

ENERGY CO OF MINAS GERAIS

Form 6-K

May 19, 2009

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FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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

For the month of May 2009

Commission File Number 1-15224

Energy Company of Minas Gerais

(Translation of Registrant's Name Into English)

Avenida Barbacena, 1200

30190-131 Belo Horizonte, Minas Gerais, Brazil

(Address of Principal Executive Offices)

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

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Form 20-F Form 40-F

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

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

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

Yes No

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

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SIGNATURES

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

COMPANHIA ENERGETICA DE MINAS GERAIS CEMIG

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

Date: May 19, 2009

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1. Earnings Release 1st Quarter 2009, Companhia Energética de Minas Gerais CEMIG

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Brazil's Best Electricity

EARNINGS RELEASE

1Q09

Companhia Energética de Minas Gerais

Cemig H

(Holding Company)

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Cemig's CEO, Djalma Bastos de Moraes, says:

Our exceptional result in the first three months of 2009 reflects the success of our Long-term Strategic Plan and the strategy specified in it, which by focusing on the long-term gives Cemig an unparalleled position at this moment in the Brazilian economy, rewarding its stockholders with solid and consistent results.

We have successfully concluded two major acquisitions, which as well as adding value to the Company's business, position Cemig as the leader in the Brazilian electricity sector.

In spite of the recent deterioration in world economic conditions we have maintained our economic and financial planning, including capital expenditure, amortizations of debt and payment of dividends.

This comfortable situation is the result of a group of strategies which range from the maintenance of a balanced portfolio of business to our financial discipline, including our electricity sales strategy, which succeeded in mitigating the lower revenue of our distribution Company arising from the revision of its tariff levels. We continued to do our homework, growing in all sectors in a balanced fashion, with a focus on operational excellence and reduction of expenses, mitigating risks and taking advantage of all the synergies that a Company with integrated businesses and of Cemig's scale offers.

Finally, the results presented here show that we are on the right path, and that the decisions taken in recent years are constantly adding value to our business, making Cemig an increasingly strong, solid Company with efficient corporate management.

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Cemig's CFO, Luiz Fernando Rolla, comments as follows:

In the first quarter of 2009 our Company continues to report consistent, robust cash flow, as a result of our effort, in our operations, incessantly and continually to add value to our businesses.

Our adjusted Ebitda was R\$ 974 million, with Ebitda margin of 38%, boosted by our policy of maintaining high levels of operational efficiency, and a level of excellence evidenced by our net Income, which when adjusted for non-recurring effects was R\$ 463 million in this first quarter of 2009.

This new level of cash flow is in line with the figures estimated in our financial projections and in the Long-term Strategic Plan, reflecting the correctness of our strategy of growth via acquisitions and new projects, within the process of consolidation of the sector.

Cemig Distribution's Tariff Review, and its non-recurring effects, are recorded in this quarter, but their impact on our result is mitigated by our portfolio of businesses since the Cemig Group is made up of 49 companies and 10 consortia, with synergy between their operations, and is increasingly profitable, with a position of lower risk and greater stability of long-term results.

Our solid cash position of R\$ 2.7 billion enables the execution of our Strategic Plan, our dividend policy and our management of debt, along with execution of planned capital expenditure, including investments associated with acquisition opportunities.

The excellent results which we now present show that we continue to add value, continuously and sustainably, to all our stockholders and stakeholders. The highlights of this quarter are on the next page.

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• **CEMIG HIGHLIGHTS of 1Q09**

(Thousands of Reais except where otherwise indicated)

- Adjusted Ebitda: *R\$ 974 million*
- Adjusted net Income: *R\$ 463 million*
- Net sales revenue: *R\$ 2.6 billion*
- Cash position: *R\$ 2.7 billion*
- Volume sold in 1Q09: *14,552 GWh*
- Our stock prices: changes in the last twelve months:

| | Close of 1Q09 | Close of 1Q08 | Change % |
|--------|------------------|------------------|-------------|
| CMIG 4 | R\$ 26.10 | R\$ 22.21 | +17.51 |
| CMIG 3 | R\$ 19.36 | R\$ 18.99 | +1.94 |
| CIG | US\$ 14.17 | US\$ 16.16 | -12.31 |
| CIG.C | US\$ 11.00 | US\$ 15.71 | -29.98 |
| XCMIG | 11.15 | 11.27 | -1.06 |

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• **Economic summary**

| | | 1Q09 | 1Q08 | Change (%) |
|----------------------|--------|--------|--------|------------|
| Energy sold* | GWh | 14,552 | 14,018 | 4% |
| Gross revenue | R\$ mn | 3,727 | 4,203 | -11% |
| Adjusted net revenue | R\$ mn | 2,580 | 2,693 | -4% |
| Adjusted Ebitda | R\$ mn | 974 | 1,023 | -5% |
| Adjusted net Income | R\$ mn | 463 | 452 | 2% |

* Includes figures for Light S.A.

• **Non-recurring effects in 1Q09**

Tariff Review final figures

In March 2009, Aneel homologated the final result of the Tariff review of Cemig Distribuição, with effects backdated to April 2008.

The final figures result in an average reduction of 19.62% in the tariffs of Cemig Distribuição, compared to an average reduction, applied provisionally in April 2008, of 18.09%.

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

The effects in the results are related principally to reduction in the value of the Reference Company, used as the basis for reimbursement of the Company's manageable costs, and also of the review by Aneel of the criterion for calculation of the reimbursement, in the tariff, of the financial regulatory assets. This resulted in discounting of the amounts which, in the

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Regulator's view, were included in excess in recording of the Company's Tariff Adjustment in 2008

This table shows the summary of the non-recurring effects, and the adjusted results:

Net Income and Ebitda Adjusted - CEMIG Consolidated

Summary of the non-recurring effects

| Valores R\$ milhões | 1T09 | 1T08 | Δ% |
|---|------------|--------------|-------------|
| Lucro Líquido | 336 | 490 | -31% |
| (a) Revisão tarifária - receita líquida | 141 | (41) | |
| (b) Revisão tarifária - despesa operacional | (14) | 3 | |
| Lucro Líquido ajustado | 463 | 452 | 2,5% |
| LAJIDA | 781 | 1.081 | -28% |
| (a) Revisão tarifária - receita líquida | 214 | (62) | |
| (b) Revisão tarifária - despesa operacional | (21) | 4 | |
| LAJIDA ajustado | 974 | 1.023 | -5% |

From this point onward in the analysis below, unless otherwise indicated all references to Net revenue, Ebitda and Net Income refer to the reported figure, not the adjusted figure.

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- Our consolidated electricity market

Our consolidated sales in 1Q09 totaled 14,552 GWh, 4% more than in 1Q08.

This market can be separated into three segments: sales to final consumers, sales to other concession holders, and sales on the wholesale Electricity Trading Chamber (CCEE).

Sales to final consumers

Our market in sales to final consumers was 1.6% smaller in 1Q09 than in 1Q08, mainly because consumption by the industrial category of consumers was 8.3% lower while strong growth continued in the residential and commercial consumer categories.

The lower figure directly reflects lower economic activity throughout Brazil and specifically in the State of Minas Gerais, which because it has a strong industrial base, principally in commodities and steel, showed a considerable reduction in its rate of economic growth.

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This table shows the breakdown of our sales to final consumers and YoY changes from 1Q08 to 1Q09:

| | MWh | | |
|--|-------------------|-------------------|--------------|
| Electricity volume sold | 1Q09 | 1Q08 | Δ% |
| Residential | 2,446,236 | 2,236,580 | 9.4% |
| Industrial | 5,593,627 | 6,101,503 | -8.3% |
| Commercial | 1,566,568 | 1,477,530 | 6.0% |
| Rural | 455,518 | 456,423 | -0.2% |
| Other | 896,961 | 868,874 | 3.3% |
| Electricity sold to final consumers (MWh) | 10,958,930 | 11,140,910 | -1.6% |
| Own consumption | 12,815 | 13,106 | -2.2% |
| Supply to other concession holders | 2,748,037 | 2,712,266 | 1.3% |
| Transactions in electricity on the CCEE | 832,304 | 152,163 | 447% |
| TOTAL | 14,552,086 | 14,018,445 | 3.8% |

This chart shows electricity sales by category of consumer:

Sales to final consumers (%)

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Supply to other concession holders

Due to the lower demand from industrial consumers, at the end of 2008 Cemig began to give priority to sales in the regulated market where sales to other electricity distributors are made.

This is reflected by the 1.3% increase in wholesale supply to other concession holders, with a total value of 2,748 GWh in 1Q09. This selling strategy, allied to good selling prices, enabled the Cemig Group to mitigate part of the adverse effects produced by the reduction in demand from industry.

Sales on the CCEE (Electricity Trading Chamber)

In view of the reduction in the demand for electricity from its free consumers, sending reallocated the electricity in the short-term market, through sales on the CCEE, that increased to, due to the higher assured energy in the quarter according the criteria of the interconnected operation of the Hydro Power Plants.

In the first quarter of 2009 these sales totaled 832,304 MWh, 447% more than in 1Q08.

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- **Electricity market: Distribution**

Cemig D

The electricity market of Cemig Distribution (**Cemig D**) showed a substantial increase, of 4.68%, in 1Q09, due to a strong increase in consumption by the residential and commercial consumer categories.

Towards the end of 2008 consumption by industry began to fall significantly, and it was nearly 21% lower in 1Q09 than in 4Q08 though only 3.43% lower in 1Q09 than in 1Q08.

The table shows Cemig D's sales by consumer category:

| Electricity sales | Cemig D | MWh | | |
|-------------------|---------|--------------|--------------|-------------|
| | | 1Q09 | 1Q08 | Δ% |
| Residential | | 1,905 | 1,730 | 10.12 |
| Industrial | | 1,183 | 1,225 | -3.43 |
| Commercial | | 1,160 | 1,085 | 6.91 |
| Rural | | 452 | 453 | -0.22 |
| Other | | 707 | 673 | 5.05 |
| TOTAL | | 5,408 | 5,166 | 4.68 |

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Cemig D Breakdown of sales by consumer type (%)

RME LIGHT

The table below shows the sales of Light SESA, a distribution Company operating in Rio de Janeiro State and controlled by Rio Minas Energia (RME), in which Cemig holds a 25% interest.

Light's sales (of which Cemig consolidates 25%, representing its holding in RME), at 1,251 GWh, were 4% higher in 1Q09 than 1Q08. The fall in consumption by industry was offset by growth in the residential and commercial categories.

The main reason for the higher volume sold was climatic higher average temperature, increasing the demand by the residential sector, in spite of interruption of billing of Energia Plus, which is a package offered to large clients with their own generation capacity during peak consumption hours.

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| Electricity sales | Light | MWh | | |
|-------------------|-------|--------------|--------------|-----------|
| | | 1Q09 | 1Q08 | Δ% |
| Residential | | 541 | 507 | 7% |
| Industrial | | 108 | 113 | -4% |
| Commercial | | 396 | 383 | 3% |
| Other | | 206 | 202 | 2% |
| TOTAL | | 1,251 | 1,205 | 4% |

For more details on Light's sales see:

http://www.mzweb.com.br/light/web/arquivos/Light_Press_Release_1T09_eng.pdf

- **The electricity market: Generation**

Cemig GT

Cemig sold 7,923 GWh in 1Q09, 4.1% more than in 1Q08 (7,610 GWh).

The increase in the sales volume figure reflects reallocation of sales from the free market to the regulated market and on the CCEE. This strategy enabled the Company to mitigate the effects of the decrease in the rate of growth of the economy of Brazil, and of the State of Minas Gerais.

With this successful strategy Cemig GT achieved net revenue 7% higher in 1209 than in 1Q08. It is important to note that the Company seeks at all times to minimize the risk related to the sale of energy, seeking contracts for the long term and with low flexibility (high Take or Pay) this creates greater predictability and less dependence by the Company on the performance of the market in the short-term.

This table gives the breakdown of Cemig GT's sales by volume:

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| | MWh | | | |
|-------------------------|--------------|--------------|--|-------------|
| Sales of Cemig GT | 1Q09 | 1Q08 | | Δ% |
| Free consumers | 4,137 | 4,493 | | -7.92 |
| Wholesale supply | 3,013 | 2,980 | | +1,11 |
| TOTAL | 7,923 | 7,610 | | +3,7 |

Independent power producers

Cemig is a partner in eight Independent Power Producers, whose sales in 1Q09 were 13% lower year-on-year, reflecting the reduction in sales to the commercial consumer category. This reduction was partly attenuated by the start up of the Cachoeirão plant, which added 8 GWh in independent generation sales.

| Independent Generation sales | GWh | | | |
|------------------------------|------------|------------|--|-------------|
| | 1Q09 | 1Q08 | | Δ% |
| Horizontes | 16 | 22 | | -27 |
| Ipatinga | 44 | 84 | | -48 |
| Sá Carvalho | 110 | 118 | | -7 |
| Barreiro | 23 | 25 | | -8 |
| Cemig PCH S.A | 29 | 32 | | -9 |
| Rosal | 55 | 55 | | 0 |
| Capim Branco | 122 | 131 | | -7 |
| Cachoeirão | 8 | | | |
| Sales on the CCEE | 26 | 6 | | +333 |
| TOTAL | 433 | 473 | | -8% |

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- Consolidated operational revenue**

| R\$ million | 1Q09 | 1Q08 | Δ% |
|---|---------|---------|-----|
| Sales to final consumers | 3,041 | 3,257 | -7 |
| TUSD | 274 | 309 | -11 |
| Effect of the Definitive Tariff Adjustment | (265) | | |
| Subtotal | 3,050 | 3,566 | -14 |
| Wholesale sales, and transactions on CEEE | 360 | 319 | 13 |
| Revenue for use of the transmission grid | 179 | 172 | 4 |
| Retail supply of gas | 72 | 92 | -22 |
| Others | 66 | 54 | 22 |
| Subtotal | 3,727 | 4,203 | -11 |
| Deductions | (1,361) | (1,448) | -6 |
| Net sales revenue | 2,366 | 2,755 | -14 |

Gross revenue from supply of electricity**Final consumers**

Gross revenue from supply of electricity in 1Q09 was R\$ 3,136,503, 12.27% less than the revenue of R\$ 3,575,243 in 1Q08.

This increase was basically due to the following factors:

- Tariff readjustment of Cemig Distribution (Cemig D), with an average reduction of 12.24% in consumer tariffs, starting from April 8, 2008.
- Volume of energy invoiced to final consumers 1.6% lower (this excludes Cemig's own internal consumption).
- Regulatory liabilities arising from the Company's Tariff Review, backdated to 2009, representing reduction of R\$ 213,803 in gross revenue.

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- Contractual increases in average tariff charged by Cemig GT due to contractual increases (mainly indexed to IGP-M inflation index).

Supply to other concession holders

Revenues from energy sold to other concession holders, bilateral contracts, and sales in the wholesale energy market (CCEE) totaled R\$ 359,504 in 1Q09, 12.82% more than in 1Q08 (R\$ 318,649). This is basically due to sales, in these markets, of part of the electricity previously sold to industrial consumers reflecting the reduction in these consumers' demand as a result of the impact of the recession on industry.

Revenue from use of the network

Revenue from use of the network was 6.13%, or R\$ 29,500, lower year-on-year in 1Q09, at R\$ 452,092, compared to R\$ 481,592 in 1Q08. This revenue comes mainly from charges to free consumers on electricity sold by other agents of the electricity sector, and was lower due to lower volume of transport of electricity to these free consumers, reflecting the effect of the recession on Brazilian manufacturing output.

A breakdown of the balance is in Explanatory Note 25 to the Consolidated Quarterly Information.

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- **Ebitda**

Adjusted Ebitda in the first 3 months of 2009 was R\$ 974 million, 4.79% less than in 1Q08 (R\$ 1,023 million).

Cemig s recorded Ebitda in 1Q09 was R\$ 780,684, 27.81% lower than in 1Q08, which posted Ebitda of R\$ 1,081,448.

As part of the tariff review of Cemig D, Aneel included in the tariff to be applied as from April 8, 2009 certain financial items relating to previous business years which resulted in the recognition of regulatory assets and liabilities which will be received and/or discounted in the tariff to be applied in the period April 8, 2009 to April 7, 2010.

The financial items mentioned relate principally to reduction of the costs of the Reference Company used by Aneel in calculating reimbursement to the Company of its controllable costs, with effect backdated to April 2008. Recognition of this non-recurring item results in a *negative* contribution of R\$ 192,816 to Ebitda.

In the previous period the company also made non-recurring adjustments relating to the tariff review, but they had positive effect in the income statement.

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This table shows these non-recurring adjustments:

| | 1Q09 | 1Q08 | Change, % % |
|---|----------|-----------|----------------|
| Net Income | 336,242 | 490,280 | (31.42) |
| + Provision for current and deferred income tax and Social Contribution | 187,999 | 276,097 | (31.91) |
| + Employees and managers shares in results | 27,424 | 22,058 | 24.33 |
| + Financial revenues (expenses) | 37,757 | 79,112 | (52.27) |
| + Depreciation and amortization | 171,042 | 201,481 | (15.11) |
| + Minority interests | 20,220 | 12,420 | 62.80 |
| EBITDA | 780,684 | 1,081,448 | (27.81) |
| Non-recurring items: | | | |
| - Tariff review Net revenue | 213,803 | (62,464) | |
| + Tariff review Operational expense | (20,987) | 4,330 | |
| = ADJUSTED EBITDA | 973,500 | 1,023,314 | (4.87) |

(Method of calculation not reviewed by our external auditors.)

- Net Income**

Adjusted net Income in 1Q08 was R\$ 463 million, 2.5% higher than in 1Q08 (R\$ 452 million).

Cemig reported a recorded 1Q09 net Income of R\$ 336,242, which is 31.42% lower than its 1Q08 net Income of R\$ 490,280.

This lower Income reflects, mainly, extraordinary adjustments in the first quarter of 2009 as a result of the definitive value decided by Aneel for the Company's Tariff Review, which had a negative impact of R\$ 127 million on the result. An extraordinary positive adjustment, of R\$ 38 million, was made to the income statement of 1Q08, also related to the tariff review.

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- **Deductions from operational revenues**

Deductions from operational revenues in 1Q08 totaled R\$ 1,360,541, 6.07% less than in 1Q08 (R\$ 1,448,478).

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

Fuel Consumption Account CCC

The deduction from revenue for the CCC was R\$ 122.62 million in 1Q09, compared to R\$ 77.23 million in 1Q08, i. e. 58.78% higher. This refers to the operational costs of thermal plants in the Brazilian grid and isolated systems, split pro-rata between electricity concession holders by an Aneel Resolution. This is a non-controllable cost. The amount posted for electricity distribution services corresponds to the amount actually passed through to the tariff. For the amount posted in relation to electricity transmission services the Company merely passes through the charge, since the CCC is charged to Free Consumers on the invoice for the use of the basic grid, and passed on to Eletrobrás.

Energy Development Account CDE

The deduction from revenue for the CDE was R\$ 93,462 in 1Q09, 4.03% lower than in 1Q08 (R\$ 97,387). The payments are specified by an Aneel Resolution. This is a non-controllable cost. The amount posted for electricity distribution services corresponds to the amount actually passed through to the tariff. For the amount posted in relation to electricity transmission services the Company merely passes through the charge since the CCC is charged to free consumer on the invoice for the use of the grid and passed on to Eletrobrás.

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

- **Non-controllable costs**

Differences between the non-controllable costs assumed in calculating tariff adjustments, and disbursements actually made, are recorded in an account known as the CVA (cost variation account), and their total is offset in subsequent tariff adjustments. CVA amounts are registered in Current and Non-current assets. Complying with the Aneel Chart of Accounts, some items are allocated as Deductions from operational revenue. Further information is given in Explanatory note No. 8 to the Quarterly Information.

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

- **Operational costs and expenses**

(excluding Financial revenue/expenses)

Operational costs and expenses (excluding net financial revenue (expenses)) totaled R\$ 1,756,680 in 1Q09, 6.30% less than in 1Q08 (R\$ 1,874,692). This result basically reflects lower costs of purchase of electricity, post-employment benefits and depreciation. Further information is given in Explanatory Note 28 to the Consolidated Quarterly Information.

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

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Personnel expenses

Personnel expenses totaled R\$ 298.02 million in 1Q09, 4.80% higher than in 1Q08 (R\$ 284.36 million). The total reflects these factors:

- Salary adjustment of 7.26% given to the employees of the holding Company, of Cemig D and Cemig GT in November 2008.
- Provision for the Voluntary Dismissal Program (PPD), in the amount of R\$ 6.11 million, in 1Q08, compared to a reversal of provision, of R\$ 2.22 million, in 1Q09.
- Higher transfer of costs from personnel expenses to works in progress (R\$ 25.86 million in 1Q09, vs. R\$ 19.19 million in 1Q08) due to the higher capital expenditure program in 2009.

Further information on the composition of personnel expenses is given in Explanatory Note 28 to the Quarterly Information.

Electricity bought for resale

Expenses on electricity purchased for resale totaled R\$ 671.84 million in 1Q09, 7.38% less than in 1Q07 (R\$ 725,366). This is a non-controllable cost; the amount deducted from revenue is passed through to tariffs.

Charges for use of the transmission grid

The expense on charges for use of the transmission network in 1Q09 was R\$ 204.19 million in 1Q09, 18.49% more than in 1Q08 (R\$ 172.32 million).

These charges are payable by distribution and generation agents for use of the facilities and components of the national grid, and are set by Aneel resolution. This is a non-controllable cost, with the deduction from revenue recorded corresponding to the value effectively passed through to the tariff.

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Depreciation and amortization

Expense on depreciation and amortization was 15.11% lower, at R\$ 171,042, in 1Q09, than in 1Q08 (R\$ 201,481). This result is substantially due to the depreciation applied to the Special Obligations as from April 2008, the start of the second Tariff Review Cycle.

Post-employment obligations

Expenses on post-employment obligations were 44.89% lower, at R\$ 33.987 million, in 1Q09, than in 1Q08 (R\$ 61.668 million). These expenses basically represent interest on the actuarial liabilities of the Company, net of the expected return on pension plan assets, as estimated by an external actuary. The reduction in this expense reflects the reduction in the updated value of the obligations recorded, as a result of the increase in the interest rate used to discount these obligations to present value.

Operational provisions

Operational provisions in 1Q09 totaled R\$ 53,487, 44.49% less than in 1Q08 (R\$ 96,353). The difference reflects a lower provision for doubtful receivables and litigation contingencies in 2009. See more information in Expansion in its 22 and 28 of the Consolidated Quarterly Information.

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Gas purchased for resale

The cost of gas purchased for resale was R\$ 39.314 million in 1Q09, 26.41% lower than in 1Q08 (R\$ 53.420 million). This reflects lower purchases of gas in 2009, in turn reflecting the effect of the recession on industry.

Outsourced services

Expenses on outsourced services in 1Q09 were R\$ 160.66 million, 10.99% higher than in 1Q08 (R\$ 144.75 million). The difference mainly reflects higher expenditure on maintenance and conservation of electricity facilities and increases in service provision contracts.

• **Financial revenues (expenses)**

The Company posted net financial *expenses* of R\$ 37.76 million for 1Q09, which compares with net financial *expenses* of R\$ 79.11 million in 1Q08. The main factors affecting net financial revenues (expenses) were:

- Revenue from cash investments was 23.24% higher in 1Q09, due to a higher volume of cash invested. In 1Q09 this revenue was R\$ 66.38 million, compared to R\$ 53.86 million in 1Q08.
- Revenue from penalty payments on electricity invoices in arrears in 1Q09, at R\$ 27.51 million, was R\$ 23.20 million less than in 1Q08 (R\$ 50.708 million). This difference is mainly due to higher revenue in Cemig D in 1Q08, on settlement of accounts of large industrial consumers for previous years, in which the value of the principal was considerably less than the amount added in payments for arrears.
- Revenue from monetary updating on the General Agreement for the Electricity Sector 65.83% lower, at R\$ 15,446 in 1Q09, compared to R\$ 45,206 in 1Q08 reflecting the lower value of the regulatory

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assets in 2009, due to the values of the principal regulatory assets previously constituted having been amortized.

- Revenue from monetary updating and interest on the Deferred Tariff Adjustment 93.14% lower, at R\$ 1.78 million, in 1Q09, than in 1Q08 (R\$ 25.90 million), due to the reduction of the asset by receipt of amounts receivable, in electricity invoices. For more information please see Explanatory Note 11 to the Consolidated Quarterly Information (ITR).
- Lower Monetary adjustment on loans and financings, at R\$ 3.82 million in 1Q09 compared with R\$ 24.02 million in 1Q08 reflecting higher variation in inflation indices in 1Q09 than in 1Q08.
- Reversal of a provision of R\$ 8.72 million for losses on free energy, which compares with a provision of R\$ 15.99 million made in 1Q08 this results from an adjustment in the estimate for receipt of amounts from distributors.

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

Income tax and Social Contribution tax

Cemig's expenses on income tax and the Social Contribution tax in 1Q09 totaled R\$ 187,999, on Income of R\$ 571,885, before tax effects, a percentage of 32.87%. In 1Q08, the Company posted expenses on income tax and Social Contribution of R\$ 276,097 million, 34.48% of the pre-tax Income of R\$ 800,855. These effective rates are compared with the nominal rates in Note 10 to the Consolidated Quarterly Information.

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- **Disclaimer**

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

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CEMIG GT Tables I to III

Chart I

Operating Revenues (consolidated) - CEMIG GT

Values in million of Reais

| | 1st Q. 2009 | 1st Q. 2008 | 2008 |
|---|-------------|-------------|--------------|
| Sales to end consumers | 412 | 429 | 1,934 |
| Supply | 357 | 292 | 1,220 |
| Revenues from Trans. Network + Transactions in the CCEE | 151 | 150 | 617 |
| Others | 6 | 7 | 30 |
| Subtotal | 926 | 878 | 3,801 |
| Deductions | (194) | (195) | (853) |
| Net Revenues | 732 | 683 | 2,948 |

Chart II

Operating Expenses (consolidated) - CEMIG GT

Values in millions of reais

| | 1st Q. 2009 | 1st Q. 2008 | 2008 |
|---|-------------|-------------|--------------|
| Personnel/Administrators/Councillors | 69 | 64 | 260 |
| Depreciation and Amortization | 56 | 56 | 224 |
| Charges for Use of Basic Transmission Network | 72 | 64 | 272 |
| Contracted Services | 24 | 17 | 114 |
| Forluz Post-Retirement Employee Benefits | 7 | 12 | 48 |
| Materials | 3 | 3 | 17 |
| Royalties | 35 | 31 | 127 |
| Operating Provisions | | | 1 |
| Other Expenses | 14 | 25 | 102 |
| Purchased Energy | 27 | (9) | 83 |
| Raw material for production | | 22 | 83 |
| Total | 307 | 285 | 1,331 |

Chart III

Statement of Results (Consolidated) - CEMIG GT

Values in millions of reais

| | 1st Q. 2009 | 1st Q. 2008 | 2008 |
|---|-------------|-------------|--------------|
| Net Revenue | 732 | 683 | 2,948 |
| Operating Expenses | (307) | (285) | (1,248) |
| EBIT | 425 | 398 | 1,700 |
| EBITDA | 481 | 454 | 1,924 |
| Financial Result | (50) | (80) | (245) |
| Provision for Income Taxes, Social Cont & Deferred Income Tax | (137) | (107) | (383) |
| Employee Participation | (6) | (5) | (86) |
| Net Income | 232 | 206 | 986 |

Table of Contents**CEMIG D - Tables I to IV****Chart I****CEMIG D Market**

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

-
1. Refers to the quantity of electricity for calculation of the regulatory charges charged to free consumer clients (Portion A)
 2. Total electricity distributed
 3. Sum of the demand on which the TUSD is invoiced, according to demand contracted (Portion B).

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

Values in million of Reais

| | 1st Q. 2009 | 1st Q. 2008 | 2008 |
|------------------------|-------------|-------------|-------|
| Sales to end consumers | 1,803 | 2,338 | 8,547 |
| TUSD | 262 | 315 | 1,397 |
| Subtotal | 2,065 | 2,653 | 9,944 |

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| | | | |
|---------------------|--------------|--------------|---------------|
| Others | 32 | 23 | 80 |
| Subtotal | 2,097 | 2,676 | 10,024 |
| Deductions | (911) | (1,028) | (3,877) |
| Net Revenues | 1,186 | 1,648 | 6,147 |

Chart III

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

| | 1st Q. 2009 | 1st Q. 2008 | 2008 |
|---|--------------|--------------|--------------|
| Purchased Energy | 506 | 578 | 2,417 |
| Personnel/Administrators/Councillors | 201 | 195 | 748 |
| Depreciation and Amortization | 81 | 110 | 354 |
| Charges for Use of Basic Transmission Network | 120 | 120 | 459 |
| Contracted Services | 105 | 100 | 426 |
| Forluz - Post-Retirement Employee Benefits | 23 | 36 | 149 |
| Materials | 21 | 22 | 80 |
| Operating Provisions | 16 | 37 | 88 |
| Other Expenses | 28 | 32 | 173 |
| Total | 1,101 | 1,230 | 4,894 |

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Chart IV

Statement of Results (Consolidated) - CEMIG D

Values in millions of reais

| | 1st Q. 2009 | 1st Q. 2008 | 2008 |
|---|--------------------|--------------------|--------------|
| Net Revenue | 1,186 | 1,648 | 6,147 |
| Operating Expenses | (1,101) | (1,230) | (4,894) |
| EBIT | 85 | 418 | 1,253 |
| EBITDA | 166 | 528 | 1,606 |
| Financial Result | (8) | 11 | (7) |
| Provision for Income Taxes, Social Cont & Deferred Income Tax | (18) | (142) | (274) |
| Employee Participation | (19) | (16) | (263) |
| Net Income | 40 | 271 | 709 |

Table of Contents**Cemig consolidated - Tables I to XII****Chart I****Energy Sales (Consolidated)**

| | Ner. of consumers 1st Quarter | | MWh 1st Quarter | | R\$ thousand 1st Quarter | |
|--|----------------------------------|-------------------|--------------------|-------------------|-----------------------------|------------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Residential | 9,108,642 | 8,815,400 | 2,446,236 | 2,236,580 | 1,072,401 | 1,149,276 |
| Industrial | 86,506 | 86,349 | 5,593,627 | 6,101,503 | 869,588 | 891,848 |
| Commercial | 852,082 | 832,761 | 1,566,568 | 1,477,530 | 636,899 | 667,921 |
| Rural | 535,560 | 569,093 | 455,518 | 456,423 | 96,987 | 137,545 |
| Others | 77,338 | 73,496 | 896,981 | 868,874 | 261,082 | 269,672 |
| Electricity sold to final consumers | 10,660,128 | 10,377,099 | 10,958,930 | 11,140,910 | 2,936,957 | 3,116,262 |
| Own Consumption | 1,168 | 1,151 | 12,815 | 13,106 | | |
| Low-Income Consumers Subsidy | | | | | 144,203 | 41,142 |
| Unbilled Supply, Net | | | | | (39,536) | 99,190 |
| Supply | 82 | 82 | 2,748,037 | 2,712,266 | 270,055 | 294,355 |
| Transactions on the CCEE | | | 832,304 | 152,163 | 89,449 | 24,294 |
| Final result of CEMIG D second tariff review | | | | | (264,625) | |
| TOTAL | 10,661,378 | 10,378,332 | 14,552,086 | 14,018,445 | 3,136,503 | 3,575,243 |

Chart II**Sales per Company****Cemig Distribution**

| 1st Quarter 2009 Sales | GWh |
|------------------------|--------------|
| Industrial | 1,905 |
| Residencial | 1,183 |
| Rural | 1,160 |
| Commercial | 452 |
| Others | 707 |
| Sub total | 5,408 |
| Wholesale supply | |
| Total | 5,408 |

Independent Generation

| 1st Quarter 2009 Sales | GWh |
|------------------------|------------|
| Horizontes | 16 |
| Ipatinga | 44 |
| Sá Carvalho | 110 |
| Barreiro | 23 |
| CEMIG PCH S.A | 29 |
| Rosal | 55 |
| Capim Branco | 8 |
| Total | 433 |

Cemig Consolidated by Company

| 1st Quarter 2009 Sales | GWh | Participação |
|------------------------|---------------|--------------|
| Cemig Distribution | 5,408 | 37% |
| Cemig GT | 7,923 | 54% |
| Wholesale Cemig Group | 1,564 | 11% |
| Wholesale Light Group | 433 | 3% |
| Independent Generation | (665) | -5% |
| RME | (82) | -1% |
| Total | 14,581 | 100% |

Cemig GT

| 1st Quarter 2009 Sales | GWh |
|--|--------------|
| Free Consumers | 4,137 |
| Wholesale supply | 3,013 |
| Regulated Market (CCEAR) | 2,354 |
| Regulated Market (CCEAR) - Cemig Group | 303 |
| Sales to Trading Companies | 356 |
| CCEE (Spot) | 773 |
| Total | 7,923 |

RME (25%)

| 1st Quarter 2009 Sales | GWh |
|------------------------|--------------|
| Industrial | 108 |
| Residential | 541 |
| Commercial | 396 |
| Rural | 3 |
| Others | 203 |
| Wholesale supply | 281 |
| CCEE (Spot) | 32 |
| Total | 1,564 |

Table of Contents**Chart III**

Operating Revenues (consolidated)
Values in million of Reais

| | 1st Q. 2009 | 1st Q. 2008 | 2008 |
|-----------------------------------|--------------|--------------|---------------|
| Sales to end consumers | 3,041 | 3,257 | 12,526 |
| TUSD | 274 | 309 | 1,432 |
| | (265) | | |
| Subtotal | 3,050 | 3,566 | 13,958 |
| Supply + Transactions in the CCEE | 360 | 319 | 1,159 |
| Revenues from Trans. Network | 179 | 172 | 719 |
| Gas Supply | 72 | 92 | 385 |
| Others | 66 | 54 | 267 |
| Subtotal | 3,727 | 4,203 | 16,488 |
| Deductions | (1,361) | (1,448) | (5,598) |
| Net Revenues | 2,366 | 2,755 | 10,890 |

Chart IV

Operating Expenses (consolidated)
Values in R\$ million

| | 1st Q. 2009 | 1st Q. 2008 | 2008 |
|---|--------------|-------------|--------------|
| Purchased Energy | 672 | 725 | 2,960 |
| Personnel/Administrators/Councillors | 298 | 284 | 1,105 |
| Depreciation and Amortization | 171 | 201 | 715 |
| Charges for Use of Basic Transmission Network | 204 | 173 | 724 |
| Contracted Services | 161 | 145 | 676 |
| Forluz Post-Retirement Employee Benefits | 34 | 62 | 264 |
| Materials | 26 | 48 | 105 |
| Royalties | 36 | 34 | 131 |
| Gas Purchased for Resale | 39 | 54 | 229 |
| Operating Provisions | 54 | 96 | 206 |
| Raw material for production | | | 70 |
| Other Expenses | 62 | 1,875 | 321 |
| Total | 1,757 | 986 | 7,506 |

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Chart V

Financial Result BreakdownValues in millions of *reais*

| | 1st Q. 2009 | 1st Q. 2008 | 2008 |
|--|--------------|--------------|----------------|
| Financial Revenues | 209 | 248 | 1,094 |
| Income from Investments | 66 | 54 | 293 |
| Fines on Energy Accounts | 28 | 51 | 169 |
| CRC Contract/State (interest + monetary variation) | 40 | 39 | 154 |
| Monetary variation of Extraordinary Tariff Recomposition and RTD | 28 | 78 | 231 |
| Exchange Rate Variations | 21 | 3 | 13 |
| PASEP/COFINS | (1) | (4) | (45) |
| Financial Compensation RME | | | 83 |
| Adjustment to Present Value | 1 | | 18 |
| Derivatives | 1 | 7 | 31 |
| Others | 25 | 20 | 147 |
| Financial Expenses | (247) | (327) | (1,188) |
| Charges on Loans and Financing | (200) | (195) | (852) |
| Monetary variation of Extraordinary Tariff Recomposition | (3) | (17) | (37) |
| Exchange Rate Variations | 2 | (10) | (135) |
| Monetary Variarion Liabilities - Loans and Financing | (4) | (24) | (92) |
| CPMF | | (5) | (4) |
| Provision for Losses from Tariff Recomposition | 9 | (16) | (25) |
| Reversal of provision for PIS and Cofins taxes | (2) | | 108 |
| Losses from Derivatives | (21) | (12) | |
| Other | (28) | (48) | (151) |
| Financial Result | (38) | (79) | (94) |

Chart VI

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

| | 1st Q. 2009 | 1st Q. 2008 | 2008 |
|---|-------------|--------------|--------------|
| Net Revenue | 2,366 | 2,755 | 10,890 |
| Operating Expenses | (1,757) | (1,875) | (7,506) |
| EBIT | 609 | 880 | 3,384 |
| EBITDA | 780 | 1,081 | 4,099 |
| Financial Result | (38) | (79) | (94) |
| Provision for Income Taxes, Social Cont & Deferred Income Tax | (188) | (276) | (914) |
| Employee Participation | (27) | (22) | (370) |
| Minority Shareholders | (20) | (13) | (119) |

| | | | |
|-------------------|------------|------------|--------------|
| Net Income | 336 | 490 | 1,887 |
|-------------------|------------|------------|--------------|

Table of Contents**Chart VII**

Statement of Results (Consolidated) - per Company
Values in millions of reais

| | Cemig H | | Cemig D | | Cemig GT | |
|------------------------------------|-------------|--------------|-------------|-------------|-------------|-------------|
| | 1st Q. 2009 | 1st Q. 2008 | 1st Q. 2009 | 1st Q. 2008 | 1st Q. 2009 | 1st Q. 2008 |
| Net Revenue | 2,366 | 2,755 | 1,186 | 1,648 | 732 | 683 |
| Operating Expenses | (1,757) | (1,875) | (1,101) | (1,230) | (307) | (285) |
| EBIT | 609 | 880 | 85 | 418 | 425 | 398 |
| EBITDA | 780 | 1,081 | 166 | 528 | 481 | 454 |
| Financial Result | (38) | (79) | (8) | 11 | (50) | (80) |
| Provision for Income Taxes, Social | | | | | | |
| Cont & Deferred Income Tax | (188) | (276) | (18) | (142) | (137) | (107) |
| Employee Participation | (27) | (22) | (19) | (16) | | |
| Minority Shareholders | (20) | (13) | | | 232 | 206 |
| Net Income | 336 | 490 | 40 | 271 | 232 | 206 |

Chart VIII

Related party transactions
Values in millions of reais

| | State of Minas Gerais Government | |
|--|-------------------------------------|-------|
| | 1st Q. 2009 | 2008 |
| ASSETS | | |
| Current Assets | | |
| Customers and distributors | 2 | 2 |
| Tax Recoverable - | | |
| State VAT recoverable | 172 | 165 |
| Noncurrent assets | | |
| Accounts receivable from Minas Gerais State Government | 1,701 | 1,801 |
| Tax Recoverable - | | |
| VAT recoverable | | |
| Customers and distributors | 10 | 17 |
| LIABILITIES AND SHAREHOLDERS EQUITY | | |
| Current Liabilities | | |
| Taxes, fees and charges | | |
| VAT - ICMS payable | 287 | 281 |
| Interest on capital and Dividends | | |
| Debentures | 34 | 33 |
| Credit Receivables Fund (FDIC) | 951 | 990 |
| Financing | 10 | 20 |

Table of Contents**Chart IX****Share Ownership****Number of shares as of march 31, 2009**

| Shareholders | Common | % | Preferred | % | Total | % |
|--------------------------------------|--------------------|------------|--------------------|------------|--------------------|------------|
| State of Minas Gerais | 110,540,576 | 51 | | | 110,540,576 | 22 |
| Southern Electric Brasil Part. Ltda. | 71,506,613 | 33 | | | 71,506,613 | 14 |
| Other: | | | | | | |
| Local | 22,339,967 | 10 | 81,593,702 | 29 | 103,933,669 | 21 |
| Foreigners | 12,536,238 | 6 | 197,784,417 | 71 | 210,320,655 | 42 |
| Total | 216,923,394 | 100 | 279,378,119 | 100 | 496,301,513 | 100 |

* Southern Electric Brasil Participações Ltda

Chart X**BALANCE SHEETS (CONSOLIDATED)
ASSETS**

Values in millions of reais

| | 1st Q. 2009 | 2008 |
|---|--------------------|--------------|
| CURRENT ASSETS | 7,995 | 7,677 |
| Cash and Cash Equivalents | 2,706 | 2,284 |
| Consumers and Distributors | 2,155 | 2,042 |
| Consumers Rate Adjustment | 303 | 329 |
| Dealership - Energy Transportation | 414 | 463 |
| Dealers - Transactions on the MAE | 16 | 15 |
| Tax Recoverable | 980 | 844 |
| Materials and Supplies | 37 | 36 |
| Prepaid Expenses - CVA | 579 | 779 |
| Tax Credits | 297 | 189 |
| Regulatory Assets | | 46 |
| Deferred Tariff Adjustment | 15 | 133 |
| Other | 493 | 517 |
| NONCURRENT ASSETS | 4,298 | 3,956 |
| Account Receivable from Minas Gerais State Government | 1,771 | 1,801 |
| Consumers Rate Adjustment | 165 | 219 |

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| | | |
|--|---------------|---------------|
| Prepaid Expenses - CVA | 666 | 297 |
| Tax Credits | 702 | 748 |
| Dealers - Transactions on the MAE | 11 | 4 |
| Recoverable Taxes | 285 | 272 |
| Escrow Account re: Lawsuits | 439 | 382 |
| Consumers and Distributors | 85 | 90 |
| Other Receivables; Regulatory Assets; Deferred Tariff Adjustment | 174 | 143 |
| | 12,834 | 12,708 |
| Investments | 1,144 | 1,150 |
| Property, Plant and Equipment | 11,083 | 10,954 |
| Intangible | 607 | 604 |
| TOTAL ASSETS | 25,127 | 24,341 |

Table of Contents**Chart XI**

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

| | 1st Q. 2009 | 2008 |
|---|---------------|---------------|
| CURRENT LIABILITIES | 5,692 | 5,808 |
| Suppliers | 824 | 892 |
| Taxes payable | 810 | 627 |
| Loan, Financing and Debentures | 1,348 | 1,280 |
| Payroll, related charges and employee participation | 253 | 411 |
| Interest on capital and dividends | 960 | 960 |
| Employee post-retirement benefits | 101 | 83 |
| Regulatory charges | 425 | 488 |
| Other Obligations - Provision for losses on financial instruments | 559 | 578 |
| Regulatory Liabilities - CVA | 412 | 489 |
| NON CURRENT LIABILITIES | 9,384 | 8,839 |
| Loan, Financing and Debentures | 6,230 | 6,064 |
| Employee post-retirement benefits | 1,363 | 1,397 |
| Taxes and social charges | 445 | 372 |
| Reserve for contingencies | 691 | 662 |
| Other | 195 | 187 |
| Prepaid expenses - CVA | 460 | 157 |
| PARTICIPATION IN ASSOCIATE COMPANIES | 363 | 342 |
| SHAREHOLDERS EQUITY | 9,688 | 9,352 |
| Registered Capital | 2,482 | 2,482 |
| Capital reserves | 3,983 | 3,983 |
| Income reserves | 2,860 | 2,860 |
| Acumulated Income | 336 | |
| Funds for capital increase | 27 | 27 |
| TOTAL LIABILITIES AND SHAREHOLDERS EQUITY | 25,127 | 24,341 |

Chart XII

Cash Flow Statement (consolidated)
 Values in million of Reais

| | 1st Q. 2009 | 1st Q. 2008 |
|--------------------------------|--------------|--------------|
| Cash at start of period | 2,284 | 2,066 |
| Cash from operations | 638 | 633 |
| Net income | 336 | 490 |
| Depreciation and amortization | 171 | 201 |
| Suppliers | 67 | 188 |
| Deferred Tariff Adjustment | 119 | 100 |

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| | | |
|--|--------------|--------------|
| Other adjustments | (55) | (346) |
| Financing activity | 76 | (94) |
| Financing obtained | 192 | 21 |
| Payment of loans and financing | (116) | (115) |
| Investment activity | (292) | (146) |
| Investments outside the concession area | 22 | (12) |
| Investments in the concession area | (337) | (107) |
| Special obligations - consumer contributions | 23 | (27) |
| Cash at the end of period | 2,706 | 2,459 |

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2. Quarterly Financial Information for the quarter ended March 31, 2009, Companhia Energética de Minas Gerais CEMIG

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Table of Contents**BALANCE SHEETS****AT MARCH 31, 2009 AND DECEMBER 31, 2008****ASSETS****R\$ 000**

| | Consolidated | | Holding company | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 03/31/2009 | 12/31/2008 | 03/31/2009 | 12/31/2008 |
| CURRENT | | | | |
| Cash and cash equivalents (Note 3) | 2,705,591 | 2,283,937 | 214,415 | 256,906 |
| Consumers and traders (Note 4) | 2,155,330 | 2,042,157 | | |
| Extraordinary Tariff Recomposition, and Portion A (Note 6) | 302,636 | 329,350 | | |
| Concession holders transport of energy | 414,102 | 463,165 | | |
| Taxes subject to offsetting (Note 9) | 980,422 | 843,849 | 5,191 | 11,573 |
| Anticipated expenses CVA (Note 8) | 579,414 | 778,545 | | |
| Traders Transactions in Free Energy (Note 7) | 16,115 | 15,076 | | |
| Tax credits (Note 10) | 297,298 | 188,792 | 41,899 | 18,381 |
| Dividends receivable | | | 1,436,468 | 1,436,822 |
| Regulatory asset PIS, Pasep, Cofins (Note 13) | | 46,240 | | |
| Deferred Tariff Adjustment (Note 11) | 14,644 | 133,423 | | |
| Inventories | 36,817 | 35,830 | 17 | 17 |
| Other credits | 492,655 | 517,158 | 19,804 | 21,582 |
| TOTAL, CURRENT | 7,995,024 | 7,677,522 | 1,717,794 | 1,745,281 |
| NONCURRENT | | | | |
| Noncurrent assets | | | | |
| Accounts receivable from Minas Gerais State govt. (Note 12) | 1,770,926 | 1,800,873 | | |
| Regulatory asset PIS, Pasep, Cofins (Note 13) | 46,240 | | | |
| Credit Receivables Fund (Note 12) | | | 820,008 | 810,593 |
| Extraordinary Tariff Recomposition, and Portion A (Note 6) | 165,296 | 218,688 | | |
| ANTICIPATED EXPENSES CVA (Note 8) | 666,496 | 296,762 | | |
| Tax credits (Note 10) | 701,843 | 748,014 | 128,706 | 145,976 |
| Traders Transactions in Free Energy (Note 7) | 10,640 | 4,107 | | |
| Taxes subject to offsetting (Note 9) | 284,935 | 272,052 | 189,477 | 174,109 |
| Deposits linked to legal actions | 438,834 | 382,176 | 88,946 | 87,831 |
| Consumers and traders (Note 4) | 84,781 | 90,529 | | |
| Other credits | 128,412 | 142,795 | 72,593 | 64,866 |
| | 4,298,403 | 3,955,996 | 1,299,730 | 1,283,375 |
| Investments (Note 14) | 1,147,818 | 1,149,986 | 8,210,890 | 7,861,251 |
| Property, plant and equipment (Note 15) | 11,082,829 | 10,953,527 | 2,007 | 2,034 |
| Intangible (Note 16) | 602,813 | 604,437 | 2,247 | 2,543 |
| TOTAL, NONCURRENT | 17,085,863 | 16,663,946 | 9,514,874 | 9,149,203 |
| TOTAL ASSETS | 25,126,887 | 24,341,468 | 11,232,668 | 10,894,484 |

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

Table of Contents**BALANCE SHEETS****AT MARCH 31, 2009 AND DECEMBER 31, 2008****LIABILITIES****R\$ 000**

| | Consolidated | | Holding company | |
|---|---------------------|-------------------|------------------------|-------------------|
| | 03/31/2009 | 12/31/2008 | 03/31/2009 | 12/31/2008 |
| CURRENT | | | | |
| Suppliers (Note 17) | 824,407 | 891,821 | 3,212 | 7,134 |
| Regulatory charges (Note 20) | 425,344 | 488,835 | | |
| Profit shares | 39,472 | 116,955 | 1,490 | 4,502 |
| Taxes, charges and contributions (Note 18) | 810,128 | 627,333 | 20,731 | 31,990 |
| Interest on Equity and dividends payable | 960,129 | 960,129 | 960,129 | 960,129 |
| Loans and financings (Note 19) | 912,515 | 881,880 | 9,417 | 6,740 |
| Debentures (Note 19) | 434,864 | 398,268 | | |
| Salaries and mandatory charges on payroll | 214,508 | 293,894 | 11,980 | 16,117 |
| Regulatory liabilities CVA (Note 8) | 146,776 | 488,284 | | |
| Regulatory liabilities Tariff Review | 264,626 | | | |
| Post-employment obligations (Note 21) | 100,514 | 83,097 | 4,016 | 3,907 |
| Provision for losses on financial instruments (Note 31) | 120,048 | 98,628 | | |
| Debt to related parties (Note 30) | | | 10,406 | 10,003 |
| Other obligations | 438,896 | 478,947 | 18,903 | 20,623 |
| TOTAL, CURRENT | 5,692,227 | 5,808,071 | 1,040,284 | 1,061,145 |
| NONCURRENT | | | | |
| Regulatory Liabilities CVA (Note 8) | 459,537 | 156,883 | | |
| Loans and financings (Note 19) | 4,991,326 | 4,824,307 | 73,587 | 73,587 |
| Debentures (Note 19) | 1,238,430 | 1,240,283 | | |
| Taxes, charges and contributions (Note 18) | 444,684 | 371,385 | | |
| Contingency provisions (Note 22) | 690,570 | 661,935 | 378,886 | 355,153 |
| Post-employment obligations (Note 21) | 1,364,171 | 1,396,704 | 52,005 | 52,935 |
| Other obligations | 195,192 | 187,450 | 30 | 30 |
| TOTAL, NONCURRENT | 9,383,910 | 8,838,947 | 504,508 | 481,705 |
| INTEREST OF NON-CONTROLLING STOCKHOLDERS | 362,874 | 342,816 | | |
| STOCKHOLDERS EQUITY (Note 23) | | | | |
| Registered capital | 2,481,508 | 2,481,508 | 2,481,508 | 2,481,508 |
| Capital reserves | 3,983,021 | 3,983,021 | 3,983,021 | 3,983,021 |
| Capital reserves | 2,859,920 | 2,859,920 | 2,859,920 | 2,859,920 |
| Accumulated Conversion Adjustment | 61 | 61 | 61 | 61 |
| Retained earnings | 336,242 | | 336,242 | |
| Funds allocated to increase of capital | 27,124 | 27,124 | 27,124 | 27,124 |
| TOTAL STOCKHOLDERS EQUITY | 9,687,876 | 9,351,634 | 9,687,876 | 9,351,634 |

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| | | | | |
|-------------------|------------|------------|------------|------------|
| TOTAL LIABILITIES | 25,126,887 | 24,341,468 | 11,232,668 | 10,894,484 |
|-------------------|------------|------------|------------|------------|

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

Table of Contents**INCOME STATEMENTS****FOR THE QUARTERS ENDED MARCH 31, 2009 AND 2008****(In R\$ 000, except profit per share)**

| | Consolidated | | Holding company | |
|---|---------------------|--------------------|------------------------|-------------------|
| | 03/31/2009 | 03/31/2008 | 03/31/2009 | 03/31/2008 |
| OPERATIONAL REVENUE | | | | |
| Gross supply of electricity (Note 24) | 3,136,503 | 3,575,243 | | |
| Revenue for use of the network Free Consumers (Note 25) | 452,092 | 481,592 | | |
| Other operational revenues (Note 26) | 138,268 | 146,302 | 84 | 97 |
| | 3,726,863 | 4,203,137 | 84 | 97 |
| DEDUCTIONS FROM OPERATIONAL REVENUE (Note 27) | | | | |
| | (1,360,541) | (1,448,478) | | |
| NET OPERATIONAL REVENUE | 2,366,322 | 2,754,659 | 84 | 97 |
| OPERATIONAL COSTS | | | | |
| COST OF ELECTRICITY AND GAS (Note 28) | | | | |
| Energy purchased for resale | (671,842) | (725,366) | | |
| Charges for the use of the basic transmission grid | (204,191) | (172,324) | | |
| Gas purchased for resale | (39,314) | (53,420) | | |
| | (915,347) | (951,110) | | |
| COST OF OPERATION (Note 28) | | | | |
| Personnel and managers | (259,691) | (245,204) | | |
| Private Pension Plan entity | (28,778) | (53,499) | | |
| Materials | (26,117) | (25,214) | | |
| Raw materials and inputs for production | | (21,785) | | |
| Outsourced services | (134,732) | (117,655) | | |
| Depreciation and amortization | (165,959) | (178,427) | | |
| Operational provisions | (1,735) | (8,116) | | |
| Financial compensation for use of water resources | (36,218) | (33,786) | | |
| Other | (22,605) | (22,020) | | |
| | (675,835) | (705,706) | | |
| TOTAL COST | (1,591,182) | (1,656,816) | | |
| GROSS PROFIT | 775,140 | 1,097,843 | 84 | 97 |
| OPERATIONAL COST (Note 28) | | | | |
| Selling expenses | (41,661) | (54,672) | | |
| General and administrative expenses | (106,276) | (126,159) | (37,467) | (48,730) |
| Other operational expenses | (17,561) | (37,045) | (2,972) | (1,514) |
| | (165,498) | (217,876) | (40,439) | (50,244) |
| Operational profit before equity gains and financial revenues (exp.) | | | | |
| | 609,642 | 879,967 | (40,355) | (50,147) |
| Equity gain (loss) from subsidiaries | | | 359,737 | 539,864 |
| Net financial revenue (expenses) (Note 29) | (37,757) | (79,112) | 11,839 | (4,596) |

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| | | | | |
|---|----------------|----------------|----------------|----------------|
| Profit before taxes and stockholdings | 571,885 | 800,855 | 331,221 | 485,121 |
| Income tax and Social Contribution tax (Note 10) | (270,497) | (331,130) | (1,541) | (8,549) |
| Income tax and Social Contribution deferred (Note 10) | 82,498 | 55,033 | 7,464 | 14,479 |
| Employees and managers shares in results | (27,424) | (22,058) | (902) | (771) |
| Minority interests | (20,220) | (12,420) | | |
| NET PROFIT FOR THE PERIOD | 336,242 | 490,280 | 336,242 | 490,280 |
| NET PROFIT PER SHARE R\$ | | | 0.68 | 1.01 |

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

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STATEMENTS OF CASH FLOWS

FOR THE QUARTERS ENDED MARCH 31, 2009 AND 2008

R\$ 000

| | Consolidated | | Holding company | |
|---|----------------|----------------|-----------------|-----------------|
| | 03/31/2009 | 03/31/2008 | 03/31/2009 | 03/31/2008 |
| FROM OPERATIONS | | | | |
| Net profit for the year | 336,242 | 490,280 | 336,242 | 490,280 |
| Expenses (revenues) not affecting Cash and equivalents | | | | |
| Depreciation and amortization | 171,042 | 201,481 | 46 | 74 |
| Net write-offs of fixed assets | 5,119 | 4,925 | | 8 |
| Equity gain from subsidiaries | | | (359,737) | (539,864) |
| Interest and monetary variations Noncurrent | (32,213) | 17,034 | (9,415) | (15,602) |
| Deferred federal taxes | (82,536) | (55,033) | (7,464) | (14,479) |
| Provisions for operational losses | 65,772 | 118,844 | 31,197 | 64,802 |
| Provision for losses on financial instruments | 20,723 | 5,001 | | |
| Provisions for losses in recovery of Extraordinary Tariff | | | | |
| Recomposition amounts | | 15,987 | | 4,357 |
| Post-employment obligations | 33,987 | 61,668 | 1,417 | 2,796 |
| Minority interests | 20,220 | 12,420 | | |
| Other | (8,700) | 3,897 | | |
| | 529,656 | 876,504 | (7,714) | (7,628) |
| (Increase) reduction of assets | | | | |
| Consumers and traders | (144,062) | (93,981) | | |
| Extraordinary Tariff Recomposition short term | 62,460 | 95,251 | | |
| Amortization of accounts receivable from Minas Gerais State Govt. | 69,953 | 63,151 | | |
| Traders transactions on CCEE | 2,107 | 13,521 | | |
| Deferred tax credits | 85,325 | (25,245) | (6,248) | (15,570) |
| Taxes subject to offsetting | (149,456) | (104,858) | (8,986) | 5,603 |
| Transport of energy | 49,063 | (49,331) | | |
| Other current assets | 23,516 | (32,032) | 1,778 | 186 |
| Deferred tariff adjustment | 118,779 | 100,416 | | |
| Anticipated expenses CVA | (147,632) | (101,941) | | |
| Other noncurrent assets | 917 | (10,892) | (7,727) | 1,270 |
| Payments into Court | (47,082) | 5,189 | (1,115) | |
| Dividends received from subsidiaries | | | (2,642) | 70,805 |
| | (76,112) | (140,752) | (24,940) | 62,294 |
| Increase (reduction) of liabilities | | | | |
| Suppliers | (67,414) | (187,969) | (3,922) | (2,668) |
| Taxes and Social Contribution | 197,792 | 191,108 | (11,259) | 4,470 |
| Salaries and mandatory charges on payroll | (79,386) | (25,130) | (4,137) | 1,283 |
| Regulatory charges | (63,761) | 15,386 | | |
| Loans and financings | 133,657 | 128,501 | 2,677 | 2,391 |
| Post-employment obligations | (27,947) | (62,162) | (2,238) | (2,834) |
| Anticipated expenses CVA | (38,831) | (7,447) | | |
| Losses on financial instruments | 697 | 3,516 | | |
| Other | 128,979 | (158,480) | (4,329) | (87,764) |
| | 183,786 | (102,677) | (23,208) | (85,122) |
| CASH GENERATED BY OPERATIONS | 637,330 | 633,075 | | (30,456) |
| FINANCING ACTIVITIES | | | | |

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| | | | | |
|--|----------------|----------------|-----------------|-----------------|
| Financings obtained | 192,367 | 21,213 | | |
| Receipt of units in the FIDC | | | | 899 |
| Payments of loans and financings | (116,352) | (114,957) | | |
| | 76,015 | (93,744) | | 899 |
| TOTAL INFLOW OF FUNDS | 713,345 | 539,331 | (55,862) | (29,557) |
| CAPITAL EXPENDITURE | | | | |
| On investments | 22,350 | (12,385) | 13,094 | 70,684 |
| In fixed assets | (336,903) | (106,941) | 277 | (158) |
| Special Obligations consumer contributions | 22,862 | (27,449) | | |
| | (291,691) | (146,775) | 13,371 | 70,526 |
| NET CHANGE IN CASH POSITION | 421,654 | 392,556 | (42,491) | 40,969 |
| STATEMENT OF CHANGES IN CASH POSITION | | | | |
| Beginning of period | 2,283,937 | 2,066,219 | 256,906 | 21,953 |
| End of period | 2,705,591 | 2,458,775 | 214,415 | 62,922 |
| | 421,654 | 392,556 | (42,491) | 40,969 |

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

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EXPLANATORY NOTES TO THE QUARTERLY INFORMATION (ITR)

FOR THE YEAR ENDED DECEMBER 31, 2008

AND QUARTERS ENDED MARCH 31, 2009 AND 2008

In R\$ 000, except where otherwise stated

1) OPERATIONAL CONTEXT

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

On March 31, 2009 Cemig had stockholdings in the following **companies in operation** (information on markets served, and installed capacity, has not been reviewed by our external auditors):

- **Cemig Geração e Transmissão S. A. (Cemig GT or Cemig Generation and Transmission)** (subsidiary, 100% stake): Registered with the CVM (Brazilian Securities Commission). Generation and transmission of electricity, through 46 power plants, 43 being hydroelectric, one a wind power plant and two thermal plants, and their transmission lines, most of them part of the Brazilian national generation and transmission grid system. Cemig GT has stockholdings in the following subsidiaries:
- **Hidrelétrica Cachoeirão S. A.** (jointly controlled, 49.00% stake): Production and sale of electricity as an independent power producer, through the Cachoeirão hydroelectric power plant located at Pocrane, in the State of Minas Gerais with installed capacity of 27 MW (information not reviewed by the external auditors). The plant began operating in 2009.

Subsidiaries at pre-operational stage:

Guanhães Energia S. A. (jointly controlled 49.00% stake): Production and sale of electricity through building and commercial operation of the following Small Hydro Plants: *Dores de Guanhães*; *Senhora do Porto*; and *Jacaré*, located in the municipality of Dores de Guanhães; and *Fortuna II*, located in the municipality of Virgíópolis, both in Minas Gerais State. The plants are at construction phase, with operational startup scheduled for 2009, and have totaled installed capacity of 44 MW.

Central Baguari Energia S. A (subsidiary 100% stake): Production and sale of electricity as an independent producer in future projects.

Madeira Energia S. A. (jointly controlled 10.00% stake): Implementation, construction, operation and commercial operation of the *Santo Antônio Hydroelectric Plant* in the Madeira River Basin, in the State of Rondônia, with generation capacity of 3,150 MW (information not audited) and commercial startup scheduled for 2012.

Hidrelétrica Pipoca S. A. (jointly controlled, 49.00% stake): Independent production of electricity, through construction and commercial operation of the *Pipoca Small Hydro Plant*, with 20,000 kW of installed capacity, located on the Manhuaçu River, in the Municipalities of Caratinga and Ipanema, in the State of Minas Gerais. Operational startup is scheduled for April 2010.

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Baguari Energia S. A. (jointly controlled, 69.39% stake): Construction, operation, maintenance and commercial operation of the *Baguari Hydroelectric Plant*, through its participation in the **UHE Baguari Consortium** (Baguari Energia 49.00%, **Neoenergia** 51.00%), with 140 MW of installed capacity, located on the Doce River in Governador Valadares, Minas Gerais State. Operational startup is planned for October 2009 (1st unit), December 2009 (2 nd unit), and February 2010 (3rd unit).

Empresa Brasileira de Transmissão de Energia S. A. (**EBTE**) (jointly-controlled 49.00% stake): Holder of public service concession for electricity transmission, through transmission lines in the State of Mato Grosso. Operational startup is scheduled for June 2010.

- **Cemig Distribuição S. A. (Cemig D or Cemig Distribution)** (subsidiary 100% stake): registered with the CVM (Brazilian Securities Commission). Distribution of electricity through distribution networks and lines in approximately 97.00% of the Brazilian State of Minas Gerais.

- **Rio Minas Energia Participações (RME)** (jointly-controlled 25.00% stake): RME holds 52.13% of the registered capital of **Light S. A. (Light)**, a holding company owning 100% of the distribution concession holder **Light Serviços de Eletricidade S. A. (Light SESA)**, with 3.9 million consumers in 31 municipalities of the State of Rio de Janeiro, and of the generating company **Light Energia S. A.**, with generating capacity of 855 MW.

- **Sá Carvalho S. A.** (subsidiary 100% stake): Production and sale of electricity, as a holder of a concession for public electricity service, through the *Sá Carvalho Hydroelectric Power Plant*.

- **Usina Térmica Ipatinga S. A.** (subsidiary 100% stake): Production and sale, under the independent production regime, of thermally produced electricity, through the *Ipatinga Thermal Plant*, located on the premises of **Usiminas** (Usinas Siderúrgicas de Minas Gerais S. A.).

- **Companhia de Gás de Minas Gerais Gasmig (Gasmig)** (jointly controlled 55.19% stake): Acquisition, transport and distribution of combustible gas or sub-products and derivatives, through concession for distribution of gas in the State of Minas Gerais.

- **Empresa de Infovias S. A. (Infovias)** (subsidiary 100% stake): Provision and commercial exploration of a specialized service in the area of telecommunications, by means of an integrated system consisting of fiber optic cables, coaxial cables, electronic and associated equipment (multi-service network).

- **Efficientia S. A.** (subsidiary 100% stake): Provides electricity efficiency and optimization services and energy solutions through studies and execution of projects, as well as providing services of operation and maintenance in energy supply facilities.
- **Horizontes Energia S. A.** (subsidiary 100% stake): Production and sale of electricity, in the independent product mode, through the *Machado Mineiro* and *Salto do Paraopeba Hydroelectric Plants*, in the State of Minas Gerais, and the *Salto do Voltão* e *Salto do Passo Velho Hydroelectric Plants*, in the State of Santa Catarina.
- **Central Termelétrica de Cogeração** (subsidiary 100% stake): Production and sale of thermally generated electricity as an independent power producer in future projects.
- **Rosal Energia S. A.** (subsidiary 100% stake): Production and sale of electricity, as a public electricity service concession holder, through the *Rosal Hydroelectric Plant* located on the border between the States of Rio de Janeiro and Espírito Santo.

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- **Central Hidrelétrica Pai Joaquim S. A.** (subsidiary 100% stake): Production and sale of electricity as an independent producer in future projects.
- **Cemig PCH S. A.** (subsidiary 100% stake): Production and sale of electricity as an independent power producer, through the *Pai Joaquim Hydroelectric Plant*.
- **Cemig Capim Branco Energia S. A.** (subsidiary 100% stake): Production and sale of electricity as an independent producer, through the *Capim Branco I and II Hydroelectric Plants*, built through a consortium with private-sector partners.
- **UTE Barreiro S. A.** (subsidiary 100% stake): Production and sale of thermally generated electricity, as an independent producer, through the construction and operation of the *UTE Barreiro Thermal Generation Plant*, located on the premises of **Vallourec & Mannesmann Tubes**, in the State of Minas Gerais.
- **Companhia Transleste de Transmissão** (jointly controlled 25.00% stake): Operation of a 345 kV transmission line connecting the substation located in Montes Claros to the substation of the *Irapé Hydroelectric Plant*.
- **Cemig Trading S. A.** (subsidiary 100% stake): Sale and intermediation of business transactions related to energy.
- **Companhia Transudeste de Transmissão** (jointly controlled 24.00% stake): Construction, implementation, operation and maintenance of the electricity transmission facilities of the national grid the 345 kV *Itutinga Juiz de Fora transmission line*.
- **Companhia Transirapé de Transmissão** (jointly controlled 24.50% stake): Construction, implementation, operation and maintenance of the electricity transmission facilities of the national grid the 230 kV *Irapé Araçuaí transmission line*.
- **Empresa Paraense de Transmissão de Energia S. A. (EPTE)** (jointly controlled 19.26% stake): Holder of a public service electricity transmission concession for the 500 kV transmission line in the State of Pará.

- Empresa Norte de Transmissão de Energia Empresa Norte de Transmissão de Energia S. A. (**ENTE**) (jointly controlled 18.35% stake): Holder of a public service electricity transmission concession for two 500 kV transmission lines in the State of Pará and in the State of Maranhão.
- Empresa Regional de Transmissão de Energia Empresa Regional de Transmissão de Energia S. A. (**ERTE**) (jointly controlled 18.35% holding): Holder of a public service electricity transmission concession, for the 230 kV transmission line in the State of Pará.
- Empresa Amazonense de Transmissão de Energia S. A. (**EATE**) (jointly controlled 17.17% stake): Holder of the public service electricity transmission concession, for the 500 kV transmission lines between the sectionalizing substations of Tucuruí, Marabá, Imperatriz, Presidente Dutra and Açailândia.
- Empresa Catarinense de Transmissão de Energia S. A. (**ECTE**) (jointly controlled, with 7.50% stake): holder of the public service electricity transmission service concession, through 525 kV transmission lines in the State of Santa Catarina.
- **Axxiom Soluções Tecnológicas S. A. (Axxiom)** (jointly controlled 49.00% stake): Formed in August 2007 to provide systems implementation and management services to electricity sector companies.

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Pre-operational companies: Cemig also has stockholdings in the companies listed below, which on March 31, 2009 were at **pre-operational** stage:

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

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

2) PRESENTATION OF THE QUARTERLY INFORMATION

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

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

Additionally, to maximize information provided to the market, the company is presenting, in Explanatory Note 33, income statements separated by company. All the information presented was obtained from the accounting records of the Company and its subsidiaries.

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

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

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

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The effects in the quarterly statement because of the changes in the Corporate Law were basically, (i) the present value and (ii) financial instruments, and the impact in the net profit of the quarterly ended on March 31, 2008 were in the amount of R\$6,632 and R\$13,775, respectively, and those were not adjusted in the quarterly information for comparative because the amounts were imaterial.

Criterion for consolidation of the Quarterly Information

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

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

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

The financial statements of **Transchile**, for the purpose of consolidation, are converted from Chilean accounting principles to Brazilian accounting principles, with Chilean pesos being converted to Reais based on the final exchange rate of the quarter, since the functional currency of Cemig is the Real.

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

Table of Contents**3) CASH AND CASH EQUIVALENTS**

| | Consolidated | | Holding company | |
|---------------------------------|------------------|------------------|-----------------|----------------|
| | 03/31/2009 | 12/31/2008 | 03/31/2009 | 12/31/2008 |
| Bank accounts | 91,316 | 330,772 | 4,283 | 17,361 |
| Cash investments | | | | |
| Bank deposit certificates | 2,514,592 | 1,871,418 | 209,892 | 239,317 |
| Treasury Financial Notes (LFTs) | 42,448 | 46,463 | 127 | 118 |
| National Treasury Notes (LTNs) | 232 | 585 | 1 | 1 |
| Other | 57,023 | 34,699 | 112 | 109 |
| | 2,614,275 | 1,953,165 | 210,132 | 239,545 |
| | 2,705,591 | 2,283,937 | 214,415 | 256,906 |

Cash investments are transactions carried out with Brazilian financial institutions, contracted on normal market terms and conditions. They are highly liquid, promptly convertible into a known amount of cash, and are subject to an insignificant risk of change in value.

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

4) CONSUMERS AND RESELLERS**Current assets**

| | Consolidated | | Holding company | |
|--|------------------|------------------|-----------------|------------|
| | 03/31/2009 | 12/31/2008 | 03/31/2009 | 12/31/2008 |
| Retail supply invoiced | 1,832,537 | 1,765,874 | 51,114 | 52,366 |
| Retail supply not invoiced | 649,313 | 676,463 | | |
| Wholesale supply to other concession holders | 62,215 | 18,312 | | |
| (-) Provision for doubtful receivables | (388,735) | (418,492) | (51,114) | (52,366) |
| | 2,155,330 | 2,042,157 | | |

Receivables in the amount of R\$ 10,416 are recorded in Noncurrent assets at March 31, 2009 (R\$ 17,380 at December 31, 2008), in relation to the renegotiation of receivables owed by Copasa (Minas Gerais Water Company) and other consumers, to be paid by September 2012.

Credits receivable from an industrial consumer in the amount of R\$ 92,880 on March 31, 2009 refer to credits from an industrial consumer of Cemig D and Cemig GT, and not paid due to an injunction that allowed this payment not to be made until final judgment of a legal action challenging the tariff increase effected by Ministerial Order 045/86 during the Cruzado Economic Plan, are recorded in the accounts. The

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Company expects these amounts to be received in full.

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

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

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

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

| | Consolidated | |
|---|----------------|------------------|
| | 03/31/2009 | 12/31/2008 |
| Assets | | |
| Portion A Note 6 | 467,932 | 548,038 |
| Traders transactions in free energy during the rationing program Note 7 | 26,755 | 19,183 |
| Deferred tariff adjustment Note 11 | 14,644 | 133,423 |
| PIS, Cofins, Pasep taxes Note 13 | 46,240 | 46,240 |
| Pre-paid expenses CVA Note 8 | 1,245,909 | 1,075,307 |
| Review of Tariff for use of the Distribution System (TUSD) | 3,089 | 3,089 |
| Discounts on the TUSD | | 25,095 |
| Recovery of discounts on the TUSD | 13,712 | 19,295 |
| TUSD discounts Source with incentive | | 27,203 |
| TUSD discounts Self-Producers and Independent Producers | | 19,514 |
| Low-income subsidy | 129,454 | 92,191 |
| <i>Light for Everyone (Luz para Todos) Program.</i> | 981 | 13,626 |
| Other regulatory assets | 18,199 | 3,082 |
| | 1,966,915 | 2,025,286 |
| Liabilities | | |
| Purchase of electricity during the rationing period Note 17 | (17,476) | (23,749) |
| Revision of transmission revenue | (3,691) | (7,662) |
| Amounts to be restituted in the tariff CVA Note 8 | (606,313) | (645,167) |
| Review of Tariff for use of the Distribution System (TUSD) | (14,444) | (17,519) |
| CCEAR contract exposure between Sub-markets | (22,285) | |
| Adjust in the reference company (pro rata) | (104,459) | |
| Financial adjustment for the 2008 Tariff Review | (160,167) | |
| Other regulatory liabilities | (8,494) | (6,630) |
| | (937,329) | (700,727) |
| Taxes, charges and contributions deferred obligations - Note 18 | (37,399) | (89,281) |
| | (974,728) | (790,008) |
| Total | 992,187 | 1,235,278 |

6) THE EXTRAORDINARY TARIFF RECOMPOSITION, AND PORTION A

The Brazilian federal government, through the Electricity Emergency Chamber (GCE), signed an accord with the electricity distributors and generators in 2001, named The General Agreement for the Electricity Sector, which defines criteria to ensure economic-financial equilibrium of the concession contracts and re-composition of the revenues and extraordinary losses relating to the period of the Brazilian Rationing Program, through a system known as the *Extraordinary Tariff Recomposition* (RTE), granted to compensate the variation of Portion A non-manageable costs taking place in the period January 1 to October 25, 2001

a) The Extraordinary Tariff Recomposition (RTE)

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

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

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The RTE is being used to compensate the following items:

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

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

b) Portion A

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

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

The Portion A credits are updated by the variation in the Selic rate up to the month in which they are actually offset.

As and when amounts of Portion A are received through the tariff, Cemig transfers those amounts from Assets to the Income statement, as follows: The amounts transferred by Cemig D in 2009 are as follows:

| Amounts transferred to expenses | 03/31/2009 |
|--|-------------------|
| Energy bought for resale | 45,408 |
| CCC | 20,107 |
| RGR Global Reversion Reserve | 2,009 |

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| | |
|---|--------|
| Tariff for transport of electricity from Itaipu | 775 |
| Tariff for use of national grid transmission facilities | 5,193 |
| Financial compensation for use of water resources | 1,784 |
| Connection Realization of Portion A | 110 |
| Electricity service inspection charge | 188 |
| | 75,574 |

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c) Composition of the balances of Portion A

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

| | 03/31/2009 | Consolidated | 12/31/2008 |
|-------------------------------------|----------------|--------------|----------------|
| Cemig Distribuição S. A. | | | |
| Compensation for items of Portion A | 796,762 | | 782,525 |
| Amounts raised | (343,039) | | (267,465) |
| Total of Portion A | 453,723 | | 515,060 |
| RME Light Energia | | | |
| Portion A | 14,209 | | 32,978 |
| | 14,209 | | 32,978 |
| Total of Portion A | 467,932 | | 548,038 |
| Current assets | 302,636 | | 329,350 |
| Noncurrent assets | 165,296 | | 218,688 |

7) TRADERS TRANSACTIONS IN FREE ENERGY

The entitlements of the subsidiary **Cemig Geração e Transmissão (Cemig GT)** in relation to the transactions in free energy in the Electricity Trading Chamber (CCEE, formerly MAE) during the Rationing Program are as follows:

| | 03/31/2009 | Consolidated | 12/31/2008 |
|--|---------------|--------------|---------------|
| ASSETS | | | |
| Amounts to be received from distributors | 44,152 | | 45,302 |
| Provision for losses in realization | (17,397) | | (26,119) |
| | 26,755 | | 19,183 |
| Current | 16,115 | | 15,076 |
| Noncurrent | 10,640 | | 4,107 |

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

Under Aneel Resolution 36 of January 29, 2003, since March 2003 the electricity distributors raise and passthrough the amounts obtained monthly by means of the RTE to the generators and distributors who have amounts to be received, which include Cemig GT.

The entitlements of the subsidiary Cemig GT are updated by the variation in the Selic rate plus 1.00% interest per year.

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

Provision for losses in realization

The provision constituted at present, in the amount of R\$ 17,397, represents the losses expected as a result of the period of receipt of the RTE from the distributors who are still passing funds through to the company not being sufficient, in the company's estimation, for passthrough of the total of the amounts owed.

Table of Contents**8) ANTICIPATED EXPENSES AND REGULATORY LIABILITIES CVA**

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

The balance on the CVA is shown below:

| | 03/31/2009 | Consolidated 12/31/2008 |
|------------------------------------|----------------|----------------------------|
| Cemig Distribuição S. A. (Cemig D) | 573,042 | 379,728 |
| RME Light | 66,555 | 50,412 |
| | 639,597 | 430,140 |
| Current assets | 579,414 | 778,545 |
| Noncurrent assets | 666,496 | 296,762 |
| Current assets | (146,776) | (488,284) |
| Noncurrent liabilities | (459,537) | (156,883) |
| Net amounts | 639,597 | 430,140 |

9) TAXES SUBJECT TO OFFSETTING

| | Consolidated | | Holding company | |
|-------------------------|------------------|------------------|-----------------|----------------|
| | 03/31/2009 | 12/31/2008 | 03/31/2009 | 12/31/2008 |
| Current | | | | |
| ICMS tax recoverable | 203,280 | 196,261 | 3,806 | 3,806 |
| Income tax | 520,380 | 399,104 | | |
| Social Contribution tax | 175,704 | 126,188 | | |
| Pasep tax | 8,130 | 14,471 | | 1,132 |
| Cofins tax | 57,254 | 93,130 | | 5,250 |
| Other | 15,674 | 14,695 | 1,385 | 1,385 |
| | 980,422 | 843,849 | 5,191 | 11,573 |
| Noncurrent | | | | |
| ICMS tax recoverable | 95,884 | 97,372 | 426 | 426 |
| Income tax | 178,121 | 163,276 | 178,121 | 163,276 |
| Social Contribution tax | 10,930 | 10,407 | 10,930 | 10,407 |
| Pasep and Cofins taxes | | 997 | | |
| | 284,935 | 272,052 | 189,477 | 174,109 |
| | 1,265,357 | 1,115,901 | 194,668 | 185,682 |

The Pasep and Cofins credits arise from payments made in excess by the company as a result of adoption of the non-cumulative regime for revenues from the transmission companies whose supply contracts were made before October 31, 2003, and which, under regulations

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subsequently made by the Brazilian Federal Revenue authority, were allowed to be revised and to qualify under the cumulative regime. As a consequence of this revision, the restitution of tax amounts paid in excess in previous business periods was permitted.

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

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

Table of Contents**10) TAX CREDITS****Deferred income tax and Social Contribution tax**

Cemig and its subsidiaries have deferred income tax credits posted in Current assets and Noncurrent assets, constituted at the rate of 25.00%, and deferred Social Contribution tax credits, at the rate of 9.00%, as follows:

| | Consolidated | | Holding company | |
|---|----------------|----------------|-----------------|----------------|
| | 03/31/2009 | 12/31/2008 | 03/31/2009 | 12/31/2008 |
| Tax credits on temporary differences: | | | | |
| Tax loss/negative base | 262,014 | 234,346 | 41,534 | 41,676 |
| Contingency provisions | 206,969 | 197,415 | 107,884 | 100,296 |
| Provisions for losses on realization of amounts receivable under the Extraordinary Tariff | | | | |
| Recomposition and free energy | 11,857 | 46,540 | | |
| Provision for the Tariff Adjustment Index | 87,143 | | | |
| Post-employment obligations | 93,852 | 95,686 | 3,280 | 3,439 |
| Provision for doubtful receivables | 152,748 | 163,509 | 17,379 | 17,805 |
| Provision for Pasep and Cofins | | | | |
| Tariff Recomposition | 1,577 | 5,349 | | |
| Provision for non-recovery of tax credits | (29,616) | (29,616) | | |
| Financial Instruments | 65,045 | 57,136 | | |
| FX variation | 110,740 | 109,385 | | |
| Other | 36,812 | 57,056 | 528 | 1,141 |
| | 999,141 | 936,806 | 170,605 | 164,357 |
| Current assets | 297,298 | 188,792 | 41,899 | 18,381 |
| Noncurrent assets | 701,843 | 748,014 | 128,706 | 145,976 |

At its meeting on February 12, 2009, the Board of Directors approved the technical study prepared by the Office of the Chief Officer for Finance, Investor Relations and Control of Holdings on the forecasts for future profitability adjusted to present value, which show capacity for realization of the deferred tax asset in a maximum period of 10 years, as defined in CVM Instruction 371. This study included Cemig and its subsidiaries Cemig GT and Cemig D, and was submitted for examination by the Audit Board of Cemig on February 05, 2009,

In accordance with the individual estimates of Cemig and its subsidiaries, future taxable profits enable the deferred tax asset existing on March 31, 2009 to be realized according to the following estimate:

| | Consolidated | Holding company |
|------|--------------|-----------------|
| 2009 | 250.982 | 31.541 |
| 2010 | 269.003 | 41.432 |
| 2011 | 134.998 | 29.038 |

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| | | | |
|---|-----------|----------|---------|
| 2012 | | 115.630 | 29.038 |
| 2013 | | 124.026 | 32.133 |
| 2014 to 2016 | | 62.947 | 6.766 |
| 2017 and 2018 | | 71.171 | 657 |
| () Provision for non-recovery of tax credits | RME/Light | (29.616) | |
| | | 999.141 | 170.605 |

As well as the provision for non-recovery of tax credits of Light, on March 31, 2009 the holding company had tax credits not recognized in its financial statements, in the amount of R\$409,375 (R\$ 445,386 on December 31, 2008).

The credits not recognized refer basically to the effective loss arising from the assignment of the credits of accounts receivable from the state government to the Credit Receivables Fund in the first quarter of 2006 (as per Explanatory Note 14). As a result of this assignment the provision for losses on recovery of the amounts constituted in previous years became deductible for the purposes of income tax and Social Contribution. The portion not recognized in relation to this issue is R\$ 437,509.

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

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

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

| | Consolidated | | Holding company | |
|---|------------------|------------------|-----------------|--------------|
| | 1Q09 | 1Q08 | 1Q09 | 1Q08 |
| Profit before income tax and Social Contribution tax | 571,885 | 800,855 | 331,221 | 485,121 |
| Income tax and Social Contribution nominal expense | (194,339) | (272,291) | (112,615) | (164,941) |
| Tax effects applicable to: | | | | |
| Equity gain (loss) from subsidiaries | | | 122,311 | 183,554 |
| Reversal relating to Social Contribution tax on complementary monetary adjustment | | (8,549) | | (8,549) |
| Employees profit shares | 9,386 | 7,500 | 307 | 262 |
| Non-deductible contributions and donations | (735) | (1,065) | (82) | (51) |
| Tax incentives | 2,778 | | 7 | |
| Tax credits not recognized | 709 | (3,329) | 29 | (3,329) |
| Amortization of goodwill | (1,387) | (1,387) | (1,387) | (1,387) |
| Adjustment to income tax and Social Contribution previous business year | (12,369) | | | |
| Other | 8,058 | 3,024 | (2,647) | 371 |
| Income tax and Social Contribution effective expense | (187,999) | (276,097) | 5,923 | 5,930 |

c) The transition tax regime

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

Application of the RTT is optional for the years 2008 and 2009, and applies to corporate entities subject to Corporate Income Tax (IRPJ), in accordance with the two tax reporting methods: *real profit* or *presumed profit*. The taxpayer must state a choice in relation adoption of the RTT in the Corporate Income Tax Return (DIPJ) for 2009, this regime being optional for 2008 and 2009. Starting in 2010, adoption of the RTT becomes obligatory, until the law that regulates the tax effects of the new accounting methods and criteria comes into effect.

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

Based on an initial assessment, the Company has reflected in its accounting statements the effects of the adoption of the RTT, and additional studies will be carried out before the delivery of the DIPJ for 2009.

Table of Contents**11) DEFERRED TARIFF ADJUSTMENT**

Aneel, through Homologating Resolution 71, published with effect backdated to April 4, 2004, defined the results of the Periodic Tariff Review of **Cemig D**.

The average adjustment applied to Cemig's tariffs on April 8, 2003, on a provisional basis, was 31.53%. However Resolution 71 laid down that the final tariff repositioning for Cemig was an increase of 44.41%, and that the percentage difference of 12.88% was to be compensated in tariffs. The last portion for receipt of the difference between the tariff adjustments was included in the tariff adjustment that took place on April 8, 2008.

The difference between the tariff level to which Cemig Distribuição has the right and the tariff actually charged to consumers is recognized as a Regulatory Asset.

The amounts relating to the Deferred Tariff Adjustment are updated in monetary terms by the IGPM inflation index plus interest of 11.26% per year.

| | 1Q09 | Consolidated 12/31/2008 |
|--|-------------|----------------------------|
| Deferred Tariff Adjustment since April 8, 2003 | 949.612 | 949.612 |
| Interest (defined by Aneel 11.26% p. a.) | 475.502 | 447.881 |
| Monetary updating IGP-M Inflation Index | 226.844 | 201.967 |
| () Amounts raised through tariffs | (1.637.314) | (1.466.037) |
| | 14.644 | 133.423 |

12) CREDIT RECEIVABLES DUE FROM THE MINAS GERAIS STATE GOVERNMENT

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

On January 24, 2001 the First Amendment was signed, replacing the inflation indexation unit in the contract, which was the Ufir, with the IGP-DI, backdated to November 2000, due to the abolition of the Ufir in October 2000.

In October 2002 the Second and Third Amendments to the CRC Contract were signed, establishing new conditions for the amortization of the credits receivable from the Minas Gerais State Government. The main clauses were: (i) a monetary updating by the IGP-DI inflation index;

(ii) amortization of the two amendments by May 2015; (iii) interest rates of 6.00% and 12.00% for the first and second amendments, respectively; and (iv) guarantee of 100% retention of the dividends owed to the State Government for settlement of the third amendment.

a) The Fourth Amendment to the CRC contract

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

The Fourth Amendment to the CRC contract had backdated effect on the outstanding balance existing on December 31, 2004, and consolidated the amounts receivable under the Second and Third Amendments, corresponding to R\$ 4,151,030 on March 31, 2009.

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This amendment commits the government of the state to amortize the debit in 61 consecutive half-yearly installments, becoming due by June 30 and December 31 of each year, over the period from June 2005 to June 2035 inclusive. The amounts of the portions for amortization of the principal, updated by the IGP-DI index, increase over the period, from R\$ 28,828 for the first, to R\$ 92,117 for the sixty-first (in currency of March 31, 2009).

The debt will primarily be amortized by means of retention of 65.00% of the minimum obligatory dividends payable to the state government. If the amount is not sufficient to amortize the portion becoming due the retention may be of up to 65% of all and any amount of extraordinary dividends or Interest on Equity. These dividends retained are used to amortize the contract in the following order: (i) settlement of past due installments; (ii) settlement of an installment for the current half- year; (iii) anticipated settlement of up to 2 installments; and, (iv) amortization of the debtor balance.

On March 31, 2009, the installments due on June 30 and December 31, 2009, had already been amortized in advance.

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

| Target | Index required |
|---|--|
| Debt/Ebitda | Less than 2 (1) |
| Debt/(Debt plus Stockholders equity) | Less than or equal to 40.00% (2) |
| Capital expenditure and acquisition of assets | Less than or equal to 40.00% of Ebitda |

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

- (1) Less than 2.5 in certain situations specified in the Bylaws.
- (2) Less than equal to 50% in certain situations specified in the Bylaws.

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

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

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

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

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

The movement on the FIDC in the first quarter of 2009 is as follows:

| | Consolidated and Holding company |
|--|---|
| Balance at December 31, 2008 | 1,800,873 |
| Monetary updating on the senior units | 30,592 |
| Monetary updating on the subordinated units | 9,414 |
| Investments in the subordinated units | |
| Amortization of the senior units | (69,953) |
| Amortization of the subordinated units | |
| Balance at 31 March 2009 | 1,770,926 |
| Composition of the FIDC on March 31, 2009 | |
| - Senior units held by third parties | 950,918 |
| - Subordinated units held by Cemig | 817,468 |
| - Dividends retained by the Fund | 2,539 |
| | 820,008 |
| TOTAL | 1,770,926 |

The dividends and Interest on Equity proposed by the Executive Board to the Board of Directors, to be distributed to stockholders for the business year 2008, are posted in Current Liabilities. Of the dividends to be distributed, R\$ 210,149 is payable to the Minas Gerais State Government, of which R\$ 138,451 will be retained for repayment of part of the due receivables on the CRC.

c) Consolidation criterion of the FIDC

Due to the guarantee offered by Cemig of settlement of the senior units in the event that the dividends due to the state government are not sufficient for amortization of the installments, the Consolidated financial statements present the balance of the FIDC registered in full in Cemig and the senior units are presented as a debt under loans and financings in current and noncurrent liabilities. Similarly, in the consolidation, the monetary updating of the FIDC was recognized in full as a financial expense, and in counterpart the amount of the monetary updating of the senior units was registered as a cost of debt.

13) REGULATORY ASSET PIS/PASEP AND COFINS

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

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February 2004 to June 2005.

In view of the fact that this increase in the expense should be repaid to the company through tariffs, the credits were registered, in accordance with a criterion defined by Aneel, as a regulatory asset and there was a counterpart reduction in the expense on PIS/Pasep and Cofins taxes.

The company expects reimbursement of these assets in the forthcoming tariff adjustments with funds received from ANEEL.

Table of Contents**14) INVESTMENTS**

| | Consolidated | | Holding company | |
|---|------------------|------------------|------------------|------------------|
| | 03/31/2009 | 12/31/2008 | 03/31/2009 | 12/31/2008 |
| In subsidiaries and jointly controlled companies | | | | |
| Cemig Geração e Transmissão | | | 3,713,552 | 3,481,139 |
| Cemig Distribuição | | | 2,516,345 | 2,476,011 |
| Rio Minas Energia Participações | | | 311,151 | 290,006 |
| Infovias | | | 270,218 | 264,978 |
| Gasmig | | | 328,382 | 319,103 |
| Rosal Energia | | | 95,662 | 91,287 |
| Sá Carvalho | | | 101,901 | 95,380 |
| Horizontes Energia | | | 68,507 | 66,734 |
| Usina Térmica Ipatinga | | | 68,831 | 66,319 |
| Cemig PCH | | | 55,633 | 52,262 |
| Cemig Capim Branco Energia | | | 62,878 | 54,931 |
| Companhia Transleste de Transmissão | | | 14,629 | 14,342 |
| UTE Barreiro | | | 997 | 1,943 |
| Companhia Transudeste de Transmissão | | | 8,501 | 8,283 |
| Usina Hidrelétrica Pai Joaquim | | | 477 | 484 |
| Companhia Transirapé de Transmissão | | | 6,298 | 6,033 |
| Transchile | | | 34,141 | 34,141 |
| Efficientia | | | 7,822 | 6,266 |
| Central Termelétrica de Cogeração | | | 155,697 | 153,578 |
| Companhia de Transmissão Centroeste de Minas | | | 6,799 | 6,779 |
| Cemig Trading | | | 2,766 | 192 |
| Empresa Paraense de Transmissão de Energia-ETEP | | | 17,939 | 16,143 |
| Empresa Norte de Transmissão de Energia-ENTE | | | 32,893 | 29,493 |
| Empresa Regional de Transmissão de Energia-ERTE | | | 6,408 | 5,839 |
| Empresa Amazonense de Transmissão de Energia-EATE | | | 62,599 | 56,046 |
| Empresa Catarinense de Transmissão de Energia-ECTE | | | 5,142 | 4,736 |
| Axxiom Soluções Tecnológicas | | | 2,428 | 2,710 |
| | | | 7,958,596 | 7,605,158 |
| In consortia | 1,120,791 | 1,113,297 | | |
| Goodwill on acquisition of the stake in Rosal Energia | | | 31,772 | 33,154 |
| Goodwill on acquisition of the stake in ETEP | | | 24,893 | 25,174 |
| Goodwill on acquisition of the stake in ENTE | | | 37,029 | 37,420 |
| Goodwill on acquisition of the stake in ERTE | | | 8,479 | 8,569 |
| Goodwill on acquisition of the stake in EATE | | | 139,853 | 141,430 |
| Goodwill on acquisition of the stake in ECTE | | | 6,762 | 6,840 |
| In other investments | 27.027 | 36.689 | 3,506 | 3,506 |
| | 1.147.818 | 1,149,986 | 252,294 | 256,093 |
| | 1.147.818 | 1,149,986 | 8,210,890 | 7,861,251 |

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

| Subsidiaries | Number of shares | Cemig stake (%) | At March 31, 2009 | Stockholders equity | 1st quarter 2009 | |
|--|------------------|-----------------|--------------------|---------------------|------------------|---------------|
| | | | Registered capital | | Dividends | Profit (loss) |
| Cemig Geração e Transmissão | 2,896,785,358 | 100.00 | 2,896,785 | 3,713,552 | | 232,413 |
| Cemig Distribuição | 2,261,997,787 | 100.00 | 2,261,998 | 2,516,345 | | 40,334 |
| Rio Minas Energia | 709,309,572 | 25.00 | 709,309 | 1,244,604 | | 92,142 |
| Infovias | 381,023,385 | 100.00 | 225,082 | 270,218 | | 6,385 |
| Rosal Energia | 86,944,467 | 100.00 | 86,944 | 95,662 | | 4,407 |
| Sá Carvalho | 860,000,000 | 100.00 | 86,833 | 101,901 | | 6,488 |
| GASMIG | 409,255,000 | 55.19 | 474,497 | 595,003 | | 18,399 |
| Horizontes Energia | 64,257,563 | 100.00 | 64,258 | 68,507 | | 1,769 |
| Usina Térmica Ipatinga | 64,174,281 | 100.00 | 64,174 | 68,831 | | 2,554 |
| Cemig PCH | 50,952,000 | 100.00 | 50,952 | 55,633 | | 3,371 |
| Cemig Capim Branco Energia | 45,528,000 | 100.00 | 45,528 | 62,878 | | 7,947 |
| Companhia Transleste de Transmissão | 49,569,000 | 25.00 | 49,569 | 58,516 | | 2,636 |
| UTE Barreiro | 11,918,000 | 100.00 | 11,918 | 997 | | 275 |
| Companhia Transudeste de Transmissão | 30,000,000 | 24.00 | 30,000 | 35,416 | | 1,420 |
| Central Hidrelétrica Pai Joaquim | 486,000 | 100.00 | 486 | 477 | | (9) |
| Companhia Transirapé de Transmissão | 22,340,490 | 24.50 | 22,340 | 25,710 | | 1,098 |
| Transchile | 27,840,000 | 49.00 | 61,563 | 69,675 | | |
| Efficientia | 6,051,994 | 100.00 | 6,052 | 7,822 | | 1,509 |
| Central Termelétrica de Cogeração | 150,000,000 | 100.00 | 150,001 | 155,697 | | 5,573 |
| Companhia de Transmissão Centroeste de Minas | 51,000 | 51.00 | 51 | 13,331 | | |
| Cemig Trading | 160,297 | 100.00 | 160 | 2,766 | | 2,574 |
| Empresa Paraense de Transmissão de Energia ETEP | 45,000,010 | 19.26 | 69,569 | 93,117 | | 6,430 |
| Empresa Norte de Transmissão de Energia - ENTE | 100,840,000 | 18.35 | 120,128 | 179,258 | 547 | 11,728 |
| Empresa Regional de Transmissão de Energia - ERTE | 23,400,000 | 18.35 | 23,400 | 34,919 | | 3,100 |
| Empresa Amazonense de Transmissão de Energia - EATE | 180,000,010 | 17.17 | 273,469 | 364,609 | | 27,516 |
| Empresa Catarinense de Transmissão de Energia - ECTE | 42,095,000 | 7.50 | 42,095 | 68,560 | | 5,792 |
| Axxiom Soluções Tecnológicas | 4,200,000 | 49.00 | 4,200 | 4,955 | | (486) |

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| Subsidiaries | Number of shares | Cemig stake (%) | At December 31, 2008 | | 1st quarter 2008 | |
|--|------------------|-----------------|----------------------|---------------------|------------------|---------------|
| | | | Registered capital | Stockholders equity | Dividends | Profit (loss) |
| Cemig Geração e Transmissão | 2,896,785,358 | 100.00 | 2,896,785 | 3,481,139 | | 205.728 |
| Cemig Distribuição | 2,261,997,787 | 100.00 | 2,261,998 | 2,476,011 | | 270.659 |
| Rio Minas Energia | 709,309,572 | 25.00 | 709,310 | 1,160,019 | | 58.795 |
| Infovias | 381,023,385 | 100.00 | 225,082 | 264,978 | 259 | 4.619 |
| Rosal Energia | 86,944,467 | 100.00 | 86,944 | 91,287 | | 3.333 |
| Sá Carvalho | 860,000,000 | 100.00 | 86,833 | 95,380 | | 6.549 |
| Gasmig | 409,255,000 | 55.19 | 263,852 | 578,190 | 5.977 | 20.240 |
| Horizontes Energia | 64,257,563 | 100.00 | 64,258 | 66,734 | | 2.272 |
| Usina Térmica Ipatinga | 64,174,281 | 100.00 | 64,174 | 66,319 | | 1.930 |
| Cemig PCH | 50,952,000 | 100.00 | 50,952 | 52,262 | | 1.806 |
| Cemig Capim Branco Energia | 45,528,000 | 100.00 | 45,528 | 54,931 | | 8.380 |
| Companhia Transleste de Transmissão | 49,569,000 | 25.00 | 49,569 | 57,370 | | 1.919 |
| UTE Barreiro | 11,918,000 | 100.00 | 11,918 | 1,943 | | (519) |
| Companhia Transudeste de Transmissão | 30,000,000 | 24.00 | 30,000 | 34,509 | | 807 |
| Central Hidrelétrica Pai Joaquim | 486,000 | 100.00 | 486 | 484 | | 25 |
| Companhia Transirapé de Transmissão | 22,340,490 | 24.50 | 22,340 | 24,630 | | 501 |
| Transchile | 27,840,000 | 49.00 | 62,407 | 69,676 | | |
| Efficientia | 6,051,994 | 100.00 | 6,052 | 6,266 | | 1.259 |
| Central Termelétrica de Cogeração | 150,000,000 | 100.00 | 150,001 | 153,578 | | 11 |
| Companhia de Transmissão Centroeste de Minas | 51,000 | 51.00 | 51 | 13,293 | | |
| Cemig Trading | 160,297 | 100.00 | 160 | 192 | | (18) |
| Empresa Paraense de Transmissão de Energia ETEP | 45,000,010 | 19.25 | 69,063 | 83,860 | 4.542 | 5.244 |
| Empresa Norte de Transmissão de Energia ENTE | 100,840,000 | 18.35 | 120,128 | 160,727 | 29.047 | 9.846 |
| Empresa Regional de Transmissão de Energia - ERTE | 23,400,000 | 18.35 | 23,400 | 31,819 | 6.949 | 2.466 |
| Empresa Amazonense de Transmissão de Energia - EATE | 180,000,010 | 17.17 | 273,469 | 326,431 | 18.794 | 21.651 |
| Empresa Catarinense de Transmissão de Energia - ECTE | 42,095,000 | 7.50 | 42,095 | 63,149 | 13.020 | 5.050 |
| Axxiom Soluções Tecnológicas | 4,200,000 | 49.00 | 4,200 | 5,531 | | |

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The movement on investment in subsidiaries is as follows:

| | 31.12.2008 | Equity gain | Capital injections | Dividends proposed | Other | 31.03.2009 |
|--|------------------|----------------|--------------------|--------------------|----------------|------------------|
| Cemig Geração e Transmissão | 3,481,139 | 232,413 | | | | 3,713,552 |
| Cemig Distribuição | 2,476,011 | 40,334 | | | | 2,516,345 |
| Rio Minas Energia | 290,006 | 23,038 | | | (1,893) | 311,151 |
| Infovias | 264,978 | 6,385 | | | (1,145) | 270,218 |
| Rosal Energia | 91,287 | 4,407 | | 622 | (654) | 95,662 |
| Sá Carvalho | 95,380 | 6,488 | | 33 | | 101,901 |
| Gasmig | 319,103 | 10,155 | | | (876) | 328,382 |
| Horizontes Energia | 66,734 | 1,769 | | 292 | (288) | 68,507 |
| Usina Térmica Ipatinga | 66,319 | 2,554 | | 798 | (840) | 68,831 |
| Cemig PCH | 52,262 | 3,371 | | | | 55,633 |
| Cemig Capim Branco Energia | 54,931 | 7,947 | | | | 62,878 |
| Companhia Transleste de Transmissão | 14,342 | 647 | | (431) | 71 | 14,629 |
| UTE Barreiro | 1,943 | 275 | | | (1,221) | 997 |
| Companhia Transudeste de Transmissão | 8,283 | 339 | | (116) | (5) | 8,501 |
| Central Hidrelétrica Pai Joaquim | 484 | (9) | | (4) | 6 | 477 |
| Companhia Transirapé de Transmissão | 6,033 | 269 | | | (4) | 6,298 |
| Transchile | 34,141 | | | | | 34,141 |
| Efficientia | 6,266 | 1,509 | | 1,513 | (1,466) | 7,822 |
| Central Termelétrica de Cogeração | 153,578 | 5,573 | | (2,241) | (1,213) | 155,697 |
| Companhia de Transmissão Centroeste de Minas | 6,779 | | 20 | | | 6,799 |
| Cemig Trading | 192 | 2,574 | | 2,562 | (2,562) | 2,766 |
| Empresa Paraense de Transmissão de Energia - ETEP | 16,143 | 1,241 | 105 | | 450 | 17,939 |
| Empresa Norte de Transmissão de Energia - ENTE | 29,493 | 3,050 | | | 350 | 32,893 |
| Empresa Regional de Transmissão de Energia - ERTE | 5,839 | 568 | | | 1 | 6,408 |
| Empresa Amazonense de Transmissão de Energia - EATE | 56,046 | 4,644 | 547 | | 1,362 | 62,599 |
| Empresa Catarinense de Transmissão de Energia - ECTE | 4,736 | 434 | | (32) | 4 | 5,142 |
| Axxiom Soluções Tecnológicas | 2,710 | (238) | | | (44) | 2,428 |
| | 7,605,158 | 359,737 | 672 | 2,996 | (9,967) | 7,958,596 |

b) Goodwill in the acquisition of interest of Light

A discount was ascertained on the acquisition, corresponding to the difference between the amount paid by **RME** and the book value of the stake in the stockholders' equity of **Light**, in the amount of R\$ 364,961 (**Cemig**'s portion is 25.00%). This discount arises from the estimate of the results of future years as a function of the commercial operation of the electricity distribution and generation concessions and thus is being amortized from October 2006 to May 2026, the date of the termination of the distribution concession on a linear basis. The remaining value of the discount (R\$ 80,524) is presented in the consolidation as a noncurrent asset, in the account line *Other obligations*.

c) **Goodwill in the Acquisition of interest in electricity transmission companies**

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

Table of Contents**d) In consortia**

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

| | Stake in the energy generated % | Average annual depreciation rate % | Consolidated 03/31/2009 | Consolidated 12/31/2008 |
|---------------------------------|--|---|----------------------------|----------------------------|
| In service | | | | |
| Porto Estrela Plant | 33.33 | 2.48 | 38,625 | 38,625 |
| Igarapava Plant | 14.50 | 2.58 | 55,554 | 55,554 |
| Funil Plant | 49.00 | 2.40 | 181,402 | 181,402 |
| Queimado Plant | 82.50 | 2.45 | 193,599 | 193,599 |
| Aimorés Plant | 49.00 | 2.50 | 543,684 | 543,684 |
| Amador Aguiar I and II Plants | 21.05 | 2.51 | 55,179 | 54,843 |
| Accumulated depreciation | | | (121,423) | (114,506) |
| Total in operation | | | 946,620 | 953,201 |
| In progress | | | | |
| Queimado Plant | 82.50 | | 13,125 | 13,125 |
| Funil Plant | 49.00 | | 819 | 755 |
| Aimorés Plant | 49.00 | | 5,853 | 5,853 |
| Baguari Plant | 34.00 | | 154,374 | 140,363 |
| Total under construction | | | 174,171 | 160,096 |
| Total, consortia | | | 1,120,791 | 1,113,297 |

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

f) New acquisitionsAcquisition of stake in electricity transmission companies

On September 24, 2008, Brookfield exercised its option to sell its shares representing the following percentages of the voting capital of the following companies to Companhia Energética de Minas Gerais - CEMIG and Alupar Investimento S.A. in the proportion of 95% and 5% respectively: 24.99% in Empresa Amazonense de Transmissão de Energia S.A. EATE; 24.99% in Empresa Paraense de Transmissão de Energia S.A. ETEP; 18.35% in Empresa Norte de Transmissão de Energia S.A. ENTE; 18.35% in Empresa Regional de Transmissão de Energia S.A. ERTE; and 7.49% in Empresa Catarinense de Transmissão de Energia S.A. ECTE.

Conclusion of the transaction and actual acquisition is subject to approval by the Brazilian Development Bank (BNDES) and by other financing bodies.

The amount to be paid by Cemig for its 95% portion of the share positions bought from Brookfield will be R\$ 330.6 million, value of August 16, 2008, adjusted up to the date of final closing, expected in the first semester in 2009.

Table of ContentsConstitution of the UHE Itaocara, PCH Paracambi and PCH Lajes Consortia

On July 3, 2008 the Board of Directors authorized Cemig GT to take stakes of 49% in three hydroelectric projects: the Itaocara, Paracambi and Lajes Small Hydro Plants (PCHs) in partnership with Light, to enter into the following contracts between Cemig Geração e Transmissão S.A. and subsidiaries of Light for the constitution of: The UHE Itaocara Consortium, in partnership with Itaocara Energia Ltda.; the PCH Paracambi Consortium, in partnership with Lightger Ltda.; and the PCH Lajes Consortium, in partnership with Light Energia S.A. the objects of all three being: analysis of the technical and economic feasibility, preparation of the plans, construction, operation, maintenance and commercial operation of the respective projects. All individuals above instruments are pending approval or authorizations required by regulatory bodies concerned, including ANEEL.

15) FIXED ASSETS

| | Historic cost | Consolidated | | 12/31/2008 |
|---|-------------------|---|-------------------|-------------------|
| | | 03/31/2009 Accumulated depreciation | Net value | |
| In service | 21,168,103 | (9,414,948) | 11,753,155 | 11,693,314 |
| Distribution | 11,349,553 | (5,131,494) | 6,218,059 | 6,219,533 |
| Generation | 7,277,689 | (3,093,611) | 4,184,078 | 4,111,327 |
| Transmission | 1,690,575 | (721,852) | 968,723 | 972,041 |
| Management | 402,925 | (270,581) | 132,344 | 137,713 |
| Telecoms | 349,954 | (168,051) | 181,903 | 183,549 |
| Gas | 97,407 | (29,359) | 68,048 | 69,151 |
| In progress | 1,872,036 | | 1,872,036 | 1,809,521 |
| Distribution | 1,129,198 | | 1,129,198 | 1,100,645 |
| Generation | 287,072 | | 287,072 | 313,967 |
| Transmission | 166,625 | | 166,625 | 138,446 |
| Management | 131,243 | | 131,243 | 131,095 |
| Telecoms | 30,050 | | 30,050 | 27,747 |
| Gas | 127,848 | | 127,848 | 97,621 |
| Total fixed assets | 23,040,139 | (9,414,948) | 13,625,191 | 13,502,835 |
| Special Obligations linked to concessions | (2,657,579) | 115,217 | (2,542,362) | (2,549,308) |
| Net fixed assets | 20,382,560 | (9,299,731) | 11,082,829 | 10,953,527 |

Special Obligations refer basically to the contributions by consumers for execution of the undertakings necessary to comply with requests for retail supply of electricity.

Under Aneel Resolution 234 of October 2006, and Aneel Official Circular 1314/2007, of June 27, 2007, the balance of the Special Obligations linked to assets began to be amortized starting with the second cycle of tariff review of Cemig Distribution and of Light, in 2008, at a percentage corresponding to the average rate of depreciation of the assets.

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Some land sites and buildings of the subsidiaries which were given in guarantee in lawsuits involving tax, labor-law, civil and other disputes are recorded in Fixed assets Administration. These were posted at the amount of R\$ 7,804 on March 31, 2009 (R\$ 8.369, on December 31, 2008), net of depreciation.

Table of Contents**16) INTANGIBLE**

| | Consolidated | | | 12/31/2008 |
|--------------------|----------------|---|----------------|----------------|
| | Historic cost | 03/31/2009 Accumulated amortization | Net value | Net value |
| In service | 615,760 | (235,419) | 380,341 | 383,310 |
| Distribution | 61,882 | (39,900) | 21,982 | 36,353 |
| Generation | 88,459 | (52,406) | 36,053 | 70,694 |
| Transmission | 265,418 | (6,001) | 259,417 | 227,916 |
| Management | 197,782 | (136,701) | 61,081 | 46,599 |
| Telecoms | 712 | (411) | 301 | 339 |
| Gas | 1,507 | | 1,507 | 1,410 |
| In progress | 222,472 | | 222,472 | 221,127 |
| Distribution | 52,177 | | 52,177 | 51,306 |
| Generation | 33,014 | | 33,014 | 30,570 |
| Transmission | 2,467 | | 2,467 | 1,554 |
| Management | 134,814 | | 134,814 | 137,697 |
| Intangible, net | 838,232 | (235,419) | 602,813 | 604,437 |

17) SUPPLIERS

| | Consolidated | | Holding company | |
|--|----------------|----------------|-----------------|--------------|
| | 03/31/2009 | 12/31/2008 | 03/31/2009 | 12/31/2008 |
| Current | | | | |
| Wholesale supply and transport of electricity - | | | | |
| Elektrobrás energy from Itaipu | 211,683 | 197,130 | | |
| Furnas | 52,014 | 68,366 | | |
| CCEE | 54,533 | 108,038 | | |
| Other | 273,587 | 212,364 | | |
| | 591,837 | 585,898 | | |
| Materials and services | 232,570 | 305,923 | 3,212 | 7,134 |
| | 824,407 | 891,821 | 3,212 | 7,134 |
| Noncurrent | | | | |
| Wholesale electricity supply - | | | | |
| Purchase of free energy during the period of rationing | 77 | 77 | | |
| | 77 | 77 | | |

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

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

| | Consolidated | | Holding company | |
|-----------------------------|----------------|----------------|-----------------|---------------|
| | 03/31/2009 | 12/31/2008 | 03/31/2009 | 12/31/2008 |
| Current | | | | |
| Income tax | 255,404 | 91,111 | | |
| Social Contribution | 91,432 | 22,924 | | |
| ICMS tax | 295,562 | 284,939 | 18,091 | 18,092 |
| Cofins tax | 76,008 | 78,050 | | 9,377 |
| Pasep | 13,281 | 14,079 | | 2,036 |
| Social security system | 16,415 | 18,159 | 1,382 | 1,434 |
| Other | 22,120 | 24,483 | 1,258 | 1,051 |
| | 720,222 | 533,745 | 20,731 | 31,990 |
| Deferred obligations | | | | |
| Income tax | 25,890 | 57,308 | | |
| Social Contribution | 9,330 | 20,498 | | |
| Cofins tax | 3,850 | 12,969 | | |
| Pasep | 836 | 2,813 | | |
| | 39,906 | 93,588 | | |
| | 810,128 | 627,333 | 20,731 | 31,990 |
| Noncurrent | | | | |
| Deferred obligations | | | | |
| Income tax | 217,525 | 202,114 | | |
| Social Contribution | 51,546 | 46,541 | | |
| Cofins tax | 139,061 | 83,965 | | |
| Pasep | 29,759 | 31,527 | | |
| Others | 6,793 | 7,238 | | |
| | 444,684 | 371,385 | | |

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

The noncurrent Pasep and Cofins obligations refer to the legal action challenging the constitutionality of the inclusion of the ICMS in the taxable amount for these taxes, with application for compensation of the amounts paid in the last 10 years. The Company has obtained an interim relief from the judiciary enabling it not to make the payment and authorizing payment into Court starting in 2008.

The noncurrent deferred obligations for income tax and the Social Contribution tax refer to recognition of financial instruments (FX variation and hedging transactions) by the cash method – these are due as and when realized, by payment or redemption.

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

| FINANCING SOURCES | Principal maturity | Annual cost (%) | Currency | Current | Consolidated | | 12/31/2008 Total |
|--|--------------------|--------------------|----------|----------------|-----------------------|----------------|------------------|
| | | | | | 03/31/2009 Noncurrent | Total | |
| FOREIGN CURRENCY | | | | | | | |
| ABN Amro Bank N. (3) | 2013 | 6.00 | US\$ | 1,910 | 115,760 | 117,670 | 117,025 |
| ABN Amro Real S.A. (4) | 2009 | 6.35 | US\$ | 17,709 | | 17,709 | 17,391 |
| Banco do Brasil Various bonds (1) | 2024 | Various | US\$ | 16,853 | 78,492 | 95,345 | 93,868 |
| Banco do Brasil S.A. (5) | 2009 | 3.90 | JPY | 91,516 | | 91,516 | 100,160 |
| Banco Paribas | 2012 | 5.89 | EURO | 3,485 | 6,857 | 10,342 | 12,919 |
| Banco Paribas | 2010 | Libor+ 1.875 | US\$ | 28,078 | 13,443 | 41,521 | 41,235 |
| KFW | 2016 | 4.50 | EURO | 2,213 | 14,213 | 16,426 | 17,087 |
| Unibanco (6) | 2009 | 6.50 | US\$ | 11,116 | | 11,116 | 11,044 |
| Unibanco (7) | 2009 | 5.50 | US\$ | 4,817 | | 4,817 | 4,796 |
| Unibanco (8) | 2009 | 5.00 | US\$ | 20,201 | | 20,201 | 20,141 |
| Brazilian Treasury (10) | 2024 | Libor+ Spread | US\$ | 6,340 | 29,299 | 35,639 | 39,909 |
| Santander (13) | 2009 | 7.00 | US\$ | 6,196 | | 6,196 | 6,118 |
| Banco do Brasil (13) | 2009 | 8.66 | US\$ | 3,221 | | 3,221 | 3,217 |
| Banco InterAmericano del Desarrollo (13) | 2026 | 4.20 | US\$ | 670 | 42,933 | 43,603 | 43,018 |
| Other | 2025 | Various | Various | 11,949 | 6,424 | 18,373 | 18,946 |
| Debt in foreign currency | | | | 226,274 | 307,421 | 533,695 | 546,874 |
| BRAZILIAN CURRENCY | | | | | | | |
| Banco Credit Suisse First Boston S.A. | 2010 | 106.00% of CDI | R\$ | 200 | 75,000 | 75,200 | 75,241 |
| Banco do Brasil | 2009 | 111.00% of CDI | R\$ | 124,938 | | 124,938 | 121,038 |
| Banco do Brasil | 2013 | CDI+ 1.70 | R\$ | 8,839 | 109,277 | 118,116 | 114,321 |
| Banco do Brasil | 2013 | 107.60% of CDI | R\$ | 15,892 | 126,000 | 141,892 | 137,596 |
| Banco do Brasil | 2014 | 104.10% of CDI | R\$ | 66,832 | 1,200,000 | 1,266,832 | 1,229,705 |
| Banco Itaú BBA | 2014 | CDI+ 1.70 | R\$ | 26,002 | 304,338 | 330,340 | 320,181 |
| Banco Votorantim S.A. | 2010 | 113.50% of CDI | R\$ | 1,879 | 54,372 | 56,251 | 54,456 |
| Banco Votorantim S.A. | 2013 | CDI+ 1.70 | R\$ | 2,317 | 101,315 | 103,632 | 103,000 |
| BNDES | 2026 | TJLP+2.34 | R\$ | 95 | 107,089 | 107,184 | |
| Bradesco | 2014 | CDI+ 1.70 | R\$ | 34,991 | 379,073 | 414,064 | 401,021 |
| Debentures (12) | 2009 | CDI+ 1.20 | R\$ | 368,897 | | 368,897 | 357,472 |
| Debentures (12) | 2011 | 104.00% of CDI | R\$ | 12,492 | 238,816 | 251,308 | 243,950 |
| Debentures Minas Gerais State Govt. | 2031 | IGP M | R\$ | | 33,921 | 33,921 | 32,936 |
| Debentures (12) | 2014 | IGP M+ 10.50 | R\$ | 26,557 | 303,073 | 329,630 | 324,641 |
| Debentures (12) | 2017 | IPCA+ 7.96 | R\$ | 9,566 | 432,393 | 441,959 | 427,784 |
| Eletrobrás | 2013 | FINEL+ 7.50 | R\$ | 12,343 | 45,258 | 57,601 | 60,799 |
| Eletrobrás | 2023 | UFIR, RGR+ 6.0 8.0 | R\$ | 42,453 | 314,593 | 357,046 | 369,632 |
| Santander | 2013 | CDI+ 1.70 | R\$ | 1,840 | 79,673 | 81,513 | 81,119 |
| Unibanco | 2009 | CDI+ 2.98 | R\$ | 110,997 | | 110,997 | 107,081 |
| Unibanco | 2013 | CDI+ 1.70 | R\$ | 24,105 | 309,285 | 333,390 | 322,636 |
| Banco do Nordeste do Brasil | 2010 | TR+ 7.30 | R\$ | 74,368 | 15,009 | 89,377 | 104,950 |
| Unibanco (2) | 2013 | CDI+ 1.70 | R\$ | 9,418 | 73,587 | 83,005 | 80,328 |
| Itaú and Bradesco (9) | 2015 | CDI+ 1.70 | R\$ | 68,109 | 882,809 | 950,918 | 990,280 |
| Banco de Desenvolv. de Minas Gerais | 2025 | 10.00 | R\$ | 695 | 9,517 | 10,212 | 10,372 |
| Banco do Brasil S.A. (14) | 2020 | TJLP+ 2.55 | R\$ | 1,745 | 27,677 | 29,422 | 28,794 |
| Unibanco S.A. (14) | 2021 | TJLP+ 2.55 | R\$ | 254 | 3,930 | 4,184 | 4,062 |
| BNDES Finem (10) | 2014 | TLJP+ 4.30 | R\$ | 21,099 | 92,886 | 113,985 | 108,266 |
| Debentures I and IV (10) | 2010/2015 | TJLP+ 4.00 | R\$ | 3,915 | 26 | 3,941 | 6,047 |
| Debentures V (10) | 2014 | CDI+ 1.50 | R\$ | 13,437 | 230,201 | 243,638 | 245,722 |

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| | | | | | | | |
|-----------------------------------|-----------|------------|-----|------------------|------------------|------------------|------------------|
| CCB Bradesco (10) | 2017 | CDI+ 0.85 | R\$ | 6,706 | 112,500 | 119,206 | 116,004 |
| ABN Amro (10) | 2010 | CDI+ 0.95 | R\$ | 232 | 20,000 | 20,232 | 20,980 |
| Bc. Regional Desenv. do | | | | | | | |
| Extremo Sul (16) | 2022 | TJLP+ 4.55 | R\$ | 257 | 3,101 | 3,358 | 3,253 |
| Unibanco (16) | 2021 | TJLP+ 4.55 | R\$ | 87 | 1,051 | 1,138 | 1,323 |
| Banco Itaú (16) | 2022 | TJLP+ 4.55 | R\$ | 261 | 3,154 | 3,415 | 3,454 |
| Unibanco S.A. (16) | 2022 | IGPM+ 9.85 | R\$ | 226 | 1,980 | 2,206 | 2,239 |
| BNDES (17) | 2033 | TJLP+ 2.4 | R\$ | | 79,685 | 79,685 | |
| BNDES A/B/C/D Principal | | | | | | | |
| Subcredits | 2014/2016 | Various | R\$ | 22,242 | 128,339 | 150,581 | 155,484 |
| Other | 2007/2017 | Various | R\$ | 6,819 | 23,407 | 30,226 | 31,697 |
| Debt in Brazilian currency | | | | 1,121,105 | 5,922,335 | 7,043,440 | 6,797,864 |
| Total, consolidated | | | | 1,347,379 | 6,229,756 | 7,577,135 | 7,344,738 |

(1) Interest rates vary: 2.00 to 8.00% per year.

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

(2) Loans of the holding company.

(3) to (8) Swaps for exchange of rates were contracted.

The following are the rates for the loans and financings taking the swaps into account:

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

(9) Refers to the senior units of the Credit Rights funds. See Explanatory Note 14.

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

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

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

(13) Financing of Transchile.

(14) Financing of Cachoeirão.

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

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

(17) Loan taken on by the holding company jointly with Madeira Energia.

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

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 and after | Total |
|--------------------------------------|------------------|----------------|----------------|------------------|------------------|------------------|----------------|----------------|-------------------|------------------|
| Currency | | | | | | | | | | |
| US dollar | 128,057 | 60,703 | 46,837 | 42,869 | 38,899 | 6,345 | 2,801 | 2,801 | 81,202 | 410,514 |
| Euro | 3,984 | 5,458 | 5,458 | 3,745 | 2,030 | 2,030 | 2,031 | 2,032 | | 26,768 |
| Yen | 91,516 | | | | | | | | | 91,516 |
| UMBNDDES (**) | 657 | 582 | 422 | 422 | 422 | 422 | 422 | 422 | 1,126 | 4,897 |
| | 224,214 | 66,743 | 52,717 | 47,036 | 41,351 | 8,797 | 5,254 | 5,255 | 82,328 | 533,695 |
| Indexors | | | | | | | | | | |
| IPCA (Expanded Consumer Price Index) | 9,566 | | | | | | 144,131 | 144,131 | 144,131 | 441,959 |
| Ufir (Fiscal Reference Unit) | 33,280 | 45,862 | 47,126 | 43,646 | 38,082 | 37,141 | 35,952 | 30,622 | 47,520 | 359,231 |
| Interbank CD rate | | | | | | | | | | |
| CDI | 893,925 | 634,374 | 726,372 | 941,464 | 1,087,379 | 642,486 | 231,087 | 18,750 | 18,750 | 5,194,587 |
| Eletrobrás Finel index | 9,257 | 12,343 | 12,343 | 12,343 | 11,315 | | | | | 57,601 |
| URTJ (*) | 35,524 | 48,967 | 51,054 | 51,054 | 51,054 | 49,854 | 25,414 | 20,461 | 158,001 | 491,383 |
| IGP-M Inflation Index | 27,918 | 1,659 | 1,640 | 1,640 | 1,640 | 304,691 | 1,072 | 1,012 | 41,631 | 382,903 |
| UMBNDDES (**) | 2,351 | 3,513 | 3,641 | 3,641 | 3,641 | 3,641 | 633 | | | 21,061 |
| TR Reference Interest Rate | 55,797 | 33,580 | | | | | | | | 89,377 |
| Others (IGP-DI, INPC) (***) | 2,800 | 125 | 250 | 592 | 592 | 715 | 264 | | | 5,338 |
| | 1,070,418 | 780,423 | 842,426 | 1,054,380 | 1,193,703 | 1,038,528 | 438,553 | 214,976 | 410,033 | 7,043,440 |
| | 1,294,632 | 847,166 | 895,143 | 1,101,416 | 1,235,054 | 1,047,325 | 443,807 | 220,231 | 492,361 | 7,577,135 |

(*) URTJ = Interest Rate Reference Unit.

(**) UMBNDDES = BNDES Monetary Unit.

(***) IGP-DI General Price Index (domestic availability).

INPC National Consumer Price Index.

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

| Currency | Change in quarter ended 03/31/2009 % | Indexors | Change in quarter ended 03/31/2009 % |
|-----------|--|----------|--|
| US dollar | (0.93) | IGP-M | (0.92) |
| Euro | (4.94) | Finel | (0.18) |
| Yen | (9.51) | CDI | 2.85 |
| | | Selic | 2.90 |
| | | UMBNDDES | (0.79) |

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

| | Consolidated | Holding |
|------------------------------------|------------------|---------------|
| Balance at end of year 2008 | 7,344,738 | 80.328 |
| Loans and financings | 192,367 | |
| Monetary and FX variation | 10,820 | |
| Financial charges provisioned | 175,582 | 2.677 |
| Financial charges paid | (33,832) | |
| Charges capitalized | 1,987 | |
| Adjustment to present value | 1,825 | |
| Amortization of financings | (116,352) | |
| Balance at March 31, 2009 | 7,577,135 | 83,005 |

Table of Contents**20) REGULATORY CHARGES**

| | Consolidated | |
|--|----------------|----------------|
| | 03/31/2009 | 12/31/2008 |
| Global Reversion Reserve RGR | 35,135 | 34,385 |
| CCC Fuel Consumption Account | 21,189 | 47,884 |
| Energy Development Account CDE | 37,596 | 33,927 |
| Eletrobrás Compulsory loan | 1,207 | 1,207 |
| Aneel inspection charge | 3,619 | 3,495 |
| Energy efficiency | 182,131 | 171,760 |
| Research and development | 156,326 | 145,898 |
| Energy system expansion research | 2,213 | 20,696 |
| National Scientific and Technological Development Fund | 4,210 | 41,182 |
| Alternative Energy Program Proinfa | 2,024 | 8,922 |
| | 445,650 | 509,356 |
| Current assets | 425,344 | 488,835 |
| Noncurrent liabilities | 20,306 | 20,521 |

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

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

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

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

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

Mixed Social Security Benefits Plan (Plan B): A defined-contribution plan in the phase of accumulation of funds, for retirement benefits for normal time of service and defined-benefit coverage for disability or death of the active participant, and also on receipt of benefits for time of contribution. The contributions of the Sponsor are equal to the

basic monthly contributions of the participants, and this is the only plan open for joining by new participants.

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

Hence the obligations for payment of supplementary pension benefits under the Mixed Plan, with characteristics of defined contribution, and their respective assets, in the same amount of R\$ 2,385,225, as ascertained on March 31, 2009 are not presented in this Explanatory Note.

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Pension Benefits Balances Plan (Plan A): This includes all the active and assisted participants who opted to migrate from the previous Defined Benefit Plan, and are entitled to a proportional benefit by balances. In the case of the assets, this benefit was deferred to the retirement date.

Defined Benefit Plan: This is the benefit plan adopted by Forluz up to 1998, through which the average real salary of the last three years of activity of the employee in the Sponsor companies is complemented in relation to the amount of the Official Social Security benefit. After the process of migration that was carried out in June 2007, approved by the Private Pension Plans Authority (SPC), in which more than 80% of the participants migrated to Plans A and B, 51 participants remained in the Defined Benefit Plan.

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

Separation of the Health Plan

On August 28, 2008, the Executive Board of Forluz, complying with orders issued by the Private Pension Plans Authority (SPC), decided to transfer management of the Cemig Integrated Health Plan (PSI) to a separate entity to be created for that purpose. The reason for the decision was the SPC's belief that it would be impossible to maintain those participants in the Health Plan who were not simultaneously inscribed in the pension and retirement plans. To protect the interests of its participants, and also to comply with the SPC's ruling, Forluz opted to separate the activities, keeping the present dental and pension plans within itself. The period planned for conclusion of the process of separation of the health plan is 12 months, during which time all the existing coverage and benefits will be maintained.

Amortization of actuarial obligations

Part of the consolidated actuarial obligation with post-employment benefits in the amount of R\$ 935,727 of March 31, 2009 (R\$ 941,912 on December 31, 2008) was recognized as an obligation payable by Cemig and its subsidiaries mentioned and is being amortized by June 2024, through monthly installments calculated by the system of constant installments (the so-called Price table). After the third Amendment to the Contract of Forluz, the amounts began to be adjusted only by the Expanded National Consumer Price Index (IPCA) published by the Brazilian Geography and Statistics Institute (IBGE), plus 6% p.a.

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

The Braslight Pension Fund

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

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

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

On October 2, 2001, the Private Pension Plans Authority approved a contract for solution to the technical deficit and the refinancing of the reserve to be amortized relating to the pension plans of Braslight, which were recorded in full. This is being paid in 300 monthly installments, starting from July 2001, updated by the variation of the IGP-DI inflation index and interest of 6.00% per year, totaling R\$ 1,018,000 at March 31, 2009 (R\$1,032,161 on December 31, 2008). The effect on the company's consolidated results is of the portion corresponding to 25% of this amount, as per proportional consolidation.

The movement in the net liabilities has been as follows:

| Consolidated | Pension plans and supplementary retirement plans | | Health Plan | Dental Plan | Life Insurance | Total |
|--------------------------------------|--|----------------|----------------|---------------|----------------|------------------|
| | Forluz | Braslight | | | | |
| Net liabilities on December 31, 2008 | 433,770 | 258,040 | 337,230 | 15,608 | 435,153 | 1,479,801 |
| Expenses recognized in the result | 2,389 | 2,298 | 17,839 | 1,105 | 10,356 | 33,987 |
| Contributions paid | (32,251) | (5,838) | (2,306) | (186) | (8,522) | (49,103) |
| Net liabilities on March 31, 2009 | 403,908 | 254,500 | 352,763 | 16,527 | 436,987 | 1,464,685 |
| Current liabilities | 77,069 | 23,445 | | | | 100,514 |
| Noncurrent liabilities | 326,839 | 231,055 | 352,763 | 16,527 | 436,987 | 1,364,171 |

| Holding company | Pension plans and supplementary retirement plans | | Health Plan | Dental Plan | Life Insurance | Total |
|--------------------------------------|--|---------------|---------------|-------------|----------------|---------------|
| | Forluz | | | | | |
| Net liabilities on December 31, 2008 | | 21,387 | 16,541 | 771 | 18,143 | 56,842 |
| Expenses recognized in the result | | 50 | 756 | 50 | 561 | 1,417 |
| Contributions paid | | (1,646) | (431) | (10) | (151) | (2,238) |
| Net liabilities on March 31, 2009 | | 19,791 | 16,866 | 811 | 18,553 | 56,021 |
| Current liabilities | | 4,016 | | | | 4,016 |
| Noncurrent liabilities | | 15,775 | 16,866 | 811 | 18,553 | 52,005 |

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

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

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

Actions in which the company is creditor with chance of success rated probablePasep and Cofins widening of the calculation base

The holding company has legal proceedings challenging the increase of the calculation base for the Pasep and Cofins taxes on financial revenue and other non-operational revenues, in the period from 1999 to January 2004, through Law 9718 of November 27, 1998, and has a judgment in favor at the first instance. In the event that this action is won in the final instance (subject to no further appeal) the Federal Supreme Court has ruled in favor of the taxpayer on several similar cases the gain to be registered in the results will be R\$ 172,346, net of income tax and Social Contribution tax.

Actions in which the company is debtor

For those contingencies in which the chances of a negative outcome are rated probable, the company and its subsidiaries have constituted provisions for losses.

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

| | Net balance in 2008 (*) | Additions (reversals) | Consolidated Write-offs | Balance | Payments into court | Balance on 03/31/2009 |
|--------------------------------|----------------------------|--------------------------|----------------------------|---------|------------------------|--------------------------|
| Labor-law contingencies | | | | | | |
| Various | 122,856 | 5,430 | (1,530) | 126,756 | (18,534) | 108,222 |
| Civil | | | | | | |
| Personal damages | 35,436 | 232 | (29) | 35,639 | (17,990) | 17,649 |
| Tariff increases | 104,480 | 16,914 | (342) | 121,052 | | 121,052 |
| Other | 167,805 | 2,020 | (581) | 169,244 | (8,965) | 160,279 |
| Tax | | | | | | |
| Finsocial | 21,238 | 90 | | 21,328 | (1,615) | 19,713 |
| PIS and Cofins | 57,987 | 759 | | 58,746 | | 58,746 |

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| | | | | | | |
|----------------------------------|----------------|---------------|----------------|----------------|-----------------|----------------|
| ICMS Tax | 19,153 | 2,857 | | 22,010 | | 22,010 |
| Taxes and contributions | | | | | | |
| demandabilities suspended | 76,781 | 1,412 | | 78,193 | | 78,193 |
| Social Contribution | 6,769 | 61 | | 6,830 | | 6,830 |
| Social Security System | 33,672 | 603 | | 34,275 | | 34,275 |
| Other | 19,709 | 400 | | 20,109 | (7,559) | 12,550 |
| Regulatory | | | | | | |
| Aneel administrative proceedings | 55,843 | 1,280 | | 57,123 | (6,072) | 51,051 |
| Total | 721,729 | 32,058 | (2,482) | 751,305 | (60,735) | 690,570 |

(*) Balance of Contingencies excluding amounts paid into Court.

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| | Net balance in 2008 (*) | Additions (reversals) | Holding company Write-offs | Balance | Payments into court | Balance on 03/31/2009 |
|--------------------------------|----------------------------|--------------------------|-------------------------------|----------------|------------------------|--------------------------|
| Labor-law contingencies | | | | | | |
| Various | 75,450 | 4,309 | | 79,759 | (8,336) | 71,423 |
| Civil | | | | | | |
| Personal damages | 27,635 | | (29) | 27,606 | (17,990) | 9,616 |
| Tariff increases | 76,609 | 16,210 | | 92,819 | | 92,819 |
| Other | 93,686 | 1,146 | | 94,832 | (3,154) | 91,678 |
| Tax | | | | | | |
| Finsocial | 21,238 | 90 | | 21,328 | (1,615) | 19,713 |
| ICMS Tax | | | | | | |
| Taxes and contributions | | | | | | |
| demandabilities suspended | 76,781 | 1,412 | | 78,193 | | 78,193 |
| Social Security System | 1,064 | 26 | | 1,090 | | 1,090 |
| Other | 12,770 | 304 | | 13,074 | (5,130) | 7,944 |
| Regulatory | | | | | | |
| Aneel administrative | 12,129 | 353 | | 12,482 | (6,072) | 6,410 |
| Total | 397,362 | 23,850 | (29) | 421,183 | (42,297) | 378,886 |

(*) Balance of Contingencies excluding amounts paid into Court.

Some details on the provisions constituted are as follows:

(a) Labor-law contingencies

The complaints under the labor laws refer basically to disputes on overtime and additional payments for dangerous working conditions, as well as property damage and moral damages (damages for pain and suffering).

(b) Civil disputes - tariff increase

Several industrial consumers filed actions against **Cemig** seeking reimbursement for the amounts paid as a result of the tariff increase during the federal government's economic stabilization plan known as the Cruzado Plan in 1986, alleging that the said increase violated the control of prices instituted by that plan. Cemig makes its estimates of the amounts to be provisioned based on the disputed amounts billed, and based on recent judicial decisions. The total value of the exposure of Cemig and its subsidiaries in this matter, 100% provisioned, is R\$ 121,052.

One of the industrial consumers that is Plaintiff in a legal action against the company as a result of the issue mentioned above had been granted a Court injunction preventing interruption of supply of electricity to its facilities. On February 19, 2009, the Higher Appeal Court accepted

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Cemig's application for the effects of the injunction to be suspended, on the view that it is not possible to impose on Cemig continuity of distribution of electricity without its receiving money for the service.

(c) PIS and Cofins taxes

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

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On March 31, 2009 the amount of R\$ 54,289 (R\$ 53,559 on December 31, 2008) remains provisioned in relation to the increase of the Cofins tax rate from 2% to 3%.

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

ICMS tax

Since 1999, **Light** has undergone various inspections by the tax authority of Rio de Janeiro State in relation to the ICMS (value added tax charge by states). The infringement notices received so far and not paid are the subject of contestation in the administrative and legal spheres. Management, based on the opinion of its counsel and calculation of the amounts involved in the infringement notices, believes that only a part of these amounts represents probable risk of loss, and the amount of R\$ 22,010 (R\$ 19,153 on December 31, 2008) is provisioned.

(e) Taxes and contributions demandabilities suspended

The provision constituted of R\$ 78,193 (R\$ 76,781 on December 31, 2008) refers to the deduction in the calculation base for corporate income tax of the expense on the Social Contribution tax paid since 1998. **Cemig** has been awarded an injunction by the 8th Court of the Federal Judiciary, on April 17, 1998, allowing it not to pay this tax.

Social Security System

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

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

The chance of loss in the actions mentioned is rated probable, and the amounts provisioned for the actions brought by the INSS total R\$ 33,184 (R\$ 32,608 on December 31, 2008).

(g) Aneel administrative proceedings

On January 9, 2007, Aneel notified **Cemig D** that it considered certain criteria adopted by the company in calculation of the revenue from the subsidy support for low-income consumers to be incorrect, questioning the criteria for identification of the consumers who should receive the benefit and also the calculation of the difference to be reimbursed by Eletrobrás, in the estimated amount of R\$ 143,000. The Company has made a provision corresponding to the loss that it considers probable in this dispute, in the amount of R\$ 44,641.

Cemig GT was served an infringement notice by the Minas Gerais State Forests Institute (IEF), alleging that it omitted to take measures to protect the fish population, causing fish deaths, as a result of the flow and operation of the machinery of the Três Marias Hydroelectric Plant. The company presented a defense and rates the chance of loss in this action, in the amount of R\$ 6,749, as probable .

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(h) Others

This refers to various claims by people alleging damages, mainly due to accidents allegedly occurring as a result of the Company's business, and damages as a result of power outages. The provision at March 31, 2009 represents the potential loss on these claims.

(i) Actions in which the chance of loss is rates possible or remote

Cemig and its subsidiaries are disputing other actions in the courts for which it rates the chance of a loss in the action to be possible or remote. The following are some details of the most significant actions:

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

The Federal Tax Authority, on October 11, 2001, issued a Notice of Infringement, in the updated amount of R\$ 323,199, as a result of the use of tax credits which resulted in the rectification, reducing taxes payable, of the income tax declarations for 1997, 1998 and 1999. The income tax returns were rectified as a result of the change in the method of accounting of the post-employment benefit liabilities. The additional post-employment benefits which resulted from the changes in the method of accounting were recognized in the tax years rectified, resulting in a tax loss and a negative basis for calculation of the Social Contribution.

Cemig presented an administrative appeal in the Finance Ministry Taxpayers' Council, obtaining a favorable decision for the years of 1997 and 1998 and an adverse decision in relation to the year 1999. This adverse decision would result in a reduction of the tax loss carryforward, registered as tax credits, in the historic amount of R\$ 29,115. The tax credits were not reduced, and a provision for contingencies for any losses as a result of this decision was not made, since Cemig believes that it has solid legal argument and grounds for the procedures adopted for recovery of the said tax credits in the Courts. Thus, it rates the chance of loss in this action remote.

The tax credits constituted, mentioned in the previous paragraph, were used by Cemig to offset federal taxes and contributions paid in the business years of 2002 and 2003. Due to this fact, Cemig had the offsetting proceedings refused by the federal tax authority and would be exposed to an additional penalty, updated to March 31, 2009 of R\$ 289,620. With the decision of the Taxpayers' Council, mentioned above, Cemig considers that the refusal of this process of offsetting becomes null. Thus, no contingency provision was constituted to meet any losses, since Cemig believes that it has solid legal grounds for the procedures adopted and rates the chance of loss in this action remote.

(ii) Tax on Inheritance and Donations (ITCMD)

The State of Minas Gerais sued the Company for non-payment of the tax on inheritance and donation (ITCMD) in relation to the contributions of consumers the amount of which on March 31, 2009 was R\$ 142,535. No provision was constituted for this dispute, since the Company

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believes it has arguments on the merit for defense against this claim. The expectation of loss attributed to this action is remote .

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

Aneel filed an administrative action against **Cemig** stating that the company owes R\$ 1,066,419 to the federal government as a result of an alleged error in the calculation of credits under the CRC (Results Compensation) Account (credits in favor of Cemig from the federal government). On October 31, 2002 ANEEL issued a final administrative decision against Cemig. On January 9, 2004 the National Treasury issued a claim against the Company for collection of the debit. Cemig did not make the payment because it believes that it has arguments on the merit for defense in the Courts and, thus, has not constituted a provision for this action. The chance of loss in this action is rated possible .

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

In 2006 **Cemig and its subsidiaries Cemig GT and Cemig D** paid an indemnity to the employees in the amount of R\$ 177,685, in exchange for the rights to future payments known as the *Anuênio* which would be incorporated into future salaries. The company and its subsidiaries did not make the payments of income tax and social security contribution on this amount because it considered that these obligations are not applicable to amounts paid as an indemnity. However, to avoid the risk of a future fine arising from a different interpretation by the Federal Tax Authority and the National Social Security Institution, the company and its subsidiaries decided to file for orders of *mandamus* to allow payment into Court of the amount of any obligations, in the amount of R\$ 158,748. This has been posted in Payments into Court. No provision was made for possible losses in this matter since the company and its subsidiaries rate the chance of loss in this action as possible .

In September 2006 **Cemig** was notified by the INSS as a result of the non-payment of the Social Security contribution on the amounts paid as profit shares in the period 2000 to 2004, representing the amount of R\$ 115,101. Cemig has appealed, in administrative proceedings, against the decision. No provision has been constituted for possible losses and Cemig believes it has arguments on the merit for defense, and the expectation of loss in this action is considered to be possible .

(V) ICMS

Since 2002 the Company has received a subsidy contribution from **Eletrobrás** in relation to the discounts given to low-income consumers. The Minas Gerais **State Tax Authority** served an infringement notice on **Cemig**, relating to the period from 2002 to 2005, on the argument that the subsidy contribution should be subject to the ICMS tax. The potential for loss in this action is R\$ 134.515, not including any ICMS tax that might be demanded by the Authority relating to period subsequent to the infringement notice. No provision was constituted for the result of this dispute, since Cemig believes the legal obligation is non-existent and that it has arguments on the merit for defense against this demand. The chance of loss in this action is rated possible .

Cemig was served an infringement notice, as co-defendant, in which the Minas Gerais **State Tax Authority** demanded payment of in R\$ 44.976 in ICMS tax on sales of excess electricity by industrial consumers during the period of electricity rationing. If the Company does have to pay the ICMS on these transactions, it can charge consumers the same amount to recover the amount of the tax plus any possible penalty charge. The chance of loss in this action is rated possible .

(vi) Tax on services (ISS)

Cemig is involved in litigation with the **Prefecture of Belo Horizonte** on criteria for applicability of the ISS tax on services performed by the company. The amount involved in the action is R\$ 33.614. No provision has been constituted for possible losses. Cemig believes it has arguments on the merit for defense, and the chance of loss in this action is rated possible .

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(vii) Regulatory contingency CCEE

In an action dating from August 2002, **AES Sul Distribuidora** has challenged in the courts the criteria for accounting of electricity sale transactions in the wholesale electricity market during the period of rationing. It obtained a judgment in its favor in February 2006, which orders **Aneel** and the **CCEE** to comply with the claim by AES Sul and recalculate the transactions during the rationing period leaving out of account its Dispatch No. 288/2002. This was to be put into effect in the CCEE in November 2008, resulting in an additional disbursement for **Cemig**, referring to the expense on purchase of energy in the short-term market, in the CCEE, in the amount of approximately R\$ 84,940. On November 9, 2008 the company obtained an injunction from the Regional Federal Court suspending the obligation to deposit the amount claimed as a result of the Special Financial Settlement effected by the CCEE. No provision was constituted for this dispute, since the Company believes it has arguments on the merit for defense against this claim. The chance of loss in this action is rated possible .

(viii) Environmental complaints

An environment association, through a public civil action, claimed indemnity for supposed collective environmental damages as a result of the construction and operation of *the Nova Ponte Plant*. The amount involved in the action is R\$ 977,163. The company believes it has arguments on the merit for a legal defense and thus has not made a provision for these actions. The chance of loss in this action is rated possible .

(ix) Civil claims consumers

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

Cemig is defendant in legal proceedings challenging the criteria for measurement of amounts to be charged in relation to the contribution for public illumination, in the total amount of R\$ 837,580. The Company believes it has arguments on the merit for defense in this dispute and as a result has not constituted provision for this action. The likelihood of loss in this action is considered possible .

A public action challenging the Conduct Adjustment Undertaking between **Cemig** and the **Public Attorneys Office** demands return to the public funds of the amounts paid to the contractors providing services to the company that carried out the *Light for Everyone* Program. The amount involved in the action is R\$ 1,497,813. 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 chance of loss in this action is rated possible .

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

its operations.

Table of Contents**23) STOCKHOLDERS EQUITY AND REMUNERATION TO STOCKHOLDERS**

| | |
|------------------------------|------------------|
| Balance at December 31, 2008 | 9.351.634 |
| Interest on Equity | 336.242 |
| Balance on 31 March 2009 | 9.687.876 |

Stockholders Agreement

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

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

Capital increase at General Meeting of Stockholders held in April 2009

The General Meeting of Stockholders held on April 29, 2009 approved an increase in the registered capital of CEMIG from R\$ 2,481,508 to R\$ 3,101,884, with issuance of new shares upon capitalization of R\$ 606,454 of the balance of the Retained Earnings Reserve, and R\$ 13,922 from the Capital Reserve, distributing to stockholders as a consequence a 25% stock bonus, in new shares of the same type as those held, with a nominal unit value of R\$ 5.00.

24) GROSS SUPPLY OF ELECTRICITY

These figures give total supply of electricity by type of consumer:

| | (Not reviewed by independent auditors) | | | | | R\$ |
|---------------------------------|--|------------|-----------|-----------|-----------|-----------|
| | Number of consumers (*) | | MWh (*) | | | |
| | 03/31/2009 | 03/31/2008 | 1Q09 | 1Q08 | 1Q09 | 1Q08 |
| Residential | 9.108.642 | 8.815.400 | 2.446.236 | 2.236.580 | 1.072.401 | 1.149.276 |
| Industrial | 86.506 | 86.349 | 5.593.627 | 6.101.503 | 869.588 | 891.848 |
| Commercial, services and others | 852.082 | 832.761 | 1.566.568 | 1.477.530 | 636.899 | 667.921 |

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| | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|------------------|------------------|
| Rural | 535.560 | 569.093 | 455.518 | 456.423 | 96.987 | 137.545 |
| Public authorities | 64.356 | 61.495 | 258.624 | 236.587 | 104.450 | 95.904 |
| Public illumination | 3.286 | 2.790 | 311.294 | 301.901 | 71.455 | 81.887 |
| Public service | 9.696 | 9.211 | 327.063 | 330.386 | 85.177 | 91.881 |
| Sub-total | 10.660.128 | 10.377.099 | 10.958.930 | 11.140.910 | 2.936.957 | 3.116.262 |
| Own consumption | 1.168 | 1.151 | 12.815 | 13.106 | | |
| Subsidy for low-income consumers | | | | | 144.203 | 41.142 |
| Retail supply not invoiced, net | | | | | (39.536) | 99.190 |
| | 10.661.296 | 10.378.250 | 10.971.745 | 11.154.016 | 3.041.624 | 3.256.594 |
| Supply to other concession holders (**) | 82 | 82 | 2.748.037 | 2.712.266 | 270.055 | 294.355 |
| Transactions in energy on the CCEE | | | 832.304 | 152.163 | 89.449 | 24.294 |
| Effect of the Definitive Tariff Adjustment (***) | | | | | (264.625) | |
| Total | 10.661.378 | 10.378.332 | 14.552.086 | 14.018.445 | 3.136.503 | 3.575.243 |

(*) The *consumers* column Includes 100% of the consumers of Light, subsidiary of RME.

The *MWh* column includes 25.00% of the total MWh sold by Light.

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

(***) See Note 32.

Table of Contents**25) REVENUE FOR USE OF THE NETWORK FREE CONSUMERS**

The TUSD revenue is primarily from charges of a tariff to free consumers, which have bought electricity, for the use of the distribution network.

| | Consolidated | |
|---|----------------|----------------|
| | 03/31/2009 | 03/31/2008 |
| Tariff for use of the Electricity Distribution Systems (TUSD) | 274.055 | 309.353 |
| Revenue from use of the basic network | 149.500 | 155.616 |
| Revenue from connection to the system | 28.537 | 16.623 |
| | 452.092 | 481.592 |

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

26) OTHER OPERATIONAL REVENUES

| | Consolidated | | Holding company | |
|-----------------------------|----------------|----------------|-----------------|------------|
| | 03/31/2009 | 03/31/2008 | 03/31/2009 | 03/31/2008 |
| Retail supply of gas | 72,039 | 92,039 | | |
| Charged service | 3,663 | 3,093 | | |
| Telecommunications services | 28,990 | 22,957 | | |
| Services provided | 13,837 | 14,874 | | |
| Rental and leasing | 16,475 | 10,994 | 84 | 97 |
| Other | 3,264 | 2,345 | | |
| | 138,268 | 146,302 | 84 | 97 |

27) DEDUCTIONS FROM OPERATIONAL REVENUE

| | Consolidated | |
|--|--------------|------------|
| | 03/31/2009 | 03/31/2008 |
| <i>Taxes on revenue</i> | | |
| ICMS tax | 740,065 | 785,265 |
| Cofins tax | 281,339 | 344,314 |
| PIS and Pasep taxes | 54,131 | 73,133 |
| Other | 1,021 | 571 |
| | 1,076,556 | 1,203,283 |
| <i>Charges passed through to the consumer</i> | | |
| Global Reversion Reserve RGR | 43,730 | 42,855 |
| Energy Efficiency Program PEE | 8,196 | 10,141 |
| Energy Development Account CDE | 93,462 | 97,387 |
| Fuel Consumption Charge CCC | 122,620 | 77,225 |

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| | | |
|--|------------------|------------------|
| Research and Development R&D | 6,355 | 6,933 |
| National Scientific and Technological Development Fund FNDCT | 6,385 | 7,174 |
| Energy System Expansion Research (EPE / Energy Ministry) | 3,237 | 3,480 |
| | 283,985 | 245,195 |
| | 1,360,541 | 1,448,478 |

Cemig pays ICMS applicable to Portion A and to the Deferred Tariff Adjustment in conformity with the invoicing of amounts on the consumer's electricity invoice.

Table of Contents**28) OPERATIONAL COSTS AND EXPENSES**

| | Consolidated | | Holding company | |
|--|------------------|------------------|-----------------|---------------|
| | 03/31/2009 | 03/31/2008 | 03/31/2009 | 03/31/2008 |
| OPERATIONAL COSTS AND EXPENSES | | | | |
| Personnel expenses (a) | 298,021 | 284,363 | 5,776 | 3,880 |
| Post-employment obligations | 33,987 | 61,668 | 1,417 | 2,796 |
| Materials | 25,976 | 48,271 | 40 | 34 |
| Outsourced services | 160,659 | 144,752 | 2,428 | 1,352 |
| Energy purchased for resale (b) | 671,842 | 725,366 | | |
| Depreciation and amortization | 171,042 | 201,481 | 46 | 74 |
| Financial compensation for use of water resources | 36,118 | 33,786 | | |
| Operational provisions (c) | 53,487 | 96,353 | 20,981 | 40,822 |
| Charges for the use of the basic transmission grid | 204,191 | 172,324 | | |
| Gas purchased for resale | 39,314 | 53,420 | | |
| Other operational expenses, net (d) | 62,043 | 52,908 | 9,751 | 1,286 |
| | 1,756,680 | 1,874,692 | 40,439 | 50,244 |

(a) PERSONNEL EXPENSES

| | Consolidated | | Holding company | |
|---|--------------|------------|-----------------|------------|
| | 03/31/2009 | 03/31/2008 | 03/31/2009 | 03/31/2008 |
| Remuneration and salary-related charges and expenses | 277,477 | 250,297 | 4,384 | 2,318 |
| Supplementary pension contributions defined contribution plan | 17,694 | 17,198 | 744 | 685 |
| Assistance benefits | 30,931 | 29,950 | 656 | 724 |
| | 326,102 | 297,445 | 5,784 | 3,727 |
| Permanent Voluntary Dismissal Program (PPD) | (2,219) | 6,112 | (8) | 153 |
| () Personnel costs transferred to works in progress | (25,862) | (19,194) | | |
| | (28,081) | (13,082) | (8) | 153 |
| | 298,021 | 284,363 | 5,776 | 3,880 |

Program for employee resignations*The Voluntary Dismissal Program (PPD)*

The company has a Voluntary Dismissal Program (PPD), which is permanent, and applicable to spontaneous rescissions of employment contracts by employees. Among the principal financial incentives of the program are payment of 3 times the gross amount of monthly remuneration, and 6 months contributions to the Health Plan after leaving the company, deposit of the 40% penalty payment due on the balance of the FGTS upon termination of an employment contract, and payment of up to 24 months contributions to the Pension Fund and the National Social Security System after termination of the contract, in accordance with certain criteria established in the regulations of the program.

Since this program was put in place in March 2008, 679 employees have subscribed to it (143 of **Cemig GT**, 523 of **Cemig D**, and 13 of **Cemig**, the holding company). An expense has been recognized for the financial incentives under the program, recognized in full in the 2008 income statement.

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| | Consolidated | |
|---|----------------|----------------|
| | 03/31/2009 | 03/31/2008 |
| (b) ELECTRICITY PURCHASED FOR RESALE | | |
| From Itaipu Binacional | 225,307 | 230,439 |
| Short-term energy | 15,564 | 87,085 |
| Proinfa | 27,969 | 17,846 |
| Initial contracts | 1,892 | |
| Bilateral Contracts | 120,272 | 96,020 |
| Energy acquired in auctions in the Regulated Market | 235,430 | 251,386 |
| Portion A | 45,408 | 42,590 |
| | 671,842 | 725,366 |

The Portion A amounts refer to the transfer to the income statement of the respective amounts received in the tariff. See further information in Explanatory Note 6.

| | Consolidated | | Holding company | |
|---|---------------|---------------|-----------------|---------------|
| | 03/31/2009 | 03/31/2008 | 03/31/2009 | 03/31/2008 |
| (c) OPERATIONAL PROVISIONS | | | | |
| Pension plan premiums | (1,481) | 161 | | 7 |
| Provision (reversal) for credit of doubtful debts | 29,097 | 42,923 | (1,252) | (1,298) |
| Provision (Reversal) for labor-law contingencies | 5,423 | (627) | 4,308 | (2,865) |
| Reversal of Aneel administrative proceedings | 1,279 | 642 | 353 | (1,568) |
| Provision for legal contingencies – civil actions | 13,495 | 30,316 | 13,495 | 26,851 |
| Provision for civil actions on tariff increases | 3,718 | 10,463 | 3,718 | 9,413 |
| Other provisions | 1,956 | 12,475 | 359 | 10,282 |
| | 53,487 | 96,353 | 20,981 | 40,822 |

| | Consolidated | | Holding company | |
|--|---------------|---------------|-----------------|--------------|
| | 03/31/2009 | 03/31/2008 | 03/31/2009 | 03/31/2008 |
| (d) OTHER OPERATIONAL EXPENSES, NET | | | | |
| Leasing and rentals | 9,558 | 7,797 | 141 | 89 |
| Advertising | 3,584 | 8,968 | 655 | 48 |
| Own consumption of electricity | 3,426 | 4,645 | | |
| Subsidies and donations | 3,684 | 3,638 | 240 | 150 |
| Aneel inspection charge | 10,679 | 10,433 | | |
| Payments for concessions | 2,318 | 4,326 | | |
| Taxes and charges (IPTU, IPVA and others) | 6,146 | 6,170 | 14 | 22 |
| Insurance | 583 | 1,940 | 35 | 32 |
| Contribution to the MAE | 1,221 | 974 | 1 | 1 |
| Other expenses (Recovery of expenses) | 20,844 | 4,017 | 8,665 | 944 |
| | 62,043 | 52,908 | 9,751 | 1,286 |

Table of Contents**29) NET FINANCIAL REVENUE (EXPENSES)**

| | Consolidated | | Holding company | |
|---|-----------------|-----------------|-----------------|----------------|
| | 03/31/2009 | 03/31/2008 | 03/31/2009 | 03/31/2008 |
| FINANCIAL REVENUES | | | | |
| Revenue from cash investments | 66,383 | 53,863 | 6,588 | 555 |
| Arrears penalty payments on electricity bills | 27,513 | 50,708 | | |
| Interest and monetary variation on accounts receivable from the Minas Gerais state government | 40,006 | 39,278 | | |
| Monetary variation of CVA | 11,508 | 7,467 | | |
| Monetary variation General Agreement for the Electricity Sector | 15,446 | 45,206 | | 4,357 |
| Monetary variation Deferred Tariff Adjustment | 1,777 | 25,897 | | |
| FX variations | 20,875 | 2,676 | 1 | 32 |
| Pasep and Cofins taxes on financial revenues | (424) | (3,708) | | |
| Gains on financial instruments | 547 | 6,792 | | |
| Adjustment to present value | 614 | | | |
| Gains on FIDC | | | 9,415 | 11,435 |
| Other | 24,950 | 19,802 | 5,721 | 5,347 |
| | 209,195 | 247,981 | 21,725 | 21,726 |
| FINANCIAL EXPENSES | | | | |
| Charges on loans and financings | (199,809) | (194,718) | (2,677) | (2,392) |
| Monetary variation General Agreement for the Electricity Sector | (1,273) | (11,852) | | |
| Monetary variation of CVA | (1,835) | (4,806) | | |
| FX variations | 2,584 | (10,496) | (3) | (3) |
| Monetary variation loans and financings | (3,816) | (24,019) | | |
| CPMF tax. reversal | | (5,774) | | (1,612) |
| Provision (reversal) for losses on recovery of Extraordinary Tariff | | | | |
| Recomposition and free energy amounts updating | 8,722 | (15,987) | | (4,357) |
| Losses on financial instruments | (21,270) | (11,793) | | |
| Reversal of provision for PIS and Cofins taxes on Revenue | (2,107) | | | |
| Other | (28,148) | (47,648) | (7,206) | (17,958) |
| | (246,952) | (327,093) | (9,886) | (26,322) |
| NET FINANCIAL REVENUE (EXPENSES) | (37,757) | (79,112) | 11,839 | (4,596) |

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

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

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

| COMPANIES | ASSETS | | Holding company and Consolidated LIABILITIES | | REVENUES | | EXPENSES | |
|--|----------------|----------------|---|----------------|----------------|----------------|----------------|----------------|
| | 31/03/ 2009 | 31/12/ 2008 | 31/03/ 2009 | 31/12/ 2008 | 31/03/ 2009 | 31/12/ 2008 | 31/03/ 2009 | 31/12/ 2008 |
| <i>Cemig Distribuição S.A.</i> | | | | | | | | |
| Interest on Equity and dividends | 682.227 | 682.227 | | | | | | |
| Affiliated or subsidiary companies, or parent company | 13.369 | 12.117 | 10.372 | 9.967 | | | | |
| <i>Cemig Geração e Transmissão S.A.</i> | | | | | | | | |
| Interest on Equity and dividends | 539.042 | 539.042 | | | | | | |
| Affiliated or subsidiary companies, or parent company | 394 | 394 | 34 | 36 | | | | |
| <i>Light S.A.</i> | | | | | | | | |
| Interest on Equity and dividends | 65.112 | 61.922 | | | | | | |
| <i>Minas Gerais state government</i> | | | | | | | | |
| Consumers and Traders (1) | 2.269 | 1.616 | | | 19.051 | 17.878 | | |
| Taxes offsettable ICMS current (2) | 172.342 | 165.307 | 286.540 | 281.134 | 598.178 | 659.384 | | |
| Accounts receivable from Minas Gerais state gov. CRC (3) | 1.770.926 | 1.800.873 | | | 30.592 | 27.843 | | |
| Taxes offsettable - ICMS - noncurrent (2) | 80.191 | 79.170 | | | | | | |
| Consumers and resellers (4) | 10.416 | 17.200 | | | | | | |
| Interest on Equity and dividends | | | | | | | | |
| Debentures (5) | | | 33.921 | 32.936 | | | (841) | (1.411) |
| Receivables fund FIDC (6) | | | 950.918 | 990.280 | | | | |
| Financings BDMG (7) | | | 10.212 | 19.957 | | | | |
| <i>Forluz</i> | | | | | | | | |
| Post-employment obligations current (8) | | | 77.069 | 74.969 | | | (31.689) | (51.969) |
| Post-employment obligations noncurrent (8) | | | 1.133.116 | 1.146.791 | | | | |
| Other | | | 33.087 | 73.133 | | | | |
| Personnel (9) | | | | | | | (17.588) | (17.198) |
| Current administration expense (10) | | | | | | | (4.250) | (4.138) |
| <i>Others</i> | | | | | | | | |
| Interest on Equity and dividends | 150.087 | 153.631 | | | | | | |
| Affiliated and subsidiary companies, or parent companies | 10.463 | 5.356 | | | | | | |

Main material comments on the above transactions:

- (1) Sale of electricity to the Government of the State of Minas Gerais. Transactions were carried out on terms equivalent to those which prevail in the transactions with independent parties, considering that the price of the energy is that defined by Aneel through a resolution referring to the company's annual tariff adjustment. The balance of R\$ 10,416 on March 31, 2009 in the short and long term, includes amounts receivable from **Copasa**, which were renegotiated for payment in 96 months.
- (2) The transactions with ICMS tax posted in the financial statements refer to transactions for sale of electricity and are carried out in conformity with the specific legislation of the State of Minas Gerais.

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- (3) Input of the CRC credits into a Receivables Investment Fund in senior and subordinated units. See further information in Explanatory Note 14.
- (4) A substantial portion of the amount refers to the renegotiation of the debt arising from the sale of electricity to **Copasa**, with payment scheduled up to September 2012 and financial updating by the IGP-M index + 0.5% p. a.
- (5) Private issue of debentures not convertible into shares in the amount of R\$ 120.000, updated by the IGP-M Inflation Index, for conclusion of the *Irapé hydroelectric plant*, with redemption after 25 days from date of issue. The amount at December 31, 2008 was adjusted to present value, as per Explanatory Note 21.
- (6) Senior units held by third parties, in the amount of R\$ 900.000, amortized in 20 six-monthly installments, from June 2006, with updating by the CDI rate plus 1.7% interest per year. See further information in Explanatory Note 12.
- (7) Financings of the subsidiaries **Transudeste** and **Transirapé** with maturity in 2019 (TJLP long-term interest rate + 4.5% p. a. and UMBNDES 4.54% p. a.), and of **Transleste**, in 2017 and 2025 (rate 5% p. a. and 10% p. a.).
- (8) Part of the contracts of *Forluz* are adjusted by the IPCA (Amplified Consumer Price) Inflation Index of the IBGE (Brazilian Geography and Statistics Institute), and part are adjusted based on the Salary Adjustment Index of the employees of Cemig GT and Cemig D, excluding productivity factors, plus 6% p. a., with amortization up to 2024. See further information in Explanatory Note 23.
- (9) Cemig's contributions to the Pension Fund related to the employees participating in the Mixed Plan (see Explanatory Note 23), calculated on the monthly remunerations in accordance with the regulations of the Fund.
- (10) Funds for annual current administrative costs of the Pension Fund in accordance with the specific legislation of the sector. The amounts are estimated as a percentage of the Company's total payroll.

See further information on the principal transactions in Explanatory Notes 4, 9, 12, 19, 20, 22, 23, 24 and 28.

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31) FINANCIAL INSTRUMENTS

Financial instruments used by Cemig are restricted to cash and cash equivalents, consumers and traders, amounts receivable from the Minas Gerais state government, loans and financings, debentures, and currency swaps. The gains and losses obtained on the transactions are registered in full by the accrual method.

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

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

a) Management of risks

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

The Company has a Financial Risks Management Committee, with the aim of implementing guidelines and monitoring the financial risk of transactions which might negatively affect the Company's liquidity and profitability, recommending strategies for protection (hedge) in relation to foreign exchange, interest rate and inflation. These are effectively in line with the Company's strategy.

Cemig's principal exposure risks are discussed below:

Exchange rate risk

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Cemig and its subsidiaries are exposed to the risk of increase in exchange rates, especially of the US dollar against the Real, with significant impact on indebtedness, profit and cash flow. To reduce the Company's exposure to increases in exchange rates, on March 31, 2009 CEMIG had hedge transactions contracted which are described in more detail in item b.

The net exposure to exchange rates is as follows:

| EXPOSURE TO EXCHANGE RATES | Consolidated and Holding company | |
|---|----------------------------------|----------------|
| | 03/31/2009 | 12/31/2008 |
| US Dollar (Note 19) | | |
| Loans and financings | 410,514 | 411,479 |
| (-) Hedge and swap transactions (*) | (61,909) | (63,198) |
| | 348,605 | 348,281 |
| Yen (Note 20) | | |
| Loans and financings | 91,516 | 100,160 |
| (-) Hedge transactions | (90,543) | (100,037) |
| | 973 | 123 |
| Other foreign currencies (Note 19) | | |
| Loans and financings | | |
| Euro | 26,768 | 30,006 |
| Other | 4,897 | 5,229 |
| | 31,665 | 35,235 |
| Net liability exposure | 381,243 | 383,639 |

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

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The Company estimates that, in a probable scenario, the appreciation of the exchange rates of the foreign currencies against the Real at the end of 2009 will be 1.50%. The Company has made a sensitivity analysis of the effects on its results arising from increases in the Selic rate of 25% and 50%, respectively scenarios which we assess as possible and remote, respectively.

| Risk | FX exposure | Base Scenario | Probable scenario | Possible Scenario: FX Depreciation 25.00% | Remote Scenario: FX Depreciation 50.00% |
|------------------|--------------------------------------|----------------|-------------------|---|---|
| US dollar | | | | | |
| | Loans and financings | 410,514 | 416,684 | 521,299 | 625,913 |
| | () Hedge and swap transactions | (61,909) | (62,840) | (78,616) | (94,393) |
| | | 348,605 | 353,845 | 442,683 | 531,520 |
| Yen | | | | | |
| | Loans and financings | 91,516 | 92,892 | 116,213 | 139,535 |
| | () Hedge transactions | (90,543) | (91,904) | (114,978) | (138,051) |
| | | 973 | 988 | 1,236 | 1,484 |
| Euro | | | | | |
| | Loans and financings | | | | |
| | Others | 26,768 | 27,170 | 33,675 | 40,433 |
| | | 4,897 | 4,971 | 6,161 | 7,397 |
| | Net liability exposure | 381,243 | 382,003 | 477,593 | 573,436 |
| | Net effect of FX depreciation | | (5,731) | (102,510) | (199,590) |

Interest rate risk

Cemig and its subsidiaries were exposed to the risk of increase in international interest rates, affecting loans and financings in foreign currency with floating interest rates (principally Libor), in the amount of R\$ 96,364 at March 31, 2009 (R\$ 109,272 on December 31, 2008).

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

| EXPOSURE TO BRAZILIAN INTEREST RATES | Consolidated | | Holding company | |
|--|--------------------|--------------------|-----------------|----------------|
| | 03/31/2009 | 12/31/2008 | 03/31/2009 | 12/31/2008 |
| Assets | | | | |
| Cash investments (Note 3) | 2,614,275 | 1,953,165 | 210,132 | 239,545 |
| Regulatory assets (Note 5) | 1,740,596 | 1,642,528 | | |
| | 4,354,871 | 3,595,693 | 210,132 | 239,545 |
| Liabilities | | | | |
| Loans, financings and debentures (Note 19) | (5,194,587) | (5,122,700) | (83,005) | (80,328) |
| Regulatory liabilities (Note 5) | (623,789) | (668,916) | | |
| Hedge and swap transactions (Note 31) | (152,452) | (162,235) | | |
| | (5,970,828) | (5,953,851) | (83,005) | (80,328) |
| Net liability exposure | (1,615,957) | (2,358,158) | 127,127 | 159,217 |

In relation to the most significant interest rate risk of an increase of SELIC, the Company estimates that, in a probable scenario, the SELIC rate at the end of 2009 will be 9.00%. The Company has made a sensitivity analysis of the effects on its results arising from increases in the SELIC rate of 25% and 50%, respectively scenarios which we assess as possible and remote, respectively.

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| | Base scenario: Selic 11.16% | Probable scenario: Selic 9.00% | Possible scenario: Selic 11.25% | Remote scenario: Selic 13.50% |
|--|--|---|--|--|
| Risco - Alta nas Taxas de juros nacionais | | | | |
| Assets | | | | |
| Cash investments | 2,614,275 | 2,572,039 | 2,616,027 | 2,660,022 |
| Regulatory assets | 1,740,596 | 1,712,475 | 1,741,762 | 1,771,055 |
| | 4,354,871 | 4,284,514 | 4,357,789 | 4,431,077 |
| Liabilities | | | | |
| Loans, financings and debentures | (5,194,587) | (5,110,663) | (5,198,067) | (5,285,487) |
| Regulatory liabilities | (623,789) | (613,711) | (624,207) | (634,705) |
| Contracted hedge/swap | (152,452) | (149,989) | (152,554) | (155,120) |
| | (5,970,828) | (5,874,363) | (5,974,828) | (6,075,312) |
| Net liability exposure | (1,615,957) | (1,589,850) | (1,617,040) | (1,644,235) |
| Net effect of variation in the Selic rate | | 26,107 | (1,083) | (28,278) |

Credit risk

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

Energy scarcity risk

The electricity sold is generated, basically, by hydroelectric power plants. A prolonged period of shortage of rainfall could result in the reduction of the volume of water in the Company's reservoirs, adversely affecting the recovery of their volume and resulting in losses as a result of increased costs of acquisition of electricity, or reduction of revenues in the event of adoption of a renewed rationing program, like the one put in place by the federal government in 2001.

Risk of early maturity of debt

The Company and its subsidiaries have contracts for loans, financings and debentures, with the restrictive covenant clauses normally applicable to these types of operation, related to compliance with economic and financial indices, cash flow and other indicators. Non-compliance with these clauses could result in early maturity of debt. The restrictive clauses were complied with in full on March 31, 2009.

Risk of non-renewal of concessions

The Company has concessions for commercial operation of generation, transmission and distribution services, and its management expects that they will be renewed by Aneel and/or the Mining and Energy Ministry. If regulatory bodies do not grant the applications for renewals of these

concessions, or if it decides to renew them upon imposition of additional costs for the company (concessions for consideration), or establishment of a ceiling price, the present levels of activity and profitability could be altered.

b) Financial instruments derivatives

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

The principal amounts of the transactions and derivatives are not posted in the balance sheet, since they refer to transactions which do not require payments of cash in full, but only of the gains or losses that actually occur. The net results of these transactions represented losses in the first quarter of 2009 and 2008 in the amount of R\$ 20,723 and R\$ 5,001, respectively. These were posted in Financial revenue (expenses).

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Methodology of calculation of the fair value of positions

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

This table shows the derivative instruments contracted by the subsidiaries Cemig GT and Cemig D on March 31, 2009.

| Receivable by | Payable by | Maturity period | Market Trading | Principal amount contract | | Book Value | | Fair Value | | Accumulated Effect | |
|--|---|-------------------------|------------------------|---------------------------|------------|------------|------------|------------|------------|-----------------------------|---------------------------|
| | | | | 3/31/2009 | 12/31/2008 | 3/31/2009 | 12/31/2008 | 3/31/2009 | 12/31/2008 | Receivable Amount 3/31/2009 | Payable Amount 12/31/2008 |
| US\$ exchange rate + interest (5.58% p.a. to 7.48% p.a.) | R\$ 100% of CDI + interest (2.98% p.a. to 3.01% p.a.) | From 04/2009 to 06/2013 | Over the counter (OTC) | US\$59,135 | US\$59,135 | (89,227) | (87,672) | (94,993) | (97,301) | | |
| ¥ (Japanese Yen) exchange rate + interest (3.90% p.a.) | R\$ Brazilian interest rate - CDI (111% of CDI) | 12/2009 | Over the counter (OTC) | ¥3,878,825 | ¥3,878,825 | (1,812) | 2,963 | (1,812) | 2,837 | | |
| R\$ 106% of CDI | R\$ or US\$ 48% of CDI or exchange rate (the highest) | 04/2010 | Over the counter (OTC) | R\$75,000 | R\$75,000 | (17,998) | 132 | (18,441) | 132 | 697 | (356) |
| | | | | | | (109,037) | (84,577) | (115,246) | (94,332) | 697 | (356) |

Additionally, the jointly controlled subsidiary **Light** uses swap transactions to reduce risks arising from FX variations. The non-realized net value of these transactions on March 31, 2009, was R\$ 2, 623 positive (negative in R\$ 2,846 on March 31, 2008).

c) Sensitivity analysis

The two first derivative instruments shown in the table above indicate that the Company is exposed to the variation in the CDI rate. The Company estimates that the CDI rate at the end of 2009 will be 9.00%. The Company has made a sensitivity analysis of the effects on its results arising from increases in the CDI rate of 25% and 50%, respectively, in relation to March 31, 2009 scenarios which we assess as possible and remote, respectively. In the possible and remote scenarios, the CDI rate at March 31, 2009 is 11.25%, and 13.50% respectively.

The last derivative instrument shown in the table above indicates that the Company is exposed to a monthly variation in the exchange rate of the US dollar against the Real (if it is greater than 48.00% of the CDI). The Company estimates that the exchange rate of the US dollar against the Real at the end of 2009 will be R\$ 2.35. The Company has made a sensitivity analysis of the effects on the results of the Company arising from uniform increases of 25% and 50% in the Real/dollar exchange rate in 2009 these are scenarios of which we rate the chances as possible and remote, respectively.

In these possible and remote scenarios, the US dollar exchange rate at December 31, 2009 is R\$ 2.94, and R\$ 3.53, respectively.

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| | Base Scenario | Probable Scenario | Possible Scenario | Remote Scenario |
|---|------------------|----------------------|----------------------|--------------------|
| Risk - Increase in domestic interest rates | | | | |
| Contracts in US\$ and Yen | (227,452) | (223,777) | (227,604) | (231,432) |
| Net effect of variation of the Selic rate | | 3,674 | (152) | (3,980) |
| Risk increase in US\$ | | | | |
| Contracts updated at 106.00% of CDI | 75,000 | 76,127 | 95,240 | 114,353 |
| Net effect of the variation in the US\$ | | (1,127) | (20,240) | (39,353) |

32) FINAL RESULT OF THE SECOND TARIFF REVIEW OF CEMIG D AND LIGHT SESA**a) Cemig Distribuição S. A.**

In March 2009 Aneel homologated the final result of the tariff review of Cemig Distribuição, the effects of which take place from April 2008.

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

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

The adjustments in the net profit, which relate principally to (i) the reduction in the value of the Reference Company used as a basis for reimbursement of the Company's manageable costs and also from ANEEL (ii) the new calculation criterion for reimbursement of financial regulatory assets via tariffs, with a consequence of discounts in the amounts that in the opinion of the regulatory agency, were included higher in the Company's tariff rate as the table below shows:

The adjustments affected the following income statements on March 31, 2009:

| | 03/31/2009 |
|---|------------------|
| Operacional liquid income of PASEP-COFINS | (213,803) |
| Operational cost and expenses | 20,987 |
| | (192,906) |
| Income tax and contribution | 65,588 |
| Gross profit of the net | (127,318) |

b) Light SESA

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On November 4, 2008 ANEEL established a provisional structural tariff repositioning for Light with an increase of 1.96%, from November 7, 2008. Considering the financial adicional of 2.30%, increase in the tariff was 4.27%. As a result of the withdrawal from the tariff base of a financial component of 0.41%, which had been added in the annual adjustment of 2007, the average effect on the tariff perceived by consumers was 4.70%

In relation to the additional financial items: ANEEL approved an administrative appeal filed by Light at the time of Light's tariff adjustment of 2007. In this appeal Light requested recalculation of the Energy CVA component for the period 2005-6. The impact of this decision on Light was R\$ 76.8 million, representing an addition of 1.48% to the tariff, for 12 months.

The Tariff Review process principally establishes the following: The repositioning of the tariff level, which establishes tariffs compatible with coverage of efficient operational costs and remuneration on prudent investments; and the X Factor, which establishes productivity targets for the subsequent tariff period.

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For the calculation of the tariff repositioning, ANEEL establishes the following: (i) efficient operational costs, using the Reference Company method; (ii) the amount of prudent investments, using the Regulatory Basis for Remuneration; (iii) the level of regulatory losses to be passed through to consumers; and (iv) the non-manageable costs, also known as Portion A.

33) SUBSEQUENT EVENTS

Acquisition of 65.86% of Terna Participações S. A.

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

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

Temporary Voluntary dismissal program (PDV)

In April 2009, Cemig put in place its temporary voluntary dismissal program (PDV), available to employees between April 22 and June 5, 2009.

Employees who subscribe to the PDV receive a financial incentive varying between 3 and 16 times their monthly remuneration, according to criteria established in the program's regulations, of which the principal one is the time of contribution remaining for full retirement entitlement under the national social security system (INSS). The incentive includes payment of the contributions to the pension fund and the INSS up to the date when the employee would have complied with the requirements for applying for retirement benefit under the INSS (limited to five years), and deposit of the obligatory penalty payment (applicable to dismissals) of 40% on the balance of the employee's accumulated funds under the FGTS system.

Additionally, Cemig guarantees full payment of the costs of the group life insurance plan, for 6 months, and of the health plan, for 12 months, from the date of leaving the company.

The provision for the expenses under this program will be made in the second quarter of 2009, depending on how many employees subscribe to the program.

Rates readjustment

The rates of Cemig Distribuição S. A. were increased by an average of 6.21% from April 8,2009. The adjustment was applied in different percentages by category of consumption. As an example, residential consumers had an increase of 4.87% in their electricity bills, while high-voltage consumers had an increase of 9.42%.

Table of Contents**34) INCOME STATEMENTS SEPARATED BY COMPANY**

| DESCRIÇÃO | HOLDING | CEMIG - GT | CEMIG - D | RME Light | ETEP, ENTE, ERTE, EATE, ECTE | GASMIG | INFOVIAS | SÁ CARVALHO | ROSAL | OUTRAS | ELIMINAÇ |
|--|------------|---------------|--------------|--------------|--|---------|----------|----------------|---------|---------|----------|
| ATIVO | 11.232.668 | 8.228.394 | 9.823.165 | 2.366.480 | 320.921 | 508.521 | 288.648 | 156.539 | 127.586 | 766.886 | (8.692) |
| Disponibilidade | 214.415 | 1.257.870 | 483.827 | 184.542 | 18.782 | 108.561 | 28.083 | 56.382 | 41.943 | 311.186 | |
| Contas a Receber | 2.256.476 | 435.904 | 1.745.748 | 435.139 | 10.663 | 157.461 | | 5.593 | 10.401 | 35.290 | (666) |
| Consumidores e Revendedores | | 385.330 | 1.384.982 | 348.253 | | 157.461 | | 5.593 | 10.401 | 33.926 | (170) |
| Consumidores e Revendedores | | | 10.416 | 74.365 | | | | | | | |
| Concessionários - Transporte de Energia | | 50.574 | 350.350 | 12.521 | 10.663 | | | | | 1.364 | (11) |
| Contas a Receber do Governo do Estado | 820.008 | | | | | | | | | | 950 |
| CREDITOS A RECEBER DE CONTROLADAS | 1.436.468 | | | | | | | | | | (1.435) |
| Ativo Regulatório | | 26.755 | 1.669.902 | 104.824 | | | | | | | |
| Despesas Antecipadas - CVA | | | 542.899 | 36.515 | | | | | | | |
| Despesas Antecipadas - CVA | | | 612.396 | 54.100 | | | | | | | |
| Consumidores - Recomposição Tarifária | | | 288.427 | 14.209 | | | | | | | |
| Consumidores - Recomposição Tarifária | | | 165.296 | | | | | | | | |
| Revendedores - Transações no MAE | | 10.640 | | | | | | | | | |
| ATIVO REGULAT. - PIS/PASEP/COFINS | | | 46.240 | | | | | | | | |
| ATIVO REGULAT. - PIS/PASEP/COFINS | | | | | | | | | | | |
| RTD | | | 14.644 | | | | | | | | |
| RTD | | | | | | | | | | | |
| Revendedores - Transações Energia Livre | | 16.115 | | | | | | | | | |
| Outros Ativos | 546.633 | 614.242 | 1.536.415 | 543.824 | 11.960 | 44.901 | 48.311 | 23.563 | 2.988 | 55.168 | (68) |
| Tributos Compensáveis | 5.191 | 331.938 | 425.269 | 115.390 | 1.684 | 27.782 | 3.138 | 22.640 | 2.948 | 44.442 | |
| Almoxarifado | 17 | 3.656 | 23.812 | 4.944 | 2.671 | 1.717 | | | | | |
| Créditos Tributários | 41.899 | 24.899 | 168.846 | 61.334 | | | 1.522 | 70 | | | |
| Fundos Vinculados | 47 | 1.184 | 183.531 | | | | | | | | |
| Outros Créditos | 19.757 | 68.036 | 163.048 | 55.810 | 789 | 3.979 | 11.830 | 265 | 39 | 5.607 | (22) |
| Créditos Tributários | 128.706 | 77.039 | 202.211 | 254.324 | | 9.882 | 28.409 | | | | |
| Racionamento - Bônus e Custo | | | | | | | | | | | |
| Tributos Compensáveis | 189.477 | 18.158 | 57.351 | 15.693 | | 857 | 3.399 | | | | |
| Depósitos Vinculados a Litígio | 88.946 | 57.714 | 258.799 | 30.709 | 1.110 | 677 | | 588 | 1 | 290 | |
| Coligadas e Controladas | 24.264 | 10.843 | 25.883 | | | | | | | 3.005 | (63) |
| Outros | 48.329 | 20.775 | 27.665 | 5.620 | 5.706 | 7 | 13 | | | 1.824 | 18 |

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| | | | | | | | | | | | |
|---|------------|-----------|-----------|-----------|---------|----------|---------|---------|---------|---------|---------|
| Investimentos/Imobilizado | 8.215.144 | 5.893.623 | 4.387.273 | 1.098.151 | 279.516 | 197.598 | 212.254 | 71.001 | 72.254 | 365.242 | (7.958) |
| Investimentos | 8.210.890 | 1.074.537 | 5.552 | 4.660 | | 194 | | | | 59.369 | (8.211) |
| Imobilizado | 2.007 | 4.801.846 | 4.157.570 | 1.024.295 | 275.313 | 195.897 | 211.953 | 71.001 | 72.005 | 270.942 | |
| Intangível | 2.247 | 17.240 | 224.151 | 69.196 | 4.203 | 1.507 | 301 | | 249 | 34.931 | 252 |
| Diferido | | | | | | | | | | | |
| PASSIVO | 11.232.668 | 8.228.394 | 9.823.165 | 2.366.480 | 320.921 | 508.521 | 288.648 | 156.539 | 127.586 | 766.886 | (8.692) |
| Fornecedores e suprimentos | 3.212 | 155.393 | 545.397 | 137.501 | 1.212 | 25.083 | 8.248 | 6.850 | 6.086 | 16.122 | (80) |
| Fornecedores | 3.212 | 155.316 | 545.397 | 137.501 | 1.212 | 25.083 | 8.248 | 6.850 | 6.086 | 16.122 | (80) |
| Fornecedores - Suprimento | | 77 | | | | | | | | | |
| Emprestimo, Financiamento e Debentures | 83.004 | 2.988.383 | 2.751.160 | 541.618 | 163.037 | | | | | 99.015 | 950 |
| Empréstimos e Financiamentos | 9.417 | 418.079 | 332.840 | 38.007 | 23.492 | | | | | 22.571 | 68 |
| Debentures | | 381.389 | 36.123 | 17.352 | | | | | | | |
| Empréstimos e Financiamentos | 73.587 | 1.916.179 | 1.646.730 | 256.032 | 139.545 | | | | | 76.444 | 882 |
| Debentures | | 272.736 | 735.467 | 230.227 | | | | | | | |
| Juros sobre Capital Próprio e Dividendos | 960.129 | 539.042 | 682.227 | 65.112 | 9.584 | 12.289 | | 19.765 | 18.877 | 88.299 | (1.435) |
| Obrigações Pós-Emprego | 56.021 | 275.811 | 878.353 | 254.500 | | | | | | | |
| Obrigações Pós-Emprego | 4.016 | 18.473 | 54.580 | 23.445 | | | | | | | |
| Obrigações Pós-Emprego | 52.005 | 257.338 | 823.773 | 231.055 | | | | | | | |
| Outros Passivos | 442.426 | 556.213 | 2.449.683 | 699.708 | 16.123 | 142.767 | 10.182 | 28.023 | 6.961 | 67.046 | (169) |
| Salários e Contribuições Sociais | 16.117 | 44.129 | 134.990 | 16.371 | 441 | 403 | 1.527 | 95 | 288 | 147 | |
| Tributos e Contribuição Social | 20.731 | 186.905 | 453.337 | 36.372 | 2.902 | 26.755 | 7.323 | 25.548 | 4.538 | 45.717 | |
| Encargos Regulatórios | | 75.706 | 286.887 | 58.434 | 2.031 | | | 1.232 | 620 | 434 | |
| Participação nos lucros | 1.490 | 8.951 | 28.594 | | | 289 | | 148 | | | |
| Dívidas com Pessoas Ligadas | 10.406 | 5.544 | 23.376 | | | 1.316 | | | | 4.880 | (45) |
| PASSIVOS REGULATÓRIOS CVA | | | 123.051 | 23.725 | | | | | | | |
| PASSIVO REGULATÓRIO REV RECEITA | | | 264.626 | | | | | | | | |
| Provisão P/Perdas em Instrumentos Financeiros | | 34.861 | 80.386 | | | | | | | 4.801 | |
| Outras Obrigações | 14.766 | 45.053 | 244.114 | 113.151 | 2.554 | 136.049 | 753 | 308 | 301 | 5.753 | (123) |
| Encargos Regulatórios | | 4.352 | 15.550 | | | | | 189 | 48 | 167 | |
| Tributos e Contribuição Social | | 106.443 | 254.321 | 81.961 | | | | 502 | 1.165 | 292 | |
| Provisões para Contingências | 378.886 | 7.591 | 69.973 | 234.120 | | | | | | | |
| PASSIVOS REGULATÓRIOS CVA | | | 459.201 | 336 | | | | | | | |
| Outros | 30 | 36.678 | 11.277 | 135.238 | 8.195 | (22.045) | 579 | 1 | 1 | 4.855 | |
| Resultado de Exercícios Futuros | | | | 356.890 | 5.984 | | | | | | |
| Participações minoritárias | | | | | | | | | | | |
| Patrimônio Líquido | 9.687.876 | 3.713.552 | 2.516.345 | 311.151 | 124.981 | 328.382 | 270.218 | 101.901 | 95.662 | 496.404 | (7.958) |
| RESULTADO | | | | | | | | | | | |
| Receita Operacional Líquida | 84 | 732.279 | 1.185.835 | 362.076 | 22.088 | 55.629 | 24.510 | 10.856 | 7.327 | 39.317 | (73) |

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| CUSTOS E DESPESA OPERACIONAL | | | | | | | | | | | |
|---|-----------------|----------------|---------------|---------------|--------------|---------------|--------------|--------------|--------------|---------------|----|
| Pessoal | (5.776) | (68.795) | (200.966) | (15.525) | (623) | (2.770) | (2.018) | (239) | (297) | (1.012) | |
| Pessoal - Administradores e Conselheiros | | | | | | | | | | | |
| Obrigações Pós-Emprego | (1.417) | (7.333) | (22.939) | (2.298) | | | | | | | |
| Materiais | (40) | (2.949) | (20.815) | (1.118) | (253) | (174) | (319) | (179) | (24) | (105) | |
| Materia Prima | | | | | | | | | | | |
| Serviços de Terceiros | (2.428) | (24.537) | (105.051) | (14.710) | (1.356) | (1.080) | (4.778) | (1.084) | (599) | (5.036) | |
| Comp. Financ Utilização | | | | | | | | | | | |
| Recursos Hídricos | | (34.767) | | | | | | (444) | (253) | (654) | |
| Energia Elétrica | | | | | | | | | | | |
| Comprada para Revenda | | (27.190) | (505.711) | (193.174) | | | | | (154) | (1.268) | 55 |
| Encargos de Uso da Rede | | | | | | | | | | | |
| Básica de Transmissão | | (72.294) | (119.565) | (24.823) | | | | | (1.133) | (4.400) | 18 |
| Depreciação e | | | | | | | | | | | |
| Amortização | (46) | (56.026) | (81.162) | (19.143) | (2.207) | (951) | (7.115) | (557) | (543) | (3.292) | |
| Provisões Operacionais | (20.981) | 252 | (15.694) | (16.388) | | | (3) | | | (673) | |
| Gás Comprado para | | | | | | | | | | | |
| Revenda | | | | | | (39.314) | | | | | |
| Outras Despesas Líquidas | (9.751) | (13.672) | (28.623) | (6.479) | (313) | (1.172) | (1.406) | (79) | (101) | (449) | |
| | (40.439) | (307.311) | (1.100.526) | (293.658) | (4.752) | (45.461) | (15.639) | (2.582) | (3.104) | (16.887) | 73 |
| Lucro Operacional antes do Resultado de Equivalência Patrim. e | | | | | | | | | | | |
| Receitas (despesas) | | | | | | | | | | | |
| Financeiras | (40.355) | 424.968 | 85.309 | 68.418 | 17.336 | 10.168 | 8.871 | 8.274 | 4.223 | 22.430 | |
| Resultado Financeiro | 11.839 | (50.190) | (7.773) | (3.876) | (3.770) | 4.704 | 781 | 1.610 | 1.206 | 7.712 | |
| Lucro (prejuízo) Operacional | | | | | | | | | | | |
| | (28.516) | 374.778 | 77.536 | 64.542 | 13.566 | 14.872 | 9.652 | 9.884 | 5.429 | 30.142 | |
| Resultado Não Operacional | | | | | | | | | | | |
| Lucro (Prejuízo) antes do Imposto de Renda, contribuição social e participação dos empregados | | | | | | | | | | | |
| | (28.516) | 374.778 | 77.536 | 64.542 | 13.566 | 14.872 | 9.652 | 9.884 | 5.429 | 30.142 | |
| Imposto de Renda e Contribuição Social | | | | | | | | | | | |
| Participações Minoritária | 5.923 | (136.642) | (18.477) | (19.561) | (3.550) | (4.717) | (3.267) | (3.333) | (994) | (3.381) | |
| Participações dos | | | | | | | | | | | |
| Empregados | (902) | (5.723) | (18.725) | (1.802) | | | | (63) | (28) | (181) | |
| Lucro Líquido do Exercício | | | | | | | | | | | |
| | (23.495) | 232.413 | 40.334 | 23.038 | 9.937 | 10.155 | 6.385 | 6.488 | 4.407 | 26.580 | |

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CONSOLIDATED ECONOMIC FINANCIAL PERFORMANCE

Amounts are in thousands of Reais unless otherwise stated.

Profit in the period

Cemig reported in first quarter of 2009 consolidated net profit of R\$ 336,242, compared to consolidated net profit of R\$ 490,280 million in 1Q08, a reduction of 31.42%.

This lower profit was due in part to the extraordinary adjustments posted in the first quarter of 2009, arising from the final values advised by Aneel for the Company's Tariff Review, with a negative impact of R\$ 127 million in the result. In counterpart, an extraordinary creditor item with a positive impact of R\$ 38 million, also related to the Tariff Review, was posted in the income statement for the first quarter of 2008.

Ebitda (method of calculation not reviewed by external auditors)

Cemig's Ebitda in first quarter of 2009 was R\$ 780,684, vs. R\$ 1,081,448 in first quarter of 2008, a reduction of 27.81%. It should be noted that, adjusted for non-recurring items, Ebitda was 4.87% lower year-on-year.

As part of the tariff review of Cemig Distribuição, Aneel included in the tariff to be applied as from April 8, 2009 certain financial items relating to previous business years which resulted in the recognition of regulatory assets and liabilities which will be received and/or discounted in the tariff to be received from consumers in the period April 8, 2009 to April 7, 2010.

The financial items mentioned refer principally to the reduction in the cost of the Reference Company used by Aneel to reimburse the Company for its manageable costs, with effect backdated to 2008. The impact on Ebitda of this non-recurring recognition of financial items was R\$ 192,816.

In the previous period the company also made non-recurring adjustments relating to the Tariff Review, but those adjustments had a positive effect on the income statement.

These non-recurring adjustments are shown in the table below:

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| EBITDA - R\$ 000 | 03/31/2009 | 03/31/2008 | Change % |
|---|-------------------|-------------------|-----------------|
| Net profit | 336,242 | 490,280 | (31.42) |
| + Provision for current and deferred income tax and Social Contribution | 187,999 | 276,097 | (31.91) |
| + Employees and managers shares in results | 27,424 | 22,058 | 24.33 |
| + Financial revenues (expenses) | 37,757 | 79,112 | (52.27) |
| + Amortization and depreciation | 171,042 | 201,481 | (15.11) |
| + Minority interests | 20,220 | 12,420 | 62.80 |
| EBITDA | 780,684 | 1,081,448 | (27.81) |
| Non-recurring items: | | | |
| - Tariff review Net revenue | 213,803 | (62,464) | |
| + Tariff review Operational expense | (20,987) | 4,330 | |
| = ADJUSTED EBITDA | 973,500 | 1,023,314 | (4.87) |

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The reduction in Ebitda shown in the table above affected Ebitda margin, which was 32.99% in the first quarter of 2009, compared to 39.26% in the first quarter of 2008.

Revenue from supply of electricity

Gross revenue from supply of electricity in in first quarter of 2009 was R\$ 3,136,503, 12.27% less than the revenue of R\$ 3,575,243 in 1Q08.

This increase was basically due to the following factors:

- Tariff readjustment of Cemig Distribution, with average impact on consumers tariffs of a reduction of 12.24%, from April 8, 2008.
- Reduction of the volume of energy invoiced to final consumers 1.60% higher (this excludes Cemig's own internal consumption).
- Posting of regulatory liabilities calculated as a result of the adjustment in the Company's Tariff Review, backdated to 2009, representing a reduction in gross revenue in the amount of R\$ 213,803.
- Increase in the average tariff for sale of electricity by Cemig GT as a result of the increase in values under contracts (principally indexed by IGP-M inflation).

Electricity sold to final consumers (MWh)
(Data not audited by independent auditors)

| Consumption by consumer category | MWh | | Change % |
|----------------------------------|------------|------------|----------|
| | 03/31/2009 | 03/31/2008 | |
| Residential | 2,446,236 | 2,236,580 | 9.4 |
| Industrial | 5,593,627 | 6,101,503 | (8.3) |
| Commercial, services and others | 1,566,568 | 1,477,530 | 6.0 |
| Rural | 455,518 | 456,423 | (0.2) |
| Public authorities | 258,624 | 236,587 | 9.3 |
| Public illumination | 311,294 | 301,901 | 3.3 |

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| | | | |
|----------------|------------|------------|-------|
| Public service | 327,063 | 330,386 | (1.0) |
| Total | 10,958,930 | 11,140,910 | (1.6) |

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Revenue from wholesale electricity sales

Revenues from energy sold to other concession holders and bilateral contracts and sales in the wholesale energy market (CCEE) totaled R\$ 359,504 in first quarter of 2009, compared to R\$ 318,649 in first quarter of 2008 an increase of 12.82%. This result is basically due to electricity previously directed to industrial consumers being sold in these markets, because there was a reduction in demand from those consumers due to the economic recession and its impacts on industrial production.

Revenue from use of the network Free Consumers

Revenue from use of the grid was 6.13%, or R\$ 29.5 million, lower in first quarter of 2009, at R\$ 452.09 million, than in first quarter of 2008 (R\$ 481.59 million). This revenue comes mainly from amounts charged to free consumers on energy sold by other agents of the electricity sector, and was lower due to lower transport of energy to free consumers, as a result of lower industrial production resulting from the recession. Explanatory Note 25 to the consolidated Quarterly Information gives a breakdown of the balance.

Non-controllable costs

Differences between the non-controllable costs assumed in calculating tariff adjustments, and disbursements actually made, are recorded in an account known as the CVA (cost variation account), and their total is offset in subsequent tariff adjustments. CVA amounts are registered in Current and Noncurrent assets. Complying with the Aneel Chart of Accounts, some items are allocated as Deductions from operational revenue. Please refer to further information in Explanatory Note 8 to the Consolidated Quarterly Information.

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

Deductions from operational revenues

Deductions from operational revenues in first quarter of 2009 totaled R\$ 1.361 billion, 6.07% less than in first quarter of 2008 (R\$ 1.448 billion). The principal changes in these expenses are as follows:

Fuel Consumption Account CCC

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The deduction from revenue relating to the CCC was R\$ 122.62 million in the first quarter of 2009, compared to R\$ 77.225 million in the first quarter of 2008, representing an increase of 58.78%. This relates to the operational costs of thermal plants in the Brazilian interconnected and isolated systems, split pro-rata between electricity concession holders by an Aneel Resolution. This is a non-controllable cost. The amount posted for electricity distribution services corresponds to the amount actually passed through to the tariff. For the amount posted in relation to electricity transmission services the company merely passes through the charge, since the CCC is charged to Free Consumers on the invoice for the use of the basic grid, and passed onto Eletrobrás.

Energy Development Account - CDE

The deduction from revenue for the CDE was R\$ 93.462 million in the first quarter of 2009, 4.03% lower than in the first quarter of 2008 (R\$ 97.387 million). The payments are specified by an Aneel Resolution. This is a non-controllable cost. The amount posted for electricity distribution services is the amount actually passed through to the tariff. For the amount posted in relation to electricity transmission services the company merely passes through the charge since the CCC is charged to Free Consumers, on the invoice for the use of the grid, and passed on to Eletrobrás.

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

Operational costs and expenses (excluding financial revenue/expenses)

Operational costs and expenses (excluding net financial revenue (expenses)) totaled R\$ 1.757 billion in 1Q09, 6.30% less than in 1Q08 (R\$ 1,874,692). This lower amount basically reflects lower costs for purchase of electricity, post-employment benefits and depreciation. Further information is given in Explanatory Note 28 to the Consolidated Quarterly Information.

The principal changes in expenses are:

Energy purchased for resale

Expenses on electricity purchased for resale totaled R\$ 671.84 million in 1Q09, 7.38% lower than in 1Q08 (R\$ 725.37 million). This is a non-controllable cost; the amount deducted from revenue is passed through to tariffs. Further information is given in Explanatory Note 28 to the Consolidated Quarterly Information.

Personnel expenses

Personnel expenses totaled R\$ 298.02 million in 1Q09, 4.80% higher than in 1Q08 (R\$ 284.36 million). This principally reflects:

- Salary adjustment of 7.26% given to the employees of the holding company, of Cemig D and of Cemig GT in November 2008.
- A provision for the permanent Voluntary Dismissal Program (PPD), in the amount of R\$ 6.11 million, in the first quarter of 2008, compared to a reversal of provision of R\$ 2.22 million in 2009.
- Higher transfer of costs from personnel expenses to works in progress (R\$ 25.86 million in 1Q09, vs. R\$ 19.19 million in 1Q08) due to higher capital expenditure activity in 2009.

Further information on the composition of personnel expenses is given in Explanatory Note 28 to the Quarterly Information.

Depreciation and amortization

Depreciation and amortization expense was 15.11% lower, at R\$ 171.04 million in the first quarter of 2009 (R\$ 201.48 million in the first quarter of 2008). This result arises from the depreciation of Special Obligations, from April 2008, the date of the second-cycle tariff review.

Post-employment obligations

Expenses on post-employment obligations totaled R\$ 33.987 million in 1Q09, compared to R\$ 61.668 million in 1Q08, 44.89% lower. These expenses basically represent interest on the actuarial liabilities of the Company, net of the expected return on pension plan assets, as estimated by an external actuary. The lower expense in 2009 reflects the reduction in the present value of the obligations recorded, which is a consequence of the increase in interest rates used for discount of those obligations to present value.

Operational provisions

Operational provisions in 1Q09 totaled R\$ 53.49 million, a reduction of 44.49% in relation to their total of R\$ 96.35 million in 1Q08. The lower amount comes from a lower provision for doubtful accounts and contingencies for legal actions in 2009. For more information please see Explanatory Notes 22 and 28 of the Consolidated Quarterly Information.

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Charges for Use of the Basic Transmission Grid

Charges for use of the transmission network were R\$ 204.19 million in 1Q09, 18.49% more than in 1Q08 (R\$ 172.32 million).

These charges are payable by distribution and generation agents for use of the facilities and components of the basic grid, and are set by Aneel resolution. This is a non-controllable cost: the deduction from revenue recorded is the value effectively passed through to the tariff.

Gas purchased for resale

The cost of gas purchased for resale was R\$ 39.31 million in 1Q09, compared to R\$ 53.42 million in 1Q08, a reduction of 26.41%. This lower figure basically reflects the lower sale of gas in 2009 as a result of the effects of the recession on economic activity.

Outsourced services

Expenses on outsourced services in 1Q09 were R\$ 160.66 million, 10.99% higher than in 1Q08 (R\$ 144.75 million). The higher expense in 1Q09 mainly reflects higher expenses on maintenance and conservation of electricity facilities and adjustments in values of contracts for provision of services.

Financial revenues (expenses)

In 1Q09 the company reported net financial expenses of R\$ 37.76 million, compared to net financial expenses of R\$ 79.11 million in 1Q08. The main factors in this financial result are:

- Revenue from cash investments 23.24% higher in 2009, when a higher volume of cash was invested: in 1Q09 this revenue was R\$ 66.38 million, compared to R\$ 53.86 million in 1Q08.
- Revenue from penalty payments applied to arrears on settlement of electricity bills R\$ 23.20 million lower in 1Q09, at R\$ 27.51 million, compared to R\$ 50.71 million in 1Q08. This variation mainly reflects Cemig D's higher revenue in 1Q08, relating to accounts received from major industrial consumers for consumption in prior years – the principal amounts of which were considerably less than the amounts added as penalty payments for delay in settlement.

- Revenue from monetary updating on the General Agreement for the Electricity Sector 65.83% lower, at R\$ 15.45 million in 1Q09, compared to R\$ 45.21 million in 1Q08 reflecting the lower value of the regulatory assets in 2009, due to the amortization of the principal regulatory assets constituted.
- With monetary variation and interest applicable to the Deferred Tariff Adjustment 93.14% lower, at R\$ 1.77 million in 1Q 2009 vs. R\$ 25.90 million in 1Q08. This mainly reflects the reduction of the size of the asset due to receipt of some of the values receivable into electricity accounts paid by clients. For further details please see Explanatory Note 11 to the Consolidated Quarterly Information.
- Lower monetary variation on loans and financings, of R\$ 3.82 million in 1Q09, compared to R\$ 24.02 million in 1Q08. This result is basically due to the higher variation in inflation indices in 1Q09 than in 1Q08.
- Reversal of provision for losses on the free energy assets, of R\$ 8.72 million in 2Q09, compared to a provision of an expense of R\$ 15.99 million in 2008. This variation is due to the estimate of the receivables of the distributors.

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

Income tax and Social Contribution; effective tax rate

In 1Q09, Cemig posted expenses on income tax and Social Contribution of R\$ 188.999 million, representing 32.87% of the pre-tax profit of R\$ 571.885 million. In 1Q08, the company posted expenses on income tax and Social Contribution of R\$ 276.097 million, representing 34.48% of the pre-tax profit of R\$ 800.855 million. These effective rates are compared with the nominal rates in Note 10 to the Consolidated Quarterly Information for March 31, 2007.

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| Cemig Distribuição S.A. | |

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TRANSLATION NOT REVISED BY THE EXTERNAL AUDITORS

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AT MARCH 31, 2009 AND DECEMBER 31, 2008

ASSETS

R\$ 000

| | 03/31/2009 | 12/31/2008 |
|--|------------------|------------------|
| CURRENT | | |
| Cash and cash equivalents (Note 3) | 483,827 | 442,421 |
| Consumers and traders (Note 4) | 1,384,982 | 1,348,174 |
| Extraordinary Tariff Recomposition, and Portion A (Note 6) | 288,427 | 296,372 |
| Concession holders transport of energy | 350,350 | 388,914 |
| Taxes subject to offsetting (Note 8) | 425,269 | 342,830 |
| Anticipated expenses CVA (Note 7) | 542,899 | 722,984 |
| Tax credits (Note 9) | 167,574 | 78,342 |
| Regulatory asset PIS, Pasep and Cofins (Note 11) | | 46,240 |
| Deferred Tariff Adjustment (Note 10) | 14,644 | 133,423 |
| Deposits linked to legal actions | 183,531 | 203,477 |
| Inventories | 23,812 | 23,410 |
| Others | 163,048 | 162,462 |
| TOTAL, CURRENT | 4,028,363 | 4,189,049 |
| NON-CURRENT | | |
| Non-current financial assets | | |
| Extraordinary Tariff Recomposition, and Portion A (Note 6) | 165,296 | 218,688 |
| Anticipated expenses CVA (Note 7) | 612,396 | 265,494 |
| Tax credits (Note 9) | 203,483 | 222,051 |
| Regulatory asset PIS, Pasep and Cofins (Note 11) | 46,240 | |
| Taxes subject to offsetting (Note 8) | 57,351 | 57,351 |
| Deposits linked to legal actions | 258,799 | 212,832 |
| Consumers and traders (Note 4) | 10,416 | 17,380 |
| Receivable from related parties (Note 27) | 25,883 | 23,860 |
| Other credits | 27,665 | 37,009 |
| | 1,407,529 | 1,054,665 |
| Investments | 5,552 | 5,554 |
| Property, plant and equipment (Note 12) | 4,157,570 | 4,135,195 |
| Intangible (Note 13) | 224,151 | 225,919 |
| TOTAL NON-CURRENT ASSETS | 5,794,802 | 5,421,333 |
| TOTAL ASSETS | 9,823,165 | 9,610,382 |

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

Table of Contents**BALANCE SHEETS**

AT MARCH 31, 2009 AND DECEMBER 31, 2008

LIABILITIES

R\$ 000

| | 03/31/2009 | 12/31/2008 |
|---|------------------|------------------|
| CURRENT | | |
| Loans and financings (Note 16) | 332,840 | 295,236 |
| Debentures (Note 16) | 36,123 | 20,281 |
| Suppliers (Note 14) | 545,397 | 608,261 |
| Taxes, charges and contributions (Note 15) | 453,337 | 359,651 |
| Interest on Equity and dividends | 682,227 | 682,227 |
| Salaries and mandatory charges on payroll | 134,990 | 195,878 |
| Regulatory charges (Note 17) | 286,887 | 327,073 |
| Profit shares | 28,594 | 85,274 |
| Post-employment obligations (Note 18) | 54,580 | 53,092 |
| Regulatory liabilities CVA (Note 7) | 123,051 | 452,297 |
| Regulatory liabilities Tariff Review (Note 21 and 29) | 264,626 | |
| Provision for losses on financial instruments (Note 28) | 80,386 | 79,633 |
| Others | 267,490 | 278,930 |
| TOTAL, CURRENT | 3,290,528 | 3,437,833 |
| NON-CURRENT | | |
| Loans and financings (Note 16) | 1,646,730 | 1,675,007 |
| Debentures (Note 16) | 735,467 | 732,144 |
| Contingency provisions (Note 19) | 69,973 | 67,430 |
| Suppliers (Note 14) | 906 | 693 |
| Post-employment obligations (Note 18) | 823,773 | 833,238 |
| Taxes, charges and contributions (Note 15) | 254,321 | 205,950 |
| Regulatory liabilities CVA (Note 7) | 459,201 | 156,453 |
| Regulatory charges (Note 17) | 15,550 | 15,495 |
| Other | 10,371 | 10,128 |
| TOTAL NON-CURRENT | 4,016,292 | 3,696,538 |
| STOCKHOLDERS EQUITY (Note 20) | | |
| Registered capital | 2,261,998 | 2,261,998 |
| Profit reserves | 214,013 | 214,013 |
| Accumulated losses | 40,334 | |
| STOCKHOLDERS EQUITY | 2,516,345 | 2,476,011 |
| TOTAL LIABILITIES | 9,823,165 | 9,610,382 |

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

Table of Contents**INCOME STATEMENTS****FOR THE 3-MONTH PERIODS ENDED MARCH 31, 2009 AND 2008****(In R\$ 000, except net profit per thousand shares)**

| | 03/31/2009 | 03/31/2008 |
|--|-------------|-------------|
| OPERATIONAL REVENUE | | |
| Gross supply of electricity (Note 21) | 503,565 | 843,605 |
| Revenue for use of the network Captive Consumers (Note 21) | 1,311,655 | 1,499,742 |
| Revenue for use of the network Free Consumers (Note 22) | 261,850 | 315,032 |
| Other operational revenues (Note 23) | 19,249 | 17,555 |
| | 2,096,319 | 2,675,934 |
| DEDUCTIONS FROM OPERATIONAL REVENUE (Note 24) | (910,484) | (1,028,152) |
| NET OPERATIONAL REVENUE | 1,185,835 | 1,647,782 |
| COST OF ELECTRICITY SERVICE | | |
| COST OF ELECTRICITY | | |
| Energy purchased for resale (Note 25) | (505,711) | (577,738) |
| Charges for the use of the basic transmission grid (Note 25) | (119,565) | (119,994) |
| | (625,276) | (697,732) |
| COST OF OPERATION (Note 25) | | |
| Personnel and managers | (188,234) | (177,085) |
| Post-employment obligations | (21,370) | (33,813) |
| Materials | (21,291) | (21,715) |
| Outsourced services | (94,754) | (89,717) |
| Depreciation and amortization | (78,544) | (108,169) |
| Operational provisions | (1,062) | (8,272) |
| Other | (12,279) | (17,331) |
| | (417,534) | (456,102) |
| TOTAL COST | (1,042,810) | (1,153,834) |
| GROSS PROFIT | 143,025 | 493,948 |
| OPERATIONAL COST (Note 25) | | |
| Selling expenses | (22,164) | (34,679) |
| General and administrative expenses | (23,852) | (34,216) |
| Other operational expenses | (11,700) | (7,749) |
| | (57,716) | (76,644) |
| PROFIT FROM THE SERVICE (Operational profit before Financial revenues and expenses) | 85,309 | 417,304 |
| NET FINANCIAL REVENUES (EXPENSES) (nota 26) | (7,773) | 10,541 |
| PROFIT BEFORE TAXATION AND PROFIT SHARES | 77,536 | 427,845 |
| Income tax and Social Contribution (Note 9b) | (117,766) | (174,518) |
| Income tax and Social Contribution deferred (Note 9b) | 99,289 | 33,487 |
| Employees and managers profit shares | (18,725) | (16,155) |
| NET PROFIT FOR THE PERIOD | 40,334 | 270,659 |
| NET PROFIT PER THOUSAND SHARES, R\$ | 17,83 | 119,65 |

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

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STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY

FOR THE PERIOD ENDED MARCH 31, 2009

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

| | Registered capital | Profit reserves | Accumulated losses | Total |
|-------------------------------------|-----------------------|--------------------|-----------------------|------------------|
| BALANCE AT DECEMBER 31, 2008 | 2,261,998 | 214,013 | | 2,476,011 |
| Net profit for the period | | | 40,334 | 40,334 |
| BALANCE AT MARCH 31, 2009 | 2,261,998 | 214,013 | 40,334 | 2,516,345 |

The Explanatory Notes are an integral part of the financial statements

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STATEMENTS OF CASH FLOWS

FOR THE QUARTERS ENDED MARCH 31, 2009 AND 2008

R\$ 000

| | 03/31/2009 | 03/31/2008 |
|---|----------------|----------------|
| FROM OPERATIONS | | |
| Net profit for the period | 40.334 | 270.659 |
| Expenses (Revenues) not affecting Cash and cash equivalents | | |
| Depreciation and amortization | 81.162 | 110.515 |
| Write-offs of fixed assets, net | 3.000 | 3.839 |
| Interest and monetary variations Non-current | (4.485) | (2.597) |
| Deferred income tax and Social Contribution | (99.289) | (33.487) |
| Provisions for operational losses | 19.586 | 7.859 |
| Provision for losses on financial instruments | 723 | 1.470 |
| Post-employment obligations | 22.939 | 37.169 |
| | 63.970 | 395.427 |
| (Increase) reduction of assets | | |
| Consumers and traders | (51.440) | 12.214 |
| The Extraordinary Tariff Recomposition | 66.523 | 80.346 |
| Taxes subject to offsetting | (82.439) | (86.825) |
| Transport of energy | 38.564 | (16.429) |
| Deferred tariff adjustment | 118.779 | 100.416 |
| PIS and Cofins taxes | | 54.903 |
| Other current assets | 18.958 | (81.197) |
| Payments into court | (45.967) | |
| Anticipated expenses CVA | (166.678) | (105.665) |
| Tax credits | 76.996 | 8.363 |
| Other | 14.795 | 5.721 |
| | (11.909) | (28.153) |
| Increase (reduction) of liabilities | | |
| Suppliers | (62.864) | (54.219) |
| Taxes and Social Contribution | 93.686 | 157.188 |
| Salaries and mandatory charges on payroll | (63.639) | (23.224) |
| Charges passed through to consumer | (40.186) | 8.849 |
| Loans and financings | 58.284 | 55.063 |
| Post-employment obligations | (30.916) | (41.400) |
| Regulatory liabilities CVA | (26.569) | (1.499) |
| Regulatory liabilities Tariff Review | 264.626 | |
| Other | (67.750) | (70.488) |
| | 124.672 | 30.270 |
| CASH GENERATED BY OPERATIONS | 176.733 | 397.544 |
| FINANCING ACTIVITIES | | |
| Financings obtained | | |
| Short-term loans | | 2.675 |
| Payments of loans and financings | (30.560) | (11.144) |
| Interest on Equity and dividends | | (27.741) |
| | (30.560) | (36.210) |
| TOTAL INFLOW OF FUNDS | 146.173 | 361.334 |

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| | | |
|--|---------------|----------------|
| CAPITAL EXPENDITURE | | |
| On investments | (127.629) | (41.930) |
| In fixed assets | 22.862 | (27.494) |
| Special Obligations – consumer contributions | (104.767) | (69.424) |
| NET CHANGE IN CASH POSITION | 41.406 | 291.910 |
| STATEMENT OF CHANGES IN CASH POSITION | | |
| At start of the year | 442.421 | 636.286 |
| At end of year | 483.827 | 928.196 |
| | 41.406 | 291.910 |

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

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EXPLANATORY NOTES TO THE QUARTERLY INFORMATION (ITR)

MARCH 31, 2009

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

1) OPERATIONAL CONTEXT

Cemig Distribuição S. A. (**Cemig D** , or **Cemig Distribution** , the Company or Cemig Distribuição) is a Brazilian corporation registered for listing with the Brazilian Securities Commission (CVM), and a wholly-owned subsidiary of Companhia Energética de Minas Gerais - Cemig (**Cemig**), created on September 8, 2004 and which started operating on January 1, 2005, as a result of the segregation of Cemig's business activities. Its shares are not traded on any exchange.

Cemig Distribution has a concession area of 567,478 Km², approximately 97% of the Brazilian State of Minas Gerais, serving 6,715,193 consumers as of March 31, 2009. (Information not reviewed by our external auditors).

2) PRESENTATION OF THE QUARTERLY INFORMATION

2.1) Presentation of the Quarterly Information

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

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

2.2) Change in the Brazilian Corporate Law

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

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

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

The effects in the quarterly statement because of the changes in the Corporate Law were basically the financial instruments, and the impact in the net profit of the quarterly ended on March 31, 2008 were in the amount of R\$5,565, and those were not adjusted in the quarterly information for comparative because the amounts were immaterial.

Table of Contents**3) CASH AND CASH EQUIVALENTS**

| | 03/31/2009 | 12/31/2008 |
|---------------------------------|----------------|----------------|
| Bank accounts | 62,530 | 90,539 |
| Cash investments | | |
| Bank deposit certificates | 413,035 | 343,714 |
| Treasury Financial Notes (LFTs) | 3,834 | 4,090 |
| National Treasury Notes (LTNs) | 68 | 65 |
| Other | 4,360 | 4,013 |
| | 421,297 | 351,882 |
| | 483,827 | 442,421 |

Cash investments consist of transactions carried out with Brazilian financial institutions, contracted on normal market conditions and under normal market rates. They have high liquidity and are promptly convertible into known amounts of cash, not being subject to a significant risk of change in value.

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

4) CONSUMERS AND TRADERS

| Consumer type | Balances not yet due | Up to 90 days past due | More than 90 days past due | 03/31/2009 | Total | 12/31/2008 |
|--|----------------------------|------------------------------|----------------------------------|------------------|-------|------------------|
| Residential | 363,773 | 122,710 | 121,076 | 607,559 | | 541,084 |
| Industrial | 110,109 | 31,208 | 258,047 | 399,364 | | 394,659 |
| Commercial, services and others | 191,028 | 36,744 | 68,561 | 296,333 | | 289,906 |
| Rural | 52,019 | 12,978 | 16,736 | 81,733 | | 99,657 |
| Public authorities | 38,178 | 3,908 | 39,738 | 81,824 | | 76,358 |
| Public illumination | 39,153 | 2,434 | 9,060 | 50,647 | | 67,973 |
| Public service | 50,095 | 1,081 | 1,555 | 52,731 | | 58,837 |
| Subtotal Consumers | 844,355 | 211,063 | 514,773 | 1,570,191 | | 1,528,474 |
| Wholesale supply to other concession holders | 988 | | | 988 | | 989 |
| Provision for doubtful receivables | | | (186,197) | (186,197) | | (181,289) |
| | 845,343 | 211,063 | 328,576 | 1,384,982 | | 1,348,174 |

Credits receivable from an industrial consumer in the amount of R\$ 46,692, not paid due to an injunction that allowed this payment not to be made until final judgment of a legal action challenging the tariff increase during the Cruzado Economic Plan, by Ministerial Order 045/86, are recorded in the accounts. The Company expects these amounts to be received in full.

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

Receivables in the amount of R\$ 10,416 are recorded in non-current assets (long-term receivables) at March 31, 2009 (R\$ 17,380 at December 31, 2008), in relation to the renegotiation of receivables owed by Copasa (Minas Gerais Water Company) and other consumers.

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

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

| | 03/31/2009 | 12/31/2008 |
|---|----------------|------------------|
| Assets | | |
| Extraordinary Tariff Recomposition, and Portion A Note 6 | 453,723 | 515,060 |
| Deferred tariff adjustment Note 10 | 14,644 | 133,423 |
| PIS, Pasep and Cofins taxes Note 11 | 46,240 | 46,240 |
| Pre-paid expenses CVA Note 7 | 1,155,295 | 988,478 |
| Review of the tariff for use of the distribution network (TUSD) | 3,089 | 3,089 |
| Recovery of discounts on the TUSD | 585 | 8,101 |
| Low-income subsidy (1) | 129,454 | 92,191 |
| Light for Everyone (<i>Luz para Todos</i>) Program (1) | 981 | 13,589 |
| TUSD discounts Source with incentive | | 19,295 |
| TUSD discounts Self-producers and Independent Producers | | 20,445 |
| Discounts for irrigation enterprises | | 19,514 |
| Other regulatory assets | 13,687 | 3,010 |
| | 1,817,698 | 1,862,435 |
| Liabilities | | |
| Regulatory liabilities CVA (Note 7) | (582,252) | (608,750) |
| Review of the tariff for use of the distribution network (TUSD) | (14,444) | (17,519) |
| Exposure in CCEAR contracts between Sub-markets | (22,285) | |
| Financial bubble effect corrected by the IGP-M inflation index (pro rata) | (104,458) | |
| Financial adjustment relating to 2008 Tariff Review | (160,167) | |
| | (5,736) | (2,452) |
| | (889,342) | (628,721) |
| Taxes, charges and contributions Deferred liabilities (Note 15) | (22,055) | (73,428) |
| | (911,397) | (702,149) |
| | 906,301 | 1,160,286 |

(1) These items refer to government social programs.

6) THE EXTRAORDINARY TARIFF RECOMPOSITION, AND PORTION A**a) The Extraordinary Tariff Recomposition**

Resolution 91 of the Emergency Electricity Council (GCE), of December 21, 2001 and Law 10438 of April 26, 2002, established the procedures for implementation of the Extraordinary Tariff Recomposition (RTE), coming into force on December 27, 2001. The tariff adjustments were set by Resolution 130 of the GCE, on April 30, 2002, as follows:

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

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The RTE described above is being used to compensate the following items:

- Losses of invoiced sales revenue in the period from June 1, 2001 to February 8, 2002, corresponding to the difference between estimated revenue if the rationing program had not been put in place and the actual revenue while the program was in place, according to a formula published by Aneel. Calculation of this value did not take into account any losses from default by consumers.
- Passthrough to the generators who bought energy in the MAE which was succeeded in 2004 by the Electricity Sale Chamber (the CCEE/MAE) in the period from June 1, 2001 to February 28, 2002, with price in excess of R\$ 49.26/MWh (free energy).

The period of validity of the RTE, of 74 months, expired in February 2008, and the Company made a write-off as a loss, of R\$ 93,935 as a result of this period not having been sufficient for receipt of all the assets relating to the losses suffered in the rationing period.

b) Portion A

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

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

The Portion A credits are updated by the variation in the Selic rate up to the month in which they are actually offset.

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

| Amounts transferred to expenses | 03/31/2009 |
|---------------------------------|------------|
| Energy bought for resale | 45,408 |
| CCC | 20,107 |
| RGR Global Reversion Reserve | 2,009 |

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| | |
|---|--------|
| Tariff for transport of electricity from Itaipu | 775 |
| Tariff for use of national grid transmission facilities | 5,193 |
| Financial compensation for use of water resources | 1,784 |
| Connection Realization of Portion A | 110 |
| Electricity service inspection charge | 188 |
| | 75,574 |

c) Composition of the balances of Portion A

| | Principal | 03/31/2009 Updated by Selic | Total | 12/31/2008 Total |
|---|----------------|-----------------------------------|----------------|---------------------|
| Compensation for items of Portion A (3) | 245,299 | 551,462 | 796,762 | 782,525 |
| Amounts raised | | (343,039) | (343,039) | (267,465) |
| Total of Portion A | 245,299 | 208,423 | 453,723 | 515,060 |
| Current assets | | | 288,427 | 296,372 |
| Non-current assets | | | 165,296 | 218,688 |

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7) ANTICIPATED EXPENSES AND REGULATORY LIABILITIES CVA

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

| | Balance on 12/31/2008 | Amounts deferred (1) | Amortization (2) | Monetary updating (3) | Balance on 03/31/2009 |
|---|----------------------------------|---------------------------------|-----------------------------|----------------------------------|----------------------------------|
| Energy bought for resale | 110,555 | 121,050 | 24,302 | 2,705 | 258,612 |
| CCC | 60,576 | (10,605) | 4,312 | 1,509 | 55,792 |
| Charge for System Service (ESS) | 157,807 | 3,173 | 2,645 | 3,743 | 167,368 |
| Tariff for transport of electricity from Itaipu | 5,372 | 1,702 | 801 | 95 | 7,970 |
| Tariff for use of national grid transmission facilities | 28,157 | 6,068 | 7,822 | 162 | 42,209 |
| Financial compensation for use of water resources | 2,587 | | | | 2,587 |
| Energy Development Account (CDE) | 9,886 | 8,739 | (294) | 5 | 18,336 |
| Alternative Energy Program Proinfra | 4,788 | 17,112 | (1,877) | 146 | 20,169 |
| | 379,728 | 147,239 | 37,711 | 8,365 | 573,043 |

| | 03/31/2009 | 12/31/2008 |
|-------------------------|-------------------|-------------------|
| Current assets | 542,899 | 722,984 |
| Non-current assets | 612,396 | 265,494 |
| Current liabilities | (123,051) | (452,297) |
| Non-current liabilities | (459,201) | (156,453) |
| | 573,043 | 379,728 |

- (1) This refers to the portion of the non-controllable costs that comprise the CVA and which were not included in revenue, and therefore excluded from the income statement.
- (2) This refers to the non-controllable costs included in the CVA which were transferred to the income statement since they are included in the company's revenues.
- (3) This refers to the updating by the variation in the Selic rate between the date of payment of the expense and its actual offsetting in the tariff adjustment.

8) TAXES SUBJECT TO OFFSETTING

| | 03/31/2009 | 12/31/2008 |
|---------------------|-------------------|-------------------|
| Current | | |
| ICMS rebates | 122,646 | 115,275 |
| Income tax | 206,139 | 152,270 |
| Social Contribution | 89,008 | 69,441 |
| Cofins tax | 5,776 | 4,459 |
| Pasep tax | 1,251 | 968 |
| Other | 449 | 417 |
| | 425,269 | 342,830 |
| NON-CURRENT | | |
| ICMS rebates | 57,351 | 57,351 |
| | 482,620 | 400,181 |

The balances of income tax and Social Contribution refer to tax credits in corporate income tax returns of previous years, and payments made in 2009, which will be offset in the Income Tax and Social Contribution payable in 2009, recorded in the line Taxes and contributions.

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

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9) TAX CREDITS

Deferred income tax and Social Contribution

The company has tax credits posted in current and non-current assets of income tax, constituted at the rate of 25.00%, and Social Contribution, at the rate of 9.00%, as follows:

| | 03/31/2009 | 12/31/2008 |
|--|----------------|----------------|
| Tax credits on temporary differences: | | |
| Post-employment obligations | 69,191 | 70,474 |
| Provision for doubtful receivables | 71,168 | 69,499 |
| Contingency provisions | 23,745 | 22,880 |
| Provision for Pasep/Cofins Extraordinary Tariff Recomposition | 461 | 4,196 |
| Financial instruments | 37,585 | 37,329 |
| Regulatory liabilities Tariff Review | 87,143 | |
| FX variation | 75,398 | 74,043 |
| Other | 6,366 | 21,972 |
| | 371,057 | 300,393 |
| Current assets | 167,574 | 78,342 |
| Non-current assets | 203,483 | 222,051 |

At its meeting on February 12, 2009, the Board of Directors approved the technical study prepared by the CFO's department on the forecasts for future profitability adjusted to present value, which show capacity for realization of the deferred tax asset in a maximum period of 10 years, as defined in CVM Instruction 371. This study was also submitted to examination by Cemig's Audit Board on February 05, 2009.

As a result of regulatory liabilities from the final outcome of the second tariff revision, the Company recognized a tax credit in the amount of \$ 87,143, as mentioned above. Further explanation, see note 29.

In accordance with Cemig D's estimates, future taxable profits enable the deferred tax asset existing on March 31, 2009 to be realized according to the following estimate:

| | 03/31/2009 |
|---------------|------------|
| 2009 | 141,174 |
| 2010 | 110,690 |
| 2011 | 27,280 |
| 2012 | 27,280 |
| 2013 | 27,281 |
| 2014 to 2016 | 23,515 |
| 2017 and 2018 | 13,837 |
| | 371,057 |

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

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

| | 03/31/2009 | 03/31/2008 |
|--|-------------------|-------------------|
| Profit before income tax and Social Contribution | 77,536 | 427,845 |
| Income tax and Social Contribution nominal expense | (26,362) | (145,467) |
| Tax effects applicable to: | | |
| Employees profit shares | 6,367 | 5,492 |
| Tax incentive amounts | 2,147 | |
| Non-deductible contributions and donations | (619) | (1,014) |
| Other | (10) | (42) |
| Income tax and Social Contribution effective expense | (18,477) | (141,031) |

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c) Transition Taxation Regime:

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

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

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

Based on an initial assessment, the Company has reflected in its accounting statements the effects of the adoption of the RTT, and additional studies will be carried out before the delivery of the DIPJ for 2009.

10) DEFERRED TARIFF ADJUSTMENT

Aneel, through Homologating Resolution 71, published with backdated effect on April 4, 2004, decided the results of the periodic tariff revision of the company.

The average adjustment applied to the company's tariffs on April 8, 2003, on a provisional basis, was 31.53%. However, as described in the Resolution mentioned, the final tariff repositioning for Cemig should be 44.41%. The percentage difference of 12.88% is being compensated in the tariffs. The final portion for receipt of the difference between the tariff adjustments was included in the tariff adjustment which took place on April 8, 2008.

The difference between the tariff repositioning to which Cemig D is entitled and the tariff actually charged to consumers was recognized as a regulatory asset.

The amounts relating to the deferred tariff adjustment are updated in monetary terms by the IGP-M Index plus interest of 11.26% per year.

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| | 03/31/2009 | 12/31/2008 |
|--|-------------|-------------|
| Deferred tariff adjustment since April 8, 2003 | 949,612 | 949,612 |
| Interest (defined by Aneel 11.26% p.a.) | 475,502 | 447,881 |
| Monetary updating IGP-M Inflation Index | 226,844 | 201,967 |
| (-) Amounts raised | (1,637,314) | (1,466,037) |
| | 14,644 | 133,423 |
| Current assets | 14,644 | 133,423 |

Table of Contents**11) REGULATORY ASSET PIS/PASEP AND COFINS**

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

In view of the fact that this increase in the expense should be repaid to the company, the credits were registered, in accordance with a criterion defined by Aneel, as a regulatory asset and there was a counterpart reduction in the expense on PIS/Pasep and Cofins taxes.

The Company expects this asset to be recovered in the next forthcoming tariff adjustments.

12) FIXED ASSETS**a) Total fixed assets**

| | Historic cost | Accumulated depreciation and amortization | Net value 03/31/2009 | Net value 31/12/2009 |
|--|-------------------|---|----------------------|----------------------|
| In service | 10.097.428 | (4.578.716) | 5.518.712 | 5.516.197 |
| - Distribution | 9.831.106 | (4.393.101) | 5.438.005 | 5.433.580 |
| Lands | 17.866 | | 17.866 | 17.865 |
| Buildings, works and improvements | 243.097 | (128.459) | 114.638 | 116.873 |
| Machines and equipment | 9.499.502 | (4.217.093) | 5.282.409 | 5.273.573 |
| Vehicles | 60.107 | (37.278) | 22.829 | 24.990 |
| Furniture and utensils | 10.534 | (10.271) | 263 | 279 |
| - Management | 266.322 | (185.615) | 80.707 | 82.617 |
| Lands | 950 | | 950 | 950 |
| Buildings, works and improvements | 43.515 | (26.299) | 17.216 | 17.574 |
| Machines and equipment | 173.222 | (115.855) | 57.367 | 58.505 |
| Vehicles | 28.634 | (24.869) | 3.765 | 4.122 |
| Furniture and utensils | 20.001 | (18.592) | 1.409 | 1.466 |
| In progress | 1.133.750 | | 1.133.750 | 1.121.057 |
| - Distribution | 1.031.622 | | 1.031.622 | 1.018.043 |
| - Management | 102.128 | | 102.128 | 103.014 |
| Total fixed assets | 11.231.178 | (4.578.716) | 6.652.462 | 6.637.254 |
| Special Obligations linked to the concession | (2.610.109) | 115.217 | (2.494.892) | (2.502.059) |
| Net fixed assets | 8.621.069 | (4.463.499) | 4.157.570 | 4.135.195 |

Special Obligations refers to the contributions by consumers for execution of the undertakings necessary to comply with requests for retail supply of electricity, and any settlement of these obligations depends on the will of Aneel, at the termination of Distribution concessions, upon

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reduction of the residual value of the Fixed Asset for the purposes of determining the value that the Concession-granting Power will pay to the concession holder.

Under Aneel Resolution 234 of October 2006, and Aneel Circular 1314/2007 of June 27, 2007, the balances of the Special Obligations linked to assets will now be amortized as from the second cycle of tariff reviews, which in the case of Cemig is from April 8, 2008, at a rate yet to be set by Aneel, corresponding to the average rate of the assets in service.

Some land sites and buildings owned by Cemig D which were given in guarantee in lawsuits involving tax, labor-law, civil and other disputes are recorded in Fixed assets Administration. These were posted at the amount of R\$ 6,841 on March 31, 2009, net of depreciation (R\$ 7,393 on December 31, 2008).

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13) INTANGIBLE

| | Historic cost | Accumulated amortization | Net value, 03/31/2009 | Net value 12/31/2008 |
|------------------------|----------------|--------------------------|-----------------------|----------------------|
| In service | 130.706 | (80.780) | 49.926 | 51.279 |
| - Distribution | 11.407 | (529) | 10.878 | 10.880 |
| - Management | 119.299 | (80.251) | 39.048 | 40.399 |
| In progress | 174.225 | | 174.225 | 174.640 |
| - Distribution | 48.775 | | 48.775 | 47.927 |
| - Management | 125.450 | | 125.450 | 126.713 |
| Intangible, net | 304.931 | (80.780) | 224.151 | 225.919 |

14) SUPPLIERS

| | 03/31/2009 | 12/31/2008 |
|---|----------------|----------------|
| Current | | |
| Wholesale supply and transport of electricity - Eletrobrás energy from Itaipu | 182.139 | 169.196 |
| Furnas | 52.014 | 68.366 |
| CCEE | 11.677 | 67.829 |
| Cemig Geração e Transmissão S.A. | 46.686 | 20.881 |
| CHESF Cia. Hidroelétrica do São Francisco | 25.437 | 26.226 |
| CESP Cia. Energética de São Paulo | 17.584 | 16.502 |
| CEEE Cia. Estadual de Energia Elétrica | 13.403 | 13.501 |
| Other generators and distributors | 102.834 | 60.467 |
| | 451.774 | 442.968 |
| Materials and services | 93.623 | 165.293 |
| | 545.397 | 608.261 |

15) TAXES, CHARGES AND CONTRIBUTIONS

| | 03/31/2009 | 12/31/2008 |
|------------------------|------------|------------|
| CURRENT | | |
| Income tax | 92.995 | |
| Social Contribution | 34.066 | |
| ICMS tax | 233.911 | 221.127 |
| Cofins tax | 40.301 | 33.298 |
| Pasep tax | 8.744 | 7.223 |
| Social security system | 11.152 | 11.980 |
| Other | 10.112 | 12.595 |
| | 431.281 | 286.223 |
| Deferred obligations | | |
| Income tax | 15.221 | 44.916 |
| Social Contribution | 5.480 | 16.170 |
| Cofins tax | 1.113 | 10.140 |
| Pasep tax | 242 | 2.202 |
| | 22.056 | 73.428 |

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| | | |
|-----------------------------|----------------|----------------|
| | 453.337 | 359.651 |
| NON-CURRENT | | |
| Cofins tax | 115.771 | 78.053 |
| Pasep tax | 25.134 | 16.946 |
| | 140.905 | 94.999 |
| Deferred obligations | | |
| Income tax | 83.394 | 81.581 |
| Social Contribution | 30.022 | 29.370 |
| | 113.416 | 110.951 |
| | 254.321 | 205.950 |

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

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

The non-current deferred obligations for income tax and Social Contribution refer, substantially, to the recognition of financial instruments (FX variation, and hedge transactions) by the cash method, which are payable as and when realized, by payment or redemption, and to the marking to market of financial instruments, and adjustment to present value, implemented by the change in the Corporate Law, to be reversed as and when realized.

16) LOANS, FINANCINGS AND DEBENTURES

| FINANCING SOURCES | Principal maturity | Annual cost (%) | 03/31/2009 | | Non-current | 12/31/2008 | |
|-----------------------------------|--------------------|-----------------|------------|----------------|------------------|------------------|------------------|
| | | | Currency | Current | | Total | Total |
| FOREIGN CURRENCY | | | | | | | |
| ABN AMRO Bank - N. (2) | 2013 | 6.00 | US\$ | 1,910 | 115,760 | 117,670 | 117,025 |
| ABN AMRO Real S.A. (3) | 2009 | 6.35 | US\$ | 3,842 | | 3,842 | 3,772 |
| ABN AMRO Real S.A. (3) | 2009 | 6.35 | US\$ | 10,487 | | 10,487 | 10,299 |
| ABN AMRO Real S.A. (3) | 2009 | 6.35 | US\$ | 3,380 | | 3,380 | 3,320 |
| Banco do Brasil S.A. | | | | | | | |
| Various bonds (1) | 2024 | Various | US\$ | 16,853 | 78,492 | 95,345 | 93,868 |
| B.N.P. Paribas | 2010 | Libor+ 1.875 | US\$ | 11,862 | 5,673 | 17,535 | 17,410 |
| KFW | 2016 | 4.50 | EURO | 2,213 | 14,213 | 16,426 | 17,087 |
| UNIBANCO S.A (4) | 2009 | 6.50 | US\$ | 4,817 | | 4,817 | 4,796 |
| UNIBANCO S.A (4) | 2009 | 5.00 | US\$ | 11,962 | | 11,962 | 11,927 |
| Debt in foreign currency | | | | 67,326 | 214,138 | 281,464 | 279,504 |
| BRAZILIAN CURRENCY | | | | | | | |
| Banco do Brasil S.A | 2009 | 111.00% of CDI | R\$ | 59,099 | | 59,099 | 57,254 |
| Banco do Brasil S.A | 2013 | CDI+ 1.70 | R\$ | 2,145 | 20,001 | 22,146 | 21,434 |
| Banco do Brasil S.A | 2013 | 107.60% of CDI | R\$ | 12,108 | 96,000 | 108,108 | 104,835 |
| Banco do Brasil S.A | 2014 | 104.1% of CDI | R\$ | 16,708 | 300,000 | 316,708 | 307,426 |
| Banco Itaú BBA | 2013 | CDI+ 1.70 | R\$ | 13,469 | 132,434 | 145,903 | 141,197 |
| Banco Itaú BBA | 2014 | CDI+ 1.70 | R\$ | 114 | 3,473 | 3,587 | 3,968 |
| Banco Votorantim S.A. | 2010 | 113.50% of CDI | R\$ | 1,000 | 29,248 | 30,248 | 29,283 |
| Banco Votorantim S.A. | 2013 | CDI+ 1.70 | R\$ | 2,306 | 98,214 | 100,520 | 99,771 |
| Bradesco S.A. | 2013 | CDI+ 1.70 | R\$ | 26,268 | 240,869 | 267,137 | 258,554 |
| Debentures (5) | 2014 | IGP M+ 10.50 | R\$ | 26,557 | 303,073 | 329,630 | 324,641 |
| Debentures (5) | 2017 | IPCA+ 7.96 | R\$ | 9,566 | 432,393 | 441,959 | 427,784 |
| UFIR+ 6.00 to | | | | | | | |
| Eletrobrás | 2023 | 8.00 | R\$ | 42,453 | 314,593 | 357,046 | 369,632 |
| Large consumers | 2011 | Various | R\$ | 2,800 | 2,538 | 5,338 | 5,301 |
| Santander do Brasil S.A. | 2013 | CDI+ 1.70 | R\$ | 1,568 | 49,958 | 51,526 | 50,291 |
| UNIBANCO S.A. | 2013 | CDI+ 1.70 | R\$ | 10,977 | 130,224 | 141,201 | 136,647 |
| Banco do Nordeste do Brasil | 2010 | TR+ 7.30 | R\$ | 74,368 | 15,009 | 89,377 | 104,950 |
| Other | 2010 | Various | R\$ | 131 | 32 | 163 | 196 |
| Debt in Brazilian currency | | | | 301,637 | 2,168,059 | 2,469,696 | 2,443,164 |
| Overall total | | | | 368,963 | 2,382,197 | 2,751,160 | 2,722,668 |

- (1) Interest rates vary: 2.00 to 8.00% p.a.; six-month Libor plus spread of 0.81 to 0.88% p.a.
(2) to (4) Swaps for exchange of rates were contracted. The following are the rates for the loans and financings taking the swaps into account: (2) CDI + 2.00% p.a.; (3) CDI + 2.12% p.a.; and (4) CDI + 3.01% p.a.
(5) Nominal, unsecured, book-entry debentures not converted into shares, without preference.

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

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 em diante | Total |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------------|------------------|
| Currency | | | | | | | | | |
| US dollar | 65,113 | 45,579 | 39,906 | 37,010 | 34,113 | 2,586 | | 40,731 | 265,038 |
| Euro | 2,213 | 2,030 | 2,030 | 2,030 | 2,030 | 2,030 | 2,031 | 2,032 | 16,426 |
| | 67,326 | 47,609 | 41,936 | 39,040 | 36,143 | 4,616 | 2,031 | 42,763 | 281,464 |
| Indexors | | | | | | | | | |
| IPCA (Expanded Consumer Price Index) | 9,566 | | | | | | 144,131 | 288,262 | 441,959 |
| IGP-M inflation index | 26,557 | | | | | 303,073 | | | 329,630 |
| Ufir (Fiscal Reference Unit) | 31,875 | 45,580 | 47,007 | 43,526 | 37,966 | 37,079 | 35,923 | 78,090 | 357,046 |
| Interbank CD rate - CDI | 145,762 | 197,172 | 168,793 | 268,793 | 364,793 | 100,870 | | | 1,246,183 |
| TR | 55,797 | 33,580 | | | | | | | 89,377 |
| Outher | 2,898 | 190 | 250 | 592 | 592 | 715 | 264 | | 5,501 |
| | 272,455 | 276,522 | 216,050 | 312,911 | 403,351 | 441,737 | 180,318 | 366,352 | 2,469,696 |
| | 339,781 | 324,131 | 257,986 | 351,951 | 439,494 | 446,353 | 182,349 | 409,115 | 2,751,160 |

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

| Currency | Change in quarter ended 03/31/2009 | Accumulated change in 2008 | Indexors | Change in quarter ended 03/31/2009 | Accumulated change in 2008 |
|-----------|--|-------------------------------|----------|--|-------------------------------|
| | % | % | | % | % |
| US dollar | (0.93) | 31.94 | IGP-M | (0.92) | 9.81 |
| Euro | (4.94) | 24.13 | FINEL | (0.18) | 1.90 |
| Yen | (9.51) | 62.89 | SELIC | 2.90 | 12.48 |
| | | | CDI | 2.85 | 12.32 |

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

| | |
|--------------------------------------|------------------|
| BALANCES AT DECEMBER 31, 2008 | 2,722,668 |
| Monetary and FX variation | 473 |
| Financial charges provisioned | 65,881 |
| Capitalization | 1,987 |
| Financial charges paid | (9,289) |
| Amortization of financings | (30,560) |
| Balance on 31 March 2009 | 2,751,160 |

Restrictive covenant clauses

Cemig D has loans and financings with restrictive covenant clauses, which were fully complied with on March 31, 2009.

Table of Contents**17) REGULATORY CHARGES**

| | 03/31/2009 | 12/31/2008 |
|--|-------------------|-------------------|
| Global Reversion Reserve RGR | 20,985 | 20,931 |
| CCC Fuel Consumption Account | 14,703 | 36,613 |
| Energy Development Account CDE | 28,658 | 24,288 |
| Eletrobrás Compulsory loan | 1,207 | 1,207 |
| Aneel inspection charge | 2,026 | 2,026 |
| National Scientific and Technological Development Fund | 1,461 | 19,605 |
| Energy efficiency | 150,172 | 142,074 |
| Research and development | 82,494 | 78,692 |
| Energy system expansion research | 731 | 9,802 |
| Proinfa Alternative Energy Program | | 7,330 |
| | 302,437 | 342,568 |
| Current assets | 286,887 | 327,073 |
| Non-current liabilities | 15,550 | 15,495 |

18) POST-EMPLOYMENT OBLIGATIONS

The company became one of the sponsors of the Forluz pension fund (Fundação Forluminas de Seguridade Social), a non-profit institution, with a contributing percentage of 72.45%, the figure being decided based on the allocation of employees in the company in December 2004, with the aim of providing to its associates and participants and their dependents a complementary retirement pension, in accordance with the private pension plan to which they are linked.

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

Mixed Social Security Benefits Plan (Plan B): A defined-contribution plan in the phase of accumulation of funds, for retirement benefits for normal time of service and defined-benefit coverage for disability or death of the active participant, and also on receipt of benefits for time of contribution. The contributions of the Sponsor are equal to the basic monthly contributions of the participants, and this is the only plan open for joining by new participants.

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

Hence the obligations for payment of supplementary pension benefits under the Mixed Plan, with characteristics of defined contribution, and their respective assets, in the amount of R\$ 1,723,087, are not presented in this Explanatory Note.

Pension Benefits Balances Plan (Plan A): This includes all the active and assisted participants who opted to migrate from the previous Defined Benefit Plan, and are entitled to a proportional benefit by balances. In the case of the assets, this benefit was deferred to the retirement date.

Defined Benefit Plan: This is the benefit plan adopted by Forluz up to 1998, through which the average real salary of the last three years of activity of the employee in the Sponsor companies is complemented in relation to the amount of the Official Social Security benefit. On December 31, 2008, 6 active employees and 45 retirees or pension holders were inscribed in this plan.

Cemig Distribution also maintains, independently of the plans made available by Forluz, payments of part of the life insurance premium for the retirees, and contributes to a health plan for the employees, retirees and dependents, administrated by Forluz.

Table of Contents**Amortization of actuarial obligations**

Part of the actuarial obligation for post-employment benefits, in the amount of R\$ 676,052 on 31 March 2009 (R\$ 680,258 on December 31, 2008), was recognized as an obligation payable by the Company and is being amortized by June 2024, through monthly installments calculated by the system of constant installments (the so-called Price table). On June 2, 2008, the Third Amendment to the Contract with Forluz was signed, to transfer the debtor balance of the contract relating to the Defined Benefit plan to the A plan. The amounts then began to be adjusted only by the IPCA Inflation Index (Amplified National Consumer Price Index) published by the Brazilian Geography and Statistics Institute (IBGE) plus 6% per year.

The liabilities and expenses recognized by Light in connection with the Supplementary Retirement Plan, Health Plan and Life Insurance Plan are adjusted in accordance with the terms of CVM Decision CVM 371 and an Opinion prepared by independent actuaries. Thus, the financial updating, and the use of a surplus for amortization of the debt obligation agreed with Forluz, mentioned in the previous paragraphs, did not produce accounting effects in the income statement of Cemig Distribution. The last actuarial valuation was effected in relation to the base date December 31, 2008.

The movement in the net liabilities has been as follows:

| | Pension plans and supplementary retirement plans | Health Plan | Dental Plan | Life Insurance | Total |
|--|---|------------------------|--------------------|---------------------------|----------------|
| Net liabilities on December 31, 2008 | 312,900 | 244,989 | 11,313 | 317,128 | 886,330 |
| Expense (revenue) recognized in the income statement | 1,791 | 13,125 | 812 | 7,211 | 22,939 |
| Contributions paid | (23,034) | (10) | (132) | (7,740) | (30,916) |
| Net liabilities on March 31, 2009 | 291,657 | 258,104 | 11,993 | 316,599 | 878,353 |
| Current liabilities | 54,580 | | | | 54,580 |
| Non-current liabilities | 237,077 | 258,104 | 11,993 | 316,599 | 823,773 |

19) CONTINGENCY PROVISIONS

The company makes contingency provisions for legal actions in which the chance of loss is rated probable .

| | Balance on 12/31/2008 | Additions | Write-offs | Balance on 03/31/2009 |
|--------------------------------|----------------------------------|------------------|-------------------|----------------------------------|
| Labor-law contingencies | | | | |
| Various | 6,195 | 1,116 | | 7,311 |
| Civil | | | | |
| Personal damages | 7,801 | 232 | | 8,033 |

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| | | | | |
|----------------------------------|---------------|--------------|--------------|---------------|
| Tariff increases | 1,410 | | (342) | 1,068 |
| Other | 8,310 | 610 | | 8,920 |
| Regulatory | | | | |
| Aneel administrative proceedings | 43,714 | 927 | | 44,641 |
| Total | 67,430 | 2,885 | (342) | 69,973 |

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Aneel administrative proceedings

On January 9, 2007, Aneel notified Cemig Distribuição S.A. that it considered certain criteria adopted by the company in calculation of the revenue from the subsidy for low-income consumers to be incorrect, questioning the criteria for identification of the consumers who should receive the benefit and also the calculation of the difference to be reimbursed by Eletrobrás, in the estimated amount of R\$ 143,000. The Company has made a provision corresponding to the loss that it considers probable in this dispute, in the amount of R\$ 44,641.

Tariff increases

Several industrial consumers filed actions against Cemig, the parent company of Cemig Distribution, 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 Company estimates the amounts to be provisioned based on the disputed billed amounts and based on recent court decisions. The total value of the exposure of Cemig and its subsidiaries in this matter, 100% provisioned, is R\$ 95,095.

Legal actions with risk of loss classified as possible

Additionally, there are legal actions of a regulatory, civil or tax nature in progress, the chances of loss in which have been estimated as possible. These are periodically reassessed, and do not require the constitution of a provision in the income statement. They are as follows:

ICMS tax - Low-income consumers

The company receives a subvention from Eletrobrás in relation to the discounts given to low-income consumers. The Minas Gerais State office of the Federal Tax Authority served an infringement notice on Cemig, on the argument that the subsidy should be subject to the ICMS tax (a value added tax charged by states on invoices for services). The potential for loss in this action is R\$ 134,515, not including the ICMS tax that might be claimed by the tax authority relating to the period subsequent to the infringement notice. No provision was constituted for the result of this dispute, since the company believes the legal obligation is non-existent and that it has arguments on the merit for defense against this demand. The chance of loss in this action is rated possible.

Social Security and tax obligations on the indemnity paid for the Anuênio

In 2006 Cemig Distribution paid an indemnity to the employees in the amount of R\$ 127,058, in exchange for the rights to future payments known as the Anuênio which would be incorporated into salaries. The company did not withhold (for payment to the government) income tax and social security contribution on these payments because it considered that these obligations are not applicable to amounts paid as indemnity.

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However, to avoid the risk of a future fine arising from a different interpretation by the federal tax authority and the National Social Security Institution, the company decided to file for orders of mandamus to allow payment into Court of the amount of any obligations, in the amount of R\$ 87,268,. These are posted in Deposits connected to legal actions (Payments into Court). No provision was made for possible losses and the company classifies its expectation of loss in this action as possible .

Contingencies of the Holding Company

Cemig, the controlling company of Cemig Distribution, is fighting court actions for which it rates the chance of loss as possible or remote . A negative ruling on these lawsuits could impact the businesses of Cemig Distribution. The main actions that have this characteristic are described below:

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- Several consumers and the Public Prosecutor of the State of Minas Gerais have brought civil actions against Cemig contesting tariff adjustments applied in previous years, including the Extraordinary Tariff Recomposition, and the inflation index used to increase the electricity tariff in April 2003. Reimbursement was claimed for twice such amounts as come to be considered as erroneously charged by the Company. The company believes it has arguments on the merit for a legal defense and thus has not made a provision for these actions.

- Cemig is defendant in legal proceedings challenging the criteria for measurement of amounts to be charged in relation to the contribution for public illumination, in the total amount of R\$ 525,579. 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. Expectation of loss in this action is classified as possible .

20) STOCKHOLDERS EQUITY

At March 31, 2009, Cemig Distribuição has registered capital of R\$ 2,261,998, represented by 2,261,997,787 nominal common shares, without par value, wholly owned by Cemig.

21) - GROSS REVENUE FROM RETAIL SUPPLY OF ELECTRICITY, AND REVENUE FOR USE OF THE NETWORK CAPTIVE CONSUMERS

The breakdown for retail supply of electricity, by type of consumer, is as follows:

| | (Not reviewed by independent auditors) | | MWh | | R\$ | |
|--|--|------------------|------------------|------------------|------------------|------------------|
| | 03/31/2009 | 03/31/2008 | 03/31/2009 | 03/31/2008 | 03/31/2009 | 03/31/2008 |
| Residential | 5,467,018 | 5,219,135 | 1,905,496 | 1,729,761 | 825,609 | 931,006 |
| Industrial | 74,279 | 73,664 | 1,182,634 | 1,224,837 | 363,977 | 402,609 |
| Commercial, services and others | 582,886 | 562,645 | 1,160,226 | 1,084,482 | 464,601 | 508,427 |
| Rural | 524,620 | 558,176 | 452,303 | 453,242 | 96,113 | 136,705 |
| Public authorities | 54,292 | 51,994 | 168,534 | 152,436 | 66,039 | 70,525 |
| Public illumination | 2,858 | 2,597 | 269,358 | 259,068 | 62,728 | 73,332 |
| Public service | 8,404 | 7,912 | 260,706 | 262,152 | 67,030 | 74,443 |
| Sub-total | 6,714,357 | 6,476,123 | 5,399,257 | 5,165,978 | 1,946,097 | 2,197,047 |
| Own consumption | 836 | 827 | 8,543 | 8,915 | | |
| Subsidy for low-income consumers | | | | | 144,203 | 41,142 |
| Retail supply not invoiced, net | | | | | (22,986) | 100,085 |
| Effect of the definitive tariff review | | | | | (264,625) | |
| | 6,715,193 | 6,476,950 | 5,407,800 | 5,174,893 | 1,802,689 | 2,338,274 |
| Transactions in energy on the CCEE | | | | | 12,531 | 5,073 |
| Total | 6,715,193 | 6,476,950 | 5,407,800 | 5,174,893 | 1,815,220 | 2,343,347 |

Table of Contents**22) REVENUE FROM USE OF THE NETWORK - FREE CONSUMERS**

Starting in January 2005, a significant proportion of large industrial consumers became free consumers, with energy being sold to these consumers via Cemig Geração e Transmissão (Cemig GT). As a result the charges related to the use of the distribution network (TUSD) of these free consumers started to be charged separately by Cemig Distribution, being recorded in the account line Revenue for use of the network .

23) OTHER OPERATIONAL REVENUES

| | 03/31/2009 | 03/31/2008 |
|------------------------------|---------------|---------------|
| Charged service | 3,498 | 3,093 |
| Other provisions of services | 2,677 | 4,750 |
| Rental and leasing | 12,886 | 9,709 |
| Other | 188 | 3 |
| | 19,249 | 17,555 |

24) DEDUCTIONS FROM OPERATIONAL REVENUE

| | 03/31/2009 | 03/31/2008 |
|--|----------------|------------------|
| ICMS tax | 496,288 | 557,276 |
| Cofins tax | 178,784 | 242,383 |
| Global Reversion Reserve - RGR | 17,517 | 15,420 |
| PIS and Pasep taxes | 38,815 | 58,130 |
| Energy Efficiency Program - PEE | 6,496 | 8,602 |
| Energy Development Account - CDE | 77,529 | 75,073 |
| Fuel Consumption Account - CCC | 88,487 | 62,594 |
| Research and Development - R&D | 2,598 | 3,441 |
| National Scientific and Technological Development Fund (FNDCT) | 2,598 | 3,441 |
| Energy system expansion research | 1,299 | 1,721 |
| ISS value added tax on services | 73 | 71 |
| | 910,484 | 1,028,152 |

Cemig Distribution pays ICMS applicable to the Portion A amounts and the Deferred Tariff Adjustment in conformity with the invoicing of amounts on the customer's electricity bill.

Table of Contents**25) OPERATIONAL COSTS AND EXPENSES**

| | 03/31/2009 | 03/31/2008 |
|--|------------------|------------------|
| Personnel expenses | 200,966 | 194,660 |
| Post-employment obligations (Note 18) | 22,939 | 37,169 |
| Materials | 20,815 | 22,024 |
| Outsourced services | 105,051 | 99,953 |
| Energy purchased for resale | 505,711 | 577,738 |
| Depreciation and amortization | 81,162 | 110,515 |
| Operational provisions | 15,694 | 36,652 |
| Charges for the use of the basic transmission grid | 119,565 | 119,994 |
| Other net expenses | 28,623 | 31,773 |
| | 1,100,526 | 1,230,478 |

| | 03/31/2009 | 03/31/2008 |
|--|----------------|----------------|
| a) PERSONNEL EXPENSES | | |
| Remuneration and salary-related charges and expenses | 189,244 | 171,826 |
| Supplementary pension contributions Defined Contribution Plan | 12,590 | 12,356 |
| Assistance benefits | 23,568 | 22,866 |
| | 225,402 | 207,048 |
| () Personnel costs transferred to works in progress | (22,547) | (16,269) |
| PPD Voluntary Dismissal Program | (1,889) | 3,881 |
| | 200,966 | 194,660 |

The Voluntary Dismissal Program (PPD)

The company has a Voluntary Dismissal Program (PPD), which is permanent, and applicable to spontaneous rescissions of employment contracts by employees. Among the principal financial incentives of the program are payment of 3 times the gross amount of monthly remuneration, and 6 months' contributions to the Health Plan after leaving the company, deposit of the 40% penalty payment due on the balance of the FGTS upon termination of an employment contract, and payment of up to 24 months' contributions to the Pension Fund and the National Social Security System after termination of the contract, in accordance with certain criteria established in the regulations of the program.

Since this program was put in place in March 2008, 523 employees have subscribed to it. An expense has been recognized for the financial incentives under the program, was recognized in full in the 2008 income statement.

| | 03/31/2009 | 03/31/2008 |
|--|------------|------------|
| b) OUTSOURCED SERVICES | | |
| Collection/meter reading/bill delivery agents | 27,837 | 25,137 |
| Communication | 6,702 | 10,775 |
| Maintenance and conservation of electricity facilities and equipment | 25,547 | 19,089 |
| Building conservation and cleaning | 5,177 | 4,328 |
| Contracted labor | 4,759 | 7,111 |
| Freight and airfares | 916 | 722 |
| Accommodation and meals | 2,774 | 2,825 |

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| | | |
|--|----------------|---------------|
| Security services | 1,743 | 693 |
| Consultancy | 1,187 | 1,647 |
| Maintenance and conservation of furniture and utensils | 4,974 | 5,907 |
| Maintenance and conservation of vehicles | 4,211 | 3,408 |
| Disconnection and reconnection | 5,353 | 6,036 |
| Other | 13,871 | 12,275 |
| | 105,051 | 99,953 |

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| | 03/31/2009 | 03/31/2008 |
|---|----------------|----------------|
| c) ELECTRICITY BOUGHT FOR RESALE | | |
| From Itaipu Binacional | 179,722 | 198,544 |
| Short-term energy | 9,169 | 52,664 |
| Bilateral Contracts | 27,056 | 45,354 |
| Reimbursement of CVA | | 157 |
| Energy acquired at auction | 221,176 | 217,153 |
| Proinfa supply | 23,350 | 17,846 |
| Proinfa Energy program | (169) | 31,274 |
| Amounts received in Portion A (Note 7) | 45,407 | 14,746 |
| | 505,711 | 577,738 |

| | 03/31/2009 | 03/31/2008 |
|--|---------------|---------------|
| d) OPERATIONAL PROVISIONS | | |
| Pension plan premiums | (1,481) | 21 |
| Provision for doubtful receivables | 14,632 | 28,380 |
| Labor-law contingencies | 1,115 | 2,065 |
| Reversal of Aneel administrative proceedings | 926 | 2,210 |
| Provision (reversal) for civil actions on tariff increases | (342) | 3,465 |
| Other | 844 | 511 |
| | 15,694 | 36,652 |

| | 03/31/2009 | 03/31/2008 |
|---|---------------|---------------|
| e) OTHER OPERATIONAL EXPENSES, NET | | |
| Leasing and rentals | 5,682 | 5,262 |
| Advertising | 2,835 | 8,801 |
| Own consumption of electricity | 3,424 | 4,645 |
| Subventions and donations | 3,287 | 3,428 |
| Aneel inspection charge | 6,266 | 6,285 |
| Taxes and charges (IPTU, IPVA and others) | 4,603 | 4,641 |
| Financial compensation for use of water resources | 1,783 | 1,048 |
| Contribution to the MAE | 515 | 419 |
| Insurance | (615) | 608 |
| | 843 | (3,362) |
| | 28,623 | 31,773 |

Table of Contents**26) NET FINANCIAL REVENUES (EXPENSES)**

| | 03/31/2009 | 03/31/2008 |
|---|-------------------|-------------------|
| FINANCIAL REVENUES | | |
| Revenue from cash investments | 10,180 | 18,040 |
| Arrears penalty payments on electricity bills | 22,578 | 43,048 |
| Monetary variation of CVA | 10,201 | 5,221 |
| Monetary variation General Agreement for the Electricity Sector | 14,235 | 27,337 |
| Monetary variation Deferred Tariff Adjustment | 1,777 | 25,897 |
| FX variations | 10,053 | 1,182 |
| Pasep and Cofins taxes on financial revenues | (164) | (2,594) |
| Other | 9,798 | 7,816 |
| | 78,658 | 125,947 |
| FINANCIAL EXPENSES | | |
| Charges on loans and financings | (67,327) | (64,368) |
| Monetary variation General Agreement for the Electricity Sector | | (6,814) |
| Monetary variation of CVA | (1,835) | (4,806) |
| FX variations | (2,639) | (2,533) |
| Monetary variation loans and financings | (3,737) | (19,190) |
| CPMF tax | | (3,024) |
| Losses on financial instruments (Note 29) | (753) | (7,291) |
| Provision for losses in the recovery of RTE amounts Updating | | (1,470) |
| Other | (10,140) | (5,910) |
| | (86,431) | (115,406) |
| NET FINANCIAL REVENUES (EXPENSES) | (7,773) | 10,541 |

The Pasep and Cofins tax expenses are applicable to the financial revenues on the regulatory assets, which are realized through invoicing of electricity.

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27) RELATED PARTY TRANSACTIONS

As mentioned in Explanatory Note 1, the Company is a wholly-owned subsidiary of Companhia Energética de Minas Gerais - Cemig, of which the controlling stockholder is the Government of the State of Minas Gerais. Cemig Geração e Transmissão (Cemig GT) and Light are also subsidiaries of Cemig.

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

| COMPANIES | ASSETS | | LIABILITIES | | REVENUES | | EXPENSES | |
|--|------------|------------|-------------|------------|------------|------------|------------|------------|
| | 03/31/2009 | 12/31/2008 | 03/31/2009 | 12/31/2008 | 03/31/2009 | 03/31/2008 | 03/31/2009 | 03/31/2008 |
| CEMIG | | | | | | | | |
| Affiliated companies and holding co. | 10.268 | 9.870 | 13.419 | 12.524 | | | | |
| Interest on Equity and dividends | | | 682.227 | 682.227 | | | | |
| Cemig Geração e Transmissão S.A. | | | | | | | | |
| Affiliated companies and holding co. | 15.046 | 13.433 | 9.957 | 10.705 | | | | |
| Energy purchased for resale (Note 1) | | 5.570 | 46.686 | 20.881 | | 960 | (54.486) | (23.348) |
| Light | | | | | | | | |
| Energy bought for resale (1) | | | 2.535 | 2.454 | | | (5.267) | (5.079) |
| Minas Gerais state government | | | | | | | | |
| Consumers and traders (4) | 2.269 | 1.616 | | | 19.051 | 17.878 | | |
| Taxes, charges and contributions (5) | 122.646 | 115.275 | 57.351 | 57.351 | (496.288) | (557.276) | | |
| Taxes subject to offsetting (5) | 57.351 | 57.351 | | | | | | |
| Consumers and traders (2) | 11.968 | 17.200 | | | | | | |
| FORLUZ | | | | | | | | |
| Post-employment obligations current (3) | | | 54.580 | 53.092 | | | (22.939) | (37.169) |
| Post-employment obligations noncurrent (3) | | | 823.773 | 833.238 | | | | |
| Other | | | 25.677 | 53.912 | | | | |
| Personnel expenses (6) | | | | | | | (12.590) | (12.356) |
| Current administration expense (7) | | | | | | | (3.062) | (2.996) |
| OTHER | | | | | | | | |
| Affiliated and subsidiary companies, or parent | 569 | 557 | | | | | | |

Main material comments on the above transactions:

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(1) The Company has contracts for purchase of electricity from Cemig Geração e Transmissão S.A. and Light S.A., arising from the public electricity auction which took place in 2005, with period of validity of 8 years from the start of supply and annual adjustment by the IGP-M inflation index. These transactions were carried out on terms equivalent to those that prevail in transactions with independent parties, in view of the fact that the purchase of energy was made through an auction organized by the federal government, which subsequently decided what contracts should be signed between distributors and generators.

(2) A substantial portion of the amount refers to the renegotiation of the debit originating from the sale of energy to Copasa, with provision for payment up to September 2012, and financial updating (IGP-M inflation index + 0.5% per month).

(3) The contracts of FORLUZ are updated by the Expanded Consumer Price Index (IPCA) calculated by the Brazilian Geography and Statistics Institute (IBGE) (See Explanatory Note 18) and will be amortized up to the business year of 2024.

(4) Refers to sale of energy to the government of the State of Minas Gerais. The transactions were carried out on terms equivalent to those which prevail in the transactions with independent parties, considering that the price of the energy is that defined by Aneel through a resolution referring to the company's annual tariff adjustment.

(5) The transactions with ICMS tax posted in the financial statements refer to transactions for sale of energy and are carried out in conformity with the specific legislation of the State of Minas Gerais.

(6) Cemig's contributions to the Pension Fund related to the employees participating in the Mixed Plan (see Explanatory Note 18) and calculated on the monthly remunerations in accordance with the regulations of the Fund.

(7) Funds for annual current administrative costs of the Pension Fund in accordance with the specific legislation of the sector. The amounts are estimated as a percentage of the Company's total payroll.

For more information on the main transactions, see Explanatory Notes 5, 9, 15, 18, 20, 24, 25 and 27.

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28) FINANCIAL INSTRUMENTS

Cemig Distribution uses financial instruments restricted to cash and cash equivalents, consumers and traders, loans and financings, debentures, and currency swaps. The gains and losses obtained on the transactions are registered in full by the accrual method.

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

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

a) Management of risks

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

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

Cemig D's principal exposure risks are listed below:

Exchange rate risk

Cemig D is exposed to the risk of increase in exchange rates, especially of the US dollar against the Real, with significant impact on indebtedness, profit and cash flow. For the purpose of reducing the Company's exposure to increases in exchange rates, Cemig Distribuição had, on March 31, 2009, hedge transactions contracted, which are described in more detail in item b.

The net exposure to exchange rates is as follows:

| | 03/31/2009 | 12/31/2008 |
|-----------------------------------|----------------|----------------|
| EXPOSURE TO EXCHANGE RATES | | |
| US dollar | | |
| Loans and financings | 265,038 | 262,417 |
| Contracted hedge/swap | (121,923) | (123,071) |
| | 143,115 | 139,346 |
| Euro | | |
| Loans and financings | 16,426 | 17,087 |
| Net liability exposure | 159,541 | 156,433 |

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The Company estimates that, in a probable scenario, the appreciation of the exchange rates of foreign currencies against the Real at the end of 2009 will be 1.50%. The Company has made a sensitivity analysis of the effects on its results arising from increases in the Selic rate of 25% and 50%, respectively scenarios which we assess as possible and remote, respectively.

| Risk - Increase in exchange rate | Base 2008 | Probable scenario | Possible scenario Exchange variation of 25% | Remote scenario Exchange variation of 50% |
|--|------------------|--------------------------|--|--|
| US dollar | | | | |
| Loans and financings | 265,038 | 269,022 | 336,563 | 404,105 |
| (-) Contracted hedge/swap | (121,923) | (123,756) | (154,826) | (185,897) |
| | 143,115 | 145,266 | 181,737 | 218,208 |
| Euro | | | | |
| | 16,426 | 16,673 | 20,664 | 24,811 |
| Net liability exposure | 159,541 | 161,939 | 202,401 | 243,019 |
| Net effect variation of exchange rate | | (2,398) | (42,861) | (83,479) |

Interest rate risk

Cemig Distribution is exposed to the risk of increase in international interest rates, with an impact on loans and financings in foreign currency with floating rates (Libor) in the amount of R\$ 17,535, at March 31, 2009.

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

| EXPOSURE OF CEMIG D TO BRAZILIAN INTEREST RATES | 03/31/2009 | 12/31/2008 |
|--|-------------------|-------------------|
| Assets | | |
| Cash investments | 421,297 | 351,882 |
| Regulatory assets | 1,609,016 | 1,503,538 |
| | 2,030,313 | 1,855,420 |
| Liabilities | | |
| Loans and financings | (1,246,183) | (1,210,660) |
| Regulatory liabilities | (587,987) | (611,202) |
| Contracted hedge/swap | (121,923) | (123,071) |
| | (1,956,093) | (1,944,933) |
| Net liability exposure | 74,220 | (89,513) |

Credit risk

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

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Electricity scarcity risk

The electricity sold is generated, basically, by hydroelectric power plants. A prolonged period of shortage of rainfall could result in reduction of volume of water in the reservoirs of the Company's plants, adversely affecting the recovery of their volume and resulting in losses as a result of increased costs of acquisition of electricity, or reduction of revenues in the event of adoption of a renewed rationing program, like the one put in place by the federal government in 2001.

Early debt maturity risk

The Company has contracts for loans and financings with the restrictive covenant clauses normally applicable to these types of operation, related to compliance with limits on economic and financial indices, cash flow and other indicators. Non-compliance with these clauses could result in early maturity of debt. The restrictive covenant clauses were fully complied with on March 31, 2009.

Risk of non-renewal of concessions

The Company has concessions for commercial operation of distribution services. Management expects that these concessions will be renewed by Aneel and/or the Mining and Energy Ministry. If the Mining and Energy Ministry does not grant the applications for renewals of these concessions, or if it decides to renew them upon imposition of additional costs for the company (concessions for consideration), the present levels of activity and profitability could be altered.

b) Financial instruments - derivatives

The derivative instruments contracted by the company have the purpose of protecting the company's operations against the risks arising from foreign exchange variation, and are not used for speculative purposes.

The principal amounts of the transactions and derivatives are not posted in the balance sheet, since they refer to transactions which do not require cash payments, but only the gains or losses that actually occur. The net results of these transactions represented a loss on March 31, 2009, of R\$ 753 (vs. loss of R\$ 7,291 on March 31, 2008), recorded in Financial revenue (expenses).

Methodology of calculation of the fair value of positions

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

This table shows the derivative instruments contracted by Cemig D on March 31, 2009.

| Receivable by | | | | Principal amount | | Lost not realized | | | | Accumulated |
|--|---|-------------------------|------------------------|------------------|------------|-------------------|------------|------------|------------|-------------|
| Cemig | Payable by | | Market | contract* | | Book Value | | Fair Value | | Effect |
| Geração e | Cemig | Maturity | | 03/31/2009 | 03/31/2008 | 03/31/2009 | 12/31/2008 | 03/31/2009 | 12/31/2008 | Payable |
| Transmissão | Transmissão | period | Trading | | | | | | | Amount |
| | e | | | | | | | | | 03/31/2009 |
| US\$ exchange rate + interest (5.58% p.a. to 7.48% p.a.) | R\$ 100% of CDI + interest (2.98% p.a. to 3.01% p.a.) | From 04/2009 to 06/2013 | Over the counter (OTC) | US\$52,662 | US\$52,662 | (76,726) | (70,801) | (80,385) | (79,633) | |

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c) Sensitivity analysis

The derivative instrument described above shows that the Company is exposed to the variation in the CDI rate. The Company estimates that the CDI rate at the end of 2009 will be 9.00%. The Company has made a sensitivity analysis of the effects on its results arising from increases in the Selic rate of 25% and 50%, respectively, in relation to December 31, 2008 scenarios which we assess as possible and remote, respectively. In these possible and remote scenarios, the CDI rate at December 31, 2009, would be: 11.25% and 13.50%, respectively.

| | Base | Probable scenario | Possible scenario | Remote scenario |
|---|-----------|-------------------|-------------------|-----------------|
| <u>Risk -Exposure Brazilian Interest Rates</u> | | | | |
| Contract in US\$ | (121,923) | (119,953) | (122,005) | (124,057) |
| Net effect variation of SELIC | | 1,969 | (82) | (2,134) |

29) FINAL RESULT OF THE SECOND TARIFF REVIEW OF CEMIG D

In March 2009 Aneel homologated the final result of the tariff review of Cemig Distribution, the effects of which take place from April 2008.

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

For the homologation of the final Tariff Review, Aneel also recalculated the amounts which, in its judgment, should have been those effectively recognized in the Company's Tariff Adjustment as from April 2008.

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

| | 31/03/2009 |
|--|------------|
| Adjustment arising from the Company's Tariff Review | (104,458) |
| Revision of the calculation of reimbursement of the financial items included in the 2008 tariff adjustment | (160,167) |
| Other regulatory items | 71,719 |
| | (192,906) |

The adjustments referred to affected the following lines of the March 31, 2009 income statement:

| | 31/03/2009 |
|---|-------------------|
| Operational revenue net of Pasep and Cofins taxes | (213,803) |
| Operational costs and expenses | 20,987 |
| | (192,906) |
| Income tax and Social Contribution tax | 65,588 |
| Net effect on income statement | (127,318) |

30) SUBSEQUENTS EVENTS

Temporary Voluntary dismissal program (PDV)

In April 2009, Cemig put in place its temporary voluntary dismissal program (PDV), available to employees between April 22 and June 5, 2009.

Employees who subscribe to the PDV receive a financial incentive varying between 3 and 16 times their monthly remuneration, according to criteria established in the program's regulations, of which the

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principal one is the time of contribution remaining for full retirement entitlement under the national social security system (INSS). The incentive includes payment of the contributions to the pension fund and the INSS up to the date when the employee would have complied with the requirements for applying for retirement benefit under the INSS (limited to five years), and deposit of the obligatory penalty payment (applicable to dismissals) of 40% on the balance of the employee's accumulated funds under the FGTS system.

Additionally, Cemig guarantees full payment of the costs of the group life insurance plan, for 6 months, and of the health plan, for 12 months, from the date of leaving the company.

The provision for the expenses under this program will be made in the second quarter of 2009, depending on how many employees subscribe to the program.

The April 2009 tariff adjustment

The *adjustment* to Cemig's tariffs resulted in an average increase of 6.21% in consumers' electricity invoices, from April 8, 2009. The adjustment applied differently to different consumer categories: electricity bills of residential consumers were increased by 4.87%; invoices for high-voltage consumers were increased by an average of 9.42%.

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ECONOMIC FINANCIAL PERFORMANCE

Amounts are in thousands of Reais unless otherwise stated.

Profit in the period

In the first quarter of 2009 (1Q09), Cemig D reported net profit of R\$ 40.334 million, 85.10% lower than the net profit of R\$ 270.659 million reported for the first quarter of 2008 (1Q08).

This lower profit was due in part to the extraordinary adjustments posted in the first quarter of 2009, arising from the final values advised by Aneel for the Company's tariff review, with a negative impact of R\$ 127 million in the result. In counterpart, an extraordinary creditor item with a positive impact of R\$ 38 million was posted in the income statement for the first quarter of 2008.

Additionally, there was a reduction in net revenue as a result of the tariff review of Cemig Distribution made in 2008, which applied an average reduction in tariffs of 12.24% as from April 8 of that year.

Ebitda (method of calculation not reviewed by external auditors)

Cemig D reported Ebitda in the first three months of 2009 (3M09) 68.46% lower than in 3M08. Adjusted for non-recurring items, Ebitda was 23.50% lower.

As part of the tariff review of Cemig Distribuição, Aneel included in the tariff to be applied as from April 8, 2009 certain financial items relating to previous business years which resulted in the recognition of regulatory assets and liabilities which will be received and/or discounted in the tariff to be received from consumers in the period April 8, 2009 to April 7, 2010.

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The financial items mentioned refer principally to the reduction in the cost of the Reference Company used by Aneel to reimburse the Company for its manageable costs, with effect backdated to 2008. The impact on Ebitda of this non-recurring recognition of financial items was R\$ 192,816, as follows:

| EBITDA - R\$ 000 | 03/31/2009 | 03/31/2008 | Change % |
|--|----------------|----------------|----------------|
| Net profit | 40,334 | 270,659 | (85.10) |
| + Income tax and Social Contribution | 18,477 | 141,031 | (86.90) |
| + Employees and managers shares in results | 18,725 | 16,155 | 15.91 |
| - Financial revenue (expenses) | 7,773 | (10,541) | |
| + Amortization and depreciation | 81,162 | 110,515 | (26.56) |
| = Ebitda | 166,471 | 527,819 | (68.46) |
| Non-recurring items: | | | |
| - Tariff review Net revenue | 213,803 | (62,464) | |
| + Tariff review Operational expense | (20,987) | 4,330 | |
| = ADJUSTED EBITDA | 359,287 | 469,685 | (23.50) |

The lower Ebitda in the first quarter of 2009 than in 1Q08 (excluding the effects of expenses on depreciation and amortization) principally reflects the negative impacts of the final tariff review. The operational performance in 2009 was reflected in Ebitda margin, which rose from 32.03% in 1Q08 to 14.04% in 1Q09.

GROSS REVENUE FROM RETAIL SUPPLY OF ELECTRICITY, AND REVENUE FOR USE OF THE NETWORK CAPTIVE CONSUMERS

This revenue was R\$ 1,815,220 in the first quarter of 2009, 22.54% lower than in 1Q08, when it was R\$ 2,343,347.

The main impacts on 2008 revenues arose from the following factors:

- Tariff readjustment averaging 12.24% on consumer tariffs, starting from April 8, 2008 (full effect in 2009).
- Volume of energy invoiced to final consumers 4.52% higher (this excludes Cemig D's own internal consumption).

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- Recording of regulatory liability resulting from the adjustment in the Company's Tariff Review, backdated to 2008, representing a reduction of R\$ 213,803 in gross revenue.

Table of Contents**Electricity sold to final consumers (MWh)**

(Data not audited by independent auditors)

| Consumption by consumer category | 03/31/2009 | MWh 03/31/2008 | Change % |
|----------------------------------|------------------|-------------------|----------|
| Residential | 1,905,496 | 1,729,761 | 10,16 |
| Industrial | 1,182,634 | 1,224,837 | (3,45) |
| Commercial, services and others | 1,160,226 | 1,084,482 | 6,98 |
| Rural | 452,303 | 453,242 | (0,21) |
| Public authorities | 168,534 | 152,436 | 10,56 |
| Public illumination | 269,358 | 259,068 | 3,97 |
| Public service | 260,706 | 262,152 | (0,55) |
| Total | 5,399,257 | 5,165,978 | 4,52 |

Revenue from use of the network - Free Consumers

This revenue refers to the TUSD - Tariff for Use of the Distribution System - charged to free consumers on the energy sold, principally by Cemig Generation and Transmission. In the first quarter of 2009 this revenue was R\$ 261,850, compared to R\$ 315,032 in 1Q08, that is to say 16.88% lower, due to a lower volume of transport of energy for free consumers, consequence of the international economic situation, which had repercussions on Brazilian industrial production.

Non-controllable costs

Differences between the non-controllable costs assumed in calculating tariff adjustments, and disbursements actually made, are recorded in an account known as the CVA (cost variation account), and their total is offset in subsequent tariff adjustments. CVA amounts are registered in Current and Non-current assets. Complying with the Aneel Chart of Accounts, some items are allocated as Deductions from operational revenue. Please refer to further information in Explanatory Note 5 and Note 6 to the Quarterly Information.

As from March 2008 the company began to receive, in the tariff, the amounts posted in assets under Portion A . Hence the portion of the non-controllable costs which were actually received in the tariff is transferred to Operational expenses, as shown in Explanatory Note 6, Item b .

Deductions from operational revenues

Deductions from operational revenues in 1Q09 totaled R\$ 910,484, 11.44% lower than in 1Q08 (R\$ 1,028,152). The principal changes in these expenses are as follows:

Fuel Consumption Account - CCC

The deduction from revenue for the CCC was R\$ 88,487 in 1Q09, compared to R\$ 62,594 in 1Q08, an increase of 41.37%. This relates to the operational costs of thermal plants in the Brazilian interconnected and isolated systems, split pro-rata among electricity concession holders by the Aneel Resolution. This is a non-controllable cost; the amount deducted from revenue is passed through to tariffs.

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Energy Development Account - CDE

The deduction from revenue for the CDE was R\$ 77,529 in 1Q09, 3.27% higher than in 1Q08 (R\$ 75,073). The payments are specified by an Aneel Resolution. This is a non-controllable cost; the amount deducted from revenue is passed through to tariffs.

RGR - Global Reversion Reserve

The deduction from revenue for the CDE was R\$ 17,517 in 1Q09, 13.60% higher than in 1Q08 (R\$ 15,420). This is a non-controllable cost; the amount deducted from revenue is passed through to tariffs.

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

Operational costs and expenses (excluding financial revenue/expenses)

Operational costs and expenses (excluding Net financial revenue (expenses)) amounted to R\$ 1.100 billion in 1Q09, 10.56% lower than in 1Q08 (R\$ 1,230 billion), a reduction of 10.56%. This mainly reflects changes in energy bought for resale, post-employment obligations and depreciation and amortization. For further information on the composition of operational costs and expenses, see Explanatory Note 25 to the Quarterly Information.

The principal changes in expenses are:

Personnel expenses

Personnel expenses totaled R\$ 200,966 in 1Q09, 3.24% higher than in 1Q08 (R\$ 194,660). This principally reflects:

- Salary increase of 7.26% given to employees in November 2008.
- Greater transfer of costs from personnel expenses to works in progress (R\$ 22,547 in 1Q09, vs. R\$ 16,269 in 1Q08) due to greater capital expenditure activity.

Further information on the composition of personnel expenses is given in explanatory note No. 25 of the Quarterly Information.

Energy purchased for resale

Expense on electricity purchased for resale was R\$ 505,711 in 1Q09, compared to R\$ 577,738 in 1Q08, representing a reduction of 12.47%. This is a non-controllable cost; the amount deducted from revenue is passed through to tariffs. Further information is given in Explanatory note No. 25 to the Quarterly Information.

Depreciation and amortization

The expense on depreciation and amortization was R\$ 81,162 in first quarter 2009, compared to R\$ 110,515 in 1Q08, that is to say 26.56% lower. This result arises from the depreciation of Special Obligations , from April 2008, the date of the second-cycle tariff review.

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Post-employment obligations

Expenses on post-employment obligations totaled R\$ 22,939 in 1Q09, compared to R\$ 37,169 in 1Q08, 38.28% lower. These expenses basically represent interest on the actuarial liabilities of Cemig Distribution, net of the expected return on the plans' assets, as estimated by an external actuary. The reduction in this expense in 2009 is mainly due to the downward adjustment made in December 2008 to actuarial assumptions for interest rates, resulting in a reduction in the Company's net obligations.

Charges for Use of the Basic Transmission Grid

Charges for use of the transmission network totaled R\$ 119,565 in 1Q09, compared to R\$ 119,994 in 1Q08, 0.36% lower. These charges are payable by distribution and generation agents for use of the facilities and components of the basic grid, and are set by Aneel resolution. This is a non-controllable cost; the amount deducted from revenue is passed through to tariffs.

Outsourced services

The expense on outsourced services in 1Q09 was R\$ 105,051, compared to R\$ 99,953 in 1Q08, 5.10% higher, the main variations being in expenditure on maintenance and conservation of electricity facilities, and outsourced invoice collectors, account reading and delivery. Expenses under this heading are given in detail in Explanatory Note 25 to the Quarterly Information.

Financial revenues (expenses)

In 1Q09 the company reported net financial expenses of R\$ 7,773, compared to net financial expenses of R\$ 10,541 in 1Q08. The main factors in this financial result are:

- Lower revenue from cash investments, at R\$ 10,180 in 1Q09, vs. R\$ 18,040 in 1Q08, 43.57% higher, due to a lower volume of cash invested in this quarter.
- Revenue from penalty payments applied to arrears on settlement of electricity bills R\$ 20,470 lower in 1Q09, at R\$ 22,578, compared to R\$ 43,048 in 1Q08. This variation also reflects an item of revenue posted in 1Q08, in the amount of R\$ 10,516, relative to accounts received from major industrial consumers for consumption in prior years – the principal amounts of which were considerably less than the amounts added as penalty payments for delay in settlement.

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- Lower revenue from monetary updating on the General Agreement for the Electricity Sector. The revenue was R\$ 14,235 in 1Q09, compared to R\$ 27,337 in 1Q08 reflecting the lower value of the regulatory assets in 2009, since part of them had been amortized.
- Reduction of 93.14% in the revenue from monetary updating and interest on the Deferred Tariff Adjustment. This revenue was R\$ 1,777 in 1Q09, compared to R\$ 25,897 in 1Q08. This mainly reflects the reduction of the size of the asset, due to receipt of some of the amounts receivable in electricity bills paid by clients. See Explanatory Note 10 to the Quarterly Information.
- Lower Monetary Variation on Loans and Financings: R\$ 3,737 in 1Q09, vs. R\$ 19,190 in 1Q08. This result is basically due to the higher variation in inflation indices in 2008.

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For a breakdown of financial revenues and expenses, see Explanatory Note n° 25 of the quarterly information.

Income tax and Social Contribution

In 1Q08 Cemig D posted expenses on income tax and Social Contribution of R\$ 18,477, representing 23.83% of the pre-tax profit of R\$ 77,536. In 1Q08, the company posted expenses on income tax and Social Contribution of R\$ 141,031 million, representing 32.96% of the pre-tax profit of R\$ 427,845. These effective rates are reconciled with the nominal rates in Explanatory Note 9 to the quarterly information.

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4. Quarterly Financial Information for the quarter ended March 31, 2009, Cemig Geração e Transmissão S.A.

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Table of Contents**BALANCE SHEETS****AT MARCH 31, 2009 AND DECEMBER 31, 2008****ASSETS****(R\$ 000)**

| | Consolidated | | Holding company | |
|--|---------------------|-------------------|------------------------|-------------------|
| | 03/31/2009 | 12/31/2008 | 03/31/2009 | 12/31/2008 |
| CURRENT | | | | |
| Cash and cash equivalents (Note 3) | 1,257,870 | 862,098 | 1,239,447 | 852,213 |
| Consumers and traders (Note 4) | 385,330 | 357,733 | 384,266 | 356,959 |
| Concession holders transport of energy | 50,574 | 50,186 | 50,574 | 50,186 |
| Taxes subject to offsetting (Note 6) | 331,938 | 274,113 | 330,976 | 273,184 |
| Traders Transactions in Free Energy (note 6) | 16,115 | 15,076 | 16,115 | 15,076 |
| Tax credits (Note 7) | 24,899 | 21,118 | 24,899 | 21,118 |
| Inventories | 3,656 | 4,024 | 3,656 | 4,024 |
| Other credits | 69,220 | 63,268 | 61,530 | 58,814 |
| TOTAL, CURRENT | 2,139,602 | 1,647,616 | 2,111,463 | 1,631,574 |
| NONCURRENT | | | | |
| Long term assets | | | | |
| Tax credits (Note 7) | 77,039 | 83,347 | 77,039 | 83,347 |
| Traders Transactions in Free Energy (Note 5) | 10,640 | 4,107 | 10,640 | 4,107 |
| Taxes subject to offsetting (Note 6) | 18,158 | 18,158 | 18,158 | 18,158 |
| Deposits linked to legal actions | 57,714 | 49,532 | 57,714 | 49,532 |
| Receivable from related parties (Note 23) | 10,843 | 9,853 | 10,843 | 9,853 |
| Other credits | 20,775 | 14,999 | 10,908 | 11,995 |
| Total long term assets | 195,169 | 179,996 | 185,302 | 176,992 |
| Investments (Note 8) | 1,074,537 | 1,074,778 | 1,132,220 | 1,112,306 |
| Fixed assets (Note 9) | 4,801,846 | 4,756,861 | 4,621,827 | 4,663,169 |
| Intangible (Note 10) | 17,240 | 13,808 | 14,453 | 13,696 |
| TOTAL, NONCURRENT | 6,088,792 | 6,025,443 | 5,953,802 | 5,966,163 |
| TOTAL ASSETS | 8,228,394 | 7,673,059 | 8,065,265 | 7,597,737 |

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

Table of Contents**BALANCE SHEETS****AT MARCH 31, 2009 AND DECEMBER 31, 2008
LIABILITIES****(R\$ 000)**

| | Consolidated | | Holding company | |
|---|---------------------|-------------------|------------------------|-------------------|
| | 03/31/2009 | 12/31/2008 | 03/31/2009 | 12/31/2008 |
| CURRENT | | | | |
| Charges on loans and financings (Note 13) | 418,079 | 372,693 | 416,080 | 370,492 |
| Debentures (Note 13) | 381,389 | 362,606 | 381,389 | 362,606 |
| Suppliers (Note 11) | 155,316 | 146,652 | 111,895 | 125,486 |
| Taxes, charges and contributions (Note 12) | 186,905 | 78,698 | 185,512 | 78,339 |
| Interest on Equity, and dividends, payable | 539,042 | 539,042 | 539,042 | 539,042 |
| Salaries and mandatory charges on payroll | 44,129 | 64,500 | 43,859 | 64,433 |
| Regulatory charges (Note 14) | 75,706 | 94,363 | 75,706 | 94,363 |
| Profit shares | 8,951 | 26,737 | 8,951 | 26,737 |
| Debt to related parties (Note 23) | 5,544 | 3,908 | 5,544 | 3,908 |
| Post-employment obligations (Note 15) | 18,473 | 17,970 | 18,473 | 17,970 |
| Provision for losses on financial instruments (Note 24) | 34,861 | 14,699 | 34,861 | 14,699 |
| Other obligations | 45,053 | 69,036 | 42,609 | 55,144 |
| TOTAL, CURRENT | 1,913,448 | 1,790,904 | 1,863,921 | 1,753,219 |
| NONCURRENT | | | | |
| Loans and financings (Note 13) | 1,916,179 | 1,733,860 | 1,804,887 | 1,703,205 |
| Debentures (Note 13) | 272,736 | 271,752 | 272,736 | 271,752 |
| Contingency provisions (Note 16) | 7,591 | 7,322 | 7,591 | 7,322 |
| Post-employment obligations (Note 15) | 257,338 | 260,618 | 257,338 | 260,618 |
| Taxes, charges and contributions (Note 12) | 106,443 | 82,510 | 106,443 | 82,510 |
| Regulatory charges (Note 14) | 4,352 | 4,352 | 4,352 | 4,352 |
| Other obligations | 36,755 | 40,602 | 34,445 | 33,620 |
| TOTAL, NONCURRENT | 2,601,394 | 2,401,016 | 2,487,792 | 2,363,379 |
| STOCKHOLDERS EQUITY (Note 17) | | | | |
| Registered capital | 2,896,785 | 2,896,785 | 2,896,785 | 2,896,785 |
| Capital reserves | 584,354 | 584,354 | 584,354 | 584,354 |
| Retained earnings | 232,413 | | 232,413 | |
| TOTAL STOCKHOLDERS EQUITY | 3,713,552 | 3,481,139 | 3,713,552 | 3,481,139 |
| TOTAL LIABILITIES | 8,228,394 | 7,673,059 | 8,065,265 | 7,597,737 |

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

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INCOME STATEMENT

FOR THE QUARTERS ENDED MARCH 31, 2009 AND 2008

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

| | Consolidated 03/31/2009 | Holding company 03/31/2009 | Consolidated and Holding company 03/31/2008 |
|---|----------------------------|----------------------------------|--|
| OPERATIONAL REVENUE | | | |
| Gross supply of electricity (Note 18) | 769,147 | 766,106 | 721,201 |
| Revenue from use of the grid (Note 19) | 151,030 | 151,030 | 150,434 |
| Other operational revenues | 5,653 | 5,653 | 6,427 |
| | 925,830 | 922,789 | 878,062 |
| DEDUCTIONS FROM OPERATIONAL REVENUE (Note 20) | (193,551) | (192,887) | (195,289) |
| NET OPERATIONAL REVENUE | 732,279 | 729,902 | 682,773 |
| COST OF ELECTRICITY SERVICE | | | |
| COST OF ELECTRICITY (Note 21) | | | |
| Charges for use of the basic transmission grid | (72,294) | (72,294) | (64,437) |
| Electricity bought for resale | (27,190) | (26,712) | 8,982 |
| | (99,484) | (99,006) | (55,455) |
| COST OF OPERATION (Note 21) | | | |
| Personnel and managers | (58,975) | (58,934) | (53,302) |
| Post-employment obligations | (6,206) | (6,206) | (9,987) |
| Materials | (2,884) | (2,867) | (2,508) |
| Raw materials and inputs for generation | | | (21,785) |
| Outsourced services | (20,246) | (20,127) | (15,086) |
| Depreciation and amortization | (55,979) | (55,858) | (56,345) |
| Reversal of provisions | 252 | 252 | 932 |
| Royalties for use of water resources | (34,767) | (34,767) | (31,201) |
| Other costs of operation | (6,365) | (6,314) | (4,026) |
| | (185,170) | (184,821) | (193,308) |
| TOTAL COST | (284,654) | (283,827) | (248,763) |
| GROSS PROFIT | 447,625 | 446,075 | 434,010 |
| OPERATIONAL EXPENSES (Note 21) | | | |
| General and administrative expenses | (16,932) | (16,932) | (15,972) |
| Other operational expenses | (5,725) | (5,725) | (20,752) |
| | (22,657) | (22,657) | (36,724) |
| PROFIT FROM THE SERVICE | | | |
| (OPERATIONAL PROFIT BEFORE EQUITY GAINS AND FINANCIAL REVENUES (EXPENSES)) | | | |
| | 424,968 | 423,418 | 397,286 |
| Equity gain (loss) from subsidiaries | | 1,494 | |
| Net financial expenses (Note 22) | (50,190) | (50,244) | (79,686) |
| PROFIT BEFORE TAXATION AND PROFIT SHARES | 374,778 | 374,668 | 317,600 |
| Income tax and Social Contribution (Note 7b) | (126,711) | (126,639) | (111,984) |

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| | | | |
|--|----------------|----------------|----------------|
| Deferred income tax and Social Contribution (Note 7 b) | (9,931) | (9,893) | 5,031 |
| Employees and managers profit shares (Note 24) | (5,723) | (5,723) | (4,919) |
| NET PROFIT FOR THE PERIOD | 232,413 | 232,413 | 205,728 |
| NET PROFIT PER THOUSAND SHARES, R\$ | 80.23 | 80.23 | 71.02 |

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

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STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY

FOR THE QUARTELY ENDED ON MARCH 31, 2009

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

| | Registered capital | Capital reserves | Retained earnings | Total |
|--------------------------------------|-------------------------------|-----------------------------|------------------------------|--------------|
| BALANCES AT DECEMBER 31, 2008 | 2,896,785 | 584,354 | | 3,481,139 |
| Net profit for the year | | | 232,413 | 232,413 |
| BALANCES AT MARCH 31, 2009 | 2,896,785 | 584,354 | 232,413 | 3,713,552 |

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STATEMENTS OF CASH FLOWS

FOR THE QUARTERS ENDED MARCH 31, 2009 AND 2008

R\$ 000

| | Consolidated | | Holding company | |
|---|----------------|-----------------|-----------------|-----------------|
| | 03/31/2009 | 03/31/2008 | 03/31/2009 | 03/31/2008 |
| FROM OPERATIONS | | | | |
| Net profit for the year | 232,413 | 205,728 | 232,413 | 205,728 |
| Expenses (revenues) not affecting cash | | | | |
| Depreciation and amortization | 56,026 | 56,345 | 55,905 | 56,345 |
| Net write-offs of fixed assets | 2,119 | 1,078 | 2,119 | 1,078 |
| Equity gains (losses) | | | (1,494) | |
| Interest and monetary updating Noncurrent | (16,994) | 8,037 | (18,019) | 8,037 |
| Deferred federal taxes | 9,931 | (5,031) | 9,893 | (5,031) |
| Provisions (reversals) for operational losses | 269 | (932) | 269 | (932) |
| Provisions for losses on Free Energy transactions | 8,722 | 10,160 | 8,722 | 10,160 |
| Provision for losses on financial instruments | 19,697 | (2,656) | 19,697 | (2,656) |
| Post-employment obligations | 7,333 | 12,004 | 7,333 | 12,004 |
| Other | 1,087 | 2,590 | 1,087 | 2,590 |
| | 320,603 | 287,323 | 317,925 | 287,323 |
| Increase (reduction) in assets | | | | |
| Consumers and traders | (27,597) | (20,460) | (27,307) | (20,460) |
| Traders transactions in Free Energy | 2,107 | 13,522 | 2,107 | 13,522 |
| Taxes subject to offsetting | (57,825) | (112,367) | (57,792) | (112,392) |
| Transport of energy | (388) | (9,539) | (388) | (9,539) |
| Other current assets | 2,527 | | 2,527 | |
| Payments into Court | (15,046) | (705) | (8,182) | (705) |
| Others | (4,761) | 11,981 | (1,523) | 11,981 |
| | (100,983) | (117,568) | (90,558) | (117,593) |
| Increase (reduction) in liabilities | | | | |
| Suppliers | 8,664 | (162,391) | (13,591) | (160,540) |
| Taxes and Social Contribution | 122,247 | 96,323 | 121,213 | 96,213 |
| Salaries and mandatory charges on payroll | (20,371) | (4,361) | (20,574) | (4,274) |
| Regulatory charges | (18,657) | 3,067 | (18,657) | 3,067 |
| Loans and financings | 64,125 | 73,009 | 64,327 | 73,009 |
| Post-employment obligations | (10,110) | (12,918) | (10,110) | (12,918) |
| Losses on financial instruments | 465 | (3,775) | 465 | (3,775) |
| Other | (45,834) | (35,968) | (29,676) | (36,878) |
| | 100,529 | (47,014) | 93,397 | (46,096) |
| CASH GENERATED BY OPERATIONS | 320,149 | 122,741 | 320,764 | 123,634 |
| FINANCING ACTIVITIES | | | | |
| Financings obtained | 186,698 | 8,498 | 107,086 | |
| Payments of loans and financings | (4,758) | (31,121) | (4,758) | (31,121) |
| Interest on Equity, and dividends | | (6,120) | | (6,120) |
| CASH GENERATED BY FINANCING ACTIVITIES | 181,940 | (28,743) | 102,328 | (37,241) |

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| | Consolidated | | Holding company | |
|---|------------------|-----------------|-----------------|-----------------|
| | 03/31/2009 | 03/31/2008 | 03/31/2009 | 03/31/2008 |
| INVESTMENTS ACTIVITIES | | | | |
| On investments | 6,968 | (14,746) | (25,018) | (14,746) |
| In fixed assets | (113,285) | (19,222) | (10,840) | (11,018) |
| Special Obligations consumer contributions | | 8 | | 8 |
| CASH USED AT INVESTMENTS ACTIVITIES | (106,317) | (33,960) | (35,858) | (25,756) |
| NET CHANGE IN CASH POSITION | 395,772 | 60,038 | 387,234 | 60,637 |
| STATEMENT OF CHANGE IN CASH POSITION | | | | |
| At start of the year | 862,098 | 916,288 | 852,213 | 907,116 |
| At end of year | 1,257,870 | 976,326 | 1,239,447 | 967,753 |
| | 395,772 | 60,038 | 387,234 | 60,637 |

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EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED DECEMBER 31, 2008
AND THE QUARTERS ENDED MARCH 31, 2009 AND 2008**

In R\$ 000, except where otherwise stated

1) OPERATIONAL CONTEXT

Cemig Geração e Transmissão S.A. (Cemig GT , Cemig Generation and Transmission , or the Company) is a Brazilian corporation registered with the Brazilian Securities Commission (CVM) for listing, and a wholly-owned subsidiary of Companhia Energética de Minas Gerais Cemig (Cemig). It was created on September 8, 2004, and started operating on January 1, 2005, following of the unbundling of Cemig s businesses. Its shares are not traded on any securities exchange.

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

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

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

Cemig GT has stockholdings in the following subsidiaries:

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

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Subsidiaries at pre-operational stage.

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

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

2) **PRESENTATION OF THE FINANCIAL STATEMENTS**

2.1) **Presentation of the Quarterly Information**

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

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

2.2) **Change in the Brazilian Corporate Law**

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

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

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

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The effects in the quarterly statement because of the changes in the Corporate Law were basically, (i) the present value and (ii) financial instruments, and the impact in the net profit of the quarterly ended on March 31, 2008 were in the amount of R\$6,632 and R\$8,210, respectively, and those were not adjusted in the quarterly information for comparative because the amounts were imaterial.

2.3) The consolidated Quarterly Information (ITR)

The consolidated information at March 31, 2009 includes the financial statements of the Company and of the subsidiaries mentioned in Explanatory Note 1.

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

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

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

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

3) CASH AND CASH EQUIVALENTS

| | Consolidated | | Holding company | |
|---------------------------------|------------------|----------------|------------------|----------------|
| | 03/31/2009 | 12/31/2008 | 03/31/2009 | 12/31/2008 |
| Bank accounts | 17,958 | 150 | 10,475 | |
| Cash investments | | | | |
| Bank deposit certificates | 1,193,142 | 818,150 | 1,182,202 | 808,415 |
| Treasury Financial Notes (LFTs) | 26,951 | 24,193 | 26,951 | 24,193 |
| National Treasury Notes (LTNs) | 163 | 151 | 163 | 151 |
| Other | 19,656 | 19,454 | 19,656 | 19,454 |
| | 1,239,912 | 861,948 | 1,228,972 | 852,213 |
| | 1,257,870 | 862,098 | 1,239,447 | 852,213 |

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

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

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4) CONSUMERS AND RESELLERS

| Consumer type | Balances not yet due | Up to 90 days past due | More than 90 days past due | 03/31/2009 | Total | 12/31/2008 |
|--|----------------------|------------------------|----------------------------|----------------|-------|----------------|
| Holding company | | | | | | |
| Industrial | 140,378 | 10,670 | 40,162 | 191,210 | | 217,224 |
| Wholesale supply to other concession holders | 189,201 | | 4,635 | 193,836 | | 140,515 |
| Provision for doubtful receivables | | | (780) | (780) | | (780) |
| | 329,579 | 10,670 | 44,017 | 384,266 | | 356,959 |
| Subsidiaries | | | | | | |
| Industrial | 1,057 | | | 1,057 | | 774 |
| Wholesale supply to other concession holders | 7 | | | 7 | | |
| | 1,064 | | | 1,064 | | 774 |
| Total, consolidated | 330,643 | 10,670 | 44,017 | 385,330 | | 357,733 |

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

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

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

5) TRADERS TRANSACTIONS IN FREE ENERGY

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

| | Consolidated and Holding company | |
|--|----------------------------------|---------------|
| | 03/31/2009 | 12/31/2008 |
| CURRENT | | |
| Amounts to be received from distributors | 44,152 | 45,302 |
| Provision for losses in realization | (17,397) | (26,119) |
| | 26,755 | 19,183 |
| Current | 16,115 | 15,076 |
| Noncurrent | 10,640 | 4,107 |

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

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

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

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

Provision for losses in realization

The provision now constituted, in the amount of R\$ 17,397, represents the losses that are expected as a result of the period of receipt of the RTE from the other distributors that are still passing through funds to the Company not being sufficient for full payment of the amounts owed.

6) TAXES SUBJECT TO OFFSETTING

| | Consolidated | | Holding Company | |
|----------------------|----------------|----------------|-----------------|----------------|
| | 03/31/2009 | 12/31/2008 | 03/31/2009 | 12/31/2008 |
| Current | | | | |
| ICMS tax recoverable | 39,361 | 38,616 | 38,466 | 37,730 |
| Income tax | 192,337 | 127,969 | 192,270 | 127,926 |
| Social Contribution | 62,101 | 39,212 | 62,101 | 39,212 |
| Pasep tax | 6,401 | 11,827 | 6,401 | 11,827 |
| Cofins tax | 30,087 | 54,954 | 30,087 | 54,954 |
| Other | 1,651 | 1,535 | 1,651 | 1,535 |
| | 331,938 | 274,113 | 330,976 | 273,184 |
| Noncurrent | | | | |
| ICMS recoverable | 18,158 | 18,158 | 18,158 | 18,158 |
| | 350,096 | 292,271 | 349,134 | 291,342 |

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

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

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7) TAX CREDITS

a) Deferred income tax and Social Contribution:

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

| | Consolidated and Holding company | |
|---|-------------------------------------|----------------|
| | 03/31/2009 | 12/31/2008 |
| Tax credits on temporary differences: | | |
| Provision for losses in realization of free energy amounts receivable | 5,915 | 8,880 |
| Post-employment obligations | 21,381 | 21,773 |
| Provision for Pasep/Cofins taxes Extraordinary Tariff Recomposition | 1,116 | 1,153 |
| Provision for doubtful receivables | 255 | 255 |
| Transactions in free energy | 5,942 | 8,075 |
| Financial Instruments | 27,460 | 19,807 |
| FX variation | 35,342 | 35,342 |
| Contingencies | 2,581 | 2,489 |
| Other | 1,946 | 6,691 |
| | 101,938 | 104,465 |
| Current assets | 24,899 | 21,118 |
| Noncurrent assets | 77,039 | 83,347 |

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

In accordance with the estimates of Cemig GT, future taxable profits enable the deferred tax asset existing on March 31, 2009 to be realized according to the following estimate:

| | Consolidated and Holding company 2008 |
|--------------|--|
| 2009 | 13,610 |
| 2010 | 45,156 |
| 2011 | 10,511 |
| 2012 | 10,511 |
| 2013 | 10,511 |
| 2014 to 2016 | 7,674 |
| 2017 to 2018 | 3,965 |
| | 101,938 |

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

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

| | Consolidated | Holding company | |
|---|---------------------|------------------------|-------------------|
| | 03/31/2009 | 03/31/2009 | 03/31/2008 |
| Profit before income tax and Social Contribution tax | 374,778 | 374,668 | 317,600 |
| Income tax and Social Contribution nominal expense | (127,424) | (127,387) | (107,984) |
| Tax effects applicable to: | | | |
| Interest on Equity | | | |
| Employees profit shares | 1,946 | 1,946 | 1,672 |
| Tax incentive amounts | 624 | 624 | 122 |
| Equity income from subsidiaries | | 506 | |
| Non-deductible contributions and donations | (34) | (34) | (12) |
| Adjustment to income tax and Social Contribution previous business year | (12,369) | (12,369) | |
| Tax credits not recognized | 177 | 177 | |
| Other | 438 | 5 | (751) |
| Income tax and Social Contribution | (136,642) | (136,532) | (106,953) |

c) Transition Taxation Regime

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

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

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

Based on an initial assessment, the Company has reflected in its accounting statements the effects of the adoption of the RTT, and additional studies will be carried out before the delivery of the DIPJ for 2009.

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8) INVESTMENTS

| | Consolidated | | Holding Company | |
|---|------------------|------------------|------------------|------------------|
| | 03/31/2009 | 12/31/2008 | 03/31/2009 | 12/31/2008 |
| In subsidiaries and jointly-controlled subsidiaries | | | | |
| Hidrelétrica Cachoeirão S. A. | | | 18,768 | 17,276 |
| Guanhães Energia S. A. | | | 9,608 | 9,608 |
| Hidrelétrica Pipoca S. A. | | | 12,925 | 3,632 |
| Cemig Baguari Energia S. A. | | | 10 | 12 |
| Madeira Energia S. A. | | | 10 | 10 |
| Baguari Energia S. A. | | | 153,692 | 140,370 |
| EBTE | | | 16,355 | 6,985 |
| In consortia | 1,068,091 | 1,061,302 | 914,406 | 920,939 |
| Other | 6,446 | 13,476 | 6,446 | 13,474 |
| | 1,074,537 | 1,074,778 | 1,132,220 | 1,112,306 |

Investments in consortia

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

| | Stake in the energy generated | Average annual depreciation rate, % | 03/31/2009 | 12/31/2008 |
|--------------------------------------|-------------------------------|-------------------------------------|------------------|------------------|
| In service | | | | |
| Porto Estrela Plant | 33.33% | 2.48 | 38,625 | 38,625 |
| Igarapava Plant | 14.50% | 2.58 | 55,554 | 55,554 |
| Funil Plant | 49.00% | 2.40 | 181,402 | 181,402 |
| Queimado Plant | 82.50% | 2.45 | 193,599 | 193,599 |
| Aimorés Plant | 49.00% | 2.50 | 543,684 | 543,684 |
| Accumulated depreciation | | | (118,255) | (111,658) |
| Total in operation | | | 894,609 | 901,206 |
| In progress | | | | |
| Queimado Plant | 82.50% | | 13,125 | 13,125 |
| Funil Plant | 49.00% | | 819 | 755 |
| Aimorés Plant | 49.00% | | 5,853 | 5,853 |
| Total under construction | | | 19,797 | 19,733 |
| Total of Consortia - Holding Company | | | 914,406 | 920,939 |
| Baguari plant under construction | 34.00% | | 153,685 | 140,363 |
| Total of Consortia - Consolidated | | | 1,068,091 | 1,061,302 |

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

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

| Jointly-controlled subsidiary | Number of shares | Stake (%) | March 31, 2009 | |
|--|------------------|-----------|----------------------------|---------------------|
| | | | Paid-up registered capital | Stockholders equity |
| Hidrelétrica Cachoeirão S. A. | 35,000,000 | 49.00 | 35,000 | 38,303 |
| Guanhães Energia S. A. | 52,000,000 | 49.00 | 19,608 | 19,608 |
| Hidrelétrica Pipoca S. A | 7,413,296 | 49.00 | 7,413 | 26,378 |
| Madeira Energia S. A. | 100,000 | 10.00 | 100 | 100 |
| Cemig Baguari Energia S. A. | 1,000 | 100.00 | 1 | 10 |
| Baguari Energia S. A. | 1,000,000 | 69.39 | 10 | 221,498 |
| Empresa Brasileira de Transmissão de Energia S. A. | 29,267,465 | 49.00 | 33,378 | 33,378 |

New acquisitionsAcquisition of stake in electricity transmission companies

On September 24, 2008, Brookfield exercised its option to sell its shares representing the following percentages of the voting capital of the following companies to Companhia Energética de Minas Gerais – CEMIG and Alupar Investimento S. A. in the proportion of 95% and 5% respectively: 24.99% in Empresa Amazonense de Transmissão de Energia S. A. – EATE; 24.99% in Empresa Paraense de Transmissão de Energia S. A. – ETEP; 18.35% in Empresa Norte de Transmissão de Energia S. A. – ENTE; 18.35% in Empresa Regional de Transmissão de Energia S. A. – ERTE; and 7.49% in Empresa Catarinense de Transmissão de Energia S. A. – ECTE.

Conclusion of the transaction and actual acquisition is subject to approval by the Brazilian Development Bank (BNDES) and by other financing bodies.

The amount to be paid by Cemig for its 95% portion of the share positions bought from Brookfield will be R\$ 330.6 million, value of August 16, 2008, adjusted up to the date of final closing, expected in the first semester in 2009.

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

On July 3, 2008 the Board of Directors authorized Cemig GT to take stakes of 49% in three hydroelectric projects: the Itaocara, Paracambi and Lajes Small Hydro Plants (PCHs) in partnership with Light, to enter into the following contracts between Cemig Geração e Transmissão S. A. and subsidiaries of Light for the constitution of: The UHE Itaocara Consortium, in partnership with Itaocara Energia Ltda.; the PCH Paracambi Consortium, in partnership with Lightger Ltda.; and the PCH Lajes Consortium, in partnership with Light Energia S. A. – the objects of all three being: analysis of the technical and economic feasibility, preparation of the plans, construction, operation, maintenance and commercial

operation of the respective projects. All individuals above instruments are pending approval or authorizations required by regulatory bodies concerned, including ANEEL.

Table of Contents9) **FIXED ASSETS**

| | Historic cost | 03/31/2009 Accumulated depreciation | Net value | 12/31/2008 Net value |
|--|------------------|---|------------------|-------------------------|
| In service | 8,085,061 | (3,633,712) | 4,451,349 | 4,400,081 |
| - Generation | 6,725,202 | (2,931,875) | 3,793,327 | 3,735,398 |
| Lands | 195,673 | | 195,673 | 195,727 |
| Reservoirs, dams and watercourses | 3,641,518 | (1,386,141) | 2,255,377 | 2,274,272 |
| Buildings, works and improvements | 842,903 | (355,068) | 487,835 | 502,194 |
| Machines and equipment | 2,040,510 | (1,186,452) | 854,058 | 762,777 |
| Vehicles | 2,042 | (1,784) | 258 | 297 |
| Furniture and utensils | 2,556 | (2,430) | 126 | 131 |
| - Transmission | 1,298,353 | (664,329) | 634,024 | 637,188 |
| Lands | 2,138 | | 2,138 | 2,138 |
| Buildings, works and improvements | 106,549 | (58,046) | 48,503 | 49,428 |
| Machines and equipment | 1,188,514 | (605,342) | 583,172 | 585,434 |
| Vehicles | 175 | (126) | 49 | 53 |
| Furniture and utensils | 977 | (815) | 162 | 135 |
| - Management | 61,506 | (37,508) | 23,998 | 27,495 |
| Lands | 621 | | 621 | 621 |
| Buildings, works and improvements | 14,160 | (7,507) | 6,653 | 6,782 |
| Machines and equipment | 32,768 | (21,207) | 11,561 | 15,031 |
| Vehicles | 11,054 | (5,960) | 5,094 | 4,975 |
| Furniture and utensils | 2,903 | (2,834) | 69 | 86 |
| In progress | 178,402 | | 178,402 | 271,012 |
| - Generation | 104,460 | | 104,460 | 196,759 |
| - Transmission | 59,217 | | 59,217 | 59,243 |
| - Management | 14,725 | | 14,725 | 15,010 |
| Total fixed assets | 8,263,463 | (3,633,712) | 4,629,751 | 4,671,093 |
| Special Obligations linked to the concession | (7,924) | | (7,924) | (7,924) |
| Net fixed assets Holding company | 8,255,539 | (3,633,712) | 4,621,827 | 4,663,169 |
| In service subsidiaries | 18,582 | (107) | 18,475 | |
| - Generation | 18,569 | (107) | 18,462 | |
| - Management | 13 | | 13 | |
| In progress - subsidiaries | 161,544 | | 161,544 | 93,692 |
| - Generation | 156,836 | | 156,836 | 93,042 |
| - Transmission | 3,925 | | 3,925 | 441 |
| - Management | 783 | | 783 | 209 |
| Net fixed assets holding company | 8,435,665 | (3,633,819) | 4,801,846 | 4,756,861 |

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

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Certain land sites and buildings of the subsidiaries which were given in guarantee in lawsuits involving tax, labor-law, civil and other disputes are recorded in Fixed assets Administration. These were posted at the amount of R\$ 963 on March 31, 2009, net of depreciation (R\$ 976 on December 31, 2008).

10) INTANGIBLE

| | Historic cost | 03/31/2009 Accumulated depreciation | Net value | 12/31/2008 Net value |
|---|---------------|---|---------------|-------------------------|
| In service | 30,451 | (20,071) | 10,380 | 9,567 |
| - Generation | 2,381 | (724) | 1,657 | 1,675 |
| - Transmission | 9,656 | (2,467) | 7,189 | 7,203 |
| - Management | 18,414 | (16,880) | 1,534 | 689 |
| In progress | 4,073 | | 4,073 | 4,129 |
| - Generation | 1,090 | | 1,090 | 1,043 |
| - Transmission | 1,301 | | 1,301 | 1,396 |
| - Management | 1,682 | | 1,682 | 1,690 |
| Net fixed assets holding company | 34,524 | (20,071) | 14,453 | 13,696 |
| In service | 28 | | 28 | |
| - Generation | 28 | | 28 | |
| In progress | 2,759 | | 2,759 | 112 |
| - Generation | 2,759 | | 2,759 | 112 |
| Net intangible assets - consolidated | 37,311 | (20,071) | 17,240 | 13,808 |

11) SUPPLIERS

| | Consolidated | | Holding company | |
|--|--------------|------------|-----------------|------------|
| | 03/31/2009 | 03/31/2008 | 03/31/2009 | 03/31/2008 |
| Current | | | | |
| Wholesale supply and transport of electricity - Purchase of free energy during the period of rationing | 17,476 | 24,215 | 17,476 | 23,750 |
| Wholesale market CCEE | 3 | 11,600 | 3 | 11,600 |
| Cemig Distribuição | 6,729 | 6,193 | 6,729 | 6,193 |
| CHESF Cia. Hidroelétrica do São Francisco | 3,070 | 3,034 | 3,070 | 3,034 |
| CTEEP Cia. Trans. Energia Elétrica Paulista | 3,325 | 3,291 | 3,325 | 3,291 |
| Eletronorte Centrais Elétricas do Norte do Brasil | 2,207 | 2,208 | 2,207 | 2,208 |

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| | | | | |
|---|----------------|----------------|----------------|----------------|
| Eletrosul Centrais Elétricas | 2,038 | 2,014 | 2,038 | 2,014 |
| Other Generators and Distributors | 39,126 | 22,769 | 39,126 | 22,769 |
| | 73,974 | 75,324 | 73,974 | 74,859 |
| Materials and services | 81,342 | 71,328 | 37,921 | 50,627 |
| | 155,316 | 146,652 | 111,895 | 125,486 |
| Noncurrent | | | | |
| Wholesale electricity supply | | | | |
| Purchase of free energy during the rationing period (*) | 77 | 77 | 77 | 77 |
| Total, suppliers | 155,393 | 146,729 | 111,972 | 125,563 |

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

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Of the amounts in relation to purchase of free energy, a substantial part will be paid by September 2009, with inflation adjustment at the Selic rate plus 1.00% in interest per year. The conclusion of certain court proceedings in progress, brought by market agents, in relation to the interpretation of the rules in force at the time of the realization of the transactions for purchase of free energy during the period of rationing, may result in changes in the amounts recorded. See further comments in Explanatory Note 16.

12) TAXES, CHARGES AND CONTRIBUTIONS

| | Consolidated | | Holding company | |
|------------------------|----------------|---------------|-----------------|---------------|
| | 03/31/2009 | 03/31/2008 | 03/31/2009 | 03/31/2008 |
| Current | | | | |
| Income tax | 87,576 | 29 | 86,572 | |
| Social Contribution | 31,430 | 46 | 31,392 | |
| ICMS tax | 26,114 | 33,263 | 25,862 | 33,128 |
| Cofins tax | 17,426 | 18,481 | 17,393 | 18,415 |
| Pasep tax | 3,782 | 4,026 | 3,775 | 3,998 |
| Social Security system | 3,189 | 3,918 | 3,179 | 3,898 |
| Other | 2,045 | 3,081 | 1,996 | 3,046 |
| | 171,562 | 62,844 | 170,169 | 62,485 |
| Deferred obligations | | | | |
| Income tax | 8,869 | 9,164 | 8,869 | 9,164 |
| Social Contribution | 3,193 | 3,299 | 3,193 | 3,299 |
| Cofins tax | 2,696 | 2,786 | 2,696 | 2,786 |
| Pasep tax | 585 | 605 | 585 | 605 |
| | 15,343 | 15,854 | 15,343 | 15,854 |
| | 186,905 | 78,698 | 185,512 | 78,339 |
| Noncurrent | | | | |
| Cofins tax | 20,648 | 3,146 | 20,648 | 3,146 |
| Pasep | 4,483 | 14,493 | 4,483 | 14,493 |
| | 25,131 | 17,639 | 25,131 | 17,639 |
| Deferred obligations | | | | |
| Income tax | 59,788 | 47,700 | 59,788 | 47,700 |
| Social Contribution | 21,524 | 17,171 | 21,524 | 17,171 |
| | 81,312 | 64,871 | 81,312 | 64,871 |
| | 106,443 | 82,510 | 106,443 | 82,510 |

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

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

Deferred obligations in noncurrent, above, relate, substantially, to recognition of financial instruments (FX variation, and hedging), by the cash method, which are payable as and when they are realized, by payment or redemption.

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13) LOANS, FINANCINGS AND DEBENTURES

| FINANCING SOURCES | Principal maturity | Annual financing cost (%) | Consolidated 03/31/2009 | | Non Currency | 03/31/2008 | |
|--|--------------------|---------------------------|-------------------------|----------------|------------------|------------------|------------------|
| | | | Currency | Currency | | Total | Total |
| FOREIGN CURRENCY | | | | | | | |
| Banco do Brasil (1) | 2009 | 3.90 | JPY | 91,516 | | 91,516 | 100,160 |
| B.N.P. Paribas | 2010 | Libor+ 1.875 | US\$ | 16,216 | 7,770 | 23,986 | 23,825 |
| BNP Paribas | 2012 | 5.89 | EURO | 3,485 | 6,857 | 10,342 | 12,919 |
| Unibanco (2) | 2009 | 6.50 | US\$ | 11,116 | | 11,116 | 11,044 |
| Unibanco (3) | 2009 | 5.00 | US\$ | 8,239 | | 8,239 | 8,214 |
| Debt in foreign currency | | | | 130,572 | 14,627 | 145,199 | 156,162 |
| BRAZILIAN CURRENCY | | | | | | | |
| Banco Credit Suisse | | 106.00% of | | | | | |
| First Boston S.A. | 2010 | CDI | R\$ | 200 | 75,000 | 75,200 | 75,241 |
| Banco do Brasil | 2009 | 111.00% of | R\$ | 65,839 | | 65,839 | 63,784 |
| Banco do Brasil | 2013 | CDI+ 1.70 | R\$ | 6,694 | 89,276 | 95,970 | 92,887 |
| Banco do Brasil | 2013 | 107.60% of | R\$ | 3,784 | 30,000 | 33,784 | 32,761 |
| Banco do Brasil | 2014 | 104.10% of | R\$ | 50,124 | 900,000 | 950,124 | 922,279 |
| Banco Itaú BBA | 2013 | CDI+ 1.70 | R\$ | 12,419 | 168,431 | 180,850 | 175,017 |
| Banco Votorantim S.A. | 2010 | 113.50% of | R\$ | 879 | 25,124 | 26,003 | 25,173 |
| BNDES | 2026 | URTJ+ 2.34 | R\$ | 95 | 107,089 | 107,184 | |
| Bradesco | 2013 | CDI+ 1.70 | R\$ | 8,327 | 133,374 | 141,701 | 137,148 |
| Bradesco | 2014 | CDI+ 1.70 | R\$ | 396 | 4,830 | 5,226 | 5,319 |
| Debentures (4) | 2009 | CDI+ 1.20 | R\$ | 368,897 | | 368,897 | 357,472 |
| Debentures (4) | 2011 | 104.00% of | R\$ | 12,492 | 238,816 | 251,308 | 243,950 |
| Debentures Minas Gerais state government (4) (6) | 2031 | IGP-M | R\$ | | 33,921 | 33,921 | 32,936 |
| Eletrobrás (6) | 2013 | FINEL+ 7.50 to 8.50 | R\$ | 12,343 | 45,258 | 57,601 | 60,799 |
| Santander do Brasil S.A. | 2013 | CDI+ 1.70 | R\$ | 272 | 29,715 | 29,987 | 30,828 |
| Unibanco | 2009 | CDI+ 2.98 | R\$ | 110,997 | | 110,997 | 107,081 |
| Unibanco | 2013 | CDI+ 1.70 | R\$ | 13,128 | 179,061 | 192,189 | 185,989 |
| Banco Votorantim | 2013 | CDI+ 1.70 | R\$ | 11 | 3,101 | 3,112 | 3,229 |
| Unibanco S.A (5) | 2020 | TJLP+ 2.55 | R\$ | 253 | 3,930 | 4,183 | 4,062 |
| Banco do Brasil (5) | 2020 | TJLP+ 2.55 | R\$ | 1,746 | 27,677 | 29,423 | 28,794 |
| BNDES (7) | 2033 | TJLP+ 2.40 | R\$ | | 79,685 | 79,685 | |
| Debt in Brazilian currency | | | | 668,895 | 2,174,288 | 2,843,184 | 2,584,749 |

| | | | | |
|----------------------|----------------|------------------|------------------|------------------|
| Overall total | 799,468 | 2,188,915 | 2,988,383 | 2,740,911 |
|----------------------|----------------|------------------|------------------|------------------|

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

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

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

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

(7) Loan contracted by the holding company jointly with Madeira Energia S.A.

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

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 and later | Total |
|---------------------------------|---------|---------|---------|---------|---------|---------|--------|-------------------|-----------|
| Currencies | | | | | | | | | |
| US dollar | 35,571 | 7,770 | | | | | | | 43,341 |
| Euro | 1,771 | 3,428 | 3,428 | 1,715 | | | | | 10,342 |
| Yen | 91,516 | | | | | | | | 91,516 |
| | 128,858 | 11,198 | 3,428 | 1,715 | | | | | 145,199 |
| Indexors | | | | | | | | | |
| IGP-M inflation index | | | | | | | | 33,921 | 33,921 |
| Eletrobrás Finel internal index | 9,257 | 12,343 | 12,343 | 12,343 | 11,315 | | | | 57,601 |
| Interbank CD rate CDI | 654,459 | 252,071 | 390,308 | 451,947 | 481,947 | 300,455 | | | 2,531,187 |
| Other | 1,574 | 5,660 | 9,828 | 9,828 | 9,828 | 13,880 | 13,808 | 156,069 | 220,475 |
| | 665,290 | 270,074 | 412,479 | 474,118 | 503,090 | 314,335 | 13,808 | 189,990 | 2,843,184 |
| | 794,148 | 281,272 | 415,907 | 475,833 | 503,090 | 314,335 | 13,808 | 189,990 | 2,988,383 |

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

| Currencies | Change in quarter ended 31/03/2009 % | Accumulated change in 2008 % | Indexors | Change in quarter ended 31/03/2009 % | Accumulated change in 2008 % |
|------------|---|------------------------------------|----------|---|------------------------------------|
| US dollar | (0.93) | 31.94 | IGP-M | (0.92) | 9.81 |
| Euro | (4.94) | 24.13 | Finel | (0.18) | 1.90 |
| Yen | (9.51) | 62.89 | Selic | 2.90 | 12.48 |
| | | | CDI | 2.85 | 12.32 |

The movement on loans and financings is as follows:

| | |
|-------------------------------|------------------|
| Balance at December 31, 2008 | 2,740,911 |
| Loans and financings | 186,698 |
| Monetary and FX variation | (10,778) |
| Financial charges provisioned | 80,919 |
| Adjustment to present value | 1,825 |
| Financial charges paid | (6,434) |
| Amortization of financings | (4,758) |
| Balance at March 31, 2009 | 2,988,383 |

Restrictive covenant clauses

Cemig GT has loans and financings with restrictive covenant clauses. These were fully complied with on March 31, 2009.

Table of Contents**14) REGULATORY CHARGES**

| | Consolidated and Holding company | |
|--|---|-------------------|
| | 03/31/2009 | 03/31/2008 |
| RGR Global Reversion Reserve | 11,467 | 10,586 |
| CCC Fuel Consumption Account | 4,283 | 5,047 |
| CDE Energy Development Account | 4,645 | 5,479 |
| Aneel inspection charge | 1,386 | 1,291 |
| Alternative Energy Program Proinfa | 2,024 | 1,592 |
| National Scientific and Technological Development Fund | 2,166 | 17,044 |
| Research and development | 53,004 | 49,154 |
| Energy system expansion research | 1,083 | 8,522 |
| | 80,058 | 98,715 |
| Current liabilities | 75,706 | 94,363 |
| Noncurrent liabilities | 4,352 | 4,352 |

15) POST-EMPLOYMENT OBLIGATIONS

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

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

The Mixed Benefits Plan (Plan B): A defined-contribution plan in the phase of accumulation of funds, for retirement benefits for normal time of service, and defined-benefit coverage for disability or death of the active participant or receipt of benefits for time of contribution. The contributions of the Sponsors are equal to the basic monthly contributions of the participants, and this is the only plan open for joining by new participants.

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

Hence the obligations for payment of supplementary retirement benefits under the Mixed Plan, with defined-contribution characteristics, and their respective assets, in the same amount of R\$ 537,391, are not presented in this Explanatory Note.

The Balances Plan (Plan A): This includes all the active and assisted participants who opted to migrate from the previous Defined-benefit Plan, and are entitled to a benefit proportional to their balances. In the case of the assets, this benefit was deferred to the retirement date.

Defined Benefit Plan: This is the benefit plan adopted by Forluz up to 1998, through which the average real salary of the last three years of activity of the employee in the Sponsor companies is complemented in relation to the amount of the official government Social Security benefit. At present 6 active employees and 45 pension holders or retirees are inscribed in this plan.

Independently from the plans made available by Forluz, Cemig GT also maintains payments for part of a life insurance premium for retirees, and contributes to a Health Plan and a Dental Health Plan for the employees, retirees and dependents, administered by Forluz.

Table of Contents**Separation of the Health Plan**

On August 28, 2008, the Executive Board of Forluz, complying with orders issued by the Private Pension Plans Authority (SPC), decided to transfer management of the Cemig Integrated Health Plan (PSI) to a separate entity to be created for that purpose. The reason for the decision was SPC's belief that it would be impossible to maintain those participants in the Health Plan who were not simultaneously inscribed in the pension and retirement plans. To protect the interests of its participants, and also to comply with the SPC's ruling, Forluz opted to separate the activities, keeping the present dental and pension plans within itself. The period planned for conclusion of the process of separation of the health plan is 12 months, during which time all the existing coverage and benefits will be maintained.

Amortization of actuarial obligations

Part of the actuarial obligation for post-employment benefits, in the amount of R\$ 213.302 on 31 March 2009 (R\$ 214,927 on December 31, 2008), was recognized as an obligation payable by Cemig GT and is being amortized by June 2024, through monthly installments calculated by the system of constant installments (the so-called Price table). On June 2, 2008, the Third Amendment to the Contract with Forluz was signed, to transfer the debtor balance of the contract relating to the Defined Benefit plan to the A plan. The amounts then began to be adjusted only by the IPCA Inflation Index (Amplified National Consumer Price Index) published by the Brazilian Geography and Statistics Institute (IBGE) plus 6% per year.

The liabilities and the expenses recognized by the Company in connection with the Supplementary Retirement Plan, the Health Plan and the Life Insurance Plan are adjusted in accordance with the terms of CVM Decision 371 and the Opinion prepared by independent actuaries. As a result the financial updating and use of the surplus to amortize the debt obligation agreed with Forluz, mentioned in the previous paragraphs, do not produce accounting effects in the Income statement of Cemig GT. The last actuarial made was on December 31, 2008.

The movement in the net liabilities has been as follows:

| | Pension plans and supplementary retirement plans | Consolidated and Holding company | | |
|---|---|----------------------------------|--------------|-------------------|
| | | Health Plan | Dental Plan | Life insurance |
| Net liabilities on December 31, 2008 | 99,483 | 75,700 | 3,524 | 99,881 |
| Expense (revenue) recognized in the Income statement | 548 | 3,958 | 243 | 2,584 |
| Contributions paid | (7,571) | (1,865) | (43) | (631) |
| Net liabilities on March 31, 2009 | 92,460 | 77,793 | 3,724 | 101,834 |
| Current liabilities | 18,473 | | | |
| Noncurrent liabilities | 73,987 | 77,793 | 3,724 | 101,834 |

Table of Contents**16) CONTINGENCY PROVISIONS**

The company makes contingency provisions for lawsuits in which the chance of loss is rated probable .

| | Balance on 12/31/2008 | Additions | Balance on 03/31/2009 |
|--------------------------------|--------------------------|------------|--------------------------|
| Labor-law contingencies | | | |
| Various | 179 | 5 | 184 |
| Civil | | | |
| Environmental | 6,503 | 246 | 6,749 |
| Other | 640 | 18 | 658 |
| Total | 7,322 | 269 | 7,591 |

Environmental administrative proceedings

Cemig GT was served an infringement notice by the Minas Gerais State Forests Institute (IEF), alleging that it omitted to take measures to protect the fish population, causing fish deaths, as a result of the flow and operation of the machinery of the Três Marias Hydroelectric Plant. The company presented a defense, and assesses the chance of loss in this action as probable in the amount of R\$ 6,749, which is duly provisioned.

Cases with chance of loss assessed as possible

Additionally there are labor-law, civil and tax cases in progress in which the chance of loss is assessed as possible . These are periodically reviewed, and assessed as not requiring provisions in the financial statements. They are as follows:

Social Security and tax obligations indemnity for the Anuênio

In 2006 Cemig GT paid an indemnity to its employees, in the amount of R\$ 41,660, in exchange for the rights to future payments known as the Anuênio which would otherwise be incorporated into salaries in the future. The company did not make payments of income tax and social security contribution on these payments because it considered that these tax obligations are not applicable to amounts paid as indemnity. However, to avoid the risk of a future fine arising from a different interpretation by the federal tax authority and the National Social Security Institution, the company decided to file for orders of *mandamus* to allow payment into Court of the amount of any obligations, in the amount of R\$ 28,716, posted in Payments into Court. No provision was made for any losses in these cases. The Company assesses the chance of loss in this action as possible .

Regulatory contingency CCEE

In an action dating from August 2002, AES Sul Distribuidora has challenged in the courts the criteria for accounting of electricity sale transactions in the wholesale electricity market during the period of rationing. It obtained a judgment in its favor in February 2006, which ordered Aneel and the CCEE to comply with the claim by the Distributor and recalculate the transactions during the rationing period leaving out of account its Dispatch No. 288/2002. This was to be put into effect in the CCEE in November 2008, resulting in an additional disbursement for Cemig, referring to the expense on purchase of energy in the short-term market, in the CCEE, in the amount of approximately R\$ 76,076. On November 9, 2008 the Company obtained an injunction in the Regional Federal Court suspending the obligatory nature of the requirement to pay into court the amount owed arising from the Special Financial Settlement carried out by the CCEE. No provision was constituted for this dispute, since the Company believes it has arguments on the merit for defense against this claim.

Table of Contents**17) STOCKHOLDERS EQUITY**

On March 31, 2009 Cemig Geração e Transmissão S. A. has registered capital of R\$ 2,896,785, represented by 2,896,785,358 nominal common shares, without par value, wholly owned by CEMIG.

18) SUPPLY OF ELECTRICITY

This supply, by type of consumer consolidated, is as follows:

| | N° of Consumers | | Consolidated (Not reviewed by external auditors) MWh | | R\$ | |
|--|-----------------|------------|--|------------------|----------------|----------------|
| | 03/31/2009 | 03/31/2008 | 03/31/2009 | 03/31/2008 | 03/31/2009 | 03/31/2008 |
| | Industrial | 134 | 132 | 4,137,469 | 4,492,919 | 435,448 |
| Retail supply not invoiced, net | | | | | (23,731) | 1,166 |
| | 134 | 132 | 4,137,469 | 4,492,919 | 411,717 | 429,358 |
| Supply to other concession holders (*) | 39 | 40 | 3,012,082 | 2,979,831 | 283,150 | 240,825 |
| Transactions in energy on the CCEE | | | 773,360 | 136,852 | 74,280 | 51,018 |
| Total | 173 | 172 | 7,922,911 | 7,609,602 | 769,147 | 721,201 |

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

19) REVENUE FOR USE OF THE NETWORK

This revenue is from the tariff charged to agents in the electricity sector, including Free Consumers connected to the high voltage network, for use of the basic transmission grid owned by the Company, associated with the Brazilian grid. Amounts receivable are recorded in Assets, under Concession holders Transport of electricity .

20) DEDUCTIONS FROM OPERATIONAL REVENUE

| | Consolidated | Holding Company | |
|------------------|--------------|-----------------|------------|
| | 03/31/2009 | 03/31/2009 | 03/31/2008 |
| Taxes on revenue | | | |
| ICMS tax | 81,483 | 80,987 | 80,470 |

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| | | | |
|--|----------------|----------------|----------------|
| Cofins tax | 60,744 | 60,653 | 58,560 |
| PIS and Pasep taxes | 13,185 | 13,165 | 12,711 |
| ISS (value-added tax on services) | 113 | 113 | 95 |
| | 155,525 | 154,918 | 151,836 |
| Charges passed through to the consumer | | | |
| RGR Global Reversion Reserve | 19,769 | 19,769 | 21,499 |
| CDE Energy Development Account | 5,796 | 5,796 | 8,177 |
| CCC (Fuel Consumption) account | 5,349 | 5,349 | 7,127 |
| Research and Development R&D | 2,822 | 2,822 | 2,660 |
| National Scientific and Technological Development Fund (FNDCT) | 2,822 | 2,822 | 2,660 |
| Energy system expansion research | 1,468 | 1,411 | 1,330 |
| | 38,026 | 37,969 | 43,453 |
| | 193,551 | 192,887 | 195,289 |

Table of Contents**21) OPERATIONAL COSTS AND EXPENSES**

| | Consolidated | Holding Company | |
|--|---------------------|------------------------|-------------------|
| | 03/31/2009 | 03/31/2009 | 03/31/2008 |
| Personnel expenses | 68,795 | 68,754 | 64,219 |
| Post-employment obligations (note 18) | 7,333 | 7,333 | 12,004 |
| Materials | 2,949 | 2,932 | 2,863 |
| Raw materials and inputs for production of electricity | | | 21,785 |
| Outsourced services | 24,537 | 24,418 | 16,945 |
| Depreciation and amortization | 56,026 | 55,905 | 56,345 |
| Royalties for use of water resources | 34,767 | 34,767 | 31,201 |
| Operational provisions | (252) | (252) | (932) |
| Charges for the use of the basic transmission grid | 72,294 | 72,294 | 64,437 |
| Electricity purchased for resale | 27,190 | 26,712 | (8,982) |
| Other net expenses | 13,672 | 13,621 | 25,602 |
| | 307,311 | 306,484 | 285,487 |

| | Consolidated | Holding Company | |
|--|---------------------|------------------------|-------------------|
| | 03/31/2009 | 03/31/2009 | 03/31/2008 |
| a) PERSONNEL EXPENSES | | | |
| Remuneration and salary-related charges and expenses | 62,322 | 62,281 | 54,549 |
| Supplementary pension contributions Defined contribution plan | 4,254 | 4,254 | 4,157 |
| Assistance benefits | 6,477 | 6,477 | 6,360 |
| | 73,053 | 73,012 | 65,066 |
| () Personnel costs transferred to works in progress | (3,936) | (3,936) | (2,925) |
| | 69,117 | 69,076 | 62,141 |
| Voluntary Dismissal Program (PPD) | (322) | (322) | 2,078 |
| | 68,795 | 68,754 | 64,219 |

The Voluntary Dismissal Program (PPD)

On March 11, 2008, the Executive Board approved the permanent Voluntary Dismissal Program (PPD), which applies to any free and spontaneous terminations of employment contracts as from that date. The program's main financial incentives include payment of 3 times the gross amount of monthly remuneration, 6 months' contributions to the Health Plan after leaving the company, deposit of the 40% penalty payment due on the balance of the FGTS on termination of an employment contract, and payment of up to 24 months' contributions to the Pension Fund and the National Social Security System after termination of the contract, in accordance with certain criteria established in the regulations of the program.

This Program, since it began in March, 2008 o em março de 2008, 143 employees had joined, and a provision for the financial incentives in the amount of R\$ 13,900 was made.

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| | Consolidated | Holding company | |
|--|---------------------|------------------------|-------------------|
| | 03/31/2009 | 03/31/2009 | 03/31/2008 |
| b) OUTSOURCED SERVICES | | | |
| Communication | 1,072 | 1,068 | 648 |
| Maintenance and conservation of electricity facilities and equipment | 2,065 | 2,065 | 1,960 |
| Building conservation and cleaning | 4,052 | 4,052 | 3,217 |
| Contracted labor | 2,254 | 2,253 | 277 |
| Freight and airfares | 594 | 594 | 552 |
| Accommodation and meals | 835 | 835 | 881 |
| Security services | 1,972 | 1,972 | 1,818 |
| Consultancy | 989 | 973 | 417 |
| Maintenance and conservation of furniture and utensils | 429 | 429 | 300 |
| Maintenance and conservation of vehicles | 743 | 743 | 770 |
| Electricity | 1,150 | 1,150 | 1,125 |
| Environment | 2,857 | 2,857 | 1,312 |
| Other | 5,525 | 5,427 | 3,668 |
| | 24,537 | 24,418 | 16,945 |

22) NET FINANCIAL EXPENSES

| | Consolidated | Holding Company | |
|---|---------------------|------------------------|-------------------|
| | 03/31/2009 | 03/31/2009 | 03/31/2008 |
| FINANCIAL REVENUES | | | |
| Revenue from cash investments | 28,908 | 28,853 | 22,121 |
| Arrears penalty payments on electricity bills | 708 | 708 | 3,138 |
| Monetary variation – General Agreement for the Electricity Sector | 1,211 | 1,211 | 11,160 |
| FX variations | 10,580 | 10,580 | 1,111 |
| Pasep and Cofins taxes on financial revenues | (112) | (112) | (1,035) |
| Gains on financial instruments (Note 24) | 820 | 820 | 6,394 |
| Adjustment to present value | 614 | 614 | |
| Other | 5,925 | 5,924 | 2,709 |
| | 48,654 | 48,598 | 45,598 |
| FINANCIAL EXPENSES | | | |
| Charges on loans and financings | (80,848) | (80,848) | (80,736) |
| Monetary variation – loans and financings | | | (4,747) |
| FX variations | (2) | (2) | (7,815) |
| Monetary variation – CCEE | (2,532) | (2,532) | (2,280) |
| Losses on financial instruments (Note 24) | (20,517) | (20,517) | (3,738) |
| Provision (reversal) for losses on transactions in – free energy | 8,722 | 8,722 | (10,160) |
| Adjustment to present value | (2,107) | (2,107) | |
| Other | (1,560) | (1,558) | (15,808) |
| | (98,844) | (98,842) | (125,284) |
| NET FINANCIAL EXPENSES | (50,190) | (50,244) | (79,686) |

23) RELATED PARTY TRANSACTIONS

As mentioned in Explanatory Note 1, the Company is a wholly-owned subsidiary of Companhia Energética de Minas Gerais – Cemig (Cemig), the controlling stockholder of which is the Government of the State of Minas Gerais.

Cemig Distribuição S. A. (Cemig D) and Light S. A. are also subsidiaries of Cemig.

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

| COMPANIES | CURRENT | | LIABILITIES | | REVENUES | | EXPENSES | |
|---|---------------|--------------|-------------|------------|------------|------------|------------|------------|
| | 03/31/2009 | 12/31/2008 | 03/31/2009 | 12/31/2008 | 03/31/2009 | 12/31/2008 | 03/31/2009 | 12/31/2008 |
| CEMIG | | | | | | | | |
| Interest on Equity and dividends | | | 539,042 | 539,042 | | | | |
| Affiliated companies and holding company | 660 | 661 | 667 | 625 | | | | |
| Cemig Distribuição S.A. | | | | | | | | |
| Affiliated companies and holding company | 8,176 | 7,186 | 4,877 | 3,243 | | | | |
| Gross supply of electricity (1) | 10,055 | 9,995 | 6,109 | 5,570 | 54,486 | 23,348 | (19,658) | (960) |
| Charges for use of the electricity grid wholesale supply. | | 10,886 | | 15,568 | | | | |
| Light S.A. | | | | | | | | |
| Gross supply of electricity (1) | 398 | 398 | 400 | 405 | 7,155 | 5,088 | (1,445) | (1,383) |
| Minas Gerais state government | | | | | | | | |
| Taxes, charges and contributions (4) | 39,361 | 38,616 | 26,114 | 33,128 | (81,483) | (80,470) | | |
| Taxes offsettable ICMS (4) | 18,158 | 18,158 | | | | | | |
| Debentures (2) | | | 33,921 | 32,936 | | | (841) | (3,449) |
| FORLUZ | | | | | | | | |
| Post-employment obligations current (3) | | | 18,473 | 17,970 | | | (7,333) | (12,004) |
| Post-employment obligations noncurrent (3) | | | 257,338 | 260,618 | | | | |
| Other | | | 8,160 | 18,281 | | | | |
| Personnel expenses (5) | | | | | | | (4,254) | (4,157) |
| Current administration expense (6) | | | | | | | (1,571) | (988) |
| OTHERS | | | | | | | | |
| Affiliated and subsidiary companies, or parent companies | 12 | 12 | | | | | | |

Main material comments on the above transactions:

(1) The Company has electricity purchase contracts with *Cemig Distribuição* and *Light Energia*, made at public auctions of existing energy in 2005, which are for 8 years from start of supply and are adjusted annually by the IGP-M

inflation index.

- (2) Private issue of non-convertible debentures in the amount of R\$ 120 million, updated by the IGP-M inflation index, for completion of the *Irapé Power Plant*, with redemption at 25 years from issue. The amount at November 31, 2008 was adjusted to present value, in accordance with Law 11638/07.
- (3) Part of the contracts of Forluz are adjusted by the Expanded Consumer Price Index (IPCA) published by the IBGE (Brazilian Geography and Statistics Institute) (See Explanatory Note 15), and will be amortized up to the business year 2024.
- (4) The transactions with ICMS tax posted in the financial statements refer to transactions for sale of energy and are carried out in conformity with the specific legislation of the State of Minas Gerais.
- (5) Cemig's contributions to the Pension Fund related to the employees participating in the Mixed Plan (see Explanatory Note 15), calculated on the monthly remunerations in accordance with the regulations of the Fund.
- (6) Funds for annual current administrative costs of the Pension Fund in accordance with the specific legislation of the sector. The amounts are estimated as a percentage of the Company's total payroll.

For more information on the main transactions, see Explanatory Notes 6, 12, 13, 15, 18, 21 and 22.

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24) FINANCIAL INSTRUMENTS

The financial instruments used by the company are: Cash and cash equivalents, Consumers and traders, Loans and financings, Obligations under debentures and Currency swap transactions. The gains and losses on these transactions are posted in full by the accrual method.

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

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

a) Management of risks;

Corporate risk management is a management tool that is an integral part of our corporate governance practices and aligned with the Company's Process of Strategic Planning.

The Company has a Financial Risks Management Committee, with the aim of implementing guidelines and monitoring the financial risk of transactions which might negatively affect the Company's liquidity and profitability, recommending strategies for protection (hedge) in relation to foreign exchange, interest rate and inflation risks. These are effectively in line with the Company's strategy.

Cemig GT's principal exposure risks are listed below:

Exchange rate risk

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Cemig GT is exposed to the risk of increase in exchange rates, with significant impact on indebtedness, profit and cash flow.

The net exposure to exchange rates is as follows:

| | Consolidated and Holding company | |
|-----------------------------------|---|-------------------|
| | 03/31/2009 | 12/31/2008 |
| EXPOSURE TO EXCHANGE RATES | | |
| US dollar | | |
| Loans and financings | 43,341 | 43,083 |
| (-) Contracted hedge/swap (*) | 60,014 | 59,873 |
| | 103,355 | 102,956 |
| Yen | | |
| Loans and financings | 91,516 | 100,160 |
| (-) Hedge transactions contracted | (90,543) | (100,073) |
| | 973 | 87 |
| Euro | | |
| Loans and financings | 10,342 | 12,919 |
| Net liability exposure | 114,670 | 115,998 |

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

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The Company estimates that, in a probable scenario, the appreciation of the foreign currencies against the Real at the end of 2009 will be 1.50%. The Company has made a sensitivity analysis on the effects on its results of depreciation in these exchange rates of 25% and 50% in relation to the probable scenario. We rate the chance of these two scenarios as possible and remote, respectively.

| | Base Scenario | Probable Scenario | Possible scenario: FX depreciation 25.00% | Remote scenario: FX depreciation 50.00% |
|--------------------------------------|----------------|-------------------|---|---|
| Risk - FX exposure | | | | |
| US dollar | | | | |
| Loans and financings | 43,341 | 43,992 | 55,037 | 66,082 |
| (-) Hedge and swap transactions | 60,014 | 60,916 | 76,210 | 91,503 |
| | 103,355 | 104,908 | 131,247 | 157,586 |
| Yen | | | | |
| Loans and financings | 91,516 | 92,892 | 116,213 | 139,535 |
| (-) Hedge transactions | (90,543) | (91,904) | (114,978) | (138,051) |
| | 973 | 988 | 1,236 | 1,484 |
| Euro | | | | |
| Loans and financings | 10,342 | 10,497 | 13,010 | 15,621 |
| Net liability exposure | 114,670 | 116,393 | 145,493 | 174,691 |
| Net effect of FX depreciation | | (1,724) | (30,823) | (60,021) |

Interest rate risk

Cemig GT is exposed to the risk of increase in international interest rates, affecting loans and financings in foreign currency with floating interest rates (principally Libor), in the amount of R\$ 23,986 at March 31, 2009.

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

| EXPOSURE OF CEMIG GT TO BRAZILIAN INTEREST RATES | Consolidated | | Holding company | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 03/31/2009 | 12/31/2008 | 03/31/2009 | 12/31/2008 |
| Assets | | | | |
| Cash investments (Note 3) | 1,239,912 | 861,948 | 1,228,972 | 852,213 |
| Regulatory assets (Note 5) | 26,755 | 19,183 | 26,755 | 19,183 |
| | 1,266,667 | 881,131 | 1,255,727 | 871,396 |
| Liabilities | | | | |
| Loans and financings (Note 13) | (2,531,187) | (2,458,158) | (2,531,187) | (2,458,158) |
| Regulatory liabilities (Note 11) | (17,476) | (24,215) | (17,476) | (23,750) |
| Hedge and swap transactions | (30,529) | (40,164) | (30,529) | (40,164) |
| | (2,579,192) | (2,522,537) | (2,579,192) | (2,522,072) |
| Net liability exposure | (1,312,525) | (1,641,406) | (1,323,465) | (1,650,676) |

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In relation to the most significant interest rate risk, that of an increase in the Selic rate, the Company estimates that, in a probable scenario, the Selic rate at the end of 2009 will be 9.00%. The Company has made a sensitivity analysis of the effects on its results arising from increases in the Selic rate of 25% and 50%, respectively scenarios which we assess as possible and remote, respectively.

| Risk | Base scenario: Selic 11.16% | Probable scenario: Selic 9.00% | Possible scenario: Selic 11.25% | Remote scenario: Selic 13.50% |
|--|--|---|--|--|
| Increase in domestic interest rates | | | | |
| Assets | | | | |
| Cash investments | 1,239,912 | 1,219,880 | 1,240,743 | 1,261,609 |
| Regulatory assets | 26,755 | 26,323 | 26,773 | 27,223 |
| | 1,266,667 | 1,246,203 | 1,267,516 | 1,288,832 |
| Liabilities | | | | |
| Loans, financings and debentures | (2,531,187) | (2,490,293) | (2,532,883) | (2,575,480) |
| Regulatory liabilities | (17,476) | (17,194) | (17,488) | (17,782) |
| Contracted hedge/swap | (30,529) | (30,036) | (30,549) | (31,063) |
| | (2,579,192) | (2,537,523) | (2,580,920) | (2,624,325) |
| Net liability exposure | (1,312,525) | (1,291,320) | (1,313,404) | (1,335,493) |
| Net effect of variation in the Selic rate | | 21,205 | (879) | (22,968) |

Credit risk

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

Energy scarcity risk

The electricity sold is basically generated by hydroelectric plants. A prolonged period of shortage of rainfall could result in the reduction of the volume of water in the Company's reservoirs, adversely affecting the recovery of their volume and resulting in losses as a result of increased costs of acquisition of electricity, or reduction of revenues in the event of adoption of a renewed rationing program, like the one put in place by the federal government in 2001.

Risk of early maturity of debt

The Company has contracts for loans, financings and debentures, with the restrictive covenant clauses normally applicable to these types of operation, related to the meeting of economic and financial indices, cash flow and other indicators. Non-compliance with these clauses could result in early maturity of debt. The restrictive clauses were complied with in full on March 31, 2009.

Risk of non-renewal of concessions

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

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b) Financial instruments derivatives

The derivative instruments contracted by the company have the purpose of protecting the company's operations against the risks arising from foreign exchange variation and are not used for speculative purposes.

The principal amounts of the transactions and derivatives are not posted in the balance sheet, since they refer to transactions which do not require cash payments, but only the gains or losses that actually occur, recorded at fair value.

The net results of these transactions were losses in 1Q09, and gains in 1Q08, in the amounts, respectively, of R\$ 19,697 million and R\$ 2,656 million, posted in Financial revenue (expenses).

Method of calculation of the fair value of positions

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

This table shows the derivative instruments contracted by Cemig GT on March 31, 2009.

| Receivable by Cemig Geração e Transmissão | Payable by Cemig Geração e Transmissão | Maturity period | Market Trading | Principal amount contract* | | Lost not realized | | Accumulated Effect | | | |
|--|--|----------------------------------|------------------------------|-------------------------------|------------|-------------------|------------|--------------------|------------|----------------------|-------------------|
| | | | | | | Book Value | | Fair Value | | Receivable Amount | Payable Amount |
| | | | | 03/31/2009 | 12/31/2008 | 03/31/2009 | 12/31/2008 | 03/31/2009 | 12/31/2008 | 03/31/2009 | 12/31/2008 |
| US\$ exchange rate + interest (5.58% p.a. to 7.48% p.a.) | R\$ 100% of CDI + interest (2.98% p.a. to 3.01% p.a.) | From 04/2009 to 11/2009 | Over the counter (OTC) | US\$6,473 | US\$6,473 | (12.501) | (16.871) | (14.608) | (17.668) | | |
| ¥ (Japanese Yen) exchange rate + interest (3.90% p.a.) | R\$ Brazilian interest rate - CDI (111% of CDI) | 12/2009 | Over the counter (OTC) | ¥3,878,825 | ¥3,878,825 | (1.812) | 2.963 | (1.812) | 2.837 | | |

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The last derivative instrument shown in the table above indicates that the Company is exposed to the variation in the exchange rate of the US dollar against the Real (if it is greater than 48.00% of the CDI). The Company estimates that the exchange rate of the US dollar against the Real at the end of 2009 will be R\$ 2.35. The Company has made a sensitivity analysis of the effects on its results arising from uniform increases of 25% and 50% in the Real/dollar exchange rate in 2009 these are scenarios of which we rate the chances as possible and remote, respectively: In these possible and remote scenarios, the Real/dollar exchange rate on December 31, 2009 would be R\$ 2.94 and R\$ 3.53, respectively.

| | Base Scenario | Probable Scenario | Possible Scenario | Remote Scenario |
|--|------------------|----------------------|----------------------|--------------------|
| <u>Risk - Increase in domestic interest rates</u> | | | | |
| Contracts in US\$ and Yen | (105.529) | (103.250) | (105.624) | (107.945) |
| Net effect of variation of the Selic rate | | 2.279 | (95) | (2.416) |
| <u>Risk increase in US\$</u> | | | | |
| Contracts updated at 106.00% of CDI | 75.000 | 76.127 | 95.240 | 114.353 |
| Net effect of the variation in the US\$ | | (1.127) | (20.240) | (39.353) |

25) **SUBSEQUENT EVENTS**Acquisition of 65.86% of Terna Participações S.A.

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

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

Temporary Voluntary dismissal program (PDV)

In April 2009, Cemig put in place its temporary voluntary dismissal program (PDV), available to employees between April 22 and June 5, 2009.

Employees who subscribe to the PDV receive a financial incentive varying between 3 and 16 times their monthly remuneration, according to criteria established in the program's regulations, of which the principal one is the time of contribution remaining for full retirement entitlement under the national social security system (INSS). The incentive includes payment of the contributions to the pension fund and the INSS up to the date when the employee would have complied with the requirements for applying for retirement benefit under the INSS (limited to five years), and deposit of the obligatory penalty payment (applicable to dismissals) of 40% on the balance of the employee's accumulated funds under the

FGTS system.

Additionally, Cemig guarantees full payment of the costs of the group life insurance plan, for 6 months, and of the health plan, for 12 months, from the date of leaving the company.

The provision for the expenses under this program will be made in the second quarter of 2009, depending on how many employees subscribe to the program.

Table of Contents**ECONOMIC FINANCIAL PERFORMANCE**

Amounts are in thousands of Reais unless otherwise stated.

Profit in the period

Cemig Geração e Transmissão (Cemig GT) reported net profit of R\$ 232.413 million in the first quarter of 2009 (1Q09), 12.97% more than the net profit of R\$ 205.728 million reported for the first quarter of 2008 (1Q08). This result is mainly due to lower net financial expenses in 1Q09 than in 1Q08.

Ebitda (method of calculation not reviewed by external auditors)

The Ebitda of Cemig GT was significantly higher in 1Q09 than in 1Q08:

| EBITDA - R\$ 000 | 1Q09 | 1Q08 | Change % |
|---|----------------|----------------|-----------------|
| Net profit | 232,413 | 205,728 | 12.97 |
| + Current and deferred income tax and Social Contribution tax | 136,642 | 106,953 | 27.76 |
| + Employees and managers shares in results | 5,723 | 4,919 | 16.34 |
| + Financial revenues (expenses) | 50,190 | 79,686 | (37.02) |
| + Amortization and depreciation | 56,026 | 56,345 | (0.57) |
| = EBITDA | 480,994 | 453,631 | 6.03 |

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The higher Ebitda in 1Q09 than in 1Q08 is due mainly to net revenue 7.25% higher, partially offset by operational costs and expenses (excluding the effects of depreciation and amortization expenses) 9.66% higher. The better performance in 2009 is reflected in Ebitda margin, of 66.44% in 2008, vs. 65.68% in 2009.

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Revenue from supply of electricity

Gross revenue from supply of electricity in 1Q09 was R\$ 769,147, compared to R\$ 721,201 million in 1Q08, representing an increase of 6.65%.

In counterpart, the volume of electricity sold was 4.33% lower, as a result of the effect of the recession on demand for electricity in 2009. The reduction in sale of electricity was most significant in sales to industrial consumers, totaling 4,137,469 MWh in 1Q09, compared to 4,492,919 MWh in 1Q08 a reduction of 7.91%. Part of this reduction was compensated by the increase of 1.08% in the sale of electricity for wholesale supply to other concession holders, and bilateral contracts .

In spite of the reduction in the volume of sale of electricity, revenue was higher due to the characteristic of the contracts with free consumers, where a minimum level of payments is established, even if there is a lower volume of electricity supplied. The increase in revenue arises from the adjustment of these contracts in relation to the previous year, most of them being indexed by the IGP-M inflation index.

Revenue from use of the grid

This revenue is primarily for use of the facilities that make up the basic transmission network of Cemig by generating companies and distributing companies that are participants in the Brazilian grid, according to amounts set by Aneel resolution, and was 0.40% higher in 1Q09 than in 1Q08.

Deductions from operational revenues

Deductions from operational revenues in 1Q09 totaled R\$ 193.55 million, 0.89% lower than in 1Q08 (R\$ 195.29 million). The principal changes in these expenses are as follows:

Fuel Consumption Account - CCC

The deduction from revenue for the CCC was R\$ 5.35 million in 1Q09, compared to R\$ 7.13 million in 1Q08, a reduction of 24.95%. This relates to the operational costs of thermal plants in the Brazilian interconnected and isolated systems, split pro-rata among electricity concession holders by Aneel Resolution. This amount is charged to Free Consumers, on their invoice for use of the basic grid, and passed on to Eletrobrás, hence Cemig GT acts only as an agent to pass on this cost.

Energy Development Account - CDE

The deduction from revenue for the CDE was R\$ 5,796 in 1Q09, 29.12% lower than in 1Q08 (R\$ 8,177). The payments are specified by an Aneel Resolution. This amount is charged to Free Consumers, on their invoice for use of the basic grid, and passed on to Eletrobrás, hence Cemig GT acts only as an agent to pass on this cost.

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Global Reversion Reserve - RGR

The deduction from revenue for the RGR was R\$ 19.77 million in 1Q09, 8.05% lower than in 1Q08 (R\$ 21.50 million). This is a non-manageable cost, and the reduction is due to adjustments made in 2008 in relation to previous years in the amount of R\$ 2.43 million.

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

Operational costs and expenses (excluding financial revenue/expenses)

Operational costs and expenses (excluding Financial revenue (expenses)) totaled R\$ 307.31 million in 1Q09, 7.64% higher than the R\$ 285.49 million reported for 1Q08. For further information on the composition of operational costs and expenses, see Explanatory Note 21 to the Quarterly Information.

The principal changes in expenses are:

Personnel expenses

Personnel expenses in 1Q09 were R\$ 68.80 million, vs. R\$ 64.22 million in 1Q08, an increase of 7.13%. This result is mainly due to the salary increase of 7.26% given to the employees in November 2008.

Post-employment obligations

Expenses on post-employment obligations totaled R\$ 7.33 million in 1Q09, compared to R\$ 12.00 million in 1Q08, 38.91% lower. These expenses basically represent interest on the actuarial liabilities of Cemig GT, net of the expected return on the plans' assets, as estimated by an external actuary. The lower expense in 2009 is due to adjustment in the actuarial assumptions, in December 2008, with a reduction in assumed interest rates.

Charges for Use of the Basic Transmission Grid

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Expenses on charges for the use of the transmission grid were R\$ 72.30 million in 1Q09, vs. R\$ 64.44 million in 1Q08, i. e. 12.19% higher. These charges are payable by distribution and generation agents for use of the facilities and components of the basic grid, and are set by Aneel resolution. The increase in these expenses primarily due to the average adjustment of 11.5% in the TUST charge in June 2008.

Raw materials and inputs for production

This expense was R\$ 21.79 million in the first quarter of 2008 due to purchase of fuel for the *Igarapé plant*, which came into operation due to low reservoir levels resulting from low rainfall.

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Outsourced services

Expenses on outsourced services in 1Q09 were R\$ 24,537, 44.80% higher than in 1Q08 (R\$ 16,945). Details of the expenses on outsourced services are given in Explanatory Note 21 to the Quarterly Information.

Other operational expenses

Operational provisions in 1Q09 totaled R\$ 13.67 million, a reduction of 17.74% in relation to their total of R\$ 16.62 million in 1Q08.

Financial revenues (expenses)

The company posted net financial expenses of R\$ 50.19 million in 1Q08, 37.02% less than the net financial expenses reported for 1Q08, of R\$ 79.69 million. The main factors in this financial result are:

- Revenues from effects variation in the first half of 2009, totaling R\$ 10.58 million, compared to a net loss of R\$ 6.70 million in 1Q08, basically resulting from the higher variation, in 2009, in the currencies that index the contracts for loans and financings in foreign currency, especially the US dollar and the Yen.
- Reversal of a provision for losses on free energy purchases, of R\$ 8.72 million, in 2009, which compares to provision, in 1Q08, for an expense of R\$ 10.16 million.
- Revenue from cash investments R\$ 6.79 million higher due to the higher volume of cash invested in 2009.

For a breakdown of financial revenues and expenses, see Explanatory Note 22 to the Quarterly Information.

Income tax and Social Contribution; effective tax rate

In 1Q09, Cemig Geração e Transmissão posted expenses for income tax and Social Contribution of R\$ 136.642 million, representing 36.46% of the pre-tax profit of R\$ 374.778 million. In 1Q08, the company posted expenses on income tax and Social Contribution of R\$ 106.953 million, representing 33.68% of the pre-tax profit of R\$ 317.600. These effective rates are reconciled with the nominal rates in Explanatory Note 7 to the quarterly information.

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AUDITORS REPORT ON SPECIAL REVIEW

To

To the stockholders and the Board of Directors of
Cemig Geração e Transmissão S.A.
Belo Horizonte, Minas Gerais

CRC-2 SP 011.609/O-8 S/MG
CRC NO.: SP014428/O-6-F-MG

Marco Túlio Fernandes Ferreira
Accountant CRCMG058176

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5. Minutes of the Ordinary and Extraordinary General Meetings of
Stockholders, Companhia Energética de Minas Gerais CEMIG, April 29, 2009

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COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

CNPJ 17.155.730/0001-64 NIRE 31300040127

**MINUTES
OF THE
ORDINARY AND EXTRAORDINARY
GENERAL MEETINGS OF STOCKHOLDERS
HELD CONCURRENTLY ON APRIL 29, 2009**

At 11 a.m. on April 29, 2009, **stockholders representing more than two-thirds of the voting stock** of Companhia Energética de Minas Gerais Cemig met in Ordinary and Extraordinary General Meetings at its head office, on first convocation, at Av. Barbacena 1200, 18th Floor, Belo Horizonte, Minas Gerais, Brazil, as verified in the Stockholders Attendance Book, where all those present signed and made the required statements.

The stockholder **The State of Minas Gerais** was represented by Mr. Marco Antonio Rebelo Romanelli, Deputy General Attorney of the State of Minas Gerais, in accordance with the legislation. Also present were the Audit Board member Aliomar Silva Lima; **KPMG** Auditores Independentes, represented by Mr. Marco Túlio Fernandes Ferreira, CRC-MG 058176/O-0, and by Mr. Gustavo Fernandes Guimarães, CRC-MG 068539/O-1; and the Cemig Chief Officer Luiz Fernando Rolla.

Initially, Ms. Anamaria Pugedo Frade Barros, Superintendent of Cemig's Corporate Executive Secretariat, informed those present that there was a quorum for holding of the Ordinary and Extraordinary General Meetings of Stockholders; and that the stockholders present should choose the Chairman of these Meetings, in accordance with Clause 10 of the Company's Bylaws.

Asking for the floor, the representative of the Stockholder The State of Minas Gerais put forward the name of the stockholder **Luiz Fernando Rolla to chair the Meeting**. The proposal of the representative of the Stockholder The State of Minas Gerais was put to debate, and to the vote, and unanimously **approved**.

The Chairman then **declared the Meeting open** and invited me, Anamaria Pugedo Frade Barros, a stockholder, to be Secretary of the Meeting, requesting me to proceed to reading of the convocation notice, published in the newspapers *Minas Gerais*, official publication of the Powers of the State, on March 20, 21 and 24, *O Tempo*, on March 20, 21 and 22, and in *Gazeta Mercantil* on March 20, 23 and 24 of this year, the content of which is as follows:

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG
LISTED COMPANY
CNPJ 17.155.730/0001-64 NIRE 31300040127

ORDINARY AND EXTRAORDINARY GENERAL MEETINGS OF STOCKHOLDERS
CONVOCATION

Stockholders are hereby called to an Ordinary and an Extraordinary General Meeting of Stockholders, to be held concurrently, on April 29, 2009 at 11 a.m. at the company's head office, Av. Barbacena 1200, 18th floor, in the city of Belo Horizonte, Minas Gerais, Brazil, to decide on the following matters:

- 1 Examination, debate and voting on the Report of Management and the Financial Statements for the year ended December 31, 2008, and also the respective complementary documents.
- 2 Allocation of the net profit for the year 2008, in the amount of R\$ 1,887,035,000 Reais, and the balance in the Retained Earnings account, in the amount of R\$ 17,877,000 Reais, in accordance with Article 192 of Law 6404, of December 15, 1976 as amended.
- 3 Decision on the form and date of payment of the obligatory dividend, in the amount of R\$ 943,518,000 Reais.
- 4 Authorization, verification and approval of the increase in the Registered Capital from R\$ 2,481,507,565.00 to R\$ 3,101,884,460.00 with issuance of new shares, upon capitalization of R\$ 620,376,895.00, of which R\$ 606,454,665.00 shall come from part of the Retained Earnings Reserve and R\$ 13,922,230.00 from incorporation of portions paid as principal, updated until December 1995, under the Contract for Assignment of the Outstanding Balance on the Results

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Compensation (ERC) Account, a stock dividend being distributed, consequently, to stockholders, of 25.000000151%, in new shares, of the same type as those held and with a nominal value of R\$ 5.00.

5 Authorization for the Executive Board to take the following measures in relation to the stock dividend:

- to issue a stock dividend of 25.000000151%, in new shares, of the same type as those held and with nominal value of R\$ 5.00, to holders of the shares making up the capital of R\$ 2,481,507,565.00, whose names are in the company's Nominal Share Registry on the date of these General Meetings of Stockholders;
- to sell on a securities exchange the whole numbers of nominal shares resulting from the sum of the remaining fractions, arising from the said stock dividend, and to divide the net proceeds of the sale, proportionately, to the stockholders;
- to establish that all the shares resulting from the said stock dividend shall have the same rights as those shares from which they originate; and
- to pay to the stockholders, proportionately, the result of the sum of the fractions remaining together with the first installment of the dividends for the year 2008.

6 Consequent redrafting of the Head paragraph of Article 4 of the Bylaws, as a result of the above mentioned increase in the Registered Capital.

7 Election of the sitting and substitute members of the Audit Board and setting of their remuneration.

8 Election of the sitting and substitute members of the Board of Directors, due to the ending of their period of office.

9 Setting of the remuneration of the Company's Managers.

10 Authorization for the representative of the Company in the Ordinary and Extraordinary General Meetings of stockholders of Cemig Distribuição S.A., also to be held, concurrently, on April 29, 2009, to vote in favor of the following matters:

- a Examination, debate and voting on the Report of Management and the Financial Statements for the year ended December 31, 2008, and the respective complementary documents.
- b Allocation of the net profit for the year 2008, in the amount of R\$ 709,358,000, in accordance with Article 192 of Law 6404, of December 15, 1976, as amended.
- c Decision on the form and date of payment of the Interest on Equity and the complementary dividends, in the amount of R\$ 666,296,000 Reais.
- d Election of the sitting and substitute members of the Audit Board.
- e Change in the composition of the Board of Directors, if there is alteration in the composition of the Board of Directors of Cemig.

f Alteration of Articles 20, 22 and 23 of the Bylaws, to enable the raising of six-monthly or interim balance sheets or balance sheets for shorter periods, and payment of interim dividends or multiple interim dividends, and provision for payment of Interest on Equity in substitution of the dividend.

11 Authorization for the representative of the Company in the Ordinary and Extraordinary General Meetings of stockholders of Cemig Geração e Transmissão S.A., also to be held, concurrently, on April 29, 2009, to vote in favor of the following matters:

a Examination, debate and voting on the Report of Management and the Financial Statements for the year ended December 31, 2008, and the respective complementary documents.

b Allocation of the net profit for the year 2008, in the amount of R\$ 985,7531,000 Reais, and the balance in the Retained Earnings account, in the amount of R\$ 24,830,000 Reais, in accordance with Article 192 of Law 6404, of December 15, 1975, as amended.

c Decision on the form and date of payment of the Interest on Equity and the complementary dividends, in the amount of R\$ 492,877,000 Reais.

d Election of the sitting and substitute members of the Audit Board.

e Change in the composition of the Board of Directors, if there is alteration in the composition of the Board of Directors of Cemig.

f Alteration of Articles 20, 22 and 23 of the Bylaws, to enable the raising of six-monthly or interim balance sheets or for shorter periods, and payment of interim dividends or multiple interim dividends and provision for payment of Interest on Equity in substitution of the dividend.

Under Article 3 of CVM Instruction 165 of December 11, 1991, adoption of the multiple voting system for election of members of the company's Board requires the vote of stockholders representing a minimum percentage of 5% (five per cent) of the voting stock.

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Any stockholder who wishes to be represented by proxy in the said General Meeting of Stockholders should obey the terms of Article 126 of Law 6406/76, as amended, and of the sole paragraph of Clause 9 of the Company's Bylaws, depositing, preferably by April 24, 2009, proofs of ownership of the shares, issued by a depositary financial institution, and a power of attorney with special powers, at Cemig's Corporate Executive Secretariat Office at Av. Barbacena, 19th floor, B1 Wing, Belo Horizonte, Minas Gerais, or showing them at the time of the meeting.

Belo Horizonte, March 18, 2009,

Sérgio Alair Barroso

Chairman of the Board of Directors.

Before the items on the agenda of this meeting were put to debate and to the vote, the representative of the stockholder **Southern Electric Brasil Participações Ltda.** stated that the changes in the Bylaws made by the Extraordinary General Meeting of Stockholders of October 25, 1999, and also the subsequent alterations, were approved only by virtue of the suspension of the Stockholders' Agreement, by decision of the Courts, and were thus provisional and precarious.

He stated that hence the acts and operations practiced or submitted to approval by the management bodies of Cemig, supported by the said changes in the Bylaws made under the protection of the Court decision in force today, may, at any moment, be reviewed and withdrawn from the world of legal existence.

On this question, the representative of the stockholder **The State of Minas Gerais** reminded the meeting that the decision which annulled the Stockholders' Agreement signed between the State of Minas Gerais and Southern Electric Brasil Participações Ltda. no longer has an interim or provisional character. It is, he said, a decision on the merit and it is thus a case not of suspension but of annulment. He added that there is already in existence a decision on the merit that annuls the Stockholders' Agreement, confirmed by the Appeal Court of the State of Minas Gerais.

He further stated that the decisions of these Meetings can take into account only what exists at the present moment, and that it would be irresponsible not to vote on matters, in expectation of Court decisions, since, in reality, the said Stockholders' Agreement, by force of Court judgment, cannot produce any effects, and the decisions taken are being taken within strict compliance with the Court decision.

Finally, he noted that the Extraordinary and Special Appeals brought by Southern were not admitted by the Vice-chairman of the Minas Gerais Appeal Court, and that the Higher Appeal Court refused the interlocutory and special appeals brought by Southern, thus underlining and reinforcing the legal situation already stated by the Minas Gerais Appeal Court, that is to say, the inefficacy of the Stockholders' Agreement subject of the action.

Once again taking the floor, the representative of **Southern Electric Brasil Participações Ltda.** stated that the Interlocutory Appeal brought against the dispatch denying the Extraordinary Appeal is awaiting judgment in proceedings in the Federal Supreme Court.

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In accordance with Item 1 of the agenda the Chairman then placed in debate the **Report of Management and the Financial Statements** for the year ended December 31, 2008, and the respective complementary documents, explaining that they have been widely disclosed in the press, since they were placed at the disposal of stockholders by a notice published in the newspapers *Minas Gerais*, the official publication of the Powers of the State, on March 20, 21 and 24; in *O Tempo* on March 20, 21 and 22, and in *Gazeta Mercantil*, on March 20, 23 and 24 this year, and published in the same newspapers on April 16 of this year.

Finally the Chairman put to the vote the Report of Management and the Financial Statements for the year ended December 31, 2008, and the respective complementary documents, and they were **approved**, with the persons legally impeded abstaining.

Continuing the proceedings, the Chairman requested the Secretary to read the **Proposal by the Board of Directors**, which deals with items 2 to 6, 10 and 11 of the convocation, and also the Opinion of the Audit Board thereon, the contents of which documents are as follows:

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**PROPOSAL BY THE BOARD OF DIRECTORS TO THE
ORDINARY AND EXTRAORDINARY GENERAL MEETINGS OF STOCKHOLDERS
TO BE HELD, CONCURRENTLY, ON APRIL 29, 2009.**

Dear Stockholders:

The Board of Directors of Companhia Energética de Minas Gerais - Cemig, in view of:

- Article 192 of Law 6404, of December 15, 1976 as amended, taken with Clauses 27 to 31 of the Bylaws, and the financial statements for 2008, which report net profit of R\$ 1,887,035,000 and balance of Retained Earnings of R\$ 17,877,000 relating to adjustments for prior years due to the adoption of accounting under Law 11638/2007;
- Article 199 of Law 11638/2007, which requires that Retained Earnings may not exceed the Registered Capital and that when it does reach that limit, a General Meeting of Stockholders must decide on the application of the excess as an increase in capital or in distribution of dividends;
- the fact that, on December 31, 2008, the amount of Cemig's Profit Reserve totaled R\$ 2,872,712,000, after deduction of the amounts allocated to pay the obligatory dividends and extraordinary dividends for 2008, resulting in an excess balance of R\$ 391,204,000 in relation to the Registered Capital of R\$ 2,481,508,000; and
- that, to comply with the said Law, an increase in the Company's Registered Capital should be made, using the balance on the Retained Earnings Reserve account;
- that Clause 5 *Incorporation to the Registered Capital* of the Contract for Assignment of the Outstanding Balance Receivable on the Results Compensation (CRC) Account, signed on May 31, 1995, between the State of Minas Gerais and Companhia Energética de Minas Gerais - Cemig, determines that the amounts paid by the State of Minas Gerais as principal shall be incorporated into the Company's Registered Capital as Donations and Subventions for Investments; and that
- the payments made in 2008 by the State of Minas Gerais in relation to installments numbers 9 and 10 of amortization of the Principal, adjusted in accordance with the Fifth Amendment to the Contract for Assignment of the Remaining Balance Receivable on the Results Compensation (CRC) Account, total R\$ 13,922,000;

now proposes to you:

I) that the net profit for 2008 and the balance of Retained Earnings, in the amounts mentioned above, should be allocated as follows:

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- 1) R\$ 94,352,000, being 5% of the net profit, should be allocated to the Legal Reserve, in accordance with sub-clause a of the Sole sub-paragraph of Clause 28 of the Bylaws.
- 2) R\$ 110,256,000 should be allocated to the Retained Earnings Reserve, for use in investments and payment of expenses, taxes and service of debt, according to the Cash Budget approved at the meeting of the Board of Directors held on December 16, 2008.
- 3) R\$ 943,518,000 should be allocated for payment as obligatory dividends to the Company's stockholders, in accordance with sub-clause b of the Sole sub-paragraph of Clause 28 of the Bylaws and the applicable legislation.
- 4) R\$ 82,785,000 should be allocated to injection of capital into Companhia de Gás de Minas Gerais **Gasmig**, as per Board Spending Decision (CRCA) 033/2008, of May 14, 2008.
- 5) R\$ 6,000,000 should be allocated to injection of capital into **Axxiom Soluções Tecnológicas S. A.**, as per CRCA 058/2007, of July 27, 2007.
- 6) R\$ 20,626,000 should be allocated to injection of capital into **Companhia de Transmissão Centroeste de Minas**.
- 7) R\$ 647,375,000 should be held in Stockholders' equity in the account Reserve under the Bylaws provided for by sub-clause c of the sole sub-paragraph of Clause 28 and by Clause 30 of the Bylaws.

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the payments of dividends to be made in two installments, by June 30 and December 30, 2009, and these dates may be brought forward, in accordance with the availability of cash and by decision of the Executive Board.

Appendix 1 gives a summary of Cemig's Cash Budget for 2009, approved by the Board of Directors, characterizing the inflow of funds and disbursements for compliance with the allocations of the profit for the year.

Appendix 2 summarizes the calculation of the dividends proposed by the Management, in accordance with the Bylaws.

II) authorization, verification and approval of the **increase of the Registered Capital** from R\$ 2,481,507,565.00 (two billion, four hundred and eighty one million, five hundred and seven thousand five hundred and sixty five Reais) to R\$ 3,101,884,460,00 (three billion, one hundred and one million, eight hundred and eighty four thousand, four hundred and sixty Reais), with issuance of 620,376,892 (six hundred and twenty million, three hundred and seventy six thousand eight hundred and ninety two) new shares, of which 271,154,243 (two hundred and seventy one million, one hundred and fifty four thousand two hundred and forty three) are to be nominal common shares each with par value of R\$ 5.00 (five Reais) and 349,222,649 (three hundred and forty nine million, two hundred and twenty two thousand six hundred and forty nine) are to be nominal preferred shares each with par value of R\$ 5.00 (five Reais), upon capitalization of R\$ 620,376,895.00 (six hundred and twenty million, three hundred and seventy six thousand eight hundred and ninety five Reais), of which the amount of R\$ 606,454,665,00 (six hundred and six million, four hundred and fifty four thousand six hundred and sixty five Reais) is to come from part of the Retained Earnings Reserve, and the amount of R\$ 13,922,230,00 (thirteen million, nine hundred and twenty two thousand two hundred and thirty Reais) is to come from incorporation of the portions paid as principal, adjusted up to December 31, 2005, under Clause 5 of the Contract for Assignment of the Outstanding Balance Receivable on the Results Compensation (CRC) Account, a **stock dividend** being distributed to the stockholders, as a consequence, of 25.000000151%, in new shares of the same type as those held and with nominal value of R\$ 5.00.

The difference between the amount capitalized and the amount corresponding to the payments made by the State of Minas Gerais in relation to installments Numbers 9 and 10 of amortization of the principal of the said Contract for Assignment of Credit, that is to say, R\$ 2.80 (two Reais and eighty centavos) will be held in the Balance for Future Incorporation, since the minimum value for incorporation is the nominal value of one share.

III) consequent redrafting of the Head paragraph of Clause 4 of the Bylaws, to the following:

Clause 4 The Company's Registered Capital is R\$ 3,101,884,460.00 (three billion, one hundred and one million, eight hundred and eighty four thousand four hundred and sixty Reais), represented by:

a) 271,154,243 (two hundred and seventy one million, one hundred and fifty four thousand two hundred and forty three) nominal common shares each with par value of R\$ 5.00;

b) 349,222,649 (three hundred and forty nine million, two hundred and twenty two thousand six hundred and forty nine) nominal preferred shares each with par value of R\$ 5.00.

IV) authorization for the Executive Board to take the following measures in relation to the stock dividend:

1) to issue a stock dividend of 25.000000151%, in new shares, of the same type as those held and with nominal value of R\$ 5.00, to holders of the shares making up the capital of R\$ 2,481,507,565.00 (two billion four hundred and eighty one million five hundred and seven thousand five hundred and sixty five Reais), whose names are in the company's Nominal Share Registry on the date of the General Meetings of Stockholders that decide on this present proposal;

2) to sell on a securities exchange the whole numbers of nominal shares resulting from the sum of the remaining fractions, arising from the said stock dividend, and to divide the net proceeds of the sale, proportionately, to the stockholders;

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3) to establish that all the shares resulting from the said stock dividend shall have the same rights as those shares from which they originate;

4) to pay to the stockholders, proportionately, the result of the sum of the fractions remaining together with the first installment of the dividends for the year 2008.

V) that the representative of Cemig in the Ordinary and Extraordinary General Meetings of stockholders of Cemig Distribuição S. A. and Cemig Geração e Transmissão S. A., also to be held, concurrently, on April 29, 2009, should vote in favor of the matters on the agenda, that is to say the following:

1) Cemig D:

a Examination, debate and voting on the Report of Management and the Financial Statements for the year ended December 31, 2008, and the respective complementary documents.

b Allocation of the net profit for the year 2008, in the amount of R\$ 709,358,000, in accordance with Article 192 of Law 6404, of December 15, 1976, as amended.

c Decision on the form and date of payment of Interest on Equity and complementary dividends, in the amount of R\$ 666,296,000 Reais.

d Election of the sitting and substitute members of the Audit Board.

e Change in the composition of the Board of Directors, if there is alteration in the composition of the Board of Directors of Cemig.

f Alteration of Clauses 20, 22 and 23 of the Bylaws, to enable the raising of financial statements for periods of six months or shorter periods, and payment of interim dividends or current-year interim dividends, and provision for payment of Interest on Equity in substitution of dividends.

2) Cemig GT:

a Examination, debate and voting on the Report of Management and the Financial Statements for the year ended December 31, 2008, and the respective complementary documents.

b Allocation of the net profit for the year 2008, in the amount of R\$ 985,7531,000, and the balance in the Retained Earnings account, in the amount of R\$ 24,830,000, in accordance with Article 192 of Law 6404, of December 15, 1975, as amended.

c Decision on the form and date of payment of Interest on Equity and complementary dividends, in the amount of R\$ 492,877,000.

- d Election of the sitting and substitute members of the Audit Board.
- e Change in the composition of the Board of Directors, if there is alteration in the composition of the Board of Directors of Cemig.
- f Alteration of Clauses 20, 22 and 23 of the Bylaws, to enable the raising of financial statements for periods of six months or shorter periods, and payment of interim dividends or current-year interim dividends, and provision for payment of Interest on Equity in substitution of dividends.

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

Belo Horizonte, March 18, 2009.

Sergio Alair Barroso Chairman
Djalma Bastos de Moraes Vice-Chairman
Alexandre Heringer Lisboa Member
André Araújo Filho Member
Antônio Adriano Silva Member
Eduardo Lery Vieira Member

Evandro Veiga Negrão de Lima Member
Francelino Pereira dos Santos Member
João Camilo Penna Member
José Castelo Branco da Cruz Member
Maria Estela Kubitschek Lopes Member
Roberto Pinto Ferreira Mameri Abdenur Member
Wilton de Medeiros Daher Member.

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APPENDIX I

TO THE PROPOSAL FOR ALLOCATION OF THE PROFIT FOR THE BUSINESS YEAR 2008

MADE BY THE BOARD OF DIRECTORS TO THE
ORDINARY GENERAL MEETING OF STOCKHOLDERS TO BE HELD BY APRIL 30, 2009

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG: CASH BUDGET FOR 2007

Amounts in current R\$ 000

| Description | Total 2009 (*) | AV % |
|------------------------------------|----------------|-------|
| <u>A INITIAL BALANCE</u> | 233,319 | |
| <u>B FUNDS</u> | 1,448,246 | 100.0 |
| <u>Gross revenue</u> | | |
| <u>Capital resources</u> | 1,448,246 | 100.0 |
| <u>C DISBURSEMENTS</u> | 1,149,530 | 100.0 |
| <u>Capital expenditure program</u> | 95,756 | 8.3 |
| <u>Expenses budget</u> | 43,736 | 3.8 |
| <u>Taxes</u> | 48,920 | 4.3 |
| <u>Debt servicing</u> | 17,600 | 1.5 |
| <u>Dividends</u> | 943,518 | 82.1 |
| <u>Extraordinary dividends</u> | | |
| <u>D FINAL BALANCE (A+B-C)</u> | 532,035 | |

(*) Approval as per Board meeting of December 16, 2008, with the following adjustments:

- Adjustment in the item Capital Resources using the dividends specified in the proposals for allocation of the profit of Cemig D and Cemig GT.
- The Initial cash balance to be replaced by the actual cash balance at December 31, 2008.
- Adjustments to the dividends to be paid, using the dividends specified in the proposal for allocation of profit.

APPENDIX II

TO THE PROPOSAL FOR ALLOCATION OF THE PROFIT FOR THE BUSINESS YEAR 2008

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MADE BY THE BOARD OF DIRECTORS TO THE
ORDINARY GENERAL MEETING OF STOCKHOLDERS TO BE HELD BY APRIL 30, 2009

**COMPANHIA ENERGÉTICA DE MINAS GERAIS - CEMIG:
CALCULATION OF PROPOSED DIVIDENDS**

Calculation of the minimum dividends for the preferred shares under the Bylaws

| | December 31, 2008 |
|---|--------------------------|
| | R\$ 000 |
| Nominal value of the preferred shares | 1,396,891 |
| Percentage applicable to the above | 10.00% |
| Value of dividends by the first payment criterion | 139,689 |
| Stockholders' equity | 9,351,634 |
| Percentage of Stockholders' equity represented by the preferred shares (net of shares held in Treasury) | 56,27% |
| Portion of Stockholders' equity represented by the preferred shares | 5,262,164 |
| Percentage applicable to the above | 3.00% |
| Value of dividends under the second payment criterion | 157,865 |
| Minimum dividend for the preferred shares under the Bylaws | 157,865 |
| | |
| Obligatory dividend | |
| Net profit for the year | 1,887,037 |
| Obligatory dividend - 50.00% of net profit | 943,518 |
| Net dividends proposed: | 943,518 |
| Total dividend for the preferred shares | 531,301 |
| Total dividend for the common shares | 412,217 |
| Dividend per share - R\$ | |
| Minimum dividend for the preferred shares under the Bylaws | 0.57 |
| Obligatory dividend | 1.90 |
| Dividend proposed | 1.90 |

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OPINION OF THE AUDIT BOARD

The members of the Audit Board of Companhia Energética de Minas Gerais - Cemig, undersigned, in performance of their functions under the law and under the Bylaws, have examined the proposals made by the Board of Directors to the Ordinary and Extraordinary General Meetings of Stockholders to be held concurrently on April 29, 2009, as follows:

I) Allocation of the net profit for the year 2008, in the amount of R\$ 1,887,035,000, and the balance in the Retained Earnings account, in the amount of R\$ 17,877,000, as follows:

1) R\$ 94,352,000, being 5% of the net profit, to be allocated to the Legal Reserve, in accordance with sub-clause a of the Sole sub-paragraph of Clause 28 of the Bylaws;

2) R\$ 110,256,000 to be allocated to Retained Earnings, for use in payment of expenses, taxes and service of debt, according to the Cash Budget approved at the meeting of the Board of Directors held on December 16, 2008;

3) R\$ 943,518,000 to be allocated as obligatory dividends to the Company's stockholders, in accordance with sub-clause b of the Sole sub-paragraph of Clause 28 of the Bylaws and the applicable legislation;

4) R\$ 82,785,000 to be allocated for injection of capital into Companhia de Gás de Minas Gerais - Gasmig, as per Board Spending Decision (CRCA) 033/2008, of May 14, 2008;

5) R\$ 6,000,000 to be allocated for injection of capital into Axxiom Soluções Tecnológicas S.A, in accordance with CRCA 058/2007, of June 27, 2007;

6) R\$ 20,626,000 to be allocated to injection of capital into Companhia de Transmissão Centroeste de Minas;

R\$ 647,375,000 to be held in Stockholders' equity in the Reserve under the Bylaws account provided for by Sub-clause c of the sole sub-paragraph of Clause 28 and by Clause 30 of the Bylaws.

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the payments of dividends to be made in two installments, by June 30 and December 30, 2009, and these dates may be brought forward, in accordance with the availability of cash and by decision of the Executive Board.

II) Authorization, verification and approval of the increase of the Registered Capital from R\$ 2,481,507,565.00 (two billion, four hundred and eighty one million, five hundred and seven thousand five hundred and sixty five Reais) to R\$ 3,101,884,460.00 (three billion, one hundred and one million, eight hundred and eighty four thousand, four hundred and sixty Reais), with issuance of 124,075,379 (one hundred and twenty four million, seventy five thousand three hundred and seventy nine) new shares, of which 54,230,849 (fifty four million two hundred and thirty thousand eight hundred and forty nine) are to be nominal common shares each with par value of R\$ 5.00 (five Reais) and 69,844,530 (sixty nine million eight hundred and forty four thousand five hundred and thirty) are to be nominal preferred shares each with par value of R\$ 5.00 (five Reais), upon capitalization of R\$ 620,376,895.00 (six hundred and twenty million three hundred and seventy six thousand eight hundred and ninety five Reais) of which the amount of R\$ 606,454,665.00 (six hundred and six million, four hundred and fifty four thousand six hundred and sixty five Reais) is to come from part of the Retained Earnings Reserve, and the amount of R\$ 13,922,230,00 (thirteen million, nine hundred and twenty two thousand two hundred and thirty Reais) is to come from incorporation of the portions paid as principal, adjusted up to December 31, 2005, under Clause 5 of the Contract for Assignment of the Outstanding Balance Receivable on the Results Compensation (CRC) Account, a stock dividend being distributed to the stockholders, as a consequence, of 25.000000151%, in new shares of the same type as those held and with nominal value of R\$ 5.00;

the difference between the amount capitalized and the amount corresponding to the payments made by the State of Minas Gerais in relation to installments Numbers 9 and 10 of amortization of the principal of the said Contract for Assignment of Credit, that is to say, R\$ 2.80 (two Reais and eighty centavos) to be held in the balance for future incorporations, since the minimum value of incorporation is the nominal value of one share.

2 Consequent redrafting of the Head paragraph of Clause 4 of the Bylaws, to the following:

Clause 4 The company s capital is R\$ 3,101,884,460.00 (three billion, one hundred and one million, eight hundred and eighty four thousand, four hundred and sixty Reais), represented by:

a) 271,154,243 (two hundred and seventy one million, one hundred and fifty four thousand, two hundred and forty three) nominal common shares each with par value of R\$ 5.00;

b) 349,222,649 (three hundred and forty nine million two hundred and twenty two thousand six hundred and forty nine) nominal preferred shares each with par value of R\$ 5.00;

III Authorization for the Executive Board to take the following measures in relation to the stock dividend:

to issue a stock dividend of 25.000000151%, in new shares, of the same type as those held and with par value of R\$ 5.00, to holders of the shares making up the capital of R\$ 2,481,507,565.00 (two billion four hundred and eighty one million five hundred and seven thousand five hundred and sixty five Reais), whose names are on the company s Nominal Share Registry on the date of the General Meetings of Stockholders that decide on this present proposal; to sell on a securities exchange the whole numbers of nominal shares resulting from the sum of the remaining fractions, arising from the said stock dividend, and to share the net proceeds of the sale, proportionately, among the stockholders;

to establish that all the shares resulting from the said stock dividend shall have the same rights as those shares from which they originate; and

to pay to the stockholders, proportionately, the result of the sum of the remaining fractions together with the first installment of the dividends for the year 2008.

After carefully analyzing the proposals referred to, and considering, further, that the legal rules applicable to the matters have been complied with, the opinion of the members of the Audit Board is in favor of their approval by those Meetings.

Belo Horizonte, March 18, 2009,

(Signed by:) Aristóteles Luiz Menezes Vasconcellos Drummond, Luiz Guaritá Neto, Benedito José Ferreira, Luiz Otávio Nunes West, Aliomar Silva Lima.

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The Chairman then put to debate the proposal of the Board of Directors relating to items 2, 6, 10 and 11 of the agenda, and then submitted the said proposal to the vote, it being approved by majority.

Continuing with the agenda, the Chairman informed the meeting that the period of office of the members of the **Board of Directors** ended on today's date, and that a **new election** should thus be held for the said Board, with a period of office of 3 (three) years, that is to say, up to the Ordinary General Meeting of Stockholders to be held in 2012.

He stated that adoption of the **Multiple Vote** had been requested by the stockholder Southern Electric Brasil Participações Ltda., in accordance with a letter in the Company's possession, and that 13,445,618 (thirteen million four hundred and forty four thousand six hundred and eighteen) votes would be necessary for the election of each member of the Board of Directors.

Finally, he explained that it will be necessary firstly and in view of Clause 12 of the Bylaws, to seek the election of the sitting member and his respective replacement put forward by representatives of the holders of the preferred shares, and only then to apply the instrument of Multiple Vote to fill the remaining vacancies on the Board of Directors.

Asking for the floor, as owners of preferred shares, the representatives of the stockholders **Previ (Banco do Brasil Pension Fund)** and **Fundação Forluminas de Seguridade Social (Forluz)** proposed the following stockholders to be members of the **Board of Directors**:

Sitting Member:

Guy Maria Villela Paschoal

- Brazilian, married, engineer, resident and domiciled at Belo Horizonte-MG, at Rua Jornalista Djalma Andrade 210, Belvedere, CEP 30320-540, bearer of Identity Card M-616, issued by the Public Safety Department of the State of Minas Gerais, and CPF 000798806-06;

and as his substitute member:

Cezar Manoel de Medeiros

- Brazilian, married, economist, resident and domiciled in Belo Horizonte, Minas Gerais at Alameda Ipê Branco 279, Pampulha, CEP 31275-080, bearer of Identity Card M-3627440, issued by the Public Safety Department of the State of Minas Gerais, and CPF 006688346-68.

The Chairman then submitted the above-mentioned nominations to debate, and, subsequently to votes separately, with only holders of preferred shares participating, and they were **approved** by majority vote.

The Chairman explained that, to complete the **Board of Directors**, the representative of the stockholder Southern Electric Brasil Participações Ltda. should put forward 5 members and their respective substitute members, and the representative of the Stockholder The State of Minas Gerais should put forward 8 members and their respective substitute members.

Asking for the floor, the representative of Stockholder **Southern Electric Brasil Participações Ltda.** put forward the following stockholders as members of the **Board of Directors**:

Sitting members:

- Britaldo Pedrosa Soares** - Brazilian, married, engineer, resident and domiciled at São Paulo, São Paulo State, at Rua João Cachoeira 292/143, Vila Nova Conceição, CEP 04535-000, bearer of Identity Card MG-228266, issued by the Public Safety Department of the State of Minas Gerais, and CPF 360634796-00;
- Evandro Veiga Negrão de Lima** - Brazilian, married, entrepreneur, resident and domiciled in Belo Horizonte, Minas Gerais, at Av. Otacílio Negrão de Lima 5219, Pampulha, CEP 31365-450, bearer of Identity Card M-1342795, issued by the Public Safety Department of the State of Minas Gerais, and CPF 000761126-91;
- Roberto Pinto Ferreira** - Brazilian, married, company consultant, resident and domiciled in Rio de Janeiro, Rio de Janeiro State, at Rua Prudente de Moraes 1179/1302, Ipanema, CEP 22420-043, bearer of Identity Card n° MRE-1863, issued by the Foreign Relations Ministry, and CPF n°075072914-72;
- Mameri Abdenur**
- André Araújo Filho** - Brazilian, married, lawyer, resident and domiciled in São Paulo, São Paulo State, at Rua Macau 287, Ibirapuera, CEP 04032-020, bearer of Identity Card 22529, issued by the Brazilian Bar Association, São Paulo Section, and CPF 044637908-59; and
- Thomas Anthony Tribone** - citizen of the USA, married, engineer, resident and domiciled at 3657 North Rockingham Street, Arlington, Virginia 22213, USA, bearer of US Passport N°. 017246918, issued by the US government, and CPF 748807561-72;

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and as their substitute members, respectively:

| | |
|--|--|
| Jeffery Atwood Safford | - American citizen, divorced, accountant, resident and domiciled in São Paulo, São Paulo State, at Rua José Maria Lisboa 1096/11, Jardim Paulista, CEP 01423-001, bearer of Identity Card V365071-H, issued by the Public Safety Department of the State of São Paulo, and CPF 229902218-08; |
| Maria Amália Delfim de Melo Coutrim | - Brazilian, married, economist, resident and domiciled at Rio de Janeiro, Rio de Janeiro State, at Av. Rui Barbosa 582, 12th floor, Flamengo, CEP 22250-020, Bearer of Identity Card 12944, issued by Corecon of Rio de Janeiro State, and CPF 654298507-72; |
| Clarice Silva Assis | - Brazilian, married, economist, resident and domiciled in São Paulo, São Paulo State, at Rua Jacques Felix 226/111, Vila Nova Conceição, CEP 04509-000, bearer of Identity Card n° 09306216-4, issued by Detran of Rio de Janeiro State, and CPF n° 006682947-01; |
| Andréa Leandro Silva | - Brazilian, single, lawyer, resident and domiciled in São Paulo, São Paulo State, at Rua Ibiaporã 139, Água Funda, CEP 04157-090, Bearer of Identity Card 24481467-3, issued by the Public Safety Department of the state of São Paulo, and CPF 165779628-04; and |
| José Castelo Branco da Cruz | - Brazilian, married, lawyer, resident and domiciled in Rio de Janeiro, Rio de Janeiro State, at Rua Paulo Areal 182, Tijuca, CEP 22793-245, bearer of Identity Card 46664, issued by the Brazilian Bar Association, Rio de Janeiro Section, and CPF 198674503-10. |

The representative of the stockholder **The State of Minas Gerais** then asked for the floor and **proposed** the following stockholders as members of the **Board of Directors**:

Sitting members:

| | |
|----------------------------------|--|
| Sérgio Alair Barroso | - Brazilian, married, economist, resident and domiciled at Belo Horizonte, Minas Gerais at Rua Bernardo Guimarães 1581/1005, Lourdes, CEP 30140-082, bearer of Identity Card n° 8100986-0, issued by the Public Safety Dept of São Paulo State, and CPF n° 609555898-00; |
| Djalma Bastos de Moraes | - Brazilian, married, engineer, resident and domiciled at Belo Horizonte, Minas Gerais at Av. Bandeirantes 665/401, Sion, CEP 30315-000, bearer of Identity Card 019112140-9, issued by the Army Ministry, and CPF 006633526-49; |
| Alexandre Heringer Lisboa | - Brazilian, married, engineer, resident and domiciled at Belo Horizonte, Minas Gerais at Rua Doutor Lucídio Avelar 100/602, Estoril, CEP 30455-790, bearer of Identity Card M-510577, issued by the Public Safety Department of the State of Minas Gerais; |
| Antônio Adriano Silva | - Brazilian, married, company manager, resident and domiciled at Brasília, Federal District at SHS, Quadra 01, Bloco A, Apt. 523, Asa Sul, CEP 70322-900, bearer of Identity Card MG-1411903, issued by the Public Safety Department of the State of Minas Gerais, and CPF 056346956-00; |
| Eduardo Lery Vieira | - Brazilian, legally separated, engineer, resident and domiciled at Belo Horizonte, Minas Gerais, at Rua Aripuanã 80/302, Estoril, CEP 30455-830, bearer of Identity Card M-975155, issued by the Public Safety Department of the State of Minas Gerais, and CPF 079802996-04. |

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- Francelino Pereira dos Santos** - Brazilian, married, lawyer, resident and domiciled at Belo Horizonte, Minas Gerais, at Rua Professor Antônio Aleixo 222/902, Lourdes, CEP 30180-150, bearer of Identity Card M-2063564, issued by the Public Safety Department of the State of Minas Gerais, and CPF 000115841-49;
- Maria Estela Kubitschek Lopes** - Brazilian, married, architect, resident and domiciled at Rio de Janeiro-RJ, at Rua Alberto de Campos 237/101, Ipanema, CEP 22411-030, Bearer of Identity Card 45280-D, issued by CREA-RJ, and CPF 092504987-56; and
- João Camilo Penna** - Brazilian, married, engineer, resident and domiciled at Belo Horizonte-MG, at Rua La Plata 90, Sion, CEP 30315-460, bearer of Identity Card MG-246968, issued by the Public Safety Department of the State of Minas Gerais, and CPF 000976836-04;

and as their respective substitute members respectively:

- Paulo Sérgio Machado Ribeiro** - Brazilian, married, engineer, resident and domiciled at Belo Horizonte-MG, at Rua Piauí 1848/503, Funcionários, CEP 30150-321, bearer of Identity Card 34133/D, issued by CREA/MG, and CPF 428576006-15;
- Lauro Sérgio Vasconcelos David** - Brazilian, married, company manager, resident and domiciled at Belo Horizonte-MG, at Rua Cruz Alta 107/302, João Pinheiro, CEP 30530-150, bearer of Identity Card M-3373627, issued by the Public Safety Department of the State of Minas Gerais, and CPF 603695316-04;
- Franklin Moreira Gonçalves** - Brazilian, married, data processing technologist, resident and domiciled at Belo Horizonte-MG, at Rua João Gualberto Filho 551/302, Sagrada Família, CEP 31030-410, bearer of Identity Card MG-5540831, issued by the Public Safety Department of the State of Minas Gerais, and CPF 754988556-72;
- Marco Antonio Rodrigues da Cunha** - Brazilian, married, engineer, resident and domiciled at Belo Horizonte-MG, at Rua Miguel Abras 33/501, Serra, CEP 30220-160, bearer of Identity Card M-281574, issued by the Public Safety Department of the State of Minas Gerais, and CPF 292581976-15;
- Kleber Antonio de Campos** - Brazilian, married, economist, resident and domiciled in Belo Horizonte, mg at Rua Califórnia 1000/1201, Sion, CEP 30315-500, bearer of Identity Card M-369246, issued by the Public Safety Department of the State of Minas Gerais, and CPF 137244286-34;

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| | |
|---|---|
| Luiz Antônio Athayde | - Brazilian, legally separated, economist, resident and domiciled in Belo Horizonte, Minas |
| Vasconcelos | Gerais, at Rua Professor Moraes 476/1003, Funcionários, CEP 30150-370, bearer of Identity Card M-4355, issued by the Public Safety Department of the State of Minas Gerais, and CPF 194921896-15; |
| Fernando Henrique Schüffner Neto | - Brazilian, married, engineer, resident and domiciled at Belo Horizonte, Minas Gerais, at Rua Martim de Carvalho 395, Apto. 700, Santo Agostinho, CEP 30190-090, bearer of Identity Card M-1311632, issued by the Public Safety Department of the State of Minas Gerais, and CPF 320008396-49; and |
| Guilherme Horta Gonçalves Júnior | - Brazilian, legally separated, economist, resident and domiciled at Belo Horizonte, Minas Gerais, at Av. Olegário Maciel 1748/2202, Santo Agostinho, CEP 30180-112, bearer of Identity Card 1622046, issued by the Public Safety Department of the Federal District, and CPF 266078757-34. |

The nominations by the stockholder Southern Electric Brasil Participações Ltda. and the representative of the stockholder The State of Minas Gerais were put to the vote and **approved** by majority of votes. The representative of the stockholder Southern Electric Brasil Participações Ltda. voted for the board members that he had proposed, and the representative of the stockholder State of Minas Gerais voted for those members that he had proposed.

The Board Members elected declared in advance that they are not subject to any prohibition on exercise of commercial activity, that they do not occupy any post in a company which may be considered a competitor of the Company, and that they do not have nor represent any interest conflicting with that of Cemig, and assumed a solemn undertaking to become aware of, obey and comply with the principles, ethical values and rules established by the Code of Ethical Conduct of Government Workers and Senior Administration of the State of Minas Gerais.

Continuing with the agenda, the Chairman stated that the period of office of the members of the **Audit Board** ended on today's date, and that a **new election** should thus be held for the said Board, with a period of office of 1 (one) year, that is to say, up to the Ordinary General Meeting of Stockholders to be held in 2012.

The Chairman said that this election would be carried out with **separate voting**, in the case of candidates indicated by holders of preferred shares and by minority stockholders.

The Chairman thus put to debate the election of the sitting and substitute members of the Audit Board.

Asking for the floor, as holders of preferred shares, the **stockholders represented by Mrs. Thaís Athayde de Moraes put forward** the following candidates for election to the **Audit Board**:

Sitting Member:

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**Ana Lucia de Paiva Lorena
Freitas**

- Brazilian, married, engineer, resident and domiciled in Rio de Janeiro, Rio de Janeiro State, at Avenida Epiácio Pessoa 4446/1101, Block 1, Lagoa, CEP 22471-003, bearer of identity Card 06713819-8, issued by the Felix Pacheco Institute, and CPF n° 051490757-60;

and as her substitute member:

Rodrigo Magela Pereira

- Brazilian, legally separated, economist, resident and domiciled in Rio de Janeiro, Rio de Janeiro State, at Avenida Lineu de Paula Machado 1000/301, Block 1, Lagoa, CEP 22470-040, bearer of Identity Card 10052944-5, issued by the Felix Pacheco Institute, and CPF 027954677-71.

Asking for the floor, as holders of preferred shares, the representatives of the stockholders **Previ** (Banco do Brasil Pension Fund) and Fundação Forluminas de Seguridade Social (**Forluz**) **proposed** the following stockholders to be members of the **Audit Board**:

sitting Member:

**Vicente de Paulo Barros
Pegoraro**

- Brazilian, married, retired, resident and domiciled in Brasília, Federal District, at SHIS QI 15, Conjunto 12, Casa 6, Lago Sul, CEP 71635-320, bearer of Identity Card 449419, issued by the Public Safety Department of the Federal District, and CPF 004826419-91;

and as his substitute member:

Newton de Moura

- Brazilian, married, bank employee of the Federal Savings Bank, resident and domiciled in Divinópolis, Minas Gerais, at Avenida Sete de Setembro 1064/701, Centro, CEP 35500-011, Bearer of Identity Card M-358258, issued by the Public Safety Department of Minas Gerais State, and CPF 010559846-15.

The Chairman then submitted the above-mentioned nominations to debate, and, subsequently to votes separately, with only holders of preferred shares participating. The nominations by the stockholders Previ and Forluz were **approved** by majority vote.

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Asking for the floor, the representative of the stockholder **Southern Electric Brasil Participações Ltda.**, for the **minority of holders of shares carrying voting rights**, proposed as member of the Audit Board:

Luiz Otávio Nunes West - Brazilian, married, accountant, resident and domiciled in Rio de Janeiro, Rio de Janeiro State, at Rua General Ivan Raposo 148/202, Barra da Tijuca, CEP 22621-040, bearer of Identity Card 010926/0-8, issued by the Regional Accounting Council of Bahia, and CPF n° 146745485-00; and

and as his substitute member,

Leonardo Guimarães Pinto - Brazilian, single, accountant, resident and domiciled in Rio de Janeiro, Rio de Janeiro State, at Rua Haddock Lobo 300/1206, Tijuca, CEP 20260-142, bearer of Identity Card RJ-091640/O-8, issued by CRC/RJ, and CPF n° 082887307-01.

The above nominations were put to debate and then to the vote separately and were **approved** by majority.

Asking for the floor, the representative of the stockholder **The State of Minas Gerais, as majority stockholder**, put forward the following nominations for members of the **Audit Board**:

Sitting members:

Aristóteles Luiz Menezes Vasconcellos Drummond - Brazilian, married, journalist, resident and domiciled in Rio de Janeiro, Rio de Janeiro State, at Av. Rui Barbosa 460/801, Flamengo, CEP 22250-020, bearer of Identity Card 1842888, issued by the Félix Pacheco Institute, and CPF n° 026939257-20;

Luiz Guaritá Neto - Brazilian, married, engineer and entrepreneur, resident and domiciled in Uberaba, MG State, at Rua dos Andradas 705/1501, Nossa Senhora da Abadia, CEP 38025-200, bearer of Identity Card M-324134, issued by the Public Safety Department of Minas Gerais State, and CPF n° 289118816-00;

Thales de Souza Ramos Filho - Brazilian, married, doctor, resident and domiciled in Juiz de Fora, Minas Gerais, at Rua Severino Meireles 67, Passos, CEP 36025-040, bearer of Identity Card M-290728, issued by the Public Safety Department of Minas Gerais State, and CPF n° 003734436-68;

and as their respective substitute members:

Marcus Eolo de Lamounier Bicalho - Brazilian, married, economist, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Adolfo Radice 114, Mangabeiras, CEP 30315-050, bearer of identity card M-1033867, issued by the Public Safety Department of Minas Gerais State, and CPF n° 001909696-87;

Ari Barcelos da Silva - Brazilian, married, company manager, resident and domiciled in Rio de Janeiro, Rio de Janeiro State, at Rua Professor Hermes Lima 735/302, Recreio dos Bandeirantes, CEP 22795-065, bearer of Identity Card 2027107-7, issued by CRA-RJ, and CPF n° 006124137-72; and

Aliomar Silva Lima

- Brazilian, married, economist, resident and domiciled in Belo Horizonte, Minas Gerais at Rua Aimorés 2441/902, Lourdes, CEP 30140-072, bearer of Identity Card MG-449262, issued by the Public Safety Department of Minas Gerais State, and CPF nº 131654456-72.

The nominations of the representative of the stockholder The State of Minas Gerais was put to debate, and to the vote, and **approved** by majority.

The Members of the Audit Board elected declared in advance that they are not subject to any prohibition on exercise of commercial activity, and assumed a solemn undertaking to become aware of, obey and comply with the principles, ethical values and rules established by the Code of Ethical Conduct of Government Workers and Senior Administration of the State of Minas Gerais.

Continuing with the agenda, the Chairman put to debate the **remuneration of the Managers** of the Company and the Members of the Company's Audit Board. Asking for the floor, the representative of the Stockholder The State of Minas Gerais asked the Chairman to put the following **proposal** before the stockholders for consideration:

1 To allocate, considering that the company now has nine Chief Officer's Departments, the Annual Global Allocation for Remuneration of the Management and the Members of the Audit Board, consisting of the Board of Directors, the Executive Board and the Audit Board, in the amount of up to R\$ 7,000,000 (seven million Reais), including health insurance for the Chief Officers, to be contracted at the same level of the Health Plan in force for the employees of the Company, the present amounts earned by the Managers in monthly remuneration, paid leave, bonuses and other benefits of any type remaining unchanged.

2 To establish that the monthly remuneration of each one of the members of the Board of Directors excluding those sitting and substitute Members who exercise the position of Chief Officers, and subject

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to the condition relating to the payment of *jeton* mentioned in Item 3 below should be equivalent to 20% (twenty per cent) of that earned, on average, by a Chief Officer of the Company.

3 To establish that the sitting members of the Board of Directors should receive 50% (fifty per cent) of the monthly remuneration stipulated, the rest being divided into *jetons* paid to the sitting Member or to the substitute member who replaces that Member during meetings. In the event of there being more than one meeting in the month, the *jeton* will be divided proportionately over the number of meetings held, and received by the sitting Member or by the substitute Member who replaces that Member; in the event of there not being a meeting in the month, the sitting Member shall receive the total amount of the monthly remuneration; in the event of there being a meeting in the month and neither the sitting Member nor his or her substitute Member attending, the portion relating to the *jeton* shall not be payable, and the sitting Member shall receive the fixed portion.

4 To establish that sitting and substitute Members of the Board of Directors or the Audit Board who are resident in other municipalities than that of the head office of the Company shall be reimbursed expenses of travel and accommodation necessary for their attendance at the meetings or carrying out their functions, and that they shall also receive, as cost support, the equivalent of, approximately, 10% (ten per cent) of the total monthly remuneration of the Member, for each meeting they attend.

5 To establish that the compensation of the Executive Board shall be paid on the same dates as the remuneration of the Company's employees.

6 To establish that the monthly remuneration of each sitting member of the Audit Board shall be equivalent to 10% (ten per cent) of that earned, on average, by a Chief Officer of the Company, excluding the benefits in accordance with the law.

7 To establish remuneration equivalent to that referred to in Item 2 above, for the substitute Members of the Board of Directors who sit on the Board of Directors Support Committee excluding those Members who exercise the position of Chief Officers and obeying the criteria mentioned in Item 3 above.

The proposal by the representative of the stockholder The State of Minas Gerais was put to the vote and **approved**. The representative of **Previ** (the Banco do Brasil Pension Fund), **and the stockholders represented by Mrs. Thaís Athayde de Moraes, abstained** from voting, as a result of the Company not making available the necessary data for prior examination of the matter.

The Chairman then stated that the *publications* by Cemig specified in Law 6404 of December 15, 1976, as amended, and CVM Instruction 232 of February 10, 1995, will be made not only in the publication *Minas Gerais*, the official publication of the Powers of the State, but also in the newspapers *O Tempo* and *Valor Econômico*, without prejudice to possible publication in other newspapers; and that, since the selection of the newspapers *O Tempo* and *Valor Econômico* arises from the result of Electronic Auction 500-H90565, legal appeals may be presented to the Company within a period of five business days, which could alter the said result of the tender process. In this event, Cemig will publish a Notice to Stockholders stating the new newspapers for the publication specified in the above-mentioned Law.

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The meeting being opened to the floor, the representative of the stockholder The **State of Minas Gerais** took the floor and **congratulated the Management and the employees of the Company** for their efficiency in carrying out the work of the Company and its performance in the results of the last business year, pointing out that, even in this period of world economic and financial crisis, Cemig had obtained an exemplary result.

The meeting remaining open to the floor, and since no-one else wished to speak, the Chairman ordered the session suspended for the time necessary for the writing of the minutes. The session being reopened, the Chairman, after putting the said minutes to debate and to the vote and verifying that they had been approved and signed, **declared the meeting closed.**

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

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6. Market Announcement regarding Voluntary Dismissal Program, Companhia Energética de Minas Gerais CEMIG, May 8, 2009

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COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

LISTED COMPANY

CNPJ 17.155.730/0001-64

MARKET ANNOUNCEMENT

Cemig (*Companhia Energética de Minas Gerais*), a listed company with share securities traded on the stock exchanges of New York, Madrid and São Paulo, in accordance with its commitment to implement best corporate governance practices, hereby informs the public that a specific, non-permanent Voluntary Dismissal Program (PDV), proposed in April of this year, has been approved by the Board of Directors and offered to the group s employees.

This new program aims to increase the number of employees eligible for voluntary resignation, in comparison to the permanent Voluntary Resignation Program (PPD) which is already in place and remains in operation.

Cemig expects this initiative to result in increasing levels of annual savings, rising to more than R\$ 100 million/year after 2010, representing an internal rate of return of more than 20%.

This non-permanent Voluntary Dismissal Program is part of Cemig s Operational Efficiency Project, which seeks to optimize the company s processes, adding value for shareholders through reduction of costs and increased indices of productivity.

Belo Horizonte, May 8, 2009

Marco Antonio Rodrigues da Cunha

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

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