



A Melhor Energia do Brasil.

Successful Strategy

Performance reflects balanced portfolio structure

November, 2014



CIG
LISTED
NYSE

CIG.C
LISTED
NYSE

Disclaimer



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.

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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.

All figures are in BR GAAP.



Brazil's Leading Power Utility



Integrated
Power
Utility in
Brazil

#1

Growth in
EBITDA
2007-13

+47%

Market cap
of US\$
7.5⁽¹⁾ B.

#2⁽²⁾

Role in
industry

**Leading
consolidator**

In the Power Industry since 1952

(1) As of November 04th, 2014
(2) In the Brazilian Energy Industry

Cemig: Strength in Numbers



Number of power plants

70

Total installed capacity

7,468 MW

Locations in Minas Gerais State

5,415

Size of Distribution concession area vs France

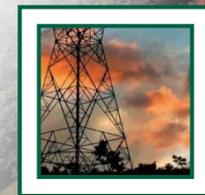
Larger

Electricity Distribution lines

526,869 km

Power Transmission lines

9,454 km



Cemig at a Glance



- Based in State of Minas Gerais, controlling shareholder
 - growing throughout Brazil and Chile
- Strong financial profile:
 - 1H14 Net revenues: R\$ 9.5B EBITDA: R\$ 3.7B
 - 1H13 Net revenues: R\$ 7.1B EBITDA: R\$ 2.8B
- Highest liquidity in the 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 of preferred shares in 2014, up to August 18th:
 - R\$68M in Bovespa
 - US\$36M in NYSE
- Solid dividend policy
 - Minimum 50% payout ratio
 - Every two years, may pay extra dividends, if cash conditions permit
- Shareholder Structure



**Estado de
Minas Gérias**

ON: 51% PN: 9%
CT: 23%

AGC Energia

ON: 33% PN: 5%
CT: 14%

Free Float

ON: 16% PN: 86%
CT: 62%

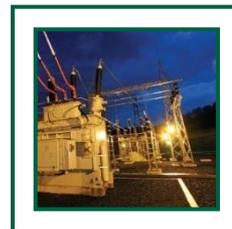
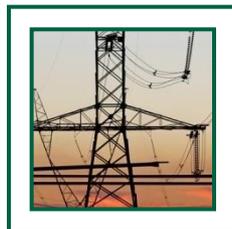
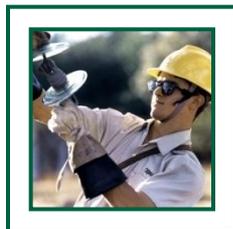
The Cemig Story – Agenda



The positioning

The performance

The growth



Cemig is Uniquely Positioned



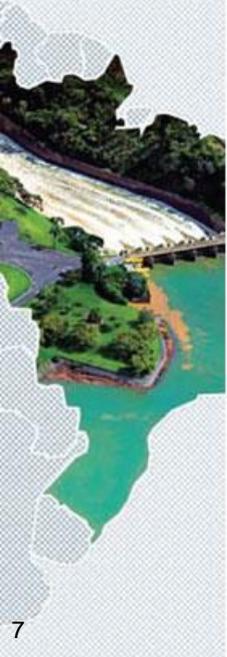
1 The Brazil advantage

2 Unmatched scale

3 Diversified portfolio

4 Leader in renewable energy

5 Strong governance



An Emerging Powerhouse Economy



Latin American economy

#1

Ranking of economy in world*

#7

GDP 2013

US\$4.8 Trillion

GDP growth 2014**

0.24%

Population

202 M

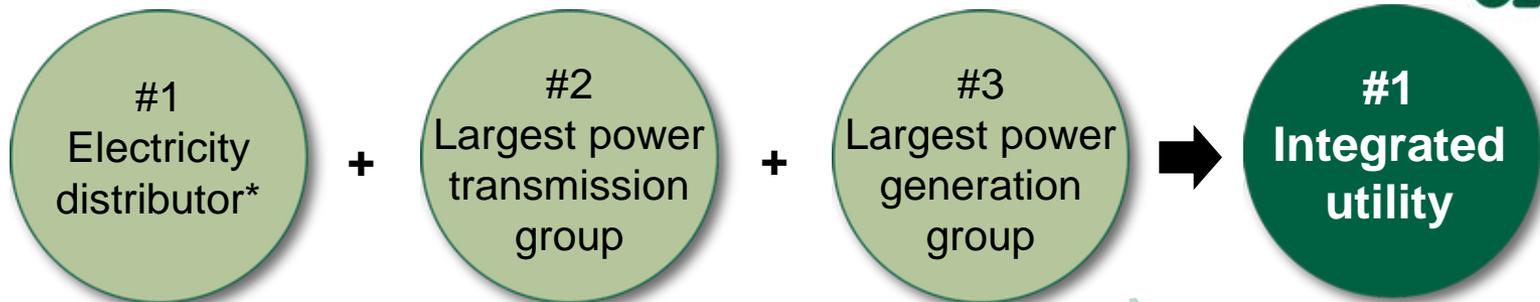
Investment grade by Moody's, Fitch and S&P

* World Bank on September 22th 2014

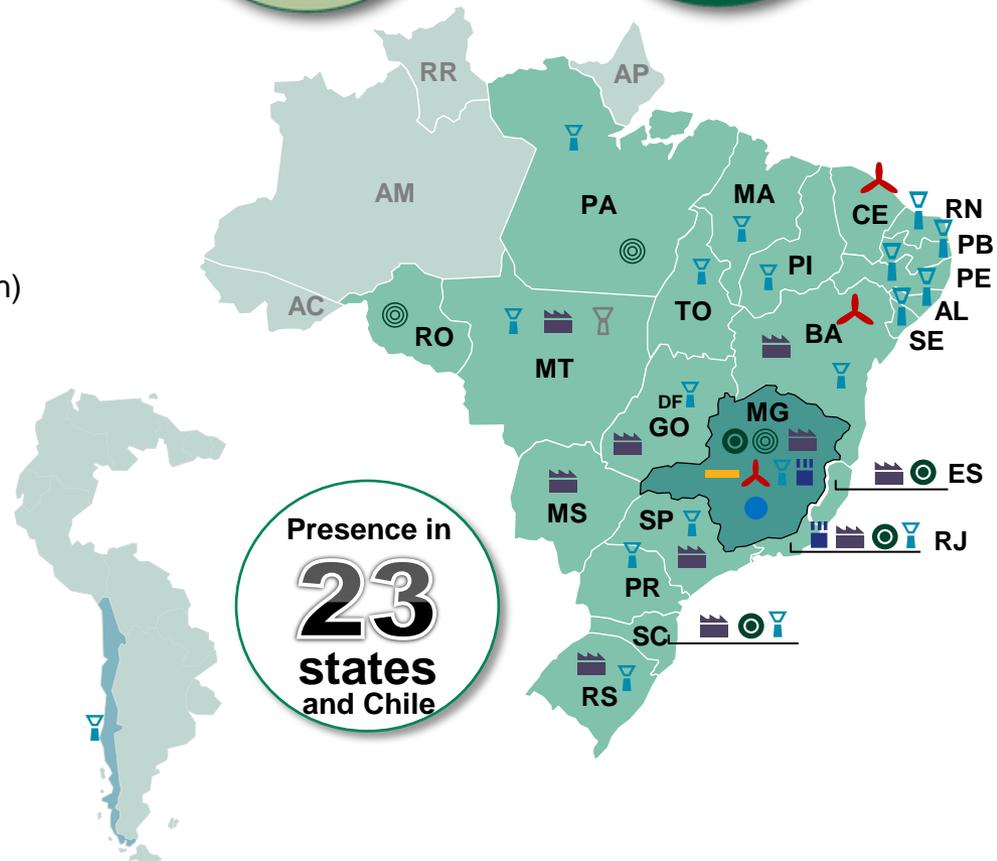
** Brazil's Central Bank Focus Report, September 22th 2013



Largest Integrated 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

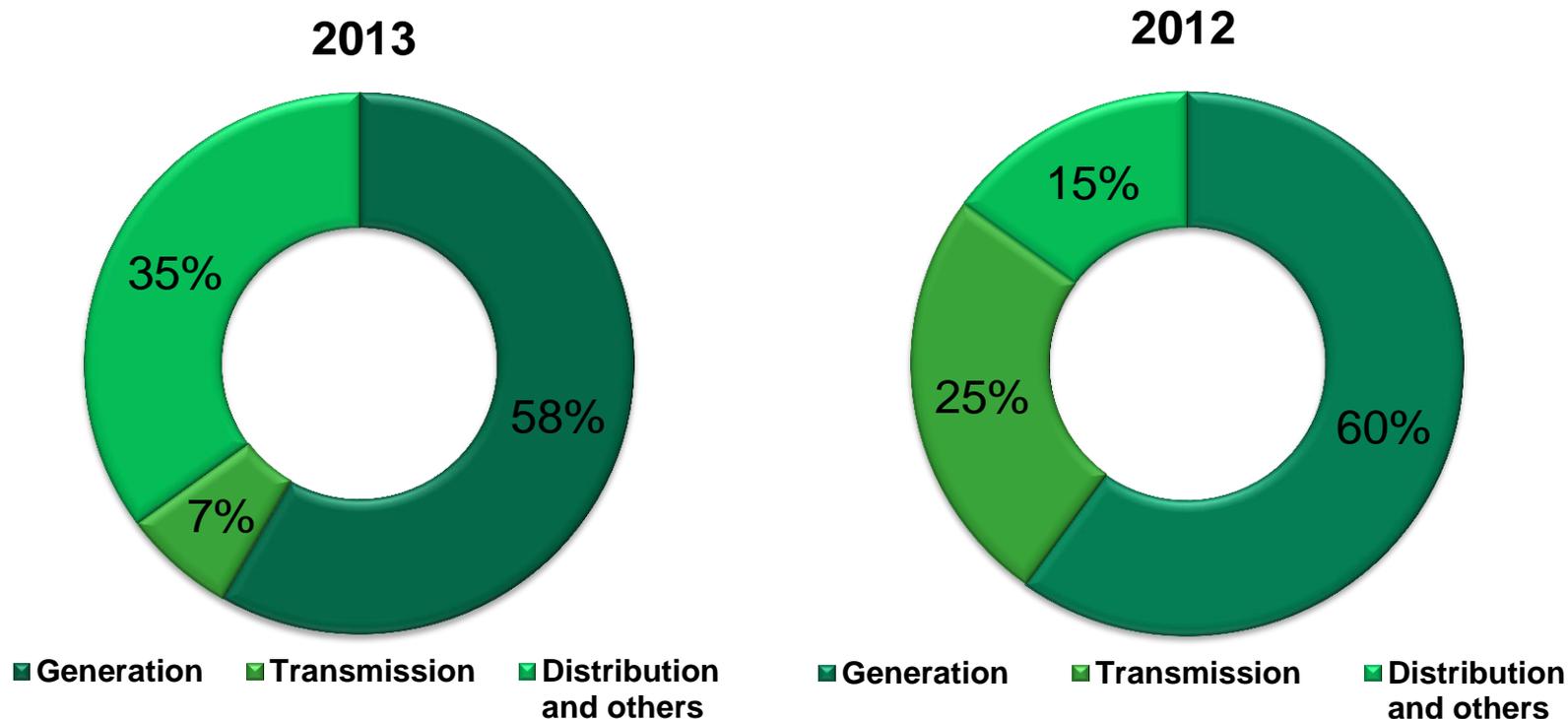


* in terms of length of electricity distribution lines

Diversified, Low Risk Business Portfolio



Breakdown of Ebitda

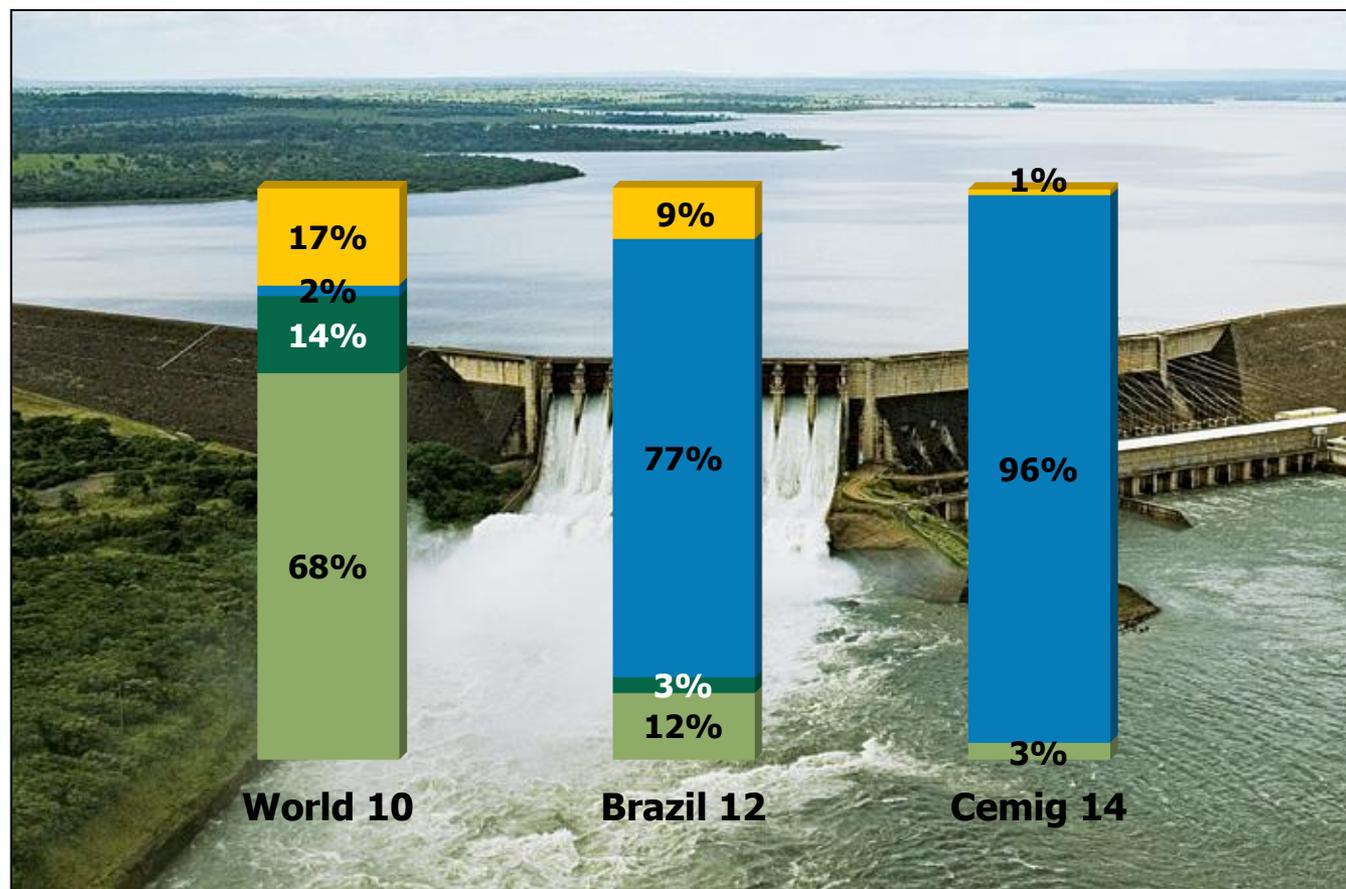


Most of the revenues are inflation protected

Leader in Renewable Hydro Power Energy



Power Generation by Source



■ Fossil Source Fuels
 ■ Nuclear
 ■ Hydro
 ■ Others

Best-in-Class Corporate Governance

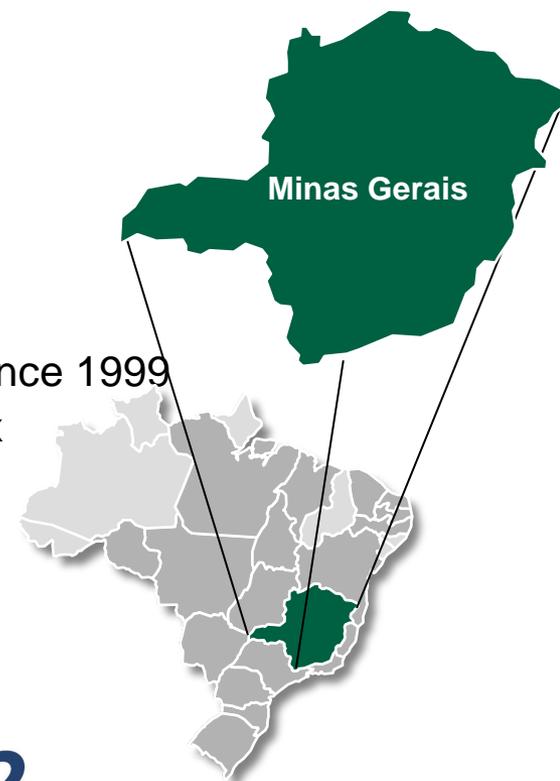


- ✓ Minas Gerais, controlling shareholder – a positive influence
 - one of fastest growing, investor-friendly states in Brazil
 - growth and profitability interest aligned with minority shareholders
 - 8 from a total of 15 members are appointed by minority shareholders

- ✓ 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



MEMBER OF
Dow Jones
Sustainability Indices
 In Collaboration with RobecoSAM



Índice de
 Sustentabilidade
 Empresarial **ISE**
 2014

Corporate
 Responsibility **Prime**
 rated by
 oekom r|e|s|e|a|r|c|h

Índice
 Carbono
 Eficiente **ICO2**

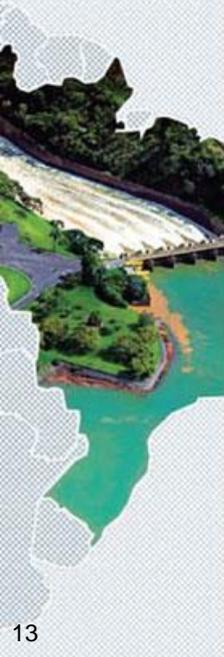
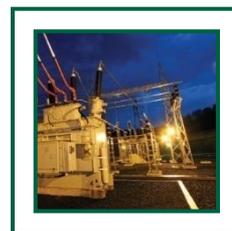
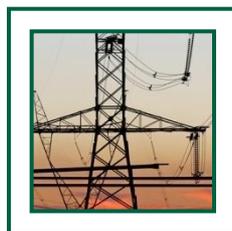
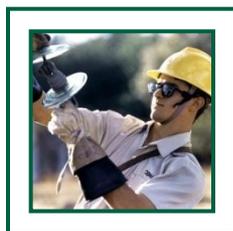
The Cemig Story – Agenda



The positioning

The performance

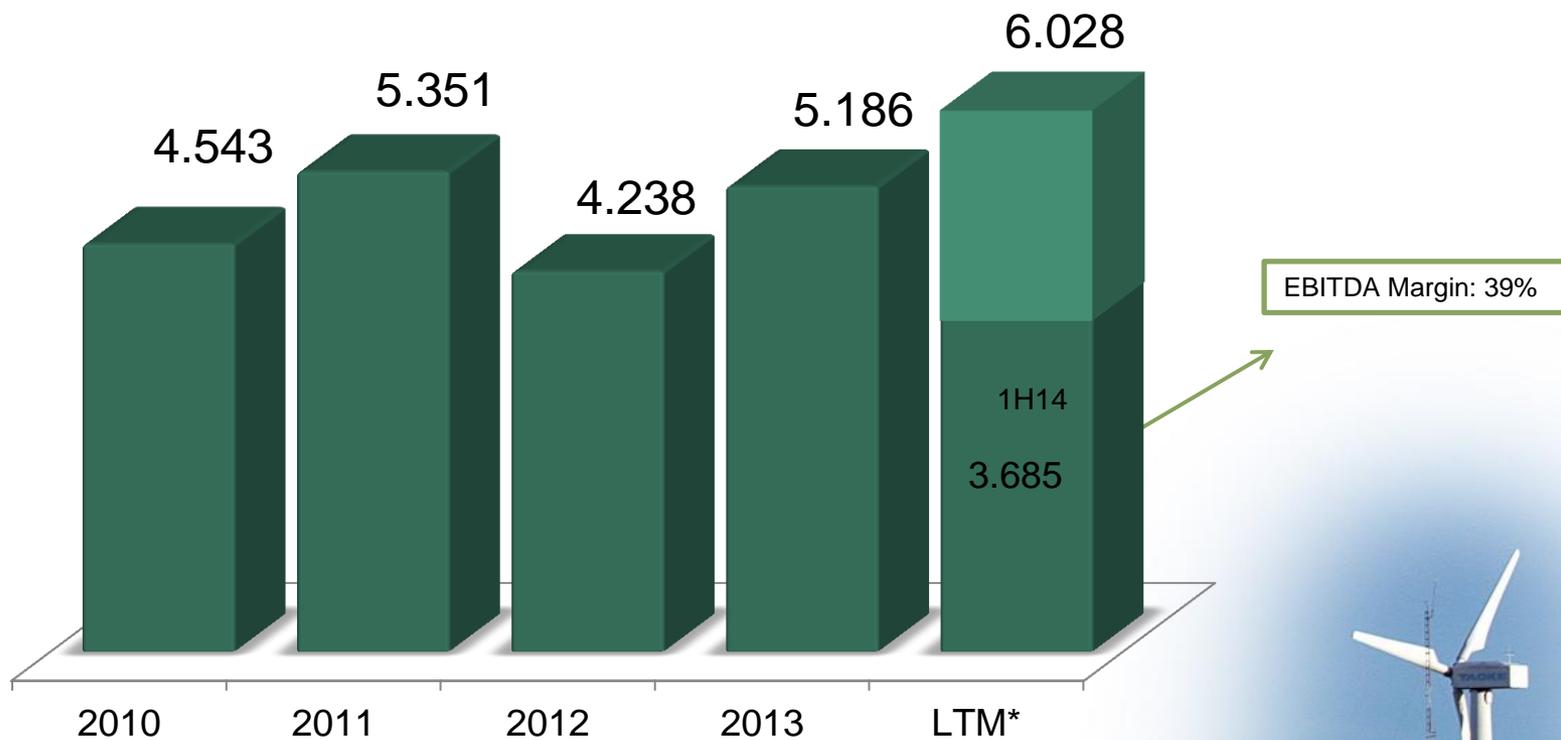
The growth



Growth in EBITDA - Guidance



R\$ million



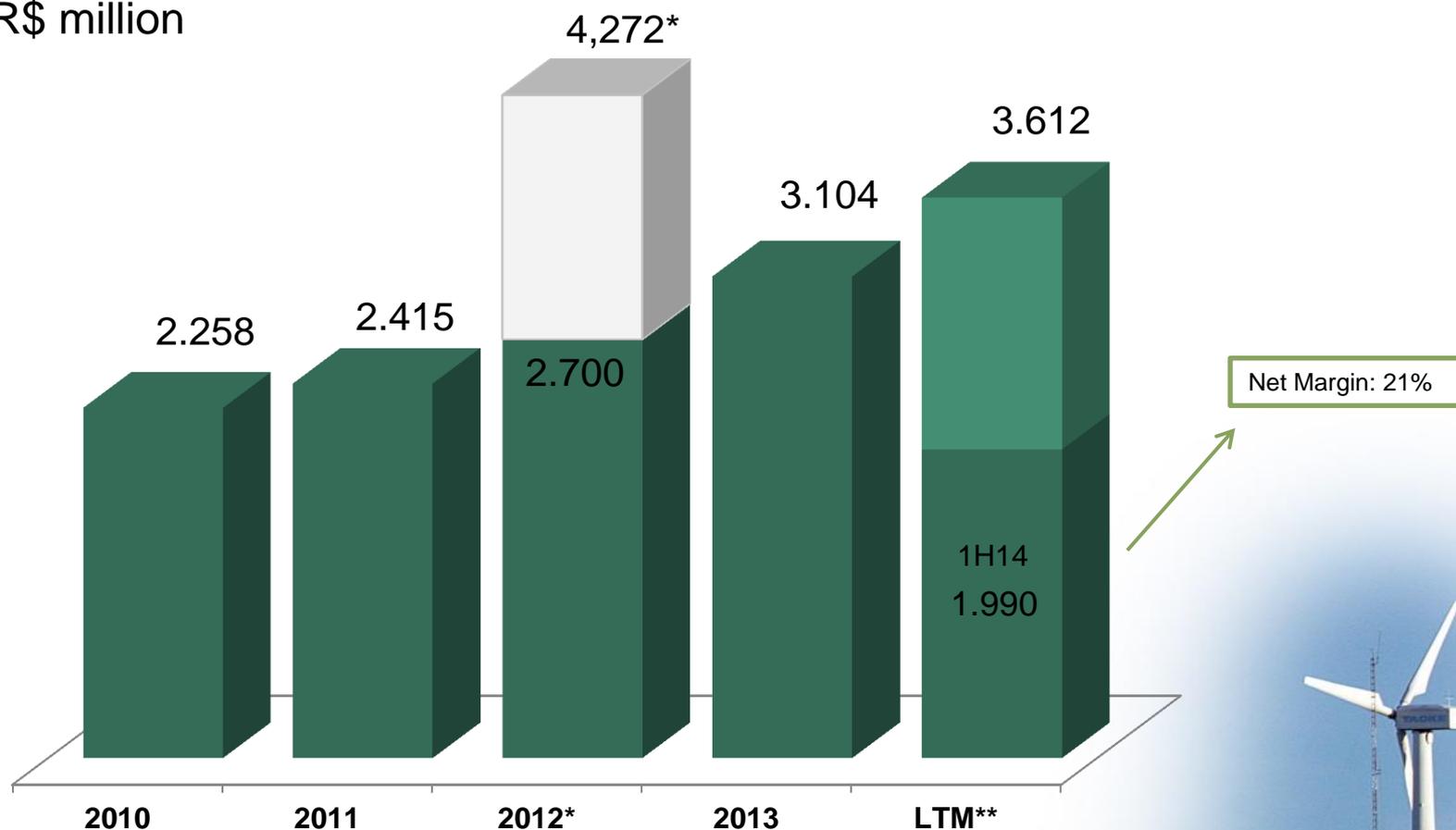
*Last twelve months



Net Income Continues to Expand



R\$ million



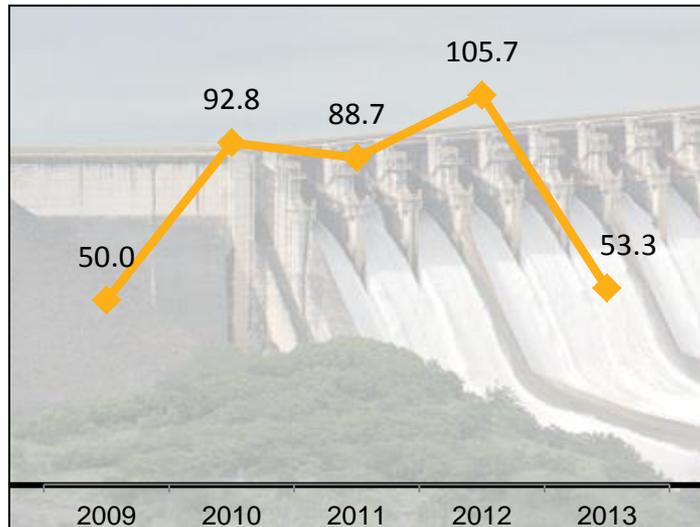
*Includes non-recurring gain of R\$1,572 million with the CRC's (Accounts receivable from Minas Gerais State government) anticipated settlement.

**Last twelve months

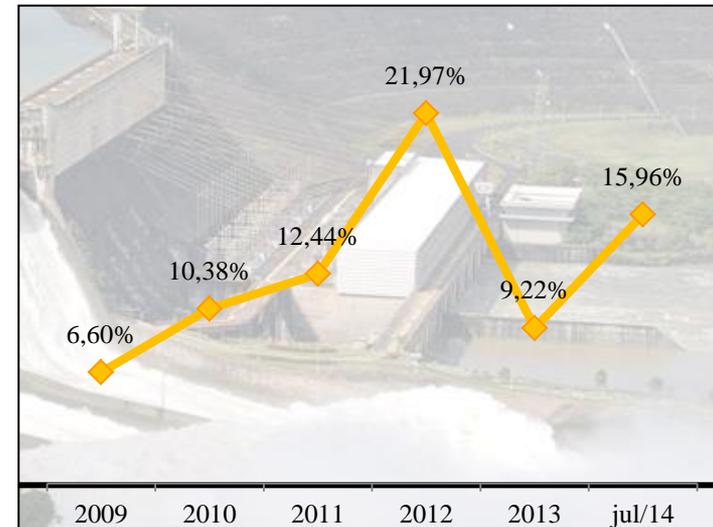
Attractive and Secure Dividend Payout



Dividend Payout
(% of Net Income)



Dividend Yield (%)*
Preferred shares



- Dividend Yield of 15.96% in July 2014
- Cemig decided to pay extraordinary dividend of R\$ 1.7 billion – corresponding to R\$ 1.35 per share
 - ✓ R\$ 1.1 billion paid on July 8, 2014
 - ✓ R\$ 604 million to be paid September 30, 2014

Strong Balance Sheet to Support Growth



Net debt to EBITDA

1.4X

Debt in foreign currency^(*)

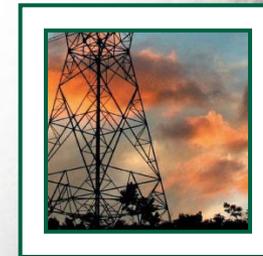
0.3%

Cash on hand – 1H14

R\$3.3B

Net Revenue 1H14

R\$9.5B



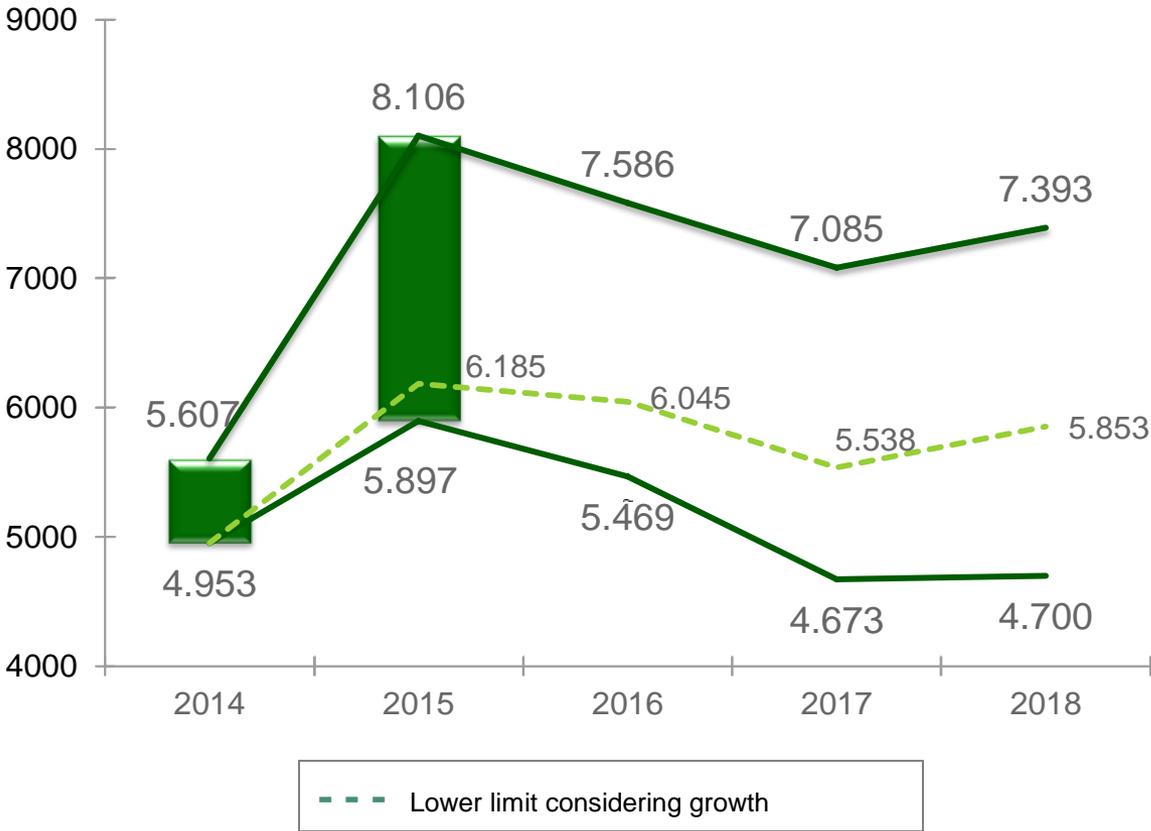
*Net of financial hedging

EBITDA Guidance – 2014/2018

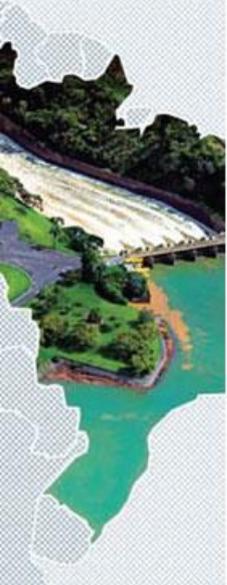


CEMIG, CONSOLIDATED

Constant June 2014 R\$ '000



(*) Ebitda includes all minority participation.

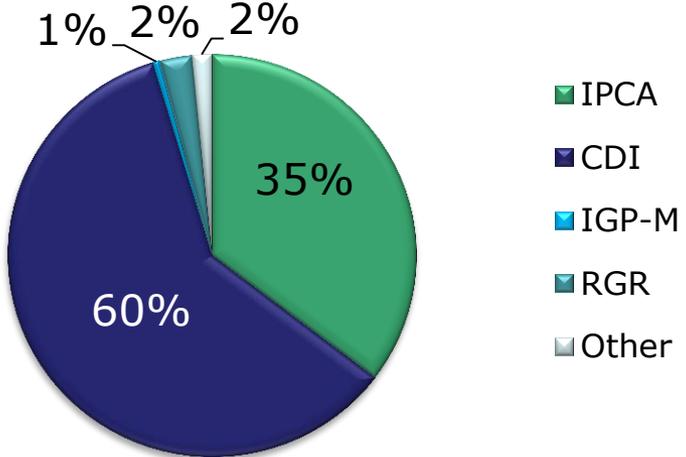
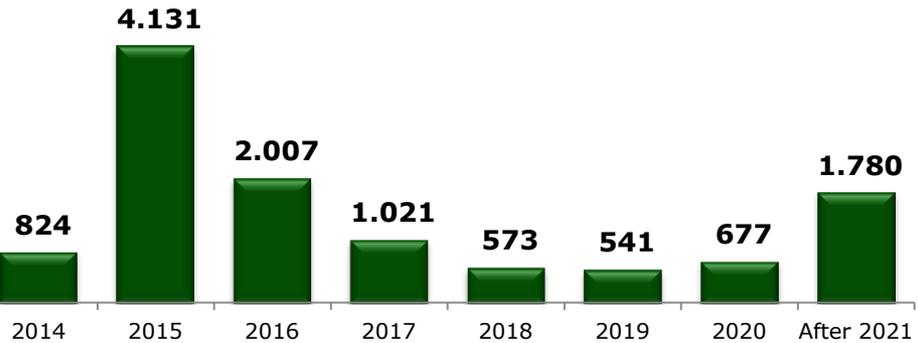


Consolidated debt profile – 2Q14

Maturities timetable R\$billion
Average tenor: 3.9 years

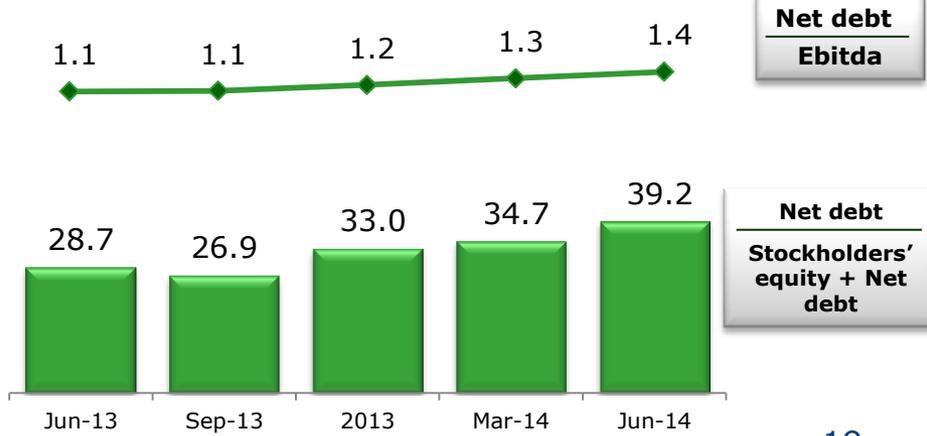
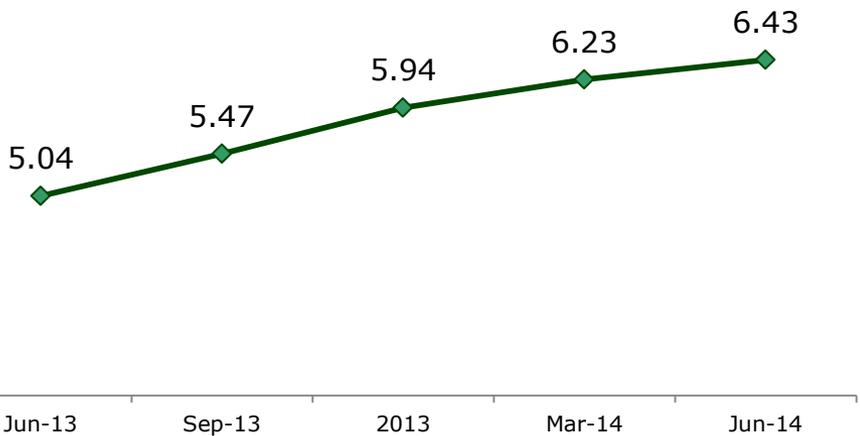
Main indexors

Total net debt: R\$ 8.3 billion



Average real cost of debt - %

Leverage - %



Superior credit capacity recognized by the major rating agencies



AA(bra) Cemig H, Cemig GT and Cemig D National scale

Investment Grade									Speculative Grade										
AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C	RD	D



Investment Grade

Aa1.br Cemig GT National scale
 Aa2.br Cemig H and Cemig D National scale
Baa3 Cemig GT Global scale
 Ba1 Cemig H and Cemig D 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



BrAA+ Cemig H, Cemig GT and Cemig D National scale
 BB+ Cemig H, Cemig GT and Cemig D Global scale

Investment Grade									Speculative Grade								
AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	C a	CCC



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

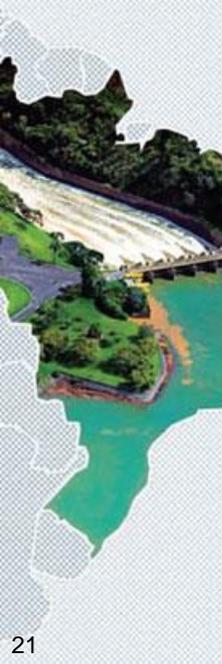
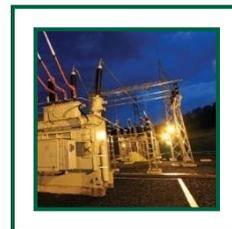
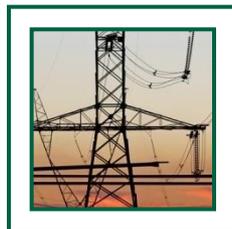
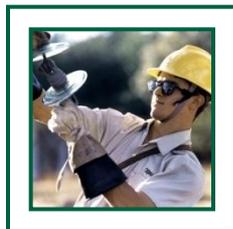
The Cemig Story – Agenda



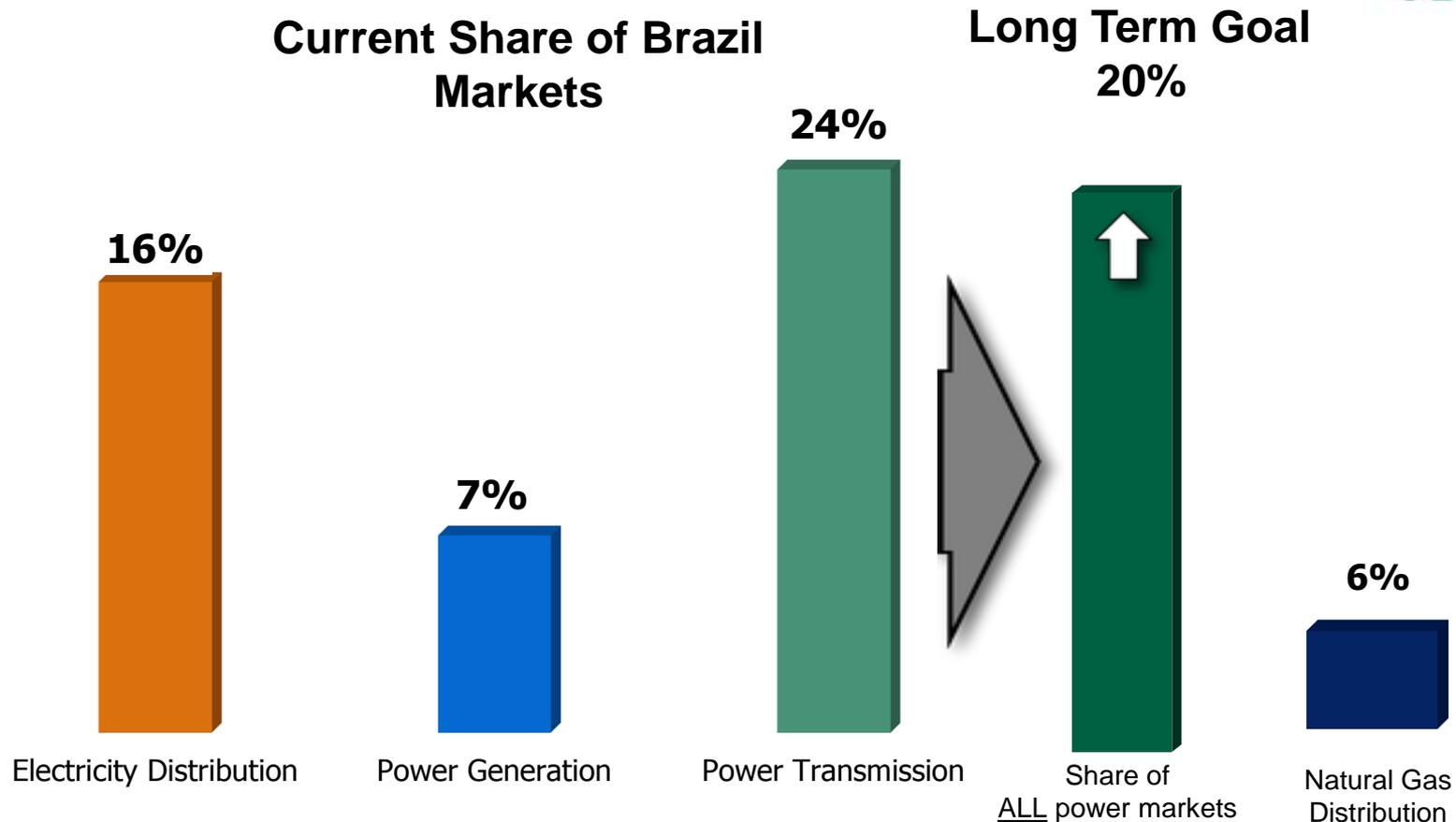
The positioning

The performance

The growth



Clear Long Term Goals

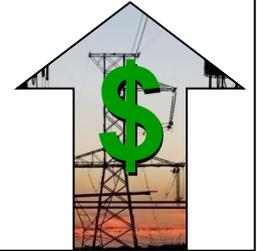


- Brazilian generation market – (% of total installed capacity)
- Brazilian transmission market – (% of Permitted Annual Revenue (RAP))
- Brazilian electricity distribution market – (% of all electricity distributed to free and captive clients in Brazil)

Growth Drivers

1

Leverage price increases



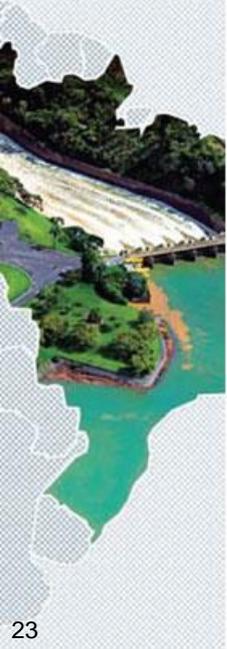
2

Improve operating efficiency



3

Geographic expansion



Clear Priorities for 2014



Priorities

1

Execute cost reductions

2

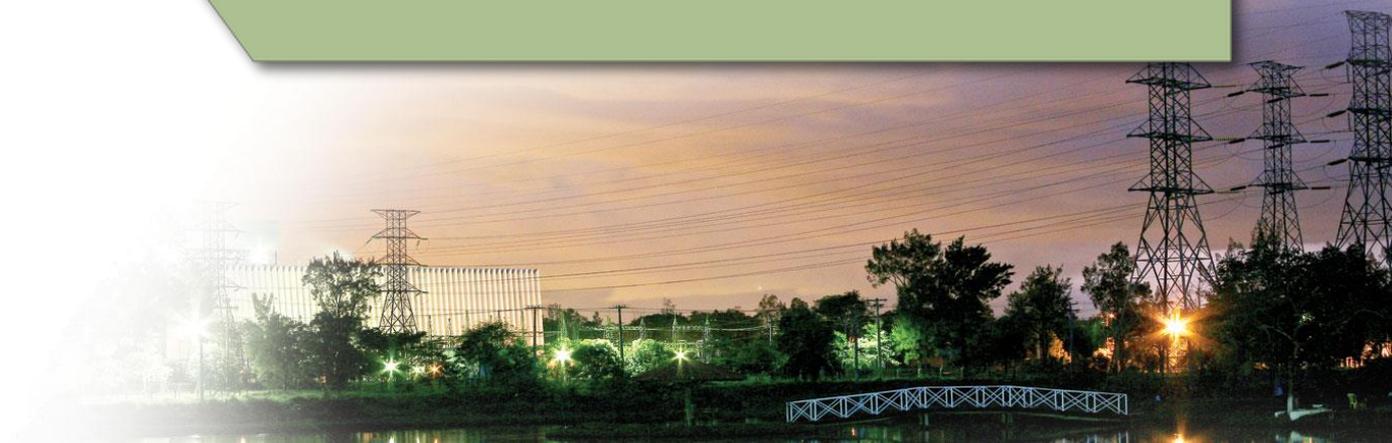
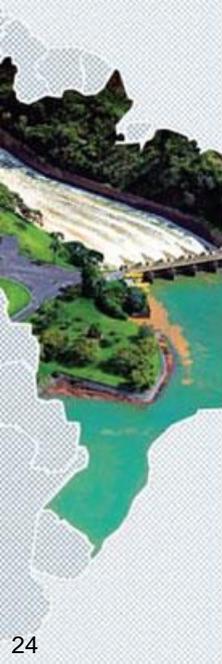
Integrate Taesa and Light acquisitions

3

Participate in green fields

4

Select new acquisitions



Why Invest in Cemig

Leading power utility in Brazil

Powerful drivers fueling growth

Sound Balance Sheet

Consistent profitable track record

Strong Dividend Policy

World Leader in Sustainability

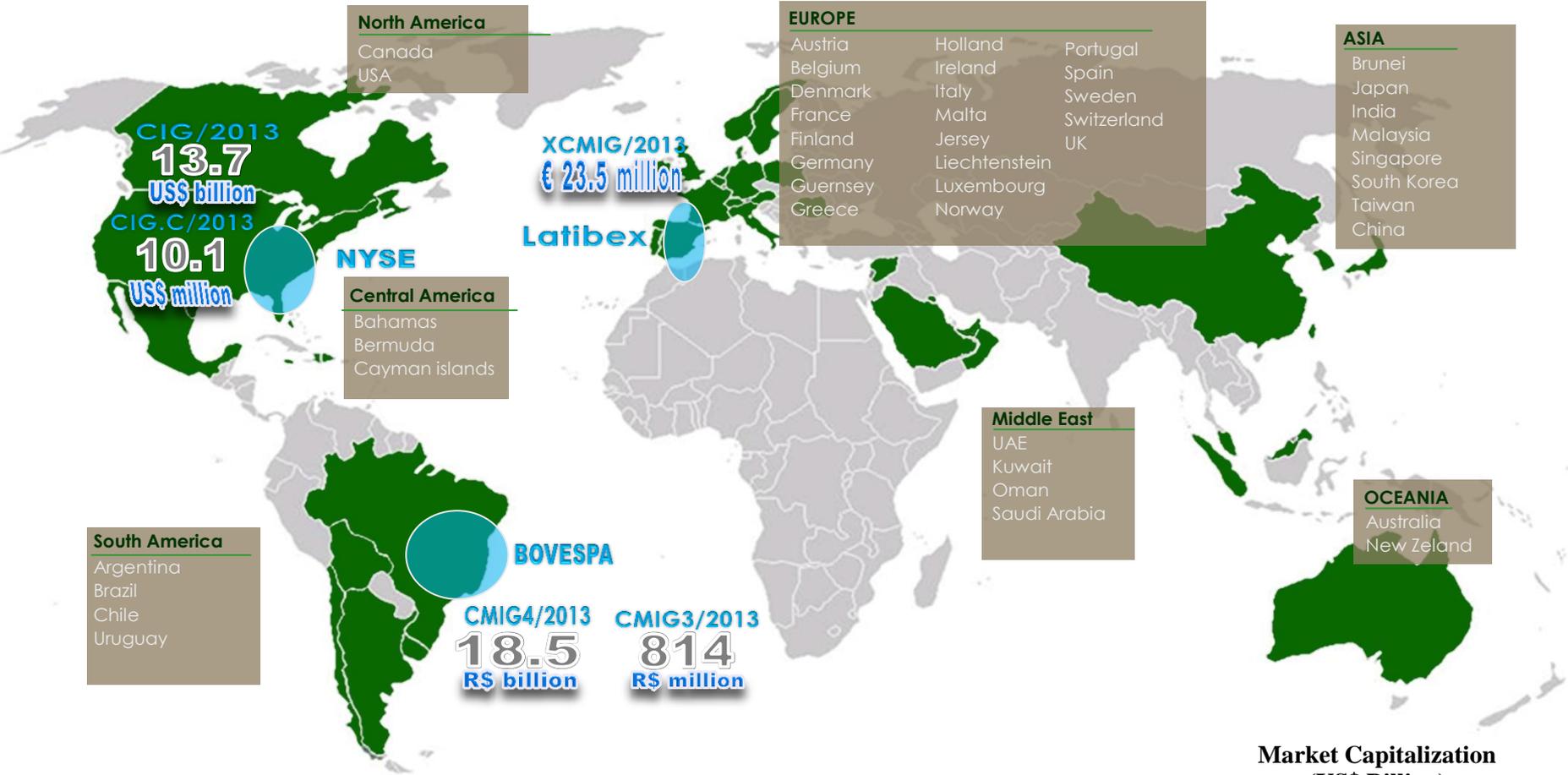


CEMIG

A Melhor Energia do Brasil.

Appendix

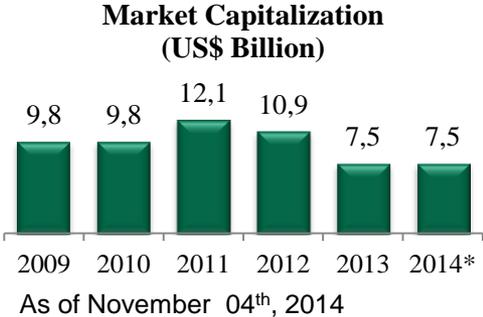
Strong shareholders base assures liquidity



Average daily trading volume of preferred shares in 2014, up to November 04th

Bovespa: R\$ 68 million
NYSE: US\$ 36 million

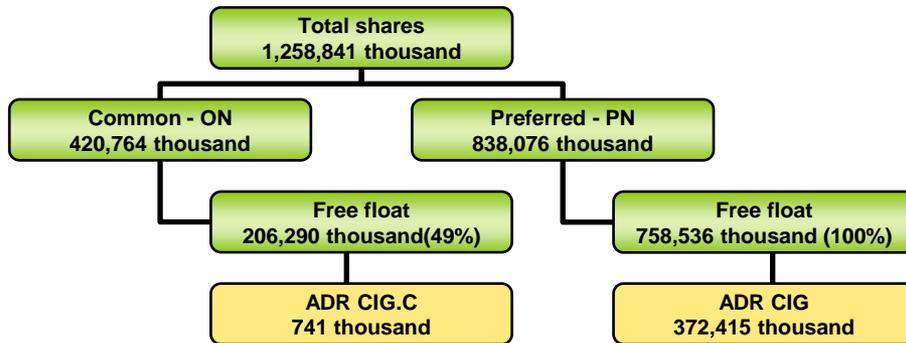
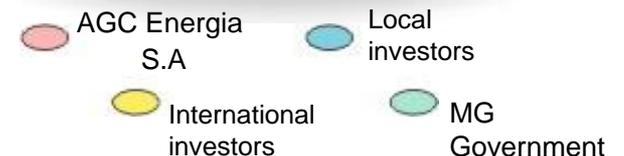
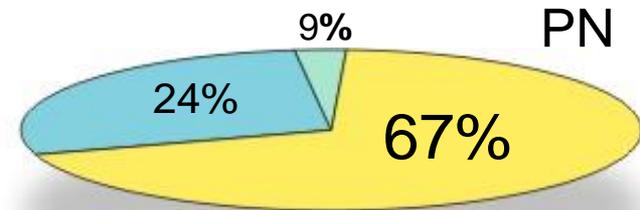
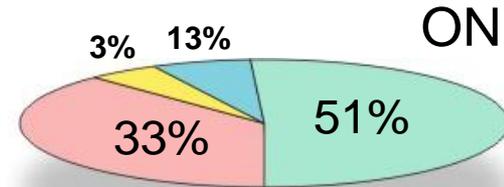
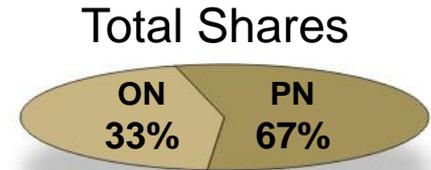
- Shares traded on 3 stock exchanges
- Over 120,000 stockholders in more than 40 countries



The blend of shareholders provides long term perspective



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



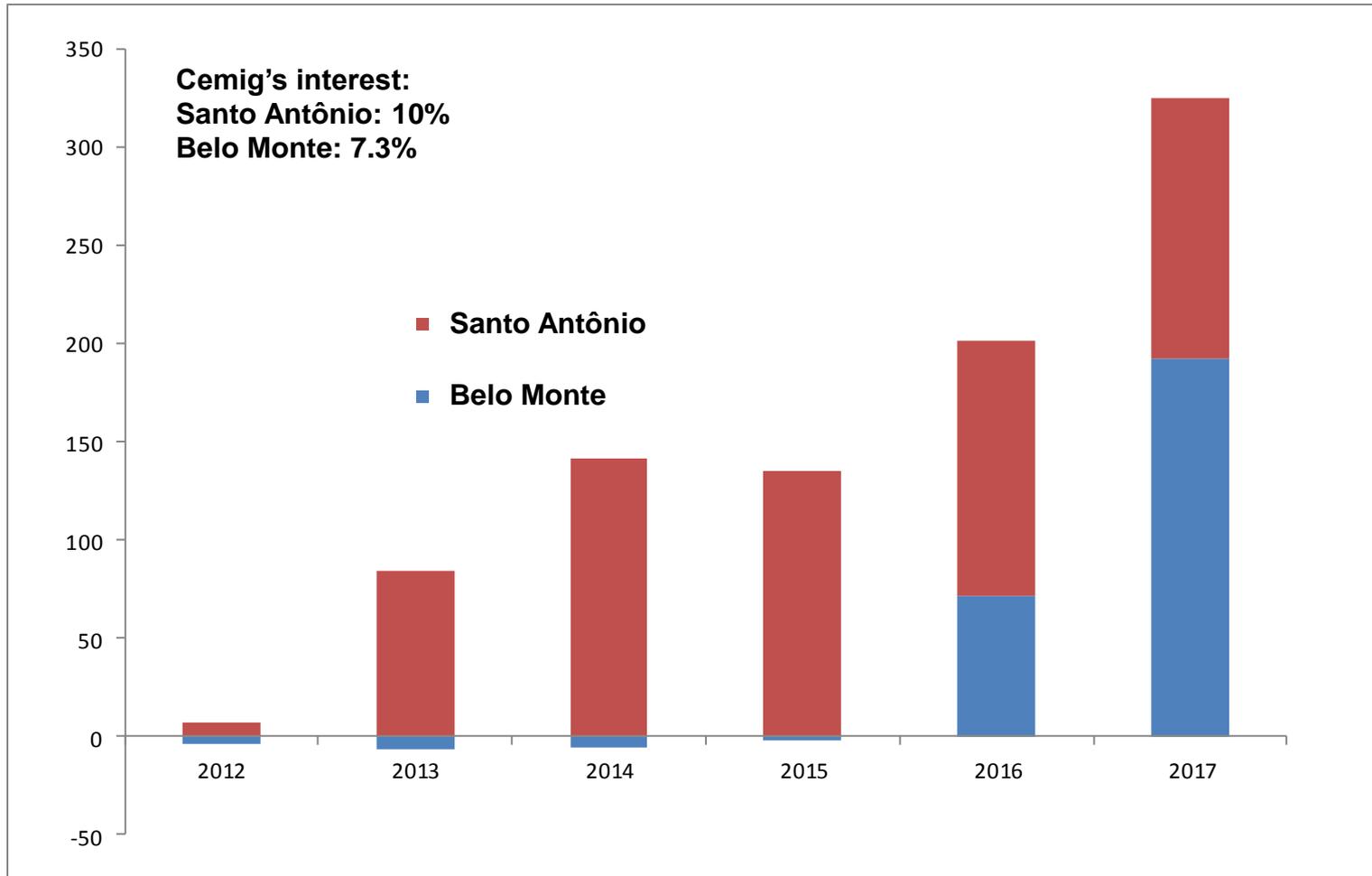
Share nominal value = R\$5.00

ADR outstanding approximately 20% of total shares and 36.97% of PN shares
 1 ADR = 1 share in Bovespa
 ON shares have voting rights

Ebitda from holdings in Santo Antônio and Belo Monte



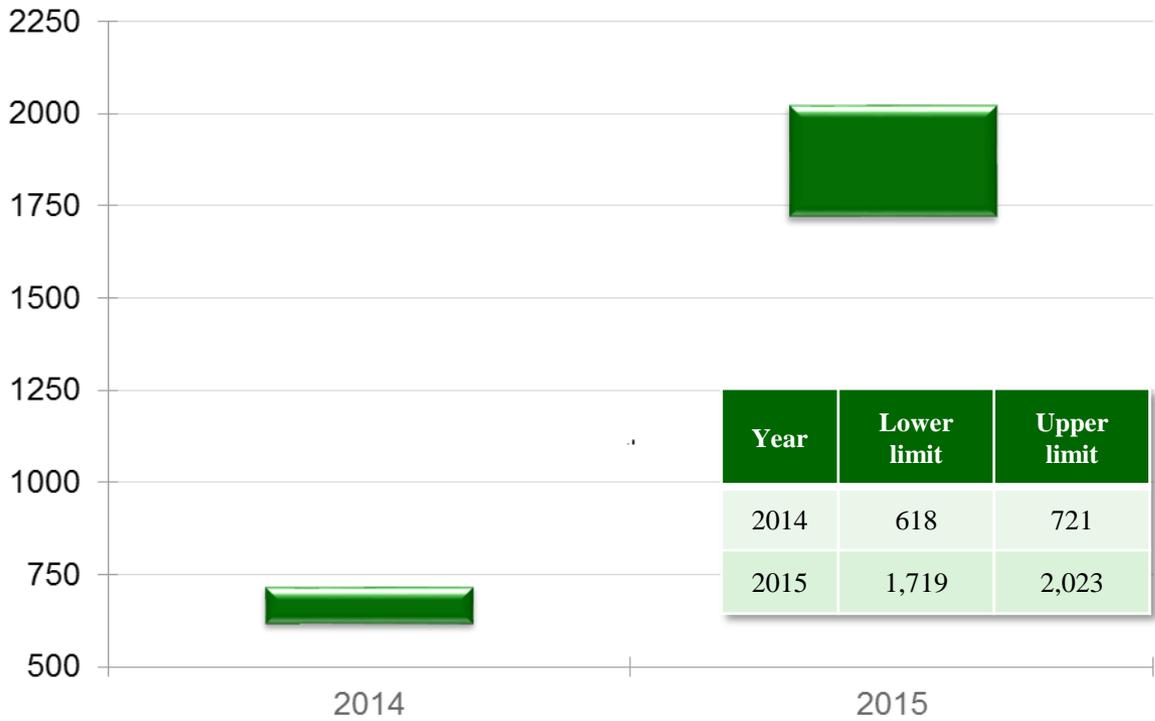
Constant June, 2013 R\$ million



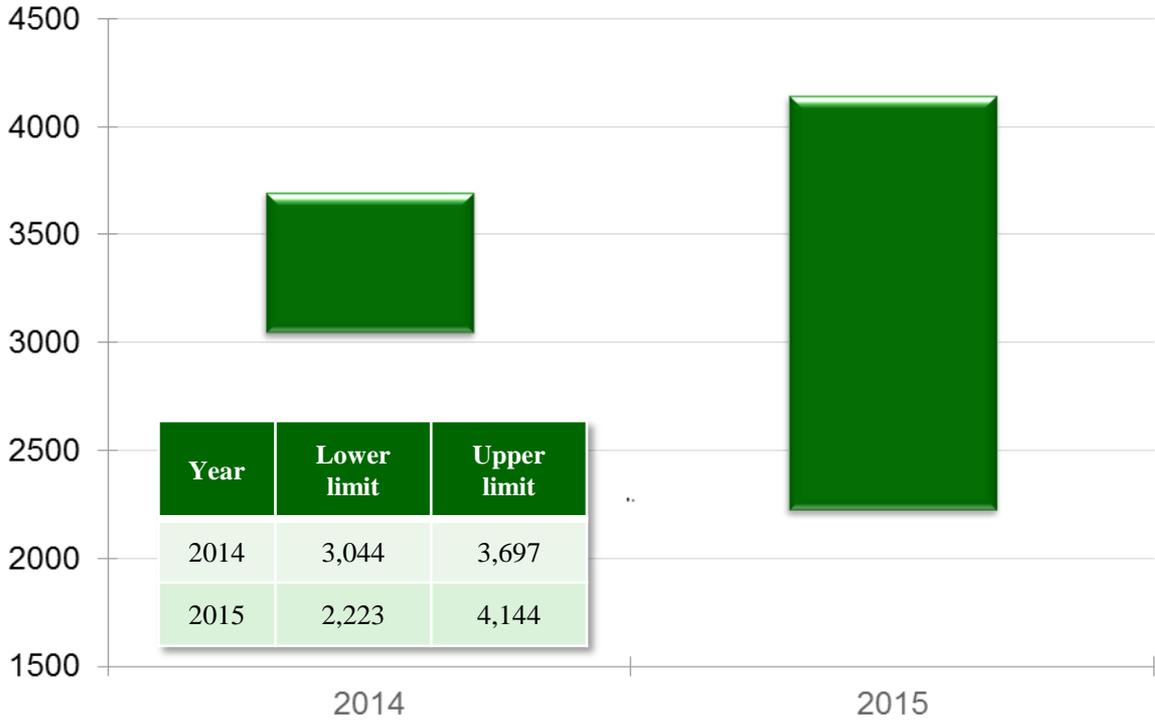
CEMIG D - EBITDA Guidance – 2014/2015



(Constant June 2014 R\$ million)



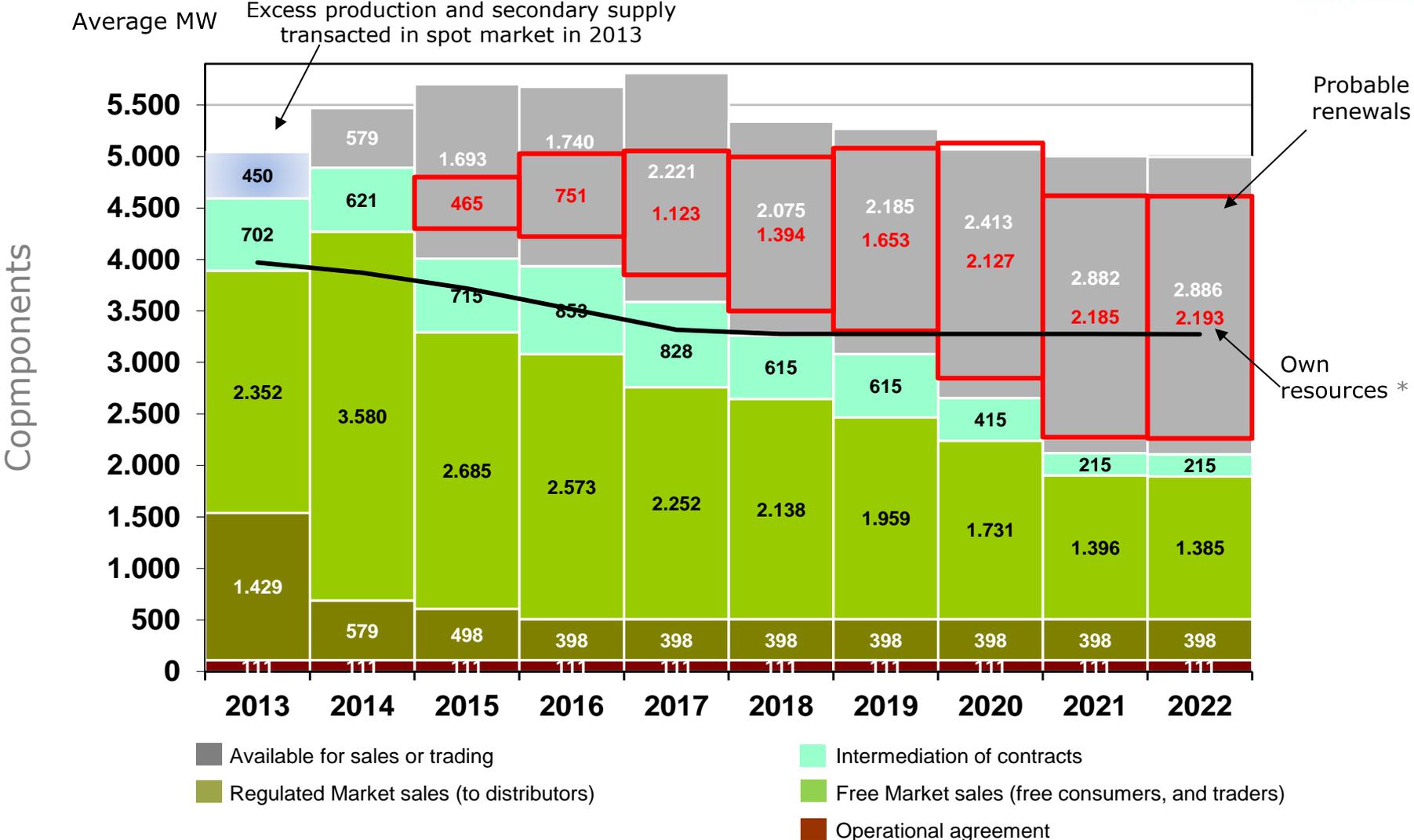
CEMIG GT - EBITDA Guidance – 2014/2015



(*) EBITDA: includes ali minority participation.

(Constant June 2014 R\$ million)

CEMIG GT – Supply-demand balance



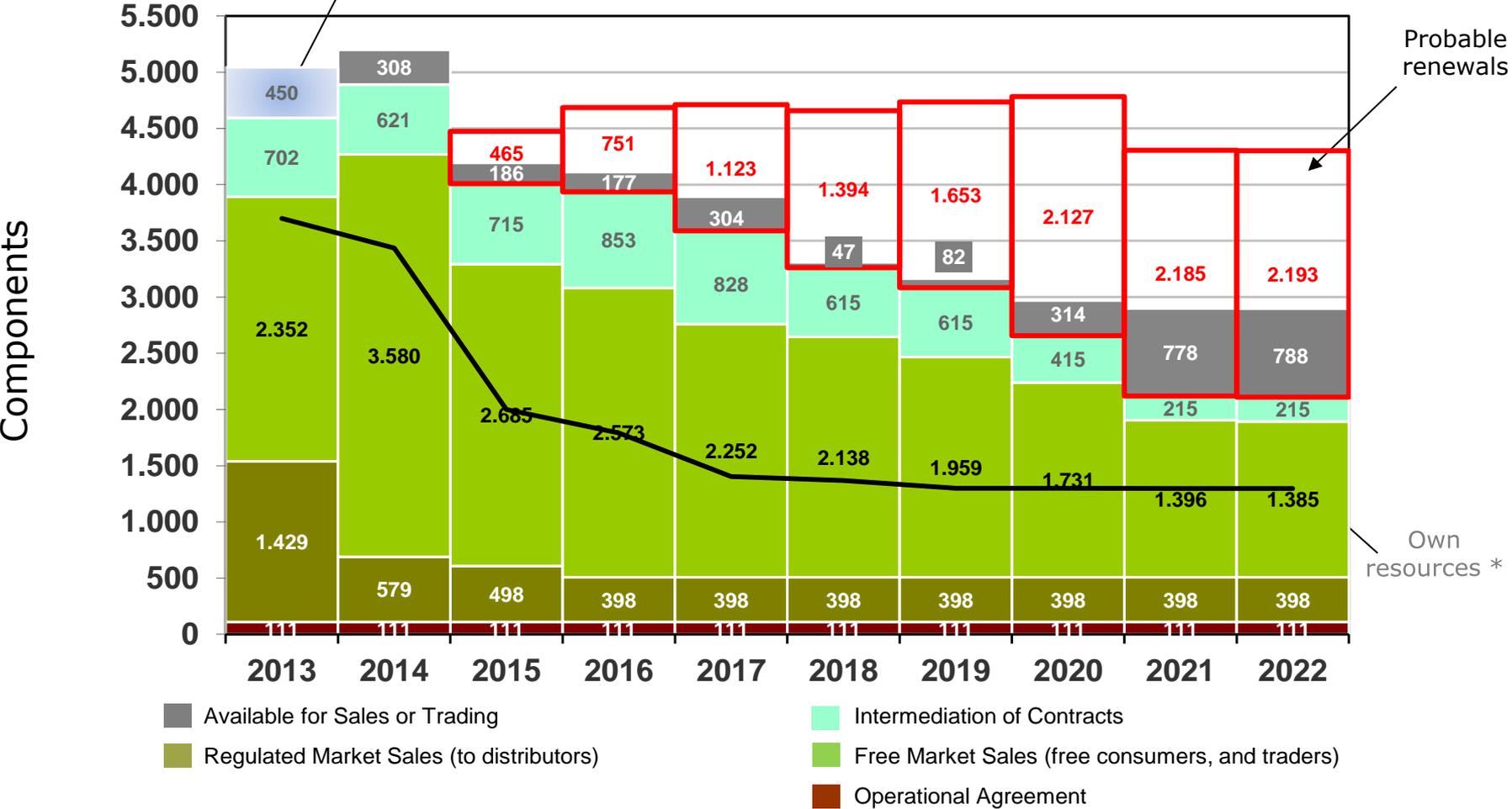
(*) Assumes exclusion of the Hydroelectric Plants of which the **second** concession period expires in coming years. Maintains the Jaguará, São Simão and Miranda plants.

CEMIG GT – Supply-demand balance



Average MW

Excess production and secondary supply transacted in the spot market in 2013

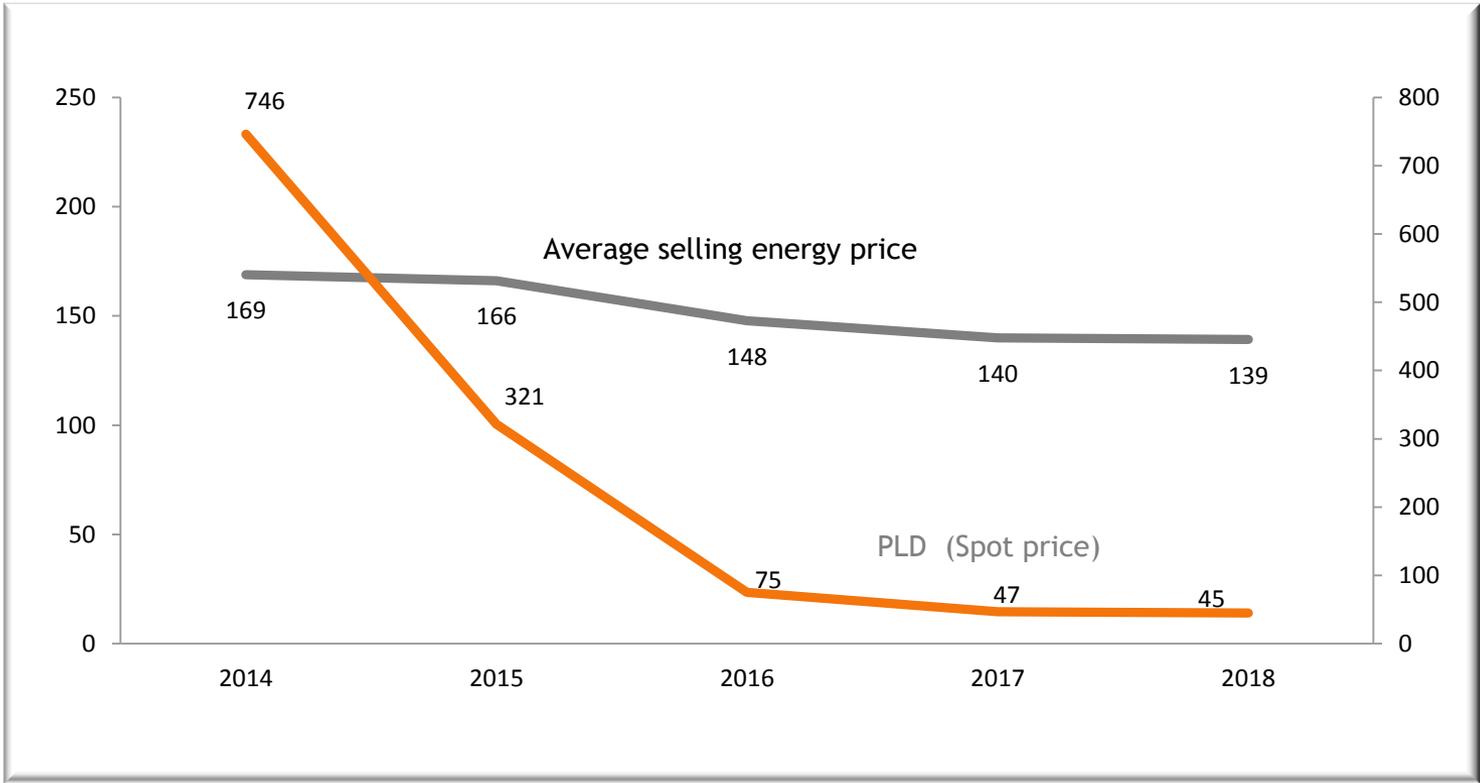


(*) Excludes Hydroelectric Plants with **first and second** concession period expiring in coming years.

Declining average prices in the period, considering spot prices



June 2014 R\$/MWh

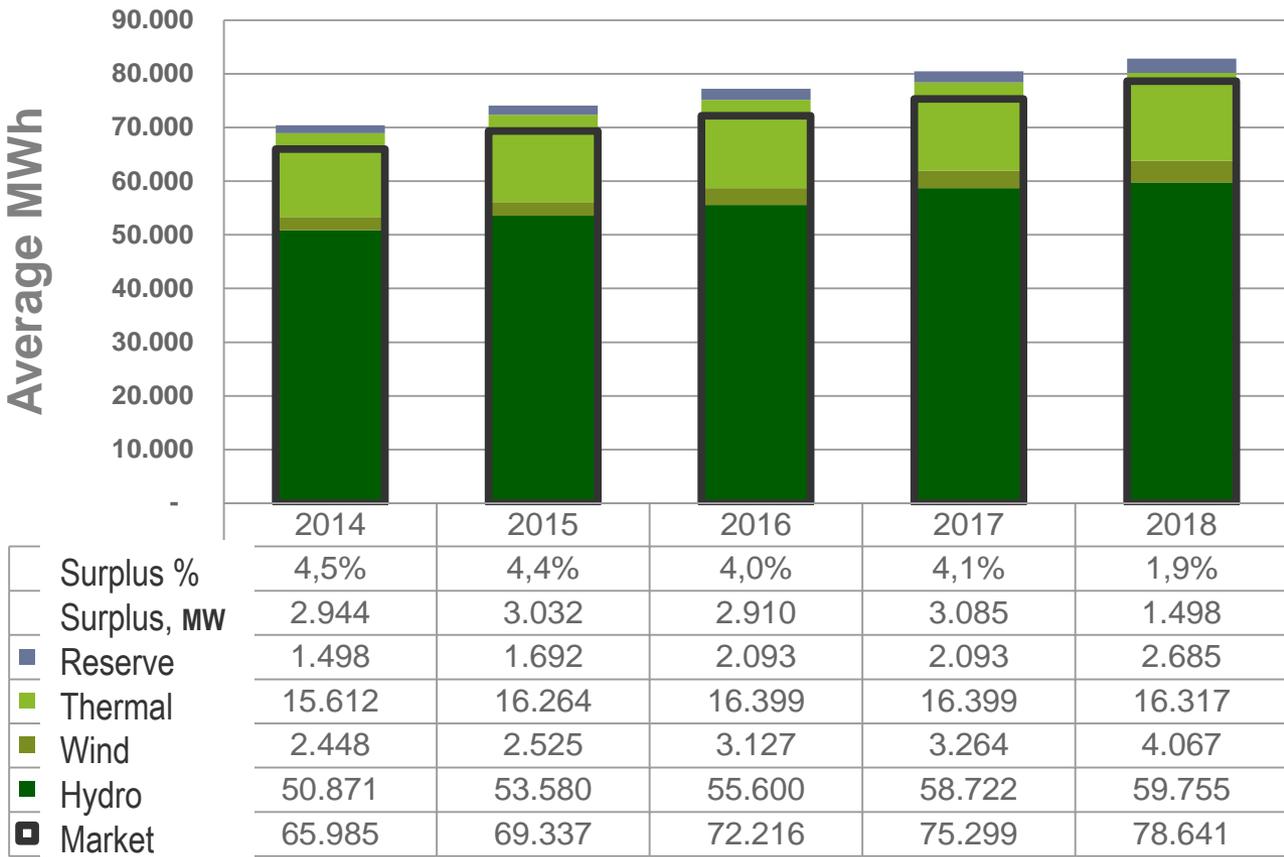


The average price considers Cemig's current generation plant portfolio.

Brazilian National Grid: projections made in 2014 for 2014 –18



2014 Forecast



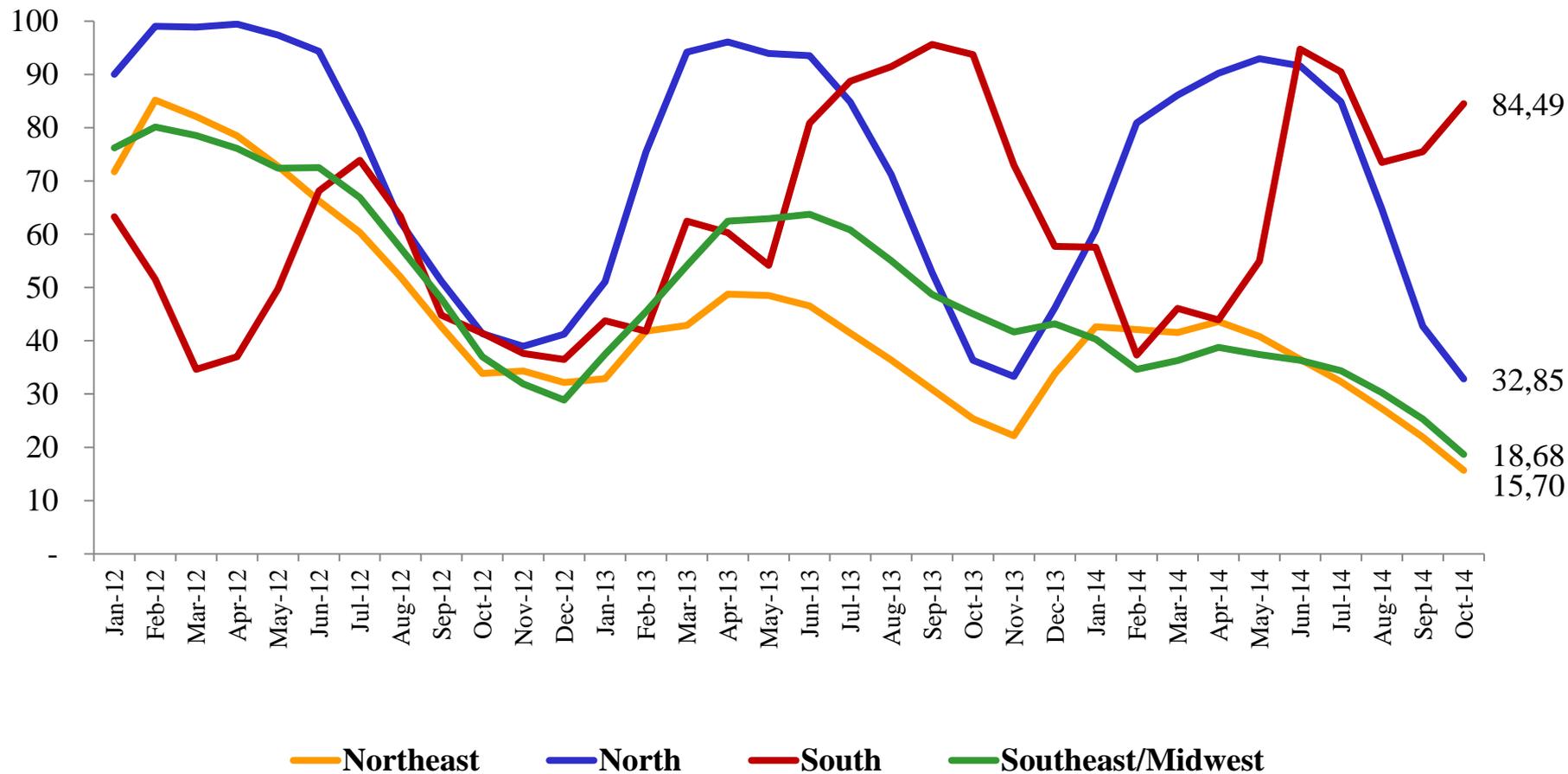
Source: **PMO, May 2014**; Analysis: Cemig,

- Assumes: (i) GDP Growth of 4.8% from 2014–2018 (1st four-monthly revision, 2013).
- (ii) Excludes thermal projects that sold electricity in new-built energy auctions that were not built.

Level of reservoirs (%)*

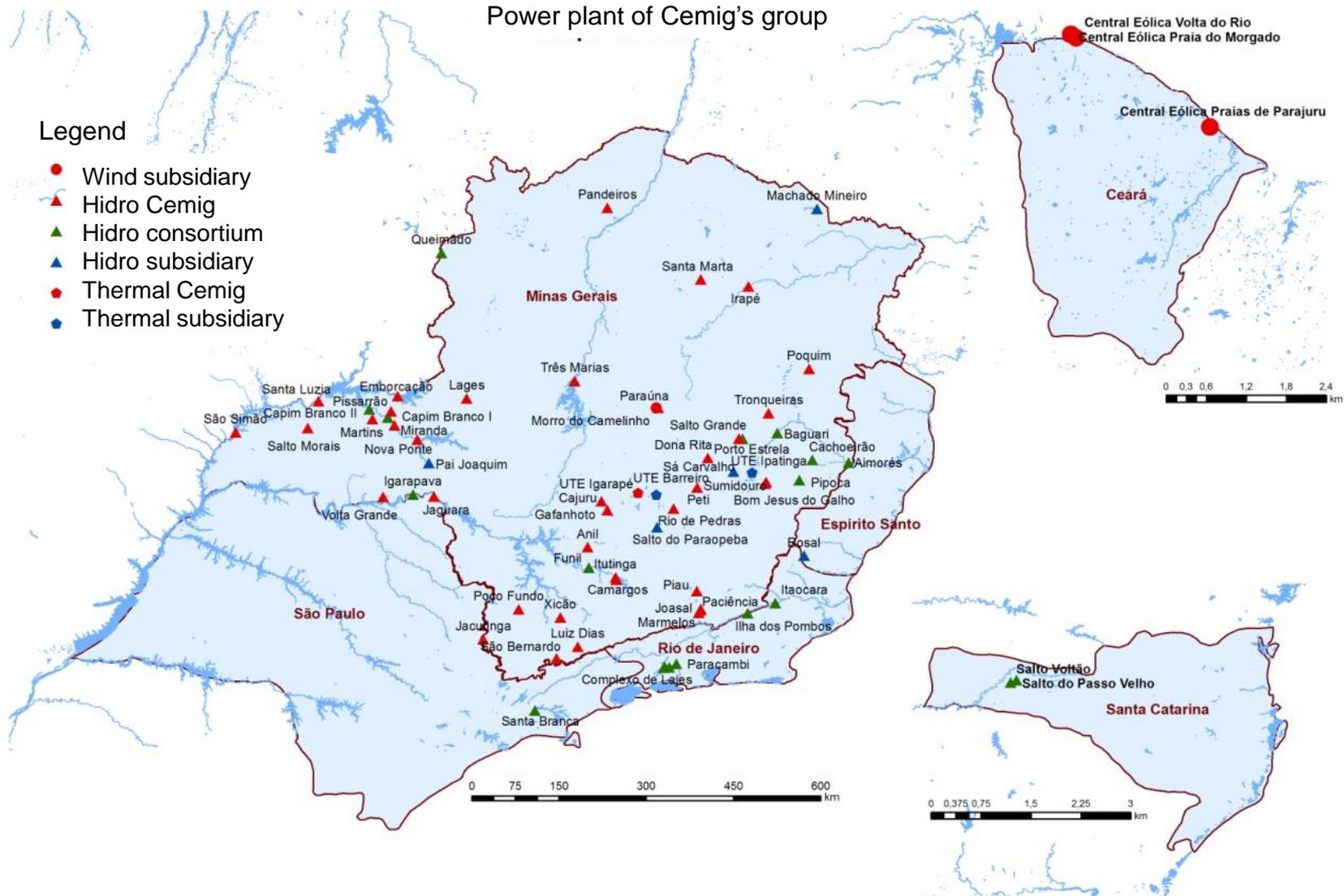


Level of reservoirs by region (%)



*Source: ONS

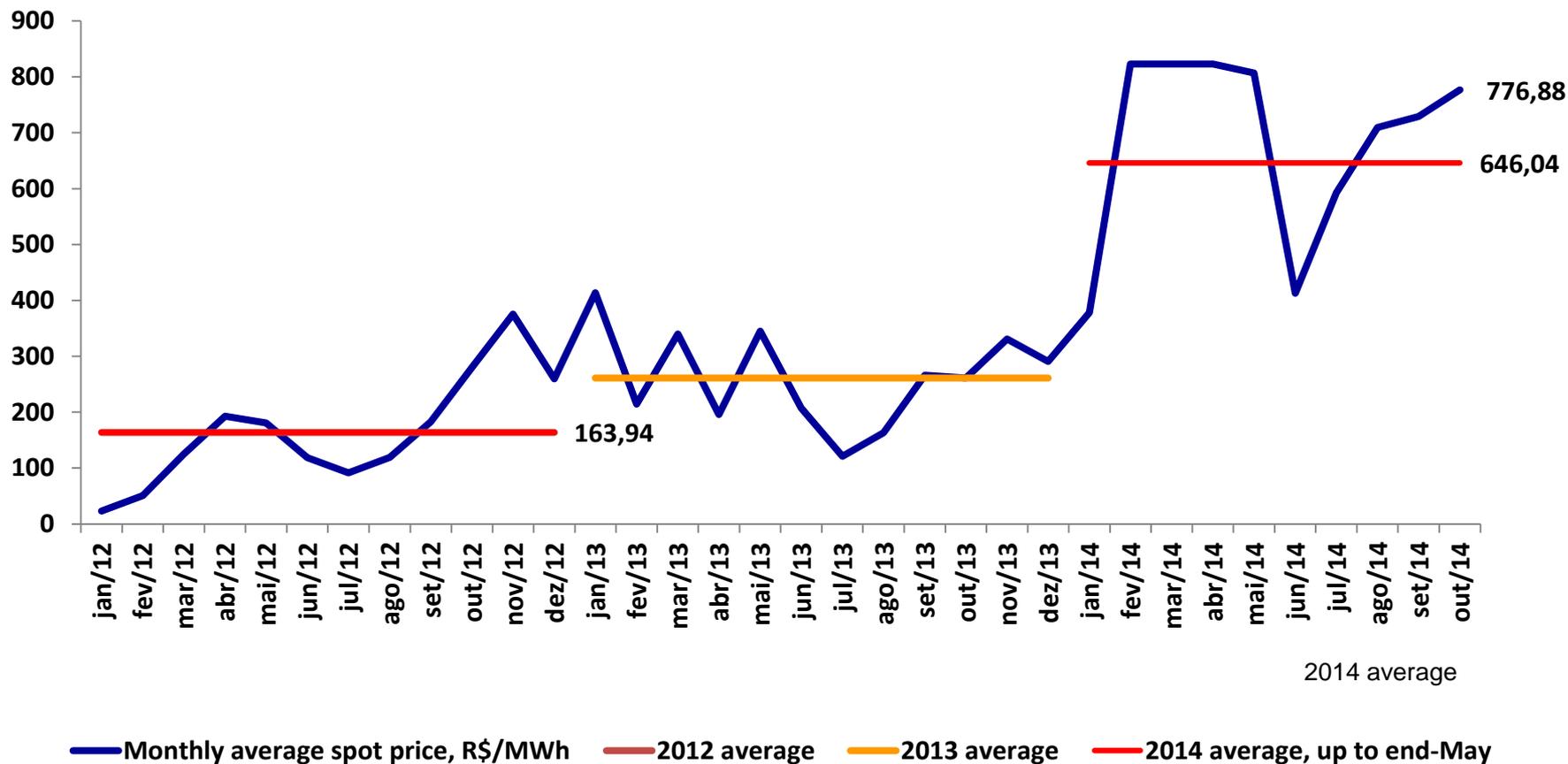
Minas Gerais state - Main Rivers and Plant



Spot Market: 2012 – 2014



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



*Source: CCEE

Law 12,783/2013 (MP579):

- Reduction of sector charges
- Extension of concessions for additional 30 years, conditioned to an early renewal in 2013, for those expiring between 2013 and 2017
- Revenue covering only operation and maintenance costs

Cemig's concessions expiring between 2013 and 2017:

- 21 power plants (2.4 GW – assured energy)
 - ✓ Among them, 3 HPP which have not been granted with a extension yet, account for 1.8 GW of assured energy
- Transmission concession contract in Minas Gerais. EBITDA reduction of R\$336 million
- Distribution concession in Minas Gerais. No changes

Segment	Company's Decision
Generation (18 HPP of 2 nd renewal)	Didn't accept
Generation (3 HPP of 1 st renewal)	Don't agree
Transmission	Accepted
Distribution	Accepted

Contracts maturing of generation plants



2nd maturity:

#	Type	Plant	Expiry of concession	Installed capacity (MW)	Assured energy (average MW)
1	HPP	Três Marias	Jul/2015	396	239
2	HPP	Volta Grande	Feb/2017	380	229
3	HPP	Salto Grande	Jul/2015	102	75
4	HPP	Itutinga	Jul/2015	52	28
5	HPP	Camargos	Jul/2015	46	21
6	SHPP	Piau	Jul/2015	18	14
7	SHPP	Gafanhoto	Jul/2015	14	7
8	SHPP	Peti	Jul/2015	9	6
9	SHPP	Joasal	Jul/2015	8	5
10	SHPP	Tronqueiras	Jul/2015	9	4
11	SHPP	Cajuru	Jul/2015	7	3
12	SHPP	Marmelos	Jul/2015	4	3
13	SHPP	Martins	Jul/2015	8	3
14	SHPP	Paciência	Jul/2015	4	2
15	SHPP	Anil	Jul/2015	2	1
16	SHPP	Sumidouro	Jul/2015	2	1
17	SHPP	Santa Marta	Jul/2015	1	1
18	SHPP	Poquim	Jul/2015	1	0
TOTAL 2nd renewal				1,064	642

1st maturity:

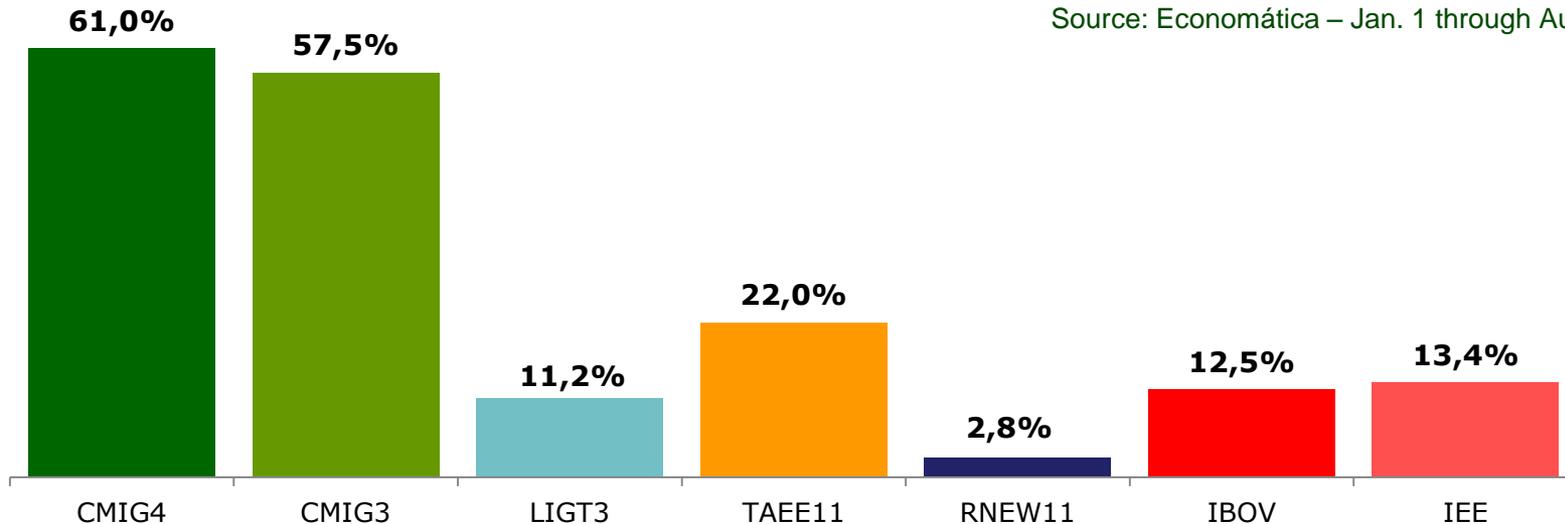
#	Type	Plant	Expiry of concession	Installed capacity (MW)	Assured energy (average MW)
1	HPP	São Simão	Jan/2015	1,710	1,281
2	HPP	Jaguara	Aug/2013	424	336
3	HPP	Miranda	Dec/2016	408	202
TOTAL 1st renewal				2,542	1,819

Contracts maturing of transmission plants



#	Plant	Location	Expiry of concession
TBE			
1	EBTE – LT Juína-Brasnorte	Mato Grosso	out/38
2	ETEP – LT Tucuruí – Vila do Conde	Pará	jun/31
3	ENTE – LTs Tucuruí – Marabá – Açailândia	Pará/Maranhão	dez/32
4	ERTE – LT Vila do Conde – Santa Maria	Pará	dez/32
5	EATE – LT Tucuruí – Presidente Dutra	Pará	jun/31
6	ECTE – LT Campos Novos – Blumenau	Santa Catarina	nov/30
7	STC – LT Barra Grande	Santa Catarina	jun/36
8	Lumitrans – LT Machadinho	Santa Catarina	jul/34
9	ESDE – LT Barbacena2-Juiz de Fora 1 (Projeto em andamento)	Minas Gerais	nov/39
Taesa			
10	TSN	Goiás/ Bahia	dez/30
11	Munirah	Bahia	fev/34
12	Gtesa	Pernambuco/ Paraíba	jan/32
13	Patesa	Rio Grande do Norte	dez/32
14	NVT	Maranhão/Distrito Federal	dez/30
15	ETAU	Santa Catarina/Rio G. do Sul	dez/32
16	ETEO	São Paulo	mai/30
17	Brasnorte	Mato Grosso	mar/38
18	STE	Rio Grande do Sul	dez/32
19	ATE	Paraná/São Paulo	fev/34
20	ATE II	Tocantins/Piauí/Bahia	mar/35
21	ATE III	Tocantins/Pará	mar/36
22	São Gotardo (Projeto em andamento)	Minas Gerais	ago/42
Others			
23	Transchile – LT Charrua – Nueva Temuco	Chile	mai/28
24	Centroeste de Minas – LT Furnas – Pimenta	Minas Gerais	mar/35
25	Rede Básica	Minas Gerais	jul/15
26	Sub-Estação – SE Itajubá – 3	Minas Gerais	out/30
27	Transleste – LT Irapé – Montes Claros	Minas Gerais	fev/34
28	Transudeste – LT Itutinga – Juiz de Fora	Minas Gerais	mar/35
29	Transirapé – LT Irapé – Araçuaí	Minas Gerais	mar/35

Source: Economática – Jan. 1 through August 5, 2014.



Strong dividend policy

- Dividend Yield of 15.96% in July 2014
- Cemig decided to pay extraordinary dividend of R\$ 1.7 bn – corresponding to R\$ 1.35 per share
 - ✓ R\$ 1.1 billion paid on July 8, 2014
 - ✓ R\$ 604 million paid on September 30, 2014

Market Recognition



- *Best Investor Relations, Utilities* – IR Magazine 2014 Brazil Awards
- Apimec Award 2014 – Professional Category of Investor Relations
- *2014 Transparency Trophy*
 - ✓ Winner in category ‘Listed Company with billing above R\$ 5 billion’
- ‘Best Brazilian company in electricity sector, 2014’ – IstoÉ Dinheiro Magazine
- Latam Stars Index: only energy sector company included
 - ✓ New Latam stock index assesses sustainability of companies’ management



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