

# XVI Encontro Anual CEMIG-APIMEC



## Sustainable Growth

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## Long term strategy reflects shareholders' vision

### Addition of value is a permanent commitment

- Alignment with shareholders' interests:
  - Corporate governance as a strategic value
  - Transparency in decisions
- Returns compatible with weighted average cost of capital:
  - Discipline when investing
  - Capture of synergies between assets operated





## Long term strategy reflects shareholders' vision

### Growth model sustains Cemig's leadership in Brazilian electricity

- Optimization of projects based on Cemig's accumulated experience in operation of electricity assets
- Acquisition of assets that increase the synergy with/between existing assets
- Operational efficiency:
  - Appropriate combination of service quality and costs
  - Operational optimization in accordance with regulatory requirements
  - Personnel expenses cut by R\$ 107mn from 2009 to 2010

### Holdings are vehicles for growth in the sector

- Partnerships with private investors
- Shareholders structure directed for growth



## Business structure with lower risk for shareholders

### Successful entrepreneur in large-scale electricity projects

- Competitive cost of investments
- Funding assured
- Timetables obeyed

### Verticalization of operational strategy

- Flexibility for asset management
- Optimized allocation of risks
- Predictability of cashflow



## Electricity generation

- Traditional sources such as hydro are still competitive
- Growth in renewable sources
- Natural gas as an alternative

## Transmission

- High Ebitda margins
- Stable returns and flows

## Distribution

- Sector in process of consolidation
- Regulation is also a concern of the sector

# Changes to Cemig's management structure

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## Adapting the company to evolving reality

- Active shareholders
- Corporate group operating nationwide
- Modernization of decision-making process

## Two new Chief Officer's Departments

- Chief Counsel's Department - Maria Celeste Morais Guimarães
  - Greater representativeness
  - Activity adapted to create strategies and policies for the whole group
- Chief Institutional Relations and Communication Officer - Luiz Henrique Michalick
  - Relevant to regulatory aspects in decision making process
  - Communication with the community as a way of enhancing the brand

Investor Relations

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