

Increase of holdings in Light S.A.

January/2010

Some statements in this presentation constitute “forward-looking statements” as defined by the American Securities Law, and are subject to risks and uncertainties. “Forward-looking statements” are projections that may differ from final numbers and are not controlled by us. For a discussion of the risks and uncertainties as they relate to us, please see our 2008 Form 20F, in particular item 3, which contains “Basic Information – Risk Factors.”

**All amounts are in Brazilian GAAP.
(In millions of *reais* unless otherwise indicated)**

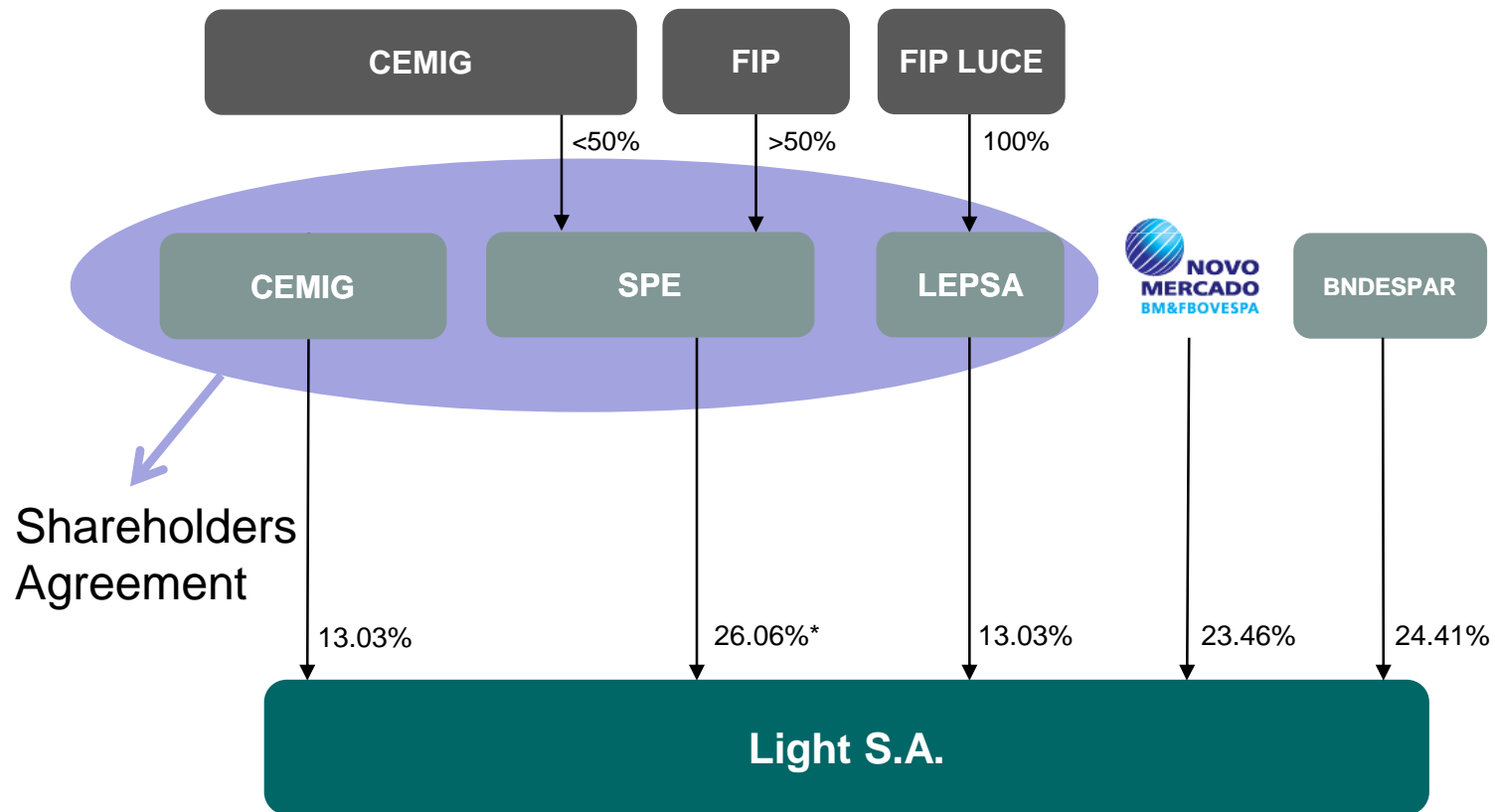
This presentation is a translation, provided for information only. The original text is in Portuguese.

Increasing stake in Light marks the beginning of a new era

- ✓ The increase of Cemig's stake marks the beginning of a second stage in Light's history
 - With the selling of the financial partners' stakes it will be possible to increase the synergy between Cemig and Light
 - Corporate Governance structure will be preserved
 - A new era for Light will be marked by company's growth and improvement in its operational and technical standards, preserving the excellence, culture and values of Light's employees.
 - Market recognition shows that Light is in a growing path.
- ✓ Natural development from the acquisition made in 2006 (1st stage)
 - Turnaround achieved
 - Financial restructuring
 - The company became profitable and began to distribute dividends
 - Interest are aligned between shareholders
 - Acquired in partnership with three partners, through RME
- ✓ Adding value for all shareholders – Light and Cemig
 - Regulated business with predictable revenue at each tariff cycle
 - Stable cash flow, with defensive profile
- **Strategy of growth through partnerships has been successful (Light, TBE, Terna)**

► Final structure

At the end of the process, the shareholding structure of Light will be:



* Maximum stake

Summary of the transaction

- ▶ Restructuring of the controlling shareholding block of Light
 - AG Concessões and PCP (Equatorial) will sell their stakes in Light
 - Equatorial will undergo a shareholding reorganization
 - Cemig will be a minority shareholder in a Special-purpose Company (SPC) constituted jointly with a new FIP
 - The SPC will hold a stake of up to 26.06% in Light
- ▶ Price of the transaction:
 - R\$ 785 million for each 13.03% block of Light, equivalent to approximately R\$ 29.54 per share
 - Payment to AG Concessões after any required approvals
 - Payment to PCP after approvals and the shareholding restructuring of Equatorial
 - Price updated by the Cetip CDI rate*, from December 1, 2009
- ▶ Good returns and known level of risk:
 - IRR of the transaction for the shareholder is 11% in real terms
 - Price paid is 7.22 x 2009 Ebitda, and 6.36 x 2010 Ebitda, according to market consensus figures of November 2009.

* The acquisition's price will be deducted by dividends paid or declared from December 1, 2009

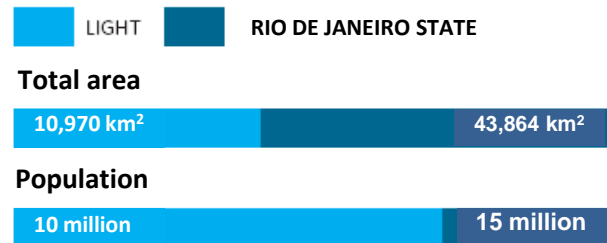
Increasing stake in Light creates new opportunities

- ✓ Cemig D and Light represent almost 16% of electricity distributed in Brazil in 2008
 - Tradition and experience in Light and Cemig brought closer
 - Opportunity to capture synergy gains between assets and processes
- ✓ Cemig GT and Light have opportunities to jointly create value
 - Partnerships have already been made for construction of new hydro plants (PCH Paracambi is already feasible)
 - Opportunity to capture synergy gains in sales in the Free Market
 - Light's "assured energy" will be re-priced in 2013 and 2014, strong likelihood of increasing
- ✓ Cemig increases its exposure to one of Brazil's fastest-growing economies
 - Major increase in investment in the economy of Rio de Janeiro, due to pre-salt oil, and other industrial projects
 - Positive impact in the economy of Rio de Janeiro derived from the Olympics and Soccer World Cup

▶ Operational figures

- Number of consumers.... 3.9 million
- Number of employees..... 3,734
- Total distribution lines, km..... 52,000
- Installed generation capacity.... 855 MW

LIGHT: AREA OF OPERATION



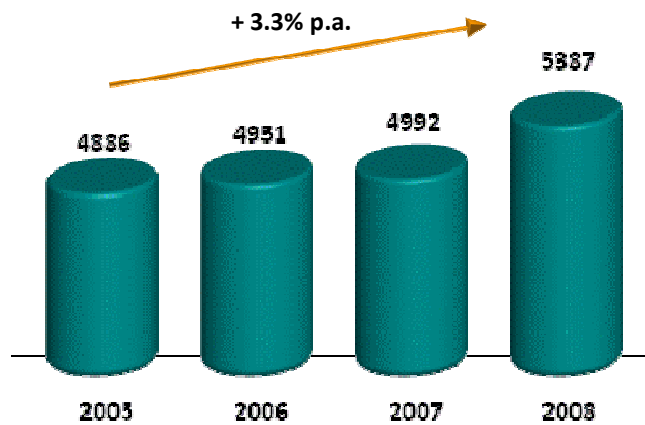
GDP of Rio de Janeiro: R\$ 220.2 BILLION*

* Source: CIDE, 2003

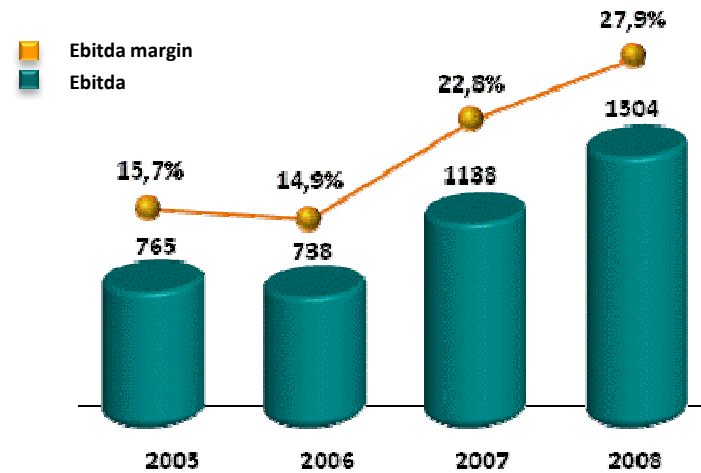


Light: Financial indicators

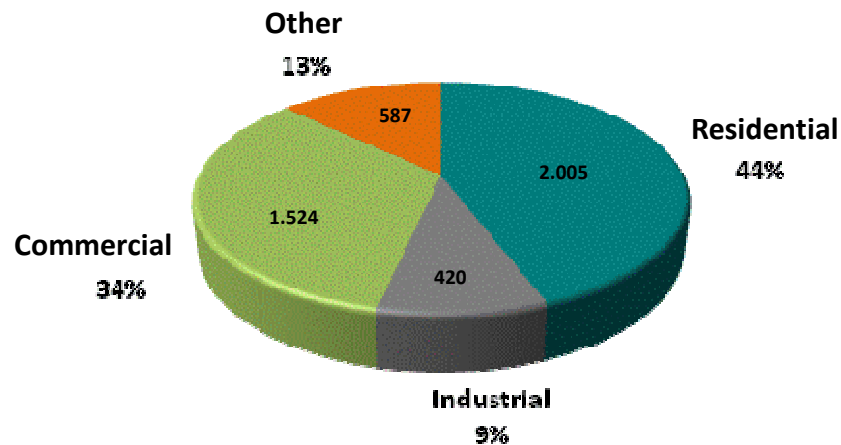
Evolution of Net revenue (R\$ mn)



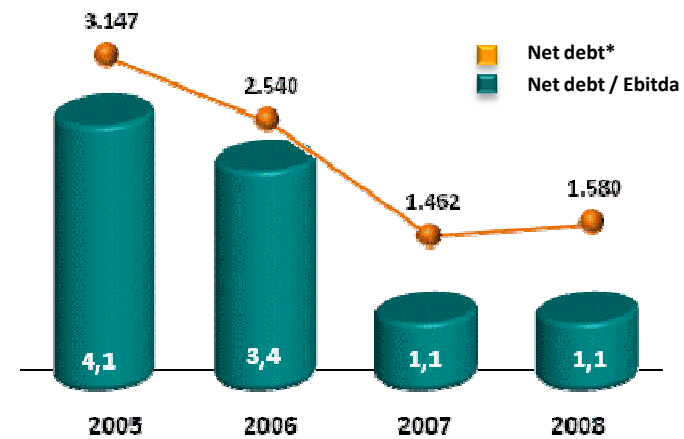
Ebitda and Ebitda margin - Evolution



Revenue by consumer category, captive market
R\$ mn, 2008



Net debt / Ebitda



* Net debt = Total debt (excluding pension funds) – Cash and cash equivalents

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