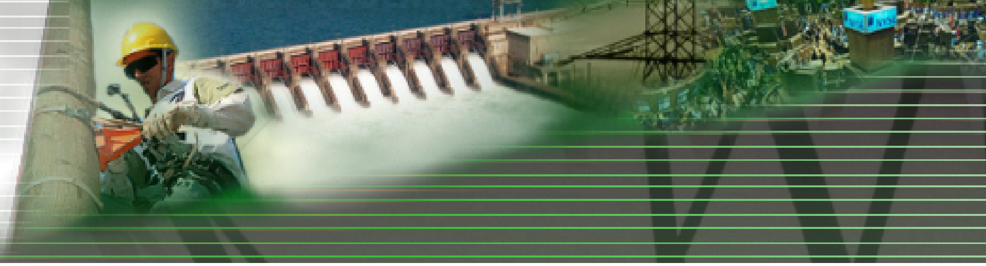


The Leading Power Utility in Brazil

Sustainable Growth

Delivering value to shareholders

Executive Summary

August - 2007

Disclaimer

- Some statements in this presentation are regarded under U.S. Securities law as *forward-looking statements*, i.e., statements that are subject to risks and uncertainties. Forward-looking statements are forecasts which may differ materially from the final figures and which are not under our control. For further information on the risks and uncertainties as they relate to us, please see our 20-F form for 2005, in particular, item 3 which contains “Basic Information – Risk Factors.”

All figures are expressed in Brazilian GAAP.

Brazil Outlook

Economics

- GDP (2006): US$ 1,067 billion.
- GDP expected CAGR (5yrs): 4%.
- Flow of Trade (2006): US$ 229 billion.
- Inhabitants: 188 million.
- Area: 8.5 million km^2.

Electric Power

- Power Generation Installed Capacity: 97 GW.
- National Transmission Network: 83,015 km.
- Total Energy Consumption: 347,371 GWh.

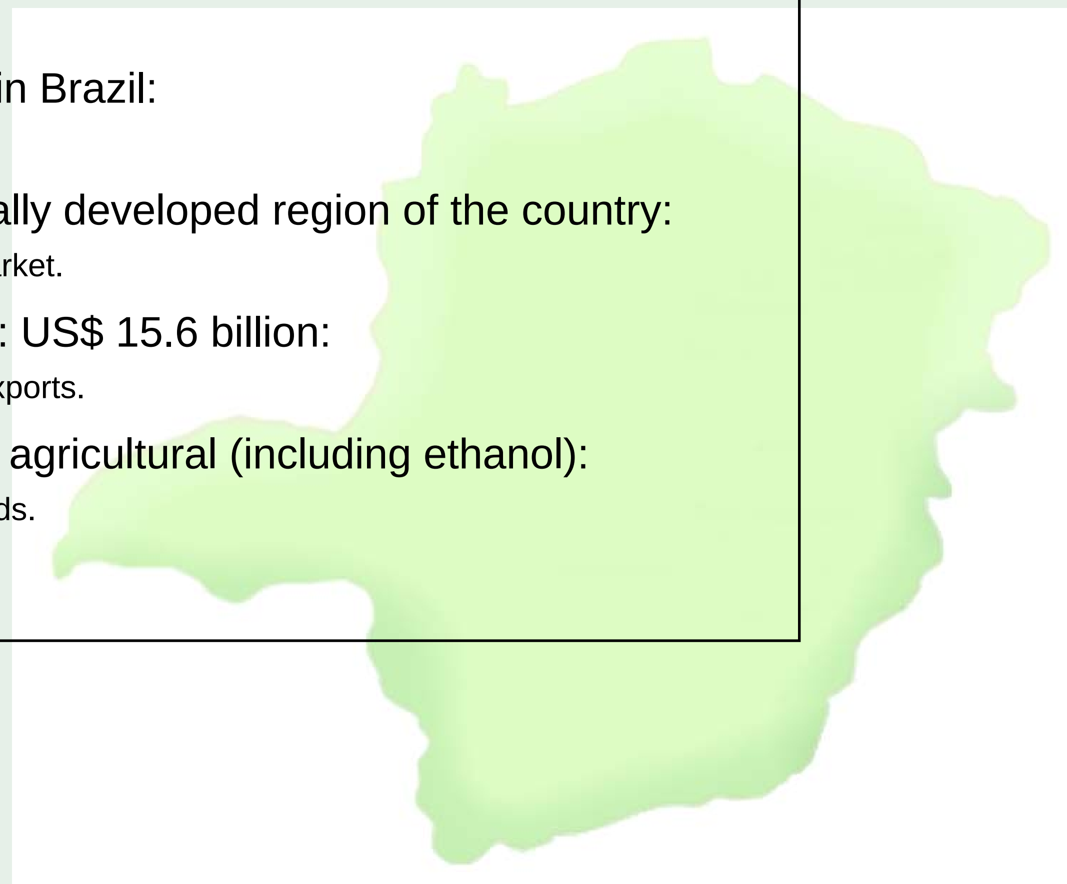
Economic Development Acceleration Plan (PAC)

- Federal plan to invest US$ 250 billion in the period of 2007-2010.
- Electric Power Generation: US$ 35 billion.
- Electric Power Transmission: US$ 7 billion.
- Renewable Fuels*: US$ 9 billion.

* Ethanol, Biodiesel and Alcohol pipeline

Source: Brazilian Institute for Geography and Statistics (IBGE), Brazilian Electricity Regulator (ANEEL), Brazilian Association of Transmission Companies (ABRATEE), Energy Research Company (EPE).

Minas Gerais State Key Figures



- Land area larger than any European country:
  - 7% of the Brazil’s land area.
- 19.6 million inhabitants.
- Second largest industrial park in Brazil:
  - Stands for 10% of GNP.
- Located in the most economically developed region of the country:
  - 78% of the Brazilian consumer market.
- Second largest exporting state: US$ 15.6 billion:
  - Stands for 11.38% Brazil´s total exports.
- Major industries: mining, steel, agricultural (including ethanol):
  - High global demand for these goods.

Cemig as The Leading Power Utility in Brazil

- Power Generation:
  - Installed Capacity of 6,737 MW;
  - 57 power plants (mainly hydro);
  - **Fifth-largest** generator in Brazil.

- Power Transmission:
  - 5,400 km transmission grid;
  - **Sixth-largest** transmission company in Brazil.

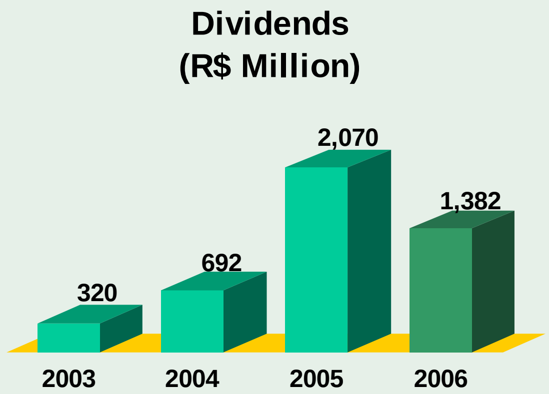
- Electricity Distribution:
  - 10 million consumers;
  - Concession area of 570 thousand sq. Km;
  - 426 thousand km of lines;
  - **The largest** distributor in Brazil.

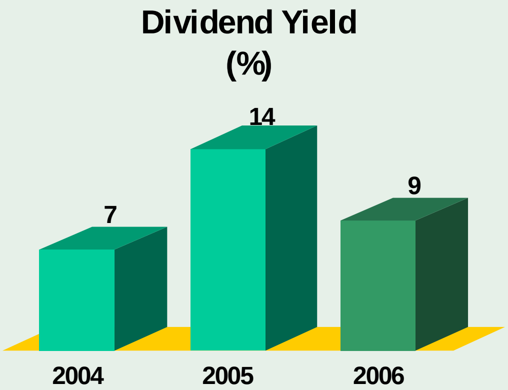
Focus on long term makes Cemig a leader in Brazil's electricity sector

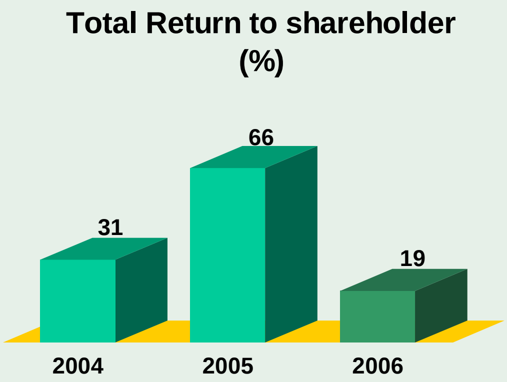
- Investments of R$ 5 billion in the last four years.
- Large-scale acquisitions of assets – front-runner in the consolidation of Brazil's electricity sector.
- Partnerships in acquisitions and new projects are aligned to the major goals of our Long Term Strategic Plan.
- Our knowledge of the rules and regulations enables us to identify opportunities in the sector:
  - Full knowledge of the process of power purchase contract auctions;
  - Consolidation of large Consumers free-market;
  - The Tariff Review for existing transmission facilities;
  - The Second Round of Tariff Reviews for the distribution companies.

Our Long Term Strategic Plan addresses sustainable growth

- Broadening of CEMIG's area of activity, with focus on the electricity industry.
- Addressing the long-term interests of shareholders: dividend policy.
- Incorporation of our goals and commitments to our bylaws.
- Acquisitions are the major growth driver at the short run:
  - Light S.A., in 2006, through RME, a company formed in partnership with private investors:
    - Over 3.8 million consumers in 31 municipalities of the state of do Rio de Janeiro;
    - Third largest electricity distributor in Brazil.
  - TBE in 2006, a group of five transmission companies located in the North and South of Brazil, totaling 2,000 km of transmission lines.
- Return to shareholders.

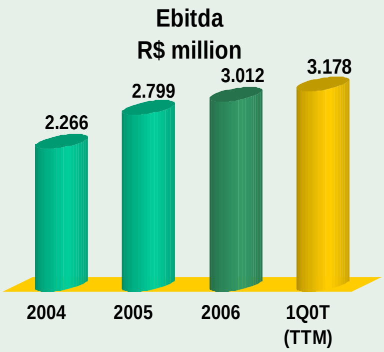


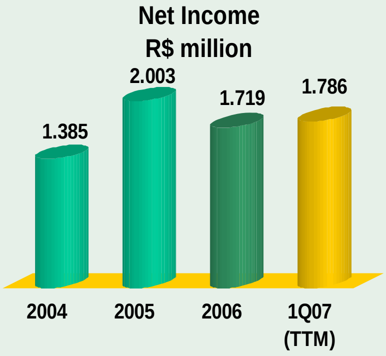


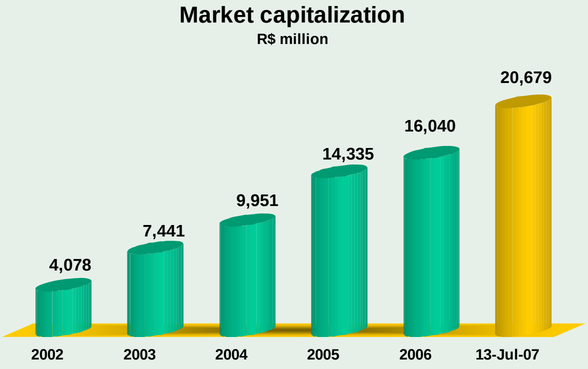


Strategic Plan consolidates Cemig as a world class company

- Total assets: **R$ 24 billion**
- Stockholders' equity: **R$ 8 billion**
- Consolidated debt: **R$ 8 billion**
- Consolidated net revenue **R$ 10 billion**







Sustainability and Corporate Governance

- Social and Environmental responsibility is a commitment in our vision for the long term, as a component of the business.

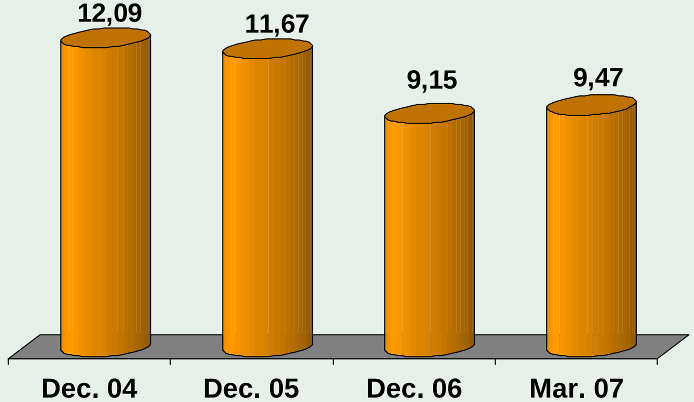
- The blend of current shareholders provides long term perspective.
- Addressing the long-term interests of shareholders: dividend policy.
- Incorporation of our goals and commitments to our bylaws.
- A Corporate governance: continual implementation of best practices:
  - Fiscal Council plays key role on:
    - Accounting practices;
    - Dividend policy;
    - Prevention of fraud;
    - Financial statements analysis 6 BoD members appointed by minority shareholders (in 14 total).
  - Code of ethics.
  - BOVESPA level 1.
  - NYSE listed company practices.
  - SOX compliance.

Financial management focused on reducing debt cost and lengthening debt profile

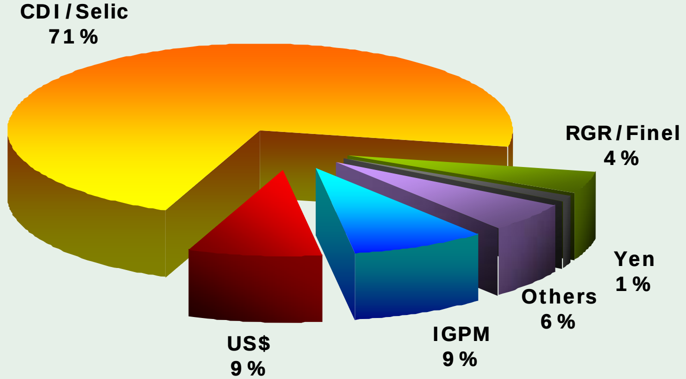
Consolidated debt on March 31, 2007

	CEMIG Consolidated
Debt	R$ 7.795 bn
Debt in non-Brazilian currency	R$ 788 mn (10%)
Net debt	R$ 5.776 bn
Ebitda / interest	3.42
Debt / Ebitda	2.48
Net debt / (Stockholders' Equity + Net debt)	42.12%

Average cost of debt Consolidated %



Main indexors



- *Average cost of debt: 9.47% p.a. at constant March 2007 prices – includes companies in which Cemig has interests.*
- *Exposure in CDI/Selic aligned with expectations of reduction in interest rates.*

Moody's rating: 5-notch 'jump' reflects high credit quality

More attractive to pension funds

Aa.br → Very strong credit capacity

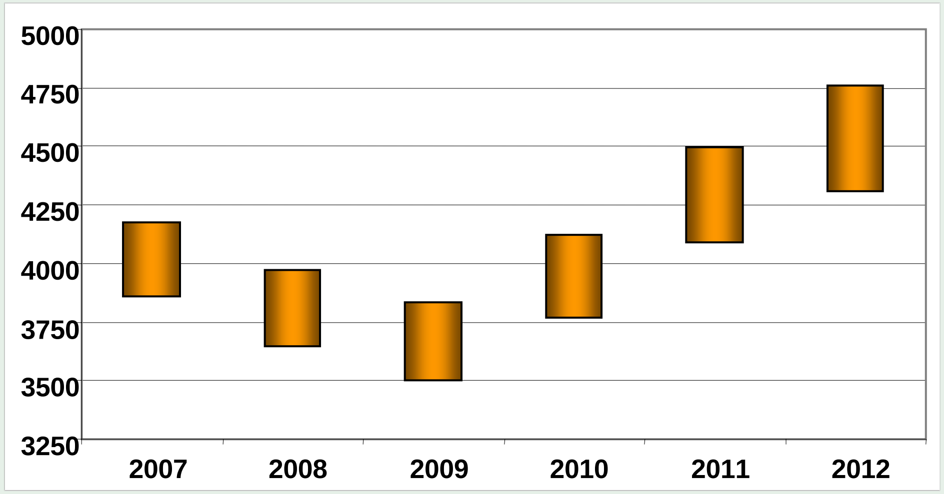
A → Low credit risk

MOODY´S	FITCH
Aaa.br	AAA(bra)
Aa1.br	AA+(bra)
Aa2.br	AA (bra)
Aa3.br	AA- (bra)
A1.br	**A+ (bra)**
A2.br	A (bra)
A3.br	**A- (bra)**
Baa1.br	BBB+ (bra)
Baa2.br	BBB (bra)
Baa3.br	BBB- (bra)
Ba1.br	BB+ (bra)
Ba2.br	BB (bra)
Ba3.br	BB- (bra)
B1.br	B+ (bra)
B2.br	B (bra)
B3.br	B- (bra)
Caa1.br	CCC+ (bra)
	CCC (bra)
	CCC- (bra)
	CC (bra)
	C (bra)
	DDD (bra)
	DD (bra)
	D (bra)

- Key factors in improving Moody's rating:
  - Solid fundamentals and excellence in financial management;
  - Robust corporate governance.

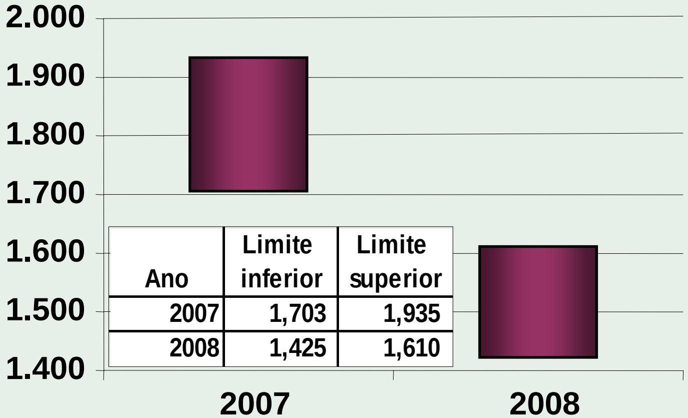
2007/2012 Cash flow forecast guidance

Consolidated EBITDA



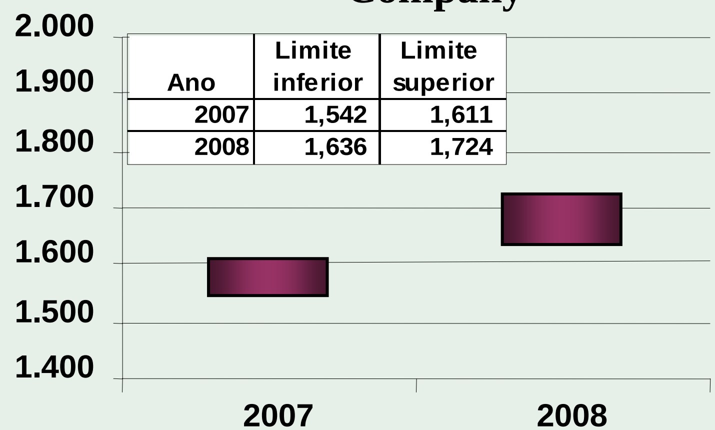
Year	Bottom Limit	Upper Limit
2007	3,859	4,175
2008	3,647	3,971
2009	3,501	3,831
2010	3,769	4,125
2011	4,091	4,499
2012	4,307	4,761

Distribution Company



Ano	Limite inferior	Limite superior
2007	1,703	1,935
2008	1,425	1,610

Generation and Transmission Company

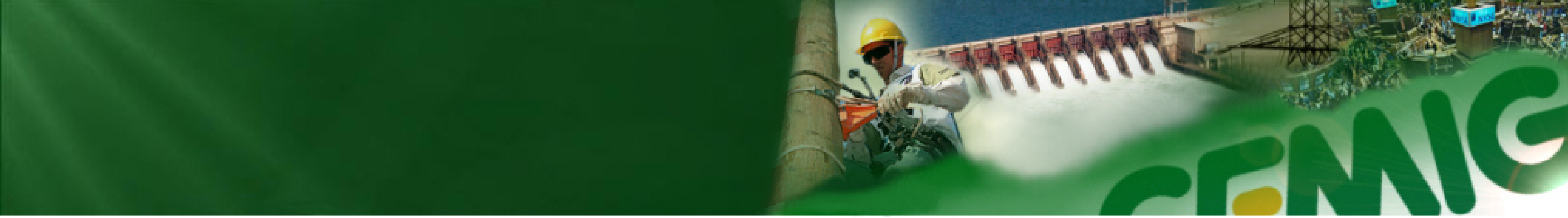


Ano	Limite inferior	Limite superior
2007	1,542	1,611
2008	1,636	1,724

(Constant June 2007 R$ million)

Strategic Corporate Alignment to succeed in the consolidation of the sector

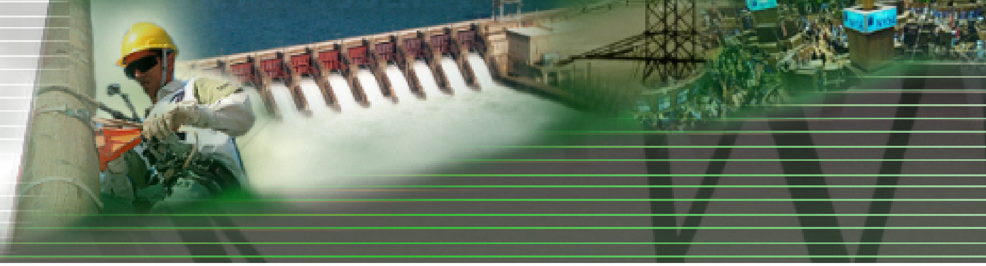
- Enhance the organizational structure to face the challenges of growth with competition in the electricity sector.
- Operational excellence aligned with costs reduction.
- Execution of Long Term Strategic Plan drives towards profitable growth.
- Risk Management ensures reliability of processes.
- Adoption of best corporate governance practices increases market cap.
- Financial management focused on improvement of credit quality:
  - Fundamentals set out in Bylaws ensure sustainability.
- Commitment to return for investors.



E-mail: ri@cemig.com.br

Phone: (55 31) 3506-5024

Fax: (55 31) 3506-5025



The Leading Power Utility in Brazil

Sustainable Growth

Delivering value to shareholders

August - 2007

Disclaimer

- Some statements in this presentation are regarded under U.S. Securities law as *forward-looking statements*, i.e., statements that are subject to risks and uncertainties. Forward-looking statements are forecasts which may differ materially from the final figures and which are not under our control. For further information on the risks and uncertainties as they relate to us, please see our 20-F form for 2005, in particular, item 3 which contains “Basic Information – Risk Factors.”

All figures are expressed in Brazilian GAAP.

Agenda

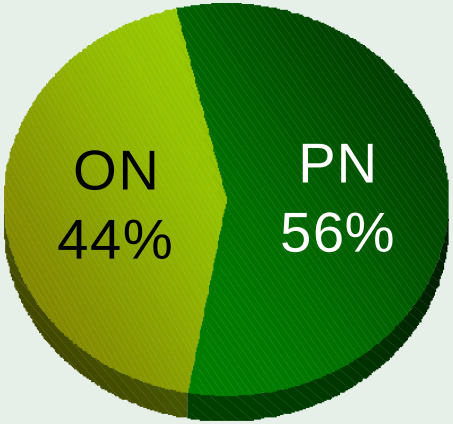
- ***Background***
- ***Overview on strategies***
- ***Business outlook***
- ***Finances***
- ***Our strategies are reflected in our results***
- ***Market recognition***

Agenda

- **Background**
- **Overview on strategies**
- **Business outlook**
- **Finances**
- **Our strategies are reflected in our results**
- **Market recognition**

The blend of shareholders provides long term perspective

- Our shareholder diversity provides a worldwide business management vision focused on the sustainability of company activities
- Listed in major stock exchanges
  - **BOVESPA (Brazil)**
    - Common shares (ON): cmig3
      - Daily trading volume: R$ 5 million
    - Preferred shares (PN): cmig4
      - Daily trading volume: R$ 60 million
  - **NYSE (USA)**
    - ADR (preferred shares backed): **CIG**
      - Ratio : 1 ADR=1 preferred share
      - Daily trading volume: US$ 15 million
      - Approximately 75 million ADR outstanding (15% of Total)
    - ADR (common shares backed): **CIG.C**
      - Ratio : 1 ADR=1 preferred share
  - **LATIBEX (Spain)**
    - Preferred shares : xcmig4



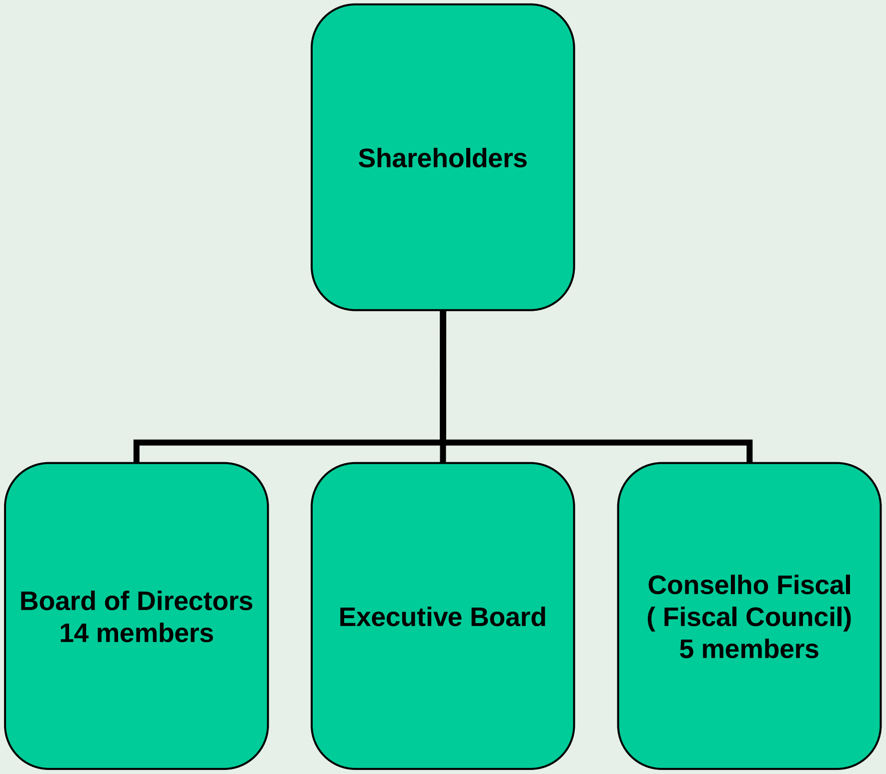
- **Total shares 486,461 thousand**
  - **Common 212,622 thousand**
    - MG 51%
    - SEB 33%
    - International investors 6%
    - Local investors 10%
  - **Preferred 273,839 thousand**
    - International investors 68%
    - Local investors 29%
    - MG and others 3%
    - Shares in Treasury 207 thousand

Share nominal value = R$5.00

Corporate Governance : continual implementation of best practices

Highlights

- Code of ethics;
- 6 BoD members appointed by minority shareholders;
- BoD approves nomination of external auditors;
- Executive Board coordinates external auditor selection process (in compliance with the Brazilian Procurement Legislation for state owned companies);
- Fiscal Council plays key role on:
  - Accounting practices;
  - Dividend policy;
  - Prevention of fraud;
  - Financial statements analysis.
- SOX compliance:
  - Section 302 Certification;
  - Internal control and procedures on schedule for certification.
- BOVESPA level 1;
- NYSE listed company practices.



Our focus on electric energy business allows us to spot opportunities in synergic sectors

CIA. ENERGÉTICA DE MINAS GERAIS

- CEMIG Distribuição S.A. — 100%
- Rio Minas Energia Participações S.A. — 25.0%
  - Light S.A. — 54%
    - Light Serviços de Eletricidade S.A. — 100%
      - Light Overseas Investments Ltd. — 100%
      - LIR Energy Ltd. — 100%
    - Light Energia S.A. — 100%
    - Lightger Ltda. — 100%
    - Lighthidro Ltda. — 100%
    - Itaocara Energia Ltda. — 100%
    - Light Esco Prest. Serviços Ltda. — 100%
    - Instituto Light de Desenvolvim. Social e Urbano — 100%
    - HIE Brasil Rio Sul Ltda. — 80.0%
- CEMIG Geração e Transmissão S.A. — 100%
  - Aimorés Hydro Plant Consortium — 49.0%
  - AHE Funil Consortium — 49.0%
  - Igarapava Hydro Plant Consortium — 14.0%
  - Porto Estrela Consortium — 33.33%
  - Queimado Consortium — 82.5%
  - CEMIG Baguari Energia S.A. — 100%
    - Baguari Consortium — 34.0%
- Usina Térmica Ipatinga S.A. — 100%
- CEMIG PCH S.A. — 100%
- Horizontes Energia S.A. — 100%
- Sá Carvalho S.A. — 100%
- Rosal Energia S.A. — 100%
- Usina Termelétrica Barreiro S.A. — 100%
- CEMIG Capim Branco Energia S.A. — 100%
  - Consórcio Capim Branco Energia — 21.05%
- Cia. Transleste de Transmissão — 25.0%
- Cia. Transirapé de Transmissão — 24.5%
- Cia. Centroeste Minas deTransmissão — 51.0%
- Cia. Transudeste de Transmissão — 24.0%
- Cia. Transchile de Transmissão — 49.0%
- Empresa Catarinense de Transmissão de Energia S.A. — 7.5%
- Empresa Amazonense de Transmissão de Energia S.A. — VS: 25% TS: 14.93%
- Empresa Paraense de Transmissão de Energia S.A. — VS: 25% TS: 17.51%
- Empresa Norte de Transmissão de Energia S.A. — 18.35%
- Empresa Regional de Transmissão de Energia S.A. — 18.35%
- Cia. de Gás de Minas Gerais — 55.2%
- Empresa de Infovias S.A. — 100%
  - WAY TV Belo Horizonte S.A. — VS: 49.9% TS: 69.25%
- Efficientia S.A. — 100%
- CEMIG Trading S.A. — 100%
- Centro de Gestão Estratégica de Tecnologia — 100%

Key

- Transmission companies
- Distribution companies
- Generation companies
- Generation consortia
- Financial operations
- Non-profit
- Gas distribution
- Telecommunications
- Trading
- Holding
- Services

Position on June 2007

VS = Voting stock

TS = Total stock

Two companies are not included – *Central Hidrelétrica Pai Joaquim S.A.* e *Central Termelétrica de Cogeração S.A.* – since they are in the process of being wound up.

Service quality to our clients as a top priority

- Brazilian Electricity Services Quality Pool
  - Cemig Distribuição S.A. won the Quality Award – IASC 2006:
    - Consumer pool organized by ANEEL – the Federal Electricity Agency;
    - Consumers evaluate the service quality.
- ISO Certification
  - Cemig Distribuição S.A. expanded the certification of its operating processes to NBR ISO 9001:2000
    - More than 80% of workforce is now operating its activities according to this certification;
    - Certifies the uniformity of procedures, continuous improvement, greater visibility within the Company's operations and proper attention to the needs of clients and all other interested parties.
- State of Minas Gerais Quality Award
  - Cemig Distribuição S.A. won the Quality Award-PMQ:
    - Criteria of Excellence of a National Quality Award;
    - Recognizes companies that adopt practices of modern and efficient management;
    - Compares favorably against industry benchmarks.

Sustainability: component of the business

- Social and Environmental responsibility is a commitment in our vision for the long term: it both guarantees the preservation of our activities and avoids costs for society through a balanced relationship with the environment.

- Recognition for our actions to ensure sustainability:
  - ✓ Inclusion in the Dow Jones Sustainability World Index for the seventh time running;
  - ✓ Inclusion in the Corporate Sustainability Index of the Sao Paulo stock exchange (Bovespa) for the second year running.

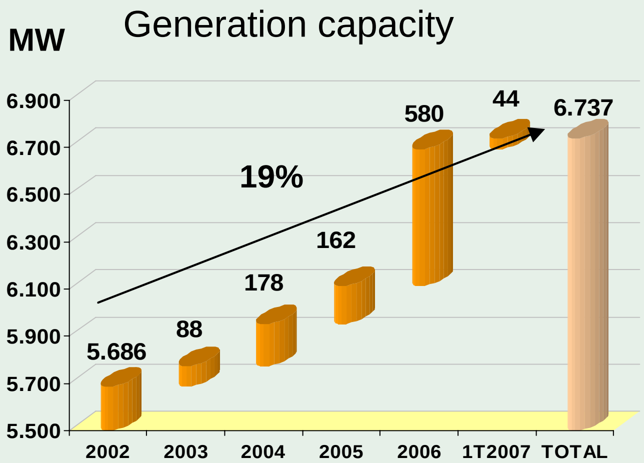
Dow Jones Sustainability Indexes
Member 2006/07

ISE
Índice de Sustentabilidade Empresarial

Focus on long term makes Cemig a leader in Brazil's electricity sector

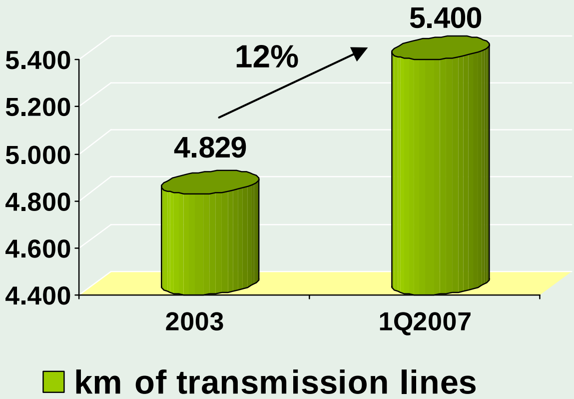
- We have invested capex of R$ 5 billion in the last four years, completing important power generation and transmission projects – and also providing the necessary levels of expansion to our distribution business.
- We have made large-scale acquisitions of assets – moves in the consolidation of Brazil's electricity sector.
- Partnerships in acquisitions and new projects are aligned to the overall vision of our Long Term Strategic Plan.
- Our knowledge of the rules and regulations enables us to identify opportunities in the sector:
  - Maturation of the process of electricity auctions;
  - Consolidation of Industrial Consumers free-market;
  - The Tariff Review for existing transmission facilities;
  - The Second Round of Tariff Reviews for the distribution companies;

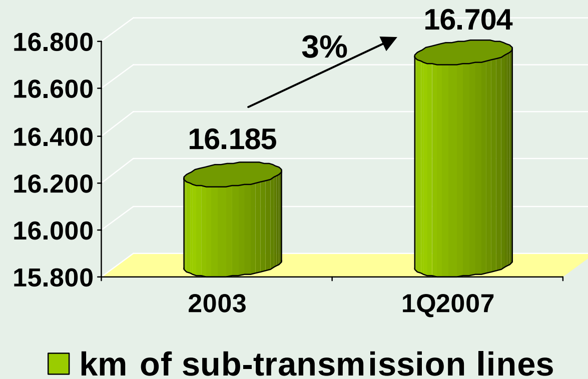
How our assets have developed

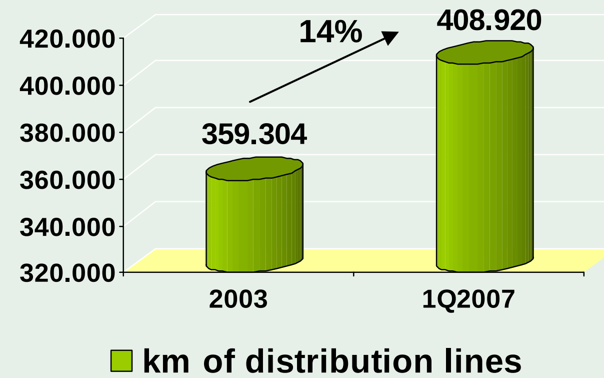


In the last 4 years we have added more than 1,000 MW to our generation capacity:

Year	MW added	Total	Description
2003	88	**5,774**	Funil hydroelectric plant.
2004	178	**5,952**	Barreiro (thermal plant); Queimado, Rosal (hydroelectric); Pai Joaquim (small hydro).
2005	162	**6,113**	Aimorés (hydro).
2006	580	**6,693**	Irapé and Capim Branco I Hydro plants; RME.
2007	44	**6,737**	Capim Branco II hydro plant.







Agenda

- Background
- **Overview on strategies**
- Business outlook
- Finances
- Our strategies are reflected in our results
- Market recognition

Fundamentals of our Long Term Strategic Plan

- Focus on electricity business
  - Expansion opportunities evaluated using strict profitability criteria.
- Low risk business portfolio
  - Adequate structural balance of the electric energy business segments : generation, transmission, and distribution.
  - Strong presence in all of the segments that create value.
- Financial stability
  - Clear objectives guarantee sustainability for the long-term:
    - Indebtedness
    - Cash flow
    - Credit quality
- Higher standards of Corporate governance and integrity
  - Incorporation of practices that add value for the shareholder.

Our Long Term Strategic Plan addresses sustainable growth

- Broadening of CEMIG's area of activity, with focus on the electricity industry
  - Growth outside of the current geographical area;
  - First steps in investing internationally;
  - Within Brazil, expansion up to regulatory limits with sustainable growth:
    - Acting prudently
    - Adding value
- Addressing the long-term interests of shareholders:
  - New dividend policy with a 50% payout and extraordinary dividends, every two years, provided there are available cash.
  - Corporate governance directed at transparency and respect for the interests of minority shareholders.
- Incorporation of our goals and commitments to our bylaws in order to give stability to the company's long-term planning
  - Capex limited to 40% of EBITDA:
    - in 2006: 65%.
    - in 2007: 55%.
  - Debt limited to two times of EBITDA:
    - In years with acquisitions: 2.5 x EBITDA.
  - Debt limited to 40% of Total Capitalization:
    - In years with acquisitions: 50% x Total CAP.

Our Long Term Strategic Plan addresses sustainable growth

- Investment only in power generation, transmission and distribution projects that offer real internal rates of return where minimum is above the level projected in the Company's Long Term Strategic Plan, save for legal obligations.
- Maintaining operating revenues and expenses at Cemig Distribuição S.A., and any other subsidiary carrying out electric energy distribution activity, in line with tariff adjustments and rate revisions.
- Acquisitions lead the growth in the short run:
  - We look for partners that add value through:
    - Reducing the necessity of using equity;
    - Transparency of the economic-financial evaluation of projects;
    - Access to financing at low costs.
  - Maximization of cash generation:
    - Surplus cash generation;
    - Rolling over debt.
  - Look for the best opportunities for financial funding:
    - Continued improvement in our credit risk rating.

Strategic Plan Results

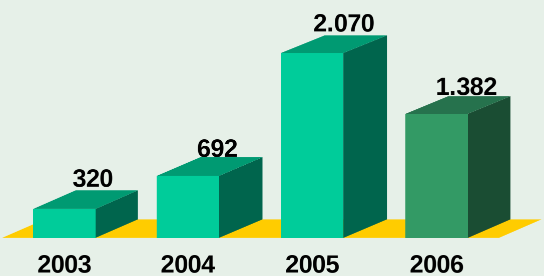
✓ Expansion:

- Acquisition of Light S.A. in 2006, through RME, a company formed in partnership with private investors:
  - Over 3.8 million consumers in 31 municipalities of the state of do Rio de Janeiro;
  - Third largest electricity distributor in Brazil.
- Acquisition of TBE in 2006, a group of five transmission companies located in the North and South of Brazil, totaling 2,000 km of transmission lines.
- Operational start-up of two Transmission Lines in 2007:
  - Transudeste - 34 km
  - Transirapé - 15km
- We now serve more than 10 million clients.
- Total sales of 54,623 GWh TTM (as of 31-mar 2007).
- Generation capacity increased by 624 MW over the last 12 months.

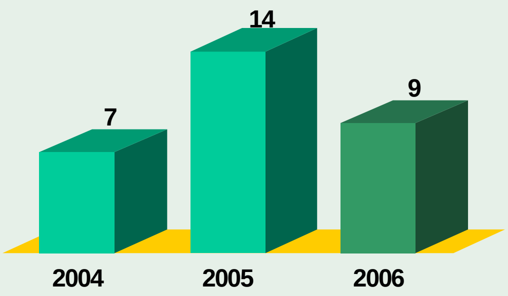
Strategic Plan Results

- Dividends:
  - In 2006, we paid dividends totaling R$ 2 billion.
  - R$ 1.4 billion will be paid in 2007, representing 80% of the net profit for 2006:
    - Interest on Equity: R$ 169mn (as announced last year);
    - Complementary dividend: R$ 716mn;
    - Extraordinary dividend: R$ 497mn;
    - Dividend yield: 9%.

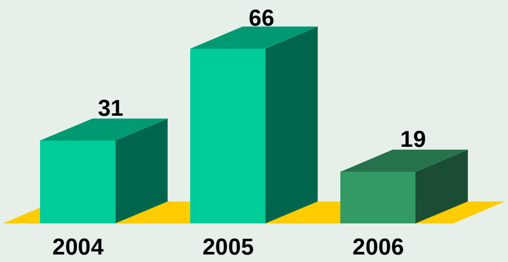
Dividends
(R$ Million)



Dividend Yield
(%)



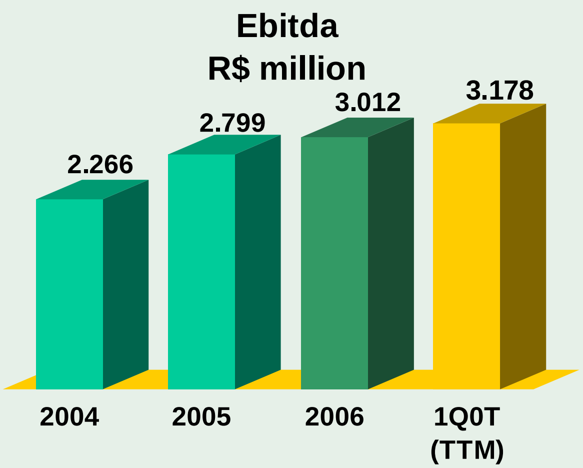
Total Return to shareholder
(%)

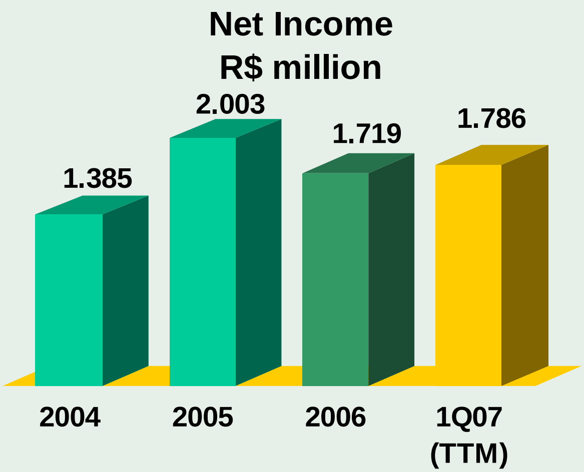


Strategic Plan Results

✓ Solid Financial Situation:

- Commitments of the Strategic Plan complied with;
- Return on investment compatible with the risk of each business;
- Debt profile lengthened and cost reduced.





- TTM = Last Twelve Month

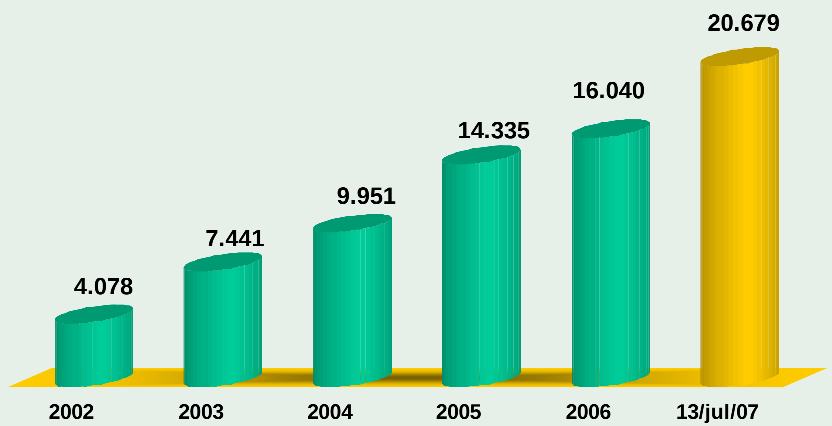
Strategic Plan consolidates Cemig as a world class company

- Total assets: **R$ 24 billion**
- Stockholders' equity: **R$ 8 billion**
- Consolidated debt: **R$ 8 billion**
- Consolidated net revenue **R$ 10 billion**

Commitment to growth and addition of value, allied to the Strategic Plan, resulted in recognition by the market

Market capitalization

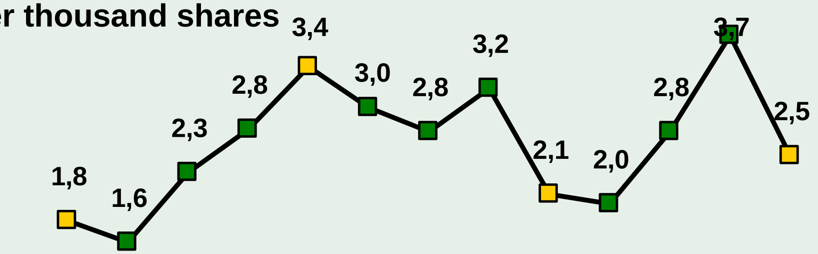
R$ million



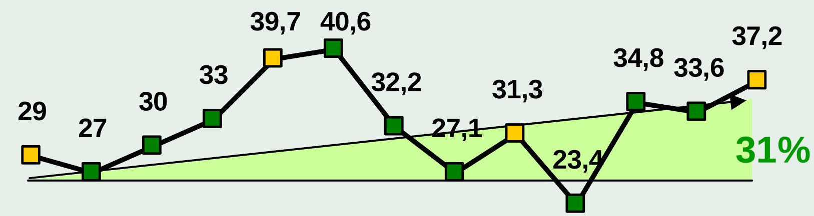
1Q07 Consolidated Results

Company (R$ '000)	Net profit	Ebitda
Cemig Geração/Transmissâo	176,211	386,132
Cemig Distribuição	180,398	368,963
RME (LIGHT)	19,855	78,055
Gasmig	10,774	14,403
Sá Carvalho	5,657	8,013
EATE	3,440	6,855
Capim Branco	7,209	6,820
ENTE	1,820	4,373
Infovias	2,386	3,984
Rosal Energia	3,694	3,887
Cemig PCH	3,724	3,730
Ipatinga	2,054	3,023
Horizontes	1,859	2,191
UTE Barreiro	1,758	1,959
ETPE	932	1,815
Transirapé	562	1,046
ECTE	370	792
ERTE	427	755
Transudeste	273	275
Efficientia	146	81
Pai Joaquim	8	(1)
Cogeração	16	(1)
Trading	(41)	(38)
Cemig Holding	(16,900)	(29,412)
Cemig Consolidated	**406,632**	**867,700**

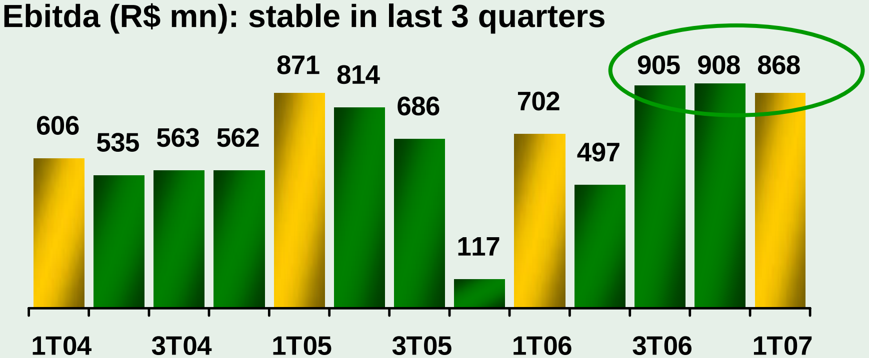
Profit per share before stock bonus
R$ per thousand shares



Consolidated Ebitda margin (%)

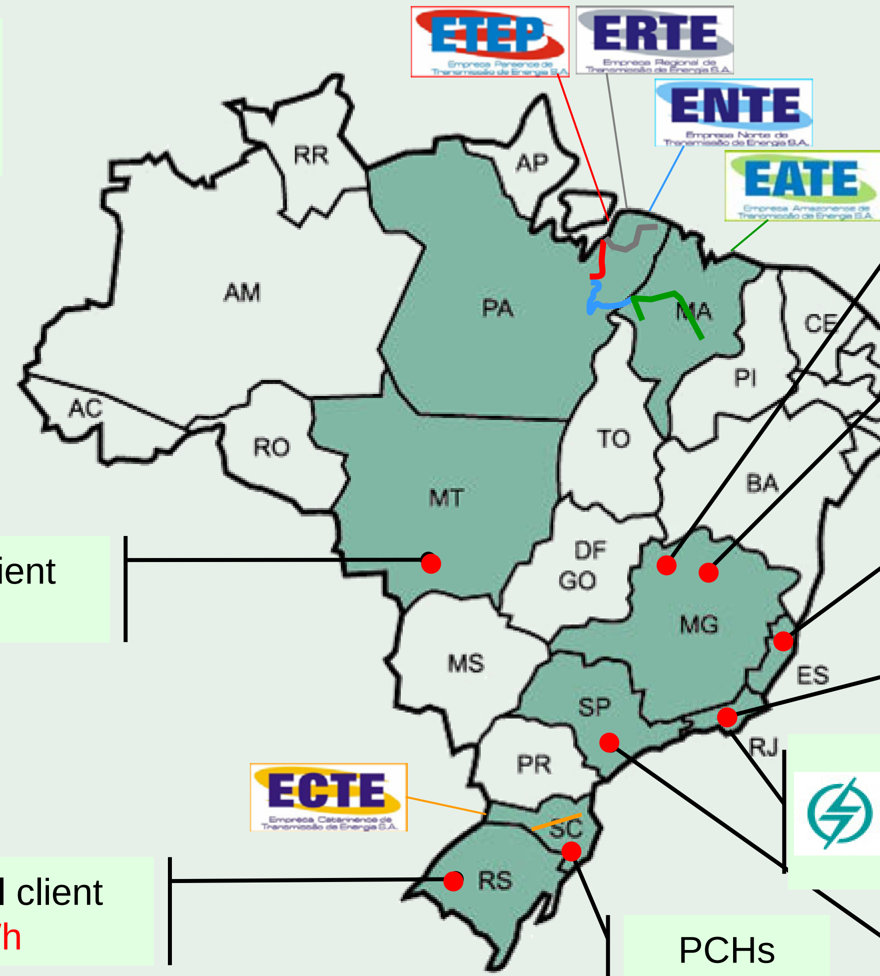


Ebitda (R$ mn): stable in last 3 quarters



Building towards nationwide operations

Wholesale supply
3.697 GWh
to 38 distributors



Generation capacity
6.501 MW

Sales, trading, generation and distribution
8.460 GWh

Rosal Energia SA
55 MW 55 GWh
1 industrial client
2 GWh

1 industrial client
10 GWh

3 industrial clients
9 GWh

Light

Generation capacity
169 MW
Sales 1.554 GWh

1 industrial client
8 GWh

PCHs
12 MW
17 GWh

5 industrial clients
436 GWh

Preparing for the future...

Investment in Chile:

- Charrúa – Nueva Temuco transmission line 220 kV, 190 km
- Concession period : 20 years
- Partner : Alusa (51%)
- Total investment: US$ 60 million
- Annual revenue: US$ 6.5 million
- Financing: 70% of the investment
- Capital injected by Cemig so far: US$ 6 million
- Project began: June 2005
- Environmental license given: February 2007
- Works begin: March 2007
- Operational start up : July 2008

Development of management capacity to operate in regulatory environments of other countries.

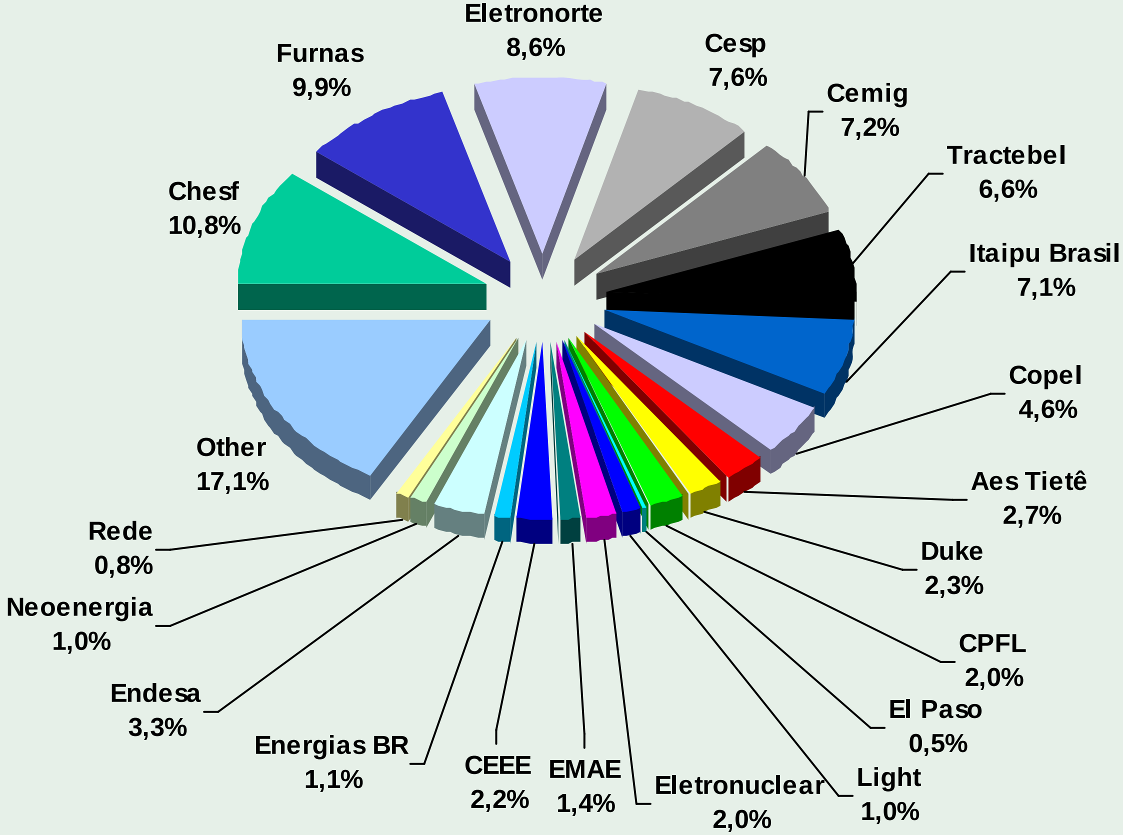
Agenda

- *Background*
- *Overview on strategies*
- ***Business outlook***
- *Finances*
- *Our strategies are reflected in our results*
- *Market recognition*

Power Generation: Brazil

Brazilian electricity generation

(Capacity, in MW – Dec-2006)



Comments

- Federal state-owned companies still have the greatest installed capacity
- Social and environmental issues are the most critical points for expanding existing capacity
- Fair setting of the “price ceiling” at auctions is crucial for the feasibility of new projects

Source: ANEEL

Power Generation: Cemig

Cemig`s consolidated generation assets (30/03/07)

Plant	Installed capacity (MW)	Assured Energy (MW Average)
Largest hydroelectric plants		
São Simão	1,710	1,281
Emborcação	1,192	497
Nova Ponte	510	276
Jaguara	424	336
Miranda	408	202
Três Marias	396	239
Volta Grande	380	229
Irapé	360	206
Aimorés	162	84
Light Geração (19.85%)	169	107
Others	841	501
Total hydro-electric	**6,552**	**3,958**
Total thermal	**184**	**115**
Wind	**1**	**0**
Total	**6,737**	**4,073**

- Cemig Corporation stands for 7% of Brazil’s generation capacity and supply 19% of Brazil’s free customers market

Power Generators are the most exposed to risks

- Regulated market
  - Concessions granted based on the least price approach.
  - Power purchase contract:
    - Auctions organized by a Federal agency:
      - Final buyer : Electricity Distributors.
    - New capacity : longer term, no market risk, inflation adjusted;
    - Existing capacity: shorter term, volume reduction at the distributor discretion, inflation adjusted.
- Unregulated market (free market)
  - Target : large industrial clients, large businesses;
  - Price freely negotiated : conditions , term, inflation adjustment;
  - Usually take or pay contracts.

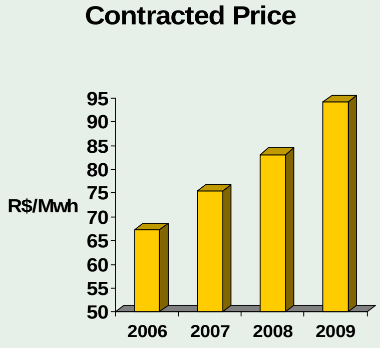
Power Generation Price Trend

- Price will behave differently according to the nature of the contract to be auctioned by the ANEEL:
  - Existing capacity (so called “old energy”) contracts:
    - power to be supplied in one year from now;
    - Term is 8 years;
    - Imply distributor ‘s forecasted demand risk:
      - Contractual volume can be reduced.
  - New capacity (so called “new energy”) contracts:
    - Power to be supplied in three or five years from now;
    - Term is 30 years;
    - No risk on the contractual volume reduction by distributors.

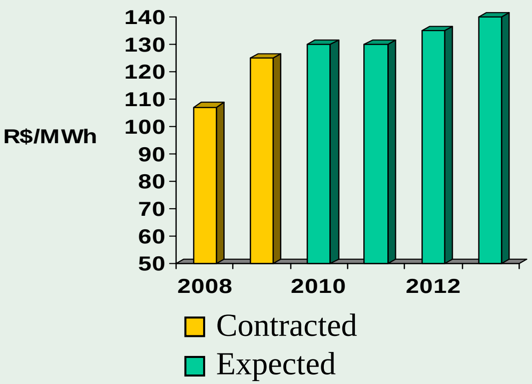
Price for existing power capacity is getting close to the marginal cost

- The existing capacity plus new scheduled additions will meet the demand up to 2010. Beyond 2011, new power projects will be needed to cope with the demand growth.
- Natural gas fired thermal power projects will play important role in the long term power supply:
  - Natural gas price will have an impact on the energy price trend.
- Small hydro and cogeneration power plants can be a solution for a higher demand/supply imbalance in 2010/2011 due to shorter construction time.

Existing Capacity

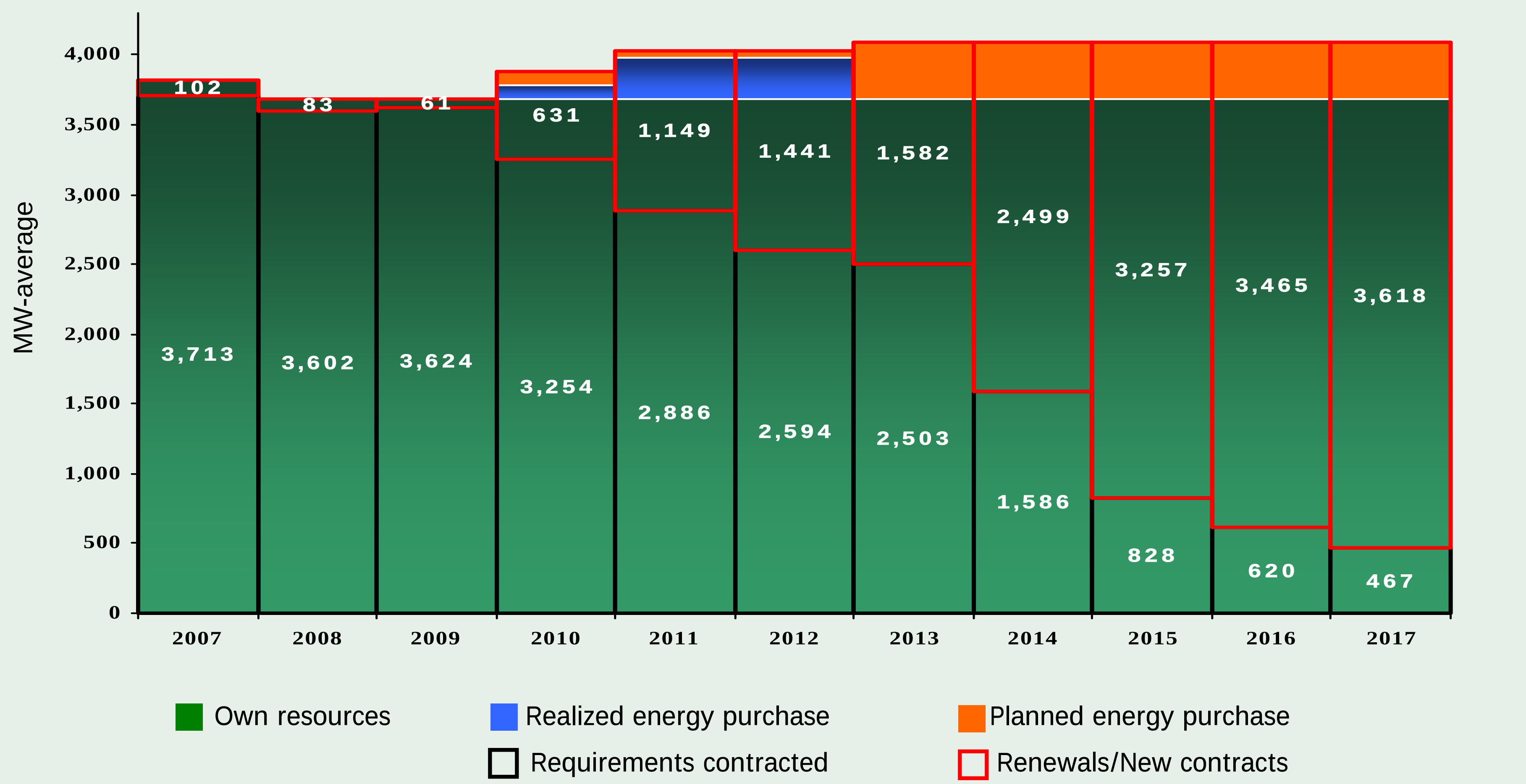


New Capacity



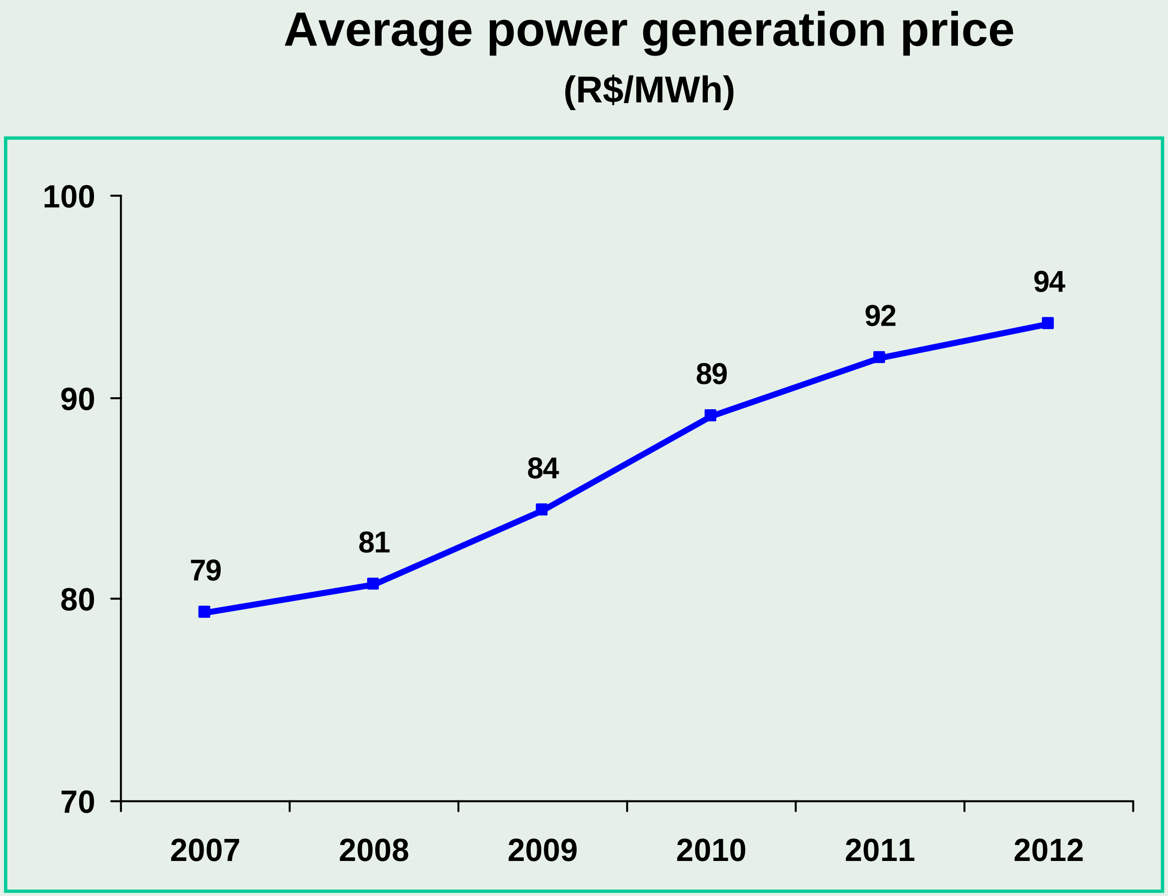
Source: 05,06 ANEEL auctions, EPE’s 10 Y Expansion Plan, PSR Consulting

Our power generation contracts start re-pricing in 2010



Reference: Apr-2007

Cemig`s Power Generation prices



Base = June 2007

Guidance for 2007-2012

Power Generation: 2007 Auctions

- New Energy Regular Auctions:
  - July, 26, 2007: A-3 auction, power delivery from 2010, 30 years long contract:
    - Price cap: R$ 124/MWh Hydro and R$ 140/MWh Thermo.
  - To be decided in 2007: A-5 auction, power delivery from 2012, 30 years long contract:
    - Price cap: R$ 129/MWh Hydro and R$ 140/MWh Thermo

- New Energy Auction – Madeira River Projects:
  - Scheduled to second half of 2007;
  - Environmental license issued;
  - Santo Antônio: 3,150 MW of installed capacity, start-up in 2012;
  - Jirau: 3,000 MW of installed capacity, start-up in 2011.

- Old Energy Auction:
  - Annually, in the last working day of November;
  - Power delivery from the next year on;
  - 8 years long contracts.

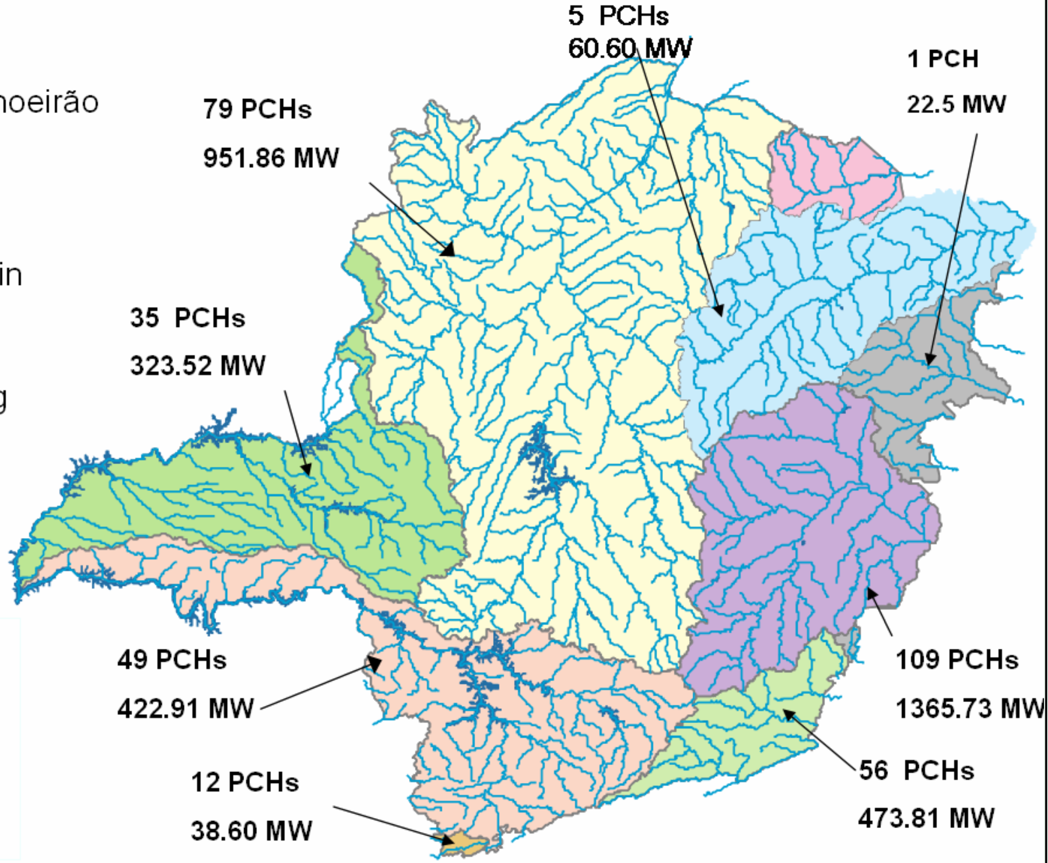
Business Opportunities: Small Hydros Program

- Construction of Cachoeirão PCH already started
- 12 new PCHs with construction to start in 2007/2008
- Process of obtaining BNDES financing consolidated

Total Potential of Minas Gerais State:

346 PCHs

3,660 MW



New PCHs* (construction start in 2007/2008):

– Pipoca, Jacaré, Pacífico Mascarenhas, Unaí Baixo, Mucuri, Lajinha, Grão-Mogol, D.Guanhães, Fortuna, Sra. Do Porto, Monjolo, Sumidouro e Quinquim

(*) PCH = Small Hydro Power Plant

Business Opportunities: sugar and ethanol potential in MG

Plants	Quantity	Generatn. (MWa*)	Surplus (MWa*)
Existing	**26**	**530**	**420**
Expected	**59**	**2046**	**1755**
With Protocol	34	1191	953
Without Protocol**	13	591	591
Other***	12	264	211
TOTAL	**85**	**2576**	**2175**

* Average generation in 6 months of the year

** Data provided to Cemig on consultation access

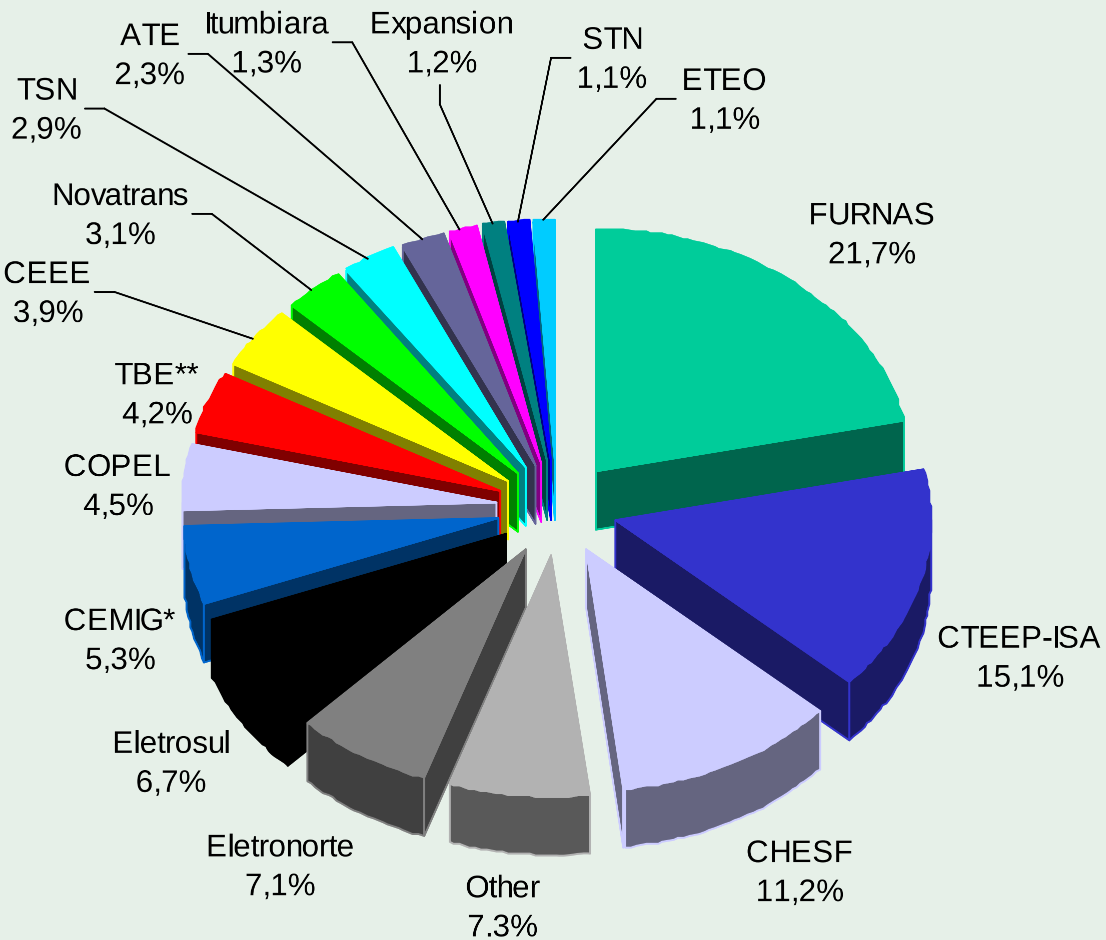
*** Crushing data from 9 mills with no expected startup date

Note: Protocol entered into with the State of Minas Gerais

- ✓ Approximately 75% of the plants are located in the heavy-industry region known as the Minas Triangle
- ✓ Generation available from April to September, the dry season for the hydro power plants

Power Transmission: Brazil

Brazilian electricity transmission
(2006 installed capacity)



Comments

- Infrastructure companies have won the auctions for new lines, particularly the Spanish companies.
- The format for the expansion of new lines – auction based on the lowest RAP (Annual Permitted Revenue) – has attracted investors.

* Includes the 21% stake in TBE;

** Deducting the 21% stake in CEMIG

Source: ANEEL (TECHNICAL NOTE No. 082/2006 – SRT/ANEEL of Jun-27-2006)

Power Transmission: Cemig

Cemig Consolidated - lenght of transmission network, km

	2003	2004	2005	2006	1Q 2007
500-kV lines	2,163	2,163	2,165	2,592	2,592
345-kV lines	1,921	1,942	1,976	1,969	2,003
230-kV lines	745	751	751	803	805
Total	4,829	4,856	4,892	5,364	5,400

- Operational Start-up of two transmission lines in 2007:
  - Itutinga-Juiz de Fora (Transudeste) - 345 kv, 34 km;
  - Irapé-Araçuaí (Transirapé) - 230 kv, 15 km.
- Cemig Corporation stands for 5% of Brazil´s transmission capacity;
- Sixth largest transmission company.

Power Transmission regulation has been the oldest and most successful one

- Competition for concession contract:
  - Cap price approach;
  - Allowed revenue: the winner bid is the lowest revenue earned from users;
  - 30 year long concession.
- Stable Cash flow
  - Guaranteed contracts signed with users:
    - Receivables pledged as guarantees;
    - Annual inflation adjustment;
    - Revenue secured regardless the use of the asset;
- Low operating risk:
    - Penalties are applied only in the case of bad maintenance or poor performance.
- Fixed income alike investment.

Transmission network will be enlarged as new projects of power generation come through

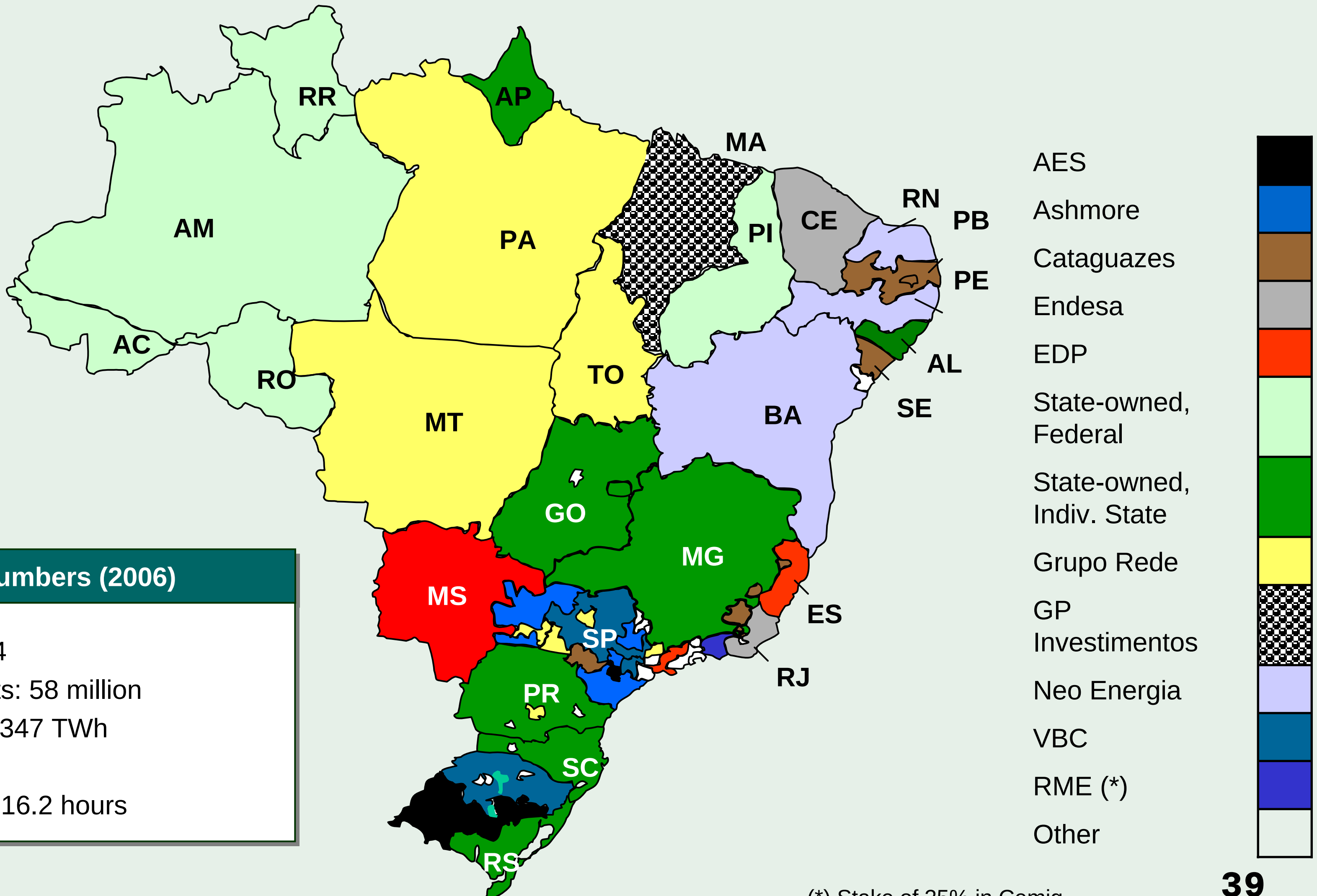
- Facilities built before 1995:
  - Concession will expire on July 8, 2015;
  - 20 year extension may be granted at ANEEL discretion;
  - Allowed return to be reviewed in a near future;
- Expansion projects can be carried out in three ways:
  - New concessions to be granted through auctions:
    - Projects are selected by the ONS in light of the National Grid needs;
    - Auctions are organized by ANEEL;
    - Contracts are standard and term is for 30 years;
    - Bids are for annual revenue.
  - Authorization to build, directly requested by the ANEEL:
    - In certain cases, ANEEL may request any utility to build a transmission line or a substation of regional impact.
  - Acquisition of existing facility.

Power Transmission tariff review and auctions

- Allowed return on asset approach (existing assets in 1995):
  - Benchmark WACC: currently 8.45%;
  - Tariff review: WACC enlarged to 9.18%;
  - Asset base review every 10 years (2 cicles).
- 2007 Tariff Review:
  - Due since 2005;
  - New methodology disclosed on March, 09, 2007;
  - Cemig’s tariff review will occur on July, 2007, applied retroactively to July 2005;
  - Asset base review shall occur in 2008.
- 2007 Transmission line auctions:
  - transmission lines to be auctioned : 4,207 km;
  - estimated investment R$ 5.8 billion.

Electricity Distribution: Brazil

Main controlling groups in Brazil



Brazil Numbers (2006)

- Companies: 64
- Consumer units: 58 million
- Consumption: 347 TWh
- Access: 97%
- Average ELC: 16.2 hours

Source: Aneel, EPE

(*) Stake of 25% in Cemig

Electricity Distribution: Cemig

Cemig - Length of network, km	2004	2005	2006	1º tri 2007
SUB-TRANSMISSION	16,086	16,040	16,788	16,704
161-kV lines	55	55	55	55
138-kV lines	10,504	10,521	11,254	11,170
69-kV lines	4,544	4,481	4,513.0	4,513.0
Lines below 69 kV	983	983	966.0	966.0
DISTRIBUTION	367,437	379,400	402,539	408,920
Overhead distribution network	82,819	83,826	92,083	92,379
Underground urban distribution network	708	759	1,767	1,767
Overhead distribution network in rural areas	283,910	294,815	308,689	314,774
TOTAL	383,523	395,440	419,327	425,624

- Cemig Corporation supply 11% of Brazil´s captive market
- Largest distribution company (by km of lines, number of consumers and transported energy)

Electricity Distribution business is the most regulated one

- Allowed return on asset approach:
  - Benchmark WACC: currently 11.26%;
  - 2008 tariff review: WACC reduced to 9.98%.
- Operating expenses :
  - Full passed through mechanism:
    - Energy purchase expenses under certain circumstances.
  - Yearly inflation adjusted;
  - Tracking account for offsetting estimated expenses.
- Revenues come from:
  - Charges on D grid use by the access free users;
  - Sales to captive users.
- 5 year rate setting review:
  - Sharing of productivity gains with the users.
- Distributors are supposed to buy power to meet 100% of the forecasted demand, through auctions organized by Federal Agency – ANEEL:
  - In case a large consumption client (eligible as free consumer) chooses another supplier, distributor are allowed to reduce the contractual volume at the same amount;
  - If the growth is poor, contractual volume can be reduced by 4% yearly.

Electricity Distribution tariff review

- Allowed return on asset approach:
  - Benchmark WACC: currently 11.26%;
  - Tariff review: WACC reduced to 9.95%.

- New Tariff Review methodology:
  - Reference company model disclosed:
    - Black box opened.
  - Asset base review every 10 years (2 cicles): CEMIG in 2013;
  - Regulatory energy losses and delinquency rate specific for each concession area;
  - Special obligation financed asset depreciation will be granted in the long run;
  - X Factor: excluded the influence of Consumers Satisfaction Index.

- Cemig Corporation next Distribution tariff reviews:
  - Cemig Distribuição: April, 2008;
  - Light: November, 2008.

The 2007 Cemig Distribuição annual rate adjustment

12 month trailing inflation (as measured by IGP-M)	**4.26%**

Annual adjustment	3.42%
CVA reimbursement	0.48%
Pasep and Cofins taxes	3.26%
Financial adjustment	1.47%
Other adjustments	0.80%
TOTAL	9.43%
Adjustments on previously reimbursed expenses	4.27%
Impact on annual revenue	5.16%

Our Capex program

	Actual			Forecast
			(R$ million)	
Business	2005	2006	1T07	2007
CEMIG Geração e Transmissão	417	157	56	321
Generation	397	99	52	243
Transmission - Basic grid	20	58	4	78
CEMIG Distribuição	691	1,229	259	1,125
Sub-transmission	26	83	8	184
Distribution	665	1,146	251	941
Expanding and strengthening existing networks	276	217	71	405
Luz para Todos program	291	884	159	371
Other	98	45	21	165
CEMIG Holding	58	558	3	43
Injections of capital	54	33	3	42
Others	4	1	-	1
25% of RME (acquisition of *Light*)	-	175	-	-
Aquisition of TBE - transmission - companies	-	349	-	-
Total Capex projects	1,166	1,944	318	1,489

Operational startup of Capim Branco II hydroelectric plant.

Operational startup of two transmission lines:
- Itutinga-Juiz de Fora - 345 kV
- Irapé-Aracuaí - 230 kV

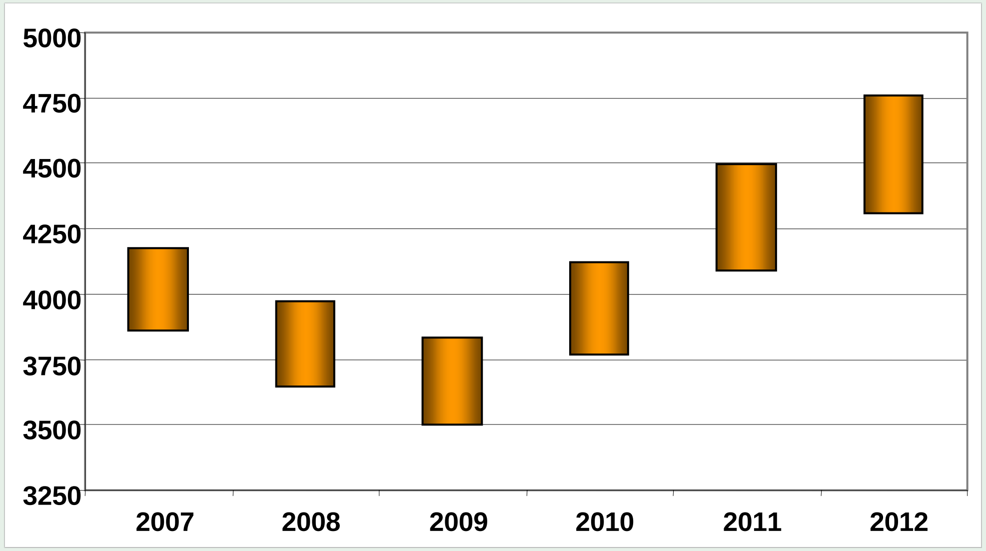
- 2005, 2006 e 1Q07: historic amounts.
- Starting 2Q07: estimated on basis of corporate planning for 2007-2011.

Agenda

- ***Background***
- ***Overview on strategies***
- ***Business outlook***
- ***Finances***
- ***Our strategies are reflected in our results***
- ***Market recognition***

Guidance 2007/2012

Consolidated EBITDA



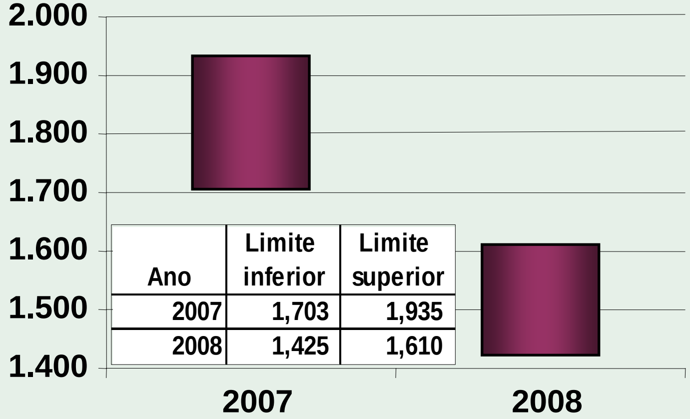
(Constant June 2007 R$ million)

Year	Bottom Limit	Upper Limit
2007	3,859	4,175
2008	3,647	3,971
2009	3,501	3,831
2010	3,769	4,125
2011	4,091	4,499
2012	4,307	4,761

Guidance 2007/2012

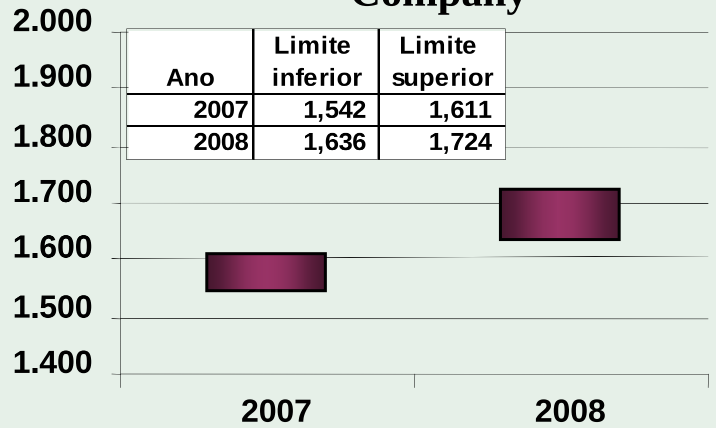
EBITDA BY COMPANY

Distribution Company



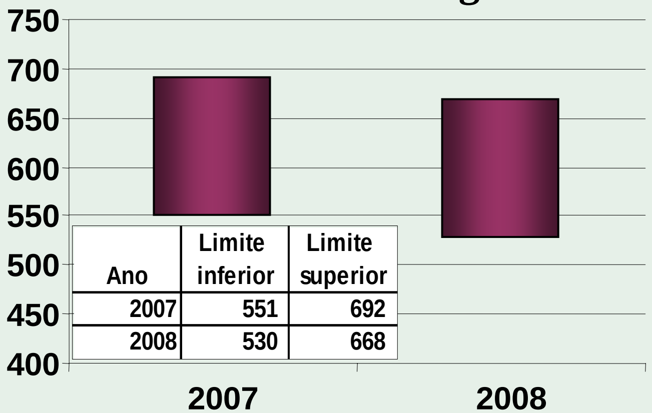
Ano	Limite inferior	Limite superior
2007	1,703	1,935
2008	1,425	1,610

Generation and Transmission Company



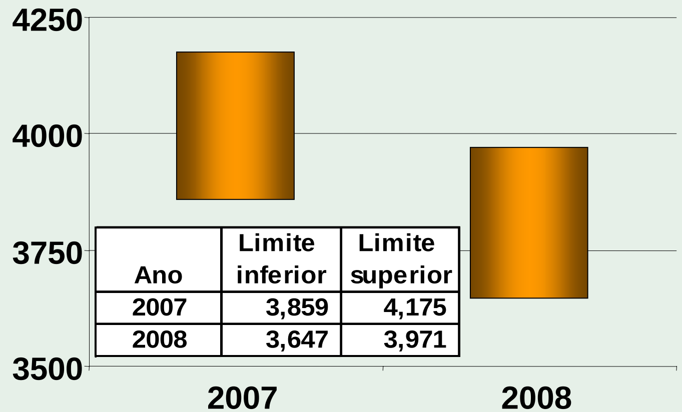
Ano	Limite inferior	Limite superior
2007	1,542	1,611
2008	1,636	1,724

Stock holdings



Ano	Limite inferior	Limite superior
2007	551	692
2008	530	668

Consolidated



Ano	Limite inferior	Limite superior
2007	3,859	4,175
2008	3,647	3,971

(Constant June 2007 R$ million)

How we will finance our growth

- Our strategy encompasses key elements in financing our expansion
  - We will seek partners who can add value via:
    - –reduced need for equity;
    - –transparency of the economic/financial evaluation of projects;
    - –access to low-cost financing.
  - Maximization of cash management:
    - –Generation of surplus;
    - –Rollover of maturing debt.
  - Search for the best opportunities to raise funds to finance expansion;
  - Continual improvement of our credit risk rating.

Consolidated Cashflow
R$ million

	2006	1Q06	1Q 07
Cash at the begining of period	**1,344**	**1,344**	**1,375**
Cash from operations	*2,101*	*411*	*728*
Net income	1,719	340	407
Depreciation and amortization	672	151	179
Suppliers	125	(111)	(148)
Deferred tariff adjustment	-	13	130
Other adjustments	(415)	18	160
ICMS (IVA) on TUSD	-	-	-
Financing activity	*(475)*	*(93)*	*4*
Financing obtained	2,266	912	515
Payments of loans and financing	(669)	(59)	(512)
Other	(2,072)	(946)	1
Investment activity	*(1,720)*	*(222)*	*(224)*
Investments outside the concession area	(553)	(9)	(38)
Investments in the concession area	(1,470)	(233)	(252)
Special obligations - consumer contributions	303	20	71
Other - Deferred	-	-	(5)
Initial cash balance from acquired subsidiaries	125	-	-
Cash at end of period	**1,375**	**1,440**	**1,883**

CEMIG: consolidated debt as of March 31, 2007

	CEMIG Consolidated	CEMIG GT	CEMIG D
Debt (1)	R$ 7.795 bn	R$ 3.169 bn	R$ 2.670 bn
Debt in non-Brazilian currency	R$ 788 mn (10%)	R$ 182 mn (6%)	R$ 431 mn (16%)
Net debt (2)	R$ 5.776 bn	R$ 2.170 bn	R$ 2.086 bn
Ebitda / interest	3.42		
Debt / Ebitda	2.48		
Net debt / (Stockholders' Equity + Net debt)	42.12%		

(1) Includes R$ 809mn of Light and R$ 159mn of TBE.

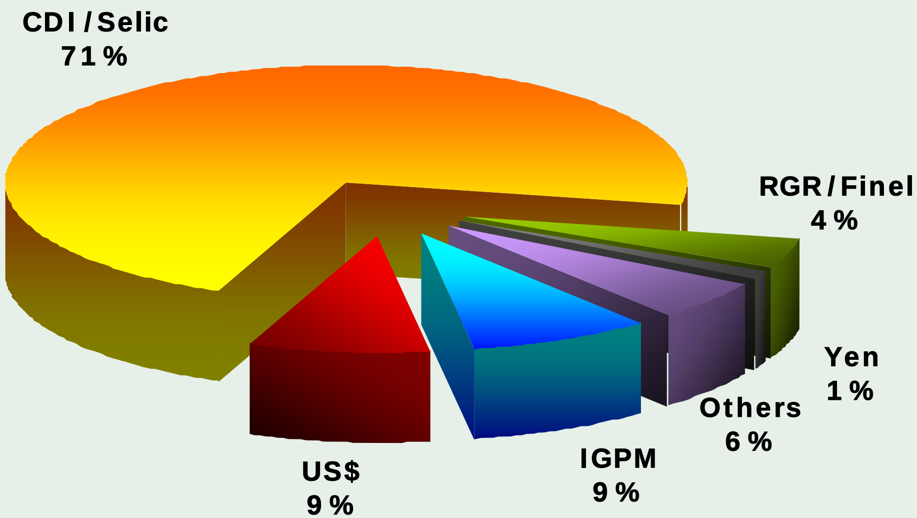
(2) *Net debt = Total debt – Cash and cash equivalents – Regulatory asset (RTE / BNDES).*

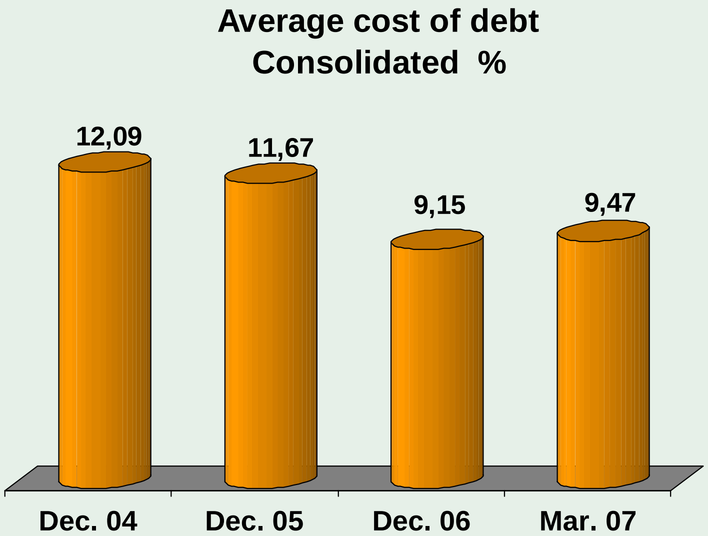
- Commitment to credit quality in the long term, recognized by our creditors and in accordance with the Long Term Strategic Plan

Financial management focused on reducing debt cost and lengthening debt profile

Consolidated debt on March 31, 2007

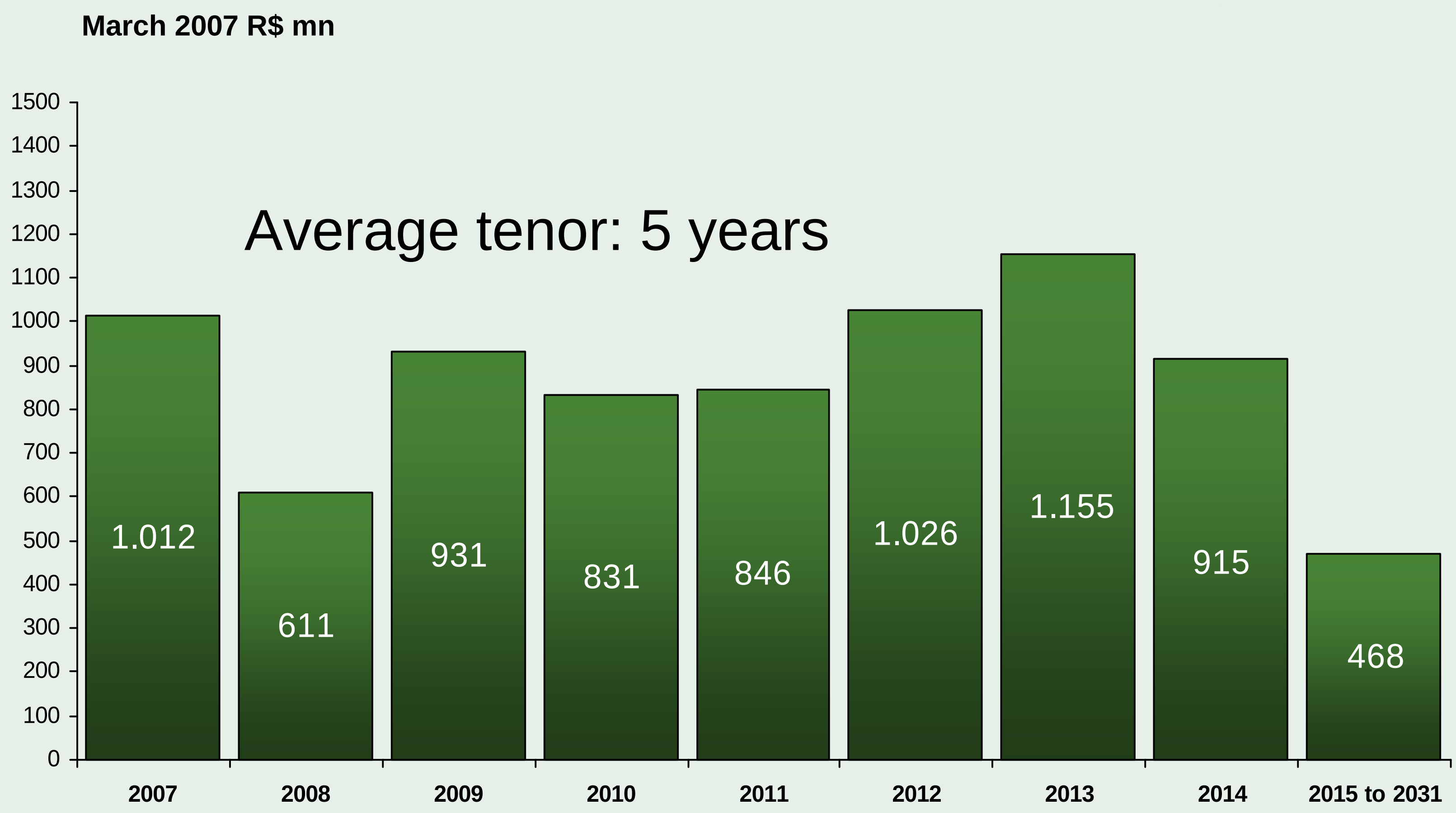
Main indexors





- Average cost of debt: 9.47% p.a. at constant March 2007 prices – includes companies in which Cemig has stockholdings
- Exposure in CDI/Selic aligned with expectations of reduction in interest rates

Debt maturity lengthened



Moody's rating: 5-notch 'jump' reflects high credit quality

More attractive to pension funds

Aa.br → Very strong credit capacity

A → Low credit risk

MOODY´S	FITCH
Aaa.br	AAA(bra)
Aa1.br	AA+(bra)
Aa2.br	AA (bra)
Aa3.br	AA- (bra)
A1.br	**A+ (bra)**
A2.br	A (bra)
A3.br	**A- (bra)**
Baa1.br	BBB+ (bra)
Baa2.br	BBB (bra)
Baa3.br	BBB- (bra)
Ba1.br	BB+ (bra)
Ba2.br	BB (bra)
Ba3.br	BB- (bra)
B1.br	B+ (bra)
B2.br	B (bra)
B3.br	B- (bra)
Caa1.br	CCC+ (bra)
	CCC (bra)
	CCC- (bra)
	CC (bra)
	C (bra)
	DDD (bra)
	DD (bra)
	D (bra)

- Key factors in improving Moody's rating:
  - Solid fundamentals and excellence in financial management
  - Robust corporate governance

Agenda

- Background
- Overview on strategies
- Business outlook
- Finances
- **Our strategies are reflected in our results**
- Market recognition

Stockholdings contribute significantly to 1Q07 Results

	Electricity sales GWh	Gross revenue R$ mn	EBitda R$ mn	Debt R$ mn	Consumers	Number of employees
Cemig GT	7,688	739	386	3,169	177	2,345
Cemig D	4,906	2,248	369	2,670	6,302,124	8,306
RME (25%)	1,554	547	78	693	3,841,510 (3)	4,152 (3)
TBE	-	18	15	155	-	57
Others	100 (4)	133	20	1,109 (2)	-	-
Consolidated total	14,248	3,685	868	7,796	10,143,811	15,079 (1)

(1) Includes employees of Cemig Holding

(2) Includes R$ 982mn from FIDC (Receivables Fund)

(3) Includes 100% of the employees of *Light*

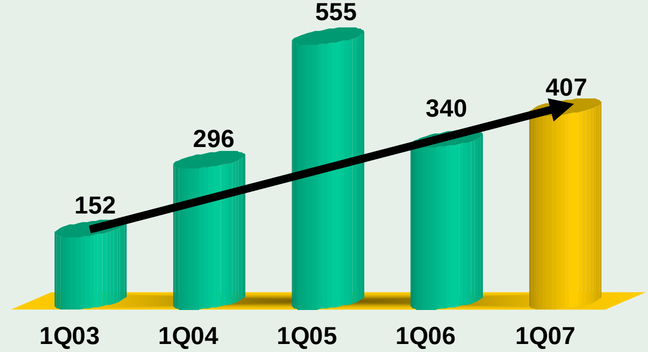
(4) Net of 257 GWh in inter-company transactions

1Q07: Net income and Ebitda show sustainable growth

- 1Q07 net income is R$ 407 million, equivalent to R$2.51* per thousand shares
- Ebitda: R$868 million
- In 1Q **2005,** Net income and Ebitda contained R$591mn of Deferred Tariff Adjustment – considered non-recurring
- Ebitda in last four quarters: R$ 3.2 billion

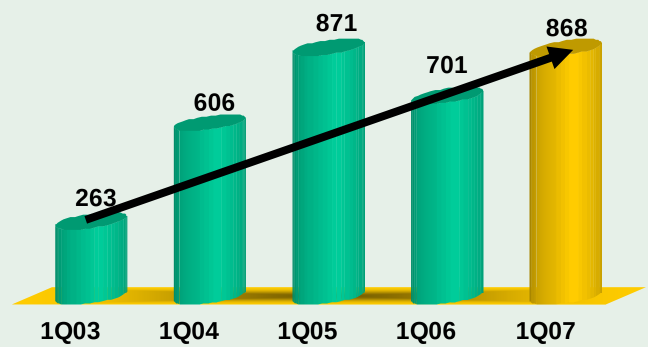
Net income
R$ million

CAGR = 28%
1Q03 – 1Q07



Ebitda
R$ million

CAGR = 35%
1Q03 – 1Q07



*Al indicators per share in this presentation refer to the position before the stock bonus of April 27, 2007

CAGR = Compound annual growth rate

Consolidated income statement

Consolidated income statement
R$ million

	1Q 2007	1Q 2006	% AH	2006
Net revenue	2,336	2,034	14.8	9,681
Operational expenses	1,647	1,474	11.7	7,341
Operational revenue	**689**	**560**	**23.0**	**2,340**
Ebitda	**868**	**711**	**22.1**	**3,012**
Financial revenue (expenses)	(67)	(25)	168.0	(219)
Non-operational revenue	(6)	(12)	(50.0)	(37)
Provision for income tax, Social Contribution and deferred income tax	204	183	11.5	527
Reversal of Interest on Equity	0	0	0.0	169
Minority interests	(5)	0	-	(7)
Net profit	**407**	**340**	**19.7**	**1,719**

- 1Q07 profit supports outlook for stronger results than in 2006

Results benefit from inter-business synergy

Consolidated income statement
R$ million

Description	Cemig		Cemig D		Cemig GT	
	1Q07	1Q06	1Q07	1Q06	1Q07	1Q06
Net revenue	2,336	2,034	1,297	1,376	587	483
Operational expenses	1,647	1,474	1,023	1,184	257	220
Operational revenue	**689**	**560**	**274**	**192**	**330**	**263**
Ebitda	**868**	**711**	**369**	**284**	**386**	**308**
Financial revenue (expenses)	(67)	(25)	11	36	(69)	(79)
Non-operational revenue	(6)	(12)	(10)	(8)	6	(1)
Provision for income tax, Social Contr. and deferred income tax	204	183	95	76	91	62
Reversal of Interest on Equity	-	-	-	-	-	-
Minority interests	(5)	-	-	-	-	-
Net profit	**407**	**340**	**180**	**144**	**176**	**121**

- Cemig Distribuição and Cemig Geração e Transmissão still provide the greater part of the group's earnings.

Consolidated net revenue

Consolidated Operating Revenues

R$ million

	1Q 2007	1Q 2006	AH %	2006
Gross operational revenue	**3,685**	**3,095**	**19.1**	**13,570**
Sales to final consumers	2,788	2,336	19.3	10,226
TUSD - Tariff for Use of Network	350	317	10.4	1,340
Subtotal	3,138	2,653	18.3	11,566
Wholesale energy / CCEE transactions	247	178	38.8	909
Revenue for connection to network	160	149	7.4	588
retail supply of gas	64	69	(7.2)	298
Other	76	46	65.2	209
Deductions from revenue	**1,349**	**1,061**	**27.1**	**3,889**
ICMS	716	543	31.9	2,516
COFINS	258	232	11.2	1,097
PASEP	49	53	(7.5)	246
RGR	48	25	92.0	30
CDE	95	69	37.7	-
CCC	147	96	53.1	-
Other	36	43	(16.3)	-
Net operational revenue	**2,336**	**2,034**	**14.8**	**9,681**

- Increase in net revenue reflects acquisitions of RME/Light and TBE (transmission) companies.

Consolidated operational expenses

Consolidated operational expenses

R$ million

	1Q07	1Q06	%AH
Energy purchased	600	534	12.4
Charges for Use of the Basic Transmission Network	181	249	(27.3)
Personnel / Administrators / Board / Profit sharing	260	238	9.2
Outsourced services	121	101	19.8
Depreciation and amortization	179	151	18.5
Post-employment obligations	31	37	(16.2)
Materials	23	17	35.3
Royalties	38	22	72.7
Gas purchased for resale	30	39	(23.1)
Operational provisions	105	42	150.0
Other expenses	79	44	79.5
Total	**1,647**	**1,474**	**11.7**

- *Provisions: Bad debt, Labor contingencies and Subsidies to low-income consumers.*
- *MSO (materials, services and other): 37.6% growth reflects operations in the quarter and absorbs the annual adjustments; increasing activity in power industry services in general, with increases in costs.*
- *Personnel: 4% wage increase in November 2006; increase in headcount (total increase for Cemig GT, D and H = 519).*

CEMIG Geração e Transmissão

Income statement
R$ million

	1Q 2007	1Q 2006	2006
Net revenue	587	483	2.374,0
Operating expenses	257	220	1.245,0
Operational income	**330**	**263**	**1.129,0**
Ebitda margin	**386**	**308**	**1.337,0**
Ebitda margin	**65,8%**	**63,8%**	**56,3%**
Financial revenue (expenses)	(69)	(79)	(549,0)
Non-operational revenue (expenses)	6	(1)	(2,0)
Provision for income tax and Social Contribution	(91)	(62)	(194,0)
Reversal of IOE	-	-	230,0
Net Income	**176**	**121**	**614**
Net Margin	**30,0%**	**25,1%**	**25,9%**

- Revenue reflects greater supply capacity: sales volumes up 12.8%.
- Expenses reflect operations; e.g. personnel – increased headcount.

Cemig Distribuição

Income statement

R$ million

	1Q 2007	1Q 2006	2006
Net revenue	1.297	1.386	6.314
Operational expenses	(1.023)	(1.184)	(5.408)
Operational income	**274**	**202**	**906**
Ebitda	**369**	**285**	**1.273**
Financial revenue (expenses)	**28,5%**	**20,6%**	**20,2%**
Financial revenue (expenses)	11	26	7
Non-operational revenue	(10)	(8)	(25)
Provision for income tax, Social Contr. and deferred income tax	(95)	(76)	(300)
Reversal of Interest on Equity	-	-	182
Net income	**180**	**144**	**770**
Net margin	**13,9%**	**10,4%**	**12,2%**

Agenda

- Background
- Overview on strategies
- Business outlook
- Finances
- Our strategies are reflected in our results
- **Market recognition**

Market recognition

Dow Jones Sustainability Indexes

Included in the DJSI for the 7th year running.

IR magazine AWARDS

Best Investor Relations Executive, Large Cap: Luiz Fernando Rolla.

ISE Índice de Sustentabilidade Empresarial

Included in Bovespa Corporate Sustainability Index.

você s/a

Guia Exame - Você S/A 2006

Included in "150 Best Companies to Work For" for 2006.

CartaCapital

“Most Admired Company in Brazil” in “energy suppliers” category.

abrasca

Prêmio Abrasca 2006

Best Annual Report, for transparency of information.

apimec

Prêmio Apimec

Listed Company of the Year Trophy.

IBEF Executivo do ano

Cemig CFO Flávio Decat de Moura named Executive of the Year.

abinee

Cemig Chief Distribution and Sales Officer Jose Maria de Macedo chosen as “Energy Highlight” of the year

ANEFAC 2006

Prêmio Anefac - Fipecafi-Serasa

Transparency Trophy, 2006.

E-mail: ri@cemig.com.br

Phone: (55 31) 3506-5024

Fax: (55 31) 3506-5025

Accounting criteria for Financial Statements consolidation

- RME owns 80% stake on Light and, under the accounting rules, consolidates 100% of the financial statements of its subsidiary;
- Cemig owns 25% of RME, and thus consolidates 25% of Light, applying a 5% reduction in the line “Minority interest”.
  - for the other companies in the group, figures are consolidated in proportion to Cemig’s holding;
- In this presentation:
  - we have maintained the RME information compatible with the financial statements: 25%;
  - figures for the assets are labeled LIGHT S.A., and stake adopted is 20%;
  - figures for people – number of employees, consumers – are informed as 100% of Light and of TBE.

Glossary

Average outage frequency (FEC): Average number of outages suffered in a given period per consumer, in a given group of consumers.

Debt coverage index: Ebitda divided by total financial expenses in the year. This gives a figure for the company's capacity to pay debt servicing.

Deferred Tariff Adjustment (RTD): Every four years Aneel decides on a "periodic" tariff *review* for each electricity distributor, to adjust the level of annual adjustments to preserve the financial equilibrium of the concession contracts, coverage of efficient operational costs and adequate remuneration of investment. On April 8, 2003, this adjustment for Cemig was set provisionally at 31.53%, but the final adjustment decided was 44.41%, and the percentage difference of 12.88% will be applied to Cemig's tariffs in "deferred" format: i.e., as an addition to each of the annual tariff adjustments decided for the years 2004 through 2007, cumulatively. The difference between the adjustment to which Cemig Distribuição is entitled and the tariff in fact charged to consumers has been recognized in Cemig's financial reporting as a Regulatory Asset.

Ebitda: Earnings before interest, tax, depreciation and amortization – a measure of a company's operational cash flow, providing an indicator of the cash flow generated by a company's principal business.

Ebitda margin: Ebitda/net operating revenue. This provides a view of the company's cash generation capacity.

Hedge: Financial mechanism for protection against fluctuations in prices – e.g. of commodities -, or variables such as interest rates or exchange rates.

Hydroelectric power plant: A generating plant that uses the mechanical energy of falling water to operate electricity generators.

Manageable costs: Costs that essentially depend on the efficacy of corporate management, such as personnel expenses, materials, outsourced services, etc. – also referred to as controllable costs.

Net margin: Net income / Net operating revenue – an indication of a business's profitability.

Outage time per consumer (DEC): Average service outage time per consumer in a given group of consumers over the specified period.

The Extraordinary Tariff Recomposition (RTE): This was a tariff adjustment granted by the government in December 2001 to the distributors and generators of the regions where rationing was imposed. It was one of the conditions of the *General Accord for the Electricity Sector*: an increase of 2.9% in the tariff of residential consumers (with the exception of Low-Income Residential Consumers), and an increase of 7.9% for other consumers. Its purpose was to make good the losses suffered by distributors and generators as a result of the reduction of consumption imposed by the government. The duration of the adjustment varies in accordance with the time necessary to recover the loss of each concession holder.

The CCC (Fuel Consumption Account): This account was created to accumulate funds to cover the increase in costs associated with greater use of thermal generation plants in the event of drought – since the marginal operating costs of thermal plants are greater than those of hydroelectric plants. All Brazil's electricity companies are obliged to make an annual contribution to the CCC, calculated on the basis of estimates of the amount of fuel likely to be required by the thermal plants in the following year.

Glossary

The CDE (Energy Development) Account: This is a source of subsidies to make alternative energy sources such as wind and biomass more competitive, and promote universalization of electricity services. It is funded by annual payments made by the concession holders for the use of public assets, and also from penalty payments imposed by Aneel for infringements.

The CRC (Results Compensation Account): Before 1993, electricity concession holders in Brazil were given a guarantee of a rate of return on their investment in the assets used in the provision of electricity to clients, and the tariffs charged to clients were uniform over the whole country. Profits generated by the more profitable concession holders were reallocated to the less profitable concession holders, in such a way that the rate of return on assets was equal to the national average for all of the companies. Though the results for the majority of Brazil's electricity concession holders were deficits, these were posted by the federal government as *assets* in the "CRC account" of each company. When the CRC Account, and the concept of guaranteed return, were abolished, concession holders that had positive balances in their "CRC accounts" were able to offset these balances against any liabilities owed to the federal government.

The CVA – the Offsetting Account for Variations of "Portion A" items: "Portion A" is the list, used in the calculation of the electricity distributors' annual tariff adjustments, of the utility's cost items that are not under its own control. The CVA mechanism compensates for changes in the list's total over the year to the new tariff date. The variation – positive or negative – is passed on in the tariff adjustment .

The Global Reversion Reserve (RGR): This is an annual amount included in the costs of concession holders to generate a fund for expansion and improvement of public electricity services. The amounts are paid monthly to Eletrobrás, which is responsible for the management of the resulting fund, and are to be employed in the Procel mechanism.

Thermal power plant: A generating plant that converts chemical energy contained in fossil fuels into electricity.

Total return to stockholders: Sum of the dividend yield and the percentage appreciation in the stock price.

TUSD – Toll for Use of the Distribution System: This is paid by generation companies, and by Free Consumers, for the use of the distribution system belonging to the distribution concession holder to which the generator or Free Consumer is connected, and is revised annually in accordance with inflation and the investments made by the distributor in the previous year for maintenance and expansion of its network. The amount is: the quantity of energy contracted with the distribution concession holder for each link point, in kW, multiplied by a tariff in R$/kW set by Aneel.

Volt: Unit of the electrical potential at which energy is supplied.

Voltage: For the purposes of efficient transport of electrical energy over transmission lines from the generating plant to the consumer, there are various levels of transmission voltage. Similarly, electricity is used by consumers at various different voltage levels.

Watt (W): Unit of power required for a device to operate. 1,000 watts is a kilowatt (kW), 1 million watt is a Megawatt (MW), and 1 billion watts is a Gigawatt (GW).

Watt-hour: Measure of energy (work done by electric power): The kilowatt hour, Megawatt hour, Gigawatt hour and Terawatt hour (KWh, MWh, GWh, TWh) respectively represent 1,000, 1 million, 1 billion and 1 trillion watt-hours.