

## AGREEMENT FOR THE SALE OF 66% OF THE SHARE CAPITAL OF TERNA PARTICIPAÇÕES S.A. TO CEMIG GERAÇÃO E TRANSMISSÃO S.A.

- *The agreement provides for the sale of 66% of the share capital of Terna Participações S.A., for a total amount of 2,330mn reais (809mn euro), to Cemig Geração e Transmissão S.A., a company wholly owned by Companhia Energética de Minas Gerais - Cemig ("Cemig")*
- *The purchase is subject to ratification by Cemig's General Shareholders' Meeting*
- *The Closing is also subject to the approval of the local regulatory Authority*

**Rome, 24 April 2009** – Terna SpA ("Terna"), Cemig Geração e Transmissão S.A. ("Buyer"), a wholly-owned subsidiary of *Companhia Energética de Minas Gerais ("Cemig")*, and Cemig (as guarantor) signed an agreement for the transfer of the shares ("Purchased Shares", 173,527,113 common shares) representing approximately 85.27% of the voting capital and approximately 65.86% of the outstanding capital of Terna Participações S.A. ("Terna Part"), Brazilian holding company listed at the Sao Paulo Stock Exchange.

The purchase price for each purchased share is 13.43 reais (about 4.66 euro) ("Purchase Price Per Share"), totalling 2,330 mn reais (about 809 mn euro) ("Purchase Price") for all Purchased Shares. The purchase price for each share deposit certificate ("Unit", each composed of one common and two preferred shares) is, therefore, 40.29 reais (about 13.99 euro). Adjustments to the Purchased Price are foreseen in case of payment of dividends.

Upon closing, all business relationship between Terna and Terna Part will terminate.

Pursuant to Brazilian Law, the transaction - already approved by the Board of Directors of Cemig - shall be subject to ratification by Cemig's General Shareholders' Meeting.

The Closing, which shall occur not earlier than September 30, 2009, is also subject to the approval of the local regulatory Authority (ANEEL, Agência Nacional de Energia Elétrica), which shall have been obtained within 12 months.

Pursuant to Brazilian law and Terna Part' By-Laws, the transfer of the Purchased Shares by the Seller to the Buyer shall impose on the Buyer the obligation to make a public offer for the acquisition of the shares of the non-controlling shareholders of Terna Part ("OPA"), at the same Purchase Price Per Share. In addition to the Purchased Shares, Terna owns 10,000 units of Terna Part which it agrees to tender at the OPA filed by the Buyer.

The use of proceeds from this sale will be analysed in due course after the closing.

Terna was advised by Rothschild and Vergent Partners as financial advisors. For assessing the fairness of the price, Terna was advised also by Credit Suisse.

The CEO, Flavio Cattaneo, commented the deal: "The deal allows us to extract the best valuation of Terna Part's stake. We are disposing it at a very attractive value, substantially higher than the book value and double the market value at the beginning of February. This sale not only grants to our shareholders an important upside, but also delivers additional resources for the benefit of the Italian electricity system and the development of the National Transmission Grid."

Terna's management will comment the transaction to sell-side analysts and institutional investors during the conference call on 1Q09 Results, scheduled for May 13, 2009.

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**Terna Participações S.A** is a listed holding company operating in the transmission business in Brazil which owns eight 30-years concessions granted for the design, construction, operation, maintenance and development of the related portions of the Brazilian National Transmission Grid. The company is the second largest electricity transmission groups in Brazil, with a total of 3,330 km of lines, of which 2,447 km of 500kv, 502 km of 440kv and 381 km of 230kv and 23 substations.

The Company's 2008 consolidated financial statements, according to the accounting practices adopted in Brazil (BR GAAP), reported Net Revenues of 625 million reais (234mn euro), EBITDA of 531 million reais (199mn euro), a net income of 188 million reais (70mn euro) and Net Debt of 1,369 million reais (422mn euro).

According to IAS, the Group financial statements reported Net Revenues of 531 million reais (199mn euro), EBITDA of 385 million reais (144mn euro), a net income of 109 million reais (41mn euro). Shareholders' Equity equal to 829 mn reais (256mn euro) and Net Debt of 1,337 million reais (412mn euro).

**Companhia Energética de Minas Gerais** is controlled the State of Minas Gerais (51% of voting shares and 23.4% of the share capital) and is one of Brazil's largest energy groups. Among the other shareholders we have AES (33% of the voting shares and 14.4% of the share capital) and Capital Research (2.9% of the share capital).

In 2008 Cemig reported revenues at 10.89 bn reais (about 4.08 bn euro), Ebitda at 4.10 bn reais (about 1.54 bn euro) and Net Income at 1.89 bn reais (about 0.71 bn euro). As of December 31, 2008, Cemig had Total Assets equal to 24.34 bn reais (9.12bn euro) and Net Debt equal to 5.06 bn reais (about 1.90 bn euro).

*In this press release, some "alternative performance indicators" are used, whose meaning and content are illustrated here below and are in line with the CESR/05-178b recommendation published on November 3, 2005:*

- *Ebitda (gross operating margin): represents the indicator for the operating performance; it is calculated by adding amortizations to the operating result (EBIT);*
- *Net financial debt: an indicator of the financial structure deriving from the result of short and long term financial debt, net of cash and cash equivalents and of financial activities.*

