



A Melhor Energia do Brasil.

Successful Strategy

Performance reflects balanced portfolio structure

August, 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\$
8,6⁽¹⁾ B.

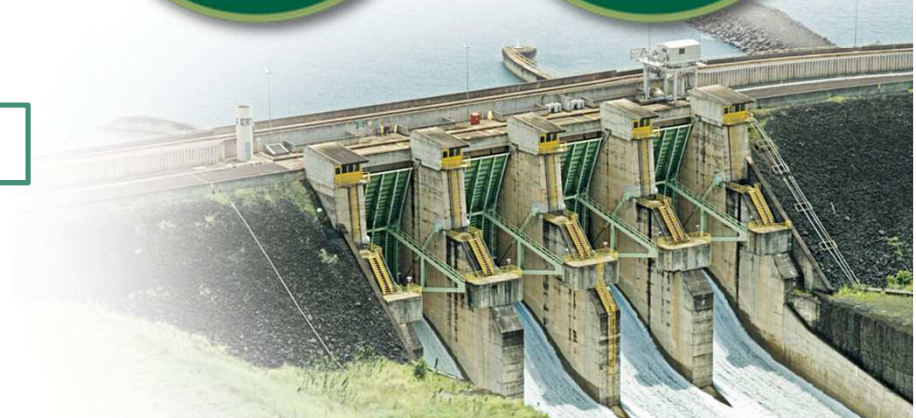
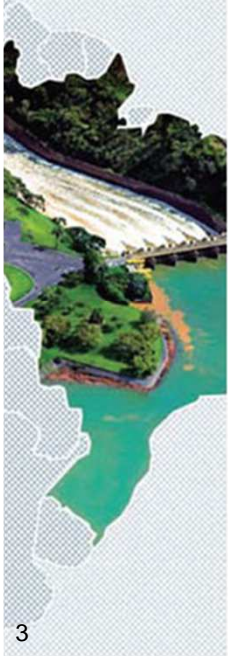
#3⁽²⁾

Role in
industry

**Leading
consolidator**

In the Power Industry since 1952

- (1) As of August 13th, 2013
(2) In the Brazilian Power Industry



Cemig: Strength in Numbers



Number of power plants

70

Total installed capacity

7,032MW

Locations in Minas Gerais State

5,415

Size of concession area vs. France

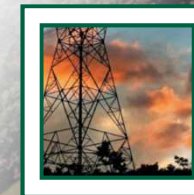
Larger

Electricity Distribution lines

510,744 km

Power Transmission lines

9,413 km

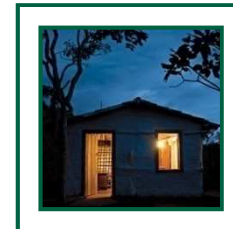
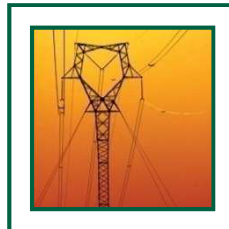
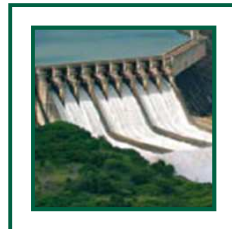


Cemig at a Glance



- Based in State of Minas Gerais, controlling shareholder
 - growing throughout Brazil and Chile
- Strong financial profile:

– 1H13	Net revenues: R\$ 7,1B	EBITDA: R\$ 2,8B
– 1H12	Net revenues: R\$ 6,6B	EBITDA: R\$ 2,4B
- Highest liquidity in the sector
 - listed on 3 stock exchanges New York, São Paulo, Madrid
 - More than 90.000 shareholders in 40 countries
 - Average Daily Trading Volume in 2012:
 - R\$84M 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



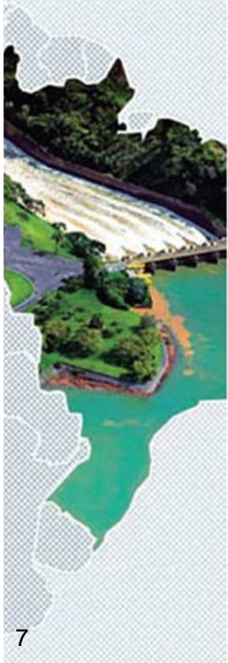
1 The Brazil advantage

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*

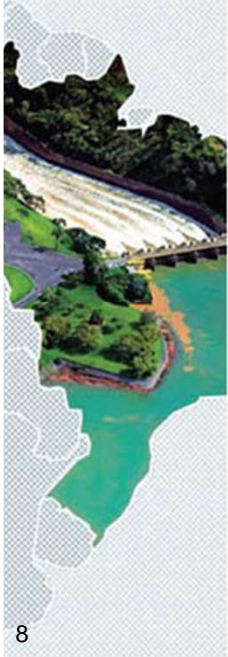
3.1%

Population

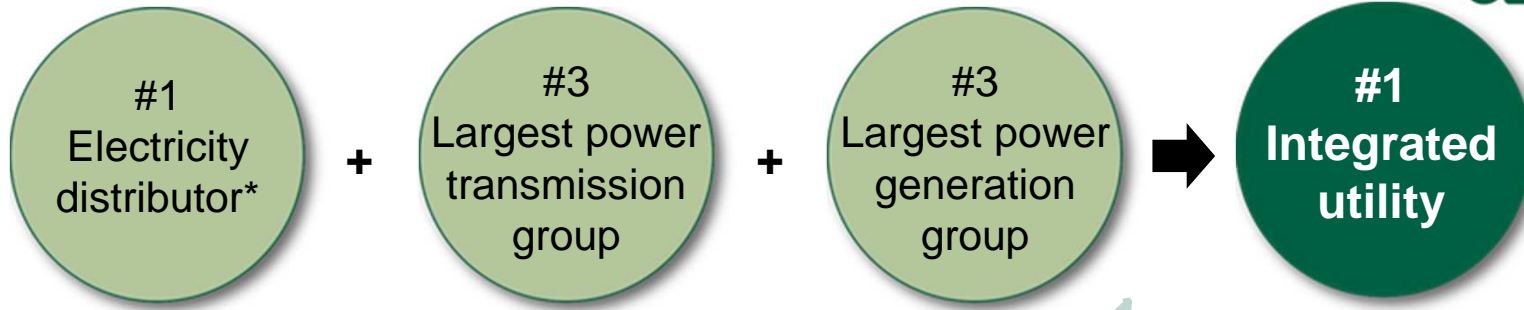
192M

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

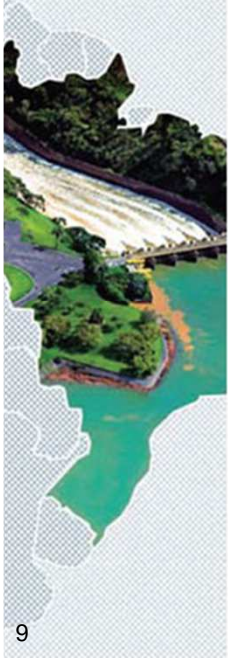
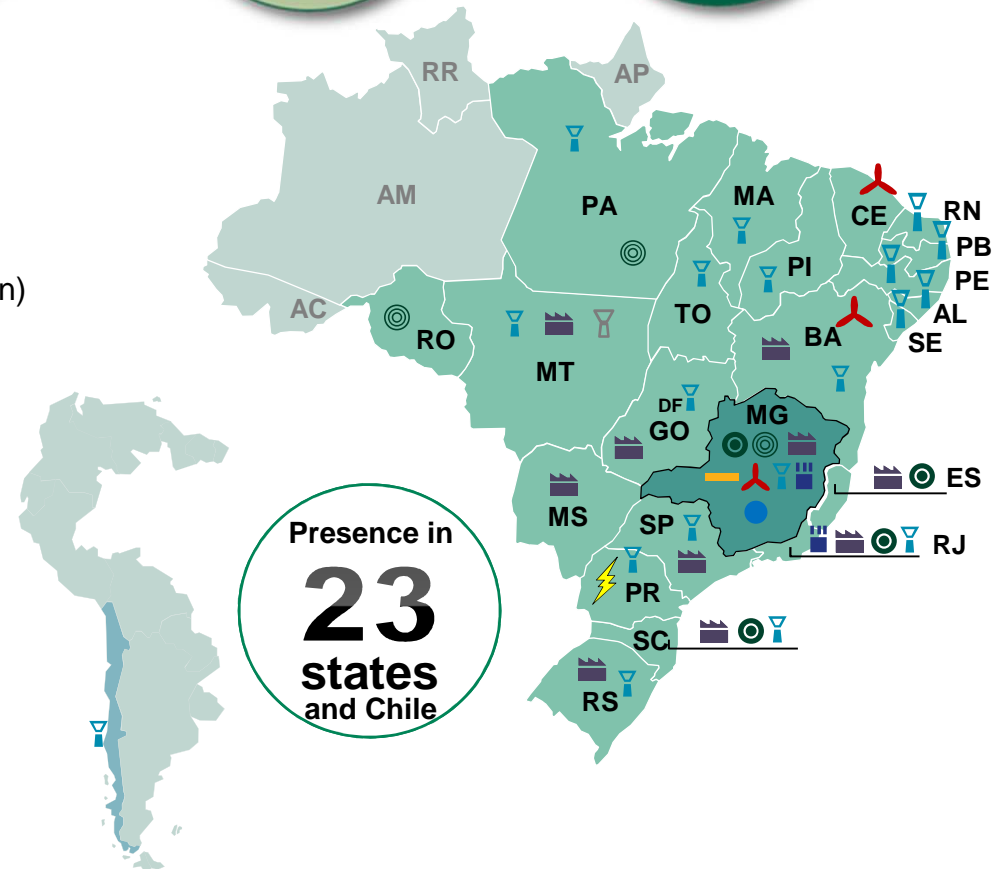
* Focus Report of Brazil's Central Bank in 1st March 2013



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

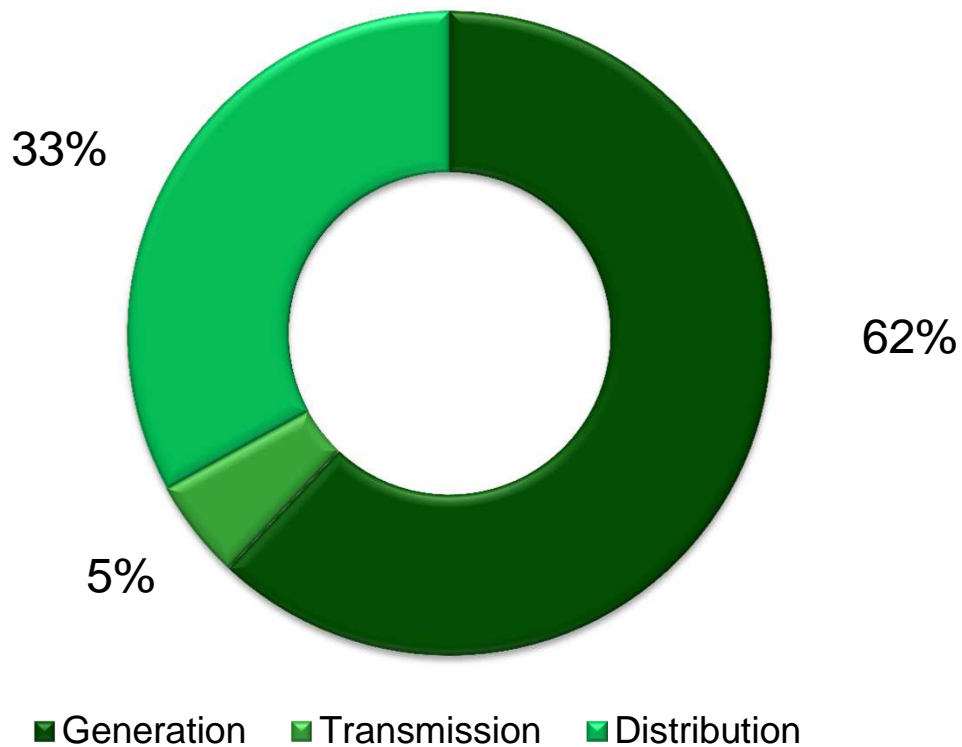


* in terms of length of electricity distribution lines

Diversified, Low Risk Business Portfolio



1H13

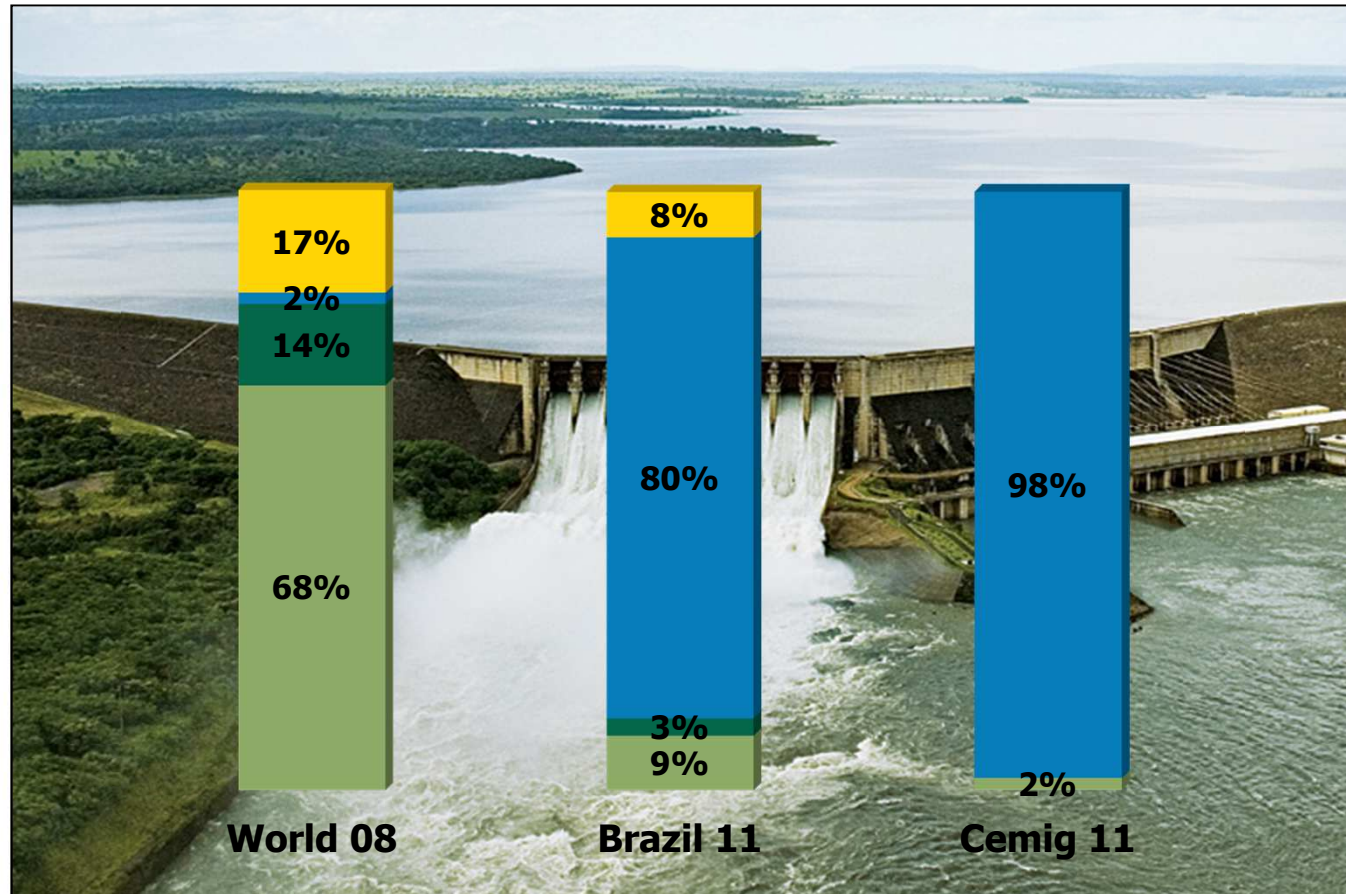


Most of revenues are inflation protected

Leader in Renewable Hydro Power Energy



Power Generation by Source



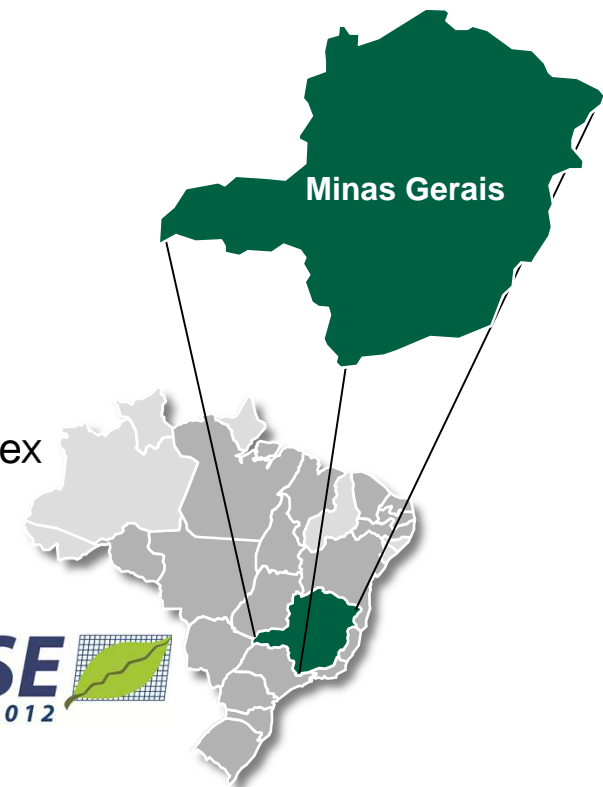
■ Fossil Source Fuels ■ Nuclear ■ Hydro ■ Others

Source: EPE [BEN 2011 – Preliminar Results and IEA [KeyWorld EnergyStatistics-2010]

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

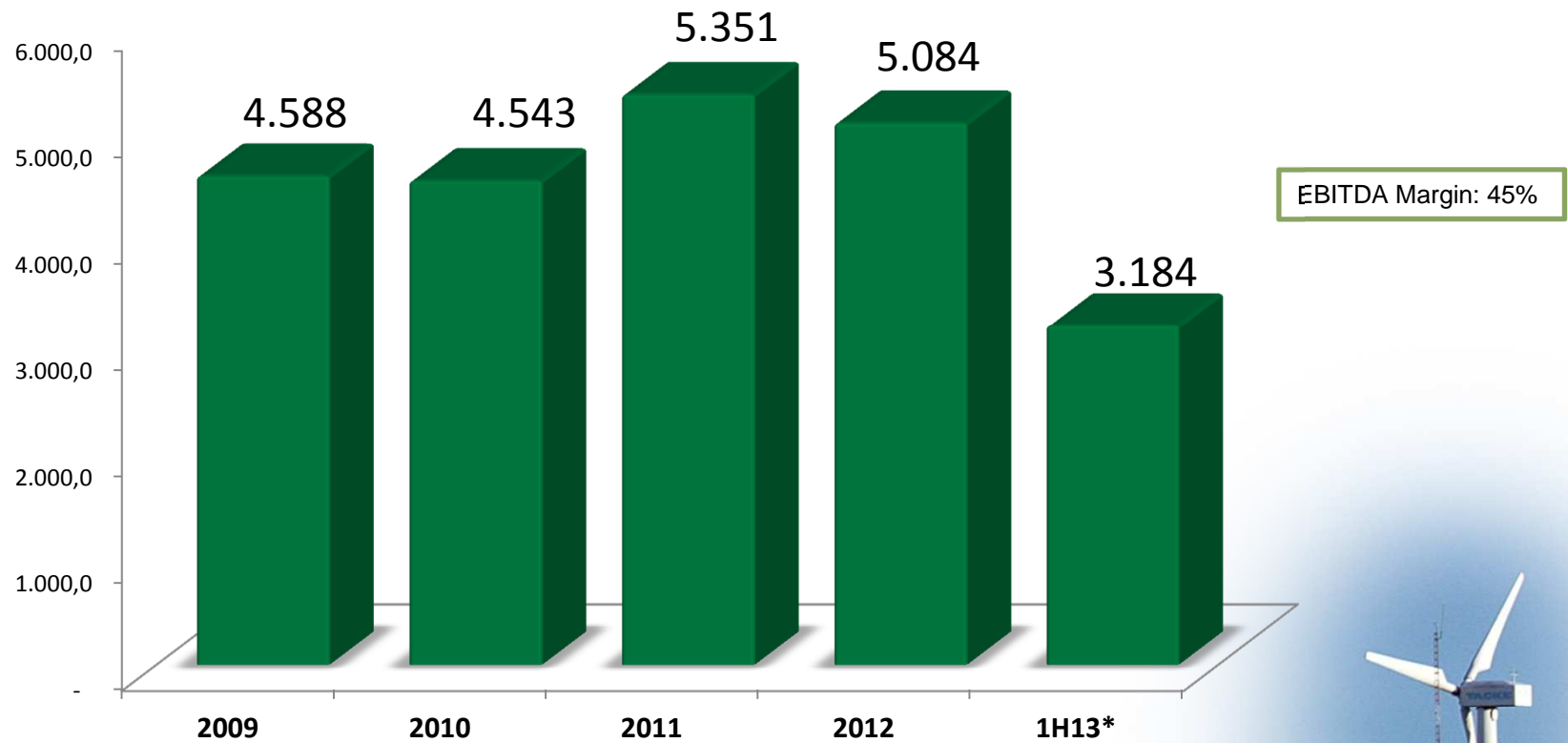
The growth



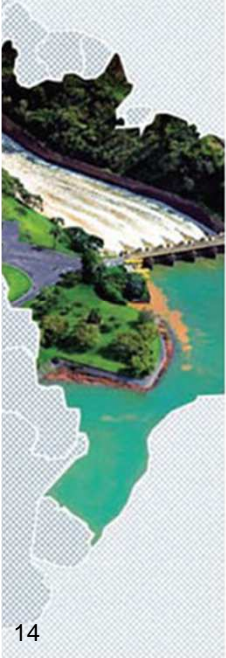
Growth in EBITDA



R\$ million



EBITDA Margin: 45%



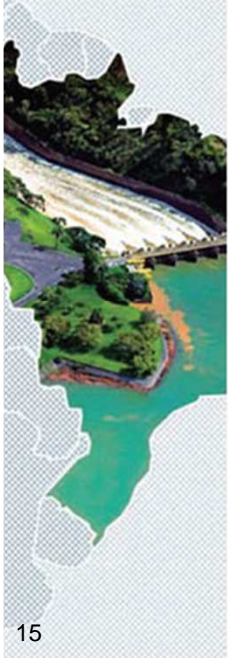
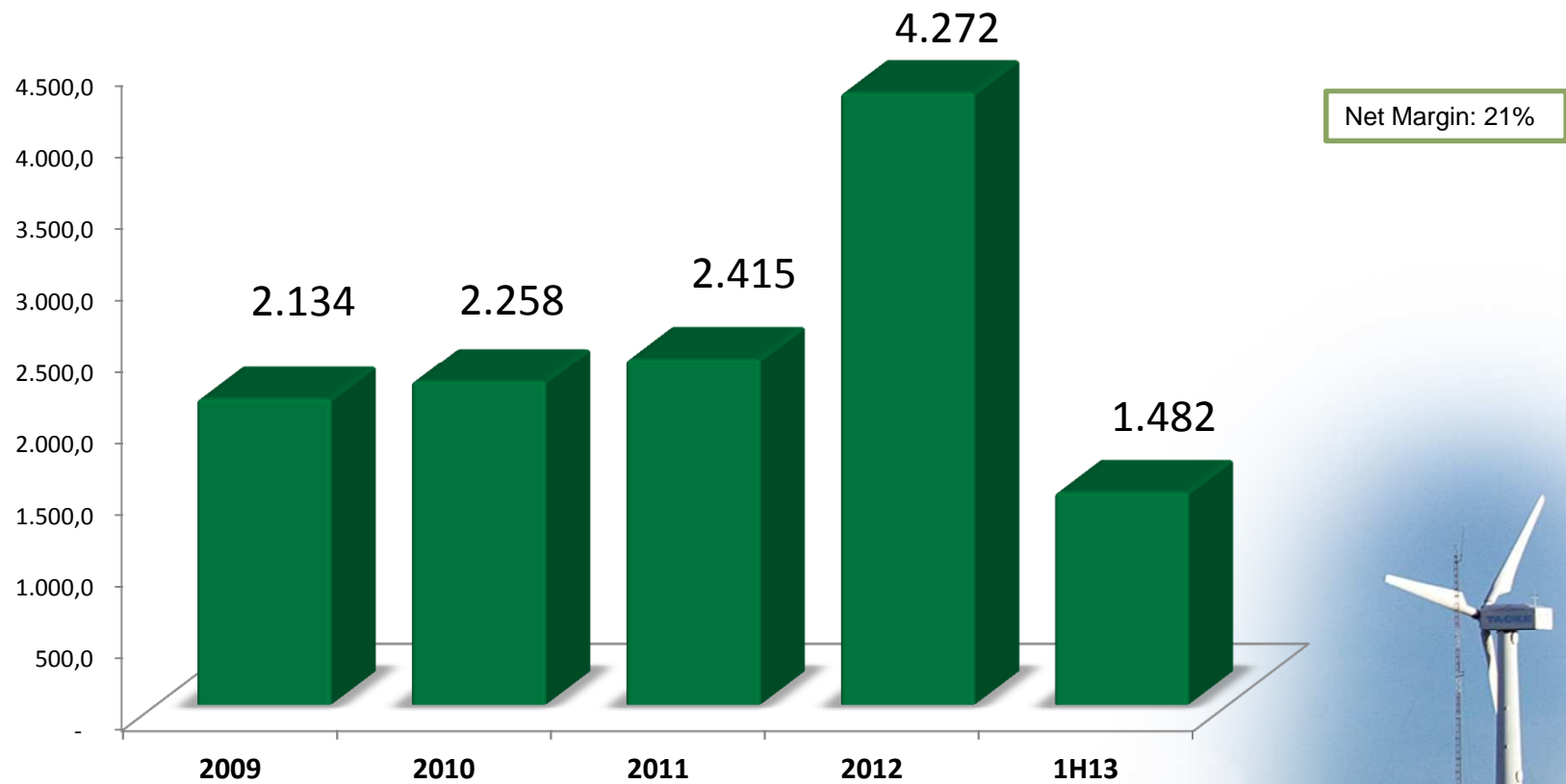
*Ebitda calculated by same criterion used in guidance presented at 18th annual Cemig/Apimec meeting with investors.



Net Income Continues to Expand



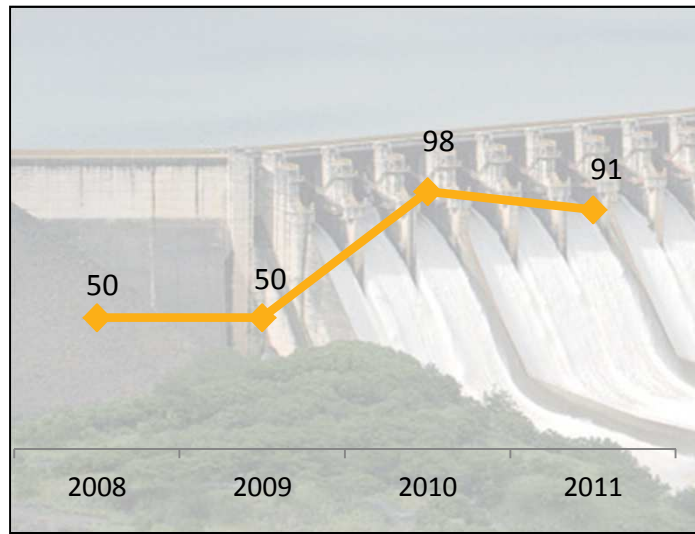
R\$ million



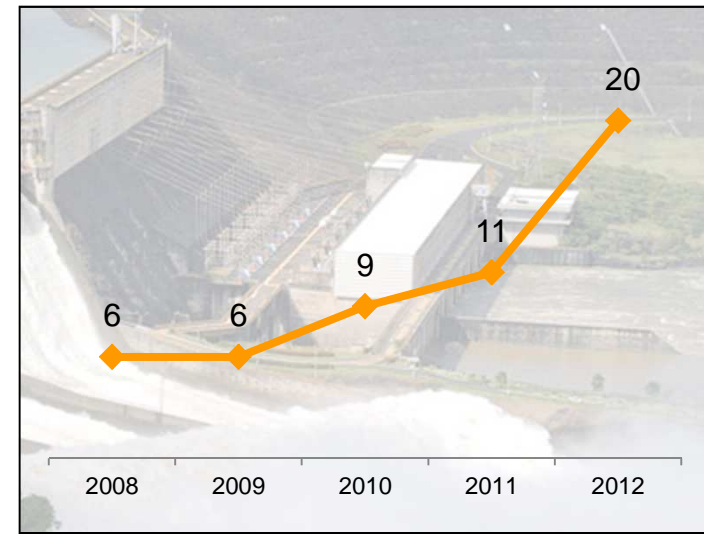
Attractive and Secure Dividend Payout ⁽¹⁾



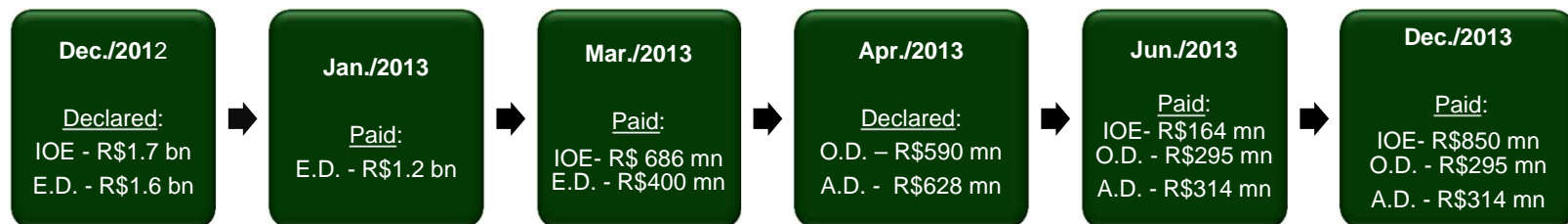
Dividend Payout
(% of Net Income)



Dividend Yield (%)*
Preferred shares



* Considering Interest on Equity for the 2012 business year



Strong Balance Sheet to Support Growth



Net debt to EBITDA

1.58X

Debt in foreign currency^(*)

0.4%

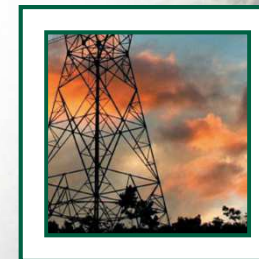
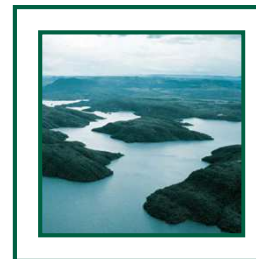
Cash on hand 1H13

R\$4.5B

Net Revenue 1H13

R\$ 7.1B

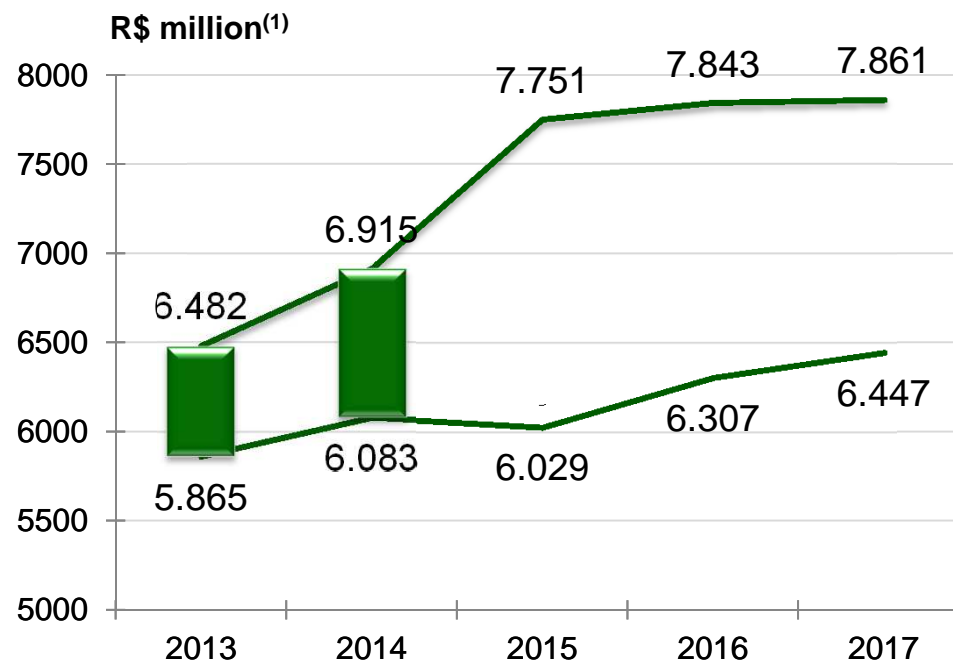
*Net of financial hedging



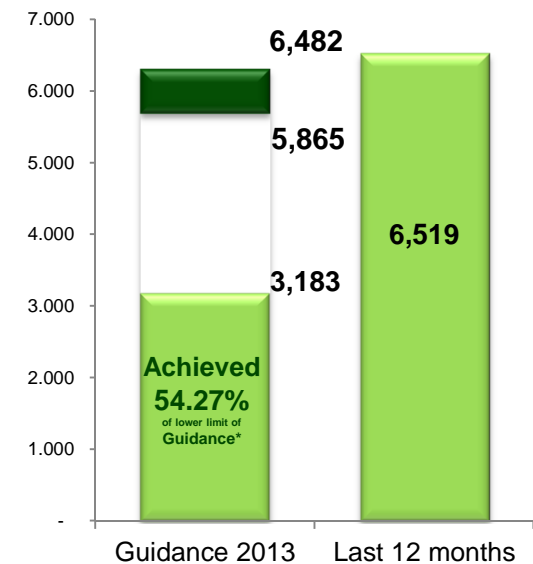
EBITDA guidance



CEMIG, CONSOLIDATED



Ebitda: Guidance and Achieved



(1) Constant currency as of June 2012.

*Ebitda calculated by same criterion used in guidance presented at 18th annual Cemig/Apimec meeting with investors.

The Cemig Story – Agenda



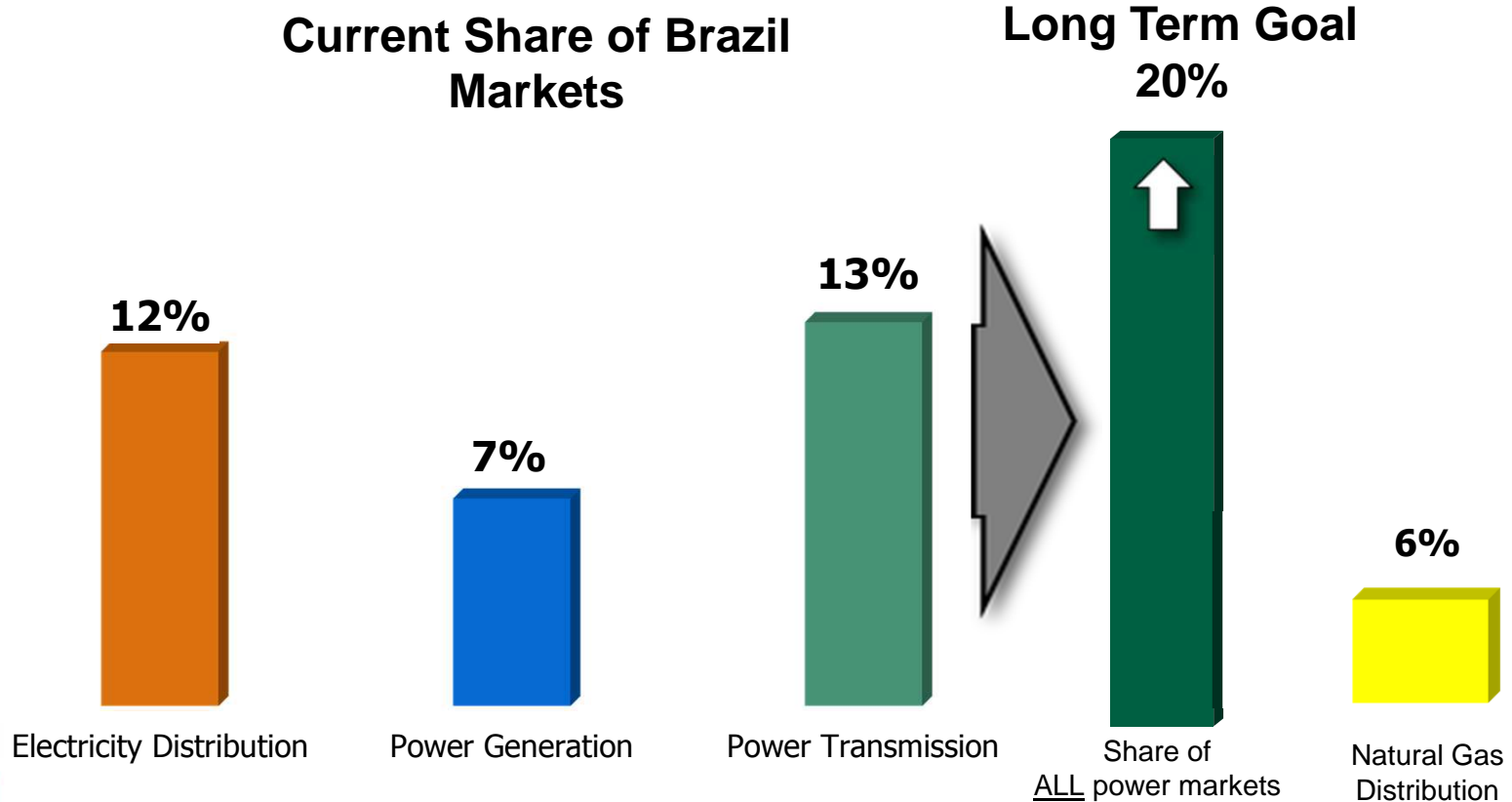
The positioning

The performance

The growth

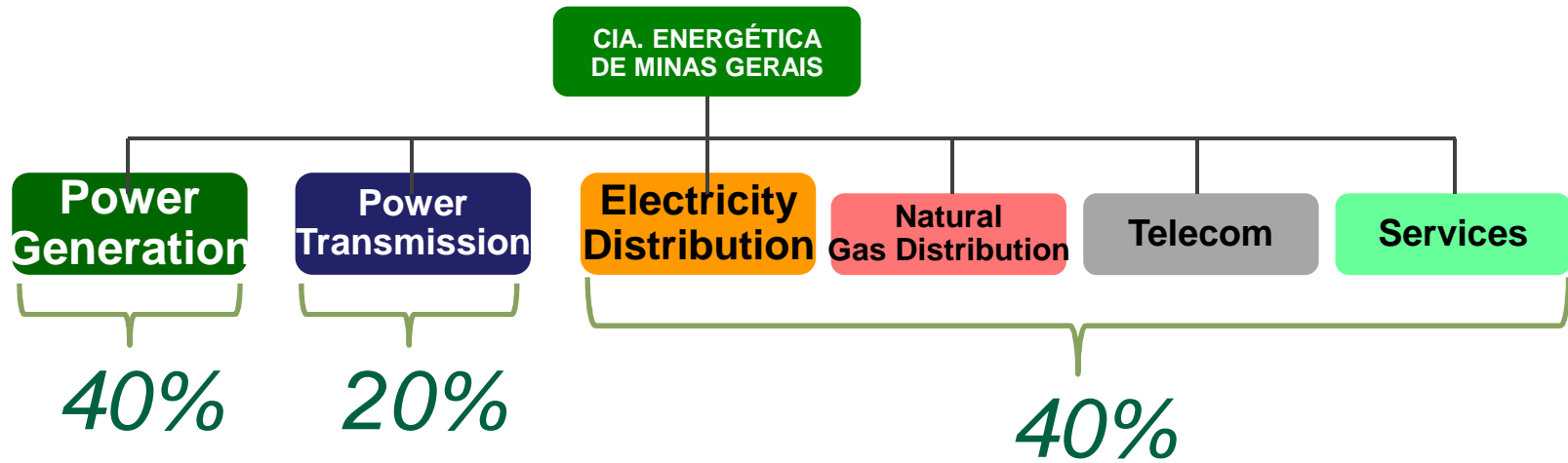


Clear Long Term Goals



- 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

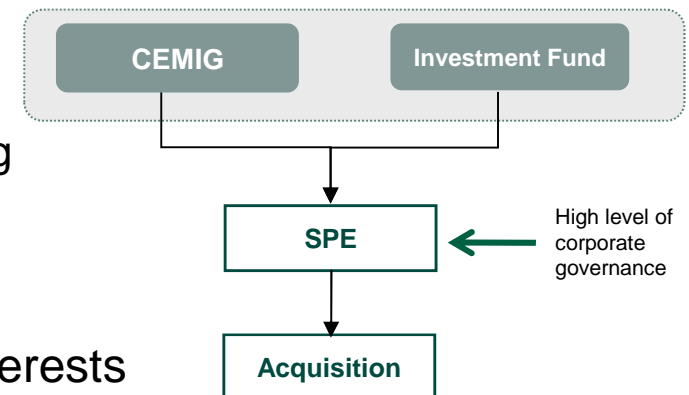
Business Model for Growth



- 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 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

CEMIG
A Melhor Energia do Brasil.

Relações com Investidores

Telefone: (55-31) 3506-5024

Fax: (55-31) 3506-5025

Email: ri@cemig.com.br

Website: <http://ri.cemig.com.br>



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Índice de
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2012



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Member 2012/13