HOHMANN FRANK L III
Form 4
March 02, 2011

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
HOHMANN FRANK L III

(Last) (First) (Middle)

C/O BARBARA NIMS, ESQ., DAVIS POLK & WARDWELL

(Street)

NEW YORK, NY 10017

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
MATERIAL SCIENCES CORP [MASC]

3. Date of Earliest Transaction (Month/Day/Year)
03/01/2011

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director __X__ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	03/02/2011		M		654	A	(3)	1,012,274	D	
Common Stock	03/02/2011		D		654	D	$ 6.83 (3)	1,378,620 (1)	D	
Common Stock								5,000	I	Trust for daughter (2)
Common Stock								10,700	I	Trust for son (2)

Common Stock	40,000	I	By charitable Foundation

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount Underlying Securities (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Am or Nu of Sha
PHANTOM STOCK	$ 0 (4)	03/02/2011		A		1,161		(5)	(5)	COMMON STOCK	1,
PHANTOM STOCK	(3)	03/02/2011		M			654	03/01/2011	03/01/2011	COMMON STOCK	6

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HOHMANN FRANK L III C/O BARBARA NIMS, ESQ. DAVIS POLK & WARDWELL NEW YORK, NY 10017	X	X		

Signatures

/s/ JAMES D. PAWLAK, CFO, attorney in fact	03/02/2011
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) REFLECTS THE TRANSFER OF 367,000 SHARES FROM GRANTOR RETAINED ANNUITY TRUSTS (GRATs) TO THE REPORTING PERSON IN TRANSACTIONS EXCEMPT FROM SECTION 16 REPORTING REQUIREMENTS.

(2) THE REPORTING PERSON DISCLAIMS BENEFICIAL OWNERSHIP OF THESE SHARES, EXCEPT TO THE EXTENT OF HIS PECUNIARY INTEREST THERIN.

(3) EACH SHARE OF PHANTOM STOCK WAS THE ECONOMIC EQUIVALENT OF ONE SHARE OF MASC COMMON STOCK. THE REPORTING PERSON SETTLED HIS SHARES OF COMMON STOCK FOR CASH.

(4) CONVERSION PRICE OF PHANTOM STOCK UNITS 1-FOR-1.

(5) UNITS, ISSUED UNDER THE 2006 NON-EMPLOYEE DIRECTOR PLAN, VEST IMMEDIATELY, BUT ARE DISTRIBUTED FIVE YEARS FROM GRANT DATE UNLESS EARLIER REDEEMED PURSUANT TO TERMS OF THE PLAN.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. t .0001pt;page-break-after:avoid;text-align:right;">**6,551**

3,986

Total Thermoelectrics

184

115

Eólica

1

0

Total

6,736

4,101

- *Cemig Corporation is the fifth largest Generator in the country*
- *Light acquisition increased installed capacity by 4%*

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Consolidated Sales for Generation Business + Light GWh

Quartely evolution

Nine months 2006

- *Cemig corporation is the fifth largest Generator in the country*
- *With generation from Light, Generation sales increased 2.0%*

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Explanation of Responses:

Consolidated Posisiton of energy Transmission assets

Extension of Transmission Network - Km

	2003	**2004**	**2005**	**09/2006**
Lines of 500 KV	2.163	2.163	2.165	2.581
Lines of 345 KV	1.921	1.942	1.976	1.977
Lines of 230 KV	745	751	751	779
Total	4.829	4.856	4.892	5.337

- *Incorporation of TBE increased installed capacity for transmission lines for Cemig by xx%*
- *Cemig Corporation is the sixth largest Transmitor of energy in the country*

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Agenda

1. Strategy and results

- Wilson Brumer

2. Growth: new projects add new capacity

- Djalma Morais

3. Acquisitions as an avenue for growth in the short-term

- Flávio Decat

4. Cemig Corporation

- **Wilson Brumer**

5. Financial strategy and results analysis

- Flávio Decat

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International class company in performance

• Total assest :	R$ 24.5 billion
• Shareholders equity :	R$ 8.1 billion
• Consolidated debt:	R$ 8.2 billion
• Consolidated net earnings:	R$ 7.0 billion

- Energy sales to the principal states of Brazil
- Initiating foreign investments

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Quality growth ensures sustainability

Obligations to diverse stakeholders

- Shareholders:
- Corporate Governance
- Conform with Sarbanes-Oxley Law: section 404
- Minimize cost of investments
- Guarantee adequate returns
- Employees:
- Human capital development
- Best company to work for: included in the top 100 best companies by Exame magazine
- Clients
- Assets with superior operational performance
- Qualification of activities through the ISO 9000
- Community
- For the seventh consecutive time, Cemig was selected to be part of the Dow Jones World Sustainability index

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New map of Cemig in the country

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Acknowledging the market

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Agenda

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- Wilson Brumer

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- **Flávio Decat**

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Financial management in line with Strategic Plan

- Long-Term Strategic Plan Commitment:
- Debt/ EBITDA
- Debt/(Debt+ stockholders equity)
- Adequate cash flow to Cemig **desverticalizada** and by expansion
- **Projects initiated only with guaranteed resources**
- Expansion financing structure that allows for average cost reduction considering capital
- Extension of debt maturity for the long-term
- Optimization of foreign exchange risk
- Combined with a natural hedge (energy sales contracts are indexed to the dollar)
- Expectation of improving credit quality evaluation by risk classiciation agencies

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Consolidated indebtedness - September 2006 R$ million

Principal Indexes

Principal Creditors

Banco ItaúBBA	R$	1.290 milhões	(22	%)
Debenturistas	R$	1.287 milhões	(22	%)
Unibanco	R$	701 milhões	(12	%)
Bradesco	R$	616 milhões	(11	%)
Banco do Brasil	R$	592 milhões	(10	%)
Eletrobrás	R$	274 milhões	(5	%)
BNDES	R$	234 milhões	(4	%)

Average cost of debt is 9.89% p.a., with constant prices (as of September 2006) without considering Light and TBE debts.

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Lengthened Debt Maturity Profile

2006 considers R$1,200 million regarded to Commercial Papers from 90 day period raised in July.

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Debt matured schedule with subsequent events

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Forecast values to 2006

Net Debt

Net Debt + PL

Debt

EBITDA

Debt

EBITDA ajusted

A		**B**	**C**	
Debt = Total Debt	Regulatory Assets	A - FIDC		Covenants Banks

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Strong cash flow guarantees expansion

Statement of Cash Flows (consolidated)
Values in millions of reais

	9M06	9M05	2005
Cash at start of period	**1.469**	**896**	**896**
Cash from operations	*1.542*	1.224	*1.657*
Net income	1.113	1.487	2.003
Depreciation and amortization	479	444	595
Suppliers	(39)	(41)	91
Deferred tariff adjustment		(591)	(591)
Other adjustments	(11)	146	(220)
ICMS on TUSD		(221)	(221)
Financing Activity	*433*	*117*	*147*
Financing obtained	2.204	1.031	1.556
Payment of loans and financing	(216)	(598)	(818)
Others	(1.555)	(316)	(591)
Investment Activity	*(1.412)*	(940)	*(1.356)*
Investments outside concession area	(507)	(49)	(69)
Investments in concession area	(1.060)	(935)	(1.360)
Special obligations - consumer contributions	159	44	73
Others	(4)		
Cash at end of period	**2.032**	**1.297**	**1.344**

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Evolution of Consolidated Results

Statement of Results (Consolidated)

Value in millions of reais

	9M06	3Q06	9M05	3Q05	FY2005
Net Revenue	6.970	**2.599**	6.148	**2.063**	8.236
Operating Expenses	(5.347)	**(1.918)**	(4.198)	**(1.503)**	(6.342)
EBIT	**1.623**	**681**	***1.950***	***560***	**1.894**
EBITDA	***2.102***	**905**	***2.363***	***699***	**2.489**
Financial Result	(208)	**(38)**	(43)	**124**	(3)
Non-operating result	(13)	**7**	(39)	**(19)**	(53)
Provision for Income taxes, Social Cont. and Deferred income tax	(456)	**(200)**	(665)	**(219)**	(471)
Interest on own capital reversal	169		283		635
Minority shareholders	(2)	**(2)**	1		1
Net income	**1.113**	**448**	**1.487**	**446**	**2.003**

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Net revenues

Consolidated Operating Revenues
Value in millions of reais

	9M06	3Q06	9M05	3Q05	FY2005
Sales to end consumers	7,316	2,729	6,538	2,382	8,919
TUSD	907	319	864	292	1,201
Subtotal	8,223	3,048	7,402	2,674	10,120
Supplies	692	318	160	52	237
Network transmission revenue	458	172	285	107	322
Gas supply	220	80	195	64	265
Others	149	55	114	36	168
Subtotal	**9,742**	**3,673**	**8,156**	**2,933**	**11,112**
Deferred tariff readjustment			591		591
Deductions	(2,772)	(1,074)	(2,599)	(870)	(3,467)
Net Revenues	**6,970**	**2,599**	**6,148**	**2,063**	**8,236**

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Operating Expenses impacted by non-controllable costs

Consolidated Operating Expenses (Values in millions of reais)

	9M06	3Q06	9M05	3Q05	FY2005
Purchased Energy	1,578	590	1,053	397	1,455
Personnel/Managers/Board/Profit Shares	908	255	694	213	1,106
Depreciation and Amortization	479	176	444	149	595
Fuel Consumption Account - CCC	363	141	305	109	416
Energy Development Account - CDE	244	93	220	74	296
Charges for the use of Basic Transmission Network	621	199	506	149	641
Third Party Services	344	127	290	114	423
Pension Fund (Forluz)	116	41	115	38	153
Materials	59	21	66	24	96
Production Materials	36	36			
Royalties	94	39	110	31	145
Purchased Gas for Resale	119	43	116	40	156
Operational Provisions	117	37	116	101	127
PROINFA	31	16			
Energy Efficiency and R&D	67	22	17	7	
Other expenses	171	82	146	57	733
Total	**5,347**	**1,918**	**4,198**	**1,503**	**6,342**

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Non-recurring items: Adjusted results show sustainable growth

Values in thousands	9M06	9M05
Net Income	1,113,267	1,487,200
(a) Deferred Tariff adjustment		(412,597)
(b) CVA Recomposition of TUST	61,555	
(c) Annual Salary Increase	117,040	
(d) Reversal of Provision for RGR	(43,402)	
(e) Income from overdue bills Inc. cl	(31,869)	
Adjusted net income	**1,216,591**	**1,074,603**

EBITDA	2,102,234	2,394,124
(a) Deferred Tariff Adjustment -		(487,576)
(b) CVA Recomposition of TUST	93,265	
(c) Annual Salary Increase	177,425	
(d) Reversal of Provision for RGR	(65,760)	
Adjusted EBITDA	**2,307,164**	**1,906,548**

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Integrated business structure benefits results

Statement of Consolidated Results Values in millions of reais - 9M06

	Cemig H	Cemig D	Cemig GT
Net Revenue	6,970	4,660	1,765
Operating Expenses	(5,347)	(4,009)	(901)
EBIT	**1,623**	**651**	**864**
EBITDA	**2,102**	**926**	**1,010**
Financial Result	(208)	19	(368)
Non-Operating Result	(13)	(21)	(1)
Provision for Income taxes, Social Cont. and Deferred Income taxes	(456)	(222)	(167)
Interest of Own Capital Reversal	169	126	160
Minority Shareholders	(2)		
Net Income	**1,113**	**553**	**488**

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Results

Cemig Generation and Transmission

Statement of Results - Cemig Generation and Transmission
Values in millions of Reais

	9M06	3Q06	9M05	3Q05	FY2005
Net Revenue	1,765	651	1,462	534	1,964
Operating Expenses	(901)	(342)	(606)	(218)	(1,154)
EBIT	**864**	**309**	**856**	**316**	**810**
EBITDA	**1,010**	**365**	**991**	**361**	**988**
EBITDA Margin	**57.2%**	**56.1%**	**67.8%**	**67.6%**	**50.3%**
Financial Result	(368)	(132)	(282)	17	(526)
Non-Operating Result	(1)	1	(4)	(3)	(5)
Provision for Income taxes, Social Cont. and Deferred Income taxes	(167)	(59)	(194)	(112)	(93)
Interest of Own Capital Reversal	160	76	137		282
Net Income	**488**	195	**513**	218	**468**
Net margin	**27.6%**	**30.0%**	**35.1%**	**40.8%**	**23.8%**

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Cemig Generation and Transmission

Operating Revenues
Values in millions of reais

	9M06	3Q06	9M05	3Q05	FY2005
Sales to end consumers	1,075	384	1,105	388	1,489
Wholesale supply	649	276	442	163	597
Network transmission revenue	437	151	285	107	396
Others	8	3	7	2	11
Subtotal	**2,169**	**814**	**1,839**	**660**	**2,493**
Deductions	(404)	(163)	(377)	(126)	(529)
Net revenue	**1,765**	**651**	**1,462**	**534**	**1,964**

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Cemig Generation and Transmission

Operating Expenses
Values in millions of reais

	9M06	3Q06	9M05	3Q05	FY2005
Personnel/ management/Board/Profit Share	207	57	141	46	235
Depreciation and Amortization	146	56	136	45	181
Fuel Consumption Account - CCC	50	19	22	7	29
Energy Development Account - CDE	32	12	13	5	17
Charges for Use of the Basic Transmission Network	171	63	84	31	157
Third Party Services	61	26	47	20	78
Pension Fund - Forluz	26	9	26	9	35
Materials	12	4	10	4	17
Royalties	91	32	83	27	109
Operational Provisions	3	1	2	1	200
Other Expenses	102	38	42	23	95
Total	**901**	**317**	**606**	**218**	**1,153**

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Results

Cemig Distribution

Statement of Results - Cemig Distribution
Values in millions of reais

	9M06	3Q06	9M05	3Q05	FY2005
Net Revenue	4.660	1.597	4.755	1.565	6.397
Operating Expenses	(4.009)	(1.316)	(3.672)	(1.317)	(5.225)
EBIT	**651**	**281**	**1.083**	**248**	**1.172**
EBITDA	**926**	**370**	**1.354**	**339**	**1.454**
EBITDA Margin	**19,9%**	**23,2%**	**28,5%**	**21,7%**	**22,7%**
Financial Result	19	(56)	161	81	26
Non-Operating Result	(21)	(7)	(23)	(10)	(31)
Provision for Income taxes, Social Cont. and Deferred Income taxes	(222)	(75)	(417)	(108)	(398)
Interest of Own Capital Reversal	126	60	107		221
Net Income	**553**	203	**911**	211	**990**
Net Margin	**11,9%**	**12,7%**	**19,2%**	**13,5%**	**15,5%**

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Cemig Distribution

Operating Revenue
Values in millions of reais

	9M06	3Q06	9M05	3Q05	FY2005
Sales to End Consumers	5,887	2,044	5,366	1,968	7,335
TUSD	885	297	864	292	1,201
Subtotal	6,772	2,341	6,230	2,260	8,536
Wholesale Supply	30	24	44	14	95
Others	39	13	40	10	53
Subtotal	**6,841**	**2,378**	**6,314**	**2,284**	**8,684**
Deferred Tariff Adjustment			591		591
Deductions	(2,181)	(781)	(2,150)	(719)	(2,878)
Net Revenue	**4,660**	**1,597**	**4,755**	**1,565**	**6,397**

- Revenue from industrial consumers declined 12% as a result of the migration of consumers from capitive to free.

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Cemig Distribution

Operating Expenses - Values in millions of reais

	9M06	3Q06	9M05	3Q05	FY2005
Personnel	587	151	445	137	595
Profit Shares	43	14	45	15	188
Obrigações Pós-Emprego	81	27	83	28	111
Materiais	44	15	52	18	74
Third Party Services	233	77	210	81	312
Electric Energy Purchased for Resale	1.544	524	1.400	529	1.890
Depreciation and Amortization	275	91	271	91	364
Operating Provisions	90	33	113	66	133
Fuel Consumption Account - CCC	304	113	283	102	387
Charges for Use of the Basic Transmission Network	422	112	420	116	554
Energy Development Account - CDE	205	74	207	69	279
Efficient Energy and R&D	51	15	12	5	173
PROINFA	28	15			
Other Expenses	102	55	131	60	165
Total	**4.009**	**1.316**	**3.672**	**1.317**	**5.225**

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Glossário

Average outage frequency (FEC): Average number of outages suffered in a given period per consumer, in a given group of consumers.

Debt coverage index: Ebitda divided by total financial expenses in the year. This gives a figure for the company s capacity to pay debt servicing.

Deferred Tariff Adjustment (RTD): Every four years Aneel decides on a periodic tariff *review* for each electricity distributor, to adjust the level of annual adjustments to preserve the financial equilibrium of the concession contracts, coverage of efficient operational costs and adequate remuneration of investment. On April 8, 2003, this adjustment for Cemig was set provisionally at 31.53%, but the final adjustment decided was 44.41%, and the percentage difference of 12.88% will be applied to Cemig s tariffs in deferred format: i.e., as an addition to each of the annual tariff adjustments decided for the years 2004 through 2007, cumulatively. The difference between the adjustment to which Cemig Distribuição is entitled and the tariff in fact charged to consumers has been recognized in Cemig s financial reporting as a Regulatory Asset.

Ebitda: Earnings before interest, tax, depreciation and amortization a measure of a company s operational cash flow, providing an indicator of the cash flow generated by a company s principal business.

Ebitda margin: Ebitda/net operating revenue. This provides a view of the company s cash generation capacity.

Hedge: Financial mechanism for protection against fluctuations in prices e.g. of commodities -, or variables such as interest rates or exchange rates.

Hydroelectric power plant: A generating plant that uses the mechanical energy of falling water to operate electricity generators.

Manageable costs: Costs that essentially depend on the efficacy of corporate management, such as personnel expenses, materials, outsourced services, etc. also referred to as controllable costs.

Net margin: Net income / Net operating revenue an indication of a business s profitability.

Outage time per consumer (DEC): Average service outage time per consumer in a given group of consumers over the specified period.

The Extraordinary Tariff Recomposition (RTE): This was a tariff adjustment granted by the government in December 2001 to the distributors and generators of the regions where rationing was imposed. It was one of the conditions of the *General Accord for the Electricity Sector*: an increase of 2.9% in the tariff of residential consumers (with the exception of Low-Income Residential Consumers), and an increase of 7.9% for other consumers. Its purpose was to make good the losses suffered by distributors and generators as a result of the reduction of consumption imposed by the government. The duration of the adjustment varies in accordance with the time necessary to recover the loss of each concession holder.

The CCC (Fuel Consumption Account): This account was created to accumulate funds to cover the increase in costs associated with greater use of thermal generation plants in the event of drought since the marginal operating costs of thermal plants are greater than those of hydroelectric plants. All Brazil s electricity companies are obliged to make an annual contribution to the CCC, calculated on the basis of estimates of the amount of fuel likely to be required by the thermal plants in the following year.

The CDE (Energy Development) Account: This is a source of subsidies to make alternative energy sources such as wind and biomass more competitive, and promote universalization of electricity services. It is funded by annual payments made by the concession holders for the use of public assets, and also from penalty payments imposed by Aneel for infringements.

The CRC (Results Compensation Account): Before 1993, electricity concession holders in Brazil were given a guarantee of a rate of return on their investment in the assets used in the provision of electricity to clients, and the tariffs charged to clients were uniform over the whole country. Profits generated by the more profitable concession holders were reallocated to the less profitable concession holders, in such a way that the rate of return on assets was equal to the national average for all of the companies. Though the results for the majority of Brazil s electricity concession holders were deficits, these were posted by the federal government as *assets* in the CRC account of each company. When the CRC Account, and the concept of guaranteed return, were abolished, concession holders that had positive balances in their CRC accounts were able to offset these balances against any liabilities owed to the federal government.

The CVA the Offsetting Account for Variations of Portion A items: Portion A is the list, used in the calculation of the electricity distributors annual tariff adjustments, of the utility s cost items that are not under its own control. The CVA mechanism compensates for changes in the list s total over the year to the new tariff date. The variation positive or negative is passed on in the tariff adjustment.

The Global Reversion Reserve (RGR): This is an annual amount included in the costs of concession holders to generate a fund for expansion and improvement of public electricity services. The amounts are paid monthly to Eletrobrás, which is responsible for the management of the resulting fund, and are to be employed in the Procel mechanism.

Thermal power plant: A generating plant that converts chemical energy contained in fossil fuels into electricity.

Total return to stockholders: Sum of the dividend yield and the percentage appreciation in the stock price.

TUSD Toll for Use of the Distribution System: This is paid by generation companies, and by Free Consumers, for the use of the distribution system belonging to the distribution concession holder to which the generator or Free Consumer is connected, and is revised annually in accordance with inflation and the investments made by the distributor in the previous year for maintenance and expansion of its network. The amount is: the quantity of energy contracted with the distribution concession holder for each link point, in kW, multiplied by a tariff in R$/kW set by Aneel.

Volt: Unit of the electrical potential at which energy is supplied.

Voltage: For the purposes of efficient transport of electrical energy over transmission lines from the generating plant to the consumer, there are various levels of transmission voltage. Similarly, electricity is used by consumers at various different voltage levels.

Watt (W): Unit of power required for a device to operate. 1,000 watts is a kilowatt (kW), 1 million watts is a Megawatt (MW), and 1 billion watts is a Gigawatt (GW).

Watt-hour: Measure of energy (work done by electric power): The kilowatt hour, Megawatt hour, Gigawatt hour and Terawatt hour (KWh, MWh, GWh, TWh) respectively represent 1,000, 1 million, 1 billion and 1 trillion watt-hours.

EARNINGS FORECAST
REVIEW
2006 - 2010

CFO AND INVESTOR RELATIONS DIRECTOR

NOVEMBER/06

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Disclaimer

- Some statements in this presentation are regarded under U.S. Securities law as *forward-looking statements,* i.e., statements that are subject to risks and uncertainties. Forward-looking statements are forecasts which may differ materially from the final figures and which are not under our control. For further information on the risks and uncertainties as they relate to us, please see our 20-F form for 2005, in particular, item 3 which contains Basic Information Risk Factors.

All figures are expressed in Brazilian GAAP.

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AGENDA

REASONS FOR UPDATING GUIDANCE FROM MAY 2006

GUIDANCE PROCESS REVISIONS AND EXPLANATION

NEW 2006 GUIDANCE

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FORECAST DISCLOSED AT 11TH CEMIG ANALYST ANNUAL MEETING

EBITDA FORECAST 2006/09

R$ MM

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REASONS FOR CHANGING 2006 EBITDA FORECAST

GUIDANCE MAY 2006		GUIDANCE NOV 2006
3,454	**(419)**	**3,035**

NEGATIVE	
TE CASE REVENUE REIMBURSEMENT	
RTD	**(173)**
PASEP/COFINS	**(67)**
PROFIT SHARING BONUS	
PSB	**(80)**
ACQUISITIONS	
Revision LIGHT/TBE	**(141)**
PERSONAL COLLECTIVE AGREEMENT	
Odontology Plan	**(17)**
POSITIVE	
PROVISIONS	
Operational Provisions (Labor, civil, others)	**59**

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PROCESS REVISION

- Reasons for redesigning the process
- Enhancement of the accuracy of information disclosed to the public
- Compliance with practices under *Sarbanes-Oxley* law section 404: certification of information utilized in projections
- Design of new process
- Creation of a committee with managers from several areas
- Certification of each step of the process
- Dedicated modeling *software* and *hardware*
- Connection of management information systems (SAP) and of risk management
- Update and communicate with the financial market two times per year
- Integration of processes that make up the Financial Planning

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PROCESS REVISION INFORMATION CERTIFICATION

Models	Update	Authorized by
Long term projections of CEMIG controlling group	Yes	DFN/A
Base year projection for income statement (2006)	Yes	CR
Balance sheet projections for base year (Dez/ 2006)	Yes	CR
Cash Flow Projections for base year	Yes	CR
Macroeconomic indicators	Yes	PP/PE and ED
Sales forecast	Yes	ED, PL and RL
Invoiced Revenue Generation, Transmission, Distribution	Yes	PP/TF
Invoiced Revenue (Distribution low income arrival)	Yes	PP/TF
RTD Deferred tariff revenues	Yes	CR
RTE Extraordinary Tariff Adjustment	Yes	PP/TF
Pis/Cofins	Yes	CR and PP/IV
Operating Expenses (Distribution)	Yes	PP, DDC and DGE
Operating Expenses (Generation and Transmission)	Yes	PP, DGT and DGE
Other Expenses(*)	Yes	CR
Purchased Energy	Yes	CV and PP/TF
ONS Payment	Yes	CV and PP/TF
Other Charges	Yes	PP/TF
Investments	Yes	Sub Committee CPE
Depreciation	Yes	PP/IV
Debt	Yes	CR

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GUIDANCE ASSUMPTIONS - INDICATORS

PRIOR SCENARIO

- With Brazil obtaining Investment Grade status for 2008/2009, new resources available will contribute to reduce interest rates

- Structural reforms that will be made during 2007 allow for stronger growth in GDP

UPDATED SCENARIO

- Brazil obtaining Investment Grade status is not sufficient to allow a material reduction in interest rates, remembering that other emerging market countries (during this time) have also received Investment Grade status.

The consequence is small.

- The GDP growth assumes a conservative position due to the weak Brazilian economic performance when compared to other Emerging Market countries.

Brazil should continue to have a lower growth rate than other emerging market countries.

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NEW PROJECTION

Comparison between prior and updated scenarios

Year	Prior IGP-M %	PIB	Selic	Dollar R$/US$	Updated IGP-M %	PIB	Selic	Dollar R$/US$
2007	5.4	3.0	13.3	2.4	4.7	3.5	13.5	2.3
2008	5.6	3.8	12.1	2.5	4.8	3.5	13.1	2.4
2009	5.7	4.2	10.3	2.6	4.8	3.5	12.9	2.6
2010	5.6	4.6	8.9	2.7	4.8	3.5	12.6	2.7

LARGEST DIFFERENCES

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FORECAST ASSUMPTIONS FOR POWER GENERATION MARKET

POWER GENERATION PRICE CURVE

Results from auctions and contracts with free consumers

UPDATED GUIDANCE

PRIOR GUIDANCE

Fonte: Compra e Venda de Energia

REVIEW

- For contracts that are to be renewed with free clients, new price expectations were considered that reflect a lower future availability of energy in the market.

- Un-contracted energy (PLD) for 2007/08 was sold at a public offering by CEMIG, attaining a superior price level than the May 2006 assumption.

- Surplus energy (PLD) was priced higher than outlined in May 2006, reflecting effective conditions of attendance in September 2006.

- BOTOX power plants expected revenues from 2011 to 2009 (average 355MW, R$125.78/MWh).

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GUIDANCE ASSUMPTIONS FOR DISTRIBUTION MARKET

Captive Market Sales - TWh

UPDATED GUIDANCE

PRIOR GUIDANCE

Fonte:Planejamento de Mercado

Total Distributed Energy - TWh

COMMENTS

- Change in macroeconomic environment;

- Move of captive clients to unregulated energy market;
- Move of Network Distribution users to National Grid;
- Planned projects and expansions in the prior cycle that were not carried out.

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CONSOLIDATED EBITDA Projected Composition 2006/07

CONSOLIDATED EBITDA

R$ MM (Currency as of Jun/06)

PRIOR GUIDANCE includes planning of current companies, and does not consider future acquisition or participation in auctions

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2006/07 Consolidated EBITDA forecast breakdown

EBITDA R$ MM

(*) Excluding PR and depreciation

PROJECTED EBITDA FOR THE COMING YEARS

Companies	2006	2006 adjusted	2007	2008	2009	2010
GT	1,391	1,451	1,570	1,630	1,717	1,820
D	1,364	1,575	1,684	1,529	1,566	1,605
OTHER COMPANIES(*)	280	293	504	485	472	507
Consolidated	**3,035**	**3,319**	**3,758**	**3,644**	**3,755**	**3,932**

(*)Includes HOLDING

COMMENTS ABOUT DISTRIBUTOR EBITDA IN 2008

1. April 2008 rate review

- Capture productivity

2. Interest charge (R$50 million, as of today) financial compensation on the reimbursement for a lower revenue as of May 2004

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ASSUMPTION UNCERTAINTIES LEAD TO THE ADOPTION OF RANGES FOR EBITDA FORECAST

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Explanation of Responses:

EARNINGS FORECAST
REVIEW
2006 - 2010

CFO AND INVESTOR RELATIONS DIRECTOR

NOVEMBER/06

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GUIDANCE REVISION

2006 - 2010

Director of Corporate Finance and Investor Relations

NOVEMBER/06

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Disclaimer

- Some statements in this presentation are regarded under U.S. Securities law as *forward-looking statements,* i.e., statements that are subject to risks and uncertainties. Forward-looking statements are forecasts which may differ materially from the final figures and which are not under our control. For further information on the risks and uncertainties as they relate to us, please see our 20-F form for 2005, in particular, item 3 which contains Basic Information Risk Factors.

All figures are expressed in Brazilian GAAP.

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AGENDA

REASONS FOR UPDATING GUIDANCE FROM MAY 2006

GUIDANCE PROCESS REVISIONS AND EXPLANATION

NEW 2006 GUIDANCE

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PROJECTION DIVULGED AT 11TH CEMIG-APIMEC MEETING

EBITDA PROJECTION

2006/09

R$ MM

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REASONS FOR CHANGING 2006 EBITDA GUIDANCE

GUIDANCE MAY 2006		GUIDANCE NOV 2006
3,454	(419)	3,035

NEGATIVE	
REGULATORY ACTIONS/SECTOR CHARGES	
RTD	**(173)**
PASEP/COFINS	**(67)**
PERCENTAGE OF EARNINGS	
PR	**(80)**
PARTICIPATION	
Revision LIGHT/TBE	**(141)**
PERSONAL COLLECTIVE ACCORD	
Odontology Plan	**(17)**
POSITIVE	
RESERVES	
Operational Reserves (employee, civil, other)	**59**

Fonte: Controladoria

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PROCESS REVISION

- Reasons for redesigning the process
- Increase in precision of information divulged to the public
- Conform with practices under *Sarbanes-Oxley* law section 404: certification of information utilized in projections
- Design of new process
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Base year projection for income statement (2006)	Yes	CR
Balance sheet projections for base year (Dez/ 2006)	Yes	CR
Cash Flow Projections for base year	Yes	CR
Macroeconomic indicators	Yes	PP/PE and ED
Market	Yes	ED, PL and RL
Invoiced Revenue Generation, Transmission, Distribution	Yes	PP/TF
Invoiced Revenue (Distribution low income arrival)	Yes	PP/TF
RTD Deferred tariff revenues	Yes	CR
RTE (amort. And crr. Var.) Extraordinary Tariff Adjustment	Yes	PP/TF
Pis/Cofins	Yes	CR and PP/IV
Expenses - PMSO (ER Distribution)	Yes	PP, DDC and DGE
Expenses - PMSO (ER Generation and Transmission)	Yes	PP, DGT and DGE
Other Expenses(*)	Yes	CR
Purchased Energy	Yes	CV and PP/TF
ONS Payment	Yes	CV and PP/TF
Other Charges	Yes	PP/TF
Investments	Yes	Sub Commitee CPE
Depreciation	Yes	PP/IV
Debt	Yes	CR

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GUIDANCE ASSUMPTIONS - INDICATORS

PRIOR SCENARIO

- With Brazil receiving Investment Grade status for 2008/2009, new resources available will aid in reducing interest rates

- Structural reforms that will be made during 2007 allow for higher growth in GDP

UPDATED SCENARIO

- Brazil receiving Investment Grade status is not sufficient to allow a material reduction in interest rates, remembering that other emerging market countries (during this time) have also received Investment Grade status.

The consequence is small.

- The GDP growth assumes a conservative position due to the weak Brazilian economic performance when compared to other Emerging Market countries.

Brazil should continue to have a lower growth rate than other emerging market countries.

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NEW PROJECTION

Comparison between prior and current projections

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LARGEST DIFFERENCES

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GUIDANCE ASSUMPTIONS FOR GENERATION MARKET

GENERATION PRICE CURVE

Results from auctions and contracts with free consumers

Fonte: Compra e Venda de Energia

REVISION

- For contracts that are to be renewed with free clients, new price expectations were considered that reflect a lower future availability of energy in the market.

- Uncontracted energy (PLD) for 2007/08 was sold at a public offering by CEMIG, attaining a superior price level than the May 2006 assumption.

- Surplus energy (PLD) was valued at higher levels than outlined in May 2006, reflecting effective conditions of attendance in September 2006.

- Expected BOTOX energy revenues from 2011 to 2009 (average 355MW, R$125.78/MWh).

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GUIDANCE ASSUMPTIONS FOR DISTRIBUTION MARKET

Fonte: Planejamento de Mercado

COMMENTS

- Change in macroeconomic environment;
- Migration of captive clients to Free;
- Migration of Network Distribution clients to Basic Network;
- Planned projects and expansions in the prior cycle that do not verify their totals.

CONSOLIDATED EBITDA
Projected Composition 2006/07

CONSOLIDATED EBITDA

R$ MM (Currency from Jun/06)

INITIAL GUIDANCE includes planning of existing companies, and does not consider future acquisition or participation in auctions

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2006/07 Consolidated EBITDA forecast breakdown

EBITDA R$ MM

(*) Excluding PR and depreciation

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PROJECTED EBITDA FOR THE COMING YEARS

Companies	**2006**	**2006 adjusted**	**2007**	**2008**	**2009**	**2010**
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Consolidated	**3,035**	**3,319**	**3,758**	**3,644**	**3,755**	**3,932**

(*) Includes HOLDING

COMMENTS ABOUT DISTRIBUTOR EBITDA IN 2008

1. Tariff revision in April 2008

- Capture productivity

2. Financial bubble (R$50 million, today s price) compensation for the tariff adjustment reduction in May 2004, without the implementation of regulatory activities

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ASSUMPTION UNCERTAINTIES LEAD TO THE ADOPTION OF EBITDA RANGES

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GUIDANCE REVISION

2006 - 2010

Director of Corporate Finance and Investor Relations

NOVEMBER/06

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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/ Flávio Decat de Moura
Name: Flávio Decat de Moura
Title: Chief Financial Officer and Investor Relations Officer

Date: December 13, 2006

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