



# 3Q18

## Results



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.

Item	3Q18	9M18
Revenue	Gross revenue <b>R\$ 9.7 bn</b> (up 16.3% from 3Q17)	Gross rev <b>R\$ 25.6 bn</b>
	Net revenue <b>R\$ 6.3 bn</b> (up 21.7% from 3Q17)	Gross rev. <b>R\$ 16.8 bn</b>
PMSO	<b>R\$ 723 mn</b> (down 1.5% vs. 3Q17)	<b>R\$ 2.102 bn</b>
	Personnel cost decrease 14.2% vs. 3Q17	Down 10.1% YoY
Ebitda	<b>R\$ 902 mn</b> Up 122.7% vs. 3Q17 adjusted	<b>R\$ 2.793 bn</b>
	After tariff review, Cemig D made strong contribution	Up 24.5% YoY vs. 3Q17 adjusted
Net profit (adjusted)	<b>R\$ 300 mn</b>	<b>R\$ 998 mn</b>
	Adjustment of <b>+R\$ 55 mn</b> for effects of Hedge	Up 131.6% YoY vs. 3Q17 adjusted

After publication of the Quarterly Information, differences were identified in the accounting of amortization of the *CVA* account and *Other financial components* used in the tariff calculations of Cemig D, as from June 2018.

The Company has decided to re-present this Interim Accounting Information, so as to better reflect its equity situation and operational performance.

Adjustments in the main Income Statement lines of the Quarterly Information for the period to September 2018

Cemig Distribuição						
	Jan a sep/18	Adjustments	Jan a sep/18 re-present	3Q18	Adjustments	3Q18 re-present
Gross revenue	17,390	326	17,716	6,550	245	6,795
Net revenue	10,151	293	10,444	3,696	220	3,916
Ebitda	857	293	1,150	238	220	458
Net profit	148	198	346	19	149	168

Cemig						
	Jan a sep/18	Adjustments	Jan a sep/18 re-present	3Q18	Adjustments	3Q18 re-present
Gross revenue	25,285	326	25,611	9,427	245	9,672
Receita líquida	16,501	293	16,794	6,032	220	6,252
Lajida	2,500	293	2,793	682	220	902
Net profit	500	198	698	96	149	245

Second tranche of the December 5, 2017 Eurobond issue: settled July 18, 2018

- Value of US\$500 million
- Yield de 9.14% a.a. – (Current pricing: 7.84%)
- Interest: six-monthly
- Principal: matures December 2024

Hedges contracted for protection of foreign currency-denominated debt

- For interest - Swap
  - replaces 9.25% p.a. in US dollars
  - with 125.52% of local CDI rate, in Reais.
- For principal - Call Spread
  - on variation in the R\$/US\$ exchange rate,
  - between floor of R\$ 3.85 and ceiling of R\$ 5.00
    - Within this band, Company pays floor amount, at maturity
    - If ceiling is exceeded, Company pays
      - floor level plus
      - difference between US\$/R\$ exchange rate and ceiling level of R\$ 5.00.

Loan by Cemig GT to Cemig D temporarily resulted in  
Limitation on Restricted Payments being exceeded



**R\$630** Amount of transaction in September 2018



**US\$119** Excess above threshold



**R\$486** Payment by Cemig D in November 2018

Cemig GT has now returned to compliance with the limitation

Expressive evolution of Cemig's ratings, reinforces commitment to efficient management and focus on maximizing results

This table shows how Cemig's ratings have been changed, from Dec/17 to Nov/18

<b>Fitch</b>		<b>Grau de Investimento</b>											<b>Grau Especulativo</b>										
Nacional	Global	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C	RD/D		

<b>Moody's</b>		<b>Grau de Investimento</b>											<b>Grau Especulativo</b>									
Nacional	Global	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa1	Caa2	Caa3	Ca	C

<b>S&amp;P</b>		<b>Grau de Investimento</b>											<b>Grau Especulativo</b>										
Nacional	Global	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC+	CCC	CCC-	CC	C	D

On November 1, 2018 Cemig concluded the disposals offered in the tender of August 8

Total proceeds from the sale of these assets: R\$ 655 million



Won by American Tower do Brazil

- R\$576 mn, received November 2018



Won by Algar Soluções

- R\$79 mn, received November 2018

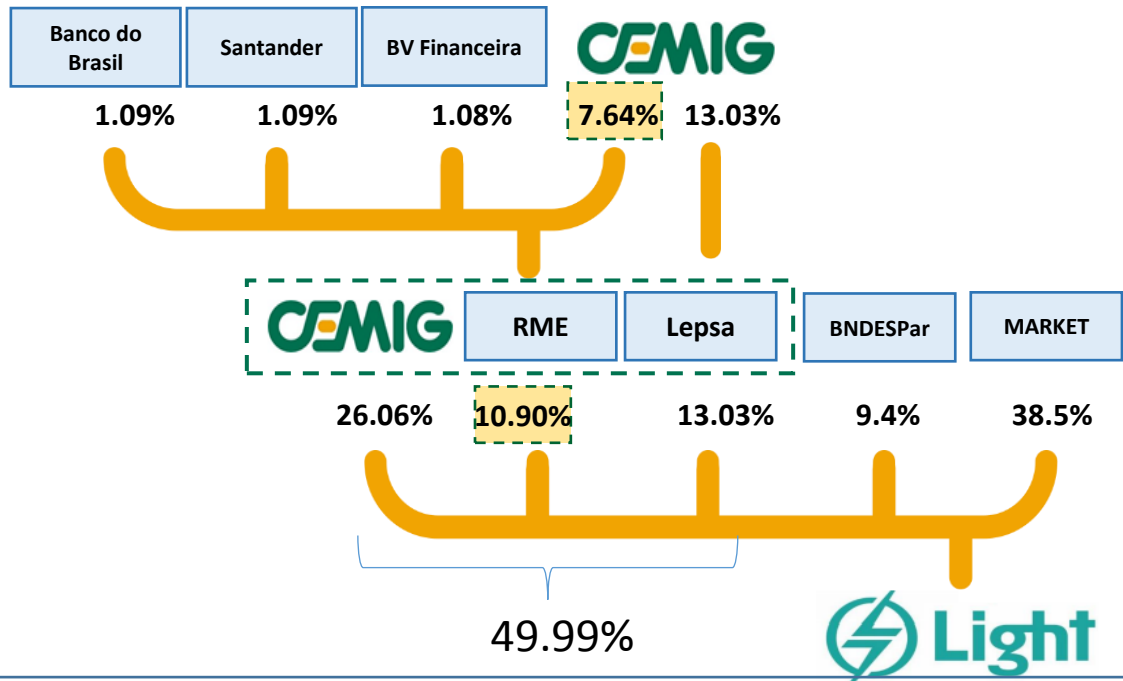
Capital gain will be reported in the 4Q result



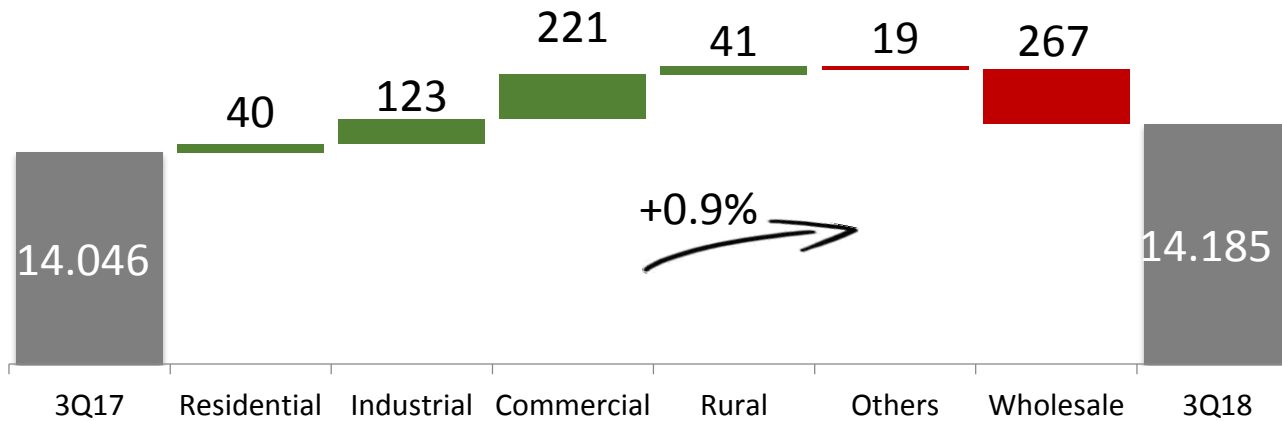
Sale of shares in Light by Rio Minas Energia (RME), on 11/27/2018

- 4,350,000 shares within the controlling block of Light
- 2.13% of the total share capital of Light
- Total value: R\$ 64.5 mn

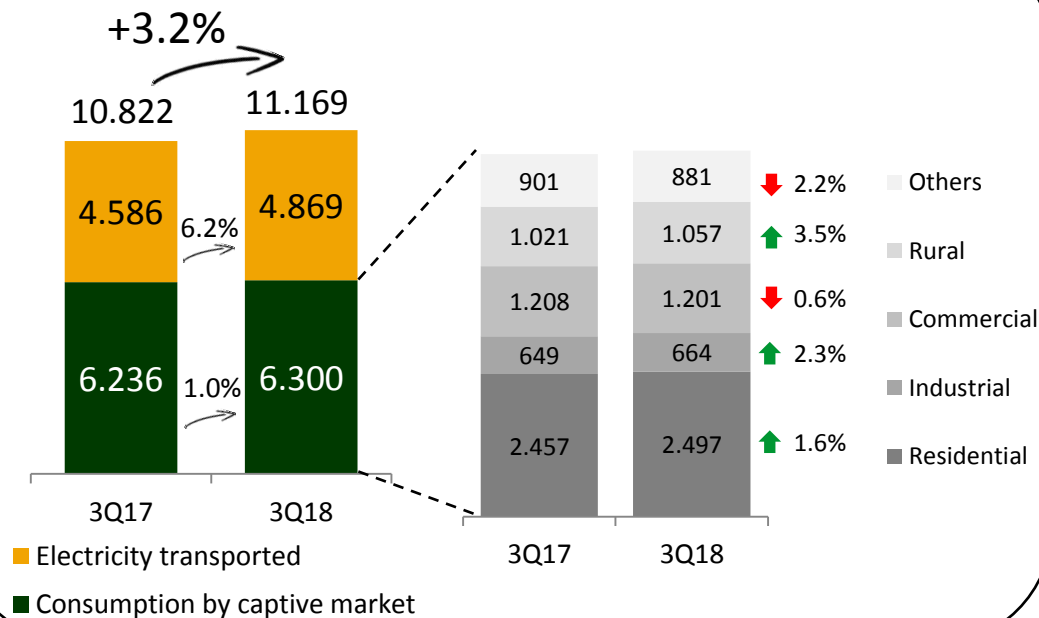
Cemig, RME and Lepsa now hold 49.99% of the share of Light



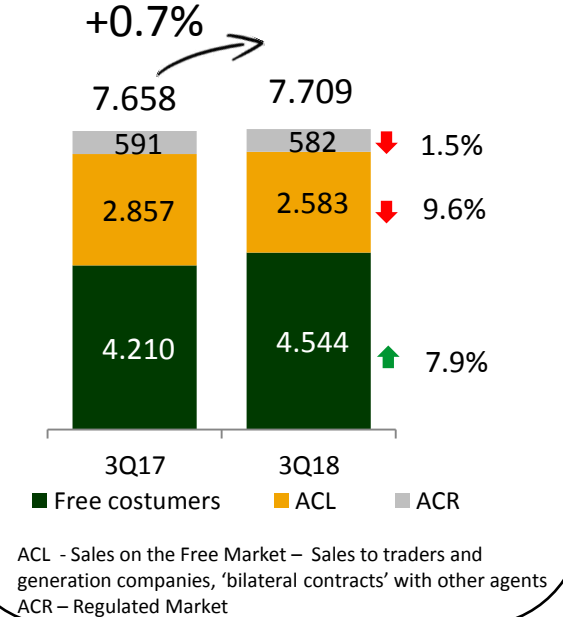
Volume sold (GWh)



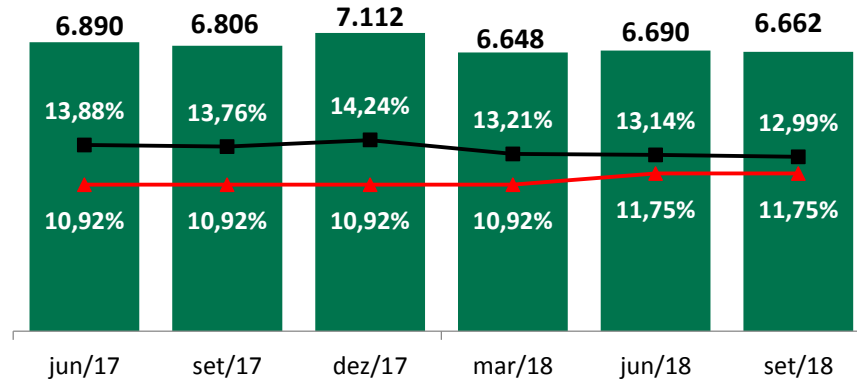
## Total energy billed Cemig D



## Market Cemig GT

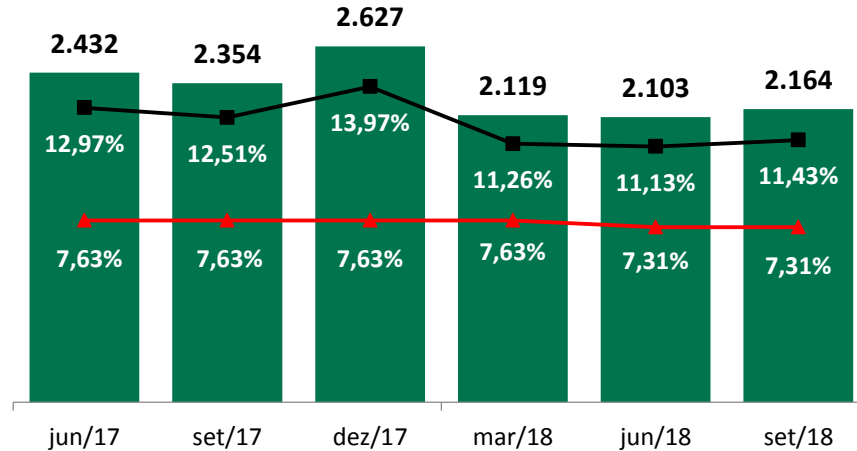


## Total losses



■ Total Losses (GWh) 
 —■ Total Losses / Total Load (%) 
 —▲ Total Regulatory losses

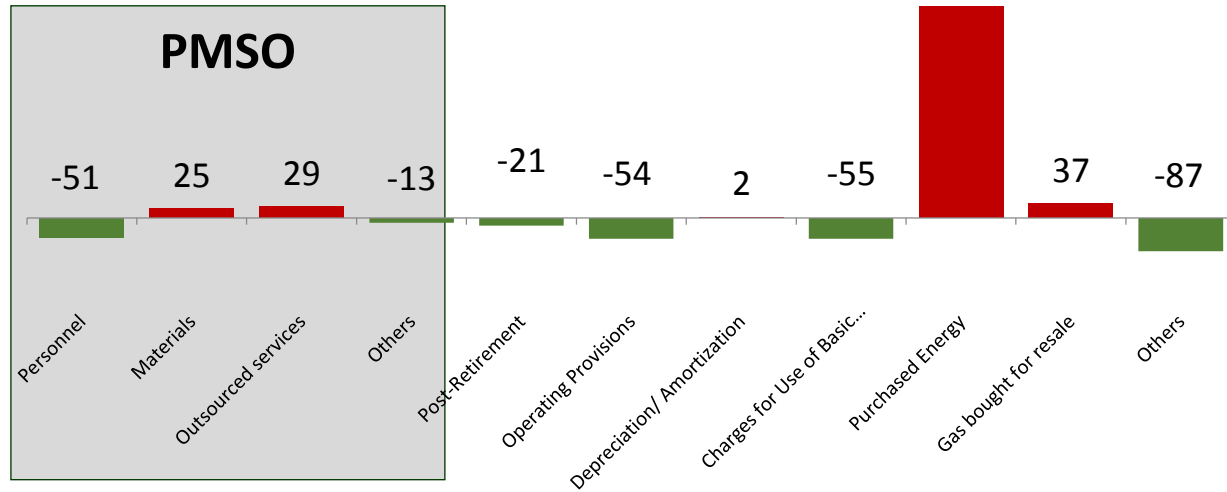
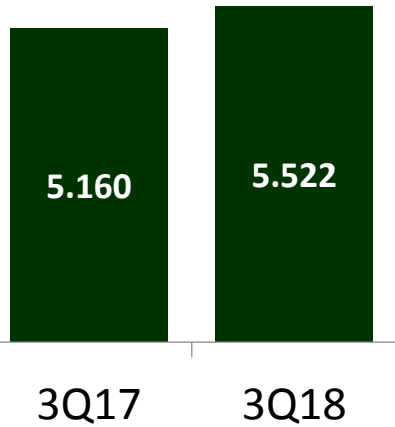
## Non-technical losses/Total Low voltage market



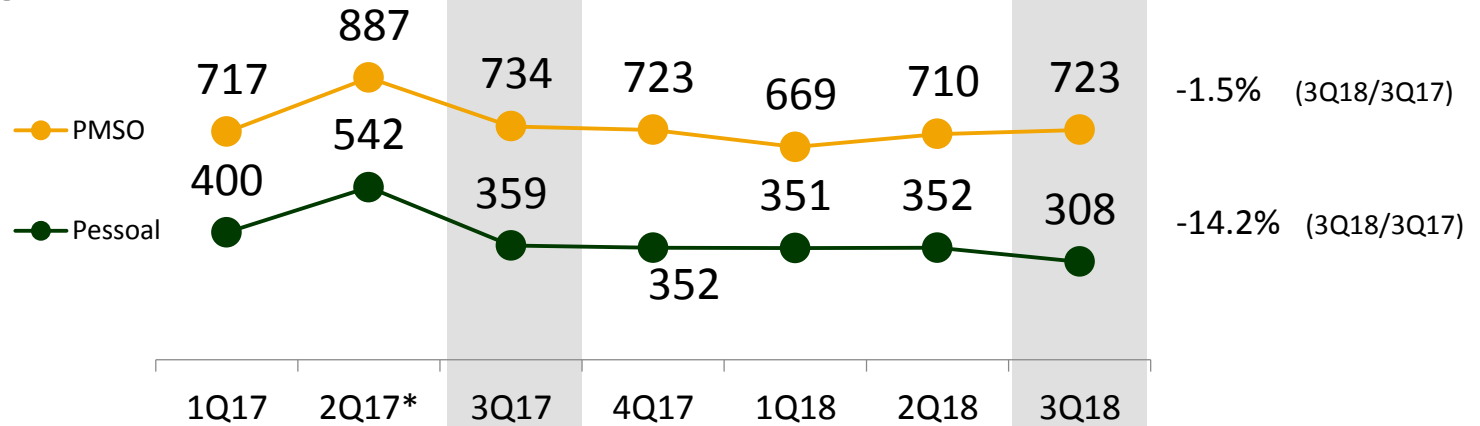
■ Non-technical losses (GWh) 
 —■ Non-technical losses/Low voltage market (%) 
 —▲ Regulatory losses (Low Voltage)

## Change in consolidated operational expenses – 3Q18/3Q17

+7,0%



## PMSO



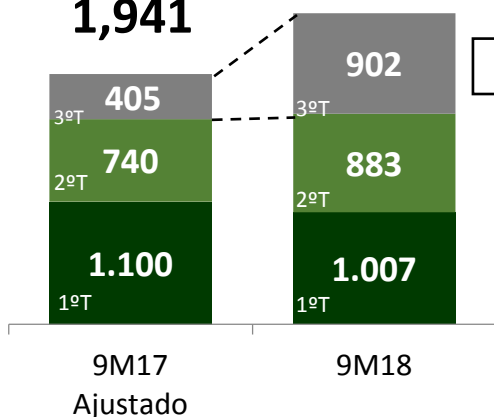
\* Expense on employees joining the voluntary retirement plan: R\$26 million in 2Q18 and R\$165 million in 2Q17

Until September

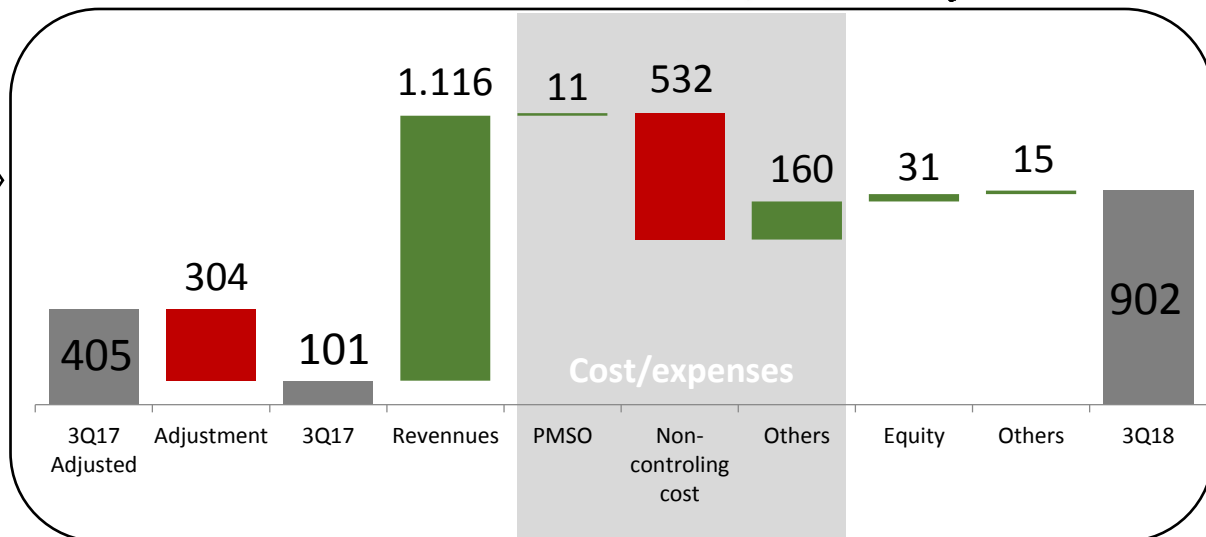
+43.9%

1,941

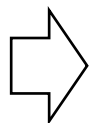
2,793



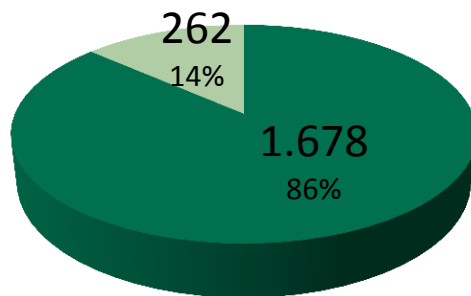
Growth of 122.7 % - 3Q18/3Q17 adjusted



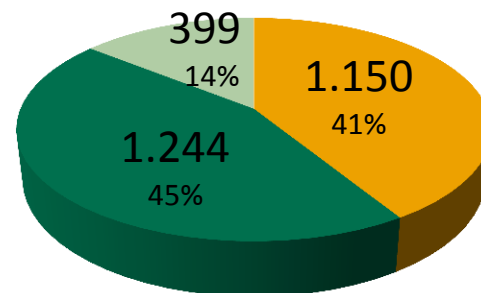
By company



9M17



9M18



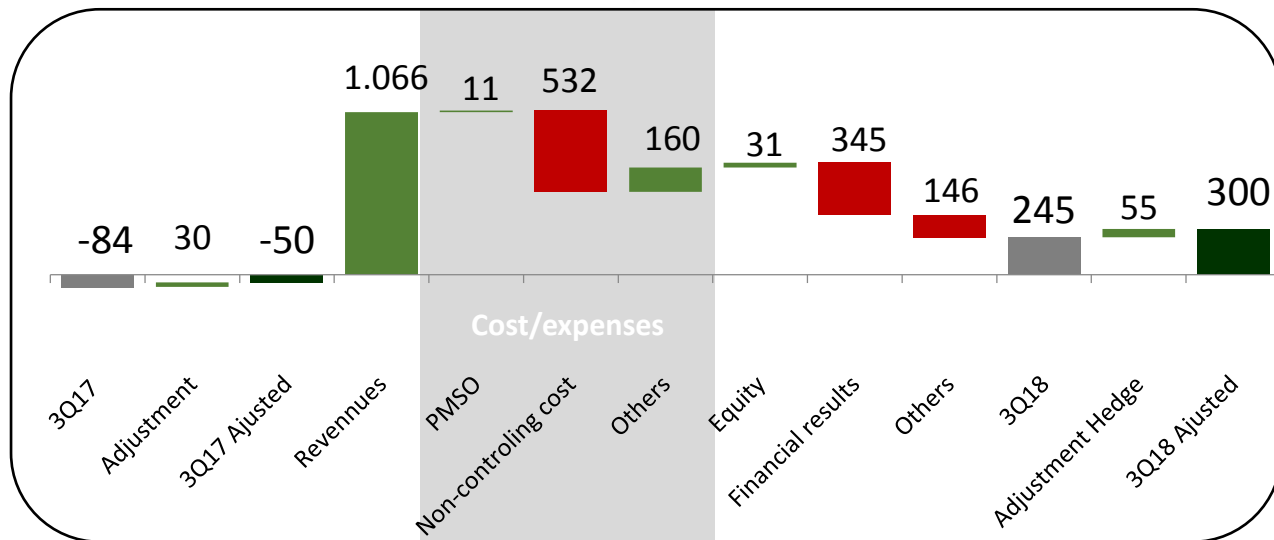
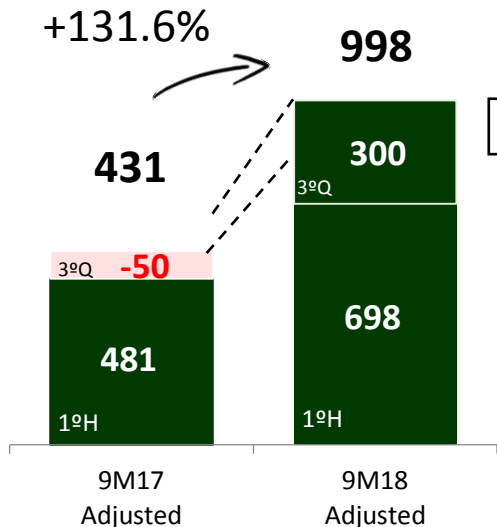
Cemig D

Cemig GT

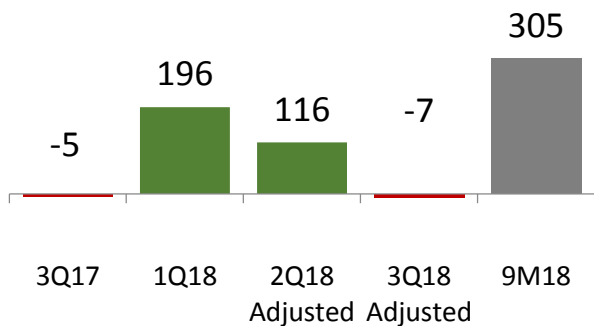
Others

\* Adjustments 2017/2018 - More details see slide 18

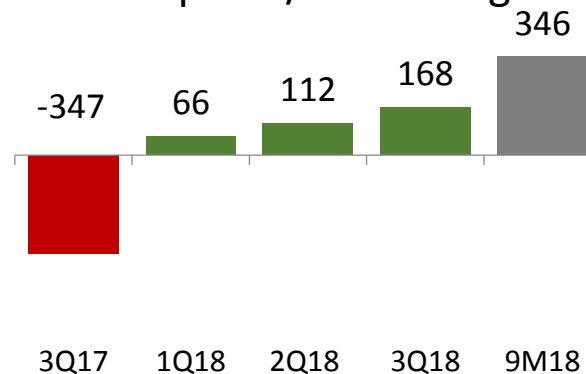
## Growth of net profit- 3Q18/3Q17



## Net profit/loss Cemig GT



## Net profit/loss Cemig D

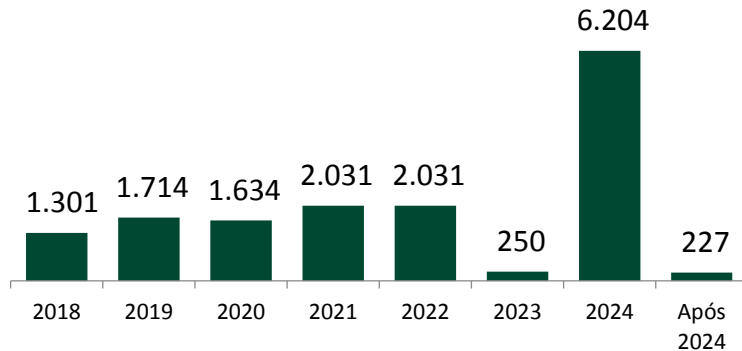


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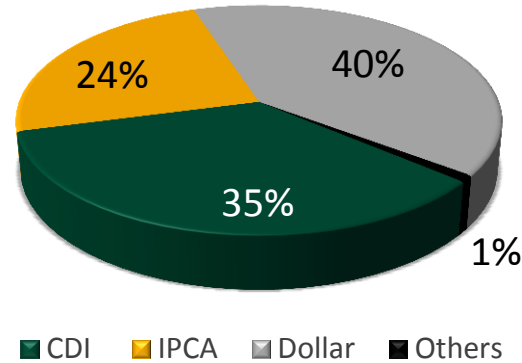
## Maturities timetable

Total net debt : **R\$13.2 billion**

Average tenor : **4.2 years**



## Main indexes



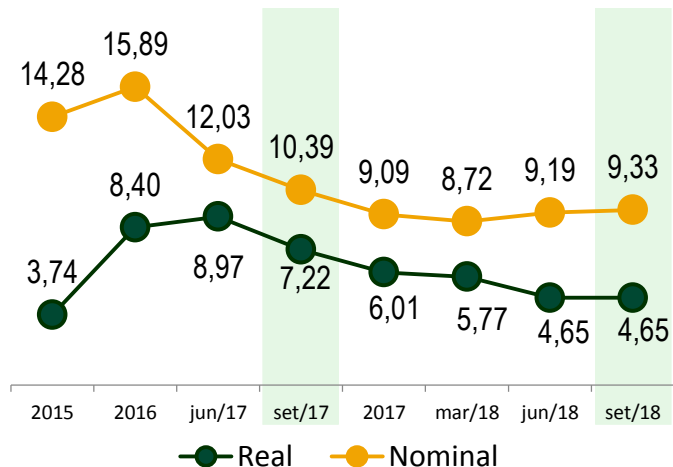
□ Debt in Dollar converted into CDI percentage per hedging instrument, within a band of Exchange variation

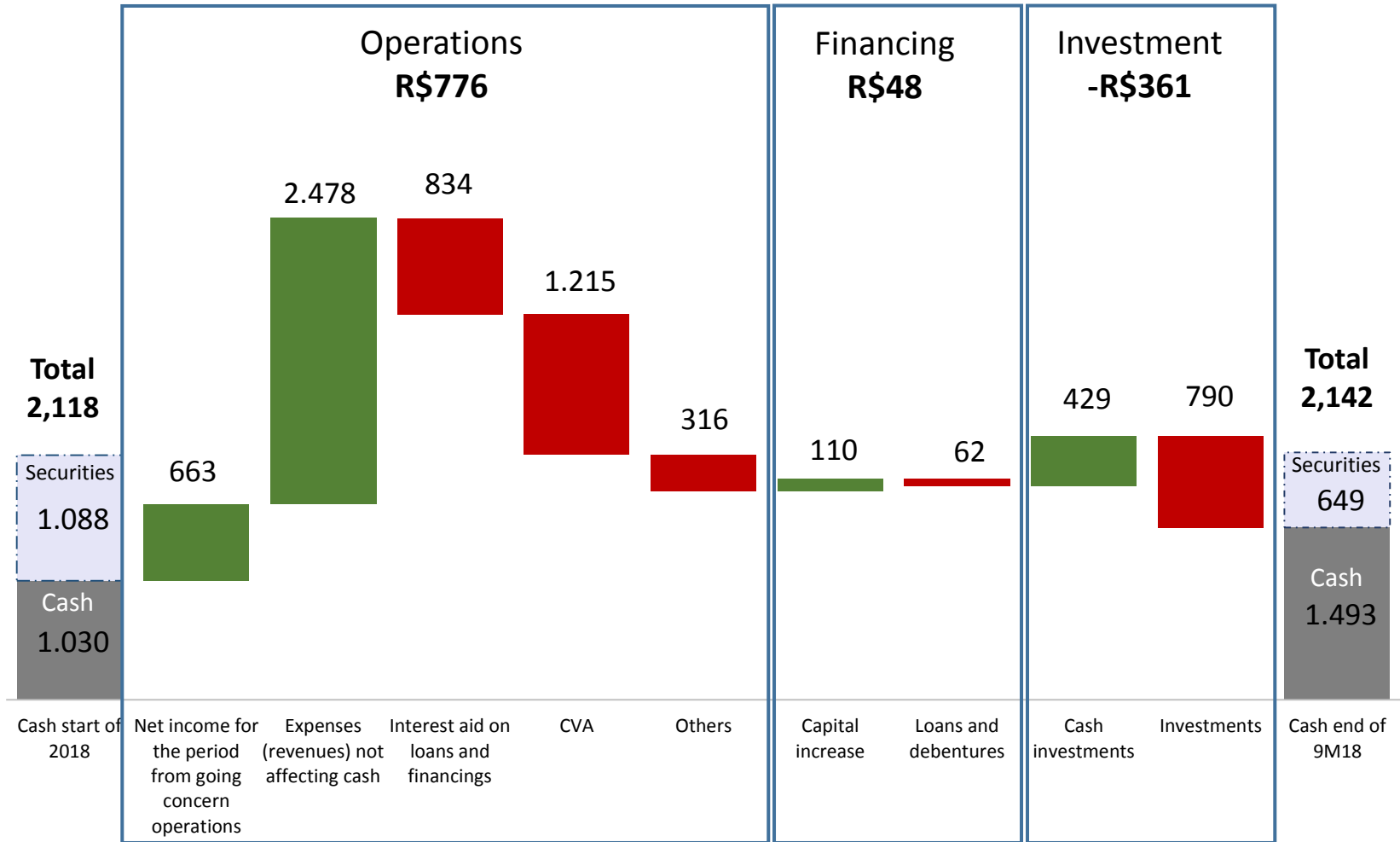
## Debt information

Cemig GT used available cash to make early settlement of debt:

- R\$ 741 mn – bank credit notes maturing 2019, 2020, 2021
- R\$ 132 mn in debentures maturing December 2018

## Cost of debt- %









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# CEMIG

## Investor relations

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**In 2017**

- *Novo Regularize* = amnesty for ICMS (State VAT).
- AFAC item = reversal of provision arising from monetary updating of the Advance Against Future Capital Increase made by the Minas Gerais State Government.
- *Generation* reimbursement revenue = Adjustment to residual value of *São Simão* and *Miranda* plant concessions, under MME Order 291/17.

**In 2018**

- Hedge: On the Eurobond issue (placed in two parts: US\$1 billion (R\$ 3.2 billion) in 2017 and US\$500 million (R\$ 1.9 billion) in July 2018).

Adjustments to Net profit			
In the quarter	3Q18	3Q17	%
<b>Profit</b>	<b>245</b>	<b>-84</b>	-
<i>Novo Regularize</i> ICMS tax amnesty	-	388	-
Generation reimbursement revenue	-	171	-
AFAC	-	183	-
Hedge	55	-	-
<b>Adjusted profit</b>	<b>300</b>	<b>-50</b>	-

9M period	9M18	9M17	%
<b>Profit</b>	<b>698</b>	<b>397</b>	75.8%
<i>Novo Regularize</i> ICMS tax amnesty	-	388	-
Generation reimbursement rev.	-	171	-
AFAC	-	183	-
Hedge	300	-	-
<b>Adjusted profit</b>	<b>998</b>	<b>431</b>	131.6%

Adjustments to Ebitda			
In the quarter	3Q18	3Q17	%
<b>Ebitda</b>	<b>902</b>	<b>101</b>	793.1%
<i>Novo Regularize</i> ICMS tax amnesty	-	564	-
Generation reimbursement revenue	-	260	-
<b>Adjusted Ebitda</b>	<b>902</b>	<b>405</b>	122.7%

9M period	9M18	9M17	%
<b>Ebitda</b>	<b>2,793</b>	<b>1,940</b>	44.0%
<i>Novo Regularize</i> ICMS tax amnesty	-	564	-
Generation reimbursement rev.	-	260	-
<b>Adjusted Ebitda</b>	<b>2,793</b>	<b>2,244</b>	24.5%