

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

LISTED COMPANY

CNPJ 17.155.730/0001-64 – NIRE 31300040127

BOARD OF DIRECTORS

SUMMARY OF MINUTES OF THE 535TH MEETING

Date, time and place: May 17, 2012 at 4 p.m. at the company's head office,
Av. Barbacena 1200, 21th Floor, Belo Horizonte, Minas Gerais, Brazil.

Meeting Committee: Chairs: Dorothea Fonseca Furquim Werneck,
Guy Maria Villela Paschoal;
Secretary: Anamaria Pugedo Frade Barros

Summary of proceedings:

I Conflict of interest: The Chair asked the Board Members present whether any of them had conflict of interest in relation to the matters on the agenda, and all stated there was no such conflict of interest, except:

- the Board member Christiano Miguel Moisés, who said he had conflict of interest in the matter of the transfer of the holdings of Cemig and Cemig GT in the companies of the TBE Group to Transmissora Aliança de Energia Elétrica S.A. – Taesa;
- and the Board members

Dorothea Fonseca Furquim Werneck,
Djalma Bastos de Moraes,
Antônio Adriano Silva,
Arcângelo Eustáquio Torres Queiroz,
Francelino Pereira dos Santos,

João Camilo Penna,
Maria Estela Kubitschek Lopes,
Fernando Henrique Schüffner Neto,
Lauro Sérgio Vasconcelos David, and
Paulo Sérgio Machado Ribeiro,

who said they had conflict of interest in the matter of signature, with the State of Minas Gerais, and with the Cemig Receivables Investment Fund (“the Cemig FIDC”) of the Term of Agreement and Full Settlement of the CRC Account Balance (“the CRC Contract Settlement Agreement”).

II Scrutiny: The Chair reported that the Strategy Committee of the Board of Directors had examined all the matters on the agenda, and recommended approval of all of them.

III The Board approved:

- a) The proposal of the Board member Saulo Alves Pereira Junior to elect Ms. Dorothea Fonseca Furquim Werneck as Chair of the Board, and Mr. Djalma Bastos de Moraes as Vice-chair, for two years, that is to say, until the first meeting of the Board of Directors after the Annual General Meeting of 2014.

- b) The proposal of the Chair to elect the following persons to the following positions as members of the Executive Board, with a period of office of three years, that is to say, up to the first meeting of the Board of Directors held after the Annual General Meeting of 2015:

Chief Executive Officer:	Djalma Bastos de Moraes;
Deputy CEO:	Arlindo Porto Neto;
Chief Trading Officer:	José Raimundo Dias Fonseca;
Chief Distribution and Sales Officer:	José Carlos de Mattos;
Finance and Investor Relations Officer:	Luiz Fernando Rolla;
Chief Generation and Transmission Officer:	Luiz Henrique de Castro Carvalho;
Chief Corporate Management Officer:	Frederico Pacheco de Medeiros;
Chief Business Development Officer:	Fernando Henrique Schüffner Neto;
Chief Officer for the Gas Division:	Fuad Jorge Noman Filho;
Chief Counsel:	Maria Celeste Moraes Guimarães;
Chief Institutional Relations and Communication Officer:	Luiz Henrique Michalick.

- c) The minutes of this meeting.

IV The Board authorized:

- a) Signature of the Private Contract for Investment in Transmission Assets under which the minority equity interests held by Cemig and Cemig GT in the share capital of the following holders of public electricity service concessions (“the companies of the TBE Group”) will be transferred to Transmissora Aliança de Energia Elétrica S.A. – Taesa:

Empresa Catarinense de Transmissão de Energia S.A.	– ECTE,
Empresa Regional de Transmissão de Energia S.A.	– ERTE,
Empresa Norte de Transmissão de Energia S.A.	– ENTE,
Empresa Paranaense de Transmissão de Energia S.A.	– ETEP,
Empresa Amazonense de Transmissão de Energia S.A.	– EATE, and
Empresa Brasileira de Transmissão de Energia S.A.	– EBTE.

Within the scope of this transaction (“the Stockholding Restructuring”), **Taesa** will disburse

- one billion seven hundred thirty two million Reais, adjusted by the CDI rate from December 31, 2011, less any dividends and/or Interest on Equity declared, whether paid or not, as follows:
- one billion six hundred sixty seven million eight hundred ninety five thousand Reais to **Cemig**; and
- sixty four million one hundred five thousand Reais to **Cemig GT**.

The amount involved was agreed by the companies based on technical evaluations contracted from independent external valuers. The Stockholding Restructuring has been previously submitted to the Board of Directors of Taesa for their approval, and is further subject to approval by the General Meeting of Stockholders of that company. In accordance with Article 155 of the Corporate Law, both Cemig GT, and those members of the Board of Directors of Taesa nominated by it, did not take part in, and will not take part in, any decision on this matter.

The Stockholding Restructuring is in accordance with Cemig’s strategic planning, which aims to consolidate the Company’s holdings in electricity transmission companies in a single corporate vehicle, and also to optimize assessment of opportunities in future auctions of transmission lines and acquisition of assets in operation, in such a way as to add greater value for stockholders.

With the implementation of the Stockholding Restructuring, Taesa will have an interest in 9,378 km of transmission lines, resulting in an addition of 3,127 km, strengthening its capacity for generation of cash and profits for stockholders. The Stockholding Restructuring will be submitted for approval to the Brazilian antitrust bodies, including CADE (*Conselho Administrativo de Defesa Econômica*) in the form and within the period specified by the respective legislation; and its

conclusion will be subject to obtaining of the relevant prior approvals, which include the consent of the Brazilian National Electricity Agency, Aneel, and of the financing banks, in particular the Brazilian Development Bank (BNDES).

The above named companies have informed the public that implementation of the Stockholding Restructuring will not give the stockholders of Taesa the right to withdraw.

- b) Signature, with the State of Minas Gerais and with the Cemig CRC Account Receivables Investment Fund (*Fundo de Investimento em Direitos Creditórios Conta CRC* – “the Cemig FIDC”) of the Term of Agreement and Full Settlement of the CRC Account Balance (“the **CRC Contract Settlement Agreement**”), which provides for early payment by the State of Minas Gerais of the amount of the debt arising from the **CRC Agreement** (*Termo de Contrato de Cessão de Crédito do Saldo Remanescente da Conta de Resultados a Compensar* – CRC), as amended by its five amendments.

The general terms of the **CRC Contract Settlement Agreement** provide for a discount of 35% to be applied to the updated amount of the debtor balance.

For the **CRC Contract Settlement Agreement** to be entered into, the FIDC will require authorization by a General Meeting of its Unit Holders. The Company will take part in this meeting, because it is a holder of subordinated units in that Fund. Once the total early settlement has been made, the senior units of the FIDC will be redeemed in full and the Stockholders’ equity of the Fund will be linked to the subordinated units, owned by the Company, which will be able to redeem them.

- V Conflict of interest:** The Board member Christiano Miguel Moisés withdrew from the meeting room at the time of the debate on the transfer of the holdings of Cemig and Cemig GT in the companies of the TBE Group to Transmissora Aliança de Energia Elétrica S.A. – Taesa, since he believed there was a conflict of interest in the matter, returning to the meeting room only after decision on that matter by the other Board members.

- VI Conflict of interest:** The Board members:

Dorothea Fonseca Furquim Werneck,
Djalma Bastos de Moraes,
Antônio Adriano Silva,
Arcângelo Eustáquio Torres Queiroz,
Francelino Pereira dos Santos,

João Camilo Penna,
Maria Estela Kubitschek Lopes,
Fernando Henrique Schüffner Neto,
Lauro Sérgio Vasconcelos David, and
Paulo Sérgio Machado Ribeiro

withdrew from the meeting room at the time of discussion of the item relating to the signature, with the State of Minas Gerais and with the Cemig FIDC, of the CRC Contract Settlement Agreement, because they believed there was conflict of interest on the matter, and returned to the meeting room only after the decision on the subject by the other Board members.

The following were present:

Board members:

Dorothea Fonseca Furquim Werneck,
Djalma Bastos de Moraes,
Antônio Adriano Silva,
Arcângelo Eustáquio Torres Queiroz,
Francelino Pereira dos Santos,
Guy Maria Villela Paschoal,
João Camilo Penna,
Maria Estela Kubitschek Lopes,
Paulo Roberto Reckziegel Guedes,

Saulo Alves Pereira Junior,
Paulo Márcio de Oliveira Monteiro,
Newton Brandão Ferraz Ramos,
Tarcísio Augusto Carneiro,
Bruno Magalhães Menicucci,
Christiano Miguel Moisés,
Fernando Henrique Schüffner Neto,
José Augusto Gomes Campos,
Lauro Sérgio Vasconcelos David,
Paulo Sérgio Machado Ribeiro.

Secretary:

Anamaria Pugedo Frade Barros