



A Melhor Energia do Brasil.

Successful Strategy

Performance reflects balanced portfolio structure

October 2009



Disclaimer



Some statements in this presentation are forward-looking statements within the meaning of the US Securities Acts and are subject to risks and uncertainties. Forward looking statements are forecasts that may differ from the final numbers and are not under our control. For a discussion of the risks and uncertainties as they relate to the Company, please refer to our Form 20F of 2008, and in particular Item 3, containing “Basic Information – Risk Factors”.

All figures are in BR GAAP.



Brazil's Leading Power Utility



Integrated
Utility in
Brazil

#1

Growth in
EBITDA
2003-08

+100%

Market cap
of US\$ 9.4B*

#3

Role in
industry

**Leading
consolidator**

* As of October 16th 2009

Cemig: Strength in Numbers



Number of generating plants

66

Total installed capacity

6,708 MW

Locations in Minas Gerais State

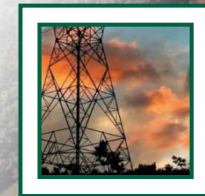
5,415

Size of concession area vs. France

Larger

Distribution lines

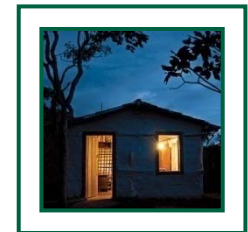
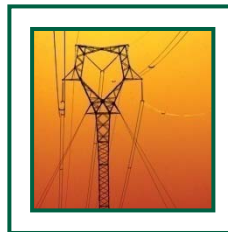
460,675 km



Cemig at a Glance



- Based in State of Minas Gerais, controlling shareholder
 - growing throughout Brazil and Chile
- Strong financial profile 2008⁽¹⁾
 - Net revenues: R\$ 10.9B
 - EBITDA: R\$ 4.1B
- Highest liquidity in sector
 - listed on 3 stock exchanges: New York, São Paulo, Madrid
 - 121,000 shareholders in >46 countries
 - Daily Trading:
 - R\$60M in Bovespa
 - \$30M in NYSE
- Solid dividend policy
 - 50% payout ratio
- Strong growth outlook
 - repricing of energy contracts



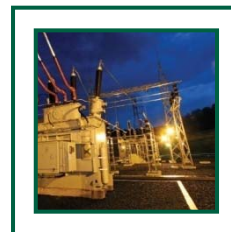
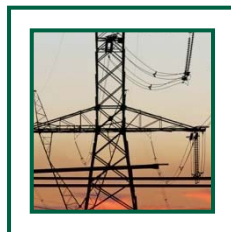
The Cemig Story – Agenda



The positioning

The performance

The growth



Cemig is Uniquely Positioned

1 The Brazil advantage

2 Unmatched scale

3 Diversified portfolio

4 Leader in renewable energy

5 Strong governance

An Emerging Powerhouse Economy



Latin America economy

#1

Ranking of economy in world

#10

GDP 2008

R\$2.9T

GDP growth 2010 forecast

4.5%

Population

191M

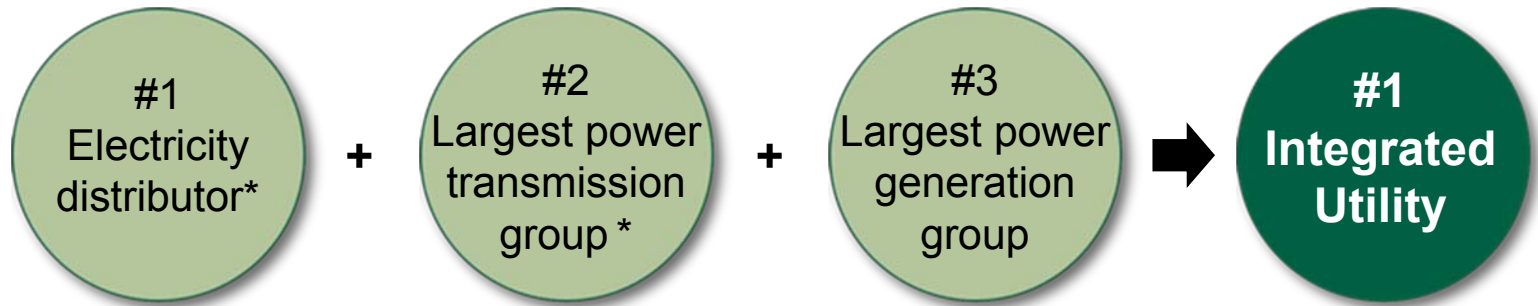
Power industry revenue - 2008











>R\$137B

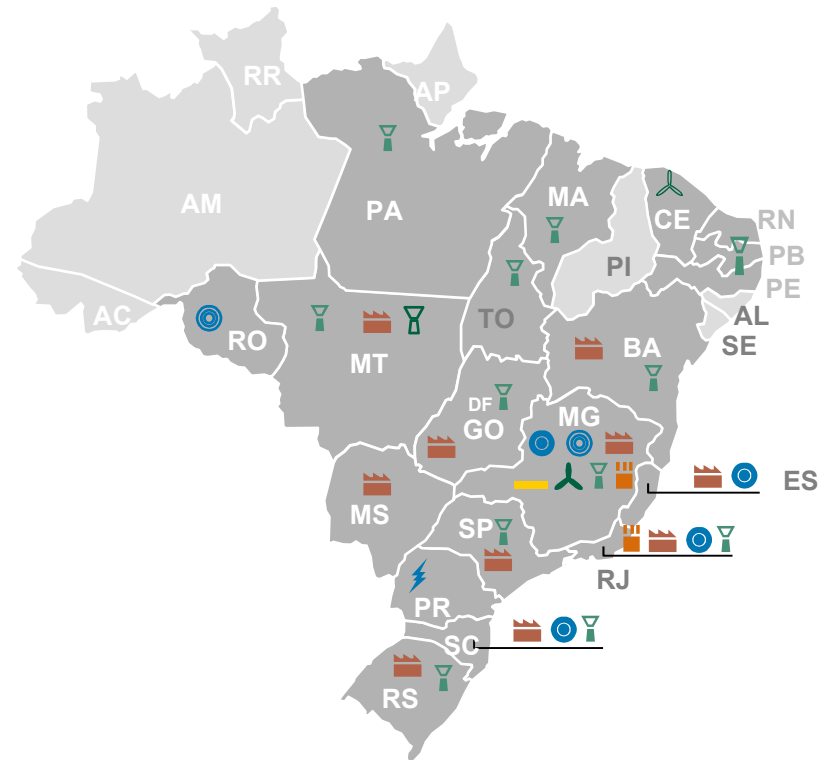
Investment grade



Largest Integrated Utility in Brazil



-  Generation
-  Generation (under construction)
-  Transmission
-  Transmission (under construction)
-  Distribution
-  Cemig "Free Consumer" Clients
-  Purchase of Energy
-  Wind Generation
-  Wind Generation (under construction)
-  Gas Distribution

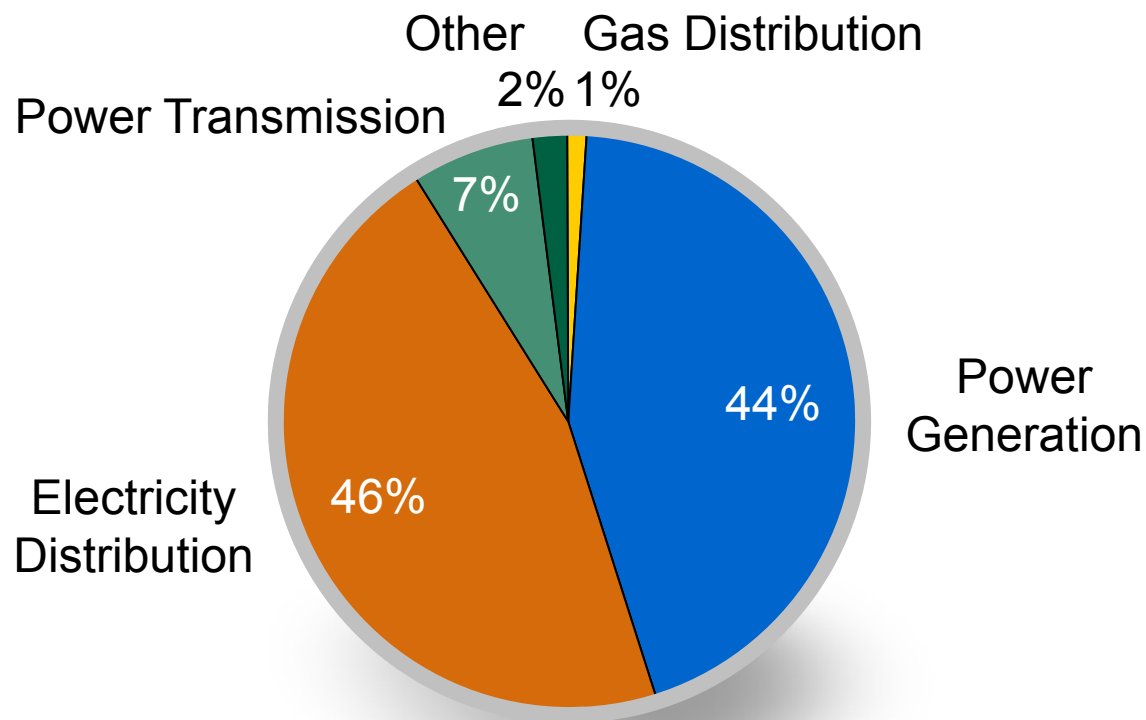


* in terms of Network Length

Diversified, Low Risk Business Portfolio



Breakdown of EBITDA (2008)

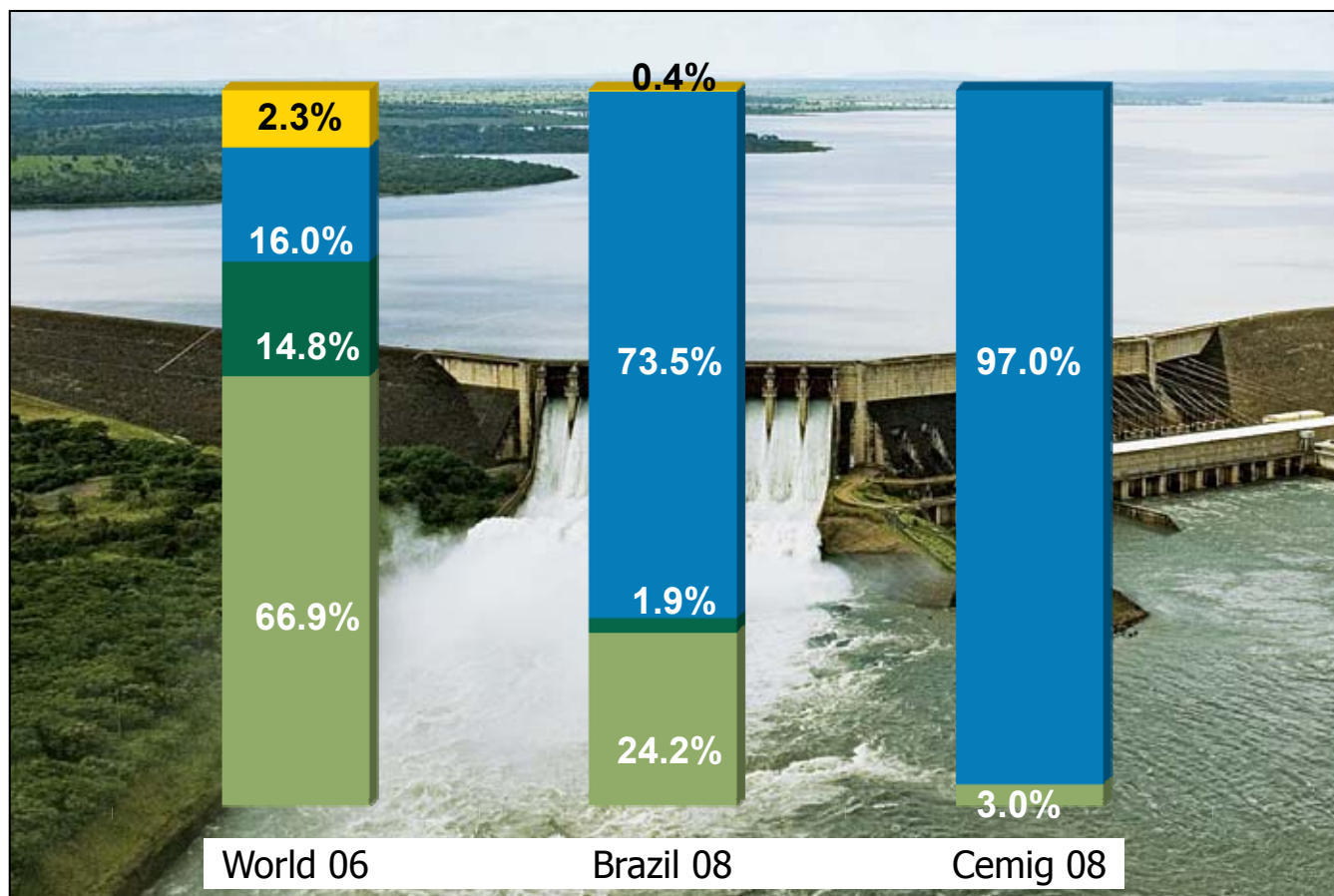


Most of revenues are inflation protected

Leader in Renewable Hydro Energy



Generation by Source



■ Fossil Source Fuels ■ Nuclear ■ Hydro ■ Others

Best-in-Class Corporate Governance



- ✓ Minas Gerais, controlling shareholder – a positive influence
 - one of fastest growing, investor-friendly states in Brazil
 - growth and profitability interest aligned with minority shareholders

- ✓ Pro-market corporate bylaws include
 - minimum 50% dividend payout
 - Capex limited to 40% of EBITDA
 - Net debt limited to 2.5x EBITDA
 - Net debt limited to 50% of total net capitalization

- ✓ Leader in sustainability
 - only Latin American utility company in DJSI since 1999



**Dow Jones
Sustainability Indexes**
Member 2009/10



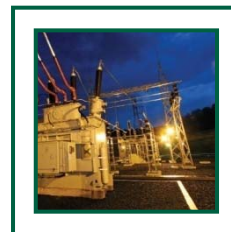
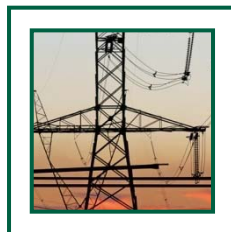
The Cemig Story – Agenda



The positioning

The performance

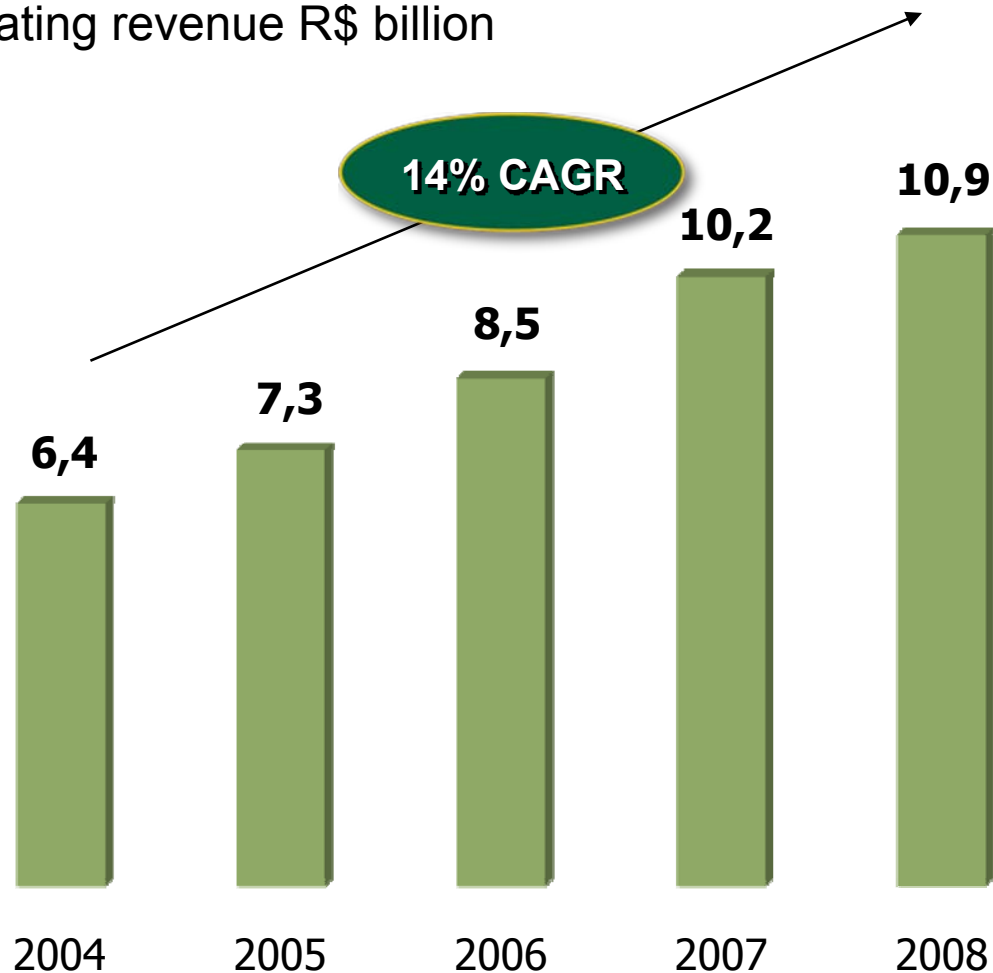
The growth



Strong Revenue Growth



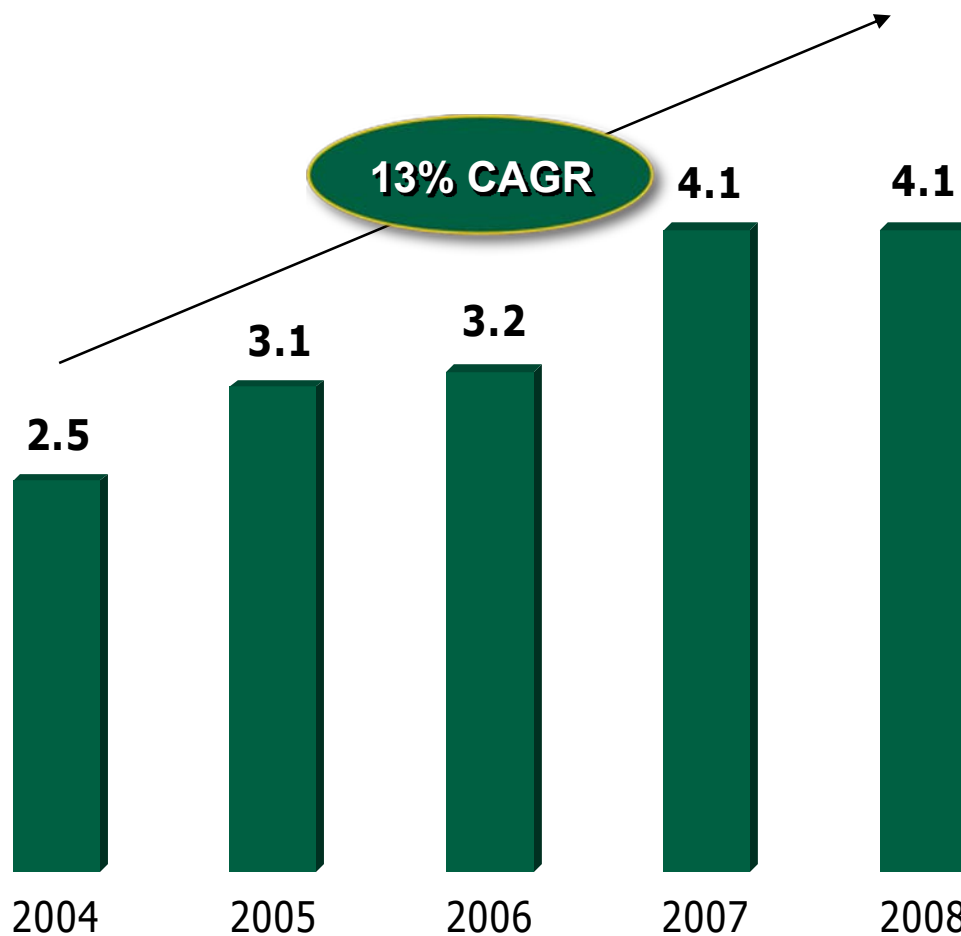
Net operating revenue R\$ billion



Similar Growth in EBITDA



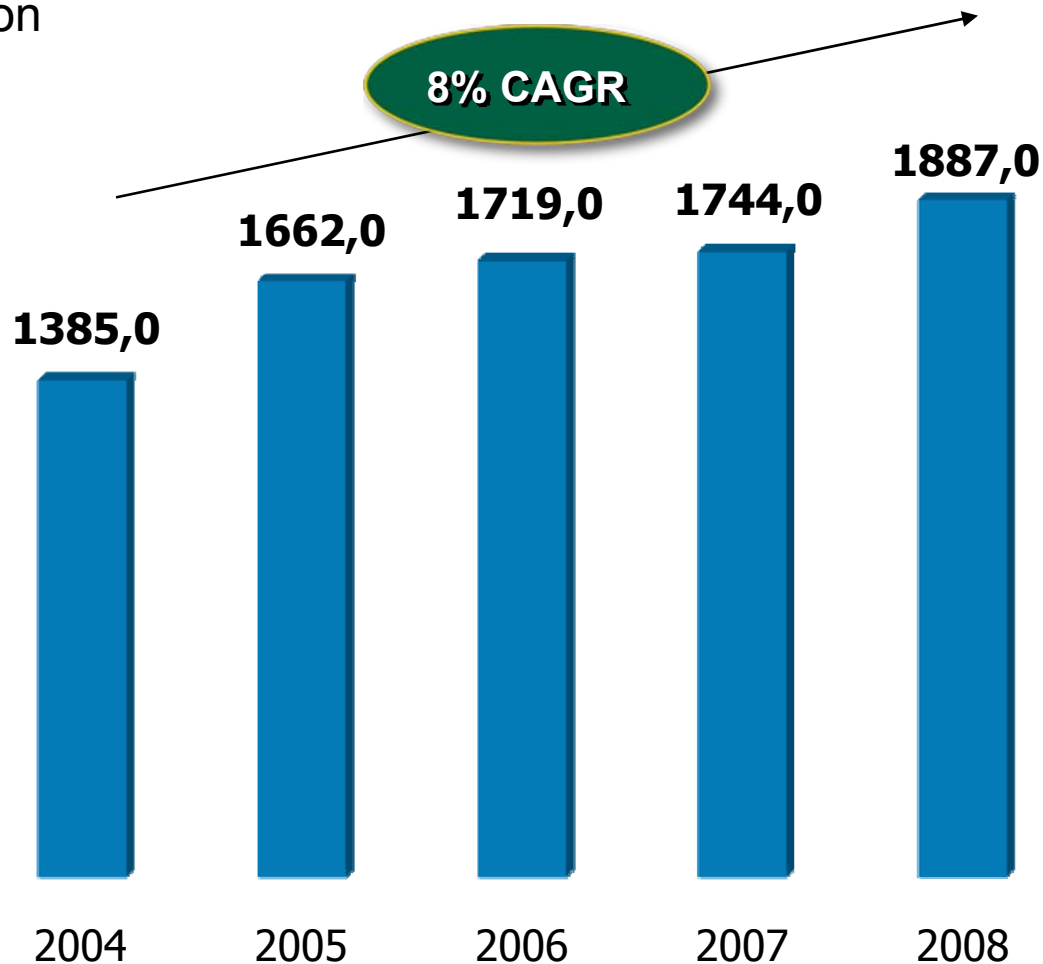
R\$ billion



Net Income Continues to Expand



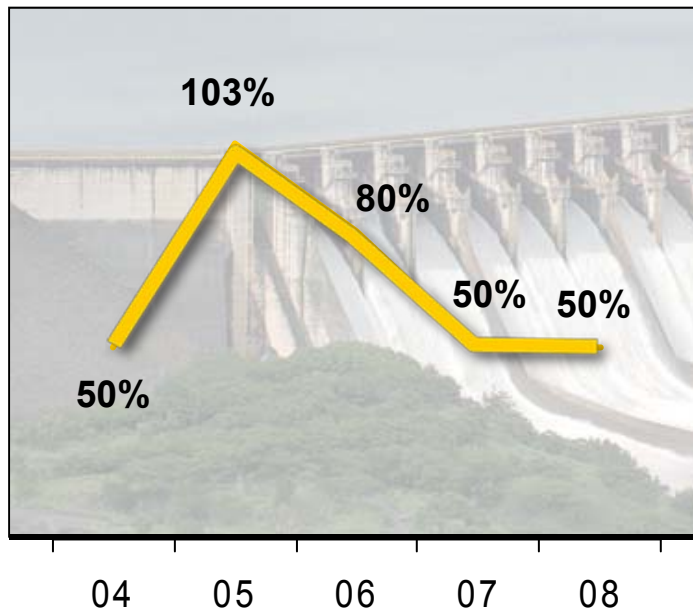
R\$ million



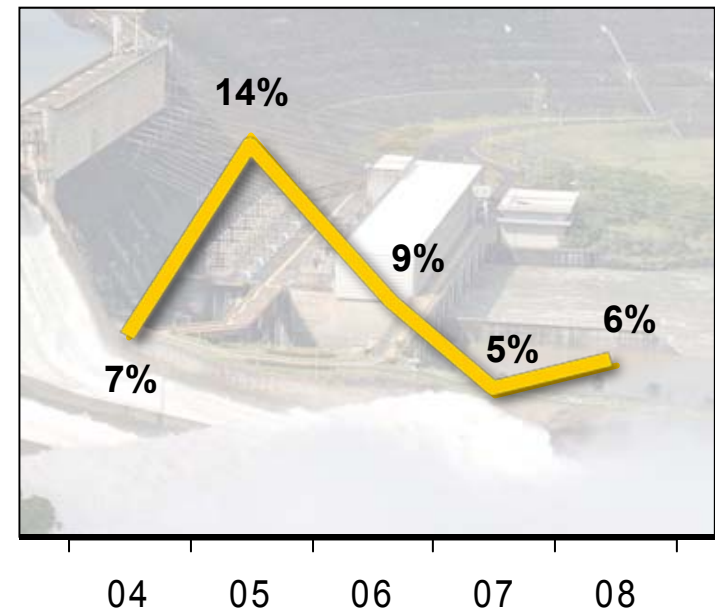
Attractive and Secure Dividend Payout



Dividend Payout
(% of Net Income)



Dividend Yield
(%)



Strong Balance Sheet to Support Growth



(June 30th, 2009)

Net debt to EBITDA

1.4X

Debt in foreign currency^(*)

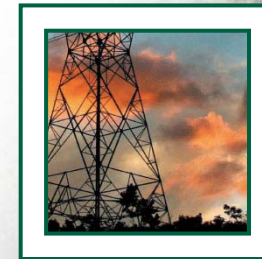
3%

Cash on hand

R\$ 2.2B

Net Revenue 2008

R\$ 11B

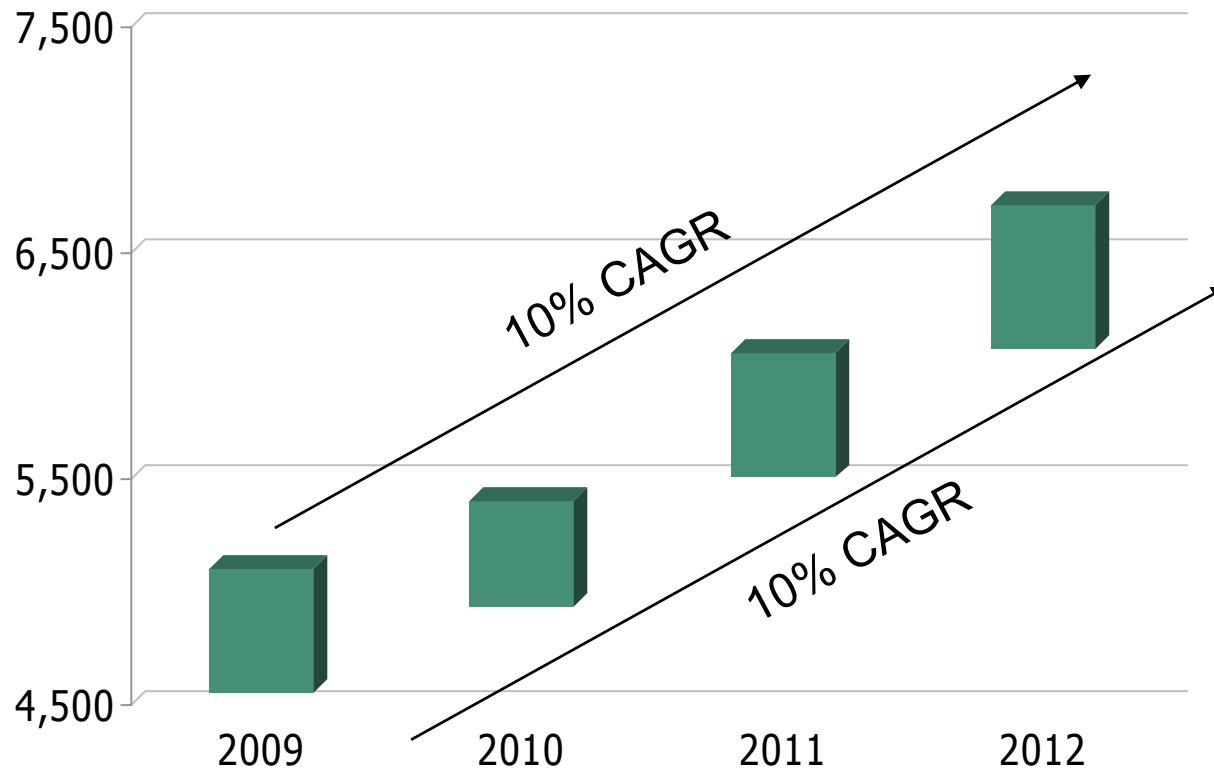


*Net of financial hedging

Growth Set to Continue



EBITDA guidance 2009-2012 R\$ million
(upper + lower limits of range)



Constant currency as of June 2009

Existing assets

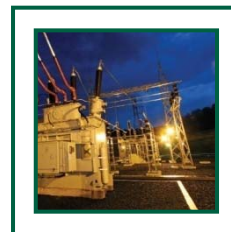
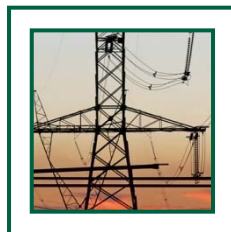
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The growth

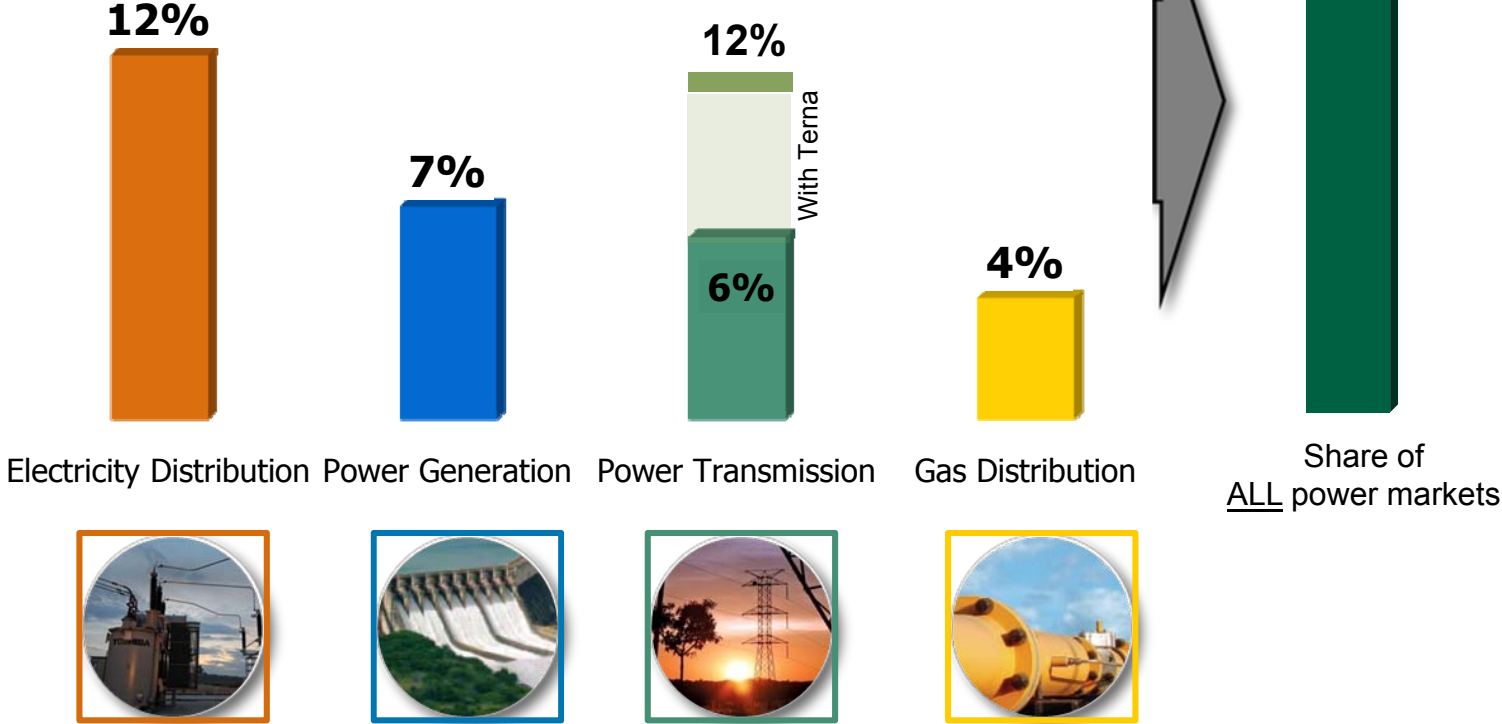


Clear Long Term Goals



Current Share of Brazil Markets

Long Term Goal 20%



Growth Drivers

1

Geographic expansion



2

Leverage price increases



3

Improve operating efficiency



Geographic Expansion



Geographic focus

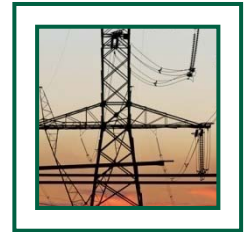
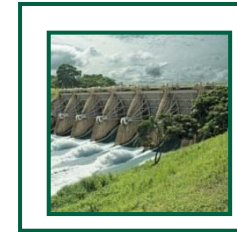
- Within Brazil and selected international investments

Business focus

- Businesses we know – power generation and transmission, electricity distribution, gas

Type of investments

- Acquisitions – main driver of short term growth
- Greenfield projects – vehicle for long term growth



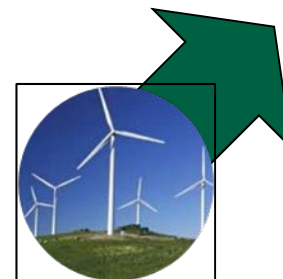
Disciplined investment criteria

Record of Successful Acquisitions



Disciplined Approach

- Record of 5 acquisitions in last 5 years totaling R\$ 4.9B (excluding debt)



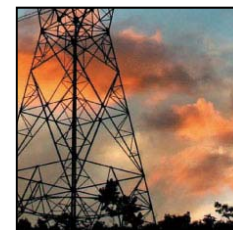
Case Study: Light

- Acquired 25% stake for R\$ 172M in 2006
- Full payback in 2 years



Case Study: TBE

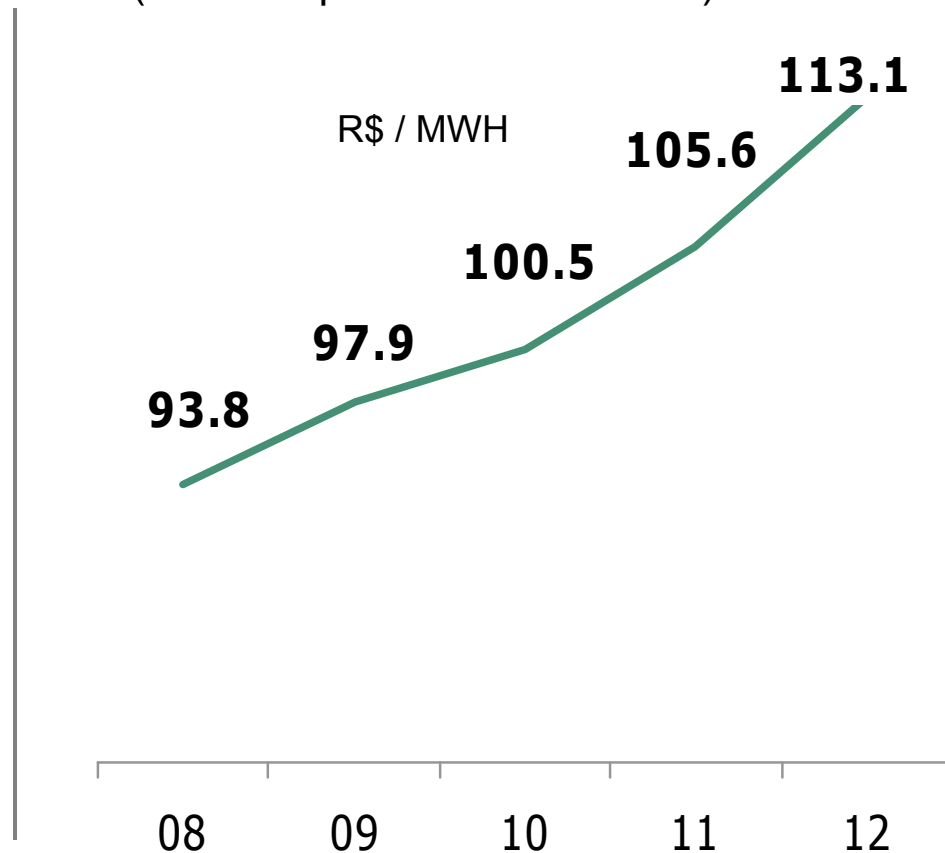
- Acquired TBE stake for R\$ 348M in 2006
- Cemig successfully concluded increase of stake in TBE: R\$ 500M in 2009
- Return >13% real, 91% EBITDA margin



Re-Pricing of Power Sales Contracts (*)



Cemig Pricing Guidance
(constant prices as of June 09)



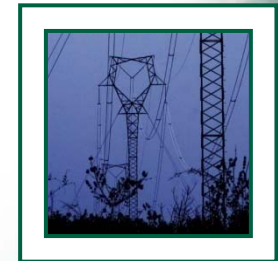
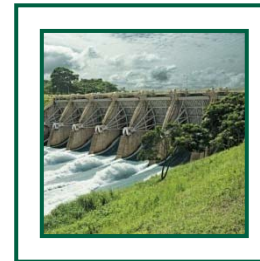
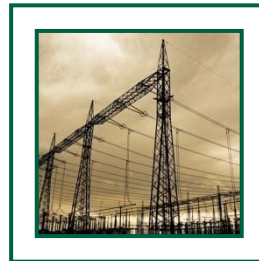
- Large upside beyond 2010

(*) Cemig Geração e Transmissão

Continually Improving Operating Efficiencies



- Continuous technological improvement
- Cost reduction program
 - 150 cost cutting initiatives
 - target R\$ 200M / year
 - Voluntary Retirement Programs:
 - From 2008 to 2011: 1,500 employees



Clear Priorities for 2009 – 2010



Priorities

- 1 Execute cost reductions
- 2 Integrate Terna acquisition
- 3 Participate in green fields
- 4 Select new acquisitions

Why Invest in Cemig



Leading power utility in Brazil

Strong Dividend Policy

Consistent profitable track record

Expanding footprint in Latin America

Powerful drivers fueling growth

World Leader in Sustainability



A Melhor Energia do Brasil.

Investor Relations

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Website: <http://ri.cemig.com.br>

