



A Melhor Energia do Brasil.

Successful Strategy

Performance reflects balanced portfolio structure

May, 2012

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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.

All figures are in BR GAAP.



Brazil's Leading Power Utility



Integrated
Power
Utility in
Brazil

#1

Growth in
EBITDA
2006-11

+79%

Market cap
of US\$
15.9⁽¹⁾ B.

#1⁽²⁾

Role in
industry

**Leading
consolidator**

In the Power Industry since 1952

(1) As of May 10th, 2012

(2) In the Power Industry

Cemig: Strength in Numbers



Number of power plants

70

Total installed capacity

6,964 MW

Locations in Minas Gerais State

5,415

Size of concession area vs. France

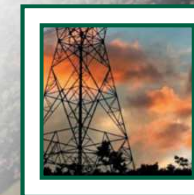
Larger

Electricity Distribution lines

485,046 km

Power Transmission lines

10,060 km



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 American economy

#1

Ranking of economy in world

#6

GDP 2011

US\$2.5 Trillion

GDP growth 2011

2.7%

Population

191M

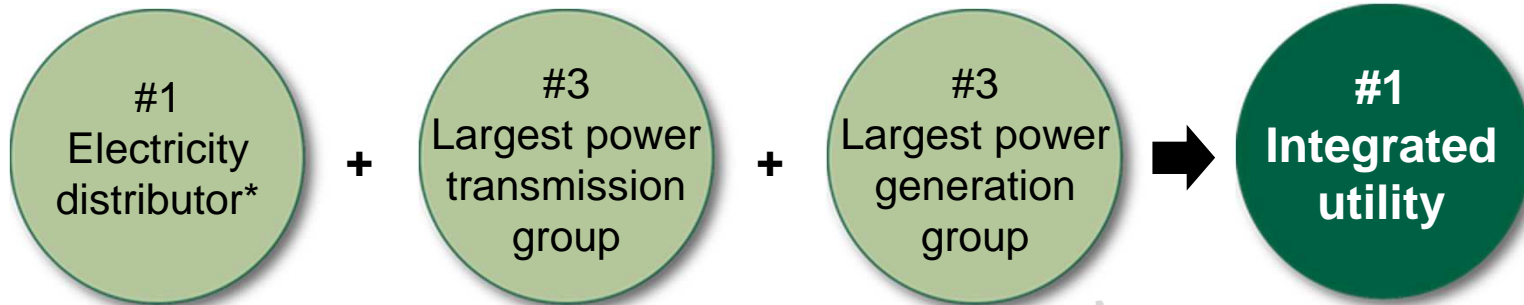
Power industry net revenue - 2010

>US\$145 Billion

Investment grade by Moody's, Fitch and S&P

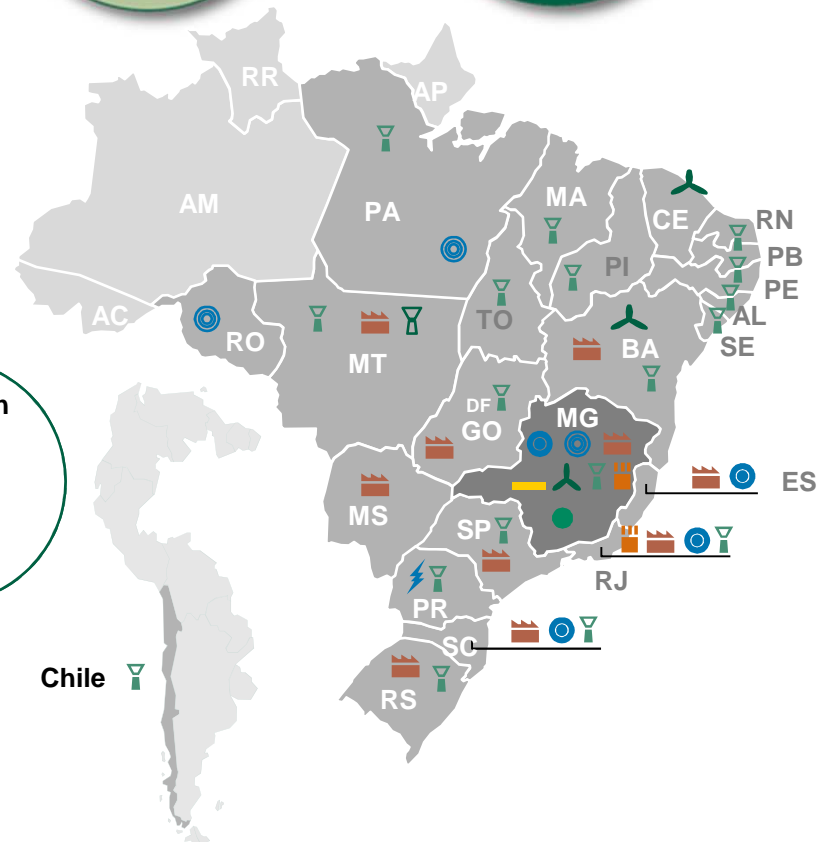


Largest Integrated Utility in Brazil



- Power Generation
- Power Generation (under construction)
- Power Transmission
- Power Transmission (under construction)
- Electricity Distribution
- Cemig "Free Consumer" Clients
- Purchase of Energy
- Wind Power Generation
- Natural Gas Distribution
- Telecom Backbone Provider

Present in
23
states
in Chile

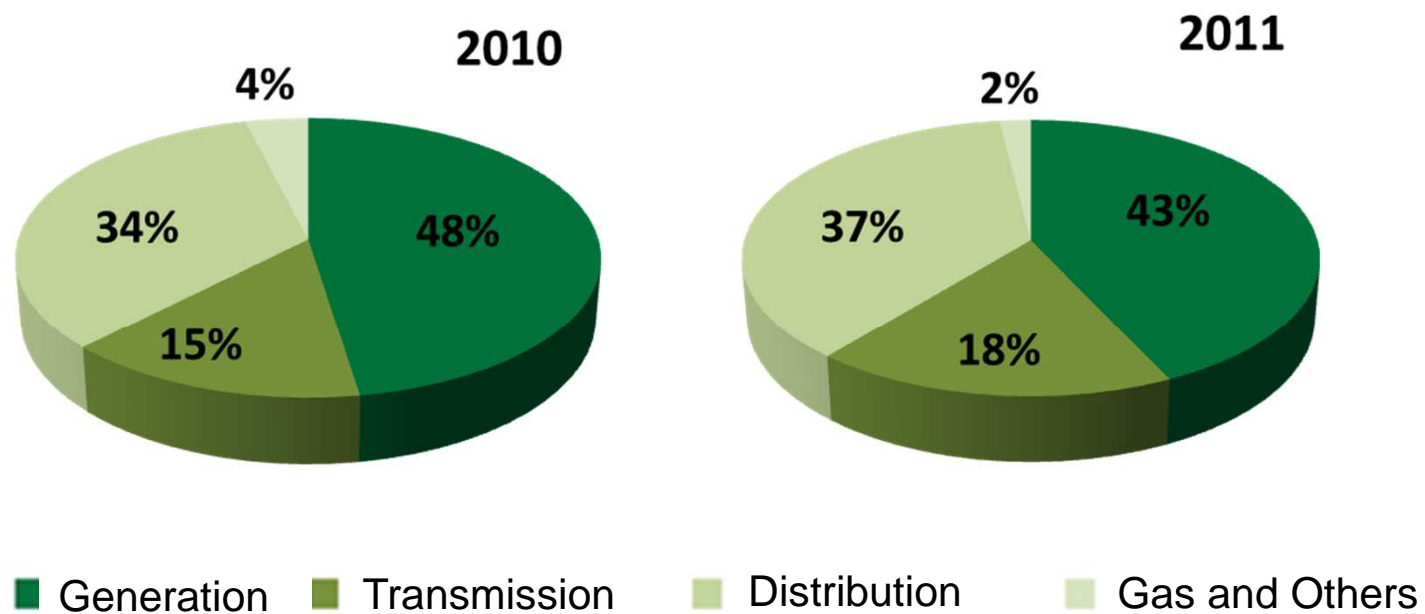


* in terms of length of electricity distribution lines

Diversified, Low Risk Business Portfolio



Breakdown of EBITDA

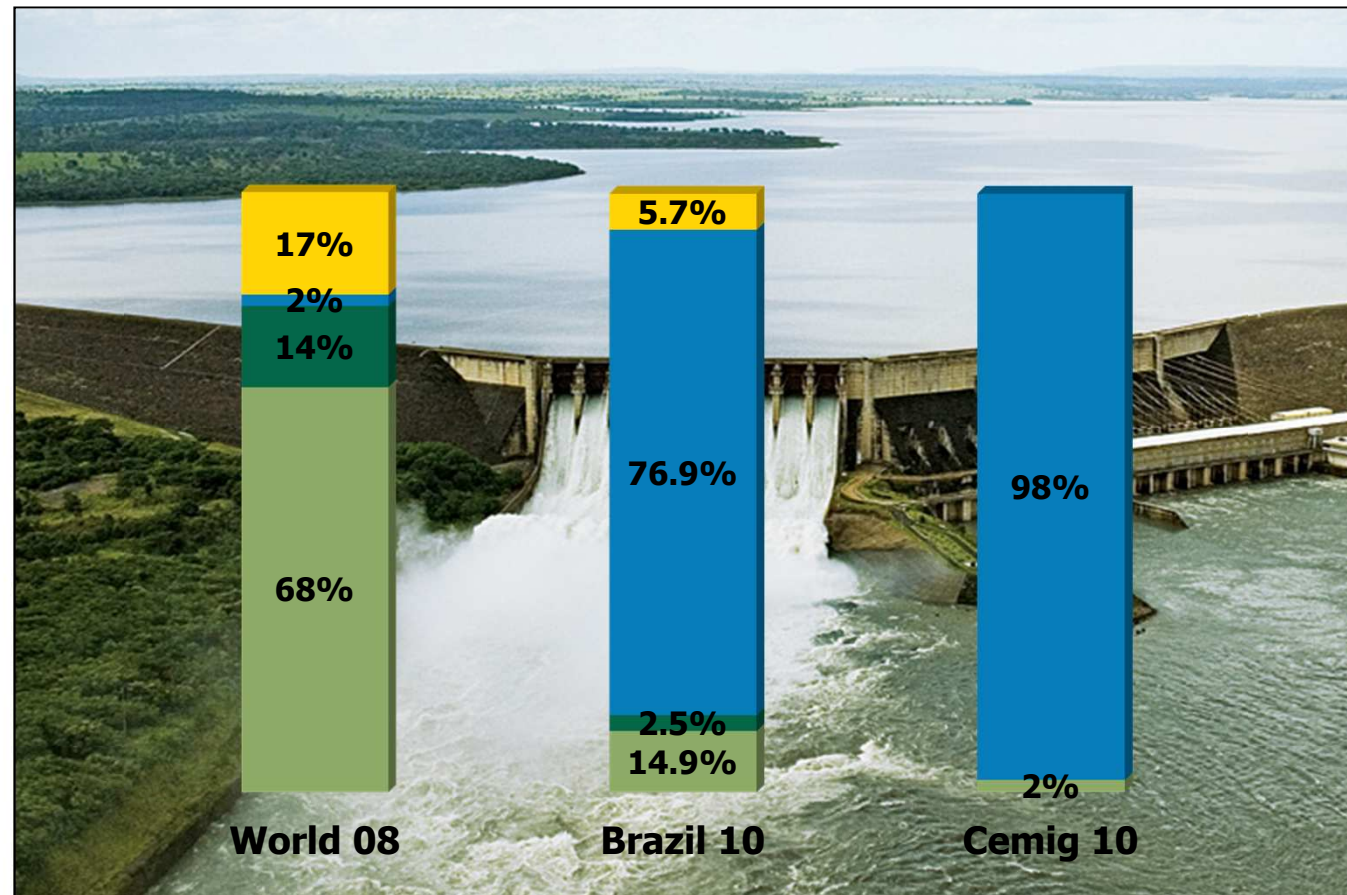


Most of revenues are inflation protected

Leader in Renewable Hydro Power Energy



Power Generation by Source

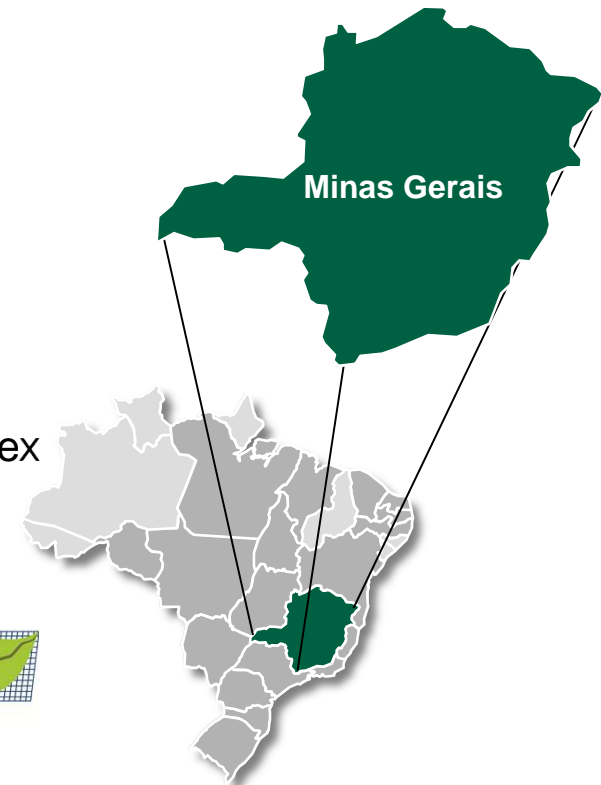


■ Fossil Source Fuels ■ Nuclear ■ Hydro ■ Others

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
 - 6 from a total of 14 members are appointed by 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 cap.
- ✓ Leader in sustainability
 - only Latin American utility in DJSI since 1999
 - Included in the ISE – Bovespa sustainability index since 2005
- ✓ Present in the Global Dow Index



The Cemig Story – Agenda



The positioning

The performance

The growth

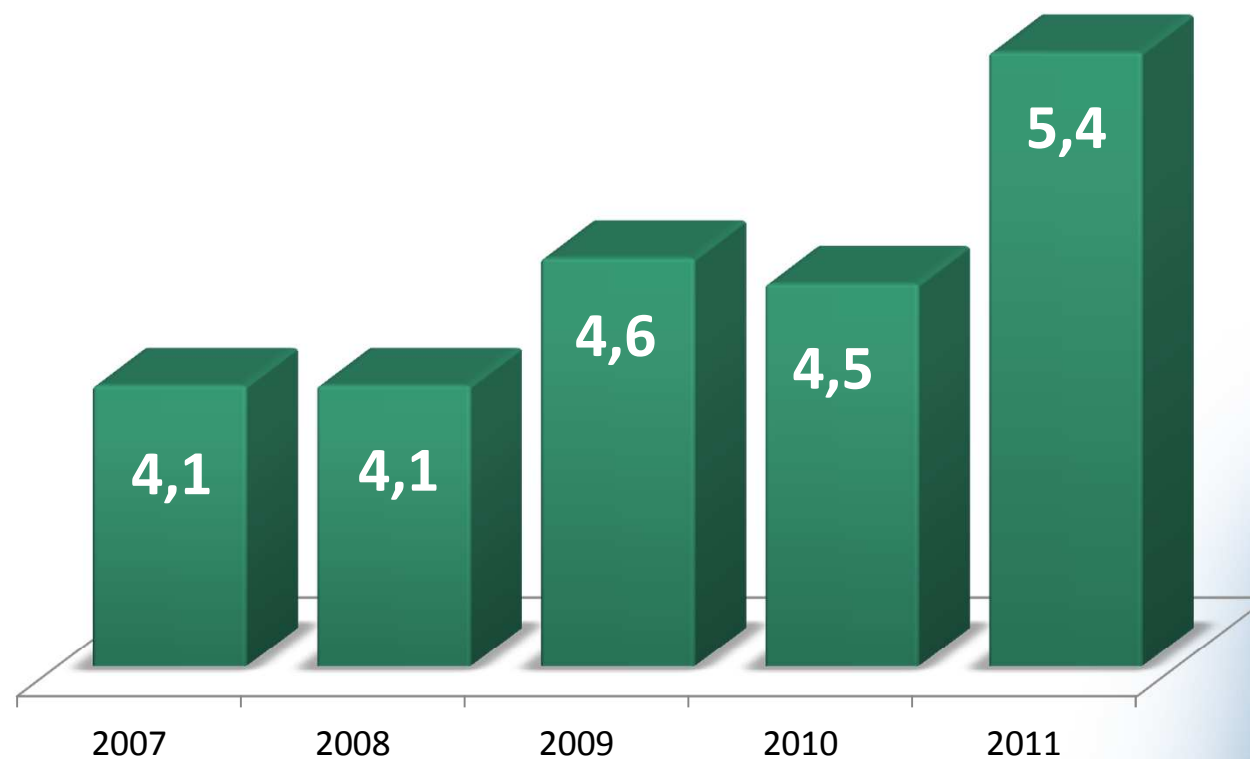


Growth in EBITDA



R\$ billion

EBITDA Margin: 34%



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

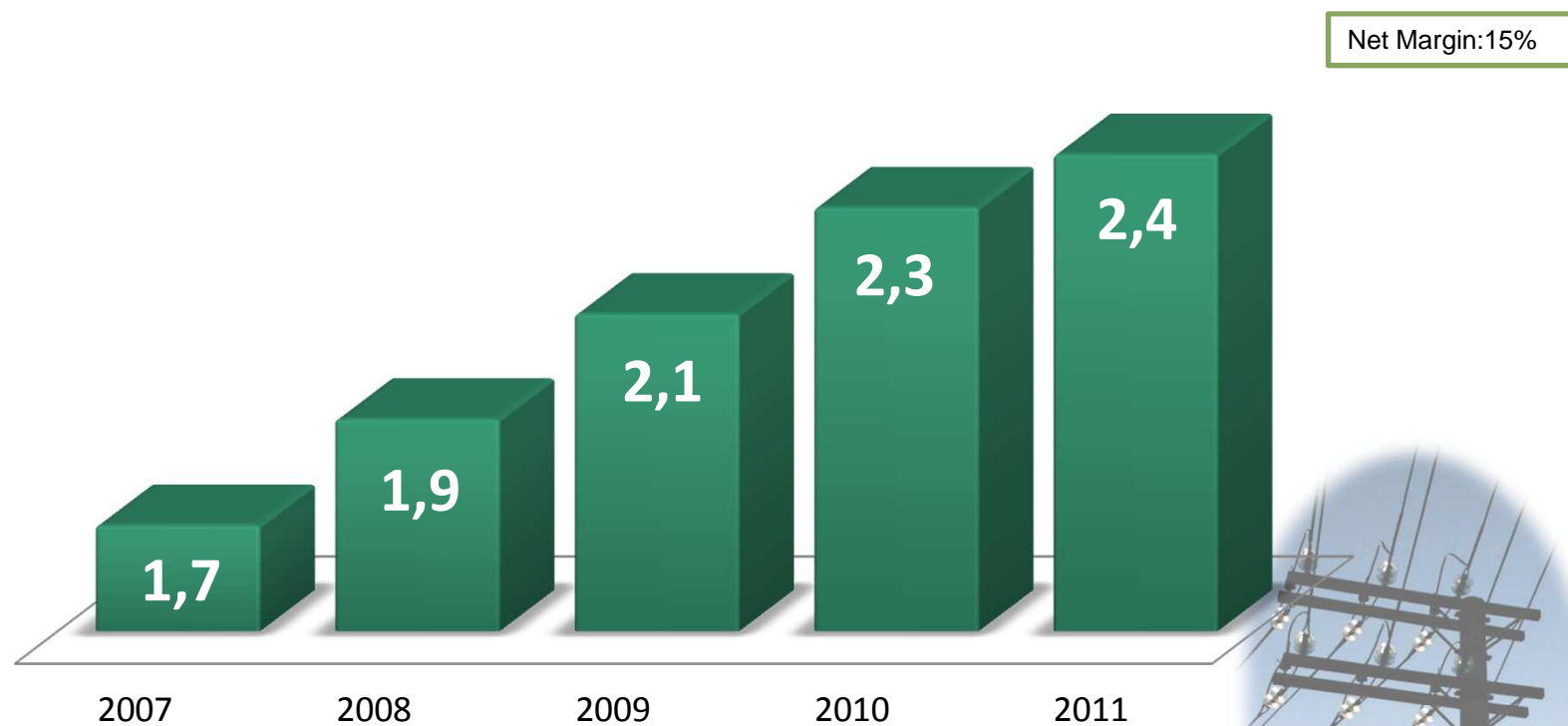
(**) Last 12 months' Ebitda



Net Income Continues to Expand



R\$ billion

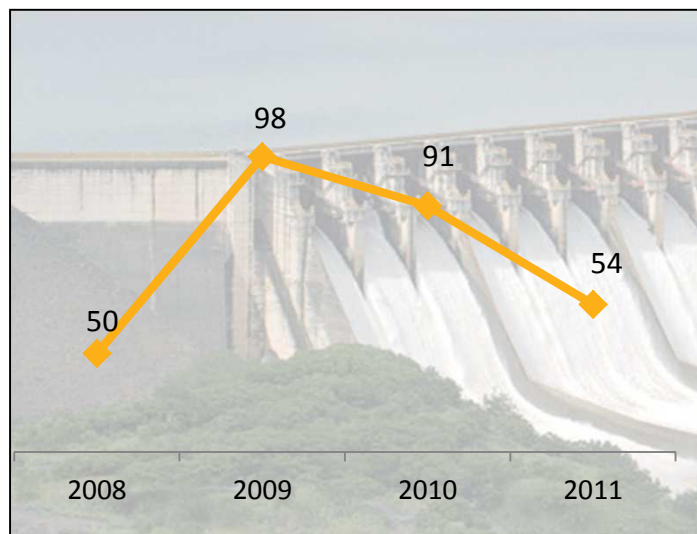


(*) Reflect the adoption of IFRS (International Financial Reporting Standards)
(**) Last 12 months' Ebitda

Attractive and Secure Dividend Payout ⁽¹⁾



Dividend Payout
(% of Net Income)



Dividend Yield
(%)



- ✓ Deliberate the proposal for 2011 Net Income distribution:
 - 53.58% of the net profit - R\$ 1.294 billion to payment of dividends - R\$1.90/share
 - Based on total shares before stock bonus to be proposed on April 27, 2012
- ✓ Dividends paid in 2011 reach R\$ 2.04 billion
 - Ordinary dividends R\$1,196mn, paid in equal parts in June and December 2011
 - Extraordinary dividends: R\$ 850 million, paid in December 2011

(1) Dividends approved for the year net income, paid in the coming year in semi-annual basis

Strong Balance Sheet to Support Growth



Cash on hand

R\$2.9B

Net Revenue 2011

R\$ 15.8B

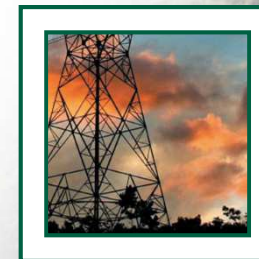
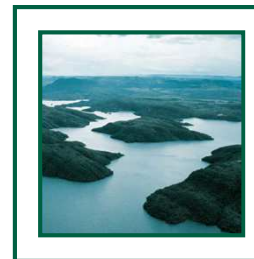
Net debt to EBITDA

2.4X

Debt in foreign currency(*)

2%

*Net of financial hedging



The Cemig Story – Agenda



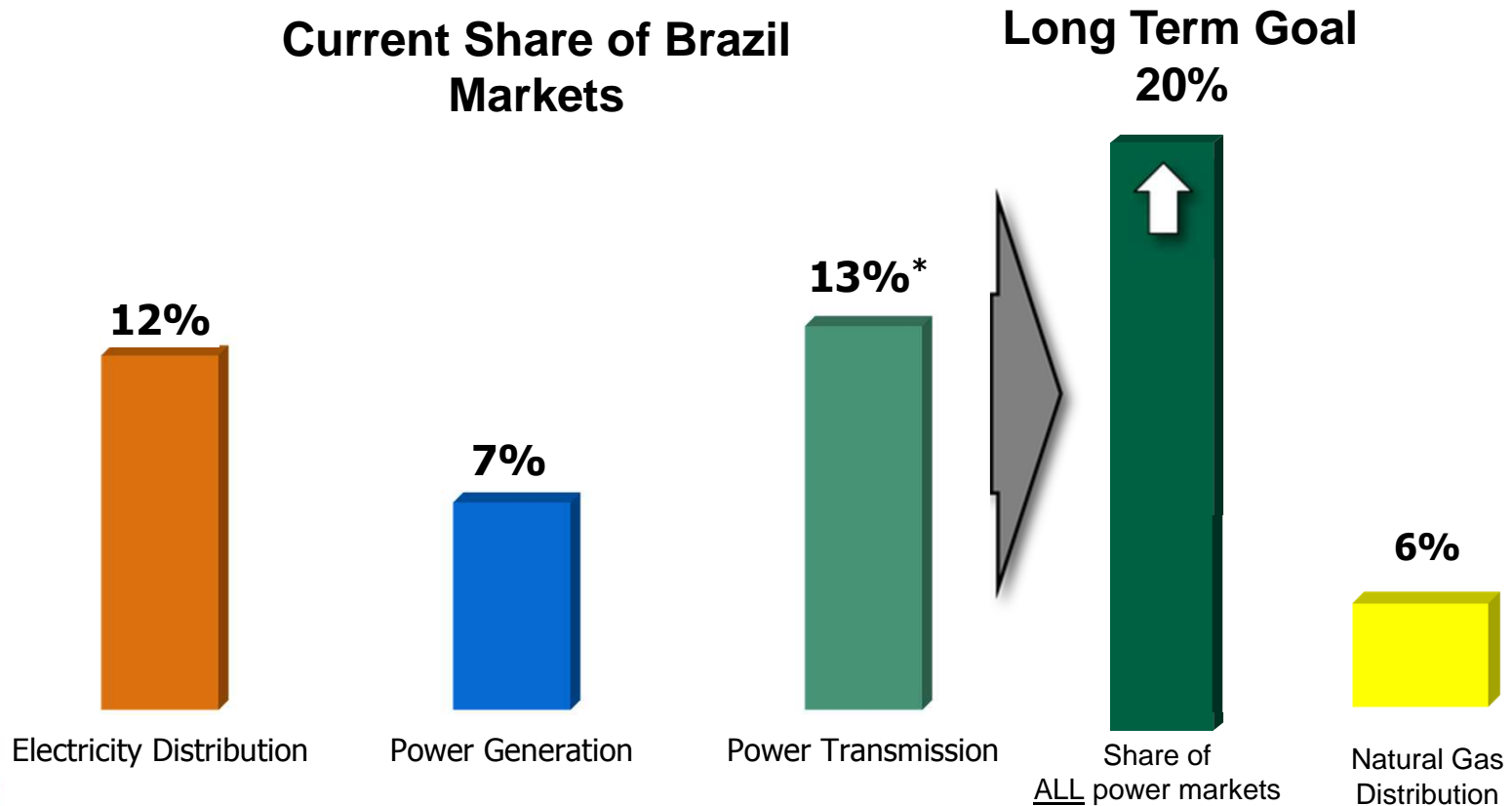
The positioning

The performance

The growth



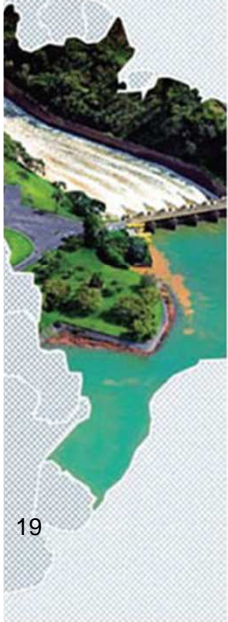
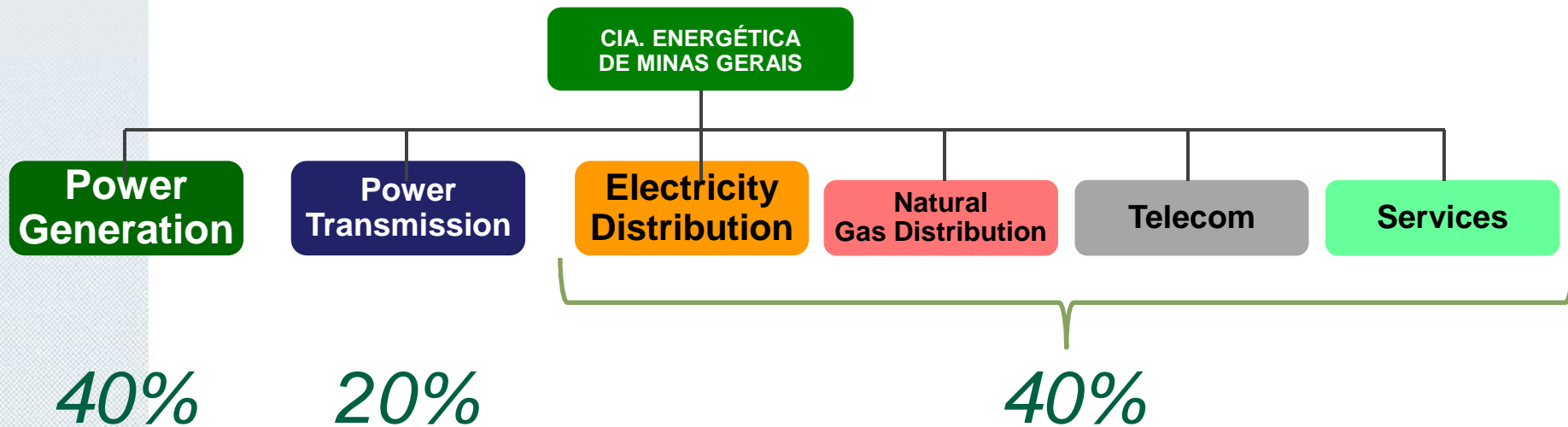
Clear Long Term Goals



- Brazilian generation market – (% of total installed capacity)
- Brazilian transmission market – (% of Permitted Annual Revenue (RAP))
- Brazilian electricity distribution market – (% of all electricity distributed to free and captive clients in Brazil)

* Includes Abengoa

Target Ebitda contribution by business in the long run



Growth Drivers



1

Leverage price increases



2

Improve operating efficiency



3

Geographic expansion



Record of Successful Acquisitions

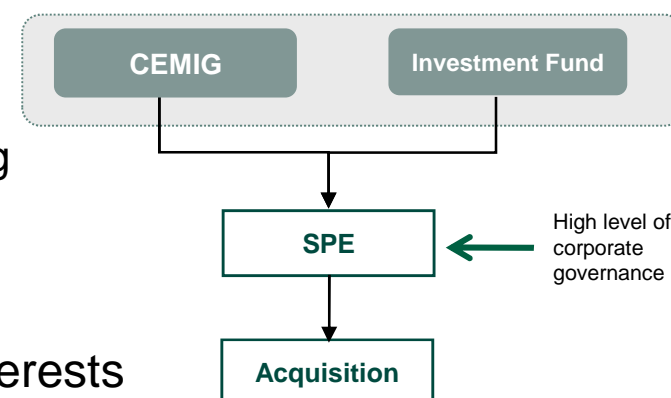
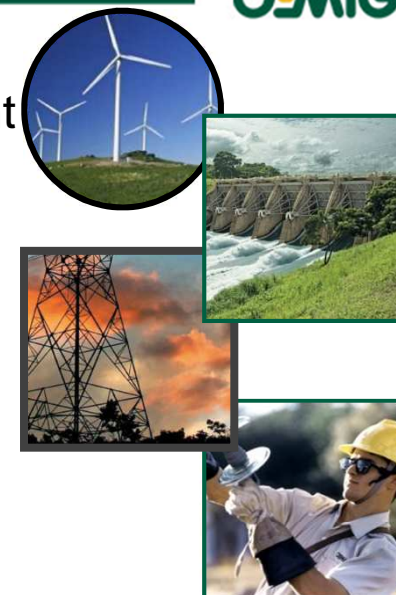
Business Model for Growth

- 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
- Innovative acquisition structure enables Cemig to use it in other expansion opportunities, aligned with its Long-Term Strategic Plan.
- 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 financial capital markets

CEMIG



Clear Priorities for 2012



Priorities

- 1 Execute cost reductions
- 2 Integrate Taesa and Light acquisitions
- 3 Participate in green fields
- 4 Select new acquisitions

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



Investor Relations

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