

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

LISTED COMPANY

CNPJ 17.155.730/0001-64 – NIRE 31300040127

BOARD OF DIRECTORS

SUMMARY OF MINUTES OF THE 506TH MEETING

Date, time and place: March 28, 2011 at 9.30 a.m. at the company's head office,
Av. Barbacena 1200, 21th Floor, Belo Horizonte, Minas Gerais, Brazil.

Meeting Committee: Chairman: Dorothea Fonseca Furquim Werneck;
Secretary: Anamaria Pugedo Frade Barros

Summary of proceedings:

- I The Chairman asked** the Board Members present whether any of them had conflict of interest in relation to the matters on the agenda of this meeting, and all stated there was no such conflict of interest.
- II The Chairman stated** that all the matters on the agenda had been examined by Committees of the Board of Directors, and their approval recommended.
- III The Board approved:**
- The proposal, by Board Member Lauro Sérgio Vasconcelos David, that the members of the Board of Directors should authorize their Chair to call an Extraordinary General Meeting of Stockholders to be held on April 29, 2011, at 4 p.m., and in the event of there not being a quorum, to make second convocation within the legal period.
 - The Technical Feasibility Study for Offsetting of Tax Credits, which constitutes the grounds for the accounting of deferred tax credits contained in the financial statements for 2010, to comply with CVM Instruction 371/2002.
 - the minutes of this meeting.
- IV The Board approved** the Report of Management and financial statements for 2010 and the respective complementary documents, and submitted them to the Ordinary General Meeting of Stockholders to be held on April 29, 2011.
- V The Board authorized:**
- Increase in the limit for issuance of American Depositary Receipts (ADRs) – Level II, by Citibank N.A., on the New York Stock Exchange, to 300 million ADRs, upon signature of the specific form (Form F-6) by a majority of the members of the Company's Board of Directors.
 - Contracting of guarantee insurance, for a period of 24 months, able to be extended for a further 36 months, to a maximum limit of up to 60 months, and also contracting of the accessory counter-guarantee contract. This measure is for [the proceedings for] suspension of demandability of the tax credit and obtaining of a new Certificate of Absence of Tax Liability; and also authorized supplementation of the budget to ensure the respective payment.
 - Signature of the First Amendments to the Indemnity Agreements, with BIP Netherlands Holding B.V. (BIP NL), with Brascan Brasil Ltda. (Brascan) as consenting party, to recognize and ratify the assignment of all the rights and obligations assumed by BIP NL under those Agreements, transferring their ownership to Bermuda Holdings I Limited (BIP Bermuda), with Brookfield Brasil Ltda. consenting as guarantor and principal payor, jointly and wholly responsible for all the pecuniary obligations assumed by BIP Bermuda.

VI The Board submitted the following proposal to the Ordinary and Extraordinary General Meetings of Stockholders to be held, concurrently, by April 29, 2011:

- a) Proposal for allocation of the net profit for 2010, in the amount of R\$ 2,257,976,000, as follows:
- 1) R\$ 112,899,000 being 5% of the net profit, to be allocated to the Legal Reserve, in accordance with sub-clause “a” of the Sole sub-paragraph of Clause 28 of the Bylaws.
 - 2) R\$ 1,196,074 should be allocated as dividends to those stockholders whose names are on the Company’s Nominal Share Register on April 29, 2011, as follows: R\$ 1,128,988,000 to be allocated as complementary dividends, corresponding to 50% of the net profit; and R\$ 67,086,000 as complementary dividends, corresponding to 50% of the effect on the 2010 net profit arising from the new valuation of the generation assets.
 - 3) R\$ 590,591 to the Retained Earnings Reserve, for use in investments and payment of expenses, taxes and debt servicing.
 - 4) R\$ 13,351,000 to be used for injection of capital into Transchile Charrúa Trasmisión S.A, corresponding, at December 31, 2010 to US\$ 8,012,000, as per CRCA (Board Spending Decisions) 030/2010, and CRCA-084/2010.
 - 5) R\$ 30,424,000 to be used for injection of capital into Usina Termelétrica de Barreiro S.A, as per CRCA 023/2010, and CRCA-067/2010.
 - 6) R\$ 13,059,000 to be used for injection of capital into Empresa Regional de Transmissão de Energia (ERTE), in accordance with CRCA 056/2010;
 - 7) R\$ 980,000 to be allocated to injection of capital into Axxiom Soluções Tecnológicas S.A., as per CRCA 058/2010.
 - 8) R\$ 238,043,000 to be allocated for absorption of the accumulated loss relating to adoption of the new accounting rules.
 - 9) R\$ 62,555,000 to be held in Stockholders’ equity in the Reserve under the Bylaws provided for by sub-clause “c” of the sole sub-paragraph of Clause 28 and by Clause 30 of the Bylaws.
- the payments of dividends to be made in two installments, by June 30 and December 30, 2011, and these dates may be brought forward, in accordance with the availability of cash and by decision of the Executive Board.

b) **Changes in the Bylaws**, to change the names of these Chief Officers’ Departments:

- **From:** *Department of Business Development and Corporate Control of Subsidiaries and Affiliates*
To: *Department of Business Development*
- **From:** *Department of Finance, Investor Relations and Financial Control of Holdings*
To: *Department of Finance and Investor Relations.*

– and to make the consequent changes to the following parts of the Bylaws:

Clause 11:	Paragraph 3;		
Clause 18:			
Clause 21:	Paragraph 3;		
	Paragraph 4,	Subclauses “g” and “j”;	and
Clause 22:	Head paragraph:	Sub-item I –	subclauses “b” and “i”
		Sub-item III, and its	subclauses “b”, “c”, “n” and “p”;
		Sub-item VII –	subclause “k”;
		Sub-item VIII, and its	subclauses “d”, “m” and “p”;
		Sub-item IX –	subclauses “c” and “f”;
	Paragraph 4.		

- c) That the representatives of Cemig at the Ordinary and Extraordinary General Meetings of Stockholders of Cemig D and Cemig G, to be held, concurrently in both cases, on April 29, 2011, should vote in favor of the agenda.

VII The Board ratified:

- a) Signature, by Cemig, as consenting party, of the Second Amendment to the Contract for Financing from the Constitutional Financing Fund for the North (FNO), jointly with Santo Antônio Energia S.A., as beneficiary, Banco da Amazônia S.A., as financial agent, and the following as consenting parties –

Madeira Energia S.A.,	Andrade Gutierrez Participações S.A.,
Construtora Norberto Odebrecht S.A.,	Fundo de Investimento em Participações Amazônia Energia,
Furnas Centrais Elétricas S.A.,	Odebrecht Participações e Investimentos S.A.,
Odebrecht S.A.,	Centrais Elétricas Brasileiras S.A., and
and Cemig GT	

– with the objective of bringing forward to 2010 the release of the funds of Subcredit 4, as a result of the new timetable for rotor and commercial startup of the Santo Antônio power plant from May 1, 2012 to December 15, 2011.

- b) Presentation, by Cemig GT, to ECE Participações S.A. (ECE), of an indicative and non-binding proposal.

VIII Withdrawn from the agenda: The item relating to the budget proposal for 2011.

IX The following spoke on general matters and business of interest to the Company:

Board members:	Djalma Bastos de Morais, Eduardo Borges de Andrade, Paulo Roberto Reckziegel Guedes,	Saulo Alves Pereira Junior, Franklin Moreira Gonçalves, Arcângelo Eustáquio Torres Queiroz, João Camilo Penna;
Chief Officers:	Luiz Fernando Rolla, Luiz Henrique de Castro Carvalho;	José Carlos de Mattos,
General Managers:	Leonardo George de Magalhães,	Emílio Castelar Pires Pereira.

The following were present:

Board members:	Dorothea Fonseca Furquim Werneck, Antônio Adriano Silva, Luiz Carlos Costeira Urquiza, Maria Estela Kubitschek Lopes, Guy Maria Villela Paschoal, Eduardo Borges de Andrade, Ricardo Antônio Mello Castanheira, Cezar Manoel de Medeiros, Lauro Sérgio Vasconcelos David, Paulo Sérgio Machado Ribeiro, Adriano Magalhães Chaves, Paulo Márcio de Oliveira Monteiro,	Djalma Bastos de Morais, Arcângelo Eustáquio Torres Queiroz, Francelino Pereira dos Santos, João Camilo Penna, Paulo Roberto Reckziegel Guedes, Saulo Alves Pereira Junior, Renato Torres de Faria, Franklin Moreira Gonçalves, Marco Antonio Rodrigues da Cunha, Tarcísio Augusto Carneiro, Fernando Henrique Schüffner Neto, Newton Brandão Ferraz Ramos;
Audit Board:	Aristóteles Luiz Menezes Vasconcellos Drummond, Ari Barcelos da Silva;	Luiz Guaritá Neto,
Representatives of KPMG Auditores Independentes:		Marco Túlio Fernandes Ferreira, Roberto Caixeta Barroso;
Chief Officers:	José Carlos de Mattos, Luiz Fernando Rolla;	Luiz Henrique de Castro Carvalho,
General Managers:	Emílio Castelar Pires Pereira,	Leonardo George de Magalhães;
Secretary:	Anamaria Pugedo Frade Barros.	