

## PUBLICATION OF RESULTS

### CEMIG REPORTS

#### 2016 EBITDA

#### OF R\$ 2.638 BILLION

- Disinvestment strategy – execution:
  - Transchile – R\$ 180 million
  - Taesa – R\$ 791 million
- Debt of R\$ 5.8bn rolled over at average cost of 134.48% of CDI Rate
- Stockholding reorganization in **Light**: **Cemig** now holds 43.38% of total stock
- R\$ 1.075 billion impairment on investment in **Renova and Guanhões**
- Operation of **São Simão plant** transferred to Quota regime:  
R\$ 250 million in Annual Generation Revenue (RAG)

Indicators (GWh)	2016	2015	Variação %
Electricity sold (excluding CCEE)	55,592	56,904	(2.31)
Indicators – R\$ '000	2016	2015	Variação %
Sales on the CCEE	161	2,425	(93.36)
Net debt	13,139	11,732	11.99
Gross revenue	29,269	33,417	(12.41)
Net revenue	18,773	21,868	(14.15)
Ebitda (IFRS)	2,638	5,538	(52.37)
Net profit in the quarter	334	2,469	(86.47)
Ebitda margin	14.05%	25.32%	-11.27 p.p.

## Conference call

### Publication of 2016 results

#### Video webcast and conference call

**April 12, 2017 (Wednesday) : 2 PM, Brasília time**

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

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

**+ 55 (11) 2188-0188 (2nd option)**

**Password: CEMIG**

<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 Available from April 12 to April 26, 2017</p>
--	---

## Cemig Investor Relations

<http://ri.cemig.com.br/>  
[ri@cemig.com.br](mailto:ri@cemig.com.br)

Tel.: (+55-31) 3506-5024

Fax: (+55-31) 3506-5025

## Cemig's Executive Investor Relations Team

- **Chief Finance and Investor Relations Officer**  
Adézio de Almeida Lima
- **General Manager, Investor Relations**  
Antônio Carlos Vélez Braga
- **Manager, Investor Market**  
Robson Laranjo

## Contents

<b>CONFERENCE CALL</b> .....	<b>2</b>
<b>CEMIG INVESTOR RELATIONS</b> .....	<b>2</b>
<b>CEMIG'S EXECUTIVE INVESTOR RELATIONS TEAM</b> .....	<b>2</b>
<b>CONTENTS</b> .....	<b>3</b>
<b>DISCLAIMER</b> .....	<b>4</b>
<b>OUR SHARES – IN 2016</b> .....	<b>5</b>
<b>CEMIG'S LONG-TERM RATINGS</b> .....	<b>6</b>
<b>ADOPTION OF IFRS</b> .....	<b>6</b>
<b>CEMIG'S CONSOLIDATED ELECTRICITY MARKET</b> .....	<b>8</b>
<b>THE ELECTRICITY MARKET OF CEMIG D</b> .....	<b>11</b>
<b>THE ELECTRICITY MARKET OF CEMIG GT</b> .....	<b>12</b>
<b>PHYSICAL TOTALS OF TRANSPORT AND DISTRIBUTION – MWH</b> .....	<b>14</b>
<b>CONSOLIDATED OPERATIONAL REVENUE</b> .....	<b>14</b>
<b>SECTOR / REGULATORY CHARGES – DEDUCTIONS FROM REVENUE</b> .....	<b>19</b>
<b>OPERATIONAL COSTS AND EXPENSES</b> .....	<b>19</b>
<b>ADJUSTMENT FOR IMPAIRMENT OF INVESTMENTS</b> .....	<b>24</b>
<b>FAIR VALUE GAIN (LOSS) ON STOCKHOLDING TRANSACTION</b> .....	<b>24</b>
<b>EQUITY GAINS IN NON-CONSOLIDATED INVESTEEES</b> .....	<b>24</b>
<b>FINANCIAL REVENUE AND EXPENSES</b> .....	<b>25</b>
<b>EBITDA</b> .....	<b>26</b>
<b>DEBT</b> .....	<b>27</b>
<b>THE CEMIG GROUP'S PORTFOLIO OF GENERATION ASSETS</b> .....	<b>29</b>
<b>ELECTRICITY LOSSES - 4Q16</b> .....	<b>29</b>
<b>APPENDICES</b> .....	<b>30</b>
<b>GENERATING PLANTS – DECEMBER, 2016</b> .....	<b>30</b>
<b>GENERATION: ANNUAL PERMITTED REVENUE (RAP)</b> .....	<b>32</b>
<b>FINANCIAL STATEMENTS SEPARATED BY OPERATIONAL SEGMENT</b> .....	<b>33</b>

## 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.

## Our shares – in 2016

Security	Ticker	Currency	Close of 2016	Close of 2015	Change in the period %
Cemig PN	CMIG4	R\$	7.71	5.44	41.75%
Cemig ON	CMIG3	R\$	7.88	5.75	37.15%
ADR PN	CIG	US\$	2.28	1.32	72.69%
ADR ON	CIG.C	US\$	2.53	1.55	63.70%
Ibovespa	Ibovespa	-	60,227	43,349	38.94%
IEEX	IEEX	-	36,108	24,803	45.58%

Source: Economática.

Trading volume in Cemig's preferred shares (CMIG4) in full-year 2016 totaled R\$ 13.32 billion, a daily average of R\$ 53.49 million. Adding the volume traded in its common (ON) and preferred (PN) shares, Cemig was the company with the third highest stock trading liquidity in the Brazilian 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 full-year 2016 was US\$2.45 billion – reflecting recognition by the investor market of Cemig as a global investment option.

The São Paulo stock exchange (Bovespa) index – the Ibovespa – was up 38.94% in 2016, closing the quarter at 60,227 points. The price of Cemig's preferred shares outperformed the Ibovespa with a gain of 41.75% in 2016, close to the performance of the index for the Brazilian electricity sector, which rose 45.58%. Cemig's common (ON) shares rose 37.15% in the year. Cemig's ADRs, traded in New York, rose by more than the related shares on the Bovespa, reflecting the strengthening of the Real against the dollar. The ADR **CIG** – representing Cemig's preferred (PN) shares – rose 72.69% in the year.

## Cemig's long-term ratings

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

### Brazilian rating:

Agency	Cemig		Cemig D		Cemig GT	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
<b>Fitch</b>	BBB(bra)	Negative	BBB(bra)	Negative	BBB(bra)	Negative
<b>S&amp;P</b>	BrBB+	Stable	BrBB+	Stable	BrBB+	Stable
<b>Moody's</b>	Baa1.br	Negative	Baa1.br	Negative	Baa1.br	Negative

### Global Rating:

Agency	Cemig		Cemig D		Cemig GT	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
<b>S&amp;P</b>	B	Stable	B	Stable	B	Stable
<b>Moody's</b>	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	2016	2015	Change %
<b>REVENUE</b>	<b>18,772,656</b>	<b>21,867,842</b>	<b>(14.15)</b>
<b>OPERATING COSTS</b>			
Personnel	(1,643,253)	(1,435,001)	14.51
Employees' and managers' profit shares	(7,327)	(137,364)	(94.67)
Post-retirement obligations	(344,559)	(156,009)	(120.86)
Materials	(57,915)	(69,522)	(16.70)
Raw materials and inputs for production of electricity	(40)	(83,723)	(99.95)
Outsourced services	(867,370)	(899,470)	(3.57)
Electricity purchased for resale	(8,272,911)	(9,541,940)	(13.30)
Depreciation and amortization	(834,291)	(834,830)	(0.06)
Operating provisions	(703,979)	(1,401,455)	(49.77)
Charges for use of the national grid	(947,479)	(998,756)	(5.13)
Gas bought for resale	(877,118)	(1,050,925)	(16.54)
Infrastructure construction costs	(1,193,140)	(1,251,836)	(4.69)
Other operating expenses, net	(153,621)	(427,241)	(64.04)
<b>TOTAL COST</b>	<b>(15,903,003)</b>	<b>(18,288,072)</b>	<b>(13.04)</b>
Equity method gains	(301,844)	392,990	-
Adjustment for impairment of Investments	(762,691)	0	-
Fair value results in Corporate Operation	0	729,442	-
<b>Operational profit before Financial income (expenses) and taxes</b>	<b>1,805,118</b>	<b>4,702,202</b>	<b>(61.61)</b>
Financial revenues	1,041,304	863,728	(20.56)
Financial expenses	(2,478,495)	(2,204,344)	12.44
<b>Pre-tax profit</b>	<b>367,927</b>	<b>3,361,586</b>	<b>(89.05)</b>
Current and deferred income tax and Social Contribution tax	(33,173)	(892,583)	(96.28)
<b>NET PROFIT FOR THE PERIOD</b>	<b>334,754</b>	<b>2,469,003</b>	<b>(86.44)</b>
Interest of the controlling stockholders	334,334	2,468,500	
Interest of non-controlling stockholder	420	503	
<b>Non-recurring</b>			
Fair value results in Corporate Operation	0	(568,094)	-
Adjustment for impairment of Investments	503,376	0	-
Impairment in Renova	215,608	0	-
Profit on sale of shares in Taesa	(119,311)	0	-
Impairment in Guanhães	98,782	0	-
Profit on sale of Transchile	(62,329)	0	-
<b>ADJUSTED NET PROFIT FOR THE PERIOD</b>	<b>970,880</b>	<b>1,900,909</b>	<b>(48.93)</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 ACL;
- (IV) Distributors, in the Regulated Market (*Ambiente de Contratação Regulada*, or ACR); and
- (V) sales made in the wholesale trading chamber (*Câmara de Comercialização de Energia Elétrica*, or CCEE) ( – eliminating transactions between companies of the Cemig Group).

In 2016 the "Cemig Group" sold a total of 55,591,690 MWh, or 2.3% less than in 2015, while the total of power transported by the group for Free Clients was 10.9% higher, at 17,381,808 MWh.

Sales of electricity to final consumers plus Cemig's own consumption totaled 43,083,238 MWh, or 6.5% less than in 2015.

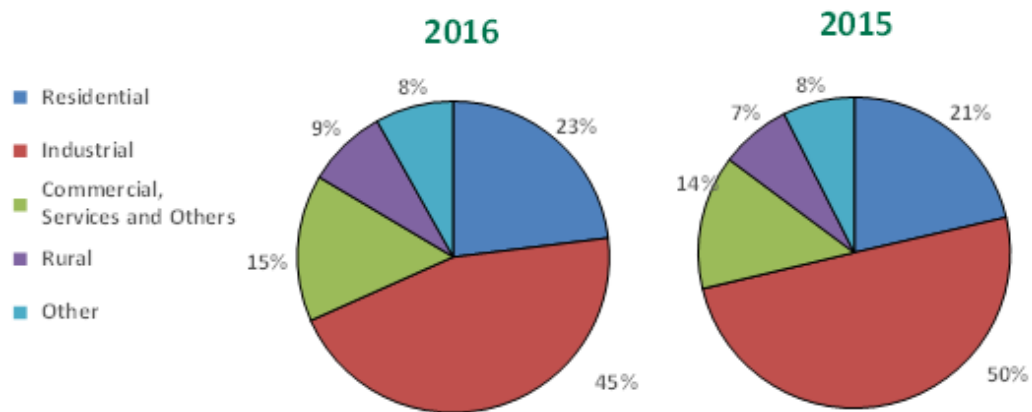


Electricity consumption has been affected by adverse Brazilian political and economic circumstances; and, in the captive market, by successive increases in electricity rates charged to consumers, which, associated with application of the ‘Tariff Flag’ system, have resulted in significant increases in consumers’ electricity bills.

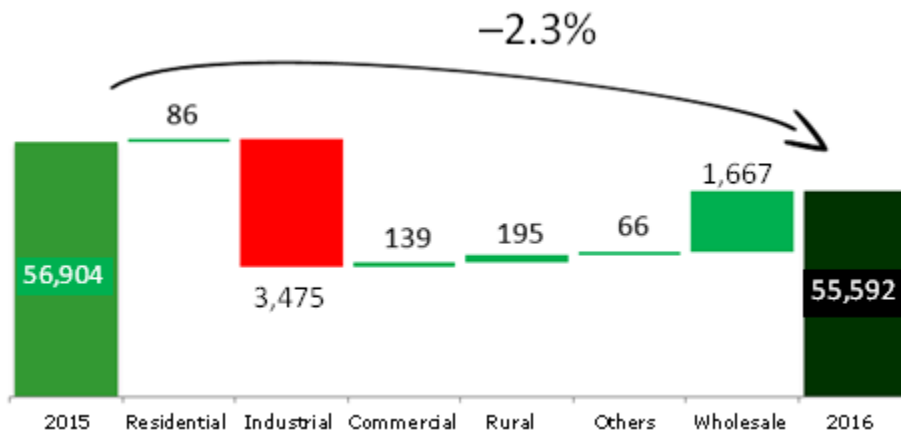
Sales to distributors, traders, other generating companies and independent power producers in 2016 totaled 12,508,453 MWh – or 15.5% more than in 2015.

In December 2016 the “Cemig Group” invoiced 8,260,336 customers – a growth of 2.2% in the customer base in the year since December 2015. Of these, 8,259,504 are final consumers, including Cemig’s own consumption; and 82 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 2016 R\$	Average price 2015 R\$
	2016	2015			
Residential	9,915,807	9,829,992	0.87	788.56	742.38
Industrial	19,494,391	22,968,931	(15.13)	276.78	251.67
Commercial, Services and Others	6,572,980	6,433,728	2.16	663.16	614.94
Rural	3,574,724	3,379,734	5.77	409.39	416.18
Public authorities	885,748	892,368	(0.74)	614.80	613.77
Public lighting	1,350,405	1,325,525	1.88	391.27	401.81
Public services	1,252,043	1,204,461	3.95	436.70	448.66
<b>Subtotal</b>	<b>43,046,098</b>	<b>46,034,739</b>	<b>(6.49)</b>	<b>479.88</b>	<b>435.80</b>
Own consumption	37,140	37,661	(1.38)	-	-
Wholesale supply to agents in Free and Regulated Markets ( * )	12,508,453	10,831,194	15.49	216.90	217.75
<b>Total</b>	<b>55,591,691</b>	<b>56,903,594</b>	<b>2.31</b>	<b>421.46</b>	<b>395.87</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 by Cemig D, and electricity transported for Free Clients and distributors with access to Cemig D's networks, totaled 43,304 GWh in 2016, or 2.80% more than in 2015.

There are two components of this reduction: Consumption by the captive market 2.0% lower year-on-year; and use of the network by Free Clients 10.9% higher by volume.

In December 2016 Cemig D was invoicing 8,258,534 captive clients.

Cemig D	Number of clients		Change, %
	2016	2015	
Residential	6,691,673	6,532,169	2.44
Industrial	74,535	75,085	(0.73)
Commercial, Services and Others	716,602	714,433	0.30
Rural	694,026	678,742	2.25
Public authorities	63,483	62,854	1.00
Public lighting	5,667	4,146	36.69
Public services	12,548	11,038	13.68
<b>Total</b>	<b>8,258,534</b>	<b>8,078,467</b>	<b>2.23</b>

Comments on the various consumer categories:

### Residential

Consumption by residential users in 2016, at 9,915,807 MWh, was 0.9% higher than in full-year 2015.

The average monthly consumption per consumer in 2016 was 124.6 kWh, 1.4% less than 2015 (126.3 kWh).

### Industrial

Total consumption by industrial users in 2016, at 19,627,640 MWh, 5.2% more than in 2015 – mainly reflecting the significant resumption of activity in the Met allergy and ferro-alloys sector.

Supply used by captive clients, totaling 3,194,872 MWh, was 7.4% of the total volume of electricity distributed by Cemig D in 2016 – this total was 15.0% less than in 2015; the total of electricity transported for Free Clients, at 16,432,768 MWh, was 10.3%

higher than in 2015, and represented 38.0% of the total volume of electricity distributed.

The performance of this segment reflects migration to the Free Market of captive clients using supply at medium voltage, and also a continuous retraction in economic activity both in the state of Minas Gerais and the whole of Brazil, and also the performance of the world economy.

## The electricity market of Cemig GT

Cemig GT billed a total of 28,928,513 MWh in 2016, 3.5% less than in 2015.

The number of clients billed by Cemig GT was 94.0% higher than at the end of December 2015 – this total reached 1,040. Of these: 960 were industrial and commercial clients, 46 were distribution companies, and 34 were companies in the category of traders, generators and independent power producers.

Cemig GT	(MWh)		Change %	(MWh)		Change %
	4Q16	4Q15		2016	2015	
Free Clients						
Industrial	4,042,638	4,567,744	(11.50)	15,494,833	18,465,652	(16.09)
Commercial	247,449	93,093	165.81	832,443	366,787	126.96
Free Market – Free contracts	3,080,410	1,197,596	157.22	10,044,817	6,442,747	55.91
Regulated Market	598,413	682,120	(12.27)	2,425,228	4,252,099	(42.96)
Regulated Market – Cemig D	29,532	41,725	(29.22)	131,192	438,670	(70.09)
<b>Total</b>	<b><u>7,998,442</u></b>	<b><u>6,582,278</u></b>	<b><u>21.51</u></b>	<b><u>28,928,513</u></b>	<b><u>29,965,955</u></b>	<b><u>(3.46)</u></b>

Free clients in the industrial and commercial categories consumed 16,327,276 GWh in 2016 – or 56.4% of the total electricity provided by Cemig GT, and 13.3% less than in 2015 – on the following main factors:

- 1) lower availability of power for sale due to the terms specified for renewal of concessions, as per Law 1303/2015 – this supply was redirected to the Physical Guarantee Quota regime;
- 2) a stoppage at a mining plant in Minas Gerais state;
- 3) lower consumption by industrial clients due to the continuous retraction in economic activity in Minas Gerais and Brazil as a whole, and the performance of the international economy.

Cemig GT added 260 new clients in the *commercial* category in 2016 – mostly outside the state of Minas Gerais – and 218 new industrial clients.

Sales and trading transactions in electricity with other agents of the electricity sector in the Free Market lead to selling opportunities, which lead to short-term sales contracts. In 2016 total sales of electricity were 10,044,817 MWh, or 55.9% more than in 2015.

Sales in the Regulated Market, including sales to Cemig D, were 45.5% lower than in 2015, for several reasons:

- 1) cessation of certain contracts, as a result of the corporate reorganization of the Cemig group – with the transfer of assets from Cemig GT to Aliança Energia; and
- 2) termination of contracts made at the 18th Adjustment Auction, held in the first half of 2015, and at the second ‘Existing Supply’ Auction, held in 2005 and governing the period 2008–2015.

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

## Physical totals of transport and distribution – MWh

Position	MWh		MWh		Change %
	4Q16	4Q15	2016	2015	
<b>Total energy carried</b>	<b>12,174,713</b>	<b>12,402,868</b>	<b>49,469,543</b>	<b>48,067,296</b>	<b>2.92</b>
Electricity transported for distributors	80,827	91,534	354,558	361,487	(1.92)
Electricity transported for Free Clients	4,185,897	3,872,121	17,026,724	15,319,122	11.15
Own load					
Consumption by captive market	6,401,792	6,850,106	25,885,245	26,453,478	(2.15)
Losses in distribution network	1,506,197	1,589,107	6,203,016	5,933,209	4.55

## Consolidated operational revenue

### Revenue from supply of electricity:

Total revenue from supply of electricity to final consumers in 2016 was R\$ 23,430 million, or 4.01% more than the total revenue of R\$ 22,526 million in 2015.

### *Final consumers*

Total revenue from electricity sold to final consumers, excluding Cemig's own consumption, was R\$ 20,458 million in 2016 – or 0.68% more than in 2015 (R\$ 20.319 million).

The main factors were:

- The Extraordinary Tariff Adjustment for Cemig D, which resulted in an average increase in consumers' tariffs of 28.76%, applicable from March 2, 2015 (full effect in 2016).
- The Annual Tariff Adjustment for Cemig D, with average effect on consumer tariffs of 7.07%, effective from April 8, 2015 (full effect in 2016).
- The Annual Tariff Adjustment for Cemig D, with average effect on consumer tariffs of 3.78%, effective from May 28, 2016.
- Reduction of revenue from the 'Tariff Flag' system, to R\$ 360 million in 2016, compared to R\$ 1.067 billion in 2015, due to the improvement in the hydroelectric reservoir water storage levels – enabling lower additional charges to be made in 2016 under the 'Flag' system of temporary additional tariffs.
- Volume of electricity sold was 6.49% lower.

	R\$		Change %	Average price 2016 R\$	Average price 2015 R\$	Change %
	2016	2015				
Residential	7,819,174	7,297,557	7.15	788.56	742.38	6.22
Industrial	5,395,586	5,780,660	(6.66)	276.78	251.67	9.98
Commercial, Services and Others	4,358,938	3,956,344	10.18	663.16	614.94	7.84
Rural	1,463,470	1,406,590	4.04	409.39	416.18	(1.63)
Public authorities	544,554	547,707	(0.58)	614.80	613.77	0.17
Public lighting	528,378	532,603	(0.79)	391.27	401.81	(2.62)
Public services	546,763	540,388	1.18	436.70	448.66	(2.67)
<b>Subtotal</b>	<b>20,656,863</b>	<b>20,061,849</b>	<b>2.97</b>	<b>479.88</b>	<b>435.80</b>	<b>10.11</b>
Supply not yet invoiced, net	(198,785)	256,753	-	-	-	-
	<b>20,458,078</b>	<b>20,318,602</b>	<b>0.69</b>	-	-	-
Wholesale supply to other concession holders (*)	2,713,083	2,358,466	15.04	216.90	217.75	(0.39)
Wholesale supply not yet invoiced, net	258,552	(150,793)	-	-	-	-
<b>Total</b>	<b>23,429,713</b>	<b>22,526,275</b>	<b>4.01</b>	<b>421.46</b>	<b>395.87</b>	<b>6.46</b>

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

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

This is revenue from charging of the Tariff for Use of the Distribution System (*Tarifa de Uso do Sistema de Distribuição*, or TUSD), to Free Consumers, for transport of electricity sold. In 2016 this revenue was R\$ 1.705 billion, 16.38% more than in 2015 (R\$ 1.465 billion).

The main factors were:

- A tariff effect of 96.21% in 2015, due to the Extraordinary Tariff Adjustment as from March 2, 2015, and the Annual Tariff Adjustment of April 2015 (full effect in 2016).
- Reduction of 0.52% in the tariff for Free Consumers, given in the annual tariff adjustment of May 28, 2016.
- Volume of electricity distributed 10.92% higher, mainly due to resumption of production by the Ferro-alloys sector in 2016.

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

Revenue from transactions in electricity on the CCEE was R\$ 161 million in 2016 – a year-on-year reduction of 93.36% from its total of R\$ 2.425 billion in 2015.

In 2016 there was a lower quantity of electricity available for settlement in the wholesale market, mainly due to the allocation of the power generated by the *São Simão* plant to the Regulated Market (ACR) from September 16, 2015, under the 'Quota' regime, in accordance with the requirements of Ministerial Order 432/2015. The revenues that the company recognizes from that plant currently comprise only the revenues from provision of the services of operation and maintenance of the plant. Thus, the volume of electricity becoming available from the Company was used basically in complying with its contracts with final consumers and other concession holders.

### Supply of gas

The Company reported revenue from supply of gas 13.38% lower year-on-year in 2016, at R\$ 1.444 billion, compared to R\$ 1.667 billion in 2015, mainly due to the lower volume of gas sold (1,066,351m<sup>3</sup> in 2016, compared to 1,414,464m<sup>3</sup> in 2015).

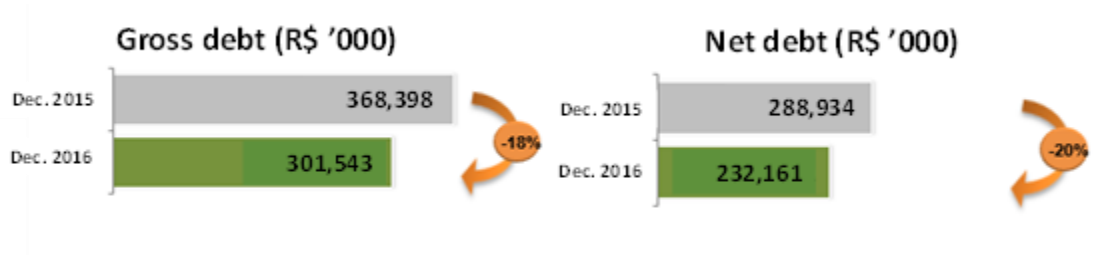
Market ('000 m3/day)	2012	2013	2014	2015	2016
Residential	-	0.17	0.72	1.04	3.38
Commercial	24.73	20.38	23.15	22.42	24.68
Industrial	2,740.00	2,734.95	2,849.24	2,422.78	2,173.76
Other	114.09	106.33	99.64	119.87	120.19
<b>Total market excluding thermal plants</b>	<b>2,878.82</b>	<b>2,861.83</b>	<b>2,972.75</b>	<b>2,566.11</b>	<b>2,322.01</b>
Thermal	746.09	1,214.50	1,223.99	1,309.13	591.52
<b>Total</b>	<b>3,624.91</b>	<b>4,076.33</b>	<b>4,196.74</b>	<b>3,875.24</b>	<b>2,913.53</b>

Due to the lower demand for electric power and the higher level of the reservoirs than in previous years (especially 2014 and 2015), demand for supply from the thermoelectric plants – which had been dispatched uninterruptedly since 2012 – is now lower. The industrial sector, which is the most important client for Gasmig, was another contributor to lower total volume in 2016.



Supply of gas to the residential market, which began in March 2013, expanded to supply 14,935 households at the end of 2016 – compared to 3,820 at the end of 2015.

### Gasmig's debt



### Transmission indemnity revenue

In 2016 Cemig recognized revenue of R\$ 751 million in relation to the following events:

- R\$ 20 million relating to the difference between the amount of the Preliminary Revision made by Aneel on February 23, 2015 of the Opinion sent by the Company, of R\$ 1.157 billion, and the Final Revision;
- R\$ 90 million representing the difference between the variations resulting from the IGP-M index and the IPCA index – since the Company had updated the balance receivable, up to May 2016, by the IGP-M;
- R\$ 438 million, representing the cost of own capital, calculated on the basis of 10.44% p.a.;
- R\$ 44 million for monetary updating by the IGP-M index, up to May 2016, of the balance of indemnity receivable; and
- R\$ 159 million for updating of the balance of indemnity receivable, by the IPCA index and by the cost of capital, in accordance with Mining and Energy Ministry Order 120, in the period July through December 2016.

On August 16, 2016 Aneel, through its Dispatch 2181, homologated the amount of R\$ 892,050, in currency of December 2012, for the portion of the reversible assets not yet amortized, for the purposes of indemnity to Cemig GT.

The portions of remuneration and depreciation not paid in the period from the extensions of the concessions up to the tariff-setting process of 2017 are to be updated by the IPCA index and remunerated at the real cost of own capital of the transmission segment of the industry as decided by Aneel in the methodologies for Periodic Tariff Reviews of Revenues for Existing Concession Holders, currently 10.44% per year, to be paid over eight years by reimbursement through the RAP.

The Company has calculated the following amounts as indemnity:

	R\$ '000
Regulatory Remuneration Base (BRR) – Dispatch 2181/2016	1,177,488
Amount of the indemnity received so far	(285,438)
<b>Net value of the assets for purposes of indemnity</b>	<b>892,050</b>
Updating in accordance with MME Order 120/16 – IPCA index/cost of own capital – Period Jan. 2013 to Dec. 2016	913,180
<b>Total indemnity</b>	<b>1,805,230</b>

#### CVA and Other financial components in tariff adjustment

In its financial statements Cemig recognizes the difference between actual non-controllable costs (in which the CDE, and electricity bought for resale, are significant components) and the costs that were used as the basis of decision of the rates charged to consumers. The amount of this difference is passed through to clients in Cemig D's next tariff adjustment – in 2016 this represented a reduction of R\$ 1.455 billion in revenue, compared to an increase, in 2015, of R\$ 1,704 billion. This difference between the two years mainly reflects the reduction, in 2016, of the costs of acquiring electricity at auction, compared to the costs used as the basis for tariffs – this generated a financial liability for the Company, representing the amount to be restituted to consumers in the next tariff adjustment.

#### Fair value of an Indemnifiable Asset of the distribution concession

In 2016 the Company posted a gain on fair value of an indemnifiable asset of the distribution concession of R\$ 8 million. This compares with a gain of R\$ 576 million in 2015. This is due to the reduction in the estimate of the financial assets to be

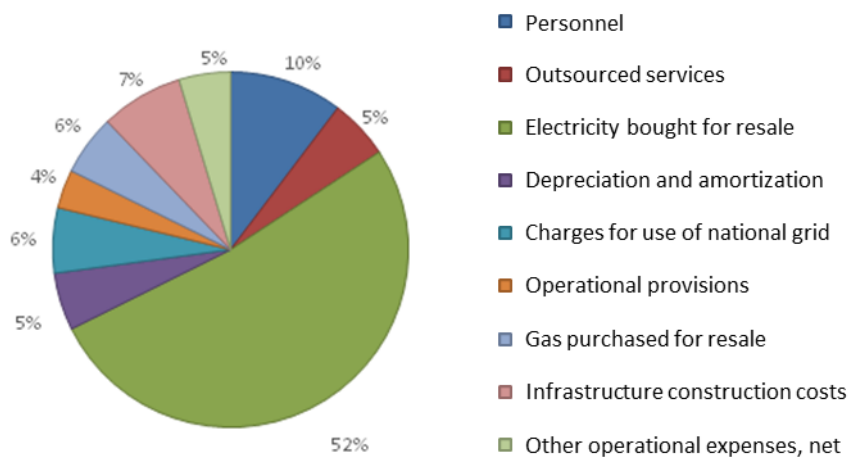
indemnified at the end of the concession, following the renewal of the concession contract in December 2015.

## Sector / Regulatory charges – Deductions from revenue

In 2016, the total of sector and regulatory charges and taxes reported as deductions from operational revenue was R\$ 10.497 billion, 9.11% higher than in 2015 (R\$ 11.549 billion). This mainly reflects reduction of the extra charges imposed on consumers by the 'Flag' system of additional tariffs (R\$ 360 million in 2016, compared to R\$ 1.067 billion in 2015) and Energy Development Account – CDE (R\$ 2.074 billion in 2016, compared to R\$ 2.870 billion in 2015).

## Operational costs and expenses

Operational costs and expenses, excluding Financial Revenue (expenses) in 2016 were R\$ 15.903 billion, 13.04% less than in 2015 (R\$ 18.288 billion).



The following paragraphs comment on the main variations:

### Electricity purchased for resale

The expense on electricity purchased for resale in 2016 was R\$ 8.273 billion, which compares to R\$ 9.542 billion in 2015 – a reduction of 13.30%. The main factors are:

**Cemig D:**

- The expense on electricity acquired at auctions was 36.90% lower, at R\$ 2.586 billion in 2016, vs. R\$ 4.098 billion in 2015, 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 fuel for those plants.
- The expense on electricity from Itaipu Binacional was 34.03% lower: R\$ 1.144 billion in 2016, compared to R\$ 1.734 billion in 2015. This change basically reflects the the reduction of the tariff, which was US\$ 38.07/kW-month in 2015, and was US\$ 25.78/kW-month from January 2016.
- The cost of purchases of supply in the spot market was 19.91% lower – at R\$ 680 million in 2016, vs. R\$ 849 million in 2015 – reflecting the lower cost of electricity in the wholesale market in 2016.

**Cemig GT:**

The expense on electricity purchased for resale in 2016 was R\$ 3.052 billion, 17.49% more than the figure of R\$ 2.601 billion in 2015. The difference mainly reflects volume of electricity bought for resale 17.34% higher in 2016 (at 19,002,578 MWh), than in 2015 (15,273,685 MWh) – reflecting lower generation capacity, with the termination of the concession of some plants.

Operating provisions

Operational provisions in 2016 totaled R\$ 704 million, compared to R\$ 1,401 million in 2015, a reduction of 49.75%. This variation principally arises from the positive adjustment in the losses recorded previously for the Parati investment options, in the amount of R\$ 55 million, which compares with a provision of R\$ 1.079 billion in 2015 – primarily reflecting the increase of 76.24% in 2016 in the stock price of Light (an

important variable in calculating the fair value of the put option on the Black-Scholes-Merton model), and also the payment of R\$ 498 million in dividends of the companies of the Parati group in the 2016 business year, which made possible the reduction of R\$ 702 million in the option exercise price.

We highlight the higher total of Provisions for doubtful receivables of Cemig D, at R\$ 382 million in 2016, compared to R\$ 175 million in 2015. This mainly reflects higher default, influenced by the increase in tariffs and also the reduction in economic activity, which had its effect on unemployment rates and disposable income.

### ***Default***

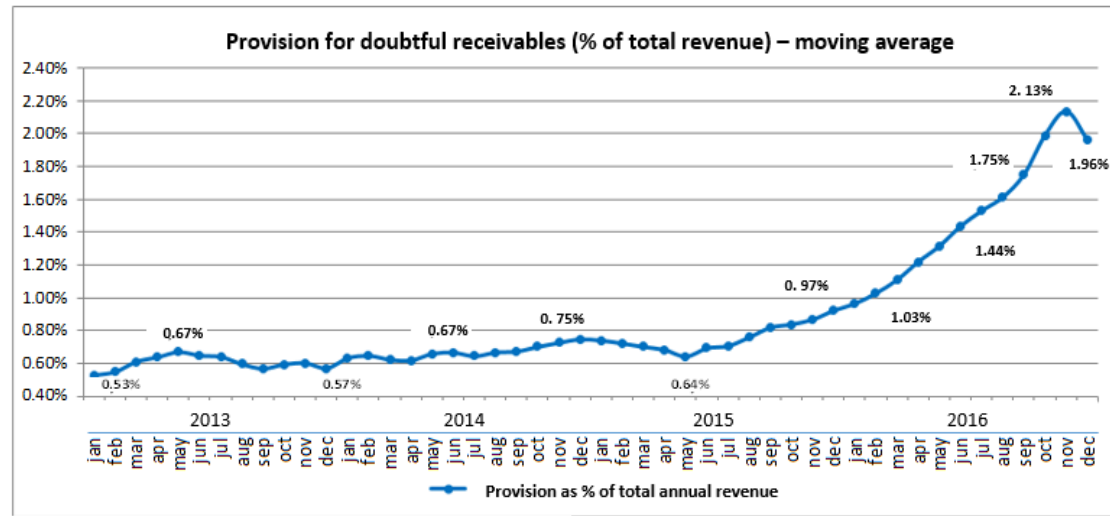
In this context of an exceptional increase in electricity rates, Cemig has seen an increase in amounts invoiced and not paid by final consumers, to levels higher than the averages of recent months.

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. This increased percentage of default has had a negative effect on the Company's cash flow.

Due to the present economic context, default has remained at a level that is high for the Company.

The Company uses various tools of communication and collection to prevent increase in default. Measures include contact by telephone and email, text and collection letters, negative references for defaulting clients, collection through the courts and, principally, disconnection of supply. Aneel Resolution 414 allows supply to be cut off after 15 days from receipt of a notice to the defaulting consumer.

The Company is confident that, with more intense collection and disconnection, the levels of default will be reduced in 2017.



## ***Investment in Light through Parati, RME and Lepsa***

### *Corporate reorganization of Parati*

In 2016 the shareholders decided to put in place a series of measures to simplify the stockholding structure of the Parati group, as follows:

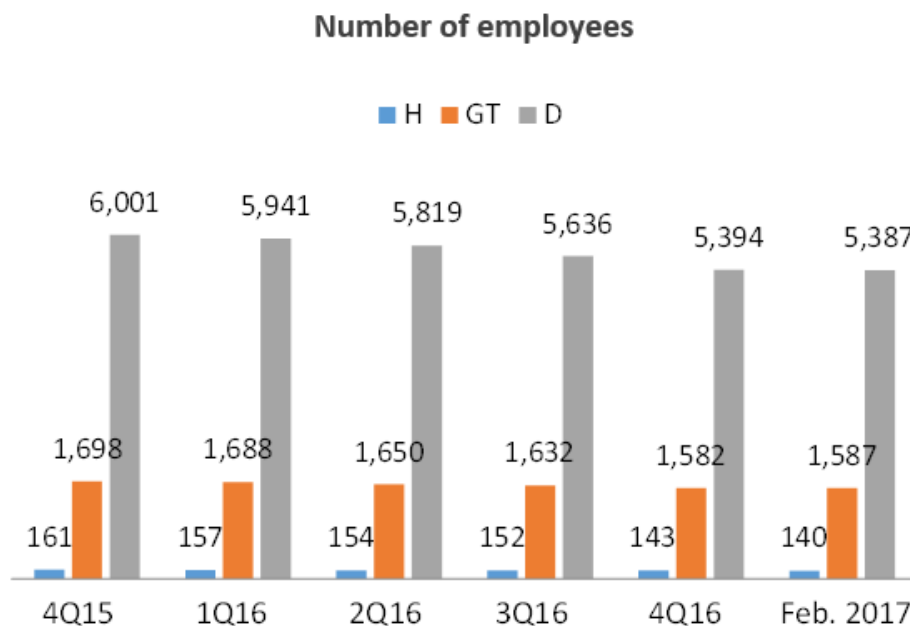
- Extinction of Redentor Energia S.A., through reverse absorption by Rio Minas Energia Participações S.A. ('RME');
- Total split of Parati, with absorption by RME and Luce Empreendimentos e Participações S.A. ('LEPSA') of the separated assets and liabilities;
- Extinction of Parati, through reverse absorption by RME and LEPSA;

In November 2016, RME and LEPSA declared an aggregate total of R\$ 463 million in dividends, using retained earnings reserves from prior years. In the same month both companies called for an aggregate capital subscription of R\$ 446 million, which was paid up exclusively by Cemig.

## Personnel

Personnel expenses were R\$ 1,643 million in 2016, compared to R\$ 1,435 million in 2015, an increase of 14.49%. This arises mainly from the following factors:

- Salary increases of 3% from March 2015 (full effect in 2016), as a result of the court negotiation decided by the courts on application from organizations representing the employees.
- Salary increases, under the Collective Agreement, of 10.33%, coming into effect in November 2015 (full effect in 2016).
- Salary increase of 8.50% under the Collective Work Agreement, as from November 2016.
- Recognition, in 2016, of an expense of R\$ 93 million on the voluntary retirement plan.



## Post-retirement obligations

The impact of the Company's post-retirement liabilities on the bottom line was an expense, in the amount of R\$ 345 million, in 2016, compared to an expense of R\$ 156 million in 2015.

This is mainly due to the higher cost arising from the Pension Fund and the Health Plan in 2016. Further, alterations were made to the life insurance structure in 2015, which changed the maximum limit of capital insured. This caused a reduction in the post-retirement obligations for 2015, of R\$ 74 million, which is posted in the profit and loss account.

### Gas bought for resale

In 2016 the company reported an expense of R\$ 877 million on acquisition of gas, compared to an expense of R\$ 1.051 billion in 2015 – a reduction of 16.56%. The lower figure reflects a lower volume of gas purchased (1,063,677m<sup>3</sup> in 2016 compared to 1,405,732m<sup>3</sup> in 2015).

### **Adjustment for impairment of investments**

In 2016 the company made an adjustment for losses on impairment of investments totaling R\$ 763 million relating to the goodwill on concessions which had been calculated at the time of injection of capital into Renova. As a result of the studies on impairment related to discounted cash flow of the investee, management of Cemig GT judged it necessary to make a full adjustment of the amount referred to, in the statement of income for 2016.

### **Fair value gain (loss) on stockholding transaction**

In 2015 the Company posted a gain of R\$ 729 million arising from the constitution of Aliança Geração de Energia.

### **Equity gains in non-consolidated investees**

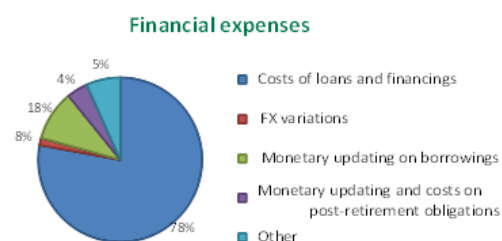
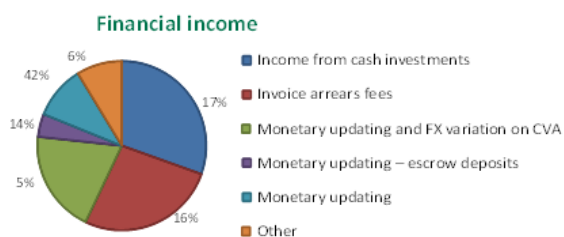
In 2016 the Company reported a loss by the equity method of R\$ 302 million, which compares with a gain of R\$ 393 million reported in 2015. This mainly reflects the loss of R\$ 373 million reported by Renova Energia in 2016, which in turn basically results



from impairment of the investment in TerraForm and write-off of the put option with SunEdison; and also impairment of R\$ 68 million posted by Guanhões.

Consolidated	12/31/2015	Gain (loss) by equity method (Income statement)	Gain (loss) by equity method (Other comprehensive income)	Dividends	Injections / acquisitions	Disposal	Incorporation	Other	12/31/2016
Companhia Transleste de Transmissão	8,307	5,325	-	(2,044)	-	-	-	-	21588
Companhia Transudeste de Transmissão	17,536	3,783	-	(813)	-	-	-	(1)	20,505
Companhia Transirapé de Transmissão	19,298	4,654	-	-	-	-	-	-	23,952
Transchile	108,230	1,776	(22,988)	-	-	(87,018)	-	-	0
Companhia de Transmissão Centroeste de Minas	17,528	5,667	-	(2,024)	-	-	-	-	21,171
Light	1,187,722	(120,512)	2,948	320	-	-	-	(1)	1,070,477
Axiom Soluções Tecnológicas	23,840	(4,528)	-	(49)	-	-	-	1	19,264
Luce	-	(17,890)	513	(57,185)	251,977	-	166	-	177,581
RME	-	(17,757)	510	(58,763)	247,941	-	168	-	172,099
Hidrelétrica Cachoeirão	40,844	11,122	-	(1,555)	-	-	-	-	50,411
Guanhões Energia	18,444	(102,108)	-	-	24,593	-	-	59,071	0
Hidrelétrica Pipoca	26,237	5,571	-	-	-	-	-	1	31,809
Madeira Energia (Santo Antônio Plant)	675,983	(71,093)	-	-	39,000	-	-	-	643,890
FIP Melbourne (Santo Antônio Plant)	703,403	(63,755)	-	-	40,214	-	-	(2,680)	677,182
Lightger	37,454	4,088	-	-	-	-	-	1	41,543
Baguari Energia	187,227	41,037	-	(14,118)	-	-	-	(52,040)	162,106
Central Eólica Praias de Parajuru	63,045	287	-	(25)	-	-	-	-	63,307
Central Eólica Volta do Rio	85,101	(3,838)	-	(35)	-	-	-	-	81,228
Central Eólica Praias de Morgado	62,071	(2,440)	-	(45)	-	-	-	-	59,586
Amazônia Energia (Belo Monte Plant)	495,768	(6,659)	-	-	291,913	-	-	-	781,022
Ativas Data Center	-	(31,424)	-	-	98,900	-	-	(49,735)	17,741
Parati	357,753	(24,305)	850	221	-	-	(335)	-	334,184
Taesa	2,242,186	341,081	-	(381,609)	-	(619,025)	-	-	1,582,633
Renova	1,527,435	(373,313)	19,330	-	277,864	-	-	(762,691)	688,625
Usina Hidrelétrica Itaocara S.A.	-	-	-	-	2,782	-	-	-	2,782
Aliança Geração	1,327,246	103,849	-	(12,040)	-	-	-	-	1,319,055
Aliança Norte (Belo Monte Plant)	354,284	(6,551)	-	-	179,765	-	-	-	527,498
Retiro Baixo	147,905	16,089	-	(2,146)	-	-	-	-	161,848
	<b>9,744,847</b>	<b>(301,844)</b>	<b>1,163</b>	<b>(631,910)</b>	<b>1,454,949</b>	<b>(706,043)</b>	<b>0</b>	<b>(808,074)</b>	<b>8,753,088</b>
Ativas Data Center (Uncovered liabilities of jointly-controlled entity)	(27,769)	-	-	-	-	-	-	-	(27,769)
Guanhões (Uncovered liabilities of jointly-controlled entity)	-	-	-	-	-	-	-	(59,071)	(59,071)
<b>Total</b>	<b>9,717,078</b>	<b>(301,844)</b>	<b>1,163</b>	<b>-631,911</b>	<b>1,604,709</b>	<b>(706,043)</b>	<b>-</b>	<b>(1,016,905)</b>	<b>8,694,017</b>

## Financial revenue and expenses



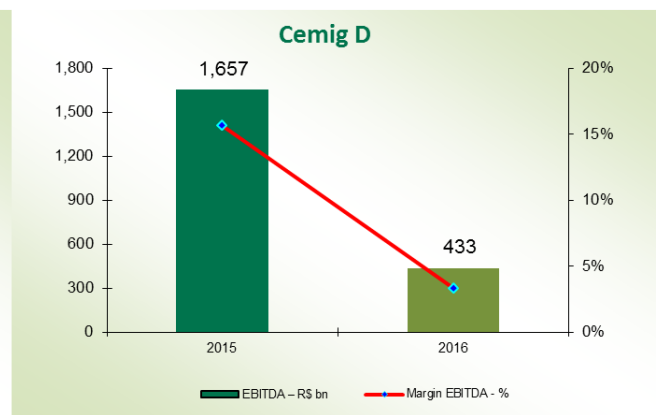
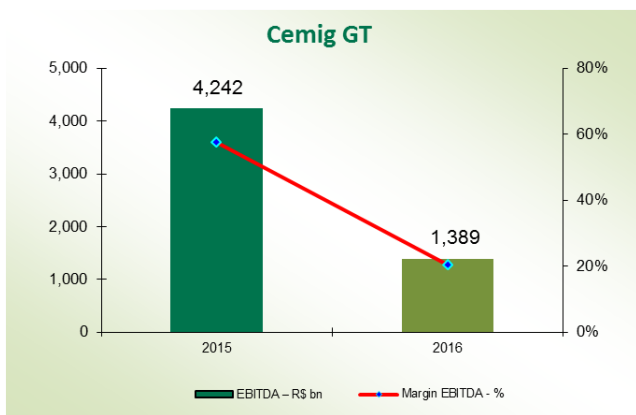
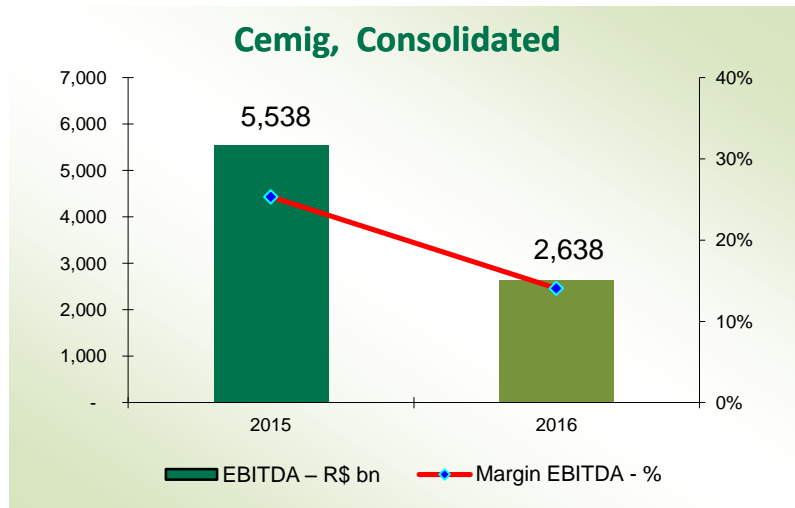
Cemig reports Net financial expenses of R\$ 1.437 billion in 2016, compared to net financial expenses of R\$ 1.341 billion in 2015. The main factors are:

- Costs of loans and financings 39.11% higher at R\$ 1.928 billion, compared to R\$ 1.386 billion in 2015. The higher cost of debt indexed to the CDI rate in 2016, and also the higher variation in the CDI rate itself: 14.06% in 2016, compared to 13.23% in 2015.
- Expense on monetary variation in loans and financings 36.69% lower, at R\$ 245 million in 2016, compared to R\$ 387 million in 2015 – mainly due to the lower inflation rate posted by the IPCA index (6.29% in 2016, compared to 10.67% in 2015).
- The expense on foreign exchange variation was 79.65% lower in 2016, at R\$ 35 million, compared to R\$ 172 million in 2015 – reflecting appreciation of the Real against the dollar in 2016 (by 16.54%), compared to its depreciation of 47.01% in 2015.

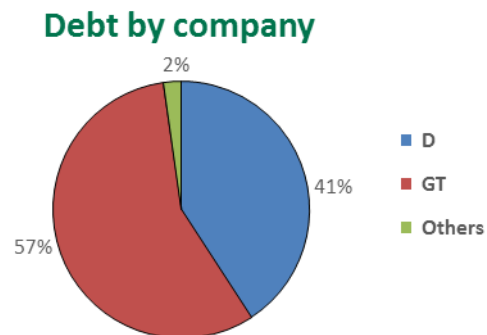
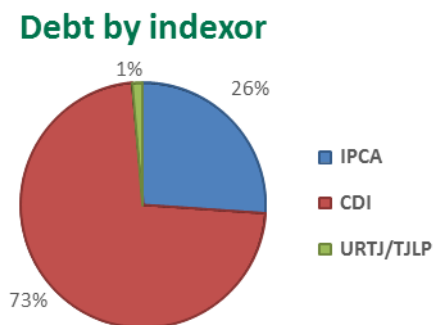
## EBITDA

Cemig's consolidated Ebitda in 2016 was 52.33% lower than in 2015.

Ebitda – R\$ '000	4Q16	4Q15	Change, %	2016	2015	Change, %
Net profit for the period	(306,079)	283,158	-	334,334	2,468,500	(86.46)
+ Income and Social Contribution taxes	(191,277)	54,680	-	33,173	892,583	(96.28)
+ Net financial revenue (expenses)	391,005	534,832	(26.89)	1,437,191	1,340,616	7.20
+ Depreciation and amortization	233,094	205,999	13.15	834,291	834,830	(0.06)
<b>= EBITDA</b>	<b>126,793</b>	<b>1,078,669</b>	<b>(88.25)</b>	<b>2,638,989</b>	<b>5,536,529</b>	<b>(52.33)</b>

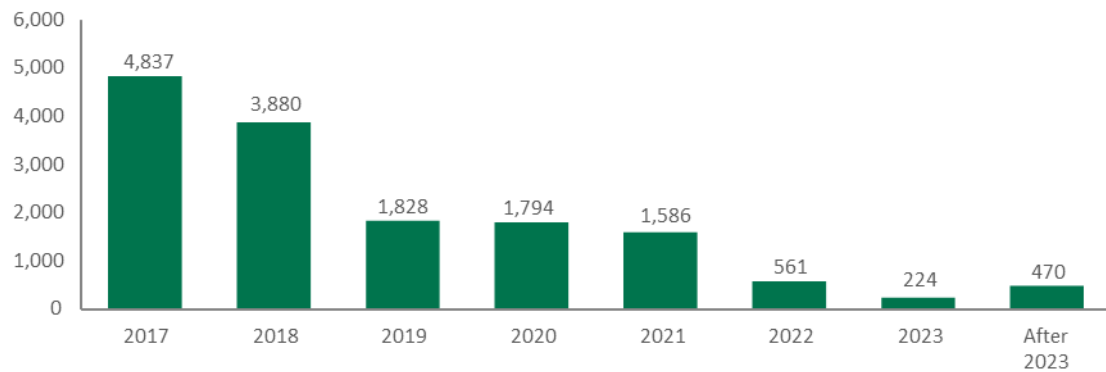


## DEBT



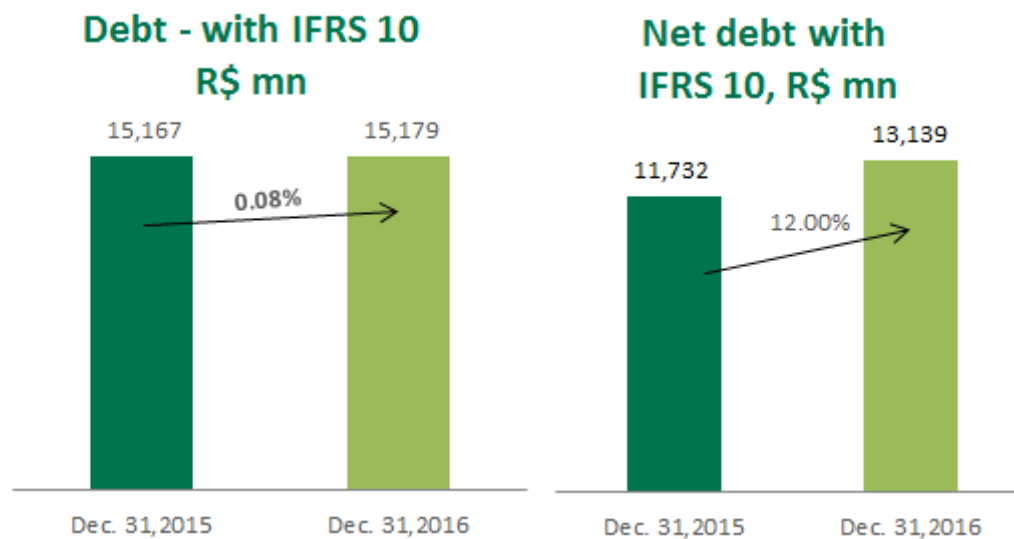
The Company's consolidated total debt on December 31, 2016 was R\$ 15.179 billion, 0.08% more than at December 31, 2015.

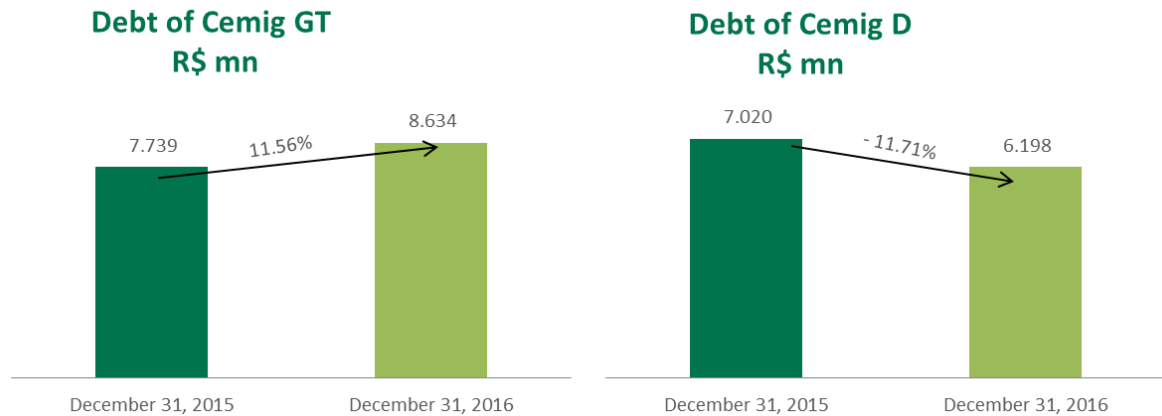
### Debt amortization timetable (R\$ mn)



### Payment of loans – Cemig GT

On February 15, 2017, Cemig GT amortized in full the 1st Series of the 3rd Debenture Issue, in the amount of R\$ 553 million (principal, plus interest, calculated up to the date of the actual amortization). The interest on the 2nd and 3rd Series of the 3rd Debenture Issue totaling R\$ 76 million, was paid on the same date. These payments were made from the Company's own funds.





## 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	7,799	258	158	31	131	8,377
Under construction/contracted	1,072	31	658	3	-	1,278
In development:	10,802	-	392	52	1,000	12,497
<b>Total</b>	<b>19,673</b>	<b>9</b>	<b>1,208</b>	<b>186</b>	<b>1,131</b>	<b>22,152</b>

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

### Highlights of 4Q16:

#### Belo Monte Hydroelectric Plant

In December the third rotor of the principal machine room and the fourth turbine of the complementary machine room started commercial operation. The completed project will have installed generation capacity of 11,233 MW.

#### Santo Antônio Hydroelectric Plant

In December 2016, the last 6 of the 50 rotors of the Santo Antônio Plant started operating.

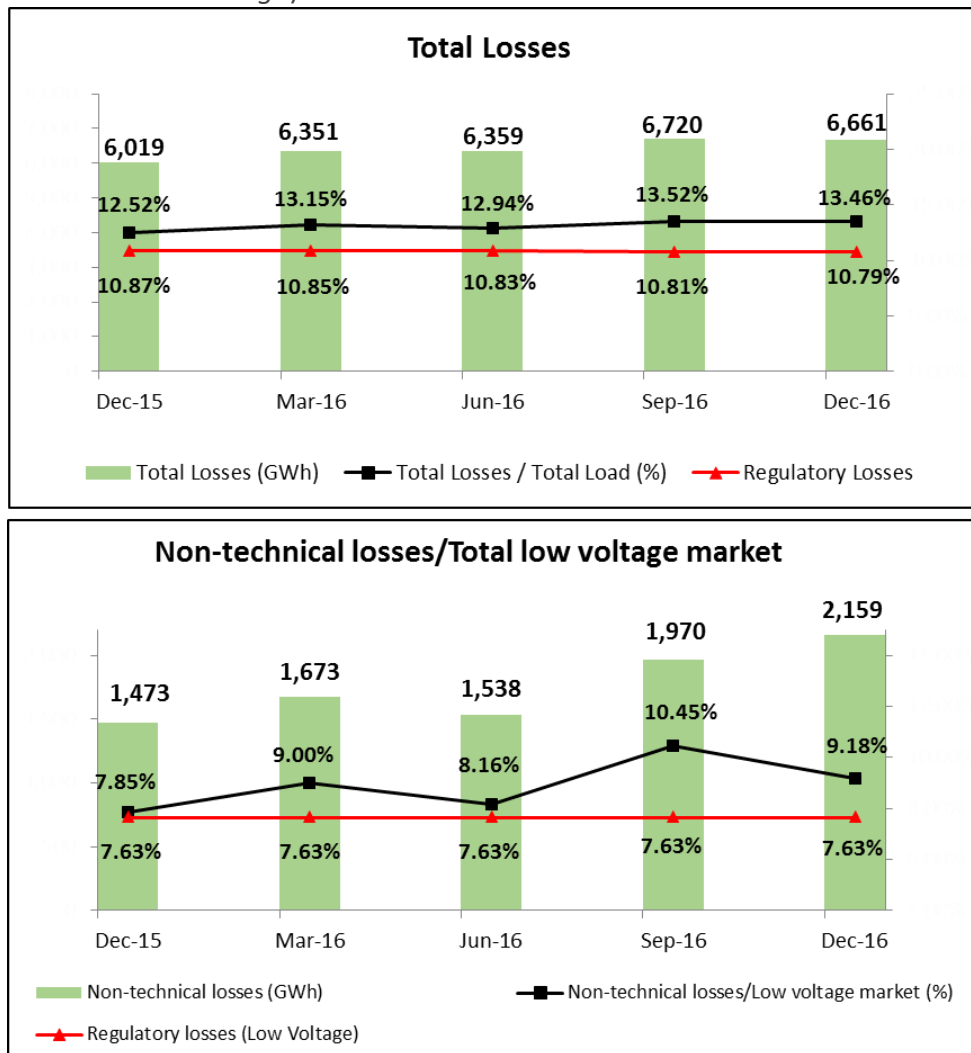
### Electricity losses - 4Q16

Control of electricity losses is one of Cemig D's strategic objectives, and the Company has a structure dedicated to this: its Distribution Losses Measurement and Control

Management Unit. Compliance with the target is monitored monthly, and measured by the Distribution Total Losses Index (*Índice de Perdas Totais da Distribuição*, IPTD).

In the decision on the regulatory target, taken during the 3<sup>rd</sup> Tariff Review Cycle, the regulator, Aneel, made significant changes in the method of calculation of technical losses, imposing extremely challenging limits for Cemig D.

The parameter *Total losses* comprises two components: (i) *Technical losses*, and (ii) *Non-technical losses*. The indicators for measurement of the two components: are the PPTD (*Distribution Technical Losses Percentage*); and the PPNT (*Distribution Non-technical Losses Percentage*).



## Appendices

### Generating plants – December, 2016

Plant	Company	Type	Cemig's Interest	Installed Capacit (MW)	Assured Energy (average MW)	Installed Capacit (MW) *	Assured Energy (average MW) *	Year Concession or Authorization Expires
São Simão	CEMIG GT	Hydroelectric	100.00%	1,710.00	1,281.00	1,710.00	1,281.00	1/11/2015
Emborcação	CEMIG GT	Hydroelectric	100.00%	1,192.00	497.00	1,192.00	497.00	7/23/2025
Nova Ponte	CEMIG GT	Hydroelectric	100.00%	510.00	276.00	510.00	276.00	7/23/2025
Jaguara	CEMIG GT	Hydroelectric	100.00%	424.00	336.00	424.00	336.00	8/28/2013
Miranda	CEMIG GT	Hydroelectric	100.00%	408.00	202.00	408.00	202.00	12/23/2016
Irapé	CEMIG GT	Hydroelectric	100.00%	399.00	210.70	399.00	210.70	2/28/2035
Volta Grande	CEMIG GT	Hydroelectric	100.00%	380.00	229.00	380.00	229.00	2/23/2017
Igarapé	CEMIG GT	Thermal	100.00%	131.00	71.30	131.00	71.30	8/13/2024
Rio de Pedras	CEMIG GT	SHP	100.00%	9.28	2.15	9.28	2.15	9/19/2024
Poço Fundo	CEMIG GT	SHP	100.00%	9.16	5.79	9.16	5.79	8/19/2025
São Bernardo	CEMIG GT	SHP	100.00%	6.82	3.42	6.82	3.42	8/19/2025
Paraúna	CEMIG GT	SHP	100.00%	4.28	1.90	4.28	1.90	-
Pandeiros	CEMIG GT	SHP	100.00%	4.20	0.47	4.20	0.47	9/22/2021
Salto Morais	CEMIG GT	SHP	100.00%	2.39	0.74	2.39	0.74	7/1/2020
Sumidouro	CEMIG GT	SHP	100.00%	2.12	0.34	2.12	0.34	7/8/2015
Anil	CEMIG GT	SHP	100.00%	2.08	1.16	2.08	1.16	7/8/2015
Xicão	CEMIG GT	SHP	100.00%	1.81	0.61	1.81	0.61	8/19/2025
Luiz Dias	CEMIG GT	SHP	100.00%	1.62	0.61	1.62	0.61	8/19/2025
Central Mineirão	CEMIG GT	Solar	100.00%	1.42	-	1.42	-	-
Poquim	CEMIG GT	SHP	100.00%	1.41	0.58	1.41	0.58	7/8/2015
Santa Marta	CEMIG GT	SHP	100.00%	1.00	0.58	1.00	0.58	7/8/2015
Pissarrão	CEMIG GT	SHP	100.00%	0.80	0.55	0.80	0.55	11/19/2004
Jacutinga	CEMIG GT	SHP	100.00%	0.72	0.47	0.72	0.47	-
Santa Luzia	CEMIG GT	SHP	100.00%	0.70	0.23	0.70	0.23	2/25/2026
Lages	CEMIG GT	SHP	100.00%	0.68	0.54	0.68	0.54	6/24/2010
Bom Jesus do Galho	CEMIG GT	SHP	100.00%	0.36	0.13	0.36	0.13	-
Queimado	CEMIG GT	Hydroelectric	82.50%	105.00	58.00	86.63	47.85	1/2/2033
Praias de Parajuru	CEMIG GT	Wind Farm	49.00%	28.80	8.39	14.11	4.11	9/24/2032
Praia do Morgado	CEMIG GT	Wind Farm	49.00%	28.80	13.20	14.11	6.47	12/26/2031
Volta do Rio	CEMIG GT	Wind Farm	49.00%	42.00	18.41	20.58	9.02	12/26/2031
Três Marias	CEMIG G. TRÊS MARIAS	Hydroelectric	100.00%	396.00	239.00	396.00	239.00	1/4/2046
Salto Grande	CEMIG G. SALTO GRANDE	Hydroelectric	100.00%	102.00	75.00	102.00	75.00	1/4/2046
Itutinga	CEMIG G. ITUTINGA	Hydroelectric	100.00%	52.00	28.00	52.00	28.00	1/4/2046
Camargos	CEMIG G. CAMARGOS	Hydroelectric	100.00%	46.00	21.00	46.00	21.00	1/4/2046
	CEMIG G. SUL	SHPs	100.00%	39.53	27.00	39.53	27.00	1/4/2046
	CEMIG G. LESTE	SHPs	100.00%	35.16	19.95	35.16	19.95	1/4/2046
	CEMIG G. OESTE	SHPs	100.00%	28.90	12.68	28.90	12.68	1/4/2046
Sá Carvalho	Sá Carvalho S.A	Hydroelectric	100.00%	78.00	58.00	78.00	58.00	12/1/2024
Rosal	Rosal Energia S. A	Hydroelectric	100.00%	55.00	30.00	55.00	30.00	5/8/2032
Pai Joaquim	CEMIG PCH S.A	SHP	100.00%	23.00	2.41	23.00	2.41	4/1/2032
Barreiro	Usina Termelétrica Barreiro	Thermal	100.00%	12.90	11.37	12.90	11.37	4/30/2023
Salto Voltão	Horizontes Energia	SHP	100.00%	8.20	6.63	8.20	6.63	10/4/2030
Salto do Paraopeba	Horizontes Energia	SHP	100.00%	2.46	-	2.46	-	10/4/2030
Salto do Passo Velho	Horizontes Energia	SHP	100.00%	1.80	1.48	1.80	1.48	10/4/2030
Machado Mineiro	Horizontes Energia	SHP	100.00%	1.72	1.14	1.72	1.14	7/8/2025
Aimorés	ALIANÇA	Hydroelectric	45.00%	330.00	172.00	148.50	77.40	12/20/2035
Funil	ALIANÇA	Hydroelectric	45.00%	180.00	89.00	81.00	40.05	12/20/2035
Amador Aguiar I (Capim Branco I)	ALIANÇA	Hydroelectric	39.32%	240.00	155.00	94.36	60.94	8/29/2036
Amador Aguiar II (Capim Branco II)	ALIANÇA	Hydroelectric	39.32%	210.00	131.00	82.56	51.50	8/29/2036
Porto Estrela	ALIANÇA	Hydroelectric	30.00%	112.00	55.80	33.60	16.74	7/10/2032
Igarapava	ALIANÇA	Hydroelectric	23.69%	210.00	136.00	49.75	32.22	12/30/2028
Candonga	ALIANÇA	Hydroelectric	22.50%	140.00	64.50	31.50	14.51	1/0/1900
Santo Antônio	Santo Antônio Energia	Hydroelectric	18.13%	3,568.30	2,424.00	646.90	439.45	6/12/2046
Belo Monte	Norte Energia	Hydroelectric	12.77%	2,677.54	2,525.30	341.87	322.43	26/08/2045
Baguari	BAGUARI ENERGIA	Hydroelectric	34.00%	140.00	80.20	47.60	27.27	8/15/2041
Retiro Baixo	Retiro Baixo Energética	Hydroelectric	49.90%	82.00	38.50	40.92	19.21	8/25/2041
Cachoeirão	Hidrelétrica Cachoeirão	SHP	49.00%	27.00	16.37	13.23	8.02	7/25/2030
Pipoca	Hidrelétrica Pipoca	SHP	49.00%	20.00	11.90	9.80	5.83	9/10/2031
	Light Energia	Hydroelectric	43.33%	855.14	637.00	370.53	275.85	
	Lightger	SHP	71.10%	25.00	19.53	17.77	13.89	
	Renova Energia	Wind Farm	40.94%	386.10	191.30	158.09	78.33	
	Renova Energia	SHP	40.94%	41.80	24.40	17.11	9.99	
	Brasil PCH	SHPs	20.88%	291.00	192.68	60.77	40.23	
<b>Total</b>				<b>15,828.01</b>	<b>10,719.40</b>	<b>8,468.82</b>	<b>5,258.24</b>	

## Generation: Annual Permitted Revenue (RAP)

Resolução Homologatoria ANEEL - nº 2.098/16*				
Annual Permitted Revenue (RAP)	RAP	% Cemig	Cemig Consolidado	Cemig GT
Cemig GT	296,435,871	100.0%	296,435,871	296,435,871
Cemig Itajuba	37,434,741	100.0%	37,434,741	37,434,741
Centroeste	17,129,836	51.0%	8,736,216	
Transirapé	29,201,132	24.5%	7,154,277	
Transleste	40,172,135	25.0%	10,043,034	
Transudeste	24,899,069	24.0%	5,975,777	
Taesa		43.36%		842,485,180
ETEO	112,775,455	100.0%	48,899,295	
ETAU	42,527,356	52.6%	9,696,352	
NOVATRANS	512,214,141	100.0%	222,095,405	
TSN	494,919,285	100.0%	214,596,377	
GTESA	9,216,414	100.0%	3,996,225	
PATESA	23,933,818	100.0%	10,377,673	
Munirah	35,919,476	100.0%	15,574,639	
Brasnorte	24,904,755	38.7%	4,175,252	
São Gotardo	5,023,232	100.0%	2,178,067	
Abengoa				
NTE	151,048,516	100.0%	65,494,446	
STE	80,334,482	100.0%	34,832,930	
ATEI	146,729,702	100.0%	63,621,814	
ATEII	226,671,244	100.0%	98,284,365	
ATEIII	112,228,974	100.0%	48,662,341	
TBE				
EATE	422,269,558	50.0%	211,060,363	
STC	41,521,642	40.0%	16,603,306	
Lumitrans	26,206,259	40.0%	10,478,809	
ENTE	221,643,644	50.0%	110,797,315	
ERTE	49,750,421	50.0%	24,868,593	
ETEP	96,563,389	50.0%	48,266,682	
ECTE	79,722,528	19.1%	15,221,253	
EBTE	44,400,267	74.5%	33,074,203	
ESDE	12,639,916	50.0%	6,317,992	
ETSE	21,581,574	19.1%	4,120,524	
Light	8,803,216	32.6%	2,868,088	
<b>RAP TOTAL CEMIG</b>			<b>1,691,942,224</b>	<b>1,176,355,792</b>

\* Receitas anuais permitidas com vigência entre 1º de julho de 2016 e 30 de junho de 2017.



## FINANCIAL STATEMENTS SEPARATED BY OPERATIONAL SEGMENT

INFORMATION BY MARKET SEGMENT AT DECEMBER 31, 2016									
Item	R\$ '000	Electricity			Telecoms	Gas	Other	Eliminations	Total
		Generation	Transmission	Distribution					
<b>ASSETS OF THE SEGMENT</b>		14,414,449	4,267,418	18,165,610	337,745	2,737,182	2,388,972	(275,523)	42,035,853
Additions to the segment		909,459	-	1,464,313	162,014	51,806	-	-	2,587,592
Additions to Financial Assets		2,216,888	53,823	-	-	-	-	-	2,270,711
Investments in subsidiaries and jointly-controlled entities		5,291,892	1,669,849	1,754,342	17,741	-	19,264	-	8,753,088
<b>NET REVENUE</b>		5,874,926	1,112,853	10,596,503	125,170	1,180,537	116,21	(233,543)	18,772,656
<b>COST OF ELECTRICITY AND GAS</b>									
Electricity purchased for resale		(3,071,153)	-	(5,260,411)	-	-	(3)	58,656	(8,272,911)
Charges for use of the National Grid		(320,917)	(336)	(759,929)	-	-	-	133,703	(947,479)
Gas bought for resale		-	-	-	-	(877,118)	-	-	(877,118)
<b>Operational costs, total</b>		<b>(3,392,070)</b>	<b>(336)</b>	<b>(6,020,340)</b>	<b>-</b>	<b>(877,118)</b>	<b>(3)</b>	<b>192,359</b>	<b>(10,097,508)</b>
<b>OPERATIONAL COSTS AND EXPENSES</b>									
Personnel		(271,462)	-111,07	(1,146,685)	(22,811)	(46,666)	(44,559)	-	(1,643,253)
Employees' and managers' profit shares		(585)	(208)	(9,790)	(640)	-	3,896	-	(7,327)
Post-retirement obligations		(54,387)	(22,647)	(230,630)	-	-	(36,895)	-	(344,559)
Materials		(11,248)	(2,845)	(41,820)	(94)	(1,858)	(122)	32	(57,955)
Outsourced services		-129,25	(30,354)	(673,823)	(22,997)	(15,987)	(31,881)	36,922	-867,37
Depreciation and amortization		(201,871)	-	(524,584)	(37,742)	(54,308)	(15,786)	-	(834,291)
Operational provisions (reversals)		(88,144)	(9,973)	(544,090)	(4,373)	-	(66,571)	-	(713,151)
Construction costs		-	(53,824)	(1,101,966)	-	(37,350)	-	-	(1,193,140)
Other operational expenses, net		(57,492)	(12,950)	(394,628)	10,740	(7,755)	313,406	4,230	(144,449)
<b>Total cost of operation</b>		<b>(814,439)</b>	<b>(243,871)</b>	<b>(4,668,016)</b>	<b>(77,917)</b>	<b>(163,924)</b>	<b>121,488</b>	<b>41,184</b>	<b>(5,805,495)</b>
<b>OPERATIONAL COSTS AND EXPENSES</b>		<b>(4,206,509)</b>	<b>(244,207)</b>	<b>(10,688,356)</b>	<b>(77,917)</b>	<b>(1,041,042)</b>	<b>121,485</b>	<b>233,543</b>	<b>(15,903,003)</b>
<b>OPERATIONAL PROFIT BEFORE EQUITY GAINS (LOSSES) AND FINANCIAL REVENUE (EXPENSES)</b>		<b>1,668,417</b>	<b>868,646</b>	<b>(91,853)</b>	<b>47,253</b>	<b>139,495</b>	<b>237,695</b>	<b>-</b>	<b>2,869,653</b>
Equity method gain (loss)		(447,714)	362,286	(180,464)	(31,424)	-	(4,528)	-	(301,844)
Adjustment for impairment of Investments		(762,691)	-	-	-	-	-	-	(762,691)
Fair value gain (loss) on stockholding transaction		-	-	-	-	-	-	-	-
Financial revenues		190,338	6,659	742,972	3,999	14,987	82,349	-	1,041,304
Financial expenses		(1,320,422)	(3,773)	(1,077,899)	(9,066)	(49,112)	(18,223)	-	(2,478,495)
<b>PRE-TAX PROFIT</b>		<b>(672,072)</b>	<b>1,233,818</b>	<b>(607,244)</b>	<b>10,762</b>	<b>105,370</b>	<b>297,293</b>	<b>-</b>	<b>367,927</b>
Income tax and Social Contribution tax		(24,269)	4,760	102,829	(5,929)	(7,680)	(102,884)	-	(33,173)
<b>NET PROFIT (LOSS)</b>		<b>(696,341)</b>	<b>1,238,578</b>	<b>(504,415)</b>	<b>4,833</b>	<b>97,690</b>	<b>194,409</b>	<b>-</b>	<b>334,754</b>
Interest of the controlling stockholders		(696,341)	1,238,578	(504,415)	4,833	97,270	194,409	-	334,334
Non-controlling stockholder		-	-	-	-	420	-	-	420
		<b>(696,341)</b>	<b>1,238,578</b>	<b>(504,415)</b>	<b>4,833</b>	<b>97,690</b>	<b>194,409</b>	<b>-</b>	<b>334,754</b>

## Cemig D Tables (R\$ million)

CEMIG D Market				
Quarter	(GWh)			GW
	Captive Consumers	TUSD ENERGY1	T.E.D2	TUSD PICK3
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
3Q16	6,365	4,424	10,788	29
4Q16	6,402	4,409	10,811	30

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 (consolidated) - CEMIG D Values in million of Reais

Operating Revenues	4Q16	4Q15	Change%	2016	2015	Change%
Sales to end consumers	4,260	4,498	(5)	16,687	16,515	1
TUSD	367	296	24	1,741	1,500	16
CVA and Other financial components in tariff adjustment	(518)	397	-	(1,455)	1,704	-
Construction revenue	248	353	(30)	1,102	1,044	6
Updating of financial assets – Remuneration Assets Base (BRR)	1	293	(100)	8	576	(99)
Others	283	301	(6)	1,134	1,244	-
<b>Subtotal</b>	<b>4,640</b>	<b>6,139</b>	<b>(24)</b>	<b>19,216</b>	<b>22,583</b>	<b>(15)</b>
Deductions	(2,045)	(2,753)	(26)	(8,620)	(9,620)	(10)
<b>Net Revenues</b>	<b>2,596</b>	<b>3,386</b>	<b>(23)</b>	<b>10,597</b>	<b>12,962</b>	<b>(18)</b>

### Operating Expenses (consolidated) - CEMIG D Values in millions of reais

Operating Expenses	4Q16	4Q15	Change%	2016	2015	Change%
Personnel/Administrators/Councillors	295	316	(7)	1,147	1,000	15
Employees' and managers' profit shares	(17)	(48)	-	10	95	(90)
Forluz – Post-Retirement Employee Benefits	65	(4)	-	231	121	90
Materials	13	13	-	42	51	(17)
Contracted Services	201	199	1	674	697	(3)
Purchased Energy	1,403	1,619	(13)	5,260	6,993	(25)
Depreciation and Amortization	157	108	45	525	444	18
Operating Provisions	174	31	455	544	209	160
Charges for Use of Basic Transmission Network	154	183	(16)	760	813	(7)
Cost from Operation	248	353	(30)	1,102	1,044	6
Other Expenses	110	(20)	-	395	283	40
<b>Total</b>	<b>2,801</b>	<b>2,751</b>	<b>2</b>	<b>10,688</b>	<b>11,749</b>	<b>(9)</b>

Statement of Results (Consolidated) - CEMIG D  
Values in millions of reais

Statement of Results	4Q16	4Q15	Change%	2016	2015	Change%
Net Revenue	2,596	3,386	(23)	10,597	12,962	(18)
Operating Expenses	2,801	2,751	2	10,688	11,749	(9)
<b>EBIT</b>	<b>(206)</b>	<b>635</b>	<b>(132)</b>	<b>(92)</b>	<b>1,213</b>	<b>-</b>
<b>EBITDA</b>	<b>(49)</b>	<b>743</b>	<b>-</b>	<b>433</b>	<b>1,657</b>	<b>(74)</b>
Financial Result	(85)	(414)	79	(335)	(587)	43
Provision for Income Taxes, Social Cont &	80	(199)	-	103	(256)	-
<b>Net Income</b>	<b>(211)</b>	<b>22</b>	<b>-</b>	<b>(324)</b>	<b>370</b>	<b>-</b>

**Cemig GT Tables (R\$ million)**

Operating Revenues (consolidated) - CEMIG GT  
Values in million of Reais

Operating Revenues	4Q16	4Q15	Change%	2016	2015	Change%
Sales to end consumers	864	943	(8)	3,647	3,716	(2)
Supply	956	426	124	2,930	2,199	33
Gain on monetary updating of Concession Grant Fee	87	-	-	300	-	-
Transactions in the CCEE	15	535	(97)	152	2,356	(94)
Revenues from Trans. Network	111	97	14	410	339	21
Construction revenue	17	57	(70)	54	146	(63)
Transmission indemnity revenue	59	40	47	751	101	647
Others	16	12	30	37	26	43
<b>Subtotal</b>	<b>2,126</b>	<b>2,111</b>	<b>1</b>	<b>8,281</b>	<b>8,883</b>	<b>(7)</b>
Deductions	(410)	(386)	6	(1,472)	(1,506)	(2)
<b>Net Revenues</b>	<b>1,716</b>	<b>1,725</b>	<b>(1)</b>	<b>6,809</b>	<b>7,377</b>	<b>(8)</b>

Operating Expenses (consolidated) - CEMIG GT  
Values in millions of reais

Operating Expenses	4Q16	4Q15	Change%	2016	2015	Change%
Personnel/Administrators/Councillors	98	97	1	379	335	13
Employees' and managers' profit shares	(5)	(17)	-	1	35	(98)
Forluz – Post-Retirement Employee Benefits	21	(7)	-	77	31	149
Materials	4	3	43	13	16	(15)
Raw Materials and Supplies Energy Production	0	2	-	0	84	-
Contracted Services	42	63	(33)	141	159	(12)
Depreciation and Amortization	41	51	(19)	183	253	(28)
Operating Reserves	30	50	(41)	93	106	(13)
Charges for Use of Basic Transmission Network	88	76	16	318	293	8
Purchased Energy	760	621	22	3,052	2,601	17
Construction Cost	17	57	(70)	54	146	(63)
Other Expenses	35	19	83	83	73	13
<b>Total</b>	<b>1,132</b>	<b>1,015</b>	<b>12</b>	<b>4,393</b>	<b>4,134</b>	<b>6</b>

Statement of Results (Consolidated) - CEMIG GT  
Values in millions of reais

Statement of Results	4Q16	4Q15	Change%	2016	2015	Change%
Net Revenue	1,716	1,725	(1)	6,809	7,377	(8)
Operating Expenses	(1,132)	(1,015)	12	(4,393)	(4,134)	6
<b>EBIT</b>	<b>584</b>	<b>710</b>	<b>(18)</b>	<b>2,416</b>	<b>3,244</b>	<b>(26)</b>
Equity equivalence results	(292)	26	(1,203)	(448)	17	(2,774)
Fair value gain (loss) on stockholding transaction	-	-	-	-	729	-
Adjustment for impairment of Investments	(763)	-	-	(763)	-	-
<b>EBITDA</b>	<b>(430)</b>	<b>787</b>	<b>(155)</b>	<b>1,389</b>	<b>4,243</b>	<b>(67)</b>
Financial Result	(268)	(167)	(60)	(1,142)	(785)	(45)
Provision for Income Taxes, Social Cont & Deferred Income Tax	274	(104)	-	7	(888)	-
<b>Net Income</b>	<b>(465)</b>	<b>465</b>	<b>(200)</b>	<b>70</b>	<b>1,587</b>	<b>(97)</b>

## Cemig Tables (R\$ million)

### Energy Sales (Consolidated)

Energy Sales (Consolidated)(GWh)	4Q16	4Q15	Change%	2016	2015	Change%
Residential	2,510	2,517	-	9,916	9,830	1
Industrial	4,953	5,685	(13)	19,494	22,969	(15)
Commercial	1,665	1,691	(2)	6,573	6,434	2
Rural	875	907	(4)	3,575	3,380	6
Others	885	879	1	3,488	3,422	2
<b>Subtotal</b>	<b>10,888</b>	<b>11,679</b>	<b>(7)</b>	<b>43,046</b>	<b>46,035</b>	<b>(6)</b>
Own Consumption	10	10	-	37	38	(1)
Supply	3,695	1,880	97	12,508	10,831	15
<b>TOTAL</b>	<b>14,593</b>	<b>13,568</b>	<b>8</b>	<b>55,592</b>	<b>56,904</b>	<b>(2)</b>

Energy Sales	4Q16	4Q15	Δ%	2016	2015	Δ%
Residential	2,000	1,994	-	7,819	7,298	7
Industrial	1,353	1,500	(10)	5,396	5,781	(7)
Commercial	1,089	1,085	-	4,359	3,956	10
Rural	390	399	(2)	1,463	1,407	4
Others	414	446	(7)	1,620	1,621	(0)
<b>Electricity sold to final consumers</b>	<b>5,247</b>	<b>5,424</b>	<b>(3)</b>	<b>20,657</b>	<b>20,062</b>	<b>3</b>
Unbilled Supply, Net	39	65	(40)	60	106	(44)
Supply	829	439	89	2,713	2,358	15
<b>TOTAL</b>	<b>6,114</b>	<b>5,928</b>	<b>3</b>	<b>23,430</b>	<b>22,526</b>	<b>4</b>

### Operating Revenues (consolidated)

Values in million of Reais

Operating Revenues	4Q16	4Q15	Change%	2016	2015	Change%
Sales to end consumers	5,153	5,464	(6)	20,458	20,319	1
TUSD	357	288	24	1,705	1,465	16
Supply	961	464	107	2,972	2,208	35
Transactions in the CCEE	22	539	(96)	161	2,425	(93)
CVA and Other financial components in tariff adjustment	(518)	397	-	(1,455)	1,704	(185)
Gain on monetary updating of Concession Grant Fee	87	-	-	300	-	-
Revenues from Trans. Network	84	76	10	312	261	19
Construction revenue	275	472	(42)	1,193	1,252	(5)
Gas supply	407	401	2	1,444	1,667	(13)
Transmission Indemnity Revenue	59	40	47	751	101	647
Others	348	943	(63)	1,429	2,017	(29)
<b>Subtotal</b>	<b>7,235</b>	<b>9,084</b>	<b>(20)</b>	<b>29,269</b>	<b>33,417</b>	<b>(12)</b>
Deductions	(2,563)	(3,242)	(21)	(10,497)	(11,549)	(9)
<b>Net Revenues</b>	<b>4,673</b>	<b>5,842</b>	<b>(20)</b>	<b>18,773</b>	<b>21,868</b>	<b>(14)</b>

### Operating Expenses (consolidated)

Values in R\$ million

Operating Expenses	4Q16	4Q15	Δ%	2016	2015	Δ%
Personnel/Administrators/Councillors	426	448	(5)	1,643	1,435	15
Employees' and managers' profit shares	(23)	(70)	-	7	137	(95)
Forluz – Post-Retirement Employee Benefits	96	(17)	(671)	345	156	121
Materials	17	17	2	58	70	(17)
Raw materials and inputs for production of electricity	-	2	-	-	84	-
Contracted Services	266	282	(6)	867	899	(4)
Purchased Energy	2,146	2,274	(6)	8,273	9,542	(13)
Depreciation and Amortization	233	206	13	834	835	(0)
Operating Provisions	(10)	977	(101)	704	1,401	(50)
Charges for Use of Basic Transmission Network	206	231	(11)	947	999	(5)
Gas bought for resale	254	261	(3)	877	1,051	(17)
Cost from Operation	275	472	(42)	1,193	1,252	(5)
Other Expenses	(219)	20	(1,221)	154	427	(64)
<b>TOTAL</b>	<b>3,667</b>	<b>5,103</b>	<b>(28)</b>	<b>15,903</b>	<b>18,288</b>	<b>(13)</b>

Financial Result Breakdown  
Values in millions of *reais*

Financial Result Breakdown	4Q16	4Q15	Δ%	2016	2015	Δ%
<b>Financial revenues</b>	<b>206</b>	<b>306</b>	<b>(33)</b>	<b>1,041</b>	<b>864</b>	<b>21</b>
Revenue from cash investments	97	91	7	317	251	26
Arrears penalty payments on electricity bills	65	72	(10)	277	230	21
Exchange rate	6	(63)	-	62	76	(19)
Monetary updating	48	233	(79)	152	248	(39)
Monetary updating - CVA	(3)	12	-	204	68	200
Taxes applied to Financial Revenue	(34)	(66)	(49)	(88)	(84)	4
Other	27	28	(3)	117	75	56
<b>Financial expenses</b>	<b>(590)</b>	<b>(559)</b>	<b>6</b>	<b>(2,478)</b>	<b>(2,204)</b>	<b>12</b>
Costs of loans and financings	(496)	(384)	29	(1,928)	(1,386)	39
Exchange rate	(16)	(8)	90	(35)	(172)	(79)
Monetary updating – loans and financings	(13)	(108)	(88)	(245)	(387)	(37)
Monetary updating – paid concessions	(0)	(2)	-	(3)	(11)	(69)
obligations	(16)	(31)	(49)	(103)	(129)	(20)
Other	(49)	(25)	97	(163)	(120)	36
<b>Financial revenue (expenses)</b>	<b>(384)</b>	<b>(252)</b>	<b>(52)</b>	<b>(1,437)</b>	<b>(1,341)</b>	<b>(7)</b>

Statement of Results (Consolidated)  
Values in millions of *reais*

Statement of Results	4Q16	4Q15	Δ%	2016	2015	Δ%
Net Revenue	4.673	5.842	(20)	18.773	21.868	(14)
Operating Expenses	3.667	5.103	(28)	15.903	18.288	(13)
<b>EBIT</b>	<b>1.005</b>	<b>740</b>	<b>36</b>	<b>2.870</b>	<b>3.580</b>	<b>(20)</b>
Equity gain in subsidiaries	(349)	133	(362)	(302)	393	(177)
Adjustment for impairment of Investments	(763)	-	-	(763)	-	-
Gain on stockholding reorganization	-	-	-	-	729	-
Depreciation and Amortization	233	206	13	834	835	-
<b>EBITDA</b>	<b>127</b>	<b>1.080</b>	<b>(88)</b>	<b>2.638</b>	<b>5.538</b>	<b>(52)</b>
Financial Result	(384)	(252)	(52)	(1.437)	(1.341)	(7)
Income Tax	191	(55)	(450)	(33)	(893)	(96)
<b>Net Income</b>	<b>(299)</b>	<b>566</b>	<b>(153)</b>	<b>335</b>	<b>2.469</b>	<b>(86)</b>

**Cash Flow Statement (consolidated)**  
**Values in million of Reais**

Cash Flow Statement	2016	2015	Change%
<b>Cash at beginning of period</b>	<b>925</b>	<b>887</b>	<b>4</b>
<b>Cash generated by operations</b>	<b>1.213</b>	<b>3.007</b>	<b>(60)</b>
Net profit	335	2.469	(86)
Current and deferred income tax and Social Contribution tax	33	893	(96)
Depreciation and amortization	834	835	-
Gain on the Aliança stockholding reorganization	-	(729)	-
Passthrough from CDE	1.796	(175)	-
Equity gain (loss) in subsidiaries	302	(393)	177
Provisions (reversals) for operational losses	704	1.401	(50)
Dividends received from equity holdings	683	487	40
Interest paid on loans and financings	(2.369)	(1.331)	78
Financial assets of the concession	(1.941)	10	-
Other adjustments	837	(459)	282
<b>Financing activities</b>	<b>(529)</b>	<b>247</b>	<b>314</b>
Financings obtained and capital increase	5.737	5.739	-
Interest on Equity, and dividends	(675)	(796)	(15)
Payments of loans and financings	(5.592)	(4.696)	19
<b>Investment activity</b>	<b>(614)</b>	<b>(3.217)</b>	<b>(81)</b>
Securities - Financial Investment	1.401	(1.499)	(81)
Acquisition / Disposal of ownership interest and future capital commitments	(506)	(490)	3
Financial assets	-	(146)	-
Fixed and Intangible assets	(1.508)	(1.082)	39
<b>Cash at end of period</b>	<b>995</b>	<b>925</b>	<b>8</b>
<b>Total Cash</b>	<b>2.040</b>	<b>3.435</b>	

## Values in millions of reais

<b>BALANCE SHEETS (CONSOLIDATED) - ASSETS</b>	<b>2016</b>	<b>2015</b>
<b>CURRENT</b>	<b>8,285</b>	<b>9,377</b>
Cash and cash equivalents	995	925
Securities	1,014	2,427
Consumers and traders	3,425	3,764
Financial assets of the concession	730	874
Tax offsetable	236	175
Income tax and Social Contribution tax recoverable	590	306
Dividends receivable	11	62
Linked funds	367	-
Inventories	49	37
Passthrough from CDE (Energy Development Account)	64	72
Other credits	803	735
<b>NON-CURRENT</b>	<b>33,750</b>	<b>31,480</b>
Securities	31	84
Consumers and traders	146	134
Tax offsetable	178	258
Income tax and Social Contribution tax recoverable	112	206
Deferred income tax and Social Contribution tax	1,797	1,498
Escrow deposits in legal actions	1,887	1,813
Other credits	1,279	868
Financial assets of the concession	4,971	2,660
Investments	8,753	9,745
PP&E	3,775	3,940
Intangible assets	10,820	10,275
<b>TOTAL ASSETS</b>	<b>42,036</b>	<b>40,857</b>

## Values in millions of reais

<b>BALANCE SHEETS LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2016</b>	<b>2015</b>
<b>CURRENT</b>	<b>11,447</b>	<b>13,074</b>
Suppliers	1,940	1,901
Regulatory charges	381	517
Profit shares	18	114
Taxes	794	740
Income tax and Social Contribution tax	27	11
Interest on Equity, and dividends, payable	467	1,307
Loans and financings	4,837	6,300
Payroll and related charges	225	221
Post-retirement liabilities	199	167
Financial liabilities of the concession	482	-
Provisions for losses on investments	1,150	1,245
Other obligations	930	551
<b>NON-CURRENT</b>	<b>17,654</b>	<b>14,795</b>
Regulatory charges	455	226
Loans and financings	10,342	8,866
Taxes	724	740
Income tax and Social Contribution tax	582	689
Provisions	815	755
Post-retirement liabilities	4,043	3,086
Provisions for losses on investments	323	-
Other obligations	370	433
<b>STOCKHOLDERS' EQUITY</b>	<b>12,930</b>	<b>12,984</b>
Share capital	6,294	6,294
Capital reserves	1,925	1,925
Profit reserves	5,200	4,663
Adjustments to Stockholders' equity	(488)	102
Retained earnings	-	-
<b>NON- CONTROLLING STOCKHOLDER'S EQUITY</b>	<b>4</b>	<b>4</b>
<b>TOTAL LIABILITIES</b>	<b>42,036</b>	<b>40,857</b>