

2Q16 Results



Termo de Renúncia

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 analyzes 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.

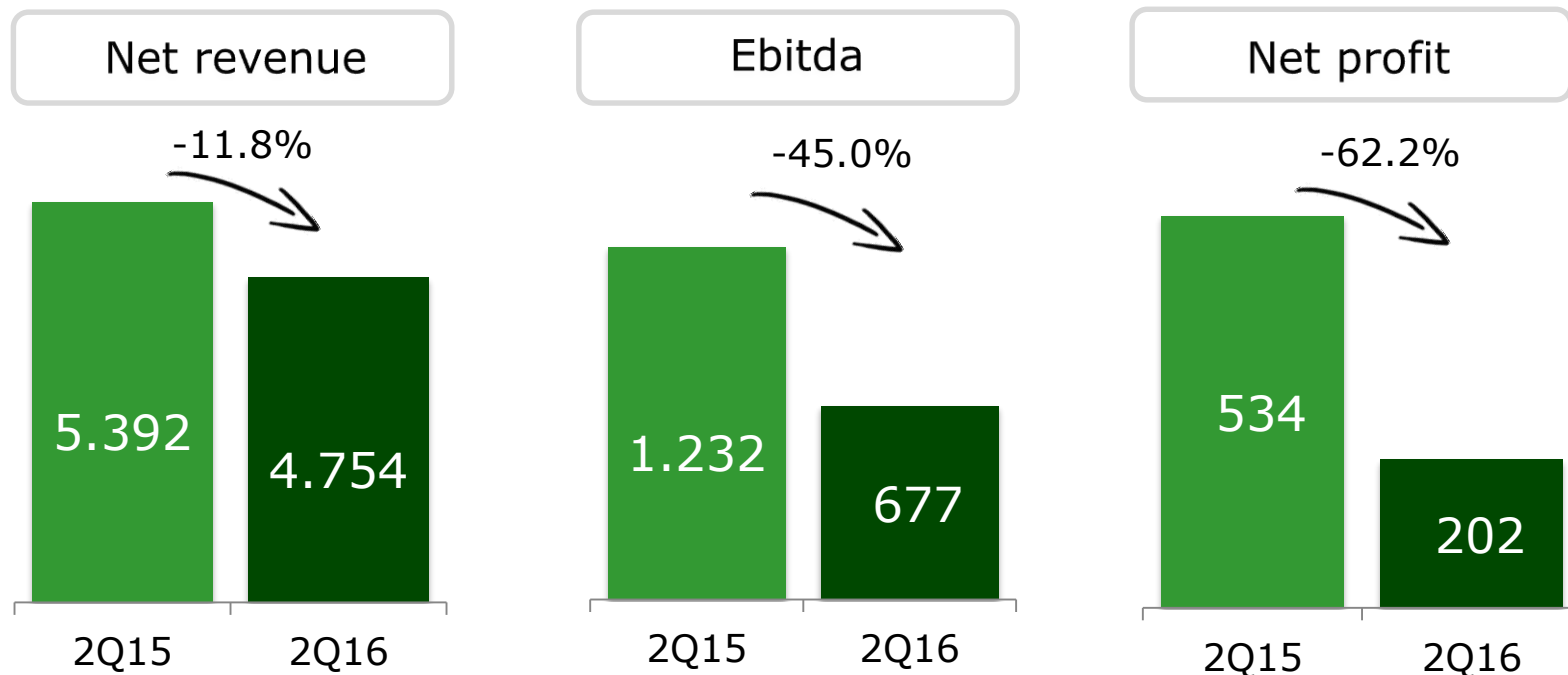
Important factors that could lead to significant differences between actual results and the projections about future events or results include our business strategy, Brazilian and international economic conditions, technology, our financial strategy, changes in the electricity sector, hydrological conditions, 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 2Q16



Main factors in the 2Q results:

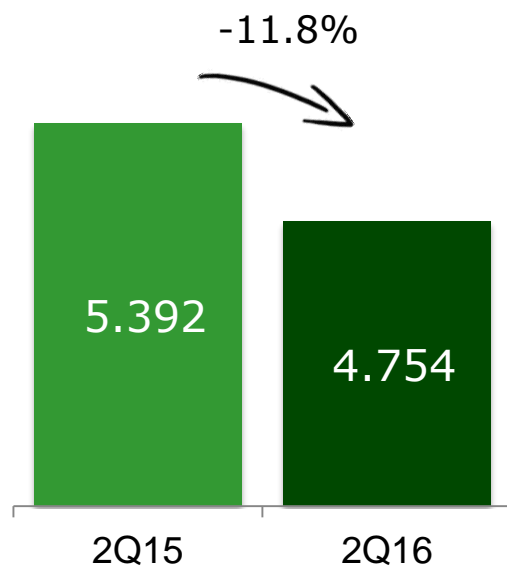
- Recognition of R\$ 561 million in Transmission indemnity revenue
- Higher allocation of supply to 2H16.
- Average spot price significantly lower year-on-year
- Increase in the provision for the Put option in Parati, due to new pricing criterion

Focus kept on strategy; reiterating the following commitments to stockholders and investors:

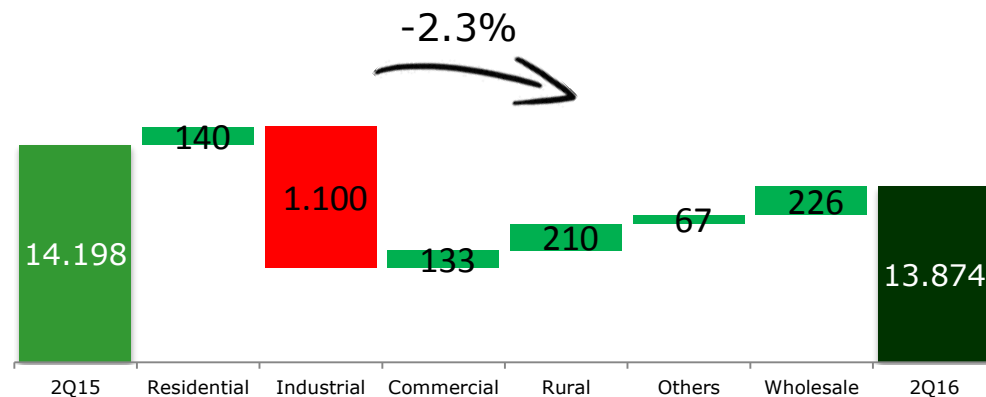
- Deleveraging our debt
- Increase productivity
- Review the portfolio of equity interests
 - ✓ Focus on core business: electricity generation, transmission, distribution, trading
 - ✓ Companies in which Cemig has control or shared control

Based on estimates, Cemig recognized revenue of R\$ 561 million.

- R\$ 549 million, in June 2016
 - R\$ 20 million relating to the difference between the amount of Aneel's preliminary and final Reviews of the Opinion sent by the Company
 - R\$ 91 million representing the difference between the variations resulting from the IGP–M index and from the IPCA index (Cemig had updated the balance receivable by the IGP-M index in March 2016)
 - R\$ 438 million, representing the remuneration from use of own capital, calculated on the basis of 10.44% p.a.
- R\$ 12 million for monetary updating of the balance of indemnity receivable by the IGP-M index, up to May 2016

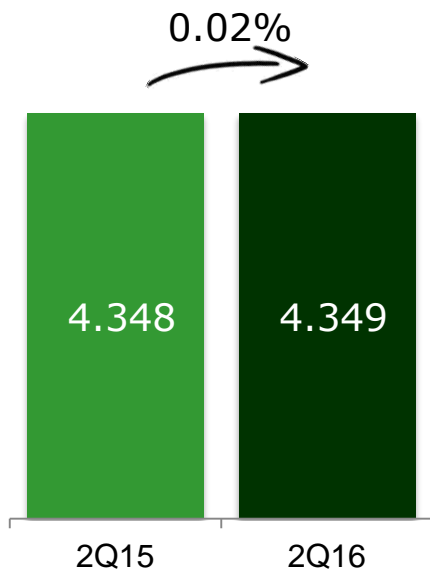


Changes in sales – by volume - GW



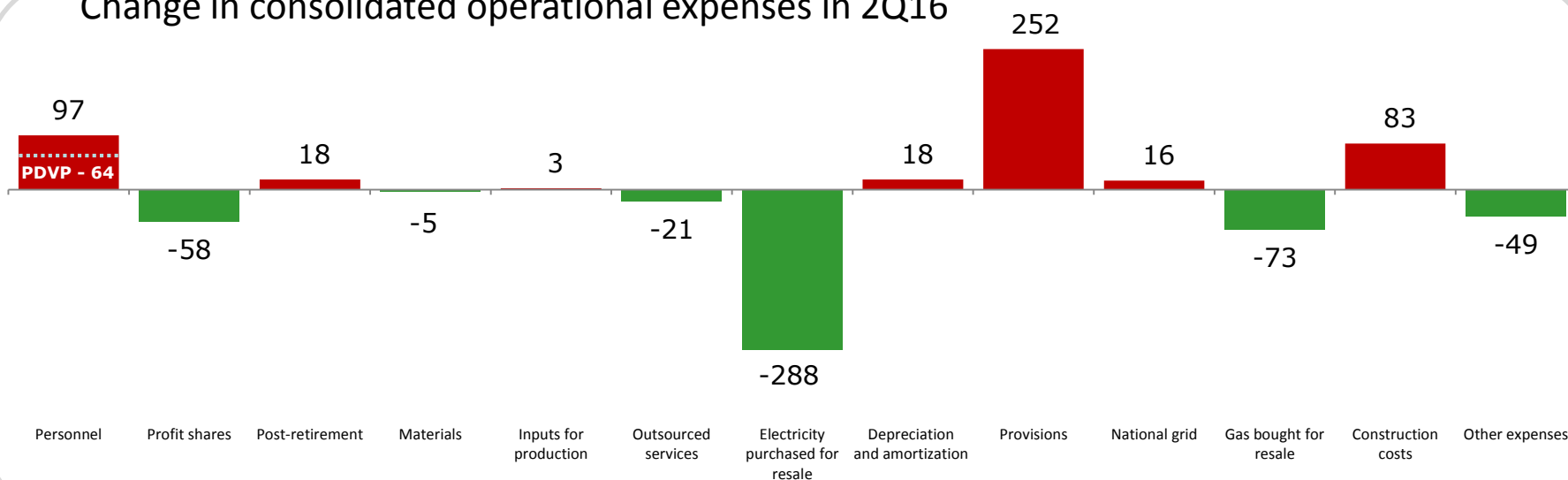
- R\$ 561 million in Transmission indemnity revenue (Cemig's estimate)
- Lower volume of electricity sold on the CCEE (Spot Market)
- Output of São Simão plant transferred to the quota regime – since September 15, 2015
- Average spot price lower in 2Q16:
 - R\$ 62.4/MWh in 2Q16, vs. R\$ 356.8/MWh in 2Q15

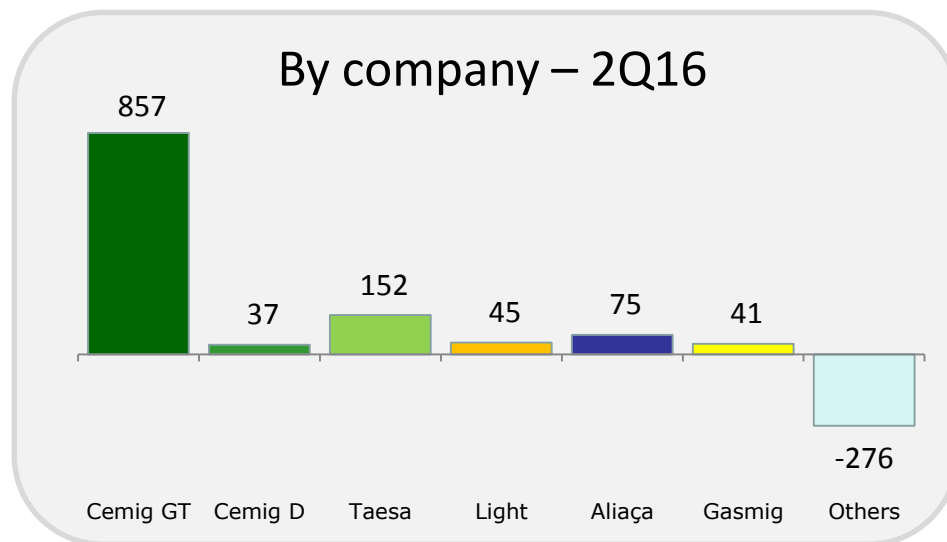
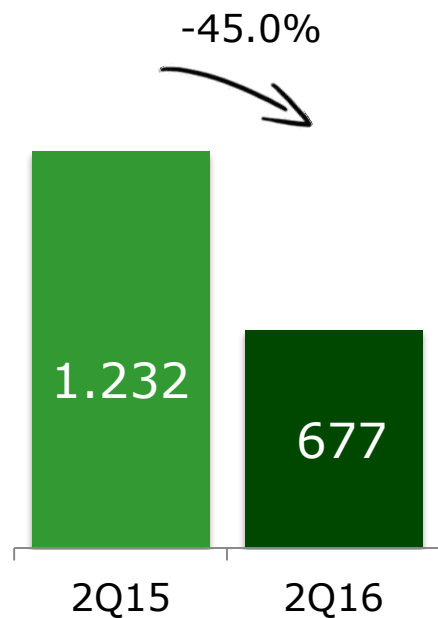
Consolidated operational expenses



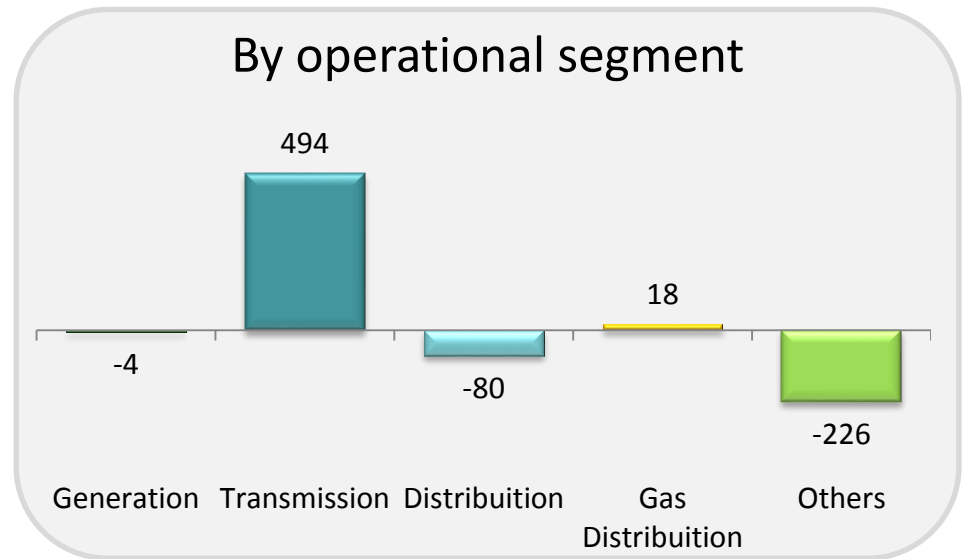
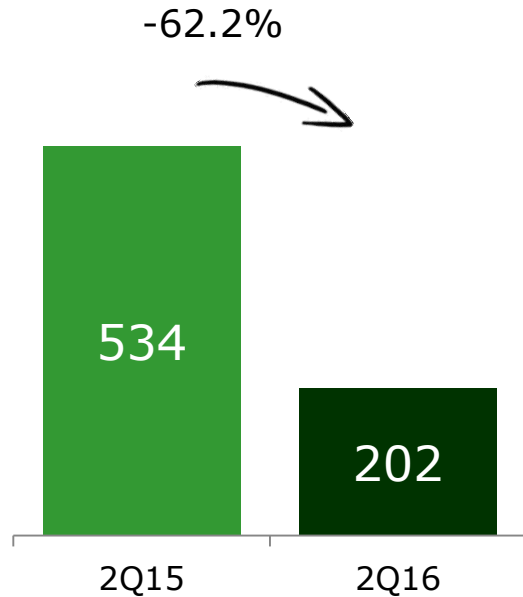
- The PDVP Programmed Voluntary Retirement Plan
 - ✓ 621 employees accepted the plan:
 - 472 in Cemig D, 138 in Cemig GT, 11 in Cemig H
 - Total cost, R\$ 64 million, provisioned in full
 - ✓ Severance period: June 2 to October 20, 2016
- Impact on results from provisions for losses on investments
 - ✓ Parati: Total of R\$ 434 mn provisioned in 2016, of which R\$ 355 mn in 2Q16.
 - ✓ SAAG: Total of R\$ 26 mn provisioned in 2016, of which R\$ 16 mn in 2Q16

Change in consolidated operational expenses in 2Q16





- Lower revenue, while operational costs remained at same level
 - Revenue from transactions on CEEE down 93.1%
 - Average spot price significantly lower year-on-year

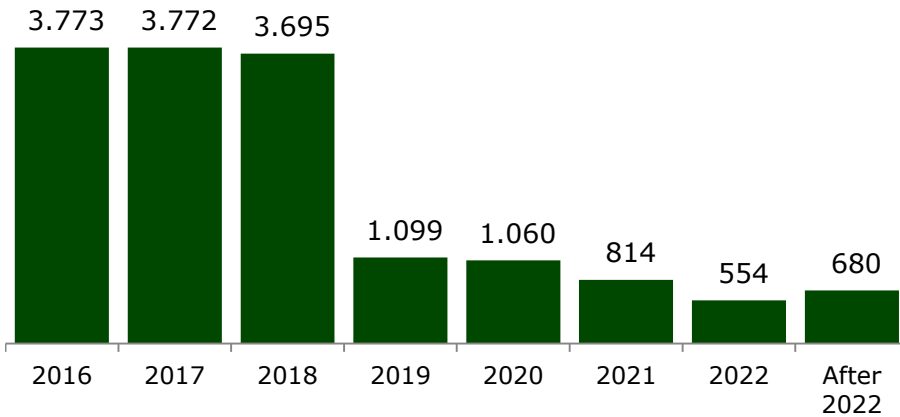


- Lower volume of electricity sold on the CCEE (Spot Market)
- Average spot price significantly lower year-on-year
- Equity method gain contributed to 2Q16 profit:
 - ✓ R\$ 72 million in 2Q16, vs. R\$ 6 million in 2Q15

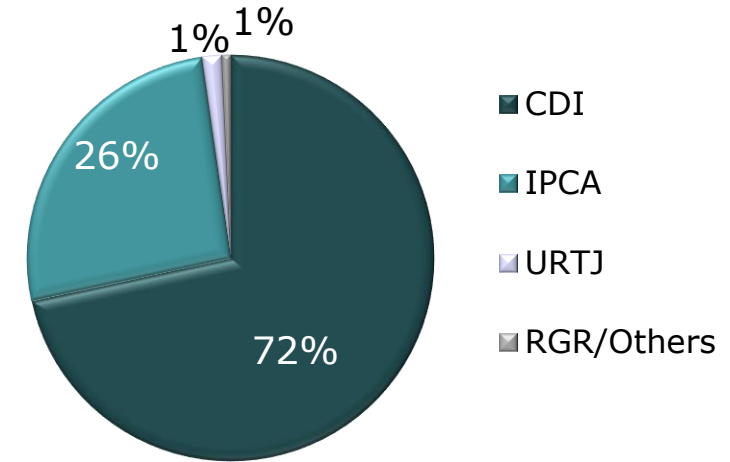
Cemig, consolidated: debt profile

Maturities timetable – Average tenor: 2.8 years

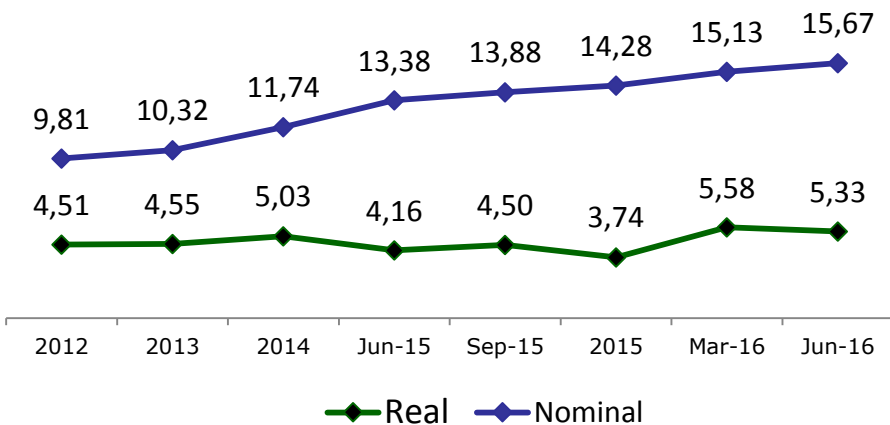
Total net debt: R\$ 12.9 billion



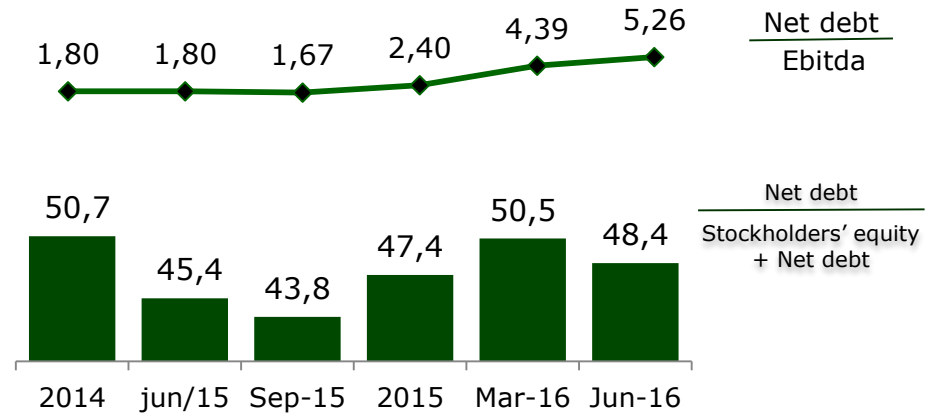
Main indexors



Cost of debt – %



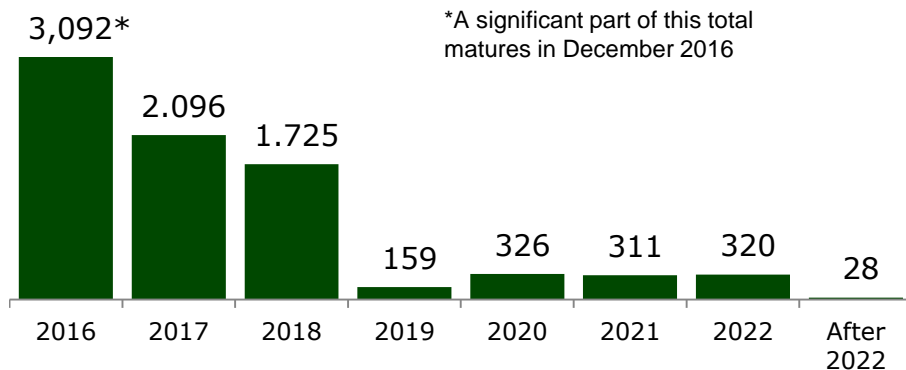
Leverage – %



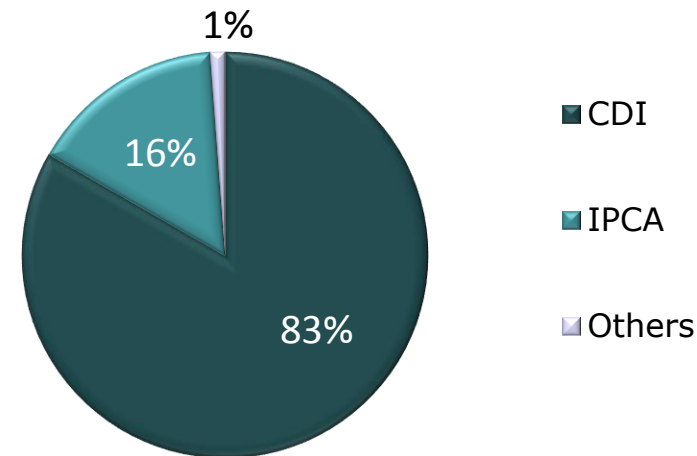
Debt profile Cemig GT

Maturities timetable – Average tenor: 2.2 years

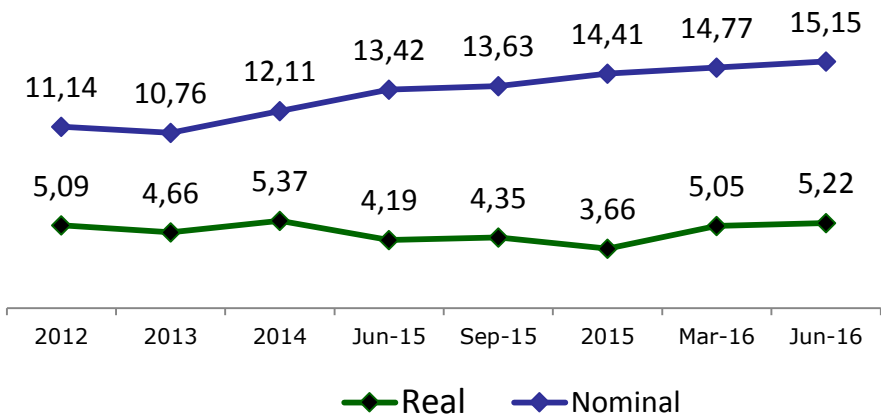
Total net debt: R\$7.4 bilhões



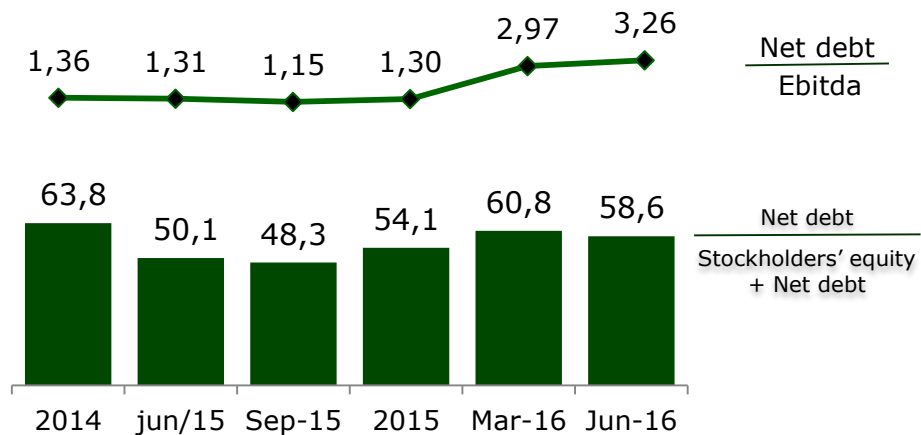
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Cost of debt – %



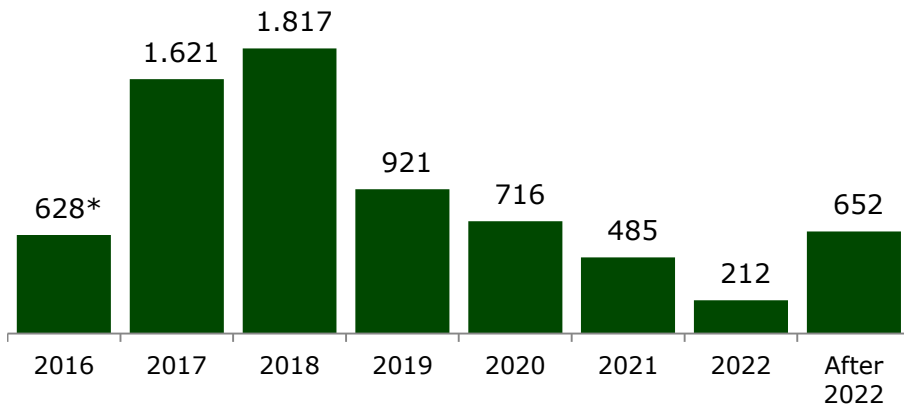
Leverage – %



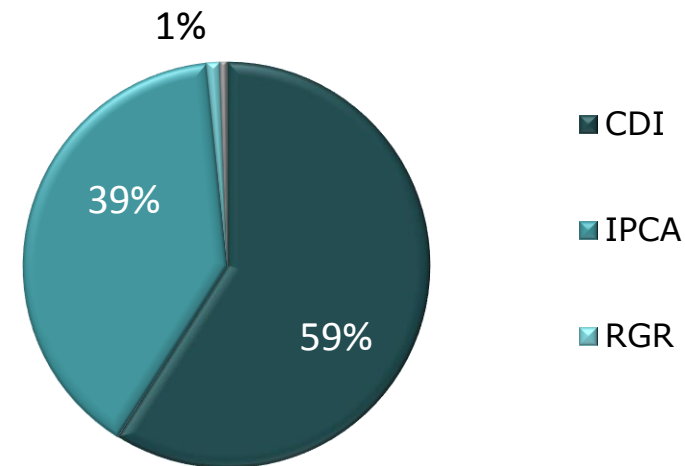
Debt profile Cemig D

Maturities timetable – Average tenor: 3.4 years

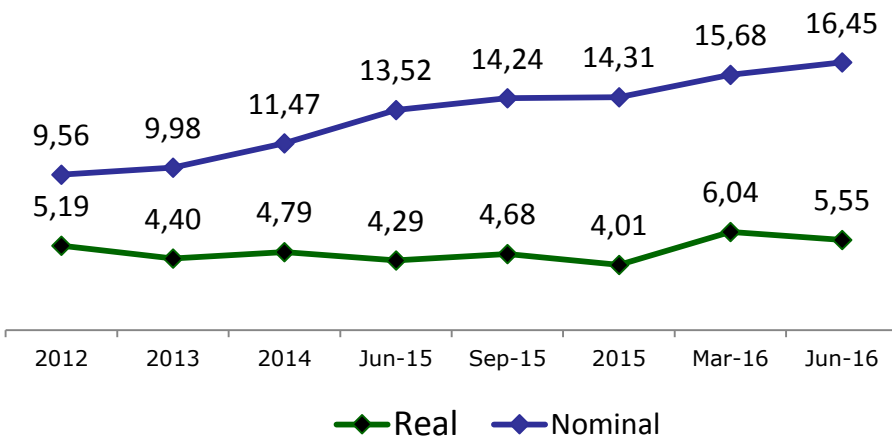
Total net debt: R\$5.9 bilhões



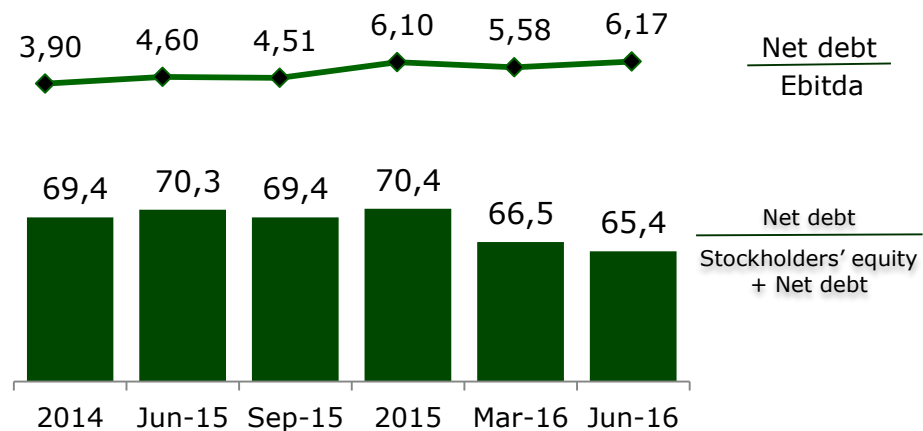
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Cost of debt – %



Leverage – %



Descrição	Planned	Realized	
	2016	Jun/16	%
GENERATION	3,368	2,891	85.8
Investment program	90	16	17.8
Capital injections	1,062	659	62.1
Renova Energia S.A.	340	240	70.6
<i>Aliança Norte</i>	200	118	59.0
<i>Madeira Energia S.A. – Mesa</i>	124	79	63.7
<i>SPC – Amazônia Energia Participações S.A. (Belo Monte)</i>	324	189	58.3
<i>Other</i>	74	33	44.6
<i>Auction 012/2015 - Grant of concessions</i>	2,216	2,216	100.0
Cemig GT – Transmission	95	33	34.7
Investment program	95	33	34.7
Cemig D – Distribution	1,243	490	39.4
Investment program	1,243	490	39.4
Cemig – Holding company	22	-	-
Investment program	2	-	-
Capital injections	20	-	-
Total of investments	4,728	3,414	72.2

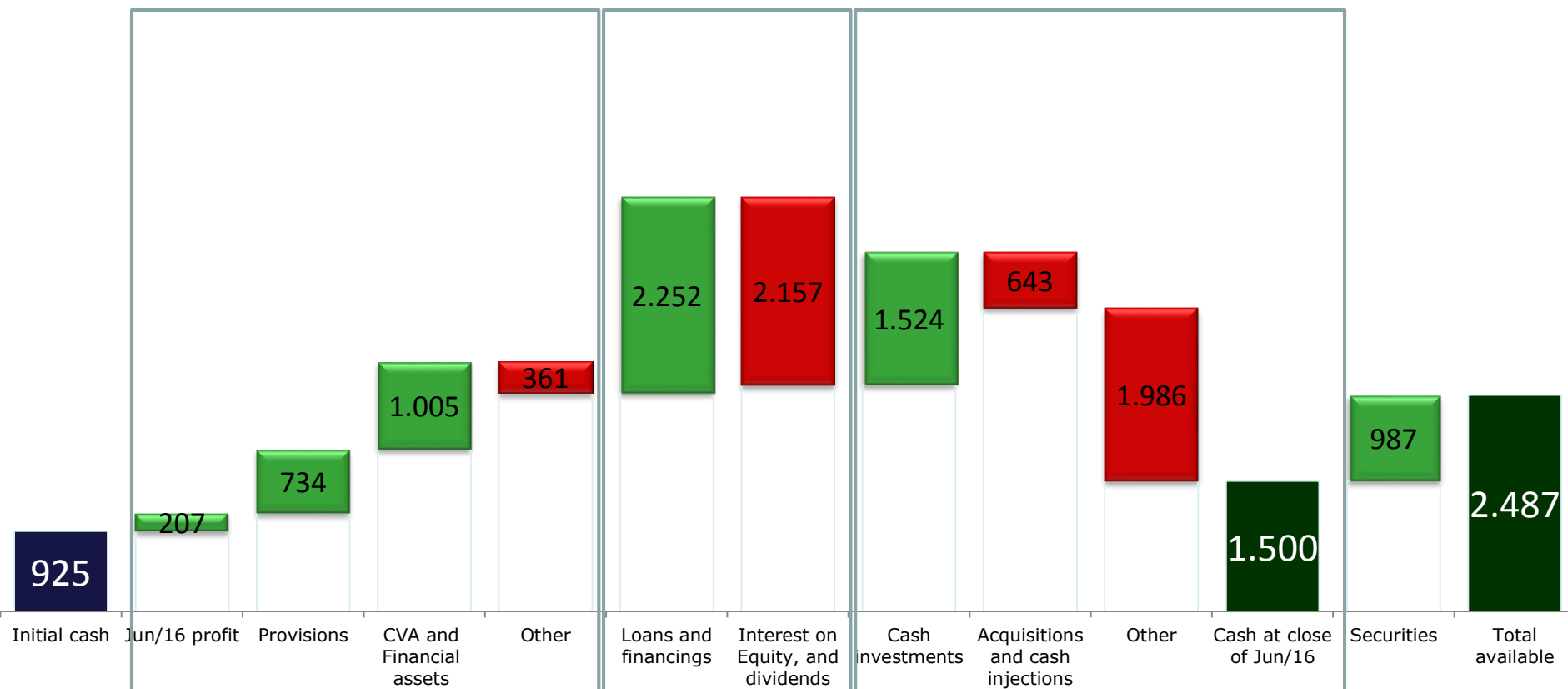
June 2015 R\$ million

Fluxo de Caixa

Cash from operations
R\$1,585

Financing
R\$95

Investments
- R\$1,105





A Melhor Energia do Brasil.

Investor relations

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