

ENERGY CO OF MINAS GERAIS

Form 6-K

August 18, 2009

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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 August 2009**

**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.

Form 20-F  Form 40-F

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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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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: August 18, 2009

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1. Summary of Decisions of the 462nd Meeting of the Board of Directors, Companhia Energética de Minas Gerais CEMIG, July 23, 2009

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS - CEMIG**

**Listed Company**

**CNPJ 17.155.730/0001-64**

**NIRE 31300040127**

**SUMMARY OF DECISIONS OF THE 462ND MEETING OF THE BOARD OF DIRECTORS**

At its 462nd meeting, held on July 23, 2009, the Board of Directors of Companhia Energética de Minas Gerais approved the following matter:

- Guarantee for issue of promissory notes and non-convertible debentures.

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2. Summary of Principal Decisions of the 93rd Meeting of the Board of Directors, Cemig Geração e Transmissão S.A., July 23, 2009

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**CEMIG GERAÇÃO E TRANSMISSÃO S.A.**

**Listed company CNPJ 06.981.176/0001-58**

**Summary of principal decisions**

At its 93rd meeting, held on July 23, 2009, the Board of Directors of Cemig Geração e Transmissão S.A. approved the following:

1. Issue of promissory notes and non-convertible debentures.
2. Contracting of services for issue of promissory notes and non-convertible debentures.

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3. Summary of Principal Decisions of the 94th Meeting of the Board of Directors, Cemig Geração e Transmissão S.A., July 29, 2009

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**CEMIG GERAÇÃO E TRANSMISSÃO S.A.**

**Listed company CNPJ 06.981.176/0001-58**

**Summary of principal decisions**

At its 94th meeting, held on July 29, 2009, the Board of Directors of **Cemig Geração e Transmissão S.A.** ( **Cemig GT** ) approved the following:

1. Authorization to seek a proposal for issuance of debt in the international market (Eurobonds).
2. Authorization for Cemig GT to remain a stockholder, with 49% of the registered capital, in Transmissora Atlântico de Energia Elétrica S.A. (TAESA).

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4. Summary of Decisions of the 463rd Meeting of the Board of Directors, Companhia Energética de Minas Gerais CEMIG, August 5, 2009

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

**Listed Company**

**CNPJ 17.155.730/0001-64**

**NIRE 31300040127**

**SUMMARY OF DECISIONS**

At its 463rd meeting, held on August 5, 2009, the Board of Directors of Companhia Energética de Minas Gerais decided the following:

- To authorize **Cemig GT**, subject to confirmation by an Extraordinary General Meeting of Shareholders, to:
  - (a) reduce its holding in **Terna Participações S.A. ( Terna )**, to a minimum level of 50% less 1 (one) of the common shares, and 100% of the preferred shares, through a partnership to be constituted with **Fundo de Investimentos em Participação (FIP) Coliseu**, if it becomes possible for all the units of this FIP (Equity Investment Fund) to be subscribed; and,
  - (b) grant to that Equity Investment Fund the right to sell the whole of its stockholdings in **Terna** to Cemig GT.
- To submit to an Extraordinary General Meeting of Shareholders a proposal for authorization of the company's representative at the Extraordinary General Meeting of Shareholders of **Cemig GT** to vote in favor of: ratification of the above decision by the Board of Directors of **Cemig GT**, in the event that subscription of the totality of the units of the FIP referred to is possible; and grant to **FIP Coliseu** of the right of sale also referred to above.
- To call an Extraordinary General Meeting of Shareholders to decide on the above subjects, to be held on August 26, 2009, at 11 a.m., at Cemig's head office.

- To authorize, after ratification, by the Extraordinary General Meeting of Shareholders, of the decision by the Board of Directors referred to above, assignment to **Transmissora do Atlântico de Energia Elétrica S.A. (Taesa)** of the Share Purchase Agreement signed between **Cemig GT** and **Terna Rete Elettrica Nazionale**, together with all the contracts and commitments assumed by Cemig GT with the advisors who worked during the process of due diligence and formatting of the acquisition of **Terna**.
- To establish that **Cemig GT** shall maintain a stockholding of 49% of **Taesa** s common shares, in association with **FIP Coliseu** which will hold the remaining 51%.
- To establish that the association between **Cemig GT** and **FIP Coliseu** shall be governed by a Commitment Undertaking, a Shareholders Agreement and Bylaws, to be submitted to decision by the Board of Directors after conclusion of the negotiation of these documents between the parties.
- To authorize increase in the registered capital of **Taesa** up to R\$ 3,538,252,194.00 (three billion five hundred and thirty eight million two hundred and fifty two thousand one hundred and ninety four Reais).
- To authorize the representative of **Cemig GT**, in the Board of Directors and in the Extraordinary General Meeting of Shareholders of **Taesa** that decides on the said capital increase, and on the consequent alteration of the Bylaws to reflect this increase, to vote in favor of both measures.

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5. Summary of Principal Decisions of the 95th Meeting of the Board of Directors, Cemig Geração e Transmissão S.A., August 5, 2009

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**CEMIG GERAÇÃO E TRANSMISSÃO S.A.**

**Listed Company**

**CNPJ 06.981.176/0001-58**

**NIRE 31300020550**

**SUMMARY OF DECISIONS**

At its 95th meeting, held on August 5, 2009, the Board of Directors of Cemig Geração e Transmissão S.A. ( **Cemig GT** ) decided:

- To authorize, subject to confirmation by an Extraordinary General Meeting of Shareholders:
  - (a) reduction of the Company's stockholding interest in **Terna Participações S.A. ( Terna )**, to a minimum level of 50% less 1 (one) of the common shares, and 100% of the preferred shares, through a partnership to be constituted with **Fundo de Investimentos em Participação (FIP) Coliseu**, if it becomes possible for all the units of this FIP (Equity Investment Fund) to be subscribed; and,
  - (b) granting by Cemig GT to that Equity Investment Fund of the right to sell the whole of its stockholdings in **Terna** to the Company (**Cemig GT**).
- To call an Extraordinary General Meeting of Shareholders to decide on the above subject, to be held on August 26, 2009, at 4 p.m., at **Cemig GT**'s head office.
- To authorize, after the ratification by the Extraordinary General Meeting of Shareholders of the above decision by the Board of Directors, assignment to **Transmissora do Atlântico de Energia Elétrica S.A. (Taesa)** of the Share Purchase Agreement signed between **Cemig GT** and **Terna Rete Elettrica Nazionale**, together with all the contracts and commitments assumed by Cemig GT with the advisors who

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worked during the process of due diligence and formatting of the acquisition of **Terna**.

- To establish that **Cemig GT** shall maintain a stockholding of 49% of **Taes** s common shares, in association with **FIP Coliseu** which will hold the remaining 51%.
- To establish that the association between **Cemig GT** and **FIP Coliseu** shall be governed by a Commitment Undertaking, a Shareholders Agreement and Bylaws, to be submitted to decision by the Board of Directors after conclusion of the negotiation of these documents between the parties.
- To authorize increase in the registered capital of **Taes** up to R\$ 3,538,252,194.00 (three billion five hundred and thirty eight million two hundred and fifty two thousand one hundred and ninety four Reais).
- To authorize the representative of **Cemig GT**, in the Board of Directors and in the Extraordinary General Meeting of Shareholders of **Taes** that decides on the said capital increase, and on the consequent alteration of the Bylaws to reflect this increase, to vote in favor of both measures.

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- To approve a revision of the **Pipoca** Small Hydro Plant Project.
- To authorize an increase in the registered capital of **Hidrelétrica Pipoca S.A.** to R\$ 45,183,988.00 (forty five million one hundred and eighty three thousand nine hundred and eighty eight Reais), in currency of April 2007.
- To authorize that representatives of **Cemig GT** in the Extraordinary General Meeting of **Hidrelétrica Pipoca S.A.** in relation to the increase in the registered capital referred to above, should vote in favor of subscription of the shares, consequent alteration of the Bylaws, signing with **Banco do Brasil S.A.** and **Banco Itaú BBA S.A.** of the BNDES Onlending Financing Contract with the BNDES; and authorization to the Company's Management to carry out all the acts necessary to the implementation and formalization of the said financing contract.
- To authorize signing of the following contractual instruments: the **BNDES Onlending Contract** referred to above; **Stockholder Support Agreement**; **Share Pledge Agreement**; **Instrument of Obligation to Sell Electricity**; **Agreement for Fiduciary Assignment of Rights, Accounts and Other Matters**; and **Contract for Issuance of Guarantee Insurance Policy and Endorsement**.

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6. Market Announcement Alternative to acquisition of all of the shares of Terna Participações S.A., Companhia Energética de Minas Gerais CEMIG, August 5, 2009

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

**LISTED COMPANY**

**CNPJ 17.155.730/0001-64**

**MARKET ANNOUNCEMENT**

**Cemig** (Companhia Energética de Minas Gerais), a listed company with share securities traded on the stock exchanges of São Paulo, New York and Madrid, in accordance with its commitment to implement best corporate governance practices, and CVM Instruction 358 of January 3, 2002, as amended, **hereby informs** the public, the CVM and the São Paulo Stock Exchange that:

- On August 5, 2009 Cemig's Board of Directors **approved**, as an **alternative** to acquisition of all of the shares of **Terna Participações S.A.** ( **Terna** ) held by **Terna Rete Elettrica Nazionale S.p.A** ( **Terna S.p.A** ), announced in the Material Announcement of April 23, 2009, specified as optional under the Share Purchase Agreement signed on that date between **Cemig GT** and **Terna S.p.A.**, the possibility of reduction of the final stockholding interest to be held by **Cemig Geração e Transmissão S.A.** ( **Cemig GT** ) in **Terna**, in that acquisition, to a minimum level of 50% less 1 (one) of the common shares in **Terna**, and a minimum level of none of the preferred shares in **Terna**, through a partnership to be constituted with **Fundo de Investimentos em Participação (FIP) Coliseu**, if it becomes possible for all the units of this FIP (Equity Investment Fund) necessary for the said acquisition, to be subscribed.

Implementation of this alternative is conditional upon its ratification by the General Meeting of Shareholders to be called for this purpose, and upon successful conclusion of negotiation of the partnership with **FIP Coliseu**.

Further details are given in the **Summaries of Decisions** of the Meetings of the Board of Directors of **Cemig** and **Cemig GT** held today, sent to the CVM on today's date.

Belo Horizonte, August 5, 2009.

Luiz Fernando Rolla

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Chief Officer for Finance, Investor Relations and Control of Holdings

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| 7. | Market Announcement | Oekom Research rates CEMIG sustainability leader, Companhia Energética de Minas Gerais | CEMIG, August 5, 2009 |
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**Oekom Research rates Cemig sustainability leader**

**Research organization awards Cemig status of *Prime***

On August 5, 2009 Cemig was awarded the status of *Prime* (B+) by **Oekom Research**, the sustainability rating agency based in Germany. Oekom is one of the world's principal investment rating agencies focused on corporate sustainability, with more than 10 years' experience.

With the *Prime* rating, Cemig is qualified to receive investments from institutions that take into account the Oekom criteria, currently representing \$90 billion. Cemig is the only company in the Brazilian utilities sector rated *Prime* by Oekom: the category includes providers of electricity, gas distribution, water and other public utility services.

Oekom evaluates companies annually, assessing their levels of responsibility in relation to social, cultural and environmental sustainability, taking into account the public information available in annual reports and websites that reflect the company's activity.

Based on a group of 500 indicators, approximately 100 companies are selected, in a wide range of sectors. The result of this evaluation is compared with a sustainability matrix that is specific for each industrial sector. The company's rating in its sector is then obtained based on the social and environmental indicators. A process of weighting of these results then gives the company's rating.

Oekom grants the status of *Prime* to companies that are considered world leaders in their industrial sectors, and which meet specific standards of sustainability.

In Cemig's case, the rating obtained is B+, classifying it as *Prime*, that is to say, as one of the leaders in the utilities sector worldwide.

Further information on Oekom Research can be obtained on its Internet site: <http://www.oekom-research.com>

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8. Reply to CVM Letter SEP/GEA-3/No447/09, Companhia Energética de Minas Gerais CEMIG, August 5, 2009



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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

**LISTED COMPANY CNPJ 17.155.730/0001-64**

**REPLY**

**TO CVM LETTER SEP/GEA-3/N°447/09, of August 3, 2009**

**Question asked by the CVM**

Requests information in relation to the acquisition of **Terna Participações S.A.** by **Cemig Geração e Transmissão S.A.**, approved at the Extraordinary General Meeting of Stockholders of **Cia. Energética de Minas Gerais Cemig** on May 28, 2009.

**Reply by CEMIG**

Dear Sirs:

In reply to your request, stated in Official Letter CVM/SEP/GEA-3/N°447/09, for Cemig to state whether the acquisition of **Terna Participações S.A** will cause stockholders of **Cia. Energética de Minas Gerais Cemig** to have the right to withdraw, under Article 256 of Law 6404/76, we inform you that, in accordance with Item 8 (attached) of the Opinion prepared by Hirashima & Associados Ltda., the acquisition of **Terna Participações S.A** will not cause the stockholders of **Cia. Energética de Minas Gerais Cemig** to have the right to withdraw.

Belo Horizonte, August 5, 2009.

Yours,

Luiz Fernando Rolla

Chief Officer for Finance, Investor Relations and Control of Holdings

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**Item 8 of the Opinion**

**Checking of the need for the acquisition of Terna Participações S.A. to be approved by the General Meeting of Stockholders of Cemig under Article 256 of Law 6404/76.**

8. CONCLUSION (§2º OF ARTICLE 256)

It having been decided that the acquisition of Terna is a material investment for Cemig, the objective becomes that of determining whether the purchase price of the shares exceeds 1.5 times the largest of the three amounts stated in Subclauses a, b and c of Sub-item II of Article 256, for the purposes of determining stockholders' right to withdraw.

For our analysis we will use the index of net profit per share of R\$ 13.28, which is the largest value resulting from the three methods referred to above.

Using the value of the offer, R\$ 13.43 per share, and the net profit of R\$ 13.28 per share, gives a ratio of 1.01 between the offer price and net profit, lower than the maximum ratio of 1.5 times. Hence there is no right for dissident shareholders to withdraw.

| <b>Summary table</b>                        | <b>Per share</b> |
|---|------------------|
| Net profit per share multiplied by 15 (R\$) | 13.28            |
| Offer price per share (R\$)                 | 13.43            |
| Ratio of Offer price to Net profit          | 1.01             |

From the above, we conclude that the transaction of purchase of Terna requires approval by the General Meeting of Stockholders of Cemig, since Article 256 of Law 6404/76 states the need for compliance with at least one of the above requirements, which is met by the criterion of material investment (sub-item I).

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9. Summary of Decisions of the 464th Meeting of the Board of Directors, Companhia Energética de Minas Gerais CEMIG, August 13, 2009

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

**Listed Company  
CNPJ 17.155.730/0001-64  
NIRE 31300040127**

**SUMMARY OF DECISIONS**

At its 464th meeting, held on August 13, 2009, the Board of Directors of Companhia Energética de Minas Gerais decided the following:

1. Signature of a transaction undertaking.
2. Appointment of Chief Officers of Cemig to management of companies of the Cemig group.
3. Reduction of the registered capital, and orientation of vote for the representative of Cemig in the Extraordinary General Meeting of Stockholders of, Central Termelétrica de Cogeração S.A.
4. Contracting of corporate digital cellular telephony services.
5. Signing of a mutual cooperation working agreement / Secondment of an employee.
6. Increase in the registered capital of Transchile
7. Injection of capital and orientation of vote - Lightcom Comercializadora de Energia Ltda.

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10. Summary of Decisions of the 96th Meeting of the Board of Directors, Cemig Geração e Transmissão S.A., August 13, 2009

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**CEMIG GERAÇÃO E TRANSMISSÃO S.A.**

**Listed Company  
CNPJ 06.981.176/0001-58  
NIRE 31300020550**

**SUMMARY OF DECISIONS**

At its 96th meeting, held on August 13, 2009, the Board of Directors of Cemig Geração e Transmissão S.A. ( **Cemig GT** ) decided:

1. Signing of an amendment to a commitment undertaking.
2. Signing of a working agreement.
3. Signing of the first amendment to a share purchase and sale contract.
4. Signing of the second amendment to a share purchase and sale contract.
5. Review of the Paracambi Small Hydro Plant project.
6. Leasing of an aircraft / Cancellation of a resolution of the Board of Directors.
7. The Cemig GT Aneel Technological Research and Development Program.
8. Signing of a term of undertaking to a contract for purchase and sale of electricity and of a transaction undertaking.
9. Contracting of corporate digital cellular telephony services.
10. Signing of an agreement for capitalization for operation of derivatives.

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11. Summary of Principal Decisions of the 90th Meeting of Board of the Directors, Cemig Geração e Transmissão S.A., August 13, 2009

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**CEMIG DISTRIBUIÇÃO S.A.**

**Listed company  
CNPJ 06.981.180/0001-16**

**Summary of principal decisions**

At its 90th meeting, held on August 13, 2009, the Board of Directors of Cemig Distribuição S.A. approved the following matters:

1. Contracting of services of acquisition of materials and equipment.
2. Signing of a contract for provision of services of corrective maintenance for the illumination system.
3. Contracting of services of printing of electricity bills and other documents.
4. The Cemig D Aneel Technological Research and Development Program.
5. Signing of a transaction undertaking and amendment to a contract for use of the distribution system,
6. Contracting of corporate digital cellular telephony services.

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12      Second Quarter 2009 Earnings Release    Companhia Energética de Minas Gerais    CEMIG

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**EARNINGS RELEASE**

**2Q09**

**Cemig H**

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*Cemig's CEO, Djalma Bastos de Moraes, comments on the second quarter results:*

*Our exceptional results this quarter reflect the success of our Long-term Strategic Plan, and the strategy derived from it which, by focusing on the long term, enable Cemig to produce growing results, in spite of a challenging situation in the world economy.*

*Cemig is overcoming the crisis, with better results and strong fundamentals, guaranteeing the bases for its projects for expansion, including acquisitions. We have successfully concluded two transactions with TBE and Terna which as well as adding value to the Company's business, position Cemig as the leading company in the Brazilian electricity sector.*

*This comfortable situation is the result of a conjunction of strategies including our policy of maintaining a balanced portfolio of businesses, our financial discipline, and our strategy for sales of electricity which succeeded in mitigating the impact of the economic slowdown. We continue to do our homework, growing in all sectors in a balanced fashion, and with focus on operational excellence.*

*Finally, the results presented show that we are on the right path, and that the decisions that we have taken in recent years are constantly adding value to our businesses, making Cemig every day a stronger and more solid company, with efficient business management.*

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*Cemig's Chief Officer for Finance, Investor Relations and Control of Holdings, Luiz Fernando Rolla, makes these comments:*

*In the second quarter our company continued to provide consistent and robust cash flow, as a result of our operations, which seek to add value to our businesses.*

*Our adjusted Ebitda in the quarter is R\$ 1.07 billion, with adjusted Ebitda margin of 38%, showing the positive effect of our policy of maintaining high levels of operational efficiency – the excellence of which is evidenced by our net profit, which when adjusted for non-recurring effects totaled R\$ 545 million in the second quarter of this year, 16% more than in the second quarter of 2008.*

*This new level of cash flow is in line with the figures estimated in our financial projections and in our Strategic Plan, and reflects the correctness of our strategy of growth via acquisitions and new projects, within the process of consolidation of the sector. Cemig GT's sales performance boosted the consolidated results, and the non-recurring impact of the investment in the PDV Voluntary Retirement Program was mitigated by posting of the transmission revenues relating to previous periods.*

*Thus, the impact on our results of the non-recurring effects recorded in this quarter is mitigated by the portfolio of businesses, and the net outcome is adjusted net revenue 7% higher year-on-year – since the Cemig Group is made up of 49 companies and 10 consortia, with operations that have synergy*

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*and are increasingly profitable, in a position of lower risk, and long-term growth in its results.*

*Our solid cash position of R\$ 2.2 billion makes execution of our Strategic plan possible, guaranteeing our dividend policy and debt management, and the execution of the planned investments, including those associated with acquisition opportunities.*

*The excellent results that we are presenting today show that we continue to add value, in a continuous and sustainable manner, for all our stockholders and other stakeholders.*

*The rest of this release gives the highlights of our third quarter financial figures.*

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(R\$ 000, except where otherwise stated)

**HIGHLIGHTS of 2Q09**

- Adjusted Ebitda *R\$ 1.07 billion*
- Adjusted net income *R\$ 545 million*
- Adjusted net revenue: *R\$ 2.81 billion*
- Cash position: *R\$ 2.25 billion*
- Volume sold in 2Q09: *14,905 GWh*



Table of Contents**Economic summary**

|                        | 2Q09   | 2Q08   | R\$ million<br>Change<br>(%) |
|------------------------|--------|--------|------------------------------|
| Electricity sold, GWh* | 14,905 | 14,975 | (-0.5)                       |
| Gross revenue          | 4,437  | 4,041  | 10                           |
| Adjusted net revenue   | 2,818  | 2,626  | 7                            |
| Adjusted Ebitda        | 1,070  | 1,020  | 5                            |
| Adjusted net profit    | 545    | 471    | 16                           |

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\* Includes figures for *Light S.A.*

**Non-recurring effects**

This table shows the non-recurring effects that impacted the consolidated result in the second quarter of 2009.

Table of Contents**Adjusted net profit CEMIG, CONSOLIDATED**

| <b>R\$ million</b>   | <b>2Q09</b>  | <b>2Q08</b>  | <b>Δ%</b>   |
|--|--------------|--------------|-------------|
| <b>Net sales revenue</b>                                       | <b>2,976</b> | <b>2,626</b> | <b>13</b>   |
| (a) Tariff review Net revenue                                  |              |              |             |
| (b) Review of transmission revenue                             | (158)        |              |             |
| <b>Adjusted net revenue</b>                                    | <b>2,818</b> | <b>2,626</b> | <b>7</b>    |
| <b>EBITDA</b>  | <b>1,035</b> | <b>980</b>   | <b>6</b>    |
| (a) Tariff review Net revenue                                  |              |              |             |
| (b) Tariff review Operational expense                          |              |              |             |
| (c) CVA Purchase of electricity                                |              |              |             |
| (d) Reversal of provision for contingencies Cofins tax Light   |              |              |             |
| (e) Review of transmission revenue                             | (158)        |              |             |
| (f) The PPD Permanent Voluntary Retirement Program             | 2            | 40           |             |
| (g) The PDV Temporary Voluntary Retirement Program             | 191          |              |             |
| <b>Adjusted Ebitda</b>   | <b>1,070</b> | <b>1,020</b> | <b>5</b>    |
| <b>Net profit</b>  | <b>524</b>   | <b>635</b>   | <b>(17)</b> |
| (a) Tariff review Net revenue                                  |              |              |             |
| (b) Tariff review Operational expense                          |              |              |             |
| (c) CVA Purchase of electricity                                |              |              |             |
| (d) Reversal of provision for contingencies Cofins tax Light   |              | (108)        |             |
| (e) Financial compensation RME                                 |              | (82)         |             |
| (f) Review of transmission revenue Homologation Resolution 496 |              |              |             |
| (g) The PPD Voluntary Retirement Program                       | (1)          | 26           |             |
|  | 126          |              |             |
| (i) Review of transmission revenue                             | (104)        |              |             |
| <b>Adjusted net profit</b>                                     | <b>545</b>   | <b>471</b>   | <b>16</b>   |

From this point onwards the financial data will be presented without any adjustment for non-recurring effects

**Consolidated electricity market****Sales to final consumers**

This table shows the breakdown of our sales to final consumers and YoY changes from 2Q08 to 2Q09:

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|  | MWh               |                   |               |
|--|-------------------|-------------------|---------------|
| Electricity volume sold                    | 2Q09              | 2Q08              | Δ%            |
| Residential                                | 2,421,497         | 2,261,334         | 7             |
| Industrial                                 | 5,538,838         | 6,390,225         | (-13)         |
| Commercial                                 | 1,530,866         | 1,463,691         | 5             |
| Rural                                      | 521,051           | 504,412           | 3             |
| Other                                      | 903,830           | 937,733           | (-4)          |
| <b>Electricity sold to final consumers</b> | <b>10,916,082</b> | <b>11,557,395</b> | <b>(-6)</b>   |
| Own consumption                            | 12,841            | 13,409            | (-4)          |
| Supply to other concession holders         | 3,525,472         | 2,851,254         | 24            |
| Transactions in electricity on CCEE        | 450,841           |                   |               |
| <b>TOTAL</b>                               | <b>14,905,236</b> | <b>14,975,755</b> | <b>(-0.5)</b> |

**Electricity market: Distribution****Cemig D**

**Cemig D** s sales by consumer category:

Electricity sales **Cemig D**

|              | MWh          |              |            |
|--------------|--------------|--------------|------------|
|              | 2Q09         | 2Q08         | Δ%         |
| Residential  | 1,957        | 1,806        | 8          |
| Industrial   | 1,177        | 1,338        | (-12)      |
| Commercial   | 1,153        | 1,093        | 5          |
| Rural        | 518          | 502          | 3          |
| Other        | 705          | 747          | (-6)       |
| <b>TOTAL</b> | <b>5,518</b> | <b>5,495</b> | <b>0.4</b> |

Table of Contents**Electricity market: Generation****Cemig GT**Breakdown of **Cemig GT** s sales by volume:

| Sale of Cemig GT        | MWh          |              |              |
|-------------------------|--------------|--------------|--------------|
|                         | 2Q09         | 2Q08         | Δ%           |
| <b>Free consumers</b>   | <b>4,009</b> | <b>4,655</b> | <b>(-14)</b> |
| <b>Wholesale supply</b> | <b>4,337</b> | <b>3,066</b> | <b>41</b>    |
| <b>Sales on CCEE</b>    | <b>255</b>   | <b>347</b>   | <b>(-27)</b> |
| <b>TOTAL</b>            | <b>8,601</b> | <b>8,068</b> | <b>7</b>     |

Table of Contents**Revenue from supply of electricity**

Revenue from supply of electricity in 2Q09 was R\$ 3,670,692, 10.37% more than in 2Q08 (R\$ 3,325,747).

|  | MWh (*)           |                   |               | R\$              |                  |               |
|--|-------------------|-------------------|---------------|------------------|------------------|---------------|
|  | 2Q09              | 2Q08              | Change,<br>%  | 2Q09             | 2Q08             | Change,<br>%  |
| Residential                                  | 2,421,497         | 2,261,334         | 7.08          | 1,116,182        | 1,106,731        | 0.85          |
| Industrial                                   | 5,538,838         | 6,390,225         | (13.32)       | 916,748          | 959,230          | (4.43)        |
| Commercial, services and others              | 1,530,866         | 1,463,691         | 4.59          | 672,911          | 650,125          | 3.50          |
| Rural  | 521,051           | 504,412           | 3.30          | 135,220          | 131,989          | 2.45          |
| Public authorities                           | 267,399           | 274,008           | (2.41)        | 115,208          | 110,574          | 4.19          |
| Public illumination                          | 304,096           | 309,487           | (1.74)        | 75,321           | 76,880           | (2.03)        |
| Public service                               | 332,335           | 354,238           | (6.18)        | 96,583           | 97,213           | (0.65)        |
| <b>Sub-total</b>                             | <b>10,916,082</b> | <b>11,557,395</b> | <b>(5.55)</b> | <b>3,128,173</b> | <b>3,132,742</b> | <b>(0.15)</b> |
| Own consumption                              | 12,841            | 13,409            | (4.24)        |                  |                  |               |
| Subsidy for low-income consumers             |                   |                   |               | 45,629           | 21,811           | 109.20        |
| Uninvoiced supply Regulatory asset           |                   |                   |               |                  | 38,807           |               |
| Supply not invoiced, net                     |                   |                   |               | (28,497)         | (168,437)        | (83.08)       |
|  | 10,928,923        | 11,570,804        | (5.55)        | 3,145,305        | 3,024,923        | 3.98          |
| Wholesale supply to other concession holders | 3,525,472         | 2,851,254         | 23.65         | 456,680          | 256,952          | 77.73         |
| Transactions in electricity on CCEE          | 450,841           | 553,717           | (18.58)       | 7,697            | 43,872           | (82.46)       |
| Effects of the Final Tariff Review           |                   |                   |               | 61,010           |                  |               |
| <b>Total</b>                                 | <b>14,905,236</b> | <b>14,975,775</b> | <b>(0.47)</b> | <b>3,670,692</b> | <b>3,325,747</b> | <b>10.37</b>  |

(\*) Information in MWH not reviewed by external auditors.

Main factors affecting revenue in 2Q09:

- Tariff adjustment with average impact on consumer tariffs of 4.69%, starting from April 8, 2009.
- Reduction in the tariff of **Cemig D**, with average impact across all consumer tariffs of a reduction of 12.08%, from April 8, 2008.

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- Volume of energy invoiced to final consumers 5.5% lower (this excludes Cemig's own internal consumption).

**Supply to other concession holders**

Revenues from energy sold to other concession holders totaled R\$ 456,680 in 2Q09, 77.73% more than in 2Q08 (R\$ 256,952). This is mainly due to the volume of energy sold to other concession holders under bilateral contracts being 23.65% higher, due to new contracts made at auctions of electricity to distributors, in which the MWh was sold for tariffs varying from R\$ 125 to R\$ 145.77.

**Revenue for use of the network**

This revenue is from the TUSD, charged to Free Consumers, on energy sold, and also revenue for use of Cemig GT's basic transmission grid. It was 17.27% higher in 2Q09, at R\$ 624,195, than in 2Q08 (R\$ 532,266). The difference is mainly due to the accounting, in June 2009, of annual permitted revenue (RAP) from previous periods, totaling R\$ 158,090, as a result of the Review of the Transmission Tariff being backdated over the period from July 1, 2005 to June 2009.

Table of Contents**EBITDA**

Cemig's Ebitda in the second quarter of 2009 was 5.66% higher than in 2Q08. Adjusted for the non-recurring items, it was 4.96% higher.

Due to the announcement of the Transmission Tariff Review for Cemig GT, Aneel decided on repositioning of the Company's Annual Permitted Transmission Revenue (RAP) at 5.35%, in the financial amount of R\$ 158,090, arising from the effect of the repositioning being backdated to 2005.

| <b>EBITDA - R\$ 000</b>                                    | <b>2Q09</b>      | <b>2Q08</b>      | <b>Change, %</b> |
|--|------------------|------------------|------------------|
| Net profit   | 523,794          | 634,872          | (17)             |
| + Income tax and Social Contribution tax                   | 245,493          | 343,040          | (28)             |
| + Profit shares  | 45,645           | 21,909           | 108              |
| + Financial revenues (expenses)                            | 33,207           | (238,207)        |                  |
| + Depreciation and amortization                            | 172,487          | 170,375          | 1                |
| + Minority interests                                       | 14,598           | 47,759           | (69)             |
| <b>EBITDA</b>  | <b>1,035,224</b> | <b>979,748</b>   | <b>6</b>         |
| Non-recurring items:                                       |                  |                  |                  |
| - Review of Transmission Revenue - Technical Note 214/2009 | (158,090)        |                  |                  |
| + The PDV Temporary Voluntary Retirement Program           | 191,184          |                  |                  |
| + the PPD Permanent Voluntary Retirement Program           | 1,734            | 33,641           | (-96)            |
| <b>= ADJUSTED EBITDA</b>                                   | <b>1,070,052</b> | <b>1,019,501</b> | <b>5</b>         |

In spite of operational costs and expenses (excluding depreciation and amortization) being 17.86% higher, Ebitda was 5.66% higher in 2Q09 than in 2Q08. This was due to the good performance in sales, with a positive impact of 13.31% on net operational revenue. The high increase in operational costs and expenses had a negative

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impact on Ebitda margin, which was 37.31% in 2Q08, but 34.75% in 2Q09.

**Net income**

In the second quarter of 2009 (2Q09), Cemig reported net income of R\$ 523,794, 17.50% less than the net income of R\$ 634,872 reported for the second quarter of 2008 (2Q08). This was basically due to operational costs and expenses 16.36% higher, and the variation in Financial revenue (expenses), partially offset by Net operational revenue 13.31% higher. Cemig posted net financial expenses of R\$ 33,207 in 2Q09, compared with net financial revenue of R\$ 238,207 in 2Q08.

The higher operational costs and expenses basically reflect cost of electricity bought for resale 15.36% higher, and personnel expenses 53.06% higher, as a result of the cost of the PDV Temporary Voluntary Retirement Program, which totaled R\$ 191,184 being posted in the second quarter of 2009. Please refer to additional comments in the specific items of this report.



Table of Contents**Non-controllable costs**

Differences between the sum of non-controllable costs (known as CVA), used as a reference in calculating the tariff adjustment, and disbursements actually made, are offset in subsequent tariff adjustments. They are recorded in Assets and Liabilities. Due to a change in Aneel's plan of accounts, some items were transferred to the item Deductions from operational revenues. For more information, please see Explanatory Notes 2 and 7 to the Quarterly Information.

**Deductions from operational revenues**

|  | 2Q09             | 2Q08             | Change, %     |
|--|------------------|------------------|---------------|
| ICMS tax   | 743,632          | 774,297          | (3.96)        |
| Cofins tax   | 315,499          | 301,350          | 4.70          |
| PIS and Pasep taxes  | 68,461           | 60,542           | 13.08         |
| ISS value-added tax on services                              | 950              | 1,075            | (11.63)       |
|  | <b>1,128,542</b> | <b>1,137,264</b> | <b>(0.77)</b> |
| Global Reversion Reserve RGR                                 | 48,627           | 43,207           | 12.54         |
| Energy Efficiency Program P.E.E.                             | 9,888            | 9,806            | 0.84          |
| Energy Development Account CDE                               | 101,959          | 99,314           | 2.66          |
| Fuel Consumption Account CCC                                 | 152,049          | 110,258          | 37.90         |
| Research and Development R&D                                 | 8,158            | 6,879            | 18.59         |
| National Scientific and Technological Development Fund FNDCT | 8,353            | 6,253            | 33.58         |
| Energy System Expansion Research (EPE / Energy Ministry)     | 4,102            | 1,687            | 143.15        |
| Emergency Capacity Charge                                    |                  | 10               |               |
|  | <b>333,136</b>   | <b>277,414</b>   | <b>20.09</b>  |
|  | <b>1,461,678</b> | <b>1,414,678</b> | <b>3.32</b>   |

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Main year-on-year variations in the deductions from revenue:

**The Fuel Consumption Account CCC**

The deduction from revenue for the CCC was R\$ 152,049 in 2Q09, 37.90% more than in 2Q08 (R\$ 110,258). This refers to the operational costs of the thermal plants in the Brazilian grid and isolated systems, divided up between electricity concession holders by an Aneel Resolution. This is a non-controllable cost. The amount posted for electricity *distribution* services is the amount passed through to the tariff. For the amount posted in relation to electricity *transmission* services the company merely passes through the charge, since the CCC is charged to Free Consumers on the invoice for the use of the basic grid, and passed on to Eletrobrás.

**Energy Development Account CDE**

The deduction from revenue for the CDE was R\$ 101,959 in 2Q09, compared to R\$ 99,314 in 2Q08, an increase of 2.66%. This is a non-controllable cost. The amount posted for electricity distribution services corresponds to the amount passed through to the tariff. For the amount posted in relation to electricity transmission services the company merely passes through the charge, since the CCC is charged to Free Consumers on the invoice for the use of the grid, and passed onto Eletrobrás.

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The other deductions from revenue are of taxes calculated as a percentage of billing, and their variations thus substantially arise from the changes in revenue.

**Operational costs and expenses (excluding Financial revenue (expenses))**

Operational costs and expenses (excluding Financial revenue (expenses)) totaled R\$ 2,112,731 in 2Q09, 17.86% more than in 2Q08 (R\$ 1,816,571). This is mainly due to the increases in Personnel costs and Electricity bought for resale, partially offset by lower Operational provisions, Raw materials and Post-employment obligations.

The main year-on-year variations in these expenses are:

**Personnel expenses**

Personnel expenses totaled R\$ 448,231 in 2Q09, 52.72% more than in 2Q08 (R\$ 293,499). This reflects the salary increase of 7.26% given to employees in November 2008, and the provision of R\$ 191,184 for the PDV Permanent Voluntary Retirement Program, posted in 2Q09.

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**Electricity bought for resale**

The expense on this account in 2Q09 was R\$ 838,265, 15.36% more than the expense of R\$ 726,657 in 2Q08. This is a non-controllable cost: the expense recorded in the income statement is the amount actually passed through to the tariff. Further information is given in Explanatory Note 28 to the Consolidated Quarterly Information.

**Post-employment obligations**

The expense on post-employment obligations in 2Q09 totaled R\$ 34,515, 45.94% more than in 2Q08 (R\$ 63,844). These expenses basically represent the interest applicable to Cemig's actuarial obligations, net of the investment yield expected from the assets of the plans, estimated by an external actuary. The lower expense in 2009 basically reflects the adjustment made to the actuarial assumptions in December 2008, which resulted in a reduction of the Company's net obligations.

Table of Contents**Operational provisions**

Operational provisions were constituted as *revenue* (due to reversal) totaling R\$ 6,950 in 2Q09, compared with an *expense* of R\$ 27,344 in 2Q08. The reduction is due to the reversal, in June 2009, of a provision of R\$ 26,804 for civil lawsuits on tariff increases, due to finalization of those cases.

**Financial revenues (expenses)**

|   | 2Q09            | 2Q08           | Change,<br>% |
|---|-----------------|----------------|--------------|
| <b>FINANCIAL REVENUES</b>   |                 |                |              |
| Revenue from cash investments   | 65,657          | 68,192         | (3.72)       |
| Arrears penalty payments on electricity bills   | 33,502          | 47,812         | (29.93)      |
| Interest and monetary updating on accounts receivable from the Minas Gerais state government            | 8,998           | 8,921          | 0.86         |
| Monetary updating of CVA  | 9,766           | 9,689          | 0.79         |
| Monetary updating on General Agreement for the Electricity Sector                                       | 11,242          | 27,658         | (59.35)      |
| Monetary updating on Deferred Tariff Adjustment   | 25              | 28,307         | (99.91)      |
| FX variations   | 69,001          | 33,448         | 106.29       |
| Pasep and Cofins taxes on financial revenues  | (18,412)        | (19,058)       | (3.39)       |
| Gains on financial instruments  | (547)           | 2,164          |              |
| Financial compensation RME  |                 | 82,702         |              |
| Adjustment to present value   | 317             | 62,003         | (99.49)      |
| Other   | 25,632          | 49,516         | (48.23)      |
|   | 205,181         | 401,354        | (48.88)      |
| <b>FINANCIAL EXPENSES</b>   |                 |                |              |
| Charges on loans and financings   | (150,212)       | (179,200)      | (16.18)      |
| Monetary updating on General Agreement for the Electricity Sector                                       | (510)           | (1,776)        | (71.28)      |
| Monetary updating CCEE  | (4,013)         |                |              |
| Monetary updating of CVA  | 1,802           | (10,539)       |              |
| FX variations   | (7,282)         | 10,204         | (171.36)     |
| Monetary updating on loans and financings   | (2,233)         | (27,908)       | (92.00)      |
| CPMF tax  |                 | (1,434)        |              |
| Provision for losses on recovery of Extraordinary Tariff Recomposition and Free Energy amounts updating | (416)           | (7,397)        | (94.38)      |
| Adjustment to present value   | (4,571)         | (4,905)        | (6.81)       |
| Losses on financial instruments   | (55,576)        | (31,236)       | 77.92        |
| Reversal of provision for PIS and Cofins taxes  | 2,107           | 108,090        | (98.05)      |
| Other   | (17,484)        | (17,046)       | 2.57         |
|   | (238,388)       | (163,147)      | 46.12        |
|   | <b>(33,207)</b> | <b>238,207</b> |              |

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The Financial revenue (expenses) line was significantly different between the two periods. The main factors are:

- Revenue from arrears penalty payments for late payment of electricity bills 29.93% lower in 2Q09, at R\$ 33,502, compared to R\$ 47,812 in 2Q08. This basically reflects payment of accounts received from large industrial consumers related to previous years, the principal amounts of which were considerably less than the added amounts related to financial charges applied.
- The Company recognized a financial gain in the second quarter of 2008, in the amount of R\$ 82,702, for the financial compensation to be paid by the stockholders of RME for Cemig's waiver of exercise of an option to buy the rights of the partners of RME over the generation assets of Light for a previously agreed amount. For more details, see Explanatory Note 29.
- Revenue from adjustment to present value in 2008, totaling R\$ 62,003, applied to the balance of some financings, debentures and obligations payable for concessions for consideration, in compliance with Law 11,638/07.
- Revenue from monetary variation on the General Agreement for the Electricity Sector 59.35% lower at R\$ 11,242 in 2009, vs. R\$ 27,658 in 2008 reflecting the lower value of the regulatory assets in 2009, due to the principal regulatory assets previously

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posted (RTE and Deferred Tariff Adjustment) having been amortized.

- Revenue reported in 2008 of R\$ 108,090 from the final court decision in favor of Light in an action challenging the application of the PIS and Cofins taxes to financial revenue.
- Costs of loans and financings 16.18% lower, due to amortizations of debt in 2008 and the lower variation in the CDI rate (the main index of contracts) in 2009.

**Income tax and Social Contribution tax**

Cemig's expenses on income tax and the Social Contribution tax in 2Q09 totaled R\$ 245,493, on income of R\$ 828,541 before tax effects, a percentage of 29.63%. The Company's expenses on income tax and the Social Contribution tax in 2Q08 were R\$ 343,040 on income of R\$ 993,648 before tax effects, a percentage of 34.52%.

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**Disclaimer**

Some statements and assumptions in this document are projections based on the viewpoint and assumptions of management, and involve risks and uncertainties both known and unknown. Future outcomes may differ materially from those expressed or implicit in such statements.

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## CEMIG GT Tables I to III

TABLE I

Operating Revenues (consolidated) - CEMIG GT  
Values in million of Reais

|  | 2nd Q. 2009  | 1st Q. 2009 | Chge%     | 2nd Q. 2008 | Chge%     | 1st H. 2009  | 1st H. 2008  | Chge%     |
|--|--------------|-------------|-----------|-------------|-----------|--------------|--------------|-----------|
| Sales to end consumers                                     | 431          | 412         | 5         | 455         | (5)       | 843          | 884          | (5)       |
| Supply   | 540          | 357         | 51        | 294         | 84        | 897          | 586          | 53        |
| Revenues from Trans. Network +<br>Transactions in the CCCE | 315          | 151         | 109       | 153         | 106       | 466          | 303          | 54        |
| Others   | 5            | 6           | (17)      | 8           | (38)      | 11           | 15           | (27)      |
| <b>Subtotal</b>  | <b>1,291</b> | <b>926</b>  | <b>39</b> | <b>910</b>  | <b>42</b> | <b>2,217</b> | <b>1,788</b> | <b>24</b> |
| Deductions   | (245)        | (194)       | 26        | (210)       | 17        | (439)        | (405)        | 8         |
| <b>Net Revenues</b>  | <b>1,046</b> | <b>732</b>  | <b>43</b> | <b>700</b>  | <b>49</b> | <b>1,778</b> | <b>1,383</b> | <b>29</b> |

TABLE II

Operating Expenses (consolidated) - CEMIG GT  
Values in millions of reais

|  | 2nd Q.<br>2009 | 1st Q. 2009 | Chge%      | 2nd Q. 2008 | Chge%       | 1st H. 2009 | 1st H. 2008 | Chge%          |
|--|----------------|-------------|------------|-------------|-------------|-------------|-------------|----------------|
| Personnel/Administrators/Councillors             | 105            | 69          | 52         | 70          | 50          | 169         | 134         | 26             |
| Depreciation and Amortization                    | 57             | 56          | 2          | 55          | 4           | 113         | 111         | 2              |
| Charges for Use of Basic<br>Transmission Network | 70             | 72          | (3)        | 65          | 8           | 142         | 129         | 10             |
| Contracted Services                              | 28             | 24          | 17         | 26          | 8           | 53          | 43          | 23             |
| Forluz Post-Retirement Employee<br>Benefits      | 7              | 7           |            | 12          | (42)        | 15          | 24          | (38)           |
| Materials  | 4              | 3           | 33         | 4           |             | 7           | 7           |                |
| Royalties  | 35             | 35          |            | 31          | 13          | 70          | 62          | 13             |
| Operating Provisions                             | 1              |             |            |             |             |             |             |                |
| Other Expenses                                   | 17             | 14          | 21         | 15          | 13          | 31          | 42          | (26)           |
| Purchased Energy                                 | 44             | 27          | 63         |             |             | 71          | (8)         | (988)          |
| Raw material for production                      | 4              |             |            | 42          | (90)        | 4           | 41          | (90)           |
| <b>Total</b>                                     | <b>372</b>     | <b>307</b>  | <b>186</b> | <b>320</b>  | <b>(37)</b> | <b>675</b>  | <b>585</b>  | <b>(1,067)</b> |

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**Statement of Results (Consolidated) - CEMIG GT**  
**Values in millions of reais**

|  | <b>2nd Q. 2009</b> | <b>1st Q. 2009</b> | <b>Chge%</b> | <b>2nd Q. 2008</b> | <b>Chge%</b> | <b>1st H. 2009</b> | <b>1st H. 2008</b> | <b>Chge%</b> |
|--|--------------------|--------------------|--------------|--------------------|--------------|--------------------|--------------------|--------------|
| Net Revenue  | 1,045              | 732                | 43           | 700                | 49           | 1,778              | 1,383              | 29           |
| Operating Expenses   | (372)              | (307)              | 21           | (300)              | 24           | (675)              | (585)              | 15           |
| <b>EBIT</b>  | <b>673</b>         | <b>425</b>         | <b>58</b>    | <b>400</b>         | <b>68</b>    | <b>1,103</b>       | <b>798</b>         | <b>38</b>    |
| <b>EBITDA</b>  | <b>730</b>         | <b>481</b>         | <b>52</b>    | <b>456</b>         | <b>60</b>    | <b>1,216</b>       | <b>909</b>         | <b>34</b>    |
| Financial Result   | (43)               | (50)               | (14)         | (24)               | 79           | (93)               | (104)              | (11)         |
| Provision for Income Taxes, Social<br>Cont & Deferred Income Tax | (172)              | (137)              | 26           | (94)               | 83           | (309)              | (201)              | 54           |
| Employee Participation   | (5)                | (6)                | (17)         | (5)                |              | (16)               | (10)               | 60           |
| <b>Net Income</b>  | <b>453</b>         | <b>232</b>         | <b>53</b>    | <b>277</b>         | <b>230</b>   | <b>685</b>         | <b>483</b>         | <b>141</b>   |

Table of Contents

CEMIG D Tables I to V

**TABLE I****Chart I****CEMIG D Market**

| Quarter | Captive Consumers | (GWh)<br>TUSD<br>ENERGY(1) | T.E.D(2) | GW<br>TUSD<br>PICK(3) |
|---------|-------------------|----------------------------|----------|-----------------------|
| 1Q06    | 4,856             | 4,053                      | 8,909    | 17.4                  |
| 2Q06    | 4,986             | 4,207                      | 9,193    | 17.8                  |
| 3Q06    | 5,069             | 4,286                      | 9,355    | 18.1                  |
| 4Q06    | 5,059             | 4,194                      | 9,253    | 18.2                  |
| 1Q07    | 4,912             | 4,128                      | 9,040    | 18.5                  |
| 2Q07    | 5,267             | 4,438                      | 9,705    | 19.1                  |
| 3Q07    | 5,165             | 4,516                      | 9,681    | 19.8                  |
| 4Q07    | 5,350             | 4,457                      | 9,807    | 20.0                  |
| 1Q08    | 5,175             | 4,082                      | 9,257    | 20.5                  |
| 2Q08    | 5,494             | 4,364                      | 9,858    | 20.5                  |
| 3Q08    | 5,766             | 4,597                      | 10,363   | 21.2                  |
| 4Q08    | 5,823             | 4,368                      | 10,191   | 21.4                  |
| 1Q09    | 5,408             | 3,269                      | 8,677    | 20.6                  |
| 2Q09    | 5,478             | 3,593                      | 9,071    | 20.5                  |

(1) Refers to the quantity of electricity for calculation of the regulatory charges charged to free consumer clients ( Portion A ).

(2) Total electricity distributed

(3) Sum of the demand on which the TUSD is invoiced, according to demand contracted ( Portion B ).

**TABLE II****Operating Revenues (consolidated) - CEMIG D**

Values in million of Reais

| 2nd Q. 2009 | 1st Q. 2008 | Chge% | 2nd Q. 2008 | Chge% | 1st H. 2009 | 1st H. 2008 | Chge% |
|-------------|-------------|-------|-------------|-------|-------------|-------------|-------|
|-------------|-------------|-------|-------------|-------|-------------|-------------|-------|

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|                        |              |              |           |              |          |              |              |             |
|------------------------|--------------|--------------|-----------|--------------|----------|--------------|--------------|-------------|
| Sales to end consumers | 2,290        | 1,803        | 27        | 2,089        | 10       | 4,093        | 4,427        | (8)         |
| TUSD                   | 276          | 262          | 5         | 341          | (19)     | 538          | 656          | (18)        |
| Subtotal               | 2,566        | 2,065        | 24        | 2,430        | 6        | 4,631        | 5,083        | (9)         |
| Others                 | 5            | 32           | (84)      | 14           | (64)     | 37           | 37           |             |
| <b>Subtotal</b>        | <b>2,571</b> | <b>2,097</b> | <b>23</b> | <b>2,444</b> | <b>5</b> | <b>4,668</b> | <b>5,120</b> | <b>(9)</b>  |
| Deductions             | (982)        | (911)        | 8         | (980)        | 0        | (1,893)      | (2,008)      | (6)         |
| <b>Net Revenues</b>    | <b>1,589</b> | <b>1,186</b> | <b>34</b> | <b>1,464</b> | <b>9</b> | <b>2,775</b> | <b>3,112</b> | <b>(11)</b> |

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TABLE III

**Operating Expenses (consolidated) - CEMIG D**  
**Values in millions of reais**

|  | 2nd Q.<br>2009 | 1st Q. 2008  | Chge%      | 2nd Q.<br>2008 | Chge%       | 1st H. 2009  | 1st H. 2008  | Chge%     |
|--|----------------|--------------|------------|----------------|-------------|--------------|--------------|-----------|
| Purchased Energy                                 | 738            | 506          | 46         | 603            | 22          | 1,244        | 1,181        | 5         |
| Personnel/Administrators/Councillors             | 326            | 201          | 62         | 196            | 66          | 513          | 390          | 32        |
| Depreciation and Amortization                    | 82             | 81           | 1          | 82             |             | 163          | 192          | (15)      |
| Charges for Use of Basic<br>Transmission Network | 135            | 120          | 13         | 113            | 19          | 255          | 233          | 9         |
| Contracted Services                              | 143            | 105          | 36         | 102            | 40          | 248          | 202          | 23        |
| Forluz Post-Retirement Employee<br>Benefits      | 23             | 23           |            | 37             | (38)        | 46           | 74           | (38)      |
| Materials  | 20             | 21           | (5)        | 19             | 5           | 41           | 41           |           |
| Operating Provisions                             | 9              | 16           | (44)       | (4)            | (325)       | 24           | 32           | (25)      |
| Other Expenses                                   | 65             | 28           | 132        | 28             | 132         | 94           | 60           | 57        |
| <b>Total</b>                                     | <b>1,541</b>   | <b>1,101</b> | <b>242</b> | <b>1,176</b>   | <b>(77)</b> | <b>2,628</b> | <b>2,405</b> | <b>48</b> |

TABLE IV

**Statement of Results (Consolidated) - CEMIG D**  
**Values in millions of reais**

|   | 2nd Q.<br>2009 | 1st Q. 2008 | Chge%       | 2nd Q.<br>2008 | Chge%       | 1st H. 2009 | 1st H. 2008 | Chge%       |
|---|----------------|-------------|-------------|----------------|-------------|-------------|-------------|-------------|
| Net Revenue   | 1,589          | 1,186       | 34          | 1,464          | 9           | 2,775       | 3,112       | (11)        |
| Operating Expenses  | (1,540)        | (1,101)     | 40          | (1,175)        | 31          | (2,628)     | (2,405)     | 9           |
| <b>EBIT</b>   | <b>49</b>      | <b>85</b>   | <b>(42)</b> | <b>289</b>     | <b>(83)</b> | <b>147</b>  | <b>707</b>  | <b>(79)</b> |
| <b>EBITDA</b>   | <b>131</b>     | <b>166</b>  | <b>(21)</b> | <b>370</b>     | <b>(65)</b> | <b>310</b>  | <b>899</b>  | <b>(66)</b> |
| Financial Result  | 1              | (8)         | (113)       | 12             | (92)        | (7)         | 23          | (130)       |
| Provision for Income<br>Taxes, Social Cont &<br>Deferred Income Tax | 17             | (18)        | (194)       | (68)           | (125)       | (1)         | (208)       | (100)       |
| Employee Participation  | (19)           | (19)        |             | (16)           | 19          | (51)        | (33)        | 55          |
| <b>Net Income</b>   | <b>48</b>      | <b>40</b>   | <b>20</b>   | <b>217</b>     | <b>(78)</b> | <b>88</b>   | <b>489</b>  | <b>(82)</b> |

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## CEMIG Consolidated Tables I to XII

## TABLE I

## Energy Sales (Consolidated)

|  | 2nd Q. 2009       | 1st Q. 2009       | Chge%      | 2nd Q. 2008       | Chge%        | 1st H. 2009       | 1st H. 2008       | Chge%      |
|--|-------------------|-------------------|------------|-------------------|--------------|-------------------|-------------------|------------|
| Residential                                  | 2,421,497         | 2,446,236         | (1.0)      | 2,261,334         | 7.1          | 4,867,733         | 4,497,914         | 8.2        |
| Industrial                                   | 5,538,838         | 5,593,627         | (1.0)      | 6,390,225         | (13.3)       | 11,132,465        | 12,491,728        | (10.9)     |
| Commercial                                   | 1,530,866         | 1,566,568         | (2.3)      | 1,463,691         | 4.6          | 3,097,434         | 2,941,221         | 5.3        |
| Rural  | 521,051           | 455,518           | 14.4       | 504,412           | 3.3          | 976,569           | 960,835           | 1.6        |
| Others                                       | 903,830           | 896,981           | 0.8        | 937,733           | (3.6)        | 1,800,811         | 1,806,607         | (0.3)      |
| Electricity sold to final consumers          | 10,916,082        | 10,958,930        | (0.4)      | 11,557,395        | (5.5)        | 21,875,012        | 22,698,305        | (3.6)      |
| Own Consumption                              | 12,841            | 12,815            | 0.2        | 13,409            | (4.2)        | 25,656            | 26,515            | (3.2)      |
| Low-Income Consumers Subsidy                 |                   |                   |            |                   |              |                   |                   |            |
| Unbilled Supply, Net                         |                   |                   |            |                   |              |                   |                   |            |
| Supply                                       | 3,525,472         | 2,748,037         | 28.3       | 2,851,254         | 23.6         | 6,273,509         | 5,563,520         | 12.8       |
| Transactions on the CCEE                     | 450,841           | 832,304           | (45.8)     | 553,717           | (18.6)       | 1,283,145         | 705,880           | 81.8       |
| Final result of the second review of CEMIG D |                   |                   |            |                   |              |                   |                   |            |
| <b>TOTAL</b>                                 | <b>14,905,236</b> | <b>14,552,086</b> | <b>2.4</b> | <b>14,975,775</b> | <b>(0.5)</b> | <b>29,457,322</b> | <b>28,994,220</b> | <b>1.6</b> |

Table of Contents**TABLE II****Chart II****Sales per Company****Cemig Distribution**

| 2° Quarter 2009 Sales | GWh           |
|-----------------------|---------------|
| Industrial            | 2,360         |
| Residencial           | 3,862         |
| Rural                 | 970           |
| Commercial            | 2,313         |
| Others                | 1,421         |
| Sub total             | 10,926        |
| Wholesale supply      | 90            |
| <b>Total</b>          | <b>11,016</b> |

**Cemig GT**

| 2° Quarter 2009 Sales                | GWh        |
|--------------------------------------|------------|
| Free Consumers                       | 8,116      |
| Wholesale supply                     | 7,349      |
| Wholesale supply Cemig Group         | 5,697      |
| Wholesale supply bilateral contracts | 1,069      |
| <b>Total</b>                         | <b>583</b> |

**Independent Generation**

| 2° Quarter 2009 Sales | GWh        |
|-----------------------|------------|
| Horizontes            | 35         |
| Ipatinga              | 82         |
| Sá Carvalho           | 238        |
| Barreiro              | 34         |
| CEMIG PCH S.A         | 60         |
| Rosal                 | 114        |
| Capim Branco          | 32         |
| <b>Total</b>          | <b>890</b> |

**RME (25%)**

| 2° Quarter 2009 Sales | GWh   |
|-----------------------|-------|
| Industrial            | 223   |
| Residencial           | 1,006 |
| Commercial            | 765   |
| Rural                 | 6     |

|                                |              |
|--------------------------------|--------------|
| Others                         | 405          |
| Wholesale supply               | 565          |
| Transactions in the CCEE (PLD) | 121          |
| <b>Total</b>                   | <b>3,091</b> |

**Cemig Consolidated by Company**

| 2° Quarter 2009 Sales  | GWh           | Participação |
|------------------------|---------------|--------------|
| Cemig Distribution     | 11,016        | 37%          |
| Cemig GT               | 16,492        | 56%          |
| Wholesale Cemig Group  | 3,091         | 10%          |
| Wholesale Light Group  | 890           | 3%           |
| Independent Generation | (1,867)       | -6%          |
| RME                    | (165)         | -1%          |
| <b>Total</b>           | <b>29,457</b> | <b>100%</b>  |



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TABLE III

**Operating Revenues (consolidated)**  
**Values in million of Reais**

|                                   | 2nd Q. 2009  | 1st Q. 2009  | Chge%     | 2nd Q. 2008  | Chge%     | 1st H. 2009  | 1st H. 2008  | Chge%      |
|-----------------------------------|--------------|--------------|-----------|--------------|-----------|--------------|--------------|------------|
| Sales to end consumers            | 3,146        | 3,041        | 3         | 3,025        | 4         | 6,187        | 6,282        | (2)        |
| TUSD                              | 325          | 274          | 19        | 358          | (9)       | 599          | 667          | (10)       |
|                                   | 61           | (265)        | (123)     |              |           | (204)        |              |            |
| Subtotal                          | 3,532        | 3,050        | 16        | 3,383        | 4         | 6,582        | 6,949        | (5)        |
| Supply + Transactions in the CCEE | 464          | 360          | 29        | 300          | 55        | 824          | 619          | 33         |
| Revenues from Trans. Network      | 298          | 179          | 66        | 175          | 70        | 477          | 347          | 37         |
| Gas Supply                        | 79           | 72           | 10        | 97           | (19)      | 151          | 189          | (20)       |
| Others                            | 64           | 66           | (3)       | 86           | (26)      | 130          | 140          | (7)        |
| <b>Subtotal</b>                   | <b>4,437</b> | <b>3,727</b> | <b>19</b> | <b>4,041</b> | <b>10</b> | <b>8,164</b> | <b>8,244</b> | <b>(1)</b> |
| Deductions                        | (1,461)      | (1,361)      | 7         | (1,415)      | 3         | (2,822)      | (2,863)      | (1)        |
| <b>Net Revenues</b>               | <b>2,976</b> | <b>2,366</b> | <b>26</b> | <b>2,626</b> | <b>13</b> | <b>5,342</b> | <b>5,381</b> | <b>(1)</b> |

TABLE IV

**Operating Expenses (consolidated)**  
**Values in R\$ million**

|                                      | 2nd Q. 2009  | 1st Q. 2009  | Chge%     | 2nd Q. 2008  | Chge%     | 1st H. 2009  | 1st H. 2008  | Chge%    |
|--------------------------------------|--------------|--------------|-----------|--------------|-----------|--------------|--------------|----------|
| Purchased Energy                     | 838          | 672          | 25        | 727          | 15        | 1,510        | 1,452        | 4        |
| Personnel/Administrators/Councillors | 449          | 298          | 51        | 294          | 53        | 747          | 578          | 29       |
| Depreciation and Amortization        | 173          | 171          | 1         | 171          | 1         | 344          | 372          | (8)      |
| Charges for Use of Basic             |              |              |           |              |           |              |              |          |
| Transmission Network                 | 211          | 204          | 3         | 183          | 15        | 415          | 356          | 17       |
| Contracted Services                  | 201          | 161          | 25        | 157          | 28        | 362          | 302          | 20       |
| Forluz Post-Retirement Employee      |              |              |           |              |           |              |              |          |
| Benefits                             | 34           | 34           |           | 63           | (46)      | 68           | 125          | (46)     |
| Materials                            | 26           | 26           |           | 2            | 1,200     | 52           | 50           | 4        |
| Royalties                            | 37           | 36           | 3         | 31           | 19        | 73           | 65           | 12       |
| Gas Purchased for Resale             | 46           | 39           | 18        | 57           | (19)      | 85           | 110          | (23)     |
| Operating Provisions                 | (8)          | 54           | (115)     | 28           | (129)     | 46           | 124          | (63)     |
| Raw material for production          | 4            |              |           | 42           | (90)      | 4            | 42           | (90)     |
| Other Expenses                       | 102          | 62           | 65        | 62           | 65        | 164          | 107          | 53       |
| <b>Total</b>                         | <b>2,113</b> | <b>1,757</b> | <b>20</b> | <b>1,817</b> | <b>16</b> | <b>3,870</b> | <b>3,683</b> | <b>5</b> |

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TABLE V

**Financial Result Breakdown**  
**Values in millions of reais**

|  | 2nd Q. 2009 | 1st Q. 2009 | Chge%      | 2nd Q. 2008 | Chge%       | 1st H. 2009 | 1st H. 2008 | Chge%       |
|--|-------------|-------------|------------|-------------|-------------|-------------|-------------|-------------|
| <b>Financial Revenues</b>                          | <b>205</b>  | <b>209</b>  | <b>-2</b>  | <b>401</b>  | <b>-49</b>  | <b>414</b>  | <b>649</b>  | <b>-36</b>  |
| Income from Investments                            | 66          | 66          | 0          | 68          | -3          | 132         | 122         | 8           |
| Fines on Energy Accounts                           | 33          | 28          | 18         | 48          | -31         | 61          | 99          | -38         |
| CRC Contract/State (interest + monetary variation) | 9           | 40          | -78        | 9           | 0           | 49          | 48          | 2           |
| Monetary variation of Extraordinary                |             |             |            |             |             |             |             |             |
| Tariff Recomposition and RTD                       | 22          | 28          | -21        | 66          | -67         | 50          | 144         | -65         |
| Exchange Rate Variations                           | 69          | 21          | 229        | 33          | 109         | 90          | 36          | 150         |
| PASEP/COFINS                                       | -18         | -1          | 1700       | -19         | -5          | -19         | -23         | -17         |
| Financial Compensation RME                         | 0           | 0           | 0          | 83          | -100        | 0           | 83          | -100        |
| Adjustment to Present Value                        | 0           | 1           | -100       | 62          | -100        | 1           | 62          | -98         |
| Derivatives  | -1          | 1           | -200       | 2           | -150        | 0           | 9           | -100        |
| Others   | 25          | 25          | 0          | 49          | -49         | 50          | 69          | -28         |
| <b>Financial Expenses</b>                          | <b>-238</b> | <b>-247</b> | <b>-4</b>  | <b>-163</b> | <b>46</b>   | <b>-485</b> | <b>-490</b> | <b>-1</b>   |
| Charges on Loans and Financing                     | -150        | -200        | -25        | -179        | -16         | -350        | -374        | -6          |
| Monetary variation of Extraordinary                |             |             |            |             |             |             |             |             |
| Tariff Recomposition                               | -7          | -3          | 133        | -12         | -42         | -10         | -29         | -66         |
| Exchange Rate Variations                           | -2          | 2           | -200       | 10          | -120        | 0           | 0           | 0           |
| Monetary Variarion Liabilities -                   |             |             |            |             |             |             |             |             |
| Loans and Financing                                | -2          | -4          | -50        | -28         | -93         | -6          | -52         | -88         |
| CPMF   | 0           | 0           | 0          | -2          | -100        | 0           | -7          | -100        |
| Provision for Losses from Tariff                   |             |             |            |             |             |             |             |             |
| Recomposition                                      | -1          | 9           | -111       | -7          | -86         | 8           | -23         | -135        |
| Adjustment to Present Value                        | 0           | 0           | 0          | -5          | -100        | -5          | -5          | 0           |
| Reversal of provision for PIS and                  |             |             |            |             |             |             |             |             |
| Cofins taxes                                       | 2           | -2          | -200       | 108         | -98         | 0           | 108         | -100        |
| Losses from Derivatives                            | -56         | -21         | 167        | -31         | 81          | -77         | -43         | 79          |
| Other  | -17         | -28         | -39        | -17         | 0           | -45         | -65         | -31         |
| <b>Financial Result</b>                            | <b>-33</b>  | <b>-38</b>  | <b>-13</b> | <b>238</b>  | <b>-114</b> | <b>-71</b>  | <b>159</b>  | <b>-145</b> |

TABLE VI

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

|                                    | 2nd Q. 2009  | 1st Q. 2009 | Chge%     | 2nd Q. 2008 | Chge%    | 1st H. 2009  | 1st H. 2008  | Chge%       |
|------------------------------------|--------------|-------------|-----------|-------------|----------|--------------|--------------|-------------|
| Net Revenue                        | 2,976        | 2,366       | 26        | 2,626       | 13       | 5,342        | 5,381        | (1)         |
| Operating Expenses                 | (2,114)      | (1,757)     | 20        | (1,817)     | 16       | (3,870)      | (3,692)      | 5           |
| <b>EBIT</b>                        | <b>862</b>   | <b>609</b>  | <b>42</b> | <b>809</b>  | <b>7</b> | <b>1,472</b> | <b>1,689</b> | <b>(13)</b> |
| <b>EBITDA</b>                      | <b>1,035</b> | <b>780</b>  | <b>33</b> | <b>980</b>  | <b>6</b> | <b>1,816</b> | <b>2,061</b> | <b>(12)</b> |
| Financial Result                   | (33)         | (38)        | (13)      | 238         | (114)    | (71)         | 159          | (145)       |
| Provision for Income Taxes, Social |              |             |           |             |          |              |              |             |
| Cont & Deferred Income Tax         | (245)        | (188)       | 30        | (343)       | (29)     | (433)        | (619)        | (30)        |

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|                        |            |            |           |            |             |            |              |             |
|------------------------|------------|------------|-----------|------------|-------------|------------|--------------|-------------|
| Employee Participation | (45)       | (27)       | 67        | (22)       | 105         | (73)       | (44)         | 66          |
| Minority Shareholders  | (15)       | (20)       | (25)      | (47)       | (68)        | (35)       | (60)         | (42)        |
| <b>Net Income</b>      | <b>524</b> | <b>336</b> | <b>56</b> | <b>635</b> | <b>(17)</b> | <b>860</b> | <b>1,125</b> | <b>(24)</b> |

TABLE VII

Statement of Results (Consolidated) - per Company

Values in millions of reais

|  | Cemig H      |              | Cemig D      |             | Cemig GT    |             |
|--|--------------|--------------|--------------|-------------|-------------|-------------|
|  | 1° Sem 2009  | 2° Tri 2008  | 1° Sem 2009  | 2° Tri 2008 | 1° Sem 2009 | 2° Tri 2008 |
| Net Revenue  | 5,342        | 2,976        | 1,778        | 1,589       | 2,775       | 1,045       |
| Operating Expenses   | (3,870)      | (2,114)      | (675)        | (1,540)     | (2,628)     | (372)       |
| <b>EBIT</b>  | <b>1,472</b> | <b>862</b>   | <b>1,103</b> | <b>49</b>   | <b>147</b>  | <b>673</b>  |
| <b>EBITDA</b>  | <b>1,816</b> | <b>1,033</b> | <b>1,216</b> | <b>131</b>  | <b>309</b>  | <b>730</b>  |
| Financial Result   | (71)         | (33)         | (93)         | 1           | (7)         | (43)        |
| Provision for Income Taxes, Social<br>Cont & Deferred Income Tax | (433)        | (245)        | (309)        | 17          | (1)         | (172)       |
| Employee Participation   | (73)         | (45)         | (16)         | (19)        |             |             |
| Minority Shareholders  | (35)         | (15)         |              |             | 88          | 453         |
| <b>Net Income</b>  | <b>860</b>   | <b>524</b>   | <b>685</b>   | <b>48</b>   | <b>88</b>   | <b>453</b>  |

Table of Contents**TABLE VIII****Share Ownership**

Number of shares as of June 30, 2009

| Shareholders                         | Common             | %          | Preferred          | %          | Total              | %          |
|--------------------------------------|--------------------|------------|--------------------|------------|--------------------|------------|
| State of Minas Gerais                | 138,175,720        | 51         |                    |            | 138,175,720        | 22         |
| Southern Electric Brasil Part. Ltda. | 89,383,266         | 33         |                    |            | 89,383,266         | 14         |
| Other:                               |                    |            |                    |            |                    |            |
| Local                                | 30,026,915         | 11         | 106,417,257        | 30         | 136,444,172        | 22         |
| Foreigners                           | 13,568,342         | 5          | 242,805,392        | 70         | 256,373,734        | 41         |
| <b>Total</b>                         | <b>271,154,243</b> | <b>100</b> | <b>349,222,649</b> | <b>100</b> | <b>620,376,892</b> | <b>100</b> |

\* Southern Electric Brasil Participações Ltda

**TABLE IX****BALANCE SHEETS (CONSOLIDATED)****ASSETS**

Values in millions of reais

|   | 2nd Q. 2009  | 1st Q. 2009  | Chge%      | 2008         |
|---|--------------|--------------|------------|--------------|
| <b>CURRENT ASSETS</b>                                 | <b>7,886</b> | <b>7,995</b> | <b>(1)</b> | <b>7,677</b> |
| Cash and Cash Equivalents                             | 2,250        | 2,706        | (17)       | 2,284        |
| Consumers and Distributors                            | 2,233        | 2,155        | 4          | 2,042        |
| Consumers Rate Adjustment                             | 317          | 303          | 5          | 329          |
| Dealership - Energy Transportation                    | 405          | 414          | (2)        | 463          |
| Dealers - Transactions on the MAE                     | 18           | 16           | 13         | 15           |
| Tax Recoverable                                       | 1,235        | 980          | 26         | 844          |
| Materials and Supplies                                | 37           | 37           |            | 36           |
| Prepaid Expenses - CVA                                | 633          | 579          | 9          | 779          |
| Tax Credits   | 327          | 297          | 10         | 189          |
| Regulatory Assets                                     |              |              |            | 46           |
| Deferred Tariff Adjustment                            |              | 15           | (100)      | 133          |
| Regulatory Assets - Transmission Rate Adjustment      | 85           |              |            |              |
| Other   | 346          | 493          | (30)       | 517          |
| <b>NONCURRENT ASSETS</b>                              | <b>4,211</b> | <b>4,298</b> | <b>(2)</b> | <b>3,956</b> |
| Account Receivable from Minas Gerais State Government | 1,813        | 1,771        | 2          | 1,801        |
| Consumers Rate Adjustment                             | 66           | 165          | (60)       | 219          |
| Prepaid Expenses - CVA                                | 545          | 666          | (18)       | 297          |
| Tax Credits   | 655          | 702          | (7)        | 748          |

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|  |               |               |          |               |
|--|---------------|---------------|----------|---------------|
| Dealers - Transactions on the MAE                                | 5             | 11            | (55)     | 4             |
| Recoverable Taxes  | 289           | 285           | 1        | 272           |
| Escrow Account re: Lawsuits                                      | 509           | 439           | 16       | 382           |
| Regulatory Assets - Transmission Rate Adjustment                 | 86            | 85            | 1        | 90            |
| Consumers and Distributors                                       | 72            |               |          |               |
| Other Receivables; Regulatory Assets; Deferred Tariff Adjustment | 171           | 174           | (2)      | 143           |
|  | <b>13,657</b> | <b>12,834</b> | <b>6</b> | <b>12,708</b> |
| Investments  | 1,147         | 1,144         |          | 1,150         |
| Property, Plant and Equipment                                    | 11,558        | 11,083        | 4        | 10,954        |
| Intangible   | 945           | 607           | 57       | 604           |
| <b>TOTAL ASSETS</b>  | <b>25,754</b> | <b>25,127</b> | <b>2</b> | <b>24,341</b> |

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TABLE X

**BALANCE SHEETS (CONSOLIDATED)**  
**LIABILITIES AND SHAREHOLDERS EQUITY**  
 Values in millions of reais

|   | 2nd Q. 2009   | 1st Q. 2009   | Chge%      | 2008          |
|---|---------------|---------------|------------|---------------|
| <b>CURRENT LIABILITIES</b>  | <b>5,794</b>  | <b>5,692</b>  | <b>2</b>   | <b>5,808</b>  |
| Suppliers   | 767           | 824           | (7)        | 892           |
| Taxes payable   | 998           | 810           | 23         | 627           |
| Loan, Financing and Debentures                                    | 1,578         | 1,348         | 17         | 1,280         |
| Payroll,related charges and employee participation                | 453           | 253           | 79         | 411           |
| Interest on capital and dividends                                 | 491           | 960           | (49)       | 960           |
| Employee post-retirement benefits                                 | 102           | 101           | 1          | 83            |
| Regulatory charges  | 459           | 425           | 8          | 488           |
| Other Obligations - Provision for losses on financial instruments | 518           | 559           | (7)        | 578           |
| Regulatory Liabilities - CVA                                      | 428           | 412           | 4          | 489           |
| <b>NON CURRENT LIABILITIES</b>                                    | <b>9,350</b>  | <b>9,384</b>  | <b>(0)</b> | <b>8,839</b>  |
| Loan, Financing and Debentures                                    | 6,210         | 6,230         | (0)        | 6,064         |
| Employee post-retirement benefits                                 | 1,349         | 1,363         | (1)        | 1,397         |
| Taxes and social charges  | 539           | 445           | 21         | 372           |
| Reserve for contingencies   | 648           | 691           | (6)        | 662           |
| Other   | 193           | 195           | (1)        | 187           |
| Prepaid expenses - CVA  | 411           | 460           | (11)       | 157           |
| <b>PARTICIPATION IN ASSOCIATE COMPANIES</b>                       | <b>392</b>    | <b>363</b>    | <b>10</b>  | <b>342</b>    |
| <b>SHAREHOLDERS EQUITY</b>  | <b>10,211</b> | <b>9,688</b>  | <b>5</b>   | <b>9,352</b>  |
| Registered Capital  | 3,102         | 2,482         | 25         | 2,482         |
| Capital reserves  | 3,969         | 3,983         | (0)        | 3,983         |
| Income reserves   | 2,253         | 2,860         | (21)       | 2,860         |
| Acumulated Income   | 860           | 336           | 156        |               |
| Funds for capital increase  | 27            | 27            |            | 27            |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>                  | <b>25,747</b> | <b>25,127</b> | <b>2</b>   | <b>24,341</b> |

TABLE XI

**Cash Flow Statement (consolidated)**  
 Values in million of Reais

|                                | 2nd Q. 2009 | 1st Q. 2009 | Chge%      | 2nd Q. 2008 | Chge%        | 1st Half<br>2009 | 1st Half<br>2008 | Chge%        |
|--------------------------------|-------------|-------------|------------|-------------|--------------|------------------|------------------|--------------|
| <b>Cash at start of period</b> | 2,706       | 2,284       | 18.5       | 2,459       | 10.0         | 2,284            | 2,066            | 10.6         |
| <b>Cash from operations</b>    | <b>672</b>  | <b>638</b>  | <b>5.3</b> | <b>741</b>  | <b>(9.3)</b> | <b>1,310</b>     | <b>1,374</b>     | <b>(4.7)</b> |
| Net income                     | 524         | 336         | 56.0       | 600         | (12.7)       | 860              | 1,125            | (23.6)       |
| Depreciation and amortization  | 173         | 171         | 1.2        | 171         | 1.2          | 344              | 372              | (7.5)        |
| Suppliers                      | 56          | 67          | (16.4)     | (471)       | (111.9)      | 123              | 283              | (56.5)       |
| Deferred Tariff Adjustment     | 14          | 119         | (88.2)     | 86          | (83.7)       | 133              | 186              | (28.5)       |

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|  |              |              |                |              |               |                |              |               |
|--|--------------|--------------|----------------|--------------|---------------|----------------|--------------|---------------|
| Other adjustments                            | (95)         | (55)         | 72.7           | 355          | (126.8)       | (150)          | (592)        | (74.7)        |
| <b>Financing activity</b>                    | <b>(283)</b> | <b>76</b>    | <b>(472.4)</b> | <b>(831)</b> | <b>(65.9)</b> | <b>(206)</b>   | <b>(925)</b> | <b>(77.7)</b> |
| Financing obtained                           | 275          | 192          | 43.2           | 147          | 87.1          | 467            | 168          | 178.0         |
| Payment of loans and financing               | (89)         | (116)        | (23.3)         | (546)        | (83.7)        | (205)          | (661)        | (69.0)        |
| Interest on Own Capital and Dividends        | (469)        |              |                | (432)        | 8.6           | (469)          | (432)        | 8.6           |
| <b>Investment activity</b>                   | <b>(844)</b> | <b>(292)</b> | <b>189.0</b>   | <b>(367)</b> | <b>130.0</b>  | <b>(1,137)</b> | <b>(512)</b> | <b>122.1</b>  |
| Investments outside the concession area      | (188)        | 22           | (954.5)        | (35)         | 437.1         | (166)          | (46)         | 260.9         |
| Investments in the concession area           | (680)        | (337)        | 101.8          | (380)        | 78.9          | (1,017)        | (486)        | 109.3         |
| Special obligations - consumer contributions | 24           | 23           | 4.3            | 49           | (51.0)        | 47             | 21           | 123.8         |
| <b>Cash at the end of period</b>             | <b>2,251</b> | <b>2,706</b> | <b>(16.8)</b>  | <b>2,002</b> | <b>12.4</b>   | <b>2,251</b>   | <b>2,003</b> | <b>12.4</b>   |

Table of Contents**TABLE XII****Adjusted net profit Cemig GT**

| <b>R\$ million</b>   | <b>2Q09</b>  | <b>1Q09</b> | <b>Δ%</b> | <b>2Q08</b> | <b>Δ%</b> | <b>1H 2009</b> | <b>1H 2008</b> | <b>Δ%</b> |
|--|--------------|-------------|-----------|-------------|-----------|----------------|----------------|-----------|
| <b>Net sales revenue</b>                                   | <b>1,046</b> | <b>732</b>  | <b>43</b> | <b>700</b>  | <b>49</b> | <b>1,778</b>   | <b>1,383</b>   |           |
| (a) Tariff review Net revenue                              | (158)        |             |           |             |           | (158)          |                |           |
| <b>Adjusted net revenue</b>                                | <b>888</b>   | <b>732</b>  |           | <b>700</b>  | <b>27</b> | <b>1,620</b>   | <b>1,383</b>   |           |
| <b>Net profit</b>  | <b>452</b>   | <b>232</b>  | <b>95</b> | <b>278</b>  | <b>63</b> | <b>684</b>     | <b>484</b>     | <b>41</b> |
| Review of transmission revenue Homologation Resolution 496 |              |             |           |             |           |                |                |           |
| Review of Transmission Revenue Technical Note 214/2009     | (104)        |             |           |             |           | (104)          |                |           |
| The PPD Voluntary Retirement Program                       |              |             |           | 4           |           |                | 5              |           |
| The PDV Temporary Voluntary Retirement Program             | 24           |             |           |             |           | 24             |                |           |
| <b>Adjusted net profit</b>                                 | <b>372</b>   | <b>232</b>  | <b>60</b> | <b>282</b>  | <b>32</b> | <b>604</b>     | <b>489</b>     | <b>24</b> |
| <b>EBITDA</b>  | <b>730</b>   | <b>485</b>  | <b>51</b> | <b>456</b>  | <b>60</b> | <b>1,216</b>   | <b>909</b>     | <b>34</b> |
| Review of transmission revenue Homologation Resolution 496 | (158)        |             |           |             |           | (158)          |                |           |
| The PDV Temporary Voluntary Retirement Program             | 37           |             |           | 8           |           | 37             | 11             |           |
| <b>Adjusted Ebitda</b>                                     | <b>609</b>   | <b>485</b>  | <b>26</b> | <b>464</b>  | <b>31</b> | <b>1,095</b>   | <b>920</b>     | <b>19</b> |

**Adjusted net profit CEMIG D**

| <b>R\$ million</b>                                  | <b>2Q09</b>  | <b>1Q09</b>  | <b>Δ%</b>   | <b>2Q08</b>  | <b>Δ%</b>   | <b>1H 2009</b> | <b>1H 2008</b> | <b>Δ%</b>   |
|---|--------------|--------------|-------------|--------------|-------------|----------------|----------------|-------------|
| <b>Net sales revenue</b>                            | <b>1,589</b> | <b>1,186</b> | <b>34</b>   | <b>1,464</b> | <b>9</b>    | <b>2,775</b>   | <b>3,112</b>   | <b>(11)</b> |
| (a) Tariff review Net revenue                       |              | 214          |             |              |             | 214            |                |             |
| <b>Adjusted net revenue</b>                         | <b>1,589</b> | <b>1,400</b> |             | <b>1,464</b> | <b>9</b>    | <b>2,989</b>   | <b>3,112</b>   |             |
| <b>EBITDA</b>                                       | <b>130</b>   | <b>180</b>   | <b>(28)</b> | <b>370</b>   | <b>(65)</b> | <b>310</b>     | <b>898</b>     | <b>(65)</b> |
| (a) Tariff review Net revenue                       |              | 214          |             |              |             | 214            | (62)           |             |
| (b) Tariff review Operational expense               |              | (21)         |             |              |             | (21)           | 4              |             |
| (c) CVA Purchase of electricity                     |              |              |             |              |             |                |                |             |
| (d) The PPD Voluntary Retirement Program            | 2            | (2)          |             | 25           |             |                | 29             |             |
| (e) The PDV Temporary Voluntary Retirement Program  | 148          |              |             |              |             | 148            |                |             |
| <b>Adjusted Ebitda</b>                              | <b>280</b>   | <b>371</b>   | <b>(25)</b> | <b>395</b>   | <b>(29)</b> | <b>651</b>     | <b>869</b>     | <b>(25)</b> |
| <b>Net profit</b>                                   | <b>48</b>    | <b>40</b>    | <b>20</b>   | <b>216</b>   | <b>(78)</b> | <b>88</b>      | <b>487</b>     | <b>(82)</b> |
| (a) Tariff review Net revenue                       |              | 141          |             |              |             | 141            | (41)           |             |
| (b) Tariff review Operational expense               |              | (14)         |             |              |             | (14)           | 3              |             |
| (c) CVA Purchase of electricity                     |              |              |             |              |             |                |                |             |
| (d) The PPD Voluntary Retirement Program            | 1            | (1)          |             | 17           |             |                | 20             |             |
| (e) The PDV Temporary Voluntary Retirement Program  | 98           |              |             |              |             | 98             |                |             |
| (f) Reversal of provisions for PIS and Cofins taxes |              |              |             |              |             |                |                |             |
| <b>Adjusted net profit</b>                          | <b>147</b>   | <b>166</b>   | <b>(11)</b> | <b>233</b>   | <b>(37)</b> | <b>313</b>     | <b>469</b>     | <b>(33)</b> |





Table of Contents**Adjusted net profit CEMIG, CONSOLIDATED**

| <b>R\$ million</b>   | <b>2T09</b>  | <b>1T09</b>  | <b>Δ%</b> | <b>2Q08</b>  | <b>Δ%</b>   | <b>1H 2009</b> | <b>1H 2008</b> | <b>Δ%</b>   |
|--|--------------|--------------|-----------|--------------|-------------|----------------|----------------|-------------|
| <b>Net sales revenue</b>                                       | <b>2,976</b> | <b>2,366</b> | <b>26</b> | <b>2,626</b> | <b>13</b>   | <b>5,342</b>   | <b>5,381</b>   | <b>(1)</b>  |
| (a) Tariff review Net revenue                                  |              | 214          |           |              |             | 214            | (62)           | (445)       |
| (b) Review of transmission revenue                             | (158)        |              |           |              |             | (158)          |                |             |
| <b>Adjusted net revenue</b>                                    | <b>2,818</b> | <b>2,580</b> | <b>9</b>  | <b>2,626</b> | <b>7</b>    | <b>5,398</b>   | <b>5,319</b>   | <b>1</b>    |
| <b>EBITDA</b>  | <b>1,035</b> | <b>781</b>   | <b>33</b> | <b>980</b>   | <b>6</b>    | <b>1,816</b>   | <b>2,061</b>   | <b>(12)</b> |
| (a) Tariff review Net revenue                                  |              | 214          |           |              |             | 214            | (62)           |             |
| (b) Tariff review Operational expense                          |              | (21)         |           |              |             | (21)           | 4              |             |
| (c) CVA Purchase of electricity                                |              |              |           |              |             |                |                |             |
| (d) Reversal of provision for contingencies Cofins tax Light   |              |              |           |              |             |                |                |             |
| (e) Review of transmission revenue Homologation Resolution 496 |              |              |           |              |             |                |                |             |
| (f) The PPD Permanent Voluntary Retirement Program             | 2            | (2)          |           | 40           |             |                | 40             |             |
| (g) The PDV Temporary Voluntary Retirement Program             | 191          |              |           |              |             | 191            |                |             |
| <b>Adjusted Ebitda</b>   | <b>1,070</b> | <b>972</b>   | <b>10</b> | <b>1,020</b> | <b>5</b>    | <b>2,042</b>   | <b>2,043</b>   | <b>(0)</b>  |
| <b>Net profit</b>  | <b>524</b>   | <b>336</b>   | <b>56</b> | <b>635</b>   | <b>(17)</b> | <b>860</b>     | <b>1,125</b>   | <b>(24)</b> |
| (a) Tariff review Net revenue                                  |              | 141          |           |              |             | 141            | (41)           |             |
| (b) Tariff review Operational expense                          |              | (14)         |           |              |             | (14)           | 3              |             |
| (c) CVA Purchase of electricity                                |              |              |           |              |             |                |                |             |
| (d) Reversal of provision for contingencies Cofins tax Light   |              |              |           | (108)        |             |                | (108)          |             |
| (e) Financial compensation RME                                 |              |              |           | (82)         |             |                | (82)           |             |
| (f) Review of transmission revenue Homologation Resolution 496 |              |              |           |              |             |                |                |             |
| (g) The PPD Voluntary Retirement Program                       | (1)          |              |           | 26           |             | (1)            | 26             |             |
|  | 126          |              |           |              |             | 126            |                |             |
| (i) Review of transmission revenue                             | (104)        |              |           |              |             | (104)          |                |             |
| <b>Adjusted net profit</b>                                     | <b>545</b>   | <b>463</b>   | <b>18</b> | <b>471</b>   | <b>16</b>   | <b>1,008</b>   | <b>923</b>     | <b>9</b>    |

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13. Quarterly Financial Information for the quarter ended June 30, 2009, Companhia Energética de Minas Gerais CEMIG

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AT JUNE 30 AND MARCH 31, 2009

**ASSETS**

R\$ 000

|   | Consolidated      |                   | Holding company   |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | 06/30/2009        | 03/31/2009        | 06/30/2009        | 03/31/2009        |
| <b>CURRENT</b>  |                   |                   |                   |                   |
| Cash and cash equivalents (Note 3)                          | 2,250,277         | 2,705,591         | 121,322           | 214,415           |
| Consumers and traders (Note 4)                              | 2,233,496         | 2,155,330         |                   |                   |
| Extraordinary Tariff Recomposition, and Portion A Note 6    | 317,042           | 302,636           |                   |                   |
| Concession holders transport of electricity                 | 405,067           | 414,102           |                   |                   |
| Taxes subject to offsetting (Note 10)                       | 1,235,175         | 980,422           | 5,192             | 5,191             |
| Anticipated expenses CVA (Note 9)                           | 632,644           | 579,414           |                   |                   |
| Traders Transactions in Free Energy (Note 8)                | 17,573            | 16,115            |                   |                   |
| Tax credits (Note 11)                                       | 327,355           | 297,298           | 40,896            | 41,899            |
| Dividends receivable  |                   |                   | 847,242           | 1,436,468         |
| Deferred Tariff Adjustment                                  |                   | 14,644            |                   |                   |
| Regulatory asset Transmission Tariff Review (Note 7)        | 85,732            |                   |                   |                   |
| Inventories   | 36,452            | 36,817            | 17                | 17                |
| Other credits   | 345,439           | 492,655           | 7,840             | 19,804            |
| <b>TOTAL, CURRENT</b>                                       | <b>7,886,252</b>  | <b>7,995,024</b>  | <b>1,022,509</b>  | <b>1,717,794</b>  |
| <b>NON-CURRENT</b>  |                   |                   |                   |                   |
| <b>Long term assets</b>                                     |                   |                   |                   |                   |
| Accounts receivable from Minas Gerais State Govt. (Note 12) | 1,813,461         | 1,770,926         |                   |                   |
| Credit Receivables Investment Fund (Note 12)                |                   |                   | 835,932           | 820,008           |
| Regulatory asset PIS / Pasep and Cofins taxes (Note 13)     | 46,240            | 46,240            |                   |                   |
| Extraordinary Tariff Recomposition, and Portion A (Note 6)  | 66,444            | 165,296           |                   |                   |
| Anticipated expenses CVA (Note 9)                           | 545,039           | 666,496           |                   |                   |
| Tax credits (Note 11)                                       | 655,163           | 701,843           | 99,512            | 128,706           |
| Traders Transactions in Free Energy (Note 8)                | 4,746             | 10,640            |                   |                   |
| Taxes subject to offsetting (Note 10)                       | 289,130           | 284,935           | 196,103           | 189,477           |
| Deposits linked to legal actions                            | 508,732           | 438,834           | 95,461            | 88,946            |
| Consumers and traders (Note 4)                              | 85,726            | 84,781            |                   |                   |
| Regulatory asset Transmission Tariff Review (Note 7)        | 72,358            |                   |                   |                   |
| Other credits   | 123,672           | 128,412           | 72,733            | 72,593            |
|   | 4,210,711         | 4,298,403         | 1,299,741         | 1,299,730         |
| <b>Investments (Note 14)</b>                                | <b>1,147,309</b>  | <b>1,147,818</b>  | <b>8,968,923</b>  | <b>8,210,890</b>  |
| <b>Fixed assets (Note 15)</b>                               | <b>11,557,749</b> | <b>11,082,829</b> | <b>1,977</b>      | <b>2,007</b>      |
| <b>Intangible (Note 16)</b>                                 | <b>945,557</b>    | <b>602,813</b>    | <b>1,951</b>      | <b>2,247</b>      |
| <b>TOTAL, NON-CURRENT</b>                                   | <b>17,861,326</b> | <b>17,131,863</b> | <b>10,272,592</b> | <b>9,514,874</b>  |
| <b>TOTAL ASSETS</b>   | <b>25,747,578</b> | <b>25,126,887</b> | <b>11,295,101</b> | <b>11,232,668</b> |

The Explanatory Notes are an integral part of the Quarterly Information.

Table of Contents**BALANCE SHEETS**

AT JUNE 30 AND MARCH 31, 2009

**LIABILITIES**

R\$ 000

|   | Consolidated     |                  | Holding company |                  |
|---|------------------|------------------|-----------------|------------------|
|   | 06/30/2009       | 03/31/2009       | 06/30/2009      | 03/31/2009       |
| <b>CURRENT</b>  |                  |                  |                 |                  |
| Suppliers (Note 17)                                     | 766,850          | 824,407          | 5,762           | 3,212            |
| Regulatory charges (Note 20)                            | 459,348          | 425,344          |                 |                  |
| Profit shares   | 51,408           | 39,472           | 1,974           | 1,490            |
| Taxes, charges and contributions (Note 18)              | 998,950          | 810,128          | 76,517          | 20,731           |
| Interest on Equity, and dividends, payable              | 490,820          | 960,129          | 490,820         | 960,129          |
| Loans and financings (Note 19)                          | 1,139,800        | 912,515          | 19,461          | 9,417            |
| Debentures (Note 19)                                    | 437,676          | 434,864          |                 |                  |
| Salaries and mandatory charges on payroll               | 401,686          | 214,508          | 18,016          | 11,980           |
| Regulatory liabilities CVA (Note 9)                     | 224,826          | 146,776          |                 |                  |
| Regulatory liabilities Tariff Review                    | 203,615          | 264,626          |                 |                  |
| Post-employment obligations (Note 21)                   | 102,094          | 100,514          | 4,055           | 4,016            |
| Provision for losses on financial instruments (Note 31) | 163,306          | 120,048          |                 |                  |
| Debt to related parties (Note 30)                       |                  |                  | 10,434          | 10,406           |
| Other obligations                                       | 354,546          | 438,896          | 19,264          | 18,903           |
| <b>TOTAL, CURRENT</b>                                   | <b>5,794,925</b> | <b>5,692,227</b> | <b>646,303</b>  | <b>1,040,284</b> |
| <b>NON-CURRENT</b>                                      |                  |                  |                 |                  |
| Regulatory liabilities CVA (Note 9)                     | 410,953          | 459,537          |                 |                  |
| Loans and financings (Note 19)                          | 4,817,167        | 4,991,326        | 55,190          | 73,587           |
| Debentures (Note 19)                                    | 1,393,370        | 1,238,430        |                 |                  |
| Taxes, charges and contributions (Note 18)              | 538,945          | 444,684          |                 |                  |
| Contingency provisions (Note 23)                        | 647,945          | 690,570          | 331,561         | 378,886          |
| Post-employment obligations (Note 21)                   | 1,348,690        | 1,364,171        | 51,178          | 52,005           |
| Other obligations                                       | 192,596          | 195,192          | 31              | 30               |
| <b>TOTAL, NON-CURRENT</b>                               | <b>9,349,666</b> | <b>9,383,910</b> | <b>437,960</b>  | <b>504,508</b>   |
| <b>MINORITY INTERESTS</b>                               | <b>392,149</b>   | <b>362,874</b>   |                 |                  |
| <b>STOCKHOLDERS EQUITY (Note 23)</b>                    |                  |                  |                 |                  |
| Registered capital                                      | 3,101,884        | 2,481,508        | 3,101,884       | 2,481,508        |
| Capital reserves  | 3,969,099        | 3,983,021        | 3,969,099       | 3,983,021        |
| Capital reserves  | 2,253,466        | 2,859,920        | 2,253,466       | 2,859,920        |
| Accumulated Conversion Adjustment                       | (771)            | 61               | (771)           | 61               |
| Retained earnings                                       | 860,036          | 336,242          | 860,036         | 336,242          |
| Funds allocated to increase of capital                  | 27,124           | 27,124           | 27,124          | 27,124           |



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|                                  |            |            |            |            |
|----------------------------------|------------|------------|------------|------------|
| <b>TOTAL STOCKHOLDERS EQUITY</b> | 10,210,838 | 9,687,876  | 10,210,838 | 9,687,876  |
| <b>TOTAL LIABILITIES</b>         | 25,747,578 | 25,126,887 | 11,295,101 | 11,232,668 |

The Explanatory Notes are an integral part of the Quarterly Information.

Table of Contents**INCOME STATEMENT****FOR THE HALF-YEAR PERIODS ENDING JUNE 30, 2009 AND 2008****(R\$ 000, expect net profit per thousand shares)**

|  | Consolidated       |                    | Holding company |                  |
|--|--------------------|--------------------|-----------------|------------------|
|  | 06/30/2009         | 06/30/2008         | 06/30/2009      | 06/30/2008       |
| <b>OPERATIONAL REVENUE</b>   |                    |                    |                 |                  |
| Gross revenue from supply of electricity (Note 24)                                       | 6,807,195          | 6,900,990          |                 |                  |
| Revenue for use of the network Free Consumers (Note 25)                                  | 1,076,287          | 1,013,858          |                 |                  |
| Other operational revenues (Note 26)   | 280,527            | 328,911            | 187             | 249              |
|  | 8,164,009          | 8,243,759          | 187             | 249              |
| <b>Deductions from operational revenue (Note 27)</b>                                     | <b>(2,822,219)</b> | <b>(2,863,156)</b> |                 |                  |
| <b>NET OPERATIONAL REVENUE</b>   | <b>5,341,790</b>   | <b>5,380,603</b>   | <b>187</b>      | <b>249</b>       |
| <b>OPERATIONAL COSTS</b>   |                    |                    |                 |                  |
| <b>COST OF ELECTRICITY AND GAS (Note 28)</b>   |                    |                    |                 |                  |
| Electricity bought for resale  | (1,510,107)        | (1,452,023)        |                 |                  |
| Charges for the use of the basic transmission grid                                       | (414,647)          | (355,675)          |                 |                  |
| Gas purchased for resale   | (84,875)           | (110,502)          |                 |                  |
|  | (2,009,629)        | (1,918,200)        |                 |                  |
| <b>COST OF OPERATION (Note 28)</b>   |                    |                    |                 |                  |
| Personnel and managers   | (469,636)          | (499,837)          |                 |                  |
| Private Pension Plan entity  | (42,566)           | (102,589)          |                 |                  |
| Materials  | (50,978)           | (48,242)           |                 |                  |
| Raw materials and inputs for generation  | (4,070)            | (41,707)           |                 |                  |
| Outsourced services  | (301,680)          | (246,855)          |                 |                  |
| Depreciation and amortization  | (332,641)          | (362,788)          |                 |                  |
| Operational provisions   | (2,446)            | (9,887)            |                 |                  |
| Royalties for use of water resources   | (72,884)           | (64,981)           |                 |                  |
| Other  | (74,707)           | (56,408)           |                 |                  |
|  | (1,351,608)        | (1,433,294)        |                 |                  |
| <b>TOTAL COST</b>  | <b>(3,361,237)</b> | <b>(3,351,494)</b> |                 |                  |
| <b>GROSS PROFIT</b>  | <b>1,980,553</b>   | <b>2,029,109</b>   | <b>187</b>      | <b>249</b>       |
| <b>OPERATIONAL EXPENSE (Note 28)</b>   |                    |                    |                 |                  |
| Selling expenses   | (87,066)           | (74,502)           |                 |                  |
| General and administrative expenses  | (388,223)          | (224,295)          | (18,814)        | (66,255)         |
| Other operational expenses   | (32,885)           | (40,972)           | (5,380)         | (3,909)          |
|  | (508,174)          | (339,769)          | (24,194)        | (70,164)         |
| <b>Operational profit before Equity gains (losses) and Financial revenues (expenses)</b> | <b>1,472,379</b>   | <b>1,689,340</b>   | <b>(24,007)</b> | <b>(69,915)</b>  |
| <b>Equity gain (loss) from subsidiaries</b>  |                    |                    | <b>943,606</b>  | <b>1,195,860</b> |
| <b>Net financial revenue (expenses) (Note 29)</b>  | <b>(70,964)</b>    | <b>159,095</b>     | <b>6,561</b>    | <b>66,946</b>    |

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|   |           |           |          |           |
|---|-----------|-----------|----------|-----------|
| <b>Profit before taxes and profit shares</b>              | 1,401,415 | 1,848,435 | 926,160  | 1,192,891 |
| Income tax and Social Contribution tax (Note 11)          | (470,132) | (623,181) | (56,200) | (79,132)  |
| Deferred income tax and Social Contribution tax (Note 11) | 36,640    | 4,044     | (8,033)  | 12,936    |
| Employees and managers profit shares                      | (73,069)  | (43,967)  | (1,891)  | (1,543)   |
| Minority interests  | (34,818)  | (60,179)  |          |           |
| <b>NET PROFIT FOR THE PERIOD</b>                          | 860,036   | 1,125,152 | 860,036  | 1,125,152 |
| <b>NET PROFIT PER SHARE R\$</b>                           |           |           | 1.38679  | 2.26804   |

The Explanatory Notes are an integral part of the Quarterly Information.

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## STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

## FOR THE QUARTER AND HALF YEAR ENDING JUNE 30, 2009

R\$ 000

|                                   | Registered capital | Capital reserves | Profit reserves  | Retained earnings | Conversion adjustment reserve | Funds allocated for capital increase reserves | Total             |
|-----------------------------------|--------------------|------------------|------------------|-------------------|-------------------------------|---|-------------------|
| <b>BALANCES ON MARCH 31, 2009</b> | <b>2,481,508</b>   | <b>3,983,021</b> | <b>2,859,920</b> | <b>336,242</b>    | <b>61</b>                     | <b>27,124</b>                                 | <b>9,687,876</b>  |
| Net profit in the quarter         |                    |                  |                  | 523,794           |                               |   | 523,794           |
| Increase in registered capital    | 620,376            | (13,922)         | (606,454)        |                   |                               |   |                   |
| Accumulated Conversion Adjustment |                    |                  |                  |                   | (832)                         |   | (832)             |
| <b>BALANCES ON JUNE 30, 2009</b>  | <b>3,101,884</b>   | <b>3,969,099</b> | <b>2,253,466</b> | <b>860,036</b>    | <b>(771)</b>                  | <b>27,124</b>                                 | <b>10,210,838</b> |

|                                      | Registered capital | Capital reserves | Profit reserves  | Retained earnings | Conversion adjustment reserve | Funds allocated for capital increase reserves | Total             |
|--------------------------------------|--------------------|------------------|------------------|-------------------|-------------------------------|---|-------------------|
| <b>BALANCES AT DECEMBER 31, 2008</b> | <b>2,481,508</b>   | <b>3,983,021</b> | <b>2,859,920</b> |                   | <b>61</b>                     | <b>27,124</b>                                 | <b>9,351,634</b>  |
| Net profit in the half year          |                    |                  |                  | 860,036           |                               |   | 860,036           |
| Increase in registered capital       | 620,376            | (13,922)         | (606,454)        |                   |                               |   |                   |
| Accumulated Conversion Adjustment    |                    |                  |                  |                   | (832)                         |   | (832)             |
| <b>BALANCES ON JUNE 30, 2009</b>     | <b>3,101,884</b>   | <b>3,969,099</b> | <b>2,253,466</b> | <b>860,036</b>    | <b>(771)</b>                  | <b>27,124</b>                                 | <b>10,210,838</b> |

The Explanatory Notes are an integral part of the Quarterly Information.

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## STATEMENTS OF CASH FLOWS

FOR THE HALF-YEAR PERIODS ENDING JUNE 30, 2009 AND 2008

R\$ 000

|   | Consolidated |            | Holding company |             |
|---|--------------|------------|-----------------|-------------|
|   | 06/30/2009   | 06/30/2008 | 06/30/2009      | 06/30/2008  |
| <b>FROM OPERATIONS</b>  |              |            |                 |             |
| Net profit for the period   | 860,036      | 1,125,152  | 860,036         | 1,125,152   |
| <b>Expenses (Revenues) not affecting Cash and cash equivalents</b>              |              |            |                 |             |
| Depreciation and amortization   | 343,529      | 371,856    | 93              | 130         |
| Net write-offs of fixed assets  | 9,568        | 11,733     |                 | 8           |
| Equity gain (loss) from subsidiaries  |              |            | (943,606)       | (1,195,860) |
| Interest and monetary variations Non-current                                    | (105,652)    | (21,521)   | (26,171)        | (26,236)    |
| Regulatory asset Review of Transmission Revenue                                 | (158,090)    |            |                 |             |
| Deferred federal taxes  | (36,640)     | (4,044)    | 8,033           | (12,936)    |
| Provisions for operational losses   | 32,267       | 40,289     | (31,625)        | 75,354      |
| Provision for losses on financial instruments                                   | 76,846       | 34,073     |                 |             |
| Provisions for losses in recovery of Extraordinary Tariff Recomposition amounts | (8,306)      | 23,384     |                 | 4,357       |
| Post-employment obligations   | 68,502       | 125,512    | 2,835           | 5,592       |
| Minority interests  | 34,818       | 60,179     |                 |             |
| Other   | 7,382        | (30,241)   |                 |             |
|   | 1,124,260    | 1,736,372  | (130,405)       | (24,439)    |
| (Increase) reduction of assets  |              |            |                 |             |
| Consumers and traders   | (249,004)    | (60,948)   |                 |             |
| Extraordinary Tariff Recomposition  | 145,734      | 153,726    |                 |             |
| Amortization of accounts receivable from the Minas Gerais State Government      | 69,954       | 66,504     |                 |             |
| Traders transactions on CCEE  | 23,318       | 9,874      |                 |             |
| Deferred tax credits  | 151,636      | 253,762    | 23,949          | 92,472      |
| Taxes offsetable  | (408,429)    | (467,470)  | (15,613)        | (503)       |
| Transport of electricity  | 58,098       | 5,291      |                 |             |
| Other current assets  | 171,097      | (111,424)  | 13,742          | (26,047)    |
| Deferred tariff adjustment  | 133,423      | 186,204    |                 |             |
| Anticipated expenses CVA  | (74,535)     | (56,213)   |                 |             |
| Other long term assets  | (6,921)      | (66,162)   | (7,310)         | (64,201)    |
| Payments into Court   | (102,790)    | 1,833      | (7,630)         | 5,053       |
| Dividends received from subsidiaries  |              |            | 786,397         | 536,725     |
|   | (88,419)     | (85,023)   | 793,535         | 543,499     |
| Increase (reduction) of liabilities   |              |            |                 |             |
| Suppliers   | (123,322)    | (282,987)  | (1,372)         | (1,091)     |
| Taxes and Social Contribution tax   | 380,919      | 187,511    | 44,527          | (19,510)    |
| Salaries and mandatory charges on payroll                                       | 107,792      | (23,210)   | 1,899           | 1,962       |
| Regulatory charges  | (27,403)     | 34,371     |                 |             |
| Loans and financings  | 12,444       | 78,837     | (5,676)         | (4,634)     |
| Post-employment obligations   | (70,646)     | (108,898)  | (4,444)         | (5,062)     |
| Anticipated expenses CVA  | (9,858)      | (40,912)   |                 |             |
| Losses on financial instruments   | (12,168)     | (13,644)   |                 |             |
| Other   | 12,965       | (108,899)  | (3,456)         | (88,552)    |

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|   |                  |                  |                  |                 |
|---|------------------|------------------|------------------|-----------------|
|   | 270,723          | (277,831)        | 31,478           | (116,887)       |
| <b>CASH GENERATED BY OPERATIONS</b>             | <b>1,306,564</b> | <b>1,373,518</b> | <b>694,068</b>   | <b>402,173</b>  |
| <b>FINANCING ACTIVITIES</b>                     |                  |                  |                  |                 |
| Financings obtained                             | 471,148          | 168,211          |                  |                 |
| Receipt of units in the FIDC (receivables fund) |                  |                  |                  | 899             |
| Payments of loans and financings                | (204,502)        | (660,794)        |                  |                 |
| Interest on Equity and dividends                | (469,309)        | (432,593)        | (469,309)        | (432,593)       |
|   | (202,663)        | (925,176)        | (469,309)        | (431,694)       |
| <b>TOTAL INFLOW OF FUNDS</b>                    | <b>1,103,901</b> | <b>448,342</b>   | <b>225,299</b>   | <b>(29,521)</b> |
| <b>CAPITAL EXPENDITURE</b>                      |                  |                  |                  |                 |
| On investments                                  | (166,916)        | (46,968)         | (360,883)        | 55,885          |
| On fixed assets                                 | (1,017,712)      | (486,710)        |                  | (159)           |
| Special Obligations consumer contributions      | 47,067           | 21,316           |                  |                 |
|   | (1,137,561)      | (512,362)        | (360,883)        | 55,726          |
| <b>NET CHANGE IN CASH POSITION</b>              | <b>(33,660)</b>  | <b>(64,020)</b>  | <b>(135,584)</b> | <b>26,205</b>   |
| <b>STATEMENT OF CHANGES IN CASH POSITION</b>    |                  |                  |                  |                 |
| Beginning of period                             | 2,283,937        | 2,066,219        | 256,906          | 21,953          |
| End of period                                   | 2,250,277        | 2,002,199        | 121,322          | 48,158          |
|   | <b>(33,660)</b>  | <b>(64,020)</b>  | <b>(135,584)</b> | <b>26,205</b>   |

The Explanatory Notes are an integral part of the Quarterly Information.

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**EXPLANATORY NOTES TO THE QUARTERLY INFORMATION (ITR)**

**AT JUNE 30, 2009**

**(R\$ 000, except where otherwise stated)**

**1) OPERATIONAL CONTEXT**

Companhia Energética de Minas Gerais ( Cemig or the Company ), a listed corporation registered in the Brazilian Registry of Corporate Taxpayers (CNPJ) under number 17.155.730/0001-64, operates exclusively as a holding company, with stockholdings in companies controlled individually or jointly, the principal objectives of which are the construction and operation of systems for generation, transformation, transmission, distribution and sale of electricity, and also activities in the various fields of energy, for the purpose of commercial operation.

On June 30, 2009 Cemig had stockholdings in the following operational companies (information on markets served, and installed capacity, has not been reviewed by our external auditors):

- Cemig Geração e Transmissão S.A. ( Cemig GT or Cemig Generation and Transmission ) (subsidiary, 100.00% stake) Registered for listing with the CVM (Brazilian Securities Commission): Generation and transmission of electricity, through 46 power plants, 43 being hydroelectric, one a wind power plant and two thermal plants; and transmission lines, most of which are part of the Brazilian national generation and transmission grid system. Cemig GT has stockholdings in the following subsidiaries:
- Hidrelétrica Cachoeirão S.A. (jointly controlled, 49.00% stake): Production and sale of electricity as an independent power producer, through the *Cachoeirão* hydroelectric power plant located at Pocrane, in the State of Minas Gerais. The plant has installed capacity for 27 MW (information not reviewed by external auditors), and began operating in 2009.

Subsidiaries at pre-operational stage:

- Guanhães Energia S.A. (jointly controlled, 49.00% stake): Production and sale of electricity through building and commercial operation of the following Small Hydro Plants in Minas Gerais state: *Dores de Guanhães*, *Senhora do Porto* and *Jacaré*, in the municipality of Dores de Guanhães; and *Fortuna II*, in the municipality of Virginópolis. The plants are at construction phase, with operational startup scheduled for 2009, and will have totaled installed capacity of 44MW (information not reviewed by external auditors).

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- Cemig Baguari Energia S.A. (subsidiary, 100.00% stake): Production and sale of electricity as an independent producer in future projects.
- Madeira Energia S.A. (jointly controlled, 10.00% stake): Implementation, construction, operation and commercial operation of the *Santo Antônio* Hydroelectric Plant in the Madeira river basin, in the State of Rondônia, with generation capacity of 3,150 MW (information not reviewed by external auditors) and commercial startup scheduled for 2012.
- Hidrelétrica Pipoca S.A. (jointly controlled, 49.00% stake): Independent production of electricity, through construction and commercial operation of the hydro potential denominated *Pipoca PCH*, with installed capacity of 20MW (information not reviewed by external auditors), located on the Manhuaçu River, in the municipalities of Caratinga and Ipanema, in the State of Minas Gerais. Operational startup is scheduled for April 2010.



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- Baguari Energia S.A. (jointly controlled, 69.39% stake): Construction, operation, maintenance and commercial operation of the *Baguari* Hydroelectric Plant, through participation in the *UHE Baguari Consortium* (Baguari Energia 49.00%, Neoenergia 51.00%), with 140 MW of installed capacity, located on the Doce River in Governador Valadares, Minas Gerais State. Operational startup is planned for October 2009 (1st unit), December 2009 (2nd unit), and February 2010 (3rd unit).
- EBTE (*Empresa Brasileira de Transmissão de Energia*) (jointly-controlled subsidiary, 49.00% stake): Holder of a public electricity transmission concession, operating transmission lines in the state of Mato Grosso. Operational startup is scheduled for June 2010.
- Cemig Distribuição S.A. ( Cemig D or Cemig Distribution ) (subsidiary 100% stake) Registered for listing with the CVM (Securities Commission): Distribution of electricity through distribution networks and lines in approximately 97.00% of the Brazilian state of Minas Gerais.
- Rio Minas Energia Participações ( RME ) (jointly controlled 25.00% stake): Holds 52.13% of the registered capital of Light S.A. ( Light ), the holding company that has 100% control of the distribution concession holder Light Serviços de Eletricidade S.A, with 3.9 million consumers in 31 municipalities of the state of Rio de Janeiro, and the generating company Light Energia S.A., which has installed generating capacity of 855 MW.
- Sá Carvalho S.A. (subsidiary 100.00% stake): Production and sale of electricity, as a public electricity service concession holder, through the *Sá Carvalho* hydroelectric power plant.
- Usina Térmica Ipatinga S.A. (subsidiary 100% stake): Production and sale, as an Independent Power Producer, of thermally generated electricity, through the *Ipatinga* thermal plant, located on the premises of *Usiminas (Usinas Siderúrgicas de Minas Gerais S.A.)*.
- Companhia de Gás de Minas Gerais Gasmig ( Gasmig ) (jointly controlled 55.19% stake): Acquisition, transport and distribution of combustible gas or sub-products and derivatives, through concession for distribution of gas in the State of Minas Gerais.
- Empresa de Infovias S.A. ( Infovias ) (subsidiary 100.00% stake): Registered for listing with the CVM (Brazilian Securities Commission), commercially operating specialized services in telecommunications, through an integrated system consisting of fiber optic cables, coaxial cables, electronic and associated equipment (multi-service network).
- Efficientia S.A. (subsidiary 100.00% stake): Provides electricity efficiency and optimization services and energy solutions through studies and execution of projects, as well as providing services of operation and maintenance in energy supply facilities.

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- Horizontes Energia S.A. (subsidiary 100.00% stake): Production and sale of electricity, as an independent power producer, through the *Machado Mineiro* and *Salto do Paraopeba* hydroelectric power plants, in the State of Minas Gerais, and the *Salto do Voltão* and *Salto do Passo Velho* power plants in the State of Santa Catarina.
- Central Termelétrica de Cogeração S.A. (subsidiary, 100.00% stake): Production and sale of electricity produced by thermal generation as an independent producer in future projects.
- Rosal Energia S.A. (subsidiary 100.00% stake): Production and sale of electricity, as a public electricity service concession holder, through the *Rosal* hydroelectric power plant located on the border between the States of Rio de Janeiro and Espírito Santo, Brazil.

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- Central Hidrelétrica Pai Joaquim S.A. (subsidiary 100.00% stake): Production and sale of electricity as an independent producer in future projects.
- Cemig PCH S.A. (subsidiary 100.00% stake): Production and sale of electricity as an independent power producer, through the *Pai Joaquim* hydroelectric power plant.
- Cemig Capim Branco Energia S.A. (subsidiary 100.00% stake): Production and sale of electricity as an independent power producer, through the *Capim Branco I* and *II* hydroelectric power plants, built through a consortium with private-sector partners.
- UTE Barreiro S.A. (subsidiary 100.00% stake): Production and sale of thermally generated electricity, as an independent producer, through the construction and operation of the *UTE Barreiro* thermal generation plant, located on the premises of Vallourec & Mannesmann Tubes, in the State of Minas Gerais.
- Companhia Transleste de Transmissão (jointly controlled 25.00% stake): Operation of the 345kV transmission line connecting the substation located in Montes Claros to the substation of the *Irapé* hydroelectric power plant.
- Cemig Trading S.A. (subsidiary: 100.00% stake): Sale and intermediation of business transactions related to energy.
- Companhia Transudeste de Transmissão (jointly controlled 24.00% stake): Construction, implementation, operation and maintenance of the 345 kV *Itutinga Juiz de Fora* transmission line part of the national transmission grid.
- Companhia Transirapé de Transmissão (jointly controlled 24.50% stake): Construction, implementation, operation and maintenance of the 230kV *Irapé Araçuaí* transmission line part of the national transmission grid.
- EPTE (*Empresa Paraense de Transmissão de Energia S.A.*) (jointly controlled stake of 38.35%): Holder of a public service electricity transmission concession, for the 500kV transmission line in the State of Pará.
- ENTE (*Empresa Norte de Transmissão de Energia S.A.*) (jointly controlled 35.78% stake): Holder of a public service electricity transmission concession, for the two 500kV transmission lines in the States of Pará and Maranhão.

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- ERTE (*Empresa Regional de Transmissão de Energia S.A.*) (jointly controlled 35.78% stake): Holder of a public service electricity transmission concession, for a 230kV transmission line in the State of Pará.
- EATE (*Empresa Amazonense de Transmissão de Energia S.A.*) (jointly controlled 34.47% stake): Holder of a public service electricity transmission concession, for the 500kV transmission lines between the sectionalizing Substations of Tucuruí, Marabá, Imperatriz, Presidente Dutra and Açailândia in the Amazon region.
- ECTE (*Empresa Catarinense de Transmissão de Energia S.A.*) (jointly controlled, with 13.08% stake): Holder of a public electricity transmission service concession, through 525kV transmission lines in the State of Santa Catarina.
- Axxiom Soluções Tecnológicas S.A. ( Axxiom ) (jointly controlled 49.00% stake): Formed in August 2007 to provide complete services of implementation and management of systems for electricity sector companies.

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Cemig also has stockholdings in the companies listed below, which were at pre-operational stage on June 30, 2009:

- Companhia de Transmissão Centroeste de Minas (jointly controlled 51.00% stake): Construction, implementation, operation and maintenance of the 345kV *Furnas Pimenta* transmission line part of the national transmission grid.
- Transchile Charrúa Transmisión S.A. ( Transchile ) (jointly controlled 49.00% stake): Implementation, operation and maintenance of the *Charrúa Nueva Temuco* 220kV transmission line and two sections of transmission line at the *Charrúa* and *Nueva Temuco* substations, in the central region of Chile. The head office of Transchile is in Santiago, Chile.

Where Cemig exercises joint control it does so through stockholders agreements with the other stockholders of the investee company.

## 2) PRESENTATION OF THE QUARTERLY INFORMATION

The Quarterly Information (ITR), both for the holding company, and the consolidated information, was prepared according to Brazilian accounting practices, comprising: the Brazilian Corporate Law; the statements, orientations and interpretations issued by the Brazilian Accounting Statements Committee; rules of the Brazilian Securities Commission (CVM *Comissão de Valores Mobiliários*); and rules of the specific legislation applicable to holders of Brazilian electricity concessions, issued by the Brazilian National Electricity Agency, ANEEL.

This Quarterly Information (ITR) has been prepared according to principles, practices and criteria consistent with those adopted in the preparation of the annual financial statements at December 31, 2008. Hence this Quarterly Information should be read in conjunction with those annual financial statements.

Additionally, to optimize the information provided to the market, the Company is presenting, in Explanatory Note 35, income statements separated by company. All the information presented was obtained from the accounting records of the Company and its subsidiaries.

### Change in the Brazilian Corporate Law

Law 11638/07 altered, repealed and created new provisions in the Brazilian Corporate Law, in the chapter relating to disclosure and preparation of financial statements. Among other aspects, this changed the criterion for recognition and valuation of assets and liabilities. These changes, in effect from January 1, 2008, aim to increase the transparency of the accounting statements of Brazilian companies and eliminate some regulatory barriers that were an obstacle to convergence with international financial reporting standards (IFRS).

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Law 11638/07 and Provisional Measure 449/08 changed Law 6404/76 in aspects related to the preparation and disclosure of financial statements.

It was in the preparation of its financial statements for 2008 that the Company first adopted the changes to the Corporate Law introduced by Law 11638, approved on December 28, 2007, as amended by Provisional Measure 449 of December 3, 2008.

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**Criterion for consolidation of the Quarterly Information**

The Quarterly Information (ITR) of the subsidiaries and jointly-controlled companies mentioned in Explanatory Note 1 were consolidated, as follows: The data of the jointly-controlled subsidiaries as a whole was consolidated based on the method of proportional consolidation, applicable to each component of the accounting statements of the investees. All the subsidiaries, including those that are jointly controlled, follow accounting practices that are consistent with those of the holding company.

In the consolidation, the holdings of the holding company in the Stockholders' equity of the controlled companies, and the significant balances of assets, liabilities, revenues and expenses arising from transactions effected between the companies, have been eliminated.

The portion relating to the holdings of minority stockholders in the Stockholders' equity of the subsidiaries is shown separately in Liabilities.

The accounting statements of Transchile, for the purpose of consolidation, are converted from Chilean accounting principles to Brazilian accounting principles, with Chilean pesos being converted to Reais at the exchange rate of the last day of the quarter, since the functional currency of Cemig is the Real.

The dates of the accounting statements of the subsidiaries and jointly-controlled subsidiaries used for calculation of equity gains (losses) and consolidation coincide with those of the holding company.

**3) CASH AND CASH EQUIVALENTS**

|                                 | Consolidated     |                  | Holding company |                |
|---------------------------------|------------------|------------------|-----------------|----------------|
|                                 | 06/30/2009       | 03/31/2009       | 06/30/2009      | 03/31/2009     |
| Bank accounts                   | 139,371          | 91,316           | 33,694          | 4,283          |
| Cash investments                |                  |                  |                 |                |
| Bank certificates of deposit    | 2,025,418        | 2,514,592        | 87,068          | 209,892        |
| Treasury Financial Notes (LFTs) | 28,517           | 42,428           | 179             | 127            |
| National Treasury Notes (LTNs)  | 14,802           | 232              | 330             | 1              |
| Other                           | 42,169           | 57,023           | 51              | 112            |
|                                 | 2,110,906        | 2,614,275        | 87,628          | 210,132        |
|                                 | <b>2,250,277</b> | <b>2,705,591</b> | <b>121,322</b>  | <b>214,415</b> |

Cash investments consist of transactions carried out with Brazilian financial institutions. These transactions are contracted on normal market rates and conditions. They have high liquidity, are promptly convertible into a known amount of cash, and are subject to an insignificant risk of change in value.

These financial investments are, substantially, bank certificates of deposit and fixed income funds, remunerated, substantially, by the variation on CDIs (interbank certificates of deposit), at returns varying from 101.00% to 103.00% of the CDI rate.



Table of Contents**4) CONSUMERS AND TRADERS**

| <b>Current assets</b>                        | <b>Consolidated</b> |                   | <b>Holding company</b> |                   |
|--|---------------------|-------------------|------------------------|-------------------|
|  | <b>06/30/2009</b>   | <b>03/31/2009</b> | <b>06/30/2009</b>      | <b>03/31/2009</b> |
| Retail supply invoiced                       | 1.803.031           | 1.832.537         | 50.997                 | 51.114            |
| Retail supply not invoiced                   | 733.918             | 649.313           |                        |                   |
| Wholesale supply to other concession holders | 80.372              | 62.215            |                        |                   |
| (-) Provision for doubtful receivables       | (383.825)           | (388.735)         | (50.997)               | (51.114)          |
|  | <b>2.233.496</b>    | <b>2.155.330</b>  |                        |                   |

Credits receivable from an industrial consumer of Cemig D and Cemig GT, in the amount of R\$ 92,880 at June 30, 2009, not paid due to an injunction that allowed this payment not to be made until final judgment of a legal action challenging the tariff increase during the Cruzado Economic Plan made by Ministerial Order 45 of 1986, are recorded in the accounts. The Company expects that the amounts mentioned will be received in full.

Under rules laid down by ANEEL, the criteria for constitution of provisions are as follows: (i) for consumers with significant debts payable, an individual analysis is made of the balance, taking into account the history of default, negotiations in progress and the existence of real guarantees; (ii) for other consumers, debts receivable and unpaid for more than 90 days from residential consumers, more than 180 days from commercial consumers, and more than 360 days for the other consumer categories, are provisioned in full.

The Provision for doubtful receivables is considered to be sufficient to cover any losses in the realization of these assets.

Receivables in the amount of R\$ 8,770 at June 30, 2009 (R\$ 10,416 at March 31, 2009) are recorded in Non-current assets (Long-term receivables), in relation to the renegotiation of receivables owed by Copasa (Minas Gerais Water Company) and other consumers, to be paid by September 2012.

Table of Contents**5) REGULATORY ASSETS AND LIABILITIES**

The *General Agreement for the Electricity Sector*, signed in 2001, and the new regulations governing the electricity sector, resulted in the constitution of several regulatory assets and liabilities, and also in deferral of federal taxes applicable to these assets and liabilities (which are settled as and when the assets and liabilities are received and/or paid), as follows:

|   | Consolidated   |                |
|---|----------------|----------------|
|   | 06/30/2009     | 03/31/2009     |
| <b>Assets</b>   |                |                |
| Portion A Note 6  | 383,486        | 467,932        |
| Traders transactions in Free Energy during the rationing program Note 8 | 22,319         | 26,755         |
| Deferred Tariff Adjustment  |                | 14,644         |
| PIS, Cofins and Pasesp taxes Note 13                                    | 46,240         | 46,240         |
| Pre-paid expenses CVA Note 9  | 1,177,683      | 1,245,909      |
| Review of Tariff for Use of the Distribution System (TUSD)              | 3,089          | 3,089          |
| Recovery of discounts on the TUSD                                       | 9,161          | 13,712         |
| Low-income subsidy  | 35,904         | 129,454        |
| Light for Everyone ( <i>Luz para Todos</i> ) Program.                   |                | 981            |
| Transmission Tariff Review - Adjustment Portion Note 7                  | 158,090        |                |
| Other regulatory assets   | 12,334         | 18,199         |
|   | 1,848,306      | 1,966,915      |
| <b>Liabilities</b>  |                |                |
| Purchase of electricity during the rationing period                     | (12,148)       | (17,476)       |
| Review of Transmission Revenue  |                | (3,691)        |
| Amounts to be restituted in the tariff CVA Note 9                       | (635,779)      | (606,313)      |
| Review of Tariff for Use of the Distribution System (TUSD)              | (10,760)       | (14,444)       |
| CCEAR contract exposure between sub-markets                             | (17,147)       | (22,285)       |
| Adjustment to the Reference Company                                     | (80,375)       | (104,459)      |
| Financial adjustment for the 2008 Tariff Review                         | (123,240)      | (160,167)      |
| Other regulatory liabilities  | (9,780)        | (8,494)        |
|   | (889,229)      | (937,329)      |
| Taxes, charges and contributions Deferred liabilities Note 18           | (69,193)       | (37,399)       |
|   | (958,422)      | (974,728)      |
| <b>Total</b>  | <b>889,884</b> | <b>992,187</b> |

**6) THE EXTRAORDINARY TARIFF RECOMPOSITION, AND PORTION A**

The Brazilian federal government, through the Electricity Emergency Chamber (GCE), signed an agreement with the electricity distributors and generators in 2001, named *The General Agreement for the Electricity Sector*, which set criteria for ensuring the economic and financial equilibrium of concession contracts and for recomposition of the extraordinary revenues and losses which occurred during the Rationing Program, through an Extraordinary Tariff Recomposition ( RTE ), given to compensate for the variation in non-manageable costs of Portion A that took place in the period from January 1 to October 25, 2001.

**a) The Extraordinary Tariff Recomposition ( RTE )**

The RTE came into effect on December 27, 2001, through the following tariff adjustments:

- Adjustment of 2.90% for consumers in the residential classes (excluding low-rental consumers), and consumers in the rural, public-illumination and high-voltage industrial categories for whom the cost of electricity represents 18.00% or more of the average cost of production and which meet certain requirements related to load factor and electricity demand, specified in the Resolution.
- Increase of 7.90% for other consumers.

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The RTE was used to compensate the following items:

- Losses of invoiced sales revenue in the period from June 1, 2001 to February 28, 2002, corresponding to the difference between Cemig's estimated revenue if the rationing program had not been put in place and the actual revenue while the program was in place, according to a formula published by ANEEL. Calculation of this value did not take into account any losses from default by consumers.
- Pass-through to be made to the generators who bought energy in the MAE which was succeeded in 2004 by the Electricity Sales Chamber (the CCEE/MAE), in the period from June 1, 2001 to February 28, 2002, for more than R\$ 49.26/MWh (referred to as Free Energy).

The period of validity of the RTE of Cemig D and of Light Serviços de Eletricidade S.A. (Light SESA), of 74 months, expired in February 2008.

**b) Portion A**

The items of Portion A are defined as being the sum of the differences, positive or negative, in the period January 1 to October 25, 2001, between the amounts of the non-manageable costs presented on the basis of the calculation for determination of the last annual tariff adjustment and the disbursements which actually took place in the period.

The recovery of Portion A began in March 2008, shortly after the end of the period of validity of the RTE, using the same recovery mechanisms, that is to say, the adjustment that was applied to tariffs for compensation of the amounts of the RTE will continue in effect for compensation of the items of Portion A.

The Portion A credits are updated by the variation in the Selic rate up to the month in which they are actually offset, and there is no time limit for their realization.

As and when amounts of Portion A are received through the tariff, Cemig transfers those amounts from Assets to the Income statement. In the case of Cemig D, the amounts transferred in the first half of 2009 are:

| Amounts transferred to expenses                         | 06/30/2009 | 03/31/2009 |
|---|------------|------------|
| Energy bought for resale                                | 93,758     | 45,408     |
| The Fuel Consumption Account - CCC                      | 41,516     | 20,107     |
| Global Reversion Reserve - RGR                          | 4,149      | 2,009      |
| Tariff for transport of electricity from Itaipu         | 1,601      | 775        |
| Tariff for use of national grid transmission facilities | 10,723     | 5,193      |
| Royalties for use of water resources                    | 3,682      | 1,784      |

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|                                    |                |           |                |               |
|------------------------------------|----------------|-----------|----------------|---------------|
| Connection                         | Realization of | Portion A | 226            | 110           |
| Delivery service inspection charge |                |           | 388            | 188           |
|                                    |                |           | <b>156,043</b> | <b>75,574</b> |

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## c) Composition of the balances of Portion A

The amounts to be received in relation to Portion A, recorded in Assets, are:

|  | 06/30/2009     | Consolidated | 03/31/2009     |
|--|----------------|--------------|----------------|
| <b>Cemig Distribuição S.A.</b>         |                |              |                |
| Compensation of the items of Portion A | 806,994        |              | 796,762        |
| Amounts raised                         | (423,508)      |              | (343,039)      |
| Total of Portion A                     | 383,486        |              | 453,723        |
| <b>RME Light</b>                       |                |              |                |
| Portion A                              |                |              | 14,209         |
|  |                |              | 14,209         |
| <b>Total of Portion A</b>              | <b>383,486</b> |              | <b>467,932</b> |
| Current assets                         | 317,042        |              | 302,636        |
| Non-current assets                     | 66,444         |              | 165,296        |

## 7) THE REVIEW OF THE TRANSMISSION TARIFF

The first revision of the tariff of Cemig GT was approved by ANEEL on June 17, 2009 in which the Agency has set the repositioning of the Annual Revenue Permitted (RAP) of the Company at 5.35%, retroactive to 2005.

Adicionaly it was established by ANEEL a financial component of R\$ 158,090 to be paid to the Company throw a Parcel A revenue (PA) in 24 months. This is due to the effects of retroactive pricing repositioning occurred in the period between 1 July 2005 and June 30, 2009. The first installment of R\$ 85,732 will be incorporated into the adjustment of the 2009/2010 cycle and the second installment of R\$ 72,358 offset adjustment in 2010/2011, as bellow:

**Parcel A Revenue (PA)**

|                                     |                |
|-------------------------------------|----------------|
| Basic network                       | 128,823        |
| Frontier                            | 13,899         |
| DIT - Other Transmission components | 15,368         |
|                                     | <b>158,090</b> |

As provided in the concession contract of the Company, the review of the calculations were made on the basis of all transmission assets and not just for the new facilities.

8) TRADERS TRANSACTIONS IN FREE ENERGY

The net receivables of the subsidiary **Cemig GT** in relation to transactions in Free Energy in the Electricity Trading Chamber (CCEE, formerly MAE) during the Rationing Program are as follows:

|  | Consolidated  |               |
|--|---------------|---------------|
|  | 06/30/2009    | 03/31/2009    |
| <b>ASSETS</b>                            |               |               |
| Amounts to be received from distributors | 40,132        | 44,152        |
| Provision for losses in realization      | (17,813)      | (17,397)      |
|  | <b>22,319</b> | <b>26,755</b> |
| Current                                  | 17,573        | 16,115        |
| Non-current                              | 4,746         | 10,640        |

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The amounts to be received in Assets refer to the difference between the prices paid **Cemig GT** in the transactions in energy on the CCEE (formerly the MAE), during the period when the Rationing Program was in force, and R\$ 49.26/MWh. This difference is to be reimbursed through the amounts raised by means of the RTE, as defined in the General Agreement for the Electricity Sector.

In accordance with ANEEL Resolution 36 of January 29, 2003, the electricity distributors have since March 2003 collected the amounts obtained monthly by means of the RTE and passed them through to the generators and distributors who have amounts to be received, among which **Cemig GT** is included.

The amounts receivable by **Cemig GT** are updated by the variation in the Selic rate plus 1.00% interest per year.

The conclusion of some court proceedings in progress, brought by market agents, in relation to the interpretation of the rules in force at the time of the realization of the transactions on the CCEE/MAE, may result in changes in the amounts recorded.

Provision for losses in realization

The provision currently constituted, of R\$ 17,813, represents the losses that are expected as a result of the period of receipt of the RTE from the distributors that are still passing through funds to the Company not being sufficient for full pass-through of the amounts owed.

**9) ANTICIPATED EXPENSES AND REGULATORY LIABILITIES CVA**

The balance on the Account to Compensate for Variation of Portion A Items (CVA) refers to the positive and negative variations between the estimate of non-manageable costs, used for deciding the tariff adjustment, and the payments actually made. The variations found are compensated in the subsequent tariff adjustments.

The balance on the CVA is shown below:

|                | 06/30/2009     | Consolidated | 03/31/2009     |
|----------------|----------------|--------------|----------------|
| Cemig D        | 478,236        |              | 573,042        |
| RME Light      | 63,668         |              | 66,555         |
|                | <b>541,904</b> |              | <b>639,597</b> |
| Current assets | 632,644        |              | 579,414        |



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|                         |                |                |
|-------------------------|----------------|----------------|
| Non-current assets      | 545,039        | 666,496        |
| Current liabilities     | (224,826)      | (146,776)      |
| Non-current liabilities | (410,953)      | (459,537)      |
| Net amounts             | <b>541,904</b> | <b>639,597</b> |

Table of Contents**10) TAXES SUBJECT TO OFFSETTING**

|                         | Consolidated     |                  | Holding company |                |
|-------------------------|------------------|------------------|-----------------|----------------|
|                         | 06/30/2009       | 03/31/2009       | 06/30/2009      | 03/31/2009     |
| <b>Current</b>          |                  |                  |                 |                |
| ICMS tax recoverable    | 206,492          | 203,280          | 3,805           | 3,806          |
| Income tax              | 702,031          | 520,380          |                 |                |
| Social Contribution tax | 270,499          | 175,704          |                 |                |
| Pasep tax               | 10,767           | 8,130            | 1               |                |
| Cofins tax              | 26,891           | 57,254           | 1               |                |
| Other                   | 18,495           | 15,674           | 1,385           | 1,385          |
|                         | 1,235,175        | 980,422          | 5,192           | 5,191          |
| <b>Non-current</b>      |                  |                  |                 |                |
| ICMS tax recoverable    | 93,184           | 95,884           | 426             | 426            |
| Income tax              | 178,397          | 178,121          | 178,128         | 178,121        |
| Social Contribution tax | 17,549           | 10,930           | 17,549          | 10,930         |
|                         | 289,130          | 284,935          | 196,103         | 189,477        |
|                         | <b>1,524,305</b> | <b>1,265,357</b> | <b>201,295</b>  | <b>194,668</b> |

The balances of income tax and Social Contribution tax refer to tax credits in corporate income tax returns of previous years, and advance payments made in 2009, which will be offset against federal taxes payable, calculated for the year 2009, posted in Taxes and contributions.

The credits of ICMS tax recoverable, posted in Long term receivables, arise from acquisitions of fixed assets and can be offset in 48 months.

The Company filed a consultation with the Minas Gerais State Tax Department for clarification of questions related to the use of part of the ICMS credits recorded in Long-term assets, and the response is awaited in the third quarter of 2009, when their offsetting will be commenced.

**11) TAX CREDITS****a) Deferred income tax and Social Contribution:**

**Cemig** and its subsidiaries have deferred income tax credits, constituted at the rate of 25.00%, and deferred Social Contribution tax credits, at the rate of 9.00%, as follows:

|  | Consolidated |            | Holding company |            |
|--|--------------|------------|-----------------|------------|
|  | 06/30/2009   | 03/31/2009 | 06/30/2009      | 03/31/2009 |
|  | 238,366      | 262,014    | 24,369          | 41,534     |

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|   |                |                |                |                |
|---|----------------|----------------|----------------|----------------|
| Tax credits on temporary differences  |                |                |                |                |
| Tax loss / negative taxable amount  |                |                |                |                |
| Contingency provision   | 195,739        | 206,969        | 94,740         | 107,884        |
| Provisions for losses on realization of amounts receivable under the Extraordinary Tariff Recomposition and Free Energy | 10,186         | 11,857         |                |                |
| Regulatory liabilities Tariff Review  | 67,052         | 87,143         |                |                |
| Post-employment obligations   | 92,947         | 93,852         | 3,168          | 3,280          |
| Provision for doubtful receivables  | 153,062        | 152,748        | 17,339         | 17,379         |
| Provision for Pasesp and Cofins taxes Extraordinary Tariff Recomposition  | 5,960          | 1,577          |                |                |
| Provision for losses in recovery of tax credits Light   |                | (29,616)       |                |                |
| Financial instruments   | 65,961         | 65,045         |                |                |
| FX variation  | 114,083        | 110,740        |                |                |
| Other   | 39,162         | 36,812         | 792            | 528            |
|   | <b>982,518</b> | <b>999,141</b> | <b>140,408</b> | <b>170,605</b> |
| Current assets  | 327,355        | 297,298        | 40,896         | 41,899         |
| Non-current assets  | 655,163        | 701,843        | 99,512         | 128,706        |

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At its meeting on February 12, 2009, the Board of Directors approved the technical study prepared by the CFO's department on the forecasts for future profitability adjusted to present value, which show capacity for realization of the deferred tax asset in a maximum period of 10 years, as defined in CVM Instruction 371. This study includes **Cemig** and its subsidiaries **Cemig GT** and **Cemig D** and was also submitted to **Cemig's** Audit Board, on February 5, 2009.

In accordance with the individual estimates by **Cemig** and its subsidiaries, future taxable profits enable the deferred tax asset existing on June 30, 2009 to be realized as follows:

|              | Consolidated | Holding company |
|--------------|--------------|-----------------|
| 2009         | 232,089      | 28,340          |
| 2010         | 269,079      | 25,112          |
| 2011         | 133,038      | 26,476          |
| 2012         | 112,891      | 26,476          |
| 2013         | 113,494      | 29,628          |
| 2014 to 2016 | 72,429       | 3,745           |
| 2017 to 2019 | 49,498       | 631             |
|              | 982,518      | 140,408         |

The holding company had tax credits not recognized in its Quarterly Information (ITR), in the amount of R\$ 409,378 on June 30, 2009 (R\$ 409,375 on March 31, 2009).

The credits not recognized refer basically to the actual loss arising from the assignment of the credits of Accounts receivable from the state government to the Credit Receivables Fund in the first quarter of 2006 (as per Explanatory Note 12). As a result of this assignment, the provision for losses on recovery of the amounts constituted in previous years became deductible for the purposes of income tax and Social Contribution. The portion not recognized in relation to this issue is R\$ 437,509.

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Considering that the Brazilian tax legislation allows companies to benefit from payment of Interest on Equity and to deduct such payments from their taxable profit, Cemig adopted the tax option of paying Interest on Equity to its stockholders. In accordance with its tax planning, after the offsetting in the coming years of the offsetable taxes recorded, the Company will pay Interest on Equity in an amount that will reduce its taxable profit to an amount close to or equal to zero. As a consequence, this alternative will eliminate the payment of income tax and the Social Contribution tax by the Holding Company, and the tax loss carryforwards not recognized will not be recovered.

**b) Reconciliation of the expense on income tax and Social Contribution:**

The reconciliation of the nominal expense on income tax (rate 25%) and Social Contribution tax (rate 9%) with the actual expense shown in the Income statement is as follows:

|   | Consolidated     |                  | Holding company |                 |
|---|------------------|------------------|-----------------|-----------------|
|   | 06/30/2009       | 06/30/2008       | 06/30/2009      | 06/30/2008      |
| Profit before income tax and Social Contribution tax                              | 1,401,415        | 1,848,435        | 926,160         | 1,192,891       |
| Income tax and Social Contribution nominal expense                                | (476,483)        | (628,468)        | (314,894)       | (405,583)       |
| Tax effects applicable to:  |                  |                  |                 |                 |
| Reversal relating to Social Contribution tax on Complementary monetary adjustment |                  | (8,488)          |                 | (8,488)         |
| Equity gain (loss) from subsidiaries  |                  |                  | 253,227         | 350,586         |
| Employees profit shares   | 24,881           | 14,949           | 643             | 525             |
| Non-deductible contributions and donations  | (2,796)          | (3,483)          | (163)           | (122)           |
| Tax credits not recognized  | 701              | (2,419)          | 26              | 11              |
| Adjustment to present value   |                  | (12,102)         |                 |                 |
| Amortization of goodwill  | (2,773)          | (2,773)          | (2,773)         | (2,773)         |
| Tax incentives  | 7,373            | 6,526            | 94              |                 |
| Adjustment in income tax and Social Contribution tax prior year                   | (11,423)         |                  |                 |                 |
| Other   | 27,028           | 17,121           | (393)           | (352)           |
| <b>Income tax and Social Contribution tax effective expense</b>                   | <b>(433,492)</b> | <b>(619,137)</b> | <b>(64,233)</b> | <b>(66,196)</b> |

**c) Transitory taxation regime:**

Provisional Measure 449/2008, of December 3, 2008, instituted the Transitory Taxation Regime (RTT), which aims to neutralize the impacts of the new accounting methods and criteria introduced by Law 11638/07, in calculation of the taxable amounts for federal taxes.

Application of the RTT is optional for the years 2008 and 2009, and applies to corporate entities subject to Corporate Income Tax ( IRPJ ) in accordance with the systems of the Real Profit and the Presumed Profit tax reporting methods. The taxpayer must state its option to adopt the RTT in the 2009 Corporate Tax Return ( DIPJ ). Starting in 2010, adoption of the RTT becomes obligatory, until the law that disciplines the tax effects of the new accounting methods and criteria comes into effect.

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For companies that adopt the RTT, the changes introduced by Law 11638/07, as amended by Provisional Measure 449/08, which change the criteria for recognition of revenues, costs and expenses computed in calculation of the net profit for the period, do not apply for calculating the real profit of the legal entity: the accounting methods and criteria in effect on December 31, 2007 are used for tax purposes.

Based on an initial assessment, the Company has reflected the effects of adoption of the RTT in its accounting statements. Additionally, by November 30, 2009 it will have to prepare its Transition Accounting Tax Control (FCONT), which was created by Brazilian Federal Revenue Service Normative Instruction 949/2009.

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**12) ACCOUNTS RECEIVABLE FROM THE GOVERNMENT OF THE STATE OF MINAS GERAIS IN RECEIVABLES RIGHTS**

The outstanding credit balance receivable on the CRC (Results Compensation) Account was passed to the State of Minas Gerais in 1995, under an Agreement to assign that account ( the CRC Agreement ), in accordance with Law 8724/93, for monthly amortization over 17 years starting on June 1, 1998, with annual interest of 6% plus monetary updating by the Ufir index.

On January 24, 2001 the First Amendment was signed, replacing the monetary updating unit in the agreement, which had been the Ufir, with the IGP-DI inflation index, backdated to November 2000, due to the abolition of the Ufir in October 2000.

In October 2002 the Second and Third Amendments to the CRC Agreement were signed, setting new conditions for amortization of the credits receivable from the Minas Gerais state government. The main clauses were: (i) monetary updating by the IGP-DI inflation index; (ii) amortization of the two amendments by May 2015; (iii) interest rates of 6.00% and 12.00% for the Second and Third Amendments, respectively; and (iv) guarantee of full retention of the dividends owed to Minas Gerais state, for settlement of the Third Amendment.

**a) The Fourth Amendment to the CRC Agreement**

As a result of the default in the receipt of the credits referred to in the Second and Third Amendments, the Fourth Amendment was signed with the aim of making possible the full receipt of the CRC through retention of dividends as and when the government of the State Government becomes entitled to them. This agreement was approved by the Extraordinary General Meeting of Stockholders completed on January 12, 2006.

The Fourth Amendment to the CRC Agreement had backdated effect on the outstanding balance existing on December 31, 2004, and consolidated the amounts receivable under the Second and Third Amendments which were a total of R\$ 4,244,970 on June 30, 2009.

The state government will amortize the debit in 61 consecutive half-yearly installments, becoming due by June 30 and December 31 of each year, over the period from June 2005 to June 2035. The amounts of the portions for amortization of the principal, updated by the IGP-DI inflation index, increase over the period, from R\$ 28,828 for the first, to R\$ 90,346 for the sixty-first (in currency of June 31, 2009).

The amortization of the debt is primarily effected by means of retention of 65% of the minimum obligatory dividends payable to the state government. If the amount is not sufficient to amortize the portion becoming due, the retention may be of up to 65% of all and any amount of extraordinary dividends or extraordinary Interest on Equity. The dividends retained are to be used for amortization of the agreement in the following order: (i) settlement of past due installments; (ii) settlement of an installment for the current half-year; (iii) anticipated settlement of up to 2 installments; and, (iv) amortization of the debtor balance.

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On June 30, 2009, R\$ 76,905 had been amortized in advance: the installments of the Agreement to become due on December 31, 2009 and June 30, 2010.

The signature of the Fourth Amendment to the contract provides that, so as to ensure complete receipt of the credits, the provisions of the Bylaws must be obeyed they define certain targets to be met annually in conformity with the Strategic Plan, as follows:

|   | <b>Target</b> | <b>Index required</b>   |
|---|---------------|-------------------------|
| Debt / Ebitda                                 |               | Less than 2 (1)         |
| (Debt) / (Debt plus Stockholders' equity)     |               | 40% or less (2)         |
| Capital expenditure and acquisition of assets |               | 40%, or less, of Ebitda |

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EBITDA = Earnings before interest, taxes on profit, depreciation and amortization.

- (1) Less than 2.5 in certain situations specified in the Bylaws.
- (2) 50% or less, in certain situations also specified in the Bylaws.



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**b) Transfer of the CRC credits to a Receivables Investment Fund ( FIDC )**

On January 27, 2006 **Cemig** transferred the CRC credits into a Receivables Investment Fund ( FIDC ). The amount of the FIDC was established by the administrator based on long-term financial projections for **Cemig**, with estimation of the dividends that will be retained for amortization of the outstanding debtor balance on the CRC Agreement. Based on these projections, the FIDC was valued at a total of R\$ 1,659,125, of which R\$ 900,000 in senior units and R\$ 759,125 in subordinated units.

The senior units were subscribed and acquired by financial institutions and will be amortized in 20 half-yearly installments, from June 2006, updated by the variation of the CDI plus interest of 1.7% of interest per year, guaranteed by **Cemig**.

The subordinated units were subscribed by **Cemig** and correspond to the difference between the total value of the FIDC and the value of the senior units.

The updating of the subordinated units corresponds to the difference between the valuation of the FIDC using a rate of 10.00% per year, and the increase in value of the senior units by the variation of the CDI plus interest of 1.70% per year.

Movement in the FIDC in 2Q09 was as follows:

|   | <b>Consolidated<br/>and Holding<br/>company</b> |
|---|---|
| <b>Balance at March 31, 2009</b>                | 1,770,926                                       |
| Monetary updating on the senior units           | 26,611  |
| Monetary updating on the subordinated units     | 8,997   |
| Investment in the subordinated units            | 6,927   |
| <b>Balance at June 30, 2009</b>                 | <b>1,813,461</b>                                |
| <b>Composition of the FIDC on June 30, 2009</b> |   |
| - Senior units owned by third parties           | 977,529   |
| - Subordinated units owned by Cemig             | 832,130   |
| Dividends retained by the Fund                  | 3,802   |
|   | <b>835,932</b>                                  |
| <b>TOTAL</b>                                    | <b>1,813,461</b>                                |

**Cemig** paid dividends on June 30, 2009, R\$ 68,327 being used for amortization of part of the senior units. Additionally, the Company injected R\$ 6,927 into the fund to complete the amount necessary for redemption of the senior units and other operational expenses of the FIDC. The amortization of R\$ 73,693 of the senior units was effected only on July 2, 2009.

The dividends and Interest on Equity proposed by the Executive Board to the Board of Directors, to be distributed to stockholders arising from the profit for 2008, are posted in Current Liabilities. Of the dividends to be distributed, R\$ 105,119 is payable to the Minas Gerais State Government, of which R\$ 68,327 will be retained for settlement of part of the receivables on the CRC becoming due.

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**c) Consolidation criterion of the FIDC**

Due to the guarantee offered by **Cemig** of settlement of the senior units, in the event that the dividends due to the state government are not sufficient for amortization of the installments, the consolidated Quarterly Information presents the balance of the FIDC registered in full in **Cemig** and the senior units are presented as a debt under Loans and financings in Current and Non-current liabilities. Similarly, in the consolidation the monetary updating of the FIDC has been recognized in full as a financial revenue, and in counterpart the amount of the monetary updating of the senior units was registered as a cost of debt.

**13) REGULATORY ASSET PIS, PASEP AND COFINS TAXES**

Federal Laws 10637 and 10833 changed the bases of application, and increased the rate, of the PIS, PASEP and Cofins taxes. As a result of these alterations there was an increase in PIS/PASEP expenses from December 2002 to March 2005 and in expenses on the Cofins tax from February 2004 to June 2005.

In view of the fact that this increase in the expense should be repaid to the company through tariffs, the credits were registered, in accordance with a criterion laid down by ANEEL, as a Regulatory asset and there was a counterpart reduction in the expense on PIS, PASEP and Cofins taxes.

The Company expects reimbursement of this asset in the forthcoming tariff adjustments, in accordance with an administrative appeal filed with ANEEL.

Table of Contents**14) INVESTMENTS**

|   | Consolidated     |                  | Subsidiary       |                  |
|---|------------------|------------------|------------------|------------------|
|   | 06/30/2009       | 03/31/2009       | 06/30/2009       | 03/31/2009       |
| In subsidiaries and jointly controlled companies      |                  |                  |                  |                  |
| Cemig GT  |                  |                  | 4,058,641        | 3,713,552        |
| Cemig D   |                  |                  | 2,488,194        | 2,516,345        |
| Rio Minas Energia Participações                       |                  |                  | 329,384          | 311,151          |
| Infovias  |                  |                  | 271,380          | 270,218          |
| Gasmig  |                  |                  | 337,459          | 328,382          |
| Rosal Energia   |                  |                  | 100,637          | 95,662           |
| Sá Carvalho   |                  |                  | 109,582          | 101,901          |
| Horizontes Energia                                    |                  |                  | 70,140           | 68,507           |
| Usina Térmica Ipatinga                                |                  |                  | 36,415           | 68,831           |
| Cemig PCH:  |                  |                  | 40,142           | 55,633           |
| Cemig Capim Branco Energia                            |                  |                  | 30,411           | 62,878           |
| Companhia Transleste de Transmissão                   |                  |                  | 14,182           | 14,629           |
| UTE Barreiro  |                  |                  | 1,289            | 997              |
| Companhia Transudeste de Transmissão                  |                  |                  | 9,082            | 8,501            |
| Usina Hidrelétrica Pai Joaquim                        |                  |                  | 482              | 477              |
| Companhia Transirapé de Transmissão                   |                  |                  | 6,822            | 6,298            |
| Transchile  |                  |                  | 33,309           | 34,141           |
| Efficientia   |                  |                  | 8,698            | 7,822            |
| Central Termelétrica de Cogeração                     |                  |                  | 156,116          | 155,697          |
| Companhia de Transmissão Centroeste de Minas          |                  |                  | 7,165            | 6,799            |
| Cemig Trading   |                  |                  | 3,009            | 2,766            |
| Empresa Paraense de Transmissão de Energia ETEP       |                  |                  | 38,002           | 17,939           |
| Empresa Norte de Transmissão de Energia ENTE          |                  |                  | 63,565           | 32,893           |
| Empresa Regional de Transmissão de Energia ERTE       |                  |                  | 11,615           | 6,408            |
| Empresa Amazonense de Transmissão de Energia EATE     |                  |                  | 138,509          | 62,599           |
| E   |                  |                  | 7,839            | 5,142            |
| Axxiom Soluções Tecnológicas                          |                  |                  | 2,377            | 2,428            |
|   |                  |                  | 8,374,446        | 7,958,596        |
| In consortia  | 1,123,354        | 1,120,791        |                  |                  |
| Goodwill on acquisition of the stake in Rosal Energia |                  |                  | 30,391           | 31,772           |
| Goodwill on acquisition of the stake in ETEP          |                  |                  | 62,726           | 24,893           |
| Goodwill on acquisition of the stake in ENTE          |                  |                  | 93,622           | 37,029           |
| Goodwill on acquisition of the stake in ERTE          |                  |                  | 22,655           | 8,479            |
| Goodwill on acquisition of the stake in EATE          |                  |                  | 366,836          | 139,853          |
| Goodwill on acquisition of the stake in ECTE          |                  |                  | 14,739           | 6,762            |
| In other investments                                  | 23,955           | 27,027           | 3,508            | 3,506            |
|   | 1,147,309        | 1,147,818        | 594,477          | 252,294          |
|   | <b>1,147,309</b> | <b>1,147,818</b> | <b>8,968,923</b> | <b>8,210,890</b> |

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## a) The main information on the investees is as follows:

| Subsidiaries  | No. of shares | Cemig stake<br>% | At June 30, 2009      |                        | January to June 2009 |                  |
|---|---------------|------------------|-----------------------|------------------------|----------------------|------------------|
|   |               |                  | Registered<br>capital | Stockholders<br>equity | Dividends            | Profit<br>(Loss) |
| Cemig GT  | 2,896,785,358 | 100.00           | 2,896,785             | 4,058,641              | 107,136              | 684,638          |
| Cemig D   | 2,261,997,787 | 100.00           | 2,261,998             | 2,488,194              | 76,202               | 88,385           |
| Rio Minas Energia                                     | 709,309,572   | 25.00            | 709,309               | 1,317,534              |                      | 159,823          |
| Infovias  | 381,023,385   | 100.00           | 225,082               | 271,380                | 8,150                | 15,696           |
| Rosal Energia   | 86,944,467    | 100.00           | 86,944                | 100,637                |                      | 9,383            |
| Sá Carvalho   | 860,000,000   | 100.00           | 86,833                | 109,582                |                      | 14,170           |
| Gasmig  | 409,255,000   | 55.19            | 474,497               | 611,421                |                      | 34,845           |
| Horizontes Energia                                    | 64,257,563    | 100.00           | 64,258                | 70,140                 |                      | 3,402            |
| Usina Térmica Ipatinga                                | 64,174,281    | 100.00           | 64,174                | 36,415                 |                      | 5,138            |
| Cemig PCH:  | 50,952,000    | 100.00           | 50,952                | 40,142                 |                      | 7,880            |
| Cemig Capim Branco Energia                            | 45,528,000    | 100.00           | 45,528                | 30,411                 |                      | 15,480           |
| Companhia Transleste de Transmissão                   | 49,569,000    | 25.00            | 49,569                | 56,729                 | 6,896                | 5,985            |
| UTE Barreiro  | 11,918,000    | 100.00           | 11,918                | 1,289                  |                      | 567              |
| Companhia Transudeste de<br>Transmissão               | 30,000,000    | 24.00            | 30,000                | 37,847                 | 483                  | 3,849            |
| Central Hidrelétrica Pai Joaquim                      | 486,000       | 100.00           | 486                   | 482                    |                      | (4)              |
| Companhia Transirapé de<br>Transmissão                | 22,340,490    | 24.50            | 22,340                | 27,846                 |                      | 3,235            |
| Transchile  | 27,840,000    | 49.00            | 61,563                | 67,976                 |                      |                  |
| Efficientia   | 6,051,994     | 100.00           | 6,052                 | 8,698                  |                      | 2,385            |
| Central Termelétrica de Cogeração                     | 150,000,000   | 100.00           | 150,001               | 156,116                |                      | 5,992            |
| Companhia de Transmissão<br>Centroeste de Minas       | 51,000        | 51.00            | 51                    | 14,051                 |                      |                  |
| Cemig Trading   | 160,297       | 100.00           | 160                   | 3,009                  |                      | 2,817            |
| Empresa Paraense de Transmissão de<br>Energia ETEP    | 45,000,010    | 38.35            | 69,569                | 99,077                 | 2,348                | 17,084           |
| Empresa Norte de Transmissão de<br>Energia ENTE       | 100,840,000   | 35.78            | 120,128               | 177,641                | 19,902               | 36,176           |
| Empresa Regional de Transmissão de<br>Energia ERTE    | 23,400,000    | 35.78            | 23,400                | 32,463                 | 6,480                | 7,122            |
| Empresa Amazonense de Transmissão<br>de Energia EATE  | 180,000,010   | 34.47            | 273,469               | 401,849                | 3,687                | 76,944           |
| Empresa Catarinense de Transmissão<br>de Energia ECTE | 42,095,000    | 13.08            | 42,095                | 59,924                 | 14,747               | 11,954           |
| Axxiom Soluções Tecnológicas                          | 4,200,000     | 49.00            | 4,200                 | 4,851                  |                      | (590)            |

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| Subsidiaries   | Number of shares | Cemig stake % | At June 30, 2008   |                     | January to June 2008 |               |
|--|------------------|---------------|--------------------|---------------------|----------------------|---------------|
|  |                  |               | Registered capital | Stockholders equity | Dividends            | Profit (Loss) |
| Cemig GT   | 2,896,785,358    | 100.00        | 2,896,785          | 3,410,674           | 91,967               | 483,492       |
| Cemig D  | 2,261,997,787    | 100.00        | 2,261,998          | 2,853,732           | 75,111               | 487,276       |
| Infovias   | 381,023,385      | 100.00        | 255,082            | 264,331             |                      | 9,341         |
| Rosal Energia  | 86,944,467       | 100.00        | 86,944             | 99,440              |                      | 9,178         |
| Sá Carvalho  | 860,000,000      | 100.00        | 86,833             | 106,911             |                      | 12,883        |
| Gasmig   | 196,155,000      | 55.19         | 174,497            | 404,926             |                      | 38,536        |
| Horizontes Energia   | 64,257,563       | 100.00        | 64,258             | 70,757              |                      | 4,434         |
| Usina Térmica Ipatinga                                     | 64,174,281       | 100.00        | 64,174             | 70,504              |                      | 4,697         |
| Cemig PCH  | 50,952,000       | 100.00        | 50,953             | 56,926              |                      | 5,231         |
| Cemig Capim Branco Energia                                 | 45,528,000       | 100.00        | 45,528             | 69,738              |                      | 17,107        |
| Companhia Transleste de Transmissão                        | 46,569,000       | 25.00         | 49,569             | 56,050              |                      | 4,051         |
| UTE Barreiro   | 11,918,000       | 100.00        | 11,918             | 4,628               |                      | (881)         |
| Companhia Transudeste de Transmissão                       | 30,000,000       | 24.00         | 30,000             | 34,632              |                      | 2,183         |
| Central Hidrelétrica Pai Joaquim                           | 1,000            | 100.00        | 1                  | 499                 |                      | 13            |
| Companhia Transirapé de Transmissão                        | 22,340,490       | 24.50         | 22,340             | 25,272              |                      | 1,672         |
| Transchile   | 22,000           | 49.00         | 33,696             | 33,696              |                      |               |
| Efficientia  | 3,742,249        | 100.00        | 3,742              | 6,533               |                      | 2,310         |
| Central Termelétrica de Cogeração Companhia de Transmissão | 1,000            | 100.00        | 1                  | 84                  |                      | 78            |
| Centroeste de Minas  | 51,000           | 51.00         | 51                 | 13,183              |                      |               |
| Rio Minas Energia  | 12,000           | 25.00         | 709,310            | 1,334,410           |                      | 257,454       |
| Cemig Trading  | 160,000          | 100.00        | 160                | 22,526              |                      | 22,381        |
| Empresa Paraense de Transmissão de Energia ETEP            | 45,000,010       | 18.83         | 69,063             | 87,885              |                      | 10,962        |
| Empresa Norte de Transmissão de Energia ENTE               | 100,840,000      | 18.35         | 120,128            | 153,971             |                      | 21,433        |
| Empresa Regional de Transmissão de Energia ERTE            | 23,400,000       | 18.35         | 23,400             | 30,171              |                      | 5,286         |
| Empresa Amazonense de Transmissão de Energia EATE          | 180,000,010      | 16.62         | 273,469            | 350,200             |                      | 44,694        |
| Empresa Catarinense de Transmissão de Energia ECTE         | 42,095,000       | 7.50          | 42,095             | 56,762              |                      | 9,938         |
| Axxiom Soluções Tecnológicas                               | 2,000            | 49.00         | 4,200              | 4,200               |                      |               |

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The movement on investment in subsidiaries is as follows:

|  | 03.31.2009       | Equity gain<br>(loss) | Injection<br>(reduction)<br>of capital | Dividends<br>proposed | Other          | 06.30.2009       |
|--|------------------|-----------------------|--|-----------------------|----------------|------------------|
| Cemig GT   | 3,713,552        | 452,225               |  | (107,136)             |                | 4,058,641        |
| Cemig D  | 2,516,345        | 48,051                |  | (76,202)              |                | 2,488,194        |
| Rio Minas Energia                                  | 311,151          | 16,918                |  |                       | 1,315          | 329,384          |
| Infovias   | 270,218          | 9,311                 |  | (8,150)               | 1              | 271,380          |
| Rosal Energia                                      | 95,662           | 4,975                 |  |                       |                | 100,637          |
| Sá Carvalho  | 101,901          | 7,681                 |  |                       |                | 109,582          |
| Gasmig   | 328,382          | 9,076                 |  |                       | 1              | 337,459          |
| Horizontes Energia                                 | 68,507           | 1,633                 |  |                       |                | 70,140           |
| Usina Térmica Ipatinga                             | 68,831           | 2,584                 | (35,000)                               |                       |                | 36,415           |
| Cemig PCH:   | 55,633           | 4,509                 | (20,000)                               |                       |                | 40,142           |
| Cemig Capim Branco Energia                         | 62,878           | 7,533                 | (40,000)                               |                       |                | 30,411           |
| Companhia Transleste de Transmissão                | 14,629           | 849                   |  | (1,293)               | (3)            | 14,182           |
| UTE Barreiro                                       | 997              | 292                   |  |                       |                | 1,289            |
| Companhia Transudeste de Transmissão               | 8,501            | 583                   |  |                       | (2)            | 9,082            |
| Central Hidrelétrica Pai Joaquim                   | 477              | 5                     |  |                       |                | 482              |
| Companhia Transirapé de Transmissão                | 6,298            | 524                   |  |                       |                | 6,822            |
| Transchile   | 34,141           |                       |  |                       | (832)          | 33,309           |
| Efficientia  | 7,822            | 876                   |  |                       |                | 8,698            |
| Central Termelétrica de Cogeração                  | 155,697          | 419                   |  |                       |                | 156,116          |
| Companhia de Transmissão Centroeste de Minas       | 6,799            |                       | 366                                    |                       |                | 7,165            |
| Cemig Trading                                      | 2,766            | 243                   |  |                       |                | 3,009            |
| Empresa Paraense de Transmissão de Energia ETEP    | 17,939           | 2,083                 | 18,821                                 | (452)                 | (389)          | 38,002           |
| Empresa Norte de Transmissão de Energia ENTE       | 32,893           | 3,589                 | 30,966                                 | (3,652)               | (231)          | 63,565           |
| Empresa Regional de Transmissão de Energia ERTE    | 6,408            | 738                   | 5,659                                  | (1,189)               | (1)            | 11,615           |
| Empresa Amazonense de Transmissão de Energia EATE  | 62,599           | 8,763                 | 69,027                                 | (633)                 | (1,247)        | 138,509          |
| Empresa Catarinense de Transmissão de Energia ECTE | 5,142            | 461                   | 3,346                                  | (1,106)               | (4)            | 7,839            |
| Axxiom Soluções Tecnológicas                       | 2,428            | (52)                  |  |                       | 1              | 2,377            |
|  | <b>7,958,596</b> | <b>583,869</b>        | <b>33,185</b>                          | <b>(199,813)</b>      | <b>(1,391)</b> | <b>8,374,446</b> |

**b) Goodwill on the acquisition of Light**

A discount was ascertained on the acquisition, corresponding to the difference between the amount paid by RME and the book value of the stake in the stockholders' equity of Light, in the amount of R\$ 364,961 (**Cemig's** portion is 25.00%). This discount arises from the estimate of the results of future years as a function of the commercial operation of the electricity distribution and generation concessions and is being amortized from October 2006 to May 2026, the date of the termination of the distribution concession, on a linear basis. The remaining value of the discount (R\$ 78,524) is presented in the consolidation as a non-current asset, in the account line *Other obligations*.

**c) Acquisition of stake in electricity transmission companies in 2006**

The goodwill on the acquisition of the companies Empresa Amazonense de Transmissão de Energia S.A. EATE, Empresa Paraense de Transmissão de Energia S.A. ETEP, Empresa Norte de Transmissão de Energia S.A. ENTE, Empresa Regional de Transmissão de Energia S.A. ERTE and Empresa Catarinense de Transmissão de Energia S.A. ECTE, corresponding to the amount paid and the book value of the stake in the stockholders' equity of these jointly-controlled subsidiaries, arises from expectation of future earnings on the basis of the commercial operation of the concessions. The amortization of the goodwill will take place over the remaining period of validity of the concessions (from August 2006 to 2030/2032). In the consolidated Quarterly Information the value of the goodwill has been incorporated into Intangible assets, on the basis of the value attributed to the use of the concession.



Table of Contents**d) Consortia**

**Cemig** participates in consortia for electricity generation concessions, for which companies with an independent legal existence were not constituted to administer the object of the concession, the controls being maintained in the books of account of **Cemig**, of the specific portion equivalent to the investments made, as follows:

|                             | Stake in the<br>energy<br>generated<br>% | Average annual<br>depreciation rate<br>% | Consolidated<br>06/30/2009 | Consolidated<br>03/31/2009 |
|-----------------------------|--|--|----------------------------|----------------------------|
| <b>In service</b>           |  |  |                            |                            |
| Porto Estrela Plant         | 33,33                                    | 2,48                                     | 38.625                     | 38.625                     |
| Igarapava Plant             | 14,50                                    | 2,58                                     | 55.554                     | 55.554                     |
| Funil Plant                 | 49,00                                    | 2,40                                     | 181.595                    | 181.402                    |
| Queimado Plant              | 82,50                                    | 2,45                                     | 193.599                    | 193.599                    |
| Aimorés Plant               | 49,00                                    | 2,50                                     | 549.538                    | 543.684                    |
| Amador Aguiar I e II Plants | 21,05                                    | 2,51                                     | 54.466                     | 55.179                     |
| Accumulated depreciation    |  |  | (128.345)                  | (121.423)                  |
| <b>Total in operation</b>   |  |  | <b>945.032</b>             | <b>946.620</b>             |
| <b>In progress</b>          |  |  |                            |                            |
| Queimado Plant              | 82,50                                    |  | 13.125                     | 13.125                     |
| Funil Plant                 | 49,00                                    |  | 872                        | 819                        |
| Aimorés Plant               | 49,00                                    |  |                            | 5.853                      |
| Baguari Plant               | 34,00                                    |  | 164.325                    | 154.374                    |
| Total under construction    |  |  | 178.322                    | 174.171                    |
| <b>Total consortia</b>      |  |  | <b>1.123.354</b>           | <b>1.120.791</b>           |

The depreciation of the goods contained in the property, plant and equipment of the consortia is calculated by the linear method, based on rates established by ANEEL.

**e) New acquisitions**Acquisition of stake in electricity transmission companies

On September 24, 2008 *Brookfield* exercised its option to sell to *Cemig* and to *Alupar Investimento S.A.* in the proportions of 95% and 5%, respectively its shares representing 24.99% of the voting stock of Empresa Amazonense de Transmissão de Energia S.A. (**EATE**), 24.99% of the voting stock of Empresa Paraense de Transmissão de Energia S.A. (**ETEP**), 18.35% of the voting stock of Empresa Norte de Transmissão de Energia S.A. (**ENTE**), 18.35% of the voting stock of Empresa Regional de Transmissão de Energia S.A. (**ERTE**) and 7.49% of the voting stock of Empresa Catarinense de Transmissão de Energia S.A. (**ECTE**).

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The price paid by the Company for 95% of the shares held by Brookfield was: R\$ 479.9 million on June 30, 2009. The goodwill on the acquisition is shown in detail below. Its amortization will be recognized during the remaining period of the concessions (from 2009 to 2030/32). In the consolidated financial statements the value of the goodwill was incorporated into Intangible assets.

| Company                                       | Cemig stake,<br>% | Amount paid    | Goodwill       |
|---|-------------------|----------------|----------------|
| Empresa Paraense de Transmissão de Energia    | 38.35             | 56,826         | 38,114         |
| Empresa Norte de Transmissão de Energia       | 35.78             | 90,649         | 56,984         |
| Empresa Regional de Transmissão de Energia    | 35.78             | 21,419         | 14,266         |
| Empresa Amazonense de Transmissão de Energia  | 34.47             | 298,950        | 228,560        |
| Empresa Catarinense de Transmissão de Energia | 13.08             | 12,085         | 8,055          |
|   |                   | <b>479,929</b> | <b>345,979</b> |

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Acquisition of 65.86% of Terna Participações S.A. ( TERNA )

On April 23, 2009 **Cemig** acquired, from Terna S.p.A., 65.86% of **Terna Participações S.A.**, a holding company that operates in electricity transmission, with a presence in 11 Brazilian States, for R\$ 2.33 billion. The holding company controls a total of six companies which operate a total of more than 3,750 km of transmission lines.

Conclusion of the transaction and the actual acquisition should take place by September 30, depending on approvals from regulators and creditors. Additionally, Cemig also intends, on a date to be announced, to make a public offering to acquire the shares of **Terna Participações** held by the minority stockholders, for prices corresponding to 100% of the price paid to Terna S.p.A.

On August 5, 2009 **Cemig**'s Board of Directors approved, as an alternative to acquisition of all of the shares of Terna Participações S.A. ( Terna ) held by Terna Rete Elettrica Nazionale S.p.A ( Terna S.p.A ), as specified as optional under the Share Purchase Agreement signed on that date between Cemig GT and Terna S.p.A., the possibility of reduction of the final stockholding interest to be held by Cemig GT in Terna, in that acquisition, to a minimum level of 50% less 1 (one) of the common shares in Terna, and, as to the preferred shares, to a minimum representing the percentage realized by the Public Offer to purchase the shares of the minority stockholders in that company, through a partnership to be constituted with Fundo de Investimentos em Participação (FIP) Coliseu, if it becomes possible for all the units of this FIP (Equity Investment Fund), necessary for the said acquisition to be subscribed. Implementation of this alternative is conditional upon its ratification by the General Meeting of Stockholders to be held for this purpose on August 26, 2009 and upon successful conclusion of negotiation of the partnership with FIP Coliseu.

Constitution of the UHE Itaocara, PCH Paracambi and PCH Lajes Consortia

On July 3, 2008 the Board of Directors authorized **Cemig GT** to take stakes of 49% in three hydroelectric projects: the Itaocara Hydro Project, and the Paracambi and Lajes Small Hydro Plants (PCHs) and to enter into the following contracts for their constitution, between **Cemig GT** and subsidiaries of **Light**, as follows: The *UHE Itaocara Consortium*, in partnership with **Itaocara Energia Ltda.**; the *PCH Paracambi Consortium*, in partnership with **Lightger Ltda.**; and the *PCH Lajes Consortium*, in partnership with **Light Energia S.A.**; the object in all cases being analysis of technical and economic feasibility, preparation of the plans, construction, operation, maintenance and commercial operation of the respective projects. All these private contracts are pending authorizations or consents from the competent regulatory bodies, including ANEEL.

15) **FIXED ASSETS**

|                   | Historic cost     | Consolidated             |                   | 03/31/2009        |
|-------------------|-------------------|--------------------------|-------------------|-------------------|
|                   |                   | 06/30/2009               | Net value         |                   |
|                   |                   | Accumulated depreciation |                   | Net value         |
| <b>In service</b> | <b>21,512,098</b> | <b>(9,568,257)</b>       | <b>11,943,841</b> | <b>11,753,155</b> |
| Distribution      | 11,369,717        | (5,229,359)              | 6,140,358         | 6,218,059         |
| Generation        | 7,311,744         | (3,135,567)              | 4,176,177         | 4,184,078         |
| Transmission      | 1,952,642         | (718,461)                | 1,234,181         | 968,723           |
| Management        | 410,006           | (278,644)                | 131,362           | 132,344           |

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|  |                   |                    |                   |                   |
|--|-------------------|--------------------|-------------------|-------------------|
| Telecoms                                     | 354,590           | (175,557)          | 179,033           | 181,903           |
| Gas  | 113,399           | (30,669)           | 82,730            | 68,048            |
| <b>In progress</b>                           | <b>2,150,329</b>  |                    | <b>2,150,329</b>  | <b>1,872,036</b>  |
| Distribution                                 | 1,289,038         |                    | 1,289,038         | 1,129,198         |
| Generation                                   | 347,712           |                    | 347,712           | 287,072           |
| Transmission                                 | 177,063           |                    | 177,063           | 166,625           |
| Management                                   | 148,068           |                    | 148,068           | 131,243           |
| Telecoms                                     | 33,830            |                    | 33,830            | 30,050            |
| Gas  | 154,618           |                    | 154,618           | 127,848           |
| <b>Total fixed assets</b>                    | <b>23,662,427</b> | <b>(9,568,257)</b> | <b>14,094,170</b> | <b>13,625,191</b> |
| Special Obligations linked to the concession | (2,682,116)       | 145,695            | (2,536,421)       | (2,542,362)       |
| <b>Net fixed assets</b>                      | <b>20,980,311</b> | <b>(9,422,652)</b> | <b>11,557,749</b> | <b>11,082,829</b> |

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Special Obligations linked to the Concession refers basically to contributions by consumers for carrying out of works necessary to meet requests for supply of electricity.

Under ANEEL Resolution 234 of October 2006, amended by Resolution 338 of November 25, 2008 and ANEEL Circular 1314 of June 27, 2007, the balances of the Special Obligations linked to assets will now be amortized as from the second Tariff Review cycle, which in the case of Cemig D and Light, in 2008, at a percentage corresponding to the average rate of depreciation of the assets.

Some land sites and buildings of the subsidiaries, registered in Fixed assets Administration, were given in guarantee for lawsuits involving tax, labor-law, civil disputes and other contingencies in the net amount of R\$ 7,661 on June 30, 2009 (R\$ 7,804 on March 31, 2009), net of depreciation.

**16) INTANGIBLE**

|                        | Historic cost    | Consolidated             |                | 03/31/2009     |
|------------------------|------------------|--------------------------|----------------|----------------|
|                        |                  | 06/30/2009               | 03/31/2009     |                |
|                        |                  | Accumulated amortization | Net value      | Net value      |
| <b>In service</b>      | <b>960,869</b>   | <b>(240,224)</b>         | <b>720,645</b> | <b>380,341</b> |
| Distribution           | 57,249           | (40,120)                 | 17,129         | 21,982         |
| Generation             | 88,460           | (54,017)                 | 34,443         | 36,053         |
| Transmission           | 609,639          | (3,222)                  | 606,417        | 259,417        |
| Management             | 203,249          | (142,418)                | 60,831         | 61,081         |
| Telecoms               | 712              | (447)                    | 265            | 301            |
| Gas                    | 1,560            |                          | 1,560          | 1,507          |
| <b>In progress</b>     | <b>224,912</b>   |                          | <b>224,912</b> | <b>222,472</b> |
| Distribution           | 51,820           |                          | 51,820         | 52,177         |
| Generation             | 32,917           |                          | 32,917         | 33,014         |
| Transmission           | 1,585            |                          | 1,585          | 2,467          |
| Management             | 138,590          |                          | 138,590        | 134,814        |
| <b>Intangible, net</b> | <b>1,185,781</b> | <b>(240,224)</b>         | <b>945,557</b> | <b>602,813</b> |

**17) SUPPLIERS**

|   | Consolidated |            | Holding company |            |
|---|--------------|------------|-----------------|------------|
|   | 06/30/2009   | 03/31/2009 | 06/30/2009      | 03/31/2009 |
| <b>Current</b>                                  |              |            |                 |            |
| Wholesale supply and transport of electricity - |              |            |                 |            |
| Eletrobrás energy from Itaipu                   | 177,538      | 211,683    |                 |            |
| Furnas  | 52,924       | 52,014     |                 |            |
| CCEE  | 63,313       | 54,533     |                 |            |
| Other   | 211,594      | 273,587    |                 |            |
|   | 505,369      | 591,837    |                 |            |

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|   |                |                |              |              |
|---|----------------|----------------|--------------|--------------|
| Materials and services                              | 261,481        | 232,570        | 5,762        | 3,212        |
|   | <b>766,850</b> | <b>824,407</b> | <b>5,762</b> | <b>3,212</b> |
| <b>Non-current</b>                                  |                |                |              |              |
| Wholesale supply of electricity -                   |                |                |              |              |
| Purchase of Free Energy during the rationing period | 78             | 77             |              |              |

Of the amounts in relation to purchase of Free Energy during the rationing period, a substantial part will be paid by September 2009, with adjustment at the Selic rate plus 1.00% in interest per year. The conclusion of some court proceedings in progress, brought by market agents, in relation to the interpretation of the rules in force at the time of the realization of the transactions in Free Energy during the period of rationing, may result in changes in the amounts recorded. See further information in Explanatory Note 22.

Table of Contents**18) TAXES, CHARGES AND CONTRIBUTIONS**

|                         | Consolidated   |                | Holding company |               |
|-------------------------|----------------|----------------|-----------------|---------------|
|                         | 06/30/2009     | 03/31/2009     | 06/30/2009      | 03/31/2009    |
| <b>Current</b>          |                |                |                 |               |
| Income tax              | 376,501        | 255,404        | 27,809          |               |
| Social Contribution tax | 132,580        | 91,432         | 10,616          |               |
| ICMS tax                | 287,537        | 295,562        | 18,095          | 18,091        |
| Cofins tax              | 74,197         | 76,008         | 14,546          |               |
| Pasep tax               | 18,962         | 13,281         | 3,158           |               |
| Social security system  | 19,182         | 16,415         | 1,393           | 1,382         |
| Other                   | 20,798         | 22,120         | 900             | 1,258         |
|                         | <b>929,757</b> | <b>720,222</b> | <b>76,517</b>   | <b>20,731</b> |
| Deferred obligations    |                |                |                 |               |
| Income tax              | 42,905         | 25,890         |                 |               |
| Social Contribution tax | 15,451         | 9,330          |                 |               |
| Cofins tax              | 8,904          | 3,850          |                 |               |
| Pasep tax               | 1,933          | 836            |                 |               |
|                         | <b>69,193</b>  | <b>39,906</b>  |                 |               |
|                         | <b>998,950</b> | <b>810,128</b> | <b>76,517</b>   | <b>20,731</b> |
| <b>Non-current</b>      |                |                |                 |               |
| Deferred obligations    |                |                |                 |               |
| Income tax              | 242,167        | 217,525        |                 |               |
| Social Contribution tax | 59,913         | 51,546         |                 |               |
| Cofins tax              | 189,694        | 139,061        |                 |               |
| Pasep tax               | 40,833         | 29,759         |                 |               |
| Other                   | 6,338          | 6,793          |                 |               |
|                         | <b>538,945</b> | <b>444,684</b> |                 |               |

The deferred obligations under *current* refer basically to the assets and liabilities linked to the General Agreement for the Electricity Sector and other regulatory issues, and are owed to the extent that these assets and liabilities are realized.

The non-current obligations for Pasep and Cofins taxes refer to the legal action challenging the constitutionality of the inclusion of ICMS tax in the taxable amount for these taxes, and applying for offsetting of the amounts paid in the last 10 years. The Company obtained a Court injunction enabling it not to make the payment and authorizing payment into Court in the amount of R\$204,745 starting in 2008.

The non-current deferred obligations for income tax and Social Contribution refer to the recognition of financial instruments (FX variation, and hedge transactions) by the cash method, which are payable as and when realized, by payment or redemption.

Table of Contents**19) LOANS, FINANCINGS AND DEBENTURES**

|   | Principal<br>maturity | Annual financial cost<br>(%)                | Currency | Current        | Consolidated              |                | 03/31/2009<br>TOTAL |
|---|-----------------------|---|----------|----------------|---------------------------|----------------|---------------------|
|   |                       |   |          |                | 06/30/2009<br>Non-current | TOTAL          |                     |
| <b>FINANCING SOURCES</b>                              |                       |   |          |                |                           |                |                     |
| <b>FOREIGN CURRENCY</b>                               |                       |   |          |                |                           |                |                     |
| ABN Amro Bank N.A. (3)                                | 2013                  | 6.00  | US\$     | 24,525         | 73,185                    | 97,710         | 117,670             |
| ABN Amro Real S.A. (4)                                | 2009                  | 6.35  | US\$     | 7,392          |                           | 7,392          | 17,709              |
| Banco do Brasil various bonds (1)                     | 2024                  | Various                                     | US\$     | 10,564         | 61,543                    | 72,107         | 95,345              |
| Banco do Brasil (5)                                   | 2009                  | 3.90  | JPY      | 80,214         |                           | 80,214         | 91,516              |
| Banco Paribas   | 2012                  | 5.89  | EURO     | 3,258          | 6,103                     | 9,361          | 10,342              |
| Banco Paribas   | 2010                  | Libor + 1.875                               | US\$     | 22,860         |                           | 22,860         | 41,521              |
| KFW   | 2016                  | 4.50  | EURO     | 1,807          | 11,746                    | 13,553         | 16,426              |
| Unibanco (6)  | 2009                  | 6.50  | US\$     | 9,221          |                           | 9,221          | 11,116              |
| Unibanco (7)  | 2009                  | 6.50  | US\$     | 4,005          |                           | 4,005          | 4,817               |
| Unibanco (8)  | 2009                  | 5.00  | US\$     | 16,817         |                           | 16,817         | 20,201              |
| Brazilian National Treasury (10)                      | 2024                  | Libor + Spread                              | US\$     | 4,084          | 22,987                    | 27,071         | 35,639              |
| Santander (13)  | 2009                  | 7.00  | US\$     | 5,328          |                           | 5,328          | 6,196               |
| Banco do Brasil                                       | 2009                  | 8.66  | US\$     | 2,707          |                           | 2,707          | 3,221               |
| Banco InterAmericano del<br>Desarrollo (13)           | 2026                  | 4.20  | US\$     | 5,161          | 35,783                    | 40,944         | 43,603              |
| Other   | 2025                  | Various                                     | Various  | 9,527          | 5,083                     | 14,610         | 18,373              |
| <b>Debt in foreign currency</b>                       |                       |   |          | <b>207,470</b> | <b>216,430</b>            | <b>423,900</b> | <b>533,695</b>      |
| <b>BRAZILIAN CURRENCY</b>                             |                       |   |          |                |                           |                |                     |
| Banco Credit Suisse First Boston<br>S.A.              | 2010                  | 106.00 of CDI                               | R\$      | 75,164         |                           | 75,164         | 75,200              |
| Banco do Brasil                                       | 2009                  | 111.00 of CDI                               | R\$      | 128,244        |                           | 128,244        | 124,938             |
| Banco do Brasil                                       | 2013                  | CDI + 1.70%                                 | R\$      | 15,963         | 100,278                   | 116,241        | 118,116             |
| Banco do Brasil                                       | 2013                  | 107.60 of CDI                               | R\$      | 2,020          | 126,000                   | 128,020        | 141,892             |
| Banco do Brasil                                       | 2014                  | 104.100 of CDI                              | R\$      | 21,213         | 1,200,000                 | 1,221,213      | 1,266,832           |
| Banco Itaú BBA  | 2014                  | CDI + 1.70%                                 | R\$      | 45,973         | 279,061                   | 325,034        | 330,340             |
| Banco Votorantim S.A.                                 | 2010                  | 113.50 of CDI                               | R\$      | 40             | 54,372                    | 54,412         | 56,251              |
| Banco Votorantim S.A.                                 | 2013                  | CDI + 1.70%                                 | R\$      | 16,668         | 85,906                    | 102,574        | 103,632             |
| BNDES   | 2026                  | TJLP+2.34                                   | R\$      | 1,827          | 107,153                   | 108,980        | 107,184             |
| Bradesco  | 2014                  | CDI + 1.70%                                 | R\$      | 68,772         | 326,314                   | 395,086        | 414,064             |
| Debentures (12)                                       | 2009                  | CDI + 1.20%                                 | R\$      | 378,768        |                           | 378,768        | 368,897             |
| Debentures (12)                                       | 2011                  | 104.00 of CDI                               | R\$      | 18,715         | 238,816                   | 257,531        | 251,308             |
| Debentures Minas Gerais state<br>government (12) (15) | 2031                  | IGP-M                                       | R\$      |                | 34,934                    | 34,934         | 33,921              |
| Debentures (12)                                       | 2014                  | IGP-M + 10.50%                              | R\$      | 2,403          | 302,003                   | 304,406        | 329,630             |
| Debentures (12)                                       | 2017                  | IPCA + 7.96                                 | R\$      | 18,033         | 437,152                   | 455,185        | 441,959             |
| Eletrobrás  | 2013                  | Finel + 7.50 to 8.50<br>Ufir, RGR + 6.00 to | R\$      | 12,335         | 42,145                    | 54,480         | 57,601              |
| Eletrobrás  | 2023                  | 8.00  | R\$      | 40,129         | 306,745                   | 346,874        | 357,046             |
| Santander   | 2013                  | CDI + 1.70                                  | R\$      | 13,182         | 67,566                    | 80,748         | 81,513              |
| Unibanco  | 2009                  | CDI + 2.98                                  | R\$      | 106,371        |                           | 106,371        | 110,997             |
| Unibanco  | 2013                  | CDI + 1.70                                  | R\$      | 39,786         | 294,553                   | 334,339        | 333,390             |
| Banco do Nordeste do Brasil                           | 2010                  | TR + 7.30                                   | R\$      | 72,897         |                           | 72,897         | 89,377              |
| Unibanco (2)  | 2013                  | CDI + 1.70                                  | R\$      | 19,461         | 55,190                    | 74,651         | 83,005              |
| Itaú and Bradesco (9)                                 | 2015                  | CDI + 1.70                                  | R\$      | 139,649        | 837,880                   | 977,529        | 950,918             |
| Minas Gerais Development Bank                         | 2025                  | 10.00                                       | R\$      | 691            | 9,358                     | 10,049         | 10,212              |
| Banco do Brasil (14)                                  | 2020                  | TJLP + 2.55%                                | R\$      | 1,365          | 28,223                    | 29,588         | 29,422              |
| Unibanco (14)   | 2021                  | TJLP + 2.55%                                | R\$      | 139            | 7,225                     | 7,364          | 4,184               |
| BNDES FINEM (10)                                      | 2014                  | TR + 4.30                                   | R\$      | 21,097         | 87,779                    | 108,876        | 113,985             |
| Debentures I and V (10)                               | 2010/2015             | TJLP + 4.00                                 | R\$      | 4,021          | 25                        | 4,046          | 3,941               |
| Debentures V (10)                                     | 2014                  | CDI + 1.50                                  | R\$      | 15,736         | 225,937                   | 241,673        | 243,638             |
| CCB Bradesco (10)                                     | 2017                  | CDI + 0.85%                                 | R\$      | 9,804          | 112,500                   | 122,304        | 119,206             |



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|   |           |               |     |                  |                  |                  |                  |
|---|-----------|---------------|-----|------------------|------------------|------------------|------------------|
| ABN Amro (10)                                 | 2010      | CDI + 0.95    | R\$ | 761              | 20,000           | 20,761           | 20,232           |
| Itaú (10)                                     | 2010      | 125% of CDI   | R\$ | 25,382           |                  | 25,382           |                  |
| Regional Devt. Bank of the Extreme South (16) | 2022      | TJLP + 4.55%  | R\$ | 514              | 6,077            | 6,591            | 3,358            |
| Unibanco (16)                                 | 2021      | TJLP + 4.55%  | R\$ | 404              | 2,048            | 2,452            | 1,138            |
| Banco Itaú (16)                               | 2022      | TJLP + 4.55   | R\$ | 518              | 6,132            | 6,650            | 3,415            |
| Unibanco (16)                                 | 2022      | IGP-M + 9.85% | R\$ | 389              | 4,092            | 4,481            | 2,206            |
| BNDES (17)                                    | 2033      | TJLP + 2.4    | R\$ |                  | 162,354          | 162,354          | 79,685           |
| Debentures (17)                               | 2013      | IPCA + 6.5    | R\$ |                  | 154,503          | 154,503          |                  |
| BNDES Principal Subcredit A/B/C/D (11)        | 2014/2016 | Various       | R\$ | 42,115           | 239,922          | 282,037          | 150,581          |
| Other   | 2017      | Various       | R\$ | 9,457            | 31,864           | 41,321           | 30,226           |
| <b>Debt in Brazilian currency</b>             |           |               |     | <b>1,370,006</b> | <b>5,994,107</b> | <b>7,364,113</b> | <b>7,043,440</b> |
| <b>Overall total, consolidated</b>            |           |               |     | <b>1,577,476</b> | <b>6,210,537</b> | <b>7,788,013</b> | <b>7,577,135</b> |

(1) Interest rates vary: 2.00 to 8.00 % p.a.;

Six-month Libor plus spread of 0.81 to 0.88% per year.

(2) Loan of the holding company.

(3) to (8) Swaps for exchange of rates were contracted. The following are the rates for the loans and financings taking the swaps into account:

(3) CDI + 1.50% p.a.; (4) CDI + 2.12% p.a.; (5) 111.00% of CDI; (6) CDI + 2.98% p.a.; (7) and (8) CDI + 3.01% p.a.

(9) Refers to the senior units of the credit rights funds. See Explanatory Note 12.

(10) Loans, financings and debentures of RME (Light).

(11) Consolidated loans and financings of the transmission companies acquired in August 2006.

(12) Nominal, unsecured, book-entry debentures not convertible into shares, without preference.

(13) Financing of Transchile.

(14) Financing of Cachoeirão.

(15) Contracts adjusted to present value, as per changes to the Corporate Law made by Law 11638/07.

(16) Consolidated loans and financings of Lumitrans, subsidiary of EATE.

(17) Loan contracted by the jointly-controlled subsidiary Madeira Energia.

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The consolidated composition of loans, by currency and indexor, with the respective amortization is as follows:

|                                      | 2009             | 2010           | 2011           | 2012             | 2013             | 2014             | 2015           | 2016           | 2017 and subsequent years | Total            |
|--------------------------------------|------------------|----------------|----------------|------------------|------------------|------------------|----------------|----------------|---------------------------|------------------|
| <b>Currency</b>                      |                  |                |                |                  |                  |                  |                |                |                           |                  |
| US dollar                            | 76,149           | 53,113         | 39,521         | 36,175           | 32,829           | 5,388            | 2,401          | 2,401          | 68,850                    | 316,827          |
| Euro                                 | 2,637            | 4,858          | 4,859          | 3,332            | 1,807            | 1,807            | 1,807          | 1,807          |                           | 22,914           |
| Yen                                  | 80,214           |                |                |                  |                  |                  |                |                |                           | 80,214           |
| UMBNDDES ( ** )                      | 422              | 438            | 356            | 356              | 356              | 356              | 356            | 356            | 949                       | 3,945            |
|                                      | <b>159,422</b>   | <b>58,409</b>  | <b>44,736</b>  | <b>39,863</b>    | <b>34,992</b>    | <b>7,551</b>     | <b>4,564</b>   | <b>4,564</b>   | <b>69,799</b>             | <b>423,900</b>   |
| <b>Indexors</b>                      |                  |                |                |                  |                  |                  |                |                |                           |                  |
| IPCA (Expanded Consumer Price Index) | 18,033           | 613            | 1,225          | 101,668          | 53,449           |                  | 145,717        | 145,717        | 145,718                   | 612,140          |
| Ufir (Fiscal Reference Unit)         | 20,676           | 43,170         | 48,140         | 44,659           | 39,011           | 37,679           | 35,750         | 30,923         | 48,497                    | 348,505          |
| Interbank CD rate - CDI              | 824,224          | 661,139        | 729,479        | 943,424          | 1,091,794        | 645,758          | 236,141        | 18,750         | 18,750                    | 5,169,459        |
| Eletrobrás Finel internal index      | 6,168            | 12,336         | 12,335         | 12,335           | 11,307           |                  |                |                |                           | 54,481           |
| URTJ ( * )                           | 34,247           | 66,823         | 71,531         | 71,621           | 71,621           | 74,402           | 39,964         | 30,095         | 240,266                   | 700,570          |
| IGP-M inflation index                | 4,081            | 2,177          | 2,361          | 2,361            | 2,361            | 304,325          | 1,302          | 1,183          | 43,515                    | 363,666          |
| UMBNDDES ( ** )                      | 3,021            | 6,161          | 6,683          | 6,683            | 6,683            | 6,683            | 1,162          |                |                           | 37,076           |
| TR reference interest rate           | 35,149           | 37,748         |                |                  |                  |                  |                |                |                           | 72,897           |
| Others (IGP-DI, INPC) ( ***)         | 2,789            | 33             | 66             | 405              | 405              | 713              | 355            | 184            | 369                       | 5,319            |
|                                      | <b>948,388</b>   | <b>830,200</b> | <b>871,820</b> | <b>1,183,156</b> | <b>1,276,631</b> | <b>1,069,560</b> | <b>460,391</b> | <b>226,852</b> | <b>497,115</b>            | <b>7,364,113</b> |
|                                      | <b>1,107,810</b> | <b>888,609</b> | <b>916,556</b> | <b>1,223,019</b> | <b>1,311,623</b> | <b>1,077,111</b> | <b>464,955</b> | <b>231,416</b> | <b>566,914</b>            | <b>7,788,013</b> |

(\*)URTJ = Interest Rate Reference Unit.

(\*\*)UMBNDDES = BNDES Monetary Unit.

(\*\*\*) IGP-DI inflation index (General Price Index - Domestic Availability).  
INPC - National Consumer Price Index.

The principal currencies and indexors used for monetary updating of the loans, financings and debenture had the following variations:

| Currency  | Change in     | Accumulated    | Indexors | Change in     | Accumulated    |
|-----------|---------------|----------------|----------|---------------|----------------|
|           | quarter ended | change in 2009 |          | quarter ended | change in 2009 |
|           | 06/30/2009    |                |          | 06/30/2009    |                |
|           | %             | %              |          | %             | %              |
| US dollar | (15.70)       | (16.49)        | IGP-M    | (0.32)        | (1.24)         |
| Euro      | (10.99)       | (15.39)        | Finel    | (0.06)        | (0.25)         |
| Yen       | (13.20)       | (21.45)        | CDI      | 2.34          | 5.29           |
|           |               |                | Selic    | 2.39          | 5.36           |
|           |               |                | UMBNDDES | (16.31)       | (16.97)        |

The movement on loans, financings and debentures is as follows:

|                           | Consolidated | Holding company |
|---------------------------|--------------|-----------------|
| Balance at March 31, 2009 | 7,577,135    | 83,005          |

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|                                 |                  |               |
|---------------------------------|------------------|---------------|
| Acquisition of subsidiaries     | 159,949          |               |
| Loans and financings obtained   | 275,041          |               |
| Monetary and FX variation       | (45,062)         |               |
| Financial charges provisioned   | 159,776          | 2,185         |
| Financial charges paid          | (254,632)        | (10,539)      |
| Charges capitalized             | 1,753            |               |
| Adjustment to present value     | 2,203            |               |
| Amortization of financings      | (88,150)         |               |
| <b>Balance at June 30, 2009</b> | <b>7,788,013</b> | <b>74,651</b> |

The consolidated totals of funds raised in 2Q09 are as follows:

| Loans / financing sources      | Principal maturity | Annual financial cost (%) | Amount raised |
|--------------------------------|--------------------|---------------------------|---------------|
| Finep                          | 2015               | URTJ + 5%                 | 4,441         |
| Construtora Quebec             | 2012               | IPCA                      | 1,202         |
| Energ Power                    | 2012               | IPCA                      | 873           |
| Orteng Equipamentos e Sistemas | 2012               | IPCA                      | 377           |
| Eletrabrás ECF 2630/2007 Reluz | 2013               | 6.5%                      | 2,309         |

Table of Contents**b) Restrictive covenant clauses**

Cemig has loans and financings with restrictive covenants.

| Subject of covenant                    | Index required |
|--|----------------|
| Debt / Ebitda                          | 2.5 or less    |
| Debt / Ebitda                          | 3.36 or less   |
| Net debt / Ebitda                      | 3.25 or less   |
| Current debt / Ebitda                  | 90% or less    |
| Debt / (Stockholders' equity + Debt)   | 53% or less    |
| Ebitda / Debt charges                  | 2.8% or more   |
| Ebitda / interest                      | 3.0% or more   |
| Ebitda / Financial revenues (expenses) | 2.0% or more   |
| Capex / Ebitda                         | 60% or less    |

Net Debt = Total debt, less cash position, less tradable securities.

Ebitda = Earnings before interest, taxes (on profit), depreciation and amortization. Specific criteria for calculation of Ebitda are made in some contracts, with some variations from this formula.

Some of these covenants were not complied with, as follows:

| Subject of covenant          | Index required | Position on July 30, 2009 |
|------------------------------|----------------|---------------------------|
| <b>Cemig D</b>               |                |                           |
| Capital expenditure / Ebitda | 60% or less    | 95.78%                    |
| Debt / Ebitda                | 3.36 or less   | 3.51                      |
| Ebitda / Debt charges        | 2.8 or more    | 2.66                      |
| Debt / Ebitda                | 2.5 or less    | 2.76                      |

The company obtained consent from its creditors that they would not exercise their rights to demand immediate or early payment of amounts owed up to December 31, 2009. The financings are classified in Current and Non-current liabilities, in accordance with the original terms of the contract, since these consents have been obtained.

Table of Contents**20) REGULATORY CHARGES**

|  | 06/30/2009     | Consolidated | 03/31/2009     |
|--|----------------|--------------|----------------|
| Global Reversion Reserve RGR                           | 35,493         |              | 35,135         |
| Fuel Consumption Account CCC                           | 25,204         |              | 21,189         |
| Energy Development Account CDE                         | 37,491         |              | 37,596         |
| Eletrobrás Compulsory loan                             | 1,207          |              | 1,207          |
| ANEEL inspection charge                                | 3,591          |              | 3,619          |
| Energy efficiency                                      | 194,196        |              | 182,131        |
| Research and development                               | 165,522        |              | 156,326        |
| Energy system expansion research                       | 3,193          |              | 2,213          |
| National Scientific and Technological Development Fund | 6,045          |              | 4,210          |
| Alternative Energy Program Proinfa                     | 2,199          |              | 2,024          |
|  | <b>474,141</b> |              | <b>445,650</b> |
| Current liabilities                                    | 459,348        |              | 425,344        |
| Non-current liabilities                                | 14,793         |              | 20,306         |

**21) POST-EMPLOYMENT OBLIGATIONS****The Forluz Pension Fund**

**Cemig** is a sponsor of Forluz Forluminas Social Security Foundation, a non-profit legal entity whose object is to provide its associates and participants and their dependents and beneficiaries with a financial income to complement retirement and pension, in accordance with the private pension plan to which they are linked.

The actuarial obligations and assets of the plan on December 31, 2004 were segregated between **Cemig**, **Cemig GT** and **Cemig D** on the basis of the allocation of the employees to each of these companies.

**Cemig**, **Cemig GT** and **Cemig D** also maintain, independently of the plans made available by Forluz, payments of part of the life insurance premium for the retirees and contribute to a health plan and a dental plan for the employees, retirees and dependents, administered by Forluz.

Forluz makes the following supplementary pension benefit plans available to its participants:

The Mixed Benefits Plan ( Plan B ): A defined-contribution plan at the phase of accumulation of funds, for retirement benefits for normal time of service and defined-benefit coverage for disability or death of a participant still in active employment, and also receipt of benefits for time of

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contribution. The contributions of the Sponsor are equal to the basic monthly contributions of the participants, and this is the only plan open for joining by new participants.

The contribution of the Sponsors to this plan is made as to 27.52% for the portion with defined benefit characteristics, relating to the coverage for invalidity or death for the active participant, and this is used for amortization of the defined obligation through an actuarial calculation. The remaining 72.48%, relating to the portion of the plan with defined-contribution characteristics, goes to the nominal accounts of the participants and is recognized in the income statement for the year by the cash method, under Personnel expenses.

Hence the obligations for payment of supplementary pension benefits under the Mixed Plan, with characteristics of defined contribution, and their respective assets, in the same amount of R\$ 2,385,225, are not presented in this Explanatory Note.

Pension Benefits Balances Plan ( Plan A ): This includes all the active and assisted participants who opted to migrate from the previous Defined Benefit Plan, and are entitled to a proportional benefit by balances. For participants who are still working, this benefit has been deferred to the retirement date.

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**Defined Benefit Plan:** This is the benefit plan adopted by Forluz up to 1998, which completes the average real salary of the employee's last three working years in the Company in relation to the amount of the benefit from the official Social Security system. After the process of migration that was carried out in June 2007, approved by the Private Pension Plans Secretariat (SPC), in which more than 80% of the participants migrated to Plans A and B, 51 participants remained in the defined benefit plan.

**Cemig, Cemig GT and Cemig D** also maintain, independently of the plans made available by Forluz, payments of part of the life insurance premium for the retirees, and contribute to a health plan and a dental plan for the employees, retirees and dependents, administered by Forluz.

**Separation of the Health Plan**

On August 26, 2008 the Executive Board of Forluz, complying with orders issued by the Private Pension Plans Authority (SPC), decided to transfer management of the Cemig Integrated Health Plan (PSI) to a separate entity to be created for that purpose. The reason for the decision was SPC's belief that it would be impossible to maintain those participants in the Health Plan who were not simultaneously inscribed in the pension and retirement plans. To protect the interests of its participants, and also to comply with the SPC's ruling, Forluz opted to separate the activities, keeping the present dental and pension plans within itself. The period planned for conclusion of the process of separation of the health plan is 12 months, during which time all the existing coverage and benefits will be maintained.

**Amortization of actuarial obligations**

Part of the consolidated actuarial obligation on post-employment benefits in the amount of R\$ 927,461 at June 30, 2009 (R\$ 935,727 on March 31, 2009) was recognized as an obligation payable by Cemig and its subsidiaries and is being amortized up to June 2024, through monthly installments calculated by the system of constant installments (the so-called "Price table"). After the Third Amendment to the Forluz Agreement, the amounts began to be adjusted only by the IPCA Inflation Index (Amplified National Consumer Price Index) published by the Brazilian Geography and Statistics Institute (IBGE), plus 6% per year.

The liabilities and the expenses recognized by the Companies in connection with the Supplementary Retirement Plan, Health Plan, Dental Plan and Life insurance are adjusted in accordance with the terms of CVM Decision 371 and an Opinion prepared by independent actuaries. Hence the financial updating of the obligation in the debt agreed with Forluz mentioned in the previous paragraph does not produce accounting effects in Cemig's Income statement. The last actuarial valuation was effected in relation to the base date December 31, 2008.

**The Braslight Pension Fund**

Light, a subsidiary of RME, is a sponsor of Fundação de Seguridade Social - Braslight, a non-profit private pension plan entity whose purpose is to guarantee retirement revenue to the employees of the company linked to the Foundation and pension revenue to their dependents.

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Braslight was instituted in April 1974, and has three plans A, B and C put in place in 1975, 1984 and 1998 respectively. About 96% of the active participants of the other plans have migrated to plan C.

In plans A and B the benefits are of the defined benefit type. In plan C, which is of the mixed type, the programmable benefits (retirement not arising from invalidity, and the respective reversion to pension), during the capitalization phase are of the defined contribution type, without any link to the INSS, and the risk benefits (illness assistance, retirement for invalidity and pension for death of an active participant, invalid and receiving illness assistance), as well as those of continued income, once granted, are of the defined benefit type.

On October 2, 2001, the Private Pension Plans Secretariat approved a contract for solution to the technical deficit and the refinancing of the reserves to be amortized relating to the pension plans of



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Braslight, which were recorded in full. This is being paid in 300 monthly installments, starting from July 2001, updated by the variation of the IGP-DI inflation index and interest of 6.00% per year, totaling R\$ 1,006,118 at June 30, 2009 (R\$ 1,018,000 on March 30, 2009). In accordance with proportional consolidation, the effect on the consolidation of the Company is of the portion corresponding to 25% of this amount.

The movement in the net liabilities has been as follows:

| Consolidated                                | Pension plans and retirement supplement plans |                | Health plan    | Dental plan   | Life insurance | Total            |
|---|---|----------------|----------------|---------------|----------------|------------------|
|   | Forluz  | Braslight      |                |               |                |                  |
| Net liabilities on March 31, 2009           | 403,908                                       | 254,500        | 352,763        | 16,527        | 436,987        | 1,464,685        |
| Expenses recognized in the Income statement | 2,388   | 2,824          | 17,837         | 1,106         | 10,356         | 34,511           |
| Contributions paid                          | (32,642)                                      | (5,794)        | (2,312)        | (183)         | (7,481)        | (48,412)         |
| Net liabilities on June 30, 2009            | <b>373,654</b>                                | <b>251,530</b> | <b>368,288</b> | <b>17,450</b> | <b>439,862</b> | <b>1,450,784</b> |
| Current liabilities                         | 78,727  | 23,367         |                |               |                | 102,094          |
| Non-current liabilities                     | 294,927                                       | 228,163        | 368,288        | 17,450        | 439,862        | 1,348,690        |

| Subsidiary                                  | Pension plans and retirement supplement plans |               | Health plan   | Dental plan | Life insurance | Total         |
|---|---|---------------|---------------|-------------|----------------|---------------|
|   | Forluz  |               |               |             |                |               |
| Net liabilities on March 31, 2009           |   | 19,791        | 16,866        | 811         | 18,553         | 56,021        |
| Expenses recognized in the Income statement |   | 50            | 756           | 50          | 561            | 1,417         |
| Contributions paid                          |   | (1,666)       | (431)         | (10)        | (97)           | (2,204)       |
| Net liabilities on June 30, 2009            |   | <b>18,175</b> | <b>17,191</b> | <b>851</b>  | <b>19,017</b>  | <b>55,234</b> |
| Current liabilities                         |   | 4,055         |               |             |                | 4,055         |
| Non-current liabilities                     |   | 14,120        | 17,191        | 851         | 19,017         | 51,179        |

The amounts recorded as Current refer to the contributions to be made by **Cemig** in the next 12 months for amortization of the actuarial liabilities.

Table of Contents**22) CONTINGENCIES FOR LEGAL PROCEEDINGS**

**Cemig** and its subsidiaries are parties in court and administrative proceedings before various courts and government bodies, arising from the normal course of business, involving tax, labor-law, civil and other issues.

**Actions in which the company is creditor with success considered probable**Pasep and Cofins Widening of the calculation base

The holding company has legal proceedings challenging the enlargement of the taxable basis for calculation of the Pasep and Cofins taxes, on financial revenue and on other non-operational revenues, in the period from 1999 to January 2004, by Law 9718 of November 27, 1998; and has a judgment in favor at the first instance. In the event that this action is won in the final instance (i.e. when subject to no further appeal) and we note that the Federal Supreme Court has ruled on several proceedings in favor of the taxpayer the gain to be registered in the Income statement will be R\$ 174,604, net of income tax and Social Contribution Tax.

**Actions in which the company is debtor**

For those contingencies whose negative outcomes are considered probable, the company and its subsidiaries have constituted provisions for losses.

**Cemig**'s management believes that any disbursements in excess of the amounts provisioned, when the respective processes are completed, if any, will not significantly affect the result of operations or the financial position of the holding company nor the consolidated result.

|                        | Consolidated             |           |             |                          |                                |                          |
|------------------------|--------------------------|-----------|-------------|--------------------------|--------------------------------|--------------------------|
|                        | Balance on<br>03/31/2009 | Additions | Written off | Balance on<br>06/30/2009 | Deposits<br>paid into<br>court | Balance on<br>06/30/2009 |
| <b>Labor-law cases</b> |                          |           |             |                          |                                |                          |
| Various                | 126,756                  | 443       | (6,873)     | 120,326                  | (17,557)                       | 102,769                  |
| <b>Civil cases</b>     |                          |           |             |                          |                                |                          |
| Personal damages       | 35,639                   |           | (6,406)     | 29,233                   |                                | 29,233                   |
| Tariff increases       | 121,052                  | 1,692     | (26,775)    | 95,969                   | (17,990)                       | 77,979                   |
| Other                  | 169,244                  | 861       | (1,657)     | 168,448                  | (20,240)                       | 148,208                  |
| <b>Tax</b>             |                          |           |             |                          |                                |                          |
| Finsocial              | 21,328                   | 77        |             | 21,405                   | (1,615)                        | 19,790                   |

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|                                  |                |               |                 |                |                 |                |
|----------------------------------|----------------|---------------|-----------------|----------------|-----------------|----------------|
| PIS and Cofins taxes             | 58,746         | 1,222         |                 | 59,968         |                 | 59,968         |
| ICMS tax                         | 22,010         |               |                 | 22,010         |                 | 22,010         |
| Taxes and contributions          |                |               |                 |                |                 |                |
| demandabilities suspended        | 78,193         | 3,065         |                 | 81,258         |                 | 81,258         |
| Social Contribution tax          | 6,830          | 49            |                 | 6,879          |                 | 6,879          |
| Social security system           | 34,275         | 512           |                 | 34,787         |                 | 34,787         |
| Other                            | 20,109         | 729           |                 | 20,838         | (8,192)         | 12,646         |
| <b>Regulatory</b>                |                |               |                 |                |                 |                |
| ANEEL administrative proceedings | 57,123         | 1,367         |                 | 58,490         | (6,072)         | 52,418         |
| Total                            | <b>751,305</b> | <b>10,017</b> | <b>(41,711)</b> | <b>719,611</b> | <b>(71,666)</b> | <b>647,945</b> |

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( \* ) Balance of contingencies without inclusion of Court deposits.

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|  | Holding company          |              |                 |                | Deposits<br>paid into<br>court | Balance on<br>06/30/2009 |
|--|--------------------------|--------------|-----------------|----------------|--------------------------------|--------------------------|
|  | Balance on<br>03/31/2009 | Additions    | Written off     | Balance        |                                |                          |
| <b>Labor-law cases</b>                               |                          |              |                 |                |                                |                          |
| Various  | 79.759                   |              | (6.014)         | 73.745         | (8.380)                        | 65.365                   |
| <b>Civil cases</b>                                   |                          |              |                 |                |                                |                          |
| Personal damages                                     | 27.606                   |              | (5.523)         | 22.083         |                                | 22.083                   |
| Tariff increases                                     | 92.819                   |              | (26.775)        | 66.044         | (17.990)                       | 48.054                   |
| Other  | 94.832                   |              | (1.370)         | 93.462         | (14.285)                       | 79.177                   |
| <b>Tax</b>   |                          |              |                 |                |                                |                          |
| Finsocial  | 21.328                   | 77           |                 | 21.405         | (1.615)                        | 19.790                   |
| ICMS tax   |                          |              |                 |                |                                |                          |
| Taxes and contributions<br>demandabilities suspended | 78.193                   | 3.065        |                 | 81.258         |                                | 81.258                   |
| Social security system                               | 1.090                    | 22           |                 | 1.112          |                                | 1.112                    |
| Other  | 13.074                   | 609          |                 | 13.683         | (5.763)                        | 7.920                    |
| <b>Regulatory</b>                                    |                          |              |                 |                |                                |                          |
| ANEEL administrative proceedings                     | 12.482                   | 392          |                 | 12.874         | (6.072)                        | 6.802                    |
| <b>Total</b>   | <b>421.183</b>           | <b>4.165</b> | <b>(39.682)</b> | <b>385.666</b> | <b>(54.105)</b>                | <b>331.561</b>           |

( \* ) Balance of contingencies without inclusion of Court deposits.

The details on the provisions constituted are as follows:

(a) Labor-law cases

The complaints under the labor laws refer basically to disputes of overtime, additional amounts for dangerous work, property damages and pain and suffering.

(b) Civil disputes tariff increase

Several industrial consumers filed actions against **Cemig** seeking reimbursement for the amounts paid as a result of the tariff increase during the federal government's economic stabilization plan known as the Cruzado Plan in 1986, alleging that the said increase violated the control of prices instituted by that plan. Cemig estimates the amounts to be provisioned based on the disputed amounts billed and based on recent judicial decisions. The total value of the exposure of Cemig and its subsidiaries in this matter, 100% provisioned, is R\$ 95,969.

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One of the industrial consumers that are plaintiffs in a legal action against the Company as a result of the issue mentioned above had been granted a Court injunction preventing interruption of supply of electricity to its facilities. On February 19, 2009, the Higher Appeal Court accepted **Cemig**'s application for the effects of the injunction to be suspended, on the view that it is not possible to impose on Cemig continuity of distribution of electricity without its receiving money for the service.

### (c) PIS and Cofins taxes

**Light**, a subsidiary of **RME**, has challenged the changes made by Law 9718/98 in the system of calculation of the PIS and Cofins taxes, in relation to the expansion of the basis of calculation of those taxes and increase of the rate of Cofins from 2% to 3%.

In relation to the increase in the rate of Cofins tax from 2% to 3%, the amount provisioned was R\$ 54,913 on June 30, 2009 (R\$ 54,289 on March 30, 2009).

The values given above correspond to 25% of the total, in accordance with the proportional consolidation as recorded.

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(d) ICMS tax

Since 1999, **Light** has been inspected on various occasions by the tax authority of Rio de Janeiro State in relation to the ICMS value added tax, charged by states. The infringement notices received so far and not paid are the subject of contestation in the administrative and legal spheres. Management, based on the opinion of its counsel and calculation of the amounts involved in the infringement notices, believes that only a part of these amounts represents probable risk of loss, and the amount of R\$ 22,010 is provisioned.

(e) Taxes and contributions – demandabilities suspended

The provision constituted, of R\$ 79,458 on June 30, 2009 (R\$ 78,193 on March 31, 2009) refers to the deduction, in the calculation base for corporate income tax, of the expense on the Social Contribution tax paid since 1998. **Cemig** has been awarded an injunction by the 8th Court of the Federal Judiciary, on April 17, 1998, allowing it not to pay this tax.

(f) Social Security System

In December 1999 the National Social Security Institute (INSS) issued infringement notices against **Light** for alleged joint liability to withhold payments at source on services of contractors and the applicability of the social security contribution to employees – profit shares.

**Light** challenged the legality of Law 7787/89, which increased the Social Security contribution percentage applying to payrolls, believing that it also changed the basis of calculations of Social Security contributions during the period July to September 1989. As a result of the provisional remedy given by the Court, the Company has offset the amounts payable for social security contribution.

The company assesses the chance of loss in the actions mentioned as probable, and demands provisions for the actions brought by the INSS represent the amount of R\$ 33,675 (R\$ 33,184 on March 31, 2008).

(g) ANEEL administrative proceedings

On January 9, 2007, ANEEL notified **Cemig D** that it considered certain criteria adopted by the Company in calculation of the revenue from the subsidy for low-income consumers to be incorrect, questioning the criteria for identification of the consumers who should receive the benefit and also the calculation of the difference to be reimbursed by Eletrobrás, in the estimated amount of R\$ 143,000. The Company has made a provision corresponding to the loss that it considers probable in this dispute, in the amount of R\$ 45,616.

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**Cemig GT** was served an infringement notice by the Minas Gerais State Forests Institute (IEF), alleging that it omitted to take measures to protect the fish population, causing fish deaths, as a result of the flow and operation of the machinery of the Tress Marias Hydroelectric Plant. The Company presented a defense and rates the chances of loss in this action probable, in the amount of R\$ 7,065.

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(h) Others

Other civil actions are primarily claims for damages, mainly due to accidents allegedly occurring as a result of the Company's business, and damages as a result of power outages. The provision at June 30, 2009 represents the potential loss on these claims.

(i) Actions with chances of loss assessed as possible or remote

**Cemig** and its subsidiaries are disputing other actions in the courts for which it considers the chances of loss to be possible or remote, and the following are the details of the most important of these:

(i) Income tax and Social Contribution tax on post-employment benefits

The federal tax authority, on October 11, 2001, issued a Notice of Infringement, in the updated amount of R\$ 325,826, as a result of the use of tax credits which resulted in the rectification, for the reduction of taxes payable, of the income tax declarations for 1997, 1998 and 1999. The income tax returns were rectified as a result of the change in the method of accounting of the post-employment benefit liabilities. The additional post-employment benefits which resulted from the changes in the method of accounting were recognized in the tax years rectified, resulting in a tax loss and a negative basis for calculation of the Social Contribution tax.

**Cemig** presented an administrative appeal to the Finance Ministry Taxpayers' Council, obtaining a favorable decision for the years of 1997 and 1998 and an adverse decision in relation to the year 1999. This adverse decision would result in a reduction of the tax loss carryforward, registered as tax credits, in the historic amount of R\$ 29,115. The tax credits were not reduced, and no provision was made for contingencies for any losses as a result of this decision, since **Cemig** believes it has solid legal grounds for the procedures adopted for recovery of the said tax credits in the Courts. Thus, it assesses the chance of loss in this action as remote.

The tax credits constituted, mentioned in the previous paragraph, were used by **Cemig** to offset federal taxes and contributions paid in the business years of 2002 and 2003. Due to this fact, **Cemig** had the offsetting proceedings refused by the federal tax authority and would be exposed to an additional penalty, updated to March 30, 2009 of R\$ 292,855. With the decision of the Taxpayers' Council, mentioned above, **Cemig** considers that the refusal of this process of offsetting becomes null. Thus, no contingency provision has been constituted to meet any losses, since **Cemig** believes that it has solid legal grounds for the procedures adopted and rates the chance of loss in this action as remote.

(ii) Tax on Inheritance and Donations (ITCMD)

The State of Minas Gerais is challenging the Company in the courts due to non-payment of the tax on donations (ITCD) in relation to contributions of consumers, the amount of which on December 30, 2009 was R\$ 137,025. No provision has been constituted for this dispute.



since the Company believes it has arguments on the merit for defense against this claim. The Company assesses the chance of attributed to this action as remote .

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(iii) Acts of the Regulatory Agency and the Federal Audit Board

ANEEL filed an administrative action against **Cemig** stating that the company owes R\$ 1,104,608 to the federal government as a result of an alleged error in the calculation of credits under the CRC (Results Compensation) Account, which were previously utilized to reduce the amounts owed to the federal government. On October 31, 2002 ANEEL issued a final administrative decision against Cemig. On January 9, 2004 the National Treasury issued an Official Collection against the Company for the amount of the debit. Cemig did not make the payment because it believes that it has arguments on the merit for defense in the Courts and, thus, has not constituted a provision for this action. The Company assesses the chances of loss in this action as possible .

(iv) Social Security and tax obligations indemnity for the Anuênio and profit shares.

**Cemig** and its subsidiaries **Cemig GT** and **Cemig D** paid an indemnity to their employees in the amount of R\$ 177,685, in exchange for the rights to future payments known as the Anuênio which would be incorporated into salaries. The Company and its subsidiaries did not make the payments of income tax and social security contribution on this amount because it considered that those obligations are not applicable to amounts paid as indemnity. However, to avoid the risk of a future fine arising from a different interpretation by the federal tax authority and the National Social Security Institution, the Company and its subsidiaries decided to file for orders of Mandamus to allow payment into Court of the amounts of any obligations, in the amount of R\$ 158,748, posted in Deposits connected to legal actions. No provision has been made for possible losses in this matter since the Company and its subsidiaries assess the chances of loss in this action as possible .

In September 2006 **Cemig** was notified by the INSS as a result of the non-payment of the Social Security contribution on the amounts paid as profit shares in the period 2000 to 2004, representing the amount of R\$ 117,555. Cemig has appealed, in administrative proceedings, against the decision. No provision has been constituted for possible losses and Cemig believes it has arguments on the merit for defense; the Company assesses the chances of loss in this action as possible .

(v) ICMS tax

Since 2002 the company has received a subsidy from Eletrobrás in relation to the discounts given to low-income consumers. The Minas Gerais State Tax Authority served an infringement notice on Cemig, relating to the period from 2002 to 2005, on the argument that the subsidy received should be subject to the ICMS tax. The potential for loss in this action is R\$ 137,808, not including the ICMS tax which could be questioned by the tax authority relating to period subsequent to the infringement notice. No provision was constituted for the result of this dispute, since the Company believes the legal obligation is non-existent and that it has arguments on the merit for defense against this demand. The Company assesses the chances of losses from this action as possible .

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**Cemig** was served an infringement notice, as co-defendant, in which the Minas Gerais State Tax Authority demanded payment of R\$ 48,959 in ICMS tax on sales of excess electricity by industrial consumers during the period of electricity rationing. If the Company does have to pay the ICMS on these transactions, it can charge consumers the same amount to recover the amount of the tax plus any possible penalty charge. The chances of loss in this action are assessed as possible .

(vi) Tax on services (ISS)

**Cemig** is involved in litigation with the Prefecture of Belo Horizonte on the criteria for applicability of the ISS tax on services performed by the company. The amount involved in the action is R\$ 40,400. No provision has been constituted for possible losses and Cemig believes it has arguments on the merit for defense; the Company assesses the chances of loss in this action as possible .

(vii) Regulatory contingency CCEE

In an action dating from August 2002, **AES Sul Distribuidora** has challenged in the courts the criteria for accounting of electricity sale transactions in the wholesale electricity market during the period of rationing. It obtained a judgment in its favor in February 2006, which orders ANEEL and the CCEE to comply with the claim by the Distributor and recalculate the settlement of the transactions during the rationing period leaving out of account its Dispatch No. 288/2002. This was to be put into effect in the CCEE in November 2008, resulting in an additional disbursement for Cemig, referring to the expense on purchase of energy in the short-term market, in the CCEE, in the amount of approximately R\$ 89,113. On November 9, 2008 the Company obtained an injunction in the Regional Federal Court suspending the obligatory nature of the requirement to pay into court the amount owed arising from the Special Financial Settlement carried out by the CCEE. Due to the above, no provision is constituted for this dispute, since the Company believes it has arguments on the merit for defense against this claim. It rates the chances of loss in this matter as possible .

(viii) Environmental claims

An environmental association, through a public civil action, claimed indemnity for supposed collective environmental damages as a result of the construction and operation of the *Nova Ponte* Plant. The amount involved in the action is R\$ 1,023,423. The company believes it has arguments on the merit for a legal defense and thus has not made a provision for these actions. The chances of loss in this action are assessed as possible .

(ix) Civil claims - consumers

Several consumers and the office of the Public Attorney of the State of Minas Gerais have brought civil actions against Cemig contesting tariff increases applied in previous years, including: the tariff subsidies granted to low-income consumers; the extraordinary tariff recomposition; and the inflation index used to increase the tariff for electricity in April 2003; requesting 200% reimbursement on the amounts considered charged in error by the company. The Company believes it has arguments on the merit for a legal defense, and thus has not made a provision for these actions.

**Cemig** is defendant in legal proceedings challenging the criteria for measurement of amounts to be charged in relation to the contribution for public illumination, in the total amount of R\$ 842,807. The Company believes that it has arguments on the merit for legal defense and as a result has not constituted provision for this action. The chances of loss in this action are assessed as possible .

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A public class action challenging the Conduct Adjustment Undertaking between **Cemig** and the Public Attorneys Office demands return to the public funds of the amounts paid to the contractors providing services to the Company that implemented the *Light for Everyone* Program. The amount involved in the action is R\$ 1,557,476. The Company believes it has arguments on the merit for a legal defense and thus has not made a provision for these actions. The chances of loss in this action are assessed as possible .

In addition to the issues described above, **Cemig** and its subsidiaries are involved, as Plaintiff or Defendant, in other cases, of lesser scale, related to the normal course of their operations. Management believes that it has adequate defense for this litigation, and does not expect significant losses relating to these issues that might have an adverse effect on the company's financial position or the consolidated result of its operations.

**23) STOCKHOLDERS EQUITY AND REMUNERATION TO STOCKHOLDERS**

|  |                   |
|--|-------------------|
| Balance at March 31, 2009  | 9,687,876         |
| Net profit in the quarter  | 523,794           |
| Conversion Adjustment in the Accounting Statements of a subsidiary | (832)             |
| Balance at June 30, 2009   | <b>10,210,838</b> |

Stockholders Agreement

In 1997 the Government of the State of Minas Gerais sold approximately 33% of the Company's common shares to a group of investors led by **Southern Electric Brasil Participações Ltda.** ( Southern ). As part of this transaction the State of Minas Gerais and Southern signed a Stockholders Agreement, which among other provisions contained the requirement for a qualified quorum in decisions on significant corporate actions, certain changes to Cemig's bylaws, issuance of debentures and convertible securities, distribution of dividends other than those specified in the bylaws, and changes in the stockholding structure.

In September 1999 the government of the State of Minas Gerais brought an action for annulment, with a request for anticipatory remedy, against the stockholders agreement signed with Southern in 1997. The Minas Gerais State Appeal Court annulled that Stockholders Agreement in 2003. Appeals brought by Southern are before the Brazilian federal courts.

Capital increase at ordinary and extraordinary General Meetings of Stockholders held in April 2009

The General Meeting of Stockholders held on April 29, 2009 approved an increase in the registered capital of **Cemig** from R\$ 2,481,508 to R\$ 3,101,884 with issue of new shares, through capitalization of R\$ 606,454 of the balance of the Earnings reserve and R\$ 13,922 of the Capital reserve, with consequent distribution of a stock dividend of 25% in new shares to stockholders, of the same type as those held, with nominal value of R\$ 5.00.

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The Company's registered capital is represented by 271,154,243 common shares and 349,222,649 preferred shares, all with nominal value of R\$ 5.00.

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The position in supply of electricity, by type of consumer, is as follows:

|   | (Not reviewed by external auditors) |                   |                   |                   |                  |                  |
|---|-------------------------------------|-------------------|-------------------|-------------------|------------------|------------------|
|   | Number of consumers                 |                   | MWh (*)           |                   | R\$              |                  |
|   | 06/30/2009<br>(*)                   | 06/30/2008<br>(*) | 06/30/2009        | 06/30/2008        | 06/30/2009       | 06/30/2008       |
| Residential                             | 9,174,668                           | 8,902,261         | 4,867,733         | 4,497,914         | 2,188,583        | 2,256,007        |
| Industrial                              | 87,128                              | 88,176            | 11,132,465        | 12,491,728        | 1,786,336        | 1,851,078        |
| Commercial, services and others         | 861,809                             | 845,028           | 3,097,434         | 2,941,221         | 1,309,810        | 1,318,046        |
| Rural                                   | 470,421                             | 573,724           | 976,569           | 960,835           | 232,207          | 269,534          |
| Public authorities                      | 65,600                              | 62,664            | 526,023           | 510,595           | 219,658          | 206,478          |
| Public illumination                     | 3,319                               | 2,980             | 615,390           | 611,388           | 146,776          | 158,767          |
| Public service                          | 9,715                               | 9,521             | 659,398           | 684,624           | 181,760          | 189,094          |
| Sub-total                               | 10,672,660                          | 10,484,354        | 21,875,012        | 22,698,305        | 6,065,130        | 6,249,004        |
| Own consumption                         | 1,162                               | 1,165             | 25,656            | 26,515            |                  |                  |
| Subsidy for low-income consumers        |                                     |                   |                   |                   | 189,832          | 62,953           |
| Uninvoiced supply                       |                                     |                   |                   |                   |                  |                  |
| Regulatory asset                        |                                     |                   |                   |                   |                  | 38,807           |
| Retail supply not invoiced, net         |                                     |                   |                   |                   | (68,033)         | (69,247)         |
|   | 10,673,822                          | 10,485,519        | 21,900,668        | 22,724,820        | 6,186,929        | 6,281,517        |
| Supply to other concession holders (**) | 84                                  | 84                | 6,273,509         | 5,563,520         | 726,735          | 551,307          |
| Transactions in electricity on CCEE     |                                     |                   | 1,283,145         | 705,880           | 97,146           | 68,166           |
| Effect of the Definitive Tariff Review  |                                     |                   |                   |                   | (203,615)        |                  |
| <b>Total</b>                            | <b>10,673,906</b>                   | <b>10,485,603</b> | <b>29,457,262</b> | <b>28,994,220</b> | <b>6,807,195</b> | <b>6,900,990</b> |

(\*) The Number of consumers column includes 100% of the consumers of Light, subsidiary of RME. The MWh column includes 25.00% of the total MWh sold by Light.

(\*\*) Includes Contracts for Sale of Energy in the Regulated Environment (CCEARs) and bilateral contracts with other agents.

**25) REVENUE FOR USE OF THE NETWORK FREE CONSUMERS**

The revenue from the Tariff for Use of the Distribution system TUSD refers basically to the sale of electricity to Free Consumers with charging of a tariff for the use of the distribution network.

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|   | Consolidated     |                  |
|---|------------------|------------------|
|   | 06/30/2009       | 06/30/2008       |
| Tariff for Use of the Electricity Distribution Systems (TUSD) | 598,663          | 666,555          |
| Revenue from use of the basic network                         | 413,294          | 286,427          |
| Revenue from the connection system                            | 64,330           | 60,876           |
|   | <b>1,076,287</b> | <b>1,013,858</b> |

Under some concession contracts signed with ANEEL, the revenues to be earned in the final 15 years of those contracts are 50.00% lower than those in the first 15 years of the concession. The company recognizes the revenues from these concessions in accordance with the said contracts.

**26) OTHER OPERATIONAL REVENUES**

|                      | Consolidated   |                | Subsidiary |            |
|----------------------|----------------|----------------|------------|------------|
|                      | 06/30/2009     | 06/30/2008     | 06/30/2009 | 06/30/2008 |
| Retail supply of gas | 150,741        | 188,922        |            |            |
| Charged service      | 7,975          | 8,318          |            |            |
| Telecoms service     | 58,385         | 44,490         |            |            |
| Services provided    | 26,758         | 57,854         |            |            |
| Rental and leasing   | 31,563         | 26,740         | 187        | 249        |
| Other                | 5,105          | 2,587          |            |            |
|                      | <b>280,527</b> | <b>328,911</b> | <b>187</b> | <b>249</b> |



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**27) DEDUCTIONS FROM OPERATIONAL REVENUE**

|  | Consolidated     |                  |
|--|------------------|------------------|
|  | 06/30/2009       | 06/30/2008       |
| <b><i>Taxes on revenue</i></b>                               |                  |                  |
| ICMS tax   | 1,483,697        | 1,559,562        |
| Cofins tax   | 596,838          | 645,664          |
| PIS and Pasep taxes  | 122,592          | 133,675          |
| Other  | 1,971            | 1,646            |
|  | <b>2,205,098</b> | <b>2,340,547</b> |
| <b><i>Charges to the consumer</i></b>                        |                  |                  |
| Global Reversion Reserve RGR                                 | 92,357           | 86,062           |
| Energy Efficiency Program P.E.E.                             | 18,084           | 19,947           |
| Energy Development Account CDE                               | 195,421          | 196,701          |
| Fuel Consumption Account CCC                                 | 274,669          | 187,483          |
| Research and Development R&D                                 | 14,513           | 13,812           |
| National Scientific and Technological Development Fund FNDCT | 14,738           | 13,427           |
| Energy System Expansion Research (EPE / Energy Ministry)     | 7,339            | 5,167            |
| Emergency Capacity Charge                                    |                  | 10               |
|  | 617,121          | 522,609          |
|  | <b>2,822,219</b> | <b>2,863,156</b> |

**Cemig** collects and pays the ICMS tax applicable to Portion A and the Deferred Tariff Adjustment as an when the amounts are invoiced on the customer's electricity bill.

**28) OPERATIONAL COSTS AND EXPENSES**

| OPERATIONAL COSTS AND EXPENSES                     | Consolidated     |                  | Holding company |               |
|--|------------------|------------------|-----------------|---------------|
|  | 06/30/2009       | 06/30/2008       | 06/30/2009      | 06/30/2008    |
| Personnel (a)                                      | 746.252          | 577.862          | 17.917          | 11.563        |
| Post-employment obligations                        | 68.502           | 125.512          | 2.835           | 5.592         |
| Materials  | 52.168           | 50.582           | 165             | 89            |
| Raw materials                                      | 4.070            | 41.707           |                 |               |
| Outsourced services                                | 361.621          | 301.651          | 5.799           | 5.774         |
| Energy bought for resale (b)                       | 1.510.107        | 1.452.023        |                 |               |
| Depreciation and amortization                      | 343.529          | 371.856          | 93              | 130           |
| Royalties for use of water resources               | 72.884           | 64.981           |                 |               |
| Operational provisions (reversals) (c)             | 46.611           | 123.697          | (17.787)        | 44.329        |
| Charges for the use of the basic transmission grid | 414.647          | 355.675          |                 |               |
| Gas purchased for resale                           | 84.875           | 110.502          |                 |               |
| Other operational expenses, net (d)                | 164.145          | 115.215          | 15.172          | 2.687         |
|  | <b>3.869.411</b> | <b>3.691.263</b> | <b>24.194</b>   | <b>70.164</b> |

| (a) PERSONNEL EXPENSES | Consolidated |            | Holding company |            |
|------------------------|--------------|------------|-----------------|------------|
|                        | 06/30/2009   | 06/30/2008 | 06/30/2009      | 06/30/2008 |

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|   |          |          |        |        |
|---|----------|----------|--------|--------|
| Remuneration and salary-related charges and expenses          | 527.476  | 501.947  | 9.219  | 8.049  |
| Supplementary pension contributions defined contribution plan | 31.870   | 31.493   | 1.425  | 1.322  |
| Assistance benefits   | 60.128   | 58.620   | 1.359  | 1.377  |
|   | 619.474  | 592.060  | 12.003 | 10.748 |
| The PPD Voluntary Retirement Program                          | (486)    | 39.753   | (8)    | 815    |
| The PDV Temporary Voluntary Retirement Program                | 191.184  |          | 5.922  |        |
| ( - ) Personnel costs transferred to Works in progress        | (63.920) | (53.951) |        |        |
|   | 126.778  | (14.198) | 5.914  | 815    |
|   | 746.252  | 577.862  | 17.917 | 11.563 |

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Employee special retirement programs

*The PPD Permanent Voluntary Retirement Program*

The Company has a permanent Voluntary Retirement Program (named PPD), which applies to any free and spontaneous terminations of employment contracts. Its main financial incentives include payment of 3 gross amounts of the employee's monthly remuneration and 6 months contributions to the Health Plan after leaving the company, deposit of the extra payment of 40% of the balance of the employee's FGTS fund, as applicable on termination by the employer, and payment of up to 24 months' contributions to the Pension Fund and the National Social Security System after termination of the contract, in accordance with certain criteria established in the regulations of the program.

Since this program was begun in March 2008, 679 employees have joined it (143 of Cemig GT, 523 of Cemig D and 13 of the holding company). A provision for the expense of the financial incentives was substantially recognized in the Income statement for 2008.

*The PDV Temporary Voluntary Retirement Program*

In April 2009 Cemig put in place a temporary Voluntary Retirement Program named the PDV which employees were able to join between April 22 and June 5, 2009.

The financial incentive for employees who subscribed is an indemnity that varies between 3 and 16 times the value of the employee's monthly remuneration, according to specific criteria established in the Program's regulations, among which the main factor is the time of contribution remaining for qualification for full retirement benefits under the National Social Security program. Another of the incentives is payment of the contribution to the pension fund and the National Social Security System up to the date when the employee would meet the requirements for retirement benefits under the National System (limited to 5 years) and deposit of the extra payment of 40% on the balance of the FGTS fund (which is obligatory when an employment contract is rescinded by the employer).

Additionally, Cemig guarantees full payment of the costs of the group life insurance and health plans for 6 and 12 months, respectively, from the date of the employee's leaving the Company, which will take place in the period between June 2009 and September 2010.

992 employees joined this program 189 from Cemig GT, 772 from Cemig D, and 31 from the holding company. A provision of R\$ 191,184 for the expense of the financial incentives was substantially recognized in the Income statement for 2009.

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| (b) ENERGY BOUGHT FOR RESALE                            | Consolidated     |                  |
|---|------------------|------------------|
|   | 06/30/2009       | 06/30/2008       |
| From Itaipu Binacional                                  | 488.949          | 451.335          |
| Short-term energy                                       | 67.166           | 159.380          |
| Proinfa (alternative energy sources program)            | 67.838           | 43.219           |
| Initial contracts                                       | 4.154            | 2.251            |
| Bilateral contracts                                     | 273.087          | 197.206          |
| Electricity acquired at auction in the Regulated Market | 512.720          | 498.118          |
| Portion A   | 93.758           | 64.183           |
| Other   | 2.435            | 36.331           |
|   | <b>1.510.107</b> | <b>1.452.023</b> |

The Portion A amounts refer to transfer to the Income statement of the respective amounts received in the tariff. For more information see Explanatory Note 6.

| c) OPERATIONAL PROVISIONS                                  | Consolidated  |                | Holding company |               |
|--|---------------|----------------|-----------------|---------------|
|  | 06/30/2009    | 06/30/2008     | 06/30/2009      | 06/30/2008    |
| Pension plan premiums                                      | (2.592)       | (2.660)        | (77)            | (32)          |
| Provision (reversal) for doubtful receivables              | 54.613        | 47.410         | (1.369)         | (3.578)       |
| Provision for labor-law contingencies                      | (143)         | 4.593          | (1.705)         | (2.877)       |
| Provision for ANEEL administrative proceedings             | 2.647         | 3.173          | 744             | (1.229)       |
| Provision for legal contingencies – civil actions          | 6.951         | 40.695         | 6.951           | 35.795        |
| Provision (reversal) for civil actions on tariff increases | (23.086)      | 13.891         | (23.086)        | 12.760        |
| Inflationary profit  | 178           | (4.498)        | 178             | (4.498)       |
| Other provisions   | 8.043         | 21.093         | 577             | 7.988         |
|  | <b>46.611</b> | <b>123.697</b> | <b>(17.787)</b> | <b>44.329</b> |

| (d) OTHER OPERATIONAL EXPENSES, NET       | Consolidated   |                | Holding company |              |
|---|----------------|----------------|-----------------|--------------|
|   | 06/30/2009     | 06/30/2008     | 06/30/2009      | 06/30/2008   |
| Leasings and rentals                      | 20.015         | 20.049         | 359             | 226          |
| Advertising                               | 11.733         | 16.160         | 137             | 389          |
| Own consumption of electricity            | 8.837          | 6.690          |                 |              |
| Subsidies and donations                   | 11.734         | 12.922         | 480             | 360          |
| ANEEL inspection charge                   | 20.922         | 20.864         |                 |              |
| Licensing charge – TFDR (*)               | 27.281         |                |                 |              |
| Payments for concessions                  | 5.135          | 10.212         |                 |              |
| Taxes and charges (IPTU, IPVA and others) | 9.426          | 9.999          | 54              | 87           |
| Insurance                                 | 2.688          | 3.346          | 75              | 63           |
| Contribution to CCEE                      | 2.397          | 1.946          | 1               | 2            |
| Other expenses                            | 43.977         | 13.027         | 14.066          | 1.560        |
|   | <b>164.145</b> | <b>115.215</b> | <b>15.172</b>   | <b>2.687</b> |

(\*) License Charge for Occupation of Highway Lands.



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|   | <b>Consolidated</b> |                   | <b>Holding company</b> |                   |
|---|---------------------|-------------------|------------------------|-------------------|
|   | <b>06/30/2009</b>   | <b>06/30/2008</b> | <b>06/30/2009</b>      | <b>06/30/2008</b> |
| <b>FINANCIAL REVENUES</b>   |                     |                   |                        |                   |
| Revenue from cash investments   | 132.040             | 122.055           | 12.714                 | 2.431             |
| Arrears penalty payments on electricity bills   | 61.015              | 98.520            |                        |                   |
| Interest and monetary variation on accounts receivable from the Minas Gerais state government             | 49.004              | 48.199            |                        |                   |
| Monetary variation of CVA   | 21.274              | 17.156            |                        |                   |
| Monetary variation General Agreement for the Electricity Sector   | 26.688              | 72.864            |                        | 4.357             |
| Monetary variation Deferred Tariff Adjustment   | 1.802               | 54.204            |                        |                   |
| FX variations   | 89.876              | 36.124            | 1                      | 47                |
| Pasep and Cofins taxes on Financial revenues  | (18.836)            | (22.766)          | (17.713)               | (15.455)          |
| Gains on financial instruments  |                     | 8.956             |                        |                   |
| Financial compensation RME  |                     | 82.702            |                        | 82.702            |
| Adjustment to present value   | 931                 | 62.003            |                        |                   |
| FIDC revenues   |                     |                   | 18.413                 | 17.938            |
| Other   | 50.582              | 69.318            | 10.593                 | 11.006            |
|   | 414.376             | 649.335           | 24.008                 | 103.026           |
| <b>FINANCIAL EXPENSES</b>   |                     |                   |                        |                   |
| Charges on loans and financings   | (350.021)           | (373.918)         | (4.863)                | (4.846)           |
| Monetary variation General Agreement for the Electricity Sector   | (1.783)             | (13.628)          |                        |                   |
| Monetary updating CCEE  | (4.013)             |                   |                        |                   |
| Monetary variation of CVA   | (33)                | (15.345)          |                        |                   |
| FX variations   | (4.698)             | (292)             |                        |                   |
| Monetary variation loans and financings   | (6.049)             | (51.927)          |                        |                   |
| CPMF tax  |                     | (7.208)           |                        | (2.375)           |
| Provision (reversal) for losses on recovery of Extraordinary Tariff Recomposition and Free Energy amounts | 8.306               | (23.384)          |                        | (4.357)           |
| Adjustment to present value   | (4.571)             | (4.905)           |                        |                   |
| Losses on financial instruments   | (76.846)            | (43.029)          |                        |                   |
| Reversal of provision for PIS and Cofins tax on Revenue   |                     | 108.090           |                        |                   |
| Other   | (45.632)            | (64.694)          | (12.584)               | (24.502)          |
|   | (485.340)           | (490.240)         | (17.447)               | (36.080)          |
| <b>NET FINANCIAL REVENUE (EXPENSES)</b>   | <b>(70.964)</b>     | <b>159.095</b>    | <b>6.561</b>           | <b>66.946</b>     |

The Pasep and Cofins expenses apply to financial revenues on regulatory assets and Interest on Equity.

The financial charges arising on loans and financings linked to works in the first half of 2009, in the amount of R\$ 1,107, were transferred to Fixed assets. No monetary updating or FX variation was capitalized in the period (R\$ 2,332 in financial charges was capitalized, and there were monetary or FX variations in 1 H 2008).

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Revenue of R\$ 108,090 was reported in 1H08 from the final court decision in favor of **Light** in an action challenging the application of PIS and Cofins taxation to financial revenue.

The Company recognized a financial gain in the second quarter of 2008 in the amount of R\$ 82,702, for the financial compensation to be paid by the stockholders of RME for Cemig's waiver of exercise of an option to buy the rights of the partners of RME over the generation assets of Light for a previously agreed amount. One of the stockholders of RME made the payment in full in July 2008, and the others will make the payment in a maximum period of 9 years, with monetary updating by the Selic rate plus 1% per year, using 10.00% of the dividends to be paid by Light to the stockholders of RME in this period.

Table of Contents**30) RELATED PARTY TRANSACTIONS**

The principal balances and transactions with related parties of Cemig and its subsidiaries are:

| COMPANIES   | ASSETS     |            | Consolidated and Holding company<br>LIABILITIES |            | REVENUES    |             | EXPENSES   |            |
|---|------------|------------|---|------------|-------------|-------------|------------|------------|
|   | 06/30/2009 | 03/31/2009 | 06/30/2009                                      | 03/31/2009 | 06/30/2009  | 06/30/2008  | 06/30/2009 | 06/30/2008 |
| <b><i>Cemig D</i></b>                                     |            |            |   |            |             |             |            |            |
| Interest on Equity, and dividends                         | 521,484    | 682,227    |   |            |             |             |            |            |
| Affiliates and subsidiaries / parent company              | 13,487     | 13,369     | 10,400  | 10,372     |             |             |            |            |
| <b><i>Cemig GT</i></b>                                    |            |            |   |            |             |             |            |            |
| Interest on Equity, and dividends                         | 153,302    | 539,042    |   |            |             |             |            |            |
| Affiliates and subsidiaries / parent company              | 394        | 394        | 34  | 34         |             |             |            |            |
| <b><i>Light</i></b>                                       |            |            |   |            |             |             |            |            |
| Interest on Equity, and dividends                         | 11,959     | 65,112     |   |            |             |             |            |            |
| <b><i>Minas Gerais state government</i></b>               |            |            |   |            |             |             |            |            |
| Consumers and traders (1)                                 | 2,592      | 2,269      |   |            | 38,863      | 37,080      |            |            |
| Taxes offsetable ICMS current (2)                         | 169,699    | 172,342    | 285,095   | 286,540    | (1,214,779) | (1,312,150) |            |            |
| Accounts receivable from Minas Gerais state govt. CRC (3) | 1,813,461  | 1,770,926  |   |            | 49,004      | 48,199      |            |            |
| Taxes offsetable ICMS current (2)                         | 79,789     | 80,191     |   |            |             |             |            |            |
| Consumers and traders (4)                                 | 12,668     | 10,416     |   |            |             |             |            |            |
| Interest on Equity, and dividends                         |            |            | 105,119   | 210,149    |             |             |            |            |
| Debentures (5)  |            |            | 34,934  | 33,921     |             | 7,873       | (2,031)    |            |
| Receivables fund (6)                                      |            |            | 977,529   | 950,918    |             |             |            |            |
| Financings Minas Gerais Development Bank (7)              |            |            | 10,049  | 10,212     |             |             |            |            |
| <b><i>Forluz</i></b>                                      |            |            |   |            |             |             |            |            |
| Post-employment obligations current (8)                   |            |            | 78,727  | 77,069     |             |             |            |            |
| Post-employment obligations non-current (8)               |            |            | 1,120,529                                       | 1,133,116  |             |             |            |            |
| Other   |            |            | 16,040  | 33,087     |             |             |            |            |
| Personnel (9)   |            |            |   |            |             |             | (31,870)   | (31,493)   |
| Current administration expense (10)                       |            |            |   |            |             |             | (6,630)    | (6,338)    |
| <b><i>Other</i></b>                                       |            |            |   |            |             |             |            |            |
| Interest on Equity, and dividends                         | 153,729    | 150,087    |   |            |             |             |            |            |
| Affiliates and subsidiaries / parent company              | 9,368      | 10,463     |   |            |             |             |            |            |



Main material comments on the above transactions:

- 
- (1) Refers to sale of energy to the Government of the State of Minas Gerais. The transactions were carried out on terms equivalent to those which prevail in the transactions with independent parties, considering that the price of the energy is that defined by ANEEL through a resolution referring to the company's annual tariff adjustment.
  - (2) The transactions with ICMS tax posted in the financial statements refer to transactions for sale of energy and are carried out in conformity with the specific legislation of the State of Minas Gerais.
  - (3) Injection of the credits of the CRC into a Receivables Fund in senior and subordinated units. For more information see Explanatory Note 12.
  - (4) A substantial portion of the amount refers to the renegotiation of a debit originating from the sale of energy to Copasa, with provision for payment up to September 2012, and financial updating (by the IGP-M inflation index + 0.5% per month).
  - (5) Private issue of non-convertible debentures for R\$ 120,000, updated by the IGP M inflation index, for completion of the Irapé hydroelectric plant, with redemption after 25 years from the issue date. The amount was adjusted to present value, as per Explanatory Note 19.
  - (6) Senior units owned by third parties, in the amount of R\$ 900,000, amortized in 20 half-yearly installments, from June 2006, with monetary updating by the CDI rate plus interest of 1.7% p.a. For more information see Explanatory Note 12.
  - (7) Financings of the subsidiaries **Transudeste** and **Transirapé** with maturity in 2019 (TJLP long-term interest rate + 4.5% p.a. and UMBNDES 4.54% p.a.), and of **Transleste**, in 2017 and 2025 (rate 5% p.a. and 10% p. a.).
  - (8) Part of the contracts of *Forluz* are adjusted by the IPCA (Amplified Consumer Price) Inflation Index of the IBGE (Brazilian Geography and Statistics Institute), and part are adjusted based on the Salary Adjustment Index of the employees of Cemig, Cemig GT and Cemig D, excluding productivity factors, plus 6% p.a., with amortization up to 2024. See further information in Explanatory Note 21.
  - (9) Cemig's contributions to the Pension Fund related to the employees participating in the Mixed Plan (see Explanatory Note 21), calculated on the monthly remunerations in accordance with the regulations of the Fund.
  - (10) Funds for annual current administrative costs of the Pension Fund in accordance with the specific legislation of the sector. The amounts are estimated as a percentage of the Company's total payroll.

For more information on the main transactions, see Explanatory Notes 4, 10, 12, 19, 21, 22, 24 and 28.

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**31) FINANCIAL INSTRUMENTS**

The financial instruments used by the Company are restricted to Cash and cash equivalents, Consumers and traders, Amounts receivable from the Minas Gerais State Government, Loans and financings, Debentures and currency swaps; the gains and losses obtained on the transactions are registered in full by the accrual method.

The Company's financial instruments were recognized at fair value and are classified as follows:

- **Held for trading:** In this category are cash investments and derivative investments (mentioned in item b ). They are valued at fair value and the gains or losses are recognized directly in the income statement.
- **Receivables:** In this category are credits receivable from consumers and traders, and credits receivable from the Government of Minas Gerais State. They are recognized at their nominal realization value, similar to the fair values.
- **Loans and financings, and Obligations under debentures:** These are measured at the amortized cost using the effective interest rates method, and adjusted to fair value. Gains or losses are recognized in the income statement as and when they take place.
- **Derivative financial instruments:** These are valued at fair value and the gains or losses are recognized directly in the income statement.

**a) Management of risks**

The management of corporate risks is a management tool that is part of the practices of Corporate Governance and aligned with the process of planning, which sets the strategic objectives of the Company's business.

The Company has a Financial Risks Management Committee, which aims to implement guidelines and monitor the financial risk of transactions which might negatively affect the Company's liquidity and profitability, recommending hedge/protection strategies in relation to foreign exchange, interest rate and inflation risks. These have effects that are in line with the Company's strategy.

Cemig's principal exposure risks are listed below:

***Exchange rate risk***

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Cemig and its subsidiaries are exposed to the risk of increase in exchange rates, especially of the US dollar against the real, with significant impact on indebtedness, profit and cash flow. For the purpose of reducing the Company's exposure to increases in exchange rates, on June 30, 2009 Cemig had hedge transactions contracted, which are described in more detail in item b.

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The net exposure to exchange rates is as follows:

| EXPOSURE TO EXCHANGE RATES        | Consolidated and Holding<br>company |                |
|-----------------------------------|-------------------------------------|----------------|
|                                   | 06/30/2009                          | 03/31/2009     |
| US dollar (Note 19)               |                                     |                |
| Loans and financings              | 316,827                             | 410,514        |
| ( ) Contracted hedges / swaps (*) | (31,339)                            | (61,909)       |
|                                   | 285,488                             | 348,605        |
| Yen (Note 19)                     |                                     |                |
| Loans and financings              | 80,214                              | 91,516         |
| ( ) Contracted hedge transactions | (78,604)                            | (90,543)       |
|                                   | 1,610                               | 973            |
| Other foreign currencies (Note19) |                                     |                |
| Loans and financings              |                                     |                |
| Euro                              | 22,914                              | 26,768         |
| Other                             | 3,945                               | 4,897          |
|                                   | 26,859                              | 31,665         |
| <b>Net liability exposure</b>     | <b>313,957</b>                      | <b>381,243</b> |

(\*) Includes the contracted transaction for R\$ 75,000.

The Company estimates that, in a probable scenario, the appreciation of the exchange rates of foreign currencies against the Real in the next 12 months will be 4.53%. The Company has made a sensitivity analysis of the effects on its results arising from increases in the exchange rate of 25% and 50%, in relation to the scenario that it rates as probable considering these alternative scenarios as possible and remote, respectively.

| Risk FX exposure                                | Base<br>scenario | Probable<br>scenario | Possible<br>scenario:<br>depreciation of | Remote<br>scenario<br>depreciation of |
|---|------------------|----------------------|--|---------------------------------------|
| US dollar                                       |                  |                      |  |                                       |
| Loans and financings                            | 316,827          | 331,178              | 413,973                                  | 496,767                               |
| ( ) Contracted hedges and swaps                 | (31,339)         | (32,759)             | (40,948)                                 | (49,138)                              |
|   | 285,488          | 298,419              | 373,024                                  | 447,629                               |
| Yen   |                  |                      |  |                                       |
| Loans and financings                            | 80,214           | 83,847               | 104,809                                  | 125,771                               |
| ( ) Contracted hedge transactions               | (78,604)         | (82,164)             | (102,706)                                | (123,247)                             |
|   | 1,610            | 1,683                | 2,104                                    | 2,524                                 |
| Other foreign currencies                        |                  |                      |  |                                       |
| Loans and financings                            |                  |                      |  |                                       |
| Euro  | 22,914           | 23,952               | 29,940                                   | 35,928                                |
| Other   | 3,945            | 4,124                | 5,155                                    | 6,186                                 |
| <b>Net liability exposure</b>                   | <b>313,957</b>   | <b>324,054</b>       | <b>405,068</b>                           | <b>486,081</b>                        |
| <b>Net effect of exchange rate depreciation</b> |                  | <b>(10,097)</b>      | <b>(91,111)</b>                          | <b>(172,124)</b>                      |

*Interest rate risk*

**Cemig** and its subsidiaries are exposed to the risk of increase in international interest rates, affecting loans and financings in foreign currency with floating interest rates (principally Libor), in the amount of R\$ 71,123 at June 30, 2009 (R\$ 96,364 on March 31, 2009).

In relation to the risk of increase in domestic interest rates, the Company's exposure arises from its net liabilities indexed to variation in interest rates, which are as follows:

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| EXPOSURE TO BRAZILIAN INTEREST RATES       | Consolidated       |                    | Holding company |                |
|--|--------------------|--------------------|-----------------|----------------|
|  | 06/30/2009         | 03/31/2009         | 06/30/2009      | 03/31/2009     |
| <b>Assets</b>                              |                    |                    |                 |                |
| Cash investments (Note 3)                  | 2,016,806          | 2,614,275          | 87,628          | 210,132        |
| Regulatory assets (Note 5)                 | 1,583,488          | 1,740,596          |                 |                |
|  | 3,600,294          | 4,354,871          | 87,628          | 210,132        |
| <b>Liabilities</b>                         |                    |                    |                 |                |
| Loans, financings and debentures (Note 19) | (5,169,459)        | (5,194,587)        | (74,651)        | (83,005)       |
| Regulatory assets (Note 5)                 | (646,539)          | (623,789)          |                 |                |
| Contracted hedges / swaps (Note 31)        | (109,943)          | (152,452)          |                 |                |
|  | (5,925,941)        | (5,970,828)        | (74,651)        | (83,005)       |
| <b>Net liability exposure</b>              | <b>(2,325,647)</b> | <b>(1,615,957)</b> | <b>12,977</b>   | <b>127,127</b> |

In relation to the risk of increase in the Selic interest rate, considered to be the most significant interest rate risk, the Company estimates that, in a probable scenario, the Selic rate on June 30, 2010 will be 9.00%. The Company has made a sensitivity analysis of the effects on its results arising from increases in the Selic rate of 25% and 50%, in relation to the scenario that it considers as probable considering these alternative scenarios as possible and remote, respectively.

| Risk               | Increase in domestic interest rates                  | Base scenario:     | Probable              | Possible               | Remote                 |
|--------------------|--|--------------------|-----------------------|------------------------|------------------------|
|                    |  | Selic 9.16%        | scenario: Selic 9.00% | scenario: Selic 11.25% | scenario: Selic 13.50% |
| <b>Assets</b>      |  |                    |                       |                        |                        |
|                    | Cash investments                                     | 2,016,806          | 2,013,579             | 2,058,957              | 2,104,335              |
|                    | Regulatory assets                                    | 1,583,488          | 1,580,954             | 1,616,583              | 1,652,211              |
|                    |  | 3,600,294          | 3,594,534             | 3,675,540              | 3,756,547              |
| <b>Liabilities</b> |  |                    |                       |                        |                        |
|                    | Loans, financings and debentures                     | (5,169,459)        | (5,161,188)           | (5,277,501)            | (5,393,814)            |
|                    | Regulatory liabilities                               | (646,539)          | (645,505)             | (660,052)              | (674,599)              |
|                    | Contracted hedge / swap transactions                 | (109,943)          | (109,767)             | (112,241)              | (114,715)              |
|                    |  | (5,925,941)        | (5,916,459)           | (6,049,793)            | (6,183,127)            |
|                    | <b>Net liability exposure</b>                        | <b>(2,325,647)</b> | <b>(2,321,926)</b>    | <b>(2,374,253)</b>     | <b>(2,426,580)</b>     |
|                    | <b>Net effect of the variation in the Selic rate</b> |                    | <b>3,721</b>          | <b>(48,606)</b>        | <b>(100,933)</b>       |

*Credit risk*

The risk arising from the possibility of Cemig and its subsidiaries incurring losses as a result of difficulty in receiving amounts billed to its clients is considered to be low. The Company carries out monitoring for the purpose of reducing default, on an individual basis, with its consumers. Negotiations are also established to make possible receipt of any receivables in arrears.

*Energy scarcity risk*

The electricity sold is generated, almost entirely, by hydroelectric power plants. A prolonged period of scarcity of rainfall could result in the reduction of the volume of water in the Company's reservoirs, adversely affecting the recovery of their volume and resulting in losses as a result of increased costs of acquisition of electricity, or reduction of revenues in the event of adoption of a renewed rationing program, like the one put

in place by the federal government in 2001.

*Risk of early maturity of debt*

The Company and its subsidiaries have contracts for loans, financings and debentures, with the restrictive covenant clauses normally applicable to these types of operation, related to the meeting of economic and financial indices, cash flow and other indicators. Non-compliance with these clauses could result in early maturity of debt. Some of the restrictive covenants were not complied with. The Company obtained formal waivers from the creditors (see Explanatory Note 19) that they will not exercise their rights to demand immediate payment nor early maturity of the debtor balance.

Table of Contents*Risk of non-renewal of concessions*

The Company has concessions for commercial operation of generation, transmission and distribution services, and its Management expects that they will be renewed by ANEEL and/or the Mining and Energy Ministry. If the regulatory bodies do not grant the applications for renewals of these concessions, or if they decide to renew them upon imposition of additional costs for the Company ( concessions for consideration ) or setting of a price ceiling, the present levels of activity and profitability could be altered.

**b) Financial instruments derivatives**

The derivative instruments contracted by Cemig and its subsidiaries have the purpose of protecting their operations against the risks arising from foreign exchange variation and are not used for speculative purposes.

The principal amounts of the transactions and derivatives are not posted in the balance sheet, since they refer to transactions which do not require cash payments: only the gains or losses that actually occur are recorded. The net results of these transactions amounted to losses in the second quarters of 2009 and 2008 in the amounts of R\$ 76,846 and R\$ 34,073, respectively, posted in Financial revenue (expenses).

*Methodology of calculation of the fair value of positions*

The fair value of financial investments is calculated taking into consideration the market prices of the security, or market information that makes such calculation possible, and future rates for similar securities. The market value of the security corresponds to its maturity value brought to present value by the discount factor obtained from the market yield curve in Reais.

The table below shows the derivative instruments contracted by the subsidiaries Cemig GT and Cemig D on June 30, 2009.

| Receivable<br>by   | Payable<br>by CEMIG   | Maturity<br>period            | Market<br>Trading            | Principal amount<br>contract |            | Lost not realized |            | Accumulated Effect   | Payable  |          |
|--|---|-------------------------------|------------------------------|------------------------------|------------|-------------------|------------|----------------------|----------|----------|
|  |   |                               |                              | 06/30/2009                   | 03/31/2009 | Book Value        | Fair Value | Receivable<br>Amount | Amount   |          |
| US\$<br>exchange<br>rate +<br>interest<br>(5.58%p.a.<br>to<br>7.48%p.a.) | R\$<br>100%of CDI<br>+ interest<br>(1.50%p.a.. to<br>3.01%p.a.) | From<br>04/2009<br>to 06/2013 | Over the<br>counter<br>(OTC) | US\$54,488                   | US\$59,135 | (115.680)         | (94.724)   | (118.080)            | (98.826) | (12.020) |



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|  |  |         |                        |            |            |                  |                  |                  |                  |                       |
|--|--|---------|------------------------|------------|------------|------------------|------------------|------------------|------------------|-----------------------|
| ¥(Japanese Yen) exchange rate + interest (3.90 % p.a.) | R\$ Brazilian interest rate - CDI (111%of CDI)       | 12/2009 | Over the counter (OTC) | ¥3,878,825 | ¥3,878,825 | (25.561)         | (12.501)         | (40.812)         | (14.608)         |                       |
| R\$ 106%of CDI   | R\$ or US\$ 48%of CDI or exchange rate (the highest) | 04/2010 | Over the counter (OTC) | R\$75,000  | R\$75,000  | 89               | (1.812)          | 89               | (1.812)          | 1.588 (355)           |
|  |  |         |                        |            |            | <b>(141.152)</b> | <b>(109.037)</b> | <b>(158.803)</b> | <b>(115.246)</b> | <b>1.588 (12.375)</b> |

Table of Contents**c) Sensitivity analysis**

The two first derivative instruments shown in the table above indicate that the Company is exposed to the variation in the CDI rate. The Company estimates that the CDI rate on June 30, 2010 will be 9.00%. The Company has made a sensitivity analysis of the effects on its results arising from increases in the CDI rate of 25% and 50%, in relation to June 30, 2009 scenarios which it assesses as possible and remote, respectively. In these possible and remote scenarios, the CDI rate at June 30, 2010, would be: 11.25% and 13.50%, respectively.

The last derivative instrument shown in the previous table indicates that the Company is exposed to the monthly variation in the exchange rate for the US dollar against the Real if it is higher than 48% of the variation in the CDI rate. The Company estimates that the exchange rate of the US dollar against the Real on June 30, 2010 will be R\$ 2.04. The Company has made a sensitivity analysis on the effects on the Company's results arising from a uniform increase in the US dollar exchange rate of 25% and 50%, respectively, in the next 12 months scenarios of which we rate the chances as possible and remote, respectively. In these possible and remote scenarios, the US\$ exchange rate at June 30, 2010, would be: R\$ 2.55 and R\$ 3.06, respectively.

|  | Base      | Probable scenario | Possible scenario | Remote scenario |
|--|-----------|-------------------|-------------------|-----------------|
| <b><u>Risk - Increase in domestic interest rates</u></b> |           |                   |                   |                 |
| Contracts in US\$ and Yen                                | (184,943) | (184,647)         | (188,808)         | (192,970)       |
| <b>Net effect of the variation in the Selic rate</b>     |           | <b>296</b>        | <b>(3,865)</b>    | <b>(8,027)</b>  |
| <b><u>Risk - Increase in US\$ exchange rate</u></b>      |           |                   |                   |                 |
| Contracts updated at 106.00% of CDI                      | 75,000    | 78,397            | 97,997            | 117,596         |
| <b>Net effect of variation of US\$</b>                   |           | <b>(3,397)</b>    | <b>(22,997)</b>   | <b>(42,596)</b> |

**32) FINAL RESULT OF THE SECOND TARIFF REVIEW OF CEMIG D AND LIGHT SESA****a) Cemig D**Tariff Review - final levels decided

In March 2009 ANEEL homologated the final result of the Tariff Review of Cemig D, the effects of which take place from April 2008.

The final result of the Company's second Tariff Review was an average reduction of 19.62%, which compares with the average reduction of 18.09% applied on a provisional basis in April 2008.

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As a result of the homologation of the final tariff review, ANEEL recalculated the amounts which, in its judgment, should have been those effectively recognized in the Company's tariff adjustment as from April 2008.

The effects on the income statement relate primarily to the reduction in the value of the Reference Company used as a basis for reimbursement of the Company's manageable costs; and also to a review by ANEEL of the criterion for calculation of the reimbursements, in the tariff, of the financial regulatory assets, which resulted in discounting of amounts which, in the regulator's view, were included in excess in the Company's tariff in 2008.

These amounts, totaling R\$ 203,615, recorded in Current liabilities, under Regulatory liabilities - Tariff Review, are being transferred monthly to the income statement, on a linear basis, in the period from April 8, 2009 to April 7, 2010.

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**b) Light SESA**

Result of the second periodic Tariff Review of Light SESA

At a public meeting held on November 4, 2008, ANEEL provisionally set the structural Tariff Repositioning for **Light Serviços de Eletricidade S.A.** at 1.96%, taking effect on November 7, 2008. Considering the additional financial items of 2.30%, the impact on the tariff was 4.27%. As a result of the removal from the tariff base of a financial component of 0.41% which had been added in the annual adjustment of 2007, the average effect on the tariff perceived by consumers was 4.70%.

We note that the level of regulatory losses and the calculation of efficient operational costs (the Reference Company and Default) are provisional.

ANEEL set, also provisionally, the Xe component of the X factor, to be applied as a reduction factor, in real terms, of Portion B in the subsequent tariff adjustments, of 2009 and 2012, at 0.00%

With the conclusion of the improvements in the methods for the second cycle of Tariff Reviews on November 25, 2008, the final values will be set after decision in a Public Consultation process, expected to take place in October 2009.

**33) TARIFF ADJUSTMENT OF CEMIG D**

On April 7, 2009 ANEEL published the result of the Tariff Adjustment of Cemig D. This increased the Company's tariffs by 20.81% as from April 8, 2009.

The adjustment applied differently to different consumer categories. Electricity bills of residential consumers were increased by 4.87%, while invoices for high-voltage captive consumers were increased by an average of 9.42%. The overall average increase in the electricity bills of captive consumers was 6.21%.

The total average percentage increase for low-voltage captive and free consumers was 4.87%, and for high-voltage consumers as a whole the increase was 4.43%. The overall average impact on client invoices of captive and free consumers was an increase of 4.69%.

**34) SUBSEQUENT EVENT**

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On July 14, 2009, CEMIG acquired interest that belong to Brookfield of the voting shares of the transmission group companies TBE, representing 4.9% of its shares representing EATE, ENTE, ETEP and ERTE and 3.8% of ECTE, int the amount of R\$ 25,047. The total interest of CEMIG in the group companies will be as follows:

| <b>Transmission Company</b>                          | <b>CEMIG Interest<br/>%</b> |
|--|-----------------------------|
| ETEP - Empresa Paraense de Transmissão de Energia    | 39.33                       |
| ENTE - Empresa Norte de Transmissão de Energia       | 36.69                       |
| ERTE - Empresa Regional de Transmissão de Energia    | 36.69                       |
| EATE - Empresa Amazonense de Transmissão de Energia  | 35.34                       |
| ECTE - Empresa Catarinense de Transmissão de Energia | 13.37                       |

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**35) SUMMARY FINANCIAL STATEMENTS BY COMPANY**

| DESCRIPTION                                       | HOLDING    | CEMIG - GT | CEMIG - D   | RME Light | ERTE, EATE, ETEP, ENTE, ECTE | GASMIG   | INFOVIAS | SÁ CARVALHO | ROSAL   | OTHERS   | ELIMINATION |
|---|------------|------------|-------------|-----------|------------------------------|----------|----------|-------------|---------|----------|-------------|
| <b>ASSETS</b>                                     | 11.295.101 | 8.609.629  | 9.639.881   | 2.284.067 | 630.174                      | 529.935  | 297.462  | 169.977     | 133.013 | 686.958  | (8.528.61)  |
| Cash and cash equivalents                         | 121.322    | 1.220.408  | 262.031     | 142.875   | 29.910                       | 89.425   | 33.688   | 68.902      | 44.220  | 237.496  |             |
| Accounts receivables                              | 1.683.174  | 473.130    | 1.811.514   | 393.929   | 20.155                       | 164.831  |          | 5.730       | 13.750  | 35.764   | (64.22)     |
| Regulatory Assets                                 |            | 22.319     | 1.531.109   | 76.300    |                              |          |          |             |         |          |             |
| Other Assets                                      | 517.754    | 925.828    | 1.562.478   | 560.783   | 27.355                       | 36.577   | 50.561   | 24.716      | 3.138   | 59.964   | (89.94)     |
| Investments/Fixed assets                          | 8.972.851  | 5.967.944  | 4.472.749   | 1.110.180 | 552.754                      | 239.102  | 213.213  | 70.629      | 71.905  | 353.734  | (8.374.44)  |
| <b>LIABILITIES</b>                                | 11.295.101 | 8.609.629  | 9.639.881   | 2.284.067 | 630.174                      | 529.935  | 297.462  | 169.977     | 133.013 | 686.958  | (8.528.61)  |
| Suppliers and Supplies                            | 5.762      | 98.022     | 558.900     | 117.251   | 2.471                        | 45.112   | 7.458    | 7.436       | 6.234   | 16.787   | (95.76)     |
| Loans, financings and debentures                  | 74.651     | 3.192.993  | 2.589.948   | 554.290   | 306.808                      |          |          |             |         | 91.794   | 977.52      |
| Interest on equity and dividends                  | 490.820    | 153.302    | 521.484     | 11.959    | 16.163                       | 12.376   | 8.150    | 19.765      | 18.877  | 85.166   | (847.24)    |
| Post-employment obligations                       | 55.233     | 273.176    | 870.846     | 251.529   |                              |          |          |             |         |          |             |
| Other liabilities                                 | 457.797    | 833.495    | 2.610.509   | 636.041   | 36.667                       | 134.988  | 10.474   | 33.194      | 7.265   | 73.571   | (188.69)    |
| Minorities  |            |            |             | 383.613   | 8.536                        |          |          |             |         |          |             |
| Stockholders' equity                              | 10.210.838 | 4.058.641  | 2.488.194   | 329.384   | 259.529                      | 337.459  | 271.380  | 109.582     | 100.637 | 419.640  | (8.374.44)  |
| <b>RESULTS</b>                                    |            |            |             |           |                              |          |          |             |         |          |             |
| Net operational revenue                           | 187        | 1.777.588  | 2.775.325   | 682.039   | 44.641                       | 118.048  | 49.264   | 23.691      | 15.162  | 77.761   | (221.91)    |
| <b>OPERATIONAL COSTS AND EXPENSES</b>             |            |            |             |           |                              |          |          |             |         |          |             |
| Personnel   | (17.917)   | (169.432)  | (513.154)   | (31.192)  | (1.451)                      | (5.939)  | (4.019)  | (492)       | (567)   | (2.089)  |             |
| Post-employment obligations                       | (2.835)    | (14.666)   | (45.879)    | (5.122)   |                              |          |          |             |         |          |             |
| Materials   | (165)      | (6.692)    | (40.643)    | (2.735)   | (288)                        | (472)    | (603)    | (343)       | (73)    | (154)    |             |
| Raw materials                                     |            | (4.070)    |             |           |                              |          |          |             |         |          |             |
| Outsourced services                               | (5.799)    | (52.892)   | (247.959)   | (30.688)  | (2.554)                      | (2.481)  | (5.549)  | (2.036)     | (1.567) | (10.096) |             |
| Royalties for use of water resources              |            | (70.090)   |             |           |                              |          |          | (1.014)     | (513)   | (1.267)  |             |
| Electricity bought for resale                     |            | (70.914)   | (1.243.570) | (372.223) |                              |          |          |             | (464)   | (2.357)  | 179.42      |
| Charges for use of the basic transmission network |            | (142.414)  | (254.942)   | (48.738)  |                              |          |          |             | (1.825) | (9.223)  | 42.49       |
| Depreciation and amortization                     | (93)       | (112.815)  | (162.938)   | (38.220)  | (4.454)                      | (2.023)  | (14.283) | (1.115)     | (1.086) | (6.502)  |             |
| Operational provisions                            | 17.787     | (552)      | (24.433)    | (37.647)  |                              |          | (348)    |             |         | (1.418)  |             |
| Gas purchased for resale                          |            |            |             |           |                              | (84.875) |          |             |         |          |             |
|   | (15.172)   | (30.193)   | (94.024)    | (13.268)  | (752)                        | (2.547)  | (6.444)  | (221)       | (159)   | (1.365)  |             |

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|  |                 |                |               |               |               |               |               |               |              |               |        |
|--|-----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|---------------|--------|
| Other expenses,<br>net   | (24.194)        | (674.730)      | (2.627.542)   | (579.833)     | (9.499)       | (98.337)      | (31.246)      | (5.221)       | (6.254)      | (34.471)      | 221.91 |
| Operational profit<br>(loss) before<br>Equity gains in<br>subsidiaries and<br>financial revenues<br>(expenses) | (24.007)        | 1.102.858      | 147.783       | 102.206       | 35.142        | 19.711        | 18.018        | 18.470        | 8.908        | 43.290        |        |
| Financial<br>revenues<br>(expenses)  | 6.561           | (93.222)       | (7.261)       | (3.925)       | (4.610)       | 8.398         | 1.415         | 3.085         | 2.111        | 16.484        |        |
| Profit (loss)<br>before Income<br>Tax, Social<br>Contribution and<br>employees' profit<br>shares               | (17.446)        | 1.009.636      | 140.522       | 98.281        | 30.532        | 28.109        | 19.433        | 21.555        | 11.019       | 59.774        |        |
| Income tax and<br>Social<br>Contribution   | (64.233)        | (308.781)      | (1.035)       | (20.131)      | (4.818)       | (8.878)       | (3.737)       | (7.281)       | (1.583)      | (13.015)      |        |
| Minorities   |                 |                |               | (34.675)      | (143)         |               |               |               |              |               |        |
| Employees profit<br>shares   | (1.891)         | (16.217)       | (51.102)      | (3.519)       |               |               |               | (105)         | (54)         | (181)         |        |
| <b>Net profit for the<br/>period</b>   | <b>(83.570)</b> | <b>684.638</b> | <b>88.385</b> | <b>39.956</b> | <b>25.571</b> | <b>19.231</b> | <b>15.696</b> | <b>14.169</b> | <b>9.382</b> | <b>46.578</b> |        |

Table of Contents**CONSOLIDATED ECONOMIC AND FINANCIAL PERFORMANCE***Net profit*

In the **first half of 2009** Cemig reported consolidated net profit of R\$ 860,036, which compares with consolidated net profit of R\$ 1,125,152 in the first half of 2008 a reduction of 23,56%. The significantly lower net profit is mainly due to non-recurring events in this first half, including the effects of the Final Tariff Review of **Cemig D**, and the provision for the PDV Voluntary Retirement Program.

*Ebitda (method of calculation not reviewed by external auditors)*

Cemig's Ebitda in first quarter 2009 was R\$ 1,815,908, compared with R\$ 2,061,196 in first quarter 2006, a reduction of 11.90%. Adjusted for non-recurring items, Ebitda was 0.07% lower year-on-year.

Due to the announcement of the Transmission Tariff Review for **Cemig GT**, ANEEL decided on repositioning of the Company's Annual Permitted Transmission Revenue (RAP) at 5.35%, in the financial amount of R\$ 158,090, arising from the effect of the repositioning being backdated to 2005.

With the announcement of the final Tariff Review of Cemig D, ANEEL included in the tariff to be applied as from April 8, 2009 certain financial items relating to previous business years, with resulted in recognition of regulatory assets and liabilities which will be received and/or discounted in the tariff to be received from consumers applied in the period from April 8, 2009 through April 7, 2010.

These financial items relate principally to the reduction of the costs of the Reference Company used by ANEEL in calculating reimbursement to the Company of its controllable costs, with effect backdated to April 2008. Recognition of this non-recurring item results in an impact of R\$ 192,816 on Ebitda, as shown in this table:

The PDV Voluntary Retirement Program also impacted Ebitda in first half 2009, in the amount of R\$ 191,184. 992 employees joined this program 189 from Cemig GT, 772 from Cemig D, and 31 from the holding company.

| <b>EBITDA</b>   | <b>R\$ 000</b> | <b>06/30/2009</b> | <b>06/30/2008</b> | <b>Change, %</b> |
|---|----------------|-------------------|-------------------|------------------|
| Net profit  |                | 860,036           | 1,125,152         | (23.56)          |
| + Provision for current and deferred income tax and Social Contribution |                | 433,492           | 619,137           | (29.98)          |
| + Financial revenues (expenses)   |                | 70,964            | (159,095)         |                  |
| + Depreciation and amortization   |                | 343,529           | 371,856           | (7.62)           |
| + Profit shares   |                | 73,069            | 43,967            | 66.19            |



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|  |                  |                  |                |
|--|------------------|------------------|----------------|
| + Minority interests                                     | 34,818           | 60,179           | (42.14)        |
| <b>= EBITDA</b>  | <b>1,815,908</b> | <b>2,061,196</b> | <b>(11.90)</b> |
| Non-recurring items:                                     |                  |                  |                |
| - Review of Transmission Revenue Technical Note 214/2009 | (158,090)        |                  |                |
| + Tariff review Net revenue                              | 213,803          | (62,464)         |                |
| + Tariff review Operational expense                      | (20,987)         | 4,330            |                |
| + The PPD Voluntary Retirement Program                   | (486)            | 39,753           |                |
| + The PDV Temporary Voluntary Retirement Program         | 191,184          |                  |                |
| <b>= ADJUSTED EBITDA</b>                                 | <b>2,041,332</b> | <b>2,042,815</b> | <b>(0.07)</b>  |

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The lower Ebitda in 1H09 than in 1H08 mainly reflects operational costs and expenses (excluding effects of depreciation and amortization) 6.22% higher. The higher expenses in 2008 were reflected in Ebitda margin, which was 38.58% in 1H09, compared with 33.98% in 1H08.

***Gross supply of electricity***

Revenue from gross supply of electricity in the first half of 2009 was R\$ 6,807,195, compared to R\$ 6,900,990 in the first half of 2008 a reduction of 1.36%.

This result arises basically from the following factors, in relation to final consumers:

- Tariff increase for **Cemig D** with average effect on consumer tariffs of 4.69%, starting from April 8, 2009;
- Reduction in the tariff of **Cemig D**, with average impact across all consumer tariffs of a reduction of 12.08%, from April 8, 2008 (full effect in 2009).
- Volume of energy invoiced to final consumers 3.63% lower (this excludes Cemig's own internal consumption).
- Posting of regulatory liabilities arising from the adjustment in the Company's Tariff Review, this with effect backdated to 2008, representing a reduction in gross revenue of R\$ 213,803, in 2009.
- Recognition, in 2008, of non-recurring revenue relating to financial items of previous years which were included in the tariff of **Cemig D**, resulting in the constitution of regulatory assets in the gross amount of R\$ 67,194.

**Electricity sold to final consumers (MWh)**

(Data not audited by external auditors)

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| Consumption by consumer category | MWh               |                   | Change,%      |
|----------------------------------|-------------------|-------------------|---------------|
|                                  | 30/06/09          | 30/06/08          |               |
| Residential                      | 4,867,733         | 4,497,914         | 8.22          |
| Industrial                       | 11,132,465        | 12,491,728        | (10.88)       |
| Commercial, services and others  | 3,097,434         | 2,941,221         | 5.31          |
| Rural                            | 976,569           | 960,835           | 1.64          |
| Public authorities               | 526,023           | 510,595           | 3.02          |
| Public illumination              | 615,390           | 611,388           | 0.65          |
| Public service                   | 659,398           | 684,624           | (3.68)        |
| <b>Total</b>                     | <b>21,875,012</b> | <b>22,698,305</b> | <b>(3.63)</b> |

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***Revenue from wholesale electricity sales***

The revenue from electricity sales to other concession holders was R\$ 823,881 in 1H09, 33% more than in 1H08 (R\$ 619,473).

This is mainly due to 12.76% higher volume of electricity sold, in 1H09, to other concession holders and under bilateral contracts - through two new electricity auctions of supply to distributors, for tariffs between R\$ 125.00 and R\$ 145.77. Part of the electricity that previously went to industrial consumers was sold in this market, in view of the reduction in demand from those consumers due to the international economic crisis, and its impacts on industrial production. The volume of electricity sold to other consumers and under bilateral contracts was 6,273,509 MWh in the first half of 2009, compared to 5,563,520 MWh in 1H08.

***Revenue from use of the network - Free Consumers***

Revenue from use of the grid was 6.16%, or R\$ 62,429, higher in 1H09, at R\$ 1,076,287, compared to R\$ 1,013,858 in 1H08).

Revenue from the Tariff for Use of the Distribution System (TUSD) of Cemig Distribuição and Light was 10.19% higher, at R\$ 598,663, in 1H09, than in 1H08 (R\$ 666,555). This revenue comes from charges to Free Consumers on the electricity sold by other agents of the electricity sector, and was lower due to lower volume of transport of electricity to these free consumers, reflecting the effect of the recession on Brazilian manufacturing output.

Also included in the balance on this line are revenues from use of the basic grid and the connection system, which were R\$ 477,624 in 1H09, compared with R\$ 347,303 in 1H08. See Explanatory Note 25 to the consolidated Quarterly Information.

***Non-controllable costs***

Differences between the sum of non-controllable costs (known as CVA), used as a reference in calculating the tariff adjustment, and disbursements actually made, are offset in subsequent tariff adjustments. They are recorded in Assets and Liabilities. Complying with the ANEEL Chart of Accounts, some items are allocated as Deductions from operational revenue. Further information is given in Explanatory note No. 9 to the Quarterly Information.

As from March 2008 the Company began to receive, in the tariff, the amounts posted in assets under Portion A. The portion of non-controllable costs which were actually received in the tariff is transferred to Operational expenses.

*Deductions from operational revenues*

Deductions from operational revenues totaled R\$ 2,822,219 in 1H09, compared to R\$ 2,863,156 in 1Q08, 1.43% lower year-on-year. Main year-on-year variations in the deductions from revenue:

The Fuel Consumption Account - CCC

The deduction from revenue relating to the CCC in 1 H09 was R\$ 274,669, compared to R\$ 187,483 in 1H08, an increase of 46.50%. This refers to the operational costs of the thermal plants in the Brazilian grid and isolated systems, divided up between electricity concession holders by an ANEEL Resolution. This is a non-controllable cost. The amount posted for electricity *distribution* services is the amount actually passed through to the tariff. For the amount posted in relation to electricity *transmission* services the company merely passes through the charge, since the CCC is charged to Free Consumers on the invoice for the use of the basic grid, and passed on to Eletrobrás.

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Energy Development Account - CDE

The deduction from revenue for the CDE was R\$ 195,421 in 1H09, compared to R\$ 196,701 in 1H08, a reduction of 0.65%. The payments are specified by an ANEEL Resolution. This is a non-controllable cost. The amount posted for electricity distribution services corresponds to the amount passed through to the tariff. For the amount posted in relation to electricity transmission services the company merely passes through the charge, since the CCC is charged to free consumer on the invoice for the use of the grid, and passed on to Eletrobrás.

The other deductions from revenue are for taxes that are calculated as a percentage of billing. Hence their variations arise substantially from the changes in revenue. Note that the taxes applicable to the extraordinary adjustments mentioned above and deducted from revenue in 2009 have not been calculated.

*Operational costs and expenses (excluding Financial revenue (expenses))*

Operational costs and expenses (excluding net financial revenue/expenses) in the first quarter of 2009 totaled R\$ 3,869,411, compared to R\$ 3,691,263 in the first half of 2008, an increase of 4.83%. This result mainly reflects the increases in personnel costs, electricity bought for resale, charges for use of the basic transmission grid, and outsourced services, partially offset by lower cost of post-employment obligations and operational provisions. Further information is given in Explanatory Note 28 to the Consolidated Quarterly Information.

The main year-on-year variations in these expenses are:

Personnel expenses

Personnel expenses in 1 H09 were R\$ 746,252, compared to R\$ 577,862 in the first half of 2008, an increase of 29.14%. This primarily reflects the following factors:

- Salary increase of 7.26% given to employees in November 2008.
- Provision for the PDV Voluntary Retirement Program, in the amount of R\$ 191,184, in 1H09.

On the other hand, the following factors contributed to lower personnel expenses:

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- Reduction in the number of employees, from 10,458 at the end of June 2008 to 10,144 at the end of June 2009.
- Higher transfer of costs from Personnel expenses to Works in progress (R\$ 63,920 in 2009, vs. R\$ 53,951 in 2008), due to the larger capital expenditure program in 2008.

### Electricity bought for resale

The expense on this account in first half 2009 was R\$ 1,510,107, 4.00% more than the figure of R\$ 1,452,023 for this account in the first half of 2008. This is a non-controllable cost: the expense recorded in the income statement is the amount actually passed through to the tariff. Further information is given in Explanatory Note 28 to the Consolidated Quarterly Information.

### Depreciation and amortization

The expense on depreciation and amortization was 7.62% lower, at R\$ 343,529 in 1 H09, compared with R\$371,856 in 1H08. This variation arises from depreciation in the Special Obligations , from April 8, 2008, the start date of the second Tariff Review cycle.

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Post-employment obligations

Expenses on post-employment obligations totaled R\$ 68,502 in 1 H09, 45.42% lower than in 1 H08 (R\$ 125,512). These expenses basically represent the interest applicable to Cemig's actuarial obligations, net of the investment yield expected from the assets of the plans, estimated by an external actuary. The reduction in this expense reflects the reduction in the present value of the obligations recorded, as a result of the increase in the interest rate used to discount these obligations to present value.

Operational provisions

Operational provisions in 1 H09 totaled R\$ 46,611, 62.32% less than in 1 H08 (R\$ 123,697). The lower figure is mainly due to reversal, in June 2009, of the provision for civil lawsuits on the subject of tariff increases, in the amount of R\$ 26,804, due to finalization of the cases. For more information please see Explanatory Notes 22 and 28 to the Consolidated Quarterly Information.

Charges for use of the transmission grid

The expense on charges for use of the transmission network in the first quarter of 2009 was R\$ 414,647, vs. R\$ 355,675 in the first quarter of 2008, a reduction of 16.58%.

This expense refers to the charges payable by electricity distribution and generation agents for use of the facilities that are components of the basic grid, as set by an ANEEL Resolution. This is a non-controllable cost: the deduction from revenue recognized in the Income statement corresponds to the value actually passed through to the tariff.

Gas purchased for resale

The cost of gas purchased for resale was R\$ 84,875 in first half 2009, 23.19% lower than in the first quarter of 2008 (R\$ 110,502). This variation is mainly due to a lower quantity of gas being bought, due to less operation of thermal plants Gasmig's clients in 1 H09.

***Financial revenues (expenses)***

The company posted net financial *expenses* of R\$ 70,964 in 1 H09, which compares with net financial *revenues* of R\$ 159,095 in first half 2008. The main factors in Financial revenue (expenses) are:



- Revenue from penalty payments applied to arrears on settlement of electricity bills 38.07% lower in 1H09, at R\$ 61,015, compared to R\$ 98,520 in 1H08. This variation mainly reflects Cemig D's higher revenue in 2008, relating to accounts received from major industrial consumers for consumption in prior years the principal amounts of which were considerably less than the amounts added as penalty payments for delay in settlement.
- Revenue from monetary updating on amounts receivable under the General Agreement for the Electricity Sector 63.37% lower. This revenue in 1 H09 was R\$ 26,688, compared to R\$ 72,864 in 1 H08 basically reflecting the lower value of the regulatory assets in 2009, due to amortization of the principal regulatory assets previously constituted.

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- Revenue from monetary updating and interest on the Deferred Tariff Adjustment 96.68% lower, at R\$ 1,802 in 1 H09, than in 1 H08 (R\$ 54,204), due to the reduction of the asset by receipt of amounts receivable, in electricity invoices. For further details please see Explanatory Note 11 to the Consolidated Quarterly Information.
- Lower monetary updating on loans and financings, at R\$ 6,049 in 1H09 compared with R\$ 51,927 in 1 H08 reflecting lower variation in inflation indices in 1 H09 than in 1 H08.
- Revenue reported in 2008 of R\$ 108,090 from the final court decision in favor of **Light** in an action challenging the application of the PIS and Cofins taxes to financial revenue.
- Financial Revenue of R\$ 82,702 in the first half of 2008 for the financial compensation paid by the stockholders of RME for CEMIG S waiver of its option to purchase the generation assets of Light for a pre-agreed amount.

For a breakdown of financial revenues and expenses, see Explanatory Note 29 to the Consolidated Quarterly Information.

***Income tax and Social Contribution tax***

Cemig's expenses on income tax and the Social Contribution in the first half of 2009 totaled R\$ 433,492, on profit of R\$1,401,415 before tax effects, a percentage of 30.93%. Cemig's expenses on income tax and the Social Contribution in the first half of 2008 totaled R\$ 619,137, on profit of R\$1,848,435 before tax effects, a percentage of 33.50%. These effective rates are compared with the nominal rates in Note 10 to the Consolidated Quarterly Information.

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|  | Second<br>Quarter 2009 | Second<br>Quarter 2008 | Change,<br>%   |
|--|------------------------|------------------------|----------------|
| <b>OPERATIONAL REVENUE</b>   |                        |                        |                |
| Gross supply of electricity  | 3,670,692              | 3,325,747              | 10.37          |
| Revenue for use of the network                                       | 624,195                | 532,266                | 17.27          |
| Other operational revenues   | 142,259                | 182,609                | (22.10)        |
| <b>Gross operational revenue</b>                                     | <b>4,437,146</b>       | <b>4,040,622</b>       | <b>9.81</b>    |
| Deductions from operational revenue                                  | (1,461,678)            | (1,414,678)            | 3.32           |
| <b>Net operational revenue</b>                                       | <b>2,975,468</b>       | <b>2,625,944</b>       | <b>13.31</b>   |
| <b>OPERATIONAL COSTS AND EXPENSES</b>                                |                        |                        |                |
| Personnel, managers and board members                                | (448,231)              | (293,499)              | 52.72          |
| Post-employment obligations  | (34,515)               | (63,844)               | (45.94)        |
| Materials  | (26,192)               | (24,096)               | 8.70           |
| Raw materials  | (4,070)                | (19,922)               | (79.57)        |
| Outsourced services  | (200,962)              | (156,899)              | 28.08          |
| Electricity bought for resale  | (838,265)              | (726,657)              | 15.36          |
| Depreciation and amortization  | (172,487)              | (170,375)              | 1.24           |
| Royalties for use of water resources                                 | (36,766)               | (31,195)               | 17.86          |
| Operational provisions   | 6,876                  | (27,344)               |                |
| Charges for the use of the basic transmission grid                   | (210,456)              | (183,351)              | 14.78          |
| Gas purchased for resale   | (45,561)               | (57,082)               | (20.18)        |
| Other operational expenses, net                                      | (102,102)              | (62,307)               | 63.87          |
|  | (2,112,731)            | (1,816,571)            | 17.86          |
| <b>Operational profit (loss) before financial revenue (expenses)</b> | <b>862,737</b>         | <b>809,373</b>         | <b>6.59</b>    |
| FINANCIAL REVENUE (EXPENSES)   | (33,207)               | 238,207                |                |
| <b>Profit before income tax and Social Contribution tax</b>          | <b>829,530</b>         | <b>1,047,580</b>       | <b>(20.81)</b> |
| Income tax and Social Contribution tax                               | (199,635)              | (292,051)              | (31.64)        |
| Deferred income tax and Social Contribution tax                      | (45,858)               | (50,989)               | (10.06)        |
| Profit shares  | (45,645)               | (21,909)               | 108.34         |
| Minority interests   | (14,598)               | (47,759)               | (69.43)        |
| <b>Net profit for the period</b>                                     | <b>523,794</b>         | <b>634,872</b>         | <b>(17.50)</b> |

Table of Contents*Profit for the quarter*

In the second quarter of 2009 (**2Q09**), Cemig reported net profit of R\$ 523,794, 17.50% less than the net profit of R\$ 634,872 reported for the second quarter of 2008 (**2Q08**). This was basically due to operational costs and expenses 16.36% higher, and the variation in Financial revenue (expenses), partially offset by Net operational revenue 13.31% higher. Cemig posted net financial *expenses* of R\$ 33,207 in 2Q09, compared with net financial *revenue* of R\$ 238,207 in 2Q08.

The higher operational costs and expenses basically reflect cost of electricity bought for resale 15.36% higher, and personnel expenses 53.06% higher, as a result of the cost of the PDV Temporary Voluntary Retirement Program a total of R\$ 191,184 being posted in the second quarter of 2009. Please refer to additional comments in the specific items of this report.

*Ebitda (method of calculation not reviewed by external auditors)*

Cemig's Ebitda in the second quarter of 2009 was 5.66% lower than its Ebitda for the second quarter of 2008. Adjusted for the non-recurring items, it was 4.96 higher.

Due to the announcement of the Transmission Tariff Review for **Cemig GT**, ANEEL decided on repositioning of the Company's Annual Permitted Transmission Revenue (RAP) at 5.35%, in the financial amount of R\$ 158,090, arising from the effect of the repositioning being backdated to 2005.

| <b>EBITDA R\$ 000</b>                                      | <b>2Q09</b>      | <b>2Q08</b>      | <b>Change, %</b> |
|--|------------------|------------------|------------------|
| Net profit   | 523,794          | 634,872          | (17.50)          |
| + Income tax and Social Contribution                       | 245,493          | 343,040          | (28.44)          |
| + Profit shares  | 45,645           | 21,909           | 108.34           |
| - Financial revenue (expenses)                             | 33,207           | (238,207)        |                  |
| + Depreciation and amortization                            | 172,487          | 170,375          | 1.24             |
| + Minority interests                                       | 14,598           | 47,759           | (69.43)          |
| <b>EBITDA</b>  | <b>1,035,224</b> | <b>979,748</b>   | <b>5.66</b>      |
| Non-recurring items:                                       |                  |                  |                  |
| - Review of Transmission Revenue - Technical Note 214/2009 | (158,090)        |                  |                  |
| + The PDV Temporary Voluntary Retirement Program           | 191,184          |                  |                  |
| + the PPD Permanent Voluntary Retirement Program           | 1,734            | 39,753           | (95.64)          |
| <b>= ADJUSTED EBITDA</b>                                   | <b>1,070,052</b> | <b>1,019,501</b> | <b>4.96</b>      |

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In spite of operational costs and expenses (excluding depreciation and amortization) being 17.86% higher, Ebitda was 5.66% higher in 2Q09 than in 2Q08. This was due to the good performance in sales, with a positive impact of 13.31% on net revenue. The high increase in operational costs and expenses had a negative impact on Ebitda margin, which was 37.31% in 2Q08, but 34.79% in 2Q09.

## Gross supply of electricity

|   | MWh (*)           |                   |               | R\$              |                  |               |
|---|-------------------|-------------------|---------------|------------------|------------------|---------------|
|   | 2Q09              | 2Q08              | Change,<br>%  | 2Q09             | 2Q08             | Change,<br>%  |
| Residential                             | 2,421,497         | 2,261,334         | 7.08          | 1,116,182        | 1,106,731        | 0.85          |
| Industrial                              | 5,538,838         | 6,390,225         | (13.32)       | 916,748          | 959,230          | (4.43)        |
| Commercial, services and others         | 1,530,866         | 1,463,691         | 4.59          | 672,911          | 650,125          | 3.50          |
| Rural                                   | 521,051           | 504,412           | 3.30          | 135,220          | 131,989          | 2.45          |
| Public authorities                      | 267,399           | 274,008           | (2.41)        | 115,208          | 110,574          | 4.19          |
| Public illumination                     | 304,096           | 309,487           | (1.74)        | 75,321           | 76,880           | (2.03)        |
| Public service                          | 332,335           | 354,238           | (6.18)        | 96,583           | 97,213           | (0.65)        |
| <b>Sub-total</b>                        | <b>10,916,082</b> | <b>11,557,395</b> | <b>(5.55)</b> | <b>3,128,173</b> | <b>3,132,742</b> | <b>(0.15)</b> |
| Own consumption                         | 12,841            | 13,409            | (4.24)        |                  |                  |               |
| Subsidy for low-income consumers        |                   |                   |               | 45,629           | 21,811           | 109.20        |
| Uninvoiced supply Regulatory asset      |                   |                   |               |                  | 38,807           |               |
| Supply not invoiced, net                |                   |                   |               | (28,497)         | (168,437)        | (83.08)       |
|   | 10,928,923        | 11,570,804        | (5.55)        | 3,145,305        | 3,024,923        | 3.98          |
| Supply to other concession holders (**) | 3,525,472         | 2,851,254         | 23.65         | 456,680          | 256,952          | 77.73         |
| Transactions in electricity on CCEE     | 450,841           | 553,717           | (18.58)       | 7,697            | 43,872           | (82.46)       |
| Effect of the Final Tariff Review (***) |                   |                   |               | 61,010           |                  |               |
| <b>Total</b>                            | <b>14,905,236</b> | <b>14,975,775</b> | <b>(0.47)</b> | <b>3,670,692</b> | <b>3,325,747</b> | <b>10.37</b>  |

(\*) Information in MWH not reviewed by external auditors.

Revenue from gross supply of electricity in 2Q09 was R\$ 3,670,692, 10.37% more than in 2Q08 (R\$ 3,325,747).

Main factors affecting revenue in 2Q09:

- Tariff adjustment with average impact on consumer tariffs of 4.69%, starting from April 8, 2009.
- Reduction in the tariff of **Cemig D**, with average impact across all consumer tariffs of a reduction of 12.08%, from April 8, 2008.
- Volume of energy invoiced to final consumers 5.55% lower (this excludes Cemig's own internal consumption).

Revenues from energy sold to other concession holders totaled R\$ 456,680 in 2Q09, 77.73% more than in 2Q08 (R\$ 256,952). This is mainly due to the volume of energy sold to other concession

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holders under bilateral contracts being 23.65% higher, due to new contracts made at auctions of electricity to distributors, in which the MWh was sold for tariffs varying from R\$ 125.00 to R\$ 145.77.

*Revenue from use of the grid*

This refers to the TUSD, charged to Free Consumers, on energy sold, and also from the revenue for use of Cemig GT's own basic transmission grid. It was 17.27% higher in 2Q09, at R\$ 624,195, than in 2Q08 (R\$ 532,266). The difference is mainly due to the accounting, in June 2009, of Annual Permitted Revenue (RAP) from previous periods, totalling R\$ 158,090, as a result of the Review of the Transmission Tariff being backdated over the period from July 1, 2005 to June 2009.

*Non-controllable costs*

Differences between the sum of non-controllable costs (known as CVA), used as a reference in calculating the tariff adjustment, and disbursements actually made, are offset in subsequent tariff adjustments. They are recorded in Assets and Liabilities. Due to a change in ANEEL's plan of accounts, some items were transferred to the item Deductions from operational revenues. For more information, please see Explanatory Notes 2 and 7 to the Quarterly Information.

Deductions from operational revenues

|  | 2Q09             | 2Q09             | Change, %   |
|--|------------------|------------------|-------------|
| ICMS tax   | 743,632          | 774,297          | (3.96)      |
| Cofins tax   | 315,499          | 301,350          | 4.70        |
| PIS and Pasep taxes  | 68,461           | 60,542           | 13.08       |
| ISS value-added tax on services                                | 950              | 1,075            | (11.63)     |
|  | 1,128,542        | 1,137,264        | (0.77)      |
| Global Reversion Reserve - RGR                                 | 48,627           | 43,207           | 12.54       |
| Energy Efficiency Program - P.E.E.                             | 9,888            | 9,806            | 0.84        |
| Energy Development Account - CDE                               | 101,959          | 99,314           | 2.66        |
| Fuel Consumption Account - CCC                                 | 152,049          | 110,258          | 37.90       |
| Research and Development - R&D                                 | 8,158            | 6,879            | 18.59       |
| National Scientific and Technological Development Fund - FNDCT | 8,353            | 6,253            | 33.58       |
| Energy System Expansion Research (EPE / Energy Ministry)       | 4,102            | 1,687            | 143.15      |
| Emergency Capacity Charge                                      |                  | 10               |             |
|  | 333,136          | 277,414          | 20.09       |
|  | <b>1,461,678</b> | <b>1,414,678</b> | <b>3.32</b> |

Main year-on-year variations in the deductions from revenue:

The Fuel Consumption Account - CCC

The deduction from revenue for the CCC was R\$ 152,049 in 2Q09, 37.90% more than in 2Q08 (R\$ 110,258). This refers to the operational costs of the thermal plants in the Brazilian grid and isolated systems, divided up between electricity concession holders by an ANEEL Resolution. This is a non-controllable cost. The amount posted for electricity *distribution* services is the amount passed through to the tariff. For the amount posted in relation to electricity *transmission* services the company merely passes through the charge, since the CCC is charged to Free Consumers on the invoice for the use of the basic grid, and passed on to Eletrobrás.

Energy Development Account - CDE

The deduction from revenue for the CDE was R\$ 101,959 in 2Q09, compared to R\$ 99,314 in 2Q08, an increase of 2.66%. This is a non-controllable cost. The amount posted for electricity *distribution* services corresponds to the amount passed through to the tariff. For the amount posted in relation to electricity *transmission* services the company merely passes through the charge,



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since the CCC is charged to Free Consumers on the invoice for the use of the grid, and passed onto Eletrobrás.

The other deductions from revenue are of taxes calculated as a percentage of billing, and their variations thus substantially arise from the changes in revenue.

*Operational costs and expenses (excluding Financial revenue (expenses))*

Operational costs and expenses (excluding Financial revenue (expenses)) totaled R\$ 2,113,720 in 2Q09, 16.36% more than in 2Q08 (R\$ 1,816,571). This is mainly due to the increases in personnel costs and Electricity bought for resale, partially offset by the reduction in Operational provisions, Raw materials and Post-employment obligations.

The main year-on-year variations in these expenses are:

Personnel expenses

Personnel expenses totaled R\$ 448,231 in 2Q09, 52.76% more than in 2Q08 (R\$ 293,499). This reflects the salary increase of 7.26% given to employees in November 2008, and the provision of R\$ 191,184 for the PPD Permanent Voluntary Retirement Program, posted in 2Q09.

Electricity bought for resale

The expense on this account in 2Q09 was R\$ 838,265, 15.36% more than the expense of R\$ 726,657 in 2Q08. This change is mainly due to 23.86% increase in average rate of energy purchased in the 2009/2010 cycle pricing. This is a non-controllable cost: the expense recorded in the income statement is the amount actually passed through to the tariff. For more information, please see Explanatory Note 28 to the Quarterly Information.

Post-employment obligations

Expenses on post-employment obligations totaled R\$ 34,515 in 2Q09, 45.94% more than in 2Q08 (R\$ 63,844). These expenses basically represent the interest applicable to Cemig's actuarial obligations, net of the investment yield expected from the assets of the plans, estimated by an external actuary. The lower expense in 2009 basically reflects the adjustment made to the actuarial assumptions in December 2008, which resulted in a reduction of the Company's net obligations.

Operational provisions

Operational provisions were constituted as *revenue* of R\$ 6,876 in 2Q09, compared with an *expense* of R\$ 27,344 in 2Q08. This is due to the reversal, in June 2009, of provisions of 26,804 for civil lawsuits on tariff increases, due to finalization of the cases.

Table of Contents*Financial revenues (expenses)*

|   | 2Q09            | 2Q08           | Change,<br>% |
|---|-----------------|----------------|--------------|
| <b>FINANCIAL REVENUES</b>   |                 |                |              |
| Revenue from cash investments   | 65,657          | 68,192         | (3.72)       |
| Arrears penalty payments on electricity bills   | 33,502          | 47,812         | (29.93)      |
| Interest and monetary updating on accounts receivable from the Minas Gerais state government            | 8,998           | 8,921          | 0.86         |
| Monetary updating of CVA  | 9,766           | 9,689          | 0.79         |
| Monetary updating on General Agreement for the Electricity Sector                                       | 11,242          | 27,658         | (59.35)      |
| Monetary updating on Deferred Tariff Adjustment   | 25              | 28,307         | (99.91)      |
| FX variations   | 69,001          | 33,448         | 106.29       |
| Pasep and Cofins taxes on financial revenues  | (18,412)        | (19,058)       | (3.39)       |
| Gains on financial instruments  | (547)           | 2,164          |              |
| Financial compensation RME  |                 | 82,702         |              |
| Adjustment to present value   | 317             | 62,003         | (99.49)      |
| Other   | 25,632          | 49,516         | (48.23)      |
|   | 205,181         | 401,354        | (48.88)      |
| <b>FINANCIAL EXPENSES</b>   |                 |                |              |
| Charges on loans and financings   | (150,212)       | (179,200)      | (16.18)      |
| Monetary updating on General Agreement for the Electricity Sector                                       | (510)           | (1,776)        | (71.28)      |
| Monetary updating CCEE  | (4,013)         |                |              |
| Monetary updating of CVA  | 1,802           | (10,539)       |              |
| FX variations   | (7,282)         | 10,204         | (171.36)     |
| Monetary updating on loans and financings   | (2,233)         | (27,908)       | (92.00)      |
| CPMF tax  |                 | (1,434)        |              |
| Provision for losses on recovery of Extraordinary Tariff Recomposition and Free Energy amounts updating | (416)           | (7,397)        | (94.38)      |
| Adjustment to present value   | (4,571)         | (4,905)        | (6.81)       |
| Losses on financial instruments   | (55,576)        | (31,236)       | 77.92        |
| Reversal of provision for PIS and Cofins taxes  | 2,107           | 108,090        | (98.05)      |
| Other   | (17,484)        | (17,046)       | 2.57         |
|   | (238,388)       | (163,147)      | 46.12        |
|   | <b>(33,207)</b> | <b>238,207</b> |              |

Financial revenue (expenses) was significantly different between the two periods. The main factors are:

- Revenue from arrears penalty payments for late payment of electricity bills 29.93% lower in 2Q09, at R\$ 33,502, compared to R\$ 47,812 in 2Q08. This basically related to payment of accounts received from large industrial consumers related to previous years, the principal amounts of which were considerably less than the added amounts related to financial charges applied.
- The Company recognized a financial gain in the second quarter of 2008, in the amount of R\$ 82,702, for the financial compensation to be paid by the stockholders of RME for Cemig's waiver of exercise of an option to buy the rights of the partners of RME over the generation assets of Light for a previously agreed amount. There are more details in Explanatory Note 29.

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- Revenue from adjustment to present value in 2008, totaling R\$ 62,003, applied to the balance of some financings, debentures and obligations payable for concessions for consideration, in compliance with Law 11,638/07.
- Revenue from monetary variation on the General Agreement for the Electricity Sector 59.35% lower at R\$ 11,242 in 2009, compared to R\$ 27,658 in 2008 reflecting the lower value of the regulatory assets in 2009, due to the principal regulatory assets previously posted (RTE and Deferred Tariff Adjustment) having been amortized.
- Revenue reported in 2008 of R\$ 108,090 from the final court decision in favor of **Light** in an action challenging the application of the PIS and Cofins taxes to financial revenue.
- Costs of loans and financings 16.18% lower, due to amortizations of debt in 2008 and the lower variation in the CDI rate (the main index of contracts) in 2009.

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*Income tax and Social Contribution tax*

Cemig's expenses on income tax and the Social Contribution tax in 2Q09 totaled R\$ 245,493, on profit of R\$ 829,530 before tax effects, a percentage of 29.59%. The Company's expenses on income tax and the Social Contribution tax in 2Q08 were R\$ 343,040, on profit of R\$ 1,047,580 before tax effects, a percentage of 32.75%.

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**OTHER INFORMATION THAT THE COMPANY BELIEVES TO BE MATERIAL**

Information not reviewed by our external auditors.

**Investor Relations**

In the first half of 2009, through strategic actions aiming to enable investors and stockholders to have a correct valuation of our businesses and our prospects for growth and addition of value, we increased Cemig's exposure to the Brazilian and global capital markets as the leading company in its industry.

We maintain a constant and proactive flow of communication with Cemig's investor market, strengthening our credibility, seeking to increase interest in our securities and ensure that investors are satisfied with them.

Our results are published through video webcasts and conference calls, with simultaneous translation into English, at which members of the Executive Board are always present – developing an increasingly transparent relationship, in line with the best corporate governance practices.

To serve our stockholders spread over 46 countries, and facilitate optimum coverage of investors, Cemig was present in Brazil and worldwide at innumerable seminars, conferences and meetings with investors, congresses, and roadshows; and also held video and telephone conference calls with analysts, investors and other parties interested in the capital markets.

In May, for the 14th year running, we held our now traditional **Cemig Meeting with the Capital Markets and Investors**, together with Apimec, the Brazilian Capital Markets and Analysts' Association, in Uberlândia, Minas Gerais, where these professionals once again had the opportunity to interact with the company's directors and principal executives.

**Corporate governance**

Our corporate governance model is based on principles of transparency, equity and accountability, focusing on clear definition of the roles and responsibilities of the Board of Directors and the Executive Board in the formulation, approval and execution of policies and guidelines for managing the company's business.

We seek sustainable development of the Company through balance between the economic, financial, environmental and social aspects of our enterprises, aiming to improve the relationship with our stockholders, clients, and employees, the public at large and other stakeholders.

Cemig's preferred and common shares have been listed under Corporate Governance Level 1 on the São Paulo Stock Exchange since 2001 (with tickers CMIG3 and CMIG4 respectively). This classification represents a guarantee to our stockholders of optimum reporting of information, and also that stockholdings are relatively widely dispersed. Because Cemig has ADRs (American Depository Receipts) listed on the New York Stock Exchange, representing preferred shares (with ticker **CIG**) and common shares (ticker **CIG.C**), it is also subject to the regulations of the US Securities and Exchange Commission (SEC) and the New York Stock Exchange Listed Companies Manual. Our preferred shares have been listed on the Latibex of the Madrid stock exchange (with ticker **XCMI**) since 2002.

Since the end of 2006 our material procedures related to preparation of the Consolidated Financial Statements have been compliant with the requirements of Section 404 of the Sarbanes-Oxley law of the US.

Our bylaws include the targets of the Strategic Plan, and our dividend policy:

- to keep consolidated indebtedness equal to or less than 2 times Ebitda.

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- to keep the consolidated ratio (Net debt) / (Net debt + Stockholders' equity) equal to or less than 40%.
- consolidated funds in Current assets to be limited to 5% of Ebitda.
- consolidated funds allocated to capital expenditure in each business year to be limited to 40% of Ebitda (this varied, exceptionally, to 65% in 2006, and 55% in 2007).
- to invest only in distribution, generation and transmission projects which offer real minimum internal rates of return equal to or more than those specified in the company's Long-Term Strategic Plan, subject to the legal obligations.
- to limit the expenses of the subsidiary Cemig Distribuição (**Cemig D**), and of any subsidiary which operates in distribution of electricity, to amounts not greater than the amounts recognized in the tariff adjustments and reviews.

The Board of Directors may authorize numbers in excess of these standards, in response to temporary needs, up to the following limits:

- consolidated debt: maximum of 2.5 times Ebitda.
- consolidated ratio (Net debt) / (Net debt + Stockholders' equity): maximum of 50%.
- consolidated funds in Current assets: maximum of 10% of Ebitda.

The stockholders' agreement signed between the government of Minas Gerais State and Southern Electric Brasil Participações Ltda. (SEB) in 1997, has been suspended by the Brazilian courts. Appeals filed by SEB are before the federal courts.



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**Board of Directors**

*Meetings*

Our Board of Directors met 24 times in 2008, to discuss strategic planning, expansion projects, acquisition of new assets, and various other investments, among other subjects.

*Membership, election and period of office*

The present Board of Directors was elected on April 29, 2009, by the cumulative voting method, as specified by Article 141 of Law 6404 of December 15, 1976, as amended. Our Board of Directors is made up of 14 members, of whom eight are elected by the government of the State of Minas Gerais, five by the stockholder Southern Electric Brasil Participações Ltda. SEB, and one by the minority holders of preferred shares.

The periods of office of the present members of the Board of Directors expire at the Annual General Meeting of Stockholders to be held in 2010.

*Principal responsibilities and attributions:*

The Board of Directors has the following responsibilities and attributions, as well as those conferred on it by law:

- Decision, before signing, on any contract signed between Cemig and any of its stockholders or their parent companies.
- Decision on any sale of assets, loans or financings, charge on the company's property, plant or equipment, guarantees to third parties, or other legal acts or transactions, with value of R\$ 5 million or more.
- Authorization for issuance of securities in the domestic or external market to raise funds.
- Approval of the Long-term Strategic Plan, and revisions of it, and of the Multi-year Strategic Implementation Plan and revisions of it, and the Annual Budget.

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Since 2006 Cemig has had committees, made up of members of the Board of Directors, to carry out prior discussion and analysis on matters to be decided by the Board, as follows:

1. Board of Directors Support Committee;
2. Corporate Governance Committee;
3. Human Resources Committee;
4. Strategy Committee;
5. Finance Committee; and,
6. Audit and Risks Committee.

***Qualification and remuneration***

The members of the Board of Directors have training and experience in a wide range of areas (business administration, engineering, law, diplomacy, etc.), and very broad experience in business management. Their remuneration is 20% of the average paid to our Directors, and does not include any share purchase options.

A list with the names of the members of the Board of Directors and their résumés is on our website at: [www.cemig.com.br](http://www.cemig.com.br) under *Institutional >> Boards*.

***Audit Committee***

As well as the Brazilian Corporate Law, in relation to the requirements of the Sarbanes-Oxley law, to which we are subject due to our shares being registered with the US Securities and Exchange Commission (SEC), the capital markets regulator of the United States, we opted for the exemption allowed by the Exchange Act, rule 10-3A, and regulated by SEC release 82-1234, which accepts the activity of the Audit Board as an alternative to the Audit Committee specified by the Sarbanes-Oxley law.

***The Executive Board***

The Executive Board is made up of eight members whose individual functions are set by the company's bylaws. They are elected by the Board of Directors for periods of office of three years. They may be reelected, and may also be dismissed at any time by the Board of Directors.

Members are allowed also to hold simultaneous non-remunerated positions in the management of wholly-owned subsidiaries, subsidiaries or affiliates of Cemig, on decision by the Boards of Directors of those companies. They are also, obligatorily, members, with the same positions, of the Boards of Directors of Cemig GT (Generation and Transmission) and Cemig D (Distribution).

The periods of office of the present Chief Officers expire at the first meeting of the Board of Directors held after the Ordinary General Meeting of Stockholders of 2012.

The members of the Executive Board and brief résumés are on our website: [www.cemig.com.br](http://www.cemig.com.br).

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The Chief Officers have individual responsibilities established by the Board of Directors and the Bylaws, including:

- Current management of the company's business, complying with the bylaws, the Longterm Strategic Plan, the Multi-Year Strategic Implementation Plan, and the Annual Budget.
- Decision on any disposal of goods, loans or financings, charges of any of the company's property, plant or equipment, guarantees to third parties, or other legal acts or transactions in amounts less than R\$ 14 million.

The Executive Board normally meets weekly. It held 70 meetings in 2008.

A list of the names and summary resumes of its members is available on our website: [www.cemig.com.br](http://www.cemig.com.br) under >> *Institutional* >> *Boards*.

***The Audit Board***

***Meetings***

The Audit Board held 10 meetings in 2008.

***Membership, election and period of office***

We have a permanent Audit Board, made up of five sitting members and their respective substitute members. They are elected by the Annual General Meeting of Stockholders, for periods of office of one year, and may be reelected. They are:

- one member elected by the holders of the preferred shares;
- one member elected by the holders of the common shares not belonging to the controlling stockholder group, representing at least 10% of the registered capital; and
- three members appointed by the majority stockholder.

The members of the Audit Board are listed on our website: [www.cemig.com.br](http://www.cemig.com.br).

***Principal responsibilities and attributions:***

As well as the attributions specified by Law 6404 of December 15, 1976, as amended, in relation to the Sarbanes-Oxley law to which we are subject due to our shares being registered with the Securities and Exchange Commission (SEC), the capital markets regulator of the United states we opted to exercise the exemption allowed by Rule 10-3A of the Exchange Act, regulated by SEC Release 82-1234, which accepts the activity of the Audit Board as an alternative to the Audit Committee as defined by the Sarbanes-Oxley law.

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***Qualification and remuneration***

The Audit Board is a multi-disciplinary body, made up of members with various competencies (accounting, economics, business administration, and others). Their remuneration is 10% of the average paid to the Chief Officers.

Résumé information on its members are on our website: [www.cemig.com.br](http://www.cemig.com.br).

***The Sarbanes-Oxley Law***

Cemig has obtained certification of its internal controls for mitigation of risks involved in the preparation and disclosure of the financial statements, in accordance with an opinion by the external auditors, Deloitte Touche Tohmatsu Auditores Independentes, issued in accordance with Section 404 of the Sarbanes-Oxley Law and the rules of the Public Company Accounting Oversight Board (PCAOB), which is a part of the annual 20-F report relating to the business year ending December 31, 2006, filed with the US Securities and Exchange Commission (SEC) on July 23, 2007.

A link was established between the potentially significant controls and accounting records in the financial statements for 2008, and the design of the processes and key controls for ensuring mitigation of the risks associated with the preparation and disclosure of the financial statements for the year ended December 31, 2008 was validated with our new external auditors, KPMG Auditores Independentes.

***Management of corporate risks***

Corporate risk management is a management tool that is an integral part of our corporate governance practices. For it to have maximum efficacy, and for it to be more easily included in the organization's culture, we aim to align it with the company's process of Strategic Planning which defines the strategic objectives of the company's business. Other instances of management that relate to corporate risk management include: The Corporate Governance Committee, Compliance with the Sarbanes-Oxley Law, the Budget Prioritization Committee, Internal Auditing, the Energy Risks Management Committee, the Insurable Risks Committee, and the Control and Management Committee.

Cemig's corporate risks management structure was put in place in 2003. The risks matrix was revised for the first time in 2004, and a second time in 2005-6, aiming to identify changes in relation to the level of performance expected for each process. The result has been an improvement in the effectiveness of the strategic controls, a commitment to implementation of the mitigating action plans proposed and, consequently, reduction of the financial impact and the probability of occurrence of innumerable risks.

The method for measurement of risks that Cemig has chosen is the ORCA method, which was put in place with the assistance of external consultants, based on four dimensions: objectives; risks; internal controls; and alignment.



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To ensure safety, confidentiality of information, and speed in the process of periodic revision and review of the matrix of corporate risks, we use the SGIR (Integrated Risk Management System) application, which embodies the methodology referred to above. Cemig also has a site giving employees access to information on the subject, which enables the risks identified by managers to be continuously and dynamically monitored.

***Functional structure***

The main determining factor for the option adopted for functional structure is decentralized management by Risk Managers. This expresses the corporative and matricial nature of the function, with monitoring centralized by the Corporate Risk Management Unit, which generates relevant information with a systemic view and meets the demands of the Corporate Risk Management Committee. The Committee analyzes and prioritizes the actions established by the Board of Directors and the Executive Board.

***Challenges***

The main challenges to be faced by corporate risk management in Cemig are:

- Improvement of the methodology of calculation of financial exposure risks, to provide the maximum possible objectivity for the assessment made by managers, offering senior management maximum security in the process of taking decisions. The results expected are: improvement in the quality of the information related to the matrix, and guarantee of compliance with the directive guidelines that arise from the Corporate Risk Management Policy.
- Creation of standard reports, to meet the needs of various decision levels in the company.

***Statement of Ethical Principles and Code of Professional Conduct***

The approval by Cemig's Board of Directors in May 2004 of the Declaration of Ethical Principles and Code of Professional Conduct ([www.cemig.infoinvest.com.br/CorporateGovernance/EthicalPrinciples](http://www.cemig.infoinvest.com.br/CorporateGovernance/EthicalPrinciples)), confirms an important step in improving our internal system of corporate governance, and increasing our corporate transparency. The Declaration is divided into 11 Principles that reflect ethical conduct and values that are incorporated into our culture.

Cemig's Ethics Committee was created on August 12, 2004, to coordinate all actions relating to management of the Declaration of Ethical Principles and Code of Professional Conduct. This includes assessment and decision on any possible non-compliances with the document.





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In December 2006 we created the Information Channel, to be used only by Cemig employees and workers. It enabled the Ethics Committee to receive anonymous reports, via an open channel on our intranet – the Anonymous Information Channel. Items reported here should include irregular practices contrary to the Company's interests, including: financial fraud, including adulteration, falsification or suppression of financial, tax or accounting documents; misappropriation of goods or funds; receipt of undue advantages by managers or employees; irregular contracting; and other practices considered to be illegal.

*The Ethics Committee*

This was created on August 12, 2004, with three sitting members and three substitute members, and is responsible for management (interpretation, publicizing, application and updating) of the Code of Professional Conduct.

It can receive and investigate any reports of violations of the ethical principles and rules of conduct, provided they are presented in a written document signed by the interested party, and sent to the address: CEMIG, Av. Barbacena 1200, S.A. / 17º / B2, accompanied by indication of the means of proof (witnesses, documents or other sufficient and appropriate means). They can also be sent by email or telephone – the address and phone number are well known to all the company's employees.

In December 2006 we put in place our Anonymous Information Channel, available on the corporate intranet, the purpose of which is to receive, submit and process accusations of irregular practices, such as financial fraud, undue appropriation of assets, receipt of irregular advantages or illegal contracting. This channel is one more step for the company in the direction of improving transparency, correct behavior and the concept of corporate governance within Cemig. This new instrument of corporate governance improves the management of our employees and of our business, and reaffirms our ethical principles.

The Statement of Ethical Principles and Code of Professional Conduct of Cemig is based on 11 Principles, which express the ethical conduct and values incorporated into its culture. It is available on our website at <http://cemig.infoinvest.com.br>.

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**POSITION OF STOCKHOLDERS WITH MORE THAN 5% OF THE VOTING STOCK ON JUNE 30, 2009**

| STOCKHOLDER                                  | COMMON SHARES |       | PREFERRED SHARES |      | TOTAL SHARES |       |
|--|---------------|-------|------------------|------|--------------|-------|
|  | (thousands)   | %     | (thousands)      | %    | (thousands)  | %     |
| State of Minas Gerais                        | 138,175,720   | 50.96 | 0.00             | 0.00 | 138,175,720  | 22.27 |
| Other entities of Minas Gerais State         | 36,544        | 0.01  | 6,415,884        | 1.84 | 6,452,428    | 1.00  |
| Total, controlling stockholder               | 138,212,264   | 50.97 | 6,415,884        | 1.84 | 144,628,148  | 23.27 |
| Southern Electric Brasil Participações Ltda. | 89,383,266    | 32.96 | 0.00             | 0.00 | 89,383,266   | 14.41 |

**STOCKHOLDERS OF SOUTHERN ELECTRIC BRASIL PARTICIPAÇÕES LTDA. ON JUNE 30, 2009**

| Item | Name                   | Number of shares (Units) | %     |
|------|------------------------|--------------------------|-------|
| 1    | Cayman Energy Traders  | 321,480,876              | 91.75 |
| 2    | 524 Participações S.A. | 28,913,419               | 8.25  |

1 Non-Brazilian company.

2 Listed company; Opportunity Alfa FIA Fund holds 99.99% of its registered capital.

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|                                       | 30.06.2009  |           | 30.06.2008  |           |
|---------------------------------------|-------------|-----------|-------------|-----------|
|                                       | ON shares   | PN shares | ON SHARES   | PN SHARES |
| CONTROLLING STOCKHOLDER               | 138,212,264 | 6,415,884 | 110,569,812 | 4,974,466 |
| BOARD OF DIRECTORS                    | 7,902       | 438       | 6,319       | 850       |
| Alexandre Heringer Lisboa             | 1           |           | 1           |           |
| André Araújo Filho                    | 1           |           |             |           |
| Andréa Leandro Silva                  | 7           |           | 6           |           |
| Antônio Adriano Silva                 | 1           |           | 1           |           |
| Britaldo Pedrosa Soares               | 1           |           |             |           |
| Cezar Manoel de Medeiros              | 1           |           |             |           |
| Clarice Silva Assis                   | 1           |           |             |           |
| Djalma Bastos de Morais               |             | 50        |             | 40        |
| Eduardo Lery Vieira                   | 1           |           | 1           |           |
| Evandro Veiga Negrão de Lima          | 7,649       |           | 6,120       |           |
| Fernando Henrique Schüffner Neto      |             | 386       |             | 309       |
| Francelino Pereira dos Santos         | 1           |           | 1           |           |
| Franklin Moreira Gonçalves            | 1           |           | 1           |           |
| Guilherme Horta Gonçalves Junior      | 1           |           | 1           |           |
| Guy Maria Villela Paschoal            | 10          |           | 8           |           |
| Jeffery Atwood Safford                | 1           |           |             |           |
| João Camilo Penna                     | 1           | 1         | 1           | 500       |
| José Castelo Branco da Cruz           | 1           |           |             |           |
| Kleber Antônio de Campos              | 1           |           |             |           |
| Lauro Sergio Vasconcelos David        | 1           |           | 1           |           |
| Luiz Antônio Athayde Vasconcelos      | 1           |           | 1           |           |
| Marco Antônio Rodrigues da Cunha      | 1           |           | 1           |           |
| Maria Amália Delfim de Melo Coutrim   | 1           |           | 1           |           |
| Maria Estela Kubitschek Lopes         | 1           |           | 1           |           |
| Paulo Sérgio Machado Ribeiro          | 88          | 1         | 71          | 1         |
| Roberto Pinto Ferreira Mameri Abdenur | 127         |           | 102         |           |
| Sérgio Alair Barroso                  | 1           |           |             |           |
| Thomas Anthony Tribone                | 1           |           |             |           |

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| NOME                                  | STOCK HELD |           |            |           |
|---------------------------------------|------------|-----------|------------|-----------|
|                                       | 06.30.2009 |           | 06.30.2008 |           |
|                                       | ON SHARES  | PN SHARES | ON SHARES  | PN SHARES |
| <b>EXECUTIVE BOARD</b>                | 9          | 436       | 6          | 349       |
| Djalma Bastos de Moraes               |            | 50        |            | 40        |
| Arlindo Porto Neto                    | 1          |           |            |           |
| Bernardo Afonso Salomão de Alvarenga  | 1          |           | 1          |           |
| Fernando Henrique Schüffner Neto      |            | 386       |            | 309       |
| José Carlos de Mattos                 |            |           |            |           |
| Luiz Fernando Rolla                   | 6          |           | 4          |           |
| Luiz Henrique de Castro Carvalho      |            |           |            |           |
| Marco Antônio Rodrigues da Cunha      | 1          |           | 1          |           |
| <b>AUDIT BOARD</b>                    |            |           |            |           |
| Aliomar Silva Lima                    |            |           |            |           |
| Ari Barcelos da Silva                 |            |           |            |           |
| Aristóteles Luiz Menezes Vasconcellos |            |           |            |           |
| Drummond                              |            |           |            |           |
| Leonardo Guimarães Pinto              |            |           |            |           |
| Luiz Guaritá Neto                     |            |           |            |           |
| Luiz Otávio Nunes West                |            |           |            |           |
| Marcus Eolo de Lamounier Bicalho      |            |           |            |           |
| Newton de Moura                       |            |           |            |           |
| Thales de Souza Ramos Filho           |            |           |            |           |
| Vicente de Paulo Barros Pegoraro      |            |           |            |           |

**SHARES IN CIRCULATION  
(OTHER THAN SHARES OWNED BY THE STATE OF MINAS GERAIS) (\*)**

| DATE       | COMMON<br>SHARES | %     | PREFERRED SHARES | %     | TOTAL<br>SHARES | %     |
|------------|------------------|-------|------------------|-------|-----------------|-------|
| 06.30.2009 | 132,934,068      | 49.03 | 342,541,418      | 98.09 | 475,475,486     | 76.64 |
| 06.30.2008 | 106,376,485      | 49.03 | 279,165,537      | 99.92 | 385,542,022     | 77.68 |

(\*) Changes in numbers of shares arise from corporate action and/or events during 2009.

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**INDEPENDENT AUDITORS REVIEW REPORT**

To

The Board of Directors

Companhia Energéticas de Minas Gerais CEMIG

Belo Horizonte - MG

1. We have reviewed the Quarterly Financial Information ITR of Companhia Energéticas de Minas Gerais CEMIG (the Company) and the consolidated Quarterly Financial Information of the Company and its subsidiaries for the quarter ended June 30, 2009, comprising the balance sheet, the statements of income, changes in shareholders' equity and of cash flows, the explanatory notes and management report, which are the responsibility of its management.

2. Our review was conducted in accordance with the specific rules set forth by the IBRACON - The Brazilian Institute of Independent Auditors, in conjunction with the Federal Accounting Council - CFC, and consisted mainly of the following: (a) inquiries and discussions with the persons responsible for the Accounting, Finance and Operational areas of the company and its subsidiaries as to the main criteria adopted in the preparation of the Quarterly Financial Information ITR; and (b) reviewing information and subsequent events that have or may have relevant effects on the financial position and operations of the Company and its subsidiaries.

3. Based on our review, we are not aware of any material modification that should be made in accounting information included in the Quarterly Financial Information ITR described above, for it to be in accordance with the rules issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Financial Information ITR, including the Instruction CVM Nº 469/08.

4. As mentioned in Note 2 to the financial information, the accounting practices adopted in Brazil have been changed in 2008 and the effects of the first time adoption were recognized of the Company and its subsidiaries on the fourth quarter of 2008 and disclosure in the financial statements for the year ended December 31, 2008. The statement of income, changes in shareholders' equity and cash flow for the quarter ended June 30, 2008, presented in connection with the Quarterly Financial Information ITR, did not change for comparison purposes, as permitted by Direct Release/CVM/SNC/SEP nº 02/2009 (Ofício Circular).



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5. As described in Notes 8, 17 and 22 to the financial information, Companhia Energética de Minas Gerais – CEMIG and its subsidiaries have assets and liabilities recorded in relation to transactions for the sale and purchase of energy and other transactions on the Electricity Trading Chamber (CCEE) (previously called MAE ). These amounts were recorded on the basis of calculations prepared and published by the CCEE for transactions carried out to June 30, 2009, and may be changed as a result of decisions in current Court Proceedings brought by companies in the sector, in relation to the interpretation of the rules of the wholesale energy market in effect at the moment in which referred transactions are realized.

6. As described in note 32, (item b) as a result of the second periodic tariff review anticipated in the concession contracts, Aneel published, as provisional, the tariff repositioning of the indirect controlled Light Serviços de Eletricidade S.A. – Light SESA, in 1.96% to be applied in the period as from November 7, 2008. For the indirect controlled Light Serviços de Eletricidade S.A. – Light SESA, considering the financial additional of 2.30%, the tariff impact achieved 4.27%. Therefore, the possible effects as a result of the ultimate review, if any, will be reflected in the financial position of the Company and its indirect controlled Light Serviços de Eletricidade S.A. – Light SESA in subsequent periods.

7. The financial statements of Fundação de Seguridade Social Braslight, the pension fund sponsored by the indirect controlled Light S.A., related to four-period ended April 30, 2009, were audited by other independent auditors, who issued an opinion thereon, dated June 2, 2009, including a paragraph commenting on a balance of R\$133.5 million related to tax credits arising from the Entity’s tax immunity proceeding, already considered a final and unappealed decision, which, according to the Management’s estimates, can be offset by taxes payable in the following years. The future realization of the asset is subject to the continuance of the offset process in the Internal Revenue Service, which was suspended in September 2005. If this suspension is maintained, the Entity may eventually record a provision for the asset. This asset, which guarantees the Entity’s actuarial reserves, was deducted from calculation of the subsidiaries’ actuarial deficit, as required by CVM Resolution 371/00. Consequently, in case this amount is provisioned, the proportionally effect in the result will be R\$17.4 million.

August 13, 2009

Original report in Portuguese signed by

KPMG Auditores Independentes

CRC SP014428/O-6-F-MG

Marco Túlio Fernandes Ferreira





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14. Quarterly Financial Information for the quarter ended June 30, 2009, Cemig Geração e Transmissão S.A.

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AT JUNE 30 AND MARCH 31, 2009

**ASSETS**

(R\$ 000)

|  | Consolidated     |                  | Holding company  |                  |
|--|------------------|------------------|------------------|------------------|
|  | 06/30/2009       | 03/31/2009       | 06/30/2009       | 03/31/2009       |
| <b>CURRENT</b>                               |                  |                  |                  |                  |
| Cash and cash equivalents (Note 3)           | 1,220,408        | 1,257,870        | 1,072,486        | 1,239,447        |
| Consumers and traders (Note 4)               | 423,003          | 385,330          | 421,848          | 384,266          |
| Concession holders transport of energy       | 50,127           | 50,574           | 50,127           | 50,574           |
| Recoverable Taxes (Note 7)                   | 471,706          | 331,938          | 470,780          | 330,976          |
| Traders Transactions in Free Energy (note 5) | 17,573           | 16,115           | 17,573           | 16,115           |
| Tax credits (Note 8)                         | 38,673           | 24,899           | 38,673           | 24,899           |
| Inventories                                  | 4,013            | 3,656            | 3,769            | 3,656            |
| Regulatory Asset - Adjustment (Note 6)       | 85,732           |                  | 85,732           |                  |
| Other credits                                | 73,514           | 69,220           | 65,059           | 61,530           |
| <b>TOTAL, CURRENT</b>                        | <b>2,384,749</b> | <b>2,139,602</b> | <b>2,226,047</b> | <b>2,111,463</b> |
| <b>NONCURRENT</b>                            |                  |                  |                  |                  |
| <b>Long term assets</b>                      |                  |                  |                  |                  |
| Tax credits (Note 7)                         | 63,716           | 77,039           | 63,716           | 77,039           |
| Traders Transactions in Free Energy (Note 5) | 4,746            | 10,640           | 4,746            | 10,640           |
| Recoverable Taxes (Note 7)                   | 18,427           | 18,158           | 18,158           | 18,158           |
| Deposits linked to legal actions             | 65,092           | 57,714           | 65,092           | 57,714           |
| Receivable from related parties (Note 24)    | 12,699           | 10,843           | 12,699           | 10,843           |
| Regulatory Asset - Rate Adjustment (Note 6)  | 72,358           |                  | 72,358           |                  |
| Other credits                                | 19,898           | 20,775           | 9,770            | 10,908           |
| <b>Total long term assets</b>                | <b>256,936</b>   | <b>195,169</b>   | <b>246,539</b>   | <b>185,302</b>   |
| Investments (Note 9)                         | 1,074,017        | 1,074,537        | 1,147,372        | 1,132,220        |
| Fixed assets (Note 10)                       | 4,876,435        | 4,801,846        | 4,595,379        | 4,621,827        |
| Intangible (Note 11)                         | 17,492           | 17,240           | 14,699           | 14,453           |
| <b>TOTAL, NONCURRENT</b>                     | <b>6,224,880</b> | <b>6,088,792</b> | <b>6,003,989</b> | <b>5,953,802</b> |
| <b>TOTAL ASSETS</b>                          | <b>8,609,629</b> | <b>8,228,394</b> | <b>8,230,036</b> | <b>8,065,265</b> |

The Explanatory Notes are an integral part of the financial statements.

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AT JUNE 30 AND MARCH 31, 2009

**LIABILITIES**

(R\$ 000)

|   | Consolidated     |                  | Holding company  |                  |
|---|------------------|------------------|------------------|------------------|
|   | 06/30/2009       | 03/31/2009       | 06/30/2009       | 03/31/2009       |
| <b>CURRENT</b>  |                  |                  |                  |                  |
| Charges on loans and financings (Note 14)               | 464,402          | 418,079          | 460,870          | 416,080          |
| Debentures (Note 14)                                    | 397,483          | 381,389          | 397,483          | 381,389          |
| Suppliers (Note 12)                                     | 96,295           | 155,316          | 78,543           | 111,895          |
| Taxes, charges and contributions (Note 13)              | 360,349          | 186,905          | 359,178          | 185,512          |
| Interest on Equity, and dividends, payable              | 153,302          | 539,042          | 153,302          | 539,042          |
| Salaries and mandatory charges on payroll               | 82,322           | 44,129           | 81,949           | 43,859           |
| Regulatory charges (Note 15)                            | 80,643           | 75,706           | 80,643           | 75,706           |
| Profit shares   | 11,463           | 8,951            | 11,463           | 8,951            |
| Debt to related parties (Note 24)                       | 15,723           | 5,544            | 15,723           | 5,544            |
| Post-employment obligations (Note 16)                   | 18,652           | 18,473           | 18,652           | 18,473           |
| Provision for losses on financial instruments (Note 25) | 62,359           | 34,861           | 62,359           | 34,861           |
| Other obligations                                       | 31,246           | 45,053           | 30,263           | 42,609           |
| <b>TOTAL, CURRENT</b>                                   | <b>1,774,239</b> | <b>1,913,448</b> | <b>1,750,428</b> | <b>1,863,921</b> |
| <b>NONCURRENT</b>                                       |                  |                  |                  |                  |
| Loans and financings (Note 14)                          | 1,902,855        | 1,916,179        | 1,705,053        | 1,804,887        |
| Debentures (Note 14)                                    | 428,253          | 272,736          | 273,750          | 272,736          |
| Contingency provisions (Note 17)                        | 8,495            | 7,591            | 8,495            | 7,591            |
| Post-employment obligations (Note 16)                   | 254,524          | 257,338          | 254,524          | 257,338          |
| Taxes, charges and contributions (Note 13)              | 136,828          | 106,443          | 136,828          | 106,443          |
| Regulatory charges (Note 15)                            | 6,652            | 4,352            | 6,652            | 4,352            |
| Other obligations                                       | 39,142           | 36,755           | 35,665           | 34,445           |
| <b>TOTAL, NONCURRENT</b>                                | <b>2,776,749</b> | <b>2,601,394</b> | <b>2,420,967</b> | <b>2,487,792</b> |
| <b>STOCKHOLDERS EQUITY (Note 18)</b>                    |                  |                  |                  |                  |
| Registered capital                                      | 2,896,785        | 2,896,785        | 2,896,785        | 2,896,785        |
| Capital reserves  | 584,354          | 584,354          | 584,354          | 584,354          |
| Retained earnings                                       | 577,502          | 232,413          | 577,502          | 232,413          |
| <b>TOTAL STOCKHOLDERS EQUITY</b>                        | <b>4,058,641</b> | <b>3,713,552</b> | <b>4,058,641</b> | <b>3,713,552</b> |
| <b>TOTAL LIABILITIES</b>                                | <b>8,609,629</b> | <b>8,228,394</b> | <b>8,230,036</b> | <b>8,065,265</b> |

The Explanatory Notes are an integral part of the financial statements.



Table of Contents**INCOME STATEMENT****FOR THE QUARTERS ENDED JUNE 30, 2009 AND 2008****(R\$ 000, except net profit per thousand shares)**

|  | <b>Consolidated<br/>06/30/2009</b> | <b>Holding<br/>company<br/>06/30/2009</b> | <b>Consolidated<br/>and Holding<br/>company<br/>06/30/2008</b> |
|--|------------------------------------|---|--|
| <b>OPERATIONAL REVENUE</b>   |                                    |   |  |
| Gross supply of electricity (Note 19)  | 1,740,088                          | 1,733,621                                 | 1,469,640  |
| Revenue from use of the grid (Note 20)   | 465,609                            | 465,609                                   | 303,482  |
| Other operational revenues   | 11,148                             | 11,148                                    | 15,277   |
|  | 2,216,845                          | 2,210,378                                 | 1,788,399  |
| <b>DEDUCTIONS FROM OPERATIONAL REVENUE (Note 21)</b>   | (439,257)                          | (437,836)                                 | (405,364)  |
| <b>NET OPERATIONAL REVENUE</b>   | 1,777,588                          | 1,772,542                                 | 1,383,035  |
| <b>COST OF ELECTRICITY SERVICE</b>   |                                    |   |  |
| <b>COST OF ELECTRICITY (Note 22)</b>   |                                    |   |  |
| Charges for use of the basic transmission grid   | (142,414)                          | (142,414)                                 | (129,205)  |
| Electricity bought for resale  | (70,914)                           | (70,436)                                  | 8,412  |
|  | (213,328)                          | (212,850)                                 | (120,793)  |
| <b>COST OF OPERATION (Note 22)</b>   |                                    |   |  |
| Personnel and managers   | (110,607)                          | (110,517)                                 | (113,943)  |
| Post-employment obligations  | (9,571)                            | (9,571)                                   | (20,347)   |
| Materials  | (6,415)                            | (6,392)                                   | (6,396)  |
| Raw materials and inputs for generation  | (4,070)                            | (4,070)                                   | (41,707)   |
| Outsourced services  | (42,311)                           | (42,085)                                  | (36,698)   |
| Depreciation and amortization  | (112,659)                          | (112,228)                                 | (109,743)  |
| Reversal of provisions   | (500)                              | (500)                                     | 1,358  |
| Royalties for use of water resources   | (70,090)                           | (70,090)                                  | (62,338)   |
| Other costs of operation   | (13,058)                           | (12,929)                                  | (22,769)   |
|  | (369,281)                          | (368,382)                                 | (412,583)  |
| <b>TOTAL COST</b>  | (582,609)                          | (581,232)                                 | (533,376)  |
| <b>GROSS PROFIT</b>  | 1,194,979                          | 1,191,310                                 | 849,659  |
| <b>OPERATIONAL EXPENSES (Note 22)</b>  |                                    |   |  |
| General and administrative expenses  | (81,773)                           | (81,773)                                  | (34,910)   |
| Sales expenses   | (52)                               | (52)                                      |  |
| Other operational expenses   | (10,296)                           | (10,295)                                  | (16,307)   |
|  | (92,121)                           | (92,120)                                  | (51,217)   |
| <b>PROFIT FROM THE SERVICE<br/>(OPERATIONAL PROFIT BEFORE EQUITY GAINS AND<br/>FINANCIAL REVENUES (EXPENSES) )</b> |                                    |   |  |
|  | 1,102,858                          | 1,099,190                                 | 798,442  |
| Equity gain (loss) from subsidiaries   |                                    | 3,064                                     |  |
| Net financial expenses (Note 23)   | (93,222)                           | (92,863)                                  | (104,174)  |
| <b>PROFIT BEFORE TAXATION AND PROFIT SHARES</b>  | 1,009,636                          | 1,009,391                                 | 694,268  |

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|  |                |                |                |
|--|----------------|----------------|----------------|
| Income tax and Social Contribution (Note 8b)           | (261,788)      | (261,543)      | (204,164)      |
| Deferred income tax and Social Contribution (Note 8 b) | (46,993)       | (46,993)       | 3,227          |
| Employees and managers profit shares                   | (16,217)       | (16,217)       | (9,839)        |
| <b>NET PROFIT FOR THE PERIOD</b>                       | <b>684,638</b> | <b>684,638</b> | <b>483,492</b> |
| <b>NET PROFIT PER THOUSAND SHARES, R\$</b>             |                | <b>236.34</b>  | <b>166.91</b>  |

The Explanatory Notes are an integral part of the financial statements.



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## STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE QUARTELY AND THE SEMESTER ENDED ON JUNE 30, 2009

(In Thousand of Reais, except for dividends and Interest on Equity per thousand shares)

|                                   | Registered<br>capital | Capital<br>reserves | Retained<br>earnings | Total     |
|-----------------------------------|-----------------------|---------------------|----------------------|-----------|
| <b>BALANCES AT MARCH 31, 2009</b> | 2,896,785             | 584,354             | 232,413              | 3,713,552 |
| Net profit for the period         |                       |                     | 452,225              | 452,225   |
| Allocation of profits             |                       |                     |                      |           |
| Interest on Equity (note 18)      |                       |                     | (107,136)            | (107,136) |
| <b>BALANCES AT JUNE 30, 2009</b>  | 2,896,785             | 584,354             | 577,502              | 4,058,641 |

|                                      | Registered<br>capital | Capital<br>reserves | Retained<br>earnings | Total     |
|--------------------------------------|-----------------------|---------------------|----------------------|-----------|
| <b>BALANCES AT DECEMBER 31, 2008</b> | 2,896,785             | 584,354             |                      | 3,481,139 |
| Net profit for the period            |                       |                     | 684,638              | 684,638   |
| Allocation of profits                |                       |                     |                      |           |
| Interest on Equity (note 18)         |                       |                     | (107,136)            | (107,136) |
| <b>BALANCES AT JUNE 30, 2009</b>     | 2,896,785             | 584,354             | 577,502              | 4,058,641 |

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## STATEMENTS OF CASH FLOWS

FOR THE QUARTERS ENDED MARCH 31, 2009 AND 2008

R\$ 000

|   | Consolidated   |                | Holding company |                |
|---|----------------|----------------|-----------------|----------------|
|   | 06/30/2009     | 06/30/2008     | 06/30/2009      | 06/30/2008     |
| <b>FROM OPERATIONS</b>                            |                |                |                 |                |
| Net profit for the year                           | 684,638        | 483,492        | 684,638         | 483,492        |
| Expenses (revenues) not affecting cash            |                |                |                 |                |
| Depreciation and amortization                     | 112,815        | 110,915        | 112,384         | 110,915        |
| Net write-offs of fixed assets                    | 2,536          | 1,268          | 2,536           | 1,268          |
| Equity gains (losses)                             |                |                | (3,064)         |                |
| Interest and monetary updating Noncurrent         | (5,664)        | (2,502)        | (17,468)        | (2,502)        |
| Regulatory asset Tariff Revision of Transmission  | (158,090)      |                | (158,090)       |                |
| Deferred federal taxes                            | 46,993         | (3,227)        | 46,993          | (3,227)        |
| Provisions (reversals) for operational losses     | 1,173          | (774)          | 1,173           | (774)          |
| Provisions for losses on Free Energy transactions | 8,306          | 17,557         | 8,306           | 17,557         |
| Provision for losses on financial instruments     | 46,724         | 10,374         | 46,724          | 10,374         |
| Post-employment obligations                       | 14,666         | 24,008         | 14,666          | 24,008         |
| Other   | 2,195          |                | 2,225           | (14,436)       |
|   | 739,680        | 626,675        | 724,411         | 626,675        |
| <b>Increase (reduction) in assets</b>             |                |                |                 |                |
| Consumers and traders                             | (65,270)       | (21,461)       | (64,889)        | (21,461)       |
| Traders transactions in Free Energy               | 23,318         | 9,874          | 23,318          | 9,874          |
| RECOVERABLE TAXES                                 | (197,862)      | (233,950)      | (197,596)       | (233,903)      |
| Transport of energy                               | 59             | (4,206)        | 59              | (4,206)        |
| Tax Credit  | 2,076          | 122,748        | 2,076           | 122,748        |
| Payments into Court                               | (22,685)       | (2,320)        | (15,560)        | (2,320)        |
| Other current assets                              | (10,235)       | 4,821          | (5,990)         | 6,817          |
| Others  | 13,793         | (9,059)        | 2,044           | (9,069)        |
|   | (256,806)      | (133,553)      | (256,538)       | (131,520)      |
| <b>Increase (reduction) in liabilities</b>        |                |                |                 |                |
| Suppliers   | (48,708)       | (153,410)      | (46,943)        | (152,567)      |
| Taxes and Social Contribution                     | 288,976        | 66,751         | 288,164         | 66,676         |
| Salaries and mandatory charges on payroll         | 17,822         | (3,422)        | 17,516          | (3,401)        |
| Regulatory charges                                | (11,420)       | 6,149          | (11,420)        | 6,149          |
| Loans and financings                              | 44,809         | 68,791         | 44,936          | 68,353         |
| Post-employment obligations                       | (20,078)       | (23,093)       | (20,078)        | (23,093)       |
| Losses on financial instruments                   | 936            | (529)          | 936             | (529)          |
| Other   | (49,248)       | (30,655)       | (31,186)        | (32,529)       |
|   | 223,089        | (69,418)       | 241,925         | (70,941)       |
| <b>CASH GENERATED BY OPERATIONS</b>               | <b>705,963</b> | <b>423,704</b> | <b>709,798</b>  | <b>424,214</b> |
| <b>FINANCING ACTIVITIES</b>                       |                |                |                 |                |

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|   |                 |                  |                  |                  |
|---|-----------------|------------------|------------------|------------------|
| Financings obtained                           | 425,853         | 15,300           | 113,979          |                  |
| Payments of loans and financings              | (31,064)        | (241,476)        | (30,494)         | (241,476)        |
| Interest on Equity, and dividends             | (492,875)       | (115,970)        | (492,875)        | (115,970)        |
| <b>CASH GENERATED BY FINANCING ACTIVITIES</b> | <b>(98,086)</b> | <b>(342,146)</b> | <b>(409,390)</b> | <b>(357,446)</b> |

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|   | Consolidated     |                 | Holding company |                 |
|---|------------------|-----------------|-----------------|-----------------|
|   | 06/30/2009       | 06/30/2008      | 06/30/2009      | 06/30/2008      |
| <b>INVESTMENTS ACTIVITIES</b>               |                  |                 |                 |                 |
| On investments                              | (287)            | (41.419)        | (45.203)        | (45.052)        |
| In fixed assets                             | (249.280)        | (52.450)        | (34.932)        | (30.671)        |
| Special Obligations consumer contributions  |                  | 8               |                 | 8               |
| <b>CASH USED AT INVESTMENTS ACTIVITIES</b>  | <b>(249.567)</b> | <b>(93.861)</b> | <b>(80.135)</b> | <b>(75.715)</b> |
| <b>NET CHANGE IN CASH POSITION</b>          | <b>358.310</b>   | <b>(12.303)</b> | <b>220.273</b>  | <b>(8.947)</b>  |
| <b>STATEMENT OF CHANGE IN CASH POSITION</b> |                  |                 |                 |                 |
| At start of the year                        | 862.098          | 916.288         | 852.213         | 907.116         |
| At end of year                              | 1.220.408        | 903.985         | 1.072.486       | 898.169         |
|   | <b>358.310</b>   | <b>(12.303)</b> | <b>220.273</b>  | <b>(8.947)</b>  |

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**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**

**THE QUARTERS ENDED JUNE 30, 2009**

**In R\$ 000, except where otherwise stated**

**1) OPERATIONAL CONTEXT**

Cemig Geração e Transmissão S.A. ( Cemig GT , Cemig Generation and Transmission , or the Company ) 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, and started operating on January 1, 2005, following of the unbundling of Cemig s businesses. Its shares are not traded on any securities exchange.

The objects of Cemig GT are: a) to study, plan, project, build and commercially operate systems of generation, transmission and sale of electricity and related services for which concessions are granted, under any form of law, to it or to companies of which it maintains stockholding control; b) to operate in the various fields of energy, from whatever source, with a view to economic and commercial operation; c) to provide consultancy services within its field of operation to companies in and outside Brazil; and d) to carry out activities directly or indirectly related to its objects.

The National Electricity Agency (Aneel), the regulator of the Brazilian electricity sector, approved the transfer of the generation concessions from Cemig to Cemig GT by Authorizing Resolution 1338/20004.

Cemig GT operates 46 power plants; of which 43 are hydroelectric, one is a wind power plant and two are thermal plants; and their transmission lines, most of them part of the Brazilian national generation and transmission grid system.

Cemig GT has stockholdings in the following subsidiaries:

- Hidrelétrica Cachoeirão S.A. (jointly controlled, 49.00% stake): Production and sale of electricity as an independent power producer, through the Cachoeirão hydroelectric power plant, at Pocrane, in the State of Minas Gerais, with installed capacity of 27 MW (information not reviewed by the external auditors). The plant began operating in 2009.

Subsidiaries at pre-operational stage.

- Guanhães Energia S.A. (jointly controlled, 49.00% stake): Production and sale of electricity through building and commercial operation of the following Small Hydro Plants in Minas Gerais state: *Dores de Guanhães*, *Senhora do Porto* and *Jacaré*, in the municipality of Dores de Guanhães; and *Fortuna II*, in the municipality of Virginópolis. The plants are at construction phase, with operational start up scheduled for 2009, and have totaled installed capacity of 44 MW (information not reviewed by the external auditors).
- Cemig Baguari Energia S.A. (subsidiary, 100.00% stake) Production and sale of electricity as an independent producer in future projects.
- Madeira Energia S.A. (jointly controlled, 10.00% stake): Implementation, construction, operation and commercial operation of the *Santo Antônio Hydroelectric Plant* in the Madeira river basin, in the State of Rondônia, with power of 3,150 MW (information not audited) and commercial startup scheduled for 2012.

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- Hidrelétrica Pipoca S.A. (jointly controlled, 49.00% stake): Independent production of electricity, through construction and commercial operation of the *Pipoca Small Hydro Plant*, with installed capacity of 20 MW (information not audited), located on the Manhuaçu River, in the municipalities of Caratinga and Ipanema, in the State of Minas Gerais. Operational startup is scheduled for April 2010.
- *Baguari Energia* S.A. (jointly controlled, 69.39% stake): Construction, operation, maintenance and commercial operation of the *Baguari Hydroelectric Plant*, through its participation in the UHE Baguari Consortium (Baguari Energia 49.00%, Neoenergia 51.00%), with installed capacity of 140 MW (information not audited), on the Doce River in Governador Valadares, Minas Gerais State. Operational start up is planned for October 2009 (1st unit), December 2009 (2nd unit), and February 2010 (3rd unit).
- Empresa Brasileira de Transmissão de Energia ( EBTE ) (jointly-controlled subsidiary, 49.00% stake): Holder of public electricity transmission concession, for transmission lines in the state of Mato Grosso. Operational startup is scheduled for June 2010.

## 2) PRESENTATION OF THE FINANCIAL STATEMENTS

### 2.1) Presentation of the Quarterly Information

The quarterly financial statements were prepared according to accounting principles adopted in Brazil, namely: the Brazilian Corporate Law; the Statements, Orientations and Interpretations issued by the Accounting Statements Committee; the rules of the Brazilian Securities Commission (CVM *Comissão de Valores Mobiliários*); and rules of the specific legislation applicable to holders of electricity concessions, issued by the National Electricity Agency, Aneel.

The quarterly information has been prepared according to accounting principles, methods and criteria that are uniform in relation to those adopted in the previous business year. In accordance with that, the quarterly information must be read with the financial information of the previous year.

### 2.2) Change in the Brazilian Corporate Law

Law 11.638/07 alters and repeals provisions, and creates new provisions, in the Brazilian Corporate Law, in the chapter relating to disclosure and preparation of financial statements. Among other aspects, this changes the criterion for recognition and valuation of certain assets and liabilities. The aim of these changes is to increase the transparency of financial statements of Brazilian companies and eliminate some regulatory barriers that were an obstacle to the process of convergence of these financial statements with International Financial Reporting Standards

(IFRS):

Law 11.638/07 and Provisional Measure 449/08 alters the Law 6.404/76 the aspects related to the Financial Statements.

In the Financial Statement of 2008, the Company has adopted for the first time the changes in the Brazilian Corporate Law made by Law 11.638 approved on December 28, 2007, with the respective changes made by the Provisional Measure 449 on December 3, 2008.



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The effects in the quarterly statement because of the changes in the Corporate Law were basically, (i) the present value and (ii) financial instruments, and the impact in the net profit of the quarterly ended on June 30, 2008 were in the amount of R\$15,574 and R\$19,824, respectively, and those were not adjusted in the quarterly information for comparative because the amounts were imaterial.

**2.3) The consolidated Quarterly Information (ITR)**

The consolidated information at June 30, 2009 includes the financial statements of the Company and of the subsidiaries mentioned in Explanatory Note 1.

The accounting practices were applied in a uniform manner in all the companies consolidated and consistent with those used in the previous business year.

The companies in which control is shared were consolidated proportionately to the percentage holding. Each line in the quarterly information was, thus, consolidated after application of this holding percentage. Consequently, there is no separate line for minority interests.

In the consolidation the following have been eliminated: (i) holdings in the Stockholders equity of the subsidiaries; (ii) equity income; (iii) balances of assets and liabilities between the companies consolidated; and (iv) the balances of revenues and expenses arising from transactions between the companies consolidated.

The dates of the financial statements of the investee companies used for calculation of equity income and consolidation coincide with those of the holding company.

**3) CASH AND CASH EQUIVALENTS**

|                                 | Consolidated     |                  | Holding company  |                  |
|---------------------------------|------------------|------------------|------------------|------------------|
|                                 | 06/30/2009       | 03/31/2009       | 06/30/2009       | 03/31/2009       |
| Bank accounts                   | 56,245           | 17,958           | 11.869           | 10,475           |
| Cash investments                |                  |                  |                  |                  |
| Bank deposit certificates       | 1,121,616        | 1,193,142        | 1.018.786        | 1,182,202        |
| Treasury Financial Notes (LFTs) | 26,341           | 26,951           | 26.341           | 26,951           |
| National Treasury Notes (LTNs)  | 10,705           | 163              | 10.705           | 163              |
| Other                           | 5,501            | 19,656           | 4.785            | 19,656           |
|                                 | 1,164,163        | 1,239,912        | 1.060.617        | 1,228,972        |
|                                 | <b>1,220,408</b> | <b>1,257,870</b> | <b>1.072.486</b> | <b>1,239,447</b> |

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Cash investments consist of transactions carried out with Brazilian financial institutions. These transactions are contracted on normal market conditions and at normal market rates. They have high liquidity, are promptly convertible into a known amount of cash, and are subject to an insignificant risk of change in value.

These financial investments are, principally, bank certificates of deposit and fixed income funds, remunerated, substantially, by percentages indexed to variation in the CDI (Interbank Certificate of Deposit) rate, varying between 101% and 103% of that rate.

Table of Contents4) **CONSUMERS AND RESELLERS**

| Consumer type                                | Balances not yet due | Up to 90 days past due | More than 90 days past due | 06/30/2009     | Total | 03/31/2009     |
|--|----------------------|------------------------|----------------------------|----------------|-------|----------------|
| <b>Holding company</b>                       |                      |                        |                            |                |       |                |
| Industrial                                   | 142,840              | 8,903                  | 48,377                     | 200,120        |       | 191,210        |
| Wholesale supply to other concession holders | 211,245              | 336                    | 10,978                     | 222,559        |       | 193,836        |
| Provision for doubtful receivables           |                      |                        | (831)                      | (831)          |       | (780)          |
|  | <b>354,085</b>       | <b>9,239</b>           | <b>58,524</b>              | <b>421,848</b> |       | <b>384,266</b> |
| <b>Subsidiaries</b>                          |                      |                        |                            |                |       |                |
| Industrial                                   | 1,135                |                        |                            | 1,135          |       | 1,057          |
| Wholesale supply to other concession holders | 20                   |                        |                            | 20             |       | 7              |
|  | <b>1,155</b>         |                        |                            | <b>1,155</b>   |       | <b>1,064</b>   |
| <b>Total, consolidated</b>                   | <b>355,240</b>       | <b>9,239</b>           | <b>58,524</b>              | <b>423,003</b> |       | <b>385,330</b> |

The Company makes provisions for doubtful receivables through individual analysis of clients' outstanding balances, taking into account the history of default, negotiations in progress and the existence of any real guarantees.

The provision made for doubtful credits is considered to be sufficient to cover any losses in the realization of these assets.

Credits receivable from an industrial consumer in the amount of R\$ 46,188, not paid due to an injunction that allowed this payment not to be made until final judgment of a legal action challenging the tariff increase during the Cruzado Economic Plan made by Ministerial Order 045/86, are recorded in the accounts. The Company expects that the amounts mentioned will be received in full.

5) **TRADERS TRANSACTIONS IN FREE ENERGY**

The rights of Cemig GT in relation to the transactions in free energy in the Electricity Trading Chamber (CCEE, formerly MAE) during the Rationing Program are as follows:

|  | Consolidated and Holding company |               |
|--|----------------------------------|---------------|
|  | 06/30/2009                       | 03/31/2009    |
| <b>CURRENT</b>                           |                                  |               |
| Amounts to be received from distributors | 40,132                           | 44,152        |
| Provision for losses in realization      | (17,813)                         | (17,397)      |
|  | <b>22,319</b>                    | <b>26,755</b> |

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|            |        |        |
|------------|--------|--------|
| Current    | 17,573 | 16,115 |
| Noncurrent | 4,746  | 10,640 |

The amounts to be received refer to the difference between the prices paid by the Company in the transactions in energy on the CCEE/MAE during the period when the Rationing Program was in force, and the amount of R\$ 49.26/MWh. In the General Agreement for the Electricity Sector it was established that this difference was to be reimbursed through the amounts raised by means of the RTE.

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In accordance with Aneel Resolution 36 of January 29, 2003, Since March 2003 electricity distributors have obtained RTE amounts monthly by means of tariffs and passed them through to the generators and distributors who have amounts to be received, including the Company, since March 2003.

The amounts receivable by Cemig GT are updated by the variation in the Selic rate plus 1.00% interest per year.

The conclusion of some court proceedings in progress, brought by market agents, in relation to the interpretation of the rules in force at the time of the realization of the transactions in the ambit of the CCEE/MAE, may result in changes in the amounts recorded.

Provision for losses in realization

The provision now constituted, in the amount of R\$ 17,813, represents the losses that are expected as a result of the period of receipt of the RTE from the other distributors that are still passing through funds to the Company not being sufficient for full payment of the amounts owed.

**6) REGULATORY ASSET - TRANSMISSION RATE ADJUSTMENT**

The first revision of the tariff of Cemig GT was approved by ANEEL on June 17, 2009 in which the Agency has set the repositioning of the Annual Revenue Permitted (RAP) of the Company at 5.35%, retroactive to 2005.

Adicionaly it was established by ANEEL a financial component of R\$ 158,090 to be paid to the Company throw a Parcel A revenue (PA) in 24 months. This is due to the effects of retroactive pricing repositioning occurred in the period between 1 July 2005 and June 30, 2009. The first installment of R\$ 85,732 will be incorporated into the adjustment of the 2009/2010 cycle and the second installment of R\$ 72,358 offset adjustment in 2010/2011, as bellow:

**Parcel A Revenue (PA)**

|                                   |                |
|-----------------------------------|----------------|
| Basic network                     | 128,823        |
| Frontier                          | 13,899         |
| DIT Other Transmission components | 15,368         |
|                                   | <b>158,090</b> |

As provided in the concession contract of the Company, the review of the calculations were made on the basis of all transmission assets and not just for the new facilities.



Table of Contents7) **RECOVERABLE TAXES**

|                      | Consolidated   |                | Holding Company |                |
|----------------------|----------------|----------------|-----------------|----------------|
|                      | 06/30/2009     | 03/31/2009     | 06/30/2009      | 03/31/2009     |
| <b>Current</b>       |                |                |                 |                |
| ICMS tax recoverable | 31.320         | 39,361         | 30.471          | 38,466         |
| Income tax           | 319.376        | 192,337        | 319.300         | 192,270        |
| Social Contribution  | 107.051        | 62,101         | 107.050         | 62,101         |
| Pasep tax            | 2.183          | 6,401          | 2.183           | 6,401          |
| Cofins tax           | 9.975          | 30,087         | 9.975           | 30,087         |
| Other                | 1.801          | 1,651          | 1.801           | 1,651          |
|                      | <b>471.706</b> | <b>331,938</b> | <b>470.780</b>  | <b>330,976</b> |
| <b>Noncurrent</b>    |                |                |                 |                |
| ICMS recoverable     | 18.158         | 18,158         | 18.158          | 18,158         |
| Income tax           | 269            |                |                 |                |
|                      | <b>18.427</b>  |                | <b>18.158</b>   |                |
|                      | <b>490.133</b> | <b>350,096</b> | <b>488.938</b>  | <b>349,134</b> |

The balances of income tax and Social Contribution tax refer to tax credits in corporate income tax returns of previous years, and payments made in 2009, which will be offset with federal taxes payable, to be calculated for the year 2009, reported in Taxes, charges and contributions.

The credits of ICMS recoverable arise from acquisitions of fixed assets and are offset in 48 months.

The Company filed a consultation with the Minas Gerais State Tax Department for clarification of questions related to the use of part of the ICMS credits recorded in Long-term assets, and the response is awaited in the third quarter of 2009, when their offsetting will be commenced.

Table of Contents8) **TAX CREDITS**a) **Deferred income tax and Social Contribution:**

The company has the following deferred credits of income tax, constituted at the rate of 25.00%, and Social Contribution, at the rate of 9.00%, posted in Current and Noncurrent assets:

|   | <b>Consolidated and<br/>Holding company</b> |                   |
|---|---|-------------------|
|   | <b>06/30/2009</b>                           | <b>03/31/2009</b> |
| Tax credits on temporary differences:                                 |   |                   |
| Provision for losses in realization of free energy amounts receivable | 6.056                                       | 5,915             |
| Post-employment obligations   | 21.202                                      | 21,381            |
| Provision for Pasesp/Cofins taxes Extraordinary Tariff Recomposition  | 5.960                                       | 1,116             |
| Provision for doubtful receivables                                    | 273   | 255               |
| Transactions in free energy   | 4.130                                       | 5,942             |
| Financial Instruments   | 22.644                                      | 27,460            |
| FX variation  | 35.343                                      | 35,342            |
| Contingencies   | 2.889                                       | 2,581             |
| Other   | 3.892                                       | 1,946             |
|   | <b>102.389</b>                              | <b>101,938</b>    |
| Current assets  | 38.673                                      | 24,899            |
| Noncurrent assets   | 63.716                                      | 77,039            |

At its meeting on February 12, 2009, the Board of Directors approved the technical study prepared by the CFO's department on the forecasts for future profitability adjusted to present value, which show capacity for realization of the deferred tax asset in a maximum period of 10 years, as defined in CVM Instruction 371. This study was also submitted to examination by Cemig's Audit Board on February 5, 2009.

In accordance with the estimates of Cemig GT, future taxable profits enable the deferred tax asset existing on June 30, 2009 to be realized according to the following estimate:

|              | <b>Consolidated and Holding company</b> |
|--------------|---|
| 2009         | 14,808                                  |
| 2010         | 47,729                                  |
| 2011         | 11,736                                  |
| 2012         | 10,598                                  |
| 2013         | 6,784                                   |
| 2014 to 2016 | 6,948                                   |
| 2017 to 2018 | 3,786                                   |
|              | <b>102,389</b>                          |





Table of Contents**b) Reconciliation of the expense on income tax and Social Contribution:**

The reconciliation of the nominal expense on income tax (rate 25%) and Social Contribution (rate 9%) with the actual expense shown in the Income Statement is as follows:

|   | Consolidated<br>06/30/2009 | Holding company<br>06/30/2009 | 06/30/2008       |
|---|----------------------------|-------------------------------|------------------|
| Profit before income tax and Social Contribution tax                    | 1.009.636                  | 1.009.391                     | 694.268          |
| Income tax and Social Contribution nominal expense                      | (343.276)                  | (343.193)                     | (236.051)        |
| Tax effects applicable to:  |                            |                               |                  |
| Interest on Equity  | 36.426                     | 36.426                        | 31.269           |
| Employees profit shares   | 5.514                      | 5.514                         | 3.345            |
| Tax incentive amounts   | 3.720                      | 3.720                         | 1.706            |
| Equity income from subsidiaries   |                            | 1.042                         |                  |
| Non-deductible contributions and donations                              | (856)                      | (856)                         |                  |
| Adjustment to income tax and Social Contribution previous business year | (11.423)                   | (11.423)                      |                  |
| Tax credits not recognized  | 229                        | 229                           |                  |
| Other   | 885                        | 5                             | (1.206)          |
| <b>Income tax and Social Contribution</b>                               | <b>(308.781)</b>           | <b>(308.536)</b>              | <b>(200.937)</b> |

**c) Transition Taxation Regime**

Provisional Measure 449/2008, of December 3, 2008, changed to Law 11.941/09 instituted the Transition Taxation Regime (RTT), which aims to neutralize the impacts of the new accounting methods and criteria introduced by Law 11.638/07, in calculation of the taxable amounts for federal taxes.

Application of the RTT is optional for the year 2008 and 2009, and applies to corporate entities subject to Corporate Income Tax ( IRPJ ), in accordance with the two tax reporting methods: real profit or presumed profit. The taxpayer must choose an option whether to adopt the RTT in the Corporate Tax Return ( DIPJ ) for 2009. Starting in 2010, adoption of the RTT becomes obligatory, until the law that governs the tax effects of the new accounting methods and criteria comes into effect.

For companies that adopt the RTT, the changes introduced by Law 11638/07, as amended by MP 449/08, which change the criteria for recognition of revenues, costs and expenses computed in calculation of the net profit for the period, do not apply for calculating the real profit of the legal entity: the accounting methods and criteria in effect on December 31, 2007 are used for tax purposes.

Based on an initial assessment, the Company has reflected in its accounting statements the effects of the adoption of the RTT. Additionally the Company will have to make until November 30, 2009 the establishment of the Transitional Control Tax Accounting (FCONT) established by Normative Instruction 949/2009 by the Federal Reserve of Brazil.



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## 9) INVESTMENTS

|   | Consolidated     |                  | Holding Company  |                  |
|---|------------------|------------------|------------------|------------------|
|   | 06/30/2009       | 03/31/2009       | 06/30/2009       | 03/31/2009       |
| In subsidiaries and jointly-controlled subsidiaries |                  |                  |                  |                  |
| Hidrelétrica Cachoeirão S.A.                        |                  |                  | 20,337           | 18,768           |
| Guanhães Energia S.A.                               |                  |                  | 9,608            | 9,608            |
| Hidrelétrica Pipoca S.A                             |                  |                  | 19,086           | 12,925           |
| Cemig Baguari Energia S.A.                          |                  |                  | 1                | 10               |
| Madeira Energia S.A.                                |                  |                  | 10               | 10               |
| Baguari Energia S.A.                                |                  |                  | 164,242          | 153,692          |
| EBTE  |                  |                  | 24,306           | 16,355           |
| In consortia  | 1,072,284        | 1,068,091        | 908,049          | 914,406          |
| Other   | 1,733            | 6,446            | 1,733            | 6,446            |
|   | <b>1,074,017</b> | <b>1,074,537</b> | <b>1,147,372</b> | <b>1,132,220</b> |

**Investments in consortia**

The Company participates in consortia for electricity generation concessions, for which companies with an independent legal existence have not been constituted to administer the object of the concession, the controls being maintained in the books of account of Cemig GT, of the specific portion equivalent to the investments made, as follows:

|                                      | Stake in the energy generated | Average annual depreciation rate, % | 06/30/2009       | 03/31/2009       |
|--------------------------------------|-------------------------------|-------------------------------------|------------------|------------------|
| <b>In service</b>                    |                               |                                     |                  |                  |
| Porto Estrela Plant                  | 33.33%                        | 2.48                                | 38,625           | 38,625           |
| Igarapava Plant                      | 14.50%                        | 2.58                                | 55,554           | 55,554           |
| Funil Plant                          | 49.00%                        | 2.40                                | 181,595          | 181,402          |
| Queimado Plant                       | 82.50%                        | 2.45                                | 193,599          | 193,599          |
| Aimorés Plant                        | 49.00%                        | 2.50                                | 549,538          | 543,684          |
| Accumulated depreciation             |                               |                                     | (124,859)        | (118,255)        |
| Total in operation                   |                               |                                     | <b>894,052</b>   | <b>894,609</b>   |
| <b>In progress</b>                   |                               |                                     |                  |                  |
| Queimado Plant                       | 82.50%                        |                                     | 13,125           | 13,125           |
| Funil Plant                          | 49.00%                        |                                     | 872              | 819              |
| Aimorés Plant                        | 49.00%                        |                                     |                  | 5,853            |
| Total under construction             |                               |                                     | <b>13,997</b>    | <b>19,797</b>    |
| Total of Consortia - Holding Company |                               |                                     | <b>908,049</b>   | <b>914,406</b>   |
| Baguari plant under construction     | 34.00%                        |                                     | 164,235          | 153,685          |
| Total of Consortia - Consolidated    |                               |                                     | <b>1,072,284</b> | <b>1,068,091</b> |

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The depreciation of the goods contained in the property, plant and equipment of the consortia is calculated by the linear method, based on rates established by Aneel.

Table of Contents**The main information on the investees is as follows:**

| Jointly-controlled subsidiary                      | Number of shares | Stake (%) | June 30, 2009<br>Paid-up<br>registered<br>capital | Stockholders<br>equity |
|--|------------------|-----------|---|------------------------|
| Hidrelétrica Cachoeirão S.A.                       | 35,000,000       | 49.00     | 35,000  | 41,507                 |
| Guanhães Energia S.A.                              | 52,000,000       | 49.00     | 19,608  | 19,608                 |
| Hidrelétrica Pipoca S.A                            | 35,382,415       | 49.00     | 35,382  | 38,952                 |
| Madeira Energia S.A.                               | 100,000          | 10.00     | 100   | 100                    |
| Cemig Baguari Energia S.A.                         | 1,000            | 100.00    | 1   | 1                      |
| Baguari Energia S.A.                               | 1,000,000        | 69.39     | 10  | 236,702                |
| Empresa Brasileira de Transmissão de Energia S. A. | 49,604,465       | 49.00     | 49,604  | 49,604                 |

**New acquisitions**Acquisition of 65.86% of the capital interest of Terna Participações S.A.

On April 23, 2009 Cemig GT acquired 65.86% of Terna Participações S.A, a holding company that operates in electricity transmission, with a presence in 11 Brazilian States, for R\$ 2.33 billion. The holding company controls a total of six companies which operate a total of more than 3,750 km of transmission lines.

The conclusion of the transaction and the actual acquisition should take place by September 30, depending on approvals from regulators and creditors. Additionally, CEMIG also intends, on a date to be announced, to make a public offering to acquire the shares of Terna Participações held by the minority stockholders, for prices corresponding to 100% of the price paid to Terna S.p.A.

On August 5, 2009 CEMIG's Board of Directors approved, as an alternative to acquisition of all of the shares of Terna Participações S.A. ( Terna ) held by Terna Rete Elettrica Nazionale S.p.A ( Terna S.p.A ), as specified as optional under the Share Purchase Agreement signed on that date between Cemig GT and Terna S.p.A., the possibility of reduction of the final stockholding interest to be held by Cemig GT in Terna, in that acquisition, to a minimum level of 50% less 1 (one) of the common shares in Terna, and, as to the preferred shares, to a minimum representing the percentage realized by the Public Offer to purchase the shares of the minority stockholders in that company, through a partnership to be constituted with Fundo de Investimentos em Participação (FIP) Coliseu, if it becomes possible for all the units of this FIP (Equity Investment Fund), necessary for the said acquisition to be subscribed. Implementation of this alternative is conditional upon its ratification by the General Meeting of Stockholders to be held for this purpose on August 26, 2009 and upon successful conclusion of negotiation of the partnership with FIP Coliseu.

Table of Contents**10) FIXED ASSETS**

|  |                      | <b>06/30/2009</b>               |                  | <b>03/31/2009</b> |
|--|----------------------|---------------------------------|------------------|-------------------|
|  | <b>Historic cost</b> | <b>Accumulated depreciation</b> | <b>Net value</b> | <b>Net value</b>  |
| <b>In service</b>                            | <b>8,087,302</b>     | <b>(3,682,254)</b>              | <b>4,405,048</b> | <b>4,451,349</b>  |
| - Generation                                 | 6,727,417            | (2,970,218)                     | 3,757,199        | 3,793,327         |
| Lands  | 195,552              |                                 | 195,552          | 195,673           |
| Reservoirs, dams and watercourses            | 3,672,137            | (1,405,324)                     | 2,266,813        | 2,255,377         |
| Buildings, works and improvements            | 780,619              | (359,585)                       | 421,034          | 487,835           |
| Machines and equipment                       | 2,074,440            | (1,201,022)                     | 873,418          | 854,058           |
| Vehicles                                     | 2,115                | (1,856)                         | 259              | 258               |
| Furniture and utensils                       | 2,554                | (2,431)                         | 123              | 126               |
| - Transmission                               | 1,297,772            | (673,343)                       | 624,429          | 634,024           |
| Lands  | 2,138                |                                 | 2,138            | 2,138             |
| Buildings, works and improvements            | 106,549              | (58,972)                        | 47,577           | 48,503            |
| Machines and equipment                       | 1,187,937            | (613,422)                       | 574,515          | 583,172           |
| Vehicles                                     | 175                  | (130)                           | 45               | 49                |
| Furniture and utensils                       | 973                  | (819)                           | 154              | 162               |
| - Management                                 | 62,113               | (38,693)                        | 23,420           | 23,998            |
| Lands  | 621                  |                                 | 621              | 621               |
| Buildings, works and improvements            | 14,160               | (7,636)                         | 6,524            | 6,653             |
| Machines and equipment                       | 33,540               | (21,928)                        | 11,612           | 11,561            |
| Vehicles                                     | 10,878               | (6,293)                         | 4,585            | 5,094             |
| Furniture and utensils                       | 2,914                | (2,836)                         | 78               | 69                |
| <b>In progress</b>                           | <b>198,255</b>       |                                 | <b>198,255</b>   | <b>178,402</b>    |
| - Generation                                 | 109,226              |                                 | 109,226          | 104,460           |
| - Transmission                               | 69,309               |                                 | 69,309           | 59,217            |
| - Management                                 | 19,720               |                                 | 19,720           | 14,725            |
| <b>Total fixed assets</b>                    | <b>8,285,557</b>     | <b>(3,682,254)</b>              | <b>4,603,303</b> | <b>4,629,751</b>  |
| Special Obligations linked to the concession | (7,924)              |                                 | (7,924)          | (7,924)           |
| <b>Net fixed assets Holding company</b>      | <b>8,277,633</b>     | <b>(3,682,254)</b>              | <b>4,595,379</b> | <b>4,621,827</b>  |
| <b>In service subsidiaries</b>               | <b>49,238</b>        | <b>(407)</b>                    | <b>48,831</b>    | <b>18,475</b>     |
| - Generation                                 | 49,219               | (406)                           | 48,813           | 18,462            |
| - Management                                 | 19                   | (1)                             | 18               | 13                |
| <b>In progress - subsidiaries</b>            | <b>232,225</b>       |                                 | <b>232,225</b>   | <b>161,544</b>    |
| - Generation                                 | 211,076              |                                 | 211,076          | 156,836           |
| - Transmission                               | 19,688               |                                 | 19,688           | 3,925             |
| - Management                                 | 1,461                |                                 | 1,461            | 783               |
| <b>Net fixed assets holding company</b>      | <b>8,559,096</b>     | <b>(3,682,661)</b>              | <b>4,876,435</b> | <b>4,801,846</b>  |

Special Obligations linked to the Concession refers basically to contributions by consumers for carrying out of works necessary to meet requests for supply of electricity.





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## 11) INTANGIBLE

|   | Historic cost | 03/31/2009<br>Accumulated<br>depreciation | Net value     | 03/31/2009<br>Net value |
|---|---------------|---|---------------|-------------------------|
| <b>In service</b>                           | <b>30,451</b> | <b>(20,467)</b>                           | <b>9,984</b>  | <b>10,380</b>           |
| - Generation                                | 2,381         | (839)                                     | 1,542         | 1,657                   |
| - Transmission                              | 9,656         | (2,575)                                   | 7,081         | 7,189                   |
| - Management                                | 18,414        | (17,053)                                  | 1,361         | 1,534                   |
| <b>In progress</b>                          | <b>4,715</b>  |   | <b>4,715</b>  | <b>4,073</b>            |
| - Generation                                | 1,089         |   | 1,089         | 1,090                   |
| - Transmission                              | 1,373         |   | 1,373         | 1,301                   |
| - Management                                | 2,253         |   | 2,253         | 1,682                   |
| <b>Net fixed assets holding company</b>     | <b>35,166</b> | <b>(20,467)</b>                           | <b>14,699</b> | <b>14,453</b>           |
| <b>In service</b>                           | <b>37</b>     |   | <b>37</b>     | <b>28</b>               |
| - Generation                                | 28            |   | 28            | 28                      |
| - Management                                | 9             |   | 9             |                         |
| <b>In progress</b>                          | <b>2,756</b>  |   | <b>2,756</b>  | <b>2,759</b>            |
| - Generation                                | 2,756         |   | 2,756         | 2,759                   |
| <b>Net intangible assets - consolidated</b> | <b>37,959</b> | <b>(20,467)</b>                           | <b>17,492</b> | <b>17,240</b>           |

## 12) SUPPLIERS

|  | Consolidated  |                | Holding company |                |
|--|---------------|----------------|-----------------|----------------|
|  | 06/30/2009    | 03/31/2009     | 06/30/2009      | 03/31/2009     |
| <b>Current</b>   |               |                |                 |                |
| Wholesale supply and transport of electricity -<br>Purchase of free energy during the period of<br>rationing | 12,148        | 17,476         | 12,148          | 17,476         |
| Wholesale market CCEE  | 195           | 3              | 195             | 3              |
| Cemig Distribuição   | 6,727         | 6,729          | 6,727           | 6,729          |
| CHESF Cia. Hidroelétrica do São Francisco  | 2,934         | 3,070          | 2,934           | 3,070          |
| CTEEP Cia. Trans. Energia Elétrica Paulista  | 3,278         | 3,325          | 3,278           | 3,325          |
| Eletronorte Centrais Elétricas do Norte do Brasil  | 2,149         | 2,207          | 2,149           | 2,207          |
| Eletrosul Centrais Elétricas   | 2,209         | 2,038          | 2,209           | 2,038          |
| Other Generators and Distributors  | 32,770        | 39,126         | 32,770          | 39,126         |
|  | 62,410        | 73,974         | 62,410          | 73,974         |
| Materials and services   | 33,885        | 81,342         | 16,133          | 37,921         |
|  | <b>96,295</b> | <b>155,316</b> | <b>78,543</b>   | <b>111,895</b> |
| <b>Noncurrent</b>  |               |                |                 |                |
| Wholesale electricity supply Purchase of free<br>energy during the rationing period(*)                       | 78            | 77             | 78              | 77             |
| Other  | 1,649         |                |                 |                |
|  | <b>1,727</b>  | <b>77</b>      | <b>78</b>       | <b>77</b>      |
| <b>Total, suppliers</b>  | <b>98,022</b> | <b>155,393</b> | <b>78,621</b>   | <b>111,972</b> |

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(\*) In the Balance Sheet is showed under the Other obligations

Of the amounts in relation to purchase of free energy , a substantial part will be paid by September 2009, with inflation adjustment at the Selic rate plus 1.00% in interest per year. The conclusion of certain court proceedings in progress, brought by market agents, in relation to the interpretation of the rules in force at the

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time of the realization of the transactions for purchase of free energy during the period of rationing, may result in changes in the amounts recorded. See further comments in Explanatory Note 16.

**13) TAXES, CHARGES AND CONTRIBUTIONS**

|                             | Consolidated   |                | Holding company |                |
|-----------------------------|----------------|----------------|-----------------|----------------|
|                             | 06/30/2009     | 03/31/2009     | 06/30/2009      | 03/31/2009     |
| <b>Current</b>              |                |                |                 |                |
| Income tax                  | 181,067        | 87,576         | 180,974         | 86,572         |
| Social Contribution         | 66,543         | 31,430         | 66,492          | 31,392         |
| ICMS tax                    | 27,767         | 26,114         | 27,143          | 25,862         |
| Cofins tax                  | 19,574         | 17,426         | 19,520          | 17,393         |
| Pasep tax                   | 9,467          | 3,782          | 9,454           | 3,775          |
| Social Security system      | 3,391          | 3,189          | 3,189           | 3,179          |
| Other                       | 1,869          | 2,045          | 1,735           | 1,996          |
|                             | <b>309,678</b> | <b>171,562</b> | <b>308,507</b>  | <b>170,169</b> |
| <b>Deferred obligations</b> |                |                |                 |                |
| Income tax                  | 29,290         | 8,869          | 29,290          | 8,869          |
| Social Contribution         | 10,544         | 3,193          | 10,544          | 3,193          |
| Cofins tax                  | 8,904          | 2,696          | 8,904           | 2,696          |
| Pasep tax                   | 1,933          | 585            | 1,933           | 585            |
|                             | <b>50,671</b>  | <b>15,343</b>  | <b>50,671</b>   | <b>15,343</b>  |
|                             | <b>360,349</b> | <b>186,905</b> | <b>359,178</b>  | <b>185,512</b> |
| <b>Noncurrent</b>           |                |                |                 |                |
| Cofins tax                  | 26,863         | 20,648         | 26,863          | 20,648         |
| Pasep tax                   | 5,832          | 4,483          | 5,832           | 4,483          |
|                             | <b>32,695</b>  | <b>25,131</b>  | <b>32,695</b>   | <b>25,131</b>  |
| <b>Deferred obligations</b> |                |                |                 |                |
| Income tax                  | 71,647         | 59,788         | 71,647          | 59,788         |
| Social Contribution         | 25,793         | 21,524         | 25,793          | 21,524         |
| Cofins tax                  | 5,499          |                | 5,499           |                |
| Pasep tax                   | 1,194          |                | 1,194           |                |
|                             | <b>104,133</b> | <b>81,312</b>  | <b>104,133</b>  | <b>81,312</b>  |
|                             | <b>136,828</b> | <b>106,443</b> | <b>136,828</b>  | <b>106,443</b> |

The net Deferred obligations refer to the regulatory assets and liabilities linked to the General Agreement for the Electricity Sector and other regulatory matters, and are owed as and when these assets and liabilities are realized.

The noncurrent Pasep and Cofins liabilities refer to the legal action challenging the constitutionality of inclusion of the ICMS tax in the taxable amount for these taxes, and application for permission to offset the amounts paid in the last 10 years. The Company has obtained an interim relief from the judiciary enabling it not to make the payment and authorizing payment into Court in the amount of R\$30,128 starting in 2008.

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Deferred obligations in noncurrent , Income tax and Social Contribution relate, substantially, to recognition of financial instruments (FX variation, and hedging), by the cash method, which are payable as and when they are realized, by payment or redemption and assets and liabilities related to regulatory matters, that are payable as and when they are realized.

Deferred obligations in noncurrent , Pasep and Cofins liabilities refer to, substantially, assets and liabilities related to regulatory matters, that are payable as and when they are realized.

Table of Contents**14) LOANS, FINANCINGS AND DEBENTURES**

| FINANCING SOURCES                                | Principal maturity | Annual financing cost (%) | Consolidated 06/30/2009 |                | 03/31/2009       |                  |                  |
|--|--------------------|---------------------------|-------------------------|----------------|------------------|------------------|------------------|
|  |                    |                           | Currency                | Currency       | Non Currency     | Total            | Total            |
| <b>FOREIGN CURRENCY</b>                          |                    |                           |                         |                |                  |                  |                  |
| Banco do Brasil (1)                              | 2009               | 3.90                      | JPY                     | 80,214         |                  | 80,214           | 91,516           |
| B.N.P. Paribas                                   | 2010               | Libor + 1.875             | US\$                    | 13,212         |                  | 13,212           | 23,986           |
| BNP Paribas                                      | 2012               | 5.89                      | EURO                    | 3,258          | 6,103            | 9,361            | 10,342           |
| Unibanco (2)                                     | 2009               | 6.50                      | US\$                    | 9,221          |                  | 9,221            | 11,116           |
| Unibanco (3)                                     | 2009               | 5.00                      | US\$                    | 6,859          |                  | 6,859            | 8,239            |
| <b>Debt in foreign currency</b>                  |                    |                           |                         | <b>112,764</b> | <b>6,103</b>     | <b>118,867</b>   | <b>145,199</b>   |
| <b>BRAZILIAN CURRENCY</b>                        |                    |                           |                         |                |                  |                  |                  |
| Banco Credit Suisse First Boston S.A.            | 2010               | 106.00% of CDI            | R\$                     | 75,164         |                  | 75,164           | 75,200           |
| Banco do Brasil                                  | 2009               | 111.00% of CDI            | R\$                     | 67,582         |                  | 67,582           | 65,839           |
| Banco do Brasil                                  | 2013               | CDI + 1.70                | R\$                     | 11,868         | 83,413           | 95,281           | 95,970           |
| Banco do Brasil                                  | 2013               | 107.60% of CDI            | R\$                     | 481            | 30,000           | 30,481           | 33,784           |
| Banco do Brasil                                  | 2014               | 104.10% of CDI            | R\$                     | 15,910         | 900,000          | 915,910          | 950,124          |
| Banco Itaú BBA                                   | 2013               | CDI + 1.70                | R\$                     | 19,625         | 163,483          | 183,108          | 180,850          |
| Banco Votorantim S.A.                            | 2010               | 113.50% of CDI            | R\$                     | 26             | 25,124           | 25,150           | 26,003           |
| BNDES  | 2026               | URTJ + 2.34               | R\$                     | 1,827          | 107,153          | 108,980          | 107,184          |
| Bradesco   | 2013               | CDI + 1.70                | R\$                     | 14,657         | 131,783          | 146,440          | 145,047          |
| Bradesco   | 2014               | CDI + 1.70                | R\$                     | 112            | 1,820            | 1,932            | 1,880            |
| Debentures (4)                                   | 2009               | CDI + 1.20                | R\$                     | 378,768        |                  | 378,768          | 368,897          |
| Debentures (4)                                   | 2011               | 104.00% of CDI            | R\$                     | 18,715         | 238,816          | 257,531          | 251,308          |
| Debentures Minas Gerais state government (4) (6) | 2031               | IGP-M                     | R\$                     |                | 34,934           | 34,934           | 33,921           |
| Eletrobrás (6)                                   | 2013               | FINEL + 7.50 to 8.50      | R\$                     | 12,335         | 42,145           | 54,480           | 57,601           |
| Santander do Brasil S.A.                         | 2013               | CDI + 1.70                | R\$                     | 1,919          | 28,635           | 30,554           | 29,987           |
| Unibanco   | 2009               | CDI + 2.98                | R\$                     | 106,371        |                  | 106,371          | 110,997          |
| Unibanco   | 2013               | CDI + 1.70                | R\$                     | 20,112         | 175,397          | 195,509          | 192,189          |
| Banco Votorantim                                 | 2013               | CDI + 1.70                | R\$                     | 98             | 3,102            | 3,200            | 3,112            |
| Energ Power (9)                                  | 2012               | IPCA                      | R\$                     |                | 873              | 873              |                  |
| FINEP (9)  | 2015               | URTJ + 5.00               | R\$                     | 19             | 4,443            | 4,462            |                  |
| ORTENG Equipamentos e Sistemas (9)               | 2012               | IPCA                      | R\$                     |                | 377              | 377              |                  |
| Construtora Quebec (9)                           | 2012               | IPCA                      | R\$                     |                | 1,202            | 1,202            |                  |
| Unibanco S.A (5)                                 | 2020               | TJLP + 2.55               | R\$                     | 139            | 7,224            | 7,363            | 4,183            |
| Banco do Brasil (5)                              | 2020               | TJLP + 2.55               | R\$                     | 1,365          | 28,224           | 29,589           | 29,423           |
| BNDES (7)  | 2033               | TJLP + 2.40               | R\$                     |                | 162,354          | 162,354          | 79,685           |
| Debentures (7)                                   | 2013               | IPCA                      | R\$                     |                | 154,503          | 154,503          |                  |
| CCB Banco Bradesco (8)                           | 2009               | DI + 0,84                 | R\$                     | 2,028          |                  | 2,028            |                  |
| <b>Debt in Brazilian currency</b>                |                    |                           |                         | <b>749,121</b> | <b>2,325,005</b> | <b>3,074,126</b> | <b>2,843,184</b> |
| <b>Overall total</b>                             |                    |                           |                         | <b>861,885</b> | <b>2,331,108</b> | <b>3,192,993</b> | <b>2,988,383</b> |

(1) to (3) Swap transactions for exchange of rates were contracted. The following are the rates for the loans and financings taking the swaps into account: (1) 111.00% of the CDI rate. (2) CDI rate + 2.98% p.a. (3) CDI + 3.01% p.a.

(4) Unsecured, nominal, non-convertible, book-entry debentures, without preference.

(5) Loan contracted by the jointly-controlled subsidiary Hidrelétrica Cachoeirão S.A.

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- (6) Contracts adjusted to present value, as per changes to the Corporate Law by Law 11638/07.
- (7) Loan contracted by the holding company jointly with Madeira Energia S.A.
- (8) Loan contracted by the holding company jointly with Hidrelétrica Pipoca S.A.
- (9) Credit for the payment of the Capital Stock with Hidrelétrica Pipoca S.A.

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The consolidated breakdown of loans, by currency and indexor, with the respective amortization, is as follows:

|                                      | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    | 2015   | 2016<br>and later | Total     |
|--------------------------------------|---------|---------|---------|---------|---------|---------|--------|-------------------|-----------|
| <b>Currencies</b>                    |         |         |         |         |         |         |        |                   |           |
| US dollar                            | 22,741  | 6,551   |         |         |         |         |        |                   | 29,292    |
| Euro                                 | 1,733   | 3,051   | 3,052   | 1,525   |         |         |        |                   | 9,361     |
| Yen                                  | 80,214  |         |         |         |         |         |        |                   | 80,214    |
|                                      | 104,688 | 9,602   | 3,052   | 1,525   |         |         |        |                   | 118,867   |
| <b>Indexors</b>                      |         |         |         |         |         |         |        |                   |           |
| IGP-M inflation index                |         |         |         |         |         |         |        | 34,934            | 34,934    |
| Eletrobrás Finel internal index      | 6,168   | 12,336  | 12,335  | 12,335  | 11,306  |         |        |                   | 54,480    |
| IPCA (Expanded Consumer Price Index) |         | 613     | 1,225   | 101,668 | 53,449  |         |        |                   | 156,955   |
| Interbank CD rate CDI                | 638,279 | 252,071 | 390,308 | 451,947 | 481,947 | 300,456 |        |                   | 2,515,008 |
| Other                                | 2,598   | 4,295   | 11,642  | 11,732  | 11,733  | 19,850  | 18,943 | 231,956           | 312,749   |
|                                      | 647,045 | 269,315 | 415,510 | 577,682 | 558,435 | 320,306 | 18,943 | 266,890           | 3,074,126 |
|                                      | 751,733 | 278,917 | 418,562 | 579,207 | 558,435 | 320,306 | 18,943 | 266,890           | 3,192,993 |

The principal currencies and indexors used for monetary updating of loans and financings had the following variations:

| Currencies | Change in                   |         | Indexors | Change in                      |        |
|------------|-----------------------------|---------|----------|--------------------------------|--------|
|            | quarter ended<br>06/30/2009 | %       |          | Change in the<br>semester 2009 | %      |
| US dollar  | (15.70)                     | (15.70) | IGP-M    | (0.32)                         | (1.24) |
| Euro       | (10.99)                     | (10.99) | Finel    | (0.06)                         | (0.25) |
| Yen        | (13.20)                     | (13.20) | Selic    | 2.39                           | 5.36   |
|            |                             |         | CDI      | 2.34                           | 5.29   |

The movement on loans and financings is as follows:

|                               |                  |
|-------------------------------|------------------|
| Balance at March 31, 2009     | <b>2,988,383</b> |
| Loans and financings          | 239,156          |
| Monetary and FX variation     | (14,523)         |
| Financial charges provisioned | 75,267           |
| Adjustment to present value   | 2,203            |
| Financial charges paid        | (86,434)         |
| Amortization of financings    | (11,059)         |
| Balance at June 30, 2009      | <b>3,192,993</b> |

**Restrictive covenant clauses**

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Cemig GT has loans and financings with restrictive covenant clauses. These were fully complied with on June 30, 2009.



Table of Contents**15) REGULATORY CHARGES**

|  | <b>Consolidated and<br/>Holding company</b> |                   |
|--|---|-------------------|
|  | <b>06/30/2009</b>                           | <b>03/31/2009</b> |
| RGR Global Reversion Reserve                           | 13,054                                      | 11,467            |
| CCC Fuel Consumption Account                           | 4,186                                       | 4,283             |
| CDE Energy Development Account                         | 4,540                                       | 4,645             |
| Aneel inspection charge                                | 1,386                                       | 1,386             |
| Alternative Energy Program Proinfa                     | 2,199                                       | 2,024             |
| National Scientific and Technological Development Fund | 3,177                                       | 2,166             |
| Research and development                               | 57,164                                      | 53,004            |
| Energy system expansion research                       | 1,589                                       | 1,083             |
|  | <b>87,295</b>                               | <b>80,058</b>     |
| Current liabilities                                    | 80,643                                      | 75,706            |
| Noncurrent liabilities                                 | 6,652                                       | 4,352             |

**16) POST-EMPLOYMENT OBLIGATIONS**

Cemig GT is sponsor of the Forluminas Social Security Foundation Forluz, a non-profit legal entity whose object is to provide its associates and participants and their dependents and beneficiaries with a financial income supplementing retirement and pension, in accordance with the private pension plan to which they are linked.

Forluz makes the following supplementary pension benefit plans available to its participants:

The Mixed Benefits Plan ( Plan B ): A defined-contribution plan in the phase of accumulation of funds, for retirement benefits for normal time of service, and defined-benefit coverage for disability or death of the active participant or receipt of benefits for time of contribution. The contributions of the Sponsors are equal to the basic monthly contributions of the participants, and this is the only plan open for joining by new participants.

The contribution of the Sponsors to this plan is 27.52% for the portion with defined-benefit characteristics, relating to the coverage for invalidity or death for the active participant, and this is used for amortization of the defined obligation through an actuarial calculation. The remaining 72.48%, relating to the portion of the plan with defined-contribution characteristics, goes to the nominal accounts of the participants and is recognized in the income statement for the year by the cash method, under Personnel expenses.

Hence the obligations for payment of supplementary retirement benefits under the Mixed Plan, with defined-contribution characteristics, and their respective assets, in the same amount of R\$ 537,391, are not presented in this Explanatory Note.

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The Balances Plan ( Plan A ): This includes all the active and assisted participants who opted to migrate from the previous Defined-benefit Plan, and are entitled to a benefit proportional to their balances. In the case of the assets, this benefit was deferred to the retirement date.

Defined Benefit Plan: This is the benefit plan adopted by Forluz up to 1998, through which the average real salary of the last three years of activity of the employee in the Sponsor companies is complemented in relation to the amount of the official government Social Security benefit. At present 6 active employees and 45 pension holders or retirees are inscribed in this plan.

Independently from the plans made available by Forluz, Cemig GT also maintains payments for part of a life insurance premium for retirees, and contributes to a Health Plan and a Dental Health Plan for the employees, retirees and dependents, administered by Forluz.

Table of Contents**Separation of the Health Plan**

On August 28, 2008, the Executive Board of Forluz, complying with orders issued by the Private Pension Plans Authority (SPC), decided to transfer management of the Cemig Integrated Health Plan (PSI) to a separate entity to be created for that purpose. The reason for the decision was SPC's belief that it would be impossible to maintain those participants in the Health Plan who were not simultaneously inscribed in the pension and retirement plans. To protect the interests of its participants, and also to comply with the SPC's ruling, Forluz opted to separate the activities, keeping the present dental and pension plans within itself. The period planned for conclusion of the process of separation of the health plan is 12 months, during which time all the existing coverage and benefits will be maintained.

**Amortization of actuarial obligations**

Part of the actuarial obligation for post-employment benefits, in the amount of R\$ 211,193 on June 30, 2009 (R\$ 213,302 on March 31, 2009), was recognized as an obligation payable by Cemig GT and is being amortized by June 2024, through monthly installments calculated by the system of constant installments (the so-called Price table). The amounts are adjusted by the IPCA Inflation Index (Amplified National Consumer Price Index) published by the Brazilian Geography and Statistics Institute (IBGE) plus 6% per year.

The liabilities and the expenses recognized by the Company in connection with the Supplementary Retirement Plan, the Health Plan and the Life Insurance Plan are adjusted in accordance with the terms of CVM Decision 371 and the Opinion prepared by independent actuaries. As a result the financial updating and use of the surplus to amortize the debt obligation agreed with Forluz, mentioned in the previous paragraphs, do not produce accounting effects in the Income statement of Cemig GT. The last actuarial made was on December 31, 2008.

The movement in the net liabilities has been as follows:

|  | <b>Consolidated and Holding Company</b>                             |                    |                    |                           |                |
|--|---|--------------------|--------------------|---------------------------|----------------|
|  | <b>Pension plans<br/>and<br/>supplementary<br/>retirement plans</b> | <b>Health Plan</b> | <b>Dental Plan</b> | <b>Life<br/>insurance</b> | <b>Total</b>   |
| Net liabilities on March 31, 2009                    | <b>92,460</b>   | <b>77,793</b>      | <b>3,724</b>       | <b>101,834</b>            | <b>275,811</b> |
| Expense (revenue) recognized in the Income statement | 548   | 3,958              | 243                | 2,584                     | 7,333          |
| Contributions paid                                   | (7,663)   | (1,871)            | (43)               | (391)                     | (9,968)        |
| Net liabilities on March 31, 2009                    | <b>85,345</b>   | <b>79,880</b>      | <b>3,924</b>       | <b>104,027</b>            | <b>273,176</b> |
| Current liabilities                                  | 18,652  |                    |                    |                           | 18,652         |
| Noncurrent liabilities                               | 66,693  | 79,880             | 3,924              | 104,027                   | 254,524        |

Table of Contents**17) CONTINGENCY PROVISIONS**

The company makes contingency provisions for lawsuits in which the chance of loss is rated probable .

|                                | Balance on<br>03/31/2009 | Additions  | Balance on<br>06/30/2009 |
|--------------------------------|--------------------------|------------|--------------------------|
| <b>Labor-law contingencies</b> |                          |            |                          |
| Various                        | 184                      | 43         | 227                      |
| <b>Civil</b>                   |                          |            |                          |
| Environmental                  | 6,749                    | 316        | 7,065                    |
| Other                          | 658                      | 545        | 1,203                    |
|                                | <b>7,407</b>             | <b>861</b> | <b>8,268</b>             |
| <b>Total</b>                   | <b>7,591</b>             | <b>904</b> | <b>8,495</b>             |

**Environmental administrative proceedings**

Cemig GT was served an infringement notice by the Minas Gerais State Forests Institute (IEF), alleging that it omitted to take measures to protect the fish population, causing fish deaths, as a result of the flow and operation of the machinery of the Três Marias Hydroelectric Plant. The company presented a defense, and assesses the chance of loss in this action as probable in the amount of R\$ 7,065, which is duly provisioned.

**Cases with chance of loss assessed as possible**

Additionally there are labor-law, civil and tax cases in progress in which the chance of loss is assessed as possible . These are periodically reviewed, and assessed as not requiring provisions in the financial statements. They are as follows:

Social Security and tax obligations indemnity for the Anuênio

In 2006 Cemig GT paid an indemnity to its employees, in the amount of R\$ 41,660, in exchange for the rights to future payments known as the Anuênio which would otherwise be incorporated into salaries in the future. The company did not make payments of income tax and social security contribution on these payments because it considered that these tax obligations are not applicable to amounts paid as indemnity. However, to avoid the risk of a future fine arising from a different interpretation by the federal tax authority and the National Social Security Institution, the company decided to file for orders of *mandamus* to allow payment into Court of the amount of any obligations, in the amount of R\$ 28,716, posted in Payments into Court. No provision was made for any losses in these cases. The Company assesses the chance of loss in this action as possible .

Regulatory contingency – CCEE

In an action dating from August 2002, AES Sul Distribuidora has challenged in the courts the criteria for accounting of electricity sale transactions in the wholesale electricity market during the period of rationing. It obtained a judgment in its favor in February 2006, which ordered Aneel and the CCEE to comply with the claim by the Distributor and recalculate the transactions during the rationing period leaving out of account its Dispatch No. 288/2002. This was to be put into effect in the CCEE in November 2008, resulting in an additional disbursement for Cemig, referring to the expense on purchase of energy in the short-term market, in the CCEE, in the amount of approximately R\$ 89,113 on June 30, 2009. On November 9, 2008 the Company obtained an injunction in the Regional Federal Court suspending the obligatory nature of the requirement to pay into court the amount owed arising from the Special Financial Settlement carried out by the CCEE. No provision was constituted for this dispute, since the Company believes it has arguments on the merit for defense against this claim.

Table of Contents**18) STOCKHOLDERS EQUITY**

On June 30, 2009 Cemig Geração e Transmissão S.A. has registered capital of R\$ 2,896,785, represented by 2,896,785,358 nominal common shares, without par value, wholly owned by CEMIG.

The Board of Directors of Cemig Geração e Transmissão, in a meeting held on June 25, 2009, approved the payment of Interest on Equity, in substitution of the obligatory dividend for the business year of 2009, in the amount of R\$ 107,136, of which the date of payment is yet to be decided. The tax benefit arising from payment of Interest on Equity was R\$ 36,426, recognized in income statement for the year 2009.

**19) SUPPLY OF ELECTRICITY**

This supply, by type of consumer consolidated, is as follows:

|  | Consolidated<br>(Not reviewed by external auditors) |            |                   |                   |                  |                  |
|--|---|------------|-------------------|-------------------|------------------|------------------|
|  | N° of Consumers                                     |            | MWh               |                   | R\$              |                  |
|  | 06/30/2009  | 06/30/2008 | 06/30/2009        | 06/30/2008        | 06/30/2009       | 06/30/2008       |
| Industrial                             | 134   | 133        | 8,143,796         | 9,147,470         | 869,014          | 880,220          |
| Commercial                             | 1   |            | 2,145             |                   | 6,233            |                  |
| Retail supply not invoiced, net        |   |            |                   |                   | (32,365)         | 3,786            |
|  | 135   | 133        | 8,145,941         | 9,147,470         | 842,882          | 884,006          |
| Supply to other concession holders (*) | 42  | 43         | 7,349,143         | 6,046,185         | 803,879          | 521,690          |
| Transactions in energy on the CCEE     |   |            | 1,028,658         | 602,015           | 93,327           | 63,944           |
| <b>Total</b>                           | <b>177</b>  | <b>176</b> | <b>16,523,742</b> | <b>15,795,670</b> | <b>1,740,088</b> | <b>1,469,640</b> |

(\*) Includes Contracts for Sale of Energy in the Regulated Market (CCEARs), and bilateral contracts with other agents.

**20) REVENUE FOR USE OF THE NETWORK**

This revenue is from the tariff charged to agents in the electricity sector, including Free Consumers connected to the high voltage network, for use of the basic transmission grid owned by the Company, associated with the Brazilian grid. Amounts receivable are recorded in Assets, under Concession holders Transport of electricity. In June of 2009 was fully recognized the revenue of R\$ 158,090 to be paid through the Revision of the Transmission Tariff, as describe in note n° 6.

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|   | 06/30/2009 | Consolidado<br>06/30/2008 |
|---|------------|---------------------------|
| Use of basic transmission network                           | 243,189    | 242,605                   |
| Use of connection of basic transmission                     | 64,330     | 60,877                    |
| Revenue of the Parcel A Revision of the Transmission Tariff | 158,090    |                           |
|   | 465,609    | 303,482                   |

Table of Contents**21) DEDUCTIONS FROM OPERATIONAL REVENUE**

|  | <b>Consolidated</b> | <b>Holding Company</b> |                   |
|--|---------------------|------------------------|-------------------|
|  | <b>06/30/2009</b>   | <b>06/30/2009</b>      | <b>06/30/2008</b> |
| <b>Taxes on revenue</b>  |                     |                        |                   |
| ICMS tax   | 163,812             | 162,769                | 165,191           |
| Cofins tax   | 151,871             | 151,677                | 121,220           |
| PIS and Pasep taxes  | 38,184              | 38,142                 | 26,313            |
| ISS (value-added tax on services)                              | 226                 | 226                    | 358               |
|  | 142                 |                        |                   |
|  | <b>354,235</b>      | <b>352,814</b>         | <b>313,082</b>    |
| <b>Charges passed through to the consumer</b>                  |                     |                        |                   |
| RGR Global Reversion Reserve                                   | 44,276              | 44,276                 | 41,359            |
| CDE Energy Development Account                                 | 12,268              | 12,268                 | 19,338            |
| CCC (Fuel Consumption) account                                 | 11,316              | 11,316                 | 18,741            |
| Research and Development R&D                                   | 6,761               | 6,761                  | 5,386             |
| National Scientific and Technological Development Fund (FNDCT) | 6,934               | 6,934                  | 5,386             |
| Energy system expansion research                               | 3,467               | 3,467                  | 2,072             |
|  | 85,022              | 85,022                 | 92,282            |
|  | <b>439,257</b>      | <b>437,836</b>         | <b>405,364</b>    |

**22) OPERATIONAL COSTS AND EXPENSES**

|  | <b>Consolidated</b> | <b>Holding Company</b> |                   |
|--|---------------------|------------------------|-------------------|
|  | <b>06/30/2009</b>   | <b>06/30/2009</b>      | <b>06/30/2008</b> |
| Personnel expenses                                     | 169,432             | 169,342                | 134,397           |
| Post-employment obligations                            | 14,666              | 14,666                 | 24,008            |
| Materials  | 6,692               | 6,669                  | 6,861             |
| Raw materials and inputs for production of electricity | 4,070               | 4,070                  | 41,707            |
| Outsourced services                                    | 52,892              | 52,666                 | 43,059            |
| Depreciation and amortization                          | 112,815             | 112,384                | 110,915           |
| Royalties for use of water resources                   | 70,090              | 70,090                 | 62,338            |
| Operational provisions                                 | 552                 | 552                    | (1,357)           |
| Charges for the use of the basic transmission grid     | 142,414             | 142,414                | 129,205           |
| Electricity purchased for resale                       | 70,914              | 70,436                 | (8,412)           |
| Other net expenses                                     | 30,193              | 30,063                 | 41,872            |
|  | <b>674,730</b>      | <b>673,352</b>         | <b>584,593</b>    |

|   | <b>Consolidated</b> | <b>Holding Company</b> |                   |
|---|---------------------|------------------------|-------------------|
|   | <b>06/30/2009</b>   | <b>06/30/2009</b>      | <b>06/30/2008</b> |
| <b>a) PERSONNEL EXPENSES</b>                                  |                     |                        |                   |
| Remuneration and salary-related charges and expenses          | 117,860             | 117,770                | 110,277           |
| Supplementary pension contributions Defined contribution plan | 7,775               | 7,775                  | 7,610             |
| Assistance benefits   | 12,519              | 12,519                 | 12,290            |
|   | 138,154             | 138,064                | 130,177           |
| ( ) Personnel costs transferred to works in progress          | (5,925)             | (5,925)                | (6,318)           |
|   | 132,229             | 132,139                | 123,859           |



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|   |                |                |                |
|---|----------------|----------------|----------------|
| Voluntary Dismissal Program (PPD) (a)           |                |                | 10,538         |
| Temporary Voluntary Dismissal Program (PDV) (b) | 37,203         | 37,203         |                |
|   | <b>169,432</b> | <b>169,342</b> | <b>134,397</b> |

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(a) The Voluntary Dismissal Program (PPD)

On March 11, 2008, the Executive Board approved the permanent Voluntary Dismissal Program (PPD), which applies to any free and spontaneous terminations of employment contracts as from that date. The program's main financial incentives include payment of 3 times the gross amount of monthly remuneration, 6 months' contributions to the Health Plan after leaving the company, deposit of the 40% penalty payment due on the balance of the FGTS on termination of an employment contract, and payment of up to 24 months' contributions to the Pension Fund and the National Social Security System after termination of the contract, in accordance with certain criteria established in the regulations of the program.

This Program, since it began in March, 2008o em março de 2008, 143 employees had joined, and a provision for the financial incentives in the amount of R\$ 13,900 was made.

(b) Temporary Voluntary dismissal program (PDV)

In April 2009, Cemig put in place its temporary voluntary dismissal program (PDV), available to employees between April 22 and June 5, 2009.

Employees who subscribe to the PDV receive a financial incentive varying between 3 and 16 times their monthly remuneration, according to criteria established in the program's regulations, of which the principal one is the time of contribution remaining for full retirement entitlement under the national social security system (INSS). The incentive includes payment of the contributions to the pension fund and the INSS up to the date when the employee would have complied with the requirements for applying for retirement benefit under the INSS (limited to five years), and deposit of the obligatory penalty payment (applicable to dismissals) of 40% on the balance of the employee's accumulated funds under the FGTS system.

Additionally, Cemig guarantees full payment of the costs of the group life insurance plan, for 6 months, and of the health plan, for 12 months, from June 2009 to September 2010.

This Program had 143 employees joined, and a provision for the financial incentives in the amount of R\$ 37,203 was fully made in June 30, 2009.

**b) OUTSOURCED SERVICES**

| Consolidated | Holding company |            |
|--------------|-----------------|------------|
| 06/30/2009   | 06/30/2009      | 06/30/2008 |

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|  |               |               |               |
|--|---------------|---------------|---------------|
| Communication  | 2,032         | 2,032         | 1,642         |
| Maintenance and conservation of electricity facilities and equipment | 4,425         | 4,425         | 7,338         |
| Building conservation and cleaning                                   | 8,360         | 8,360         | 7,541         |
| Contracted labor   | 3,330         | 3,330         | 435           |
| Freight and airfares   | 1,774         | 1,774         | 1,467         |
| Accommodation and meals  | 2,215         | 2,215         | 2,220         |
| Security services  | 4,030         | 4,030         | 4,291         |
| Consultancy  | 1,680         | 1,680         | 1,607         |
| Maintenance and conservation of furniture and utensils               | 1,166         | 1,166         | 729           |
| Maintenance and conservation of vehicles                             | 1,679         | 1,679         | 1,641         |
| Electricity  | 2,273         | 2,273         | 2,196         |
| Environment  | 6,562         | 6,562         | 2,949         |
| Other  | 13,366        | 13,140        | 9,003         |
|  | <b>52,892</b> | <b>52,666</b> | <b>43,059</b> |

Table of Contents**23) NET FINANCIAL EXPENSES**

|   | <b>Consolidated</b> | <b>Holding Company</b> |                   |
|---|---------------------|------------------------|-------------------|
|   | <b>06/30/2009</b>   | <b>06/30/2009</b>      | <b>06/30/2008</b> |
| <b>FINANCIAL REVENUES</b>                                       |                     |                        |                   |
| Revenue from cash investments                                   | 63,399              | 63,219                 | 51,568            |
| Arrears penalty payments on electricity bills                   | 980                 | 980                    | 6,242             |
| Monetary variation General Agreement for the Electricity Sector | 2,219               | 2,219                  | 20,278            |
| FX variations   | 29,438              | 29,438                 | 7,999             |
| Pasep and Cofins taxes on financial revenues                    | (208)               | (203)                  | (1,877)           |
| Gains on financial instruments (Note 25)                        | 1,869               | 1,869                  | 7,570             |
| Adjustment to present value                                     | 931                 | 931                    | 8,071             |
| Other   | 11,392              | 11,391                 | 24,255            |
|   | <b>110,020</b>      | <b>109,844</b>         | <b>124,106</b>    |
| <b>FINANCIAL EXPENSES</b>                                       |                     |                        |                   |
| Charges on loans and financings                                 | (152,530)           | (150,753)              | (165,314)         |
| Monetary variation loans and financings                         | (8)                 | (8)                    | (8)               |
| FX variations   |                     |                        | (10,482)          |
| Monetary variation CCEE   | (4,013)             | (4,013)                | (4,304)           |
| Losses on financial instruments (Note 25)                       | (48,593)            | (48,593)               | (17,944)          |
| Provision (reversal) for losses on transactions in free energy  | 8,306               | 8,306                  | (17,557)          |
| Adjustment to present value                                     | (4,571)             | (4,571)                | (1,603)           |
| Other   | (1,833)             | (3,075)                | (11,068)          |
|   | <b>(203,242)</b>    | <b>(202,707)</b>       | <b>(228,280)</b>  |
| <b>NET FINANCIAL EXPENSES</b>                                   | <b>(93,222)</b>     | <b>(92,863)</b>        | <b>(104,174)</b>  |

**24) RELATED PARTY TRANSACTIONS**

As mentioned in Explanatory Note 1, the Company is a wholly-owned subsidiary of Companhia Energética de Minas Gerais - Cemig ( Cemig ), the controlling stockholder of which is the Government of the State of Minas Gerais.

Cemig Distribuição S.A. ( Cemig D ) and Light S.A. are also subsidiaries of Cemig.

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The principal balances and transactions with related parties of Cemig GT are:

| COMPANIES  | ASSETS     |            | LIABILITIES |            | REVENUES   |            | EXPENSES   |            |
|--|------------|------------|-------------|------------|------------|------------|------------|------------|
|  | 06/30/2009 | 03/31/2009 | 06/30/2009  | 03/31/2009 | 06/30/2009 | 06/30/2008 | 06/30/2009 | 06/30/2008 |
| <b>CEMIG</b>   |            |            |             |            |            |            |            |            |
| Interest on Equity and dividends                         |            |            | 153,302     | 539,042    |            |            |            |            |
| Affiliated companies and holding company                 | 660        | 660        | 667         | 667        |            |            |            |            |
| <b>Cemig Distribuição S.A.</b>                           |            |            |             |            |            |            |            |            |
| Affiliated companies and holding company                 | 10.031     | 8,176      | 4.877       | 4,877      |            |            |            |            |
| Gross supply of electricity (1)                          | 49.877     | 10,055     | 6.107       | 6,109      | 117.297    | 47.251     | 18.630     | 3.362      |
| <b>Light S.A.</b>  |            |            |             |            |            |            |            |            |
| Gross supply of electricity (1)                          | 391        | 398        | 405         | 400        | 8.935      | 11.174     |            | 2.593      |
| Minas Gerais state government                            |            |            |             |            |            |            |            |            |
| Taxes, charges and contributions (4)                     | 31.320     | 39,361     | 27.767      | 26,114     | (163.812)  | (165.191)  |            |            |
| Taxes offsettable ICMS (4)                               | 18.158     | 18,158     |             |            |            |            |            |            |
| Debentures (2)   |            |            | 34.934      | 33,921     |            | 7.893      | (2.031)    |            |
| <b>FORLUZ</b>  |            |            |             |            |            |            |            |            |
| Post-employment obligations current (3)                  |            |            | 18.652      | 18,473     |            |            | (14.666)   | (24.008)   |
| Post-employment obligations noncurrent (3)               |            |            | 254.524     | 257,338    |            |            |            |            |
| Other  |            |            | 4.297       | 8,160      |            |            |            |            |
| Personnel expenses (5)                                   |            |            |             |            |            |            | (7.775)    | (7.610)    |
| Current administration expense (6)                       |            |            |             |            |            |            | (1.574)    | (1.541)    |
| <b>OTHERS</b>  |            |            |             |            |            |            |            |            |
| Affiliated and subsidiary companies, or parent companies | 13         | 12         |             |            |            |            |            |            |

Main material comments on the above transactions:

(1) The Company has electricity purchase contracts with *Cemig Distribuição* and *Light Energia*, made at public auctions of existing energy in 2005, which are for 8 years from start of supply and are adjusted annually by the IGP-M inflation index.

(2) Private issue of non-convertible debentures in the amount of R\$ 120 million, updated by the IGP-M inflation index, for completion of the *Irapé Power Plant*, with redemption at 25 years from issue. The amount at November 31, 2008 was adjusted to present value, in accordance with Law 11638/07.

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- (3) Part of the contracts of Forluz are adjusted by the Expanded Consumer Price Index (IPCA) published by the IBGE (Brazilian Geography and Statistics Institute) (See Explanatory Note 15), and will be amortized up to the business year 2024.
- (4) The transactions with ICMS tax posted in the financial statements refer to transactions for sale of energy and are carried out in conformity with the specific legislation of the State of Minas Gerais.
- (5) Cemig's contributions to the Pension Fund related to the employees participating in the Mixed Plan (see Explanatory Note 15), calculated on the monthly remunerations in accordance with the regulations of the Fund.
- (6) Funds for annual current administrative costs of the Pension Fund in accordance with the specific legislation of the sector. The amounts are estimated as a percentage of the Company's total payroll.

For more information on the main transactions, see Explanatory Notes 7, 13, 14, 16, 19, 22 and 23.

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25) **FINANCIAL INSTRUMENTS**

The financial instruments used by the company are: Cash and cash equivalents, Consumers and traders, Loans and financings, Obligations under debentures and Currency swap transactions. The gains and losses on these transactions are posted in full by the accrual method.

The Company's financial instruments were recognized at fair value and are classified as follows:

- *Held for trading:* In this category are the cash investments and the derivative investments (mentioned in item b ). They are valued at fair value and the gains or losses are recognized directly in the income statement.
- *Receivables:* In this category are credits receivable from consumers and traders. They are recognized at their nominal realization value, similar to the fair values.
- *Loans and financings, and Obligations under debentures:* These are measured at amortized cost using the effective interest rates method adjusted to fair value. Gains or losses are recognized in the income statement as and when they take place.
- *Derivative financial instruments:* These are measured at fair value and the gains and losses are recognized directly in the income statement.

**a) Management of risks;**

Corporate risk management is a management tool that is an integral part of our corporate governance practices and aligned with the Company's Process of Strategic Planning.

The Company has a Financial Risks Management Committee, with the aim of implementing guidelines and monitoring the financial risk of transactions which might negatively affect the Company's liquidity and profitability, recommending strategies for protection (hedge) in relation to foreign exchange, interest rate and inflation risks. These are effectively in line with the Company's strategy.

Cemig GT's principal exposure risks are listed below:

*Exchange rate risk*

Cemig GT is exposed to the risk of increase in exchange rates, with significant impact on indebtedness, profit and cash flow.

The net exposure to exchange rates is as follows:

| EXPOSURE TO EXCHANGE RATES        | Consolidated and<br>Holding company |                |
|-----------------------------------|-------------------------------------|----------------|
|                                   | 06/30/2009                          | 03/31/2009     |
| US dollar                         |                                     |                |
| Loans and financings              | 29,292                              | 43,341         |
| (-) Contracted hedge/swap (*)     | 62,728                              | 60,014         |
|                                   | 92,020                              | 103,355        |
| Yen                               |                                     |                |
| Loans and financings              | 80,214                              | 91,516         |
| (-) Hedge transactions contracted | (78,604)                            | (90,543)       |
|                                   | 1,610                               | 973            |
| Euro                              |                                     |                |
| Loans and financings              | 9,361                               | 10,342         |
| Net liability exposure            | <b>102,991</b>                      | <b>114,670</b> |

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(\*) Includes the contracted transaction of R\$ 75,000 See item b



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The Company estimates that, in a probable scenario, the appreciation of the foreign currencies against the Real at the end of twelve months will be 4.53%. The Company has made a sensitivity analysis on the effects on its results of depreciation in these exchange rates of 25% and 50% in relation to the probable scenario. We rate the chance of these two scenarios as possible and remote, respectively.

| Risk             | FX exposure                          | Base Scenario  | Probable Scenario | Possible scenario: FX depreciation 25.00% | Remote scenario: FX depreciation 50.00% |
|------------------|--------------------------------------|----------------|-------------------|---|---|
| <b>US dollar</b> |                                      |                |                   |   |   |
|                  | Loans and financings                 | 29,292         | 30,619            | 38,274                                    | 45,928                                  |
| ( )              | Hedge and swap transactions          | 62,728         | 65,569            | 81,962                                    | 98,354                                  |
|                  |                                      | 92,020         | 96,188            | 120,236                                   | 144,282                                 |
| <b>Yen</b>       |                                      |                |                   |   |   |
|                  | Loans and financings                 | 80,214         | 83,847            | 104,809                                   | 125,771                                 |
| ( )              | Hedge transactions                   | (78,604)       | (82,164)          | (102,706)                                 | (123,247)                               |
|                  |                                      | 1,610          | 1,683             | 2,103                                     | 2,524                                   |
| <b>Euro</b>      |                                      |                |                   |   |   |
|                  | Loans and financings                 | 9,361          | 9,785             | 12,231                                    | 14,678                                  |
|                  | <b>Net liability exposure</b>        | <b>102,991</b> | <b>107,656</b>    | <b>134,570</b>                            | <b>161,484</b>                          |
|                  | <b>Net effect of FX depreciation</b> |                | <b>(4,665)</b>    | <b>(31,579)</b>                           | <b>(58,493)</b>                         |

*Interest rate risk*

Cemig GT is exposed to the risk of increase in international interest rates, affecting loans and financings in foreign currency with floating interest rates (principally Libor), in the amount of R\$ 13,212 on June 30, 2009.

In relation to the risk of increase of domestic interest rates, the Company's exposure arises from its liabilities indexed to interest rates, which are as follows:

| EXPOSURE OF CEMIG GT TO BRAZILIAN INTEREST RATES | Consolidated       |                    | Holding company    |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | 06/30/2009         | 03/31/2009         | 06/30/2009         | 03/31/2009         |
| <b>Assets</b>                                    |                    |                    |                    |                    |
| Cash investments (Note 3)                        | 1,070,063          | 1,239,912          | 1,060,617          | 1,228,972          |
| Regulatory assets (Note 5 and 6)                 | 180,409            | 26,755             | 180,409            | 26,755             |
|  | 1,250,472          | 1,266,667          | 1,241,026          | 1,255,727          |
| <b>Liabilities</b>                               |                    |                    |                    |                    |
| Loans, financings and Debentures (Note 14)       | (2,515,008)        | (2,531,187)        | (2,515,008)        | (2,531,187)        |
| Regulatory liabilities (Note 12)                 | (12,148)           | (17,476)           | (12,148)           | (17,476)           |
| Hedge and swap transactions                      | (15,876)           | (30,529)           | (15,876)           | (30,529)           |
|  | (2,543,032)        | (2,579,192)        | (2,543,032)        | (2,579,192)        |
| <b>Net liability exposure</b>                    | <b>(1,292,560)</b> | <b>(1,312,525)</b> | <b>(1,302,006)</b> | <b>(1,323,465)</b> |



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In relation to the most significant interest rate risk, that of an increase in the Selic rate, the Company estimates that, in a probable scenario, the Selic rate at the end of June 30, 2010 will be 9.00%. The Company has made a sensitivity analysis of the effects on its results arising from increases in the Selic rate of 25% and 50%, respectively scenarios which we assess as possible and remote, respectively.

| Risk                                      | Base scenario:<br>Selic 9.16% | Probable<br>scenario:<br>Selic 9.00% | Possible<br>scenario:<br>Selic 11.25% | Remote<br>scenario:<br>Selic 13.50% |
|---|-------------------------------|--------------------------------------|---------------------------------------|-------------------------------------|
| Increase in domestic interest rates       |                               |                                      |                                       |                                     |
| <b>Assets</b>                             |                               |                                      |                                       |                                     |
| Cash investments                          | 1,070,063                     | 1,068,351                            | 1,092,427                             | 1,116,504                           |
| Regulatory assets                         | 180,409                       | 180,120                              | 184,180                               | 188,239                             |
|   | 1,250,472                     | 1,248,471                            | 1,276,607                             | 1,304,743                           |
| <b>Liabilities</b>                        |                               |                                      |                                       |                                     |
| Loans                                     | (2,515,008)                   | (2,510,984)                          | (2,567,572)                           | (2,624,159)                         |
| Regulatory liabilities                    | (12,148)                      | (12,129)                             | (12,402)                              | (12,675)                            |
| Contracted hedge/swap                     | (15,876)                      | (15,851)                             | (16,208)                              | (16,565)                            |
|   | (2,543,032)                   | (2,538,964)                          | (2,596,182)                           | (2,653,399)                         |
| Net liability exposure                    | <b>(1,292,560)</b>            | <b>(1,290,493)</b>                   | <b>(1,319,575)</b>                    | <b>(1,348,656)</b>                  |
| Net effect of variation in the Selic rate |                               | <b>2,067</b>                         | <b>(27,015)</b>                       | <b>(56,096)</b>                     |

*Credit risk*

This risk arises from the possibility of Cemig incurring losses as a result of difficulty in receiving amounts billed to their clients. The Company carries out monitoring for the purpose of reducing default, on an individual basis, with its consumers. Negotiations are also established to make possible receipt of any receivables in arrears.

*Energy scarcity risk*

The electricity sold is basically generated by hydroelectric plants. A prolonged period of shortage of rainfall could result in the reduction of the volume of water in the Company's reservoirs, adversely affecting the recovery of their volume and resulting in losses as a result of increased costs of acquisition of electricity, or reduction of revenues in the event of adoption of a renewed rationing program, like the one put in place by the federal government in 2001.

*Risk of early maturity of debt*

The Company has contracts for loans, financings and debentures, with the restrictive covenant clauses normally applicable to these types of operation, related to the meeting of economic and financial indices, cash flow and other indicators. Non-compliance with these clauses could result in early maturity of debt. The restrictive clauses were complied with in full on June 30, 2009.

*Risk of non-renewal of concessions*

The Company has concessions for commercial operation of generation, transmission and distribution services, and its Management expects that they will be renewed by Aneel and/or the Mining and Energy Ministry. If the Mining and Energy Ministry does not grant the applications for renewals of these concessions, or if it decides to renew them upon imposition of additional costs for the company ( concessions for consideration ) or establishment of a ceiling price, the present levels of activity and profitability could be altered.

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**b) Financial instruments derivatives**

The derivative instruments contracted by the company have the purpose of protecting the company's operations against the risks arising from foreign exchange variation and are not used for speculative purposes.

The principal amounts of the transactions and derivatives are not posted in the balance sheet, since they refer to transactions which do not require cash payments, but only the gains or losses that actually occur, recorded at fair value.

The net results of these transactions were losses in the second quarter of 2009, and gains in the second quarter of 2008, in the amounts, respectively, of R\$ 46,724 e R\$ 10,374, posted in Financial revenue (expenses).

*Method of calculation of the fair value of positions*

The fair value of financial investments was calculated taking into consideration the market prices of the security, or market information that makes such calculation possible, and future rates for similar securities. The market value of the security corresponds to its maturity value brought to present value by the discount factor obtained from the market yield curve in Reais.

This table shows the derivative instruments contracted by Cemig GT on June 30, 2009.

| Receivable by Cemig                                      | Payable by Cemig                                      | Maturity period         | Market Trading         | Principal amount contract* |             | Book Value |            | Fair Value |            | Accumulated Effect |                |
|--|---|-------------------------|------------------------|----------------------------|-------------|------------|------------|------------|------------|--------------------|----------------|
|  |   |                         |                        | 06/30/2009                 | 03/31/2009  | 06/30/2009 | 03/31/2009 | 06/30/2009 | 03/31/2009 | Receivable Amount  | Payable Amount |
| US\$ exchange rate + interest (5.58% p.a. to 7.48% p.a.) | R\$ 100% of CDI + interest (2.98% p.a. to 3.01% p.a.) | From 04/2009 to 11/2009 | Over the counter (OTC) | US\$6,288                  | US\$6,473   | (21.520)   | (17.998)   | (21.636)   | (18.441)   |                    | (578)          |
| ¥ (Japanese Yen) exchange rate + interest (3.90% p.a.)   | R\$ Brazilian interest rate CDI (111% of CDI)         | 12/2009                 | Over the counter (OTC) | ¥ 3,878,825                | ¥ 3,878,825 | (25.561)   | (12.501)   | (40.812)   | (14.608)   |                    |                |
| R\$ 106% of CDI  | R\$ or US\$ 48% of CDI or exchange rate (the highest) | 04/2010                 | Over the counter (OTC) | R\$75,000                  | R\$75,000   | 89         | (1.812)    | 89         | (1.812)    | 1.588              | (355)          |
|  |   |                         |                        |                            |             | (46.992)   | (32.311)   | (62.359)   | (34.861)   | 1.588              | (933)          |

**c) Sensitivity analysis**

The first two derivative instruments described above show that the Company is exposed to the variation in the CDI rate. The Company estimates that the CDI rate on June 30, 2010 will be 9.00%. The Company has made a sensitivity analysis of the effects on its results arising from increases in the CDI rate of 25% and 50%, respectively, in relation to June 30, 2009 scenarios which we assess as possible and remote, respectively

In these possible and remote scenarios, the CDI rate on June 30, 2009 would be 11.25%, and 13.50%, respectively.

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The last derivative instrument shown in the table above indicates that the Company is exposed to the variation in the exchange rate of the US dollar against the Real (if it is greater than 48.00% of the CDI). The Company estimates that the exchange rate of the US dollar against the Real on June 30, 2010 will be R\$ 2.04. The Company has made a sensitivity analysis of the effects on its results arising from uniform increases of 25% and 50% in the Real/dollar exchange rate in 2009 these are scenarios of which we rate the chances as possible and remote, respectively: In these possible and remote scenarios, the Real/dollar exchange rate on June 30, 2009 would be R\$ 2.55 and R\$ 3.06, respectively.

|  | Base<br>Scenario | Probable<br>Scenario | Possible<br>Scenario | Remote<br>Scenario |
|--|------------------|----------------------|----------------------|--------------------|
| <b><u>Risk - Increase in domestic interest rates</u></b> |                  |                      |                      |                    |
| Contracts in US\$ and Yen                                | (90,876)         | (90,731)             | (92,775)             | (94,820)           |
| <b>Net effect of variation of the Selic rate</b>         |                  | <b>145</b>           | <b>(1,899)</b>       | <b>(3,944)</b>     |
| <b><u>Risk increase in US\$</u></b>                      |                  |                      |                      |                    |
| Contracts updated at 106.00% of CDI                      | 75,000           | 78,397               | 97,997               | 117,596            |
| <b>Net effect of the variation in the US\$</b>           |                  | <b>(3,397)</b>       | <b>(22,997)</b>      | <b>(42,596)</b>    |

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(Amounts in thousands of Reais unless otherwise stated.)

*Net profit*

Cemig GT reported net profit of R\$ 684,638 in the first half of 2009 (1H09), 41.60% more than the net profit of R\$ 483,492 reported for the first half of 2008 (1H08). The better result in 2009 is mainly due to net revenue 28.53% higher, partially offset by operational expenses 15.42% higher; and also to the extraordinary revenue of R\$ 158,090 recorded in 2009 for the backdating of the Transmission Tariff Review.

*Ebitda (method of calculation not reviewed by external auditors)*

Cemig GT's Ebitda in the first half of 2009 was 33.68% higher than in 2Q08. Adjusted for the non-recurring items, it was 19.01% higher.

Due to the announcement of the Transmission Tariff Review for Cemig GT, Aneel decided on repositioning of the Company's Annual Permitted Transmission Revenue (RAP) at 5.35%, in the financial amount of R\$ 158,090, arising from the effect of the repositioning being backdated to 2005.

The PDV Voluntary Retirement Program also impacted Ebitda in first half 2009, in the amount of R\$ 37,203.

| <b>Ebitda R\$</b>  | <b>06/30/2009</b> | <b>06/30/2008</b> | <b>Change, %</b> |
|--|-------------------|-------------------|------------------|
| Net profit   | 684,638           | 483,492           | 41.60            |
| + income tax and Social Contribution                     | 308,781           | 200,937           | 53.67            |
| + Profit shares  | 16,217            | 9,839             | 64.82            |
| + Financial revenues (expenses)                          | 93,222            | 104,174           | (10.51)          |
| + Depreciation and amortization                          | 112,815           | 110,915           | 1.71             |
| <b>= EBITDA</b>  | <b>1,215,673</b>  | <b>909,357</b>    | <b>33.68</b>     |
| Non-recurring items:                                     |                   |                   |                  |
| + The PPD Permanent Voluntary Retirement Program         |                   | 10,538            |                  |
| + The PDV Temporary Voluntary Retirement Program         | 37,203            |                   |                  |
| Review of Transmission Revenue - Technical Note 214/2009 | (158,090)         |                   |                  |
| <b>= ADJUSTED EBITDA</b>                                 | <b>1,094,786</b>  | <b>919,895</b>    | <b>19.01</b>     |



The higher Ebitda in the first half of 2009 than in 1Q08 mainly reflects net revenue 28.53% higher, partially offset by operational expenses (excluding effects of depreciation and amortization) 18.62% higher. Ebitda margin increased year-on-year, at 68.39% in 1H09 and 65.75% in 1H08

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*Revenue from supply of electricity*

Revenue from total electricity sales was R\$ 1,740,088 in the first half of 2009, compared to R\$ 1,469,640 in the first half of 2008 an increase of 18.40%.

This result arises primarily from revenues from electricity sold to other concession holders and under bilateral contracts being 21.55% higher year-on-year, due to two new contracts, through auctions, for sales to distributors at prices between R\$ 125.00 and R\$ 145.77. As a result, revenue from electricity sold was R\$ 803,879 in first half 2009, compared with R\$ 521,690 in 1H08, an increase of 54.09%.

On the other hand, volume of electricity sold to Free Consumers, at 8,145,941 MW, was 10.95% lower in 1H09 than in 1H08 (9,147,470 MWh), as a result of the effect of the global financial crisis on electricity demand in 2009. Revenues from these sales were R\$ 842,882 in 1H09, 4.65% lower than in 2008 (R\$ 884,006). Part of this lower level was offset by the annual adjustments in these contracts which for the most part are indexed to the IGP-M inflation index.

*Revenue from use of the network*

This revenue is primarily for use of the facilities that make up the basic transmission network of Cemig by generating companies and distributing companies that are participants in the Brazilian national grid system, according to amounts set by Aneel resolution, and was 53.42% higher in 1H09 than in 1H08. The difference is mainly due to the accounting, in June 2009, of Annual Permitted Revenue (RAP) from previous periods, totaling R\$ 158,090, as a result of the Review of the Transmission Tariff being backdated over the period from July 1, 2005 to June 2009.

*Deductions from operational revenues*

Deductions from operational revenues totaled R\$ 439,257 in 1H09, compared to R\$ 405,364 in 1H08, an increase of 8.36%. Main year-on-year variations in the deductions from revenue:

The Fuel Consumption Account - CCC

The deduction from revenue relating to the CCC was R\$ 11,316 in 1H09, compared to R\$ 18,741 in 1H08, representing a reduction of 39.62%. This refers to the operational costs of the thermal plants in the Brazilian grid and isolated systems, divided up between electricity concession holders by an Aneel Resolution. Cemig GT merely passes through this cost, to Eletrobrás, after charging it to Free Consumers on their invoices for use of the grid.

Energy Development Account - CDE

The deduction from revenue for the CDE was R\$ 12,268 in 1H09, compared to R\$ 19,338 in 1H08, 36.56% lower year-on-year. The payments are specified by an Aneel Resolution. Cemig GT merely passes through this cost, to Eletrobrás, after charging it to Free Consumers on their invoices for use of the grid.

The other deductions from revenue are for taxes that are calculated as a percentage of billing. Hence their variations arise substantially from the changes in revenue.

*Operational costs and expenses (excluding Financial revenue (expenses))*

Operational costs and expenses (excluding Net financial revenue/expenses) in the first half of 2009 totaled R\$ 674,730, 15.42% higher than in 1H08 (R\$ 584,593). This mainly reflects Electricity bought for resale, Costs of raw materials and inputs, Personnel expenses, and Post-employment benefits.

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The main year-on-year variations in these expenses are:

Personnel expenses

Personnel expenses in 1H09 were R\$ 169,432, compared to R\$ 134,397 in the first half of 2008, i.e. 26.07% higher year-on-year. This primarily reflects the following factors:

- Salary increase of 7.26% given to employees in November 2008.
- Provision for the PDV Voluntary Retirement Program, in the amount of R\$ 37,203, in 1H09.
- Reduction in the number of employees, from 2,193 at the end of June 2008 to 2,117 at the end of June 2009.
- Lower transfer of costs from personnel expenses to works in progress (R\$ 5,925 in 2009, vs. R\$ 6,318 in 2008) due to less capital expenditure activity in 2009.

Post-employment obligations

Expenses on post-employment obligations totaled R\$ 14,666 in 1H09, 38.91% less than in 1H08 (R\$ 24,008). These expenses basically represent the interest applicable to Cemig GT's actuarial obligations, net of the expected investment yield from the assets of the plans, estimated by an external actuary. The lower expense in 2009 basically reflects the adjustment made to the actuarial assumptions in December 2008, which resulted in a reduction of the Company's net obligations.

Raw materials and inputs for generation

This expense in 1H09 was R\$ 4,070, 90.24% less than the expense of R\$ 41,707 posted for 1H08. The reduction is because in 2008 there were purchases of fuel for the Igarapé thermal plant, which came into operation due to low reservoir levels resulting from low rainfall and to serve electricity demand from Argentina.

Electricity bought for resale

The expense on this account in 1H09 was R\$ 70,914, which compares with a *reversal* of expense of R\$ 8,412 in 1H08. The difference is due to higher purchases of electricity in 2009 related to the sales activity.

*Financial revenues (expenses)*

The company posted net financial *expenses* of R\$ 93,222 in 1H09, 10.51% less than the net financial *expenses* reported for 1H08, of R\$ 104,174. The items in net financial expenses with the largest variations are:

- Revenue from cash investments was 22.94% higher year-on-year, due to a higher volume of cash invested in 2009.
- Revenue associated with the provision for loss on Free Energy receivables, of R\$ 8,306, in 2009, compared with an expense of R\$ 17,557 in 2008 reflecting an adjustment made to the forecast for realization of credits receivable under the RTE.
- Net loss on FX variations in 2009, net of the compensatory effects relating to financial instruments, of R\$ 17,294, which compares to a net loss of R\$ 2,383 in 2008, arising basically on loans and financings in foreign currency indexed to the US dollar and the Yen. This is basically the result of losses on swaps, which are calculated monthly, which are significantly impacted when there are significant monthly variations in the Real-US\$ exchange rate. Hence in spite of the dollar depreciating against the Real over a year, the losses on financial instruments exceeded the FX gains resulting from that depreciation.

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- Costs of loans and financings in Brazil 7.73% lower year-on-year, due to amortizations in the period and a lower accumulated CDI rate (the main index of contracts).
- Revenue from monetary variation on the General Agreement for the Electricity Sector 89.06% lower at R\$ 2,219 in 2009, vs. R\$ 20,278 in 2008 reflecting the reduction of the asset, due to receipt of amounts owed, through electricity invoices.

For a breakdown of financial revenues and expenses, please see Explanatory Notes 23 and 25 to the Quarterly Information.

*Income tax and Social Contribution tax*

In 1H09, Cemig GT posted expenses for income tax and the Social Contribution tax of R\$ 308,781, representing 30.58% of the pre-tax profit of R\$ 1,009,636. In 1H08, the Company posted expenses on income tax and the Social Contribution tax of R\$ 200,937, representing 28.94% of the pre-tax profit of R\$ 694,268. These effective rates are reconciled with the nominal rates in Explanatory Note 8 to the Quarterly Information. Tax advantages of R\$ 36,426 and R\$ 31,269, in 1H09 and 1H08 respectively, resulted from payment of Interest on Equity.

**INCOME STATEMENTS FOR THE SECOND QUARTERS OF 2009 AND 2008**

|  | Second<br>quarter<br>2009 | Second<br>quarter<br>2008 | Change, %    |
|--|---------------------------|---------------------------|--------------|
| <b>OPERATIONAL REVENUE</b>                         |                           |                           |              |
| Revenue from supply of electricity                 | 970,940                   | 748,325                   | 29.75        |
| Revenue for use of the network                     | 314,579                   | 153,162                   | 105.39       |
| Other operational revenues                         | 5,496                     | 8,850                     | (37.90)      |
| <b>Gross operational revenue</b>                   | <b>1,291,015</b>          | <b>910,337</b>            | <b>41.82</b> |
| Deductions from operational revenue                | (245,706)                 | (210,075)                 | 16.96        |
| <b>Net operational revenue</b>                     | <b>1,045,309</b>          | <b>700,262</b>            | <b>49.27</b> |
| <b>OPERATIONAL COSTS AND EXPENSES</b>              |                           |                           |              |
| Personnel expenses                                 | (105,356)                 | (70,075)                  | 50.35        |
| Forluz post-employment obligations                 | (7,333)                   | (12,004)                  | (38.91)      |
| Materials  | (3,743)                   | (3,998)                   | (6.38)       |
| Raw materials and inputs                           | (4,070)                   | (19,922)                  | (79.57)      |
| Outsourced services                                | (28,354)                  | (26,114)                  | 8.58         |
| Depreciation and amortization                      | (56,789)                  | (54,570)                  | 4.07         |
| Royalties for use of water resources               | (35,323)                  | (31,137)                  | 13.44        |
| Operational provisions                             | (804)                     | 425                       |              |
| Electricity bought for resale                      | (43,724)                  | (3,768)                   | 1.060.40     |
| Charges for the use of the basic transmission grid | (70,120)                  | (64,768)                  | 8.26         |
| Other expenses, net                                | (16,521)                  | (13,073)                  | 26.37        |
|  | <b>(372,137)</b>          | <b>(299,004)</b>          | <b>24.46</b> |

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|   |                |                |              |
|---|----------------|----------------|--------------|
| <b>Operational profit</b>                                   | <b>673,172</b> | <b>401,258</b> | <b>67.77</b> |
| NET FINANCIAL REVENUE (EXPENSES)                            | (43,032)       | (24,488)       | 75.73        |
| <b>Profit before income tax and Social Contribution tax</b> | <b>630,140</b> | <b>376,770</b> | <b>67.25</b> |
| Income tax and Social Contribution tax                      | (172,140)      | (93,985)       | 83.16        |
| Profit shares   | (5,774)        | (5,021)        | 15.00        |
| <b>Net profit for the period</b>                            | <b>452,226</b> | <b>277,764</b> | <b>62.81</b> |

Table of Contents**Profit for the quarter**

For the second quarter of 2009, Cemig GT reports net profit of R\$ 452,226, 62.81% higher than the net profit of R\$ 277,764 reported for 2Q08. The higher result primarily reflects Net revenue 49.27% higher year-on-year.

*Ebitda (method of calculation not reviewed by external auditors)*

Cemig GT's Ebitda was 60.14% higher in 2Q09 than 2Q08:

| <b>EBITDA</b>   | <b>2Q09</b>    | <b>2Q08</b>    | <b>Change, %</b> |
|---|----------------|----------------|------------------|
| Net profit  | 452,226        | 277,764        | 62.81            |
| + Current and deferred income tax and Social Contribution tax | 172,140        | 93,985         | 83.16            |
| + Profit shares   | 5,774          | 5,021          | 15.00            |
| + Financial revenues (expenses)                               | 43,032         | 24,488         | 75.73            |
| + Depreciation and amortization                               | 56,789         | 54,570         | 4.07             |
| <b>= EBITDA</b>   | <b>729,961</b> | <b>455,828</b> | <b>60.14</b>     |
| Non-recurring items:  |                |                |                  |
| + The PPD Permanent Voluntary Retirement Program              | 321            | 8,460          | (96.21)          |
| + The PDV Temporary Voluntary Retirement Program              | 37,203         |                |                  |
| Review of Transmission Revenue Technical Note 214/2009        | (158,090)      |                |                  |
| <b>= ADJUSTED EBITDA</b>                                      | <b>609,395</b> | <b>464,288</b> | <b>31.25</b>     |

The higher Ebitda in 2Q09 than in 2Q08 mainly reflects net revenue 49.27% higher, partially offset by operational expenses (excluding effects of depreciation and amortization) 29.01% higher. Ebitda margin increased year-on-year, 65.09% in 2008 to 69.83% in 2009.





Table of Contents*Revenue from supply of electricity*

|  | MWh (**)         |                  |                | R\$            |                |               |
|--|------------------|------------------|----------------|----------------|----------------|---------------|
|  | 2Q09             | 2Q08             | Change,<br>%   | 2Q09           | 2Q08           | Change,<br>%  |
| Industrial                             | 4,006,327        | 4,654,551        | (13.93)        | 433,566        | 452,028        | (4.08)        |
| Commercial                             | 2,145            |                  |                | 6,233          |                |               |
| Supply not invoiced, net               |                  |                  |                | (8,634)        | 2,620          |               |
|  | <b>4,008,472</b> | <b>4,654,551</b> | <b>(13.88)</b> | <b>431,164</b> | <b>454,648</b> | <b>(5.17)</b> |
| Supply to other concession holders (*) | 4,337,061        | 3,066,354        | 41.44          | 520,963        | 280,865        | 85.49         |
| Transactions in electricity on CCEE    | 255,298          | 465,163          | (45.12)        | 18,813         | 12,926         | 45.54         |
| <b>Total</b>                           | <b>8,600,831</b> | <b>8,186,068</b> | <b>5.07</b>    | <b>970,940</b> | <b>748,439</b> | <b>29.73</b>  |

(\*) Includes Contracts for Sale of Energy in the Regulated Market (CCEARs) and bilateral contracts with other agents.

(\*\*) Information in MWh not reviewed by our external auditors.

Revenue from supply of electricity in 2Q09 was R\$ 970,940, 29.73% more than in 2Q08 (R\$ 748,439).

This reflects revenues from electricity sold to other concession holders and under bilateral contracts being 41.44% higher year-on-year, due to two new contracts through auctions for sales to distributors at prices between R\$ 125.00 and R\$ 145.77. Due to the price, revenue from electricity sold was 85.49% higher, at R\$ 520,963, in first half 2009, than in 1H08 (R\$ 280,865).

At the same time, volume of electricity sold to Free Consumers, at 4,006,327 MW in 2Q09, was 13.93% lower than in 2Q08 (4,654,551 MWh), reflecting the effect of the global financial crisis on electricity demand in 2009. Revenues from these sales were R\$ 431,164 in 2Q09, 5.14% lower than in 2008 (R\$ 454,648). Part of this lower level was offset by the annual adjustments in these contracts, in relation to the previous year, which for the most part are indexed to the IGP-M inflation index.

*Revenue from use of the network*

This revenue is from the tariff charged to agents in the electricity sector, including Free Consumers connected to the high voltage network, for use of the basic transmission grid owned by the Company, associated with the Brazilian grid. Amounts receivable are recorded in Assets, under Concession holders Transport of electricity. Revenue 105.39% higher in 2Q09 than 2Q08 reflects the accounting in June 2009 of revenue totaling R\$ 158,090 due to the backdating of the Transmission Tariff Review to cover the period from July 1, 2005, to June 30, 2009.

Table of Contents*Deductions from operational revenues*

|  | 2Q09           | 2Q08           | Change, %    |
|--|----------------|----------------|--------------|
| ICMS tax   | 82,329         | 84,721         | (2.82)       |
| Cofins tax   | 91,127         | 62,660         | 45.43        |
| PIS and Pasep taxes  | 24,999         | 13,602         | 83.79        |
| ISS value-added tax on services                                | 113            | 263            | (57.03)      |
| Other  | 142            |                |              |
|  | 198,710        | 161,246        | 23.23        |
| Global Reversion Reserve RGR                                   | 24,507         | 19,861         | 23.39        |
| Energy Development Account CDE                                 | 6,472          | 11,161         | (42.01)      |
| Fuel Consumption Account CCC                                   | 5,967          | 11,614         | (48.62)      |
| Research and Development R&D                                   | 3,939          | 2,726          | 44.50        |
| National Scientific and Technological Development Fund (FNDCT) | 4,112          | 2,726          | 50.84        |
| Energy System Expansion Research EPE                           | 1,999          | 741            | 169.77       |
|  | 46,996         | 48,829         | (3.75)       |
|  | <b>245,706</b> | <b>210,075</b> | <b>16.96</b> |

Main year-on-year variations in the deductions from revenue:

The Global Reversion Reserve RGR

This deduction from revenue was 23.39% higher in 2Q09 than 2Q08. This is a non-controllable cost: the expense recorded in the income statement is the amount actually passed through to the tariff.

The Fuel Consumption Account CCC

This refers to the operational costs of the thermal plants in the Brazilian grid and isolated systems, divided up between electricity concession holders by an Aneel Resolution. This amount is charged to Free Consumers, on their invoice for use of the basic grid, and passed on to Eletrobrás, hence Cemig GT acts only as an agent to pass on this cost. Cemig GT's contribution to the CCC was 48.62% lower in 2Q09 than in 2Q08.

Energy Development Account CDE

Payments of the CDE are specified by Aneel Resolution. They were 42.01% higher in 2Q09 than in 2Q08. Cemig GT merely passes through this cost, to Eletrobrás, after charging it to Free Consumers on their invoices for use of the grid.

The other deductions from revenue are for taxes calculated as a percentage of billing, and their variations thus substantially arise from the changes in revenue.

*Operational costs and expenses (excluding Financial revenue (expenses))*

Operational costs and expenses (excluding Financial revenue (expenses)) totaled R\$ 372,137 in 2Q09, 24.46% more than in 2Q08 (R\$ 299,004). This variation mainly reflects increases in costs of Electricity bought for resale, Raw materials and inputs, Personnel expenses and Post-employment benefits.

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**The main year-on-year variations in these expenses were:**

Personnel expenses

Personnel expenses totaled R\$ 105,356 in 2Q09, 50.35% more than in 2Q08 (R\$ 70,075). This arises from the salary increase of 7.26% given to employees in November 2008 and the provision of R\$ 37,203 for the PDV Temporary Voluntary Retirement Program, in 2Q09. The increase was partially mitigated by the lower number of employees: 2,117 at the end of June 2009, vs. 2,193 at the end of June 2008.

Post-employment obligations

The expense on post-employment obligations in 2Q09 totaled R\$ 7,333, 38.91% more than in 2Q08 (R\$ 12,004). This expense basically consists of interest on the actuarial liabilities of Cemig GT, net of expected return on assets held by the pension plans, estimated by an external actuary. The lower expense in 2009 basically reflects the adjustment made to the actuarial assumptions in December 2008, which resulted in a reduction of the Company's net obligations.

Raw materials and inputs for generation

This expense in 2Q09 totaled R\$ 4,070, 79.57% less than in 2Q08 (R\$ 19,922). The variation is due to purchase of fuel for the Igarapé plant in 2008, which came into operation due to low reservoir levels.

Electricity bought for resale

The expense on this account in 2Q09 was R\$ 43,724, 1,060.40% more than the expense of R\$ 3,768 in 2Q08. This reflects higher purchase and sale of electricity in 2009.

Charges for use of the transmission grid

Expenses on charges for the use of the transmission grid were R\$ 70,120 in 2Q09, 8.26% higher than in 2Q08 (R\$ 64,768). This expense refers to the charges payable by electricity distribution and generation agents for use of the facilities that are components of the basic grid, as set by an Aneel Resolution.

Depreciation and amortization

The expense on depreciation and amortization was similar in the two periods: R\$ 56,789 in 2Q09 and R\$ 54,570 in 2Q08.

Table of Contents*Financial revenues (expenses)*

|   | 2Q09             | 2Q08             | Change, %      |
|---|------------------|------------------|----------------|
| <b>RECEITAS FINANCEIRAS</b>                                       |                  |                  |                |
| Revenue from cash investments                                     | 34,491           | 29,447           | 17.13          |
| Arrears penalty payments on electricity bills                     | 272              | 3,104            | (91.24)        |
| Monetary updating on General Agreement for the Electricity Sector | 1,008            | 9,118            | (88.94)        |
| FX variations   | 18,858           | 6,888            | 173.78         |
| Pasep and Cofins taxes on financial revenues                      | (96)             | (842)            | (88.60)        |
| Gains on financial instruments                                    | 1,049            | 1,176            | (10.80)        |
| Adjustment to present value                                       | 317              | 8,071            | (96.07)        |
| Other   | 5,467            | 21,546           | (74.63)        |
|   | <b>61,366</b>    | <b>78,508</b>    | <b>(21.83)</b> |
| <b>FINANCIAL EXPENSES</b>   |                  |                  |                |
| Charges on loans and financings                                   | (71,682)         | (84,578)         | (15.25)        |
| Monetary updating CCEE  | (1,481)          |                  |                |
| FX variations   | (6)              | 7,807            |                |
| Losses on financial instruments                                   | (28,076)         | (14,206)         | 97.63          |
| Provision for losses on recovery of Extraordinary Tariff          |                  |                  |                |
| Recomposition RTE   | (416)            | (7,397)          | (94.38)        |
| Adjustment to present value                                       | (2,464)          | (1,603)          | 53.71          |
| Other   | (273)            | (3,019)          | (90.96)        |
|   | <b>(104,398)</b> | <b>(102,996)</b> | <b>1.36</b>    |
|   | <b>(43,032)</b>  | <b>(24,488)</b>  | <b>75.73</b>   |

Financial revenue (expenses) in 2Q09 was significantly different from 2Q08: Cemig GT posted financial expenses of R\$ 24,488 in 2008, compared with financial expenses of R\$ 43,032 in 2009. Main factors were:

- Revenue from cash investments R\$ 5,044 higher in 1Q09, due to a higher volume of cash invested.
- Recognition of a net *expense* of R\$ 2,147 in 2009, vs. a net *revenue* of R\$ 6,468 in 2008, from adjustment to present value, in compliance with CVM Instruction 469 of May 2, 2008.
- Revenue from monetary updating on the General Agreement for the Electricity Sector R\$ 8,110 lower reflecting the reduction of the asset, due to receipt of amounts owed, through electricity invoices.
- Net loss on FX variations, net of the compensatory effects relating to financial instruments, of R\$ 8,175 in 2009, which compares with a net gain of R\$ 1,665 in 2008, arising basically on loans and financings in foreign currency, indexed mainly to the US dollar and the Yen.

*Income tax and Social Contribution tax*

Cemig GT's expenses in 2Q09 on income tax and the Social Contribution tax in 2Q09 totaled R\$ 172,140, on profit of R\$ 630,140 before tax effects, a percentage of 27.32%. In 2Q08 the Company's expenses on income tax and the Social Contribution tax were R\$ 93,985, on profit of R\$ 376,770 before tax effects, a percentage of 24.94%. Tax advantages of R\$ 36,426 and R\$ 31,269, in 2009 and 2008 respectively, resulted from payment of Interest on Equity.

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**INDEPENDENT AUDITORS REVIEW REPORT**

To

The Board of Directors

Cemig Geração e Transmissão S.A.

Belo Horizonte - MG

1. We have reviewed the Quarterly Financial Information ITR of Cemig Geração e Transmissão S.A. (the Company) and the consolidated Quarterly Financial Information of the Company and its subsidiaries for the quarter ended June 30, 2009, comprising the balance sheet, the statements of income, changes in shareholders' equity and of cash flows, the explanatory notes and management report, which are the responsibility of its management.
2. Our review was conducted in accordance with the specific rules set forth by the IBRACON - The Brazilian Institute of Independent Auditors, in conjunction with the Federal Accounting Council - CFC, and consisted mainly of the following: (a) inquiries and discussions with the persons responsible for the Accounting, Finance and Operational areas of the company and its subsidiaries as to the main criteria adopted in the preparation of the Quarterly Financial Information ITR; and (b) reviewing information and subsequent events that have or may have relevant effects on the financial position and operations of the Company and its subsidiaries.
3. Based on our review, we are not aware of any material modification that should be made in accounting information included in the Quarterly Financial Information ITR described above, for it to be in accordance with the rules issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Financial Information ITR, including the Instruction CVM N° 469/08.
4. As mentioned in Note 2 to the financial information, the accounting practices adopted in Brazil have been changed in 2008 and the effects of the first time adoption were recognized of the Company and its subsidiaries on the fourth quarter of 2008 and disclosure in the financial statements for the year ended December 31, 2008. The statement of income, changes in shareholders' equity and cash flow for the quarter ended June 30, 2008, presented in connection with the Quarterly Financial Information ITR, did not change for comparison purposes, as permitted by Direct Release/CVM/SNC/SEP n° 02/2009 (Ofício Circular).

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5. As described in Notes 5, 12 and 17 to the financial information, Cemig Geração e Transmissão S.A. has assets and liabilities recorded in relation to transactions for the sale and purchase of energy and other transactions on the Electricity Trading Chamber (CCEE) (previously called MAE ). These amounts were recorded on the basis of calculations prepared and published by the CCEE for transactions carried out to June 30, 2009, and may be changed as a result of decisions in current Court Proceedings brought by companies in the sector, in relation to the interpretation of the rules of the wholesale energy market in effect at the moment in which referred transactions are realized.

August 13, 2009

Original report in Portuguese signed by

KPMG Auditores Independentes

CRC SP014428/O-6-F-MG

Marco Túlio Fernandes Ferreira

Accountant CRCMG058176/O-0

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15. Quarterly Financial Information for the quarter ended June 30, 2009, Cemig Distribuição S.A.

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AT JUNE 30, 2009 AND MARCH 31, 2009

**ASSETS**

R\$ 000

|  | 06/30/2009       | 03/31/2009       |
|--|------------------|------------------|
| <b>CURRENT</b>   |                  |                  |
| Cash and cash equivalents (Note 3)                         | 262,031          | 483,827          |
| Consumers and traders (Note 4)                             | 1,466,741        | 1,384,982        |
| Extraordinary Tariff Recomposition, and Portion A (Note 6) | 317,042          | 288,427          |
| Concession holders transport of energy                     | 335,571          | 350,350          |
| Taxes subject to offsetting (Note 8)                       | 543,416          | 425,269          |
| Anticipated expenses CVA (Note 7)                          | 613,760          | 542,899          |
| Tax credits (Note 9)                                       | 184,465          | 167,574          |
| Deferred Tariff Adjustment                                 |                  | 14,644           |
| Deposits linked to legal actions                           | 33,790           | 183,531          |
| Inventories  | 20,321           | 23,812           |
| Others   | 178,658          | 163,048          |
| <b>TOTAL, CURRENT</b>                                      | <b>3,955,795</b> | <b>4,028,363</b> |
| <b>NON-CURRENT</b>   |                  |                  |
| <b>Non-current financial assets</b>                        |                  |                  |
| Extraordinary Tariff Recomposition, and Portion A (Note 6) | 66,444           | 165,296          |
| Anticipated expenses CVA (Note 7)                          | 487,623          | 612,396          |
| Tax credits (Note 9)                                       | 182,230          | 203,483          |
| Regulatory asset PIS, Pasep and Cofins (Note 10)           | 46,240           | 46,240           |
| Taxes subject to offsetting (Note 8)                       | 57,351           | 57,351           |
| Deposits linked to legal actions                           | 307,992          | 258,799          |
| Consumers and traders (Note 4)                             | 9,202            | 10,416           |
| Receivable from related parties (Note 26)                  | 26,003           | 25,883           |
| Other credits  | 28,252           | 27,665           |
|  | 1,211,337        | 1,407,529        |
| Investments  | 5,550            | 5,552            |
| Property, plant and equipment (Note 11)                    | 4,243,917        | 4,157,570        |
| Intangible (Note 12)                                       | 223,282          | 224,151          |
| <b>TOTAL NON-CURRENT ASSETS</b>                            | <b>5,684,086</b> | <b>5,794,802</b> |
| <b>TOTAL ASSETS</b>  | <b>9,639,881</b> | <b>9,823,165</b> |

The Explanatory Notes are an integral part of the Quarterly Information.



Table of Contents**BALANCE SHEETS**

AT JUNE 30, 2009 AND MARCH 31, 2009

**LIABILITIES**

R\$ 000

|   | 06/30/2009       | 03/31/2009       |
|---|------------------|------------------|
| <b>CURRENT</b>  |                  |                  |
| Loans and financings (Note 15)                          | 383,315          | 332,840          |
| Debentures (Note 15)                                    | 20,436           | 36,123           |
| Suppliers (Note 13)                                     | 557,805          | 545,397          |
| Taxes, charges and contributions (Note 14)              | 394,360          | 453,337          |
| Interest on Equity and dividends (Note 26)              | 521,484          | 682,227          |
| Salaries and mandatory charges on payroll               | 285,407          | 134,990          |
| Regulatory charges (Note 16)                            | 310,735          | 286,887          |
| Profit shares   | 37,492           | 28,594           |
| Post-employment obligations (Note 17)                   | 56,020           | 54,580           |
| Regulatory liabilities CVA (Note 7)                     | 212,438          | 123,051          |
| Regulatory liabilities Tariff Review (Note 28)          | 203,615          | 264,626          |
| Provision for losses on financial instruments (Note 27) | 96,445           | 80,386           |
| Others  | 251,318          | 267,490          |
| <b>TOTAL, CURRENT</b>                                   | <b>3,330,870</b> | <b>3,290,528</b> |
| <b>NON-CURRENT</b>                                      |                  |                  |
| Loans and financings (Note 15)                          | 1,447,042        | 1,646,730        |
| Debentures (Note 15)                                    | 739,155          | 735,467          |
| Contingency provisions (Note 18)                        | 71,144           | 69,973           |
| Suppliers (Note 13)                                     | 1,095            | 906              |
| Post-employment obligations (Note 17)                   | 814,826          | 823,773          |
| Taxes, charges and contributions (Note 14)              | 317,215          | 254,321          |
| Regulatory liabilities CVA (Note 7)                     | 410,709          | 459,201          |
| Regulatory charges (Note 16)                            | 7,679            | 15,550           |
| Other   | 11,952           | 10,371           |
| <b>TOTAL NON-CURRENT</b>                                | <b>3,820,817</b> | <b>4,016,292</b> |
| <b>STOCKHOLDERS EQUITY</b> (Note 19)                    |                  |                  |
| Registered capital                                      | 2,261,998        | 2,261,998        |
| Profit reserves   | 214,013          | 214,013          |
| Retained earnings                                       | 12,183           | 40,334           |
| <b>STOCKHOLDERS EQUITY</b>                              | <b>2,488,194</b> | <b>2,516,345</b> |
| <b>TOTAL LIABILITIES</b>                                | <b>9,639,881</b> | <b>9,823,165</b> |

The Explanatory Notes are an integral part of the Quarterly Information.





Table of Contents**INCOME STATEMENTS****FOR THE QUARTERS ENDED JUNE 30, 2009 AND 2008****(In R\$ 000, except net profit per thousand shares)**

|  | 06/30/2009  | 06/30/2008  |
|--|-------------|-------------|
| <b>OPERATIONAL REVENUE</b>   |             |             |
| Gross supply of electricity (Note 20)  | 1,778,834   | 1,241,998   |
| Revenue for use of the network – Captive Consumers (Note 20)                               | 2,313,591   | 3,185,281   |
| Revenue for use of the network – Free Consumers (Note 21)                                  | 538,187     | 655,825     |
| Other operational revenues (Note 22)   | 37,229      | 37,180      |
|  | 4,667,841   | 5,120,284   |
| <b>DEDUCTIONS FROM OPERATIONAL REVENUE (Note 23)</b>                                       | (1,892,516) | (2,008,372) |
| <b>NET OPERATIONAL REVENUE</b>   | 2,775,325   | 3,111,912   |
| <b>COST OF ELECTRICITY SERVICE</b>   |             |             |
| <b>COST OF ELECTRICITY</b>   |             |             |
| Energy purchased for resale (Note 24)  | (1,243,570) | (1,180,675) |
| Charges for the use of the basic transmission grid (Note 24)                               | (254,942)   | (233,300)   |
|  | (1,498,512) | (1,413,975) |
| <b>COST OF OPERATION (Note 24)</b>   |             |             |
| Personnel and managers   | (332,098)   | (359,959)   |
| Post-employment obligations  | (29,767)    | (68,643)    |
| Materials  | (40,826)    | (39,349)    |
| Outsourced services  | (221,218)   | (177,882)   |
| Depreciation and amortization  | (157,634)   | (189,173)   |
| Operational provisions   | (1,872)     | (9,783)     |
| Other  | (52,094)    | (30,475)    |
|  | (835,509)   | (875,264)   |
| <b>TOTAL COST</b>  | (2,334,021) | (2,288,239) |
| <b>GROSS PROFIT</b>  | 441,304     | 822,673     |
| <b>OPERATIONAL COST (Note 24)</b>  |             |             |
| Selling expenses   | (43,957)    | (36,798)    |
| General and administrative expenses  | (227,248)   | (63,988)    |
| Other operational expenses   | (22,316)    | (15,017)    |
|  | (293,521)   | (115,803)   |
| <b>PROFIT FROM THE SERVICE (Operational profit before Financial revenues and expenses)</b> | 147,783     | 706,870     |
| <b>NET FINANCIAL REVENUES (EXPENSES) (nota 25)</b>   | (7,261)     | 23,293      |
| <b>PROFIT BEFORE TAXATION AND PROFIT SHARES</b>  | 140,522     | 730,163     |
| Income tax and Social Contribution (Note 9b)   | (87,093)    | (244,850)   |
| Income tax and Social Contribution – deferred (Note 9b)                                    | 86,058      | 35,711      |
| Employees – and managers – profit shares   | (51,102)    | (33,748)    |
| <b>NET PROFIT FOR THE PERIOD</b>   | 88,385      | 487,276     |
| <b>NET PROFIT PER THOUSAND SHARES, R\$</b>   | 39.07       | 215.42      |

The Explanatory Notes are an integral part of the Quarterly Information.

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## STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE QUARTELY AND THE SEMESTER ENDED ON JUNE 30, 2009

(In Thousand of Reais, except for dividends and Interest on Equity per thousand shares)

|                                  | Registered<br>capital | Profit<br>reserves | Retained<br>earnings | Total            |
|----------------------------------|-----------------------|--------------------|----------------------|------------------|
| <b>BALANCE AT MARCH 31, 2009</b> | <b>2,261,998</b>      | <b>214,013</b>     | <b>40,334</b>        | <b>2,516,345</b> |
| Net profit for the period        |                       |                    | 48,051               | 48,051           |
| Allocation of profits:           |                       |                    |                      |                  |
| Interest on Equity (Note 19)     |                       |                    | (76,202)             | (76,202)         |
| <b>BALANCE AT JUNE 30, 2009</b>  | <b>2,261,998</b>      | <b>214,013</b>     | <b>12,183</b>        | <b>2,488,194</b> |

|                                     | Registered<br>capital | Profit<br>reserves | Retained<br>earnings | Total            |
|-------------------------------------|-----------------------|--------------------|----------------------|------------------|
| <b>BALANCE AT DECEMBER 31, 2008</b> | <b>2,261,998</b>      | <b>214,013</b>     |                      | <b>2,476,011</b> |
| Net profit for the period           |                       |                    | 88,385               | 88,385           |
| Allocation of profits:              |                       |                    |                      |                  |
| Interest on Equity (Note 19)        |                       |                    | (76,202)             | (76,202)         |
| <b>BALANCE AT JUNE 30, 2009</b>     | <b>2,261,998</b>      | <b>214,013</b>     | <b>12,183</b>        | <b>2,488,194</b> |

The Explanatory Notes are an integral part of the Quarterly Information

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## STATEMENTS OF CASH FLOWS

FOR THE QUARTERS ENDED MARCH 31, 2009 AND 2008

R\$ 000

|   | 06/30/2009     | 06/30/2008     |
|---|----------------|----------------|
| <b>FROM OPERATIONS</b>                                      |                |                |
| Net profit for the period                                   | 88,385         | 487,276        |
| Expenses (Revenues) not affecting Cash and cash equivalents |                |                |
| Depreciation and amortization                               | 162,938        | 191,801        |
| Write-offs of fixed assets, net                             | 7,032          | 10,457         |
| Interest and monetary variations Non-current                | (30,785)       | (21,174)       |
| Deferred income tax and Social Contribution                 | (86,058)       | (35,711)       |
| Provisions for operational losses                           | 28,686         | 35,499         |
| Provision for losses on financial instruments               | 28,253         | 22,929         |
| Post-employment obligations                                 | 45,879         | 74,337         |
|   | 244,330        | 765,414        |
| (Increase) reduction of assets                              |                |                |
| Consumers and traders                                       | (141,128)      | (9,408)        |
| The Extraordinary Tariff Recomposition                      | 138,904        | 160,460        |
| Taxes subject to offsetting                                 | (200,586)      | (225,796)      |
| Transport of energy   | 53,343         | 26,339         |
| Deferred tariff adjustment                                  | 133,423        | 186,204        |
| PIS and Cofins taxes  |                | 69,887         |
| Other current assets  | 156,580        | (170,256)      |
| Payments into court   | (95,160)       | (3,220)        |
| Anticipated expenses CVA                                    | (111,212)      | (63,542)       |
| Tax credits   | 131,021        | 36,063         |
| Other   | 9,201          | 625            |
|   | 74,386         | 7,356          |
| Increase (reduction) of liabilities                         |                |                |
| Suppliers   | (50,456)       | (152,213)      |
| Taxes and Social Contribution                               | 34,709         | 178,250        |
| Salaries and mandatory charges on payroll                   | 86,778         | (19,834)       |
| Charges passed through to consumer                          | (16,338)       | 24,526         |
| Loans and financings  | (34,036)       | (26,435)       |
| Post-employment obligations                                 | (61,363)       | (83,455)       |
| Regulatory liabilities CVA                                  | 13,741         | (29,208)       |
| Regulatory liabilities Tariff Review                        | 203,615        | (12,344)       |
| Other   | (86,495)       | (21,384)       |
|   | 90,155         | (142,097)      |
| <b>CASH GENERATED BY OPERATIONS</b>                         | <b>408,871</b> | <b>630,673</b> |
| <b>FINANCING ACTIVITIES</b>                                 |                |                |
| Financings obtained   |                |                |
| Short-term loans  | 6,050          | 118,485        |
| Payments of loans and financings                            | (82,315)       | (263,701)      |

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|  |                  |                 |
|--|------------------|-----------------|
| Interest on Equity and dividends           | (236,945)        | (283,631)       |
| CASH USED AT FINANCING ACTIVITIES          | (313,210)        | (428,847)       |
| TOTAL INFLOW OF FUNDS                      | 95,661           | 201,826         |
| CAPITAL EXPENDITURE                        |                  |                 |
| On investments                             |                  | (1,247)         |
| In fixed assets                            | (323,122)        | (304,767)       |
| Special Obligations consumer contributions | 47,071           | 21,308          |
| CASH USED AT INVESTMENTS ACTIVITIES        | (276,051)        | (284,706)       |
| NET CHANGE IN CASH POSITION                | <b>(180,390)</b> | <b>(82,880)</b> |
| STATEMENT OF CHANGES IN CASH POSITION      |                  |                 |
| At start of the year                       | 442,421          | 636,286         |
| At end of the period                       | <b>262,031</b>   | <b>553,406</b>  |
|  | <b>(180,390)</b> | <b>(82,880)</b> |

The Explanatory Notes are an integral part of the Quarterly Information.

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**EXPLANATORY NOTES TO THE QUARTERLY INFORMATION (ITR)**

**JUNE 30, 2009**

**In R\$ \$ 000, except where otherwise stated.**

**1) OPERATIONAL CONTEXT**

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

Cemig Distribution has a concession area of 567,478 Km<sup>2</sup>, approximately 97% of the Brazilian State of Minas Gerais, serving 6,717,232 consumers as of June 30, 2009. (Information not reviewed by our external auditors).

**2) PRESENTATION OF THE QUARTERLY INFORMATION**

**2.1) Presentation of the Quarterly Information**

The quarterly financial statements were prepared according to accounting principles adopted in Brazil, namely: the Brazilian Corporate Law; the Statements, Orientations and Interpretations issued by the Accounting Statements Committee; the rules of the Brazilian Securities Commission (CVM - *Comissão de Valores Mobiliários*); and rules of the specific legislation applicable to holders of electricity concessions, issued by the National Electricity Agency, ANEEL.

The quarterly information has been prepared according to accounting principles, methods and criteria that are uniform in relation to those adopted in the previous business year. In accordance with that, the quarterly information must be read with the financial information of the previous year.

**2.2) Change in the Brazilian Corporate Law**

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Law 11.638/07 alters and repeals provisions, and creates new provisions, in the Brazilian Corporate Law, in the chapter relating to disclosure and preparation of financial statements. Among other aspects, this changes the criterion for recognition and valuation of certain assets and liabilities. The aim of these changes is to increase the transparency of financial statements of Brazilian companies and eliminate some regulatory barriers that were an obstacle to the process of convergence of these financial statements with International Financial Reporting Standards (IFRS).

Law 11.638/07 and Provisional Measure 449/08 alters the Law 6.404/76 the aspects related to the Financial Statements.

In the Financial Statement of 2008, the Company has adopted for the first time the changes in the Brazilian Corporate Law made by Law 11.638 approved on December 28, 2007, with the respective changes made by the Provisional Measure 449 on December 3, 2008.

Table of Contents**3) CASH AND CASH EQUIVALENTS**

|                                 | <b>06/30/2009</b> | <b>03/31/2009</b> |
|---------------------------------|-------------------|-------------------|
| Bank accounts                   | 38,270            | 62,530            |
| Cash investments                |                   |                   |
| Bank deposit certificates       | 217,509           | 413,035           |
| Treasury Financial Notes (LFTs) | 1,996             | 3,834             |
| National Treasury Notes (LTNs)  | 3,767             | 68                |
| Other                           | 489               | 4,360             |
|                                 | <b>223,761</b>    | <b>421,297</b>    |
|                                 | <b>262,031</b>    | <b>483,827</b>    |

Cash investments consist of transactions carried out with Brazilian financial institutions, contracted on normal market conditions and under normal market rates. They have high liquidity and are promptly convertible into known amounts of cash, not being subject to a significant risk of change in value.

These financial investments are, principally, bank certificates of deposit and fixed income funds, remunerated, substantially, by percentages indexed to variation in the CDI (Interbank Certificate of Deposit) rate, varying between 101% and 103% of that rate.

**4) CONSUMERS AND TRADERS**

| Consumer type                                | Balances<br>not yet<br>due | Up to 90<br>days past<br>due | More than<br>90 days<br>past due | 06/30/2009       | Total | 03/31/2009       |
|--|----------------------------|------------------------------|----------------------------------|------------------|-------|------------------|
| Residential                                  | 338,239                    | 144,426                      | 122,972                          | 605,637          |       | 607,559          |
| Industrial                                   | 131,031                    | 31,412                       | 271,654                          | 434,097          |       | 399,364          |
| Commercial, services and others              | 174,778                    | 42,972                       | 92,168                           | 309,918          |       | 296,333          |
| Rural  | 56,223                     | 14,691                       | 22,820                           | 93,733           |       | 81,733           |
| Public authorities                           | 35,835                     | 4,523                        | 45,688                           | 86,047           |       | 81,824           |
| Public illumination                          | 40,713                     | 2,820                        | 20,024                           | 63,557           |       | 50,647           |
| Public service                               | 50,481                     | 1,673                        | 10,248                           | 62,402           |       | 52,731           |
| Subtotal Consumers                           | 827,300                    | 242,517                      | 585,574                          | 1,655,391        |       | 1,570,191        |
| Wholesale supply to other concession holders |                            | 18                           | 899                              | 917              |       | 988              |
| Provision for doubtful receivables           |                            |                              | (189,567)                        | (189,567)        |       | (186,197)        |
|  | <b>827,300</b>             | <b>242,535</b>               | <b>396,906</b>                   | <b>1,466,741</b> |       | <b>1,384,982</b> |

Credits receivable from an industrial consumer in the amount of R\$ 46,692, not paid due to an injunction that allowed this payment not to be made until final judgment of a legal action challenging the tariff increase during the Cruzado Economic Plan, by Ministerial Order 045/86, are recorded in the accounts. The Company expects these amounts to be received in full.



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The provision made for doubtful credits is considered to be sufficient to cover any losses in the realization of these assets.

Receivables in the amount of R\$ 8,770 are recorded in non-current assets (long-term receivables) at June 30, 2009 (R\$ 10,416 at March 31, 2009), in relation to the renegotiation of receivables owed by Copasa (Minas Gerais Water Company) and other consumers.

Table of Contents**5) REGULATORY ASSETS AND LIABILITIES**

The General Agreement for the Electricity Sector, signed in 2001, and the new regulations governing the electricity sector, result in the constitution of several regulatory assets and liabilities, and also in deferral of federal taxes applicable to these assets and liabilities (which are settled as and when the assets and liabilities are received and/or paid), as shown here:

|   | 06/30/2009     | 03/31/2009     |
|---|----------------|----------------|
| <b>Assets</b>   |                |                |
| Extraordinary Tariff Recomposition, and Portion A Note 6                  | 383,486        | 453,723        |
| Deferred tariff adjustment  |                | 14,644         |
| PIS, Pasep and Cofins taxes Note 10                                       | 46,240         | 46,240         |
| Pre-paid expenses CVA Note 7  | 1,101,383      | 1,155,295      |
| Low-income subsidy (1)  | 35,904         | 129,454        |
| Other regulatory assets   | 13,165         | 18,342         |
|   | 1,580,178      | 1,817,698      |
| <b>Liabilities</b>  |                |                |
| Regulatory liabilities CVA (Note 7)                                       | (623,147)      | (582,252)      |
| Review of the tariff for use of the distribution network (TUSD)           | (10,760)       | (14,444)       |
| Exposure in CCEAR contracts between Sub-markets                           | (17,147)       | (22,285)       |
| Financial bubble effect corrected by the IGP-M inflation index (pro rata) | (80,375)       | (104,458)      |
| Financial adjustment relating to 2008 Tariff Review                       | (123,240)      | (160,167)      |
|   | (4,278)        | (5,736)        |
|   | (858,947)      | (889,342)      |
| Taxes, charges and contributions Deferred liabilities (Note 14)           | (15,722)       | (22,055)       |
|   | (874,669)      | (911,397)      |
|   | <b>705,509</b> | <b>906,301</b> |

(1) These items refer to government social programs.

**6) THE EXTRAORDINARY TARIFF RECOMPOSITION, AND PORTION A****a) The Extraordinary Tariff Recomposition**

Resolution 91 of the Emergency Electricity Council (GCE), of December 21, 2001 and Law 10438 of April 26, 2002, established the procedures for implementation of the Extraordinary Tariff Recomposition (RTE), coming into force on December 27, 2001. The tariff adjustments were set by Resolution 130 of the GCE, on April 30, 2002, as follows:

- Adjustment of 2.90% for consumers in the residential classes (excluding low-rental consumers), and the rural, public-illumination and industrial high-voltage consumer classes for whom the cost of electricity represents 18.00% or more of the average cost of production and

which meet certain requirements related to load factor and electricity demand, specified in the Resolution.

- Increase of 7.90% for other consumers.

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The RTE described above is being used to compensate the following items:

- Losses of invoiced sales revenue in the period from June 1, 2001 to February 8, 2002, corresponding to the difference between estimated revenue if the rationing program had not been put in place and the actual revenue while the program was in place, according to a formula published by ANEEL. Calculation of this value did not take into account any losses from default by consumers.
- Passthrough to the generators who bought energy in the MAE which was succeeded in 2004 by the Electricity Sale Chamber (the CCEE/MAE ) in the period from June 1, 2001 to February 28, 2002, with price in excess of R\$ 49.26/MWh ( free energy ).

The period of validity of the RTE, of 74 months, expired in February 2008, and the Company made a write-off as a loss, of R\$ 93,935 as a result of this period not having been sufficient for receipt of all the assets relating to the losses suffered in the rationing period.

**b) Portion A**

The items of Portion A are defined as being the sum of the differences, positive or negative, in the period January 1 to October 25, 2001, between the amounts of the non-manageable costs presented on the basis of the calculation for determination of the last annual tariff adjustment and the disbursements which effectively took place in the period.

The recovery of Portion A was begun in March 2008, shortly after the end of the period of validity of the RTE, using the same mechanisms of recovery, that is to say, the adjustment applied in the tariffs for compensation of the amounts of the RTE continued in force, for compensation of the Portion A items.

The Portion A credits are updated by the variation in the Selic rate up to the month in which they are actually offset.

As and when amounts of Portion A are received through the tariff, Cemig D transfers those amounts from Assets to the Income statement. The amounts transferred in the first quarter of 2009 are as follows:

|   | <b>For the periods ended on:</b> |                   |
|---|----------------------------------|-------------------|
|   | <b>06/30/2009</b>                | <b>31/03/2009</b> |
| Amounts transferred to expenses                 |                                  |                   |
| Energy bought for resale                        | 93,758                           | 45,408            |
| CCC   | 41,516                           | 20,107            |
| RGR Global Reversion Reserve                    | 4,149                            | 2,009             |
| Tariff for transport of electricity from Itaipu | 1,601                            | 775               |

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|   |                |               |
|---|----------------|---------------|
| Tariff for use of national grid transmission facilities | 10,723         | 5,193         |
| Financial compensation for use of water resources       | 3,682          | 1,784         |
| Connection Realization of Portion A                     | 226            | 110           |
| Electricity service inspection charge                   | 388            | 188           |
|   | <b>156,043</b> | <b>75,574</b> |

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Composition of the balances of Portion A

|   | Principal      | 06/30/2009<br>Updated by<br>Selic | Total          | 03/31/2009<br>Total |
|---|----------------|-----------------------------------|----------------|---------------------|
| Compensation for items of Portion A (3) | 245,299        | 561,695                           | 806,994        | 796,762             |
| Amounts raised                          |                | (423,508)                         | (423,508)      | (343,039)           |
| Total of Portion A                      | <b>245,299</b> | <b>138,187</b>                    | <b>383,486</b> | <b>453,723</b>      |
| Current assets                          |                |                                   | 317,042        | 288,427             |
| Non-current assets                      |                |                                   | 66,444         | 165,296             |

**7) ANTICIPATED EXPENSES AND REGULATORY LIABILITIES CVA**

The balance on the Account to Compensate for Variation of Portion A items (CVA) refers to the positive and negative variations between the estimate of Cemig's non-manageable costs, used for deciding the tariff adjustment, and the payments actually made. The variations ascertained are compensated in the subsequent tariff adjustments.

|   | Balance on<br>03/31/2009 | Amounts<br>deferred (1) | Amortization<br>(2) | Monetary<br>updating (3) | Balance on<br>06/30/2009 |
|---|--------------------------|-------------------------|---------------------|--------------------------|--------------------------|
| Energy bought for resale                                | 258,612                  | (13,717)                | (30,231)            | 5,718                    | 220,382                  |
| CCC   | 55,792                   | (35,408)                | (11,227)            | 942                      | 10,099                   |
| Charge for System Service (ESS)                         | 167,368                  | 15,432                  | (26,095)            | 3,368                    | 160,074                  |
| Tariff for transport of electricity from Itaipu         | 7,970                    | 132                     | (741)               | 129                      | 7,490                    |
| Tariff for use of national grid transmission facilities | 42,209                   | 917                     | (2,509)             | 558                      | 41,175                   |
| Financial compensation for use of water resources       | 2,587                    |                         |                     |                          | 2,587                    |
| Energy Development Account (CDE)                        | 18,336                   | 1,020                   | (208)               | 238                      | 19,386                   |
| Alternative Energy Program Proinfra                     | 20,169                   |                         | (3,546)             | 421                      | 17,043                   |
|   | <b>573,043</b>           | <b>(31,624)</b>         | <b>(74,557)</b>     | <b>11,374</b>            | <b>478,236</b>           |

|                         | 06/30/2009     | 03/31/2009     |
|-------------------------|----------------|----------------|
| Current assets          | 613,760        | 542,899        |
| Non-current assets      | 487,623        | 612,396        |
| Current liabilities     | (212,438)      | (123,051)      |
| Non-current liabilities | (410,709)      | (459,201)      |
|                         | <b>478,236</b> | <b>573,043</b> |

(1) This refers to the portion of the non-controllable costs that comprise the CVA and which were not included in revenue, and therefore excluded from the income statement.

(2) This refers to the non-controllable costs included in the CVA which were transferred to the income statement since they are included in the company's revenues.

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(3) This refers to the updating by the variation in the Selic rate between the date of payment of the expense and its actual offsetting in the tariff adjustment.

8) TAXES SUBJECT TO OFFSETTING

|                     | 06/30/2009     | 03/31/2009     |
|---------------------|----------------|----------------|
| Current             |                |                |
| ICMS rebates        | 129,049        | 122,646        |
| Income tax          | 262,877        | 206,139        |
| Social Contribution | 141,270        | 89,008         |
| Cofins tax          | 7,977          | 5,776          |
| Pasep tax           | 1,728          | 1,251          |
| Other               | 515            | 449            |
|                     | 543,416        | 425,269        |
| NON-CURRENT         |                |                |
| ICMS rebates        | 57,351         | 57,351         |
|                     | <b>600,767</b> | <b>482,620</b> |

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The balances of income tax and Social Contribution refer to tax credits in corporate income tax returns of previous years, and payments made in 2009, which will be offset in the Income Tax and Social Contribution payable in 2009, recorded in the line Taxes and contributions.

The credits of ICMS recoverable arise from acquisitions of fixed assets and are offset in 48 months.

The Company filed a consultation with the Minas Gerais State Tax Department for clarification of questions related to the use of part of the ICMS credits recorded in Long-term assets, and the response is awaited in the third quarter of 2009, when their offsetting will be commenced.

**9) TAX CREDITS**

**a) Deferred income tax and Social Contribution**

The company has tax credits posted in current and non-current assets of income tax, constituted at the rate of 25.00%, and Social Contribution, at the rate of 9.00%, as follows:

|  | 06/30/2009     | 03/31/2009     |
|--|----------------|----------------|
| Tax credits on temporary differences:  |                |                |
| Post-employment obligations            | 68,577         | 69,191         |
| Provision for doubtful receivables     | 72,313         | 71,168         |
| Contingency provisions                 | 23,963         | 23,745         |
| Financial instruments                  | 43,317         | 37,585         |
| Regulatory liabilities - Tariff Review | 67,052         | 87,143         |
| FX variation                           | 78,740         | 75,398         |
| Other                                  | 12,733         | 6,827          |
|  | <b>366,695</b> | <b>371,057</b> |
| Current assets                         | 184,465        | 167,574        |
| Non-current assets                     | 182,230        | 203,483        |

At its meeting on February 12, 2009, the Board of Directors approved the technical study prepared by the CFO's department on the forecasts for future profitability adjusted to present value, which show capacity for realization of the deferred tax asset in a maximum period of 10 years, as defined in CVM Instruction 371. This study was also submitted to examination by Cemig's Audit Board on February 05, 2009.

In accordance with Cemig D's estimates, future taxable profits enable the deferred tax asset existing on June 30, 2009 to be realized according to the following estimate:



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|                      | 06/30/2009     |
|----------------------|----------------|
| June - December 2009 | 126,224        |
| 2010                 | 116,481        |
| 2011                 | 28,385         |
| 2012                 | 28,385         |
| 2013                 | 28,386         |
| 2014 to 2016         | 25,118         |
| 2017 and 2019        | 13,716         |
|                      | <b>366,695</b> |

Table of Contents**b) Reconciliation of the expense on income tax and Social Contribution:**

The reconciliation of the nominal expense on income tax (rate 25%) and Social Contribution (rate 9%) with the actual expense shown in the Income Statement is as follows:

|  | 06/30/2009     | 06/30/2008       |
|--|----------------|------------------|
| Profit before income tax and Social Contribution     | 140,522        | 730,163          |
| Income tax and Social Contribution nominal expense   | (47,777)       | (247,767)        |
| Tax effects applicable to:                           |                |                  |
| Employees profit shares                              | 17,375         | 10,986           |
| Tax incentive amounts                                | 3,559          | 4,679            |
| Interest on Equity                                   | 25,909         | 25,538           |
| Non-deductible contributions and donations           | (1,777)        | (3,361)          |
| Tax credits not recognized                           | 446            | 562              |
| Other  | 1,230          | 224              |
| Income tax and Social Contribution effective expense | <b>(1,035)</b> | <b>(209,139)</b> |

**c) Transition Taxation Regime:**

Provisional Measure 449/2008, of December 3, 2008, instituted the Transition Taxation Regime (RTT), which aims to neutralize the impacts of the new accounting methods and criteria introduced by Law 11.638/07, in calculation of the taxable amounts for federal taxes.

Application of the RTT is optional for the year 2009, and applies to corporate entities subject to Corporate Income Tax ( IRPJ ), in accordance with the two tax reporting methods: real profit or presumed profit. The taxpayer must choose an option to adopt the RTT in the Corporate Tax Return ( DIPJ ) for 2009, this regime being optional for 2009. Starting in 2010, adoption of the RTT becomes obligatory, until the law that disciplines the tax effects of the new accounting methods and criteria comes into effect.

For the companies that adopt the RTT, it has been established that the changes introduced by Law 11638/07, as amended by MP 449/08, which change the criteria for recognition of revenues, costs and expenses computed in calculation of the net profit for the period, do not have effect for the purposes of calculating the real profit of the legal entity, but the accounting methods and criteria in effect on December 31, 2007 are used for tax purposes.

Based on an initial assessment, the Company has reflected the effects of adoption of the RTT in its accounting statements. Additionally, by November 30, 2009 it will have to prepare its Transition Accounting Tax Control (FCONT), which was created by Brazilian Federal Revenue Service Normative Instruction 949/2009.

**10) REGULATORY ASSET PIS/PASEP AND COFINS**

Federal Laws 10637/02 and 10833/03 changed the bases of application, and increased the rate, of the PIS, Pasep and Cofins taxes. As a result of these alterations there was an increase in PIS/Pasep expenses from December 2002 to March 2005 and in expenses on the Cofins tax from February 2004 to June 2005.

In view of the fact that this increase in the expense should be repaid to the company, the credits were registered, in accordance with a criterion defined by ANEEL, as a regulatory asset and there was a counterpart reduction in the expense on PIS/Pasep and Cofins taxes.

The Company expects this asset to be recovered in the next forthcoming tariff adjustments.

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## 11) FIXED ASSETS

## Total fixed assets

|  | Historic cost     | Accumulated depreciation and amortization | Net value 06/30/2009 | Net value 31/12/2009 |
|--|-------------------|---|----------------------|----------------------|
| <b>In service</b>                            | <b>10,108,893</b> | <b>(4,669,026)</b>                        | <b>5,439,867</b>     | <b>5,518,712</b>     |
| - Distribution                               | 9,838,154         | (4,476,844)                               | 5,361,310            | 5,438,005            |
| Lands  | 17,865            |   | 17,865               | 17,866               |
| Buildings, works and improvements            | 246,397           | (130,718)                                 | 115,679              | 114,638              |
| Machines and equipment                       | 9,503,701         | (4,296,875)                               | 5,206,827            | 5,282,409            |
| Vehicles                                     | 59,740            | (39,059)                                  | 20,681               | 22,829               |
| Furniture and utensils                       | 10,451            | (10,192)                                  | 258                  | 263                  |
| - Management                                 | 270,739           | (192,182)                                 | 78,557               | 80,707               |
| Lands  | 1,028             |   | 1,028                | 950                  |
| Buildings, works and improvements            | 43,535            | (26,657)                                  | 16,878               | 17,216               |
| Machines and equipment                       | 177,832           | (121,995)                                 | 55,837               | 57,367               |
| Vehicles                                     | 28,247            | (24,810)                                  | 3,437                | 3,765                |
| Furniture and utensils                       | 20,097            | (18,720)                                  | 1,377                | 1,409                |
| <b>In progress</b>                           | <b>1,292,669</b>  |   | <b>1,292,669</b>     | <b>1,133,750</b>     |
| - Distribution                               | 1,182,378         |   | 1,182,378            | 1,031,622            |
| - Management                                 | 110,291           |   | 110,291              | 102,128              |
| <b>Total fixed assets</b>                    | <b>11,401,562</b> | <b>(4,669,026)</b>                        | <b>6,732,536</b>     | <b>6,652,462</b>     |
| Special Obligations linked to the concession | (2,634,314)       | 145,695                                   | (2,488,619)          | (2,494,892)          |
| <b>Net fixed assets</b>                      | <b>8,767,248</b>  | <b>(4,523,331)</b>                        | <b>4,243,917</b>     | <b>4,157,570</b>     |

*Special Obligations* refers to the contributions by consumers for execution of the undertakings necessary to comply with requests for retail supply of electricity, and any settlement of these obligations depends on the will of ANEEL, at the termination of Distribution concessions, upon reduction of the residual value of the Fixed Asset for the purposes of determining the value that the Concession-granting Power will pay to the concession holder.

Under ANEEL Resolution 234 of October 2006, the balances of the Special Obligations linked to assets will now be amortized as from the second cycle of tariff reviews, which in the case of Cemig is from April 8, 2008, at a rate yet to be set by ANEEL, corresponding to the average rate of the assets in service.

## 12) INTANGIBLE

|                   | Historic cost  | Accumulated amortization | Net value, 06/30/2009 | Net value 03/31/2009 |
|-------------------|----------------|--------------------------|-----------------------|----------------------|
| <b>In service</b> | <b>130,720</b> | <b>(84,279)</b>          | <b>46,441</b>         | <b>49,926</b>        |
| - Distribution    | 11,407         | (530)                    | 10,877                | 10,878               |

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|                        |                |                 |                |                |
|------------------------|----------------|-----------------|----------------|----------------|
| - Management           | 119,313        | (83,749)        | 35,564         | 39,048         |
| <b>In progress</b>     | <b>176,841</b> |                 | <b>176,841</b> | <b>174,225</b> |
| - Distribution         | 48,911         |                 | 48,911         | 48,775         |
| - Management           | 127,930        |                 | 127,930        | 125,450        |
| <b>Intangible, net</b> | <b>307,561</b> | <b>(84,279)</b> | <b>223,282</b> | <b>224,151</b> |

Table of Contents**13) SUPPLIERS**

|   | 06/30/2009     | 03/31/2009     |
|---|----------------|----------------|
| <b>Current</b>                                  |                |                |
| Wholesale supply and transport of electricity - |                |                |
| Eletrobrás energy from Itaipu                   | 152,306        | 182,139        |
| Furnas  | 52,924         | 52,014         |
| CCEE  | 25,850         | 11,677         |
| Cemig Geração e Transmissão S.A.                | 51,272         | 46,686         |
| CHESF Cia. Hidroelétrica do São Francisco       | 25,967         | 25,437         |
| CESP Cia. Energética de São Paulo               | 17,481         | 17,584         |
| CEEE Cia. Estadual de Energia Elétrica          | 13,451         | 13,403         |
| Other generators and distributors               | 101,303        | 102,834        |
|   | 440,554        | 451,774        |
| Materials and services                          | 117,251        | 93,623         |
|   | <b>557,805</b> | <b>545,397</b> |
| <b>Non Current</b>                              |                |                |
| Wholesale supply and transport of electricity - |                |                |
| Other generators and distributors               | 1,095          | 906            |
|   | <b>558,900</b> | <b>546,303</b> |

**14) TAXES, CHARGES AND CONTRIBUTIONS**

|                        | 06/30/2009     | 03/31/2009     |
|------------------------|----------------|----------------|
| <b>CURRENT</b>         |                |                |
| Income tax             | 70,935         | 92,995         |
| Social Contribution    | 26,350         | 34,066         |
| ICMS tax               | 228,995        | 233,911        |
| Cofins tax             | 25,373         | 40,301         |
| Pasep tax              | 5,503          | 8,744          |
| Social security system | 11,267         | 11,152         |
| Other                  | 10,215         | 10,112         |
|                        | 378,638        | 431,281        |
| Deferred obligations   |                |                |
| Income tax             | 11,560         | 15,221         |
| Social Contribution    | 4,162          | 5,480          |
| Cofins tax             |                | 1,113          |
| Pasep tax              |                | 242            |
|                        | 15,722         | 22,056         |
|                        | <b>394,360</b> | <b>453,337</b> |
| <b>NON-CURRENT</b>     |                |                |
| Cofins tax             | 154,726        | 115,771        |
| Pasep tax              | 33,592         | 25,134         |
|                        | 188,318        | 140,905        |
| Deferred obligations   |                |                |
| Income tax             | 94,777         | 83,394         |
| Social Contribution    | 34,120         | 30,022         |
|                        | 128,897        | 113,416        |
|                        | <b>317,215</b> | <b>254,321</b> |

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The current deferred obligations are the regulatory assets and liabilities linked to the General Agreement for the Electricity Sector and other regulatory matters, and are owed as and when these assets and liabilities are realized.

The non-current obligations for Pasep and Cofins taxes refer to the legal action challenging the constitutionality of the inclusion of ICMS tax in the taxable amount for these taxes, and applying for offsetting of the amounts paid in the last 10 years. The Company has obtained an injunction from the judiciary enabling it not to make the payment and authorizing payment into Court starting from 2008, in amount of R\$173,289.

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The non-current deferred obligations for income tax and Social Contribution refer, substantially, to the recognition of financial instruments (FX variation, and hedge transactions) by the cash method, which are payable as and when realized, by payment or redemption, and to the marking to market of financial instruments, and adjustment to present value, implemented by the change in the Corporate Law, to be reversed as and when realized.

**15) LOANS, FINANCINGS AND DEBENTURES**

| FINANCING SOURCES       | Principal maturity | Annual cost (%) | 06/30/2009 |         |             | 03/31/2009 |         |
|-------------------------|--------------------|-----------------|------------|---------|-------------|------------|---------|
|                         |                    |                 | Currency   | Current | Non-current | Total      | Total   |
| <b>FOREIGN CURRENCY</b> |                    |                 |            |         |             |            |         |
| ABN AMRO Bank - N. (2)  | 2013               | 6.00            | US\$       | 24,525  | 73,185      | 97,710     | 117,670 |
| ABN AMRO Real S.A. (3)  | 2009               | 6.35            | US\$       | 7,392   |             | 7,392      | 17,709  |