



Results of the Third Cycle Tariff Review for Cemig Distribuição S.A.

April 18, 2013

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.

2.99%

- TARIFF REPOSITIONING

New
Structure

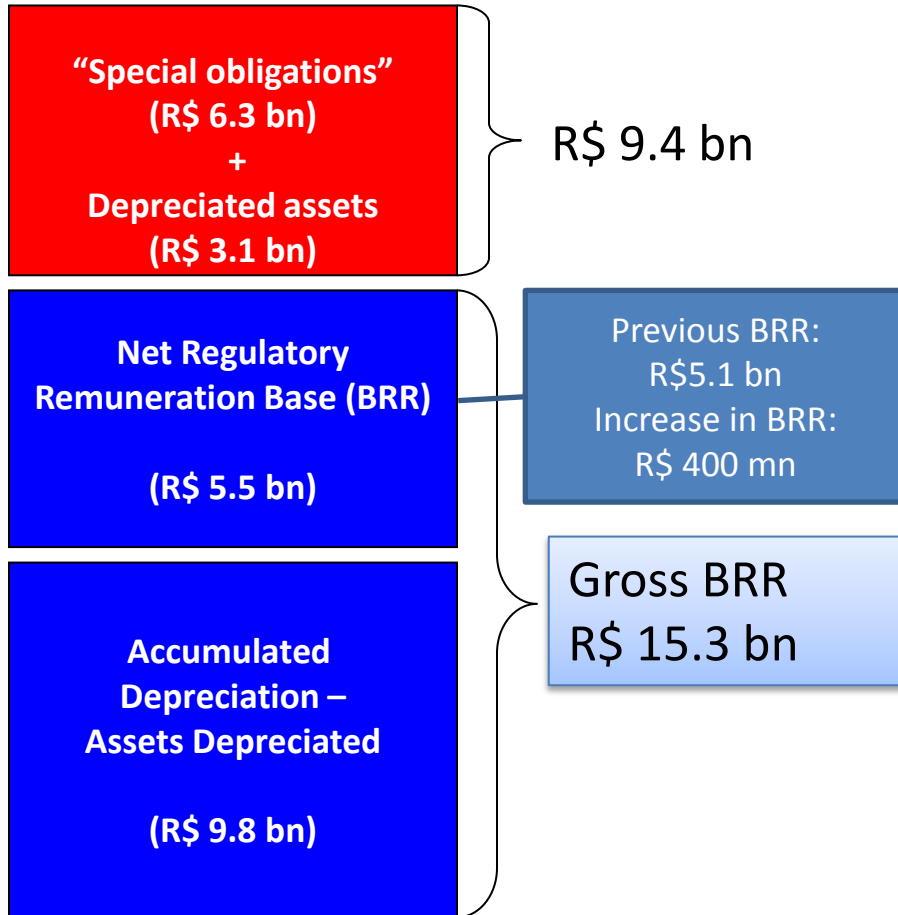
- TARIFF STRUCTURE

1.83%

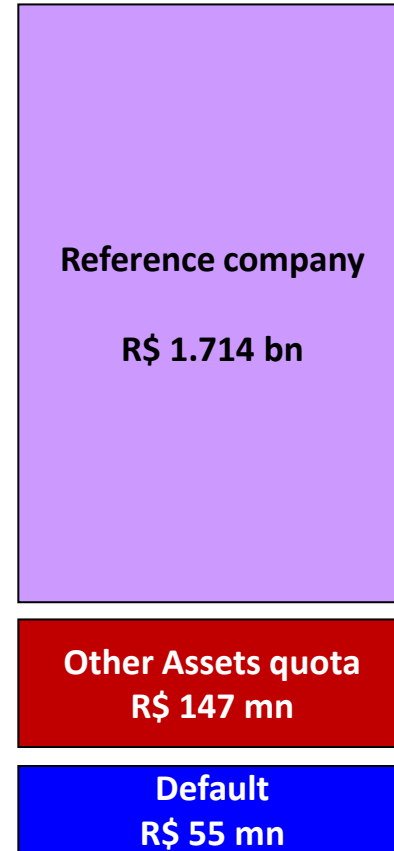
- X FACTOR (Pd + T)

Remuneration base; OPEX

Base of total assets
R\$ 24.7 bn

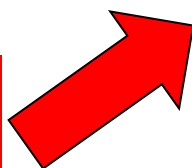


Operational costs
R\$ 1.9 bn



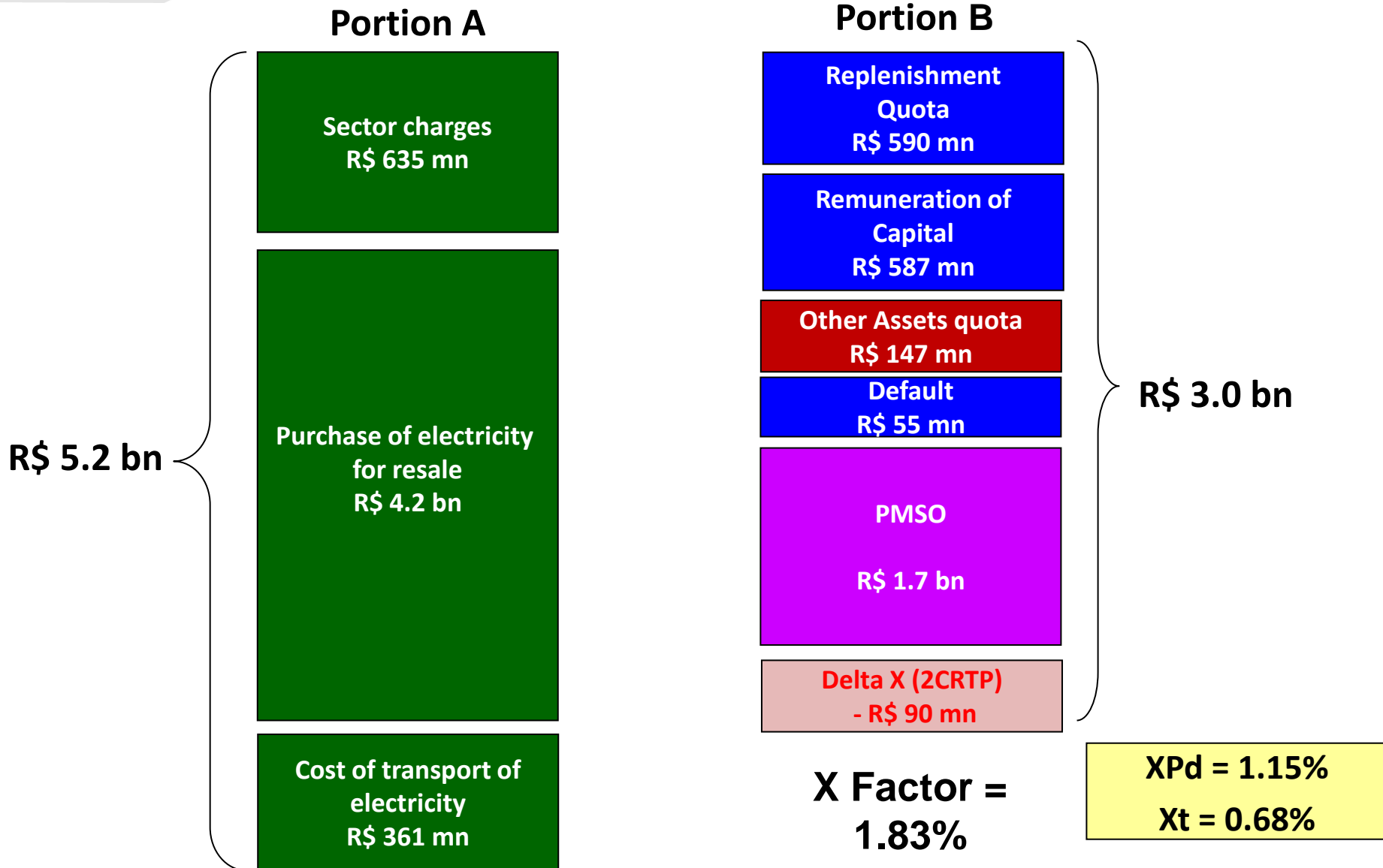
Amounts in R\$ Tranche	Historic unit vale	Unit value updated by IGP-M to Dec. 2012	Number of new users connected	Investment by Eletrobrás – historic values	Investment by Eletrobrás – updated
2nd	6,100.00	9,265.68	9,405	57,370,500	87,143,740
3rd	7,900.67	9,926.29	65,090	514,254,610	646,101,942
4th	8,970.23	10,608.72	23,519	210,970,839	249,506,409
Sum			98,014	782,595,950	982,752,092
Weighted average	7,984.53	10,026.65			

**AMOUNT
HOMOLOGATED
BY SFF
(APRIL 1, 2013):
R\$ 5,322.04**

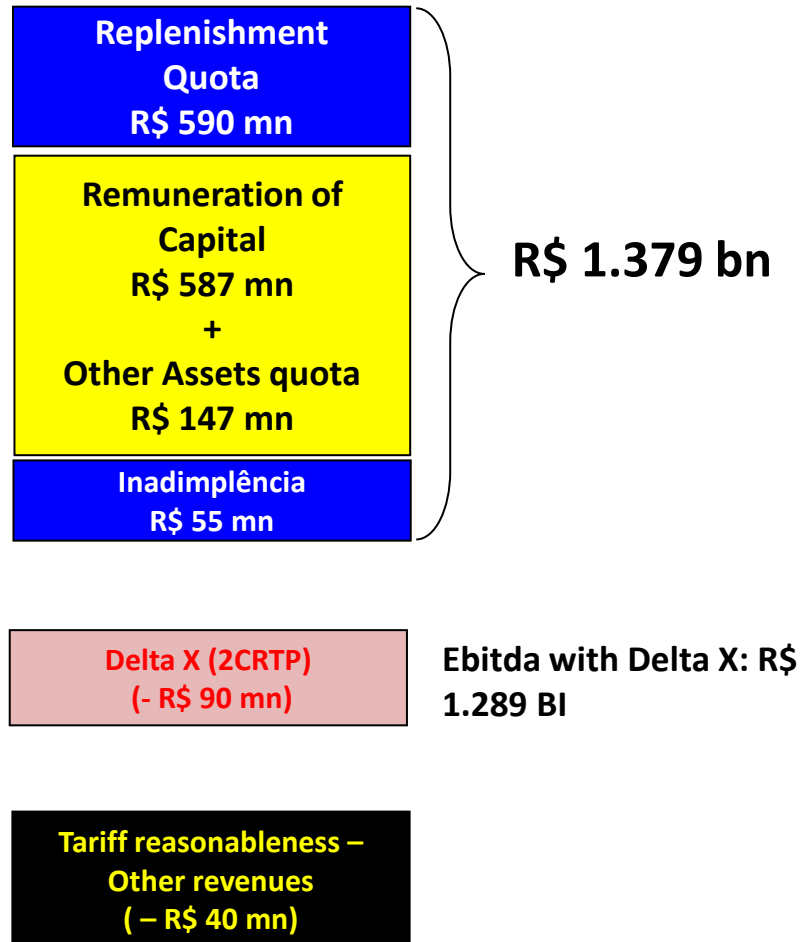


- The “prudence of investments” criterion has not yet been regulated.
- The use of a single criterion to define prudence could generate divergent results.
- It is *essential* that the reasonableness of these results should be attested to by other parameters.

Values of Portion A, Portion B and X Factor



Regulatory Ebitda (April 2013 to March 2014)



* Delta X: Return to consumers for investments not realized in the 2nd Tariff Review.

Portion A rose 22.3%; Portion B diminished 26.5%

CALCULATION SPREADSHEET OF 2013 TARIFF REVIEW

R\$ million	RTE Jan. 2013	RTP Apr. 2013	Change, %
PORTION A			
SECTOR CHARGES (CES)	R\$ 667	R\$ 635	-4,8%
TRANSPORT OF ELECTRICITY (CT)	R\$ 355	R\$ 361	1,8%
TOTAL ELECTRICITY PURCHASED (CE)	R\$ 3.263	R\$ 4.245	30,1%
PORTION A (VPA)	R\$ 4.285	R\$ 5.241	22,3%

PORTION B

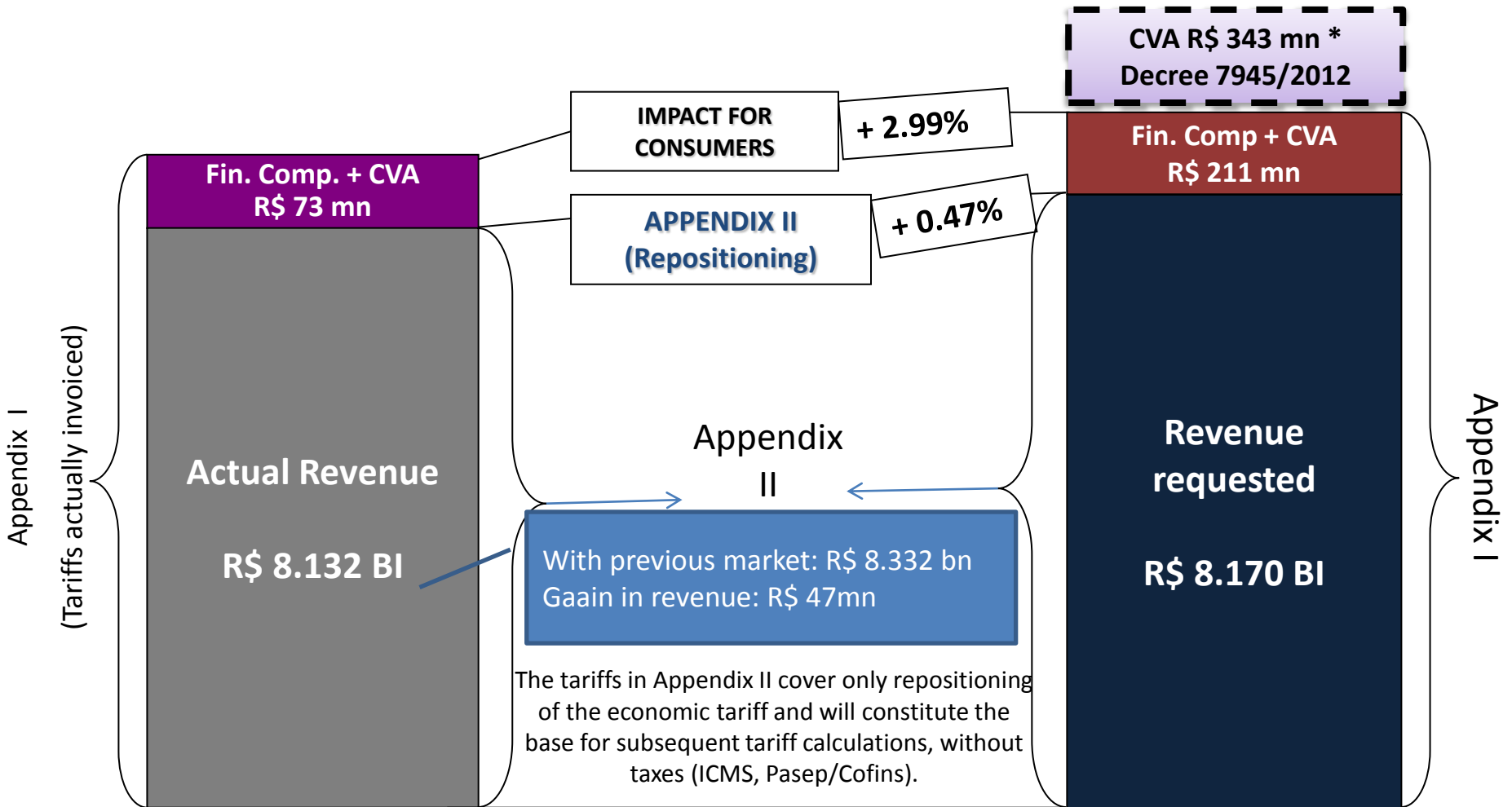
Cost of Administration, Operation and Maintenance (CAOM)	R\$ 1.917	R\$ 1.769	-7,7%
Annual cost of assets (CAA)	R\$ 2.194	R\$ 1.324	-39,7%
Portion B (VPB)	R\$ 4.111	R\$ 3.093	-24,8%
Portion B with adjustment of 2CRTP (R\$ 90MM)	NA	R\$ 3.003	
Portion B with market adjustment	R\$ 4.042	R\$ 2.969	-26,5%

TARIFF REPOSITIONING (million)		
1. Revenue Required (RR)		R\$ 8.210
2. Other revenue (OR)		R\$ 40
3. Revenue Received (RV)		R\$ 8.132
TARIFF REPOSITIONING INDEX		0,47%
4. Financial Components	R\$ 74	R\$ 211
REPOSITIONING INDEX WITH FINANCIAL COMPONENTS		3,06%
Financial components, previous year		0,91%
AVERAGE EFFECT FOR THE CONSUMER		2,99%

X FACTOR

'T' COMPONENT OF THE X FACTOR	NA	0,68%
'Pd' COMPONENT OF X FACTOR	0,14%	1,15%

Repositioning and Impact on Tariffs



* Pass-through via CDE of R\$ 343 (Electricity CVA); could be more because the month of January 2012 has yet to be calculated. Period: 10 business days. Consumers will reimburse this passthrough as from 2014 in 5 years, updated by the IPCA index.

Effect measured by consumer subgroup and type

Subgroup and Type	Average effect	Average effect – Free
A2 (88 to 138 kV)	-37.00%	-40.78%
A3 (69 kV)	-12.80%	-22.28%
A3a (30 kV to 44 kV)	1.83%	-9.86%
A4 (2.3 kV to 25 kV)	12.09%	-26.29%
AS (Underground)	26.62%	-26.29%
B1 average (Residential and Low Income)	4.99%	
B1 – Residential, Full	4.87%	
B1 – Residential, Low Income	6.30%	
B2 (Low voltage – Rural)	9.56%	
B3 (Low voltage – Other categories)	9.56%	
B4 (Low voltage – Public Illumination)	9.56%	
TOTAL	2.99%	-33.22%

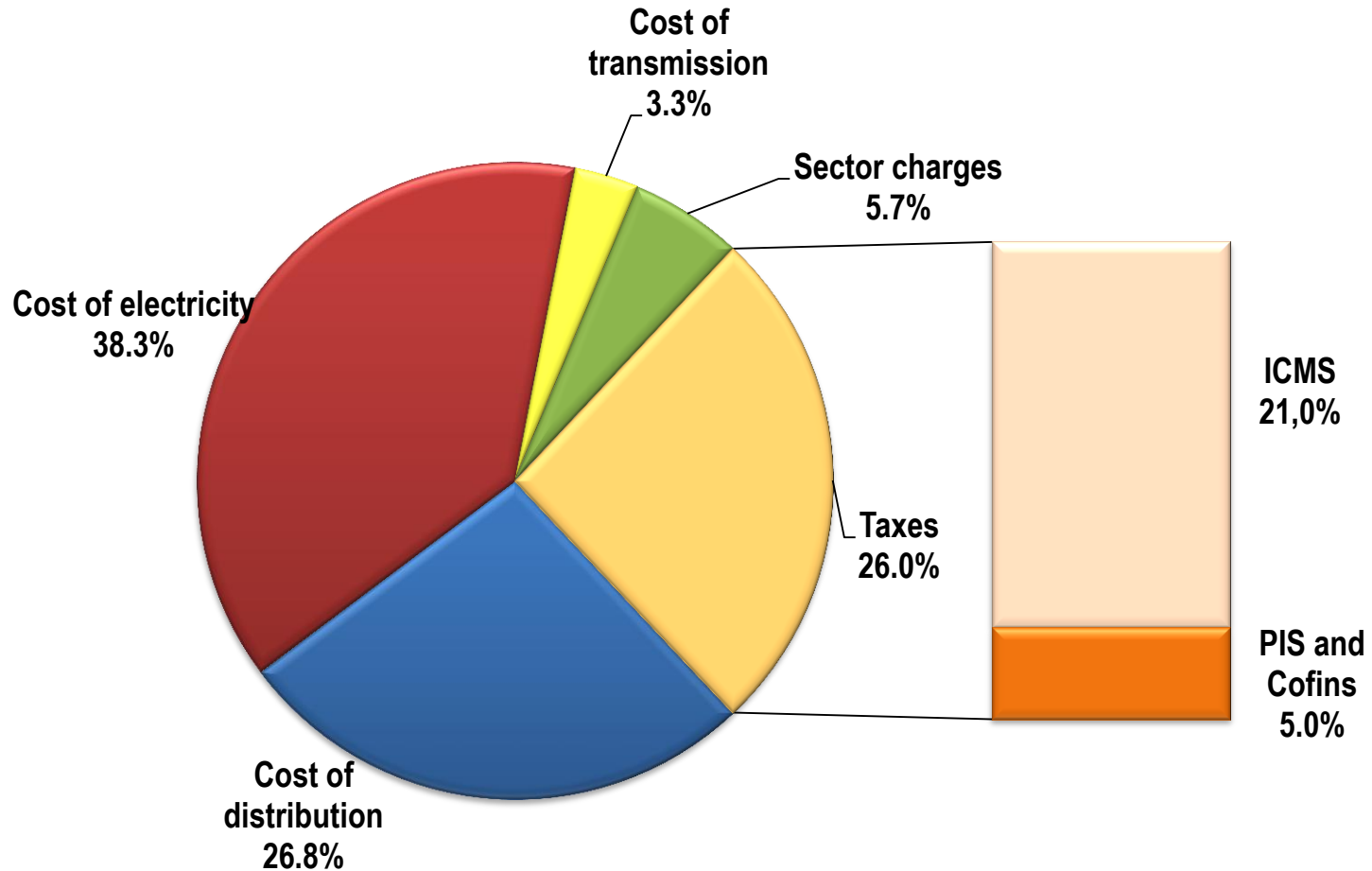
GROUP	Change
A	-4.83%
B	6.98%
A+B	2.99%

Custos Operacionais

Description - Coverage in 2013	Total	Pessoal	Materials and Services
OPEX 2CRTP - Original	1,209,251,202		
OPEX 2CRTP - Adjusted	1,109,874,234	735,881,572	373,992,662
OPEX 2CRTP - Monetary updating by 3CRTP	1,476,198,207	974,729,865	501,468,343
OPEX 2CRTP - With growth of products	1,785,620,582	1,179,040,660	606,579,922
OPEX 3CRTP	1,714,054,099	1,131,785,496	582,268,603
Consumers' Council	183,566		
OPEX (Including Consumers' Council)	1,714,237,665		
Description - Coverage in 2018	Lower limit	Center	Upper limit
Efficiency	48.23%	58.03%	68.23%
OPEX 3CRTP - 2ª Phase (Interval)	1,154,885,763	1,389,550,504	1,633,793,397.80

- ✓ The coverage of operational costs, given by the Reference Company, in 2008, was R\$ 1.209 bn.
- ✓ Updating of Reference Company to 2013 generates a coverage of R\$ 1.714 bn.
- ✓ Cemig D has a background of diminishing coverage (R\$ 20mn/year) – such that in 2018 the coverage will be R\$ 1.634 mn.

Composition of revenue from taxes



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