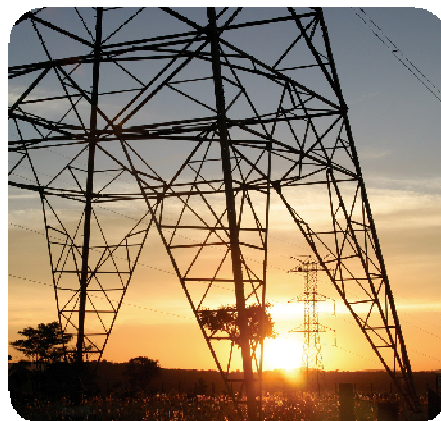
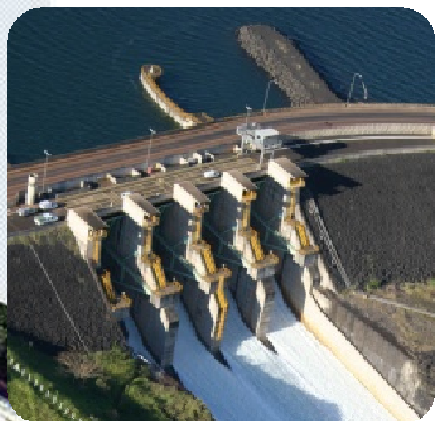


# Successful Strategy



Performance reflects balanced portfolio structure



July 2010

# 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 2009 and 2009, and in particular Item 3, containing “Basic Information – Risk Factors”.

All figures are in BR GAAP.



# The Cemig Story – Agenda

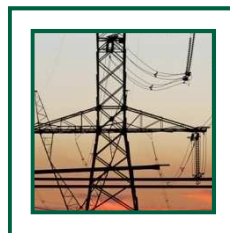


Overview

Key Highlights

Ownership & Growth Strategy

Business Opportunities



# Brazilian GDP growth is driven by domestic market



## Economics



- Largest Latin America economy
- 10th largest world economy
- GDP (2009): US\$ 1.57 trillion (-0.2%) \*
- Inhabitants: 192 million
- Area: 8.5 million km<sup>2</sup>
- Currency<sup>(1)</sup>: Reais (BRL) – US\$1 = R\$ 1.75
- Reserves<sup>(1)</sup>: US\$ 239 billion

## Investment Grade (S&P, Fitch and Moody's)

### Electric Power Industry

- Power Generation
  - ✓ Installed Capacity: 104 GW
  - 78% Hydro; 13% Thermal; 2% Nuclear; 7% Renewable/Alternative Energy Sources
- Power Transmission
  - ✓ National Network: 102,000 km
  - ✓ Peak Demand in 2009: 64.04 GWh/h
- Electricity Distribution
  - ✓ Energy Consumption: 388,204 GWh
  - 43% industries and 26% householders
  - ✓ 99% penetration countrywide
  - ✓ More than 50% of South America
  - ✓ Peak Demand comparable to UK

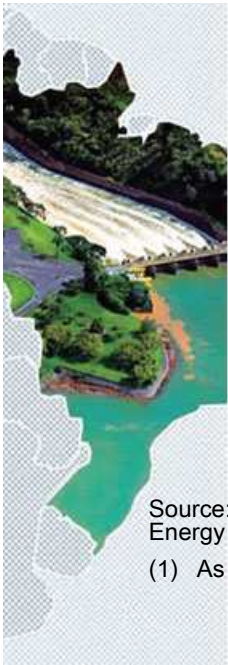
## Economic Development Acceleration Plan – Second Phase (PAC 2)

- Federal plan to invest US\$ 545 billion in the period of 2011-2014
- Electric Power Generation: US\$ 65 billion
- Electric Power Transmission: US\$ 15 billion
- Renewable Fuel projects<sup>(2)</sup>: US\$ 571 million
- Energy Efficiency: R\$ 628 million

(2) 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).

(1) As of December 31, 2009, (\*) Forecast



# Cemig: Brazil's Leading Power Utility



Integrated  
Utility in  
Brazil

**#1**

Growth in  
EBITDA  
2004-09

**+90%**

Market cap  
of US\$  
9.4B<sup>(1)</sup>

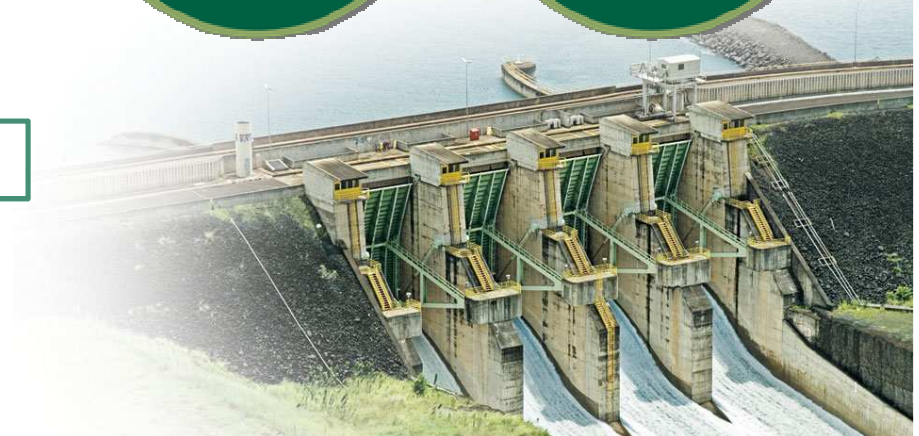
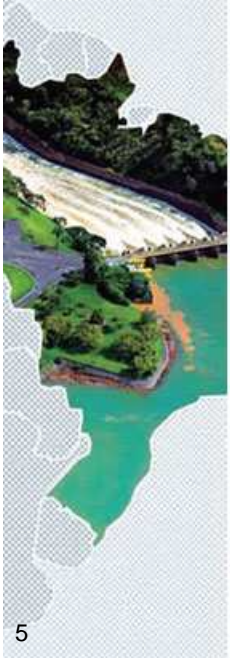
**#3<sup>(2)</sup>**

Role in  
industry

**Leading  
consolidator**

In the Power Industry since 1952

- (1) As of May 12<sup>th</sup> 2010
- (2) In the Power Industry



# Keys to our Success

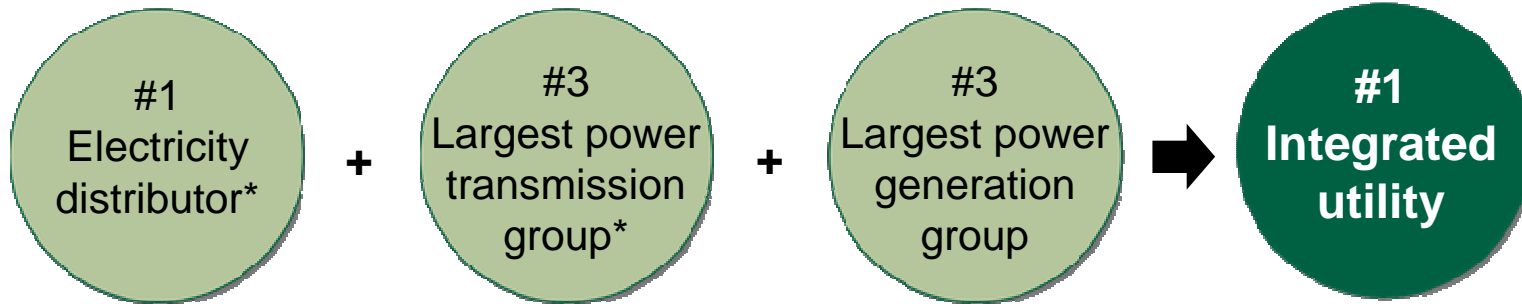
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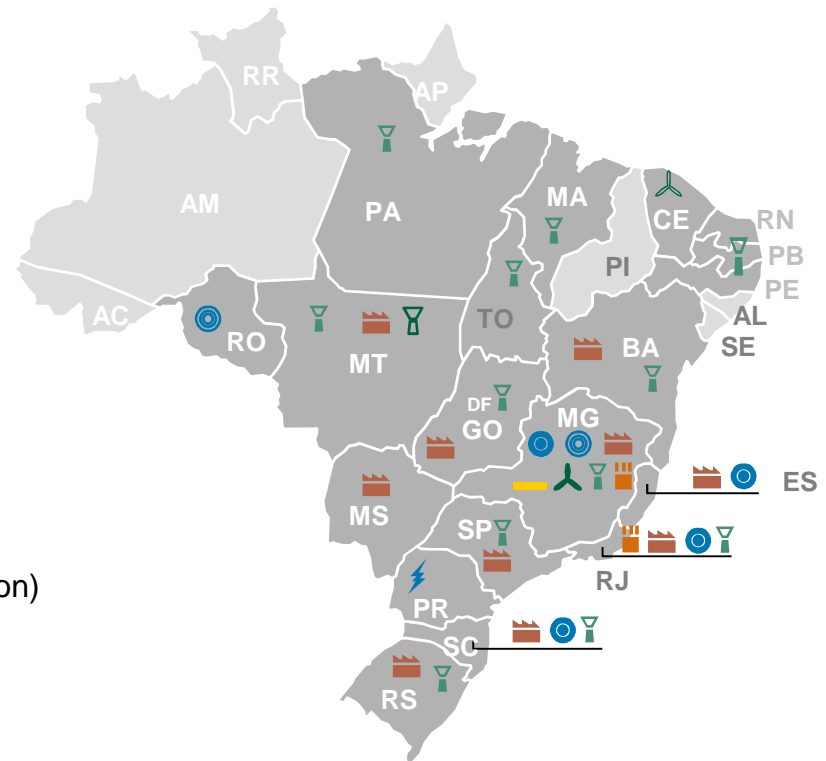
## Strategic overview

- Unchanged business focus
- Low-risk business model
- Pursue financial strength
- Careful evaluation of non-regulated business opportunities
- Highest standards of Corporate Governance and integrity

# 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



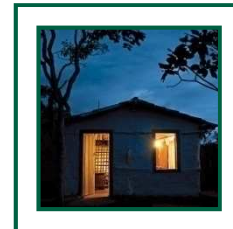
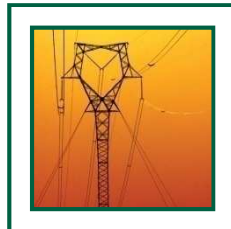
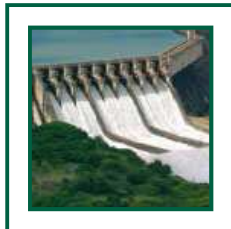
\* in terms of length of lines



# Cemig at a Glance



- Based in State of Minas Gerais, controlling shareholder
  - growing throughout Brazil and Chile
- Strong financial profile 2009
  - Net revenues: R\$ 11.7B
  - EBITDA: R\$ 4B
- Highest liquidity in sector
  - listed on 3 stock exchanges New York, São Paulo, Madrid
  - >117,000 shareholders in more than 44 countries
  - Average Daily Trading 2Q2010:
    - R\$42M in Bovespa
    - US\$36M in NYSE
- Solid dividend policy
  - 50% payout ratio
- Strong Growth outlook in the long run
  - Acquisitions
  - Re-pricing of energy contracts

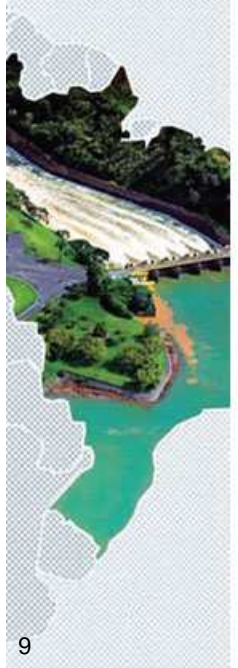
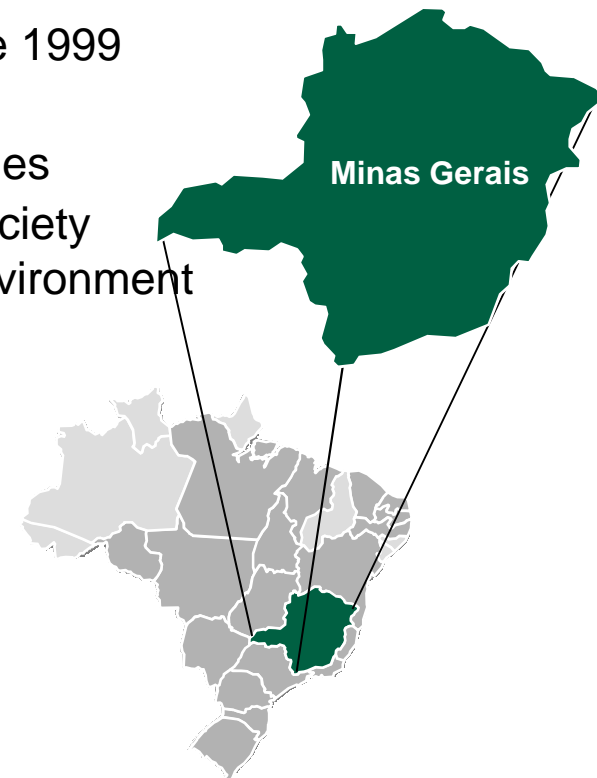




# Best-in-Class Corporate Governance and Sustainability



- Minas Gerais State, controlling shareholder
  - one of fastest growing, investor-friendly states in Brazil
  - growth and profitability objectives aligned with the minority shareholders'
  - 6 members from a total of 14 are appointed by minority shareholders
- Leader in sustainability
  - The only Latin American utility in DJSI since 1999
  - long-term commitment
  - to guarantee the preservation of our activities
  - prevent undue costs to be passed to the society through a balanced relationship with the environment and the community
- Present in the Global Dow Index



# Investment Policy to guarantee sustainable growth...

---



- Pillars of our policy:
  - Focus on electricity sector and related activities
  - Profitability: return compatible with each business
  - Partnerships with strategic investors: corporate governance
- Growth through new projects, long-term view
  - Opportunities in electricity generation and transmission
- Acquisition, driver for short-term growth
- Investment Criteria Selection:
  - Investment that add value to our shareholders
  - Continuous technological and operational improvement
  - Best management practices
- Ensure profitability (stated in the Bylaws):
  - Invest only in power generation, transmission and distribution and gas&oil projects that offer rates of return compatible with the risk of each business but higher than the one required by the Strategic Plan.
  - Operational expenses and revenues of electricity distribution companies, must be kept aligned to the tariff adjustments and reviews.

# Long Term Strategic Plan addresses sustainable growth...



- Enlarging focus on other geographic area, restricted to the power industry
  - Growth taking advantage of Brazil's economy growth
  - First steps towards international investment
  - Expansion in line with Brazilian regulatory limits and sustainable growth
  - Invest only in the power industry and gas distribution related business
- Addressing shareholders' long-term interests:
  - Dividend policy: minimum a 50% of net income payout and extraordinary dividends, provided cash availability (stated in the bylaws)
  - Corporate governance focused on transparency and respect of minority shareholders' interests
- Incorporation of our goals and commitments to our bylaws secures stability of the company's long-term planning
  - Capex limited to 40% of EBITDA:
  - Net Debt limited to 2x EBITDA (2.5 x with acquisitions)
  - Net Debt limited to 40% of Total Capitalization (50% with acquisitions)

# The Cemig Story – Agenda

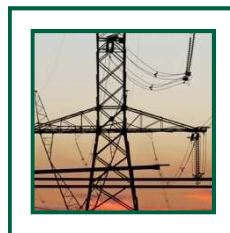


Cemig's Overview

Key Highlights

Ownership & Growth Strategy

Business Opportunities



# Key Highlights



**Generation**  
6,875 MW of capacity



**Free Customers**  
25% share



**Transmission**  
8,348 Km



**Retail**  
Largest distribution  
company



**Distribution**  
474,013 Km



# Power Generation Plants



## Installed Capacity (June/10)

Plant	Installed capacity (MW)	Efective Power (MW Average)
<b>Largest hydroelectric plants</b>		
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 (26%)	218	83
Others	901	701
<b>Total hydro-electric</b>	<b>6,661</b>	<b>4,135</b>
<b>Total thermal</b>	<b>185</b>	<b>83</b>
<b>Wind</b>	<b>29</b>	<b>13</b>
<b>Total</b>	<b>6,875</b>	<b>4,231</b>

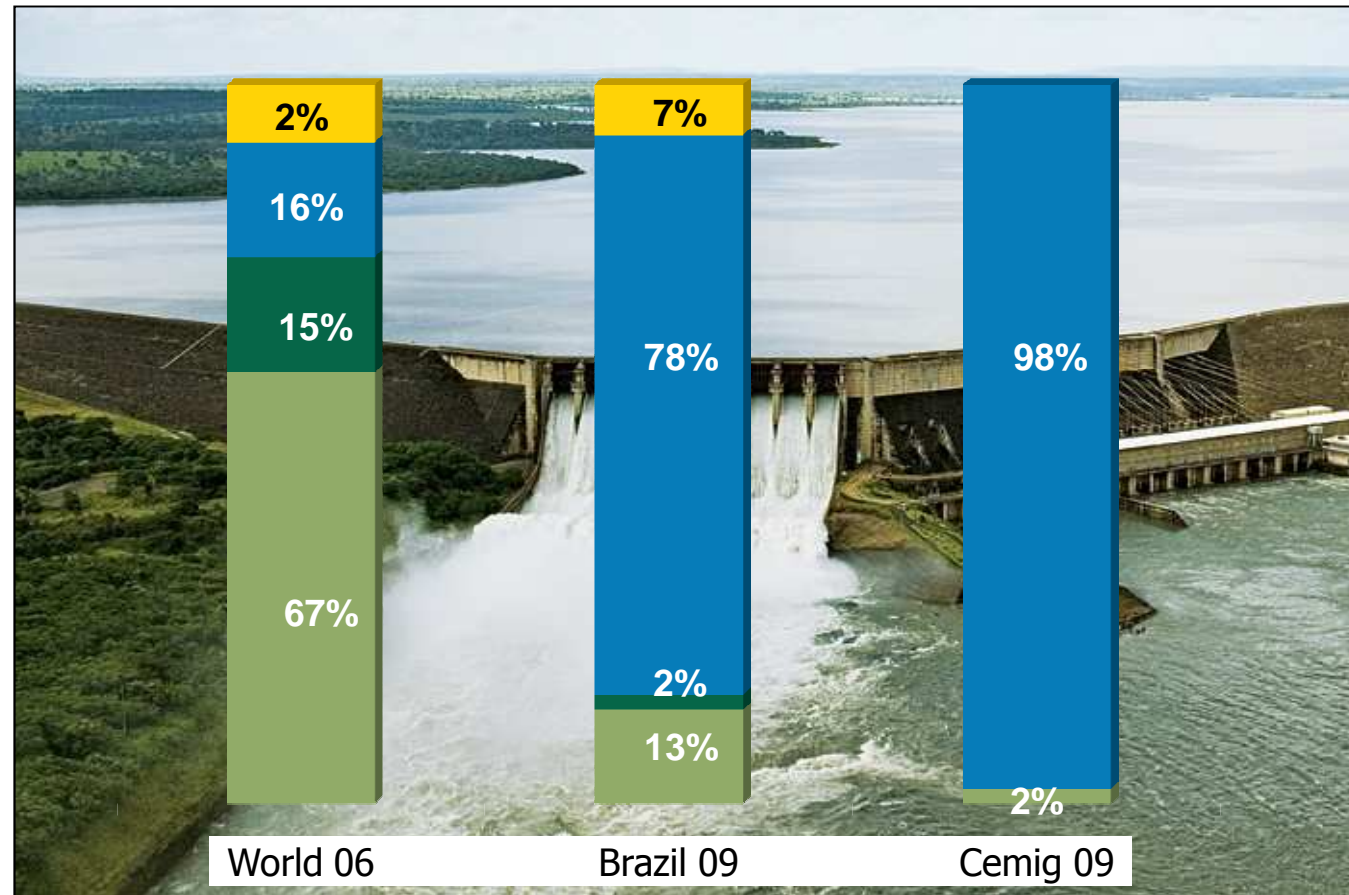
- Cemig stands as 7% of Brazil's generation capacity and supplies 25% of Brazil's free customers market



# Leader in Renewable Hydro Energy



## Power Generation by Source



■ Fossil Source Fuels   ■ Nuclear   ■ Hydro   ■ Others

# Power Transmission Facilities

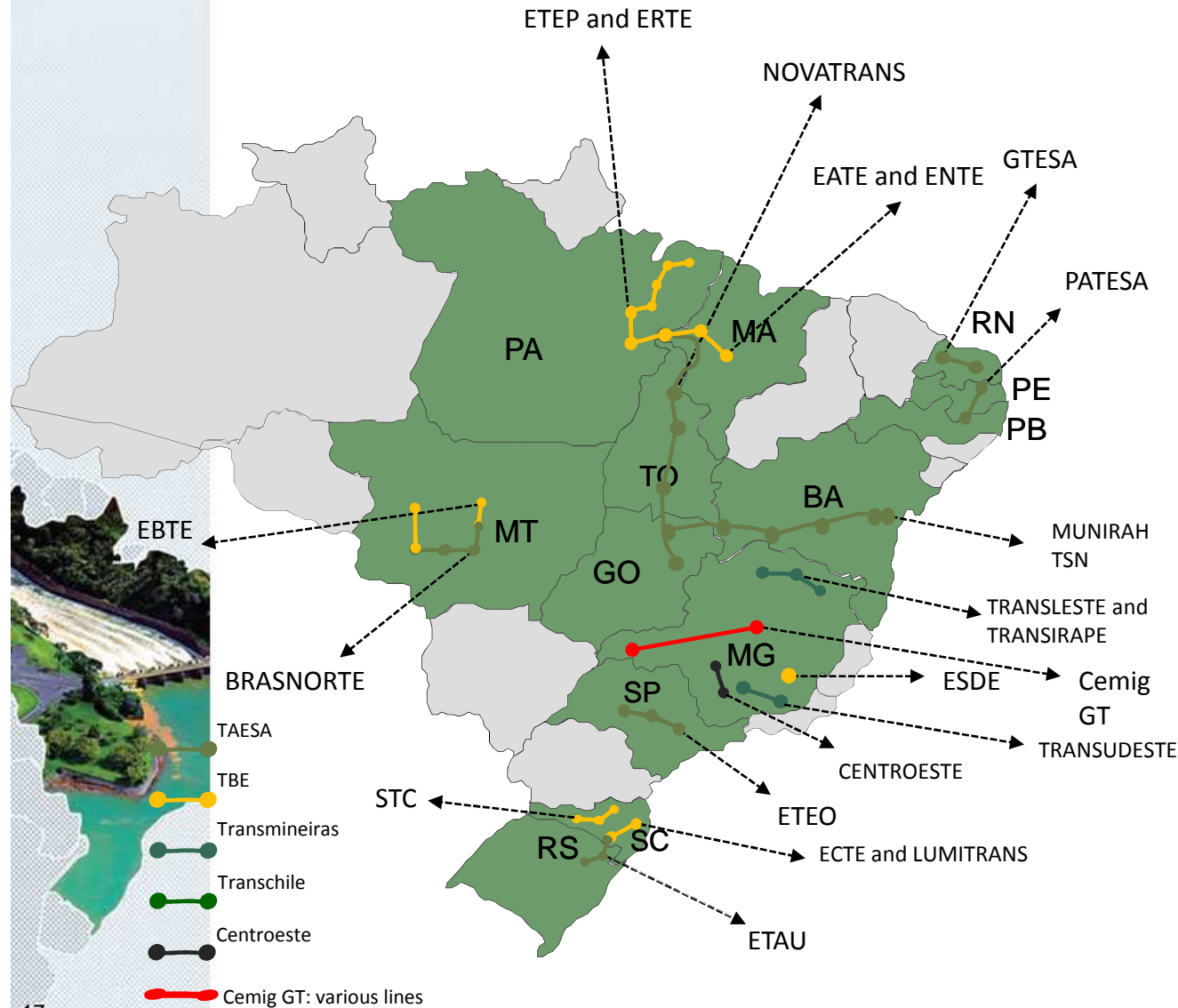


	2005	2006	2007	2008	2009	Jun/10
525-Kv lines	0	0	0	51	77	77
500-kV lines	2,165	2,592	2,488	2,788	3,594	4,192
345-kV lines	1,976	1,969	2,001	2,001	2,167	2,288
230-kV lines	751	803	824	915	1,668	1,791
Total	4,892	5,364	5,313	5,755	7,506	8,348

- Cemig stands for 10% of Brazil's market
- Investment in Chile: Charrúa – Nueva Temuco transmission line start-up in Jan. 2010:
  - 220 kV, 205 km



# Power Transmission: Present all over Brazil



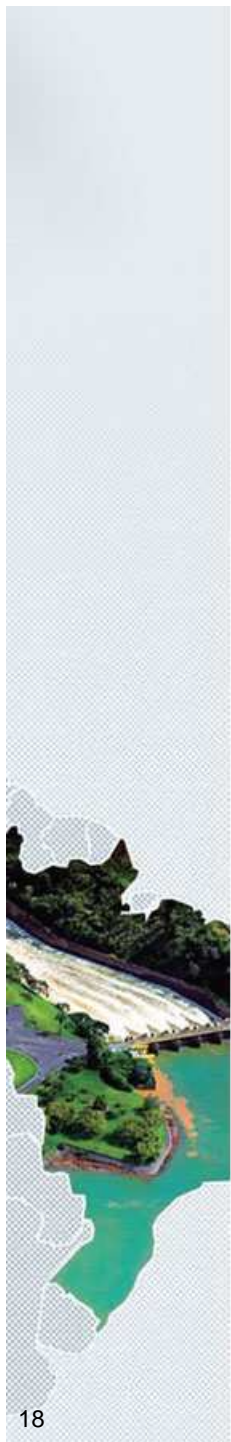
- ✓ Cemig is now Brazil's third largest transmission group:
- Total lines: 8,348 Km
- Consolidated Permitted Annual Revenue (RAP): R\$ 859 million, including Transchile
- Present in 13 States of Brazil and in Chile

# Electricity Distribution Network



All figures in km	2007	2008	2009	Jun/10
<b>SUB-TRANSMISSION</b>	16.676	16.810	16.959	17.213
161-kV lines	55	55	55	55
138-kV lines	11.145	11.254	11.442	11.695
69-kV lines	4.510	4.535	4.508	4.508
Lines below 69 kV	966	966	954	955
<b>DISTRIBUTION</b>	429.560	442.749	450.316	456.800
Urban Overhead lines	90.524	91.550	95.539	101.311
Urban Underground lines	1.049	1.380	1.432	2.144
Rural Overhead Lines	337.987	349.819	353.345	353.345
<b>TOTAL</b>	446.236	459.559	467.275	474.013

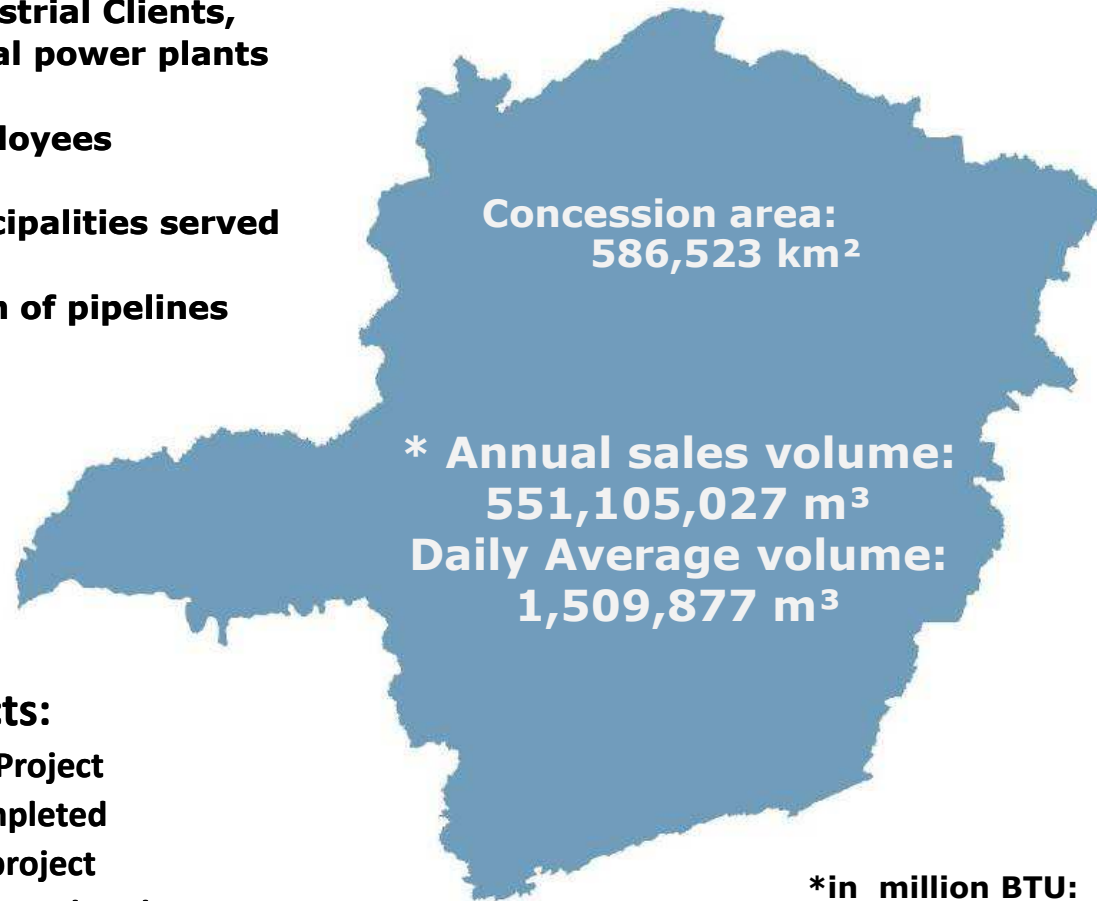
- Cemig stands for 12% of Brazil's installed capacity
- We are the largest distribution network as measured by either Km of lines and number of consumers



# Natural Gas Distribution - Gasmig



- ✓ **274 industrial Clients,  
2 Thermal power plants**
- ✓ **220 employees**
- ✓ **23 municipalities served**
- ✓ **695.3 km of pipelines**



## Major projects:

*Sul de Minas Project*

– Completed

*Vale do Aço project*

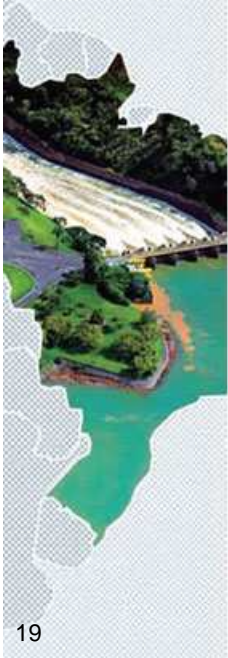
– 67% completed

\*in million BTU:

**11,345,639 MBTU/year**

**31,084 MBTU/day**

*Figures as of December 2009*



# Strong Balance Sheet to Support Growth



(March 31<sup>th</sup>, 2010)

Net debt to EBITDA

1.7X

Debt in foreign currency<sup>(\*)</sup>

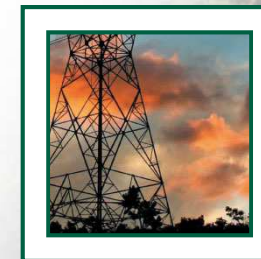
2%

Cash on hand

R\$4.5 B

Net Revenue 1Q2010

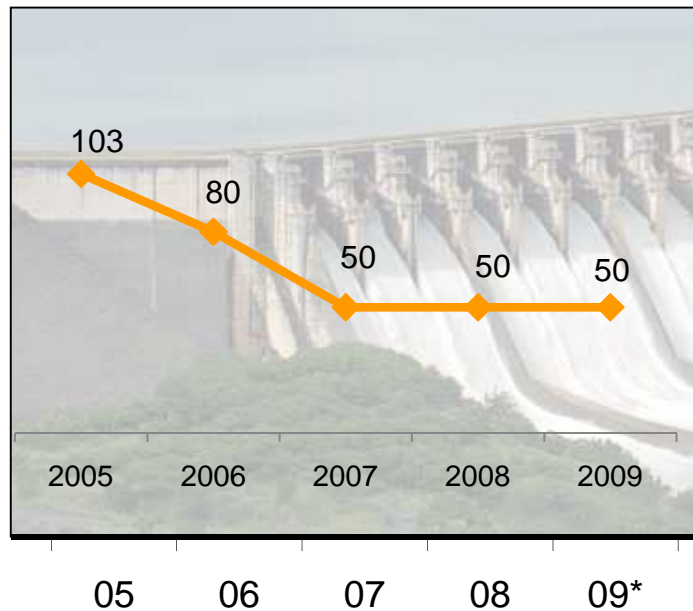
R\$ 2.9B



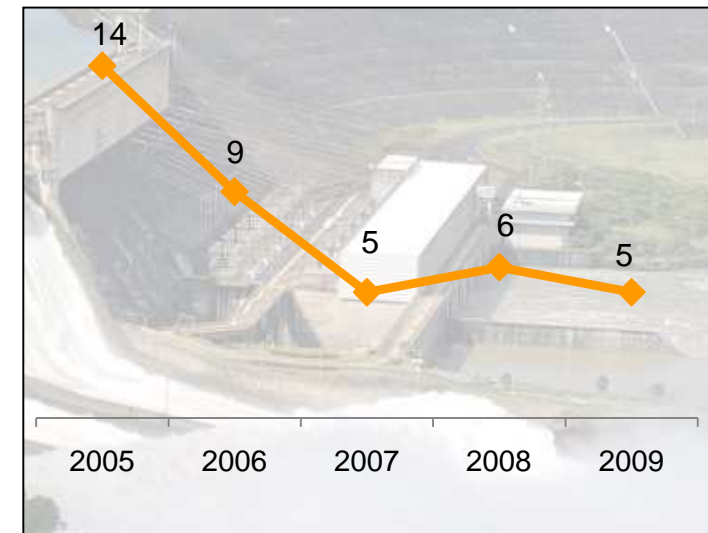
# Attractive and Secure Dividend Payout



Dividend Payout  
(% of Net Income)



Dividend Yield  
(%)

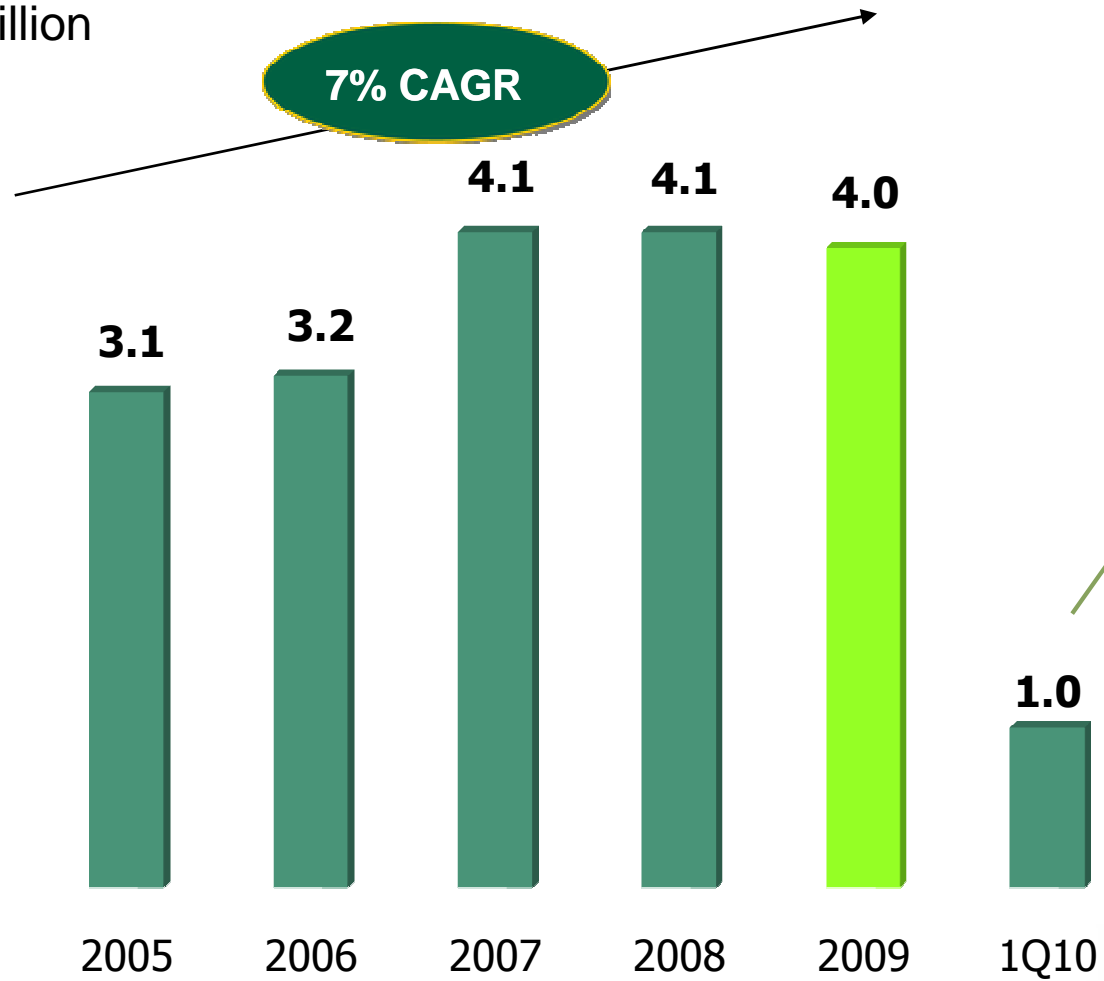


- Proposal for 2009 Net Income distribution was approved:
  - Dividends of R\$ 931 million
    - Dividends per share: R\$1.50
  - Stock Dividend of 10%

# Growth in EBITDA



R\$ billion



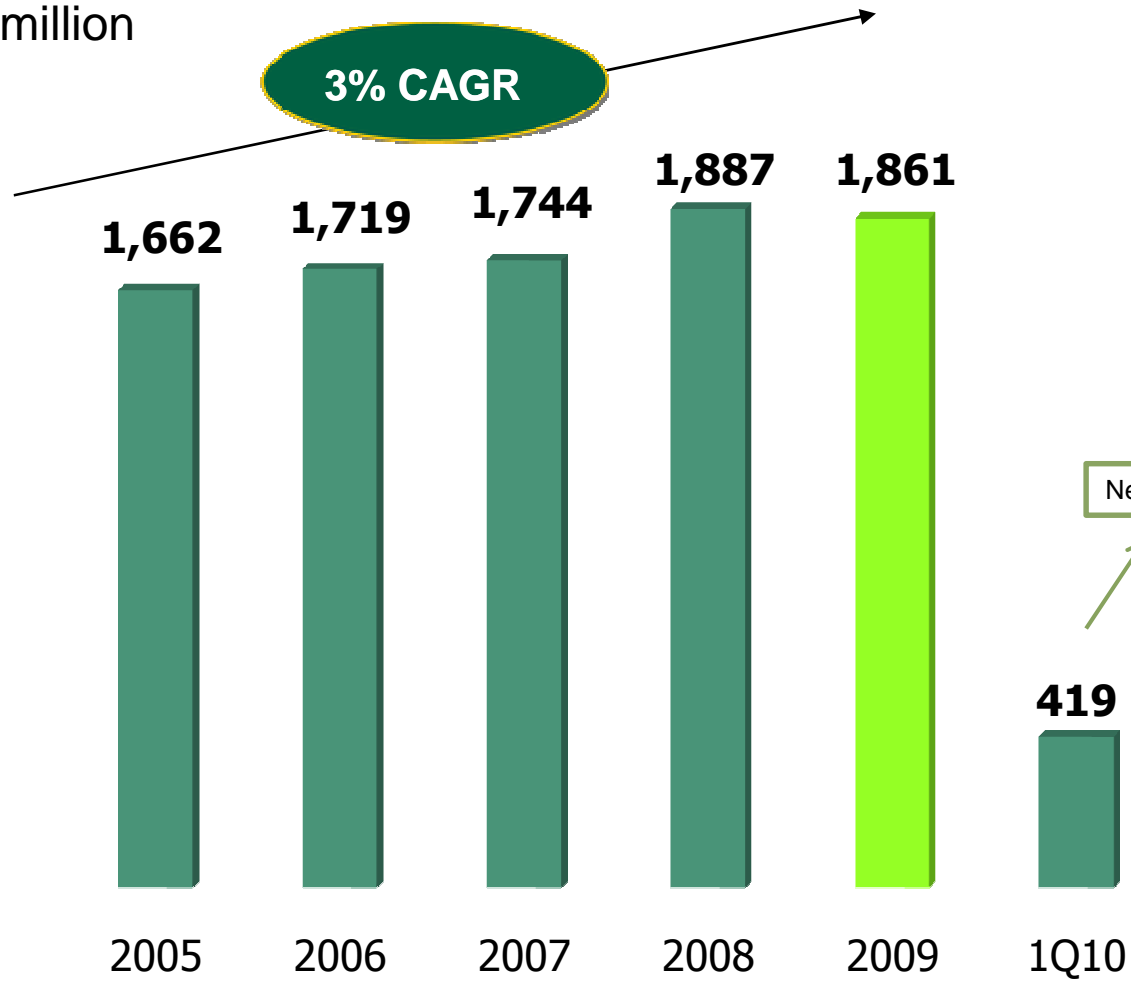
EBITDA Margin: 33%



# Net Income Continues to Expand



R\$ million



# Key Figures: Financial Highlights



Income Statement – consolidated (R\$ million)	1Q10	1Q09	Change %
Net Revenue	2,910	2,362	23%
EBITDA	950	781	22%
EBITDA Margin %	35	34	3%
Net Income	419	336	25%
Net Margin %	15	15	-

Balance Sheet – consolidated (R\$ million)	1Q10	2009
Cash and Cash Equivalents	4,495	4,425
Total Assets	30,050	28,866
Total Financial Debt	11,825	11,292
Shareholders' Equity	10,731	10,276
Net Debt (1)	7,330	6,868
Net debt / (stockholders' equity + net debt)	41%	40%

- ✓ Fundamentals remain solid
- ✓ Financial discipline
- ✓ Financial Management focused on long term

(1) Net Debt = Total Debt – Cash and Cash Equivalents



# The Cemig Story – Agenda



Cemig's overview

Key Highlights

Ownership & Growth Strategy

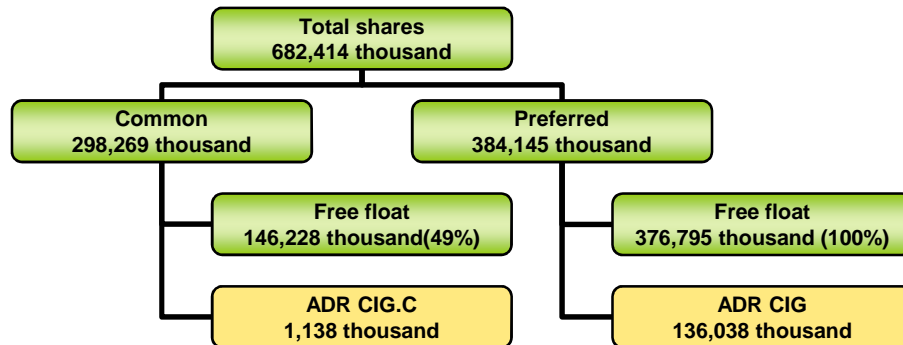
Business Opportunities



# The blend of shareholders provides long term perspective



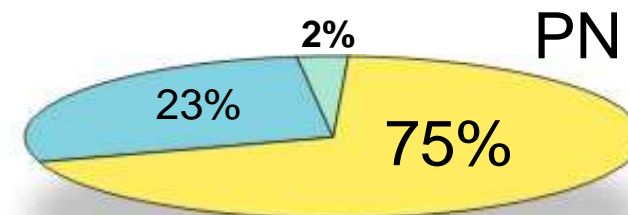
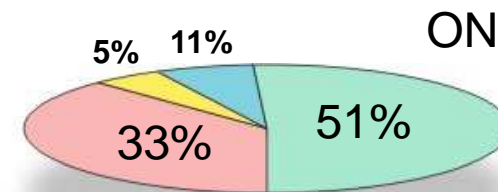
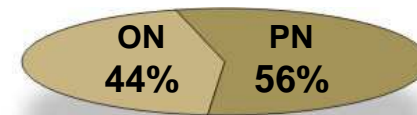
- Our shareholder diversity provides a global business management vision focused on sustainability of the company's activities
- Listed in major stock exchanges
  - BOVESPA (Brazil)
  - NYSE (USA)
  - LATIBEX (Spain)



Share nominal value = R\$5.00

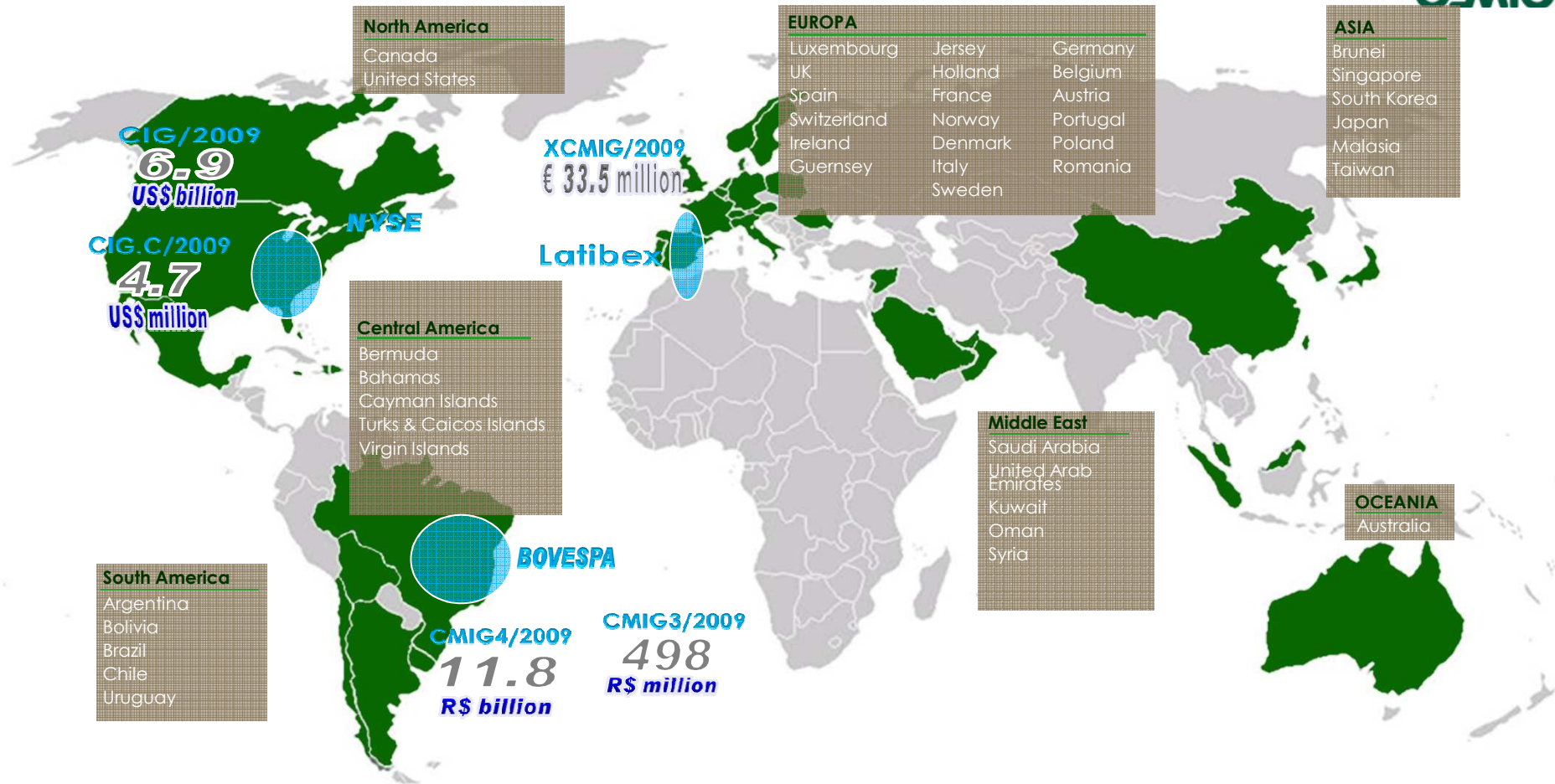
ADR outstanding approximately 20% of total shares  
1 ADR = 1 share in Bovespa

Total Shares



(\* ) Controlled by international investors

# Strong shareholders base assures liquidity

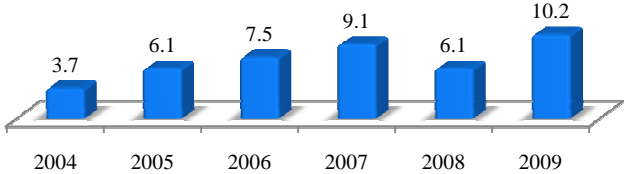


Average Daily Trading Volume – 2Q2010

**Bovespa:** R\$ 42 million  
**NYSE:** US\$ 36 million

- Our Shares are traded in 3 Stock Exchanges
- 117,000 shareholders over 44 countries

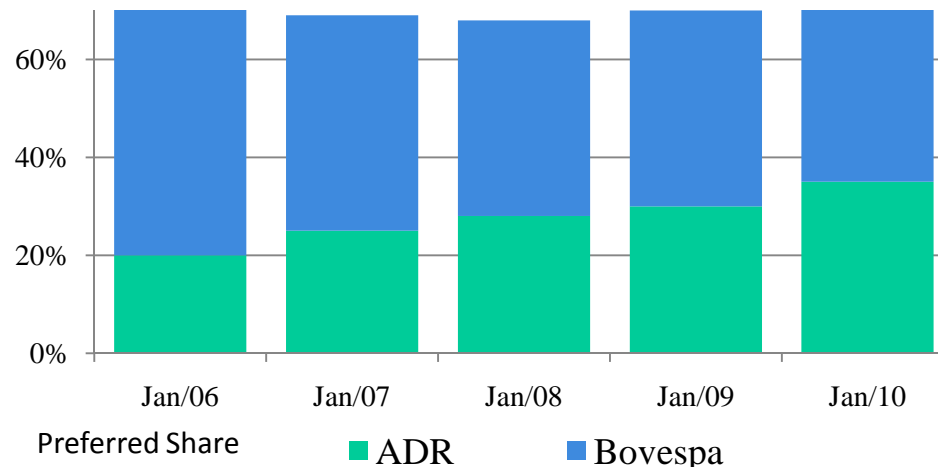
Market Capitalization (US\$Billion)



# Cemig: a global investment option



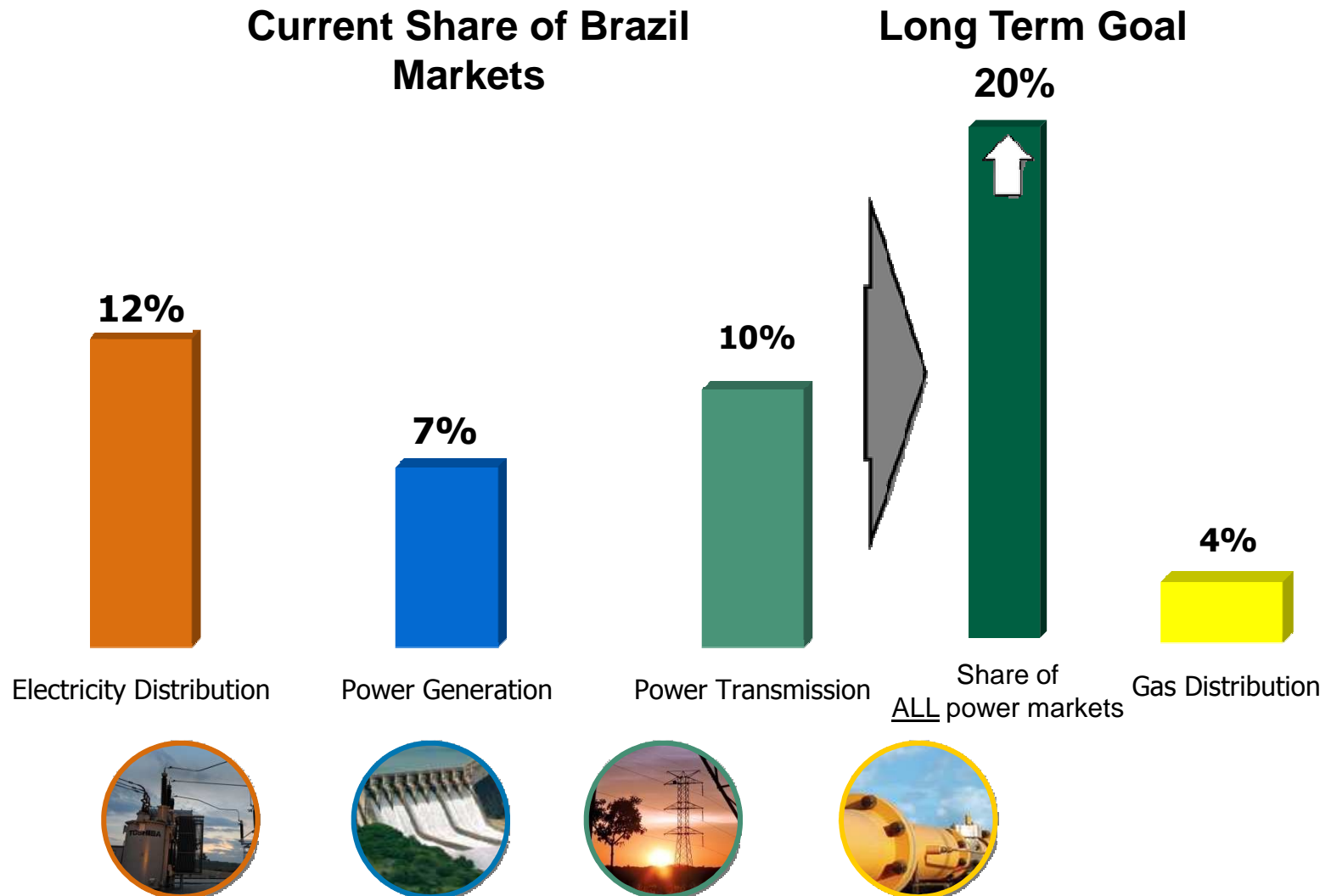
Non-Brazilian investors as % of free float\*



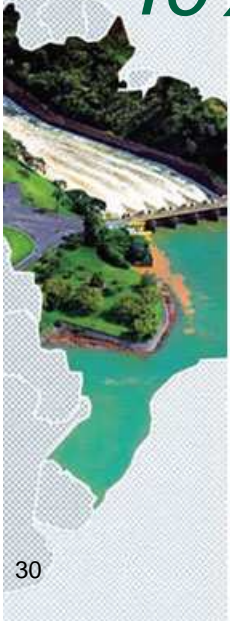
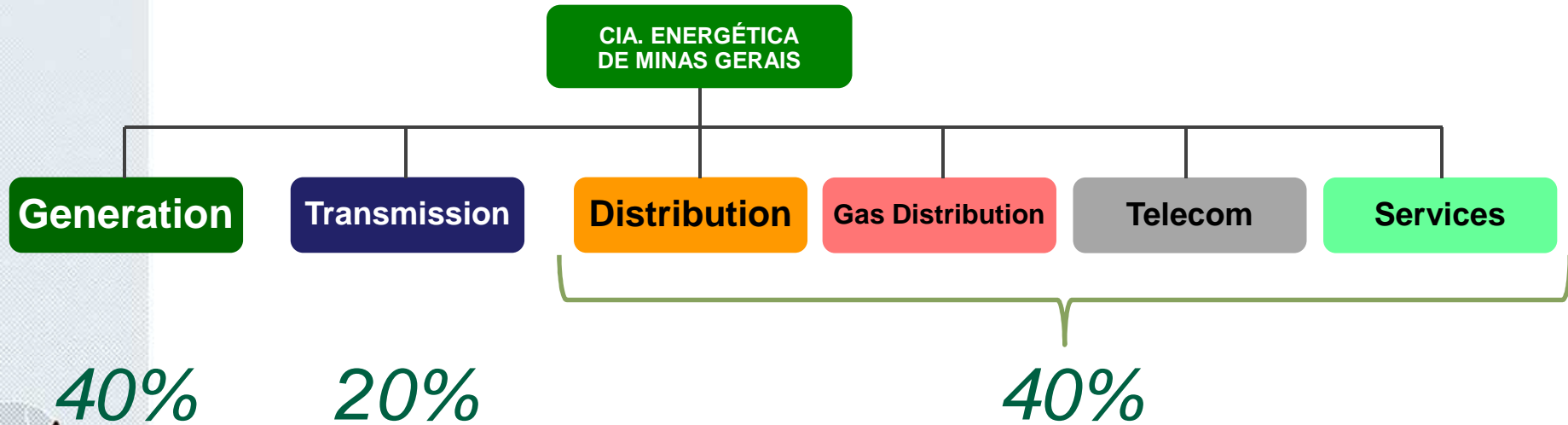
\* Free float = all shares in circulation except those held by the State of Minas Gerais and SEB.

- The percentage of non-Brazilian investors in Cemig's stockholding base is growing every year.
  - Cemig has shareholders in more than 44 countries
  - The percentage of investors holding ADRs has increased by more than 50% in 4 years
- Cemig is one of only 3 Brazilian companies, and the only Latin American utility, in the Global Dow Index.

# Clear Long Term Goals



# Target Ebitda breakdown by business in the long run



# Geographic Expansion



## Geographic focus

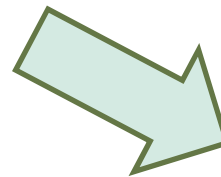
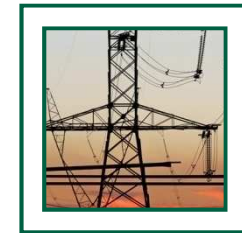
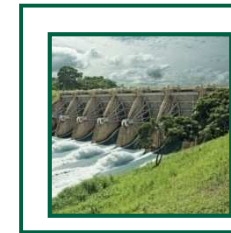
- Brazil as a priority and selected countries

## Business focus

- Businesses we have expertise : power generation and transmission, electricity distribution, gas

## Investments through :

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



Disciplined investment criteria



# The Cemig Story – Agenda

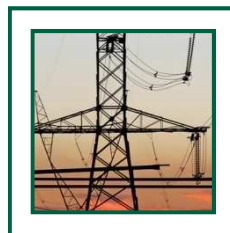


Cemig's overview

Key Highlights

Ownership & Growth Strategy

Business Opportunities





# Clear Priorities for 2010



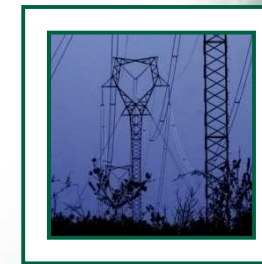
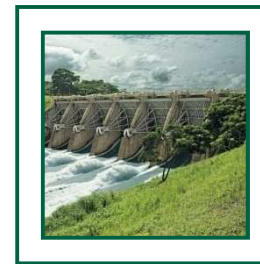
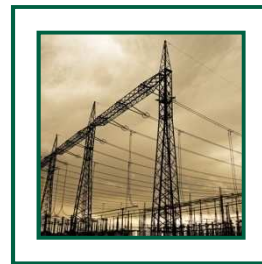
## Priorities

- 1 Enhance operating performance
- 2 Incorporating recently done acquisitions
- 3 Develop green field projects
- 4 Select new acquisition opportunities

# Continually Improving Operating Efficiencies

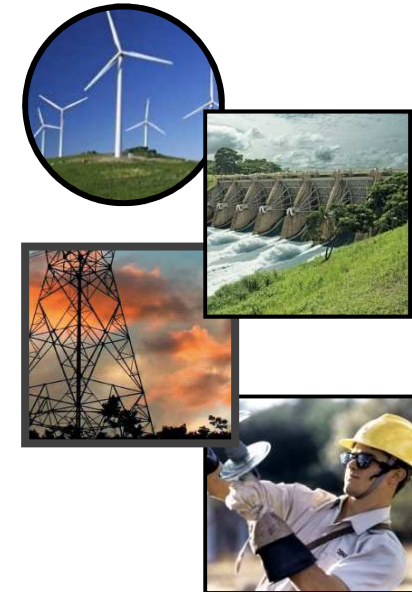


- Continuous technological improvement
- Cost reduction program
  - 135 cost cutting initiatives
  - Voluntary Retirement Programs:
    - From 2008 to 2011: 1,500 employees
  - Automatization, new processes
  - Centralization of activities
  - Expense reduction related to materials, services and other expenses

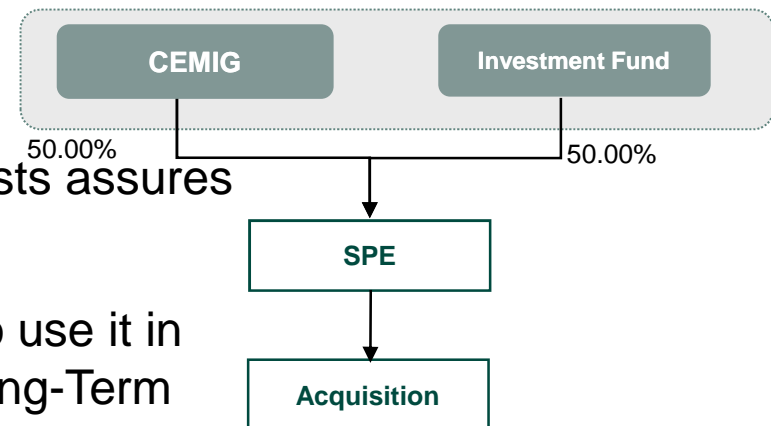


# Record of Successful Acquisitions

## Business Model for Growth



- Partnerships with Equity Investment Funds (FIPs) in recent acquisitions (Terna and Light) create a new growth driver
- Structuring of partnerships with FIPs produces a growth strategy that optimizes capital needs
- Attractive return to investors, at low risk
- Best-in-class Corporate Governance
  - Investors enter as financial partners and Cemig as operating partner
  - Possibility of increasing stake in the future
- Strategic positioning with minority or equal interests assures Cemig greater access to capital markets
- Innovative acquisition structure enables Cemig to use it in other expansion opportunities, aligned with its Long-Term Strategic Plan.



# Brazilian hydroelectric power generation potential

Situation as of June 2009, MW



*Amazon region:  
Estimated capacity to be developed is  
60% of the total available*

State	Operation & Construction	Estimated	Overall total
AC	-	1,058	1,058
AM	250	19,750	20,000
AP	68	1,739	1,807
PA	8,455	39,631	48,086
RO	397	12,492	12,889
RR	5	5,257	5,262
TO	2,324	4,350	6,674
AL	1,582	2,687	4,269
BA	6,883	5,148	12,031
CE	4	21	25
MA	664	1,558	2,222
PB	4	7	11
PE	746	820	1,566
PI	119	407	526
RN	-	2	2
SE	1,581	2,665	4,246
ES	457	922	1,379
MG	12,123	12,099	24,222
RJ	1,360	1,880	3,240
SP	10,978	4,183	15,161
DF	30	-	30
GO	5,871	6,218	12,089
MS	3,549	2,426	5,975
MT	1,826	15,882	17,708
PR	15,557	8,628	24,185
RS	4,221	6,770	10,991
SC	3,617	3,315	6,932
<b>Total</b>	<b>82,671</b>	<b>159,915</b>	<b>242,586</b>

Source: Eletrobrás (SIPOT).

# Why Invest in Cemig



Leading power utility in Brazil

Powerful drivers fueling growth

Sound Balance Sheet

Consistent profitable track record

Strong Dividend Policy

World Leader in Sustainability

**CEMIG**  
A Melhor Energia do Brasil.

## Investor Relations

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