



Successful Strategy

Business Portfolio Ensures Results

CFO



Disclaimer



Some statements and estimates in this material may represent expectations about future events or results that involve risks and uncertainties known and unknown. There is no guarantee that the events or results referred to in these expectations will occur.

These expectations are based on present assumptions and analyses from the viewpoint of our management, based on their experience, the macroeconomic environment, market conditions in the energy sector and our expected future results, many of which are not under Cemig's control.

Important factors that can lead to significant differences between actual results and projections about future events or results include Cemig's business strategy, Brazilian and international economic conditions, technology, Cemig's financial strategy, changes in the energy sector, hydrological conditions, conditions in the financial markets, uncertainty regarding future results of operations, plans and objectives as well as other factors. Because of these and other factors, our actual results may differ significantly from those indicated in or implied by these statements.

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To evaluate the risks and uncertainties as they relate to Cemig, and to obtain additional information about factors that could lead to different results from those estimated by Cemig, please consult the section on Risk Factors included in our Formulário de Referência filed with the Brazilian Securities Commission – CVM, and in Form 20-F filed with the U.S. Securities and Exchange Commission – SEC.

Brazil: Emerging Powerhouse Economy



#1

Latin American economy

#7

Ranking in world economy

US\$2.2T

GDP 2010

7.5%

GDP growth 2010

>60%

Share of GDP - Southeast Region

>US\$145B

Power industry revenue - 2010

- The demand for electricity will increase to 633 Twh from 415 Twh in 10 years
- New power capacity to be built will surpass 50 GW
 - The hydro capacity will be added by 33 GW
 - Wind farms will add another 5GW
- Transmission capacity is also needed due to the long distance the power plants are from the consumption center

Cemig: The Leading Brazilian Power Utility



Integrated power utility in Brazil

#1

Size of concession area vs. France

Larger

Dividend payout ratio

>50%

Structured for global investors vs. peers

**Best
structured**

Role in consolidating the industry

Leader

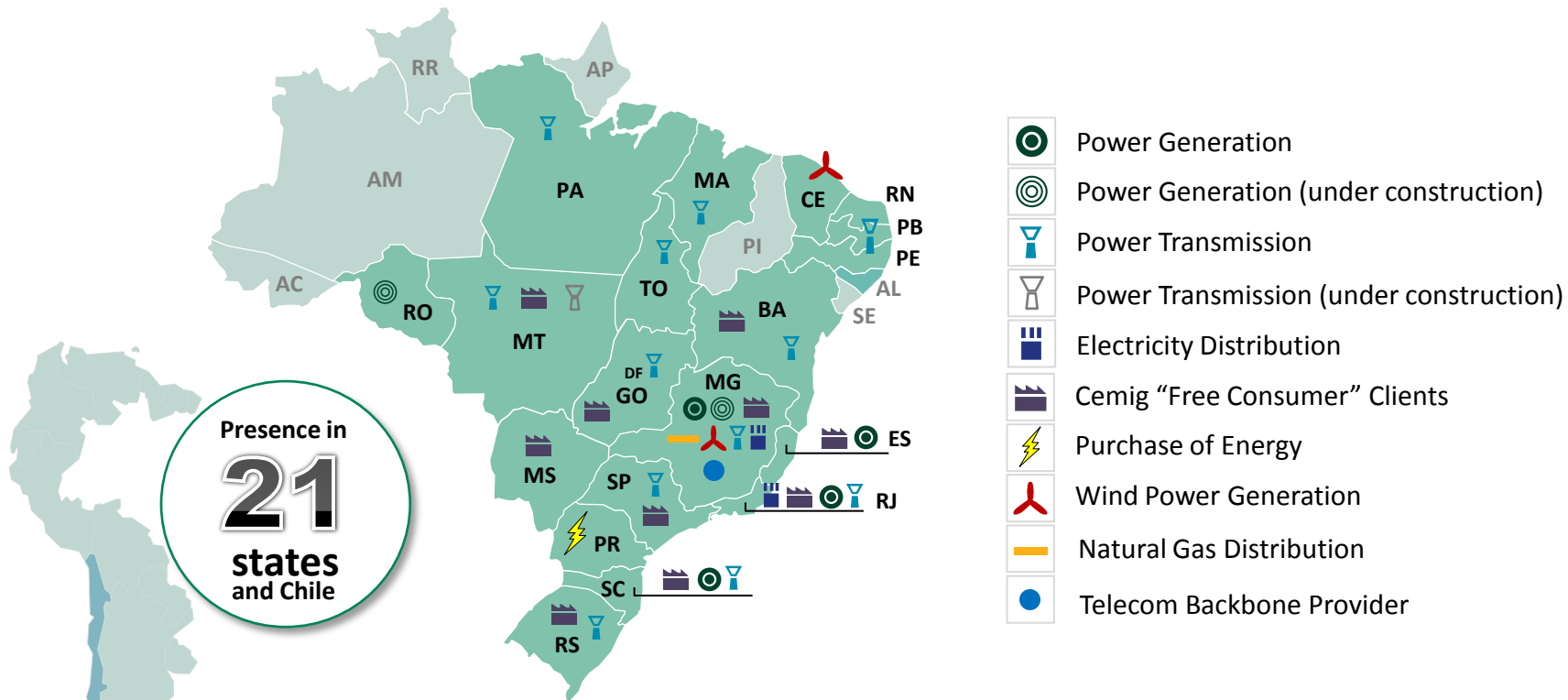
Leadership in sustainability, a core value at Cemig



- Social and Environmental responsibilities
- Long-term vision 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
- Recognition of our actions to ensure sustainability:
 - Selected member of Dow Jones Sustainability World Index for the **eleventh** time in a row
 - Selected member of Corporate Sustainability Index of the Sao Paulo Stock Exchange (Bovespa) for the **sixth** year in a row.



Cemig: Largest Integrated Power Utility in Brazil



#1

Electricity distributor

#3

Power transmission group

#3

Power generation group

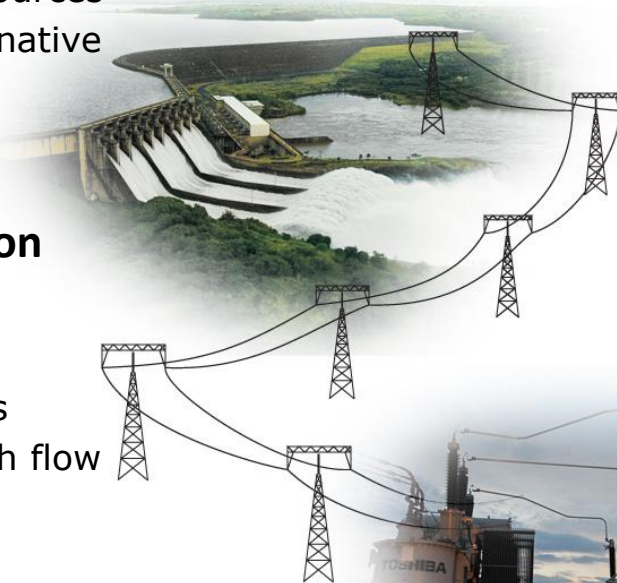
Cemig: Largest Integrated Power Utility in Brazil



Power Generation

6,896 MW of capacity

- 7% market share
- Sources such as hydro are still competitive
- Growth in renewable sources
- Natural gas as an alternative



Non-regulated market

25% market share



Power Transmission

8,861 Km

- 10% market share
- Highest Ebitda margins
- Stable returns and cash flow



Electricity Distribution

485,046 Km

- 12% market share
- Strongly regulated
- Scale gains to achieve higher returns
- Sector in process of consolidation






Retail

Largest distribution company



Well-Diversified Portfolio, still Evolving



	1Q2011 (% of EBITDA ¹)	Long-Term Goal (% of EBITDA)
 Generation	43%	40%
 Transmission	16%	20%
 Distribution & Others²	41%	40%

- Note:
1. Breakdown of EBITDA 1Q2011
 2. Including Natural Gas Distribution, Electricity Distribution, Telecom, Services

Long term strategy aligned with shareholders' interests



Value creation is a permanent commitment

- **Alignment with shareholders' interests:**
 - Corporate governance as a strategic value
 - Transparency in the decision making process
- **Profitability metrics to assure attractiveness of projects:**
 - Strict financial discipline when investing
 - Investments that add value to our shareholders
 - Best management practices and detailed actions plans to capture synergies
 - Continuous technological and operational improvements
- **Ability to create innovative structure to finance expansion**
 - Partnerships with Equity Investment Funds (FIPs) in recent acquisitions (Taesa and Light) to create a new growth driver
 - Partnership with FIPs produces a growth strategy that optimizes capital needs
- **Track record of accretive acquisitions**
 - Growth vehicles to carry out expansion more efficiently

Long term strategic plan to meet shareholders' interests



Focusing on the power industry to maximize gains

- Growth within Brazil's geographical area
- First steps toward international investments
- Expansion in line with sustainable growth aiming at 20% market share in all power industry business segments
- Investments solely in power industry and gas distribution related business

Addressing shareholders' long-term interests:

- Dividend policy: minimum 50% of payout and extraordinary dividends every other year, provided cash availability (stated in the bylaws)
- Corporate governance focused on respect of minority shareholders' interests

Preserve financial strength to secure a broader access to the investor markets:

- Cash flow stable and predictable
- Net Debt limited to 2.5 x EBITDA
- Net Debt limited to 50% of Net Debt plus Shareholders' Equity

Growth model supports Cemig's leading role in Brazilian electricity

- More efficient projects based on the accumulated expertise in operating electricity facilities
- Acquisition of assets to increase the synergy with and between existing assets
- Experienced project developer

Strong Balance Sheet to Support Growth



(March 31th, 2011)

Net debt to EBITDA

2.2X

Debt in foreign currency^(*)

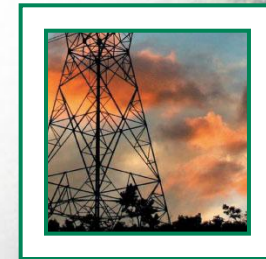
1%

Cash on hand

R\$2.7B

Net Revenue 1Q11

R\$ 3.4B



*Net of financial hedging

Financial Highlights



Income Statement – consolidated (R\$ million)	1Q11	1Q10	Change %
Net Revenue	3,387	2,878	18%
EBITDA	1,292	1,164	11%
EBITDA Margin %	38%	40%	-6%
Net Income	526	520	1%
Net Margin %	16%	18%	-11%

Balance Sheet – consolidated (R\$ million)	1Q11	1Q10	Change %
Cash and Cash Equivalents	2,733	4,487	-39%
Total Assets	34,309	33,556	2%
Total Financial Debt	13,317	13,226	1%
Shareholders' Equity	12,003	11,476	5%
Net Debt ⁽¹⁾	10,584	8,739	21%
Net debt / (stockholders' equity + net debt)	46,9%	43,2%	8%

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

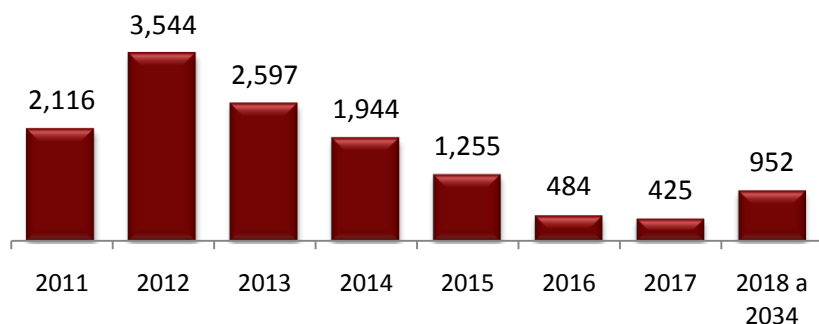
(1) Net Debt = Total Debt – Cash and Cash Equivalents

Extended debt maturity with cost reduction



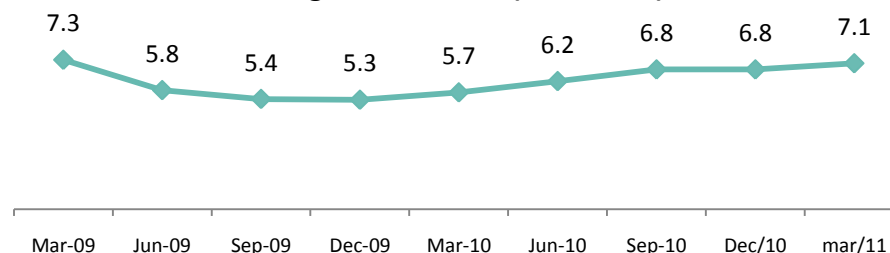
Debt Maturity (R\$ Million)

Average tenor: 3.5 years



✓ The Issuance of 5 - year debentures has extended the duration of our debt from 3 to 3.5 years

Average cost of debt (real terms)



Consolidated debt, March 31, 2011 (R\$ Million)

	CEMIG Consolidated	CEMIG GT	CEMIG D
Total debt	13,317	7,639	3,115
Debt in foreign currency	189 1%	3 -	122 4%
Net debt (1)	10,584	6,132	2,651
EBITDA / interest	4.07	6.61	4.05
Net debt / EBITDA	2.2	2.5	2.37
Net debt / (shareholders' Equity + Net debt)	46,9%	53,7%	51,3%

(1) Net debt = total debt less cash and cash equivalents

✓ Average cost of debt: 7.1% p.a. at constant March 2011 prices, including stockholdings

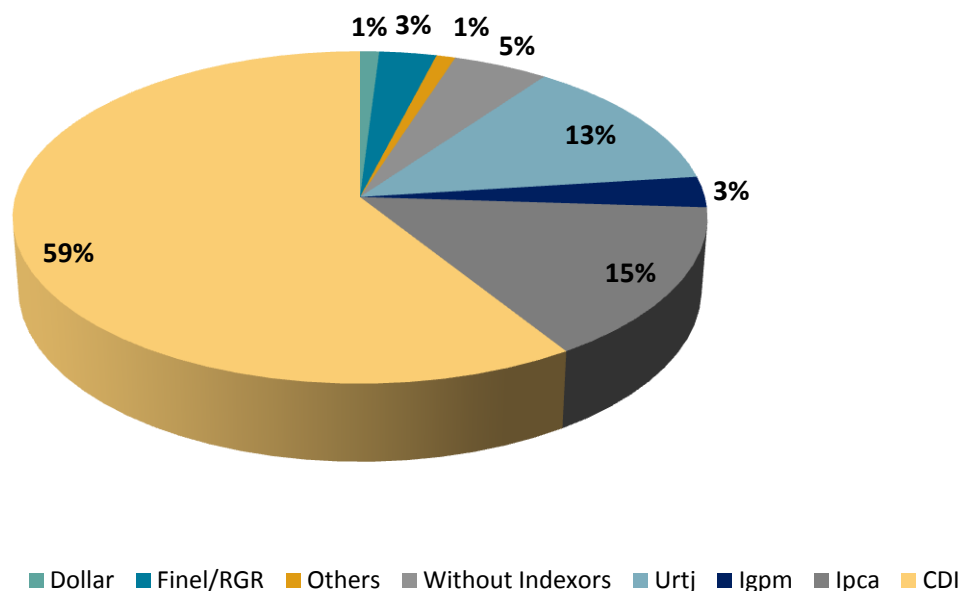
✓ Cost of debt shows excellent credit quality

✓ Appropriate net leverage, combined with strong cash flow, ensures financial solidity

Financial discipline to lower debt cost and reduce FX exposure



Main indexors – 1Q11



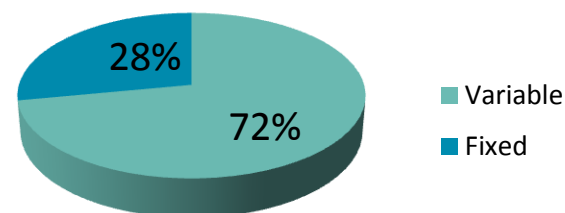
* URTJ - Reference Unit Interest Rate.

Major Creditors (R\$ million) – 1Q11

Debentures Holders	5,594	42%
Banco do Brasil	3,141	24%
BNDES	1,388	10%
Banco Itaú BBA(*)	896	7%
Bradesco(*)	976	7%
Unibanco	321	2%
Eletrobrás	391	3%
Others	610	5%
Total	13,317	100%

(*) – Includes FIDC

Debt Indexors 1Q11



Superior credit capacity recognized by the major rating agencies



FitchRatings

AA(bra)

Cemig H, Cemig GT and Cemig D

National scale

Investment Grade									Speculative Grade										
AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C	RD	D



**Investment
Grade**

Aa1.br

Cemig GT and Cemig D

National scale

Aa2.br

Cemig H

National scale

Baa3

Cemig GT and Cemig D

Global scale

Ba1

Cemig H

Global scale

Investment Grade										Speculative Grade										
Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa1	Caa2	Caa3	Ca	C



**STANDARD
& POOR'S**

brAA-

Cemig GT and Cemig H

National scale

brAA

Cemig D

National scale

BB

Cemig H, Cemig GT and Cemig D

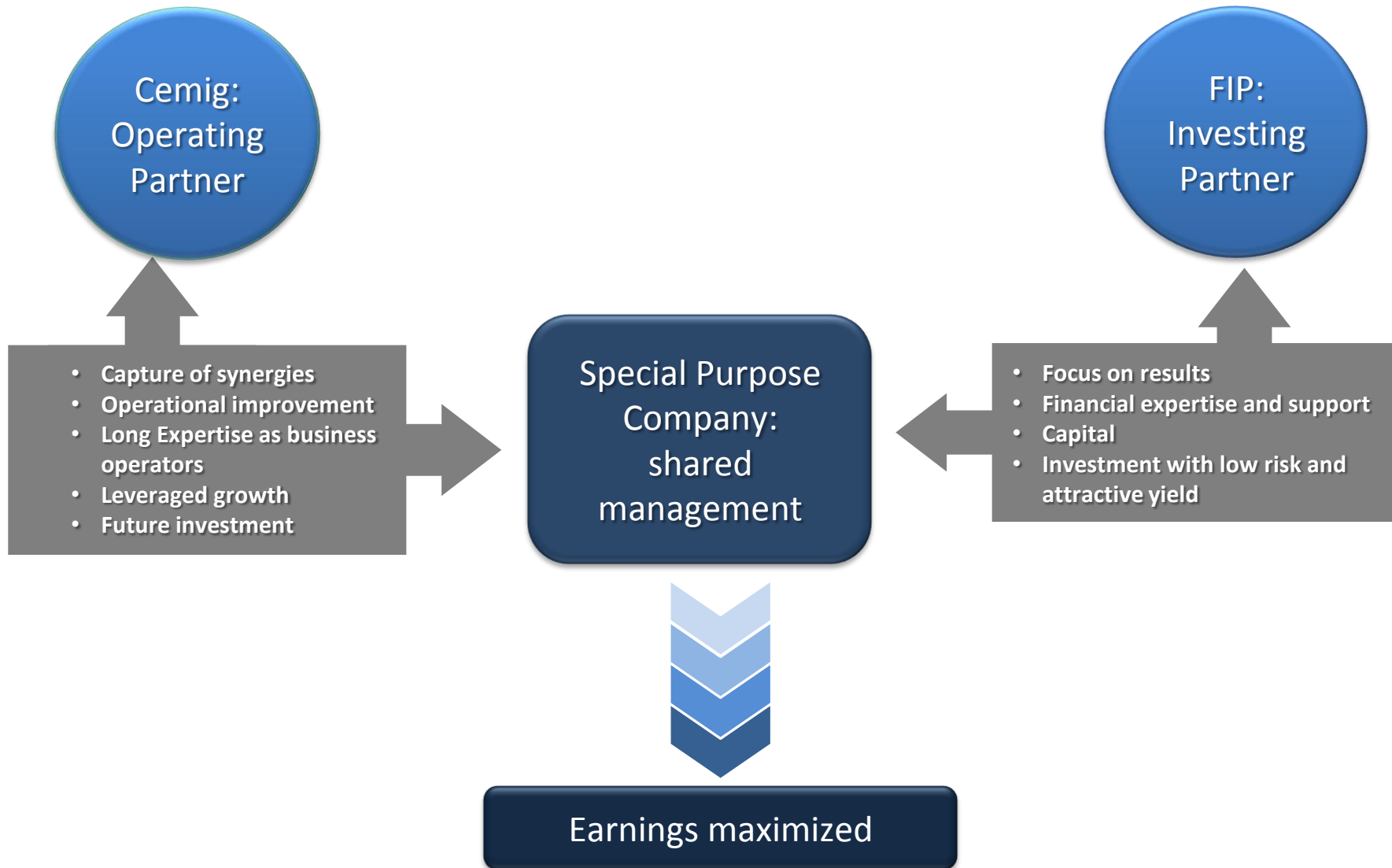
Global scale

Investment Grade									Speculative Grade							
AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	C a CCC



Solid fundamentals assured by excellent financial management, stable profitability, strong cash generation and robust corporate governance.

Acquisition business model



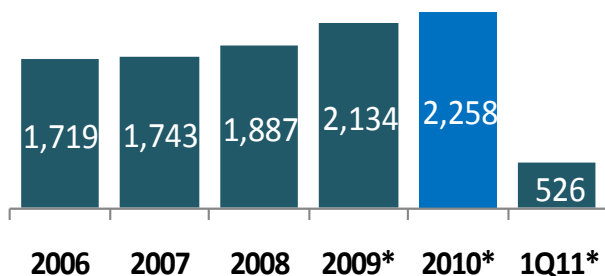
Cemig's Long Term Strategic Plan Results



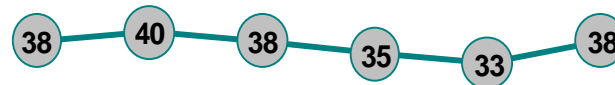
Net margin (%)



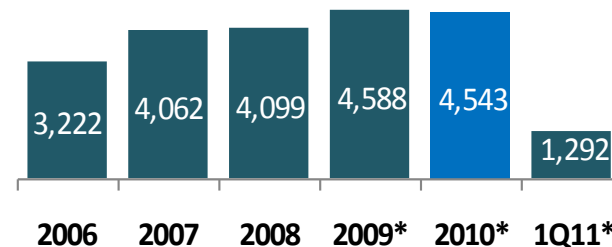
Net income (R\$ million)



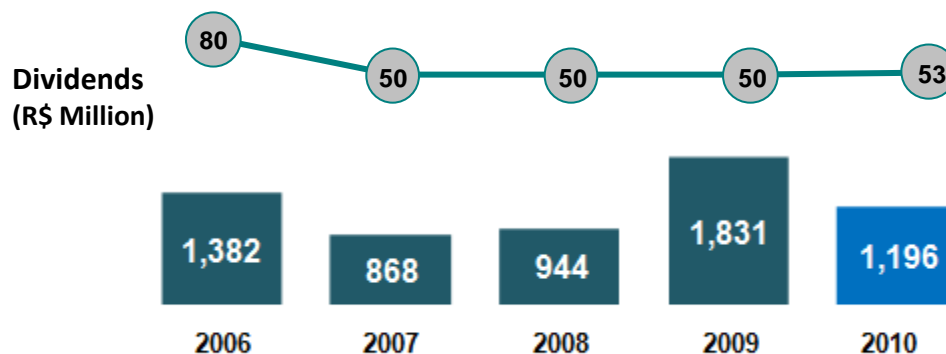
Ebitda margin (%)



Ebitda (R\$ million)



Dividend pay-out (% of Net income)



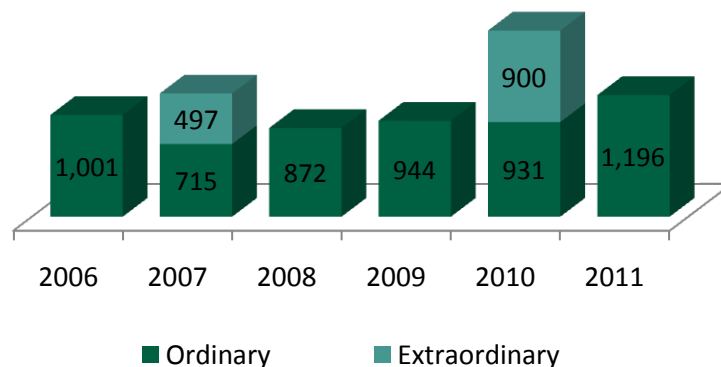
* Reflect the adoption of IFRS (International Financial Reporting Standards)=

Cemig's Long Term Strategic Plan Results: Dividends

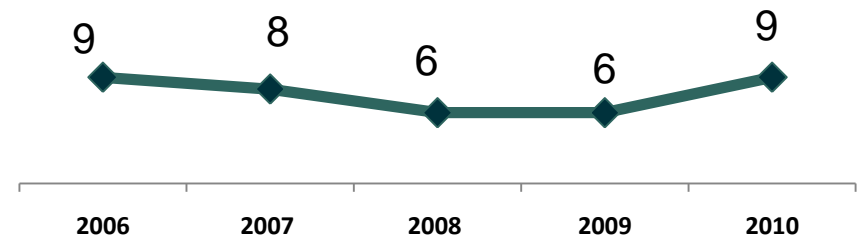


- Dividends paid in 2010 reached R\$ 1.8 billion
 - Ordinary dividends of R\$ 931mn, paid in equal parts in June and December 2010
 - Extraordinary dividends of R\$ 900 million, paid in December 2010
- Approved Net Income distribution for 2010:
 - 52.97% of the net income - R\$ 1.196 billion to payment of dividends - R\$1.75/share

Dividends paid^(*) - (R\$ Million)



Dividend Yield (%)

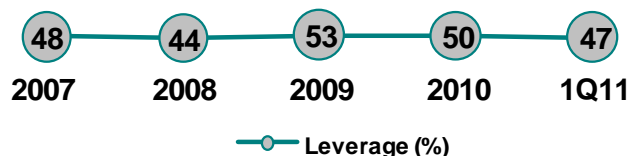


* Dividends approved by the Board based on the current fiscal year net income, paid in the coming year in semi-annual basis

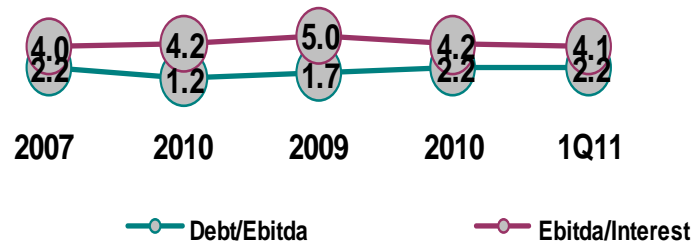
KPIs meet the Long Term Strategic Plan Target



Leverage (%)
Debt / (Debt + Equity)

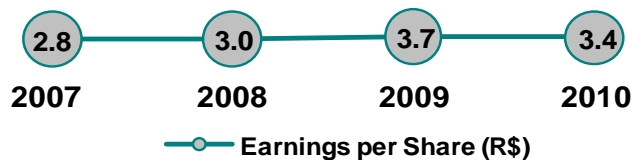


Key debt indicators (%)

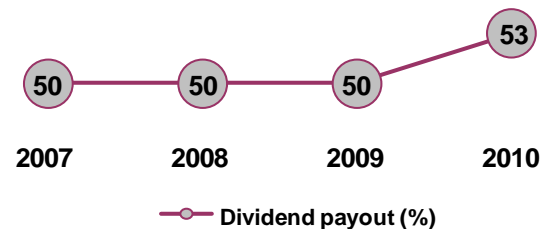


Key performance indicators in line with Long Term Strategic Plan

Earnings per share (R\$)



Dividend payout (%)



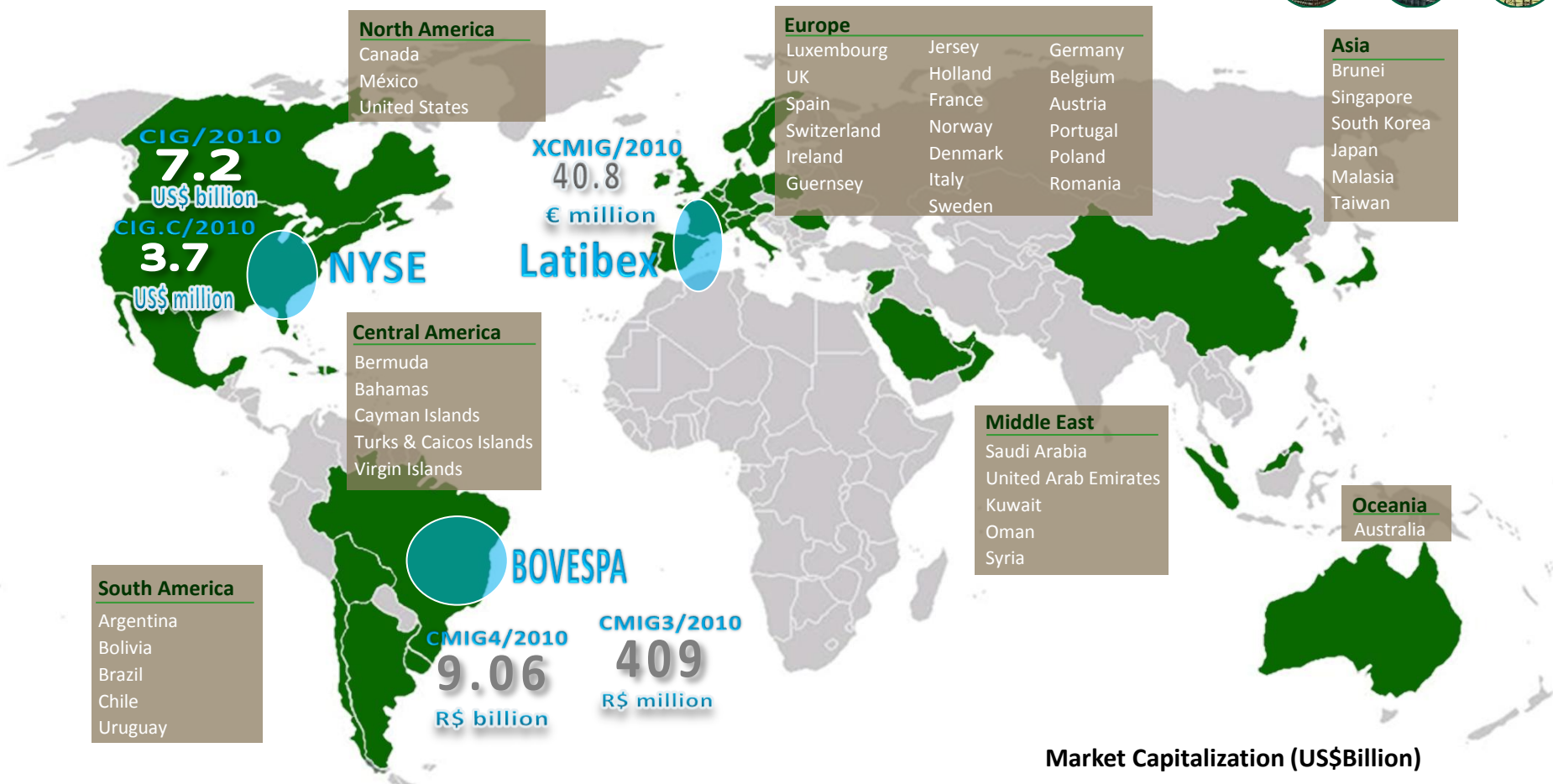
Large Growth in Cash Flow Generation



Cash Flow Statement	1Q11	1Q10	Change%
Cash at beginning of period	2,979	4,425	(33)
Cash generated by operations	474	1,156	(59)
Net profit	526	520	1
Depreciation and amortization	233	214	9
Suppliers	(16)	72	(122)
Provisions for operational losses	34	(4)	(950)
Other adjustments	(303)	354	(186)
Financing activities	(24)	81	(130)
Financings obtained and capital increase	325	3,197	(90)
Payments of loans and financings	(349)	(3,112)	(89)
Interest on Equity, and dividends	-	(4)	(100)
Investment activity	(696)	(1,175)	(41)
Securities - Financial Investment	(528)	-	-
Fixed and Intangible assets	(168)	(1,175)	(86)
Cash at end of period	2,733	4,487	(39)

✓ Cash position provides flexibility to financial management

Strong shareholder base assures liquidity

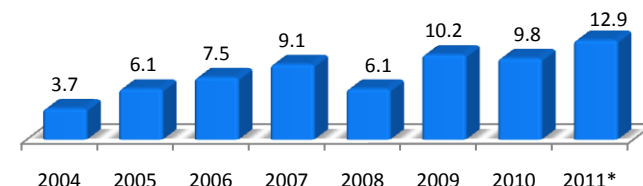


Average Daily Trading Volume – 2010

Bovespa: R\$ 42 million
NYSE: US\$ 32 million

- Shares traded in 3 Stock Exchanges
- More than 114,000 shareholders in 44 countries

Market Capitalization (US\$Billion)



(*) As of May 30th, 2011

Light at a Glance

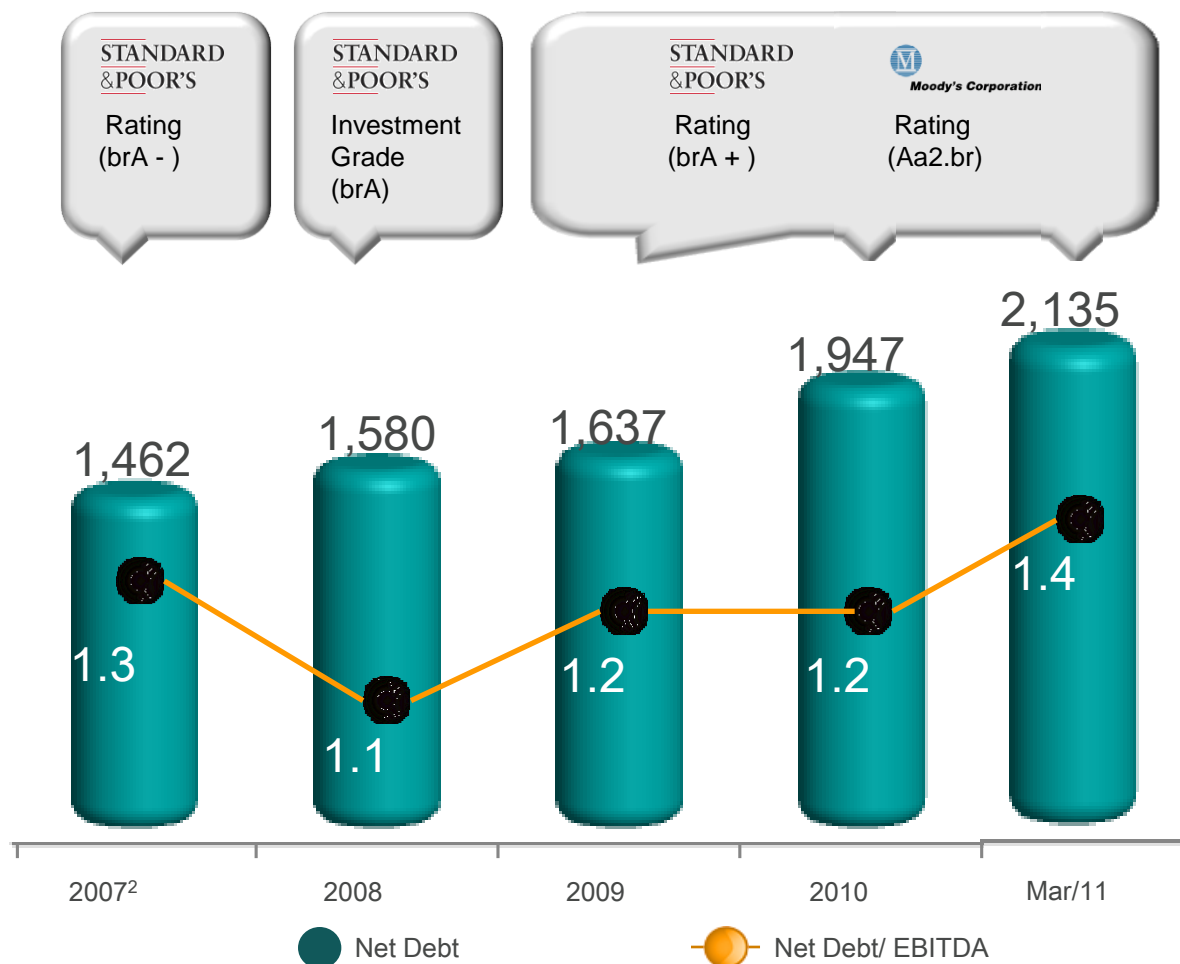


- 5th largest integrated company in the utility sector, in terms of consumption and net revenue (2010)
- Based in State of Rio de Janeiro, with 4,009 employees, acting in distribution, generation and trading
- Financial Highlights:
 - Net revenues: R\$ 6.5 billion (2010)
 - EBITDA: R\$ 1.6 billion (2010)
 - Debt structure: 1.4 net debt/EBITDA (as of Mar, 2011)
 - Market value: R\$ 6.0 billion (as of Jun, 30, 2011)
- Strong growth outlook:
 - Losses combat as an upside for consumption increase
 - Strategy of growing in generation, 50% increase in actual capacity
 - Re-pricing of existing energy contracts
 - Continuity in the distribution efficiency
 - 2016 Olympic Games in Rio will increase the economic activity in the concession area
 - Player in the distribution segment consolidation process

Light's Indebtedness



Net Debt¹ (R\$ MM) and Net Debt / EBITDA



¹ Net debt = total debt (excludes pension fund liabilities) – cash

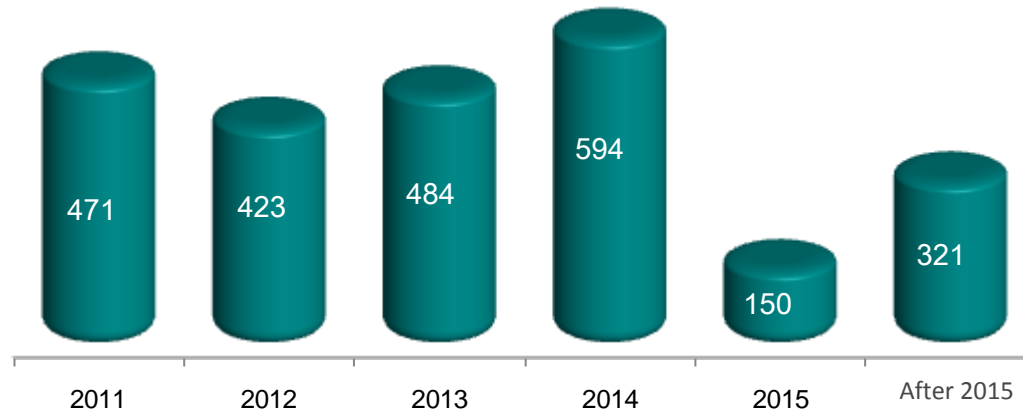
² EBITDA Pro Forma, not considering costs of profit sharing costs in 2007 and 2008.

Light's Indebtedness



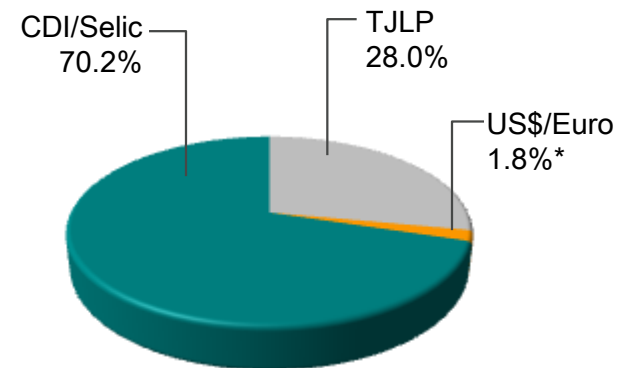
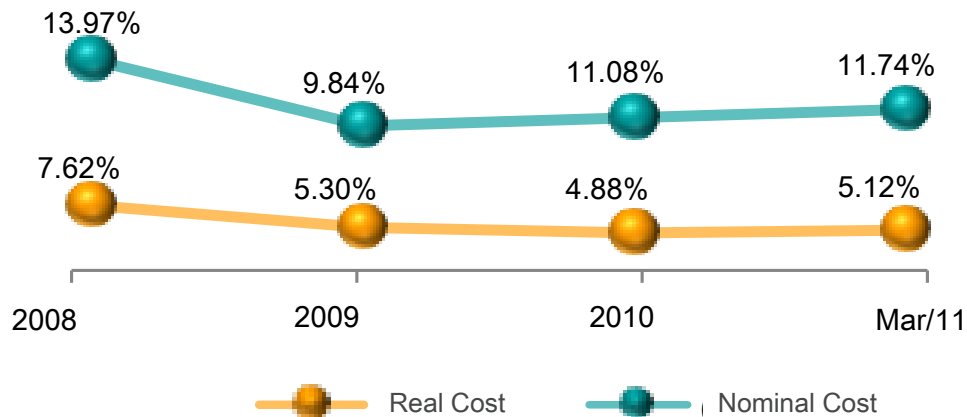
Maturity Schedule* (R\$ MN)

Average Tenor: 3.1 years



* Only Principal

COST OF DEBT



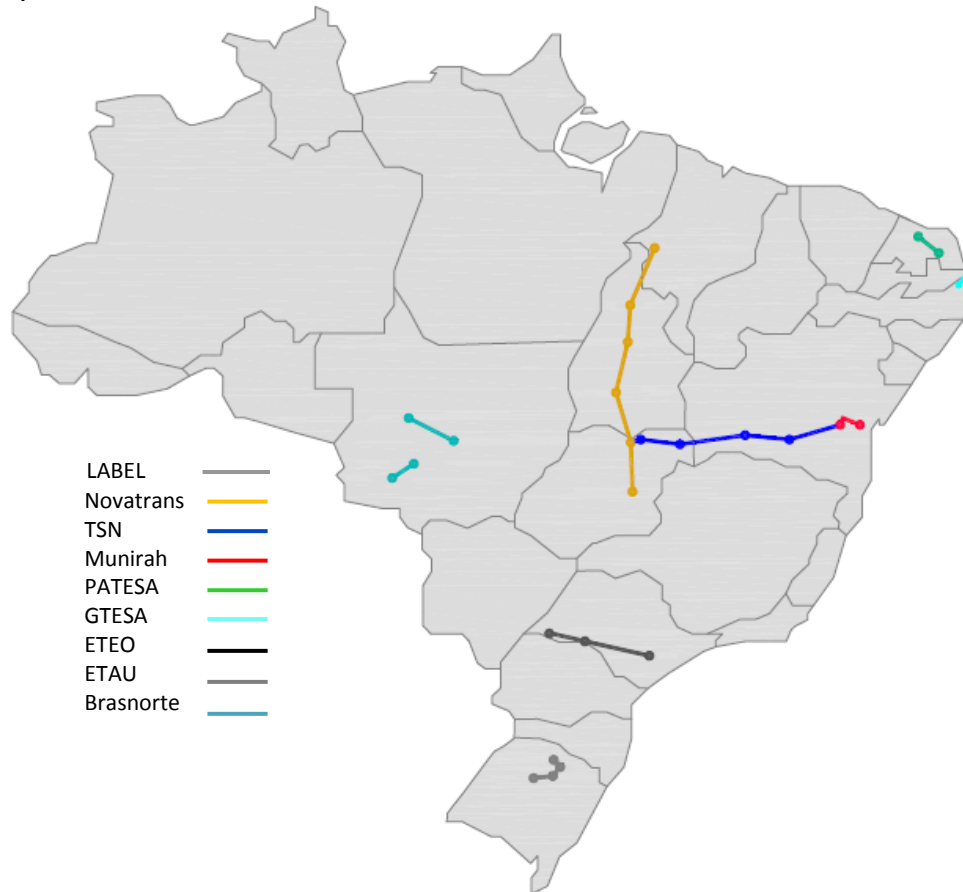
* Considering Hedge

Taesa: Pure Transco Strategically Positioned



Overview

TAESA, a public listed company controlled by CEMIG GT and FIP COLISEU, considers itself one of the largest electric power transmission Companies in Brazil in terms of RAP. The company is exclusively dedicated to the construction, operation and maintenance of transmission lines. The concessionaires (except Brasnorte and Reinforcement projects) are not subject to tariff revision. Taesa currently has 254 employees, most of them dedicated to the operation and maintenance.



- ◆ 8 concessions
 - 5 concessions acquired in the secondary market
 - 3 concessions acquired in federal auctions the last one taken in November, 2007
- ◆ 30 year Concessions expiring in 2030 (3 concessions), 2032 (3 concessions), 2034 (1 concession) and 2038 (1 concession)

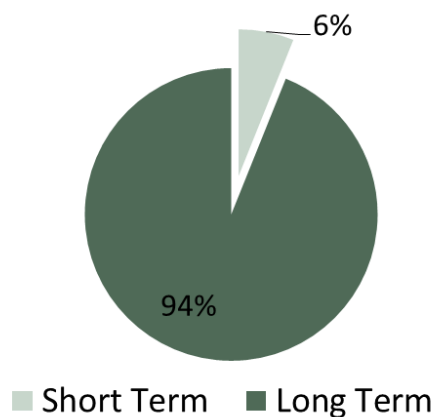
- ◆ 3,712 km of transmission lines (2,447 km in 500kV, 502 km in 440kV, 763 km in 230kV) and 28 substations, spread all over the country

Taesa's Indebtedness

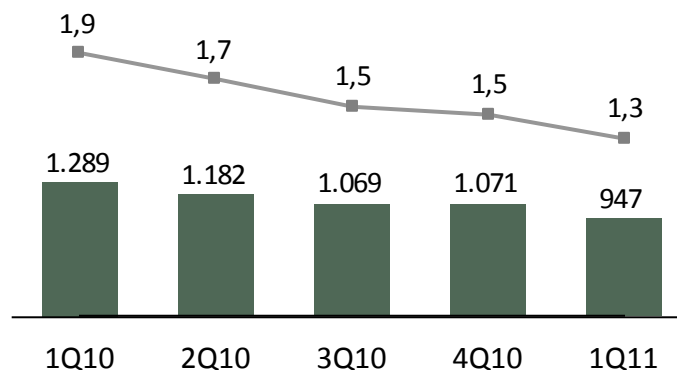


As of 1Q11 Net Financial Position amounted to R\$947MM. NFP/EBITDA reached 1.3x and Outstanding Debt of R\$ 1.590MM was mainly due in the long term (94%)

Debt Profile in 1Q11



NFP
NFP / EBITDA



EBITDA not adjusted for the IFRS

An outlook of opportunities



At short term

- Update the long term strategic plan to review shareholders' alignment.
- Improve operating performance to capture gains and synergies in all businesses:
 - Reduce energy loss in Rio de Janeiro
 - Refurbishment of the old power plants
- Enhance service quality to meet the requirements of the concession area:
 - Soccer World Cup
 - Olympic Games
- Incorporate operationally the acquired assets
 - Transmission facilities
- Keep big eyes on the regulatory front:
 - 3rd. Rate review cycle
 - Renewals of the concession contracts to expire in 2015
- **Expected transactions:**
 - **Cemig GT: debt rollover**
 - **Cemig D: debt rollover**
 - **Taesá: acquisition finance and re-IPO**
 - **Light: debt rollover and acquisition finance**

At long term

- Keep on consolidating power industry assets to gain scale
- Develop skills to compete in the concession contract auctions
- Develop the natural gas business:
 - Carry out the expansion of the gas distribution business
 - Residential client supply will require additional gas pipeline network expansion
 - Natural gas pipeline construction
 - Studies on natural gas drilling.



Investor
Relations

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