



CEMIG GERAÇÃO E TRANSMISSÃO S.A.

3RD PUBLIC ISSUE OF DEBENTURES

ANNUAL REPORT OF THE FIDUCIARY AGENT

2014 BUSINESS YEAR



Rio de Janeiro, April 30, 2015.

Dear Debenture Holders,

As Fiduciary Agent for the Third Public Issue of Debentures by CEMIG GERAÇÃO E TRANSMISSÃO S.A. (“the Issue”) we present to you the annual report on that issue, in compliance with CVM Instruction 28 of November 23, 1983 and the Issue Deed.

The situation of the company was considered based on the audited Standardized Financial Statements (DFP), other information supplied by the Issuer, and the internal controls of Pentágono.

This report is available to debenture holders at the head office of the Issuer Company, at the head office of Pentágono, at the CVM, at Cetip and at the head office of the Lead Manager of the Issue.

The Web version of this report has been sent to the issuer, and is also available on our website www.pentagonotrustee.com.br

Yours,

PENTÁGONO S.A. DTVM.



Characteristics of the Issuer

- Formal name: CEMIG GERAÇÃO E TRANSMISSÃO S.A.
- Brazilian Corporate Tax Number (CNPJ/MF): 06.981.176/0001-58
- Investor Relations Director: Mr. Luiz Fernando Rolla
- Activities:
 - (i) to study, plan, design, build and commercially operate systems of generation, transmission and sale of electricity and related services for which concessions are granted, under any form of law, to it or to companies of which it maintains stockholding control;
 - (ii) to operate in the various fields of energy, from whatever source, with a view to economic and commercial operation;
 - (iii) to provide consultancy services within its field of operation to companies in and outside Brazil; and
 - (iv) to carry out activities directly or indirectly related to its objects.

These activities may be operated directly by the Company or, as intermediary, by companies constituted by it or in which it may hold a majority or minority stockholding interest, upon decision by the Board of Directors of the sole stockholder, Cemig, under Article 2 of State Law 8655 of September 18, 1984, and prior authorization by the National Electricity Agency, Aneel.

Characteristics of the Issue

Date of the Issue (all series): February 15, 2012

- MATURITY DATE: (i) 1st Series: February 15, 2017; (ii) 2nd Series: February 15, 2019; (iii) 3rd Series: February 15, 2022
- Bookkeeping Institution and Mandated Bank: Banco Bradesco S.A.
- CETIP/ISIN Codes: (i) 1st Series: CMTR13/BRCMGTDDBS047; (ii) 2nd Series: CMTR23/BRCMGTDDBS054; (iii) 3rd Series: CMTR33/BRCMGTDDBS062.
- Lead Manager: HSBC Corretora de Títulos e Valores Mobiliários S.A.



- Use of proceeds: The net proceeds obtained by the Issuer from paying-up of the debentures will be allocated to early redemption of the one hundred commercial promissory notes of the Company's Fourth Issue, issued on January 13, 2012, for their nominal unit value, of R\$ 10,000,000.00, plus remuneratory interest equal to: (i) 103% of the Over DI Rate, applied to the nominal unit value of each promissory note, from the date of issue up to the date of actual redemption, if such redemption takes place by the 60th calendar day from the date of issue of the commercial promissory notes (exclusive); (ii) 104% of the Over DI Rate, applied to the nominal unit value of each commercial promissory note, from the last payment date of the remuneratory interest up to the date of the actual redemption, if such redemption takes place between the 60th calendar day from the date of issue of the commercial promissory notes (inclusive) and the 120th calendar day from the date of issue of the commercial promissory notes (exclusive); and e (iii) 105% of the Over DI Rate, applied to the nominal unit value of each commercial promissory note, from the last date of payment of the remuneratory interest up to the date of the actual redemption, if such redemption takes place between the 120th calendar day from the date of issue of the commercial promissory notes (inclusive) and the 180th calendar day from the date of issue of the commercial promissory notes (exclusive).

If the net funds obtained by the Issuer from the paying-up of the Debentures are not sufficient for full redemption of the commercial promissory notes of the Company's 4th Issue, the Issuer may use its own funds and carry out full redemption of those securities or, also, it may opt to effect early redemption of only part of the said commercial promissory notes, in proportion to the funds raised by the Offering.

- Type of issue: Public Issue of unsecured Debentures, not convertible into shares, in three Series.

1. Any omission or inaccuracy contained in the information disclosed by the Company; or any default or arrears in the obligatory presentation of information by the Company: [\(CVM Instruction 28/83, Article 12, Sub-Item XVII, Subclause 'a'\)](#)

Pentágono declares that it is not aware of any omission or inaccuracy contained in the information disclosed by the company, nor of any default or arrears in the obligatory presentation of information by the Issuer.



2. **Changes to the Bylaws:** (CVM Instruction 28/83, Article 12, Sub-Item XVII, Subclause 'b')

In an Extraordinary General Meeting of Stockholders held on April 30, 2014, a change was approved in the drafting of the head paragraph of Clause 5 of the Company's by-laws, due to the increase in the Company's share capital.

In an EGM, held on June 3, 2014, alteration was approved in the head paragraph of Clause 8 of the Company's by-laws, which establishes the composition of the Board of Directors.

In an EGM held on December 29, 2014, a change was approved in the head paragraph of Article 5 of the Company's by-laws, due to the decision which approved the increase in the Company's share capital.

3. **Comments on the Company's financial statements, and on its economic, financial and capital structure indicators:** (CVM Instruction 28/83, Article 12, Sub-Item XVII, Subclause 'c')

- **The company**

- ➔ Principal activity: 35.11-5-01 – Generation of electricity;
- ➔ Company's situation: active;
- ➔ Nature of Stockholding Control: state-controlled;
- ➔ Criterion for preparation of financial statements: Brazilian Corporate Law legislation.

- **Financial situation**

- ➔ General Liquidity: from 0.57 in 2013 to 0.39 in 2014;
- ➔ Current Liquidity: from 1.08 in 2013 to 0.53 in 2014;
- ➔ Quick (acid test) Ratio: from 10.07 in 2013 to 0.53 in 2014;
- ➔ Asset Turnover: from 0.50 in 2013 to 0.62 in 2014.

- **Capital structure**

Loan and financings as a percentage of Stockholders' equity were increased by 88% from 2013 to 2014. Third Party Capital as a percentage of Stockholders' equity changed from 175% in 2013 to 255% in 2014. PP&E as a percentage of Stockholders' equity changed from 176% in 2013 to 256% in 2014. Non-current liabilities increased by 31% from 2013 to 2014; the Indebtedness Index increased by 13% from 2013 to 2014.

[revisor1] Comentário:
Checar o conceito matemático desta afirmação ??
(- sf@miracleread.com)



For better analysis of the company's economic and financial situation we recommend a complete reading of the Financial statements, the Report of Management and the Opinion of the External auditors.

4. Position on distribution or placement of the debentures in the market:

(CVM Instruction 28/83, Article 12, Sub-Item XVII, Subclause 'd')

- UNIT VALUE AT THE ISSUE DATE (OF ALL THE SERIES): R\$ 1,000.00
- UPDATING OF THE NOMINAL VALUE: (i) 1st Series: Not applicable; and (ii) 2nd and 3rd Series: IPCA/IBGE
- REMUNERATION: (i) 1st Series: 100% of the DI Rate + 0.90% p.a.; (ii) 2nd Series: 6.00% p.a.; and (iii) 3rd Series: 6.20 % p.a.
- PAYMENTS MADE PER DEBENTURE IN 2014:

→ CMTR13 – 1st Series:

Interest:

Feb. 17, 2014 – R\$ 95.149968

→ CMTR23 - 2nd Series:

Interest:

Feb. 17, 2014 – R\$ 68.074475

→ CMTR33 - 3rd Series:

Interest:

Feb. 17, 2014 – R\$ 70.344430

- POSITION OF THE ASSET:

CMTR13 – 1st Series:

Quantity in circulation: 480,000

Quantity in Treasury: 0

Total quantity issued: 480,000

CMTR23 – 2nd Series:

Quantity in circulation: 200,000

Quantity in Treasury: 0

Total quantity issued: 200,000

CMTR33 – 3rd Series:

Quantity in circulation: 670,000

Quantity in Treasury: 0

Total quantity issued: 670,000



5. **Redemption, amortization, conversion, renegotiation or payment of interest of the debentures taking place in the period, and acquisitions and sales of debentures made by the issuer company:** (CVM Instruction 28/83, Article 12, Sub-Item XVII, Subclause 'e')

- **Redemption:** no redemption took place;
- **Amortization:** none;
- **Conversion:** not applicable;
- **Renegotiation:** not applicable;
- **Interest on the debentures paid in the period:** as per item 4 above;
- **Debentures acquired and/or sold by the Issuer Company:** none.

6. **Constitution of, and investments made by, a fund for amortization of the debentures, if applicable:** (CVM Instruction 28/83, Article 12, Sub-Item XVII, Subclause 'f')

No Amortization Fund has been constituted for this Issue.

7. **Monitoring of use of the funds raised through the debenture issue, according to data obtained from the managers of the Issuer company:** (CVM Instruction 28/83, Article 12, Sub-Item XVII, Subclause 'g')

According to the information obtained, the funds obtained from the Debenture Issue were allocated as specified in the Issue Deed.

8. **List of the assets/amounts delivered for management by the Fiduciary Agent:** (CVM Instruction 28/83, Article 12, Sub-Item XVII, Subclause 'h')

There are no assets and/or amounts delivered to the Fiduciary Agent for management.

9. **Compliance with other Obligations assumed by the company in the issue deed:** (CVM Instruction 28/83, Article 12, Sub-Item XVII Subclause 'i')

According to the information obtained, we find that the obligations assumed by the Issuer in the Issue Deed have been complied with.

10. **Statement on the sufficiency and enforceability of guarantees of the debentures:** (CVM Instruction 28/83, Article 12, Sub-Item XVII, Subclause 'j')



The debentures of this issue are of the unsecured type, with an additional surety guarantee.

The Debentures have the following guarantee: (i) Surety, as specified in the Issue Deed.

According to the information obtained from the Issuer, the guarantee(s) provided in this Issue remain perfectly sufficient and enforceable, as constituted, granted and/or issued.

11. Existence of other issues, public or private, of debentures by the Issuer itself, or by an affiliated company, a subsidiary, a parent company or a member of the same group as the Issuer in which the Fiduciary Agent has also acted as fiduciary agent in the period, and the following data about such issues: (CVM Instruction 28/83, Article 12, Sub-Item XVII, Subclause 'k')

- (i) Name of the offering company: **LIGHT ENERGIA S.A.**
- Issue: 2nd.
 - Value of the Issue: R\$ 425,000,000.00
 - Number of debentures issued: 425;
 - Type: Unsecured, with surety guarantee.
 - Maturity of the Debentures: 19/08/2019;
 - Type and value of the goods given in guarantee and name of the guarantors:
(i) Surety guarantee by Light S.A.;
 - Redemption, amortization, payment, conversion, renegotiation or default events in the period, by debenture:
(i) Payments:
Interest:
February 19, 2014 – R\$ 53,401.894000
August 19, 2014 – R\$ 57,054.546000
- (ii) Name of the offering company: **LIGHT ENERGIA S.A.**
- Issue: 3rd. (Private)
 - Value of the Issue: R\$ 30,000,000.00
 - Number of debentures issued: 30;
 - Type: Unsecured, with surety guarantee.
 - Maturity of the Debentures: 04/06/2026;
 - Type and value of the goods given in guarantee and name of the guarantors:
(i) Surety guarantee by Light S.A.;



- Redemption, amortization, payment, conversion, renegotiation or default events in the period, by debenture:
 - (i) Payments:
Interest:
June 4, 2014 – R\$ 55,454.008
December 4, 2014 – R\$ 61,051.118

- (iii) Name of the offering company: **TRANSMISSORA ALIANÇA DE ENERGIA ELÉTRICA S.A.**
 - Issue: 1st ;
 - Value of the Issue: R\$ 600,000,000.00
 - Number of debentures issued: (i) 1st Series: 34,500; (ii) 2nd Series: 25,500
 - Type: unsecured;
 - Maturity of the Debentures: 15/07/2015;
 - Type and value of the goods given in guarantee and name of the guarantors:
 - Redemption, amortization, payment, conversion, renegotiation or default events in the period, by debenture:
 - (i) Payments:
→ TAES11 - 1st Series:
Amortization:
July 15, 2014 – R\$ 3,333.330000
Interest:
15/07/2014 – R\$ 748.116334

 - TAES21 - 2nd Series:
Amortization:
July 15, 2014 – R\$ 4,241.557925
Interest:
15/07/2014 – R\$ 671.015470

- (iv) Name of the offering company: **ANDRADE GUTIERREZ PARTICIPAÇÕES S.A.**
 - Issue: 2nd.
 - Value of the Issue: R\$ 639,450,000.00
 - Number of debentures issued: (i) 1st Series: 8,294; (ii) 2nd Series: 7,845; and (iii) 3rd Series: 47,806
 - Type: Unsecured, with surety guarantee.
 - Maturity of the Debentures: (i) 1st Series: June 15, 2017; (ii) 2nd Series: June 15, 2019; (iii) 3rd Series: 15/06/2022;



- Type and value of the goods given in guarantee and name of the guarantors:
 - (i) Surety given by Construtora Andrade Gutierrez S.A.;
- Redemption, amortization, payment, conversion, renegotiation or default events in the period, by debenture:
 - (i) Payments:
 - CANT12 - 1st Series:
 - Optional acquisition (of 2,500 debentures):
May 30, 2014 – R\$ 10503.720430

 - Interest:
June 16, 2014 – R\$ 556.129849
December 15, 2014 – R\$ 606.153290

 - Premium:
August 29, 2014 – R\$ 27.020400
 - CANT22 - 2nd. Series:
 - Interest:
June 16, 2014 – R\$ 567.838819
December 15, 2014 – R\$ 618.491960

 - Premium:
August 29, 2014 – R\$ 44.782246
 - CANT32 - 3rd Series:
 - Interest:
June 16, 2014 – R\$ 702.420375

 - Premium
August 15, 2014 – R\$ 86.178002
- (v) Name of the offering company: **ANDRADE GUTIERREZ PARTICIPAÇÕES S.A.**
 - Issue: 3rd
 - Value of the Issue: R\$ 180,000,000.00
 - Number of debentures issued: 18,000
 - Type: unsecured;
 - Maturity of the Debentures: January 15, 2015;
 - Type and value of the goods given in guarantee and name of the guarantors: not applicable.
 - Redemption, amortization, payment, conversion, renegotiation or default events in the period, by debenture:
 - (i) Payments:
 - Interest:
May 15, 2014 - R\$ 514.004299



November 17, 2014 – R\$ 588.958300

- (vi) Name of the offering company: **ATIVAS DATA CENTER S.A.**
- Issue: 1st.
 - Value of the Issue: R\$ 90,000,000.00
 - Number of debentures issued: 90,000
 - Type: unsecured;
 - Maturity of the Debentures: July 1, 2017
 - Type and value of assets given in guarantee and name of the guarantors: The debenture holders additionally have “Stockholder support”, through injections of capital into Ativas Data Center S.A. by its controlling stockholders, Ativas Participações S.A. and Cemig Telecomunicações S.A.
 - Redemption, amortization, payment, conversion, renegotiation or default events in the period, by debenture:
 - (i) Payments:
 - Interest:
- July 1, 2014 – R\$ 114.304970
- (vii) Name of the offering company: **GASMIG (COMPANHIA DE GÁS DE MINAS GERAIS)**
- Issue: 2nd.
 - Value of the Issue: R\$ 90,000,000.00
 - Number of debentures issued: 10,000;
 - Type: unsecured;
 - Maturity of the Debentures: November 16, 2015;
 - Type and value of the goods given in guarantee and name of the guarantors: not applicable;
 - Redemption, amortization, payment, conversion, renegotiation or default events in the period, by debenture:
 - (i) Payments:
 - Interest:
- 16/01/2014 – R\$ 83.205230
17/02/2014 – R\$ 91.305679
17/03/2014 – R\$ 75.644010
16/04/2014 – R\$ 94.291989
16/05/2014 – R\$ 82.320939
16/06/2014 – R\$ 91.040170
16/07/2014 – R\$ 91.025560
18/08/2014 – R\$ 99.777739



16/09/2014 – R\$ 91.159929
16/10/2014 – R\$ 95.547869
17/11/2014 – R\$ 96.750720
16/12/2014 – R\$ 94.617009

(viii) Name of the offering company: GASMIG (COMPANHIA DE GÁS DE MINAS GERAIS)

- Issue: 3rd
- Value of the Issue: R\$ 90,000,000.00
- Number of debentures issued: 10,000;
- Type: unsecured;
- Maturity of the Debentures: 29/04/2018;
- Type and value of the goods given in guarantee and name of the guarantors: not applicable;
- Redemption, amortization, payment, conversion, renegotiation or default events in the period, by debenture:

(i) Payments:

Interest:

29/01/2014 – R\$ 85.897930
28/02/2014 – R\$ 92.468160
31/03/2014 – R\$ 81.612129
29/04/2014 – R\$ 82.956079
29/05/2014 – R\$ 92.027900
30/06/2014 – R\$ 92.042510
29/07/2014 – R\$ 92.027900
29/08/2014 – R\$ 100.956549
29/09/2014 – R\$ 92.147769
29/10/2014 – R\$ 96.663859
01/12/2014 – R\$ 103.113800
29/12/2014 – R\$ 88.033900

(ix) Name of the offering company: GUANHÃES ENERGIA S.A.

- Issue: 1st.
- Value of the Issue: R\$ 65,000,000.00
- Number of debentures issued: 6,500
- Type: unsecured;
- Maturity of the Debentures: 22/10/2014;
*Drafting in accordance with the 2nd. Amendment to the Issue Deed.
- Type and value of the goods given in guarantee and name of the guarantors: In a General Meeting of Debenture Holders held on April 16, 2014, it was decided that



the Issuer should present a Corporate Surety Letter issued by Light S.A., with participation of Light S.A. corresponding to 51%, and by Companhia Energética de Minas Gerais and Cemig Geração e Transmissão S.A., with participation corresponding to 49%.

- Redemption, amortization, payment, conversion, renegotiation or default events in the period, by debenture:

(i) Payments:

Interest:

20/10/2014 – R\$ 1,990.053100

Amortization:

20/10/2014 – R\$ 10,000.000000 (maturity)

- (x) Name of the offering company: **AXXIOM SOLUÇÕES TECNOLÓGICAS S.A.**

- Issue: 1st
- Value of the Issue: R\$ 15,000,000;
- Number of debentures issued: 1,500;
- Type: unsecured;
- Maturity of the Debentures: 29/01/2016;
- Type and value of the goods given in guarantee and name of the guarantors: not applicable.
- Redemption, amortization, payment, conversion, renegotiation or default events in the period, by debenture:

(i) Payments:

Amortization:

29/01/2014 – R\$ 3,333.330000

Interest:

29/01/2014 – R\$ 907.673200

- (xi) Name of the offering company: **CEMIG GERAÇÃO E TRANSMISSÃO S.A.**

- Issue: 5th.
- Value of the Issue: R\$ 1,400,000,000.00;
- Number of debentures issued: 140,000
- Type: unsecured, with additional surety guarantee.
- Maturity of the Debentures: 10/12/2018;
- Type and value of the goods given in guarantee and name of the guarantors:

(i) surety given by Companhia Energética de Minas Gerais - Cemig;



- Redemption, amortization, payment, conversion, renegotiation or default events in the period, by debenture: None

12. **Opinion:**

We are not aware of any omission or error of fact contained in the information disclosed by the Issuer. The Issuer has kept its registry as a listed company with the Brazilian Securities Commission (*Comissão de Valores Imobiliários*, or CVM) updated.

13. **Statement on capacity to continue exercising the function of Fiduciary**

Agent: (CVM Instruction 28/83, Article 12, Sub-Item XVII, Sub-clause I; and Law 6404 of December 15, 1976, Article 68, Sub-clause 'b')

Pentágono declares that it has full capability to continue to exercise the function of Fiduciary Agent of this Debenture Issue of the Issuer.

This report was prepared with all the information necessary for complying with the requirements contained in CVM Instruction 28, of November 23, 1983, as amended, and other applicable provisions of legislation.

Although we have made efforts to provide precise and updated information, there is no guarantee of its exactitude on the date on which it was received, nor that this exactitude will continue in the future. This information should not serve as a base for taking any action without qualified professional orientation, preceded by a highly detailed examination of the situation in question.

PENTÁGONO S.A. DTVM



DOCUMENTS ATTACHED:

Statement of Financial Position (Appendix 1)

Profit and loss account (Appendix 2)

Auditors' Opinion (Attachment 3)



Appendix 1

STATEMENTS OF FINANCIAL POSITION

AT DECEMBER 31, 2014 AND 2013

ASSETS

R\$ '000

	Note	2014	2013
CURRENT			
Cash and cash equivalents	5	290,549	1,107,174
Securities – Cash investments	6	600,754	531,993
Consumers and traders	7	649,571	673,833
Concession holders – Transport of electricity		37,655	29,303
Financial assets of the concession	12	4,582	2,254
Taxes recoverable	8	59,877	183,549
Income tax and Social Contribution tax recoverable	9	109,499	67,886
Traders – Transactions in 'Free Energy'		-	42,617
Dividends receivable		23,749	9,985
Inventories		5,596	5,574
Other credits		75,143	59,434
TOTAL, CURRENT		1,856,975	2,713,602
NON-CURRENT			
Securities – Cash investments	6	10,283	49,613
Taxes recoverable	8	41,055	40,152
Escrow deposits in litigation	11	174,266	159,673
Related party transactions		2,345	15,849
Other credits		85,641	8,980
Financial assets of the concession	12	1,268,404	776,881
Investment	13	4,039,033	1,519,321
Property, plant and equipment	14	4,849,638	5,137,692
Intangible assets	15	50,369	53,276
TOTAL, NON-CURRENT		10,521,061	7,761,437
TOTAL ASSETS		12,378,036	10,475,039

The Explanatory Notes are an integral part of the Financial Statements.



STATEMENTS OF FINANCIAL POSITION

AT DECEMBER 31, 2014 AND 2013

LIABILITIES

R\$ '000

	Note	2014	2013
CURRENT			
Loans and financings	18	2,210,604	455,244
Debentures	18	665,925	630,720
Suppliers	16	309,010	214,240
Taxes	17	84,237	84,552
Interest on Equity, and dividends, payable		-	905,687
Payroll and related charges		44,263	42,668
Regulatory charges	19	45,727	25,177
Profit sharing		24,881	32,049
Related party transactions		285	29,968
Post-retirement liabilities	20	34,615	31,295
Concessions payable		21,025	19,534
Other liabilities		30,814	49,605
TOTAL, CURRENT		3,471,386	2,520,739
NON-CURRENT			
Loans and financings	18	754,250	1,019,832
Debentures	18	3,405,921	1,987,010
Provisions	21	92,744	56,624
Post-retirement liabilities	20	546,983	523,948
Taxes	17	101,233	101,233
Deferred income tax and Social Contribution tax	10a	285,727	226,768
Regulatory charges	19	53,827	77,262
Concessions payable		149,855	145,490
Other liabilities		29,500	1,116
TOTAL, NON-CURRENT LIABILITIES		5,420,040	4,139,283
TOTAL LIABILITIES		8,891,426	6,660,022
STOCKHOLDERS' EQUITY			
Share capital	22	1,700,000	893,192
Profit reserves		1,309,293	2,384,711
Adjustments to Stockholders' equity		477,317	537,114
TOTAL OF STOCKHOLDERS' EQUITY		3,486,610	3,815,017
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		12,378,036	10,475,039

The Explanatory Notes are an integral part of the Financial Statements.



Appendix 2

PROFIT AND LOSS ACCOUNTS

FOR THE PERIODS ENDED DECEMBER 31, 2014 and 2013

R\$ '000 (except Net profit per share)

	Note	2014	2013
REVENUE	23	7,714,717	5,230,134
OPERATIONAL COSTS			
COST OF ELECTRICITY	24		
Charges for the use of the national grid		(273,211)	(256,610)
Electricity bought for resale		(1,692,445)	(1,244,499)
		(1,965,656)	(1,501,109)
COST	24		
Personnel and managers		(251,214)	(229,150)
Materials		(13,426)	(10,320)
Raw materials and inputs		(282,447)	(55,597)
Outsourced services		(132,183)	(110,067)
Depreciation and amortization		(293,602)	(339,957)
Operational provisions		(83,746)	(55,117)
Royalties for use of water resources		(122,593)	(125,751)
Cost of construction – Transmission Infrastructure		(80,358)	(91,176)
Other operational (costs) / revenues		(12,462)	(11,742)
		(1,272,031)	(1,028,877)
TOTAL COST		(3,237,687)	(2,529,986)
GROSS PROFIT		4,477,030	2,700,148
OPERATIONAL EXPENSES	24		
Selling expenses		(599)	253
General and administrative expenses		(155,307)	(202,097)
Loss on disposal of investment		-	(94,080)
Other operational expenses		(194,064)	(138,268)
		(349,930)	(434,192)
Gain (loss) in subsidiaries by equity method		(388,498)	350,177
Profit before Financial revenue (expenses) and taxes		3,738,602	2,616,133
Financial revenues	25	145,714	303,201
Financial expenses	25	(680,204)	(506,053)
Pretax profit		3,204,112	2,413,281
Current income tax and Social Contribution tax	10b	(1,056,188)	(673,089)
Deferred income tax and Social Contribution tax	10b	(58,959)	71,182
NET PROFIT FOR THE PERIOD		2,088,965	1,811,374
Basic and diluted profit per common share		0.7211	0.6253

The Explanatory Notes are an integral part of the Financial Statements.



Appendix 3

REPORT BY THE EXTERNAL AUDITORS ON THE FINANCIAL STATEMENTS

To the Stockholders, Board members and Managers of

Cemig Geração e Transmissão S.A.

Belo Horizonte, Minas Gerais

We have examined the financial statements of Cemig Geração e Transmissão S.A. ('the Company'), which comprise the financial statements at December 31, 2014 and the related profit and loss accounts, statement of comprehensive income, statement of changes in stockholders' equity and statements of cash flows for the business year ended on that date, and the summary of the principal accounting practices and other explanatory notes.

Management's responsibility for the financial statements

The Company's management is responsible for the preparation and adequate presentation of the financial statements in accordance with accounting practices adopted in Brazil and in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and also for the internal controls that it has decided are necessary to make possible the preparation of those financial statements free of material distortion, whether caused by fraud or error.

Responsibility of the external auditors

Our responsibility is to express an opinion on those financial statements based on our audit, which was conducted in accordance with Brazilian and international auditing rules. These rules require compliance by the auditors with ethical requirements, and that the audit should be planned and executed with the objective of obtaining a reasonable degree of certainty that the financial statements are free of material distortion.

An audit involves execution of selected procedures to obtain evidence on amounts and disclosures presented in the financial statements. The procedures selected depend on the auditor's judgment, including evaluation of the risks of material distortion in the financial statements, whether caused by fraud or error. In this evaluation of risks, the auditor considers the internal controls that are material for the preparation and appropriate presentation of the Company's financial statements, for the purpose of planning the auditing procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the efficacy of those internal controls of the Company. An audit also includes evaluation of the appropriateness of the accounting practices used and of the reasonableness of the accounting estimates made by the management, and also evaluation of the presentation of the financial statements taken as a whole.

We believe that the audit evidence obtained is sufficient and appropriate as grounds for our opinion.



Opinion

In our opinion, the consolidated financial statements referred to above adequately present, in all material aspects, the consolidated equity and financial position of Cemig Geração e Transmissão S.A. on December 31, 2014, the performance of its operations, and its cash flows, for the business year ended on that date, in accordance with the accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Emphases of matter

Renewal of the concessions for the Jaguara and São Simão hydroelectric plants

As described in Explanatory Notes 3 and 14 to the financial statements, the concession contracts of the *Jaguara* and *São Simão* Hydroelectric Plants had expiry dates in August 2013 and January 2015, respectively. On August 30, 2013 and December 17, 2014, respectively, the Company was awarded interim injunctions in applications to the Higher Appeal Court (*Superior Tribunal de Justiça – STJ*) for orders of *mandamus*. These interim injunctions ensure that the Company will remain in control of the *Jaguara* and *São Simão* Hydroelectric Plants, commercially operating the public service concessions granted to it, until judgment on the merit of the cases, or in the case of the *São Simão* Hydroelectric Plant, until the re-examination of the plea granted. Based on the terms of the injunctions referred to above, the Company has been recording the revenues and respective operational costs and expenses of the *Jaguara* plant, and as from January 2015 will record the revenues and respective operational costs and expenses of the *São Simão* Plant in its financial statements, since it remains in control of that plant. These are preliminary decisions by the Judiciary, and do not at present represent the decisions on the merits of the actions, which will be the subject of consideration by the Higher Appeal Court at a later date. Our opinion regarding this matter is unqualified.

Other matters

Statements of added value

We have also examined the Added Value Statement (DVAs), for the business year ended December 31, 2014, prepared under the responsibility of the Company's Management, the presentation of which in the financial statements is required by the Brazilian Corporate Law legislation for listed companies, and which is considered to be supplementary information for the purposes of IFRS, which do not require presentation of the DVA. This statement has been submitted to the same auditing procedures described above and, in our opinion, is adequately presented, in all its material aspects, in relation to the financial statements taken as a whole.

Belo Horizonte, March 26, 2015.

DELOITTE TOUCHE TOHMATSU

Auditores Independentes

CRC-2SP 011.609/O-8 F/MG

José Ricardo Faria Gomez

Accountant

CRC-SP 218.398/O-1 T/MG