

## PUBLICATION OF RESULTS

### CEMIG REPORTS 2Q16 EBITDA OF R\$ 677 MILLION

Main factors in the quarter:

- Recognition of R\$ 561 million in Transmission Indemnity Revenue
- Change in profile of allocation of supply in 2016
- Average spot price significantly lower, year-on-year, in the quarter
- Significantly lower sales of gas to industry and thermal generation plants
- Higher provision for the put option in Light due to adoption of the Black-Scholes method to measure fair value of the option

Indicators (GWh)	2Q16	2Q15	Change %
Electricity sold (excluding CCEE)	13,874,405	14,197,815	(2.28)
Indicators – R\$ '000	2Q16	2Q15	Change %
Sales on the CCEE	49,042	701,158	(93.01)
Net debt	12,960,625	11,731,593	10.48
Gross revenue	7,275,577	8,444,281	(13.84)
Net revenue	4,754,147	5,392,480	(11.84)
Ebitda (IFRS)	676,670	1,232,272	(45.09)
Net profit in the quarter	202,124	534,264	(62.17)
Earnings per share	0.16	0.42	(61.90)
Ebitda margin	14.24%	22.85%	-8.61p.p.

## Conference call

### Publication of 2Q16 results

#### Video webcast and conference call

**August 17, 2016 (Wednesday) : 3 PM, Brasília time**

This transmission on Cemig's results will have simultaneous translation into English and can be seen in real time by Video Webcast, at <http://ri.cemig.com.br> or heard by conference call on:

**+ 55 (11) 2188-0155 (1st option) or**

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<p><b>Playback of Video Webcast:</b> Site: <a href="http://ri.cemig.com.br">http://ri.cemig.com.br</a> Click on the banner and download. Available for 90 days</p>	<p><b>Conference call – Playback:</b> Telephone: (+55-11) 2188-0400 Password: CEMIG Português Available from August 17 to September 1,</p>
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## Disclaimer

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, market conditions in the electricity sector, and expected future results, many of which are not under Cemig's control.

Important factors that could lead to significant differences between actual results and the projections about future events or results include Cemig's business strategy, Brazilian and international economic conditions, technology, Cemig's 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. Due to these and other factors, Cemig's 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 Cemig's professionals nor any of their related parties or representatives shall have any liability for any losses that may result from use of the content of this material.

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.

## Cemig stock price performance

Security	Ticker	Currency	Close of June 30, 2016	Close of December 31, 2015	Change in the period %
Cemig PN	CMIG4	R\$	7.28	5.67	28.40%
Cemig ON	CMIG3	R\$	7.10	5.98	18.73%
ADR PN	CIG	US\$	2.21	1.38	60.14%
ADR ON	CIG.C	US\$	2.20	1.62	35.80%
Ibovespa	Ibovespa	-	51,526	43,349	18.86%
IEEX	IEEX	-	30,786	24,803	24.12%

Source: Economática.

Trading volume in Cemig's preferred shares (CMIG4) in the first half of 2016 (1H16) totaled R\$ 5.87 billion, a daily average of R\$ 47.78 million. Cemig's shares, by volume (aggregate of common (ON) and preferred (PN) shares), were the second most liquid in Brazil's electricity sector in the period, and among the most traded in the Brazilian market as a whole.

On the New York Stock Exchange the volume traded in ADRs for Cemig's preferred shares (CIG) in 1H16 was US\$985.6 million. We see this as reflecting the investor market's recognition of Cemig as a global investment option.

The São Paulo Stock Exchange (Bovespa) Index – the *Ibovespa* – was up 18.86% in the first half of 2016, closing June at 51,526 points. Cemig's preferred shares outperformed the principal Brazilian stock index and also the electricity sector index, rising 28.39% in the half-year. The common shares rose 18.82%.

## Cemig's long-term ratings

These tables show credit risk ratings and outlook for Cemig's companies as provided by the principal rating agencies:

### Brazilian ratings:

Agency	Cemig		Cemig D		Cemig GT	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
Fitch	A (bra)	Negative	A (bra)	Negative	A (bra)	Negative
S&P	brA	Negative	brA	Negative	brA	Negative
Moody's	Baa1.br	Negative	Baa1.br	Negative	Baa1.br	Negative

### Global Ratings:

Agency	Cemig		Cemig D		Cemig GT	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
S&P	BB-	Negative	BB-	Negative	BB-	Negative
Moody's	B1	Negative	B1	Negative	B1	Negative

Note: Fitch gives only Brazilian – not global – ratings.

## Adoption of IFRS

The results presented below are prepared in accordance with the new Brazilian accounting rules, which embody a process of harmonization between Brazilian accounting rules and IFRS (International Financial Reporting Standards).

## PROFIT AND LOSS ACCOUNTS

Consolidated – R\$ '000	2Q16	2Q15	Change %
<b>REVENUE</b>	<b>4,754,147</b>	<b>5,392,480</b>	<b>(11.84)</b>
<b>OPERATING COSTS</b>			
Personnel	429,808	332,709	29.18
Employees' and managers' profit shares	6,200	64,243	(90.35)
Post-retirement obligations	84,091	57,609	45.97
Materials	12,898	17,445	(26.06)
Raw materials and inputs for production of electricity	9	-2,547	-
Outsourced services	192,779	214,124	(9.97)
Electricity purchased for resale	2,024,749	2,312,277	(12.43)
Depreciation and amortization	199,684	181,587	9.97
Operating provisions	481,842	229,841	109.64
Charges for use of the National Grid	267,206	251,254	6.35
Gas bought for resale	189,146	261,914	(27.78)
Infrastructure construction costs	348,712	266,090	31.05
Other operational expenses, net	112,006	160,967	(30.42)
<b>TOTAL COST</b>	<b>4,349,130</b>	<b>4,347,513</b>	<b>0.04</b>
Equity method gain (loss)	71,969	5,718	1.158.64
<b>Operational profit before Financial income (expenses) and taxes</b>	<b>476,986</b>	<b>1,050,685</b>	<b>(54.60)</b>
Financial revenues	353,189	242,751	45.49
Financial expenses	(565,218)	(494,332)	14.34
<b>Profit before income tax and Social Contribution tax</b>	<b>264,957</b>	<b>799,104</b>	<b>(66.84)</b>
Current and deferred income tax and Social Contribution tax	(62,833)	(264,840)	(76.28)
<b>NET PROFIT FOR THE PERIOD</b>	<b>202,124</b>	<b>534,264</b>	<b>(62.17)</b>
Interest of the controlling stockholders	202,047	534,132	
Interest of non-controlling stockholder	77	132	
<b>NET PROFIT FOR THE PERIOD</b>	<b>202,124</b>	<b>534,264</b>	

### Cemig's consolidated electricity market

The Cemig Group sells electricity through its distribution company, **Cemig Distribuição** ('**Cemig D**'), its generation and transmission company **Cemig Geração e Transmissão** (Cemig Generation and Transmission, or '**Cemig GT**'), and wholly-owned subsidiaries: **Horizontes Energia**, **Termelétrica Ipatinga** (up to January 2015), **Sá Carvalho**, **Termelétrica de Barreiro**, **Cemig PCH**, **Rosal Energia** and **Cemig Capim Branco Energia** (up to March 2015).

The total for sales in Cemig's consolidated electricity market comprises sales to:

- (I) Captive consumers in Cemig's concession area in the State of Minas Gerais;
  - (II) Free Consumers in both the State of Minas Gerais and other States of Brazil, in the Free Market (*Ambiente de Contratação Livre*, or ACL);
  - (III) other agents of the electricity sector – traders, generators and independent power producers, also in the Free Market;
  - (IV) Distributors, in the Regulated Market (*Ambiente de Contratação Regulada*, or ACR); and
  - (V) the wholesale trading market (*Câmara de Comercialização de Energia Elétrica*, or CCEE)
- ( – eliminating transactions between companies of the Cemig Group).

In 2Q16 the Cemig group sold a total volume of 13,874 GWh, which was 2.28% less than in 2Q15.

Sales of electricity to final consumers plus Cemig's own consumption totaled 10,755 GWh, or 4.9% less than in 2Q15.

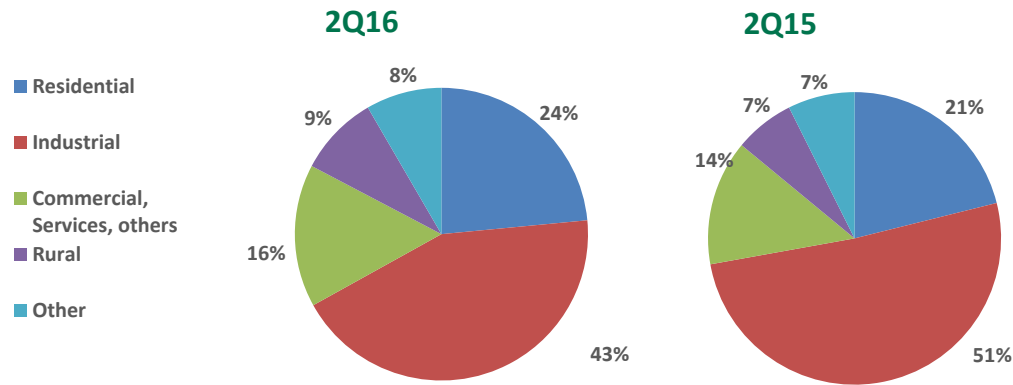
Overall, electricity consumption has been affected since 1Q15 by adverse Brazilian political and economic circumstances; and, in the captive market, by the successive increases in electricity rates charged to consumers, associated with application of the 'Tariff Flag' system, resulting in significant increases in consumers' electricity bills.

Sales to distributors, traders, other generating companies and independent power producers in 2Q16 totaled 3,110 GWh – or 7.85% less than in 2Q15.

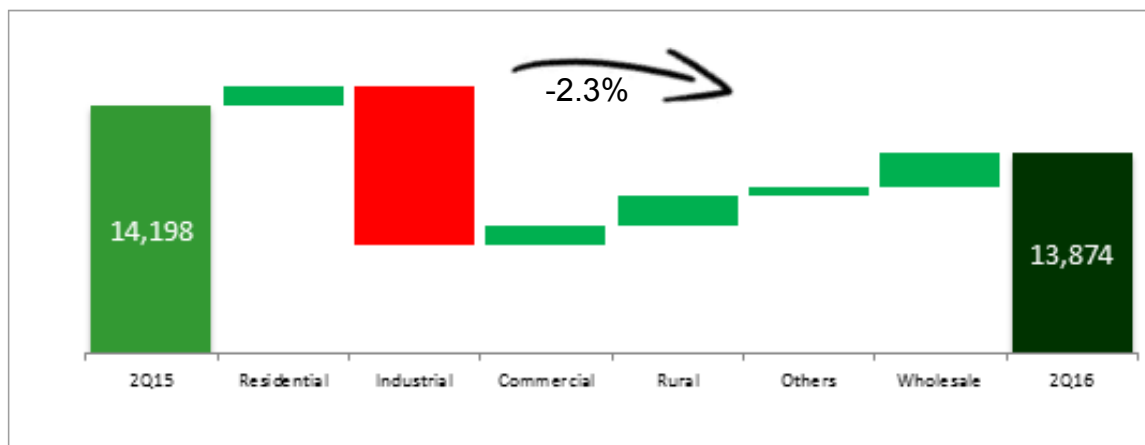
In June 2016 the Cemig group invoiced 8,204,884 clients – a growth of 2.4% in the consumer base in the year since June 2015. Of these, 8,204,818 are final consumers, including Cemig's own consumption; and 66 are other agents in the Brazilian electricity sector.

This chart shows the breakdown of the Cemig Group's sales to final consumers in the quarter, by consumer category:





### Total consumption of electricity (GWh)



Consolidated	MWh		Change, %	Average price 2Q16 R\$	Average price 2Q15 R\$
	2Q16	2Q15			
Residential	2,526,223	2,386,270	5.86	766.38	775.08
Industrial	4,671,891	5,771,862	(19.06)	281.70	257.78
Commercial, Services and Others	1,697,134	1,563,963	8.51	660.84	652.35
Rural	959,912	749,687	28.04	371.11	456.93
Public authorities	236,278	223,734	5.61	599.36	640.31
Public lighting	344,358	329,545	4.49	374.29	424.28
Public service	319,218	280,302	13.88	412.66	490.33
<b>Subtotal</b>	<b>10,755,014</b>	<b>11,305,363</b>	<b>(4.87)</b>	<b>477.18</b>	<b>452.95</b>
Own consumption	9,634	9,095	5.93	-	-
Wholesale supply to agents in Free and Regulated Markets ( * )	3,109,757	2,883,357	7.85	210.73	217.83
<b>Total</b>	<b>13,874,405</b>	<b>14,197,815</b>	<b>(2.28)</b>	<b>404.58</b>	<b>409.82</b>

(\*) Includes Regulated Market Electricity Sale Contracts (CCEARs) and 'bilateral contracts' with other agents.

## The electricity market of Cemig D

Electricity billed to captive clients and electricity transported for Free Clients and distributors with access to Cemig D's networks in 2Q16 totaled 11,227 GWh, or 1.75% more than in 2Q15.

This result is the joint effect of consumption in the captive market 5.6% higher year-on-year, and use of the network by Free Clients 15.41% higher by volume than in 2015.

In June 2016 Cemig D was invoicing 8,203,327 captive clients.

Cemig D	Number of clients		Change, %
	2Q16	2Q15	
Residential	6,641,995	6,466,760	2.71
Industrial	75,112	75,508	-0.52
Commercial, Services and Others	717,394	714,200	0.45
Rural	687,966	677,458	1.55
Public authorities	64,349	63,220	1.79
Public lighting	4,704	3,867	21.64
Public service	11,807	10,547	11.95
<b>Total</b>	<b>8,203,327</b>	<b>8,011,560</b>	<b>2.39</b>

Comments on the various consumer categories:

### Residential

Consumption by *residential* consumers totaled 2,526 GWh, or 5.86% more than in 2Q15.

The higher level of residential consumption is due to:

- the invoicing calendar – a larger number of days invoiced;
- higher temperatures in 2Q16 than 2Q15, causing more use by consumers of air conditioners and ventilators in their homes.

### Industrial

Electricity used by captive clients was 12.6% of the volume of electricity distributed by Cemig, totaling 852 GWh in 2Q16, 8.8% less than in 2Q15.

This is in line with the continuing retraction of economic activity both in Minas Gerais and in the whole of Brazil, and the performance of the international market.

Electricity transported for Free Clients was 38.0% of the volume of electricity distributed by Cemig D, totaling 4,270,854 MWh in 2Q16, or 15.4% more than in 2Q15 – as a result of resumption of activity in the Metallurgy and Ferro-alloys sectors.

## The electricity market of Cemig GT

Cemig GT's sales volume in 2Q16 was affected by termination of concession of plants. As from the termination, the output of these plants was redirected to the Physical Guarantee Quota regime, and to settlement on the spot market.

Cemig GT's market comprises sales of power as follows:

- (I) In the Free Market (*Ambiente de Contratação Livre*, or ACL) to Free Clients, either located in Minas Gerais or in other States;
- (II) to other agents in the electricity sector – traders, generators and independent power producers (in the Free Market); and
- (III) to electricity distributors (in the Regulated Market); and
- (IV) sales in the CCEE (Wholesale Electricity Market).

The total supply billed by Cemig GT in 2Q16 was 6,946 GWh, or 10.5% less than in 2Q15.

Cemig GT	MWh		Change, %
	2Q16	2Q15	
Free Clients			
Industrial	3,602,752	4,650,249	(22.53)
Commercial	207,548	94,984	118.51
Free Market – Free contracts	2,488,003	1,570,964	58.37
Regulated Market:	613,159	1,268,482	(51.66)
Regulated Market – Cemig D	34,905	171,942	(79.70)
<b>Total</b>	<b>6,946,367</b>	<b>7,756,621</b>	<b>(10.45)</b>

The number of clients billed by Cemig GT was 48.8% higher than at the end of June 2015, totaling 793. Of these: 728 were industrial and commercial clients, 47 were distribution

companies, and 18 were companies in the category of traders, generators and independent power producers.

Free Clients in the *industrial* and *commercial* categories consumed 3,810 GWh in 2Q16, down 19.7%, due to:

- reduction of consumption by industrial clients due to the continuous retraction in economic activity at state and national level in Brazil, and the performance of the international economy;
- lower availability of power for sale due to the conditions for renewal of concessions, as per Law 13.203/2015 – this supply was redirected to the Physical Guarantee Quota regime; and
- temporary shutdown of activity at a mining plant in Minas Gerais state.

Free Market sales and trading transactions in electricity with other agents of the sector lead to selling opportunities, which lead to short-term sales contracts. In 2Q16 total sales of electricity were 2,488 GWh, or 58.37% more than in 2Q15.

Sales in the Regulated Market, including sales to Cemig D, were 55.01% lower than in 2Q15, for several reasons:

- Cessation of contracts entered into as a result of the corporate reorganization of the Cemig group, with the transfer of assets from Cemig GT to Aliança Energia; and
- Termination of contracts made at the 18<sup>th</sup> Adjustment Auction, held in the first half of 2015, and the second ‘Existing Supply’ Auction, held in 2005 and in effect for the period 2008–2015.

Since September 15, 2015 the *São Simão* Plant has been serving the Regulated Market (‘ACR’), but under the ‘quota’ regime, in accordance with the requirements of Ministerial Order 432/2015. The company now recognizes only the revenue from provision of the services of operation and maintenance of the plant.

## Physical totals of transport and distribution – MWh

Description	MWh		Change %
	2Q16	2Q15	
<b>Total energy carried</b>	<b>12,423,702</b>	<b>11,618,317</b>	<b>6.93</b>
Electricity transported for distributors	93,666	88,006	6.43
Electricity transported for free clients	4,270,676	3,809,032	12.12
Own load			
Consumption by captive market	6,710,787	6,409,820	4.70
Losses in distribution network	1,348,573	1,311,460	2.83

## Consolidated operational revenue

### Revenue from supply of electricity:

Total revenue from supply of electricity to final consumers in 2Q16 was R\$ 5.613 billion, or 3.53% less than the revenue of R\$ 5.819 billion in 2Q15.

### *Final consumers*

Total revenue from electricity sold to final consumers, excluding Cemig's own consumption, in 2Q16 was R\$ 4.972 billion, or 5.79% less than the figure for 2Q15, of R\$ 5.278 billion.

The main factors affecting revenue in 2Q16 were:

- The annual tariff adjustment, with average effect on consumer tariffs of 3.78%, effective from May 28, 2016.
- Volume of electricity sold to final consumers was 4.86% lower year-on-year.
- The revenue from the 'Tariff Flag' system was lower, due to the alteration of the 'flag' is in effect: the 'Green Flag' was in force in 1Q16, whereas the 'Red Flag' was in force in 2Q15. As a result the amount received in 2016 was only R\$ 29 million, compared to R\$ 387 million in 2015 – a reduction of 92.60%.

	R\$		Change %	Average price 2Q16 R\$	Average price 1Q15 R\$	Change %
	2Q16	2Q15				
Residential	1,936,040	1,849,553	4.68	766.38	775.08	(1.12)
Industrial	1,316,086	1,487,893	(11.55)	281.70	257.78	9.28
Commercial, Services and Others	1,121,528	1,020,258	9.93	660.84	652.35	1.30
Rural	356,233	342,554	3.99	371.11	456.93	(18.78)
Public authorities	141,615	143,258	(1.15)	599.36	640.31	(6.40)
Public lighting	128,891	139,821	(7.82)	374.29	424.28	(11.78)
Public service	131,728	137,440	(4.16)	412.66	490.33	(15.84)
<b>Subtotal</b>	<b>5,132,121</b>	<b>5,120,777</b>	<b>0.22</b>	<b>477.18</b>	<b>452.95</b>	<b>5.35</b>
Supply not yet invoiced, net	(159,590)	157,212	-	-	-	-
Wholesale supply to other concession holders (*)	655,322	628,072	4.34	210.73	217.83	(3.26)
Wholesale supply not yet invoiced, net	(14,501)	(87,556)	(83.44)	-	-	-
<b>Total</b>	<b>5,613,352</b>	<b>5,818,505</b>	<b>(3.53)</b>	<b>404.58</b>	<b>409.82</b>	<b>(1.28)</b>

(\*) Includes Regulated Market Electricity Sale Contracts (CCEARs) and 'bilateral contracts' with other agents.

### Revenue from Use of Distribution Systems (the TUSD charge)

The revenue of Cemig D (Distribution) from the TUSD in 2Q16 was R\$ 427 million, or 17.91% less than in the same period of 2015 (R\$ 521 million). In the second quarter of 2015, Aneel decided the new CDE charges, in compliance with a court injunction that suspended part of the payment of the CDE charge for members of the Brazilian Association of Large Industrial Consumers and Free Consumers of Electricity (*Associação Brasileira de Grandes Consumidores Industriais de Energia e de Consumidores Livres*, or Abrace). This suspension resulted in the company's Revenue from Use of the Network in the second quarter 2016 being lower than in second quarter 2015.

### Revenue from transactions in the Wholesale Trading Market (CCEE)

Revenue from Transactions in the Wholesale Electricity Market (CCEE) was R\$ 49 million in 2Q16, compared to R\$ 701 million in 2Q15 – a reduction of 93.01% year-on-year. This is mainly due to (a) the spot price (*Preço de Liquidação de Diferenças*, or PLD) being 82.52% lower year-on-year in the wholesale market (at R\$ 62.37/MWh in 2016 compared to R\$ 356.81/MWh in 2015); and (b) the lower quantity of electricity available for settlement in the wholesale market in 2016, mainly because of the output from the São Simão Plant being allocated to serve the Regulated Market under the 'quota'

regime, as from September 16, 2015. The company now recognizes only the revenue from provision of the services of operation and maintenance of that plant.

#### Supply of gas

The Company reported revenue from supply of gas 25.02% lower, at R\$ 319 million in 2Q16, compared to R\$ 425 million in 2Q15, mainly due to a lower volume of gas sold (216,135m<sup>3</sup>) in 2Q16, compared to 2Q15 (380,536m<sup>3</sup>).

Market ('000 m <sup>3</sup> /day)	2012	2013	2014	2015	June 30, 2016
Residential	-	0.17	0.72	1.04	1.92
Commercial	24.73	20.38	23.15	22.42	22.34
Industrial	2,740.00	2,734.95	2,849.24	2,422.78	2,088.84
Other	114.09	106.33	99.64	119.87	118.00
<b>Total market excluding thermal plants</b>	<b>2,878.82</b>	<b>2,861.83</b>	<b>2,972.75</b>	<b>2,566.11</b>	<b>2,231.10</b>
Thermal	746.09	1,214.50	1,223.99	1,309.13	544.15
<b>Total</b>	<b>3,624.91</b>	<b>4,076.33</b>	<b>4,196.74</b>	<b>3,875.24</b>	<b>2,775.25</b>

Demand for electricity from the thermoelectric generation plants, which had been operating uninterruptedly since 2012, was lower due to lower demand for electricity, and also due to the stronger rainfall in the current rainy season.

Supply of gas to the residential market, which began in 2013, totaled 6,190 households invoiced in June 2016 (vs. 3,820 at December 31, 2015).

#### Transmission indemnity revenue

In the 2Q16 Cemig recognized revenue of R\$ 561 million, as follows:

- R\$ 12 million for monetary updating by the IGP-M index, up to May 2016, of the balance of indemnity receivable;
- R\$ 20 million relating to the difference between the amount of the preliminary Revision made by Aneel of the Opinion sent by the Company, on February 23, 2015, of R\$1.157 billion, and the final Revision;
- R\$ 90 million difference between the results of the IGP-M and the IPCA indices – the Company had updated the balance receivable, to May 2016, by the IGP-M;
- R\$ 438 million, cost of own capital, calculated on the basis of 10.44% p.a.

Aneel Normative Resolution 589, of December 10, 2013 set the criteria for calculation of the New Replacement Value (*Valor Novo de Reposição*, or VNR) of the transmission facilities, for the purposes of indemnity.

The Valuation Opinion delivered to Aneel on July 31, 2014 represented an indemnity to the Company of R\$ 1.169 billion, at the base date of December 31, 2012.

On July 12, 2016, Aneel sent to the Company the Report of Inspection with final Review of the Opinion sent by the Company, deciding the value of the indemnity at R\$ 1.177 billion. Of this amount, R\$ 285 million was received in the first quarter of 2013.

On April 22, 2016 the Mining and Energy Ministry published its Ministerial Order 120, setting the deadline and method of payment of the remaining amount of the indemnity. This Order determined that the amounts homologated by Aneel should become part of the Regulatory Asset Base for Remuneration (*Base de Remuneração Regulatória*, or BRR) and that the cost of capital should be added to the respective Permitted Annual Revenues. The updating of the amount will be by application of the IPCA (Expanded National Consumer Price) Index, and the cost of capital will not be incorporated for the period from the extensions of the concessions up to the tariff-setting process of 2017. The latter is to be updated and remunerated at the real cost of own capital, currently 10.44% per year, to be paid over eight years. The Ministerial Order still depends on decisions that will be the subject of Public Hearings held by Aneel, which are listed in Aneel's Regulatory Agenda for the second half of 2016 and the first half of 2017.

For the new assets consisting of improvements and strengthening of facilities implemented by the transmission concession holders, Aneel calculates an additional portion of Permitted Annual Revenue (RAP) in accordance with methodology specified in the Tariff Regulation Procedures (*Procedimentos de Regulação Tarifária*, or Proret).

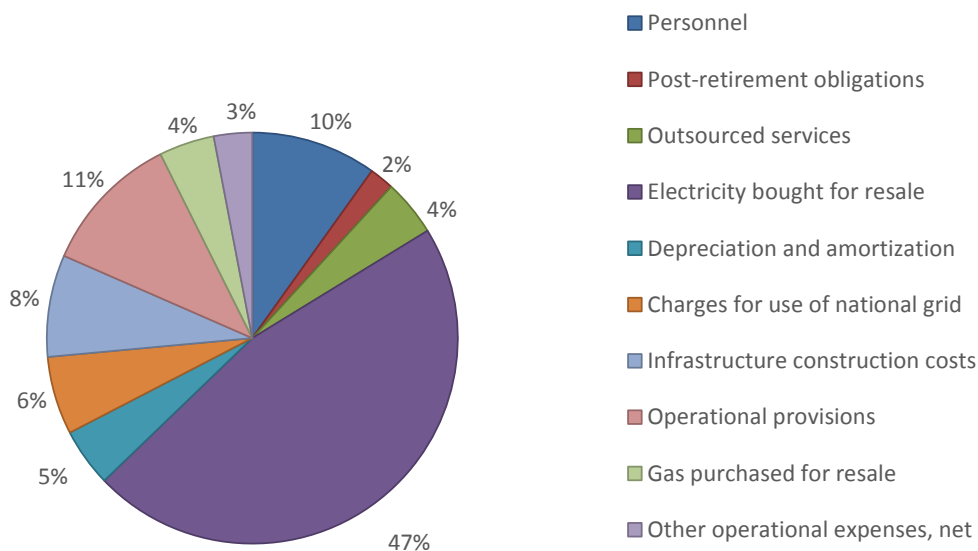


## Sector / Regulatory charges – deductions from revenue

The sector charges that are effectively deductions from reported revenue totaled R\$ 2.521 billion in 2Q16, or 17.38% less than their total of R\$ 3.052 billion in 2Q15. This was mainly due to the lower values of the Energy Development Account (*Conta de Desenvolvimento Energético*, or CDE) and the ‘Tariff Flag’ charges (the ‘Green Flag’ was in effect in 2Q16, whereas the ‘Red Flag’ was in effect in 2Q15).

## Operational costs and expenses

Operational costs and expenses, excluding Financial revenue (expenses), totaled R\$ 4.349 billion in 2Q16, or only 0.05% more than in 2Q15 (R\$ 4.347 billion).



The following paragraphs comment on the main variations:

### Electricity purchased for resale

The expense on electricity bought for resale in 2Q16 was R\$ 2.025 billion, or 12.41% less than in 2Q15 (R\$ 2.312 billion). The main factors in the higher figure are:

### **Cemig D:**

- Expenses on electricity acquired at auctions 46.06% lower, at R\$ 561 million in 2Q16, vs. R\$ 1.040 billion in 2Q15, mainly due to some of the thermoelectric plants being deactivated in 2016 due to the improvement in the level of the reservoirs of the hydroelectric plants in the system, with a resulting reduction in the expense on combustion fuel for those plants.
- Expense on electricity from Itaipu Binacional 27.43% lower year-on-year, at R\$ 291mn in 2Q16, compared to R\$ 401mn in 2Q15. This change basically reflects the reduction of the tariff, which was US\$ 38.07/kW-month in 2Q15, and was US\$ 25.78/kW-month from January 2016.
- The cost of purchases of supply in the short-term market was 19.9% lower – at R\$ 161 million in 2Q16, vs. R\$ 201 million in 2Q15) – reflecting the lower cost of electricity in the wholesale market in 2016.

### **Cemig GT:**

The expense on electricity bought for resale in 2Q16 was R\$ 808 million, or 29.28% more than in 2Q15 (R\$ 625 million). This reflects an average price per MWh 5.27% higher in 2Q16 (R\$ 164.15, vs. R\$ 155.93 in 2Q15), and the volume of electricity purchased in 2Q16 being 22.78% higher (at 4,921,224 MWh), compared to 4,008,140 MWh in 2Q15.

#### Operating provisions

Operational Provisions 109.57% higher year-on-year in the quarter – an expense of R\$ 482mn in 2Q16, compared to R\$ 230mn in 2Q15. The main factors in this change are:

- Provisions, of R\$ 355 million and R\$ 16 million, respectively, made for the put options on the investments in Parati and SAAG.

The Equity Fund owns common and preferred shares in **Light**, and at present exercises joint control, with Cemig, over the activities of that company. This being so, this option has been considered to be a derivative instrument which should be accounted at fair value through profit or loss.

For the purposes of determination of the method to be used in measuring the fair value of this option, the Company, up to the first quarter of 2016, observed the daily trading volume of the shares of Light, and also the fact that such option, if exercised by the Fund, will require the sale to the Company, in a single transaction, of shares in Light in a quantity higher than the daily exchange trading averages. Thus, the Company had adopted the discounted cash flow method for measurement of the fair values of the options. The fair value of this option has been calculated on the basis of the estimated exercise price on the day of exercise of the option, less the fair value of the shares that are the subject of the put option, also estimated for the date of exercise, brought to present value at the interim reporting date, at the effective rate of 7.5% p.a. (discounting inflation effects). As a result of the changes in the Stockholders' Agreement of Parati in the second quarter of 2016, described below, with consequences for the conditions and periods for exercise of the put option, the Company then began to use the Black–Scholes method for measurement of the fair value of the options, which resulted in the provision being higher in 2Q16.

a) FIP Redentor

*Changes in the Stockholders' Agreement of Parati*

In the second quarter of 2016 Amendments were signed to the Stockholders' Agreement of Parati. The principal changes arising from these amendments are:

1. The maturity of the Put Option granted in 2011 by Cemig in favor of the unit holders of FIP Redentor, initially specified to be May 31, 2016, was postponed, to two separate exercise dates:

- First option exercise window: The intention to exercise may be stated by any direct stockholders who decide to do so, independently of the exercise of the Put Option by the other direct stockholders, up to September 23, 2016, inclusive, and shall cover only preferred shares in Parati, up to a limit of 153,634,195 preferred shares in Parati, representing 14.30% of the total shares in Parati held by the other direct stockholders. Cemig must make payment by November 30, 2016.

- Second payment window: The intention to exercise may be stated by any direct stockholders who decide to do so, independently of the exercise of the Put Option by the other direct stockholders, up to September 23, 2017, inclusive, And may cover the totality of the shares in Parati, being independent of any exercise, or not, of the Put Option in the first payment window. Cemig must make payment by November 30, 2017.

2. The Put Option may now be exercised not only by FIP Redentor, but by any person who becomes a direct stockholder of Parati, including but not limited to the unit holders of FIP Redentor, and/or their affiliates, who shall become holders of a Put Option and/or of the rights arising therefrom, under which each one of the direct stockholders shall individually have the right to sell any shares in Parati that they own; and

3. Inclusion of conditions for bringing forward the date of exercise of the put option: in the event of any occurrence resulting in bringing forward of the option referred to, any direct stockholder may present to Cemig the notice of bringing forward of the option, at which moment the option shall be considered exercised by all the direct stockholders, over the totality of their shares. Cemig Does not have the expectation that any of the events resulting in bringing forward of the option will occur.

4. As guarantee for the full payment of the Put Option, on May 31, 2016 Cemig offered to the holders of the Put Option:

- 55,234,637 common shares and 110,469,274 preferred shares that Cemig directly holds in Transmissora Aliança de Energia S.A. (Taesa),
  - and as further guarantee, 53,152,298 shares that Cemig directly holds in Light.
- 
- Higher provisions for doubtful receivables: R\$ 98 million in 2Q16, compared to R\$ 31 million in 2Q15 – mainly reflecting a higher level of default, influenced by the significant increase in electricity tariffs put in place in 2015, and also the Brazilian macroeconomic context;

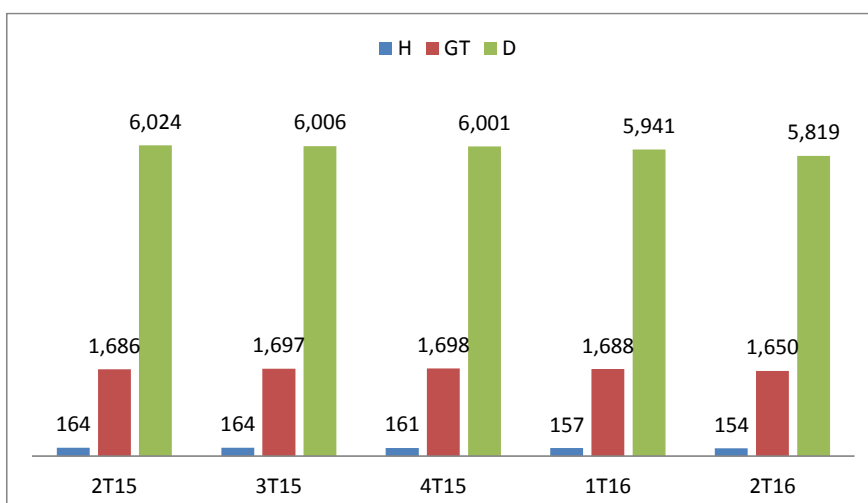
#### Personnel

Personnel expenses were R\$ 430 million in 2Q16, compared to R\$ 333 million in 2Q15, an increase of 29.13%. This arises mainly from the following factors:

- Salary increases, under the Collective Work Agreement, of 10.33%, as from November 2015.
- Recognition, in 2Q16, of an expense of R\$ 64 million on the voluntary retirement plan.

#### *The PDVP Programmed Voluntary Retirement Plan*

Cemig created the PDVP to apply in the period April 18 to May 31, 2016. Those eligible to take part were any employees who will have worked with Cemig for 25 years or more by December 31, 2016. The PDVP offers the normal severance payments specified by law, including payment for the period of notice, deposit of the 'penalty' payment of 40% of the FGTS Base Value to the employee's FGTS fund, further to the payments specified by the legislation. Severance of the employees will take place over the period from June 2 to October 20, 2016, in accordance with guidelines set by the Company. A total of 621 employees have signed up for the program. The amounts of the severance payments have been 100% provisioned.



### Gas bought for resale

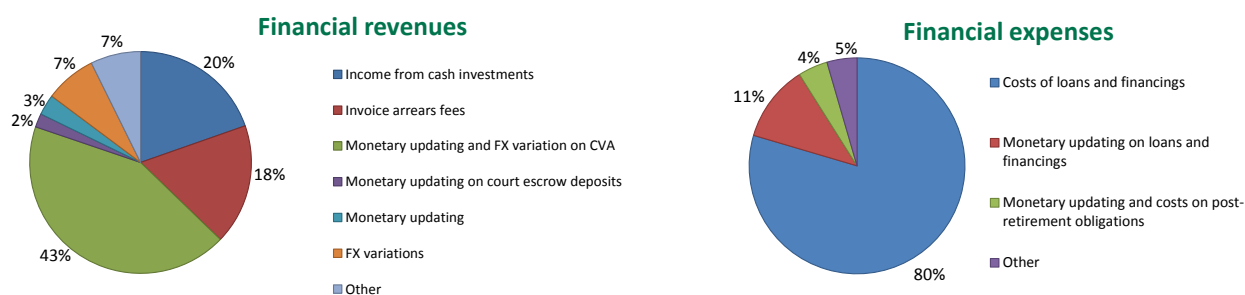
The expense on gas bought for resale in 2Q16 was R\$ 189 million, or 27.86% less than in 2Q15 (R\$ 262 million). This is basically due to a lower quantity of gas purchased (215,901m<sup>3</sup> in 2Q16, compared to 377,681m<sup>3</sup> in 2Q15), reflecting Brazil's economic downturn, which affected Cemig's *industrial* market, and also led to gas-fired thermoelectric generation plants being taken out of production.

### Equity method gain

In 2Q16 Cemig posted a net equity method gain of R\$ 72 million, which compares with a net gain of R\$ 6 million in 2Q15. The variation mainly comprises equity method gains of:

- R\$ 86 million in the subsidiary Taesa;
- R\$ 41 million in the subsidiary Aliança Geração; and
- R\$ 8 million in Madeira Energia, in 2Q16.

## Financial revenue (expenses)



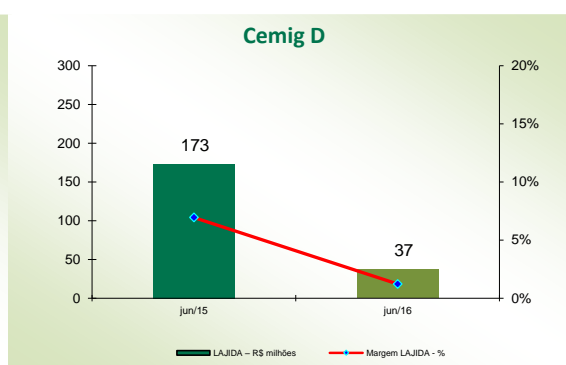
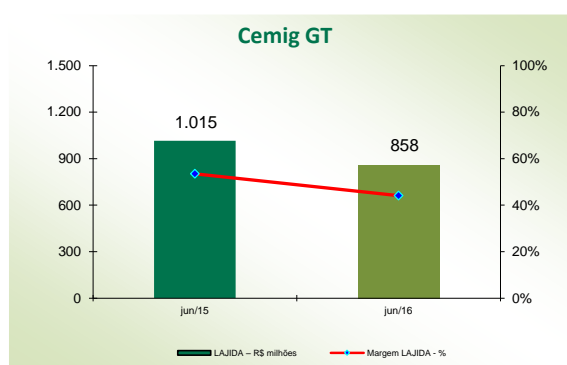
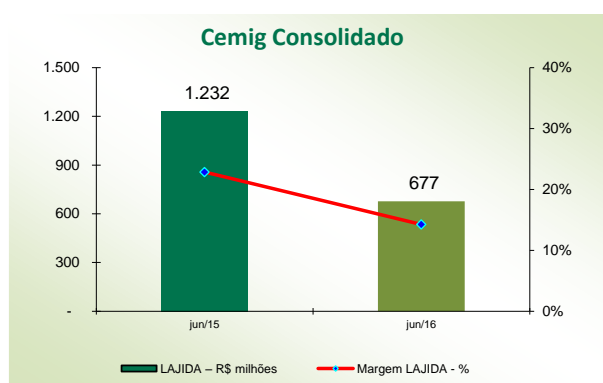
Cemig reports net financial expenses of R\$ 212mn in 2Q16, compared to net financial expenses of R\$ 252mn in 2Q15. The main factors are:

- Higher revenue from monetary variation on the CVA balances and *Other financial components* of tariffs as a result of the higher balance of these assets in 2016: R\$ 168 million in 2Q16, vs. R\$ 8 million in 2Q15.
- Higher revenue from financial investments, of R\$ 77 million in 2Q16, compared to R\$ 54 million in 2Q15, primarily due to a higher level of financial investments in 2016, and a higher variation from the CDI rate in the period (3.31% in 2Q16, vs. 2.98% in 2Q15).
- Lower gain from updating of the Remuneration Base of Assets (BRR): R\$ 3mn in 2Q16, compared to R\$ 102mn in 2Q15. This reflects the reduction in the BRR after the renewal of the concession contract in December 2015.
- Expense on monetary updating of loans and financings 24.18% lower, at R\$ 69mn in 2Q16, compared to R\$ 92mn in 2Q15. This is due to the lower variation in the IPCA index in the period (1.75% in 2Q16, compared to 2.26% in 2Q15).
- Charges for loans and financings 51.10% higher, at R\$ 479 million in 2Q16, compared to R\$ 317mn in 2Q15. This mainly reflects higher debt indexed to the CDI rate; and also the higher variation provided by the CDI rate, itself, at 3.31% in 2Q16 compared to 2.98% in 2Q15.

## EBITDA

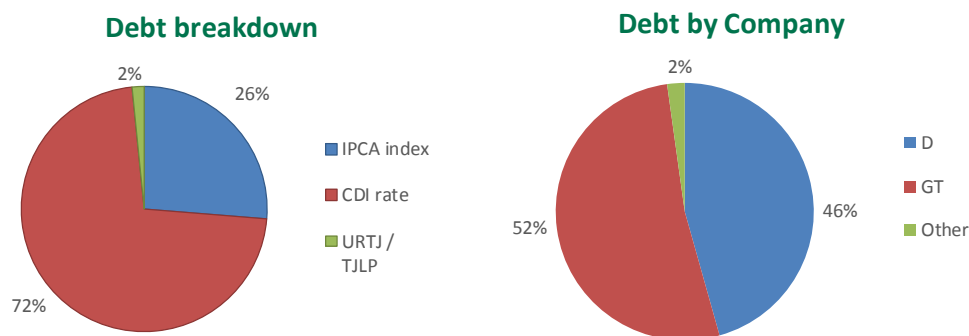
Cemig's consolidated Ebitda in 2Q16 was 45.09% lower than in 2Q15. This was mainly due to: lower volume of electricity available for sale in the wholesale market in 2016; and increased provisions; partially offset by recognition of transmission indemnity revenue.

Ebitda – R\$ '000	2Q16	2Q15	Change, %
Profit (loss) for the period	202,124	534,264	(62.17)
+ Income tax and Social Contribution tax	62,833	264,840	(76.28)
+ Net financial revenue (expenses)	212,029	251,581	(15.72)
+ Depreciation and amortization	199,684	181,587	9.97
<b>= EBITDA</b>	<b>676,670</b>	<b>1,232,272</b>	<b>(45.09)</b>

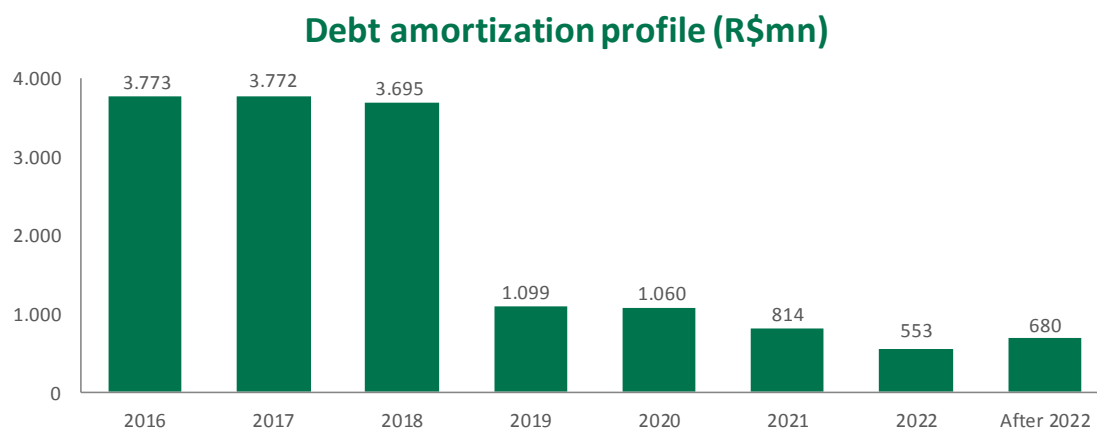




## DEBT



The Company's consolidated total debt on June 30, 2016 was R\$ 15.448 billion, 1.85% more than at December 31, 2015.

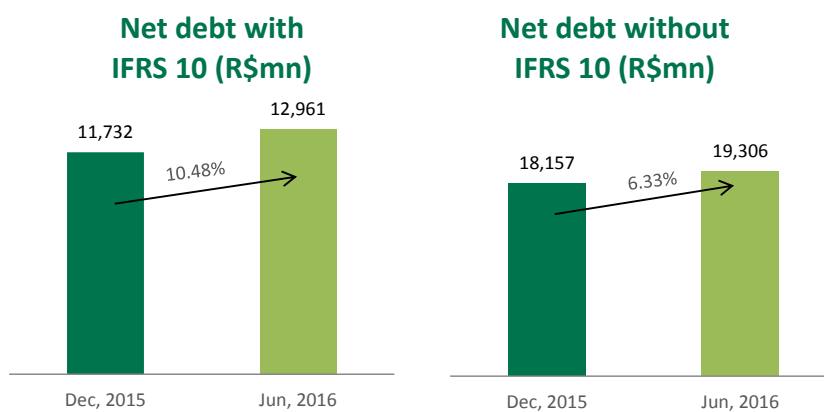
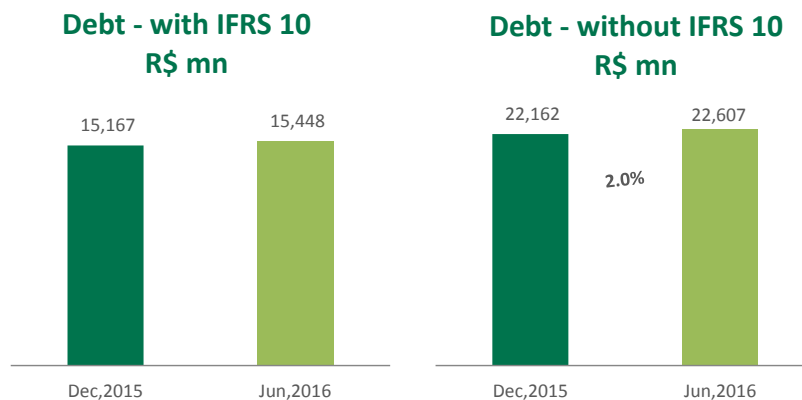
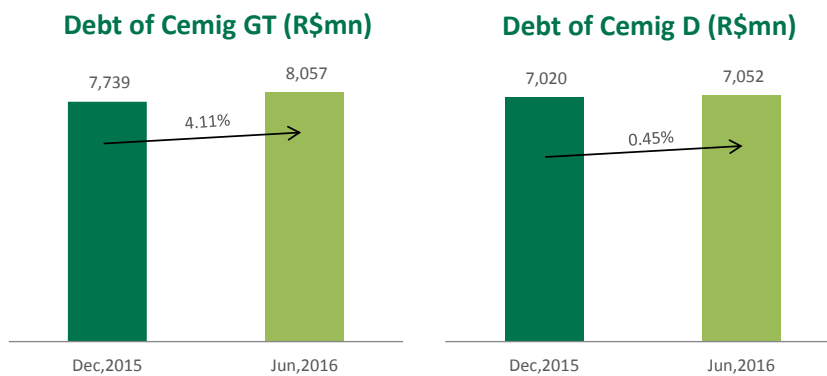


On April 22, 2016 Cemig D rolled over debt of R\$ 600 million with Banco do Brasil, for interest of 128.00% of the CPI rate, and final maturity in April 2018.

On July 1, 2016 Cemig GT concluded its 7<sup>th</sup> issue of promissory notes, for a total of R\$ 620 million. The net proceeds will be allocated to payment of the second portion of the Concession Grant Fee for the hydroelectric plants in Lot D of Aneel Auction 12/2015, and to strengthen working capital. The Promissory Notes have maturity at 360 days, on June 26, 2017, and pay remuneratory interest equal to 128% of the average one-day *over extra-grupo* DI rate for interbank deposits, to be paid on the maturity date. This issue has a surety guarantee from the controlling stockholder, Cemig.

Cemig GT has loans of R\$ 2.919 billion maturing in 2016, most of this total maturing in December:

Cemig GT	Expiration	Annual financial cost %	Total R\$ mn
Promissory Notes – 6th Issue	Dec. 2016	120% of CDI rate	1,472
Debentures – 4th Issue, 1st Series	Dec. 2016	CDI Rate + 0.85%	519



## Taesa: Removal of shares from controlling block; monetization of shares and Units

Cemig and *Fundo de Investimento em Participações Coliseu* (**'FIP Coliseu'**), as direct stockholders and controlling stockholders of the Cemig affiliated company Transmissora Aliança de Energia Elétrica S.A. (**'Taesa'**), signed a Commitment Undertaking on May 31, 2016, changing some of the terms of the Stockholders' Agreement of the company, previously signed by the parties on December 28, 2009 and amended on April 20, 2010. One of the changes was to remove from the condition of being bound by the Stockholders' Agreement, as from May 31, 2016: (a) 77,525,322 common shares and 155,050,644 preferred shares in **Taesa** owned by **Cemig**; and (b) 75,000,000 common shares in **Taesa** held by **Coliseu**.

This agreement changed the numbers of shares bound by the Stockholders' Agreement to the following: (a) 215,546,907 common shares owned by Cemig, and (b) 153,775,790 common shares owned by Coliseu; together comprising a total of 57.64% of the Company's common shares on May 31, 2016.

On August 3, 2016 the Executive Board of Cemig decided to submit to the Board of Directors a proposal for monetization of 22,273,452 Units – comprising 22,273,452 common shares and 44,546,904 preferred shares in Taesa, owned by Cemig. All these shares are outside the controlling stockholding block.

Previous situation					
	Stockholders	Common Shares	Preferred shares	Total of shares	Total Shares (%)
Controlling block	FIP Coliseu	228,776	-	228,776	22.14
	CEMIG	293,072	155,051	448,123	43.36
	Free float	118,866	237,732	356,598	34.50
	Total	640,714	392,783	1,033,497	100.00

Outside Controlling stockholding block		
Description	Shares (Controlling block)	
	Common	Preferred
<b>Cemig</b>	<b>77,525</b>	<b>155,051</b>
Shares guaranteed	55,252	110,504
Outside the controlling stockholding block	22,273	44,547
<b>FIP</b>	<b>75,000</b>	-

## THE CEMIG GROUP'S PORTFOLIO OF GENERATION ASSETS

Cemig – generation portfolio, in MW*						
Stage	Hydro plants	Small Hydro Plants	Wind	Solar	Thermal plants	Total
In operation	7,299	257	158	31	144	7,889
Under construction/contracted	1,595	29	658	45	-	2,327
In development:	10,802	-	392	42	1,000	12,236
<b>Total</b>	<b>19,696</b>	<b>286</b>	<b>1,208</b>	<b>118</b>	<b>1,144</b>	<b>22,452</b>

\* The amounts refer only to direct or indirect equity interests held by Cemig on June 30, 2016.

### Highlights of 2Q16

#### Santo Antônio Hydroelectric Plant

In June, generation unit 43 of the Santo Antônio Hydroelectric Plant, with capacity for 73.29 MW, started operating, bringing the total number of rotors operating to 43, with total installed generation capacity of 3,077.49 MW. There are only seven rotors yet to start operation, to complete the total of 50 generation units. The plant, on the Madeira River, will have total installed capacity of 3,568 MW.

#### The Belo Monte Hydroelectric Plant

The first rotor started commercial operation in April, with generating capacity of 611 MW. The plant's total generating capacity will be 11,233 MW.

## DEFAULT

In 2015, to achieve economic and financial equilibrium for the companies of the sector, and synchronization between tariffs and the real variable costs of electricity, Aneel implemented the system of 'Tariff Flags', and also ruled an Extraordinary Tariff Increase, in March. These measures had an impact on electricity rates, since they involved a pass-through of costs to final consumers.

In this context of an exceptional increase in electricity rates, Cemig has seen an increase in amounts invoiced that are not paid by final consumers, and this has resulted in growth in the stock of debt to levels higher than the average of recent months.

The situation has been further complicated by Brazil's entering a period of financial stress, and its most significant consequence, increase in the rate of unemployment.

In this context, the average level of default during the month of June 2016 was more than 15% higher than in June 2015. This increased percentage of default has had a negative effect on Cemig's cash flow.

Due to the present economic context, default has remained at a level that is high for the Company. The rate of default in January was 4.05%.

The Company uses various tools of communication and collection to prevent increase in default. These include telephone contact, sending of e-mails, use of text messages, and collection letters. We are also making efforts with the credit protection services – Serasa and the Store Operators' Association (*Câmara de Dirigentes Lojistas*, or CDL) – to register these arrears on their records for defaulting clients; and we are also using disconnection of supply. Aneel Resolution 414 allows supply to be cut off after 15 days from receipt of a notice to the defaulting consumer.

A campaign of negotiation is planned for the month of August which will use differentiated rules for negotiation of the debits owed by low voltage clients. This aims to recover revenue, and contain the occurrence of default, and fraud.

## Appendices

### Generating plants – March, 2016

Plant	Type	Company	Cemig's Interest	Installed Capacit (MW)	Assured Energy (average MW)	Installed Capacit (MW)*	Assured Energy (average MW)*	Year Concession or Authorization Expires
São Simão	Hydroelectric	CEMIG GT	100.0%	1,710.00	1,281.00	1,710.00	1,281.00	1/11/2015
Emborcação	Hydroelectric	CEMIG GT	100.0%	1,192.00	497.00	1,192.00	497.00	7/23/2025
Nova Ponte	Hydroelectric	CEMIG GT	100.0%	510.00	276.00	510.00	276.00	7/23/2025
Jaguara	Hydroelectric	CEMIG GT	100.0%	424.00	336.00	424.00	336.00	8/28/2013
Miranda	Hydroelectric	CEMIG GT	100.0%	408.00	202.00	408.00	202.00	12/23/2016
Irapé	Hydroelectric	CEMIG GT	100.0%	399.00	210.70	399.00	210.70	2/28/2035
Três Marias	Hydroelectric	CEMIG GT	100.0%	396.00	239.00	396.00	239.00	1/4/2046
Volta Grande	Hydroelectric	CEMIG GT	100.0%	380.00	229.00	380.00	229.00	2/23/2017
Igarapé	Thermal	CEMIG GT	100.0%	131.00	71.30	131.00	71.30	8/13/2024
Salto Grande	Hydroelectric	CEMIG GT	100.0%	102.00	75.00	102.00	75.00	1/4/2046
Itutinga	Hydroelectric	CEMIG GT	100.0%	52.00	28.00	52.00	28.00	1/4/2046
Camargos	Hydroelectric	CEMIG GT	100.0%	46.00	21.00	46.00	21.00	1/4/2046
Piau	SHP	CEMIG GT	100.0%	18.01	13.53	18.01	13.53	1/4/2046
Gafanhoto	SHP	CEMIG GT	100.0%	14.00	6.68	14.00	6.68	1/4/2046
Peti	SHP	CEMIG GT	100.0%	9.40	6.18	9.40	6.18	1/4/2046
Rio de Pedras	SHP	CEMIG GT	100.0%	9.28	2.15	9.28	2.15	9/19/2024
Poço Fundo	SHP	CEMIG GT	100.0%	9.16	5.79	9.16	5.79	8/19/2025
Tronqueiras	SHP	CEMIG GT	100.0%	8.50	3.39	8.50	3.39	1/4/2046
Joasal	SHP	CEMIG GT	100.0%	8.40	5.20	8.40	8.40	1/4/2046
Martins	SHP	CEMIG GT	100.0%	7.70	1.84	7.70	1.84	1/4/2046
Cajuru	SHP	CEMIG GT	100.0%	7.20	2.69	7.20	2.69	1/4/2046
Ervália	SHP	CEMIG GT	100.0%	6.97	3.03	6.97	3.03	1/4/2046
São Bernardo	SHP	CEMIG GT	100.0%	6.82	3.42	6.82	3.42	8/19/2025
Neblina	SHP	CEMIG GT	100.0%	6.47	4.66	6.47	4.66	1/4/2046
Cel. Domiciano	SHP	CEMIG GT	100.0%	5.04	3.59	5.04	3.59	1/4/2046
Paraúna	SHP	CEMIG GT	100.0%	4.28	1.90	4.28	1.90	-
Pandeiros	SHP	CEMIG GT	100.0%	4.20	0.47	4.20	0.47	9/22/2021
Paciência	SHP	CEMIG GT	100.0%	4.08	2.36	4.08	2.36	1/4/2046
Marmelos	SHP	CEMIG GT	100.0%	4.00	2.74	4.00	2.74	1/4/2046
Dona Rita	SHP	CEMIG GT	100.0%	2.40	1.03	2.40	1.03	1/4/2046
Salto de Moraes	SHP	CEMIG GT	100.0%	2.39	0.60	2.39	0.60	7/1/2020
Sumidouro	SHP	CEMIG GT	100.0%	2.12	0.53	2.12	0.53	-
Anil	SHP	CEMIG GT	100.0%	2.08	1.10	2.08	1.10	-
Xicão	SHP	CEMIG GT	100.0%	1.81	0.61	1.81	0.61	8/19/2025
Luiz Dias	SHP	CEMIG GT	100.0%	1.62	0.61	1.62	0.61	8/19/2025
Sinceridade	SHP	CEMIG GT	100.0%	1.42	0.35	1.42	0.35	1/4/2046
Central Mineirão	Solar	CEMIG GT	100.0%	1.42	-	1.42	-	-
Poquim	SHP	CEMIG GT	100.0%	1.41	0.39	1.41	0.39	7/8/2015
Santa Marta	SHP	CEMIG GT	100.0%	1.00	0.58	1.00	0.58	7/8/2015
Pissarrão	SHP	CEMIG GT	100.0%	0.80	0.55	0.80	0.55	-
Jacutinga	SHP	CEMIG GT	100.0%	0.72	0.57	0.72	0.57	-
Santa Luzia	SHP	CEMIG GT	100.0%	0.70	0.23	0.70	0.23	2/25/2026
Lages *	SHP	CEMIG GT	100.0%	0.68	-	0.68	-	-
Bom Jesus do Galho	SHP	CEMIG GT	100.0%	0.36	0.13	0.36	0.13	-
Pai Joaquim	SHP	CEMIG PCH	100.0%	23.00	4.26	23.00	4.26	4/1/2032
Salto Voltão	SHP	Horizontes Energia	100.0%	8.20	6.63	8.20	6.63	10/4/2030
Salto do Paraopeba	SHP	Horizontes Energia	100.0%	2.46	-	2.46	-	10/4/2030
Salto do Passo Velho	SHP	Horizontes Energia	100.0%	1.80	1.06	1.80	1.06	10/4/2030
Machado Mineiro	SHP	Horizontes Energia	100.0%	1.72	1.03	1.72	1.03	7/8/2025
Rosal	Hydroelectric	Rosal Energia	100.0%	55.00	30.00	55.00	30.00	5/8/2032
Sã Carvalho	Hydroelectric	Sã Carvalho	100.0%	78.00	58.00	78.00	58.00	12/1/2024
Barreiro	Thermal	Sina Termelétrica Barrei	100.0%	12.90	11.37	12.90	11.37	4/30/2023
Queimado	Hydroelectric	CEMIG GT	82.5%	105.00	58.00	86.63	47.85	1/2/2033
Praias de Parajuru	Wind Farm	CEMIG GT	49.0%	28.80	8.39	14.11	4.11	9/24/2032
Praia do Morgado	Wind Farm	CEMIG GT	49.0%	28.80	13.20	14.11	6.47	12/26/2031
Paracambi	SHP	CEMIG GT	49.0%	25.00	19.53	12.25	9.57	2/16/2031
Volta do Rio	Wind Farm	CEMIG GT	49.0%	42.00	18.41	20.58	9.02	12/26/2031
Santo Antônio	Hydroelectric	Santo Antônio Energia	17.7%	2,714.72	2,218.00	480.06	392.22	6/12/2046
Aimorés	Hydroelectric	ALIANÇA	45.0%	330.00	172.00	148.50	77.40	12/20/2035
Amador Aguiar I (Capim Bra	Hydroelectric	ALIANÇA	39.3%	240.00	155.00	94.36	60.94	8/29/2036
Amador Aguiar II (Capim Br	Hydroelectric	ALIANÇA	39.3%	210.00	131.00	82.56	51.50	8/29/2036
Igarapava	Hydroelectric	ALIANÇA	23.7%	210.00	136.00	49.75	32.22	12/30/2028
Funil	Hydroelectric	ALIANÇA	45.0%	180.00	89.00	81.00	40.05	12/20/2035
Candonga	Hydroelectric	ALIANÇA	22.5%	140.00	64.50	31.50	14.51	5/25/2035
Porto Estrela	Hydroelectric	ALIANÇA	30.0%	112.00	55.80	33.60	16.74	7/10/2032
Baguari	Hydroelectric	BAGUARI ENERGIA	34.0%	140.00	80.20	47.60	27.27	8/15/2041
Cachoeirão	SHP	Hidrelétrica Cachoeirão	49.0%	27.00	16.37	13.23	8.02	7/25/2030
Pipoca	SHP	Hidrelétrica Pipoca	49.0%	20.00	11.90	9.80	5.83	9/10/2031
Retiro Baixo	Hydroelectric	Retiro Baixo Energética	25.0%	82.00	38.50	20.46	9.61	8/25/2041

## Generation: Annual Permitted Revenue (RAP)

Resolução Homologatoria ANEEL - nº 1.313*				
Receita Anual Permitida - RAP	RAP	% Cemig	Cemig Consolidado	Cemig GT
Cemig GT	234.340.198	100,0%	234.340.198	234.340.198
Cemig Itajuba	36.345.194	100,0%	36.345.194	36.345.194
Centroeste	15.420.427	51,0%	7.864.418	
Transirapé	26.287.112	24,5%	6.440.342	
Transleste	36.163.304	25,0%	9.040.826	
Transudeste	22.414.358	24,0%	5.379.446	
Taesa	43,36%			
ETEO	155.851.060	43,4%	67.576.823	
ETAU	38.433.513	22,8%	8.762.945	
NOVATRANS	460.994.392	43,4%	199.886.586	
TSN	449.086.299	43,4%	194.723.252	
GTESA	8.238.429	43,4%	3.572.172	
PATESA	18.930.852	43,4%	8.208.394	
Munirah	32.335.023	43,4%	14.020.425	
Brasnorte	22.865.011	16,8%	3.833.291	
São Gotardo	4.594.930	43,4%	1.992.356	
Abengoa				
NTE	135.672.013	43,4%	58.827.214	
STE	72.452.041	43,4%	31.415.113	
ATEI	132.046.398	43,4%	57.255.152	
ATEII	204.000.305	43,4%	88.454.275	
ATEIII	102.659.854	43,4%	44.513.183	
TBE				
EATE	381.289.719	21,7%	82.634.235	
STC	36.934.709	17,3%	6.403.873	
Lumitrans	23.591.101	17,3%	4.090.187	
ENTE	199.517.005	21,7%	43.245.595	
ERTE	44.785.760	21,7%	9.706.942	
ETEP	86.906.931	21,7%	18.835.509	
ECTE	84.200.833	8,3%	6.970.657	
EBTE	40.614.511	32,3%	13.118.164	
ESDE	11.542.416	21,7%	2.501.610	
ETSE	19.741.437	8,3%	1.634.316	
Light	7.924.732	32,6%	2.581.878	
Transchile**	21.396.000	49,0%	10.484.040	
<b>RAP TOTAL CEMIG</b>			<b>1.284.658.610</b>	<b>270.685.392</b>

\* Receitas anuais permitidas com vigência entre 1º de julho de 2015 e 30 de junho de 2016.

\*\* A receita de transmissão da Transchile é dada em Dólar Norte Americano e é corrigida, anualmente, de acordo com o Decreto Nº 163 ([http://www.cne.cl/images/stories/normativas/otros%20niveles/electricidad/DOC65\\_-\\_decreto163obrasurgentes.pdf](http://www.cne.cl/images/stories/normativas/otros%20niveles/electricidad/DOC65_-_decreto163obrasurgentes.pdf)).





INFORMATION BY MARKET SEGMENT AT JUNE 30, 2016

Item	Electricity			Telecoms	Gas	Other	Eliminations	Total
	Generation	Transmission	Distribution					
<b>ASSETS OF THE SEGMENT</b>	<b>14,935,003</b>	<b>4,845,708</b>	<b>18,078,585</b>	<b>319,448</b>	<b>2,468,380</b>	<b>2,568,787</b>	<b>(457,680)</b>	<b>42,758,231</b>
Additions to the segment	2,097,928	31,634	533,039	18,461	19,060	-	-	2,700,122
Investments in subsidiaries and jointly-controlled entities	6,215,924	2,362,913	1,499,861	-	-	22,085	-	10,100,783
<b>NET REVENUE</b>	<b>2,670,416</b>	<b>761,129</b>	<b>5,184,255</b>	<b>48,950</b>	<b>569,887</b>	<b>61,613</b>	<b>(90,443)</b>	<b>9,205,807</b>
<b>COST OF ELECTRICITY AND GAS</b>								
Electricity purchased for resale	(1,474,709)	-	(2,495,624)	-	-	(3)	14,226	(3,956,110)
Charges for use of the National Grid	(149,463)	(161)	(436,904)	-	-	-	60,616	(525,912)
Gas bought for resale	-	-	-	-	(427,009)	-	-	(427,009)
<b>Operational costs, total</b>	<b>(1,624,172)</b>	<b>(161)</b>	<b>(2,932,528)</b>	<b>-</b>	<b>(427,009)</b>	<b>(3)</b>	<b>74,842</b>	<b>(4,909,031)</b>
<b>OPERATIONAL COSTS AND EXPENSES</b>								
Personnel	(137,414)	(62,380)	(587,896)	(13,122)	(20,271)	(22,132)	-	(843,215)
Employees' and managers' profit shares	(213)	(614)	(9,511)	-	-	4,138	-	(6,200)
Post-retirement obligations	(24,528)	(11,047)	(105,895)	-	-	(17,807)	-	(159,277)
Materials	(5,510)	(1,962)	(17,437)	(47)	(812)	(66)	1,929	(23,905)
Outsourced services	(63,812)	(14,644)	(312,807)	(10,900)	(6,543)	(4,230)	12,153	(400,783)
Depreciation and amortization	(111,045)	6,952	(243,855)	(16,338)	(26,536)	(7,895)	-	(398,717)
Operational provisions (reversals)	(46,339)	(5,301)	(236,124)	354	-	(446,202)	-	(733,612)
Construction costs	-	(31,634)	(533,039)	-	(19,060)	-	-	(583,733)
Other operational expenses, net	(37,933)	(2,970)	(176,731)	(7,778)	(5,250)	(10,949)	1,519	(240,092)
<b>Total cost of operation</b>	<b>(426,794)</b>	<b>(123,600)</b>	<b>(2,223,295)</b>	<b>(47,831)</b>	<b>(78,472)</b>	<b>(505,143)</b>	<b>15,601</b>	<b>(3,389,534)</b>
<b>OPERATIONAL COSTS AND EXPENSES</b>	<b>(2,050,966)</b>	<b>(123,761)</b>	<b>(5,155,823)</b>	<b>(47,831)</b>	<b>(505,481)</b>	<b>(505,146)</b>	<b>90,443</b>	<b>(8,298,565)</b>
<b>OPERATIONAL PROFIT BEFORE EQUITY GAINS (LOSSES) AND FINANCIAL REVENUE (EXPENSES)</b>	<b>619,450</b>	<b>637,368</b>	<b>28,432</b>	<b>1,119</b>	<b>64,406</b>	<b>(443,533)</b>	<b>-</b>	<b>907,242</b>
Equity method gain (loss)	(131,375)	205,066	(42,437)	(15,506)	-	(1,706)	-	14,042
Financial revenues	87,092	2,174	434,121	2,195	7,824	75,854	-	609,260
Financial expenses	(649,533)	(2,478)	(555,716)	(3,419)	(19,462)	(3,239)	-	(1,233,847)
<b>PRE-TAX PROFIT</b>	<b>(74,366)</b>	<b>842,130</b>	<b>(135,600)</b>	<b>(15,611)</b>	<b>52,768</b>	<b>(372,624)</b>	<b>-</b>	<b>296,697</b>
Income tax and Social Contribution tax	(11,354)	(197,661)	15,258	66	(14,379)	118,704	-	(89,366)
<b>NET PROFIT (LOSS)</b>	<b>(85,720)</b>	<b>644,469</b>	<b>(120,342)</b>	<b>(15,545)</b>	<b>38,389</b>	<b>(253,920)</b>	<b>-</b>	<b>207,331</b>
Interest of the controlling stockholders	(85,720)	644,469	(120,342)	(15,545)	38,224	(253,920)	-	207,166
Non-controlling stockholder	-	-	-	-	165	-	-	165
	<b>(85,720)</b>	<b>644,469</b>	<b>(120,342)</b>	<b>(15,545)</b>	<b>38,389</b>	<b>(253,920)</b>	<b>-</b>	<b>207,331</b>

## Cemig D Tables (R\$ million)

CEMIG D Market				
Quarter	(GWh)			GW
	Captive Consumers	TUSD ENERGY1	T.E.D2	TUSD PICK3
4Q13	6,615	4,975	11,591	29
1Q14	6,744	4,464	11,208	29
2Q14	6,646	4,485	11,132	29
3Q14	6,686	4,298	10,984	27
4Q14	6,935	4,201	11,136	29
1Q15	6,780	4,034	10,814	30
2Q15	6,371	3,896	10,268	28
3Q15	6,471	3,803	10,274	29
4Q15	6,850	3,937	10,787	28
1Q16	6,408	4,053	10,460	29
2Q16	6,711	4,497	11,208	29

1. Refers to the quantity of electricity for calculation of the regulatory charges charged to free consumer clients ("Portion A")

2. Total electricity distributed

3. Sum of the demand on which the TUSD is invoiced, according to demand contracted ("Portion B").

Operating Revenues	2Q16	2Q15	Change%	1H2016	1H2015	Change%
Sales to end consumers	4,064	4,313	(6)	8,395	7,702	9
TUSD	436	522	(17)	853	749	14
CVA and Other financial components in tariff adjustment	(531)	212	-	(664)	762	-
Construction revenue	314	241	31	533	443	20
Others	277	324	(15)	573	572	-
<b>Subtotal</b>	<b>4,560</b>	<b>5,612</b>	<b>(19)</b>	<b>9,691</b>	<b>10,228</b>	<b>(5)</b>
Deductions	(2,065)	(2,572)	(20)	(4,506)	(4,123)	9
<b>Net Revenues</b>	<b>2,495</b>	<b>3,040</b>	<b>(18)</b>	<b>5,184</b>	<b>6,105</b>	<b>(15)</b>

Operating Expenses	2Q16	2Q15	Change%	1H2016	1H2015	Change%
Personnel/Administrators/Councillors	300	234	28	588	462	27
Employee Participation	10	40	(76)	10	102	(91)
Forluz – Post-Retirement Employee Benefits	56	42	34	106	84	27
Materials	9	12	(26)	17	22	(22)
Contracted Services	146	176	(17)	313	333	(6)
Purchased Energy	1,220	1,741	(30)	2,496	3,579	(30)
Depreciation and Amortization	122	113	8	244	224	9
Operating Provisions	92	53	72	236	93	153
Charges for Use of Basic Transmission Network	224	205	9	437	400	9
Cost from Operation	314	241	31	533	443	20
Other Expenses	89	122	(27)	177	220	(20)
<b>Total</b>	<b>2,580</b>	<b>2,980</b>	<b>(13)</b>	<b>5,156</b>	<b>5,963</b>	<b>(14)</b>

Statement of Results	2Q16	2Q15	Change%	1H2016	1H2015	Change%
Net Revenue	2,495	3,040	(18)	5,184	6,105	(15)
Operating Expenses	2,580	2,980	(13)	5,156	5,963	(14)
<b>EBIT</b>	<b>(85)</b>	<b>60</b>	<b>-</b>	<b>28</b>	<b>142</b>	<b>(80)</b>
<b>EBITDA</b>	<b>37</b>	<b>173</b>	<b>(79)</b>	<b>272</b>	<b>366</b>	<b>(26)</b>
Financial Result	18	(52)	-	(122)	(116)	(4)
Provision for Income Taxes, Social Cont &	17	(9)	-	15	(20)	-
<b>Net Income</b>	<b>(51)</b>	<b>-</b>	<b>-</b>	<b>(78)</b>	<b>5</b>	<b>-</b>

## Cemig GT Tables (R\$ million)

Operating Revenues	2Q16	2Q15	Change%	1H2016	1H2015	Change%
Sales to end consumers	875	918	(5)	1,819	1,831	(1)
Supply	624	608	3	1,215	1,416	(14)
Gain on monetary updating of Concession Grant Fee	68	-	-	149	-	-
Transactions in the CCEE	48	700	(93)	52	1,700	(97)
Revenues from Trans. Network	98	81	20	192	162	19
Construction revenue	25	25	(1)	32	56	(44)
Transmission indemnity revenue	561	55	923	592	55	980
Others	7	4	80	14	9	51
<b>Subtotal</b>	<b>2,305</b>	<b>2,391</b>	<b>(4)</b>	<b>4,065</b>	<b>5,228</b>	<b>(22)</b>
Deductions	(359)	(373)	(4)	(718)	(807)	(11)
<b>Net Revenues</b>	<b>1,946</b>	<b>2,018</b>	<b>(4)</b>	<b>3,347</b>	<b>4,421</b>	<b>(24)</b>

Operating Expenses	2Q16	2Q15	Change%	1H2016	1H2015	Change%
Personnel/Administrators/Councillors	101	78	30	198	161	23
Employee Participation	1	23	(97)	1	38	(98)
Forluz – Post-Retirement Employee Benefits	19	13	50	36	25	41
Materials	5	4	13	7	8	(8)
Raw Materials and Supplies Energy Production	-	(3)	-	-	75	-
Contracted Services	34	32	6	70	64	8
Depreciation and Amortization	47	68	(31)	94	144	(35)
Operating Reserves	30	47	(37)	52	42	23
Charges for Use of Basic Transmission Network	74	71	4	148	144	3
Purchased Energy	808	625	29	1,468	1,233	19
Construction Cost	25	25	(1)	32	56	(44)
Other Expenses	10	22	(52)	32	31	3
<b>Total</b>	<b>1,154</b>	<b>1,006</b>	<b>15</b>	<b>2,137</b>	<b>2,021</b>	<b>6</b>

Statement of Results	2Q16	2Q15	Change%	1H2016	1H2015	Change%
Net Revenue	1,946	2,018	(4)	3,347	4,421	(24)
Operating Expenses	(1,154)	(1,006)	15	(2,137)	(2,021)	6
<b>EBIT</b>	<b>792</b>	<b>1,012</b>	<b>(22)</b>	<b>1,210</b>	<b>2,401</b>	<b>(50)</b>
Equity equivalence results	19	(66)	-	(131)	(103)	27
Fair value gain (loss) on stockholding transaction	-	-	-	-	735	-
<b>EBITDA</b>	<b>858</b>	<b>1,015</b>	<b>(15)</b>	<b>1,173</b>	<b>3,176</b>	<b>(63)</b>
Financial Result	(279)	(205)	36	(569)	(417)	36
Provision for Income Taxes, Social Cont & Deferred Income Tax	(160)	(270)	(41)	(199)	(830)	(76)
<b>Net Income</b>	<b>372</b>	<b>472</b>	<b>(21)</b>	<b>311</b>	<b>1,051</b>	<b>(83)</b>

## Cemig Tables (R\$ million)

Energy Sales (Consolidated)(GWh)	2Q16	2Q15	Change%	1H2016	1H2015	Change%
Residential	2,526	2,386	6	5,017	4,949	1
Industrial	4,672	5,772	(19)	9,510	11,589	(18)
Commercial	1,697	1,564	9	3,385	3,261	4
Rural	960	750	28	1,684	1,544	9
Others	900	834	8	1,737	1,699	2
<b>Subtotal</b>	<b>10,755</b>	<b>11,305</b>	<b>(5)</b>	<b>21,333</b>	<b>23,042</b>	<b>(7)</b>
Own Consumption	10	9	6	19	19	-
Supply	3,110	2,883	8	5,806	6,919	(16)
<b>TOTAL</b>	<b>13,874</b>	<b>14,198</b>	<b>(2)</b>	<b>27,158</b>	<b>29,980</b>	<b>(9)</b>

Energy Sales	2Q16	2Q15	Δ%	1H2016	1H2015	Δ%
Residential	1,936	1,850	5	3,960	3,396	17
Industrial	1,316	1,488	(12)	2,663	2,773	(4)
Commercial	1,122	1,020	10	2,285	1,867	22
Rural	356	343	4	679	597	14
Others	402	421	(4)	811	735	10
<b>Electricity sold to final consumers</b>	<b>5,132</b>	<b>5,121</b>	<b>-</b>	<b>10,398</b>	<b>9,368</b>	<b>11</b>
Unbilled Supply, Net	(174)	70	-	(77)	114	-
Supply	655	628	4	1,207	1,475	(18)
<b>TOTAL</b>	<b>5,613</b>	<b>5,819</b>	<b>(4)</b>	<b>11,528</b>	<b>10,958</b>	<b>5</b>

Operating Revenues	2Q16	2Q15	Δ%	1H2016	1H2015	Δ%
Sales to end consumers	4,973	5,278	(6)	10,279	9,570	7
TUSD	427	521	(18)	837	731	14
Supply	641	541	19	1,249	1,388	(10)
Transactions in the CCEE	49	701	(93)	52	1,712	(97)
CVA and Other financial components in tariff adjustment	(531)	212	-	(664)	762	-
Gain on monetary updating of Concession Grant Fee	68	-	-	149	-	-
Revenues from Trans. Network	75	64	17	148	127	17
Construction revenue	349	266	31	584	500	17
Gas supply	319	425	(25)	697	851	(18)
Transmission Indemnity Revenue	561	55	923	592	55	980
Others	346	382	(9)	707	691	2
<b>Subtotal</b>	<b>7,276</b>	<b>8,444</b>	<b>(14)</b>	<b>14,630</b>	<b>16,386</b>	<b>(11)</b>
Deductions	(2,521)	(3,052)	(17)	(5,424)	(5,144)	5
<b>Net Revenues</b>	<b>4,754</b>	<b>5,392</b>	<b>(12)</b>	<b>9,206</b>	<b>11,242</b>	<b>(18)</b>

Operating Expenses	2Q16	2Q15	Δ%	1H2016	1H2015	Δ%
Personnel/Administrators/Councillors	430	333	29	843	669	26
Employee Participation	6	64	-	6	145	(96)
Forluz – Post-Retirement Employee Benefits	84	58	-	159	115	38
Materials	13	17	(26)	24	31	(24)
Raw materials and inputs for production of electricity	-	(3)	-	-	75	-
Contracted Services	193	214	(10)	401	413	(3)
Purchased Energy	2,025	2,312	(12)	3,956	4,734	(16)
Depreciation and Amortization	200	182	10	399	429	(7)
Operating Provisions	482	230	110	734	273	169
Charges for Use of Basic Transmission Network	267	251	6	526	493	7
Gas bought for resale	189	262	(28)	427	524	(18)
Cost from Operation	349	266	31	584	500	17
Other Expenses	112	161	(30)	240	289	(17)
<b>TOTAL</b>	<b>4,349</b>	<b>4,348</b>	<b>-</b>	<b>8,299</b>	<b>8,690</b>	<b>(5)</b>

Financial Result Breakdown	2Q16	2Q15	Δ%	1H2016	1H2015	Δ%
<b>Financial revenues</b>	<b>390</b>	<b>243</b>	<b>61</b>	<b>609</b>	<b>525</b>	<b>16</b>
Revenue from cash investments	77	54	43	135	93	46
Arrears penalty payments on electricity bills	69	50	36	142	97	47
Exchange rate	29	16	86	44	69	(36)
Monetary updating	20	5	297	67	9	608
Monetary updating - CVA	168	-	-	188	32	481
Taxes applied to Financial Revenue	(27)	-	-	(39)	-	-
Monetary updating of the Financial Asset of the Concession	3	102	(97)	5	194	(97)
Other	52	16	226	67	31	114
<b>Financial expenses</b>	<b>(602)</b>	<b>(494)</b>	<b>22</b>	<b>(1,234)</b>	<b>(1,050)</b>	<b>18</b>
Costs of loans and financings	(479)	(317)	51	(908)	(610)	49
Exchange rate	(0)	(11)	(100)	(17)	(72)	(76)
Monetary updating – loans and financings	(69)	(91)	(24)	(185)	(226)	(18)
Monetary updating – paid concessions	(1)	(1)	-	(3)	(7)	(61)
Charges and monetary updating on Post-employment obligations	(27)	(34)	(22)	(64)	(72)	(11)
Other	(26)	(40)	(36)	(56)	(62)	(10)
<b>Financial revenue (expenses)</b>	<b>(212)</b>	<b>(252)</b>	<b>(16)</b>	<b>(625)</b>	<b>(525)</b>	<b>19</b>

Statement of Results	2Q16	2Q15	Δ%	1H2016	1H2015	Δ%
Net Revenue	4,754	5,392	(12)	9,206	11,242	(18)
Operating Expenses	4,349	4,348	0	8,299	8,690	(5)
<b>EBIT</b>	<b>405</b>	<b>1,045</b>	<b>(61)</b>	<b>907</b>	<b>2,552</b>	<b>(64)</b>
Equity gain in subsidiaries	72	6	1,159	14	96	(85)
Gain on stockholding reorganization	-	-	-	-	735	-
Depreciation and Amortization	200	182	10	399	429	(7)
<b>EBITDA</b>	<b>677</b>	<b>1,233</b>	<b>(45)</b>	<b>1,320</b>	<b>3,812</b>	<b>(65)</b>
Financial Result	(212)	(252)	16	(625)	(525)	(19)
Tax	(63)	(265)	(76)	(89)	(839)	(89)
<b>Net Income</b>	<b>202</b>	<b>534</b>	<b>(62)</b>	<b>207</b>	<b>2,019</b>	<b>(90)</b>

Cash Flow Statement	1H2016	1H2015	Change%
<b>Cash at beginning of period</b>	<b>925</b>	<b>887</b>	<b>4</b>
<b>Cash generated by operations</b>	<b>1,585</b>	<b>970</b>	<b>63</b>
Net profit	207	2,019	(90)
Current and deferred income tax and Social Contribution tax	89	839	(89)
Depreciation and amortization	399	429	(7)
Gain on the Aliança stockholding reorganization	-	(735)	-
Passthrough from CDE	1,005	44	2,163
Equity gain (loss) in subsidiaries	(14)	(96)	85
Provisions (reversals) for operational losses	734	273	169
Dividends received from equity holdings	345	151	128
Interest paid on loans and financings	(1,085)	(847)	28
Other adjustments	(96)	(1,108)	91
<b>Financing activities</b>	<b>95</b>	<b>(705)</b>	<b>114</b>
Financings obtained and capital increase	2,252	3,097	(27)
Interest on Equity, and dividends	(111)	(129)	(13)
Payments of loans and financings	(2,045)	(3,674)	(44)
<b>Investment activity</b>	<b>(1,105)</b>	<b>(395)</b>	<b>180</b>
Securities - Financial Investment	1,524	485	180
Acquisition of ownership interest and future capital commitments	(643)	(394)	63
Financial assets	(1,472)	(56)	2,517
Fixed and Intangible assets	(513)	(429)	19
<b>Cash at end of period</b>	<b>1,500</b>	<b>757</b>	<b>98</b>
<b>Total Cash</b>	<b>2,487</b>	<b>3,435</b>	

BALANCE SHEETS (CONSOLIDATED) - ASSETS	06/30/2016	12/31/2015
<b>CURRENT</b>	<b>8,156</b>	<b>9,377</b>
Cash and cash equivalents	1,500	925
Securities	932	2,427
Consumers and traders	3,294	3,764
Financial assets of the concession	998	874
Tax offsetable	193	175
Income tax and Social Contribution tax recoverable	386	306
Dividends receivable	34	62
Linked funds	1	-
Inventories	41	37
Passthrough from CDE (Energy Development Account)	64	72
Other credits	712	735
<b>NON-CURRENT</b>	<b>34,579</b>	<b>31,503</b>
Securities	54	84
Consumers and traders	139	134
Tax offsetable	254	258
Income tax and Social Contribution tax recoverable	177	206
Deferred income tax and Social Contribution tax	1,653	1,498
Escrow deposits in legal actions	1,874	1,813
Other credits	923	868
Financial assets of the concession	5,091	2,660
Investments	10,078	9,768
PP&E	3,849	3,940
Intangible assets	10,487	10,275
<b>TOTAL ASSETS</b>	<b>42,735</b>	<b>40,880</b>

BALANCE SHEETS LIABILITIES AND SHAREHOLDERS' EQUITY	06/30/2016	12/31/2015
<b>CURRENT</b>	<b>11,385</b>	<b>13,086</b>
Suppliers	1,566	1,901
Regulatory charges	433	517
Profit shares	16	114
Taxes	672	740
Income tax and Social Contribution tax	13	11
Interest on Equity, and dividends, payable	573	1,318
Loans and financings	4,619	6,300
Payroll and related charges	276	221
Post-retirement liabilities	186	167
Other obligations	1,353	551
Provisions for losses on investments	1,679	1,245
<b>NON-CURRENT</b>	<b>17,552</b>	<b>14,795</b>
Regulatory charges	303	226
Loans and financings	10,829	8,866
Taxes	740	740
Income tax and Social Contribution tax	854	689
Provisions	785	755
Post-retirement liabilities	3,173	3,086
Provisions for losses on investments	174	148
Other obligations	693	285
<b>STOCKHOLDERS' EQUITY</b>	<b>13,794</b>	<b>12,995</b>
Share capital	6,294	6,294
Capital reserves	1,925	1,925
Profit reserves	5,285	4,674
Adjustments to Stockholders' equity	61	102
Retained earnings	229	-
<b>NON- CONTROLLING STOCKHOLDER'S EQUITY</b>	<b>4</b>	<b>4</b>
<b>TOTAL LIABILITIES</b>	<b>42,735</b>	<b>40,880</b>