

XX Encontro Anual
CEMIG-APIMEC

Supply and demand Cemig GT and the national grid

Presenting executive: Marcus Vinícius de Castro Lobato

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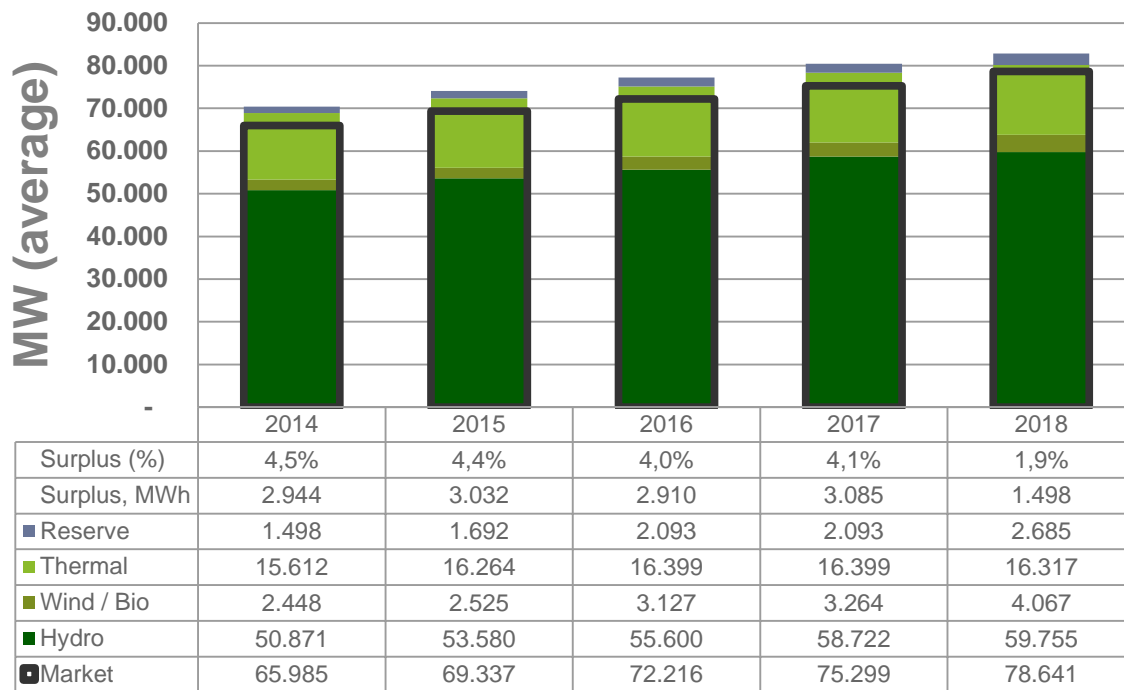
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The Brazilian National Grid

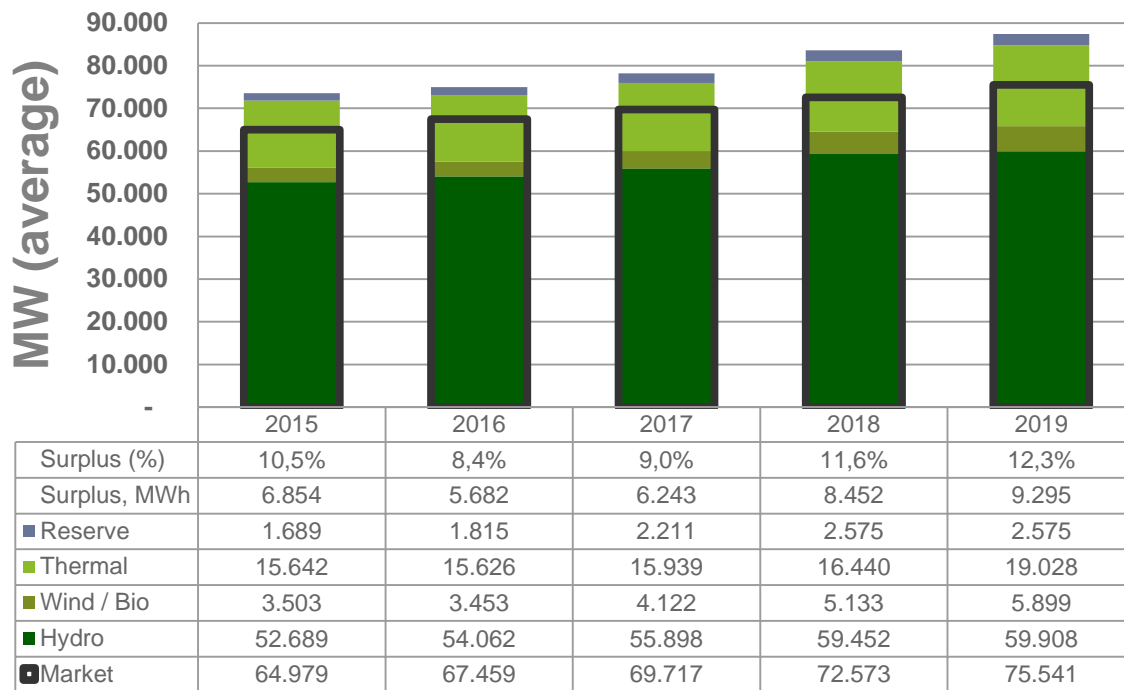


Source: PMO (Monthly Operation Program), May 2014.

Analysis by Cemig based on a GDP growth forecast of 4.8% over the 2014-2018 (1st four-month revision, 2014) period.

Assumes withdrawal of thermal projects that sold energy in new auctions that were not developed.

The Brazilian National Grid



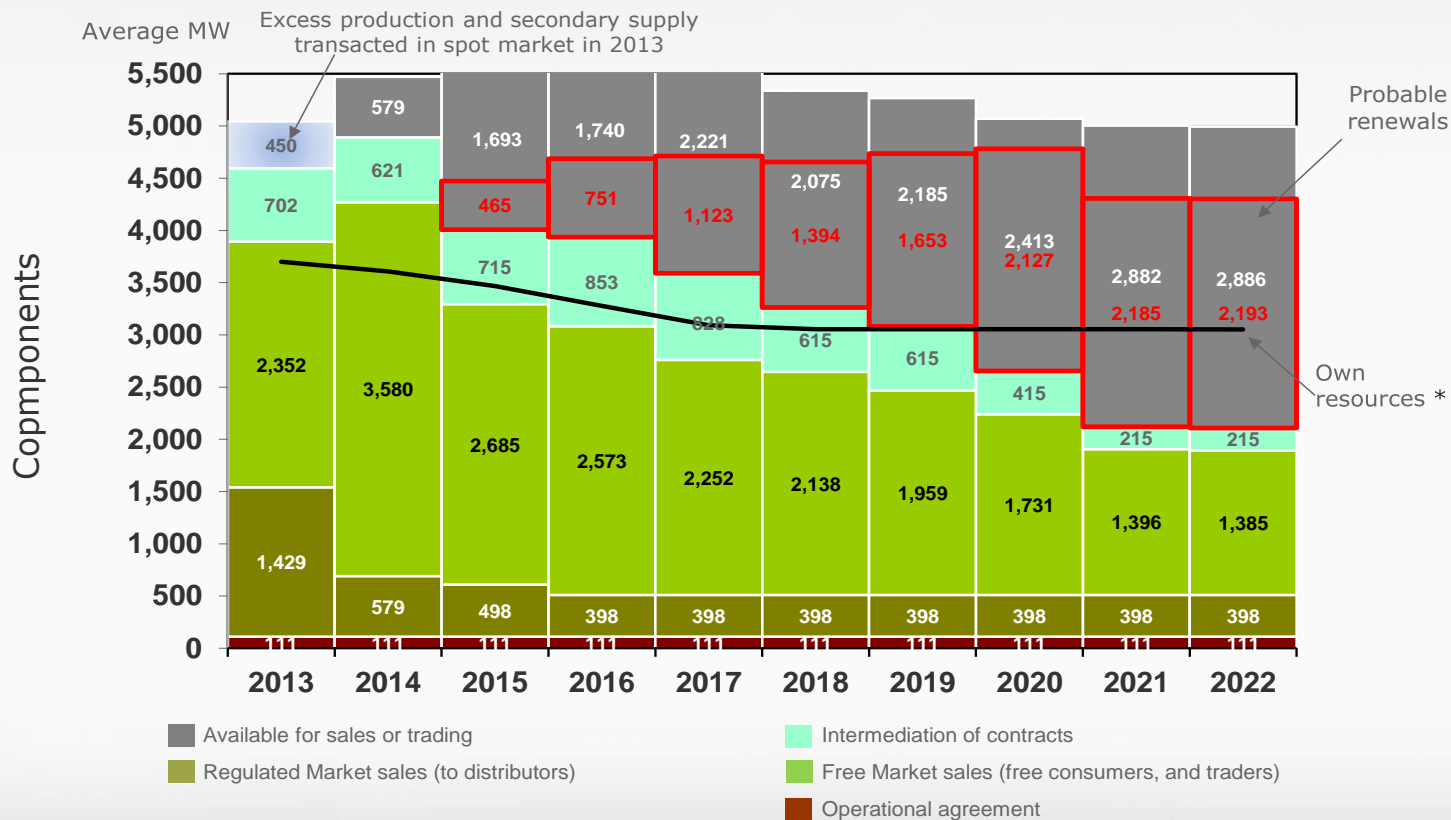
Source: PMO (Monthly Operation Program), May 2015.

Analysis by Cemig, based on a GDP forecast growth of 2.5% over the 2015-2019 (1st four-month revision, 2015) period.

Assumes withdrawal of thermal projects that sold energy in auctions that were not developed.

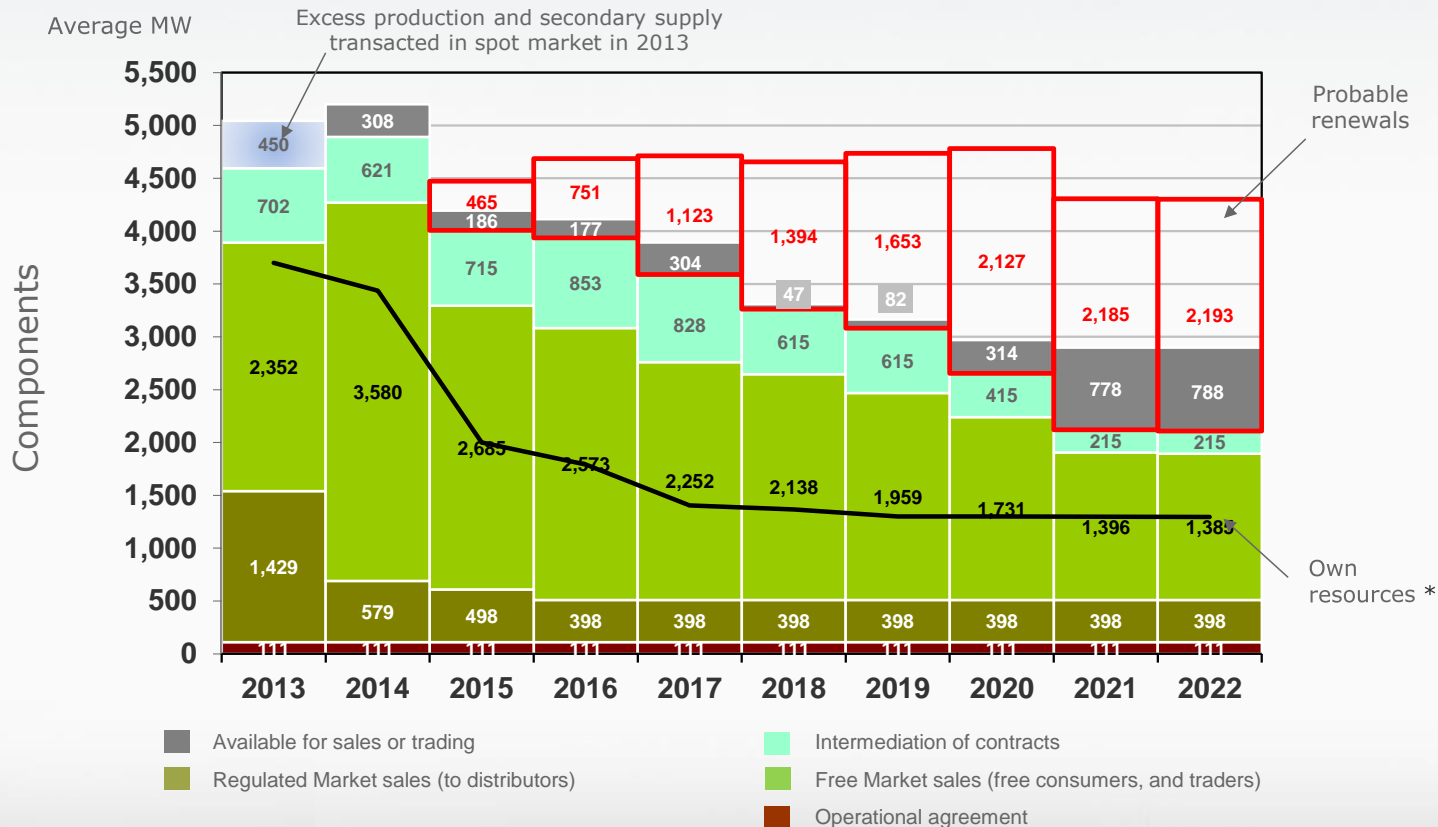
Cemig GT: Supply/Demand chart presented in 2014 (1)

Figures presented last year:
at the 19th APIMEC
(May 27, 2014)

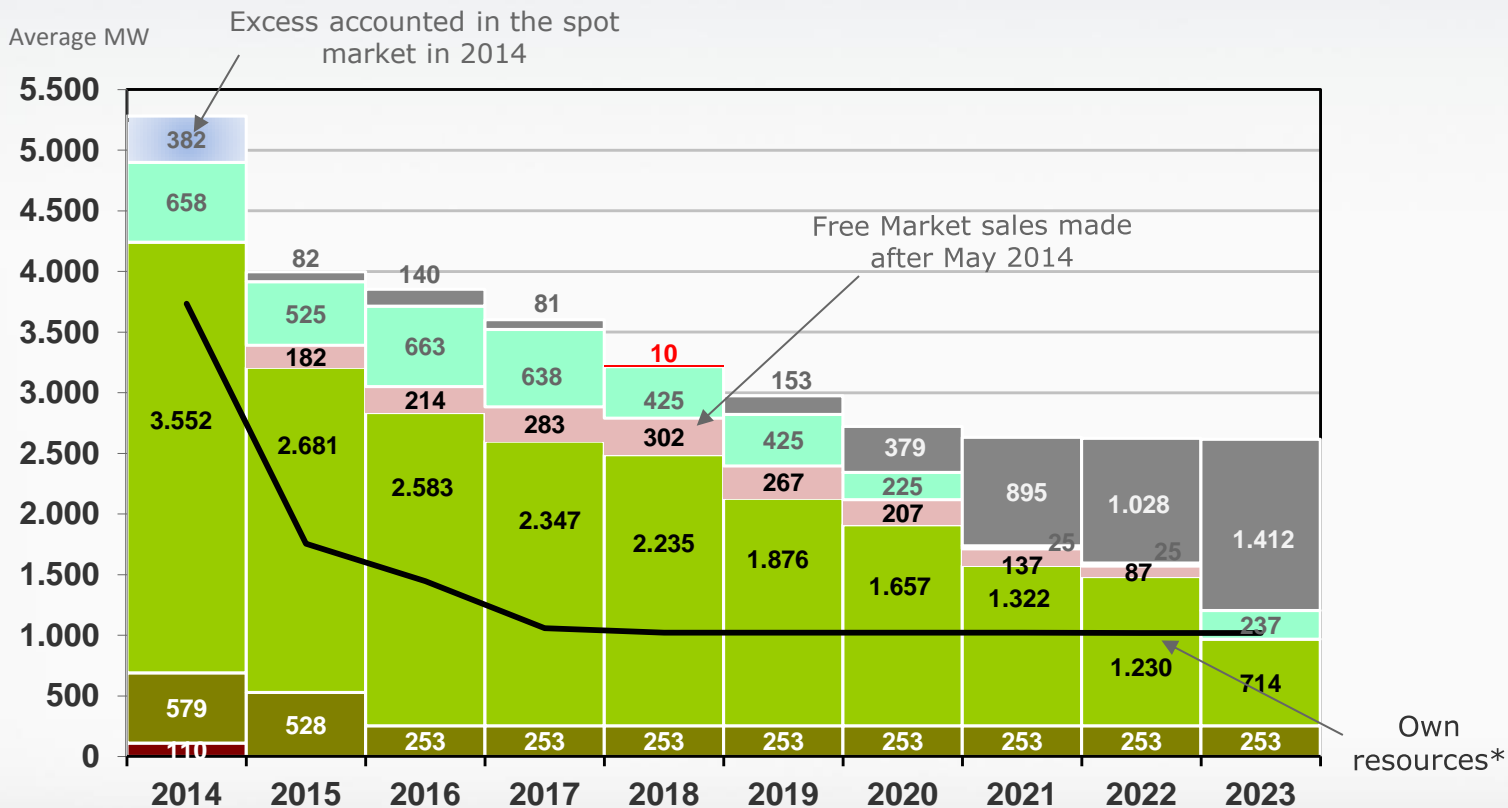


Cemig GT: Supply/Demand chart presented in 2014 (2)

Figures presented last year: at the 19th APIMEC (May 27, 2014)



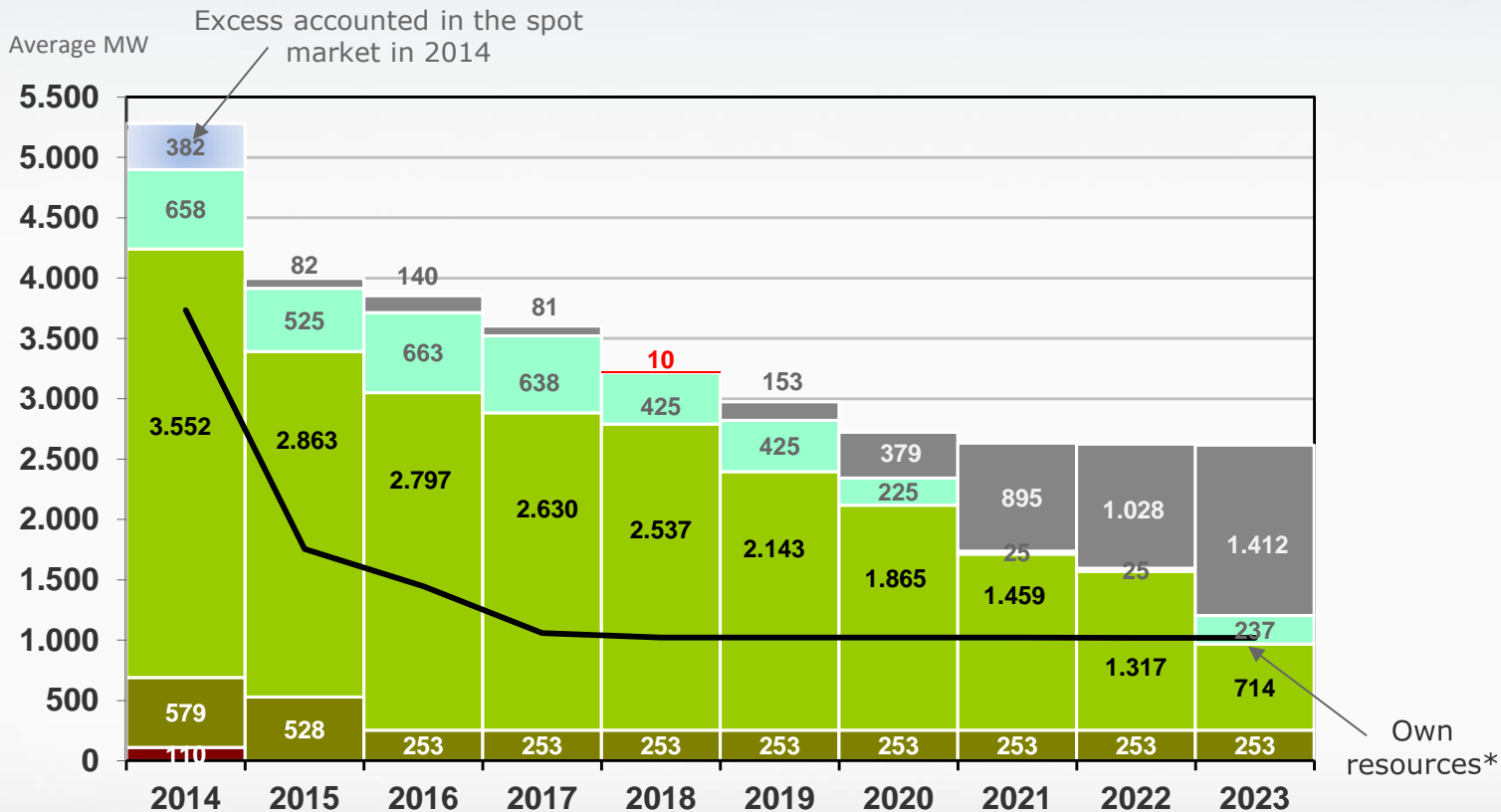
Cemig GT: Supply/Demand chart for 2015



(*) Assumes exclusion of Hydroelectric Plants under first or second concession contracts that expire in the coming years.

(**) Takes into account the asset transfer and contracts to Aliança Geração de Energia S.A.

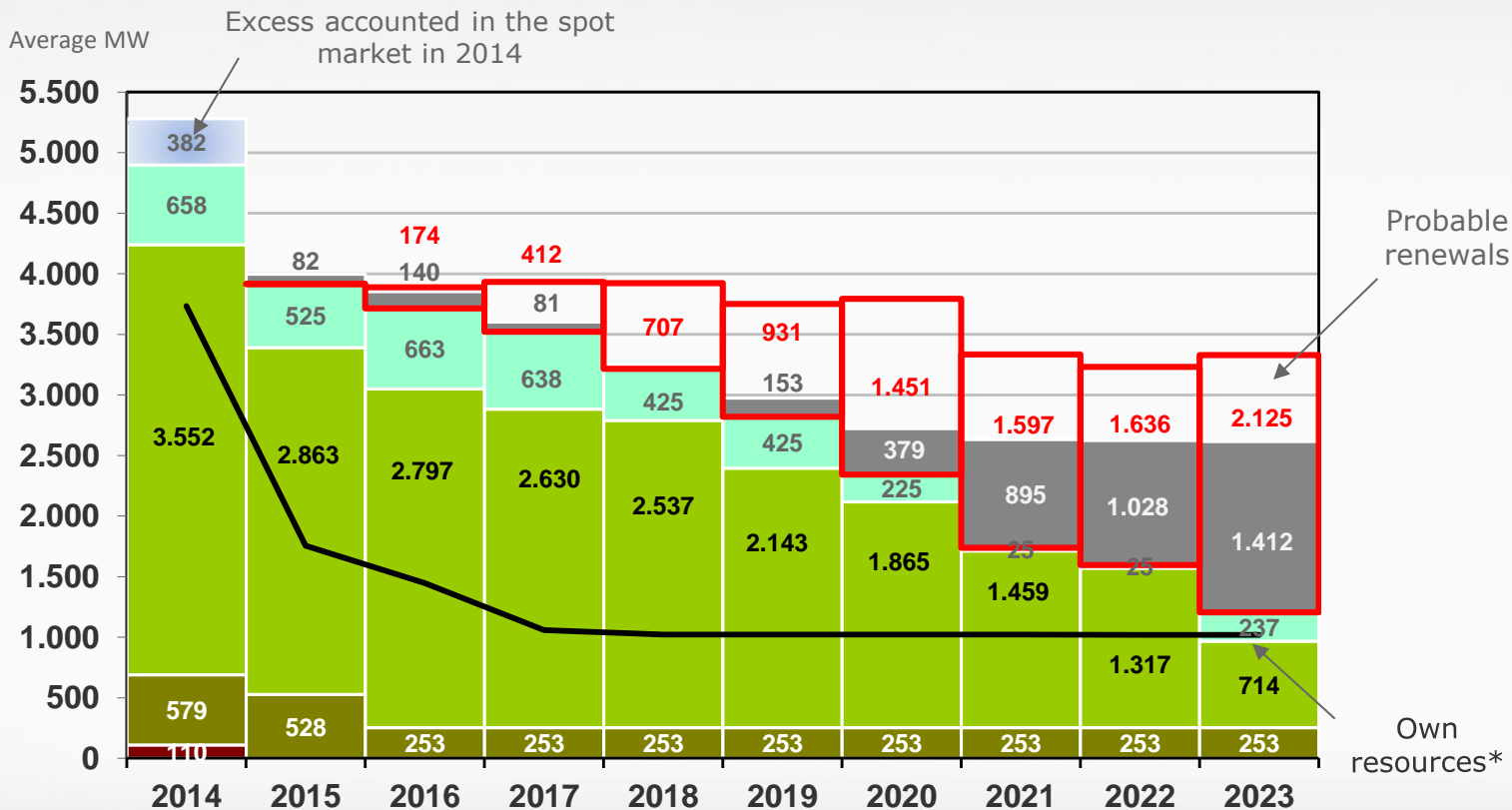
Cemig GT: Supply/Demand



(*) Assumes *exclusion* of Hydroelectric Plants under **first or second** concession contracts that expire in the coming years.

(**) Takes into account the asset transfer and contracts to Aliança Geração de Energia S.A.

Cemig GT: Supply/Demand



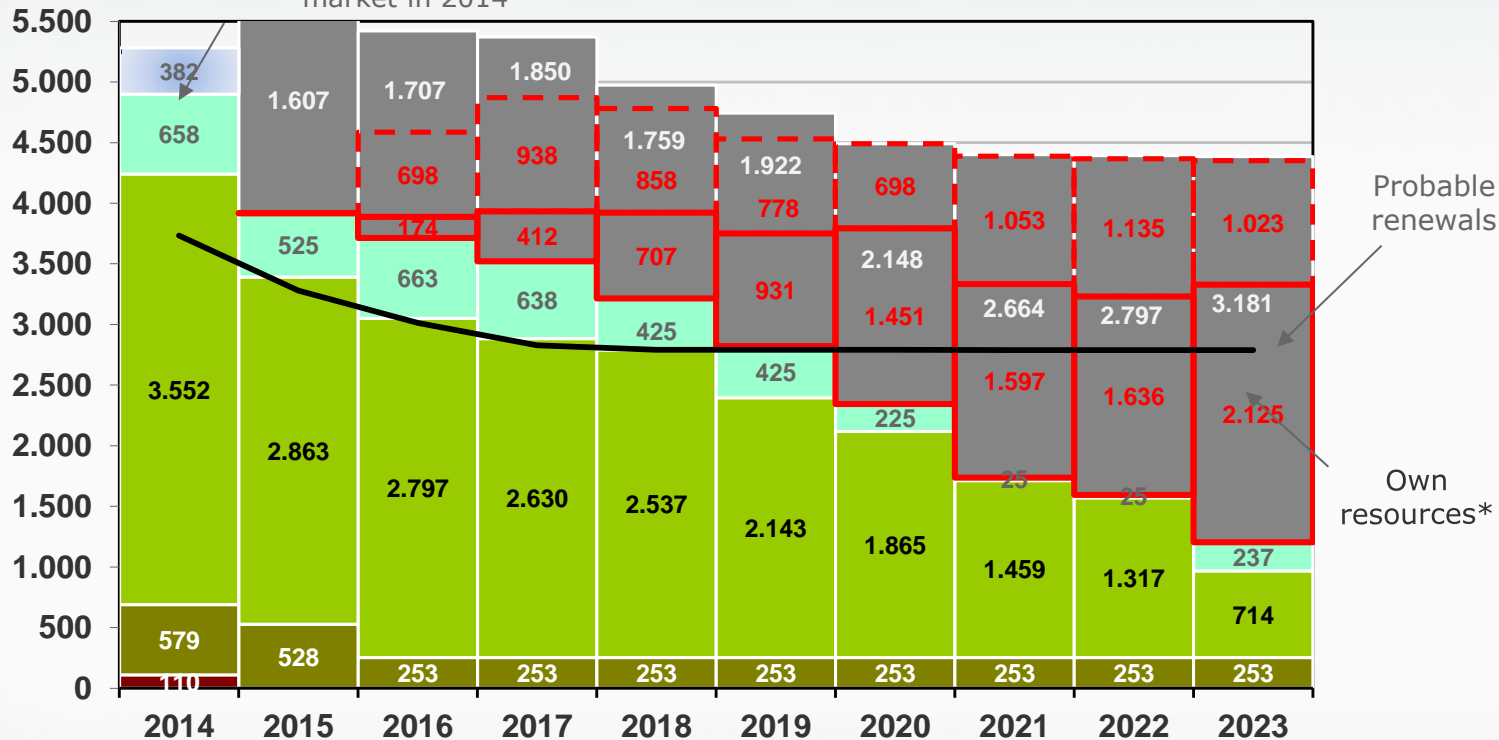
(*) Assumes exclusion of Hydroelectric Plants under the first or second concession contracts that expire in the coming years.

(**) Takes into account the asset transfer and contracts to Aliança Geração de Energia S.A.

Cemig GT: Supply/Demand

Average MW

Excess accounted in the spot market in 2014



- Available for sales or trading
- Intermediation of contracts
- Sales in regulated market (Distributors)
- Sales in Free Market (Free Consumers, and Traders)
- Operational agreement

(*) Assumes exclusion of Hydroelectric Plants under the second concession contract that expires in the coming years. Includes Jaguara, São Simão and Miranda hydro plants.
 (**) Takes into account the asset transfer of assets and contracts to Aliança Geração de Energia S.A.

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Guidance for 2015–2019

Belo Horizonte, May 25, 2015

Presenting executive: Fabiano Maia Pereira



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 Senior Management, in accordance with their experience, and also on factors, such as the macroeconomic environment, market conditions in the electricity sector, and expected future results, many of which are not under Cemig's control.

Important factors that can lead to significant differences between actual results and the projections about future events or results include alterations that may be considered necessary in Cemig's business strategy, Brazilian and international economic conditions, technology, Cemig's financial strategy, changes in the electricity sector, hydrological conditions, conditions in the financial and electricity markets, uncertainty on our results from future operations, plans, and objectives, and other factors. Because of these and other factors, the real results of Cemig may differ significantly from those indicated in or implied in 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 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 give rise to different results from those estimated by the Company, we recommend consulting the section 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).

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Main assumptions for 2015-2019 Guidance

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2015-2019 guidance: Main assumptions

Cemig will continue to grow in the long term, **with capital discipline**, while preserving additional value generation and return on shareholder's investments.

Cemig will adopt numerous initiatives to achieve the intended results – **operational efficiency, synergy gains, and growth** both through **acquisitions** and through **interests in new enterprises**.

Cemig will maintain a **trading policy** in line with the short and medium-term challenges, focusing on revenue optimization of the group.

Cemig will seek to maintain its generation and distribution concessions in a balance manner and following with the interests of both its stockholders and consumers.

Main assumptions for 2015-2019 guidance

Our **proactive** response to the challenges would focus on:

- **Productivity** – We will continue seeking greater **productivity** in all processes within all the companies in the Group, including practices such as *benchmarking, automation, combat of fraud and default, re-engineering of processes, and optimization of routines*, among others.
- **Synergies** – Part of this initiative is the quest to find **synergies** between companies amongst the group, especially with **Light**. Since 2014, Cemig D (Distribution) has been developing a formal joint operation program with Light.
- **Trading strategy** focused on **maximizing profit** at all times.
- Be proactive in **managing debt profile** at all times.
- **Investment** focus on rigorous **capex allocation** in selected projects that are most profitable to the Group.
- These initiative and others were considered in preparing **this Guidance** for 2015-2019.

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Cemig D (Distribution)

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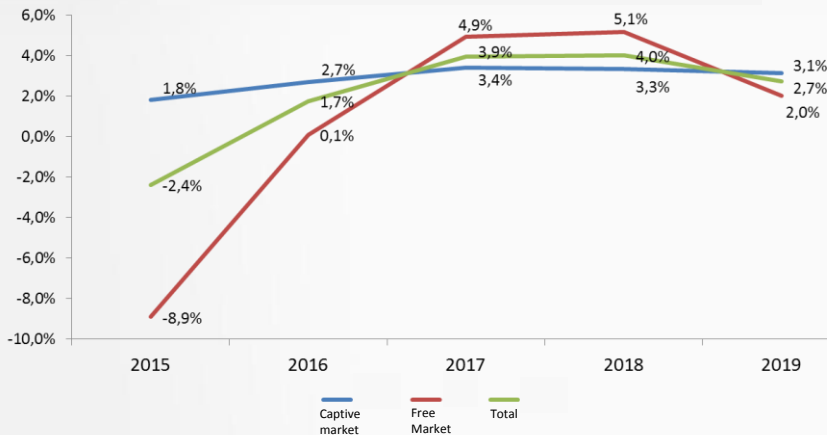
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Market growth expectation of 3% between 2016 and 2019

Size of Cemig's markets – YoY Changes, %



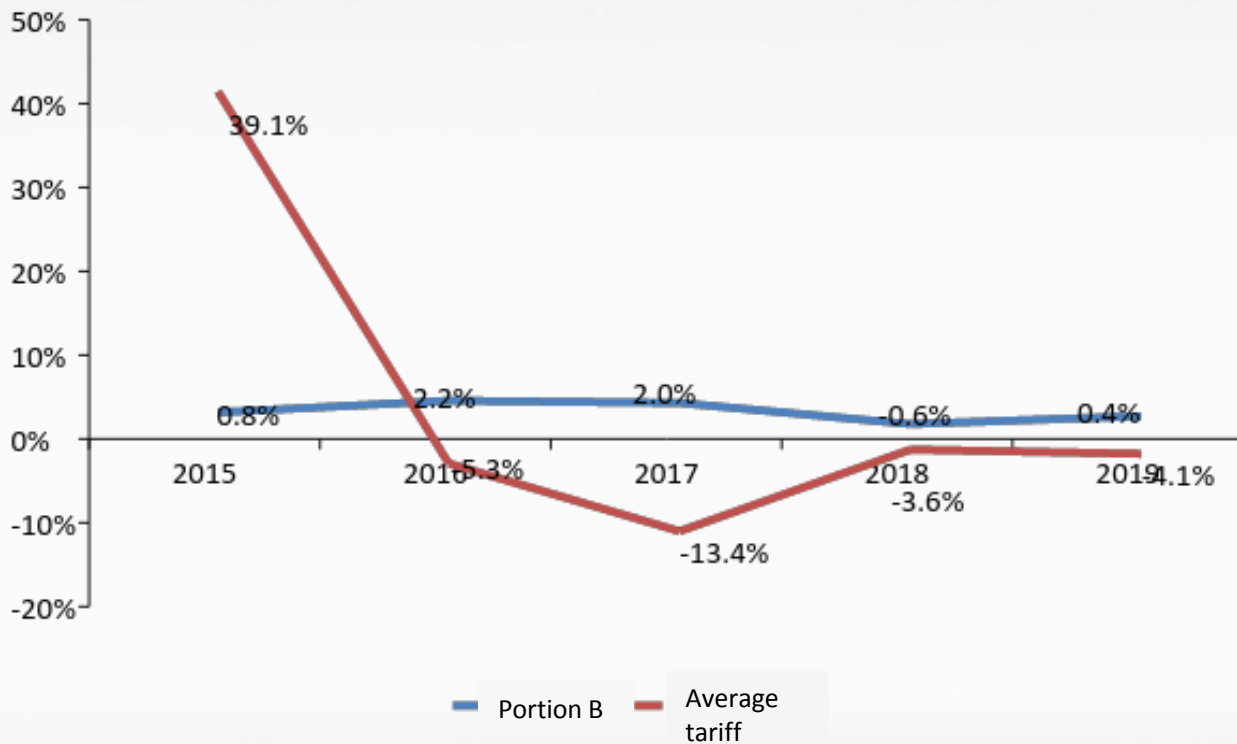
Source: Cemig.

Cemig's markets – Size, MWh



Source: Cemig.

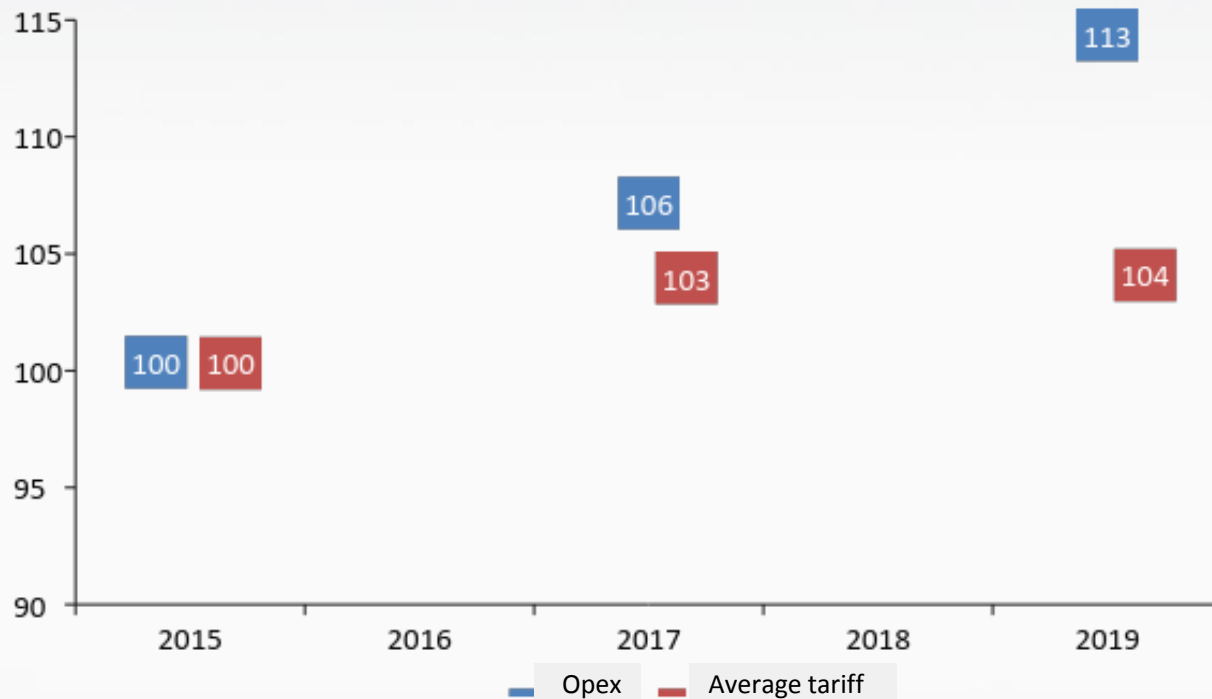
Cemig expects average tariff to fall and 'Portion B'(*) to be stable



Source: Cemig.

* Assuming that the present concession contracts are maintained.

Expected productivity gains over 2016– 2019 Costs increasing below market growth



Capex 2015–2019

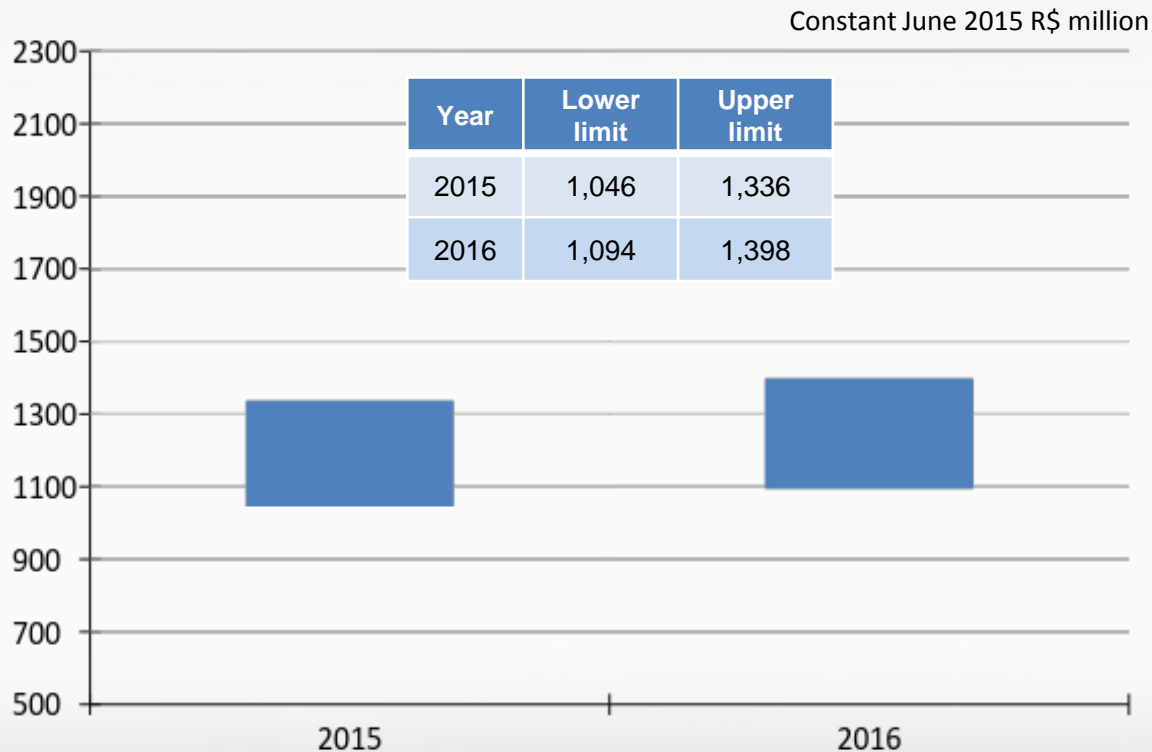
Constant June 2015 R\$ million

Item	Total planned, multi-year
Electricity system	3,914
Infrastructure/other	344
Subtotal	4,258
Client funds	802
Total	5,060

Source: Cemig.

Investments in full compliance with regulatory requirements.

Ebita Guidance 2015-2016



Source: Cemig.

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Cemig GT

(Generation and Transmission)



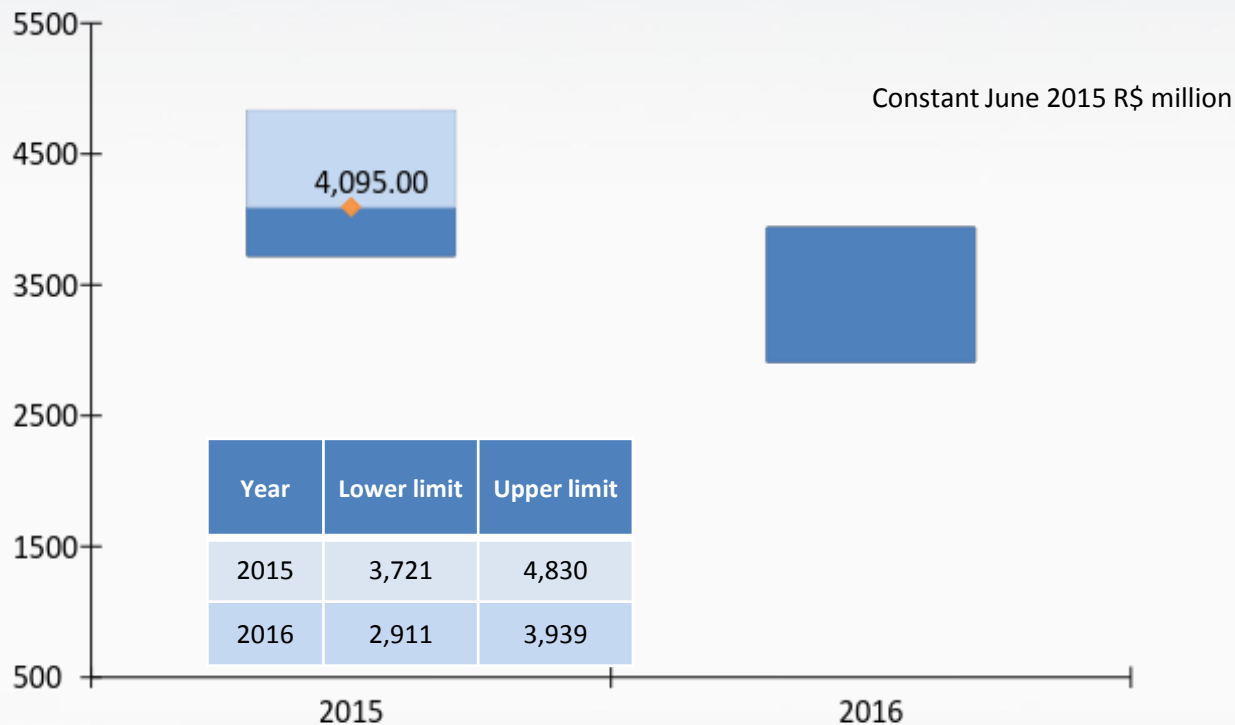
Capex 2015-2019

Constant June 2015 R\$ million

Item	Total planned, multi-year
Generation	340
Injections of capital	1,229
Transmission	1,001
Total	2,570

Assets contribution: Aliança Norte, Santo Antônio, Belo Monte, Itaocara.

Ebitda Guidance 2015–2016



Source: Cemig.

Consolidated Ebitda using IFRS criterion.

The R\$ 4.095 billion excludes a non-recurring gain of R\$ 735mn resulting from the *Aliança* transaction.

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Capex 2015-2019

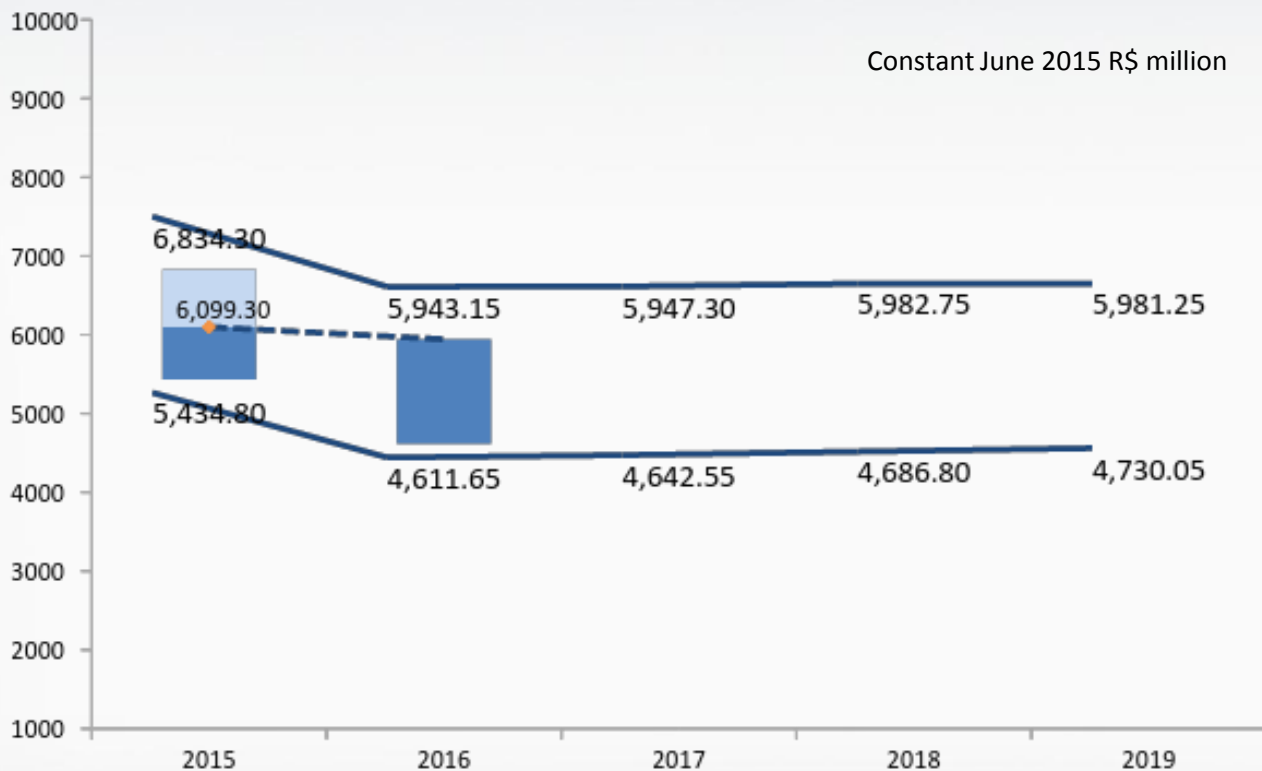
Constant June 2015 R\$ million

Item	Total planned, multi-year
Capital injections	662
Other	5
Total	667

Source: Cemig.

Capital contributions: Jacobina, Cemig PCH, Cemig Overseas, Horizontes Energia, and Efficientia.

Ebitda Guidance 2015–2019



Source: Cemig.

The R\$ 6.099 billion excludes a non-recurring gain of R\$ 735mn resulting from the *Aliança* transaction.

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