COMPANHIA ENERGÉTICA DE MINAS GERAIS - CEMIG
Brazilian Listed Company - CNPJ 17.155.730/0001-64

ANALYSIS OF CONSOLIDATED RESULTS FROM JANUARY TO MARCH 2006, COMPARED TO JANUARY TO MARCH 2005

Belo Horizonte, Brazil, May 5, 2006 – Companhia Energética de Minas Gerais – CEMIG – (BOV: CMIG4, CMIG3; NYSE: CIG and LATIBEX: XCMIG), a leading electricity concessionaire in Brazil, and its subsidiaries ("CEMIG Companies"), today announced net income of R$ 340 million in the period from January to March 2006, or R$ 2.10 per lot of one thousand shares.

CEMIG's electricity sales volume reached 9,716,300 MWh in the first quarter 2006, an increase of 12.8% compared with the same period of 2005. Adding to this, 2,149,995 MWh of volume was sold to other concessionaires, and 7,474 MWh self consumed, distinguishing supply contracts that substituted for initial contracts whose biggest portion was sales between Cemig GT and Cemig D, a total of 11,873,769 MWh is obtained, which is a 36% increase in relation to the same period of 2005.

CEMIG started connected 45,000 new customers during the first quarter, making Cemig the largest electricity distributor in the country, serving a total of 6,055,238 consumers. When compared to the first three months of 2005, there was an increase of 2.5%, representing an aggregate gain of 150,000 consumers.

Investments made during the first quarter 2006 were R$ 247 million, mainly for generation and distribution. These investments were necessary not only for connecting new customers, but also to enable the conclusion of certain projects already started, ensuring the energy supply in the medium and long terms.

The Chairman of the Board of Directors, Mr. Wilson Nélio Brumer commented, "In the first quarter 2006 we initiated a consolidation of our growth, registering a record high for the Company in volume of sales for a first quarter – 11,873 GWh along with purchasing the [controlling ownership] of Light S.A. and in TBE's 5 (five) transmission lines (owned by Schahin Group), in conjunction with private partners. We also consolidated the process relative to the Account of Remaining Balance of the Income Account – CRC moving our credit into a Receivable Investment Fund (FIDC) in the amount of R$ 900 million, allowing the distribution of R$ 897 millions to stockholders as extra dividends. We are advancing in meeting our Strategic Plan objectives through our continued growth with increasing value for the Company."

President and CEO, Mr. Djalma Bastos de Morais stated, "Besides the acquisitions we made, we continue to fulfill our expansion program for the electric system. During the quarter, we connected 14,585 rural clients to our *Light for All* program, with R$ 141 million in investments and until the end of March 2006, we connected a total of 64 thousand clients. From January until March 2006, we started using two machines for commercial operations from Usina Hydroelectric de Capim Branco I, with a total of 33.7 MW. Until the end of the year, with the use of Usina's Irapé Hydroelectric and Usina's Capim Branco II Hydroelectric machines, they will add between 455 MW and the installed capacity, corresponding with a 7.5% increase of Cemig, totaling 6,568 MW. We are strengthening our position in the state of Minas Gerais, consolidating our participation in the national arena through acquisitions, and initiating international operations through the construction of the Charrua – Nueva Temuco Transmission Line in Chile."

Chief Financial Officer and Driector of Investor Relations, Mr. Flávio Decat de Moura commented, “Our performance in the first quarter, with a net income of R$ 340 million, we were able to achieve earnings before interest, taxes, depreciation, and amortization (EBITDA) of R$ 702 million, an increase of 107% in comparison with the same period of the prior year, excluding the impact of R$ 583 million in extraordinary revenues from that year. We had growth of almost 30% in the supply of gross electrical energy, driven by the tariff readjustment of 23.88% in April of 2005 and the 12.79% increase in energy sold to end consumers. We arrived at the end of the period with R$1,440 million in cash, strengthening our position for future acquistion opportunities, for sustained growth and to fulfill our Strategic Plan.”

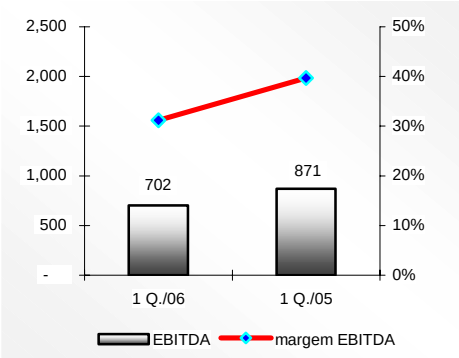
1Q06 Profit

CEMIG’s net income was R$ 340 million in the period from January to March 2006 compared to a consolidated net income of R$555 million reported in the first quarter of 2005.

As an extraordinary event that affected the results of the first quarter 2006, excluded from the sum results was R$93 million for the CVA charge of use of the transmission network, as described in the “Operating Costs and Expenses” section.

EBITDA

CEMIG’s EBITDA for the first quarter 2006 was R$ 702 million compared with R$ 871 million recorded in the same period of last year, representing a decline of 19.4%.



The reduction in EBITDA is primarily due to the extraordinary income registered in the first quarter, 2005 of R$ 583 million. Excluding this extraordinary income, EBITDA would have been substanstially higher in 1Q06 than in 1Q05. EBITDA margin in 1Q06 was 31.17% compared to 39.70% reported in the first quarter of 2005.

Gross Electricity Supply

Revenue from electricity supply were R$ 2.540 billion in the first quarter of 2006 compared with R$ 1.960 billion in the first quarter of 2005, representing an increase of 29.57%.

These results were basically due to the following factors:

- Average tariff readjustment of 23.88% as of April 8, 2005; and,
- A 12.8% increase in energy volumes sold to final consumers (excluding self consumption).

The amount of electricity sold to final consumers increased by 12.8%; 9,716,300 MWh in the first quarter of 2006 compared to 8,614,526 MWh in the same period of 2005. Among the main segments

of consumption, the industrial, commercial and residential grew 18.39%, 6.22% and 2.45%, respectively. It is worth noting that comparisons of industrial electricity sales between the two periods was impacted by a regulatory determination, whereby the billing date of free consumers was altered in the first quarter of 2005, and resulted in lower energy sales, expressed in MWh, from that point forward.

It is interesting to note that it was the secondary segment, especially the transformation industry that had the highest contributions to the growth of electricity sold, responsible for 85% of the gain, or 943,873 MWh. It is expected that with the current economic growth, these sectors will continue to increase their production, further elevating the demand for electricity.

Energy Sales by Final Consumer

Consumption by class	MWh		
	1st Q.2006	1StQ. 2006	*Var %*
Residential	1,656,875	1,617,322	2.45
Industrial	6,017,254	5,082,381	18.39
Commercial, services and others	989,765	931,833	6.22
Rural	404,227	365,391	10.63
Public Supply	138,851	127,213	9.15
Supply	261,215	252,091	3.62
others	248,113	238,295	4.12
Total	**9,716,300**	**8,614,526**	**12.79**

Revenues from supply

CEMIG showed a sizable increase in energy sales to other concessionaires, from 103,264 MWh in the first quarter of 2005 to 2,149,995 MWh in the first quarter of 2006, corresponding to R$ 10 million and R$ 177 million, respectively. This increase was primarily driven by energy sales from CEMIG Generation and Transmission to other distributors in 2006 in accordance with the Energy Law enacted in the prior year. In 2005, a large portion of the electricity sales at CEMIG Generation were to CEMIG Distribution, which, in the process of consolidating the company's results, are eliminated as inter-company sales.

Deferred Tariff Readjustment

In April, 2005 it was announced that as a result of the periodic revision of CEMIG's tariffs, the Company's tariffs wouuld be readjusted to 44.41% on a retroactive basis to April, 2003.

The average readjusted tarif was 31.53% as of April, 2003. To compensate CEMIG for the reveue from lower sales from April 2003 to April 2005, ANEEL is including the one additioncal percentage in the tariff readjustments from 2004 to 2007.

The difference between the repositioning of the tariff to which CEMIG had the rights and the effective tariff charged to comsumers from 2003 to 2005 was recognized as a regulatory asset as part of the results in 2005, in the amount of R$ 583 million.

Revenues from Network Use

Revenues from network use grew 68.14%, in the amount of R$ 182 million (R$ 450 million in 2006, compared to R$ 267 million in 2005).

This increase was basically due to the TUSD revenues from CEMIG Distribution in the amount of R$ 301 million (R$ 183 in 2005), arising from the charges to free consumers for energy sold by CEMIG Generation and Transmission.

Also adding to this amount are the revenues from use of the installations comprising the basic transmission network of CEMIG Generation and Transmission by the electricity generators and distributors that are part of the Brazilian interconnected system, as per values defined through ANEEL Resolution (R$ 125 million in 2006, in comparison with R$ 69 million in 2005).

Operating Costs and Expenses (excluding financial result)

Operating costs and expenses (excluding financial result) were R$ 1,693 million in the first quarter of 2006, compared to R$ 1,405 million in the first quarter of 2005, an increase of 20.5%. This result is mainly due to the uncontrollable cost variations that were passed through to the energy tariffs, such as energy purchased for resale and network use charges. Offsetting this was a reduction in the Operational Provisions account.

The differences between the amounts of the uncontrollable costs (also called “CVA”) used as a reference in the calculation of the tariff adjustment and the payments effectively made are offset by subsequent tariff adjustments, and are registered as short term assets and long term assets as anticipated expenses.

CONSOLIDATED OPERATING COSTS AND EXPENSES AS March 30, 2006
Amounts in millions of *reais*

	Operating expenses without effects of CVA	CVA amounts transferred to the period's results	CVA amounts not included in the period's results	Effective expense recognized in the period's results
		(*)	(**)	
Personnel, Administrators and Board Members	219,638	-	-	219,638
Employee Participation	18,492	-	-	18,492
Post-Employment Obligations	37,528	-	-	37,528
Materials	17,028	-	-	17,028
Third-Party Services	100,710	-	-	100,710
Electricity Purchased for Resale	425,048	132,027	(11,835)	545,240
Depreciation and Amortization	151,141	-	-	151,141
Financial Compensation for Use of Hydro Resources	30,459	(8,536)	-	21,923
Operating Provisions	41,648	-	-	41,648
Fuel Consumption Account – CCC	161,184	(23,540)	(41,325)	96,319
Charges for Transmission Network Usage	150,176	5,400	93,890	249,466
Gas Purchased for Resale	38,954	-	-	38,954
Energy Development Account – CDE	95,027	(9,545)	(16,402)	69,080
Provision for Losses in the Recovery of RTE Values	19,176	-	-	19,176
Other Operating Expenses	66,608	-	-	66,608
Total	**1,572,817**	**95,806**	**24,328**	**1,692,951**

(*) Refers to the fixed costs that comprise the CVA that were transferred to the results as a function of their inclusion in the calculation of CEMIG's tariff adjustment.
(**) Refers to the variation of fixed costs that comprise the CVA that were not included in the calculations of CEMIG's tariff adjustment, and thus were excluded from the results.

The main variations in expenses are described below:

Personnel

Personnel expenses in the first quarter of 2006 were R$ 220 million, compared to R$ 224 million in the first quarter of 2005, an increase of 2.14%. This was substantially due to forecasted amounts from the previous year related to the disconnection incentives, compensated partially by a reduction in the transfer of costs related to works in progress and personnel costs.

Electricity Purchased for Resale

The expense for electricity purchased for resale was R$ 545 million in the first quarter of 2006, compared to R$ 385 million in the first quarter of 2005, representing an increase of 41.5%. This is an uncontrollable cost, and the expense recognized in the results corresponds to the amount effectively passed through to the tariff. Additionally, it needs to be pointed out that in 2005, a substantial portion of the electricity purchased for resale through distribution was derived from CEMIG Generation, and as a result, in the presentation of consolidated results, were eliminated as operations between the companies.

Depreciation and Amortization

The expense for depreciation and amortization did not change significantly between the periods; it was R$ 151 million in the first quarter of 2006 and R$ 148 million in the first quarter of 2005, representing a variation of 2.39%, mainly due to entry into operation of new networks and distribution lines.

Post-Employment Obligations

The expense for post-employment obligations was R$ 37 million in the first quarter of 2006, compared with R$ 38 million in the first quarter of 2005, representing a decrease of 2.6%. These expenses basically represent the interest on actuarial obligations, net of the income expected from plan assets, estimated by an outside actuary. The reduction of expenses shows a greater growth in assets in relation to obligations.

Operating provisions

Operating provisions were R$ 42 million in the first quarter of 2006, compared to R$ 39 million in the first quarter of 2005, an increase of 7.7%. The principal provisions registered in 2006 originate from credits from doubtful accounts, in the value of 34, and worker contingencies, in the amount of R$ 6 million.

Fuel Consumption Account – CCC

The CCC expense was R$ 96 million in the first quarter of 2006, compared to R$ 79 million in the first quarter of 2005, an increase of 21.5%. This expense is related to the operating costs of the thermal plants on the Brazilian interconnected and isolated system, divided proportionally among the electricity concessionaires through an ANEEL Resolution. This is an uncontrollable cost, as the expense recognized in the result corresponds to the value effectively passed through to the tariff.

Charges for Transmission Network Use

The expense for transmission network use was R$ 249 million in the first quarter of 2006, compared to R$ 194 million in the first quarter of 2005, a variation of 28.3%. This expense is related to the charges paid by electricity distribution and generation agents for use of installations and components of the basic network, as defined by ANEEL Resolution. This is an uncontrollable cost, as the expense recognized in the result corresponds to the value effectively passed through to the tariff.

In accordance with the new interpretation of ANEEL as it relates to the CVA criteria with reference to the tariff to use the integrated transmission installations and the basic network, CEMIG returned, in the first quarter of 2006, a portion of the CVA constituted in, in the amount of R$ 93 million, which served to increase the value of the expense of the current quarter.

Gas Purchased for Resale

The cost for gas purchased for resale was R$ 39 million in the first quarter of 2006, compared with R$ 37 million in the first quarter of 2004, an increase of 8.3%. This result is basically due to the increase in gas purchases (54,910,842 m3 in 2006 and 49,917,947m3 in 2005).

Energy Development Account - CDE

The CDE expense was R$ 69 million in the first quarter of 2006, compared to R$ 65 million in the first quarter of 2005, a 6.1% increase. The payments are defined through the ANEEL Resolution. This is an uncontrollable cost, as the expense recognized in the results corresponds to the value effectively passed through in the tariff.

Other Operating Expenses

Other operating expenses were R$ 67 million in the first quarter of 2006 compared to R$ 41 million in the first quarter of 2005, representing a 63.4% increase. This increase resulted primarily from amounts registered in 2006 related to the energy efficiency programs. It should be pointed out again that beginning with the first quarter of 2006, the company is provisioning 1.0% of its net revenues to be used for energy efficiency programs and related research and development.

Financial Revenues (Expenses)

The financial result for the January to March period of 2006 was a net financial expense of R$ 16 million, compared to a net financial income of R$ 150 million in the January to March period of 2005. The main factors impacting the financial result were the following:

- Income from monetary update and interest on accounts receivable from the state of Minas Gerais, was in the amount of R$ 21 million from January to March 2006, compared to R$ 60 million from January to March 2005, net of the provision for losses, a reduction of 65%. With the transfer of the CRC to the Direct Creditor's Fund this income will not be booked in the results for 2006, also considering that the income to be registered with the FIDC will be less than the amount stipulated in the update.
- Income from monetary variation and interest on the Deferred Tariff Adjustment (RTD) in the amount of R$ 43 million, compared to R$ 138 million from January to March 2005. In the prior quarter Cemig reported higher income as a result of the tariff review being finalized, which led to the creation of the asset line item Deferred Tariff Adjustment. The retroactive realization of this asset back to 2003 resulted in the considerable amount of financial income booked in 2005.
- Increases in charges related to loans and financing in the country due to the increase in the amount due as a function of the debt rollover criteria, with the substitution of various debt contracts in foreign currency to Brazilian currency, as of the second half of 2005.
- Net gain on exchange rate variations in the first quarter of 2006 in the amount of R$ 62 million, compared to net gains of R$ 4 million in the first quarter of 2005, basically arising from foreign currency loans and financing. During the first quarter of 2006, the *real* appreciated 7.19% against the U.S. dollar, compared to a devaluation of 0.41% during the same period of 2005.
- Net loss on derivative instruments used in hedging operations in the first quarter of 2006 in the amount of R$ 70 million, compared to a net loss of R$ 21 million in the first quarter of 2005. This variation is due to the appreciation of the *real* against the U.S. dollar, mentioned in the previous item.

Income Tax and Social Contribution

CEMIG made provisions during the first quarter of 2006 for Income Tax and Social Contribution of R$ 183 million in relation to income of R$ 523 million, before fiscal effects, representing a 35.01% rate. In the first quarter of 2005, the Company recorded Income Tax and Social Contribution expenses of R$ 311 million for income of R$ 866 million, before fiscal effects, a rate of 35.9%.

Investment Program

Investments made during the first quarter reached R$ 247 million, and were primarily directed at the generating and distribution segments. These investments are part of the R$ 1.641 billion that will be invested during 2006.

Addition details regarding investments can be seen in the following table.

Multiyear Investment Program

Amounts in millions of reais

	2005	2006	1st Q.2006	2007
GENERATION	397	128	28	98
TRANSMISSION	20	108	5	16
DISTRIBUTION	691	1,298	210	1,335
Distribution	665	1,108	204	1,005
Extension and reinforcement of existing networks	276	255	47	544
Light for All – Phase 1	124	22	5	-
Light for All – Phase 2	167	823	136	461
Expansion using consumer resources	98	8	16	-
Sub-transmission	26	190	6	330
HOLDING	53	107	4	82
SubTotal	**1,161**	**1,641**	**247**	**1,531**
Rosal	4	-	-	-
SubTotal	**1,165**	**1,641**	**247**	**1,531**
Other Businesses	-	-	-	-
Reconciliation to Cash flow (*)	191			
Total	**1,356**	**1,641**	**247**	**1,531**
(*)Includes advancement of suppliers and warehouse				

Rural Electrification Program “Light for All”

The Light for All program of CEMIG has as its objective the connection of nearly 176 million rural homes/establishments in the company’s concession area within the three-year period 2004-2006.

CEMIG undertook the task of connecting rural homes/establishments in 2004 and 2005. In June 2005 the Company signed contractors who have experience with large-scale works, to connect 140,000 of the potential rural clients the company identified, under turn-key agreements.

In the first quarter of 2006, 14,585 million rural clients were connected. At the end of March 2006, the program was serving a total of nearly 64 million clients.

Cash Position

Cash at the end of the first quarter of 2006 reached R $1.4 billion, representing an increase of R$ 521 million, or 57%, compared to the comparable figure for 2005. The primary reason for this increase was cash generated from operations, which represented a gain of 38%, going from R$ 298 million to R$ 411 million.

Additional information can be found in Table IX of the Appendix.

Acquisitions

Light

On March 28, 2006, CEMIG, through Rio Minas Energia Participações S.A. signed with EDF International S.A. an agreement for the sale of shares ("the Agreement") for the acquisition of the direct and indirect stockholdings of EDFI, amounting to a total of 79.57%of the total registered capital in LIGHT S.A., the holding company which wholly controls, among other companies, the electricity distribution concession holder Light Serviçosde Eletricidade S.A.,which serves 3.8 million consumers (6.4% of the entire Brazilian market), in 31 municipalities in the State of Rio de Janeiro, and the generating company Light Energia, S.A., which has hydroelectric power plants with aggregate generating capacity of 852 MW.

RME is a company formed by CEMIG with Andrade Gutrierrez Concessões S.A., J.L.A. Participações S.A., and Pactual Latin America Power Fund Ltd., in which each of the partners holds 25% of the shares. In accordance with the Agreement, RME will apy US$ 319 million for EDFI's holding in Light S.A.

Conclusion of the transaction, including the acquisition of shares by CEMIG is subject to certain conditions established in the Agreement including, among others, the approval of the transfer of control of Light S.A. being given by the Brazilian National Electricity Agengy – ANEEL, by the Commission des Participations et des Transferts ("CPT"), by the Brazilian Development Bank (BNDES) and other creditors.

TBE – Transmissoras Brasileiras de Energia

On May 4, 2006, Cemig, with advisory services from Banco Modal S.A., in partnership with MDU Brasil Ltda. and Brascan Brasil Ltda, has signed Share Purchase and Sale Agreements with Schahin Holding S.A. relating to acquisition of Schahin's stockholdings (TBE) in five companies holding electricity transmission concessions.

Cemig and MDU are defined as "the Purchasing Group", and Brascan holds an option to purchase part of the stockholdings acquired.

The purchasers have agreed the value of R$ 656 million, on the basis of September 2005, for Schahin's stock holdings in the transmission companies. Conclusion of the transaction, to complete the acquisition of the shares by Cemig and its partners, is subject to compliance with certain conditions established in the agreements, including approval by the Brazilian Electricity Regulator (ANEEL), the Brazilian Development Bank (BNDES) and other financing bodies of the transfer of the shares of the above-mentioned companies. The Brazilian monopolies authority, CADE, will also be notified of the transaction, in accordance with Law 8884/94.

The companies acquired, are located in the North and South of Brazil and are listed below, with Cemig's stockholding in each of them:

- Empresa Paraense de Transmissão de Energia S.A.
  (The 324-km, 500kV, Tucuruí – Vila do Conde transmission line);
  CEMIG stake: 49.5%
- Empresa Norte de Transmissão de Energia S.A.
  (The 459-km, 500kV, Tucuruí – Açailândia transmission line);
  CEMIG stake: 37.0%
- Empresa Regional de Transmissão de Energia S.A.
  (The 155-km, 230kV, Vila do Conde – Santa Maria transmission line);
  CEMIG stake: 37.0%
- Empresa Amazonense de Transmissão de Energia S.A.
  (The 928-km, 500kV, Tucuruí – Presidente Dutra transmission line)
  CEMIG stake: 49.5%
- ECTE – Empresa Catarinense de Transmissão de Energia S.A.
  (The 253-km, 500kV, Blumenau – Campos Novos transmission line).
  CEMIG stake: 15.0%

These percentages correspond to 41.4% of the total of the assets, and will be reduced by half in the event that Brascan exercises its option.

Cemig CEO Djalma Bastos de Morais said that the acquisition of these companies "is one more evidence of the Company's objective of expanding its increasing its share of the Brazilian electricity market", and also points out: "We are following the directives established by our controlling stockholder, the Brazilian State of Minas Gerais, approved by our Board of Directors and reflected in our Long-tern Strategic Plan".

The effect of the acquisition is to expand Cemig's participation in the Brazilian electricity transmission market from 4% to 5.7%; and the list of Brazilian states in which it has a presence – as well as Minas Gerais – to include: São Paulo, Rio de Janeiro, Espírito Santo, Santa Catarina, Rio Grande do Sul, Pará, and Maranhão. Cemig is also present in Chile, where it is building a transmission line.

Disclaimer

Some of the statements and assumptions contained herein are forecasts based on the views and assumptions of the management, and involved both known and unknown risks and uncertainties. The actual results may be materially different from those expressed or implied in such statements.

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Chart I

Statement of Results (Consolidated)
Values in millions of *reais*

	1st Q. 2006	1st Q. 2005	2005
Net Revenue	2,243	2,129	8,236
Operating Expenses	(1,693)	(1,405)	(6,342)
EBIT	***550***	***724***	***1,894***
EBITDA	***702***	***871***	***2,488***
Financial Result	(15)	150	(3)
Non-Operating Result	(12)	(8)	(53)
Provision for Income Taxes, Social Cont & Deferred Income Tax	(183)	(311)	(471)
Interest on Own Capital Reversal	-	-	635
Minority Shareholders	-	-	1
Net Income	***340***	***555***	***2,003***

Chart II

Operating Revenues (consolidated)
Values in million of Reais

	1st Q. 2006	1st Q. 2005	2005
Sales to end consumers	2,362	1,919	8,919
TUSD	301	183	1,201
Subtotal	2,663	2,102	10,120
Supply	177	41	237
Revenues from Trans. Network	149	84	322
Gas Supply	69	61	265
Others	46	47	168
Subtotal	**3,104**	**2,335**	**11,112**
Deferred Tariff Readjusment - RTD	-	583	591
Deductions	(861)	(789)	(3,467)
Net Revenues	**2,243**	**2,129**	**8,236**

Chart III

Operating Expenses (consolidated)
Values in millions of reais

	1st Q. 2006	1st Q. 2005	2005
Purchased Energy	545	385	1,455
Personnel/Administrators/Councillors/Employee Participation	238	245	1,106
Depreciation and Amortization	151	147	595
Fuel Consumption Account - CCC	96	79	416
Energy Development Account - CDE	69	65	296
Charges for Use of Basic Transmission Network	249	194	641
Contracted Services	101	70	423
Forluz – Post-Retirement Employee Benefits	38	38	153
Materials	17	18	96
Royalties	22	40	145
Gas Purchased for Resale	39	37	156
Operating Provisions	42	39	127
Other Expenses and Provision for Losses from Tariff Recomposition	86	48	733
Total	**1,693**	**1,405**	**6,342**

Chart IV
Energy Sales (Consolidated)

	N$^{er.}$ of consumers		MWh		R$ thousand	
	1st Q.		1st Q.		1st Q.	
	2006	2005	2006	2005	2006	2005
Residential	4,959,391	4,854,512	1,656,875	1,617,322	827,462	678,047
Industrial	69,209	68,446	6,017,254	5,082,381	685,364	640,051
Commercial	539,394	531,931	989,765	931,833	424,738	336,952
Rural	428,567	393,988	404,227	365,391	112,100	88,780
Others	57,868	55,933	648,179	617,599	184,255	149,017
Own Consumption	770	789	7,474	7,021	-	-
Low-Income Consumers Subsidy					27,987	
Unbilled Supply, Net	39	6	-	-	100,287	6,555
Supply	-	-	2,149,995	103,264	177,164	10,103
Transactions on the MAE	-	-	-	-	477	31,259
TOTAL	**6,055,238**	**5,905,605**	**11,873,769**	**8,724,811**	**2,539,834**	**1,960,208**

Chart V

Financial Result Breakdown

Values in millions of *reais*

	1st Q. 2006	1st Q. 2005	2005
Financial Revenues	***310***	***357***	***1,706***
Income from Investments	50	32	197
Fines on Energy Accounts	18	15	81
CRC Contract/State (interest + monetary variation)	21	60	500
Monetary variation of Extraordinary Tariff Recomposition and RTD	153	248	663
Exchange Rate Variations	62	16	164
Others	6	(14)	101
Financial Expenses			
Charges on Loans and Financing	(164)	(115)	(565)
Monetary variation of Extraordinary Tariff Recomposition and Suppliers	(36)	(19)	(158)
Exchange Rate Variations	-	(12)	(18)
Monetary Variarion Liabilities - Loans and Financing	(6)	(22)	(16)
CPMF	(21)	(5)	(66)
Provision for Losses from Derivatives	(72)	(21)	(168)
Others	(27)	(13)	(83)
Interest on Own Capital	***-***	***-***	***(635)***
Financial Result	***(16)***	***150***	***(3)***

Chart VI

Related party transactions

Values in million of *reais*

	State of Minas Gerais Government	
	1st Q. 2006	**2005**
ASSETS		
Current Assets		
Customers and distributors	5	1
Tax Recoverable -		
State VAT recoverable	6	8
Noncurrent assets		
Accounts receivable from Minas Gerais State Government	644	1,519
Tax Recoverable -		
VAT recoverable	212	219
Customers and distributors	42	44
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Taxes, fees and charges		
VAT - ICMS payable	221	232
Interest on capital and Dividends	261	461
Debentures	104	103
Financing	15	15

Chart VII

Share Ownership

	Number of shares as of march 31, 2006					
Shareholders	**Common**	**%**	**Preferred**	**%**	**Total**	**%**
State of Minas Gerais	36,125,656,294	51.0	1,755,078,505	1.9	37,880,734,799	23.4
SEB*	23,362,956,173	33.0	-	-	23,362,956,173	14.4
Other:	-	-	-	-	-	-
Local	7,144,649,386	10.1	27,316,082,350	29.9	34,460,731,736	21.3
Foreigners	4,240,906,070	6.0	62,208,490,247	68.2	66,449,396,317	41.0
Total	**70,874,167,923**	**100.0**	**91,279,651,102**	**100**	**162,153,819,025**	**100.0**

* Southern Electric Brasil Ltda

Chart VIII

BALANCE SHEET
ASSETS (Values in million of reais)

	2006	2005
	1st Q.	
CURRENT ASSETS	***5,615***	**5,198**
Cash and Cash Equivalents	1,440	1,344
Consumers and Distributors	1,563	1,344
Consumers – Rate Adjustment	279	272
Dealership - Energy Transportation	350	303
Dealers - Transactions on the MAE	161	226
Tax Recoverable	550	360
Materials and Supplies	28	26
Prepaid Expenses - CVA	440	539
Tax Credits	130	107
Regulatory Assets	66	69
Deferred Tariff Adjustment	400	321
Other	208	1,519
NONCURRENT ASSETS	***4,700***	**4,704**
Account Receivable from Minas Gerais State Government	1,571	1,519
Consumers – Rate Adjustment	980	1,001
Regulatory Assets	378	375
Prepaid Expenses - CVA	62	46
Tax Credits	433	410
Deferred Tariff Adjustment	-	854
Dealers - Transactions on the MAE	100	96
Recoverable Taxes	213	219
Escrow Account re: Lawsuits	99	105
Consumers and Distributors	61	64
Other Receivables	15	15
PERMANENT ASSETS	***10,005***	**9,938**
Investments	985	977
Property, Plant and Equipment	8,961	8,899
Deferred Charges	59	62
TOTAL ASSETS	**20,320**	**19,840**

Chart VIII

BALANCE SHEET
LIABILITIES AND SHAREHOLDERS' EQUITY
Values in millions of Reais

	2006	2005
	1st Q.	1 st Q.
CURRENT LIABILITIES	***4,934***	**5,720**
Suppliers	674	765
Taxes Payable	832	667
Loans, Financing and Debentures	1,197	985
Payroll and Related Charges	172	174
Interest on Capital and Dividends	1,118	2,064
Employee Post-Retirement Benefits	120	161
Regulatory Charges	124	210
Other	473	486
Prepaid Expenses - CVA	224	208
LONG-TERM LIABILITIES	***7,842***	**6,915**
Loans, Financing and Debentures	4,700	3,950
Employee Post-Retirement Benefits	1,301	1,285
Suppliers - Wholesale	336	337
Taxes and Social Charges	780	799
Reserve for Contingencies	377	379
Other	311	134
Prepaid Expenses - CVA	37	31
	-	-
PARTICIPATION IN ASSOCIATE COMPANIES	20	**20**
	-	-
SHAREHOLDERS' EQUITY	***7,524***	**7,185**
Paid-in Capital	1,622	1,622
Capital reserves	4,059	4,059
Income reserves	1,843	1,504
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**20,320**	**19,840**

Chart IX

Income Statement (consolidated)
Values in million of Reais

	1st Q. 2006	1st Q. 2005
Cash at start of period	***1,344***	***896***
Cash from operations	*411*	*298*
Net income	340	555
Depreciation and amortization	151	148
Suppliers	(111)	19
Deferred tariff adjustment	-	(583)
Other adjustments	31	159
ICMS (IVA) on TUSD	-	-
Financing activity	*(93)*	*(99)*
Financing obtained	912	-
Payment of loans and financing	(59)	(95)
Other	(946)	(4)
Investment activity	*(222)*	*(176)*
Investments outside the concession area	(9)	(9)
Investments in the concession area	(233)	(178)
Special obligations - consumer contributions	19	11
Other	1	-
Cash at the end of period	**1,440**	**919**