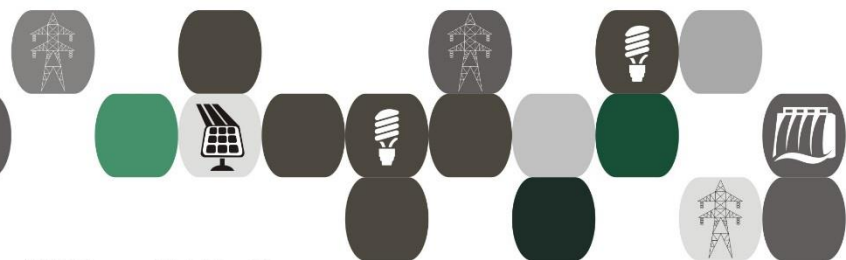




## *Successful Strategy*

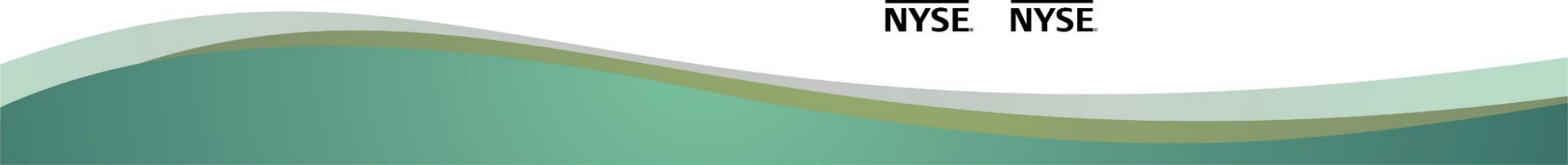
*Performance reflects balanced portfolio structure*

*November, 2015*



**CIG**  
**LISTED**  
**NYSE.**

**CIG.C**  
**LISTED**  
**NYSE.**



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.

**#1**

Integrated Power  
Utility in Brazil

**#3<sup>(2)</sup>**

Market cap  
US\$ 2.5<sup>(1)</sup> B.

**+56%**

Growth in EBITDA  
2008-14

Leading  
consolidator

Role in  
industry

In the Power Industry since **1952**

(1) As of November 05<sup>nd</sup>, 2015

(2) In the Brazilian Energy Industry

105

Power plants

78



23



1



3



7.7 GW

Total installed capacity

532,000 km

Electricity Distribution lines



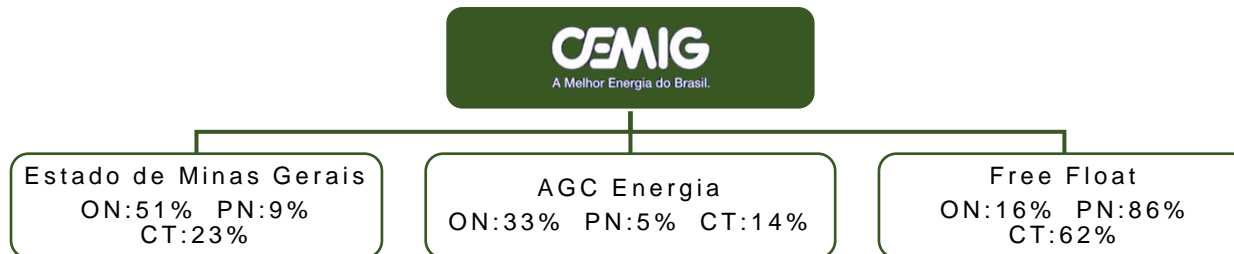
9,500 km

Power Transmission lines



(1) The Power Plant is not yet operating commercially.

- Based in State of Minas Gerais, controlling shareholder
  - Assets in 23 Brazilian states and Chile
- Strong financial profile:
  - 1H15 Net revenues: R\$ 11.2B EBITDA: R\$ 3.8B
  - 1H14 Net revenues: R\$ 9.4B EBITDA: R\$ 3.7B
- 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 September 22<sup>nd</sup>  
**R\$47.7M in Bovespa and US\$14.5M in NYSE**
- Solid dividend policy
  - Minimum 50% payout ratio
  - Every two years, may pay extra dividends, if cash conditions permit
- Shareholder Structure:



## The Brazil advantage

### An Emerging Powerhouse Economy

**#1** Latin American economy

**#7** Ranking of economy in world<sup>(1)</sup>

**US\$5.5 Trillion** GDP 2014

**-3.05%** GDP growth 2015<sup>(2)</sup>

**204 M** Population

Investment grade by Moody's and Fitch

(1) World Bank

(2) Brazil's Central Bank Focus Report, October 30<sup>th</sup> 2015

# Cemig is Uniquely Positioned

Unmatched scale

## Largest Integrated Utility in Brazil

**#1**

Electricity  
Distributor

**#1**

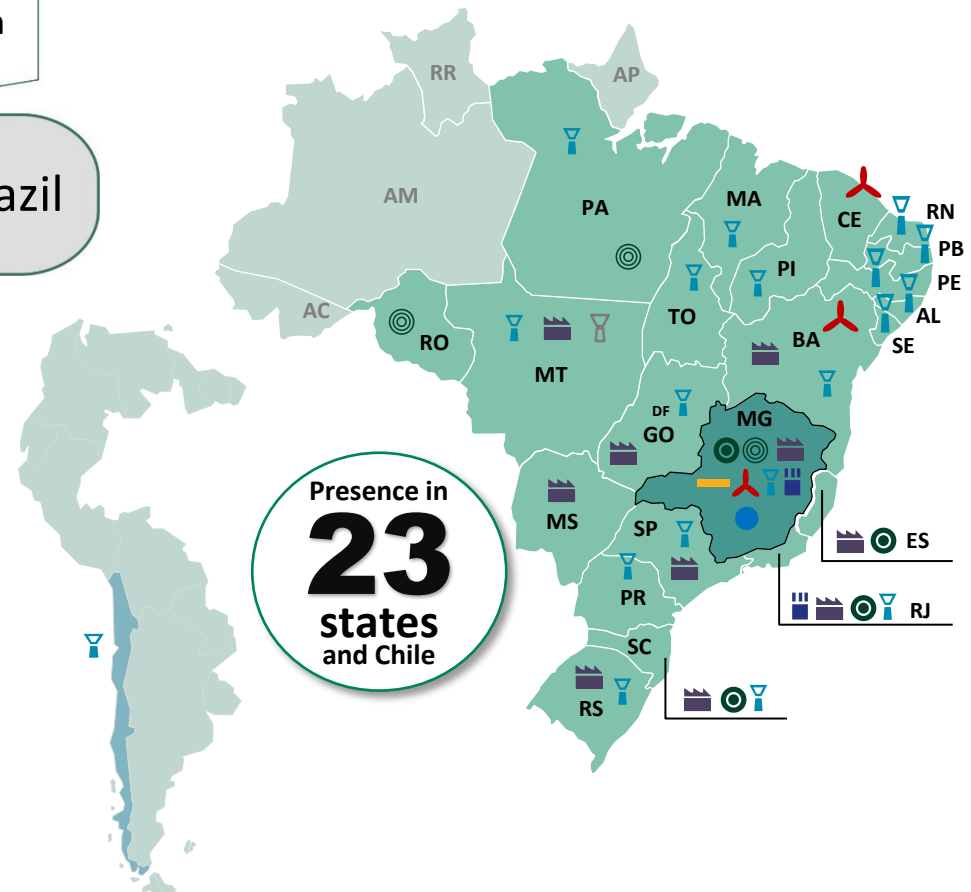
Largest Power  
Transmission  
Group

**#3**

Largest Power  
Generation  
Group

**#1** Integrated Power Utility in Brazil

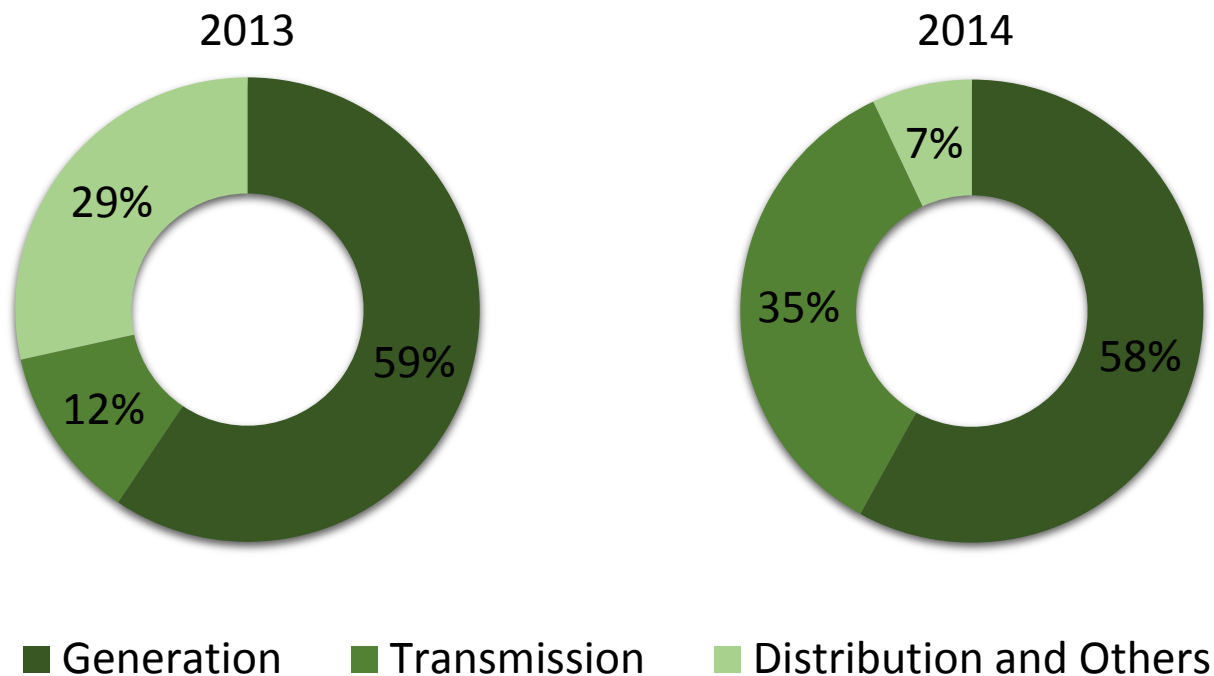
- Power Generation
- Power Generation (under construction)
- Power Transmission
- Power Transmission (under construction)
- Electricity Distribution
- Cemig "Free Consumer" Clients
- Wind Power Generation
- Natural Gas Distribution
- Telecom Backbone Provider



Diversified portfolio

## Diversified, Low Risk Business Portfolio

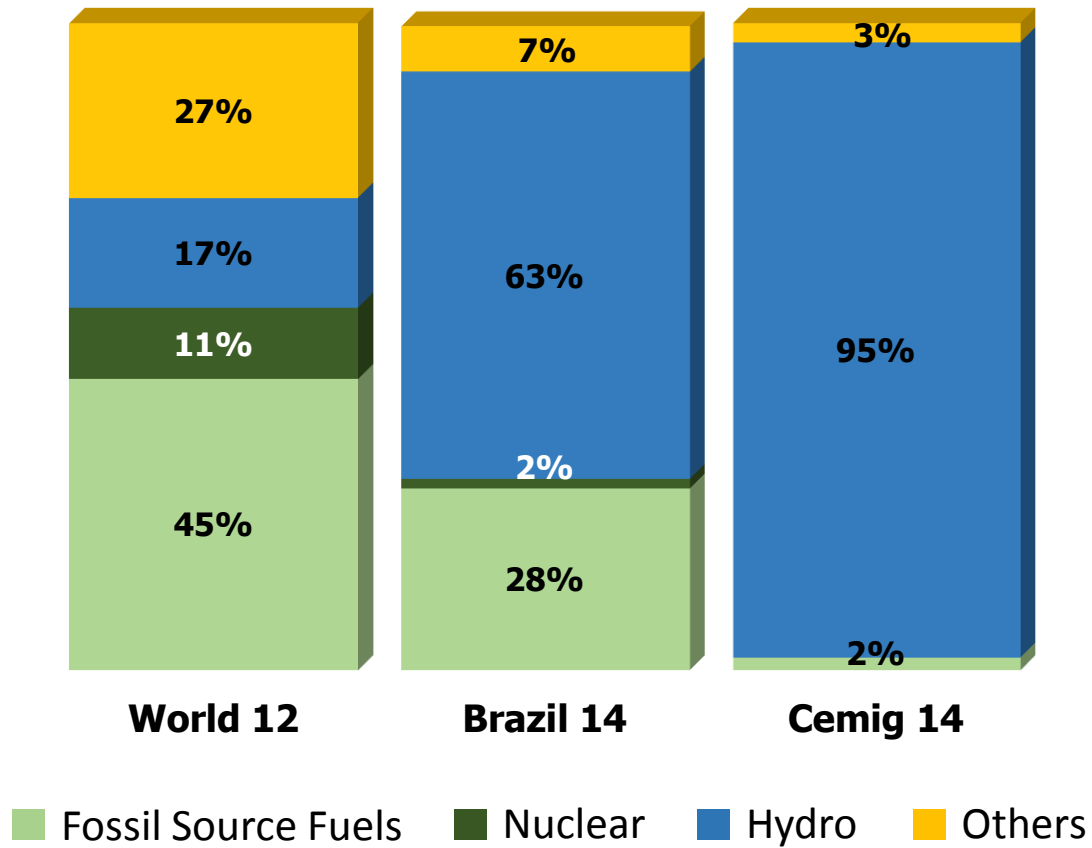
### Breakdown of Ebitda



Most of the revenues are inflation protected



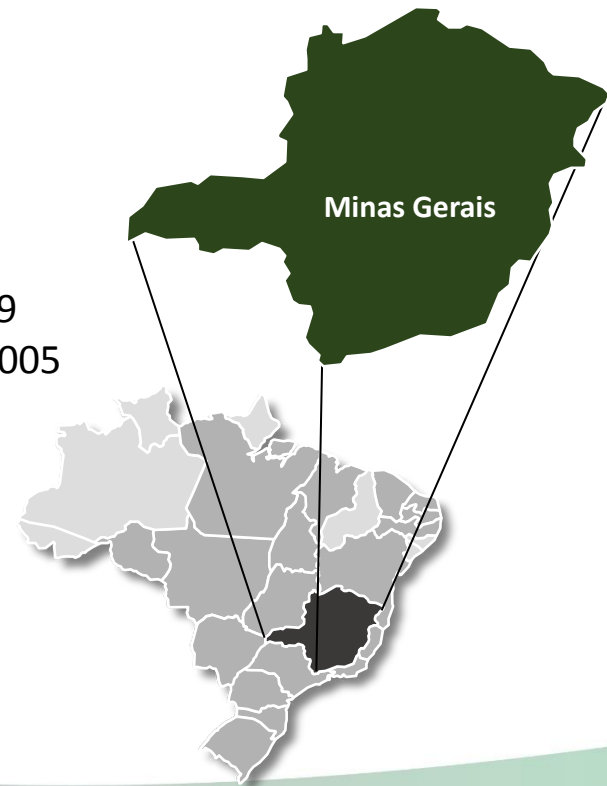
## Power Generation by Source



Source: EPE [BEN 2011 – Preliminar Results and IEA [Key World Energy Statistics-2010]

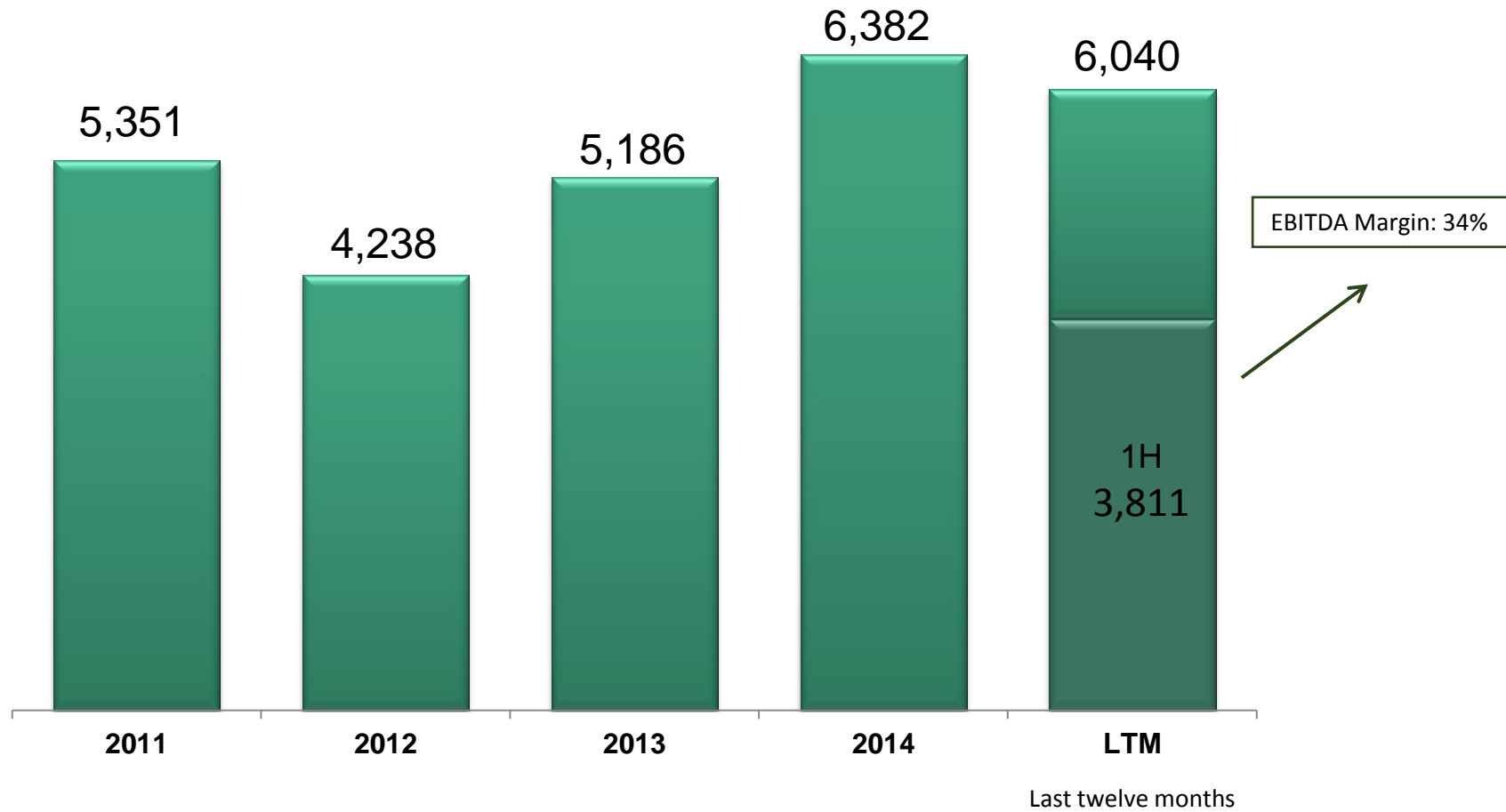
## Strong governance

- ✓ 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



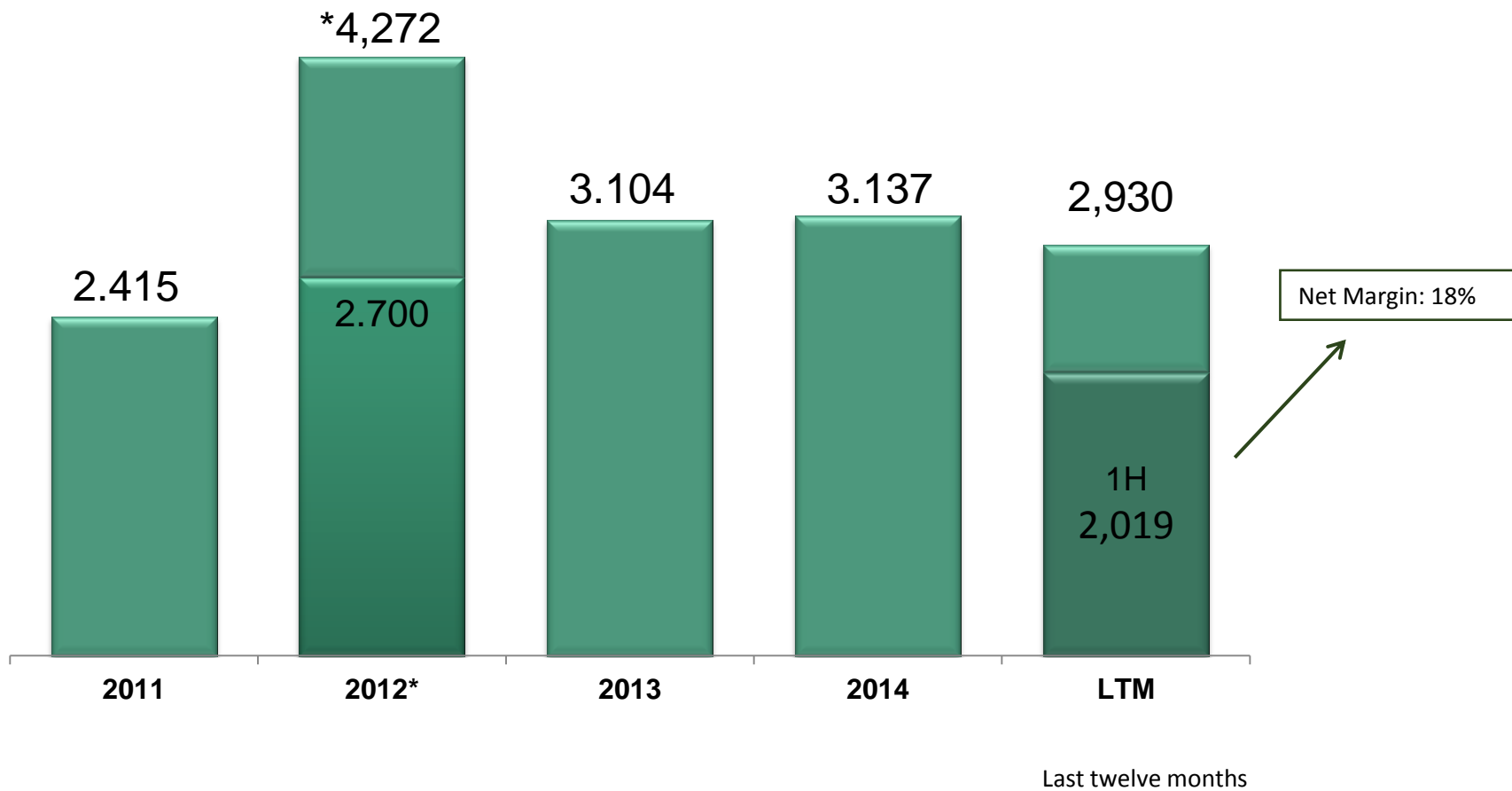
# Growth in EBITDA - Guidance

R\$ million



# Net Income Continues to Expand

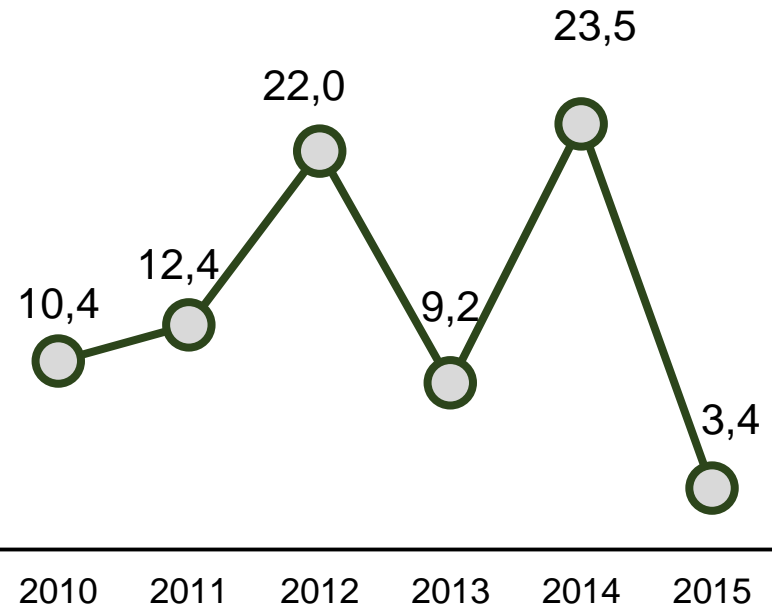
R\$ million



### Dividend Payout (% of Net Income)



### Dividend Yield (%)



**1.80x**

Net debt to EBITDA

**0.3%**

Debt in foreign currency<sup>(\*)</sup>

**R\$1.3B**

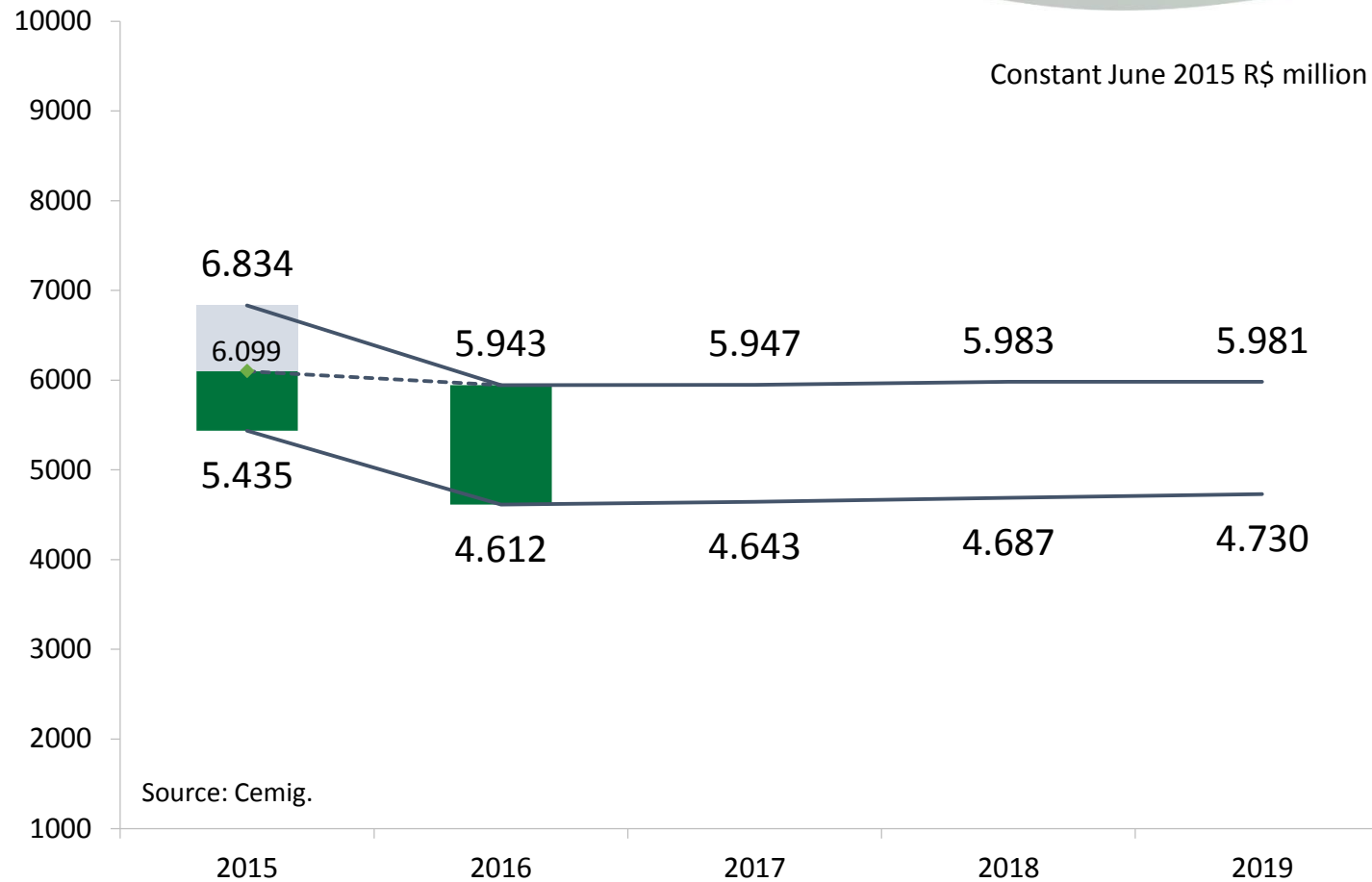
Cash on hand

**R\$11.2B**

Net Revenue – 1H15

\*Net of financial hedging

# EBITDA Guidance – 2015/2019



The figure of R\$ 6,099 million excludes the non-recurring gain of R\$ 735mn resulting from the *Aliança* transaction.

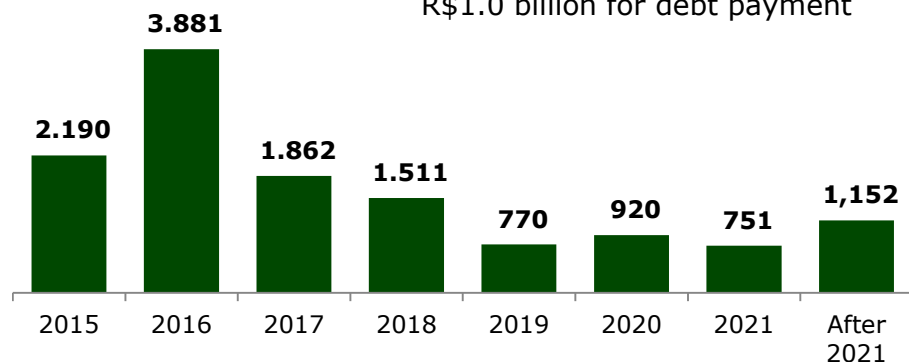
# Cemig - consolidated debt profile

R\$ million

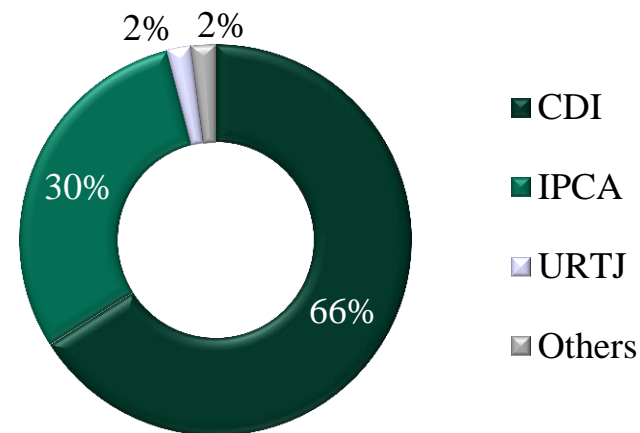
Maturities timetable – Average tenor: 3.1 years

Total net debt: R\$11.7 billion

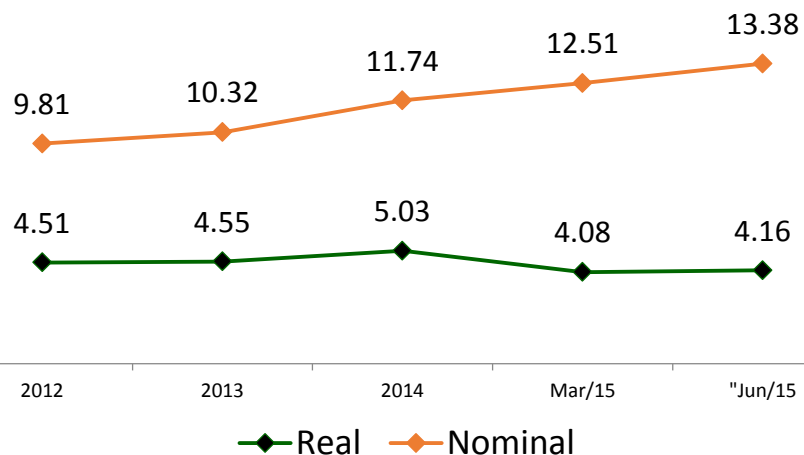
After June 2015, Cemig GT raised R\$1.0 billion for debt payment



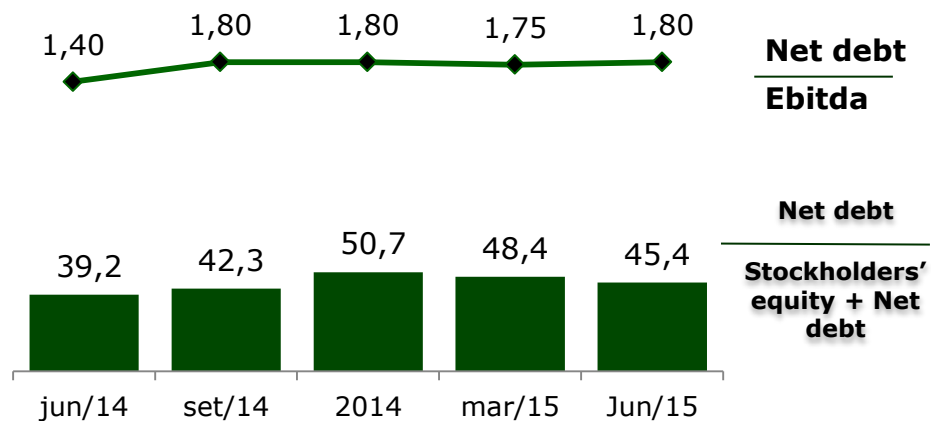
Main indexes



Real cost of debt – %



Leverage – %





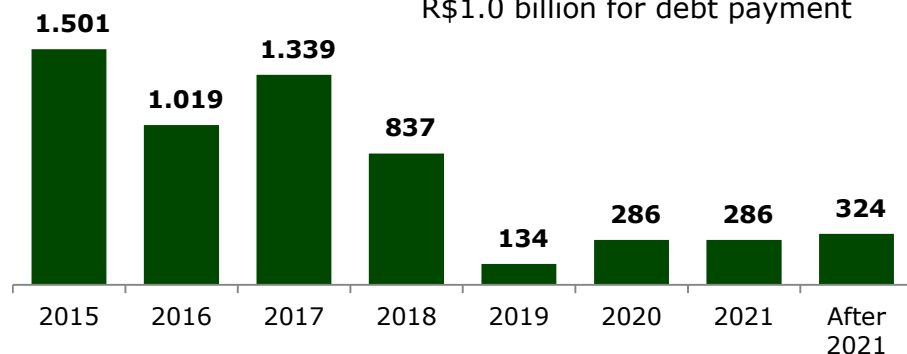
# Cemig GT – debt profile

R\$ million

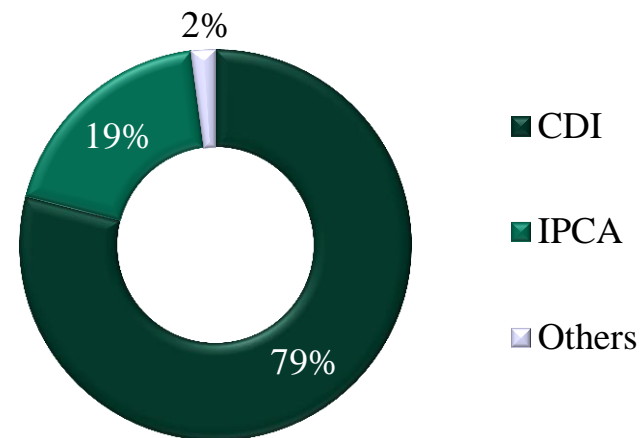
Maturities timetable – Average tenor: 2.7 years

Total net debt: R\$5.4 billion

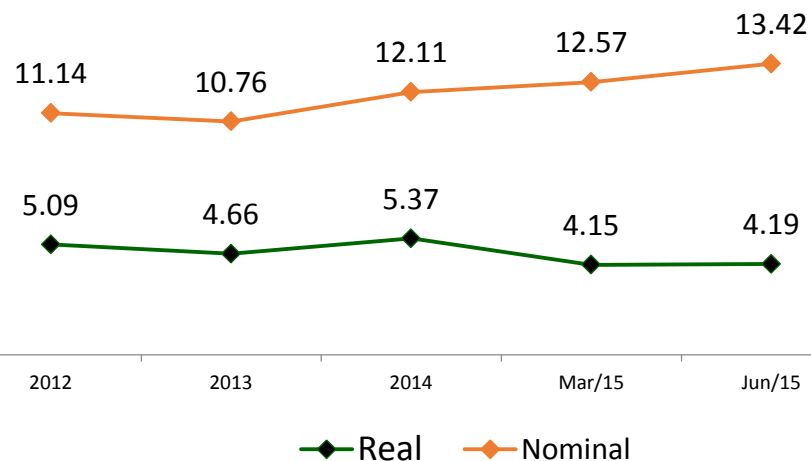
After June 2015, Cemig GT raised R\$1.0 billion for debt payment



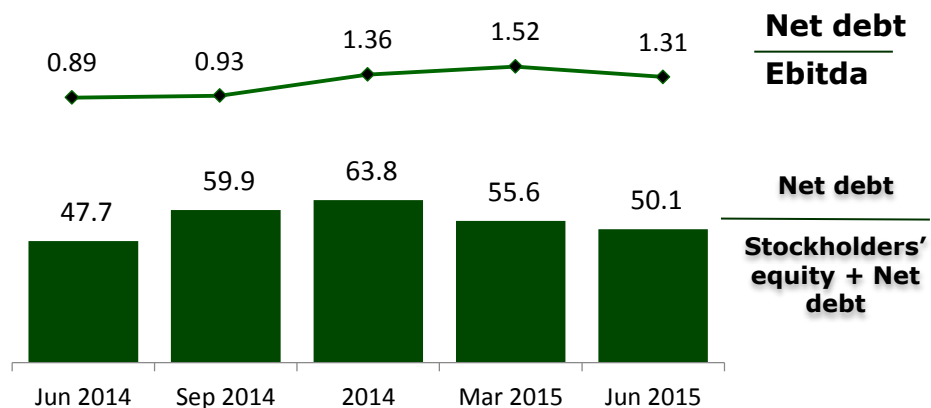
Main indexes



Real cost of debt – %



Leverage – %

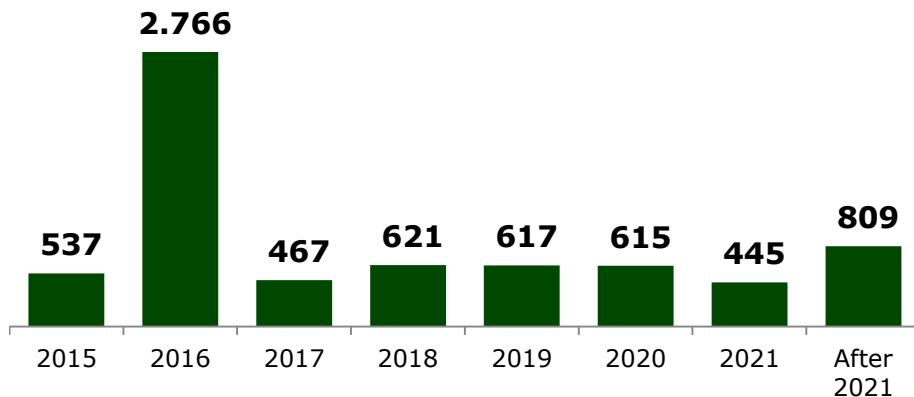


# Cemig D – debt profile

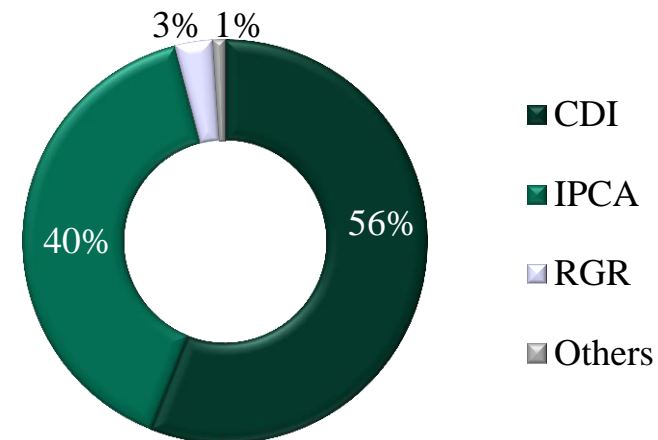
R\$ million

Maturities timetable – Average tenor: 3.6 years

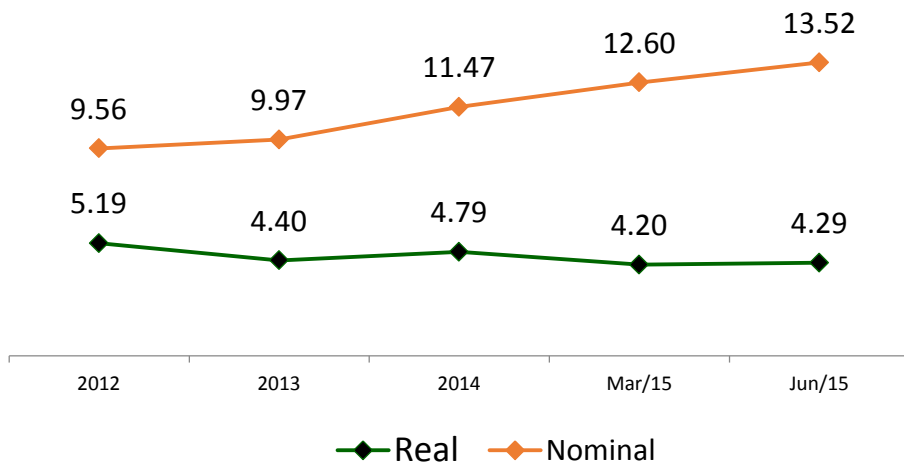
Total net debt: R\$6.4 billion



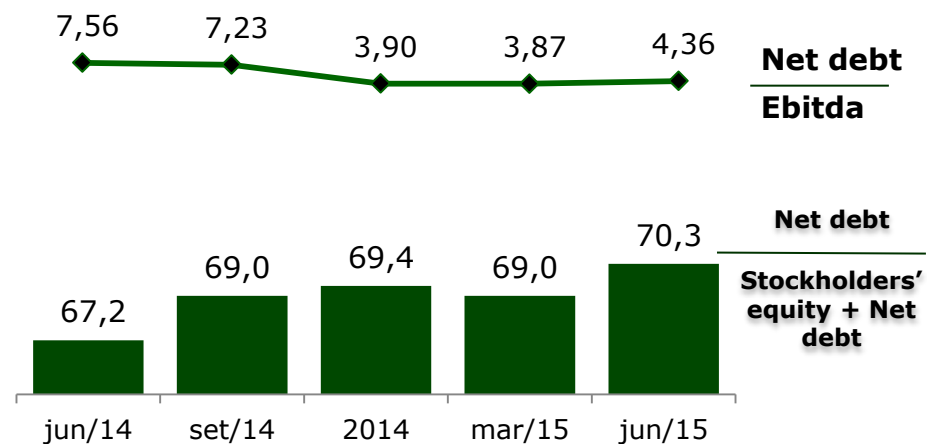
Main indexes



Real cost of debt – %



Leverage – %





**AA-(bra) Cemig H, Cemig GT and Cemig D**

**National scale**

Grau de Investimento										Grau Especulativo											
AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C	RD/D		



**Aa2.br**

**Cemig H, Cemig GT e Cemig D**

**National scale**

**Ba1**

**Cemig H, Cemig GT e Cemig D**

**Global scale**

Grau de Investimento										Grau Especulativo												
Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa1	Caa2	Caa3	Ca	C		



**brAA+**

**Cemig H, Cemig GT e Cemig D**

**National scale**

**BB+**

**Cemig H, Cemig GT e Cemig D**

**Global scale**

Grau de Investimento										Grau Especulativo												
AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC+	CCC	CCC-	CC	C	D	

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

Leading power utility in Brazil

Powerful drivers fueling growth

Sound Balance Sheet

Consistent profitable track record

Strong Dividend Policy

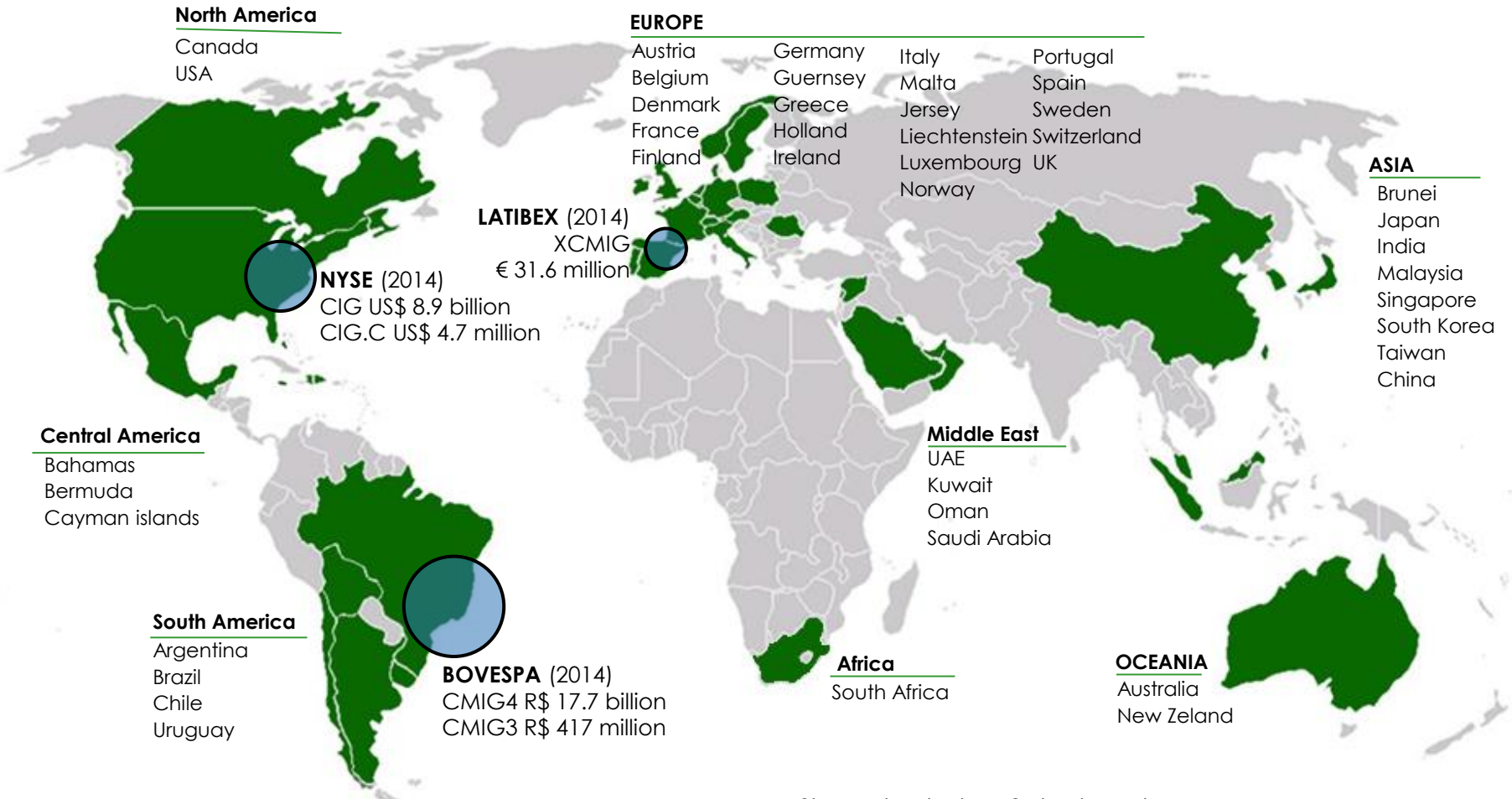
World Leader in Sustainability

# Strong shareholders base assures liquidity

Average daily trading volume of shares in 2015, up to September 22<sup>nd</sup>

**Bovespa:** R\$47.7 million

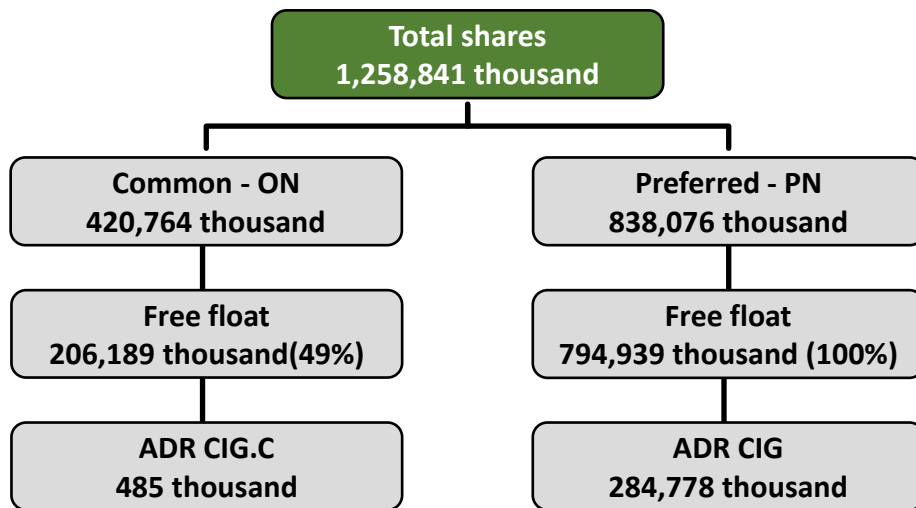
**NYSE:** US\$14.5 million



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

# The blend of shareholders provides long term perspective

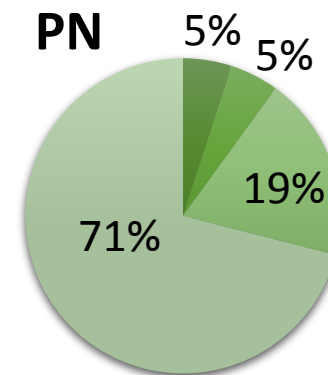
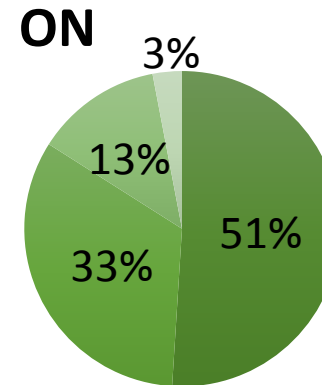
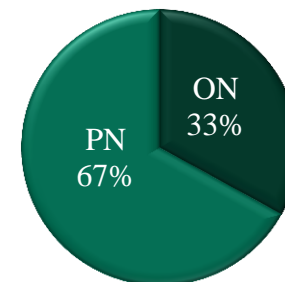
- Our shareholder diversity provides a global business management vision focused on sustainability of the company's activities
- Listed in major stock exchanges
  - BOVESPA (Brazil) ,NYSE (USA) and LATIBEX (Spain)**



Share nominal value = R\$5.00

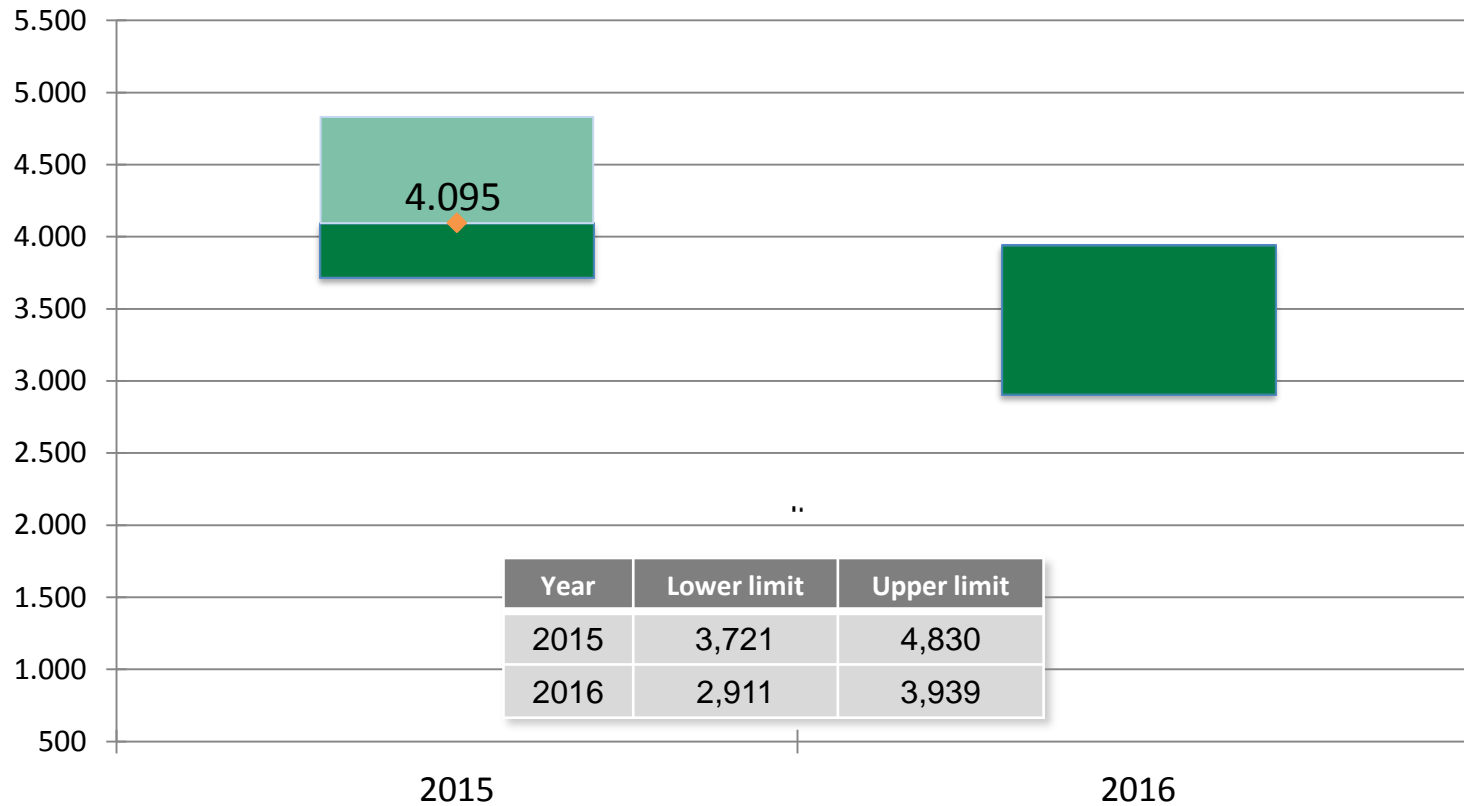
ADR outstanding approximately 22% of total shares and 34% of PN shares  
 1 ADR = 1 share in Bovespa  
 ON shares have voting rights

Total Shares



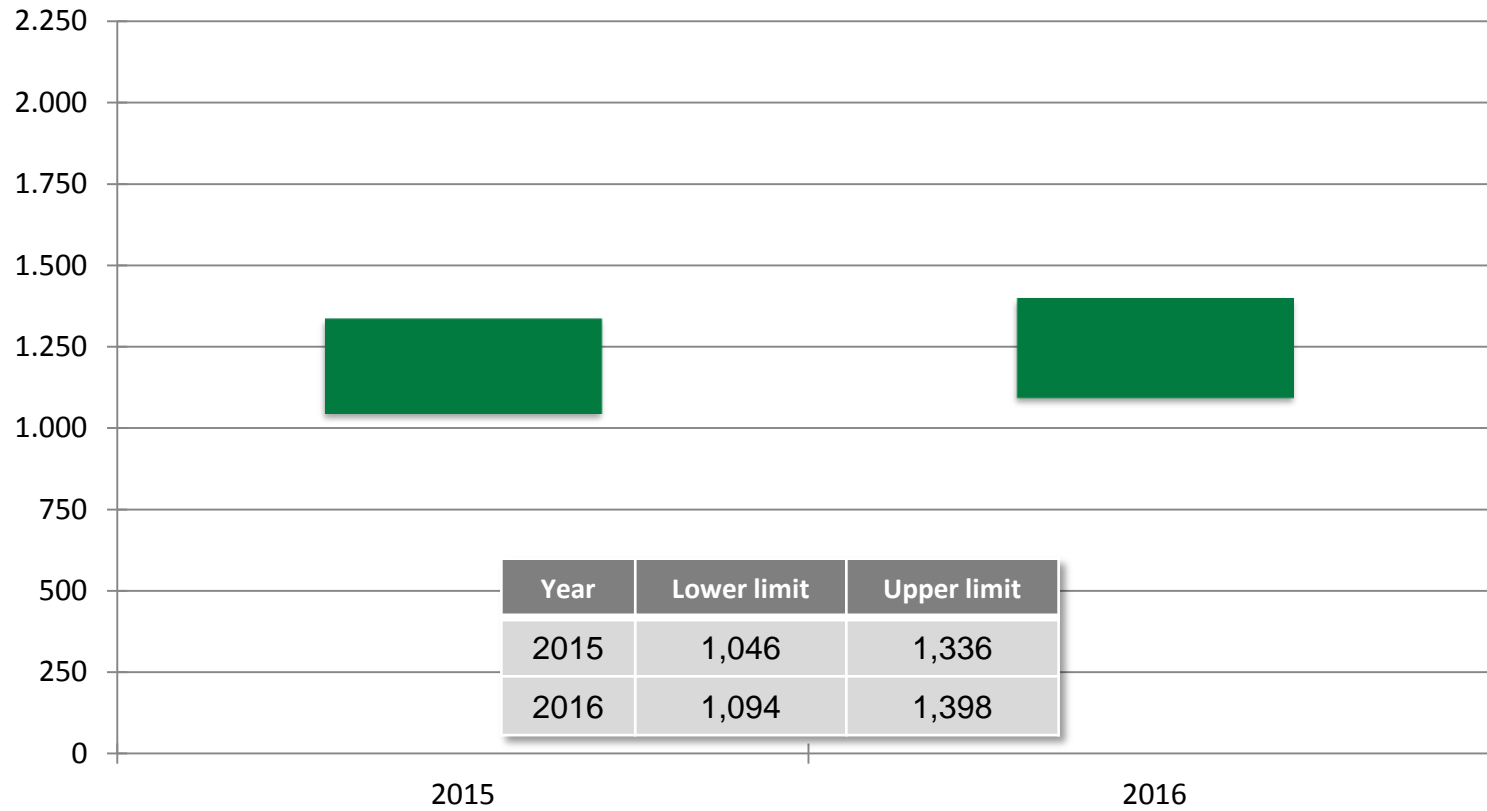
- MG government
- AGC Energia SA
- Local Investors
- International Investors

# CEMIG GT - Ebitda Guidance – 2015/2016



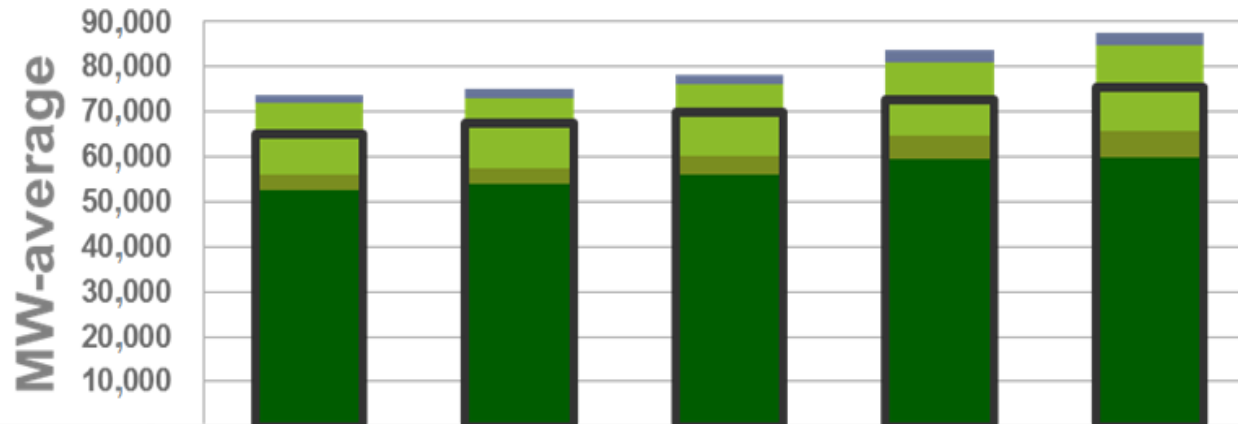
Source: Cemig.  
Constant June 2015 R\$ million

# CEMIG D - Ebitda Guidance – 2015/2016



Source: Cemig.  
Constant June 2015 R\$ million





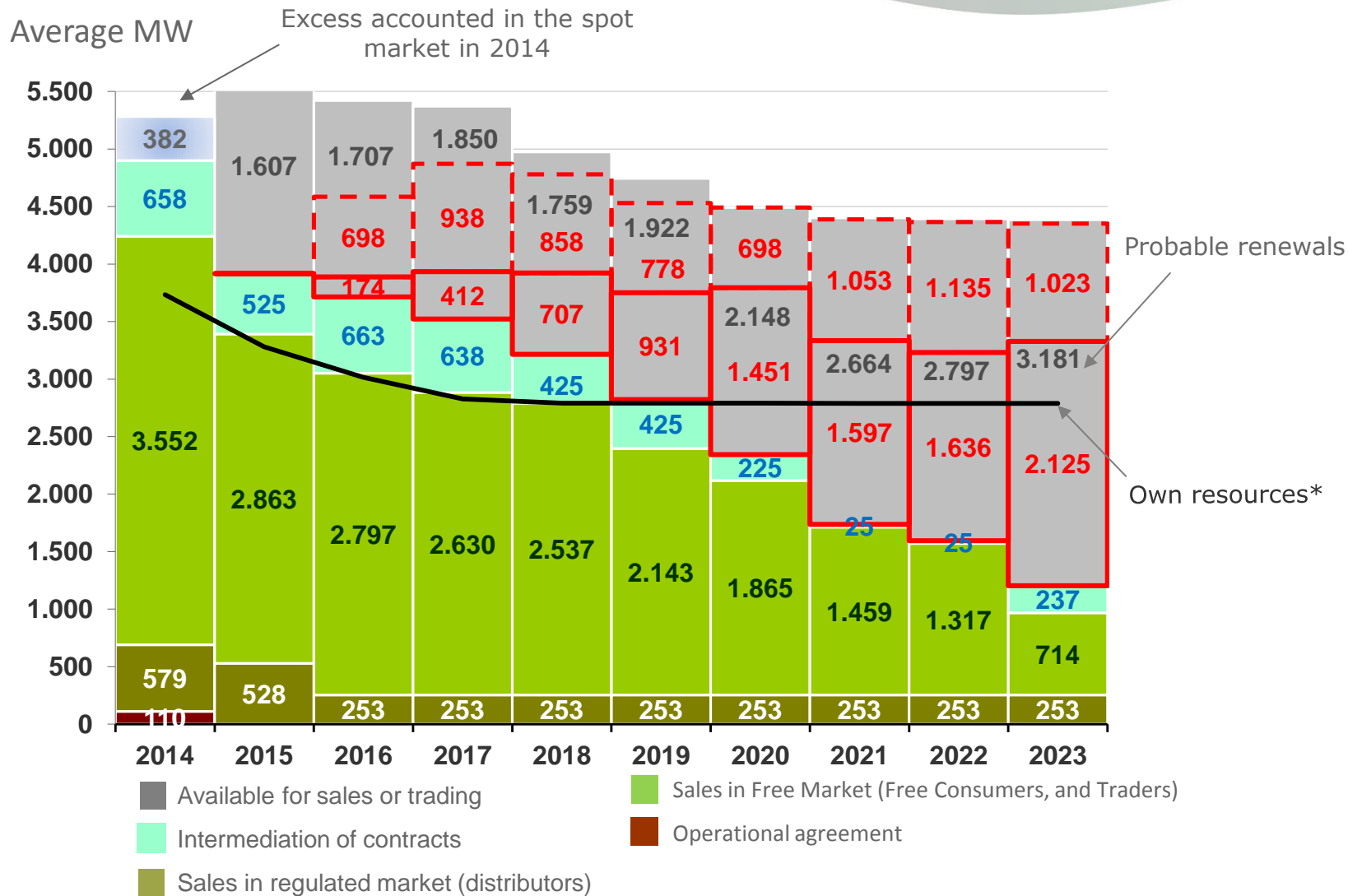
	2015	2016	2017	2018	2019
Surplus%	10.5%	8.4%	9.0%	11.6%	12.3%
Surplus	6.854	5.682	6.243	8.452	9.295
Reserve	1.689	1.815	2.211	2.575	2.575
Thermal	15.642	15.626	15.939	16.440	19.028
Wind/BIO	3.560	3.453	4.122	5.133	5.899
Hydro	52.689	54.062	55.898	59.452	59.908
Total of Supply	73.580	74.956	78.170	83.600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

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

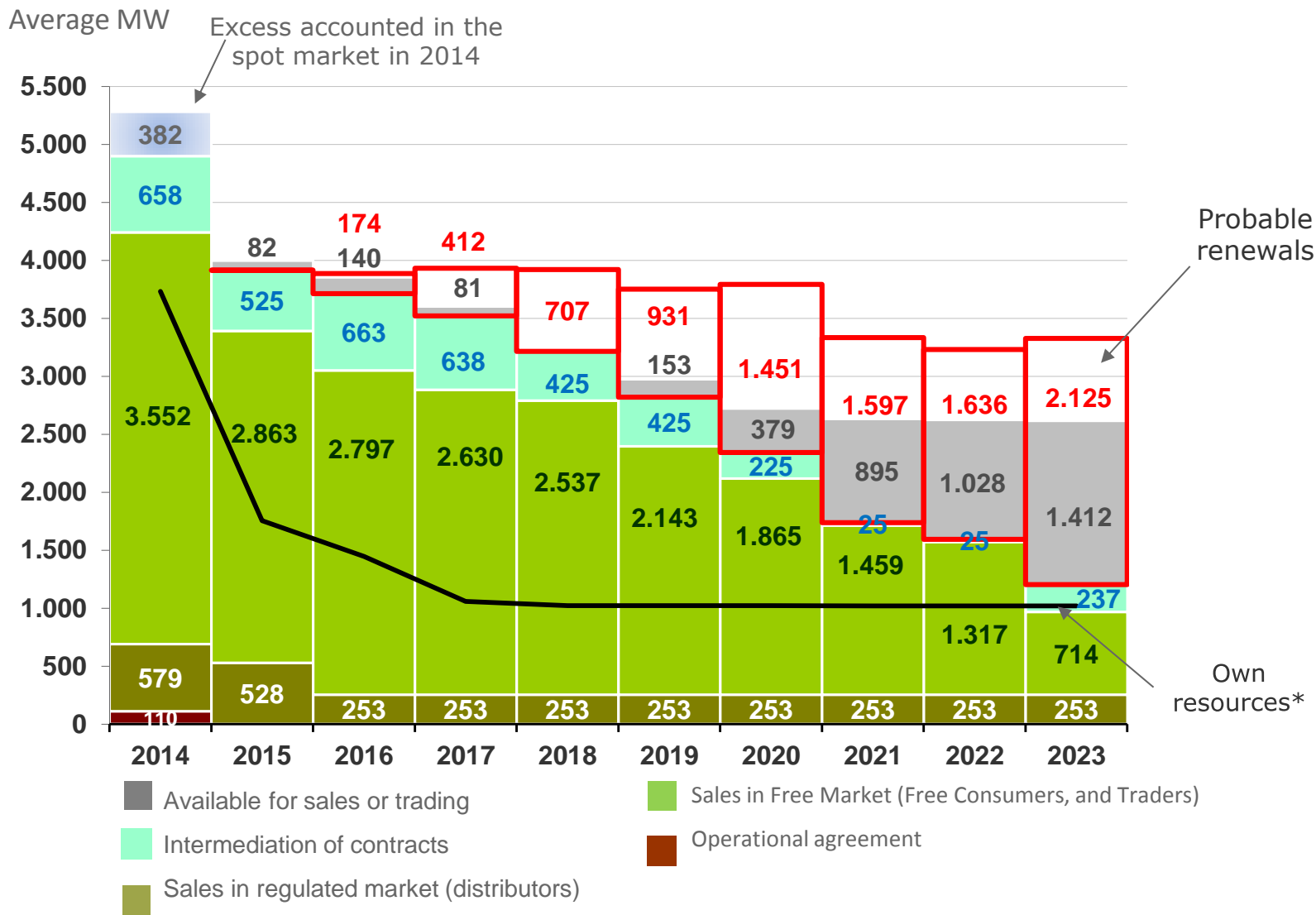
Analysis – Cemig, based on forecast GDP growth of 2.5% over 2015-2019 (1<sup>st</sup> four-month revision, 2015).

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

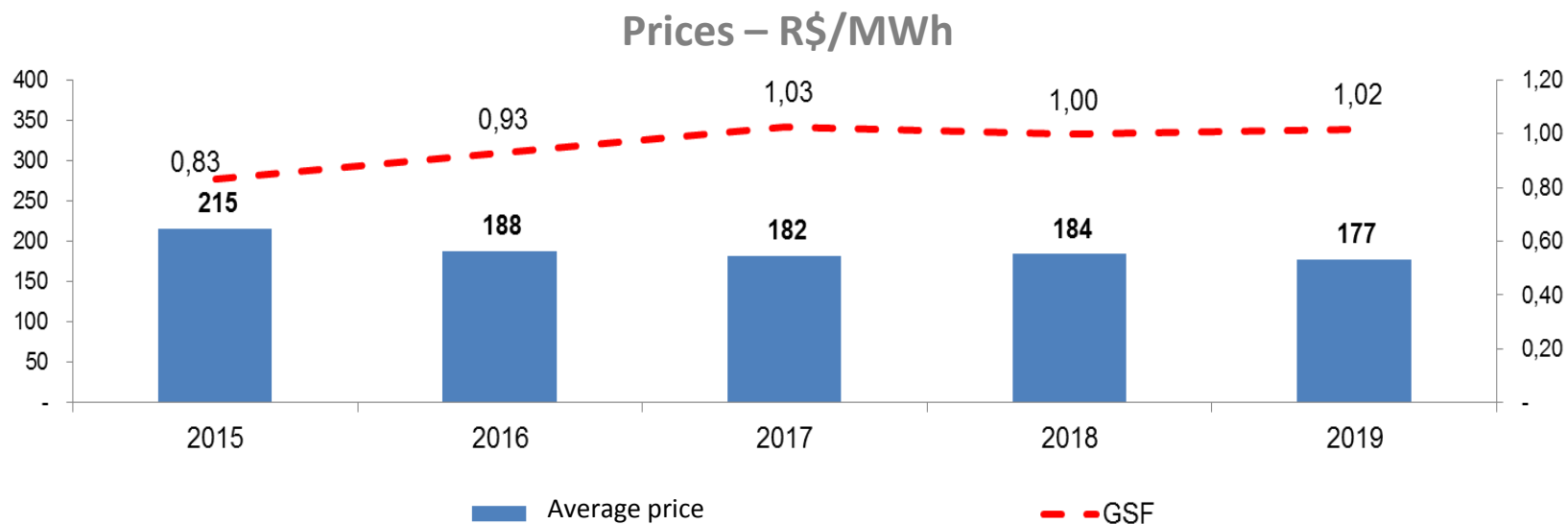
# Cemig GT: Supply/demand



(\*) 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.



(\*) 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.

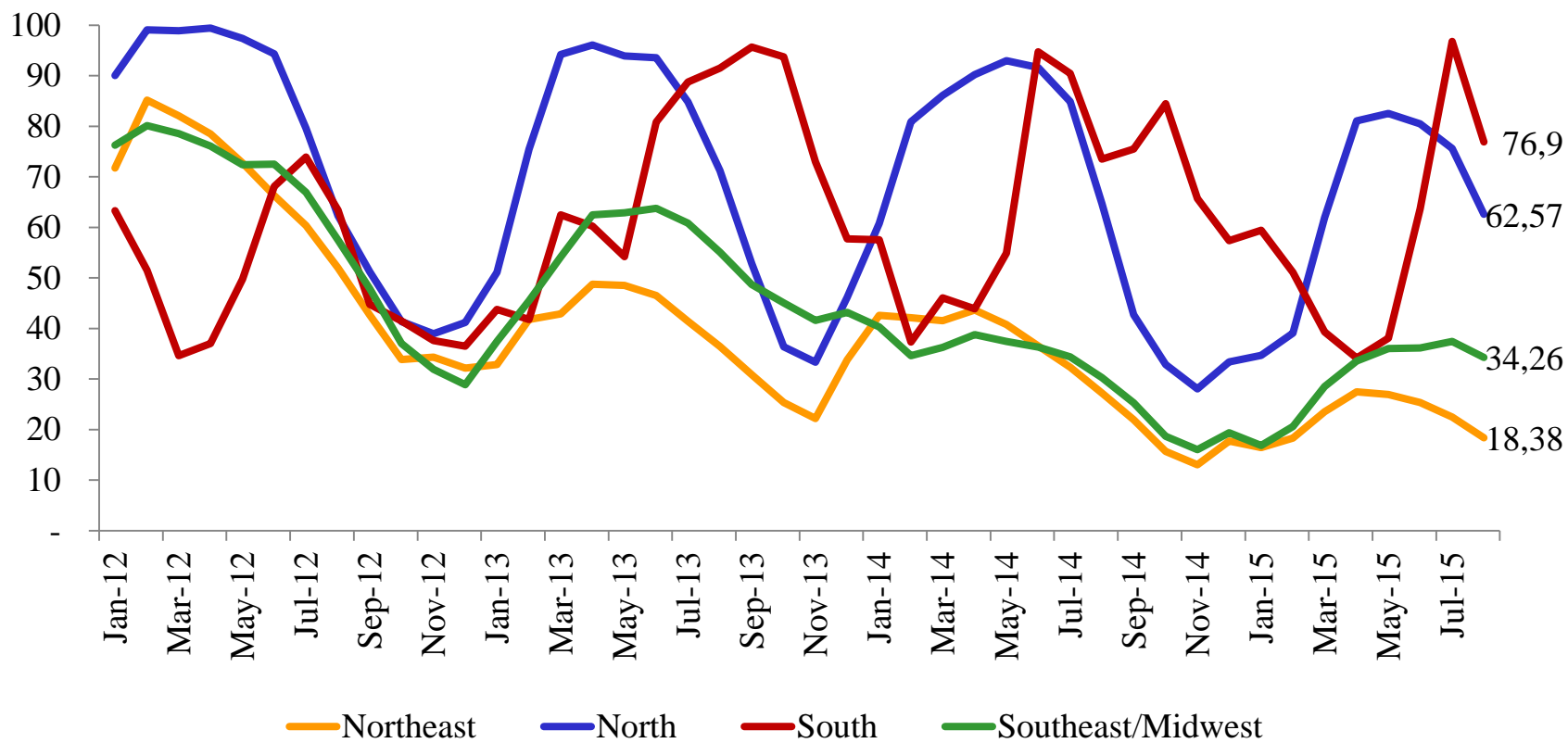


Constant June 2015 R\$

Source: Cemig.

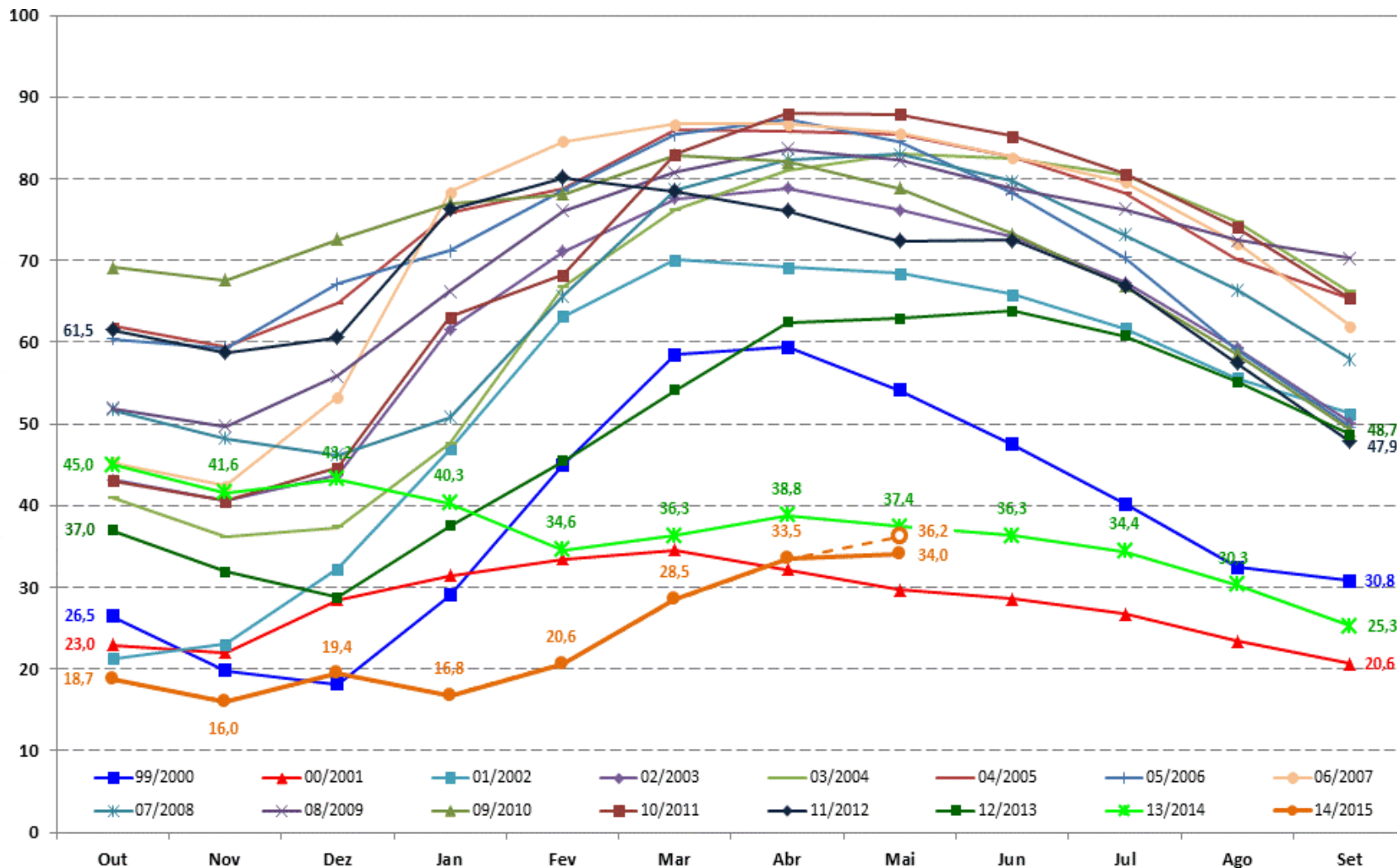
# Level of reservoirs (%)\*

by region (%)

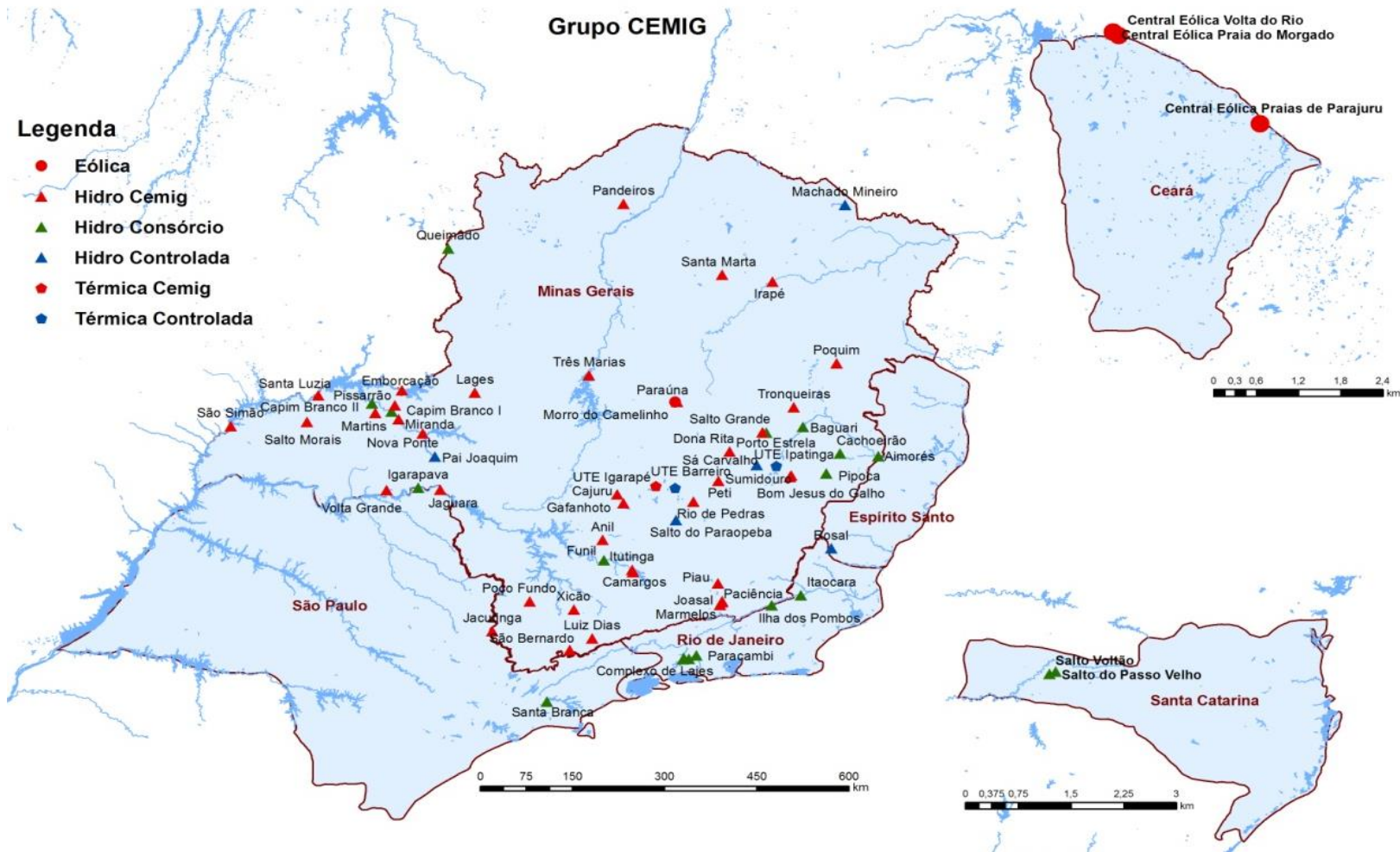


# Level of reservoirs (%)\*

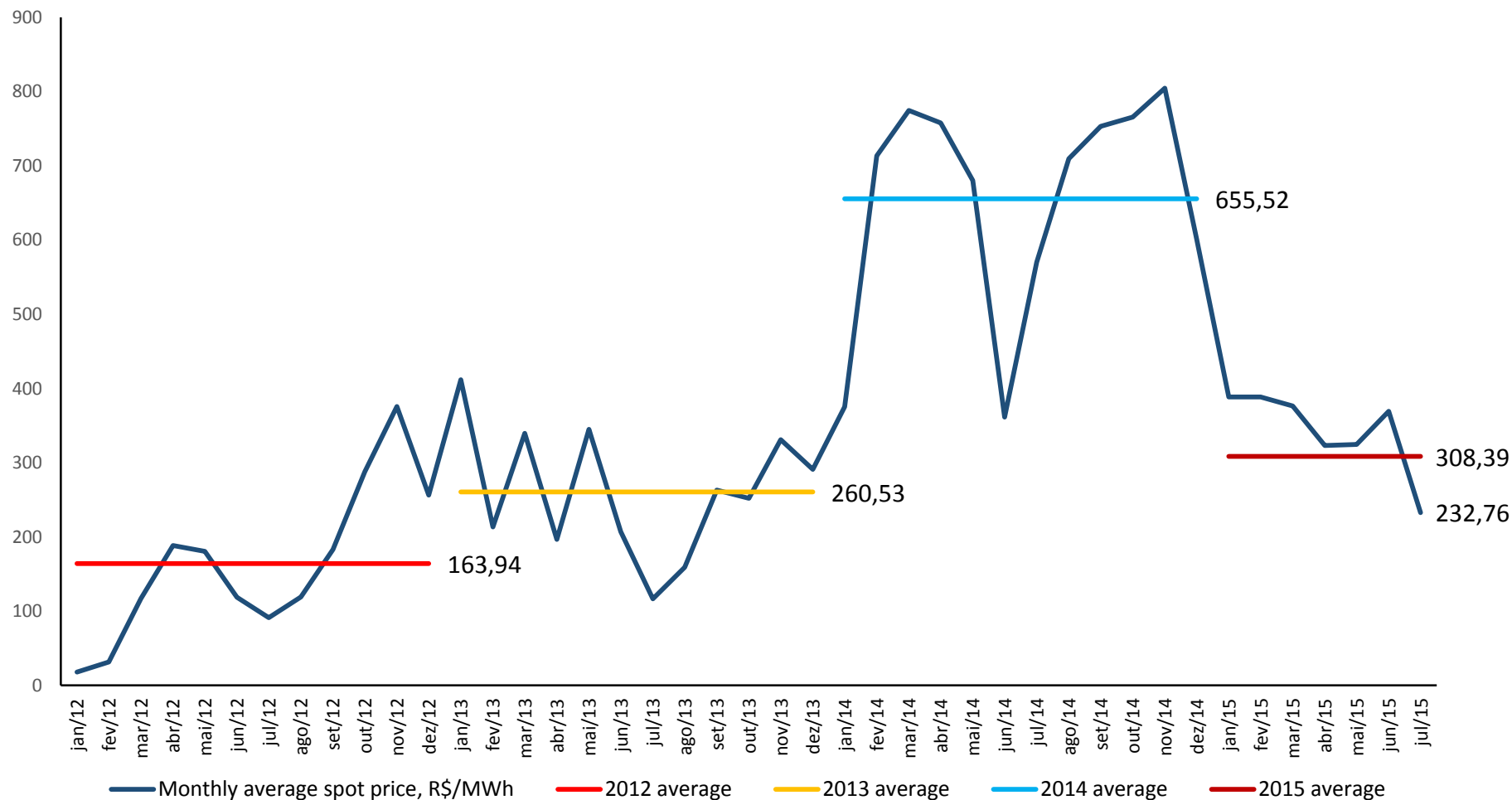
Southeast/Midwest region (%)



\*Source: Cemig



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



\*Source: CCEE



## 2nd maturity: Auction scheduled for November 25<sup>th</sup>

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

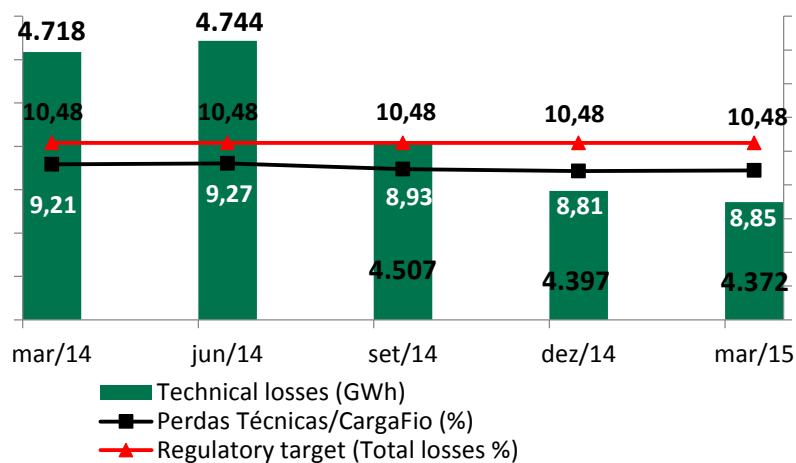
## 1st maturity:

#	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
<b>TOTAL 1st renewal</b>				<b>2,542</b>	<b>1,819</b>

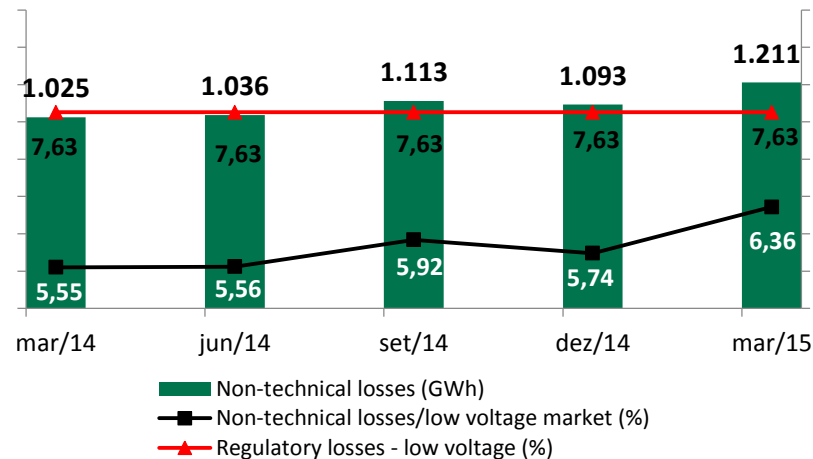
# Contracts maturing of transmission facilities

#	Plant	Location	Expiry of concession
<b>TBE</b>			
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
<b>Taesa</b>			
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
<b>Others</b>			
23	Transchile – LT Charrua – Nueva Temuco	Chile	mai/28
24	Centroeste de Minas – LT Fumas – 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

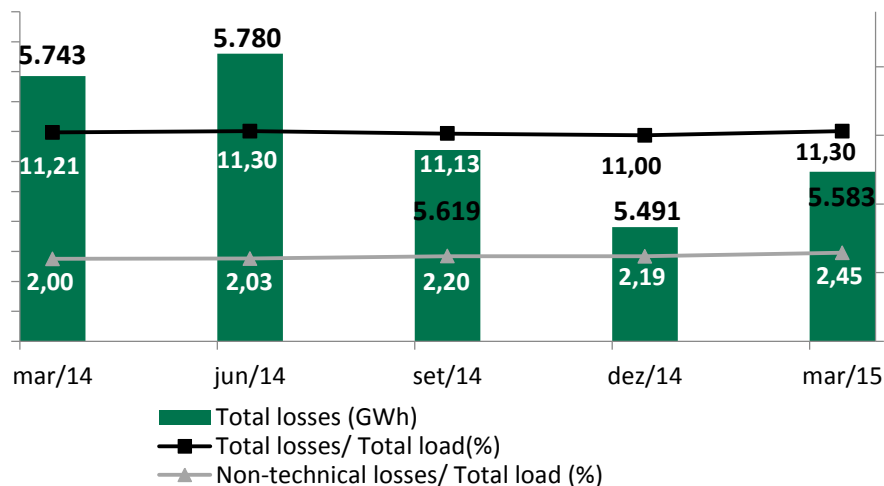
### Technical Losses



### Non-technical losses / Total low voltage market



### Total Losses



## Consortium of Cemig (49%) and Light (51%) wins auction for **Itaocara I** Hydro Plant

- Project features
  - ✓ Installed capacity 150 MW
  - ✓ Physical Guarantee 93.4 MW
  - ✓ Installation License already issued
  - ✓ 95.5% of physical guarantee goes to regulated market
- Investment of R\$ 1 bn (March 2015 currency)
- Capital structure
  - ✓ Own funds 30%
  - ✓ BNDES 40%
  - ✓ Debentures 30%
- A-5 auction
  - ✓ Power supply sold: 89.20 Mw average
  - ✓ Sale price in regulated market: R\$154.99/MWh
  - ✓ Start up planned for: 2Q 2018
  - ✓ Location



## Investor Relations

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Fax: (55-31) 3506-5025

Email: [ri@cemig.com.br](mailto:ri@cemig.com.br)

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