

# CEMIG

RESULTS  
1st Quarter  
2017



# Disclaimer



Certain statements and estimates in this material may represent expectations about future events or results, which are subject to risks and uncertainties that 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.

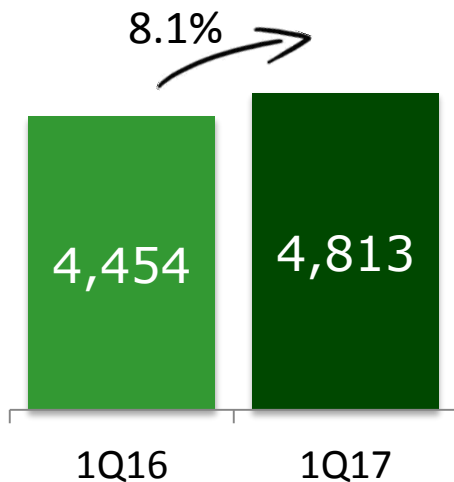
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To evaluate the risks and uncertainties as they relate to Cemig, and to obtain additional information about factors that could give rise to different results from those estimated by Cemig, please consult the section on Risk Factors included in the 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.

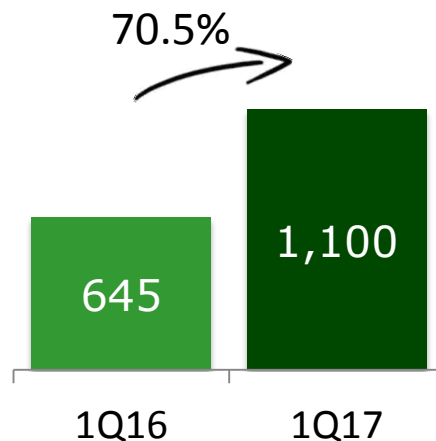
In this material, financial amounts are in **R\$ million (R\$ mn)** unless otherwise stated.  
Financial data reflect the adoption of IFRS.

# 1Q17 Results

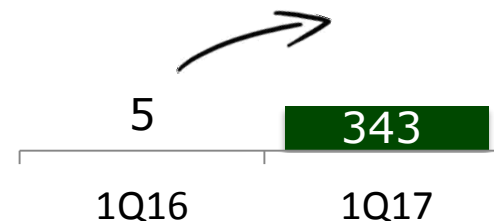
Net revenue



Ebitda

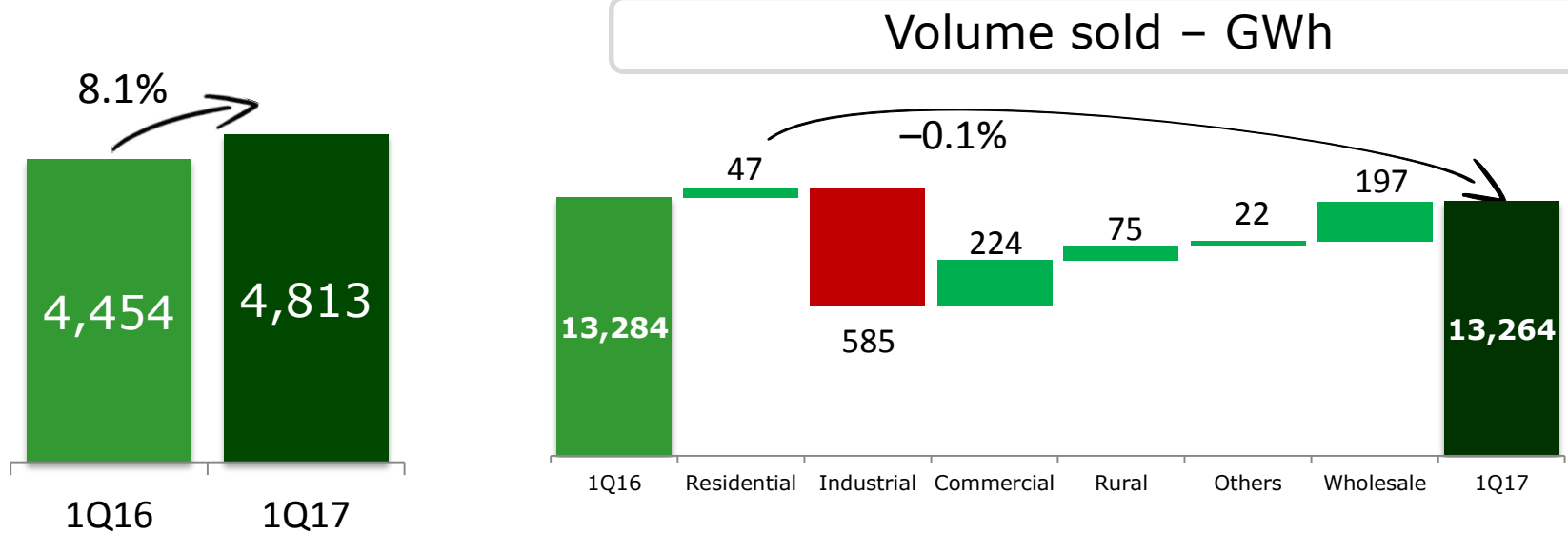


Net profit



- Strong positive impact on revenue from Spot Market Price<sup>1</sup>
  - Average spot price in 1Q17 – R\$ 151.67
  - Average spot price in 1Q16 – R\$ 34.69
- Better equity method gain
  - R\$30 million in 1Q17
  - - R\$58 million in 1Q16
- PMSO expenses lower, mainly on lower expenses on personnel
- Lower updating on loans and post-employment obligations, due to lower IPCA index

# Consolidated net revenue

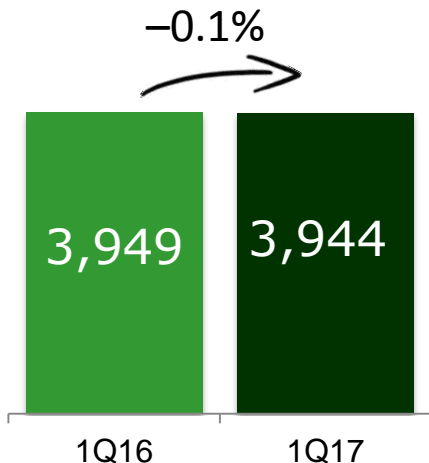


- Greater exposure of supply available to spot market – at Spot Price <sup>1</sup>
  - Average GSF ( Generation Scaling Factor) - in 1Q17 – 1.10
  - Average GSF ( Generation Scaling Factor) in 1Q16 – 0.88
- Revenue from TUSD 13.2% higher, YoY
- Updating of transmission indemnity balance receivable – by IPCA index <sup>2</sup>
- Negative effect of CVA, and Other financial components in tariff increases:
  - In 1Q17, component was R\$ 303 million negative. (In 1Q16, R\$ 132 mn negative.)

<sup>1</sup> - Spot Price – Average values for Southeast and Center-West Regions.

<sup>2</sup> - IPCA – Expanded National Consumer Price Index

# Operational expenses



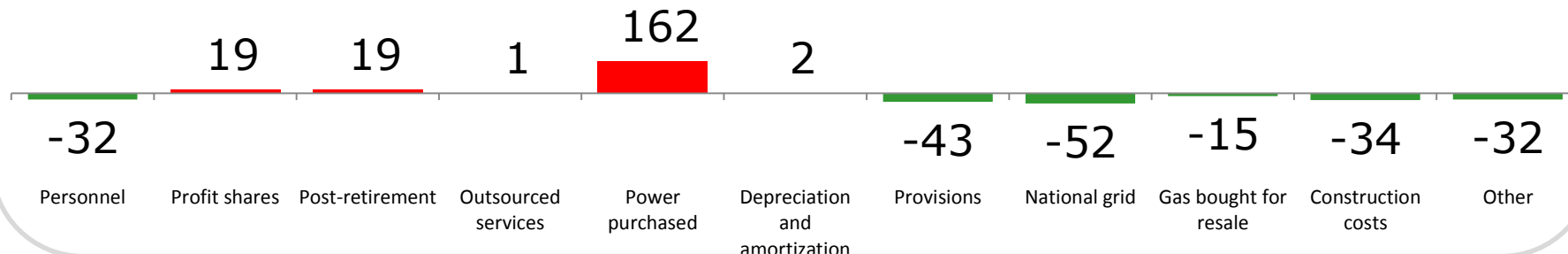
- Personnel expenses

- 7.79% lower YoY – reflecting reduction in headcount:
  - 7,093 employees in 1Q17, vs. 7,786 in 1Q16
- New voluntary retirement program (PDVP) – first retirement May 2017:
  - – expected to save R\$ 175 million from 2008 on.

- Provisions for losses on investments

- Parati – balance of provision is R\$ 1.166 billion; R\$ 16 million added in 1Q17
- SAAG – provision is R\$ 243 million; R\$ 47 million added in 1Q17

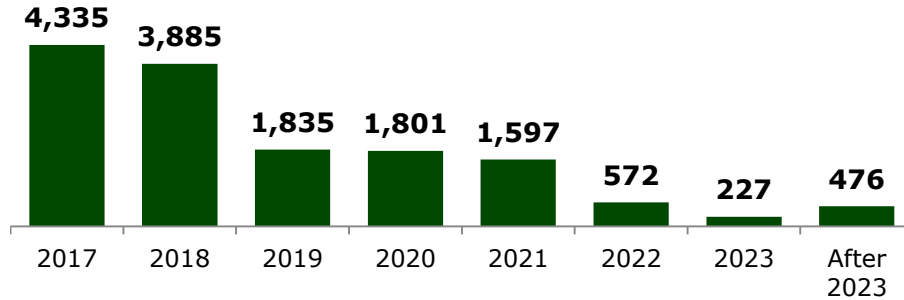
## Change in consolidated operational expenses, 1Q16–1Q17



# Cemig consolidated: debt profile

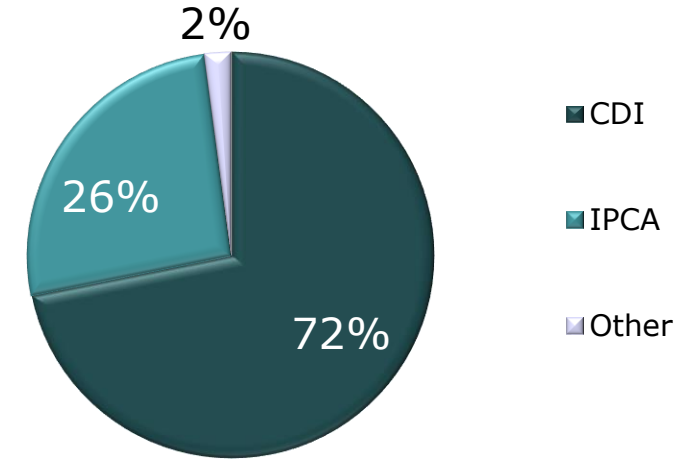
Maturities timetable – Average tenor: 2.6 years

Total net debt : R\$ 13.0 billion

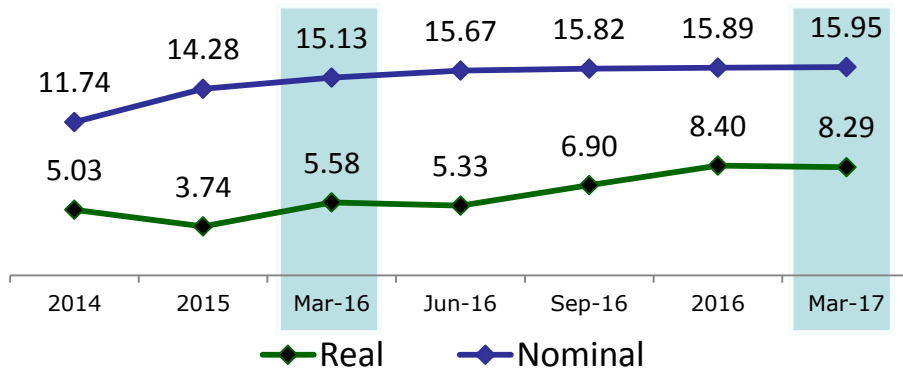


- Each 1 p.p. cut in Selic rate estimated to cut total debt cost by R\$ 125mn
- Selic expected at end-2017: 8.5% (Central Bank *Focus Report* May 12, 2017)

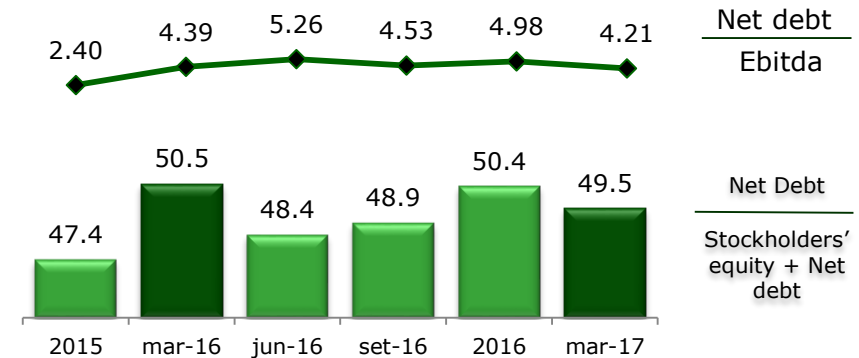
Main indexes



Cost of debt – %

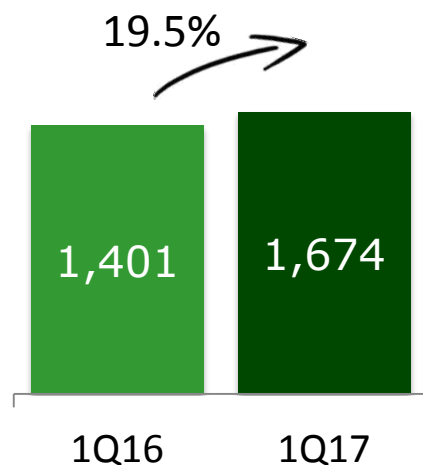


Leverage – %

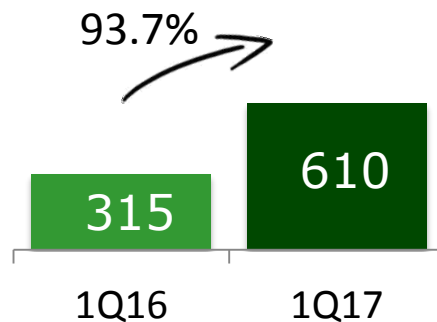


# Cemig GT – 1Q17 results

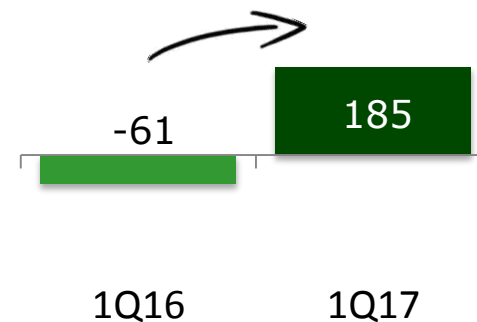
Net revenue



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Net profit

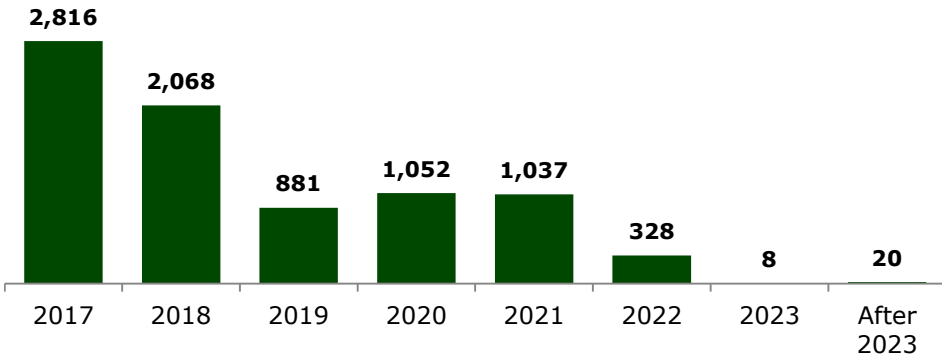


- Greater exposure of supply available to Spot Market – at Spot Price <sup>1</sup>
- Better equity method gain
  - - R\$25 million in 1Q17
  - - R\$58 million in 1Q16
- Updating of transmission indemnity balance receivable, by IPCA index <sup>2</sup>
- Transmission revenue 26.6% higher YoY due to annual increase in RAP <sup>3</sup> in July 2016 and refurbishment and improvements

# Cemig GT – debt profile

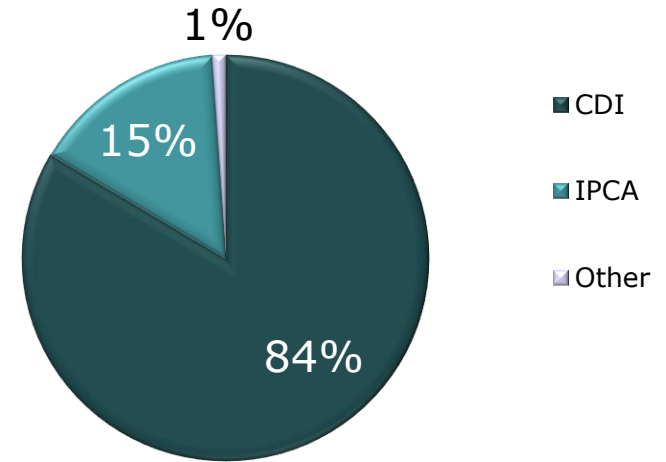
Maturities timetable – Average tenor: 2.4 years

Total net debt: R\$ 7.6 billion

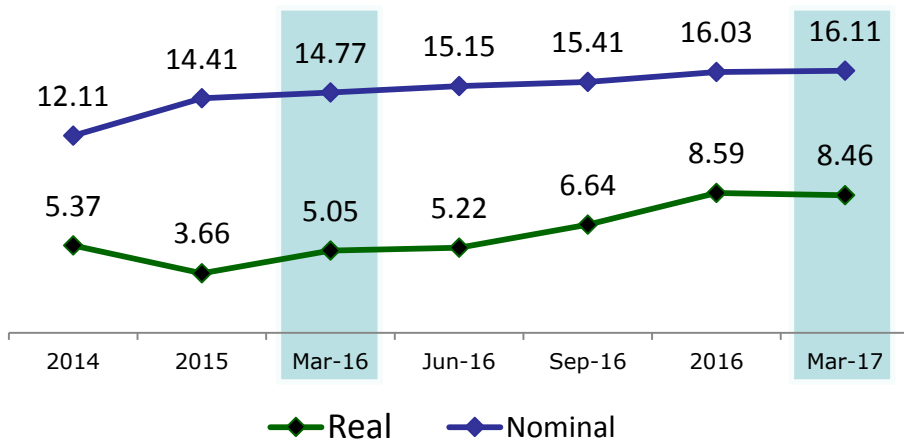


Restrictive covenants: for details see Note 18 (Loans, financings and debentures).

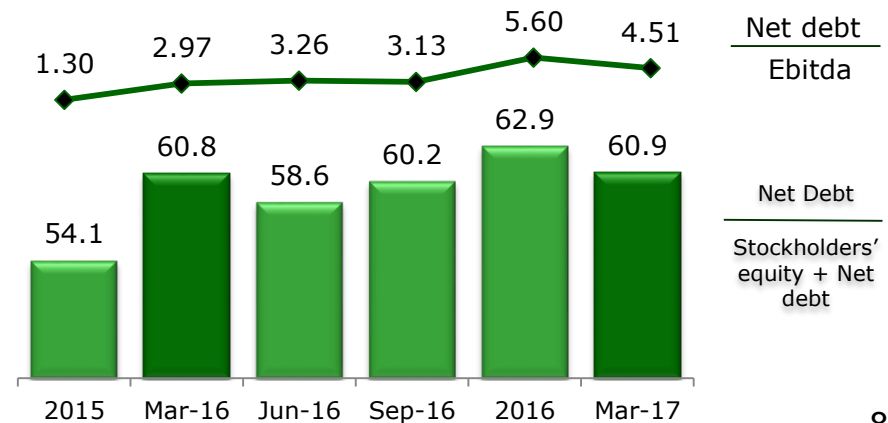
Main indexes



Cost of debt – %



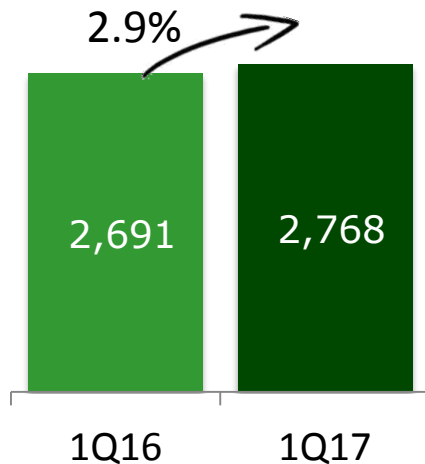
Leverage – %



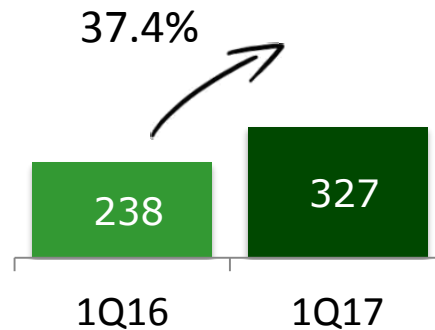


# Cemig D – 1Q17 results

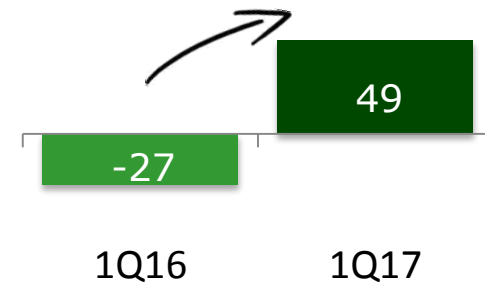
Net revenue



Ebitda



Net profit

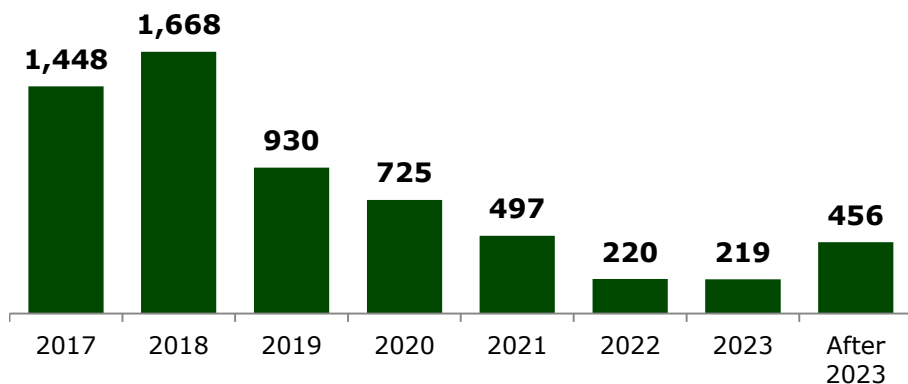


- Cemig D concession´s area:
  - Distributed energy: 0.7% increase
  - Captive Market: 2.3% decrease
  - Transported energy: 5.5% increase
- Increase in Revenue from use of the network in 12.1%
- Expenses on personnel down 11.9% YoY – on 2016 voluntary retirement plan
- Lower expense on provision for default

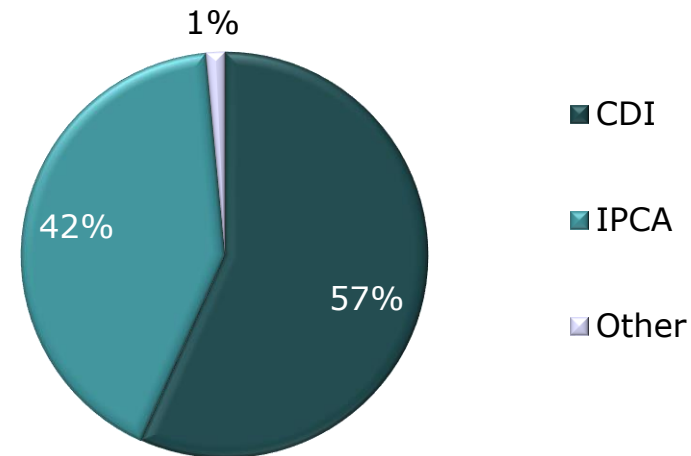
# Cemig D – Debt profile

Maturities timetable – Average tenor: 3.2 years

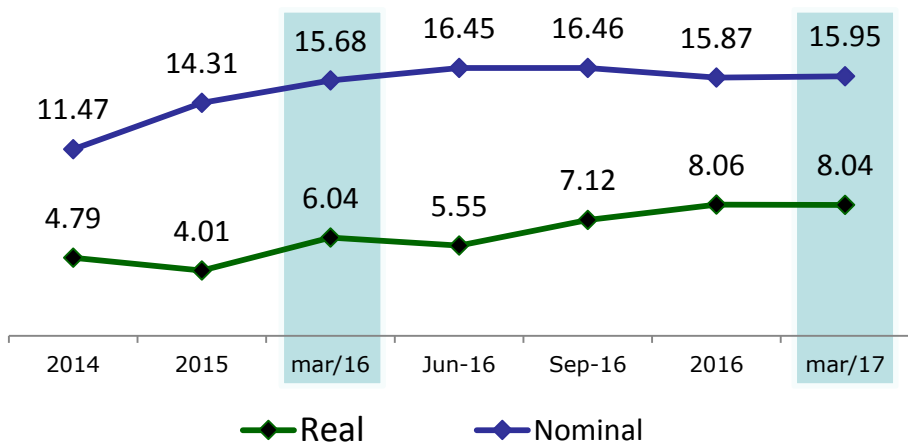
Total net debt: R\$ 5.4 billion



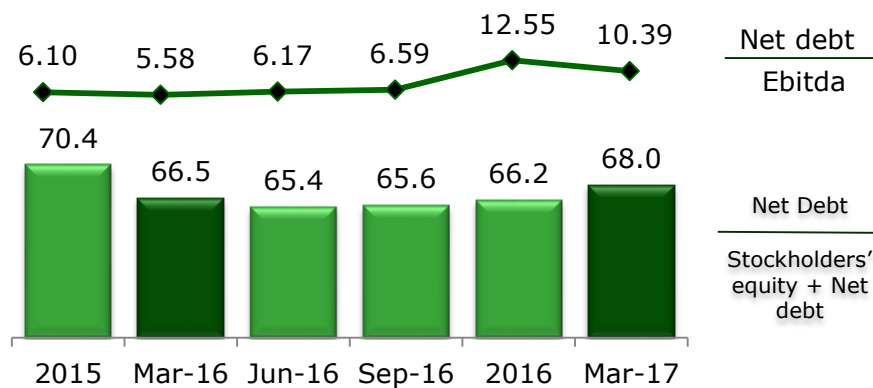
Main indexes



Cost of debt – %



Leverage – %



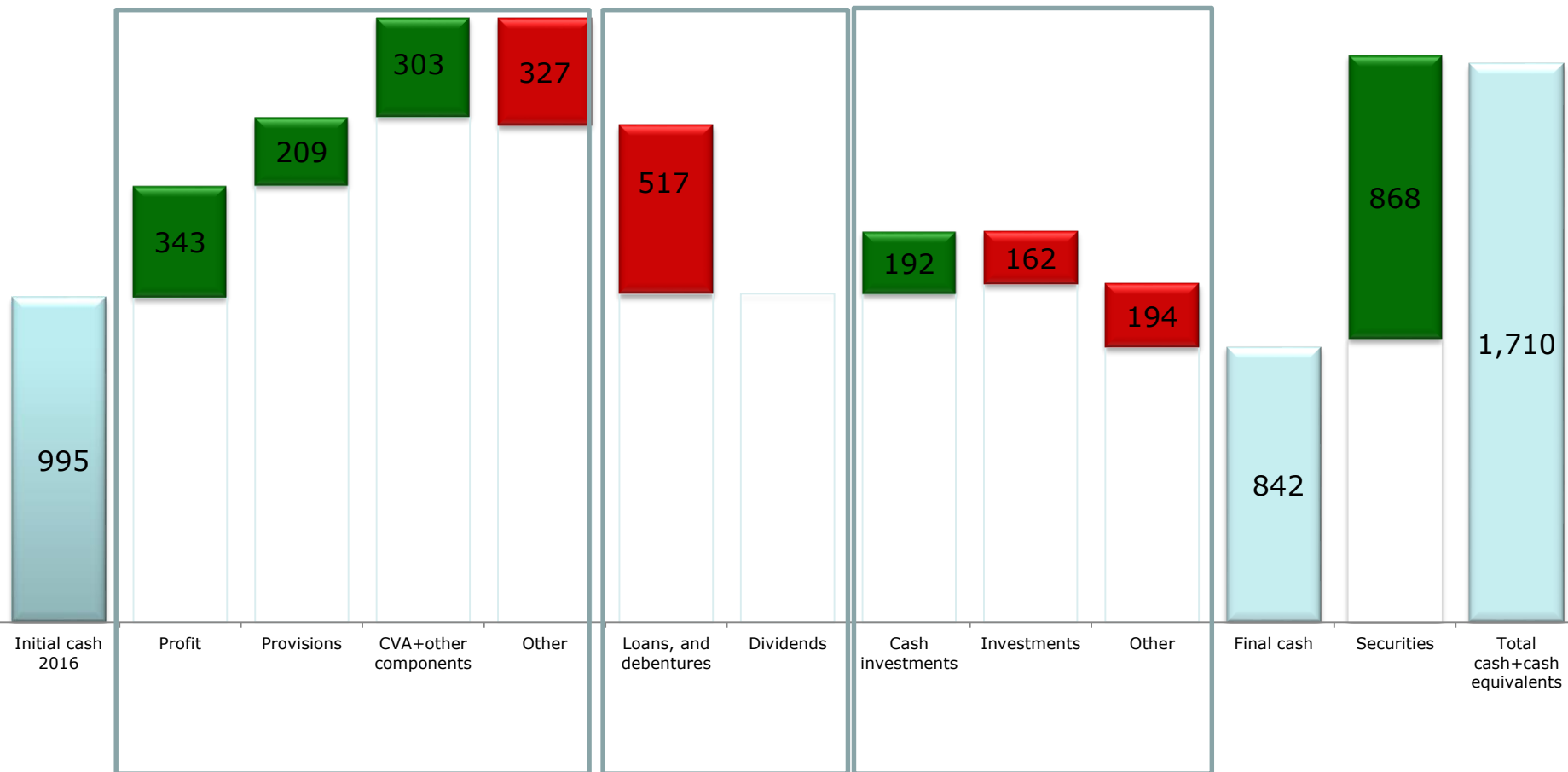
# Cash flow



From operations  
**R\$528**

Financing  
**-R\$ 517**

Investment  
**-R\$ 164**





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## Investor Relations

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