

**Operational efficiency:
an integral part of
Cemig's strategy**

Certain statements and estimates in this material may represent expectations about future events or results, which are subject to risks and uncertainties that may be known or unknown. There is no guarantee that the events or results will take place as referred to in these expectations.

These expectations are based on the present assumptions and analyses from the point of view of our management, in accordance with their experience and other factors such as the macroeconomic environment, and market conditions in the electricity sector; and on expected future results, many of which are not under Cemig's control.

Important factors that can lead to significant differences between actual results and the projections about future events or results include Cemig's business strategy, Brazilian and international economic conditions, technology, Cemig's financial strategy, changes in the electricity sector, hydrological conditions, conditions in the financial and electricity markets, uncertainty on our results from future operations, plans, and objectives, and other factors. Because of these and other factors, the real results of Cemig may differ significantly from those indicated in or implied by such statements.

The information and opinions herein should not be understood as a recommendation to potential investors, and no investment decision should be based on the veracity, currentness or completeness of this information or these opinions. None of Cemig's professionals nor any of their related parties or representatives shall have any liability for any losses that may result from the use of the content of this presentation.

To evaluate the risks and uncertainties as they relate to Cemig, and to obtain additional information about factors that could originate different results from those estimated by Cemig, please consult the section on *Risk Factors* included in the Reference Form filed with the Brazilian Securities Commission – CVM – and in the 20-F form filed with the U.S. Securities and Exchange Commission – SEC.

In this material, financial amounts are in R\$ million (R\$ mn) unless made explicit otherwise. Financial data reflect the adoption of IFRS.

Challenges in 2013 generated operations for sustainable growth



Renova Energia

A vehicle for growth in renewable sources



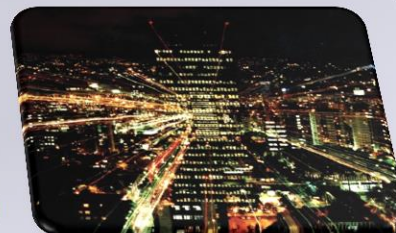
Aliança Geração de Energia

Platform for consolidation of generation assets



Taesa

Structured to grow while adding value



Cemig D

Ready for the World Cup

Cemig GT :

Generator of new businesses

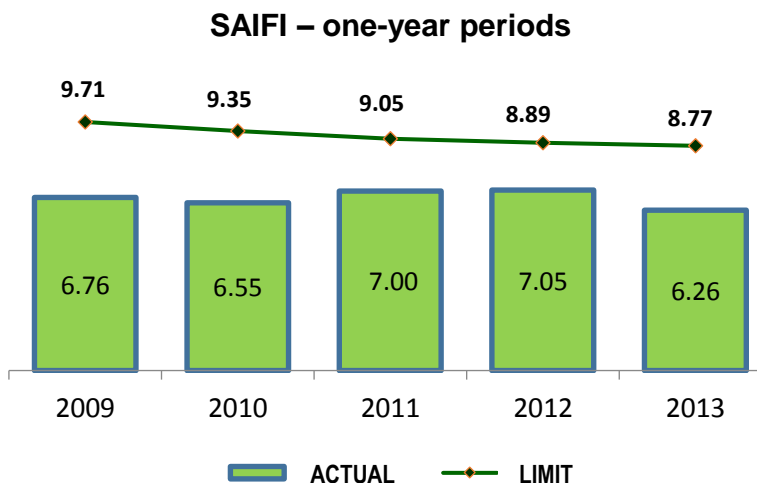
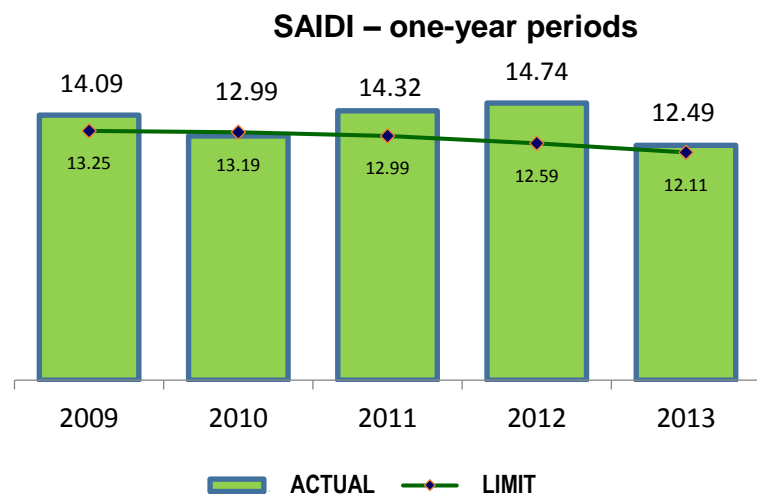
- **Enters control block of wind power leader *Renova***
 - ✓ Vehicle for growth in renewable energy
 - ✓ R\$1.5bn injected, in partnership with equity fund (FIP)
 - ✓ Acquisition of ***Brasil PCH***
 - ✓ Expansion of the generation portfolio
- **JV with Vale – *Aliança Geração* ***
 - ✓ Greater visibility for generation assets
 - ✓ Hydro: 1,158 MW installed capacity
 - ✓ Platform for consolidation of generation assets
- **GT increases stake in *Norte Energia* by 4.41%**
 - ✓ Resulting Cemig interest will be 14.18%

- **Revenue, Ebitda both predictable, stable**
- **Growth on the basis of excellent assets**
 - ✓ Through M&A and greenfield
- **Robust dividend policy**
 - Average payout in last three years is 90%
- **Winner of Aneel auction 013/2013**
 - ✓ 85km of 500kV transmission lines: 30-year concession
 - Initial RAP (annual revenue) R\$11mn

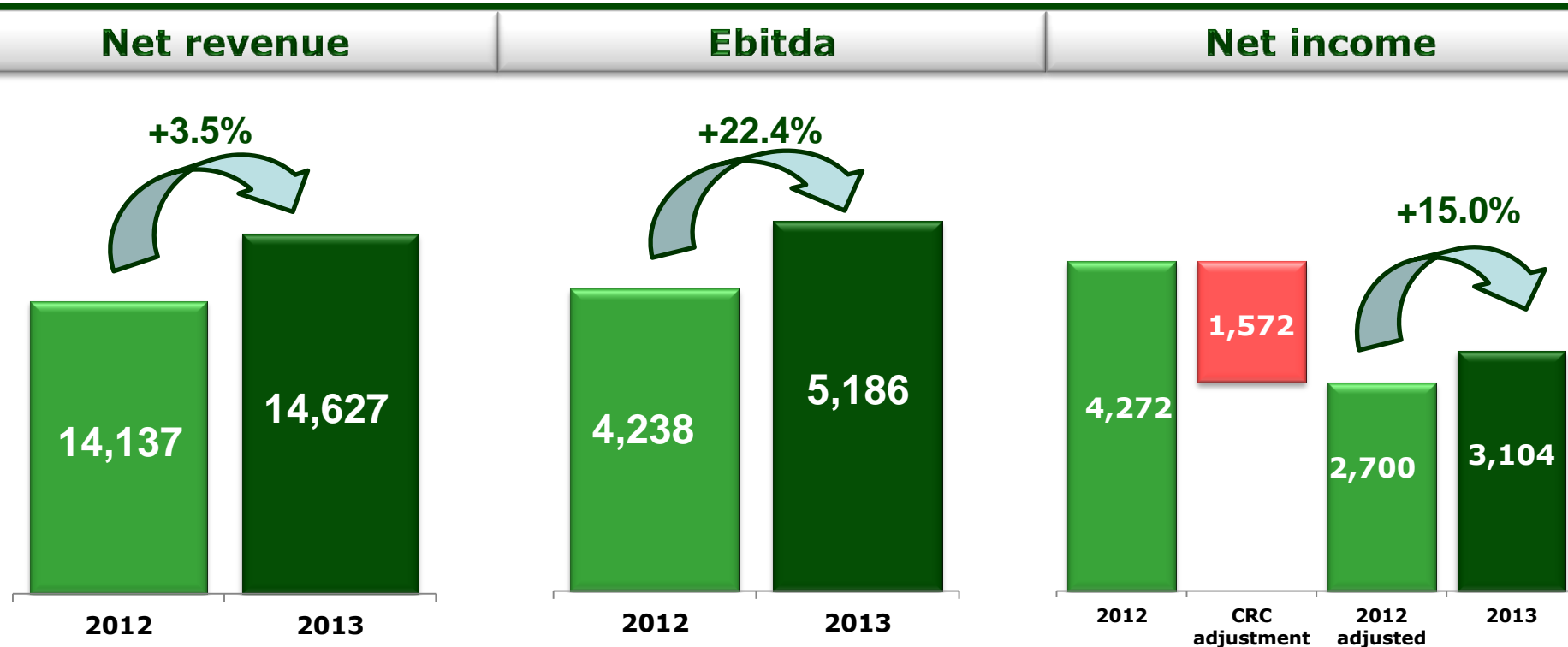
Cemig D:

Quality in serving the public

- **R\$ 527mn invested in improvements to state electricity system, in time for World Cup**
 - ✓ Investments reaffirm commitment to energy supply quality
- **Indicators prove quality of services provided**



Cemig: 2013 results



➤ Portfolio of businesses guarantees robust results

- Higher exposure to spot market boosts revenue
- Ebitda in line with management's target
- Correct strategic decisions translate into results

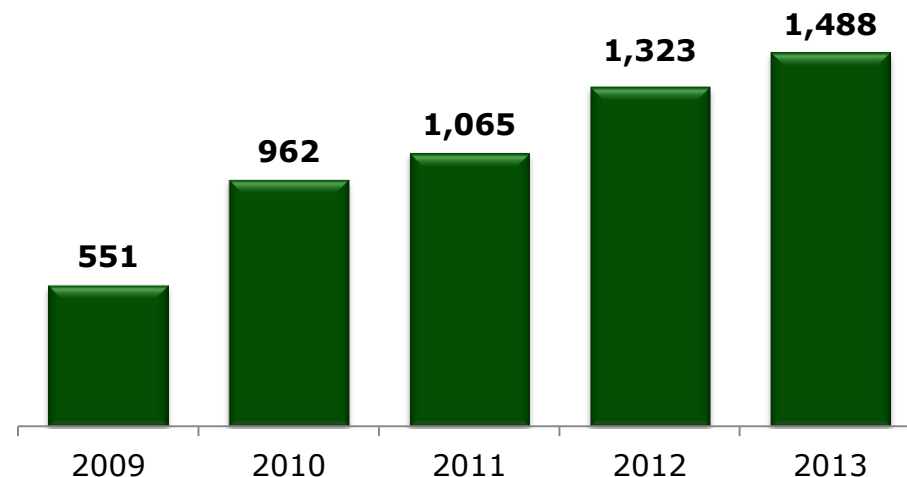
Gasmig: A vital business



Companhia de Gás
de Minas Gerais



Volume of natural gas sold (million m³)



- **2013 gross revenue: R\$ 1.5 bn – up 15% from 2012**
- **Natural gas volume sold in 2013 up 12% from 2012**
- **Number of clients tripled in the year: From 406 to 1,501**
 - ✓ 1,137 are residential
- **Construction started on Brazil's largest gas distribution pipeline**
 - ✓ Serving the "Triangle" and Center-West regions of Minas

- **Best annual report – Winner of 15th *Abrasca* Award**
- **Included in *DJSI World Sustainability Index* for last 14 years: named utilities world leader in 2 years**
- **BM&FBovespa *ISE Corporate Sustainability Index*: included for 9th year running.**
- **BNDES/Bovespa *ICO2 Carbon Efficient Index*: 4th consecutive inclusion**
- **One of world's 10 most sustainable utilities – *Corporate Knights* (Canada)**
- **Included in *Dow Jones Emerging Markets Sustainability Index* portfolio**
- ***Carbon Disclosure Project* (CDP – London): among 10 Brazilian companies with most effective climate change mitigation measures.**

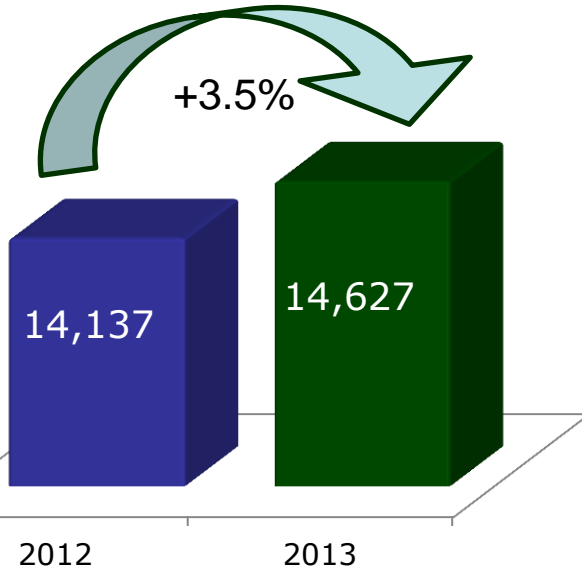


2013 results

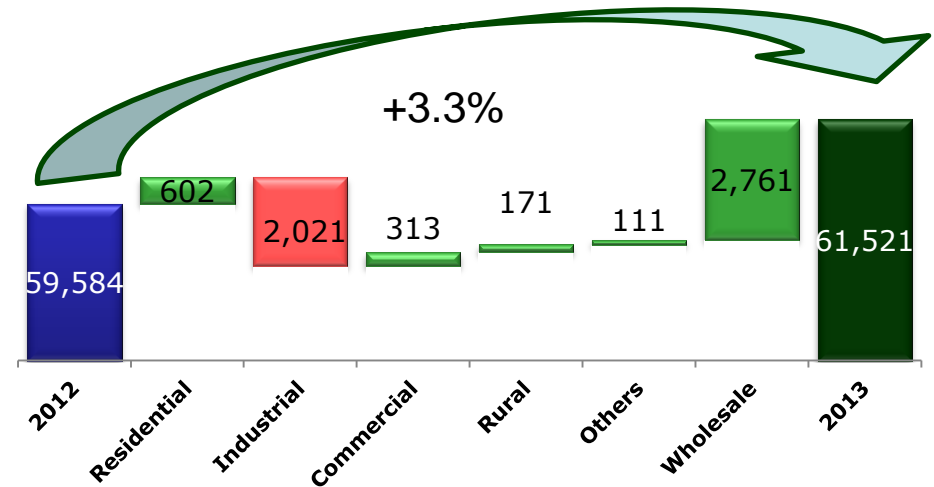
in detail

Consolidated net revenue

R\$ million



Wholesale - MWh



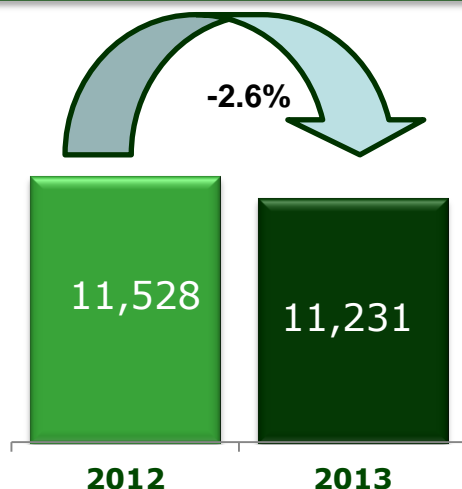
➤ Cemig's expertise in electricity sector ensures robust revenue

- ✓ Highest volume of sales to traders and generators
- ✓ Gain from high spot market prices

➤ Growth in number of clients

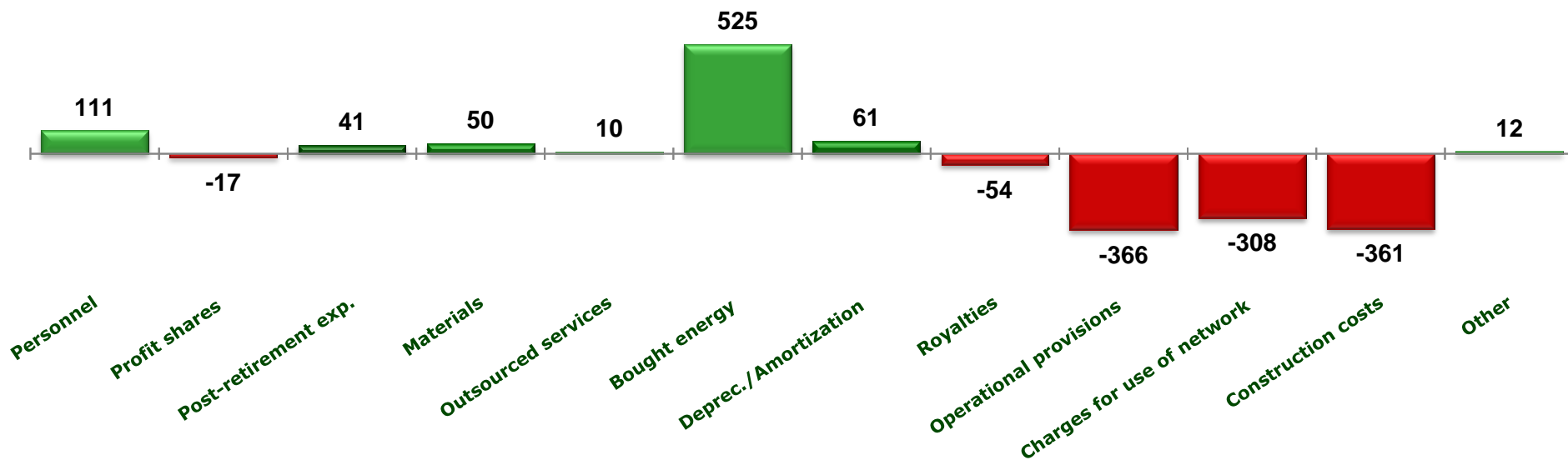
- ✓ Cemig GT: +14.7% • 42 industrial clients outside concession area
- ✓ Cemig D: +3.3% • approximately 250 new users connected

Operational expenses

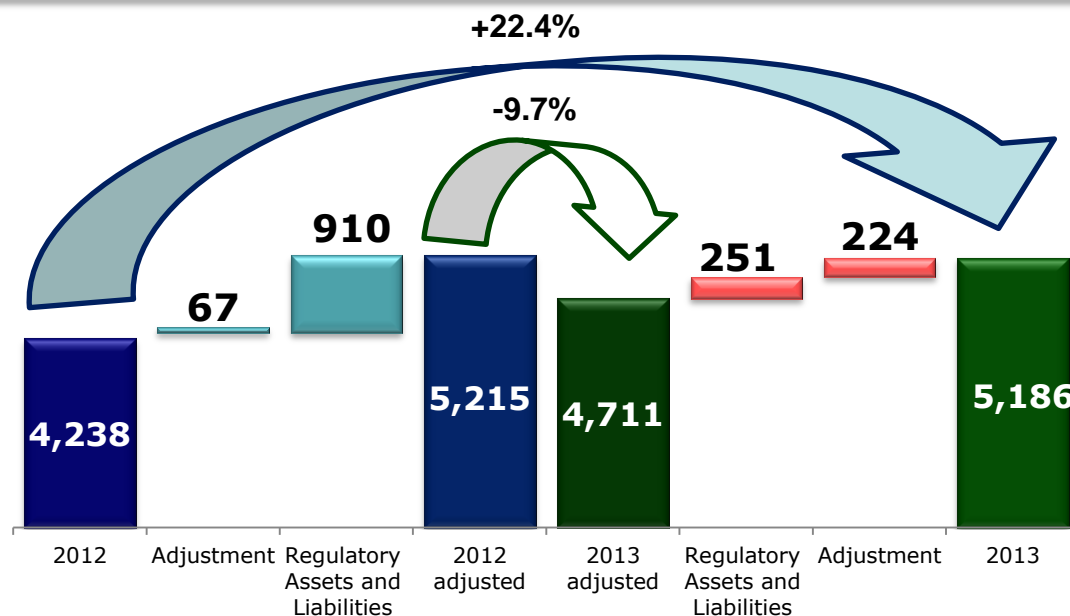


- **Personnel expenses down 15.5%, in 4Q13**
 - Cost reduction program shows results
- **Substantial fall in operational provisions**
 - Agreement between Cemig and federal government in 2012
- **Compensating funds from CDE minimize cost of electricity**

Expenses in 2013 – consolidated

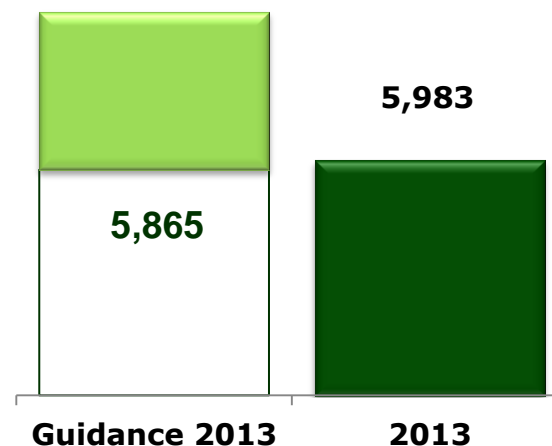


We met 2013 Ebitda target

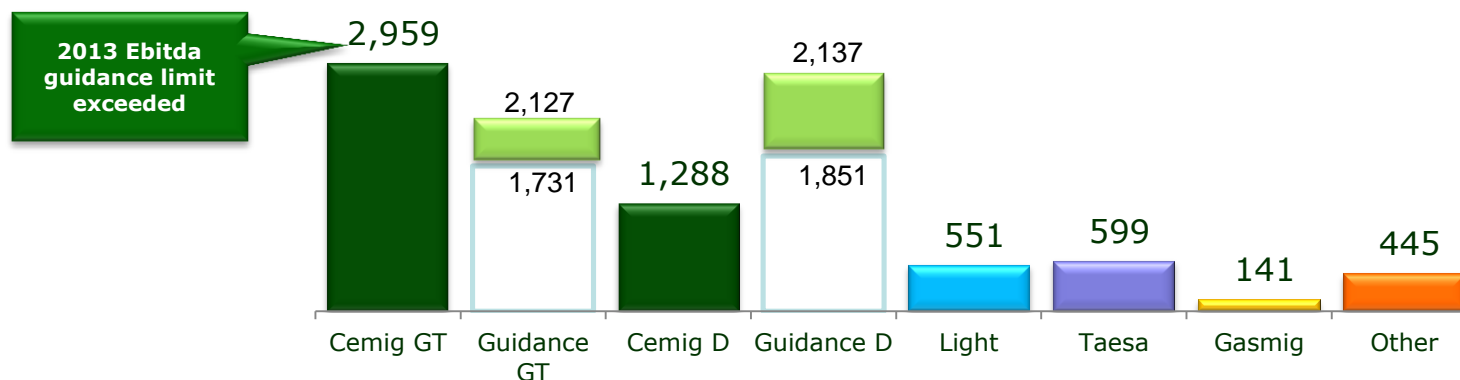


Management Ebitda guidance*

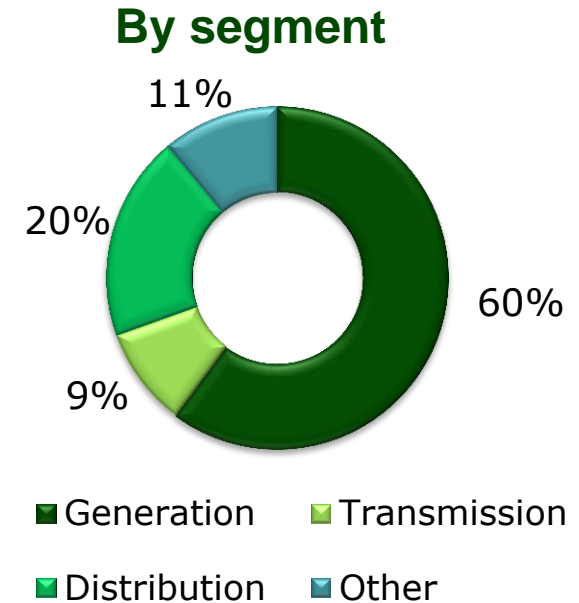
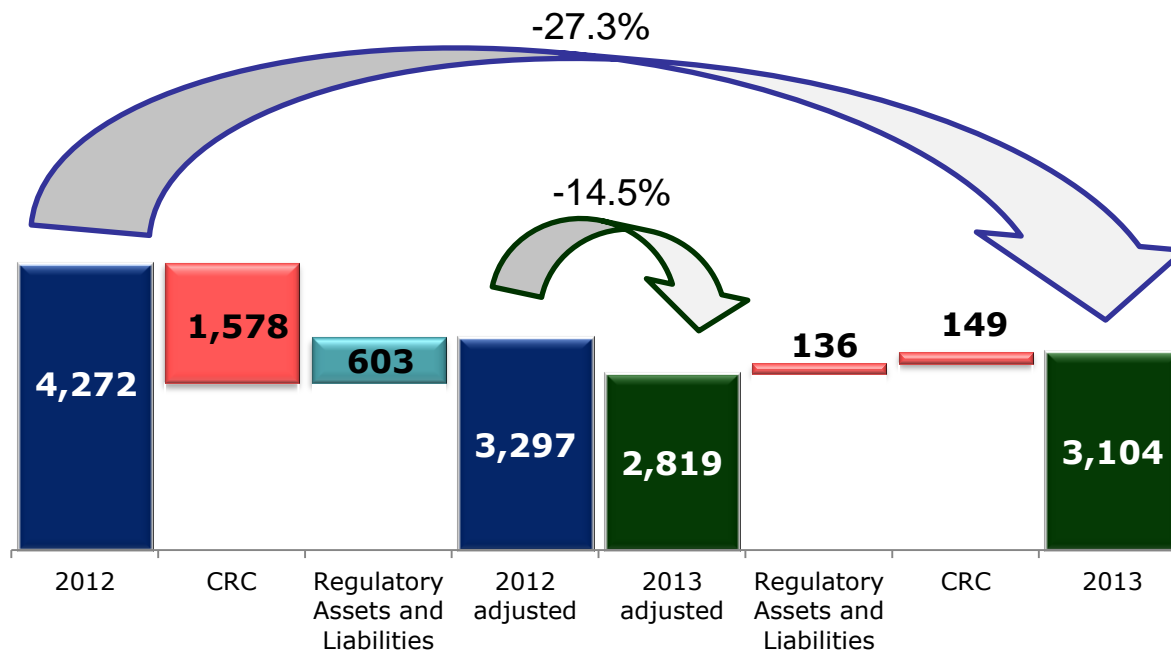
6,482



Ebitda by company, 2013



Consolidated net income



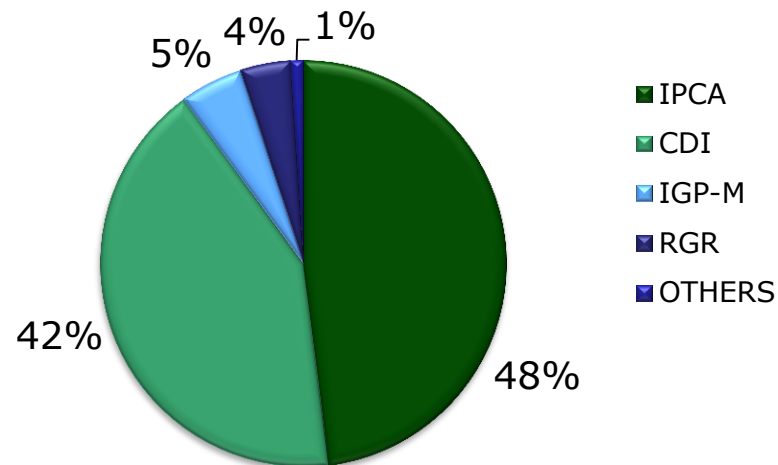
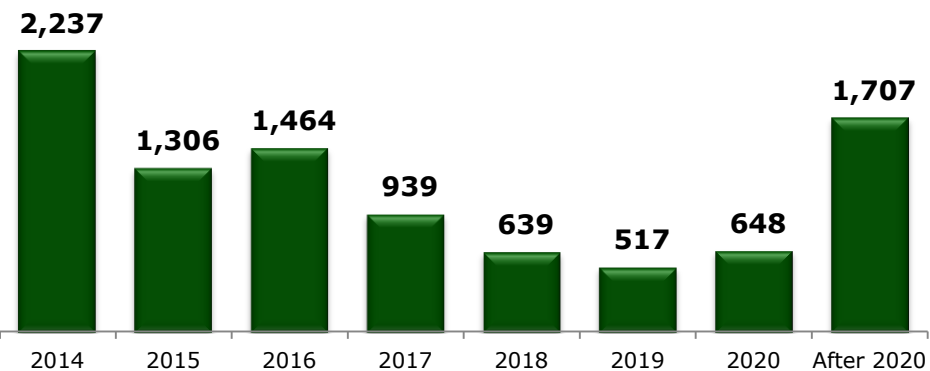
- **Successful acquisitions contribute strongly to profit**
 - ✓ R\$ 764mn in equity method gain, 24.6% of 2013 net profit
- **Net gain of R\$ 203mn on disposal of investments**

Consolidated debt profile

Maturities timetable
Average tenor: 4.3 years

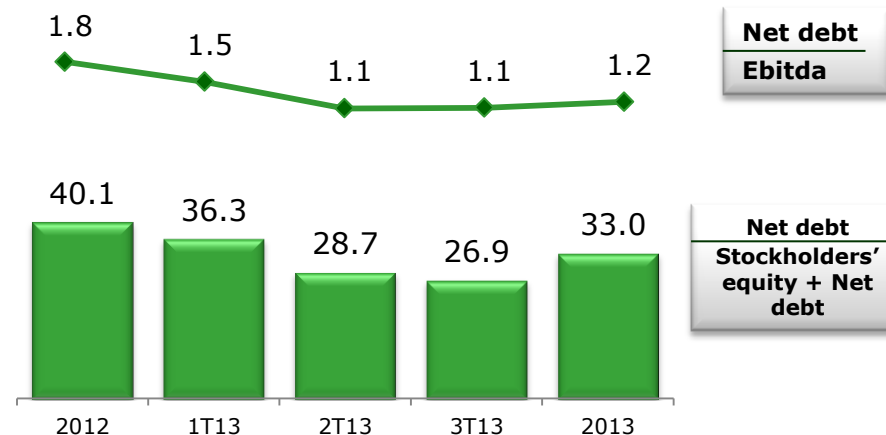
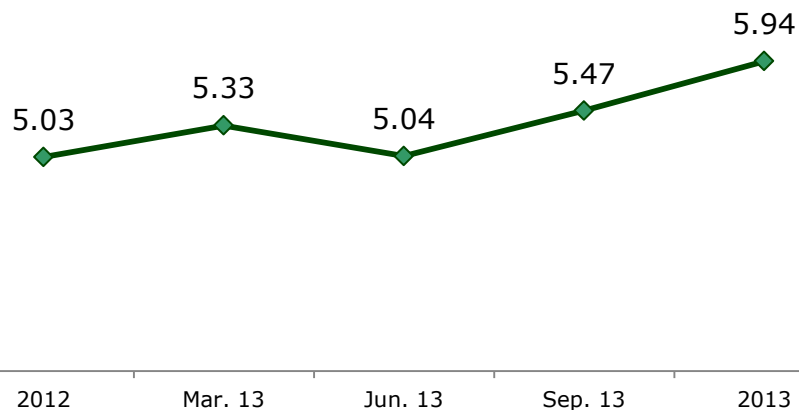
Main indexors

Total net debt: R\$ 6.2bn



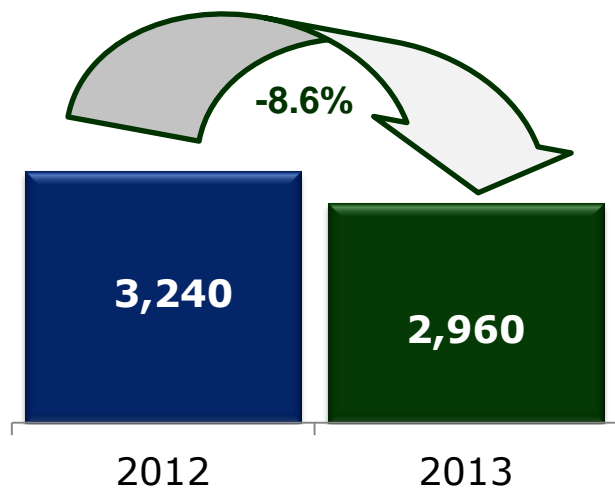
Real cost of debt – %

Leverage – %

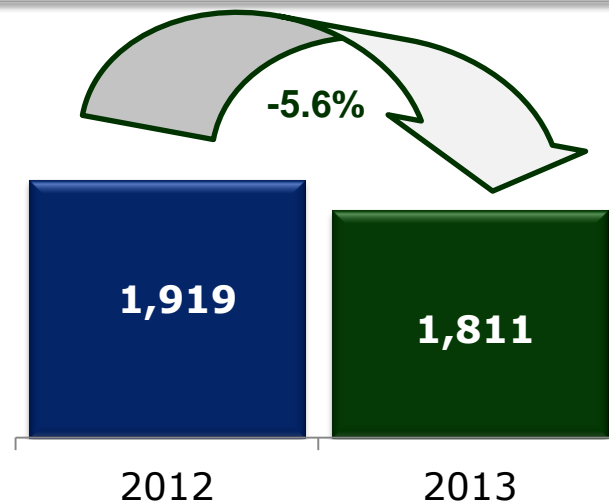


Cemig GT – 2013 results

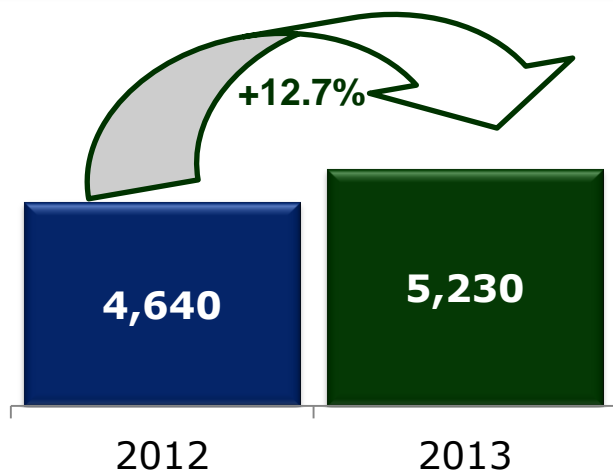
Ebitda



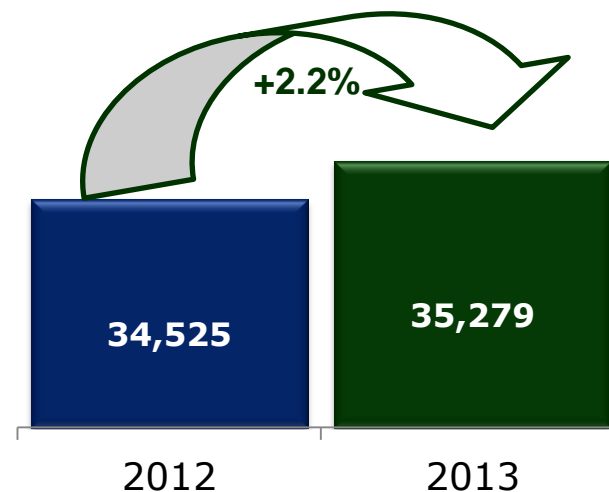
Net income



Net revenue



Volume of electricity sold (GWh)

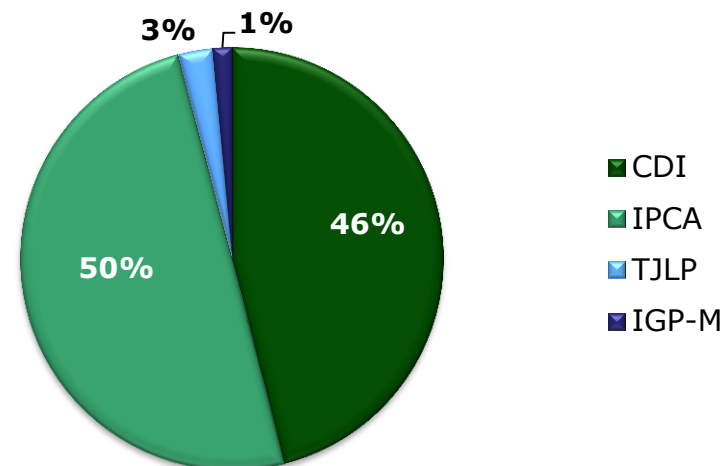
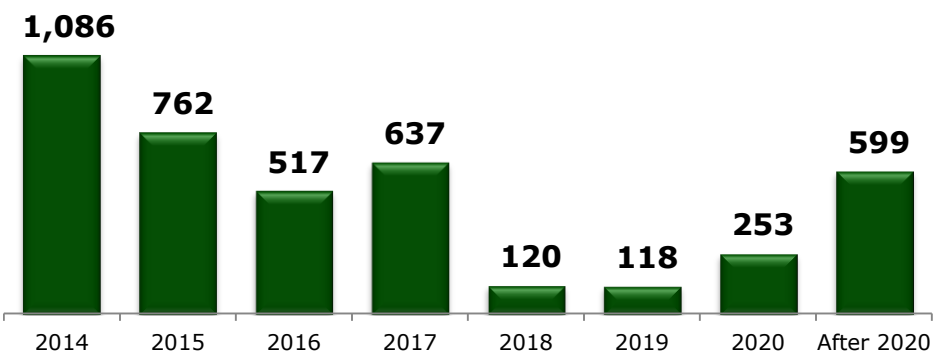


Cemig GT – Debt profile, 2013

Maturities timetable
Average tenor: 3.4 years

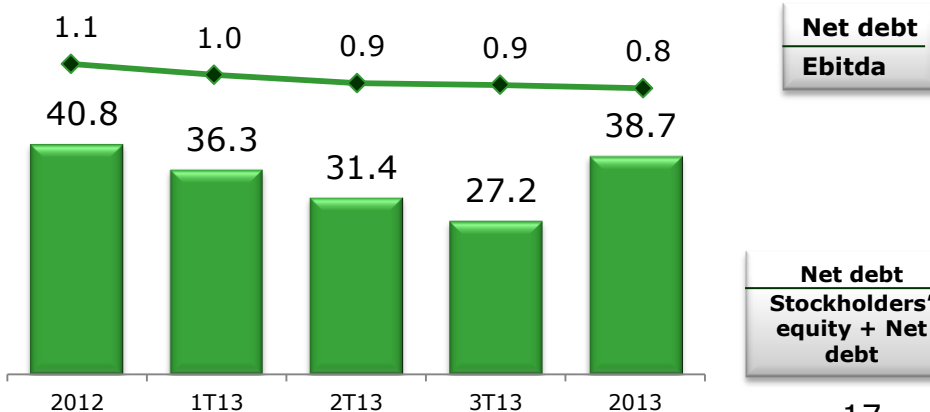
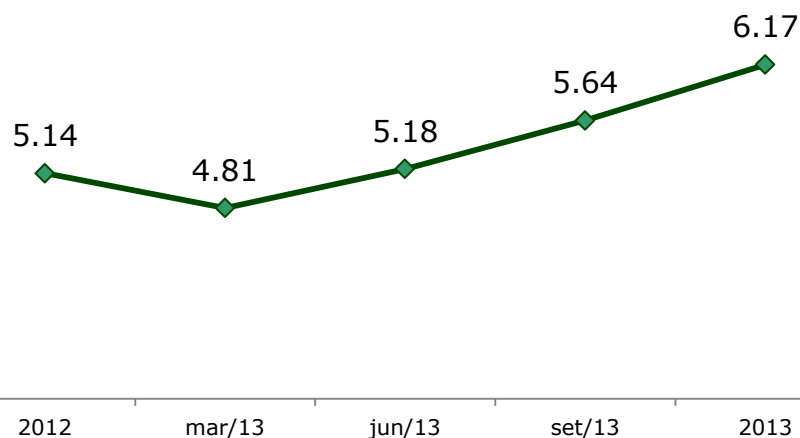
Main indexors

Total net debt: R\$ 2.4bn



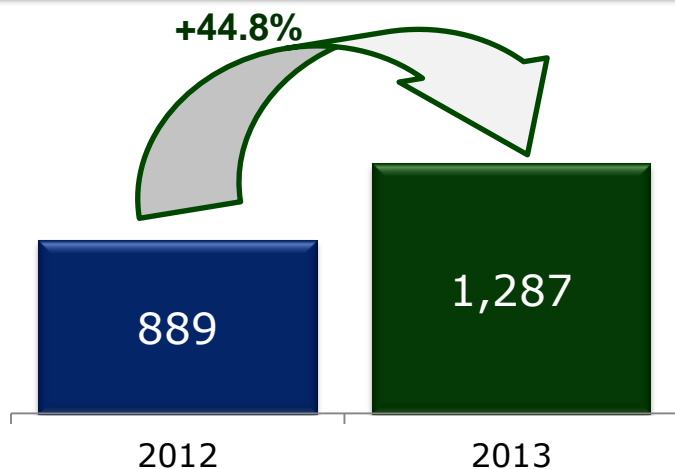
Average real cost of debt – %

Leverage – %

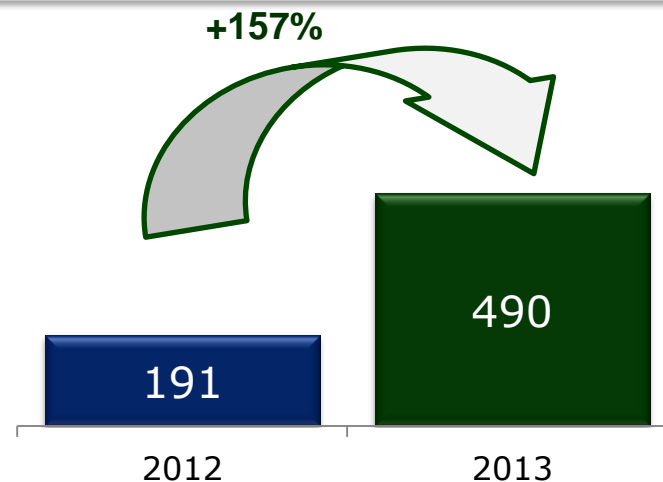


Cemig D – 2013 results

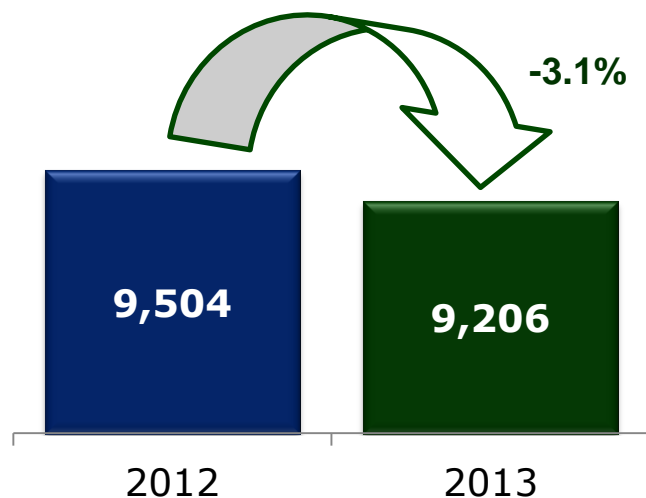
Ebitda



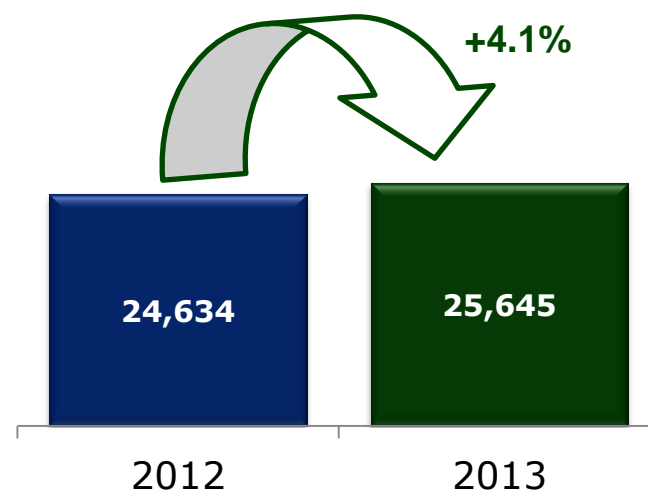
Net income



Net revenue



Volume of electricity sold(GWh)

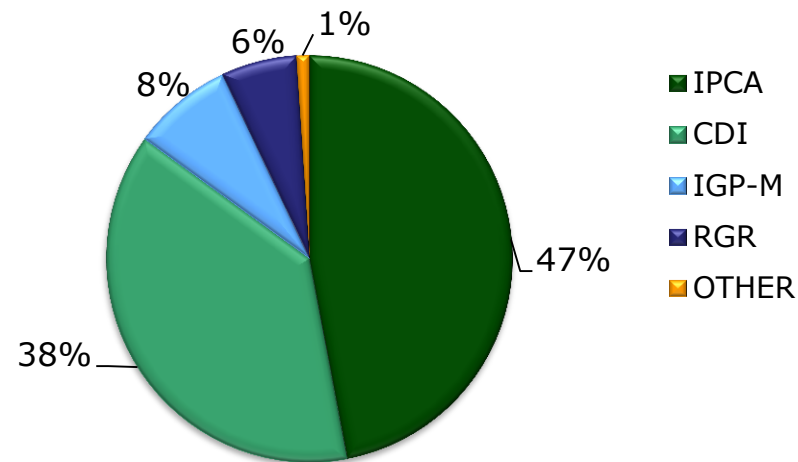
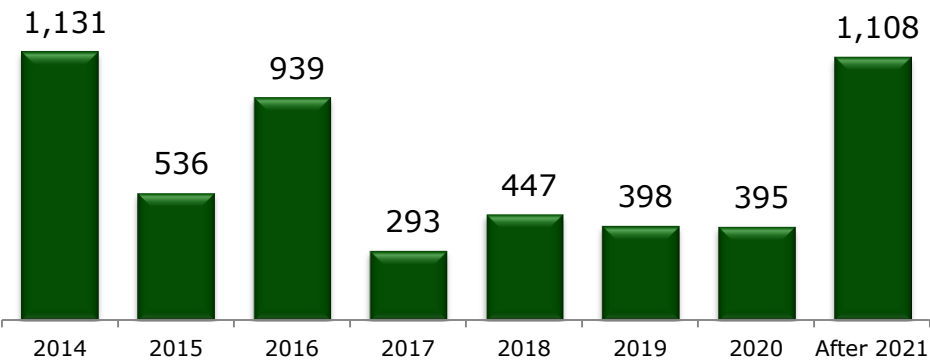


Cemig D – Debt profile, 2013

Amortization timetable
Average tenor: 4.5 years

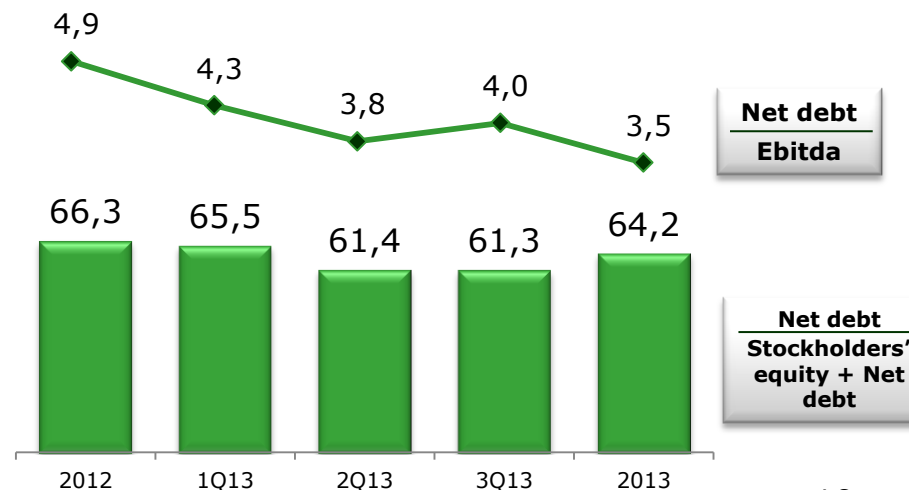
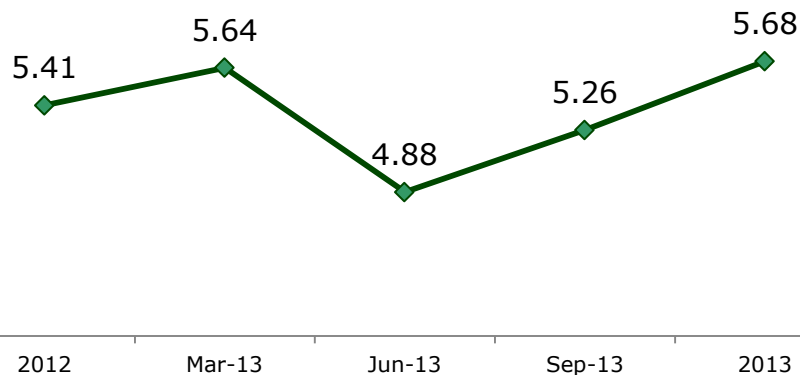
Main indexors

Total net debt: R\$ 4.5bn



Average real cost of debt – %

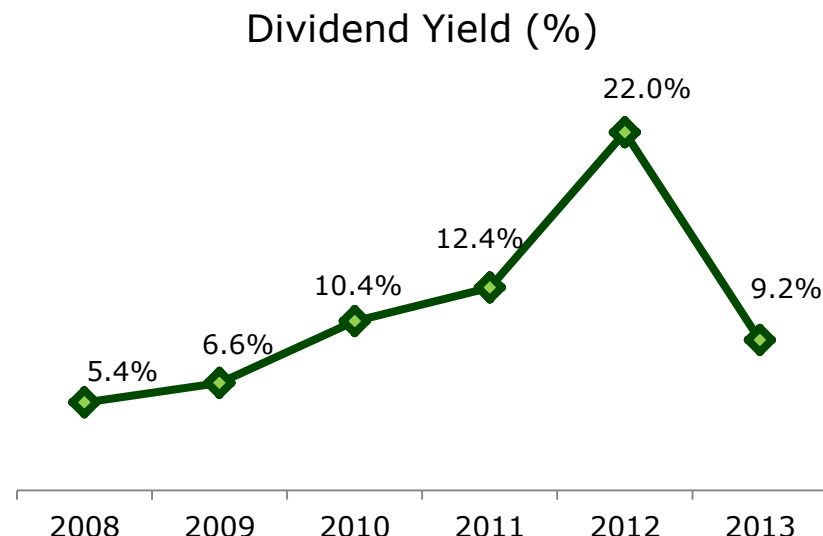
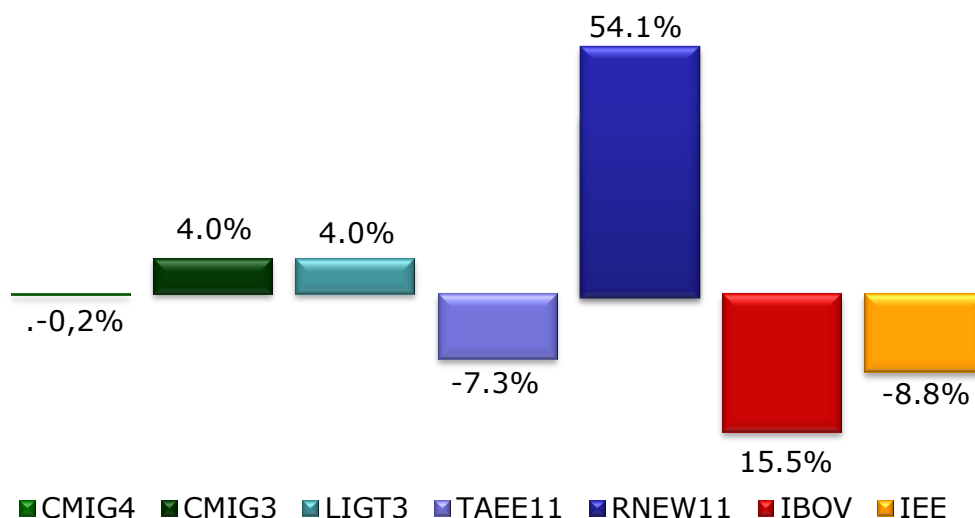
Leverage – %



Cash flow

Cash flow statement	2013	2012
Cash at start of period	1,919	2,103
Cash from operations	3,515	2,428
Net profit	3,104	4,272
Depreciation and amortization	824	763
Gain on disposal of investments	(284)	-
Equity method gain on holdings	(764)	(865)
Other adjustments	635	(1,742)
Cash in financing activities	(5,735)	(2,107)
Loans, financings and debentures obtained	2,467	4,916
Payment of loans and financings	(3,601)	(5,276)
Interest on Equity, and dividends	(4,600)	(1,748)
Investment activities	2,503	(505)
Securities – Cash investments	(267)	(400)
Received for CRC Account from Minas Gerais state government	2,466	1,498
Investments	1,242	6
PP&E / Intangible, and other	(938)	(1,609)
Cash at end of period	2,202	1,919
Total cash available	3,225	

Cemig shares in 2013



Cemig: More than ever, a global investment option

➤ Stockholders in more than 40 countries

✓ Average daily trading:

- Bovespa: R\$ 78 million
- NYSE: US\$ 27 million

➤ Winner of 15th annual *Abrasca Award* - Best Annual Report

Investor Relations

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