



Successful Strategy

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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.

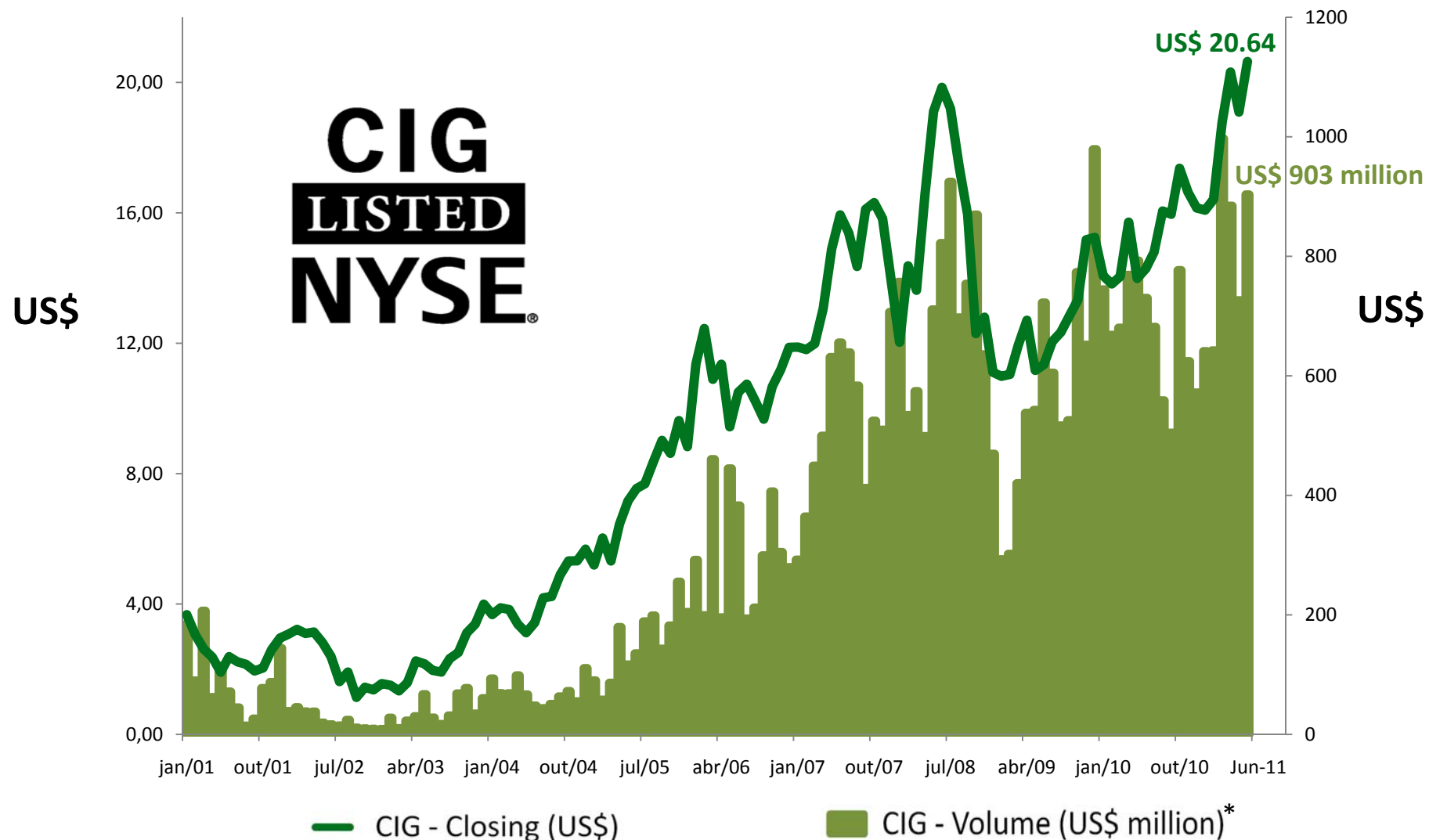
These expectations are based on present assumptions and analyses from the viewpoint of our management, based on their experience, the macroeconomic environment, market conditions in the energy sector and our expected future results, many of which are not under Cemig's control.

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.

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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.

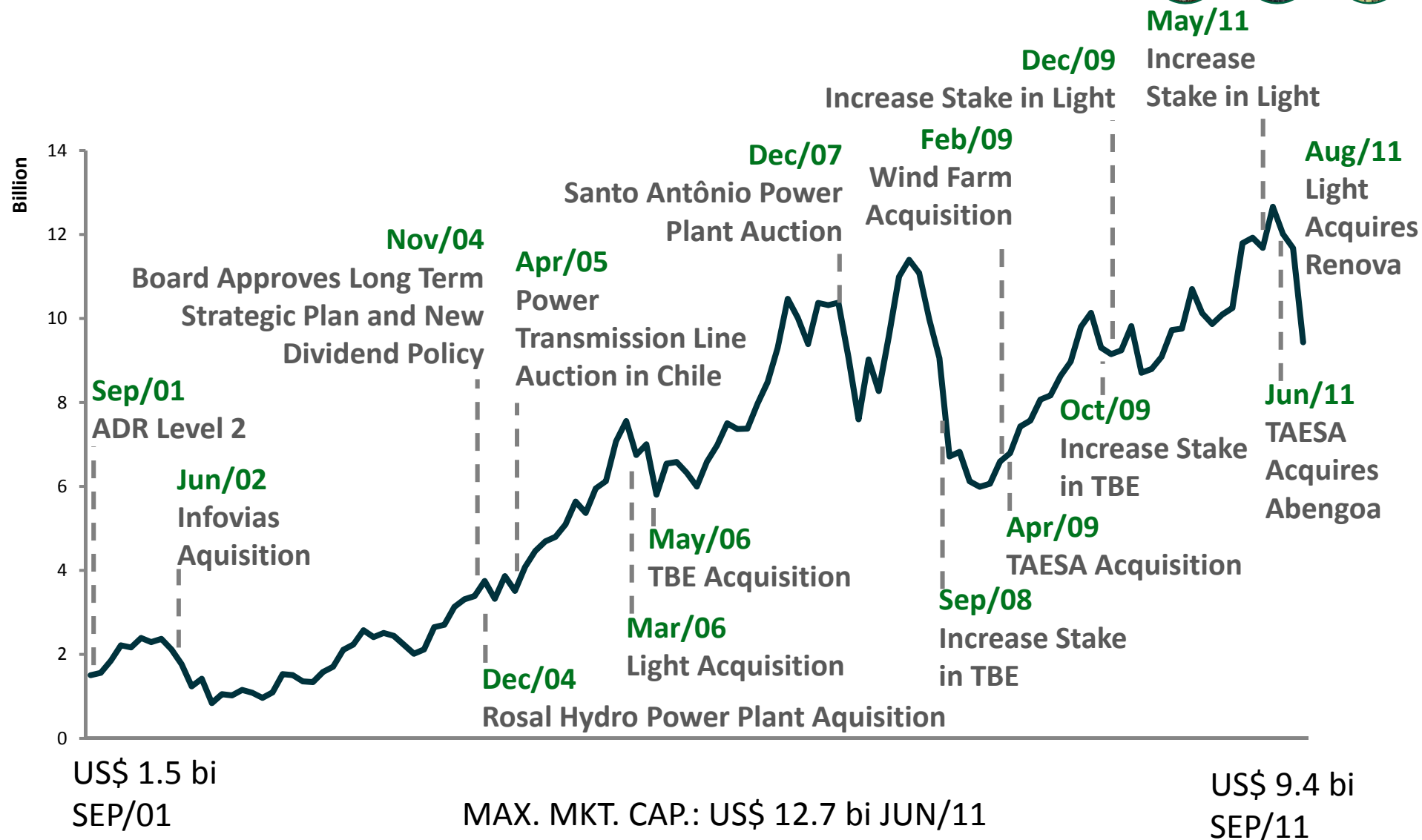
Cemig's ADR monthly performance 2001-2011



Source: Economática

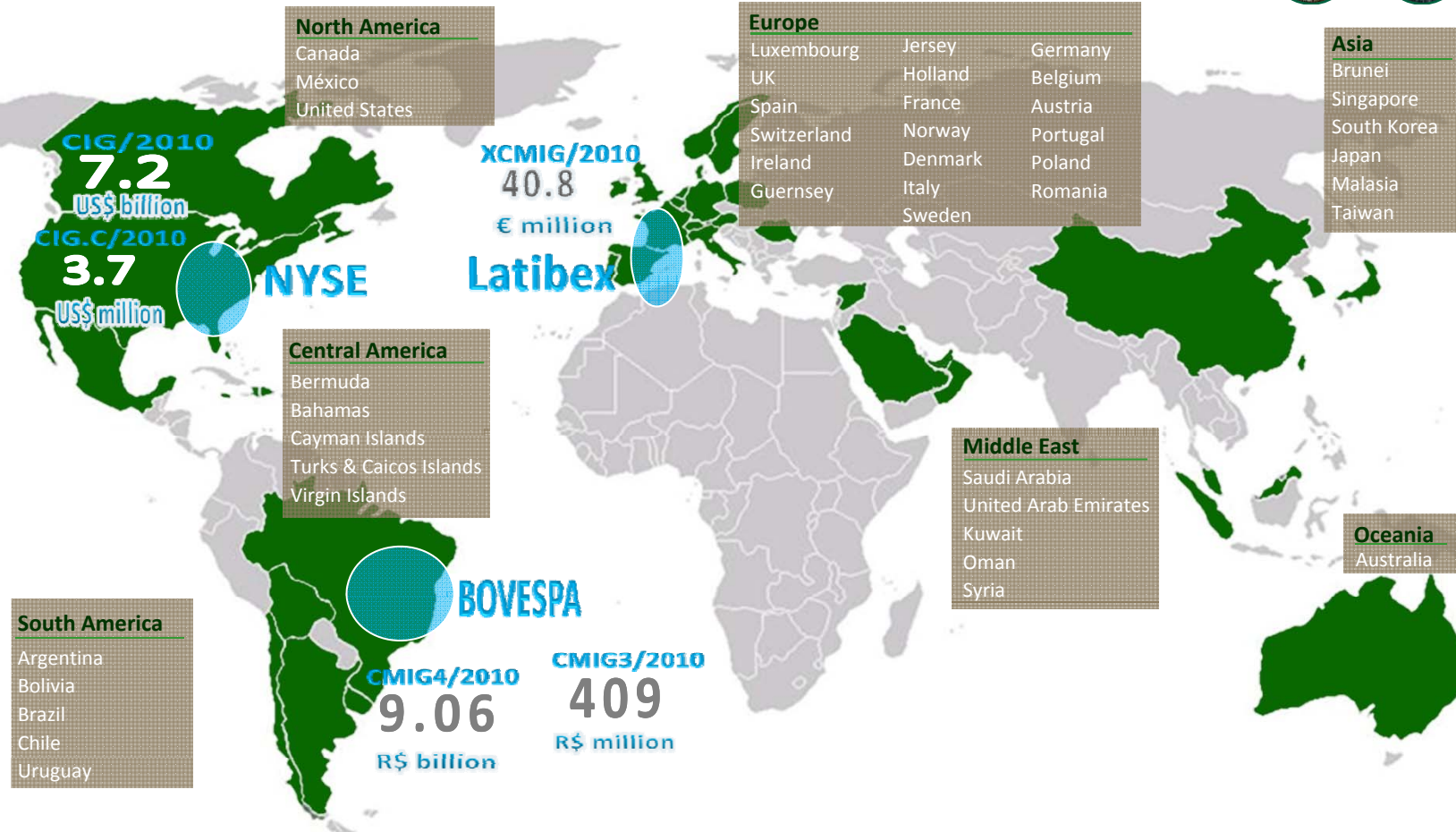
* Monthly volume

Market Capitalization (US\$)



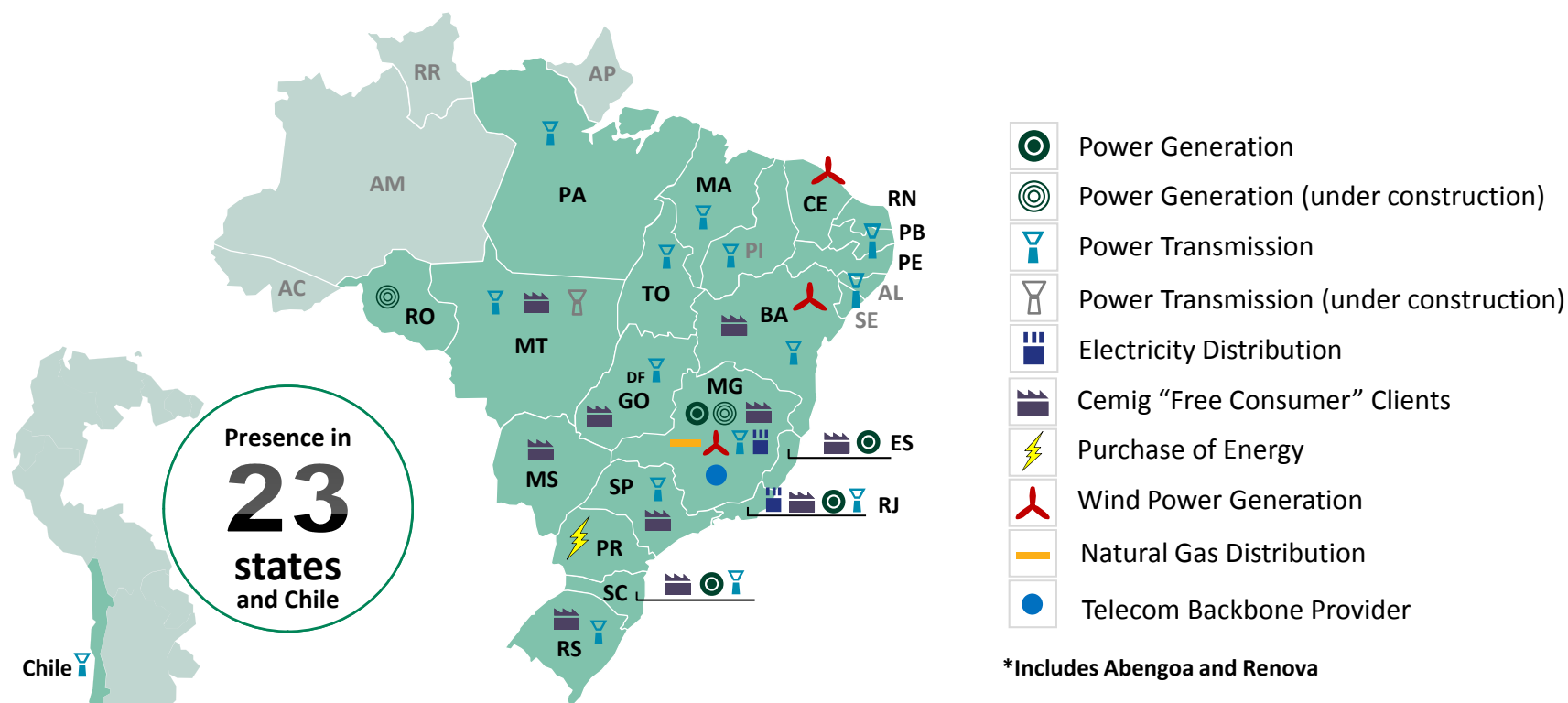
Source: Economática

Strong shareholder base assures liquidity



- ✓ Shares traded in 3 Stock Exchanges
- ✓ More than 114,000 shareholders in 44 countries

Cemig: Largest Integrated Utility in Brazil



#1
Electricity distributor*

#3
Power transmission group

#3
Power generation group

* In numbers of consumers and extension of distribution lines

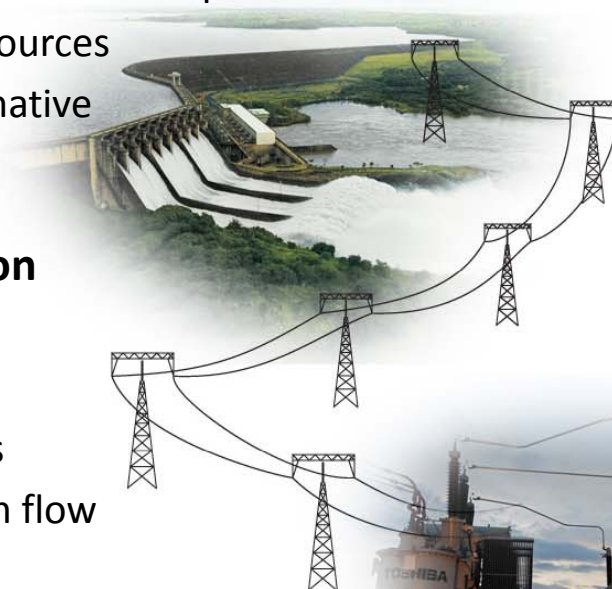
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Power Generation

6,925 MW of capacity

- ✓ 7% market share
- ✓ Sources such as hydro are still competitive
- ✓ Growth in renewable sources
- ✓ Natural gas as an alternative



Non-regulated market

25% market share



Power Transmission

9,685 Km

- ✓ 13% market share
- ✓ Highest Ebitda margins
- ✓ Stable returns and cash flow



Electricity Distribution

494,481 Km

- ✓ 12% market share
- ✓ Strongly regulated
- ✓ Scale gains to achieve higher returns
- ✓ Sector in process of consolidation



Retail

Largest distribution company

Business diversity creates value, reducing risk



✓ Main business lines:

➤ Power Generation:

- Most contract terms are for 5–10 years, with only 5% flexibility
- Almost all these contracts are inflation adjusted
- Cemig has most of its capacity sold until 2014 – reducing exposure to possible downward pressure on electricity prices in 2013–14

➤ Power Transmission:




- Revenue is fixed, and not sensitive to power demand
- All contracts are inflation adjusted
- Contributes with almost 20% of consolidated Ebitda (2Q 2011)

➤ Distribution of electricity:

- Concession area economic growth is growing faster than country's GDP
- Regulation guarantees full cost pass through
- Demand for electricity is not very sensitive to short-term fluctuations in the economy
- Infrastructure projects in the concession area boost demand for electricity

Well-Diversified Portfolio, still Evolving



	2Q2011 (% of EBITDA ¹)	Long-Term Goal (% of EBITDA)
 Generation	42%	40%
 Transmission	19%	20%
 Distribution & Others²	39%	40%

Note: 1. Breakdown of EBITDA 1Q2011
2. Including Natural Gas Distribution, Electricity Distribution, Telecom, Services

Our financial strenght makes us a safe harbor for investors



- ✓ Leverage indicator performance supports Cemig's privileged position in stressful world financial markets' scenario
 - Total debt points out to a solid liquidity situation
 - 1.1% of the total debt is US dollar denominated
 - Average maturity is 3.5 years
 - Debt coverage indicators are at comfortable levels
 - Net debt / Ebitda: 2.2 times
 - Strong cash position
 - R\$ 3 billion cash at the end of 2Q11
- ✓ Credit quality and soundness of our balance sheet ensure access to investor market
 - **FitchRatings**: *"The ratings of Cemig and its subsidiaries reflect the positive way in which the group has preserved its solid financial profile (...) Cemig has a satisfactory history of raising finance, even in more challenging scenarios."*

Leadership in sustainability, a core value at Cemig



- ✓ Social and Environmental responsibilities
- ✓ Long-term vision commitment
- ✓ To guarantee the preservation of our activities
- ✓ Prevent undue costs to be passed to the society through a balanced relationship with the environment and the community
- ✓ Recognition of our actions to ensure sustainability:
 - Selected member of Dow Jones Sustainability World Index for the twelfth time in a row, now world leader in Utilities “Supersector”
 - Selected member of Corporate Sustainability Index of the São Paulo Stock Exchange (Bovespa) for the sixth year in a row



Long term strategy aligned with shareholders' interests



✓ Value creation is a permanent commitment

- **Alignment with shareholders' interests**
 - Corporate governance as a strategic value
 - Transparency in the decision making process
- **Profitability metrics to assure attractiveness of projects**
 - Strict financial discipline when investing
 - Investments that add value to our shareholders
 - Best management practices and detailed actions plans to capture synergies
 - Continuous technological and operational improvements
- **Ability to create innovative structure to finance expansion**
 - Partnerships with Equity Investment Funds (FIPs) in recent acquisitions (Terna and Light) to create a new growth driver
 - Partnership with FIPs produces a growth strategy that optimizes capital needs
- **Track record of accretive acquisitions**
 - Growth vehicles to carry out expansion more efficiently

Long term strategy plan to meet shareholders' interests



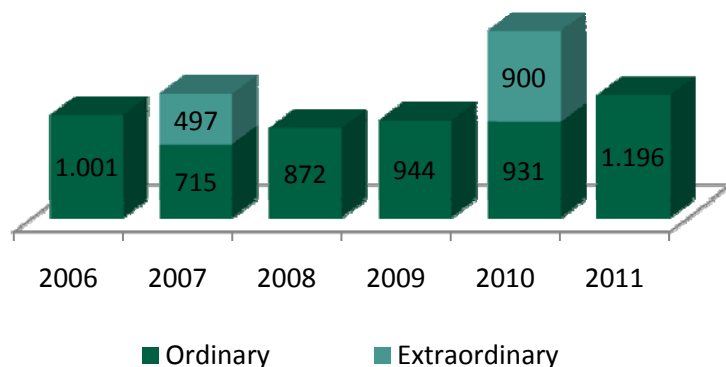
- ✓ **Focusing on the power industry to maximize gains**
 - Growth within Brazil's geographical area
 - First steps toward international investments
 - Expansion in line with sustainable growth
 - Investments solely in power industry and gas distribution related business
- ✓ **Addressing shareholders' long-term interests**
 - Dividend policy: minimum 50% of payout and extraordinary dividends every other year, provided cash availability (stated in the bylaws)
 - Corporate governance focused on respect of minority shareholders' interests
- ✓ **Preserve financial strength to secure a broader access to the investor markets**
 - Cash flow stable and predictable
 - Net Debt limited to 2.5 x EBITDA
 - Net Debt limited to 50% of Net Debt plus Shareholders' Equity
- ✓ **Growth model supports Cemig's leading role in Brazilian electricity**
 - More efficient projects based on the accumulated expertise in operating electricity facilities
 - Acquisition of assets to increase the synergy with and between existing assets
 - Experienced project developer

Strategic Plan Results: Dividends

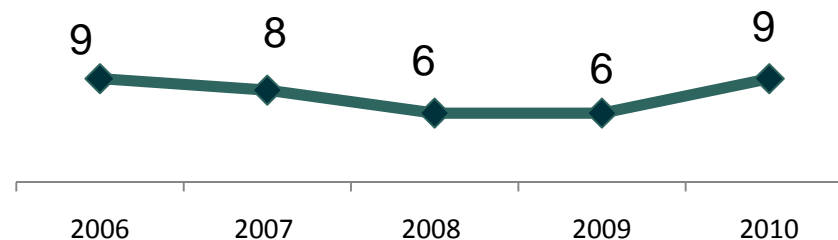


- ✓ Dividends paid in 2010 reached R\$ 1.8 billion
 - Ordinary dividends of R\$ 931mn; paid in equal parts in June and December 2010
 - Extraordinary dividends of R\$ 900 million; paid in December 2010
- ✓ Approved Net Income distribution for 2010:
 - 52.97% of the net profit - R\$ 1.196 billion to payment of dividends - R\$1.75/share

Dividends paid^(*) - (R\$ Million)



Dividend Yield (%)



* Dividends approved for the year's net income, paid in the coming year in semi-annual basis

Priorities reflect long-term commitment



- ✓ Improve operating performance
 - Operational excellence aligned with cost reduction initiatives
 - Operating scale as a mean to capture efficiency gains
 - Risk management to address excessive exposure
- ✓ Investment criteria established by Strategic Plan aim at adding value
- ✓ Corporate governance as a constantly evolving corporate value
- ✓ Financial management to improve credit quality and funding cost reduction
- ✓ Provide attractive return to the investors' investment

Opportunities Outlook



- At short term

- ✓ Update the long term strategic plan to review shareholders' alignment.
- ✓ Improve operating performance to capture additional gains and synergies in all businesses
 - Reduce energy losses in Rio de Janeiro
 - Refurbish old power plants
- ✓ Enhance service quality to meet the requirements of the concession area
 - Soccer World Cup
 - Olympic Games
- ✓ Incorporate operationally the acquired assets
 - Transmission facilities
- ✓ Carefully monitor regulatory process
 - 3rd. Rate Review Cycle
 - Renewals of the concession contracts to expire in 2015

- At long term

- ✓ Continue leading the power industry assets' consolidation to gain scale
- ✓ Develop skills to compete in the concession contract auctions
- ✓ Develop the natural gas business:
 - Carry out the expansion of the gas distribution business
 - Residential client supply will require additional gas pipeline network expansion
 - Natural gas pipeline construction
 - Studies on natural gas drilling



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