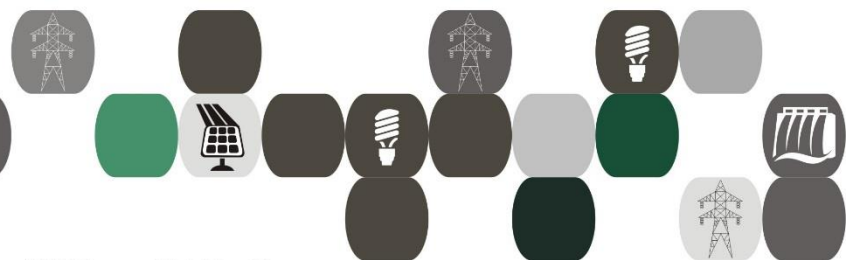




# Successful Strategy

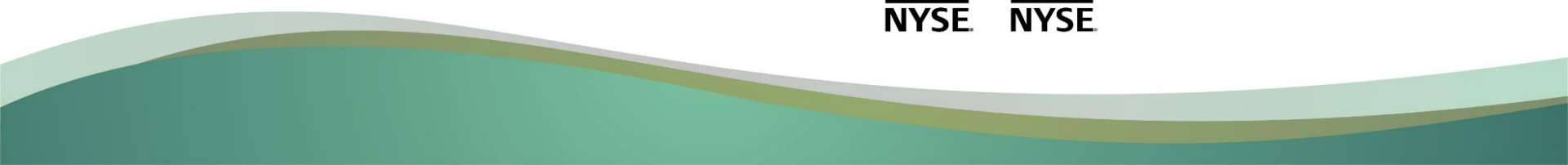
*Performance reflects balanced portfolio structure*

2018



**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.

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

**#1**

Integrated Power  
Utility in Brazil

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

Market cap  
US\$ 2.6<sup>(1)</sup> B.

**#1**

Market share in  
the free market

Leading  
consolidator

Role in  
industry

In the Power Industry since **1952**

(1) As of January 24<sup>th</sup>, 2018

(2) In the Brazilian Energy Industry

117

Power plants

82



32



1



2



5.5 GW

Total installed capacity

540,000 km

Electricity Distribution lines



8,200 km

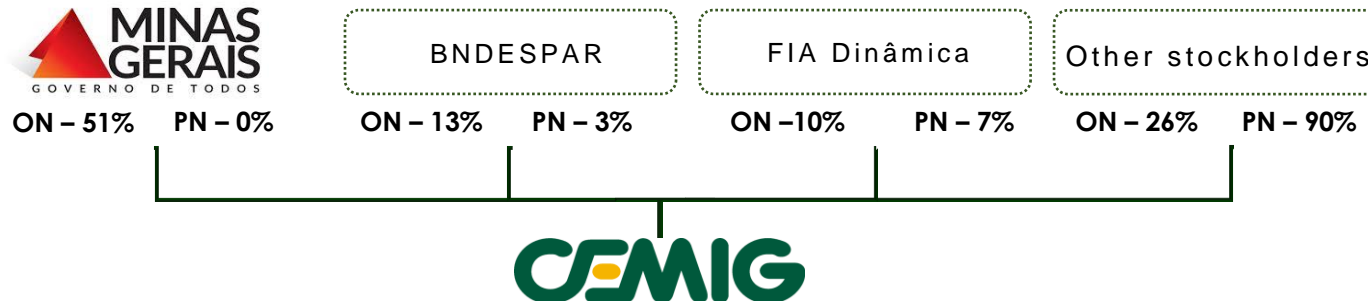
Power Transmission lines



- Based in State of Minas Gerais, controlling shareholder
  - Assets in 23 Brazilian states
- Strong financial profile:
  - 9M17 Net revenues: R\$15.0 bn EBITDA: R\$2.0 bn
  - 2016 Net revenues: R\$18.7 bn EBITDA: R\$2.6 bn
  - 2015 Net revenues: R\$21.9 bn EBITDA: R\$5.5 bn
- Among the most liquid stocks in Brazil's electricity 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 in 2017

**R\$73.5M in Bovespa and US\$11.8M in NYSE**

- Solid dividend policy – established in the bylaws
  - 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

**2.70%** GDP growth 2018<sup>(2)</sup>

**207 M** Population

(1) World Bank

(2) Brazil's Central Bank Focus Report, January 19<sup>th</sup> 2017

Unmatched scale

## Largest Integrated Utility in Brazil

**\*#1**

Electricity  
Distributor

**#2**

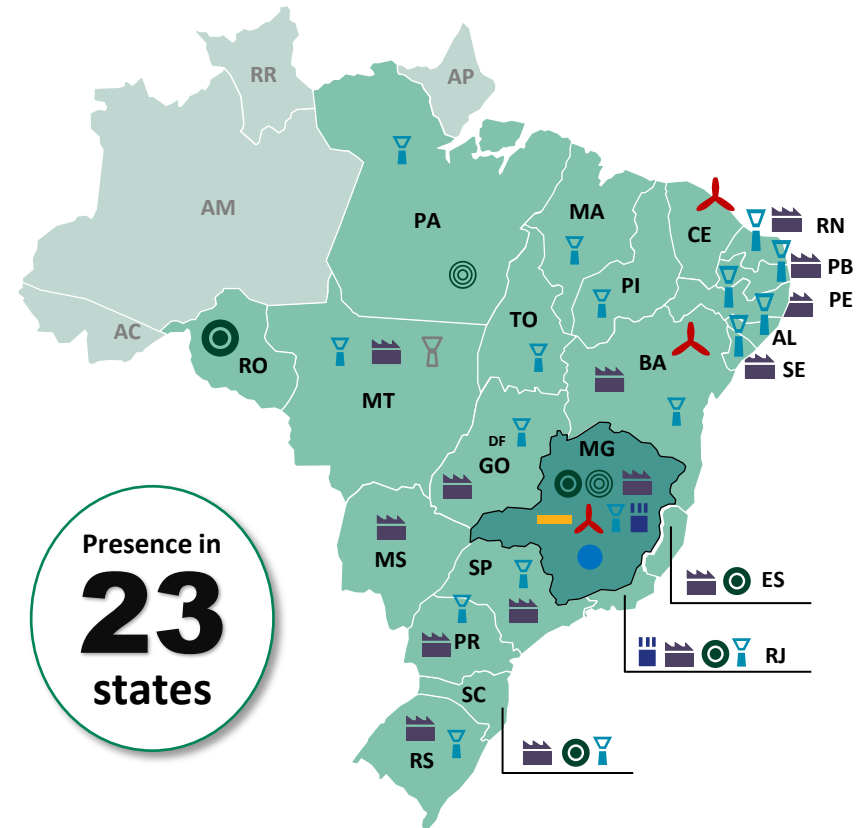
Largest Power  
Transmission  
Group

**#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

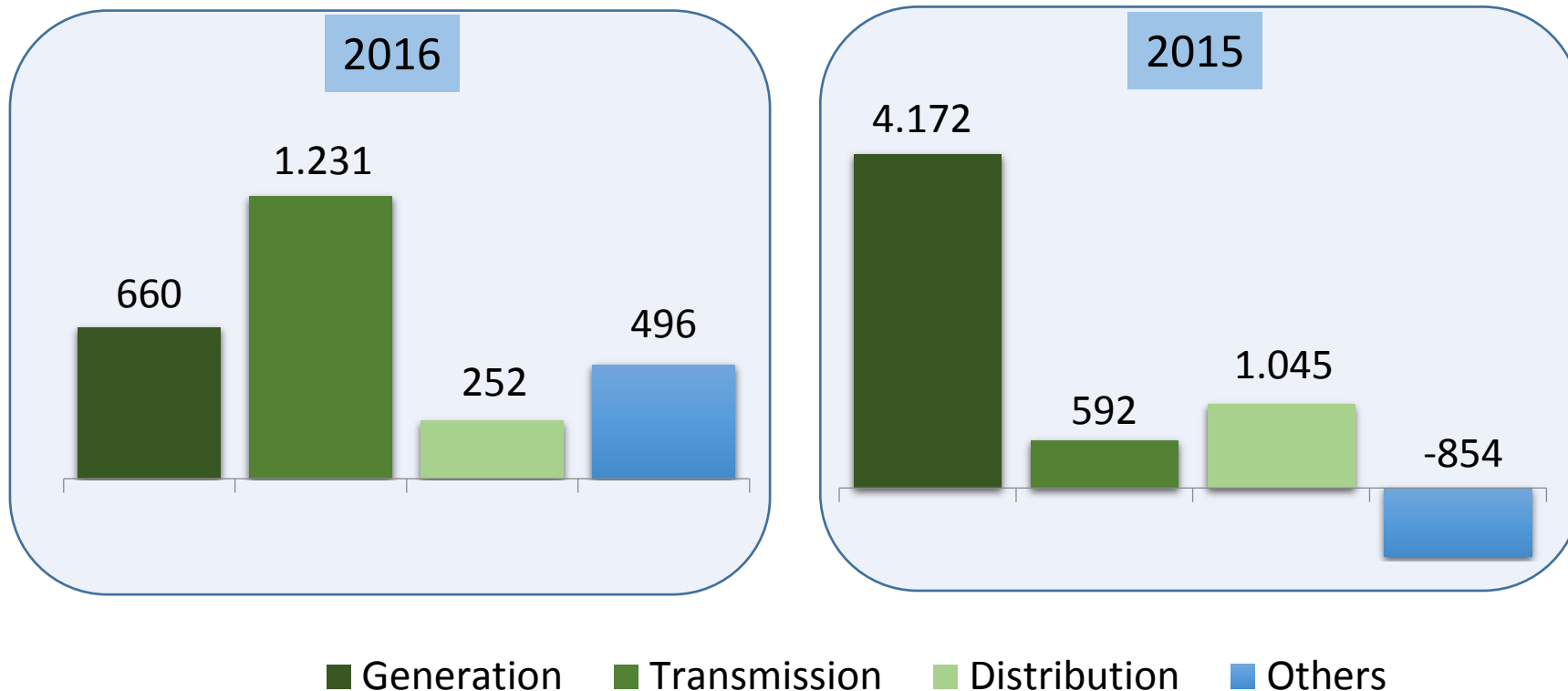


\* In terms of length of electricity distribution lines

Diversified portfolio

Diversified, Low Risk Business Portfolio

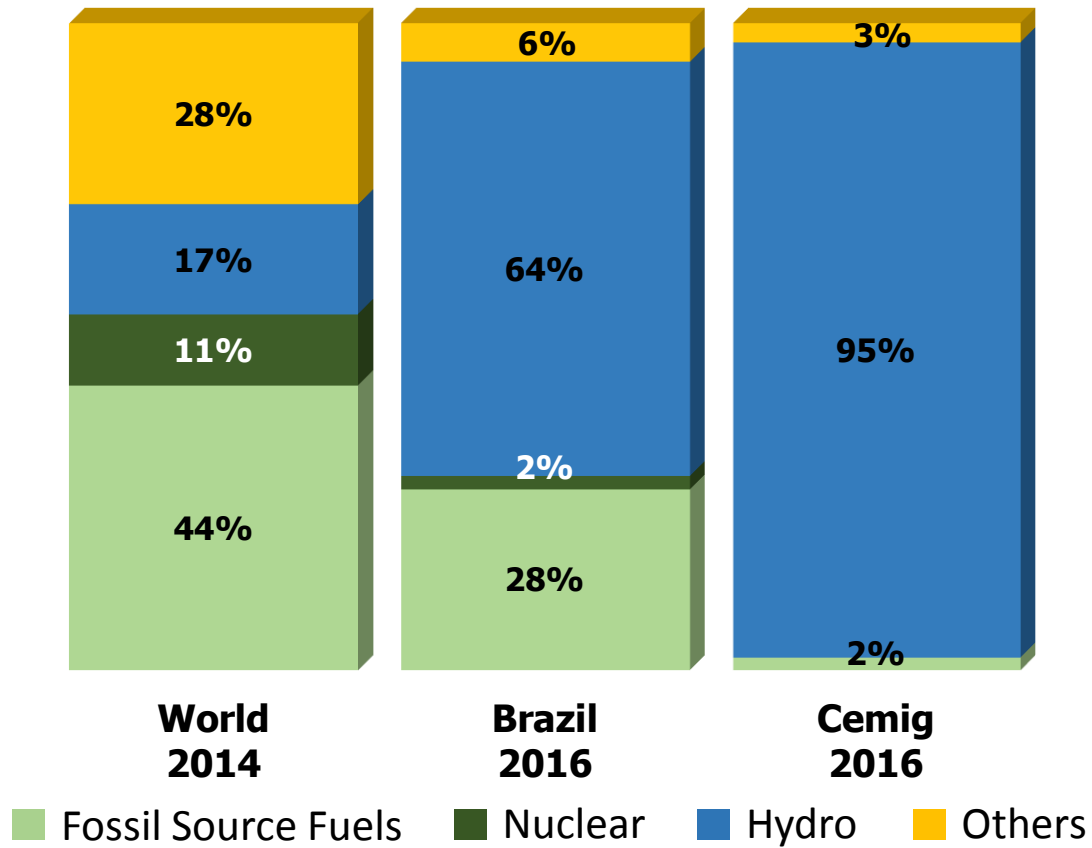
## Breakdown of Ebitda



Most of the revenues are inflation protected



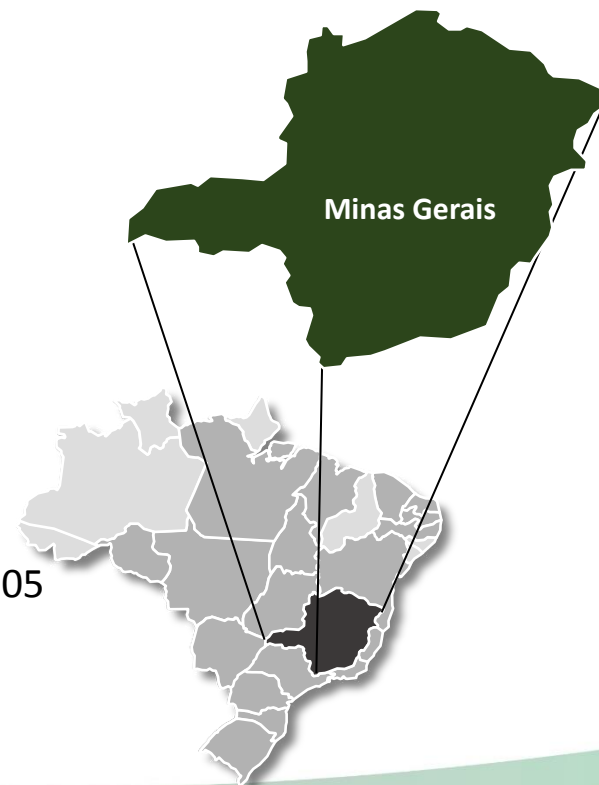
## Power Generation by Source



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

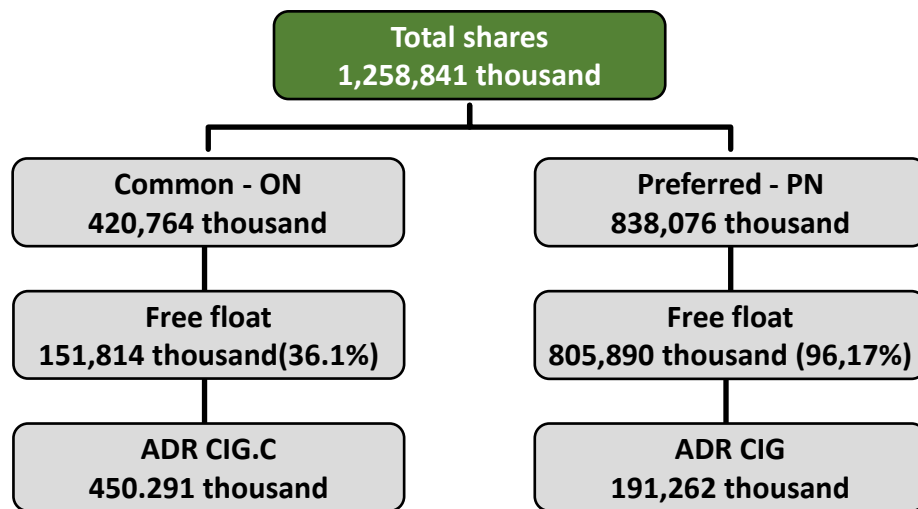
## Strong governance

- ✓ Minas Gerais, controlling shareholder – a positive influence
  - One of the 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



# The blend of shareholders provides long term perspective

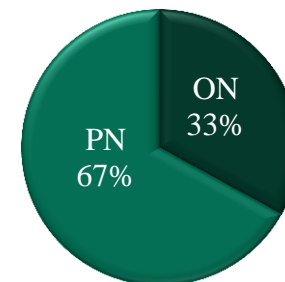
- Our shareholders diversity provides a global business management vision focused on sustainability of the company's activities
- Listed in major stock exchanges
  - BOVESPA (Brazil) ,NYSE (USA) and LATIBEX (Spain)**



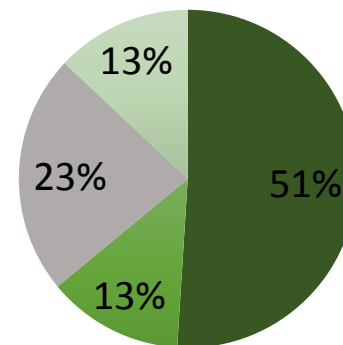
Share nominal value = R\$5.00

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



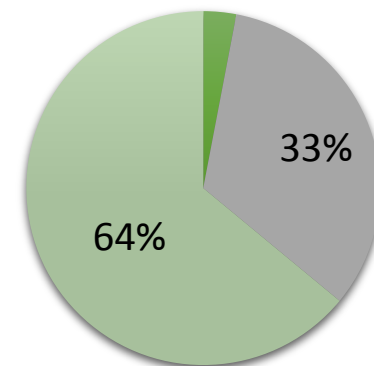
ON



■ MG government

■ Local Investors

PN

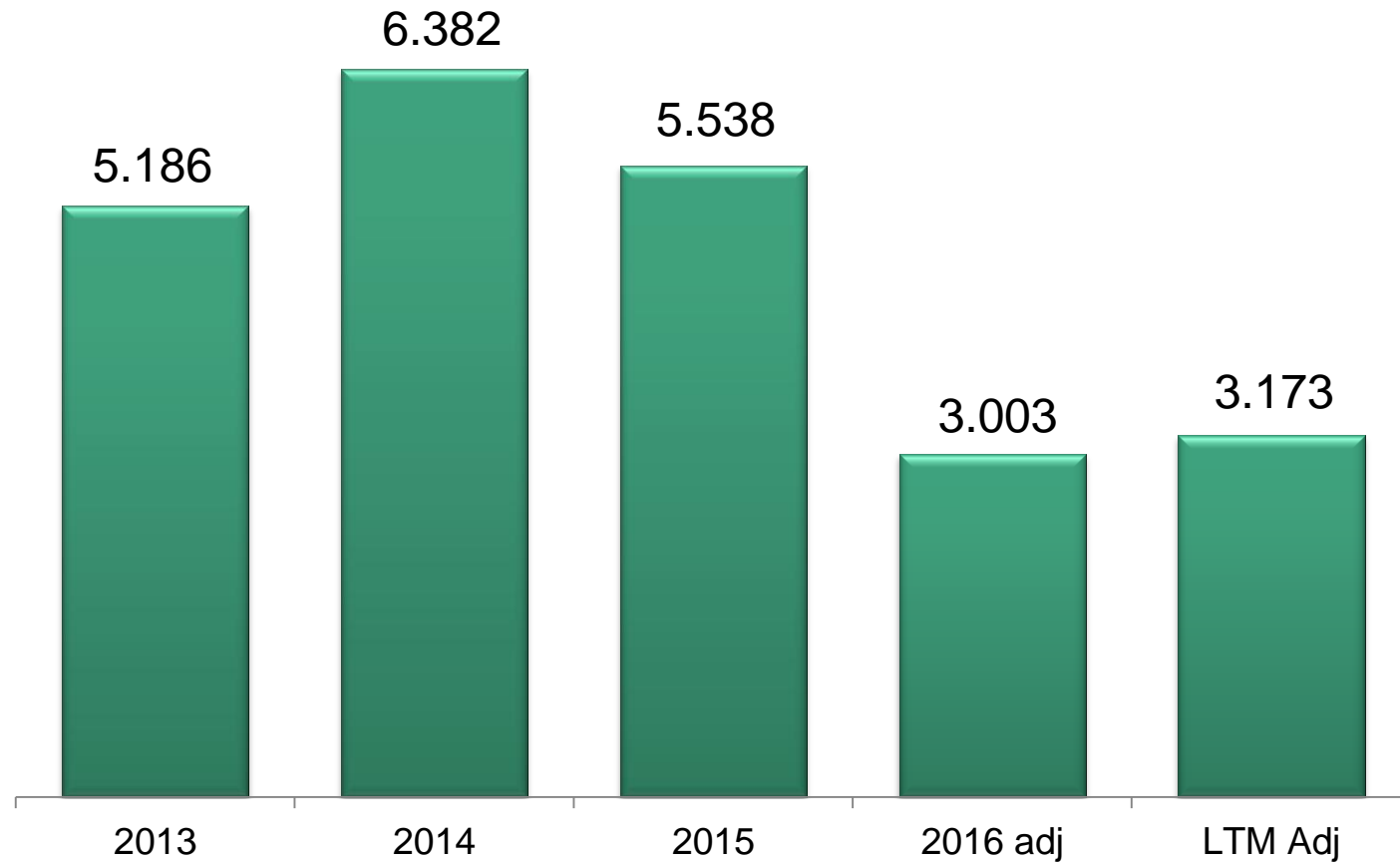


■ BNDESPAR

■ International Investors

# EBITDA

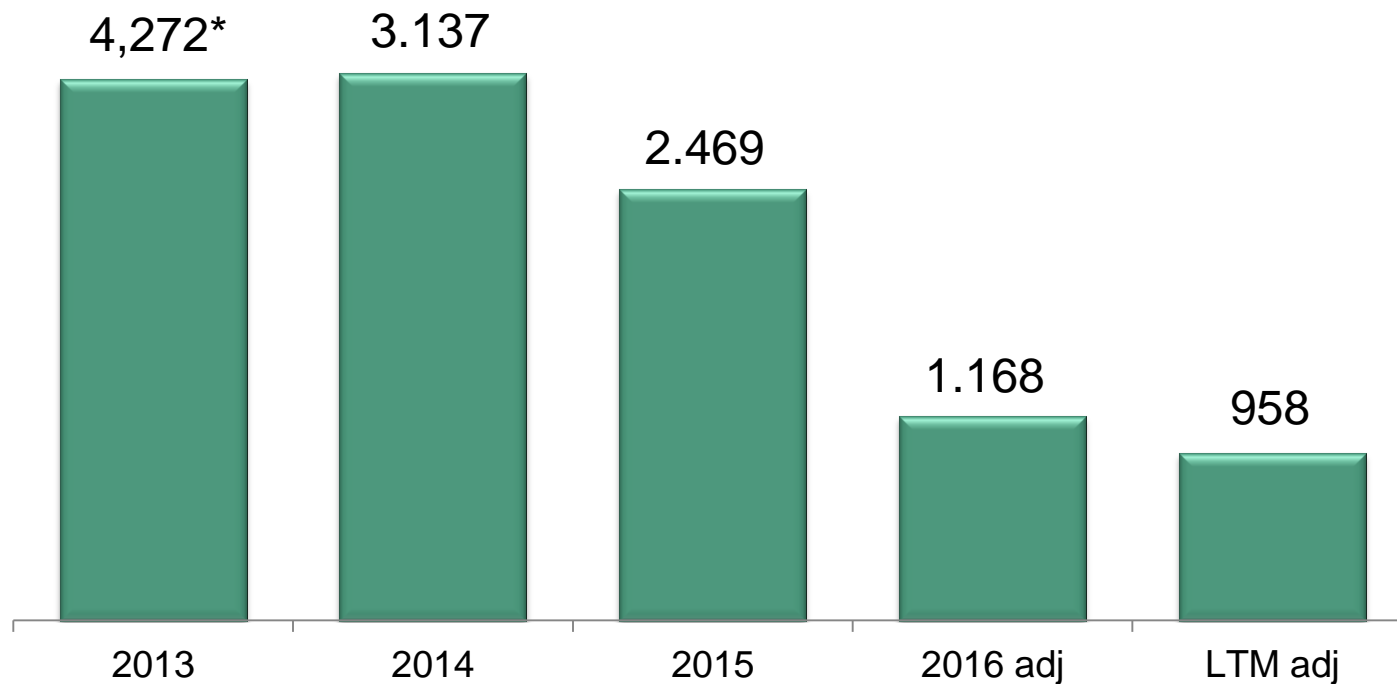
R\$ million



LTM – Last twelve months after adjusting the effects of non-recurring items: Generation Indemnity Revenue , VAT (Novo Regularize)

# Net Income

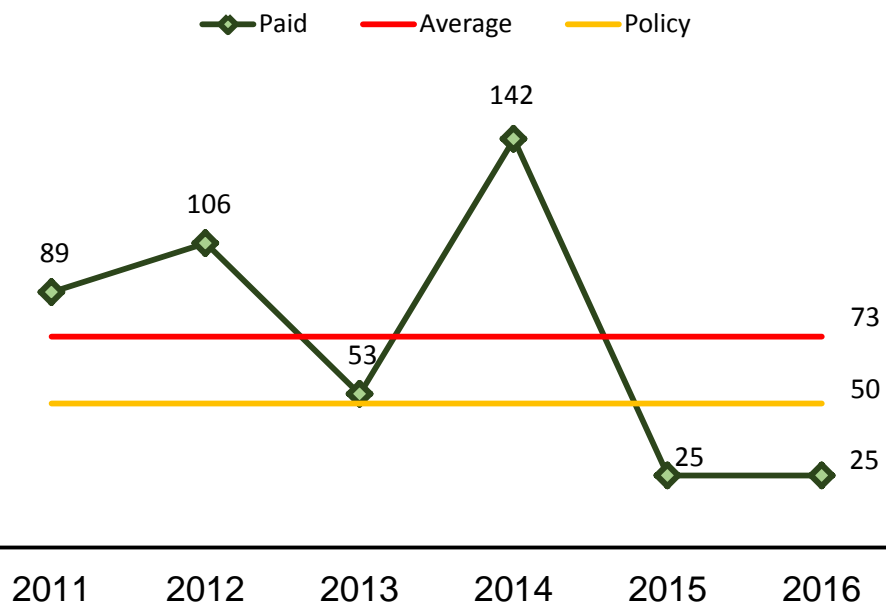
R\$ million



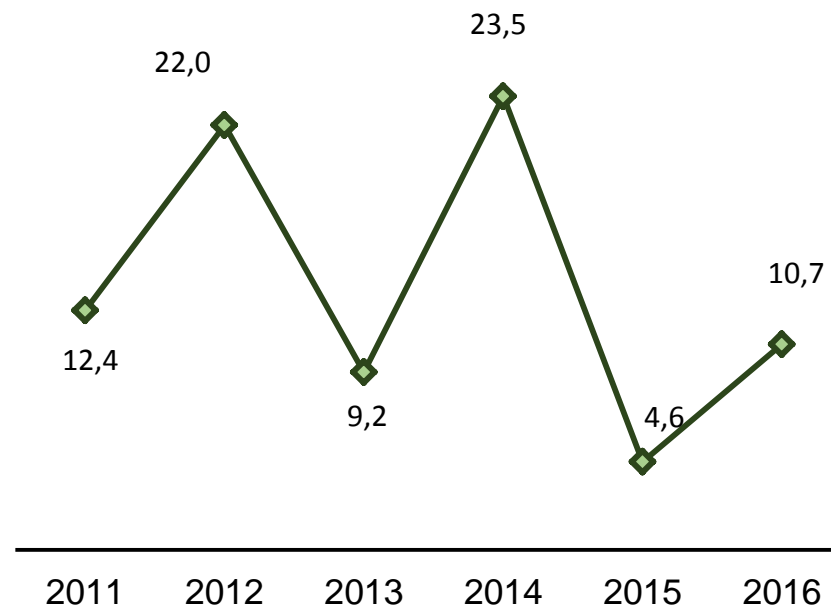
LTM adj - Last twelve months after adjusting the effects of non-recurring items: Generation Indemnity Revenue , VAT (Novo Regularize)

\*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 (%)



**6.2x**

Net debt to EBITDA – 9M17

**0.2%**

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

**R\$1.3B**

Cash on hand

**R\$15.1B**

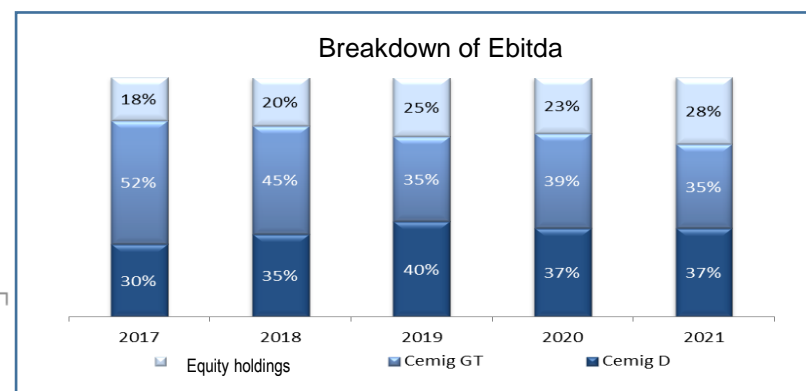
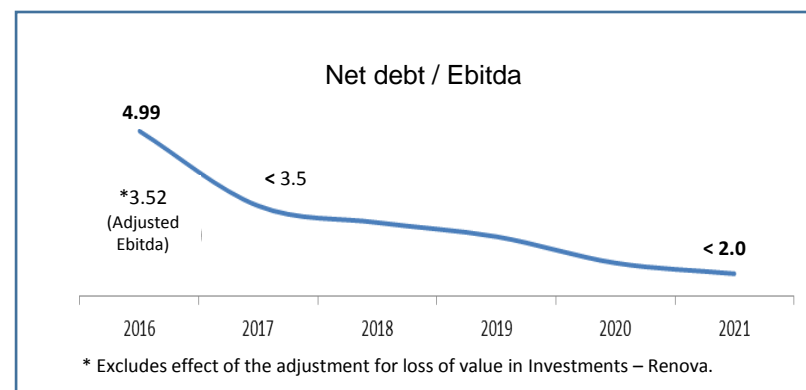
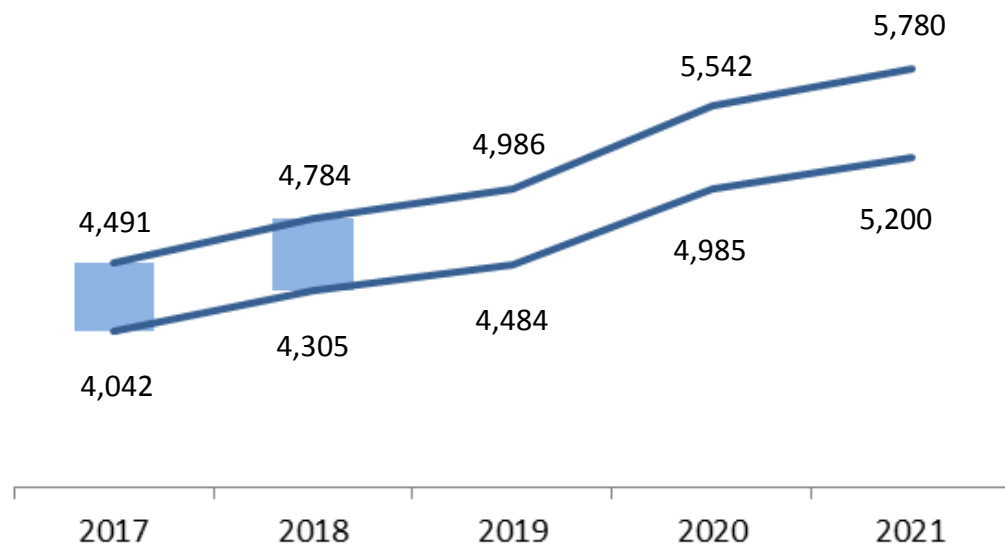
Net Revenue – 9M17

\*Net of financial hedging

# EBITDA Guidance – 2017/2021

## Main assumptions

- ✓ Free Market to remain as at present (2017-2021)
- ✓ *Jaguara, São Simão, Miranda* and *Volta Grande* plants operate under Regime of Quotas until Dec/2017
- ✓ Without indemnity for the 4 plants above
- ✓ Without indemnity for the 14 plants of 'Lot D'
- ✓ No sales of assets



Figures in constant 2017 currency



# Disinvestment program

Strategy was designed to deleverage Cemig

Company	Criterion			% stake	Book value <sup>1</sup> R\$ mn	Status
	Liquidity	Longer-term returns	Strategic			
taesa	✓	✗	✗	19%	1,384 <sup>2</sup>	Selection of broker and negotiation of equity interests
TRANSMINEIRA Transmissão Mineira	✓	✗	✓	25	77	Awaiting approval by Taesa
Santo Antônio ENERGIA	✗	✓	✓	18%	1,278	Negotiation of sale agreement
RENOVA ENERGIA	✗	✓	✗	-	317	Non-binding proposal (primary capitalization)
Light	✓	✗	✓	43%	2,060 <sup>3</sup>	Contracting of advisors
Cachoeirão, Pipoca, Paracambi	✓	✗	✗	49%	127	Negotiation of equity interests
GASMIG	✗	✗	✓	49% ON 100% PN	1,202	Preparation of tender
CEMIG TELECOM	✗	✗	✓	100%	193	Preparation of tender
norte ENERGIA USINA HIDRELÉTRICA BELO MONTE	✗	✓	✓	12%	1,392	Contracting of advisors
Gas exploration concessions	✗	✗	✓	24.5%	16	Preparation of tender
Total					8,046	

- (1) Amounts reported in the Company's accounting, with the exception of: Taesa, Transmineira, and Light. These do not represent a guarantee or expectation of the real sale value of the assets.
- (2) Market value (BM&F Bovespa) on July 6, 2017: R\$ 21.70/unit.
- (3) Market value (BM&F Bovespa) on July 6, 2017: R\$ 23.28.

# Cemig - consolidated debt profile

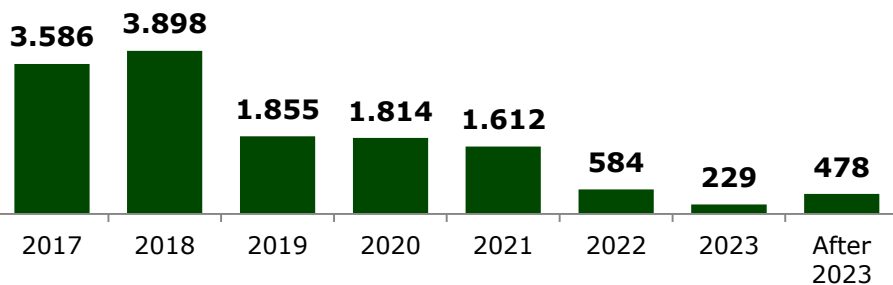
(as of September 2017)



R\$ million

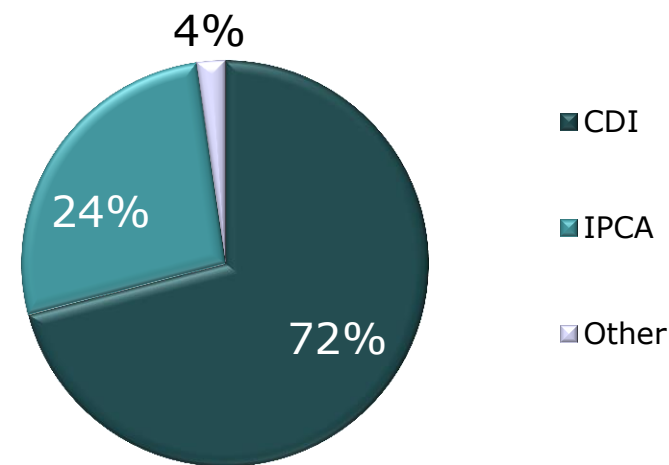
Maturities timetable – Average tenor: 2.2 years

Total net debt: R\$ 12.8 billion

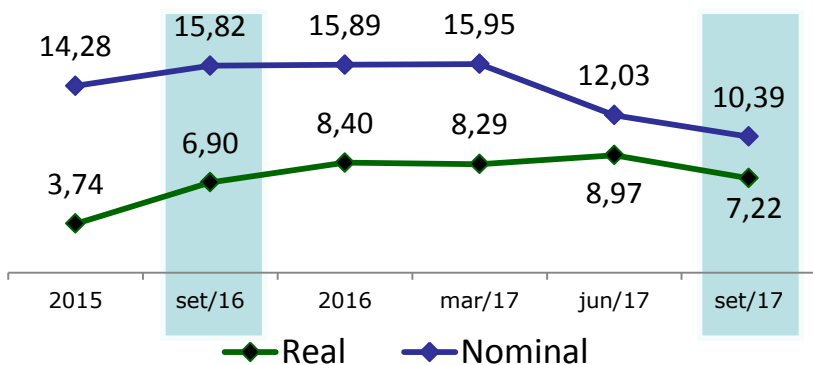


- Each 1 p.p. reduction in Selic rate estimated to reduce debt cost by R\$ 112mn
- Financial expenses are already lower due to reduction in the Selic rate: R\$ 222 mn lower in 3Q17 compared to 3Q16

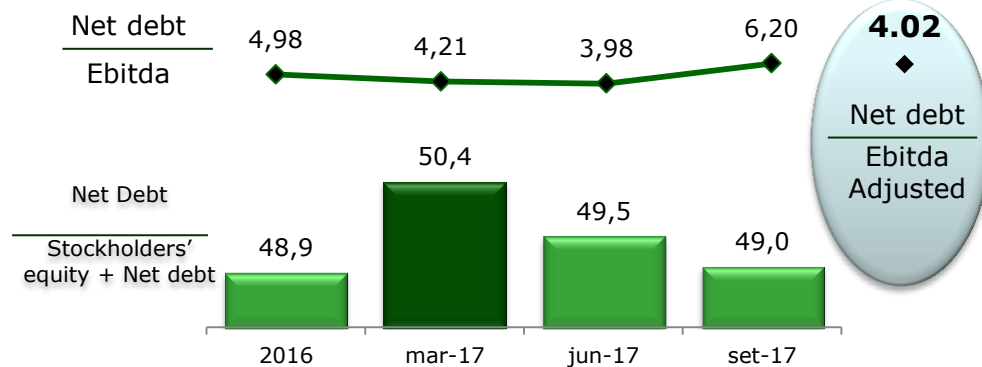
Main indexes



Cost of debt – %



Leverage – %



**4.02**  
Net debt / Ebitda Adjusted

# Cemig GT – debt profile

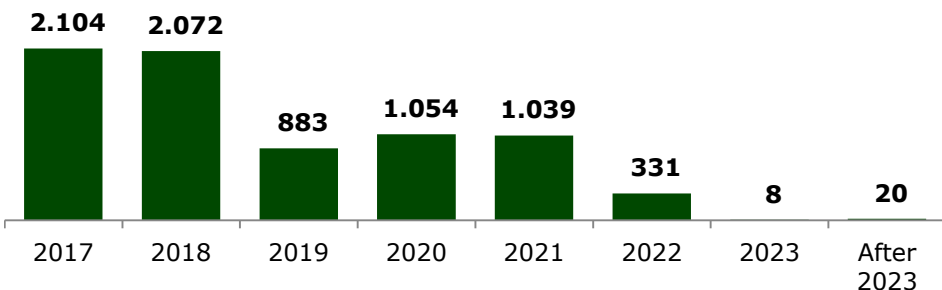
(as of September 2017)



R\$ million

Maturities timetable – Average tenor: 2.0 years

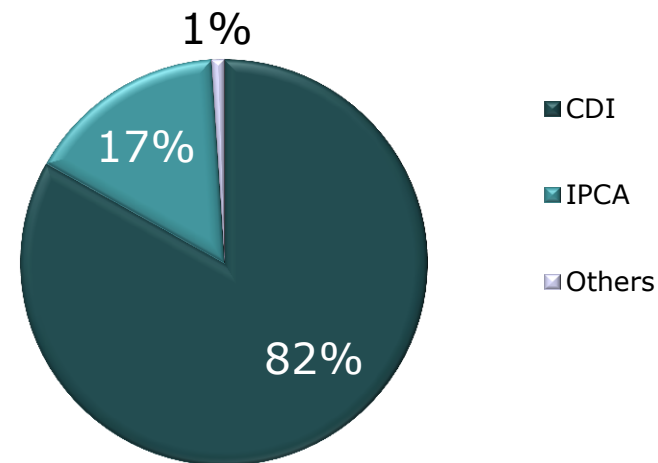
Total net debt: R\$ 7.2 billion



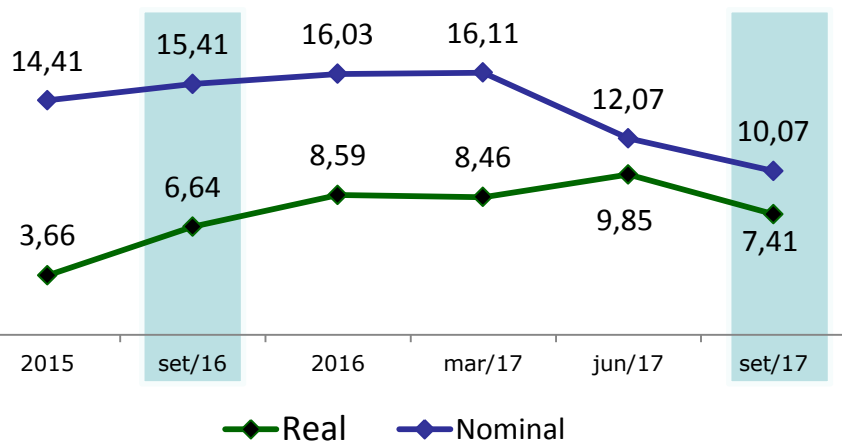
Restrictive covenants

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

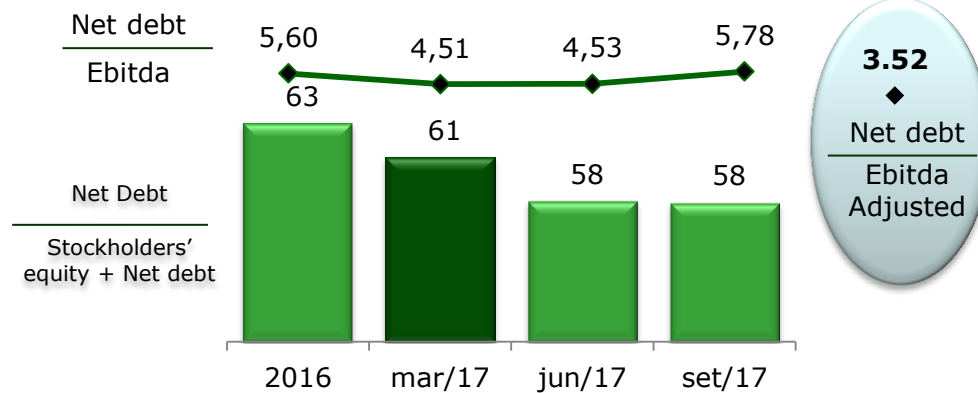
Main indexors



Cost of debt- %



Leverage - %



**3.52**  
Net debt / Ebitda Adjusted

# Cemig D – debt profile

(as of September 2017)

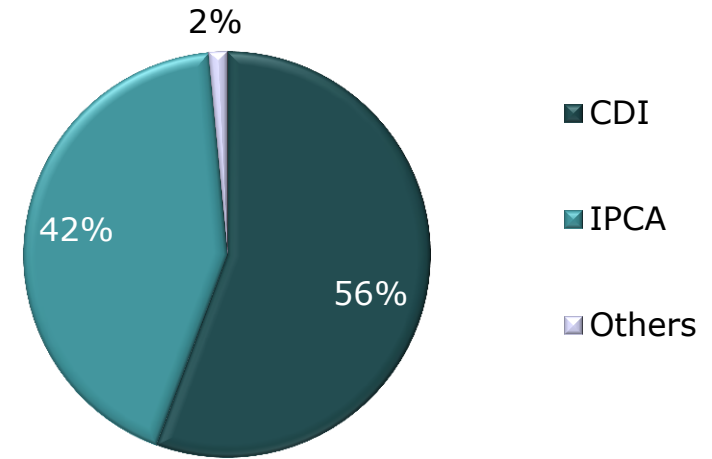
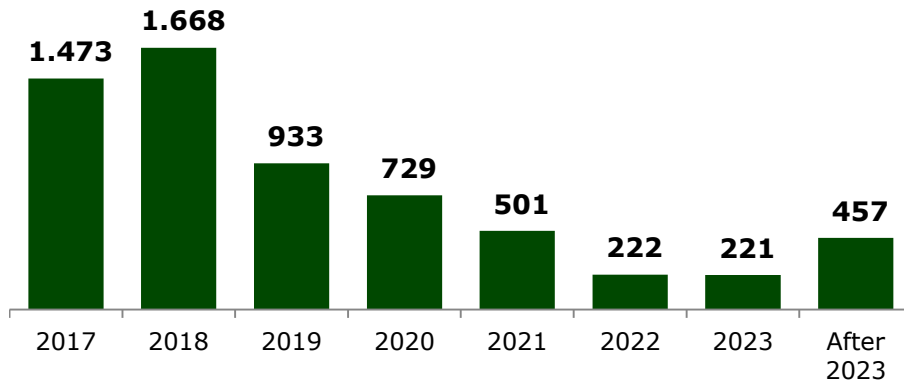


R\$ million

Maturities timetable – Average tenor: 2.5 years

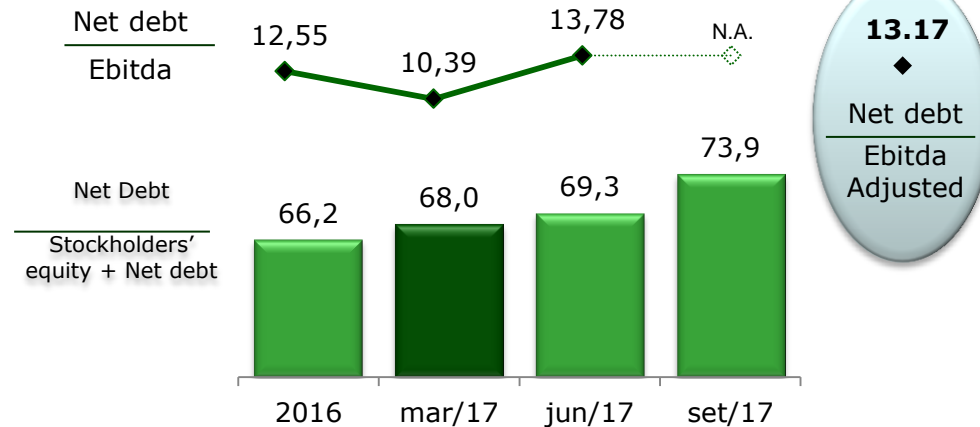
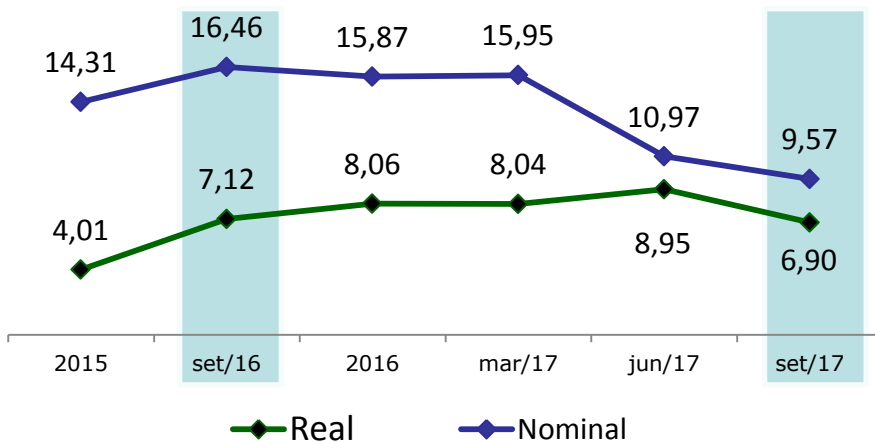
Main indexes

Total net debt: R\$ 5.6 billion



Cost of debt- %

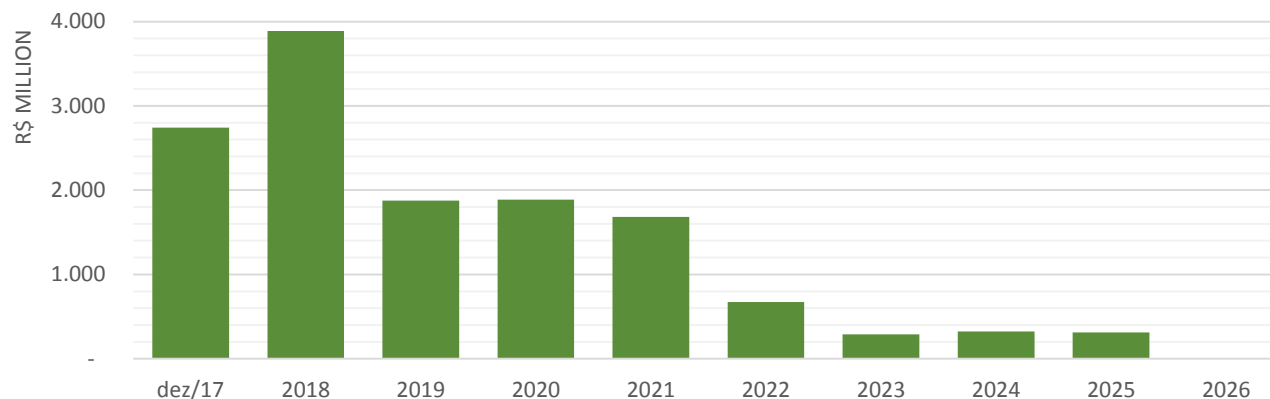
Leverage – %



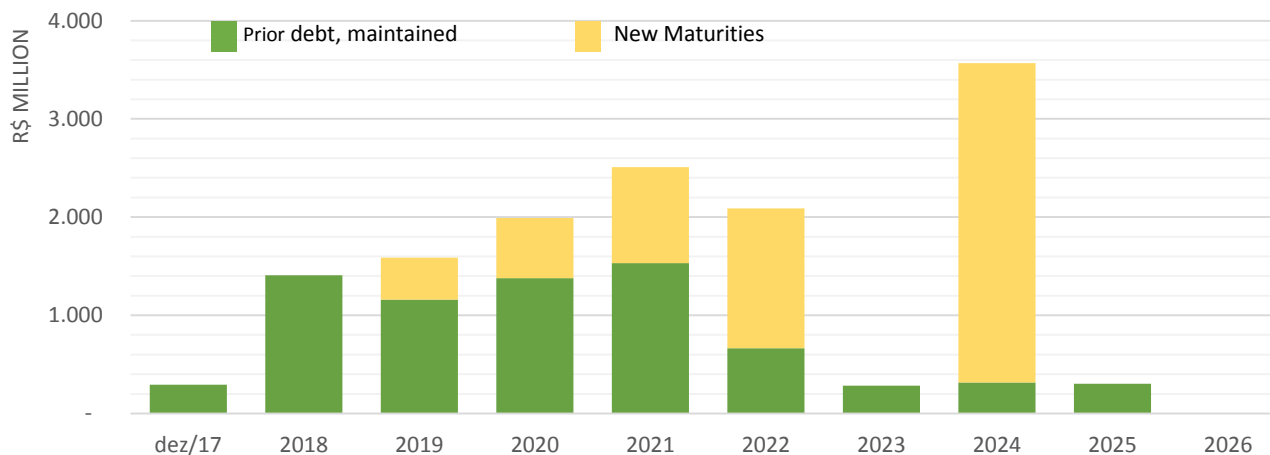
# Reprofiling of Cemig's debt

## Changing debt profile

Cemig: principal of consolidated debt  
Before reprofiling (Dec. 2017)



Cemig: principal of consolidated debt  
After reprofiling (Dec. 2017)



# Our Credit capacity

In November 2017

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



BB-(bra)  
B-

Cemig H, Cemig GT and Cemig D  
Cemig H, Cemig GT e Cemig D

National Scale  
Global 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		



B2.br  
B3

Cemig H, Cemig GT and Cemig D  
Cemig H, Cemig GT and Cemig D

National Scale  
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	

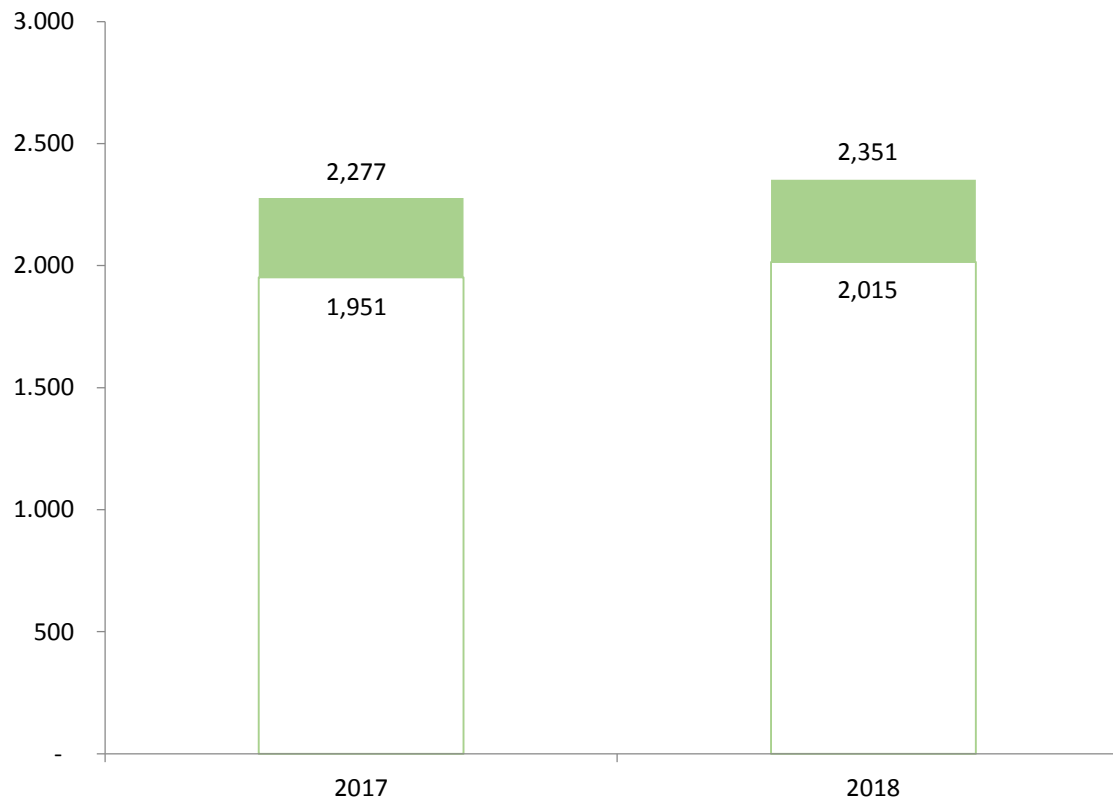


brBBB-  
B

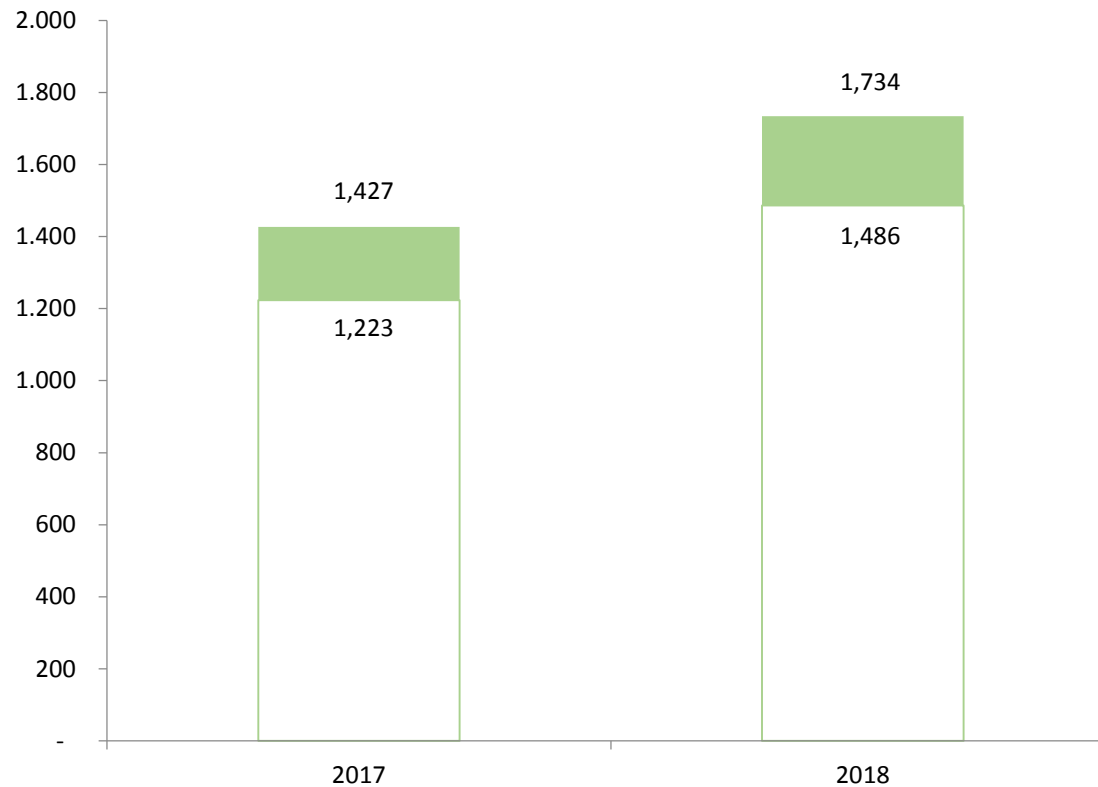
Cemig H, Cemig GT and Cemig D  
Cemig H, Cemig GT and Cemig D

National Scale  
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



Source: Cemig.  
Figures in constant 2017 currency

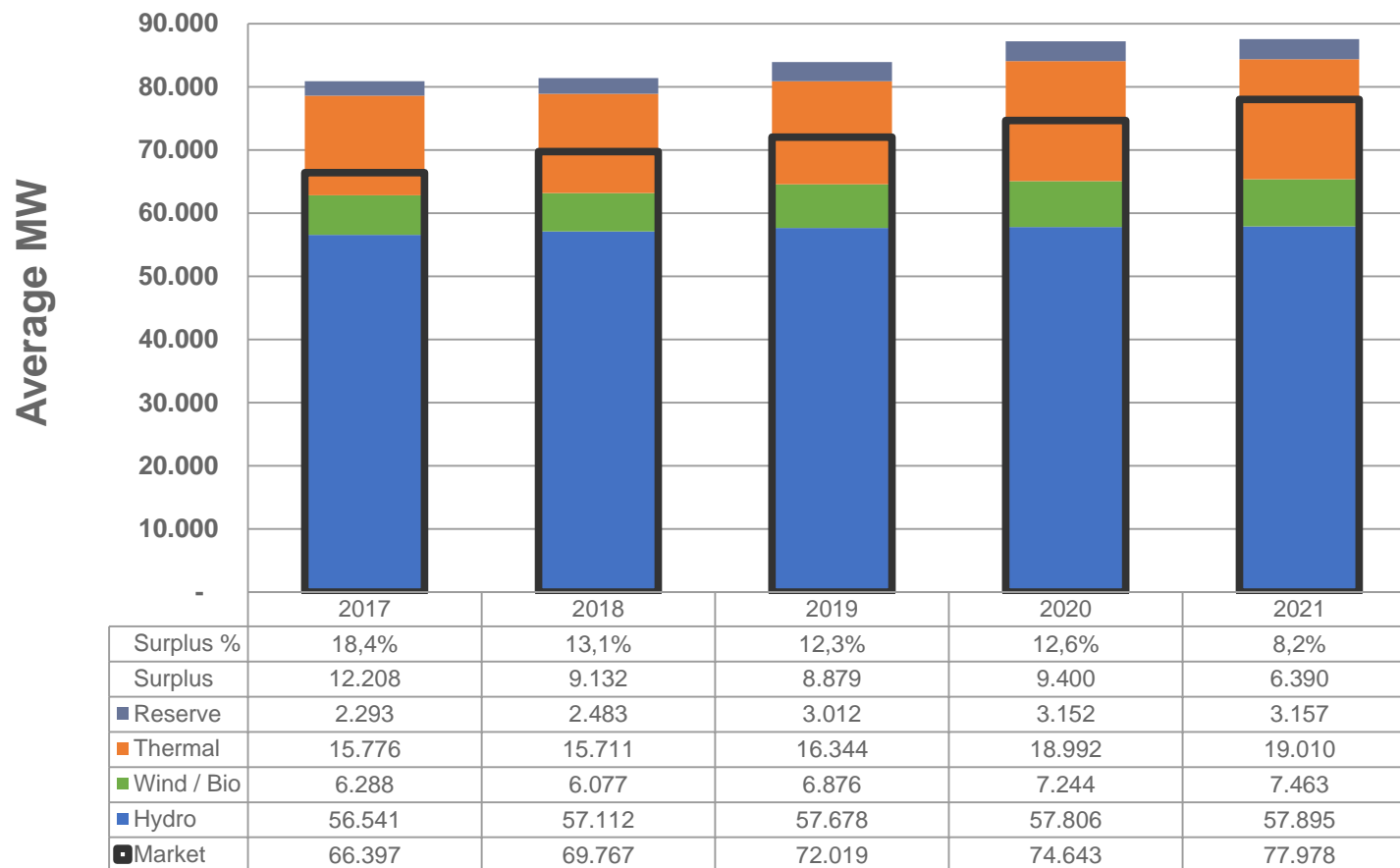


Source: Cemig.  
Figures in constant 2017 currency



# Brazilian National Grid: projections for 2017 – 21

Made in 2017

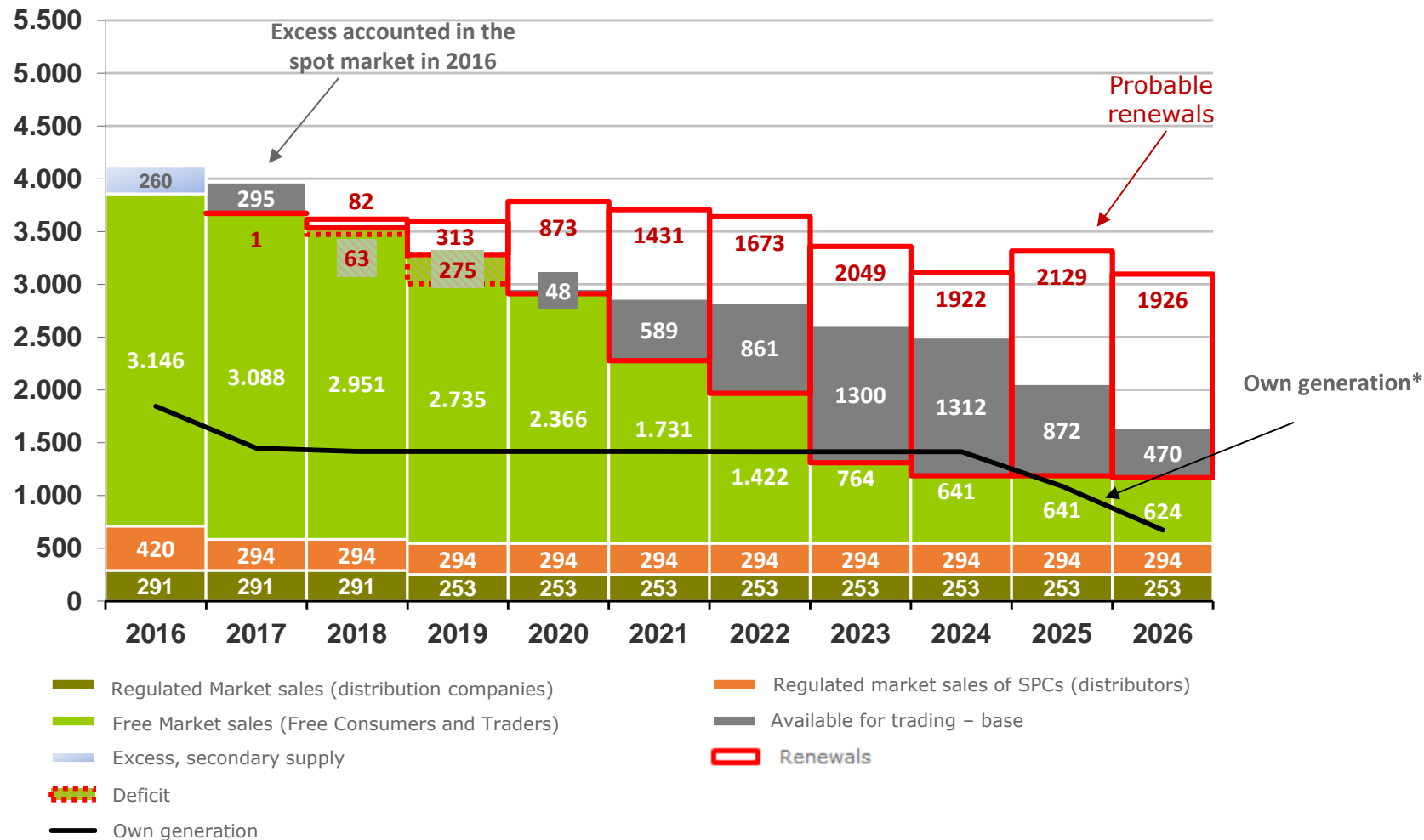


Source: **PMO (Monthly Operation Program), May 2017**, after first four-month review of 2017

Assuming GDP growth of 2.0% in 2016-2021.

# Cemig GT: Supply/demand

MW average



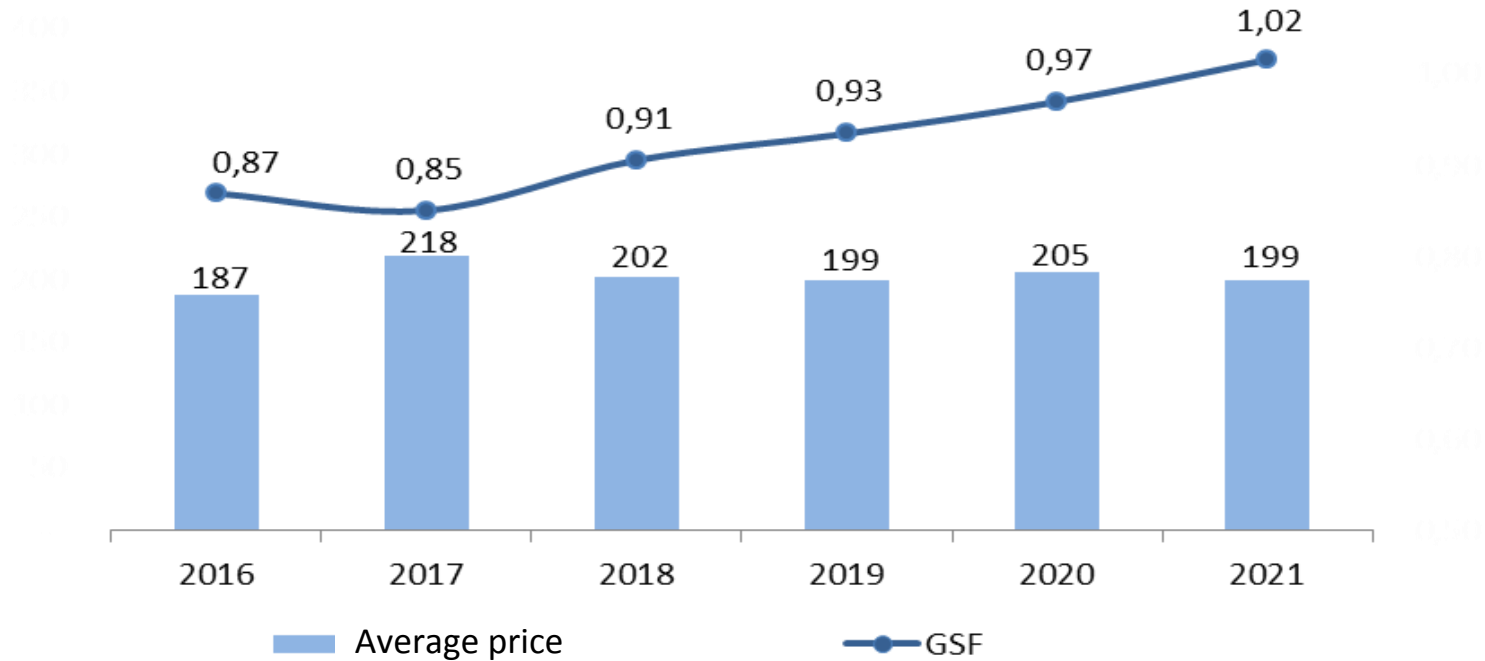
(\*) Assumes exclusion of the Hydroelectric Plants of which the first or second concession periods expire in coming years; non-inclusion of intermediation in the sales portfolio of Cemig GT; and **100% availability of the supply from the SPCs of Cemig GT.**

# Cemig GT: Supply/demand

Position on May 16, 2017

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Own generation	1,047	1,013	1,013	1,013	1,012	1,010	1,010	1,010	675	256
Supply from the SPCs	418	418	418	418	418	418	418	418	418	418
Purchased	2,501	2,022	1,562	1,514	1,426	1,390	1,171	1,061	955	955
<b>Total supply</b>	<b>3,966</b>	<b>3,453</b>	<b>2,993</b>	<b>2,944</b>	<b>2,856</b>	<b>2,818</b>	<b>2,599</b>	<b>2,488</b>	<b>2,048</b>	<b>1,629</b>
Sales: Free Market	3,088	2,951	2,735	2,366	1,731	1,422	764	641	641	624
Sales: Regulated Market	585	585	547	547	547	547	547	547	547	547
<b>Total demand:</b>	<b>3,673</b>	<b>3,536</b>	<b>3,282</b>	<b>2,913</b>	<b>2,278</b>	<b>1,969</b>	<b>1,311</b>	<b>1,188</b>	<b>1,188</b>	<b>1,171</b>
<b>Balance available</b>	<b>295</b>	<b>-63</b>	<b>-275</b>	<b>48</b>	<b>589</b>	<b>861</b>	<b>1,300</b>	<b>1,312</b>	<b>872</b>	<b>470</b>

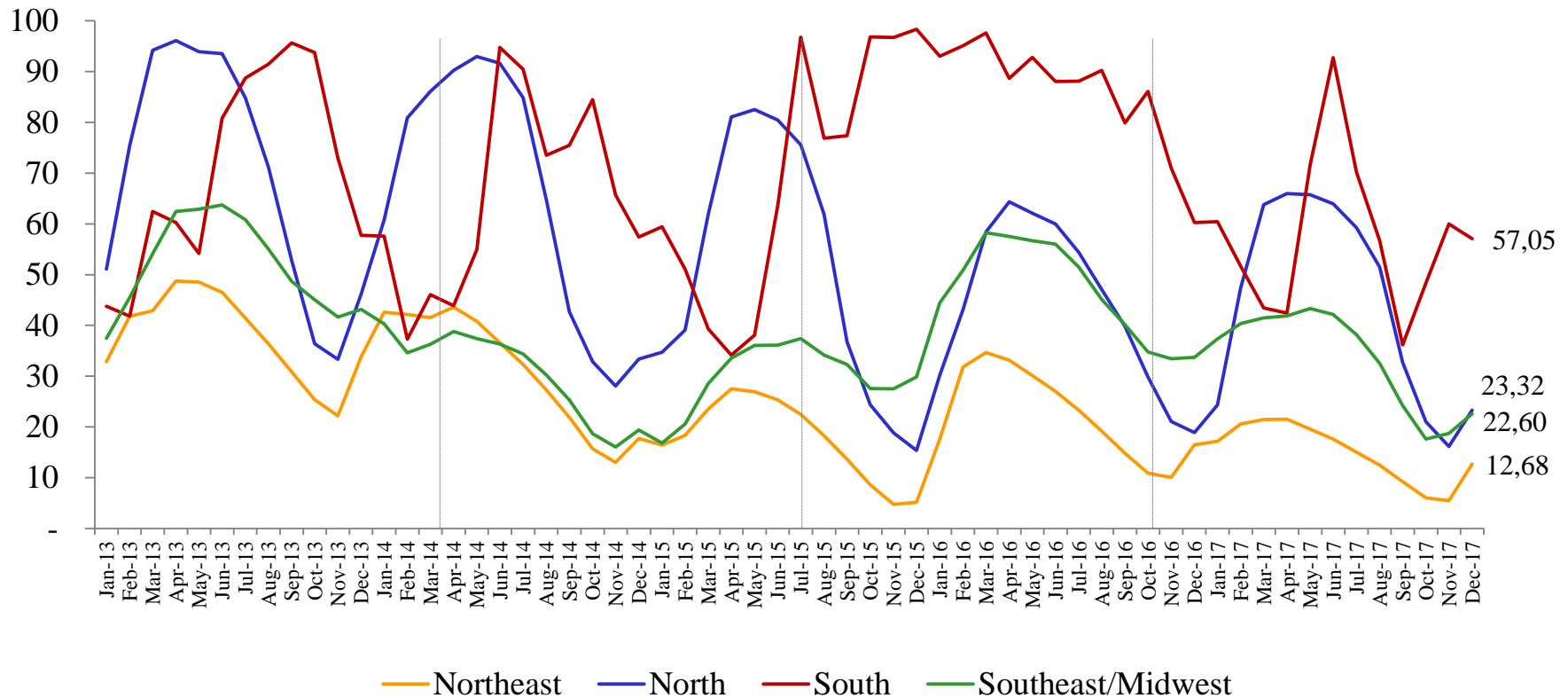
# Average prices and the GSF (Generation Scaling Factor)



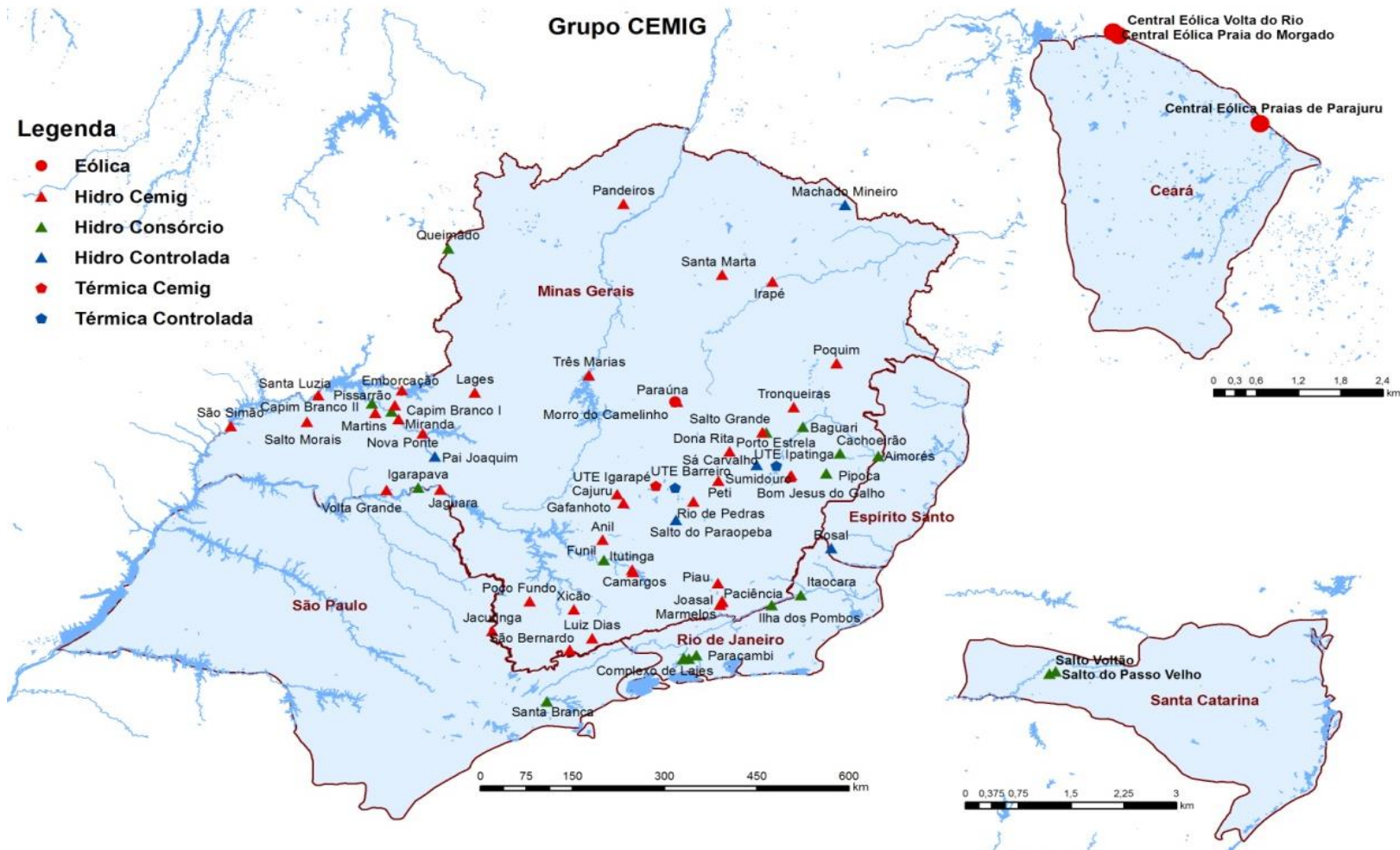
Source: Cemig.  
Figures in constant 2017 currency

# Level of reservoirs (%)

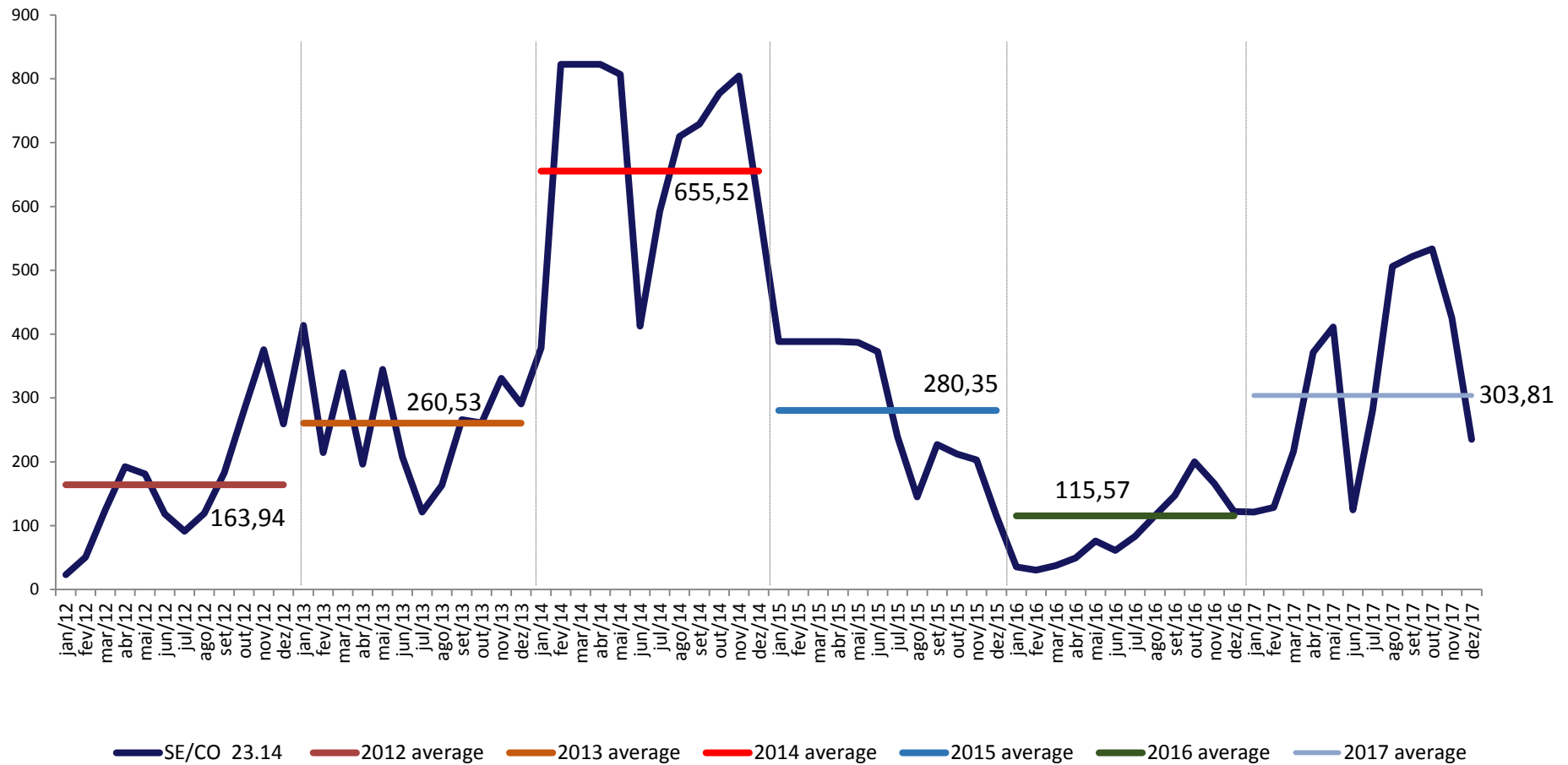
by region (%)\*



\*Source: ONS



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



#	Type	Plant	Installed capacity (MW)	firm output (average MW)	Auction – 27 september (with 30 years of concession)		
					Winner	Price (bn)	Premium
1	HPP	São Simão	1,710	1,281	SPIC PACIFIC ENERGY PTY LTD.	7.180	6.51%
2	HPP	Jaguara	424	336	ENGIE BRASIL	2.171	13.59%
3	HPP	Miranda	408	202	ENGIE BRASIL	1.360	22.42%
4	HPP	Volta Grande	380	229	ENEL BRASIL S.A.	1.419	9.84%
<b>TOTAL</b>			<b>2,542</b>	<b>1,819</b>		<b>12.130</b>	<b>9.73%</b>

November 7, 2017, has been scheduled for ratification of the result and award of the object of the auction at a Public Meeting of the Council of Aneel.

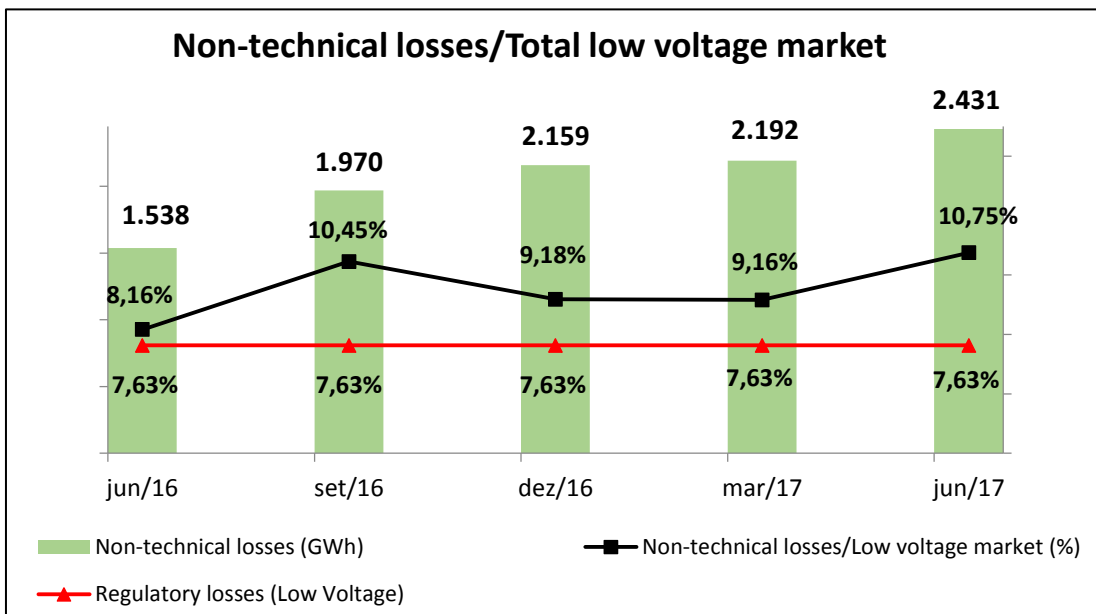
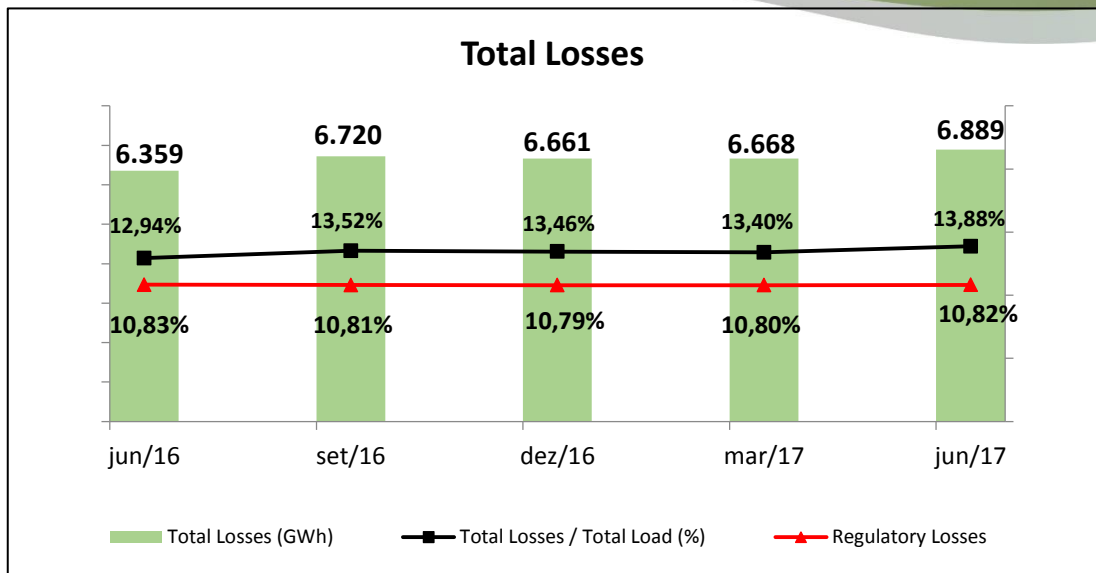
November 10, 2017, date for payment of the CONCESSION GRANT FEE resulting from the AUCTION and for signature of the CONCESSION CONTRACT(S):

Transfer to the AWARDED PARTIES of the concession(s) for the HYDROELECTRIC PLANT(S) subject of the AUCTION will take place as follows:

At the option of the AWARDED PARTY, counting of the period of the CONCESSION CONTRACT may start from a date up to 180 (one hundred and eighty) days after the date of its signature.

The AWARDED PARTY must advise ANEEL, and the company responsible for the provision of generation service designated under Article 9 of Law 12783/2013, of its interest, or not, in using the prerogative mentioned in item 2.18.2, and if so, state the period of transitional time required for the transfer of title to or responsibility for the provision of service, for each LOT, Sub-lot or each HYDROELECTRIC PLANT. The table below shows the companies designated for temporary provision of the generation services in the HYDROELECTRIC PLANTS that are the subject of this AUCTION

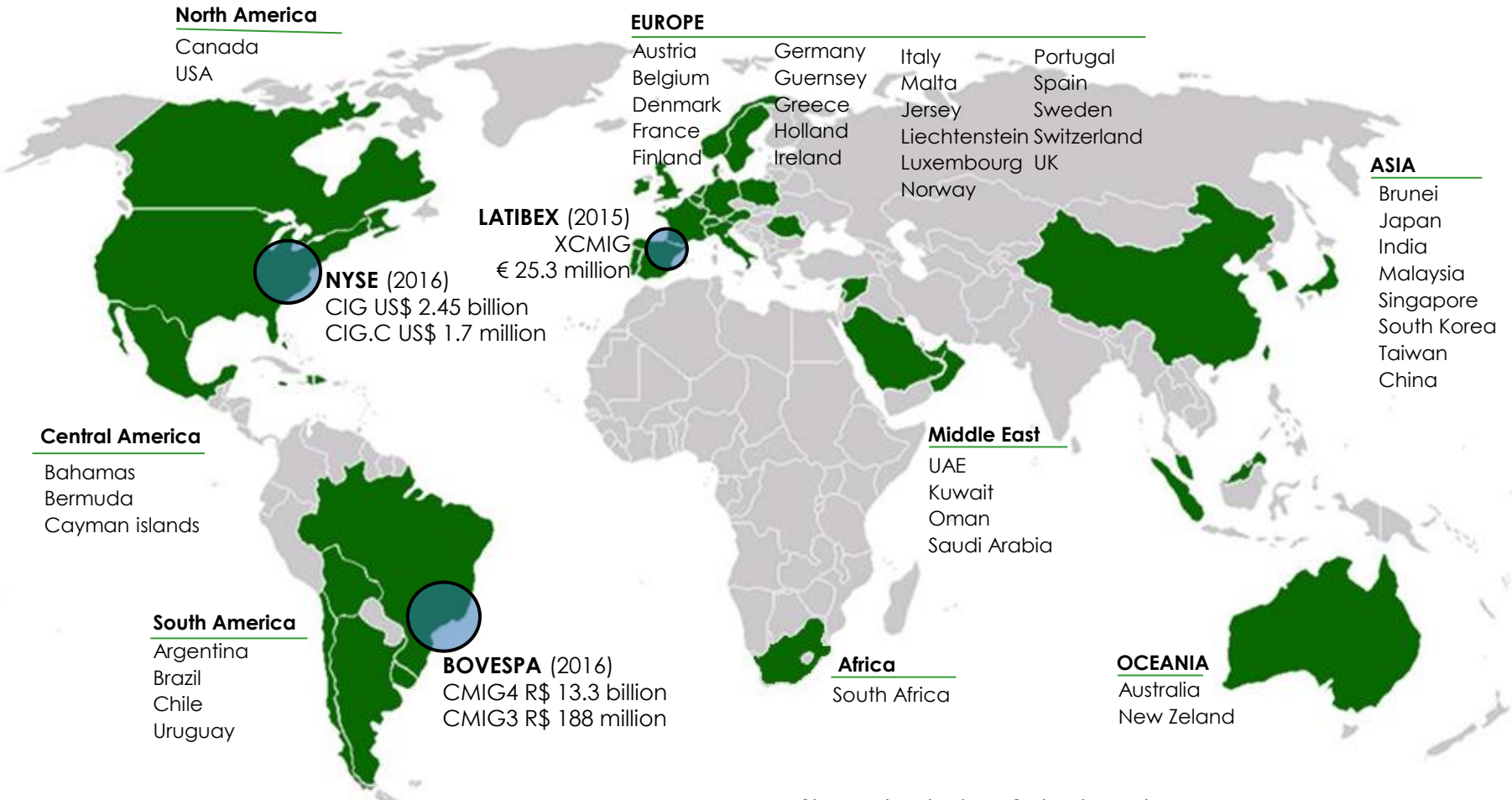




# Strong shareholders base assures liquidity

Average daily trading volume of shares in 2017

**Bovespa:** R\$73.5 million  
**NYSE:** US\$11.8 million



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



A Melhor Energia do Brasil.

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## Investor Relations

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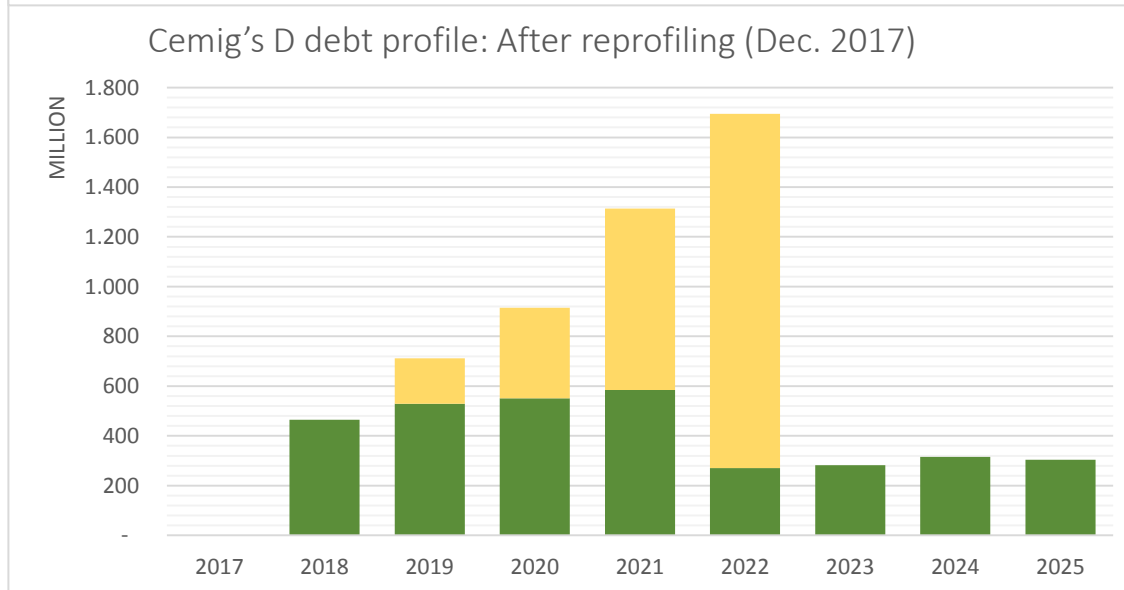
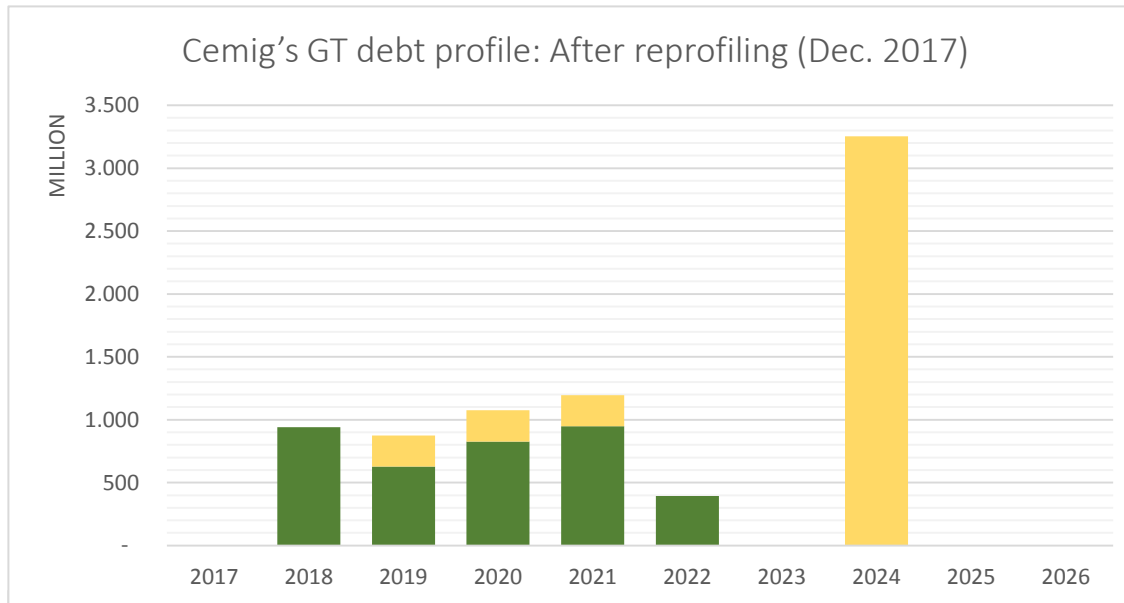
<http://ri.cemig.com.br>

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# Reprofiling of Cemig's debt

## Changing debt profile



- Prior debt, maintained
- New Maturities

# Summary Covenant Package (Eurobond)

## Cemig Consolidated (Guarantor)

- Maintenance Covenants

Leverage Maintenance	
Covenant Net Debt / Covenant EBITDA	Cemig
31/Dec/2017 and 30/Jun/2018	5.00x
31/Dec/2018 and 30/Jun/2019	4.25x
31/Dec/2019 and 30/Jun/2020	3.50x
31/Dec/2020 and s/a thereafter	3.00x

Liens Maintenance	
Total Secured Debt / Covenant EBITDA	Cemig
31/Dec/2017	2.00x
30/Jun/2018 and semi-annually thereafter	1.75x

Dividend Payments
Minimum Legally Required Only

## Cemig GT (Issuer & Restricted Subsidiaries)

- Maintenance Covenants

Leverage Maintenance	
Covenant Net Debt / Covenant EBITDA	Cemig GT
31/Dec/2017 and 30/Jun/2018	5.50x
31/Dec/2018 and 30/Jun/2019	5.00x
31/Dec/2019 and 30/Jun/2020	4.50x
31/Dec/2020 and 30/Jun/2021	3.00x
31/Dec/2021 and s/a thereafter	2.50x

Liens Maintenance	
Total Secured Debt / Covenant EBITDA	Cemig GT
31/Dec/2017 and semi-annually thereafter	1.50x

- Incurrence Covenants

Limitation on Incurrence of Indebtedness	
Covenant Net Debt / Covenant EBITDA	Cemig GT
On or Before 31/Dec/2018	5.50x
On or Before 31/Dec/2019	5.00x
On or Before 31/Dec/2020	4.50x
On or Before 31/Dec/2021	3.00x
Thereafter	2.50x
(+ ) General Basket of US\$100mm or 3% of CNTA	

Limitation on Incurrence of Liens	
Total Secured Debt / Covenant EBITDA	1.50x

Restricted Payments	
% of Net Income from Sept. 30, 2017	Cemig GT
If Cov. Net Debt / Cov. EBITDA > 2.5x	0%
If Cov. Net Debt / Cov. EBITDA ≤ 2.5x	50%
(+ ) Minimum Legally Required Dividends Carve-Out	
(+ ) US\$30mm or PF 2.5x Cov. Net Debt / Cov. EBITDA	

Asset Sales
Transaction with Affiliates
Limitation on Sale and Lease-Backs
Limitation on Dividend Restrictions on Restricted Subs
Consolidation, Merger, Conveyance, Sale or Lease
Change of Control Put @ 101%

### Additional Provisions

- Penalty Interest for Failure to Comply with any Maintenance Covenant: **+2.0% p.a.** for as long as any Maintenance Covenant is breached
- Penalty Interest for Failure to Implement Bank Debt Refinancing: **+2.0% p.a.** if Bank Debt Refinancing not implemented by Feb. 15, 2018

# Cemig Consolidated – Covenant EBITDA Reconciliation



(BRL mm)	Observation	Full Year			9M Period Ended Sep 30,		12M Period Ended Sep 30,		
		2014	2015	2016	2016	2017	2016	2017	
(i)	Net income for the period/year	3,137	2,469	334	641	397	925	90	
(ii)	Net financial expenses	1,159	1,340	1,437	1,053	722	1,305	1,106	
(iii)	Income tax and Social Contribution tax	1,342	893	33	224	205	279	14	
(iv)	Depreciation and amortization	801	835	834	601	617	807	850	
	<b>EBITDA</b>	<b>6,439</b>	<b>5,537</b>	<b>2,638</b>	<b>2,519</b>	<b>1,941</b>	<b>3,316</b>	<b>2,060</b>	
(v)	<i>minus</i> minority interest result	non-cash item	-210	-393	302	-47	21	-180	370
(vi)	<i>minus</i> provision for the variation in value of the put option obligations	non-cash item	195	1,198	99	297	161	1,263	-37
(vii)	<i>minus</i> non-operating result (which includes any gains on asset sales and any asset write-off or impairments)	non-cash item	97	30	560	75	45	56	530
(viii)	<i>plus</i> non-cash expenses and non-cash charges, to the extent they are non-recurring	non-cash item	0	0	0	0	0	0	0
(ix)	<i>minus</i> non-cash credits and gains increasing net income, to the extent they are non-recurring	non-cash item	-281	-729	0	0	0	0	0
(x)	<i>minus</i> all cash payments made on a consolidated basis during such period relating to non-cash charges that were added back in determining Covenant EBITDA in any prior period	cash item not included in net income	0	0	0	0	0	0	0
(xi)	<i>plus</i> expenses related to adherence to the Minas Gerais State Tax Credits Regularization Plan , incurred in 3Q17;	non-cash item	0	0	0	0	558	0	558
(xii)	<i>minus</i> non-cash revenues related to transmission and generation indemnification	non-cash item	-420	-101	-751	-692	-555	-732	-614
(xiii)	<i>plus</i> cash dividends from minority investments	cash item not included in net income	683	487	683	445	248	587	488
(xiv)	<i>minus</i> monetary updating of power generation concession grant fee	cash & non-cash item	0	0	-352	-264	-240	-264	-328
(xv)	<i>plus</i> cash inflows related to power generation concession grant fee	cash portion of xii)	0	0	314	234	172	234	252
(xvi)	<i>plus</i> cash inflows related to transmission revenue for cost of capital coverage	cash item not included in net income	0	0	0	0	142	0	142
(xvii)	<i>plus</i> cash inflows from generation indemnification, provided that such amount shall not exceed 30% of the sum of clauses (i) through (xvii) of this definition	cash item not included in net income	0	0	0	0	0	0	0
	<b>Covenant EBITDA</b>		<b>6,503</b>	<b>6,029</b>	<b>3,493</b>	<b>2,567</b>	<b>2,493</b>	<b>4,280</b>	<b>3,419</b>

# Cemig Consolidated – Covenant Net Debt Reconciliation



		Full Year			As of Sep 30,	
	2014	2015	2016	2016	2017	
Consolidated Indebtedness	13,509	15,167	15,179	16,269	14,056	
<i>minus</i> consolidated cash and cash equivalents; plus consolidated marketable securities recorded as current assets	-1,881	-3,352	-2,009	-2,604	-1,273	
<b>Net Debt</b>	<b>11,628</b>	<b>11,815</b>	<b>13,170</b>	<b>13,665</b>	<b>12,783</b>	
<i>plus</i> debt contracts with Forluz	799	812	787	804	1,021	
<i>plus</i> carrying liability of any put option obligation	1,885	2,215	1,736	2,522	1,955	
<i>minus</i> escrow account amounts deposited to satisfy any put option obligation	-	-	367	-	396	
<b>Covenant Net Debt</b>	<b>14,312</b>	<b>14,842</b>	<b>15,326</b>	<b>16,991</b>	<b>15,363</b>	
<b>Total Secured Debt</b>	<b>1,389</b>	<b>1,618</b>	<b>3,840</b>	<b>1,986</b>	<b>3,347</b>	
<b>Covenant Net Debt / Covenant EBITDA</b>	<b>2.20x</b>	<b>2.46x</b>	<b>4.39x</b>	<b>3.97x</b>	<b>4.49x</b>	
<b>Total Secured Debt / Covenant EBITDA</b>	<b>0.21x</b>	<b>0.27x</b>	<b>1.10x</b>	<b>0.46x</b>	<b>0.98x</b>	

# Cemig GT – Covenant EBITDA Reconciliation

(BRL mm)		Observation	Full Year			9M Period Ended Sep 30,		12M Period Ended Sep 30,	
			2014	2015	2016	2016	2017	2016	2017
(i)	Net income for the period/year		2,089	2,316	70	535	525	1,000	60
(ii)	Net financial expenses		534	785	1,143	875	729	1,042	997
(iii)	Income tax and Social Contribution tax		1,115	888	-7	267	301	371	27
(iv)	Depreciation and amortization		297	253	183	141	123	192	165
	<b>EBITDA</b>		<b>4,035</b>	<b>4,242</b>	<b>1,389</b>	<b>1,818</b>	<b>1,678</b>	<b>2,605</b>	<b>1,249</b>
(v)	<i>minus</i> minority interest result	non-cash item	388	-17	447	155	158	128	450
(vi)	<i>minus</i> provision for the variation in value of the put option obligations	non-cash item	29	119	49	29	68	96	88
(vii)	<i>minus</i> non-operating result (which includes any gains on asset sales and any asset write-off or impairments)	non-cash item	56	7	763	0	2	5	765
(viii)	<i>plus</i> non-cash expenses and non-cash charges, to the extent they are non-recurring	non-cash item	0	0	0	0	0	0	0
(ix)	<i>minus</i> non-cash credits and gains increasing net income, to the extent they are non-recurring	non-cash item	0	-729	0	0	0	0	0
(x)	<i>minus</i> all cash payments made on a consolidated basis during such period relating to non-cash charges that were added back in determining Covenant EBITDA in any prior period	cash item not included in net income	0	0	0	0	0	0	0
(xi)	<i>plus</i> expenses related to adherence to the Minas Gerais State Tax Credits Regularization Plan, incurred in 3Q17;	non-cash item	0	0	0	0	0	0	0
(xii)	<i>minus</i> non-cash revenues related to transmission and generation indemnification	non-cash item	-420	-101	-751	-692	-555	-732	-614
(xiii)	<i>plus</i> cash dividends from minority investments	cash item not included in net income	13	134	127	69	111	125	169
(xiv)	<i>minus</i> monetary updating of power generation concession grant fee	cash & non-cash item	0	0	-352	-264	-240	-264	-328
(xv)	<i>plus</i> cash inflows related to power generation concession grant fee	cash portion of xii)	0	0	314	234	172	234	252
(xvi)	<i>plus</i> cash inflows related to transmission revenue for cost of capital coverage	cash item not included in net income	0	0	0	0	142	0	142
(xvii)	<i>plus</i> cash inflows from generation indemnification, provided that such amount shall not exceed 30% of the sum of clauses (i) through (xvii) of this definition	cash item not included in net income	0	0	0	0	0	0	0
	<b>Covenant EBITDA</b>		<b>4,101</b>	<b>3,655</b>	<b>1,986</b>	<b>1,349</b>	<b>1,536</b>	<b>2,197</b>	<b>2,173</b>



# Cemig GT – Covenant Net Debt Reconciliation



	Full Year			As of Sep 30,	
	2014	2015	2016	2016	2017
Consolidated Indebtedness	7,037	7,739	8,634	8,811	7,511
<i>minus</i> consolidated cash and cash equivalents; plus consolidated marketable securities recorded as current assets	-892	-2,183	-852	-585	-304
<b>Net Debt</b>	<b>6,145</b>	<b>5,556</b>	<b>7,782</b>	<b>8,226</b>	<b>7,207</b>
<i>plus</i> debt contracts with Forluz	181	184	178	182	231
<i>plus</i> carrying liability of any put option obligation	263	311	354	346	379
<i>minus</i> escrow account amounts deposited to satisfy any put option obligation	-	-	-	-	-
<b>Covenant Net Debt</b>	<b>6,589</b>	<b>6,051</b>	<b>8,314</b>	<b>8,754</b>	<b>7,817</b>
<b>Total Secured Debt</b>	<b>12</b>	<b>9</b>	<b>2,202</b>	<b>6</b>	<b>2,209</b>
<b>Total Secured Debt / Covenant EBITDA</b>	<b>-</b>	<b>-</b>	<b>1.1x</b>	<b>-</b>	<b>1.02x</b>
<b>Covenant Net Debt / Covenant EBITDA</b>	<b>1.6x</b>	<b>1.7x</b>	<b>4.2x</b>	<b>4.0x</b>	<b>3.6x</b>
<b>EBITDA / Net Financial Expenses</b>	<b>7.6x</b>	<b>5.4x</b>	<b>1.2x</b>	<b>2.5x</b>	<b>1.3x</b>
<b>Covenant EBITDA / Net Financial Expenses</b>	<b>7.7x</b>	<b>4.7x</b>	<b>1.7x</b>	<b>2.1x</b>	<b>2.2x</b>