



A Melhor Energia do Brasil.

Successful Strategy

Performance reflects balanced portfolio structure

May, 2015



CIG
LISTED
NYSE

CIG.C
LISTED
NYSE

Disclaimer



Some statements and estimates in this material may represent expectations about future events or results that involve risks and uncertainties known and unknown. There is no guarantee that the events or results referred to in these expectations will occur.

These expectations are based on present assumptions and analyses from the viewpoint of our management, based on their experience, the macroeconomic environment, market conditions in the energy sector and our expected future results, many of which are not under Cemig's control.

Important factors that can lead to significant differences between actual results and projections about future events or results include Cemig's business strategy, Brazilian and international economic conditions, technology, Cemig's financial strategy, changes in the energy sector, hydrological conditions, conditions in the financial markets, uncertainty regarding future results of operations, plans and objectives as well as other factors. Because of these and other factors, our actual results may differ significantly from those indicated in or implied by these statements.

The information and opinions contained herein should not be understood as a recommendation to potential investors and no investment decision should be based on the truthfulness, or completeness as of the date hereof of this information or these opinions. None of Cemig's professionals nor any of their related parties or representatives shall have any liability for any losses that may result from the use of the content of this presentation.

To evaluate the risks and uncertainties as they relate to Cemig, and to obtain additional information about factors that could lead to different results from those estimated by Cemig, please consult the section on Risk Factors included in our Formulário de Referência filed with the Brazilian Securities Commission – CVM, and in Form 20-F filed with the U.S. Securities and Exchange Commission – SEC.

All figures are in BR GAAP.



Brazil's Leading Power Utility



Integrated
Power Utility
in Brazil

#1

Growth in
EBITDA
2008-14

+56%

Market cap of
US\$
6.3⁽¹⁾ B.

#3⁽²⁾

Role in
industry

**Leading
consolidator**

In the Power Industry since 1952

(1) As of May 19th, 2015

(2) In the Brazilian Energy Industry

Cemig: Strength in Numbers



Number of power plants

104

Total installed capacity

7,717 MW

Locations in Minas Gerais State

5,415

Size of Distribution concession area vs France

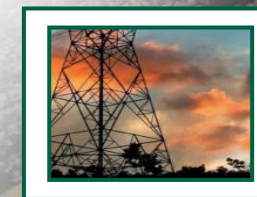
Larger

Electricity Distribution lines

531,614 km

Power Transmission lines

9,469 km



Cemig at a Glance



- Based in State of Minas Gerais, controlling shareholder
 - growing throughout Brazil and Chile
- Strong financial profile:
 - 1Q15 Net revenues: R\$ 5.8B EBITDA: R\$ 2.6B
 - 1Q14 Net revenues: R\$ 4.7B EBITDA: R\$ 2.1B
- Highest liquidity in the sector
 - listed on 3 stock exchanges New York, São Paulo, Madrid
 - More than 120.000 shareholders in more than 40 countries
 - Average Daily Trading Volume in 2015, up to May 06th
 - R\$46M in Bovespa and US\$16M in NYSE
- Solid dividend policy
 - Minimum 50% payout ratio
 - Every two years, may pay extra dividends, if cash conditions permit
- Shareholder Structure:



**Estado de Minas
Gerais**
ON:51% PN:9% CT:23%

AGC Energia
ON:33% PN:5% CT:14%

Free Float
ON:16% PN:86% CT:62%



The Cemig Story – Agenda



The positioning

The performance

The growth



Cemig is Uniquely Positioned



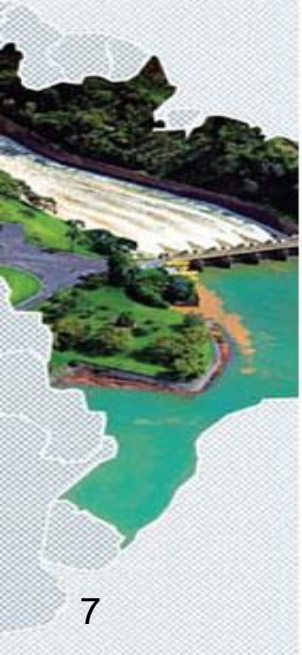
1 The Brazil advantage

2 Unmatched scale

3 Diversified portfolio

4 Leader in renewable energy

5 Strong governance



An Emerging Powerhouse Economy



Latin American economy

#1

Ranking of economy in world*

#7

GDP 2014

US\$5.5 Trillion

GDP growth 2015**

-1.2%

Population

204 M

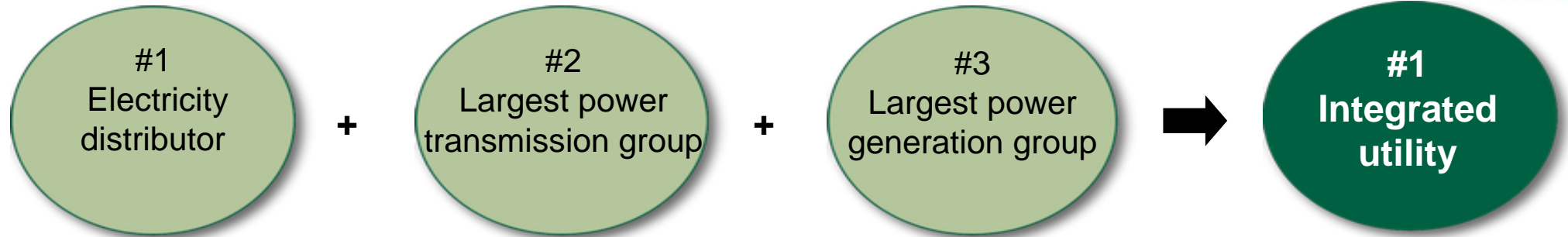
Investment grade by Moody's, Fitch and S&P










* World Bank on March 26th 2015

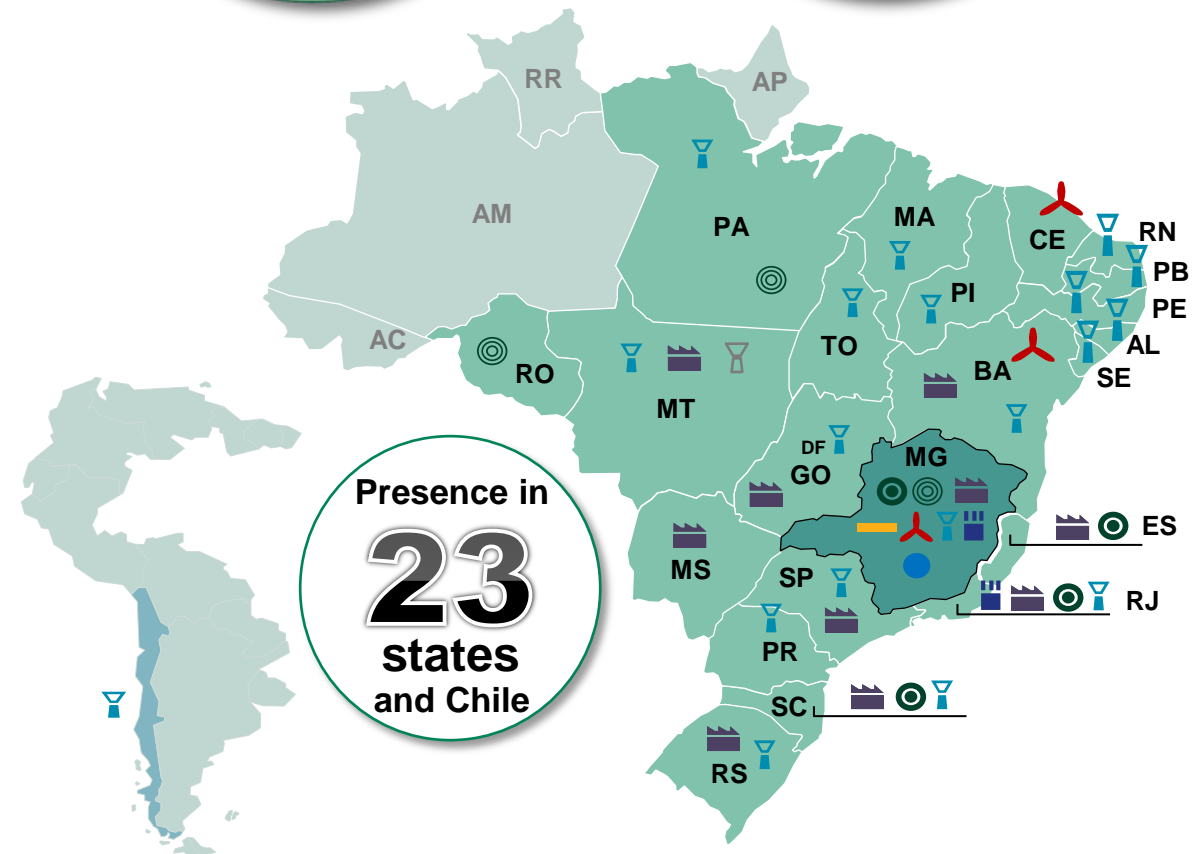
** Brazil's Central Bank Focus Report, May 15th 2015



Largest Integrated Utility in Brazil



-  Power Generation
-  Power Generation (under construction)
-  Power Transmission
-  Power Transmission (under construction)
-  Electricity Distribution
-  Cemig "Free Consumer" Clients
-  Wind Power Generation
-  Natural Gas Distribution
-  Telecom Backbone Provider

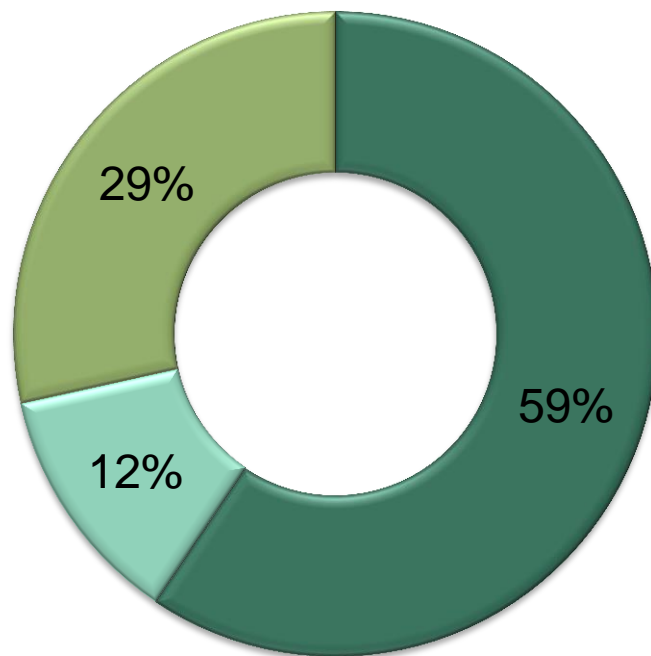


Diversified, Low Risk Business Portfolio

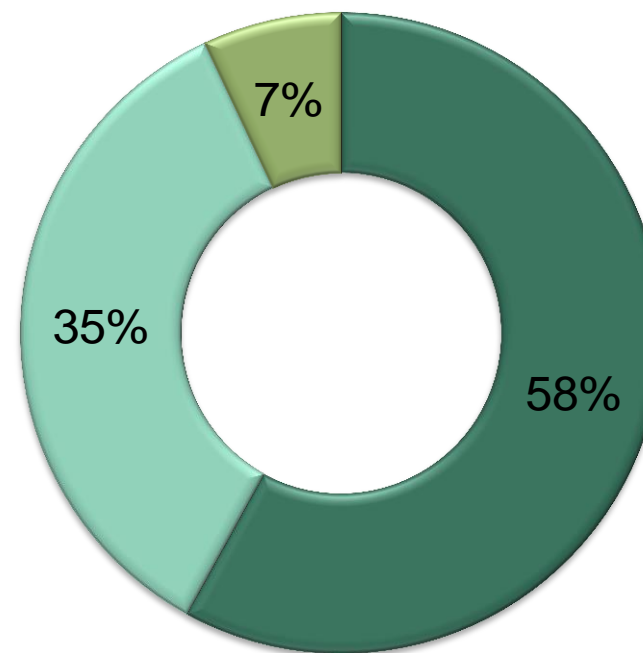


Breakdown of Ebitda

2014



2013



■ Generation

■ Transmission

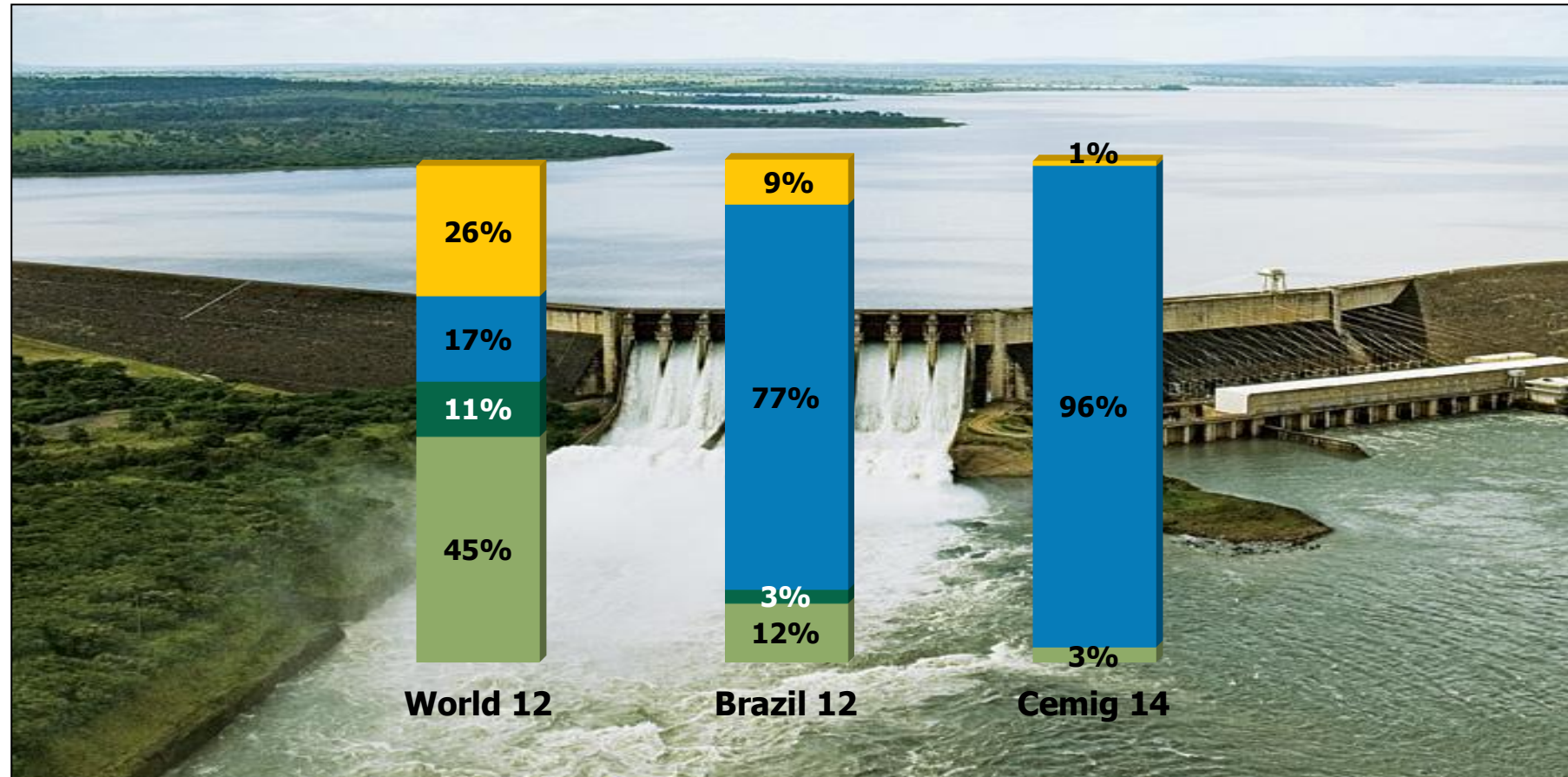
■ Distribution and Others

Most of the revenues are inflation protected

Leader in Renewable Hydro Power Energy



Power Generation by Source



■ Fossil Source Fuels

■ Nuclear

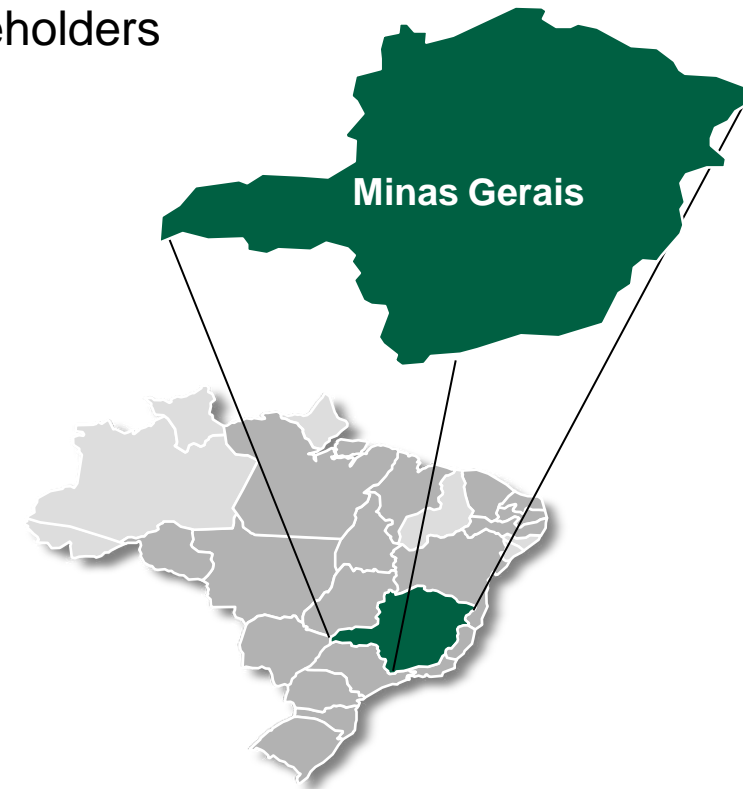
■ Hydro

■ Others

Best-in-Class Corporate Governance



- ✓ Minas Gerais, controlling shareholder – a positive influence
 - one of fastest growing, investor-friendly states in Brazil
 - growth and profitability interest aligned with minority shareholders
 - 7 from a total of 15 members are appointed by minority shareholders
- ✓ Pro-market corporate bylaws include
 - Minimum 50% dividend payout
 - Capex limited to 40% of EBITDA
 - Net debt limited to 2.5x EBITDA
 - Net debt limited to 50% of total cap.
- ✓ Leader in sustainability
 - Only Latin American utility in DJSI – Dow Jones since 1999
 - Included in the ISE – Bovespa Sustainability Index since 2005
- ✓ Present in the Global Dow Index



The Cemig Story – Agenda



The positioning

The performance

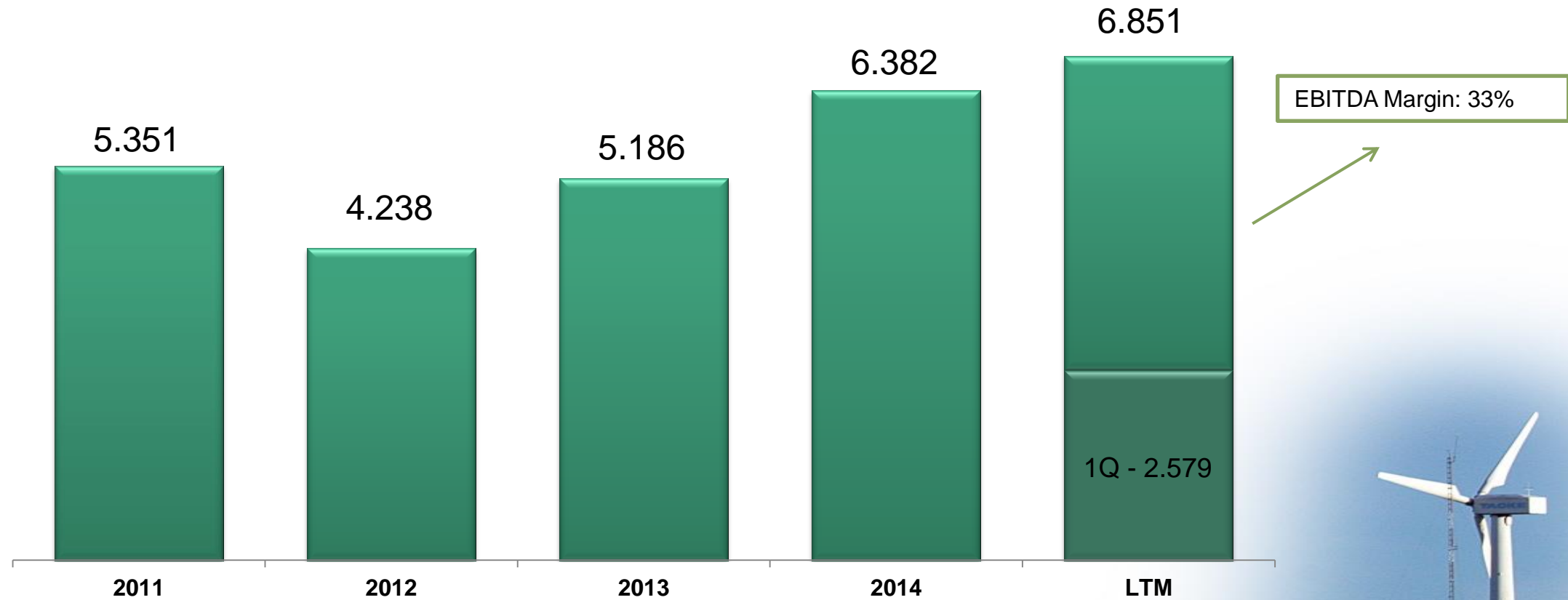
The growth



Growth in EBITDA - Guidance



R\$ million



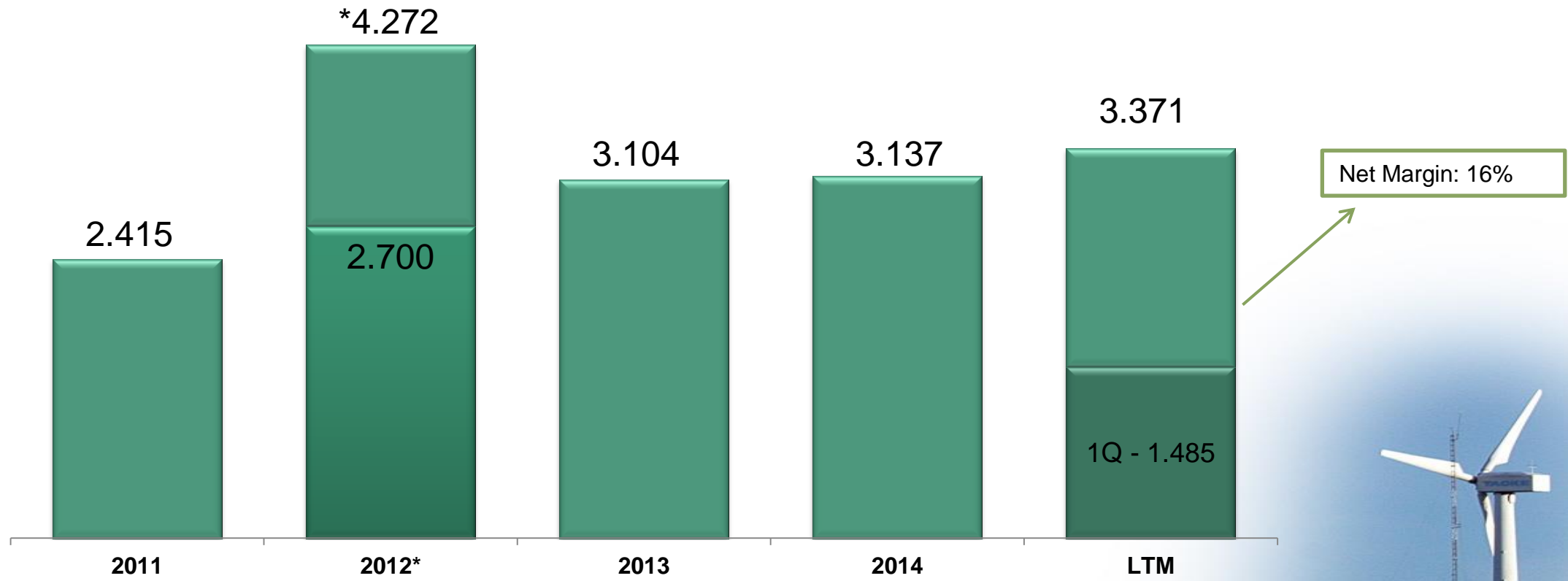
Last twelve months



Net Income Continues to Expand



R\$ million



Last twelve months

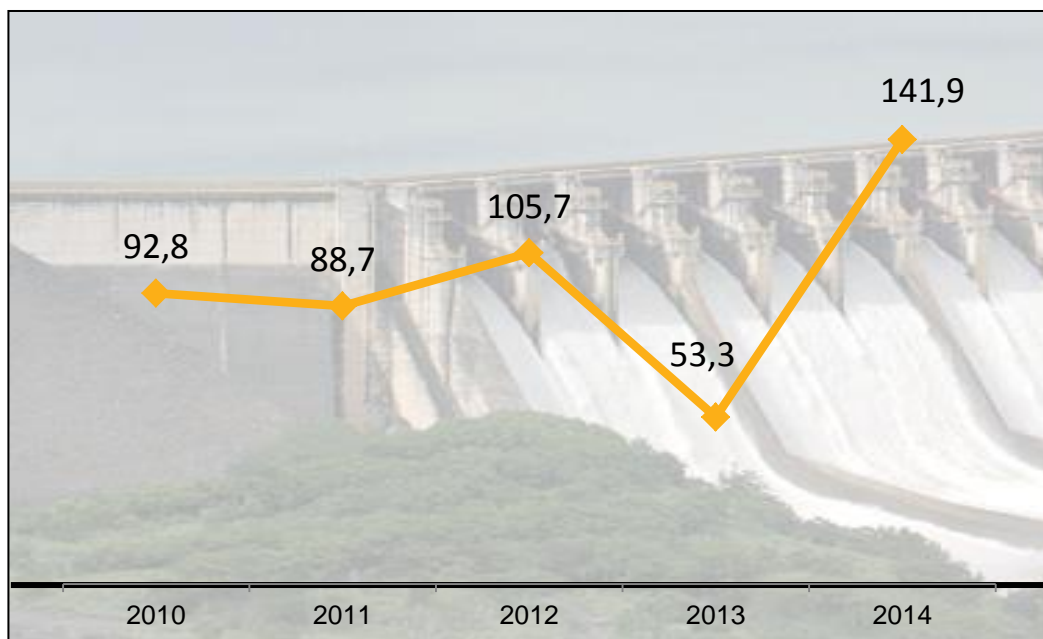
*Includes non-recurring gain of R\$1,572 million with the CRC's (Accounts receivable from Minas Gerais State government) anticipated settlement.

**Last twelve months

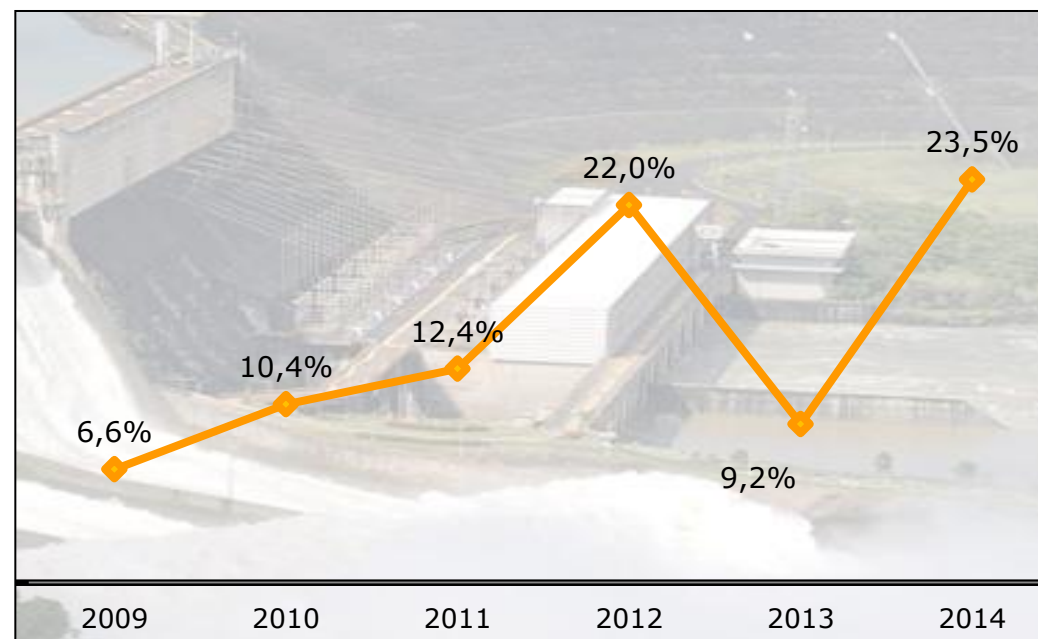
Attractive and Secure Dividend Payout



Dividend Payout - (% of Net Income)



Dividend Yield (%)* - Preferred shares



Proposal for allocation of net income



The Board of Directors will propose to the Annual General Meeting, to be held in April 2015, that the income for 2014, in the amount of **R\$3,137 million**, and the balance of retained earnings, related to realization of the Valuation Adjustments Reserve in the amount of **R\$71 million**, should be allocated as follows:

- **R\$797 million**, corresponding to 25% of the Net profit, to be paid as dividends, by December 31, 2015, as follows:
 - ✓ **R\$230 million** as Interest on Equity, and **R\$567 million** as complementary dividends; and
- **R\$2,410 million** to be held in Stockholders' equity as follows:
 - ✓ **R\$797 million**, corresponding to 25% of the net profit, in the account Reserve for Obligatory Dividends, to be paid as and when the Company's financial situation permits; **R\$1,584 million** in the Retained earnings reserve, to guarantee the Company's investments planned for the 2015 business year, in accordance with a capital budget; and **R\$29 million** in the Tax incentives reserve, in reference to the tax incentive amounts obtained in 2014 in relation to the investments made in the region of Sudene (the Development Authority for the Northeast).

Recommendation by the Board of Directors:

"that, monthly, the Office of the Chief Finance and Investor Relations Officer should present to this Committee, together with the material relating to Net financial revenue (expenses), a report containing:

- The variables and impacts relating to: a) the processes of renewal of the concessions for the Jaguará, São Simão and Miranda Hydroelectric Plants; b) rationalization, and the possibility of rationing of electricity in Brazil; c) the deficit in the generation of the hydroelectric plants (GSF); and d) market conditions vis-à-vis maintenance of the liquidity of Cemig, Cemig D and Cemig GT.
- Performance of the initiatives to improve the cash positions of Cemig, Cemig D and Cemig GT, notably in relation to the reduction and optimization of their costs."

Strong Balance Sheet to Support Growth



Net debt to EBITDA

1.75X

Debt in foreign currency^(*)

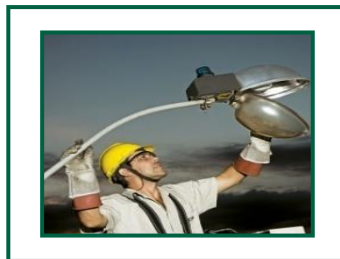
0.4%

Cash on hand

R\$1.1B

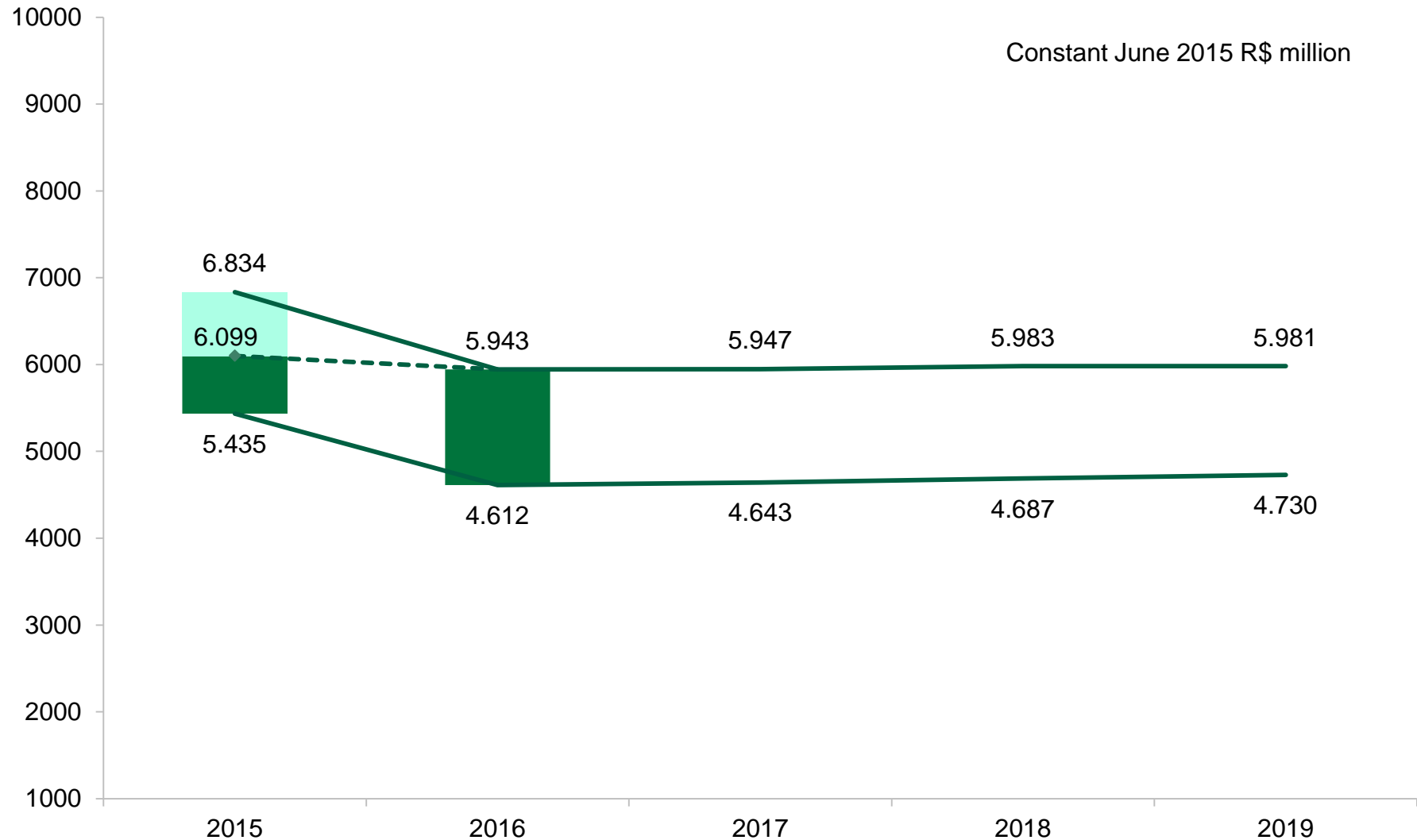
Net Revenue – 1Q15

R\$5.8B



*Net of financial hedging

EBITDA Guidance – 2015/2019



Source: Cemig.

The figure of R\$ 6.099 billion excludes the non-recurring gain of R\$ 735mn resulting from the *Aliança* transaction.

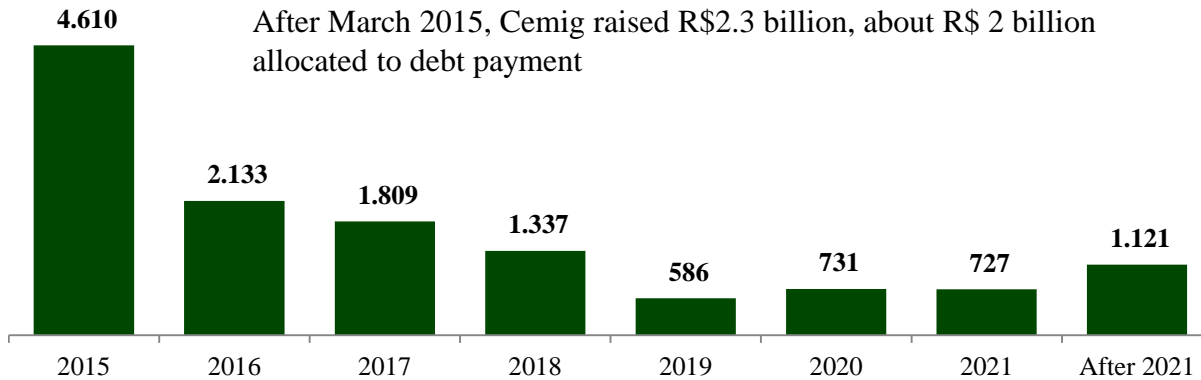
Cemig: consolidated debt profile



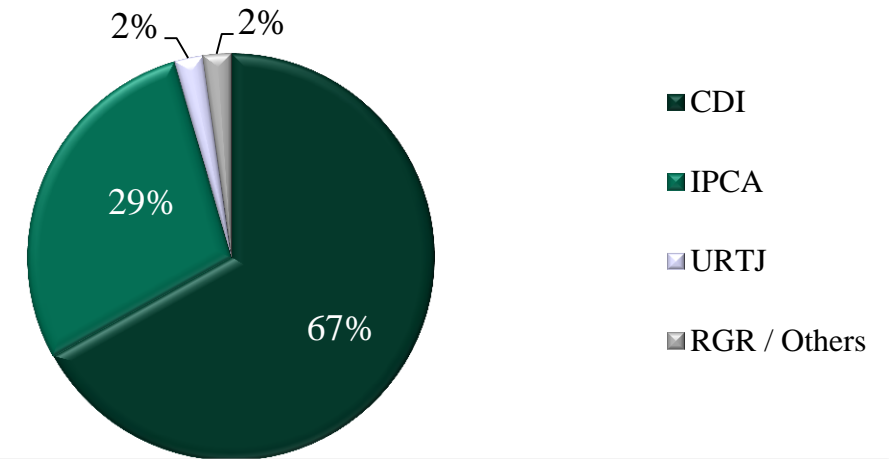
Maturities timetable – Average tenor: 2.9 years

Total net debt: R\$ 11.9 billion

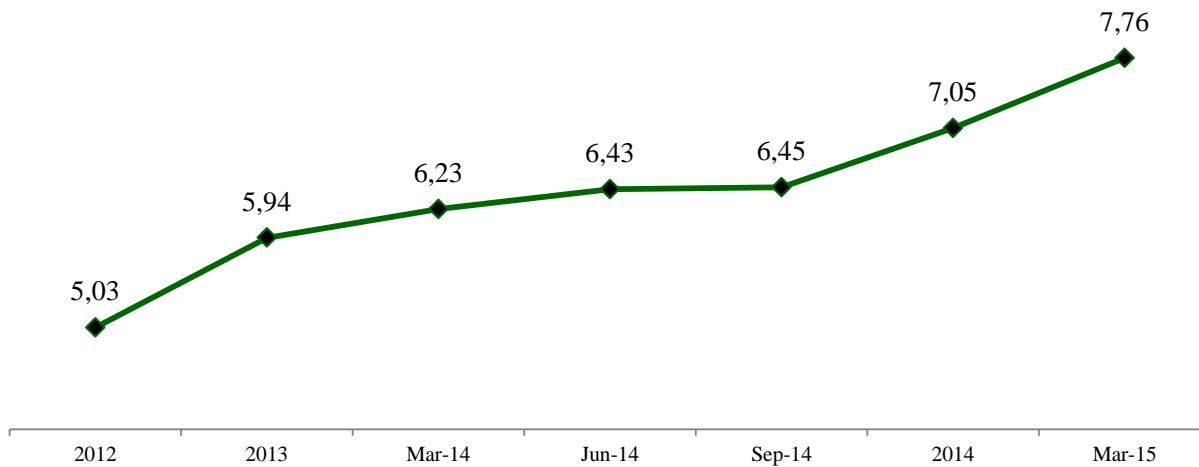
After March 2015, Cemig raised R\$2.3 billion, about R\$ 2 billion allocated to debt payment



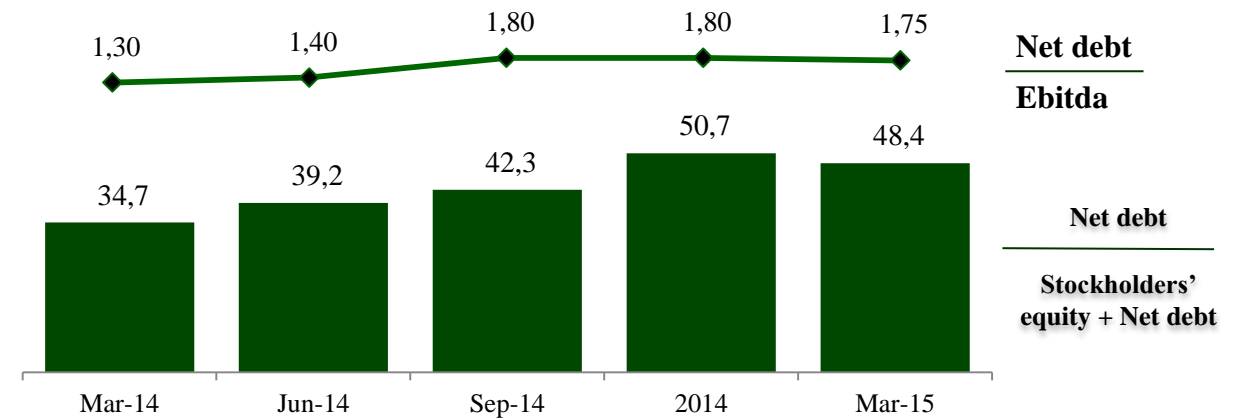
Main indexes



Real cost of debt – %



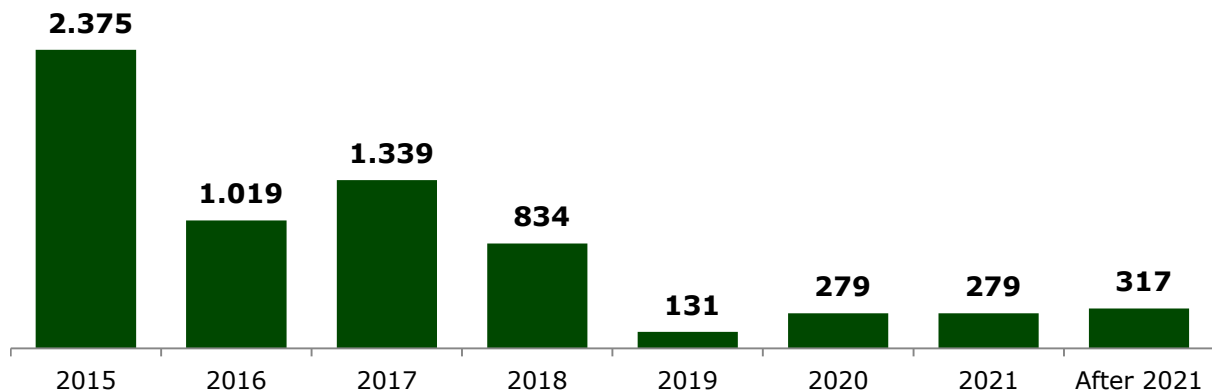
Leverage – %



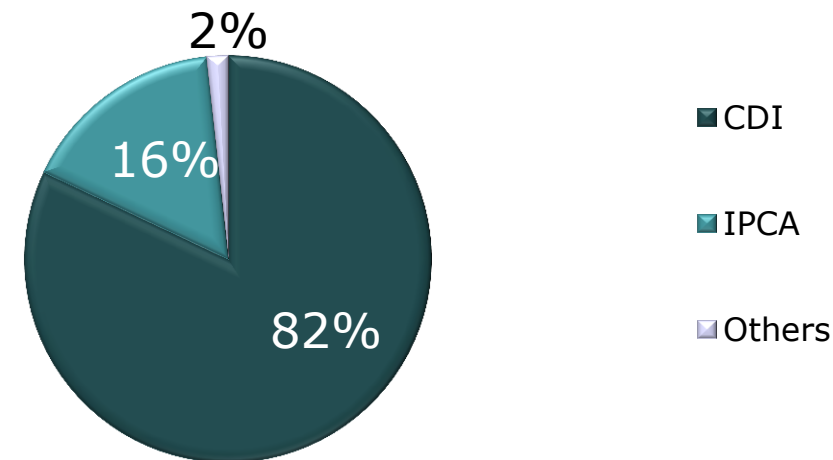
Cemig GT – debt profile

Maturities timetable – Average tenor: 2.6 years

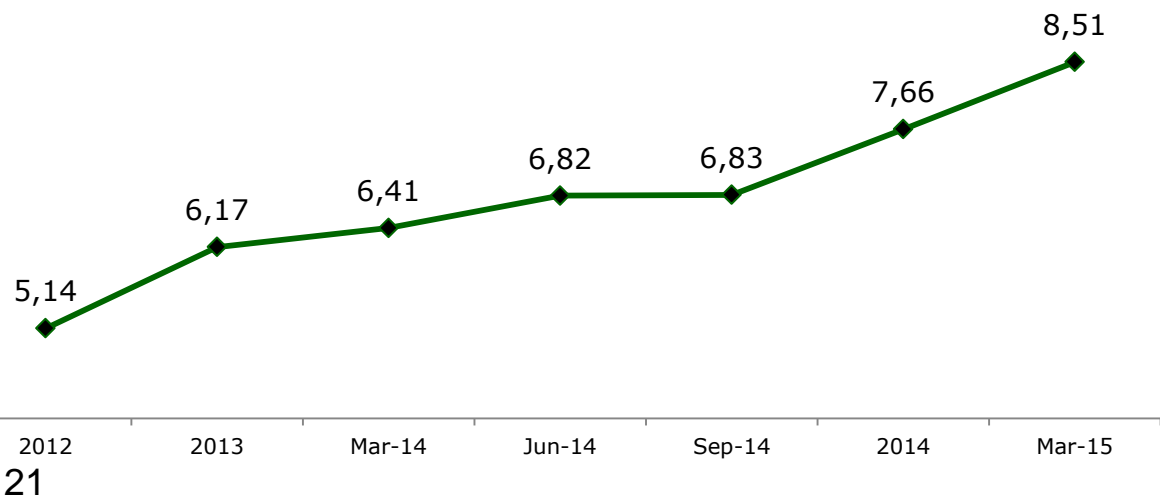
Total net debt: R\$ 6.2 billion



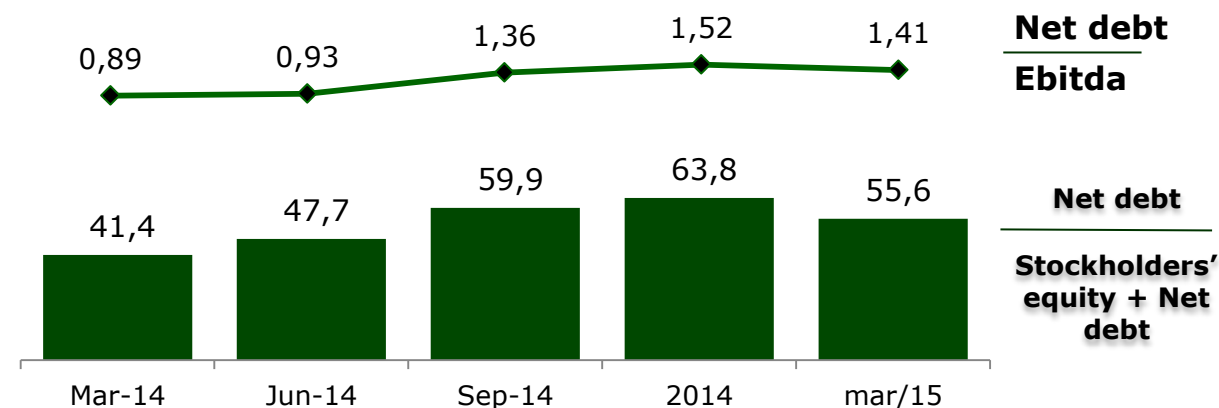
Main indexes



Real cost of debt – %



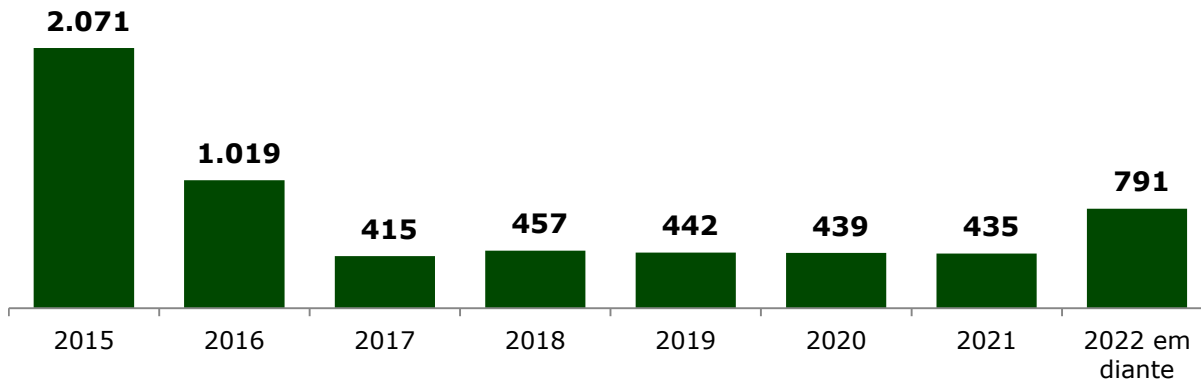
Leverage – %



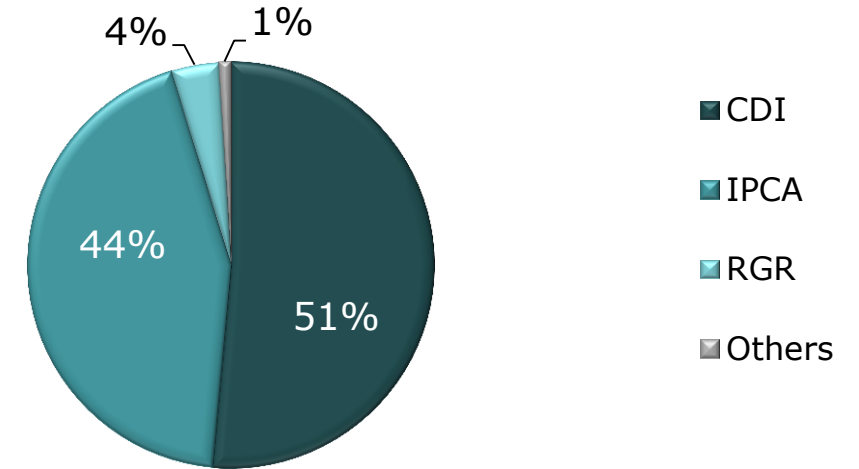
Cemig D – debt profile

Maturities timetable – Average tenor: 3.4 years

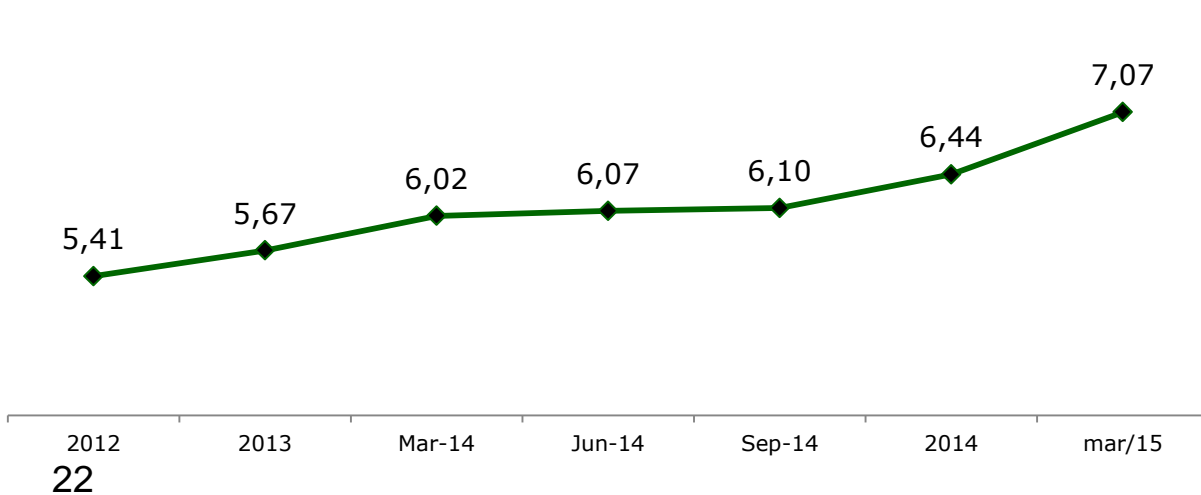
Total net debt: R\$ 5.8 billion



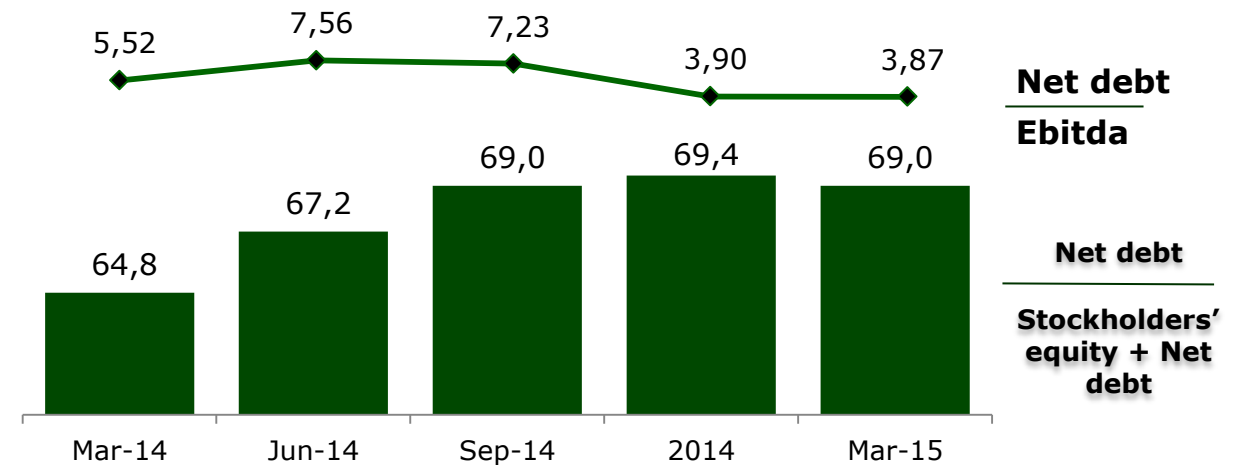
Main indexes



Real cost of debt – %



Leverage – %



Superior credit capacity recognized by the major rating agencies



FitchRatings

Investment Grade								Speculative Grade												
AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C	RD	D



AA(bra)

Cemig H, Cemig GT and Cemig D

Escala Nacional



Investment Grade									Speculative Grade											
Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa1	Caa2	Caa3	Ca	C



Aa2.br

Cemig H, Cemig GT e Cemig D

Escala Nacional

Ba1

Cemig H, Cemig GT e Cemig D

Escala Global

**STANDARD
& POOR'S**

Investment Grade										Speculative Grade									
AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	C a	CCC		



brAA+

Cemig H, Cemig GT e Cemig D

Escala Nacional

BB+

Cemig H, Cemig GT e Cemig D

Escala Global

Solid fundamentals assured by excellent financial management, stable profitability, strong cash generation and robust corporate governance.

The Cemig Story – Agenda



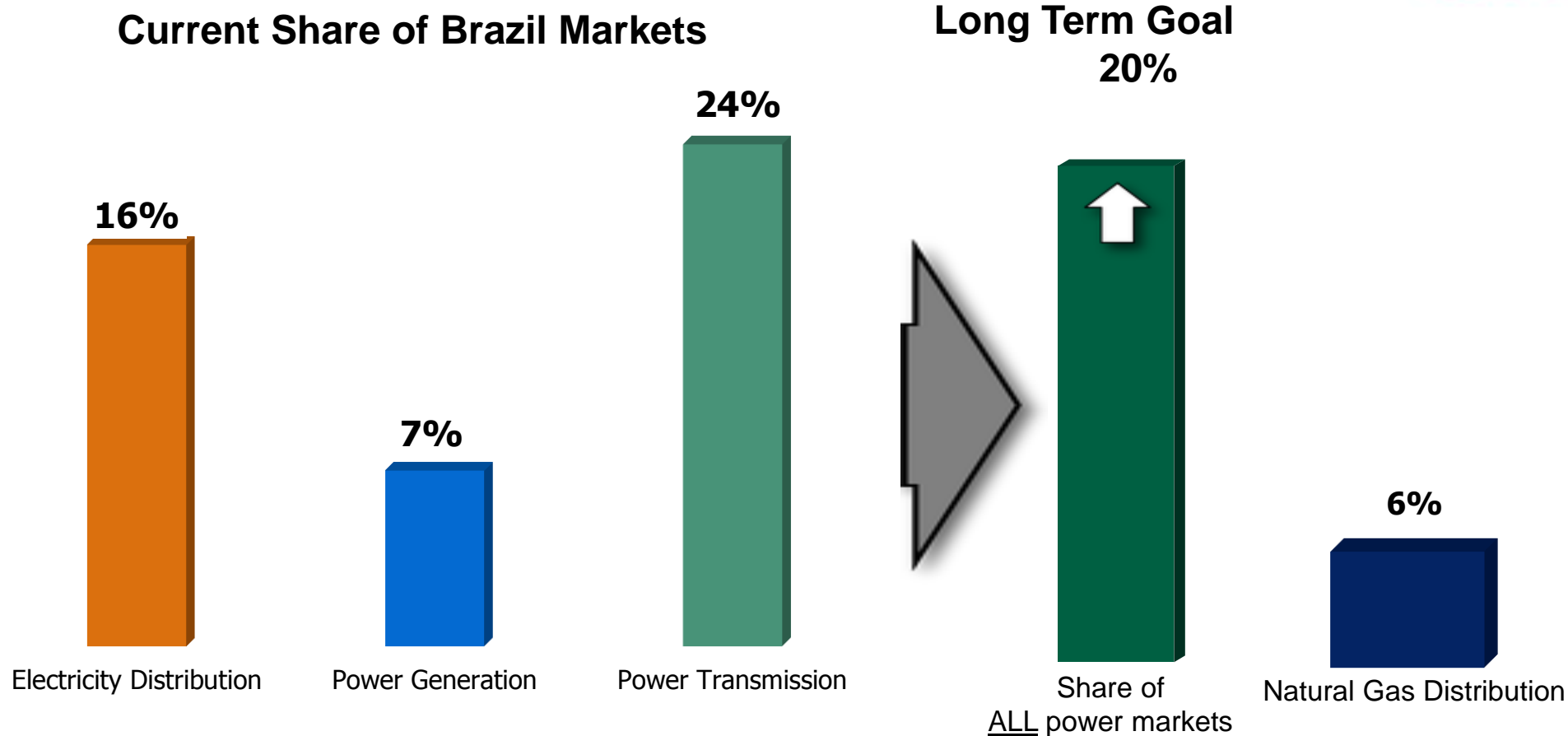
The positioning

The performance

The growth



Clear Long Term Goals



- Brazilian generation market – (% of total installed capacity)
- Brazilian transmission market – (% of Permitted Annual Revenue (RAP))
- Brazilian electricity distribution market – (% of all electricity distributed to free and captive clients in Brazil)

Growth Drivers

1

Leverage price increases



2

Improve operating efficiency



3

Geographic expansion



Clear Priorities for 2015



Priorities

1

Execute cost reductions

2

Integrate Taesa and Light acquisitions

3

Participate in green fields

4

Select new acquisitions

Why Invest in Cemig

Leading power utility in Brazil

Powerful drivers fueling growth

Sound Balance Sheet

Consistent profitable track record

Strong Dividend Policy

World Leader in Sustainability

Investor Relations

Phone Number: (55-31) 3506-5024

Fax: (55-31) 3506-5025

Email: ri@cemig.com.br

Website: <http://ri.cemig.com.br>

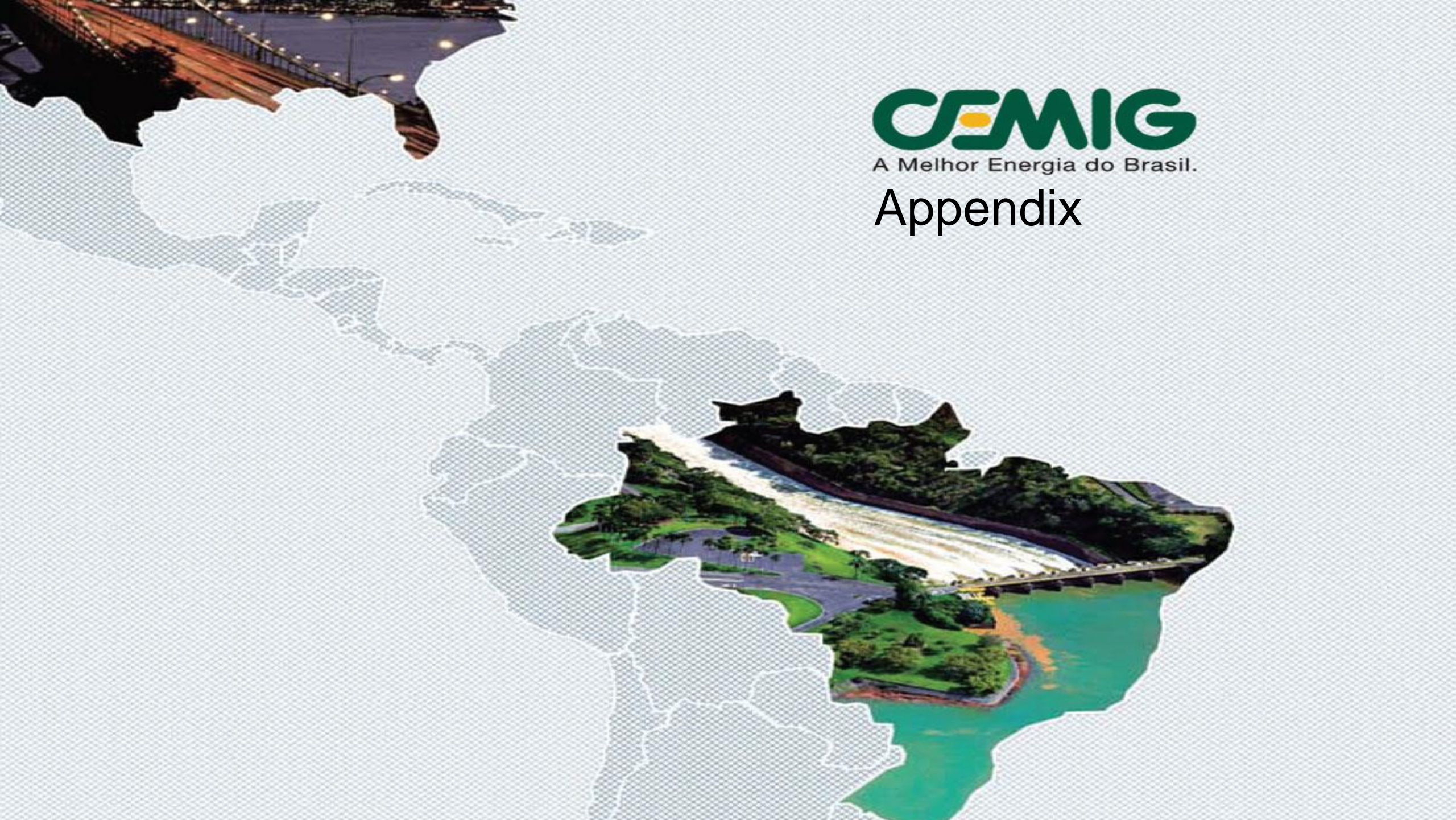


Índice de Sustentabilidade Empresarial

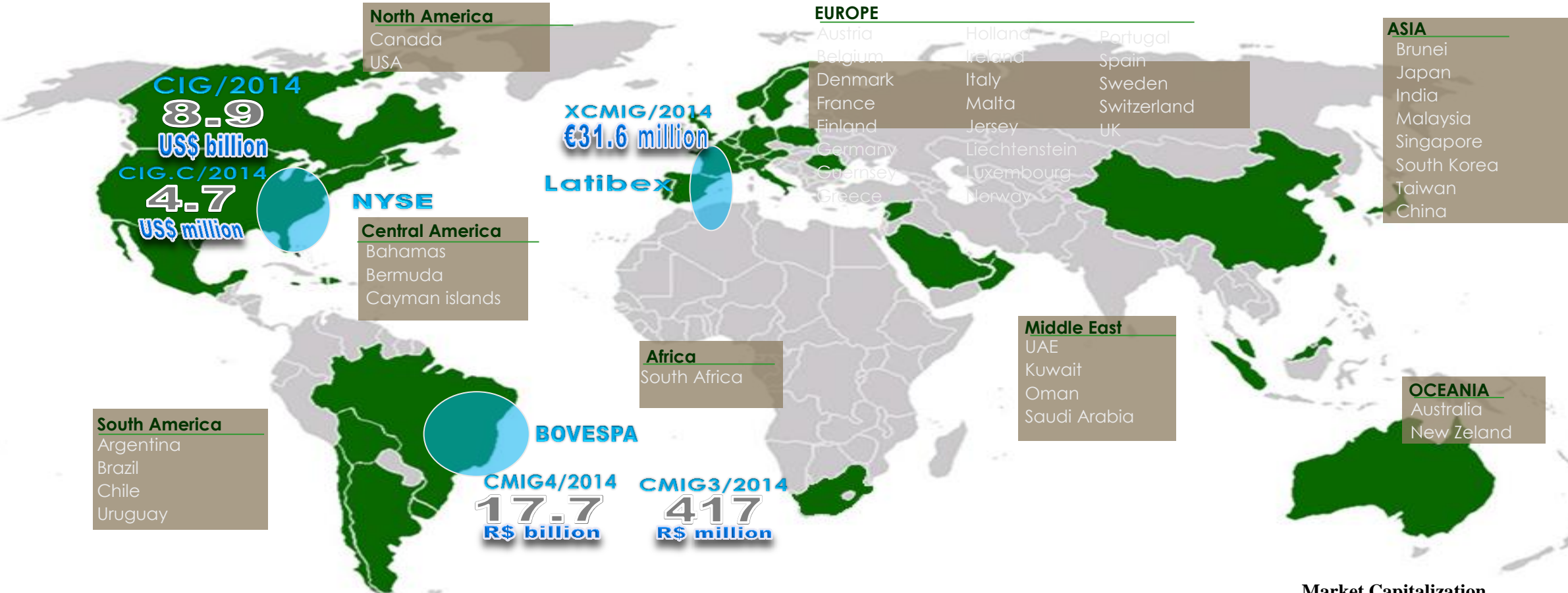




Appendix

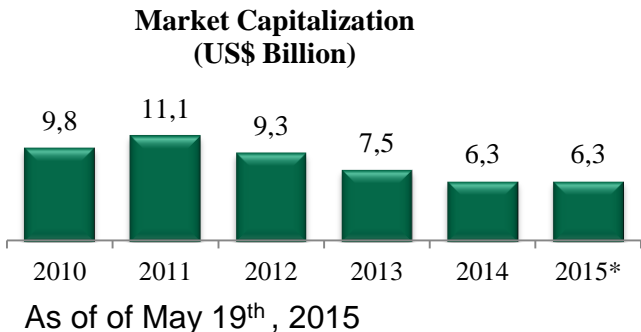


Strong shareholders base assures liquidity



Average daily trading volume of shares in 2015, up to May 6th
Bovespa: R\$ 46million
NYSE: US\$ 16 million

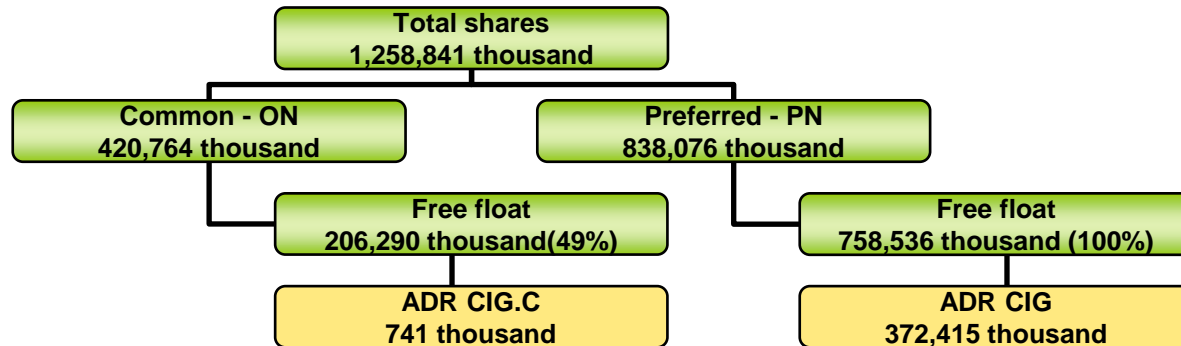
- Shares traded on 3 stock exchanges
- Over 120,000 stockholders in more than 40 countries



The blend of shareholders provides long term perspective



- Our shareholder diversity provides a global business management vision focused on sustainability of the company's activities
- Listed in major stock exchanges
 - BOVESPA (Brazil)
 - NYSE (USA)
 - LATIBEX (Spain)

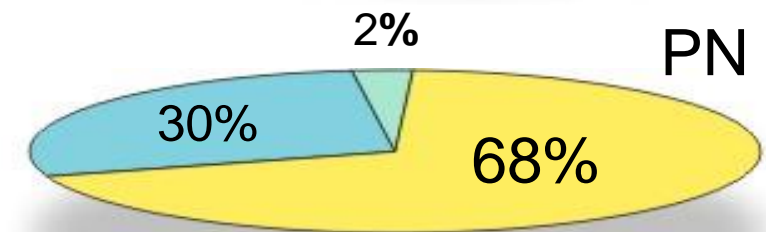
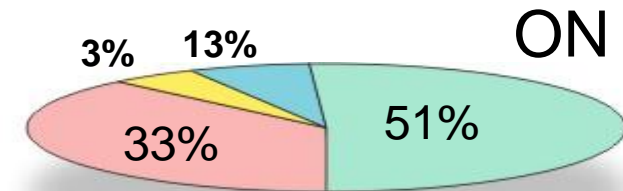
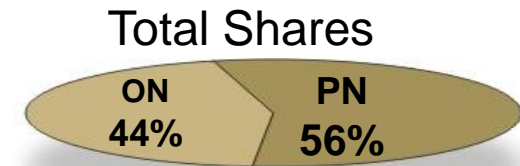


Share nominal value = R\$5.00

ADR outstanding approximately 20% of total shares and 36.97% of PN shares

1 ADR = 1 share in Bovespa

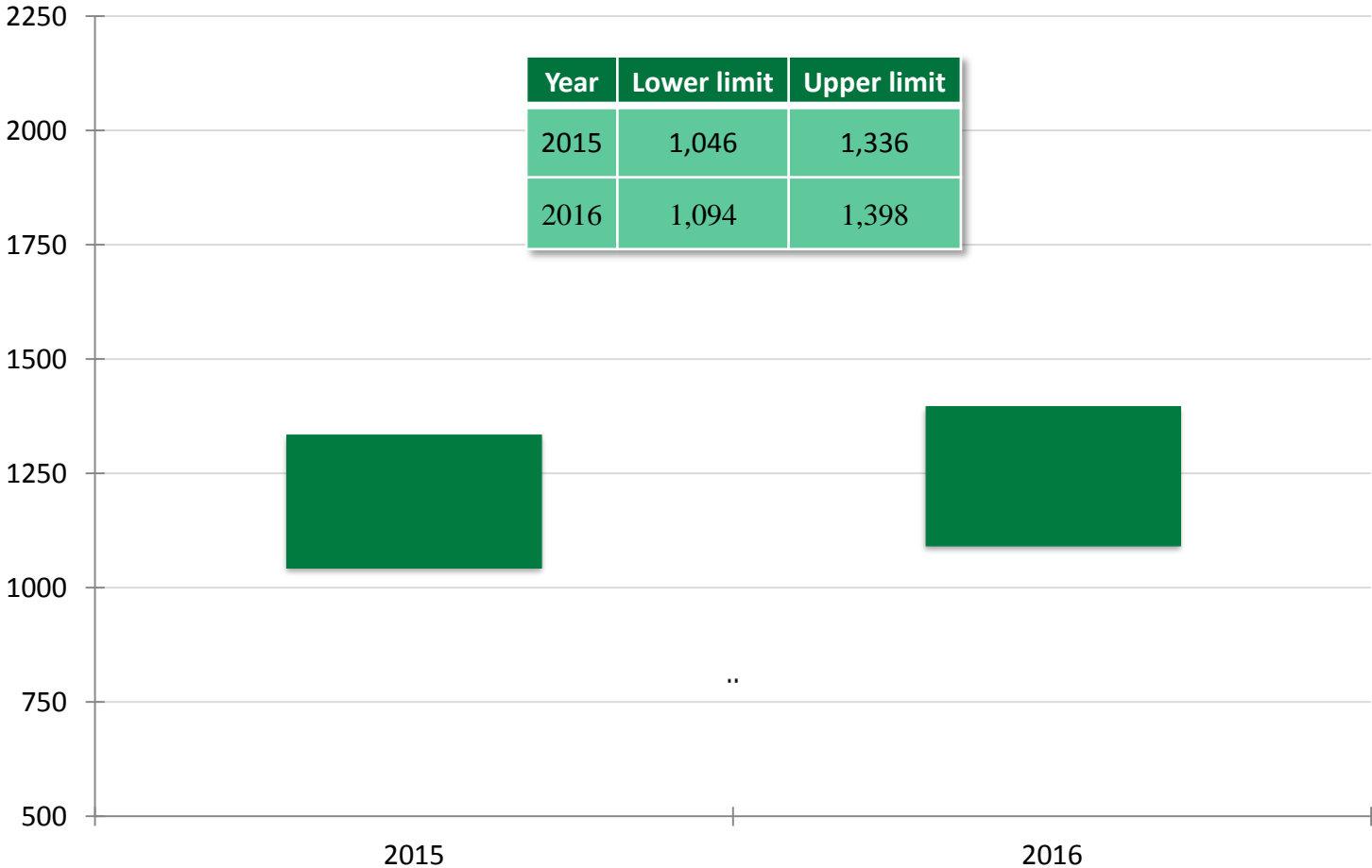
ON shares have voting rights



- CEMIG D - EBITDA Guidance – 2014/2015

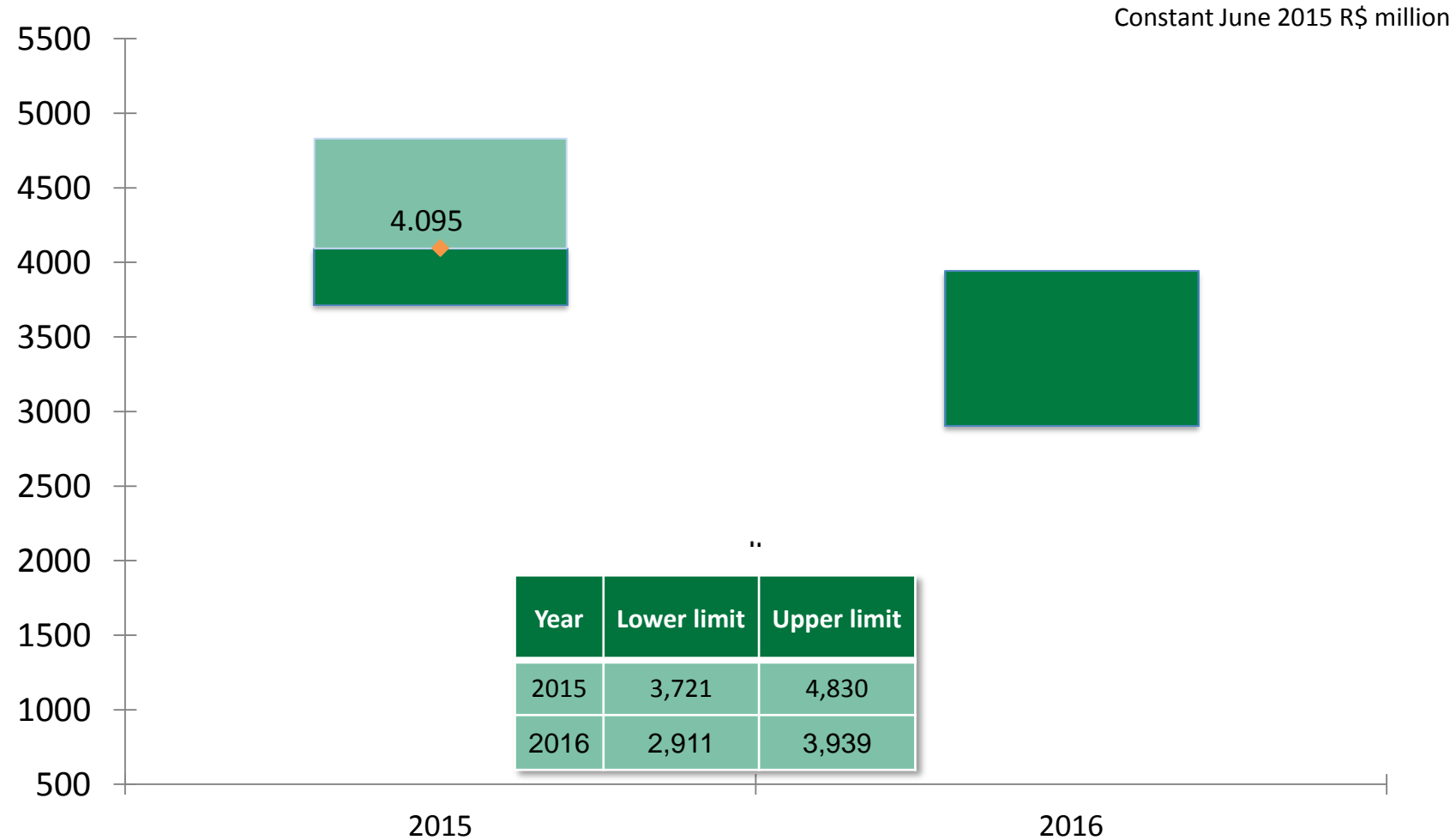


Constant June 2015 R\$ million



Source: Cemig.

CEMIG GT - EBITDA Guidance – 2014/2015

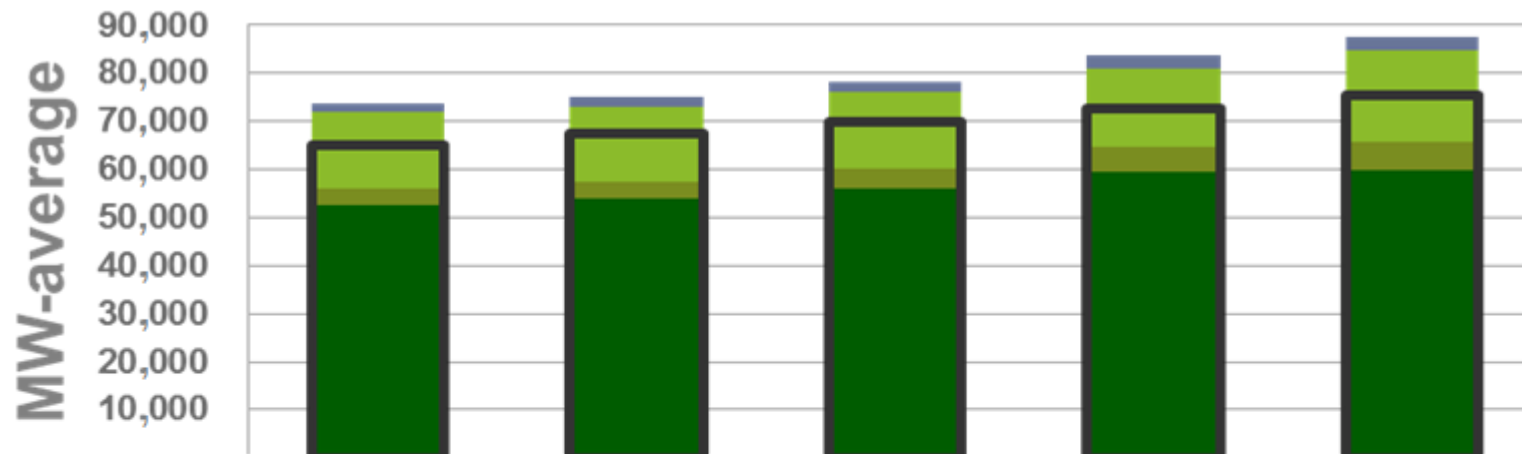


Source: Cemig.

Consolidated Ebitda by the IFRS criterion.

The figure of R\$ 4.095 billion excludes the non-recurring gain of R\$ 735mn resulting from the *Aliança* transaction.

Brazilian National Grid: projections made in 2015 for 2015 –19



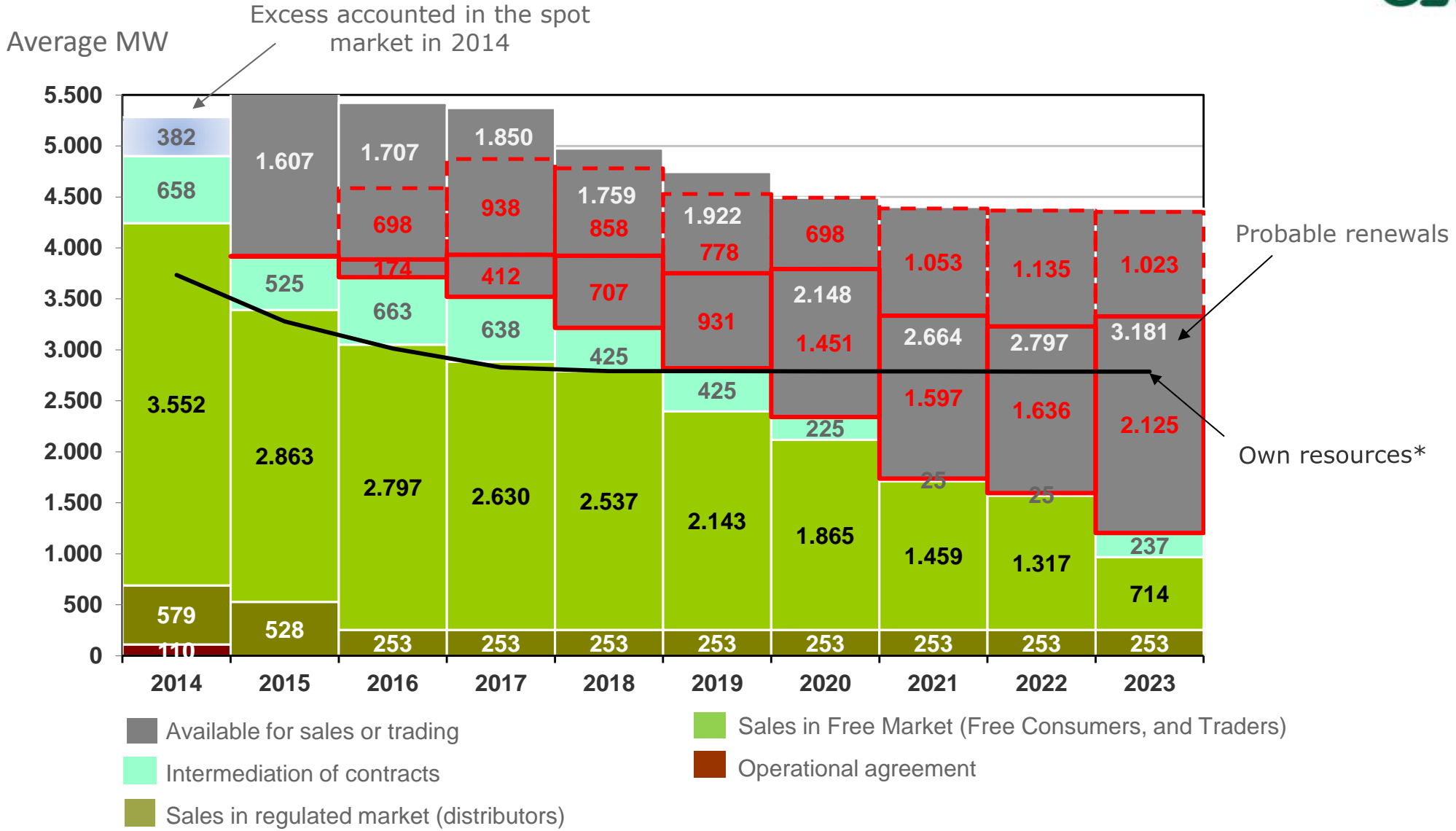
	2015	2016	2017	2018	2019
Surplus%	10.5%	8.4%	9.0%	11.6%	12.3%
Surplus	6.854	5.682	6.243	8.452	9.295
Reserve	1.689	1.815	2.211	2.575	2.575
Thermal	15.642	15.626	15.939	16.440	19.028
Wind/BIO	3.560	3.453	4.122	5.133	5.899
Hydro	52.689	54.062	55.898	59.452	59.908
Total of Supply	73.580	74.956	78.170	83.600	87.410
Market	64.979	67.459	69.717	72.573	75.541

Source: PMO (Monthly Operation Program), May 2015.

Analysis – Cemig, based on forecast GDP growth of 2.5% over 2015-2019 (1st four-month revision, 2015).

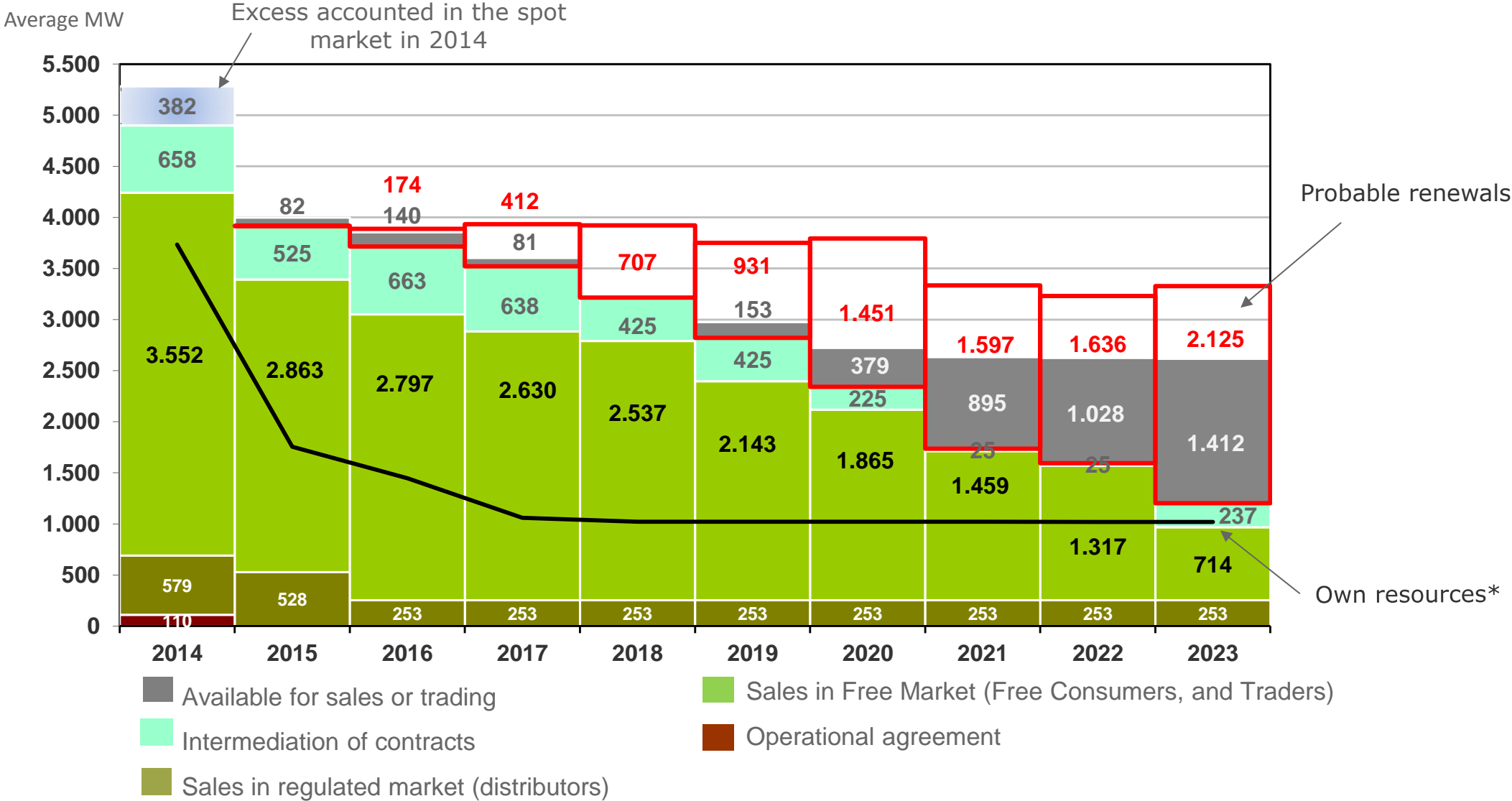
Assumes withdrawal of the thermal projects that sold supply in the 'new-build' auctions and were not developed.

Cemig GT: Supply/demand



(*) Assumes exclusion of the hydroelectric plants of which the second concession period expires in the coming years. Includes the Jaguará, São Simão and Miranda hydro plants.
 (**) Takes into account transfer of assets and contracts to Aliança Geração de Energia S.A.

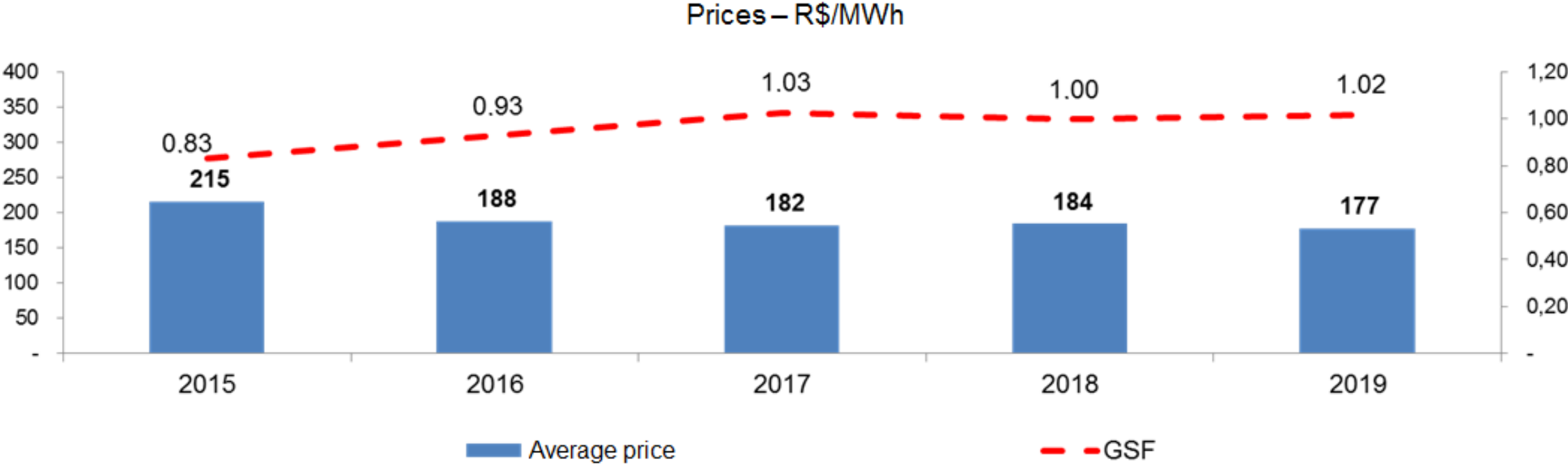
Cemig GT: Supply/demand



(*) Assumes exclusion of the Hydroelectric Plants of which the first or second concession periods expire in coming years.

(**) Takes into account transfer of assets and contracts to Aliança Geração de Energia S.A.

Average prices and the GSF (Generation Scaling Factor)

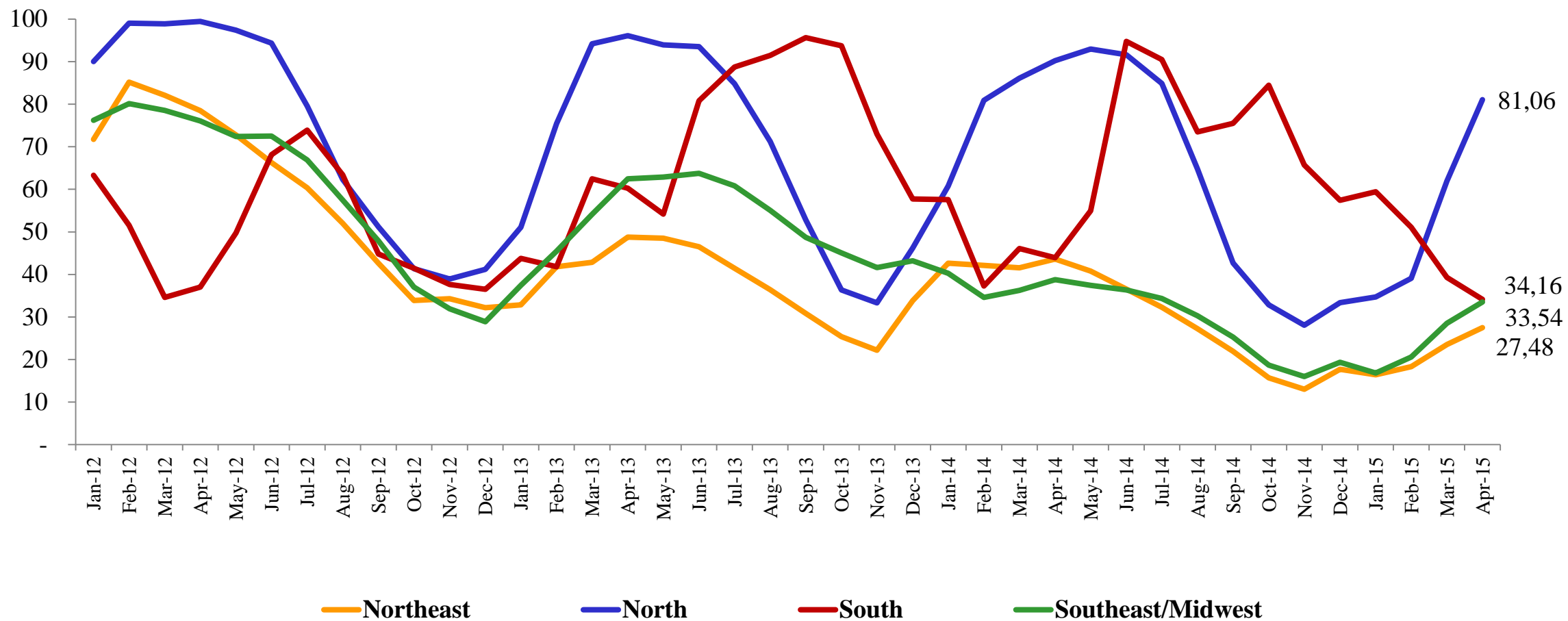


Source: Cemig.

Level of reservoirs (%)*



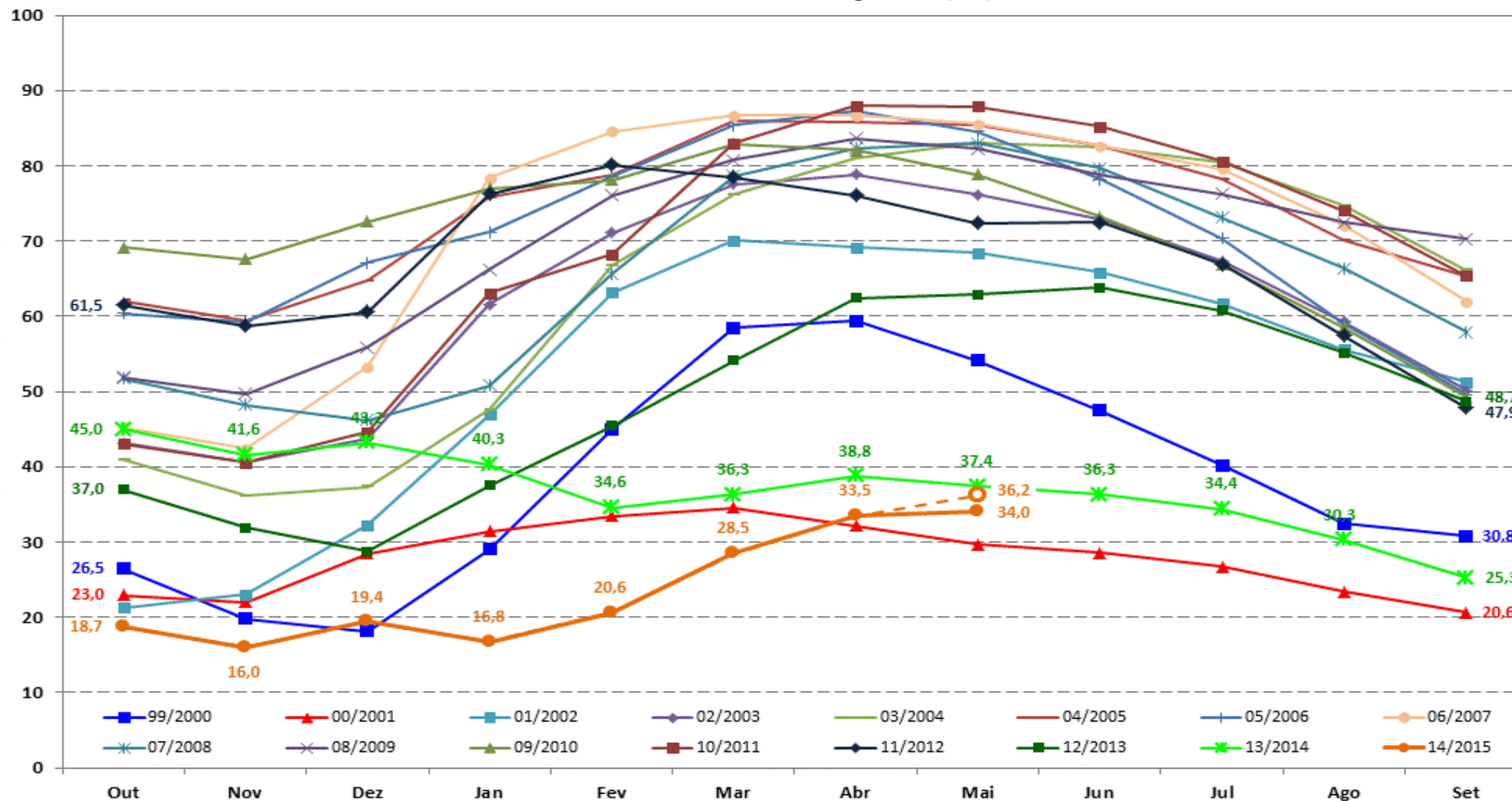
Level of reservoirs by region (%)



Level of reservoirs (%)*



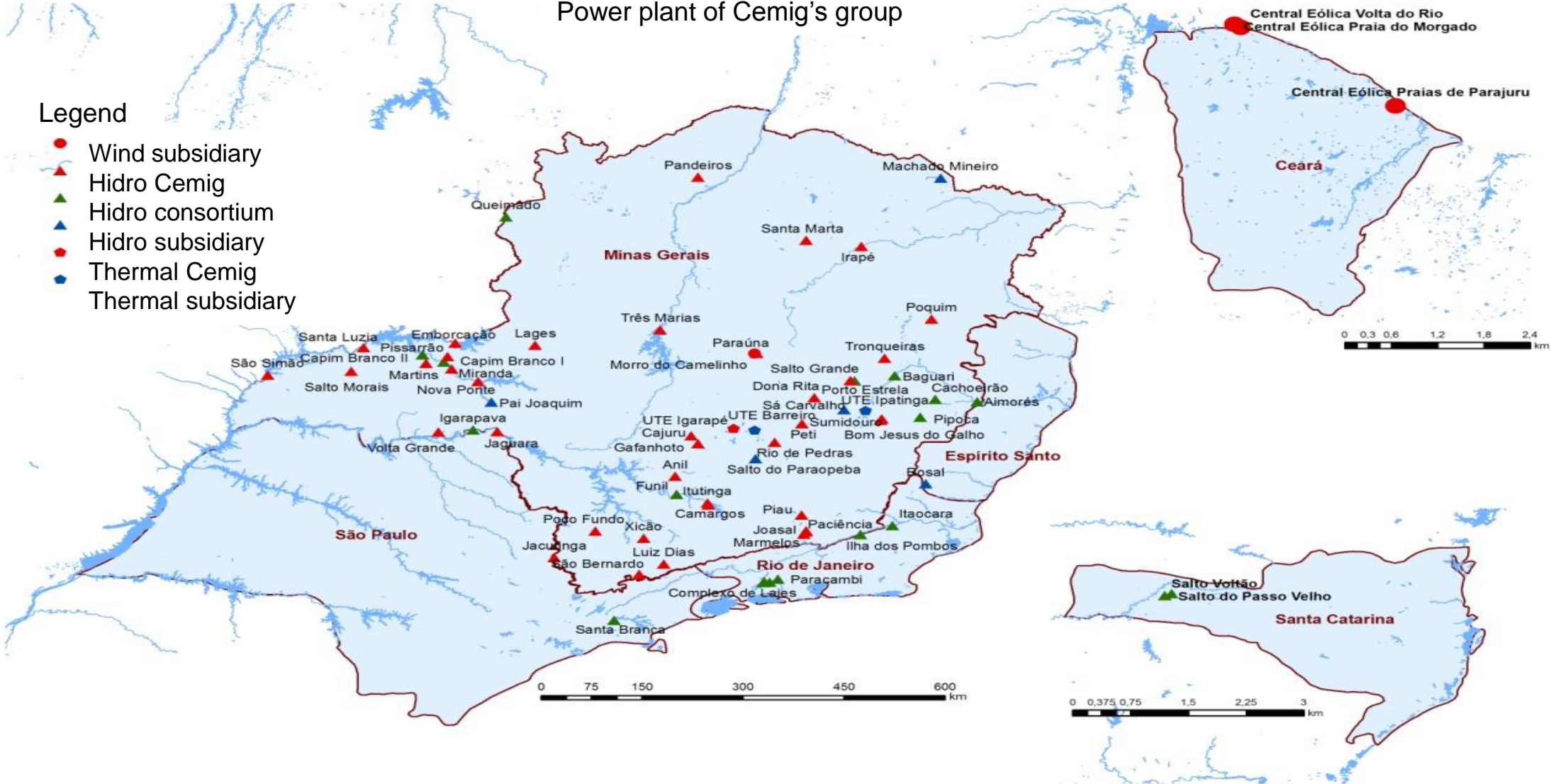
Southeast/Midwest region (%)



Minas Gerais state - Main Rivers and Plant



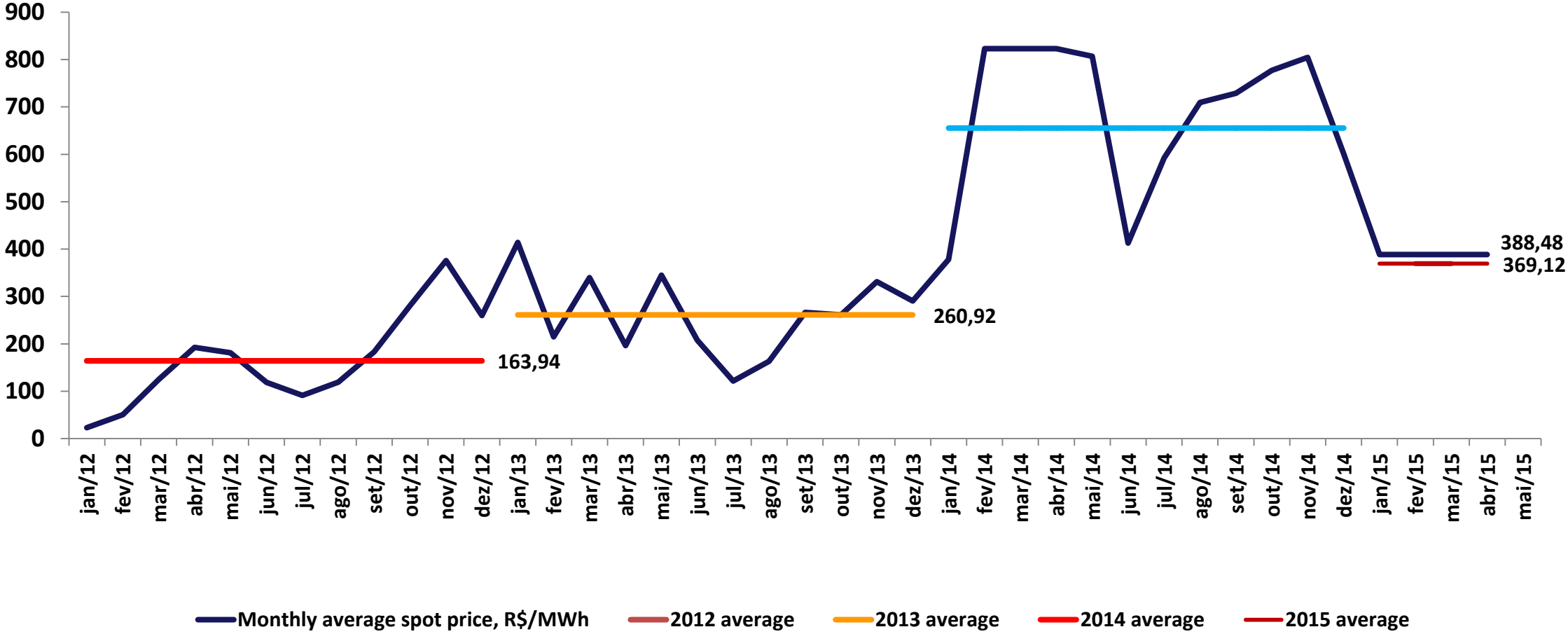
Power plant of Cemig's group



Spot Market: 2012 – 2015



Brazil: electricity spot price - monthly average (R\$/MWh)



*Source: CCEE

Electric Sector Concession Renewals



Law 12,783/2013 (MP579):

- Reduction of sector charges
- Extension of concessions for additional 30 years, conditioned to an early renewal in 2013, for those expiring between 2013 and 2017
- Revenue covering only operation and maintenance costs

Cemig's concessions expiring between 2013 and 2017:

- 21 power plants (2.4 GW – assured energy)
 - ✓ Among them, 3 HPP which have not been granted with a extension yet, account for 1.8 GW of assured energy
- Transmission concession contract in Minas Gerais. EBITDA reduction of R\$336 million
- Distribution concession in Minas Gerais. No changes

Segment	Company's Decision
Generation (18 HPP of 2 nd renewal)	Didn't accept
Generation (3 HPP of 1 st renewal)	Don't agree
Transmission	Accepted
Distribution	Accepted

Contracts maturing of generation plants



2nd maturity:

#	Type	Plant	Expiry of concession	Installed capacity (MW)	Assured energy (average MW)
1	HPP	Três Marias	Jul/2015	396	239
2	HPP	Volta Grande	Feb/2017	380	229
3	HPP	Salto Grande	Jul/2015	102	75
4	HPP	Itutinga	Jul/2015	52	28
5	HPP	Camargos	Jul/2015	46	21
6	SHPP	Piau	Jul/2015	18	14
7	SHPP	Gafanhoto	Jul/2015	14	7
8	SHPP	Peti	Jul/2015	9	6
9	SHPP	Joasal	Jul/2015	8	5
10	SHPP	Tronqueiras	Jul/2015	9	4
11	SHPP	Cajurú	Jul/2015	7	3
12	SHPP	Marmelos	Jul/2015	4	3
13	SHPP	Martins	Jul/2015	8	3
14	SHPP	Paciência	Jul/2015	4	2
15	SHPP	Anil	Jul/2015	2	1
16	SHPP	Sumidouro	Jul/2015	2	1
17	SHPP	Santa Marta	Jul/2015	1	1
18	SHPP	Poquim	Jul/2015	1	0
TOTAL 2nd renewal				1,064	642

1st maturity:

#	Type	Plant	Expiry of concession	Installed capacity (MW)	Assured energy (average MW)
1	HPP	São Simão	Jan/2015	1,710	1,281
2	HPP	Jaguara	Aug/2013	424	336
3	HPP	Miranda	Dec/2016	408	202
TOTAL 1st renewal				2,542	1,819

Contracts maturing of transmission facilities



#	Plant	Location	Expiry of concession
TBE			
1	EBTE – LT Juína-Brasnorte	Mato Grosso	out/38
2	ETEP – LT Tucuruí – Vila do Conde	Pará	jun/31
3	ENTE – LTs Tucuruí – Marabá – Açailândia	Pará/Maranhão	dez/32
4	ERTE – LT Vila do Conde – Santa Maria	Pará	dez/32
5	EATE – LT Tucuruí – Presidente Dutra	Pará	jun/31
6	ECTE – LT Campos Novos – Blumenau	Santa Catarina	nov/30
7	STC – LT Barra Grande	Santa Catarina	jun/36
8	Lumitrans – LT Machadinho	Santa Catarina	jul/34
9	ESDE – LT Barbacena2-Juiz de Fora 1 (Projeto em andamento)	Minas Gerais	nov/39
Taesa			
10	TSN	Goiás/ Bahia	dez/30
11	Munirah	Bahia	fev/34
12	Gtesa	Pernambuco/ Paraíba	jan/32
13	Patesa	Rio Grande do Norte	dez/32
14	NVT	Maranhão/Distrito Federal	dez/30
15	ETAU	Santa Catarina/Rio G. do Sul	dez/32
16	ETEO	São Paulo	mai/30
17	Brasnorte	Mato Grosso	mar/38
18	STE	Rio Grande do Sul	dez/32
19	ATE	Paraná/São Paulo	fev/34
20	ATE II	Tocantins/Piauí/Bahia	mar/35
21	ATE III	Tocantins/Pará	mar/36
22	São Gotardo (Projeto em andamento)	Minas Gerais	ago/42
Others			
23	Transchile – LT Charrua – Nueva Temuco	Chile	mai/28
24	Centroeste de Minas – LT Furnas – Pimenta	Minas Gerais	mar/35
25	Rede Básica	Minas Gerais	jul/15
26	Sub-Estação – SE Itajubá – 3	Minas Gerais	out/30
27	Transleste – LT Irapé – Montes Claros	Minas Gerais	fev/34
28	Transudeste – LT Itutinga – Juiz de Fora	Minas Gerais	mar/35
29	Transirapé – LT Irapé – Araçuaí	Minas Gerais	mar/35

Notes

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