

ENERGY CO OF MINAS GERAIS

Form 6-K

October 10, 2012

[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 2012**

**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.

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

Form 20-F  Form 40-F

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

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

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

Yes  No

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

Table of Contents

Index

| <b>Item</b> | <b>Description of Item</b>   |
|-------------|--|
| <u>1.</u>   | <u>Second Quarter 2012 Results</u>   |
| <u>2.</u>   | <u>Summary of Minutes of the 543rd Meeting of the Board of Directors, August 22, 2012</u>  |
| <u>3.</u>   | <u>Summary of Principal Decisions of the 545th Meeting of the Board of Directors, September 11, 2012</u>                         |
| <u>4.</u>   | <u>Extract of the Minutes of the 545th Meeting of the Board of Directors, September 11, 2012</u>                                 |
| <u>5.</u>   | <u>Market Announcement: Impact of changes affecting renewals of concessions, September 12, 2012</u>                              |
| <u>6.</u>   | <u>Market Announcement: Comment on media reports of Cemig's interest in acquisition of assets of Grupo Rede, October 4, 2012</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 10, 2012

Table of Contents

1. Second Quarter 2012 Results

4

---

Table of Contents

**SUMMARY**

|   |    |
|---|----|
| <u>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</u>   | 6  |
| <u>CONSOLIDATED INCOME STATEMENT</u>  | 8  |
| <u>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</u>   | 10 |
| <u>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</u>   | 10 |
| <u>CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY</u>  | 11 |
| <u>STATEMENT OF CASH FLOWS</u>  | 12 |
| <u>STATEMENTS OF ADDED VALUE</u>  | 14 |
| <u>NOTES TO THE FINANCIAL STATEMENTS</u>  | 15 |
| <u>1. OPERATIONS</u>  | 15 |
| <u>2. BASIS OF PREPARATION</u>  | 15 |
| <u>3. PRINCIPLES OF CONSOLIDATION</u>   | 19 |
| <u>4. CASH AND CASH EQUIVALENTS</u>   | 21 |
| <u>5. MARKETABLE SECURITIES</u>   | 21 |
| <u>6. ACCOUNTS RECEIVABLE FROM CONSUMERS AND TRADERS</u>  | 22 |
| <u>7. RECOVERABLE TAXES</u>   | 22 |
| <u>8. INCOME TAX AND SOCIAL CONTRIBUTION</u>  | 22 |
| <u>9. ESCROW DEPOSITS</u>   | 24 |
| <u>10. ACCOUNTS RECEIVABLE FROM THE MINAS GERAIS STATE GOVERNMENT AND CRC ACCOUNT<br/>SECURITIZATION FUND</u> | 24 |
| <u>11. FINANCIAL ASSETS OF THE CONCESSION</u>   | 25 |
| <u>12. INVESTMENTS</u>  | 26 |
| <u>13. PROPERTY, PLANT AND EQUIPMENT</u>  | 29 |
| <u>14. INTANGIBLE ASSETS</u>  | 30 |
| <u>15. SUPPLIERS</u>  | 31 |
| <u>16. TAXES PAYABLES</u>   | 31 |
| <u>17. LOANS, FINANCING AND DEBENTURES</u>  | 33 |
| <u>18. REGULATORY CHARGES</u>   | 36 |
| <u>19. EMPLOYEE POST-RETIREMENT BENEFITS</u>  | 37 |
| <u>20. PROVISIONS</u>   | 37 |
| <u>21. SHAREHOLDERS' EQUITY</u>   | 46 |
| <u>22. REVENUE</u>  | 47 |
| <u>23. OPERATING COSTS AND EXPENSES</u>   | 49 |
| <u>24. NET FINANCIAL INCOME (EXPENSES)</u>  | 51 |
| <u>25. RELATED PARTY TRANSACTIONS</u>   | 52 |
| <u>26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT</u>  | 53 |
| <u>27. MEASUREMENT AT FAIR VALUE</u>  | 64 |
| <u>28. STATEMENT OF ADDED VALUE</u>   | 66 |
| <u>29. RENEWAL OF THE CONCESSION TRANSMISSION APPLICATION</u>   | 66 |
| <u>30. SUBSEQUENT EVENTS</u>  | 66 |
| <u>31. STATEMENT SEGREGATED BY COMPANY</u>  | 70 |
| <u>32. FINANCIAL INFORMATION BY OPERATIONAL SEGMENT</u>   | 72 |
| <u>ECONOMIC AND FINANCIAL PERFORMANCE - CONSOLIDATED</u>  | 75 |
| <u>INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS</u>   | 99 |



Table of Contents**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT JUNE 30, 2012 AND DECEMBER 31, 2011

**ASSETS**

(THOUSANDS OF R\$)

|  | Note | Consolidated      |                   | Parent Company    |                   |
|--|------|-------------------|-------------------|-------------------|-------------------|
|  |      | 06/30/2012        | 12/31/2011        | 06/30/2012        | 12/31/2011        |
| <b>CURRENT</b>   |      |                   |                   |                   |                   |
| Cash and cash equivalents                                    | 4    | 2,335,270         | 2,862,490         | 142,982           | 226,695           |
| Short-term investments                                       | 5    | 856,396           | 358,987           | 133,811           | 180,000           |
| Consumers and traders  | 6    | 2,544,072         | 2,549,546         |                   |                   |
| Concession holders - transport of energy                     |      | 464,669           | 427,060           |                   |                   |
| Financial assets of the concession                           | 11   | 919,199           | 1,120,035         |                   |                   |
| Recoverable taxes  | 7    | 368,972           | 354,126           | 73,319            | 72,570            |
| Income tax and social contribution recoverable               | 8a   | 177,218           | 220,760           |                   |                   |
| Traders free energy transactions                             |      | 20,755            | 22,080            |                   |                   |
| Dividends receivable   |      |                   |                   | 664,962           | 195,196           |
| Restricted cash  |      | 52,238            | 3,386             | 99                | 99                |
| Inventories  |      | 67,253            | 54,430            | 784               | 15                |
| Provision for Gain on financial instruments                  | 26   | 17,763            |                   |                   |                   |
| Other credits  |      | 742,088           | 558,749           | 10,554            | 8,702             |
| <b>TOTAL CURRENT ASSETS</b>                                  |      | <b>8,565,893</b>  | <b>8,531,649</b>  | <b>1,026,511</b>  | <b>683,277</b>    |
| <b>NON- CURRENT</b>  |      |                   |                   |                   |                   |
| Short-term investments                                       | 5    | 164,099           |                   | 15,674            |                   |
| Account receivable from the State of Minas Gerais Government | 10   | 1,819,052         | 1,830,075         |                   |                   |
| Credit Receivables Investment Fund                           | 10   |                   |                   | 1,053,378         | 1,010,078         |
| Concession holders - transport of energy                     |      | 11,186            |                   |                   |                   |
| Deferred income tax and social contribution                  | 8b   | 1,361,438         | 2,036,087         | 420,842           | 424,449           |
| Recoverable taxes  | 7    | 363,554           | 327,948           | 4,757             | 4,334             |
| Income tax and social contribution recoverable               | 8a   | 39,681            | 23,605            | 29,175            | 19,548            |
| Escrow deposits  | 9    | 1,433,493         | 1,387,711         | 295,714           | 275,721           |
| Consumers and traders  | 6    | 156,898           | 158,770           |                   |                   |
| Other credits  |      | 163,909           | 184,367           | 15,817            | 50,695            |
| Financial assets of the concession                           | 11   | 9,823,494         | 8,777,822         |                   |                   |
| Investments  | 12   | 195,180           | 176,740           | 12,183,752        | 11,994,523        |
| Property, plant and equipment                                | 13   | 8,703,735         | 8,661,791         | 1,606             | 1,723             |
| Intangible assets  | 14   | 4,755,311         | 5,261,181         | 573               | 657               |
| <b>TOTAL, NON-CURRENT</b>                                    |      | <b>28,991,030</b> | <b>28,826,097</b> | <b>14,021,288</b> | <b>13,781,728</b> |
| <b>TOTAL ASSETS</b>  |      | <b>37,556,923</b> | <b>37,357,746</b> | <b>15,047,799</b> | <b>14,465,005</b> |

The condensed notes are an integral part of these financial statements.





Table of Contents

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2012 AND DECEMBER 31, 2011

## LIABILITIES AND SHAREHOLDERS EQUITY

(THOUSANDS OF R\$)

|   | Nota | Consolidated<br>06/30/2012 | 12/31/2011        | Parent Company<br>06/30/2012 | 31/12/2011       |
|---|------|----------------------------|-------------------|------------------------------|------------------|
| <b>CURRENT</b>                                      |      |                            |                   |                              |                  |
| Suppliers   | 15   | 1,282,021                  | 1,189,848         | 7,317                        | 12,059           |
| Regulatory charges                                  | 18   | 390,382                    | 368,229           |                              |                  |
| Employee profit sharing                             |      | 118,389                    | 89,512            | 13,213                       | 9,357            |
| Taxes payable                                       | 16a  | 525,385                    | 516,553           | 21,789                       | 35,740           |
| Income tax and social contribution payable          | 16b  | 214,378                    | 129,384           |                              |                  |
| Interest on capital and dividends payable           |      | 674,897                    | 1,243,086         | 681,439                      | 1,243,086        |
| Loans and financings                                | 17   | 5,957,633                  | 4,382,069         | 1,063,100                    | 1,011,830        |
| Debentures  | 17   | 3,112,232                  | 3,438,991         |                              |                  |
| Payroll and related charges                         |      | 240,612                    | 271,891           | 10,029                       | 12,987           |
| Employee post-retirement benefits                   | 19   | 97,078                     | 100,591           | 2,990                        | 3,706            |
| Provision for losses on financial instruments       |      |                            | 25,143            |                              |                  |
| Related parties                                     |      | 7                          |                   | 4,924                        | 8,646            |
| Concessions payable                                 |      | 16,386                     | 7,990             |                              |                  |
| Other obligations                                   |      | 374,598                    | 406,059           | 13,541                       | 15,137           |
| <b>TOTAL CURRENT LIABILITIES</b>                    |      | <b>13,003,998</b>          | <b>12,169,346</b> | <b>1,818,342</b>             | <b>2,352,548</b> |
| <b>NON- CURRENT</b>                                 |      |                            |                   |                              |                  |
| Regulatory charges                                  | 18   | 227,103                    | 262,202           |                              |                  |
| Loans and financings                                | 17   | 4,412,238                  | 5,358,450         |                              | 18,397           |
| Debentures  | 17   | 2,560,410                  | 2,599,559         |                              |                  |
| Taxes payable                                       | 16   | 906,584                    | 897,087           |                              |                  |
| Deferred Income tax and social contribution         | 8b   | 406,590                    | 1,234,024         |                              |                  |
| Provisions  | 20   | 553,454                    | 549,439           | 167,560                      | 185,952          |
| Concessions payable                                 |      | 152,644                    | 129,696           |                              |                  |
| Employee post-retirement benefits                   | 19   | 2,204,519                  | 2,186,568         | 99,416                       | 96,245           |
| Other obligations                                   |      | 231,499                    | 226,427           | 64,597                       | 66,915           |
| <b>TOTAL, NON-CURRENT LIABILITIES</b>               |      | <b>11,655,041</b>          | <b>13,443,452</b> | <b>331,573</b>               | <b>367,509</b>   |
|   |      | <b>24,659,039</b>          | <b>25,612,798</b> | <b>2,149,915</b>             | <b>2,720,057</b> |
| <b>SHAREHOLDERS EQUITY</b>                          |      |                            |                   |                              |                  |
| <b>ATTRIBUTABLE TO EQUITY HOLDERS</b>               |      |                            |                   |                              |                  |
| <b>OF THE COMPANY</b>                               |      |                            |                   |                              |                  |
|   | 21   |                            |                   |                              |                  |
| Share capital                                       |      | 4,265,091                  | 3,412,073         | 4,265,091                    | 3,412,073        |
| Capital reserves                                    |      | 3,953,850                  | 3,953,850         | 3,953,850                    | 3,953,850        |
| Profit reserves                                     |      | 2,353,537                  | 3,292,871         | 2,353,537                    | 3,292,871        |
| Accumulated other comprehensive income              |      | 987,419                    | 1,080,800         | 987,419                      | 1,080,800        |
| Accumulated foreign currency translation adjustment |      | 9,594                      | 5,354             | 9,594                        | 5,354            |
| Retained earnings                                   |      | 1,328,393                  |                   | 1,328,393                    |                  |

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

|  |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|
| <b>TOTAL SHAREHOLDERS EQUITY</b>                 | <b>12,897,884</b> | <b>11,744,948</b> | <b>12,897,884</b> | <b>11,744,948</b> |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b> | <b>37,556,923</b> | <b>37,357,746</b> | <b>15,047,799</b> | <b>14,465,005</b> |

The condensed notes are an integral part of these financial statements.

Table of Contents**CONSOLIDATED INCOME STATEMENT****FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2012 AND 2011****(THOUSANDS OF R\$, EXCEPT EARNINGS PER SHARE)**

|  |      | Consolidated       |                            | Parent Company   |                            |
|--|------|--------------------|----------------------------|------------------|----------------------------|
|  | Note | 06/30/2012         | 06/30/2011<br>Reclassified | 06/30/2012       | 06/30/2011<br>Reclassified |
| <b>REVENUES</b>  | 22   | 8,562,335          | 7,394,322                  | 161              | 183                        |
| <b>OPERATING COSTS</b>   | 23   |                    |                            |                  |                            |
| <b>COST OF ELECTRICITY AND GAS</b>                               |      |                    |                            |                  |                            |
| Electricity purchased for resale                                 |      | (2,531,579)        | (2,092,104)                |                  |                            |
| Charges for the use of the basic transmission grid               |      | (485,189)          | (382,250)                  |                  |                            |
| Gas purchased for resale   |      | (217,878)          | (142,831)                  |                  |                            |
|  |      | (3,234,646)        | (2,617,185)                |                  |                            |
| <b>COST</b>  |      |                    |                            |                  |                            |
| Personnel and management   |      | (462,902)          | (467,204)                  |                  |                            |
| Materials  |      | (24,618)           | (34,962)                   |                  |                            |
| Outsourced services  |      | (341,073)          | (347,268)                  |                  |                            |
| Depreciation and amortization                                    |      | (455,093)          | (410,107)                  |                  |                            |
| Operating provisions   |      | (23,845)           | (38,865)                   |                  |                            |
| Royalties for usage of water resources                           |      | (95,535)           | (74,349)                   |                  |                            |
| Cost of Construction of Infrastructure                           |      | (697,843)          | (695,438)                  |                  |                            |
| Other  |      | (48,079)           | (40,587)                   |                  |                            |
|  |      | <b>(2,148,988)</b> | <b>(2,108,780)</b>         |                  |                            |
| <b>TOTAL COST</b>  |      | <b>(5,383,634)</b> | <b>(4,725,965)</b>         |                  |                            |
| <b>GROSS PROFIT</b>  |      | <b>3,178,701</b>   | <b>2,668,357</b>           | <b>161</b>       | <b>183</b>                 |
| <b>OPERATING EXPENSES</b>  | 23   |                    |                            |                  |                            |
| Selling expenses   |      | (77,269)           | (76,658)                   |                  |                            |
| General and administrative expenses                              |      | (474,314)          | (383,484)                  | (28,045)         | (33,945)                   |
| Other operating expenses   |      | (235,829)          | (155,343)                  | (13,979)         | (5,805)                    |
|  |      | (787,412)          | (615,485)                  | (42,024)         | (39,750)                   |
| <b>Operating profit before finance expenses and income taxes</b> |      | <b>2,391,289</b>   | <b>2,052,872</b>           | <b>(41,863)</b>  | <b>(39,567)</b>            |
| <b>Equity gain (loss) on subsidiaries</b>                        | 12   | (1,458)            |                            | 1,263,711        | 1,069,753                  |
| Financial revenues   | 24   | 444,770            | 442,439                    | 72,845           | 45,900                     |
| Financial expenses   | 24   | (1,009,482)        | (936,462)                  | (58,967)         | (29,042)                   |
| <b>Profit before income tax</b>                                  |      | <b>1,825,119</b>   | <b>1,558,849</b>           | <b>1,235,726</b> | <b>1,047,044</b>           |
| Income tax and social contribution                               | 8c   | (759,275)          | (543,253)                  |                  | 123                        |
| Deferred income tax and social contribution                      | 8c   | 169,776            | 33,612                     | (106)            | 2,041                      |
| <b>PROFIT FOR THE YEAR</b>                                       |      | <b>1,235,620</b>   | <b>1,049,208</b>           | <b>1,235,620</b> | <b>1,049,208</b>           |

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

|  |             |             |             |             |
|--|-------------|-------------|-------------|-------------|
| <b>Basic earnings per preferred and common share</b>   | <b>1.67</b> | <b>1.54</b> | <b>1.67</b> | <b>1.54</b> |
| <b>Diluted earnings per preferred and common share</b> | <b>1.67</b> | <b>1.54</b> | <b>1.67</b> | <b>1.54</b> |

The condensed notes are an integral part of these financial statements.

Table of Contents**CONSOLIDATED INCOME STATEMENT****FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2012 AND 2011****(THOUSANDS OF R\$, EXCEPT EARNINGS PER SHARE)**

|  | Note | Consolidated<br>April to June<br>2012 | Consolidated<br>April to June<br>2011<br>Reclassified | Parent Company<br>April to June<br>2012 | Parent Company<br>April to June<br>Reclassified |
|--|------|---------------------------------------|---|---|---|
| <b>REVENUES</b>  |      | <b>4,413,940</b>                      | <b>3,804,769</b>                                      | <b>81</b>                               | <b>80</b>                                       |
| <b>OPERATING COSTS</b>   |      |                                       |   |   |   |
| <b>COST OF ELECTRICITY AND GAS</b>                               |      |                                       |   |   |   |
| Electricity purchased for resale                                 |      | (1,384,490)                           | (1,016,344)   |   |   |
| Charges for the use of the basic transmission grid               |      | (243,731)                             | (192,636)   |   |   |
| Gas purchased for resale   |      | (117,434)                             | (80,465)  |   |   |
|  |      | (1,745,655)                           | (1,289,445)   |   |   |
| <b>COST</b>  |      |                                       |   |   |   |
| Personnel and management   |      | (223,539)                             | (276,722)   |   |   |
| Materials  |      | (14,494)                              | (29,000)  |   |   |
| Outsourced services  |      | (170,390)                             | (224,202)   |   |   |
| Depreciation and amortization                                    |      | (236,625)                             | (187,490)   |   |   |
| Operating provisions   |      | 18,065                                | (7,813)   |   |   |
| Royalties for usage of water resources                           |      | (46,243)                              | (36,356)  |   |   |
| Cost of Construction of Infrastructure                           |      | (422,323)                             | (427,253)   |   |   |
| Other  |      | (16,600)                              | (39,772)  |   |   |
|  |      | (1,112,149)                           | (1,228,608)   |   |   |
| <b>TOTAL COST</b>  |      | <b>(2,857,804)</b>                    | <b>(2,518,053)</b>                                    |   |   |
| <b>GROSS PROFIT</b>  |      | <b>1,556,136</b>                      | <b>1,286,716</b>                                      | <b>81</b>                               | <b>80</b>                                       |
| <b>OPERATING EXPENSES</b>  |      |                                       |   |   |   |
| Selling expenses   |      | (28,330)                              | (66,642)  |   |   |
| General and administrative expenses                              |      | (218,818)                             | (147,317)   | (984)                                   | (14,239)  |
| Other operating expenses   |      | (121,032)                             | (56,319)  | (7,252)                                 | 3,890   |
|  |      | (368,180)                             | (270,278)   | (8,236)                                 | (10,349)  |
| <b>Operating profit before finance expenses and income taxes</b> |      | <b>1,187,956</b>                      | <b>1,016,438</b>                                      | <b>(8,155)</b>                          | <b>(10,269)</b>                                 |
| <b>Equity gain (loss) on subsidiaries</b>                        |      | <b>(656)</b>                          |   | <b>614,527</b>                          | <b>527,427</b>                                  |
| Financial revenues   |      | 223,164                               | 262,581   | 30,124                                  | 21,736  |
| Financial expenses   |      | (525,796)                             | (496,813)   | (27,696)                                | (15,138)  |
| <b>Profit before income tax</b>                                  |      | <b>884,668</b>                        | <b>782,206</b>  | <b>608,800</b>                          | <b>523,756</b>                                  |
| Income tax and social contribution                               |      | (375,486)                             | (312,162)   |   | 123   |
| Deferred income tax and social contribution                      |      | 95,050                                | 53,013  | (4,568)                                 | (822)   |

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

|   |                |                |                |                |
|---|----------------|----------------|----------------|----------------|
| <b>PROFIT FOR THE YEAR</b>                          | <b>604,232</b> | <b>523,057</b> | <b>604,232</b> | <b>523,057</b> |
| <b>Basic and diluted profit per preferred share</b> | <b>0.82</b>    | <b>0.77</b>    | <b>0.82</b>    | <b>0.77</b>    |
| <b>Basic and diluted profit per common share</b>    | <b>0.82</b>    | <b>0.77</b>    | <b>0.82</b>    | <b>0.77</b>    |

The condensed notes are an integral part of these financial statements.

Table of Contents**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2012 AND 2011****(THOUSANDS OF R\$)**

|   | 06/30/2012       | 06/30/2011       |
|---|------------------|------------------|
| <b>PROFIT FOR THE YEAR</b>                                      | <b>1,235,620</b> | <b>1,049,208</b> |
| <b>OTHER COMPREHENSIVE INCOME</b>                               |                  |                  |
| Foreign currency translation differences for foreign operations | 4,240            | (1,025)          |
| Cash flow hedge instruments                                     | (921)            | (277)            |
| Deferred income tax and social contribution                     | 313              | 94               |
|   | (608)            | (183)            |
| <b>COMPREHENSIVE INCOME FOR THE YEAR</b>                        | <b>1,239,252</b> | <b>1,048,000</b> |

The condensed notes are an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2012 AND 2011****(THOUSANDS OF R\$)**

|   | April to June<br>2012 | April to June<br>2011 |
|---|-----------------------|-----------------------|
| <b>PROFIT FOR THE YEAR</b>                                      | <b>604,232</b>        | <b>523,057</b>        |
| <b>OTHER COMPREHENSIVE INCOME</b>                               |                       |                       |
| Foreign currency translation differences for foreign operations | 6,251                 | (996)                 |
| Cash flow hedge instruments                                     | (766)                 | (1,568)               |
| Deferred income tax and social contribution                     | 260                   | 533                   |
|   | (506)                 | (1,035)               |
| <b>COMPREHENSIVE INCOME FOR THE YEAR</b>                        | <b>609,977</b>        | <b>521,026</b>        |



The condensed notes are an integral part of these financial statements.

Table of Contents**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY****FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2012 AND 2011****(THOUSANDS OF R\$)**

|  | Share capital    | Capital reserves | Profit reserves  | Equity Valuation Adjustment | Accumulated foreign currency translation adjustment | Accumulated losses | Funds allocated for capital increase | Total shareholders equity |
|--|------------------|------------------|------------------|-----------------------------|---|--------------------|--------------------------------------|---------------------------|
| <b>BALANCE AT DECEMBER 31, 2010</b>                                    | <b>3,412,073</b> | <b>3,953,850</b> | <b>2,873,253</b> | <b>1,210,605</b>            | <b>(772)</b>  |                    | <b>27,124</b>                        | <b>11,476,133</b>         |
| Profit for the year  |                  |                  |                  |                             |   | 1,049,208          |                                      | 1,049,208                 |
| Other comprehensive income:  |                  |                  |                  |                             |   |                    |                                      |                           |
| Foreign currency transaction differences                               |                  |                  |                  |                             | (1,025)   |                    |                                      | (1,025)                   |
| Cash flow hedge instruments  |                  |                  |                  | (183)                       |   |                    |                                      | (183)                     |
| <b>Total comprehensive income for the period</b>                       |                  |                  |                  | <b>(183)</b>                | <b>(1,025)</b>                                      | <b>1,049,208</b>   |                                      | <b>1,048,000</b>          |
| Proposed additional dividends of 2010 paid in 2011 (R\$1.32 per share) |                  |                  | (67,086)         |                             |   |                    |                                      | (67,086)                  |
| Realization of reserves  |                  |                  |                  |                             |   |                    |                                      |                           |
| Revaluation of property, plant and equipment                           |                  |                  |                  | (86,680)                    |   | 86,680             |                                      |                           |
| <b>BALANCE AT JUNE 30, 2011</b>  | <b>3,412,073</b> | <b>3,953,850</b> | <b>2,806,167</b> | <b>1,123,742</b>            | <b>(1,797)</b>                                      | <b>1,135,888</b>   | <b>27,124</b>                        | <b>12,457,047</b>         |
| <b>BALANCE AT DECEMBER 31, 2011</b>                                    | <b>3,412,073</b> | <b>3,953,850</b> | <b>3,292,871</b> | <b>1,080,800</b>            | <b>5,354</b>  |                    |                                      | <b>11,744,948</b>         |
| Profit for the year  |                  |                  |                  |                             |   | 1,235,620          |                                      | 1,235,620                 |
| Other comprehensive income:  |                  |                  |                  |                             |   |                    |                                      |                           |
| Foreign currency transaction differences                               |                  |                  |                  |                             | 4,240   |                    |                                      | 4,240                     |
| Cash flow hedge instruments  |                  |                  |                  | (608)                       |   |                    |                                      | (608)                     |
| <b>Total comprehensive income for the period</b>                       |                  |                  |                  | <b>(608)</b>                | <b>4,240</b>  | <b>1,235,620</b>   |                                      | <b>1,239,252</b>          |
| Capital increase (note 21)   | 853,018          |                  | (853,018)        |                             |   |                    |                                      |                           |
| Proposed additional dividends of 2011(R\$\$ 0.13 per share)            |                  |                  | (86,316)         |                             |   |                    |                                      | (86,316)                  |
| Realization of reserves  |                  |                  |                  |                             |   |                    |                                      |                           |
| Revaluation of property, plant and equipment                           |                  |                  |                  | (92,773)                    |   | 92,773             |                                      |                           |
| <b>BALANCE AT JUNE 30, 2012</b>  | <b>4,265,091</b> | <b>3,953,850</b> | <b>2,353,537</b> | <b>987,419</b>              | <b>9,594</b>  | <b>1,328,393</b>   |                                      | <b>12,897,884</b>         |

The condensed notes are an integral part of these financial statements.

Table of Contents

## STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2012 AND 2011

(THOUSANDS OF R\$)

|   | Consolidated     |                  | Parent Company |                |
|---|------------------|------------------|----------------|----------------|
|   | 06/30/2012       | 06/30/2011       | 06/30/2012     | 06/30/2011     |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                             |                  |                  |                |                |
| PROFIT FOR THE YEAR   | 1,235,620        | 1,049,208        | 1,235,620      | 1,049,208      |
| <b>Expenses (revenues) not affecting cash and cash equivalents</b>      |                  |                  |                |                |
| Depreciation and amortization   | 482,715          | 476,130          | 185            | 176            |
| Loss on disposal of property, plant and equipment and intangible assets | 62,910           | 12,440           | 43             | 97             |
| Equity gain (loss) on subsidiaries                                      | 1,458            |                  | (1,263,711)    | (1,069,753)    |
| Interest and monetary variation   | 372,598          | 731,172          | 7,284          | (6,149)        |
| Income tax and social contribution                                      | 589,499          | 509,641          | 106            | (2,164)        |
| Operating provisions  | 81,284           | 130,532          | (18,392)       | 1,171          |
| Employee post-retirement benefits                                       | 136,931          | 145,172          | 7,395          | 7,309          |
| Other   |                  | (13,944)         |                | (26,184)       |
|   | 2,963,015        | 3,040,351        | (31,470)       | (46,289)       |
| <b>(Increase) / decrease in assets</b>                                  |                  |                  |                |                |
| Consumers and traders   | (69,923)         | (82,998)         |                |                |
| Accounts receivable from the Minas Gerais State Government              | 96,329           | 86,616           |                |                |
| Income tax and social contribution recoverable                          | 27,466           | 163,720          | (6,126)        |                |
| Recoverable taxes   | (50,452)         | 318              | (1,172)        | 5,465          |
| Concession holders transport of energy                                  | (48,795)         | (12,292)         |                |                |
| Escrow deposits   | (45,782)         | (198,318)        | (19,993)       | (9,005)        |
| Dividends received from subsidiaries                                    |                  |                  | 609,318        | 789,224        |
| Financial assets  | 457,211          | (47,139)         |                |                |
| Other   | (240,994)        | (61,373)         | 32,257         | (20,537)       |
|   | 125,060          | (151,466)        | 614,284        | 765,147        |
| <b>Increase (decrease) in liabilities</b>                               |                  |                  |                |                |
| Suppliers   | 92,173           | (68,282)         | (4,742)        | (201)          |
| Taxes payable   | 35,319           | 73,476           | (13,951)       | (11,401)       |
| Income tax and social contribution payable                              | (674,281)        | (464,054)        |                | 123            |
| Payroll and related charges   | (31,279)         | (4,960)          | (2,958)        | (3,362)        |
| Regulatory charges  | (12,946)         | 15,036           |                |                |
| Loans, financings and debentures  | (641,008)        | (459,068)        | 686            | (6,807)        |
| Employee post-retirement benefits                                       | (122,493)        | (92,372)         | (4,940)        | (4,899)        |
| Other   | 12,329           | (117,300)        | (148)          | (74,105)       |
|   | (1,342,186)      | (1,117,524)      | (26,053)       | (100,652)      |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>                               | <b>1,745,889</b> | <b>1,771,361</b> | <b>556,761</b> | <b>618,206</b> |



Table of Contents

|  | Consolidated       |                    | Parent Company   |                  |
|--|--------------------|--------------------|------------------|------------------|
|  | 06/30/2012         | 06/30/2011         | 06/30/2012       | 06/30/2011       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>              |                    |                    |                  |                  |
| In short-term investments                                | (661,508)          | (393,557)          | 30,515           | 55               |
| In financial assets of the concession                    | (60,028)           | (35,994)           |                  |                  |
| In investments   | (19,898)           |                    | (4,602)          | (236,854)        |
| In property, plant and equipment                         | (292,154)          | (379,255)          | (27)             |                  |
| In intangible assets                                     | (684,888)          | (671,902)          |                  |                  |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>             | <b>(1,718,476)</b> | <b>(1,480,708)</b> | <b>25,886</b>    | <b>(236,799)</b> |
| <b>CASH FLOWS OF FINANCING ACTIVITIES</b>                |                    |                    |                  |                  |
| Loans, financings and debentures obtained                | 3,163,081          | 1,031,476          |                  |                  |
| Repayment of loans, financings and debentures            | (3,063,209)        | (730,427)          | (18,397)         | (18,397)         |
| Interest on capital and dividends paid                   | (654,505)          | (534,287)          | (647,963)        | (530,540)        |
| <b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>      | <b>(554,633)</b>   | <b>(233,238)</b>   | <b>(666,360)</b> | <b>(548,937)</b> |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>           | <b>(527,220)</b>   | <b>57,415</b>      | <b>(83,713)</b>  | <b>(167,530)</b> |
| <b>STATEMENT OF CHANGES IN CASH AND CASH EQUIVALENTS</b> |                    |                    |                  |                  |
| Beginning of the year                                    | 2,862,490          | 2,979,693          | 226,695          | 302,741          |
| End of the year  | 2,335,270          | 3,037,108          | 142,982          | 135,211          |
|  | <b>(527,220)</b>   | <b>57,415</b>      | <b>(83,713)</b>  | <b>(167,530)</b> |
| <b>PAYMENTS MADE IN THE PERIOD</b>                       |                    |                    |                  |                  |
| Interest on loans, financings and debentures             | 661,361            | 575,444            | 4,784            | 6,807            |
| Income tax and social contribution                       | 523,579            | 367,617            | 10,800           | 16,653           |

The condensed notes are an integral part of these financial statements.

Table of Contents

## STATEMENTS OF ADDED VALUE

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2012 AND 2011

(THOUSANDS OF R\$)

|  | 06/30/2012         | Consolidated<br>06/30/2012<br>Reclassified | 06/30/2012       | Parent Company<br>06/30/2012<br>Reclassified |
|--|--------------------|--|------------------|--|
| <b>REVENUES</b>                                    |                    |  |                  |  |
| Sales of electricity, gas and services             | 11,670,092         | 10,045,271                                 | 161              | 183  |
| Construction revenue of Distribution               | 639,742            | 660,359                                    |                  |  |
| Construction revenue of Transmission               | 60,028             | 35,994                                     |                  |  |
| Provision for doubtful receivables                 | (77,269)           | (64,247)                                   |                  |  |
| <b>INPUTS ACQUIRED FROM THIRD PARTIES</b>          |                    |  |                  |  |
| Electricity bought for resale                      | (2,728,477)        | (2,256,466)                                |                  |  |
| Charges for the use of the basic transmission grid | (539,291)          | (427,989)                                  |                  |  |
| Outsourced services                                | (510,729)          | (468,975)                                  | (5,700)          | (2,920)                                      |
| Gas purchased for resale                           | (217,878)          | (142,831)                                  |                  |  |
| Materials  | (33,938)           | (47,230)                                   | (54)             | (84)   |
| Cost of Construction of Infrastructure             | (697,843)          | (695,438)                                  |                  |  |
| Other operating costs                              | (100,840)          | (116,571)                                  | 484              | (8,421)                                      |
|  | <b>(4,828,996)</b> | <b>(4,155,500)</b>                         | <b>(5,270)</b>   | <b>(11,425)</b>                              |
| <b>GROSS VALUE ADDED</b>                           | <b>7,463,597</b>   | <b>6,521,877</b>                           | <b>(5,109)</b>   | <b>(11,242)</b>                              |
| <b>RETENTIONS</b>                                  |                    |  |                  |  |
| Depreciation and amortization                      | (482,715)          | (476,130)                                  | (185)            | (176)  |
| <b>NET ADDED VALUE PRODUCED BY THE COMPANY</b>     | <b>6,980,882</b>   | <b>6,045,747</b>                           | <b>(5,294)</b>   | <b>(11,418)</b>                              |
| <b>TRANSFERRED ADDED VALUE</b>                     |                    |  |                  |  |
| Equity gain (loss) on subsidiaries                 | (1,458)            |  | 1,263,711        | 1,069,753                                    |
| Financial revenues                                 | 445,879            | 443,236                                    | 73,941           | 46,686                                       |
| <b>ADDED VALUE TO BE DISTRIBUTED</b>               | <b>7,425,303</b>   | <b>6,488,983</b>                           | <b>1,332,358</b> | <b>1,105,021</b>                             |

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

| <b>DISTRIBUTION OF ADDED VALUE</b>         |                  | <b>%</b>     |                  | <b>%</b>     |                  | <b>%</b>     |                  | <b>%</b>     |
|--|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|
| <b>Employees</b>                           | <b>744,286</b>   | <b>10.02</b> | <b>609,963</b>   | <b>9.40</b>  | <b>30,303</b>    | <b>2.28</b>  | <b>23,026</b>    | <b>2.09</b>  |
| Direct remuneration                        | 513,340          | 6.91         | 406,472          | 6.26         | 17,559           | 1.32         | 9,823            | 0.89         |
| Benefits                                   | 182,864          | 2.46         | 162,678          | 2.51         | 10,791           | 0.81         | 8,233            | 0.75         |
| FGTS                                       | 33,058           | 0.45         | 30,594           | 0.47         | 1,699            | 0.13         | 1,804            | 0.16         |
| Other                                      | 15,024           | 0.20         | 10,219           | 0.16         | 254              | 0.02         | 3,166            | 0.29         |
| <b>Taxes, charges and contributions</b>    | <b>4,382,761</b> | <b>59.02</b> | <b>3,846,651</b> | <b>59.28</b> | <b>7,039</b>     | <b>0.52</b>  | <b>3,294</b>     | <b>0.29</b>  |
| Federal                                    | 2,430,361        | 32.73        | 2,114,622        | 32.59        | 6,830            | 0.51         | 3,227            | 0.29         |
| State                                      | 1,945,737        | 26.20        | 1,727,563        | 26.62        | 150              | 0.01         | 12               |              |
| Municipal                                  | 6,663            | 0.09         | 4,466            | 0.07         | 59               |              | 55               |              |
| <b>Remuneration of third party capital</b> | <b>1,062,636</b> | <b>14.32</b> | <b>983,161</b>   | <b>15.15</b> | <b>59,396</b>    | <b>4.46</b>  | <b>29,493</b>    | <b>2.67</b>  |
| Interest                                   | 1,009,483        | 13.60        | 936,462          | 14.43        | 58,967           | 4.43         | 29,042           | 2.63         |
| Rentals                                    | 53,153           | 0.72         | 46,699           | 0.72         | 429              | 0.03         | 451              | 0.04         |
| <b>Remuneration of own capital</b>         | <b>1,235,620</b> | <b>16.64</b> | <b>1,049,208</b> | <b>16.17</b> | <b>1,235,620</b> | <b>92.74</b> | <b>1,049,208</b> | <b>94.95</b> |
| Retained earnings                          | 1,235,620        | 16.64        | 1,049,208        | 16.17        | 1,235,620        | 92.74        | 1,049,208        | 94.95        |
|  | <b>7,425,303</b> | <b>100</b>   | <b>6,488,983</b> | <b>100</b>   | <b>1,332,358</b> | <b>100</b>   | <b>1,105,021</b> | <b>100</b>   |

The condensed notes are an integral part of these financial statements.

Table of Contents

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**

**AS AT JUNE 30, 2012 AND DECEMBER 31, 2011**

**(FIGURES IN THOUSANDS OF R\$, EXCEPT WHERE OTHERWISE INDICATED)**

**1. OPERATIONS**

a) The Company

Companhia Energética de Minas Gerais (CEMIG or the Company) is a listed Brazilian corporation, enrolled on the Brazilian Registry of Corporate Taxpayers (CNPJ) under 17.155.730/0001-64. Its shares are traded at Corporate Governance Level 1 on the BM&FBovespa exchange (Bovespa) and on the New York (NYSE) and Madrid (Latibex) Stock Exchanges. The Company is an entity domiciled in Brazil, with its head office at Avenida Barbacena 1200, Belo Horizonte, Minas Gerais. It operates exclusively as a holding company, with equity interests in individually or jointly controlled subsidiaries. The main objectives of its subsidiaries are the construction and operation of systems for generation, transformation, transmission, distribution and trading of electric power, as well as the development of activities in the different energy fields, for commercial purposes.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

These Interim Financial Information have been prepared according to principles, practices and criteria consistent with those adopted in the preparation of the annual financial statements at December 31, 2011. Hence this Interim Financial Information should be read in conjunction with those annual financial statements, which were approved by the Board of Directors on March 6, 2012 and filed at the CVM on March 28, 2012.





Table of Contents

The individual Interim Financial Information of the holding company were prepared in accordance with BR GAAP. In the case of the consolidated statements, these practices differ from the IFRS applicable to separate Interim Financial Information in that the valuation of the investment in subsidiaries, affiliated companies and joint ventures is by the equity method in BR GAAP, while for the purposes of IFRS this valuation is at cost or fair value.

However, there is no difference between the totals presented for Stockholders' equity and Net profit in the consolidated financial statements, and the totals presented for the Stockholders' equity and Net profit in the individual financial statements of the holding company. Thus, the consolidated Quarterly Information (ITR) of the Company and the individual Quarterly information of the holding company are being presented here side-by-side in a single group of financial statements.

**2.2 Reclassifications of account balances**

|  | Original Accounts          |                                 | Reclassification Accounts                 | Parent Company             |                                 |
|--|----------------------------|---------------------------------|---|----------------------------|---------------------------------|
|  | Consolidated<br>06/30/2011 | Parent<br>Company<br>06/30/2011 |   | Consolidated<br>06/30/2011 | Parent<br>Company<br>06/30/2011 |
| <b>Income Statement</b>  |                            |                                 | <b>Income Statement</b>                   |                            |                                 |
| Employee and managers' profit sharing                              | 25,804                     |                                 | Other operating expenses                  | 25,804                     |                                 |
| Net Financial Income (Expenses)                                    | (539,254)                  | (10,762)                        | Financial revenues                        | 442,439                    | 45,900                          |
|  |                            |                                 | Financial expenses                        | (981,693)                  | (56,662)                        |
|  |                            |                                 |   | (539,254)                  | (10,762)                        |
| <b>Financial Income and Expenses</b>                               |                            |                                 |   |                            |                                 |
| Amortization of goodwill premium /discount on investments          | 13,944                     |                                 | Depreciation and amortization             | (13,944)                   |                                 |
| Amortization of goodwill premium /discount on investments          | 31,287                     |                                 | Revenue of the transmission system        | (31,287)                   |                                 |
| Amortization of goodwill premium /discount on investments          |                            | 27,620                          | Equity gain (loss) on subsidiaries        |                            | (27,620)                        |
|  |                            |                                 |   |                            |                                 |
| <b>Statement of Cash Flows</b>                                     |                            |                                 | <b>Statement of Cash Flows</b>            |                            |                                 |
|  | Consolidated<br>06/30/2011 | Parent<br>Company<br>06/30/2011 |   | Consolidated<br>06/30/2011 | Parent<br>Company<br>06/30/2011 |
| <b>Expenses (revenues) not affecting cash and cash equivalents</b> |                            |                                 | <b>Increase (decrease) in liabilities</b> |                            |                                 |
|  | (8,490)                    |                                 |   | (8,490)                    |                                 |

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

|  |           |          |  |         |        |
|--|-----------|----------|--|---------|--------|
| Deferred Income tax and social contribution                        |           |          | Income tax and social contribution payable     |         |        |
| <b>(Increase) / decrease in assets</b>                             |           |          |  |         |        |
| Recoverable taxes  | (175,390) |          | Recoverable taxes                              | 318     |        |
| Income tax and social contribution                                 |           |          | Income tax and social contribution recoverable | 163,720 |        |
| <b>Increase (decrease) in liabilities</b>                          |           |          |  |         |        |
| Taxes payable  | 483,613   |          | Taxes payable                                  | 73,476  |        |
| Income tax and social contribution payable                         |           |          | Income tax and social contribution payable     | 70,709  |        |
| <b>Increase (decrease) in liabilities</b>                          |           |          |  |         |        |
| Loans, financings and debentures                                   | (665,145) | (23,728) | Interest and monetary variation                | 665,145 | 23,728 |
| <b>Expenses (revenues) not affecting cash and cash equivalents</b> |           |          |  |         |        |

Table of Contents

|  | Consolidated<br>06/30/2011 | Parent<br>Company<br>06/30/2011 |  | Consolidated<br>06/30/2011 | Parent<br>Company<br>06/30/2011 |
|--|----------------------------|---------------------------------|--|----------------------------|---------------------------------|
| <b>Statement of Added Value</b>                    |                            |                                 | <b>Statement of Added Value</b>            |                            |                                 |
| <b>REVENUES</b>                                    |                            |                                 | <b>Remuneration of third party capital</b> |                            |                                 |
| Sales of electricity, gas and services             | (31,287)                   |                                 | Interest                                   | (31,287)                   |                                 |
| <b>INPUTS ACQUIRED FORM THIRD PARTIES</b>          |                            |                                 | <b>Taxes, charges and contributions</b>    |                            |                                 |
| Electricity bought for resale                      | 164,362                    |                                 | Federal                                    | 164,362                    |                                 |
| Charges for the use of the basic transmission grid | 45,739                     |                                 | Federal                                    | 45,739                     |                                 |
| Other operating costs                              | 1,366                      |                                 | Federal                                    | 1,366                      |                                 |
|  | 211,467                    |                                 |  | 211,467                    |                                 |
| <b>RETENTIONS</b>                                  |                            |                                 | <b>Remuneration of third party capital</b> |                            |                                 |
| Depreciation and amortization                      | 13,944                     |                                 | Interest                                   | 13,944                     |                                 |
| <b>TRANSFERRED ADDED VALUE</b>                     |                            |                                 | <b>Remuneration of third party capital</b> |                            |                                 |
| Equity gain (loss) on subsidiaries                 |                            | (27,620)                        | Interest                                   |                            | (27,620)                        |

The reclassifications presented above were made to provide more relevant information related to the following items:

### 1 In the Income statement

- Employee and management profit shares: Presented as an item of operational costs in the first semester of 2011, and reclassified to Other operational expenses since it is a distribution of economic results based on overall corporate targets, defined in a specific Collective Employment Agreement.
- Net financial revenue (expenses): Financial revenue and Financial expenses are shown separately. The result, adjusted to present value, is presented net. Adjustment to present value is effected for the debentures of Irapé, and for the paid concessions, since they have different rates from those practiced in the market.

### 2 In the Added value statement

- Electricity bought for resale, and Charges for use of the National Transmission Grid: These are presented net of the credits for PIS, Papep and Cofins taxes on the acquisition and transport of the input in the second quarter of 2011; reclassified to Taxes and charges Federal.

The other items were segregated for optimal presentation of their effects in the Interim financial information.

Table of Contents**2.3 New accounting standards not yet adopted**

The information relating to the accounting Pronouncements and interpretations issued but not yet adopted by the Company have not undergone any significant changes in relation to those published in Explanatory Note 2.6 (t) to the Financial Statements at December 31, 2011.

**2.4 Correlation between condensed notes published in the complete annual financial statements and the Interim financial information**

The items given below demonstrate the correlation between Explanatory notes published in the complete annual financial statements at December 31, 2011 and the Interim financial information at June 30, 2012. The Company believes this Interim financial Information presents the significant items that update the Company's equity situation and performance, and complies with the disclosure requirements of CPC 21 (*Demonstração Intermediária - Interim financial reporting*).

| Number of the Condensed Note |             | Title of the Condensed Note  |
|------------------------------|-------------|--|
| 2011, Annual                 | ITR of 2Q12 |  |
| 1                            | 1           | Operational context  |
| 2                            | 2           | Basis of preparation   |
| 3                            | 3           | Principles of consolidation  |
| 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   |
| 11                           | 9           | Escrow deposits  |
| 12                           | 10          | Accounts receivable from the Minas Gerais State government and CRC Account Securitization Fund |
| 13                           | 11          | Financial Assets of the Concession   |
| 14                           | 12          | Investments  |
| 15                           | 13          | PP&E   |
| 16                           | 14          | Intangible   |
| 17                           | 15          | Suppliers  |
| 18                           | 16          | Taxes payable  |
| 19                           | 17          | Loans, financings and debentures   |
| 20                           | 18          | Regulatory charges   |
| 21                           | 19          | Employee post-retirement benefits  |
| 22                           | 20          | Provisions   |
| 23                           | 21          | Stockholders' equity   |
| 24                           | 22          | Revenue  |
| 25                           | 23          | Operating costs and expenses   |
| 26                           | 24          | Net financial revenue (expenses)   |
| 27                           | 25          | Related party transactions   |
| 28                           | 26          | Financial instruments and Risk management  |
| 29                           | 27          | Measurement at fair value  |
| 33                           | 28          | Statement of added value   |
| 35                           | 29          | Subsequent events  |
| 34                           | 30          | Financial statements separated by company  |

\*

31

Financial information by operational segment

---

(\*) This information was included in the financial statements for the first time in 1Q12.

Table of Contents

Certain condensed notes of the annual report for 2011 have been omitted from the ITR because there are no significant changes, and/or because they are not applicable to the interim information:

| <b>Number of the condensed note</b> | <b>Title of the condensed note</b> |
|-------------------------------------|------------------------------------|
| 4                                   | Concessions                        |
| 5                                   | Operating segments                 |
| 30                                  | Insurance                          |
| 31                                  | Commitments                        |
| 32                                  | Review of transmission tariff      |

**3. PRINCIPLES OF CONSOLIDATION**

The reporting dates of the remaining subsidiaries and jointly-controlled subsidiaries used for consolidation purposes coincide with those of the holding company.

The Company uses full and proportional consolidation criteria when preparing its consolidated financial statements as shown in the table below:



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

Table of Contents

| Subsidiaries and jointly controlled companies                    | Form of consolidation | 06/30/2012         |                      | 12/31/2011         |                      |
|--|-----------------------|--------------------|----------------------|--------------------|----------------------|
|  |                       | Direct stake ( % ) | Indirect stake ( % ) | Direct stake ( % ) | Indirect stake ( % ) |
| <b>Subsidiaries and jointly controlled companies</b>             |                       |                    |                      |                    |                      |
| Cemig Geração e Transmissão                                      | Full                  | 100                |                      | 100                |                      |
| Cemig Baguari Energia  | Full                  |                    | 100                  |                    | 100                  |
| Hidrelétrica Cachoeirão  | Proportional          |                    | 49                   |                    | 49                   |
| Guanhães Energia   | Proportional          |                    | 49                   |                    | 49                   |
| Madeira Energia  | Proportional          |                    | 10                   |                    | 10                   |
| Hidrelétrica Pipoca  | Proportional          |                    | 49                   |                    | 49                   |
| Baguari Energia  | Proportional          |                    | 69.39                |                    | 69.39                |
| <b>Empresa Brasileira de Transmissão de Energia</b>              |                       |                    |                      |                    |                      |
| EBTE   | Proportional          |                    | 49                   |                    | 49                   |
| Central Eólica Praias de Parajuru                                | Proportional          |                    | 49                   |                    | 49                   |
| Central Eólica Volta do Rio                                      | Proportional          |                    | 49                   |                    | 49                   |
| Central Eólica Praias de Morgado                                 | Proportional          |                    | 49                   |                    | 49                   |
| Taesa  | Proportional          |                    | 56.69                |                    | 56.69                |
| Light Ger  | Proportional          |                    | 49                   |                    | 49                   |
| Cemig Distribuição   | Full                  | 100                |                      | 100                |                      |
| Cemig Telecom  | Full                  | 100                |                      | 100                |                      |
| Ativas Data Center   | Proportional          |                    | 49                   |                    | 49                   |
| Rosal Energia  | Full                  | 100                |                      | 100                |                      |
| Sá Carvalho  | Full                  | 100                |                      | 100                |                      |
| Horizontes Energia   | Full                  | 100                |                      | 100                |                      |
| Usina Térmica Ipatinga   | Full                  | 100                |                      | 100                |                      |
| Cemig PCH  | Full                  | 100                |                      | 100                |                      |
| Cemig Capim Branco Energia                                       | Full                  | 100                |                      | 100                |                      |
| Cemig Trading  | Full                  | 100                |                      | 100                |                      |
| Efficientia  | Full                  | 100                |                      | 100                |                      |
| Central Termelétrica de Cogeração                                | Full                  | 100                |                      | 100                |                      |
| UTE Barreiro   | Full                  | 100                |                      | 100                |                      |
| <b>Empresa de Serviços e Comercialização de Energia Elétrica</b> |                       |                    |                      |                    |                      |
| Cemig Serviços   | Full                  | 100                |                      | 100                |                      |
| Gasmig   | Proportional          | 55.19              |                      | 55.19              |                      |
| Companhia Transleste de Transmissão                              | Proportional          | 25                 |                      | 25                 |                      |
| Companhia Transudeste de Transmissão                             | Proportional          | 24                 |                      | 24                 |                      |
| Companhia Transirapé de Transmissão                              | Proportional          | 24.5               |                      | 24.5               |                      |
| Light  | Proportional          | 26.06              |                      | 26.06              |                      |
| Light SESA   | Full                  |                    | 26.06                |                    | 26.06                |
| Light Energia  | Full                  |                    | 26.06                |                    | 26.06                |
| Light Esco   | Full                  |                    | 26.06                |                    | 26.06                |
| Light Ger  | Full                  |                    | 13.29                |                    | 13.29                |
| Light Soluções em Eletricidade                                   | Full                  |                    | 26.06                |                    | 26.06                |
| Instituto Light  | Full                  |                    | 26.06                |                    | 26.06                |
| Itaocara Energia   | Full                  |                    | 26.06                |                    | 26.06                |
| Lightcom   | Full                  |                    | 26.06                |                    | 26.06                |
| Axxiom   | Proportional          |                    | 13.29                |                    | 13.29                |
| Transchile   | Proportional          | 49                 |                      | 49                 |                      |
| <b>Companhia de Transmissão Centroeste de Minas</b>              |                       |                    |                      |                    |                      |
| Empresa Amazonense de Transmissão de Energia EATE                | Proportional          | 49.98              |                      | 49.98              |                      |
| Sistema de Transmissão Catarinense STC                           | Full                  |                    | 30.82                |                    | 30.82                |
| Lumitrans Cia. Transmissora de Energia Elétrica                  | Full                  |                    | 30.82                |                    | 30.82                |

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

|   |              |       |       |       |
|---|--------------|-------|-------|-------|
| Empresa Brasileira de Transmissão de Energia<br>EBTE  | Proportional |       | 19.65 | 19.65 |
| Empresa Paraense de Transmissão de Energia<br>ETEP    | Proportional | 49.98 |       | 49.98 |
| Empresa Santos Dumont Energia ESDE                    | Full         |       | 49.98 | 49.98 |
| Empresa Norte de Transmissão de Energia<br>ENTE       | Proportional | 49.99 |       | 49.99 |
| Empresa Regional de Transmissão de Energia<br>ERTE    | Proportional | 49.99 |       | 49.99 |
| Empresa Catarinense de Transmissão de<br>Energia ECTE | Proportional | 19.09 |       | 19.09 |
| Axxiom  | Proportional | 49    |       | 49    |
| Parati  | Proportional | 25    |       | 25    |

The proportion represents the percentage of the total capital in the subsidiary or jointly-controlled subsidiary held by Cemig. Jointly-controlled subsidiaries are those in which the Company has joint control, supported by a shareholders agreement.

Table of Contents

The jointly-controlled subsidiary Amazônia Energia has investments in Norte Energia, which are valued by the equity method. As a result, the proportional effect of the equity income, in the amount of R\$1,458, is recognized in the Profit and loss account of Cemig GT (Cemig Geração e Transmissão - Generation and Distribution) through the consolidation of Amazônia Energia.

**4. CASH AND CASH EQUIVALENTS**

|                                 | Consolidated     |                  | Parent Company |                |
|---------------------------------|------------------|------------------|----------------|----------------|
|                                 | 06/30/2012       | 12/31/2011       | 06/30/2012     | 12/31/2011     |
| Bank accounts                   | 88,059           | 157,890          | 12,371         | 6,664          |
| Financial investments           |                  |                  |                |                |
| Bank certificates of deposit    | 1,629,825        | 2,345,877        | 114,222        | 191,004        |
| Financial Treasury Bonds (LFTs) | 15,757           | 63,868           | 2,292          | 4,922          |
| National Treasury Bonds (LTNs)  | 33,481           | 26,413           |                | 1,603          |
| Financial Bonds - Banks         |                  | 176,510          |                | 18,364         |
| Others                          | 568,148          | 91,932           | 14,097         | 4,138          |
|                                 | 2,247,211        | 2,704,600        | 130,611        | 220,031        |
|                                 | <b>2,335,270</b> | <b>2,862,490</b> | <b>142,982</b> | <b>226,695</b> |

The Company's exposure to interest rate risk and a sensitivity analysis of the Company's financial assets and liabilities are shown in Note 26.

**5. MARKETABLE SECURITIES**

The Short-term Investments refers to financial investments made in Brazilian and international financial institutions with branches in Brazil at market.

|                                 | Consolidated     |                | Parent Company |                |
|---------------------------------|------------------|----------------|----------------|----------------|
|                                 | 06/30/2012       | 12/31/2011     | 06/30/2012     | 12/31/2011     |
| <b>Marketable Securities</b>    |                  |                |                |                |
| <b>Current</b>                  |                  |                |                |                |
| Bank certificates of deposit    | 604,731          | 358,987        | 121,666        | 180,000        |
| Financial Treasury Bonds (LFTs) | 103              |                |                |                |
| Financial Bonds - Banks         | 169,354          |                | 12,145         |                |
| Others                          | 82,208           |                |                |                |
|                                 | <b>856,396</b>   | <b>358,987</b> | <b>133,811</b> | <b>180,000</b> |
| <b>Non current</b>              |                  |                |                |                |
| Bank certificates of deposit    | 10,322           |                |                |                |
| Financial Bonds - Banks         | 139,772          |                | 15,006         |                |
| Others                          | 14,005           |                | 668            |                |
|                                 | <b>164,099</b>   |                | <b>15,674</b>  |                |
|                                 | <b>1,020,495</b> | <b>358,987</b> | <b>149,485</b> | <b>180,000</b> |



Table of Contents**6. ACCOUNTS RECEIVABLE FROM CONSUMERS AND TRADERS**

|  | Consolidated     |                  | Parent Company |            |
|--|------------------|------------------|----------------|------------|
|  | 06/30/2012       | 12/31/2011       | 06/30/2012     | 12/31/2011 |
| Retail supply invoiced                       | 2,368,632        | 2,301,156        | 24,240         | 25,378     |
| Retail supply not invoiced                   | 710,227          | 848,171          |                |            |
| Wholesale supply to other concession holders | 247,085          | 205,636          |                |            |
| Allowance for doubtful accounts receivable   | (624,974)        | (646,647)        | (24,240)       | (25,378)   |
|  | <b>2,700,970</b> | <b>2,708,316</b> |                |            |
| <b>Current assets</b>                        | <b>2,544,072</b> | <b>2,549,546</b> |                |            |
| <b>Non-current assets</b>                    | <b>156,898</b>   | <b>158,770</b>   |                |            |

The Company's exposure to credit risk related to accounts receivables from consumers and traders is given in Note 26.

**7. RECOVERABLE TAXES**

|                                  | Consolidated   |                | Parent Company |               |
|----------------------------------|----------------|----------------|----------------|---------------|
|                                  | 06/30/2012     | 12/31/2011     | 06/30/2012     | 12/31/2011    |
| <b>CURRENT</b>                   |                |                |                |               |
| ICMS - Value Added Tax           | 165,028        | 153,306        | 3,427          | 3,843         |
| PIS and PASEP - Taxes on Revenue | 22,322         | 32,828         |                |               |
| COFINS                           | 167,676        | 156,852        | 68,506         | 67,342        |
| Other                            | 13,946         | 11,140         | 1,386          | 1,385         |
|                                  | <b>368,972</b> | <b>354,126</b> | <b>73,319</b>  | <b>72,570</b> |
| <b>NON CURRENT</b>               |                |                |                |               |
| ICMS - Value Added Tax           | 268,352        | 243,029        | 4,757          | 4,334         |
| PIS and PASEP                    | 16,078         | 14,515         |                |               |
| COFINS                           | 77,635         | 70,404         |                |               |
| Other                            | 1,489          |                |                |               |
|                                  | <b>363,554</b> | <b>327,948</b> | <b>4,757</b>   | <b>4,334</b>  |
|                                  | <b>732,526</b> | <b>682,074</b> | <b>78,076</b>  | <b>76,904</b> |

PASEP and COFINS credits originate from acquisitions of property, plant and equipment and can be offset against taxes payable over 48 months.

**8. INCOME TAX AND SOCIAL CONTRIBUTION****a) Income Tax And Social Contribution Recoverable**

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

The balances of income tax and social contribution refer to tax credits in the income tax returns from previous years and advance payments made in 2012, which will be offset against the amount of federal tax payable calculated for the year 2012, recorded under Taxes payable.

Table of Contents

|                     | Consolidated   |                | Parent Company |               |
|---------------------|----------------|----------------|----------------|---------------|
|                     | 06/30/2012     | 12/31/2011     | 06/30/2012     | 12/31/2011    |
| <b>CURRENT</b>      |                |                |                |               |
| Income tax          | 121,361        | 171,294        |                |               |
| Social contribution | 55,857         | 49,466         |                |               |
|                     | 177,218        | 220,760        |                |               |
| <b>NON CURRENT</b>  |                |                |                |               |
| Income tax          | 34,525         | 21,223         | 26,774         | 17,211        |
| Social contribution | 5,156          | 2,382          | 2,401          | 2,337         |
|                     | 39,681         | 23,605         | 29,175         | 19,548        |
|                     | <b>216,899</b> | <b>244,365</b> | <b>29,175</b>  | <b>19,548</b> |

**b) Deferred Income Tax And Social Contribution**

Cemig and its subsidiaries and jointly-control subsidiaries have income taxes and social contribution calculated at the statutory annual rates of 25% and 9%, respectively. The Company's tax credits for these taxes are comprised as follows:

|  | Consolidated       |                    | Parent Company |                |
|--|--------------------|--------------------|----------------|----------------|
|  | 06/30/2012         | 12/31/2011         | 06/30/2012     | 12/31/2011     |
| <b>Assets</b>  |                    |                    |                |                |
| Tax loss carry forwards/negative basis for social contribution | 411,288            | 631,801            | 342,528        | 337,861        |
| Provisions   | 144,392            | 141,921            | 50,023         | 55,697         |
| Employee post-retirement benefits                              | 380,541            | 369,306            | 20,941         | 19,807         |
| Allowance for doubtful accounts receivable                     | 214,432            | 211,928            | 8,242          | 8,629          |
| Tax credits on absorption of subsidiary                        | 322,394            | 87,835             |                |                |
| Financial instruments  | 54,135             | 59,421             |                |                |
| Foreign exchange variation                                     | 129,848            | 127,768            |                |                |
| Taxes payable - suspended liability (1)                        | 180,605            | 180,623            |                |                |
| Onerous Concession Contract                                    | 63,128             | 61,941             |                |                |
| Other  | 152,029            | 163,543            | 2,442          | 2,455          |
| <b>Total</b>   | <b>2,052,792</b>   | <b>2,036,087</b>   | <b>424,176</b> | <b>424,449</b> |
| <b>Liabilities</b>   |                    |                    |                |                |
| Income tax   | (786,227)          | (909,204)          | (2,369)        |                |
| Social contribution  | (311,717)          | (324,820)          | (965)          |                |
| <b>Total</b>   | <b>(1,097,944)</b> | <b>(1,234,024)</b> | <b>(3,334)</b> |                |
| <b>Net, total</b>  | <b>954,848</b>     | <b>802,063</b>     | <b>420,842</b> | <b>424,449</b> |
| <b>Total Asset in the Statement of Financial Position</b>      |                    |                    |                |                |
|  | <b>1,361,438</b>   | <b>2,036,087</b>   | <b>420,842</b> | <b>424,449</b> |
| <b>Total Liability in the Statement of Financial Position</b>  |                    |                    |                |                |
|  | <b>(406,590)</b>   | <b>(1,234,024)</b> |                |                |

**c) Reconciliation of income tax and social contribution expenses**

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

The following table presents the reconciliation of the nominal income tax (25% tax rate) and social contribution (9% tax rate) expenses with the actual expenses incurred, as shown in the income statement:



Table of Contents

|   | Consolidated     |                  | Parent Company |              |
|---|------------------|------------------|----------------|--------------|
|   | 06/30/2012       | 06/30/2011       | 06/30/2012     | 06/30/2011   |
| <b>Profit before taxes</b>  | 1,825,119        | 1,558,849        | 1,235,726      | 1,047,044    |
| Income tax and social contribution nominal expense                | (620,540)        | (530,009)        | (420,147)      | (355,995)    |
| <b>Tax effects applicable to:</b>                                 |                  |                  |                |              |
| Equity gain (loss) on subsidiaries                                | (438)            |                  | 434,460        | 370,217      |
| Non-deductible contributions and donations                        | (2,548)          | (1,544)          | (130)          | (3)          |
| Tax incentives  | 9,701            | 6,589            |                |              |
| Tax credits not recognized  | (8,548)          | (5,484)          | (9,190)        | (5,643)      |
| Amortization of goodwill  | (5,563)          | (5,857)          | (5,909)        | (6,325)      |
| Other   | 38,437           | 26,664           | 810            | (87)         |
| <b>Income tax and social contribution effective income (loss)</b> | <b>(589,499)</b> | <b>(509,641)</b> | <b>(106)</b>   | <b>2,164</b> |
| <b>Effective rate</b>   | <b>32.30%</b>    | <b>32.69%</b>    | <b>0.01%</b>   | <b>0.21%</b> |
| <b>Current income tax and social contribution</b>                 | <b>(759,275)</b> | <b>(543,253)</b> |                | <b>123</b>   |
| <b>Deferred income tax and social contribution</b>                | <b>169,776</b>   | <b>33,612</b>    | <b>(106)</b>   | <b>2,041</b> |

**9. ESCROW DEPOSITS**

The escrow deposits refer mainly to tax and labor issues.

The main escrow deposits are mainly comprised of litigation, related to tax obligations referring primarily to withhold income tax on interest on capital, and to PASEP/COFINS related to exclusion of value-added tax (ICMS) from the tax basis of PASEP/COFINS, and others.

|   | Consolidado      |                  | Controladora   |                |
|---|------------------|------------------|----------------|----------------|
|   | 06/30/2012       | 12/31/2011       | 06/30/2012     | 12/31/2011     |
| <b>Labor obligations</b>                        | 251,469          | 206,971          | 23,991         | 24,389         |
| <b>Tax obligations</b>                          |                  |                  |                |                |
| Income tax on interest on shareholders' capital | 14,774           | 14,010           |                |                |
| State inheritance and donation taxes (ITCD)     | 126,685          | 115,918          | 126,685        | 115,918        |
| PASEP/COFINS                                    | 718,934          | 719,470          |                |                |
| Other tax obligations                           | 70,407           | 59,209           | 41,798         | 34,696         |
| <b>Others</b>                                   | 251,224          | 272,133          | 103,240        | 100,718        |
|   | <b>1,433,493</b> | <b>1,387,711</b> | <b>295,714</b> | <b>275,721</b> |

The balances of deposits in court in relation to the PASEP and COFINS taxes have a corresponding provision recorded under taxes payable. For more details, see Note 16.

**10. ACCOUNTS RECEIVABLE FROM THE MINAS GERAIS STATE GOVERNMENT AND CRC ACCOUNT SECURITIZATION FUND**

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

The composition of the CRC Account Securitization is as follow:

|                                       | 06/30/2012       | 12/31/2011       |
|---------------------------------------|------------------|------------------|
| - Senior quotas held by third parties | 765,674          | 819,997          |
| - Subordinated quotas owned by Cemig  | 1,053,378        | 1,001,179        |
| - Dividends retained by the Fund      |                  | 8,899            |
|                                       | <b>1,053,378</b> | <b>1,010,078</b> |
| <b>TOTAL</b>                          | <b>1,819,052</b> | <b>1,830,075</b> |

Table of Contents

The changes to the amounts receivable in connection with the CRC Account Securitization Fund on the first semester of 2012 is as follows:

|  | <b>Consolidated and Parent<br/>Company</b> |
|--|--|
| <b>Balance at December 31, 2011</b>          | <b>1,830,075</b>                           |
| Monetary updating of the senior quotas       | 42.006                                     |
| Monetary updating of the subordinated quotas | 43.300                                     |
| Amortization of the senior quotas            | (96.329)                                   |
| <b>Balance at June 30, 2012</b>              | <b>1.819.052</b>                           |

In addition to the amortization of the Senior Units shown above, which took place in January 2012, Cemig made payment of dividends, on June 28, 2012; a total of R\$93,711 was used for amortization of part of the Senior Units. Additionally, the Company injected R\$7,015 into the fund to complete the amount necessary for redemption of the senior units and other operational expenses of the FIDC. The amortization of R\$ 100,726 of the senior units was effected only in July 2012.

**Negotiation for the advanced payment of account receivable from the Minas Gerais State Government - CRC**

On May 4, 2012, the Executive Board decided to submit the following proposal to the Company's Board of Directors: That the Company's representative in the General Meeting of Unit Holders of the Cemig CRC Account Securitization Fund (the FIDC) should be oriented with the objective of formalizing the agreement of the parties for early payment by the State of Minas Gerais of the debt, followed by full settlement by the Company of all the obligations arising from the CRC Agreement, and full settlement by the FIDC to the Company of all obligations arising from it. A discount of 35% will be applied to the updated debtor balance for payment of a deposit at sight by the State of Minas Gerais into the account of the Company, which will be passed through in its entirety to the FIDC.

**11. FINANCIAL ASSETS OF THE CONCESSION**

As described in Note 2, Item 2.6 (g), the Company's distribution, transmission, gas and wind generation concession contracts are within the criteria for application of IFRIC 12 (Service Concession Arrangements). During and at the end of the concession period, the grantor will provide indemnity to the Company for the unamortized value of the concession assets according concession agreement between CEMIG and ANEEL and effective legislation and regulatory rules.

The balances of the financial assets are as follows:

Table of Contents

|                                | Consolidated      |                  |
|--------------------------------|-------------------|------------------|
|                                | 06/30/2012        | 31/12/2011       |
| Distribution concessions       | 4,216,944         | 3,331,311        |
| Gas concessions                | 314,326           | 304,616          |
| Newer transmission concessions | 5,432,567         | 5,503,592        |
| Older transmission concessions | 778,856           | 758,338          |
|                                | <b>10,742,693</b> | <b>9,897,857</b> |
| Current assets                 | 919,199           | 1,120,035        |
| Non-current assets             | 9,823,494         | 8,777,822        |

The changes in the figures for these assets refer mainly to the monetary restatement of the transmission assets.

The changes in the financial assets of the concession are as follows:

|   | Balance at<br>12/31/2011 | Additions      | Transfers Financial<br>Assets x Intangible | Write-off        | Balance at<br>06/30/2012 |
|---|--------------------------|----------------|--|------------------|--------------------------|
| <b>Financial Assets of the concession</b> | <b>9,897,857</b>         | <b>274,711</b> | <b>874,889</b>                             | <b>(304,764)</b> | <b>10,742,693</b>        |

## 12. INVESTMENTS

The table below provides a summary of the financial information for the investments in subsidiaries, affiliated companies and jointly-controlled companies. This information has been adjusted for the percentage represented by the Company's ownership interest.

|  | Parent Company |            |
|--|----------------|------------|
|  | 06/30/2012     | 31/12/2011 |
| Cemig Geração e Transmissão                    | 5,200,587      | 5,086,076  |
| Cemig Distribuição                             | 2,695,184      | 2,656,463  |
| Light  | 1,196,205      | 1,160,184  |
| Cemig Telecom                                  | 287,446        | 287,909    |
| Gasmig   | 438,732        | 444,991    |
| Rosal Energia                                  | 145,972        | 158,676    |
| Sá Carvalho                                    | 117,116        | 123,571    |
| Horizontes Energia                             | 74,618         | 73,203     |
| Usina Térmica Ipatinga                         | 22,692         | 37,577     |
| Cemig PCH                                      | 87,502         | 95,228     |
| Cemig Capim Branco Energia                     | 33,657         | 42,592     |
| Companhia Transleste de Transmissão            | 24,550         | 24,020     |
| UTE Barreiro                                   | 27,646         | 23,034     |
| Companhia Transudeste de Transmissão           | 13,441         | 13,150     |
| Empresa de Comercialização de Energia Elétrica | 1,097          | 239        |
| Companhia Transirapé de Transmissão            | 10,893         | 10,525     |
| Transchile                                     | 46,509         | 42,850     |
| Efficientia                                    | 11,144         | 11,334     |

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

|  |                   |                   |
|--|-------------------|-------------------|
| Central Termelétrica de Cogeração                  | 5,934             | 6,348             |
| Companhia de Transmissão Centroeste de Minas       | 22,944            | 20,912            |
| Cemig Trading                                      | 15,647            | 13,008            |
| Empresa Paraense de Transmissão de Energia-ETEP    | 136,042           | 132,203           |
| Empresa Norte de Transmissão de Energia-ENTE       | 316,164           | 307,211           |
| Empresa Regional de Transmissão de Energia-ERTE    | 70,641            | 73,432            |
| Empresa Amazonense de Transmissão de Energia-EATE  | 695,139           | 672,559           |
| Empresa Catarinense de Transmissão de Energia-ECTE | 45,403            | 44,983            |
| Axxiom Soluções Tecnológicas                       | 4,730             | 4,253             |
| Cemig Serviços                                     | 950               | 2,310             |
| Parati   | 367,944           | 358,459           |
| Gasmig (investment in progress)                    | 67,223            | 67,223            |
|  | <b>12,183,752</b> | <b>11,994,523</b> |

Table of Contents

a) The changes in investments in subsidiaries and jointly-controlled subsidiaries are as follows:

|   | 12/31/2011        | Equity gain<br>(loss) | Financial<br>Resources<br>provided by<br>shareholders | Proposed<br>Dividends | Other        | 06/30/2012        |
|---|-------------------|-----------------------|---|-----------------------|--------------|-------------------|
| Cemig Geração e Transmissão                             | 5,086,076         | 720,353               |   | (605,733)             | (109)        | 5,200,587         |
| Cemig Distribuição                                      | 2,656,463         | 282,286               |   | (243,565)             |              | 2,695,184         |
| Cemig Telecom   | 287,909           | (463)                 |   |                       |              | 287,446           |
| Rosal Energia   | 158,676           | 7,402                 |   | (20,106)              |              | 145,972           |
| Sá Carvalho   | 123,571           | 14,931                |   | (21,386)              |              | 117,116           |
| GASMIG  | 444,991           | 23,747                |   | (30,006)              |              | 438,732           |
| Horizontes Energia                                      | 73,203            | 7,354                 |   | (5,939)               |              | 74,618            |
| Usina Térmica Ipatinga                                  | 37,577            | 5,018                 |   | (19,903)              |              | 22,692            |
| Cemig PCH   | 95,228            | 7,275                 |   | (15,001)              |              | 87,502            |
| Cemig Capim Branco Energia                              | 42,592            | 21,524                |   | (30,459)              |              | 33,657            |
| Companhia Transleste de Transmissão                     | 24,020            | 2,597                 |   | (2,067)               |              | 24,550            |
| UTE Barreiro  | 23,034            | 4,612                 |   |                       |              | 27,646            |
| Companhia Transudeste de<br>Transmissão                 | 13,150            | 1,371                 |   | (1,080)               |              | 13,441            |
| Empresa de Comercialização de<br>Energia Elétrica       | 239               | (110)                 |   |                       | 968          | 1,097             |
| Companhia Transirapé de Transmissão                     | 10,525            | 1,161                 |   | (793)                 |              | 10,893            |
| Transchile  | 42,850            | (84)                  |   |                       | 3,743        | 46,509            |
| Efficientia   | 11,334            | 4,039                 |   | (4,229)               |              | 11,144            |
| Central Termelétrica de Cogeração                       | 6,348             | 212                   |   | (626)                 |              | 5,934             |
| Companhia de Transmissão Centroeste<br>de Minas         | 20,912            | 2,032                 |   |                       |              | 22,944            |
| Light   | 1,160,184         | 36,021                |   |                       |              | 1,196,205         |
| Cemig Trading   | 13,008            | 15,455                |   | (12,816)              |              | 15,647            |
| Empresa Paraense de Transmissão de<br>Energia - ETEP    | 132,203           | 10,836                |   | (6,997)               |              | 136,042           |
| Empresa Norte de Transmissão de<br>Energia ENTE         | 307,211           | 24,379                |   | (15,426)              |              | 316,164           |
| Empresa Regional de Transmissão de<br>Energia - ERTE    | 73,432            | 4,774                 |   | (7,565)               |              | 70,641            |
| Empresa Amazonense de Transmissão<br>de Energia EATE    | 672,559           | 54,619                |   | (32,039)              |              | 695,139           |
| Empresa Catarinense de Transmissão<br>de Energia - ECTE | 44,983            | 2,911                 |   | (2,491)               |              | 45,403            |
| Axxiom Soluções Tecnológicas                            | 4,253             | 477                   |   |                       |              | 4,730             |
| Cemig Serviços  | 2,310             | (1,360)               |   |                       |              | 950               |
| Parati  | 358,459           | 10,342                |   | (857)                 |              | 367,944           |
| Gasmig (investment in progress)                         | 67,223            |                       |   |                       |              | 67,223            |
|   | <b>11,994,523</b> | <b>1,263,711</b>      |   | <b>(1,079,084)</b>    | <b>4,602</b> | <b>12,183,752</b> |

Table of Contents

b) The main information on the subsidiaries and jointly-controlled subsidiaries is as follows (the figures have not been adjusted based on Cemig's interest percentage):

| Subsidiaries                                       | Number of shares | Cemig Interest (%) | At June 30, 2012 | Shareholders | January to June 2012 | Share   |
|--|------------------|--------------------|------------------|--------------|----------------------|---------|
|  |                  |                    | Share capital    | Equity       | Cemig Interest (%)   | capital |
| Cemig Geração e Transmissão                        | 2,896,785,358    | 100.00             | 3,296,785        | 5,200,587    | 605,733              | 720,353 |
| Cemig Distribuição Light                           | 2,261,997,787    | 100.00             | 2,261,998        | 2,695,184    | 243,565              | 282,286 |
| Cemig Telecom                                      | 203,934,060      | 26.06              | 2,225,822        | 4,590,192    |                      | 179,834 |
| Rosal Energia                                      | 381,023,385      | 100.00             | 225,082          | 287,446      |                      | 4,348   |
| Sá Carvalho  | 46,944,467       | 100.00             | 46,944           | 145,972      | 20,106               | 10,165  |
| Gasmig   | 361,200,000      | 100.00             | 36,833           | 117,116      | 21,386               | 14,931  |
| Horizontes Energia                                 | 409,255,483      | 55.19              | 643,780          | 794,910      | 54,366               | 43,025  |
| Usina Térmica Ipatinga                             | 64,257,563       | 100.00             | 64,258           | 74,618       | 5,939                | 7,354   |
| Cemig PCH  | 29,174,281       | 100.00             | 29,174           | 22,692       | 19,903               | 5,018   |
| Cemig Capim Branco Energia                         | 30,952,000       | 100.00             | 30,952           | 87,502       | 15,001               | 7,275   |
| Companhia Transleste de Transmissão                | 5,528,000        | 100.00             | 5,528            | 33,657       | 30,459               | 21,524  |
| UTE Barreiro                                       | 49,569,000       | 25.00              | 49,569           | 98,200       | 5,167                | 10,389  |
| Companhia Transudeste de Transmissão               | 30,902,000       | 100.00             | 30,902           | 27,646       |                      | 4,612   |
| Empresa de Comercialização de Energia Elétrica     | 30,000,000       | 24.00              | 30,000           | 56,004       | 4,500                | 5,712   |
| Companhia Transirapé de Transmissão                | 486,000          | 100.00             | 486              | 1,097        |                      | (110)   |
| Transchile   | 22,340,490       | 24.50              | 22,340           | 44,461       | 3,237                | 4,741   |
| Efficientia  | 56,407,271       | 49.00              | 122,610          | 94,917       |                      | 5       |
| Central Termelétrica de Cogeração                  | 6,051,994        | 100.00             | 6,052            | 11,144       | 4,229                | 4,039   |
| Companhia de Transmissão Centroeste de Minas       | 5,000,000        | 100.00             | 5,001            | 5,934        | 626                  | 213     |
| Cemig Trading                                      | 28,000,000       | 51.00              | 28,000           | 44,989       |                      | 3,986   |
| Empresa Paraense de Transmissão de Energia ETEP    | 160,297          | 100.00             | 160              | 15,647       | 12,816               | 15,455  |
| Empresa Norte de Transmissão de Energia ENTE       | 45,000,010       | 49.98              | 89,390           | 272,193      | 13,400               | 24,006  |
| Empresa Regional de Transmissão de Energia ERTE    | 100,840,000      | 49.99              | 160,337          | 632,454      | 30,858               | 54,800  |
| Empresa Amazonense de Transmissão de Energia EATE  | 36,940,800       | 49.99              | 36,941           | 141,310      | 15,134               | 11,109  |
| Empresa Catarinense de Transmissão de Energia ECTE | 180,000,010      | 49.98              | 355,697          | 1,390,834    | 64,103               | 122,265 |
| Axxiom Soluções Tecnológicas                       | 42,095,000       | 19.09              | 42,095           | 237,836      | 13,048               | 18,214  |
| Cemig Serviços                                     | 9,200,000        | 49.00              | 9,200            | 9,652        |                      | 972     |
| Parati   | 5,100,000        | 100.00             | 5,100            | 950          |                      | (1,360) |
|  | 1,432,910,000    | 25.00              | 1,432,910        | 1,471,777    | 3,428                | 38,672  |

**Acquisition of additional equity interest in Gasmig**

On December 27, 2011, the Board of Directors approved the acquisition of registered preferred shares in Gasmig, representing 4.38% of Gasmig's total capital, from the Minas Gerais State Government for R\$67,223. The Board approved this acquisition to be made at a price per share of approximately R\$3.75. The execution of this acquisition is subject to the following conditions:

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

- An independent appraisal to determine the fair value of Gasmig's capital, which will be made by a specialized institution chosen and contracted by CEMIG.
- MGI-Minas Gerais Participações S.A. must complete in its entirety the transfer its equity interest in Gasmig to the Minas Gerais State Government.



Table of Contents**13. PROPERTY, PLANT AND EQUIPMENT**

| Consolidated                               | June 30, 2012      |                             |                  | December 31, 2010  |                             |                  |
|--|--------------------|-----------------------------|------------------|--------------------|-----------------------------|------------------|
|  | Historical<br>Cost | Accumulated<br>depreciation | Net value        | Historical<br>Cost | Accumulated<br>depreciation | Net value        |
| <b>In Service</b>                          | <b>19,873,858</b>  | <b>(12,193,927)</b>         | <b>7,679,931</b> | <b>19,052,126</b>  | <b>(12,022,438)</b>         | <b>7,029,688</b> |
| Land                                       | 421,564            |                             | 421,564          | 424,728            |                             | 424,728          |
| Reservoirs, dams and water courses         | 8,595,362          | (5,099,037)                 | 3,496,325        | 7,990,344          | (5,035,301)                 | 2,955,043        |
| Buildings, works and improvements          | 2,455,710          | (1,583,701)                 | 872,009          | 2,319,093          | (1,560,550)                 | 758,543          |
| Machinery and equipment                    | 8,321,202          | (5,448,457)                 | 2,872,745        | 8,233,445          | (5,362,640)                 | 2,870,805        |
| Vehicles                                   | 21,139             | (13,595)                    | 7,544            | 25,775             | (16,017)                    | 9,758            |
| Furniture and fixtures                     | 58,881             | (49,137)                    | 9,744            | 58,741             | (47,930)                    | 10,811           |
| <b>In progress</b>                         | <b>1,023,804</b>   |                             | <b>1,023,804</b> | <b>1,632,103</b>   |                             | <b>1,632,103</b> |
| Assets under construction                  | 1,023,804          |                             | 1,023,804        | 1,632,103          |                             | 1,632,103        |
| <b>Total Property, Plant and Equipment</b> | <b>20,897,662</b>  | <b>(12,193,927)</b>         | <b>8,703,735</b> | <b>20,684,229</b>  | <b>(12,022,438)</b>         | <b>8,661,791</b> |

The changes in property, plant, and equipment from are as follows:

| Consolidated                                | Balance at<br>12/31/2011 | Additions/<br>transfers | Write-off       | Accumulated<br>depreciation | Balance at<br>06/30/2012 |
|---|--------------------------|-------------------------|-----------------|-----------------------------|--------------------------|
| <b>In Service</b>                           | <b>7,029,688</b>         | <b>869,732</b>          | <b>(7,647)</b>  | <b>(211,842)</b>            | <b>7,679,931</b>         |
| Land  | 424,728                  | (3,164)                 |                 |                             | 421,564                  |
| Reservoirs, dams and water courses          | 2,955,043                | 613,531                 | (1)             | (72,248)                    | 3,496,325                |
| Buildings, works and improvements           | 758,543                  | 139,543                 | (21)            | (26,056)                    | 872,009                  |
| Machinery and equipment                     | 2,870,805                | 119,521                 | (6,548)         | (111,033)                   | 2,872,745                |
| Vehicles                                    | 9,758                    | 31                      | (1,077)         | (1,168)                     | 7,544                    |
| Furniture and fixtures                      | 10,811                   | 270                     |                 | (1,337)                     | 9,744                    |
| <b>In progress</b>                          | <b>1,632,103</b>         | <b>(603,711)</b>        | <b>(4,588)</b>  |                             | <b>1,023,804</b>         |
| <b>Total Property, Plant, and Equipment</b> | <b>8,661,791</b>         | <b>266,021</b>          | <b>(12,235)</b> | <b>(211,842)</b>            | <b>8,703,735</b>         |

The item Special obligations related to the concession refers, primarily, to contributions from consumers for construction of the works necessary to meet their requests for supply of electricity. Final settlement of these obligations depends on the additional regulation to be issued by Aneel, at the end of the distribution concessions, in the form of reduction of the residual value of the fixed asset for the purposes of determination of the amount that the concession-granting power will pay to the concession holder.

Under Aneel Resolution 234 of October 2006, and Aneel Circular 1314/2008 of June 27, 2008, the balance of the Special Obligations related to the concession began to be amortized, as from the second tariff review cycle of Cemig D and of Light, in 2008, using a percentage corresponding to the average depreciation rate of the assets.

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

The Company has not identified any indications of impairment with regards to its property, plant, and equipment. The concession contracts specify that, at the end of the concession contract period of each concession, the grantor will decide the amount to be indemnified to the Company. Management believes that the undepreciated book value of property, plant and equipment at the end of the concession period will be the amount to be reimbursed to the Company by the granting authority.

ANEEL, in conformity with the Brazilian regulatory framework, is responsible for establishing and periodically reviewing the estimates of useful economic life for

Table of Contents

generation and transmission assets in the electricity sector. The estimates of useful life established by the ANEEL are used in the processes for reviewing tariff rates and calculating the indemnification due to the concessionaires at the end of the concession period. These are recognized by the Company as reasonable and were used as the basis for depreciation of the Company's property, plant and equipment.

**14. INTANGIBLE ASSETS**

| Parent Company                | Historical cost | 06/30/2012<br>Accumulated<br>amortization | Residual value | Historical<br>cost | 12/31/2011<br>Accumulated<br>amortization | Residual<br>value |
|-------------------------------|-----------------|---|----------------|--------------------|---|-------------------|
| <b>In Service</b>             | <b>13,313</b>   | <b>(12,743)</b>                           | <b>570</b>     | <b>13,309</b>      | <b>(12,659)</b>                           | <b>650</b>        |
| <b>Defined useful life</b>    |                 |   |                |                    |   |                   |
| Software use rights           | 3,711           | (3,147)                                   | 564            | 3,711              | (3,064)                                   | 647               |
| Brands and patents            | 9               | (3)                                       | 6              | 5                  | (2)                                       | 3                 |
| Concession assets             | 83              | (83)                                      |                | 83                 | (83)                                      |                   |
| Cemig Telecom                 | 9,510           | (9,510)                                   |                | 9,510              | (9,510)                                   |                   |
| <b>In progress</b>            | <b>3</b>        |   | <b>3</b>       | <b>7</b>           |   | <b>7</b>          |
| Assets under construction     | 3               |   | 3              | 7                  |   | 7                 |
| <b>Intangible assets, net</b> | <b>13,316</b>   | <b>(12,743)</b>                           | <b>573</b>     | <b>13,316</b>      | <b>(12,659)</b>                           | <b>657</b>        |

| Consolidated                  | Historical cost   | 06/30/2012<br>Accumulated<br>amortization | Residual value   | Historical<br>cost | 12/31/2011<br>Accumulated<br>amortization | Residual<br>value |
|-------------------------------|-------------------|---|------------------|--------------------|---|-------------------|
| <b>In Service</b>             | <b>10,399,449</b> | <b>(7,152,473)</b>                        | <b>3,246,976</b> | <b>10,448,490</b>  | <b>(6,709,432)</b>                        | <b>3,739,058</b>  |
| <b>Definite useful life</b>   |                   |   |                  |                    |   |                   |
| Easements                     | 34,143            | (1,675)                                   | 32,468           | 34,248             | (1,585)                                   | 32,663            |
| Onerous Concessions           | 51,908            | (9,422)                                   | 42,486           | 31,974             | (8,742)                                   | 23,232            |
| Concession easements          | 10,103,720        | (6,968,720)                               | 3,135,000        | 10,202,921         | (6,556,363)                               | 3,646,558         |
| Others                        | 209,678           | (172,656)                                 | 37,022           | 179,347            | (142,742)                                 | 36,605            |
| <b>In progress</b>            | <b>1,508,335</b>  |   | <b>1,508,335</b> | <b>1,522,123</b>   |   | <b>1,522,123</b>  |
| Assets under construction     | 1,508,335         |   | 1,508,335        | 1,522,123          |   | 1,522,123         |
| <b>Intangible assets, net</b> | <b>11,907,784</b> | <b>(7,152,473)</b>                        | <b>4,755,311</b> | <b>11,970,613</b>  | <b>(6,709,432)</b>                        | <b>5,261,181</b>  |

The changes in consolidated intangible assets are as follows:

| Consolidated               | Balance at<br>12/31/2011 | Additions       | Write-<br>off   | Amortization     | transfers        | Balance at<br>06/30/2012 |
|----------------------------|--------------------------|-----------------|-----------------|------------------|------------------|--------------------------|
| <b>In Service</b>          | <b>3,739,058</b>         | <b>(60,024)</b> | <b>(50,675)</b> | <b>(244,740)</b> | <b>(136,643)</b> | <b>3,246,976</b>         |
| <b>Defined Useful life</b> |                          |                 |                 |                  |                  |                          |
| Easements                  | 32,663                   |                 |                 | (88)             | (107)            | 32,468                   |
| Onerous Concessions        | 23,232                   | 19,934          | (1,220)         | (587)            | 1,127            | 42,486                   |
| Concession assets          | 3,646,558                | (81,036)        | (49,455)        | (239,275)        | (141,792)        | 3,135,000                |
| Others                     | 36,605                   | 1,078           |                 | (4,790)          | 4,129            | 37,022                   |
| <b>In progress</b>         | <b>1,522,123</b>         | <b>816,000</b>  |                 |                  | <b>(829,788)</b> | <b>1,508,335</b>         |
| Assets under construction  | 1,522,123                | 816,000         |                 |                  | (829,788)        | 1,508,335                |

|                               |                  |                |                 |                  |                  |                  |
|-------------------------------|------------------|----------------|-----------------|------------------|------------------|------------------|
| <b>Intangible assets, net</b> | <b>5,261,181</b> | <b>755,976</b> | <b>(50,675)</b> | <b>(244,740)</b> | <b>(966,429)</b> | <b>4,755,311</b> |
|-------------------------------|------------------|----------------|-----------------|------------------|------------------|------------------|

Table of Contents

**Concession Assets**

In conformity with Technical Interpretation ICPC 01, accounting for concessions, the portion of the distribution infrastructure that will be used during the concession period, consisting of the distribution assets, net of consumer interests (special obligations), was recorded in Intangible Assets.

**Useful life review**

On February 7, 2012 Aneel, by Normative Resolution 474, set the new rates of depreciation for assets in service in electricity concessions based on a review of their useful lives. The new rates applied from January 1, 2012.

**15. SUPPLIERS**

|  | Consolidated     |                  |
|--|------------------|------------------|
|  | 06/30/2012       | 12/31/2011       |
| <b>Supply and transport of electricity</b> |                  |                  |
| Eletrobrás Power from Itaipu               | 225,499          | 198,280          |
| Furnas Centrais Elétricas S.A.             | 52,138           | 55,464           |
| Spot market - CCEE                         | 131,102          | 40,326           |
| UTE Norte Fluminense                       | 38,186           | 38,392           |
| Purchase of electricity at auctions        | 50,159           | 63,904           |
| Others                                     | 434,535          | 364,907          |
|  | <b>931,619</b>   | <b>761,273</b>   |
| <b>Materials and services</b>              | 350,402          | 428,575          |
|  | <b>1,282,021</b> | <b>1,189,848</b> |

**16. TAXES PAYABLES**

**a) Taxes payable**

The non-current liabilities for PASEP and COFINS refer to the legal action challenging the constitutionality of the inclusion of ICMS in the calculation basis for these taxes, and, the offsetting of the amounts paid in the last 10 years has been requested. The Company and its subsidiaries Cemig Distribuição and Cemig Geração e Transmissão have obtained a Court injunction enabling them not to make the payment and authorizing payment in Court from 2008 until August, 2011. Thereafter, the Company opted to pay the new taxes each month.



Table of Contents

|                       | Consolidated     |                  | Parent Company |               |
|-----------------------|------------------|------------------|----------------|---------------|
|                       | 06/30/2012       | 12/31/2011       | 06/30/2012     | 12/31/2011    |
| <b>Current</b>        |                  |                  |                |               |
| ICMS -Value-added tax | 352,945          | 329,696          | 18,091         | 18,091        |
| COFINS                | 108,304          | 94,662           | 880            | 11,636        |
| PASEP                 | 20,287           | 20,742           | 191            | 2,526         |
| INSS                  | 20,143           | 24,641           | 1,663          | 2,130         |
| Others                | 23,706           | 46,812           | 964            | 1,357         |
|                       | <b>525,385</b>   | <b>516,553</b>   | <b>21,789</b>  | <b>35,740</b> |
| <b>Non-current</b>    |                  |                  |                |               |
| COFINS                | 681,065          | 683,332          |                |               |
| PASEP                 | 147,826          | 148,355          |                |               |
| Others                | 77,693           | 65,400           |                |               |
|                       | <b>906,584</b>   | <b>897,087</b>   |                |               |
|                       | <b>1,431,969</b> | <b>1,413,640</b> | <b>21,789</b>  | <b>35,740</b> |

**b) Income tax and social contribution payable**

The non-current, deferred income tax and social contribution liabilities refer mainly to recognition of financial instruments (foreign exchange variations) on a cash basis, assets and liabilities at present value adjustment, capital costs assigned to loans and deemed cost of property, plant and equipment.

|                         | Consolidated   |                |
|-------------------------|----------------|----------------|
|                         | 06/30/2012     | 12/31/2011     |
| <b>Current</b>          |                |                |
| Income tax              | 146.639        | 86,753         |
| Social contribution tax | 67.739         | 42,631         |
|                         | <b>214.378</b> | <b>129,384</b> |

The non-current income tax and social contribution are presented on note 8 of the financial statement.

Table of Contents**17. LOANS, FINANCING AND DEBENTURES**

| Lenders                                    | Maturity of Principal | Annual Interest Rates (%)    | Currency | Current       | Consolidated           |                | 12/31/2011 Total |
|--|-----------------------|------------------------------|----------|---------------|------------------------|----------------|------------------|
|  |                       |                              |          |               | 06/30/2012 Non Current | Total          |                  |
| <b>IN FOREIGN CURRENCY</b>                 |                       |                              |          |               |                        |                |                  |
| ABN AMRO Real S.A. (3)                     | 2013                  | 6                            | US\$     | 25,317        |                        | 25,317         | 46,989           |
| Banco do Brasil A. Bônus Diversos (1)      | 2024                  | Various                      | US\$     | 5,493         | 27,208                 | 32,701         | 34,826           |
| BNP Paribas                                | 2012                  | 5.89                         | EURO     |               |                        |                | 1,387            |
| KFW  | 2016                  | 4.50                         | EURO     | 1,689         | 5,911                  | 7,600          | 8,028            |
| Brazilian National Treasury (10)           | 2024                  | Various                      | US\$     | 2,717         | 13,124                 | 15,841         | 16,893           |
| Banco Inter Americano del Desarrollo (7)   | 2026                  | 2.12                         | US\$     | 1,542         | 32,668                 | 34,210         | 35,529           |
| BNP 36 MM - Euros                          | 2014                  | 0.04                         | EURO     | 222           | 29,422                 | 29,644         | 27,882           |
| Merril Lynch - Us\$ 50 MM                  | 2016                  | 0.03                         | US\$     | 111           | 32,820                 | 32,931         | 30,570           |
| BID (16)                                   | 2022                  | Libor + Spread 1.7 a 2.2%pa  | US\$     | 3,806         | 51,712                 | 55,518         | 52,902           |
| BID (16)                                   | 2023                  | Libor + Spread 1.5 a 1.88%pa | US\$     | 8,512         | 87,528                 | 96,040         | 92,561           |
| Others                                     | 2019                  | Various                      | Various  | 8,075         | 3,255                  | 11,330         | 11,340           |
| <b>Total foreign currency financing</b>    |                       |                              |          | <b>57,484</b> | <b>283,648</b>         | <b>341,132</b> | <b>358,907</b>   |
| <b>LOCAL CURRENCY</b>                      |                       |                              |          |               |                        |                |                  |
| Banco do Brasil S.A.                       | 2017                  | 108.33 of CDI                | R\$      | 784           | 197,058                | 197,842        |                  |
| Banco do Brasil S.A.                       | 2012                  | 109.80 of CDI                | R\$      | 589,656       |                        | 589,656        | 591,951          |
| Banco do Brasil S.A.                       | 2013                  | CDI + 1.70                   | R\$      | 30,317        | 18,320                 | 48,637         | 56,844           |
| Banco do Brasil S.A.                       | 2013                  | 107.60 of CDI                | R\$      | 127,822       |                        | 127,822        | 136,566          |
| Banco do Brasil S.A.                       | 2014                  | 104.10 of CDI                | R\$      | 1,018,888     | 200,000                | 1,218,888      | 1,224,881        |
| Banco do Brasil S.A.                       | 2013                  | 10.83                        | R\$      | 748,473       |                        | 748,473        | 706,796          |
| Banco do Brasil S.A.                       | 2014                  | 98.5%of CDI                  | R\$      | 102,397       | 355,580                | 457,977        | 436,637          |
| Banco do Brasil S.A.                       | 2012                  | 106.00 of CDI                | R\$      | 104,814       |                        | 104,814        | 99,779           |
| Banco Itaú BBA S.A                         | 2013                  | CDI + 1.70                   | R\$      | 121,190       | 12,779                 | 133,969        | 158,837          |
| Banco Itaú BBA S.A                         | 2014                  | CDI + 1.70                   | R\$      | 963           | 868                    | 1,831          | 2,955            |
| Banco Votorantim S.A.                      | 2013                  | CDI + 1.70                   | R\$      | 28,366        | 24,552                 | 52,918         | 53,415           |
| BNDES                                      | 2026                  | TJLP+2.34                    | R\$      | 7,990         | 99,835                 | 107,825        | 111,678          |
| Bradesco S.A.                              | 2014                  | CDI + 1.70                   | R\$      | 504           | 455                    | 959            | 1,550            |
| Bradesco S.A.                              | 2013                  | CDI + 1.70                   | R\$      | 101,074       | 41,554                 | 142,628        | 198,181          |
| Bradesco S.A. (2)                          | 2012                  | 106.00 of CDI                | R\$      | 1,044,388     |                        | 1,044,388      | 990,142          |
| Debêntures (6)                             | 2014                  | IGP-M + 10.50                | R\$      | 2,741         | 362,682                | 365,423        | 372,697          |
| Debêntures Minas Gerais state govt (6) (9) | 2031                  | IGP-M                        | R\$      |               | 49,740                 | 49,740         | 46,896           |
| Debêntures (6)                             | 2017                  | IPCA + 7.96                  | R\$      | 21,703        | 514,274                | 535,977        | 502,648          |
| Debêntures (6)                             | 2012                  | CDI+ 0.90                    | R\$      |               |                        |                | 1,754,714        |
| Debêntures (6)                             | 2015                  | IPCA + 7.68                  | R\$      | 1,353,485     |                        | 1,353,485      | 1,367,937        |
| Debêntures                                 | 2017                  | CDI + 0.90                   | R\$      | 496,938       |                        | 496,938        |                  |
| Debêntures                                 | 2022                  | IPCA + 6.20                  | R\$      | 697,212       |                        | 697,212        |                  |
| Debêntures                                 | 2019                  | IPCA + 6.20                  | R\$      | 207,985       |                        | 207,985        |                  |
| ELETROBRÁS                                 | 2013                  | FINEL + 7.50 to 8.50         | R\$      | 12,926        | 6,399                  | 19,325         | 25,603           |
| ELETROBRÁS                                 | 2023                  | UFIR. RGR + 6.00 to 8.00     | R\$      | 69,891        | 353,589                | 423,480        | 428,238          |
| Santander do Brasil S.A.                   | 2013                  | CDI + 1.70                   | R\$      | 26,759        | 1,462                  | 28,221         | 40,451           |
| UNIBANCO S.A                               | 2013                  | CDI + 1.70                   | R\$      | 88,465        | 60,976                 | 149,441        | 161,272          |
| UNIBANCO S.A (2)                           | 2013                  | CDI + 1.70                   | R\$      | 18,711        |                        | 18,711         | 40,085           |



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

|                                       |      |               |     |                  |                  |                   |                   |
|---------------------------------------|------|---------------|-----|------------------|------------------|-------------------|-------------------|
| Itaú e Bradesco (4)                   | 2015 | CDI + 1.70    | R\$ | 186,673          | 579,001          | 765,674           | 819,996           |
| Banco do Brasil S.A. (8)              | 2020 | TJLP + 2.55   | R\$ | 1,366            | 20,036           | 21,402            | 22,768            |
| UNIBANCO S.A (8)                      | 2020 | TJLP + 2.55   | R\$ | 363              | 5,058            | 5,421             | 5,768             |
| Debêntures I e IV (5) (6)             | 2015 | TJLP + 4.00   | R\$ | 6                | 13               | 19                | 22                |
| Debêntures V (5) (6)                  | 2014 | CDI + 1.50    | R\$ | 72,525           | 138,437          | 210,962           | 241,759           |
| Debêntures VII (5) (6)                | 2016 | CDI + 1.35    | R\$ | 3,308            | 210,496          | 213,804           | 214,400           |
| Debêntures LIGHT                      |      |               |     |                  |                  |                   |                   |
| ENERGIA I (5) (6)                     | 2016 | CDI + 1.45    | R\$ | 1,240            | 55,580           | 56,820            | 57,074            |
| Debêntures LIGHT                      |      |               |     |                  |                  |                   |                   |
| ENERGIA II (5) (6)                    | 2019 | 1.18% of CDI  | R\$ | 4,894            | 137,463          | 142,357           | 137,487           |
| CCB Bradesco S.A (5)                  | 2017 | CDI + 0.85    | R\$ | 35,339           | 121,776          | 157,115           | 149,820           |
| ABN AMRO Real S.A. (5)                | 2014 | CDI + 0.95    | R\$ | 2,458            | 25,980           | 28,438            | 27,005            |
| BNDES (5)                             | 2019 | TJLP          | R\$ | 59,410           | 291,674          | 351,084           | 371,729           |
| DEBENTURES (6) (10)                   | 2016 | CDI+1.30%     | R\$ | 3,142            | 8,568            | 11,710            | 13,281            |
| DEBENTURES (6) (10)                   | 2016 | CDI+1.30%     | R\$ | 20,862           | 56,850           | 77,712            | 88,148            |
| DEBENTURES (6) (10)                   | 2016 | CDI+1.30%     | R\$ | 39,539           | 107,716          | 147,255           | 167,035           |
| DEBENTURES (6) (10)                   | 2016 | 112.5% of CDI | R\$ | 7,199            | 24,582           | 31,781            | 35,124            |
| BNDES (11)                            | 2033 | TJLP + 2.40   | R\$ | 2,813            | 361,736          | 364,549           | 349,505           |
| Debêntures (11)                       | 2013 | IPCA          | R\$ | 143,703          | 76,006           | 219,709           | 207,094           |
| BNDES Repasse (11)                    | 2033 | TJLP          | R\$ | 1,452            | 370,536          | 371,988           | 354,783           |
| AMAZONIA - FNO                        | 2031 | 10%p.a        | R\$ | 296              | 55,842           | 56,138            | 54,807            |
| BNDES Principal                       |      |               |     |                  |                  |                   |                   |
| Subcredit A/B/C/D (10)                | 2015 | Various       | R\$ | 5,609            | 64,011           | 69,620            | 66,932            |
| BNDES (12)                            | 2024 | TJLP +2.15    | R\$ | 3,180            | 35,380           | 38,560            | 39,961            |
| CEF S.A (13)                          | 2022 | TJLP + 3.50   | R\$ | 7,178            | 56,226           | 63,404            | 64,784            |
| CEF S.A (14)                          | 2021 | TJLP + 3.50   | R\$ | 5,874            | 45,036           | 50,910            | 52,109            |
| CEF S.A (15)                          | 2022 | TJLP + 3.50   | R\$ | 9,563            | 83,675           | 93,238            | 95,267            |
| BNDES (16)                            | 2019 | Various       | R\$ | 35,067           | 160,862          | 195,929           | 210,744           |
| Pool of Banks (16)                    | 2015 | CDI + 0.90%   | R\$ | 9,234            | 4,592            | 13,826            | 18,462            |
| CEF S.A (16)                          | 2016 | 117.5 of CDI  | R\$ | 2,370            | 7,050            | 9,420             | 10,585            |
| DEBENTURES (16)                       | 2017 | Various       | R\$ | 35,750           | 818,003          | 853,753           | 832,234           |
| Promissory notes (ITAU)               | 2012 | 105.5% of CDI | R\$ | 702,258          |                  | 702,258           | 669,132           |
| Promissory notes (ITAU)               | 2012 | 104% of CDI   | R\$ | 517,289          |                  | 517,289           |                   |
| BNDES (17)                            | 2016 | TJLP + 3.12   | R\$ | 27,441           | 90,153           | 117,594           | 131,225           |
| BNDES (18) Cemig                      |      |               |     |                  |                  |                   |                   |
| Telecom                               | 2017 | Various       | R\$ | 9,133            | 38,445           | 47,578            | 51,972            |
| BNDES                                 | 2028 | URTJ+1.97     | R\$ | 4,164            | 59,418           | 63,582            | 49,588            |
| Others                                | 2025 | Various       | R\$ | 27,241           | 278,676          | 305,917           | 298,809           |
| <b>Total local currency financing</b> |      |               |     | <b>9,012,381</b> | <b>6,689,000</b> | <b>15,701,381</b> | <b>15,420,162</b> |
| <b>TOTAL</b>                          |      |               |     | <b>9,069,865</b> | <b>6,972,648</b> | <b>16,042,513</b> | <b>15,779,069</b> |

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

### Table of Contents

- 
- (1) These interest rates, which are based on the six-month Libor rate plus a spread of 0.81 to 0.88% per year, vary from 2.00 to 8.00 % per year;
- (2) Loan from the parent company;
- (3) Exchange rate Swaps for were contracted. The following are the rates for the loans and financings taking the swaps into account: CDI + 1.50% per year;
- (4) Refers to the senior quotas of the FIDC. See Note 10.
- (5) Loans, financings and debentures of RME (Light) and Parati.
- (6) Registered, unsecured, debentures not convertible into shares, without preference.
- (7) Financing of Transchile.
- (8) Financing of Cachoeirão.
- (9) Contracts adjusted to present value, as per changes to the corporate law in accordance with Law 11638/07.
- (10) Consolidated loans and financings of the TBE group.
- (11) Loan contracted for the jointly-controlled subsidiary Madeira Energia.
- (12) Loan contracted for the jointly-controlled subsidiary Hidrelétrica Pipoca S.A.
- (13) Loan contracted for the jointly-controlled subsidiary Praia de Morgado S.A.
- (14) Loan contracted for the jointly-controlled subsidiary Praia de Parajuru S.A.
- (15) Loan contracted for the jointly-controlled subsidiary VDR S.A.
- (16) Loan contracted for the jointly-controlled subsidiary TAESA.
- (17) Loan and financing of Gasmig.
- (18) Loan arranged by Cemig Telecom Ativas.

The consolidated breakdown of loans, financings and debentures, per currency and indexer, with the respective amortization:

|                 | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019 em<br>diante | Total   |
|-----------------|--------|--------|--------|--------|--------|--------|--------|-------------------|---------|
| <b>Currency</b> |        |        |        |        |        |        |        |                   |         |
| U.S. dollar     | 19,851 | 45,918 | 26,465 | 28,515 | 29,392 | 18,896 | 21,291 | 110,884           | 301,212 |

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

|               |               |               |               |               |               |               |               |                |                |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| Euro          | 1,066         | 1,689         | 31,110        | 1,689         | 1,689         |               |               |                | 37,243         |
| UMBNDDES (**) | 197           | 377           | 377           | 377           | 377           | 377           | 377           | 218            | 2,677          |
|               | <b>21,114</b> | <b>47,984</b> | <b>57,952</b> | <b>30,581</b> | <b>31,458</b> | <b>19,273</b> | <b>21,668</b> | <b>111,102</b> | <b>341,132</b> |

**Indexers**

|  |                  |                  |                  |                  |                |                  |                |                  |                   |
|--|------------------|------------------|------------------|------------------|----------------|------------------|----------------|------------------|-------------------|
| IPCA (Amplified Consumer Price Index)  | 238,082          | 572,767          | 487,766          | 672,818          | 172,220        | 171,376          | 101,303        | 780,142          | 3,196,474         |
| UFIR (Fiscal Reference Unit) / RGR     | 42,272           | 67,322           | 69,486           | 61,090           | 49,601         | 40,034           | 35,362         | 58,899           | 424,066           |
| Interbank Certificate of Deposit (CDI) | 3,971,009        | 1,411,463        | 1,361,672        | 686,939          | 401,169        | 721,795          | 35,226         | 90,014           | 8,679,287         |
| Eletróbrás Finel internal index        | 7,594            | 11,731           |                  |                  |                |                  |                |                  | 19,325            |
| URTJ/TJLP (*)                          | 70,246           | 173,365          | 192,734          | 182,674          | 172,887        | 143,421          | 133,595        | 845,499          | 1,914,421         |
| General Price Index - Market (IGP-M)   | 2,731            | 2,253            | 364,810          | 2,032            | 1,961          | 1,889            | 1,859          | 58,048           | 435,583           |
| UMBndes (**)                           | 18,799           | 33,758           | 33,964           | 34,568           | 32,707         | 12,205           | 5,484          | 16,477           | 187,962           |
| Others (IGP-DI, INPC) (***)            | 2,666            | 1,268            | 1,539            | 1,374            | 929            | 220              | 220            |                  | 8,216             |
| No indexer                             | 153,483          | 602,903          | 5,095            | 7,524            | 8,460          | 7,204            | 6,746          | 44,632           | 836,047           |
|  | <b>4,506,882</b> | <b>2,876,830</b> | <b>2,517,066</b> | <b>1,649,019</b> | <b>839,934</b> | <b>1,098,144</b> | <b>319,795</b> | <b>1,893,711</b> | <b>15,701,381</b> |
|  | <b>4,527,996</b> | <b>2,924,814</b> | <b>2,575,018</b> | <b>1,679,600</b> | <b>871,392</b> | <b>1,117,417</b> | <b>341,463</b> | <b>2,004,813</b> | <b>16,042,513</b> |

- (\*) URTJ = Interest Rate Reference Unit Adjusted by the Long-term Interest Rate (TJLP)  
(\*\*) UMBNDDES = BNDES Monetary Unit.  
(\*\*\*) IGP-DI inflation index (General Price Index - Domestic Availability).  
INPC - National Consumer Price Index.

The following table sets forth the principal foreign currencies, interest rates and indices applied to Loans, financing and debentures:

| Currency              | Accumulated Variance in 2012 (%) | Index | Accumulated Variance in 2012 (%) |
|-----------------------|----------------------------------|-------|----------------------------------|
| United States Dollars |                                  | IGP-M | 3.19%                            |
| Euro                  |                                  | IPCA  | 2.32%                            |
|                       |                                  | CDI   | 4.59%                            |
|                       |                                  | FINEL | 0.63%                            |

Table of Contents

The changes in financing are as follows:

|                                      | Consolidated      | Parent Company   |
|--------------------------------------|-------------------|------------------|
| <b>Balance at December 31, 2011</b>  | <b>15,779,069</b> | <b>1,030,227</b> |
| Loans and financings obtained        | 3,163,081         |                  |
| Monetary and exchange rate variation | 141,157           |                  |
| Borrowing costs                      | 663,423           | 50,584           |
| Amortization of borrowing costs      | (661,361)         | (4,784)          |
| Capitalization                       | 16,224            |                  |
| Adjustment to present value          | (2,102)           |                  |
| Amortization of financings           | (3,063,209)       | (18,397)         |
| Transaction costs                    | (4,972)           |                  |
| Amortization of transaction costs    | 11,203            | 5,470            |
| <b>Balance at June 30, 2012</b>      | <b>16,042,513</b> | <b>1,063,100</b> |

**a) Issuance of debentures of Cemig Geração e Transmissão**

In March 2012, the Company concluded its third public issue of non-convertible debentures, issuing 1,350,000 unsecured non-convertible debentures, in three series, with nominal unit value of R\$ 1 on the issue date. The net proceeds from the issue were used for 100% redemption of the commercial Promissory Notes of the Company's fourth issue, made on January 13, 2012, for their total nominal value of R\$ 1,000,000, plus remuneratory interest. 480,000 Debentures of the First Series, 200,000 Debentures of the Second Series and 670,000 Debentures of the Third Series were issued, with maturities, respectively, of five, seven and ten years from the issue date. The debentures of the first series carry remuneratory interest at the rate of CDI + 0.90% p.a., and the debentures of the second and third series will be subject to adjustment of their nominal unit value by the IPCA/IBGE index plus payment of remuneratory interest of 6.00% p.a. and 6.20% p.a., respectively. Cemig provided a surety guarantee for the 3rd debenture issue of Cemig GT.

**b) Issue of Promissory Notes by Taesa**

On May 25, 2012, Taesa issued 181 promissory notes with nominal unit value of R\$5,000, for a total of R\$905,000, with maturity on May 20, 2013. The issue was approved by the Extraordinary General Meeting of Stockholders held on May 23, 2012. The notes will pay interest equal to 104% of the daily average *over extra-grupo* DI (Interbank Deposit) Rate, expressed as an annual percentage, on the 252 business days basis, calculated and published daily by Cetip – the Securities Custody and Financial Settlement Center on its website <http://www.cetip.com.br>. The Issuer's net proceeds from the Notes were used for payment of the Agreement to Purchase Shares held by Abengoa Concessões Brasil Holding S.A in União de Transmissoras de Energia Elétrica S.A – Unisa.

Table of Contents**c) Covenants**

Cemig and its subsidiaries Cemig Distribuição and Cemig Geração e Transmissão have contracts for loans and financing which contain covenants, requiring compliance on a semi-annual basis at the end of June and December each year.

On June 30, 2012, one of Cemig's clauses was not complied with. However, the company obtained consent from its creditors prior to the stipulated date that they would not exercise their rights to demand immediate or early payment of amounts owed before December 31, 2012.

On June 30, 2012 Cemig GT was non-compliant with the covenant relating to the ratio Debt / Stockholders' equity + loans. Its value for this ratio on that date was 62.20%, higher than the contracted limit of 61%. Formal waiver from the creditors, agreeing that they would not exercise the rights to require immediate or early payment, was obtained on dates subsequent to June 30, 2012, and for this reason the contracts in which these clauses were not complied with are recorded in Current liabilities. The amount reclassified to the current liabilities as a result of the covenants was R\$2,882,369.

On August 13, 2012 the Company obtained a formal waiver from the creditor, to the effect that it will not demand early settlement of this liability.

**d) Debentures**

The debentures issued by the Company's subsidiaries and jointly-controlled subsidiaries are simple, non-convertible.

**18. REGULATORY CHARGES**

|  | Consolidated |            |
|--|--------------|------------|
|  | 06/30/2012   | 12/31/2011 |
| Global Reversion Reserve - RGR                         | 77,063       | 58,930     |
| Fuel Consumption Account - CCC                         | 44,498       | 68,492     |
| Energy Development Account - CDE                       | 55,573       | 45,436     |
| Eletrobrás - Compulsory loan                           | 1,207        | 1,207      |
| ANEEL inspection charge                                | 4,681        | 4,631      |
| Energy Efficiency                                      | 155,549      | 147,724    |
| Research and Development                               | 209,102      | 216,524    |
| Energy System Expansion Research                       | 3,584        | 4,093      |
| National Scientific and Technological Development Fund | 8,067        | 7,803      |
| Alternative Energy Program - Proinfa                   | 4,469        | 22,772     |
| Emergency capacity charge                              | 49,281       | 49,319     |
| 0.30% additional payment - Law 12111/09                | 4,411        | 3,500      |

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

|                         |                |                |
|-------------------------|----------------|----------------|
|                         | <b>617,485</b> | <b>630,431</b> |
| Current liabilities     | 390,382        | 368,229        |
| Non-current liabilities | 227,103        | 262,202        |

Table of Contents**19. EMPLOYEE POST-RETIREMENT BENEFITS****The Forluz Pension Fund**

The changes in net liabilities are as follows:

| Parent Company                          | Pension plans and retirement supplement plans |               |              |  | Life Insurance | Total          |
|---|---|---------------|--------------|--|----------------|----------------|
|   | FORLUZ  | Health Plan   | Dental Plan  |  |                |                |
| Net liabilities as at December 31, 2011 | 41,697  | 29,710        | 1,625        |  | 26,919         | 99,951         |
| Expenses incurred                       | 2,339   | 2,410         | 59           |  | 2,587          | 7,395          |
| Contributions paid                      | (3,220)                                       | (1,340)       | (21)         |  | (359)          | (4,940)        |
| <b>Net liabilities June 30, 2012</b>    | <b>40,816</b>                                 | <b>30,780</b> | <b>1,663</b> |  | <b>29,147</b>  | <b>102,406</b> |
| Current liabilities                     | 2,990   |               |              |  |                | 2,990          |
| Non current liabilities                 | 37,826  | 30,780        | 1,663        |  | 29,147         | 99,416         |

| Consolidated                            | Pension plans and retirement supplement plans |                |                |               | Life Insurance | Total            |
|---|---|----------------|----------------|---------------|----------------|------------------|
|   | FORLUZ  | BRASLIGHT      | Health Plan    | Dental Plan   |                |                  |
| Net liabilities as at December 31, 2011 | 846,581                                       | 355,961        | 567,394        | 30,718        | 486,505        | 2,287,159        |
| Expenses incurred                       | 47,500  | 22,435         | 36,247         | 720           | 30,029         | 136,931          |
| Contributions paid                      | (64,888)                                      | (23,651)       | (27,132)       | (425)         | (6,397)        | (122,493)        |
| <b>Net liabilities June 30, 2012</b>    | <b>829,193</b>                                | <b>354,745</b> | <b>576,509</b> | <b>31,013</b> | <b>510,137</b> | <b>2,301,597</b> |
| Current liabilities                     | 60,390  | 36,688         |                |               |                | 97,078           |
| Non current liabilities                 | 768,803                                       | 318,057        | 576,509        | 31,013        | 510,137        | 2,204,519        |

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

The amounts that are recorded as expenses in the Profit and loss account refer to the portions of the costs of the post-employment obligations plus the effects of monetary updating on the plan.

**20. PROVISIONS**

Cemig and its subsidiaries and jointly-controlled subsidiaries are parties to various legal proceedings in Brazil arising from the normal course of business, regarding tax, environmental, labor, civil and other issues.

**Proceedings in which the Company is a debtor**

The Company and its subsidiaries and jointly-controlled subsidiaries have recorded provisions for contingencies for the proceedings where the expectation of loss is considered as probable and that an outflow of resources will be required to settle the obligation, as follows:



Table of Contents

|                    | Consolidated             |                            |                 | Balance in<br>06/30/2012 |
|--------------------|--------------------------|----------------------------|-----------------|--------------------------|
|                    | Balance in<br>12/31/2011 | Additions<br>( ) Reversals | Write-off       |                          |
| Labor claims       | 135,121                  | (7,429)                    | (10,646)        | 117,046                  |
| Civil lawsuits     |                          |                            |                 |                          |
| Consumer relations | 88,195                   | (1,304)                    | (2,214)         | 84,677                   |
| Other civil cases  | 61,710                   | 38,380                     | (8,378)         | 91,712                   |
|                    | 149,905                  | 37,076                     | (10,592)        | 176,389                  |
| Tax                | 117,637                  | 1,224                      | (1)             | 118,860                  |
| Environmental      | 56,635                   | 1,649                      | (5,714)         | 52,570                   |
| Regulatory         | 78,137                   | (8,404)                    | (2,351)         | 67,382                   |
| Other              | 12,004                   | 9,444                      | (241)           | 21,207                   |
| <b>Total</b>       | <b>549,439</b>           | <b>33,560</b>              | <b>(29,545)</b> | <b>553,454</b>           |

|                    | Parent Company           |                            |                | Balance in<br>06/30/2012 |
|--------------------|--------------------------|----------------------------|----------------|--------------------------|
|                    | Balance in<br>12/31/2011 | Additions<br>( ) Reversals | Write-off      |                          |
| Labor claims       | 58,902                   | (9,351)                    | (1,214)        | 48,337                   |
| Civil lawsuits     |                          |                            |                |                          |
| Consumer relations | 35,413                   | (10,568)                   | (94)           | 24,751                   |
| Other civil cases  | 16,178                   | 12,028                     | (290)          | 27,916                   |
|                    | 51,591                   | 1,460                      | (384)          | 52,667                   |
| Tax                | 33,342                   | (4,550)                    |                | 28,792                   |
| Environmental      | 207                      | 513                        |                | 720                      |
| Regulatory         | 38,210                   | (6,174)                    | (88)           | 31,948                   |
| Other              | 3,700                    | 1,575                      | (179)          | 5,096                    |
| <b>Total</b>       | <b>185,952</b>           | <b>(16,527)</b>            | <b>(1,865)</b> | <b>167,560</b>           |

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

The details on the principal Contingency provisions and Contingent liabilities are as follows:

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

Labor claims

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

The Company and its subsidiaries and jointly-controlled subsidiaries are parties in numerous legal actions brought by its employees and by outsourced employees. In addition to these actions, there are others relating to outsourcing of labor, complementary additions to or calculation of retirement pension payments by Forluz, and salary adjustments.

Table of Contents

The value of the contingency for the total of these cases is approximately R\$ 512,852 (R\$ 523,697 on December 31, 2011), of which R\$ 117,046 has been provisioned (R\$ 135,121 on December 31, 2011).

Consumer relations

Cemig is a party in numerous civil actions relating to indemnity for pain and suffering arising, principally, from incidents involving the electricity distribution network, allegations of irregularity in measurement of consumption, and claims of undue charging, occurring in the normal course of business, in the total amount of R\$ 184,080 (R\$ 189,088 on December 31, 2011), of which R\$ 84,964 has been provisioned (R\$ 88,195 on December 31, 2011).

Among these actions there are proceedings relating to the accident on February 27, 2011 in the town of Bandeira do Sul. The greater significance of these actions is not related exclusively to their financial impact, but also to the exposure of the Company's image.

Regulatory matters: Tariff increases the Cruzado Plan

Several industrial consumers filed actions against Cemig seeking reimbursement for the amounts paid as a result of the tariff increase during the federal government's economic stabilization plan known as the Cruzado Plan in 1986, alleging that the said increase violated the control of prices instituted by that plan.

The value of the contingency for the total of these cases is approximately R\$ 40,740 (R\$ 47,124 on December 31, 2011), of which R\$ 31,447 has been provisioned (R\$ 37,824 on December 31, 2011).

Environmental actions

The Company and its subsidiaries and jointly-controlled subsidiaries are parties in various actions involving environmental subjects, which involve protected areas, environmental licenses, recovery of environmental damages, and other matters, in the approximate total amount of R\$ 76,218 (R\$79,468 on December 31, 2011) of which the Company has provisioned R\$ 52,570 (R\$56,635 on December 31, 2011).

Santo Antônio Energia has made provisions for social and/or environmental situations, for estimates of expenses that will be incurred to mitigate the impacts caused by the construction of the Santo Antônio Hydroelectric Plant, in compliance with programs specified in Installation License 540 of 2008, in the amount of R\$ 404,188 (R\$ 452,643 on December 31, 2011). Cemig's proportionate interest in this amount represents R\$ 40,419 (R\$ 45,264 on December 31, 2011). The environmental expenses provisioned were recorded as a cost of PP&E under construction Reservoirs, dams and watercourses



Table of Contents

Additionally, the Company is defendant in various other class actions, mostly related to environmental damage, calling for indemnity, recovery of areas alleged to be degraded and compensation measures that will be, in most cases, defined in the course of the action. These actions may also benefit third parties not directly involved in the proceedings, who may be entitled to further reparations or indemnity.

ICMS (local state value added tax)

Since 1999, Light has been inspected on various occasions by the tax authority of Rio de Janeiro State in relation to the ICMS, charged by states. Infringement notices received so far and not paid are the subject of contestation in the administrative and legal spheres. The management, based on the opinion of its counsel and on analyzing the amounts involved in the infringement notices, believes that only part of these amounts represents a risk of loss that can be assessed as probable, and this part is provisioned in the amount of R\$ 110,724 (R\$ 104,938 on December 31, 2011), Cemig's proportionate participation representing the amount of R\$ 35,972 (R\$ 34,092 on December 31, 2011).

Gasmig has made a provision relating to credits of the ICMS on acquisition of a property, plant and equipment asset used in its network, and for its application to the amount taxable by the PIS and Cofins taxes, totaling R\$ 25,686 (R\$ 28,838 on December 31, 2011); Cemig's portion of this represents R\$ 14,177 (R\$ 15,916 on December 31, 2011).

Additionally, the Company is defendant in various actions relating to ICMS in relation to which, 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:

- (i) A case relating to non-payment of ICMS on the installments that comprise the TUSD and on 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) A class action against Cemig D filed by the Minas Gerais Consumer Defense Institute (*Instituto Mineiro de Defesa do Consumidor*, or Imidec), questioning the charging of ICMS tax on the total of the amount and not only on the service provided.
- (iii) Cemig was served an infringement notice, as co-responsible party, in transactions of sale of excess electricity made by industrial consumers in the period of rationing of electricity, when payment of ICMS on those transactions was demanded by the Tax Department of Minas Gerais State.

No provision has been constituted. The estimated amount of the contingency was R\$ 398,520 (R\$ 434,004 on December 31, 2011).

Table of Contents

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

Taxes and charges

The Company and its subsidiaries and jointly-controlled subsidiaries are parties in numerous administrative and court proceedings in relation to taxes. The following are details of the principal cases:

*Indemnity for employees future Anuênio benefit*

In 2006, the Company paid an indemnity to the 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 make payments of income tax and social security contribution on this amount because it considered that these obligations are not applicable to amounts paid as 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 applied for an order of *mandamus*, which was granted and allowed a payment into Court, in the amount of R\$ 119,700. This is posted in Escrow deposits. The updated value of the contingency is R\$ 198,667 (R\$ 191,770 on December 31, 2011).

*Profit sharing*

The National Social Security Institute (INSS) filed administrative proceedings against the Company in 2006, for non-payment of social security contributions on the amounts paid to employees as profit sharing in the period 2000 to 2004, due to the inspectors believing that the Company had not met the requirements of Law 10101 of 2000. In 2007, an application was made for a court declaration that such payments were not subject to the social security contribution. The Company received a partially favorable decision in 2008, which it has appealed and on which it awaits the second instance decision.

No provision has been made for any losses, and the Company believes it has arguments of merit for defense. The amount of the contingency is estimated at R\$ 145,463 (R\$ 140,875 on December 31, 2011).

*Social Security contributions*

The Brazilian Federal Revenue Service (*Secretaria da Receita Federal*) has opened administrative proceedings against Cemig, Cemig GT and Cemig D, in relation to the social security contributions allegedly owed under various headings: employee shares in profit and results, the Workers Food Program (*PAT*), the auxiliary education contribution, overtime payments, exposure to risk in the workplace, Sest/Senat, and fines for non-compliance with accessory obligations. The Company has presented defenses and awaits judgment. The amount of the contingency is

approximately R\$ 816,796 (R\$ 780,723 on December 31, 2011).

Table of Contents

*Finsocial tax*

The Federal government filed an action for rescission against Cemig, to rescind the Appeal Court judgment given in the action for rescission previously filed by Cemig, on the subject of the Finsocial tax, with the argument that Cemig filed its action after the expiry period of two years. The estimated amount of the contingency is R\$ 71,174 (R\$ 67,926 on December 31, 2011).

*Refusal to allow offsetting of tax credits*

The Federal Revenue Department 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 involving the issue of offsetting of federal taxes. The amount of the contingency is R\$ 347,144 (R\$ 423,856 on December 31, 2011).

*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 carryforward balances indicated in the tax return (DIPJ) for the calendar years from 1997 to 2000, and also for excess payments identified by the corresponding tax payment receipts (*DARFs* and *DCTFs*). Due to completion of all procedures in the administrative sphere, an ordinary legal action has been filed, in the approximate total amount of R\$ 389,027 (R\$ 296,377 on December 31, 2011).

*PIS and Cofins taxes*

An infringement notice was served on Cemig for alleged underpayment of the PIS and Cofins taxes due to undue exclusions of financial expenses from the basis of calculation of those taxes. In spite of the Company having paid PIS and Cofins on financial revenues, the Federal Revenue Department believes that these amounts were underpaid. The amount of the contingency was R\$ 81,112 on December 31, 2011. The assessment of chance of loss in this contingency was altered to remote by our legal consultants, due to the Company believing that it has arguments of merit for its defense.

The Company is defendant in various legal proceedings, in which the plaintiffs demand suspension of charging of PIS and Cofins, on the argument that it is illegal to charge these taxes on electricity bills. The amount of the contingency was R\$ 41,039 on December 31, 2011. The assessment of chance of loss in this contingency was altered to remote by our legal consultants, due to the Company believing that it has arguments of merit for its defense.

*The Social Contribution on Net Profit ( Contribuição Social Sobre o Lucro Líquido , or CSLL)*





Table of Contents

The Federal Revenue Service issued an infringement notice against Cemig D relating to the CSLL ( Social Contribution ) tax for the 2008 and 2009 taxation periods, contesting constitution by Cemig D of a tax credit in relation to donations and sponsorships of a cultural and artistic nature, punitive fines, and taxes with liability suspended, based on Opinions issued by its consultants and legal advisers. No provision was constituted, and the estimated amount of the contingency was R\$ 61,745.

Regulatory matters

*The CRC (Earnings Compensation) Account*

Prior to 1993, holders of electricity concessions were guaranteed a specified rate of return on investments in assets used to provide services linked to the concession. Tariffs charged were uniform throughout the country, and the profits generated by more profitable concession holders were reallocated to the less profitable ones, in such a way that the rate of return of all the companies was equal to the national average. The deficits were accounted in the CRC Account of each concession holder. When the CRC Account and the guaranteed-return concept were abolished, Cemig used its positive balances in the CRC Account to offset its liabilities to the Federal Government.

Aneel filed an administrative action against the Company, contesting a credit relating to those positive balances. On October 31, 2002 Aneel issued a final administrative decision. On January 9, 2004, the Office of the National Treasury issued a collection notice in the amount of R\$ 516,000. The Company did not make the payment, because it believes that it has arguments of merit for the defense in court, and filed for an order of *mandamus* to suspend its inclusion in the Listing of Unpaid Public Sector Debts (*Cadastro Informativo de Créditos Não Quitados do Setor Público*, or Cadin). Although the order of *mandamus* was denied by the lower court, an appeal was made to the Federal Court of the First Region, which granted Cemig a temporary injunction suspending inclusion in the Cadin.

No provision has been made in relation to this action. The estimated amount of the contingent liability is R\$ 1,039,813 (R\$ 1,014,905 on December 31, 2011).

*Contribution for Public Illumination (CIP)*

Cemig is defendant in several class actions, claiming (i) 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 (ii) 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 used for the calculation of the consumption of electricity by public illumination, paid for by the Public Illumination Contribution (*Contribuição para Iluminação Pública*, or CIP).

Table of Contents

The Company believes that it has arguments on the merit for defense in this dispute and as a result has not constituted provision for this action, the amount of which is estimated at R\$ 1,159,035 (R\$ 1,183,402 on December 31, 2011).

*Accounting of electricity sale transactions in the Electricity Trading Chamber (CCEE)*

In an action dating from August 2002, AES Sul Distribuidora challenged in the courts the criteria for accounting of electricity sale transactions in the wholesale electricity market (*Mercado Atacadista de Energia*, or MAE), the predecessor of the Electricity Trading Chamber (*Câmara de Comercialização de Energia Elétrica*, or CCEE), during the period of rationing. It obtained an interim judgment in its favor in February 2006, in which it was ordered that Aneel should accede to the plea of AES Sul and, together with the CCEE, re-account, and settle, the transactions during the rationing period, leaving Aneel's Dispatch 288 of 2002 out of account. This measure was to be put into effect in the CCEE, starting in November 2008, and would have resulted in an additional disbursement for the Company, for the expense on purchase of energy in the short-term market, in the CCEE, in the amount of approximately R\$ 129,710 (R\$ 123,900 on December 31, 2011). On November 9, 2008 the Company obtained an injunction from the Regional Federal Appeal Court suspending the obligation to deposit the amount owed arising from the Special Financial Settlement carried out by the CCEE. Because of this, no provision has been made for this dispute, since the Company believes it has arguments on the merit for defense against this claim.

Tariff increases

*Exclusion of consumers inscribed as low-income*

The Federal Public Attorneys' Office filed a Class Action against the Company and Aneel, requesting exclusion of consumers from classification in the Low-income Residential Tariff sub-category, requesting an order for Cemig D 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 against the decision, and await judgment. The amount of the contingency is approximately R\$ 127,790 (R\$ 122,531 on December 31, 2011).

*Periodic Tariff Adjustment - Neutrality of Portion A*

The Municipal Association for Protection of the Consumer and the Environment (*Associação Municipal de Proteção ao Consumidor e ao Meio Ambiente*, or Amprocom), and the Brazilian Consumers' Association (*Associação Brasileira de Consumidores*, or ABC), filed actions against the Company and against Aneel, for identification of all consumers that were allegedly damaged by the processes of periodic review and annual adjustment of electricity rates, in the period 2002 to 2009, and for restitution, through credit on electricity bills, of amounts alleged to be unduly charged as a result of the impact of future variations of electricity consumption demand on components of non-manageable costs (Portion A), not being left out of account, and these gains being unduly included in the distributor's manageable costs

Table of Contents

( Portion B ), allegedly resulting in economic/financial imbalance of the contract. The estimated amount of the contingency is R\$ 151,975 (R\$ 1,061,804 on December 31, 2011).

Tax contingencies of Light Sesa

The following are the tax contingencies recognized by Light Sesa in which the chances of losses (i.e. a cash disbursement being necessary to settle the obligation) were assessed as probable on December 31, 2011:

- Demand for payment of corporate income tax and the Social Contribution tax on profits ascertained by the companies LIR and LOI since 1996.
- Non-homologation of offsettings of credits of income tax on financial investments, withheld at source (*Imposto de renda retido na fonte*, or IRRF), against IRRF payable on settlements of electricity bills made by public bodies.
- Fine for alleged non-compliance with an accessory obligation relating to delivery of the electronic files for the calendar years 2003 to 2005.
- An infringement notice issued to charge ICMS on amounts of the subsidy directed to low-income consumers.
- ICMS tax on commercial losses.
- Charge for Inspection of Occupation of Public Spaces (*Taxa de Fiscalização de Ocupação e de Permanência em Áreas, em Vias e em Logradouros Públicos*, or TFOP), made by the municipal prefecture of Barra Mansa.
- IRRF on amounts paid by Light Sesa as dividends, on the argument that they arose from non-existent profit.
- Infringement notice demanding ICMS tax, arising from the use of accumulated ICMS tax credits of Rheem Embalagens Ltda. in the acquisition of inputs and raw materials within the State of Rio de Janeiro.

The part of the total of these cases corresponding to Cemig's percentage interest in the share capital of Light, is R\$ 1,041,760 (R\$ 859,568 on December 31, 2011).

Cases arising in the normal course of business

In addition to the issues described above, Cemig is involved, on the plaintiff or defendant side, in other cases, of smaller scale, related to the normal course of its operations, in the estimated amount of R\$ 631,065 (R\$ 515,825 on December 31, 2011). Management believes that it has appropriate defense for these actions, and does not expect any significant losses relating to these issues such as might have an adverse effect on the Company's financial position or profit from its operations.



Table of Contents

**Action in which the Company is potentially the creditor, in which inflow of economic benefits is assessed as probable**

Pasep and Cofins Widening of the calculation base

The holding company has legal proceedings challenging expansion, by Law 9718 of November 27, 1998, of the basis of amounts taxable by the Pasep and Cofins taxes, on Financial revenue and on Other non-operational revenues, in the period from 1999 to January 2004. 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, net of income tax and Social Contribution tax, to be registered in the Profit and loss account will be R\$ 199,340 (R\$ 195,263 on December 31, 2011).

**21. SHAREHOLDERS' EQUITY**

The Company's share capital on June 30, 2012 is R\$4,265,091, in 372,837,085 common shares and 480,181,143 preferred shares, with nominal value of R\$ 5.00.

Capital increase to be proposed to the Annual Shareholders Meeting in April 2012

On April 27, 2012 the Board approved the capital increase in Cemig from R\$3,412,073 to R\$4,265,091 through the issuing of 170,603,646 new shares, through the capitalization of R\$821,527 of the balance of the Profit Retention Reserve and R\$31,491 originating from the incorporation of portions of the Loan Assignment Agreement of the remaining balance of the CRC, distributing to shareholders as a result, a bonus of 25% in new shares, of the same kind as the priorly held shares and with a par value of R\$5.00, will be proposed.

Earnings Per Share

Considering that each class of shares participates equally in the income presented, the earnings per share in the first semester of 2012 and 2011, of R\$1.67 and R\$1.54, respectively, were calculated based on the weighted average of the Company's shares outstanding in each of the abovementioned years.

The weighted average number of shares used in calculating basic and diluted earnings per share is as follows:



Table of Contents

|  |                    |                    |
|--|--------------------|--------------------|
| <b>Weighted average of shares</b>            | <b>06/30/2012</b>  | <b>06/30/2011</b>  |
| <b>Balance at January 1,</b>                 |                    |                    |
| Common shares                                | 298,269,668        | 298,269,668        |
| Preferred shares                             | 384,144,914        | 384,144,914        |
|  | <b>682,414,582</b> | <b>682,414,582</b> |
| <b>Effects of share issues in April 2012</b> |                    |                    |
| Common shares                                | 74,567,417         |                    |
| Preferred shares                             | 96,036,229         |                    |
|  | <b>170,603,646</b> |                    |
| <b>Weighted average of shares at June 30</b> |                    |                    |
| Common shares                                | 323,125,474        | 298,269,668        |
| Preferred shares                             | 416,156,990        | 384,144,914        |
|  | <b>739,282,464</b> | <b>682,414,582</b> |

The Company has no instruments giving rise to dilution. Hence the diluted profit is equal to the basic profit.

**22. REVENUE**

|  | <b>Consolidated</b> |                     |
|--|---------------------|---------------------|
|  | <b>06/30/2012</b>   | <b>06/30/2011</b>   |
|  |                     | <b>Reclassified</b> |
| Supply of electric power (a)                               | 9,254,444           | 8,013,119           |
| Revenue from use of the electricity distribution grid TUSD | 1,031,824           | 903,585             |
| Revenue from use of the transmission system                | 746,225             | 642,290             |
| Construction revenue of Distribution                       | 639,742             | 660,359             |
| Construction revenue of Transmission                       | 60,028              | 35,994              |
| Other operating income (b)                                 | 637,599             | 486,277             |
| Taxes on revenue (c)                                       | (3,807,527)         | (3,347,302)         |
| <b>Net operating revenue</b>                               | <b>8,562,335</b>    | <b>7,394,322</b>    |

**(a) Supply of electric power**

The breakdown of the supply of electric power by consumer class is as follows:

|                               | <b>MWh (*)</b>    |                   | <b>R\$</b>        |                   |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|
|                               | <b>06/30/2012</b> | <b>06/30/2011</b> | <b>06/30/2012</b> | <b>06/30/2011</b> |
| Residential                   | 5,786,130         | 5,449,537         | 3,097,815         | 2,612,522         |
| Industrial                    | 12,629,659        | 12,747,757        | 2,207,014         | 2,083,263         |
| Commerce, services and others | 3,968,559         | 3,541,497         | 1,747,091         | 1,476,599         |
| Rural                         | 1,273,323         | 1,148,382         | 356,668           | 316,140           |
| Governmental entities         | 670,922           | 608,034           | 297,525           | 258,655           |
| Public lighting               | 724,336           | 666,924           | 192,563           | 167,278           |



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

|   |                   |                   |                  |                  |
|---|-------------------|-------------------|------------------|------------------|
| Public service                                    | 760,213           | 708,963           | 222,900          | 199,443          |
| <b>Subtotal</b>                                   | <b>25,813,142</b> | <b>24,871,094</b> | <b>8,121,576</b> | <b>7,113,900</b> |
| Own consumption                                   | 31,381            | 29,471            |                  |                  |
| Unbilled, net                                     |                   |                   | 7,757            | 33,648           |
|   | <b>25,844,523</b> | <b>24,900,565</b> | <b>8,129,333</b> | <b>7,147,548</b> |
| Wholesale supply to other concession holders (**) | 6,711,378         | 6,821,812         | 827,635          | 759,658          |
| Power transactions on CCEE                        | 2,919,162         | 3,168,752         | 281,963          | 99,513           |
| Sales under the PROINFA program                   | 51,307            | 25,578            | 15,513           | 6,400            |
| <b>Total</b>                                      | <b>35,526,370</b> | <b>34,916,707</b> | <b>9,254,444</b> | <b>8,013,119</b> |

---

( \* ) The MWh column includes of the total electricity sold by Light, proportional to the Company's equity interest.

( \*\* ) Includes Contract for Trading of Electricity on the Regulated Market Sale (CCEAR) and bilateral contracts with other agents.

Table of ContentsTariff Review – Cemig Distribuição

On April 8, 2012, Aneel approved the result of the Tariff Adjustment of Cemig D (Distribution). The result homologated by Aneel was for an upward adjustment of 5.24%, made up of the following components: (i) Structural component of 2.90%, comprising the non-manageable costs (Portion A) and manageable costs (Portion B); and (ii) Financial components of 2.34%. This will be in effect until April 2013. With the withdrawal of the financial components considered in the 2011 tariff process, of 2.39%, the average effect on the Company's captive consumers was 3.85%.

**(b) Other operational revenues**

|                             | Consolidated   |                |
|-----------------------------|----------------|----------------|
|                             | 06/30/2012     | 06/30/2011     |
| Supply of gas               | 338,813        | 268,782        |
| Charged services            | 8,385          | 7,933          |
| Telecommunications services | 80,010         | 77,737         |
| Providing of services       | 59,795         | 50,717         |
| Renting                     | 49,512         | 35,362         |
| Low-income subsidy (*)      | 97,025         | 45,025         |
| Others                      | 4,059          | 721            |
|                             | <b>637,599</b> | <b>486,277</b> |

(\*) Revenue recognized arising from the subsidy from Eletrobrás, for the discount given on tariffs charged to low-income consumers. The amounts were homologated by ANEEL and are reimbursed by Eletrobrás.

**(c) Taxes and charges levied on revenue**

|   | Consolidated |            |
|---|--------------|------------|
|   | 06/30/2012   | 06/30/2011 |
| <b>Income Taxes</b>   |              |            |
| ICMS  | 1,943,773    | 1,710,308  |
| COFINS  | 811,941      | 719,469    |
| PIS and PASEP   | 176,427      | 156,215    |
| Others  | 3,286        | 2,525      |
|   | 2,935,427    | 2,588,517  |
| <b>Charges to the consumer</b>                                      |              |            |
| Global Reversion Reserve – RGR                                      | 146,066      | 91,696     |
| Energy Efficiency Program – PEE                                     | 11,611       | 20,143     |
| Energy Development Account – CDE                                    | 289,941      | 245,275    |
| Fuel Consumption Account – CCC                                      | 341,891      | 335,546    |
| Research and Development – R&D                                      | 23,078       | 18,575     |
| National Scientific and Technological Development Fund              | 19,865       | 16,337     |
| Energy System Expansion Research – EPE (Mining and Energy Ministry) | 9,925        | 8,167      |

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

|                                |                  |                  |
|--------------------------------|------------------|------------------|
| Emergency Capacity Charge      | 12,690           | 8,520            |
| 0.30% Surcharge (Law 12111/09) | 17,033           | 14,526           |
|                                | 872,100          | 758,785          |
|                                | <b>3,807,527</b> | <b>3,347,302</b> |

Table of Contents**23. OPERATING COSTS AND EXPENSES**

|  | Consolidated     |                  | Parent Company |               |
|--|------------------|------------------|----------------|---------------|
|  | 06/30/2012       | 06/30/2011       | 06/30/2012     | 06/30/2011    |
| Personnel (a)  | 652,126          | 604,170          | 21,977         | 25,145        |
| Employee and managers' profit sharing                            | 118,355          | 24,090           | 8,924          | (1,714)       |
| Post-employment obligations                                      | 69,874           | 61,775           | 5,055          | 4,218         |
| Materials  | 33,938           | 47,230           | 54             | 84            |
| Outsourced services (b)  | 510,608          | 468,974          | 5,700          | 2,920         |
| Electricity purchased for resale (c)                             | 2,531,579        | 2,092,104        |                |               |
| Depreciation and amortization                                    | 482,715          | 476,130          | 185            | 176           |
| Charges for use of water resources                               | 95,535           | 74,349           |                |               |
| Provisions (reversals) for operating losses (d)                  | 96,533           | 106,826          | (16,656)       | 763           |
| Charges for the use of transmission facilities of the basic grid | 485,189          | 382,250          |                |               |
| Gas purchased for resale   | 217,878          | 142,831          |                |               |
| Cost of constructions of Infrastructure                          | 697,843          | 695,438          |                |               |
| Other operating expenses, net (e)                                | 178,873          | 165,283          | 16,785         | 8,158         |
|  | <b>6,171,046</b> | <b>5,341,450</b> | <b>42,024</b>  | <b>39,750</b> |

**a) Personnel Expenses**

|   | Consolidated   |                | Parent Company |               |
|---|----------------|----------------|----------------|---------------|
|   | 06/30/2012     | 06/30/2011     | 06/30/2012     | 06/30/2011    |
| Salary and payroll charges                                  | 586,199        | 547,055        | 22,774         | 18,413        |
| Supplementary pension contributions                         |                |                |                |               |
| defined-contribution plan                                   | 33,242         | 30,924         | 2,106          | 1,883         |
| Assistance benefits   | 64,897         | 61,343         | 1,982          | 1,891         |
|   | 684,338        | 639,322        | 26,862         | 22,187        |
| Temporary Voluntary Retirement Program PDV                  | 15,024         | 10,219         | 254            | 3,166         |
| (-) Personnel costs transferred to construction in progress | (47,236)       | (45,371)       | (5,139)        | (208)         |
|   | (32,212)       | (35,152)       | (4,885)        | 2,958         |
|   | <b>652,126</b> | <b>604,170</b> | <b>21,977</b>  | <b>25,145</b> |

**b) Outsourced Services**

|  | Consolidated |            | Parent Company |            |
|--|--------------|------------|----------------|------------|
|  | 06/30/2012   | 06/30/2011 | 06/30/2012     | 06/30/2011 |
| Collection agents / Meter readers / Bill delivery agents | 86,931       | 70,122     |                |            |
| Communication  | 49,262       | 58,122     | 503            | 881        |
| Maintenance of electrical facilities and equipment       | 122,998      | 93,901     | 41             | 19         |
| Building maintenance and cleaning                        | 35,047       | 30,477     | 49             | 23         |
| Contracted labor   | 15,401       | 8,222      | 315            | 38         |
| Freight and airfares                                     | 5,780        | 4,670      | 808            | 604        |

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

|                                       |                |                |              |              |
|---------------------------------------|----------------|----------------|--------------|--------------|
| Accommodation and meals               | 8,372          | 10,106         | 163          | 107          |
| Security                              | 11,027         | 10,221         |              |              |
| Management consulting                 | 24,983         | 6,394          | 2,200        | 245          |
| Maintenance of furniture and fixtures | 18,280         | 19,873         | 18           | 38           |
| Vehicle maintenance                   | 5,443          | 13,463         | 19           | 17           |
| Disconnections and reconnections      | 19,331         | 22,769         |              |              |
| Environment                           | 12,653         | 11,840         | 21           |              |
| Photocopy service                     | 4,439          | 3,860          | 29           | 105          |
| Pruning trees services                | 11,732         | 11,271         |              |              |
| Court and Lawyer costs                | 5,880          | 3,389          | 1,132        | 119          |
| Clean tracks                          | 16,407         | 15,943         |              |              |
| Others                                | 56,642         | 74,331         | 402          | 724          |
|                                       | <b>510,608</b> | <b>468,974</b> | <b>5,700</b> | <b>2,920</b> |

Table of Contents

## c) Electricity purchased for resale

|   | Consolidated     |                  |
|---|------------------|------------------|
|   | 06/30/2012       | 06/30/2011       |
| From Itaipu Binacional                            | 513,724          | 434,950          |
| Spot market                                       | 356,068          | 170,246          |
| PROINFA   | 131,663          | 98,690           |
| Bilateral contracts                               | 290,900          | 242,662          |
| Electricity acquired in Regulated Market auctions | 1,175,865        | 1,003,729        |
| Electricity acquired on the Free Market           | 260,343          | 306,378          |
| PASEP and COFINS credits                          | (196,984)        | (164,551)        |
|   | <b>2,531,579</b> | <b>2,092,104</b> |

## d) Operating provisions (reversals)

|  | Consolidated  |                | Parent Company  |            |
|--|---------------|----------------|-----------------|------------|
|  | 06/30/2012    | 06/30/2011     | 06/30/2012      | 06/30/2011 |
| Pension plan premiums                      | (1,761)       | 3,985          | 34              | (248)      |
| Allowance for doubtful accounts receivable | 77,269        | 64,247         |                 |            |
| Provision                                  |               |                |                 |            |
| Labor Claims                               | (5,841)       | 5,444          | (9,351)         |            |
| Civil Lawsuits                             | 25,875        | (6,647)        | 1,460           | (14,394)   |
| Tax  | (4,417)       |                | (4,713)         |            |
| Environmental                              | 1,650         |                | 513             |            |
| Regulatory matters                         | (9,350)       | 19,451         | (6,174)         | 12,076     |
| Other                                      | 13,108        | 20,346         | 1,575           | 3,329      |
|  | 21,025        | 38,594         | (16,690)        | 1,011      |
|  | <b>96,533</b> | <b>106,826</b> | <b>(16,656)</b> | <b>763</b> |

## e) Other operating expenses, net

|  | Consolidated |            | Parent Company |            |
|--|--------------|------------|----------------|------------|
|  | 06/30/2012   | 06/30/2011 | 06/30/2012     | 06/30/2011 |
| Leases and rentals                           | 51,769       | 44,521     | 389            | 416        |
| Advertising and publicity                    | 4,320        | 7,680      | 135            | 357        |
| Own consumption of electric power            | 7,280        | 11,646     |                |            |
| Subsidies, grants and donations              | 10,830       | 9,231      | 632            | 444        |
| ANEEL inspection charge                      | 23,339       | 22,670     |                |            |
| License fee - TDRF (*)                       | 7            | 14,991     |                |            |
| Onerous concessions                          | 12,074       | 11,178     |                |            |
| Taxes and charges (IPTU, IPVA and others)    | 22,198       | 10,473     | 224            | 84         |
| Insurance                                    | 5,138        | 4,701      | 812            | 421        |
| CCEE Annual fee                              | 2,739        | 3,248      | 1              | 2          |
| FORLUZ Current Administration expense        | 11,296       | 6,434      | 555            | 381        |
| Net loss on deactivation and disposal assets | 7,083        | 6,708      | 43             | 2          |
| Other expenses                               | 20,800       | 11,802     | 13,994         | 6,051      |

178,873

165,283

16,785

8.158

---

(\* )TFDR - License charge for use or occupation of land-adjointing highways.

Operating leases

The Company has operating lease contracts related primarily to vehicles and buildings used in building its operational activities and are not relevant in relation to the total costs of the Company.

Table of Contents**24. NET FINANCIAL INCOME (EXPENSES)**

|   | Consolidated       |                            | Parent Company  |                            |
|---|--------------------|----------------------------|-----------------|----------------------------|
|   | 06/30/2012         | 06/30/2011<br>Reclassified | 06/30/2012      | 06/30/2011<br>Reclassified |
| <b>FINANCIAL INCOME</b>   |                    |                            |                 |                            |
| Income from financial investments   | 137,451            | 198,171                    | 18,316          | 15,184                     |
| Charges on arrears of overdue electricity bills   | 84,359             | 77,878                     |                 |                            |
| Monetary updating   | 23,837             | 50,200                     | 4,506           | 2,715                      |
| Monetary updating on escrow account (note 11)   | 10,767             |                            | 10,767          |                            |
| Interest and monetary gains on account receivables from the the Government of the State of Minas Gerais | 78,291             | 79,358                     |                 |                            |
| Foreign exchange Gain   | 30,273             | 16,047                     |                 | 33                         |
| PASEP and COFINS on financial revenues  | (1,109)            | (797)                      | (1,096)         | (786)                      |
| Gains on financial instruments  | 25,386             |                            |                 |                            |
| Adjustment to present value   | 1,596              | 1,746                      |                 |                            |
| FIDC revenues   |                    |                            | 36,285          | 25,515                     |
| Other income  | 53,919             | 19,836                     | 4,067           | 3,239                      |
|   | <b>444,770</b>     | <b>442,439</b>             | <b>72,845</b>   | <b>45,900</b>              |
| <b>FINANCIAL EXPENSES</b>   |                    |                            |                 |                            |
| Interest on loans, financings and debentures  | (663,987)          | (668,201)                  | (56,053)        | (23,728)                   |
| Foreign exchange losses   | (58,799)           | (3,328)                    | (5)             | (3)                        |
| Monetary losses loans, financing and debentures   | (80,070)           | (96,166)                   |                 |                            |
| Monetary losses onerous concessions   | (13,075)           | (13,140)                   |                 |                            |
| Monetary losses R&D e PEE   | (13,470)           | (17,264)                   |                 |                            |
| Monetary losses Other   | (26,029)           | (8,683)                    |                 |                            |
| Losses on financial instruments   |                    | (13,527)                   |                 |                            |
| Monetary losses and charges on post-employment obligations  | (67,057)           | (62,703)                   | (2,339)         | (3,091)                    |
| Other   | (86,995)           | (53,450)                   | (570)           | (2,220)                    |
|   | <b>(1,009,482)</b> | <b>(936,462)</b>           | <b>(58,967)</b> | <b>(29,042)</b>            |
| <b>NET FINANCIAL EXPENSES</b>   | <b>(564,712)</b>   | <b>(494,023)</b>           | <b>13,878</b>   | <b>16,858</b>              |

PASEP and COFINS expenses are due on the interest on shareholders' equity.



Table of Contents**25. RELATED PARTY TRANSACTIONS**

The main balances and transactions with parties related to Cemig and its subsidiaries and jointly controlled subsidiaries are as follows:

| ENTITIES  | ASSETS     |            | LIABILITIES |            | REVENUE     |             | EXPENSES   |            |
|---|------------|------------|-------------|------------|-------------|-------------|------------|------------|
|   | 06/30/2012 | 12/31/2011 | 06/30/2012  | 12/31/2011 | 06/30/2012  | 06/30/2011  | 06/30/2012 | 06/30/2011 |
| <b>Cemig Distribuição S.A.</b>                          |            |            |             |            |             |             |            |            |
| <b>Current</b>  |            |            |             |            |             |             |            |            |
| Cooperation agreement (1)                               |            |            |             | 4,146      |             |             |            |            |
| Dividends and interest on Capital                       | 352,781    | 109,215    |             |            |             |             |            |            |
| <b>Non current</b>                                      |            |            |             |            |             |             |            |            |
| Cooperation agreement (1)                               | 216        | 10,834     |             |            |             |             |            |            |
| <b>Cemig Geração e Transmissão S.A.</b>                 |            |            |             |            |             |             |            |            |
| <b>Current</b>  |            |            |             |            |             |             |            |            |
| Cooperation agreement (1)                               |            |            | 20          | 20         |             |             |            |            |
| Dividends and interest on Capital                       | 166,733    |            |             |            |             |             |            |            |
| <b>Non current</b>                                      |            |            |             |            |             |             |            |            |
| Cooperation agreement (1)                               | 133        | 7,018      |             |            |             |             |            |            |
| <b>Light S.A.</b>                                       |            |            |             |            |             |             |            |            |
| <b>Current</b>  |            |            |             |            |             |             |            |            |
| Dividends and interest on Capital                       |            | 19,214     |             |            |             |             |            |            |
| <b>Companhia de Gás de Minas Gerais S.A</b>             |            |            |             |            |             |             |            |            |
| <b>Current</b>  |            |            |             |            |             |             |            |            |
| Dividends and interest on Capital                       | 30,006     | 21,329     |             |            |             |             |            |            |
| <b>Empresa Regional de Transmissão de Energia S.A</b>   |            |            |             |            |             |             |            |            |
| <b>Current</b>  |            |            |             |            |             |             |            |            |
| Dividends and interest on Capital                       | 10,289     | 8,918      |             |            |             |             |            |            |
| <b>Empresa Amazonense de Transmissão de Energia S.A</b> |            |            |             |            |             |             |            |            |
| <b>Current</b>  |            |            |             |            |             |             |            |            |
| Dividends and interest on Capital                       | 5,751      | 4,729      |             |            |             |             |            |            |
| <b>Governo do Estado de Minas Gerais</b>                |            |            |             |            |             |             |            |            |
| <b>Circulante</b>                                       |            |            |             |            |             |             |            |            |
| Consumers and resalers (2)                              | 7,576      | 6,657      |             |            | 46,593      | 43,150      |            |            |
| Consumers and resalers (3)                              | 6,617      | 25,016     |             |            |             |             |            |            |
| Recoverable or payable taxes VAT (4)                    | 113,443    | 118,353    | 341,928     | 325,201    | (1,549,640) | (1,049,284) |            |            |
| <b>Não Circulante</b>                                   |            |            |             |            |             |             |            |            |

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

|   |           |           |           |                   |
|---|-----------|-----------|-----------|-------------------|
| Account receivable from the Government of the State of Minas Gerais CRC (5) | 1,819,052 | 1,830,075 | 42,006    | 53,843            |
| Recoverable or payable taxes VAT (4)  | 238,292   | 211,976   |           |                   |
| Dividends and interest on Capital   |           | 144,171   | 265,700   |                   |
| Debentures (6)  |           | 49,740    | 46,896    | (2,845) (7,131)   |
| Financings Minas Gerais Development Bank (BDMG)(7)                          |           | 14,275    | 14,900    |                   |
| <b>Forluz</b>   |           |           |           |                   |
| <b>Current</b>  |           |           |           |                   |
| Employee post-retirement obligations (8)                                    |           | 97,078    | 100,591   | (69,874) (61,775) |
| Personnel Expenses (9)  |           |           |           | (33,242) (30,924) |
| Administrative costs (10)   |           |           |           | (11,296) (6,434)  |
| <b>Non current</b>  |           |           |           |                   |
| Employee post-retirement obligations (8)                                    |           | 2,204,519 | 2,186,568 |                   |
| <b>Cemig Saúde</b>  |           |           |           |                   |
| <b>Current</b>  |           |           |           |                   |
| Health and Dental Plan (11)   |           | 11,152    | 20,658    | (20,680) (10,443) |

Table of Contents

The main conditions with respect to the business dealings between related parties are presented below:

- (1) Technical cooperation agreement between Cemig, Cemig Distribuição and Cemig Geração e Transmissão established by ANEEL Instruction 3924/2008;
- (2) Sale of electric power to the the Government of the State of Minas Gerais, where the transactions made in terms equivalent to those which prevail in the transactions with independent parties, considering that the price of the power is the price defined by ANEEL through a resolution referring to the Company's annual tariff adjustment;
- (3) A substantial portion of the amount refers to the renegotiation of a debt originating from the sale of electricity to Copasa, with a forecast for payment not later than September 2012, and financial updating by the IGP M + 0.5% per month;
- (4) The transactions with ICMS recorded in the financial statements refer to transactions for sale of electricity and are carried out in conformity with the specific legislation of the the State of Minas Gerais;
- (5) Injection of the credits from the CRC into a Receivables Fund in senior and subordinated quotas. For more information please see Note 10;
- (6) Private issue of non-convertible debentures for R\$120,000, restated by the IGP M, for completion of the Irapé hydroelectric power station, with redemption after 25 years from the date of issue. The amount at December 31, 2009 was adjusted to present value;
- (7) Financing of the subsidiaries Transudeste, Transleste and Transirapé with maturity in 2019 (long-term interest rate (TJLP) + 4.5% p.a. and UMBndes 4.54% p.a.), and of Transleste, in 2017 and 2025 (rates of 5% p.a. and 10% p.a.);
- (8) Part of the contracts of FORLUZ is adjusted by the IPCA (Amplified Consumer Price Index) of IBGE (Brazilian Institute of Geography and Statistics), and part is adjusted based on the Salary Adjustment Index of the employees of CEMIG, Cemig Geração e Transmissão and Cemig Distribuição, excluding productivity factors, plus 6% p.a., with amortization up to 2024. For more information please see Note 19;
- (9) Cemig's contributions to the Pension Fund related to the employees participating in the Mixed Plan (see Note 19), calculated on the monthly payroll and salary expenses incurred in accordance with the fund's regulations;
- (10) Funds for annual current administrative costs of the Pension Fund in accordance with the specific legislation for the sector. The amounts are estimated as a percentage of the Company's total payroll;
- (11) Cemig's contributions to the employees' health and dental plans;

**Remuneration of Key Management Personnel**

The total remuneration paid to the members of the Board of Directors and the Chief Officers during the first semester of 2012 and 2011 is as follows:

|                          | 30/6/2012    | 30/6/2011    |
|--------------------------|--------------|--------------|
| Remuneration             | 4,724        | 4,107        |
| Profit sharing           | 721          | 311          |
| Post-retirement benefits | 383          | 226          |
| Assistance benefits      | 77           | 49           |
| <b>Total</b>             | <b>5,905</b> | <b>4,693</b> |

For more information on the main transactions, see Notes 7,10,16,17,19,22 and 23.

**26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

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

The financial instruments of the Company, its subsidiaries and jointly-controlled subsidiaries are restricted to Cash and cash equivalents, marketable securities, accounts receivable from consumers and traders, accounts receivable from the Government of the State of Minas Gerais, financial assets of the concession, loans and financing, obligations with debentures, employee post-retirement benefits and derivatives, where the gains and losses obtained in the transactions are fully recorded on an accrual basis.

Table of Contents

The financial instruments of the Company, its subsidiaries and jointly-controlled subsidiaries were recognized at fair value and are classified as follows:

- Loans and receivables: Cash, Receivables from consumers and traders, Concessionaires transport of Power, Receivables from the Government of the State of Minas Gerais and financial assets of the concession are encountered in this category. They are recognized at their face realization value and are similar to their fair values.
- Financial instruments at fair value through profit or loss: In this category cash and cash equivalents, marketable securities and derivative instruments (mentioned in item b) are encountered. They are stated at fair value, and the gains or losses are recognized directly in the income statement.
- Non-derivative financial instruments: Loans and financing, and obligations with debentures, employee post-retirement benefits, concessions payable and suppliers. They are measured at amortized, using the effective interest rate method;
- Derivative financial instruments: These instruments are stated at fair value, and the gains or losses are recognized directly in the income statement.

| Financial instruments categories                                    | 06/30/2012        |                   | 12/31/2011        |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | Book value        | Fair value        | Book value        | Fair value        |
| <b>Assets:</b>  |                   |                   |                   |                   |
| <b>Loans and receivables</b>  |                   |                   |                   |                   |
| Cash and bank accounts  | 88,059            | 88,059            | 157,890           | 157,890           |
| Accounts receivable from consumers and traders                      | 2,700,970         | 2,700,970         | 2,708,316         | 2,708,316         |
| Concession holders transport of power                               | 464,669           | 464,669           | 427,060           | 427,060           |
| Account receivable from the Government of the State of Minas Gerais | 1,819,052         | 1,819,052         | 1,830,075         | 1,830,075         |
| Financial assets of the concession                                  | 10,742,693        | 10,742,693        | 9,897,857         | 9,897,857         |
|   | <b>15,815,443</b> | <b>15,815,443</b> | <b>15,021,198</b> | <b>15,021,198</b> |
| <b>Held to maturity</b>   |                   |                   |                   |                   |
| Marketable securities   | 184,531           | 184,531           |                   |                   |
| <b>Fair value through profit or loss:</b>                           |                   |                   |                   |                   |
| <b>Held for trading</b>   |                   |                   |                   |                   |
| Cash equivalents - Short-term investments                           | 2,247,211         | 2,247,211         | 2,704,600         | 2,704,600         |
| Marketable securities   | 835,964           | 835,964           | 358,987           | 358,987           |
|   | <b>3,083,175</b>  | <b>3,083,175</b>  | <b>3,063,587</b>  | <b>3,063,587</b>  |
| Derivative instruments - Contract swap                              | 17,763            | 17,763            |                   |                   |
| <b>Liabilities:</b>   |                   |                   |                   |                   |
| <b>Stated at amortized cost</b>                                     |                   |                   |                   |                   |
| Suppliers   | 1,295,201         | 1,295,201         | 1,196,637         | 1,196,637         |
| Employee post-retirement benefits                                   | 2,301,597         | 2,301,597         | 2,287,159         | 2,287,159         |

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

|  |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|
| Concessions payable                        | 169,030           | 169,030           | 137,687           | 137,687           |
| Loans, financing and debentures            | 16,042,513        | 16,082,019        | 15,779,069        | 15,767,142        |
|  | <b>19,808,341</b> | <b>19,847,847</b> | <b>19,400,552</b> | <b>19,388,625</b> |
| <b>Fair value through profit or loss :</b> |                   |                   |                   |                   |
| Derivative instruments - Contract swap     |                   |                   | 25,143            | 39,410            |

Table of Contents**a) Risk management**

Corporate risk management is a management tool that is part of the Company's corporate governance practices and is aligned with the planning process which defines 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 and profitability, recommending hedge strategies to control the Company's exposures to foreign exchange rate, interest rate and inflation risks. These strategies are aligned with the Company's overall strategy.

One of the most important objectives of the Financial Risks Management Committee is to provide reasonable predictability to the Company's cash flow for a maximum future period of 12 months, considering the economic scenario disclosed by an external consultant.

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

*Exchange Rate Risk*

Cemig and its subsidiaries and jointly-controlled subsidiaries are exposed to market risk from adverse changes in foreign currency rates, especially the U.S. Dollar against the Brazilian Real, which could potentially have a significant impact on their indebtedness, profit and cash flow. In order to reduce its exposure to adverse changes in foreign currency rates, as at June 30, 2012 and December 31, 2011 the Company held certain hedge contracts, which are described in more detail in item b) below.

The tables below provide summary information regarding the exposure to the exchange rate risk:

| EXCHANGE RATES EXPOSURE                              | 06/30/2012     | Consolidated<br>06/30/2012 |
|--|----------------|----------------------------|
| U.S. Dollar  |                |                            |
| Loans and Financing                                  | 301,212        | 318,947                    |
| Supplier-Eletróbrás Itaipu electric power            | 225,499        | 198,280                    |
| (+/-) Contracted hedge/swap                          | (17,440)       | (32,312)                   |
|  | 509,271        | 484,915                    |
| Other foreign currencies                             |                |                            |
| Loans and Financing Euro                             | 37,243         | 37,299                     |
| UMBNDDES   | 2,677          | 2,661                      |
| <b>Net liabilities exposed to exchange rate risk</b> | <b>39,920</b>  | <b>39,960</b>              |
|  | <b>549,191</b> | <b>524,875</b>             |





Table of Contents*Exchange Rate Sensitivity Analysis*

Based on information received from its financial consultants, the Company estimates that in a probable scenario the depreciation of the exchange rates of foreign currencies against the Brazilian Real as at June 30, 2013 will be 5.49% for the U.S. Dollar (to US\$1=R\$1.910) and 7.42% for the Euro (to 1 = R\$2.371). In the table below, the Company has performed a sensitivity analysis to demonstrate the adverse financial effects which would occur in scenarios assuming an additional 25% appreciation and a 50% appreciation of the foreign currencies as compared to the increase assumed in the probable scenario. The Company has designated these alternative appreciation scenarios as Possible and Remote, respectively.

| <b>Risk Exchange Variation</b>                       | <b>Base scenario<br/>Jun 30, 2012</b> | <b>Probable<br/>scenario</b> | <b>Possible<br/>scenario:<br/>Foreign currency<br/>appreciation of<br/>25%</b> | <b>Remote<br/>scenario: Foreign<br/>currency<br/>appreciation of<br/>50%</b> |
|--|---------------------------------------|------------------------------|--|--|
| <b>U.S. Dollar</b>                                   |                                       |                              |  |  |
| Loans and Financing                                  | 301.212                               | 284.671                      | 355.839  | 427.007  |
| Supplier-Eletrobrás Itaipu electric power            | 225.499                               | 213.116                      | 266.395  | 319.674  |
| (+/-) Contracted hedge/swap                          | (17.440)                              | (16.482)                     | (20.603)   | (24.723)   |
|  | <b>509.271</b>                        | <b>481.305</b>               | <b>601.631</b>   | <b>721.958</b>   |
| <b>Other foreign currencies</b>                      |                                       |                              |  |  |
| Loans and Financing Euro                             | 37.243                                | 34.481                       | 43.101   | 51.721   |
| UMBNDDES   | 2.677                                 | 2.478                        | 3.098  | 3.718  |
|  | <b>39.920</b>                         | <b>36.959</b>                | <b>46.199</b>  | <b>55.439</b>  |
| <b>Net liabilities exposed to exchange rate risk</b> | <b>549.191</b>                        | <b>518.264</b>               | <b>647.830</b>   | <b>777.397</b>   |
| <b>Net effect</b>                                    |                                       | <b>30.927</b>                | <b>(98.639)</b>  | <b>(228.206)</b>   |

*Interest Rate Risk*

The Company and its subsidiaries and jointly-controlled subsidiaries is exposed to the risk of increase in international interest rates, affecting loans and financings in foreign currency with floating interest rates, especially Libor, in the amount of R\$239,621 on June 30, 2012 (R\$207,489 on December 31, 2011).

With regard to the risk of rising domestic interest rates, the Company's exposure is a function of Net Liabilities, indexed to the Selic rate and CDI, as shown below:

| <b>EXPOSURE TO CHANGES IN DOMESTIC INTEREST RATES</b> | <b>Consolidated</b> |                   |
|---|---------------------|-------------------|
|   | <b>06/30/2012</b>   | <b>31/12/2011</b> |
| <b>Assets</b>   |                     |                   |
| Cash and cash equivalents (Note 4)                    | 2,247,211           | 2,704,600         |
| Marketable securities (Note 5)                        | 1,020,495           | 358,987           |
| Restricted Cash                                       | 52,238              | 3,386             |
|   | <b>3,319,944</b>    | <b>3,066,973</b>  |
| <b>Liabilities</b>                                    |                     |                   |
| Loans, financing and debentures (Note 17)             | (8,679,287)         | (9,274,474)       |
| Contracted hedge/swap (interest rates)                | (600,000)           | (600,000)         |

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

|   |                    |                    |
|---|--------------------|--------------------|
| Contracted hedge/swap (exchange rates)                        | (17,440)           | (32,312)           |
|   | (9,296,727)        | (9,906,786)        |
| <b>Net liabilities exposed to domestic interest rate risk</b> | <b>(5,976,783)</b> | <b>(6,839,813)</b> |

Table of Contents*Interest Rate Sensitivity Analysis*

The Company estimates that, under a Probable scenario, the SELIC rate as at June 30, 2013 will be 7.50%. The Company has performed a sensitivity analysis to demonstrate the adverse financial effects which would occur in scenarios assuming an additional 25% and 50% increase assumed in the probable scenario. The Company has designated these alternative scenarios as Possible and Remote, respectively. The CDI rate follows the increase in the SELIC rate.

The following scenarios are presented in conformity with the Company's base, optimistic and pessimistic scenarios, which are based on its financial consultants, as described in the Company's hedge policy.

| <b>Domestic Interest Rate Risk Exposure</b>          | <b>Base scenario:<br/>06/30/2012</b> | <b>Probable scenario: SELIC<br/>7.50%</b> | <b>Possible scenario:<br/>SELIC 9.38%</b> | <b>Remote scenario:<br/>SELIC 11.25%</b> |
|--|--------------------------------------|---|---|--|
| <b>Assets</b>  |                                      |   |   |  |
| Cash and cash equivalents (Note 4)                   | 2,247,211                            | 2,415,752                                 | 2,457,887                                 | 2,500,022                                |
| Marketable securities (Note 5)                       | 1,020,495                            | 1,097,032                                 | 1,116,166                                 | 1,135,301                                |
| Restricted Cash                                      | 52,238                               | 56,156                                    | 57,135                                    | 58,115                                   |
|  | 3,319,944                            | 3,568,940                                 | 3,631,188                                 | 3,693,438                                |
| <b>Liabilities</b>                                   |                                      |   |   |  |
| Loans, financing and debentures (Note 17)            | (8,679,287)                          | (9,330,234)                               | (9,492,970)                               | (9,655,707)                              |
| Contracted hedge/swap (interest rates)               | (600,000)                            | (643,200)                                 | (654,000)                                 | (667,500)                                |
| Contracted hedge/swap (exchange rates)               | (17,440)                             | (18,748)                                  | (19,075)                                  | (19,402)                                 |
|  | (9,296,727)                          | (9,992,182)                               | (10,166,045)                              | (10,342,609)                             |
| <b>Net liabilities exposed to interest rate risk</b> | <b>(5,976,783)</b>                   | <b>(6,423,242)</b>                        | <b>(6,534,857)</b>                        | <b>(6,649,171)</b>                       |
| <b>Net effect</b>                                    |                                      | <b>(446,459)</b>                          | <b>(558,074)</b>                          | <b>(672,388)</b>                         |

*Credit Risk*

The risk resulting from the possibility of losses on doubtful receivables for CEMIG and its subsidiaries and jointly-controlled subsidiaries, arising from difficulties in receiving the amounts billed from its clients, is considered low. The Company has follow-up procedures that seek to reduce default on an individual basis. Negotiations are also established to make receipt of overdue receivable feasible.

The Allowance for Doubtful Accounts recorded in 2012, considered adequate in relation to overdue receivables of the Company and its subsidiaries and jointly controlled companies, was R\$77,269.

With regards to the risk of losses resulting from insolvency of the financial institutions at which the Company and its subsidiaries and jointly-controlled subsidiaries have deposits, a Cash Investment Policy was approved and has been effective since 2004, where 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 limit for allocation of funds, which is reviewed for appropriateness both periodically and also in the event of any change in the macroeconomic scenarios of the Brazilian economy.



Table of Contents

Cemig manages the counterparty risk of financial institutions based on an internal policy approved by the Company's Financial Risk Management Committee.

This policy measures and scales not only the credit risks of the institutions, but also the liquidity risk and market risk of the investment portfolio and the operational risk of the Treasury.

All investments are made in fixed income financial securities that are always linked to the CDI.

As a management tool, Cemig divides the investment of its funds in direct purchases of securities (own portfolio) and three investment funds, which total about 20% of the total portfolio. The investment funds invest the funds exclusively in fixed income products, where the only companies of the group are shareholders. They follow the same policy adopted for investments in their own portfolio.

The minimum assumptions for lending to financial institutions focus on three items:

1. Risk rating of two agencies
2. Minimum net equity exceeding R\$400 million
3. Basel index of more than 12.

Having passed these cutoffs, the banks are classified into three groups according to the value of their equity. From this classification, concentration limits are established by group and by institution:

| Group | Shareholder's equity                      | Concentration  | Bank limit<br>(% of shareholder's equity)** |
|-------|---|----------------|---|
| A1    | Over R\$3.5 billion                       | Minimum of 80% | 7.0%  |
| A2    | Between R\$1.0 billion and R\$3.5 billion | Maximum of 20% | Between 2.8% and 7.0%                       |
| B     | Between R\$400 million and R\$1.0 billion | Maximum of 20% | Between 1.6% and 4.2%                       |

---

\*\* The percentage granted to each bank Will depend on individual examination of indexes, such as liquidity and quality of the credit portfólio, amongst others.

In addition to these points, Cemig also establishes two concentration limits:

1. No bank can have more than 30% of the Group's portfolio;
2. No bank can have more than 50% of a company's portfolio.

*Risk of Energy Shortage*

The Company primarily sells electricity that is generated by hydroelectric power stations. A prolonged period of drought could result in reduced water levels in the reservoirs of the power stations, compromising recovery of their volumes and resulting in losses due to increased costs or reduced revenues in the event of adoption of another rationing program, as occurred in 2001.

Table of Contents

*Risk of Early Maturity of Debt*

The Company, its subsidiaries and jointly-controlled subsidiaries have contracts for loans and financings that include covenants, normally applicable to these types of transactions, related to complying with economic and/or financial indices, cash generation and other indexes. Non-compliance with these covenants could result in early maturity of debts.

As of June 30, 2012, the Company was not in compliance with one covenant and its subsidiary Cemig Geração e Transmissão was not in compliance with two covenants. The Company obtained consent from its creditors, affirming that they would not exercise their rights to demand immediate or early payment of amounts owed. See Note 17.

*Risk of Non-Renewal of Concessions*

The Company, its subsidiaries and jointly-controlled subsidiaries hold concessions for commercial operation of generation and transmission of electric power, and its Management expects that the concessions will be renewed by the regulatory bodies, ANEEL and/or the Ministry of Mines and Energy. If the regulatory bodies do not grant the Company renewal rights for these concessions, or if they decide to renew the Company's concessions under conditions which would impose additional costs (onerous concessions), or if they set a price ceiling for power sales, the future levels of profitability and operational activity could be adversely impacted.

A definition by the Federal Government of the criteria for the renewal of concessions is expected for 2012, when it will be possible to determine the impact of these criteria on the Company's results.

The Company has not suffered any significant adverse impacts resulting from events related to the risks related to concession renewals as described above.

*Liquidity Risk*

Cemig's cash generation is sufficient to cover its short-term requirements and for its program for acquisitions and investments.

Just as important as the quality of the business's operating cash generation is the Company's liquidity risk management, which is performed using a set of methodologies, procedures and instruments that are aligned with the complexity of the business and are applied in permanent control of the financial processes, so as to guarantee appropriate risk management.





Table of Contents

The corporate risk management processes interact with other management cycles, such as the Corporate Governance, Budget Prioritization, Power Risks Management, the Insurable Risks, Control and Management and Financial Risks Management Committees in compliance with the Sarbanes-Oxley Act and the Internal Audit.

The purpose of the Financial Risk Management Committee, in particular, is to implement guidelines for controlling the financial risk of transactions that could compromise the Company's liquidity and profitability.

Cemig manages its liquidity risk by permanently monitoring its cash flow, in a conservative manner, from a budget-based perspective and it forecasts the monthly balances for each of its companies over a period of 12 months, and for the daily liquidity, which forecasts the daily balances for 180 days.

Short-term investments must also comply with rigid principles established in the Investment Policy, investing up to 20% of its funds in exclusive private credit investment funds, with no market risks, with the surplus margin invested directly in bank certificates of deposit (CDB) or repurchase operations which earn interest at the CDI rate.

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

The cash outflows from the Company's loans, financing and debentures, at floating and fixed interest rates, as of June 30, 2012 were as follows:

| <b>Consolidated</b>              | <b>1 month<br/>or less</b> | <b>1 to 3<br/>months</b> | <b>3 months<br/>to 1 year</b> | <b>1 to 5<br/>years</b> | <b>Over 5<br/>years</b> | <b>Total</b>      |
|----------------------------------|----------------------------|--------------------------|-------------------------------|-------------------------|-------------------------|-------------------|
| <b>Financial instruments at:</b> |                            |                          |                               |                         |                         |                   |
| <b>- Floating interest rates</b> |                            |                          |                               |                         |                         |                   |
| Loans, financings and debentures | 674,129                    | 409,318                  | 4,429,948                     | 6,300,789               | 3,417,716               | <b>15,231,900</b> |
| Concessions payable              | 245                        | 4,232                    | 10,724                        | 49,393                  | 85,210                  | <b>149,804</b>    |
| <b>- Fixed interest rates</b>    |                            |                          |                               |                         |                         |                   |
| Loans, financings and debentures | 50,189                     | 149,324                  | 551,010                       | 14,110                  | 45,980                  | <b>810,613</b>    |
|                                  | 724,563                    | 562,874                  | 4,991,682                     | 6,364,292               | 3,548,906               | <b>16,192,317</b> |

| <b>Parent Company</b>            | <b>1 month<br/>or less</b> | <b>1 to 3<br/>months</b> | <b>3 months<br/>to 1 year</b> | <b>1 to 5<br/>years</b> | <b>Over 5<br/>years</b> | <b>Total</b>     |
|----------------------------------|----------------------------|--------------------------|-------------------------------|-------------------------|-------------------------|------------------|
| <b>Financial instruments at:</b> |                            |                          |                               |                         |                         |                  |
| <b>- Floating interest rates</b> |                            |                          |                               |                         |                         |                  |
| Loans, financings and debentures |                            |                          | 1,249,773                     | 579,001                 |                         | <b>1,828,774</b> |

\*Cost of Transaction (CPC 08), to be allocated monthly in the contractual period contract, where in these intervals there will be no payment of interest or principal.



Table of Contents

**b) Financial Instruments Derivatives**

Cemig, its subsidiaries and jointly-controlled subsidiaries use derivative financial instruments to hedge its operations against exchange rate risk. Derivative financial instruments are not used for speculative purposes.

The amounts of the principal of operations with derivatives are not presented in the balance sheet, since they refer to transactions that do not require cash principal payments to be made. Only the gains or losses related to these instruments are actually recorded. As at June 30, 2012 the net result on these operations was a gain of R\$25,386 (loss of R\$13,527 at June 30, 2011) recorded under financial results.

The Company has a Financial Risk Management Committee, which was created to monitor the financial risks with respect to volatility and trends of the inflation indices, exchange rates and interest rates that affect its financial transactions and which could adversely affect liquidity and profitability. The committee implements action plans and sets guidelines to control the financial risk environment.

The Company has derivative instruments contracted by UNISA its indirect subsidiary, which is jointly controlled by TAESA. These derivatives had the purpose to protect their operations against the risks of fluctuating exchange rates, and are not used for speculative purposes.

The Company, through the operations contracted by UNISA, is exposed to exchange rate fluctuations because of funding from the IDB (part indexed to a basket of currencies) and the IDB U.S.\$ indexed. To mitigate the effects of exchange rate fluctuations, the UNISA we used derivative financial instruments (hedging) and hired option transactions during the year.

Through the indirect jointly Madeira, the Company has a cash flow hedge for protection from exposure to variability in cash flows attributable to a risk associated with an asset or liability or a highly probable future transaction that may impact of significantly, the Company's results. Quarterly analyzes are carried out by the subsidiary, in order to prove the effectiveness of hedging.

Derivatives designated as cash flow hedge and who qualify for hedge accounting should be fully documented for this purpose. The Company considers highly effective instruments to offset between 80% and 125% of the change in the price of the item for which protection was hired.

The Company has derivative instruments contracted by its subsidiary Light. These derivatives had the purpose to protect their operations against the risks of fluctuating exchange rates, and are not used for speculative purposes. Whereas a portion of loans and financing of the indirect Light SESA is denominated in foreign currency, this makes use of derivative financial instruments ( swap ) to protect the service associated with such debt (principal plus interest and fees) due on up to 24 months beyond the swap rates mentioned above.

Table of Contents*Methodology of calculation of the fair value of positions*

The fair value of financial instruments has been calculated taking into consideration the market values of each security, or market information available to perform this calculation, as well as the future interest rates and foreign exchange rates of similar securities. The market value of the security corresponds to its value at maturity, discounted to present value using the factor obtained from the market yield curve in Reais.

The table below shows the derivative instruments contracted by the subsidiaries Cemig Distribuição, TAESA, Light and Madeira Energia as of June 30, 2012.

| Cemig s<br>right                             | Cemig s<br>obligation                      | Maturity<br>period            | Trading<br>market | Value of principal contracted |                            | Unrealized loss<br>Amount according to<br>contract |                            | Fair value |                            | Accumulated effect<br>Amount<br>received |            | Amount<br>paid |          |
|--|--|-------------------------------|-------------------|-------------------------------|----------------------------|--|----------------------------|------------|----------------------------|--|------------|----------------|----------|
|  |  |                               |                   | 06/30/2012                    | 12/31/2011<br>Reclassified | 06/30/2012   | 12/31/2011<br>Reclassified | 06/30/2012 | 12/31/2011<br>Reclassified | 06/30/2012                               | 06/30/2012 |                |          |
| <b>Cemig Distribuição SA</b>                 |  |                               |                   |                               |                            |  |                            |            |                            |  |            |                |          |
| US\$   | R\$  |                               |                   |                               |                            |  |                            |            |                            |  |            |                |          |
| FX rate +<br>5.58% p.a.<br>to 7.14%<br>p.a.) | 100% of<br>CDI +<br>1.5% to<br>3.01% p.a.) | From<br>04/2009<br>to 06/2013 | Over-the-counter  | US\$ 8,414                    | US\$ 17,226                | (22,472)   | (47,611)                   | (23,568)   | (48,351)                   |  |            |                | (24,009) |
| Rate of<br>11.47%<br>p.a.)                   | Rate of<br>96% of<br>CDI                   | On<br>05/10/2013              | Over-the-counter  | R\$ 600,000                   | R\$ 600,000                | 15,912   | 7,580                      | 41,008     | 22,587                     |  |            |                |          |
| <b>Cemig Geração e Transmissão SA</b>        |  |                               |                   |                               |                            |  |                            |            |                            |  |            |                |          |
| <b>Madeira Energia SA</b>                    |  |                               |                   |                               |                            |  |                            |            |                            |  |            |                |          |
| R\$ IGP-M                                    | R\$5.86%                                   |                               |                   |                               |                            |  |                            |            |                            |  |            |                |          |
|  | Fixed-rate                                 | In 12/2012                    | Over-the-counter  | R\$ 120,000                   | R\$ 120,000                | 951  | 618                        | 951        | 618                        |  |            |                | 306      |
| Euro   | Variation<br>in Euro<br>FX rate            | In 02/2012                    | Options           |                               | R\$ 2,375                  |  | 3                          |            | 3                          |  |            |                |          |
| <b>TAESA</b>                                 |  |                               |                   |                               |                            |  |                            |            |                            |  |            |                |          |
| <b>ATE II Transmissora de Energia (*)</b>    |  |                               |                   |                               |                            |  |                            |            |                            |  |            |                |          |
| Libor6M<br>+ Over<br>Libor                   | USD  | In 11/2022                    | Swap              | 27,561                        | 27,561                     | 92   | 153                        | 92         | 153                        |  |            |                |          |
| Libor6M<br>+ Over<br>Libor                   | USD  | In 11/2018                    | Swap              | 3,028                         | 3,028                      | 3  | 6                          | 3          | 6                          |  |            |                |          |
| <b>ATE III Transmissora de Energia (*)</b>   |  |                               |                   |                               |                            |  |                            |            |                            |  |            |                |          |
| Libor6M<br>+ Over<br>Libor                   | USD  | In 05/2020                    | Swap              | 39,188                        | 39,188                     | 77   | 239                        | 77         | 239                        |  |            |                |          |
| BRL  | USD  | In 11/2012                    | Options           | 3,072                         | 3,072                      | 429  | 470                        | 429        | 470                        |  |            |                |          |
| BRL  | USD  | In 05/2013                    | Options           | 3,229                         | 3,229                      | 334  | 511                        | 334        | 511                        |  |            |                |          |
| BRL  | USD  | In 05/2012                    | Options           | 2,743                         | 2,743                      |  | 112                        |            | 112                        |  |            |                |          |
| <b>Light</b>                                 |  |                               |                   |                               |                            |  |                            |            |                            |  |            |                |          |
| 101.9%<br>CDI +                              | Rate of<br>0.85% +                         | In 10/2012                    | Swap              | R\$ 150,000                   | R\$ 150,000                | 247  |                            | 1,188      | 62                         |  |            |                |          |

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

|  |   |   |                              |                              |                                     |                              |                           |                       |                        |                         |                        |   |                               |
|--|---|---|------------------------------|------------------------------|-------------------------------------|------------------------------|---------------------------|-----------------------|------------------------|-------------------------|------------------------|---|-------------------------------|
| (TJLP<br>-6%)<br>US\$ +<br>Variation<br>between<br>(2.20% a<br>3.58%)<br>Libor +<br>2.5294%<br>Euro +<br>4.6823% | CDI<br>100% of<br>CDI<br>100% CDI<br>+ 0.65%<br>100% CDI<br>+ 1.30% | Between<br>09/2012 a<br>04/2014<br>10/2014<br>10/2014 | Swap<br>Swap<br>Swap<br>Swap | US\$<br>US\$<br>US\$<br>US\$ | 14,437<br>9,427<br>50,000<br>34,969 | US\$<br>US\$<br>US\$<br>US\$ | 9,427<br>50,000<br>34,969 | 825<br>5,143<br>1,581 | (16)<br>1,562<br>(313) | 2,239<br>3,743<br>1,813 | (10)<br>1,172<br>(317) | <b>3,122</b><br><b>(36,629)</b><br><b>51,877</b><br><b>(22,745)</b> | <b>306</b><br><b>(24,009)</b> |
|--|---|---|------------------------------|------------------------------|-------------------------------------|------------------------------|---------------------------|-----------------------|------------------------|-------------------------|------------------------|---|-------------------------------|

\*Taesa's joint-controlled subsidiaries

- 1) The figures given represent Cemig GT's proportion of each transaction.
- 2) Fair values show a gain for the Company
- 3) Amounts in thousands of reais
- 4) Amount received is the accumulated amount for the year (Jan/12 to Jun/12)

Cemig Distribuição and Madeira Energia hold these contracted foreign exchange hedge and swap derivative instruments with Banco Santander-ABN.

Table of Contents*Derivative Exposure Sensitivity Analysis*

The derivative instrument described above shows that the Company is exposed to variation in the CDI rate. Based on information received from its financial consultants, the Company estimates that in a probable scenario on June 30, 2013 the CDI rate will be 7.50% and the depreciation of the dollar against the Real will have been 5.49% (to US\$1 = R\$ 1.910).

The Company has performed a sensitivity analysis to demonstrate the adverse financial effects which would occur in scenarios assuming an additional 25% and 50% increase in the Selic rate, and variation in the dollar/Real exchange rate, in relation to June 30, 2012 scenarios which it assesses, respectively, as possible and remote .

The Company estimates that in the Possible and Remote scenario the CDI rate at June 30, 2013 will be 9.38% and 11.25% respectively.

a) **Risk: effect of changes in the CDI rate in relation to changes in US dollar**

|  | Base scenario:<br>Jun 30, 2012 | Probable<br>scenario | Possible scenario | Remote scenario |
|--|--------------------------------|----------------------|-------------------|-----------------|
| <b>Risk: Increase in Brazilian domestic interest rates</b> |                                |                      |                   |                 |
| Contracts updated at 100,00% of CDI rate                   | 17,440                         | 18,748               | 19,075            | 19,402          |
| <b>Net effect of the change in the CDI rate</b>            |                                | <b>(1,308)</b>       | <b>(1,635)</b>    | <b>(1,962)</b>  |
| <b>Risk: Increase in US\$ exchange rate</b>                |                                |                      |                   |                 |
| Contracts updated at 100,00% of CDI rate                   | 17,440                         | 16,482               | 20,603            | 24,723          |
| <b>Net effect of change in US\$</b>                        |                                | <b>958</b>           | <b>(3,163)</b>    | <b>(7,283)</b>  |
| <b>Net effect</b>  |                                | <b>(2,266)</b>       | <b>1,528</b>      | <b>5,321</b>    |

b) **Risk: effect of changes in the CDI rate in relation to changes in fixed rate of 11.47% p.a.**

|  | Base scenario:<br>Jun 30, 2012 | Probable<br>scenario | Possible<br>scenario | Remote<br>scenario |
|--|--------------------------------|----------------------|----------------------|--------------------|
| <b>Risk: Increase in Brazilian domestic interest rates</b> |                                |                      |                      |                    |
| Contracts updated at 96% of CDI rate                       | 600,000                        | 643,200              | 654,000              | 664,800            |
| <b>Net effect of the change in the CDI rate</b>            |                                | <b>(43,200)</b>      | <b>(54,000)</b>      | <b>(64,800)</b>    |
| <b>Risk - Fixed interest rate</b>                          |                                |                      |                      |                    |
| Contracts updated at 11.47% p.a.                           | 600,000                        | 668,820              | 668,820              | 668,820            |
| <b>Net effect of variation of US\$</b>                     |                                | <b>(68,820)</b>      | <b>(68,820)</b>      | <b>(68,820)</b>    |
| <b>Net effect</b>  |                                | <b>25,620</b>        | <b>14,820</b>        | <b>4,020</b>       |

*Value and type of margins given in guarantee*

The Company does not make margin deposits for derivative instruments.

Table of Contents**c) Capital Management**

This table below shows the ratio of net debt to adjusted capital as of June 30, 2012 and December 31, 2011:

|   | <b>30/06/2012</b> | <b>31/12/2011</b> |
|---|-------------------|-------------------|
| Total liabilities   | 24,659,039        | 25,612,798        |
| (-) Cash and cash equivalents                                 | (2,335,270)       | (2,862,490)       |
| (-) Marketable securities                                     | (1,020,495)       | (358,987)         |
| (-) Restricted Cash   | (52,238)          | (3,386)           |
| <b>Net liabilities</b>  | <b>21,251,036</b> | <b>22,387,935</b> |
| Total Shareholders' equity                                    | 12,897,884        | 11,744,948        |
| (-) Amounts accumulated in equity related to cash flow hedges | (9,594)           | (5,354)           |
| <b>Adjusted Capital</b>                                       | <b>12,888,290</b> | <b>11,739,594</b> |
| Net liabilities / Adjusted Capital                            | 1.65              | 1.91              |

**27. MEASUREMENT AT FAIR VALUE**

On initial recognition, the Company measures its financial assets and liabilities at fair value, after initial recognition, the Company classifies financial assets and liabilities between the four defined categories for financial instruments. Fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. To increase consistency and comparability, the fair value hierarchy prioritizes the inputs used in measuring into three broad levels as follows:

- **Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.** A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available for exchange or OTC market organized by operators, by brokers, or by association market by entities like goal disclose prices by regulatory agencies, and those prices represent market transactions that occur regularly between independent parties, without favoritism.
- **Level 2: No Active Market: Technical Evaluation -** For an instrument that does not have an active market fair value should be determined using valuation methodology / pricing. Criteria may be used as data current fair value of another instrument that is substantially the same, analysis of discounted cash flow models and option pricing. The purpose of the valuation technique is to establish what the transaction price on the measurement date in an exchange free of interests motivated by business considerations.



Table of Contents

- Level 3: Unobservable inputs for which there is little or no market data, which require the reporting entity to develop its own assumptions. Fair value of investments in equity securities that do not have quoted market prices in an active market and derivatives that are linked to them and that must be settled by delivery of unquoted equity securities.

A summary of the instruments that are measured at fair value as of June 30, 2012 is presented below:

| Item                           | Balance at<br>June<br>30, 2012 | Active market<br>quoted price (Level 1) | Fair value at June 30, 2012                          |  |
|--------------------------------|--------------------------------|---|--|--|
|                                |                                |   | No active market<br>Valuation<br>technique (Level 2) | No active market<br>Share capital<br>(Level 3) |
| <b>Assets</b>                  |                                |   |  |  |
| <b>Short-term investments</b>  |                                |   |  |  |
| Bank certificates of deposit   | 604,280                        |   | 604,280  |  |
| Financial Treasury Bills (LFT) | 103                            | 103                                     |  |  |
| Financial Treasury Banks       | 151,007                        |   | 151,007  |  |
| Others                         | 80,574                         |   | 80,574   |  |
|                                | <b>835,964</b>                 | <b>103</b>                              | <b>835,861</b>                                       |  |
| <b>Restricted Cash</b>         | <b>52,238</b>                  |   | <b>52,238</b>  |  |
| <b>Swap contracts</b>          | <b>17,763</b>                  |   | <b>17,763</b>  |  |

*Methodology for calculating the fair value*

a) The fair value of financial investments is calculated taking into consideration the market quotations of the security, or market information that makes this calculation possible, and future interest rates and FX rates applicable to similar securities. The market value of the security corresponds to its maturity value discounted to present value using the risk free interest rate by the discount factor obtained from the market yield curve in Reais.

b) Swap Contracts: The criteria for marking to market of derivative operations consists of establishing the present value of a transaction contracted in the past in such a way that its replacement provides the same results as a new operation. Swaps are priced by calculating the difference between the market values of each one of their end points, adjusted by their index. A swap contract based on the CDI (Interbank Certificates of Deposit) rate is priced as calculated from the start date of the transaction up to the specified future date, considering the future forecast for this index. Pricing of the dollar side of the swap is adjusted by the variation in the exchange rate, using a future expectation and an embedded risk premium.

Table of Contents

**28. STATEMENT OF ADDED VALUE**

As required by the Brazilian Securities Commission (CVM) applicable to publically-held companies, and as additional information for IFRS purposes, the Company has prepared individual and consolidated statements of added value.

These statements, based on macroeconomic concepts, seek to present the contribution of the Group in the formation of GDP through calculating the respective values added both by the Group and received by other entities, and the distribution of these amounts to their employees, spheres of government, lessors assets, creditors under loans, financings and debt securities, controlling and non-controlling stockholders, and other remunerations that constitute transfer of wealth to third parties. The aforementioned added value represents the wealth created by the Group, in general, measured by the revenues from sales of goods and services provided, less the respective inputs acquired from third parties, also including the added value produced by third parties and transferred to the entity.

**29. RENEWAL OF THE CONCESSION TRANSMISSION APPLICATION**

In a correspondence sent to Aneel on July 3, 2012, Cemig GT applied for renewal, for a period of 20 years, of its transmission concession contract for the facilities classified as part of the National Grid, thus complying with the requirement for such statement to be made by at least 36 months before the termination of the period of the contracts.

The Company believes that it complies with the legal requirements of DNAEE Ministerial Order 91 of April 10, 1996, thus qualifying it for the claimed extension of the concession, while any effects arising from the changes in the federal legislation related to the process of renewal of concessions will also be assessed.

**30. SUBSEQUENT EVENTS**

**Issue of Promissory Notes of Cemig Distribuição**

On July 2, 2012, Cemig Distribuição (Distribution) issued its fifth issue of commercial Promissory Notes, for public distribution, under CVM Instruction 476, of January 16, 2009, in the total amount of R\$640,000.

Sixty four (64) Promissory Notes were issued, each with nominal unit value of R\$ 10,000 ( the Promissory Notes ), with maturity on June 27, 2013. The nominal unit value of the Promissory Notes will not undergo monetary updating. The Promissory Notes will be remunerated by interest corresponding to 104.08% of the DI Rate. The Notes will have a surety guarantee from Cemig.



Table of Contents

The issue of the Notes was approved by a meeting of the Board of Directors held on June 5, 2012. The proceeds of the Offering will be allocated to financing of investments already carried out or to be carried out, payment of debt(s) contracted, and/or strengthening of the Issuer's working capital.

The Lead Manager of the Offering was BB - Banco de Investimento S.A.

**BNDESPar becomes a stockholder of Renova Energia**

On July 13, 2012 Renova Energia and BNDES Participações S.A. (BNDESPar), a wholly-owned subsidiary of the Brazilian Development Bank (*Banco Nacional de Desenvolvimento Econômico e Social*, or BNDES), entered into an agreement under which BNDESPar will become a shareholder of Renova Energia through investment of up to R\$ 314,700 and will have the right to elect a member of the Board of Directors, but will not be part of the controlling stockholding group of Renova Energia.

**Approval of issuance of debentures by Light**

The Board of Directors approved the eighth issue of debentures by the subsidiary Light Sesa, to be non-convertible, unsecured, in a single series, for a total of R\$ 470,000, for private distribution. The issue date will be decided by September 2012.

The Board of Directors approved the third issue of debentures by the subsidiary Light Energia, to be non-convertible, unsecured, in a single series, for a total amount of R\$ 30,000, for private distribution. The issue date will be decided by September 30, 2012.

**Extinction of subsidiaries of Light outside Brazil**

On August 7, 2012, the Administrative Council for Tax Appeals (*Conselho Administrativo de Recursos Fiscais*, or Carf ) gave judgment on the case relating to the foreign subsidiaries Light Overseas Investment Limited ( LOI ) and LIR Energy Limited ( LIR ), which were closed and dissolved in 2008 and 2010, respectively. As a result of the judgment in favor of the subsidiary Light Serviços de Eletricidade ( Light Sesa ), the tax infringement notice, for an amount which when updated would have been R\$ 529,400, including penalty payment and monetary updating, was extinguished.

Table of Contents

**Acquisition of the remaining 50% of the shares of Unisa by Taesa**

On July 3, 2012, Taesa concluded the acquisition of the remaining 50% of the shares held in Unisa by Taesa and Abengoa Concessões Brasil Holding S.A. This transaction was approved by the Brazilian Monopolies Board (*Conselho Administrativo de Direito Econômico*, or Cade) on July 4, 2012. Unisa was a company jointly controlled by Taesa and Abengoa, and on July 3, 2012 became a wholly-owned subsidiary of Taesa. The amount of the consideration transferred for the acquisition of the stockholding referred to was R\$ 876,865, comprising the amount paid in cash of R\$ 903,910, which includes the accumulated variation represented by the Selic rate up to the date of conclusion of the transaction, net of dividends receivable in the amount of R\$ 27,045 on the date of conclusion of the transaction, in accordance with the terms of the contract signed by the parties.

**Issuance of shares by Taesa**

On July 19, 2012 Taesa concluded a public offering of 24 million Units, with a supplementary lot of three million Units, totaling 27 million Units, issued at the price of R\$ 65.00. During the roadshow of the offering more than 160 institutional investors were approached, and more than 80 individual meetings were held in nine cities of Brazil, the United States and Europe. This offering marks the start of a new phase of the Company, and the proceeds will support the growth plan of Taesa, based on financial discipline and high quality assets.

On the same date the Meeting of the Board of Directors of Taesa unanimously approved:

- Setting of the issuance price of R\$ 65.00 per Unit subject of the Offering ( the Price per Unit ). The Price per Unit was set on the basis of the results of the bookbuilding procedure conducted with institutional investors by the lead managers of the Offering, in accordance with Article 44 of CVM Instruction 400, the justification for the choice of the criterion of determination of the Price per Unit being in accordance with Sub-item III, §1 of Article 170 of the Corporate Law, taking into account that such price will not cause an unjustified dilution to the present stockholders of Taesa, and that the market value of the Units to be placed was found through a process of bookbuilding, which reflects the price at which institutional investors presented their orders for subscription of Units in the context of the Offering.

Table of Contents

- Increase of R\$ 1,560,000 in the share capital of Taesa, being within the limit of its authorized capital, from R\$ 1,312,535 to R\$ 2,872,535, on issuance of 72,000,000 nominal, book-entry shares, without par value, to be the subject of an Offering, of which 24,000,000 are to be common shares and 48,000,000 are to be preferred shares, increasing the number of Taesa's shares from 263,498,907 (of which 203,517,711 are common shares and 59,981,196 are preferred shares), to 335,498,907, of which 227,517,711 are to be common shares and 107,981,196 are to be preferred shares. In the Offering, current stockholders of the Company do not have first refusal right to subscribe the shares, under Article 172, I, of the Corporate Law, and Article 9 of the Company's by-laws.

**Long-term sale contract in the Free Market**

On August 1, 2012 Cemig GT (Generation and Transmission) signed contracts for supply of electricity to industrial units of the mining company Samarco Mineração, in the states of Minas Gerais and Espírito Santo. Under these contracts Cemig will supply electricity in amounts increasing according to a schedule, between 2014 and 2022. The approximate total value of the contract is R\$ 2.1 billion, making this one of the largest agreements ever made in Brazil's Free Market for electricity.

**Santo Antônio Hydro Plant: No. 3 Rotor certified for start of operation**

By Dispatch 2181 of July 2, 2012 issued by the Head of its Generation Services Inspection Unit (*Superintendente de Fiscalização dos Serviços de Geração*), Brazil's electricity regulator, Aneel (*Agência Nacional de Energia Elétrica*), the Number 3 Rotor unit of the Santo Antônio Hydroelectric Plant, with capacity for 69,590 kW, was certified as free to begin commercial operation from July 3, 2012, as of which date this unit made electricity available to the Brazilian electricity system.

Table of Contents**31. STATEMENT SEGREGATED BY COMPANY**

| <b>FINANCIAL STATEMENTS SEPARATED BY COMPANY JUNE 30, 2012</b>    |                           |                    |                    |                  |   |                  |                          |                    |                |                  |                        |
|---|---------------------------|--------------------|--------------------|------------------|---|------------------|--------------------------|--------------------|----------------|------------------|------------------------|
| <b>Item</b>   | <b>PARENT<br/>COMPANY</b> | <b>CEMIG - GT</b>  | <b>CEMIG-D</b>     | <b>LIGHT</b>     | <b>ETEP, ENTE,<br/>ERTE, EATE,<br/>ECTE</b> | <b>GASMIG</b>    | <b>CEMIG<br/>TELECOM</b> | <b>SÁ CARVALHO</b> | <b>ROSAL</b>   | <b>OTHERS</b>    | <b>ELIMIN<br/>TRAN</b> |
| <b>ASSETS</b>   | <b>15,047,799</b>         | <b>15,777,369</b>  | <b>10,950,232</b>  | <b>2,846,858</b> | <b>1,360,491</b>                            | <b>837,105</b>   | <b>424,710</b>           | <b>172,845</b>     | <b>149,142</b> | <b>1,413,539</b> | <b>(1</b>              |
| Cash and cash equivalents   | 142,982                   | 1,691,954          | 306,574            | 136,302          | 30,944                                      | 22,635           | 93,946                   | 4,711              | 5,003          | 141,209          |                        |
| Accounts receivable   |                           | 671,255            | 1,964,733          | 402,298          | 35,991                                      | 156,927          |                          | 6,579              | 3,380          | 121,792          |                        |
| Securities cash investments                                       | 149,485                   | 517,624            | 35,239             | 4,034            |   | 12,851           |                          | 5,648              | 6,371          | 48,710           |                        |
| Taxes   | 528,093                   | 315,294            | 1,034,458          | 296,762          | 12,508                                      | 70,009           | 35,150                   |                    | 58             | 18,645           |                        |
| Other assets  | 2,041,307                 | 351,038            | 1,435,078          | 170,546          | 59,260                                      | 32,600           | 34,836                   | 4,258              | 347            | 91,999           |                        |
| Investments / Fixed / Intangible / Financial Assets of Concession | 12,185,932                | 12,230,204         | 6,174,150          | 1,836,916        | 1,221,788                                   | 542,083          | 260,778                  | 151,649            | 133,983        | 991,184          | (1                     |
| <b>LIABILITIES</b>  | <b>15,047,799</b>         | <b>15,777,369</b>  | <b>10,950,232</b>  | <b>2,846,858</b> | <b>1,360,491</b>                            | <b>837,105</b>   | <b>424,710</b>           | <b>172,845</b>     | <b>149,142</b> | <b>1,413,539</b> | <b>(1</b>              |
| Suppliers and supplies  | 7,317                     | 170,492            | 865,245            | 190,545          | 13,148                                      | 40,474           | 6,117                    | 495                | 3,589          | 55,313           |                        |
| Loans, financings and debentures                                  | 1,063,100                 | 8,556,006          | 3,660,963          | 1,056,878        | 376,187                                     | 117,594          | 105,898                  |                    |                | 342,953          |                        |
| Interest on Equity, and dividends                                 | 681,439                   | 166,715            | 352,781            |                  | 20,753                                      | 31,019           |                          | 12,290             | 10,053         | 71,813           |                        |
| Employee post-retirement benefits                                 | 102,406                   | 441,606            | 1,402,837          | 284,717          |   |                  |                          |                    |                | 70,031           |                        |
| Taxes   | 21,788                    | 635,867            | 1,043,589          | 152,841          | 112,201                                     | 30,266           | 14,834                   | 40,189             | 1,200          | 161              |                        |
| Other liabilities   | 273,865                   | 606,096            | 929,633            | 275,072          | 38,851                                      | 179,020          | 10,415                   | 2,755              | 2,142          | 100,810          |                        |
| Shareholders equity   | 12,897,884                | 5,200,587          | 2,695,184          | 886,805          | 799,351                                     | 438,732          | 287,446                  | 117,116            | 132,158        | 772,458          | (1                     |
| <b>NET PROFIT</b>   |                           |                    |                    |                  |   |                  |                          |                    |                |                  |                        |
| <b>Net operational revenue</b>                                    | <b>161</b>                | <b>2,450,642</b>   | <b>4,471,887</b>   | <b>964,917</b>   | <b>170,761</b>                              | <b>269,288</b>   | <b>66,644</b>            | <b>29,071</b>      | <b>19,645</b>  | <b>385,747</b>   |                        |
| <b>Operational costs and expenses</b>                             | <b>(42,024)</b>           | <b>(1,045,375)</b> | <b>(3,898,100)</b> | <b>(830,775)</b> | <b>(25,537)</b>                             | <b>(238,455)</b> | <b>(54,620)</b>          | <b>(6,739)</b>     | <b>(9,228)</b> | <b>(286,621)</b> |                        |
| Electricity bought for resale                                     |                           | (242,505)          | (1,780,889)        | (490,559)        |   |                  |                          | (2)                | (1,924)        | (123,856)        |                        |
| Charges for the use of the basic transmission grid                |                           | (130,957)          | (391,911)          | (65,616)         |   |                  |                          |                    | (1,432)        | (17,377)         |                        |
|   |                           |                    |                    |                  |   | (217,878)        |                          |                    |                |                  |                        |

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

|   |                  |                  |                |                |                |                |               |               |               |                |
|---|------------------|------------------|----------------|----------------|----------------|----------------|---------------|---------------|---------------|----------------|
| Gas bought for resale   |                  |                  |                |                |                |                |               |               |               |                |
| Cost of construction of Infrastructure  | (45,677)         | (542,426)        | (78,105)       | (11,365)       |                |                |               |               |               | (20,270)       |
| Personnel   | (21,977)         | (158,363)        | (386,312)      | (37,266)       | (5,193)        | (8,650)        | (16,095)      | (731)         | (854)         | (16,685)       |
| Employee profit shares  | (8,924)          | (29,432)         | (78,828)       |                |                |                | (20)          | (196)         | (50)          | (905)          |
| Employee post-retirement benefits   | (5,055)          | (14,996)         | (46,944)       | (2,311)        |                |                |               |               |               | (568)          |
| Material  | (54)             | (8,210)          | (21,895)       | (2,314)        | 385            | (549)          | (102)         | (92)          | (163)         | (944)          |
| Outsourced services   | (5,700)          | (90,067)         | (325,044)      | (52,161)       | (6,764)        | (3,069)        | (11,110)      | (1,335)       | (1,651)       | (27,762)       |
| Royalties for use of water resources  |                  | (91,858)         |                |                |                |                |               | (1,288)       | (575)         | (1,814)        |
| Depreciation and amortization   | (185)            | (180,686)        | (176,471)      | (45,006)       | (687)          | (8,644)        | (18,098)      | (2,751)       | (2,102)       | (48,085)       |
| Operational provisions  | 16,656           | (6,664)          | (53,121)       | (44,577)       |                | 1,859          | (10)          | 32            | (1)           | (10,707)       |
| Other expenses, net   | (16,785)         | (45,960)         | (94,259)       | (12,860)       | (1,913)        | (1,524)        | (9,185)       | (376)         | (476)         | (17,648)       |
| <b>Operational profit before Equity gains (losses) and Financial revenue (expenses)</b> | <b>(41,863)</b>  | <b>1,405,267</b> | <b>573,787</b> | <b>134,142</b> | <b>145,224</b> | <b>30,833</b>  | <b>12,024</b> | <b>22,332</b> | <b>10,417</b> | <b>99,126</b>  |
| <b>Equity gain (loss) on subsidiaries</b>   | <b>1,263,711</b> | <b>(1,458)</b>   |                |                | <b>(177)</b>   | <b>(2,816)</b> |               |               |               | <b>(2,038)</b> |
| Financial revenue   | 72,845           | 118,769          | 149,113        | 26,514         | 2,140          | 13,494         | 5,264         | 618           | 676           | 55,337         |
| Financial expenses  | (84,925)         | (452,115)        | (293,220)      | (90,784)       | (33,074)       | (6,459)        | (6,029)       | (346)         | (57)          | (42,473)       |
| <b>Profit before income tax and Social Contribution tax</b>                             | <b>1,209,768</b> | <b>1,070,463</b> | <b>429,680</b> | <b>69,872</b>  | <b>114,113</b> | <b>35,052</b>  | <b>11,259</b> | <b>22,604</b> | <b>11,036</b> | <b>109,952</b> |
| Income tax and Social Contribution tax  |                  | (400,664)        | (265,658)      | (24,198)       | (18,360)       | (11,305)       | (5,009)       | (8,262)       | (875)         | (24,944)       |
| Deferred income tax and Social Contribution tax   | (106)            | 50,554           | 118,264        | 1,196          | 1,963          |                | (1,901)       | 589           | 5             | (788)          |
| <b>Profit for the period</b>  | <b>1,209,662</b> | <b>720,353</b>   | <b>282,286</b> | <b>46,870</b>  | <b>97,716</b>  | <b>23,747</b>  | <b>4,349</b>  | <b>14,931</b> | <b>10,166</b> | <b>84,220</b>  |



Table of Contents

| FINANCIAL STATEMENTS SEPARATED BY COMPANY JUNE 30, 2011           |                   |                   |                    |                  |                              |                  |                 |                |                |                 |                       |
|---|-------------------|-------------------|--------------------|------------------|------------------------------|------------------|-----------------|----------------|----------------|-----------------|-----------------------|
| Item  | PARENT COMPANY    | CEMIG GT          | CEMIG D            | LIGHT            | ETEP, ENTE, ERTE, EATE, ECTE | GASMIG           | CEMIG TELECOM   | SÁ CARVALHO    | ROSAL          | OTHERS          | ELIMINATION TRANSFERS |
| <b>ASSETS</b>   | <b>13,900,756</b> | <b>14,830,131</b> | <b>10,381,968</b>  | <b>2,534,917</b> | <b>1,303,915</b>             | <b>864,523</b>   | <b>410,886</b>  | <b>188,569</b> | <b>155,801</b> | <b>981,057</b>  | <b>(10,000,000)</b>   |
| Cash and cash equivalents   | 135,211           | 1,600,997         | 681,488            | 113,862          | 29,309                       | 64,875           | 72,607          | 12,272         | 15,613         | 310,874         |                       |
| Accounts receivable   |                   | 524,792           | 1,844,157          | 408,779          | 32,400                       | 155,891          |                 | 4,217          | 3,180          | 50,361          |                       |
| Securities cash investments                                       |                   | 710,615           | 605                | 2,911            |                              |                  |                 |                |                | 1,284           |                       |
| Taxes   | 427,824           | 698,863           | 1,182,121          | 326,972          | 7,878                        | 77,618           | 43,910          | 10,862         | 88             | 33,276          |                       |
| Other assets  | 1,987,929         | 291,370           | 1,254,461          | 139,924          | 50,618                       | 27,763           | 23,625          | 4,105          | 39             | 43,917          |                       |
| Investments / Fixed / Intangible / Financial Assets of Concession | 11,349,792        | 11,003,494        | 5,419,136          | 1,542,469        | 1,183,710                    | 538,376          | 270,744         | 157,113        | 136,881        | 541,345         | (10,000,000)          |
| <b>LIABILITIES</b>  | <b>13,900,756</b> | <b>14,830,131</b> | <b>10,381,968</b>  | <b>2,534,917</b> | <b>1,303,915</b>             | <b>864,523</b>   | <b>410,886</b>  | <b>188,569</b> | <b>155,801</b> | <b>981,057</b>  | <b>(10,000,000)</b>   |
| Suppliers and supplies  | 1,486             | 148,791           | 751,482            | 143,196          | 4,305                        | 29,451           | 9,775           | 1,246          | 2,322          | 16,986          |                       |
| Loans, financings and debentures                                  | 408,917           | 7,691,798         | 3,360,257          | 781,215          | 428,903                      | 144,238          | 88,650          |                |                | 117,278         |                       |
| Interest on Equity, and dividends                                 | 624,563           | 610,944           | 5,823              |                  | 9,320                        | 16,268           | 7,225           | 16,310         | 14,650         | 61,631          |                       |
| Employee post-retirement benefits                                 | 98,462            | 437,234           | 1,388,717          | 270,904          |                              |                  |                 |                |                | 18,311          |                       |
| Taxes   | 21,435            | 926,060           | 1,269,171          | 170,928          | 103,373                      | 28,667           | 9,699           | 50,645         | 1,442          | 39,147          |                       |
| Other liabilities   | 288,845           | 463,048           | 916,152            | 301,431          | 38,285                       | 178,002          | 7,426           | 2,821          | 2,851          | 57,243          |                       |
| Shareholders equity   | 12,457,048        | 4,552,256         | 2,690,366          | 867,243          | 719,729                      | 467,897          | 288,111         | 117,547        | 134,536        | 670,461         | (10,000,000)          |
| <b>NET PROFIT</b>   |                   |                   |                    |                  |                              |                  |                 |                |                |                 |                       |
| <b>Net operational revenue</b>                                    | <b>183</b>        | <b>2,054,457</b>  | <b>4,082,391</b>   | <b>905,080</b>   | <b>123,914</b>               | <b>211,882</b>   | <b>62,200</b>   | <b>24,429</b>  | <b>19,057</b>  | <b>135,014</b>  | <b>(10,000,000)</b>   |
| <b>Operational costs and expenses</b>                             | <b>(39,750)</b>   | <b>(956,250)</b>  | <b>(3,484,593)</b> | <b>(776,804)</b> | <b>(32,335)</b>              | <b>(164,572)</b> | <b>(50,234)</b> | <b>(6,366)</b> | <b>(7,044)</b> | <b>(53,986)</b> | <b>0</b>              |
| Electricity bought for resale                                     |                   | (281,362)         | (1,463,718)        | (435,579)        |                              |                  |                 | (92)           | (244)          | (13,925)        |                       |
| Charges for the use of the basic transmission grid                |                   | (114,858)         | (318,811)          | (58,141)         |                              |                  |                 | (4)            | (1,392)        | (6,082)         |                       |
| Gas bought for resale   |                   |                   |                    |                  |                              | (142,831)        |                 |                |                |                 |                       |
| Cost of construction of Infrastructure                            |                   | (28,182)          | (572,165)          | (85,037)         | (6,108)                      |                  |                 |                |                | (3,946)         |                       |

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

|   |                  |                  |                |                |               |               |               |               |               |                    |
|---|------------------|------------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|--------------------|
| Personnel   | (25,145)         | (144,978)        | (369,290)      | (35,871)       | (4,673)       | (8,276)       | (8,938)       | (562)         | (661)         | (5,776)            |
| Employee profit shares  | 1,714            | (5,093)          | (20,043)       |                |               |               | (516)         | (109)         | (40)          | (3)                |
| Employee post-retirement benefits   | (4,218)          | (13,892)         | (43,665)       |                |               |               |               |               |               |                    |
| Material  | (84)             | (9,424)          | (33,218)       | (3,227)        | 260           | (491)         | (190)         | (109)         | (92)          | (655)              |
| Outsourced services   | (2,920)          | (65,665)         | (315,870)      | (55,269)       | (7,303)       | (2,820)       | (10,231)      | (1,055)       | (1,476)       | (10,796)           |
| Royalties for use of water resources  |                  | (70,434)         |                |                |               |               |               | (1,375)       | (618)         | (1,922)            |
| Depreciation and amortization   | (176)            | (184,169)        | (189,595)      | (47,752)       | (12,957)      | (10,185)      | (18,106)      | (2,821)       | (2,193)       | (8,176)            |
| Operational provisions  | (763)            | (1,725)          | (63,126)       | (41,852)       |               |               | (8)           | (8)           | (81)          | 737                |
| Other expenses, net   | (8,158)          | (36,468)         | (95,092)       | (14,076)       | (1,554)       | 31            | (12,245)      | (231)         | (247)         | (3,442)            |
| <b>Operational profit before Equity gains (losses) and Financial revenue (expenses)</b> | <b>(39,567)</b>  | <b>1,098,207</b> | <b>597,798</b> | <b>128,276</b> | <b>91,579</b> | <b>47,310</b> | <b>11,966</b> | <b>18,063</b> | <b>12,013</b> | <b>81,028</b>      |
| <b>Equity gain (loss) on subsidiaries</b>   | <b>1,069,753</b> |                  |                |                |               |               |               |               |               | <b>(1,069,753)</b> |
| Financial revenue   | 45,900           | 137,841          | 136,583        | 78,505         | 11,815        | 14,094        | 4,010         | 350           | 449           | 12,892             |
| Financial expenses  | (29,042)         | (469,333)        | (259,008)      | (126,846)      | (30,407)      | (8,244)       | (5,568)       | (241)         | (46)          | (7,727)            |
| <b>Profit before income tax and Social Contribution tax</b>                             | <b>1,047,044</b> | <b>766,715</b>   | <b>475,373</b> | <b>79,935</b>  | <b>72,987</b> | <b>53,160</b> | <b>10,408</b> | <b>18,172</b> | <b>12,416</b> | <b>86,193</b>      |
| Income tax and Social Contribution tax  | 123              | (258,506)        | (192,099)      | (24,196)       | (14,466)      | (16,615)      | (2,955)       | (6,881)       | (660)         | (26,998)           |
| Deferred income tax and Social Contribution tax   | 2,041            | 3,463            | 30,193         | (573)          | (4,453)       |               | 2,320         | 723           | (112)         | 10                 |
| <b>Profit for the period</b>  | <b>1,049,208</b> | <b>511,672</b>   | <b>313,467</b> | <b>55,166</b>  | <b>54,068</b> | <b>36,545</b> | <b>9,773</b>  | <b>12,014</b> | <b>11,644</b> | <b>59,205</b>      |

Table of Contents

**32. SEGMENT INFORMATION**

**PERIOD ENDED JUNE 30, 2012**

**(Thousands of reais)**

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 and transmission 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. The operational results are reviewed regularly by the principal managers of the Company's operations, considering the operational segments of Generation and Transmission, for the taking of decision on funds to be allocated to these segments, and for the assessment of their performances on an individualized basis. In accordance with the regulatory framework of the Brazilian electricity sector, there is no segmentation by geographical area.

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

Table of Contents

| Item   | SEGMENT INFORMATION, JUNE 30, 2012 |                             |                    |                  |                 |                  |                    | TOTAL              |
|--|------------------------------------|-----------------------------|--------------------|------------------|-----------------|------------------|--------------------|--------------------|
|  | GENERATION                         | ELECTRICITY<br>TRANSMISSION | DISTRIBUTION       | GAS              | TELECOMS        | OTHERS           | ELIMINATIONS       |                    |
| <b>ASSETS</b>  | <b>12,444,731</b>                  | <b>9,567,209</b>            | <b>13,672,042</b>  | <b>837,105</b>   | <b>424,710</b>  | <b>1,703,475</b> | <b>(1,092,349)</b> | <b>37,556,923</b>  |
| <b>INVESTMENTS</b>                                   | <b>713,029</b>                     | <b>36,220</b>               | <b>234,585</b>     | <b>7,017</b>     | <b>10,166</b>   | <b>(4,081)</b>   |                    | <b>996,936</b>     |
| <b>NET OPERATIONAL REVENUE</b>                       | <b>2,217,892</b>                   | <b>667,442</b>              | <b>5,498,501</b>   | <b>269,288</b>   | <b>66,644</b>   | <b>109,096</b>   | <b>(266,528)</b>   | <b>8,562,335</b>   |
| <b>COST OF ELECTRICITY SERVICE</b>                   |                                    |                             |                    |                  |                 |                  |                    |                    |
| <b>COST OF ELECTRICITY AND GAS</b>                   |                                    |                             |                    |                  |                 |                  |                    |                    |
| Electricity bought for resale                        | (254,878)                          |                             | (2,323,861)        |                  |                 | (60,996)         | 108,156            | (2,531,579)        |
| Charges for the use of the basic transmission grid   | (139,931)                          | (105)                       | (473,667)          |                  |                 |                  | 128,514            | (485,189)          |
| Gas bought for resale                                |                                    |                             |                    | (217,878)        |                 |                  |                    | (217,878)          |
| <b>Total operational cost of electricity and gas</b> | <b>(394,809)</b>                   | <b>(105)</b>                | <b>(2,797,528)</b> | <b>(217,878)</b> |                 | <b>(60,996)</b>  | <b>236,670</b>     | <b>(3,234,646)</b> |
| <b>OPERATIONAL COSTS AND EXPENSES</b>                |                                    |                             |                    |                  |                 |                  |                    |                    |
| Personnel and managers                               | (99,441)                           | (71,712)                    | (424,975)          | (8,650)          | (16,095)        | (31,253)         |                    | (652,126)          |
| Employees and managers profit shares                 | (18,861)                           | (10,817)                    | (78,828)           |                  | (20)            | (9,829)          |                    | (118,355)          |
| Employee post-retirement benefits                    | (10,077)                           | (4,919)                     | (49,823)           |                  |                 | (5,055)          |                    | (69,874)           |
| Material   | (5,011)                            | (3,386)                     | (24,181)           | (549)            | (102)           | (709)            |                    | (33,938)           |
| Outsourced services                                  | (67,669)                           | (45,949)                    | (378,511)          | (3,069)          | (11,110)        | (18,355)         | 14,055             | (510,608)          |
| Depreciation and amortization                        | (236,620)                          | (422)                       | (218,425)          | (8,644)          | (18,098)        | (506)            |                    | (482,715)          |
| Operational provisions                               | (6,322)                            | (570)                       | (108,328)          | 1,859            | (10)            | 16,838           |                    | (96,533)           |
| Royalties for use of water resources                 | (95,535)                           |                             |                    |                  |                 |                  |                    | (95,535)           |
| Cost of constructions                                |                                    | (58,101)                    | (639,742)          |                  |                 |                  |                    | (697,843)          |
| Others   | (37,568)                           | (18,668)                    | (102,036)          | (1,524)          | (9,185)         | (25,695)         | 15,803             | (178,873)          |
| <b>Total cost of operation</b>                       | <b>(577,104)</b>                   | <b>(214,544)</b>            | <b>(2,024,849)</b> | <b>(20,577)</b>  | <b>(54,620)</b> | <b>(74,564)</b>  | <b>29,858</b>      | <b>(2,936,400)</b> |
| <b>TOTAL COST</b>                                    | <b>(971,913)</b>                   | <b>(214,649)</b>            | <b>(4,822,377)</b> | <b>(238,455)</b> | <b>(54,620)</b> | <b>(135,560)</b> | <b>266,528</b>     | <b>(6,171,046)</b> |
|  | <b>1,245,979</b>                   | <b>452,793</b>              | <b>676,124</b>     | <b>30,833</b>    | <b>12,024</b>   | <b>(26,464)</b>  |                    | <b>2,391,289</b>   |

**Operational profit  
before Equity  
gains (losses) and  
Financial revenue  
(expenses)**

|   |                  |                |                |               |               |                 |                  |
|---|------------------|----------------|----------------|---------------|---------------|-----------------|------------------|
| Equity gain (loss)<br>on subsidiaries                 | (1,458)          |                |                |               |               |                 | (1,458)          |
| Financial revenue                                     | 63,016           | 72,446         | 213,794        | 13,494        | 5,264         | 76,756          | 444,770          |
| Financial expenses                                    | (211,470)        | (303,388)      | (421,583)      | (6,459)       | (6,029)       | (60,553)        | (1,009,482)      |
| <b>PRETAX PROFIT</b>                                  | <b>1,096,067</b> | <b>221,851</b> | <b>468,335</b> | <b>37,868</b> | <b>11,259</b> | <b>(10,261)</b> | <b>1,825,119</b> |
| Income tax and<br>Social Contribution<br>tax          | (384,619)        | (62,541)       | (291,118)      | (11,305)      | (5,009)       | (4,683)         | (759,275)        |
| Deferred income<br>tax and Social<br>Contribution tax | 30,094           | 10,905         | 132,443        |               | (1,901)       | (1,765)         | 169,776          |
| <b>PROFIT (LOSS)<br/>FOR THE<br/>PERIOD</b>           | <b>741,542</b>   | <b>170,215</b> | <b>309,660</b> | <b>26,563</b> | <b>4,349</b>  | <b>(16,709)</b> | <b>1,235,620</b> |

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

Table of Contents

| Item   | SEGMENT INFORMATION, JUNE 30, 2011 |                             |                    |                  |                 |                  |                    | TOTAL              |
|--|------------------------------------|-----------------------------|--------------------|------------------|-----------------|------------------|--------------------|--------------------|
|  | GENERATION                         | ELECTRICITY<br>TRANSMISSION | DISTRIBUTION       | GAS              | TELECOMS        | OTHERS           | ELIMINATIONS       |                    |
| <b>ASSETS</b>  | <b>12,226,093</b>                  | <b>8,026,210</b>            | <b>12,338,451</b>  | <b>864,523</b>   | <b>410,886</b>  | <b>3,032,072</b> | <b>(1,962,762)</b> | <b>34,935,473</b>  |
| <b>INVESTMENTS</b>   | <b>361,344</b>                     | <b>35,079</b>               | <b>660,359</b>     | <b>10,095</b>    | <b>19,905</b>   | <b>369</b>       |                    | <b>1,087,151</b>   |
| <b>NET OPERATIONAL REVENUE</b>                                 | <b>1,724,735</b>                   | <b>588,227</b>              | <b>5,016,326</b>   | <b>211,882</b>   | <b>62,200</b>   | <b>21,116</b>    | <b>(230,164)</b>   | <b>7,394,322</b>   |
| <b>COST OF ELECTRICITY SERVICE COST OF ELECTRICITY AND GAS</b> |                                    |                             |                    |                  |                 |                  |                    |                    |
| Electricity bought for resale                                  | (281,710)                          |                             | (1,913,209)        |                  |                 |                  | 102,815            | (2,092,104)        |
| Charges for the use of the basic transmission grid             | (126,129)                          | (129)                       | (378,909)          |                  |                 |                  | 122,917            | (382,250)          |
| Gas bought for resale  |                                    |                             |                    | (142,831)        |                 |                  |                    | (142,831)          |
| <b>Total operational cost of electricity and gas</b>           | <b>(407,839)</b>                   | <b>(129)</b>                | <b>(2,292,118)</b> | <b>(142,831)</b> |                 |                  | <b>225,732</b>     | <b>(2,617,185)</b> |
| <b>OPERATIONAL COSTS AND EXPENSES</b>                          |                                    |                             |                    |                  |                 |                  |                    |                    |
| Personnel and managers   | (58,705)                           | (92,423)                    | (406,525)          | (8,276)          | (8,938)         | (29,303)         |                    | (604,170)          |
| Employees and managers profit shares                           | (3,508)                            | (1,737)                     | (20,043)           |                  | (516)           | 1,714            |                    | (24,090)           |
| Employee post-retirement benefits                              | (7,057)                            | (6,835)                     | (43,665)           |                  |                 | (4,218)          |                    | (61,775)           |
| Material   | (5,000)                            | (4,861)                     | (36,552)           | (491)            | (190)           | (136)            |                    | (47,230)           |
| Outsourced services  | (47,671)                           | (34,752)                    | (373,274)          | (2,820)          | (10,231)        | (4,658)          | 4,432              | (468,974)          |
| Depreciation and amortization                                  | (207,948)                          | (422)                       | (239,207)          | (10,185)         | (18,106)        | (262)            |                    | (476,130)          |
| Operational provisions   | 1,255                              | (586)                       | (106,728)          |                  | (8)             | (759)            |                    | (106,826)          |
| Royalties for use of water resources                           | (74,349)                           |                             |                    |                  |                 |                  |                    | (74,349)           |
| Cost of constructions  | (16,450)                           | (18,628)                    | (660,360)          |                  |                 |                  |                    | (695,438)          |
| Others   | (24,132)                           | (17,010)                    | (111,044)          | 31               | (12,245)        | (883)            |                    | (165,283)          |
| <b>Total cost of operation</b>                                 | <b>(443,565)</b>                   | <b>(177,254)</b>            | <b>(1,997,398)</b> | <b>(21,741)</b>  | <b>(50,234)</b> | <b>(38,505)</b>  | <b>4,432</b>       | <b>(2,724,265)</b> |
| <b>TOTAL COST</b>  | <b>(851,404)</b>                   | <b>(177,383)</b>            | <b>(4,289,516)</b> | <b>(164,572)</b> | <b>(50,234)</b> | <b>(38,505)</b>  | <b>230,164</b>     | <b>(5,341,450)</b> |
| <b>Operational profit before Equity</b>                        | <b>873,331</b>                     | <b>410,844</b>              | <b>726,810</b>     | <b>47,310</b>    | <b>11,966</b>   | <b>(17,389)</b>  |                    | <b>2,052,872</b>   |

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

**gains (losses) and  
Financial revenue  
(expenses)**

|   |                |                |                |               |               |               |                  |
|---|----------------|----------------|----------------|---------------|---------------|---------------|------------------|
| Equity gain (loss)<br>on subsidiaries                 |                |                |                |               |               |               |                  |
| Financial revenue                                     | 73,154         | 59,554         | 238,406        | 14,094        | 4,010         | 53,221        | 442,439          |
| Financial expenses                                    | (167,294)      | (358,949)      | (410,219)      |               |               |               | (936,462)        |
| <b>PRETAX PROFIT</b>                                  | <b>779,191</b> | <b>111,449</b> | <b>554,997</b> | <b>61,404</b> | <b>15,976</b> | <b>35,832</b> | <b>1,558,849</b> |
| Income tax and<br>Social Contribution<br>tax          | (254,224)      | (40,073)       | (216,871)      | (16,615)      | (2,955)       | (12,515)      | (543,253)        |
| Deferred income tax<br>and Social<br>Contribution tax | 20,724         | (21,021)       | 29,805         |               | 2,320         | 1,784         | 33,612           |
| <b>PROFIT (LOSS)<br/>FOR THE<br/>PERIOD</b>           | <b>545,691</b> | <b>50,355</b>  | <b>367,931</b> | <b>44,789</b> | <b>15,341</b> | <b>25,101</b> | <b>1,049,208</b> |

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

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

***Profit (loss) for the period***

Cemig reports consolidated net profit for the first half of 2012 (**1H12**) of R\$ 1,235,620, which compares with R\$ 1,049,208 in the first half of 2011 (**1H11**), an increase of 17.77%. This primarily reflects revenue 15.80% higher, partially offset by operational costs and expenses 15.53% higher. Below are comments on the principal variations in revenue, costs and expenses between the two periods.

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

Cemig's Ebitda in 1H12 was 13.64% higher than in 1H11.

| Ebitda R\$ million                                     | June 30, 2011    |                  | Change, %    |
|--|------------------|------------------|--------------|
|  | June 30, 2012    | Reclassified     |              |
| Net profit for the year                                | 1,235,620        | 1,049,208        | 17.77        |
| + Provision for income tax and Social Contribution tax | 589,499          | 509,641          | 15.67        |
| + Financial revenue (expenses)                         | 564,712          | 494,023          | 14.31        |
| + Amortization and depreciation                        | 482,715          | 476,130          | 1.38         |
| + Equity gain (loss) on subsidiaries                   | 1,458            |                  |              |
| <b>= EBITDA</b>  | <b>2,874,004</b> | <b>2,529,002</b> | <b>13.64</b> |



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

The higher Ebitda in 1H12 than 1H11 mainly reflects the Revenue line 15.80% higher, partially offset by Operational costs and expenses, excluding the effects of depreciation and amortization, 16.92% higher. The increase of operational costs and expenses in 1H12 from 1H11 is reflected in Ebitda margin, which was 34.20% in 2011, and 33.57% in 2012.

Table of Contents

Revenue from supply of electricity

Total revenue from supply of electricity in 1H12 was R\$ 9,254,444, 15.49% more than in 1H11 (R\$ 8,013,119).

*Final consumers*

Revenue from electricity sold to final consumers, excluding the Company's own consumption, was R\$ 8,129,333 in 1H12, which is 13.74% more than in 1H11 (R\$ 7,147,548). The main factors in this result are:

- Volume of energy invoiced to final consumers (excluding Cemig's own consumption) 3.79% higher.
- Tariff increase for Cemig Distribuição, with average impact for captive consumers of 7.24%, in effect from April 8, 2011 (having effect over the whole of 2012).
- Tariff increase for Cemig Distribuição, with average impact for captive consumers of 3.85%, in effect from April 8, 2012.
- Tariff adjustment for Light, with average impact on consumer tariffs of 7.82%, effective November 7, 2011.

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

(Data not reviewed by external auditors)

| Consumption by user category    | MWh               |                   | Change, %   |
|---------------------------------|-------------------|-------------------|-------------|
|                                 | First half 2012   | First half 2011   |             |
| Residential                     | 5,786,130         | 5,449,537         | 6.18        |
| Industrial                      | 12,629,659        | 12,747,757        | (0.93)      |
| Commercial, services and others | 3,968,559         | 3,541,497         | 12.06       |
| Rural                           | 1,273,323         | 1,148,382         | 10.88       |
| Public authorities              | 670,922           | 608,034           | 10.34       |
| Public illumination             | 724,336           | 666,924           | 8.61        |
| Public service                  | 760,213           | 708,963           | 7.23        |
| <b>Total</b>                    | <b>25,813,142</b> | <b>24,871,094</b> | <b>3.79</b> |

Revenue from wholesale electricity sales

Although the volume of electricity sold to other concession holders was 1.62% lower year-on-year, revenue from electricity sold to them was 8.95% higher, at R\$ 827,635, in 1H12 than in 1H11 (R\$ 759,658), due to the average sale price of electricity being 10.74% higher, at R\$ 123.32/MWh in 2012, compared to R\$ 111.36/MWh in 2011.

Table of Contents

Transactions in electricity on the CCEE

Revenue from transactions in electricity through the CCEE in 1H12 was R\$ 281,963, an increase of 183.34% compared to 1H11 (R\$ 99,513). The increase reflects a higher level for the average of the spot market price (Preço de Liquidação das Diferenças, or PLD), which increased from R\$ 27.77 in 1H11 to R\$ 115.15 in 1H12.

Revenue from use of the electricity distribution systems (TUSD)

The revenue of Cemig D and Light from the Tariff for Use of the Distribution Systems (*Tarifa de Uso dos Sistemas Elétricos de Distribuição*, or TUSD) was 14.19% higher, at R\$ 1,031,824, in 1H12, than in 1H11 (R\$ 903,585). This revenue comes from charges made to Free Consumers on energy sold by other agents of the electricity sector, and the increase of revenue arises from a higher volume of transport of energy for Free Consumers, mainly a consequence of migration of captive clients to the Free Market.

Transmission revenue

For the older concessions, Transmission revenue refers to the tariff charged to agents of the electricity sector, including Free Consumers connected to the high voltage network, for use of transmission network that is part of the National Grid, less the amounts received that are used for amortization of the financial asset.

For the new concessions, it includes the portion received from agents of the electricity sector relating to operation and maintenance of the transmission lines and also the adjustment to present value of the transmission financial asset constituted, primarily, during the period of construction of the transmission facilities. The rates used for updating of the asset correspond to the remuneration on capital applied to the undertakings, and these vary in accordance with the model of undertaking and the investing company's cost of capital.

Transmission revenue was 16.18% higher, at R\$ 746,225, in 1H12 than in 1H11 (R\$ 642,290). The increase is mainly due to the increase in the Company's transmission assets due to the acquisitions made in 2011, principally of Abengoa, acquired by the subsidiary Taesa. The part of the transmission revenue added by Taesa, in proportion to Cemig's proportional equity stake in Taesa, was R\$ 262,808 in the first half of 2012, compared to R\$ 180,529 in 1H11.

There is more information in Explanatory Note 22 to the Consolidated Interim Financial Information.

Table of Contents

*Taxes and charges applied to operational revenue*

Charges and taxes reducing Operational revenue in 1H12 totaled R\$ 3,807,527, compared to R\$ 3,347,302 in 1H11, an increase of 13.75%. The main variations in these deductions from revenue, between the two years, are as follows:

The Fuel Consumption Account – CCC

The deduction from Revenue for the Fuel Consumption Account (*Conta de Consumo de Combustível*, or CCC) was R\$ 341,891 in 1H12, compared to R\$ 335,546 in 1H11 – 1.89% higher year-on-year. This charge is for the costs of operation of the thermal plants in the national grid and in the isolated systems. It is prorated between electricity concession holders, on a basis set by an Aneel Resolution.

This is a non-controllable cost: in the distribution activity, 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; for the portion relating to transmission services the Company charges the CCC amount to Free Consumers on their invoices and passes it on to Eletrobrás.

CDE – Energy Development Account

The deduction from Revenue for the Energy Development Account (*Conta de Desenvolvimento Energético*, or CDE), was R\$ 289,941 in the first half of 2012 (1H12), 18.21% higher than in 1H11 (R\$ 245,275). These payments are specified by a Resolution issued by the regulator, Aneel. This is a non-controllable cost: in the distribution activity, 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; for the portion relating to transmission services the Company charges the CCC acts only to pass through the charge, charging it to Free Consumers on their invoices for use of the National Grid and passing it on to Eletrobrás.

Global Reversion Reserve – RGR

The charge for the Global Reversion Reserve (*Reserva Global de Reversão*, or RGR) was R\$ 146,066 in 1H12, compared to R\$ 91,696 in 1H11, an increase of 59.29%. The Global Reversion Reserve is an annual quota included in concession holders' costs to generate funds for expansion and improvement of public electricity services. These payments are specified by the regulator, Aneel.

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.



Table of Contents

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

Operational costs and expenses, excluding financial revenue (expenses) in 1H12 were R\$ 6,171,046, 15.53% more than in 1H11 (R\$ 5,341,450). There is more information in Explanatory Note 23 to the Consolidated Interim Financial Information.

The following paragraphs outline the main variations in expenses:

Electricity bought for resale

The expense on electricity bought for resale in 1H12 was R\$ 2,531,579, 21.01% more than in 1H11 (R\$ 2,092,104). The main factors in the difference are:

- Cemig D's financial exposure to the spot market was 123.65% higher, at R\$ 320,256, in 1H12 than in 1H11 (R\$ 143,195), reflecting a higher average of spot market prices (PLD), in all the sub-markets, starting in March 2012, added to the effect of the increase in the System Services Charge (*Encargos de Serviços do Sistema*, or ESS), due to thermal plants being dispatched.
- Cemig D's expense on acquisition of electricity through auctions 10.45% higher reflecting an initiative to minimize risk of financial exposure to the spot market.
- Cemig D's expense on electricity from Itaipu Binacional which is indexed to the dollar 13.57% higher, at R\$ 417,243 in 1H12, compared to R\$ 367,397 in 1H11, due principally to the dollar strengthening against the Real (by 7.76%) in 1H12, in contrast to its depreciating against the Real (by 6.31%) in 1H11.

This is a non-controllable cost in the distribution activity. 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.

Charges for use of the transmission grid

The expense on charges for use of the transmission grid in 1H12 was R\$ 485,189, 26.93% higher than in 1H11 (R\$ 382,250).

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

These charges, set by an Aneel Resolution, are payable by electricity distribution and generation agents for use of the facilities that are components of the national grid. This is a non-controllable cost, in the distribution activity: 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.

### Personnel

Personnel expenses in 1H12 were R\$ 652,126, 7.94% more than in 1H11 (R\$ 604,170). The difference is primarily due to the salary increase of 8.20% given to employees under the Collective Salary Agreement of November 2011.



Table of Contents

Employees and managers – profit shares

The expense on employees and managers profit shares in 1H12 was R\$ 118,355, compared to R\$ 24,090 in 1H11, an increase of 391.30%. The amount provisioned in 1H12 refers to part of the profit shares previously negotiated in the collective work agreement of November 2011, valid for 2011 and 2012.

Outsourced services

The expense on outsourced services in 1H12 was R\$ 510,608, 8.88% more than in 1H11 (R\$ 468,974). The items with highest differences between the two periods were: Meter reading and delivery of electricity bills; Consultancy services contracted by the jointly-controlled subsidiary Taesa; and Maintenance of facilities and electrical equipment. A breakdown of outsourced services is given in Explanatory Note 23 (b) to the Consolidated Interim Financial Information.

Gas bought for resale

The expense on electricity bought for resale in 1H12 was R\$ 217,878, 52.54% more than in 1H11 (R\$ 142,831). This primarily reflects the increase in the volume purchased, reflecting higher sales of gas by Gasmig in 2012, on expansion of consumption by clients in the Steel Valley (*Vale do Aço*) and the South of Minas (*Sul de Minas*) region due to greater industrial activity.

***Financial revenues (expenses)***

The company posted net financial expenses of R\$ 564,712 in 1H12, compared to net financial expenses of R\$ 494,023 in 1H11). The main factors between the periods are:

- Revenue from short-term cash investments 30.64% lower, due to a lower volume of cash being invested in 2012.
- Revenue from monetary updating of amounts paid into court in legal proceedings: R\$ 10.767 million in 1H12, from updating of a tax credit for successful final judgment in a legal action on the Death Duties/Donations Tax (*Imposto sobre Transmissão Causa Mortis e Doação*, or ITCD).

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

- Revenue from exchange rate variation: This totaled R\$ 30,273, mainly on the cash investments recorded in the consolidation of the jointly-controlled subsidiary Taesa.
  
- Expense on foreign exchange variation: This totaled R\$ 58,727, mainly reflecting the impact of exchange rate variations on loan contracts in US dollars assumed by the subsidiary Taesa in the acquisition of Abengoa.

Table of Contents

For a breakdown of financial revenues and expenses please see Explanatory Note 24 to the Consolidated Interim Financial Information.

*Income tax and Social Contribution tax*

**In 1H12**, Cemig posted expenses on income tax and the Social Contribution tax of R\$ 589,499, representing 32.30% of the pre-tax profit of R\$ 1,825,119.

**In 1H11**, Cemig posted expenses on income tax and the Social Contribution tax of R\$ 509,641, representing 32.69% of the pre-tax profit of R\$ 1,558,849.

These effective rates are reconciled with the nominal rates in Explanatory Note 8 to the Consolidated Interim Financial Information.

**PROFIT AND LOSS ACCOUNTS FOR THE SECOND QUARTERS OF 2012 AND 2011**

|   | 2Q12               | 2Q11               |
|---|--------------------|--------------------|
| <b>REVENUE</b>  | <b>4,413,940</b>   | <b>3,804,769</b>   |
| <b>OPERATIONAL COSTS AND EXPENSES</b>   |                    |                    |
| Personnel   | (310,461)          | (322,203)          |
| Employees and managers profit shares  | (62,467)           | (1,068)            |
| Post-employment obligations   | (36,376)           | (30,887)           |
| Material  | (18,653)           | (28,890)           |
| Outsourced services   | (257,502)          | (254,325)          |
| Electricity bought for resale   | (1,384,490)        | (1,016,344)        |
| Depreciation and amortization   | (245,164)          | (236,361)          |
| Royalties for use of water resources  | (46,243)           | (36,356)           |
| Operational provisions (reversals)  | 862                | (65,758)           |
| Charges for the use of the basic transmission grid  | (243,731)          | (192,636)          |
| Gas bought for resale   | (117,434)          | (80,465)           |
| Infrastructure Cost of constructions  | (422,323)          | (427,252)          |
| Other operational expenses, net   | (82,002)           | (95,786)           |
|   | <b>(3,225,984)</b> | <b>(2,788,331)</b> |
| <b>Operational profit (loss) before Equity gain (loss) and Financial revenue (expenses)</b> | <b>1,187,956</b>   | <b>1,016,438</b>   |
| Equity gain (loss) on subsidiaries  | (656)              |                    |
| Financial revenue   | 223,164            | 262,581            |
| Financial expenses  | (525,796)          | (496,813)          |
| <b>Pretax profit</b>  | <b>884,668</b>     | <b>782,206</b>     |
| Current income tax and Social Contribution tax  | (375,486)          | (312,162)          |
| Deferred income tax and Social Contribution tax   | 95,050             | 53,013             |

**PROFIT FOR THE PERIOD**

**604,232**

**523,057**

*Profit for the quarter*

Cemig reports consolidated net profit for 2Q12 of R\$ 604,232, which compares with R\$ 523,057 in 2Q11, an increase of 15.52%.

Table of Contents*Ebitda (Method of calculation not reviewed by external auditors)*

Cemig's Ebitda in 2Q12 was 14.39% higher than in 2Q11:

| <b>EBITDA R\$ 000</b>                               | <b>2Q12</b>      | <b>2Q11</b>      | <b>Change %</b> |
|---|------------------|------------------|-----------------|
| Profit for the period                               | 604,232          | 523,057          | 15.52           |
| + Expense on income tax and Social Contribution tax | 280,436          | 259,149          | 8.21            |
| + Net financial revenue (expenses)                  | 302,632          | 234,232          | 29.20           |
| + Amortization and depreciation                     | 245,164          | 236,361          | 3.72            |
| + Equity gain (loss) on subsidiaries                | 656              |                  |                 |
| <b>EBITDA</b>                                       | <b>1,433,120</b> | <b>1,252,799</b> | <b>14.39</b>    |

## EBITDA

The higher Ebitda in 2Q12 than 2Q11 mainly reflects revenue 16.01% higher, partially offset by operational costs and expenses 16.80% higher (excluding the effects of depreciation and amortization). Ebitda margin was 32.93% in 2Q11, and 32.47% in 2Q12.

**REVENUES**

|   | <b>2Q12</b> | <b>Consolidated</b> | <b>2Q11</b> |
|---|-------------|---------------------|-------------|
| Revenue from supply of electricity                              | 4,667,717   |                     | 4,066,710   |
| Revenue from use of the electricity distribution systems (TUSD) | 535,295     |                     | 417,478     |
| Revenue from use of the transmission grid                       | 364,115     |                     | 340,978     |

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

|                                |              |                  |                  |
|--------------------------------|--------------|------------------|------------------|
| Construction revenue           | Distribution | 394,152          | 403,015          |
| Construction revenue           | Generation   | 29,132           | 24,387           |
| Other operational revenues     |              | 315,245          | 251,853          |
| Taxes and charges on revenue   |              | (1,891,716)      | (1,699,652)      |
| <b>Net operational revenue</b> |              | <b>4,413,940</b> | <b>3,804,769</b> |

Table of ContentsRevenue from supply of electricity

|  | MWh (*)           |                   |               | R\$              |                  |              |
|--|-------------------|-------------------|---------------|------------------|------------------|--------------|
|  | 2Q12              | 2Q11              | Change %      | 2Q12             | 2Q11             | Change %     |
| Residential                                  | 2,837,582         | 2,618,129         | 8.38          | 1,532,619        | 1,312,405        | 16.78        |
| Industrial                                   | 6,473,564         | 6,490,521         | (0.26)        | 1,126,960        | 1,076,295        | 4.71         |
| Commercial, services and others              | 1,964,043         | 1,731,748         | 13.41         | 878,330          | 735,098          | 19.48        |
| Rural  | 705,939           | 611,540           | 15.44         | 193,133          | 164,346          | 17.52        |
| Public authorities                           | 342,467           | 306,349           | 11.79         | 153,977          | 134,607          | 14.39        |
| Public illumination                          | 361,165           | 344,169           | 4.94          | 96,913           | 89,132           | 8.73         |
| Public service                               | 382,739           | 353,690           | 8.21          | 114,368          | 103,170          | 10.85        |
| <b>Subtotal</b>                              | <b>13,067,499</b> | <b>12,456,146</b> | <b>4.91</b>   | <b>4,096,300</b> | <b>3,615,053</b> | <b>13.31</b> |
| Own consumption                              | 15,572            | 14,431            | 7.91          |                  |                  |              |
| Supply not yet invoiced, net                 |                   |                   |               | 5,507            | 21,197           | (74.02)      |
|  | <b>13,083,071</b> | <b>12,470,577</b> | <b>4.91</b>   | <b>4,101,807</b> | <b>3,636,250</b> | <b>12.80</b> |
| Wholesale supply to other concession holders | 3,256,062         | 3,411,595         | (4.56)        | 400,535          | 394,934          | 1.42         |
| Transactions in electricity on the CCEE      | 547,070           | 1,040,058         | (47.40)       | 158,932          | 32,599           | 387.54       |
| Sales under Proinfa                          | 20,954            | 13,317            | 57.35         | 6,443            | 2,927            | 120.12       |
| <b>Total</b>                                 | <b>16,907,157</b> | <b>16,935,547</b> | <b>(0.17)</b> | <b>4,667,717</b> | <b>4,066,710</b> | <b>14.78</b> |

(\*) Information in MWh has not been reviewed by the external auditors.

Total revenue from supply of electricity in 2Q12 was R\$ 4,101,807, 12.80% more than in 2Q11 (R\$ 3,636,250).

The main factors affecting revenue in 2012 were:

- Tariff increase for Cemig D, with average impact for consumers of 3.85%, in effect from April 8, 2012.
- Tariff increase for Cemig D, with average impact for consumers of 7.24%, in effect from April 8, 2011.
- Volume of energy invoiced to final consumers (excluding Cemig's own consumption) 4.91% higher.

Revenue from wholesale electricity sales

Although the volume of electricity sold to other concession holders was 4.56% lower in 2Q12 than 2Q11, the revenue from it was 1.42% higher, at R\$ 400,535, compared to R\$ 394,934 in 2Q11, due to the average sale price of electricity being 6.26% higher in 2Q12, at R\$ 123.01/MWh, vs. R\$ 115.76/MWh in 2Q11.

Transactions in electricity on the CCEE

Revenue from transactions in electricity on the Electricity Trading Market (CCEE) in 1H12 was R\$ 158,932, 387.54% more than in 1H11 (R\$ 32,599). This reflects the higher average spot price (Preço de Liquidação das Diferenças, or PLD), which increased from R\$ 27.77/MWh in 1H11 to R\$ 115.15 in 1H12.



Table of ContentsRevenue from use of the electricity distribution systems (TUSD)

The revenue of Cemig D and Light from the Tariff for Use of the Distribution Systems (TUSD) was 28.22% higher, at R\$ 535,295, in 2Q12, than in 2Q11 (R\$417,478). This revenue comes from charges made to Free Consumers, on electricity sold by other agents of the sector.

Transmission revenue

The Revenue from use of the network was not significantly different in the two quarters: R\$ 364,115 in 2Q12, compared to R\$ 340,978 in 2Q11.

*Taxes and charges applied to revenue*

|   | 2Q12             | 2Q11             | Change %     |
|---|------------------|------------------|--------------|
| <b>Taxes on revenue</b>   |                  |                  |              |
| ICMS tax  | 979,892          | 859,139          | 14.06        |
| Cofins tax  | 406,407          | 366,414          | 10.91        |
| PIS and Pasep taxes   | 88,282           | 79,560           | 10.96        |
| ISS and other taxes   | 1,572            | 1,380            | 13.91        |
|   | <b>1,476,153</b> | <b>1,306,493</b> | <b>12.99</b> |
| <b>Charges to the consumer</b>                                      |                  |                  |              |
| Global Reversion Reserve RGR  | 71,948           | 48,589           | 48.07        |
| Energy Efficiency Program P.E.E.                                    | 12,447           | 10,208           | 21.93        |
| Energy Development Account CDE                                      | 138,335          | 122,420          | 13.00        |
| Fuel Consumption Account CCC  | 145,207          | 178,244          | (18.53)      |
| Research and Development P&D  | 11,540           | 9,498            | 21.50        |
| National Scientific and Technological Development Fund FNDCT        | 9,938            | 8,356            | 18.93        |
| Energy system expansion research (EPE / Mining and Energy Ministry) | 3,395            | 4,178            | (18.74)      |
| Emergency Capacity Charge   | 12,690           | 4,377            | 189.92       |
| 0.30% additional payment (Law 12111/09)                             | 10,063           | 7,289            | 38.06        |
|   | <b>415,563</b>   | <b>393,159</b>   | <b>5.70</b>  |
|   | <b>1,891,716</b> | <b>1,699,652</b> | <b>11.30</b> |

Total taxes and charges applicable to revenue were R\$ 1,891,716 in 2Q12, compared to R\$ 1,699,652 in 2Q11, an increase of 11.30%. The main variations in these deductions from revenue, between the two years, are as follows:

Global Reversion Reserve RGR

This charge (*Reserva Global de Reversão*, or RGR) was 48.07% higher, year-on-year. This is a non-controllable cost: the amount reported in the Profit and loss account corresponds to the amount in fact passed through to the tariff.

The Fuel Consumption Account - CCC

The deduction from revenue for the CCC was R\$ 145,207 in 2Q12, compared to R\$ 178,224 in 2Q11, 18.53% lower. This charge is for the costs of operation of the thermal plants in the national grid and in the isolated systems. It is prorated between electricity concession holders, on a basis set by an Aneel Resolution.

Table of Contents

CDE – Energy Development Account

The payment for the Energy Development Account (*Conta de Consumo de Combustível, or CDE*), which is set by an Aneel Resolution, was 13.00% higher in the comparison between the periods: R\$ 138,335 in 1H12, compared to R\$ 122,420 in 1H11.

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

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

Operational costs and expenses (excluding Financial revenue (expenses)) totaled R\$ 3,225,984 in 2Q12, 15.70% more than in 2Q11 (R\$ 2,788,331). This particularly reflects higher costs of: Employee profit shares; Electricity bought for resale; Operational reversals; Charges for use of the national grid; and Gas bought for resale.

The following paragraphs outline the main variations in expenses:

Employees and managers profit shares

The expense on employees and managers profit shares in 2Q12 was R\$ 62,467, compared to R\$ 1,068 in 2Q11, an increase of 5.748.97%. The difference is due to the fact that the provisioning for the results of 2011 took place in April, 2012, whereas for the previous year it took place in March.

Electricity bought for resale

The expense on electricity bought for resale in 2Q12 was R\$ 1,384,490, 36.22% more than in 2Q11 (R\$ 1,016,344). The main factors in the difference were:

- Cemig D's financial exposure to the stock market was 160.18% higher in 2Q12, at R\$ 212,547, compared to R\$ 81,693 in 2Q11, due to the spot market price (*Preço de Liquidação das Diferenças, or PLD*) being higher, in all the sub-markets, as from March 2012; and also due to the System Services Charge (*Encargos de Serviços do Sistema, or ESS*) being higher since thermal plants were dispatched.

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

- Electricity bought in the Regulated Market by Cemig D at auctions cost 35.11% more, reflecting a strategy of minimizing the risks of financial exposure to the spot market.
- Cemig D's expense on electricity from Itaipu Binacional, which is indexed to the dollar, was 25.85% higher, at R\$ 226,332 in 2Q12, compared to R\$ 179,845 in 2Q11, reflecting the fact that the Real depreciated against the dollar in the first half of 2012, whereas it appreciated in the first half of 2011: in 1H12 the dollar rose 7.76% against the Real, and in 1H11 it fell 6.31%.

Table of ContentsCharges for use of the transmission grid

The expense on charges for use of the transmission grid in 2Q12 was R\$ 243,731, 26.52% more than in 2Q11 (R\$ 192,636). These expenses, set by an Aneel Resolution, are payable by electricity distribution and generation agents for use of the facilities that are components of the national grid.

Gas bought for resale

The expense on electricity bought for resale in 2Q12 was R\$ 117,434, 45.94% more than in 2Q11 (R\$ 80,465). This primarily reflects the increase in the volume purchased, reflecting higher sales of gas by Gasmig in 2012, in turn reflecting expansion of consumption by clients in the Steel Valley (*Vale do Aço*) and the South of Minas (*Sul de Minas*) region, due to increased industrial activity.

*Net financial revenue (expenses)*

|  | 2Q12             | 2Q11             | Change %       |
|--|------------------|------------------|----------------|
| <b>FINANCIAL REVENUES</b>  |                  |                  |                |
| Income from financial investments  | 72,784           | 113,190          | (35.70)        |
| Charges on arrears of overdue electricity bills  | 45,816           | 44,290           | 3.45           |
| Monetary updating  | 16,025           | 25,020           | (35.95)        |
| Monetary Updating on escrow account (Note 11)  | 1,205            |                  |                |
| Interest and monetary updating on accounts receivable from the Minas Gerais state government | 34,732           | 57,054           | (39.12)        |
| Foreign exchange variations  | 4,137            | 20,613           | (79.93)        |
| Pasep and Cofins taxes on financial revenues   | (1,096)          | (787)            | 39.26          |
| Gains on financial instruments   | 19,726           |                  |                |
| Adjustment to present value  | 6,122            |                  |                |
| Others   | 23,713           | 3,201            | 640.80         |
|  | <b>223,164</b>   | <b>262,581</b>   | <b>(15.01)</b> |
| <b>FINANCIAL EXPENSES</b>  |                  |                  |                |
| Costs of loans and financings  | (331,094)        | (365,502)        | (9.41)         |
| Foreign exchange variations  | (43,298)         | (2,260)          | 1,819.03       |
| Monetary updating - loans and financings   | (46,683)         | (45,202)         | 3.28           |
| Monetary updating - paid concessions   | (11,689)         | (3,039)          | 284.63         |
| Monetary updating - P&D and P.E.E.   | (6,185)          | (8,782)          | (29.57)        |
| Monetary updating - Others   | (11,977)         | (7,886)          | 51.88          |
| Losses on financial instruments  |                  | (3,889)          |                |
| Adjustment to present value  |                  | (665)            |                |
| Charges and monetary updating on Post-retirement benefits                                    | (28,750)         | (30,365)         | (5.32)         |
| Others   | (46,050)         | (29,223)         | 57.57          |
|  | <b>(525,796)</b> | <b>(496,813)</b> | <b>5.83</b>    |
| <b>NET FINANCIAL REVENUE</b>   | <b>(302,632)</b> | <b>(234,232)</b> | <b>29.20</b>   |

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

Net financial revenues in 2Q12 were R\$ 302,632, 29.20% higher than in 2Q11 (R\$ 234,232). The main factors in differences between the two quarters were:

- Revenue from cash investments 35.70% lower, due to a lower volume of cash invested in 2012.
- Lower expenses on loans and financings: R\$ 331,094 in 2Q12, compared to R\$ 365,502 in 2Q11. This reflects the lower variation in the CDI rate in 2Q12 than in 2Q11: 2.09% in 2Q12, vs. 2.80% in 2Q11.

Table of Contents

- Foreign exchange variations: The expense on FX variation of R\$ 43,298 in 2Q12 mainly reflects FX variations on loans denominated in dollars assumed by the subsidiary Taesa in the acquisition of Abengoa.

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

**In 2Q12**, Cemig posted expenses on income tax and the Social Contribution tax of R\$ 280,436, representing 31.70% of the pre-tax profit of R\$ 884,668. **In 2Q11**, Cemig posted expenses on income tax and the Social Contribution tax of R\$ 259,149, representing 33.13% of the pre-tax profit of R\$ 782,206.

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

(Data not reviewed by external auditors)

***INVESTOR RELATIONS***

In 2011, through strategic actions aiming to enable investors and stockholders to have a correct valuation of our businesses and our prospects for growth and addition of value, we increased Cemig's exposure to the Brazilian and global capital markets as the leading company of the sector.

We maintain a constant and proactive flow of communication with Cemig's investor market, strengthening our credibility, seeking to increase investors' interest and ensure their satisfaction in relation to the Company's shares.

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

To serve our stockholders, who are spread over 40 countries, and facilitate optimum coverage of investors, Cemig was present in Brazil and worldwide at innumerable seminars, conferences, investor meetings, congresses, and roadshows; and also held video and telephone conference calls with analysts, investors and other parties interested in the capital markets.

In May, for the 17th year running, we held our now traditional Cemig Meeting with the Capital Markets and Investors, together with the Brazilian Capital Markets and Analysts' Association (*Associação dos Analistas e Profissionais de Investimentos do Mercado de Capitais Apimec*), in the town of Belo Horizonte, Minas Gerais, where these professionals once again had the opportunity to interact with the company's

directors and principal executives.



Table of Contents

**CORPORATE GOVERNANCE**

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

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

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

As well as our dividend policy and our bylaws include the targets of the Strategic Plan, as follows :

- To keep consolidated indebtedness equal to or less than 2 times Ebitda.
- To keep the consolidated ratio (Net debt) / (Net debt + Stockholders' equity) equal to or less than 40%.
- To limit consolidated funds in Current assets to 5% of Ebitda.
- Consolidated funds allocated to capital expenditure in each business year to be limited to 40% of Ebitda (exceptionally for 2006, 2007 and 2011 the percentage was 65%, 55% and 71.7% of Ebitda, respectively).
- To invest only in distribution, generation and transmission projects which offer real minimum internal rates of return equal to or greater than those specified in the company's Strategic Plan, subject to the legal obligations.
- To limit the expenses of the subsidiary Cemig Distribuição (Cemig D), and of any subsidiary which operates in distribution of electricity, to amounts not greater than the amounts recognized in the tariff adjustments and reviews.



Table of Contents

- The Board of Directors may authorize numbers in excess of these standards, in response to temporary needs, up to the following limits:
- Consolidated debt: maximum of 2.5 times Ebitda.
- Consolidated ratio (Net debt) / (Net debt + Stockholders' equity): maximum of 50%.
- Consolidated funds in Current assets: maximum of 10% of Ebitda.

***Board of Directors***

Meetings

Our Board of Directors met 26 times in 2011, to discuss strategic planning, projects, acquisition of new assets, and various other investments, among other subjects.

Membership, election and period of office

The present Board of Directors was elected on April 27, 2012, by the cumulative voting method, as specified by 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 2013.

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 stockholders or their parent companies.

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

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

Since 2006 Cemig has had committees, made up of members of the Board of Directors to discuss and analyze matters to be decided by the Board, as follows:

Table of Contents

1. Board of Directors Support Committee.
2. The Corporate Governance and Sustainability Committee.
3. The Human Resources Committee.
4. The Strategy Committee.
5. The Committee for Business Development and Corporate Control of Subsidiaries and Affiliates.
6. The Finance, Audit and Risks Committee.

***Qualification and remuneration***

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

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

***Audit Committee***

As well as the attributions specified in 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 the Exchange Act, Rule 10-3A, and regulated by SEC Release 82-1234, which accepts operation of the Audit Board as an alternative to the Audit Committee specified by the Sarbanes-Oxley law.

***The Executive Board***

The Executive Board is made up of 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. They may be reelected; they may also be dismissed at any time by the Board of Directors.

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

the Boards of Directors of Cemig GT (Generation and Transmission) and Cemig D (Distribution).

Table of Contents

The periods of office of the present Chief Officers expire at the first meeting of the Board of Directors held after the Ordinary General Meeting of Stockholders of 2013.

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 by-laws, including:

- 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.
- Decision on any sale 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\$ 14.7 million.

The Executive Board normally meets weekly. In 2011 it held 63 meetings.

A list of the names and summary résumés of its members is on our website: <http://ri.cemig.com.br>. <http://ri.cemig.com.br>.

***The Audit Board***

***Meetings***

The Audit Board held 10 meetings in 2011.

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

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

- one elected by the holders of the preferred shares;

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

- one elected by holders of common shares representing at least 10% of the share capital, and not belonging to the controlling stockholding 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:

As well as the attributions specified by Law 6404 of December 15, 1976, as amended, we opted, 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



Table of Contents

capital markets regulator of the United States) 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). Their remuneration is 10% of the average earned by the Chief Officers.

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

Table of Contents

***The Sarbanes-Oxley Law***

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

**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. We have perceived an improvement in the effectiveness of the strategic controls, a commitment to implementation of the mitigating action plans proposed and, consequently, reduction of the financial impact and of the probability of occurrence of innumerable risks.

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

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

**Functional structure**

The main determining factor for the option adopted for functional structure is decentralized management by Risk Managers. This expresses the corporative and matricial nature of the function, with monitoring centralized by the Corporate Risk



Table of Contents

Management Unit, which generates relevant information with a systemic view and meets the demands of the Corporate Risk Management Committee. The Committee analyzes and prioritizes the actions established by the Board of Directors and the Executive Board.

**Challenges**

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

- Improvement of the methodology of calculation of financial exposure risks, to make it possible to provide the greatest possible objectivity to the assessment made by managers, offering senior management greater 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 levels of decision in the company.

Table of Contents

**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>), bringing together, in 11 principles, a portrait of the ethical conduct and values incorporated into our culture, was an important step in perfecting the Company's internal system of corporate government and increasing our 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 and decision on any possible non-compliances with the document.

In December 2006 we created the Information Channel, to be used only by Cemig employees and workers. It enabled the Ethics Committee to receive anonymous reports, via an open channel on our intranet – the Anonymous Information Channel. These reports can deal with any type of irregular practice contrary to the Company's interest, such as: financial fraud, including adulteration, falsification or suppression of financial, tax or accounting documents; undue appropriation of goods or funds; receipt of undue advantage by managers or employees; irregular contracting; or other illegal practices.

**The Ethics Committee**

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

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

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

Cemig's Statement of Ethical Principles and Code of Professional Conduct is stated in 11 principles, which express the ethical conduct and values incorporated into the Company's culture. It is available on our Internet page: <http://ri.cemig.com.br>.



Table of Contents

**POSITION OF STOCKHOLDERS WITH MORE THAN  
5% OF THE VOTING STOCK ON JUNE 30, 2012 (1)**

| Stockholders                   | COMMON SHARES |       | PREFERRED SHARES |      | TOTAL SHARES |       |
|--------------------------------|---------------|-------|------------------|------|--------------|-------|
|                                | (thousand)    | %     | (thousand)       | %    | (thousand)   | %     |
| State of Minas Gerais          | 189,991,615   | 50.96 | 0.00             | 0.00 | 189,991,615  | 22.27 |
| Other entities of the State    | 50,246        | 0.01  | 8,821,839        | 1.84 | 8,872,085    | 1.00  |
| Total, controlling stockholder | 190,041,861   | 50.97 | 8,821,839        | 1.84 | 198,863,700  | 23.31 |
| AGC Energia S.A. (2)           | 122,901,990   | 32.96 | 0.00             | 0.00 | 122,901,990  | 14.41 |

**Notes:**

- (1) The share capital was increased on April 27, 2012, with a stock bonus of 25% in new shares.
- (2) The stockholder AGC Energia S.A. is wholly controlled by Andrade Gutierrez Concessões S.A., a company registered for listing with the CVM.

Table of Contents**SHARES OF THE CONTROLLING STOCKHOLDER, SENIOR MANAGEMENT AND MEMBERS OF THE AUDIT BOARD**

|                                    | June 30, 2012 |           | June 30, 2011 |           |
|------------------------------------|---------------|-----------|---------------|-----------|
|                                    | ON            | PN        | ON            | PN        |
| <b>CONTROLLING STOCKHOLDER</b>     | 190,041,861   | 8,821,839 | 152,033,489   | 7,057,472 |
| <b>Board of Directors</b>          | 2,899         | 1,484     | 1,321         | 1,187     |
| Adriano Magalhães Chaves           | 1             |           | 1             |           |
| Antônio Adriano Silva              | 1             |           | 1             |           |
| Arcângelo Eustáquio Torres Queiroz | 1             |           | 1             |           |
| Bruno Magalhães Menicucci          |               | 1         |               |           |
| Christiano Miguel Moysés           | 1             |           |               |           |
| Djalma Bastos de Moraes            |               | 68        |               | 55        |
| Dorothea Fonseca Furquim Werneck   | 1             |           | 1             |           |
| Eduardo Borges de Andrade          |               | 1         |               | 1         |
| Fernando Henrique Schüffner Neto   |               | 530       |               | 424       |
| Francelino Pereira dos Santos      | 1             |           | 1             |           |
| Franklin Moreira Gonçalves         | 1             |           | 1             |           |
| Guilherme Horta Gonçalves Junior   | 1             |           | 1             |           |
| Guy Maria Villela Paschoal         | 13            |           | 11            |           |
| João Camilo Penna                  | 1             | 1         | 1             | 1         |
| Joaquim Francisco de Castro Neto   | 1             |           |               |           |
| José Augusto Gomes Campos          |               | 1         |               |           |
| Lauro Sérgio Vasconcelos David     | 1             |           | 1             |           |
| Leonardo Maurício Colombini Lima   | 1             |           | 1             |           |
| Marco Antônio Rodrigues da Cunha   | 1             |           | 1             |           |
| Maria Estela Kubitschek Lopes      | 1             |           | 1             |           |
| Newton Brandão Ferraz Ramos        | 1             |           | 1             |           |
| Otávio Marques de Azevedo          |               | 1         |               | 1         |
| Paulo Márcio de Oliveira Monteiro  |               | 526       |               | 421       |
| Paulo Roberto Reckziegel Guedes    |               | 1         |               | 1         |
| Paulo Sérgio Machado Ribeiro       | 120           | 1         | 96            | 1         |
| Ricardo Coutinho de Sena           |               | 1         |               | 1         |
| Saulo Alves Pereira Júnior         |               | 1         |               | 1         |
| Tarcísio Augusto Carneiro          | 2,751         | 350       | 2,201         | 280       |

| NAME                             | SHARES HELD   |     |               |     |
|----------------------------------|---------------|-----|---------------|-----|
|                                  | June 30, 2012 |     | June 30, 2011 |     |
|                                  | ON            | PN  | ON            | PN  |
| <b>EXECUTIVE BOARD</b>           | 10            | 869 | 7             | 634 |
| Djalma Bastos de Moraes          |               | 68  |               | 50  |
| Arlindo Porto Neto               | 1             |     | 1             |     |
| Fernando Henrique Schüffner Neto |               | 530 |               | 386 |
| Frederico Pacheco de Medeiros    | 1             |     |               |     |
| Fuad Jorge Noman Filho           |               |     |               |     |
| José Carlos de Mattos            |               |     |               |     |
| José Raimundo Dias Fonseca       |               |     |               |     |
| Luiz Fernando Rolla              | 7             |     | 6             |     |
| Luiz Henrique de Castro Carvalho |               |     |               |     |
| Luiz Henrique Michalick          |               | 271 |               | 198 |
| Maria Celeste Moraes Guimarães   | 1             |     |               |     |

**AUDIT BOARD**



Aliomar Silva Lima

Ari Barcelos da Silva

Aristóteles Luiz Menezes Vasconcellos

Drummond

Helton da Silva Soares

Luiz Guaritá Neto

Marcus Eolo de Lamounier Bicalho

Newton de Moura

Rafael Cardoso Cordeiro

Thales de Souza Ramos Filho

Vicente de Paulo Barros Pegoraro

Table of Contents

**FREE FLOAT (SHARES IN CIRCULATION)**

**(Other than shares owned by the State of Minas Gerais) (\*)**

| <b>DATE</b>   | <b>COMMON SHARES</b> | <b>%</b> | <b>PREFERRED SHARES</b> | <b>%</b> | <b>TOTAL<br/>SHARES</b> | <b>%</b> |
|---------------|----------------------|----------|-------------------------|----------|-------------------------|----------|
| June 30, 2012 | 182,792,314          | 49.03    | 470,993,302             | 98.09    | 653,785,616             | 76.64    |
| June 30, 2011 | 146,233,846          | 49.03    | 376,794,638             | 98.09    | 523,028,484             | 76.64    |

---

**Note: (\*) The share capital was increased on April 27, 2012, with a stock bonus of 25% in new shares.**

Table of Contents

Deloitte Touche Tohmatsu  
Rua Paraíba, 1122  
20° e 21° 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, Directors and Management of

Cemig 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 (the Company), for the quarter ended June 30, 2012, which comprises the balance sheet as at June 30, 2012, 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 - Interim Financial Information and the consolidated interim financial information in accordance with CPC 21 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 Commission (CVM). 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 *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* 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.

**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 included in the interim financial information referred to above is not prepared, in all material respects, in accordance

Table of Contents

with CPC 21 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 included in the interim financial information referred to above is not prepared, in all material respects, in accordance with CPC 21 and IAS 34 and presented in accordance with the standards issued by the Brazilian Securities Commission.

**Emphasis of matter**

Without modifying our conclusion, we draw attention to Note 2, which states that the individual interim financial information has been prepared in accordance with accounting practices adopted in Brazil. In the case of Companhia Energética de Minas Gerais - CEMIG these practices differ from IFRSs, applicable to individual interim financial information, only with respect to the measurement of investments in subsidiaries, associates and joint ventures by the equity method of accounting, which, for purposes of IFRS would be measured at cost or fair value.

Without modifying our conclusion, we draw attention to the fact that the indirect jointly controlled subsidiary Madeira Energia S.A. has been recognizing recurring losses on its operations and that, as at June 30, 2012, current liabilities exceed current assets by R\$1,500 million. The proportional impact on the Company is R\$150 million. Management of Madeira Energia S.A. has plans to address the net working capital situation. As at that date, Madeira Energia S.A. depends on the financial support from its shareholders and/or on borrowings from third parties to continue its operation.

Without modifying our conclusion, we draw attention to the fact that the indirect jointly controlled subsidiary Madeira Energia S.A. and its subsidiary are incurring costs on the implementation of the project to build Santo Antônio hydroelectric power plant. The property, plant and equipment relating to the aforementioned amounts totaled R\$12,956 million as at June 30, 2012 which, according to the financial projections prepared by Management, should be absorbed by means of the future revenues generated after startup of the entity's activities. As at June 30, 2012, property, plant and equipment proportional to the Company amounted to R\$1,295 million.

Without modifying our conclusion, we draw attention to Note 17, which states that its subsidiary Cemig Geração e Transmissão S.A. was a party to borrowing, financing and debentures agreements containing covenants that were not met as at June 30, 2012. The subsidiary's management obtained waivers from all lenders only after June 30, 2012; for this reason, as prescribed in the accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS), Company's management reclassified the amount of R\$2,882 million from noncurrent to current liabilities, both in the consolidated, as at June 30, 2012.

Table of Contents

**Other matters**

*Statements of value added*

We have also reviewed the individual and consolidated interim statements of value added ( DVA ), for the six-month period ended June 30, 2012, prepared under the responsibility of the Company's management, the presentation of which is required by the standards issued by the Brazilian Securities Commission (CVM), 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 in accordance with CPC 21, taken as a whole.

*Review of individual and consolidated interim financial information for the quarter ended June 30, 2011 and audit of individual and consolidated financial statements for the year ended December 31, 2011*

The corresponding information and figures for the three- and six-month periods ended June 30, 2011, presented for purposes of comparison, were previously reviewed by other independent auditors, who issued a report dated August 12, 2011, containing emphasis-of-matter paragraphs relating to: (i) the fact that the indirect jointly controlled subsidiary Madeira Energia S.A. - MESA and its subsidiary were incurring in expenses related to the implementation of the project to build Santo Antônio Hydroelectric Power Plant which, according to the financial projections prepared by its Management, should be absorbed by future revenues from operating activities; and (ii) the fact that subsidiaries Cemig Geração e Transmissão S.A. and Cemig Distribuição S.A. were parties to borrowing, financing and debentures agreements containing covenants that were not met as at June 30, 2011. Management of the subsidiaries obtained waivers from all lenders only after June 30, 2011; for this reason, as prescribed in the accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS), Management reclassified the amount of R\$3,508 million from noncurrent to current liabilities as at June 30, 2011.

The corresponding information and figures for the year ended December 31, 2011, presented for purposes of comparison, were previously audited by other independent auditors, who issued a report dated March 26, 2012, which contained emphasis-of-matter paragraphs relating to: (i) the fact that the indirect jointly controlled subsidiary Madeira Energia S.A. recognized recurring losses on its operations and recorded excess liabilities over current assets in the year ended December 31, 2011 in the consolidated amount of R\$1,279 million. The proportional effect on the Company was R\$128 million; and (ii) the fact that the indirect jointly controlled subsidiary Madeira Energia S.A. and its subsidiary were incurring costs on the implementation of the project to build Santo Antônio Hydroelectric Power Plant which, according to the financial projections prepared by its Management, should be absorbed by future revenues from operating activities.

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

Belo Horizonte, August 13, 2012



Table of Contents

DELOITTE TOUCHE TOHMATSU  
Auditores Independentes  
CRC-2SP 011.609/O-8 F/MG

José Ricardo F. Gomez  
Accountant  
CRC-1SP 218.398/O-1 S/MG



Table of Contents

2. Summary of Minutes of the 543rd Meeting of the Board of Directors, August 22, 2012

Table of Contents

**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY

CNPJ 17.155.730/0001-64 NIRE 31300040127

**BOARD OF DIRECTORS**

**SUMMARY OF MINUTES**

**OF THE**

**543RD MEETING**

**Date, time and place:** **August 22, 2012** at 9 a.m. at the Company's head office,  
Av. Barbacena 1200, 21st Floor, Belo Horizonte, Minas Gerais, Brazil.

**Meeting Committee:** Chair: Dorothea Fonseca Furquim Werneck / Djalma Bastos de Moraes;  
Secretary: Anamaria Pugedo Frade Barros.

**Summary of proceedings:**

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

Dorothea Fonseca Furquim Werneck,  
Marco Antonio Rodrigues da Cunha and

Adriano Magalhães Chaves,  
Paulo Sérgio Machado Ribeiro,

who stated themselves to have conflict of interest in relation to:

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

(Item III) Cancellation of Board Spending Decision (CRCA) 070/2010, relating to signature of a Working Agreement to establish obligations arising from termination of the Mutual Cooperation Assignment Agreement with the State of Minas Gerais, through its Planning and Management Department (Seplag), and signature of the related Final Term of Settlement and Receipt;

(Item IV.a.3.e) Signature of a Technical Cooperation Agreement with the Health Department of the State of Minas Gerais, to participate in the Waiting Room (*Sala de Espera*) project of the *Minas Health Channel (Canal Minas Saúde)*;

(Item IV.a.3.f) Signature of a Working Agreement, for establishment of the Bioerg Institute, with the State of Minas Gerais, via its Science, Technology and Higher Education Department (Sectes), and with:

the Minas Gerais State Research Foundation (Fapemig);

the Minas Gerais Technology Center Foundation (Cetec);

the National Industrial Apprenticeship Service Minas Gerais Region (Senai DR/MG);

the Minas Gerais Industries Federation (Fiemg); and

the Agency for Energy (Adene);

These Members withdrew from the meeting room at the time of discussion and voting on these matters, returning after the vote on it had been taken, to proceed with the meeting.

## II The Board approved:

a) Complementation of Board Spending Decisions (CRCAs) 074/2010 and 007/2011 relating to increase in the share capital of Parati S.A. Participações em Ativos de Energia Elétrica ( Parati ), up to the limit of one billion six hundred million Reais.

b) The minutes of this meeting.

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

**III The board canceled** CRCA-070/2010, relating to signature of an agreement establishing the obligations arising from termination of the Cooperation Agreement with the State of Minas Gerais through its Planning and Management Department (Seplag), and the final term of settlement and Receipt for all the obligations under the agreement, in relation to the secondment of the employee Adriano Magalhães Chaves, since the debit has been paid by bank draft to expedite the matter.

**IV The Board ratified:**

a) The votes given in favor, by the representative of Cemig, at the following meetings of Parati:

**1) Extraordinary General Meeting of Stockholders of April 11, 2011.** These votes:

a) **approved** changes to the whole of that Company's by-laws;

b) **approved** an increase in the share capital of that Company, from eight hundred Reais to eight hundred and twenty Reais and eighty nine centavos, divided into eight hundred and sixteen common shares and eight hundred and sixteen preferred shares, with consequent alteration of Clause 5 of the by-laws;

c) **took cognizance** of the resignation of the following Board Members:

Marcos Pimentel da Rosa,  
Eduardo Nogueira Domeque

Sérgio Cutolo dos Santos,  
João Procópio Campos Loures Vales, and

Alex Abou Mourad  
João Batista Pezzini;

d) **elected**, as members of the Board of Directors,

André Fernandes Berenguer,  
Oderval Esteves Duarte Filho,

Renato Proença Lopes,  
Djalma Bastos de Moraes, and

Mario Antonio Thomazi,  
Fernando Henrique Schüffner Neto,  
César Vaz de Melo Fernandes,

to serve for the remainder of the present period of office, that is to say, up to the Annual General Meeting of 2011; and

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

e) **approved** the assumption, by the Company, of the rights and obligations of the Share Purchase Agreement signed with Enlighted Partners Venture Capital LLC ( Enlighted )( the Enlighted Contract ), with the following as consenting parties

Luce Empreendimentos e Participações S.A.,

Luce Brasil Fundo de Investimentos em Participações,

and Luce Investment Fund

for acquisition of a stockholding interest of 13.03% in Light S.A. ( Light ), canceling the acquisition of shares in Light, and assumption, by the Company, of Cemig's rights and obligations under that Contract.

2) **Meeting of the Board of Directors, of May 11, 2011.** This vote:

**approved** an increase of the share capital of that Company, from eight hundred and twenty Reais and eighty-nine centavos to four hundred and seven million six hundred and fifty-two thousand eight hundred and twenty Reais and eighty-nine centavos, comprising two hundred and three million, eight hundred and twenty-six thousand, eight hundred and sixteen common shares and two hundred and three million, eight hundred and twenty-six thousand eight hundred and sixteen preferred shares, within the limit of the authorized capital.

Table of Contents

3) **Meeting of the Board of Directors, of May 23, 2011.** These votes:

a) **approved** an increase in the registered capital of that Company, from four hundred and seven million six hundred and fifty-two thousand eight hundred and twenty Reais and eighty-nine centavos to one billion five hundred and ninety-nine million nine hundred and ninety-nine thousand one hundred and eighty-eight Reais and eighty-nine centavos, comprising eight hundred million common shares and eight hundred million preferred shares, within the limit of the authorized capital;

b) **appointed Chief Officers of Cemig** to simultaneous, non-remunerated positions on the **Executive Boards** of the following companies, for the periods indicated below, or until a successor is duly elected and sworn in, as follows:

1) to serve the period of office of three years begun on April 29, 2011, that is to say up to the annual General Meeting of 2014:

Cemig Trading S.A.:

|                 |   |
|-----------------|---|
| CEO:            | José Raimundo Dias Fonseca;                               |
| Chief Officers: | Luiz Fernando Rolla,<br>Fernando Henrique Schüffner Neto; |

Empresa de Serviços e Comercialização de Energia Elétrica S.A.:

|                                      |                                   |
|--------------------------------------|-----------------------------------|
| CEO:                                 | Fernando Henrique Schüffner Neto; |
| Chief Technical Officer:             | Luiz Henrique de Castro Carvalho; |
| Chief Officer for Finance and Sales: | Luiz Fernando Rolla;              |
| Chief Administrative Officer:        | José Raimundo Dias Fonseca;       |

2) to serve the period of office of three years begun on April 30, 2011, that is to say up to the annual General Meeting of 2014:

Cemig Serviços S.A.:

|                               |                                   |
|-------------------------------|-----------------------------------|
| CEO:                          | Djalma Bastos de Moraes;          |
| Chief Financial Officer:      | Luiz Fernando Rolla;              |
| Chief Administrative Officer: | Arlindo Porto Neto;               |
| Chief Operational Officer:    | Fernando Henrique Schüffner Neto; |

Efficientia S.A.:

CEO: José Raimundo Dias Fonseca;  
Chief Technical Officer: Arlindo Porto Neto;  
Chief Officer for Finance, Administration and Sales: Luiz Fernando Rolla;

3) to complete the present period of office of three years, starting from April 30, 2012, that is to say until the Annual General Meeting of 2014:

Cemig Serviços S.A.:

Chief Operational Officer: José Carlos de Mattos;  
Chief Administrative Officer: Fernando Henrique Schüffner Neto; and

4) to serve the period of office of three years begun on April 30, 2012, that is to say up to the annual General Meeting of 2015:

Usina Térmica Ipatinga S.A.:

CEO: Luiz Henrique de Castro Carvalho;  
Chief Officer: Luiz Fernando Rolla;

Sá Carvalho S.A.:

Chief Officer: Arlindo Porto Neto;  
Chief Officers: Luiz Fernando Rolla,  
Luiz Henrique de Castro Carvalho;

Cemig Baguari Energia S.A.:

CEO: Luiz Henrique de Castro Carvalho;  
Chief Officer: Luiz Fernando Rolla;

Table of Contents

c) **appointed Chief Officers of Cemig** to simultaneous, non-remunerated positions on the **Boards of Directors** of the following companies, for the periods indicated below, or until a successor is duly elected and sworn in:

1) to serve the period of office of three years begun at the Annual and Extraordinary General Meetings of Stockholders held on April 29, 2011, up to the annual General Meeting of 2014:

Empresa Brasileira de Transmissão de Energia S.A. EBTE:

Board member: Fernando Henrique Schüffner Neto;  
Substitute Member: Luiz Fernando Rolla;

Empresa Norte de Transmissão de Energia S.A. ENTE:

Board Members: Luiz Fernando Rolla,  
Fernando Henrique Schüffner Neto;

Empresa Regional de Transmissão de Energia S.A. ERTE:

Board Members: Luiz Fernando Rolla,  
Fernando Henrique Schüffner Neto;

Lumitrans Companhia Transmissora de Energia Elétrica (Lumitrans):

Board member: Fernando Henrique Schüffner Neto;  
Substitute Member: Luiz Fernando Rolla;

Sistema de Transmissão Catarinense STC:

Board Members: Luiz Fernando Rolla,  
Fernando Henrique Schüffner Neto; and

2) to serve periods of office of three years begun at the Annual and Extraordinary General Meetings of Stockholders held on March 19, 2012, to the annual General Meeting of 2015:



Empresa Catarinense de Transmissão de Energia S.A. ECTE:

Substitute Board Member: Luiz Fernando Rolla;

Empresa Santos Dumont de Energia S.A. ESDE:

Board Members: Luiz Fernando Rolla,  
Fernando Henrique Schüffner Neto;

d) **re-elected** Mr. Fernando Henrique Schüffner Neto, as a sitting member of the Board of Directors of Norte Energia S.A., to serve the period of office of two years begun at the Annual General Meeting of April 27, 2012, that is to say up to the Annual General Meeting of 2014, or until a successor is duly elected and sworn in;

e) **approved** signature of a Technical Cooperation Working Agreement with the State's Health Department, for participation in the Waiting Room (*Sala de Espera*) project of the Minas Health Channel (*Canal Minas Saúde*), for broadcasting of its educational programs to promote health, without transfer of any funds between the parties, valid for 12 months, able to be extended for equal periods, by amendments, up to a maximum limit of 60 months; and

f) **approved** signature of a Cooperation Agreement, with Minas Gerais State, through:

the Minas Gerais State Science, Technology and Higher Education Department (Sectes),

the Minas Gerais State Research Foundation (Fapemig);

the Minas Gerais Technology Center Foundation (Cetec);

the National Industrial Apprenticeship Service Minas Gerais region (Senai DR/MG);

the Minas Gerais Industries Federation (Fiemg); and

the Agency for Energy (Adene);

for establishment of the Bioerg Institute, which will create a program for sustainable buildings based on renewable energy, energy efficiency and electrical mobility. The agreement, under which there will be no disbursement of funds or transfer of assets, will be for thirty-six months, able to be extended by amendments to a maximum of sixty months, without disbursement of funds or transfer of assets.

Table of Contents

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

**The Chair, Dorothea Werneck;**

**The Vice-Chair;**

**Board members:**

**Chief Officer:**

**General Manager:**

Eduardo Borges de Andrade;  
Luiz Fernando Rolla;  
Leonardo George de Magalhães.

**The following were present:**

**Board members:**

|                                     |                                    |
|-------------------------------------|------------------------------------|
| Dorothea Fonseca Furquim Werneck,   | Adriano Magalhães Chaves,          |
| Djalma Bastos de Moraes,            | José Augusto Gomes Campos,         |
| Antônio Adriano Silva,              | Newton Brandão Ferraz Ramos,       |
| Arcângelo Eustáquio Torres Queiroz, | Paulo Márcio de Oliveira Monteiro, |
| Eduardo Borges de Andrade,          | Christiano Miguel Moysés,          |
| Francelino Pereira dos Santos,      | Fernando Henrique Schüffner Neto,  |
| Guy Maria Villela Paschoal,         | Franklin Moreira Gonçalves,        |
| João Camilo Penna,                  | Lauro Sérgio Vasconcelos David,    |
| Maria Estela Kubitschek Lopes,      | Marco Antonio Rodrigues da Cunha,  |
| Paulo Roberto Reckziegel Guedes,    | Paulo Sérgio Machado Ribeiro,      |
|                                     | Tarcísio Augusto Carneiro;         |

**Chief Officer:**

**General Manager:**

**Secretary:**

Luiz Fernando Rolla;  
Leonardo George de Magalhães;  
Anamaria Pugedo Frade Barros.

Table of Contents

3. Summary of Principal Decisions of the 545th Meeting of the Board of Directors, September 11, 2012

Table of Contents

**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY

CNPJ 17155.730/0001-64

**MEETING OF THE BOARD OF DIRECTORS**

**SUMMARY OF PRINCIPAL DECISIONS**

The Board of Directors of **CEMIG** (*Companhia Energética de Minas Gerais*), at its 545th meeting, held on September 11, 2012, at 2 p.m., decided the following matters:

1. Contracting of the following services:

reception desk operation;

operation of elevators;

internal and external transport of messages;

control, operation, and inspection of entry doors and gates; and

overall supervision,

for:

the Júlio Soares, Fernando Pinto Peixoto and Minerva Buildings;

the Adelaide Substation, the Barro Preto Integrated Metering center,

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

the Hangar at Anel Rodoviário, Blocks 3, 10 and 14, Cidade Industrial; and

the Materials Distribution Centers (*CDMs*) of Jatobá, Juatuba, Juiz de Fora and Brasília.

2. Signature of partnership undertakings between Cemig, Cemig D, Cemig GT and the Municipal Councils for the Rights of Children and Adolescents participating in the AI6% Program.

3. Signature of amendments relating to financings of Santo Antônio Energia S.A. (Saesa).

4. Change in composition of Board of Directors Support Committees due to the new composition of the Board of Directors approved during the EGM held on August 29, 2012.

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

4. Extract of the Minutes of the 545th Meeting of the Board of Directors, September 11, 2012

Table of Contents

**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY

CNPJ 17.155.730/0001-64 NIRE 31300040127

**BOARD OF DIRECTORS**

**SUMMARY OF MINUTES**

**OF THE**

**545TH MEETING**

**Date, time and place:** September 11, 2012 at 2 p.m. at the company's head office,  
Av. Barbacena 1200, 21st Floor, Belo Horizonte, Minas Gerais, Brazil.

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

**Summary of proceedings:**

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

Paulo Roberto Reckziegel Guedes,  
Tarcísio Augusto Carneiro,

Saulo Alves Pereira Junior,  
Bruno Magalhães Menicucci and

Newton Brandão Ferraz Ramos,  
José Augusto Gomes Campos,

who stated themselves to have conflict of interest in relation to Item III, subclause C, below; and Luiz Augusto de Barros, who stated himself to have conflict of interest in relation to the signature of amendments to legal instruments relating to exploration for oil and natural gas, referred to in Item IV, below.

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

These members withdrew from the meeting room at the time of debate and voting on those matters, returning to proceed with the meeting after the respective votes on them had been taken.

### **II The Board approved:**

a) The new composition of the Committees of the Board.

b) The minutes of this meeting.

### **III The Board authorized:**

A) Opening of administrative tender proceedings for, and contracting of, services of:

reception desk operation; operation of elevators; internal and external transport of messages; control, operation, and inspection of entry doors and gates; and overall supervision, for:

the Júlio Soares, Fernando Pinto Peixoto and Minerva Buildings;

the Adelaide Substation, the Barro Preto Integrated Metering center,

the Hangar at Anel Rodoviário, Blocks 3, 10 and 14, Cidade Industrial; and

the Materials Distribution Centers (*CDMs*) of Jatobá, Juatuba, Juiz de Fora and Brasília,

for thirty-six months, able to be extended up to a maximum overall total of sixty months.

B) Signature of Terms of Partnership, with Cemig D, Cemig GT and the Municipal Councils for the Rights of Children and Adolescents participating in the AI6% Program, for passing through

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

of the donations raised from the employees of Cemig, Cemig D and Cemig GT, and of payment of an amount equal to 1% of the income tax payable by Cemig, Cemig D and Cemig GT, to the Municipal Funds for the Rights of Children and Adolescents, for application in programs and projects developed in each Municipality, valid up to August 31, 2013.

C) Signature, as consenting party, of the following amendments relating to financing of Santo Antônio Energia S.A. Saesa:

1) Amendment 04 to Credit Line Financing Contract N° 08.2.1120.1, with

|   |  |  |
|---|--|--|
| The Brazilian Development Bank (BNDES),<br>Saesa,   | Andrade Gutierrez Participações<br>S.A.,   | Madeira Energia S.A. (Mesa),<br>Construtora Norberto Odebrecht S.A., |
| Furnas,<br>Odebrecht Participações e Investimentos S.A. (Odebrecht Investimentos),<br>Odebrecht Energia do Brasil S.A. (Odebrecht Energia), | Caixa Fundo de Investimento em Participações Energia,<br>Odebrecht S.A. (Odebrecht), | Odebrecht S.A. (Odebrecht),<br>Eletrobras, and Cemig GT,             |

to establish the following:

- a) full adhesion by Odebrecht Energia to the terms of the Contract;
- b) inclusion in the preamble of a reference to the first private issue of non-convertible debentures by Saesa;
- c) inclusion of the Investment Fund of the FGTS (*Fundo de Investimento do Fundo de Garantia do Tempo de Serviço*, or FI FGTS) as signatory to the Contract for Attachment of Shares, the Contract for Fiduciary Assignment of Rights and Management of Accounts, the Stockholders Support Agreement, and the Stockholder Shortfall Coverage Support Agreement;
- d) inclusion of FI FGTS among the entities that will share the guarantees referred to in Clauses Twelve and Thirteen, and any other amount received arising from the insurances referred to in Clause Fourteen;
- e) alteration of the covenant for filling of the reservoir to the date of March 5, 2012;

permission for Saesa to give guarantees to other creditors, without the need for prior consent by the BNDES, provided that such guarantees are in relation to transactions in Saesa's normal course of business and different from those in the financing contracts;

alteration, from 3 to 5 business days, of the period for Saesa to inform the BNDES and the financial agents of the existence of any legal action or court decision involving the environmental aspects of the Project or notifications from any public bodies; and

bringing forward of the dates of Saesa's first debenture issue, from September 2012 and September 2013, to July 2012 and July 2013, respectively;

f) exclusion of the First Private Issue of Non-convertible Debentures by Mesa from the exception included in the obligation not to issue debt;

g) alteration, from R\$ 10 million to R\$ 20 million, of the minimum amount for legitimate protests of securities to give rise to early maturity of the debt, and exclusion of the Consenting Parties from that consequence of any such protest;

h) removal of the statements that the Beneficiary and the Consenting Parties have presented the respective Brazilian Federal Revenue Service certificates of absence of debt.

Table of Contents

2) The Fourth Amendment to Credit Line Onlending Financing Contract 01/2009, with

|                                       |   |   |                                   |
|---------------------------------------|---|---|-----------------------------------|
| Saesa                                 | Banco Santander S.A.,                       | Banco Bradesco S.A.,                                  | Banco do Brasil S.A.,             |
| Mesa,                                 | Banco da Amazônia S.A.,                     | Caixa Econômica Federal,                              | Banco do Nordeste do Brasil S.A., |
| Furnas,                               | Banco Itaú BBA S.A.,                        | BES Investimento do Brasil S.A.                       | Banco de Investimento             |
| Odebrecht,                            | Odebrecht Energia, Odebrecht Investimentos, | Construtora Norberto Odebrecht S.A.,                  |                                   |
| Andrade Gutierrez Participações S.A., |   | Caixa Fundo de Investimento em Participações Energia, |                                   |
| Eletrobras and Cemig GT,              |   |   |                                   |

to establish the following:

- a) full adhesion by Odebrecht Energia to the terms of the Contract;
- b) inclusion in the preamble of reference to the first private issue of non-convertible debentures by Saesa;
- h) alteration of the covenant for filling of the reservoir to the date of March 5, 2012;

permission for Saesa to give guarantees to other creditors, without the need for prior consent by the BNDES, provided that such guarantees are in relation to transactions in Saesa's normal course of business and different from those in the financing contracts;

alteration, from 3 to 5 business days, of the period for Saesa to inform the BNDES and the financial agents of the existence of any legal action or court decision involving the environmental aspects of the Project or notifications from any public bodies; and

bringing forward of the dates of Saesa's first debenture issue, from September 2012 and September 2013, to July 2012 and July 2013, respectively;

- c) alteration, from R\$ 10 million to R\$ 20 million, of the minimum amount for legitimate protests of securities to give rise to early maturity of the debt, and exclusion of the Consenting Parties from that consequence of any such protest;
- d) inclusion of the address of Odebrecht Energia for communications; and

f) alteration of Appendix III of the Contract, to adjust the listing of the CCEARs and CCVEs.

3) The Third Amendment to the Contract for Financing with Funds from the Constitutional Financing Fund of the Northeast (FNO), with

|            |                                       |   |                                      |
|------------|---------------------------------------|---|--------------------------------------|
| Saesa,     | Banco da Amazônia                     | Caixa Fundo de Investimento em Participações Energia, |                                      |
|            | S.A.,                                 |   |                                      |
| Odebrecht, | Odebrecht Energia,                    | Odebrecht Investimentos,                              | Construtora Norberto Odebrecht S.A., |
| Mesa,      | Andrade Gutierrez Participações S.A., | Eletrobras, Furnas and                                | Cemig GT,                            |

to establish the following:

a) full adhesion by Odebrecht Energia to the terms of the Contract;

b) alteration, from R\$ 10 million to R\$ 20 million, of the minimum amount for legitimate protests of securities to give rise to early maturity of the debt.

c) alteration of the covenant for filling of the reservoir to the date of March 5, 2012;

permission for Saesa to give guarantees to other creditors, without the need for prior consent by the BNDES, provided that such guarantees are in relation to transactions in Saesa's normal course of business and different from those in the financing contracts;

alteration, from 3 to 5 business days, of the period for Saesa to inform the BNDES and the financial agents of the existence of any legal action or court decision involving the environmental aspects of the Project or notifications from any public bodies;

bringing forward of the dates of Saesa's first debenture issue, from September 2012 and September 2013, to July 2012 and July 2013, respectively;

Table of Contents

allowing alterations to be made to CCVEs and CCEARs when request is made to the CCEE for such alterations by purchasers of electricity under the contracts, and they are imposed on the beneficiary;

restriction of the requirement for quarterly sending of the management monitoring report to the financial agent to, specifically, whenever the financial agent so requests;

inclusion of the obligation to present periodic renewals of the Operation and Maintenance Contract, every 10 years, starting on January 15, 2021, until the final settlement of all the obligations arising from the financing contract, as per the Operation and Maintenance Contract; and

d) alteration of Appendices III and IV of the Financing Contract, so that they have the same content as the Appendices I and II that accompany this Amendment, respectively, updating the list of CCVEs and CCEARs and excluding the variation in working capital from the formula for the Debt Coverage Index.

**IV** **Withdrawn from the agenda:** The following matters were withdrawn from the agenda:

Signature of a contract for constitution of consortium in relation to the Davinópolis Hydroelectric Plant, between Cemig GT and Neoenergia S.A.

Signature of a rental contract with Fundação Forluminas de Seguridade Social (Forluz).

Amendments to legal instruments related to exploration for oil and natural gas.

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

The Chair;

Chief Officer:

General Managers:

Manager:

Luiz Fernando Rolla;

Leonardo George de Magalhães,

João José Magalhães Soares.

Ricardo Luiz Diniz Gomes;

**The following were present:**

Board members:

Dorothea Fonseca Furquim Werneck,

Antônio Adriano Silva,

Lauro Sérgio Vasconcelos David,

Newton Brandão Ferraz Ramos,

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

|                                     |                                   |
|-------------------------------------|-----------------------------------|
| Arcângelo Eustáquio Torres Queiroz, | Tarcísio Augusto Carneiro,        |
| Francelino Pereira dos Santos,      | Adriano Magalhães Chaves,         |
| Guy Maria Villela Paschoal,         | Bruno Magalhães Menicucci,        |
| João Camilo Penna,                  | Christiano Miguel Moysés,         |
| Joaquim Francisco de Castro Neto,   | José Augusto Gomes Campos,        |
| Fuad Jorge Noman Filho,             | Luiz Augusto de Barros,           |
| Paulo Roberto Reckziegel Guedes,    | Marco Antonio Rodrigues da Cunha, |
| Saulo Alves Pereira Junior,         | Paulo Sérgio Machado Ribeiro;     |
| Luiz Fernando Rolla;                | Ricardo Luiz Diniz Gomes.         |
| Leonardo George de Magalhães,       |                                   |
| João José Magalhães Soares.         |                                   |
| Anamaria Pugedo Frade Barros.       |                                   |

Chief Officer:

General Managers:

Manager:

Secretary:

Anamaria Pugedo Frade Barros

Table of Contents

5. Market Announcement: Impact of changes affecting renewals of concessions, September 12, 2012



Table of Contents

**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY

CNPJ: 17.155.730/0001-64

NIRE: 31300040127

**MARKET ANNOUNCEMENT**

**Impact of changes affecting renewals of concessions**

**Cemig** (*Companhia Energética de Minas Gerais*), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, hereby in accordance with CVM Instruction 358 of January 3, 2002, as amended 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:

In relation to the Brazilian government's announcement, yesterday, on Renewal of Concessions in the Brazilian electricity sector:

- Through its subsidiaries and affiliated companies, **Cemig** has approximately 7 GW of installed generation capacity, 5,000 kilometers of transmission lines, and 490,000 kilometers of electricity distribution networks, which will be affected to a greater or lesser degree by the measures announced.
- Together with its technical teams, the Executive Board of **Cemig** is evaluating the impacts on its activities of the measures published by the federal government, and their effects on its consolidated financial statements and will, at the appropriate time, inform its stockholders and the market on the expected impacts on the company's business.

Belo Horizonte, September 12, 2012.

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

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. Market Announcement: Comment on media reports of Cemig's interest in acquisition of assets of Grupo Rede, October 4, 2012

Table of Contents

**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY

CNPJ: 17.155.730/0001-64 NIRE: 31300040127

**MARKET ANNOUNCEMENT**

**Comments on interest in assets of *Grupo Rede***

**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:

On September 27 and 28 the online media *Estadão Online* and *Reuters Brasil* published the following reports under the respective headlines *Cemig: We are interested in acquiring assets of Grupo Rede* and *Cemig is interested in companies of the Rede Energia Group* :

*Brasília, September 27, 2012* Djalma Moraes, CEO of the Minas Gerais electricity distributor Cemig, has just said that his company is interested in acquiring assets of the *Rede Energia Group*. Arriving at the Mining and Energy Ministry for a meeting with Minister Edison Lobão, Moraes said that Cemig is closely monitoring the situation of the eight distributors of the Rede Group that are under intervention by the Brazilian National Electricity Agency, Aneel.

He said: The Equatorial Group has already acquired Celpa, of the state of Pará, and we have come to state our interest in the restructuring of the Rede Group, in any assets that may come to be put on the market, depending on whatever conditions Aneel may determine .

**and:**

Cemig CEO Djalma Bastos de Moraes said Thursday that Cemig has interest in the companies of *Grupo Rede Energia* that are under government intervention. He did not say in which assets the company's interest is greatest.

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

In relation to the media reports on our interest in acquisition of assets of the *Rede* Group, and as stated in our public replies to the following Official Letters

CVM/SEP/GEA-1/461/2012, of May 31, 2012;  
CVM/SEP/GEA-1/479/2012, of June 13, 2012, and  
CVM/SEP/GEA-1/684/2012, of September 13, 2012

we reaffirm that Cemig continues to evaluate various investment alternatives which might add value to the operation of its present assets.

We further state that Cemig, in continuation of its plan for growth by the route of acquisitions, reaffirms its commitment to seek investment opportunities that meet the requirements of profitability established by its stockholders and to publish all and any material information as and when it comes into existence.

Belo Horizonte, October 04, 2012

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.**