("MESA").

The plant located in the rural area of the city of Manaus in an area of 300,000 m², started to operate on November 18, 2006, with five bi-fuel engines, using fuel oil and with possibility to be converted into natural gas in the future. Total power generated by plant is sold to MESA, supported by a Power Purchase Agreement – PPA executed between the parties on May 20, 2005, for a 20-year term.

Expectation of goodwill on the acquisition of investments (unaudited by independent auditors)

Considering the amounts already paid to the companies, the Company expects to determine goodwill on the occasion of the definitive acquisition of the investments, which, for reporting purposes, based on information available on the negotiation date and/or on December 31, 2007, will be determined after transferring share control, pursuant to paragraph 3 of Article 226 of Law 6,638/07 and may be different from those reported below:

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Notes to the financial statements

(In thousands of reais)

Company	Shareholders' equity used as basis on the negotiation and/or of 2007	% of future interest	Book value, if determined based on shareholders' equity used as basis for the negotiation	Value of the negotiation	Goodwill value, if determined based on shareholders' equity of the negotiation	Advance/opti on value in 2008
Termelétrica Monte Pascoal S.A.	1	100%	1	5,882	5,881	5,882
Termelétrica Itapebi S.A.	1	100%	1	5,882	5,881	5,882
2007 Participações S.A.	(20,486)	67%	(13,726)	5	13,731	-
	(20,484)		(13,724)	11,769	25,493	1,764

In order to estimate the value of all these projects, Multiner carried out financial projections for each one of the plants, considering bull and bear economy scenarios. These estimates take into account sales revenues and/or energy availability, according to the energy purchase and sale agreements, already executed, and estimated costs for the construction and operation of these plants. The present value of cash flows which are included in these projections was determined considering a discount rate of 13% a year and results projections between 15 and 20-year term, according to the PPAs of respective investments, mentioned in each company's description and basis to determine the maximum economic value by which Multiner S.A. could acquire the projects, and thus, generate economic value to shareholders.

Definitive goodwill, resulting from the acquisition of investments will be recorded as soon as the processes to transfer share control are authorized by ANEEL. Pursuant to Law 11,638/07 and CVM Rule 469/08 after the effective transfer of investees share control, the market value of all assets and liabilities will be determined, including contingent assets and liabilities of respective investments that can be identified and measured.

Goodwill installments to be determined based on the projects future profitability will be amortized, as allowed, pursuant to the new accounting pronouncements on Business Combinations to be issued in 2009.

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Notes to the financial statements

(In thousands of reais)

8 Property, plant and equipment

Description	Annual depreciation rates (p.a. %)	Cost	Depreciation/ Amortization	Parent Company		Consolidated
				2008	2007	2008
				Net	Net	Net
Land		667		667		667
Leasehold improvements	(*)	132	(84)	48		48
Machinery and equipment	10%	6		6		6
Furniture and fixture	10%	95	(5)	90		90
Facilities	10%	28	(1)	27		27
IT and communication equipment	20%	75	(11)	64		64
Construction in progress	-	20,995		20,995	27	145,132
		<u>21,998</u>	<u>(101)</u>	<u>21,897</u>	<u>27</u>	<u>146,034</u>

(*)Leasehold improvements have been amortized by the lease agreement term, which is 1 year and its rate varies according to the realization month of improvement.

Property, plant and equipment balance refers to advances to Caterpillar Motoren GmbH & Co., on May 7 and September 3, 2008, for the acquisition of 20 16CM32 generators, equivalent to €4,438,000, and to Wärtsilä Finland, on October 8, 2008, for the acquisition of 17 generators, of which six 12V46 and eleven 16V32, equivalent to €3,000,000. This equipment will be used in the construction of Monte Pascoal and Itapebi thermolectric power plants, in the city of Sapeaçu.

The consolidated statements also includes amounts paid by subsidiary NEO to Vestas Eólica, as Reservation Fee, on April 3 and May 7, 2008, for the acquisition of 92 air generators, equivalent to €8,188,184 and €24,564,552, respectively, and R\$5,157 paid to Vestas Brasil for advanced installation services.

9 Intangible Assets

These are represented by goodwill on the acquisition of permanent investments and project research and development expenses that will generate future economic value to the Company, as follows:

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Notes to the financial statements

(In thousands of reais)

	<u>Parent company</u>		<u>Consolidated</u>
	2008	2007	2008
Goodwill on acquisition of investments (a)	15,503	-	15,503
Minas Gerais Project (b)	712	-	712
Pernambuco Project (c)	3,921	-	3,921
Sapeaçu Project (d)	1,394	-	1,394
Alagoas Project (e)	163	-	163
Irai Project (f)	2,888	-	2,888
Paraíba Project (g)	2,011	-	2,011
Software	32	-	32
	<u>26,624</u>	<u>-</u>	<u>26,624</u>

(a) Goodwill determined in the acquisition of NEO

Concerning the value of the project, Multiner carried out financial projections for the subsidiary's Alegria I and II power plants, considering bear and bull economy scenarios. These estimates took into account sales revenues and/or energy availability, according to the energy purchase and sale agreements already executed and estimated costs for the construction and operations of these power plants. The present value of cash flows which are included in these projections was determined considering a discount rate of 13% a year and results projections with a 20-year term, according to the PPAs of investment.

Goodwill amortizations will be recorded in view of future profitability expected terms which will be annually reviewed within 20 years, as of the project startup.

- (b) Minas Gerais Project: this refers to the planning and construction of eight thermoelectric power plants that use natural gas, in the State of Minas Gerais, registered at ANEEL on Multiner's behalf.
- (c) Pernambuco Project: this is composed of 13 thermoelectric power plants, nine of them use fuel oil and four of them use coal. Total nominal capacity reaches approximately 2,480 MW. Out of 9 oil fuel-powered projects, four were winners in 2008 A-3 and A-5 auctions, held in September 2008, when they sold availability in amounts and prices shown in the table below:

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(In thousands of reais)

Plants	Nominal Capacity (MWs)	Auction	Startup	Lots sold (average MW)	ICB (R\$/MWh)	Fixed Revenue (R\$ million/year)
UTE Pernambuco IV	200.8	A-3	1/1/2011	107	130.97	63.0
UTE Pernambuco III	200.8	A-5	1/1/2013	104	144.70	74.6
UTE Termopower V	200.8	A-5	1/1/2013	104	145.90	75.7
UTE Termopower VI	200.8	A-5	1/1/2013	104	144.80	74.7

Investments of R\$1.2 million are estimated for the construction of four projects mentioned above.

- (d) Sapeaçu Project: This refers to expenses to transfer Itapebi and Monte Pascoal thermoelectric power plants location from the city of Eunapolis to the city of Sapeaçu.
- (e) Alagoas Project: this is composed of three fuel oil-powered plants, with total nominal capacity of 592 MW, registered on Multiner's behalf.
- (f) Iraí Project: inventory review studies and technical-economic feasibility studies, budgeted at the approximate amount of R\$11,000 in order to implement a hydroelectric power plant to be built in Uruguay river. After the conclusion of these studies, they will be forwarded to ANEEL so that an auction is conducted for the concession of the plant construction and operation. Should Multiner and its partners do not win this auction, they will be refunded by the winners for the costs related to water development studies for the hydroelectric power plant of 330MW.
- (g) Paraíba Project: It refers to the thermoelectric power plant of Santa Rita de Cássia that use fuel oil to be built in the city of Santa Rita de Cássia, state of Paraíba, with nominal capacity of 174.6 MWs. The project won the A-3 new energy auction, held in September 2008, when it sold 93 average MW at an ICB (cost-benefit index) of R\$129.79/MWh, which accounts for an annual fixed revenue of approximately R\$53.8 million. The investment estimated for the construction of this project is approximately R\$250 million and its startup is scheduled for January 1, 2011.

On December 31, 2008, Multiner revaluated expenses with the Parobé Project, whose purpose was the development of power plants run on urban residues. This project includes the construction of 20 small power plants, with nominal capacity ranging from 5 to 25MW each. The beginning of the construction works of the first plant is planned for the end of 2009. Multiner concluded this project is unfeasible.

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(In thousands of reais)

On this date the amount was written off in profit and loss under “Outsourced Services – corporate.”

10 Deferred (consolidated)

This item refers to expenses incurred by subsidiary NEO in its pre-operating stage, as follows:

	2008
Taxes on the placement of CCBs	4,996
Monetary restatement and interest already incurred over the CCBs before the capitalization to property, plant and equipment starts	8,528
Outsourced services	1,534
Other administrative and pre-operating expenses	732
Fees paid to Banco do Nordeste do Brasil	1,283
Other financial expenses	40
Financial revenues	(3,611)
	<hr/>
	13,502
	<hr/> <hr/>

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Notes to the financial statements

(In thousands of reais)

11 Financing (consolidated)

	Maturity	Charges	2008
CCBs (1)	Up to 2028	IGP-M + 9.0 to 9.65% p.a.	307,397
(-) Unexpired cost (2)			<u>(55,733)</u>
			251,664
(-) Current			<u>(1,031)</u>
Non-Current			<u>250,633</u>

- (1) These mainly refer to Bank Credit Certificates (CCBs) issued by subsidiary NEO, placed by Banco BVA S.A. to finance the operations. This funding bears *pro rata temporis* interest (IGP-M + 9.0% to 9.65% p.a.), with principal balance of R\$265,200.

NEO's liabilities will be settled in monthly installments as of October 2009, and the last maturity will fall due in 2028. Equipment and part of the PPAs were given as collateral for this funding.

- (2) These refer to expenses with financial advisory for the CCB operations, paid to BVA S.A., VP Promotora de Negócios e Consultoria Financeira, O.S. Assessoria e Planejamento Empresarial, Euro DTVM, and BVA Empreendimentos S.A.

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

Below, the financing breaking down, by year of maturity:

Maturities as of October 2009	1,031
2010	12,169
2011	17,078
2012	17,078
2013	17,078
2014	17,078
2015	17,078
2016 to 2028	208,807
	<hr/>
	307,397
	<hr/> <hr/>

12 Accounts Payable

	Parent Company and Consolidated
	2008
Accounts payable for investment acquisition (1)	6,627
Other (2)	876
	<hr/>
	7,503
	<hr/> <hr/>

(1) This amount refers to balance payable for the acquisition of 80% of NEO, owed to the companies listed below, to be paid with funds from current shareholders, as follows:

- Novas Opções Energéticas Ltda.: ("NOE") in the amount of R\$2,906; and
- Eólica Tecnologia Ltda.: in the amount of R\$3,721.

The amount owed to NOE, was renegotiated on September 22, 2008, and now the Company pays interest of 1.5% per month over outstanding balance. The amount owed to Eólica continues being restated by IGP-M, considering the effective date of the negotiation re-ratification on March 31, 2008.

(2) This amount refers to the acquisition of the project for 13 plants which comprise the Pernambuco Project, as per Note 9, to be paid to A&G Energia Empreendimentos Ltda.

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

13 Advance for future capital increase (consolidated)

The Company is under negotiation process with subsidiary's former shareholders and shall resolve on the allocation of said advance until June 30, 2009.

14 Related party transactions

The Company is a related party to Grupo BVA, and its shareholding is disclosed on Note 16. Its interest in investments and projects are outlined in Notes 7 and 9.

Below is a summary of the operations and balances with related parties.

Description	Parent Company 2008					
	Banco BVA S.A.	New Energy Options Geração de Energia S.A.- NEO	Crisga Consultoria em Engenharia Elétrica e Participações Ltda.	Termelétrica Itapebi S.A.	Termelétrica Monte Pascoal S.A.	Multiner Óleo e Gás S.A.
Current assets:						
Cash and cash equivalents:						
Cash equivalents (1)	20	-	-	-	-	-
Financial investments (2)	-	-	-	-	-	-
Other credits (3)	-	-	-	-	-	43
Non-current assets:						
Accounts receivable (4)	-	-	1,700	759	764	-
Loan agreements (5)	-	-	-	-	-	501
Investments:						
Advance for future capital increase (6)	-	-	-	1,368	1,728	-
Current liabilities						
Other (7)	93	7	-	-	-	-
Non-current liabilities:						
Debts with related parties (8)	-	303	-	-	-	-
Financial revenues (9)	59	-	-	-	-	-
Leasing expenses (10)	214	-	-	-	-	-

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

Description	Parent Company 2008 (cont.)						Total
	2007 Participações S.A.	Rio Amazonas S.A.	Cia. 44 de Negócios	Shareholder	BVA Empreendimentos S.A.		
Current assets:							
Cash and cash equivalents:							
Cash equivalents (1)	-	-	-	-	-	-	
Financial investments (2)	-	-	-	-	6,041	6,041	
Other credits (3)	71	24	1	14	-	153	
Non-current assets:							
Accounts receivable (4)	-	-	-	-	-	3,223	
Loan agreements (5)	-	-	-	-	-	501	
Investments:							
Advance for future capital increase (6)	-	-	-	-	-	3,096	
Current liabilities							
Other (7)	-	-	-	-	-	100	
Non-current liabilities:							
Debts with related parties (8)	-	14,727	-	-	-	15,030	
Financial revenues (9)	-	-	-	-	45	104	
Leasing expenses (10)	-	-	-	-	-	214	

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

- (1) These refer to amounts held in checking account at Banco BVA.
- (2) Financial investments refer to debentures acquired from BVA Empreendimentos S.A., yielded at 107% of the CDI rate. These investments are detailed in Note 5.
- (3) The amounts recorded under other credits refer to the payment of expenses by Multiner to be refunded by respective companies.
- (4) These refer to an advance in the amount of R\$1,700 to Crisga Consultoria em Engenharia Elétrica e Participações Ltda. for the right acquisition in the purchase of machinery and equipment, provided by the Finnish company Wärtsilä Finland OY, which will be used in Multiner's projects and accounts receivable from Monte Pascoal and Itapebi thermoelectric power plants, in the amount of R\$1,523, deriving from payments on account and order made by Multiner, mostly consisting of the payment of insurance premiums.
- (5) It refers to a loan agreement executed with the affiliated company Multiner Óleo e Gás S.A., with a principal amount of R\$500 at a rate of 105% of the CDI, maturing in the first half of 2009.
- (6) It refers to Advance for Future Capital Increase (AFAC), recorded under Investments, whose effective use as permanent investment is subject to ANEEL's authorization, as mentioned in Note 7.
- (7) It refers to accounts payable for rental, condominium fees and electricity bills to Banco BVA S.A., in the amount of R\$93, pursuant to the sublease agreement for the property located at Av. Almirante Barroso, 52 – 19º – parte, and R\$7 from NEO as payments of Multiner expenses.
- (8) IT refers to a loan agreement signed with RAESA and NEO, with principal amounts of R\$14,310 and R\$300, respectively, at a rate of 105% of the CDI, maturing up to December 31, 2009.

We point out that all these agreements were settled from January 8 to March 2, 2009.

- (9) These refer to financial revenues resulting from financial investments made by the parent company in BVA Empreendimentos.
- (10) These refer to lease paid in 2008.

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

Description	Parent Company 2007					Total
	Banco BVA S.A.	New Energy Options Geração de Energia S.A.-NEO	Crisga Consultoria em Engenharia Elétrica e Participações Ltda.	Termelétrica Itapebi S.A.	Termelétrica a Monte Pascoal S.A.	
Current assets:						
Cash and cash equivalents (1)	21	-	-	-	-	21
Other credits (2)	-	3	-	-	-	3
Non-current assets:						
Accounts receivable (3)	-	-	1,700	430	405	2,535

(1) These refer to amounts held in checking account at Banco BVA.

(2) These refer to the payment of expenses by Multiner, to be refunded by respective company.

(3) These refer to an advance in the amount of R\$1,700 to Crisga Consultoria em Engenharia Elétrica e Participações Ltda. for the right acquisition in the purchase of machinery and equipment, provided by the Finnish company Wärtsilä, which will be used in Multiner's projects, and accounts receivable from Monte Pascoal and Itapebi thermoelectric power plants, in the amount of R\$735, deriving from payments on account and order made by Multiner.

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

Description	Consolidated 2008					
	Banco BVA S.A.	New Energy Options Geração de Energia S.A.- NEO	Crisga Consultoria em Engenharia Elétrica e Participações Ltda.	Termelétrica Itapebi S.A.	Termelétrica Monte Pascoal S.A.	Multiner Óleo e Gás S.A.
Current assets:						
Cash and cash equivalents:						
Cash equivalents (1)	63	-	-	-	-	-
Financial investments (2)	15,058	-	-	-	-	-
Other credits (3)	9	-	-	-	-	43
Non-current assets:						
Accounts receivable (4)	-	-	1,700	759	764	-
Loan agreements (5)	-	-	-	-	-	501
Investments:						
Advance for future capital increase (6)	-	-	-	1,368	1,728	-
Current liabilities:						
Other (7)	93	-	-	-	-	-
Non-current liabilities:						
Debts with related parties (8)	-	-	-	-	-	-
Transaction costs (9)	11,100	-	-	-	-	-
Financial revenues (10)	59	-	-	-	-	-
Financial revenues excluding the impact on profit and loss (11)	2,903	-	-	-	-	-
Leasing expenses (12)	214	-	-	-	-	-

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

Description	Consolidated 2008 (cont.)					Total
	2007 Participações S.A.	Rio Amazonas S.A.	Cia. 44 de Negócios	Shareholder	BVA Empreendimentos S.A.	
Current assets:						
Cash and cash equivalents:						
Cash equivalents (1)	-	-	-	-	-	63
Financial investments (2)	-	-	-	-	98,980	114,038
Other credits (3)	71	24	1	14	-	162
Non-current assets:						
Accounts receivable (4)	-	-	-	-	-	3,323
Loan agreements (5)	-	-	-	-	-	501
Investments:						
Advance for future capital increase (6)	-	-	-	-	-	3,096
Current liabilities:						
Other (7)	-	-	-	-	-	93
Non-current liabilities:						
Debt with related parties (8)	-	14,727	-	-	68	14,795
Transaction costs (9)	-	-	-	-	3,795	14,895
Financial revenues (10)	-	-	-	-	45	104
Financial revenues excluding the impact on profit and loss (11)	-	-	-	-	6,775	14,895
Leasing expenses (12)	-	-	-	-	-	214

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

- (1) These refer to amounts held in checking account at Banco BVA.
- (2) Financial investments refer to investments in CDBs at Banco BVA by the subsidiary, yielded at 105% to 110% of the CDI rate, and debentures acquired from BVA Empreendimentos S.A. by the parent company and the subsidiary, yielded at 107% of the CDI rate. These investments are detailed in Note 5.
- (3) The amounts recorded under other credits refer to the payment of expenses by Multiner and NEO, to be refunded by the respective companies.
- (4) These refer to an advance in the amount of R\$1,700 to Crisga Consultoria em Engenharia Elétrica e Participações Ltda. for the right acquisition in the purchase of machinery and equipment, provided by the Finnish company Wärtsilä Finland OY, which will be used in Multiner's projects and accounts receivable from Monte Pascoal and Itapebi thermoelectric power plants, in the amount of R\$1,523, deriving from payments on account and order made by Multiner, mostly consisting of the payment of insurance premiums.
- (5) It refers to a loan agreement signed with the affiliated company Multiner Óleo e Gás S.A., with a principal amount of R\$500 at a rate of 105% of the CDI, maturing in the first half of 2009.
- (6) It refers to Advance for Future Capital Increase (AFAC), recorded under Investments, whose effective use as permanent investment is subject to the ANEEL's authorization, as mentioned in Note 7.
- (7) It refers to accounts payable for rental, condominium fees and electricity bills to Banco BVA S.A., in the amount of R\$93, pursuant to the sublease agreement for the property located at Av. Almirante Barroso, 52 – 19º – parte, and R\$7 from NEO as payments of Multiner expenses.
- (8) These refer to a loan agreement signed with RAESA, with principal amount of R\$14, at an interest rate of 105% of the CDI, maturing up to December 31, 2009.

We point out that all these agreements were settled from January 8, 2001 to March 2, 2009.

Accounts payable from NEO to BVA Empreendimentos related to payment of expenses.

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

(9) These refer to expenses with commissions for the placement of the CCBs, stated in Notes 10 and 13, deemed as compatible with the commissions charged on the market for this type of operation.

(10) It refers to financial revenues deriving from financial investments made by the parent company in BVA Empreendimentos.

(11) It refers to financial revenues deriving from financial investments in CDBs made in Banco BVA, and debentures investments made in BVA Empreendimentos.

(12) These refer to lease paid in 2008.

As a commitment assumed between the parties, the Company and Banco BVA S.A. executed a sublease agreement for the property located at Av. Almirante Barroso, 52 – 19º – parte, with monthly lease payment of R\$21.

13 Contingencies

On December 31, 2008 and 2007, the Company and its subsidiary were not parties to lawsuits and, thus, there are no accrued contingencies or subject to reporting.

14 Shareholders' equity

a. Subscribed and paid-up capital stock

The subscribed and paid-up capital stock on December 31, 2008 amounts to R\$20,884 (R\$728 in 2007) and consists of 1,727 common shares (1,727 in 2007) and 67 redeemable non-par preferred shares (0 in 2007).

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

Below, the ownership structure on December 31, 2008 and 2007:

Shareholder	12/31/2008			12/31/2007		
	Number of Shares	Value – R\$	%	Number of Shares	Value – R\$	%
JABR Participações S.A.	775	327	43.69	777	328	45
Cia. 44 de Negócios	774	327	43.63	-	-	-
CM. de Investimentos Resultado	172	72	9.70	-	-	-
BVA Empreendimentos S.A.	52	15,665	1.80	-	-	-
Fundo de Investimento em Participações (Equity Fund)	15	4,491	0.85	-	-	-
Jorge Amilcar Boueri da Rocha	1	0.4	0.06	-	-	-
José Augusto Peixeira dos Santos	1	0.4	0.06	777	328	45
Carlos Henrique Figueiredo	1	0.4	0.06	173	73	10
Mauro Molchanskv	1	0.4	0.06	-	-	-
Luis Octavio Moita Veiga	1	0.4	0.06	-	-	-
Carlos Alberto Pires de Albuquerque	1	0.4	0.06	-	-	-
	1,794	20,884	100.00	1,727	728	100,00

In December 2008, the Company increased its capital by R\$20,156, by issuing 67 redeemable preferred shares. This capital increase generated a goodwill reserve in the shares issue.

PNR shares are preferred shares redeemable into common shares of the Company, in the fourth year as of the date of approval of their issuance, which took place on December 6, 2008, in a 1/1 proportion, i.e., each preferred share will be converted into one common share issued by the Company.

In addition to the right of conversion into common shares described above, these shares are entitled to dividends at least 10% higher than the dividends attributed to common shares, full profit sharing under same conditions as common shares, and priority when resolving upon the conversion of the redeemable preferred shares into common shares issued by the Company, in a 1/1 proportion, in case the Company decides to carry out a public issue of shares before the estimated term for the conversion of these shares into common shares.

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

At the end of the abovementioned term, should the shareholder opt for not converting their shares, these will be redeemed by the Company, observing a payment schedule, corresponding to the redemption of 1/6 redeemable preferred shares, within six consecutive half-years as of May 24, 2013, for a price which will correspond to the issue price restated by the General Market Price Index (IGP-M) plus 9.5% per annum, as of issue date, net of the amounts received as dividends, interest on own capital or any other yield earned from the redeemable preferred shares, also restated by the IGP-M, plus 9.5% per annum, as of the receipt date of such amounts.

b. Capital reserve for investments

This reserve was established on December 31, 2007 and approved by Multiner's shareholders, as per Extraordinary General Meeting on same date, aiming at promoting the fund allocation to investments.

c. Goodwill reserve in the share issue

In December 2008, the Management carried out the analysis of the Company's market value, with the purpose of issuing redeemable preferred shares.

The proceeds obtained with this capitalization up to December 31, 2008, in the amount of R\$60,357, were distributed as follows: 33% of the issue value to the capital stock, and the remainder to establish a goodwill reserve, aiming at covering eventual share redemptions.

15 Financial instruments

The Company and its subsidiary evaluated their main assets and liabilities with regard to market/realization values, based on information available and evaluation methods defined by the Management. However, both the market data interpretation and the selection of evaluation methods require considerable judgment and reasonable estimates to reach the most adequate realization value. As a result, the stated amounts do not necessarily indicate the amounts that may be realized on the current market. The use of different market assumptions and/or methodologies to make the estimates might have immaterial effects on the estimated realization values.

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

The Company's Management revised the key financial assets and liabilities on December 31, 2008, as well as the criteria for their appraisal, recognition, and risks related to them, which are outlined as follows:

			Parent company	Consolidated
	Note	Recognition	2008	2008
Assets:				
Financial investments	5	Fair value	6,045	114,034
Advances to suppliers	6	Amortized cost	-	6,191
			<u>6,045</u>	<u>120,225</u>
Liabilities:				
Financing	11	Amortized cost	-	307,397

a. Policy on the use of derivatives

The policy on the use of derivative instruments approved by the Board of Directors determines the debt service coverage (principal plus interest and commissions) denominated in foreign currency to mature within 24 months, forbidding any speculative use whether in derivatives or any other risky assets.

In line with the policy, the Company and its subsidiaries do not have forward agreements, options, swap options, swaps with a "regret" clause, flexible options, derivatives embedded into other products, structured operations, and "exotic derivatives."

b. Risk management and goals met

One of the main responsibilities of the Company's Management is to manage, in line with a global policy, the exposure to interest rates, exchange rate, credit, and liquidity risks. Within this context, the Company maintains financial instrument operations, whose risks are managed using financial position strategies, and systems to control the limits of exposure thereto. An analysis of the data below referring to the parent company and consolidated, helps understanding the financial instrument risks to which the Company is exposed.

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

These derivative instruments are managed through operating strategies, aiming at liquidity, profitability, and security. The control policy consists of permanent supervision to ensure compliance with the policy on the use of derivatives, as well as monitoring the contracted rates versus the ones effective on the market.

c. Financial instruments recognition and measurement

The following considerations were taken into account with regard to the calculation of market value and recognition:

- Financial Investments: financial investments are recognized as for trading, considering CDBs investments that have daily liquidity and investments in private debentures have an advanced redemption clause, with *pro rata temporis* remuneration calculated up to the effective redemption date. The Management understands the fair value of these investments is close to value determined in the instrument's curve;
- Advances to suppliers: amounts in reais are measured by the amortized cost, and are recognized as loans and receivables, and, thus, recognized by their initial value;
- Suppliers: these are measured by the amortized cost method, and, thus, recognized by their original value as financial liability not measured at fair value;
- Financing: the market value of the financing is identical to the book balances, since there are no similar instruments with comparable maturities and interest rates. These are measured by the amortized cost, and recognized as financial liability not measured at fair value; and
- Swap operations: the Company did not carry out swap operations during the year, and does not have, on December 31, 2008, outstanding swap operations.

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

It is worth mentioning that estimated market values of financial assets and liabilities were determined based on information available on the market and appropriate valuation methodologies. However, considerable judgment was required when interpreting market data in order to find the most appropriate market value estimate. Accordingly, estimates below do not necessarily indicate the amounts that may be realized on current swap market.

d. Risk factors

One of the main responsibilities of the Company's Management is to manage, in line with a global policy, the exposure to interest rates, exchange rate, credit, and liquidity risks. Within this context, the Company maintains financial instrument operations, whose risks are managed using financial position strategies, and systems to control the limits of exposure thereto. An analysis of the data below, referring to the parent company and consolidated, helps understanding the financial instrument risks to which the Company is exposed:

	Consolidated	
	12/31/2008	
	Amount	%
Investments in the open market	114,038	94.9
Investments in fixed income securities	114,038	94.9
Investment in CDBs (indexed to CDI)	15,058	12.5
Investment in debentures (indexed to CDI)	98,980	82.3
Credits, goods and assets	6,191	5.1
Advances to suppliers – abroad	6,191	5.1
DeWind	6,191	5.1
Total assets	120,229	100.0
Liabilities	307,397	100
CCBs	307,397	100.0

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

- *Interest rate risk*

The purpose of the Company's interest rate risk management policy is to minimize likely losses due to interest rates fluctuations increasing financial expenses related to funds raised on the market.

The Company adopts a diversification strategy of financial instruments pegged to fixed and variable rates in order to manage the interest rate risk.

The Company and its subsidiary continually monitor the market interest rates in order to evaluate the eventual need of contracting hedge operations against the risk of volatility of these rates, and adopt a conservative policy for the fundraising and investment of their financial resources.

In the current scenario of the parent company and its subsidiary, this risk derives from the impact of interest rate fluctuations only over financial revenues deriving from their financial investments, as financial expenses linked to its subsidiary's financing are pre-fixed and thus not affected by interest rates fluctuations.

The Management believes the best method to estimate a "likely scenario" is to be based on the mean market expectations for the IGP-M and the CDI published by the Central Bank of Brazil in the Focus Report, on December 12, 2008.

Concerning CDI, it obtained the estimated SELIC rate variation for the period, which was replicated to the CDI, as these rates have an extremely intense positive correlation. The chart below shows the impact over financial revenues of the parent company, considering likely scenario I, which would be the CDI rate as of December 31, 2008, depreciated by 25%; and likely scenario II, which would be the CDI rate as of December 31, 2008 depreciated by 50%.

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

Consolidated				
Operation	Risk	Likely scenario	Likely scenario (II)	Likely scenario (III)
Investment in CDBs (indexed to CDI)	Drop in CDI rate	(109)	(498)	(997)
Investment in debentures (indexed to CDI)	Drop in CDI rate	(715)	(3,275)	(6,550)
Principal CCB - BVA	IGP-M increase	13,850	(7,535)	(15,071)
	CDI 12/31/2009	11.69%	9.28%	6.18%
	107% of CDI 12/31/2009	12.51%	9.93%	6.62%
	IGP-M 2009	5.30%	12.26%	14.71%

As the subsidiary's financial revenues and expenses are included in the capitalization of its property, plant and equipment, this variation generates no direct impact on the subsidiary's results.

- *Exchange rate risk*

Multiner S.A.'s assets structure is not exposed to foreign exchange variations because since no asset has been delivered up to date. However, when the consolidated is analyzed, the assets structure is exposed in the amount of US\$2,650,000.00, referring to credits with foreign suppliers.

Because a significant portion of the Company's future investments will be made abroad (import of equipment for the construction of the generators complexes), the Company permanently analyzes the impacts of these exchange variations on its assets structure.

In 2008, the exchange rate trend, strongly pressured against the real in the last quarter, offset and even outnumbered the drop verified in previous periods.

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

In order to reduce this risk, in addition to the Management's permanently monitoring the foreign exchange market, the Company may contract, whenever necessary, financial derivatives to offset these eventual impacts. Nevertheless, the exchange rate levels used in financial projections and imports contracting, as well as associated costs to contract hedge mechanisms during the last quarter of 2008 led the Management to choose a neutral position against a situation it understood to be temporary and fully reversible within a short period of time.

There are no outstanding financial derivatives on December 31, 2008 and 2007.

The Company's Management believes the best method to estimate a "likely scenario" is to be based on the mean market expectations disclosed in the Focus Report, published by the Central Bank of Brazil on December 12, 2008. Below, the impact on the subsidiary's exchange variation revenues, considering likely scenario I, which is the U.S. dollar forex quotes on December 31, 2008, depreciated by 25%; and likely scenario II, which is the U.S. dollar forex quotes on December 31, 2008, depreciated by 50%:

Consolidated				
Operation	Risk	Likely scenario	Likely scenario (II)	Likely scenario (III)
Credits with suppliers in U.S. dollars	Real appreciation against the U.S. dollar	(360,930)	(1,547,733)	(3,095,465)
	U.S. dollar forex quote on 12/31/2009	2.2	1.75	1.16

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

- *Credit risk*

The Company's policy is deeply associated to the credit risk level to which it is willing to be subject to in the course of its businesses.

Except for wind power plants contracted within the scope of Proinfa, which are guaranteed by Eletrobrás, other PPAs of the thermoelectric projects were obtained in New Energy Auctions, promoted by ANEEL and were executed with dozens of power distribution companies operating in the country. In addition to the natural risk dilution due to the number of contracting parties, each distribution company was required to provide guarantees and counter-guarantees that improve the quality of receivables.

As for the credit risk of financial investments, the Company only carries out operations with low credit risk institutions assessed by independent rating agencies.

- *Liquidity risk*

The liquidity risk management policy requires the maintenance of a safe cash and cash equivalents level, and access to available funds.

e. Capital risk management

The Company's goals when managing its capital include safeguarding its going concern condition in order to offer return to its shareholders and guarantees to other stakeholders, as well as maintaining an adequate capital structure.

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

16 Commitments

The main commitments with suppliers of goods and services over R\$200 are listed below:

Company	Subject-matter of the Agreement	Contractor	Amount
Multiner S.A.	Financing contracting fee	Brazilian Development Bank	649
Multiner S.A.	Strategic planning consulting	RV2 Consultoria e Assessoria em Projetos	292
Multiner S.A.	Purchase of equipment	Caterpillar Motoren GmbH & Co. (**)	102,731
Multiner S.A.	Purchase of equipment	Wärtsilä Finland (**)	99,636
New Energy Options Geração de Energia	Construction works management	Laureano Meirelles Engenharia Ltda.	4,000
New Energy Options Geração de Energia	Construction works management	Engineering S.A. Serviços	4,670
New Energy Options Geração de Energia	Financing contracting fee	Banco do Nordeste do Brasil S.A.	2,566
New Energy Options Geração de Energia	Consulting for the Banco do Nordeste financing	Guimarães e Ferreira	1,575
New Energy Options Geração de Energia	Environmental consulting	Plano Ambiental Planejamento e Estudos Ambientais Ltda.	228
New Energy Options Geração de Energia	Purchase of equipment and installation services	Vestas Eólica (**)	421,325

(*) Amount referring to full future disbursement in financing agreements for the acquisition of fixed assets.

(**) Contracting in Euros, estimated amounts considering the Euro quote on December 31, 2008.

17 Subsequent Events

Authorizing Resolution 1,735, issued by the ANEEL, was published on the Federal Official Gazette on January 2, 2009, authorizing the transfer of the corporate control of Monte Pascoal and Itapebi thermoelectric power plants to Multiner S.A. Thus, Multiner shall carry out the effective transfer of control on the respective companies' books.

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Notes to the financial statements

(In thousands of reais)

Continuing the funding process through the shares issue, on February 19, 2009, Multiner recorded the raised amount of R\$76,236, corresponding to the issue of 83,478 redeemable preferred shares, with the same characteristics outlined in Note 16. This funding generated a capital increase of R\$25,076.

* * *

Board of Executive Officers

Carlos Henrique Figueiredo
Chief Executive Officer – in office

Mauro Barros Dantas
Corporate Management Officer

Accountant

Luciana dos Santos Uchôa
CRC: RJ 081 003/O-8

Board Members

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