



Multiner S.A.

Financial statements
December 31, 2009 and 2008

Multiner S.A.

Notes to the financial statements

December 31, 2009 and 2008

(In thousands of reais)

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Independent auditors' report

To
The Board of Directors and Shareholders
Multiner S.A.
Rio de Janeiro - RJ

1. We have examined the accompanying balance sheets of Multiner S.A. (“Multiner” or “Company”) and the consolidated balance sheets of the Company and its subsidiaries as of December 31, 2009 and 2008 and the related statements of income, changes in shareholders’ equity, cash flows and added value for the years then ended, which are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements.
2. Our examinations were conducted in accordance with auditing standards generally accepted in Brazil and included: (a) planning of the audit work, considering the materiality of the balances, the volume of transactions and the accounting systems and internal controls of the Company and its subsidiaries; (b) verification, on a test basis, of the evidence and the records which support the amounts and accounting information disclosed; and (c) evaluation of the most significant accounting policies and estimates adopted by the management of the Company and its subsidiaries, as well as the presentation of the financial statements taken as a whole.
3. In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Multiner S.A and the consolidated financial position of the Company and its subsidiaries as of December 31, 2009 and 2008, the results of their operations, the changes in shareholders’ equity, cash flows and added value for the years then ended, in accordance with accounting practices adopted in Brazil.



4. The accompanying financial statements have been prepared assuming that the Company and its subsidiaries will continue as a going concern. As described in Notes 1 and 10, the Company's subsidiaries are in the pre-operating stage and their results corresponding to the pre-operating activities until December 31, 2008 are recorded as deferred charges and the costs of the undertakings under construction are recorded as property, plant and equipment. The Company also has a balance of goodwill originating from the acquisition of the subsidiaries and the intangible assets of new projects. The recovery of the amounts recorded in deferred charges, property, plant and equipment and intangible assets depends on the success of the future operations of its subsidiaries. Additionally, the Company and its subsidiaries depend on the financial support of the shareholders and/or funds from third parties until their operations become profitable. Management's plans with respect to the operating activities are also described in notes 1 and 10.

Rio de Janeiro, March 9, 2010

KPMG Auditores Independentes
CRC-2SP-014428/O-6 F-RJ

Moacyr Humberto Piacenti
Accountant CRC SP-204757/O-9 S-RJ

Multiner S.A.

Statements of income

Years ended December 31, 2009 and 2008

(In thousands of Reais, except net income per share)

	<u>Parent company</u>		<u>Consolidated</u>	
	2009	2008	2009	2008
Operating expenses				
Personnel	(2,555)	(2,519)	(5,607)	(2,519)
Management fee	(3,607)	(2,894)	(7,719)	(2,894)
Administrative and general expenses	(5,087)	(1,462)	(9,658)	(1,462)
Third-party services	(24,366)	(3,698)	(28,584)	(3,698)
Tax	(173)	(38)	(356)	(38)
Depreciation and amortization	<u>(144)</u>	<u>(106)</u>	<u>(160)</u>	<u>(106)</u>
	<u>(35,932)</u>	<u>(10,717)</u>	<u>(52,084)</u>	<u>(10,717)</u>
Financial results				
Financial expenses	(8,086)	(1,255)	(10,093)	(1,255)
Financial income	<u>9,530</u>	<u>178</u>	<u>9,798</u>	<u>178</u>
	<u>1,444</u>	<u>(1,077)</u>	<u>(295)</u>	<u>(1,077)</u>
Other operating expenses				
Equity in income of subsidiaries and associated companies	(11,163)	-	-	-
Deferred income tax and social contribution	<u>-</u>	<u>-</u>	<u>5,065</u>	<u>-</u>
Non-controlling interest	<u>-</u>	<u>-</u>	<u>1,663</u>	<u>-</u>
Net Loss for the year	<u>(45,651)</u>	<u>(11,794)</u>	<u>(45,651)</u>	<u>(11,794)</u>
Outstanding shares at end of year (in thousands)	<u>2,225</u>	<u>1,794</u>		
Net loss per share at the end of the year - R\$	<u>(21)</u>	<u>(7)</u>		

See the accompanying notes to the financial statements.

Multiner S.A.

Statements of changes in shareholders' equity

Years ended December 31, 2009 and 2008

(In thousands of reais)

	<u>Capital reserves</u>				
	Capital	Share premium reserve	Reserve for future investments	Accumulated losses	Total
Balances at December 31, 2007	728	-	1,908	(60)	2,576
Capital increase	20,156	40,201	-	-	60,357
Net loss for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,794)</u>	<u>(11,794)</u>
Balances at December 31, 2008	<u>20,884</u>	<u>40,201</u>	<u>1,908</u>	<u>(11,854)</u>	<u>51,139</u>
Capital increase	129,369	276,058	-	-	405,427
Net loss for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(45,651)</u>	<u>(45,651)</u>
Balances at December 31, 2009	<u>150,253</u>	<u>316,259</u>	<u>1,908</u>	<u>(57,505)</u>	<u>410,915</u>

See the accompanying notes to the financial statements.

Multiner S.A.

Statements of cash flows

Years ended December 31, 2009 and 2008

(In thousands of reais)

	Parent company		Consolidated	
	2009	2008	2009	2008
Cash flows from operating activities				
Loss for the year	(45,651)	(11,794)	(45,651)	(11,794)
Adjustments:				
Depreciation and amortization	143	106	158	106
Residual cost of permanent assets written off	87,847	-	3,099	-
Provision for equity deficit (equity method investments)	2,500	-	-	-
Financial charges	5,787	421	5,787	421
Cost of raising funds	586	-	586	-
Equity accounting	8,663	-	-	-
Deferred taxes	-	-	(5,065)	-
Non-controlling interest	-	-	(1,663)	-
	<u>59,875</u>	<u>(11,267)</u>	<u>(42,749)</u>	<u>(11,267)</u>
Changes in assets and liabilities:				
Increase in advances to suppliers	(2,336)	(670)	(7,491)	(665)
Increase in related party transactions	(110,457)	(54)	(35,993)	(69)
Increase in payments in advance	-	-	(7,137)	-
Increase in recoverable taxes	(2,094)	-	(2,409)	-
Increase in other receivables	(1,331)	(39)	(1,732)	(488)
Increase in tax obligations	7	38	27	4
Increase in accounts payable to suppliers	148	389	2,678	819
Increase in salaries and payroll charges	362	411	390	416
Increase in other current liabilities	-	-	3	-
(Decrease) increase in accounts payable	(7,503)	7,503	(7,066)	7,503
	<u>(63,329)</u>	<u>(3,689)</u>	<u>(101,479)</u>	<u>(3,747)</u>
Net Cash used in operating activities				
Cash flows from investing activities				
Related party transactions	-	(1,189)	-	(1,189)
Pledged financial investments	-	-	(71,270)	-
Investments	(280,964)	(14,859)	-	(14,858)
Property, plant and equipment	(67,105)	(21,976)	(199,258)	(118,987)
Intangible assets	(12,857)	(26,624)	(12,860)	(26,624)
Deferred charges	-	-	(5,055)	3,230
	<u>(360,926)</u>	<u>(64,648)</u>	<u>(288,443)</u>	<u>(158,428)</u>
Net cash used in cash flows from investing activities				
Cash flows from financing activities				
Related party transactions	-	14,609	-	14,374
Debentures	10,000	-	10,000	-
Advance for future capital increase	-	-	2,613	-
Capital increase	-	-	8,998	-
Financing-additions	84,718	-	-	144,144
Financing-payments	(1,214)	-	(2,214)	-
Shares issuance	405,427	60,357	405,427	60,357
	<u>498,931</u>	<u>74,966</u>	<u>424,824</u>	<u>218,875</u>
Net cash provided by financing activities				
Increase in cash and cash equivalent	<u>74,676</u>	<u>6,629</u>	<u>34,902</u>	<u>56,700</u>
Cash and cash equivalents at the beginning of the year	<u>6,651</u>	<u>22</u>	<u>114,691</u>	<u>57,991</u>
Cash and cash equivalents at the end of the year	<u>81,327</u>	<u>6,651</u>	<u>149,593</u>	<u>114,691</u>

See the accompanying notes to the financial statements.

Multiner S.A.

Statements of added value

Years ended December 31, 2009 and 2008

(In thousands of reais)

	<u>Parent company</u>		<u>Consolidated</u>	
	2009	2008	2009	2008
Added value received as transfer				
Financial income	9,530	178	9,798	178
Equity interest	(11,163)	-	-	-
Inputs acquired from third parties				
Third-party and other services	(29,453)	(5,160)	(38,242)	(5,160)
Retentions				
Depreciation and amortization	<u>(144)</u>	<u>(106)</u>	<u>(160)</u>	<u>(106)</u>
Total added value to be distributed	<u>(31,230)</u>	<u>(5,088)</u>	<u>(28,604)</u>	<u>(5,088)</u>
Distribution of added value				
Personnel				
Salaries and payroll charges	2,555	2,519	5,607	2,519
Management fees	<u>3,607</u>	<u>2,894</u>	<u>7,719</u>	<u>2,894</u>
	<u>6,162</u>	<u>5,413</u>	<u>13,326</u>	<u>5,413</u>
Taxes				
Taxes and contributions	<u>173</u>	<u>38</u>	<u>(4,709)</u>	<u>38</u>
Remuneration on third-party capital				
Interest and monetary variations	<u>8,086</u>	<u>1,255</u>	<u>10,093</u>	<u>1,255</u>
Remuneration on own capital				
Loss for the year	(45,651)	(11,794)	(45,651)	(11,794)
Minority interest	<u>-</u>	<u>-</u>	<u>(1,663)</u>	<u>-</u>
Added value distributed	<u>(31,230)</u>	<u>(5,088)</u>	<u>(28,604)</u>	<u>(5,088)</u>

See the accompanying notes to the financial statements.

Multiner S.A.

Notes to the financial statements

Years ended December 31, 2009 and 2008

(In thousands of reais)

1 Operations

Multiner S.A. (“Multiner” or “Company”), a public held Company, was incorporated as a company on May 21, 2007, having its headquarters located in the city of Rio de Janeiro, originally named as 2010 Geração de Energia e Participações S.A. On October 31, 2007, the shareholders, representing the totality of the social capital, approved the change of the corporate name of 2010 Geração de Energia e Participações to Multiner S.A.

On July 10, 2008 Multiner S.A. obtained its registration as a publicly held corporation on the Brazilian Securities and Exchange Commission (CVM).

The Company’s corporate purpose is to participate in other companies and ventures, mainly in the energy sectors, offering to the distribution and consumer markets different sources of energy. It has developments and projects for a diversified power generation base, with alternatives in wind, hydroelectric and thermoelectric power.

In 2008, Multiner held options to purchase interests in the companies Termelétrica Itapebi S.A. and Termelétrica Monte Pascoal S.A. On January 2, 2009 a Resolution of ANEEL (National Agency for Electric Power) authorized the transfer of control of these companies, however the effective transfer of the control was held on March 20, 2009. Since then, the financial information of these Companies had been included in the Company’s Consolidated Financial Statements.

Management’s plans, until this date, include the development of many projects (note 12). Among these plans, two were winners in the A-3 auction and three in the A-5 auction.

All the developments described in the previous paragraphs are in the pre-operating stage (note 10).

The funds for the development of the undertakings and the projects are being obtained mainly through raising of capital from the shareholders, through financing from third parties and the raising of capital through the issuing of new shares.

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

2 Presentation of the financial statements

The individual and consolidated financial statements were prepared in accordance with accounting practices adopted in Brazil, which are derived from Brazilian Corporation Law, the Pronouncements, Guidelines and Interpretations issued by the Accounting Pronouncements Committee (CPC) and the rules issued by the Brazilian Securities and Exchange Commission (CVM).

For the elaboration of the 2009 consolidated financial statements, the Company followed the amendments to the Corporation Law introduced by Law number 11638, enacted on December 28, 2007 and the amendments introduced by the Law 11941 dated May 7, 2009. Laws 11638 and 11941 have altered Law 6404/76 in aspects related to the preparation of and disclosures to the financial statements.

Despite the fact that the Company's subsidiaries were in the pre-operating stage at December 31, 2009 and 2008, the statements of income of the parent company and the consolidated statements of income are being presented for the years then ended, due to the restrictions with respect to deferring of pre operating revenues and expenses since January 1, 2008, due to the changes introduced by law 11638/2007 and complementary legislation.

The Company predominantly corporate purpose is to invest in other companies, therefore the notes to the financial statements reflect, basically, the accounting practices and the breakdowns of accounts of its subsidiaries.

The authorization for the conclusion of the accompany financial statements was provided by the Board of Directors on March 5, 2010.

The notes to the financial statements include information related to projected investments, areas for development and KW to be generated (notes 10 and 12), which are not part of the scope of the audit of the financial statements and, accordingly, were not audited by KPMG Auditores Independentes.

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

3 Description of significant accounting policies

Description of significant accounting policies

Statement of income

Income and expenses, recognized on an accrual basis include pre-operating expenses related to maintenance of the administrative structure of the Company and its subsidiaries incurred as from January 1, 2008, and the earnings, charges and monetary or exchange variations at official index or rates, due on current and non-current assets and liabilities, including, when applicable, the effects of adjustments of assets to market or realization value.

Accounting estimates

The preparation of financial statements in accordance with accounting practices adopted in Brazil, requires that Management uses its judgment in determining and recording accounting estimates. Significant assets and liabilities subject to these estimates and assumptions include, basically, the residual value of property, plant and equipment, deferred taxes and provisions for contingencies. The settlement of transactions involving these estimates may result in different amounts due to the lack of precision inherent to the process of their determination. The Company reviews the estimates and the assumptions at least once a year.

Financial instruments

Non-derivative financial instruments include interest earning bank deposits, 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 their fair value plus, for instruments that are not recognized at their fair value through profit and loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are recognized as follows:

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

Instruments held to maturity

If the Company has the intention and ability to hold its debt instruments until maturity, they are classified as held to maturity. Investments held to maturity are valued at their amortized cost using the effective interest rate method, less eventual reductions in their recoverable value.

Instruments available for sale

The Company's investments in equity instruments and certain assets related to debt instruments are classified as available for sale. Subsequent to initial recognition, they are measured at their fair value and their changes, except decreases in recoverable value, and the differences in foreign currency of these instruments are recognized directly in shareholders' equity, net of tax effects. When an instrument ceases to be recognized, the accumulated gain or loss in shareholders' equity is transferred to the income statement.

Financial instruments at fair value through profit and loss

An instrument is classified at fair value through profit and loss if held for trading, i.e. designated as such at the time of initial recognition. The financial instruments are designated by their fair value through profit and loss if the Company manages these investments and takes decisions for purchase and sale based on their fair value in accordance with the investment strategy and risk management documented by the Company. After initial recognition, attributable transaction costs are recognized in the results when incurred. Financial instruments at fair value through profit and loss are measured at their fair value, and their changes are recognized in the income statement.

Loans and receivables

Loans and receivables should be measured at their amortized cost using the effective interest rate method, less eventual decreases in their recoverable value.

Derivative financial instruments

The Company does not carry out operations with derivative financial instruments.

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

Foreign currency

The Company's Management has defined the Real as its functional currency, in accordance with the rules established in CPC 02 - Effects of Changes on Exchange Rates and Translation of Financial Statements, approved by CVM Resolution 534.

Transactions in foreign currency, i.e. all transactions that are not carried out in the functional currency, are translated at the exchange rate on the dates of each transaction. Monetary assets and liabilities in foreign currency are translated into the functional currency at the exchange rate on the closing date. The gains and losses from the exchange rates variations on monetary assets and liabilities are recognized in the income statement or capitalized in accordance with accounting practices. Non-monetary assets and liabilities acquired or contracted in foreign currency are translated based on the exchange rates on the dates of the transactions or on the dates of valuation at fair value when this is used.

Current and non-current assets

Investments

Investments in subsidiaries are accounted for under the equity method. Other investments which do not fit into the category above are accounted for cost of acquisition.

Property, plant and equipment

Recorded at cost of acquisition, formation or construction, including interest and other financial charges incurred on financing, net of financial income resulting from the temporary investment of this financing. Depreciation of administrative assets (parent company) is calculated using the straight-line method at the rates described in Note 11 and takes into account the estimated useful lives of the assets. Depreciation of the assets of the subsidiaries will be calculated in accordance with the rates established by the ANEEL as from the moment that the subsidiaries enter into operation.

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Notes to the financial statements

(In thousands of reais)

Intangible assets

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

- Acquired from third parties through a business combination: goodwill generated in business acquisitions;
- Intangible assets acquired from third parties: valued at the total cost of acquisition, less amortization expenses, and
- Internally generated intangibles assets: recognized as assets only in the development stage, provided that the following aspects are presented:
 - Technical feasibility of completing the intangible asset so that it will be available for use or sale;
 - Intention to complete the intangible asset and use or sell it;
 - Ability to use or sell the intangible asset;
 - Demonstrate the existence of a market or other forms of generate probable economic future benefits;
 - Availability of financial and technical resources;
 - Ability to measure with certainty the expenditures attributable to the intangible asset during its development; and
 - Amortization.

Intangible assets with a defined useful life will be amortized over the term of the useful life of the asset, from the moment these projects are available for use and begin to contribute to the results of the Company and its subsidiaries.

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

Intangible assets with indefinite useful life and the goodwill due to expectations of future profitability are not amortized, and have their recoverable value tested annually.

Management considered in the recognition of expenses with projects as intangible assets: (i) the inexistence of a fact or event that indicates the deterioration of the prospects of future profitability of the project, as declared in the business plan that justified the commitment of the Company and its subsidiaries; and (ii) the entailment of these expenses to specific future incremental revenues from the related asset.

Deferred charges

The Company and its subsidiaries elected to maintain the balance of deferred charges until their total realization through amortization or write-off against results.

Deferred charges refer to the pre-operating expenses of subsidiaries. These assets will be amortized on a straight-line basis for a period of up to ten years as from the date that the subsidiaries become operational.

Decrease in recoverable value

The recoverable value of property, plant and equipment; intangible assets and deferred assets is tested at least annually if there are indications of loss in value. The recoverable value of goodwill and intangible assets with an indefinite useful life is tested annually, regardless of whether there are indications of loss in value or not

Other current and non-current assets

They are stated at their net realization values.

Current and non-current liabilities

Current and non-current liabilities are stated at their known or estimated amounts, plus, when applicable, the corresponding charges and monetary and/or exchange variations incurred.

A provision is recognized in the balance sheet when the Company and its subsidiaries have a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic resources will be required to settle the obligation. Provisions are recorded considering the best estimates of the risk involved.

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Notes to the financial statements

(In thousands of reais)

Income tax and social contribution

Current income and social contribution taxes are calculated based on the rates of 15%, plus a surcharge of 10% on taxable income in excess of R\$240 for income tax and 9% on taxable income for the social contribution on net income, and consider the offsetting of tax loss carry forwards and the negative base of social contribution tax, limited to 30% of taxable income.

The Company and its subsidiaries adopted the Transition Tax Regime (RTT) to determine the Income and Social Contribution Taxes for the years ended December 31, 2008 and 2009.

The deferred tax assets and liabilities resulting from temporary differences were recorded considering the expectations of generating future taxable income based on a technical viability study approved by management.

4 Consolidated financial statements

The consolidated financial statements as of December 31, 2009 were prepared in accordance with the rules established by CVM Instruction 247/96 and include the financial information of the Company and following subsidiaries:

	Corporate interest	
	2009	2008
New Energy Options S.A. - NEO	80%	80%
Termelétrica Itapebi S.A.	100%	0%
Termelétrica Monte Pascoal S.A.	100%	0%
Cia. Energética Uruguai - CEU	71%	0%
Termelétrica Pernambuco III S.A.	99%	0%
Termelétrica Pernambuco IV S.A.	99%	0%
Termelétrica Termopower V S.A.	99%	0%
Termelétrica Termopower VI S.A.	99%	0%
Termelétrica Santa Rita S.A.	90%	0%

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Notes to the financial statements

(In thousands of reais)

Description of the main consolidation procedures

- a. Elimination of intercompany asset and liability account balances;
- b. Elimination of investments in the capital, reserves and retained earnings of the subsidiaries;
- c. Elimination of intercompany income and expense balances resulting from intercompany transactions; and
- d. Elimination of minority interests in the consolidated financial statements.

The accounting policies were applied consistently in all the consolidated companies and are consistent with the accounting practices used in the previous year.

5 Cash and cash equivalents

	<u>Parent company</u>		<u>Consolidated</u>	
	2009	2008	2009	2008
Cash	3	3	4	3
Bank turnover	2,634	603	3,726	650
Interest earning bank deposits	<u>78,690</u>	<u>6,045</u>	<u>145,863</u>	<u>114,038</u>
	<u>81,327</u>	<u>6,651</u>	<u>149,593</u>	<u>114,691</u>

Interest earning bank deposits - Classified as assets valued at fair value through profit and loss

	Rate	Maturity	<u>Parent company</u>		<u>Consolidated</u>	
			2009	2008	2009	2008
CDBs - BVA	110% of CDI	Daily	-	-	9,097	15,058
Debentures - BVA	107% of CDI	Daily	67,929	6,045	126,005	98,980
Debentures - ITAU	99.50% of CDI	Daily	<u>10,761</u>	-	<u>10,761</u>	-
			<u>78,690</u>	<u>6,045</u>	<u>145,863</u>	<u>114,038</u>

The CDBs have immediate liquidity.

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

The debentures are privately issued, not convertible into shares and their maturities begin as from December 2010, with remuneration calculated on a pro-rata basis until the date of effective redemption. Management understands that the fair value of these notes approximates its amortized cost value of the paper, as they address floating assets with a clause for early redemption.

6 Pledged financial investments

Classified as assets valued at fair value through profit and loss

			<u>Consolidated</u>
		Rate	2009
CDBs - BNB	99% of CDI	(1)	48,022
CDBs - BIC	98% of CDI	(2)	4,367
BNB FI Renda Fixa Plus - Long term		(3)	<u>18,881</u>
			<u><u>71,270</u></u>

(1) Refers to Bank Deposit Certificates (CDB) issued by Banco do Nordeste do Brasil (BNB), entailed to the credit facility agreement of BNB, itself, executed on September 22, 2009 in the amount of R\$19,258, the release of which had still not been given as of December 31, 2009, and as guarantee of an opening documentary loan facility for payment of imports in the amount of R\$28, 764, with maturity on March 31, 2010 to Vestas Eólica SAU.

(2) Investment in CDBs with BIC Banco, entailed to collateral agreements executed by BIC Banco, itself, with the thermoelectric power stations Itapebi e Monte Pascoal, in the amounts of R\$2,173 and R\$2,194, respectively, for each of the companies, with maturity on August 7, 2010, in guarantee to Companhia Hidro Elétrica do São Francisco.

(3) A financial investment entailed to a credit facility agreement with BNB on September 22, 2009, the release of which had still not been given at December 31, 2009.

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Notes to the financial statements

(In thousands of reais)

7 Advances to suppliers

	<u>Parent company</u>		<u>Consolidated</u>	
	2009	2008	2009	2008
Mundo Limpo S.A. (1)	707	574	707	574
DeWind (2)	-	-	1,236	6,191
Engevix (3)	-	-	5,592	-
Empa (4)	2,200	-	2,200	-
GTel (5)	-	-	3,618	-
Somax (6)	-	-	883	-
Others	<u>99</u>	<u>96</u>	<u>133</u>	<u>113</u>
Total	3,006	670	14,369	6,878
Current	<u>3,006</u>	<u>670</u>	<u>13,133</u>	<u>687</u>
Non-current	<u>-</u>	<u>-</u>	<u>1,236</u>	<u>6,191</u>

(1) Refers to payments made to Mundo Limpo S.A. related to the implementation of a recycling plant for urban garbage. The project for implementing the plan was not accomplished and Management is in the process of negotiating the receipt of the total advanced amount. As guarantee of the receipt a warehouse built in Parobé (RS), with an approximate area of 4,827.80 m² was accepted.

(2) Refers to advances made to DeWind Inc. in the amount of US\$ 710,000, equivalent to R\$1,236 (US\$ 2,650,000 equivalent to R\$6,191 as of December 31, 2008), for purchase of equipment for future use by the subsidiary NEO. The decrease of R\$4,800 (US\$ 1,950,000) during the year ended December 31,2009 occurred due to cash return by De Wind Inc.of part of the previously cash advance , since the planned purchase did not take place. It is expected that the devolution of the remaining balance will take place not later than the first quarter of 2011.

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

- (3) Refers to payment made to Engevix Engenharia S.A. as an advance for carrying out the required activities related to the services for Engineering of the Executive Project, Management of Supplies and Technical Support for the construction of Sapeaçu thermoelectric power stations (Itapebi and Monte Pascoal thermoelectric power stations).
- (4) Refers to an advance made to EMPA S.A. Serviços de Engenharia related to the construction of Sapeaçu thermoelectric power stations (Itapebi and Monte Pascoal thermoelectric power stations).
- (5) Refers to an advance made to GTEL Grupo Técnico de Eletromecânica for electromechanical assembly services to be provided in the Sapeaçu thermoelectric power stations (Itapebi and Monte Pascoal thermoelectric power stations).
- (6) Refers to an advance granted to Somax for the purchase of equipment for the Caterpillar power house, under construction, to be used in the Itapebi thermoelectric power station.

8 Payments in advance

	<u>Consolidated</u>
	2009
Opening of a letter of credit - Banco do Nordeste do Brasil	4,559
Guarantee insurance – UBF	<u>2,578</u>
Total payments in advance	<u><u>7,137</u></u>

The amounts paid as opening of a letter of credit and guarantee insurance by the subsidiary NEO are considered as transaction costs and remain recorded as payments in advance until the time of effective release of funds, when they will be reclassified as loan and amortized in accordance with the term of the contract.

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

9 Recoverable and deferred taxes

- *Recoverable taxes*

	<u>Parent company</u>		<u>Consolidated</u>	
	2009	2008	2009	2008
Income tax and social contribution	2,107	13	2,866	457

The balance of recoverable tax basically records the withholding of income tax related to financial investments of the Company and its subsidiaries.

- *Deferred taxes*

Deferred income tax and social contribution are recognized to reflect future tax affects attributable to temporary differences between the tax basis of assets and liabilities and their respective book values.

Based on law 11,638/07 and CPC pronouncements the Company recognized pre-operating expenses directly in the income statements. These expenses were added to the net income for purposes of determining the taxable income and the Social Contribution calculation base, whose are addressed as temporary differences, given that they will be deductible in future years. The carrying value of deferred tax assets is reviewed periodically and the projections are reviewed annually. If there are material factors that may modify the projections, these will be reviewed by the Company during the year.

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

Deferred income and social contribution taxes have the following origin:

	<u>Consolidated</u>
	2009
Non-current assets	
Pre-operating expenses - effects on taxable income (a)	3,724
Pre-operating expenses - effects on the basis for calculation of the social contribution (a)	<u>1,341</u>
	<u><u>5,065</u></u>

(a) Multiner subsidiaries are pre-operating companies. Accordingly, they opted for the Transition Tax Regime (RTT), established by MP 449/08 (converted into Law 11941/09). Consequently, the expenses incurred in the pre-operating stage will be amortized in the calculation of the taxable income and in the base for the social contribution on net income as the companies start their operations. The recognition of deferred income and social contribution taxes assets reflects the benefits that the companies will have with this amortization.

Management considers that the deferred assets resulting from temporary differences will be realized in accordance with the final resolution of the contingencies and events.

The estimates for recovery of the tax credits were based on projections of the taxable income taking into consideration various financial and business assumptions at year end. Consequently, the estimates are subject to not being fulfilled in the future, considering the uncertainties inherent to these forecasts.

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

10 Investments

a. Breakdown of the balance

	<u>Parent company</u>	
	2009	2008
Investments in subsidiaries:		
NEO	30,436	-
Monte Pascoal	-	-
Itapebi	-	-
Others	-	1
	<u>30,436</u>	<u>1</u>
Other Investments:		
Advance for purchase of permanent investments	1	11,764
Advance for future capital increase	244,964	3,098
	<u>244,965</u>	<u>14,862</u>
	<u>275,401</u>	<u>14,863</u>

b. Direct interests in subsidiaries

Companies	<u>2009</u>				<u>2008</u>			
	Number of common shares (in units)	% Direct interest	Net loss for the year	Equity accounting results	Shareholders' equity (deficit)	% Direct interest	Net income (loss) for the year	Shareholders' equity
New Energy Options Ger. de Energia S/A	36,799,200	80%	(6,955)	(5,564)	38,045	80%	-	1000
Termelétrica Itapebi S/A	1,368,999	100%	(2,558)	(2,558)	(1,189)	0%	-	1000
Termelétrica Monte Pascoal S/A	1,728,999	100%	(2,213)	(2,213)	(483)	0%	-	1000
Termelétrica Termopower V S/A	990	99%	(28)	(28)	(28)	0%	-	100
Termelétrica Termopower VI S/A	990	99%	(5)	(5)	(5)	0%	-	100
Termelétrica Pernambuco III S/A	990	99%	(28)	(28)	(28)	0%	-	100
Termelétrica Pernambuco IV S/A	990	99%	(79)	(78)	(79)	0%	-	100
Termelétrica Santa Rita de Cassia S/A	900	90%	(32)	(29)	(32)	0%	-	100
Companhia Energética Uruguai S/A	710	71%	(930)	(660)	(930)	0%	-	100
	<u>39,902,768</u>		<u>(12,828)</u>	<u>(11,163)</u>	<u>35,271</u>		<u>-</u>	<u>3,600</u>

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

c. Changes in the Investments

Companies	2008		2009					Closing balance of the investments
	Opening balance of the investments	Provision for equity deficit	Advance for future capital increase				Equity accounting results	
			Capital increase	Additions	Write-offs	Others		
New Energy Options (NEO) (1)	-	-	36,000	160,601	(32,802)	-	(5,564)	158,235
Termelétrica Itapeti S.A. (2)	7,250	1,189	1,369	47,643	(1,368)	(5,881)	(2,558)	47,644
Termelétrica Monte Pascoal S.A. (2)	7,611	483	1,729	63,006	(1,728)	(5,882)	(2,213)	63,006
Termelétrica Termopower V S.A. (3)	0	28	-	-	-	-	(28)	0
Termelétrica Termopower VI S.A. (3)	0	5	-	-	-	-	(5)	0
Termelétrica Pemanbuco III S.A. (3)	0	28	-	-	-	-	(28)	0
Termelétrica Pemanbuco IV S.A. (3)	0	78	-	50	-	-	(78)	50
Termelétrica Santa Rita de Cássia S.A. (3)	0	29	-	-	-	-	29	0
Companhia Energética Uniguaí S.A. (3)	0	660	-	6,465	-	-	660	6,465
2007 Participações S.A.	1	-	-	-	-	-	-	1
	<u>14,863</u>	<u>2,500</u>	<u>39,098</u>	<u>277,765</u>	<u>(35,898)</u>	<u>(11,763)</u>	<u>(11,163)</u>	<u>275,401</u>

- (1) Refers to 80% interest in the capital of the Company's subsidiary NEO, a pre-operating company, which holds a wind power generation project that comprises the operation of two units (Alegria I and II), both under construction, with conclusion forecasted for the second semester of 2010, and with Power Purchase Agreements (PPA) entered into with Eletrobrás for sale of electric power (382,321 MWh per year) for a period of 20 years.

On May 25, 2008, Eletrobrás authorized the transfer of control of NEO to Multiner, pursuant to the process number 1781/63. In June 2008 the Company concluded this acquisition. As a result of this acquisition the company recognized a goodwill of R\$15,503, as presented in Note 12.

- (2) Refers to a 100% interest in the capital of the companies Termelétrica Itapeti and Termelétrica Monte Pascoal, as follows:

Termelétrica Monte Pascoal S.A.

A pre-operating company, with a project of thermoelectric power based on fuel oil and wholesale trading of electric power for sale to the Electricity Distribution System, derived from the result of auction 002/2007, held by ANEEL, in the form of an independent producer.

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

On February 25, 2008 was signed the power sale agreement . The price was approximately R\$4,727 per month, base price for January 2007, which will be up dated by the IPCA (amplified consumer price index), equivalent to approximately R\$850,000 for a period of 15 years, as from January 2010, with a total amount of energy contracted of average 104 MW.

On January 2, 2009, ANEEL authorized the transfer of shareholding control of Monte Pascoal to Multiner, pursuant to resolution number 1735/63 of December 16, 2008, which was performed on March 20, 2009. The Company concluded this acquisition, which on December 31, 2008 had net assets in the total amount of R\$1,.As a result the company recognized a goodwill of R\$5,881, as presented in Note 12.

The location license (equivalent to a pre-license) for Termelétrica Monte Pascoal S.A. was approved by the joint committee of the State Council for the Environment (CEPRAM) (the environmental agency of Bahia) on November 6, 2009, as published in the Official Gazette of the State of Bahia on November 12, 2009. The Company is waiting for the issuing of the installation license in order to begin the construction of the power station in the municipality of Sapeaçu, BA.

Termelétrica Itapebi S.A.

A pre-operating company, with a project of thermoelectric power based on fuel oil and wholesale trading of electric power for sale to the Electricity Distribution System, originating from the result of auction 002/2007, held by ANEEL, in the form of an independent producer.

The agreement for sale of power was signed on June 11, 2008. The total price was approximately R\$4,720 per month, base price for January 2007, which will be restated by the IPCA (amplified consumer price index), equivalent to approximately R\$850,000 for a period of 15 years, as from January 2010, with a total amount of energy contracted of average 103 MW.

On January 2, 2009, ANEEL authorized the transfer of control of Itapebi to Multiner, pursuant to authoritative resolution 1735 of December 16, 2008, which was performed on March 20, 2009. The Company acquired this corporate interest, the net equity of which at December 31, 2008 was R\$1, for the restated amount of R\$5,882, which has already been totally paid off. Goodwill of R\$5,881 was calculated in this transaction, as presented in Note 12.

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Notes to the financial statements

(In thousands of reais)

The location license (equivalent to a pre-license) for Termelétrica Itapebi S.A. was approved by the joint committee of the State Council for the Environment (CEPRAM) (the environmental agency of Bahia) on November 6, 2009, as published in the Official Gazette of the State of Bahia on November 12, 2009. The Company is waiting for the installation license in order to begin construction of the power station in the municipality of Sapeaçu, BA.

(3) The Company holds interests in the subsidiaries listed below:

	<u>Ownership</u>		
	Total shares	Multiner	Paid in capital
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%	0.2
Companhia Energética Uruguai S.A.	1,000	71%	0.1

(*) The interest of Multiner S.A. in the respective projects for generating electric power which will be developed by these companies is 75%.

Other investments - Advances for acquisition of permanent investments and advances for future capital increase.

	<u>Parent company</u>	
	2009	2008
Advances for future capital increase:		
New Energy	127,799	-
Termelétrica Itapebi S.A. (1)	47,643	1,369
Termelétrica Monte Pascoal S.A. (1)	63,006	1,729
Companhia Energética do Uruguai S/A (2)	6,466	-
Termeletrica Pernambuco	50	-
Total advance for future capital increase	<u>244,964</u>	<u>3,098</u>

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Notes to the financial statements

(In thousands of reais)

	<u>Parent company</u>	
	<u>2009</u>	<u>2008</u>
Advances for purchase of investments:		
Termeletrica Monte Pascoal S.A	-	5,881
Termeletrica Itapebi S.A	-	5,882
2007 Participações S.A. (3)	<u>1</u>	<u>1</u>
Total advances for acquisition of investments	<u><u>1</u></u>	<u><u>11,764</u></u>

Advance for future capital increase

- (1) In 2009 Multiner transferred to Itapebi and Monte Pascoal the rights on advances granted to Caterpillar Motoren GmbH & Co. and Wartsilla for the acquisition of generators through instruments for assignment of rights with the consent of the suppliers, which will be used in the future for capital increases in these subsidiaries, as presented in Note 11.
- (2) The amount of the capital increase refers to the investments transferred from intangible assets (Project Iraí) from the parent company to its subsidiary CEU.

CEU is the company that holds Project Iraí, which consists of the construction of a hydroelectric power station of approximately 330 MW in generating capacity, located on the Uruguay River. The project includes the studies for review of inventory and economic and technical viability for the implementation of this power station. These studies are budgeted at approximately R\$11,000. After their conclusion, the studies will be sent to ANEEL in order to auction the concession of the construction and operation of the aforementioned power station. If Multiner and its associated companies in this projects are not the winners of the auction, the expenses for preparing the abovementioned studies will be reimbursed by the winners.

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Purchase option of 2007 Participações S.A.

- (3) It refers to the advances made on February 28, 2008 for the acquisition of a purchase option for 67% of the shares of the company 2007 Participações S.A.

2007 Participações S.A. is the holder of 99.99% of the capital of Rio Amazonas Energia S.A. (RAESA), a commercial company whose corporate purpose is generating and trading electric power for the isolated system of the city of Manaus and for the North region of Brazil.

Rio Amazonas Energia S.A. is a company created with the specific purpose of exploiting the production and trading of electric power, through Unidade Termelétrica Cristiano Rocha (UTE Cristiano Rocha), which is a part of the Manaus electricity system, supplying electric power to the local distributor, Amazonas Distribuidora de Energia S.A. (ADESA) (formerly Manaus Energia S.A. - MESA).

The power station, located in the rural zone of the city of Manaus in an area of 300,000m², entered into production on November 18, 2006. It consists of five bi-fuel motors, operating on fuel oil with the possibility of future conversion to natural gas. The total amount of power generated by this power station is sold to ADESA, supported by a power purchase agreement (PPA) between the parties on May 20, 2005 for a period of 20 years.

The effective transfer of control of the rights, however, depends on an approval by ANEEL.

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Notes to the financial statements

(In thousands of reais)

11 Property, plant and equipment

Changes in cost

	Parent company					Consolidated			
	2009			2008		2009		2008	
	Opening balance	Additions	Disposals	Closing balance	Total balance	Opening balance	Additions	Closing balance	Total balance
Land	667	-	-	667	667	667	67	734	667
Leasehold improvements	132	146	-	278	132	132	156	288	132
Machinery and equipment	6	9	-	15	6	6	9	15	6
Furniture and fixtures	95	21	-	116	95	95	33	128	95
Vehicles	-	-	-	-	-	-	41	41	-
Facilities	28	-	-	28	28	28	-	28	28
Computer and communication equipment	75	77	-	152	75	76	87	163	76
Fixed assets under construction	20,995	66,853	(87,847)	1	20,995	145,132	217,421	362,553	145,132
	<u>21,998</u>	<u>67,106</u>	<u>(87,847)</u>	<u>1,257</u>	<u>21,998</u>	<u>146,136</u>	<u>217,814</u>	<u>363,950</u>	<u>146,136</u>

	Rate of depreciation % p.a.	Parent company					Consolidated			
		2009			2008		2009		2008	
		Opening balance	Additions	Disposals	Closing balance	Total balance	Opening balance	Additions	Closing balance	Total balance
Leasehold improvements	(*)	(83)	(100)	-	(183)	(83)	(84)	(109)	(193)	(84)
Machinery and equipment	10%	(1)	-	-	(1)	(1)	(1)	-	(1)	(1)
Furniture and fixtures	10%	(5)	(10)	-	(15)	(5)	(5)	(11)	(16)	(5)
Vehicles	20%	-	-	-	-	-	-	(5)	(5)	-
Facilities	10%	(1)	(3)	-	(4)	(1)	(1)	(3)	(4)	(1)
Computer and communication equipment	20%	(11)	(22)	-	(33)	(11)	(11)	(21)	(32)	(11)
		<u>(101)</u>	<u>(135)</u>	<u>-</u>	<u>(236)</u>	<u>(101)</u>	<u>(102)</u>	<u>(149)</u>	<u>(251)</u>	<u>(102)</u>
		<u>21,897</u>			<u>1,021</u>	<u>21,897</u>	<u>146,034</u>		<u>363,699</u>	<u>146,034</u>

(*) Leasehold improvements are amortized over the term of the lease contract.

The balance of fixed assets under construction refers to advances granted to Wärtsilä Finland for the purchase of 17 generators, six 12V46 models and eleven 16V32 models, equivalent to € 16,006 and €3,632, purchased from Crisga Participações through an irrevocable commitment for assignment of rights for supply, purchase and sale of machinery. The equipments will be used in Monte Pascoal, in the municipality of Sapeaçu, BA.

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The advances granted to Caterpillar Motoren GmbH & Co. for the purchase of 20 model 16CM32 generators, equivalent to € 14,938, were transferred from Multiner to Termelétrica Itapebi through an instrument for assignment of rights recognized as an advance for a future capital increase on the consolidated balance sheet.

The consolidated balance sheets also include amounts paid by the subsidiary NEO to Vestas Eólica, as a reservation fee, on April 3, 2008 and May 7, 2008, related to the purchase of 92 wind generators, equivalent to €8,188 and €24,564, respectively, and R\$18,967 paid to Vestas Brasil as an advance for installation services.

The decrease recorded under fixed assets under construction (R\$20,994), in the parent Company balance sheets, is related to the transfer of amounts to the subsidiaries Itapebi and Monte Pascoal as advances for future capital increases. In a consolidated basis, the increase of R\$217,421 (from R\$145,132 in 2008 to R\$362,553 in 2009) is explained by advances to suppliers in the amount of R\$10.614, and by remittance of amounts abroad related to: (i) advance for purchase of machinery - R\$133,837; (ii) anticipated payments of federal taxes referring to PIS/COFINS - R\$29,649 and; (iii) construction of a power station, including charges net of the principal amount - R\$30,081.

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12 Intangible assets

Changes in intangible assets

	Useful life	Cost Parent company			Cost Consolidated		
		Balance at 01/01/09	Acquisitions	Balance at 12/31/09	Balance at 01/01/09	Acquisitions	Balance at 12/31/09
Software	5 years	37	27	64	37	30	67
Development costs	Indefinite	11,089	12,830	23,919	11,089	12,830	23,919
Goodwill	Indefinite	15,503	11,763	27,266	15,503	11,763	27,266
		<u>26,629</u>	<u>24,620</u>	<u>51,249</u>	<u>26,629</u>	<u>24,623</u>	<u>51,252</u>
		Amortization Parent company			Amortization Consolidated		
		Balance at 01/01/09	Amortization	Balance at 12/31/09	Balance at 01/01/09	Amortization	Balance at 12/31/09
Software		(5)	(9)	(14)	(5)	(9)	(14)
Total		<u>(5)</u>	<u>(9)</u>	<u>(14)</u>	<u>(5)</u>	<u>(9)</u>	<u>(14)</u>
		<u>26,624</u>	<u>24,611</u>	<u>51,235</u>	<u>26,624</u>	<u>24,614</u>	<u>51,238</u>

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Represented by the goodwill on business acquisition and by expenses related to research and development for projects that are going to generate future economic benefit for the Company, presented as follows:

	<u>Parent company</u>		<u>Consolidated</u>	
	2009	2008	2009	2008
Goodwill on business acquisition (a)	27,266	15,503	27,266	15,503
Project Minas Gerais (b)	924	712	924	712
Project Pernambuco (c)	11,662	3,921	11,662	3,921
Project Sapeaçu (d)	7,079	1,394	7,079	1,394
Project Alagoas (e)	165	163	165	163
Project Iraí (f)	218	2,888	218	2,888
Project Paraíba (g)	3,536	2,011	3,536	2,011
Project Guamaré (h)	300	-	300	-
Project Camamu (i)	35	-	35	-
Software	50	32	53	32
	<u>51,235</u>	<u>26,624</u>	<u>51,238</u>	<u>26,624</u>

(a) Goodwill on business acquisitions:

Goodwill obtained on the acquisition of the companies Termelétrica Itapebi and Termelétrica Monte Pascoal

Multiner made financial projections for the two power stations of its subsidiaries, assuming the estimated return for periods of different hypotheses order from the power stations. The present value of the cash flows that are part of these projections were calculated considering a discount rate of 13% p.a. and estimated results in 15 years. The goodwill arising from these acquisitions were R\$5,881 each, giving a total of R\$11,763.

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Goodwill obtained on the acquisition of NEO

Financial projects were made for Alegria I and Alegria II of the subsidiary NEO, assuming optimistic and pessimistic economic scenario. These estimates took into consideration the revenue from the sale and/or availability of power, pursuant to the power purchase agreements and the estimated costs for the construction and operation of these power stations. The present value of the cash flows, part of the projections, was obtained assuming a discount rate of 13% p.a. and estimated periods of 20 years, pursuant to the power purchase agreements, and the goodwill recognized under this transaction was R\$15,503.

Impairment tests will be conducted according to the future profitability projection periods, reviewed annually for the periods of the power purchase agreements, as from the date of initial operation of the projects.

- (b) Project Minas Gerais: Refers to the planning of construction of eight thermoelectric power stations powered by natural gas in the state of Minas Gerais, registered in ANEEL in the name of Multiner.
- (c) Project Pernambuco: Comprising 13 projects for thermoelectric power stations where 9 are powered by fuel oil and 4 are coal powered. The total nominal capacity is approximately 2,480 MW. Out of 9 projects powered by fuel oil, 4 were winners in auctions A-3 and A-5, held in September 2008, when they sold electric power availability in the quantities and at the prices shown in the table below:

Power stations	Nominal capacity (MW)	Auction	Entry into operation	Lots sold (average MW)	ICB (R\$/MW)	Fixed revenue (R\$millions per year)
UTE Pernambuco IV	200.8	A-3	01/01/2011	107	130.97	63.0
UTE Pernambuco III	200.8	A-5	01/01/2013	104	144.70	74.6
UTE Termopower V	200.8	A-5	01/01/2013	104	145.90	75.7
UTE Termopower VI	200.8	A-5	01/01/2013	104	144.80	74.7

On May 12, 2009 an instrument of assignment of rights and other covenants was signed between Multiner and A&G Energia Empreendimentos Ltda. - ME, in which Multiner's interest in the power stations in Pernambuco (both with and without agreements for trading of power in the regulated environment - CCEAR) will be increased from the original 75% to 100%, in exchange for the renouncement of its 75% interest in UTE Pernambuco III, winner of Auction A-5, in 2008.

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This change will not have an impact on the total generating capacity under Multiner's exclusive management and was structured with the purpose of reducing the CAPEX with respect to UTE Pernambuco III.

The effective transfer of control of the rights over UTE Pernambuco III, depends on approval by the National Agency for Electric Power (ANEEL).

- (d) Project Sapeaçu: refers to investments related to the transfer of location of the thermoelectric power stations Itapebi and Monte Pascoal from Itapebi and Eunápolis, respectively, to Sapeaçu.

The project addresses the feasibility of installing two fuel oil thermoelectric power stations on the same site with an approximate nominal capacity of 145 MW each. The thermoelectric power stations will benefit from the advantages resulting from their relocation due to the greater proximity of the primary fuel source and port logistics, as well as a gain in scale in the fixed operating and maintenance costs.

- (e) Project Alagoas: comprising three projects for fuel oil power stations, with total nominal capacity of 592 MW, registered in ANEEL in the name of Multiner.
- (f) Project Iraí: In a consolidated basis, refers to 100% of the investments made by the subsidiary Companhia Energética do Uruguai S/A in the review of inventory and technical-economic feasibility studies with a estimated amount of R\$11,000, to install a hydroelectric power station to be constructed on the Uruguay River. After the conclusion of these studies, the project will be sent to ANEEL so an auction can be held for the concession of the construction and operation of the power station. If Multiner and its associate companies in this projects are not the winners in this auction, Management understands that the expenses costs related to the preparation of the studies for the water use, related to the hydroelectric power station of approximately 330 MW, will be reimbursed by the winners.
- (g) Project Paraíba: Refers to the oil powered Santa Rita de Cássia thermoelectric power station project, that will be built in the city of Santa Rita in the state of Paraíba, with a nominal capacity of 174.6 MW. The project was a winner in auction A-3 for new power, held on September 2008, when it sold average 93 MW to an ICB of R\$129.79 per MW, which represents an annual fixed income of approximately R\$53.8 million. This project is planned to start in January 1, 2011.

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- (h) Project Guamaré: Refers to expenditures with environmental licensing and topographic studies for implementation of a wind power station.
- (i) Project Camamu: Development of a thermoelectric power station with a capacity between 150 MW and 200 MW, using gas reserves present in the Camamu basin in the State of Bahia.

13 Deferred charges (consolidated)

Refers to expenditures incurred by the Company's subsidiaries NEO, Termelétrica Itapebi and Termelétrica Monte Pascoal, whose are pre-operating companies stage, and recorded in the balance sheets of these subsidiaries until December 31, 2008.

	<u>Consolidated</u>	
	2009	2008
Taxes on the placement of Bank Credit Notes (CCB)	4,996	4,996
Monetary restatement and interests already incurred on the CCBs before the beginning of capitalization of fixed assets	8,528	8,528
Third-party services	1,534	1,534
Other administrative and pre-operating expenses	5,787	732
Fees paid to Banco do Nordeste do Brasil	1,283	1,283
Other financial expenses	40	40
Financial income	<u>(3,611)</u>	<u>(3,611)</u>
	<u>18,557</u>	<u>13,502</u>

The increase of R\$5,085 between 2008 and 2009 is explained by the consolidation of the Itapebi and Monte Pascoal thermoelectric power stations, which had amounts already recorded in this account.

The expenditures incurred after December 31, 2008 are being recognized in the profit and loss and/or capitalized, pursuant to the instructions of CPC Pronouncement 04.

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(In thousands of reais)

14 Financing

			<u>Parent company</u>		<u>Consolidated</u>	
	Maturity	Charges	2009	2008	2009	2008
CCBs (1)	Until 2028	IGP-M + 9% to 9.65 % p.a.	109,117	-	327,787	307,397
(-) Deferred costs (2)			<u>(19,344)</u>	<u>-</u>	<u>(53,512)</u>	<u>(55,733)</u>
			<u>89,773</u>	<u>-</u>	<u>274,275</u>	<u>251,664</u>
Current			<u>4,852</u>	<u>-</u>	<u>12,999</u>	<u>1,031</u>
Non-current			<u>84,921</u>	<u>-</u>	<u>261,276</u>	<u>250,633</u>

(1) Refers mainly to Bank Credit Notes (CCB) issued by the Company's subsidiary New Energy Options Geração de Energia S.A. - NEO, placed by Banco BVA S.A., for financing of operations. Pro rata interest (IGP-M + 9% to 9.65 % p.a.) is charged on this funding, which has a principal amount of R\$265,200. On April 30, 2009, part of these CCBs were assigned to Multiner, which assumed all the obligations of the issuing party, including payment of the debt, pursuant to the terms of CCBs 5751 and 6144, and now figures as issuer of the Notes.

(2) Refers to expenditures with financial advisory services on the raising of the bank credit notes (CCB) paid to the companies Banco BVA S.A., VP Promotora de Negócios e Consultoria Financeira, O.S. Assessoria e Planejamento Empresarial, Euro DTVM and BVA Empreendimentos S.A, which are amortized considering the term of the contracts.

The amount related to the parent Company of R\$109,117 in 2009 refers to the assignment of credit that occurred between Multiner and its subsidiary NEO on April 30, 2009. In a consolidated basis, the increase recorded in 2009 in relation to the year ended December 31, 2008 was related to interest and fines.

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(In thousands of reais)

The financing has the following breakdown per year of maturity:

	<u>Parent company</u>		<u>Consolidated</u>	
	2009	2008	2009	2008
2009	-	-	-	1,031
2010	4,852	-	12,999	12,169
2011	6,090	-	18,267	17,078
2012	6,090	-	18,267	17,078
2013	6,090	-	18,267	17,078
2014	6,090	-	18,267	17,078
2015	6,090	-	18,267	17,078
From 2016 to 2028	<u>73,815</u>	<u>-</u>	<u>223,453</u>	<u>208,807</u>
	<u>109,117</u>	<u>-</u>	<u>327,787</u>	<u>307,397</u>

The equipment and part of the power purchase agreements (PPA) were given as guarantee of these funds.

On May 20, 2009, Banco do Nordeste approved the financing operation on behalf of NEO in the amount of R\$250,000. The agreement was signed on September 22, 2009 and the first release was made on February 11, 2010 in the amount of R\$105,585.

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Notes to the financial statements

(In thousands of reais)

15 Accounts payable

	Parent company	Consolidated	
	2008	2009	2008
Accounts payable for acquisition of subsidiary (1)	6,627	-	6,627
Debt with former shareholders (2)	-	437	-
Others	<u>876</u>	<u>-</u>	<u>876</u>
Total accounts payable	<u>7,503</u>	<u>437</u>	<u>7,503</u>
Current	<u>7,503</u>	<u>-</u>	<u>7,503</u>
Non-current	<u>-</u>	<u>437</u>	<u>-</u>

(1) Settlement of the balance due to the company Novas Opções Energéticas (which holds 60% of NEO) and reclassification to related party transactions in the amount of R\$3,648, payable to Eólica Administração e Participações Ltda (holder of a 20% interest in the capital of NEO);

(2) Accounts payable of the companies Itapebi and Monte Pascoal to the former shareholders.

16 Debentures

On November 17, 2009, the company issued 12,000 debentures, with floating guarantees, non-convertible into shares, in a single series, with a total nominal amount of R\$12,000, of which 10,000 were subscribed and paid in on November 18, 2010, in the total amount of R\$10,000.

The nominal value of the debentures will be updated by applying the accumulated variation of 105% of the average daily rates of the Interbank Deposits (ID).

The term of maturity is 6 (six) years as from the date of issue and they may be redeemed in advance at any time by the debenture holders.

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17 Advance for future capital increase (consolidated)

It refers to minority interests in Cia Energética do Uruguai. See note 18.

18 Related party transactions

The shareholding breakdown of the Company is presented in note 20. The Company interest investments and projects, as well as partners - related parties in the projects, are described in notes 10 and 12.

Below there is a summary of the transactions and balances with related parties:

Classification	Description	Related Parties	Parent Company		Consolidated	
			2009	2008	2009	2008
Current Assets:						
Bank accounts	Bank account balance					
Financial investments	Short-term Investments on Certificates of Bank Deposits with 105 to 110% of CDI (Certificate of interbank deposits) earnings	BVA Bank	154	20	195	63
Financial investments	Short-term Investments on debentures acquired by BVA Enterprise S.A., within 107% CDI (Certificate of Interbank Deposits) earnings. Those investments are detailed on explanatory note 5.	BVA Bank	-	-	9,097	15,058
		BVA Enterprise	67,929	6,045	126,005	98,980
		Cash and cash equivalent	68,083	6,065	135,297	114,101
Other credits	Payment of a related party expense, which will be reimbursed by the corresponding company	Cia 44 de Negócios	1	1	1	1
Other credits	Advance to managers	Managers	2	14	2	14
Other credits	Payment of a related party expense, which will be reimbursed by the corresponding company	BVA Bank	-	-	9	9
Accounts receivable	Payment of a related party expense, which will be reimbursed by the corresponding company	Multiner Óleo e Gás	-	43	-	43
Accounts receivable	Payment of a related party expense, which will be reimbursed by the corresponding company	2007 Participações	-	71	-	71
Accounts receivable	Payment of a related party expense, which will be reimbursed by the corresponding company	RAESA	-	24	-	24
Other credits	Inter-company loan	Shareholder	900	-	900	-
		Current	903	153	912	162
Non-current Assets						
Accounts receivable	Payment of a related party expense, which will be reimbursed by the corresponding company	Multiner Óleo e Gás	1,017	-	1,017	-
Accounts receivable	Payment of a related party expense, which will be reimbursed by the corresponding company	2007 Participações	376	-	376	-
Accounts receivable	Payment of a related party expense, which will be reimbursed by the corresponding company	RAESA	1,976	-	1,975	-
Accounts receivable	Advance for the right to acquire machinery and equipments from Wärtsilä Finland OY, which will be used on Monte Pascoal and Itapebi Companies.	Crisga Consultoria	-	1,700	-	1,700
Accounts receivable	Payment of a related party expense, substantially consisting of insurance premiums.	UTE Itapebi	23,387	759	-	759
Accounts receivable	Payment of a related party expense, substantially consisting of insurance premiums.	UTE Monte Pascoal	13,466	764	-	764
Accounts receivable	Payment of a related party expense, which will be reimbursed by the corresponding company	Mylossoma Participações	13	-	13	-
Accounts receivable	Payment of a related party expense, which will be reimbursed by the corresponding company	Cia Energerica do Uruguai	1,361	-	-	-
Accounts receivable	Payment of a related party expense, which will be reimbursed by the corresponding company	Termeletrica Santa Rita	29	-	-	-
Accounts receivable	Payment of a related party expense, which will be reimbursed by the corresponding company	New Energy	2,137	-	-	-
Accounts receivable	Payment of a related party expense, which will be reimbursed by the corresponding company	Estelar Engenheiros Associados	-	-	89	-
Accounts receivable	Payment of a related party expense, which will be reimbursed by the corresponding company	Termeletrica Termopower V	28	-	-	-
Accounts receivable	Payment of a related party expense, which will be reimbursed by the corresponding company	Termeletrica Termopower VI	5	-	-	-
Accounts receivable	Payment of a related party expense, which will be reimbursed by the corresponding company	Termeletrica Pernambuco III	28	-	-	-
Accounts receivable	Payment of a related party expense, which will be reimbursed by the corresponding company	Termeletrica Pernambuco IV	28	-	-	-
Receivables (*)	Multiner capital contribution to NEO, on behalf of Eólica Administração e Participações Ltda., according with the shareholders agreement.	Eólica Administração e Participações Ltda.	9,473	-	9,473	-
Accounts receivable	Payment of related party expenses, accounted for common joint ventures, which will be reimbursed by the corresponding company.	Genesis 2000	149	-	149	-
Inter-company loans	Inter-company loans agreement within 105% of CDI (Certificate of Interbank Deposits) earnings.	Multiner Óleo e Gás	12,526	501	12,526	501
Inter-company loans	Inter-company loans agreement within 105% of CDI (Certificate of Interbank Deposits) earnings.	New Energy	33,647	-	-	-
Inter-company loans	Inter-company loans agreement within 105% of CDI (Certificate of Interbank Deposits) earnings.	RAESA	2,303	-	2,303	-
Inter-company loans	Inter-company loans agreement within 105% of CDI (Certificate of Interbank Deposits) earnings.	2007 Participações	6	-	6	-
		Non Current	101,955	3,724	27,927	3,724

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Classification	Description	Related Parties	Parent Company		Consolidated	
			2009	2008	2009	2008
Current Liabilities						
Others (Accounts Payable)	Expenses paid, they will be reimbursed for the respective companies	Banco BVA		93		93
Others (Accounts Payable) (**)	Reimbursement for travel expenses	New Energy Option	6	7	-	-
Others (Accounts Payable)	Accounts payable for the acquisition of investments	Eólica Tecnologia	3,648	-	3,648	-
		Current:	<u>3,654</u>	<u>100</u>	<u>3,648</u>	<u>93</u>
Non-current Liabilities:						
Debt to related parties	Loan Agreements (105% Certificate of Interbank Deposit Earnings)	New Energy Option	-	303	-	-
Debt to related parties	Loan Agreements (105% Certificate of Interbank Deposit Earnings)	RAESA	-	14,727	110	14,727
Debt to related parties	Expenses to Reimburse	BVA Empreendimentos	-	-	68	68
Debt to related parties	Expenses to Reimburse	RAESA	-	-	22	-
		Sub-total:	<u>-</u>	<u>15,030</u>	<u>200</u>	<u>14,795</u>
Advancemet for future capital increase	Received AFCA, waiting for ANEEL's approval to be effective.	SOG - Serviços em Óleo e Gás	-	-	1,343	-
Advancemet for future capital increase	Received AFCA, waiting for ANEEL's approval to be effective.	Estelar Engenheiros associados	-	-	1,270	-
		Sub-total: (***)	<u>-</u>	<u>-</u>	<u>2,613</u>	<u>-</u>
		Non Current	<u>-</u>	<u>-</u>	<u>2,813</u>	<u>-</u>
Profits and Losses						
Rental Expenses	Rental Expenses of the first quarter of 2009	Banco BVA	-	214	-	214
Financial Revenues	Loan agreement revenues	Multiner Óleo e Gás	640	-	640	-
Financial Revenues	Revenues over Investment in Debentures	BVA Empreendimentos	4,209	-	4,209	-
Financial Expenses	Expenses over liquidated loan agreements	New Energy Option	23	-	-	-
Financial Expenses	Expenses over liquidated loan agreements	RAESA	370	-	378	-
Financial Revenues with no impact on profit and loss	Financial Revenues over Certificates of Bank Deposits	Banco BVA	-	-	1,287	2,903
Financial Revenues with no impact on profit and loss	Financial Revenues over investments in Debentures	BVA Empreendimentos	-	-	6,879	6,775
		Net Profits :	<u>5,242</u>	<u>214</u>	<u>13,393</u>	<u>9,892</u>

The transactions with related parties were carried on an arm's length basis.

(*) **Amounts receivable from Eólica** - Multiner made on behalf of Eólica Administração e Participações Ltda., a capital contribution in NEO in the principal amount of R\$9,000, pursuant to the Shareholders' Agreement of March 23, 2008, as a result of this transaction Multiner recognized an account receivable, restated at the SELIC rate. Management is negotiating and formalizing the term and form of receipt of the funds.

(**) **Amount payable to Eólica** - Amount due to Eólica Administração e Participações Ltda, referring to the acquisition of 20% of NEO. This amount was reclassified from Accounts payable, note 15.

(***) The difference between the balance of R\$2,995, presented under advance for future capital increase and the balance of R\$2,613, presented under related party transactions, refers to the advance for a future capital increase of former shareholders of NEO, not yet capitalized, in the amount of R\$382.

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Management remuneration

During the year ended December 31, 2009, the remuneration of the members of the Board of Directors and the Executive Officers was R\$7,486 (R\$1,633 as of December 31, 2008). The payroll charges and other benefits paid totaled R\$1,497 (R\$322 as of December 31, 2008).

19 Contingencies

The Company and its subsidiaries are parties to administrative proceedings brought by the National Agency of Electric Power (ANEEL), considering that the subsidiaries Termelétrica Pernambuco IV S.A. and Termelétrica Santa Rita de Cássia S.A. did not comply with one of the targets related to implementation of the project.

The Company understands that the maximum risk involved in these proceedings is approximately R\$600.

20 Equity

a. Subscribed and paid-in capital

Subscribed and paid in the capital as of December 31, 2009 is R\$150,253 (R\$20,884 as of December 31, 2008) and is comprised of 1,727,000 common shares (1,727,000 as of December 31, 2008) and 497,768 redeemable preferred shares (67,099 as of December 31, 2008), with no par value.

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At December 31, 2009 and December 31, 2008, the shareholding breakdown was as follows:

Shareholders	2009			2008		
	Numbers of Share	Interest		Numbers of Share	Interest	
Cia 44 de Negócios	774,650	34.819	%	774,650	43.170	%
JA BR Participações S.A.	774,650	34.819	%	774,650	43.170	%
Multiner FIP	445,620	20.030	%	171,700	9.560	%
Cia de Investimentos Resultado	171,700	7.718	%	52,148	2.910	%
BVA Empreendimentos	52,146	2.344	%	14,951	0.830	%
Carlos Alberto Pires de Albuquerque	1,000	0.045	%	1,000	0.060	%
Carlos Henrique de Figueiredo	1,000	0.045	%	1,000	0.060	%
José Amílcar Boueri da Rocha	1,000	0.045	%	1,000	0.060	%
José Augusto Ferreira dos Santos	1,000	0.045	%	1,000	0.060	%
Luís Octavio da Motta Veiga	1,000	0.045	%	1,000	0.060	%
Mauro Molchansky	1,000	0.045	%	1,000	0.060	%
Alexej Predtechensky	1	0.000	%			%
Fernando Matos	1	0.000	%			%
	<u>2,224,768</u>	<u>100.000</u>	<u>%</u>	<u>1,794,099</u>	<u>100.000</u>	<u>%</u>

During 2009, there was an increase in capital in the amount of R\$129,368 related to the issue of 430,669 new redeemable preferred shares. This capital increase resulted in a share premium in the amount of R\$276,058.

The redeemable preferred shares (PNR) are convertible into the Company's common (ON) shares, in the fourth year as from the date of approval of their issuance, which took place on December 5, 2008, in the proportion of 1/1, i.e. each preferred share can be converted into one common share issued by the Company.

In addition to the right of conversion into common shares described above, these shares have the right to receive dividends at least 10% greater than that attributed to common shares, full participation in the Company's results in equal terms as common shares and preference in deciding on the conversion of redeemable preferred shares into common shares issued by the Company in the proportion of one to one, if the Company decides to make a public offer of shares before the time for conversion of these shares into common shares.

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After the period mentioned above, if the shareholder chooses not to convert his shares, these shares will be redeemed by the Company, following a payment schedule, which is equivalent to the redemption of 1/6 of the redeemable preferred shares in six consecutive semesters as from May 24, 2013, at a price that will correspond to the issuance price, restated by the variation of the Market General Price Index (IGP-M), plus 9.5% p.a., from the date of their issue, discounting the amounts received as dividends, interest on own capital, or any other income earned by the redeemable preferred shares, also restated by the IGP-M, plus 9.5% p.a. as from the date of receipt of these amounts.

b. Capital reserve for future investments

The reserve was established on December 31, 2007 and approved by the shareholders of Multiner, according to a Special Shareholders' General Meeting held on the same day, aiming to use this resources in new investments.

c. Share premium reserve

In December 2008, Management went carried out a valuation of Company's market value, related to the issuance of redeemable preferred shares.

The resources obtained with this capitalization in the year ended December 31, 2009, in the amount of R\$405,427 (R\$60,357 as of December 31, 2008) were distributed as follows: the amount of R\$129,368, representing 33% of the issue value or 31.9% of the subscription price, as capital and the remaining amount as a share premium reserve, in order to cover possible redemptions of shares.

21 Financial instruments

The Company and its subsidiaries carry out operations with financial instruments. The management of these instruments is performed through operating strategies and internal controls in order to ensure liquidity, profitability and safety. The Company's internal control policy consists of permanently monitoring the contracted conditions versus market conditions. The company and its subsidiaries do not use derivative instruments or any other risk assets on a speculative basis. The results obtained from these operations are in line with the policies and strategies established by the Company's Management.

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(In thousands of reais)

Company management reviewed the main asset and liability financial instruments as of December 31, 2009, as well as the criteria for their appreciation, valuation, classification, and the risks related to them, which are described below:

		<u>Parent company</u>	<u>Consolidated</u>
Assets	Valuation	2009	2009
Cash and cash equivalents (note 5)	Market value	78,690	145,863
Financial investments	Market value	-	71,270
Account receivable - Related parties (note 18)	Amortized cost	101,955	27,927
Advance to the suppliers DeWind (Note 7)	Amortized cost	-	1,236
		<u>180,645</u>	<u>246,296</u>
Liabilities			
Accounts payable to suppliers and related parties	Amortized cost	4,191	7,146
Debentures issued	Amortized cost	10,104	10,104
Financing (note 14)	Amortized cost	109,117	327,787
		<u>123,412</u>	<u>345,037</u>

a. Derivatives policy

The Company and its subsidiaries do not have operations with derivatives financial instruments.

b. Risk management and objectives reached

One of the main responsibilities of the Company's Management is the administration, within an overall policy, of the exposures to interest rate, exchange rate, credit and liquidity risks. Within this context, the Company carries out operations with financial instruments, whose risks are administered through financial position strategies and internal control systems for exposure limits to these risks. The control policy consists of permanently monitoring the contracted rates versus prevailing market rates.

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c. Classification of financial instruments

- Cash and cash equivalents - classified at fair value through profit and loss;
- Other investments linked to credit operations are investments in CDBs and in investment funds recorded at fair value through profit and loss;
- Accounts receivable - refer to balances with related parties classified as loans and receivables and recorded at their historical costs through the amortized cost method;
- Advances to suppliers: the amounts in foreign currency are translated at the closing rate and they are recorded at historical cost through the amortized cost method. They are classified as loans and receivables;
- Accounts payable to suppliers and related parties are classified as financial liabilities not stated at fair value, and therefore recorded through the amortized cost method;
- Debentures issued - the debentures issued by the Company have a liquidity clause and are classified as financial liabilities not stated at fair value, and therefore recorded through the amortized cost method;
- Financing: classified as financial liabilities not stated at fair value, and therefore recorded through the amortized cost method; and

The operations of the Company and its subsidiaries are subject to the risk factors described below:

Interest rate risk

The Company and its subsidiaries are continually monitoring the market interest rates for the purpose of evaluating the possible need for protection (hedge) against the volatility risk in these rates and adopting a conservative policy for raising and investing their financial resources.

In the current scenario this risk arises from the impact of the interest rates variation on the financial income and expenses from the Company's financial investments and loans.

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Management considers that the most correct methodology for estimating a “probable scenario” is to be based on the median market expectations from December 31, 2009 to December 31, 2010, published by the Central Bank of Brazil on its website. The interest rate risk factors considered by the Company are the IGP-M (Market General Price Index), CDI (Interbank Deposit Certificates) and SELIC.

The table below shows what would be the consolidated financial results in the year ending December 31, 2010, in a probable scenario that takes into consideration the CDI, SELIC and IGP-M rates. Scenarios II and III take into consideration deteriorations of 25% and 50%, respectively, in the risk variables obtained in the year ended December 31, 2009.

	Risk	Balance as of December 31, 2009	Probable scenario	Scenario A (+25%)	Scenario B (+50%)	
Short term Investments - CDI (Certificate of Intebank Deposits)	CDI decrease	217,133	22,217	16,744	11,162	
The granting of loans - Selic (Special system for settlement and custody)	SELIC decrease	9,473	936	706	470	
The granting of loans and financing contracts within related parties - IGP-M (General Market Price Index)	IGP-M Increase	331,434	(45,822)	(26,889)	(28,306)	
Debentures Issued - CDI (Certificate of Interbank Deposits)	CDI decrease	10,104	(1,042)	(785)	(524)	
Net effect			(23,711)	(10,225)	(17,197)	
			CDI %	9.82%	7.40%	4.94%
			SELIC	9.88%	7.45%	4.97%
			IGPM %	4.43%	-1.28%	-0.86%

As the financial expenses and income of the subsidiaries are included in the capitalization of their property, plant and equipment, this variation does not create a direct impact on the results of the Company and its subsidiaries.

Exchange rate risk

The Company has receivables in the amount of US\$ 710,000 related to credits with foreign suppliers.

The Company, due to the fact that a material portion of its future investment in fixed assets occurs on the international market, with the import of generating parks construction equipment, analyses the impact on its equity structure that is subject to these exchange variations.

To reduce this risk, in addition to permanent monitoring of the exchange market by its Management, the Company can contract, as necessary, financial derivatives to offset these possible impacts. However, the levels of the exchange rates used in the financial projections and in imports contracts, as well as in the associated costs related to acquisition of hedge mechanisms, led the Management to decide by the neutral position.

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The Company's Management considers that the most correct methodology on estimating a "probable scenario" based on the median market expectations as of December 31, 2009, for the US dollar at December 31, 2010, published by the Central Bank of Brazil on its website. The variation in advances of foreign suppliers is presented in the table below, assuming probable scenario I, which considers the US dollar exchange rate described above, scenario II, which considers a deterioration of 25% and scenario III, which considers a deterioration of 50% in the effective rate as of December 31, 2009:

	Balance at 12/31/2009	Actual scenario	Consolidated		
			Scenario I Probable	Scenario II + 25%	Scenario III + 50%
Advance to foreign suppliers	1,235 BRL/US\$	1.7404	(284) 1.7400	(308,921) 1.3053	(617,842) 0.8702

Credit risk

With the exception of the wind power stations that were contracted in the ambit of PROINFA, which are guaranteed by Eletrobras, the other contracts for sales of power from the thermal projects were obtained in the Auctions for New Power, held by ANEEL, and were entered into with dozens of electric power distribution companies established in Brazil. In addition to the dilution of the natural risk due to the number of contracting parties, each distributing company was obliged to grant guarantees and counter-guarantees that increased the quality of the receivable.

With respect to the credit risk associated with financial investments, the Company only carries out operations in institutions with low credit risk, assessed by independent rating agencies.

Liquidity risk

The risk management liquidity policy implies maintaining a secure level of cash availability and access to immediate financial resources.

Capital structure risk management

Arises from the choice between own capital (capital contributions and profit retention) and third parties capital that the Company uses to finance its operations. To mitigate liquidity risks and to optimize the weighted average cost of capital, the Company and its subsidiaries permanently monitor the levels of indebtedness in accordance with market standards.

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22 Commitments

The main commitments with contracted suppliers of goods and services above R\$500, are listed below:

Company	Object of the contract	Contracted party	Amount
New Energy Options Geração de Energia	Construction job management	Laureano Meirelles Engenharia Ltda	3,334
New Energy Options Geração de Energia	Construction job management	Engineering S.A. Serviços	3,892
New Energy Options Geração de Energia	Task of contracting financing	Banco do Nordeste do Brasil S.A (*)	1,993
New Energy Options Geração de Energia	Consulting in financing Banco do Nordeste	Guimarães e Ferreira	625
New Energy Options Geração de Energia	Purchase of equipment and installation services	Vestas Eólica (**) Windpower	292,641
New Energy Options Geração de Energia	Engineering services	Construções Ltda	30,640
New Energy Options Geração de Energia	Assembly services and purchase of equipment	Arteche EDC Equip. e Sistemas S.A.	89,159
New Energy Options Geração de Energia	Contracting of insurance - Engineering risks	Mapfre Vera Cruz Seguradora S.A. Caterpillar Motoren GmbH & Co. (**)	562
Termelétrica Itapebi S.A.	Purchase of equipment	Siemens Ltda.	114,643
Termelétrica Itapebi S.A.	Purchase of equipment	Engevix Engenharia S.A.	1,642
Termelétrica Itapebi S.A.	Engineering services	Gtel Grupo Técnico de Eletromecânica Ltda	2,096
Termelétrica Itapebi S.A.	Assembly services	Empa S.A.	10,748
Termelétrica Itapebi S.A.	Engineering services		17,201
Termelétrica Itapebi S.A.	Purchase of ballast	Chesf Companhia	19,886

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

Company	Object of the contract	Contracted party	Amount
Termelétrica Itapebi S.A.	Advisory for purchase of ballast	Hidro Elétrica do São Francisco Light ESCO Prestação de Serviços Ltda Wäartsilä Finland	447
Termelétrica Monte Pascoal S.A.	Purchase of equipment	(**)	114,892
Termelétrica Monte Pascoal S.A.	Purchase of equipment	Siemens Ltda. Engevix Engenharia S.A.	2,378
Termelétrica Monte Pascoal S.A.	Engineering services	Gtel Grupo Técnico de Eletromecânica Ltda	2,096
Termelétrica Monte Pascoal S.A.	Assembly services	Empa S.A.	10,748
Termelétrica Monte Pascoal S.A.	Engineering services	Chesf Companhia Hidro Elétrica do São Francisco Light ESCO	17,201
Termelétrica Monte Pascoal S.A.	Purchase of ballast	Prestação de Serviços Ltda	20,080
Termelétrica Monte Pascoal S.A.	Advisory for purchase of ballast		451

(*) Amount of future cash disbursement on contracts related to acquisition of similar fixed asset.

(**) Contracted in Euros: Forecast amounts assuming the Euro exchange rate at December 31, 2009 of R\$2.50733.

(***) Due to the delay start up of the Itapebi and Monte Pascoal thermoelectric power stations, these companies participated in auctions for sale of power (ballast), held by CHESF in December 2009, aiming at purchasing power for a period of 6 (six) months, to substitute the average 207 MW traded by these power stations in auction A-3 in 2007.

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

The semiannual cost forecasted as a result of this purchase will be R\$19,886 for Itapebi, and R\$20,080 for Monte Pascoal. Semiannual receipt from the sale of this power should be around R\$11,420 for Itapebi and R\$11,500 for Monte Pascoal.

If the assumptions of the PLD (price for settlement of the difference) are maintained, the semiannual loss forecasted for this period prior to the start up of these power stations will be around R\$8,466 in Itapebi and R\$8,580 in Monte Pascoal.

As the expectations are that they will start operating in January 2011, maintaining the conditions of the auction of December 2009, the results in the second semester of 2010 would possibly be the same as foreseen for the first semester.

23 Subsequent event

(i) Purchase option - Multiner Óleo e Gás S.A.

On January 5, 2010, Multiner S.A. acquired a purchase option for 85% of the shares of Multiner Óleo e Gás S.A, the holder of 50% of the concession agreement for exploration, development and production of petroleum and natural gas n° 48610.009208/2005-55, with respect to the SF-T-133 block. This option, if it is not exercised, will expire on December 31, 2010.

(ii) Re-ratification of the Minutes of the Board of Directors Meeting

In a meeting of the Company's Board of Directors, held on March 3, 2010, was decided to re-ratify item (i) the Minutes of the Meeting of the Board of Directors held on December 5, 2008, considering the material error related to the number of redeemable preferred shares of the Company, changing it from 444,787 to 445,620 shares.

Multiner S.A.

Notes to the financial statements

(In thousands of reais)

(iii) Purchase option - Rio Amazonas Energia S.A. - RAESA

On March 8, 2010 Multiner S.A. began to hold 97% of the capital of 2007 Participações S.A., a company which holds 99.99% of the shares of Rio Amazonas Energia S.A (RAESA), through: (a) exercise of the purchase option of 67% of the shares, at the exercise price of R\$4, as defined in the share purchase option agreement and other covenants, entered into with Crisga Consultoria em Energia Elétrica e Participações Ltda. on February 28, 2008, and (b) acquisition of 30% of the remaining shares at the exercise price of R\$2.42, as defined in the share purchase agreement entered into with Quattropar - Participações e Empreendimentos Ltda.

(iv) New accounting pronouncements

Within the conversion process of the accounting practices adopted in Brazil to the international financial reporting standards (IFRS) various pronouncements, interpretations and guidance were issued during year 2009 including the mandatory application for the years ended as from December 2010 and for the 2009 financial statements to be disclosed jointly with the 2010 financial statements for comparison purposes.

The Company has been evaluating the potential effects with respect to these pronouncements, interpretations and guidance, which may have material impact on the financial statements for the year ended December 31, 2009 to be comparatively presented with the financial statements for the year ending December 31, 2010, as well as for the coming years.

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Notes to the financial statements

(In thousands of reais)

The consolidated financial statements of the next year will be prepared in accordance with CPC 37 - Initial Adoption of the International Accounting Standards, in accordance the CVM Instruction 457 of 07.13.2007.

* * *

Executive Board

Jorge Amilcar Boueri da Rocha
Chief executive officer

José Augusto Ferreira dos Santos
Vice chief executive officer of corporate management

Accountant
Luciana dos Santos Uchôa
CRC: RJ 081003/O-8