

Pavarini Distribuidora de Títulos e Valores Mobiliários Ltda.

Annual Report of the Fiduciary Agent

2011

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1<sup>st</sup> Issue of Non-convertible Debentures

**CEMIG DISTRIBUIÇÃO S.A.**



April 2012

Rio de Janeiro, April 27, 2012

**To the Debenture Holders of  
CEMIG DISTRIBUIÇÃO S.A.  
The Brazilian Securities Commission (CVM)  
Unibanco S.A.  
CBLC  
Cetip**

Dear Sirs,

As Fiduciary Agent for the first issue of Debentures by Cemig Distribuição S.A. we present to you the annual report on that issue, in compliance with CVM Instruction 28 of November 23, 1983 and the Issue Deed.

The consideration of the situation of the company was carried out based on the Standardized Financial Statements (DFP), other information supplied by the Issuer, and the internal controls of this Fiduciary Agent.

We also advise you that this report is available to debenture holders at the Issuer's head office, at Pavarini DTVM, and at the CVM.

The Web version of this report has been sent to the issuer, and is also available on our website [www.pavarini.com.br](http://www.pavarini.com.br).

Pavarini Distribuidora de Títulos e Valores Mobiliários Ltda. exercises the function of fiduciary agent in the first issue of debentures by Light Energia S.A., a company of the same economic group as the Company, in the total amount of R\$ 170,000,000.00, represented by 17,000 unsecured debentures, with surety guarantee from Light S.A. This issue will be carried out in a single series with maturity date on April 10, 2016; the payment of the nominal value will be made in two successive annual installments each of 50%, on April 10, 2015 and on the maturity date; and payment of interest will be six-monthly.

Pavarini Distribuidora de Títulos e Valores Mobiliários Ltda. exercises the function of fiduciary agent in the seventh issue of debentures by Light Serviços de Eletricidade S.A., a company of the same economic Group as the Company, in the total amount of R\$ 650,000,000.00, represented by 65,000 unsecured debentures with surety guarantee from Light S.A. This issue will be carried out in a single series with maturity date May 2, 2016; payment of the nominal value will be made in two successive annual installments, 50% (fifty per cent) on May 2, 2015 and the rest on the maturity date; and payment of interest will be six-monthly.

Yours,

**Pavarini Distribuidora de Títulos e Valores Mobiliários Ltda.**  
Fiduciary Agent

## The issuer

<b>Formal name</b>	<b>CEMIG DISTRIBUIÇÃO S.A.</b>
Head office address	Avenida Barbacena 1200, 17 <sup>o</sup> andar, Ala A1, Belo Horizonte, Minas Gerais, Brazil.
Brazilian Corporate Tax Number (CNPJ/MF)	06.981.180/0001-16
Investor Relations Director	Luiz Fernando Rolla Tel 31-3506-4903 Fax 31-3506-4028 lrolla@cemig.com.br
Activity	The objects of the company are: To study, plan, project, build and commercially operate systems of distribution and sale of electricity and related services for which concessions are granted to it under any form of law.
Status	Operational
Stockholding control	The company is of the mixed private / public ownership type.
External auditors	KPMG Auditores Independentes

## Characteristics of the Issue

<b>Reporting / mandated bank</b>	<b>Banco Itaú S.A.</b>
BovespaFix / SND / ISIN Code	CMGD-D11 / CMGD11 / BRCMGDDBS009
Lead Manager	Unibanco
Distribution / Start / Closing	Public / 01.11.2006 / -
Advertisements	<i>Minas Gerais, Valor Econômico</i> National Edition, and <i>O Tempo</i> .

### **Moody's Credit Opinion: Cemig Distribuição S.A.** **Global Credit Research - 29 Feb 2012:**

Ratings	Brazil Ratings	Category	Moody's Rating
			Outlook Stable
	Issuer Rating	Dom Curr	Baa3
	Bkd Senior Unsecured	Dom Curr	Baa3
	NSR LT Issuer Rating	Dom Curr	Aa1.br
	NSR BACKED Senior Unsecured	Dom Curr	Aa1.br
	Parent:		
	<b>Companhia Energética de Minas Gerais – CEMIG</b>		
			Outlook Stable
	Issuer Rating	Dom Curr	Ba1
NSR LT Issuer Rating	Dom Curr	Aa2.br	

**Fitch Ratings - Rio de Janeiro, July 25, 2011**

Fitch Ratings today stating the following ratings for Companhia Energética de Minas Gerais (Cemig) and its subsidiaries Cemig Distribuição S.A. (Cemig D) and Cemig Geração e Transmissão S.A. (Cemig GT):

<b>Cemig</b>	Brazilian Long-term Rating:	'AA(bra)'
<b>Cemig D</b>	Brazilian Long-term Rating:	'AA(bra)';
	Brazilian Rating of the first debenture issue, in the amount of R\$ 250.5 million, maturing 2014:	'AA(bra)';
	Brazilian rating of the second debenture issue, in the amount of R \$400 million, maturing 2017:	'AA(bra)'.
<b>Cemig GT</b>	Brazilian Long-term Rating:	'AA(bra)';
	Brazilian Rating of the first debenture issue, in the amount of R\$ 992.9 million, maturing 2011:	'AA(bra)'.

The Outlook for the corporate ratings is Stable.

Registry with the CVM	CVM/SRE/DEB/2006/041, on 26/10/2006
Reports of the Fiduciary Agent	April 30
Status of the Issue / Issuer	<b>ACTIVE / COMPLIANT</b>

<b>Security</b>	<b>Non-convertible debentures</b>
Decision	Meeting of the Board of Directors of January 25, 2006, minutes of which were rectified by Meeting of June 29, 2006, and meeting of Board of Directors of Cemig held January 25, 2006.
Issue / Series	1st. / 1st.
Total amount	R\$ 250,503,517.80
Nominal value:	R\$ 10,871.6048
Quantity	23,042
Form	Book-entry
Convertibility	Not convertible
Category	Unsecured, with Guarantee from Cemig
Issue Date	June 1, 2006
Maturity date	June 2, 2014
Renegotiation date	None.
Subscription and paying-up	The subscription price of the Debentures shall be their Nominal Unit Value, plus the Remuneration, calculated <i>pro rata temporis</i> , from the Issue Date up to the date of their actual paying-up. The debentures shall be paid-up at sight, by giving as payment the debentures of Cemig's 3 <sup>rd</sup> Issue, under the obligatory Exchange, and each Debenture of the Cemig 3 <sup>rd</sup> Issue shall correspond to one Debenture of this Issue. <b>On November 1, 2006 all the debentures of Cemig's 3<sup>rd</sup> Issue - CMIG13 were exchanged for debentures of the 1st Issue of Cemig Distribuição S.A.</b>
Amortization	Bullet

Remuneration	IGP-M inflation index +10.5%%
Dates of payment of the remuneration:	Interest shall be paid on the first business days of June, 2007 through 2014, and the nominal value shall be updated upon maturity.
Obligatory Early Acquisition	<p>In the event of direct or indirect change in the stockholding control of the Issue, or in the stockholding control of Cemig, the Issuer shall be obliged to acquire the Debentures in Circulation, as defined in item 7.2.2 of the Deed, at the option of the related Debenture Holders who do not wish to remain as Debenture Holders of the Issue after the alteration in stockholding control.</p> <p>The Debenture Holders must be advised of the purchase offering through a specific notice published within 15 (fifteen) calendar days after the actual change in stockholding control, with a period of not less than 60 (sixty) calendar days for interested Debenture Holders to state their position, from the date of publication of the notice and in accordance with the procedures described in that notice.</p> <p>Acquisition of the Debentures by the Issuer must take place on the 30<sup>th</sup> (thirtieth) calendar day after the last day of the period for Debenture Holders to state their position, for the Nominal Value, plus the Remuneration, as specified in Clause 4.2 of the Deed.</p> <p>For the purposes of the provisions of this item, the following events shall constitute "change in stockholding control":</p> <ul style="list-style-type: none"> <li>(i) if the present direct controlling stockholder of the Issuer, Cemig, directly or indirectly ceases to hold the equivalent of, at least, 50% plus one share of the total of the shares representing the Issuer's voting stock; and/or</li> <li>(ii) if the entity currently controlling the Issuer, the Government of the State of Minas Gerais, ceases directly or indirectly to hold the equivalent of, at least, 50% (fifty per cent) plus one of the total of the shares representing the voting capital of Cemig; and/or</li> <li>(iii) the entity currently controlling the Issuer, the Government of the State of Minas Gerais, ceases directly or indirectly to hold the equivalent of, at least, 50% (fifty per cent) plus one of the total of the shares representing the voting capital of Cemig;</li> </ul>
Quorum for decision in the General Meetings of Debenture Holders	<p>In the decisions of the Meeting, each Debenture shall carry one vote, and appointment of persons, whether Debenture Holders or not, as proxies is allowed.</p> <p>Decisions shall be taken by Debenture Holders representing the majority of the securities in circulation; save that changes in the conditions of Remuneration and/or payment of the Debentures, specified in Items 4.2 and 4.5 of the Deed, must be approved by Debenture Holders representing 90% of the Debentures in circulation, subject to the provisions in item 7.2.2 of the Deed.</p> <p>Changes in the provisions for early maturity specified in item 5.2 of the Deed, and release of the Issuer from obligations specified in Clause VI of the Deed, must be approved by Debenture Holders representing, at least, 2/3 (two-thirds) of the Debentures in Circulation.</p>

## Use of proceeds

The Issuer has not received any funds from this Issue, since the Debentures were fully paid-up by exchange, with the Debentures of Cemig's 3rd Issue.

## Position of the Debentures

Date	Issued	Redeemed	Canceled	Treasury	In circulation
01/06/2006	23,042	-	-	-	-
31/12/2006	23,042	-	-	-	23,042
31/12/2007	23,042	-	-	-	23,042
31/12/2008	23,042	-	-	-	23,042
31/12/2009	23,042	-	-	-	23,042
31/12/2010	23,042	-	-	-	23,042
31/12/2011	23,042	-	-	-	23,042

## Guarantee

The Debentures will be of the unsecured type, without collateral nor preference. The Debentures of this Issue have the Surety of Cemig in the terms of Clause 4.8 of the Deed, as follows:

*"4.8.1. The Debentures of this Issue and the obligations assumed by the Issuer under the Issue Deed are guaranteed by a surety given by Companhia Energética de Minas Gerais – Cemig ("the Surety Guarantor") which gives this guarantee as joint debtor and principal payer of all the obligations arising from the Issue Deed until their final settlement, with express waiver of the benefits provided by Articles 366, 827, 834, 835, 837, 838 and 839 of Law 10406 of January 10, 2002, as amended ("the Civil Code"), and Articles 77 and 595 and of Law 5869 of January 11, 1973, as amended ("the Code of Civil Procedure") for the obligations assumed in the Issue Deed. Cemig warrants and guarantees that (i) the provisions of this surety have been duly authorized by its respective competent corporate bodies; and (ii) all the authorizations necessary for giving of this surety have been obtained and continue to be in full force and effect.*

*4.8.2 The said Surety is given by CEMIG irrevocably, and shall remain in effect until total compliance, by the Issuer, with all of its obligations specified in this Deed."*

## Optional early redemption

The Debentures of this Issue will not be subject to optional early redemption by the Issuer.


## Payments made and programmed

							R\$/debenture
Date	Event	Installment	Value	Event	Installment	Value	Status
01/06/2007	-	--	-	Interest	1/8	1,181,807095	Paid
01/06/2008	-	--	-	Interest	2/8	1,306.945488	Paid
01/06/2009	-	--	-	Interest	3/8	1,383.228225	Paid
01/06/2010	-	--	-	Interest	4/8	1,429.053463	Paid
01/06/2011	-	--	-	Interest	5/8	1,575.280990	Paid
01/06/2012	-	--	-	Interest	6/8	-	-
01/06/2013	-	--	-	Interest	7/8	-	-
02/06/2014	Amort.	1/1	10,871.6048 + Monetary Updating	Interest	8/8	-	-

## Meeting of Debenture Holders

No meetings of the debenture holders of the First Issue were held in 2011.

## Notices to debenture holders

	<b>FIDUCIARY AGENT NOTICE TO INVESTORS</b>
<p>We hereby give notice that the Annual Reports of the Fiduciary Agent on the following issues of debentures and certificates of real estate receivables, for the 2010 business year, are available at our head office, in the locations indicated in Article 12, Sub-Item XVIII of CVM Instruction 28/83 and on our website <a href="http://www.pavarini.com.br">www.pavarini.com.br</a></p>	
<p><b>ISSUER</b></p> <p>ALUPAR INVESTIMENTOS S.A.                  B2W - COMPANHIA GLOBAL DO VAREJO                  BNDES PARTICIPAÇÕES S.A. - BNDESPAR                  BR MALLS PARTICIPAÇÕES S.A.                  BRASIL TELECOM S.A.                  CAMARGO CORRÊA S.A.                  CEMIG DISTRIBUIÇÃO S.A.                  CIA. CONCESSÕES RODOVIÁRIAS - CCR                  CIA. ENERGÉTICA DO RIO GRANDE DO NORTE-COSERN                  CIA. BRASILEIRA DE DISTRIBUIÇÃO - CBD                  COMPANHIA BRASILEIRA DE ENERGIA                  COMPANHIA ENERGÉTICA DO CEARÁ - COELCE                  ENERGISA PARÍBA DISTRIBUIDORA DE ENERGIA S.A. -ENERGISA                  ESPÍRITO SANTO CENTRAIS ELÉTRICAS S.A.- ESCELSA                  HYPERMARCAS S.A.                  KLABIN SEGALL S.A.                  JEREISSATI PARTICIPAÇÕES S.A.                  LOCALIZA RENT A CAR S.A.                  MANGELS INDUSTRIAL S.A.                  SANTANDER LEASING S.A. ARRENDAMENTO MERCANTIL                  REDE ENERGIA S.A.                  COMPANHIA DE SANEAMENTO BÁSICO DO ESTADO DE SP - SABESP</p> <p>VIVO PARTICIPAÇÕES S.A.                  TERMOPERNAMBUCO S.A.                  TRACTEBEL ENERGIA S.A.                  TPI - TRIUNFO PARTICIPAÇÕES E INVESTIMENTOS S.A.                  VIANORTE S.A.                  PDG COMPANHIA SECURITIZADORA                  WTORRE SECURITIZAÇÃO DE CRÉDITOS IMOBILIÁRIOS S.A.</p>	<p><b>SERIES / ISSUE</b></p> <p>1<sup>st</sup> and 2<sup>nd</sup> / SECOND                  SINGLE / FIRST                  1<sup>st</sup> and 2<sup>nd</sup> / THIRD                  1<sup>st</sup> and 2<sup>nd</sup> / FIRST                  SINGLE / FIFTH                  1<sup>st</sup> and 2<sup>nd</sup> / SECOND                  SINGLE / FIRST                  SINGLE / FOURTH                  SINGLE / FOURTH                  SINGLE / SEVENTH                  SINGLE / THIRD                  1<sup>st</sup> and 2<sup>nd</sup> / SECOND                  SINGLE / FIRST                  SINGLE / FIRST                  SINGLE / THIRD                  1<sup>st</sup> and 2<sup>nd</sup> / FIRST                  1<sup>st</sup> and 2<sup>nd</sup> / FIRST                  SINGLE / SECOND                  SINGLE / THIRD                  SINGLE / FOURTH                  SINGLE / FOURTH                  SINGLE / TENTH                  FIRST                  1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> / FIRST                  SINGLE / SECOND                  SINGLE / SECOND                  SINGLE / SECOND                  1<sup>st</sup> and 2<sup>nd</sup> / FIRST                  2<sup>nd</sup> and 3<sup>rd</sup> / SECOND                  SINGLE / SECOND                  SINGLE / FOURTH</p>
<p>Rio de Janeiro, May 12, 2011                  Pavarini Distribuidora de Títulos e Valores Mobiliários Ltda.                  Rua Sete de Setembro, 99/24<sup>o</sup> andar, Rio de Janeiro, RJ, 20050-005                  Tel/Fax 21-2507-1949 pavarini@pavarini.com.br</p>	

## Legal and Corporate Events

### Meetings of Stockholders

#### **EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS HELD ON JANUARY 20, 2011**

**At 5 p.m. on January 20, 2011**, the stockholder Companhia Energética de Minas Gerais (**Cemig**), holder of 100% of the Company's stock, attended in Extraordinary General Meeting, on first convocation, at the Company's head office, Av. Barbacena 1200, 17th Floor, A1 Wing, Belo Horizonte, Minas Gerais, Brazil, represented by the Chief Executive Officer Djalma Bastos de Moraes, and by the Chief Distribution and Sales Officer, José Carlos de Mattos, as verified in the Stockholders' Attendance Book.

Initially and in accordance with Clause 6 of the Bylaws, the representatives of the stockholder **Cemig** proposed the name of the Deputy CEO, Arlindo Porto Neto, to chair the meeting.

This proposal by the representatives of the stockholder Cemig was put to the vote, and approved. The Chairman then declared the meeting open and invited me, Anamaria Pugedo Frade Barros, General Manager of Cemig's Corporate Executive Secretariat, to be Secretary of the meeting, requesting me to read the convocation notice, published in the newspapers *Minas Gerais*, official publication of the Powers of the State, *O Tempo*, and *Valor Econômico* on January 5, 6 and 7 of this year, the content of which is as follows:

#### EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS - CONVOCATION

The stockholder Companhia Energética de Minas Gerais - Cemig is hereby called to an Extraordinary General Meeting of Stockholders to be held on January 20, 2011 at 5 p.m. at Av. Barbacena 1200, 17th floor, A1 Wing, in the city of Belo Horizonte, Minas Gerais, to decide on:

#### **A - Changes to the Bylaws:**

- 1 Creation of the Office of Institutional Relations and Communication** and, consequently, change in the drafting of the head paragraph of Clause 13.
- 2 Change to the drafting** of the following parts of the head paragraph of Clause 17: Subclauses "b" and "g" of Item I, Subclause "b" of Item III, and Subclause "d" of Item VII, to transfer the activity of strategic planning from the Chief Officer for Finance, Investor Relations and Financial Control of Holdings to the Chief Executive Officer; and inclusion of Item XI, for definition of the attributions of the Chief Institutional Relations and Communication Officer.
- 3 Change to the drafting** of Paragraph 3 of Clause 16, as a result of the transfer of the activity of strategic planning from the Chief Officer for Finance, Investor Relations and Financial Control of Holdings to the Chief Executive Officer.

#### **B - Change in the composition of the Board of Directors**, if there is a change in the composition of the Board of Directors of Cemig.

Belo Horizonte, January 3, 2011,

Djalma Bastos de Moraes

Vice-Chairman of the Board of Directors "

Continuing with the business of the meeting, the Chairman stated that the Extraordinary General Meeting of Stockholders of Companhia Energética de Minas Gerais - **Cemig** held today, January 20, 2011 at 11 a.m., had changed the Bylaws of that Company.

The Chairman thus requested the Secretary to read the Proposal of the Board of Directors, which deals with Item "A" of the agenda of this meeting, the content of which Proposal is as follows:

#### "PROPOSAL BY THE BOARD OF DIRECTORS TO THE EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS TO BE HELD ON JANUARY 20, 2011.

Dear Stockholders:

**The Board of Directors of Cemig Distribuição S.A.:**

**- whereas:**



- a) Cemig, in accordance with its strategic guidelines and its Long-term Strategic Plan, seeks to expand its market of operation beyond the State of Minas Gerais, and began investing in companies outside Brazil in 2005, through construction and operation of the Charrúa-Nueva Temuco Transmission Line, in Chile, with the constitution of Transchile Charrúa Transmisión S.A.;
- b) also in 2009, a new Cemig Governance and Corporate Management Model was developed, among other objectives, to foster strategic alignment between companies of the Cemig Group, to structure alternatives to enable strengthening of the business vision in the management of equity interests; and
- c) Clause 13, Paragraph 1 of the Bylaws of Cemig D in effect from January 3, 2011 states that the members of the Executive Board shall, obligatorily, be the respective members of the Executive Board of the sole stockholder, Cemig, and the post of Executive Officer without specific designation shall be occupied, also obligatorily, by the Chief Energy Generation and Transmission Officer of the sole stockholder, Cemig;

**- now proposes to you the following changes to the Bylaws:**

- 1 Creation of the Institutional Relations and Communication Office** and, consequently, change in the drafting of the head paragraph of Clause 13 of the Bylaws, to the following:

" Clause 13: The Executive Board shall be made up of 11 (eleven) Executive Officers, who may be stockholders, resident in Brazil, elected by the Board of Directors, comprising: Chief Executive Officer; Deputy Chief Executive Officer; Chief Officer for Finance, Investor Relations and Financial Control of Holdings; Chief Corporate Management Officer; Chief Distribution and Sales Officer; Chief Trading Officer; Chief Officer for Business Development and Corporate Control of Subsidiaries and Affiliates; Chief Officer without Specific Designation; Chief Officer for the Gas Division; Chief Counsel; and Chief Institutional Relations and Communication Officer, with period of office of 3 years, reelection being permitted. The period of office of the Chief Officers shall extend up to the new Chief Officers elected being sworn in."

- 2** In the head paragraph of Clause 17, change in the drafting of the following parts:
  - Subclauses "b" and "g" of Item I, Subclause "b" of Item III, and Subclause "d" of Item VIII, to transfer the competency for strategic planning from the Chief Officer for Finance, Investor Relations and Financial Control of Holdings to the Chief Executive Officer;
  - with inclusion of Item XI, for definition of the attributions of the Chief Institutional Relations and Communication Officer,

the new drafting to be as follows:

" Clause 17: Subject to the provisions of the previous clauses, the following are the functions and powers attributed to the Executive Board:

- I To the Chief Executive Officer:
  - b) to coordinate the preparation, consolidation and implementation of the Company's Multi-Year Strategic Implementation Plan; in the case of the affiliated companies and jointly-controlled subsidiaries jointly with the Chief Officer for Business Development and Corporate Control of Subsidiaries and Affiliates, and in both cases with the participation of the other Chief Officers of the Company;
  - g) to conduct the activities of internal auditing, the function of the Ombudsman, the Corporate Executive Office and strategic planning;
- III To the Chief Officer for Finance, Investor Relations and Financial Control of Holdings:
  - b) to coordinate the preparation and consolidation of the Company's Annual Budget, in the case of the affiliated companies and jointly-controlled subsidiaries with the Chief Officer for Business Development and Corporate Control of Subsidiaries and Affiliates, and in both cases with the participation of the other Chief Officers of the Company;
- VII To the Chief Officer for Business Development and Corporate Control of Subsidiaries and Affiliates:
  - d) to coordinate, jointly with the Chief Executive Officer, the preparation and consolidation of the Company's Multi-Year Strategic Implementation Plan, and with the Chief Officer for Finance, Investor Relations and Financial Control of Holdings, of the Annual Budget in relation to the affiliated companies and subsidiaries;

- XI To the Chief Institutional Relations and Communication Officer:
- a) to coordinate the representation of the Company's wholly-owned subsidiaries in relations with the regulatory agencies, in all institutional questions associated with the electricity sector;
  - b) to coordinate the relationship of the Company's wholly-owned subsidiaries with the institutions and agents of the energy sector, concession holders and sector associations;
  - c) to coordinate the process involving sending of notifications to the regulatory agencies, jointly with the Chief Officers' Departments involved;
  - d) to coordinate preparation of the Institutional Policy of the Company's wholly-owned subsidiaries, based on the Company's Strategic Planning;
  - e) to coordinate the accompaniment of proposals for regulatory acts that are published, through public hearings or consultations by the regulatory agencies and the Mining and Energy Ministry, and, jointly with the Chief Officer's Departments involved, the statement of the Company's position;
  - f) to coordinate preparation and analysis of regulatory scenarios, ensuring that the impacts on the Company's wholly-owned subsidiaries is evaluated, so as to provide supporting input for the Company's strategic corporate planning;
  - g) to coordinate the preparation of the Corporate Planning Policy of the Company's wholly-owned subsidiaries;
  - h) to coordinate actions for maintaining and strengthening of the credibility of the brand and reputation of the Company's wholly-owned subsidiaries;
  - i) to coordinate action in relation to preservation of the Memory Project of the Company's wholly-owned subsidiaries, making continuous efforts on behalf of these Companies' physical collections;
  - j) to coordinate the planning, control and disclosure of the Company's Institutional and administrative information."

- 3** Alteration of the 3rd Paragraph of Clause 16, as a result of the transfer of the activity of strategic planning from the Chief Officer for Finance, Investor Relations and Financial Control of Holdings to the Chief Executive Officer, the new drafting to be the following:  
" Clause 16 ...

§ 3 The Company's Multi-year Strategic Implementation Plan and the Annual Budget shall be prepared and updated annually, by the end of each business year, to be in effect in the following business year. Both shall be prepared, in coordination with the Chief Executive Officer and the Chief Officer for Finance, Investor Relations and Financial Control of Holdings, respectively, and, in relation to the affiliates and subsidiaries, jointly with the Chief Officer for Business Development and Corporate Control of Subsidiaries and Affiliates, and at all times, in all aspects, with the participation of all the members of the Executive Board. The Multi-Year Strategic Implementation Plan and the Annual Budget shall be submitted to examination by the Executive Board and, subsequently, to approval by the Board of Directors. "

As can be seen, the objective of this proposal is to meet legitimate interests of the stockholders and of the Company, and as a result it is the hope of the Board of Directors that you, the stockholders, will approve it.

Belo Horizonte, January 3, 2011.

(Signed:)

Vice-Chairman:	Djalma Bastos de Moraes;	
Members:	Arcângelo Eustáquio Torres Queiroz, Antônio Adriano Silva, Francelino Pereira dos Santos, Maria Estela Kubitschek Lopes, João Camilo Penna, Guy Maria Villela Paschoal,	Ricardo Coutinho de Sena, Paulo Roberto Reckziegel Guedes, Eduardo Borges de Andrade, Saulo Alves Pereira Junior, Adriano Magalhães Chaves, Renato Torres de Faria.

The Chairman then put the Proposal made by the Board of Directors to debate, and to the vote, and it was approved.

The Chairman then stated that the meeting should on this occasion decide on changes to the composition of the Board of Directors of Cemig D, considering that:

- 1) under Paragraph 1 of Clause 8 of the Bylaws, the members of the Board of Directors of this Company must, obligatorily, be the same as the members of the Board of Directors of the sole stockholder, Cemig (Companhia Energética de Minas Gerais);
- 2) new sitting members should be appointed to the Board of Directors, due to the resignation of the sitting Board Member Sérgio Alair Barroso – as per a letter in the Company’s possession – and the death of the Board Member Aécio Ferreira da Cunha; and
- 3) appointment of new members to the Board of Directors of **Cemig** was approved by the Extraordinary General Meeting of Stockholders held this morning, at 11 a.m.

This being so, the representatives of the stockholder **Cemig** proposed the following persons to complete the Board of Directors for the remainder of the present Board’s current period of office, that is to say until the Annual General Meeting of Stockholders to be held in 2013:

**Ms. Dorothea Fonseca Furquim Werneck** – Brazilian, divorced, economist, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Adauto Lúcio Cardoso 633, Belvedere, CEP 30320-290, Bearer of Identity Card 3758423-2, issued by the Public Safety Department of the State of Rio de Janeiro, and CPF 261863817-49;

– with the Board Member **Paulo Sérgio Machado Ribeiro** as her substitute member; and

**Mr. Luiz Carlos Costeira Urquiza** – Brazilian, married, entrepreneur, resident and domiciled in São Paulo, São Paulo State, at Rua Tucumã 99/17, Jardim Europa, CEP 01455-010, bearer of Identity Card 39648611-3, issued by the Public Safety Department of the state of São Paulo State, and CPF nº 591838457-04;

– with the Board Member **Adriano Magalhães Chaves** as his substitute member.

This proposal by the representatives of the stockholder **Cemig** was put to the vote, and approved. The Board Members elected declared – in advance – that they are not subject to any prohibition on exercise of commercial activity, that they do not occupy any post in a company which may be considered a competitor of the Company, and that they do not have nor represent any interest conflicting with that of **Cemig D**, and assumed a solemn undertaking to become aware of, obey and comply with the principles, ethical values and rules established by the Code of Ethical Conduct of Government Workers and Senior Administration of the State of Minas Gerais.

Continuing with the business of the meeting, the Chairman explained that **Cemig** has assigned to each new member of the Board of Directors, in each case as its fiduciary agent, one single share owned by itself, for the period for which such members remain as members of the Board of this Company, solely and exclusively to comply with the requirement that the members of the Board of Directors must be shareholders of the company; and that, once the Board Members complete their period of office or if they are dismissed from their positions, the shares granted to them shall be automatically transferred back to **Cemig**, without there being any need whatsoever for signature by the Board Members in question. The fiduciary nature of the assignment of the shares is based on the legal principle that determines that a person who receives an asset, in this case, the share, has the commitment to restitute it in a certain event, in this case, the end of the term of office, or on leaving or being exonerated from office.

The Chairman then stated that the Board of Directors of the Company is now constituted as follows:

**Sitting members:**

Dorothea Fonseca Furquim Werneck,	Maria Estela Kubitschek Lopes,
Djalma Bastos de Moraes,	Guy Maria Villela Paschoal,
Antônio Adriano Silva,	Eduardo Borges de Andrade,
Arcângelo Eustáquio Torres Queiroz,	Otávio Marques de Azevedo,
Francelino Pereira dos Santos,	Paulo Roberto Reckziegel Guedes,
João Camilo Penna,	Ricardo Coutinho de Sena, and
Luiz Carlos Costeira Urquiza,	Saulo Alves Pereira Junior;

**– and as their respective Substitute Members:**

Paulo Sérgio Machado Ribeiro,	Fernando Henrique Schüffner Neto,
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Lauro Sérgio Vasconcelos David,  
 Marco Antonio Rodrigues da Cunha,  
 Franklin Moreira Gonçalves,  
 Luiz Antônio Athayde Vasconcelos,  
 Guilherme Horta Gonçalves Júnior,  
 Adriano Magalhães Chaves,

Cezar Manoel de Medeiros,  
 Ricardo Antônio Mello Castanheira,  
 Renato Torres de Faria,  
 Newton Brandão Ferraz Ramos,  
 Paulo Márcio de Oliveira Monteiro, and  
 Tarcísio Augusto Carneiro.

The meeting being opened to the floor, and since no-one wished to make any statement, the Chairman ordered the session suspended for the time necessary for the writing of the minutes. The session being reopened, the Chairman, after putting the said minutes to debate and to the vote and verifying that they had been approved and signed, closed the meeting.

For the record, I, Anamaria Pugedo Frade Barros, Secretary, wrote these minutes and sign them together with all those present.

### **ORDINARY AND EXTRAORDINARY GENERAL MEETINGS OF STOCKHOLDERS HELD, CONCURRENTLY, ON APRIL 29, 2011.**

At 5 p.m. on April 29, 2010, the stockholder Companhia Energética de Minas Gerais – Cemig, holder of all the shares in the Company, attended the Company's Ordinary General Meeting, on first convocation, at the Company's head office, at Av. Barbacena 1200, 17th Floor, A1 Wing, Belo Horizonte, Minas Gerais, Brazil, represented by counsel Carlos Henrique Cordeiro Finholdt, as verified in the Stockholders' Attendance Book.

Also present were: the Member of the Audit Board Mr. Aristóteles Luiz Menezes Vasconcelos Drummond; KPMG Auditores Independentes, represented by Mr. Marco Túlio Fernandes Ferreira, CRCMG 58176, and Mr. Roberto Caixeta Barroso, CRCMG 078086/O-8; and the Deputy CEO, Mr. Arlindo Porto Neto.

Initially and in accordance with Clause 6 of the Bylaws, the representatives of the stockholder Companhia Energética de Minas Gerais proposed the name of the Director Arlindo Porto Neto to chair the meeting.

The proposal of the representative of the Stockholder Companhia Energética de Minas Gerais – Cemig was put to the vote, and approved.

The Chair then declared the Meeting opened and invited me, Anamaria Pugedo Frade Barros, a stockholder, to be Secretary of the Meeting, requesting me to proceed to reading of the convocation notice, published in the newspapers *Minas Gerais*, official publication of the Powers of the State, on April 1, 2 and 5, *O Tempo*, on April 1, 2 and 3, and in *Valor Econômico* on April 1, 4 and 05 of this year, the content of which is as follows:

#### ORDINARY AND EXTRAORDINARY GENERAL MEETINGS OF STOCKHOLDERS CONVOCATION

The stockholder Companhia Energética de Minas Gerais is hereby called to the Ordinary and Extraordinary General Meetings of Stockholders, to be held, concurrently, on April 29, 2011, at 5 p.m., at Av. Barbacena 1200, 17th Floor, A1 Wing, in the city of Belo Horizonte, Minas Gerais, Brazil, to decide on the following matters:

- a) Examination, debate and voting on the Report of Management and the Financial Statements for the year ended December 31, 2010, and the respective complementary documents.
- b) Allocation of the net profit for the year, in the amount of R\$ 441,002,000, to offset the accumulated loss at December 31, 2010; the balance remaining of the loss after this offsetting, in the amount of R\$ 268,225,000, to be offset with the Retained Earnings Reserve, in the amount of R\$ 204,202,000, and R\$ 64,023 from the Legal Reserve.
- c) Recommendation to the Executive Board to prepare studies with a view to an application to the National Electricity Agency, Aneel, for permission for reduction of capital, to compensate for the effect of non-payment of dividends in 2010, which in turn results from the adoption of International Financial Reporting Standards, if this reduction of capital is advantageous for permitting flow of funds from the Company to Cemig.
- d) Changes to the Bylaws to change the following names of the Chief Officers' Departments:
  - From: Department of New Business Development and Corporate Control of Subsidiaries and Affiliates

- To: Department of New Business Development
- From: Department of Finance, Investor Relations and Financial Control of Holdings
- To: Department of Finance and Investor Relations.
- with the consequential changes to the following parts of the Bylaws:

Clause 7:	Paragraph 2;		
Clause 13:			
Clause 16:	Paragraph 3;		
	Paragraph 4,	Subclauses "g" and "j";	and
Clause 17:	Head paragraph:	Sub-item I -	subclauses "b" and "i"
		Sub-item III, and its	subclauses "b", "c", "n" and "p";
		Sub-item VI -	subclause "j";
		Sub-item VII, and its	subclauses "d", "m" and "p";
		Sub-item IX -	subclauses "c" and "f"; and
	Paragraph 4.		

- e) Election of the sitting and substitute members of the Audit Board, due to the completion of the current period of office.

Belo Horizonte, March 28, 2011,  
 Dorothea Fonseca Furquim Werneck  
 Chair of the Board of Directors "

In accordance with Item "a" of the agenda the Chair then placed in debate the Report of Management and the Financial Statements for the year ended December 31, 2010, and respective complementary documents, explaining that they have been widely disclosed in the press, since they were placed at the disposal of stockholders by a notice published in the newspapers Minas Gerais, official publication of the Powers of the State, O Tempo, and Valor Econômico, on March 30 and 31 and April 1, 2011 and Minas Gerais and O Tempo, on April 16, 2011.

The Chair then put to the vote the Report of Management and the Financial Statements for the year ended December 31, 2010, and the related complementary documents, and they were approved. Continuing the proceedings, the Chair requested the Secretary to read the Proposal by the Board of Directors, which deals with items "b", "c" and "d" of the convocation, and also the Opinion of the Audit Board thereon, the contents of which documents are as follows:

" PROPOSAL BY THE BOARD OF DIRECTORS  
 TO THE ORDINARY AND EXTRAORDINARY GENERAL MEETINGS OF STOCKHOLDERS  
 TO BE HELD, CONCURRENTLY, ON APRIL 29, 2011

Dear Stockholders:

The Board of Directors of Cemig Distribuição S.A.,  
 - whereas:

- a) under Law 6404/1976, as amended, and Clause 12, Subclause "h" of the Bylaws, the Board of Directors should make a statement of its position on the Report of Management and the accounts of the Company's Executive Board;
- b) additionally, the CVM (the Brazilian Securities Commission) requires that Management formalize certain procedures related to the preparation of the financial statements, which in the Company's case means Technical Interpretation ICPC.01 (Accounting of Concessions), which requires the Company to make a valuation of its assets in accordance with international standards and backdated to the acquisition of the assets; in Cemig's case, due to the volume and age of the assets, backdated valuation is not practicable, and in this case management has the option of authorizing that the accounting balances of the assets of the concession on December 31, 2008 be used in the initial adoption of the Interpretation;
- c) under Article 192 of Law 6404 of December 15, 1976, as amended, and Clauses 20 to 24 of the Bylaws, and in view of the Financial Statements for 2010, presenting net profit of R\$ 441,002,000, and the requirement that the Board of Directors make a proposal to the Ordinary General Meeting of Stockholders for allocation of the Company's profit;
- d) on December 31, 2010 the Company had accumulated losses, not taking into account the above-mentioned profit, of R\$ 709,227,000, as a result of the adjustments relating to the adoption of the new accounting rules, the impacts of which prior to 2010 were posted directly to the Company's Stockholders' equity;

- e) the Company declared Interest on Equity in the 2010 business year in the amount of R\$ 158,707,000, by the following decisions:  
 R\$ 51,878,000, under Board Spending Decision (CRCA) 013/2010, of April 16, 2010;  
 R\$ 66,281,000, under CRD 376/2010, of September 29, 2010; and  
 R\$ 40,548,000, under CRD 492/2010, of December 15, 2010;
- f) at December 31, 2010 the Company has Profit Reserves of R\$ 383,126,000, of which R\$ 204,202,000 is in the Retained Earnings Reserve and R\$ 178,924,000 is in the Legal Reserve;
- g) under Clause 189 of the said Law, before any profit share, any retained losses and the provision for income tax shall be deducted from the result for the business year;
- d) there is an opportunity to simplify the names of the following Chief Officers' Departments, by changing them as follows:
- From: Department of New Business Development and Corporate Control of Subsidiaries and Affiliates  
 To: Department of New Business Development;
  - From: Department of Finance, Investor Relations and Financial Control of Holdings  
 To: Department of Finance and Investor Relations.
- now proposes to you as follows:
- I Allocation of the entire net profit for the year, in the amount of R\$ 441,002,000, to offset the accumulated loss at December 31, 2010; the balance remaining of the loss after this offsetting, in the amount of R\$ 268,225,000, to be offset with the Retained Earnings Reserve, in the amount of R\$ 204,202,000, and R\$ 64,023 from the Legal Reserve.  
 The Company declared Interest on Equity in the 2010 business year in the amount of R\$ 158,707,000, by the following decisions:  
 R\$ 51,878,000, under CRCA 013/2010, of April 16, 2010;  
 R\$ 66,281,000, under CRD 376/2010, of September 29, 2010; and  
 R\$ 40,548,000, under CRD 492/2010, of December 15, 2010.  
 As a result of the allocation of 100% of the profit of the 2010 business year to offsetting of the accumulated loss, as specified by Law 6404 of December 15, 1976 as amended, the said Interest on Equity will not be counted against the payment of obligatory dividends.
- II Recommendation to the Executive Board to prepare studies with a view to an application to the National Electricity Agency, Aneel, for permission for reduction of capital, to compensate for the effect of non-payment of dividends in 2010, which in turn results from the adoption of International Financial Reporting Standards, if this reduction of capital is advantageous for permitting flow of funds from the Company to Cemig.
- III To change the Bylaws, as follows:
- 1- To change the names of these Chief Officers' Departments:
- From: Department of New Business Development and Corporate Control of Subsidiaries and Affiliates  
 To: Department of New Business Development;
  - From: Department of Finance, Investor Relations and Financial Control of Holdings  
 To: Department of Finance and Investor Relations.
- 2- Consequent alteration of Paragraph 2 of Clause 7, to the following:  
 "Clause 7...  
 §2 Positions on the support committees to the Boards of Directors of the subsidiaries and affiliated companies, the filling of which is the competency of the Company, shall be filled by Members of the Boards of the respective subsidiaries or affiliated companies. The Chief Business Development Officer shall always be appointed as one of the members of such committees, and shall always act in shared activity with the Chief Finance and Investor Relations Officer or any other Chief Officer."
- 3- Consequent alteration of Clause 13, to the following:  
 "Clause 13: The Executive Board shall be made up of 11 (eleven) Executive Officers, who may be stockholders, resident in Brazil, elected by the Board of Directors, comprising: Chief Executive Officer; Deputy Chief Executive Officer; Chief Finance and Investor Relations Officer; Chief Corporate Management Officer; Chief Distribution and Sales Officer; Chief Trading Officer; Chief Business Development Officer; a Director without Specific Designation; Chief Officer for the Gas Division; Chief Counsel; and Chief Institutional Relations and Communication Officer." The period of office of the Chief Officers shall extend until the new Chief Officers elected are sworn in.";

4- Consequent alteration of Paragraph 3 and of Sub-items "g" and "j" of Paragraph 4 of Clause 16, which will now have the following drafting:

"Clause 16...

§3 The Company's Multi-year Strategic Implementation Plan and the Annual Budget shall be prepared and updated annually, by the end of each business year, to be in effect in the following business year. They shall be prepared under the coordination of the Chief Executive Officer and the Chief Finance and Investor Relations Officer, respectively, and, in relation to the affiliates and subsidiaries, jointly with the Chief Business Development Officer, and at all times, in all aspects, with the participation of the Departments of all the members of the Executive Board. The Multi-Year Strategic Implementation Plan and the Annual Budget shall be submitted to examination by the Executive Board and, subsequently, to approval by the Board of Directors.

§ 4 g) approval, upon proposal by the Chief Executive Officer, prepared jointly with the Chief Business Development Officer and the Chief Finance and Investor Relations Officer, of the statements of vote in the General Meetings of the wholly-owned and other subsidiaries, affiliated companies and in the consortia in which the Company participates, and decisions must obey the provisions of these Bylaws, the decisions of the Board of Directors, the Long-term Strategic Plan and the multi-year Strategic Implement Plan;

j) authorization of provisions in the Company's accounts in an amount less than R\$ 14,000,000.00 (fourteen million Reais), upon proposal by the Chief Finance and Investor Relations Officer;"

5- Consequent alterations of the drafting of these parts of the head paragraph of Clause 17: Subclauses "b" and "i" of Sub-item I; Sub-item III and its subclauses "b", "c", "n" and "p"; Subclause "j" of Sub-item VI; Sub-item VII and its subclauses "d", "m" and "p"; and Subclauses "c" and "f" of Sub-item IX – to the following:

"Clause 17...

I – To the Chief Executive Officer:

- b) to coordinate the preparation, consolidation and implementation of the Company's Multi-Year Strategic Implementation Plan; in the case of the affiliated companies and jointly-controlled subsidiaries, jointly with the Chief Business Development Officer, and in all cases with the participation of the other Chief Officers of the Company;
- i) to propose the appointments to Management positions and the Audit Boards of the wholly-owned subsidiaries, and of Fundação Forluminas de Seguridade Social – Forluz, after hearing the Chief Finance and Investor Relations Officer, and of the Company's subsidiaries and affiliated companies and of the consortia in which the Company participates, after hearing the Chief Business Development Officer.

III – To the Chief Finance and Investor Relations Officer:

- b) to coordinate the preparation and consolidation of the Company's Annual Budget, in the case of the affiliated companies and jointly-controlled subsidiaries jointly with the Chief Business Development Officer, and in all cases with the participation of the other Chief Officers of the Company;
- c) to arrange for economic and financial valuation of the Company's capital expenditure investment projects, except those that are the responsibility of the Chief Business Development Officer;
- n) to propose to the Executive Board, for approval or submission to the Board of Directors or to the General Meeting of Stockholders, depending on the competency defined in these Bylaws, (i) injections of capital into the wholly-owned subsidiaries; and (ii) injections of capital, exercise of the right of preference and the making of voting agreements, jointly with the Chief Business Development Officer, in the subsidiaries and affiliated companies and in the consortia in which the Company participates;
- p) to coordinate, jointly with the Chief Business Development Officer, processes of disposal of stockholding interests held by the Company, subject to the provisions of the legislation and regulations from time to time in force;

VI – To the Chief Trading Officer:

- j) to manage the trading of the Company's carbon credits, in coordination with the Chief Business Development Officer's Department;

VII – To the Chief Business Development Officer:

- d) to coordinate, jointly with the Chief Executive Officer, the preparation and consolidation of the Company's Multi-Year Strategic Implementation Plan; and with the Chief Finance and Investor Relations Officer, of the Annual Budget in relation to the affiliated companies and subsidiaries;
- m) to propose, jointly with the Chief Finance and Investor Relations Officer, to the Executive Board, for approval or for submission to the Board of Directors or to the General Meeting of Stockholders, depending on the competency defined in these Bylaws, matters relating

- to injections of capital, exercise of the right of preference and making of voting agreements in the subsidiaries and affiliates and in the consortia in which the company participates;
  - p) to coordinate, jointly with the Chief Finance and Investor Relations Officer, processes of disposal of equity interests held by the Company, subject to the provisions of the legislation and regulations from time to time in force;
- IX – To the Chief Officer for the Gas Division:
- c) to carry out research, analyses and studies of investments and new technologies related to oil and gas, and, jointly with the Chief Business Development Officer, studies and development of business in that sector;
  - f) to propose to the Executive Board, jointly with the Chief Finance and Investor Relations Officer and the Chief Business Development Officer, the multi-year plan for capital expenditure and expenses of other specific-purpose companies associated with the oil and gas activities;”.
- 6- Consequent alteration of Paragraph 4 of Clause 17, to the following:  
 “Clause 17...
- § 4 The projects developed by the Company in the area of the Chief Business Development Officer’s Department, once structured and constituted, should be assumed by the respective Chief Officers’ Departments responsible for their construction, execution, operation and commercialization, as defined in these Bylaws.”.

As can be seen, the objective of this proposal is to meet legitimate interests of the stockholders and of the Company, and as a result it is the hope of the Board of Directors that you, the stockholders, will approve it.  
 Belo Horizonte, March 28, 2011.

Dorothea Fonseca Furquim Werneck – Chair, Board of Directors	
João Camilo Penna – Member	
Djalma Bastos de Morais – Vice-Chair	Luiz Carlos Costeira Urquiza – Member
Antônio Adriano Silva – Member	Maria Estela Kubitschek Lopes – Member
Arcângelo Eustáquio Torres Queiroz – Member	Paulo Roberto Reckziegel Guedes – Member
Eduardo Borges de Andrade – Member	Saulo Alves Pereira Junior – Member
Francelino Pereira dos Santos – Member	Paulo Márcio de Oliveira Monteiro – Member
Guy Maria Villela Paschoal – Member	Renato Torres de Faria – Member “

“ OPINION OF THE AUDIT BOARD

The members of the Audit Board of Cemig Distribuição S.A., undersigned, in performance of their functions under the law and under the Bylaws, have examined the proposals made by the Board of Directors to the Ordinary and Extraordinary General Meetings of Stockholders to be held concurrently on April 29, 2011, for allocation of the net profit for the year, of R\$441,002, as follows:

- I - allocation of the entire net profit for the year to offset the accumulated loss at December 31, 2010; the balance remaining of the loss after this offsetting, in the amount of R\$ 268,225,000, to be offset with the Retained Earnings Reserve, in the amount of R\$ 204,202,000, and R\$ 64,023 from the Legal Reserve. The Company declared Interest on Equity in the 2010 business year in the amount of R\$ 158,707,000, by the following decisions: R\$ 51,878,000, under CRCA 013/2010, of April 16, 2010; R\$ 66,281,000, under CRD 376/2010, of September 29, 2010; and R\$ 40,548,000, under CRD 492/2010, of December 15, 2010. As a result of the allocation of 100% of the profit of the 2010 business year to offsetting of the accumulated loss, as specified by Law 6404 of December 15, 1976 as amended, the said Interest on Equity will not be counted against the payment of obligatory dividends.
- II- Recommendation to the Executive Board to prepare studies with a view to an application to the National Electricity Agency, Aneel, for permission for reduction of capital, to compensate for the effect of non-payment of dividends in 2010, which in turn results from the adoption of International Financial Reporting Standards, if this reduction of capital is advantageous for permitting flow of funds from the Company to Cemig. After carefully analyzing the proposal referred to, and considering, further, that the legal rules applicable to the matter have been complied with, the opinion of the members of the Audit Board is in favor of their approval by that Meeting.

Belo Horizonte, March 28, 2011.

Aristóteles Luiz Menezes Vasconcellos Drummond,	Helton da Silva Soares	Luiz Guaritá Neto
Vicente de Paulo Barros Pegoraro	Thales de Souza Ramos Filho “	



The Chair then put the Proposal made by the Board of Directors to debate, and to the vote, and it was approved.

Continuing with the agenda, she then dealt with item "e" of the agenda, explaining that the period of office of the sitting and substitute members of the Audit Board ended with today's Meetings, and that a new election should thus be held for that Board, with a period of office of 1 (one) year, that is to say, up to the Ordinary General Meeting of Stockholders to be held in 2012.

She stated that under Article 18 of the Bylaws, the sitting and substitute members of the Audit Board of this Company are the members of the Audit Board of the sole stockholder, Companhia Energética de Minas Gerais – Cemig.

Thus, and considering the election of the members of the Audit Board of the sole stockholder, at the Ordinary and Extraordinary General Meetings of Stockholders of that Company held today, concurrently, at 4 p.m., the representatives of Companhia Energética de Minas Gerais – Cemig nominated the following persons to be members of the Audit Board:

**Sitting members:**

Vicente de Paulo Barros Pegoraro	- Brazilian, married, retired, resident and domiciled in Brasília, Federal District, at SHIS QI 402, Bloco D, Apto. 110, Asa Sul, CEP 70236-040, bearer of Identity Card 004826419, issued by the Public Safety Department of the Federal District, and CPF 004826419-91;
Helton da Silva Soares	- Brazilian, married, accountant, resident and domiciled in Belo Horizonte, MG, at Rua Alvarenga Peixoto 832/301, Lourdes, CEP 30180-120, bearer of Identity Card MG-6392717, issued by the Civil Police of Minas Gerais State, and CPF nº 000185326-08;
Aristóteles Luiz Menezes Vasconcellos Drummond	- Brazilian, married, journalist, resident and domiciled in Rio de Janeiro, Rio de Janeiro State, at Av. Rui Barbosa 460/801, Flamengo, CEP 22250-020, bearer of Identity Card 1842888, issued by the Félix Pacheco Institute, and CPF nº 026939257-20;
Luiz Guaritá Neto	- Brazilian, married, engineer and entrepreneur, resident and domiciled in Uberaba, MG State, at Rua dos Andradas 705/1501, Nossa Senhora da Abadia, CEP 38025-200, bearer of Identity Card M-324134, issued by the Public Safety Department of Minas Gerais State, and CPF nº 289118816-00; and
Thales de Souza Ramos Filho	- Brazilian, married, doctor, resident and domiciled in Juiz de Fora, Minas Gerais, at Rua Severino Meireles 67, Passos, CEP 36025-040, bearer of Identity Card M-290728, issued by the Public Safety Department of Minas Gerais State, and CPF nº 003734436-68;

**– and as their respective substitute members:**

Newton de Moura	- Brazilian, married, bank employee of the Federal Savings Bank, resident and domiciled in Divinópolis, Minas Gerais, at Avenida Sete de Setembro 1064/701, Centro, CEP 35500-011, Bearer of Identity Card M-358258, issued by the Public Safety Department of Minas Gerais State, and CPF 010559846-15;
Rafael Cardoso Cordeiro	- Brazilian, single, engineer, resident and domiciled at Belo Horizonte, Minas Gerais, at Rua Montevideu, 515/600, Sion, CEP 30315-560, bearer of Identity Card M-9165153, issued by the Public Safety Department of the state of Minas Gerais, and CPF 037496966-32;
Marcus Eolo de Lamounier Bicalho	- Brazilian, married, economist, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Adolfo Radice 114, Mangabeiras, CEP 30315-050, bearer of identity card M-1033867, issued by the Public Safety Department of Minas Gerais State, and CPF nº 001909696-87;
Ari Barcelos da Silva	- Brazilian, married, company manager, resident and domiciled in Rio de Janeiro, RJ, at Rua Professor Hermes Lima 735/302, Recreio dos Bandeirantes, CEP 22795-065, bearer of Identity Card 2027107-7, issued by the CRA-RJ, and CPF 006124137-72; and,
Aliomar Silva Lima	- Brazilian, married, economist, resident and domiciled in Belo Horizonte, Minas Gerais at Rua Aimorés 2441/902, Lourdes, CEP 30140-072, bearer of Identity Card MG-449262, issued by the Public Safety Department of Minas Gerais State, and CPF nº 131654456-72.

The nominations for membership of the Audit Board made by the representatives of Companhia Energética de Minas Gerais – Cemig were put to debate and, subsequently, to the vote, and approved.

The elected Members of the Audit Board declared – in advance – that they are not subject to any prohibition on exercise of commercial activity, and assumed a solemn undertaking to become aware of, obey and comply with the principles, ethical values and rules established by the Code of Ethical Conduct of Government Workers and Senior Administration of the State of Minas Gerais.

The Chair then stated that the publications by Cemig D specified in Law 6404 of December 15, 1976, as amended, will be made not only in the newspaper Minas Gerais, the official publication of the Powers of the State, but also in *O Tempo*, without prejudice to possible publication in other newspapers.

The meeting being opened to the floor, and since no-one else wished to make any statement, the Chair ordered the session adjourned for the time necessary for the writing of the minutes.

The session being reopened, the Chair, after putting the said minutes to debate and to the vote and verifying that they had been approved and signed, closed the meeting.

For the record, I, Anamaria Pugedo Frade Barros, Secretary, wrote these minutes and sign them together with all those present.

#### **EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS HELD ON MAY 12, 2011**

At 4 p.m. on May 12, 2011, the stockholder Companhia Energética de Minas Gerais (Cemig), holder of 100% of the Company's stock, attended in Extraordinary General Meeting, on first convocation, at its head office, Av. Barbacena 1200, 17th Floor, A1 Wing, Belo Horizonte, Minas Gerais, Brazil, represented by the Chief Executive Officer Djalma Bastos de Moraes, and by the Chief Distribution Sales Officer, José Carlos de Mattos, as verified in the Stockholders' Attendance Book.

Initially and in accordance with Clause 6 of the Bylaws, the representatives of the stockholder Companhia Energética de Minas Gerais proposed the name of the Deputy CEO, Arlindo Porto Neto, to chair the meeting. This proposal by the representatives of the stockholder Cemig was put to the vote, and approved.

The Chairman then declared the Meeting opened and invited me, Anamaria Pugedo Frade Barros, General Manager of the Corporate Executive Office of Cemig, to be Secretary of the Meeting, requesting me to proceed to reading of the convocation notice, published in the newspapers *Minas Gerais*, official publication of the Powers of the State, and *O Tempo*, on April 19, 20 and 21, and in *Valor Econômico* on April 19, 20 and 25 of this year, the content of which is as follows:

#### “ EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS CONVOCATION

The stockholder Companhia Energética de Minas Gerais – Cemig is hereby called to an Extraordinary General Meeting of Stockholders to be held on May 12, 2011 at 4 p.m. at Av. Barbacena 1200, 17th floor, A1 Wing, in the city of Belo Horizonte, Minas Gerais, to decide on change in the composition of the Board of Directors, if there is a change in the composition of the Board of Directors of Cemig itself.

Belo Horizonte, April 15, 2011.

Dorothea Fonseca Furquim Werneck  
Chair of the Board of Directors. ”

The Chairman then stated that the meeting should decide on changes to the composition of the Board of Directors of Cemig D, considering that:

- 1) under Paragraph 1 of Clause 8 of the Bylaws, the members of the Board of Directors of this Company must, obligatorily, be the same as the members of the Board of Directors of the sole stockholder, Cemig (Companhia Energética de Minas Gerais);
- 2) due to the resignation of the Board Member Luiz Antônio Athayde Vasconcelos – as per a letter in the Company's possession, a new member should be elected to the Board of Directors.
- 3) appointment of a new member to the Board of Directors of Cemig was approved by the Extraordinary General Meeting of Stockholders held this morning, at 11 a.m.

The representatives of the stockholder Cemig, to complete the Board of Directors for the remainder of the present Board's current period of office, that is to say until the Annual General Meeting of Stockholders to be held in 2013, proposed:

As Substitute member to the sitting Board Member Francelino Pereira dos Santos:

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Leonardo Maurício Colombini Lima - Brazilian, married, Accountant, resident and domiciled in Belo Horizonte, MG, at Rua Cônego Rocha Franco 325/401, Gutierrez, CEP 30441-045, bearer of Identity Card 705600, issued by the Public Safety Office of the State of Goiás, and CPF 065276716-87;

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This proposal by the representatives of the stockholder Cemig was put to the vote, and approved. The Board Member elected declared – in advance – that he is not subject to any prohibition on exercise of commercial activity, that he does not occupy any post in a company which may be considered a competitor of the Company, and that he does not have nor represent any interest conflicting with that of Cemig D, and assumed a solemn undertaking to become aware of, obey and comply with the principles, ethical values and rules established by the Code of Ethical Conduct of Government Workers and Senior Administration of the State of Minas Gerais.

Continuing with the business of the meeting, the Chairman explained that Cemig has assigned to the new member of the Board of Directors, in each case as its fiduciary agent, one single share owned by itself, for the period for which such member remains as member of the Board of this Company, solely and exclusively to comply with the requirement that the members of the Board of Directors must be shareholders of the company; and that, once the Board Member complete his period of office or if he is dismissed from his positions, the shares granted to him shall be automatically transferred back to Cemig, without there being any need whatsoever for signature by the Board Member in question. The fiduciary nature of the assignment of the shares is based on the legal principle that determines that a person who receives an asset, in this case, the share, has the commitment to reconstitute it in a certain event, in this case, the end of the term of office, or on leaving or being exonerated from office.

The Chairman then stated that the Board of Directors of the Company is now constituted as follows:

Sitting members:	– and their respective substitute members:
Dorothea Fonseca Furquim Werneck,	Paulo Sérgio Machado Ribeiro,
Djalma Bastos de Moraes,	Lauro Sérgio Vasconcelos David,
Antônio Adriano Silva,	Marco Antonio Rodrigues da Cunha,
Arcângelo Eustáquio Torres Queiroz,	Franklin Moreira Gonçalves,
Francelino Pereira dos Santos,	Leonardo Maurício Colombini Lima,
João Camilo Penna,	Guilherme Horta Gonçalves Júnior,
Luiz Carlos Costeira Urquiza,	Adriano Magalhães Chaves,
Maria Estela Kubitschek Lopes,	Fernando Henrique Schüffner Neto,
Guy Maria Villela Paschoal,	Cezar Manoel de Medeiros,
Eduardo Borges de Andrade,	Ricardo Antônio Mello Castanheira,
Otávio Marques de Azevedo,	Renato Torres de Faria,
Paulo Roberto Reckziegel Guedes,	Newton Brandão Ferraz Ramos,
Ricardo Coutinho de Sena, and	Paulo Márcio de Oliveira Monteiro, and
Saulo Alves Pereira Junior;	Tarcísio Augusto Carneiro.

The meeting being opened to the floor, and since no-one wished to make any statement, the Chairman ordered the session suspended for the time necessary for the writing of the minutes.

The session being reopened, the Chairman, after putting the said minutes to debate and to the vote and verifying that they had been approved and signed, closed the meeting.

For the record, I, Anamaria Pugedo Frade Barros, Secretary, wrote these minutes and sign them together with all those present.

#### **EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS HELD ON DECEMBER 21, 2011**

At 5 p.m. on December 21, 2010, the stockholder **Companhia Energética de Minas Gerais ("Cemig")**, holder of 100% of the company's stock, attended in Extraordinary General Meeting, on first convocation, at the Company's head office, Av. Barbacena 1200, 17th Floor, A1 Wing, Belo Horizonte, Minas Gerais, Brazil, represented by the CEO, Mr. Djalma Bastos de Moraes, and by the Chief Counsel, Maria Celeste Moraes Guimarães, as verified in the Stockholders' Attendance Book.

Initially and in accordance with Clause 6 of the Bylaws, the representatives of the

stockholder Companhia Energética de Minas Gerais proposed the name of the Deputy CEO, **Arlindo Porto Neto**, to **chair the meeting**. This proposal by the representatives of the stockholder **Cemig** was put to the vote, and approved. The Chairman then declared the Meeting open and invited me, Anamaria Pugedo Frade Barros, Superintendent of Cemig's Corporate Executive Secretariat, to be Secretary of the meeting, requesting me to read the convocation notice, published in the newspapers *Minas Gerais*, official publication of the Powers of the State, on December 2, 3 and 6; and in *O Tempo* on December 2, 3 and 4; of this year, the content of which is as follows:

**“ EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS  
 CONVOCATION**

The stockholder **Companhia Energética de Minas Gerais** is hereby called to an Extraordinary General Meeting of Stockholders to be held on December 21, 2011 at 5 p.m. at the company's head office, Av. Barbacena 1200, 17<sup>th</sup> floor, A1 Wing, Belo Horizonte, Minas Gerais, Brazil to decide on the following matters:

- 1 Changes to the Company's Bylaws, to:
  - I alter the drafting of Sub-item X of Clause 17, to change the attributes of the Chief Counsel;
  - II alter the drafting of Sub-item XI of Clause 17, to change the attributes of the Chief Institutional Relations and Communication Officer;
  - II change the wording of Subclause "c" of the head paragraph of Clause 12, to improve the drafting, to provide it with greater clarity and scope, in accordance with the principle of transparency in corporate governance;
  - IV change the wording of §2 of Clause 12, to improve the drafting, relating to delegation of powers by the Board of Directors to the Executive Board in relation to signature of contracts and other legal transactions with related parties.
- 2 Change in the composition of the Board of Directors, if there is alteration in the composition of the Board of Directors of Cemig.

Belo Horizonte, November 18, 2011

Dorothea Fonseca Furquim Werneck – Chair of the Board of Directors “

The Chairman then stated that the Extraordinary General Meeting of Stockholders of **Cemig** held today, December 21, 2010 at 3 p.m., had changed the Bylaws of that Company. The Chairman thus requested the Secretary to read the Proposal of the Board of Directors, which deals with the agenda of this meeting, the content of which document is as follows:

**“ PROPOSAL**

**BY THE BOARD OF DIRECTORS TO THE EXTRAORDINARY GENERAL MEETING OF  
 STOCKHOLDERS  
 TO BE HELD ON DECEMBER 21, 2011.**

To the Stockholder Companhia Energética de Minas Gerais – Cemig:

The Board of Directors of Cemig Distribuição S.A.:

**– whereas:**

- a) on December 22, 2010 an Extraordinary General Meeting of Stockholders modified the Company's Bylaws for the purpose, among others, of Creating the Office of the Chief Counsel, with the following attributions:
  - “ a) to coordinate, execute and control the matters of the legal area;
  - b) to support the other areas of the Company, including, when requested, wholly-owned subsidiaries, affiliates and other subsidiaries, in relation to legal and juridical aspects;
  - c) to manage the administrative and Court proceedings in which the Company is a party and, periodically or when requested, to inform the Executive Board and the Board of Directors on the procedural and legal strategy adopted, and also the progress and situation of such proceedings.”;
- b) the growing number of the subsidiaries and affiliates of the Cemig Group indicates the need for a wide-ranging activity by the Office of the Chief Counsel, so as to meet the needs of and ensure uniform treatment of the legal orientations of the Companies, and appropriate

- defense of their interests in Court and otherwise;
- c) the activity of the Chief Counsel's Office on a corporate basis will provide better synergy for the legal services of the Companies, and consequent gains in efficiency in meeting their legal needs, making it possible to reduce the costs of these services;
  - d) on January 20, 2011 an Extraordinary General Meeting of Stockholders changed the Company's Bylaws so as, among other alterations, to create the Office of the Chief Institutional Relations and Communication Officer;
  - e) the growing number of subsidiaries of the Cemig Group indicates the need for a wide-ranging activity by the Office of the Chief Institutional Relations and Communication Officer, providing a better synergy of the Companies' services, with consequent gains in efficiency in providing for their needs;"
  - f) Article 11, § 1 of the Bylaws of Cemig, states:  
 "Clause 11 ...  
 §1 The structure and composition of the Board of Directors and the Executive Board of the Company shall be identical in the wholly-owned subsidiaries Cemig Distribuição S.A and Cemig Geração e Transmissão S.A., with the exception that only the wholly-owned subsidiary Cemig Distribuição S.A. shall have a Chief Distribution and Sales Officer, and only the wholly-owned subsidiary Cemig Geração e Transmissão S.A. shall have a Chief Generation and Transmission Officer";
  - g) Cemig Geração e Transmissão S.A. and Cemig Distribuição S.A. are wholly-owned subsidiaries of Companhia Energética de Minas Gerais, and will hold Extraordinary General Meetings of Stockholders for changes in the Bylaws on the same date on which Cemig makes any changes to its Bylaws;
  - h) that the purpose of the delegation to the Executive Board of powers to sign contracts for sale of electricity and provision of distribution services is to increase the speed of commercial processes, avoiding loss of competitiveness due to internal procedures;
  - i) that there is a need for improvement of the drafting in relation to the possibility of delegation by the Board of Directors to the Executive Board of the powers for signature of the legal instruments referred to in subclause "h" above, between related parties;
  - j) that it is appropriate and opportune to improve the wording of Subclause "c" of the head paragraph of Clause 12, to improve the drafting, to provide it with greater clarity and scope, in accordance with the principle of transparency in corporate governance; -

**- do now hereby propose to you changes to the Company's Bylaws, as follows:**

- I) to alter the drafting of Sub-item X of Clause 17, to change the attributes of the Chief Counsel to the following:  
 "Clause 17 ...  
 X - To the Chief Counsel:
  - a) to coordinate the legal activities of the Company, and of its wholly-owned and other subsidiaries, in accordance with Article 116, sub-Clauses "a" and "b", of Law 6404/1976, comprising:
    - organization and supervision of the legal services of the companies in the areas of litigation and consultation, in all the areas of law;
    - establishment of directive guidelines, issuance of legal orientations and preventive activity in legal matters in the interest of the Companies, adoption of measures aiming for integration and synergy of the legal areas of the Companies;
    - promotion of the defense of the interests of the companies in the Courts and in the administrative sphere; and
    - decision on strategies in law and in cases to be adopted by the companies;
  - b) to support the other areas of the Company, and of its wholly-owned and other subsidiaries, in accordance with Article 116, sub-Clauses "a" and "b", of Law 6404/1976, in legal and juridical matters;
  - c) to propose and implement the directive guidelines for contracting of external legal services, coordinating and supervising their execution; and
  - d) to coordinate the information relating to the Company's legal actions, proceedings in the administrative sphere and services of legal consultancy; and of those of the Company's wholly-owned and other subsidiaries, in accordance with Article 116, sub-Clauses "a" and "b", of Law 6404/1976; and periodically or when requested, to inform the Executive Board and the Board of Directors on the strategy adopted in terms of proceedings and law, and development of such proceedings.";
- II) to alter the drafting of Sub-item XI of Clause 17, to change the attributes of the Chief

Institutional Relations and Communication Officer to the following:

"Clause 17 ...

XI – To the Chief Institutional Relations and Communication Officer:

- a) to coordinate the representation of the Company and of its wholly-owned subsidiaries within the scope of its regulatory attributions in relations with the regulatory agencies, the Mining and Energy Ministry, and forums and associations of the sector;
- b) to coordinate the institutional relationships of the Company and of its wholly-owned subsidiaries, including the principal forums of legislation and development of public policies associated with the electricity sector;
- c) to coordinate the processes of inspection, and notices, originating from the regulatory agencies related to the Company and its wholly-owned subsidiaries, jointly with the Chief Officers' Departments involved;
- d) to coordinate, based on the Company's Strategic Planning, the disclosure of institutional and corporate information on and about the Company and its wholly-owned subsidiaries;
- e) to coordinate the accompaniment of proposals for legislation and regulations, and also the statements of position of the Company and its wholly-owned subsidiaries, jointly with the Chief Officer's Departments involved;
- f) to coordinate analysis and preparation of regulatory scenarios, ensuring that the impacts on the business of the Company's wholly-owned subsidiaries are evaluated, so as to provide supporting input for the Company's strategic corporate planning;
- g) to coordinate and align the corporate communication actions of the Company and of its wholly-owned subsidiaries to preserve the Company's culture and values in relations with stockholders, employees, communities, clients, suppliers, government and opinion-formers, also ensuring alignment with the Company's Strategic Plan;
- h) to coordinate the corporate communication efforts and actions of the Company and of its wholly-owned subsidiaries, aiming to maintain and strengthen the brand and sustain the addition of value in the relationships with the Company's significant publics in such a way as to ensure a strong and positive reputation;
- i) to coordinate decisions and implementation of the use of the brands of the Company and of its wholly-owned subsidiaries, to guarantee the value and strengthening of the Company;
- j) to coordinate actions in relation to preservation of the *Memory Project* of the Company and of its wholly-owned subsidiaries, making continuous efforts on behalf of the physical collections of the Company and of its wholly-owned subsidiaries;
- k) to coordinate the control and disclosure of institutional and corporate information;
- l) to coordinate, in accordance with the directives established by the Board of Directors, the use of funds for cultural projects, especially those of social responsibility, with funds under incentive laws; and
- m) to coordinate the disclosure of programs for energy efficiency and other programs directed to needy communities.";

III to change the wording of sub-Clause "c" of the head paragraph of Clause 12, to improve the drafting, to the following:

"Clause 12 ...

- c) to decide, prior to the Company entering into them, on contracts and other legal transactions between the Company and related parties, that is to say when the party:
  - (a) is related to the Company directly or indirectly through one or more intermediary entities, when the party:
    - (i) controls, is controlled by, or is under common control of the entity (such term to include parent companies and subsidiaries);
    - (ii) has an interest in the entity that confers upon it significant influence over the entity; or
    - (iii) has joint control over the entity;
  - (b) is an affiliated company of the entity;
  - (c) is a joint venture in which the entity is an investor;
  - (d) is a member of the key management personnel of the entity or of its parent entity;
  - (e) is a close family relation of any person referred to in sub-items "a" or "d";
  - (f) is an entity controlled by, subject to the joint control of, or significantly influenced by, or in which the significant voting power in that entity directly or indirectly resides in any of the persons referred to in sub-clauses (d) or (e); or
  - (g) is a post-employment benefit plan for the benefit of the employees of the entity, or of any entity which is a related party of that entity";

and:

IV) to change the drafting of the second Paragraph of Clause 12, to improve it, to the following:

"Clause 12 ...

- § 2 The Board of Directors, in accordance with the legislation and by specific resolutions, may delegate to the Executive Board the power to authorize entering into contracts for sales of electricity or for provision of distribution services, including those between related parties.”

As can be seen, the objective of this proposal is to meet legitimate interests of the stockholders and of the Company, and as a result it is the hope of the Board of Directors that it will be approved by the Extraordinary General Meeting of Stockholders.

Belo Horizonte, November 18, 2011

Dorothea Fonseca Furquim Werneck – Chair	Maria Estela Kubitschek Lopes – Member
Djalma Bastos de Moraes – Vice-Chairman	Paulo Roberto Reckziegel Guedes – Member
Antônio Adriano Silva – Member	Saulo Alves Pereira Junior – Member
Arcângelo Eustáquio Torres Queiroz – Member	Adriano Magalhães Chaves – Member
Francelino Pereira dos Santos – Member	Paulo Márcio de Oliveira Monteiro – Member
Guy Maria Villela Paschoal – Member	Renato Torres de Faria – Member
João Camilo Penna – Member	”

The Chairman then put to debate the Proposal made by the Board of Directors to this Meeting.

Asking for the floor, the representatives of the stockholder **Cemig** proposed a change to the proposal under discussion, to exclude Sub-items III and IV from Item 1 of the said proposal.

The Chair of the Meeting then put the said proposal of the Board of Directors to the vote, with the alterations proposed by the representatives of the stockholder **Cemig**, and it was approved.

The Chairman then stated that the meeting should on this occasion decide on changes to the composition of the Board of Directors of Cemig D, considering that:

- 1) under Paragraph 1 of Clause 8 of the Bylaws, the members of the Board of Directors of this Company must, obligatorily, be the same as the members of the Board of Directors of the sole stockholder, **Cemig** (Companhia Energética de Minas Gerais);
- 2) new members should be appointed to the Board of Directors, as a result of the resignations of the Board members Luiz Carlos Costeira Urquiza, Ricardo Antônio Mello Castanheira and Renato Torres de Faria, as per letters held by the Company; and
- 3) appointment of new members to the Board of Directors of Cemig was approved by the Extraordinary General Meeting of Stockholders held on the same date, at 3 p.m.

This being so, the representatives of the stockholder Cemig, to complete the Board of Directors for the remainder of the present Board’s current period of office, that is to say until the Annual General Meeting of Stockholders to be held in 2013, proposed:

1) Changes in the positions of the Board Members, as follows:

– of the Board Member

<b>Paulo Márcio de Oliveira Monteiro</b>	– Brazilian, married, engineer, resident and domiciled at Belo Horizonte, Minas Gerais, at Rua Herculano de Freitas, 138/400, Gutierrez, CEP 30430-120, bearer of Identity Card M-739711, issued by the Public Safety Department of the State of Minas Gerais, and CPF 269960226-49,
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from Substitute Member for the Board Member **Ricardo Coutinho de Sena**

to Substitute Member for the Board Member

<b>Otávio Marques de Azevedo</b>	– Brazilian, married, engineer, resident and domiciled at São Paulo, São Paulo State, at Rua Afonso Braz, 115/91, Vila Nova Conceição, CEP 04511-010, bearer of Identity Card MG-479057, issued by the Public Safety Department of the State of Minas Gerais, and CPF 129364566-49;
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– of the Board Member

**Tarcísio Augusto Carneiro**

– Brazilian, divorced, engineer, resident and domiciled at Belo Horizonte-MG, at Rua Professor Alvino de Paula, 27, Estoril, CEP 30450-430, bearer of Identity Card M-1076524, issued by the Public Safety Department of the State of Minas Gerais, and CPF 372404636-72,

from Substitute Member for the Board Member **Saulo Alves Pereira Junior**

to Substitute Member for the Board Member

**Eduardo Borges de Andrade**

– Brazilian, married, engineer, resident and domiciled at Belo Horizonte-MG, at Alameda das Falcatas, 879, São Luiz, CEP 31275-070, bearer of Identity Card M-925419, issued by the Public Safety Department of the State of Minas Gerais, and CPF 000309886-91;

– and of the Board Member

**Newton Brandão Ferraz Ramos**

– Brazilian, married, accountant, resident and domiciled at Belo Horizonte, Minas Gerais, at Rua Flavita Bretas, 609/602, Luxemburgo, CEP 30380-410, bearer of Identity Card M-4019574, issued by the Public Safety Department of the State of Minas Gerais, and CPF 813975696-20,

from Substitute Member for the Board Member **Paulo Roberto Reckziegel Guedes**

to Substitute Member for the Board Member

**Ricardo Coutinho de Sena**

– Brazilian, married, engineer, resident and domiciled at Belo Horizonte, Minas Gerais, at Rua Rio de Janeiro, 2299/1801, Lourdes, CEP 30160-042, bearer of Identity Card M-30172, issued by the Public Safety Department of the State of Minas Gerais, and CPF 090927496-72;

2) election, as sitting member, of

**Joaquim Francisco de Castro Neto**

– Brazilian, married, company manager, resident and domiciled at São Paulo-SP, at Rua Oscar Freire, 74/11, Cerqueira Cesar, CEP 01426-000, bearer of Identity Card 3343795-6, issued by the Public Safety Department of the State of São Paulo, and CPF 026491797-91,

– having as his Substitute Member

**Adriano Magalhães Chaves**

– Brazilian, single, electrical engineer, resident and domiciled at Belo Horizonte, Minas Gerais, at Rua São Mateus 244, Brasil Industrial, CEP 30626-260, bearer of Identity Card 19908712, issued by the Public Safety Department of the state of Minas Gerais, and CPF 086051928-79; and,

3) election, as Substitute Members, of:

**Bruno Magalhães Menicucci**

– Brazilian, single, engineer, resident and domiciled at Belo Horizonte, Minas Gerais, at Rua Nunes Vieira, 86/402, Santo Antônio, CEP 30350-120, bearer of Identity Card M-11890035, issued by the Public Safety Department of the State of Minas Gerais, and CPF 081100286-16,

as Substitute Member for

**Paulo Roberto Reckziegel Guedes**

– Brazilian, married, engineer, resident and domiciled in Belo Horizonte, Minas Gerais at Av. Paulo Camilo Pena, 495/301, Belvedere, CEP 30320-380, bearer of Identity Card MG-13975681, issued by the Public Safety Department of Minas Gerais State, and CPF nº 400540200-34; and,



– and of

**José Augusto Gomes Campos**

– Brazilian, married, physicist, resident and domiciled in Belo Horizonte, Minas Gerais at Rua Santa Catarina, 1466/1602, Lourdes, CEP 30170-081, bearer of Identity Card MG-3059793, issued by the Public Safety Department of Minas Gerais State, and CPF nº 505516396-87,

as Substitute Member for

**Saulo Alves Pereira Junior**

– Brazilian, married, engineer, resident and domiciled at Belo Horizonte, Minas Gerais, at Rua Ludgero Dolabela, 857/701, Gutierrez, CEP 30430-130, bearer of Identity Card M-5345878, issued by the Public Safety Department of the State of Minas Gerais, and CPF 787495906-00.

This proposal by the representatives of the stockholder **Cemig** was put to the vote, and approved.

The Board Members elected declared – in advance – that they are not subject to any prohibition on exercise of commercial activity, that they do not occupy any post in a company which may be considered a competitor of the Company, and that they do not have nor represent any interest conflicting with that of Cemig D, and assumed a solemn undertaking to become aware of, obey and comply with the principles, ethical values and rules established by the Code of Ethical Conduct of Government Workers and Senior Administration of the State of Minas Gerais.

The Chairman explained that Cemig has assigned to each new member of the Board of Directors, in each case as its fiduciary agent, one single share owned by itself, for the period for which such members remain as members of the Board of this Company, solely and exclusively to comply with the requirement that the members of the Board of Directors must be shareholders of the company; and that, once the Board Members complete their period of office or if they are dismissed from their positions, the shares granted to them shall be automatically transferred back to Cemig, without there being any need whatsoever for signature by the Board Members in question;

– and that the fiduciary nature of the assignment of the shares is based on the legal principle that determines that a person who receives an asset ( in this case, the share) has the commitment to restitute it in a certain event, in this case, the end of the term of office, or on leaving or being exonerated from office.

The Chairman then stated that the Board of Directors of the Company is now constituted as follows:

**Sitting members:**

Dorothea Fonseca Furquim Werneck,  
Djalma Bastos de Moraes,  
Antônio Adriano Silva,  
Arcângelo Eustáquio Torres Queiroz,  
Francelino Pereira dos Santos,  
João Camilo Penna,  
Joaquim Francisco de Castro Neto,  
Maria Estela Kubitschek Lopes,  
Guy Maria Villela Paschoal,  
Eduardo Borges de Andrade,  
Otávio Marques de Azevedo,  
Paulo Roberto Reckziegel Guedes,  
Ricardo Coutinho de Sena, and  
Saulo Alves Pereira Junior;

**Substitute members:**

Paulo Sérgio Machado Ribeiro,  
Lauro Sérgio Vasconcelos David,  
Marco Antonio Rodrigues da Cunha,  
Franklin Moreira Gonçalves,  
Leonardo Maurício Colombini Lima,  
Guilherme Horta Gonçalves Júnior,  
Adriano Magalhães Chaves,  
Fernando Henrique Schüffner Neto,  
Cezar Manoel de Medeiros,  
Tarcísio Augusto Carneiro,  
Paulo Márcio de Oliveira Monteiro,  
Bruno Magalhães Menicucci,  
Newton Brandão Ferraz Ramos, and  
José Augusto Gomes Campos.

The meeting being opened to the floor, and since no-one wished to make any statement, the Chairman ordered the session suspended for the time necessary for the writing of the minutes.

The session being reopened, the Chairman, after putting the said minutes to debate, and to the vote, and verifying that they had been approved, and signed, closed the meeting.

For the record, I, Anamaria Pugedo Frade Barros, Secretary, wrote these minutes and sign them together with those present.

## Meetings of the Board of Directors

### MEETING OF THE BOARD OF DIRECTORS HELD ON JANUARY 3, 2011

#### Summary of proceedings:

- I The Chairman asked** the Board Members present whether any of them had **conflict of interest** in relation to the matters on the agenda of this meeting, and all stated there was no such conflict of interest.
- II The Board approved:**
- a) **The proposal**, by the Chairman, that Márcio Augusto Vasconcelos Nunes should cease to be the Chief Officer for the Gas Division;  
 – and for **election of:**
- **Mr. Fuad Jorge Noman Filho** – Brazilian, married, economist, resident and domiciled in Nova Lima, Minas Gerais, at Alameda Antibes 157, Condomínio Riviera, CEP 34000.000, bearer of Identity Card 458339-SSPDF and of CPF 009880816-87, as **Chief Officer for the Gas Division;**
  - **Mr. Luiz Fernando Rolla** – Brazilian, married, engineer, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Ney Lambert 112, Belvedere, CEP 30320-440, bearer of Identity Card MG-1389219-SSPMG and CPF 195805686-34, as **Chief Officer for Finance, Investor Relations and Financial Control of Holdings;**
  - **Mr. Fernando Henrique Schüffner Neto** – Brazilian, married, engineer, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Martim de Carvalho 395/700, Santo Agostinho, CEP 30190-090, bearer of Identity Card M-1311632-SSP/MG and CPF 320008396-49, as **Chief Officer for Business Development and Corporate Control of Subsidiaries and Affiliates;** and
  - **Ms. Maria Celeste Morais Guimarães** – Brazilian, married, lawyer, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Washington 660/101, Sion, CEP 30315-540, bearer of identity card 37745-OABMG and CPF 374076436-87, as **Chief Counsel;**
- the above changes to be for the same period of office as that of the other serving members of the Executive Board, that is to say until the first meeting of the Board of Directors to be held after the Annual General Meeting of Stockholders of 2013.
- b) **The proposal**, by board member Lauro Sérgio Vasconcelos David, that the members of the Board of Directors should authorize their Vice-Chairman to call the Extraordinary General Meeting of Stockholders to be held on January 20, 2011, at 5 p.m., to deal with the changes to the Bylaws and the orientation of vote mentioned below; and in the event of there not being a quorum, to make second convocation within the legal period.
- c) The minutes of this meeting.
- III Proposal:** After suggestions from the Board Member Lauro Sérgio Vasconcelos David, the Board made the following proposal to the Extraordinary General Meeting of Stockholders:
- 1- Creation of the Office of Institutional Relations and Communication;** and, consequently, change in the drafting of the head paragraph of Clause 13 of the Bylaws, to the following:
- “Clause 13: The Executive Board shall be made up of 11 (eleven) Executive Officers, who may be stockholders, resident in Brazil, elected by the Board of Directors, comprising:
- Chief Executive Officer;
  - Deputy Chief Executive Officer;
  - Chief Officer for Finance, Investor Relations and Financial Control of Holdings;
  - Chief Corporate Management Officer;
  - Chief Distribution and Sales Officer;
  - Chief Generation and Transmission Officer;
  - Chief Trading Officer;
  - Chief Officer for Business Development and Corporate Control of Subsidiaries and Affiliates;
  - Chief Officer without Specific Designation;
  - Chief Officer for the Gas Division;
  - Chief Counsel; and
  - Chief Institutional Relations and Communication Officer;
- with period of office of 3 years, reelection being permitted.

The period of office of the Chief Officers shall extend up to the new Chief Officers elected being sworn in."

- 2- Change to the drafting of the following parts of the head paragraph of Article 17: Subclauses "b" and "g" of Item I, Subclause "b" of Item III, and Subclause "d" of Item VIII, to transfer the activity of strategic planning from the Chief Officer for Finance, Investor Relations and Financial Control of Holdings to the Chief Executive Officer; and inclusion of Item XI, for definition of the attributions of the Chief Institutional Relations and Communication Officer – to the following drafting:

"Clause 17: Subject to the provisions of the previous clauses, the following are the functions and powers attributed to the members of the Executive Board:

I – To the Chief Executive Officer:

...

b) to coordinate the preparation, consolidation and implementation of the Company's Multi-year Strategic Implementation Plan; in the case of the affiliated companies and jointly-controlled subsidiaries, jointly with the Chief Officer for Business Development and Corporate Control of Subsidiaries and Affiliates; and in all cases with the participation of the other Chief Officers of the Company;

...

g) to manage and direct the activities of internal auditing, the function of the Company's Ombudsman, the Corporate Executive Office, and strategic planning;

III –

To the Chief Officer for Finance, Investor Relations and Financial Control of Holdings:

...

b) to coordinate the preparation and consolidation of the Company's Annual Budget, in the case of the affiliated companies and jointly-controlled subsidiaries, jointly with the Chief Officer for Business Development and Corporate Control of Subsidiaries and Affiliates; and in all cases with the participation of the other Chief Officers of the Company;

VII –

To the Chief Officer for Business Development and Corporate Control of Subsidiaries and Affiliates:

...

d) to coordinate, jointly with the Chief Executive Officer, the preparation and consolidation of the Company's Multi-Year Strategic Implementation Plan; and with the Chief Officer for Finance, Investor Relations and Financial Control of Holdings, of the Annual Budget in relation to the affiliated companies and subsidiaries;

XI –

To the Chief Institutional Relations and Communication Officer:

a) to coordinate the representation of the Company's wholly-owned subsidiaries in relations with the regulatory agencies, in all institutional questions associated with the electricity sector;

b) to coordinate the relationship of the Company's wholly-owned subsidiaries with the institutions and agents of the energy sector, concession holders and sector associations;

c) to coordinate the process involving sending of notifications to the regulatory agencies, jointly with the Chief Officers' Departments involved;

d) to coordinate preparation of the Institutional Policy of the Company's wholly-owned subsidiaries, based on the Company's Strategic Planning;

e) to coordinate the accompaniment of proposals for regulatory acts that are published, through public hearings or consultations by the regulatory agencies and the Mining and Energy Ministry, and, jointly with the Chief Officers' Departments involved, the statement of the Company's position;

f) to coordinate preparation and analysis of regulatory scenarios, ensuring that the impacts on the Company's wholly-owned subsidiaries is evaluated, so as to provide supporting input for the Company's strategic corporate planning;

g) to coordinate the preparation of the Corporate Planning Policy of the Company's wholly-owned subsidiaries;

h) to coordinate actions for maintaining and strengthening of the credibility of the brand and reputation of the Company's wholly-owned subsidiaries;

- i) to coordinate actions in relation to preservation of the Memory Project of the Company's wholly-owned subsidiaries, making continuous efforts on behalf of these Companies' physical collections; and
- j) to coordinate the planning, control and disclosure of the Company's Institutional and administrative information."

**3-** Alteration of Paragraph 3 of Clause 16, as a result of the transfer of the activity of strategic planning from the Chief Officer for Finance, Investor Relations and Financial Control of Holdings to the Chief Executive Officer, the new drafting to be as follows:

"Clause 16 -

...  
 § 3

The Company's Multi-year Strategic Implementation Plan and the Annual Budget shall be prepared and updated annually, by the end of each business year, to be in effect in the following business year. They shall be prepared in coordination with the Chief Executive Officer and the Chief Officer for Finance, Investor Relations and Financial Control of Holdings, respectively, and, in relation to the affiliates and subsidiaries, jointly with the Chief Officer for Business Development and Corporate Control of Subsidiaries and Affiliates, and at all times, in all aspects, with the participation of all the Chief Officers' Departments. The Multi-Year Strategic Implementation Plan and the Annual Budget shall be submitted to examination by the Executive Board and, subsequently, to approval by the Board of Directors."

**IV The Chairman reported** that the members of the Executive Board are now as follows:

<b>CEO:</b>	<b>Djalma Bastos de Moraes;</b>
<b>Deputy CEO:</b>	<b>Arlindo Porto Neto;</b>
<b>Chief Trading Officer:</b>	<b>Bernardo Afonso Salomão de Alvarenga;</b>
<b>Chief Officer for New Business Development and Corporate Control of Subsidiaries and Affiliates:</b>	<b>Fernando Henrique Schüffner Neto,</b>
<b>Chief Officer for the Gas Division:</b>	<b>Fuad Jorge Noman Filho;</b>
<b>Chief Distribution and Sales Officer:</b>	<b>José Carlos de Mattos;</b>
<b>Chief Officer for Finance, Investor Relations and Financial Control of Holdings:</b>	<b>Luiz Fernando Rolla;</b>
<b>Chief Officer without Specific Designation:</b>	<b>Luiz Henrique de Castro Carvalho;</b>
<b>Chief Corporate Management Officer:</b>	<b>Marco Antonio Rodrigues da Cunha; and</b>
<b>Chief Counsel:</b>	<b>Maria Celeste Moraes Guimarães.</b>

**V The Chief Officers elected declared** - in advance - that they are not subject to any prohibition on exercise of commercial activity, that they do not occupy any post in a company which may be considered a competitor of the Company, and that they do not have nor represent any interest conflicting with that of Cemig D, and assumed a solemn undertaking to become aware of, obey and comply with the principles, ethical values and rules established by the Code of Ethical Conduct of Government Workers and Senior Administration of the State of Minas Gerais.

**VI Resignation:** The Chairman stated that the Board Member Sérgio Alair Barroso, so as to facilitate re-composition of the Board of Directors of the Company, had presented his resignation from the posts of sitting Member and of Chairman of this Board, as per a letter in the Company's possession, continuing to hold those posts until the Extraordinary General Meeting that decides on the re-composition of this Board of Directors, the official date of the resignation to be the date of that meeting.

**VII Discussion:** The Chairman made comments on subjects of interest to the Company.

## MEETING OF THE BOARD OF DIRECTORS HELD ON JANUARY 20, 2011

### Summary of proceedings:

#### **I Election of new members and Chair:**

Anamaria Pugedo Frade Barros, head of Cemig's Corporate Executive Office, stated that there was a quorum for this meeting, and that on today's date an Extraordinary General Meeting of stockholders had been held in which new members had been elected to the Company's Board of Directors, replacing the former Board Member **Sergio Alair Barroso**, who **resigned** his position, as per a letter in the Company's possession, and for the seat left vacant by the Board Member **Aécio Ferreira da Cunha**, who **passed away** in October, 2010.

It was thus necessary to elect a **new Chair** for this Board to complete the present period of office, that is to say up to the first meeting of the Board of Directors held after the Ordinary General Meeting of 2013.

#### **II The chairman reported** the creation, at the Extraordinary General Meeting of Stockholders held on today's date, of the **Office of Institutional Relations and Communication**; and that a few moments previously the Board of Directors of Cemig had approved **changes to the Executive Board**.

#### **III The Chairman asked** the Board Members present whether any of them had **conflict of interest** in relation to the matters on the agenda of this meeting, and all stated there was no such conflict of interest.

#### **IV The Board approved:**

- a) The proposal by the Board Member Lauro Sérgio Vasconcelos David, to elect, as Chairman of the Board of Directors, the Board Member:

**Dorothea Fonseca Furquim Werneck**

– Brazilian, divorced, economist, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Adauto Lúcio Cardoso 633, Belvedere, CEP 30320-290, Bearer of Identity Card 3758423-2, issued by the Public Safety Department of the State of Rio de Janeiro, and CPF 261863817-49.

to complete the present period of office, that is to say, up to the first meeting of the Board of Directors held after the Annual General Meeting of 2013,

maintaining the present **Vice-Chairman**,

**Djalma Bastos de Moraes**

– Brazilian, married, engineer, resident and domiciled in Belo Horizonte, Minas Gerais, ay Av. Bandeirantes 665/401, Sion, CEP 30315-000, bearer of identity card 1966100268-CREA-RJ and CPF 006633526-49.

- b) The proposal by the chairman, that Mr. Marco Antonio Rodrigues da Cunha should cease to be Chief Corporate Management Officer, and that Mr. Bernardo Afonso Salomão de Alvarenga should cease to be Chief Trading Officer,

– and that the following should be elected to serve the same period of office that remains to the other Chief Officers, that is to say, up to the first meeting of the Board of Directors held after the Annual General Meeting of 2013:

as Chief institutional Relations and Communication Officer:

**Luiz Henrique Michalick** - Brazilian, married, journalist, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Ernani Doyle 184, Belvedere, CEP 30320-270, bearer of Identity Card M-270172-SSPMG and CPF No. 177342826-87;

as Chief Corporate Management Officer:

**Frederico Pacheco de Medeiros** - Brazilian, married, lawyer, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Serranos 131/501, Serra, CEP 30315-340, bearer of Identity Card M-3473053-SSPMG and CPF 666838586-91;

and as Chief Trading Officer:

**José Raimundo Dias Fonseca** - Brazilian, married, engineer, resident and domiciled in Belo Horizonte, Minas Gerais, at Av. Barbacena 1330/1402, Bloco 01, Santo Agostinho, CEP 30190-131, Identity Card 9407119-SSPSP and CPF 261986576-04.

c) The minutes of this meeting.

**V The Chairman stated** that the members of the Executive Board are now as follows:

<b>CEO:</b>	<b>Djalma Bastos de Moraes;</b>
<b>Deputy CEO:</b>	<b>Arlindo Porto Neto;</b>
<b>Chief Trading Officer:</b>	<b>José Raimundo Dias Fonseca;</b>
<b>Chief Distribution and Sales Officer:</b>	<b>José Carlos de Mattos;</b>
<b>Chief Officer for Finance, Investor Relations and Financial Control of Holdings:</b>	<b>Luiz Fernando Rolla;</b>
<b>Chief Officer Without Specific Designation:</b>	<b>Luiz Henrique de Castro Carvalho;</b>
<b>Chief Corporate Management Officer:</b>	<b>Frederico Pacheco de Medeiros</b>
<b>Chief Officer for New Business Development and Corporate Control of Subsidiaries and Affiliates:</b>	<b>Fernando Henrique Schüffner Neto,</b>
<b>Chief Officer for the Gas Division:</b>	<b>Fuad Jorge Noman Filho;</b>
<b>Chief Counsel:</b>	<b>Maria Celeste Moraes Guimarães;</b>
<b>Chief Institutional Relations and Communication Officer:</b>	<b>Luiz Henrique Michalick.</b>

**VI The Chairman and Vice-chairman of the Board declared** that they are not subject to any prohibition on exercise of commercial activity, that they do not occupy any post in a company which may be considered a competitor of the Company, and that they do not have nor represent any interest conflicting with that of Cemig, and assumed a solemn undertaking to become aware of, obey and comply with the principles, ethical values and rules established by the Code of Ethical Conduct of the Government Workers and of the Senior Administration of the State of Minas Gerais.

**VII The Chief Officers elected declared** – in advance – that they are not subject to any prohibition on exercise of commercial activity, that they do not occupy any post in a company which may be considered a competitor of the Company, and that they do not have nor represent any interest conflicting with that of Cemig, and assumed a solemn undertaking to become aware of, obey and comply with the principles, ethical values and rules established by the Code of Ethical Conduct of Government Workers and Senior Administration of the State of Minas Gerais.

**VIII Discussion:** The Chairman made comments on general business and matters of interest to the Company.

## MEETING OF THE BOARD OF DIRECTORS HELD ON JANUARY 27, 2011

### Summary of proceedings:

- I The Chairman asked** the Board Members present whether they had any conflict of interest in the matters on the agenda of this meeting, and all said there was no such conflict of interest.
- II The Board approved:**
- a) The proposal made by the Chairman, to alter the composition of the following Committees of the Board of Directors:
- The Board of Directors Support Committee;
  - The Corporate Governance and Sustainability Committee;
  - The Human Resources Committee;
  - The Strategy Committee; and
  - The Committee for Business Development and Corporate Control of Subsidiaries and Affiliates.
- b) The minutes of this meeting.
- III The Board authorized** the opening of Administrative Proceedings for Exemption from Tender, and contracting with Companhia de Saneamento de Minas Gerais (**Copasa MG**), of provision of services of reception and treatment in its Public Sewerage System of the domestic and non-domestic liquid effluent of the establishments of **Cemig GT** and **Cemig D** located, respectively, at Av. Afonso Vaz de Melo 1936, and Rua Maria Izabel Curty 82, in Belo Horizonte, Minas Gerais, within the limits of the Basin of the Arrudas River, for a period of five years, the amount of costs to be shared equally between **Cemig D** and **Cemig GT**.
- IV The Board ratified** the signature of:
- a) The Contract, with the Minas Gerais State Highways Department (DER/Minas Gerais), for services of removal and/or reallocation of the distribution network on municipal highways included in the *Proacesso* Program and in the Multi-year Government Action Plan (PPAG).
- b) Letter Agreements with DER/MG for performance of the said services, included in the *Proacesso* Program and the PPAG, with a period of 90 calendar days for conclusion of the works from the date of receipt of the Letter Agreement by **Cemig D**, duly signed by the legal representative of DER/MG, with ratification of all acts carried out since September 13, 2010, that is to say, the start of execution of the works.
- V The following spoke on general matters and business of interest to the Company:**
- |                                  |                                  |  |
|----------------------------------|----------------------------------|--|
| The Chairman, the Vice-Chairman; |                                  |  |
| Board members:                   | Paulo Roberto Reckziegel Guedes, | Luiz Carlos Costeira Urquiza,<br>Franklin Moreira Gonçalves; |
| Chief Officer:                   | Luiz Fernando Rolla;             |  |

## MEETING OF THE BOARD OF DIRECTORS HELD ON FEBRUARY 17, 2011

### Summary of proceedings:

- I The Chairman asked** the Board Members present whether any of them had **conflict of interest** in relation to the matters on the agenda of this meeting, and all stated there was no such conflict of interest.
- II The Chairman stated** that all the matters on the agenda had been examined by Committees of the Board of Directors, and their approval recommended.
- III The Board approved:**
- a) Exceptionally, the amount for Personnel, Materials Services and Other items (PMSO), for first quarter 2011, also authorizing the other transactions of the Company necessary for their functioning.
- b) The minutes of this meeting.
- IV The Board authorized:**
- a) **Signature** of the First Amendment to the Performance Contract with **Plantar Siderúrgica S.A.**, with Plantar Energética Ltda. as consenting party, to change the period of validity from

- one hundred and four months to one hundred and thirty four months, comprising thirty months of period of implementation, two months of operational tests and, at the maximum, one hundred and two months of period of restitution to **Cemig D**, able to be reduced or extended, by an amendment, up to the time of payment by Plantar Siderúrgica S.A. of the last installment; and adaptation of the amount of the contract.
- b) Administrative **Tender** Proceedings, and contracting of a company providing automated control services and a client service management system to clients for one hundred and fifty one Client Service Branches in one hundred and forty seven municipalities and six hundred and twenty seven *Cemig Fácil* Customer Service Posts (PCFAs), including software and hardware, installation, maintenance and training, for a period of 30 months, able to be extended, upon signature of an amendment, for up to a further thirty months, with a maximum limit of up to sixty months.
- c) Administrative **Tender** Proceedings, and contracting of provision of customer service in person for each one of the six hundred and twenty seven municipalities of the Company's concession area in the State of Minas Gerais that have up to ten thousand consumer units, for the establishment of partnerships with local traders and for putting in place of the *Cemig Fácil* Customer Service Posts (PCFAs), for a period of up to thirty months.
- V The Board delegated** to the Executive Board, until April 7, 2011, the competency, after statement of position by the Energy Risks Management Committee, to
- authorize entering into Contracts for Sale of Electricity which have, individually, amounts of fourteen million Reais or more; and of Amendments, Contractual Rescissions, Service Provision Contracts and Contracts for Constitution of Guarantees and Counter-guarantees associated with them, and of the other instruments necessary for their implementation, subject to the rules established in the contracts;
  - and to delegate the signing of these same contracts, of any individual amount, when entered into between Cemig D and any of its stockholders or companies that are controlling stockholders of those stockholders, whether the control is exercised individually or jointly;
- and, also, **authorized**:
- signature of such Contracts for Supply of Electricity and Reserve of Demand, Purchase of Regulated Electricity, Use of the Distribution System, Connection to the Distribution System, and Use of the Transmission System, with the National Electricity System Operator (ONS), as have individual amounts of fourteen million Reais or more, and respective Amendments and Terms of Rescission; and
  - signature of these same Contracts, of any individual amount, when entered into between Cemig D and any of its stockholders or companies that are controlling stockholders of those stockholders, whether the control is exercised directly or jointly;
- and, also, **ratified** the signing of those same Contracts that took place in the period from February 10<sup>th</sup> to 17<sup>th</sup>, 2011.
- subject to the Board of Directors being advised of such instruments as are approved, at its first meeting following the approval.
- VI The Chairman abstained** from voting on the matter relating to the signature of an amendment to the performance contract with **Plantar** Siderúrgica S.A. referred to in Item IV (a) above.
- VII The following spoke** on general matters and business of interest to the Company:
- |                |                             |
|----------------|-----------------------------|
| Board members; |                             |
| Chief Officer: | Luiz Fernando Rolla;        |
| Manager:       | João José Magalhães Soares. |



## MEETING OF THE BOARD OF DIRECTORS HELD ON MARCH 28, 2011

### Summary of proceedings:

- I The Chair asked** the Board Members present whether any of them had conflict of interest in relation to the matters on the agenda of this meeting, and all stated there was no such conflict of interest.
- II The Chair stated** that all the matters on the agenda had been examined by Committees of the Board of Directors, and their approval recommended.
- III The Board approved:**
- The proposal, by Board Member Lauro Sérgio Vasconcelos David, that the members of the Board of Directors should authorize their Chairwoman to call an Extraordinary General Meeting of Stockholders to be held on April 29, 2011, at 5 p.m., and in the event of there not being a quorum, to make second convocation within the legal period.
  - The Technical Feasibility Study for Offsetting of Tax Credits, which constitutes the grounds for the accounting of deferred tax credits contained in the financial statements for 2010, to comply with CVM Instruction 371/2002.
  - The minutes of this meeting.
- IV The Board approved** adoption of the book values of the assets of the concession as the basis for valuation in the initial adoption of Technical Interpretation ICPC.01; and **approved** the Report of Management and Financial Statements for 2010 and the respective complementary documents, and submitted them to the Ordinary General Meeting of Stockholders to be held on April 29, 2011.
- V The Board authorized:**
- Signature of the Contract with Cemig GT and Axxiom Soluções Tecnológicas S.A., for supply of 9,000 functioning points for the services of development of geo-processing applications for the GeoCemig system, based on the GeoMedia Pro, GeoMedia Web Map and TerraShare environments, for a period of 36 months, the cost of which shall be prorated 30% for Cemig GT and 70% for Cemig D.
  - Signature of the Term of Agreement with Axxiom Soluções Tecnológicas S.A. for contracting of services of preparation and management of projects of the *Premiar* Program (Special Program for Integrated Management of Trees and Networks), for a period of 36 months, able to be extended by signature of an amendment for up to a further 24 months, to a maximum limit of up to 60 months.
- VI The Board delegated,** up to June 2, 2011, to the Executive Board, the competency to authorize signature of Electricity Sales Contracts, after statement of opinion by the Electricity Risks Management Committee, which have, individually, amounts of 14 million Reais or more, and respective Amendments and Terms of Rescission, Contracts for Provision of Services and Contracts for Constitution of Guarantees and Counter-guarantees associated with them, and of the other instruments necessary for making them concrete, subject to the rules established in the contracts; and to delegate signature of the same contracts, for any value, when they are between Cemig D and any one of its stockholders or companies which are parent companies thereof, whether the relationship is of subsidiary or jointly-controlled subsidiary; and also authorized, up to June 2, 2011, signature of Contracts for Supply of Electricity and Reserve of Demand, Purchase of Regulated Electricity, Use of the Distribution System, Connection to the Distribution System, and Use of the Transmission System with the National Electricity System Operator, the individual amounts of which are 14 million Reais or more, and the respective Amendments and Terms of Rescission; and also signature of these same contracts when they are between Cemig D and any one of its stockholders or companies that are parent companies thereof, whether the relationship is of subsidiary or jointly-controlled subsidiary, in any amount.
- VII The Board submitted the following proposal** to the Ordinary and Extraordinary General Meetings of Stockholders to be held, concurrently, by April 29, 2011:
- Allocation of the net profit for the business year 2010, in the amount of R\$ 441,002,000, to offsetting of the accumulated loss at December 31, 2010; and that the remaining balance of the accumulated loss after offsetting by the profit for 2010, in the amount of R\$ 268,225,000, be offset with the Retained Earnings Reserve, in the amount of R\$ 204,202,000, and the amount of R\$ 64,023,000 from the Legal Reserve;

and to recommend to the Executive Board to prepare studies with a view to an application to the National Electricity Agency, Aneel, for permission for reduction of capital, to compensate for the effect of non-payment of dividends in 2010, which in turn results from the adoption of International Financial Reporting Standards, if this reduction of capital is advantageous for permitting flow of funds from the Company to Cemig.

The Company declared Interest on Equity in the 2010 business year in the amount of R\$ 158,707,000, by the following decisions:

- R\$ 51,878,000, as per CRCA-013/2010;
- R\$ 66,281,000, as per CRD-376/2010; and
- R\$ 40,548,000, as per CRD-492/2010.

As a result of the allocation of 100% of the profit of the 2010 business year to offsetting of the accumulated loss, as specified by Law 6404 of December 15, 1976 as amended, the said Interest on Equity will not be counted against the payment of obligatory dividends.

**b) To change the Bylaws, as follows:**

To change the names of these Chief Officers' Departments:

- **From:** *Department of New Business Development and Corporate Control of Subsidiaries and Affiliates*  
**To:** *Department of New Business Development;*
- **From:** *Department of Finance, Investor Relations and Financial Control of Holdings*  
**To:** *Department of Finance and Investor Relations.*

– with the consequential changes to the following parts of the Bylaws:

Clause 7:	Paragraph 2;		
Clause 13:			
Clause 16:	Paragraph 3;		
	Paragraph 4,	Subclauses "g" and "j";	and
Clause 17:	Head paragraph:	Sub-item I -	subclauses "b" and "i"
		Sub-item III, and its	subclauses "b", "c", "n" and "p";
		Sub-item VI -	subclause "j";
		Sub-item VII, and its	subclauses "d", "m" and "p";
		Sub-item IX -	subclauses "c" and "f"; and
	Paragraph 4.		

**VIII The Board ratified** the signature of the First Amendment to the Contract for Connection to the Transmission System, with Cemig GT, with the National Electricity System Operator as consenting party, for the inclusion, in Appendix 1 of that contract, of new points of connection, to be valid from its signature until July 8, 2015, effective backdated as from the dates of startup of commercial operation of each project and the consequent alteration of their value.

**IX The Board re-ratified** CRCA-047/2005, to extend the period of contracting of the services of reading of meters for consumption in kWh, of Group "B", through micro-data collectors, for a further 12 months, increasing the period from 60 months to up to 72 months, the other terms of that CRCA being unchanged;

– and also ratified signature, or an exceptional basis, of the Fifth Amendment to Contract 4680003300, with MG Setel Serviços em Telecomunicações e Eletricidade Ltda., for the provision of services of reading of meters for consumption in kWh of Group "B", through micro-data collectors, collection, and confirmation of client registry data of consumers of Group "B" and analysis and input of consumption data from rural self-reading consumption cards, as part of the operation of the Invoicing Control Management Unit (PR/FA), in the Region of Juiz de Fora, for extension of the period from 62 up to 72 months, adjusting the global amount.

**X Withdrawn from the agenda:** The item relating to the budget proposal for 2011.

**XI The following spoke** on general matters and business of interest to the Company:

Board members:	Djalma Bastos de Moraes, Paulo Roberto Reckziegel Guedes, Arcângelo Eustáquio Torres Queiroz,	Eduardo Borges de Andrade, Saulo Alves Pereira Junior, Franklin Moreira Gonçalves, João Camilo Penna;
Chief Officer:	Luiz Fernando Rolla,	José Carlos de Mattos, Luiz Henrique de Castro Carvalho;
General Managers	Leonardo George de Magalhães,	Emílio Castelar Pires Pereira.

## MEETING OF THE BOARD OF DIRECTORS HELD ON MARCH 30, 2011

### SUMMARY OF PROCEEDINGS:

- I The Chairman asked** the Board Members present whether any of them had conflict of interest in relation to the matters on the agenda of this meeting, and all stated there was no such conflict of interest.
- II The Board approved:**
- a) **the Budget for 2011.**
  - b) The minutes of this meeting.
- III The following spoke** on general matters and business of interest to the Company:
- |                |                          |                            |
|----------------|--------------------------|----------------------------|
| Board members: | Djalma Bastos de Moraes, | Eduardo Borges de Andrade; |
| Chief Officer: | Luiz Fernando Rolla.     |                            |

## MEETING OF THE BOARD OF DIRECTORS HELD ON APRIL 15, 2011

### SUMMARY OF PROCEEDINGS:

- I The Chair asked** the Board Members present whether they had any conflict of interest in the matters on the agenda of this meeting, and all said there was no such conflict of interest.
- II The Chair stated** that all the matters on the agenda had been examined by Committees of the Board of Directors, and their approval recommended.
- III Resignation:** The Chair advised the meeting that Board Substitute Member Luiz Antônio Athayde Vasconcelos had resigned. However, to prevent the Board from being without the minimum number of members necessary for its decisions, he will remain in his post until the Extraordinary General Meeting of Stockholders that decides on the subject, which shall be the official date of his resignation.
- IV The Board approved:**
- a) The proposal, by Board Member Lauro Sérgio Vasconcelos David, that the members of the Board of Directors should authorize their Chair to call an **Extraordinary General Meeting** of Stockholders to be held on May 12, 2011, at 4 p.m. and in the event of there not being a quorum, to make second convocation within the legal period; and,
  - b) The minutes of this meeting.
- V The Board authorized:**
- a) Contracting of **two loans** with **Banco do Brasil**, one having co-guarantee from Cemig and the other guaranteed by attachment of 100% of the balance due in duplicate invoices.
  - b) Signature, on an exceptional basis, with **Cemig, Cemig GT** and **Gimba Suprimentos de Escritório e Informática Ltda.** of the following amendments:
    - Third Amendment to Cemig D Contract No. 4630000683;
    - Second Amendment to Cemig GT Contract No. 4630000684;
    - Third Amendment to Cemig GT Contract No. 4630000685;
 – adjusting in all of them the date of validity from May 31, 2009 to July 7, 2010, referring to the extension of the period from July 8, 2006 to July 7, 2010, and to change the expiry date from July 8, 2010 to July 7, 2011, thus making a total of seventy two months, without the need for injection of any new funds.
    - Second Amendment to Cemig Contract No. 4630000686,
 – to adjust the text of Clause Eleven, changing an amount incorrectly typed, from eight million five hundred thousand Reais to five hundred thousand Reais; to correct the date of validity from May 31, 2009 to July 7, 2010, in relation to the extension of the period, from July 8, 2006 to July 7, 2010; and to change the expiry date from July 8, 2010 to July 7,

2011, thus making a total of seventy two months, without the need for injection of any new funds.

Also, ratification of the acts carried out under the said Contracts, since July 8, 2006, that is to say, service of provision of office material and IT supplies via web and their related payment, and, also, contracting of services of outsourcing of supply of consumables and office and IT utensils via web, for a period of thirty six months, able to be extended for up to a further twenty four months, on signature of amendments, to a maximum limit of sixty months, with the cost shared as follows:

Cemig - 0.4%;	Cemig D - 49.5%;	Cemig GT - 39.0%;
Efficientia S.A. - 0.8%;	Gasmig - 2.9%;	CemigTelecom - 1.8%;
	Cemig S - 5.6%.	

- the prorating percentages to be reviewed, at the time of renewal of the Contracts, when any insufficiency of funds for any of the companies is found, provided that the estimated total value for contracting is not exceeded.

**VI The Board ratified:**

- a) Board Spending Decision (CRCA) 011/2010, for contracting of the use of **corporate credit card** services, with Banco do Brasil, to ratify the exclusion of Gasmig; to include Cemig S; to adjust the estimated total value of the Contract; and, also, consequent alteration of the prorating of the expenses between the contracting companies to the following estimated percentages:

Cemig - 2.68%,	Cemig D - 71.98%,	Cemig GT - 21.02%,
CemigTelecom - 3.54%,	Efficientia - 0.60%; and	Cemig S - 0.18%;

- the prorating percentages to be reviewed, at the time of renewal of the Contracts, when any insufficiency of funds for any of the companies is found, provided that the estimated total value for contracting is not exceeded.

The Board also authorized signature of the Third Amendment to Contracts 4680003469-Cemig D, 4680003470-Cemig GT, 4680003471-Cemig, 4680003504-Efficientia and Info-018/07-Infovias, to adapt to what is established above.

- b) CRCA-076/2008, relating to the contracting of services of supply of electronic food, meal and snack vouchers and printed meal and/or snack vouchers for the Company's employees, to meet the requirements of the Workers' Food Program (P.A.T.), to include Cemig S, adjusting the total estimated cost of the contract; also authorizing signature of the Third Amendments to Contracts 4680003860-500, 4680003861-510 and 4680003862-530 between Cemig, Cemig GT, Cemig D, Cemig S and Ticket S.A., to include Cemig S in those contracts and adapt for the matters established above.

**VII The Board endorsed** the Company's Annual **Electricity Company Social and Environmental Responsibility Report** on the business year 2010, to be presented to Aneel by April 30, 2011.

**VIII The following spoke** on general matters and business of interest to the Company:

Board members:		
General Managers:	Ricardo Luiz Diniz Gomes,	Leonardo George de Magalhães;
Manager:	João José Magalhães Soares.	

**MEETING OF THE BOARD OF DIRECTORS HELD ON MAY 5, 2011**

**Summary of proceedings:**

- I The Chair asked** the Board Members present whether they had any conflict of interest in the matters on the agenda of this meeting, and all said there was no such conflict of interest, except in relation to the proposal for Phase 3 of the *Light for Everyone* Rural Electrification Program, on which the Board members Eduardo Borges de Andrade, Paulo Roberto Reckziegel Guedes, Saulo Alves Pereira Junior, Paulo Márcio de Oliveira Monteiro, Ricardo Antônio Mello Castanheira, Newton Brandão Ferraz Ramos and Tarcísio Augusto Carneiro stated themselves to have a conflict of interest.

**II The Chair stated** that all the matters on the agenda had been examined by Committees of the Board of Directors, and their approval recommended.

**III The Chair reported** that the Ordinary and Extraordinary General Meetings of Stockholders held, concurrently, on April 29, 2011 had changed the names of two Chief Officers' Departments:

- **From:** *Department of Business Development and Corporate Control of Subsidiaries and Affiliates*  
**To:** *Department of Business Development*
- **From:** *Department of Finance, Investor Relations and Financial Control of Holdings*  
**To:** *Department of Finance and Investor Relations.*

**IV The Board approved:**

a) The proposal by the Chair that the following should be elected to serve the same period of office that remains to the other Chief Officers, that is to say, up to the first meeting of the Board of Directors held after the Annual General Meeting of 2013:

– as Chief Finance and Investor Relations Officer:

**Luiz Fernando Rolla** – Brazilian, married, engineer, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Ney Lambert 112, Belvedere, CEP 30320-440, CI MG-1389219 and CPF 195805686-34;

– and as Chief Business Development Officer:

**Fernando Henrique Schüffner Neto** – Brazilian, married, engineer, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Martim de Carvalho 395/700, Santo Agostinho, CEP 30190-090, Identity Card M-1311632-SSP/MG and CPF 320008396-49;

b) Change in the Internal Regulations of the Board of Directors to change the names of those Departments.

c) The minutes of this meeting.

**V The Board authorized:**

a) Opening of administrative tender proceedings for, and contracting of:

– Toll-Free dialing service, with Audible Response Unit (URA) services, via 0800 and 116 three-digit calling, for receipt of calls from fixed and mobile lines, for up to 60 months.

b) Individual signature of a First Amendment to Contracts N<sup>o</sup>s 4680004201, 4680004205 and 4680004202 for Implementation of the **Light for Everyone (Luz para Todos)** Rural Electrification **Program – 3<sup>rd</sup> Phase**, with the **Conluz, Luz para Minas** and **Remo/Selt Consortia**, respectively, to change the economic base of the indexor for updating of the balances of advanced paid to the Contractors, from the month of May 2010 to the contractual dates of their realization.

c) Opening of Administrative Tender Proceedings for, and contracting of, **services** of:

- construction and maintenance on disconnected distribution lines and networks;
- construction and maintenance on powered distribution lines and networks;
- planting, pruning and/or suppression of trees and final disposal of wastes;
- installation or removal of aerial service connections, and connection of consumer units;
- disconnection and connection of consumer units;
- maintenance and routine supervisory inspection of public illumination;
- operation and re-establishment of the electricity system;
- inspection of consumer units;
- inspection of rural and urban aerial networks;
- construction, extension, refurbishment and improvement of built works in subterranean distribution networks;
- construction, extension, refurbishment and improvement of electromechanical assemblies in subterranean distribution networks;
- maintenance of built works in subterranean distribution networks;
- maintenance of electromechanical assemblies in subterranean distribution networks; and
- cleaning of utility facilities and assembly and dismantling of decorations for *Natal de Luz (Christmas of Light)*,

for a period of **60 months**, distributed into fourteen lots, gradually, covering the regions subordinated to the Distribution Services Management Units of Divinópolis, Governador Valadares, Ipatinga, Juiz de Fora, São João Del Rei, Montes Claros, Metropolitanos, Metalúrgica, Pouso Alegre, Patos de Minas, Paracatu, Passos, Teófilo Otoni, Uberlândia, Uberaba and Varginha.

**VI The Board terminated**, on May 5, 2011, the **PDV** temporary Voluntary Retirement Program, which had been approved by Board Spending Decision (CRCA) 017/2009.

**VII The Board ratified** the opening of Administrative Tender Proceedings for, and contracting of services, of:

- construction and maintenance on disconnected distribution lines and networks;
- services of construction and maintenance on powered distribution lines and networks;
- planting, pruning and/or suppression of trees and final disposal of wastes;
- installation or removal of aerial service connections, and connection of consumer units;
- disconnection and connection of consumer units;
- maintenance and routine supervisory inspection of public illumination;
- operation and re-establishment of the electricity system;
- inspection of consumer units;
- inspection of rural and urban aerial networks;
- construction, extension, refurbishment and improvement of built works in subterranean distribution networks;
- construction, extension, refurbishment and improvement of electromechanical assemblies in subterranean distribution networks;
- maintenance of built works in subterranean distribution networks;
- maintenance of electromechanical assemblies in subterranean distribution networks; and
- cleaning of utility facilities and assembly and dismantling of decorations for *Natal de Luz (Christmas of Light)*, for a period of thirty-six months, distributed into fourteen lots, gradually, covering the regions subordinated to the Distribution Services Management Units of Divinópolis, Governador Valadares, Ipatinga, Juiz de Fora, São João Del Rei, Montes Claros, Metropolitanos, Metalúrgica, Pouso Alegre, Patos de Minas, Paracatu, Passos, Teófilo Otoni, Uberlândia, Uberaba and Varginha.

**VIII The Chair stated** that the members of the Executive Board are now as follows:

<b>CEO:</b>	<b>Djalma Bastos de Moraes;</b>
<b>Deputy CEO:</b>	<b>Arlindo Porto Neto;</b>
<b>Chief Trading Officer:</b>	<b>José Raimundo Dias Fonseca;</b>
<b>Chief Distribution and Sales Officer:</b>	<b>José Carlos de Mattos;</b>
<b>Chief Finance and Investor Relations Officer:</b>	<b>Luiz Fernando Rolla;</b>
<b>Chief Officer without specific designation:</b>	<b>Luiz Henrique de Castro Carvalho;</b>
<b>Chief Corporate Management Officer:</b>	<b>Frederico Pacheco de Medeiros;</b>
<b>Chief Business Development Officer</b>	<b>Fernando Henrique Schüffner Neto;</b>
<b>Chief Officer for the Gas Division:</b>	<b>Fuad Jorge Noman Filho;</b>
<b>Chief Counsel:</b>	<b>Maria Celeste Moraes Guimarães; and</b>
<b>Chief Institutional Relations and Communication Officer:</b>	<b>Luiz Henrique Michalick.</b>

**IX The elected Chief Officers declared** – in advance – that they are not subject to any prohibition on exercise of commercial activity, that they do not occupy any post in a company which may be considered a competitor of the Company, and that they do not have nor represent any interest conflicting with that of Cemig D, and assumed a solemn undertaking to become aware of, obey and comply with the principles, ethical values and rules established by the Code of Ethical Conduct of Government Workers and Senior Administration of the State of Minas Gerais.

**X The following spoke** on general matters and business of interest to the Company:

- Members of the Board; and
- the Chief Finance and Investor Relations Officer, Luiz Fernando Rolla.

**XI Withdrawal from the meeting:** The Board members Eduardo Borges de Andrade, Paulo Roberto Reckziegel Guedes, Saulo Alves Pereira Junior, Paulo Márcio de Oliveira Monteiro, Ricardo Antônio Mello Castanheira, Newton Brandão Ferraz Ramos and Tarcísio Augusto Carneiro withdrew from the meeting for the discussion of the matter relating to implementation of Phase 3 of the *Light for Everyone* Rural Electrification Program, mentioned in Item V, line “b”, above, as they believed there was a conflict of interest in relation to the subject, returning only after this matter had been decided by the other members of the Board.

## MEETING OF THE BOARD OF DIRECTORS HELD ON JUNE 2, 2011

### SUMMARY OF PROCEEDINGS:

- I The Chairman asked** the Board Members present whether any of them had **conflict of interest** in relation to the matters on the agenda of this meeting, and all stated there was no such conflict of interest, except in relation to the proposal to file legal actions against the State of Minas Gerais, on which the Board Member Adriano Magalhães Chaves stated himself a conflict of interest in discussion of the matter.
- II The Chairman stated** that all the matters on the agenda had been examined by Committees of the Board of Directors, and their approval recommended.
- II The Board approved:**
- a) The proposal by the Chair to alter the composition of the Board of Directors Support Committee, to replace the board Member Franklin Moreira Gonçalves by the Board Member Leonardo Maurício Colombini Lima.
  - b) The Project: *Internal and External Refurbishment of Materials and Equipment*, for completion in December 2012, for recovery of a group of items used in the Company's electricity system.
  - c) The minutes of this meeting.
- IV The Board authorized:**
- a) Filing, in the event that the administrative mechanism to which priority is to be given is not possible, of legal proceedings against the State of Minas Gerais, aiming to compel the State Forest Institute and the Regional Environment and Sustainable Development Management Units to issue such documents as are necessary to make possible the execution of the works of the Distributor Development Plan, without the requirement for posting of specific accounting in the Legal Reserve until the issue is resolved.
  - b) Participation in the tender for contracting to renew Operational Risk Insurance, directly with the insurance company, to be carried out by Cemig GT, to transfer the financial risks arising from possible accidents in the power equipment of the principal facilities of Cemig D, for a period of 60 months.
  - c) Signature of the Debt Recognition and Settlement Agreement Instrument, with ArcelorMittal Brasil S.A., relating to transport of electricity from the Guilman-Amorin Hydroelectric Plant.
  - d) Opening of administrative tender proceedings for, and contracting of, services of works infrastructure, and building, electrical and hydraulic refurbishment, for preventive and corrective building maintenance, preparation of plans, engineering and technical support in building facilities, through a single contract to serve the real estate units of Belo Horizonte and Contagem, Minas Gerais, with cost to be prorated as follows:  
 80% for Cemig D, 19% for Cemig GT and 1% for Cemig – these percentages to be reviewed at every extension of the contractual period, whenever it is found that there is insufficiency of funds for any of the companies, provided that the total estimated value for the contracting is not exceeded.
  - e) Opening of administrative tender proceedings for, and contracting, through a single public instrument, of implementation and administration of corporate credit card services, for payment of expenses such as accommodation, meals, fuel and automobile services, land transport, Brazilian and international air travel, vehicle rental, road tolls and parking, for a period of up to sixty months, for the following companies and prorated between them as follows:  
 Cemig – 3.98%; Cemig D – 69.25%; Cemig GT – 24.65%; Efficientia – 0.44%; Cemig Trading – 0.08%; CemigTelecom – 0.80%; Cemig Serviços – 0.72%; and Central Hidrelétrica Pai Joaquim – 0.08% – the prorating percentages to be reviewed, at the time of renewal of the Contracts, when any insufficiency of funds for any of the companies is found, provided that the estimated total value for contracting is not exceeded.
  - f) Opening of Administrative Tender Proceedings, and contracting of services of technical and administrative management, for a period of six months, for provision of auxiliary management services for the works of Phase III of the *Luz Para Todos (Light for Everyone)* Program.
- V The Board delegated** to the Executive Board, until August 04, 2011, competency, after statement of position by the Energy Risks Management Committee, to authorize and enter into Contracts for Sale of Electricity which have, individually, amounts of fourteen thousand Reais or

more; and of Amendments, Contractual Rescissions, Service Provision Contracts and Contracts for Constitution of Guarantees and Counter-guarantees associated with them and of the other instruments necessary for their implementation, subject to the rules established in the contracts; including when they are entered into between the Company and any one of its stockholders or their companies that are their controlling stockholders, whether directly controlled or under joint control – and the Board of Directors must be advised of such instruments as are signed, at its first meeting following the approval.

**The Board also delegated**, until August 4, 2011, to the Executive Board, competency to authorize signature of Contracts for Supply of Electricity and Reserve of Demand, Purchase of Regulated Electricity, Use of the Distribution System, Connection to the Distribution System, and Use of the Transmission System, with the National Electricity System Operator (ONS), which have individually amounts of fourteen million Reais or more, and the related Amendments and Terms of Rescission; including cases in which they are entered into between Cemig D and any of its stockholders or companies that are their controlling stockholders, whether directly controlled or under joint control, of any value.

**VI The Board ratified:**

- a) Signature of the First Amendment to the Contract with Norte Cad Ltda., altering the period of validity of provision of services of technical and administrative management for Phase III of the *Luz Para Todos (Light for Everyone)* Program, from fourteen months to seventeen months and fifteen days, and also altering the total value.
- b) The agreement of Cemig D to the Plan for Judicial Recovery of Industrial Labortêxtil Ltda., to be homologated in the Action for Judicial Recovery, with a view to receipt of invoices in arrears. The acceptance of that proposal by Cemig D is conditional upon Labortêxtil waiving all its claimed rights, the subject of various Legal Actions brought by it against the Company, formally desisting from such actions before the courts before which they are being heard.

**VII Abstentions:** The Board Members Eduardo Borges de Andrade, Paulo Roberto Reckziegel Guedes, Saulo Alves Pereira Junior, Ricardo Coutinho de Sena, Newton Brandão Ferraz Ramos and Tarcísio Augusto Carneiro abstained from voting on the matter relating to signing of the amendment for provision of the services of management for the *Luz Para Todos* Program, referred to in Item VI, sub-item "a", above.

**VIII Withdrawal from meeting:** The Board Member Adriano Magalhães Chaves withdrew from the meeting room at the time of the debate on the matter relating to the filing of legal actions against the State of Minas Gerais, referred to in Item IV, sub-item (a) above, since he believed there was a conflict of interest in relation to the matter, returning to the meeting only after decision on this matter by the other Board Members.

**IX The following spoke** on general matters and business of interest to the Company:

Board members;

Chief Officer: Luiz Fernando Rolla.

## MEETING OF THE BOARD OF DIRECTORS HELD ON JULY 7, 2011

### SUMMARY OF PROCEEDINGS:

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

**II The Chair stated** that all the matters on the agenda had been examined by Committees of the Board of Directors, which had recommended their approval.

**III The Board approved:**

- a) The fourth review of the MacroProjects of Priority 1 (P1) Investments of the DDC.
- b) The minutes of this meeting.

**IV The Board authorized:**

- a) Individual signature, on an exceptional basis, out of time, of the Sixth Amendment to the Contracts with Caixa Econômica Federal-CEF, Lemon Bank Banco Múltiplo S.A., Banco Cooperativo do Brasil S.A., Banco Santander S.A., Banco Cooperativo Sicredi S.A., Unibanco -



União de Bancos Brasileiros S.A., Banco do Brasil S.A., Banco Mercantil do Brasil S.A., Banco Rural S.A., Banco Bradesco S.A., Citibank S.A., Banco Safra S.A., Banco HSBC Bank Brasil S.A. and Banco Itaú S.A., for provision of services of collection of electricity tax invoices / electricity bills, invoices, sundry charges and any other bills receivable issued by Cemig D, and extension of the periods, without change to the value of the Contracts, with ratification of all acts carried out since the expiry dates of those contracts, that is to say, services of collection of electricity tax invoices / electricity bills and their payments, up to May 31, 2011.

- b) Signature of the First Amendment to Financing and Subsidy Grant Contract ECFS-294/2010, with **Eletrobrás**, for extension of the closing date of the credit to March 31, 2012, and replacement of the physical/financial timetable (Appendix III), and also the inclusion in Clause Six of the Item 6.3, and, in Clause Eighteen, of the Item 18.15.

**V The Board ratified:**

- a) Signature of the Second Amendment to Financing and Subsidy Grant Contract ECFS-227/2008, with **Eletrobrás**, for extension of the closing of the credit to September 30, 2011, and replacement of the physical-financial timetable (Appendix III), and also inclusion in Clause Six of the Item 6.3, and, in Clause Nineteen, of the Item 19.15.
- b) Signature of the Contract for Assignment of Dental Equipment, between **Cemig D, Cemig GT** and **SESI/MG**, for assignment of a consulting office for the provision of dental health service to the employees, dependents, retirees and pensioners of the assignees, and for continuance of implementation of the Oral Health Program, for a period of 12 months, counted from January 1, 2011, able to be extended for up to a further 48 months, with a maximum limit of 60 months, by signature of amendments, with ratification of all acts carried out since January 1, 2011, that is to say, the assignment of the said equipment.
- c) Signature of the Working Agreement for Subscription to **Prosaúde Integrado – PSI**, between **Cemig Saúde, Cemig, Cemig D** and **Cemig GT**, the object of which is to give the participating parties coverage of expenses on assistance, for a period of sixty months, able to be extended for equal and successive periods, upon signature of an Amendment, with ratification of all acts carried out since October 1, 2010, that is to say, the object of the said Working Agreement.

**VI The Board re-ratified** Board Spending Decision (CRCA) 037/2011, for inclusion of the companies **Rosal Energia S.A.** and **Sá Carvalho S.A.** in the process for contracting of services of implementation and administration of the corporate credit card, altering the prorating percentages –

<b>from:</b>	Cemig – 3.98%;	Cemig D – 69.25%;	Cemig GT – 24.65%;
	Efficientia – 0.44%;	Cemig Trading – 0.08%;	CemigTelecom – 0.80%;
	Cemig Serviços – 0.72%; and	Central Hidrelétrica Pai Joaquim – 0.08%.	
<b>to:</b>	Cemig – 3.98%;	Cemig D – 69.19%;	Cemig GT – 24.65%;
	Efficientia – 0.44%;	Cemig Trading – 0.08%;	CemigTelecom – 0.80%;
	Cemig Serviços – 0.72%;	Central Hidrelétrica Pai Joaquim – 0.08%;	
	Rosal Energia S.A. – 0.03%; and	Sá Carvalho S.A. – 0.03%,	

– the other terms of that CRCA remaining unchanged.

**VII The Board Members** Eduardo Borges de Andrade, Paulo Roberto Reckziegel Guedes, Ricardo Coutinho de Sena, Saulo Alves Pereira Junior, Newton Brandão Ferraz Ramos, Paulo Márcio de Oliveira Monteiro and Tarcísio Augusto Carneiro withdrew from the meeting room during the discussion of the matters relating to the First and Second Amendments to the Financing and Subsidy Agreement with Eletrobrás, referred to in Items V, Sub-item “b”, and VI, respectively, because they believed that there was a conflict of interest on this matter, and returned to the meeting room only after the decision on these matters by the other Board Members.

**VIII Speakers:** Members of the Board, the Chief Officer Luiz Fernando Rolla and the General Manager Leonardo George de Magalhães spoke on general matters and business of interest to the Company.

## MEETING OF THE BOARD OF DIRECTORS HELD ON AUGUST 4, 2011

### SUMMARY OF PROCEEDINGS:

- I The Chairman asked** the Board Members present whether any of them had **conflict of interest** in relation to the matters on the agenda of this meeting, and all stated there was no such conflict of interest, except in relation to the proposal for signing of a Second Amendment to Working Agreement 063/2008, with the State of Minas Gerais for infrastructure works under the **Light for Everyone II** Program, in relation to which the Board Members Eduardo Borges de Andrade, Otávio Marques de Azevedo, Saulo Alves Pereira Junior, Newton Brandão Ferraz Ramos, Paulo Márcio de Oliveira Monteiro and Tarcísio Augusto Carneiro declared themselves to be conflicted for discussion of that subject.
- II The Chairman stated** that all the matters on the agenda had been examined by Committees of the Board of Directors.
- III The Board approved** the minutes of this meeting.
- IV The Board authorized:**
- a) Signature, conditional on obtaining of prior consent from Aneel, of a Term of Agreement between Cemig D and **Cemig** for performance of the Technical Cooperation Program relating to Working Agreement ATN/OC-12347-BR signed by Cemig and the **Inter-American Development Bank (IADB)**.
  - b) Constitution of a **budget reserve**, for any accidents to the power equipment of the Company's principal facilities. If the Operational Risk Insurance is once again contracted for this equipment, the balance of this reserve will automatically be extinguished.
  - c) Opening of Administrative **Tender** Proceedings, in the Pre-qualification Competition mode, and also pre-qualification and subsequent contracting, based on a proposal of best cost to the Company, for the services of **law offices** to operate in **common litigation** in the areas of tax, real estate, employment/social security, consumer relations, regulatory, third party liability, and administrative and environmental law, and actions for collection, for a period of 36 months.
  - d) Opening of Administrative **Tender** Proceedings, in the Pre-qualified Competition mode, and also pre-qualification and subsequent contracting, for the services of **law offices** with well-known **specialization** in the areas of environmental, administrative, employment and social security, corporate and capital markets, international contract, regulatory, third party, and tax law and brands and patents, for up to 60 months.
  - e) Signing of the Second Amendment to Working Agreement 4020000263, between Cemig D and Axxiom Soluções Tecnológicas S.A. (**Axxiom**), to:
    - a) extend the period of validity of the Working Agreement to December 31, 2011;
    - b) develop new functionalities and put in place additional modules of the Distribution Management System (SGD), included to sustain the legacy systems, to be carried out by **Axxiom** exclusively for Cemig D;
    - c) provide for input of new funds, by Cemig D, in accordance with the disbursement timetables that are part of the New System Work Plan, to fund the partial investments for operational sustaining of and support to the existing systems, in the period of extension of the period of validity; and
    - d) change the total value of the Working Agreement. Signature of the Term of Agreement between Cemig and Cemig D will be conditional on prior consent being obtained from Aneel.
  - f) Signature of the **Service Provision Contract** for execution of Works on the Electricity **Distribution Network**, with the State of Minas Gerais through the State's Governor's Secretariat-General, and by the Office of the Extraordinary State Secretary for the World Cup, to carry out the works necessary to achieve supply of electricity to the **Independência Stadium**, with period of validity from the date of its publication up to April 30, 2012 or complete achievement of its object, whichever occurs earlier, able to be extended, by signature of an amendment to be approved by the Board of Directors.
  - g) Signature of the **Service Provision Contract** for execution of Works on the Electricity **Distribution Network**, with the State of Minas Gerais, through the State's Governor's Secretariat-General, and by the Office of the Extraordinary State Secretary for the World Cup, to carry out the works necessary to achieve supply of electricity to the **Mineirão**

**Stadium**, with period of validity from the date of its publication up to December 31, 2013, or complete achievement of its object, whichever occurs earlier, able to be extended, by signature of an amendment to be approved by the Board of Directors.

- V The Board delegated**, until October 7, 2011, to the Executive Board, the competency to authorize:
- a) Signing of Electricity Sales Contracts, after hearing the opinion of the CGRE, for amounts individually of fourteen million Reais or more, and also of Amendments, Contractual Rescission Terms, Service Provision Agreements and Contracts for Constitution of Guarantees and Counter-guarantees associated with them and of the other instruments necessary to make them concrete, subject to the rules established in the contracts, including when they are signed between the Company and any of its stockholders or companies that are controlling stockholders thereof, whether the relationship is of control or joint control, of any amount.
  - b) Signature of Contracts for Supply of Electricity and Reserve of Demand, for Purchase of Regulated Electricity, for Use of the Distribution System, and for Connection to the Distribution System and for Use of the Transmission System with the National System Operator (ONS), in the amount, individually, of fourteen million Reais or more and of any related Amendments and Terms of Rescission, including cases where they are signed between Cemig D and any of its stockholders or companies that are parent companies of those stockholders, whether the relationship is of control or joint control, of any amount – the Board of Directors to be informed of any such contracts signed at the meeting following their approval.
- VI The Board ratified** signature of the Second Amendment to Working Agreement 063/2008, with the State of Minas Gerais, through the SEDE and with the SEPLAG as consenting party, for extension of its period of validity up to June 30, 2013, and to adapt the performance timetable and the financial disbursement timetable, through adoption of a new work plan, for the infrastructure works under the Light for Everyone Program II.
- VII Withdrawal on conflicted item:** The Board Members Eduardo Borges de Andrade, Otávio Marques de Azevedo, Saulo Alves Pereira Junior, Newton Brandão Ferraz Ramos, Paulo Márcio de Oliveira Monteiro and Tarcísio Augusto Carneiro withdrew from the meeting room at the time of the discussion of the matter relating to signature of the Second Amendment to Working Agreement 063/2008 with the State of Minas Gerais, relating to infrastructure works under the **Light for Everyone Program II**, mentioned in item VI above, since they believe they had conflict of interest in relation to the subject, returning only after decision on this matter by the other Board Members.
- VIII Withdrawn from the agenda:** The matter relating to the Soccer World Cup Macro projects was withdrawn from the agenda.
- IX Comments:** The Board Members, and Chief Officer Luiz Fernando Rolla, made comments on general matters and business of interest of the Company.

## MEETING OF THE BOARD OF DIRECTORS HELD ON AUGUST 17, 2011

### Summary of proceedings:

- I The Chairman asked** the Board Members present whether any of them had **conflict of interest** in relation to the matters on the agenda of this meeting, and all stated there was no such conflict of interest.
- II The Chair stated** that all the matters on the agenda had been examined by the Finance, Audit and Risk Committee of the Board of Directors, and that that committee had recommended approval.
- II The Board approved:**
- a) the proposal relating to bringing forward of the works on the Company's third regulatory cycle, authorizing opening of the respective tender proceedings and purchase of material and contracting of services; and
  - b) the minutes of this meeting.

## MEETING OF THE BOARD OF DIRECTORS HELD ON AUGUST 31, 2011

### SUMMARY OF PROCEEDINGS:

- I The Chair asked** the Board Members present whether any of them had **conflict of interest** in relation to the matters on the agenda of this meeting, and all stated there was no such conflict of interest, except in relation to the proposal for acquisition of a distribution line owned by Mineração Rio Novo Ltda., on which the Board Members Eduardo Borges de Andrade, Paulo Roberto Reckziegel Guedes, Saulo Alves Pereira Junior, Newton Brandão Ferraz Ramos and Tarcísio Augusto Carneiro declared themselves to be conflicted for debate.
- II The Chair stated** that all the matters on the agenda had been examined by Committees of the Board of Directors, and their approval recommended.
- III The Chair stated that**, since there was no change in the Executive Board of Cemig, it was not necessary to make any change in the Executive Board of the Company.
- IV The Board approved** the minutes of this meeting.
- V The Board authorized:**
- Acquisition of 19km of the 138 kV Distribution Line between Diamantina and the Domingas Substation, for the leg from the Diamantina Substation to Structure 44, belonging to Mineração Rio Novo Ltda., For the purpose of strengthening service to the region of Couto Magalhães.
  - Signature of the Third Amendment to the Partial Global and Fixed Price Project Contract with the Tasate Consortium, relating to implementation of Lot 2 of the *CresceMinas* Transmission and Sub-transmission Program.
- VI The Board ratified:**
- Board Spending Decision (CRCA) 043/2011, to correct the accounting allocation of funds between the Priority One MacroProjects "Building Facilities" and "Machines and Equipment", within the Fourth Review of Priority One Investment MacroProjects, relating to disbursements for the modernization of the Company's Data Center, without, however, changing the global amounts of Net Present Value and the budget previously approved; the other terms of that CRC remaining unchanged.
  - CRCA 074/2008, to substitute the escrow deposits made, by actual payment of the amounts relating to the exclusion of ICMS tax from the basis for calculation of the Cofins, PIS and Pasep taxes, currently under discussion in the Ordinary Action with application for Advance Remedy against the federal government, so as, concomitantly, to effect the corresponding deduction of the expense in the bases for calculation of income tax and the Social Contribution on Profit.
- VII Comments:** The Board Members, the Chief Officer Luiz Fernando Rolla and the Manager João José Magalhães made comments on general matters and business of interest o the Company.

## MEETING OF THE BOARD OF DIRECTORS HELD ON SEPTEMBER 27, 2011

### Summary of proceedings:

- I The Chair** asked the Board Members present whether they had any conflict of interest in the matters on the agenda of this meeting, and all said there was no such conflict of interest.
- II The Chair** stated that the matter on the agenda had been examined by the Finance, Audit and Risk Committee of the Board of Directors, which had recommended its approval.
- III The Board approved** the minutes of this meeting.
- IV The Board declared** payment of Interest on Equity, to be computed on account of the minimum obligatory dividend for the business year 2011, in the amount of one hundred and six million, one hundred and seventy seven Reais, to be paid in two equal installments by June 30 and December 30 of 2012, to stockholders whose names are on the Company's Nominal Share Registry on September 27, 2011, the Executive Board to decide the location and processes of payment, complying with these dates.

## MEETING OF THE BOARD OF DIRECTORS HELD ON OCTOBER 6, 2011

### SUMMARY OF MINUTES OF THE 135<sup>TH</sup> MEETING

**Date, time and place:** October 6, 2011 at 1 p.m. at the Company's head office,  
 Av. Barbacena 1200, 17th Floor, A1 Wing, Belo Horizonte, Minas Gerais, Brazil.

**Meeting Committee:** Chairman: Dorothea Fonseca Furquim Werneck;  
 Secretary: Anamaria Pugedo Frade Barros

#### **SUMMARY OF PROCEEDINGS:**

- I The Chairman asked** the Board Members present whether any of them had conflict of interest in relation to the matters on the agenda of this meeting, and all stated there was none.
- II The Chairman stated** that all the matters on the agenda had been examined by Committees of the Board of Directors, and their approval recommended.
- III The Board approved:**  
 Supplementation of operational expenses on MSO (Materials, Services and Other items) in 2011, for the Offices of the Chief Corporate Management Officer (DGE), the Chief Distribution and Sales Officer (DDC) and the Chief officer for Institutional Relations and Communication (DRC). The supplementation of expenses of this resolution, for the purposes of valuation of the Company, does not alter the 2011 Annual Budget, approved by the Board of Directors, under Board Spending Decision (CRCA) 018/2011.
- b) The minutes of this meeting.
- IV The Board authorized** signature of Terms of Partnership, with Cemig, Cemig GT and the Municipal Councils for the Rights of Children and Adolescents, participants in the AI6% Program, for passing through of the donations raised from the employees of Cemig, Cemig D and Cemig GT and payment of a part equal to 1% of the income tax payable by Cemig, Cemig D and Cemig GT, to the Municipal Funds for the Rights of Children and Adolescents, for application in programs and projects developed in the ambit of the Municipality, valid up to August 31, 2012.
- V The Board delegated**, up to November 3, 2011, to the Executive Board, the competency to authorize:
- a) Signing, after statement of position by the Energy Risks Management Committee, of Contracts for Sale of Electricity which have, individually, amounts of fourteen million Reais or more; and of Amendments, Contractual Rescissions, Service Provision Contracts, the Guarantee and Counter-guarantee Contracts associated with them, and the other instruments necessary for their implementation, of any value, subject to the rules established in the contracts, including when they are entered into between the Company and any one of its stockholders, or companies that are controlling stockholders of those stockholders, whether the relationship is of control or joint control.
- b) Signature of Contracts for Supply of Electricity and Reserve of Demand, Purchase of Regulated Electricity, Use of the Distribution System, Connection to the Distribution System, and Use of the Transmission System, with the National Electricity System Operator (ONS) that have individual amounts of fourteen million Reais or more; and respective Amendments and Terms of Rescission, of any value, including when they are entered into between Cemig D any one of its stockholders, or companies that are controlling stockholders of those stockholders, whether the relationship is of control or joint control.
- subject to an obligation, in both cases, that the Board of Directors be advised of such instruments as are signed, at its first meeting following their approval.
- VI The Board submitted** to the Extraordinary General Meeting of Stockholders a proposal as follows:
- a) change to the Company's Bylaws, to alter the drafting of Sub-item X of Clause 17, to change the attributes of the Chief Counsel; and
- b) change to the Company's Bylaws, to alter the drafting of Sub-item XI of Clause 17, to change the attributes of the Chief Officer for Institutional Relations and Communication.
- VII Withdrawn from the agenda:** The item relating to amendments to a contract with KPMG Auditores Independentes.
- VIII Members** of the Board and the Manager Mário Lúcio Braga spoke on general matters and business of interest to the Company.

**MEETING OF THE BOARD OF DIRECTORS HELD ON NOVEMBER 3, 2011****SUMMARY OF PROCEEDINGS:**

- I The Chair asked** the Board Members present whether any of them had **conflict of interest** in relation to the matters on the agenda of this meeting, and all stated there was no such conflict of interest, except on the following matters:
- the Collective Employment Agreement and the Specific Collective Agreement on Profit Sharing (PLR), in relation to which the Board Members Adriano Magalhães Chaves, Arcângelo Eustáquio Torres Queiroz and Lauro Sérgio Vasconcelos David stated conflict of interest; and
  - the review of the Light for Everyone Program, Phase III, and signature of an amendment to contracts with the Conluz, Luz para Minas and Remo/Selt Consortia, in relation to which the Board Members Eduardo Borges de Andrade, Paulo Roberto Reckziegel Guedes, Saulo Alves Pereira Junior, Newton Brandão Ferraz Ramos and Tarcísio Augusto Carneiro stated conflict of interest.
- II The Chair reported** that the Committees of the Board of Directors had examined the matters on the agenda, and recommended their approval.
- III The Board approved:**
- a) The sixth revision of three Priority 1 Investment MacroProjects, to reschedule the MacroProject "AT – Service to Consumers and Accessing Parties" from the budget for 2011 to 2012, and to bring forward, from the budget for 2012 to 2011, the MacroProjects "AT – Renewal of Subtransmission" and "AT – Operation and Maintenance of Subtransmission", to contribute to the implementation and capitalization of the Distribution Company Development Plan, so that the total budget and net present value of the three MacroProjects is unchanged; and opening/continuation of the related tender(s), and making of the related purchase(s)/contracting of the related services, and the related MacroProject budget changes.
  - b) The second revision of Project 2329/09 – the Light for Everyone Program, Phase III – to change the budget, and provide for twenty five thousand rural-area connections, in 2011; and continuity of the related tender(s) and making of the related purchase(s)/contracting of the related service(s).
  - c) The minutes of this meeting.
- IV The Board authorized:**
- a) – the Executive Board to negotiate, jointly with Cemig, Cemig D and Cemig GT, renewal of the Collective Employment Agreement for the year 2011/2012 and enter into the Specific Collective Agreement for Profit Sharing (PLR); and also to file legal actions related and inherent to the processes of negotiation of these Agreements and their consequences, necessary for preservation of the Company's interests.
  - b) Signature with Cemig GT of the contract for non-remunerated use of the transmission line track area between structures 498 and 549 of the Três Marias-Neves 1 Transmission Line, with period of validity up to the end of the concession, without financial disbursement between the parties, validity of the contract being made entirely dependent upon publication of an act of consent by Aneel to the making of the contract.
  - c) Opening of administrative proceedings for exemption from tender, and contracting of KPMG Auditores Independentes, for provision of auditing services, complying with the provisions of Contracts ECFS-105/2005, ECFS-227/2008 and ECFS-294/2010, for 260 days or for the period necessary for final closing of the process, able to be extended, on signature of an amendment, up to a maximum period of three hundred and sixty days.
  - d) Signature of the Second Amendment to Contracts 4680004201, 4680004205 and 4680004202 of the Light for Everyone Program Phase III, with the Conluz, Luz para Minas and Remo/Selt consortia, respectively, to change the periods for registry of works, by the Consortium Members, in the Eletrobrás Works Management system.

- V The Board delegated** to the Executive Board, until December 31, 2011, competency to authorize:
- Signature, after statement of position by the Energy Risks Management Committee, of Contracts for Sale of Electricity which have, individually, amounts of fourteen million Reais or more; and of Amendments, Contractual Rescissions, Service Provision Contracts and Contracts for Constitution of Guarantees and Counter-guarantees associated with them and of the other instruments necessary for their implementation, subject to the rules established in the contracts, including when they are entered into between the Company and any one of its stockholders or their companies that are the controlling stockholders of the latter, whether directly controlled by them or under joint control, of any value.
  - Signature of Contracts for Supply of Electricity and Reserve of Demand, Purchase of Regulated Electricity, Use of the Distribution System, Connection to the Distribution System, and Use of the Transmission System, with the National Electricity System Operator (ONS), that have individual amounts of fourteen million Reais or more; and respective Amendments and Terms of Rescission, of any value, including when they are entered into between Cemig D any one of its stockholders, or companies that are controlling stockholders of the latter, whether the relationship is of control or joint control; and the Board of Directors must in both cases be advised of such instruments as are signed, at its first meeting following the approval.
- VI The Board ratified:**
- Signature of the Fifth and Sixth Amendments to Contracts 4570010371-Cemig, 4570010372-Cemig D and 4570010373-Cemig GT, with KPMG Auditores Independentes, to restore financial and economic equilibrium, for the period of 2008 through 2011.
  - Signing with Gasmig of the Plan of Work to develop an advertising, marketing and promotional actions plan, in accordance with the new 2012–2016 Business Plan, up to December 2011, able to be extended, by signature of an amendment, up the limit of period of the contracts in force in Cemig D.
- VII The Board re-ratified** CRCA 046/2009, to alter, to 100%, the percentage of the net equity of the Strategic Technology Management Center (CGET) which Cetec (Minas Gerais Technology Center Foundation) will receive when CGET is dissolved, excluding Emater (Minas Gerais Technical Assistance and Rural Extension Company) as a recipient of part of these assets, the other provisions of that CRCA remaining unchanged.
- VIII Conflict of interest:** The Board Members Adriano Magalhães Chaves, Arcângelo Eustáquio Torres Queiroz and Lauro Sérgio Vasconcelos David left the meeting room at the time of the discussion of the matter relating to the Collective Employment Agreement and the Specific Collective Agreement on Profit Sharing (PLR), referred to in item IV, subclause "a" above, as they believed there was conflict of interest on this matter, returning to the meeting room only after it had been decided by the other Board Members.
- IX Conflict of interest:** The Board Members Eduardo Borges de Andrade, Paulo Roberto Reckziegel Guedes, Saulo Alves Pereira Junior, Newton Brandão Ferraz Ramos and Tarcísio Augusto Carneiro left the room at the time of the discussion of the matter relating to the revision of the Light for Everyone Program, Phase III and the signing of the amendment to contracts with the Conluz, Luz para Minas and Remo/Selt Consortia, referred to in Items III, Subclause "b", and IV, Subclause "d", above, respectively, since they believed there was conflict of interest on these subjects, and returned to the meeting room only after those matters had been decided.
- X Debate:** Members of the Board, the General Manager Leonardo George de Magalhães and the General Manager João José Magalhães spoke on general matters and business of interest to the Company.















## Performance of the Issuer

(Report of Management – from CVM-DFP 31/12/11)

*We closed the year of 2011 with the certainty that we had met the great challenges that faced us in the year, related to improvement of our profitability, a very significant investment program, and maintaining service quality in an end-of-year season especially marked by strong rains.*

*First, we should note the significant improvement in our financial performance. We report profit of R\$ 720 million for 2011, compared to R\$ 441 million in 2010 – an increase of 63.27%. This same improvement can be seen in the other financial indicators. One of the highlights is our cash flow which, measured by Ebitda, was R\$ 1.613 billion in 2011, compared to R\$ 1.177 billion in 2010 – an increase of 37.04%, and a result that is important in ensuring execution of our program of investments at the same time as distributing dividends to our stockholders.*

*In this tariff cycle – from 2008 through 2013 – we have the challenge of carrying out an important program of investments, totaling nearly R\$ 4 billion, which will certainly contribute significantly to improvement of the quality of supply of electricity and reduction of technical and commercial losses.*

*We cannot forget that we continue to invest in the Light for Everyone (Luz para Todos) Program, in which more than R\$ 462 million was invested in 2011, with 44,000 new consumers connected to electricity in the year. Since the beginning of the program we have now connected more than 285,000 new consumers – bringing benefits to approximately 1.5 million people.*

*Our quality indicators have shown a change from 2010. The duration of outages was higher than in 2010, but it should be taken into account that a part of this increase is due to the interruptions necessary for our investment program. Also, there was an atypical level of rains in the last quarter of 2011, much higher than the historic average. Faced with this extraordinary situation, we can consider that our electricity system behaved well, providing a good standard of electricity supply in spite of all the difficulties.*

### *Reduction of costs*

*Due to the new regulatory parameters planned for the future tariff cycles, the quest for operational efficiency is of vital importance to ensure the sustainability of our operations. To this end, we have been making continuous improvements and changes to the Company's processes, capable of increasing its operational efficiency.*

*We are conscious of the importance and responsibility of our actions for the development of Minas Gerais State, and also for the quality of life in the State – we have more than 7 million consumers, and we deliver electricity to them in practically all of the State's vast area.*

### *Sustainability*

*In 2011 our holding company, **Cemig** (Companhia Energética de Minas Gerais), published a document listing our Group's "10 Initiatives for the Climate". The actions of our company – Cemig D, holder of the electricity distribution concessions for the State of Minas Gerais – have an important role to play in complying with these initiatives. The document is evidence of the Group's preparedness for and commitment to a low-carbon economy, and aims to align our business activity with an understanding of the risks and opportunities for the climate, informing the public and investors of the lines of action that the Company engages in.*

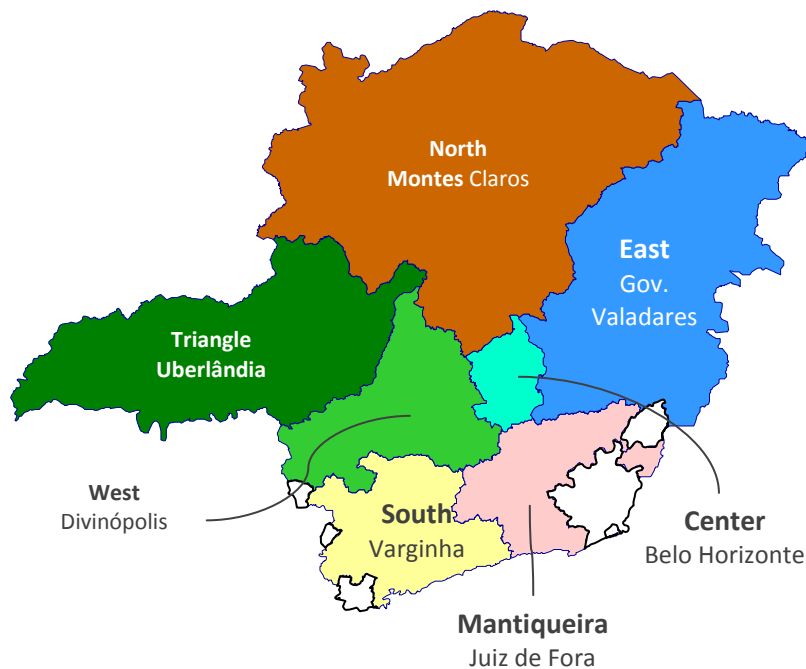
*It is also important to point out that Cemig D's results are only possible due to the technical quality and commitment of our employees: more than 6,000 people directly employed – without taking into account the substantial quantities of jobs that are created indirectly by our activities.*

*It is the capacity of our staff of employees, allied to the quality of our assets, that gives us confidence in the future, and in our capacity to continue to provide "Brazil's best energy".*

**Cemig D** is the largest electricity distribution company in Latin America, with 467,679 km of distribution networks (104,482 km in urban areas and 363,197 km of rural networks), and also 17,367 km of high- and medium-voltage sub transmission lines. It serves 7.3 million consumers.

*Cemig D* has one of the largest numbers of consumers benefiting from the Social Tariff – the special tariff for low-income consumers – in Brazil. Of the total of residential consumers invoiced in 2011, 13.3% were classified as low-income, a total of 769,000 consumers.

### Area of operation



The full Report of Management can be accessed and printed at the following link:

<http://www.pavarini.com.br/CEMIGDRA2011.pdf>

## Financial Statements

(Source: CVM-DFP 31/12/11)

Holding Company	CEMIG DISTRIBUIÇÃO S.A.	R\$ '000				
	ASSETS		31/12/2011	%	31/12/2010	%
1	Total Assets		10,734,530	100.00%	9,599,562	100.00%
1.01	Current assets		2,933,139	27.32%	3,117,861	32.48%
1.01.01	Cash and cash equivalents		527,296	4.91%	503,409	5.24%
1.01.02	Cash investments		0	0.00%	0	0.00%
1.01.02.01	Cash Investments Valued at Fair Value		0	0.00%	0	0.00%
1.01.02.01.01	Securities held for trading		0	0.00%	0	0.00%
1.01.02.01.02	Securities available for sale		0	0.00%	0	0.00%
1.01.02.02	Cash investments valued at Amortized Cost		0	0.00%	0	0.00%
1.01.02.02.01	Securities held to maturity		0	0.00%	0	0.00%
1.01.03	Accounts receivable		1,849,340	17.23%	1,770,557	18.44%
1.01.03.01	Clients		1,849,340	17.23%	1,770,557	18.44%
1.01.03.01.01	Consumers and traders		1,602,291	14.93%	1,496,609	15.59%
1.01.03.01.02	Concession holders – Transport of electricity		247,049	2.30%	273,948	2.85%
1.01.03.02	Other accounts receivable		0	0.00%	0	0.00%
1.01.04	Inventories		26,671	0.25%	21,318	0.22%
1.01.05	Biological assets		0	0.00%	0	0.00%
1.01.06	Taxes recoverable		200,557	1.87%	474,161	4.94%
1.01.06.01	Current taxes recoverable		200,557	1.87%	474,161	4.94%
1.01.07	Expenses brought forward		0	0.00%	0	0.00%
1.01.08	Other current assets		329,275	3.07%	348,416	3.63%
1.01.08.01	Non-current assets for sale		0	0.00%	0	0.00%
1.01.08.02	Assets of discontinued operations		0	0.00%	0	0.00%
1.01.08.03	Other		329,275	3.07%	348,416	3.63%
1.01.08.03.01	Linked Funds		3,279	0.03%	14,048	0.15%
1.01.08.03.02	Contribution for Public Illumination		62,889	0.59%	52,258	0.54%
1.01.08.03.03	Other		263,107	2.45%	282,110	2.94%
1.02	Non-current assets		7,801,391	72.68%	6,481,701	67.52%
1.02.01	Long term assets		5,097,704	47.49%	3,829,487	39.89%
1.02.01.01	Cash Investments Valued at Fair Value		0	0.00%	0	0.00%
1.02.01.01.01	Securities held for trading		0	0.00%	0	0.00%
1.02.01.01.02	Securities available for sale		0	0.00%	0	0.00%
1.02.01.02	Cash investments valued at Amortized Cost		0	0.00%	0	0.00%
1.02.01.02.01	Securities held to maturity		0	0.00%	0	0.00%
1.02.01.03	Accounts receivable		73,753	0.69%	18,491	0.19%
1.02.01.03.01	Clients		73,753	0.69%	18,491	0.19%
1.02.01.03.02	Other accounts receivable		0	0.00%	0	0.00%
1.02.01.04	Inventories		0	0.00%	0	0.00%
1.02.01.05	Biological assets		0	0.00%	0	0.00%
1.02.01.06	Deferred taxes		755,838	7.04%	637,168	6.64%
1.02.01.06.01	Deferred income tax and Social Contribution tax		755,838	7.04%	637,168	6.64%
1.02.01.07	Expenses brought forward		0	0.00%	0	0.00%
1.02.01.08	Owed by related parties		0	0.00%	0	0.00%
1.02.01.08.01	Owed by subsidiaries		0	0.00%	0	0.00%
1.02.01.08.02	Credits from subsidiaries		0	0.00%	0	0.00%
1.02.01.08.03	Credits from Controlling Stockholders		0	0.00%	0	0.00%
1.02.01.08.04	Credits from other related parties		0	0.00%	0	0.00%
1.02.01.09	Other non-current assets		4,268,113	39.76%	3,173,828	33.06%
1.02.01.09.01	Non-current assets for sale		0	0.00%	0	0.00%
1.02.01.09.02	Assets of discontinued operations		0	0.00%	0	0.00%
1.02.01.09.03	Taxes on revenue, etc., recoverable		247,350	2.30%	98,718	1.03%
1.02.01.09.04	Escrow deposits in legal actions		832,466	7.76%	641,897	6.69%
1.02.01.09.05	Financial Assets of the Concession		3,118,126	29.05%	2,387,093	24.87%
1.02.01.09.06	Other credits		70,171	0.65%	46,120	0.48%
1.02.02	Investments		0	0.00%	0	0.00%
1.02.02.01	Stockholdings		0	0.00%	0	0.00%
1.02.02.01.01	Holdings in affiliated companies		0	0.00%	0	0.00%
1.02.02.01.02	Holdings in subsidiaries		0	0.00%	0	0.00%
1.02.02.01.03	Holdings in jointly-controlled subsidiaries		0	0.00%	0	0.00%
1.02.02.01.04	Other stockholdings		0	0.00%	0	0.00%
1.02.02.02	Properties for investment		0	0.00%	0	0.00%



	CEMIG DISTRIBUIÇÃO S.A.	R\$ '000			
1.02.03	Property, plant and equipment	0	0.00%	0	0.00%
1.02.03.01	Fixed assets in operation	0	0.00%	0	0.00%
1.02.03.02	Fixed assets leased	0	0.00%	0	0.00%
1.02.03.03	Fixed assets in progress	0	0.00%	0	0.00%
1.02.04	Intangible assets	2,703,687	25.19%	2,652,214	27.63%
1.02.04.01	Intangible assets	2,703,687	25.19%	2,652,214	27.63%
1.02.04.01.01	Concession contract	2,703,687	25.19%	2,652,214	27.63%
1.02.05	Deferred	0	0.00%	0	0.00%
<b>Holding company</b>	<b>LIABILITIES</b>	<b>31/12/2011</b>	<b>%</b>	<b>31/12/2010</b>	<b>%</b>
2	Total liabilities	10,734,530	100.00%	9,599,562	100.00%
2.01	Current liabilities	2,604,761	24.27%	2,404,528	25.05%
2.01.01	Labor and associated obligations	168,454	1.57%	156,978	1.64%
2.01.01.01	Payroll-related employment-law obligations	0	0.00%	0	0.00%
2.01.01.02	Employment-law obligations	168,454	1.57%	156,978	1.64%
2.01.02	Suppliers	753,131	7.02%	770,139	8.02%
2.01.02.01	Brazilian suppliers	753,131	7.02%	770,139	8.02%
2.01.02.02	Non-Brazilian suppliers	0	0.00%	0	0.00%
2.01.03	Tax obligations	340,956	3.18%	263,385	2.74%
2.01.03.01	Federal tax obligations	76,239	0.71%	40,656	0.42%
2.01.03.01.01	Income tax and Social Contribution tax payable	0	0.00%	0	0.00%
2.01.03.01.02	Cofins tax	37,668	0.35%	16,602	0.17%
2.01.03.01.03	Pasep tax	8,178	0.08%	3,599	0.04%
2.01.03.01.04	Social security system	16,392	0.15%	16,177	0.17%
2.01.03.01.05	Other	14,001	0.13%	4,278	0.04%
2.01.03.02	State tax obligations	259,613	2.42%	217,203	2.26%
2.01.03.02.01	ICMS tax	259,613	2.42%	217,203	2.26%
2.01.03.03	Municipal tax obligations	5,104	0.05%	5,526	0.06%
2.01.03.03.01	ISS tax on services	5,104	0.05%	5,526	0.06%
2.01.04	Loans and financings	626,000	5.83%	410,743	4.28%
2.01.04.01	Loans and financings	603,235	5.62%	388,825	4.05%
2.01.04.01.01	In Brazilian currency	570,608	5.32%	357,616	3.73%
2.01.04.01.02	In foreign currency	32,627	0.30%	31,209	0.33%
2.01.04.02	Debentures	22,765	0.21%	21,918	0.23%
2.01.04.03	Financing by Financial leasing	0	0.00%	0	0.00%
2.01.05	Other obligations	716,220	6.67%	803,283	8.37%
2.01.05.01	Liabilities owed to related parties	0	0.00%	0	0.00%
2.01.05.01.01	Debits owed to affiliated companies	0	0.00%	0	0.00%
2.01.05.01.02	Liabilities owed to subsidiaries	0	0.00%	0	0.00%
2.01.05.01.03	Liabilities owed to Controlling Stockowners	0	0.00%	0	0.00%
2.01.05.01.04	Liabilities owed to other related parties	0	0.00%	0	0.00%
2.01.05.02	Other	716,220	6.67%	803,283	8.37%
2.01.05.02.01	Dividends and Interest on Equity payable	109,215	1.02%	50,842	0.53%
2.01.05.02.02	Minimum obligatory dividend payable	0	0.00%	0	0.00%
2.01.05.02.03	Share-based payment obligations	0	0.00%	0	0.00%
2.01.05.02.04	Regulatory charges	210,312	1.96%	304,124	3.17%
2.01.05.02.05	Profit shares	59,437	0.55%	81,641	0.85%
2.01.05.02.06	Post-retirement obligations	53,687	0.50%	53,579	0.56%
2.01.05.02.07	Provisions for losses on financial instruments	25,764	0.24%	69,271	0.72%
2.01.05.02.08	Contribution for Public Illumination	114,586	1.07%	93,866	0.98%
2.01.05.02.09	Others	143,219	1.33%	149,960	1.56%
2.01.06	Provisions	0	0.00%	0	0.00%
2.01.06.01	Tax, social-security, employment-law and third party liability provisions	0	0.00%	0	0.00%
2.01.06.01.01	Tax provisions	0	0.00%	0	0.00%
2.01.06.01.02	Social-security and Employment-law provisions	0	0.00%	0	0.00%
2.01.06.01.03	Provisions for benefits to employees	0	0.00%	0	0.00%
2.01.06.01.04	Civil liability provisions	0	0.00%	0	0.00%
2.01.06.02	Other provisions	0	0.00%	0	0.00%
2.01.06.02.01	Provision for guarantees	0	0.00%	0	0.00%
2.01.06.02.02	Provision for restructuring	0	0.00%	0	0.00%
2.01.06.02.03	Provisions for environmental and de-activation liabilities	0	0.00%	0	0.00%
2.01.07	Liabilities on non-current assets for sale and discontinued assets	0	0.00%	0	0.00%
2.01.07.01	Liabilities on non-current assets for sale	0	0.00%	0	0.00%
2.01.07.02	Liabilities on assets of discontinued operations	0	0.00%	0	0.00%
2.02	Non-current liabilities	5,473,306	50.99%	4,818,135	50.19%
2.02.01	Loans and financings	2,885,222	26.88%	2,636,252	27.46%

	CEMIG DISTRIBUIÇÃO S.A.	R\$ '000			
2.02.01.01	Loans and financings	2,032,642	18.94%	1,831,199	19.08%
2.02.01.01.01	In Brazilian currency	1,975,427	18.40%	1,739,959	18.13%
2.02.01.01.02	In foreign currency	57,215	0.53%	91,240	0.95%
2.02.01.02	Debentures	852,580	7.94%	805,053	8.39%
2.02.01.03	Financing by Financial leasing	0	0.00%	0	0.00%
2.02.02	Other obligations	2,207,823	20.57%	1,954,011	20.36%
2.02.02.01	Liabilities owed to related parties	0	0.00%	0	0.00%
2.02.02.01.01	Liabilities owed to affiliated companies	0	0.00%	0	0.00%
2.02.02.01.02	Liabilities owed to subsidiaries	0	0.00%	0	0.00%
2.02.02.01.03	Liabilities owed to Controlling Stockowners	0	0.00%	0	0.00%
2.02.02.01.04	Liabilities owed to other related parties	0	0.00%	0	0.00%
2.02.02.02	Other	2,207,823	20.57%	1,954,011	20.36%
2.02.02.02.01	Share-based payment obligations	0	0.00%	0	0.00%
2.02.02.02.02	Advance against future capital increase	0	0.00%	0	0.00%
2.02.02.02.03	Regulatory charges	187,753	1.75%	109,066	1.14%
2.02.02.02.04	Cofins tax	543,360	5.06%	417,772	4.35%
2.02.02.02.05	Pasep tax	117,966	1.10%	90,701	0.94%
2.02.02.02.06	Post-retirement obligations	1,339,105	12.47%	1,316,001	13.71%
2.02.02.02.07	Others	19,639	0.18%	20,471	0.21%
2.02.03	Deferred taxes	276,577	2.58%	196,123	2.04%
2.02.03.01	Deferred income tax and Social Contribution tax	276,577	2.58%	196,123	2.04%
2.02.03.01.01	Income tax	203,366	1.89%	144,208	1.50%
2.02.03.01.02	Social Contribution tax	73,211	0.68%	51,915	0.54%
2.02.04	Provisions	103,684	0.97%	31,749	0.33%
2.02.04.01	Tax, social-security, employment-law and civil liability provisions	84,349	0.79%	31,518	0.33%
2.02.04.01.01	Tax provisions	3,109	0.03%	956	0.01%
2.02.04.01.02	Social-security and Employment-law provisions	18,086	0.17%	11,995	0.12%
2.02.04.01.03	Provisions for benefits to employees	0	0.00%	0	0.00%
2.02.04.01.04	Civil liability provisions	63,154	0.59%	18,567	0.19%
2.02.04.02	Other provisions	19,335	0.18%	231	0.00%
2.02.04.02.01	Provision for guarantees	0	0.00%	0	0.00%
2.02.04.02.02	Provision for restructuring	0	0.00%	0	0.00%
2.02.04.02.03	Provisions for environmental and de-activation liabilities	276	0.00%	231	0.00%
2.02.04.02.04	Provisions for Aneel administrative proceedings	19,059	0.18%	0	0.00%
2.02.05	Liabilities on non-current assets for sale and discontinued assets	0	0.00%	0	0.00%
2.02.05.01	Liabilities on non-current assets for sale	0	0.00%	0	0.00%
2.02.05.02	Liabilities on assets of discontinued operations	0	0.00%	0	0.00%
2.02.06	Profits and revenues to be appropriated	0	0.00%	0	0.00%
2.02.06.01	Profits to be appropriated	0	0.00%	0	0.00%
2.02.06.02	Revenues to be appropriated	0	0.00%	0	0.00%
2.02.06.03	Investment subsidies to be appropriated	0	0.00%	0	0.00%
2.03	Stockholders' equity	2,656,463	24.75%	2,376,899	24.76%
2.03.01	Paid-up Registered Share Capital	2,261,998	21.07%	2,261,998	23.56%
2.03.02	Capital reserves	0	0.00%	0	0.00%
2.03.02.01	Goodwill on issuance of shares	0	0.00%	0	0.00%
2.03.02.02	Special reserve of goodwill on Absorption	0	0.00%	0	0.00%
2.03.02.03	Disposal of warrants	0	0.00%	0	0.00%
2.03.02.04	Options granted	0	0.00%	0	0.00%
2.03.02.05	Treasury Shares	0	0.00%	0	0.00%
2.03.02.06	Advance against future capital increase	0	0.00%	0	0.00%
2.03.03	Revaluation reserves	0	0.00%	0	0.00%
2.03.04	Profit reserves	394,465	3.67%	114,901	1.20%
2.03.04.01	The Legal Reserve	150,900	1.41%	114,901	1.20%
2.03.04.02	Reserve under the by-laws	0	0.00%	0	0.00%
2.03.04.03	Reserve for contingencies	0	0.00%	0	0.00%
2.03.04.04	Future Earnings Reserve	0	0.00%	0	0.00%
2.03.04.05	Retained Earnings reserve	0	0.00%	0	0.00%
2.03.04.06	Special reserve for dividends not yet distributed	0	0.00%	0	0.00%
2.03.04.07	Tax Incentives reserve	0	0.00%	0	0.00%
2.03.04.08	Additional dividend proposed	243,565	2.27%	0	0.00%
2.03.04.09	Treasury Shares	0	0.00%	0	0.00%
2.03.05	Retained earnings (loss)	0	0.00%	0	0.00%
2.03.06	Adjustments to Stockholders' equity	0	0.00%	0	0.00%
2.03.07	Accumulated Conversion Adjustments	0	0.00%	0	0.00%
2.03.08	Other components of comprehensive income	0	0.00%	0	0.00%

CEMIG DISTRIBUIÇÃO S.A. R\$ '000					
Holding company	PROFIT AND LOSS ACCOUNT	31/12/2011	%	31/12/2010	%
3.01	Net revenue from sales and/or services	8,510,128	100.00%	7,713,003	100.00%
3.02	Cost of goods and /or services sold	-6,528,735	-76.72%	-6,123,603	-79.39%
3.02.01	Electricity bought for resale	-2,936,029	-34.50%	-2,925,045	-37.92%
3.02.02	Charges for the use of the basic transmission grid	-671,651	-7.89%	-615,584	-7.98%
3.02.03	Personnel and managers	-644,169	-7.57%	-645,716	-8.37%
3.02.04	Material	-46,344	-0.54%	-93,046	-1.21%
3.02.05	Outsourced services	-524,207	-6.16%	-563,017	-7.30%
3.02.06	Amortization	-346,458	-4.07%	-350,464	-4.54%
3.02.07	Operational provisions	-65,170	-0.77%	-30,106	-0.39%
3.02.08	Employees' and managers' profit shares	0	0.00%	0	0.00%
3.02.09	Construction costs	-1,175,319	-13.81%	-785,881	-10.19%
3.02.10	Others	-119,388	-1.40%	-114,744	-1.49%
3.03	Gross profit	1,981,393	23.28%	1,589,400	20.61%
3.04	Operational revenue (expenses)	-751,807	-8.83%	-789,943	-10.24%
3.04.01	Selling expenses	-85,872	-1.01%	-225,157	-2.92%
3.04.02	General and administrative expenses	-398,385	-4.68%	-251,696	-3.26%
3.04.03	Losses on non-recoverability of assets	0	0.00%	0	0.00%
3.04.04	Other operational revenues	0	0.00%	0	0.00%
3.04.05	Other operational expenses	-267,550	-3.14%	-313,090	-4.06%
3.04.06	Equity gain (loss) on subsidiaries	0	0.00%	0	0.00%
3.05	Profit (loss) before Financial revenue (expenses) and taxes	1,229,586	14.45%	799,457	10.37%
3.06	Financial revenue (expenses)	-216,113	-2.54%	-224,295	-2.91%
3.06.01	Financial revenues	310,349	3.65%	293,213	3.80%
3.06.02	Financial expenses	-526,462	-6.19%	-517,508	-6.71%
3.07	Profit (loss) before taxes on profit	1,013,473	11.91%	575,162	7.46%
3.08	Income tax and Social Contribution tax	-293,502	-3.45%	-134,160	-1.74%
3.08.01	Current	-354,647	-4.17%	-188,518	-2.44%
3.08.02	Deferred	61,145	0.72%	54,358	0.70%
3.09	Net profit (loss) from Continued Operations	719,971	8.46%	441,002	5.72%
3.1	Net profit (loss) from Discontinued Operations	0	0.00%	0	0.00%
3.10.01	Net profit (loss) from Discontinued Operations	0	0.00%	0	0.00%
3.10.02	Net gains (losses) on assets of discontinued operations	0	0.00%	0	0.00%
3.11	Net profit (loss) for the period	719,971	8.46%	441,002	5.72%
3.99	Profit per share (R\$ per share)	0	0.00%	0	0.00%
3.99.01	Basic profit per share	0	0.00%	0	0.00%
3.99.01.01	Common (ON) shares	0.31829	0.00%	0.19496	0.00%
3.99.02	Diluted profit per share	0	0.00%	0	0.00%
3.99.02.01	Common (ON) shares	0.31829	0.00%	0.19496	0.00%
Holding company	CASH FLOW	31/12/2011	%	31/12/2010	%
6.01	Net cash from operational activities	1,269,473		1,025,186	
6.01.01	Cash generated by operations	1,403,545		975,653	
6.01.01.01	Net profit for the year	719,971		441,002	
6.01.01.02	Amortization	383,714		377,534	
6.01.01.03	Interest and Monetary updating	44,548		49,166	
6.01.01.04	Deferred income tax and Social Contribution tax	-61,145		-54,358	
6.01.01.05	Provisions for operational losses	157,807		5,462	
6.01.01.06	Provision for losses on financial instruments	-14,702		5,216	
6.01.01.07	Post-retirement obligations	164,253		151,631	
6.01.01.08	Other	9,099		0	
6.01.02	Changes in assets and liabilities	-134,072		49,533	
6.01.02.01	Consumers and traders	-234,885		-39,983	
6.01.02.02	Taxes on revenue, etc., recoverable	-38,688		54,894	
6.01.02.03	Transport of electricity	14,968		16,361	
6.01.02.04	Payments into court	-190,569		-223,088	
6.01.02.06	Deferred income tax and Social Contribution tax	106,136		-15,946	
6.01.02.08	Suppliers	-17,008		161,236	
6.01.02.09	Taxes and Social Contribution tax	310,878		271,374	
6.01.02.10	Salaries and mandatory charges on payroll	11,476		-89,694	
6.01.02.11	Consumer charges payable	-15,125		34,123	
6.01.02.12	Loans and financings	102,944		34,796	
6.01.02.13	Post-retirement obligations	-141,041		-144,930	
6.01.02.14	Losses on financial instruments	-28,805		-14,250	
6.01.02.15	Other	-14,353		4,640	
6.01.03	Other	0		0	

	<b>CEMIG DISTRIBUIÇÃO S.A.</b>	<b>R\$ '000</b>			
6.02	Net cash from (used in) investment activities	-1,180,287		-804,420	
6.02.01	On investments	0		0	
6.02.02	On Intangible assets	-442,342		-447,620	
6.02.03	Indemnifiable assets – Concession	-732,977		-356,800	
6.02.04	In securities	-4,968		0	
6.03	Net cash from (used in) financial activities	-65,299		36,442	
6.03.01	Financings obtained	625,725		665,591	
6.03.02	Payments of loans and financings	-308,990		-318,977	
6.03.03	Interest on Equity, and dividends	-382,034		-310,172	
6.04	FX variation on cash and cash equivalents	0		0	
6.05	Increase (reduction) in cash and cash equivalents	23,887		257,208	
<b>Holding company</b>	<b>FINANCIAL AND ECONOMIC INDICATORS</b>	<b>31/12/2011</b>		<b>31/12/2010</b>	
	Acid test liquidity ratio	99.42%		96.19%	
	Current ratio	112.61%		129.67%	
	Total debt	304.09%		303.87%	
	Total bank debt	132.18%		128.19%	
	Gross margin	23.28%		20.61%	
	Net margin	8.46%		5.72%	
	Return on equity	37.18%		22.78%	

## Opinion of the external auditors CVM-DFP 31/12/11)

*Board of Directors and Stockholders of  
 Cemig Distribuição S.A.  
 Belo Horizonte, Minas Gerais, Brazil*

*We have examined the financial statements of Cemig Distribuição S.A ("the Company") which comprise the balance sheet on December 31, 2011 and the related income statement, statement of changes in stockholders' equity and statements of cash flows for the business year ended on that date, and the summary of the principal accounting practices and other explanatory notes.*

### *Management's responsibility for the financial statements*

*The Company's Management is responsible for the preparation and adequate presentation of the financial statements in accordance with accounting practices adopted in Brazil and in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and also for the internal controls that it has decided are necessary to make possible the preparation of those financial statements free of material distortion, whether caused by fraud or error.*

### *Responsibility of the external auditors*

*Our responsibility is to express an opinion on those financial statements based on our audit, conducted in accordance with Brazilian and international auditing rules. These rules require compliance by the auditors with ethical requirements, and that the audit should be planned and executed with the objective of obtaining a reasonable degree of certainty that the financial statements are free of material distortion.*

*An audit involves execution of selected procedures to obtain evidence on amounts and disclosures presented in the financial statements. The procedures selected depend on the auditor's judgment, including evaluation of the risks of material distortion in the financial statements, whether caused by fraud or error. In this evaluation of risks, the auditor considers the internal controls that are material for the preparation and appropriate presentation of the Company's financial statements, for the purpose of planning the auditing procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the efficacy of those internal controls of the Company. An audit includes, also, evaluation of the appropriateness of the accounting practices used and of the reasonableness of the accounting estimates made by the management, and also evaluation of the presentation of the financial statements taken as a whole.*

*We believe that the auditing evidence obtained is sufficient and appropriate as grounds for our opinion.*

#### Opinion

*In our opinion, the financial statements referred to above adequately present, in all material aspects, the equity and financial position of Cemig Distribuição S.A on December 31, 2011, the performance of its operations, and its cash flows, for the business year ended on that date, in accordance with the accounting practices adopted in Brazil and in accordance with international financial reporting standards (IFRS) issued by the International Accounting Standards Board (IASB).*

#### Other matters

##### Statements of added value

*We have also examined the Added Value Statement (DVA), prepared under the responsibility of the Company's Management, for the business year ended December 31, 2011, the presentation of which is required by the Brazilian Corporate Law legislation for listed companies, and which is supplementary information under IFRS, which do not require presentation of the added value statement. These statements have been submitted to the same auditing procedures described above and, in our opinion, are adequately presented, in all material aspects, in relation to the financial statements taken as a whole.*

*Belo Horizonte, March 26, 2012.*

*KPMG Auditores Independentes  
CRC No.: SP014428/O-6-F-MG  
Marco Túlio Fernandes Ferreira  
Accountant – CRC-CRCMG058176/O-0"*

## Explanatory Notes

(Source: CVM-DFP 31/12/11)

### "1. Operational context

#### (a) A Companhia

*Cemig Distribuição S.A. ("the Company", "Cemig Distribution" or "Cemig D") is a Brazilian corporation registered with the Brazilian Securities Commission (CVM) for listing, and a wholly-owned subsidiary of Companhia Energética de Minas Gerais – Cemig ("Cemig"). It was created on September 8, 2004, as a result of the segregation ("unbundling") of Cemig's activities, and started operations on January 1, 2005. Its shares are not traded on any exchange.*

*Cemig D has a concession area of 567,478km<sup>2</sup>, approximately 97.00% of the Brazilian State of Minas Gerais, serving 7,336,322 million consumers, on December 31, 2011.*

*The Company is an entity domiciled in Brazil, with head office at Avenida Barbacena 1200, Belo Horizonte, Minas Gerais.*

#### (b) The Electricity Sector in Brazil:

*Brazil's electricity sector is regulated by the federal government through the Mining and Energy Ministry ("MME"), which has exclusive authority over the sector. The regulatory policy for the sector is implemented by the Brazilian electricity regulator, Aneel (Agência Nacional de Energia Elétrica).*

*Retail supply of electricity by the Company takes place in accordance with the clauses in its long-term electricity sale concession contracts. Under these concession contracts the Company is authorized to charge its consumers a rate for retail supply of energy that consists of two components: 1) a portion relating to the costs of generation, transmission and distribution that are non-controllable ("Portion A Costs"); and (2) a portion of operational costs ("Portion B Costs"). Both portions are set as part of the original concession for given initial periods. Subsequently to the initial periods, and at regular intervals, Aneel has the authority to review the Company's costs, to determine inflation adjustments (or other similar adjustment factors), if any, applicable to the Portion B Costs (the "Scalar Adjustment") for the subsequent period. This review may result in a positive, null or negative scalar adjustment.*

*In addition to the adjustments relating to the Portion A and Portion B Costs mentioned above,*

*concessions for retail supply of electricity have an annual tariff adjustment based on a series of factors, including inflation. Additionally, the Company may now apply for tariff adjustments resulting from significant events that destroy the economic-financial equilibrium of its business. It is also permitted for other normal or recurring events (such as increases in the cost of bought energy, taxes on revenue or even local inflation) to be absorbed through specific tariff increases. When the Company requests a tariff adjustment it is necessary to prove the financial impact resulting from these events on its operations.*

**The full Explanatory Notes may be accessed and printed from this link:**

<http://www.pavarini.com.br/CEMIGDNOTEX2011.pdf>

## Further information:

The company has kept its registry for Brazilian listing with the CVM up to date, and also kept its information provided to the Fiduciary Agent up-to-date, during the period to which this report refers.

## STATEMENT

Pavarini Distribuidora de Títulos e Valores Mobiliários Ltda. hereby declares that it is fully qualified and has the full capability to continue exercising the function of Fiduciary Agent of this issue. This Fiduciary Agent is not aware of any omission or inaccuracy contained in the information disclosed by the company, nor of any default or arrears in the obligatory presentation of information by the company.

Pavarini Distribuidora de Títulos e Valores Mobiliários Ltda. exercises the function of fiduciary agent in the first issue of debentures by Light Energia S.A., a company of the same economic group as the Company, in the total amount of R\$ 170,000,000.00, represented by 17,000 unsecured debentures, with surety guarantee from Light S.A. This issue will be carried out in a single series with maturity date on April 10, 2016; the payment of the nominal value will be made in two successive annual installments each of 50%, on April 10, 2015 and on the maturity date; and payment of interest will be six-monthly.

Pavarini Distribuidora de Títulos e Valores Mobiliários Ltda. exercises the function of fiduciary agent in the seventh issue of debentures by Light Serviços de Eletricidade S.A., a company of the same economic Group as the Company, in the total amount of R\$ 650,000,000.00, represented by 65,000 unsecured debentures with surety guarantee from Light S.A. This issue will be carried out in a single series with maturity date May 2, 2016; payment of the nominal value will be made in two successive annual installments, 50% (fifty per cent) on May 2, 2015 and the rest on the maturity date; and payment of interest will be six-monthly.

Rio de Janeiro, April 27, 2012

**Pavarini Distribuidora de Títulos e Valores Mobiliários Ltda.**  
Fiduciary Agent