



RESULTS

3rd Quarter
2017



Disclaimer

Certain statements and estimates in this material may represent expectations about future events or results, which are subject to risks and uncertainties, which 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, and market conditions in the electricity sector; and on our expectations for future results, many of which are not under our control.

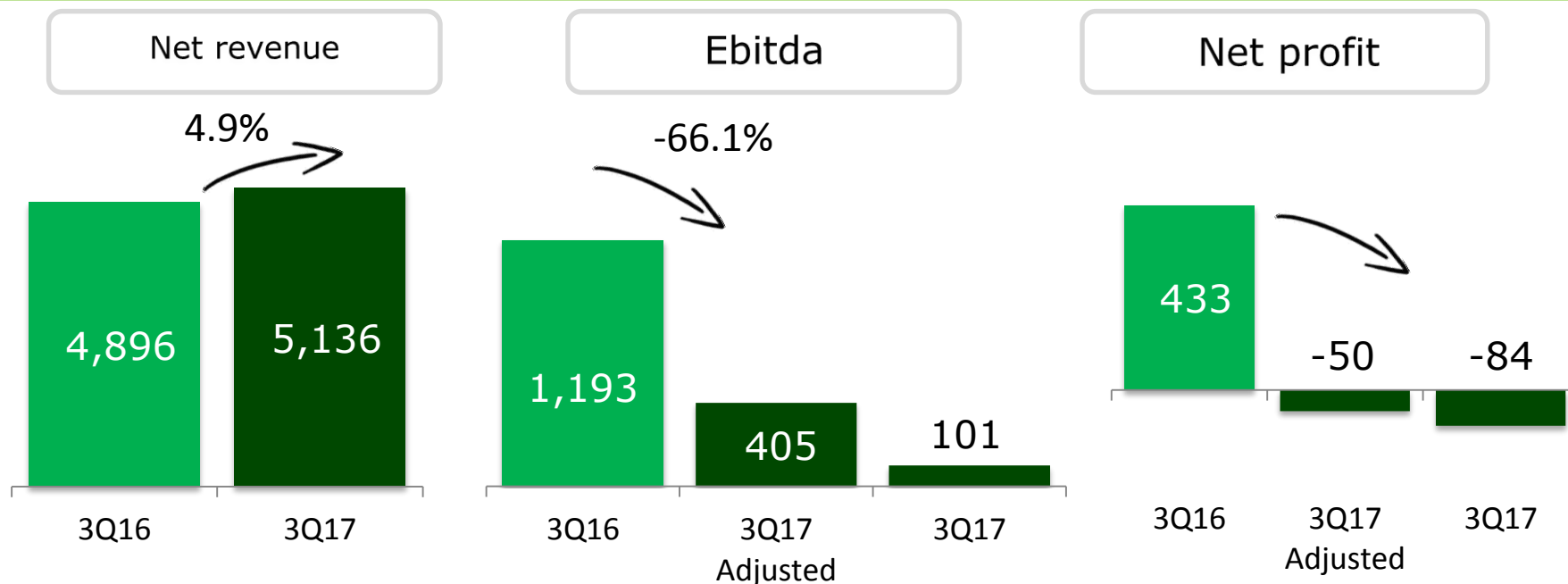
Important factors that could lead to significant differences between actual results and the projections about future events or results include our business strategy, Brazilian and international economic conditions, technology, our financial strategy, changes in the electricity sector, hydrological conditions,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

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

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

In this material, financial amounts are in **R\$ million** (R\$ mn) unless otherwise stated.
Financial data reflect the adoption of IFRS.

3Q17 Results

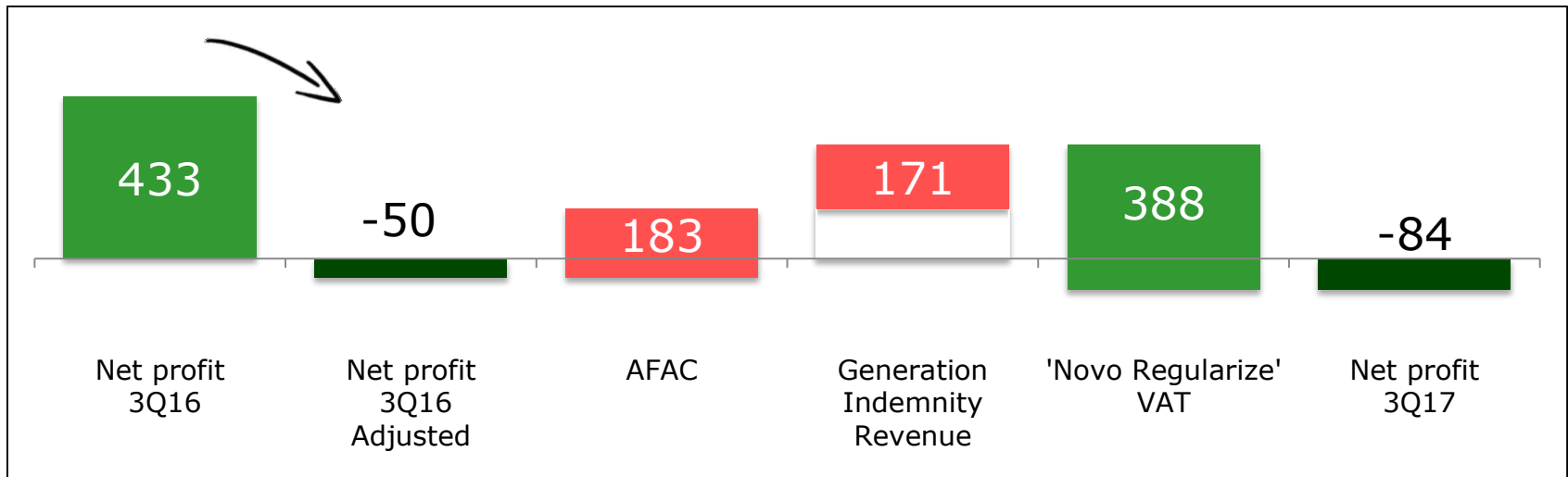
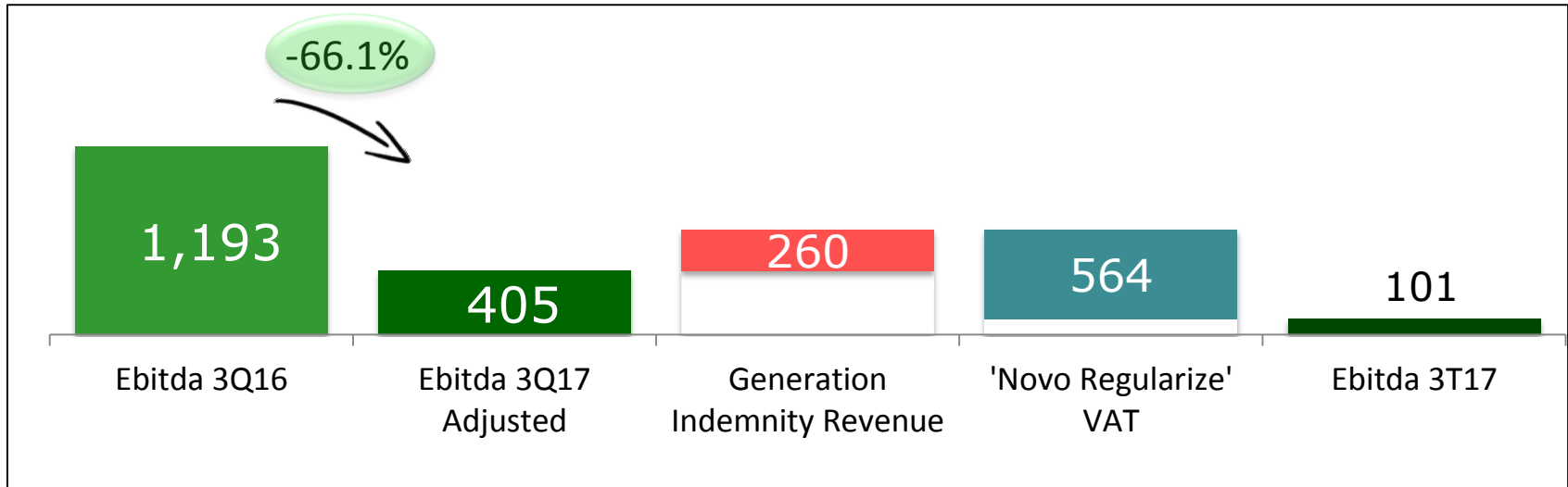


- Positive effects on net revenue in 3Q17:
 - CVA: R\$ 480 mn positive in 3Q17 – vs. R\$ 273 mn negative in 3Q16
 - Generation Indemnity Revenue: R\$ 260 mn
- Acceptance of ‘Novo Regularize’ tax plan¹ reduces net profit in the quarter
 - Impacts: R\$ 564mn on Ebitda; R\$ 388mn on Net profit
- Equity income: R\$ 81 mn negative in the quarter
- Cost of debt lower YoY, due to lower Selic rate
- R\$ 278mn gain on recalculation of monetary updating on Minas Gerais State capital increase

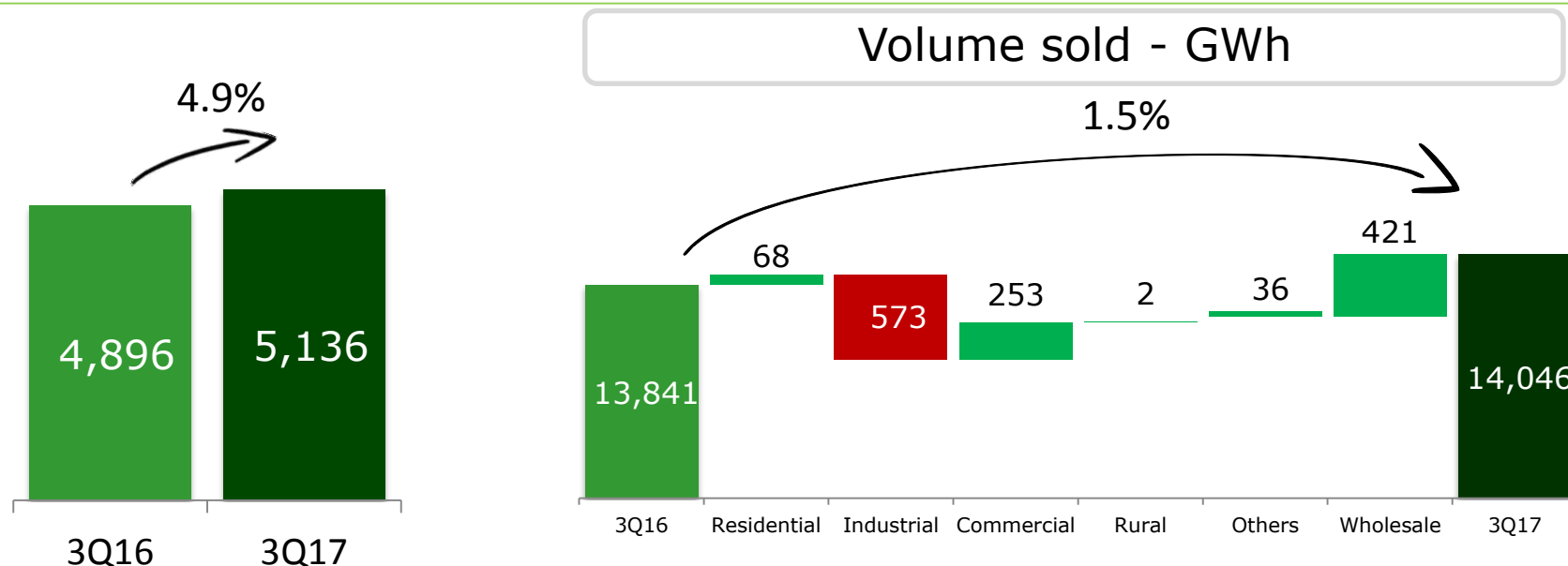
1 - ‘Nova Regularize’ = Minas Gerais State Tax Regularization Plan.

Consolidated Adjusted Ebitda

- ✓ After adjusting the effects of non-recurring items, Ebitda had a smaller decrease compared to the same period of 2016, rising from 95.1% to 66.1%

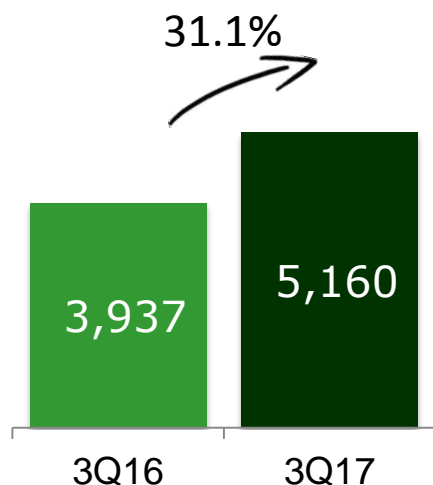


Consolidated net revenue



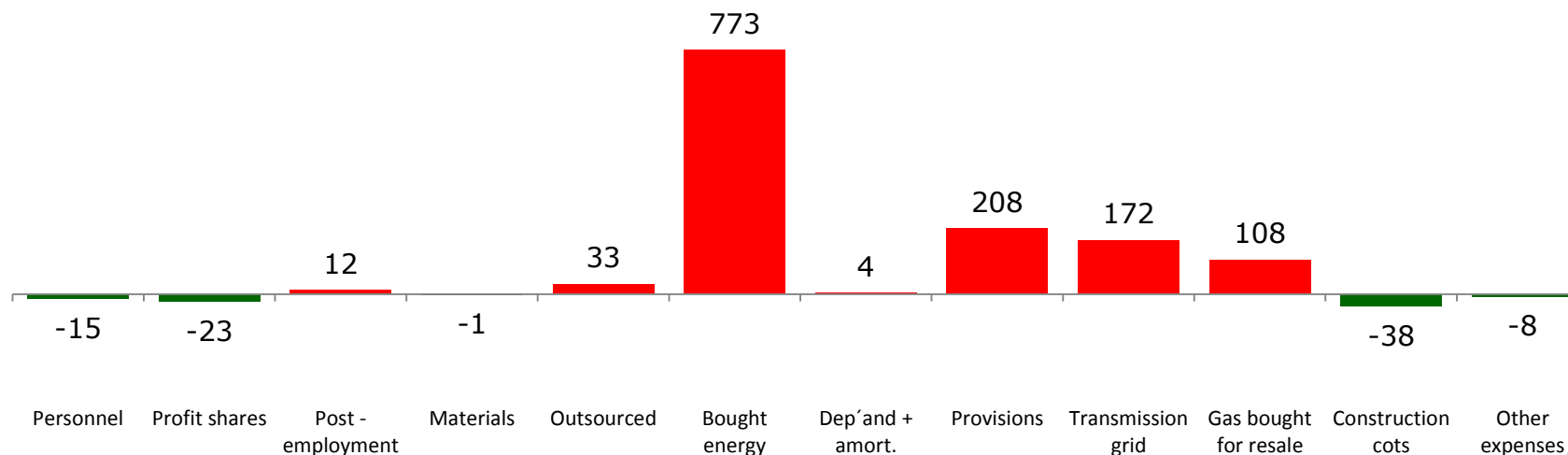
- Novo Regularize tax plan reduces net revenue by R\$ 562 million
- CVA adds R\$ 754 mn to year-on-year increase in revenue
- Revenue from supply of gas R\$ 145 mn higher
- R\$ 260 mn gain in Generation Indemnity Revenue:
 - adjustment to balance not yet amortized of São Simão and Miranda plant concessions, under Ministerial Order 291/17. Total of this asset is now R\$ 1.069 billion.
- CCEE transaction revenue: R\$ 24 mn higher YoY

Operational expenses



- Purchase of electricity: R\$ 773 mn higher YoY. Purchase of gas: R\$ 108 mn higher
- Personnel expenses lower, due to voluntary retirement program
- Provisions for consumer default down from R\$ 108 mn (in 3Q16) to R\$ 50 mn in 3Q17
- Provisions for losses on investments:
 - Parati – balance R\$ 1.243 billion
 - R\$ 85 mn provision in 3Q17, vs. R\$ 167 mn reversal in 3Q16
 - SAAG – balance R\$ 264 million
 - Provision of R\$ 26 mn in 3Q17 vs. Provision of R\$ 3 mn in 3Q16

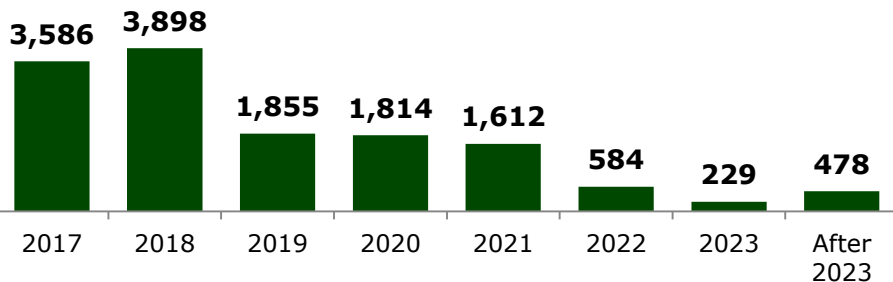
Change in consolidated operational expenses, 3Q16–3Q17



Cemig, consolidated: debt profile

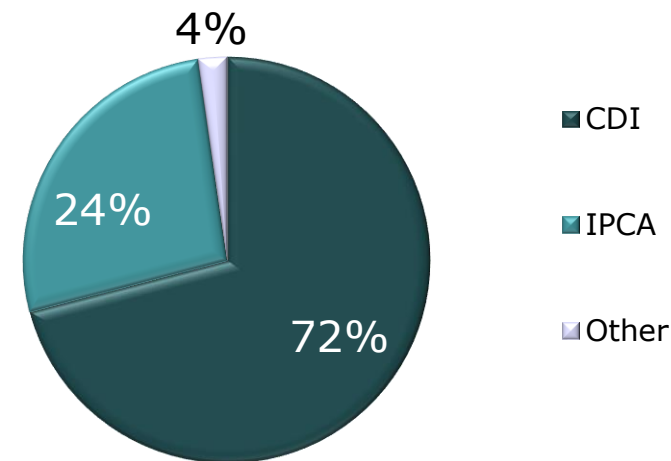
Maturities timetable – Average tenor: 2.2 years

Total net debt: R\$ 12.8 billion

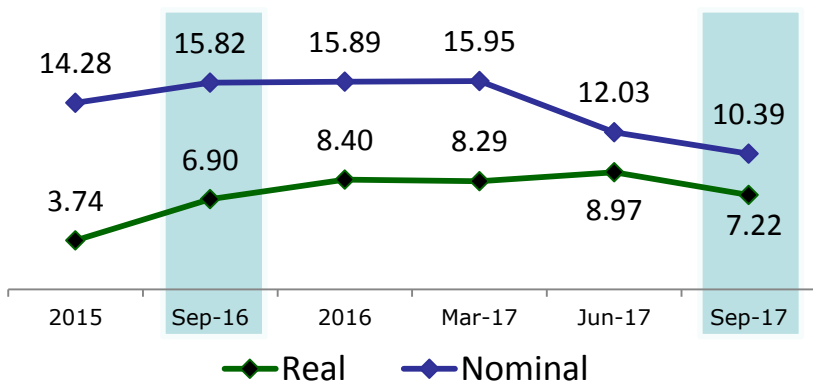


- Each 1 p.p. reduction in Selic rate estimated to reduce debt cost by R\$ 112mn
- Financial expenses are already lower due to reduction in the Selic rate: R\$ 222 mn lower in 3Q17 compared to 3Q16

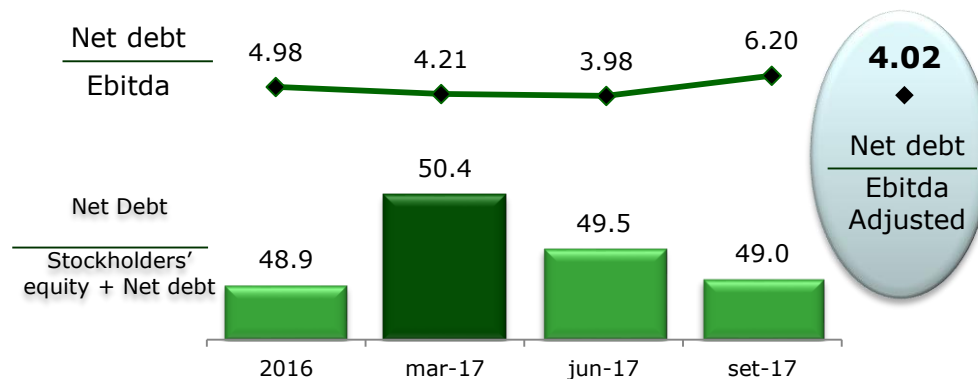
Main indexes



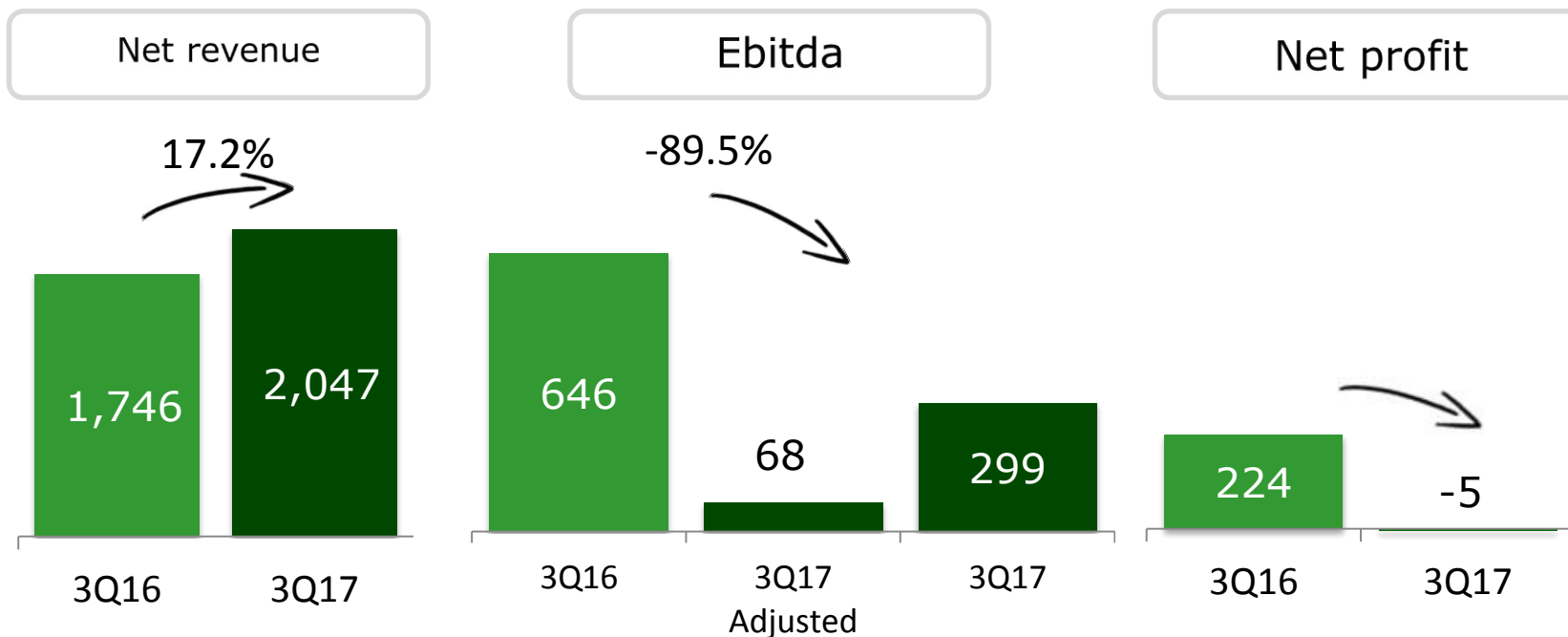
Cost of debt – %



Leverage – %



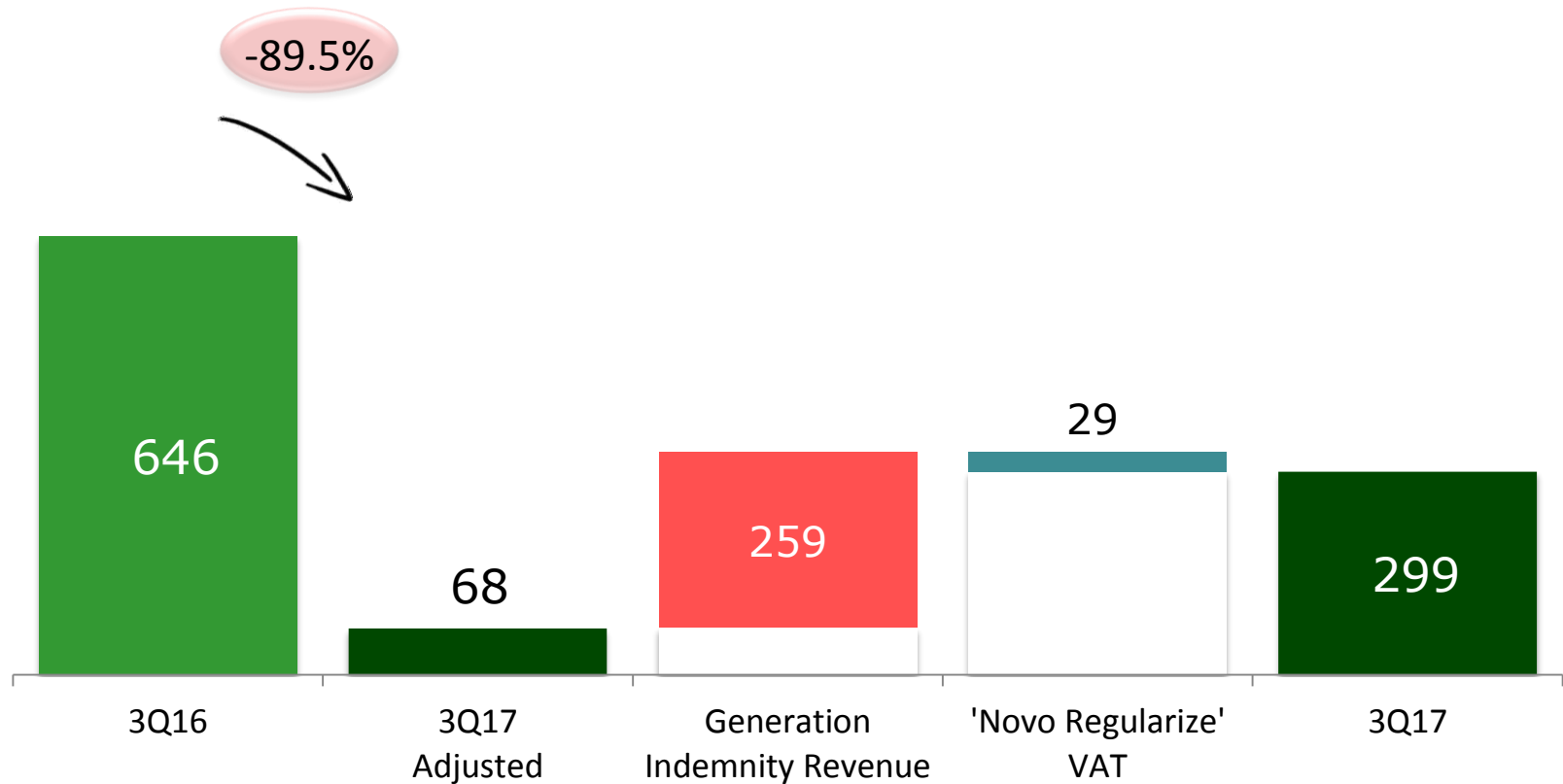
Cemig GT – 3Q17 results



- R\$ 260 mn gain in Generation Indemnity Revenue
 - from adjustment of unamortized balances of São Simão and Miranda plant concessions, under Order 291/17.
- Revenue from supply of electricity: 10.2% (R\$ 175mn) higher YoY
- Revenue from transactions in CCEE: R\$ 24 mn higher
- Impacts of Novo Regularize tax plan: R\$ 29 mn on Ebitda, R\$ 19 mn on Net profit
- Cost of electricity bought for resale: R\$ 452 mn higher
- Equity income: R\$ 172 mn negative in 3Q17 – vs. R\$ 24 mn negative in 3Q16

Cemig GT – Adjusted Ebitda

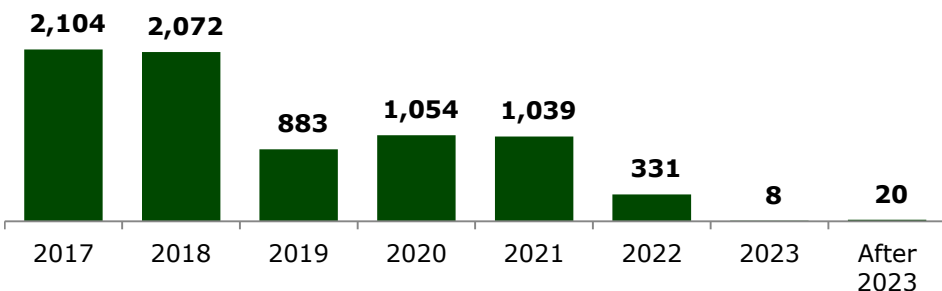
- ✓ After adjusting the effects of non-recurring items, Ebitda had a stronger decrease compared to the same period of 2016, from 89.5% to 53.7%



Cemig GT – debt profile

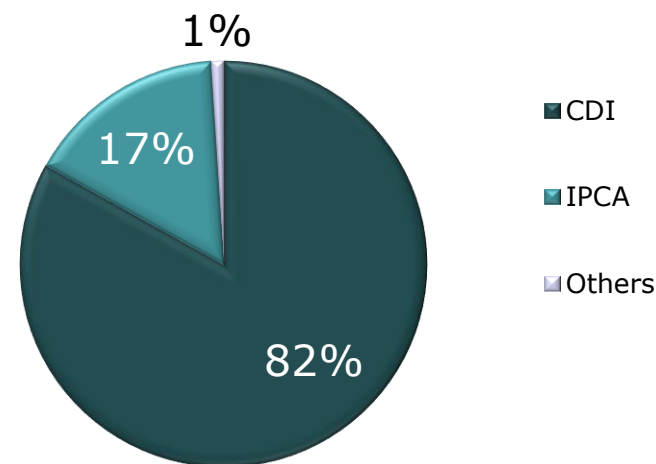
Maturities timetable – Average tenor: 2.0 years

Total net debt: R\$ 7.2 billion

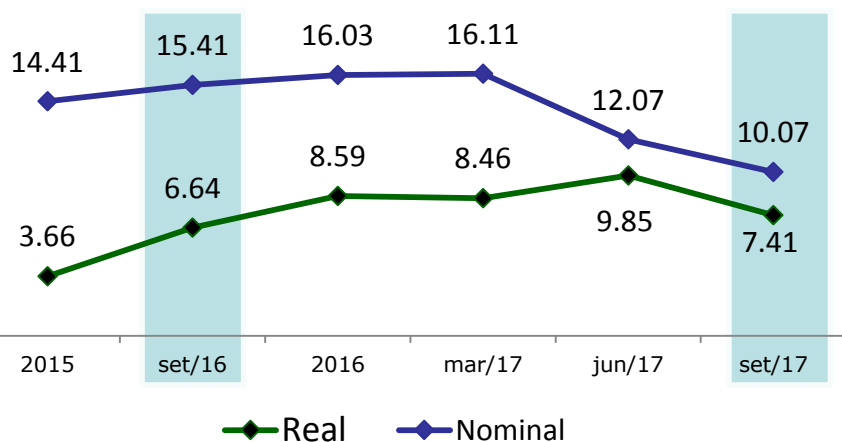


Restrictive covenants
For details see Note 18 (Loans, financings and debentures)

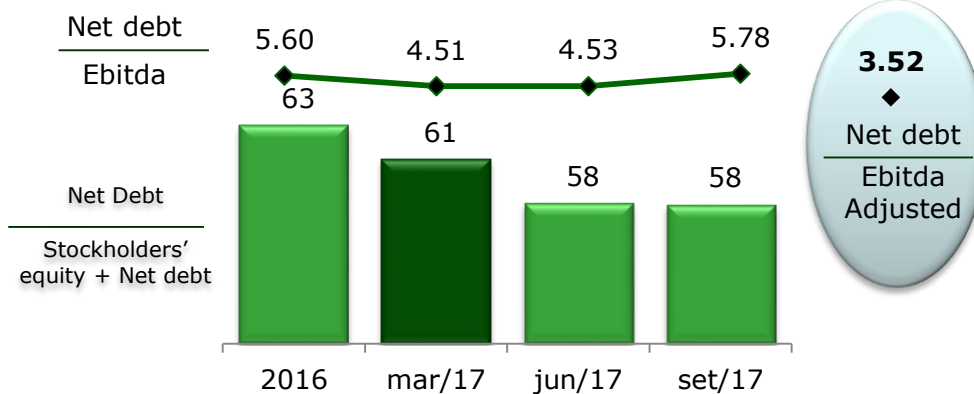
Main indexors



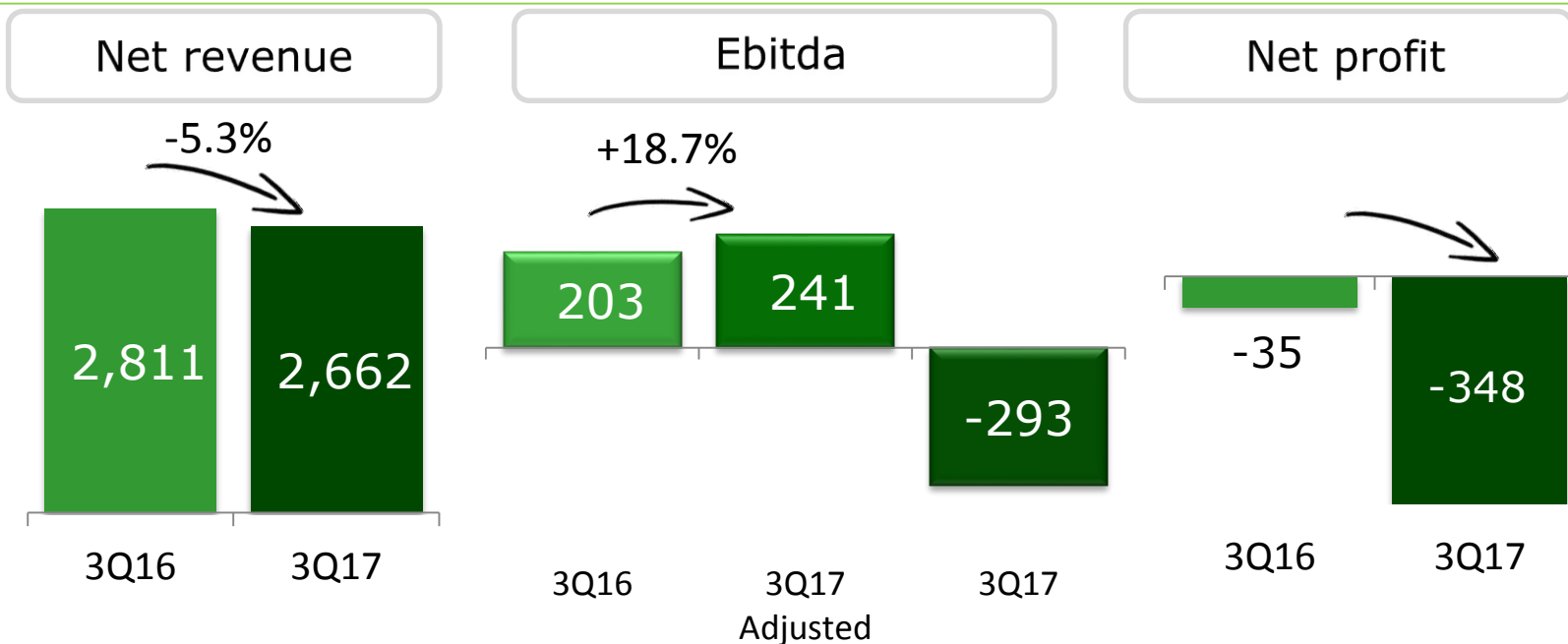
Cost of debt- %



Leverage - %



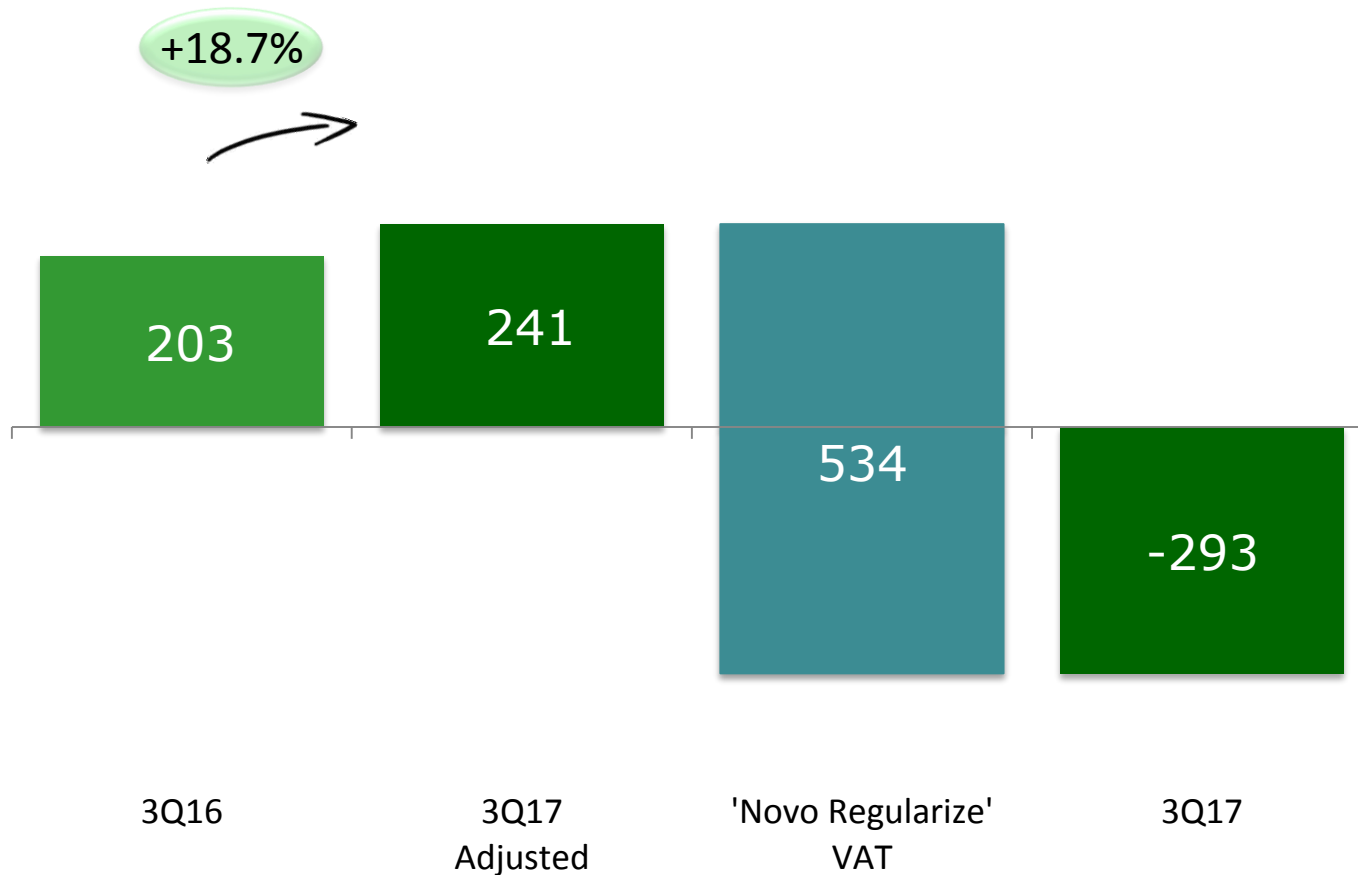
Cemig D – 3Q17 results



- Consumption in Cemig D's concession area:
 - Volume distributed: up 0.3% YoY
 - Captive market: down 2.0% YoY
 - Power transported: up 3.7% YoY
- CVA contributes to increase in revenue:
 - CVA in 3Q17 is R\$480 mn positive – in 3Q16 it was R\$ 273 mn negative
- Impacts of Novo Regularize tax plan: R\$ 535 mn on Ebitda, R\$ 368 mn on Net profit
- Provision for consumer default down: R\$ 34 mn in 3Q17 – vs. R\$ 108 mn in 3Q16
- Cost of debt R\$ 93 mn lower YoY– due to lower Selic interest rate

Cemig D – Adjusted Ebitda

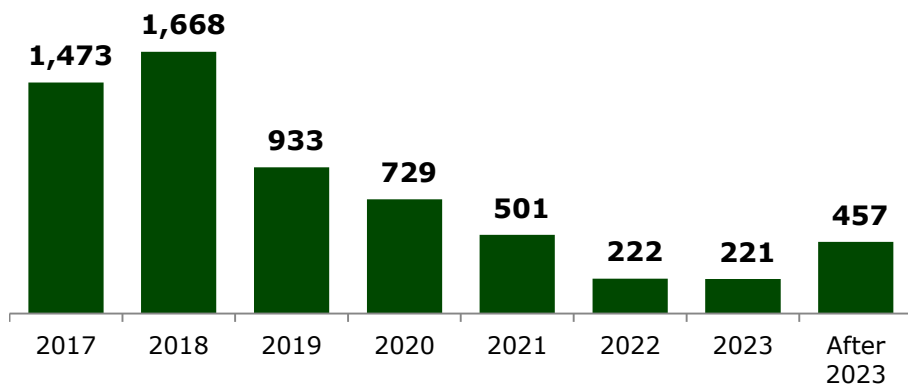
- ✓ After excluding non-recurring effects, Cemig D's Ebitda became positive, being 18.7% greater than the Ebitda of the same period in 2016



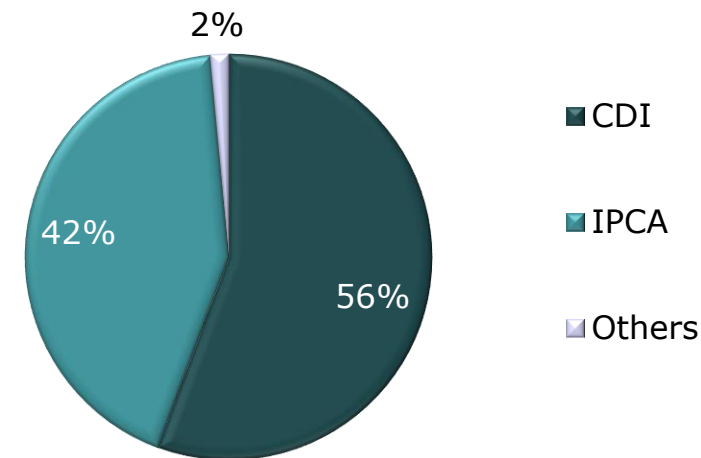
Cemig D – Debt profile

Maturities timetable – Average tenor: 2.5 years

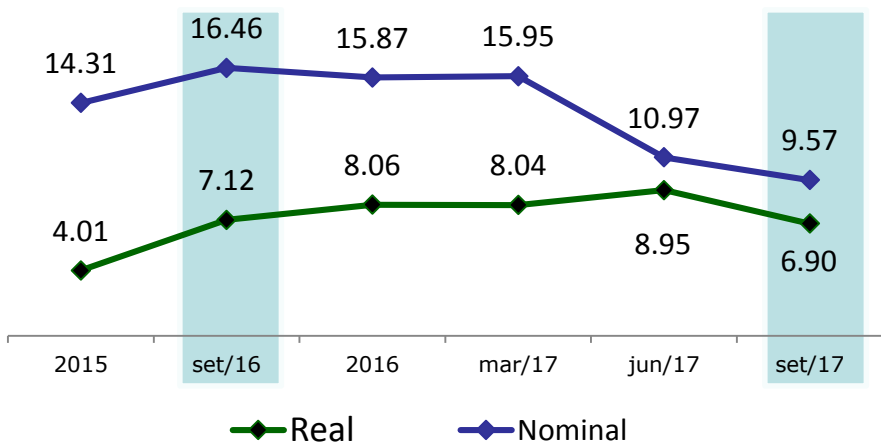
Total net debt: R\$ 5.6 billion



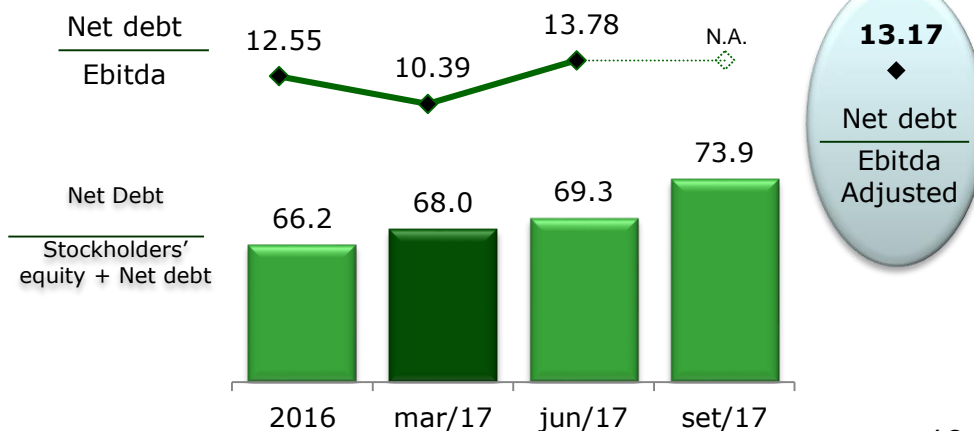
Main indexes



Cost of debt- %

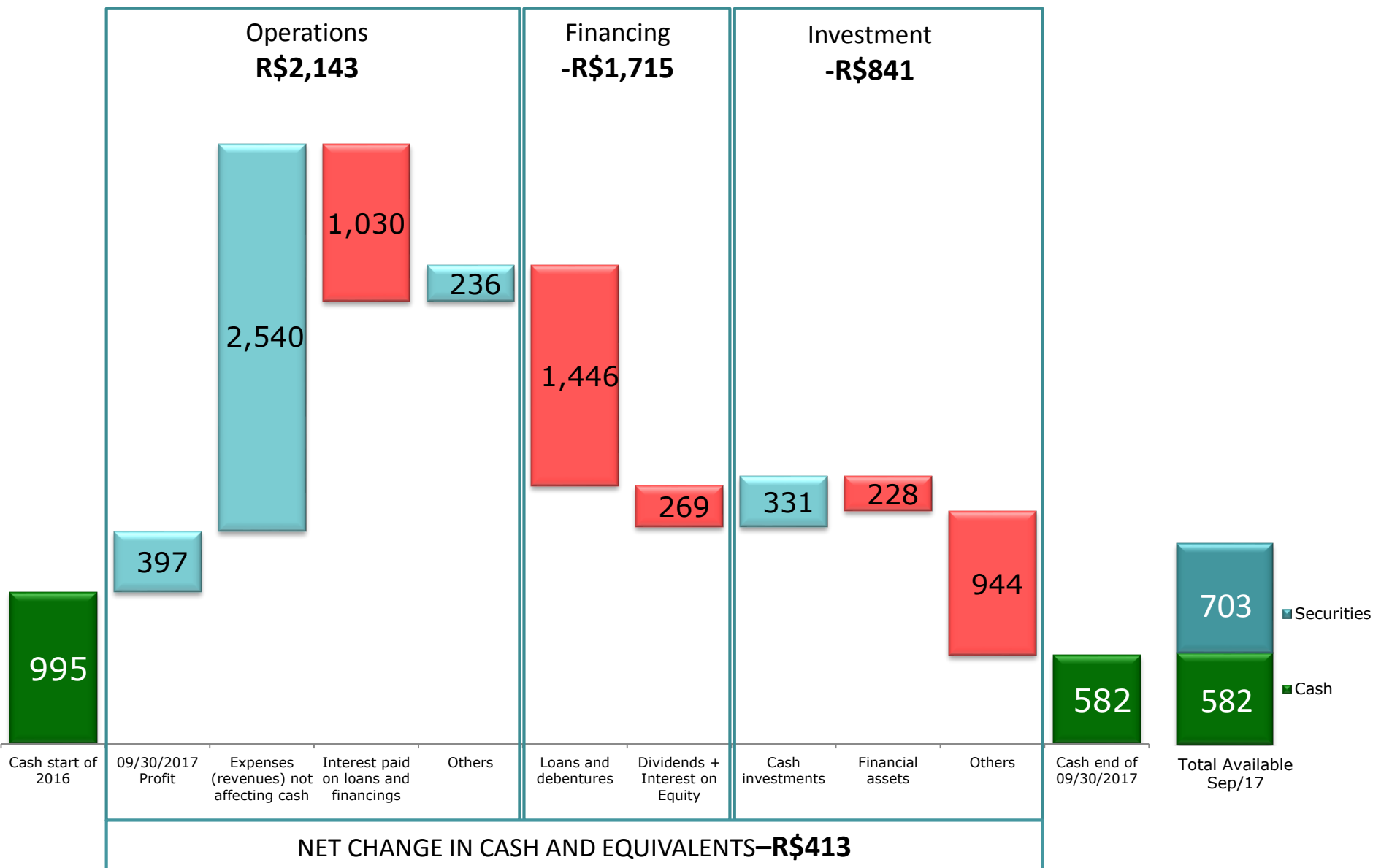


Leverage – %



	Planned	Realized	
	2017	sept/17	%
GENERATION	448	241	53.8
Investment program	40	13	32.5
Capital injections	408	228	55.9
Renova Energia S.A.	72	18	25.0
<i>Aliança Norte</i>	74	46	62.2
<i>SPC – Guanhães</i>	103	86	83.5
<i>SPC - Amazônia Energia Participações S.A. (Belo Monte)</i>	127	77	60.6
<i>Usina Hidrelétrica Itaocara S.A.</i>	32	1	3.10
TRANSMISSION	43	18	41.9
Investment program	43	18	41.9
CEMIG D	1,091	694	63.6
Investment program	1,091	694	63.6
CEMIG H	-	-	-
Total of Investments	1,582	953	60.2

Cash flow





Investor relations

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