

ENERGY CO OF MINAS GERAIS

Form 6-K

October 07, 2013

[Table of Contents](#)

## **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 October 2013**

**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 ☐

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

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

---

Table of Contents

Index

| Item | Description of Item   |
|------|---|
| 1.   | <u>Market Announcement dated August 30, 2013: Jaguará Principal Injunction Maintains Operation by CEMIG</u>                                     |
| 2.   | <u>Second Quarter 2013 Results</u>  |
| 3.   | <u>Minutes of the Extraordinary General Meeting of Stockholders Held on September 10, 2013</u>  |
| 4.   | <u>Convocation and Proposal by the Board of Directors to the Extraordinary General Meeting of Stockholders to be Held on September 26, 2013</u> |
| 5.   | <u>Market Announcement dated September 12, 2013: CEMIG Selected for Inclusion in the 2013-14 Dow Jones Sustainability Index</u>                 |
| 6.   | <u>Minutes of the Extraordinary General Meeting of Stockholders Held on September 26, 2013</u>  |

Table of Contents

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 ENERGÉTICA DE MINAS GERAIS CEMIG

|        |                         |  |
|--------|-------------------------|--|
| By:    | /s/ Luiz Fernando Rolla |  |
| Name:  |                         | Luiz Fernando Rolla                              |
| Title: |                         | Chief Officer for Finance and Investor Relations |

Date: October 7, 2013

Table of Contents

1. Market Announcement dated August 30, 2013: Jaguara Principal Injunction Maintains Operation by CEMIG

Table of Contents

**COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG**

LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

**MARKET ANNOUNCEMENT**

***Jaguara: principal injunction maintains operation by Cemig***

**Cemig** (*Companhia Energética de Minas Gerais*), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid in compliance with CVM Instruction 358/2002, as amended **hereby informs** the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (BM&FBovespa) and the market as follows:

On today's date Brazil's **Higher Appeal Court** (*Superior Tribunal de Justiça*, or STJ) granted an **interim injunction** to Cemig's wholly-owned subsidiary **Cemig GT** (*Cemig Geração e Transmissão S.A.*) in its further application for an order of *mandamus* against the recent decision by the Mining and Energy Ministry which, in a dispatch published on August 23 of this year, refused, after consideration on its merits, the application by Cemig GT for extension of the concession of the **Jaguara Hydroelectric Plant** under Concession Contract 1007/97.

This interim injunction gives Cemig GT the right to remain in control of the Jaguara Hydroelectric Plant, commercially operating the public service concession granted to it, until final judgment of the case.

It should be noted that this is a preliminary decision by the Judiciary, and that there is at present no decision on the merits of the action. The Higher Appeal Court will examine the merits of the action at a later date.

Cemig reiterates its commitment to seeking both fair prices for services provided to the consumer, and also optimum quality of its services and their sustainability in the use of natural and human resources to ensure that future generations can enjoy the same benefits.

Cemig will keep its stockholders and the market opportunely and appropriately informed on the progress of this case.

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Belo Horizonte, August 30, 2013.

Arlindo Porto Neto

Acting Chief Finance and Investor Relations Officer

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

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

Table of Contents

2. Second Quarter 2013 Results



Table of Contents

**CONTENTS**

|  |    |
|--|----|
| <u>STATEMENTS OF FINANCIAL POSITION</u>  | 8  |
| <u>PROFIT AND LOSS ACCOUNTS</u>  | 10 |
| <u>PROFIT AND LOSS ACCOUNTS</u>  | 11 |
| <u>STATEMENTS OF COMPREHENSIVE INCOME</u>  | 12 |
| <u>STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY - CONSOLIDATED (*)</u>  | 13 |
| <u>STATEMENTS OF CASH FLOW</u>   | 14 |
| <u>STATEMENTS OF ADDED VALUE</u>   | 15 |
| <u>CONDENSED EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS</u>   | 16 |
| <u>1. OPERATIONAL CONTEXT</u>  | 16 |
| <u>2. BASIS OF PREPARATION</u>   | 16 |
| <u>3. PRINCIPLES OF CONSOLIDATION</u>  | 22 |
| <u>4. CASH AND CASH EQUIVALENTS</u>  | 22 |
| <u>5. SECURITIES</u>   | 23 |
| <u>6. CONSUMERS AND TRADERS</u>  | 23 |
| <u>7. RECOVERABLE TAXES</u>  | 24 |
| <u>8. INCOME TAX AND SOCIAL CONTRIBUTION TAX</u>   | 25 |
| <u>9. ESCROW DEPOSITS IN LEGAL ACTIONS</u>   | 27 |
| <u>10. FUNDS RECEIVED FROM THE ENERGY DEVELOPMENT ACCOUNT (CDE)</u>  | 27 |
| <u>11. ACCOUNTS RECEIVABLE FROM THE MINAS GERAIS STATE GOVERNMENT;<br/>THE RECEIVABLES FUND</u>                        | 28 |
| <u>12. FINANCIAL ASSETS OF THE CONCESSION</u>  | 29 |
| <u>13. INVESTMENTS</u>   | 30 |
| <u>14. PROPERTY, PLANT AND EQUIPMENT</u>   | 37 |
| <u>15. INTANGIBLE ASSETS</u>   | 38 |
| <u>16. SUPPLIERS</u>   | 40 |
| <u>17. TAXES</u>   | 40 |
| <u>18. LOANS, FINANCINGS AND DEBENTURES</u>  | 41 |
| <u>19. REGULATORY CHARGES</u>  | 44 |
| <u>20. POST-RETIREMENT OBLIGATIONS</u>   | 44 |
| <u>21. PROVISIONS</u>  | 45 |
| <u>22. STOCKHOLDERS' EQUITY AND REMUNERATION TO STOCKHOLDERS</u>   | 53 |
| <u>23. REVENUE</u>   | 54 |
| <u>24. OPERATIONAL COSTS AND EXPENSES</u>  | 57 |
| <u>25. FINANCIAL REVENUES AND EXPENSES</u>   | 62 |
| <u>26. TRANSACTIONS WITH RELATED PARTIES</u>   | 63 |
| <u>27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT</u>   | 64 |
| <u>28. FAIR VALUE MEASUREMENT</u>  | 74 |
| <u>29. EFFECTS OF PROVISIONAL MEASURE 579 OF SEPTEMBER 11, 2012<br/>(CONVERTED INTO LAW 12783 OF JANUARY 11, 2013)</u> | 75 |
| <u>30. ANNUAL TARIFF ADJUSTMENT AND TARIFF REVIEW</u>  | 75 |
| <u>31. SUBSEQUENT EVENTS</u>   | 76 |
| <u>32. OPERATIONAL SEGMENTS</u>  | 78 |
| <u>CONSOLIDATED ECONOMIC AND FINANCIAL PERFORMANCE</u>   | 81 |
| <u>FINANCIAL STATEMENTS SEPARATED BY COMPANY</u>   | 97 |
| <u>OTHER INFORMATION THAT THE COMPANY BELIEVES TO BE MATERIAL</u>  | 98 |



Table of Contents**STATEMENTS OF FINANCIAL POSITION****AT JUNE 30, 2013 AND DECEMBER 31, 2012****ASSETS****R\$ 000**

|  |             | <b>Consolidated</b>  | <b>Holding company</b>                  |  |                          |   |  |
|--|-------------|----------------------|---|--|--------------------------|---|--|
|  | <b>Note</b> | <b>June 30, 2013</b> | <b>Dec. 31, 2012<br/>(Re-presented)</b> | <b>Jan. 1, 2012<br/>(Re-presented)</b> | <b>June 30,<br/>2013</b> | <b>Dec. 31, 2012<br/>(Re-presented)</b> | <b>Jan. 1, 2012<br/>(Re-presented)</b> |
| <b>CURRENT</b>   |             |                      |   |  |                          |   |  |
| Cash and cash equivalents                                    | 4           | 1,630,058            | 1,919,125                               | 2,103,870                              | 397,373                  | 1,057,122                               | 226,695                                |
| Securities   | 5           | 2,656,096            | 657,142                                 | 356,327                                | 1,158,042                | 27,363                                  | 180,000                                |
| Consumers and Traders  | 6           | 1,741,930            | 1,858,129                               | 2,067,349                              |                          |   |  |
| Concession holders<br>transport of power                     |             | 250,870              | 347,371                                 | 295,838                                |                          |   |  |
| Financial Assets of the<br>Concession                        | 12          | 2,254                | 287,692                                 | 42,106                                 |                          |   |  |
| Recoverable taxes  | 7           | 173,065              | 216,746                                 | 228,554                                | 4,846                    | 62,100                                  | 72,570                                 |
| Income tax and Social<br>Contribution tax recoverable        | 8 a         | 176,457              | 228,968                                 | 135,221                                |                          |   |  |
| Traders Transactions in Free<br>Energy                       |             | 42,617               | 20,755                                  | 22,080                                 |                          |   |  |
| Dividends receivable   |             | 95,257               | 113,364                                 | 73,578                                 | 602,024                  | 511,043                                 | 195,196                                |
| Linked funds   |             | 101,933              | 132,493                                 | 3,386                                  | 99                       | 233                                     | 99                                     |
| Inventories  |             | 39,882               | 41,204                                  | 31,041                                 | 12                       | 12                                      | 15                                     |
| Provision for gains on<br>financial instruments              | 27          |                      | 20,445                                  |  |                          |   |  |
| Accounts receivable from<br>Minas Gerais state<br>government | 11          |                      | 2,422,099                               |  |                          | 2,422,099                               |  |
| Passthrough from CDE<br>(Energy Development)<br>Account      | 10          | 102,904              |   |  |                          |   |  |
| Other credits  |             | 477,187              | 538,219                                 | 408,453                                | 13,863                   | 12,522                                  | 8,702                                  |
| <b>TOTAL, CURRENT</b>  |             | <b>7,490,510</b>     | <b>8,803,752</b>                        | <b>5,767,803</b>                       | <b>2,176,259</b>         | <b>4,092,494</b>                        | <b>683,277</b>                         |
| <b>NON-CURRENT</b>   |             |                      |   |  |                          |   |  |
| Securities   | 5           | 173,893              | 99,116                                  |  | 46,289                   | 7,627                                   |  |
| Accounts receivable from<br>Minas Gerais state<br>government | 11          |                      |   | 1,830,075                              |                          |   |  |
| Receivables Investment<br>Fund                               |             |                      |   |  |                          |   | 1,010,079                              |
| Deferred income tax and<br>Social Contribution tax           | 8 b         | 1,200,897            | 1,303,920                               | 931,438                                | 366,620                  | 392,637                                 | 431,687                                |
| Recoverable taxes  | 7           | 382,881              | 391,608                                 | 281,252                                | 4,757                    | 4,757                                   | 4,334                                  |
| Income tax and Social<br>Contribution tax recoverable        | 8 a         | 51,160               | 27,911                                  | 19,548                                 | 51,160                   | 27,911                                  | 19,548                                 |
| Escrow deposits in litigation                                | 9           | 1,189,903            | 1,300,507                               | 1,276,232                              | 143,337                  | 270,702                                 | 275,721                                |

# Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

|                                    |    |                   |                   |                   |                   |                   |                   |
|------------------------------------|----|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Consumers and Traders              | 6  | 254,826           | 221,150           | 61,822            |                   |                   |                   |
| Concession holders                 |    |                   |                   |                   |                   |                   |                   |
| Transport of electricity           |    |                   | 10,440            | 11,931            |                   |                   |                   |
| Other credits                      |    | 75,816            | 97,678            | 83,822            | 17,410            | 39,788            | 50,694            |
| Financial assets of the concession | 12 | 5,701,329         | 5,475,463         | 3,834,358         |                   |                   |                   |
| Investments                        | 13 | 5,705,822         | 6,855,253         | 6,351,309         | 11,518,208        | 11,827,567        | 11,929,888        |
| Property, plant and equipment      | 14 | 5,950,404         | 6,108,729         | 6,392,332         | 1,456             | 1,584             | 1,723             |
| Intangible assets                  | 15 | 1,900,501         | 1,874,354         | 2,779,400         | 888               | 981               | 657               |
| <b>TOTAL, NON-CURRENT</b>          |    | <b>22,587,432</b> | <b>23,766,129</b> | <b>23,853,519</b> | <b>12,150,125</b> | <b>12,573,554</b> | <b>13,724,331</b> |
| <b>TOTAL ASSETS</b>                |    | <b>30,077,942</b> | <b>32,569,881</b> | <b>29,621,322</b> | <b>14,326,384</b> | <b>16,666,048</b> | <b>14,407,608</b> |

The Condensed Explanatory Notes are an integral part of the Interim Financial Statements.

Table of Contents**STATEMENTS OF FINANCIAL POSITION****AT JUNE 30, 2013 AND DECEMBER 31, 2012****LIABILITIES****R\$ 000**

|  |             | <b>Consolidated</b> |                       |                       | <b>Holding company</b> |                       |                       |
|--|-------------|---------------------|-----------------------|-----------------------|------------------------|-----------------------|-----------------------|
|  |             | <b>June 30,</b>     | <b>Dec. 31, 2012</b>  | <b>Jan. 1, 2012</b>   | <b>June 30,</b>        | <b>Dec. 31, 2012</b>  | <b>Jan. 1, 2012</b>   |
|  | <b>Note</b> | <b>2013</b>         | <b>(Re-presented)</b> | <b>(Re-presented)</b> | <b>2013</b>            | <b>(Re-presented)</b> | <b>(Re-presented)</b> |
| <b>CURRENT</b>                             |             |                     |                       |                       |                        |                       |                       |
| Suppliers                                  | 16          | 1,030,230           | 1,305,935             | 843,697               | 14,573                 | 12,338                | 12,059                |
| Regulatory charges                         | 19          | 214,337             | 317,048               | 271,409               |                        |                       |                       |
| Profit shares                              |             | 83,866              | 84,123                | 87,800                | 7,740                  | 7,776                 | 9,357                 |
| Taxes                                      | 17a         | 413,174             | 515,425               | 460,908               | 20,933                 | 60,119                | 35,740                |
| Income tax and Social Contribution tax     | 17b         | 23,658              | 31,946                | 29,590                |                        |                       |                       |
| Interest on Equity, and dividends, payable |             | 1,418,731           | 3,478,810             | 1,243,086             | 1,418,731              | 3,478,810             | 1,243,086             |
| Loans and financings                       | 18          | 1,431,199           | 4,901,538             | 2,633,655             |                        | 1,102,721             | 1,011,830             |
| Debentures                                 | 18          | 990,799             | 1,564,531             | 1,870,176             |                        |                       |                       |
| Payroll and related charges                |             | 212,423             | 226,743               | 241,488               | 8,326                  | 11,169                | 12,987                |
| Post-retirement liabilities                | 20          | 54,690              | 51,227                | 74,441                | 2,691                  | 2,520                 | 3,706                 |
| Debt to related parties                    |             |                     |                       |                       |                        | 11,132                | 8,646                 |
| Concessions payable                        |             | 20,392              | 16,270                | 7,990                 |                        |                       |                       |
| Other liabilities                          |             | 337,471             | 304,710               | 334,629               | 21,278                 | 15,147                | 15,137                |
| <b>TOTAL, CURRENT</b>                      |             | <b>6,230,970</b>    | <b>12,798,306</b>     | <b>8,098,869</b>      | <b>1,494,272</b>       | <b>4,701,732</b>      | <b>2,352,548</b>      |
| <b>NON-CURRENT</b>                         |             |                     |                       |                       |                        |                       |                       |
| Suppliers                                  | 16          | 5,650               | 4,282                 | 4,874                 |                        |                       |                       |
| Regulatory charges                         | 19          | 198,153             | 169,201               | 261,930               |                        |                       |                       |
| Loans and financings                       | 18          | 2,283,781           | 1,608,770             | 3,825,345             |                        |                       | 18,397                |
| Debentures                                 | 18          | 4,757,404           | 2,340,954             | 2,174,715             |                        |                       |                       |
| Taxes                                      | 17a         | 708,997             | 686,172               | 773,370               |                        |                       |                       |
| Income tax and Social Contribution tax     | 8 b         | 276,202             | 307,188               | 333,305               |                        |                       |                       |
| Provisions                                 | 21          | 301,622             | 265,476               | 311,069               | 154,382                | 146,089               | 185,952               |
| Concessions payable                        |             | 181,726             | 171,448               | 129,629               |                        |                       |                       |
| Post-retirement liabilities                | 20          | 2,622,535           | 2,574,948             | 1,956,238             | 209,031                | 205,733               | 117,532               |
| Other liabilities                          |             | 102,386             | 93,140                | 85,714                | 60,183                 | 62,498                | 66,915                |
| <b>TOTAL, NON-CURRENT</b>                  |             | <b>11,438,456</b>   | <b>8,221,579</b>      | <b>9,856,189</b>      | <b>423,596</b>         | <b>414,320</b>        | <b>388,796</b>        |
| <b>TOTAL LIABILITIES</b>                   |             | <b>17,669,426</b>   | <b>21,019,885</b>     | <b>17,955,058</b>     | <b>1,917,868</b>       | <b>5,116,052</b>      | <b>2,741,344</b>      |
| <b>STOCKHOLDERS EQUITY</b>                 |             |                     |                       |                       |                        |                       |                       |
| Share capital                              | 22          | 4,813,362           | 4,265,091             | 3,412,073             | 4,813,362              | 4,265,091             | 3,412,073             |
| Capital reserves                           |             | 3,405,579           | 3,953,850             | 3,953,850             | 3,405,579              | 3,953,850             | 3,953,850             |
| Profit reserves                            |             | 2,228,045           | 2,856,176             | 3,292,871             | 2,228,045              | 2,856,176             | 3,292,871             |
|  |             | 417,814             | 474,879               | 1,007,470             | 417,814                | 474,879               | 1,007,470             |

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

|   |                   |                   |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Stockholders' equity                              |                   |                   |                   |                   |                   |                   |
| Valuation Adjustments                             |                   |                   |                   |                   |                   |                   |
| Retained earnings                                 | 1,543,716         |                   |                   | 1,543,716         |                   |                   |
| <b>Total of stockholders' equity</b>              | <b>12,408,516</b> | <b>11,549,996</b> | <b>11,666,264</b> | <b>12,408,516</b> | <b>11,549,996</b> | <b>11,666,264</b> |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b> | <b>30,077,942</b> | <b>32,569,881</b> | <b>29,621,322</b> | <b>14,326,384</b> | <b>16,666,048</b> | <b>14,407,608</b> |

The Condensed Explanatory Notes are an integral part of the Interim Financial Statements.

Table of Contents**PROFIT AND LOSS ACCOUNTS****FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2013 AND 2012****R\$ 000 (except Net profit per share)**

|   |           | Consolidated       |                            | Holding company  |                            |
|---|-----------|--------------------|----------------------------|------------------|----------------------------|
|   | Note      | Jan 2013           | Jun 2013<br>(Re-presented) | Jan 2013         | Jun 2012<br>(Re-presented) |
| <b>REVENUE</b>  | <b>23</b> | <b>7,116,584</b>   | <b>6,655,043</b>           | <b>161</b>       | <b>161</b>                 |
| <b>OPERATIONAL COSTS</b>  |           |                    |                            |                  |                            |
| <b>COST OF ELECTRICITY</b>  | <b>24</b> |                    |                            |                  |                            |
| Electricity bought for resale   |           | (2,274,710)        | (1,936,818)                |                  |                            |
| Charges for the use of the national grid                                |           | (254,092)          | (435,389)                  |                  |                            |
|   |           | (2,528,802)        | (2,372,207)                |                  |                            |
| <b>COST</b>   | <b>24</b> |                    |                            |                  |                            |
| Personnel and managers  |           | (429,795)          | (421,061)                  |                  |                            |
| Materials   |           | (69,441)           | (21,071)                   |                  |                            |
| Outsourced services   |           | (304,564)          | (293,321)                  |                  |                            |
| Depreciation and amortization   |           | (356,674)          | (351,532)                  |                  |                            |
| Operational provisions  |           | (47,857)           | (28,605)                   |                  |                            |
| Royalties for use of water resources                                    |           | (62,853)           | (94,849)                   |                  |                            |
| Infrastructure construction cost  |           | (465,405)          | (584,954)                  |                  |                            |
| Other   |           | (79,860)           | (40,498)                   |                  |                            |
|   |           | (1,816,449)        | (1,835,891)                |                  |                            |
| <b>TOTAL COST</b>   |           | <b>(4,345,251)</b> | <b>(4,208,098)</b>         |                  |                            |
| <b>GROSS PROFIT</b>   |           | <b>2,771,333</b>   | <b>2,446,945</b>           | <b>161</b>       | <b>161</b>                 |
| <b>OPERATIONAL EXPENSES</b>   | <b>24</b> |                    |                            |                  |                            |
| Selling expenses  |           | (34,484)           | (33,791)                   |                  |                            |
| General and administrative (expenses) / reversals                       |           | (512,867)          | (330,708)                  | (31,112)         | (28,045)                   |
| Other operational expenses  |           | (221,893)          | (236,960)                  | (59,492)         | (13,979)                   |
|   |           | (769,244)          | (601,459)                  | (90,604)         | (42,024)                   |
| Equity gain (loss) in subsidiaries                                      |           | 250,582            | 237,686                    | 1,335,912        | 1,263,711                  |
| Gain on disposal of investments   |           | 284,298            |                            | 378,378          |                            |
| Unrealized profit   |           | (80,959)           |                            | (80,959)         |                            |
| <b>Operational profit before Financial revenue (expenses) and taxes</b> |           | <b>2,456,010</b>   | <b>2,083,172</b>           | <b>1,542,888</b> | <b>1,221,848</b>           |
| Financial revenues  | 25        | 282,839            | 296,526                    | 76,445           | 72,845                     |
| Financial expenses  | 25        | (597,961)          | (637,395)                  | (24,414)         | (58,967)                   |
| <b>Pretax profit</b>  |           | <b>2,140,888</b>   | <b>1,742,303</b>           | <b>1,594,919</b> | <b>1,235,726</b>           |
| Income tax and Social Contribution tax                                  | 8c        | (584,980)          | (665,367)                  | (86,319)         |                            |

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

|   |           |                  |                  |                  |                  |
|---|-----------|------------------|------------------|------------------|------------------|
| Deferred income tax and Social Contribution tax     | 8c        | (73,323)         | 158,684          | (26,015)         | (106)            |
| <b>NET PROFIT FOR THE PERIOD</b>                    |           | <b>1,482,585</b> | <b>1,235,620</b> | <b>1,482,585</b> | <b>1,235,620</b> |
| <b>Basic and diluted profit per preferred share</b> | <b>22</b> | <b>1.54</b>      | <b>1.28</b>      | <b>1.54</b>      | <b>1.28</b>      |
| <b>Basic and diluted profit per common share</b>    | <b>22</b> | <b>1.54</b>      | <b>1.28</b>      | <b>1.54</b>      | <b>1.28</b>      |

The Condensed Explanatory Notes are an integral part of the Interim Financial Statements.



Table of Contents**PROFIT AND LOSS ACCOUNTS****FOR THE THREE-MONTH PERIODS ENDED JUNE 30, 2013 AND 2012**

(R\$ 000, expect net profit per thousand shares)

|   |           | Consolidated       |                                   | Holding company |                                   |
|---|-----------|--------------------|-----------------------------------|-----------------|-----------------------------------|
|   | Note      | Apr Jun<br>2013    | Apr Jun<br>2012<br>(Re-presented) | Apr Jun<br>2013 | Apr Jun<br>2012<br>(Re-presented) |
| <b>REVENUE</b>  | <b>23</b> | <b>3,438,990</b>   | <b>3,463,114</b>                  | <b>81</b>       | <b>81</b>                         |
| <b>OPERATIONAL COSTS</b>  |           |                    |                                   |                 |                                   |
| <b>COST OF ELECTRICITY</b>  | <b>24</b> |                    |                                   |                 |                                   |
| Electricity bought for resale   |           | (1,301,923)        | (1,078,457)                       |                 |                                   |
| Charges for the use of the national grid                                |           | (127,867)          | (217,739)                         |                 |                                   |
|   |           | (1,429,790)        | (1,296,196)                       |                 |                                   |
| <b>COST</b>   | <b>24</b> |                    |                                   |                 |                                   |
| Personnel and managers  |           | (217,015)          | (211,294)                         |                 |                                   |
| Materials   |           | (18,062)           | (12,891)                          |                 |                                   |
| Outsourced services   |           | (159,019)          | (147,177)                         |                 |                                   |
| Depreciation and amortization   |           | (169,440)          | (167,085)                         |                 |                                   |
| Operational provisions  |           | (41,598)           | 13,096                            |                 |                                   |
| Royalties for use of water resources                                    |           | (28,812)           | (45,875)                          |                 |                                   |
| Infrastructure construction cost  |           | (261,058)          | (360,461)                         |                 |                                   |
| Other   |           | (60,254)           | (14,104)                          |                 |                                   |
|   |           | (955,258)          | (945,791)                         |                 |                                   |
| <b>TOTAL COST</b>   |           | <b>(2,385,048)</b> | <b>(2,241,987)</b>                |                 |                                   |
| <b>GROSS PROFIT</b>   |           | <b>1,053,942</b>   | <b>1,221,127</b>                  | <b>81</b>       | <b>81</b>                         |
| <b>OPERATIONAL EXPENSES</b>   | <b>24</b> |                    |                                   |                 |                                   |
| Selling expenses  |           | (13,862)           | (13,599)                          |                 |                                   |
| General and administrative (expenses) / reversals                       |           | (166,781)          | (128,833)                         | 11,331          | (984)                             |
| Other operational expenses  |           | (92,796)           | (126,800)                         | (52,157)        | (7,252)                           |
|   |           | (273,439)          | (269,232)                         | (40,826)        | (8,236)                           |
| Equity gain (loss) in subsidiaries                                      | 13        | 84,424             | 88,343                            | 458,976         | 614,527                           |
| Gain on disposal of investments   | 13        | 284,298            |                                   | 378,378         |                                   |
| Unrealized profit   | 13        | (80,959)           |                                   | (80,959)        |                                   |
| <b>Operational profit before Financial revenue (expenses) and taxes</b> |           | <b>1,068,266</b>   | <b>1,040,238</b>                  | <b>715,650</b>  | <b>606,372</b>                    |
| Financial revenues  | 25        | 144,450            | 143,172                           | 23,307          | 30,124                            |
| Financial expenses  | 25        | (296,036)          | (324,853)                         | (1,272)         | (27,696)                          |
| <b>Pretax profit</b>  |           | <b>916,680</b>     | <b>858,557</b>                    | <b>737,685</b>  | <b>608,800</b>                    |

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

|   |           |                |                |                |                |
|---|-----------|----------------|----------------|----------------|----------------|
| Income tax and Social Contribution tax              | 8c        | (246,590)      | (338,140)      | (84,423)       | 0              |
| Deferred income tax and Social Contribution tax     | 8c        | (52,852)       | 83,815         | (36,024)       | (4,568)        |
| <b>NET PROFIT FOR THE PERIOD</b>                    |           | <b>617,238</b> | <b>604,232</b> | <b>617,238</b> | <b>604,232</b> |
| <b>Basic and diluted profit per preferred share</b> | <b>22</b> | <b>0.64</b>    | <b>0.63</b>    | <b>0.64</b>    | <b>0.63</b>    |
| <b>Basic and diluted profit per common share</b>    | <b>22</b> | <b>0.64</b>    | <b>0.63</b>    | <b>0.64</b>    | <b>0.63</b>    |

[Table of Contents](#)

## STATEMENTS OF COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2013 AND 2012

R\$ 000

|   | Consolidated     |   | Holding company  |   |
|---|------------------|---|------------------|---|
|   | Jan Jun<br>2013  | Jan Jun ,<br>2012<br>(Re-<br>presented) | Jan Jun<br>2013  | Jan Jun ,<br>2012<br>(Re-<br>presented) |
| <b>PROFIT (LOSS) FOR THE PERIOD</b>   | <b>1,482,585</b> | <b>1,235,620</b>                        | <b>1,482,585</b> | <b>1,235,620</b>                        |
| <b>OTHER COMPREHENSIVE INCOME</b>   |                  |   |                  |   |
| Equity gain on Other comprehensive income in subsidiary and jointly-controlled subsidiary | 4,066            | 3,633                                   | 4,066            | 3,633                                   |
| <b>COMPREHENSIVE PROFIT (LOSS) FOR THE PERIOD</b>   | <b>1,486,651</b> | <b>1,239,253</b>                        | <b>1,486,651</b> | <b>1,239,253</b>                        |

## STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIODS ENDED JUNE 30, 2013 AND 2012

R\$ 000

|   | Consolidated    |                                       | Holding company |                                       |
|---|-----------------|---------------------------------------|-----------------|---------------------------------------|
|   | Apr Jun<br>2013 | Apr Jun<br>2012<br>(Re-<br>presented) | Apr Jun<br>2013 | Apr Jun<br>2012<br>(Re-<br>presented) |
| <b>PROFIT (LOSS) FOR THE PERIOD</b>   | <b>617,238</b>  | <b>604,232</b>                        | <b>617,238</b>  | <b>604,232</b>                        |
| <b>OTHER COMPREHENSIVE INCOME</b>   |                 |                                       |                 |                                       |
| Equity gain on Other comprehensive income in subsidiary and jointly-controlled subsidiary | 4,942           | 5,746                                 | 4,942           | 5,746                                 |
| <b>COMPREHENSIVE PROFIT (LOSS) FOR THE PERIOD</b>   | <b>622,180</b>  | <b>609,978</b>                        | <b>622,180</b>  | <b>609,978</b>                        |

The Condensed Explanatory Notes are an integral part of the Interim Financial Statements.



Table of Contents

## STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY CONSOLIDATED

FOR THE PERIODS ENDED JUNE 30, 2013 AND 2012

R\$ 000

|   | Share capital    | Capital reserves | Profit reserves  | Valuation adjustments to Stockholders equity | Retained earnings (losses) | Total Stockholders equity |
|---|------------------|------------------|------------------|--|----------------------------|---------------------------|
| <b>BALANCES AT DECEMBER 31, 2011, PREVIOUSLY PRESENTED</b>                                | <b>3,412,073</b> | <b>3,953,850</b> | <b>3,292,871</b> | <b>1,086,154</b>                             |                            | <b>11,744,948</b>         |
| Effects of adoption of new accounting practices (Note 2.2)                                |                  |                  |                  | (78,684)                                     |                            | (78,684)                  |
| <b>DECEMBER 31, 2011 BALANCES ADJUSTED FOR CHANGE IN ACCOUNTING PRACTICE</b>              | <b>3,412,073</b> | <b>3,953,850</b> | <b>3,292,871</b> | <b>1,007,470</b>                             |                            | <b>11,666,264</b>         |
| Profit (loss) for the period  |                  |                  |                  |  | 1,235,620                  | 1,235,620                 |
| <b>Other comprehensive income:</b>  |                  |                  |                  |  |                            |                           |
| Equity gain on Other comprehensive income in subsidiary and jointly-controlled subsidiary |                  |                  |                  | 3,633  |                            | 3,633                     |
| <b>Total comprehensive income for the period</b>  |                  |                  |                  | <b>3,633</b>                                 | <b>1,235,620</b>           | <b>1,239,253</b>          |
| <b>Other changes in Stockholders equity</b>   |                  |                  |                  |  |                            |                           |
| Increase in registered capital  | 853,018          |                  | (853,018)        |  |                            |                           |
| Additional dividend proposed for 2011   |                  |                  | (86,316)         |  |                            | (86,316)                  |
| <b>Realization of reserves</b>  |                  |                  |                  |  |                            |                           |
| Adjustments to Stockholders equity attributed cost of PP&E                                |                  |                  |                  | (92,773)                                     | 92,773                     |                           |
| <b>BALANCE ON JUNE 30, 2012</b>   | <b>4,265,091</b> | <b>3,953,850</b> | <b>2,353,537</b> | <b>918,330</b>                               | <b>1,328,393</b>           | <b>12,819,201</b>         |
| <b>BALANCES AT DECEMBER 31, 2012, PREVIOUSLY PRESENTED</b>                                | <b>4,265,091</b> | <b>3,953,850</b> | <b>2,856,176</b> | <b>968,945</b>                               |                            | <b>12,044,062</b>         |
| Effects of adoption of new accounting practices (Note 2.2)                                |                  |                  |                  | (494,066)                                    |                            | (494,066)                 |
| <b>DECEMBER 31, 2012 BALANCES ADJUSTED FOR CHANGE IN ACCOUNTING PRACTICE</b>              | <b>4,265,091</b> | <b>3,953,850</b> | <b>2,856,176</b> | <b>474,879</b>                               |                            | <b>11,549,996</b>         |
| Profit (loss) for the period  |                  |                  |                  |  | 1,482,585                  | 1,482,585                 |
| <b>Other comprehensive income:</b>  |                  |                  |                  |  |                            |                           |
| Equity gain on Other comprehensive income in subsidiary and jointly-controlled subsidiary |                  |                  |                  | 4,066  |                            | 4,066                     |
| <b>Total comprehensive income for the period</b>  |                  |                  |                  | <b>4,066</b>                                 | <b>1,482,585</b>           | <b>1,486,651</b>          |
| <b>Other changes in Stockholders equity</b>   |                  |                  |                  |  |                            |                           |
| Increase in share capital   | 548,271          | (548,271)        |                  |  |                            |                           |
| Additional dividend proposed in 2012 (R\$ 0.74 per share)                                 |                  |                  | (628,131)        |  |                            | (628,131)                 |

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

|                                     |                  |                  |                  |                |                  |                   |
|-------------------------------------|------------------|------------------|------------------|----------------|------------------|-------------------|
| Realization of reserves             |                  |                  |                  |                |                  |                   |
| Adjustments to Stockholders' equity |                  |                  |                  |                |                  |                   |
| attributed cost of PP&E             |                  |                  |                  | (61,131)       | 61,131           |                   |
| <b>BALANCES ON JUNE 30, 2013</b>    | <b>4,813,362</b> | <b>3,405,579</b> | <b>2,228,045</b> | <b>417,814</b> | <b>1,543,716</b> | <b>12,408,516</b> |

The Condensed Explanatory Notes are an integral part of the Interim Financial Statements.

Table of Contents

## STATEMENTS OF CASH FLOW

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2013 AND 2012

R\$ 000

|  | Consolidated |                            | Holding company |                            |
|--|--------------|----------------------------|-----------------|----------------------------|
|  | Jan 2013     | Jun 2012<br>(Re-presented) | Jan 2013        | Jun 2012<br>(Re-presented) |
| <b>CASH FLOW FROM OPERATIONS</b>                                   |              |                            |                 |                            |
| Profit (loss) for the period                                       | 1,482,585    | 1,235,620                  | 1,482,585       | 1,235,620                  |
| <b>Expenses (revenues) not affecting cash and cash equivalents</b> |              |                            |                 |                            |
| Income tax and Social Contribution tax                             | 658,303      | 506,683                    | 112,334         | 106                        |
| Depreciation and amortization                                      | 387,125      | 371,315                    | 201             | 185                        |
| Gain on disposal of investments                                    | (284,298)    |                            | (378,378)       |                            |
| Equity gain (loss) in subsidiaries                                 | (250,582)    | (237,686)                  | (1,335,912)     | (1,263,711)                |
| Unrealized profit  | 80,959       |                            | 80,959          |                            |
| Interest and monetary updating                                     | 450,290      | 464,736                    | (22,087)        | 12,754                     |
| Provisions for operational losses                                  | 75,001       | 46,036                     | 8,293           | (18,392)                   |
| Post-retirement liabilities  | 137,757      | 114,494                    | 8,173           | 7,394                      |
| Other  | 3,186        | 10,754                     | 20              | 15                         |
|  | 2,740,326    | 2,511,952                  | (43,812)        | (26,029)                   |
| (Increase) / decrease in assets                                    |              |                            |                 |                            |
| Consumers and Traders  | 61,901       | (65,731)                   |                 |                            |
| Passthrough from CDE (Energy Development) Account                  | (102,904)    |                            |                 |                            |
| Recoverable taxes  | 52,408       | (40,039)                   | 57,254          | (1,172)                    |
| Income tax and Social Contribution tax recoverable                 | 58,962       | (5,148)                    | (23,249)        | (9,627)                    |
| Transport of electricity   | 106,941      | (37,775)                   |                 |                            |
| Dividends received   | 276,222      | 227,569                    | 235,786         | 609,318                    |
| Financial assets   | 295,906      | 28,081                     |                 |                            |
| Other  | 224,968      | (247,135)                  | 148,538         | 12,266                     |
|  | 974,404      | (140,178)                  | 418,329         | 610,785                    |
| Increase (reduction) in liabilities                                |              |                            |                 |                            |
| Suppliers  | (275,705)    | 101,492                    | 2,235           | (4,742)                    |
| Taxes  | (79,426)     | (33,790)                   | (39,186)        | (13,951)                   |
| Income tax and Social Contribution tax                             | (107,350)    | (32,432)                   | 21,783          | 14,302                     |
| Payroll and related charges  | (14,320)     | (31,533)                   | (2,843)         | (2,958)                    |
| Regulatory charges   | (73,759)     | (19,457)                   |                 |                            |
| Post-retirement liabilities  | (86,707)     | (98,842)                   | (4,704)         | (4,940)                    |
| Other  | 37,012       | (22,230)                   | (7,349)         | (147)                      |
|  | (600,255)    | (136,792)                  | (30,064)        | (12,436)                   |
| Cash from operational activities                                   | 3,114,475    | 2,234,982                  | 344,453         | 572,320                    |
| Interest paid on loans and financings                              | (657,880)    | (530,764)                  | (17,784)        | (4,784)                    |
| Income tax and Social Contribution tax paid                        | (516,904)    | (482,342)                  | (108,102)       | (10,800)                   |
| <b>CASH FROM OPERATIONAL ACTIVITIES</b>                            | 1,939,691    | 1,221,876                  | 218,567         | 556,736                    |
| <b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>                       |              |                            |                 |                            |
| In securities short-term investments                               | (2,073,731)  | (631,993)                  | (1,169,341)     | 30,515                     |
| Accounts receivable received from Minas Gerais state government    | 2,465,646    | 96,329                     | 2,465,646       |                            |
| In financial assets  | (46,233)     | (45,600)                   |                 |                            |

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

|  |                    |                    |                    |                  |
|--|--------------------|--------------------|--------------------|------------------|
| Investments  | 1,351,574          | (117,536)          | 1,619,986          | (4,603)          |
| Gain on disposal of investments                          | 1,691,415          |                    | 1,619,986          |                  |
| Acquisition of investments                               | (94,184)           |                    |                    |                  |
| Injection of capital                                     | (236,734)          | (117,536)          |                    |                  |
| Other  | (8,923)            |                    |                    | (4,603)          |
| In PP&E  | (4,115)            | (44,818)           |                    |                  |
| In intangible assets                                     | (444,119)          | (542,592)          |                    |                  |
| <b>NET CASH FROM (USED IN) INVESTMENT ACTIVITIES</b>     | <b>1,249,022</b>   | <b>(1,286,210)</b> | <b>2,916,291</b>   | <b>25,912</b>    |
| <b>CASH FLOW IN FINANCING ACTIVITIES</b>                 |                    |                    |                    |                  |
| New loans, financings and debentures                     | 2,442,510          | 2,591,159          |                    |                  |
| Payment of loans, financings and debentures              | (3,232,080)        | (2,884,086)        | (1,106,397)        | (18,397)         |
| Interest on Equity, and dividends                        | (2,688,210)        | (647,963)          | (2,688,210)        | (647,963)        |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>             | <b>(3,477,780)</b> | <b>(940,890)</b>   | <b>(3,794,607)</b> | <b>(666,360)</b> |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>           | <b>(289,067)</b>   | <b>(1,005,224)</b> | <b>(659,749)</b>   | <b>(83,712)</b>  |
| <b>STATEMENT OF CHANGES IN CASH AND CASH EQUIVALENTS</b> |                    |                    |                    |                  |
| Beginning of the year                                    | 1,919,125          | 2,103,870          | 1,057,122          | 226,695          |
| End of the year  | 1,630,058          | 1,098,646          | 397,373            | 142,983          |
|  | <b>(289,067)</b>   | <b>(1,005,224)</b> | <b>(659,749)</b>   | <b>(83,712)</b>  |

The Condensed Explanatory Notes are an integral part of the Interim Financial Statements.



Table of Contents

## STATEMENTS OF ADDED VALUE

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2013 AND 2012

R\$ 000

|  | Consolidated       |                                 | Holding company    |                                    |
|--|--------------------|---------------------------------|--------------------|------------------------------------|
|  | Jan Jun,<br>2013   | Jan Jun, 2012<br>(Re-presented) | Jan Jun,<br>2013   | Jan Jun,<br>2012<br>(Re-presented) |
| <b>REVENUE</b>                                 |                    |                                 |                    |                                    |
| Sales of electricity and services              | 9,064,480          | 9,138,892                       | 161                | 161                                |
| Distribution construction revenue              | 421,826            | 542,426                         |                    |                                    |
| Transmission construction revenue              | 43,579             | 42,528                          |                    |                                    |
| Gain on disposal of investments                | 1,691,415          |                                 | 1,619,986          |                                    |
| Other revenues                                 | 2,300              | 2,606                           |                    |                                    |
| Allowance for doubtful receivables             | (34,501)           | (33,801)                        |                    |                                    |
|  | <b>11,189,099</b>  | <b>9,692,651</b>                | <b>1,620,147</b>   | <b>161</b>                         |
| <b>INPUTS ACQUIRED FROM THIRD PARTIES</b>      |                    |                                 |                    |                                    |
| Electricity bought for resale                  | (2,416,955)        | (2,133,716)                     |                    |                                    |
| Charges for use of the national grid           | (284,495)          | (489,438)                       |                    |                                    |
| Outsourced services                            | (660,684)          | (628,789)                       | (4,281)            | (5,700)                            |
| Materials                                      | (273,768)          | (331,909)                       | (67)               | (54)                               |
| Cost on disposal of investments                | (1,407,117)        |                                 | (1,241,608)        |                                    |
| Other operational costs                        | (286,483)          | (183,868)                       | (47,545)           | 214                                |
|  | <b>(5,329,502)</b> | <b>(3,767,720)</b>              | <b>(1,293,501)</b> | <b>(5,540)</b>                     |
| <b>GROSS VALUE ADDED</b>                       | <b>5,859,597</b>   | <b>5,924,931</b>                | <b>326,646</b>     | <b>(5,379)</b>                     |
| <b>RETENTIONS</b>                              |                    |                                 |                    |                                    |
| Depreciation and amortization                  | (387,125)          | (371,315)                       | (201)              | (185)                              |
| <b>NET ADDED VALUE PRODUCED BY THE COMPANY</b> | <b>5,472,472</b>   | <b>5,553,616</b>                | <b>326,445</b>     | <b>(5,564)</b>                     |
| <b>ADDED VALUE RECEIVED BY TRANSFER</b>        |                    |                                 |                    |                                    |
| Equity gain (loss) in subsidiaries             | 250,582            | 237,686                         | 1,254,953          | 1,263,711                          |
| Unrealized profit                              | (80,959)           |                                 |                    |                                    |
| Financial revenues                             | 372,676            | 295,009                         | 76,445             | 72,845                             |
|  | <b>6,014,771</b>   | <b>6,086,311</b>                | <b>1,657,843</b>   | <b>1,330,992</b>                   |

**ADDED VALUE TO BE  
DISTRIBUTED**

**DISTRIBUTION OF  
ADDED VALUE**

|   |                  | %             |                  | %             |                  | %             |                  | %             |
|---|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|
| <b>Employees</b>                        | <b>797,104</b>   | <b>13.25</b>  | <b>694,924</b>   | <b>11.42</b>  | <b>32,052</b>    | <b>1.93</b>   | <b>30,033</b>    | <b>2.26</b>   |
| Direct remuneration                     | 454,056          | 7.55          | 471,336          | 7.74          | 15,661           | 0.94          | 17,289           | 1.30          |
| Benefits                                | 190,980          | 3.18          | 176,709          | 2.90          | 10,777           | 0.65          | 10,791           | 0.81          |
| FGTS Fund                               | 31,211           | 0.51          | 31,855           | 0.52          | 1,707            | 0.10          | 1,699            | 0.13          |
| Others                                  | 120,857          | 2.01          | 15,024           | 0.26          | 3,907            | 0.24          | 254              | 0.02          |
| <b>Taxes</b>                            | <b>2,996,051</b> | <b>49.81</b>  | <b>3,467,798</b> | <b>56.98</b>  | <b>118,279</b>   | <b>7.13</b>   | <b>5,943</b>     | <b>0.45</b>   |
| Federal                                 | 1,592,318        | 26.47         | 1,954,384        | 32.11         | 118,133          | 7.12          | 5,734            | 0.44          |
| State                                   | 1,399,415        | 23.27         | 1,508,453        | 24.78         | 84               | 0.01          | 150              | 0.01          |
| Municipal                               | 4,318            | 0.07          | 4,961            | 0.09          | 62               |               | 59               |               |
| <b>Remuneration of external capital</b> | <b>739,031</b>   | <b>12.29</b>  | <b>687,969</b>   | <b>11.30</b>  | <b>24,927</b>    | <b>1.51</b>   | <b>59,396</b>    | <b>4.46</b>   |
| Interest                                | 687,798          | 11.44         | 637,395          | 10.47         | 24,414           | 1.47          | 58,967           | 4.43          |
| Rentals                                 | 51,233           | 0.85          | 50,574           | 0.83          | 513              | 0.04          | 429              | 0.03          |
| <b>Remuneration of own capital</b>      | <b>1,482,585</b> | <b>24.65</b>  | <b>1,235,620</b> | <b>20.30</b>  | <b>1,482,585</b> | <b>89.43</b>  | <b>1,235,620</b> | <b>92.83</b>  |
| Retained earnings                       | 1,482,585        | 24.65         | 1,235,620        | 20.30         | 1,482,585        | 89.43         | 1,235,620        | 92.83         |
|   | <b>6,014,771</b> | <b>100.00</b> | <b>6,086,311</b> | <b>100.00</b> | <b>1,657,843</b> | <b>100.00</b> | <b>1,330,992</b> | <b>100.00</b> |

Table of Contents

**CONDENSED EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**FOR THE QUARTER AND SIX MONTHS ENDED JUNE 30, 2013**

**(Figures are in R\$ 000, except where otherwise indicated)**

**1. Operational context**

Companhia Energética de Minas Gerais ( Cemig , the Holding Company , or the Company ) is a listed corporation registered in the Brazilian Registry of Corporate Taxpayers (CNPJ) under number 17.155.730/0001-64, with shares traded at Corporate Governance Level 1 on the BM&F Bovespa ( Bovespa ), through ADRs on the New York Stock Exchange ( NYSE ), and on the stock exchange of Madrid ( Latibex ). It is domiciled in Brazil, with head office at Avenida Barbacena 1200, Belo Horizonte, Minas Gerais. It operates exclusively as a holding company, with stockholdings in companies controlled individually or jointly, the principal objects 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.

**2. BASIS OF PREPARATION**

**2.1. Statement of compliance**

The Individual Interim Financial Statements have been prepared in accordance with Technical Pronouncement 21 (R1) *Interim Reporting (Pronunciamento Técnico 21 Demonstração Intermediária*, or CPC 21 ); and the Consolidated Interim Financial statements have been prepared in accordance with both CPC 21 and International Accounting Standard IAS 34 *Interim Financial Reporting*, issued by the International Accounting Standards Board (IASB). Both are also presented in a form compliant with the rules issued by the Brazilian Securities Commission (*Comissão de Valores Imobiliários*, or CVM) applicable to preparation of interim financial statements for the Quarterly Information (*Informações Trimestrais*, or ITR).

This Interim Quarterly Information has been prepared according to principles, practices and criteria consistent with those adopted in the preparation of the annual accounting statements at December 31, 2011, except in relation to the new accounting pronouncements that came into force on January 1, 2013, which are dealt with in more detail in Explanatory Note 2, item 2.3, of this Interim Quarterly Information. Hence this Interim Accounting Information should be read in conjunction with those accounting statements, which were approved by the Executive Board on April 16, 2013 and filed with the CVM on that date, and were approved by the Ordinary and Extraordinary General Meetings of Stockholders held on April 30, 2013.



Table of Contents

The individual Interim financial statements of the holding company were prepared in accordance with BR GAAP. In the case of the consolidated statements, those practices differ from the IFRS applicable to the separate holding company interim financial statements in that under BR GAAP the investments in subsidiaries, affiliates and joint ventures are valued by the equity method, whereas under IFRS they are valued at cost or fair value.

However, there is no difference in the totals for Stockholders' equity and Net profit between the consolidated financial statements and the holding company financial statements. Thus, the consolidated Interim Financial Statements and the holding company Interim Financial Statements are presented side-by-side in a single group of Financial Statements.

**2.2. New accounting pronouncements adopted starting in 2013**

Due to the changes in accounting Pronouncements, the Company has adopted new accounting practices as from January 1, 2013 and, for the presentation of these consolidated interim financial statement, these practices were applied retrospectively. Below are the principal alterations that affect the financial statements.

CPC.33 (R1) and IAS 19 (revised) *Employee Benefits*

These changes have altered the accounting of defined-benefit plans and severance benefits. The most significant change relates to accounting of the changes in the defined-benefit obligations and assets of the plan in the year itself, with the elimination of the corridor approach permitted in the previous version of IAS 19 and early recognition of the cost of past services. The changes require that all actuarial gains and losses be recognized immediately in Other comprehensive income and in Stockholders' equity so that the net assets or liabilities of the pension plan are recognized in the consolidated Statement of financial position to reflect the full value of the plan's deficit or surplus.

CPC 19 (R2) and IFRS 11 *Joint Arrangements*

IFRS 11 replaces IAS 31 *Interests in joint ventures*. IFRS 11 deals with how a participation agreement in which two or more parties have joint control should be classified. SIC 13 *Jointly Controlled Entities - Non-Monetary Contributions by Venturers* will be withdrawn with the application of IFRS 11. Under IFRS 11, participation agreements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the agreements. Additionally, under IFRS 11, joint ventures must be accounted by the equity method. Under the previous criterion of IAS 31, a choice was allowed, for joint ventures, between accounting by the equity method or by the method of proportional consolidation.

As a result of adoption of this rule, the Company now accounts by the equity method all its holdings in entities in which the control is jointly held; and no longer uses the proportional consolidation method.



# Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

## Table of Contents

### Reclassification of accounting balances of June 30, 2012 and January 1, 2012

Some balances in the Consolidated Interim Accounting Information for the period ended June 30, 2012, originally issued on August 14, 2012, although not significant in scale, have been reclassified for the purposes of comparison with the Consolidated Interim Accounting Information for the period ended June 30, 2013.

The company decided to adjust the comparative balances at June 30, 2012, for presentation in the Consolidated Interim Accounting Information of June 30, 2012, with the aim of the maintaining the best comparison of balances.

Below we give a summary of the Consolidated Interim Accounting Information that has been reclassified, to provide optimum comprehension of the effects:

| Jan. 1, 2012                                 | Consolidated |                             |                        |                      | Holding company |                             |                      |
|--|--------------|-----------------------------|------------------------|----------------------|-----------------|-----------------------------|----------------------|
| Statement of financial position              | Published    | Post-retirement obligations | Consolidation criteria | Balance Re-presented | Published       | Post-retirement obligations | Balance Re-presented |
| Current assets                               | 8,531,649    |                             | (2,763,846)            | 5,767,803            | 683,277         |                             | 683,277              |
| Noncurrent assets                            |              |                             |                        |                      |                 |                             |                      |
| Deferred income tax and Social               |              |                             |                        |                      |                 |                             |                      |
| Contribution tax                             | 1,235,869    | 33,824                      | (338,255)              | 931,438              | 424,449         | 7,238                       | 431,687              |
| Investments                                  | 176,740      | (13,025)                    | 6,187,594              | 6,351,309            | 11,994,523      | (64,635)                    | 11,929,888           |
| Other non-current assets                     | 27,064,625   |                             | (10,493,853)           | 16,570,772           | 1,362,756       |                             | 1,362,756            |
| Total non-current assets                     | 28,477,234   | 20,799                      | (4,644,514)            | 23,853,519           | 13,781,728      | (57,397)                    | 13,724,331           |
|  |              |                             |                        |                      |                 |                             |                      |
| Current liabilities                          | 12,169,346   |                             | (4,070,477)            | 8,098,869            | 2,352,548       |                             | 2,352,548            |
| Noncurrent liabilities                       |              |                             |                        |                      |                 |                             |                      |
| Post-retirement liabilities                  | 2,186,568    | 99,483                      | (329,813)              | 1,956,238            | 96,245          | 21,287                      | 117,532              |
| Other non-current liabilities                | 10,908,021   |                             | (3,008,070)            | 7,899,951            | 271,264         |                             | 271,264              |
| Total non-current liabilities                | 13,094,589   | 99,483                      | (3,337,883)            | 9,856,189            | 367,509         | 21,287                      | 388,796              |
|  |              |                             |                        |                      |                 |                             |                      |
| Stockholders equity                          |              |                             |                        |                      |                 |                             |                      |
| Valuation adjustments to Stockholders equity | 1,086,154    | (78,684)                    |                        | 1,007,470            | 1,086,154       | (78,684)                    | 1,007,470            |
| Other components of Stockholders equity:     | 10,658,794   |                             |                        | 10,658,794           | 10,658,794      |                             | 10,658,794           |
| Total of stockholders equity                 | 11,744,948   | (78,684)                    |                        | 11,666,264           | 11,744,948      | (78,684)                    | 11,666,264           |

Dec. 31, 2012

Consolidated

Holding company

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

| Statement of financial position                 | Published         | Post-retirement obligations | Consolidation criteria | Balance Re-presented | Published         | Post-retirement obligations | Balance Re-presented |
|---|-------------------|-----------------------------|------------------------|----------------------|-------------------|-----------------------------|----------------------|
| <b>Current assets</b>                           | <b>11,990,079</b> |                             | <b>(3,186,327)</b>     | <b>8,803,752</b>     | <b>4,092,494</b>  |                             | <b>4,092,494</b>     |
| <b>Non-current assets</b>                       |                   |                             |                        |                      |                   |                             |                      |
| Deferred income tax and Social Contribution tax | 1,451,794         | 174,047                     | (321,921)              | 1,303,920            | 357,354           | 35,283                      | 392,637              |
| Investments                                     | 225,599           | (55,852)                    | 6,685,506              | 6,855,253            | 12,253,148        | (425,581)                   | 11,827,567           |
| Other non-current assets                        | 27,105,489        |                             | (11,498,533)           | 15,606,956           | 353,350           |                             | 353,350              |
| <b>Total non-current assets</b>                 | <b>28,782,882</b> | <b>118,195</b>              | <b>(5,134,948)</b>     | <b>23,766,129</b>    | <b>12,963,852</b> | <b>(390,298)</b>            | <b>12,573,554</b>    |
| <b>Current liabilities</b>                      | <b>14,307,372</b> |                             | <b>(1,509,066)</b>     | <b>12,798,306</b>    | <b>4,701,732</b>  |                             | <b>4,701,732</b>     |
| <b>Non-current liabilities</b>                  |                   |                             |                        |                      |                   |                             |                      |
| Income tax and Social Contribution tax          | 947,870           | (51,699)                    | (588,983)              | 307,188              |                   |                             |                      |
| Post-employment obligations                     | 2,229,081         | 663,960                     | (318,093)              | 2,574,948            | 101,965           | 103,768                     | 205,733              |
| Other non-current liabilities                   | 11,244,576        |                             | (5,905,133)            | 5,339,443            | 208,587           |                             | 208,587              |
| <b>Total non-current liabilities</b>            | <b>14,421,527</b> | <b>612,261</b>              | <b>(6,812,209)</b>     | <b>8,221,579</b>     | <b>310,552</b>    | <b>103,768</b>              | <b>414,320</b>       |
| <b>Stockholders equity</b>                      |                   |                             |                        |                      |                   |                             |                      |
| Valuation adjustments to Stockholders equity    | 968,945           | (494,066)                   |                        | 474,879              | 968,945           | (494,066)                   | 474,879              |
| Other components of Stockholders equity         | 11,075,117        |                             |                        | 11,075,117           | 11,075,117        |                             | 11,075,117           |
| <b>Total of stockholders equity</b>             | <b>12,044,062</b> | <b>(494,066)</b>            |                        | <b>11,549,996</b>    | <b>12,044,062</b> | <b>(494,066)</b>            | <b>11,549,996</b>    |



Table of Contents

Jan Jun 2012 ( 1H12 )

| Profit and loss account                                     | Published          | Consolidated Consolidation criteria | Balance re-presented |
|---|--------------------|-------------------------------------|----------------------|
| <b>Revenue</b>  | <b>8,562,335</b>   | <b>(1,907,292)</b>                  | <b>6,655,043</b>     |
| <b>Operational costs</b>                                    |                    |                                     |                      |
| Cost of electricity   | (3,234,646)        | 862,439                             | (2,372,207)          |
| Cost of operation   | (2,148,988)        | 313,097                             | (1,835,891)          |
| <b>Total cost</b>   | <b>(5,383,634)</b> | <b>1,175,536</b>                    | <b>(4,208,098)</b>   |
| <b>Gross profit</b>   | <b>3,178,701</b>   | <b>(731,756)</b>                    | <b>2,446,945</b>     |
| Operational expenses  | (787,412)          | 185,953                             | (601,459)            |
| Equity gain (loss) in subsidiaries                          | (1,458)            | 239,144                             | 237,686              |
| <b>Profit before Financial revenue (expenses) and taxes</b> | <b>2,389,831</b>   | <b>(306,659)</b>                    | <b>2,083,172</b>     |
| Financial revenue (expenses)                                | (564,712)          | 223,843                             | (340,869)            |
| <b>Pretax profit</b>  | <b>1,825,119</b>   | <b>(82,816)</b>                     | <b>1,742,303</b>     |
| Income tax and Social Contribution tax                      | (589,499)          | 82,816                              | (506,683)            |
| <b>PROFIT (LOSS) FOR THE PERIOD</b>                         | <b>1,235,620</b>   |                                     | <b>1,235,620</b>     |

April June 2013 ( 2Q13 )

| Profit and loss account   | Published          | Consolidated Consolidation criteria | Balance re-presented |
|---|--------------------|-------------------------------------|----------------------|
| <b>Revenue</b>  | <b>4,413,940</b>   | <b>(950,826)</b>                    | <b>3,463,114</b>     |
| <b>Operational costs</b>  |                    |                                     |                      |
| Cost of electricity   | (1,745,655)        | 449,459                             | (1,296,196)          |
| Cost of operation   | (1,112,149)        | 166,358                             | (945,791)            |
| <b>Total cost</b>   | <b>(2,857,804)</b> | <b>615,817</b>                      | <b>(2,241,987)</b>   |
| <b>Gross profit</b>   | <b>1,556,136</b>   | <b>(335,009)</b>                    | <b>1,221,127</b>     |
| Operational expenses  | (368,180)          | 98,948                              | (269,232)            |
| Equity gain (loss) in subsidiaries                                      | (656)              | 88,999                              | 88,343               |
| <b>Operational profit before Financial revenue (expenses) and taxes</b> | <b>1,187,300</b>   | <b>(147,062)</b>                    | <b>1,040,238</b>     |
| Financial revenue (expenses)  | (302,632)          | 120,951                             | (181,681)            |
| <b>Pretax profit</b>  | <b>884,668</b>     | <b>(26,111)</b>                     | <b>858,557</b>       |
| Income tax and Social Contribution tax                                  | (280,436)          | 26,111                              | (254,325)            |
| <b>PROFIT (LOSS) FOR THE PERIOD</b>                                     | <b>604,232</b>     |                                     | <b>604,232</b>       |

Jan Jun 2012 ( 1H12 )

| Statement of Comprehensive Income   | Published        | Consolidated and Holding Company Consolidation criteria | Balance re-presented |
|---|------------------|---|----------------------|
| <b>PROFIT (LOSS) FOR THE PERIOD</b>   | <b>1,235,620</b> |   | <b>1,235,620</b>     |
| <b>Other Comprehensive Income</b>   |                  |   |                      |
| Foreign exchange conversion differences on transactions outside Brazil                    | 4,240            | (4,240)   |                      |
| Equity gain on Other comprehensive income in Subsidiary and Jointly-controlled subsidiary |                  | 3,633   | 3,633                |
| Cash flow hedge instruments   | (921)            | 921   |                      |
| Deferred income tax and Social Contribution tax   | 313              | (313)   |                      |
| <b>COMPREHENSIVE INCOME FOR THE PERIOD</b>  | <b>1,239,252</b> | <b>(1,239,252)</b>                                      |                      |

April June 2013 ( 2Q13 )

| Statement of Comprehensive Income | Published | Consolidated and Holding Company |
|-----------------------------------|-----------|----------------------------------|
|-----------------------------------|-----------|----------------------------------|

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

|  |                | Consolidation<br>criteria | Balance<br>re-presented |
|--|----------------|---------------------------|-------------------------|
| <b>PROFIT (LOSS) FOR THE PERIOD</b>  | 604,232        |                           | 604,232                 |
| <b>Other Comprehensive Income</b>  |                |                           |                         |
| Foreign exchange conversion differences on transactions<br>outside Brazil                    | 6,251          | (6,251)                   |                         |
| Equity gain on Other comprehensive income in Subsidiary<br>and Jointly-controlled subsidiary |                | 5,746                     | 5,746                   |
| Cash flow hedge instruments  | (766)          | 766                       |                         |
| Deferred income tax and Social Contribution tax  | 260            | (260)                     |                         |
| <b>COMPREHENSIVE INCOME FOR THE PERIOD</b>   | <b>609,977</b> | <b>1</b>                  | <b>609,978</b>          |

Table of Contents

Jan Jun 2012 ( 1H12 )

| Statements of Cash Flows                               | Published        | Consolidated Consolidation criteria | Balance re-presented |
|--|------------------|-------------------------------------|----------------------|
| Net cash from operational activities                   | 1,745,889        | (439,983)                           | 1,305,906            |
| Net cash used in (from) financial activities           | (554,633)        | (386,257)                           | (940,890)            |
| Net cash used in (from) investment activities          | (1,718,476)      | 348,236                             | (1,370,240)          |
| <b>Net changes in cash and cash equivalents</b>        | <b>(527,220)</b> | <b>(478,004)</b>                    | <b>(1,005,224)</b>   |
| Cash and cash equivalents in the beginning of the year | 2,862,490        | (758,620)                           | 2,103,870            |
| Cash and cash equivalents in the end of the year       | 2,335,270        | (1,236,624)                         | 1,098,646            |
| <b>Net changes in cash and cash equivalents</b>        | <b>(527,220)</b> | <b>(478,004)</b>                    | <b>(1,005,224)</b>   |

Jan Jun 2012 ( 1H12 )

| Statements of Added Value            | Note | Published        | Consolidated Consolidation criteria | Balance re-presented | Published        | Holding Company Consolidation criteria | Balance re-presented |
|--------------------------------------|------|------------------|-------------------------------------|----------------------|------------------|--|----------------------|
| Revenue                              |      | 12,292,593       | (2,599,942)                         | 9,692,651            | 161              |  | 161                  |
| Inputs Acquired From Third Parties   |      | (4,828,996)      | 1,061,276                           | (3,767,720)          | (5,270)          | (270)                                  | (5,540)              |
| Retentions                           |      | (482,715)        | 111,400                             | (371,315)            | (185)            |  | (185)                |
| Added Value Received by Transfer     | a    | 444,421          | 88,274                              | 532,695              | 1,337,652        | (1,096)                                | 1,336,556            |
| <b>Added Value to be Distributed</b> |      | <b>7,425,303</b> | <b>(1,338,992)</b>                  | <b>6,086,311</b>     | <b>1,332,358</b> | <b>(1,366)</b>                         | <b>1,330,992</b>     |

**Distribution of Added Value**

|                                  |   |                  |                    |                  |                  |                |                  |
|----------------------------------|---|------------------|--------------------|------------------|------------------|----------------|------------------|
| Employees                        |   | 744,286          | (49,362)           | 694,924          | 30,303           | (270)          | 30,033           |
| Taxes                            | a | 4,382,761        | (914,963)          | 3,467,798        | 7,039            | (1,096)        | 5,943            |
| Remuneration of external capital | a | 1,062,636        | (374,667)          | 687,969          | 59,396           |                | 59,396           |
| Remuneration of own capital      |   | 1,235,620        |                    | 1,235,620        | 1,235,620        |                | 1,235,620        |
| <b>Distributed Added Value</b>   |   | <b>7,425,303</b> | <b>(1,338,992)</b> | <b>6,086,311</b> | <b>1,332,358</b> | <b>(1,366)</b> | <b>1,330,992</b> |

The reclassifications above are presented to provide more material information in relation to the following item:

- a) Segregation of the Company's investments into fixed assets, intangible assets and financial assets of the concession according to the nature of expenditures.

Table of Contents**2.3. Correlation between the Explanatory Notes published in the Complete Annual Financial Statements and the Interim statements**

The correlation between the Explanatory Notes published in the Complete annual Financial Statements at December 31, 2012 and the Interim statements at June 30, 2013 is shown below.

The Company believes that this Quarterly Information presents the material updating of information relating to its financial position, and to its performance in the quarter ended June 30, 2013, in compliance with the requirements for disclosure stated by CVM Circular Letter SNC/SEP 003/2011.

| No. of the Explanatory Note           |             | Title of Explanatory Note   |
|---------------------------------------|-------------|---|
| Full-year (DFP)<br>Statement for 2012 | ITR of 2Q13 |   |
| 1                                     | 1           | Operational context   |
| 2                                     | 2           | Basis of preparation  |
| 3                                     | 3           | Principles of consolidation   |
| 5                                     | 32          | Operational segments  |
| 6                                     | 4           | Cash and cash equivalents   |
| 7                                     | 5           | Securities  |
| 8                                     | 6           | Consumers and Traders   |
| 9                                     | 7           | Recoverable taxes   |
| 10                                    | 8           | Income tax and Social Contribution tax  |
| 11                                    | 9           | Escrow deposits in litigation   |
| 12                                    | 11          | Accounts receivable from the Minas Gerais state government; the Receivables Fund                        |
| 13                                    | 12          | Financial Assets of the Concession  |
| 14                                    | 13          | Investments   |
| 15                                    | 14          | Property, plant and equipment   |
| 16                                    | 15          | Intangible assets   |
| 17                                    | 16          | Suppliers   |
| 18                                    | 17          | Taxes and Social Contribution tax   |
| 19                                    | 18          | Loans, financings and debentures  |
| 20                                    | 19          | Regulatory charges  |
| 21                                    | 20          | Post-retirement obligations   |
| 22                                    | 21          | Provisions  |
| 23                                    | 22          | Stockholders' equity and remuneration to stockholders   |
| 24                                    | 23          | Revenue   |
| 25                                    | 24          | Operational costs and expenses  |
| 26                                    | 25          | Financial revenue and expenses  |
| 27                                    | 26          | Related party transactions  |
| 28                                    | 27          | Financial instruments and risk management   |
| 29                                    | 28          | Measurement at fair value   |
| (*)                                   | 29          | Effects of Provisional Measure 579 of September 11, 2012 (converted into Law 12783 of January 11, 2013) |
| 34                                    | 31          | Subsequent event  |

---

(\*) Included in the group of financial statements as from first quarter of 2013.

## Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

The Explanatory Notes of the 2012 annual report that were not included in this present Quarterly Information because they had no material changes, and/or were not applicable to the interim information, are as follows:

| Note number | Title of Explanatory Note  |
|-------------|--|
| 4           | Concession and the effects of Provisional Measure 579 of September 11, 2012 (converted into Law 12783 of January 11, 2013) |
| 30          | Insurance  |
| 31          | Commitments  |
| 33          | Cash flow statement  |

Table of Contents**3. PRINCIPLES OF CONSOLIDATION**

The dates of the Interim Financial Statements of the subsidiaries, used for calculation of equity gains (losses) and consolidation, coincide with those of the Company.

The Company uses the criteria of full consolidation; the direct holdings of Cemig included in the consolidation are as follows

| Subsidiaries  | Form of valuation | June 30, 2013       |                       | Dec. 31, 2012       |                       |
|---|-------------------|---------------------|-----------------------|---------------------|-----------------------|
|   |                   | Direct interest (%) | Indirect interest (%) | Direct interest (%) | Indirect interest (%) |
| Cemig Geração e Transmissão                               | Consolidation     | 100.00              |                       | 100.00              |                       |
| Cemig Distribuição  | Consolidation     | 100.00              |                       | 100.00              |                       |
| Cemig Telecom   | Consolidation     | 100.00              |                       | 100.00              |                       |
| Rosal Energia   | Consolidation     | 100.00              |                       | 100.00              |                       |
| Sá Carvalho   | Consolidation     | 100.00              |                       | 100.00              |                       |
| Horizontes Energia  | Consolidation     | 100.00              |                       | 100.00              |                       |
| Usina Térmica Ipatinga                                    | Consolidation     | 100.00              |                       | 100.00              |                       |
| Cemig PCH   | Consolidation     | 100.00              |                       | 100.00              |                       |
| Cemig Capim Branco Energia                                | Consolidation     | 100.00              |                       | 100.00              |                       |
| Cemig Trading   | Consolidation     | 100.00              |                       | 100.00              |                       |
| Efficientia   | Consolidation     | 100.00              |                       | 100.00              |                       |
| Central Termelétrica de Cogeração                         | Consolidation     | 100.00              |                       | 100.00              |                       |
| UTE Barreiro  | Consolidation     | 100.00              |                       | 100.00              |                       |
| Empresa de Serviços e Comercialização de Energia Elétrica | Consolidation     | 100.00              |                       | 100.00              |                       |
| Cemig Serviços  | Consolidation     | 100.00              |                       | 100.00              |                       |

**4. CASH AND CASH EQUIVALENTS**

|                              | Consolidated     |                            |                           | Holding company |                            |                           |
|------------------------------|------------------|----------------------------|---------------------------|-----------------|----------------------------|---------------------------|
|                              | June 30, 2013    | Dec. 31, 2012 Re-presented | Jan. 1, 2012 Re-presented | June 30, 2013   | Dec. 31, 2012 Re-presented | Jan. 1, 2012 Re-presented |
| Bank accounts                | 76,039           | 73,352                     | 87,448                    | 3,729           | 6,065                      | 6,664                     |
| Cash investments             |                  |                            |                           |                 |                            |                           |
| Bank certificates of deposit | 1,516,245        | 1,785,305                  | 1,762,162                 | 383,387         | 1,046,728                  | 191,004                   |
| Other                        | 37,774           | 60,468                     | 254,260                   | 10,257          | 4,329                      | 29,027                    |
|                              | 1,554,019        | 1,845,773                  | 2,016,422                 | 393,644         | 1,051,057                  | 220,031                   |
|                              | <b>1,630,058</b> | <b>1,919,125</b>           | <b>2,103,870</b>          | <b>397,373</b>  | <b>1,057,122</b>           | <b>226,695</b>            |

Cash investments are transactions carried out with Brazilian institutions, and international financial institutions with branch offices in Brazil, at normal market conditions and rates. All the transactions are liquid, promptly convertible into a known amount of cash, are subject to insignificant risk of change in value, and have no restrictions on use. Bank Certificates of Deposit (CDBs), with fixed or floating rates, and Time

## Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Deposits with Special Guarantee (*Depósitos a Prazo com Garantia Especial*, or DPGEs), are remunerated at a percentage (varying from 97% to 105%) of the CDI rate (Interbank Rate, for *Certificados de Depósito Interbancário*, or CDs) published by the Custody and Settlement Chamber (*Câmara de Custódia e Liquidação*, or Cetip). Repo transactions state, in their trading notes, the Bank's commitment to repurchase the security, at sight, on the maturity date of the transaction, or earlier, at the Company's option.

The Company's exposure to interest rate risk and an analysis of sensitivity of financial assets and liabilities are given in Explanatory Note 27.

Table of Contents**5. SECURITIES**

Securities refers to financial investments in transactions contracted with Brazilian financial institutions, and international financial institutions with branch offices in Brazil, for market prices and conditions.

|                              | June 30,<br>2013 | Consolidated<br>Dec. 31, 2012<br>Re-presented | Jan. 1, 2012<br>Re-presented | June 30,<br>2013 | Holding company<br>Dec. 31, 2012<br>Re-presented | Jan. 1, 2012<br>Re-presented |
|------------------------------|------------------|---|------------------------------|------------------|--|------------------------------|
| <b>Cash investments</b>      |                  |   |                              |                  |  |                              |
| <b>Current</b>               |                  |   |                              |                  |  |                              |
| Bank certificates of deposit | 1,593,270        | 378,576                                       | 356,327                      | 869,383          | 3,845  | 180,000                      |
| Financial Notes Banks        | 995,646          | 220,606                                       |                              | 270,367          | 19,276   |                              |
| Debentures                   | 53,867           | 56,081  |                              | 14,627           | 3,979  |                              |
| Other                        | 13,313           | 1,879   |                              | 3,665            | 263  |                              |
|                              | <b>2,656,096</b> | <b>657,142</b>                                | <b>356,327</b>               | <b>1,158,042</b> | <b>27,363</b>                                    | <b>180,000</b>               |
| <b>Non-current</b>           |                  |   |                              |                  |  |                              |
| Bank certificates of deposit | 31,616           | 7,553   |                              | 8,585            | 4  |                              |
| Financial Notes Banks        | 135,267          | 76,996  |                              | 36,732           | 6,017  |                              |
| Debentures                   |                  | 1,715   |                              |                  | 123  |                              |
| Other                        | 7,010            | 12,852  |                              | 972              | 1,483  |                              |
|                              | <b>173,893</b>   | <b>99,116</b>                                 |                              | <b>46,289</b>    | <b>7,627</b>                                     |                              |
|                              | <b>2,829,989</b> | <b>756,258</b>                                | <b>356,327</b>               | <b>1,204,331</b> | <b>34,990</b>                                    | <b>180,000</b>               |

Classification of these securities in accordance with the categories specified in the accounting rules is presented in Explanatory Note 27.

**6. CONSUMERS AND TRADERS**

|  | June 30,<br>2013 | Consolidated<br>Dec. 31, 2012<br>Re-presented | Jan. 1,<br>2012<br>Re-presented |
|--|------------------|---|---------------------------------|
| Invoiced supply                              | 1,734,310        | 1,769,363                                     | 1,725,958                       |
| Supply not yet invoiced                      | 362,807          | 513,926                                       | 498,832                         |
| Wholesale supply to other concession holders | 403,100          | 290,136                                       | 241,302                         |
| ( ) Allowance for doubtful accounts          | (503,461)        | (494,146)                                     | (336,921)                       |
|  | <b>1,996,756</b> | <b>2,079,279</b>                              | <b>2,129,171</b>                |
| <b>Current assets</b>                        | <b>1,741,930</b> | <b>1,858,129</b>                              | <b>2,067,349</b>                |
| <b>Non-current assets</b>                    | <b>254,826</b>   | <b>221,150</b>                                | <b>61,822</b>                   |

The variation in the line Wholesale supply to other concession holders refers mainly to the delay in settlement of the accounting of the CCEE carried out in April, as determined by Aneel under Law 12783/12 which altered the shares of the distributors and the closing dates of contracts.



The Company's exposure to credit risk related to Consumers and traders is given in Explanatory Note 27.

# Table of Contents

The Provision for Doubtful Receivables is considered to be sufficient to cover any losses in the realization of these assets. By consumer category, they break down as follows:

|   | June 30,<br>2013 | Dec. 31,<br>2012<br>Re-<br>presented | Jan. 1, 2012<br>Re-presented |
|---|------------------|--------------------------------------|------------------------------|
| <b>Allowance (provision) for doubtful receivables</b> |                  |                                      |                              |
| Residential   | 140,000          | 134,512                              | 118,206                      |
| Industrial  | 234,239          | 230,474                              | 83,533                       |
| Commercial, services and others                       | 80,465           | 80,607                               | 80,813                       |
| Rural   | 17,349           | 17,832                               | 17,916                       |
| Public authorities                                    | 4,956            | 4,305                                | 4,726                        |
| Public illumination                                   | 11,281           | 12,182                               | 13,693                       |
| Public service  | 10,673           | 9,667                                | 12,126                       |
| Other   | 4,498            | 4,567                                | 5,908                        |
|   | <b>503,461</b>   | <b>494,146</b>                       | <b>336,921</b>               |

Changes in the Allowance for doubtful receivables were as follows:

|                                    | Dec. 31, 2012<br>Re-presented | New<br>provisions | Retired  | June 30,<br>2013 |
|------------------------------------|-------------------------------|-------------------|----------|------------------|
| Allowance for doubtful receivables | 494,146                       | 34,501            | (25,186) | 503,461          |

## 7. RECOVERABLE TAXES

|                      | Consolidated     |                               |                              | Holding company  |                               |                              |
|----------------------|------------------|-------------------------------|------------------------------|------------------|-------------------------------|------------------------------|
|                      | June 30,<br>2013 | Dec. 31, 2012<br>Re-presented | Jan. 1, 2012<br>Re-presented | June 30,<br>2013 | Dec. 31, 2012<br>Re-presented | Jan. 1, 2012<br>Re-presented |
| <b>Current</b>       |                  |                               |                              |                  |                               |                              |
| ICMS tax recoverable | 116,941          | 115,179                       | 101,961                      | 3,429            | 3,429                         | 3,843                        |
| PIS and Pasep taxes  | 8,764            | 7,399                         | 10,507                       | 6                |                               |                              |
| Cofins tax           | 40,379           | 87,808                        | 111,810                      | 27               | 57,282                        | 67,342                       |
| Other                | 6,981            | 6,360                         | 4,276                        | 1,384            | 1,389                         | 1,385                        |
|                      | 173,065          | 216,746                       | 228,554                      | 4,846            | 62,100                        | 72,570                       |
| <b>Non-current</b>   |                  |                               |                              |                  |                               |                              |
| ICMS tax recoverable | 234,240          | 222,851                       | 203,402                      | 4,754            | 4,754                         | 4,334                        |
| PIS and Pasep taxes  | 26,474           | 29,455                        | 13,254                       |                  |                               |                              |
| Cofins tax           | 122,167          | 139,301                       | 64,596                       | 3                | 3                             |                              |
| Other                |                  | 1                             |                              |                  |                               |                              |
|                      | 382,881          | 391,608                       | 281,252                      | 4,757            | 4,757                         | 4,334                        |
|                      | <b>555,946</b>   | <b>608,354</b>                | <b>509,806</b>               | <b>9,603</b>     | <b>66,857</b>                 | <b>76,904</b>                |

The credits of ICMS tax, and the PIS, Pasep and Cofins taxes arise mainly from acquisitions of property, plant and equipment, which can be offset over 48 months.



Table of Contents**8. INCOME TAX AND SOCIAL CONTRIBUTION TAX****a) Income tax and Social Contribution tax recoverable**

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 2013, which will be offset against federal taxes payable, to be calculated for the year 2013, posted in Taxes.

|                         | June 30,<br>2013 | Consolidated<br>Dec. 31, 2012<br>Re-presented | Jan. 1, 2012<br>Re-presented | June 30,<br>2013 | Holding company<br>Dec. 31, 2012<br>Re-presented | Jan. 1, 2012<br>Re-presented |
|-------------------------|------------------|---|------------------------------|------------------|--|------------------------------|
| <b>Current</b>          |                  |   |                              |                  |  |                              |
| Income tax              | 156,526          | 171,248                                       | 103,461                      |                  |  |                              |
| Social Contribution tax | 19,931           | 57,720  | 31,760                       |                  |  |                              |
|                         | 176,457          | 228,968                                       | 135,221                      |                  |  |                              |
| <b>Non-current</b>      |                  |   |                              |                  |  |                              |
| Income tax              | 18,943           | 25,462  | 17,211                       | 18,943           | 25,462   | 17,211                       |
| Social Contribution tax | 32,217           | 2,449   | 2,337                        | 32,217           | 2,449  | 2,337                        |
|                         | 51,160           | 27,911  | 19,548                       | 51,160           | 27,911   | 19,548                       |
|                         | <b>227,617</b>   | <b>256,879</b>                                | <b>154,769</b>               | <b>51,160</b>    | <b>27,911</b>                                    | <b>19,548</b>                |

**b) Deferred income tax and Social Contribution tax**

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:

|  | June 30,<br>2013 | Consolidated<br>Dec. 31, 2012<br>Re-presented | Jan. 1, 2012<br>Re-presented | June 30,<br>2013 | Holding company<br>Dec. 31, 2012<br>Re-presented | Jan. 1, 2012<br>Re-presented |
|--|------------------|---|------------------------------|------------------|--|------------------------------|
| <b>Tax credits</b>                       |                  |   |                              |                  |  |                              |
| Tax loss carryforwards                   | 249,093          | 285,629                                       | 337,861                      | 248,716          | 285,629  | 337,861                      |
| Provisions                               | 100,791          | 82,511  | 95,990                       | 49,359           | 42,057   | 55,697                       |
| Post-retirement obligations              | 632,431          | 616,380                                       | 403,131                      | 58,319           | 57,175   | 27,045                       |
| Allowance for doubtful receivables       | 181,634          | 178,125                                       | 123,988                      | 8,222            | 7,628  | 8,629                        |
| Taxes payable suspended liability (1)    | 179,217          | 179,217                                       | 179,257                      |                  |  |                              |
| Paid concession                          | 63,075           | 64,790  | 61,941                       |                  |  |                              |
| CVA IFRS                                 | 73,933           |   |                              |                  |  |                              |
| Regulatory assets not recognized by IFRS |                  | 168,344                                       |                              |                  |  |                              |
| Other                                    | 31,331           | 26,490  | 45,082                       | 2,004            | 2,206  | 2,455                        |

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

|   |                  |                  |                  |                |                |                |
|---|------------------|------------------|------------------|----------------|----------------|----------------|
| <b>Total</b>  | <b>1,511,505</b> | <b>1,601,486</b> | <b>1,247,250</b> | <b>366,620</b> | <b>394,695</b> | <b>431,687</b> |
| <b>Deferred obligations</b>                         |                  |                  |                  |                |                |                |
| Funding cost  | (4,682)          | (5,476)          | (4,303)          |                | (2,058)        |                |
| Foreign exchange variations                         | (18,345)         | (20,485)         | (17,645)         |                |                |                |
| Attributed cost                                     | (363,486)        | (385,024)        | (441,950)        |                |                |                |
| Adjustment to present value                         | (82,324)         | (83,725)         | (80,483)         |                |                |                |
| CVA IFRS  |                  |                  | (82,078)         |                |                |                |
| Borrowing costs, capitalized                        | (34,802)         | (27,261)         | (21,248)         |                |                |                |
| Taxes on income not redeemed Presumed Profit method | (2,327)          | (1,939)          | (1,410)          |                |                |                |
| Transmission companies:                             |                  |                  |                  |                |                |                |
| Indemnity gain                                      | (80,844)         | (80,844)         |                  |                |                |                |
| <b>Total</b>  | <b>(586,810)</b> | <b>(604,754)</b> | <b>(649,117)</b> |                | <b>(2,058)</b> |                |
| <b>Total, net</b>                                   | <b>924,695</b>   | <b>996,732</b>   | <b>598,133</b>   | <b>366,620</b> | <b>392,637</b> | <b>431,687</b> |
| <b>Total assets</b>                                 | <b>1,200,897</b> | <b>1,303,920</b> | <b>931,438</b>   | <b>366,620</b> | <b>392,637</b> | <b>431,687</b> |
| <b>Total liabilities</b>                            | <b>(276,202)</b> | <b>(307,188)</b> | <b>(333,305)</b> |                |                |                |

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

This table shows the reconciliation of the nominal expense on income tax (rate 25%) and Social Contribution tax (rate 9%) with the actual expense, shown in the Profit and loss account:

|  | Consolidated     |                      | Holding company      |                      |
|--|------------------|----------------------|----------------------|----------------------|
|  | 1H13             | 1H12<br>Re-presented | 1H13<br>Re-presented | 1H12<br>Re-presented |
| Profit before income tax and Social Contribution tax               | 2,140,888        | 1,742,303            | 1,594,919            | 1,235,726            |
| Income tax and Social Contribution tax nominal expense             | (727,902)        | (592,383)            | (542,272)            | (420,147)            |
| Tax effects applicable to:   |                  |                      |                      |                      |
| Equity gain (loss) in subsidiaries                                 | 57,672           | 80,813               | 426,684              | 429,662              |
| Interest on Equity received from investees                         | (12,304)         | (4,027)              |                      | (4,027)              |
| Non-deductible contributions and donations                         | (2,054)          | (2,410)              | (7)                  | (130)                |
| Tax incentives   | 9,131            | 9,588                | 287                  |                      |
| Tax credits not recognized   | 4,151            | (8,556)              | 200                  | (9,190)              |
| Difference between Presumed Profit and Real Profit                 | 17,188           | 12,204               |                      |                      |
| Adjustment to income tax and Social Contribution tax prior year    | (1,366)          | 1,407                | (487)                | 1,407                |
| Other  | (2,819)          | (3,319)              | 3,261                | 2,319                |
| <b>Income tax and Social Contribution effective gain (expense)</b> | <b>(658,303)</b> | <b>(506,683)</b>     | <b>(112,334)</b>     | <b>(106)</b>         |
| <b>Effective rate</b>  | <b>30.75%</b>    | <b>29.08%</b>        | <b>7.04%</b>         | <b>0.01%</b>         |
| <b>Current tax</b>   | <b>(584,980)</b> | <b>(665,367)</b>     | <b>(86,319)</b>      |                      |
| <b>Deferred tax</b>  | <b>(73,323)</b>  | <b>158,684</b>       | <b>(26,015)</b>      | <b>(106)</b>         |

|  | Consolidated     |                      | Holding company  |                      |
|--|------------------|----------------------|------------------|----------------------|
|  | 2Q13             | 2Q12<br>Re-presented | 2Q13             | 2Q12<br>Re-presented |
| Profit before income tax and Social Contribution tax               | 916,680          | 858,557              | 737,685          | 608,800              |
| Income tax and Social Contribution tax nominal expense             | (311,671)        | (291,909)            | (250,812)        | (206,992)            |
| Tax effects applicable to:   |                  |                      |                  |                      |
| Equity gain (loss) in subsidiaries                                 | 1,178            | 30,036               | 128,526          | 208,939              |
| Interest on Equity received from investees                         | (12,304)         | (4,027)              |                  | (4,027)              |
| Non-deductible contributions and donations                         | (1,629)          | (1,907)              | (4)              | (127)                |
| Tax incentives   | 6,806            | 6,948                | 272              |                      |
| Tax credits not recognized   | 3,653            | (4,433)              | 130              | (4,883)              |
| Difference between Presumed Profit and Real Profit                 | 17,188           | 12,204               |                  |                      |
| Adjustment to income tax and Social Contribution tax prior year    | (1,366)          | 1,407                | (487)            | 1,407                |
| Other  | (1,297)          | (2,644)              | 1,928            | 1,115                |
| <b>Income tax and Social Contribution effective gain (expense)</b> | <b>(299,442)</b> | <b>(254,325)</b>     | <b>(120,447)</b> | <b>(4,568)</b>       |

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

|                       |                  |                  |                 |                |
|-----------------------|------------------|------------------|-----------------|----------------|
| <b>Effective rate</b> | <b>32,67%</b>    | <b>29,62%</b>    | <b>16,33%</b>   | <b>0,75%</b>   |
| <b>Current tax</b>    | <b>(246,590)</b> | <b>(338,140)</b> | <b>(84,423)</b> |                |
| <b>Deferred tax</b>   | <b>(52,852)</b>  | <b>83,815</b>    | <b>(36,024)</b> | <b>(4,568)</b> |

Table of Contents**9. ESCROW DEPOSITS IN LEGAL ACTIONS**

Deposits linked to legal actions are mainly related to contingencies for employment-law litigation and tax claims.

Escrow deposits relating to tax obligations are mainly for cases involving income tax withheld at source on Interest on Equity, and the question of exclusion of the ICMS tax from the basis of calculation for the liability for Pasep and Cofins taxes.

|                                  | June 30, 2013    | Consolidated<br>Dec. 31, 2012<br>Re-presented | Jan. 1, 2012<br>Re-presented | June 30,<br>2013 | Holding company<br>Dec. 31, 2012<br>Re-presented | Jan. 1, 2012<br>Re-presented |
|----------------------------------|------------------|---|------------------------------|------------------|--|------------------------------|
| <b>Employment law cases</b>      | <b>280,513</b>   | <b>237,780</b>                                | <b>206,646</b>               | <b>27,596</b>    | <b>27,034</b>                                    | <b>24,389</b>                |
| <b>Tax issues</b>                |                  |   |                              |                  |  |                              |
| Income tax on Interest on Equity | 14,478           | 14,774  | 14,010                       |                  |  |                              |
| ITCD (b)                         |                  | 120,096                                       | 115,918                      |                  | 120,096  | 115,918                      |
| Pasep and Cofins taxes (a)       | 719,720          | 719,180                                       | 719,470                      |                  |  |                              |
| Other                            | 64,452           | 50,398  | 38,948                       | 55,845           | 44,219   | 34,696                       |
|                                  | <b>798,650</b>   | <b>904,448</b>                                | <b>888,346</b>               | <b>55,845</b>    | <b>164,315</b>                                   | <b>150,614</b>               |
| <b>Other</b>                     |                  |   |                              |                  |  |                              |
| Regulatory                       | 33,329           | 33,151  | 33,852                       | 13,138           | 12,704   | 21,070                       |
| Third party liability            | 14,450           | 7,806   | 28,587                       | 12,412           | 6,464  | 7,165                        |
| Consumer regulations (Recon)     | 2,643            | 1,833   | 13,392                       | 863              | 74   | 11,653                       |
| Court embargo                    | 57,139           | 110,198                                       | 94,685                       | 30,581           | 55,688   | 50,172                       |
| Other                            | 3,179            | 5,291   | 10,724                       | 2,902            | 4,423  | 10,658                       |
|                                  | <b>110,740</b>   | <b>158,279</b>                                | <b>181,240</b>               | <b>59,896</b>    | <b>79,353</b>                                    | <b>100,718</b>               |
|                                  | <b>1,189,903</b> | <b>1,300,507</b>                              | <b>1,276,232</b>             | <b>143,337</b>   | <b>270,702</b>                                   | <b>275,721</b>               |

(a) The balances of the escrow deposits relating to the Pasep and Cofins taxes have a corresponding provision in Taxes. For more details, please see Explanatory Note 17.

(b) The Company received the duly updated amount corresponding to the escrow deposit related to the contingency for ITCD tax, as a result of judgment being awarded in favor of the Company in an action on whether this tax was applicable to amounts received as contribution to works made by consumers.

**10. FUNDS RECEIVED FROM THE ENERGY DEVELOPMENT ACCOUNT (CDE)**

Due to the low level of the reservoirs of the hydroelectric plants, and the consequent increase in the price of electricity, which had a significant effect on the cost of electricity bought by distributors throughout Brazil, the Brazilian federal government issued Decree 7945 (of March 7, 2013), which ordered payment of funds from the Energy Development Account (*Conta de Desenvolvimento Energético*, or CDE), to cover,



principally, the costs arising from dispatching of the thermoelectric plants.

The above amounts were recognized in the Profit and loss account as Offsetting of cost of electricity bought. The balance of the amounts of these incoming funds was presented in the Statement of financial position at June 30, 2013, in the amount of R\$ 102,904, for the period April through June 2013, and this amount was received in full, in two tranches, one in July and the other in August, 2013.

Table of Contents**11. ACCOUNTS RECEIVABLE FROM THE MINAS GERAIS STATE GOVERNMENT; THE RECEIVABLES FUND**

On November 20, 2012, the government of the State of Minas Gerais and the Company signed a Commitment Undertaking to arrange for early payment of the total of the obligations under the CRC contract. A discount of approximately 35% was applied to the updated debtor balance for cash payment by the State of Minas Gerais into the account of the Company.

In the commitment agreement, the State of Minas Gerais recognized and stated its liability for the debit arising from the CRC contract, in the total amount of R\$ 6,282,551, on the base date of October 31, 2012, resulting, after application of a discount of 35%, in the amount of R\$ 4,083,658. This amount was adjusted for monetary variation and addition of the interest specified in the CRC contract, subject to a limit of up to 30 business days from inflow of funds from each of the loans contracted by Minas Gerais State to finance the transaction.

On December 31, 2012 the amount of R\$ 4,083,658, plus interest and monetary updating, resulted in a total of R\$ 4,167,907, which after deduction of the amount of receivables from the FIDC (R\$ 1,785,045), generated a financial gain of R\$ 2,382,862, which was recorded in the profit and loss account for 2012.

Of the amount to be paid by the State to the Company, the State retained, and paid to the federal government, the amount of R\$ 403,162, for the agreed Settlement to terminate a legal action between Cemig and the federal government related to the now-extinct CRC Account.

This table shows the amounts involved in this set of transactions:

|   | <b>Consolidated<br/>and<br/>Holding company</b> |
|---|---|
| Amount received from the FIDC (Receivables Fund)  | 1,785,045                                       |
| Monetary updating of the contract as per conditions agreed with Minas Gerais State                        | 2,382,862                                       |
| Amount retained by Minas Gerais State to settle Cemig's litigation with federal government re CRC Account | (403,162)                                       |
| Net amounts settled by Minas Gerais State   | (1,342,646)                                     |
| <b>Balance at December 31, 2012</b>   | <b>2,422,099</b>                                |
| Monetary updating of the contract as per conditions agreed with Minas Gerais State                        | 43,547  |
| Net amounts settled by Minas Gerais State in first quarter of 2013  | (2,465,646)                                     |
| <b>Balance at June 30, 2013</b>   |   |

Table of Contents
**12. FINANCIAL ASSETS OF THE CONCESSION**

As mentioned in Item 2.6 (g) of Explanatory Note 2 to the financial statements at December 31, 2012, the distribution, transmission and gas concession contracts of the Company and its jointly-controlled subsidiary are within the criteria for application of Technical Interpretation ICPC 01 (IFRIC 12), which deals with the accounting of concessions, and refers to infrastructure in which investment has been made that will be the subject of indemnity by the concession-granting power, during the period of the concessions and at their termination, as set out in the regulatory framework of the electricity sector, and in the concession contract signed with Aneel by Cemig and its jointly-controlled subsidiaries.

Of the amounts recorded under this line, R\$ 542,081 refers to the indemnity specified for transmission assets formed up to May 2000, receipt of which is scheduled for a period of 30 years, with payment criteria yet to be decided by the concession-granting power.

The remaining balance refers to investments in transmission that will be remunerated through tariffs, as established by Aneel through specific authorizations.

The balances of the financial assets are as follows:

|  | Balances on<br>June 30, 2013 | Balances on Dec. 31,<br>2012<br>Re-presented | Jan. 1, 2012<br>Re-presented |
|--|------------------------------|--|------------------------------|
| <b>Consolidated</b>                      |                              |  |                              |
| Distribution concessions                 | 4,941,718                    | 4,757,735                                    | 3,118,126                    |
| Newer transmission concessions           | 46,127                       | 47,259                                       | 49,910                       |
| Older / Renewed transmission concessions | 715,738                      | 958,161                                      | 708,428                      |
| <b>Total</b>                             | <b>5,703,583</b>             | <b>5,763,155</b>                             | <b>3,876,464</b>             |
| Current assets                           | 2,254                        | 287,692                                      | 42,106                       |
| Non-current assets                       | 5,701,329                    | 5,475,463                                    | 3,834,358                    |

The movement in financial assets was as follows:

|                                      | Consolidated     |
|--------------------------------------|------------------|
| <b>Balances on December 31, 2012</b> | <b>5,763,155</b> |
| Additions                            | 46,233           |
| Amounts written off                  | (4,136)          |
| Transfers                            | 187,796          |
| Amounts received                     | (286,644)        |
| Other                                | (2,821)          |
| <b>Balance at June 30, 2013</b>      | <b>5,703,583</b> |



Table of Contents**13. INVESTMENTS**

The table below gives a summary of the financial information in subsidiaries, affiliated companies and jointly-controlled enterprises. The information presented below has been adjusted by the percentage of the stake or interest held by the Company.

|  | <b>June 30,<br/>2013</b> | <b>Consolidated<br/>Dec. 31, 2012<br/>Re-presented</b> | <b>Jan. 1, 2012<br/>Re-presented</b> | <b>June 30, 2013</b> | <b>Holding company<br/>Dec. 31, 2012<br/>Re-presented</b> | <b>Jan. 1, 2012<br/>Re-presented</b> |
|--|--------------------------|--|--------------------------------------|----------------------|---|--------------------------------------|
| Cemig Geração e Transmissão                    |                          |  |                                      | 5,914,481            | 5,394,624   | 5,072,962                            |
| Hidrelétrica Cachoeirão                        | 34,498                   | 32,435   | 26,702                               |                      |   |                                      |
| Guanhães Energia                               | 54,118                   | 20,001   | 10,443                               |                      |   |                                      |
| Hidrelétrica Pipoca                            | 24,723                   | 20,419   | 19,511                               |                      |   |                                      |
| Cemig Baguari Energia                          | 12                       | 17   | 22                                   |                      |   |                                      |
| Madeira Energia                                | 547,288                  | 427,944  | 165,558                              |                      |   |                                      |
| Lightger                                       | 42,005                   | 40,265   | 39,084                               |                      |   |                                      |
| Baguari Energia                                | 199,827                  | 193,828  | 198,041                              |                      |   |                                      |
| EBTE   |                          | 153,618  | 143,770                              |                      |   |                                      |
| Central Eólica Praias de Parajuru              | 58,588                   | 59,991   | 61,546                               |                      |   |                                      |
| Central Eólica Volta do Rio                    | 72,870                   | 74,136   | 82,392                               |                      |   |                                      |
| Central Eólica Praias de Morgado               | 59,961                   | 62,352   | 63,629                               |                      |   |                                      |
| Taesa  | 2,121,460                | 2,251,093  | 2,060,362                            |                      |   |                                      |
| Amazônia Energia                               | 272,211                  | 203,272  | 105,364                              |                      |   |                                      |
| Cemig Distribuição                             |                          |  |                                      | 2,585,959            | 2,193,779   | 2,617,968                            |
| Light  | 1,087,390                | 1,104,282  | 1,157,578                            | 1,087,390            | 1,104,282   | 1,147,158                            |
| Cemig Telecom                                  |                          |  |                                      | 248,699              | 247,976   | 287,909                              |
| Ativas Data Center                             | 4,397                    |  |                                      |                      |   |                                      |
| Gasmig   | 547,480                  | 508,077  | 444,991                              | 547,480              | 508,077   | 444,991                              |
| Rosal Energia                                  |                          |  |                                      | 143,696              | 145,252   | 158,676                              |
| Sá Carvalho                                    |                          |  |                                      | 113,792              | 123,898   | 123,571                              |
| Horizontes Energia                             |                          |  |                                      | 73,837               | 77,404  | 73,203                               |
| Usina Térmica Ipatinga                         |                          |  |                                      | 23,557               | 25,895  | 37,577                               |
| Cemig PCH                                      |                          |  |                                      | 87,734               | 91,866  | 95,228                               |
| Cemig Capim Branco Energia                     |                          |  |                                      | 122,319              | 125,568   | 42,592                               |
| Epícares Empreendimentos e Participações Ltda  | 94,184                   |  |                                      |                      |   |                                      |
| Companhia Transleste de Transmissão            | 26,474                   | 26,516   | 24,020                               | 26,474               | 26,516  | 24,020                               |
| UTE Barreiro                                   |                          |  |                                      | 32,827               | 33,022  | 23,034                               |
| Companhia Transudeste de Transmissão           | 13,312                   | 13,542   | 13,150                               | 13,312               | 13,542  | 13,150                               |
| Empresa de Comercialização de Energia Elétrica |                          |  |                                      | 6,744                | 12,368  | 239                                  |
| Companhia Transirapé de Transmissão            | 11,868                   | 11,528   | 10,525                               | 11,868               | 11,528  | 10,525                               |
| Transchile                                     | 50,909                   | 47,840   | 42,850                               | 50,909               | 47,840  | 42,850                               |
| Efficientia                                    |                          |  |                                      | 8,798                | 10,954  | 11,334                               |
| Cemig Comercializadora de Energia Incentivada  |                          |  |                                      | 5,838                | 6,006   | 6,348                                |
|  | 19,545                   | 21,329   | 20,912                               | 19,545               | 21,329  | 20,912                               |

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

|  |                  |                  |                  |                   |                   |                   |
|--|------------------|------------------|------------------|-------------------|-------------------|-------------------|
| Companhia de Transmissão<br>Centroeste de Minas          |                  |                  |                  |                   |                   |                   |
| Cemig Trading  |                  |                  | 29,920           |                   | 21,652            | 13,008            |
| Empresa Paraense de<br>Transmissão de Energia-ETEP       | 131,656          |                  | 132,203          |                   | 131,656           | 132,203           |
| Empresa Norte de<br>Transmissão de<br>Energia-ENTE       | 304,432          |                  | 307,211          |                   | 304,432           | 307,211           |
| Empresa Regional de<br>Transmissão de<br>Energia-ERTE    | 72,853           |                  | 73,432           |                   | 72,853            | 73,432            |
| Empresa Amazonense de<br>Transmissão de<br>Energia-EATE  | 670,304          |                  | 672,559          |                   | 670,304           | 672,559           |
| Empresa Catarinense de<br>Transmissão de<br>Energia-ECTE | 42,677           |                  | 44,983           |                   | 42,677            | 44,983            |
| Axxiom Soluções<br>Tecnológicas                          | 4,562            | 4,958            | 4,253            | 4,562             | 4,958             | 4,253             |
| Cemig Serviços   |                  |                  |                  | 327               | 1,421             | 2,310             |
| Parati   | 358,140          | 355,888          | 358,459          | 358,140           | 355,888           | 358,459           |
| Gasmig (Investment in<br>progress)                       |                  |                  | 67,759           |                   |                   | 67,223            |
|  | <b>5,705,822</b> | <b>6,855,253</b> | <b>6,351,309</b> | <b>11,518,208</b> | <b>11,827,567</b> | <b>11,929,888</b> |

Table of Contents

a) This table shows the movement of investments in subsidiaries and jointly-controlled subsidiaries:

|   | Dec. 31,<br>2011<br>Presented | Effect of<br>CPC 33 on<br>Post-<br>employment<br>benefits | Jan. 1, 2012<br>Re-presented | Dec. 31,<br>2012<br>Presented | Effect of<br>CPC 33 on<br>Post-<br>employment<br>benefits | Dec. 31,<br>2012<br>Re-<br>presented | Equity gain<br>(loss) in<br>subsidiaries<br>(Profit and<br>loss account) | Equity gain<br>(loss) in<br>subsidiaries<br>(Other<br>comprehensive<br>income) | Sale of TBE | Dividends |
|---|-------------------------------|---|------------------------------|-------------------------------|---|--------------------------------------|--|--|-------------|-----------|
| Cemig Geração e Transmissão                       | 5,086,076                     | (13,114)  | 5,072,962                    | 5,494,981                     | (100,357)   | 5,394,624                            | 608,431  |  |             | (88,574)  |
| Cemig Distribuição                                | 2,656,463                     | (38,495)  | 2,617,968                    | 2,463,149                     | (269,370)   | 2,193,779                            | 392,180  |  |             |           |
| Cemig Telecom                                     | 287,909                       |   | 287,909                      | 247,976                       |   | 247,976                              | 891  | (168)  |             |           |
| Rosal Energia                                     | 158,676                       |   | 158,676                      | 145,252                       |   | 145,252                              | 12,260   |  |             | (13,816)  |
| Sá Carvalho                                       | 123,571                       |   | 123,571                      | 123,898                       |   | 123,898                              | 15,030   |  |             | (25,136)  |
| Gasmig  | 444,991                       |   | 444,991                      | 508,077                       |   | 508,077                              | 39,403   |  |             |           |
| Horizontes Energia                                | 73,203                        |   | 73,203                       | 77,404                        |   | 77,404                               | 2,812  |  |             | (6,379)   |
| Usina Térmica Ipatinga                            | 37,577                        |   | 37,577                       | 25,895                        |   | 25,895                               | 6,007  |  |             | (8,345)   |
| Cemig PCH   | 95,228                        |   | 95,228                       | 91,866                        |   | 91,866                               | 8,111  |  |             | (12,243)  |
| Cemig Capim Branco Energia                        | 42,592                        |   | 42,592                       | 125,568                       |   | 125,568                              | 28,135   |  |             | (31,384)  |
| Companhia Transleste de Transmissão               | 24,020                        |   | 24,020                       | 26,516                        |   | 26,516                               | 2,925  |  |             | (2,967)   |
| UTE Barreiro                                      | 23,034                        |   | 23,034                       | 33,022                        |   | 33,022                               | 1,785  |  |             | (1,980)   |
| Companhia Transudeste de Transmissão              | 13,150                        |   | 13,150                       | 13,542                        |   | 13,542                               | 1,589  |  |             | (1,819)   |
| Empresa de Comercialização de Energia Elétrica    | 239                           |   | 239                          | 12,368                        |   | 12,368                               | 6,160  |  |             | (11,784)  |
| Companhia Transirapé de Transmissão               | 10,525                        |   | 10,525                       | 11,528                        |   | 11,528                               | 1,804  |  |             | (1,464)   |
| Transchile  | 42,850                        |   | 42,850                       | 47,840                        |   | 47,840                               | (1,161)  | 4,230  |             |           |
| Efficientia                                       | 11,334                        |   | 11,334                       | 10,954                        |   | 10,954                               | 1,535  |  |             | (3,691)   |
| Cemig Comercializadora de Energia Incentivada     | 6,348                         |   | 6,348                        | 6,006                         |   | 6,006                                | 98   |  |             | (266)     |
| Companhia de Transmissão Centroeste de Minas      | 20,912                        |   | 20,912                       | 21,329                        |   | 21,329                               | 1,952  |  |             | (3,736)   |
| Light   | 1,160,184                     | (13,026)  | 1,147,158                    | 1,149,109                     | (44,827)  | 1,104,282                            | 6,854  |  |             | (23,746)  |
| Cemig Trading                                     | 13,008                        |   | 13,008                       | 21,652                        |   | 21,652                               | 29,727   |  |             | (21,459)  |
| Empresa Paraense de Transmissão de Energia - ETEP | 132,203                       |   | 132,203                      | 131,656                       |   | 131,656                              | 8,495  |  | (132,964)   | (7,187)   |
| Empresa Norte de Transmissão de                   | 307,211                       |   | 307,211                      | 304,432                       |   | 304,432                              | 22,167   |  | (309,677)   | (16,922)  |

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

|                                    |                   |                 |                   |                   |                  |                   |                  |              |                    |                  |
|------------------------------------|-------------------|-----------------|-------------------|-------------------|------------------|-------------------|------------------|--------------|--------------------|------------------|
| Energia ENTE                       |                   |                 |                   |                   |                  |                   |                  |              |                    |                  |
| Empresa Regional de Transmissão de |                   |                 |                   |                   |                  |                   |                  |              |                    |                  |
| Energia - ERTE                     | 73,432            | 73,432          | 72,853            | 72,853            | 4,999            | (71,906)          | (5,946)          |              |                    |                  |
| Empresa                            |                   |                 |                   |                   |                  |                   |                  |              |                    |                  |
| Amazonense de Transmissão de       |                   |                 |                   |                   |                  |                   |                  |              |                    |                  |
| Energia EATE                       | 672,559           | 672,559         | 670,304           | 670,304           | 50,019           | (685,310)         | (35,013)         |              |                    |                  |
| Empresa                            |                   |                 |                   |                   |                  |                   |                  |              |                    |                  |
| Catarinense de Transmissão de      |                   |                 |                   |                   |                  |                   |                  |              |                    |                  |
| Energia - ECTE                     | 44,983            | 44,983          | 42,677            | 42,677            | 1,985            | (41,751)          | (2,910)          |              |                    |                  |
| Axxiom Soluções                    |                   |                 |                   |                   |                  |                   |                  |              |                    |                  |
| Tecnológicas                       | 4,253             | 4,253           | 4,958             | 4,958             | (396)            |                   |                  |              |                    |                  |
| Cemig Serviços                     | 2,310             | 2,310           | 1,421             | 1,421             | (1,094)          |                   |                  |              |                    |                  |
| Parati                             | 358,459           | 358,459         | 366,915           | (11,027)          | 355,888          | 2,250             | 2                |              |                    |                  |
| Gasmig                             |                   |                 |                   |                   |                  |                   |                  |              |                    |                  |
| (Investment in progress)           | 67,223            | 67,223          |                   |                   |                  |                   |                  |              |                    |                  |
|                                    | <b>11,994,523</b> | <b>(64.635)</b> | <b>11,929,888</b> | <b>12,253,148</b> | <b>(425,581)</b> | <b>11,827,567</b> | <b>1,254,953</b> | <b>4,063</b> | <b>(1,241,608)</b> | <b>(326,767)</b> |



Table of Contents

b) This table gives the principal information on the subsidiaries and jointly-controlled subsidiaries, not adjusted for the percentage represented by the Company's ownership interest:

| Company  | Number of shares | Cemig stake % | June 30, 2013 | Stockholders equity | Cemig stake % | Dec. 31, 2012 | Stockholders equity |
|--|------------------|---------------|---------------|---------------------|---------------|---------------|---------------------|
|  |                  |               | Share capital |                     |               | Share capital |                     |
| Cemig Geração e Transmissão                        | 2,896,785,358    | 100,00        | 3,296,785     | 6,022,275           | 100,00        | 3,296,785     | 5,494,981           |
| Cemig Distribuição                                 | 2,261,997,787    | 100,00        | 2,261,998     | 2,585,959           | 100,00        | 2,261,998     | 2,463,149           |
| Light  | 203,934,060      | 26,06         | 2,225,822     | 4,172,640           | 26,06         | 2,225,822     | 3,264,677           |
| Cemig Telecom                                      | 381,023,385      | 100,00        | 225,082       | 248,700             | 100,00        | 225,082       | 247,976             |
| Rosal Energia                                      | 46,944,467       | 100,00        | 46,944        | 143,696             | 100,00        | 46,944        | 134,201             |
| Sá Carvalho  | 36,833,380       | 100,00        | 36,833        | 113,792             | 100,00        | 36,833        | 123,898             |
| Gasmig   | 409,255,483      | 59,57         | 643,780       | 919,053             | 59,57         | 643,780       | 808,466             |
| Horizontes Energia                                 | 64,257,563       | 100,00        | 64,258        | 73,837              | 100,00        | 64,258        | 77,404              |
| Usina Térmica Ipatinga                             | 14,174,281       | 100,00        | 14,174        | 23,557              | 100,00        | 29,174        | 25,895              |
| Cemig PCH  | 30,952,000       | 100,00        | 30,952        | 87,734              | 100,00        | 30,952        | 91,866              |
| Cemig Capim Branco Energia                         | 5,528,000        | 100,00        | 5,528         | 122,319             | 100,00        | 5,528         | 125,568             |
| Companhia Transleste de Transmissão                | 49,569,000       | 25,00         | 49,569        | 105,897             | 25,00         | 49,569        | 106,065             |
| UTE Barreiro                                       | 30,902,000       | 100,00        | 30,902        | 32,827              | 100,00        | 30,902        | 33,022              |
| Companhia Transudeste de Transmissão               | 30,000,000       | 24,00         | 30,000        | 55,465              | 24,00         | 30,000        | 56,423              |
| Empresa de Comercialização de Energia Elétrica     | 486,000          | 100,00        | 486           | 6,744               | 100,00        | 486           | 12,368              |
| Companhia Transirapé de Transmissão                | 22,340,490       | 24,50         | 22,340        | 48,442              | 24,50         | 22,340        | 47,052              |
| Transchile   | 56,407,271       | 49,00         | 134,396       | 103,897             | 49,00         | 123,957       | 97,633              |
| Efficientia  | 6,051,944        | 100,00        | 6,052         | 8,798               | 100,00        | 6,052         | 10,954              |
| Cemig Comercializadora de Energia Incentivada      | 5,000,000        | 100,00        | 5,001         | 5,832               | 100,00        | 5,001         | 6,006               |
| Companhia de Transmissão Centroeste de Minas       | 28,000,000       | 51,00         | 28,000        | 38,324              | 51,00         | 28,000        | 41,821              |
| Cemig Trading                                      | 160,297          | 100,00        | 160           | 29,920              | 100,00        | 160           | 21,652              |
| Empresa Paraense de Transmissão de Energia ETEP    |                  |               |               |                     | 49,98         | 89,390        | 177,954             |
| Empresa Norte de Transmissão de Energia ENTE       |                  |               |               |                     | 49,99         | 160,337       | 369,372             |
| Empresa Regional de Transmissão de Energia ERTE    |                  |               |               |                     | 49,99         | 36,941        | 83,926              |
| Empresa Amazonense de Transmissão de Energia EATE  |                  |               |               |                     | 49,98         | 355,697       | 863,941             |
| Empresa Catarinense de Transmissão de Energia ECTE |                  |               |               |                     | 19,09         | 42,095        | 118,013             |
| Axxiom Soluções Tecnológicas                       | 9,200,000        | 49,00         | 9,200         | 9,310               | 49,00         | 9,200         | 10,118              |
| Cemig Serviços                                     | 5,100,000        | 100,00        | 5,100         | 327                 | 100,00        | 5,100         | 1,421               |
| Parati   | 1,432,910,000    | 25,00         | 1,432,910     | 1,432,560           | 25,00         | 1,432,910     | 1,467,660           |

1H13

1H12

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

| Company  | Number of shares | Dividends | Profit (loss) | Dividends | Profit (loss) |
|--|------------------|-----------|---------------|-----------|---------------|
| Cemig Geração e Transmissão                        | 2,896,785,358    | 88,574    | 716,225       | 605,733   | 720,353       |
| Cemig Distribuição                                 | 2,261,997,787    |           | 392,180       | 243,565   | 282,286       |
| Light  | 203,934,060      | 82,345    | 114,071       |           | 138,223       |
| Cemig Telecom                                      | 381,023,385      |           | 891           |           | (463)         |
| Rosal Energia                                      | 46,944,467       | 13,816    | 12,260        | 20,106    | 7,402         |
| Sá Carvalho  | 36,833,380       | 25,136    | 15,030        | 21,386    | 14,931        |
| Gasmig   | 409,255,483      |           | 66,146        | 54,369    | 43,028        |
| Horizontes Energia                                 | 64,257,563       | 6,379     | 2,812         | 5,939     | 7,354         |
| Usina Térmica Ipatinga                             | 29,174,281       | 8,345     | 6,007         | 19,903    | 5,018         |
| Cemig PCH  | 30,952,000       | 12,243    | 8,111         | 15,001    | 7,275         |
| Cemig Capim Branco Energia                         | 5,528,000        | 31,384    | 28,135        | 30,459    | 21,524        |
| Companhia Transleste de Transmissão                | 49,569,000       | 11,868    | 11,700        | 8,268     | 10,388        |
| UTE Barreiro                                       | 30,902,000       | 1,980     | 1,785         |           | 4,612         |
| Companhia Transudeste de Transmissão               | 30,000,000       | 7,579     | 6,621         | 4,500     | 5,712         |
| Empresa de Comercialização de Energia Elétrica     | 486,000          | 11,784    | 6,160         |           | (110)         |
| Companhia Transirapé de Transmissão                | 22,340,490       | 5,976     | 7,363         | 3,237     | 4,739         |
| Transchile   | 56,407,271       |           | (2,371)       |           | (171)         |
| Efficientia  | 6,051,994        | 3,691     | 1,535         | 4,229     | 4,039         |
| Central Termelétrica de Cogeração                  | 5,000,000        | 266       | 98            | 626       | 212           |
| Companhia de Transmissão Centroeste de Minas       | 28,000,000       | 7,325     | 3,827         |           | 3,984         |
| Cemig Trading                                      | 160,297          | 21,459    | 29,727        | 12,816    | 15,455        |
| Empresa Paraense de Transmissão de Energia ETEP    | 45,000,010       |           |               | 13,999    | 21,681        |
| Empresa Norte de Transmissão de Energia ENTE       | 100,840,000      |           |               | 30,858    | 48,768        |
| Empresa Regional de Transmissão de Energia ERTE    | 36,940,800       |           |               | 15,133    | 9,550         |
| Empresa Amazonense de Transmissão de Energia EATE  | 180,000,010      |           |               | 64,104    | 109,282       |
| Empresa Catarinense de Transmissão de Energia ECTE | 42,095,000       |           |               | 13,049    | 15,249        |
| Axxiom Soluções Tecnológicas                       | 9,200,000        |           | (808)         |           | 973           |
| Cemig Serviços                                     | 5,100,000        |           | (1,084)       |           | (1,360)       |
| Parati   | 1,432,910,000    |           | 9,008         | 3,428     | 41,368        |

Table of Contents

**Taesa: the Stockholding Restructuring operation**

Transmission Assets Investment Contract

On May 17, 2012, a Contract for Investment in Transmission Assets was signed with the indirectly jointly-controlled subsidiary Taesa, for transfer to Taesa of the totality of the equity interests held by Cemig GT in EBTE (49%). As a result of this transfer, Taesa would become holder of 74.49% of EBTE (taking into account the 49% holding transferred by Cemig GT, and the indirect holding through EATE of 51%, since Taesa becomes owner of 49.98% of EATE after the transfer of that interest by Cemig, as described below.

In this same agreement, Cemig transferred to Taesa all of its share ownership in the transmission companies of the TBE Group: ETEP (49.98%); ENTE (49.99%); ERTE (49.99%); EATE (49.98%) and ECTE (19.09%).

Under the Transmission Assets Investment Contract Taesa may not dispose of, assign or transfer its holding in the companies of the TBE Group for 120 months from the date of the actual transfer of the said holding to the Company, unless previously authorized by Cemig. However, during that period Taesa may dispose of, assign or transfer any stockholding in the companies of the TBE Group, in whole or in part, provided that it transfers to Cemig the positive difference obtained on the said disposal, assignment or transfer, when the value of the disposal, assignment or transfer is compared to the value of the transfer of the companies of the TBE Group to Taesa, duly updated by variation resulting from the Selic rate, published by the Brazilian Central Bank, up to the day of the disposal, assignment or transfer becoming effective.

Referring to the Material Announcement of May 17, 2012, on April 9, 2013, Aneel approved the transfers, to Taesa, of: the following interests owned by the Company and by its wholly-owned subsidiary Cemig GT:

(i) direct stockholding control of the transmission concession holders

ECTE, ERTE, ENTE, ETEP, EATE and EBTE; and

(ii) indirect stockholding control of the transmission concession holders

Sistema de Transmissão Catarinense S.A. STC,

Lumitrans Companhia Transmissora de Energia,

Empresa Santos Dumont de Energia S.A. ESDE and

## Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Empresa de Transmissão Serrana ETSE.

The disposal was completed on May 31, 2013. For the transfer of the assets acquired, Taesa disbursed a total of R\$ 1,691,415. This amount includes the accumulated variation represented by the CDI rate from December 31, 2011, less all dividends and Interest on Equity declared, whether paid or not.

As a result of the transaction, the Company recorded a gain in its Profit and loss account for the period, as follows:

Table of Contents

|  | Consolidated     | Holding company  |
|--|------------------|------------------|
| <b>Amount received for the assets</b>          | <b>1,691,415</b> | <b>1,619,986</b> |
| Book value of the assets                       | (1,407,117)      | (1,241,608)      |
| Subtotal                                       | 284,298          | 378,378          |
| Tax effects income tax and Social Contribution | (96,661)         | (128,649)        |
| Unrealized gain / loss on the sale             | (80,684)         | (80,684)         |
| <b>Net effect on profit for the period</b>     | <b>106,953</b>   | <b>169,045</b>   |

The difference between the amounts for the consolidated and the holding company account is due to the effect on Cemig GT, resulting from the fact that it was the stockholder of EBTE.

Transfer of control

Anel Authorizing Resolution 3845 of January 15, 2013, published in the federal Official Gazette (*Diário Oficial da União*), Issue 12, of January 17, 2013, Section 1, Page 53, consented to (a) the stockholding restructuring of Taesa (jointly-controlled subsidiary of Cemig GT), through absorption of STE and ATE into Unisa, followed immediately by absorption of NTE and Unisa by Taesa, causing transfer of the respective concessions of the absorbed companies, and (b) transfers of the control of ATE II and ATE III, formerly held by Unisa, to Taesa. The holders of the concessions have 120 (one hundred twenty) days for implementation of the transfers; 30 (thirty) days, after implementation, for presentation of documents of proof; and 60 (sixty) days to sign the Amendments to the related Concession Contracts affected by the transactions authorized.

**Investment in Gasmig (Companhia de Gás de Minas Gerais)**

Cemig invests in the gas industry through **Companhia de Gás de Minas Gerais - Gasmig**. Gasmig records its assets related to gas distribution infrastructure in accordance with the requirements of ICPC01 - Concession Contracts (*Contratos de Concessão*). Under that provision, the portion of the assets of the concession that will be fully amortized during the concession period is recorded as an Intangible asset and is amortized in full during the concession agreement period. The Company measures the value of the assets which will not be fully amortized by the end of the concession agreement period, and reports this amount as a financial asset because it is an unconditional right to receive cash or other financial asset directly from the grantor.

It is the understanding of the management of Gasmig that the financial assets of the gas concession will be indemnified by the Granting Power, that is to say: At the end of the concession the government of the State of Minas Gerais will indemnify the amount of the investments made in the last five years of the concession. For the balances of the financial assets determined by the other goods linked to the concession, the Management of Gasmig believes, and is supported in this opinion by a Legal Note issued by the office of the General Attorney of the State of Minas Gerais, that they will be subject to indemnity at the time of the termination of the concession, by one of the following routes:

Table of Contents

- (i) by the new concession holder, in the event of the concession not being renewed;
- (ii) by the extension of the concession contract, for a period that is reasonable and necessary for amortization of the assets underlying financial assets, to maintain the balance of the contract;
- (iii) through a contractual amendment that changes the indemnity clause to guarantee indemnity of the goods that have not been amortized, at the end of the concession.

These options are still in the process of being decided upon between the parties.

**Investment in Madeira Energia S.A. - Mesa**

On June 30, 2013, the affiliated company Madeira Energia S.A. Mesa had excess of consolidated liabilities over consolidated current assets in the amount of R\$ 175,507, arising, principally, from: the maturity on September 30, 2013 of the fifth and sixth repayments of the debentures issued by Mesa: payments to suppliers; and social-environmental provisions. To resolve this situation of negative net working capital, Mesa has the benefit of injections of funds from its stockholders, estimated at R\$ 300,000 (this figure has not been reviewed by the external auditors), for the coming quarters of 2013, and positive Ebitda of R\$ 123,880 (not reviewed by the external auditors).

The Santo Antônio Construction Consortium (*Consórcio Construtor Santo Antônio*, or CCSA), which is responsible for the construction works, supply, and assembly of the electromechanical equipment of the Santo Antônio power plant, is claiming financial compensation from Mesa for the increase in the costs of the work due to the strikes and stoppages which took place in 2009 through 2012, which increased the amounts of the benefits granted to workers, and also for the costs incurred as a consequence of the stoppages. Mesa and the Consortium are in negotiations seeking agreement on the fair amount for reimbursement, and to decide the form and period for settlement, of this claim.

Mesa has made a provision of R\$ 627,692 for dealing with this request by the Consortium.

**Put options**

The subsidiary Cemig GT has granted to Fundo de Participações Coliseu, which is a stockholder of Taesa, an option to sell the totality of the shares which that fund holds in Taesa, exercisable on October 30, 2014. The price of the option is calculated based on the sum of the value of the injections of capital by the fund into Taesa, plus the running expenses of the fund, less any Interest on Equity, and dividends, distributed by Taesa. The exercise price is subject to monetary updating by the IPCA (Expanded National Consumer Price) Index (published by the IBGE) plus financial remuneration.



Table of Contents

Cemig has granted to Fundo de Participações Redentor, which is a stockholder of Parati, an option to sell the totality of the shares which that fund holds in Parati, exercisable in May 2016. The price of the option is calculated using the sum of the value of the injections of capital by the fund into Parati, plus the running expenses of the fund, less any Interest on Equity, and dividends, distributed by Parati. The exercise price is subject to monetary updating by the CDI (interbank CD) Rate plus financial remuneration at 0.9% per year.

The Equity Funds own common and preferred shares in Taesa and Light, and at present exercise joint control, with the Company, over the activities of these companies. This being so, these options have been considered to be derivative instruments which should be accounted at fair value through profit or loss.

For the purposes of determination of the method to be used in measuring the fair value of the said options, the Company observed the daily trading volume of the shares of Light and of Taesa, and also the fact that such options, if exercised by the Funds, will require the sale to the Company, in a single transaction, of the shares in the companies referred to in a quantity higher than the daily exchange trading averages. Thus, the Company has adopted the discounted cash flow method for measurement of the fair values of the options. The fair value of these options was calculated on the basis of the estimated exercise price on the day of exercise of the option, less the fair value of the shares that are the subject of the put options, also estimated on the date of exercise, brought to present value at the date of the financial statements.

Based on the studies carried out, Cemig has not recorded obligations in its interim financial statements arising from these options, since the estimate of fair value of the options is close to zero.

**Acquisition of the interest in the Capim Branco Energia Consortium**

On May 28, 2013, Cemig Capim Branco Energia S.A., ( Cemig Capim Branco ), a wholly-owned subsidiary of Cemig, completed acquisition of an equity interest of 30.3030% in the special-purpose company Epícares Empreendimentos e Participações Ltda., a company of the Paineiras Group, which holds an interest of 17.89% in the Capim Branco Energia Consortium (*Consórcio Capim Branco Energia* - the Consortium ). Hence, this acquisition corresponds to an additional interest of 5.42% in the Consortium.

The valuation attributed to the interest acquired is R\$ 94 million.

The value of the acquisition, calculated by the discounted cash flow method, being the difference between the consideration transferred and the fair value of the assets, was allocated to the concession for the project, based on the generation of cash expected during the period of the concession. This intangible asset will be amortized by the straight-line method from June 2013 until August 2036, the date of termination of the concession.



# Table of Contents

This table demonstrates the fair value of the interest acquired in Epícares Empreendimentos e Participações Ltda., classified in the Statement of financial position as investment in affiliated companies:

|                                     | Fair values of interests<br>acquired (30.30%) |
|-------------------------------------|---|
| <b>Assets</b>                       |   |
| Cash and cash equivalents           | 200   |
| Accounts receivable                 | 1,756   |
| Fixed assets                        | 55,471  |
| Intangible assets                   | 56,613  |
| <b>Liabilities</b>                  |   |
| Current and non-current liabilities | (598)   |
| Deferred taxes                      | (19,258)                                      |
| <b>Total net assets</b>             | <b>94,184</b>                                 |
| Consideration transferred           | 94,184  |

On the date of the acquisition the net book value of the interest acquired was R\$ 55,453.

## 14. PROPERTY, PLANT AND EQUIPMENT

|                                       |                  | June 30, 2013               |                | Dec. 31, 2012 (Re-presented) |                             | Jan. 1, 2012<br>Re-presented |
|---------------------------------------|------------------|-----------------------------|----------------|------------------------------|-----------------------------|------------------------------|
| Consolidated                          | Historic<br>cost | Accumulated<br>depreciation | Net value      | Historic<br>cost             | Accumulated<br>depreciation | Net value                    |
| In service                            | 17,509,383       | (11,796,737)                | 5,712,646      | 17,523,213                   | (11,643,000)                | 5,880,213                    |
| Land                                  | 380,460          |                             | 380,460        | 380,460                      |                             | 385,699                      |
| Reservoirs, dams and<br>water courses | 7,456,658        | (4,970,949)                 | 2,485,709      | 7,456,426                    | (4,904,235)                 | 2,552,191                    |
| Buildings, works and<br>improvements  | 2,281,880        | (1,552,592)                 | 729,288        | 2,277,653                    | (1,535,134)                 | 742,519                      |
| Machinery and<br>equipment            | 7,363,440        | (5,252,694)                 | 2,110,746      | 7,381,684                    | (5,183,872)                 | 2,197,812                    |
| Vehicles                              | 15,124           | (9,737)                     | 5,387          | 15,190                       | (9,081)                     | 6,109                        |
| Furniture and utensils                | 11,821           | (10,765)                    | 1,056          | 11,800                       | (10,678)                    | 1,122                        |
| <b>Under construction</b>             | <b>237,758</b>   |                             | <b>237,758</b> | <b>228,516</b>               |                             | <b>228,516</b>               |
| Assets in progress                    | 237,758          |                             | 237,758        | 228,516                      |                             | 228,516                      |
| Net PP&E                              |                  |                             |                |                              |                             |                              |
| Consolidated                          | 17,747,141       | (11,796,737)                | 5,950,404      | 17,751,729                   | (11,643,000)                | 6,108,729                    |
|                                       |                  |                             |                |                              |                             | 6,392,332                    |

This table shows the movement in property, plant and equipment:

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

|                                    | Balance on<br>Jan. 1, 2012 | Balance on Dec.<br>31, 2012 | Additions/<br>Transfers | Retired    | Depreciation     | Balance on<br>June 30,<br>2013 |
|------------------------------------|----------------------------|-----------------------------|-------------------------|------------|------------------|--------------------------------|
| <b>Consolidated</b>                | <b>Re-presented</b>        | <b>Re-presented</b>         |                         |            |                  |                                |
| In service                         | <b>6,206,202</b>           | <b>5,880,213</b>            | <b>(6,016)</b>          | <b>(5)</b> | <b>(161,546)</b> | <b>5,712,646</b>               |
| Land                               | 385,699                    | 380,460                     |                         |            |                  | 380,460                        |
| Reservoirs, dams and water courses | 2,744,642                  | 2,552,191                   | 231                     |            | (66,713)         | 2,485,709                      |
| Buildings, works and improvements  | 682,954                    | 742,519                     | 2,708                   |            | (15,939)         | 729,288                        |
| Machinery and equipment            | 2,384,309                  | 2,197,812                   | (8,961)                 | (5)        | (78,100)         | 2,110,746                      |
| Vehicles                           | 7,606                      | 6,109                       | 9                       |            | (731)            | 5,387                          |
| Furniture and utensils             | 992                        | 1,122                       | (3)                     |            | (63)             | 1,056                          |
| <b>Under construction</b>          | <b>186,130</b>             | <b>228,516</b>              | 9,242                   |            |                  | 237,758                        |
| <b>Net PP&amp;E Consolidated</b>   | <b>6,392,332</b>           | <b>6,108,729</b>            | <b>3,226</b>            | <b>(5)</b> | <b>(161,546)</b> | <b>5,950,404</b>               |

Table of Contents

Aneel, under the Brazilian regulatory framework, is responsible for establishing the useful economic life of the generation and transmission assets in the electricity sector, and for periodically reviewing the estimates. The rates established by Aneel are used in the processes of reviewing tariff rates and calculating the indemnification amounts due to concession holders at the end of the concession period, and are recognized as a reasonable estimate of the useful life of the assets of the concession. Thus, these rates were used as the basis for depreciation of the Company's property, plant, and equipment assets.

The depreciation of the items of property, plant and equipment assets is calculated on the balance of property, plant and equipment in service, by the linear method, using the rates determined by Aneel for the assets related to electricity activities, and reflects the estimated useful life of the assets. The residual value of the assets is the balance remaining of the assets at the end of the concession, thus, as established in a contract signed between the Company and the Nation, at the end of the concession the assets will revert to the Nation which, in turn, will indemnify the Company for those assets that have not yet been totally depreciated. In cases where there is no indemnity at the end of the concession, such as thermal generation, no residual value is recognized, and the depreciation rates are adjusted so that all the assets are depreciated within the concession.

In the case of the hydroelectric plants operating under the Independent Power Producer regime, the Company believes, taking into account the facts and circumstances available at the moment, that there is the right to indemnity of the residual amount of the linked and reversible assets.

**15. INTANGIBLE ASSETS**

|  |                  |  |              | Dec. 31, 2012 (Re-presented) |                             |              | Jan. 1, 2012<br>Re-presented |
|--|------------------|--|--------------|------------------------------|-----------------------------|--------------|------------------------------|
|  | Historic<br>cost | June 30, 2013<br>Accumulated<br>depreciation | Net<br>value | Historic<br>cost             | Accumulated<br>depreciation | Net<br>value | Net value                    |
| <b>Holding company</b>                         |                  |  |              |                              |                             |              |                              |
| In service                                     | 3,797            | (2,913)                                      | 884          | 3,803                        | (3,319)                     | 484          | 650                          |
| Useful life defined                            |                  |  |              |                              |                             |              |                              |
| Software use rights                            | 3,705            | (2,827)                                      | 878          | 3,794                        | (3,316)                     | 478          | 647                          |
| Brands and patents                             | 9                | (3)  | 6            | 9                            | (3)                         | 6            | 3                            |
| Right of commercial<br>operation of concession | 83               | (83)   |              |                              |                             |              |                              |
| Under construction                             | 4                |  | 4            | 10,090                       | (9,593)                     | 497          | 7                            |
| Assets in progress                             | 4                |  | 4            | 10,090                       | (9,593)                     | 497          | 7                            |
| Intangible, net Holding<br>company             | 3,801            | (2,913)                                      | 888          | 13,893                       | (12,912)                    | 981          | 657                          |

|  |                  |  |           | Dec. 31, 2012 (Re-presented) |                             |           | Jan. 1, 2012<br>Re-presented |
|--|------------------|--|-----------|------------------------------|-----------------------------|-----------|------------------------------|
|  | Historic<br>cost | June 30, 2013<br>Accumulated<br>depreciation | Net value | Historic<br>cost             | Accumulated<br>depreciation | Net value | Net value                    |
| <b>Consolidated</b>                            |                  |  |           |                              |                             |           |                              |
| In service                                     | 6,874,576        | (5,756,717)                                  | 1,117,859 | 6,726,540                    | (5,556,567)                 | 1,169,973 | 1,576,518                    |
| Useful life defined                            |                  |  |           |                              |                             |           |                              |
| Temporary easements                            | 13,589           | (1,857)                                      | 11,732    | 13,175                       | (1,766)                     | 11,409    | 11,590                       |
| Paid concession contract                       | 39,868           | (10,602)                                     | 29,266    | 30,647                       | (9,653)                     | 20,994    | 23,232                       |
| Right of commercial<br>operation of concession | 6,772,483        | (5,710,223)                                  | 1,062,260 | 6,640,959                    | (5,508,926)                 | 1,132,033 | 1,536,866                    |

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

|                       |                  |                    |                  |                  |                    |                  |                  |
|-----------------------|------------------|--------------------|------------------|------------------|--------------------|------------------|------------------|
| Other                 | 48,636           | (34,035)           | 14,601           | 41,759           | (36,222)           | 5,537            | 4,830            |
| Under construction    | <b>782,642</b>   |                    | <b>782,642</b>   | <b>704,381</b>   |                    | <b>704,381</b>   | <b>1,202,882</b> |
| Assets in progress    | 782,642          |                    | 782,642          | 704,381          |                    | 704,381          | 1,202,882        |
| Net intangible assets |                  |                    |                  |                  |                    |                  |                  |
| Consolidated          | <b>7,657,218</b> | <b>(5,756,717)</b> | <b>1,900,501</b> | <b>7,430,921</b> | <b>(5,556,567)</b> | <b>1,874,354</b> | <b>2,779,400</b> |

## Table of Contents

The movement in consolidated intangible assets is as follows:

|                              | Balance on Jan. 1,<br>2012 | Balance on Dec.<br>31, 2012 |                |                |                  |                  | Balance on<br>June 30, 2013 |
|------------------------------|----------------------------|-----------------------------|----------------|----------------|------------------|------------------|-----------------------------|
| Consolidated                 | Re-presented               | Re-presented                | Addition       | Retired        | Amortization     | Transfer         |                             |
| In service                   | 1,576,518                  | 1,169,973                   | 18,439         | (3,186)        | (224,685)        | 157,318          | 1,117,859                   |
| Useful life defined          |                            |                             |                |                |                  |                  |                             |
| - Temporary easements        | 11,590                     | 11,409                      |                |                | (24)             | 347              | 11,732                      |
| - Paid concession            | 23,232                     | 20,994                      | 9,221          |                | (949)            |                  | 29,266                      |
| - Assets of concession       | 1,536,866                  | 1,132,033                   |                | (3,186)        | (222,669)        | 156,082          | 1,062,260                   |
| - Other                      | 4,830                      | 5,537                       | 9,218          |                | (1,043)          | 889              | 14,601                      |
| Under construction           | 1,202,882                  | 704,381                     | 425,680        |                |                  | (347,419)        | 782,642                     |
| - Assets in progress         | 1,202,882                  | 704,381                     | 425,680        |                |                  | (347,419)        | 782,642                     |
| <b>Net intangible assets</b> |                            |                             |                |                |                  |                  |                             |
| <b>Consolidated</b>          | <b>2,779,400</b>           | <b>1,874,354</b>            | <b>444,119</b> | <b>(3,186)</b> | <b>(224,685)</b> | <b>(190,101)</b> | <b>1,900,501</b>            |

## Assets of the concession

Pursuant to Technical Interpretation ICPC 01 *Accounting for concessions (Contabilidade de Concessões)*, the portion of the distribution infrastructure that will be amortized during the concession, comprising the distribution assets, net of the interests held by consumers ( Special Obligations ), is reported in Intangible assets.

## Cost of loan

The Company transferred to Intangible assets the costs of loans and financings linked to works, in the amount of R\$ 22,181 on June 30, 2013 (R\$ 6,777 on June 30, 2012).

## The Regulatory Remuneration Base ( BRR )

On April 5, 2013, a meeting of the Council of Aneel homologated the revised Regulatory Remuneration Base (*Base Regulatória de Remuneração*, or BRR) of the subsidiary Cemig D, in the amount of R\$ 5,511,768.

The company awaits judgment of the two appeals made to Aneel, in which it states its disagreement as to certain criteria and values adopted by the regulator in the decision on the BRR, and maintains expectation that this will result in a higher amount than the one recently presented.



Table of Contents**16. SUPPLIERS**

|                                 | June 30, 2013    | Consolidated<br>Dec. 31, 2012<br>Re-presented | Jan. 1, 2012<br>Re-presented |
|---------------------------------|------------------|---|------------------------------|
| Electricity on spot market CCEE | 60,051           | 104,691                                       | 38,323                       |
| Charges for use of grid         | 60,508           | 104,752                                       | 95,112                       |
| Electricity bought for resale   | 519,376          | 582,951                                       | 264,552                      |
| Itaipu Binacional               | 194,262          | 180,180                                       | 162,071                      |
| Materials and services          | 201,683          | 337,643                                       | 288,513                      |
|                                 | <b>1,035,880</b> | <b>1,310,217</b>                              | <b>848,571</b>               |
| Current                         | <b>1,030,230</b> | <b>1,305,935</b>                              | <b>843,697</b>               |
| Non-current                     | <b>5,650</b>     | <b>4,282</b>                                  | <b>4,874</b>                 |

**17. TAXES****a) Taxes**

The non-current obligations for the Pasep and Cofins taxes refer to (a) temporary differences and (b) the legal proceedings challenging the constitutionality of inclusion of the ICMS tax in the basis of calculation of the taxable amount for these taxes. The action also applies for offsetting of the amounts paid in the last 10 years. The Company and its subsidiaries Cemig D (Distribution) and Cemig GT (Generation and Transmission) obtained interim relief from the court allowing them not to make the payment and authorizing payment through court deposits (starting in 2008), and maintained this procedure until August 2011. After that date, while continuing to challenge the basis of the calculation in court, they opted to pay the taxes monthly.

|                        | June 30,<br>2013 | Consolidated<br>Dec. 31, 2012<br>Re-presented | Jan. 1,<br>2012  | June 30,<br>2013 | Holding company<br>Dec. 31, 2012<br>Re-presented | Jan. 1, 2012<br>Re-presented |
|------------------------|------------------|---|------------------|------------------|--|------------------------------|
| Current                |                  |   |                  |                  |  |                              |
| ICMS tax               | 315,448          | 342,648                                       | 320,978          | 18,091           | 18,091   | 18,091                       |
| Cofins tax             | 48,451           | 103,682                                       | 73,591           |                  | 6,927  | 11,636                       |
| Pasep tax              | 10,615           | 22,584  | 16,054           |                  | 31,907   | 2,526                        |
| Social security system | 20,075           | 21,856  | 23,668           | 1,830            | 1,761  | 2,130                        |
| Other                  | 18,585           | 24,655  | 26,617           | 1,012            | 1,433  | 1,357                        |
|                        | <b>413,174</b>   | <b>515,425</b>                                | <b>460,908</b>   | <b>20,933</b>    | <b>60,119</b>                                    | <b>35,740</b>                |
| Non-current            |                  |   |                  |                  |  |                              |
| Cofins tax             | 126,469          | 563,731                                       | 635,126          |                  |  |                              |
| Pasep tax              | 582,528          | 122,389                                       | 137,888          |                  |  |                              |
| Other                  |                  | 52  | 356              |                  |  |                              |
|                        | <b>708,997</b>   | <b>686,172</b>                                | <b>773,370</b>   |                  |  |                              |
|                        | <b>1,122,171</b> | <b>1,201,597</b>                              | <b>1,234,728</b> | <b>20,933</b>    | <b>60,119</b>                                    | <b>35,740</b>                |

**b) Income tax and Social Contribution**

|                         | June 30, 2013 | Consolidated<br>Dec. 31, 2012<br>Re-presented | Jan. 1, 2012<br>Re-presented |
|-------------------------|---------------|---|------------------------------|
| <b>Current</b>          |               |   |                              |
| Income tax              | 17,420        | 23,478  | 22,130                       |
| Social Contribution tax | 6,238         | 8,468   | 7,460                        |
|                         | <b>23,658</b> | <b>31,946</b>                                 | <b>29,590</b>                |



Table of Contents**18. Loans, financings and debentures**

| LENDERS                            | Principal maturity | Cost, % p.a.   | Currency | Current | 2013        | Consolidated | 2012               | 2011               |
|------------------------------------|--------------------|----------------|----------|---------|-------------|--------------|--------------------|--------------------|
|                                    |                    |                |          |         | Non-current | Total        | Total Re-presented | Total Re-presented |
| FOREIGN CURRENCY                   |                    |                |          |         |             |              |                    |                    |
| ABN Amro Real (2)                  | 2013               | 6%             | US\$:    |         |             |              | 25,603             | 46,989             |
| Banco do Brasil                    |                    |                |          |         |             |              |                    |                    |
| Various bonds (1)                  | 2024               | Various        | US\$:    | 5,911   | 20,648      | 26,559       | 26,831             | 34,826             |
| BNP Paribas                        | 2012               | 5.89%          | Euro     |         |             |              |                    | 1,387              |
| KfW                                | 2016               | 4.50%          | Euro     | 1,901   | 4,754       | 6,655        | 7,111              | 8,028              |
|                                    |                    | LIBOR +        |          |         |             |              |                    |                    |
| Toshiba                            | 2013               | 5.36           | US\$     | 7,420   |             | 7,420        | 7,420              | 7,420              |
| Debt in foreign currency           |                    |                |          | 15,232  | 25,402      | 40,634       | 66,965             | 98,650             |
| BRAZILIAN CURRENCY                 |                    |                |          |         |             |              |                    |                    |
|                                    |                    |                |          |         |             |              |                    |                    |
| Banco do Brasil                    | 2017               | 108.33% of CDI | R\$      | 656     | 197.805     | 198.461      | 206,186            |                    |
| Banco do Brasil                    | 2012               | 109.80% of CDI | R\$      | 5,210   | 442,349     | 447,559      | 447,250            | 591,951            |
| Banco do Brasil                    | 2012               | 106.00% of CDI | R\$      |         |             |              |                    | 99,779             |
| Banco do Brasil                    | 2013               | CDI + 1.70%    | R\$      | 19.416  |             | 19.416       | 28,061             | 56,844             |
| Banco do Brasil                    | 2013               | 107.60% of CDI | R\$      |         |             |              | 132,842            | 136,566            |
| Banco do Brasil                    | 2014               | 104.10% of CDI | R\$      | 714,783 | 400,000     | 1,114,783    | 1,113,973          | 1,224,881          |
| Banco do Brasil                    | 2013               | 10.83%         | R\$      |         |             |              | 793,153            | 706,796            |
|                                    |                    | 98.5% of CDI   |          |         |             |              |                    |                    |
| Banco do Brasil                    | 2014               | CDI            | R\$      | 366,501 |             | 366,501      | 475,890            | 436,637            |
|                                    |                    | 104.08% of CDI |          |         |             |              |                    |                    |
| Banco do Brasil                    | 2013               | CDI            | R\$      |         |             |              | 664,075            |                    |
|                                    |                    | 105.00% of CDI |          |         |             |              |                    |                    |
| Banco do Brasil                    | 2013               | CDI            | R\$      |         |             |              | 1,083,159          |                    |
|                                    |                    | 99.5% of CDI   |          |         |             |              |                    |                    |
| Banco do Brasil                    | 2015               | CDI            | R\$      | -2,104  | 204,371     | 202,267      |                    |                    |
|                                    |                    | 104.25% of CDI |          |         |             |              |                    |                    |
| Banco do Brasil                    | 2016               | CDI            | R\$      | 6,146   | 600,000     | 606,146      |                    |                    |
| Banco Votorantim                   | 2013               | CDI + 1.70     | R\$      | 26,231  |             | 26,231       | 26,253             | 53,415             |
| Brazilian Development Bank (BNDES) |                    |                |          |         |             |              |                    |                    |
| Bank (BNDES)                       | 2026               | TJLP+2.34      | R\$      | 7,886   | 92,205      | 100,091      | 103,955            | 111,678            |
| Bradesco                           | 2013               | CDI + 1.70     | R\$      | 43,976  |             | 43,976       | 97,570             | 198,181            |
| Bradesco                           | 2014               | CDI + 1.70     | R\$      | 474     |             | 474          | 1,003              | 1,550              |
|                                    |                    | 106.00 of CDI  |          |         |             |              |                    |                    |
| Bradesco                           | 2012               | CDI            | R\$      |         |             |              |                    | 990,142            |
|                                    |                    | 103.00 of CDI  |          |         |             |              |                    |                    |
| Bradesco                           | 2013               | CDI            | R\$      |         |             |              | 600,813            |                    |
| Itaú and Bradesco (3)              | 2015               | CDI+1.70       | R\$      |         |             |              |                    | 819,997            |
|                                    |                    | FINEL +        |          |         |             |              |                    |                    |
| Eletrobras                         | 2013               | 7.50 8.50      | R\$      | 6.521   |             | 6.521        | 14.529             | 25.603             |

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

|   |      |             |     |                  |                  |                  |                   |                   |
|---|------|-------------|-----|------------------|------------------|------------------|-------------------|-------------------|
|   |      | UFIR. RGR   |     |                  |                  |                  |                   |                   |
| Eletrobras                                      | 2023 | + 6.00 8.00 | R\$ | 76,269           | 280,379          | 356,648          | 388,583           | 428,238           |
| Unibanco  | 2013 | CDI + 1.70% | R\$ | 65,127           |                  | 65,127           | 99,259            | 201,357           |
| Large consumers                                 | 2018 | Various     | R\$ | 4,474            | 1,979            | 6,453            | 6,867             | 6,366             |
| Banco Itaú BBA                                  | 2014 | CDI + 1.70  | R\$ | 905              |                  | 905              | 1,914             | 2,955             |
| Banco Itaú BBA                                  | 2013 | CDI + 1.70  | R\$ | 53,152           |                  | 53,152           | 78,949            | 158,837           |
|   |      | TJLP + 5.00 |     |                  |                  |                  |                   |                   |
| Finep   | 2018 | and TJLP+8  | R\$ | 4,181            | 11,159           | 15,340           | 18,686            | 19,917            |
| Pipoca Consortium                               | 2013 | IPCA        | R\$ | 185              |                  | 185              | 185               | 185               |
| BNDES Cemig                                     |      |             |     |                  |                  |                  |                   |                   |
| Telecom (5)                                     | 2017 | Various     | R\$ | 7,958            | 28,132           | 36,090           | 40,057            | 48,023            |
| Santander do Brasil                             | 2013 | CDI + 1.70% | R\$ | 8,020            |                  | 8,020            | 20,131            | 40,451            |
| <b>Debt in Brazilian currency</b>               |      |             |     | <b>1,415,967</b> | <b>2,258,379</b> | <b>3,674,346</b> | <b>6,443,343</b>  | <b>6,360,349</b>  |
| <b>Total of loans and financings</b>            |      |             |     | <b>1,431,199</b> | <b>2,283,781</b> | <b>3,714,980</b> | <b>6,510,308</b>  | <b>6,458,999</b>  |
|   |      | IGP-M +     |     |                  |                  |                  |                   |                   |
| Debentures (4)                                  | 2014 | 10.50       | R\$ | 388,462          |                  | 388,462          | 401,359           | 372,697           |
| Debentures (4)                                  | 2017 | IPCA + 7.96 | R\$ | 22,419           | 547,681          | 570,100          | 530,287           | 502,648           |
| Debentures (4)                                  | 2012 | CDI+ 0.90   | R\$ |                  |                  |                  |                   | 1,754,714         |
| Debentures (4)                                  | 2015 | IPCA + 7.68 | R\$ | 491,476          | 474,110          | 965,586          | 1,444,590         | 1,367,937         |
| Debentures (4)                                  | 2017 | CDI + 0.90  | R\$ | 13,943           | 479,871          | 493,814          | 517,396           |                   |
| Debentures (4)                                  | 2022 | IPCA + 6.20 | R\$ | 16,103           | 726,484          | 742,587          | 738,885           |                   |
| Debentures (4)                                  | 2019 | IPCA + 6.00 | R\$ | 4,650            | 216,870          | 221,520          | 220,210           |                   |
| Debentures (4)                                  | 2021 | IPCA + 4.7  | R\$ | 24,989           | 1,111,177        | 1,136,166        |                   |                   |
| Debentures (4)                                  | 2025 | IPCA+5.1    | R\$ | 16,112           | 662,752          | 678,864          |                   |                   |
| Debentures (4)                                  | 2018 | CDI + 0.69  | R\$ | 11,495           | 410,198          | 421,693          |                   |                   |
| Debentures (4)(7)                               | 2018 | CDI + 0.80  | R\$ | 1,150            | 72,304           | 73,454           |                   |                   |
| Debentures Minas Gerais state government (4)(5) | 2031 | IGP-M       | R\$ |                  | 55,957           | 55,957           | 52,758            | 46,896            |
| <b>Total, debentures</b>                        |      |             |     | <b>990,799</b>   | <b>4,757,404</b> | <b>5,748,203</b> | <b>3,905,485</b>  | <b>4,044,892</b>  |
| <b>Overall total Consolidated</b>               |      |             |     | <b>2,421,998</b> | <b>7,041,185</b> | <b>9,463,183</b> | <b>10,415,793</b> | <b>10,503,891</b> |

- (1) Interest rates vary: 2.00 to 8.00% p.a.; six-month Libor plus spread of 0.81% to 0.88% p.a.
- (2) Swaps for exchange of rates were contracted. The rate for the loans and financings taking the swaps into account is CDI + 1.50% p.a.
- (3) Refers to the senior units of the credit rights funds. See Explanatory Note 10 to the consolidated financial statements.
- (1) Nominal, unsecured, book-entry debentures not convertible into shares, without guarantee or preference.
- (5) Contracts adjusted to present value, as per CPC12.
- (6) Loan contracted by Cemig Telecom.
- (7) Loan contracted by Capim Branco.

# Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

## Table of Contents

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

|  | 2013             | 2014             | 2015             | 2016             | 2017           | 2018           | 2019           | After 2019       | Total            |
|--|------------------|------------------|------------------|------------------|----------------|----------------|----------------|------------------|------------------|
| <b>Currency</b>                              |                  |                  |                  |                  |                |                |                |                  |                  |
| US dollar                                    | 10,856           | 2,475            |                  |                  |                |                |                | 20,648           | 33,979           |
| Euro   | 952              | 1,901            | 1,901            | 1,901            |                |                |                |                  | 6,655            |
|  | <b>11,808</b>    | <b>4,376</b>     | <b>1,901</b>     | <b>1,901</b>     |                |                |                | <b>20,648</b>    | <b>40,634</b>    |
| <b>Indexors</b>                              |                  |                  |                  |                  |                |                |                |                  |                  |
| IPCA = Expanded Consumer Price Index         |                  |                  |                  |                  |                |                |                |                  |                  |
| Index  | 98,935           | 476,536          | 656,468          | 182,117          | 182,118        | 108,026        | 475,345        | 2,135,462        | 4,315,007        |
| Ufir / RGR (Fiscal Reference Unit)           | 41,464           | 69,577           | 61,344           | 49,820           | 40,183         | 35,362         | 23,562         | 35,336           | 356,648          |
| CDI (Interbank CD)                           | 1,028,771        | 704,750          | 418,584          | 813,139          | 693,633        | 483,100        |                |                  | 4,141,977        |
| Eletrobras intermodal index - Finel          |                  |                  |                  |                  |                |                |                |                  |                  |
|  | 6,521            |                  |                  |                  |                |                |                |                  | 6,521            |
| URTJ / TJLP (*)                              | 10,219           | 19,612           | 18,125           | 17,828           | 17,829         | 10,041         | 7,632          | 50,236           | 151,522          |
| IGP M (General Market Price) inflation index |                  |                  |                  |                  |                |                |                |                  |                  |
|  | 2,913            | 385,549          |                  |                  |                |                |                | 55,958           | 444,420          |
| Others (IGP-DI, INPC) (**)                   |                  |                  |                  |                  |                |                |                |                  |                  |
|  | 2,095            |                  | 30               | 838              | 837            | 620            |                |                  | 4,420            |
| TR Reference Rate                            |                  |                  |                  |                  |                |                |                |                  |                  |
|  | (22)             | 1,644            | 412              |                  |                |                |                |                  | 2,034            |
|  | <b>1,190,896</b> | <b>1,657,668</b> | <b>1,154,963</b> | <b>1,063,742</b> | <b>934,600</b> | <b>637,149</b> | <b>506,539</b> | <b>2,276,992</b> | <b>9,422,549</b> |
|  | <b>1,202,704</b> | <b>1,662,044</b> | <b>1,156,864</b> | <b>1,065,643</b> | <b>934,600</b> | <b>637,149</b> | <b>506,539</b> | <b>2,297,640</b> | <b>9,463,183</b> |

(\*) URTJ = Interest rate reference unit.

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

The principal currencies and indexors used for monetary updating of loans and financings varied as follows:

| Currency  | Change in 2013 |                           | Indexors           | Change in 2013 |                           |
|-----------|----------------|---------------------------|--------------------|----------------|---------------------------|
|           | to June 30     | Change in full-year 2012, |                    | to June 30     | Change in full-year 2012, |
|           | %              | %                         |                    | %              | %                         |
| US dollar | (1.45)         | 8.94                      | IGP-M INDEX        | 0.84           | 7.82                      |
| Euro      | (4.08)         | 10.73                     | CDI (Bank CD rate) | 1.64           | 8.37                      |
|           |                |                           | IPCA index         | 1.94           | 5.84                      |

The changes in loans, financings and debentures were as follows:

|  | Consolidated | Holding company |
|--|--------------|-----------------|
| <b>Balance at December 31, 2012</b>      | 10,415,793   | 1,102,721       |
| Loans and financings obtained            | 2,451,077    |                 |
| Funding cost                             | (8,567)      |                 |
| Financings obtained net of funding costs | 2,442,510    |                 |
| Monetary and exchange rate variation     | 127,388      |                 |
| Financial charges provisioned            | 367,452      | 21,460          |
| Financial charges paid                   | (657,880)    | (17,784)        |
| Amortization of financings               | (3,232,080)  | (1,106,397)     |
| <b>Balance at June 30, 2013</b>          | 9,463,183    |                 |

a) **Restrictive covenant clauses**

Cemig and its subsidiaries have contracts for loans and financings with restrictive covenant clauses, requiring compliance at the end of each calendar half-year (June 30 and December 31), as follows:

# Table of Contents

| Covenant                             | Index required             |
|--------------------------------------|----------------------------|
| Debt / Ebitda                        | Less than or equal to 3.36 |
| Current debt (1) / Ebitda (2)        | Less than or equal to 200% |
| Debt / (Shareholders' equity + Debt) | Less than or equal to 62%  |
| Ebitda (2) / Cost of debt            | 2.3 or more                |
| Capital expenditure / Ebitda (2)     | Less than or equal to 96%  |

(1) Current debt = Sum of short-term remunerated financial obligations (loans, financings, debentures).

(2) **Ebitda** is a non-accounting measure prepared by the Company, reconciled with its interim financial statements in accordance with CVM Circular SNC/SEP 1/2007 and CVM Instruction 527 of October 4, 2012. It comprises Net profit adjusted by the effects of net Financial revenue (expenses), depreciation and amortization, and income tax and the Social Contribution tax. Ebitda is not a measure recognized by Brazilian GAAP nor by IFRS; it has no standard meaning; and it may in any particular case be not comparable with measurements with similar titles supplied by other companies. Cemig publishes Ebitda because it uses it for the purposes of measuring its own performance. Ebitda should not be considered in isolation, or as being a substitute for net profit or operational profit, or as being an indicator of operational performance, or cash flow, or as cash flow, or to measure the Company's liquidity or its capacity to pay debt. Specific criteria for calculation of Ebitda are made in some contracts, with some variations from this formula.

On June 30, 2013 only Cemig D was not in compliance with certain restrictive covenant clauses, as follows:

| Covenant                             | Index required             | Position on June 30, 2013 |
|--------------------------------------|----------------------------|---------------------------|
| Debt / Ebitda                        | Less than or equal to 3.36 | 4.25                      |
| Debt / (Shareholders' equity + Debt) | Less than or equal to 62%  | 66.99%                    |

On June 28, 2013 Cemig D obtained the consent of the creditors that immediate or early payment of the amounts owed on June 30, 2013 would not be demanded. The loans, financings and debentures are classified in Current and Non-current liabilities, in accordance with the original terms of the contracts, as a result of the said consent being obtained before the end of the quarter.

The debentures issued by the Company and its jointly-controlled subsidiaries have the following characteristics on June 30, 2013:

| Issuer / debenture     | Type            | Guarantee | Cost          | COVENANTS | Maturity | 2013      | 2012      | 2011      |
|------------------------|-----------------|-----------|---------------|-----------|----------|-----------|-----------|-----------|
| CEMIG First issue (1)  | Non-convertible | Unsecured | 104.0% of CDI | None      | 2011     |           |           |           |
| CEMIG First issue      | Non-convertible | Unsecured | CDI+0.90      | None      | 2012     |           |           | 1,754,714 |
| CEMIG GT (1)           | Non-convertible | None      | IGP M         | None      | 2014     | 55,957    | 52,758    | 46,895    |
| CEMIG GT (1)           | Non-convertible | None      | IPCA+7.68     | None      | 2015     | 965,586   | 1,444,590 | 1,367,937 |
| CEMIG GT (1)           | Non-convertible | Unsecured | CDI+0.9%      | None      | 2017     | 493,814   | 517,396   |           |
| CEMIG GT (1)           | Non-convertible | Unsecured | IPCA+6.2%     | None      | 2019     | 742,586   | 738,885   |           |
| CEMIG GT (1)           | Non-convertible | Unsecured | IPCA+6.0%     | None      | 2022     | 221,520   | 220,211   |           |
| CEMIG D (1) 1st Series | Non-convertible | Surety    | CDI+0.69      | None      | 2018     | 421,693   |           |           |
| CEMIG D (1) 2nd Series | Non-convertible | Surety    | IPCA+4.7      | None      | 2021     | 1,136,166 |           |           |
|                        | Non-convertible | Surety    | IPCA+5.1      | None      | 2025     | 678,864   |           |           |

# Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

## CEMIG D

(1) 3rd Series

|              |                 |           |             |      |      |                  |                  |                  |
|--------------|-----------------|-----------|-------------|------|------|------------------|------------------|------------------|
| CAPIM BRANCO | Non-convertible | Surety    | CDI + 0.80  | None | 2018 | 73,454           |                  |                  |
| CEMIG D (1)  | Non-convertible | None      | IPCA+7.96   | None | 2017 | 570,100          | 530,287          | 502,648          |
| CEMIG D (1)  | Non-convertible | Unsecured | IGP-M+10.50 | None | 2014 | 388,462          | 401,360          | 372,697          |
| <b>TOTAL</b> |                 |           |             |      |      | <b>5,748,203</b> | <b>3,905,485</b> | <b>4,044,891</b> |

---

(1) Without renegotiation clause; no debentures are held in Treasury.

(2) Early redemption of any pecuniary obligation, arising from default on an obligation to pay any individual or aggregate amount greater than R\$ 50 million (cross-default).

Table of Contents**GUARANTEES**

The guarantees of the debtor balance on loans and financings, on June 30, 2013, were as follows:

|                               | Amounts in R\$   |
|-------------------------------|------------------|
| Promissory Notes and Sureties | 6,601,939        |
| Receivables                   | 1,263,147        |
| Unsecured                     | 1,598,097        |
| <b>TOTAL</b>                  | <b>9,463,183</b> |

**19. REGULATORY CHARGES**

|  | June 30,<br>2013 | Consolidated<br>Dec. 31, 2012<br>Re-presented | Jan. 1, 2012<br>Re-<br>presented |
|--|------------------|---|----------------------------------|
| Global Reversion Reserve (RGR)                         | 114,636          | 61,706  | 51,901                           |
| Fuel Consumption Account CCC                           |                  | 30,674  | 60,220                           |
| CDE Energy Development Account                         | 13,061           | 44,906  | 39,180                           |
| Eletrobrás Compulsory loan                             | 1,525            | 1,207   | 1,207                            |
| Aneel inspection charge                                | 3,263            | 3,509   | 3,451                            |
| Energy Efficiency                                      | 122,902          | 134,497                                       | 131,015                          |
| Research and Development                               | 116,146          | 137,003                                       | 179,337                          |
| Energy System Expansion Research                       | 1,879            | 3,837   | 3,330                            |
| National Scientific and Technological Development Fund | 3,578            | 7,494   | 6,480                            |
| Proinfra Alternative Energy Program                    | 4,517            | 25,703  | 22,628                           |
| Emergency capacity charge                              | 30,983           | 31,035  | 31,092                           |
| 0.30% additional payment Law 12111/09                  |                  | 4,678   | 3,498                            |
|  | <b>412,490</b>   | <b>486,249</b>                                | <b>533,339</b>                   |
| Current liabilities                                    | <b>214,337</b>   | <b>317,048</b>                                | <b>271,409</b>                   |
| Noncurrent liabilities                                 | <b>198,153</b>   | <b>169,201</b>                                | <b>261,930</b>                   |

**20. POST-RETIREMENT OBLIGATIONS****Pension Fund**

The movement in net liabilities has been as follows:

| Holding company  | Pension plans and<br>retirement<br>supplement plans<br>Forluz | Health<br>Plan | Dental Plan  | Life<br>insurance | Total          |
|--|---|----------------|--------------|-------------------|----------------|
| <b>Net liabilities on December 31, 2011 (Re-presented)</b> | <b>41,697</b>   | <b>29,710</b>  | <b>1,625</b> | <b>26,919</b>     | <b>99,951</b>  |
| Expense recognized in the Profit and loss account          | 2,339   | 2,410          | 59           | 2,586             | 7,394          |
| Contributions paid   | (3,219)   | (1,340)        | (21)         | (359)             | (4,939)        |
| <b>Net liabilities on June 30, 2012 (Re-presented)</b>     | <b>40,817</b>   | <b>30,780</b>  | <b>1,663</b> | <b>29,146</b>     | <b>102,406</b> |
| <b>Net liabilities on December 31, 2012</b>                | <b>104,246</b>  | <b>50,563</b>  | <b>1,486</b> | <b>51,958</b>     | <b>208,253</b> |
| Expense recognized in the Profit and loss account          | 2,649   | 2,539          | 77           | 2,909             | 8,174          |
| Contributions paid   | (2,455)   | (1,769)        | (56)         | (423)             | (4,703)        |
| <b>Net liabilities on June 30, 2013</b>                    | <b>104,440</b>  | <b>51,332</b>  | <b>1,507</b> | <b>54,443</b>     | <b>211,722</b> |
| <b>Current liabilities on June 30, 2013</b>                |   |                |              |                   | <b>2,691</b>   |
| <b>Non-current liabilities on June 30, 2013</b>            |   |                |              |                   | <b>209,031</b> |



Table of Contents

| Consolidated   | Pension plans and retirement supplement plans |                |               |                | Total            |
|--|---|----------------|---------------|----------------|------------------|
|  | Forluz  | Health Plan    | Dental Plan   | Life insurance |                  |
| <b>Net liabilities on December 31, 2011 (Re-presented)</b> | <b>846,581</b>                                | <b>567,394</b> | <b>30,718</b> | <b>486,505</b> | <b>1,931,198</b> |
| Expense recognized in the Profit and loss account          | 47,500  | 36,246         | 720           | 30,028         | 114,494          |
| Contributions paid   | (64,886)                                      | (27,132)       | (425)         | (6,397)        | (98,840)         |
| <b>Net liabilities on June 30, 2012 (Re-presented)</b>     | <b>829,195</b>                                | <b>576,508</b> | <b>31,013</b> | <b>510,136</b> | <b>1,946,852</b> |
| <b>Net liabilities on December 31, 2012 (Re-presented)</b> | <b>1,048,204</b>                              | <b>819,780</b> | <b>22,343</b> | <b>735,848</b> | <b>2,626,175</b> |
| Expense recognized in the Profit and loss account          | 53,843  | 44,520         | 1,214         | 38,180         | 137,757          |
| Contributions paid   | (49,912)                                      | (29,512)       | (951)         | (6,332)        | (86,707)         |
| <b>Net liabilities on June 30, 2013</b>                    | <b>1,052,135</b>                              | <b>834,788</b> | <b>22,606</b> | <b>767,696</b> | <b>2,677,225</b> |
| <b>Net liabilities on June 30, 2013</b>                    |   |                |               |                | <b>54,690</b>    |
| <b>Non-current liabilities on June 30, 2013</b>            |   |                |               |                | <b>2,622,535</b> |

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

The amounts recorded in the expense posted in the Profit and loss account refer to the portions of the costs of post-retirement obligations, plus the financial charges and monetary updating arising on the plan.

In first half 2013, as described in more detail in Explanatory Note 2.3, the Company recognized in Comprehensive income the actuarial gains and losses which up to December 31, 2012 were disclosed only in the financial statements.

## 21. PROVISIONS

The Company and its subsidiaries are parties in certain legal and administrative proceedings before various courts and government bodies, arising in the normal course of business, regarding employment-law, civil, tax, environmental and regulatory matters, and other issues.

### Actions in which the company would be debtor

The Company and its subsidiaries have made provisions for the legal actions in which, based on the assessment of the Company and its legal advisors, the chances of loss are assessed as probable (i.e. that an outflow of funds to settle the obligation will be necessary), as follows:

| Consolidated |           | Settlements | June 30, 2013 |
|--------------|-----------|-------------|---------------|
| Additions    | Reversals |             |               |

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

|                      | Jan. 1, 2012<br>(Re-presented) | Dec. 31, 2012<br>(Re-presented) |                |                 |                 |                |
|----------------------|--------------------------------|---------------------------------|----------------|-----------------|-----------------|----------------|
| Employment-law cases | 85,656                         | 78,151                          | 74,389         | (35)            | (19,474)        | 133,031        |
| Civil cases          |                                |                                 |                |                 |                 |                |
| Consumer relations   | 77,958                         | 59,912                          | 4,988          | (25,607)        | (3,783)         | 35,510         |
| Other civil cases    | 31,616                         | 39,114                          | 16,757         | (5,268)         | (14,113)        | 36,490         |
|                      | 109,574                        | 99,026                          | 21,745         | (30,875)        | (17,896)        | 72,000         |
| Tax                  | 40,478                         | 34,865                          | 4,002          | (2,986)         | (2,982)         | 32,899         |
| Environmental        | 4,373                          | 5,442                           | 462            | (473)           | (66)            | 5,365          |
| Regulatory           | 62,617                         | 37,577                          | 20,029         | (7,632)         | (1,250)         | 48,724         |
| OTHERS               | 8,371                          | 10,415                          | 1,726          | (1,555)         | (983)           | 9,603          |
| <b>Total</b>         | <b>311,069</b>                 | <b>265,476</b>                  | <b>122,353</b> | <b>(43,556)</b> | <b>(42,651)</b> | <b>301,622</b> |

Table of Contents

|                      | Jan. 1, 2012   | Dec. 31, 2012  | Holding company |                 |                 |                |
|----------------------|----------------|----------------|-----------------|-----------------|-----------------|----------------|
|                      | (Re-presented) | (Re-presented) | Additions       | Reversals       | Settlements     | June 30, 2013  |
| Employment-law cases | 58,902         | 50,004         | 33,317          |                 | (8,826)         | 74,495         |
| Civil cases          |                |                |                 |                 |                 |                |
| Consumer relations   | 31,035         | 17,649         | 1,404           | (9,899)         | (201)           | 8,953          |
| Other civil cases    | 20,556         | 19,268         | 13,272          |                 | (10,979)        | 21,561         |
|                      | 51,591         | 36,917         | 14,676          | (9,899)         | (11,180)        | 30,514         |
| Tax                  | 33,342         | 30,555         | 1,724           | (2,385)         | (1,622)         | 28,272         |
| Environmental        | 207            | 984            |                 | (473)           |                 | 511            |
| Regulatory           | 38,210         | 25,073         | 899             | (5,533)         | (899)           | 19,540         |
| Others               | 3,700          | 2,556          | 170             | (1,539)         | (137)           | 1,050          |
| <b>Total</b>         | <b>185,952</b> | <b>146,089</b> | <b>50,786</b>   | <b>(19,829)</b> | <b>(22,664)</b> | <b>154,382</b> |

The Company's management, in view of the long periods and manner of working of the judiciary, tax and regulatory systems, believes that it is not practical to supply information that would be useful to the users of these interim financial statements about the time when any cash outflows, or any possibility of reimbursements, might take place in fact. Also, the Company's management believes that any disbursements in excess of the amounts provisioned, when the respective processes are completed, will not significantly affect the Company's result of operations or financial position.

The details on the principal provisions and contingent liabilities are given below, this being the best expectation of future disbursements for these contingencies:

**Provisions, made for legal actions in which the chances of loss have been assessed as probable ; and Contingent liabilities, for actions in which the chances of loss are assessed as possible**

Employment-law cases

The Company and its subsidiaries are parties in various legal actions brought by our employees and by outsourced professionals. Most of these claims relate to overtime and compensation for occupational hazards. In addition to these actions, there are others relating to outsourcing of labor, complementary additions to or re-calculation of retirement pension payments by Forluz, and salary adjustments. The amount of the contingency is approximately R\$ 445,477, of which R\$ 133,031 has been provisioned the amount estimated as probably necessary for settlement of these disputes.

Consumer relations

Cemig and its subsidiaries are parties in numerous civil actions relating to indemnity for pain and suffering and for material damages, arising, principally, from accidents involving the electricity distribution network, allegations of irregularity in measurement of consumption, and claims of undue charging, in the normal course of business, totaling R\$ 72,854, of which R\$ 35,510 the amount estimated as probably necessary for settlement of these disputes has been provisioned.



Table of Contents

Other civil cases

Cemig and its subsidiaries are parties in various civil actions claiming indemnities for pain and suffering and for property damages, among others, arising from incidents occurring in the normal course of business, in the amount of R\$ 129,800, of which R\$ 36,490 the amount estimated as probably necessary for settlement of these disputes has been provisioned.

Tax

The Company and its subsidiaries are parties in numerous administrative and court actions relating to taxes, including, among other matters, subjects relating to the Urban Property Tax (*Imposto sobre a Propriedade Territorial Urbana*, or IPTU), the Social Integration Program (*Programa de Integração Social*, or PIS), the Contribution to Finance Social Security (*Contribuição para o Financiamento da Seguridade Social*, or Cofins), Corporate Income Tax (*Imposto de Renda Pessoa Jurídica*, or IRPJ), the Social Contribution Tax (*Contribuição Social sobre o Lucro Líquido*, or CSLL) and applications to stay tax execution. The amount of the contingency is approximately R\$ 101,862, of which R\$ 32,899 has been provisioned the amount estimated as probably necessary for settlement of these disputes.

Environmental

The Company and its subsidiaries are involved in environmental matters, in which the subjects include protected areas, environmental licenses, recovery of environmental damage, and other matters, in the approximate total amount of R\$ 17,334, of which R\$ 5,365 the amount estimated as probably necessary for settlement of these disputes has been provisioned.

Regulatory

The Company and its subsidiaries are parties in numerous administrative and court proceedings in which the main issues disputed are:

- (i) tariff charges in invoices for use of the distribution system by a self-producer;
- (ii) alleged violation of targets for indicators of continuity in retail supply of electricity;
- (iii) the tariff increase made during the federal government's economic stabilization plan referred to as the Cruzado Plan, in 1986.

The amount of the contingency is approximately R\$ 129,269, of which R\$ 48,724 has been provisioned the amount estimated as probably necessary for settlement of these disputes.

Other claims in the ordinary course of business

In addition to the issues described above, the Company is involved, on plaintiff or defendant side, in other cases, of smaller scale, related to the normal course of its operations, with an estimated total amount of R\$ 59,259, of which R\$ 9,603 the amount estimated as probably necessary for settlement of these disputes has been provisioned. Management believes that it has appropriate defense for these actions, and does not expect significant losses relating to these issues such as might have an adverse effect on the Company's financial position or the result of its operations.

Table of Contents

**2. Contingent liabilities for cases in which the chances of loss are assessed as possible , and the company believes it has arguments of merit for legal defense**

Tax and similar charges

The Company is a party in numerous administrative and court proceedings in relation to taxes. Below are details of the principal cases:

*Indemnity for employees future benefit the Anuênio*

In 2006 the Company paid an indemnity to its employees, totaling R\$ 177,686, in exchange for the rights to future payments for time of service which would otherwise be incorporated, in the future, into salaries. The company did not pay income tax nor Social Security contributions in relation to these amounts because it considered that these obligations are not applicable to amounts paid as an indemnity. However, to avoid the risk of a future fine arising from a differing interpretation by the federal tax authority and the National Social Security Institution (INSS), the Company decided to apply for an order of mandamus, and the court permitted payment into Court of R\$ 121,834. This has been posted in Escrow deposits in legal actions. The amount of the contingency, updated, is R\$ 209,625.

*Social Security contributions*

The Brazilian Federal Revenue Department (*Secretaria da Receita Federal*) brought administrative proceedings against the Company, in relation to social security contributions allegedly owed under various headings: employee profit shares (*Participação nos Lucros e Resultados*, or PLR), the Workers Food Program (*Programa de Alimentação do Trabalhador*, or PAT), the auxiliary education contribution (*auxílio-educação*), overtime payments, hazardous occupation payments, matters related to Sest/Senat (*transport workers support programs*), and fines for non-compliance with accessory obligations. The Company has presented defenses and awaits judgment. The amount of the contingency is approximately R\$ 958,846. The chances of loss have been assessed as possible reflecting the belief that the requirements of Law 10101/2000 have been complied with, and also that there is no legal obligation to sign an agreement prior to the business year in question.

*Non-homologation of offsetting of tax credit*

The Federal Revenue Department (*Secretaria da Receita Federal*) did not homologate the declaration of offsetting of credits arising from undue or excess payment by the Company in relation to various administrative tax proceedings dealing with offsetting of federal taxes. The value of the contingency is R\$ 228,252. The chances of loss have been classified as possible , since the Company believes that it has met the requirements of the National Tax Code (*Código Tributário Nacional*, or CTN) and is awaiting a statement of position by the Tax Administration on the data presented.





Table of Contents

*Corporate tax return – restitution and offsetting*

The Company is a party in an administrative case involving requests for restitution and compensation of credits arising from tax loss carryforward balances indicated in the tax returns (*DIPJs*) for the calendar years from 1977 to 2000, and also for excess payments identified by the corresponding tax payment receipts (*DARFs* and *DCTFs*). Due to completion of all appeals in the administrative sphere, an ordinary legal action has been filed, in the approximate total amount of R\$ 348,683. The chances of loss in this action are assessed as possible, due to nullities in the conduct of the administrative proceedings and inaccurate assumptions used by the inspectors in the administrative judgment.

*ICMS (local state value added tax)*

The Company is a party in various actions relating to ICMS tax and, if it eventually has to pay the tax applicable to these transactions, it will be able to require reimbursement from consumers to recover the amount of the tax plus any penalty payment. The principal cases are the following:

- (i) A case relating to non-payment of ICMS tax on the installments that comprise the TUSD and demand contracted and not used, which were billed over the period from January 2005 through December 2010, since the amount of the tax applicable was excluded from electricity bills, in compliance with an interim injunction granted;
- (ii) Various administrative and court proceedings brought by the Minas Gerais State Tax Authority charging ICMS on the transfer of excess of electricity during the period of electricity rationing.

No provision was constituted, and the estimated amount of the contingency is R\$ 76,235. Due to an agreement with the Minas Gerais State government, involving court actions on ICMS tax, the actions in which the company is being claimed against, or claiming payment, are in the process of being extinguished.

Regulatory matters

*Contribution for Public Illumination (CIP)*

Cemig is a party in several public civil actions, claiming nullity of the clause in the Electricity Supply Contracts for public illumination, signed between the Company and the various municipalities of its concession area, and restitution by the Company of the difference representing the amounts charged in the last 20 years, in the event that the courts recognize that these amounts were unduly charged. The actions are grounded on a supposed mistake by Cemig in the estimate of time that was used for calculation of the consumption of electricity for public illumination, funded by the Public Illumination Contribution (*Contribuição para Iluminação Pública*, or CIP).

## Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

The Company has not constituted a provision for this contingency, the amount of which is estimated at R\$ 1,235,467. The chances of loss in this action have been assessed as possible, due to the Consumer Defense Code (*Código de Defesa do Consumidor*, or CDC) not being applicable, because the matter is governed by the specific regulation of the electricity sector, and because Cemig complied with Aneel Resolutions 414 and 456, which deal with the subject.

Table of Contents

*Accounting of electricity sale transactions in the Electricity Trading Chamber (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 AES' claim, 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 starting 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, the value of which would be approximately R\$ 140,482. 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 that would have been owed under the Special Financial Settlement made by the CCEE.

The Company has classified the chances of loss as possible, since this is a unique action there has been no previous judgment on any similar action and because it deals with the General Agreement for the Electricity Sector, in which the Company has full documentation to support its allegations.

*System Service Charges - Resolution of the National Energy Policy Council*

Resolution No. 3 of the National Energy Policy Council (*Conselho Nacional de Política Energética*, or CNPE) nº 3, of March 6, 2013 established new criteria for pro-rating of the cost of additional dispatching of the Brazil's thermoelectric generating plants. Under the new criteria, the cost of the System Service Charges (*Encargos do Serviço do Sistema*, or ESS), established for the purpose of security of electricity supply, which was previously shared between Free Consumers and Distributors, will now be pro-rated among all the agents of the National Grid, including Generators and Traders.

In May 2013, the Brazilian Independent Power Producers' Association (*Associação Brasileira dos Produtores Independentes de Energia Elétrica*, or APINE), of which the Company is a member, obtained a court injunction canceling the effects of Article 2 and 3 of CNPE Resolution 3, thus exempting Generation companies from the payment of the ESS that had been ordered by the Resolution.

In July 2013, the Chair of the Federal Supreme Court, Justice Joaquim Barbosa, refused the federal government's motion applying for lifting of the injunction.

The federal government then filed an Interlocutory Appeal against the interim decision given by the court of first instance. Ruling on the applications for interim relief made in this Interlocutory Appeal, the Reporting Appeal Court Judge of the 6th Panel of the First Regional Federal Court granted the application for suspension of the effect of the interim decision given at the first instance, thus re-establishing the effects of Articles 2 and 3 of CNPE Resolution 03/2013.

Table of Contents

APINE filed a request for reconsideration to the Reporting Appeal Court Judge of the 6th Panel of the 1st Regional Federal Court, alleging, in summary, that the federal government appeal had been lodged out of time; that there had been no agreement between the courts on conflict of competency; and finally reiterated the reasons on the merits that led to the injunction being granted.

Publication of the decision of this request for reconsideration is awaited, expected for August 2013.

As a result of the injunction, the CCEE (Electricity Trading Chamber) carried out settlement for the second quarter of 2013, obeying the criteria in effect prior to Resolution 3. Hence the Company has recorded the ESS costs in accordance with the financial settlement criteria stated by the CCEE, without the effects of CNPE Resolution3.

The amount of this contingency up to the month of June 2013 is approximately R\$ 36,970. Based on the arguments and facts presented above, the Company's legal advisers have assessed the chances of loss in this contingency as possible .

Tariff increases

*Exclusion of consumers inscribed as low-income*

The Federal Public Attorneys Office (*Ministério Público Federal*) filed a Class Action against the Company and Aneel, to avoid exclusion of consumers from classification in the Low-income Residential Tariff Sub-category, requesting an order for the Company to pay 200% of the amount allegedly paid in excess by consumers. Judgment was given in favor of the plaintiffs, but the Company and Aneel have filed an interlocutory appeal and await judgment. The amount of the contingency is approximately R\$ 137,471. The Company has classified the chances of loss as possible due to other favorable judgments on this subject.

*Period Tariff Adjustment Neutrality of Portion A*

The Municipal Association for Protection of the Consumer and the Environment (*Amprocom*) and the Brazilian Consumers Association (ABC) filed a public civil action against the Company and against Aneel, for identification of all the consumers that were allegedly injured in the processes of periodic review and annual adjustment of electricity rates, in the period 2002 to 2009, and restitution, through credit on electricity bills, of the amounts that were unduly charged, due to the impact of future variations of consumer electricity demand on non-manageable ( Portion A ) components of costs not being left out of account, and these gains being unduly included in the manageable costs of the distributor ( Portion B ), resulting in economic/financial imbalance of the contract. The estimated value of this contingency is R\$ 171,524.

Table of Contents

Environmental

An environmental association, in a civil public action, has claimed indemnity for supposed collective environmental damages as a result of the construction and operation of the Nova Ponte Hydroelectric Plant. The amount involved in the action is R\$ 1,710,331. 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 have been assessed as possible, since although there has not been full proof of the arguments put forward by the opposing litigant, demonstration of the arguments put forward will depend on proof by expert witness.

The Public Attorneys Office of the State of Minas Gerais (*Ministério Público do Estado de Minas Gerais*) has brought public civil actions requiring the Company to invest at least 0.5% of its annual gross operational revenue, since 1997, in environmental protection and preservation of the water tables of the municipalities where Cemig's power plants are located, and proportional indemnity for allegedly irreparable environmental damage caused, arising from omission to comply with Minas Gerais State Law 12503/97. The Company has filed appeals to the Higher Appeal Court (*Superior Tribunal de Justiça*, or STJ), and the Federal Supreme Court (*Supremo Tribunal Federal*, or STF). No provision has been constituted. The estimated amount of the contingency is R\$ 102,478.

**Action in which the Company is creditor and in which economic benefits are 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. 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 similar proceedings in favor of the taxpayer the gain to be registered in the Income statement will be R\$ 205,355, net of income tax and Social Contribution Tax.

Table of Contents

**22. STOCKHOLDERS' EQUITY AND REMUNERATION TO STOCKHOLDERS**

The Company's registered share capital on June 30, 2013 is R\$ 4,813,362, in 482,491,242 common shares and 480,181,143 preferred shares, all with nominal value of R\$ 5.00.

Increase in registered capital

The General Meeting of Stockholders held on April 30, 2013 approved an increase in the registered capital of Cemig from R\$ 4,265,091 to R\$ 4,813,362 with issue of 109,654,157 new shares, through capitalization of R\$ 548,271 of the Capital Reserve, with consequent distribution of a stock dividend of 12.854843355% in new shares to stockholders, of the same type as those held, with nominal value of R\$ 5.00.

Profit per share

The number of shares used in the calculation of basic profit and diluted profit per share, including the effect of the issuance of new shares, is as follows:

| Number of shares | June 30, 2013      | June 30, 2012      |
|------------------|--------------------|--------------------|
| Common shares    | 482,491,242        | 482,491,242        |
| Preferred shares | 480,181,143        | 480,181,143        |
|                  | <b>962,672,385</b> | <b>962,672,385</b> |
| Held in Treasury | (410,397)          | (410,397)          |
| <b>Total</b>     | <b>962,261,988</b> | <b>962,261,988</b> |

Considering that each class of share participates equally in the profit reported, the profit per share on June 30, 2013 and 2012 was, respectively, R\$ 1.54 and R\$ 1.28. These figures are calculated based on the Company's number of shares in the respective periods.

Cemig does not have any dilutive instruments. For this reason its Diluted profit is the same as its Basic profit.

**Adjustments to Stockholders' equity**

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

|  | Consolidated   |                |
|--|----------------|----------------|
|  | 1H13           | 1H12           |
| Valuation adjustments to Stockholders' equity                              |                | Re-presented   |
| Adjustments to actuarial liabilities Employee benefits Holding company     | (103,767)      | (103,767)      |
| Other comprehensive income in subsidiary and jointly-controlled subsidiary |                |                |
| Attributed cost of PP&E  | 898,171        | 959,303        |
| Adjustments on conversion of the financial statements                      | 14,257         | 10,025         |
| Adjustments to actuarial liabilities Employee benefits                     | (390,298)      | (390,298)      |
| Cash flow hedge instruments  | (549)          | (384)          |
|  | 521,581        | 578,646        |
| <b>Adjustments to Stockholders' equity</b>                                 | <b>417,814</b> | <b>474,879</b> |

Table of Contents
**23. REVENUE**

|   | Consolidated     |                      |
|---|------------------|----------------------|
|   | 1H13             | 1H12<br>Re-presented |
| Revenue from supply of electricity (a)                              | 7,000,636        | 7,419,209            |
| Revenue from use of the electricity distribution systems (TUSD) (b) | 571,724          | 904,289              |
| Transmission revenue  |                  |                      |
| Transmission concession revenue                                     | 205,327          | 330,042              |
| Generation construction revenue (c)                                 | 43,579           | 42,528               |
| Distribution construction revenue (c)                               | 421,826          | 542,426              |
| Transactions in electricity on the CCEE                             | 840,388          | 224,551              |
| Other operational revenues (d)                                      | 446,405          | 260,801              |
| Sector / regulatory charges deductions from revenue (e)             | (2,413,301)      | (3,068,803)          |
| <b>Net operational revenue</b>                                      | <b>7,116,584</b> | <b>6,655,043</b>     |

|   | Consolidated     |                        |
|---|------------------|------------------------|
|   | 2Q13             | 2Q12<br>(Re-presented) |
| Revenue from supply of electricity (a)                              | 3,533,238        | 3,794,898              |
| Revenue from use of the electricity distribution systems (TUSD) (b) | 220,163          | 457,839                |
| Transmission revenue  |                  |                        |
| Transmission concession revenue                                     | 115,629          | 160,483                |
| Generation construction revenue (c)                                 | 25,940           | 18,990                 |
| Distribution construction revenue (c)                               | 235,118          | 341,471                |
| Transactions in electricity on the CCEE                             | 261,641          | 106,074                |
| Other operational revenues (d)                                      | 246,979          | 117,298                |
| Sector / regulatory charges deductions from revenue (e)             | (1,199,718)      | (1,533,939)            |
| <b>Net operational revenue</b>                                      | <b>3,438,990</b> | <b>3,463,114</b>       |

**a) Revenue from supply of electricity**

This table shows supply of electricity by type of consumer:

|                                 | MWh               |                      | R\$              |                      |
|---------------------------------|-------------------|----------------------|------------------|----------------------|
|                                 | 1H13              | 1H12<br>Re-presented | 1H13             | 1H12<br>Re-presented |
| Residential                     | 4,695,961         | 4,383,682            | 2,280,679        | 2,398,313            |
| Industrial                      | 11,183,632        | 12,359,505           | 1,913,476        | 2,124,329            |
| Commercial, Services and Others | 3,031,893         | 2,850,431            | 1,180,554        | 1,248,737            |
| Rural                           | 1,335,075         | 1,264,667            | 344,269          | 354,065              |
| Public authorities              | 426,126           | 409,577              | 163,459          | 176,657              |
| Public illumination             | 629,969           | 615,371              | 155,078          | 167,862              |
| Public service                  | 609,795           | 578,059              | 159,140          | 169,976              |
| Subtotal                        | <b>21,912,451</b> | <b>22,461,292</b>    | <b>6,196,655</b> | <b>6,639,939</b>     |
| Own consumption                 | 17,386            | 17,197               |                  |                      |



Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

|  |                   |                   |                  |                  |
|--|-------------------|-------------------|------------------|------------------|
| Supply not yet invoiced, net                     |                   |                   | (115,531)        | (442)            |
|  | <b>21,929,837</b> | <b>22,478,489</b> | <b>6,081,124</b> | <b>6,639,497</b> |
| Wholesale supply to other concession holders (*) | 7,659,519         | 6,399,374         | 919,512          | 779,712          |
| Total  | <b>29,589,356</b> | <b>28,877,863</b> | <b>7,000,636</b> | <b>7,419,209</b> |

# Table of Contents

|  | MWh               |                        | R\$              |                        |
|--|-------------------|------------------------|------------------|------------------------|
|  | 2Q13              | 2Q12<br>(Re-presented) | 2Q13             | 2Q12<br>(Re-presented) |
| Residential                                      | 2,383,392         | 2,197,817              | 1,131,871        | 1,216,212              |
| Industrial                                       | 5,683,850         | 6,343,741              | 979,298          | 1,093,493              |
| Commercial, Services and Others                  | 1,503,197         | 1,415,086              | 584,369          | 629,149                |
| Rural  | 702,258           | 701,811                | 170,554          | 191,897                |
| Public authorities                               | 217,861           | 214,249                | 82,500           | 93,796                 |
| Public illumination                              | 320,156           | 306,101                | 77,525           | 84,418                 |
| Public service                                   | 305,469           | 288,652                | 79,436           | 86,440                 |
| Subtotal   | <b>11,116,183</b> | <b>11,467,457</b>      | <b>3,105,553</b> | <b>3,395,405</b>       |
| Own consumption                                  | 8,750             | 8,387                  |                  |                        |
| Supply not yet invoiced, net                     |                   |                        | (24,106)         | 6,183                  |
|  | <b>11,124,933</b> | <b>11,475,844</b>      | <b>3,081,447</b> | <b>3,401,588</b>       |
| Wholesale supply to other concession holders (*) | 3,775,989         | 3,093,110              | 451,791          | 393,310                |
| Total  | <b>14,900,922</b> | <b>14,568,954</b>      | <b>3,533,238</b> | <b>3,794,898</b>       |

( \* ) Includes Regulated Market Electricity Sale Contracts (CCEARs) and bilateral contracts with other agents.

## Tariff Review Cemig D

On April 8, 2013 Aneel published the results of the Third Tariff Review of Cemig D, repositioning Cemig D's tariffs with effect from that date, with average effect for consumers of an increase of 2.99%.

According to the statement of calculation received by Cemig after the homologation of the result of the Tariff Review at the meeting of the Council of Aneel, the Net Regulatory Remuneration Base (was R\$ 5,511,768, and the Gross Regulatory Remuneration Base was R\$ 15,355,843.

### b) Revenue from Use of Distribution Systems (the TUSD charge)

A significant part of the large industrial consumers in the concession areas of Cemig D and Light are free consumers, with energy being sold to these consumers by the Cemig group's generation and transmission company, Cemig GT, and by other generators. They pay the charges for use of the distribution network (the TUSD) separately, which are recorded in this line.

As a result of the 3rd Tariff Review of the distribution subsidiary Cemig D (*Cemig Distribuição*), there was an average reduction in the TUSD of 33.22%.

### c) Construction revenue

Construction Revenue is substantially offset by Construction costs, and corresponds to the Company's investments in assets of the concession in the period. In certain projects, it also includes the profit margin involved in the operation.

Table of Contents**d) Other operational revenues**

|                    | <b>Consolidated</b> |                     |
|--------------------|---------------------|---------------------|
|                    | <b>1H13</b>         | <b>1H12</b>         |
|                    |                     | <b>Re-presented</b> |
| Charged service    | 5,949               | 7,718               |
| Telecoms services  | 71,383              | 74,764              |
| Services rendered  | 55,690              | 39,251              |
| Rental and leasing | 792                 | 41,383              |
| Subsidies (*)      | 307,129             | 97,025              |
| Others             | 4,562               | 660                 |
|                    | <b>446,405</b>      | <b>260,801</b>      |

|                    | <b>Consolidated</b> |                |
|--------------------|---------------------|----------------|
|                    | <b>2Q13</b>         | <b>2Q12</b>    |
| Charged service    | 2,235               | 3,947          |
| Telecoms services  | 36,015              | 36,677         |
| Services rendered  | 29,106              | 12,898         |
| Rental and leasing |                     | 15,382         |
| Subsidies (*)      | 180,567             | 47,949         |
| Others             | (944)               | 445            |
|                    | <b>246,979</b>      | <b>117,298</b> |

(\*) Revenue recognized for the subsidy received from Eletrobrás, relating to the discount given on tariffs charged to low-income consumers and subsidies on the Tariffs for Use of the Distribution System (TUSD). The amounts have been homologated by Aneel. They are reimbursed by Eletrobras.

**e) Sector / regulatory charges deductions from revenue**

|   | <b>Consolidated</b> |                     |
|---|---------------------|---------------------|
|   | <b>1H13</b>         | <b>1H12</b>         |
|   |                     | <b>Re-presented</b> |
| <b>Taxes on revenue</b>   |                     |                     |
| ICMS tax  | 1,397,960           | 1,506,548           |
| Cofins tax  | 637,958             | 689,974             |
| PIS and Pasep taxes   | 138,493             | 149,874             |
| Other   | 2,180               | 2,149               |
|   | <b>2,176,591</b>    | <b>2,348,545</b>    |
| <b>Charges to the consumer</b>                                    |                     |                     |
| Global Reversion Reserve (RGR)                                    | 60,173              | 109,554             |
| Energy Efficiency Program P.E.E.                                  | 20,207              | 6,731               |
| CDE Energy Development Account                                    | 65,743              | 248,967             |
| Fuel Consumption Account CCC                                      | 25,487              | 288,086             |
| Research and Development R&D                                      | 21,624              | 16,883              |
| National Scientific and Technological Development Fund FNDCT      | 13,971              | 16,883              |
| Energy system expansion research EPE (Mining and Energy Ministry) | 8,781               | 8,442               |

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

|   |                                     |                  |                  |
|---|-------------------------------------|------------------|------------------|
| Consumer charges                        | Proinfa alternative sources program | 12,495           | 12,690           |
| 0.30% additional payment (Law 12111/09) |                                     | 8,229            | 12,022           |
|   |                                     | <b>236,710</b>   | <b>720,258</b>   |
|   |                                     | <b>2,413,301</b> | <b>3,068,803</b> |

Table of Contents

|   | Consolidated     | 2Q12             |
|---|------------------|------------------|
|   | 2Q13             | (Re-presented)   |
| <b>Taxes on revenue</b>   |                  |                  |
| ICMS tax  | 693,402          | 769,363          |
| Cofins tax  | 310,287          | 347,541          |
| PIS and Pasep taxes   | 67,361           | 75,451           |
| Other   | 1,136            | 962              |
|   | <b>1,072,186</b> | <b>1,193,317</b> |
| <b>Charges to the consumer</b>                                    |                  |                  |
| Global Reversion Reserve (RGR)                                    | 60,173           | 53,729           |
| Energy Efficiency Program P.E.E.                                  | 8,375            | 10,177           |
| CDE Energy Development Account                                    | 32,307           | 124,249          |
| Fuel Consumption Account CCC                                      |                  | 118,602          |
| Research and Development R&D                                      | 8,100            | 8,588            |
| National Scientific and Technological Development Fund FNDCT      | 8,101            | 8,588            |
| Energy system expansion research EPE (Mining and Energy Ministry) | 4,050            | 4,294            |
| Consumer charges Proinfa alternative sources program              | 6,426            | 6,289            |
| 0.30% additional payment (Law 12111/09)                           |                  | 6,106            |
|   | <b>127,532</b>   | <b>340,622</b>   |
|   | <b>1,199,718</b> | <b>1,533,939</b> |

**24. OPERATIONAL COSTS AND EXPENSES**

|   | Consolidated     | 1H12             | Holding company | 1H12          |
|---|------------------|------------------|-----------------|---------------|
|   | 1H13             | Re-presented     | 1H13            | Re-presented  |
| Personnel (a)                                     | 705,732          | 563,393          | 26,563          | 22,011        |
| Employees and managers profit shares              | 71,583           | 115,845          | 5,495           | 8,924         |
| Employee post-retirement liabilities              | 83,914           | 66,995           | 5,523           | 5,055         |
| Materials   | 79,682           | 29,378           | 67              | 54            |
| Outsourced services (b)                           | 439,003          | 401,975          | 4,281           | 5,700         |
| Electricity bought for resale (c)                 | 2,274,710        | 1,936,818        |                 |               |
| Depreciation and amortization                     | 387,125          | 371,315          | 201             | 185           |
| Royalties for use of water resources              | 62,853           | 94,848           |                 |               |
| Provisions (reversals) for operational losses (d) | 113,298          | 45,706           | 30,957          | (16,689)      |
| Charges for the use of the national grid          | 254,092          | 435,389          |                 |               |
| Infrastructure construction costs (e)             | 465,405          | 584,954          |                 |               |
| Other operational expenses, net (f)               | 177,098          | 162,941          | 17,517          | 16,784        |
|   | <b>5,114,495</b> | <b>4,809,557</b> | <b>90,604</b>   | <b>42,024</b> |

|                                      | Consolidated | 2Q12           | Holding company | 2Q12           |
|--------------------------------------|--------------|----------------|-----------------|----------------|
|                                      | 2Q13         | (Re-presented) | 2Q13            | (Re-presented) |
| Personnel (a)                        | 262,802      | 266,455        | 8,931           | 10,501         |
| Employees and managers profit shares | 15,582       | 61,490         | 923             | 4,725          |
| Employee post-retirement liabilities | 41,957       | 33,497         | 2,761           | 2,527          |
| Materials                            | 23,740       | 16,396         | 37              | 33             |
| Outsourced services (b)              | 249,302      | 198,869        | 3,097           | 2,616          |
| Electricity bought for resale (c)    | 1,301,923    | 1,078,456      |                 |                |
| Depreciation and amortization        | 184,140      | 173,935        | 107             | 98             |

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

|   |                  |                  |               |              |
|---|------------------|------------------|---------------|--------------|
| Royalties for use of water resources              | 28,812           | 45,875           |               |              |
| Provisions (reversals) for operational losses (d) | 71,060           | (23,738)         | 15,828        | (23,692)     |
| Charges for the use of the national grid          | 127,867          | 217,739          |               |              |
| Infrastructure construction costs (e)             | 261,057          | 360,461          |               |              |
| Other operational expenses, net (f)               | 90,245           | 81,784           | 9,142         | 11,428       |
|   | <b>2,658,487</b> | <b>2,511,219</b> | <b>40,826</b> | <b>8,236</b> |

Table of Contents

a) **Personnel expenses**

|   | Consolidated   |                      | Holding company |                      |
|---|----------------|----------------------|-----------------|----------------------|
|   | 1H13           | 1H12<br>Re-presented | 1H13            | 1H12<br>Re-presented |
| Remuneration and salary-related charges and expenses        | 518,208        | 499,292              | 22,881          | 22,774               |
| Supplementary pension contributions                         |                |                      |                 |                      |
| Defined-contribution plan                                   | 35,613         | 33,242               | 2,329           | 2,106                |
| Assistance benefits   | 64,609         | 64,897               | 2,178           | 1,982                |
|   | <b>618,430</b> | <b>597,431</b>       | <b>27,388</b>   | <b>26,862</b>        |
| PDV and PID Voluntary Retirement Programs                   | 108,641        | 13,198               | 3,313           | 288                  |
| (-) Personnel costs transferred to construction in progress | (21,339)       | (47,236)             | (4,138)         | (5,139)              |
|   | <b>87,302</b>  | <b>(34,038)</b>      | <b>(825)</b>    | <b>(4,851)</b>       |
|   | <b>705,732</b> | <b>563,393</b>       | <b>26,563</b>   | <b>22,011</b>        |

|   | Consolidated    |                        | Holding company |                        |
|---|-----------------|------------------------|-----------------|------------------------|
|   | 2Q13            | 2Q12<br>(Re-presented) | 2Q13            | 2Q12<br>(Re-presented) |
| Remuneration and salary-related charges and expenses        | 265,375         | 249,410                | 11,307          | 11,443                 |
| Supplementary pension contributions                         |                 |                        |                 |                        |
| Defined-contribution plan                                   | 19,097          | 17,202                 | 1,443           | 1,058                  |
| Assistance benefits   | 30,755          | 31,999                 | 842             | 896                    |
|   | <b>315,227</b>  | <b>298,611</b>         | <b>13,592</b>   | <b>13,397</b>          |
| PDV and PID Voluntary Retirement Programs                   | (45,486)        | (6,304)                | (2,794)         | 18                     |
| (-) Personnel costs transferred to construction in progress | (6,939)         | (25,852)               | (1,867)         | (2,914)                |
|   | <b>(52,425)</b> | <b>(32,156)</b>        | <b>(4,661)</b>  | <b>(2,896)</b>         |
|   | <b>262,802</b>  | <b>266,455</b>         | <b>8,931</b>    | <b>10,501</b>          |

Employee retirement program
*The PID Incentive Retirement Program*

For the period January 17 – March 27, 2013, the Company created the PID, available to employees already meeting the conditions for retirement under the National Social Security System, were also qualified for retirement through Forluz, and had been with Cemig at least 20 years. It offered indemnity of 4 times gross monthly remuneration, and 6 months contribution to the health plan, as well as the indemnity payments specified by Law. It required retirement during the second quarter of 2013. 1,069 employees accepted. The result was recognized in a provision of R\$ 112 million, made in the first half of 2013.





Table of Contents**b) Outsourced services**

|   | Consolidated   |                      | Holding company |                      |
|---|----------------|----------------------|-----------------|----------------------|
|   | 1H13           | 1H12<br>Re-presented | 1H13            | 1H12<br>Re-presented |
| Collection / Meter reading / Bill delivery Agents                   | 89,149         | 79,571               |                 |                      |
| Communication   | 37,041         | 46,517               | 306             | 503                  |
| Maintenance and conservation of electrical facilities and equipment | 104,951        | 94,759               | 104             | 41                   |
| Building conservation and cleaning                                  | 39,170         | 32,281               | 38              | 49                   |
| Expenses on implementation of the Property Control Manual(MCPSE)    | 24,896         |                      |                 |                      |
| Contracted labor  | 10,086         | 14,996               |                 | 315                  |
| Freight and airfares  | 2,887          | 3,880                | 663             | 808                  |
| Accommodation and meals   | 5,824          | 7,730                | 195             | 163                  |
| Security services   | 8,878          | 9,970                |                 |                      |
| Consultancy   | 4,991          | 4,417                | 1,071           | 2,200                |
| Maintenance and conservation of furniture and utensils              | 7,468          | 16,405               | 6               | 18                   |
| Maintenance and conservation of vehicles                            | 4,627          | 5,040                | 13              | 19                   |
| Disconnection and reconnection                                      | 10,825         | 14,503               |                 |                      |
| Environment   | 12,033         | 11,580               |                 | 21                   |
| Tree pruning  | 10,776         | 11,732               |                 |                      |
| Cleaning of power line pathways                                     | 15,363         | 16,301               |                 |                      |
| Legal services  | 12,702         | 5,543                | 825             | 1,132                |
| Other   | 37,336         | 26,750               | 1,060           | 431                  |
|   | <b>439,003</b> | <b>401,975</b>       | <b>4,281</b>    | <b>5,700</b>         |

|   | Consolidated |                        | Holding company |                        |
|---|--------------|------------------------|-----------------|------------------------|
|   | 2Q13         | 2Q12<br>(Re-presented) | 2Q13            | 2Q12<br>(Re-presented) |
| Collection / Meter reading / Bill delivery Agents                   | 46,442       | 40,439                 |                 |                        |
| Communication   | 19,891       | 21,304                 | 188             | 203                    |
| Maintenance and conservation of electrical facilities and equipment | 54,100       | 44,420                 | 26              | 41                     |
| Building conservation and cleaning                                  | 19,791       | 18,831                 | 19              | 19                     |
| Expenses on implementation of the Property Control Manual (MCPSE)   | 24,896       |                        |                 |                        |
| Contracted labor  | 5,745        | 6,993                  |                 | 173                    |
| Freight and airfares  | 2,115        | 2,395                  | 487             | 604                    |
| Accommodation and meals   | 4,347        | 4,369                  | 148             | 106                    |
| Security services   | 5,231        | 4,729                  |                 |                        |
| Consultancy   | 3,418        | 1,807                  | 794             | 322                    |
| Maintenance and conservation of furniture and utensils              | 4,106        | 9,119                  |                 | 15                     |
| Maintenance and conservation of vehicles                            | 2,390        |                        | 4               | 15                     |
| Disconnection and reconnection                                      | 3,787        | 7,755                  |                 |                        |
| Environment   | 6,887        | 7,260                  |                 |                        |
| Tree pruning  | 6,431        | 7,064                  |                 |                        |

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

|                                 |                |                |              |              |
|---------------------------------|----------------|----------------|--------------|--------------|
| Cleaning of power line pathways | 8,749          | 8,925          |              |              |
| Legal services                  | 8,083          | 3,559          | 590          | 998          |
| Other                           | 22,893         | 9,900          | 841          | 120          |
|                                 | <b>249,302</b> | <b>198,869</b> | <b>3,097</b> | <b>2,616</b> |

c) Electricity bought for resale

|   | Consolidated<br>1H13 | 1H12<br>Re-presented |
|---|----------------------|----------------------|
| From Itaipu Binacional                            | 477,732              | 417,243              |
| Power quota contracts                             | 110,444              |                      |
| Angra I and II nuclear power quotas               | 75,039               |                      |
| Spot purchases (recovery of expenses)             | 54,650               | 325,165              |
| Proinfa Program                                   | 127,418              | 112,740              |
| Bilateral contracts                               | 153,435              | 134,718              |
| Electricity acquired in Regulated Market auctions | 962,842              | 884,574              |
| Electricity acquired in the Free Market           | 517,190              | 259,275              |
| Credits of Pasep and Cofins taxes                 | (204,040)            | (196,897)            |
|   | <b>2,274,710</b>     | <b>1,936,818</b>     |

Table of Contents

|   | 2Q13             | Consolidated<br>2Q12 |
|---|------------------|----------------------|
| From Itaipu Binacional                            | 246,738          | 226,332              |
| Power quota contracts                             | 110,444          |                      |
| Angra I and II nuclear power quotas               | 75,039           |                      |
| Spot purchases (/ recovery of expenses)           | 36,675           | 216,123              |
| Proinfra Program                                  | 63,709           | 56,370               |
| Bilateral contracts                               | 87,315           | 71,711               |
| Electricity acquired in Regulated Market auctions | 537,127          | 489,206              |
| Electricity acquired in the Free Market           | 279,167          | 138,336              |
| Credits of Pasep and Cofins taxes                 | (134,291)        | (119,622)            |
|   | <b>1,301,923</b> | <b>1,078,456</b>     |

**d) Operational provisions (reversals)**

|  | Consolidated   |                      | Holding company |                      |
|--|----------------|----------------------|-----------------|----------------------|
|  | 1H13           | 1H12<br>Re-presented | 1H13            | 1H12<br>Re-presented |
| Pension plan premiums                      |                |                      |                 |                      |
| Allowance for doubtful accounts receivable | 34,501         | 33,801               |                 |                      |
| Contingency provision                      |                |                      |                 |                      |
| Employment-law cases                       | 74,354         | (5,841)              | 33,317          | (9,350)              |
| Civil cases                                | 9,007          | 27,179               | 13,272          | 12,028               |
| Tax  | 1,017          | (4,417)              | (661)           | (4,713)              |
| Environmental                              | (11)           | 601                  | (473)           | 513                  |
| Regulatory                                 | 12,397         | (9,350)              | (4,634)         | (6,174)              |
| Other                                      | (17,967)       | 3,733                | (9,864)         | (8,993)              |
|  | 78,797         | 11,905               | 30,957          | (16,689)             |
|  | <b>113,298</b> | <b>45,706</b>        | <b>30,957</b>   | <b>(16,689)</b>      |

|  | Consolidated  |                 | Holding company |                        |
|--|---------------|-----------------|-----------------|------------------------|
|  | 2Q13          | 2Q12            | 2Q13            | 2Q12<br>(Re-presented) |
| Pension plan premiums                      |               |                 |                 |                        |
| Allowance for doubtful accounts receivable | 13,879        | 13,599          |                 |                        |
| Contingency provision                      |               |                 |                 |                        |
| Employment-law cases                       | 34,382        | (7,463)         | 15,056          | (5,949)                |
| Civil cases                                | 14,263        | 3,144           | 12,846          | (1,581)                |
| Tax  | 1,606         | (81)            | 143             | (150)                  |
| Environmental                              | 371           | 517             | 257             | 509                    |
| Regulatory                                 | 15,312        | (6,660)         | (2,995)         | (7,459)                |
| Other                                      | (8,753)       | (26,794)        | (9,479)         | (9,062)                |
|  | 57,181        | (37,337)        | 15,828          | (23,692)               |
|  | <b>71,060</b> | <b>(23,738)</b> | <b>15,828</b>   | <b>(23,692)</b>        |

**e) Construction costs**

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

|                        | Consolidated   | 1H12           |
|------------------------|----------------|----------------|
|                        | 1H13           | Re-presented   |
| Personnel and managers | 17,103         | 38,857         |
| Materials              | 194,086        | 302,531        |
| Outsourced services    | 221,584        | 226,693        |
| Other                  | 32,632         | 16,873         |
|                        | <b>465,405</b> | <b>584,954</b> |

Table of Contents

|                        | Consolidated<br>2Q13 | 2Q12<br>(Re-presented) |
|------------------------|----------------------|------------------------|
| Personnel and managers | 3,698                | 26,718                 |
| Materials              | 104,436              | 167,810                |
| Outsourced services    | 129,092              | 147,455                |
| Other                  | 23,831               | 18,478                 |
|                        | <b>261,057</b>       | <b>360,461</b>         |

**f) Other operational expenses, net**

|   | Consolidated<br>1H13 | 1H12<br>Re-presented | Holding company<br>1H13 | 1H12<br>Re-presented |
|---|----------------------|----------------------|-------------------------|----------------------|
| Leasings and rentals                            | 49,995               | 49,314               | 466                     | 389                  |
| Advertising                                     | 1,929                | 3,810                | 15                      | 135                  |
| Own consumption of electricity                  | 6,980                | 7,280                |                         |                      |
| Subsidies and donations                         | 9,426                | 10,575               | 20                      | 632                  |
| Aneel inspection charge                         | 20,469               | 20,776               |                         |                      |
| Paid concession                                 | 11,476               | 11,980               |                         |                      |
| Taxes and charges (IPTU, IPVA and others)       | 35,136               | 20,155               | 164                     | 224                  |
| Insurance                                       | 4,126                | 3,902                | 1,350                   | 812                  |
| CCEE annual charge                              | 4,094                | 2,739                | 1                       | 1                    |
| Net loss on deactivation and disposal of assets | 5,524                | 6,943                |                         | 43                   |
| Forluz Current Administration expense           | 11,165               | 11,296               | 548                     | 555                  |
| Other expenses                                  | 16,778               | 14,171               | 14,953                  | 13,993               |
|   | <b>177,098</b>       | <b>162,941</b>       | <b>17,517</b>           | <b>16,784</b>        |

|   | Consolidated<br>2Q13 | 2Q12          | Holding company<br>2Q13 | 2Q12<br>(Re-presented) |
|---|----------------------|---------------|-------------------------|------------------------|
| Leasings and rentals                            | 25,321               | 24,748        | 299                     | 201                    |
| Advertising                                     | 1,479                | 1,949         |                         | 135                    |
| Own consumption of electricity                  | 3,081                | 3,379         |                         |                        |
| Subsidies and donations                         | 7,382                | 7,868         | 12                      | 623                    |
| Aneel inspection charge                         | 9,985                | 10,391        |                         |                        |
| Paid concession                                 | 6,578                | 7,794         |                         |                        |
| Taxes and charges (IPTU, IPVA and others)       | 18,434               | 7,721         | 88                      | 109                    |
| Insurance                                       | 2,261                | 2,435         | 686                     | 626                    |
| CCEE annual charge                              | 2,048                | 1,359         |                         |                        |
| Net loss on deactivation and disposal of assets | 4,168                | 4,127         |                         | 43                     |
| Forluz Current Administration expense           | 5,569                | 5,648         | 273                     | 277                    |
| Other expenses                                  | 3,939                | 4,365         | 7,784                   | 9,414                  |
|   | <b>90,245</b>        | <b>81,784</b> | <b>9,142</b>            | <b>11,428</b>          |

Operational Leasing

The Company has Operational Leasing contracts relating, mainly, to vehicles and buildings used in its operational activities. Their amounts are not material in relation to the Company's total costs.

Table of Contents
**25. FINANCIAL REVENUES AND EXPENSES**

|   | Consolidated     |                  | Holding company |                 |
|---|------------------|------------------|-----------------|-----------------|
|   |                  | 1H12             |                 | 1H12            |
|   | 1H13             | Re-presented     | 1H13            | Re-presented    |
| <b>FINANCIAL REVENUES</b>   |                  |                  |                 |                 |
| Interest income from cash investments   | 105,326          | 98,764           | 28,487          | 18,316          |
| Late charges on overdue electricity bills   | 87,602           | 70,671           |                 |                 |
| Foreign exchange variations   | 8,168            | 8,479            |                 |                 |
| Gains on financial instruments  | 1,005            | 19,195           |                 |                 |
| FIDC revenues   |                  |                  |                 | 36,285          |
| Pasep and Cofins taxes on financial revenue   | (3,348)          | (1,096)          |                 | (1,096)         |
| Adjustment to present value   | 983              | 3,086            |                 |                 |
| Monetary updating on Accounts Receivable from the Minas Gerais state government (Note 11) | 43,547           | 78,291           | 43,547          |                 |
| Monetary updating on Court escrow deposits (Note 10)                                      | 6,681            | 18,877           | 530             | 15,273          |
| Other   | 32,875           | 259              | 3,881           | 4,067           |
|   | <b>282,839</b>   | <b>296,526</b>   | <b>76,445</b>   | <b>72,845</b>   |
| <b>FINANCIAL EXPENSES</b>   |                  |                  |                 |                 |
| Costs of loans and financings   | (335,289)        | (415,128)        | (21,460)        | (56,053)        |
| Foreign exchange variations   | (10,824)         | (25,972)         | (4)             | (5)             |
| Monetary updating loans and financings  | (123,801)        | (75,112)         |                 |                 |
| Monetary updating - paid concessions  | (7,848)          | (12,305)         |                 |                 |
| Charges and monetary updating on Post-retirement liabilities                              | (53,843)         | (47,499)         | (2,649)         | (2,339)         |
| Other   | (66,356)         | (61,379)         | (301)           | (570)           |
|   | <b>(597,961)</b> | <b>(637,395)</b> | <b>(24,414)</b> | <b>(58,967)</b> |
| <b>NET FINANCIAL REVENUE (EXPENSES)</b>   | <b>(315,122)</b> | <b>(340,869)</b> | <b>52,031</b>   | <b>13,878</b>   |

|   | Consolidated   |                | Holding company |                |
|---|----------------|----------------|-----------------|----------------|
|   |                | 2Q12           |                 | 2Q12           |
|   | 2Q13           | (Re-presented) | 2Q13            | (Re-presented) |
| <b>FINANCIAL REVENUES</b>   |                |                |                 |                |
| Interest income from cash investments   | 70,739         | 52,326         | 21,032          | 8,626          |
| Late charges on overdue electricity bills   | 49,505         | 38,195         |                 |                |
| Foreign exchange variations   | (1,844)        | (4,329)        |                 |                |
| Gains on financial instruments  | 1,115          | 13,115         |                 |                |
| FIDC revenues   |                |                |                 | 15,958         |
| Monetary variations   |                |                | (113)           | (953)          |
| Pasep and Cofins taxes on financial revenue   | (3,348)        | (1,096)        |                 | (1,096)        |
| Adjustment to present value   | 2,413          | 3,023          |                 |                |
| Monetary updating on Court escrow deposits (Note 10)                                      | 3,842          | 7,206          | 248             | 5,711          |
| Monetary updating on Accounts Receivable from the Minas Gerais state government (Note 11) |                | 34,732         |                 |                |
| Other   | 22,028         |                | 2,140           | 1,878          |
|   | <b>144,450</b> | <b>143,172</b> | <b>23,307</b>   | <b>30,124</b>  |
| <b>FINANCIAL EXPENSES</b>   |                |                |                 |                |
| Costs of loans and financings   | (159,024)      | (198,456)      | (109)           | (26,097)       |
| Foreign exchange variations   | (9,728)        | (19,841)       |                 | (4)            |
| Monetary updating loans and financings  | (58,487)       | (44,374)       |                 |                |



Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

|  |                  |                  |                 |                 |
|--|------------------|------------------|-----------------|-----------------|
| Monetary updating - paid concessions                         | (4,074)          | (11,007)         |                 |                 |
| Charges and monetary updating on Post-retirement liabilities | (23,435)         | (22,355)         | (1,153)         | (1,101)         |
| Other  | (41,288)         | (28,820)         | (10)            | (494)           |
|  | <b>(296,036)</b> | <b>(324,853)</b> | <b>(1,272)</b>  | <b>(27,696)</b> |
| NET FINANCIAL REVENUE (EXPENSES)                             | <b>(151,586)</b> | <b>(181,681)</b> | <b>(22,035)</b> | <b>(2,428)</b>  |

Table of Contents**26. TRANSACTIONS WITH RELATED PARTIES**

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

| Company  | ASSETS           |                               | LIABILITIES      |                               | REVENUE          |                               | EXPENSES         |                               |
|--|------------------|-------------------------------|------------------|-------------------------------|------------------|-------------------------------|------------------|-------------------------------|
|  | June 30,<br>2013 | Dec, 31, 2012<br>Re-presented | June 30,<br>2013 | Dec, 31, 2012<br>Re-presented | June 30,<br>2013 | June 30, 2012<br>Re-presented | June 30,<br>2013 | June 30, 2012<br>Re-presented |
| <b>Light</b>   |                  |                               |                  |                               |                  |                               |                  |                               |
| Transactions in electricity (1)                        |                  |                               | 153              | 809                           | 11               |                               | (11)             | (3,680)                       |
| Wholesale supply to other concession holders (2)       |                  |                               | 130              | 130                           |                  |                               |                  |                               |
| Charges for use of Grid (Retail supply)                | 30               | 127                           | 2                | 1                             | 2,620            | 2,475                         | (2,620)          | (7)                           |
| <b>Companhia de Gás de Minas Gerais</b>                |                  |                               |                  |                               |                  |                               |                  |                               |
| <b>Current</b>   |                  |                               |                  |                               |                  |                               |                  |                               |
| Interest on Equity, and dividends                      | 20,664           | 20,664                        |                  |                               |                  |                               |                  |                               |
| <b>Taes (Transmissora Aliança de Energia Elétrica)</b> |                  |                               |                  |                               |                  |                               |                  |                               |
| <b>Current</b>   |                  |                               |                  |                               |                  |                               |                  |                               |
| Transactions in electricity (1)                        |                  |                               | 1,540            | 2,577                         |                  |                               |                  |                               |
| Interest on Equity, and dividends                      | 30,762           | 37,716                        |                  |                               |                  |                               |                  |                               |
| Charges for use of Grid (Retail supply)                |                  |                               | 1,456            | 1,068                         |                  |                               |                  | (6,337)                       |
| <b>EATE (Empresa Amazonense de Transmissão)</b>        |                  |                               |                  |                               |                  |                               |                  |                               |
| Transactions in electricity (1)                        |                  |                               | 1,300            | 1,167                         |                  |                               |                  |                               |
| <b>ETEP (Empresa Paraense de Transmissão)</b>          |                  |                               |                  |                               |                  |                               |                  |                               |
| Transactions in electricity (1)                        |                  |                               | 264              | 224                           |                  |                               |                  |                               |
| <b>Sá Carvalho</b>                                     |                  |                               |                  |                               |                  |                               |                  |                               |
| <b>Current</b>   |                  |                               |                  |                               |                  |                               |                  |                               |
| Interest on Equity, and dividends                      | 31,748           |                               |                  |                               |                  |                               |                  |                               |
| <b>Rosal</b>   |                  |                               |                  |                               |                  |                               |                  |                               |
| <b>Current</b>   |                  |                               |                  |                               |                  |                               |                  |                               |
| Interest on Equity, and dividends                      | 17,619           |                               |                  |                               |                  |                               |                  |                               |
| <b>UTE Ipatinga</b>                                    |                  |                               |                  |                               |                  |                               |                  |                               |
| <b>Current</b>   |                  |                               |                  |                               |                  |                               |                  |                               |
| Interest on Equity, and dividends                      | 11,086           |                               |                  |                               |                  |                               |                  |                               |
| <b>PCH</b>   |                  |                               |                  |                               |                  |                               |                  |                               |
| <b>Current</b>   |                  |                               |                  |                               |                  |                               |                  |                               |
| Interest on Equity, and dividends                      | 15,869           |                               |                  |                               |                  |                               |                  |                               |

**ESCEE**
**Current**

|                                   |        |
|-----------------------------------|--------|
| Interest on Equity, and dividends | 13.461 |
|-----------------------------------|--------|

**Cemig Trading**
**Current**

|                                   |        |
|-----------------------------------|--------|
| Interest on Equity, and dividends | 21.459 |
|-----------------------------------|--------|

**Capim Branco**
**Current**

|                                   |        |
|-----------------------------------|--------|
| Interest on Equity, and dividends | 40.562 |
|-----------------------------------|--------|

**Minas Gerais state government**
**Current**

|  |       |           |        |        |         |         |
|--|-------|-----------|--------|--------|---------|---------|
| Consumers and Traders (3)  | 7,822 | 8,197     |        | 43,331 | 46,593  |         |
| Debentures (5)   |       |           | 66,291 | 52,758 | (3,200) | (2,845) |
| Accounts receivable from Minas Gerais state government CRC Account (4) |       | 2,422,099 |        |        |         |         |
| Financings Minas Gerais Development Bank                               |       |           | 8,500  | 9,213  |         |         |

**FORLUZ**
**Current**

|                                  |  |        |        |          |          |
|----------------------------------|--|--------|--------|----------|----------|
| Post-retirement benefits (6)     |  | 54,690 | 51,227 | (53,843) | (25,144) |
| Personnel expenses (7)           |  |        |        | (18,661) | (16,040) |
| Administrative running costs (8) |  |        |        | (11,164) | (5,648)  |

**Non-current**

|                              |         |         |
|------------------------------|---------|---------|
| Post-retirement benefits (6) | 997,447 | 763,643 |
|------------------------------|---------|---------|

**CEMIG SAÚDE**
**Current**

|                                 |
|---------------------------------|
| Health Plan and Dental Plan (9) |
|---------------------------------|

**Non-current**

|                                 |         |         |          |          |
|---------------------------------|---------|---------|----------|----------|
| Health Plan and Dental Plan (9) | 857,391 | 611,956 | (45,735) | (18,484) |
|---------------------------------|---------|---------|----------|----------|

Main material comments on the above transactions:

(1) The Company has contracts for purchase of electricity from Cemig GT, Light S.A., Bagueira Energia, Santo Antônio Energia e Cemig Capim Branco S.A., arising from the public electricity auction of 2005, with period of 8 years from the start of supply, and annual adjustment by the IGP-M inflation index. These transactions were carried out on terms equivalent to those that prevail in

Table of Contents

transactions with independent parties, in view of the fact that the purchase of energy was made through an auction organized by the federal government, which decided subsequently what contracts should be signed between distributors and generators. For Cemig Telecomunicações, Transmissora Aliança de Energia Elétrica, Empresa Amazonense de Transmissão de Energia, and Empresa Paraense de Transmissão de Energia, the transactions refer to Charges for Use of the Network.

(2) The Company has contracts for sale of electricity with Cemig Distribuição ( Cemig D ) and Light Energia, arising from the 2005 public auction of current existing generation capacity, for 8 years supply, with annual price adjustment by the IGP-M inflation index.

(3) This refers to renegotiation of a debit originating from sale of energy to Copasa, for payment up to March 2014, and updating by the IGP-M inflation index + 0.5% per month.

(4) Injection of the credits of the CRC into a Receivables Fund in senior and subordinated units. See Explanatory Note 11 to the Interim Consolidated Financial Statements.

(5) Private issue of R\$ 120,000 in non-convertible debentures, updated by the IGP M inflation index, for completion of the Irapé hydroelectric plant, with redemption 25 years from the issue date. The amount at December 31, 2009 was adjusted to present value.

(6) The contracts of Forluz are updated by the Expanded Consumer Price Index (IPCA) calculated by the Brazilian Geography and Statistics Institute (IBGE) (See Explanatory Note 20 to the Interim financial statements) and will be amortized up to the business year of 2024.

(7) Cemig s contributions to the Pension Fund related to the employees participating in the Mixed Plan (see Explanatory Note 20), calculated on the monthly remunerations in accordance with the regulations of the Fund.

(8) 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.

(9) Contribution by the sponsor to the health plan and dental plan of the employees.

**Remuneration of key management personnel**

The total remuneration to members of the Board of Directors and Chief Officers in the periods ending June 30, 2013 and 2012 was as follows:

|                          | 1H13         | 1H12         |
|--------------------------|--------------|--------------|
| Remuneration             | 4,194        | 4,724        |
| Profit shares            | 1,911        | 721          |
| Post-retirement benefits | 432          | 383          |
| Assistance benefits      | 56           | 77           |
| <b>Total</b>             | <b>6,593</b> | <b>5,905</b> |

For more information on the main transactions, please see Explanatory Notes 11, 18, 20 and 24.

**27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The financial instruments of the Company and its subsidiaries are restricted to: Cash and cash equivalents; Securities; Consumers and traders; Financial Assets of the Concession; Linked funds; Loans and financings; Obligations under debentures and currency and interest rate swaps; and Post-employment obligations. Gains and losses on the transactions are recorded in full in the Profit and loss account or the Statement of financial position, by the Accrual Method.

Table of Contents

The Company's financial instruments and those of its subsidiaries are initially recorded at fair value and measured in accordance with the following classifications:

- *Loans and receivables:* In this Category are Cash equivalents, Credits from consumers, traders and electricity transport concession holders, Linked funds, Escrow deposits in legal actions, and Financial assets of the concession not covered by Law 12783/2013 (enactment of Provisional Measure 579). They are recognized at nominal realization value, which is similar to fair value.
- *Financial instruments measured at fair value through profit or loss:* In this category are: Securities; and Derivative investments (mentioned in item b ). They are valued at fair value and the gains or losses are recognized directly in the Profit and loss account.
- *Financial instruments held to maturity:* Securities are in this category. There is a positive intention to hold them until maturity. They are measured at amortized cost, using the effective interest method.
- *Financial instruments available for sale:* As from December 31, 2012, Financial assets of the concession covered by Provisional Measure 579 (Law 12783/13) are in this category. They are measured at the New Replacement Value (*Valor Novo de Reposição*, or VNR), equivalent to fair value on the date of these Interim accounting statements.
- *Non-derivative financial liabilities:* In this category are: Loans and financings; Obligations under debentures; Post-retirement obligations; and Suppliers. These are measured at amortized cost using the effective interest rates method. The Company has calculated the fair value of its loans, financings and debentures using the CDI rate + 0.9%, based on its most recent funding. For those loans, financings and debentures with rates in the following ranges: IPCA + 4.70% to IPCA + 5.10%; CDI + 0.65% to CDI + 0.73%; IGPM + 4.70% to IGPM + 5.10%; or fixed-rate at 8.5% to 10.07%, the Company considered their fair value to be equal to book value. For the financings from BNDES and Eletrobras the fair value is identical to the book value, since there are no similar instruments with comparable maturity dates and interest rates.
- *Derivative financial instruments:* These are measured at fair value and the effects recognized directly in the Profit and loss account.

Table of Contents

| Financial instrument categories                                       | June 30, 2013     |                   | (Re-presented)    |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | Book value        | Fair value        | Book value        | Fair value        |
| <b>Financial assets:</b>  |                   |                   |                   |                   |
| <b>Loans and receivables</b>  |                   |                   |                   |                   |
| Cash equivalents    Short-term investments                            | 1,554,019         | 1,554,019         | 1,845,773         | 1,845,773         |
| Receivable from consumers and traders                                 | 1,996,756         | 1,996,641         | 2,079,279         | 2,079,279         |
| Concession holders    Transport of electricity                        | 250,870           | 250,870           | 357,811           | 357,811           |
| Credits from the Minas Gerais State Government                        |                   |                   | 2,422,099         | 2,422,099         |
| Financial assets of the concession                                    | 219,807           | 219,807           | 177,901           | 177,901           |
| Escrow deposits in litigation   | 1,189,903         | 1,189,903         | 1,300,507         | 1,300,507         |
| Linked funds  | 101,933           | 101,933           | 132,493           | 132,493           |
|   | <b>5,313,288</b>  | <b>4,552,908</b>  | <b>8,315,863</b>  | <b>8,315,863</b>  |
| <b>Available for sale</b>   |                   |                   |                   |                   |
| Financial assets of the concession                                    | 5,481,522         | 5,481,522         | 5,585,254         | 5,585,254         |
| <b>Held to maturity</b>   |                   |                   |                   |                   |
| Securities  | 1,845,737         | 1,844,970         | 582,249           | 583,976           |
| <b>Measured at fair value through profit or loss:</b>                 |                   |                   |                   |                   |
| <b>Held for trading</b>   |                   |                   |                   |                   |
| Securities  | 984,253           | 984,253           | 174,009           | 174,009           |
| Derivative instruments <i>Swap contract</i>                           |                   |                   | 20,445            | 20,445            |
| <b>Financial liabilities:</b>   |                   |                   |                   |                   |
| <b>Valued at amortized cost</b>                                       |                   |                   |                   |                   |
| Suppliers   | 1,035,880         | 1,035,880         | 1,310,217         | 1,310,217         |
| Post-retirement liabilities    Debt agreed with pension fund (Forluz) | 818,805           | 818,805           | 814,870           | 814,870           |
| Concessions payable   | 202,118           | 437,433           | 187,718           | 367,614           |
| Loans, financings and debentures                                      | 9,463,183         | 9,859,198         | 10,415,793        | 10,964,252        |
|   | <b>11,519,986</b> | <b>12,151,316</b> | <b>12,728,598</b> | <b>13,456,953</b> |

**a) Risk management**

Corporate risk management is a management tool that is an integral part of the Company's corporate governance practices, and is aligned with the process of planning, which sets the Company's strategic business objectives.

The Company has a Financial Risks Management Committee, the purpose of which is to implement guidelines and monitor the financial risk of transactions that could negatively affect the Company's liquidity or profitability, recommending hedge protection strategies, which are put into effect and are in line with the Company's strategy, to control the Company's exposure to foreign exchange rate risk, interest rate risk, and inflation risk.

A key aim of the Financial Risks Management Committee is to give predictability to the Company's cash flow and position for a maximum of 12 months, taking into account the economic scenario published by a firm of external consultants.

The principal risks to which the Company is exposed are as follows:



Table of Contents**Exchange rate risk**

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. In order to reduce its exposure to adverse changes in foreign currency rates, the Company held certain hedge contracts as of June 30, 2013 and December 31, 2012, which are described in more detail in item b below.

The tables below provide summary information on our exposure to exchange rate risk:

|                                     | June 30, 2013    |                | (Re-presented)   |                |
|-------------------------------------|------------------|----------------|------------------|----------------|
|                                     | Foreign currency | R\$            | Foreign currency | R\$            |
| <b>Exposure to exchange rates</b>   |                  |                |                  |                |
| <b>US dollar</b>                    |                  |                |                  |                |
| Loans and financings (Note 18)      | 15,336           | 33,979         | 29,301           | 59,860         |
| Suppliers (Itaipu Binacional)       | 87,679           | 194,262        | 87,137           | 180,180        |
| ( ) Contracted hedges / swaps       |                  |                | (8,168)          | (23,823)       |
|                                     | 103,015          | 228,241        | 108,270          | 216,217        |
| <b>Euro</b>                         |                  |                |                  |                |
| Loans and financings Euro (Note 18) | 2,309            | 6,655          | 2,639            | 7,111          |
| Net liabilities exposed             | 105,324          | <b>234,896</b> | <b>110,908</b>   | <b>223,328</b> |

Exchange rate risk sensitivity analysis

Based on information received from its external financial consultants, the Company estimates in a probable scenario that the variation of the exchange rates of foreign currencies in relation to the Real on June 30, 2013 will an depreciation of the dollar by 3.56% to R\$ 2.137, and a depreciation of the Euro by 5.55% to R\$ 2.723.

The Company has made a sensitivity analysis of the effects on the Company's profit arising from depreciation of the Real exchange rate by 25%, and 50%, in relation to the probable scenario naming these scenarios as Possible and Remote, respectively.

|   | Base scenario<br>June 30, 2013 | Probable<br>scenario | Possible scenario:<br>FX depreciation<br>25% | Remote scenario:<br>FX depreciation<br>50% |
|---|--------------------------------|----------------------|--|--|
| <b>Risk: foreign exchange rate exposure</b> |                                |                      |  |  |
| <b>US dollar</b>                            |                                |                      |  |  |
| Loans and financings (Note 18)              | 33,979                         | 32,768               | 40,960                                       | 49,152                                     |
| Suppliers (Itaipu Binacional)               | 194,262                        | 187,337              | 234,171                                      | 281,006                                    |
|   | 228,241                        | 220,105              | 275,131                                      | 330,158                                    |
| <b>Euro</b>                                 |                                |                      |  |  |
| Loans and financings (Note 18)              | 6,655                          | 6,286                | 7,857  | 9,428                                      |
| Net liabilities exposed                     | <b>234,896</b>                 | <b>226,391</b>       | <b>282,988</b>                               | <b>339,586</b>                             |
| Net effect of exchange rate variation       |                                | <b>(8,505)</b>       | <b>48,092</b>                                | <b>104,690</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\$ 48,180 (R\$ 45,026 on December 31, 2012).

# Table of Contents

The Company is exposed to the risk of increase in domestic Brazilian interest rates through its net liabilities, indexed to the variations in the Selic and CDI rates, as follows:

| Exposure to domestic interest rate changes           | Consolidated   |                               |
|--|----------------|-------------------------------|
|  | June 30, 2013  | Dec. 31, 2012<br>Re-presented |
| <b>Assets</b>  |                |                               |
| Cash equivalents Short-term investments (Note 4)     | 1,554,019      | 1,845,773                     |
| Securities (Note 5)                                  | 2,829,989      | 756,258                       |
| Linked funds   | 101,933        | 132,493                       |
|  | 4,485,941      | 2,734,524                     |
| <b>Liabilities</b>                                   |                |                               |
| Loans, financings and debentures CDI rate (Note 18)  | (4,141,977)    | (5,594,724)                   |
| Loans, financings and debentures TJLP rate (Note 18) | (151,522)      | (162,698)                     |
| Contracted interest rate hedges and swaps            |                | (600,000)                     |
|  | (4,293,499)    | (6,357,422)                   |
| <b>Net liabilities exposed</b>                       | <b>192,442</b> | <b>(3,622,898)</b>            |

## Interest rate risk sensitivity analysis

In relation to the most significant interest rate risk, the Company estimates that, in a probable scenario, on June 30, 2014 the Selic rate will be 9.50% and the TJLP will be 5%. The Company has made a sensitivity analysis of the effects on its profit arising from increases of 25% and 50% in the Selic rate, in relation to the scenario that it considers as Probable designating these alternative scenarios as Possible and Remote , respectively. Variation in the CDI rate accompanies the variation in the Selic rate.

Estimation of the scenarios for the path of the interest rate considers the Company's scenario projections base, optimistic and pessimistic based on the Company's financial consultants, as described in the Hedging Policy.

| Risk: Increase in Brazilian interest rates       | June 30, 2013  | Probable<br>scenario:<br>Selic 9.50%<br>TJLP 5.00% | June 30, 2014                                       | Remote<br>scenario:<br>Selic 14.25%<br>TJLP 7.50% |
|--|----------------|--|---|---|
|  | Book value     |  | Possible<br>scenario:<br>Selic 11.88%<br>TJLP 6.25% |   |
| <b>Assets</b>                                    |                |  |   |   |
| Cash equivalents (Note 4)                        | 1,554,019      | 1,701,651  | 1,738,636   | 1,775,467   |
| Securities (Note 5)                              | 2,829,989      | 3,098,838  | 3,166,192   | 3,233,262   |
| Linked funds                                     | 101,933        | 111,617  | 114,043   | 116,458   |
|  | 4,485,941      | 4,912,106  | 5,018,871   | 5,125,187   |
| <b>Liabilities</b>                               |                |  |   |   |
| Loans and financings CDI (Note 18)               | (4,141,977)    | (4,535,465)  | (4,634,044)   | (4,732,209)                                       |
| Loans and financings TJLP (Note 18)              | (151,522)      | (159,098)  | (160,992)   | (162,886)   |
|  | (4,293,499)    | (4,694,563)  | (4,795,036)   | (4,895,095)                                       |
| <b>Net assets exposed</b>                        | <b>192,442</b> | <b>217,544</b>                                     | <b>223,836</b>                                      | <b>230,093</b>                                    |
| <b>Net effect of variation in interest rates</b> |                | <b>25,101</b>                                      | <b>31,393</b>                                       | <b>37,650</b>                                     |

**Risk of increase in inflation**

The Company is exposed to the risk of increase in inflation, on June 30, 2013:

## Table of Contents

This exposure occurs as a result of net liabilities indexed to variation in the IPCA or IGP M inflation indices, as follows:

|  |                       | June 30, 2013  | Dec. 31, 2012<br>Re-presented |
|--|-----------------------|----------------|-------------------------------|
| <b>Exposure to increase in inflation</b> |                       |                |                               |
| <b>Assets</b>                            |                       |                |                               |
| Financial assets of the concession       | IGP-M index (Note 12) | 5,481,522      | 5,585,254                     |
| <b>Liabilities</b>                       |                       |                |                               |
| Loans, financings and debentures         | IPCA index (Note 18)  | (4,315,007)    | (2,934,157)                   |
| Loans, financings and debentures         | IGP-M index (Note 18) | (444,420)      | (454,117)                     |
|  |                       | (4,759,427)    | (3,388,274)                   |
| <b>Net assets (liabilities) exposed</b>  |                       | <b>722,095</b> | <b>2,196,980</b>              |

## Inflation rates Sensitivity analysis

In relation to the most significant inflation risk, the Company estimates that, in a probable scenario, on June 30, 2014 the IPCA and the IGP M inflation indices will be 5.58% and 5.27%, respectively. The Company has made a sensitivity analysis of the effects on its results arising from increases of 25% and 50% in relation to the scenario that it considers as Probable naming these alternative scenarios Possible and Remote , respectively.

|  |                          | June 30, 2013                | Probable<br>scenario:<br>IPCA 5.58%<br>IGP-M 5.27% | June 30, 2014<br>Possible<br>scenario:<br>IPCA 6.98%<br>IGP-M 6.59% | Remote<br>scenario:<br>IPCA 8.37%<br>IGP-M 7.91% |
|--|--------------------------|------------------------------|--|---|--|
| <b>Risk: increase in inflation</b>           |                          | <b>Amount<br/>Book value</b> |  |   |  |
| <b>Assets</b>                                |                          |                              |  |   |  |
| Financial assets of the concession           | IGP-M index<br>(Note 12) | 5,481,522                    | 5,770,398  | 5,842,754   | 5,915,110  |
| <b>Liabilities</b>                           |                          |                              |  |   |  |
| Loans, financings and debentures             | IPCA index<br>(Note 18)  | (4,315,007)                  | (4,555,784)  | (4,616,194)   | (4,676,173)                                      |
| Loans, financings and debentures             | IGP M index<br>(Note 18) | (444,420)                    | (467,841)  | (473,707)   | (479,574)  |
|  |                          | (4,759,427)                  | (5,023,625)  | (5,089,901)   | (5,155,747)                                      |
| <b>Net assets exposed</b>                    |                          | <b>722,095</b>               | <b>746,773</b>                                     | <b>752,853</b>  | <b>759,363</b>                                   |
| <b>Net effect of variation in IPCA index</b> |                          |                              | <b>24,678</b>                                      | <b>30,758</b>   | <b>37,268</b>                                    |

## Liquidity risk

Cemig has sufficient cash flow to cover the cash needs related to its operational activities.

## Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

The Company manages liquidity risk with a group of methods, procedures and instruments that are coherent with the complexity of the business, and applied in permanent control of the financial processes, to guarantee appropriate risk management.

Cemig manages liquidity risk by permanently monitoring its cash flow in a conservative, budget-oriented manner. Balances are projected monthly, for each one of the companies, over a period of 12 months, and daily liquidity is projected over 180 days.

## Table of Contents

Short-term investments must comply with certain rigid investing principles established in the Company's Cash Investment Policy. These include holding up to 20% of the funds in exclusive private credit investment funds, without market risk, and investment of the remainder directly in bank CDs or repo contracts which earn interest at the CDI rate.

In managing cash investments, the Company seeks to obtain profitability on its investment transactions through performing a rigid analysis of financial institutions' credit, obeying operational limits with banks based on assessments that take into account the ratings, risk exposures and equity position of the financial institutions. It also seeks greater returns by strategically investing in securities with longer investment maturities, while bearing in mind the Company's minimum liquidity control requirements.

This table gives the flow of payments of the Company's obligations under floating-rate and fixed-rate loans, financings and debentures, and the contractual interest rates:

| Consolidated                                      | Up to 1<br>month | 1 to 3<br>months | 3 Months<br>to 1 year | 1 to 5<br>Years  | More than<br>5 Years | Total             |
|---|------------------|------------------|-----------------------|------------------|----------------------|-------------------|
| <b>Financial instruments at (interest rates):</b> |                  |                  |                       |                  |                      |                   |
| <b>- Floating rates</b>                           |                  |                  |                       |                  |                      |                   |
| Loans, financings and debentures                  | 53,947           | 949,333          | 1,866,321             | 5,968,384        | 5,434,513            | 14,272,498        |
| Concessions payable                               | 1,849            | 5,681            | 14,540                | 68,933           | 159,755              | 250,758           |
| Debt agreed with pension fund (Forluz)            | 8,029            | 25,343           | 69,540                | 472,053          | 905,348              | 1,480,313         |
|   | <b>63,825</b>    | <b>980,357</b>   | <b>1,950,401</b>      | <b>6,509,370</b> | <b>6,499,616</b>     | <b>16,003,569</b> |
| <b>- Fixed rate</b>                               |                  |                  |                       |                  |                      |                   |
| Suppliers   | 1,030,230        |                  |                       | 5,650            |                      | 1,035,880         |
|   | <b>1,094,055</b> | <b>980,357</b>   | <b>1,950,401</b>      | <b>6,515,020</b> | <b>6,499,616</b>     | <b>17,039,449</b> |

| Holding company                                   | Up to 1<br>month | 1 to 3<br>months | 3 Months<br>to 1 year | 1 to 5<br>Years | More than<br>5 Years | Total         |
|---|------------------|------------------|-----------------------|-----------------|----------------------|---------------|
| <b>Financial instruments at (interest rates):</b> |                  |                  |                       |                 |                      |               |
| <b>- Floating rates</b>                           |                  |                  |                       |                 |                      |               |
| Debt agreed with pension fund (Forluz)            |                  | 1,247            | 3,421                 | 23,225          | 44,543               | 72,436        |
| <b>- Fixed rate</b>                               |                  |                  |                       |                 |                      |               |
| Suppliers   | 14,573           |                  |                       |                 |                      | 14,573        |
|   | <b>14,573</b>    | <b>1,247</b>     | <b>3,421</b>          | <b>23,225</b>   | <b>44,543</b>        | <b>87,009</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 entered into for receipt of any receivables in arrears.

The allowance for doubtful debtors constituted in June 2013, considered to be adequate in relation to the credits in arrears receivable by the Company and its subsidiaries and jointly-controlled subsidiaries, was R\$ 503,461.



Table of Contents

In relation to the risk of losses resulting from insolvency of the financial institutions at which the Company or its subsidiaries have deposits, a Cash Investment Policy was approved and has been in effect since 2004, in which each institution is analyzed for risk purposes according to criteria of current liquidity, degree of leverage, degree of default, profitability, and costs. Additionally, the Company takes into consideration the ratings given to the financial institutions by three financial risk rating agencies. The Company assigns each financial institution a maximum fund allocation limit, which is reviewed for appropriateness both periodically and also in the event of any change in the macroeconomic scenarios of the Brazilian economy.

Cemig manages the counterparty risk of financial institutions based on an internal policy approved by its Financial Risks Management Committee.

This Policy assesses and scales the credit risks of the institutions, the liquidity risk, the market risk of the investment portfolio and the Treasury operational risk.

All investments are made in financial securities that have fixed-income characteristics, always indexed to the CDI rate. The Company does not carry out any transactions that would bring volatility risk into its financial statements.

As a management instrument, Cemig divides the investment of its funds into direct purchases of securities (own portfolio) and two investment funds. The investment funds invest the funds exclusively in fixed income products, and companies of the Group are the only unit holders. They obey the same policy adopted in the investments for the Company's directly-held own portfolio.

The minimum requirements for concession of credit to financial institutions are centered on three items:

1. Rating by two risk rating agencies.
2. Stockholders' equity greater than R\$ 400 million.
3. Basle ratio above 12.

Banks that exceed these thresholds are classified in three groups, by the value of their stockholders' equity. Limits of concentration by group and by institution are established, based on the following:

| Group | Stockholders' equity | Concentration | Limit per bank<br>(% of Stockholders<br>equity)** |
|-------|----------------------|---------------|---|
| A1    | Over R\$3.5 billion  | Minimum 80%   | 7.0%  |
| A2    | R\$1.0bn to R\$3.5bn | Maximum 20%   | 2.8% to 7.0%                                      |

|   |                       |             |              |
|---|-----------------------|-------------|--------------|
| B | R\$400mn to R\$1.0 bn | Maximum 20% | 1.6% to 4.2% |
|---|-----------------------|-------------|--------------|

---

\*\* The percentage assigned to each bank depends on an individual assessment of indicators such as liquidity, quality of the credit portfolio, and other aspects.

As well as these points, Cemig also establishes the following concentration limits:

1. No bank may have more than 30% of the Group's portfolio.

Table of Contents

2. No bank may have more than 50% of the portfolio of any individual company.

**Risk of early maturity of debt**

The Company has contracts for loans and financings with restrictive covenant clauses normally applicable to these types of transaction, related to complying with economic and/or financial indices, cash flow and other indicators. Non-compliance with these covenants could result in early maturity of debts.

On December 31, 2012 the company was non-compliant with certain of these restrictive covenants; and on April 29, 2013 obtained consent from its creditors that immediate or early payment of the amounts owed would not be demanded.

The Company has not suffered any significant negative impact as a result of events related to the risks described above.

On June 30, 2013 the wholly-owned subsidiary Cemig D was not compliant with the following restrictive covenants:

| Covenant                             | Index required             | Position on June 30, 2013 |
|--------------------------------------|----------------------------|---------------------------|
| Debt / Ebitda                        | Less than or equal to 3.36 | 4.25                      |
| Debt / (Shareholders' equity + Debt) | Less than or equal to 62%  | 66.99%                    |

On June 28, 2013, the subsidiary Cemig D obtained consent (waiver) from its creditors that no demand would be made for immediate or early payment of the amounts payable on June 30, 2013, until June 30, 2014.

The loans, financings and debentures are classified in Current and Non-current liabilities, in accordance with the original terms of the contracts, due to the waiver having been obtained in advance of June 30, 2013.

**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.

## Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

The principal amounts of derivative instruments are not presented in the Statement of financial position, since they do not represent a requirement for any cash payment: only the gains or losses that actually occur are recorded. On June 30, 2013 the net result of the gains and losses on derivative instruments was a gain of R\$ 1,005 (vs. gain of R\$ 19,195 on June 30, 2012). This gain was recorded in Financial revenue (expenses). The counterparty of the derivatives transactions which comprise foreign exchange and interest rate swaps was Banco Santander ABN. These contracts were settled in the second quarter of 2013.

Table of Contents

The Company has a Financial Risks Management Committee, which was created to monitor the financial risks in relation to volatility and trends of inflation indices, exchange rates and interest rates that affect its financial transactions and which could adversely affect the Company's liquidity and profitability. The committee implements action plans and sets guidelines for proactive control of the financial risks environment.

**Fair Value Calculation of financial positions**

The fair value of cash investments has been calculated taking into consideration the market values of each security, or market information available to perform such a calculation, and the future interest rates and foreign exchange rates applying to similar securities. The market value of the security represents its value at maturity, discounted to present value using the discount factor obtained from the market yield curve in Reais.

The table below shows the derivative instruments contracted by the subsidiary Cemig Distribuição as of June 30, 2013 and December 31, 2012.

| Cemig's right  | Cemig's obligation                                  | Maturity period               | Trading market   | Value of principal contracted | Non-realized gain (loss) June 30, 2013 | Dec. 31, 2012 Re-presented | Amount received June 30, 2013 | Amount paid June 30, 2013 |
|--|---|-------------------------------|------------------|-------------------------------|--|----------------------------|-------------------------------|---------------------------|
| US\$: FX variation + rate (5.58% p.a. to 7.14% p.a.) | R\$100% of the CDI + rate (1.5% p.a. to 3.01% p.a.) | From April 2009 to June, 2013 | Over-the-counter | US\$8,168                     | (228)                                  | (23,823)                   |                               | (24,051)                  |
| Rate of 11.47% p.a.                                  | Rate of 96% of CDI                                  | Maturity on May 5, 2013       | Over-the-counter | R\$600,000                    | 1,233                                  | 44,268                     | 45,501                        |                           |
|  |   |                               |                  |                               | <b>1,005</b>                           | <b>20,445</b>              |                               |                           |

The counterparty of the derivatives transactions which comprise foreign exchange and interest rate swaps was Banco Santander ABN. These contracts were settled in the second quarter of 2013.

*Value and type of margin guarantees*

The Company does not make margin deposits for derivative instruments.

**a) Capital management**

# Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

This table compares the Company's net liabilities and its Stockholders' equity at June 30, 2013:

|                               | June 30, 2013 | Dec. 31, 2012<br>Re-presented |
|-------------------------------|---------------|-------------------------------|
| Total liabilities             | 17,669,426    | 21,019,885                    |
| ( ) Cash and cash equivalents | (1,630,058)   | (1,919,125)                   |
| ( ) Linked funds              | (101,933)     | (132,493)                     |
| Net liabilities               | 15,937,435    | 18,968,267                    |
| Total of stockholders' equity | 12,408,516    | 11,549,996                    |
| Net debt / Adjusted capital   | 1.28          | 1.64                          |

Table of Contents**28. FAIR VALUE MEASUREMENT**

The Company measures its financial assets and liabilities at fair value. Fair value is the price that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the reporting date. It is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. The Fair Value Hierarchy aims to increase consistency and comparability: it prioritizes the inputs used in measuring into three broad levels, as follows:

- *Level 1 Quoted prices in active market:* Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2 No active market / use of valuation technique:* Inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Criteria that can be used include the current fair value of a substantially similar instrument, discounted cash flow, and option pricing models. The objective of the valuation technique is to establish what would be the price of the transaction on the measurement date in a disinterested exchange motivated only by business reasons.
- *Level 3 No active market / little or no market data* requiring the reporting entity to develop its own assumptions. Fair value is determined in accordance with generally accepted pricing models, based on discounted cash flow analyses.

This is a summary of the instruments that are measured at fair value.

| R\$ 000                            | Balance<br>at June 30, 2013 | Fair value at June 30, 2013               |  |                              |
|------------------------------------|-----------------------------|---|--|------------------------------|
|                                    |                             | Level 1:<br>Active market<br>quoted price | Level 2: No active<br>market<br>Valuation<br>technique | Level 3:<br>No active market |
| Assets                             |                             |   |  |                              |
| Securities                         |                             |   |  |                              |
| Bank certificates of deposit       | 60,726                      |   | 60,726   |                              |
| Financial Notes Banks              | 857,896                     |   | 857,896  |                              |
| Debentures                         | 53,867                      |   | 53,867   |                              |
| Other                              | 11,764                      |   | 11,764   |                              |
|                                    | 984,253                     |   | 984,253  |                              |
| Linked funds                       | 101,933                     |   | 101,933  |                              |
| Financial assets of the concession | 5,481,522                   |   |  | 5,481,522                    |
|                                    | 6,567,708                   |   | 1,086,186  | 5,481,522                    |

Methodology of calculation of fair value of positions

## Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

*Financial assets of the concession:* Measured at New Replacement Value (VNR), equivalent to fair value, according to criteria established in regulations by the Concession-granting power, based on the value of the assets in service belonging to the concession and which will be reversible at the end of the concession.



Table of Contents

The Company recorded the financial assets of the concession at fair value at December 31, 2012. The movement in financial assets of the concession is stated in Explanatory Note 12.

*Cash investments:* The fair value of cash investments is calculated taking into consideration the market prices of the security, or market information that makes such calculation possible, and future rates in the fixed-income and FX markets applicable to similar securities. The market value of the security is deemed to be its maturity value discounted to present value by the discount factor obtained from the market yield curve in Reais.

**29. EFFECTS OF PROVISIONAL MEASURE 579 OF SEPTEMBER 11, 2012 (CONVERTED INTO LAW 12783 OF JANUARY 11, 2013)**

The main effects of Law 12783 on the Company's operations are shown in Explanatory Note 4 to the financial statements at December 31, 2012.

As specified in the concession contract for the Jaguará Plant, the Company applied for renewal of the concession. The Mining and Energy Ministry, by Dispatch 03 of May 2013, refused the Company's application, on the grounds that the application was made outside the time limits set by Law 12783/13.

On June 20, 2013, Cemig GT (*Cemig Geração e Transmissão*) obtained an interim injunction in its application for an order of mandamus before the Higher Appeal Court (*Superior Tribunal de Justiça*, or STJ), against the decision of the Mining and Energy Ministry not to entertain the application for extension of the period of concession of the Jaguará hydroelectric plant. The interim remedy given by Reporting Justice Sérgio Kukina ensures that the Company will continue to operate Jaguará until final judgment in the action.

This decision is preliminary in nature – it does not represent a decision on the merits, which are yet to be argued, and will be subject of judgment by the STJ at a later date.

**30. ANNUAL TARIFF ADJUSTMENT, AND TARIFF REVIEW**

**Result of the 3rd Tariff Review of Cemig D**

On April 8, 2013 Aneel published the result of the Third Tariff Review of Cemig D. The result homologated by Aneel was a tariff increase of 3.06%, comprising two components: (i) Economic Tariff Repositioning of 0.47%, arising from the 22.3% increase in non-manageable (Portion A) costs; and reduction of 26.5% in manageable (Portion B) costs; and (ii) the Financial Component, of 2.59%. This adjustment is in effect until April 2014.

With the withdrawal of the financial components considered in the 2012 tariff process, of 2.34%, the average effect on the Company's captive consumers was 2.99%. This adjustment took effect on the tariffs that had previously been reduced by 18.14% under the Extraordinary Tariff Review (*Revisão Tarifária Extraordinária*, or RTE) that was announced on January 24, 2013.

Table of Contents

According to the statement of calculation received by Cemig after the homologation of the result of the Tariff Review at the meeting of the Council of Aneel, the Net Regulatory Remuneration Base (*Base Regulatória de Remuneração*, or BRR) was R\$ 5,511,768, and the Gross Regulatory Remuneration Base was R\$ 15,355,843. The company is now awaiting the judgment on the appeals submitted to Aneel, in which it states its disagreement as to certain criteria and values adopted by Aneel in the decision on the preliminary BRR that was published. Aneel has not yet considered this appeal. Management continues to expect that, when Aneel has considered these appeals, criteria and values defined by Aneel for the BRR will be revised, and that this will result in a higher amount than the one recently presented.

**31. SUBSEQUENT EVENTS**

**Investment Agreement**

On August 8, 2013 Cemig GT approved signature of an Investment Agreement with Renova Energia S.A. ( Renova ), RR Participações S.A. ( RR ), Light Energia S.A. ( Light Energia ) and Chipley SP Participações S.A. ( Chipley ).

The agreement governs the entry of Cemig GT into the controlling stockholding block of Renova, through subscription by Cemig GT of new shares to be issued by Renova, and the structuring of Chipley as a vehicle for growth, in which equity interests would be owned by Cemig GT and Renova, with assignment to the latter of the Agreement for Purchase of Shares in Brasil PCH S.A. (the Brasil PCH share purchase agreement), signed between Cemig GT and Petróleo Brasileiro S.A. (Petrobras), On June 14, 2013.

The issue price for the shares in Renova has been set at R\$ 16.2266 per common share, in accordance with Article 170, §1, I of the Brazilian Corporate Law, resulting in a value of R\$ 1,414,733 to be updated by the CDI Rate from December 31, 2012 for the portion of the increase in the share capital of Renova to be subscribed by Cemig GT.

The transaction is subject to conditions precedent and commercial conditions. When and if these conditions are fulfilled, the precise amount of the increase in the capital of Renova will be decided, and a new stockholders agreement will be signed to include Cemig GT, RR and Light Energia in the controlling stockholding block of Renova, under which the total number of shares bound by that stockholders agreement will be at least 51% of the common shares of Renova.

**Rescission of the concession contract for the Itaipava Hydroelectric Plant**

On June 8, 2013 the Board of Directors of Cemig decided to apply to Aneel, for rescission of Concession Contract 12/2001 ( the Itaipava Concession contract ) under Clause 4 of Law 9074/2005, introduced by Law 12839/2013.



Table of Contents

The initial plan and project for the Itaocara Plant ( the Project ) faced environmental obstacles, and the license application for it was set aside, because the Brazilian environment authority, Ibama, decided it was not feasible. However, over recent years, the Consortium sought alternatives that would make the Project environmentally feasible and enable the impediments to be overcome. This resulted in the Project being altered, as per Aneel Dispatch 3634 of September 6, 2011, which specified installed capacity of 145 MW. As a result, it was only in December 2011 that Prior Environmental License 428/2011 was obtained, enabling the next stage application for the Environmental Construction License to take place. This License was finally issued on July 29, 2013.

The decision to apply for rescission of the Concession Contract is based on the impossibility, in view of the above factors, of sustaining economic and financial equilibrium for the Concession Contract following the decision by the Mining and Energy Ministry to refuse an application to alter the period of the Concession to a period of 35 years from the grant of the Prior License since without this change 12 years have been lost from the period of the concession, reducing the time of revenue to less than the period necessary for the return on the investment.

Cemig has the intention of continuing to hold the Concession Contract in the event that any supervening decision by the concession-granting power, or any legislative decision, should make commercial operation of the Project financially viable. On the other hand, Cemig GT may also, if it sees fit, take part in any future auction for the concession of the Project.

The rescission of the Concession Contract referred to above will not result in any financial charge or burden for Cemig GT, since it has the rights guaranteed by Article 4 A of Law 9074 of 2005, introduced by Law 12839/2013, in regard to:

- (i) release from guarantees of compliance with the obligations under the Concession Contract;
- (ii) non-payment for Use of a Public Asset; and
- (iii) reimbursement of the costs incurred in preparation of studies or projects.

**Confirmation of the compensatory payment from CDE funds**

Aneel Dispatch 2701, of July 29, 2013, set the amounts of funds from the Energy Development Account (*Conta de Desenvolvimento Energético*, or CDE) to be paid to electricity distribution concession holders, by Eletrobras, by August 2, 2013, for the months of May and June 2013 in compensation of Hydrological Risk, Involuntary Exposure and System Service Charges related to Electricity Supply Security. For the subsidiary Cemig D the amount set was R\$ 124,725. This was received in full in the third quarter of 2013.

Table of Contents

**32. OPERATIONAL SEGMENTS**

The operational segments of Cemig reflect the structure of the regulatory framework for the Brazilian electricity sector, with different legislation for the sectors of generation, transmission and distribution of electricity.

The Company also operates in the markets of gas, telecommunications and other businesses, which have a smaller impact on the results of its operations.

The segments mentioned above are reflected in the Company's management and organizational structure, and its structure for monitoring results. In accordance with the regulatory framework of the Brazilian electricity sector, there is no segmentation by geographical area.

The operational costs and expenses for the first half of 2013 and 2012 are shown in consolidated form in these tables:

Table of Contents**PROFIT AND LOSS ACCOUNTS SEPARATED BY ACTIVITY AT JUNE 30, 2013**

| Description   | GENERATION         | ELECTRICITY<br>TRANSMISSION | DISTRIBUTION       | TELECOMS        | Gás            | OTHERS            | Eliminations        | TOTAL              |
|---|--------------------|-----------------------------|--------------------|-----------------|----------------|-------------------|---------------------|--------------------|
| <b>ASSETS</b>   | <b>9,414,330</b>   | <b>3,555,932</b>            | <b>12,411,430</b>  | <b>330,427</b>  |                | <b>14,427,100</b> | <b>(10,061,277)</b> | <b>30,077,942</b>  |
| <b>INVESTMENTS</b>  | <b>1,963,861</b>   | <b>2,202,419</b>            |                    | <b>4,397</b>    | <b>547,480</b> | <b>10,467,150</b> | <b>(9,479,485)</b>  | <b>5,705,822</b>   |
| <b>REVENUE</b>  | <b>2,516,681</b>   | <b>106,987</b>              | <b>4,544,307</b>   | <b>55,775</b>   |                | <b>47,165</b>     | <b>(154,331)</b>    | <b>7,116,584</b>   |
| <b>COST OF<br/>ELECTRICITY<br/>SERVICE</b>  |                    |                             |                    |                 |                |                   |                     |                    |
| <b>COST OF<br/>ELECTRICITY AND<br/>GAS</b>  |                    |                             |                    |                 |                |                   |                     |                    |
| Electricity bought for resale   | (543,527)          |                             | (1,821,928)        |                 |                | (10)              | 90,755              | (2,274,710)        |
| Charges for the use of the national grid  | (128,338)          | (141)                       | (171,988)          |                 |                |                   | 46,375              | (254,092)          |
| <b>Total operational costs, Electricity and Gas</b>                                     | <b>(671,865)</b>   | <b>(141)</b>                | <b>(1,993,916)</b> |                 |                | <b>(10)</b>       | <b>137,130</b>      | <b>(2,528,802)</b> |
| <b>OPERATIONAL<br/>COSTS AND<br/>EXPENSES</b>   |                    |                             |                    |                 |                |                   |                     |                    |
| Personnel and managers  | (118,307)          | (58,005)                    | (493,153)          | (5,997)         |                | (30,270)          |                     | (705,732)          |
| Employees and managers profit shares  | (18,641)           | (9,014)                     | (37,333)           | (676)           |                | (5,919)           |                     | (71,583)           |
| Post-retirement obligations   | (12,749)           | (6,222)                     | (59,420)           |                 |                | (5,523)           |                     | (83,914)           |
| Materials   | (2,782)            | (1,918)                     | (23,024)           | (78)            |                | (163)             |                     | (27,965)           |
| Raw Material  | (51,717)           |                             |                    |                 |                |                   |                     | (51,717)           |
| Outsourced services   | (63,370)           | (13,935)                    | (361,112)          | (9,829)         |                | (6,208)           | 15,451              | (439,003)          |
| Depreciation and amortization   | (155,727)          |                             | (213,116)          | (15,304)        |                | (215)             | (2,763)             | (387,125)          |
| Operational provisions  | (5,972)            | (2,929)                     | (73,423)           | (17)            |                | (30,957)          |                     | (113,298)          |
| Royalties for use of water resources  | (62,853)           |                             |                    |                 |                |                   |                     | (62,853)           |
| Construction costs  |                    | (43,579)                    | (421,826)          |                 |                |                   |                     | (465,405)          |
| Other   | (29,521)           | (9,149)                     | (108,905)          | (8,950)         |                | (18,496)          | (2,077)             | (177,098)          |
| <b>Total cost of operation</b>  | <b>(521,639)</b>   | <b>(144,751)</b>            | <b>(1,791,312)</b> | <b>(40,851)</b> |                | <b>(97,751)</b>   | <b>10,611</b>       | <b>(2,585,693)</b> |
| <b>TOTAL COST</b>   | <b>(1.193.504)</b> | <b>(144.892)</b>            | <b>(3.785.228)</b> | <b>(40.851)</b> |                | <b>(97.761)</b>   | <b>147.741</b>      | <b>(5.114.495)</b> |
| <b>Operational profit before Equity gains (losses) and Financial revenue (expenses)</b> | <b>1.323.177</b>   | <b>(37.905)</b>             | <b>759.079</b>     | <b>14.924</b>   |                | <b>(50.596)</b>   | <b>(6.590)</b>      | <b>2.002.089</b>   |
| Equity gain (loss) in subsidiaries  | (1.024)            | 117.474                     |                    | (8.753)         | 39.403         | 1.296.509         | (1.193.027)         | 250.582            |
| Gain on disposal of investments in TBE  |                    | 284.298                     |                    |                 |                |                   |                     | 284.298            |

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

|                         |                  |                |                |              |               |                  |                    |                  |
|-------------------------|------------------|----------------|----------------|--------------|---------------|------------------|--------------------|------------------|
| Unrealized profit       |                  |                |                |              |               | (80.959)         |                    | (80.959)         |
| Financial revenue       | 43,815           | 12,113         | 145,764        | 2,156        |               | 78,991           |                    | 282,839          |
| Financial expenses      | (142,557)        | (118,158)      | (310,566)      | (2,119)      |               | (24,561)         |                    | (597,961)        |
| <b>PRETAX PROFIT</b>    | <b>1.223.411</b> | <b>257.822</b> | <b>594.277</b> | <b>6.208</b> | <b>39.403</b> | <b>1.219.384</b> | <b>(1.199.617)</b> | <b>2.140.888</b> |
| Income tax and Social   |                  |                |                |              |               |                  |                    |                  |
| Contribution tax        | (456.139)        | 91.426         | (124.683)      | (3.732)      |               | (91.852)         |                    | (584.980)        |
| Deferred income tax     |                  |                |                |              |               |                  |                    |                  |
| and Social Contribution |                  |                |                |              |               |                  |                    |                  |
| tax                     | 39.602           | (8.315)        | (77.414)       | (1.257)      |               | (25.939)         |                    | (73.323)         |
|                         | <b>806.874</b>   | <b>340.933</b> | <b>392.180</b> | <b>1.219</b> | <b>39.403</b> | <b>1.101.593</b> | <b>(1.199.617)</b> | <b>1.482.585</b> |



Table of Contents**PROFIT AND LOSS ACCOUNTS SEPARATED BY ACTIVITY AT JUNE 30, 2012**

| Description   | GENERATION       | ELECTRICITY<br>TRANSMISSION | DISTRIBUTION       | TELECOMS        | Gás            | OTHERS            | Eliminations       | TOTAL              |
|---|------------------|-----------------------------|--------------------|-----------------|----------------|-------------------|--------------------|--------------------|
| <b>ASSETS</b>   | <b>8.973.003</b> | <b>3.459.484</b>            | <b>11.157.104</b>  | <b>369.521</b>  |                | <b>15.084.187</b> | <b>(9.329.873)</b> | <b>29.713.426</b>  |
| <b>INVESTMENTS</b>  | <b>849.742</b>   | <b>2.048.380</b>            |                    | <b>4.397</b>    | <b>508.077</b> | <b>11.611.041</b> | <b>(8.675.583)</b> | <b>6.346.054</b>   |
| <b>NET OPERATIONAL<br/>REVENUE</b>  | <b>2.064.101</b> | <b>224.636</b>              | <b>4.471.887</b>   | <b>58.810</b>   |                | <b>30.258</b>     | <b>(194.649)</b>   | <b>6.655.043</b>   |
| <b>COST OF<br/>ELECTRICITY<br/>SERVICE</b>  |                  |                             |                    |                 |                |                   |                    |                    |
| <b>COST OF<br/>ELECTRICITY AND<br/>GAS</b>  |                  |                             |                    |                 |                |                   |                    |                    |
| Electricity bought for resale   | (243,024)        |                             | (1,780,889)        |                 |                | (17)              | 87,112             | (1,936,818)        |
| Charges for the use of the national grid  | (135,798)        | (105)                       | (391,911)          |                 |                |                   | 92,425             | (435,389)          |
| <b>Total operational costs, Electricity and Gas</b>                                     | <b>(378,822)</b> | <b>(105)</b>                | <b>(2,172,800)</b> |                 |                | <b>(17)</b>       | <b>179,537</b>     | <b>(2,372,207)</b> |
| <b>OPERATIONAL<br/>COSTS AND<br/>EXPENSES</b>   |                  |                             |                    |                 |                |                   |                    |                    |
| Personnel and managers  | (91,845)         | (52,759)                    | (385,024)          | (7,474)         |                | (26,291)          |                    | (563,393)          |
| Employees and managers profit shares  | (18,782)         | (9,047)                     | (78,828)           | 35              |                | (9,223)           |                    | (115,845)          |
| Post-retirement obligations   | (10,077)         | (4,919)                     | (46,944)           |                 |                | (5,055)           |                    | (66,995)           |
| Materials   | (4,354)          | (2,500)                     | (21,895)           | (75)            |                | (391)             |                    | (29,215)           |
| Raw Material  | (163)            |                             |                    |                 |                |                   |                    | (163)              |
| Outsourced services   | (55,589)         | (16,454)                    | (325,044)          | (8,989)         |                | (9,544)           | 13,645             | (401,975)          |
| Depreciation and amortization   | (178,602)        |                             | (176,471)          | (16,042)        |                | (200)             |                    | (371,315)          |
| Operational provisions  | (5,326)          | (2,652)                     | (54,408)           | (10)            |                | 16,690            |                    | (45,706)           |
| Royalties for use of water resources  | (94,848)         |                             |                    |                 |                |                   |                    | (94,848)           |
| Construction costs  |                  | (42,528)                    | (542,426)          |                 |                |                   |                    | (584,954)          |
| Other   | (27,885)         | (11,371)                    | (94,260)           | (8,341)         |                | (17,741)          | (3,343)            | (162,941)          |
| <b>Total cost of operation</b>  | <b>(487,471)</b> | <b>(142,230)</b>            | <b>(1,725,300)</b> | <b>(40,896)</b> |                | <b>(51,755)</b>   | <b>10,302</b>      | <b>(2,437,350)</b> |
| <b>TOTAL COST</b>   | <b>(866,293)</b> | <b>(142,335)</b>            | <b>(3,898,100)</b> | <b>(40,896)</b> |                | <b>(51,772)</b>   | <b>189,839</b>     | <b>(4,809,557)</b> |
| <b>Operational profit before Equity gains (losses) and Financial revenue (expenses)</b> | <b>1,197,808</b> | <b>82,301</b>               | <b>573,787</b>     | <b>17,914</b>   |                | <b>(21,514)</b>   | <b>(4,810)</b>     | <b>1,845,486</b>   |
| Equity gain (loss) in subsidiaries  | (12,323)         | 87,184                      |                    | (9,414)         | 23,747         | 1,239,784         | (1,091,292)        | 237,686            |
| Financial revenue   | 48,088           | 18,582                      | 149,113            | 5,224           |                | 75,519            |                    | 296,526            |
| Financial expenses  | (161,382)        | (119,832)                   | (293,220)          | (2,466)         |                | (60,495)          |                    | (637,395)          |

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

|   |                  |               |                |               |               |                  |                    |                  |
|---|------------------|---------------|----------------|---------------|---------------|------------------|--------------------|------------------|
| <b>PRETAX PROFIT</b>                            | <b>1.072.191</b> | <b>68.235</b> | <b>429.680</b> | <b>11.258</b> | <b>23.747</b> | <b>1.233.294</b> | <b>(1.096.102)</b> | <b>1.742.303</b> |
| Income tax and Social Contribution tax          | (397.512)        | 7.173         | (265.658)      | (5.009)       |               | (4.361)          |                    | (665.367)        |
| Deferred income tax and Social Contribution tax | 43.586           | (831)         | 118.264        | (1.901)       |               | (434)            |                    | 158.684          |
| <b>NET PROFIT FOR THE PERIOD</b>                | <b>718.265</b>   | <b>74.577</b> | <b>282.286</b> | <b>4.348</b>  | <b>23.747</b> | <b>1.228.499</b> | <b>(1.096.102)</b> | <b>1.235.620</b> |

Table of Contents

**CONSOLIDATED ECONOMIC AND FINANCIAL PERFORMANCE**

(Figures are in R\$ 000 unless otherwise indicated.)

*Profit for the period*

For the **first half of 2013 (1H13)** Cemig reports profit of R\$ 1,482,585, which is 19.99% higher than its profit of R\$ 1,235,620 in first half 2012 (**1H12**). This result is mainly due to operational revenue 6.94% higher, and a net gain on the sale of the interest in TBE – these factors being partially offset by higher costs of purchase of electricity, and higher personnel expenses, due to the amounts provisioned in 2013 for the PID Incentive Retirement Program. Below are comments on the principal changes between the two years in revenues, costs and expenses, and financial revenues/expenses.

*Ebitda (earnings before interest, tax, depreciation and amortization)*

Cemig's Ebitda in the first half of 2013 was 15.83% higher than in the first half of 2012.

| <b>EBITDA - R\$ 000</b>                             | <b>1H13</b>      | <b>1H12</b>      | <b>Δ, %</b>  |
|---|------------------|------------------|--------------|
| Profit for the period                               | 1,482,585        | 1,235,620        | 19.99        |
| + Expense on income tax and Social Contribution tax | 658,303          | 506,683          | 29.92        |
| + Net financial revenue (expenses)                  | 315,122          | 340,869          | (7.55)       |
| + Amortization                                      | 387,125          | 371,315          | 4.26         |
| <b>= EBITDA</b>                                     | <b>2,843,135</b> | <b>2,454,487</b> | <b>15.83</b> |

**Ebitda, 1H12 and 1H13**

***Ebitda*** is a non-accounting measure prepared by the Company, reconciled with the interim financial information in accordance with CVM Circular SNC/SEP 1/2007 and CVM Instruction 527 of October 4, 2012. It comprises Net profit adjusted by the effects of net Financial revenue (expenses), depreciation and amortization, and income tax and the Social Contribution tax. Ebitda is not a measure recognized by Brazilian GAAP nor by IFRS; it has no standard meaning; and it may in any particular case be not comparable with measurements with similar titles supplied by other companies. Cemig publishes Ebitda because it uses it for the purposes of measuring its own performance. Ebitda should not be considered in isolation, or as being a substitute for net profit or operational profit, or as being an indicator of operational performance, or cash flow, or as cash flow, or to measure the Company's liquidity or its capacity to pay debt.

Table of Contents

The higher Ebitda in 1H13 than in 1H12 mainly reflects net revenue 12.70% higher, partially offset by operational costs and expenses (excluding the effects of depreciation and amortization) 8.76% higher. In line with the higher Ebitda, Ebitda Margin was higher, at 39.95%, in 1H13 than in 1H12 (36.88%).

***Revenue from supply of electricity (including Revenue for use of the network captive consumers)***

Gross revenue from retail electricity sales in the first half of 2013 was R\$ 7,000,636, compared to R\$ 7,419,209, in the first half of 2012 a reduction of 5.64%.

Sales to final consumers in 1H13 were R\$ 6,081,124 8.41% lower than in 1H12 (R\$ 6,639,497). The main factors affecting revenue in 1H13 were:

- For captive consumers, an average reduction in tariffs of 18.14%, as a result of the Extraordinary Tariff Review created by Provisional Measure 579 of September 11, 2012 (converted into Law 12,783 of January 11, 2013). The tariffs were applied from January 24, 2013 to April 7, 2013, when the completion of the Ordinary Tariff Review which happens every 5 years under the concession contract took place.
- The quantity of electricity supplied to final consumers was 2.44% lower year-on-year.
- Tariff adjustment in Cemig D (Distribution), with average impact on consumer tariffs of 3.85%, from April 8, 2012 (full effect in 2013);
- Tariff adjustment in Cemig D, with average impact of 2.99% on consumer tariffs, starting from April 8, 2013.
- Adjustment in contracts for sale of electricity to final consumers most of which are indexed to the IGP M inflation index.

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

**(Data not reviewed by external auditors)**

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

| Consumer category               | MWh               |                   | Δ, %          |
|---------------------------------|-------------------|-------------------|---------------|
|                                 | 1H13              | 1H12              |               |
| Residential                     | 4,695,961         | 4,383,682         | 7.12          |
| Industrial                      | 11,183,632        | 12,359,505        | (9.51)        |
| Commercial, Services and Others | 3,031,893         | 2,850,431         | 6.37          |
| Rural                           | 1,335,075         | 1,264,667         | 5.57          |
| Public authorities              | 426,126           | 409,577           | 4.04          |
| Public illumination             | 629,969           | 615,371           | 2.37          |
| Public service                  | 609,795           | 578,059           | 5.49          |
| <b>Total</b>                    | <b>21,912,451</b> | <b>22,461,292</b> | <b>(2.44)</b> |

The consumption by the industrial consumer category, 9.51% lower year-on-year, was due to the reduction in the level of the sector's activity. The effect was offset by the increase in the categories (a) Residential, and (b) Commerce, Services and Others caused mainly by the higher number of consumers: in the two categories the numbers of consumers were

Table of Contents

respectively 3.07% and 2.25% higher year-on-year. Also note that due to the higher price of electricity in the wholesale market in 2013 due to the low levels of reservoirs - part of the electricity available for resale migrated from Free Consumers to sale on the Electricity Trading Chamber (*Câmara de Comercialização de Energia Elétrica* or CCEE).

In the Rural consumer category, one of the main factors for the increase of 5.57% was the significant demand for electricity for irrigation, due to the atypical climate conditions for the rainy season low levels of rain in February and March.

***Wholesale supply to other concession holders***

The volume of electricity sold to other concession holders in 1H13 totaled 7,659,519 MWh, 19.69% more than in 1H12 (6,399,374 MWh). The revenue from electricity sold in 1H13 was R\$ 919,512, compared to R\$ 779,712 in 1H12. The average sale price of see was not significantly different at R\$ 120.05 per MWh in 1H13 and R\$ 121.84 /MWh in 1H12.

***Revenue from use of the network Free consumers***

This revenue is from the Tariff for Use of the Distribution System (*Tarifa de Uso do Sistema de Distribuição*, or TUSD), and consists of the amounts charged to Free Consumers for carriage of the electricity sold to them. Revenue in the first half of 2013 was R\$ 571,724, compared to R\$ 904,289 in the first half of 2012 a reduction of 36.78%. This reflects the reduction of the tariff as a result of the Tariff Review of Cemig D, which had an average effect for Free Consumers of a reduction of 33.22% in the TUSD, from April 8, 2013.

***Transactions in electricity on the CCEE***

This revenue is associated with Cemig's net exposure in the spot market, which was R\$ 840,388 in 1H13, or 274.25% more than in 1H12 (R\$ 224,551). The increase reflects greater availability of electricity for settlement in the spot market, associated with the increase in the average spot price (*Preço de Liquidação de Diferenças*, or PLD), which was R\$ 288.24 / MWh in 1H13, and R\$ 115.40/MWh in 1H12.

***Transmission concession revenue***

The revenue from the transmission concession in 1H13 was R\$ 205,327, 37.79% of the revenue in 1H12 (R\$ 330,042). The change mainly reflects the renewal of the Company's old transmission concessions: as from 2013, these are now remunerated only for the service of operation and maintenance of the infrastructure, under Provisional Measure 579 (converted into Federal Law 12783/13).





Table of Contents

***Distribution construction revenue***

The total of Distribution infrastructure construction was R\$ 421,826 in 1H13, 22.23% less than in 1H12 (R\$ 542,426). This Revenue is fully offset by Construction costs, of the same amount, and corresponds to the Company's investments in assets of the concession in the period.

***Other operational revenues***

The Company's Other revenues in 1H13 were 71.17% higher, at R\$ 446,405, than in 1H12 (R\$ 260,801). This was mainly due to receipt of compensating funds from the Energy Development Account (*Conta de Desenvolvimento Energético*, or CDE), to represent the subsidies on the Tariff for Use of the Distribution System (TUSD), which were not incorporated into the tariff, in the amount of R\$ 215,747 in 1H13.

***Taxes and charges applied to Revenue***

Sector taxes and charges, which effectively function as deductions from revenue, in 1H13 totaled R\$ 2,413,301, 21.36% less than in 1H12 (R\$3,068,803,). This is mainly the result of application of Law 12,783 (of January 11, 2013), which reduced the sector charges. Comments on these follow below:

The Fuel Consumption Account - CCC

This charge - the Fuel Consumption Account (*Conta de Consumo de Combustível*, or CCC) is for the costs of operation of the thermal plants in the national grid and in the isolated systems. It is shared proportionally between concession holders in accordance with the size of the market served, on a basis set by an Aneel Resolution.

As from February 2013, as a result of Law 12783/13, the Company is exempt from payment of the CCC. The charges in the half year were those of January, R\$ 25,487, which compare with the total of R\$ 288,086 for 1H12 - a reduction of 91.15%.

Global Reversion Reserve (RGR)

This is an annual quota included in the costs of concession holders, to generate revenue dedicated to expansion and improvement of public electricity services. The payments are laid down by an Aneel Resolution

## Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

Starting in February 2013, Cemig D became exempt from payment of the RGR. The resulting expense on the RGR in 1H13 was R\$ 60,173, compared to R\$ 109,554 in 1H12 a reduction of 45.07%.

Table of Contents

Energy Development Account - CDE

This charge (*Conta de Desenvolvimento Energético*) was created to increase the competitiveness of electricity generation from alternative sources. The payments are set by Aneel Resolution.

For Cemig they totaled R\$ 65,743 in 1H13, a reduction of 73.59% from their total of R\$ 248,967 in 1H12. Law 12783 reduced the CDE charges by 75%.

This is a non-manageable cost: the difference between the amounts used as a reference for calculation of tariffs and the cost actually incurred is compensated for in the next tariff adjustment.

The other significant deductions from revenue are taxes, calculated as a percentage of sales revenue. Hence, their variations are substantially proportional to the changes in revenue.

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

Operational costs and expenses (including Construction cost, and excluding Financial revenue/expenses) in 1H13 were R\$ 5,114,495, 6.34% more than in 1H12 (R\$ 4,809,557). For more information on the components of Operational costs and expenses, please see Explanatory Note 24 to the consolidated Interim financial statements.

The main variations in expenses were:

Charges for the use of the national grid

Charges for use of the grid in 1H13 totaled R\$ 254,092, compared to R\$ 435,389 in 1H12, a reduction of 41.64%. This is the result of Law 12783 (of January 2013), which reduced the sector charges and also renewed older transmission concessions, at the same time reducing the remuneration of the concession holders, which was reflected in lower transmission charges.

The charges are payable by electricity distribution and generation agents for use of the facilities that are components of the national grid. The amounts to be paid are set by an Aneel Resolution.

## Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

This is a non-manageable cost: the difference between the amounts used as a reference for calculation of tariffs and the cost actually incurred is compensated for in the next tariff adjustment.

### Construction cost

Infrastructure Construction Costs were R\$ 465,405 in 1H13, 20.44% lower than in 1H12 (R\$ 584,954). This cost is fully offset by Construction Revenue, of the same amount, and corresponds to the Company's investments in assets of the concession in the period.

Table of Contents

Personnel

Personnel expenses in 1H13 were R\$ 705,732 in 1H13, compared to R\$ 563,393 in 1H12 an increase of 25.26%. This is mainly due to employees joining the early retirement offer made by the PID Incentive Retirement Plan the provision for this, of R\$ 112,460, was recorded in the Profit and loss account for 1H13.

Electricity bought for resale

The expense on electricity bought for resale in 1H13 was R\$ 2,274,710, 17.45% more than in 1H12 (R\$ 1,936,818). The main factors were:

- Purchases of electricity for resale R\$ 257,915 higher in 2Q13, due to greater selling activity, associated with the higher cost of acquisition due to the higher market price of electricity;

The effect of this increase was partially offset by the effect of lower net expenses on spot market purchases arising from exposure in the CCEE, following the government's reimbursement of portions of costs totaling R\$ 848,332, as follows:

- R\$ 489,491 as reduction of the impact of the tariff adjustment of Cemig D, limited to 3.0% by the federal government payment to Cemig D of part of the expenses on purchase of electricity that was higher than revenue in the period April 2012 to April 2013;
- R\$ 358,841 for relief of the financial exposure to the spot market, to cover the tariff deficit caused by hydrological risk arising from the quotas, the involuntary exposure arising from not adhering to the extension of the concessions, and the System Service Charge (ESS) covering Security of Supply.
- Expenses on electricity acquired via auction 8.85% higher, at R\$ 962,842 in 1H13, compared to R\$ 884,574 in 1H12, arising from availability contracts, due to expenditure on fuel for generation by the thermal plants.
- Allocation, to the distributors of the National Grid system, of physical energy and power guarantee quotas for the plants whose concessions were renewed under Law 12783 (of January 2013);
- The expense on electricity from Itaipu was 14.50% higher, since it is indexed to the dollar: it was R\$ 477,732 in 1H13, vs. R\$ 417,243 in 1H12. Among other factors, this reflects the depreciation of the Real against the dollar in the first half of 2013, compared to its

appreciation during 1H12. The average dollar exchange rate for invoices of the first half of 2013 was R\$ 2.038/US\$ in 1H12, compared to R\$ 1,917/US\$ in 1H13 a difference of 6.28%.

Table of Contents

Operational provisions

Operational provisions in 1H13 were R\$ 113,298, 147.88% higher than in 1H12 (R\$ 45,706). This variation mainly reflects a provision made on June 30, 2013, in the amount of R\$ 18,772, for a regulatory action on distribution service quality measurement indicators; and also an increase of R\$ 80,195 for employment-law legal actions. The increase in employment-law provisions reflects the higher volume, and review of the assessment of chances of loss in this type of action in the period, partially offset by reversal of provisions for certain actions on consumer relations, due mainly to re-assessment of the chances of loss in those actions, based on the opinion of the Company's legal advisers.

Post-retirement liabilities

Post-retirement liabilities in 1H13 were R\$ 83,914, 25.25% higher than in 1H12 (R\$ 66,995). The expense basically reflects financial updating of the obligation and this variation arises, principally, from reduction of the discount rate on the actuarial obligations as from December 31, 2012 (3.66% in 2012, compared to 5.53% in 2011), which had the consequence of increasing the actuarial obligations recorded by the company as from that date.

***Gain on the transfer of shares of TBE***

in the first half of 2013 the company reported a net gain in the amount of R\$ 284,298. This amount corresponds to the disposal of the investment in the TBE group, in view of the transfer, on May 31, 2013, of the totality of the equity interest in TBE held by Cemig GT to Taesa.

***Net financial revenue (expenses)***

Cemig reported net financial expenses in 1H13 of R\$ 315,122, which compares with net financial expenses of R\$ 340,869 in 1H12 – a reduction of 7.55%. The items in net financial expenses with the largest variations are:

- income from cash investments 6.64% higher, at R\$ 105,326 in 1H13, compared to R\$ 98,764 in 1H12, due to the higher volume of cash available for investment in 2013.

Table of Contents

- income from late payment on electricity bills 23.96% higher, at R\$ 87,602 in 1H13, compared to R\$ 70,671 in 1H12 primarily reflecting a Debt Recognition Agreement with a large client, for non-payment of charges for use of the distribution system in the period from April 2003 to December 2004;
- monetary updating on Accounts receivable from the Minas Gerais State Government 44.38% lower, at R\$ 43,547 in 1H13, compared to R\$ 78,291 in 1H12, due to the bringing forward of full payment of the obligations in first quarter 2013;
- costs of loans and financings 19.23% lower, at R\$ 335,289 in 1H13, compared to R\$ 415,128 in 1H12, basically due to a lower volume of funds raised indexed to the CDI rate;
- monetary updating of loans and financings 64.82% higher, at R\$ 123,801 in 1H13, compared to R\$ 75,112 in 1H12. This is basically due to the higher volume of funds raised in the first quarter of 2013 indexed to inflation indices, linked to the increase in the IPCA index in the period.

For a breakdown of financial revenues and expenses, please see Explanatory Note 25 to the consolidated Interim financial statements.

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

**In 1H13** Cemig had expenses of R\$ 658,303 on income tax and the Social Contribution tax, on pre-tax profit of R\$ 2,140,888, representing a percentage rate of 30.75%. **In 1H12** the company had expenses of R\$ 506,683 on income tax and the Social Contribution tax, on pre-tax profit of R\$ 1,742,303, representing a percentage of 29.08%. These effective rates are reconciled with the nominal rates in Explanatory Note 8 to the consolidated interim financial statements.



Table of Contents

**PROFIT AND LOSS ACCOUNTS FOR THE  
SECOND QUARTERS OF 2013 AND 2012**

**PROFIT AND LOSS ACCOUNTS FOR THE SECOND QUARTERS OF 2013 AND 2012**

|   | <b>2Q13</b>      | <b>2Q12</b>      | <b>Δ, %</b> |
|---|------------------|------------------|-------------|
| <b>REVENUE</b>                                    | 3,438,990        | 3,463,114        | (0.70)      |
| <b>OPERATIONAL COSTS AND EXPENSES</b>             |                  |                  |             |
| Personnel and managers                            | (262,802)        | (266,455)        | (1.37)      |
| Employees and managers profit shares              | (15,582)         | (61,490)         | (74.66)     |
| Post-retirement liabilities                       | (41,957)         | (33,497)         | 25.26       |
| Materials   | (23,740)         | (16,396)         | 44.79       |
| Outsourced services                               | (249,302)        | (198,869)        | 25.36       |
| Electricity bought for resale                     | (1,301,923)      | (1,078,456)      | 20.72       |
| Depreciation and amortization                     | (184,140)        | (173,935)        | 5.87        |
| Royalties for use of water resources              | (28,812)         | (45,875)         | (37.19)     |
| Operational provisions                            | (71,060)         | 23,738           | (399.35)    |
| Infrastructure construction cost                  | (261,057)        | (360,461)        | (27.58)     |
| Charges for the use of the national grid          | (127,867)        | (217,739)        | (41.28)     |
| Other expenses, net                               | (90,245)         | (81,784)         | 10.35       |
|   | (2,658,487)      | (2,511,219)      | 5.86        |
| Equity gain (loss) in subsidiaries                | 84,424           | 88,343           | (4.44)      |
| Unrealized profit                                 | (80,959)         |                  |             |
| Gain on transfer of shares of TBE                 | 284,298          |                  |             |
| <b>Profit before Financial revenue (expenses)</b> | <b>1,068,266</b> | <b>1,040,238</b> | <b>2.69</b> |
| Financial revenues                                | 144,450          | 143,172          | 0.89        |
| Financial expenses                                | (296,036)        | (324,853)        | (8.87)      |
| <b>Pretax profit</b>                              | <b>916,680</b>   | <b>858,557</b>   | <b>6.77</b> |
| Income tax and Social Contribution tax            | (246,590)        | (338,140)        | (27.07)     |
| Deferred income tax and Social Contribution tax   | (52,852)         | 83,815           | (163.06)    |
| <b>Profit (loss) for the period</b>               | <b>617,238</b>   | <b>604,232</b>   | <b>2.15</b> |
| Basic and diluted profit per common share         | 0.6414           | 0.6279           |             |

*Profit (loss) for the period*

Cemig reported net profit for the second quarter of 2013 (**2Q13**) of R\$ 617,238, 2.15% more than its net profit for second quarter 2012 (**2Q12**), of R\$ 604,232. One of the principal ingredients in this result was the net gain obtained on transfer of the investment in the TBE companies to Taesa, partially offset by the effect of increased costs of electricity bought for resale. Below are comments on the principal changes between the two years in revenues, costs and expenses, and financial revenues/expenses.

# Table of Contents

## Ebitda (earnings before interest, tax, depreciation and amortization)

Cemig's Ebitda was 3.15% higher in 1H13 than one 1H12:

| Ebitda - R\$ '000 R\$ '000                          | 2Q13             | 2Q12             | Δ, %        |
|---|------------------|------------------|-------------|
| Profit (loss) for the period                        | 617,238          | 604,232          | 2.15        |
| + Expense on income tax and Social Contribution tax | 299,442          | 254,325          | 17.74       |
| + Net financial revenue (expenses)                  | 151,586          | 181,681          | (16.56)     |
| + Amortization                                      | 184,140          | 173,935          | 5.87        |
| <b>(=) Ebitda</b>                                   | <b>1,252,406</b> | <b>1,214,173</b> | <b>3.15</b> |

## Ebitda, 2Q12 and 2Q13

**Ebitda** is a non-accounting measure prepared by the Company, reconciled with the interim financial information in accordance with CVM Circular SNC/SEP 1/2007 and CVM Instruction 527 of October 4, 2012. It comprises Net profit adjusted by the effects of net Financial revenue (expenses), depreciation and amortization, and income tax and the Social Contribution tax. Ebitda is not a measure recognized by Brazilian GAAP nor by IFRS; it has no standard meaning; and it may in any particular case be not comparable with measurements with similar titles supplied by other companies. Cemig publishes Ebitda because it uses it for the purposes of measuring its own performance. Ebitda should not be considered in isolation, or as being a substitute for net profit or operational profit, or as being an indicator of operational performance, or cash flow, or as cash flow, or to measure the Company's liquidity or its capacity to pay debt.

The higher Ebitda in 2Q13 than 2Q12 mainly reflects the net gain on disposal of the equity interest in the TBE Group, the effect being partially offset by operational costs and expenses (excluding the effects of amortization) 5.86% higher. In line with the higher Ebitda, Ebitda margin in 2Q13 was 36.42%, compared to 35.06% in 2Q12.

*Revenue from supply of electricity (including Revenue for use of the network – captive consumers)*

Total revenue from sales of electricity was R\$ 3,533,238 in 2Q13, compared to R\$ 3,794,898, representing a reduction of 6.90%.

# Table of Contents

Sales to final consumers totaled R\$ 3,081,447 in 2Q13, compared to R\$ 3,401,588 in 2Q12, a reduction of 9.41%. The main factors affecting revenue in 2Q13 were:

- For captive consumers, an average reduction in tariffs of 18.14%, as a result of the Extraordinary Tariff Review created by Provisional Measure 579 of September 11, 2012 (Law 12783 of Jan. 2013). The tariffs were applied from January 24, 2013 to April 7, 2013, when the final completion of the Ordinary Tariff Review which happens every 5 years under the concession contract took place.
- The quantity of electricity supplied to final consumers was 3.06% lower year-on-year.
- Annual tariff adjustment, with average effects on consumer tariffs of 3.85%, effective from April 8, 2012 (full effect in 2013).
- Tariff increase for Cemig D, with average effect on consumer tariffs of 2.99%, in effect from April 8, 2013.
- Adjustment of contracts for sale of electricity to Free Consumers in 2013 the greater part of these contracts are indexed to the variation in the IGP-M inflation index.

## Electricity sold to final consumers (MWh)

(Information not reviewed by the external auditors.)

| Consumer category               | 2Q13              | MWh<br>2Q12       | Δ, %          |
|---------------------------------|-------------------|-------------------|---------------|
| Residential                     | 2,383,392         | 2,197,817         | 8.44          |
| Industrial                      | 5,683,850         | 6,343,741         | (10.40)       |
| Commercial, Services and Others | 1,503,197         | 1,415,086         | 6.23          |
| Rural                           | 702,258           | 701,811           | 0.06          |
| Public authorities              | 217,861           | 214,249           | 1.69          |
| Public illumination             | 320,156           | 306,101           | 4.59          |
| Public service                  | 305,469           | 288,652           | 5.83          |
| <b>Total</b>                    | <b>11,116,183</b> | <b>11,467,457</b> | <b>(3.06)</b> |

The consumption by the industrial consumer category, 10.40% lower year-on-year, was due to the reduction in the level of the sector's activity. Also, due to the higher price of electricity in the wholesale market in 2013, which was a result of the low level of the reservoirs, part of the electricity available for resale migrated from Free Consumers to settlement in the wholesale market (CCEE).

*Supply to other concession holders*

The quantity of electricity sold to other concession holders was 3,775,989 MWh in 2Q13, compared to 3,093,110 MWh in second quarter 2012, an increase of 22.08%. Revenue from energy sold was R\$ 451,791 in 2Q13, compared to R\$ 393,310 in 2Q12. The average

Table of Contents

sale price of electricity in 2Q13 was R\$ 119.65/MWH, compared to R\$ 127.16/MWH in 2Q12, a reduction of 5.90%.

***Revenue from use of network – Free consumers***

This is revenue from charging of the TUSD – Tariff for Use of the Distribution System – to Free Consumers for transport of electricity sold. This revenue in 2Q13 was R\$ 220,163, compared to R\$ 457,839 in 2Q12, a reduction of 51.91%. The variation mainly reflects the reduction in the tariff resulting from the tariff review of Cemig D, which had an average impact perceived by Free Consumers of 33.22%, as from April 8, 2013.

***Transactions in electricity on the CCEE***

This revenue is associated with Cemig's net exposure to the spot market, which was R\$ 261,641 in 2Q13, compared to R\$ 106,074 in 2Q12 – an increase of 146.66%. This is mainly due to greater availability of electricity for settlement on the CCEE in the period, and also the effect of the higher price of electricity in the spot market, which was the result of the low level of the reservoirs in 2013.

***Transmission concession revenue***

The Transmission Concession Revenue in 2Q13 was R\$ 115,629, 27.95% more than in 2Q12 (R\$ 160,483). The change is basically due to renewal of the Company's older transmission concessions which, as from 2013, began to be remunerated only for operation and maintenance of the infrastructure, in accordance with the terms of Provisional Measure 579 (converted into Federal Law 12783/13).

***Distribution construction revenue***

The Distribution Infrastructure Construction revenue in 2Q13 was R\$ 235,118, 31.15% less than in 2Q12 (R\$ 341,471). This revenue is fully offset by Construction Costs, of the same amount, and corresponds to the Company's investments in assets of the concession in the period.

***Other operational revenues***

The Company's Other revenues were 110.56% higher in 2Q13 (R\$ 246,979), than in 2Q12 (R\$ 117,298). The main cause of this difference was the compensation from the Energy Development Account (*Conta de Desenvolvimento Energético*, or CDE), to compensate for the subsidies in the TUSD that were not incorporated into the tariff, in an amount totaling R\$ 136,026 in 2Q13.



Table of Contents

*Sector / regulatory charges    deductions from revenue*

Regulatory charges on revenue in 2Q13 were R\$ 1,199,718, which was 21.79% below their level of 2Q12 (R\$ 1,533,939). This is mainly the result of application of Law 12783 of January 11, 2013, which reduced the sector charges.

Fuel Consumption Account (CCC)

This charge is for the costs of operation of the thermal plants in the national grid and in the isolated systems. It is shared proportionally between concession holders in accordance with the size of the market served, on a basis set by an Aneel Resolution.

Starting in February 2013, Law 12783/13 made the Company exempt from payment of the CCC, so that its contribution was much lower in 2Q13 than in 2Q12 (when it was R\$ 118,602).

Energy Development Account - CDE

The Energy Development Account (*Conta de Desenvolvimento Energético*, or CDE) was created to promote the competitiveness of electricity generation from alternative sources. The payments are set by an Aneel Resolution.

The charges for the CDE in 2Q13 were R\$ 32,307, a reduction of 74.00% from R\$ 124,249 in 2Q12. Law 12783 reduced to the CDE charges by 75.00%.

The other significant deductions from revenue are taxes, calculated as a percentage of sales revenue. Hence their variations are substantially proportional to the changes in revenue.

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

Operational costs and expenses (including Construction cost, and excluding Financial revenue/expenses) totaled R\$ 2,658,487 in 2Q13, 5.86% more than in 2Q12 (R\$ 2,511,219). For more information on the components of Operational costs and expenses, please see Explanatory Note 23 to the Interim Financial Statements.



The main variations in expenses were:

Charges for the use of the national grid

Charges for use of the National Grid totaled R\$ 127,867 in 2Q13, 41.28% less than in 2Q12 (R\$ 217,739). This is the result of Law 12783 (of January 2013), which reduced the sector charges and also renewed older transmission concessions, at the same time reducing the remuneration of the concession holders, which was reflected in lower transmission charges.

Table of Contents

The charges are payable by electricity distribution and generation agents for use of the facilities that are components of the national grid. The amounts to be paid are set by an Aneel Resolution.

This is a non-manageable cost: the difference between the amounts used as a reference for calculation of tariffs and the cost actually incurred is compensated for in the next tariff adjustment.

Construction cost

Infrastructure Construction Cost in 2Q13 was R\$ 261,057, 27.58% less than in 2Q12 (R\$ 360,461). This cost is fully offset by Construction Revenue, of the same amount, and corresponds to the Company's investments in assets of the concession in the period.

Electricity bought for resale

The expense on electricity bought for resale was R\$ 1,301,923 in 2Q13, compared with R\$ 1,078,456 in 2Q12, an increase of 20.72%. The main factors were:

- purchases of electricity for resale R\$ 140,831 higher in 2Q13, due to greater selling activity, associated with the higher cost of acquisition due to the higher market price of electricity;
- lower net expenses on spot market purchases arising from exposure in the CCEE, following the government's reimbursement of portions of costs totaling R\$ 132,944;
- Expense on electricity acquired via auction 9.80% higher, at R\$ 537,127 in 1H13, compared to R\$ 489,206 in 1H12, arising from availability contracts, due to expenditure on fuel for generation by the thermal plants.
- allocation, to the distributors of the National Grid system, of physical energy and power guarantee quotas for the plants whose concessions were renewed under Law 12783 (of January 2013);
- expense on electricity from Itaipu 9.02% higher, since it is indexed to the dollar: it was R\$ 246,738 in 2Q13, vs. R\$ 226,332 in 2Q12. Among other factors, this reflects the depreciation of the Real against the dollar in the first half of 2013, compared to its appreciation during 2Q12.

- The average dollar exchange rate for invoices in 2Q13 was R\$ 2.010/US\$ in 1H13, compared to R\$ 2,082/US\$ in 1H12 a difference of 3.11%.

Table of Contents

Operational provisions

Operational provisions of R\$ 71,060 were made in 2Q13, compared to recovery of expenses in 2Q12 totaling R\$ 23,738. This is mainly due to:

- a provision of R\$ 18,772 made on June 30, 2013, for a regulatory action on distribution service quality measurement indicators;
- an increase of R\$ 41,845 in provisions for employment-law legal actions, due to the higher volume and revision of assessment of the chance of loss on actions of this type in this period;
- reversal of provisions, classified as Other provisions, in 2Q12 mainly due to re-assessment, on the basis of the opinion of the Company's legal advisors, of the probabilities of loss in various legal actions dealing with consumer relations.

Post-retirement liabilities

Post-retirement liabilities in 2Q13 were R\$ 41,957, 25.26% higher than in 2Q12 (R\$ 33,497). The expense basically reflects financial updating of the obligation and this variation arises, principally, from reduction of the discount rate on the actuarial obligations as from December 31, 2012 (3.66% in 2012, compared to 5.53% in 2011), which had the consequence of increasing the actuarial obligations recorded by the company as from that date.

***Gain on the transfer of shares of TBE***

In 2Q13 the Company reported a net gain of R\$ 284,298 on the disposal of the investment in the TBE group, in view of the transfer to Taesa, on May 31, 2013, of the totality of the equity interest in TBE held by Cemig GT.

***Net financial revenue (expenses)***

Cemig reported net financial expenses 2Q13 of R\$ 151,586, which compares with net financial expenses of R\$ 181,681 in 2Q12 – a reduction of 16.56%. The items in net financial expenses with the largest variations are:

## Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

- income from cash investments 35.19% higher, at R\$ 70,739 in 2Q13, compared to R\$ 52,326 in 2Q12, due to the higher volume of cash available for investment in 2013.
- income from late payment on electricity bills 29.61% higher, at R\$ 49,505 in 2Q13, compared to R\$ 38,195 in 2Q12 primarily reflecting a Debt Recognition Agreement with a large client, for non-payment of charges for use of the distribution system in the period from April 2003 to December 2004;

Table of Contents

- revenue of R\$ 34,732 represented by monetary updating of Accounts receivable from the Minas Gerais State Government in 2Q12, while there was no revenue from this source in 2Q13, due to the full payment of the obligations in 1H13;
- costs of loans and financings 19.87% lower, at R\$ 159,024 in 2Q13, compared to R\$ 198,456 in 2Q12, basically due to the lower volume of funds raised indexed to the CDI rate;
- monetary updating of loans and financings 31.80% higher, at R\$ 58,487 in 2Q13, compared to R\$ 44,374 in 2Q12. This is basically due to the higher volume of funds raised in the first quarter of 2013 indexed to inflation indices, linked to the increase in the IPCA index in the period.

For a breakdown of financial revenues and expenses, please see Explanatory Note 25 to the consolidated Interim financial statements.

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

**In 2Q13** Cemig's expenses on income tax and the Social Contribution tax totaled R\$ 299,442, on pretax profit of R\$ 916,680, a percentage of 32.67%. **In 2H13** Cemig's expenses on income tax and the Social Contribution tax was R\$ 254,325, on pretax profit of R\$ 858,557, a percentage of 29.62%. These effective rates are reconciled with the nominal rates in Explanatory Note 8 to the consolidated interim financial statements.

Table of Contents**FINANCIAL STATEMENTS SEPARATED BY COMPANY****FINANCIAL STATEMENTS SEPARATED BY COMPANY: JUNE 30, 2013 (SUBSIDIARIES)**

| Description   | HOLDING           | CEMIG - GT         | CEMIG-D            | CEMIG<br>TELECOM | SÁ CARVALHO    | ROSAL          | OTHERS          | ELIMINATIONS /<br>TRANSFERS | TOTAL              |
|---|-------------------|--------------------|--------------------|------------------|----------------|----------------|-----------------|-----------------------------|--------------------|
| <b>Assets</b>   | <b>14.326.384</b> | <b>12.087.492</b>  | <b>12.411.430</b>  | <b>330.427</b>   | <b>189.287</b> | <b>157.203</b> | <b>636.996</b>  | <b>(10.061.277)</b>         | <b>30.077.942</b>  |
| Cash and cash equivalents   | 397.373           | 514.791            | 611.077            | 45.058           | 14.715         | 12.534         | 33.922          | 588                         | 1.630.058          |
| Securities  | 1.204.331         | 833.845            | 521.163            | 3.431            | 17.348         | 10.468         | 239.403         |                             | 2.829.989          |
| Accounts receivable   |                   | 647.848            | 1.627.580          |                  | 6.451          | 4.693          | 25.438          | (21.767)                    | 2.290.243          |
| Taxes   | 427.383           | 131.880            | 1.390.538          | 30.328           | 513            | 74             | 3.744           |                             | 1.984.460          |
| Other assets  | 776.745           | 281.882            | 1.526.615          | 28.199           | 4.027          | 387            | 33.928          | (568.901)                   | 2.082.882          |
| Investments / Fixed / Intangible / Financial Assets of Concession | 11.520.552        | 9.677.246          | 6.734.457          | 223.411          | 146.233        | 129.047        | 300.561         | (9.471.197)                 | 19.260.310         |
| <b>LIABILITIES</b>  | <b>14.326.384</b> | <b>12.087.492</b>  | <b>12.411.430</b>  | <b>330.427</b>   | <b>189.287</b> | <b>157.203</b> | <b>636.996</b>  | <b>(10.061.277)</b>         | <b>30.077.942</b>  |
| Suppliers and supplies  | 14.573            | 166.504            | 871.777            | 10.328           | 316            | 439            | 8.057           | (36.114)                    | 1.035.880          |
| Loans, financings and debentures                                  |                   | 4.099.276          | 5.246.942          | 36.090           |                |                | 80.875          |                             | 9.463.183          |
| Interest on Equity, and dividends                                 | 1.418.731         | 256.475            | 119.947            |                  | 31.748         | 17.619         | 118.662         | (544.451)                   | 1.418.731          |
| Post-retirement liabilities                                       | 211.722           | 608.365            | 1.857.138          |                  |                |                |                 |                             | 2.677.225          |
| Taxes   | 20.933            | 416.537            | 910.941            | 9.535            | 39.708         | 1.049          | 23.328          |                             | 1.422.031          |
| Other liabilities   | 251.909           | 544.897            | 818.726            | 25.774           | 3.723          | 2.688          | 14.179          | (9.520)                     | 1.652.376          |
| Stockholders equity   | 12.408.516        | 5.995.438          | 2.585.959          | 248.700          | 113.792        | 135.408        | 391.895         | (9.471.192)                 | 12.408.516         |
| <b>PROFIT AND LOSS ACCOUNT</b>                                    |                   |                    |                    |                  |                |                |                 |                             |                    |
| <b>Net operational revenue</b>                                    | <b>161</b>        | <b>2.476.132</b>   | <b>4.544.307</b>   | <b>55.775</b>    | <b>29.293</b>  | <b>22.616</b>  | <b>142.631</b>  | <b>(154.331)</b>            | <b>7.116.584</b>   |
| <b>Operational costs and expenses</b>                             | <b>(90.604)</b>   | <b>(1.290.722)</b> | <b>(3.785.228)</b> | <b>(40.851)</b>  | <b>(7.262)</b> | <b>(7.186)</b> | <b>(40.383)</b> | <b>147.741</b>              | <b>(5.114.495)</b> |
| Electricity bought for resale                                     |                   | (528.892)          | (1.821.928)        |                  | (1.058)        | (625)          | (12.962)        | 90.755                      | (2.274.710)        |
| Charges for the use of the national grid                          |                   | (125.159)          | (171.988)          |                  |                | (865)          | (2.455)         | 46.375                      | (254.092)          |
| Personnel   | (26.563)          | (175.061)          | (493.153)          | (5.997)          | (578)          | (673)          | (3.707)         |                             | (705.732)          |
| Employee profit shares  | (5.495)           | (27.482)           | (37.333)           | (676)            | (122)          | (51)           | (424)           |                             | (71.583)           |
| Post-retirement liabilities                                       | (5.523)           | (18.971)           | (59.420)           |                  |                |                |                 |                             | (83.914)           |
| Materials   | (67)              | (56.111)           | (23.024)           | (78)             | (94)           | (123)          | (185)           |                             | (79.682)           |
| Outsourced services   | (4.281)           | (64.602)           | (361.112)          | (9.829)          | (1.298)        | (1.592)        | (11.740)        | 15.451                      | (439.003)          |
| Depreciation and amortization                                     | (201)             | (144.538)          | (213.116)          | (15.304)         | (2.773)        | (2.180)        | (6.250)         | (2.763)                     | (387.125)          |

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

|   |                  |                |                |              |               |               |                |                    |
|---|------------------|----------------|----------------|--------------|---------------|---------------|----------------|--------------------|
| Royalties for use of water resources            | (59.863)         |                |                | (1.073)      | (843)         | (1.074)       |                | (62.853)           |
| Operational provisions (reversals)              | (30.957)         | (8.929)        | (73.423)       | (17)         | 7             | (7)           | 28             | (113.298)          |
| Infrastructure construction cost                | (43.579)         | (421.826)      |                |              |               |               |                | (465.405)          |
| Other expenses, net                             | (17.517)         | (37.535)       | (108.905)      | (8.950)      | (273)         | (227)         | (1.614)        | (2.077)            |
| Equity gain (loss) in subsidiaries              | 1.335.912        | 116.450        |                | (8.753)      |               |               |                | (1.193.027)        |
| Unrealized profit                               | (80.959)         |                |                |              |               |               |                | (80.959)           |
| Gain on disposal of investments in TBE          | 378.378          | (94.080)       |                |              |               |               |                | 284.298            |
| Financial revenues                              | 76.445           | 46.381         | 145.764        | 2.156        | 943           | 558           | 10.592         | 282.839            |
| Financial expenses                              | (24.414)         | (256.951)      | (310.566)      | (2.119)      | (222)         | (37)          | (3.652)        | (597.961)          |
| <b>Pretax profit</b>                            | <b>1.594.919</b> | <b>997.210</b> | <b>594.277</b> | <b>6.208</b> | <b>22.752</b> | <b>15.951</b> | <b>109.188</b> | <b>(1.199.617)</b> |
| Income tax and Social Contribution tax          | (86.319)         | (338.616)      | (124.683)      | (3.732)      | (8.263)       | (908)         | (22.459)       | (584.980)          |
| Deferred income tax and Social Contribution tax | (26.015)         | 30.796         | (77.414)       | (1.257)      | 541           | (20)          | 46             | (73.323)           |
| <b>Profit (loss) for the period</b>             | <b>1.482.585</b> | <b>689.390</b> | <b>392.180</b> | <b>1.219</b> | <b>15.030</b> | <b>15.023</b> | <b>86.775</b>  | <b>(1.199.617)</b> |
|   |                  |                |                |              |               |               |                | <b>1.482.585</b>   |



Table of Contents

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

(Information not reviewed by the external auditors.)

***Investor relations***

Through strategic actions intended to enable investors and stockholders to make a correct valuation of our businesses and our prospects for growth and addition of value, we continue to increase Cemig's exposure to the Brazilian and global capital markets as a leading company in its sector.

We maintain a constant and proactive flow of communication with our investor market, reinforcing our credibility and transparency, always seeking to increase investors' interest in the Company and ensure their satisfaction with its shares.

Our results are published through presentations transmitted via a video webcast and telephone conference calls, with simultaneous translation in English, always with members of the Executive Board present, developing a relationship that is increasingly transparent and in keeping with best corporate government practices.

To serve our stockholders—who are distributed over more than 40 countries, and to facilitate optimum coverage of investors, Cemig has been present in and outside Brazil at a very large number of events, including seminars, conferences and meetings with investors, congresses, roadshows, Money Shows and Expomoney; and held conference calls and video conferences with analysts, investors and other players interested in the capital markets.

At the end of May, for the 18th year running, we held our now traditional Cemig Meeting with the Capital Markets and Investors, jointly 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.

## Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

We seek sustainable development of the Company through balance between the economic, financial, environmental and social aspects of our enterprises, aiming always 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)

Table of Contents

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 Depositary 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 Company Manual. Our preferred shares have also been listed on the Latibex of the Madrid stock exchange (with ticker XCMIG) 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 Act of the US.

Our dividend policy is expressed in our by-laws, and the by-laws also include certain targets from our Long-term Strategic Plan, as follows:

- consolidated indebtedness to be limited to 2 times Ebitda;
- consolidated (Net debt) / (Net debt + Stockholders' equity) to be limited to 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;
- to invest only in distribution, generation and transmission projects that offer real minimum internal rates of return equal to or greater than those specified in the Long-term Strategic Plan, subject to the legal obligations; and
- to limit the expenses of the subsidiary Cemig Distribuição S.A. (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;

## Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

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

Table of Contents

***Board of Directors***

Meetings

Our Board of Directors met 29 times in 2012, to discuss strategic planning, expansion projects, acquisition of new assets, and investments, among other subjects.

Membership, election and period of office

The present period of office began with the AGM on April 27, 2012, with election by the multiple voting system. The latest change in the Board was at the EGM of April 30, 2013, which elected the present board, in accordance with Article 141 of Law 6404 of December 15, 1976 as amended.

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 2014.

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 to be entered into between Cemig and any stockholder or a parent company of such stockholder.
- 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\$ 14 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.

Committees

These committees are 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 and Sustainability Committee;
3. Human Resources Committee;
4. Strategy Committee;
5. Committee for New Business Development and Corporate Control of Subsidiaries and Affiliates; and
6. Audit, Finance and Risks Committee.

Table of Contents

***Qualification and remuneration***

The members of the Board of Directors have training and experience in a wide range of areas (business administration, engineering, law, economics, etc.), and very broad experience in business management. The global or individual amount of the remuneration of the Board of Directors is set by the General Meeting of Stockholders, in accordance with the legislation from time to time in force.

A list with the names of the members of the Board of Directors and their résumés is on our website at: <http://ri.cemig.com.br>.

***Audit Committee***

As well as the Brazilian Corporate Law (Law 6404), 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 rule 10-3A of the Exchange Act, and the regulations in 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.

***Executive Board***

The Executive Board is made up of eleven members whose individual functions are set by the company's by-laws. They are elected by the Board of Directors for periods of office of three years.

Members are allowed simultaneously also to hold 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 period of office of the present Chief Officers expires at the first meeting of the Board of Directors held after the Annual General Meeting of 2015.

The members of the Executive Board and brief résumés are on our website: <http://ri.cemig.com.br>.

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

## Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

- Current management of the company's business, complying with the by-laws, the Long-term Strategic Plan, the Multi-year Strategic Implementation Plan and the Annual Budget;



Table of Contents

- Decision on any disposal of goods, loans or financings, pledge of the company's property, plant or equipment, or guarantees to third parties or other legal acts or transactions, with value of less than R\$ 14 million.

The Executive Board normally meets weekly. It held 56 meetings in 2012.

***Audit Board***

***Meetings***

The Audit Board held 11 meetings in 2012.

***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, as follows:

- one member elected by the holders of the preferred shares;
- one elected by holders of at least 10% of the common shares outside the controlling group; and
- three elected by the majority stockholder.

The members of the Audit Board are listed on our website: <http://ri.cemig.com.br>.

Principal responsibilities and attributions:

## Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

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.

### *Qualification and remuneration*

The Audit Board is a multi-disciplinary body, made up of members with various competencies (accounting, economics, business administration, and others). The remuneration of the members of the Audit Board shall be fixed by the General Meeting of Stockholders which elects it, in accordance with the legislation from time to time in force.

Résumé information on its members is on our website: <http://ri.cemig.com.br>.

Table of Contents

***The Sarbanes-Oxley Law***

On July 23, 2007 Cemig obtained the first certification of its internal controls for mitigation of risks involved in the preparation and disclosure of the financial statements, issued in accordance with Section 404 of the Sarbanes-Oxley Law and the rules of the Public Company Accounting Oversight Board (PCAOB), which is included in the annual 20-F report relating to the business year ended December 31, 2006, filed with the US Securities and Exchange Commission (SEC).

***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 and Sustainability 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. Effectiveness of the strategic controls has been improved, with a commitment to implement proposed mitigating action plans, consequently reducing the impact and probability of occurrence of a very large number of 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.

To ensure safety and 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 corporate 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.



Table of Contents

***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 the maximum possible 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 Board of Directors' approval, in May 2004, of the Statement of Ethical Principles and Code of Professional Conduct (<http://ri.cemig.com.br>), stating a list of 11 principles of ethical conduct and values incorporated into our culture, was an important step in perfecting Cemig's internal system of corporate government and increasing its overall corporate transparency.

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 of and decision on any possible non-compliances with the document.

After the Ethics Channel was created in December 2006, to be used only by Cemig employees and workers, the Ethics Committee began to accept anonymous reports through this anonymous reporting channel (*Canal de Denúncia Anônima*), available on the company's Intranet. 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.

## Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

This committee 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, SA/17°/B2, accompanied by indication of means of proof (witnesses, documents or other

# Table of Contents

sufficient/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 Ethics Channel, an anonymous reporting channel on the corporate intranet, which receives, submits and processes 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.

## POSITIONS OF STOCKHOLDERS WITH MORE THAN 5% OF THE VOTING STOCK JUNE 30, 2013

| STOCKHOLDER                          | COMMON      |       | PREFERRED |      | TOTAL         |       |
|--------------------------------------|-------------|-------|-----------|------|---------------|-------|
|                                      | SHARES      | %     | SHARES    | %    | No. of SHARES | %     |
| State of Minas Gerais                | 214,414,739 | 50.96 |           | 0.00 | 214,414,739   | 22.27 |
| Other entities of Minas Gerais State | 56,703      | 0.01  | 9,955,872 | 1.84 | 10,012,575    | 1.00  |
| Total, controlling stockholder       | 214,471,442 | 50.97 | 9,955,872 | 1.84 | 224,427,314   | 23.31 |
| AGC Energia S.A. (1)                 | 138,700,848 | 32.96 |           | 0.00 | 138,700,848   | 14.41 |

Notes:

(1) AGC Energia S.A. is a wholly-owned subsidiary of Andrade Gutierrez Concessões S.A., a company registered with the CVM.

## CONSOLIDATED STOCKHOLDING POSITION OF THE CONTROLLING STOCKHOLDERS AND MANAGERS, AND FREE FLOAT, ON JUNE 30, 2013 (\*)

|                         | June 30, 2013 |             | June 30, 2012 |             |
|-------------------------|---------------|-------------|---------------|-------------|
|                         | ON            | PN          | ON            | PN          |
| CONTROLLING STOCKHOLDER | 214,471,442   | 9,955,872   | 190,041,861   | 8,821,839   |
| BOARD OF DIRECTORS      | 3,267         | 1,107       | 2,900         | 1,483       |
| EXECUTIVE BOARD         | 9             | 979         | 10            | 869         |
| SHARES IN TREASURY      |               | 410,396     |               | 363,650     |
| FREE FLOAT              | 206,289,990   | 531,539,323 | 182,792,314   | 470,993,302 |
| TOTAL                   | 420,764,708   | 541,907,677 | 372,837,080   | 480,181,143 |

Note: Notes: (\*) Share capital altered on April 30, 2013, with 12.85% stock bonus in new shares.





Table of Contents

Deloitte Touche Tohmatsu  
Rua Paraíba, 1122  
20º e 21º andares  
30130-141 - Belo Horizonte - MG  
Brasil

Tel: +55 (31) 3269-7400  
Fax: +55 (31) 3269-7470  
www.deloitte.com.br

(Convenience Translation into English from the Original Previously Issued in Portuguese)

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and Management of

Companhia Energética de Minas Gerais - CEMIG

Belo Horizonte, MG

**Introduction**

We have reviewed the accompanying individual and consolidated interim financial information of Companhia Energética de Minas Gerais CEMIG and subsidiaries (the Company), identified as Parent and Consolidated, respectively, for the quarter ended June 30, 2013, which comprises the balance sheet as at June 30, 2013, and the related income statement and statement of comprehensive income for the three- and six-month periods then ended, and the statement of changes in equity and statement of cash flows for the six-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual interim financial information in accordance with CPC 21(R1) - Interim Financial Reporting and the consolidated interim financial information in accordance with CPC 21(R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Interim Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

## Scope of Review

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see [www.deloitte.com/about](http://www.deloitte.com/about) for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

© Deloitte Touche Tohmatsu. All rights reserved.

Table of Contents

**Conclusion on the Individual Interim Financial Information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual interim financial information referred to above is not prepared, in all material respects, in accordance with CPC 21 (R1), and presented in accordance with the standards issued by the Brazilian Securities Commission.

**Conclusion on the Consolidated Interim Financial Information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information referred to above is not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, and presented in accordance with the standards issued by the Brazilian Securities Commission.

**Emphases of Matter**

As described in note 2.2 to the interim financial information, due to the change in accounting policy, the corresponding amounts disclosed in the individual and consolidated balance sheets as at December 31, 2012 and the related individual and consolidated interim financial information disclosed in the income statement and statement of comprehensive income for the three- and six-month periods ended June 30, 2012, and the statement of changes in equity, statement of cash flows, and the statement of value added (supplemental information) for the six-month period ended June 30, 2012, presented for purposes of comparison, have been adjusted and are being restated as provided for by CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors and CPC 26 (R1) - Presentation of Financial Statements. Our conclusion is not modified with respect to this matter.

Without modifying our conclusion on the interim financial information for the quarter ended June 30, 2013, we draw your attention to the matter described in note 10 to the interim financial information on the recognition, by the Company, as a decrease in the cost of energy purchased for resale, of funds transferred to the Energy Development Account (CDE).

As described in notes 14 e 13 to the interim financial information, the property, plant and equipment items used in the independent electricity generation operation are being depreciated over their estimated useful lives and the financial assets related to the gas distribution operation were determined by Management assuming a compensation from the related concession grantor, in light of the facts and circumstances discussed in said notes. As the regulatory agencies or the concession grantors issue new information or decisions, the current depreciation period of the property, plant and equipment items might or might not be changed. Our conclusion is not modified with respect to this matter.

Table of Contents

As described in note 13 to the interim financial information, associate Madeira Energia S.A. and its subsidiary are incurring start-up costs on the development of Santo Antônio Hydroelectric Power Plant construction project which, according to financial projections prepared by its Management, should be absorbed by future revenues from operating activities. Madeira Energia S.A. and its subsidiary have been recording losses on their operations and as at June 30, 2013 they record an excess of liabilities over current assets amounting to R\$175,507,000. The Company's interest thereon amounts to R\$17,550,000. Management's plans for the equalization of net working capital are also described in note 13 to the interim financial information. Our conclusion is not modified with respect to this matter.

**Other Matters**

*Statement of value added*

We have also reviewed the individual and consolidated statements of value added (DVA), for the six-month period ended June 30, 2013, prepared under the Management's responsibility, the presentation of which in the interim financial information is required by the standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Interim Financial Information (ITR), and is considered as supplemental information for IFRS that does not require the presentation of a DVA. These statements were subject to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, in relation to the individual and consolidated interim financial information taken as a whole.

*Audit of the accounting information disclosed in the balance sheets as at January 1, 2012*

The audit of the individual and consolidated balance sheets as at January 1, 2012, which are being restated as a result of the matters described in note 2.2 to the interim financial information, as provided for by CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors and CPC 26 (R1) - Presentation of Financial Statements, was conducted by other independent auditors and their report thereon, dated August 14, 2013, contained an emphasis of matter paragraph on the same matter involving associate Madeira Energia S.A. described in the table of contents. Emphases of Matter paragraph above.

The accompanying interim financial information has been translated into English for the convenience of readers outside Brazil.

Belo Horizonte, August 14, 2013

DELOITTE TOUCHE TOHMATSU  
Auditores Independentes

José Ricardo Faria Gomez  
Engagement Partner



Table of Contents

3. Minutes of the Extraordinary General Meeting of Stockholders Held on September 10, 2013

Table of Contents

**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

**MINUTES**

**OF THE**

**EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS**

**HELD ON SEPTEMBER 10, 2013**

At 11 a.m. on September 10, 2013, stockholders representing more than two-thirds of the voting stock of Companhia Energética de Minas Gerais Cemig met in Extraordinary General Meeting at its head office, on first convocation, at the Company's head office, Av. Barbacena 1200, 21st Floor, Belo Horizonte, Minas Gerais, Brazil, as verified in the Stockholders Attendance Book, where all placed their signatures and made the required statements. The stockholder **The State of Minas Gerais** was represented by Rodrigo Peres de Lima Netto, Procurator of the State of Minas Gerais, in accordance with the legislation.

Initially, Ms. Anamaria Pugedo Frade Barros, General Manager of Cemig's Corporate Executive Office, stated that there was a quorum for an Extraordinary General Meeting of Stockholders.

She further stated that the stockholders present should choose the Chairman of this Meeting, in accordance with Clause 10 of the Company's Bylaws. Asking for the floor, the representative of the Stockholder **The State of Minas Gerais** put forward the name of the stockholder Luiz Fernando Rolla to chair the Meeting. The proposal of the representative of the stockholder **The State of Minas Gerais** was put to debate, and to the vote, and unanimously approved.

The Chairman then declared the Meeting open and invited me, **Anamaria Pugedo Frade Barros**, a stockholder, to be Secretary of the meeting, asking me to read the convocation notice, published on August 22, 23 and 24 this year in the newspapers *Minas Gerais*, official publication of the Powers of the State, on pages 96, 74 and 50, respectively, and *O Tempo*, on pages 37, 34 and 36, respectively, the content of which is as follows:

**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY

**EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS**

**CONVOCATION**

**Stockholders are hereby called** to an Extraordinary General Meeting of Stockholders to be held on **September 10, 2013** at 11 a.m. at the company's head office, Av. Barbacena 1200, 21st floor, Belo Horizonte, Minas Gerais, Brazil, to decide on orientation of vote by the Company's representative at the Extraordinary General Meeting of Stockholders of **Cemig Geração e Transmissão S.A ( Cemig GT )** on the following matters.

- a) **Ratification of appointment** of the expert accountants who, in accordance with and for the purposes of Article 8 of Law 6404/1976, have prepared the Investment Valuation Opinion which valued Transmissora Aliança de Energia Elétrica S.A. as recorded in the accounts of Cemig GT;
- b) **Approval** of the said Valuation Opinion.
- c) **Reduction of the share capital of Cemig GT**

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

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



Table of Contents

from R\$ 3,296,785,358.90 (three billion two hundred ninety six million seven hundred eighty five thousand three hundred fifty eight Reais and ninety centavos)

to R\$ 963,371,711.80 (nine hundred sixty three million three hundred seventy one thousand seven hundred eleven Reais and eighty centavos),

with consequent alteration of the head paragraph of Article 5 of the by-laws of Cemig GT.

Any stockholder who wishes to be represented by proxy at the said General Meeting of Stockholders should obey the terms of Article 126 of Law 6406 of 1976, as amended, and of the sole paragraph of Clause 9 of the Company's by-laws, by exhibiting at the time, or depositing, preferably by September 6, 2013, proofs of ownership of the shares, issued by a depositary financial institution, and a power of attorney with specific powers, at Cemig's Corporate Executive Office (*Superintendência da Secretaria Geral*) at Av. Barbacena, 1200, 19th Floor, B1 Wing, Belo Horizonte, Minas Gerais.

Belo Horizonte, August 8, 2013.

Dorothea Fonseca Furquim Werneck

Chair of the Board of Directors.

The Chairman then asked the Secretary to read the Proposal of the Board of Directors, which deals with the agenda, the content of which is as follows:

**PROPOSAL**

**BY THE BOARD OF DIRECTORS TO THE**

**EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON SEPTEMBER 10, 2013.**

Dear Stockholders:

## Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

*The Board of Directors of Companhia Energética de Minas Gerais (Cemig),*

• *whereas:*

a) the Company signed, as guarantor of all the obligations, the Share Purchase Agreement with Terna S.p.A., governing the acquisition by **Cemig GT** of 173,527,113 shares in Terna Participações S.A. Terna, equivalent to 85.27% of the voting capital and 65.86% of the total share capital of that Company;

b) the Brazilian Electricity Regulator (*Agência Nacional de Energia Elétrica*, or **Aneel**), by its Authorizing Resolution 2107/2009, ruled that the stockholding of Cemig GT in Terna Participações S.A. should be transferred to Companhia Energética de Minas Gerais **Cemig** by December 31, 2012, the application for prior consent for which transfer was filed with Aneel on June 27, 2012;

c) Cemig GT signed, with Fundo de Investimento em Participações Coliseu ( **FIP Coliseu** ),

1 - a Stockholders Agreement, the objective of which was to regulate the exercise of voting rights, the manner of administration and the investment and capitalization policy of Terna and its subsidiaries and affiliated companies, and the rules for placing charge upon and transfer of the shares, and the right of preference in subscription of shares; and

2 - the Commitment Undertaking which, among other commitments, establishes the terms and conditions for the exercise by FIP Coliseu of the option to sell all or part of the shares in Terna to Cemig GT on October 30, 2014;

d) on November 3, 2009 the transaction for acquisition of Terna was completed, and the name of Terna was changed to Transmissora Aliança de Energia Elétrica S.A. **Taesá**;

e) on June 27, 2012, Cemig filed with Aneel a request for prior consent to the transfer of the stockholding interest in Taesa owned by Cemig GT to **Cemig**, through reduction of the share capital of Cemig GT;

f) Aneel issued Authorizing Resolution 4108/2013, of May 14, 2013, published on May 29, 2013, consenting to the transfer to Cemig of the holdings in Taesa owned by Cemig GT, with reduction of the share capital of Cemig GT, within 120 (one hundred and twenty) calendar days from publication of that resolution;

g) Cemig GT owns the following equity interest in the share capital of Taesa:

Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

293,072,229 (two hundred ninety three million seventy two thousand two hundred twenty nine), common shares, representing 43.36% (forty three point three six per cent) of the common shares;

Table of Contents

and

155,050,644 (one hundred fifty five million fifty thousand six hundred forty four) preferred shares, representing 45.34% (forty five point three four) of the preferred shares;

h) the Corporate Governance Committee of the State of Minas Gerais, through the Planning, Management and Finance Coordination Chamber, authorized reduction of the share capital of Cemig GT, and alteration of its bylaws, under its attributions and competencies specified in Decree 45644/2011, through Official Letters OF.CCGPGF n° 348/12 of November 7, 2012, and OF.CCGPGF n° 264/13 of June 18, 2030, specifying that the Company must inform and provide justification to the Corporate Governance Committee as soon as the reduction is carried out and the exact value known, and recognizing that the drafting of the head paragraph of Article 5 of the bylaws of Cemig GT shall be decided when the amount of capital is finally calculated;

i) the accounting experts Flávio de Almeida Araújo CRC/MG 86.861, Mário Lúcio Braga CRC/MG 47.822 and Leonardo George de Magalhães CRC/MG 53.140 have prepared a Valuation Opinion of the Investment Taesa, by the equity method, described in Article 248 of Law 6404/1976, which requires that the value of the investment shall be calculated by application to the book value of an affiliated or subsidiary investee company of the percentage of the equity interest held in it;

j) the reduction of capital will be R\$ 2,333,413,647.10 (two billion three hundred thirty three million four hundred thirteen thousand six hundred forty seven Reais and ten centavos), representing the value of the investment recorded in the books of account of Cemig GT on April 30, 2013, recognized by the equity method, to be adjusted according to the results of Taesa up to the actual date of transfer;

k) the reduction in the Share Capital will have no negative effect on the activities of Cemig GT, since it is equivalent only to the transfer of shares of Taesa to the Company;

l) with the reduction in Share Capital, the limits of indebtedness specified in the restrictive financial covenants present in some of the financing contracts signed by Cemig GT may be exceeded but there will be no material risk of occurrence of early maturity of the debt or application of any penalty, since the covenants are based on calculations at the end of each half year, and on December 31, 2013, when the first calculation following the reduction of the capital occurs, the only remaining financing contract will be that with Banco ItaúBBA, maturing on January 2, 2014, and this bank has already consented to the said reduction of capital;

m) after the said transfer, the stockholding structure relating to the Company's investment in Taesa will be as follows:

*Present stockholding structure*

*Proposed stockholding structure*

n) by reason of the transfer, Cemig will assume all the rights and obligations of Cemig GT in the Stockholders Agreement and in the Commitment Undertaking of Taesa, including the commitment, stated in the Commitment Undertaking, to exercise of the option for FIP Coliseu to sell shares in Taesa;

Table of Contents

o) Article 173 of Law 6404 of 1976 establishes that the General Meeting of Stockholders may decide on reduction of the share capital if it deems the share capital to be excessive;

p) under Article 174 Law 6404/1976, prior consent of a general meeting of the holders of debentures of Cemig GT must be obtained for reduction of the share capital of Cemig GT, and the reduction of the share capital shall become effective only 60 (sixty) days after the publication of the minutes of the General Meeting that decides on the subject, the purpose of this period being to enable present creditors of Cemig GT to make any statements of position in relation to the reduction of the capital;

q) Cemig GT is a wholly-owned subsidiary of the Company, and will hold an Extraordinary General Meeting to decide on the reduction of its share capital, by transfer to Cemig of ownership of the shares in Taesa currently held by Cemig GT;

r) Clause 21, § 4 Sub-clause g, of the by-laws of Cemig states:

Clause 21 The following decisions shall require a decision by the Executive Board:

...

g) approval, upon proposal by the Chief Executive Officer, prepared jointly with the Chief Business Development Officer and the Chief Finance and Investor Relations Officer, of the statements of vote in the General Meetings of the wholly-owned and other subsidiaries, affiliated companies and in the consortia in which the Company participates, except in the case of the wholly-owned subsidiaries Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A., for which the competency to decide on these matters shall be that of the General Meeting of Stockholders, and decisions must obey the provisions of these Bylaws, the decisions of the Board of Directors, the Long-term Strategic Plan and the Multi-year Strategic Implementation Plan;

• *now proposes to you as follows:*

Orientation of the representative of the Company in the Extraordinary General Meeting of Stockholders of Cemig Geração e Transmissão S.A. (Cemig GT) to vote in favor of:

a) Ratification of the appointment of the 3 (three) expert accountants, namely Flávio de Almeida Araújo CRC/MG 86.861, Mário Lúcio Braga CRC/MG 47.822 and Leonardo George de Magalhães CRC/MG 53.140, who, in accordance with and for the purposes of Article 8 of Law 6404/1976, prepared the Investment Valuation Opinion on the investment in Taesa, recorded in the books of account of Cemig GT.

b) Approval of the Valuation Opinion prepared in accordance with Article 8 of Law 6404 of 1976, valuing the investment in Transmissora Aliança de Energia Elétrica S.A. Taesa recorded in the books of account of Cemig GT, recognized by the equity method, such valuation to be adjusted in accordance with the results of Taesa up to the actual date of the transfer.

c) Reduction of the share capital of Cemig GT

from R\$ 3,296,785,358.90 (three billion two hundred ninety six million seven hundred eighty five thousand three hundred fifty eight Reais and ninety centavos)

to R\$ 963,371,711.80 (nine hundred sixty three million three hundred seventy one thousand seven hundred eleven Reais and eighty centavos),

with consequent alteration of the head paragraph of Article 5 of the by-laws of Cemig GT, to read as follows:

Clause 5 The Company's registered capital is R\$ 963,371,711.80 (nine hundred sixty three million three hundred seventy one thousand seven hundred eleven Reais and eighty centavos), represented by 2.896.785.358 (two billion eight hundred ninety six million seven hundred eighty five thousand three hundred fifty eight) nominal common shares without par value.

The reduction shall take place by transfer to Cemig, sole stockholder of Cemig GT, of the following equity interest in Transmissora Aliança de Energia Elétrica S.A. Taesa:

293,072,229 (two hundred ninety three million seventy two thousand two hundred twenty nine), common shares, representing 43.36% (forty three point three six per cent) of the common shares; and

Table of Contents

155,050,644 (one hundred fifty five million fifty thousand six hundred forty four) preferred shares, representing 45.34% (forty five point three four) of the total number of preferred shares;

(referred to jointly as the Shares in Taesa ), valued by the equity method at

R\$ 2,333,413,647.10 (two billion three hundred thirty three million four hundred thirteen thousand six hundred forty seven Reais and ten centavos),

based on the value of the investment recorded in the books of account of Cemig GT on April 30, 2013, ( the Transfer ),

and is conditional upon prior approval by the holders of debentures of Cemig GT, in accordance with Article 174, Paragraph 3, of Law 6404/1976; and

the final value of the reduction of capital will be adjusted to reflect the results of Taesa up to the actual date of the transfer, thus affecting the amount of the Share Capital that will appear in the head paragraph of Clause 5 of the bylaws of Cemig GT.

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

Belo Horizonte, August 8, 2013.

Dorothea Fonseca Furquim Werneck  
Djalma Bastos de Moraes  
Arcângelo Eustáquio Torres Queiroz  
Eduardo Borges de Andrade  
Guy Maria Villela Paschoal  
João Camilo Penna  
Joaquim Francisco de Castro Neto

Paulo Roberto Reckziegel Guedes  
Tadeu Barreto Guimarães  
Wando Pereira Borges  
Bruno Magalhães Menicucci  
Luiz Augusto de Barros  
José Augusto Gomes Campos

The Chairman then stated that a copy of the said Valuation Opinion on the Investment in Taesa had been distributed, and that there was a need to adjust the final amount of the reduction of the share capital of Cemig GT, in accordance with the amount of its equity gain or loss on its subsidiaries, on the base date August 31, 2013, as specified in the Proposal by the Board of Directors to this Meeting.



## Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

However, (he continued,) the provision for this adjustment was not stated in the convocation notice, and for this reason he proposed that a further Extraordinary General Meeting of Stockholders of Cemig should be called for orientation of vote of the representative of the Company in the Extraordinary General Meeting of Stockholders of Cemig GT, containing the final amount of this reduction of share capital.

This proposal of the Chairman was submitted to debate and, subsequently, to a vote, and approved unanimously.

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

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

Table of Contents

4. Convocation and Proposal by the Board of Directors to the Extraordinary General Meeting of Stockholders to be Held on September 26, 2013

Table of Contents

**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

**EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS**

**CONVOCATION**

*September 26, 2013*

**Stockholders are hereby called** to an Extraordinary General Meeting of Stockholders to be held on **September 26, 2013 at 11 a.m.**, at the company's head office, Av. Barbacena 1200, 21st floor, Belo Horizonte, Minas Gerais, Brazil, to decide on orientation of vote by the Company's representative at the Extraordinary General Meeting of Stockholders of **Cemig Geração e Transmissão S.A ( Cemig GT )** on the following matters.

- a) **Ratification of appointment** of the expert accountants who, in accordance with and for the purposes of Article 8 of Law 6404/1976, have prepared the Investment Valuation Opinion which valued Transmissora Aliança de Energia Elétrica S.A. as recorded in the accounts of Cemig GT;
- b) **Approval** of the said Valuation Opinion.
- c) **Reduction of the share capital of Cemig GT**

from R\$ 3,296,785,358.90 (three billion two hundred ninety six million seven hundred eighty five thousand three hundred fifty eight Reais and ninety centavos)

## Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

to R\$ 893,192,096.76 (eight hundred ninety three million one hundred ninety two thousand ninety six Reais and seventy six centavos);

and the consequent alteration of the head paragraph of Article 5 of the by-laws of Cemig GT.

Any stockholder who wishes to be represented by proxy at the said General Meeting of Stockholders should obey the terms of Article 126 of Law 6406 of 1976, as amended, and of the sole paragraph of Clause 9 of the Company's by-laws, by exhibiting at the time, or depositing, preferably by September 24, 2013, proofs of ownership of the shares, issued by a depositary financial institution, and a power of attorney with specific powers, at Cemig's Corporate Executive Office (*Superintendência da Secretaria Geral*) at Av. Barbacena, 1200, 19th Floor, B1 Wing, Belo Horizonte, Minas Gerais.

Belo Horizonte, September 10, 2013.

Dorothea Fonseca Furquim Werneck

Chair of the Board of Directors

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

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

Table of Contents

**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

**PROPOSAL**

BY THE STOCKHOLDERS PRESENT AT

THE EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS HELD ON SEPTEMBER 10, 2013

ON CONVOCATION OF A FURTHER

**EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS**

TO BE HELD ON SEPTEMBER 26, 2013

Dear Stockholders:

*The stockholders present* at the Extraordinary General Meeting of Stockholders of Companhia Energética de Minas Gerais **Cemig** held on September 10, 2013,

• WHEREAS:

a) the Company signed, as guarantor of all the obligations, the Share Purchase Agreement with Terna S.p.A., governing the acquisition by **Cemig GT** of 173,527,113 shares in Terna Participações S.A. Terna, equivalent to 85.27% of the voting capital and 65.86% of the total share

capital of that Company;

b) the Brazilian Electricity Regulator (*Agência Nacional de Energia Elétrica*, or **Aneel**), by its Authorizing Resolution 2107/2009, ruled that the stockholding of Cemig GT in Terna Participações S.A. should be transferred to Companhia Energética de Minas Gerais **Cemig** by December 31, 2012, the application for prior consent for which transfer was filed with Aneel on June 27, 2012;

c) Cemig GT signed, with Fundo de Investimento em Participações Coliseu ( **FIP Coliseu** ),

1 - a Stockholders Agreement, the objective of which was to regulate the exercise of voting rights, the manner of administration and the investment and capitalization policy of Terna and its subsidiaries and affiliated companies, and the rules for placing charge upon and transfer of the shares, and the right of preference in subscription of shares; and

2 - the Commitment Undertaking which, among other commitments, establishes the terms and conditions for the exercise by FIP Coliseu of the option to sell all or part of the shares in Terna to Cemig GT on October 30, 2014;

d) on November 3, 2009 the transaction for acquisition of Terna was completed, and the name of Terna was changed to Transmissora Aliança de Energia Elétrica S.A. **Taesá**;

e) on June 27, 2012, Cemig filed with Aneel a request for prior consent to the transfer of the stockholding interest in Taesa owned by Cemig GT to **Cemig**, through reduction of the share capital of Cemig GT;

f) Aneel issued Authorizing Resolution 4108/2013, of May 14, 2013, published on May 29, 2013, consenting to the transfer to Cemig of the holdings in Taesa owned by Cemig GT, with reduction of the share capital of Cemig GT, within 120 (one hundred and twenty) calendar days from publication of that resolution;

g) Cemig GT owns the following equity interest in the share capital of Taesa:

293,072,229 (two hundred ninety three million seventy two thousand two hundred twenty nine), common shares, representing 43.36% (forty three point three six per cent) of the common shares;

and

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

Table of Contents

155,050,644 (one hundred fifty five million fifty thousand six hundred forty four) preferred shares, representing 45.34% (forty five point three four) of the preferred shares;

h) the Corporate Governance Committee of the State of Minas Gerais, through the Planning, Management and Finance Coordination Chamber, authorized reduction of the share capital of Cemig GT, and alteration of its bylaws, under its attributions and competencies specified in Decree 45644/2011, through Official Letters OF.CCGPGF n° 348/12 of November 7, 2012, and OF.CCGPGF n° 264/13 of June 18, 2030, specifying that the Company must inform and provide justification to the Corporate Governance Committee as soon as the reduction is carried out and the exact value known, and recognizing that the drafting of the head paragraph of Article 5 of the bylaws of Cemig GT shall be decided when the amount of capital is finally calculated;

i) the accounting experts Flávio de Almeida Araújo CRC/MG 86.861, Mário Lúcio Braga CRC/MG 47.822 and Leonardo George de Magalhães CRC/MG 53.140 have prepared a Valuation Opinion of the Investment Taesa, by the equity method, described in Article 248 of Law 6404/1976, which requires that the value of the investment shall be calculated by application to the book value of an affiliated or subsidiary investee company of the percentage of the equity interest held in it;

j) the reduction of capital will be R\$ 2,333,413,647.10 (two billion three hundred thirty three million four hundred thirteen thousand six hundred forty seven Reais and ten centavos), representing the value of the investment recorded in the books of account of Cemig GT on April 30, 2013, recognized by the equity method, to be adjusted according to the results of Taesa up to the actual date of transfer;

k) the reduction in the Share Capital will have no negative effect on the activities of Cemig GT, since it is equivalent only to the transfer of shares of Taesa to the Company;

l) with the reduction in Share Capital, the limits of indebtedness specified in the restrictive financial covenants present in some of the financing contracts signed by Cemig GT may be exceeded but there will be no material risk of occurrence of early maturity of the debt or application of any penalty, since the covenants are based on calculations at the end of each half year, and on December 31, 2013, when the first calculation following the reduction of the capital occurs, the only remaining financing contract will be that with Banco ItaúBBA, maturing on January 2, 2014, and this bank has already consented to the said reduction of capital;

m) after the said transfer, the stockholding structure relating to the Company's investment in Taesa shall be as follows:



*Present stockholding structure*

*Proposed stockholding structure*

n) by reason of the transfer, Cemig will assume all the rights and obligations of Cemig GT in the Stockholders Agreement and in the Commitment Undertaking of Taesa, including the commitment, stated in the Commitment Undertaking, to exercise of the option for FIP Coliseu to sell shares in Taesa;

o) Article 173 of Law 6404 of 1976 establishes that the General Meeting of Stockholders may decide on reduction of the share capital if it deems the share capital to be excessive;

Table of Contents

p) under Article 174 Law 6404/1976, prior consent of a general meeting of the holders of debentures of Cemig GT must be obtained for reduction of the share capital of Cemig GT, and the reduction of the share capital shall become effective only 60 (sixty) days after the publication of the minutes of the General Meeting that decides on the subject, the purpose of this period being to enable present creditors of Cemig GT to make any statements of position in relation to the reduction of the capital;

q) Cemig GT is a wholly-owned subsidiary of the Company, and will hold an Extraordinary General Meeting to decide on the reduction of its share capital, by transfer to Cemig of ownership of the shares in Taesa currently held by Cemig GT;

r) Clause 21, § 4 Sub-clause g, of the by-laws of Cemig states:

Clause 21                    The following decisions shall require a decision by the Executive Board:

...

g) approval, upon proposal by the Chief Executive Officer, prepared jointly with the Chief Business Development Officer and the Chief Finance and Investor Relations Officer, of the statements of vote in the General Meetings of the wholly-owned and other subsidiaries, affiliated companies and in the consortia in which the Company participates, except in the case of the wholly-owned subsidiaries Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A., for which the competency to decide on these matters shall be that of the General Meeting of Stockholders, and decisions must obey the provisions of these Bylaws, the decisions of the Board of Directors, the Long-term Strategic Plan and the Multi-year Strategic Implementation Plan;

s) In the Extraordinary General Meeting of Stockholders held on September 10, 2013, the Chair of that meeting, Luiz Fernando Rolla, stated that there was a need to adjust the final amount of the reduction of the share capital of Cemig GT, in accordance with the amount of its equity gain or loss on its subsidiaries, on the base date August 31, 2013, as specified in the Proposal by the Board of Directors to that Meeting;

t) the stockholders present at that Meeting, after receiving the information quoted in subclause s above, approved the proposal made by the Chair of the Meeting, that a new Extraordinary General Meeting of Stockholders of Cemig should be called, for orientation of the vote to be given by the representative of Cemig in the Extraordinary General Meeting of Stockholders of Cemig GT, containing the final value of this reduction of capital;

• approved the convocation of a new Extraordinary General Meeting of Stockholders of Cemig to decide on orientation of vote, by the representative of Cemig in the Extraordinary General Meeting of Stockholders of Cemig GT in favor of:

## Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

a) Ratification of the appointment of the 3 (three) expert accountants, namely Flávio de Almeida Araújo CRC/MG 86.861, Mário Lúcio Braga CRC/MG 47.822 and Leonardo George de Magalhães CRC/MG 53.140, who, in accordance with and for the purposes of Article 8 of Law 6404/1976, prepared the Investment Valuation Opinion on the investment in Taesa, recorded in the books of account of Cemig GT.

b) Approval of the Valuation Opinion prepared in accordance with Article 8 of Law 6404 of 1976, valuing the investment in Transmissora Aliança de Energia Elétrica S.A. Taesa recorded in the books of account of Cemig GT, recognized by the equity method, such valuation to be adjusted in accordance with the results of Taesa up to the actual date of the transfer.

c) Reduction of the share capital of Cemig GT

from R\$ 3,296,785,358.90 (three billion two hundred ninety six million seven hundred eighty five thousand three hundred fifty eight Reais and ninety centavos)

## Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

### Table of Contents

to R\$ 893,192,096.76 (eight hundred ninety three million one hundred ninety two thousand ninety six Reais and seventy six centavos),

with consequent alteration of the head paragraph of Article 5 of the by-laws of Cemig GT, to read as follows:

Clause 5 The Company's registered capital is R\$ 893,192,096.76 (eight hundred ninety three million one hundred ninety two thousand ninety six Reais and seventy six centavos), represented by 2,896,785,358 (two billion eight hundred ninety six million seven hundred eighty five thousand three hundred fifty eight) nominal common shares without par value. ;

- the reduction to take place by transfer to Cemig, sole stockholder of Cemig GT, of the following equity interest in Transmissora Aliança de Energia Elétrica S.A. Taesa:

293,072,229 (two hundred ninety three million seventy two thousand two hundred twenty nine), common shares, representing 43.36% (forty three point three six per cent) of the common shares; and

155,050,644 (one hundred fifty five million fifty thousand six hundred forty four) preferred shares, representing 45.34% (forty five point three four) of the total number of preferred shares;

(referred to jointly as the Shares in Taesa ), valued by the equity method at R\$ 2,403,593,262.14 (two billion four hundred three million five hundred ninety three thousand two hundred sixty two Reais and fourteen centavos), based on the value of the investment recorded in the books of account of Cemig GT on April 30, 2013, ( the Transfer ),

and being conditional upon prior approval by the holders of debentures of Cemig GT, in accordance with Article 174, Paragraph 3, of Law 6404/1976.

Belo Horizonte, September 10, 2013.

Luiz Fernando Rolla

Stockholder

Chair of the Extraordinary General Meeting of Stockholders of Cemig held on September 10, 2013.

Table of Contents

5. Market Announcement dated September 12, 2013: CEMIG Selected for Inclusion in the 2013-14 Dow Jones Sustainability Index

Table of Contents

**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

**LISTED COMPANY**

**CNPJ 17.155.730/0001-64**

**NIRE 31300040127**

**Cemig selected for inclusion in the**

**2013 14 Dow Jones Sustainability Index**

**Cemig** (*Companhia Energética de Minas Gerais*), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, in accordance with CVM Instruction 358 of January 3, 2002, as amended, hereby publicly informs the Brazilian Securities Commission (CVM), the São Paulo Stock, Commodities and Futures Exchange (BM&F Bovespa S.A.) and the market in general, as follows:

Cemig has been selected for inclusion in the Dow Jones Sustainability World Index (the **DJSI World** ) for 2013 2014 the **14th consecutive year**.

**Cemig has been included in the DJSI World every year since the index was created in 1999.**

The new portfolio of the DJSI World includes 333 companies from 25 countries. For the selection of companies to include, research was carried out on 2,500 companies in 59 different industrial lines of business.

Remaining on the DJSI World throughout these 14 consecutive years reasserts Cemig's determination to proceed with sustainable growth, aimed at creating value for its shareholders, employees, suppliers and at society's well-being.

In accordance with its vision of the future associated with the best corporate management practices, Cemig has consolidated as one of the world's most sustainable companies. This achievement is the result of the set of actions adopted by the Company with the objective of attracting new business, interest from investors and perfecting business sustainability practices.

Further information on DJSI World can be obtained at:

[www.sustainability-indexes.com](http://www.sustainability-indexes.com)

Belo Horizonte, September 12, 2013.

Luiz Fernando Rolla

Chief Finance and Investor Relations Officer.

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

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



Table of Contents

6. Minutes of the Extraordinary General Meeting of Stockholders Held on September 26, 2013

123

---

Table of Contents

**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

**LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127**

**MINUTES**

**OF THE**

**EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS**

**HELD ON SEPTEMBER 26, 2013**

At 11 a.m. on September 26, 2013, stockholders representing more than two-thirds of the voting stock of Companhia Energética de Minas Gerais Cemig met in Extraordinary General Meeting at its head office, on first convocation, at the Company's head office, Av. Barbacena 1200, 21st Floor, district of Santo Agostinho, Belo Horizonte, Minas Gerais, Brazil, as verified in the Stockholders' Attendance Book, where all placed their signatures and made the required statements. The stockholder **The State of Minas Gerais** was represented by Sra. Paula Souza Carmo de Miranda, Procurator of the State of Minas Gerais, in accordance with the legislation.

Initially, Ms. Anamaria Pugedo Frade Barros, General Manager of Cemig's Corporate Executive Office, stated that there was a quorum for an Extraordinary General Meeting of Stockholders.

She further stated that the stockholders present should elect the Chair of this Meeting, in accordance with Clause 10 of the Company's Bylaws. Asking for the floor, the representative of the Stockholder **The State of Minas Gerais** put forward the name of the stockholder Luiz Fernando Rolla to chair the Meeting. The proposal of the representative of the stockholder **The State of Minas Gerais** was put to debate, and to the vote, and unanimously approved.

The Chair then declared the Meeting open and invited me, **Anamaria Pugedo Frade Barros**, a stockholder, to be Secretary of the meeting, asking me to read the convocation notice, published on September 11, 12 and 13 this year in the newspapers *Minas Gerais*, official publication of the Powers of the State, on pages 97, 61 and 57, respectively, and *O Tempo*, on pages 22, 33 and 32, respectively, the content of which is as follows:

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

Table of Contents

**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

**EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS**

**CONVOCATION**

**Stockholders are hereby called** to an Extraordinary General Meeting of Stockholders to be held on **September 26, 2013** at 11 a.m. at the company's head office, Av. Barbacena 1200, 21st floor, Belo Horizonte, Minas Gerais, Brazil, to decide on orientation of vote by the Company's representative at the Extraordinary General Meeting of Stockholders of **Cemig Geração e Transmissão S.A ( Cemig GT )** on the following matters.

a) **Ratification of appointment** of the expert accountants who, in accordance with and for the purposes of Article 8 of Law 6404/1976, have prepared the Investment Valuation Opinion which valued Transmissora Aliança de Energia Elétrica S.A. Taesa on the base date August 31, 2012, as recorded in the accounts of Cemig GT;

b) **Approval** of the said Valuation Opinion.

c) **Reduction of the share capital of Cemig GT:**

from R\$ 3,296,785,358.90 (three billion two hundred ninety six million seven hundred eighty five thousand three hundred fifty eight Reais and ninety centavos)

to R\$ 893,192,096.76 (eight hundred ninety three million one hundred ninety two thousand ninety six Reais and seventy six centavos),

with consequent alteration of the head paragraph of Article 5 of the by-laws of Cemig GT.

Any stockholder who wishes to be represented by proxy at the said General Meeting of Stockholders should obey the terms of Article 126 of Law 6406 of 1976, as amended, and of the sole paragraph of Clause 9 of the Company's by-laws, by exhibiting at the time, or depositing,

## Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

preferably by September 24, 2013, proofs of ownership of the shares, issued by a depositary financial institution, and a power of attorney with specific powers, at Cemig's Corporate Executive Office (*Superintendência da Secretaria Geral*) at Av. Barbacena, 1200, 19th Floor, B1 Wing, Belo Horizonte, Minas Gerais.

Belo Horizonte, September 10, 2013.

Dorothea Fonseca Furquim Werneck Chair of the Board of Directors

The Chair then asked the Secretary to read the Proposal by the stockholders present at the Extraordinary General Meeting of Stockholders held on September 10, 2013, which deals with the agenda, the content of which is as follows:

### PROPOSAL

BY THE STOCKHOLDERS PRESENT AT

THE EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS HELD ON SEPTEMBER 10, 2013

ON CONVOCATION OF A FURTHER

**EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS**

TO BE HELD ON SEPTEMBER 26, 2013

Dear Stockholders:

*The stockholders present* at the Extraordinary General Meeting of Stockholders of Companhia Energética de Minas Gerais **Cemig** held on September 10, 2013,

#### • WHEREAS:

a) the Company signed, as guarantor of all the obligations, the Share Purchase Agreement with Terna S.p.A., governing the acquisition by **Cemig GT** of 173,527,113 shares in Terna Participações S.A. Terna, equivalent to 85.27% of the voting capital and 65.86% of the total share capital of that Company;

b) the Brazilian Electricity Regulator (*Agência Nacional de Energia Elétrica*, or **Aneel**), by its Authorizing Resolution 2107/2009, ruled that the stockholding of Cemig GT in Terna Participações S.A. should be transferred to Companhia Energética de Minas Gerais **Cemig** by December 31, 2012, the application for prior consent for which transfer was filed with Aneel on June 27, 2012;

c) Cemig GT signed, with Fundo de Investimento em Participações Coliseu ( FIP Coliseu ),

1 - a Stockholders Agreement, the objective of which was to regulate the exercise of voting rights, the manner of administration and the investment and capitalization policy of Terna and its subsidiaries and affiliated companies, and the rules for placing charge upon and transfer of the shares, and the right of preference in subscription of shares; and

2 - the Commitment Undertaking which, among other commitments, establishes the terms and conditions for the exercise by FIP Coliseu of the option to sell all or part of the shares in Terna to Cemig GT on October 30, 2014;

Table of Contents

d) on November 3, 2009 the transaction for acquisition of Terna was completed, and the name of Terna was changed to Transmissora Aliança de Energia Elétrica S.A. **Taesa**;

e) on June 27, 2012, Cemig filed with Aneel a request for prior consent to the transfer of the stockholding interest in Taesa owned by Cemig GT to **Cemig**, through reduction of the share capital of Cemig GT;

f) Aneel issued Authorizing Resolution 4108/2013, of May 14, 2013, published on May 29, 2013, consenting to the transfer to Cemig of the holdings in Taesa owned by Cemig GT, with reduction of the share capital of Cemig GT, within 120 (one hundred and twenty) calendar days from publication of that resolution;

g) Cemig GT owns the following equity interest in the share capital of Taesa:

293,072,229 (two hundred ninety three million seventy two thousand two hundred twenty nine), common shares, representing 43.36% (forty three point three six per cent) of the total shares; and

155,050,644 (one hundred fifty five million fifty thousand six hundred forty four) preferred shares, representing 45.34% (forty five point three four) of the preferred shares;

h) the Corporate Governance Committee of the State of Minas Gerais, through the Planning, Management and Finance Coordination Chamber, authorized reduction of the share capital of Cemig GT, and alteration of its bylaws, under its attributions and competencies specified in Decree 45644/2011, through Official Letters OF.CCGPGF n° 348/12 of November 7, 2012, and OF.CCGPGF n° 264/13 of June 18, 2030, specifying that the Company must inform and provide justification to the Corporate Governance Committee as soon as the reduction is carried out and the exact value known, and recognizing that the drafting of the head paragraph of Article 5 of the bylaws of Cemig GT shall be decided when the amount of capital is finally calculated;

i) the accounting experts Flávio de Almeida Araújo CRC/MG 86.861, Mário Lúcio Braga CRC/MG 47.822 and Leonardo George de Magalhães CRC/MG 53.140 have prepared a Valuation Opinion of the Investment Taesa, by the equity method, described in Article 248 of Law 6404/1976, which requires that the value of the investment shall be calculated by application to the book value of an affiliated or subsidiary investee company of the percentage of the equity interest held in it;

j) the reduction of capital will be R\$ 2,333,413,647.10 (two billion three hundred thirty three million four hundred thirteen thousand six hundred forty seven Reais and ten centavos), representing the value of the investment recorded in the books of account of Cemig GT on April 30, 2013, recognized by the equity method, to be adjusted according to the results of Taesa up to the actual date of transfer;

## Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

k) the reduction in the Share Capital will have no negative effect on the activities of Cemig GT, since it is equivalent only to the transfer of shares of Taesa to the Company;

l) with the reduction in Share Capital, the limits of indebtedness specified in the restrictive financial covenants present in some of the financing contracts signed by Cemig GT may be exceeded but there will be no material risk of occurrence of early maturity of the debt or application of any penalty, since the covenants are based on calculations at the end of each half year, and on December 31, 2013, when the first calculation following the reduction of the capital occurs, the only remaining financing contract will be that with Banco ItaúBBA, maturing on January 2, 2014, and this bank has already consented to the said reduction of capital;

m) after the said transfer, the stockholding structure relating to the Company's investment in Taesa shall be as follows:

n) by reason of the transfer, Cemig will assume all the rights and obligations of Cemig GT in the Stockholders' Agreement and in the Commitment Undertaking of Taesa, including the commitment, stated in the Commitment Undertaking, to exercise of the option for FIP Coliseu to sell shares in Taesa;

o) Article 173 of Law 6404 of 1976 establishes that the General Meeting of Stockholders may decide on reduction of the share capital if it deems the share capital to be excessive;

p) under Article 174 of Law 6404/1976, prior consent of a general meeting of the holders of debentures of Cemig GT must be obtained for reduction of the share capital of Cemig GT, and the reduction of the share capital shall become effective only 60 (sixty) days after the publication of the minutes of the General Meeting that decides on the subject, the purpose of this period being to enable present creditors of Cemig GT to make any statements of position in relation to the reduction of the capital;



## Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

q) Cemig GT is a wholly-owned subsidiary of the Company, and will hold an Extraordinary General Meeting to decide on the reduction of its share capital, by transfer to Cemig of ownership of the shares in Taesa currently held by Cemig GT;

r) Clause 21, § 4 Sub-clause g , of the by-laws of Cemig states:

Clause 21 ...

Table of Contents

§4 ... The following decisions shall require a decision by the Executive Board: ( ... ).

g) approval, upon proposal by the Chief Executive Officer, prepared jointly with the Chief Business Development Officer and the Chief Finance and Investor Relations Officer, of the statements of vote in the General Meetings of the wholly-owned and other subsidiaries, affiliated companies and in the consortia in which the Company participates, except in the case of the wholly-owned subsidiaries Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A., for which the competency to decide on these matters shall be that of the General Meeting of Stockholders, and decisions must obey the provisions of these Bylaws, the decisions of the Board of Directors, the Long-term Strategic Plan and the Multi-year Strategic Implementation Plan;

s) in the Extraordinary General Meeting of Stockholders held on September 10, 2013, the Chair of that meeting, Luiz Fernando Rolla, stated that there was a need to adjust the final amount of the reduction of the share capital of Cemig GT, in accordance with the amount of its equity gain or loss on its subsidiaries, on the base date August 31, 2013, as specified in the Proposal by the Board of Directors to this Meeting; and that provision for this adjustment had not been included in the convocation notice;

t) the stockholders present at that Meeting, after receiving the information quoted in subclause s above, approved the proposal made by the Chair of the Meeting, that a new Extraordinary General Meeting of Stockholders of Cemig should be called, for orientation of the vote to be given by the representative of Cemig in the Extraordinary General Meeting of Stockholders of Cemig GT, containing the final value of this reduction of the share capital;

• approved the convocation of a new Extraordinary General Meeting of Stockholders of Cemig to decide on orientation of vote, by the representative of Cemig in the Extraordinary General Meeting of Stockholders of Cemig GT in favor of:

a) Ratification of the appointment of the 3 (three) expert accountants, namely Flávio de Almeida Araújo CRC/MG 86.861, Mário Lúcio Braga CRC/MG 47.822 and Leonardo George de Magalhães CRC/MG 53.140, who, in accordance with and for the purposes of Article 8 of Law 6404/1976, prepared the Investment Valuation Opinion on the investment in Taesa, recorded in the books of account of Cemig GT.

b) Approval of the Valuation Opinion prepared in accordance with Article 8 of Law 6404 of 1976, valuing the investment in Taesa on the base date August 31, 2013, recorded in the books of account of Cemig GT, recognized by the equity method.

c) Reduction of the share capital of Cemig GT:

from R\$ 3,296,785,358.90 (three billion two hundred ninety six million seven hundred eighty five thousand three hundred fifty eight Reais and ninety centavos)

## Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

to R\$ 893,192,096.76 (eight hundred ninety three million one hundred ninety two thousand ninety six Reais and seventy six centavos),

with consequent alteration of the head paragraph of Article 5 of the by-laws of Cemig GT, to read as follows:

Clause 5 The Company's registered capital is R\$ 893,192,096.76 (eight hundred ninety three million one hundred ninety two thousand ninety six Reais and seventy six centavos), represented by 2,896,785,358 (two billion eight hundred ninety six million seven hundred eighty five thousand three hundred fifty eight) nominal common shares without par value. ;

- the reduction to take place by transfer to Cemig, sole stockholder of Cemig GT, of the following equity interest in Transmissora Aliança de Energia Elétrica S.A. Taesa:

293,072,229 (two hundred ninety three million seventy two thousand two hundred twenty nine), common shares, representing 43.36% (forty three point three six per cent) of the common shares; and

155,050,644 (one hundred fifty five million fifty thousand six hundred forty four) preferred shares, representing 45.34% (forty five point three four) of the total number of preferred shares;

(referred to jointly as the Shares in Taesa ), valued by the equity method at R\$ 2,403,593,262.14 (two billion four hundred three million five hundred ninety three thousand two hundred sixty two Reais and fourteen centavos), based on the value of the investment recorded in the books of account of Cemig GT on April 30, 2013, ( the Transfer ),

and being conditional upon prior approval by the holders of debentures of Cemig GT, in accordance with Article 174, Paragraph 3, of Law 6404/1976.

Belo Horizonte, September 10, 2013

**Luiz Fernando Rolla**

**Stockholder**

Chair of the Extraordinary General Meeting of Stockholders of Cemig held on September 10, 2013.



Table of Contents

The above proposal was submitted to debate and, subsequently, to a vote, and approved unanimously.

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

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

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

(These minutes are signed by:)

Anamaria Pugedo Frade Barros

Paula Souza Carmo de Miranda

Luiz Fernando Rolla

Gustavo Padrão Di Iorio Aguiar

José Mauricio Balbi Sollero

Alexandre Pedercini Issa

Letícia Pedercini Issa

George Washington Tenório Marcelino

for the State of Minas Gerais

for AGC Energia S.A.

for the following stockholders:

American Bible Society; Amundi Actions Emergents; Amundi Funds; BP Pension Fund;

Chang HWA Commercial Bank, Ltd. in its capacity as Master Custodian of ING Global High Dividend Fund;

Dominion Resources, Inc. Master Trust; EGSshares Brazil Infrastructure ETF;

Fidelity Salem Street Trust: Spartan Emerging Markets Index Fund;

Flexshares® International Quality Dividend Defensive Index Fund;

Ford Motor Company Defined Benefit Master Trust; Future Fund Board of Guardians;

Hand Composite Employee Benefit Trust; LVIP Blackrock Emerging Markets Index RPM Fund;

Managed Pension Funds Limited; Ministry of Strategy and Finance; Norges Bank;

Schwab Fundamental Emerging Markets Large Company Index ETF;

Schwab Fundamental Emerging Markets Large Company Index Fund;

State of California Public Employees Retirement System;

State Street Bank and Trust Company Investment Funds for Tax Exempt Retirement Plans;

## Edgar Filing: ENERGY CO OF MINAS GERAIS - Form 6-K

State Street Emerging Markets;      The Bank of Korea;      UPS Group Trust;

Vanguard Emerging Markets Stock Index Fund;

Vanguard FTSE All-World Ex-US Index Fund, a Series of Vanguard International Equity Index Funds;

Vanguard Funds Public Limited Company;

Vanguard Total International Stock Index Fund, a Series of Vanguard Star Funds;

Vanguard Total World Stock Index Fund, a Series of Vanguard International Equity Index Funds;

Wells Fargo Advantage Diversified Stock Portfolio;

Wisdomtree Emerging Markets Equity Income Fund;      Wisdomtree Global Equity Income Fund

Bethsaida de Oliveira Pena      for Caixa de Previdência dos Funcionários do Banco do Brasil      Previ

Robson Laranjo

Luciano Ferreira Bucek

Alexandre de Queiroz Rodrigues

I certify this text to be a copy of the original.

Anamaria Pugedo Frade Barros