



A Melhor Energia do Brasil.

Successful Strategy

Performance reflects balanced portfolio structure

February, 2013



CIG
LISTED
NYSE

CIG.C
LISTED
NYSE

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.

The information and opinions contained herein should not be understood as a recommendation to potential investors and no investment decision should be based on the truthfulness, or completeness as of the date hereof of this information or these opinions. None of Cemig's professionals nor any of their related parties or representatives shall have any liability for any losses that may result from the use of the content of this presentation.

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\$
9,4⁽¹⁾ B.

#3⁽²⁾

Role in
industry

**Leading
consolidator**

In the Power Industry since 1952

(1) As of February 04th, 2013

(2) In the Brazilian Power Industry

Cemig: Strength in Numbers



Number of power plants

70

Total installed capacity

7,038 MW

Locations in Minas Gerais State

5,415

Size of concession area vs. France

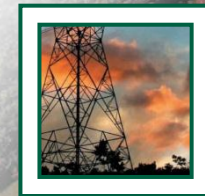
Larger

Electricity Distribution lines

510,744 km

Power Transmission lines

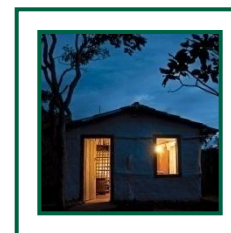
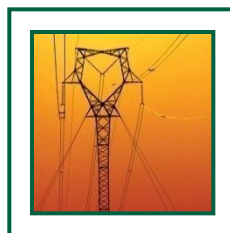
10,060 km



Cemig at a Glance



- Based in State of Minas Gerais, controlling shareholder
 - growing throughout Brazil and Chile
- Strong financial profile:
 - 3Q11 - Net revenues: R\$ 4,0B EBITDA: R\$ 1.5B
 - 3Q12 - Net revenues: R\$ 4.8B EBITDA: R\$ 1.8B
- Highest liquidity in the sector
 - listed on 3 stock exchanges New York, São Paulo, Madrid
 - More than 119,000 shareholders in 44 countries
 - Average Daily Trading Volume in 2011:
 - R\$59M in Bovespa
 - US\$53M in NYSE
- Solid dividend policy
 - Minimum 50% payout ratio
 - Every two years, may pay extra dividends, if cash conditions permit
- Strong Growth outlook in the long run
 - Acquisitions
 - Re-pricing of energy contracts



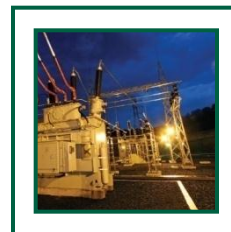
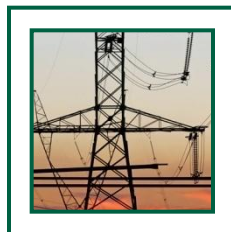
The Cemig Story – Agenda



The positioning

The performance

The growth



Cemig is Uniquely Positioned



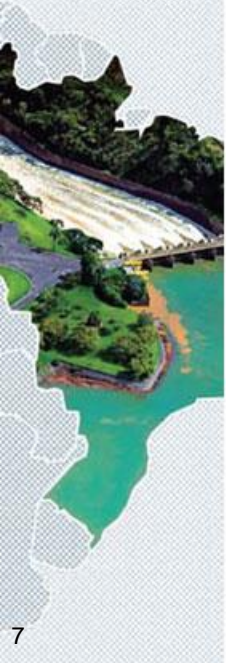
1 The Brazil advantage

2 Unmatched scale

3 Diversified portfolio

4 Leader in renewable energy

5 Strong governance



An Emerging Powerhouse Economy



Latin American economy

#1

Ranking of economy in world

#6

GDP 2011

US\$2.5 Trillion

GDP growth 2011

2.7%

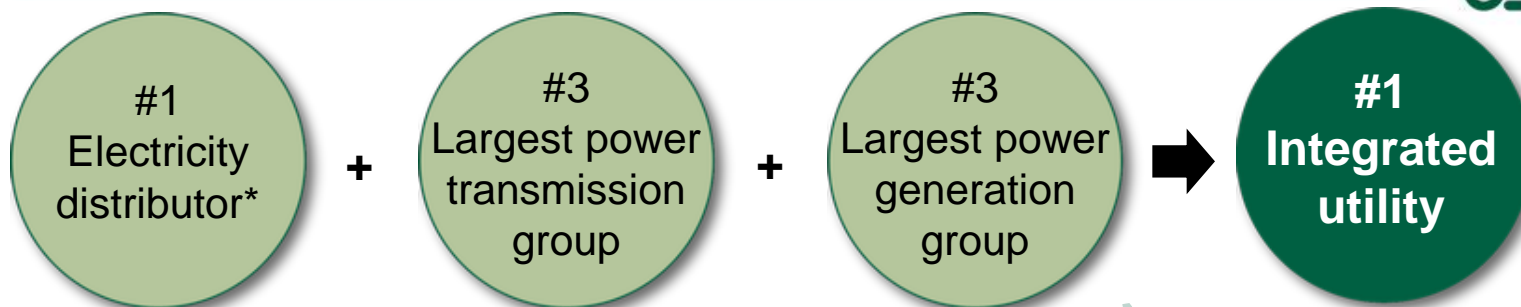
Population











191M

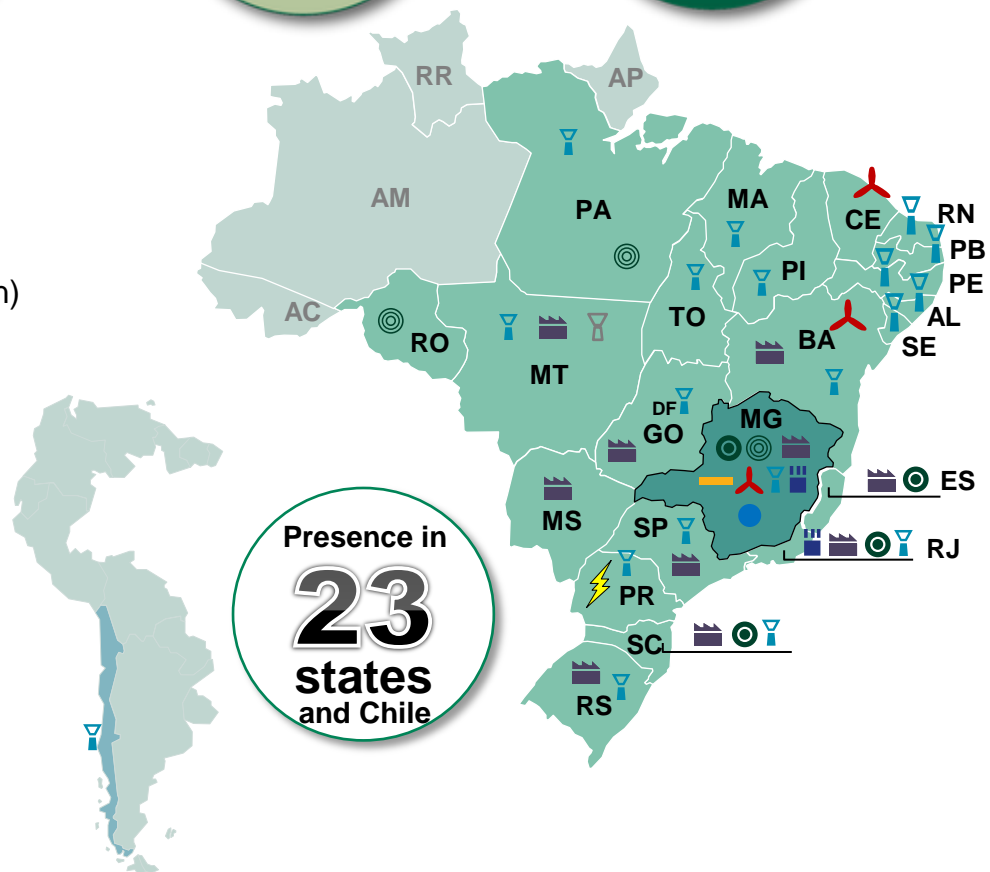
Investment grade by Moody's, Fitch and S&P



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

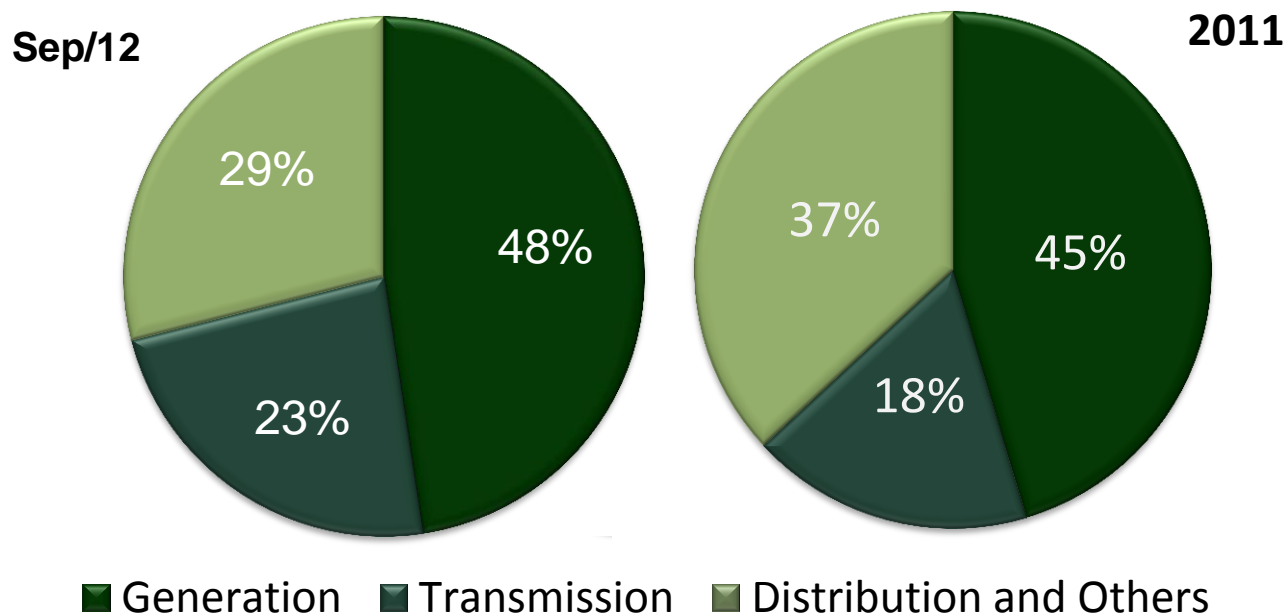


* in terms of length of electricity distribution lines

Diversified, Low Risk Business Portfolio



Breakdown of EBITDA



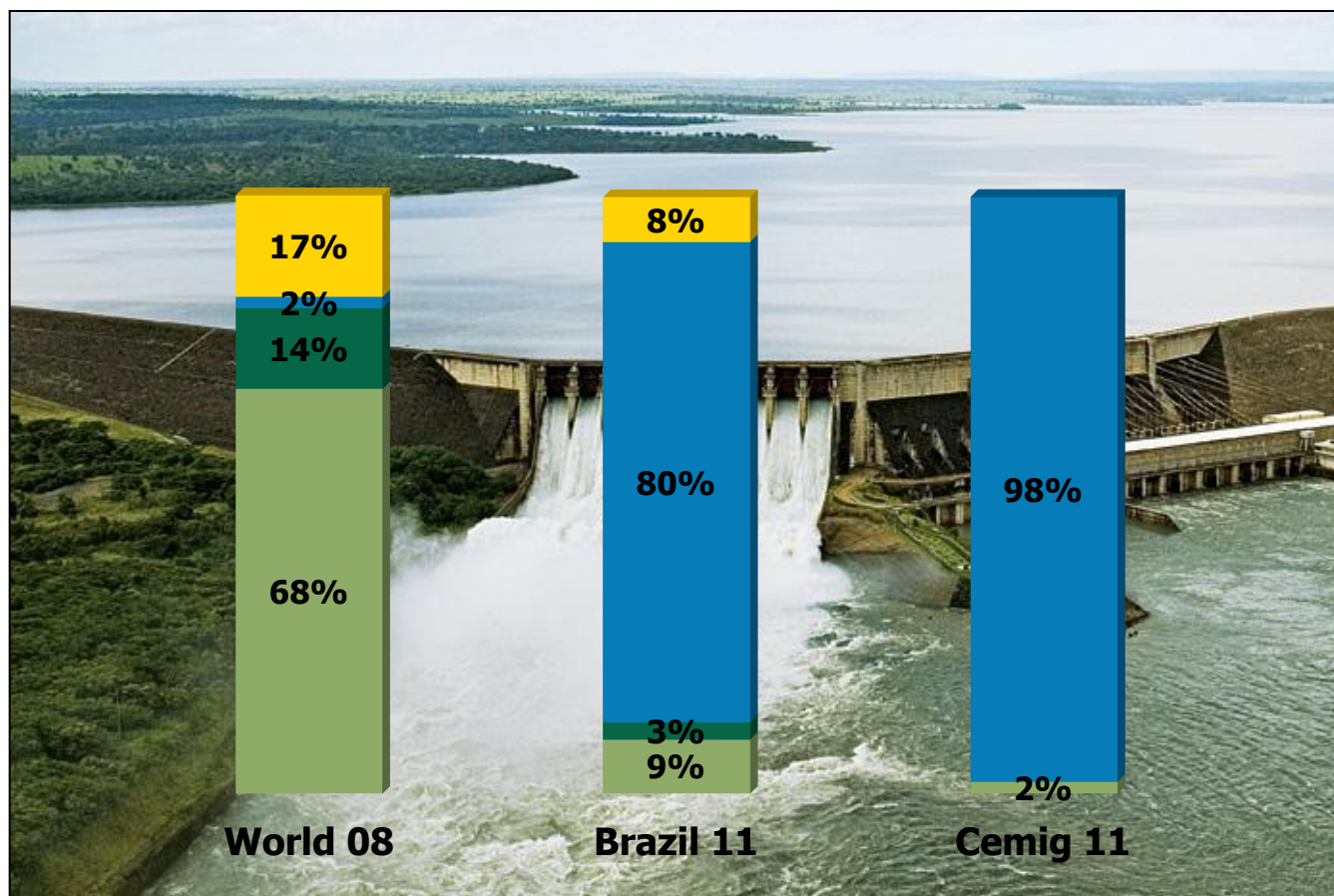
Most of revenues are inflation protected

Sep/12 - Transmission business affected for Gain on issuance of shares

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



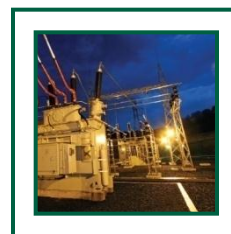
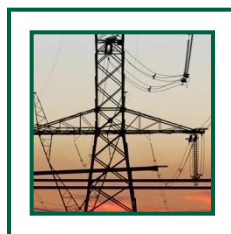
The Cemig Story – Agenda



The positioning

The performance

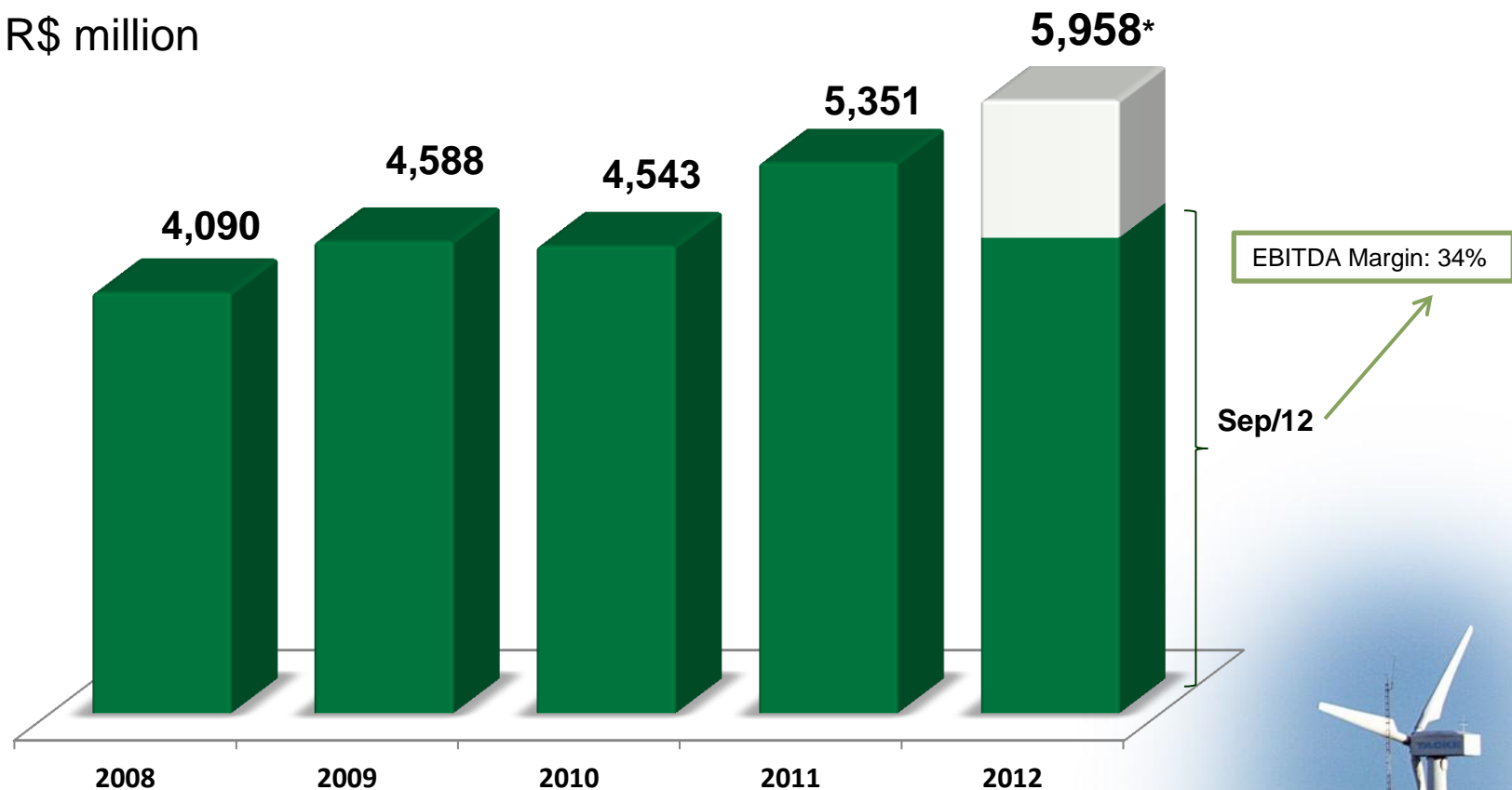
The growth



Growth in EBITDA



R\$ million



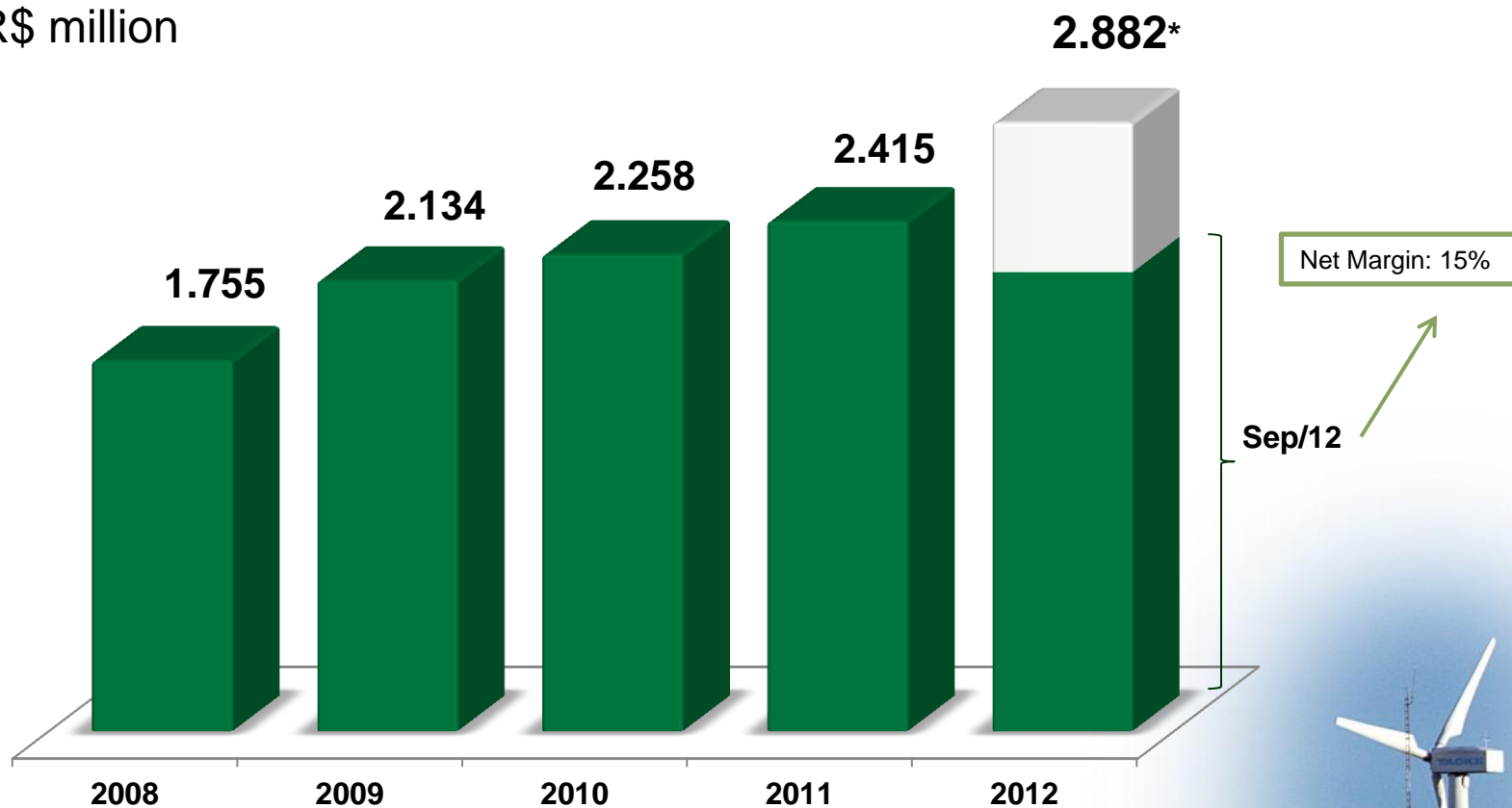
(* Last 12 months' Ebitda)



Net Income Continues to Expand



R\$ million



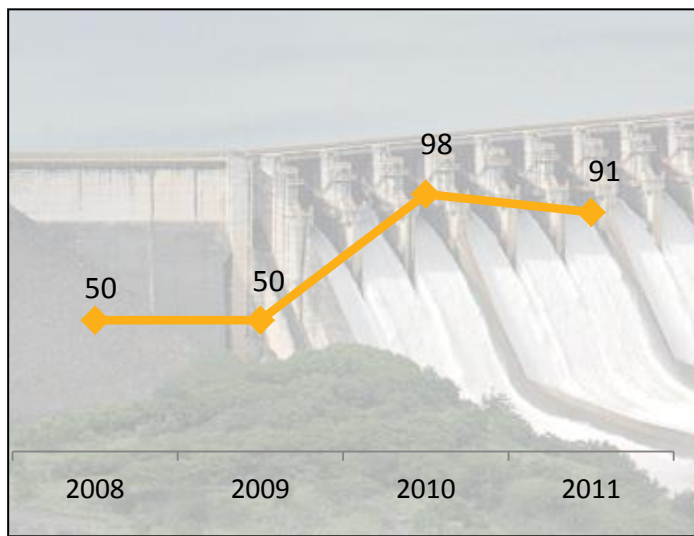
(*) Last 12 months' Net Income



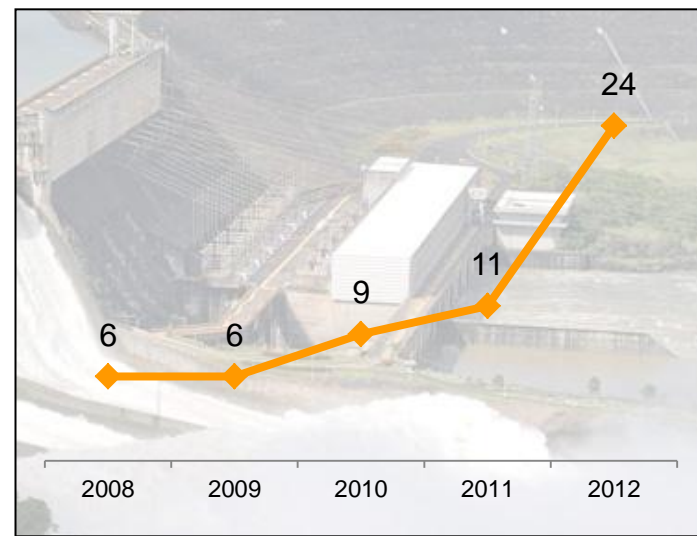
Attractive and Secure Dividend Payout ⁽¹⁾



Dividend Payout (% of Net Income)



Dividend Yield (%)* Preferred shares



* Considering Interest on Equity for the 2012 business year

➤ Dividends paid in 2012 reach R\$ 4.594 billion

- Ordinary dividends *R\$ 1.294 billion*
- Extraordinary dividends of R\$ 1.600 billion, corresponding to R\$ 1.87 per share
- Interest on Equity for the 2012 business year, to be considered as offset in the calculation of the obligatory dividend, under Paragraph 3 of Article 29 of the by-laws, in the amount of R\$ 1.700 billion, corresponding to R\$ 1.99 per share

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

Strong Balance Sheet to Support Growth



Net debt to EBITDA

2.0X

Debt in foreign currency^(*)

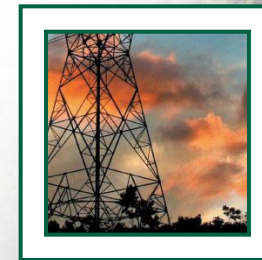
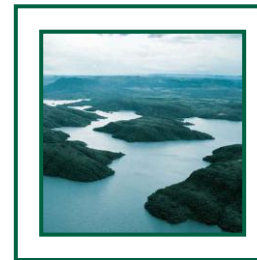
3%

Cash on hand

R\$4,7B

Net Revenue 3Q12

R\$ 4.8B

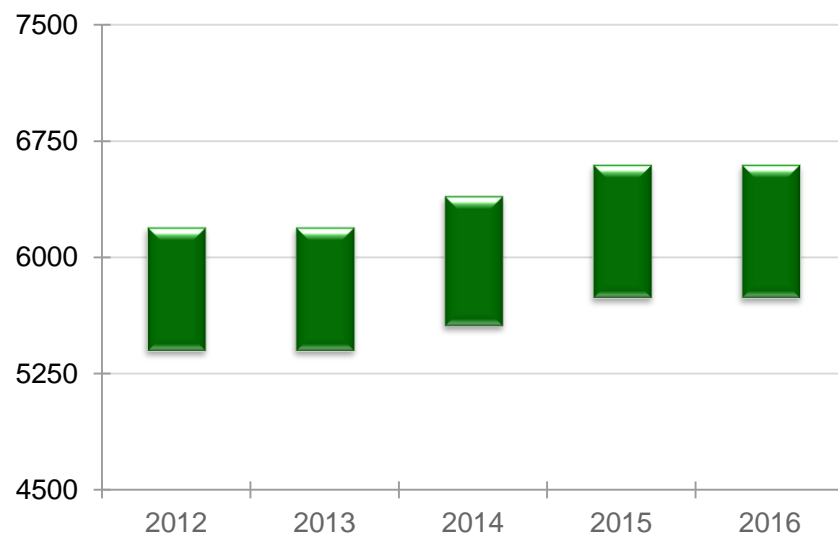


*Net of financial hedging

EBITDA guidance



EBITDA guidance⁽¹⁾ 2012-2016 R\$ million



Year	Lower limit	Upper limit
2012	5,400	6,200
2013	5,400	6,200
2014	5,560	6,400
2015	5,740	6,600
2016	5,740	6,600

Consolidated includes the amounts of the holding company and affiliated companies

(1) Constant currency as of June 2012.

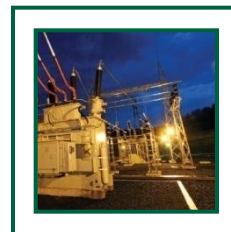
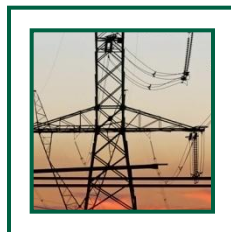
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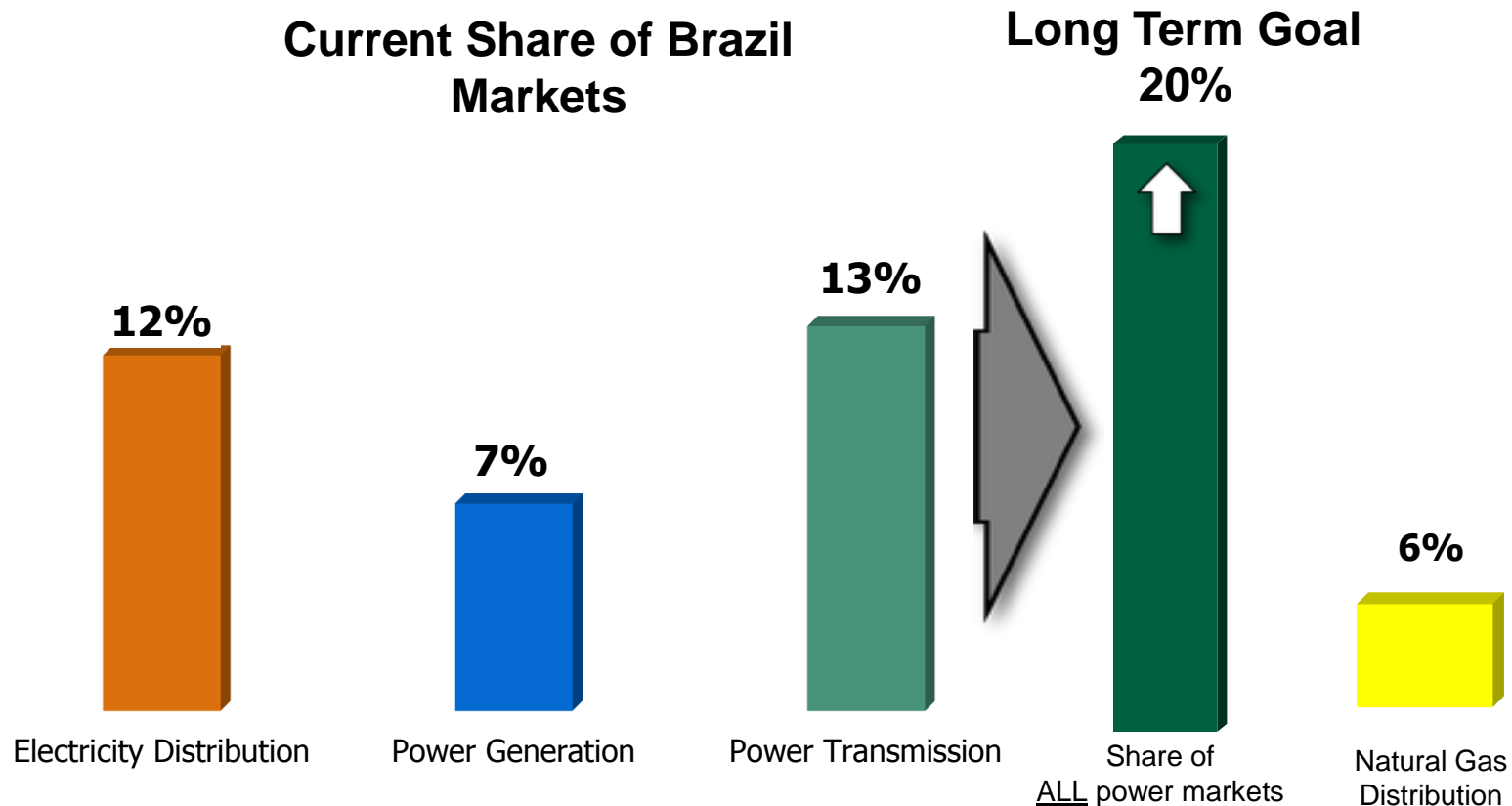
The positioning

The performance

The growth

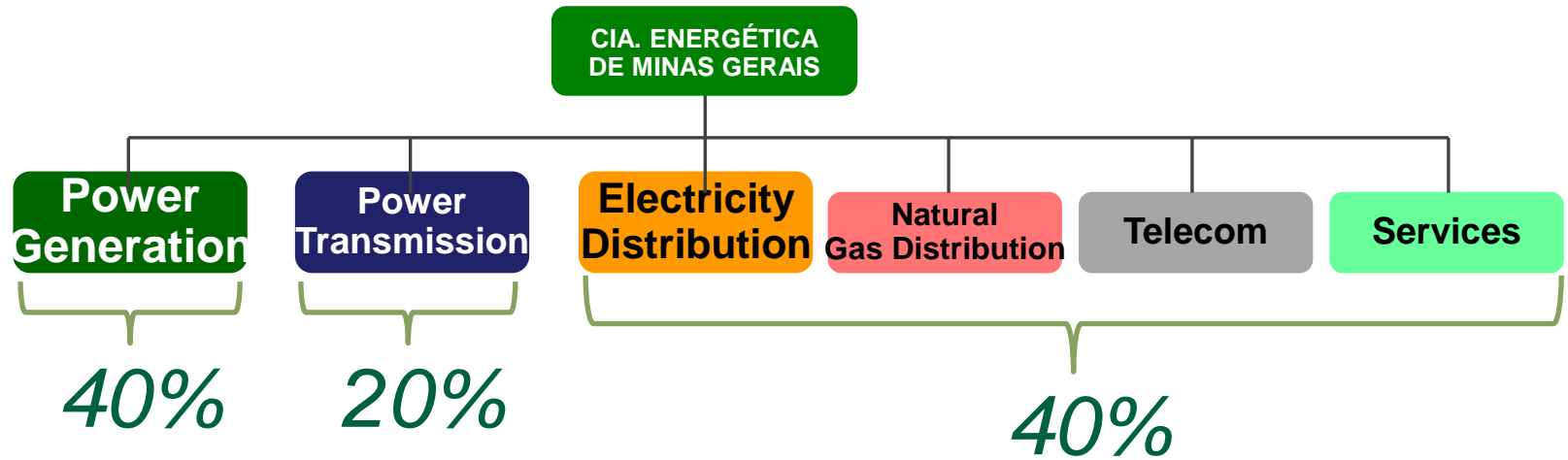


Clear Long Term Goals



- 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)

Target Ebitda contribution by business in the long run



Growth Drivers



1

Leverage price increases



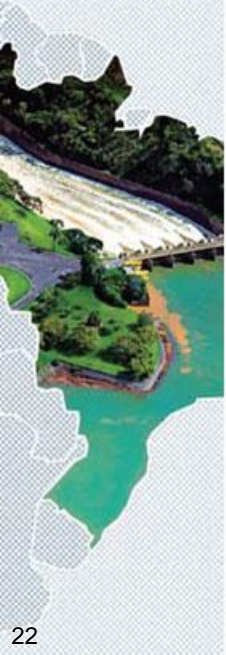
2

Improve operating efficiency



3

Geographic expansion

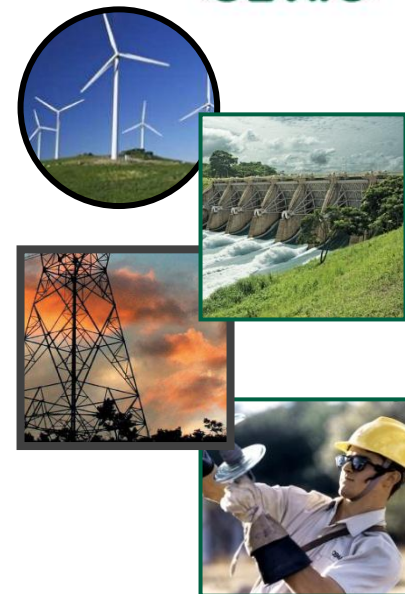


Record of Successful Acquisitions

Business Model for Growth

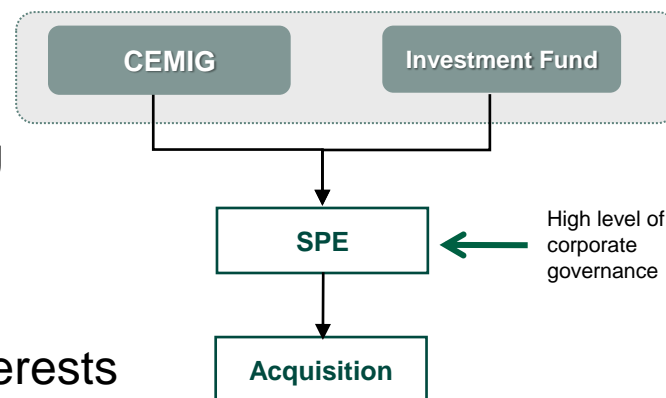


- Partnerships with Equity Investment Funds (FIPs) in recent acquisitions (Terna and Light) create a new growth driver
- Structuring of partnerships with FIPs produces a growth strategy that optimizes capital needs
- Innovative acquisition structure enables Cemig to use it in other expansion opportunities, 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



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

Appendix



Brazilian GDP growth is driven by domestic market

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

Economics

- Largest Latin America economy
- 6th largest world economy
- GDP (2011): US\$ 2.5 trillion (+2.7%)
- Inhabitants: 191 million
- Area: 8.5 million km²
- Currency⁽¹⁾: Reais (BRL) – US\$1 = R\$ 1.99
- Reserves⁽¹⁾: US\$ 378 billion

Economic Development Acceleration Plan – Second Phase (PAC 2)

- Federal plan to invest US\$ 598 billion in the period of 2011-2014
- Electric Power Generation: US\$ 71 billion
- Electric Power Transmission: US\$ 17 billion
- Renewable Fuel projects*: US\$ 626 million
- Energy Efficiency: R\$ 689 million

*Ethanol, Biodiesel and Alcohol pipeline

Electric Power Industry

- Power Generation
 - ✓ Installed Capacity⁽²⁾: 107 GW
 - 65.9% Hydro; 10.8% Natural Gas; 5.6% Oil; 7.1% Biomass; 1.6% Nuclear; 1.6% Coal; 1.4% wind farm
- Power Transmission
 - ✓ National Network⁽³⁾: 102,000 km
 - ✓ Peak Demand in 2009: 64.04 GWh/h
- Electricity Distribution
 - ✓ Energy Consumption in 2009: 388,204 GWh
 - 43% industries and 26% householders
 - ✓ 99% penetration countrywide
 - ✓ More than 50% of South America
 - ✓ Peak Demand comparable to UK

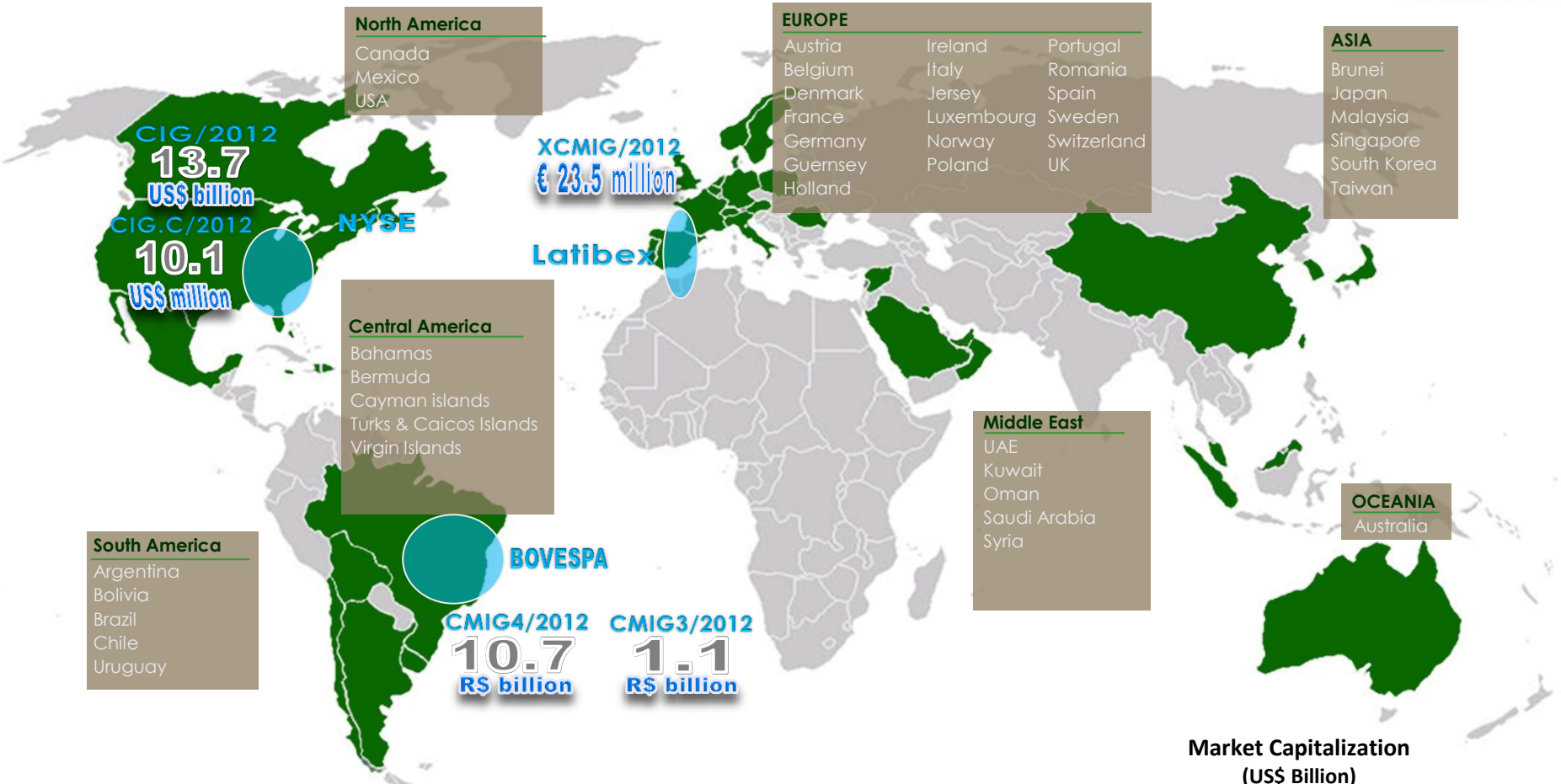
Source: Brazilian Institute for Geography and Statistics (IBGE), Brazilian Electricity Regulator (ANEEL), Brazilian Association of Transmission Companies (ABRATEE), Energy Research Company (EPE).

(1) As of February 31th, 2012

(2) As of January 06th, 2012

(3) As of June 30th, 2010

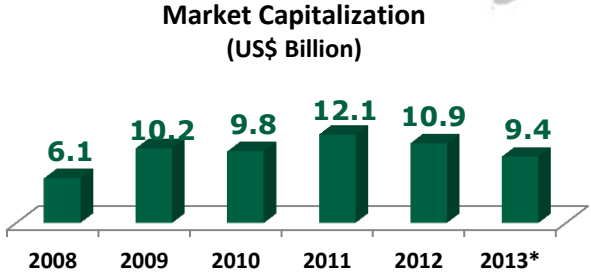
Strong shareholders base assures liquidity



Average daily trading volume, 2012

Bovespa: R\$ 80 million
NYSE: US\$ 55 million

- Shares traded on 3 stock exchanges
- Over 121,000 stockholders in 40 countries

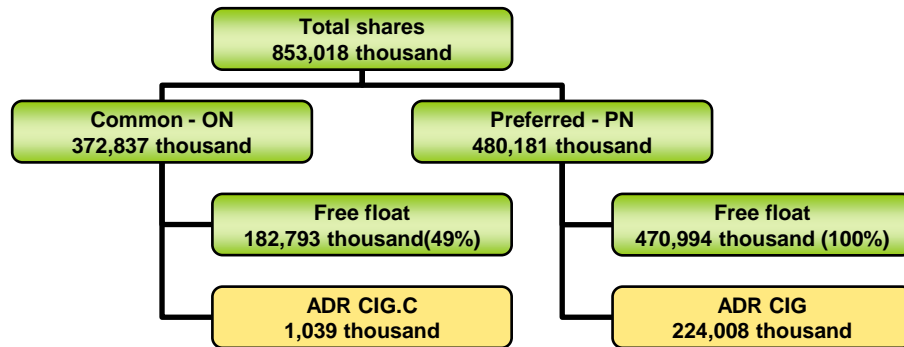
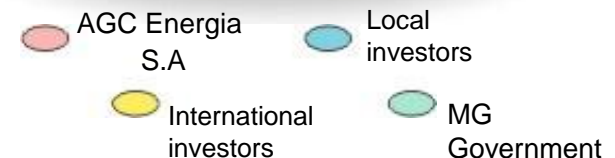
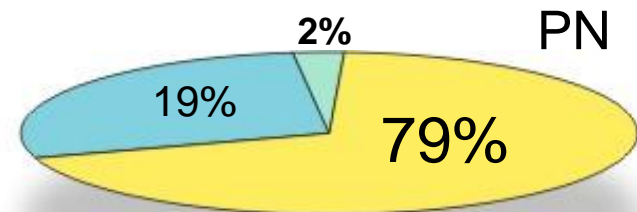
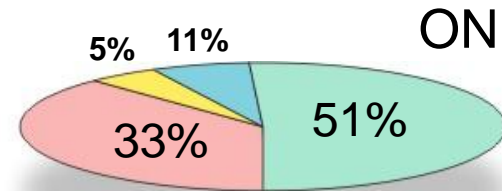
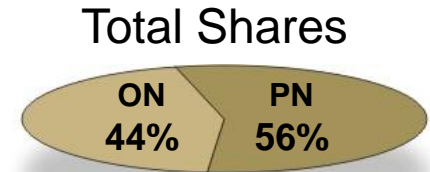


* As of January 04th, 2013

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)**



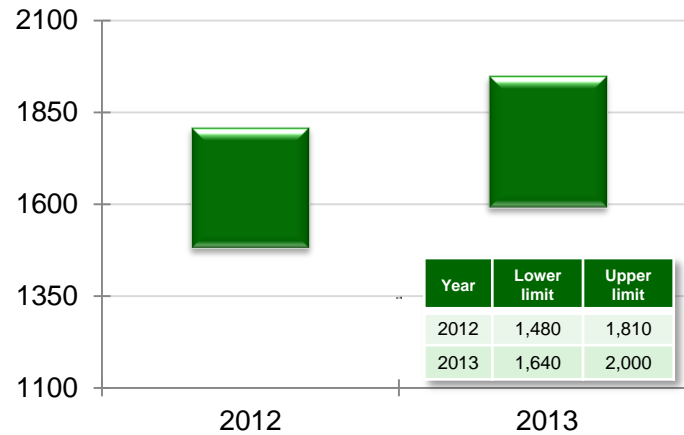
Share nominal value = R\$5.00

ADR outstanding approximately 20% of total shares and 36.97% of PN shares
 1 ADR = 1 share in Bovespa
 ON shares have voting rights

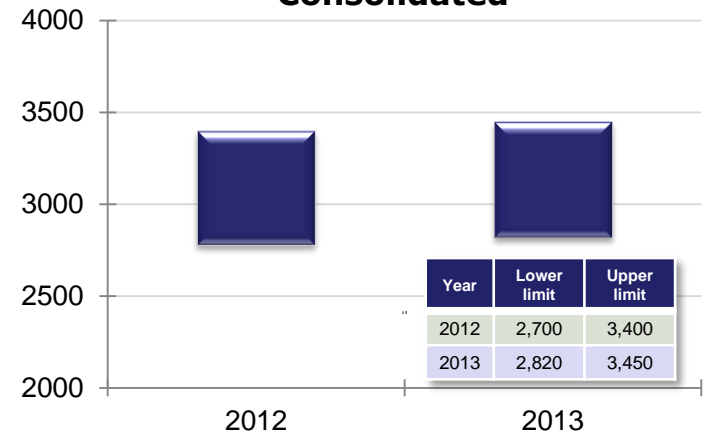
EBITDA Guidance 2012-2013



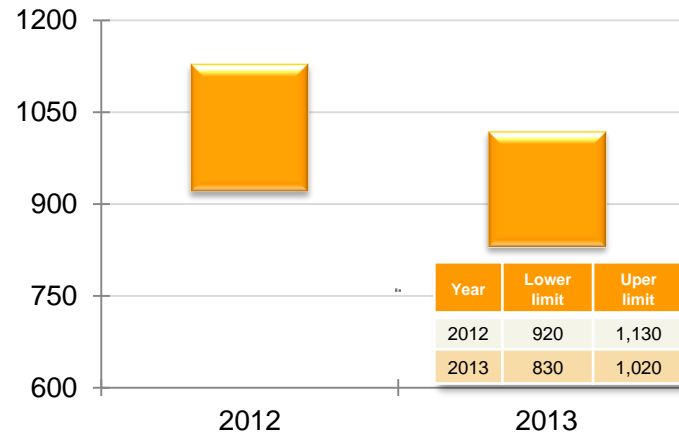
Cemig D



Cemig GT – Consolidated



Holdings



R\$ Million in constant prices as of June 2012

Superior credit capacity recognized by the major rating agencies



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



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.

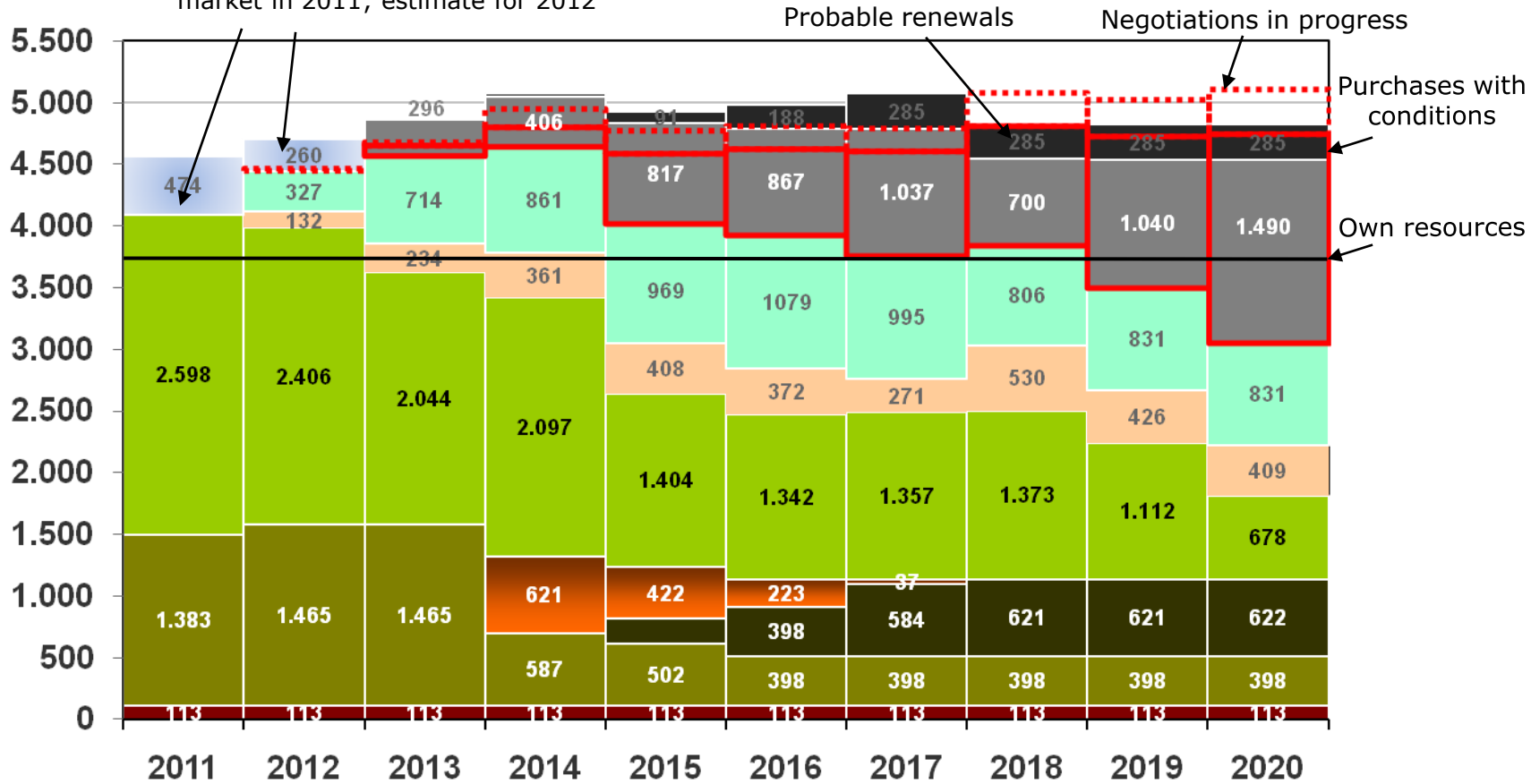
CEMIG GT – Supply-demand balance



Detail of requirements

Average MW Secondary supply as transacted in spot market in 2011; estimate for 2012

Conventional energy



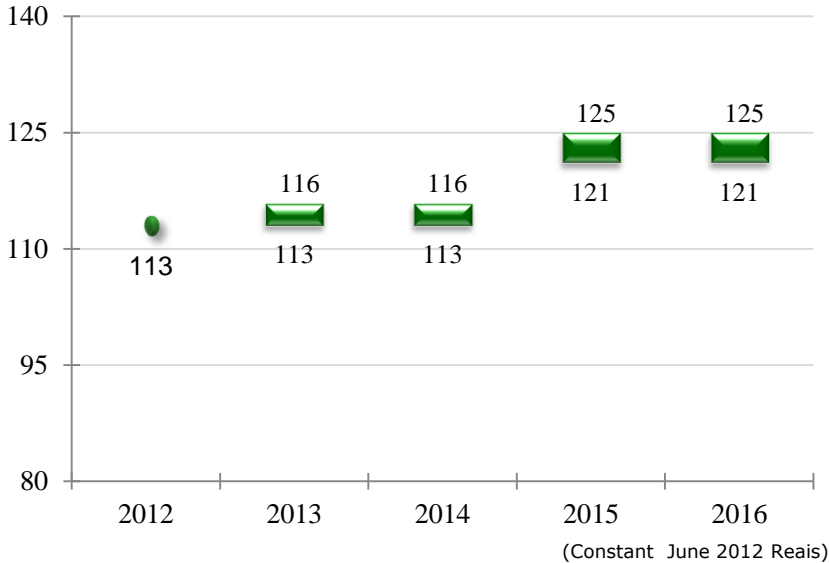
- Available for sales or trading
- Free Market sales – new contracts
- To be defined (conc. to be renewed for the 2nd time)
- Regulated Market sales to distributors
- Intermediation (transferred to Cemig Trading)
- Free Market sales (free consumers, and traders)
- Regulated market sales forecast
- Standard operational agreement

CEMIG GT: Power generation prices estimates



Effect of renewal of existing contracts

(R\$/MWh)

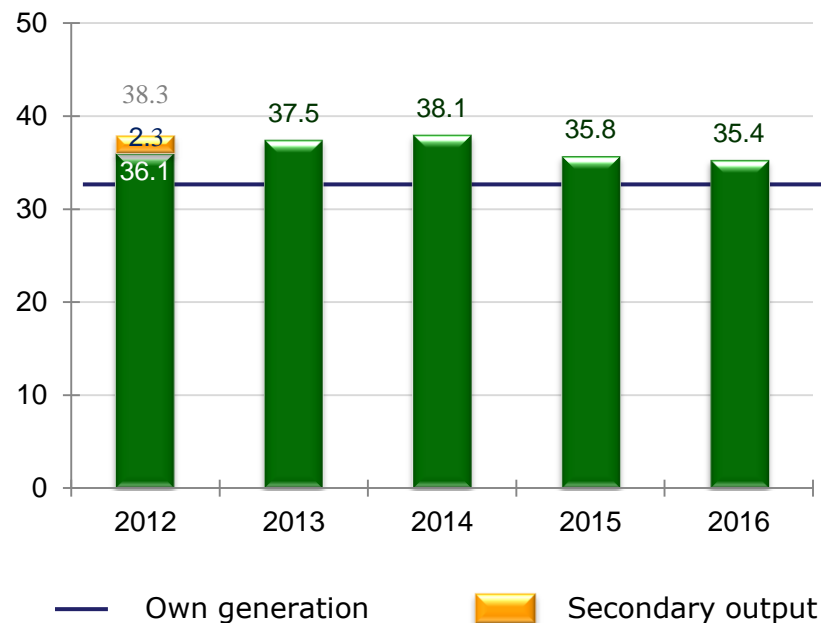


- Replacement of existing contracts, starting in 2015, by new contracts with higher prices than the present.

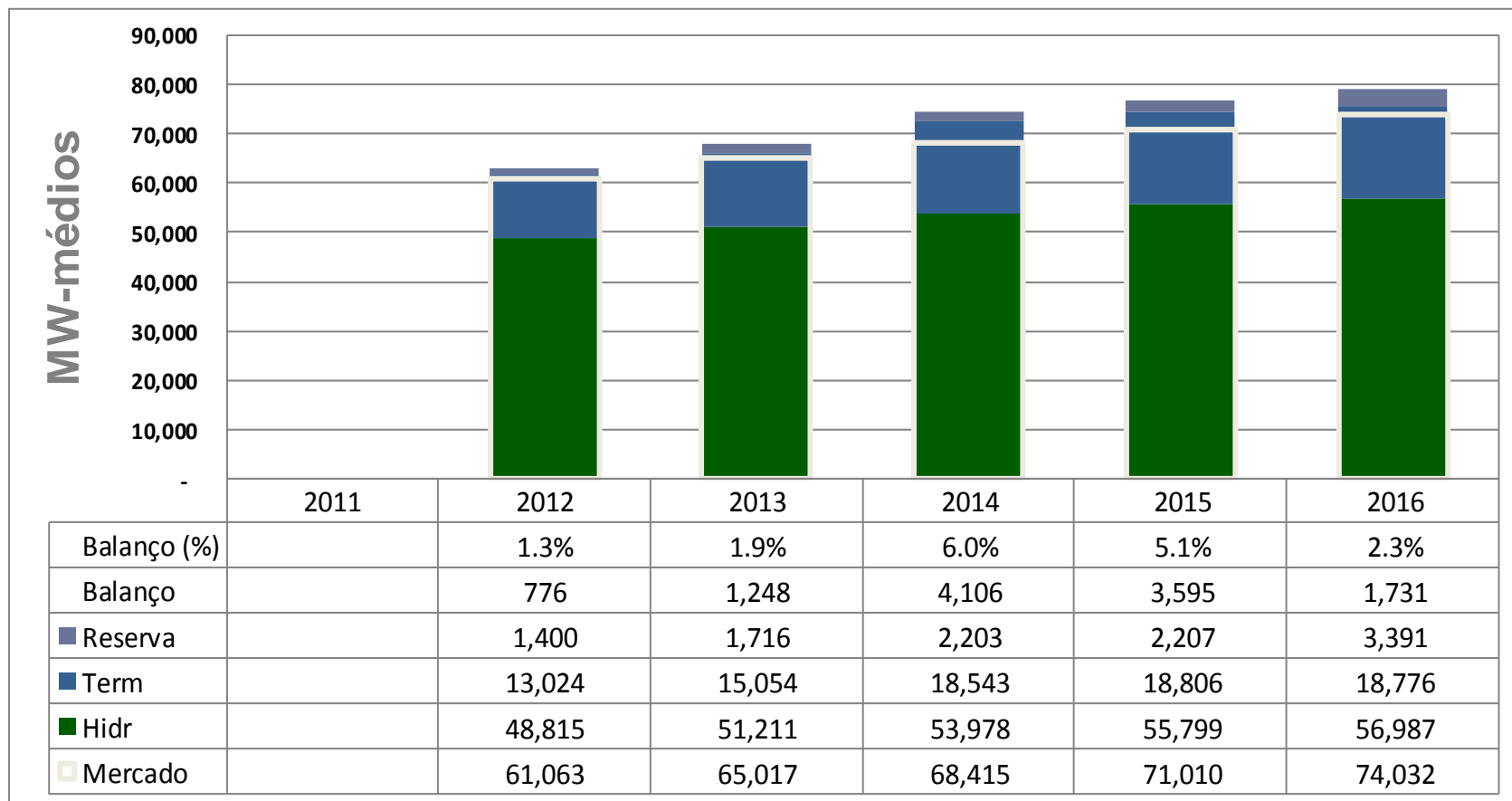
Power Generation Sales Volume Estimates:CEMIG GT



Market – TWh



- Participation in the system's Secondary Generation in 2012 (generation in excess of physical guarantees, resulting from favorable hydrology, sold in the spot market at the spot price (PLD)).
- Purchase of electricity (Petrobrás, Copel, Incentive-bearing sources, Wind power, RBE, excess from Santo Antônio).



Source: **PMO of May 2012**; analysis by Cemig.

Based on expectation of **4.4% annual GDP growth** over **2012–16**.

Market Recognition



Included in the DJSI for the 11th year running.



Prêmio Anefac
Transparency Trophy, 2011.



Best analyst meeting



Included in The Global Dow Index as the only Latin American electricity company in this 150-company index, and one of the 10 selected to represent emerging markets.



37th Apimec Award



Included in Bovespa Corporate Sustainability Index.



Investor Relations

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Notes

Notes