



# 2Q 2015 Results



# Disclaimer

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Certain statements and estimates in this material may represent expectations about future events or results, which are subject to risks and uncertainties that may be known or unknown. There is no guarantee that the events or results will take place as referred to in these expectations.

These expectations are based on the present assumptions and analyses from the point of view of our management, in accordance with their experience and other factors such as the macroeconomic environment, and market conditions in the electricity sector; and on our expectations for future results, many of which are not under our control.

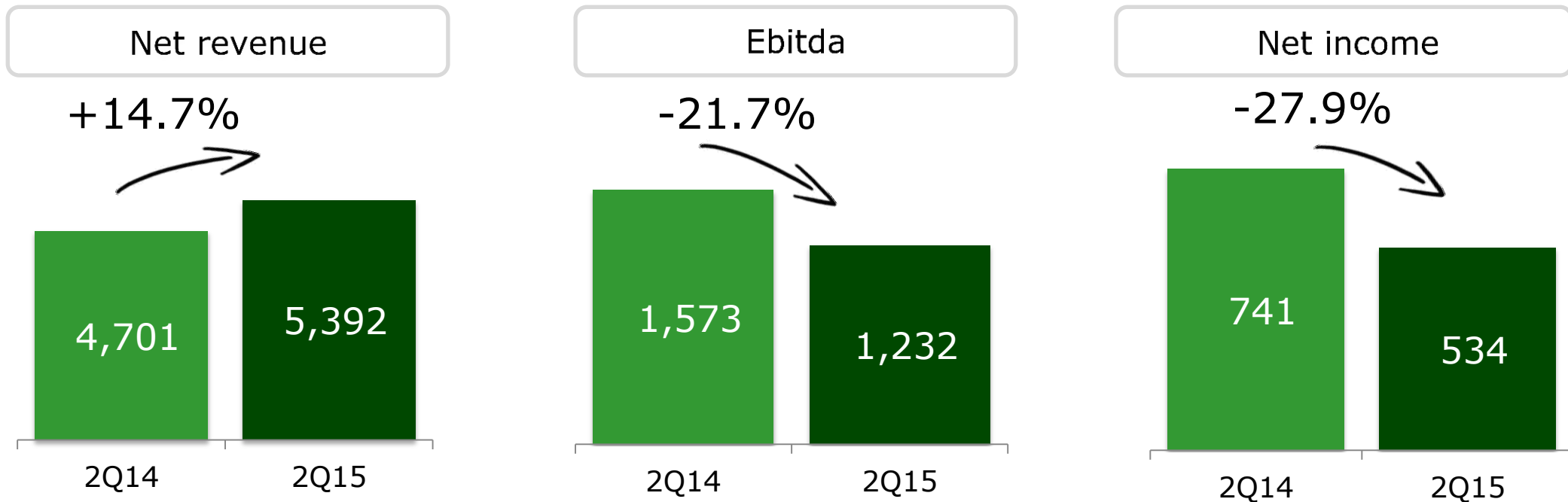
Important factors that could lead to significant differences between actual results and the projections about future events or results include our business strategy, Brazilian and international economic conditions, technology, our financial strategy, changes in the electricity sector, hydrological conditions,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

The information and opinions herein should not be understood as a recommendation to potential investors, and no investment decision should be based on the veracity, currentness or completeness of this information or these opinions. None of our 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 give rise to different results from those estimated by Cemig, please consult the section on Risk Factors included in the Reference Form filed with the Brazilian Securities Commission – CVM – and in the 20-F form filed with the U.S. Securities and Exchange Commission – SEC.

In this material, financial amounts are in R\$ million (R\$ mn) unless otherwise stated. Financial data reflect the adoption of IFRS.

# Our results in 2Q15



- Operational costs grew less than inflation.
- Other items that affected our results:
  - ✓ Accounting of (a) Revenue from supply of gas, and (b) CVA made positive contribution to net revenue.
  - ✓ Generation Scaling Factor (GSF) deficit was higher.
  - ✓ Lower spot price.
  - ✓ Lower equity contribution from subsidiaries.

- Appeal Court completes judgment on *Jaguara* Hydro Plant injunction.
  - ✓ Judgment given against Cemig GT – which awaits publication of full judgment, to appeal.
- Signature of agreement with **SunEdison / TerraForm Global adds value to Renova.**
  - ✓ New partner is a global player with dominant position in solar power.
- Fitch reviews ratings of Cemig.
- Injunction won to prevent adjustment of the MRE (Energy Reallocation Mechanism).
  - Federal courts granted Cemig's application for Provisional Remedy, ordering **Aneel**:
    - > not to apply – before final judgment against which there is no further appeal – the effects of its adjustment to the MRE (mechanism for sharing of hydrological risk of hydroelectric plants).

# Cemig's long-term ratings

Fitch reduced its ratings for Cemig and subsidiaries to **AA-(bra)**, with Outlook negative.

## Brazilian Rating:

Agency	Cemig		Cemig D		Cemig GT	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
Fitch	AA-(bra)	Negative	AA-(bra)	Negative	AA-(bra)	Negative
S&P	brAA+	Stable	brAA+	Stable	brAA+	Stable
Moody's	Aa2.br	Negative	Aa2.br	Negative	Aa2.br	Negative

## Global Rating:

Agency	Cemig		Cemig D		Cemig GT	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
S&P	BB+	Stable	BB+	Stable	BB+	Stable
Moody's	Ba1	Negative	Ba1	Negative	Ba1	Negative

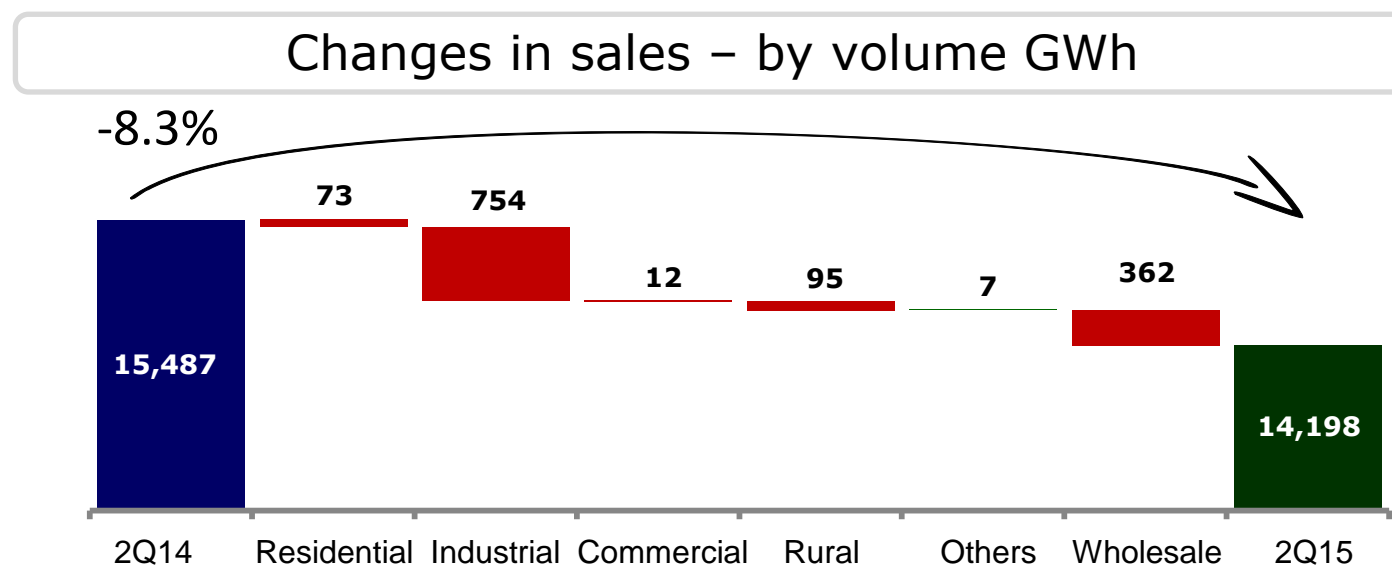
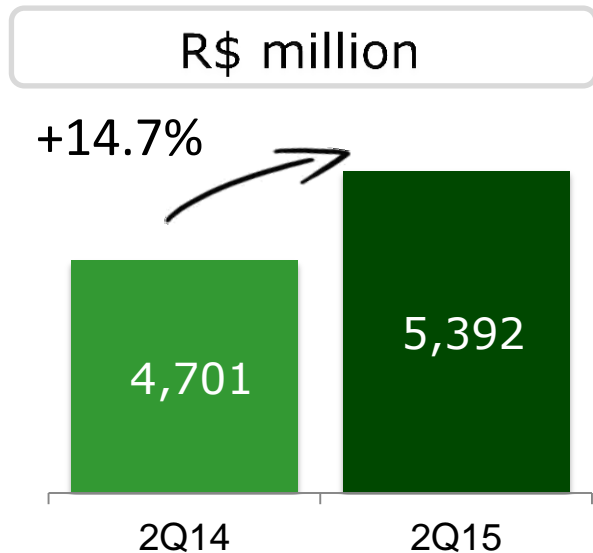
Cemig continues to have solid fundamentals, assured by excellent corporate governance and financial management, stable profitability and strong cash flow.

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# Analyzing the 2Q15 results

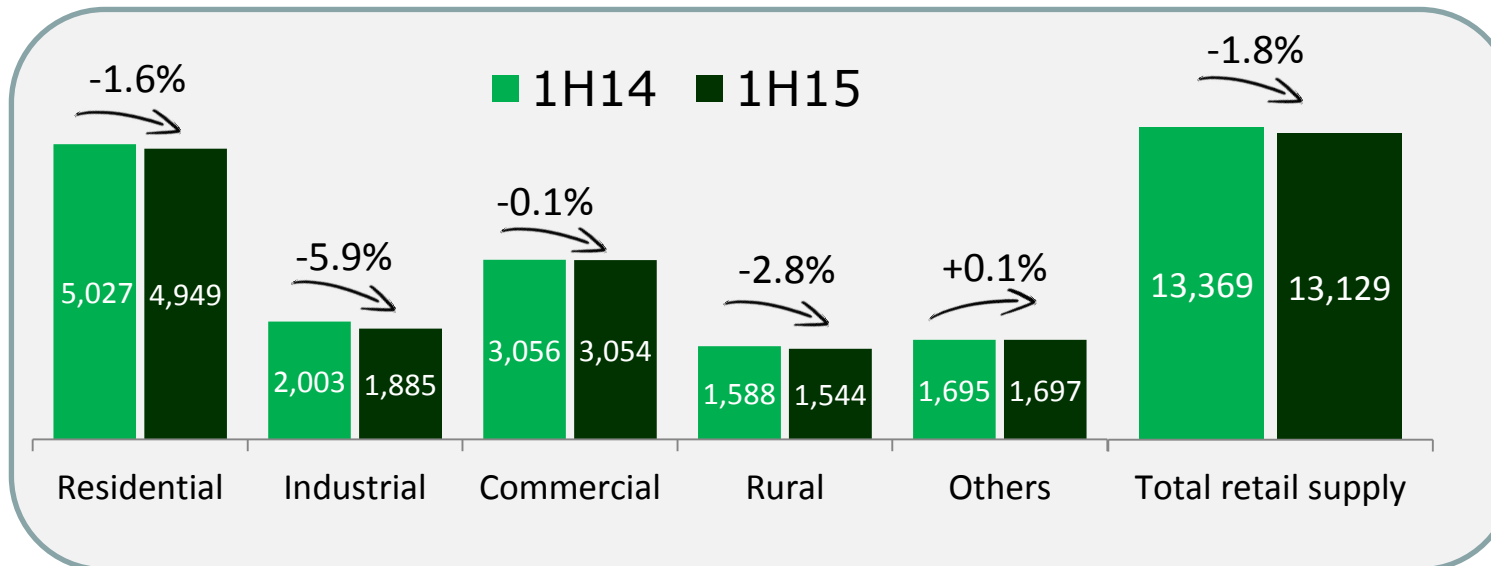
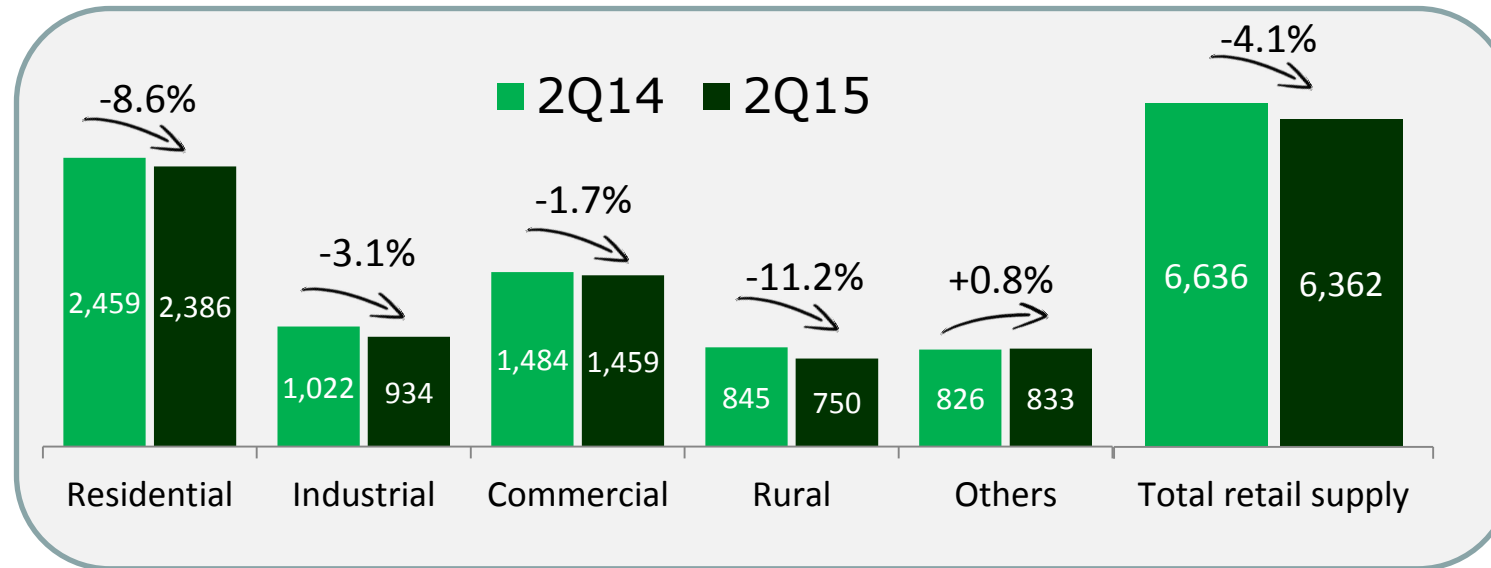
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# Consolidated net revenue



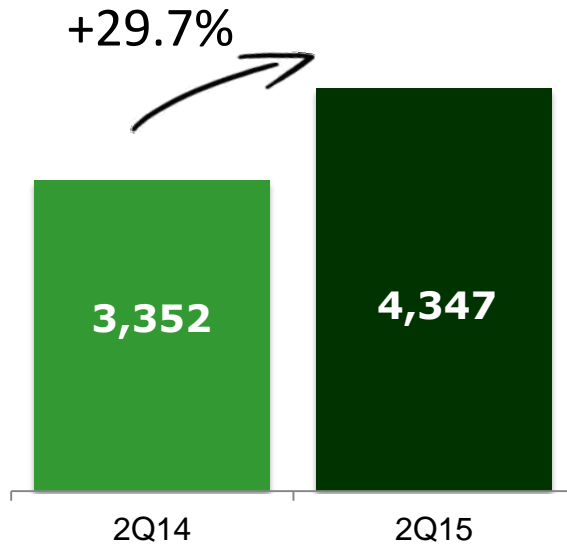
- Annual tariff adjustment, with average effect of 7.07%, from April 8, 2015.
- Increase of R\$ 637 million for: Supply of gas; and CVA / *Other financial components* in tariff calculation.
- Average GSF (Generation Scaling Factor) in 2Q15 of 0.81%.

# Cemig D: Consumption of electricity – GWh



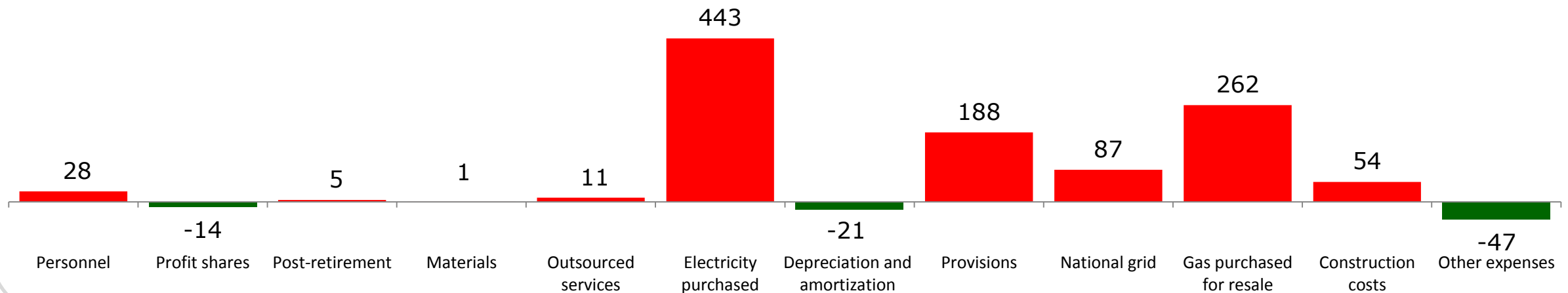


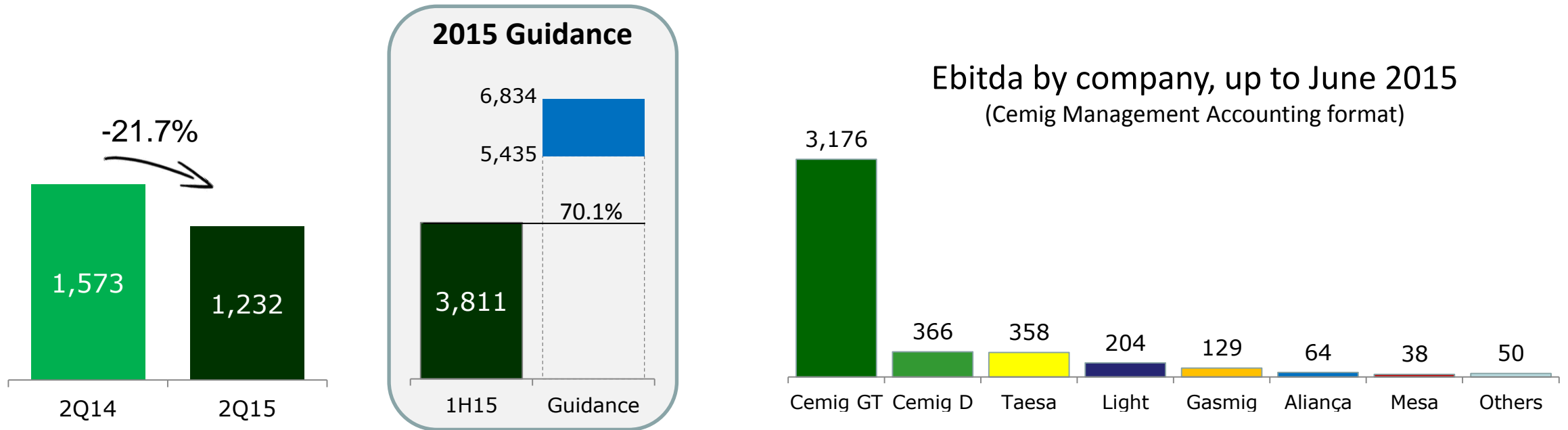
# Consolidated operational expenses



- Controllable costs grow less than inflation
- Non-controllable costs: strong impact on expenses
  - ✓ Electricity and gas bought for resale are 59% of total expenses
- Provisions for losses on investments
  - ✓ Parati: Total provision R\$ 279mn, of which R\$ 114 mn in 2Q15
  - ✓ SAAG: Total provision R\$ 75mn, of which R\$ 46 mn in 2Q15

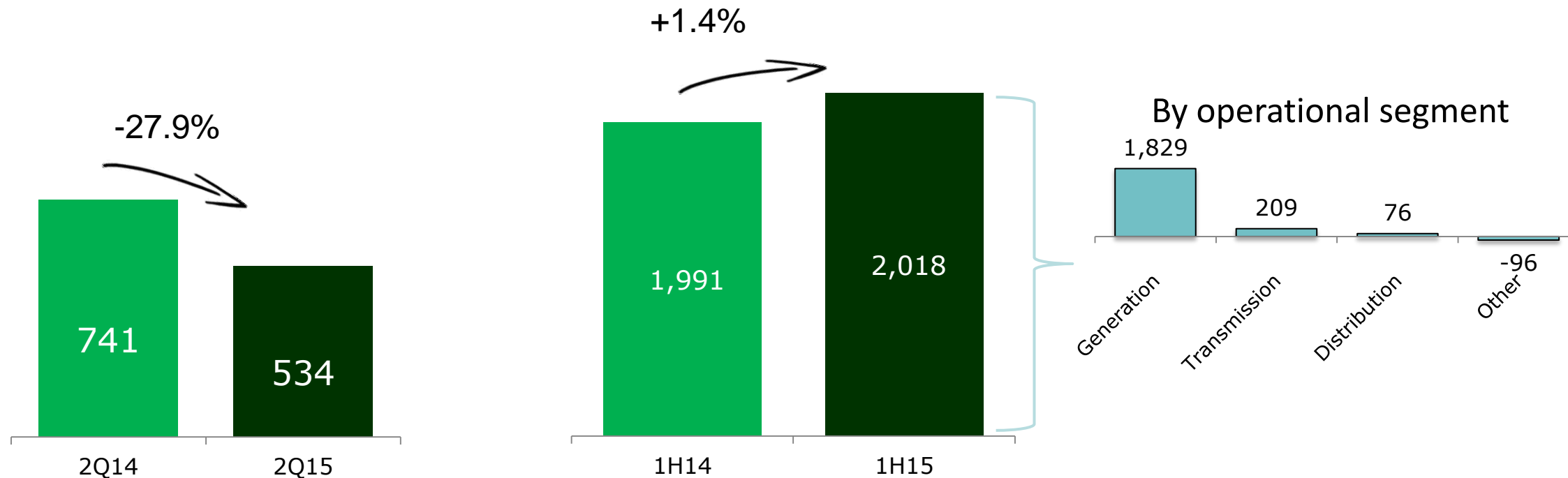
Change in consolidated operational expenses in 2Q15





- Our consolidated Ebitda in the first half of 2015 was 70.1% of the lower limit of our guidance for the full year (as given at the 20th Annual Cemig-Apimec Meeting).

# Consolidated net income

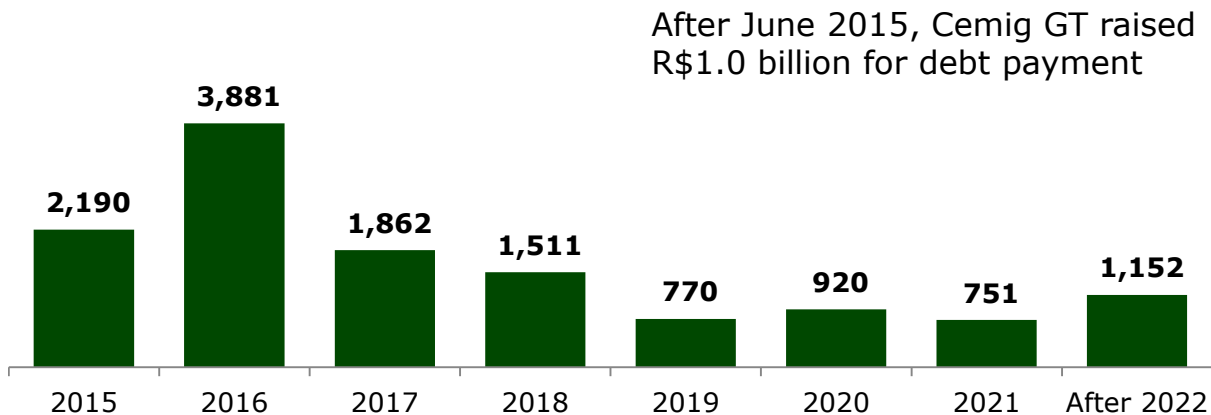


- Our business portfolio results in our profit being stable in 1H15.
- Financial expenses 55% higher – mainly on increase in indexes of debt: CDI and IPCA indices.
- Focus on financial management, to reduce costs of debt, is a fundamental part of Cemig’s strategy.

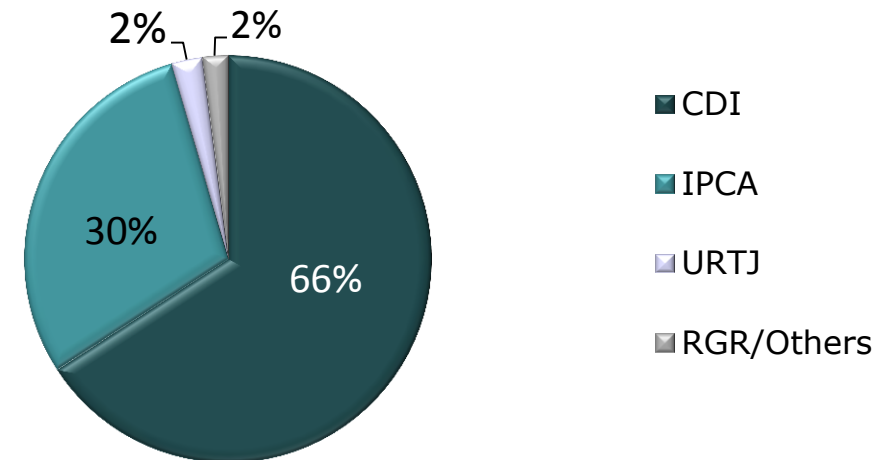
# Cemig, consolidated: debt profile

## Maturities timetable – Average tenor: 3.1 years

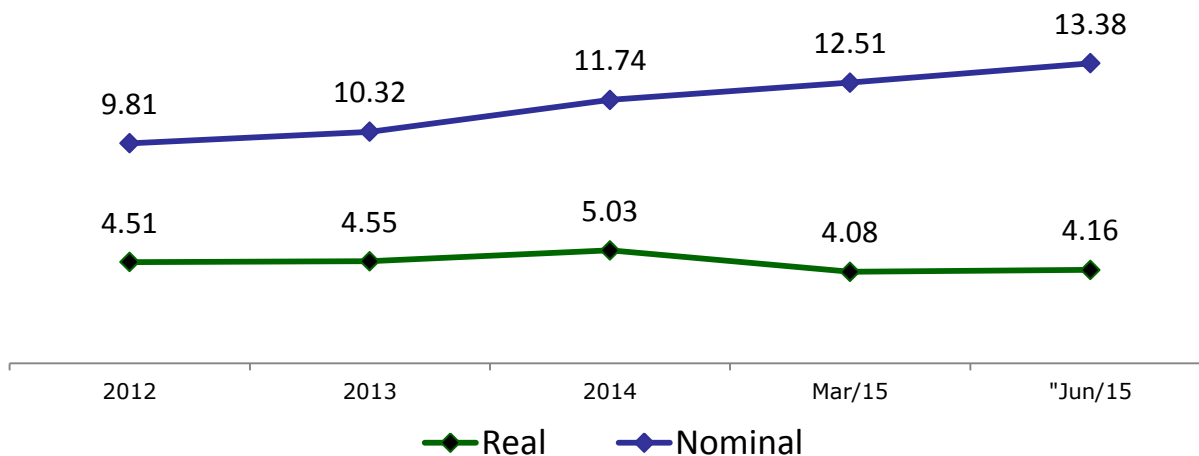
Total net debt: R\$ 11.7 billion



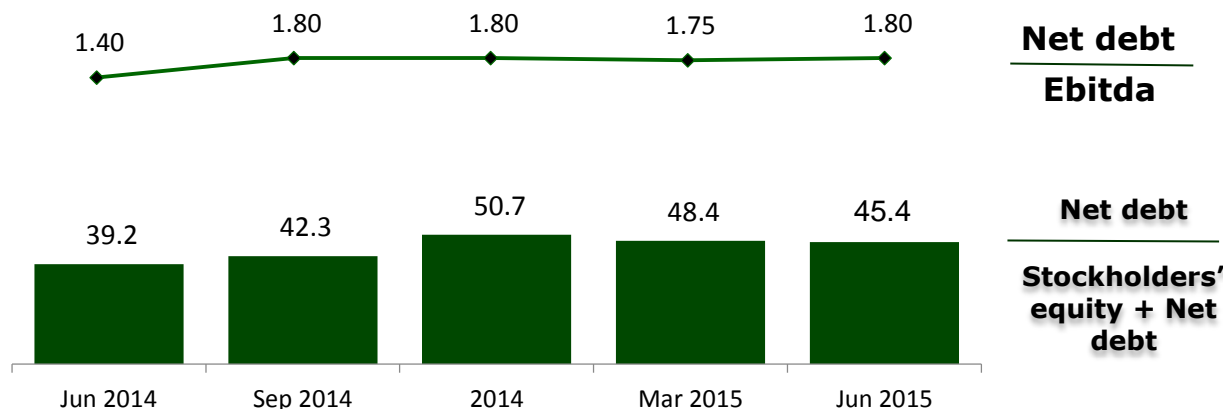
## Main indexes



## Cost of debt – %



## Leverage – %

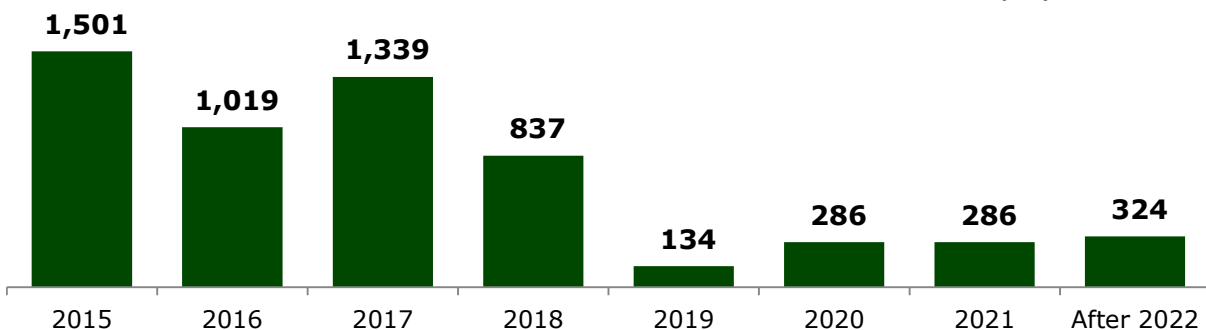


# Cemig GT – debt profile

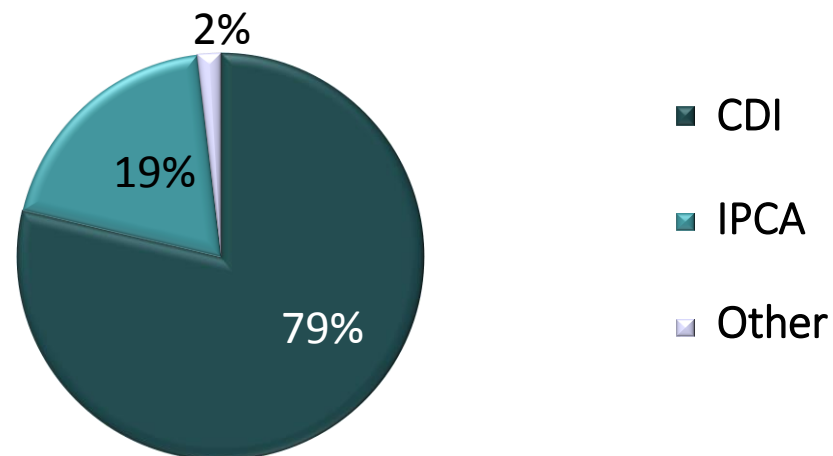
## Maturities timetable – Average tenor: 2.7 years

Total net debt: R\$ 5.4 billion

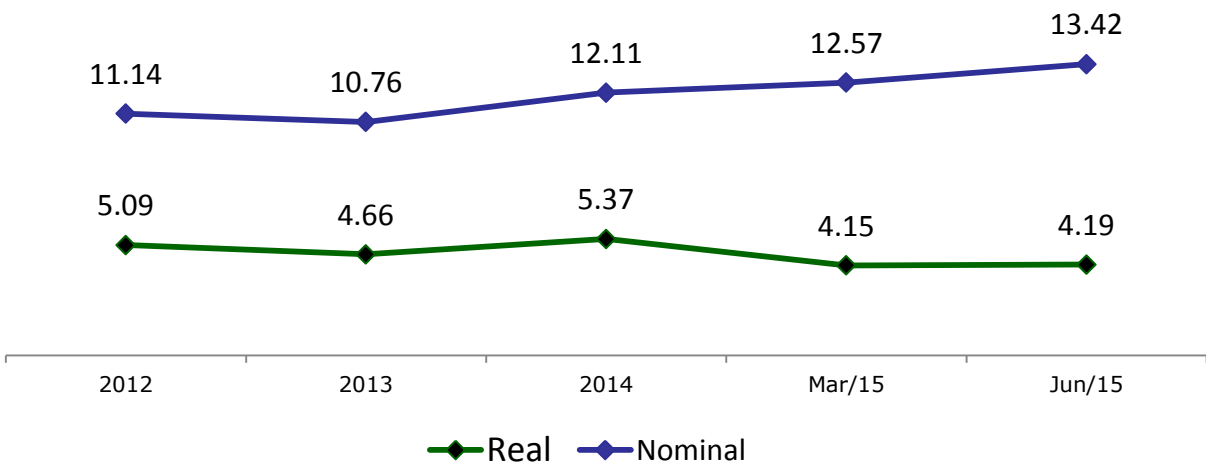
After June 2015, Cemig GT raised R\$1.0 billion for debt payment



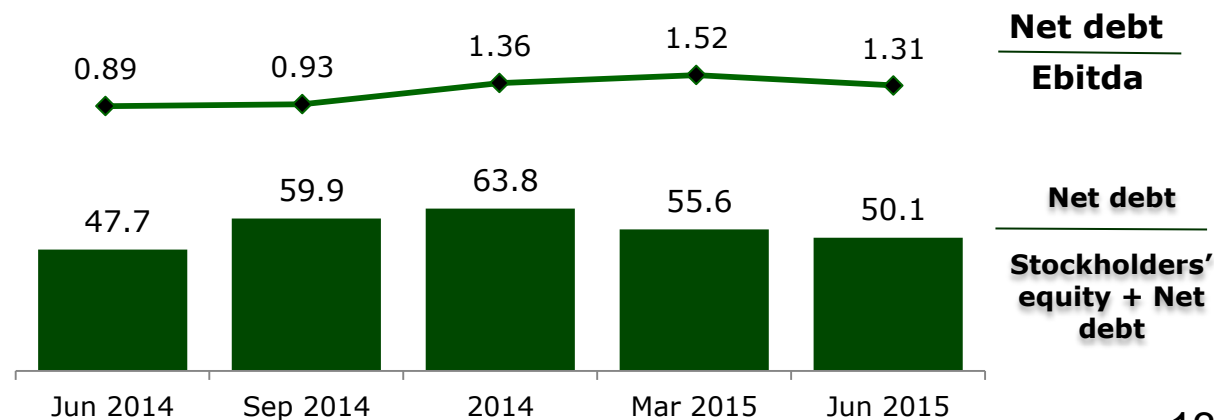
## Main indexes



## Cost of debt – %



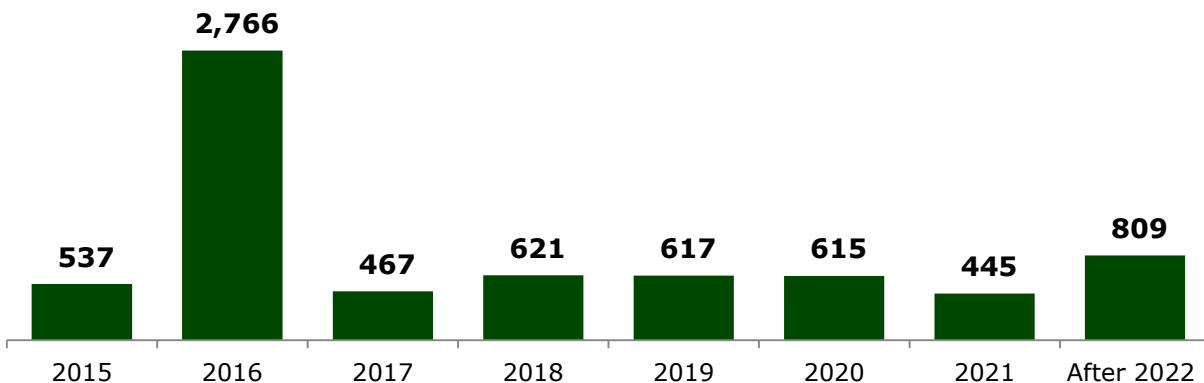
## Leverage – %



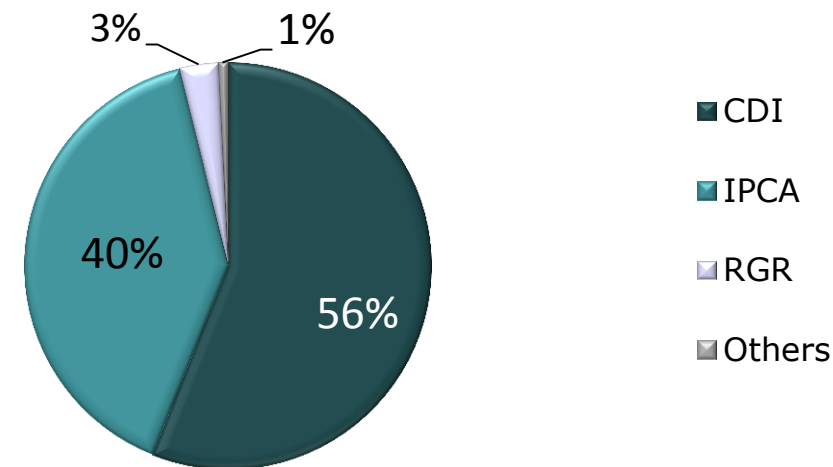
# Cemig D – Debt profile

Maturities timetable – Average tenor: 3.6 years

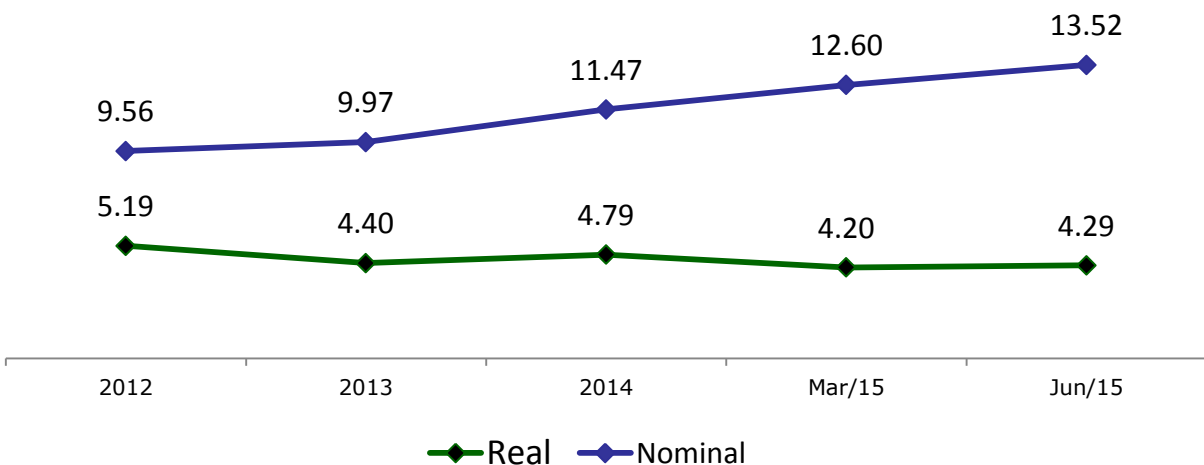
Total net debt: R\$ 6.4 billion



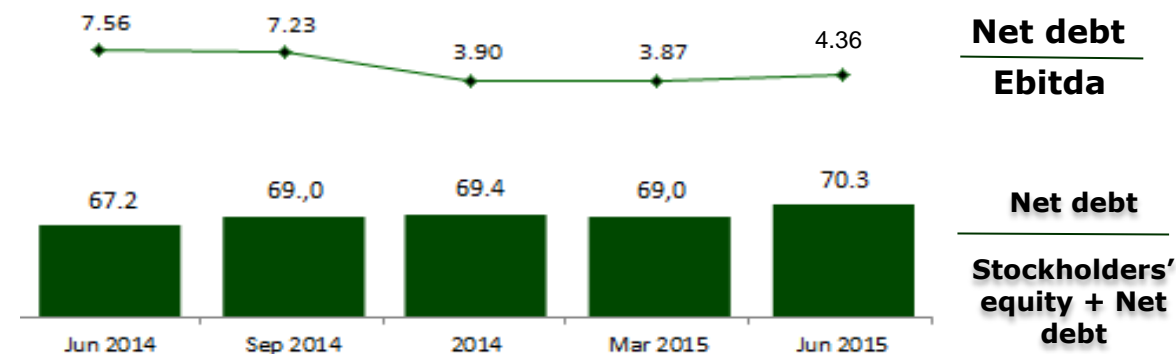
Main indexes



Cost of debt – %



Leverage – %



# Capital allocation

( June 2014 R\$ mn )	Planned	Realized	%
	2015	1H15	
<b>GENERATION</b>	<b>905</b>	<b>447</b>	<b>49%</b>
Investment program	91	14	15%
Capital injections	814	433	53%
<i>Aliança Norte</i>	367	334	91%
<i>Madeira Energia S.A. – Mesa</i>	110	-	-
<i>Guanhães SPC (Minas PCH Program)</i>	95	-	-
<i>SPC - Amazônia Energia Participações S.A. (Belo Monte)</i>	119	98	82%
<i>Other</i>	124	1	1%
<b>TRANSMISSION</b>	<b>174</b>	<b>70</b>	<b>40%</b>
Investment program	174	70	40%
<b>CEMIG D</b>	<b>1,239</b>	<b>575</b>	<b>46%</b>
Investment program	1,239	575	46%
<b>CEMIG holding company</b>	<b>224</b>	<b>12</b>	<b>5%</b>
Investment program	224	12	5%
<b>CEMIG – TOTAL INVESTMENT</b>	<b>2,542</b>	<b>1,104</b>	<b>43%</b>

<b>Cash flow statement</b>	<b>1S15</b>	<b>1S14</b>
<b>Cash at beginning of period</b>	<b>887</b>	<b>2,202</b>
<b>Cash generated by operations</b>	<b>971</b>	<b>2,183</b>
Net profit	2,019	1,991
Current and deferred income tax and Social Contribution tax	839	935
Depreciation and amortization	429	385
Gain on the Aliança stockholding reorganization	(735)	-
Passthrough from CDE	(762)	-
Other adjustments	(819)	(1,128)
<b>Financing activities</b>	<b>(706)</b>	<b>531</b>
Financings obtained and capital increase	3,097	3,128
Interest on Equity, and dividends	(129)	(1,535)
Payments of loans and financings	(3,674)	(1,062)
<b>Investment activity</b>	<b>(395)</b>	<b>(2,927)</b>
Securities - Financial Investment	485	(256)
Acquisition of ownership interest and future capital commitments	(394)	(2,260)
Fixed and Intangible assets	(486)	(411)
<b>Cash at end of period</b>	<b>757</b>	<b>1,989</b>
<b>Total cash available*</b>	<b>1,284</b>	

\* Total cash available = sum of Cash and cash equivalents plus Short and Long-term securities.





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