



A Melhor Energia do Brasil.

Successful Strategy

Performance reflects balanced portfolio structure

April, 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
2006-12

+58%

Market cap
of US\$
10,8⁽¹⁾ B.

#3⁽²⁾

Role in
industry

**Leading
consolidator**

In the Power Industry since 1952

(1) As of March 14th, 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

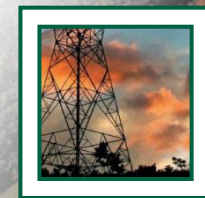
Larger

Electricity Distribution lines

510,744 km

Power Transmission lines

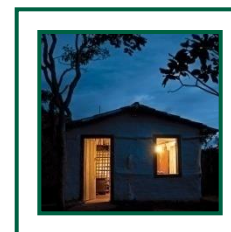
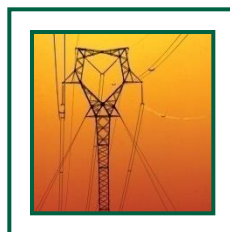
9,413 km



Cemig at a Glance



- Based in State of Minas Gerais, controlling shareholder
 - growing throughout Brazil and Chile
- Strong financial profile:
 - 2011 - Net revenues: R\$ 15,7B EBITDA: R\$ 5,3B
 - 2012 - Net revenues: R\$ 18,5B EBITDA: R\$ 5,1B
- Highest liquidity in the sector
 - listed on 3 stock exchanges New York, São Paulo, Madrid
 - More than 119,000 shareholders in 40 countries
 - Average Daily Trading Volume in 2012:
 - R\$80M in Bovespa
 - US\$55M 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



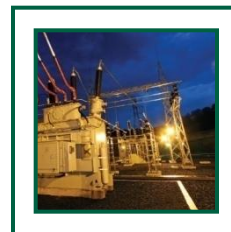
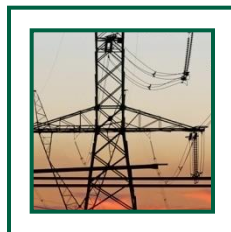
The Cemig Story – Agenda



The positioning

The performance

The growth



Cemig is Uniquely Positioned



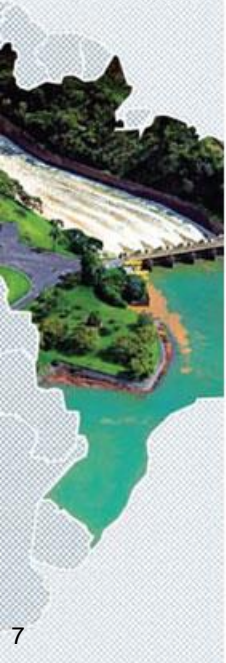
1 The Brazil advantage

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 2012

US\$2.2 Trillion

GDP growth 2013*

3,1%

Population - 2011

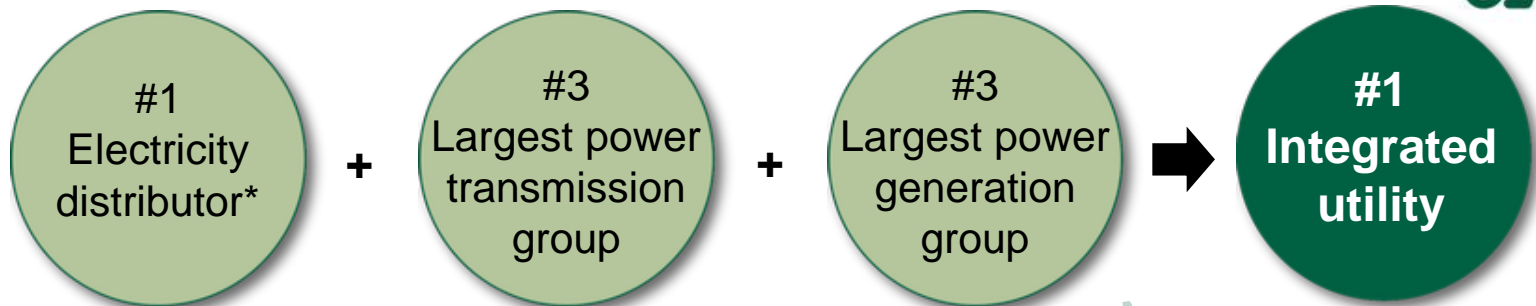
192M











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

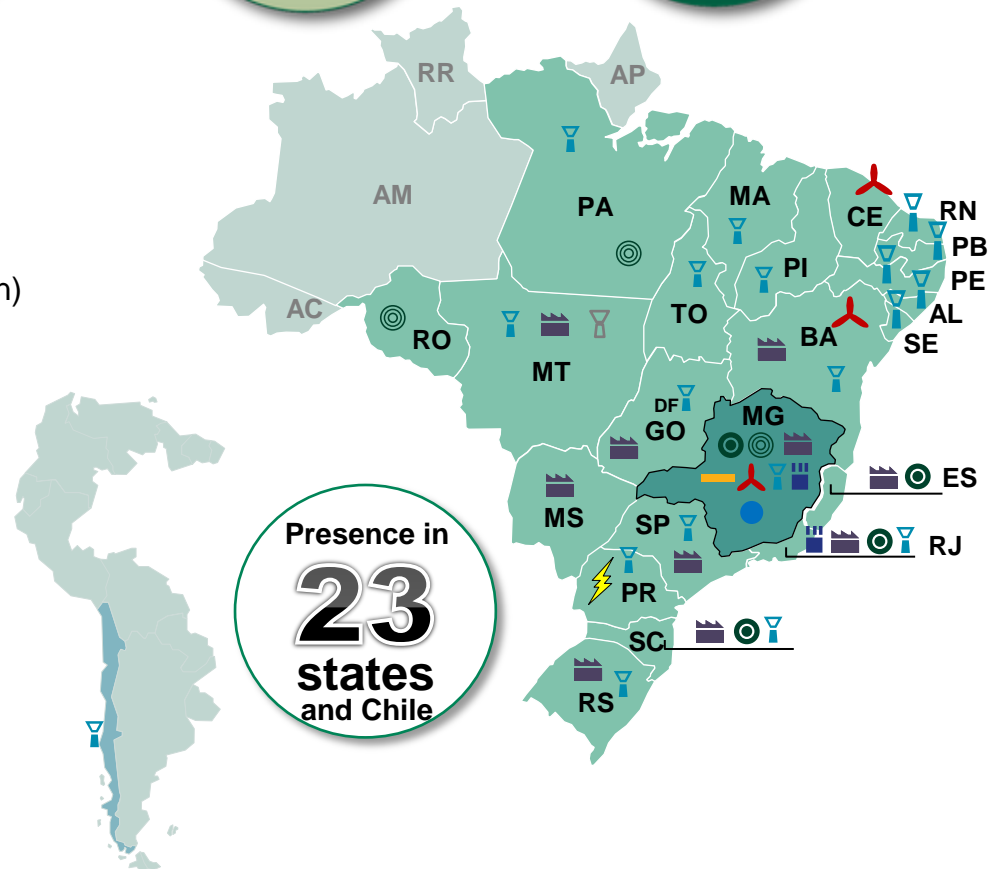
* Focus Report of Brazil's Central Bank in 1st March 2013



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

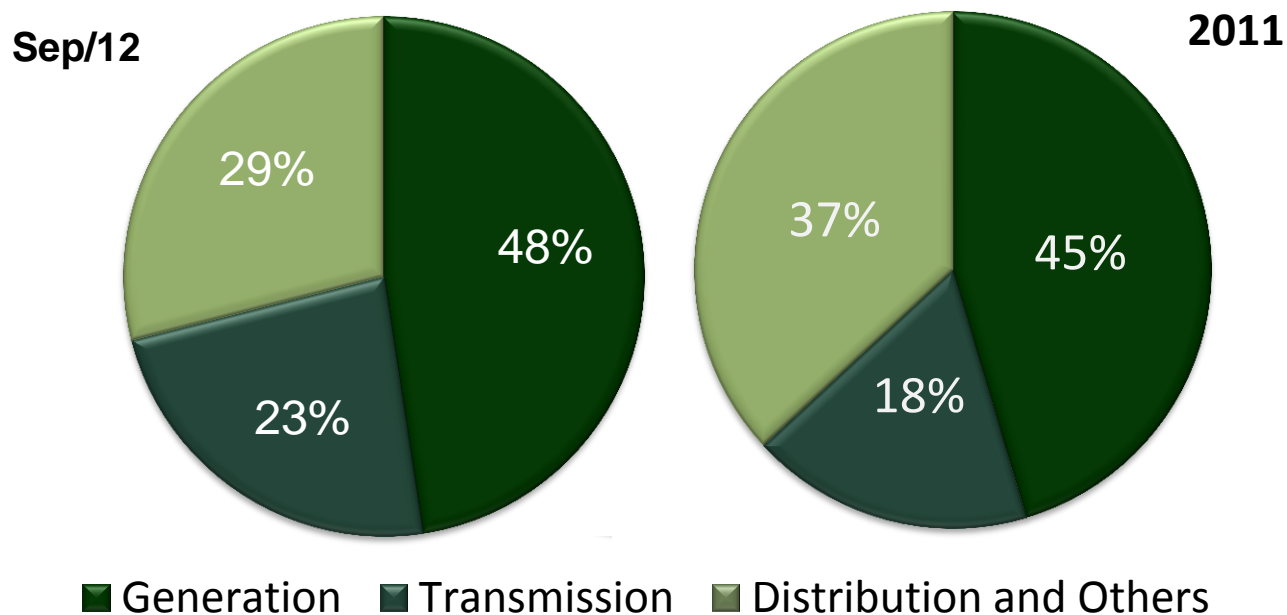


* in terms of length of electricity distribution lines

Diversified, Low Risk Business Portfolio



Breakdown of EBITDA



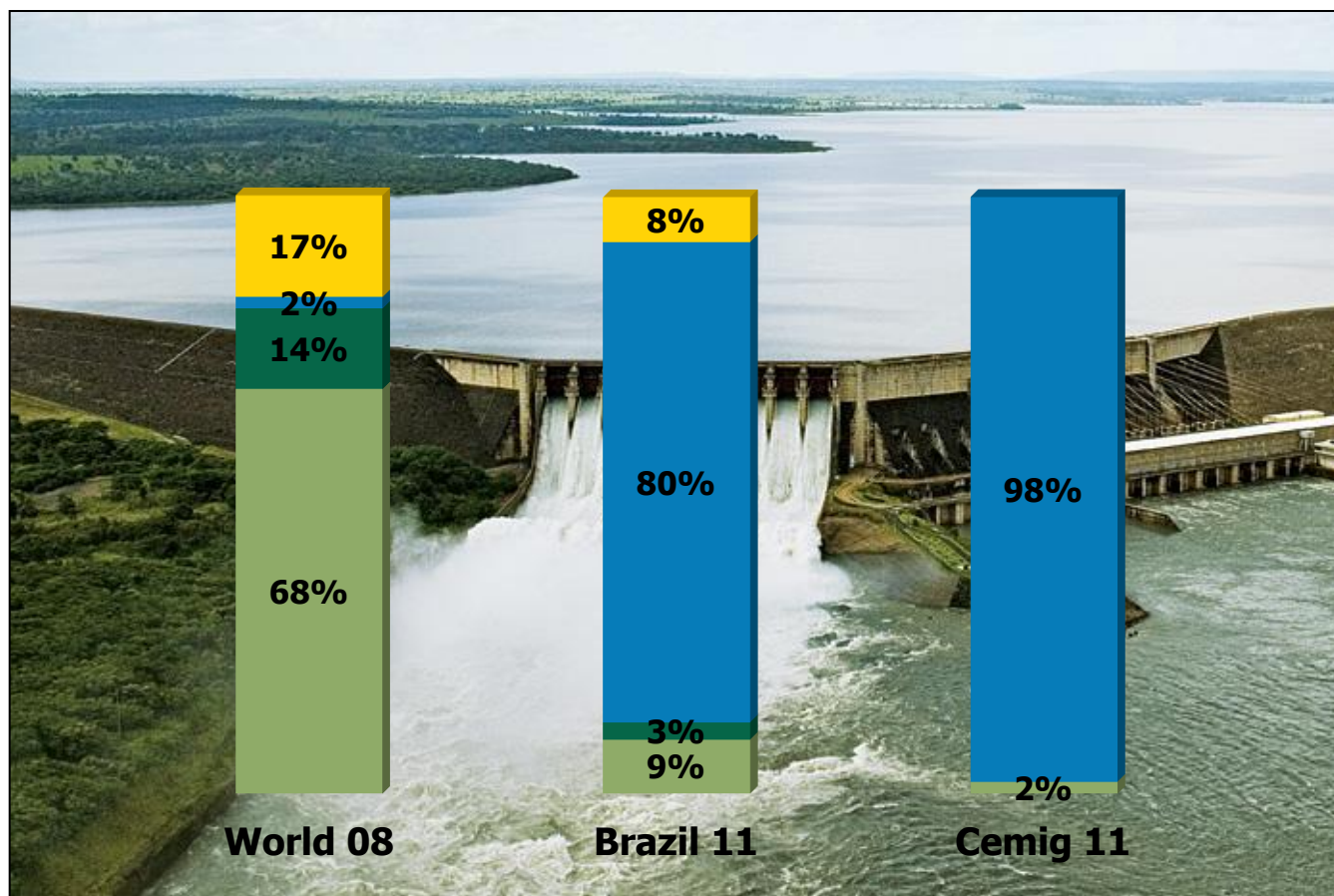
Most of revenues are inflation protected

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
 - 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



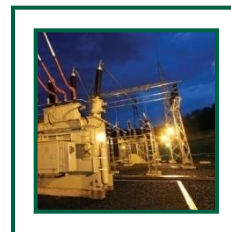
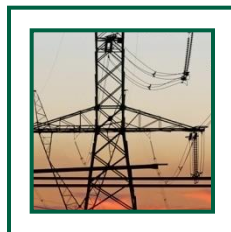
The Cemig Story – Agenda



The positioning

The performance

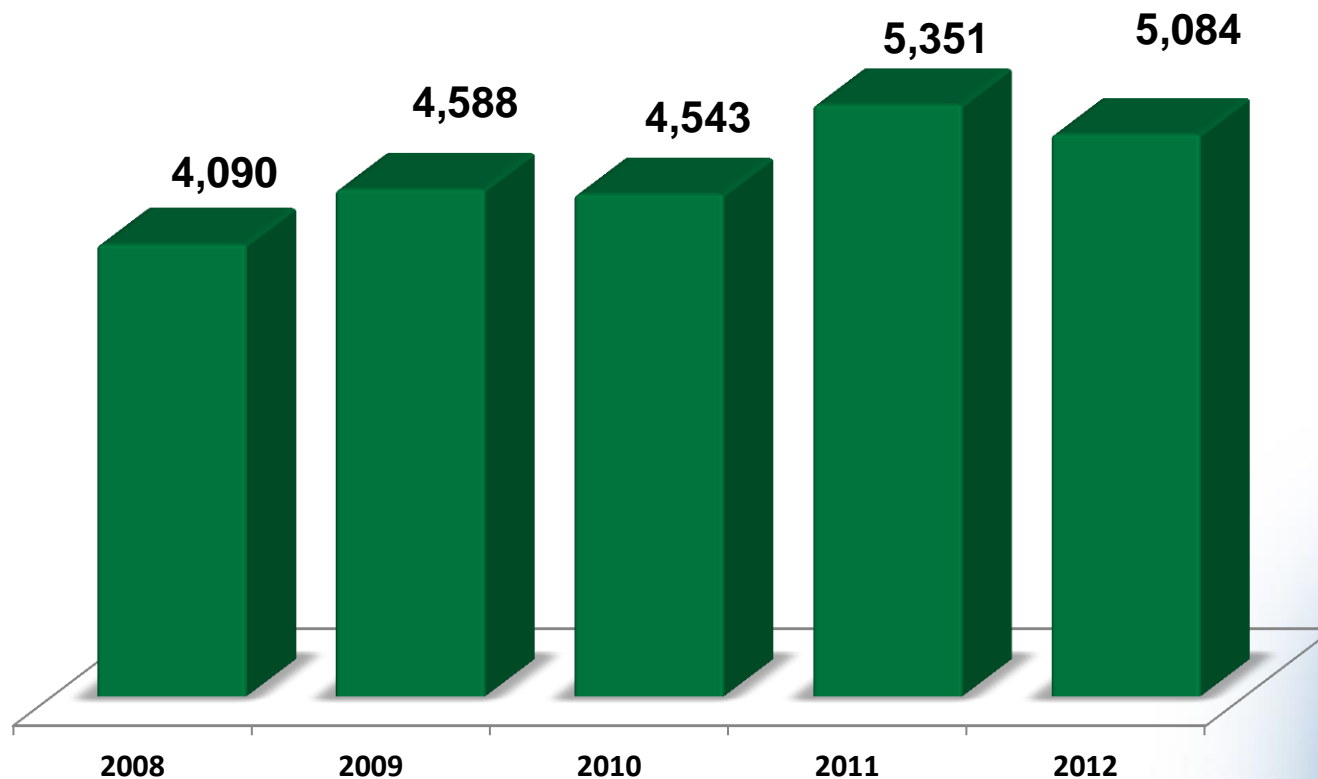
The growth



Growth in EBITDA



R\$ million



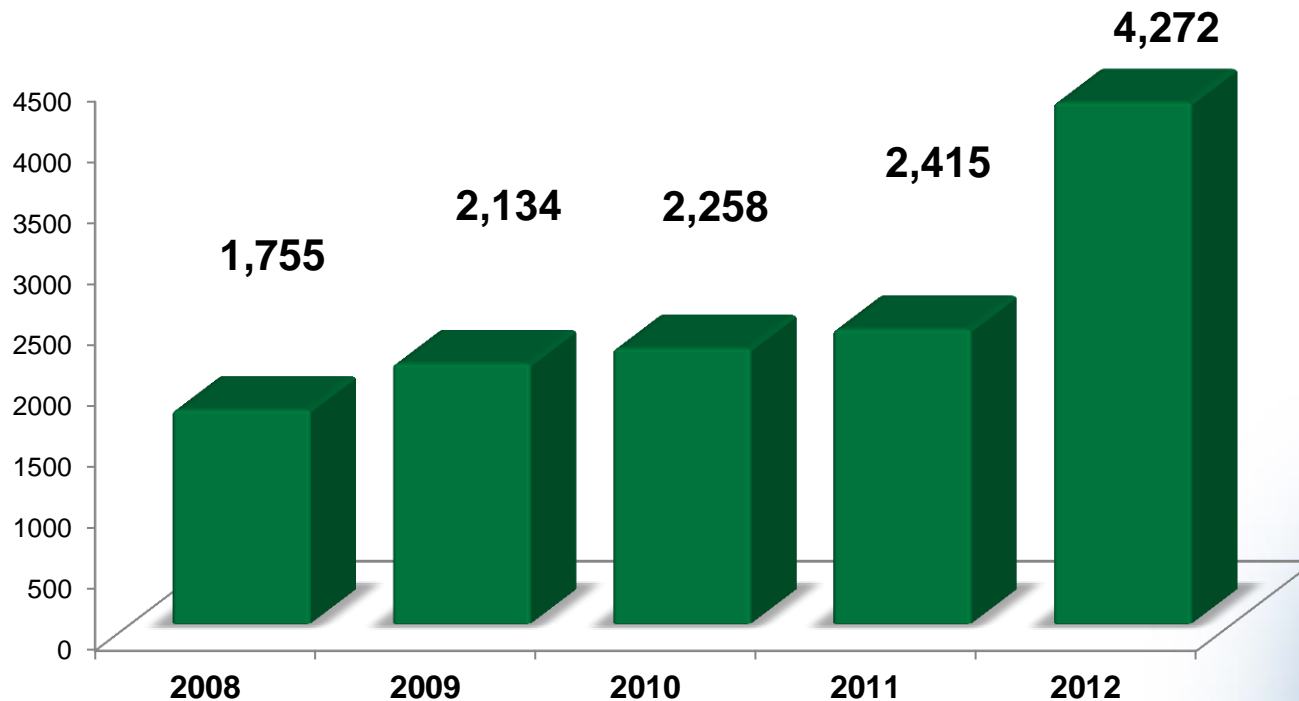
EBITDA Margin: 28%



Net Income Continues to Expand



R\$ million



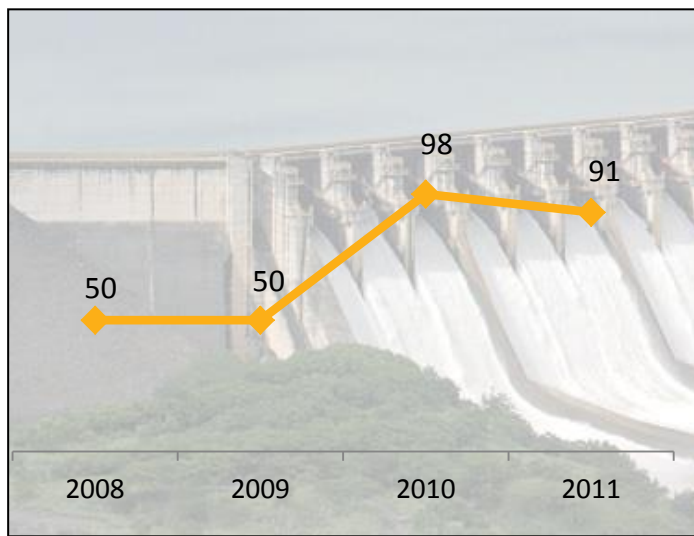
Net Margin: 23%



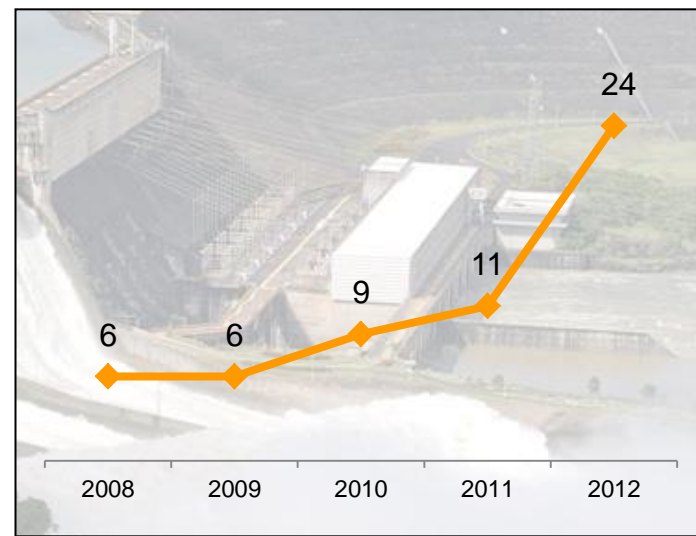
Attractive and Secure Dividend Payout ⁽¹⁾



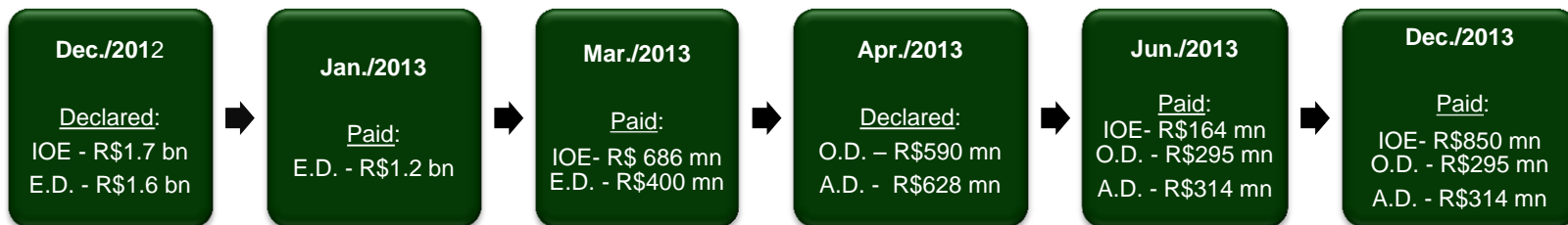
Dividend Payout
(% of Net Income)



Dividend Yield (%)*
Preferred shares



* Considering Interest on Equity for the 2012 business year



Strong Balance Sheet to Support Growth



Net debt to EBITDA

2.4X

Debt in foreign currency^(*)

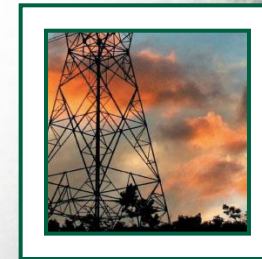
3%

Cash on hand 3Q12

R\$4.7B

Net Revenue 3Q12

R\$ 4.8B

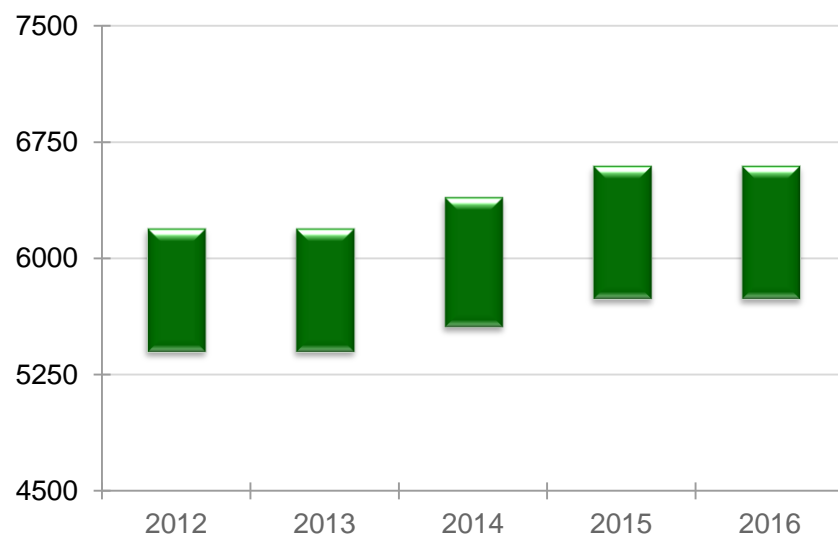


*Net of financial hedging

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

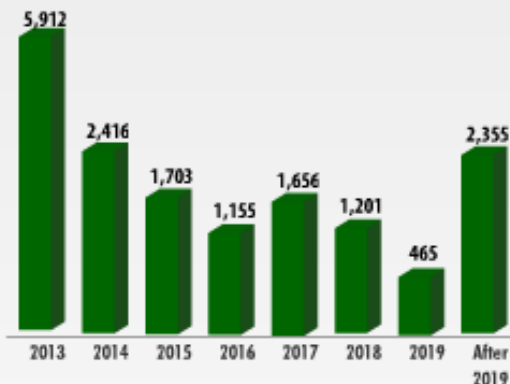
Consolidated includes the amounts of the holding company and affiliated companies

(1) Constant currency as of June 2012.

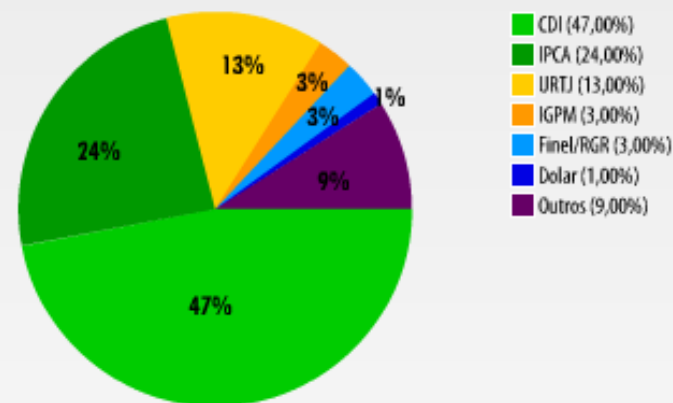
Debt Structure - Cemig



Debt maturities:
Average tenor 3.9 years



Leading Indicators



Average real cost of debt, % p.a.



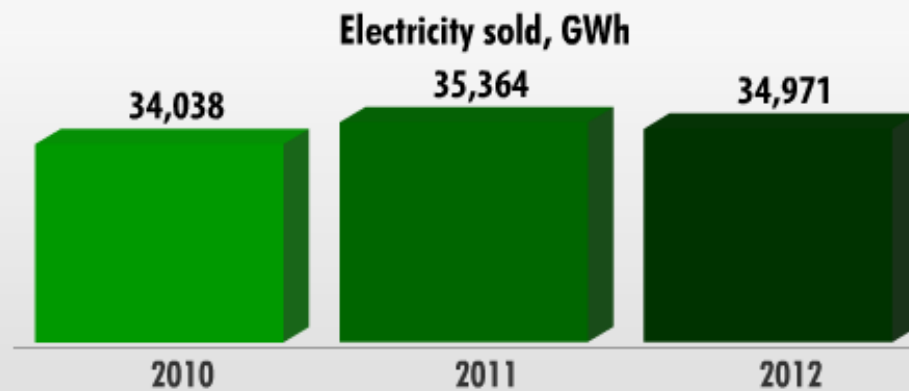
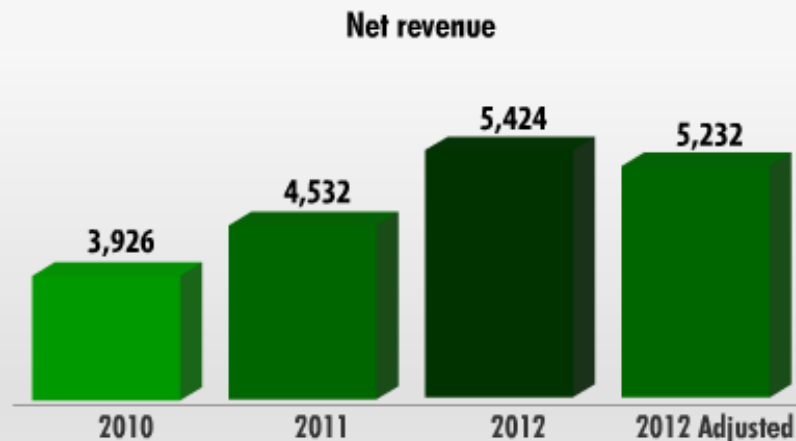
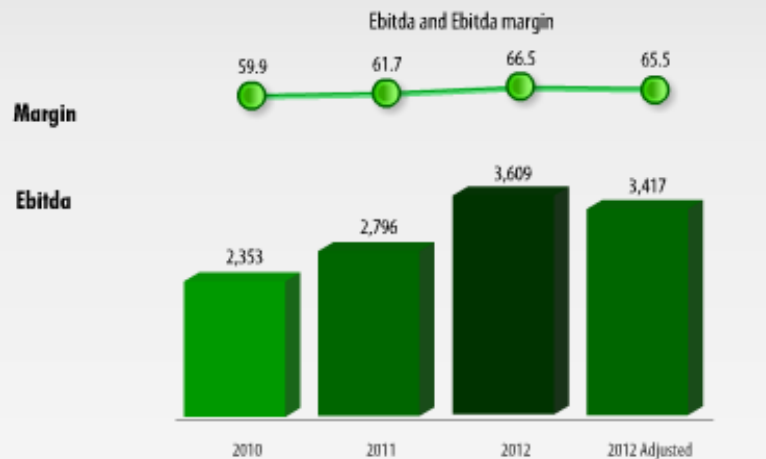
Multiples



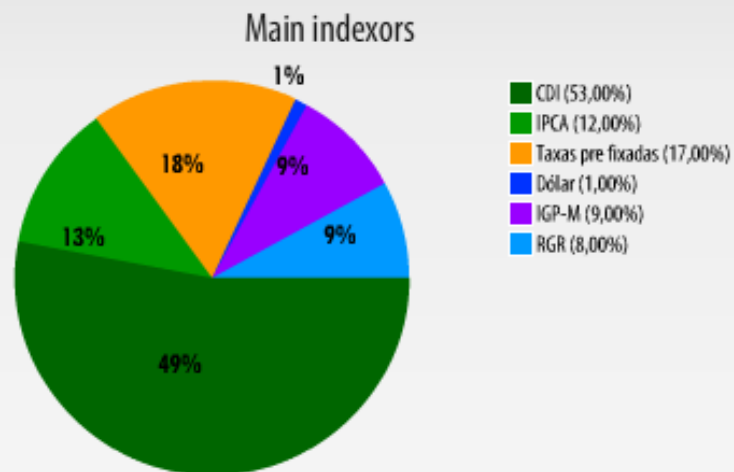
Instant December 2012 prices, including holdings.

(*) Net debt = (Total debt) - (Cash + cash equivalents)

Debt Structure – Cemig GT



Debt Structure – Cemig D



Average real cost of debt, % p.a.



Dec/10 Mar/11 Jun/11 Sep/11 Dec/11 Mar/12 Jun/12 Sep/12 Dec/12

Multiples



Net debt / (Shareholder's equity + Net Debt)



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.

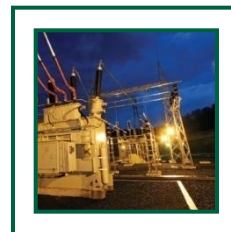
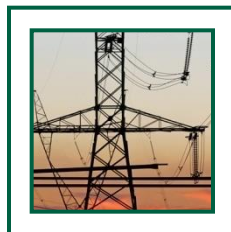
The Cemig Story – Agenda



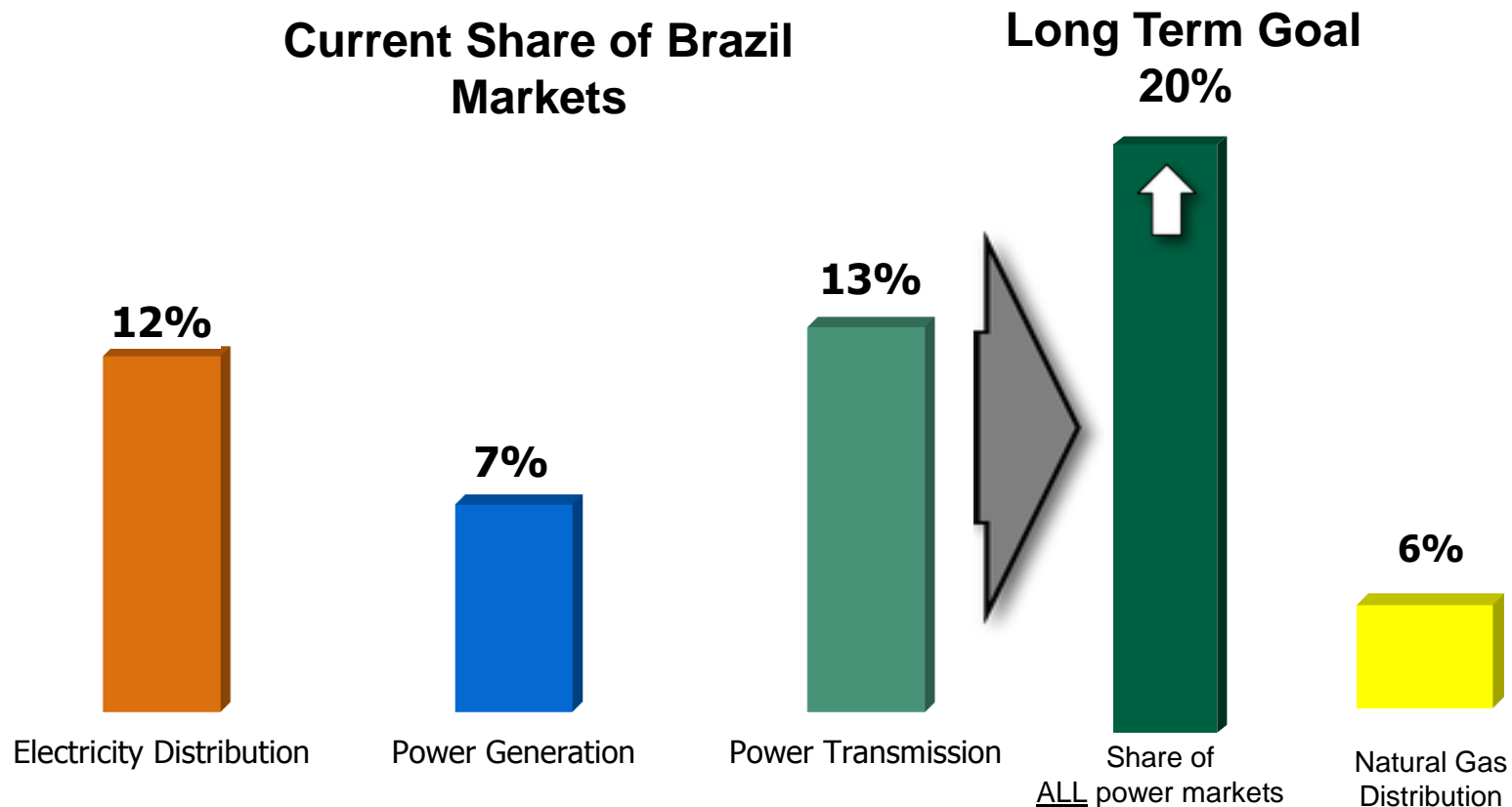
The positioning

The performance

The growth

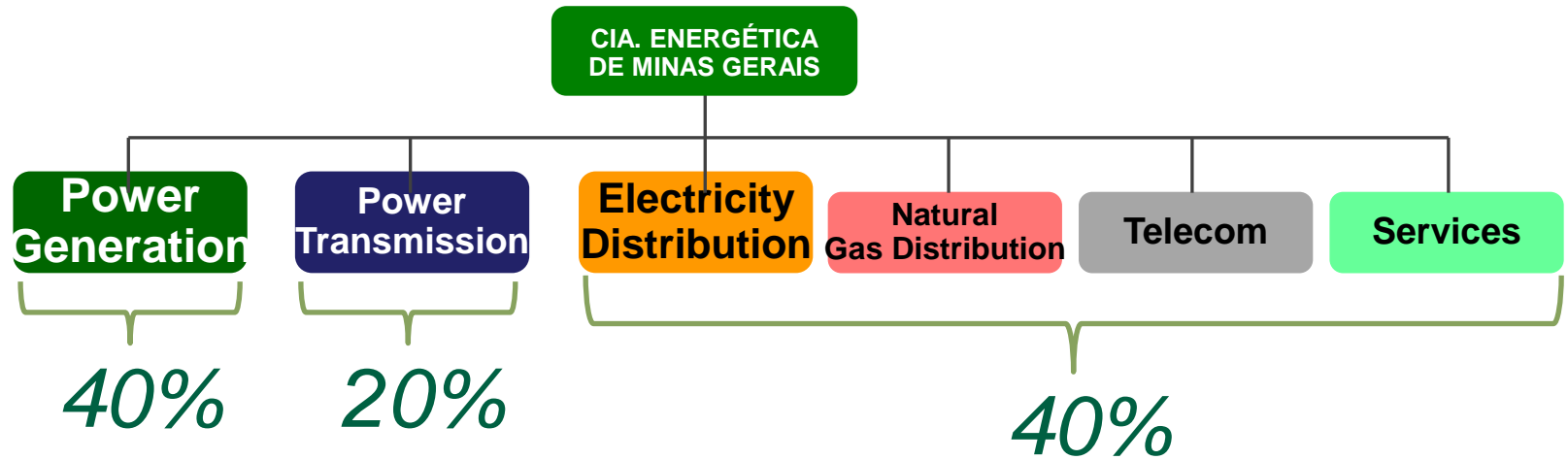


Clear Long Term Goals



- 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)

Target Ebitda contribution by business in the long run



Growth Drivers

1

Leverage price increases



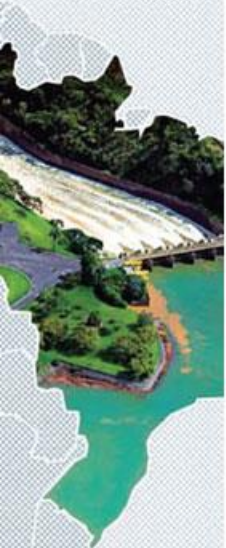
2

Improve operating efficiency



3

Geographic expansion



Record of Successful Acquisitions

Business Model for Growth

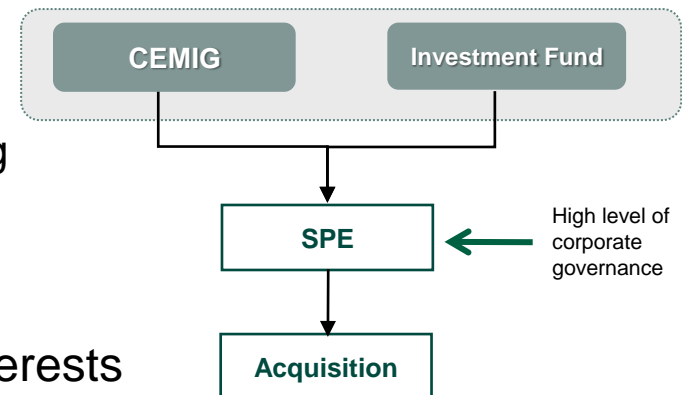


- Partnerships with Equity Investment Funds (FIPs) in recent acquisitions (Terna and Light) create a new growth driver
- Structuring of partnerships with FIPs produces a growth strategy that optimizes capital needs
- Innovative acquisition structure enables Cemig to use it in other expansion opportunities, 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 2013



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 (2012): US\$ 2.3 trillion (+0.9%)
- Inhabitants: 191 million
- Area: 8.5 million km²
- Currency⁽¹⁾: Reais (BRL) – US\$1 = R\$ 1.98
- Reserves⁽¹⁾: US\$ 376 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

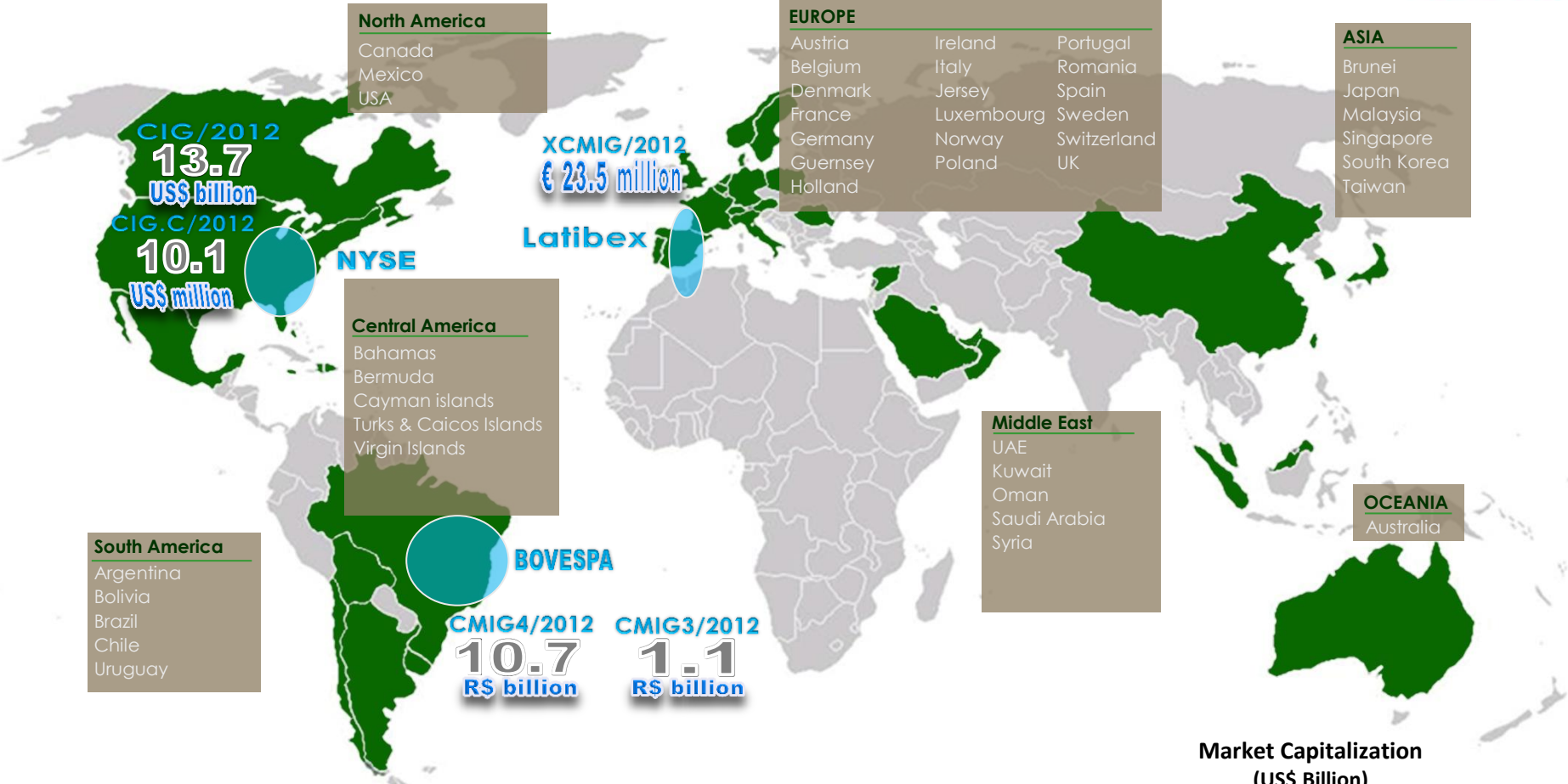
Source: Brazilian Institute for Geography and Statistics (IBGE), Brazilian Electricity Regulator (ANEEL), Brazilian Association of Transmission Companies (ABRATEE), Energy Research Company (EPE).

(1) As of March 1st, 2012

(2) As of January 06th, 2012

(3) As of June 30th, 2010

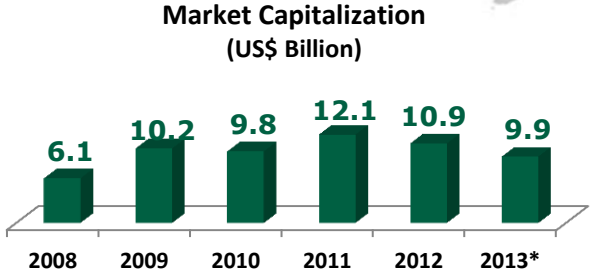
Strong shareholders base assures liquidity



Average daily trading volume, 2012

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

- Shares traded on 3 stock exchanges
- Over 119,000 stockholders in 40 countries

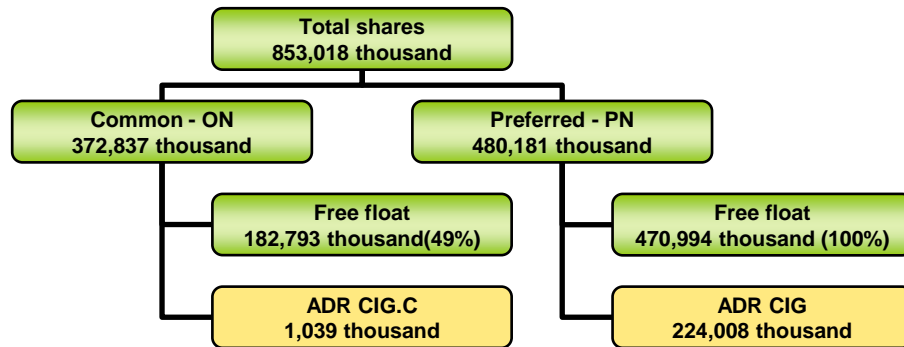
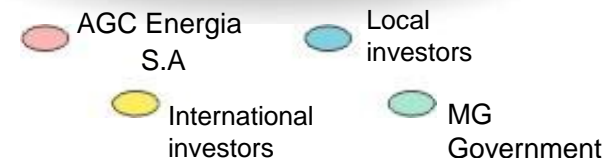
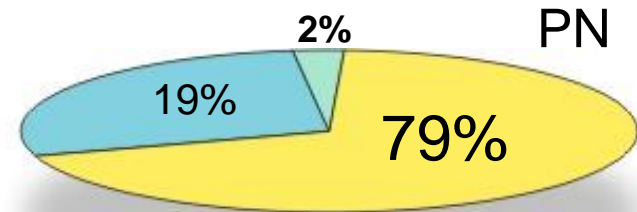
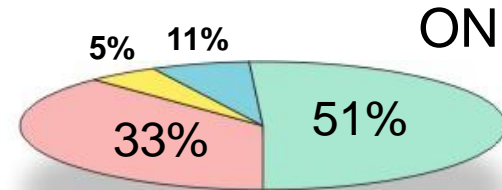
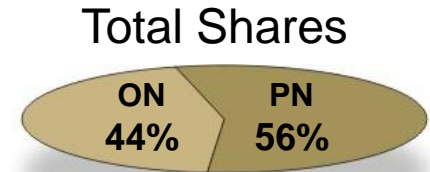


* As of March 01st, 2013

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)**



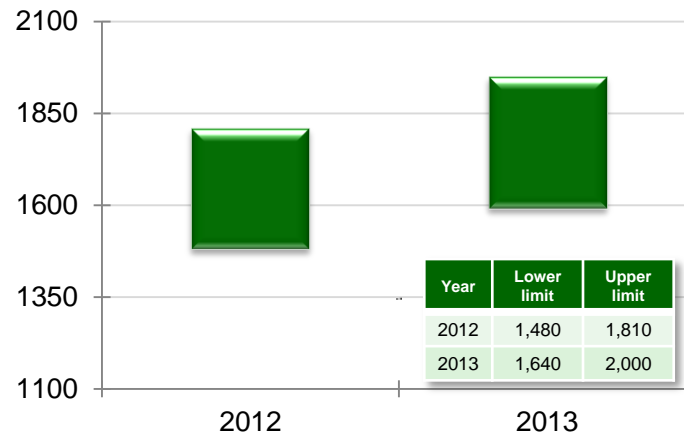
Share nominal value = R\$5.00

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

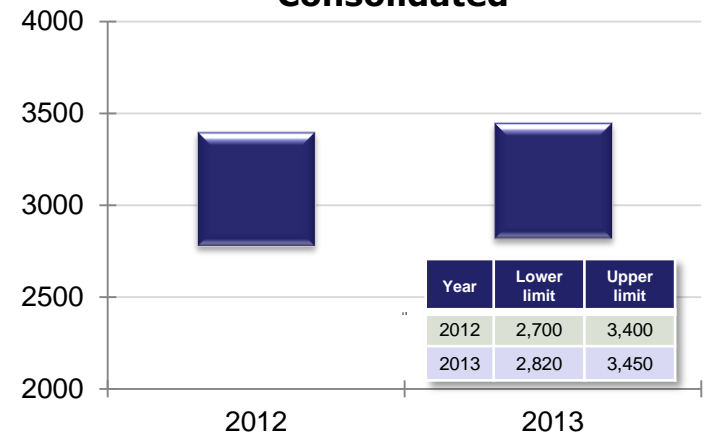
EBITDA Guidance 2012-2013



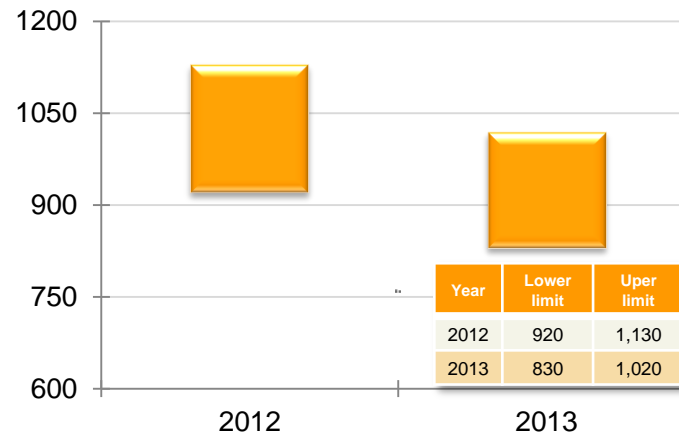
Cemig D



Cemig GT – Consolidated



Holdings



R\$ Million in constant prices as of June 2012

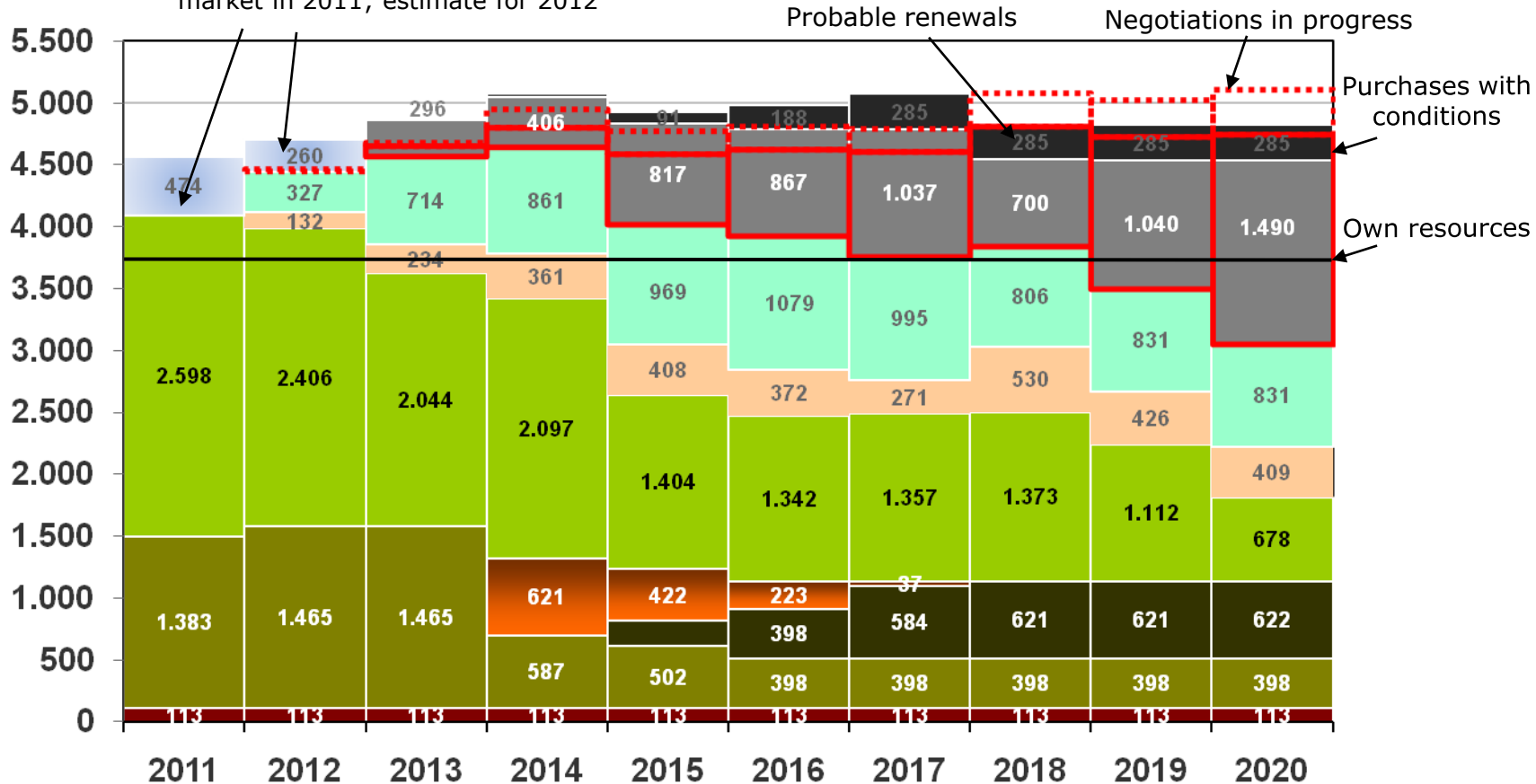
CEMIG GT – Supply-demand balance



Detail of requirements

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

Conventional energy

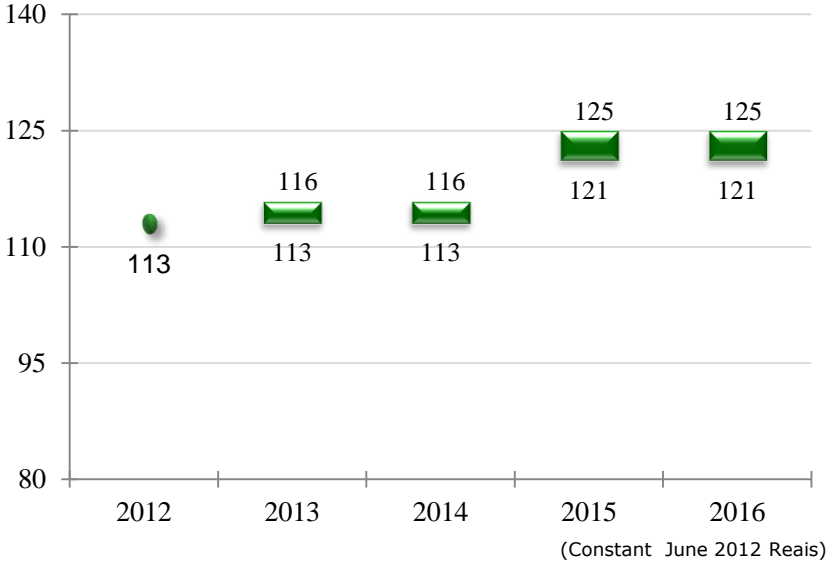


- Available for sales or trading
- Free Market sales – new contracts
- To be defined (conc. to be renewed for the 2nd time)
- Regulated Market sales to distributors
- Intermediation (transferred to Cemig Trading)
- Regulated market sales forecast
- Standard operational agreement

CEMIG GT: Power generation prices estimates



Effect of renewal of existing contracts (R\$/MWh)

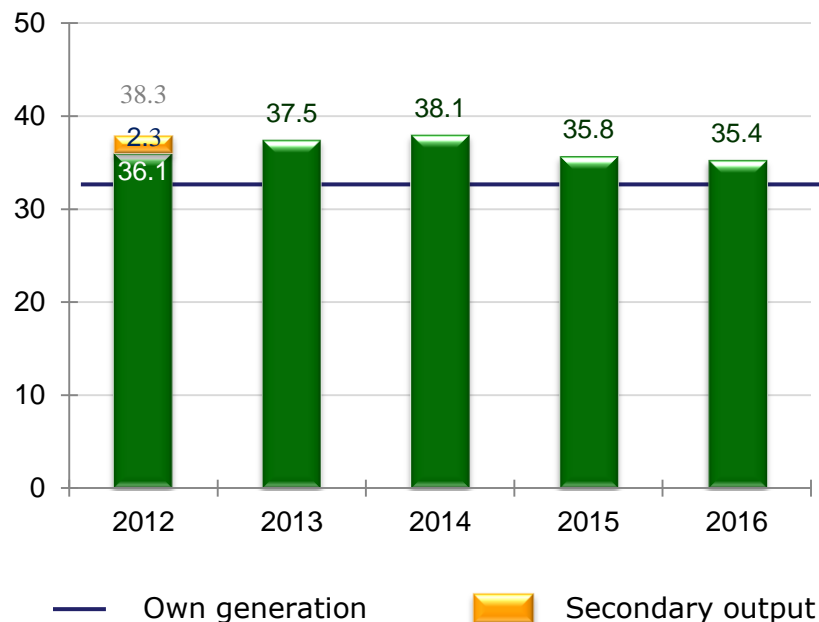


- Replacement of existing contracts, starting in 2015, by new contracts with higher prices than the present.

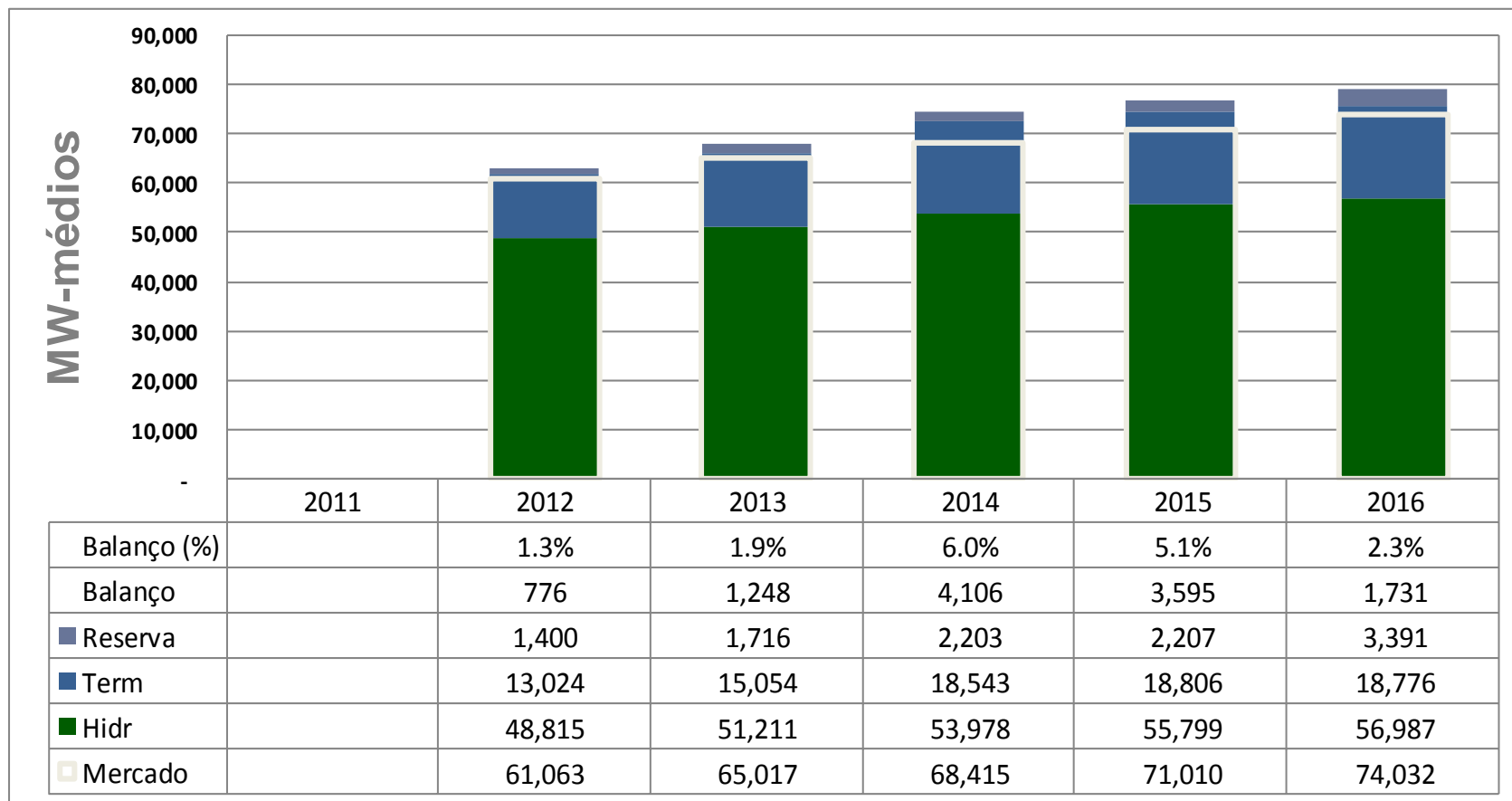
Power Generation Sales Volume Estimates:CEMIG GT



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**.

Challenges

Electric Sector Concession Renewals



Law 12,783/2013:

- Reduction of sector charges
- Extension of concessions for additional 30 years, conditioned to an early renewal in 2013, for those expiring between 2013 and 2017
- Revenue covering only operation and maintenance costs

Cemig's concessions expiring between 2013 and 2017:

- 21 power plants (2.4 GW – assured energy)
 - ✓ Among them, 3 HPP which have not been granted with a extension yet, account for 1.8 GW of assured energy
- Transmission concession contract in Minas Gerais. EBITDA reduction of R\$336 million
- Distribution concession in Minas Gerais. No changes

Segment	Company's Decision
Generation (18 HPP of 2 nd renewal)	Didn't accept
Generation (3 HPP of 1 st renewal)	Don't agree
Transmission	Accepted
Distribution	Accepted

Contracts maturing of generation plants

2nd renewal:

#	Type	Plant	Expiry of concession	Installed capacity (MW)	Assured energy (average MW)
1	HPP	Três Marias	Jul/2015	396	239
2	HPP	Volta Grande	Feb/2015	380	229
3	HPP	Salto Grande	Jul/2015	102	75
4	HPP	Itutinga	Jul/2015	52	28
5	HPP	Camargos	Jul/2015	46	21
6	SHPP	Piau	Jul/2015	18	14
7	SHPP	Gafanhoto	Jul/2015	14	7
8	SHPP	Peti	Jul/2015	9	6
9	SHPP	Joasal	Jul/2015	8	5
10	SHPP	Tronqueiras	Jul/2015	9	4
11	SHPP	Cajuru	Jul/2015	7	3
12	SHPP	Marmelos	Jul/2015	4	3
13	SHPP	Martins	Jul/2015	8	3
14	SHPP	Paciência	Jul/2015	4	2
15	SHPP	Anil	Jul/2015	2	1
16	SHPP	Sumidouro	Jul/2015	2	1
17	SHPP	Santa Maria	Jul/2015	1	1
18	SHPP	Poquim	Jul/2015	1	0
TOTAL 2nd renewal				1,064	642

1st renewal:

#	Type	Plant	Expiry of concession	Installed capacity (MW)	Assured energy (average MW)
1	HPP	São Simão	Jan/2015	1,710	1,281
2	HPP	Jaguara	Aug/2015	424	336
3	HPP	Miranda	Dec/2015	408	202
TOTAL 1st renewal				2,542	1,819

Market Recognition



Included in the DJSI for the 11th year running.



Prêmio Anefac
Transparency Trophy, 2011.



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.



Best analyst meeting



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