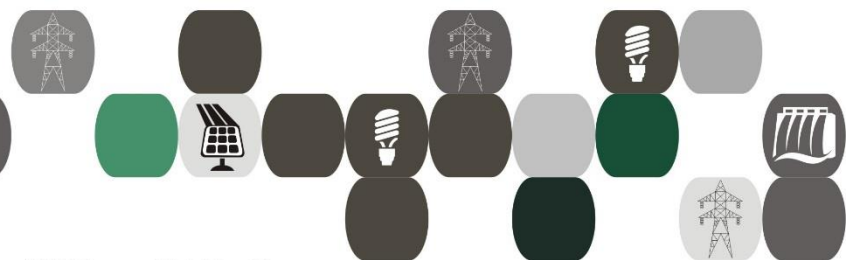




## *Successful Strategy*

*Performance reflects balanced portfolio structure*

*2017*



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

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

Some statements and estimates in this material may represent expectations about future events or results that involve risks and uncertainties known and unknown. There is no guarantee that the events or results referred to in these expectations will occur.

These expectations are based on present assumptions and analyses from the viewpoint of our management, based on their experience, the macroeconomic environment, market conditions in the energy sector and our expected future results, many of which are not under Cemig's control.

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

The information and opinions contained herein should not be understood as a recommendation to potential investors and no investment decision should be based on the truthfulness, or completeness as of the date hereof of this information or these opinions. None of Cemig's professionals nor any of their related parties or representatives shall have any liability for any losses that may result from the use of the content of this presentation.

To evaluate the risks and uncertainties as they relate to Cemig, and to obtain additional information about factors that could lead to different results from those estimated by Cemig, please consult the section on Risk Factors included in our Formulário de Referência filed with the Brazilian Securities Commission – CVM, and in Form 20-F filed with the U.S. Securities and Exchange Commission – SEC.

All figures are in BR GAAP.

**#1**

Integrated Power  
Utility in Brazil

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

Market cap  
US\$ 4.7<sup>(1)</sup> B.

**+23%**

Growth in EBITDA  
2008-15

Leading  
consolidator

Role in  
industry

In the Power Industry since **1952**

(1) As of March 15<sup>th</sup>, 2017

(2) In the Brazilian Energy Industry

**121**

Power plants

**86**



**32**



**1**



**2**



**8.4 GW**

Total installed capacity

**540,000 km**

Electricity Distribution lines



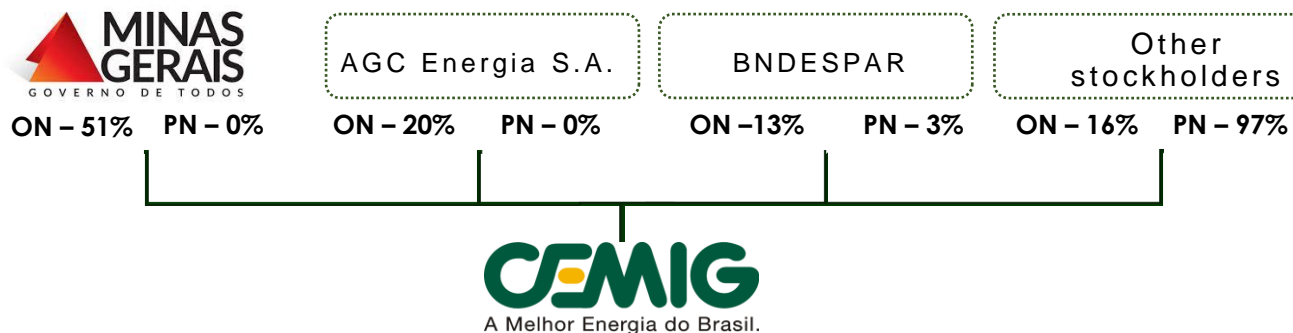
**8,200 km**

Power Transmission lines



- Based in State of Minas Gerais, controlling shareholder
  - Assets in 23 Brazilian states
- Strong financial profile:
  - 9M16 Net revenues: R\$14.1 B EBITDA: R\$2.5 B
  - 9M15 Net revenues: R\$16.0 B EBITDA: R\$4.5 B
- Highest liquidity in the sector
  - listed on 3 stock exchanges New York, São Paulo, Madrid
  - More than 120,000 shareholders in more than 40 countries
  - Average Daily Trading Volume (last twelve months up to March)

**R\$58.8M in Bovespa and US\$11.4M in NYSE**
- Solid dividend policy
  - Minimum 50% payout ratio
  - Every two years, may pay extra dividends, if cash conditions permit
- Shareholder Structure:



### An Emerging Powerhouse Economy

**#1** Latin American economy

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

**R\$6.3 Trillion** GDP 2016

**0.48%** GDP growth 2017<sup>(2)</sup>

**206 M** Population

(1) World Bank

(2) Brazil's Central Bank Focus Report, March 10<sup>th</sup> 2017

# Cemig is Uniquely Positioned

Unmatched scale

## Largest Integrated Utility in Brazil

**#1**

Electricity  
Distributor

**#2**

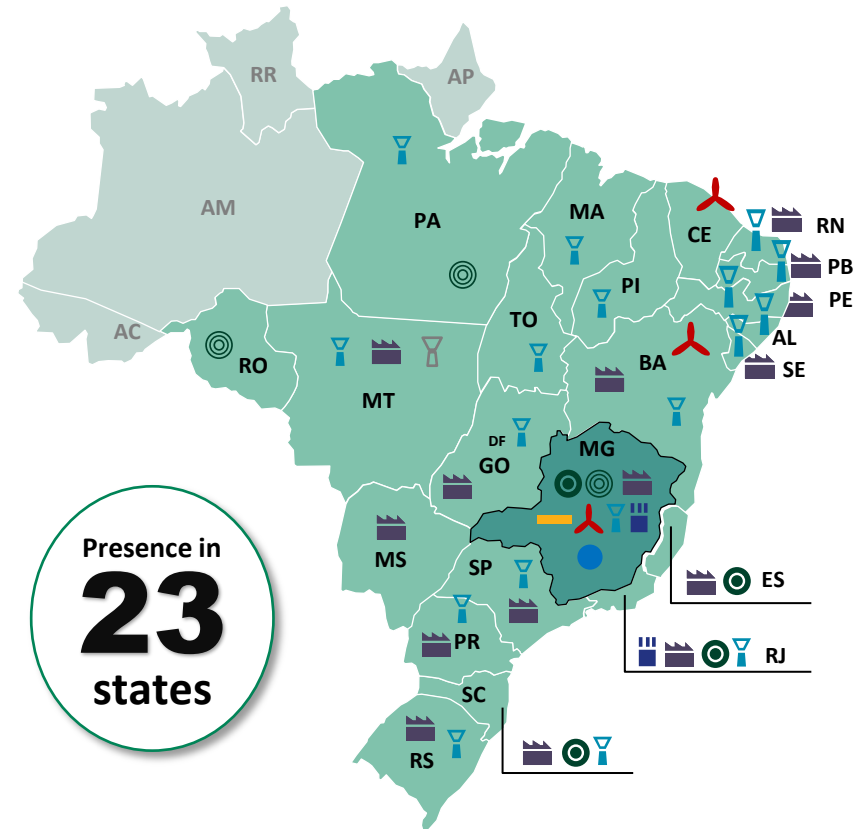
Largest Power  
Transmission  
Group

**#3**

Largest Power  
Generation  
Group

**#1** Integrated Power Utility in Brazil

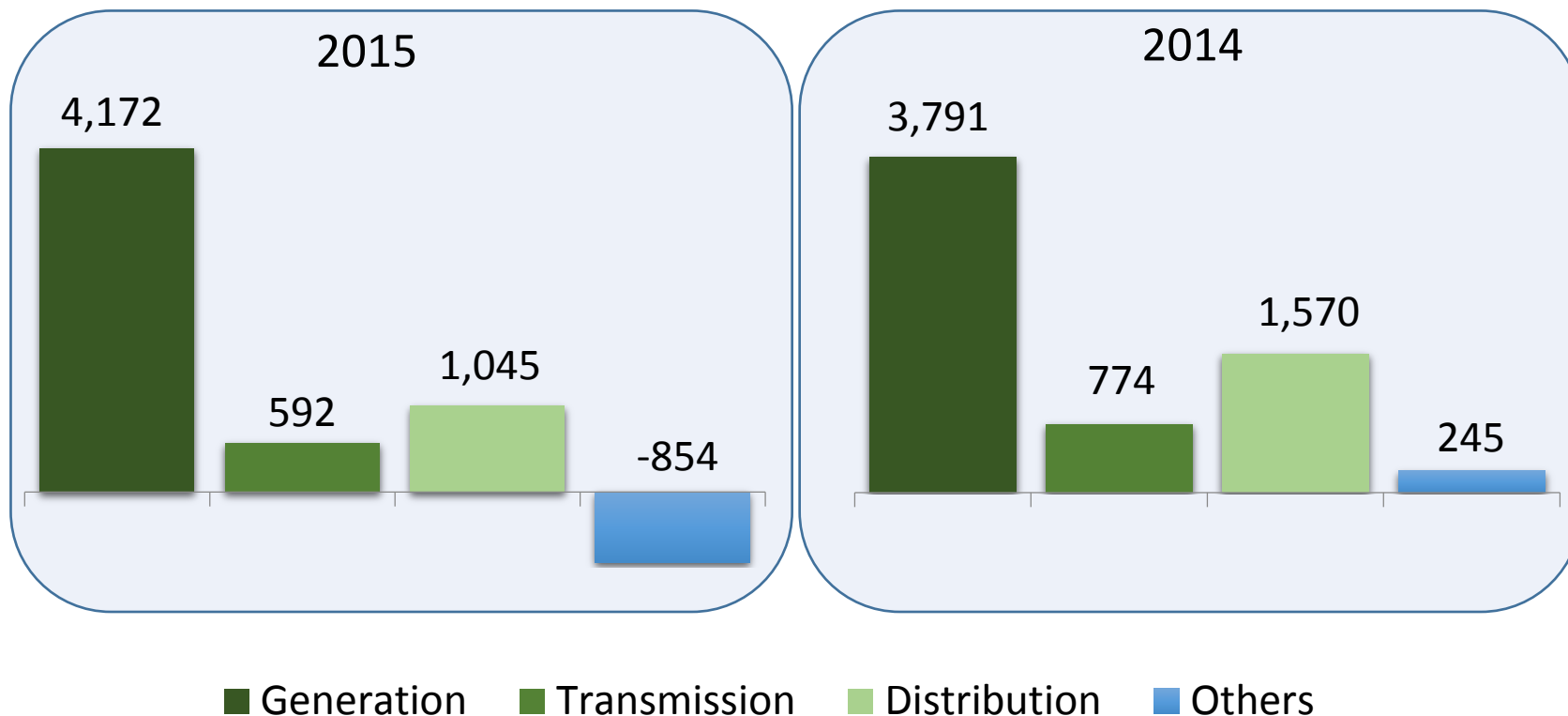
- Power Generation
- Power Generation (under construction)
- Power Transmission
- Power Transmission (under construction)
- Electricity Distribution
- Cemig "Free Consumer" Clients
- Wind Power Generation
- Natural Gas Distribution
- Telecom Backbone Provider



Diversified portfolio

Diversified, Low Risk Business Portfolio

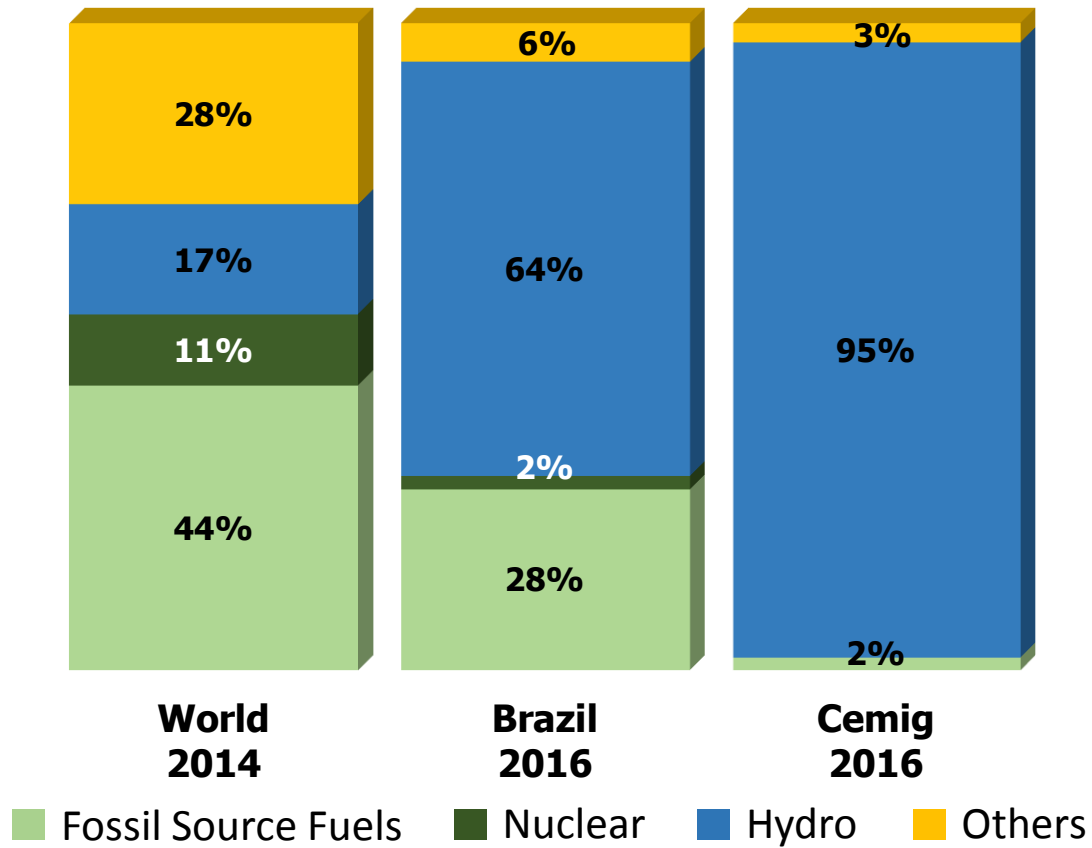
## Breakdown of Ebitda



Most of the revenues are inflation protected



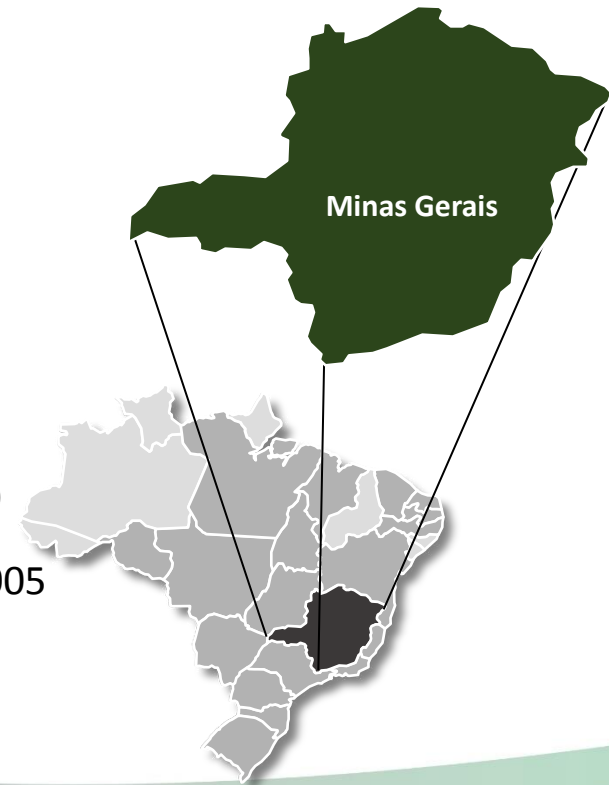
## Power Generation by Source



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

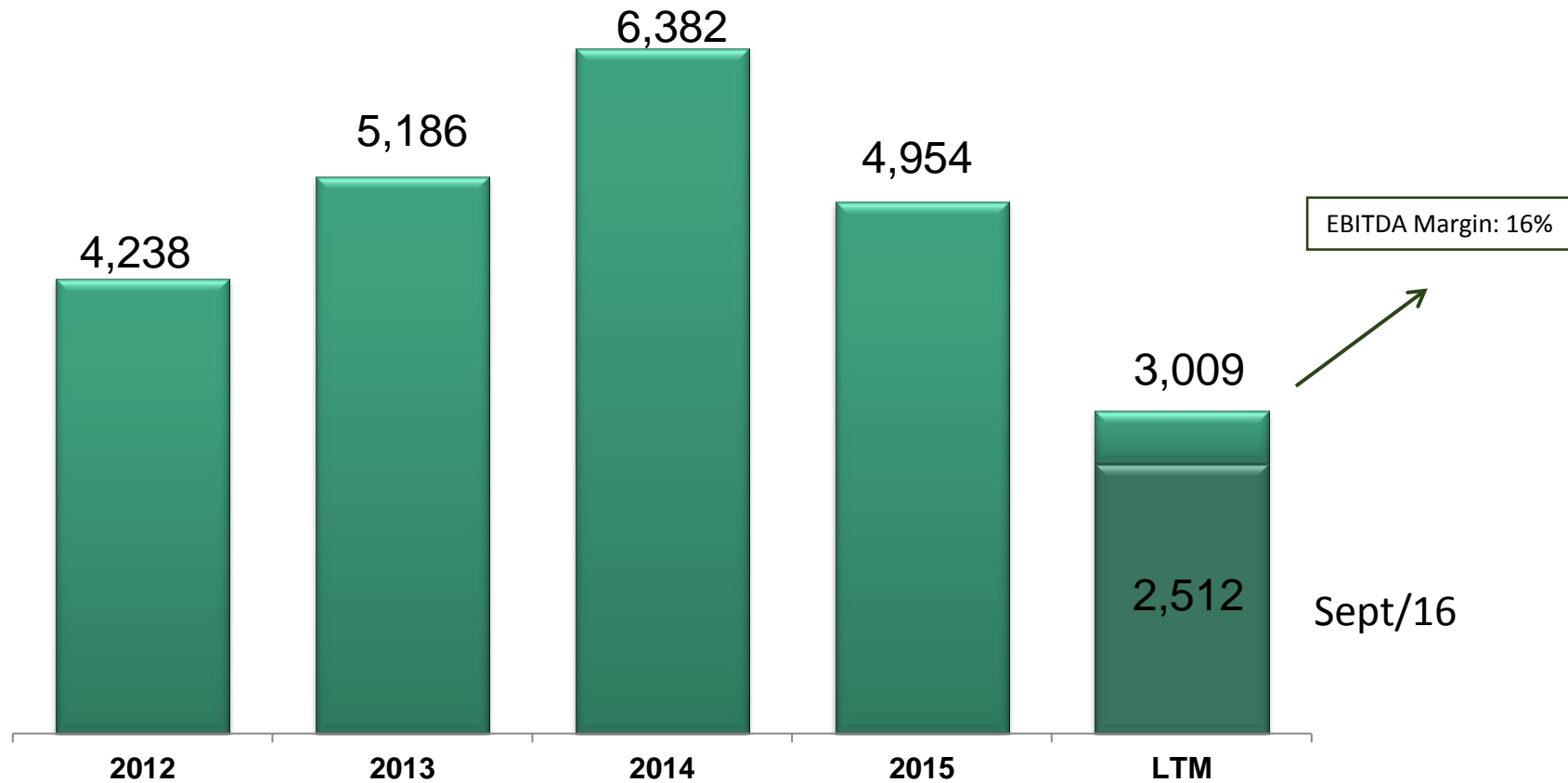
## Strong governance

- ✓ Minas Gerais, controlling shareholder – a positive influence
  - One of fastest growing, investor-friendly states in Brazil
  - Growth and profitability interest aligned with minority shareholders
  - 7 from a total of 15 members are appointed by minority shareholders
- ✓ Pro-market corporate bylaws include
  - Minimum 50% dividend payout
  - Capex limited to 40% of EBITDA
  - Net debt limited to 2.5x EBITDA
  - Net debt limited to 50% of total cap.
- ✓ Leader in sustainability
  - Only Latin American utility in DJSI – Dow Jones since 1999
  - Included in the ISE – Bovespa Sustainability Index since 2005
- ✓ Present in the Global Dow Index



# EBITDA

R\$ million

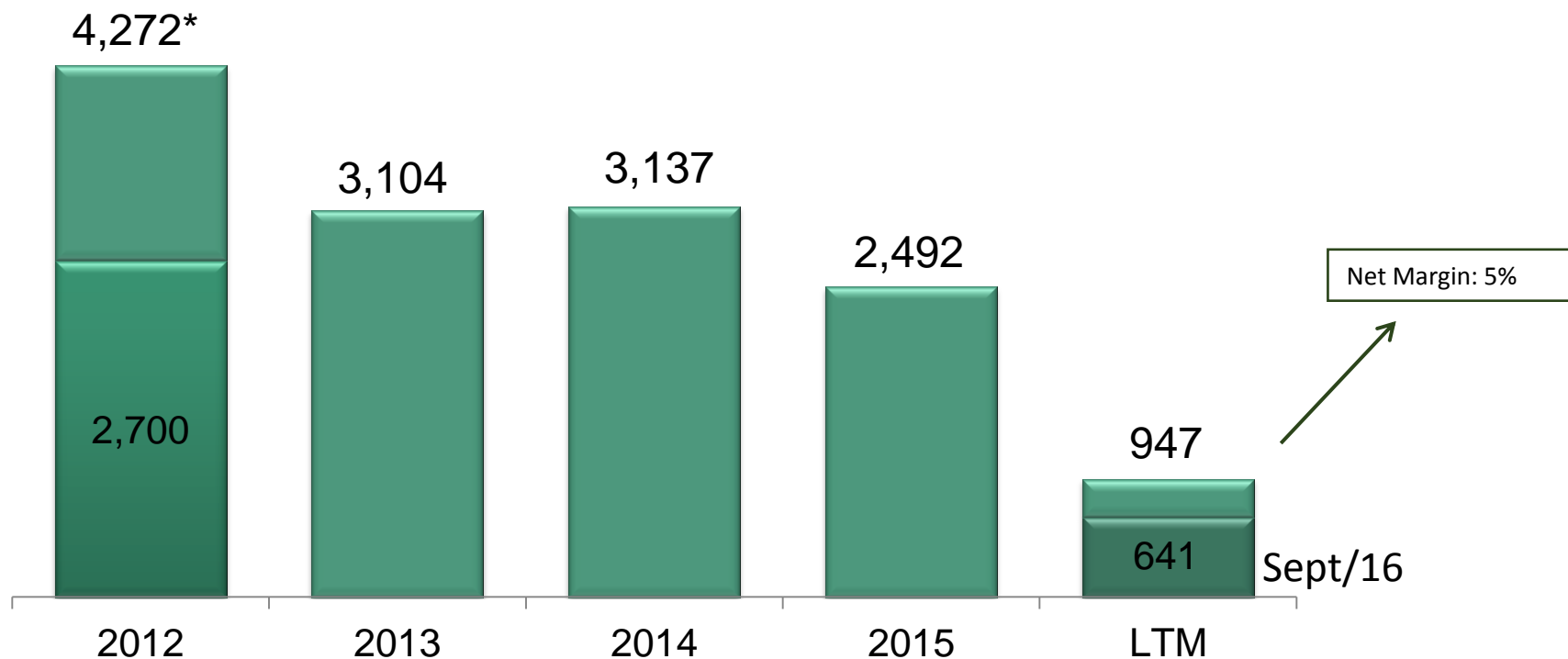


Sept/16

LTM - Last twelve months

# Net Income

R\$ million

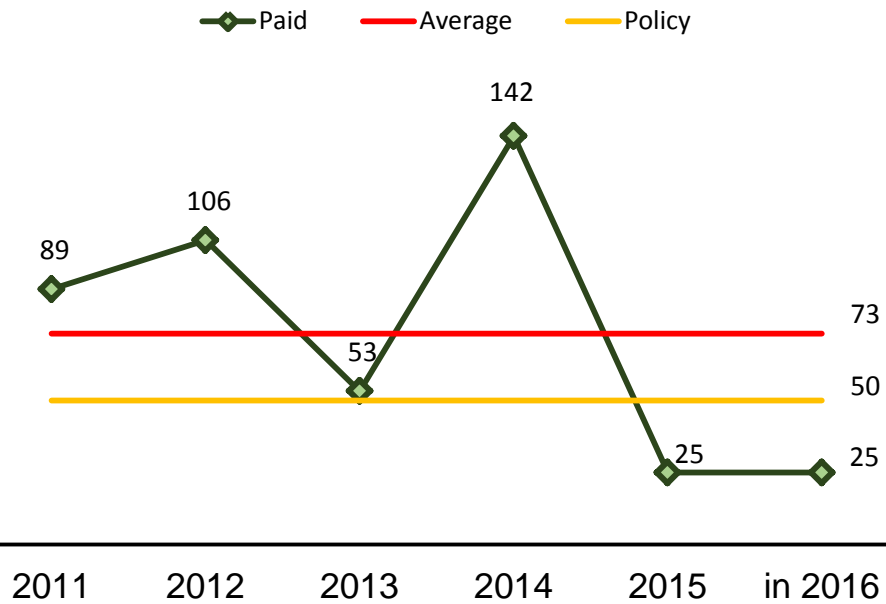


LTM - Last twelve months

\*Includes non-recurring gain of R\$1,572 million with the CRC's (Accounts receivable from Minas Gerais State government) anticipated settlement.

## Dividend Payout

(% of Net Income)



## Dividend Yield (%)



**4.53x**

Net debt to EBITDA – sept/16

**0.2%**

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

**R\$2.7B**

Cash on hand

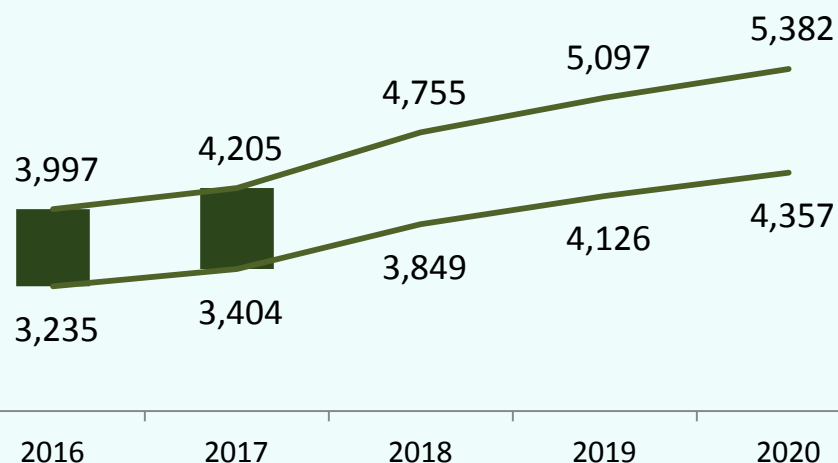
**R\$14.1B**

Net Revenue – sept/16

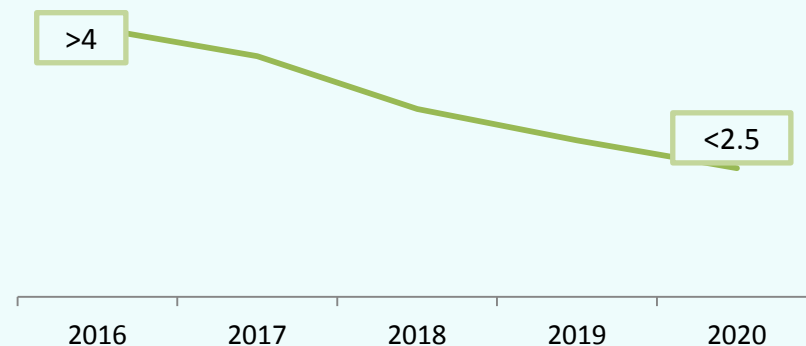
\*Net of financial hedging

## Main assumptions

- Average annual market growth rate of **1.7% GT** and **2.6% D** (2017-2020)
- Creation of seven SPV to operate the plants of the 2015 Concessions Auction ('Lot D')
- Considers *Jaguara* and *São Simão* up to June 2016, and *Miranda* up to December 2016
- Excludes benefits from indemnities received from expired generation concession contracts
- Value revision of transmission indemnity considering rules set by Mining and Energy Ministry (impact on financial revenue/expenses)



## Net debt / Ebitda



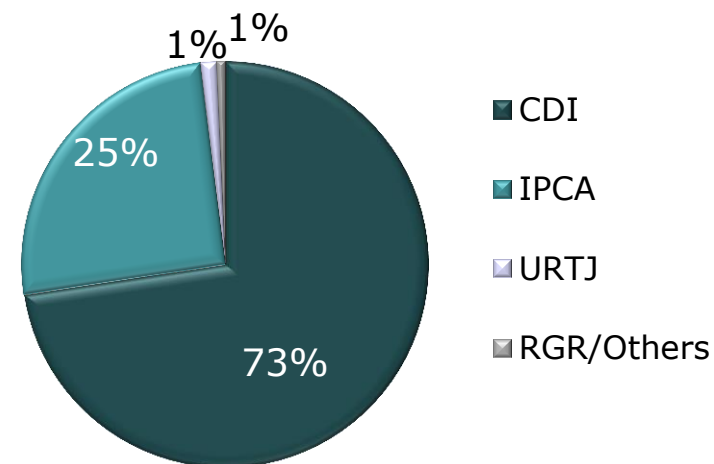
# Cemig - consolidated debt profile

R\$ million

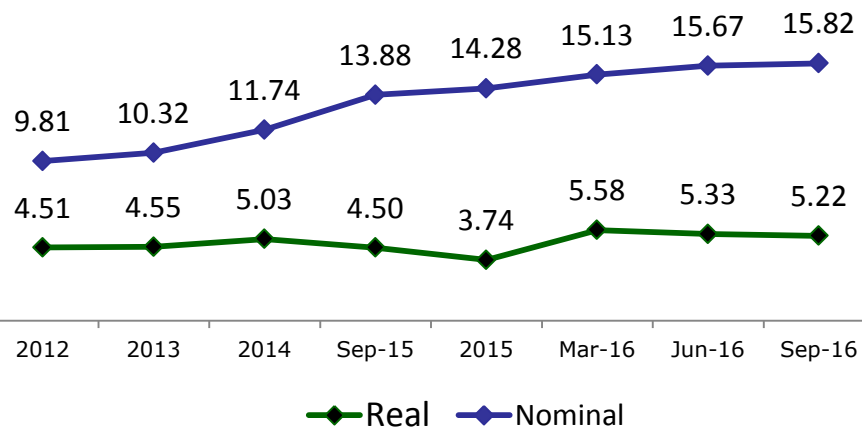
## Highlights

- Total net debt: R\$ 13.6 billion
- Maturities timetable – Average tenor: 2.3 years
- Roll over of R\$ 716 million in Oct/16 - Cemig GT
- Payment of R \$ 659 million in Oct/16 - Cemig D
  - \$ 176 of 2016,
  - \$ 328 of 2017 and
  - \$ 155 from 2018

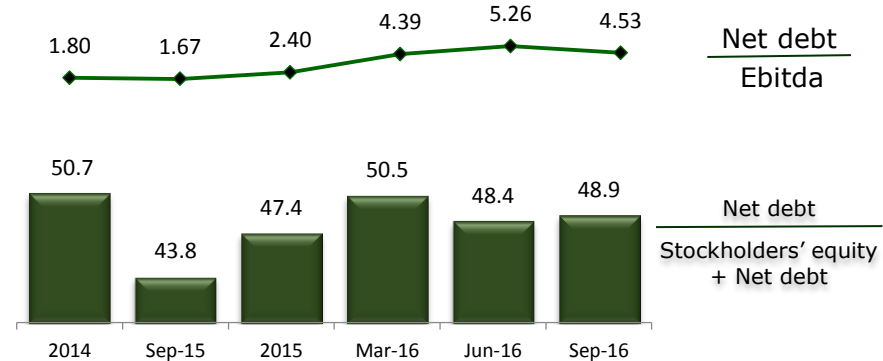
## Main indexors



## Cost of debt – %



## Leverage – %



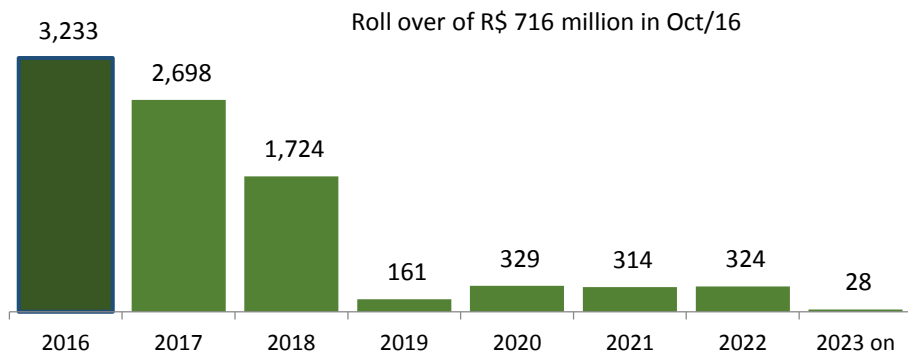


# Cemig GT – debt profile

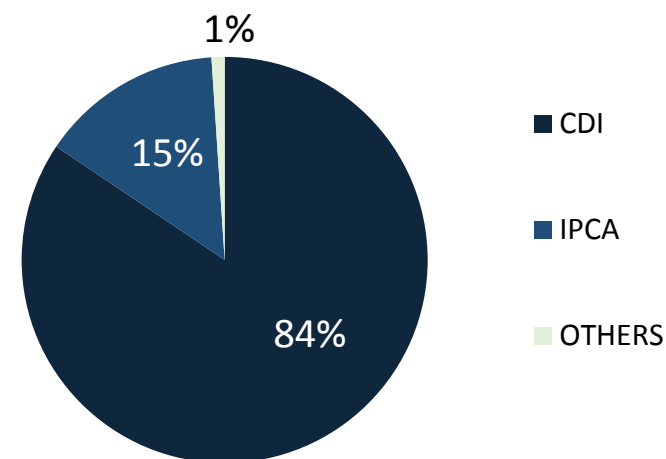
R\$ million

Maturities timetable – Average tenor: 1.6 years

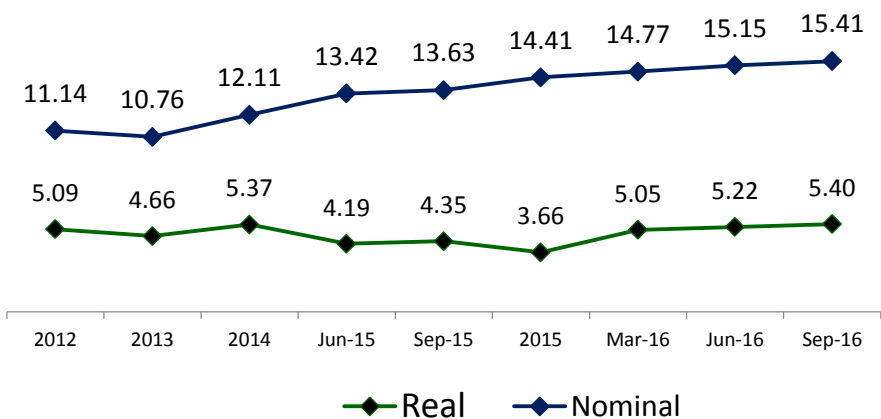
Total net debt: R\$8.2 billion



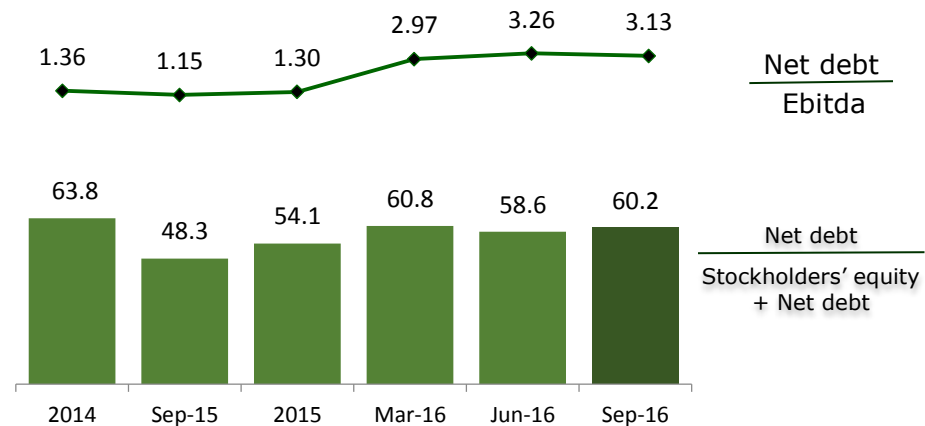
## Main indexors



## Cost of debt – %



## Leverage – %

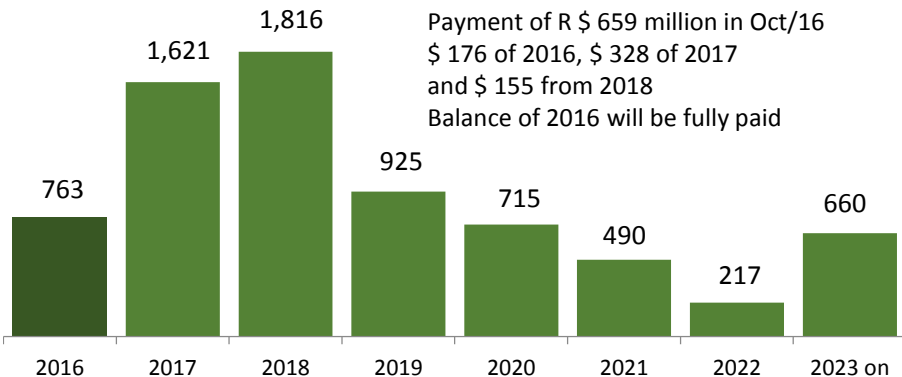


# Cemig D – debt profile

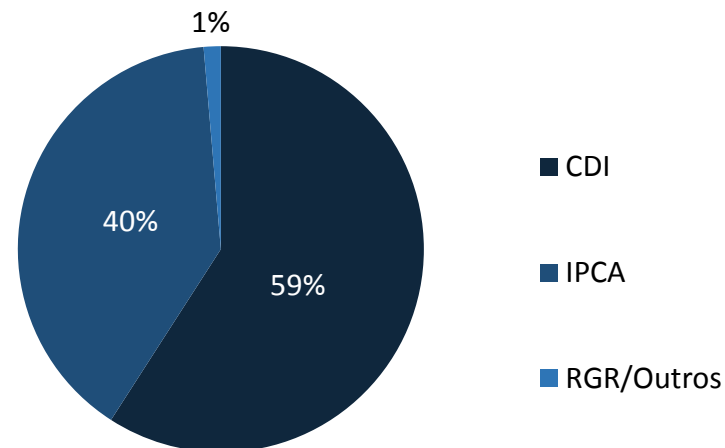
R\$ million

Maturities timetable – Average tenor: 3.1 years

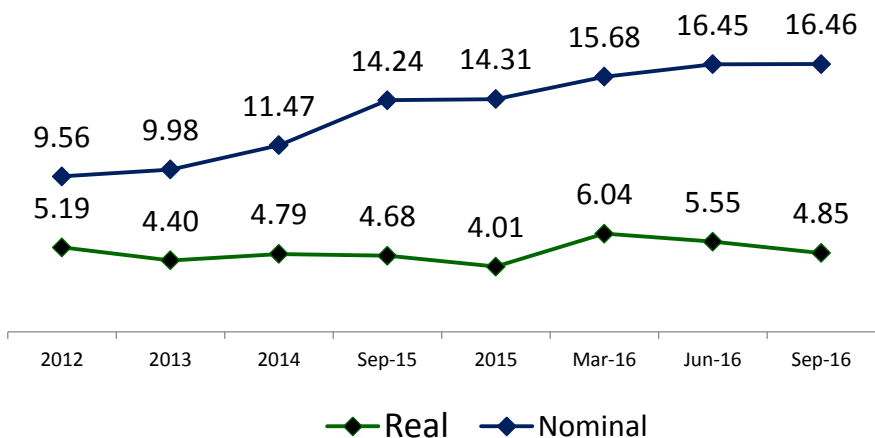
Total net debt: R\$5.4 billion



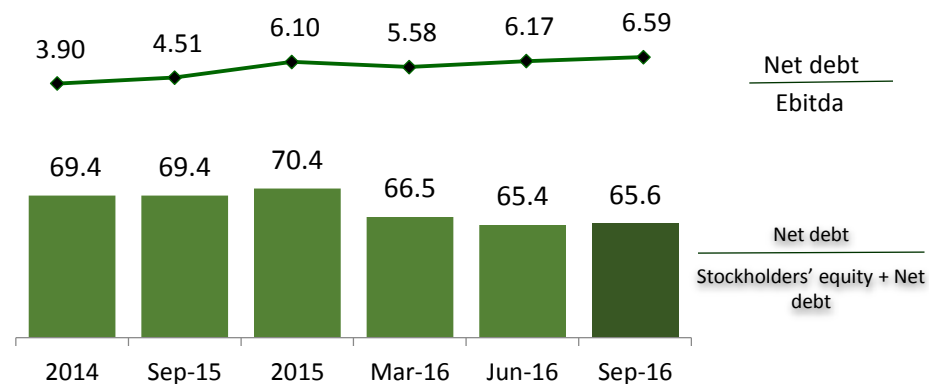
## Main indexors



## Cost of debt – %



## Leverage – %



# Superior credit capacity

In March 2017

## FitchRatings

BBB(bra)

Cemig H, Cemig GT and Cemig D

National Scale

Investment Grade										Speculative Grade											
AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C	RD/D		



Baa1.br

Cemig H, Cemig GT and Cemig D

National Scale

B1

Cemig H, Cemig GT and Cemig D

Global Scale

Investment Grade										Speculative Grade										
Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa1	Caa2	Caa3	Ca	C

## STANDARD & POOR'S

brBB+

Cemig H, Cemig GT and Cemig D

National Scale

B

Cemig H, Cemig GT and Cemig D

Global Scale

Investment Grade										Speculative Grade											
AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC+	CCC	CCC-	CC	C	D

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

Leading power utility in Brazil

Powerful drivers fueling growth

Sound Balance Sheet

Consistent profitable track record

Strong Dividend Policy

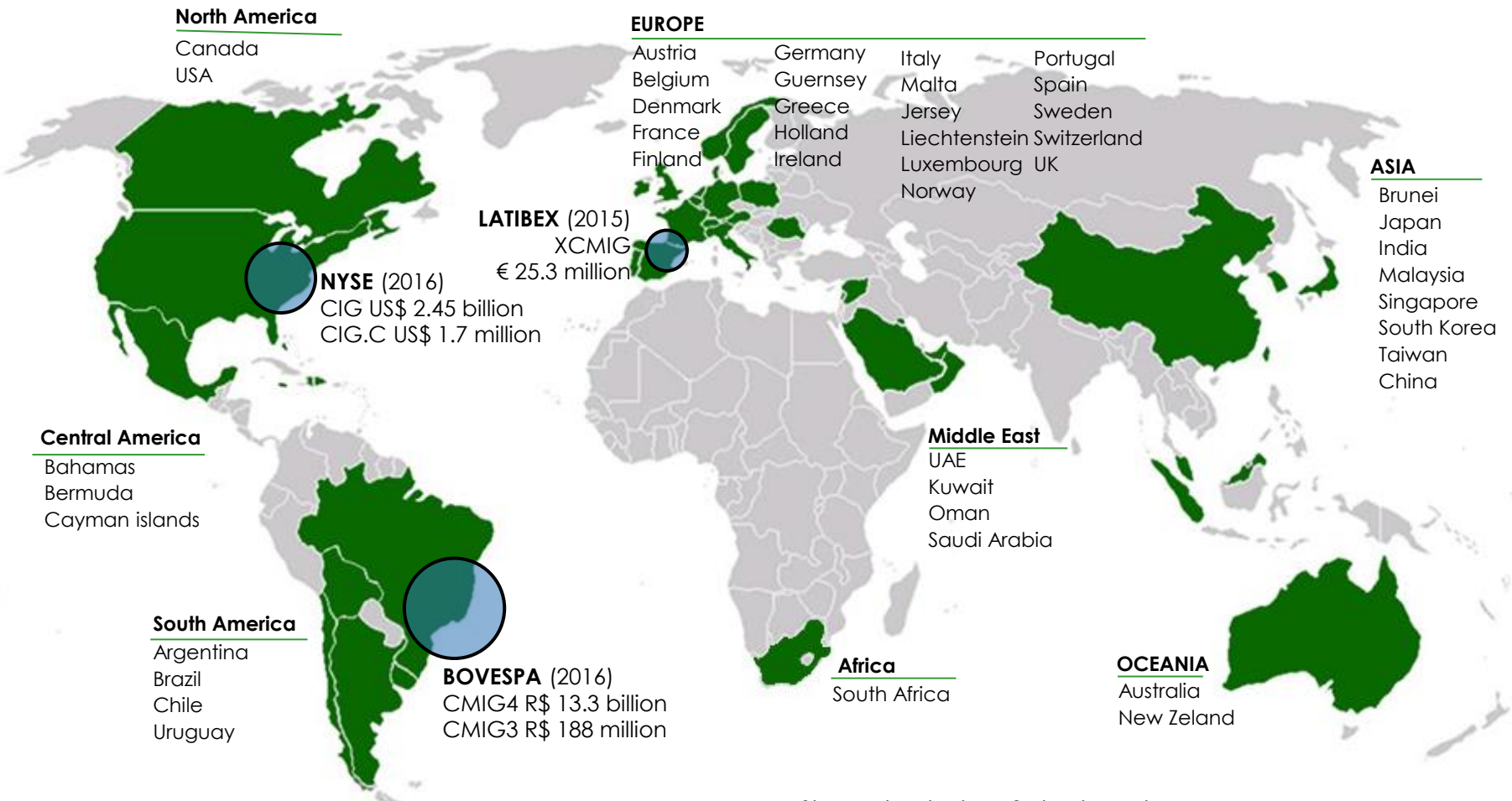
World Leader in Sustainability

# Strong shareholders base assures liquidity

Average daily trading volume of shares in the last twelve months

**Bovespa:** R\$58.8 million

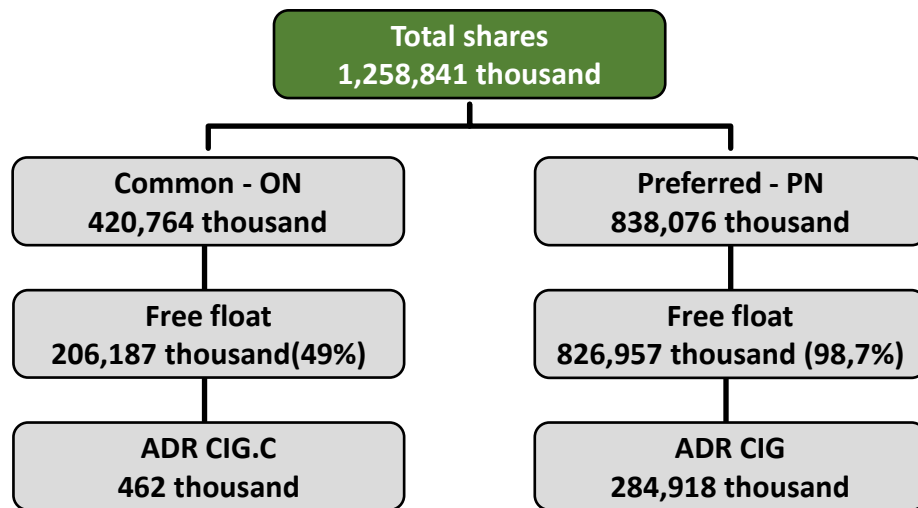
**NYSE:** US\$11.4 million



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

# The blend of shareholders provides long term perspective

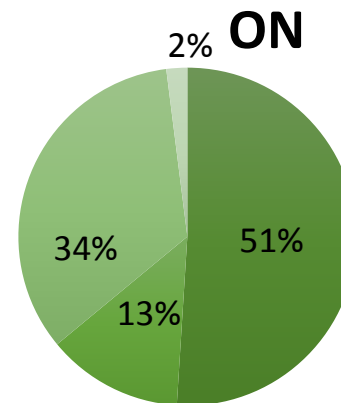
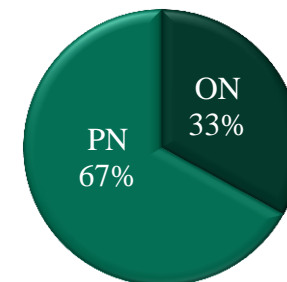
- Our shareholder diversity provides a global business management vision focused on sustainability of the company's activities
- Listed in major stock exchanges
  - BOVESPA (Brazil) ,NYSE (USA) and LATIBEX (Spain)**



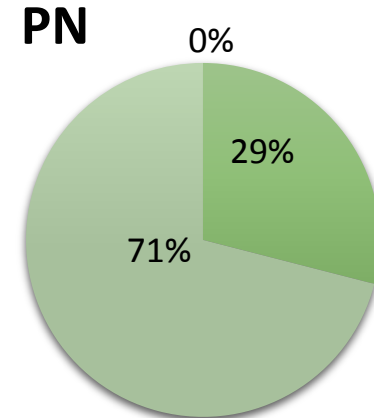
Share nominal value = R\$5.00

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

Total Shares

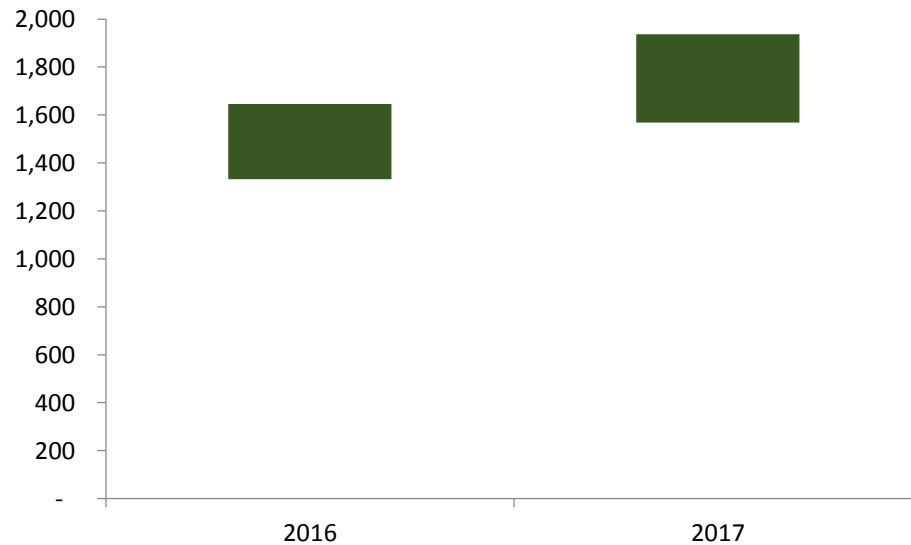


- MG government
- Local Investors



- AGC Energia SA
- International Investors

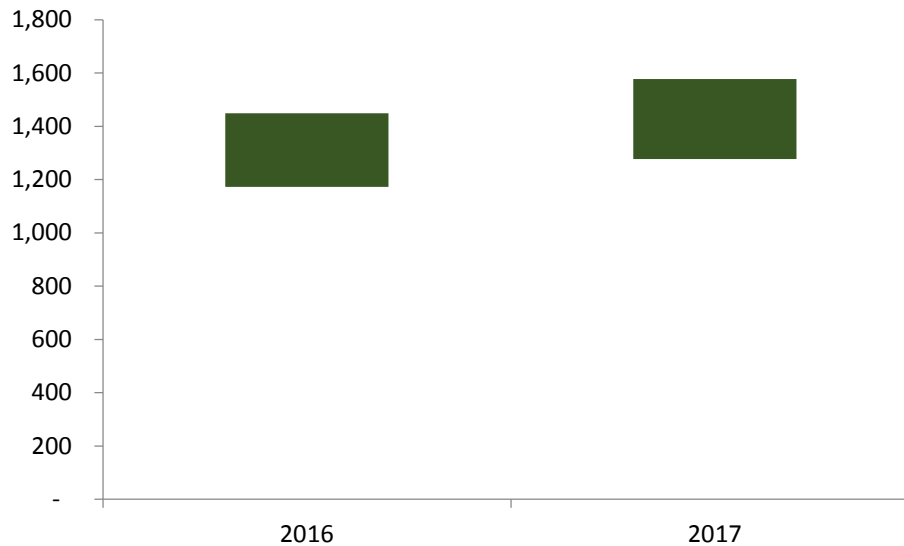
# CEMIG GT - Ebitda Guidance – 2016/2017



Source: Cemig.  
Figures in constant 2016 currency

	2016	2017
Upper limit	1,646	1,937
Lower limit	1,333	1,568

# CEMIG D - Ebitda Guidance – 2016/2017

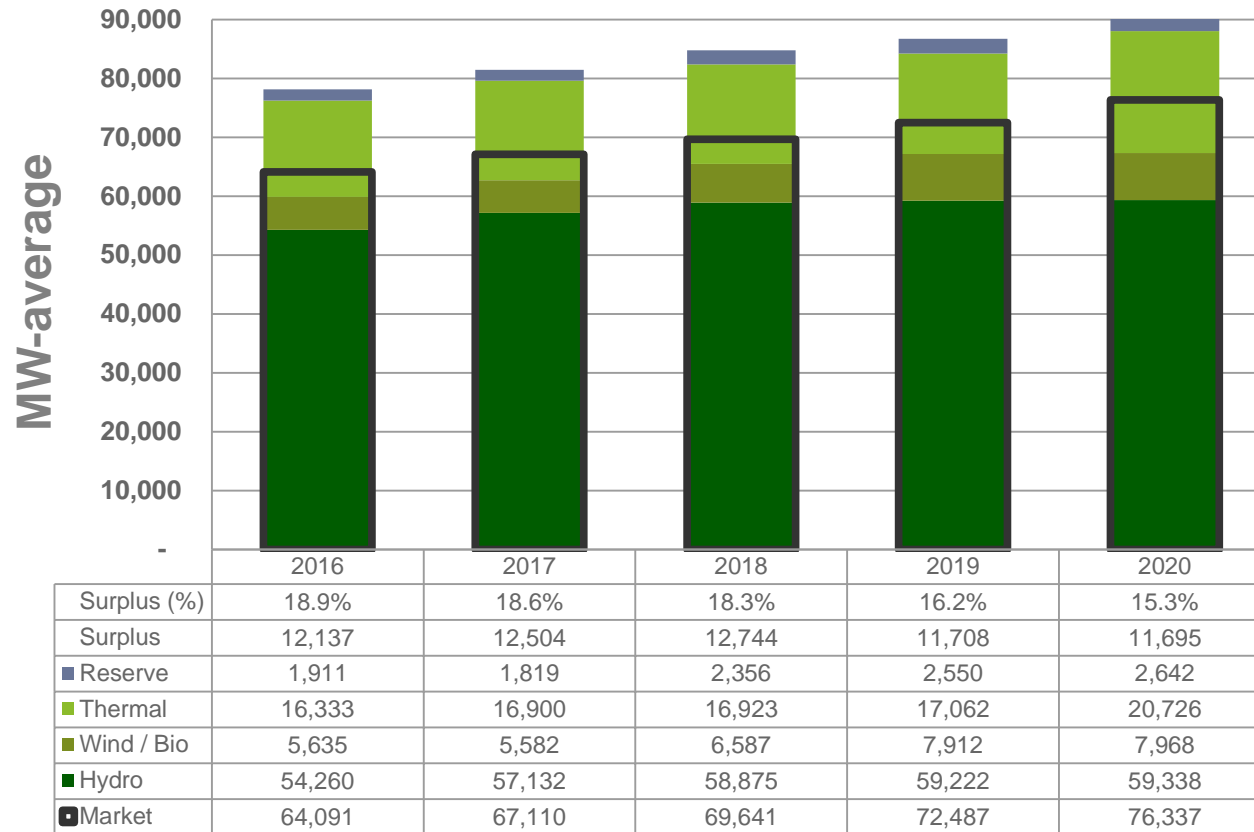


	2016	2017
Upper limit	1,448	1,578
Lower limit	1,173	1,277

Source: Cemig.

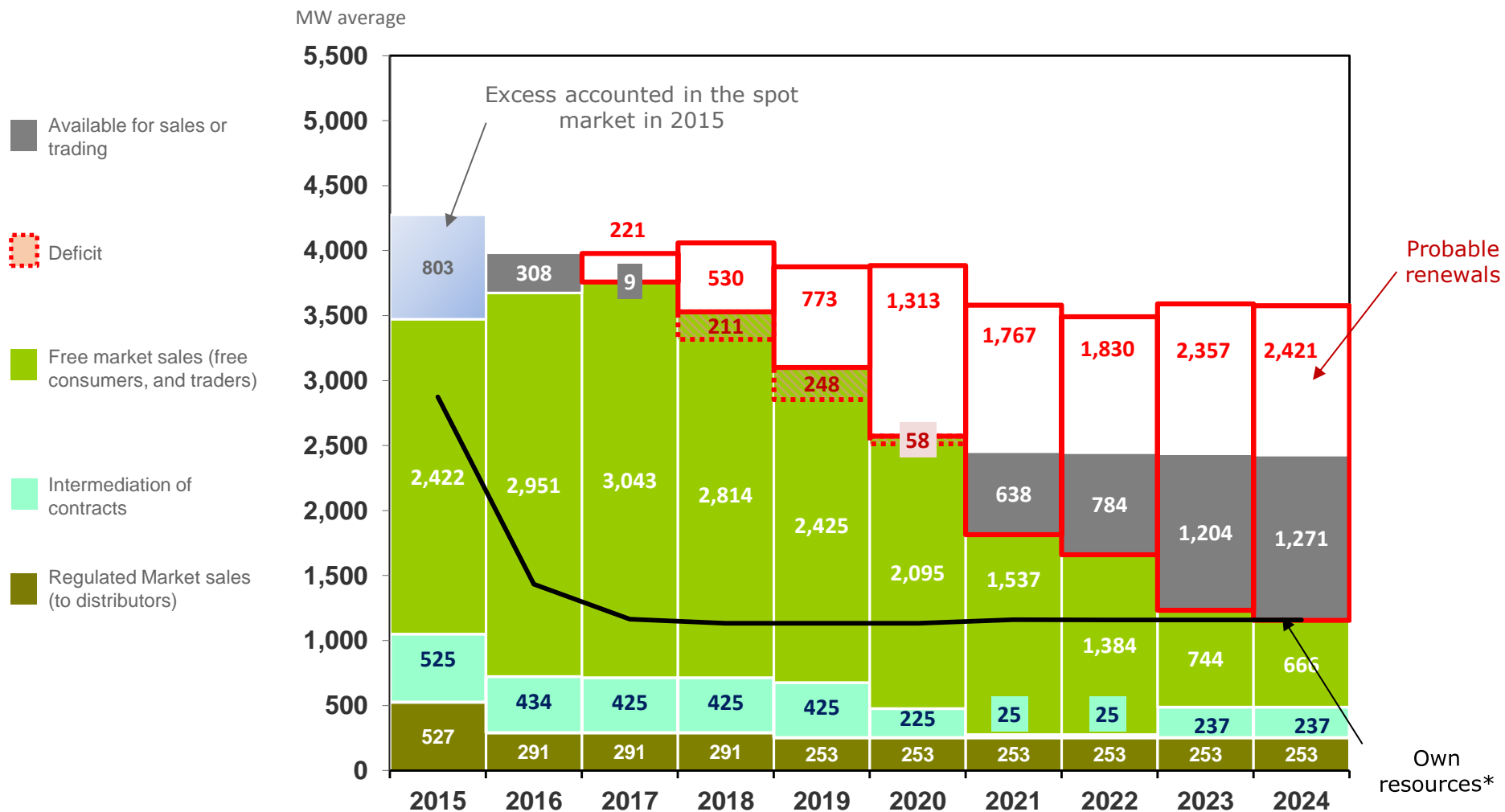
Figures in constant 2016 currency





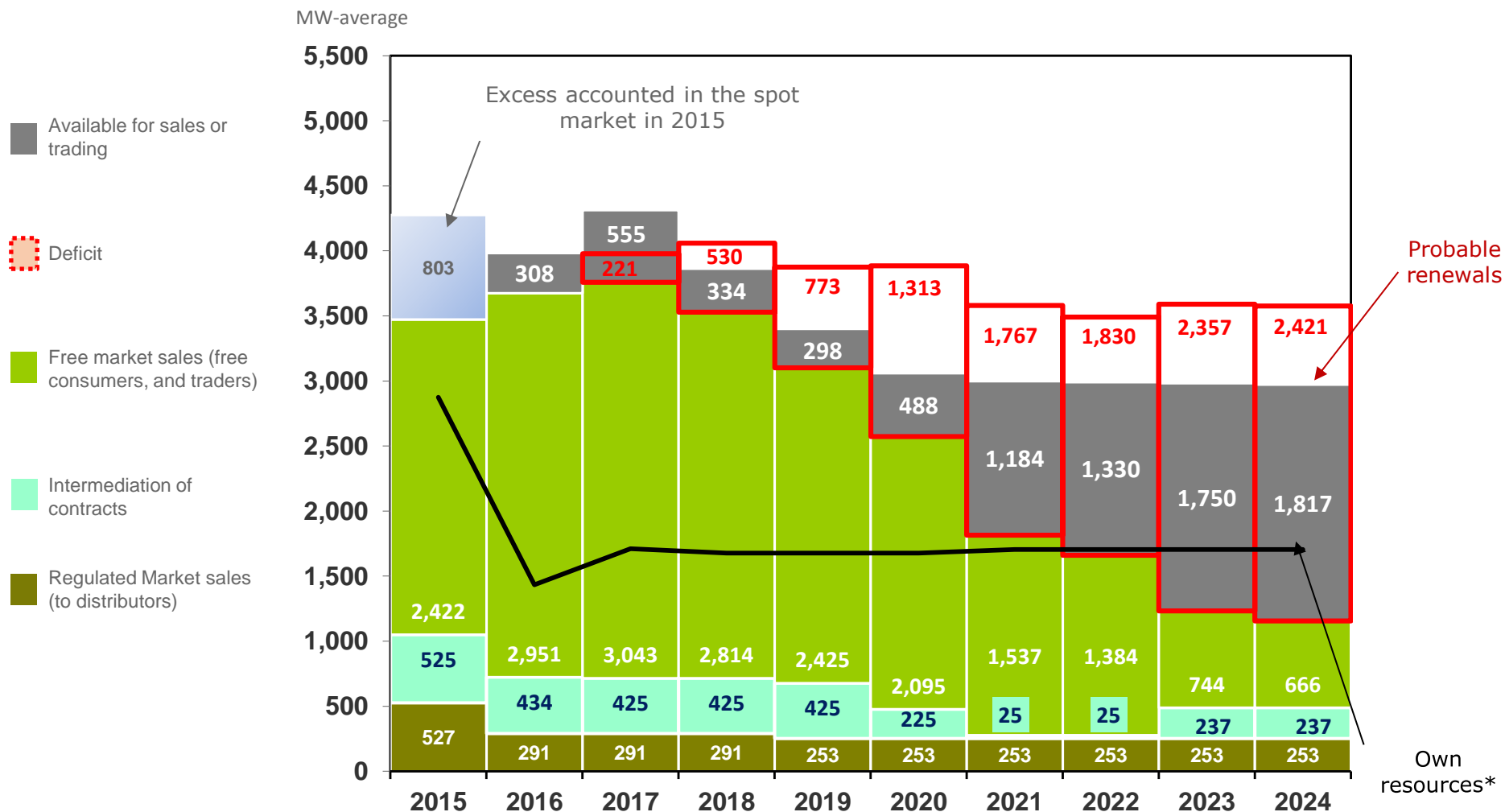
Source: **PMO ( Monthly Operation Program), May 2016**. Analysis made by Cemig considering a GDP growth rate forecast of 1.36% in the 2016-2020 period (1st four-month revision,2016). Information provided from May to December during the first year.

# Cemig GT: Supply/demand



(\*) Assumes exclusion of the Hydroelectric Plants of which the first or second concession periods expire in coming years; and supply availability from SPV within Cemig's holding company.

# Cemig GT: Supply/demand



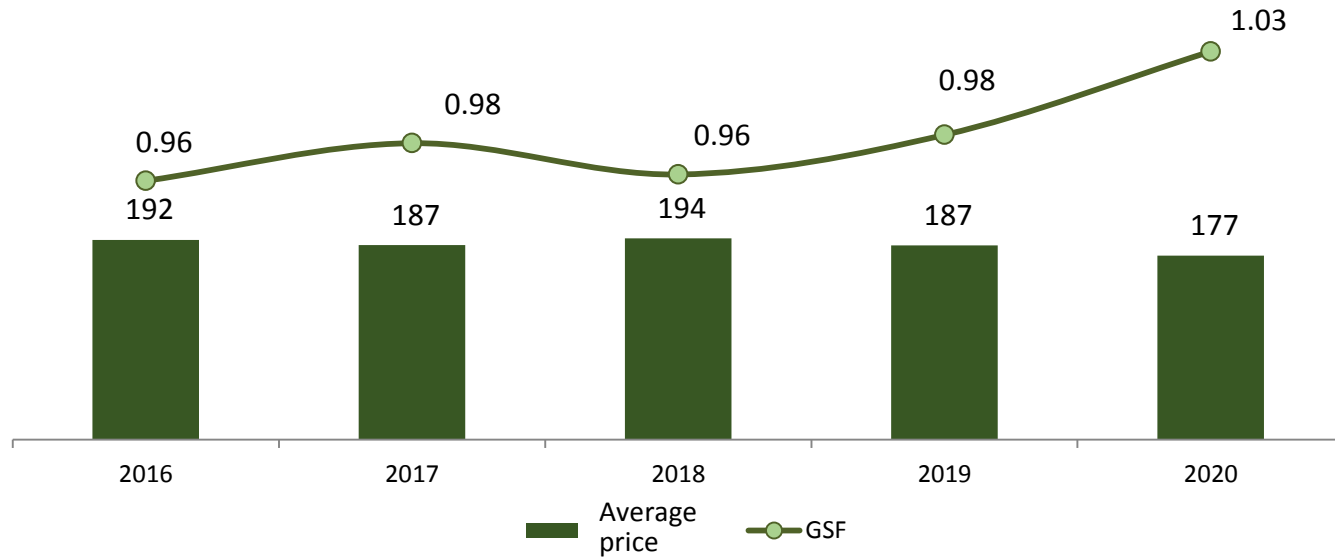
(\* ) Assumes exclusion of hydroelectric plants with first or second concession contracts expiring in the coming years; and supply availability from SPV within Cemig's holding company. It also assumes the renewal of concessions of *Jaguara*, *São Simão* and *Miranda*, treated as per Provisional Measure 688 ('PM 688').

# Cemig GT: Supply/demand

MW-average	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Own generation	2,393	1,438	1,050	1,018	1,018	1,017	1,016	1,014	1,014	1,014
Availability from SPV	0	10	128	128	128	128	156	156	156	156
Purchased	1,358	2,102	2,165	1,748	1,285	1,145	1,256	1,250	1,031	1,021
<b>Total supply:</b>	<b>3,752</b>	<b>3,550</b>	<b>3,343</b>	<b>2,893</b>	<b>2,431</b>	<b>2,290</b>	<b>2,428</b>	<b>2,421</b>	<b>2,201</b>	<b>2,191</b>
Sales: Free Market	2,422	2,951	3,043	2,814	2,425	2,095	1,537	1,384	744	666
Sales: Regulated Market	527	291	291	291	253	253	253	253	253	253
<b>Total demand:</b>	<b>2,949</b>	<b>3,242</b>	<b>3,334</b>	<b>3,105</b>	<b>2,678</b>	<b>2,348</b>	<b>1,790</b>	<b>1,637</b>	<b>997</b>	<b>919</b>
<b>Balance available</b>	<b>803</b>	<b>308</b>	<b>9</b>	<b>-211</b>	<b>-248</b>	<b>-58</b>	<b>638</b>	<b>784</b>	<b>1,204</b>	<b>1,271</b>
Hydroelectric supply As per MP 688	0	0	546	546	546	546	546	546	546	546
<b>Balance available</b>	<b>803</b>	<b>308</b>	<b>555</b>	<b>334</b>	<b>298</b>	<b>488</b>	<b>1,184</b>	<b>1,330</b>	<b>1,750</b>	<b>1,817</b>

*Position as of March 31, 2016*

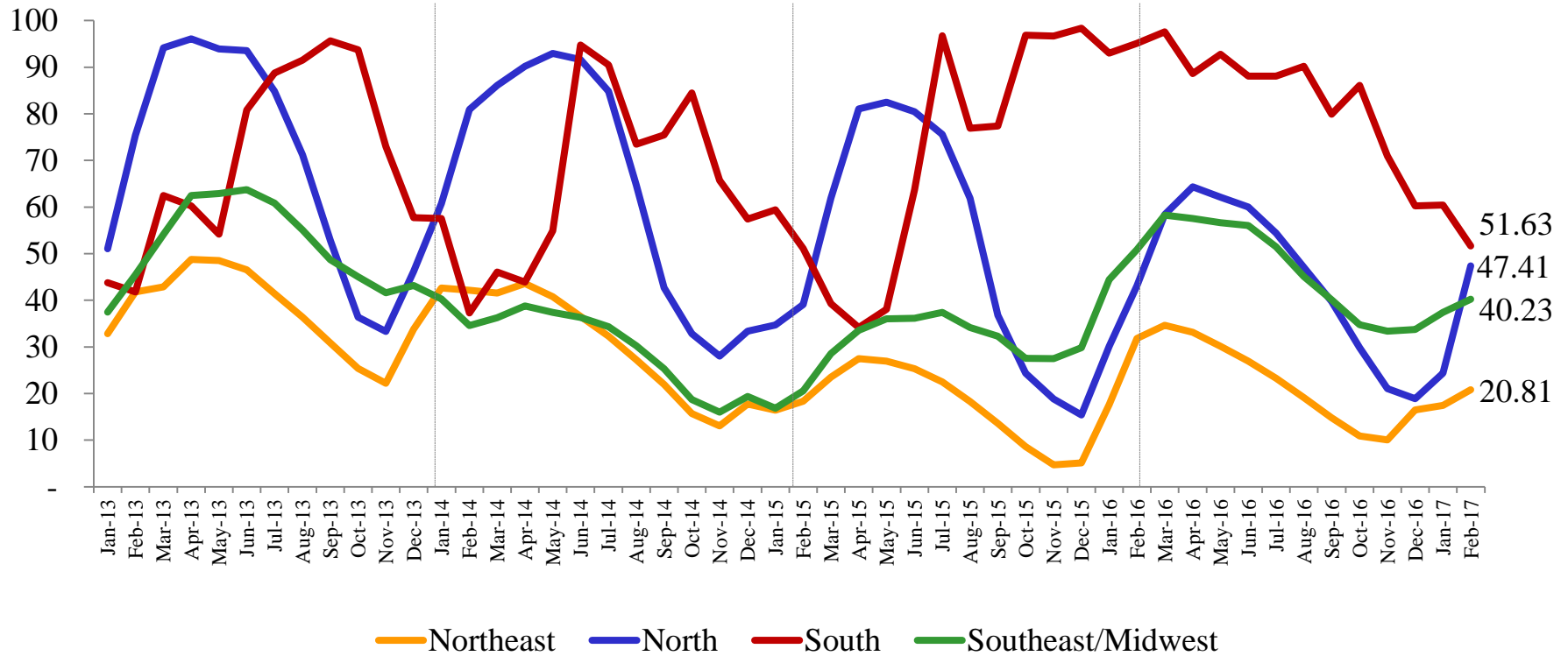
# Average prices and the GSF (Generation Scaling Factor)



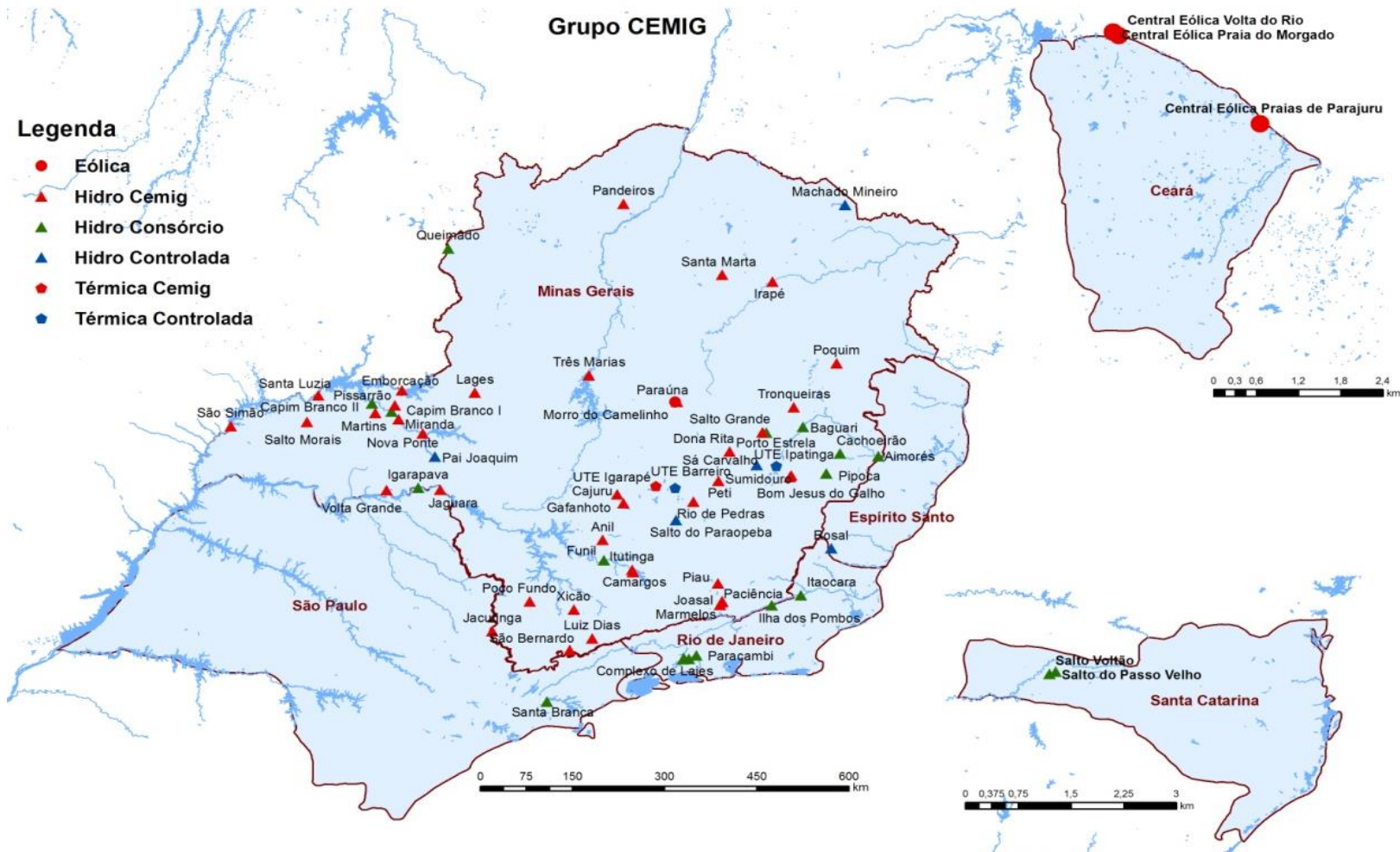
Source: Cemig.  
Figures in constant 2016 currency

# Level of reservoirs (%)

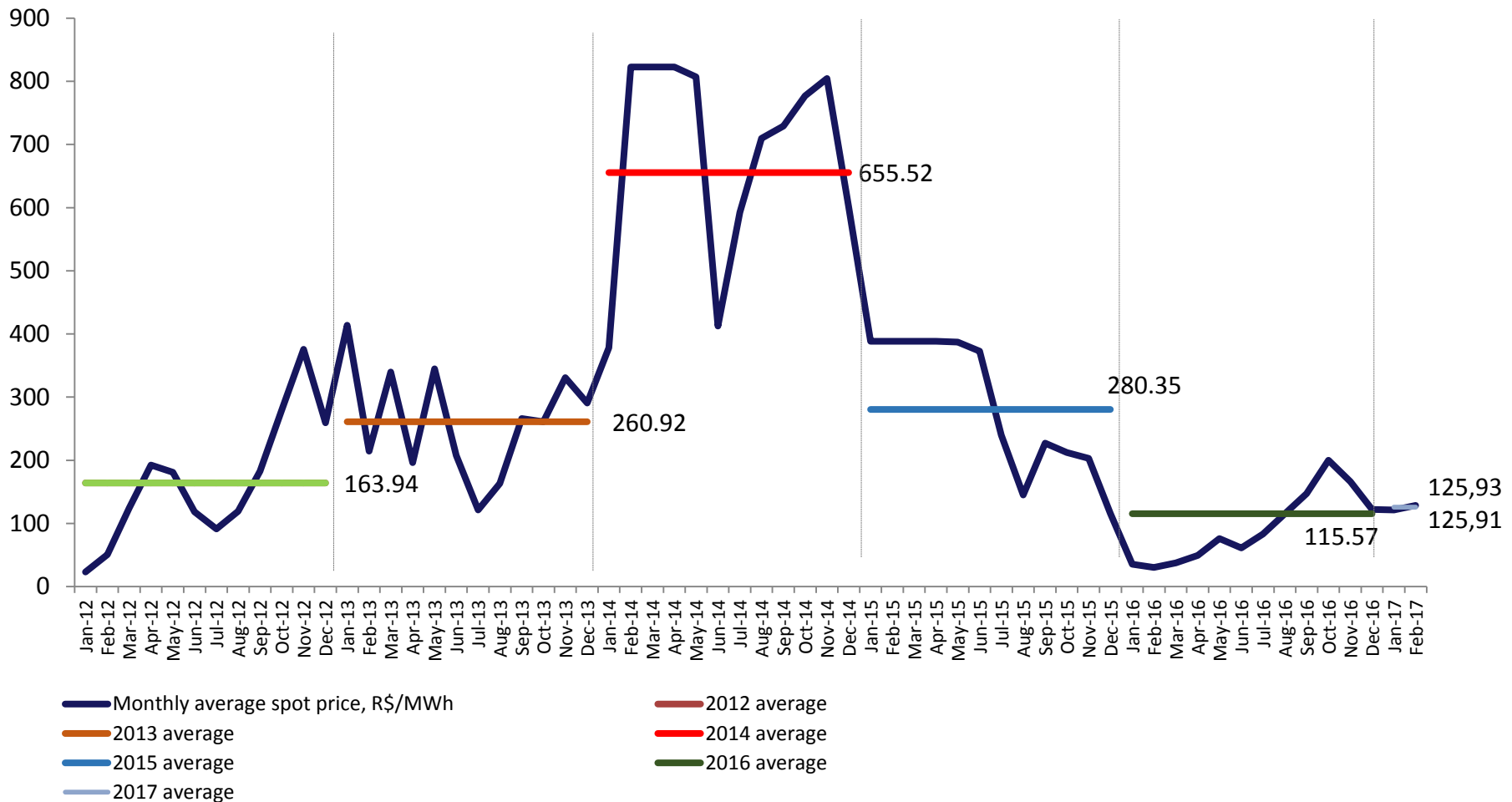
by region (%)\*



\*Source: ONS



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



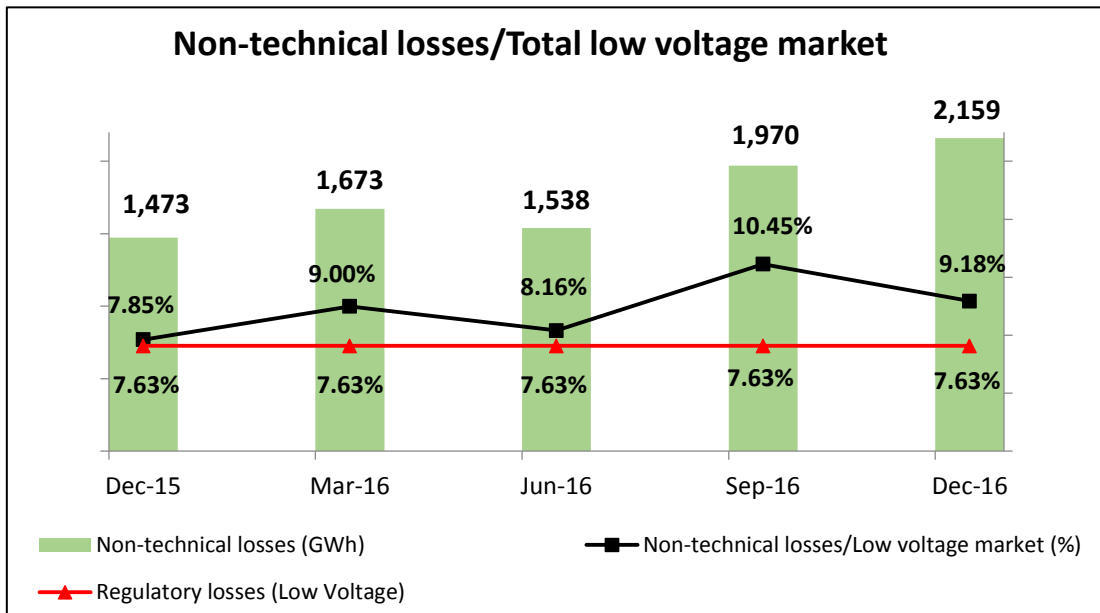
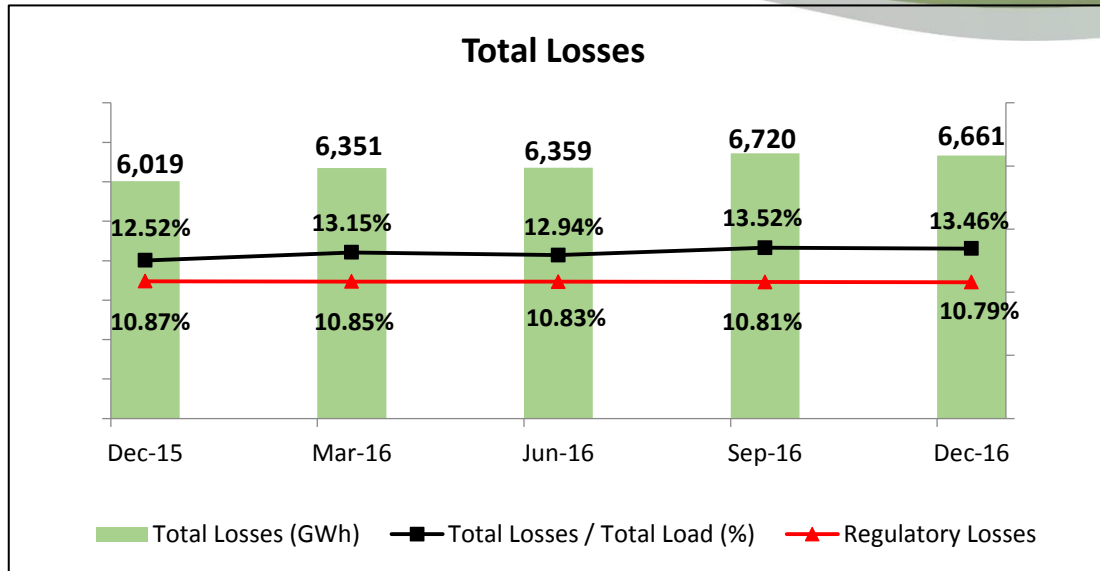


## 2nd maturity:

#	Type	Plant	Expiry of concession	Installed capacity (MW)	firm output (average MW)	Historic cost 09.30.2015	Deemed Cost 09.30.2015
1	HPP	Volta Grande	Feb/2017	380	229		
<b>TOTAL 2nd renewal</b>				<b>380</b>	<b>229</b>		

## 1st maturity:

#	Type	Plant	Expiry of concession	Installed capacity (MW)	firm output (average MW)	Historic cost 09.30.2015	Deemed Cost 09.30.2015
1	HPP	São Simão	Jan/2015	1,710	1,281		
2	HPP	Jaguara	Aug/2013	424	336		
3	HPP	Miranda	Dec/2016	408	202		
<b>TOTAL 1st renewal</b>				<b>2,542</b>	<b>1,819</b>		



## Investor Relations

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

