

ENERGY CO OF MINAS GERAIS

Form 6-K

April 07, 2011

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## **FORM 6-K**

# **SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

### **REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the month of April 2011**

**Commission File Number 1-15224**

## **Energy Company of Minas Gerais**

(Translation of Registrant's Name Into English)

**Avenida Barbacena, 1200**

**30190-131 Belo Horizonte, Minas Gerais, Brazil**

(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

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Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

If  Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

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<u>2.</u>	<u>Presentation – Cemig’s 2010 Results , Companhia Energética de Minas Gerais – CEMIG, March 29, 2011</u>
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COMPANHIA ENERGETICA DE MINAS GERAIS CEMIG

By:	/s/ Luiz Fernando Rolla	
Name:		Luiz Fernando Rolla
Title:		Chief Financial Officer, Investor Relations Officer and Control of Holdings Officer

Date: April 7, 2011

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1.	Market Announcement	Cemig takes part in studies for gas pipeline, Companhia Energética de Minas Gerais	CEMIG, March 17, 2011
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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

**LISTED COMPANY**

**CNPJ 17.155.730/0001-64**

**NIRE 31300040127**

**MARKET ANNOUNCEMENT**

**Feasibility study for São Paulo-Uberaba gas pipeline**

**Cemig** (Companhia Energética de Minas Gerais), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, as part of its commitment to best corporate governance practices, and in relation to recent reports in the media, hereby informs the public as follows:

- Today **Cemig, Petrobras** and the government of the **State of Minas Gerais** signed a Letter of Intent to study the construction of a gas pipeline linking São Paulo to Uberaba, with a view, initially, to supplying the Nitrogenated Fertilizer Plant (UFN V) to be built by **Petrobras**.
- This letter of intent, which has a period of two years, does not include participation by the company in construction of the fertilizer plant, but only the carrying out of technical and feasibility studies for taking part in the construction of the gas pipeline.

Cemig will keep its stockholders and the market opportunely and properly informed on the progress of this project.

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Belo Horizonte, March 17, 2011

Luiz Fernando Rolla

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

Av. Barbacena 1200 Santo Agostinho 30190-131 Belo Horizonte, MG Brazil Tel.: +55 31 3506-5024 Fax +55 31 3506-5025

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2. Presentation Cemig's 2010 Results, Companhia Energética de Minas Gerais CEMIG, March 29, 2011











































































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**APPENDIX**

Table of Contents**Cemig Consolidated charts from I to IX (Values in million of Reais)**

## Charts I

<b>Energy Sales (Consolidated)</b>	<b>2010</b>	<b>2009</b>	<b>Change%</b>
Residential	9.944	9.744	2
Industrial	24.826	22.638	10
Commercial	6.227	6.198	0
Rural	2.466	2.220	11
Others	3.663	3.635	1
<b>Subtotal</b>	<b>47.127</b>	<b>44.435</b>	<b>6</b>
Own Consumption	53	52	3
Supply	14.204	13.860	2
Transactions on the CCEE	4.785	2.542	88
Sales under the Proinfa program	85	20	
<b>TOTAL</b>	<b>66.255,00</b>	<b>60.909</b>	<b>9</b>

## Charts II

<b>Energy Sales</b>	<b>2010</b>	<b>2009</b>	<b>Change%</b>
Residential	4.833	4.625	4
Industrial	3.936	3.856	2
Commercial	2.718	2.740	(1)
Rural	632	572	10
Others	1.171	1.173	(0)
<b>Electricity sold to final consumers</b>	<b>13.290</b>	<b>12.966</b>	<b>2</b>
Low-Income Consumers Subsidy	133	265	(50)
Unbilled Supply, Net	(71)	2	(3.650)
Supply	1.445	1.634	(12)
Transactions on the CCEE	133	137	(3)
<b>Sales under the Proinfa program</b>	<b>24</b>	<b>4</b>	
<b>TOTAL</b>	<b>14.954</b>	<b>15.008</b>	<b>(0,4)</b>

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Charts III

**Sales per Company****Cemig Distribution**

<b>2010 Sales</b>	<b>GWh</b>
Industrial	4.757
Residencial	8.134
Rural	2.455
Commercial	4.776
Others	2.979
Sub total	23.101
Wholesale supply	1.936
<b>Total</b>	<b>25.037</b>

**Cemig GT**

<b>2010 Sales</b>	<b>GWh</b>
Free Consumers	18.700
Wholesale supply	15.339
Wholesale supply others	10.144
Wholesale supply Cemig Group	1.356
Wholesale supply bilateral contracts	3.839
Transactions in the CCEE (PLD)	2.401
<b>Total</b>	<b>36.440</b>

**Independent Generation**

<b>2010 Sales</b>	<b>GWh</b>
Horizontes	83
Ipatinga	300
Sá Carvalho	490
Barreiro	98
CEMIG PCH S.A	120
Rosal	265
Capim Branco	522
Cachoeirão	75
Vendas CCEE (PLD)	103
<b>TOTAL</b>	<b>2153</b>

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RME (25%)

2010 Sales	GWh
Industrial	384
Residencial	1.810
Commercial	1.365
Rural	11
Others	737
Wholesale supply	1.068
Transactions in the CCEE (PLD)	345
<b>Total</b>	<b>5.720</b>

Cemig Consolidated by Company

2010 Sales	GWh	Participação
Cemig Distribution	25.037	38%
Cemig GT	36.440	55%
Wholesale Cemig Group	5.720	9%
Wholesale Light Group	2.153	3%
Independent Generation	(2.784)	
RME	(311)	
<b>Total</b>	<b>66.255</b>	<b>100%</b>

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## Charts IV

<b>Operating Revenues</b>	<b>2010</b>	<b>2009</b>	<b>Change%</b>
Sales to end consumers	13.351	13.233	1
TUSD	1.658	1.332	24
Supply + Transactions in the CCEE	1.578	1.771	(11)
Revenues from Trans. Network	1.555	903	72
Gas Supply	398	307	30
Others	418	349	20
<b>Subtotal</b>	<b>18.958</b>	<b>17.895</b>	<b>6</b>
Deductions	(6.095)	(5.737)	6
<b>Net Revenues</b>	<b>12.863</b>	<b>12.158</b>	<b>6</b>

## Charts V

<b>Operating Expenses</b>	<b>2010</b>	<b>2009</b>	<b>Change%</b>
Personnel/Administrators/Councillors	1.211	1.318	(8)
Forluz Post-Retirement Employee Benefits	107	150	(29)
Materials	134	114	18
Raw material for production		4	(100)
Contracted Services	923	819	13
Purchased Energy	3.722	3.199	16
Royalties	140	154	(9)
Depreciation and Amortization	896	895	0
Operating Provisions	138	124	11
Charges for Use of Basic Transmission Network	728	853	(15)
Gas Purchased for Resale	225	166	36
Other Expenses	466	312	49
Employee Participation	325	238	37
Cost from Operation	201	120	68
<b>TOTAL</b>	<b>9.216</b>	<b>8.466</b>	<b>9</b>

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Charts VI

<b>Financial Result Breakdown</b>	<b>2010</b>	<b>2009</b>	<b>Change%</b>
<b>Financial revenues</b>	<b>849</b>	<b>833</b>	<b>2</b>
Revenue from cash investments	392	272	44
Arrears penalty payments on electricity bills	137	170	(19)
Minas Gerais state government	129	149	(13)
FX variations	51	116	(56)
Pasep and Cofins taxes on financial revenues	(39)	(40)	(1)
Gains on financial instruments	8	1	530
Adjustment to present value	17	2	708
Other	154	163	(5)
<b>Financial expenses</b>	<b>(1.674)</b>	<b>(1.188)</b>	<b>41</b>
Costs of loans and financings	(1.075)	(799)	35
FX variations	(37)	(18)	107
Monetary updating loans and financings	(144)	(9)	1.443
Monetary updating paid concessions	(42)		
Losses on financial instruments	(14)	(91)	(85)
Charges and monetary updating on Post-employment obligations	(142)	(93)	53
Amortization of goodwill premium /discount on investments	(72)	(34)	111
Other	(147)	(144)	2
<b>Financial revenue (expenses)</b>	<b>(825)</b>	<b>(354)</b>	<b>133</b>

Charts VI

<b>Statement of Results</b>	<b>2010</b>	<b>2009</b>	<b>Change%</b>
Net Revenue	12.863	12.158	6
Operating Expenses	9.216	8.466	9
<b>EBIT</b>	<b>3.647</b>	<b>3.692</b>	<b>(1)</b>
<b>EBITDA</b>	<b>4.543</b>	<b>4.588</b>	<b>(1)</b>
Financial Result	(825)	(354)	133
Provision for Income Taxes, Social Cont & Deferred Income Tax	(564)	(1.131)	(50)
Minority Shareholders		(73)	(100)
<b>Net Income</b>	<b>2.258</b>	<b>2.134</b>	<b>6</b>

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Charts VII

<b>BALANCE SHEETS (CONSOLIDATED) - ASSETS</b>	<b>2010</b>	<b>2009</b>
<b>CURRENT</b>	<b>8.086</b>	<b>8.617</b>
Cash and cash equivalents	2.980	4.425
Securities cash investments	322	
Consumers and Traders	2.263	2.278
Concession holders transport of energy	401	367
Financial assets of the concession	625	222
Taxes offsetable	374	357
Income tax and Social Contribution recoverable	490	530
Inventories	41	35
Other credits	590	403
<b>NON-CURRENT</b>	<b>25.470</b>	<b>21.677</b>
Accounts receivable from Minas Gerais state government	1.837	1.824
Credit Receivables Investment Fund		
Deferred income tax and Social Contribution tax	1.801	1.108
Taxes offsetable	140	115
Income tax and Social Contribution recoverable	83	118
Deposits linked to legal actions	1.027	693
Consumers and Traders	96	161
Other credits	114	115
Financial assets of the concession	7.316	5.508
Investments	24	26
Fixed assets	8.229	8.303
Intangible	4.804	3.705
<b>TOTAL ASSETS</b>	<b>33.556</b>	<b>30.294</b>

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Charts VIII

<b>BALANCE SHEETS</b>		
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>2010</b>	<b>2009</b>
<b>CURRENT</b>	<b>6.403</b>	<b>10.280</b>
Suppliers	1.121	852
Regulatory charges	384	324
Profit shares	116	98
Taxes, charges and contributions	404	419
Income tax and Social Contribution tax	137	127
Interest on Equity and dividends payable	1.154	954
Loans and financings	1.574	5.878
Debentures	629	781
Salaries and mandatory charges on payroll	243	353
Post-employment obligations	99	94
Provision for losses on financial instruments	69	78
Other obligations	473	320
<b>NON-CURRENT</b>	<b>15.676</b>	<b>8.849</b>
Regulatory charges	142	152
Loans and financings	6.244	4.044
Debentures	4.779	590
Taxes, charges and contributions	693	327
Income tax and Social Contribution tax	1.065	989
Provisions	371	562
Concessions payable	118	80
Post-employment obligations	2.062	1.915
Other obligations	201	190
<b>STOCKHOLDERS EQUITY</b>	<b>11.476</b>	<b>11.166</b>
Registered capital	3.412	3.102
Capital reserves	3.954	3.969
Profit reserves	2.873	3.177
Adjustments to Stockholders equity	1.209	1.343
Accumulated Conversion Adjustment	1	0
Funds allocated to increase of capital	27	27
Accumulated losses		(453)
<b>TOTAL LIABILITIES</b>	<b>33.556</b>	<b>30.294</b>



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## Charts IX

<b>Cash Flow Statement</b>	<b>2010</b>	<b>2009</b>	<b>Change%</b>
<b>Cash at beginning of period</b>	<b>4.425</b>	<b>2.284</b>	<b>94</b>
<b>Cash generated by operations</b>	<b>3.457</b>	<b>2.570</b>	<b>35</b>
Net profit	2.258	2.134	6
Depreciation and amortization	896	936	(4)
Suppliers	269	(40)	(773)
Provisions for operational losses	(78)	(168)	(54)
Other adjustments	112	(292)	(138)
<b>Financing activities</b>	<b>(377)</b>	<b>3.270</b>	<b>(112)</b>
Financings obtained and capital increase	6.227	5.223	19
Payments of loans and financings	(4.775)	(1.016)	370
Interest on Equity, and dividends	(1.829)	(937)	95
<b>Investment activity</b>	<b>(4.525)</b>	<b>(3.699)</b>	<b>22</b>
Investments	(1.880)	(1.390)	35
Fixed and Intangible assets	(2.645)	(2.309)	15
<b>Cash at end of period</b>	<b>2.980</b>	<b>4.425</b>	<b>(33)</b>

Table of Contents**Cemig GT charts from I to III (Values in million of Reais)**

## Charts I

<b>Operating Revenues</b>	<b>2010</b>	<b>2009</b>	<b>Change%</b>
Sales to end consumers	2.109	1.765	19
Supply	1.571	1.793	(12)
Revenues from Trans. Network + Transactions in the CCEE	1.209	789	53
Others	52	88	(41)
<b>Subtotal</b>	<b>4.941</b>	<b>4.435</b>	<b>11</b>
Deductions	(1.026)	(899)	14
<b>Net Revenues</b>	<b>3.915</b>	<b>3.536</b>	<b>11</b>

## Charts II

<b>Operating Expenses</b>	<b>2010</b>	<b>2009</b>	<b>Change%</b>
Personnel/Administrators/Councillors	307	309	(1)
Employee Participation	75	55	
Depreciation and Amortization	374	445	(16)
Charges for Use of Basic Transmission Network	250	275	(9)
Contracted Services	149	151	(1)
Forluz Post-Retirement Employee Benefits	24	30	(20)
Materials	24	21	14
Royalties	135	140	(4)
Operating Provisions	(9)	3	
Other Expenses	83	52	60
Purchased Energy	371	149	149
Raw material for production		4	(100)
Construction Cost	152	89	71
<b>Total</b>	<b>1.935</b>	<b>1.723</b>	<b>12</b>

## Charts III

<b>Statement of Results</b>	<b>2010</b>	<b>2009</b>	<b>Change%</b>
Net Revenue	3.915	3.536	11
Operating Expenses	1.935	1.723	12
<b>EBIT</b>	<b>1.980</b>	<b>1.813</b>	<b>9</b>
<b>EBITDA</b>	<b>2.353</b>	<b>2.258</b>	<b>4</b>
Financial Result	(513)	(277)	85
Provision for Income Taxes, Social Cont & Deferred Income Tax	(383)	(433)	(12)
<b>Net Income</b>	<b>1.084</b>	<b>1.103</b>	<b>(2)</b>



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**Cemig D charts from I to IV (Values in million of Reais)**

Charts I

Quarter	Captive Consumers	CEMIG D Market (GWh)		
		TUSD ENERGY1	T.E.D2	GW TUSD PICK3
1Q09	5.448	3.269	8.717	21
2Q09	5.478	3.593	9.071	21
3Q09	5.666	3.915	9.581	22
4Q09	5.740	4.304	10.043	22
1Q10	5.613	4.385	9.998	23
2Q10	5.710	4.914	10.625	24
3Q10	5.841	5.047	10.888	25
4Q10	5.938	4.927	10.865	25

Charts II

Operating Revenues	2010	2009	Change%
Sales to end consumers	9.344	9.223	1
TUSD	1.640	1.196	37
Subtotal	10.984	10.419	5
Others	91	85	7
<b>Subtotal</b>	<b>11.075</b>	<b>10.504</b>	<b>5</b>
Deductions	(4.148)	(3.810)	9
<b>Net Revenues</b>	<b>6.927</b>	<b>6.694</b>	<b>3</b>

Charts III

Operating Expenses	2010	2009	Change%
Purchased Energy	2.925	2.483	18
Personnel/Administrators/Councillors	759	880	(14)
Depreciation and Amortization	378	357	6
Charges for Use of Basic Transmission Network	616	553	11
Contracted Services	642	523	23
Forluz Post-Retirement Employee Benefits	78	92	(15)
Materials	99	82	21
Operating Provisions	209	66	217
Other Expenses	186	217	(14)
Employee Participation	236	162	46
<b>Total</b>	<b>6.128</b>	<b>5.415</b>	<b>13</b>

Charts IV

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Statement of Results	2010	2009	Change%
Net Revenue	6.927	6.694	3
Operating Expenses	6.128	5.415	13
<b>EBIT</b>	<b>799</b>	<b>1.279</b>	<b>(38)</b>
<b>EBITDA</b>	<b>1.177</b>	<b>1.637</b>	<b>(28)</b>
Financial Result	(224)	(87)	157
Provision for Income Taxes, Social Cont & Deferred Income Tax	(135)	(416)	(68)
<b>Net Income</b>	<b>440</b>	<b>776</b>	<b>(43)</b>

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3. Notice to Shareholders, Companhia Energética de Minas Gerais CEMIG, March 29, 2011

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS - CEMIG**

**BRAZILIAN LISTED COMPANY**

**CNPJ 17.155.730/0001-64**

**NOTICE TO SHAREHOLDERS**

We advise our shareholders that the documents referred to in article 133 of Law # 6,404 of December 15, 1976, relating to the year 2010, are available for consultation at the head offices of this Corporation located at Av. Barbacena, 1,200, Belo Horizonte.

Belo Horizonte, March 29, 2011

**Luiz Fernando Rolla**

**Chief Officer for Finance, Investor Relations and Financial Control of Holdings**

Av.Barbacena, 1200 Santo Agostinho CEP 30190-131

Belo Horizonte - MG - Brasil - Tel.: (31)3506-5024 Fax (31)3506-5025

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4. Extraordinary General Meeting of Stockholders CEMIG, March 24, 2011



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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY

CNPJ 17.155.730/0001-64 NIRE 31300040127

**EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS**

**HELD ON**

**MARCH 24, 2011**

**MINUTES**

At 10.30 a.m. on March 24, 2011, stockholders representing more than two-thirds of the voting stock of **Companhia Energética de Minas Gerais Cemig** met in **Extraordinary General Meeting** at its head office, on first convocation, at the Company's head office, Av. Barbacena 1200, 21st Floor, Belo Horizonte, Minas Gerais, Brazil, as verified in the Stockholders Attendance Book, where all placed their signatures and made the required statements.

The stockholder **The State of Minas Gerais** was represented by Dr. Roney Luiz Torres Alves da Silva, Acting General Attorney of the State of Minas Gerais, in accordance with the legislation currently in force.

Initially, Ms. Anamaria Pugedo Frade Barros, General Manager of Cemig's Corporate Executive Office, stated that there was a quorum for an Extraordinary General Meeting of Stockholders. She further stated that the stockholders present should a stockholder to Chair this Meeting, in accordance with Clause 10 of the Company's Bylaws.

Asking for the floor, the representative of the stockholder **The State of Minas Gerais** put forward the name of the stockholder **Maria Celeste Morais Guimarães** to chair the Meeting.

The proposal of the representative of the stockholder The State of Minas Gerais was put to debate, and to the vote, and unanimously approved.

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The Chair then declared the Meeting open, noting the presence of Mr. Vicente de Paulo Barros Pegoraro, a member of the Company's Audit Board, 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 February 19, 22 and 23 of this year, *O Tempo*, on February 19, 20 and 21, and *Valor Econômico* on February 21, 22 and 23 of this year, the content of which is as follows:

Av. Barbacena 1200 Santo Agostinho 30190-131 Belo Horizonte, MG Brazil Tel.: +55 31 3506-5024 Fax +55 31 3506-5025

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY

CNPJ 17.155.730/0001-64 NIRE 31300040127

**EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS**

**CONVOCATION**

Stockholders are hereby called to an Extraordinary General Meeting of Stockholders to be held on March 24, 2011 at 10.30 a.m. at the company's head office, Av. Barbacena 1200, 21st floor, in the city of Belo Horizonte, Minas Gerais, Brazil, to decide on the following matters:

- 1) **Authorization** of the grant, by the Company, to Fundo de Investimento em Participações Redentor **FIP Redentor**, of an option to sell to **Cemig**, at the end of the 60th month from the date of subscription of the shares of **Parati S.A. Participações em Ativos de Energia Elétrica (Parati S.A.)**, the totality of the shares owned by **FIP Redentor** in **Parati S.A.**, with **Cemig** having the obligation to buy such shares, or to appoint a third party that shall buy them.
  
- 2) **Appointment** of **Banco Bradesco BBI S.A.** to prepare the Valuation Opinion valuing **Parati S.A. Participações em Ativos de Energia Elétrica**, in accordance with Paragraphs 1 and 6 of Article 8 of Law 6404/1976.
  
- 3) **Approval** of the Economic-Financial Valuation Opinion on **Parati S.A. Participações em Ativos de Energia Elétrica**, prepared by Bradesco BBI S.A. in January 2011, in accordance with the terms of Paragraphs 1 and 6 of Article 8 of Law 6404/1976.

Any stockholder who wishes to be represented by proxy at the said General Meeting of Stockholders should obey the terms of Article 126 of Law 6406/1976, as amended, and the sole paragraph of Clause 9 of the Company's Bylaws, depositing, preferably by August 22, 2011, proofs of ownership of the shares, issued by a depositary financial institution, and a power of attorney with specific powers, at Cemig's Corporate Executive Secretariat Office at Av. Barbacena, 19th floor, B1 Wing, Belo Horizonte, Minas Gerais, or showing them at the time of the meeting.

Belo Horizonte, February 17, 2011,

Dorothea Fonseca Furquim Werneck

Chairman of the Board of Directors

Continuing the proceedings, the Chairman requested the Secretary to read the Proposal by the Board of Directors, and the Opinion of the Audit Board on it, the contents of which documents are as follows:

**PROPOSAL**  
**BY THE**  
**BOARD OF DIRECTORS**  
**TO THE**  
**EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS**  
**TO BE HELD ON MARCH 24, 2011.**

Dear Stockholders:

We, the Board of Directors of Companhia Energética de Minas Gerais - Cemig,

• **WHEREAS:**

1) under the **Share Purchase Agreement** signed on December 30, 2009 between **Cemig** and Fundo de Investimento em Participações PCP ( **FIP PCP** ), in which Equatorial Energia S.A. ( **Equatorial** ) is consenting party, it is agreed that **Cemig** or a company in which Cemig holds a minimum equity interest of 20% will acquire 55.41% of the voting and total stock held by **FIP PCP** in Redentor Energia S.A. ( **Redentor** ), a company listed on the *Novo Mercado* of the BM&FBovespa, which holds 100% of **Rio Minas Energia** Participações S.A. ( **RME** ), which in turn holds 13.03% of the shares of **Light S.A.** ( **Light** ), signing of this contract having been authorized by the Board of Directors through CRCA 080/2009, of December 30, 2009;

2) the minority stockholders of **Redentor** (44.59% of the registered capital) will have the right to sell their shares to the purchaser for the same amount paid for the shares that are in the controlling stockholding block, through a Public Offering for Acquisition of Shares in a Sale of Control ( the **Public Offering** ), in the terms of Article 254-A of Law 6404/1976;

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- 3) in view of the financial obligations involved in the acquisitions, the analyses made by **Cemig** have indicated that, as the best alternative, the acquisitions should be made in partnership with a financial partner which would acquire part of the shares and receive, in consideration, an option to sell those shares to **Cemig**, with a minimum guaranteed remuneration and this financial partner would be an Equity Investment Fund (FIP), the unit holders of which would be financial institutions interested in participating in projects of low performance risk, that are already being operated by a company with proven operational excellence, and in earning an attractive return;
- 4) the alternative of acquisition of assets in partnership with an FIP was recently used by Cemig in the acquisition of **Terna Participações S.A.**, which showed itself to be an attractive investment opportunity for the market and, for Cemig, an efficient instrument of partnership with the private sector;
- 5) on February 25, 2010, through CRCA 004/2010, the Board of Directors of Cemig decided to authorize the partnership of **Cemig** with BTG Alpha Participações Ltda. ( **BTG Alpha** ), and, subsequently, with its successor, Fundo de Investimento em Participações Redentor ( **FIP Redentor** ), for acquisition of the equity interest owned by **FIP PCP** in **Light**, through the company named **Parati S.A. Participações em Ativos de Energia Elétrica** ( **Parati** );
- 6) on March 24, 2010, Cemig signed a Share Purchase Agreement with **Enlighted Partners** Venture Capital ( **Enlighted** ), a limited liability company established in Delaware, USA, granting an Option to Sell 100% of the rights of participation in **Luce Investment Fund**, which holds 75% of the units of Luce Brasil Fundo de Investimento em Participações ( **FIP Luce** ), which, in turn, is the indirect owner of 13.03% (thirteen point zero three per cent) of the registered capital of **Light S.A.** and this Option to Sell could be exercised between October 1 and 6, 2010, and signature of this contract was authorized by the Board of Directors through CRCA 007/2010, of March 19, 2010;
- 7) the remaining 25% of the equity in **FIP Luce** is held by Fundação de Seguridade Social Braslight ( **Braslight** ), and, with **Enlighted** exercising the Sell Option, **Braslight** will have the right to exercise joint sale of the totality of its holding, as specified in an existing Unit Holders Agreement governing **FIP Luce**;
- 8) on October 6, 2010, **Enlighted** exercised the said Sell Option and, consequently, **Braslight** also stated its desire to exercise its right of joint sale, so that **Cemig** or a third party indicated by it will have to acquire 100% of the units of **FIP Luce**, which will represent the acquisition of a further 13.03% of the registered and voting capital of **Light**;
- 9) **Cemig** intends to assign all the rights and obligations specified in the contracts referred to above to **Parati**, the purpose of this being to enable continuation of its policy of expansion through other acquisitions, maintaining its indebtedness capacity, and also allowing maintenance of the debts contracted by **Light**, since that company would not become a company subject to state control and, in addition, neither would it be subject to the rules governing containment of credit to the public sector;
- 10) the objects of **Parati** will be to acquire the shares that represent up to 26.06% of equity participation in the voting and total capital of **Light**, held, indirectly, by the **FIP PCP**, and by **Enlighted**;

11) **FIP Redentor** has as its unit holders Banco Santander (Brasil) S.A. ( **Santander** ), Banco Votorantim S.A. ( **Votorantim** ), BB Banco de Investimento S.A. ( **Banco do Brasil** ) and Banco BTG Pactual S.A. ( **BTG Pactual** ), the latter being the administrator of the Fund;

12) paying-up by **FIP Redentor** and by **Cemig** of their respective holdings in the registered capital of **Parati** will take place exclusively in Brazilian currency and will be in such a way as results in final ownership by **Cemig** of up to 25%, and by **FIP Redentor** of at least 75%, of the total registered capital of **Parati**, distributed as follows:

(i) Common shares: up to 50% held by **Cemig**, and 50% or more held by **FIP Redentor**; and

(ii) Preferred shares: 100% held by **FIP Redentor**;

13) the estimated amounts of the disbursements necessary for finalization of the transaction, including for the settlement of the **Public Offering** of shares in **Redentor**, in proportion to the stockholdings of the respective stockholders in **Parati**, are R\$ 379 million for **Cemig**, and R\$ 1.136 billion for **FIP Redentor**, at January 2011 prices;

14) as part of the negotiation the Parties agreed that **Cemig** shall grant an unconditional and irrevocable option, exclusively to **FIP Redentor** (and not to any of its unit holders) ( **the Sell Option** ), under which **FIP Redentor** will have the right, at the end of the 60th month from the date of subscription of the shares in **Parati** ( **the Exercise Date** ), to sell the totality of the shares in Parati belonging to **FIP Redentor** ( **the Acquisition Shares** ), and **Cemig** shall have the obligation to buy them, or to indicate a third party which shall buy them, on payment of the exercise amount ( **the Exercise Amount** ), equivalent to the amount paid at the time of paying-up of the shares, plus expenses (all expenses that are provenly incurred by **FIP Redentor** and/or by the Administrator of FIP Redentor, for its constitution and after its constitution, including expenses of auditing, and management and administration fees), less such dividends and Interest on Equity as are received in the period (in the case of Interest on Equity, the amount received shall be multiplied by 0.5721 for the purposes of calculation), all updated by the average rate for Interbank Certificates of Deposit published by Cetip (the Custody and Settlement Chamber) ( **the CDI Rate** ) plus a rate of 0.9% per year, *pro rata tempore*, from the date of its actual disbursement / payment to the Exercise Date of the Option to Sell;

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- 15) the Option Exercise Date may be brought forward in any one of the following situations:
- a) non-compliance, by **Cemig**, with any obligations contained in the Definitive Documents (Subscription Agreement, Stockholders Agreement and Secondary Stockholders Agreement), if the said non-compliance is not cured within 30 (thirty) calendar days from receipt of the notice of non-compliance sent by **FIP Redentor**;
  - b) disposal, transfer or assignment to third parties by **Cemig** of the Shares owned by it in **Parati** or of the rights and obligations arising therefrom, without prior written authorization from **FIP Redentor**, except (provided that **Cemig**'s co-obligation in relation to the obligations originally assumed is preserved) between wholly-owned or other subsidiaries of **Cemig**;
  - c) decision, by any authority, ordering the carrying out of a public offering of shares for change of the control of **Light**, unless **Cemig** bears all the costs and expenses arising from such decision;
  - d) any termination of concession contracts of **Cemig**, or of its subsidiaries, that represents an amount of 40% (forty per cent) or more of the consolidated Ebitda generated by **Cemig** in the 12 (twelve) months prior to the date of this condition being found;
  - e) termination of **Light**'s distribution services concession contract;
  - f) any stockholding reorganization, privatization or merger of **Cemig** that causes significant reduction of **Cemig**'s capacity to comply with any obligations assumed in the Definitive Documents, as judged by **FIP Redentor**, provided that such judgment is made with due grounds;
  - g) liquidation, intervention, dissolution or extinction of **Cemig**;
  - h) application of new taxes on any transactions, payments payable and dividends, in the terms of the Definitive Documents, increase of rates of taxes or of the taxes themselves that already are applicable to any transactions specified in the Definitive Documents, or identification of a tax liability not identified on today's date, such as make or makes any transactions specified in the Definitive Documents unviable or inadvisable, in the judgment of **FIP Redentor**, provided that such judgment is made with due grounds;
  - i) if the ratio between Net Financial Indebtedness and Ebitda, measured six-monthly, in relation to the prior 12 (twelve) months, based on the revised or audited consolidated balance sheet (as applicable) of **Cemig**, is greater than 3.50x (three point five times);

j) non-approval of the Investment by CADE;

k) any of the following events:

(k.1) if, by December 31, 2011, 100% (one hundred per cent) of the unit shares of **Luce Investment Fund** ( **LIF** ) have not been acquired, or if such acquisition has been carried out without the following prior conditions all having been met:

(i) that **LIF** shall hold a minimum of 75% (seventy five per cent) of the unit shares in Luce Brasil Fundo de Investimento em Participações ( **FIP Luce** );

(ii) that **FIP Luce** shall have a stockholding of not less than 100% (one hundred per cent) in the registered capital of Luce Empreendimentos e Participações S.A. ( **LEPSA** ) and that the latter shall have a stockholding of not less than 13.03% (thirteen point zero three per cent) in the registered capital of **Light**; and

(iii) that Fundação de Seguridade Social Braslight ( **Braslight** ) shall not have signed any agreement for sale nor offered the right of purchase of its unit shares of **FIP Luce**, except in the event of **Braslight** having given to **Parati**, through **LIF**, the right of preference for acquisition of the said unit shares, and of **Cemig** not indicating a third party to acquire the interest held by **BB** and by **Votorantim** in **FIP Redentor** for an amount equivalent to the Exercise Amount on the date of the actual acquisition, or such indicated third party not being accepted by **BTG** or **Santander**;

(k.2) in the event that **Cemig** sells, by the date of the Notice of the Option to Sell, the direct stockholding interest of shares that comprise the controlling stockholding block of **Light** and the parties acquiring such interest are persons that have an interest, on the date of signature of the Stockholders Agreement, greater than 21.1% in the units of Fundo de Investimento em Participações PCP ( **FIP PCP** ) and have had administrative judgment given against them against which there is no further appeal for infringements against the National Financial System, inspected by the Brazilian Central Bank, and/or the securities market, inspected by the Brazilian Securities Commission, or have an interest, on the date of signature of the Stockholders Agreement, greater than 88.0% in the unit shares of Enlighted Partners Venture Capital ( **Enlighted** ) and have had administrative judgment given against them against which there is no further appeal for infringements against the National Financial System, inspected by the Brazilian Central Bank, and/or the securities market, inspected by the Brazilian Securities Commission, and **Cemig** does not appoint a third party to acquire the interest held by **BB** and by **Votorantim** in **FIP Redentor** for an amount equivalent to the Exercise Amount on the date of the actual acquisition, or if such third party is not accepted by **BTG** or **Santander**;

16) a further item of the negotiation agreed is that, in the event of the Exercise Amount being higher than the amount paid-up by **FIP Redentor** at the time of the subscription of the shares of **Parati**, an adjustment factor of  $(1/(1 - 0.4279) - 1)$  shall be applied to the difference, to be added to the Exercise Amount;



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17) the Option to Sell shall be exercised by **FIP Redentor**, upon written notice to Cemig of its intention to exercise the Option to Sell, given with minimum prior notice of 240 (two hundred and forty) days prior to the last day of the sixtieth month counted from the first injection of capital by **FIP Redentor** in **Parati** ( the **Exercise Date** );

18) if **Cemig** wishes to indicate a third party to acquire the shares of **Parati**,

(i) such indication must be made by written notice to **FIP Redentor** and to the **Unit Holders**, given at least 210 (two hundred and ten) calendar days prior to the Exercise Date, and

(ii) **Cemig** shall continue to have joint liability with this third party, for the acquisition of the Acquisition Shares;

19) if the Option to Sell is exercised, the payment of the Exercise Amount and the transfer of the shares of **Parati** are conditional upon prior approval of the transaction by the National Electricity Agency, Aneel;

20) if the Consent of Aneel is not obtained by the date of transfer of the shares or, at any moment, Aneel expressly refuses to authorize the transfer of the shares, except in the event of negligence or action with malicious intent on the part of **FIP Redentor**, the latter shall have the right to dispose of the shares either on or outside the securities market, and in the event of disposal outside a securities exchange environment it is agreed that the said sale may take place only if the price set is greater than or equal to the lowest of the prices found in a securities market, by the following three criteria:

(i) average price of the shares of **Light** in the last trading session prior to the closing of the sale;

(ii) daily average of closing prices of the shares of **Light** for the last 30 (thirty) days; and

(iii) daily average of closing prices of the shares of **Light** for the last 90 (ninety) days; and

- if the amount specified for the said disposal:

(i) is less than the Exercise Amount, **Cemig** shall continue to be obliged to pay the difference; or

(ii) if it is greater than the Exercise Amount, and only in cases of omission of the consent by Aneel or an express negative by Aneel to the transfer of the Acquisition Shares to **Cemig**, and if **Cemig** has complied with its contractual obligations, **Cemig** shall have the right to receive the positive excess difference, multiplied by 1 (the number One) less the Adjustment Factor;

• and in any of these events, the expenses incurred by **FIP Redentor** arising from the process of sale shall be deducted from the financial amount of the disposal, and the penalties specified in Clause 6.5 of the Stockholders Agreement shall not be applicable;

21) grant of the Option to Sell is in line with the Long-term Strategic Plan, which specifies growth of Cemig in all the market segments in which it operates, signaling a positive outlook for the Company's cash position, with the possibility, also, of increase of the value of dividends distributed, within the terms of its Bylaws;

22) on October 20, 2010, the Corporate Governance Committee of the State of Minas Gerais issued an opinion in favor of the transaction, as per Official Letter CCGPGF N° 240/2010, attached;

23) under Paragraph 1 of Clause 1 of the Bylaws of **Cemig** it is a competency of Cemig's Board of Directors to authorize acquisition of interests in the capital of other companies;

24) it is the competency of the Extraordinary General Meeting to authorize the grant by the Company of the Option to Sell, in view of the provisions of Article 256 of Law 6404/1976, since, in the event that the Option to Sell is exercised by **FIP Redentor** and if **Cemig** does not indicate a third party to acquire the shares, **Cemig** will be obliged to acquire control of **Parati**, it not being possible to state at the present moment whether in 60 months' time the acquisition referred to will constitute a significant investment for Cemig, nor indeed to calculate whether the shares will exceed one and a half times any of the amounts specified in Item II of Article 256 of Law 6404/1976;

25) on December 6, 2010, the Board of Directors of **Cemig** decided to propose, to the Extraordinary General Meeting of Stockholders, under and for the purposes of Article 256 of Law 6404/1976, authorization of the grant of the Option to Sell;

26) the grant of the Option to Sell was contained in item C of the agenda of the Extraordinary General Meeting of Stockholders scheduled for December 22, 2010, at 11 a.m., as per the Convocation Notice published on December 6, 2010;

27) on December 21, 2010, the Company received CVM Official Letter CVM/SEP/GEA-3/N° 1211/10, advising of the decision by the Council of the Securities Commission ( **CVM** ) to postpone the General Meeting, due to its recognition that, by reason of its complexity, the matter contained in Item C of the agenda would require a greater period to be ascertained and analyzed by the stockholders, as per a request filed with the CVM on December 13, 2010, by the stockholder **Tempo Capital Principal Fundo de Investimento de Ações**, for interruption of the period of prior notice for convocation of the Company's Extraordinary General Meeting of Stockholders;

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28) in view of the said Official Letter from the CVM, **Cemig** informed its stockholders and the market in general that, in relation to the Extraordinary General Meeting of Stockholders scheduled for December 22, 2010 at 11 a.m., item C of the Convocation Notice published on December 6, 2010 had been withdrawn from the agenda;

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- 29) a new convocation of the General Meeting of Stockholders, to decide on the grant of the Option to Sell, now becomes necessary;
- 30) the General Meeting of Stockholders will be called to decide on possible acquisition of control of another company, and it is necessary that **Cemig** should present the information required in Appendix 19 of CVM Instruction 481/2009, specified in the attached document;
- 31) approval by the General Meeting of Stockholders is necessary for appointment of a specialized company to prepare the Valuation Opinion on the assets of Parati ( **the Opinion** ), and for the opinion itself, under Paragraphs 1 and 6 of Clause 8 of Law 6404/1976;
- 32) Banco Bradesco BBI S.A. ( **Bradesco BBI** ), because it has wide experience in operating as financial adviser in mergers and acquisitions, being certified by Anbima (the Brazilian Association of Financial and Capital Market Entities) and because it has presented the best work proposal, has been contracted to prepare the said Opinion;
- 33) in accordance with this Opinion, the value of the shares of **Parati**, when assessed by the Discounted Cash Flow method, is between R\$ 0.92 and R\$ 1.03 per share, and when assessed by valuation of Stockholders' Equity at Market Price is R\$ 0.89 per share;
- 34) if the amount to be paid for the shares of **Parati** exceeds one and a half times the largest of the three amounts specified in Item II of Article 256 of Law 6404/1976, any stockholder not agreeing with the decision of the stockholders' meeting that approves it shall have the right to withdraw from the company, for reimbursement of the value of its shares, in accordance with Article 137, subject to the provisions of its Sub-item II, as specified by Paragraph 2 of the said Article 256;
- 35) since it is not possible to state whether in 60 months' time the acquisition price referred to will exceed one and a half times any of the amounts specified in Sub-item II of Article 256 of Law 6404/1976, the management of Cemig should, for the purposes of caution, decide to grant the right to withdraw to dissident holders of common shares;
- 36) any holders of common shares that disagree with the decision of the General Meeting of Stockholders of Cemig shall have a period of 30 (thirty) calendar days from publication of the respective minutes of the said meeting, to claim from the Company, by notice, reimbursement of their shares (Article 137, IV);
- 37) since the Bylaws of Cemig do not establish the amount of reimbursement, their calculation shall be based on the stockholders' equity of Cemig stated in the last previous balance sheet approved by the Annual General Meeting of Stockholders;

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- 38) the stockholders' equity contained in the last balance sheet approved by Cemig, raised on December 31, 2009, is R\$ 16.57 per share and represents the value of the stockholders' equity divided by the number of shares (excluding the shares held in Treasury);
- 39) the General Meeting of Stockholders is scheduled for March 2011, and it is possible that dissident stockholders may request the raising of a balance sheet at December 31, 2010 for calculation of the amount of the reimbursement, as specified in Paragraph 2 of Article 45 of Law 6404/1976;
- 40) the financial statements of Cemig at December 31, 2010 are being prepared in accordance with the new accounting rules issued by the Accounting Statements Committee, and an increase in the equity value of the shares is expected, resulting in an amount estimated between R\$ 18.00 and R\$ 19.00 per share, due to the new valuation of the Company's fixed assets and other effects arising from the harmonization of accounting with international standards;
- 41) since the matter to be decided in general meeting of stockholders will give rise to the right to withdraw, Cemig should provide the information indicated in Appendix 20 to CVM Instruction 481/2009, and this document is attached;
- 42) the matter was analyzed by the office of Cemig's Chief Counsel, as per Legal Opinion JR/SC N° 15,718, of February 10, 2011;

• *do now propose to you*, under and for the purposes of Article 256 of Law 6404/1976:

1) **Authorization of the grant** by Cemig, to Fundo de Investimento em Participações Redentor ( **FIP Redentor**), of an unconditional and irrevocable option ( the **Option to Sell** ), under which **FIP Redentor** shall have the right, at the end of the 60th month from the date of subscription of the shares in **Parati S.A. Participações em Ativos de Energia Elétrica** ( the **Exercise Date** ), to sell the totality of the shares belonging to **FIP Redentor**, and Companhia Energética de Minas Gerais (**Cemig**) shall have the obligation to buy them, or to indicate a third party which shall buy them, on payment of the exercise amount ( the **Exercise Amount** ), equivalent to the amount paid at the time of paying-up of the shares of Parati S. A. Participações em Ativos de Energia Elétrica ( **Parati** ), plus expenses (all expenses provenly incurred by **FIP Redentor** and/or by the Administrator of **FIP Redentor**, for its constitution and after its constitution, including expenses of auditing, and management and administration fees), less such dividends and Interest on Equity as are received in the period (in the case of Interest on Equity, the amount received shall be multiplied by 0.5721 for the purposes of calculation), all updated by the average rate for Interbank Certificates of Deposit published by Cetip (the Custody and Settlement Chamber) ( the **CDI Rate** ) plus a rate of 0.9% per year, *pro rata tempore*, from the date of its actual disbursement/payment to the Exercise Date of the Option to Sell;

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and the Option Exercise Date may be brought forward in any one of the following situations:

- a) non-compliance, by **Cemig**, with any obligations contained in the Definitive Documents (Subscription Agreement, Stockholders Agreement and Secondary Stockholders Agreement), if the said non-compliance is not cured within 30 (thirty) calendar days from receipt of the notice of non-compliance sent by **FIP Redentor**;
  
- b) disposal, transfer or assignment to third parties by **Cemig** of the Shares owned by it in **Parati** or of the rights and obligations arising therefrom, without prior written authorization from **FIP Redentor**, except (provided that Cemig's co-obligation in relation to the obligations originally assumed is preserved) between wholly-owned or other subsidiaries of **Cemig**;
  
- c) decision, by any authority, ordering the carrying out of a public offering of shares due to change of the control of Light S.A. ( **Light** ), unless **Cemig** bears all the costs and expenses arising from this decision;
  
- d) any termination of concession contracts of **Cemig**, or of its subsidiaries, that represents an amount of 40% (forty per cent) or more of the consolidated Ebitda generated by Cemig in the 12 (twelve) months prior to the date of this condition being found;
  
- e) termination of Light's concession contract for distribution services;
  
- f) any stockholding reorganization, privatization or merger of **Cemig** that causes significant reduction of **Cemig**'s capacity to comply with any obligations assumed in the Definitive Documents, as judged by **FIP Redentor**, provided that such judgment is made with due grounds;
  
- g) liquidation, intervention, dissolution or extinction of **Cemig**;
  
- h) application of new taxes on any transactions, payments payable and dividends, in the terms of the Definitive Documents, increase of rates of taxes or of the taxes themselves that already are applicable to any transactions specified in the Definitive Documents, or identification of a tax liability not identified on today's date, such as make or makes any transactions specified in the Definitive Documents unviable or inadvisable, in the judgment of **FIP Redentor**, provided that such judgment is made with due grounds;
  
- i) if the ratio between Net Financial Indebtedness and Ebitda, measured six-monthly, in relation to the prior 12 (twelve) months, based on the revised or audited consolidated balance sheet (as applicable) of Cemig, is greater than 3.50x (three point five times);

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j) non-approval of the Investment by the Administrative Economic Defense Council CADE;

k) occurrence of any of the following events:

(k.1) if, by December 31, 2011, 100% (one hundred per cent) of the unit shares of Luce Investment Fund ( **LIF** ) has not been acquired, or if such acquisition has been carried out without the following prior conditions all having been met:

(i) that **LIF** shall hold a minimum of 75% (seventy five per cent) of the unit shares in Luce Brasil Fundo de Investimento em Participações ( **FIP Luce** );

(ii) that **FIP Luce** shall have a stockholding of not less than 100% (one hundred per cent) in the registered capital of Luce Empreendimentos e Participações S.A. ( **LEPSA** ) and that the latter shall have a stockholding of not less than 13.03% (thirteen point zero three per cent) in the registered capital of **Light**; and

(iii) that Fundação de Seguridade Social Braslight ( **Braslight** ) shall not have signed any agreement for sale nor offered the right of purchase of its unit shares of **FIP Luce**, except in the event of **Braslight** having given to the SPC **Parati**, through **LIF**, the right of preference for acquisition of the said unit shares, and of **Cemig** not indicating a third party to acquire the interest held by BB Banco de Investimento S.A. ( **Banco do Brasil** ) and by Votorantim S. A. ( **Votorantim** ) in **FIP Redentor** for an amount equivalent to the Exercise Amount on the date of the actual acquisition, or such indicated third party not being accepted by BTG Alpha Participações Ltda. ( **BTG Alpha** ) or Santander (Brasil) S.A. ( **Santander** );

(k.2) in the event that **Cemig** sells, by the date of the Notice of the Option to Sell, the direct stockholding interest of shares that comprise the controlling stockholding block of **Light** and the parties acquiring such interest are persons that have an interest, on the date of signature of the Stockholders Agreement, greater than 21.1% in the units of Fundo de Investimento em Participações PCP ( **FIP PCP** ) and have had administrative judgment given against them against which there is no further appeal for infringements against the National Financial System, inspected by the Brazilian Central Bank, and/or the securities market, inspected by the Brazilian Securities Commission, or have an interest, on the date of signature of the Stockholders Agreement, greater than 88.0% in the unit shares of Enlighted Partners Venture Capital

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( **Enlighted** ) and have had administrative judgment given against them against which there is no further appeal for infringements against the National Financial System, inspected by the Brazilian Central Bank, and/or the securities market, inspected by the Brazilian Securities Commission, and Cemig does not appoint a third party to acquire the interest held by **BB** and by **Votorantim** in **FIP Redentor** for an amount equivalent to the Exercise Amount on the date of the actual acquisition, or if such third party is not accepted by **BTG** or **Santander**;

The payment of the Exercise Amount and the transfer of the shares of **Parati** are conditional upon prior approval of the transaction by the National Electricity Agency, Aneel.

If the Consent of Aneel is not obtained by the date of transfer of the shares or, at any moment, Aneel expressly refuses to authorize the transfer of the shares, except in the event of negligence or action with malicious intent on the part of **FIP Redentor**, the latter shall have the right to dispose of the shares either in or outside the securities market, and in the event of disposal outside a securities exchange environment it is agreed that the said sale may take place only if the price set is greater than or equal to the lowest of the prices found in a securities market, by the following three criteria:

- (i) average price of the shares of **Light** in the last trading session prior to the closing of the sale;
- (ii) daily average of closing prices of the shares of **Light** for the last 30 (thirty) days; and
- (ii) daily average of closing prices of the shares of **Light** for the last 90 (ninety) days; and
- if the amount specified for the said disposal:
  - (i) is less than the Exercise Amount, **Cemig** shall continue to be obliged to pay the difference; or
  - (ii) if it is greater than the Exercise Amount, and only in cases of omission of the consent by Aneel or an express negative by Aneel to the transfer of the Acquisition Shares to **Cemig**, and if **Cemig** has complied with its contractual obligations, **Cemig** shall have the right to receive the positive excess difference, multiplied by 1 (the number One) less the Adjustment Factor;
- and in any of these events, the expenses incurred by **FIP Redentor** arising from the process of sale shall be deducted from the financial amount of the disposal, and the penalties specified in Clause 6.5 of the Stockholders Agreement shall not be applicable;



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The decision by the Extraordinary General Meeting of Stockholders that authorizes the grant to **FIP Redentor** of the Option to Sell shall give rise to the possibility of exercise, by such holders of the Company's common shares as dissent from the said decision, of the right to withdraw. The right to withdraw shall apply in relation only to shares held by holders of common shares in the Company provenly held on February 18, 2011.

2) **Appointment** of Banco Bradesco BBI S.A. ( **Bradesco BBI** ) to prepare the Valuation Opinion on **Parati**, in accordance with Paragraphs 1 and 6 of Article 8 of Law 6404/1976.;

3) **Approval** of the Economic-Financial Valuation Opinion on **Parati**, prepared by **Bradesco BBI** S.A. in January 2011, in accordance with the terms of Paragraphs 1 and 6 of Article 8 of Law 6404/1976.

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

Belo Horizonte, February 17, 2011

Dorothea Fonseca Furquim Werneck  
Chairman  
Djalma Bastos de Moraes  
Deputy Chairman  
Arcângelo Eustáquio Torres Queiroz  
Member  
Antônio Adriano Silva  
Member  
Francelino Pereira dos Santos  
Member  
João Camilo Penna  
Member  
Luiz Carlos Costeira Urquiza  
Member

Maria Estela Kubitschek Lopes  
Member  
Guy Maria Villela Paschoal  
Member  
Eduardo Borges de Andrade  
Member  
Renato Torres de Faria  
Member  
Paulo Roberto Reckziegel Guedes  
Member  
Ricardo Coutinho de Sena  
Member  
Saulo Alves Pereira Junior  
Member

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**OPINION OF THE AUDIT BOARD**

The members of the Audit Board of Companhia Energética de Minas Gerais - Cemig, undersigned, in performance of their functions under the law and under the Bylaws, have examined the Proposal made by the Board of Directors to the Extraordinary General Meeting in relation to:

1) **Authorization** of the grant by the Company, to Fundo de Investimento em Participações Redentor ( **FIP Redentor** ), of an unconditional and irrevocable Option to Sell under which **FIP Redentor** shall have the right, at the end of the 60th month from the date of subscription of the shares in **Parati S.A. Participações em Ativos de Energia Elétrica** ( **the Exercise Date** ), to sell the totality of the shares belonging to **FIP Redentor** and **Cemig** shall have the obligation to buy them, or to indicate a third party which shall buy them, on payment of the Exercise Amount, equivalent to the amount paid at the time of the subscription of the shares of **Parati S.A. Participações em Ativos de Energia Elétrica**, plus the expenses (all expenses provenly incurred by **FIP Redentor** and/or by the Administrator of FIP Redentor, for its constitution and after its constitution, including expenses of auditing, and management and administration fees), less such dividends and Interest on Equity as are received in the period (in the case of Interest on Equity, the amount received shall be multiplied by 0.5721 for the purposes of calculation), all updated by the average rate for Interbank Certificates of Deposit published by Cetip (the Custody and Settlement Chamber) ( **the CDI Rate** ) plus a rate of 0.9% per year, *pro rata tempore*, from the date of its actual disbursement/payment to the Exercise Date of the Option to Sell.

• In the event of the Exercise Amount being higher than the amount paid-up by **FIP Redentor** at the time of the subscription of the shares of **Parati S.A. Participações em Ativos de Energia Elétrica**, an adjustment factor of  $(1/(1 - 0.4279)) - 1$  shall be applied to the difference, to be added to the Exercise Amount.

• The Option Exercise Date may be brought forward in any one of the following situations:

a) non-compliance, by **Cemig**, with any obligations contained in the Definitive Documents (Subscription Agreement, Stockholders Agreement and Secondary Stockholders Agreement), if not cured within 30 (thirty) calendar days from receipt of the notice of non-compliance sent by FIP Redentor;

b) disposal, transfer or assignment to third parties by **Cemig** of the Shares owned by it in **Parati** or of the rights and obligations arising therefrom, without prior written authorization from **FIP Redentor**, except (provided that **Cemig**'s co-obligation in relation to the obligations originally assumed is preserved) between wholly-owned or other subsidiaries of **Cemig**;

c) decision, by any authority, ordering the carrying out of a public offering of shares for change of the control of **Light S.A.** ( **Light** ), unless **Cemig** bears all the costs and expenses arising from such decision;

d) any termination of concession contracts of **Cemig**, or of its subsidiaries, that represents an amount of 40% (forty per cent) or more of the consolidated Ebitda generated by **Cemig** in the 12 (twelve) months prior to the date of this condition being found;

- e) termination of **Light** s concession contract for distribution services;
  
- f) any stockholding reorganization, privatization or merger of **Cemig** that causes significant reduction of **Cemig** s capacity to comply with any obligations assumed in the Definitive Documents, as judged by **FIP Redentor**, provided that such judgment is made with due grounds;
  
- g) liquidation of, intervention in, or dissolution or extinction of **Cemig**;
  
- h) application of new taxes on any transactions, payments owed or dividends, in the terms of the Definitive Documents, increase of such rates of taxes, or increases of the taxes themselves, as are already applicable to any transactions specified in the Definitive Documents, or identification of a tax liability not identified on today s date, such as make or makes any transactions specified in the Definitive Documents unviable or inadvisable, in the judgment of **FIP Redentor**, provided that such judgment is made with due grounds;
  
- i) if the ratio between Net Financial Indebtedness and Ebitda, measured six-monthly, in relation to the prior 12 (twelve) months, based on the revised or audited consolidated balance sheet (as applicable) of **Cemig**, is greater than 3.50x (three point five times);
  
- j) non-approval of the Investment by the Administrative Economic Defense Council CADE;
  
- k) occurrence of any of the following events:
  - (k.1) if, by December 31, 2011, 100% (one hundred per cent) of the unit shares of Luce Investment Fund ( **LIF** ) have not been acquired, or if such acquisition has been carried out without the following prior conditions all having been met:
    - (i) that **LIF** shall hold a minimum of 75% (seventy five per cent) of the unit shares in Luce Brasil Fundo de Investimento em Participações ( **FIP Luce** );
  
    - (ii) that **FIP Luce** shall have a stockholding interest of not less than 100% in the registered capital of Luce Empreendimentos e Participações S.A. ( **Lepsa** ) and that the latter shall have a stockholding of not less than 13.03% (thirteen point zero three per cent) in the registered capital of **Light**; and
  
    - (iii) that Fundação de Seguridade Social Braslight ( **Braslight** ) shall not have signed any agreement for sale nor offered the right of purchase of its units of **FIP Luce**, except in the event of **Braslight** having given to **SPC Parati**, through **LIF**, the right of preference for acquisition of the said units, while **Cemig** does not indicate a third party to acquire the interest held by BB Banco de Investimento S.A. ( **BB** ) and by Votorantim S. A.



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( **Votorantim** ), in **FIP Redentor** for an amount equivalent to the Exercise Amount on the date of the actual acquisition, or such indicated third party not being accepted by BTG Alpha Participações Ltda. ( **BTG Alpha** ) or Santander (Brasil) S. A. ( **Santander** );

(k.2) in the event that **Cemig** sells, by the date of the Notification of the Option to Sell, the direct stockholding interest of shares that are part of the controlling stockholding block of **Light** and the parties acquiring such interest are persons that have an interest, on the date of signature of the Stockholders Agreement, greater than 21.1% in the units of Fundo de Investimento em Participações PCP ( **FIP PCP** ) and have had administrative judgment given against them against which there is no further appeal for infringements against the National Financial System, inspected by the Brazilian Central Bank, and/or the securities market, inspected by the Brazilian Securities Commission, or have an interest, on the date of signature of the Stockholders Agreement, greater than 88.0% in the unit shares of Enlighted Partners Venture Capital ( **Enlighted** ) and have had administrative judgment given against them against which there is no further appeal for infringements against the National Financial System, inspected by the Brazilian Central Bank, and/or the securities market, inspected by the Brazilian Securities Commission, and **Cemig** does not appoint a third party to acquire the interest held by **BB** and by **Votorantim** in **FIP Redentor** for an amount equivalent to the Exercise Amount on the date of the actual acquisition, or if such third party is not accepted by **BTG** or by **Santander**; Payment of the Exercise Amount and the transfer of the shares owned by Parati shall be conditional upon prior approval of the transaction by the National Electricity Agency, Aneel. If authorization by Aneel is not obtained by the date of transfer of the shares or, at any moment, Aneel expressly refuses to authorize the transfers of the shares, except in the event of negligence or action with malicious intent on the part of FIP Redentor, the latter shall have the right to dispose of the shares either in or outside the securities market, and in the event of disposal outside a securities exchange environment it is agreed that the said sale may take place only if the price set is greater than or equal to the lowest of the prices found in a securities market, by the following three criteria:

- i) average price of the shares of **Light** in the last trading session prior to the closing of the sale;
- ii) daily average of closing prices of the shares of **Light** for the last 30 (thirty) days; and
- iii) daily average of closing prices of the shares of **Light** for the last 90 (ninety) days.

If the amount calculated for the said disposal:

- i) is less than the Exercise Amount, **Cemig** shall continue to be obliged to pay the difference; or
- ii) if it is greater than the Exercise Amount, and only in the event of omission of the consent by Aneel or an express negative by Aneel to the transfer of the Acquisition Shares to Cemig, and if Cemig has complied with its contractual obligations, **Cemig** shall have the right to receive the positive excess difference, multiplied by 1 (the number One) less the Adjustment Factor.

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In any of the events, the expenses incurred by FIP Redentor arising from the process of sale shall be deducted from the financial amount of the disposal, and the penalties specified in Clause 6.5 of the Stockholders' Agreement shall not be applicable.

The decision by the Extraordinary General Meeting of Stockholders that authorizes the grant to FIP Redentor of the Sell Option shall give rise to the possibility of exercise, by such holders of the Company's common shares as dissent from the said decision, of the right to withdraw. The right to withdraw shall be held only in relation to the shares that the holders of the Company's common shares provenly held on February 18, 2011.

- 2) **Appointment of Banco Bradesco BBI S.A.** to prepare the Evaluation Opinion on **Parati**.
  
- 3) **Approval** of the Economic and Financial Valuation Opinion on Parati prepared by Bradesco BBI in January 2011.

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, February 17, 2011,

(Signed by:)

Aristóteles Luiz Menezes Vasconcellos Drummond,  
Thales de Souza Ramos Filho and

Helton da Silva Soares,  
Vicente de Paulo Barros Pegoraro.

Luiz Guaritá Neto,

The Chairman then made available a copy of the said Opinion, prepared by Bradesco BBI S.A. in January 2011, stating that it will be attached to the present minutes as an integral part thereof.

She then put the Proposal made to this meeting by the Board of Directors to debate.

Asking for the floor, the stockholder **Luiz Fernando Rolla** proposed a **small alteration to the proposal** under discussion: a change in the percentage specified for the situation referred to in Subclause k, of those that can give rise to bringing forward of the Option Exercise Date, to adjust the drafting, to reflect with precision the object of the negotiation

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• from:

k) occurrence of any of the following events:

(k.1.) ;

(k.2) in the event that Cemig sells, by the date of the Sell Option Notice, the direct stockholding interest of shares that comprise the controlling stockholding block of **Light** and the parties acquiring such interest are persons that have an interest, on the date of signature of the Stockholders Agreement, greater than **21.1%** in the units of Fundo de Investimento em Participações PCP ( FIP PCP ) and have had administrative judgment given against them against which there is no further appeal for infringements against the National Financial System, inspected by the Brazilian Central Bank, and/or the securities market, inspected by the Brazilian Securities Commission, or have an interest, on the date of signature of the Stockholders Agreement, greater than 88.0% in the unit shares of Enlighted Partners Venture Capital ( Enlighted ) and have had administrative judgment given against them against which there is no further appeal for infringements against the National Financial System, inspected by the Brazilian Central Bank, and/or the securities market, inspected by the Brazilian Securities Commission, and Cemig does not appoint a third party to acquire the interest held by BB and by Votorantim in FIP Redentor for an amount equivalent to the Exercise Amount on the date of the actual acquisition, or if such appointed third party is not accepted by BTG or Santander;

to:

k) occurrence of any of the following events:

(k.1.) ;

(k.2) in the event that Cemig sells, by the date of the Sell Option Notice, the direct stockholding interest of shares that comprise the controlling stockholding block of **Light** and the parties acquiring such interest are persons that have an interest, on the date of signature of the Stockholders Agreement, greater than **21.0%** in the units of Fundo de Investimento em Participações PCP ( FIP PCP ) and have had administrative judgment given against them against which there is no further appeal for infringements against the National Financial System, inspected by the Brazilian Central Bank, and/or the securities market, inspected by the Brazilian Securities Commission, or have an interest, on the date of signature of the Stockholders Agreement, greater than 88.0% in the unit shares of Enlighted Partners Venture Capital ( Enlighted ) and have had administrative judgment given against them against which there is no further appeal for infringements against the National Financial System, inspected by the Brazilian Central Bank, and/or the securities market, inspected by the Brazilian Securities Commission, and Cemig does not appoint a third party to acquire the interest held by BB and by Votorantim in FIP Redentor for an amount equivalent to the Exercise Amount on the date of the actual acquisition, or if such appointed third party is not accepted by BTG or Santander; .

The proposal by the Board of Directors to this Meeting was put to the vote with the alteration suggested by the stockholder Luiz Fernando Rolla, and was approved unanimously.

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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.



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5. Summary of decisions of the 507th Meeting of the Board of Directors CEMIG, March 30, 2011

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

**Listed company**

**CNPJ 17.155.730/0001-64**

**NIRE 31300040127**

**MEETING OF THE BOARD OF DIRECTORS**

**SUMMARY OF PRINCIPAL DECISIONS**

The Board of Directors of **Cemig** (Companhia Energética de Minas Gerais), at its 507th meeting, held on March 30, 2011, decided as follows:

1- Budget Proposal for 2011: approved.

2- Limits of financial covenants in the Bylaws:

a) In accordance with the provisions of Paragraph 9 of Article 11 of the Bylaws, the Board gave authorization for the following targets, mentioned in Paragraph 7 of Clause 11 of the Bylaws, to be exceeded: Consolidated ratio Net debt / (Net debt + Stockholders' equity) to be : may be up to 46% (forty six per cent);

b) Proposal submitted to the Extraordinary General Meeting of Stockholders to be held on May 12, 2011, for the limit in Subclause (d) of Paragraph 7 of Clause 11 to be exceeded as follows: total funds allocated to capital expenditure and acquisition of any assets, in the year, to be up to 57% (fifty seven per cent) of the Company's Ebitda (Earnings before interest, taxes, depreciation and amortization).

**This text is a translation, provided for information only. The original text in Portuguese is the legally valid version.**

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6. Market Announcement Uberaba Gas Pipeline: Media Release, CEMIG, March 31, 2011

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

**LISTED COMPANY**

**CNPJ 17.155.730/0001-64**

**NIRE 31300040127**

**MARKET ANNOUNCEMENT**

**UBERABA GAS PIPELINE: MEDIA RELEASE**

**Cemig** (Companhia Energética de Minas Gerais)( *the Company* ), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, in accordance with its commitment to best corporate governance practices, hereby informs the public that today it has published the following **media release**:

In view of media reports on the construction of a gas pipeline to serve **Uberaba**, in the Minas Triangle region, Cemig states as follows:

- 1 Cemig is involved in efforts for construction of the gas pipeline, between São Paulo and Minas Gerais, as far as Uberaba, not only because of the need to supply the Ammonia Plant, to be built by Petrobras, but also because of the strategic importance of this fuel for the whole of the Triangle region, the economy of which is expanding firmly.
- 2 The plans for this pipeline are being developed jointly with the Minas Gerais State Economic Development Department and Petrobras, to decide on the most viable alternative for its immediate construction.
- 3 Natural gas has a strategic importance for the Government of Minas Gerais and for Cemig, due to the potential for its use in industry in Minas Gerais, which has not been met.

4 Cemig is present in **natural gas distribution** through its subsidiary **Gasmig**, which already serves Metropolitan Belo Horizonte, Barbacena, Juiz de Fora, the Steel Valley (*Vale do Aço*) and the South of Minas; in **gas transportation**, with the study for the project to serve the Triangle; and in **prospecting for reserves**, for subsequent commercial exploration, at sites in the North of Minas.

5 - Thus, Cemig, Gasmig and the government of Minas Gerais reaffirm their commitment to bring natural gas to the Minas Triangle.

The Executive Board.

Belo Horizonte, March 31, 2011.

Luiz Fernando Rolla

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

Av. Barbacena 1200 Santo Agostinho 30190-131 Belo Horizonte, MG Brazil Tel.: +55 31 3506-5024 Fax +55 31 3506-5025

**This text is a translation, provided for information only. The original text in Portuguese is the legally valid version.**

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7. Presentation - Earnings Release: CEMIG's 2010 Results CEMIG, March 31, 2011

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## **EARNINGS RELEASE**

### **Cemig H**

Mr. Djalma Bastos de Morais, CEO:

To meet the targets in our Strategic Plan, we have invested, and grown, in a balanced manner, in electricity generation, distribution and transmission.

Mr. Luiz Fernando Rolla, CFO:

In 2010 we have continued to provide consistent and robust cash flow.

### **Highlights:**

<b>R\$4.5bi</b>	<b>Record Ebitda</b>
<b>R\$2.3bi</b>	<b>Net income</b>
<b>R\$12.9bi</b>	<b>Net revenue</b>

**R\$3.0bi**      **Cash position**

**66,255**      **Total sales, GWh**

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**Disclaimer**

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

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

Important factors that can lead to significant differences between actual results and projections about future events or results include: Cemig's business strategy; Brazilian and international ec