



2019

Regaining Financial Solidity



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

Integrated Power
Utility in Brazil



Market share in the
free market



Market Cap
US\$4.8B ⁽¹⁾

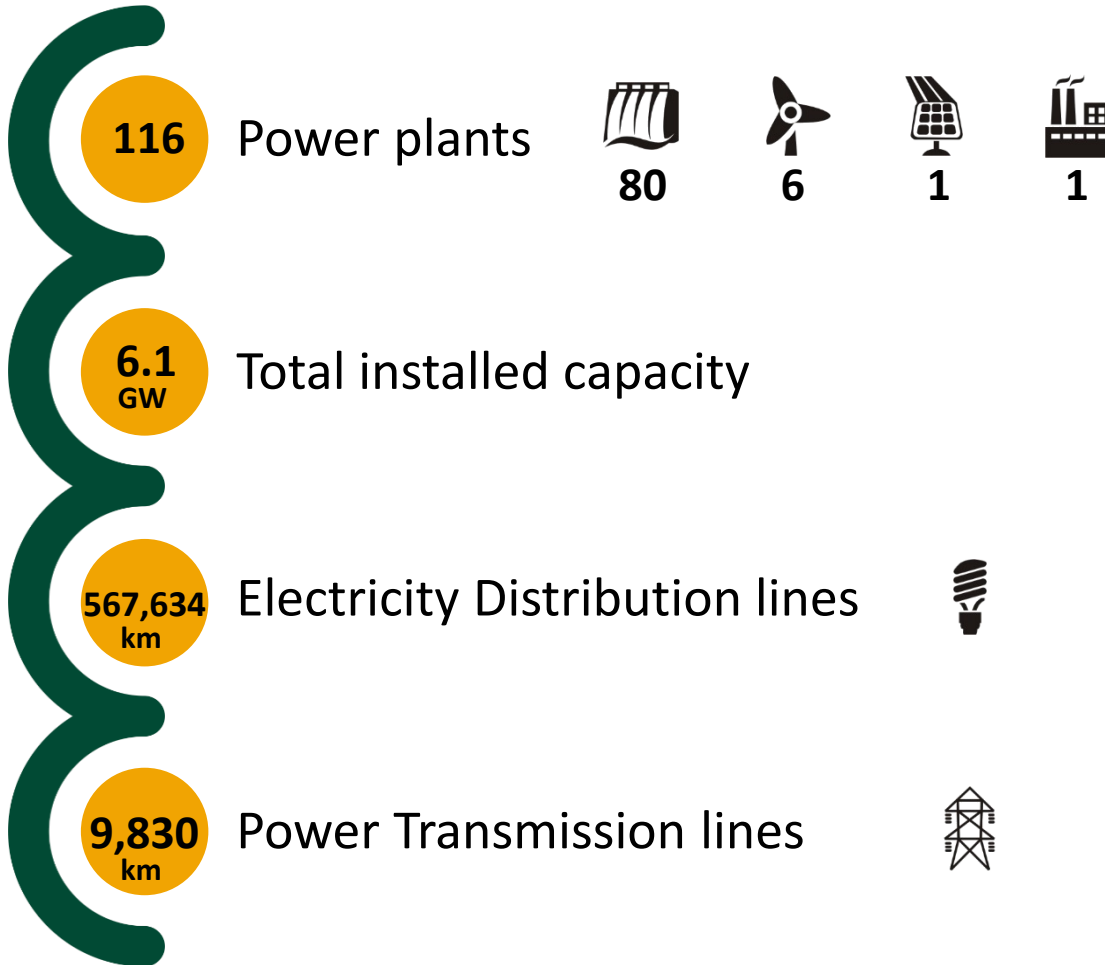


EBITDA 2018
US\$977mn⁽³⁾

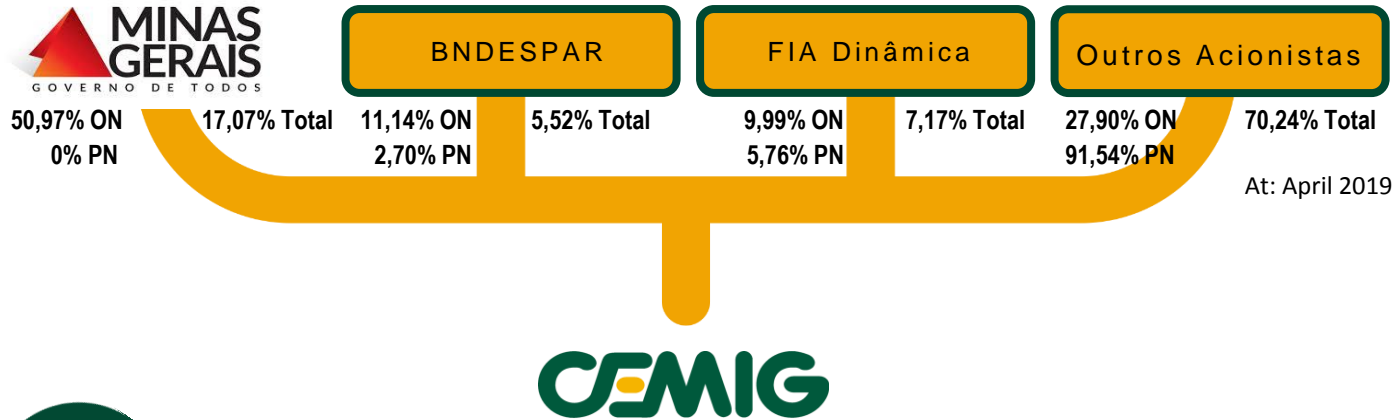
In the Power Industry since **1952**

LEADER

(1) As of May 17th, 2019
 (2) In the Brazilian Energy Industry
 (3) FX R\$/US\$3.8748 –on December 29th, 2018



POWER UTILITY



1 Based in State of Minas Gerais



2 Among the most liquid stocks in Brazil's electricity sector

- listed on New York, São Paulo and Madrid
- More than 140,000 shareholders in 38 countries
- Average daily trading volume in 2018

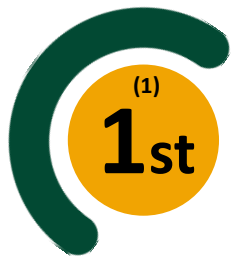
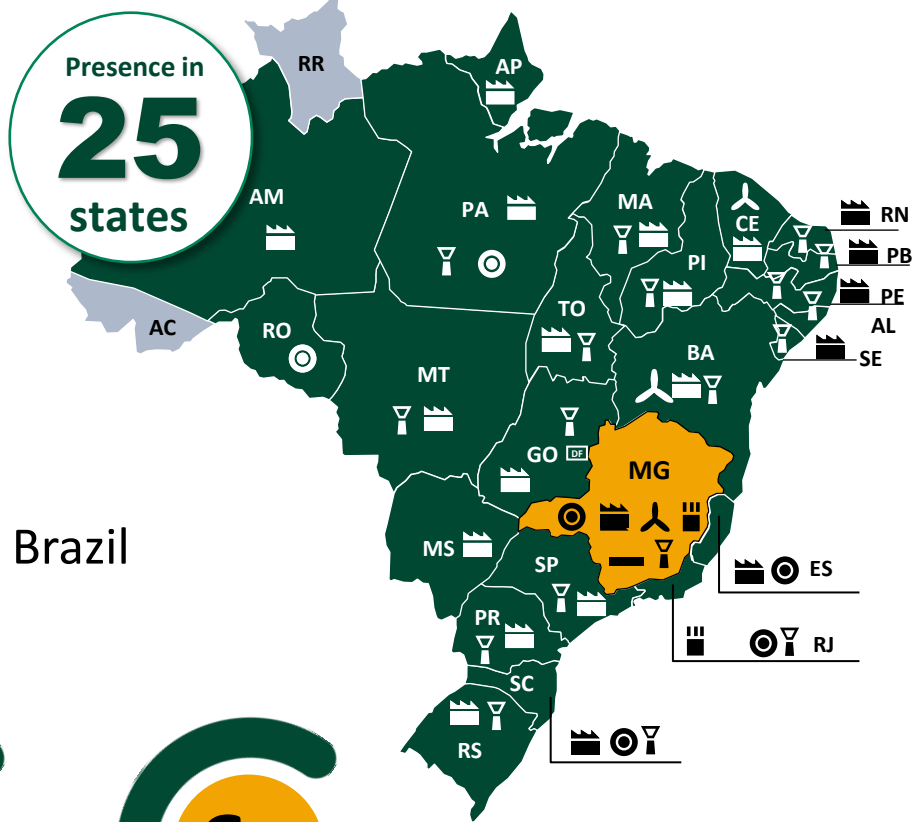


3 Solid dividend policy

R\$120.1M in Bovespa and US\$10.4M in NYSE

#1

Integrated Power Utility in Brazil



Electricity Distributor



Largest Power Transmission Group



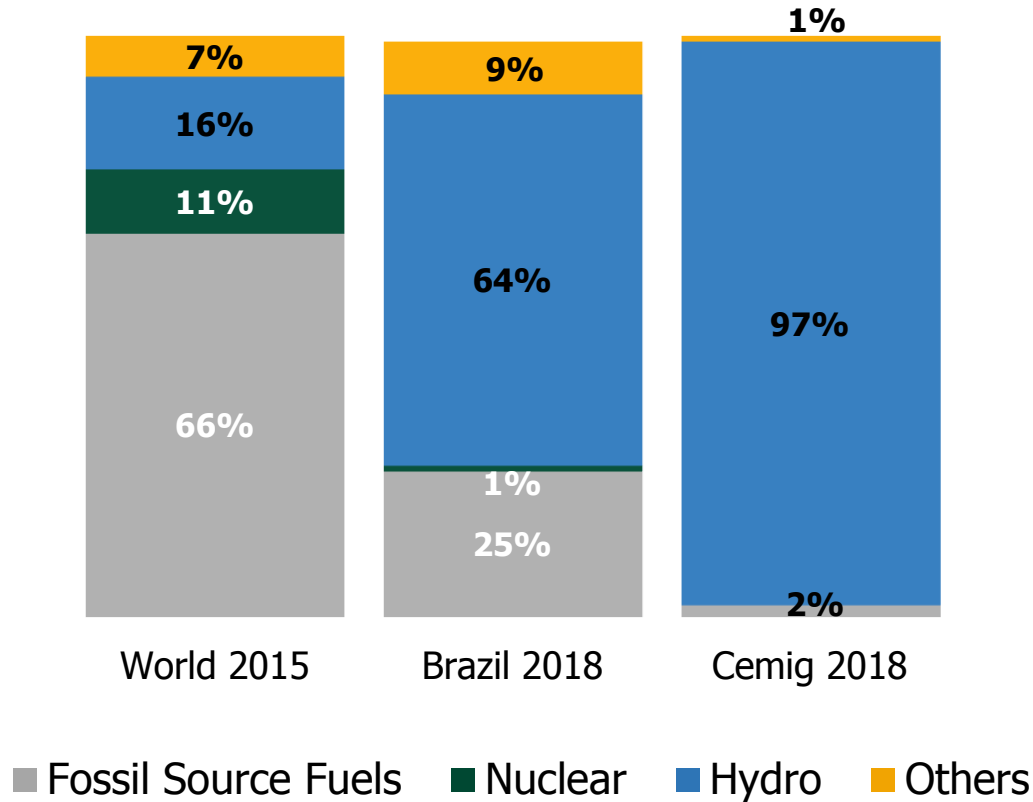
Largest Power Generation Group

- Power Generation
- Power Transmission
- Electricity Distribution
- Cemig "Free Consumer" Clients
- Wind Power Generation
- Natural Gas Distribution

INTEGRATED

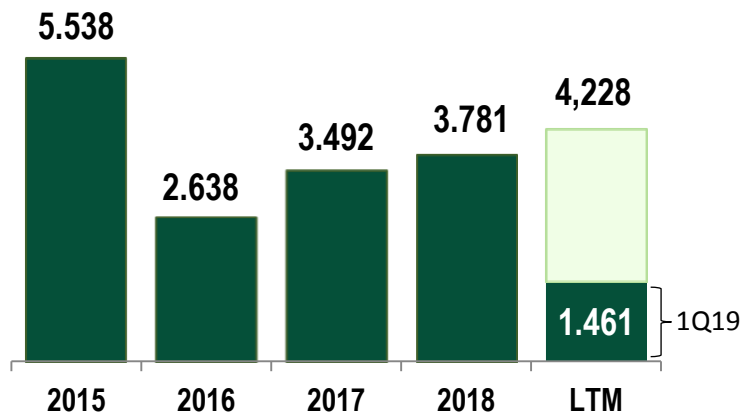
(1) In terms of length of electricity distribution lines – March, 2019

Power Generation by Source

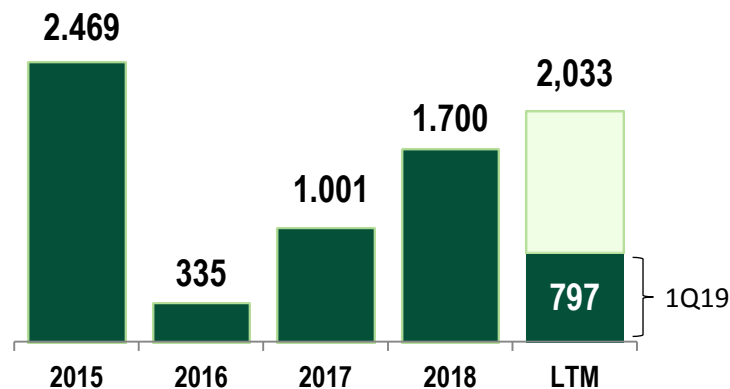


RENEWABLE LEADER

Ebitda



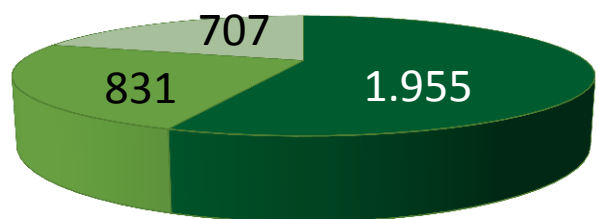
Net Income



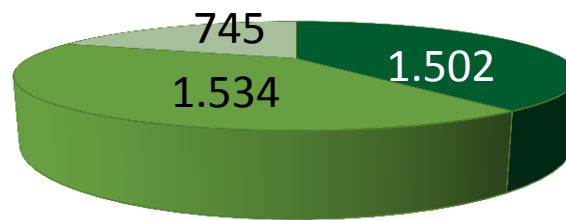
Breakdown of Ebitda

Diversified, Low Risk Business Portfolio

2017



2018



■ Cemig GT ■ Cemig D ■ Others

CASH GENERATION

Bylaws

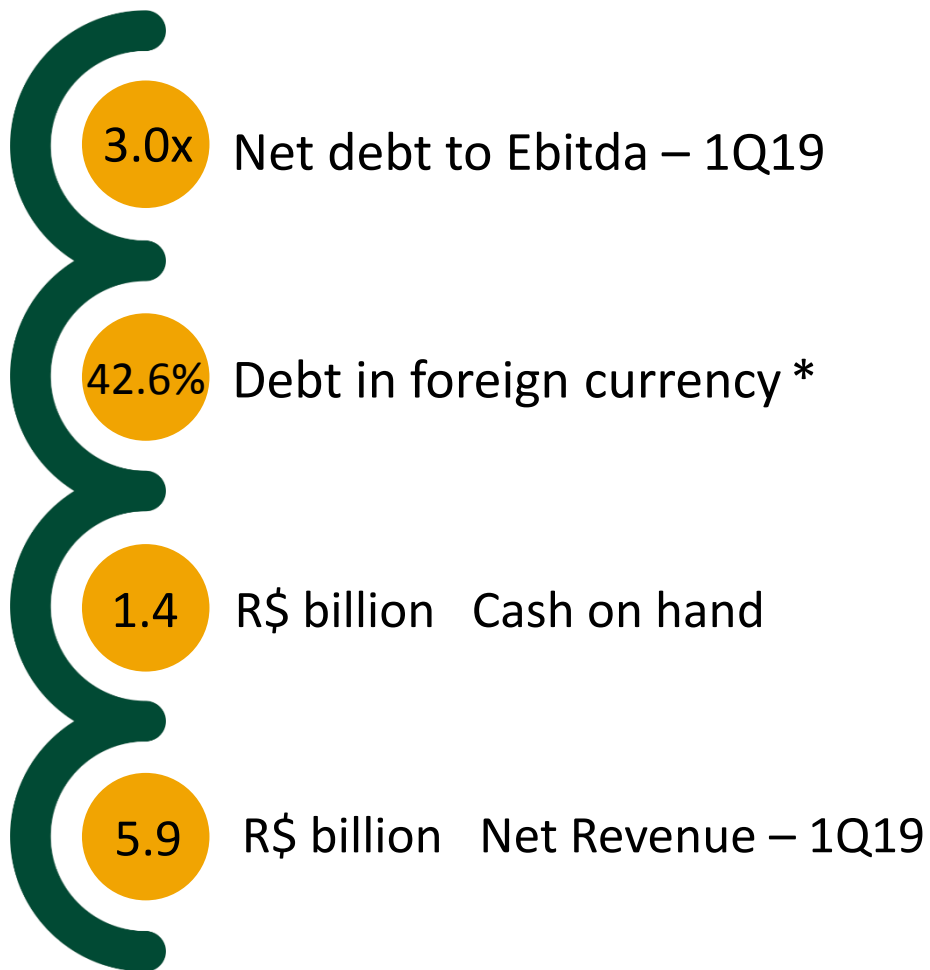
- Guaranteed - The minimum annual dividend

| Shares | Number of Shares | Guarantee | Minimum Annual |
|--------------|----------------------|-----------|------------------------|
| Common | 487,614,213 | - | |
| Preferred | 971,138,388 | R\$ 0.50 | R\$ 485.569.194 |
| Total | 1,458,752,601 | - | R\$ 485.569.194 |

- Minimum payout – 50% of the net profit

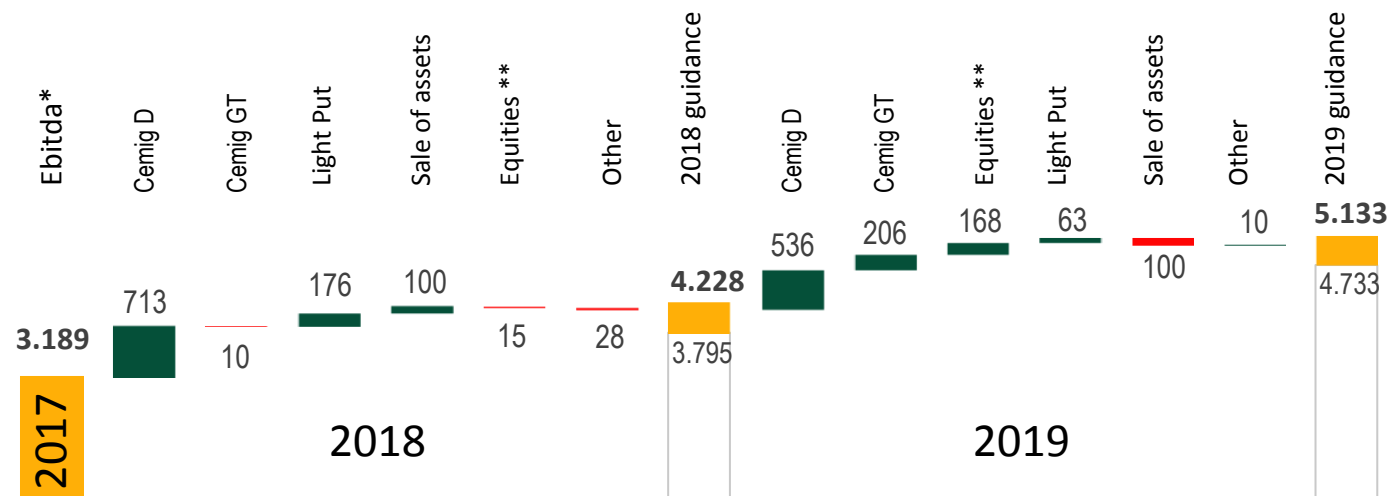
Dividends' proposal to be paid in 2019:

- R\$867 million
 - R\$210 million - Interest on Equity (shareholders on December 21, 2018)
 - R\$657 million - Dividends (shareholders on the date of the AGM)
- R\$0.59 per share (preferred and common shares)
- Dividend yield of 4.2%*

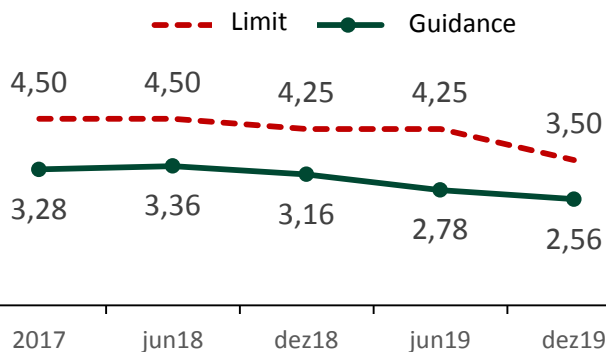


STABILITY

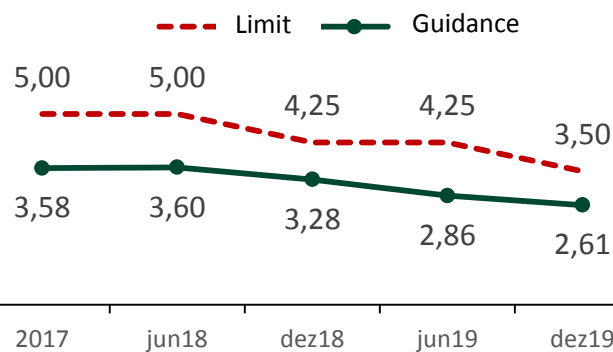
* Debt in Dollar converted into CDI percentage per hedging instrument, within a band of Exchange variation



Net debt/Ebitda*** – Refinancing



Net debt/Ebitda*** – Eurobond



* Recurring 2017 Ebitda.

** Refers to total of companies in which Cemig H has equity interests, other than Cemig D and Cemig GT.

*** Net debt and Ebitda are adjusted according to the definitions in the debt contracts.

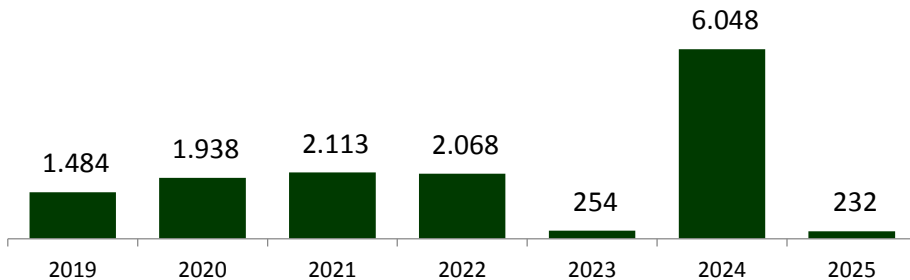
Source: Cemig.

Ebitda IFRS - Constant June 2018 R\$ mn

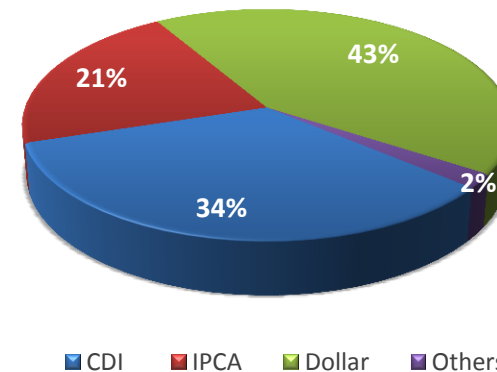
R\$ million – 1Q19

Maturities timetable – Average tenor: 4.0 years

Net debt: R\$12.7 bn



Main indexors

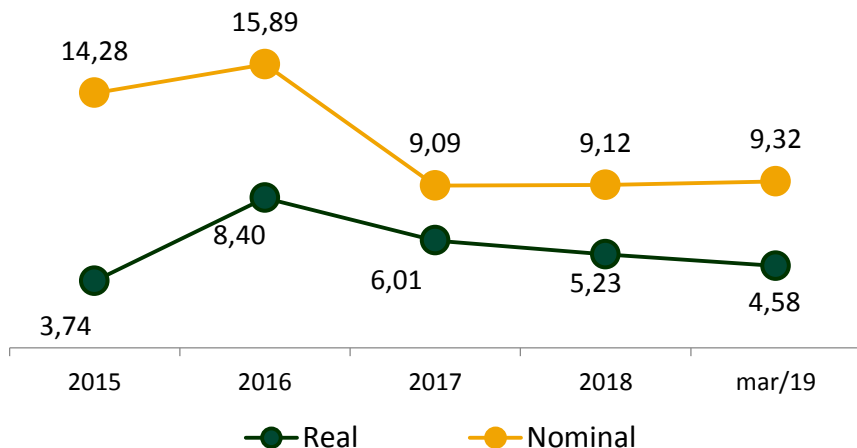


☐ Debt in Dollar converted into CDI percentage per hedging instrument, within a band of Exchange variation

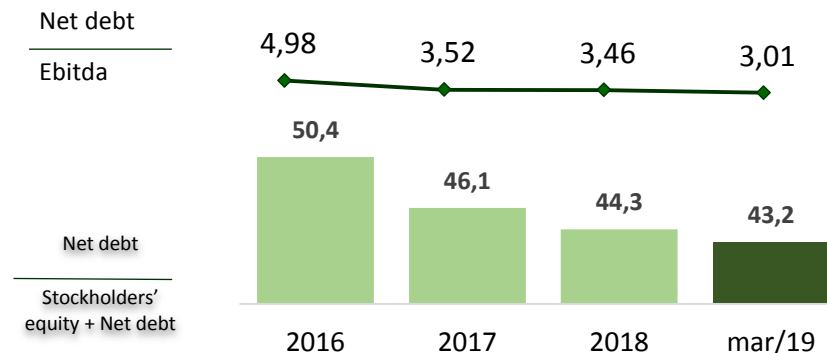
R\$ 769 million amortized in 1Q19 – highlights of payments:

- Cemig D – 3rd debenture issue: R\$ 515 million
- Cemig GT – 3rd debenture issue: R\$ 180 million

Cost of debt – %



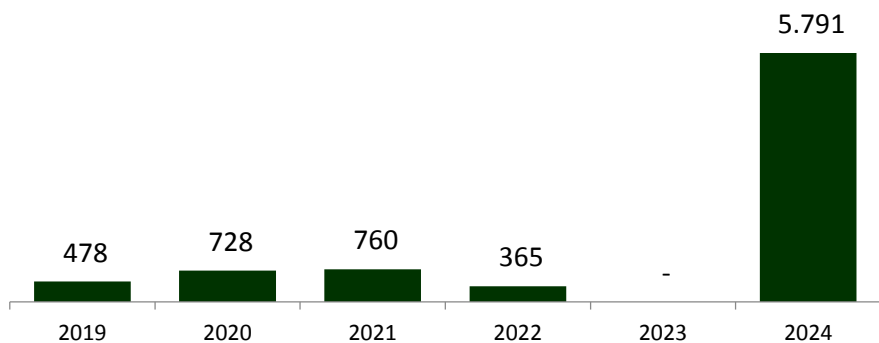
Leverage – %



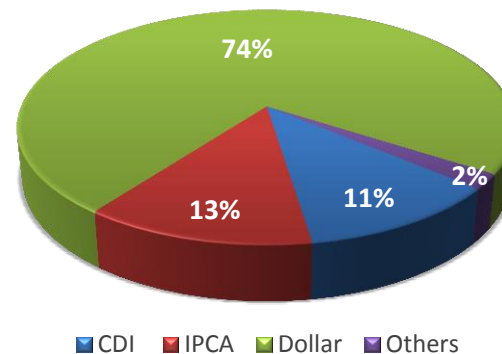
R\$ million – 2018

Maturities timetable – Average tenor: 4.8 years

Net debt : R\$7.6 bn

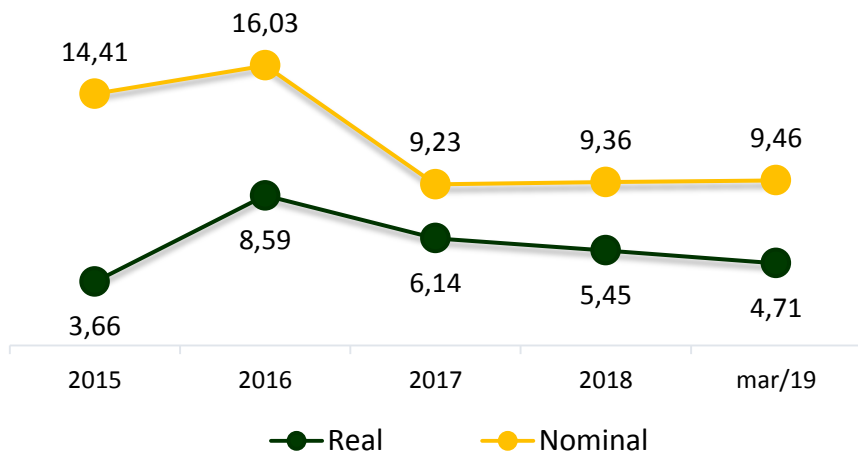


Main indexors

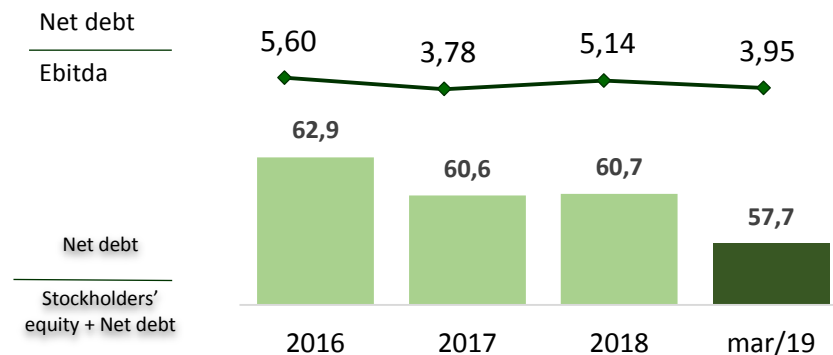


□ Debt in Dollar converted into CDI percentage per hedging instrument, within a band of Exchange variation

Cost of debt – %

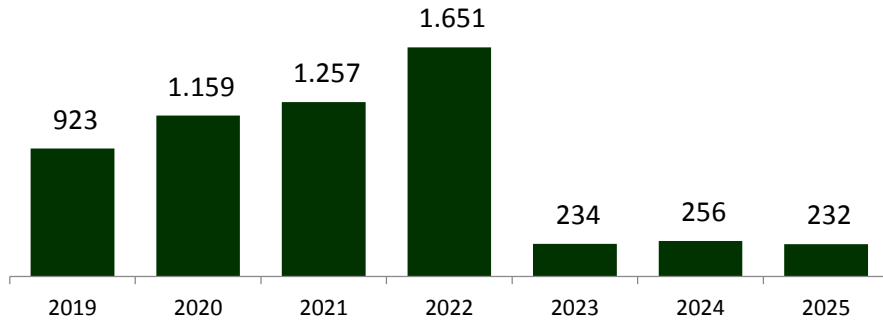


Leverage – %

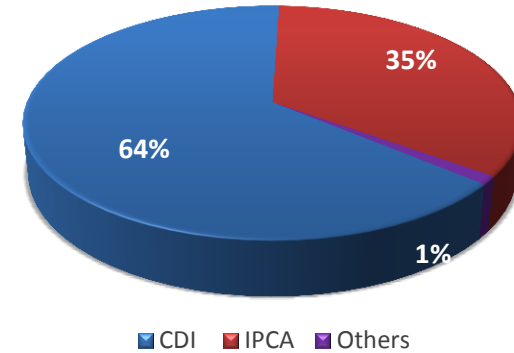


Maturities timetable – Average tenor: 2.9 years

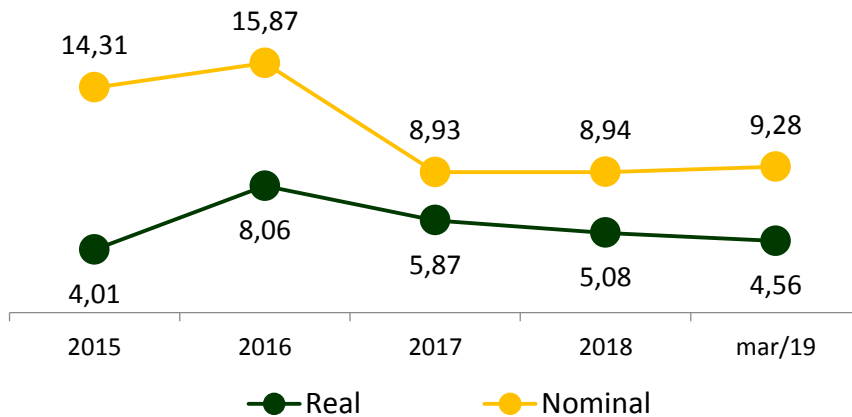
Net debt : R\$5.1 bn



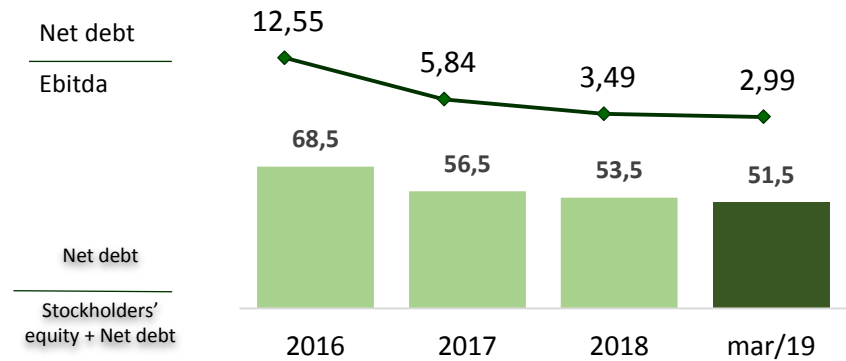
Main indexors



Cost of debt – %



Leverage – %



Strategy was designed to deleverage Cemig

| Company | Stake % | Amount R\$ MM | Status |
|--|------------------------------|--------------------|---|
| Realized | | | |
| | 9,86% | 717 | Block trade completed |
| | 25% | 80 | Transfer, to Taesa, completed (Nov. 2017) |
| | 100% | 649 ⁽¹⁾ | Auction for sale of assets concluded- August 08, 2018 |
| TOTAL | | 1.446 | |
| In progress | | | |
| | - | - (2) | Debt reprofiling and Sale of assets |
| | 49,99% | 2,095 (3) | New timetable and structure for disposal |
| | 15% | 740 (4) | Negotiations with potential purchaser resumed |
| | until 83% (100% PN e 49% ON) | 1.194 (4) | Structuring of sale model in legal analysis |
| Consórcios de Exploração de Gás | 24,50% | 21 ⁽⁴⁾ | Studies for a new auction |
| | 12% | 1.677 (4) | Available for sale |
| Cachoeirão, Pipoca, Paracambi | 49% | 125 (4) | Available for sale |
| TOTAL | | 5.852 | |

Notes:

- (1) Total value of bids won on August 08th, 18 auction
- (2) Under evaluation
- (3) Market value (BM&F Bovespa) on March 05th, 2019
- (4) Book value
- (5) Valuation by the Company

ASSET SALE

Aneel approved readjustment in the Technical Note 45/2018

- May 28th anniversary regulatory date

Main points of the Review for the 4th Tariff Cycle:

- Investment around R\$ 5 billion
- Investment on 'Special obligations' around R\$ 1.2 billion
- Opex: Cemig D scores above average in efficiency metrics

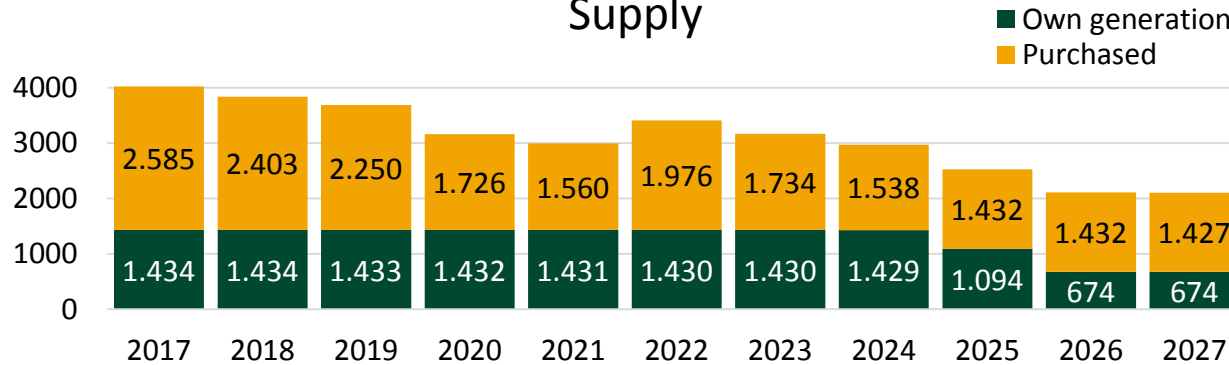
| Regulatory asset base (RAB) | 2013 | 2018 |
|---|--------|--------|
| Remuneration Base – gross R\$ | 15,724 | 20,490 |
| Remuneration Base – net R\$ | 5,849 | 8,906 |
| Average depreciation rate | 3.84 % | 3.84% |
| WACC | 7.51% | 8.09% |
| Remuneration of the special obligations | - | 149 |
| CAIMI R\$ | 147 | 333 |
| QRR R\$ - Depreciation (Gross RAB x Dep rate) | 590 | 787 |
| Remuneration of capital R\$ (Net RAB x WACC) | 587 | 1,236 |

Currency – April/2018

Position in August, 2018

Supply

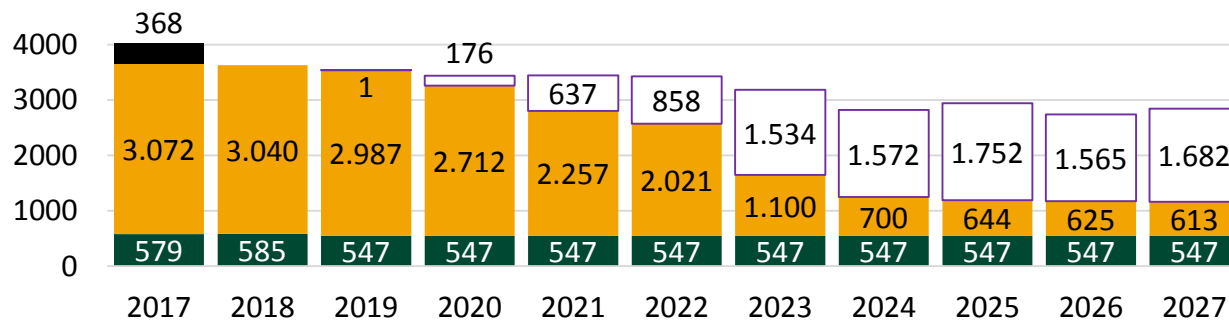
Average MW



| | | | | | | | | | | | |
|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Total Supply | 4,019 | 3,837 | 3,683 | 3,158 | 2,991 | 3,406 | 3,164 | 2,967 | 2,526 | 2,106 | 2,101 |
| Current Balance | 0 | 212 | 149 | -101 | 187 | 838 | 1,517 | 1,720 | 1,335 | 934 | 941 |
| Total Demand | 4,019 | 3,625 | 3,534 | 3,259 | 2,804 | 2,568 | 1,647 | 1,247 | 1,191 | 1,172 | 1,160 |

Demand

Average MW



■ Sales: Regulated Market ■ Sales: Free Market □ Probable renewals ■ Spot Market

POWER BALANCE



MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM



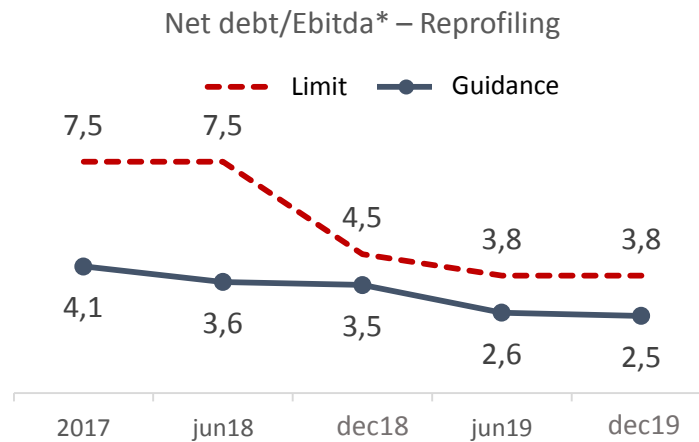
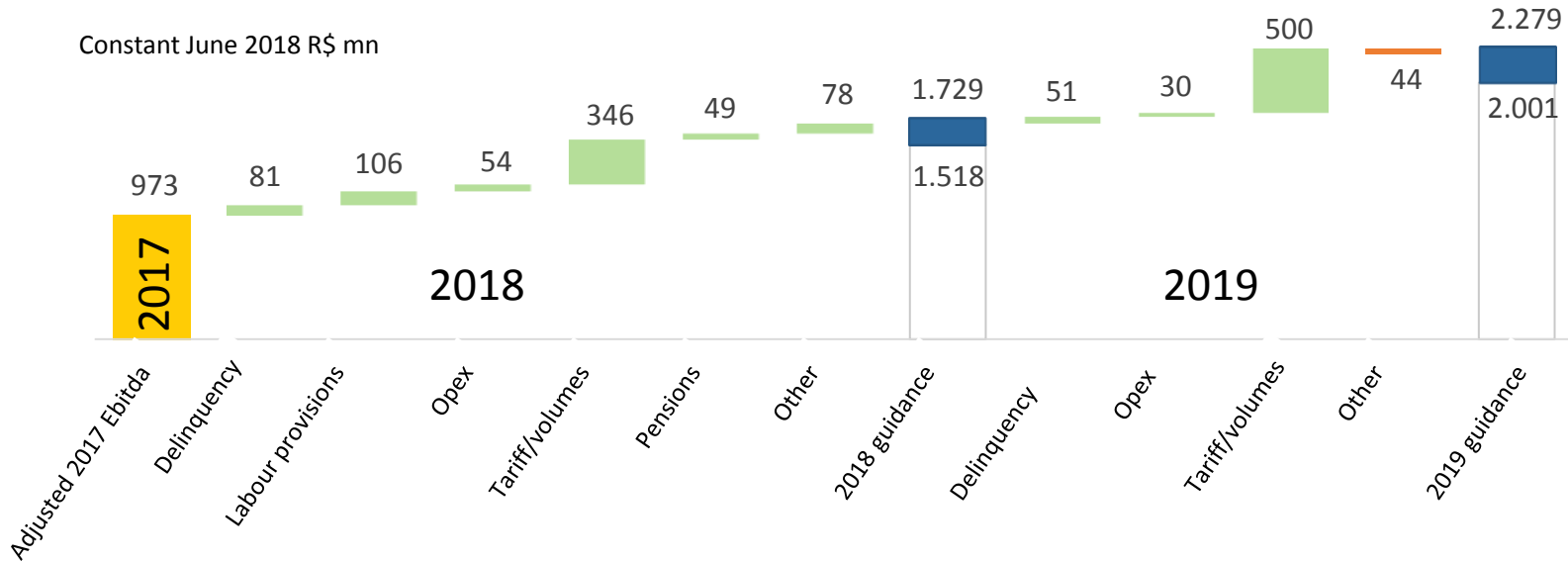
CEMIG

Investor Relations

Tel: +55 (31) 3506-5024

ri@cemig.com.br

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

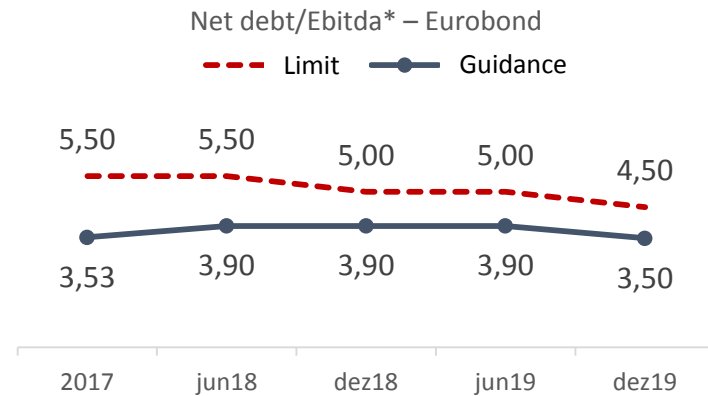
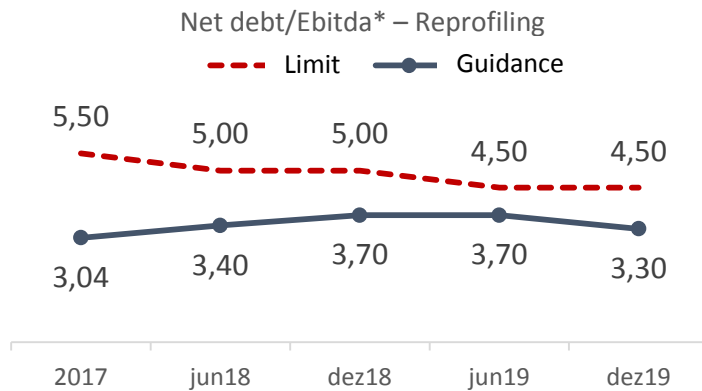
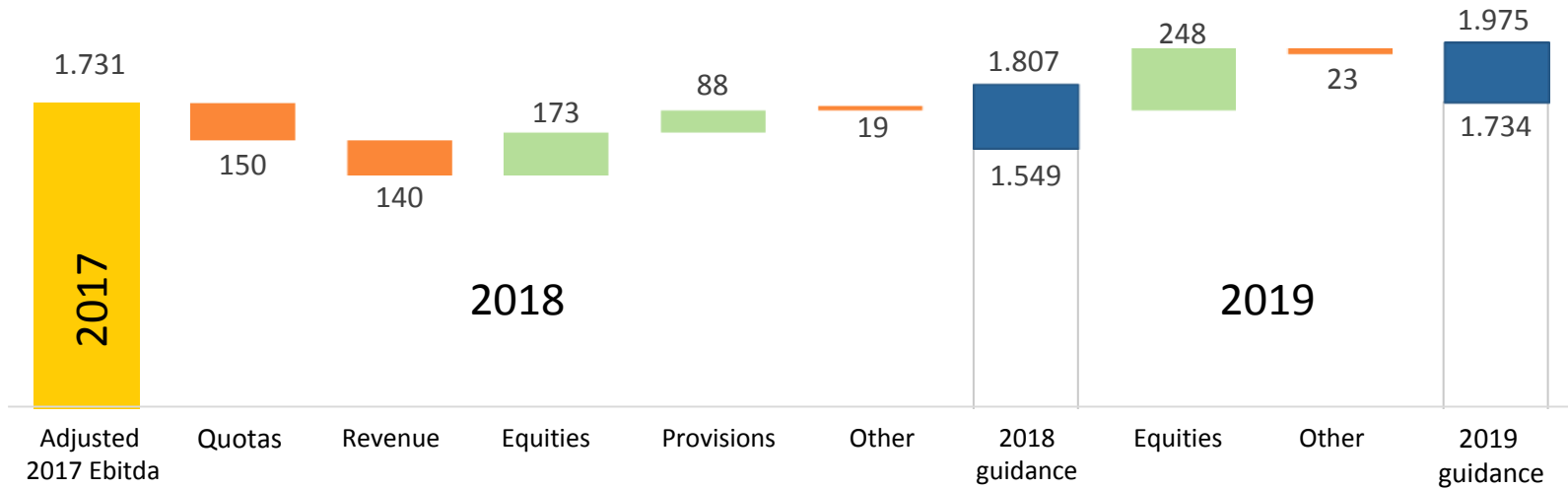


Source: Cemig.

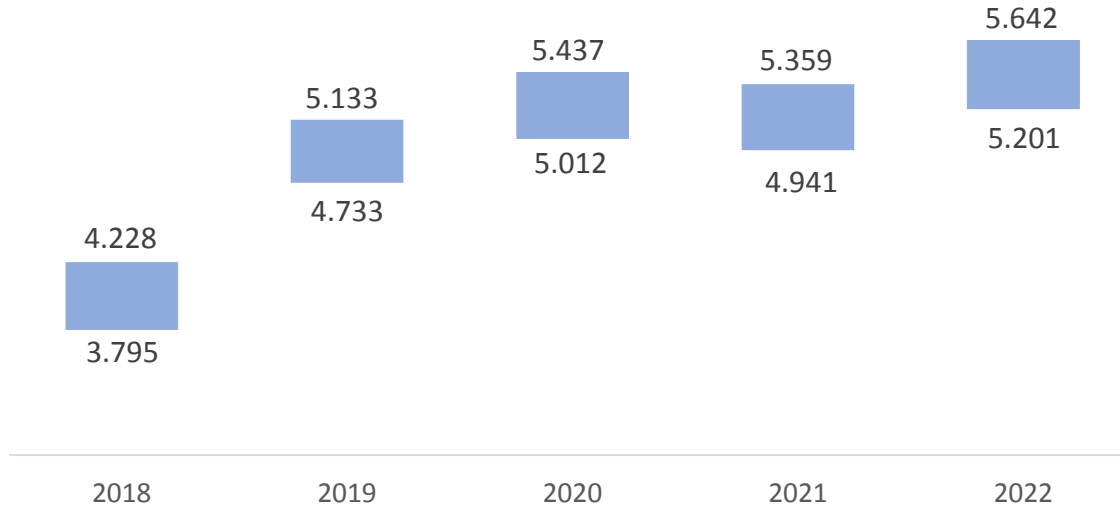
* Adjusted according to definition in the debt contract.

Ebitda IFRS - Constant June 2018 R\$ mn

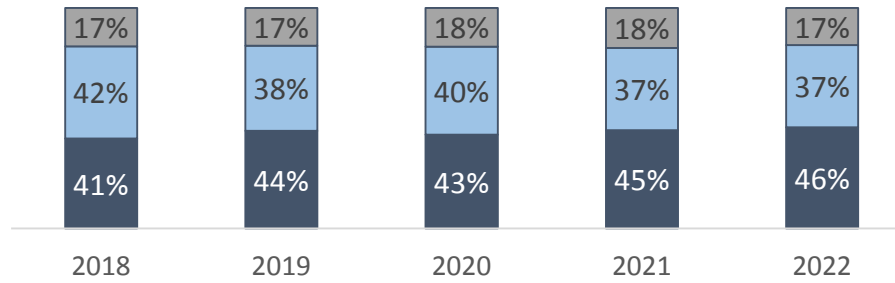
Ebitda IFRS - Constant June 2018 R\$ mn



* Net debt and Ebitda are adjusted according to the definitions in the debt contracts.



Breakdown of Ebitda



■ Cemig D ■ Cemig GT ■ Holding Co. and equity interests

Source: Cemig.

Constant June 2018 R\$ mn

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

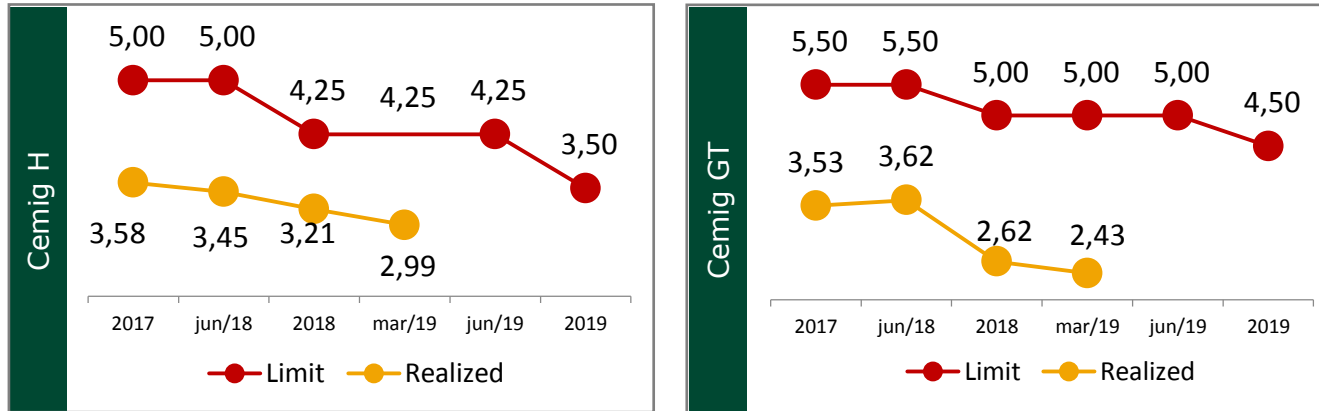
- Penalty Interest for Failure to Comply with any Maintenance Covenant: **+2.0% p.a.** for as long as any Maintenance Covenant is breached
- Penalty Interest for Failure to Implement Bank Debt Refinancing: **+2.0% p.a.** if Bank Debt Refinancing not implemented by Feb. 15, 2018

| 12 months | 1Q19 | |
|---|--------------|--------------|
| R\$ (in million) | GT | H |
| Net income for the period/year (i) | 1,014 | 2,245 |
| Net financial expenses | 337 | 1,160 |
| Income tax and Social Contribution tax | 515 | 922 |
| Depreciation and amortization | 200 | 1,440 |
| EBTIDA | 2,066 | 5,767 |
| minus minority interest result | 284 | 153 |
| minus provision for the variation in value of the put option obligations | 114 | 128 |
| minus non-operating result (which includes any gains on asset sales and any asset write-off or impairments) | 107 | 140 |
| minus non-cash credits and gains increasing net income, to the extent they are non-recurring | (80) | 119 |
| minus non-cash revenues related to transmission and generation indemnification | (271) | (271) |
| plus cash dividends received from minority investments (as measured in the statement of cash flows) | 75 | 278 |
| minus monetary updating of concession grant fees | (320) | (320) |
| plus cash inflows related to power generation concession grant fee | 252 | 252 |
| cash inflows related to transmission revenue for cost of capital coverage; plus | 249 | 249 |
| cash inflows from generation indemnification, provided that such amount shall not exceed 30.0% of the sum of clauses (i) through (xvii) of this definition. | 932 | 1,139 |
| Covenant EBITDA | 3,409 | 7,634 |

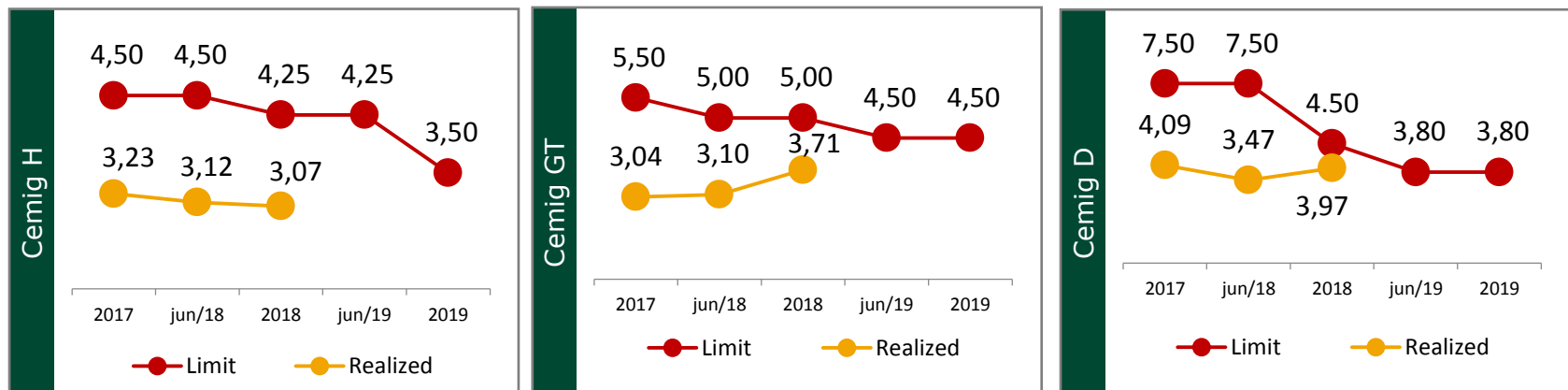
| 12 months | 1Q19 | |
|---|--------------|-------------------|
| R\$ (in million) | GT | H |
| Consolidated Indebtedness | 8,124 | 23.828 |
| <i>plus</i> debt contracts with Forluz | 228 | 1,009 |
| <i>plus</i> carrying liability of any put option obligation | 447 | 447 |
| <i>minus</i> escrow account amounts deposited to satisfy any put option obligation | - | - |
| <i>minus</i> consolidated cash and cash equivalents; plus consolidated marketable securities recorded as current assets | (515) | (2,490) |
| Covenant Net Debt | 8,284 | 22,795 (1) |
| Covenant EBITDA | 3,409 | 7,634 |
| Covenant Net Debt / Covenant Ebitda | 2.43 | 2.99 |
| Total Secured Debt | | 7,190 |
| Total Secured Debt / Covenant EBITDA | | 0.94 |

Net debt/Ebitda

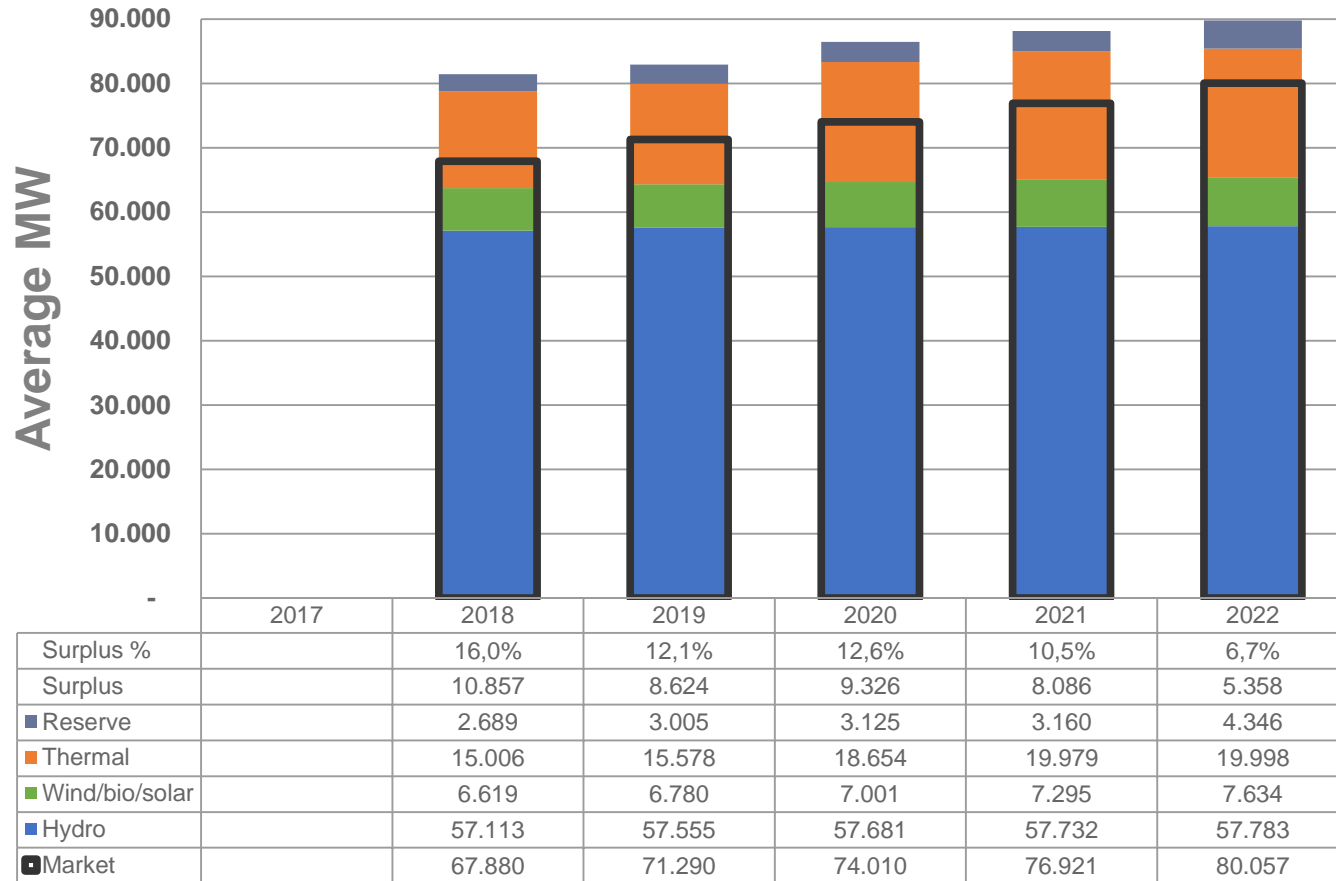
Eurobonds' Covenant - (LTM – Last twelve months)



Reprofiling's Covenant - (LTM – Last twelve months)

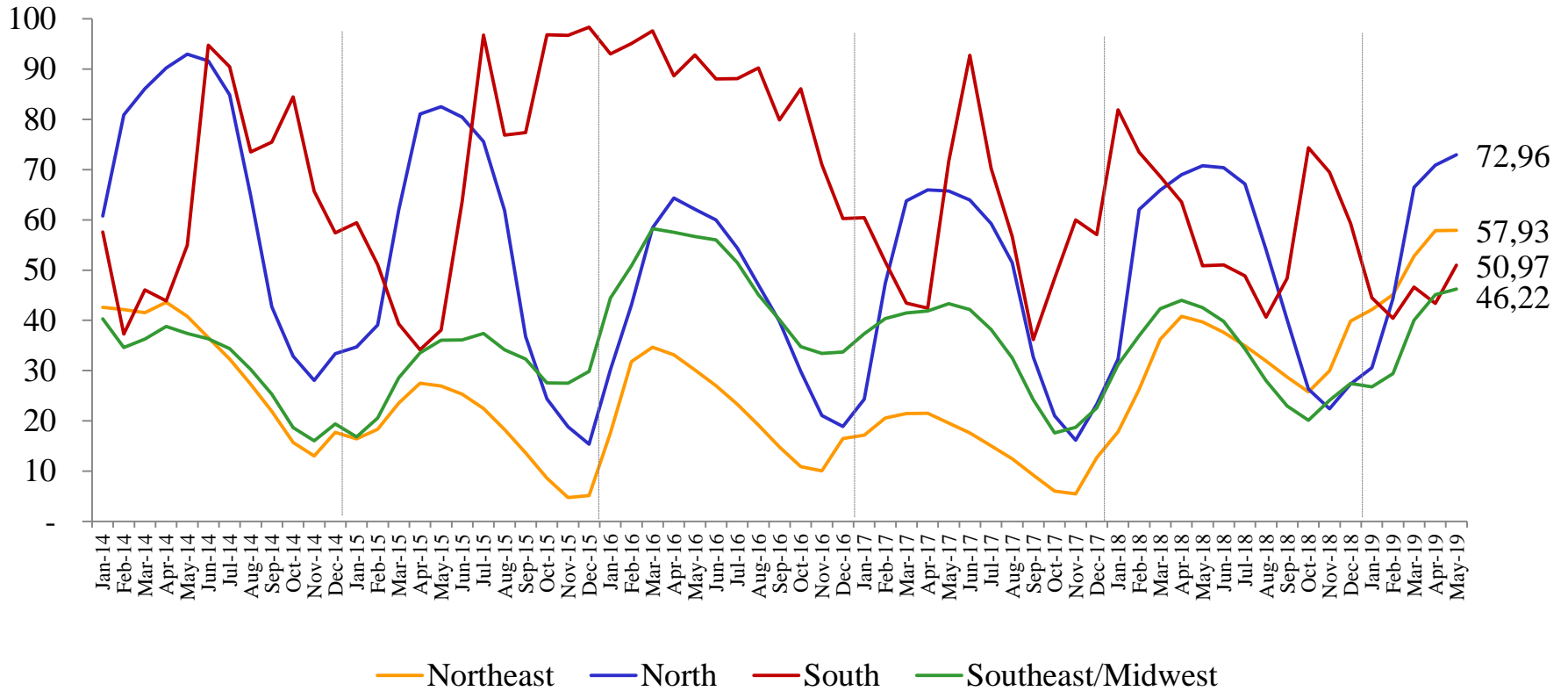


Made in May 2018



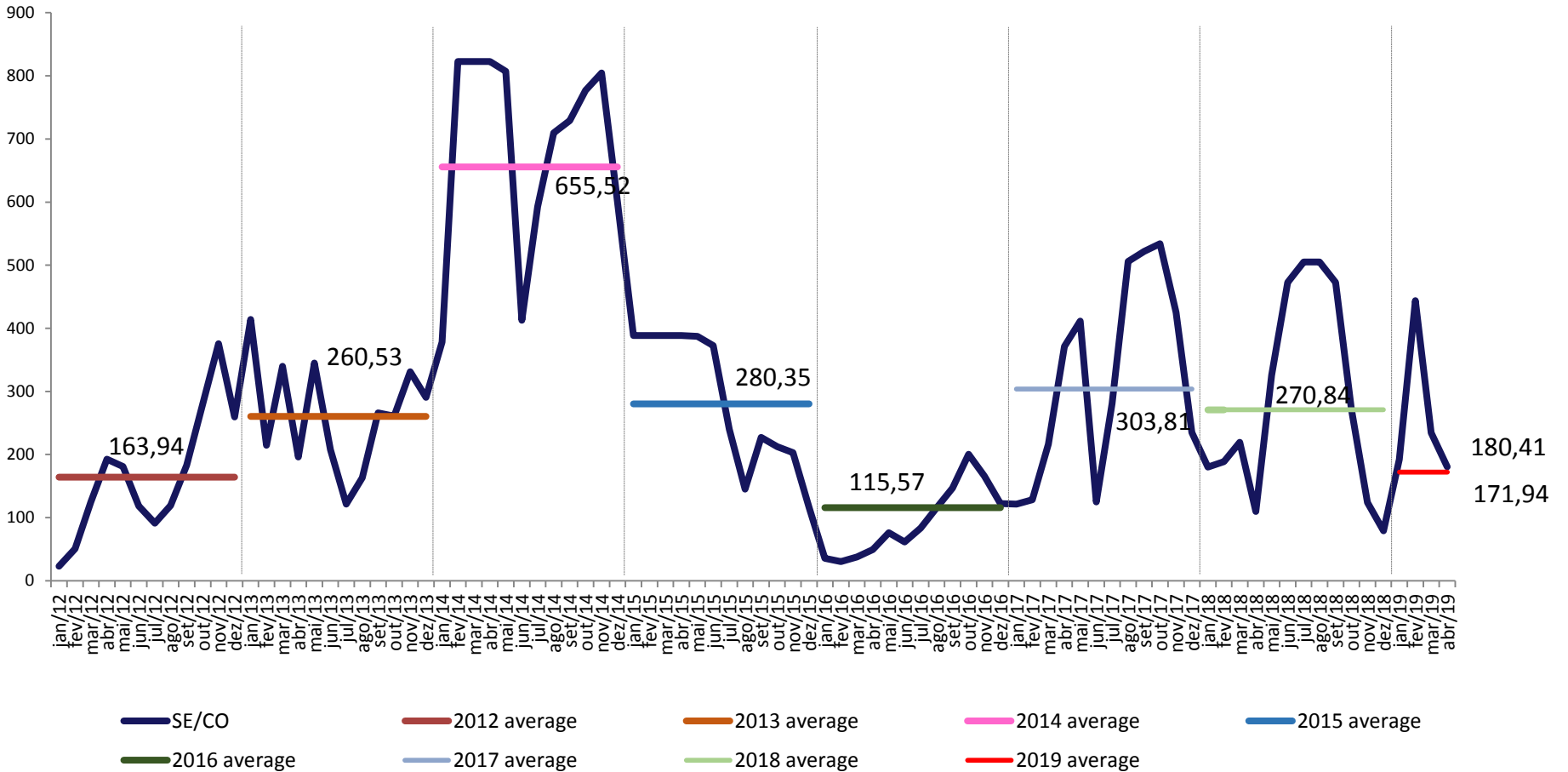
Source: **May 2018 monthly operational survey (PMO)** (includes contracting of Angra III as Reserve Energy from Jan, 2022),

by region (%)*

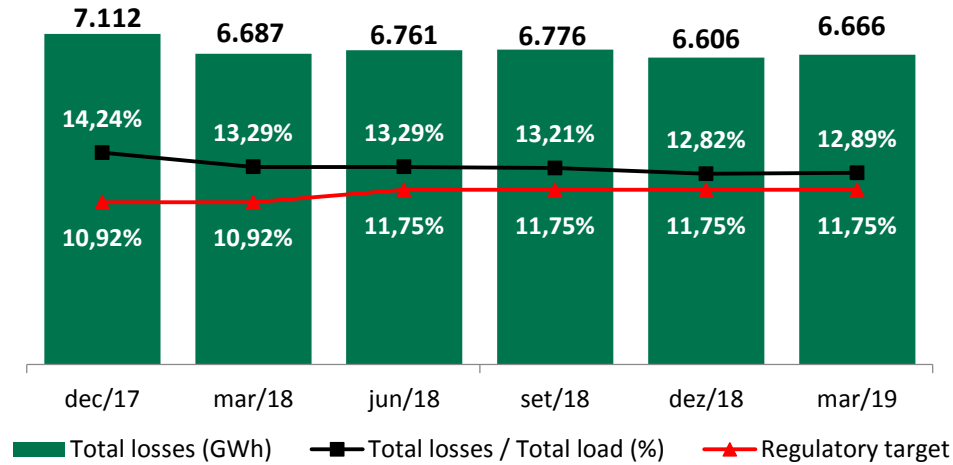


*Source: ONS

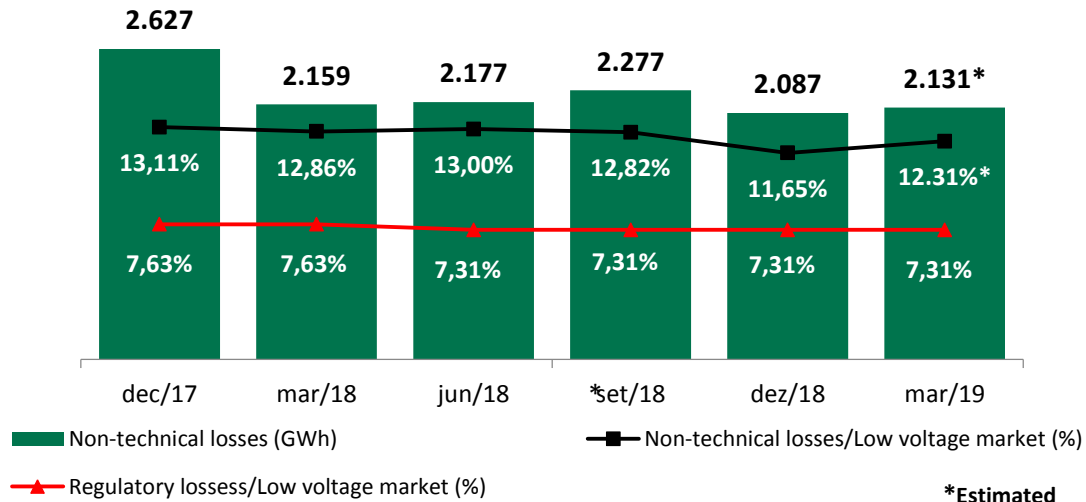
Brazil: eletricity spot price – monthly average (R\$/MWh)



Total losses



Non-technical losses/Total Low voltage market



Average daily trading volume in 2018

BOVESPA: R\$120.1 million

NYSE: US\$10.4 million

North America

Canada
USA



NYSE (2018)
CIG US\$ 2.33 billion
CIG.C US\$ 2.5 million

Central America

Bahamas
Bermuda
Cayman islands

South America

Argentina
Brazil
Chile
Uruguay



BOVESPA (2018)
CMIG4 R\$ 26.6 billion
CMIG3 R\$ 2.8 billion

EUROPE

| | | | |
|---------|----------|---------------|-------------|
| Austria | Germany | Italy | Portugal |
| Belgium | Guernsey | Malta | Spain |
| Denmark | Greece | Jersey | Sweden |
| France | Holland | Liechtenstein | Switzerland |
| Finland | Ireland | Luxembourg | UK |
| | | Norway | |



LATIBEX (2018)
XCMIG
€ 1.1 million

ASIA

Brunei
Japan
India
Malaysia
Singapore
South Korea
Taiwan
China

Middle East

UAE
Kuwait
Oman
Saudi Arabia

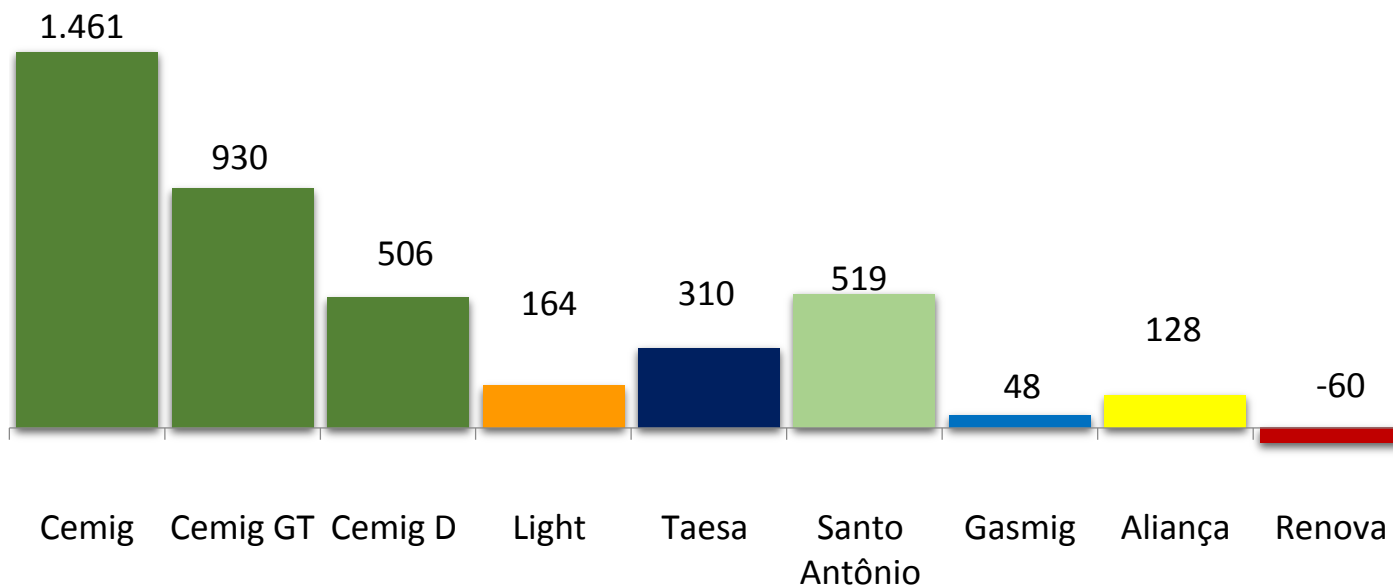
Africa

South Africa

OCEANIA

Australia
New Zealand

- Shares traded on 3 stock exchanges
- Over 140,000 stockholders in 38 countries



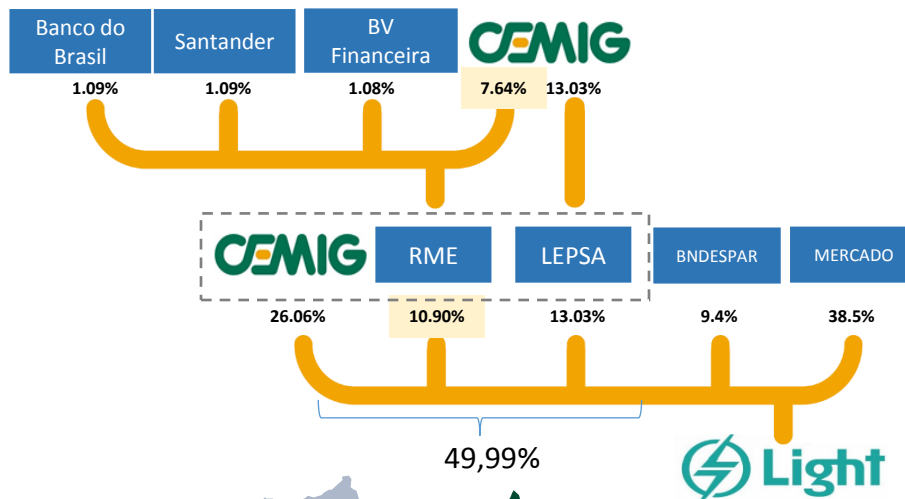
| Companies | 1Q19 | % Cemig | Proportional | Guidance 2018 |
|---------------|------|---------|--------------|---------------|
| Cemig | 1461 | | | 3,795 - 4,228 |
| Cemig GT | 930 | 100.00 | 930 | 1,549 - 1,807 |
| Cemig D | 506 | 100.00 | 506 | 1,518 - 1,729 |
| Light | 164 | 49.99 | 82 | |
| Taesa | 310 | 21.68 | 67 | |
| Aliança | 128 | 45.00 | 57 | |
| Gasmig | 48 | 99.57 | 48 | |
| Santo Antônio | 519 | 15.51 | 80 | |
| Renova | -60 | 36.23 | -22 | |

8.5 R\$ bn Net RAB - Regulatory Asset Base

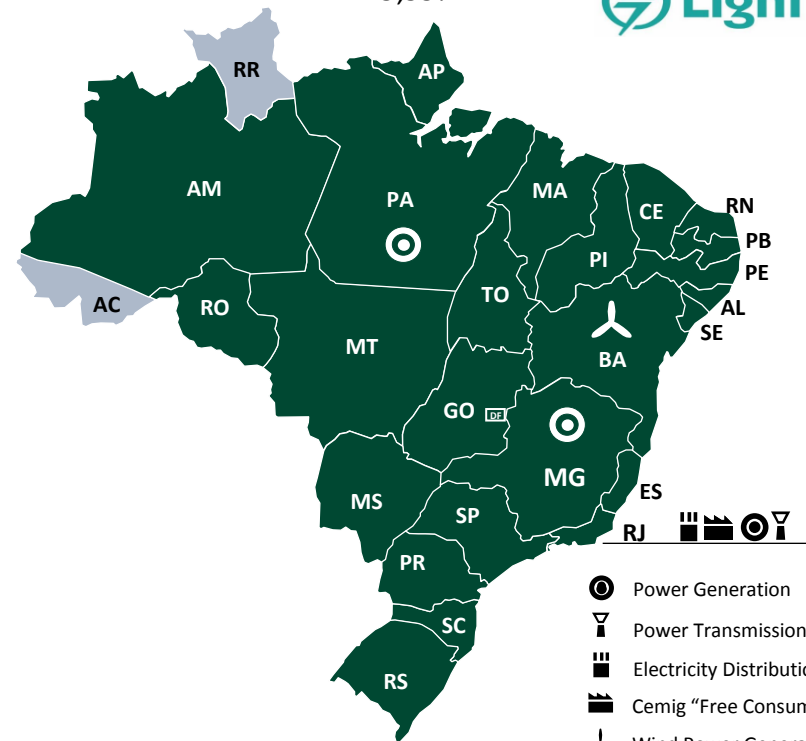
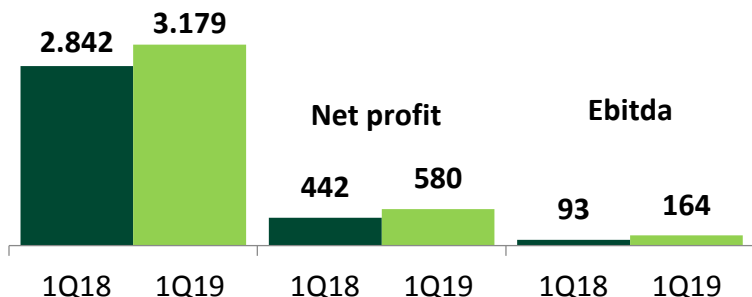
1,024 MW installed capacity

648 MWavg Assured Energy

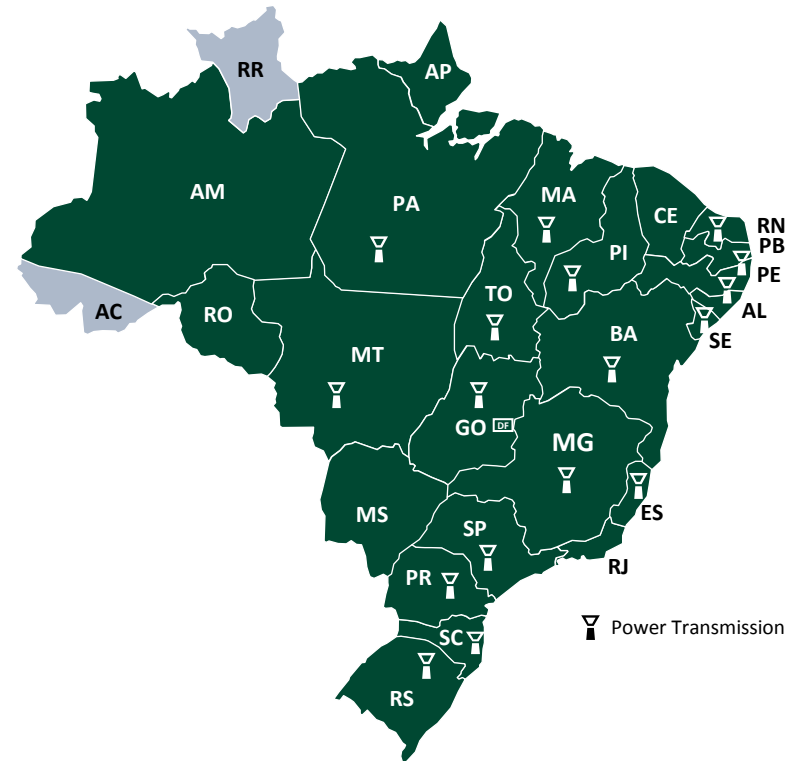
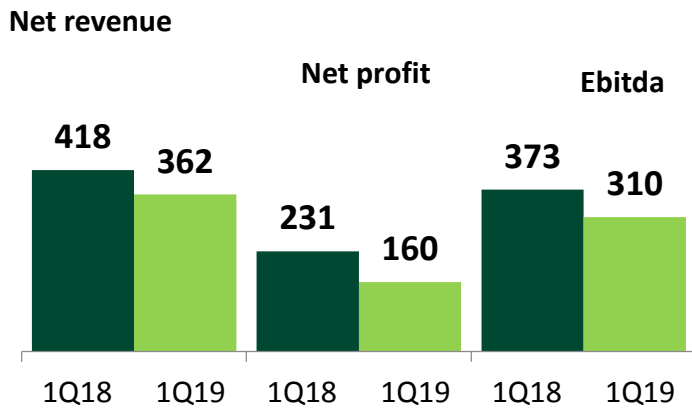
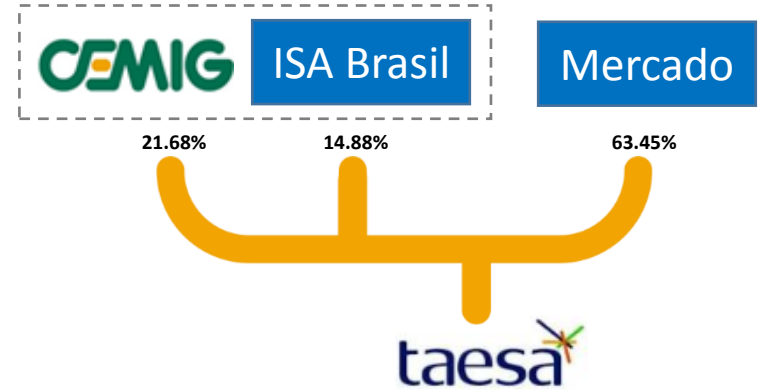
2.8 R\$ bn of market capitalization
Dec, 31st



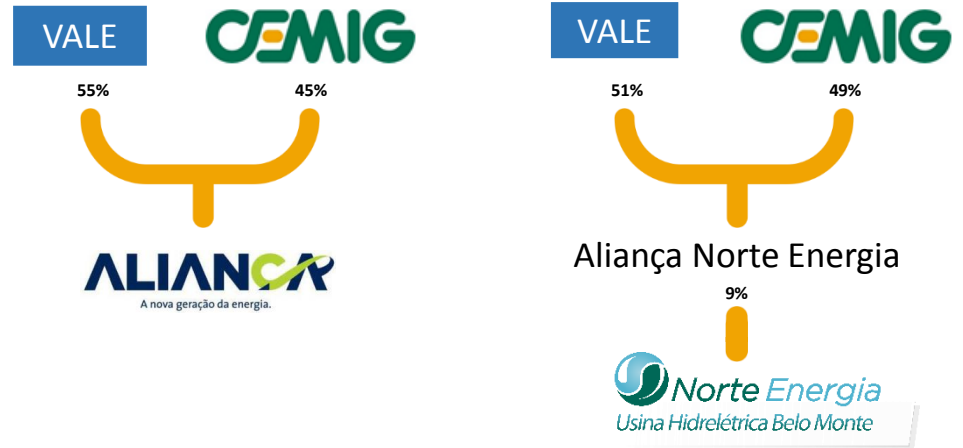
Net revenue



- 2.6 R\$ bn RAP - Annual Permitted Revenues (2018/2019)
- 12,135 Km in transmission line
- 8.4 R\$ bn of market capitalization
Aug, 27th

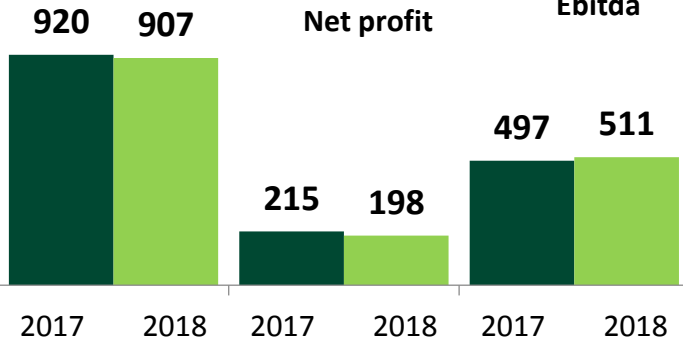


- 8 Enterprises in operation
- 1,257 MW installed capacity
- 695 MWavg Assured Energy

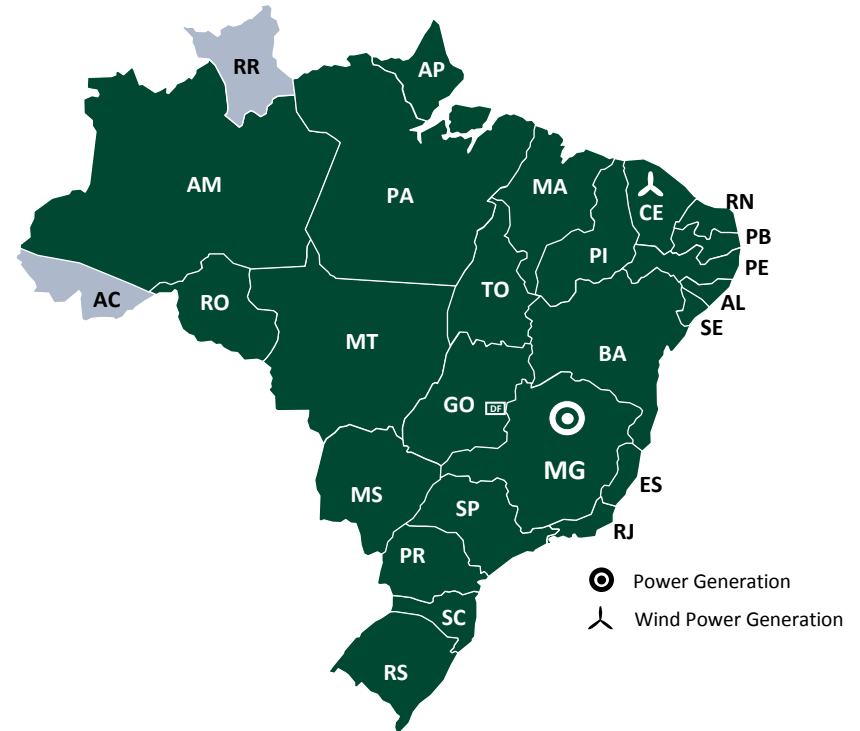


2018

Net revenue



FitchRatings AAA(bra)

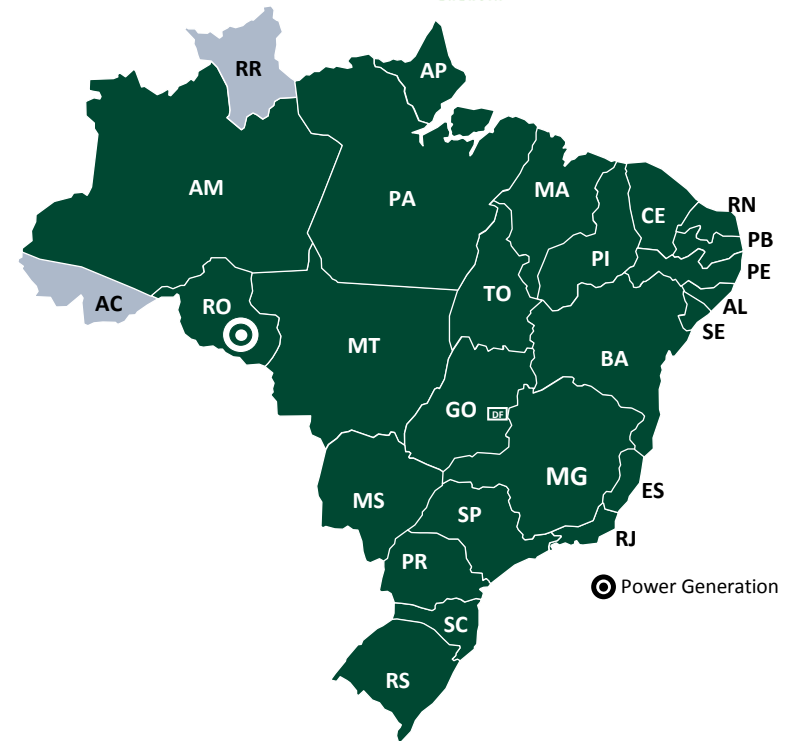
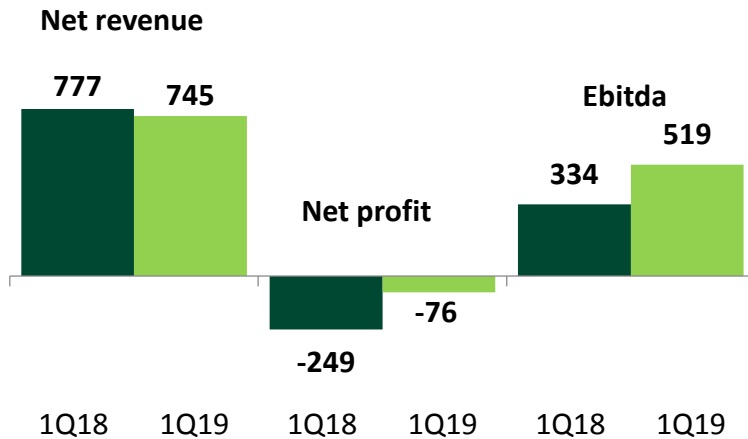
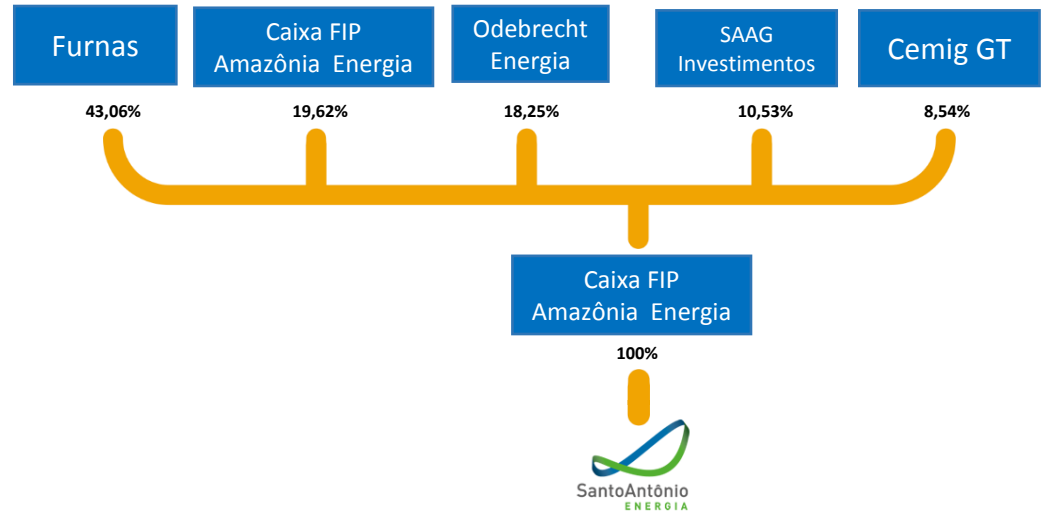


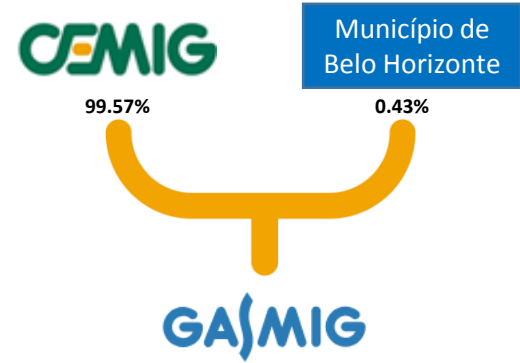
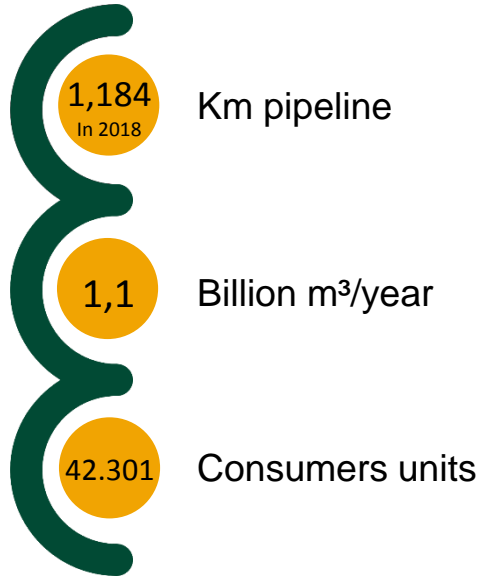
3,568 MW installed capacity

2,424 MWavg Assured Energy

50 Generator units – bulb turbine

20 R\$ billion – Capex





2018

