



2016 Results



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 analyzes 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.

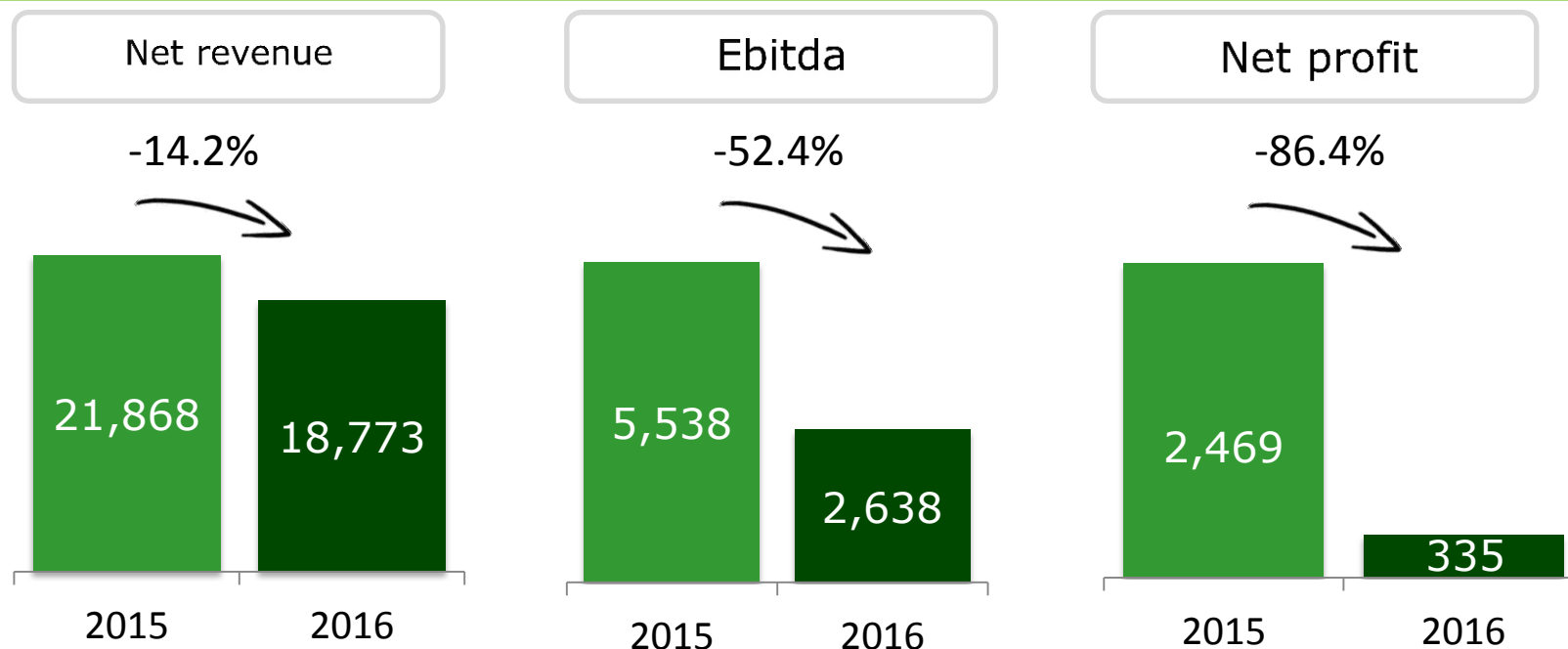
Important factors that could lead to significant differences between actual results and the projections about future events or results include our business strategy, Brazilian and international economic conditions, technology, our financial strategy, changes in the electricity sector, hydrological conditions, 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.

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 our 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 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.

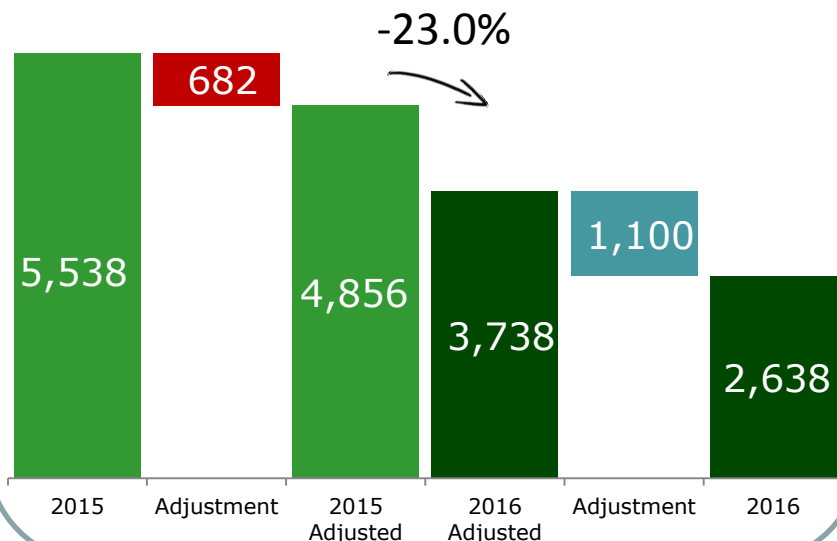
2016 Results



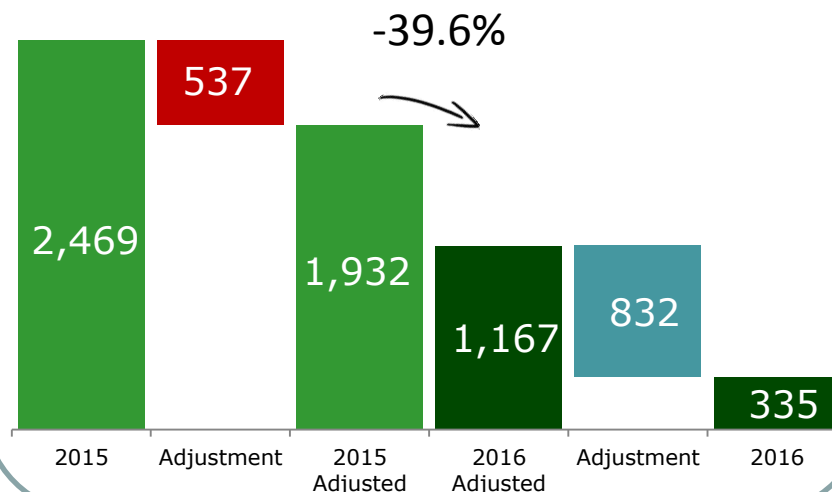
- Revenue strongly hit by negative CVA and Other Components of tariff adjustment
 - In 2016 the sum of these was an expense of R\$ 1.455 billion
 - In 2015 this sum was positive: revenue of R\$ 1.704 billion
- Operation of São Simão plant transferred to 'Quota' regime
- Impairments on investment – total: R\$1.075 billion
 - Impairment in Renova : R\$977 million
 - Impairment in Guanhães : R\$98 million

2016 Adjusted Results

Ebitda



Net profit



Adjustment (*non recurring)

* Fair value result in Corporate Operation
* Adjustment for loss of value in Investments – Renova
* Impairment in Renova
* Profit on sale of shares in Taesa
* Impairment in Guanhães
* Profit on sale of Transchile
PDVP - Voluntary Retirement Program
Change in allowance for doubtful receivables

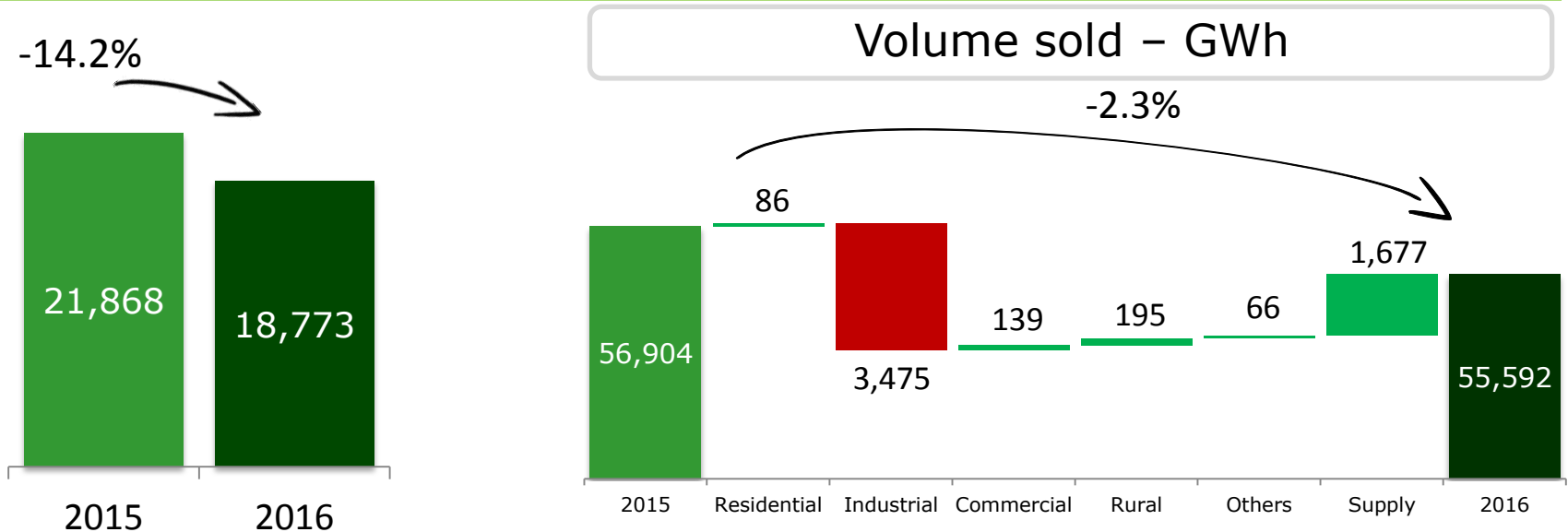
Ebitda

2016	2015
-	729
-762	-
-215	-
180	-
-98	-
94	-
-92	-
-207	-47

Net profit

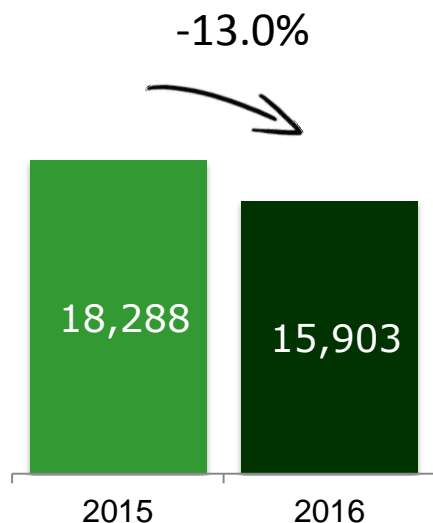
2016	2015
-	568
-503	-
-215	-
119	-
-98	-
62	-
-61	-
-136	-31

Consolidated net revenue



- Lower revenue in 2016 due to negative CVA
- Operation of São Simão plant transferred to ‘Quota’ regime
 - R\$ 250 million in Annual Generation Revenue (RAG)
- Better hydrology, less thermal generation, affected the spot price
 - *Spot price, 2016 : R\$ 93.77
 - *Spot price, 2015 : R\$ 288.11

Operational expenses



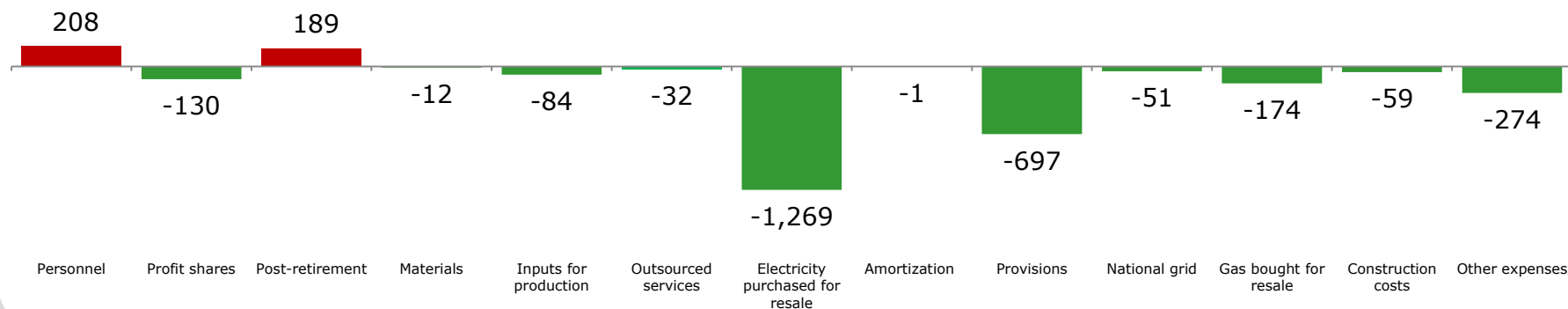
- Voluntary retirement program

- 749 employees joined
- Total cost R\$ 93 million
- Expected saving of R\$ 200 million/year
- New Voluntary Retirement Program – first retirement May 2017

- Provisions for losses on investments

- Parati – Total Provision of R\$1.150 billion; of which R\$54 million in 2016
- SAAG – Total provision R\$196 million, of which R\$48 million in 2016

Change in consolidated operational expenses, 2015-2016



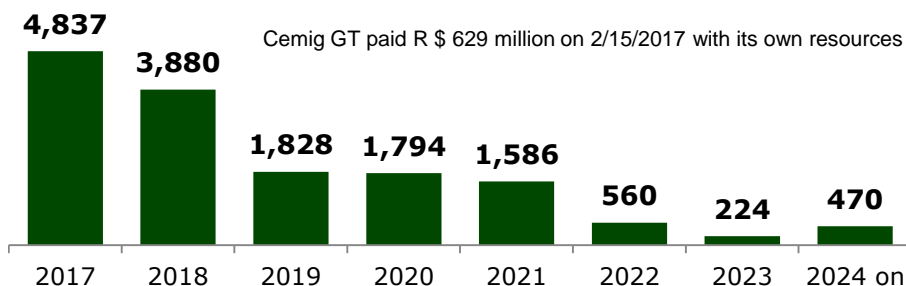
Cemig, consolidated: debt profile



Maturities timetable – Average tenor: 2.8 years

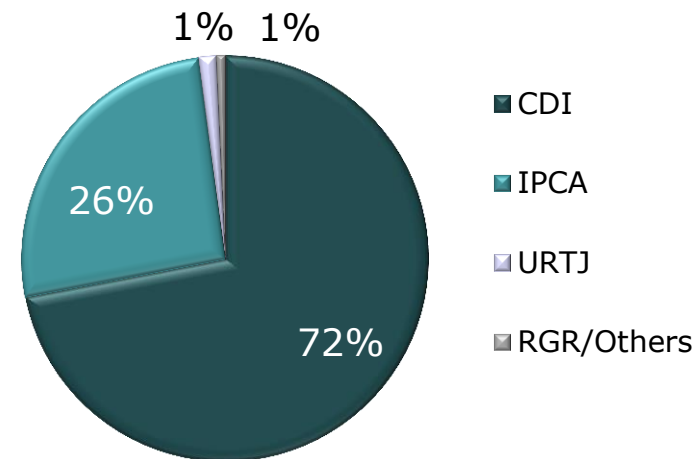
Total net debt : R\$ 13.1 billion

Cemig GT paid R \$ 629 million on 2/15/2017 with its own resources

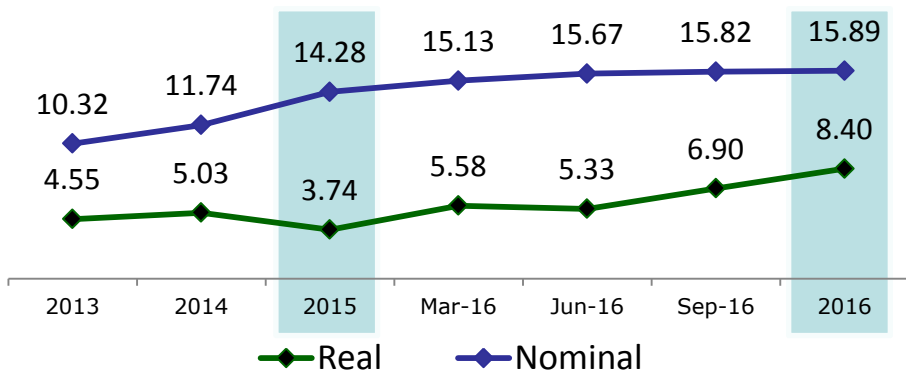


- Each 1 p.p. cut in Selic rate estimated to reduce cost of debt by R\$ 125 million
- Selic: expected to be 8.5% at end-2017 (Central Bank Focus Report – April 7, 2017)

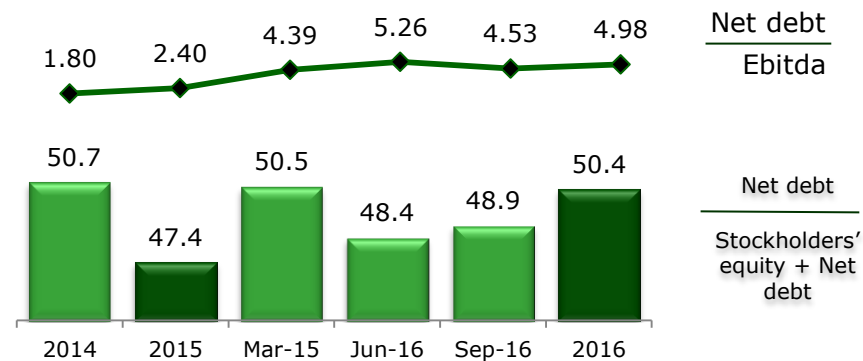
Main indexes



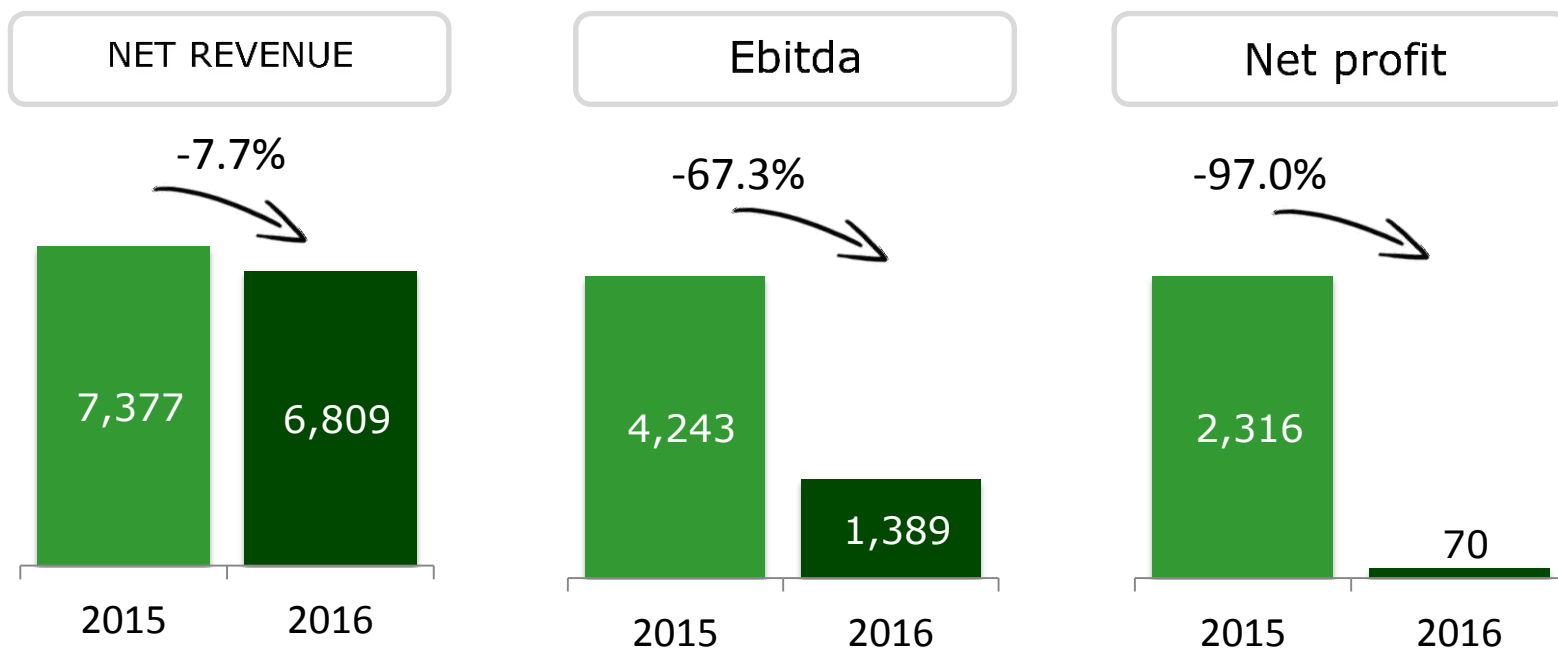
Cost of debt – %



Leverage – %



Cemig GT – 2016 results



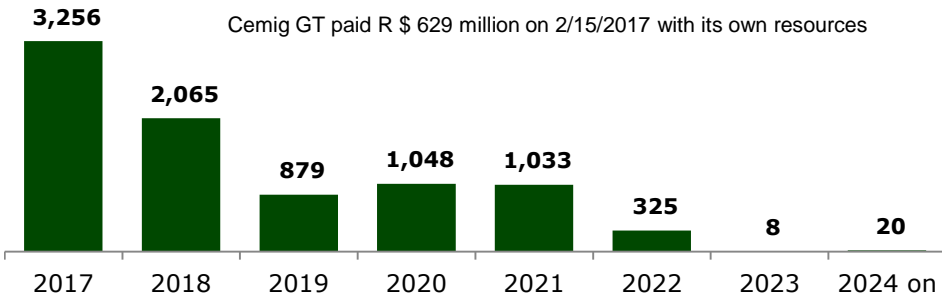
- Operation of São Simão plant transferred to 'Quota' regime
 - R\$ 250 million in Annual Generation Revenue (RAG)
- 960 million impairment on investment in Renova
- 'Seasonal' strategy successful

Cemig GT: debt profile

Maturities timetable – Average tenor: 2.5 years

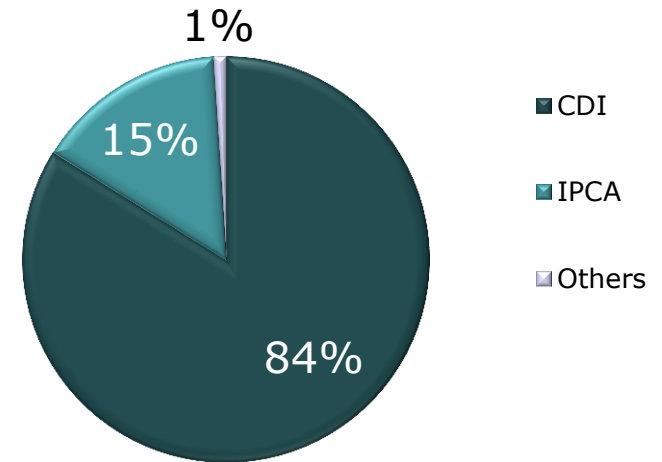
Total net debt: R\$ 7.8 billion

Cemig GT paid R \$ 629 million on 2/15/2017 with its own resources

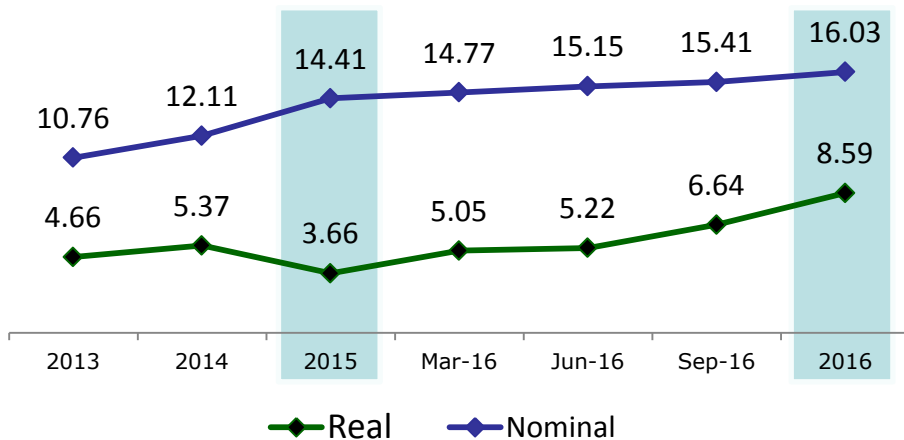


Restrictive covenants - For details see Note 18 (Loans, financings and debentures)

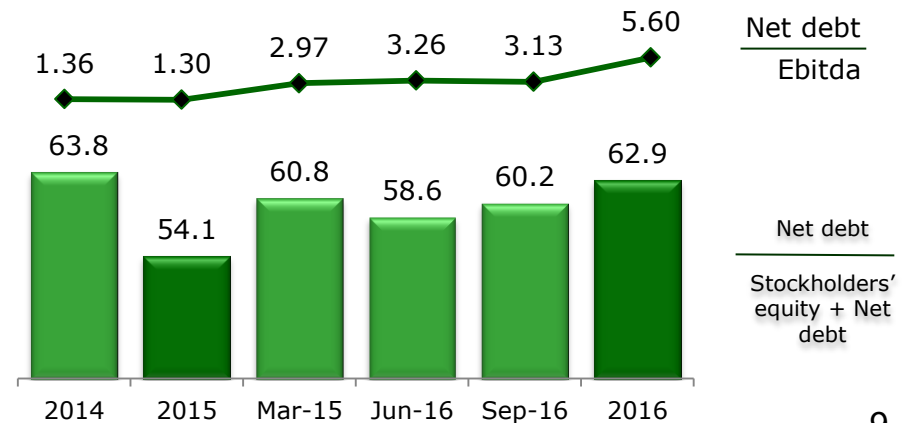
Main indexors



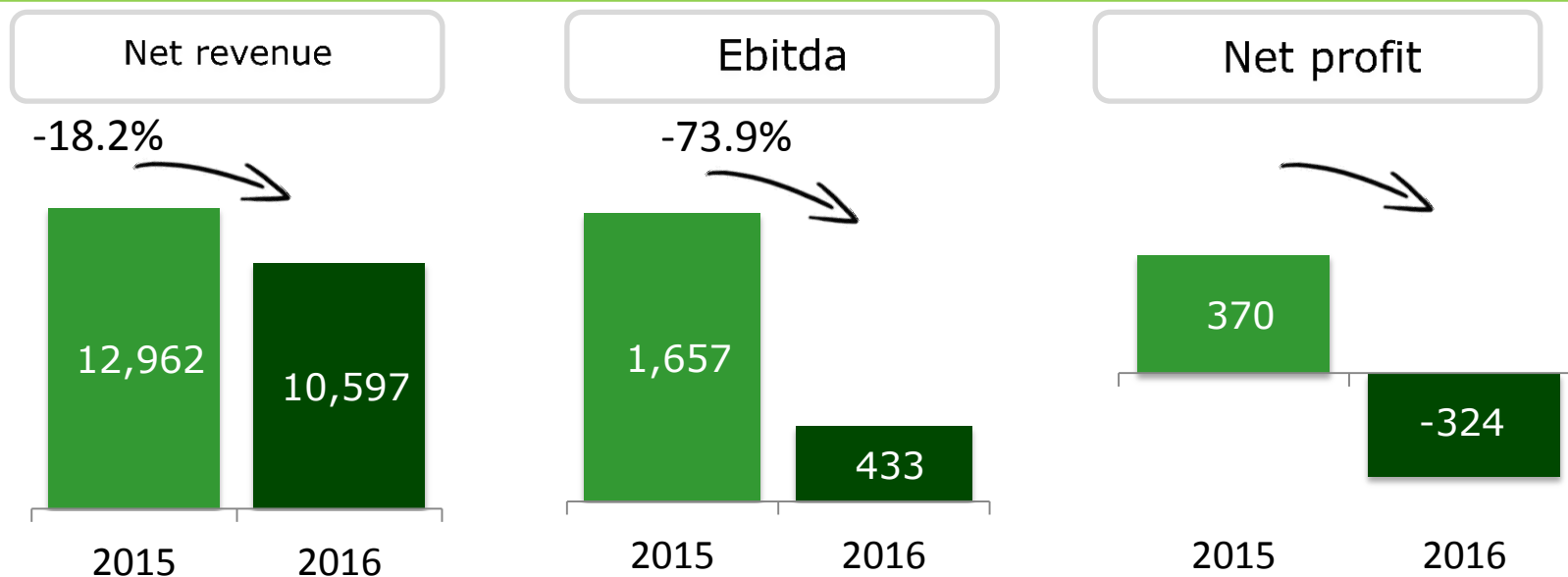
Cost of debt – %



Leverage – %



Cemig D – 2016 results



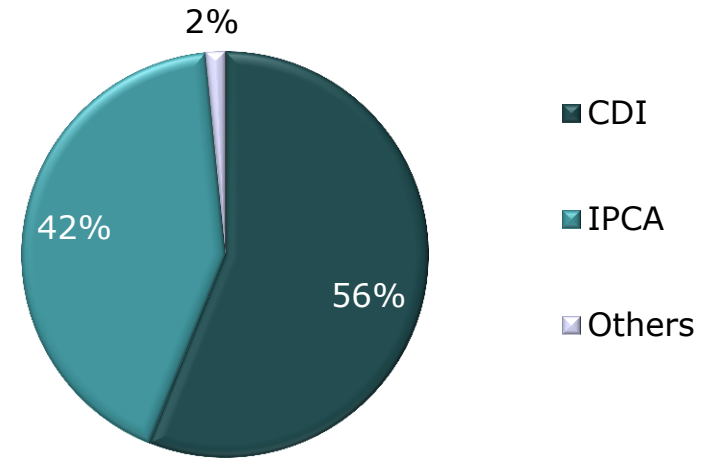
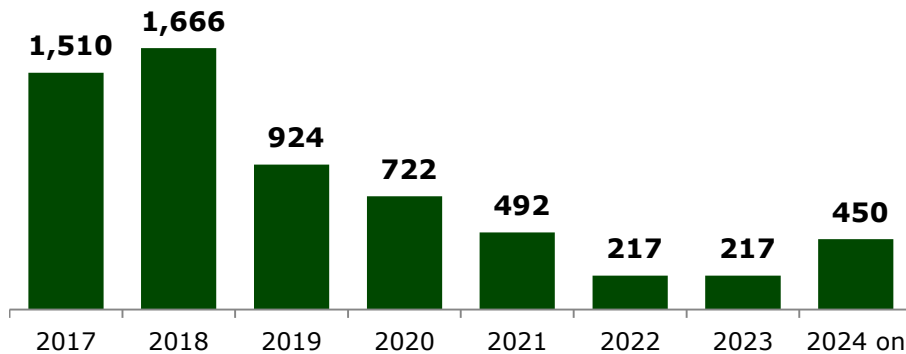
- Lower revenue in 2016 due to negative CVA
- Commercial losses higher, default higher
- Consumption by captive market down 2.01%
- 2016 voluntary retirement plan accepted by 565 employees
 - Total cost R\$ 64 million
- Economic context improving – some outlook for consumption growth
 - *GDP growth forecasts: + 0.47% in 2017; + 2.50% in 2018

Cemig D: debt profile

Maturities timetable – Average tenor: 3.2 years

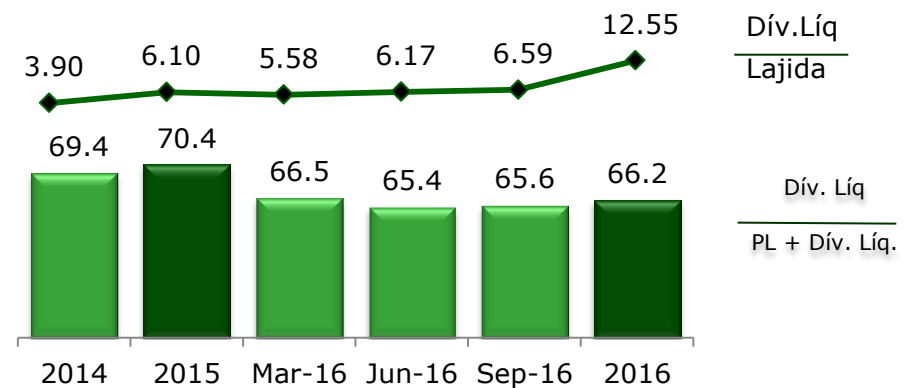
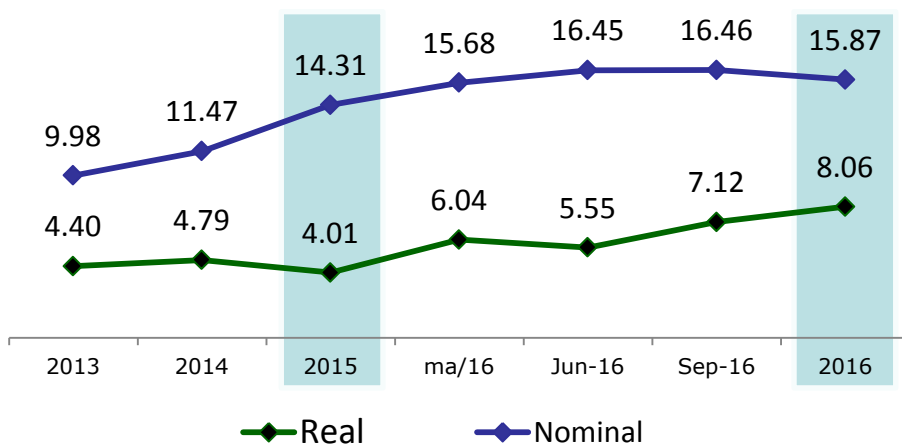
Main indexes

Total net debt: R\$ 5.4 billion



Cost of debt – %

Leverage – %



Investment

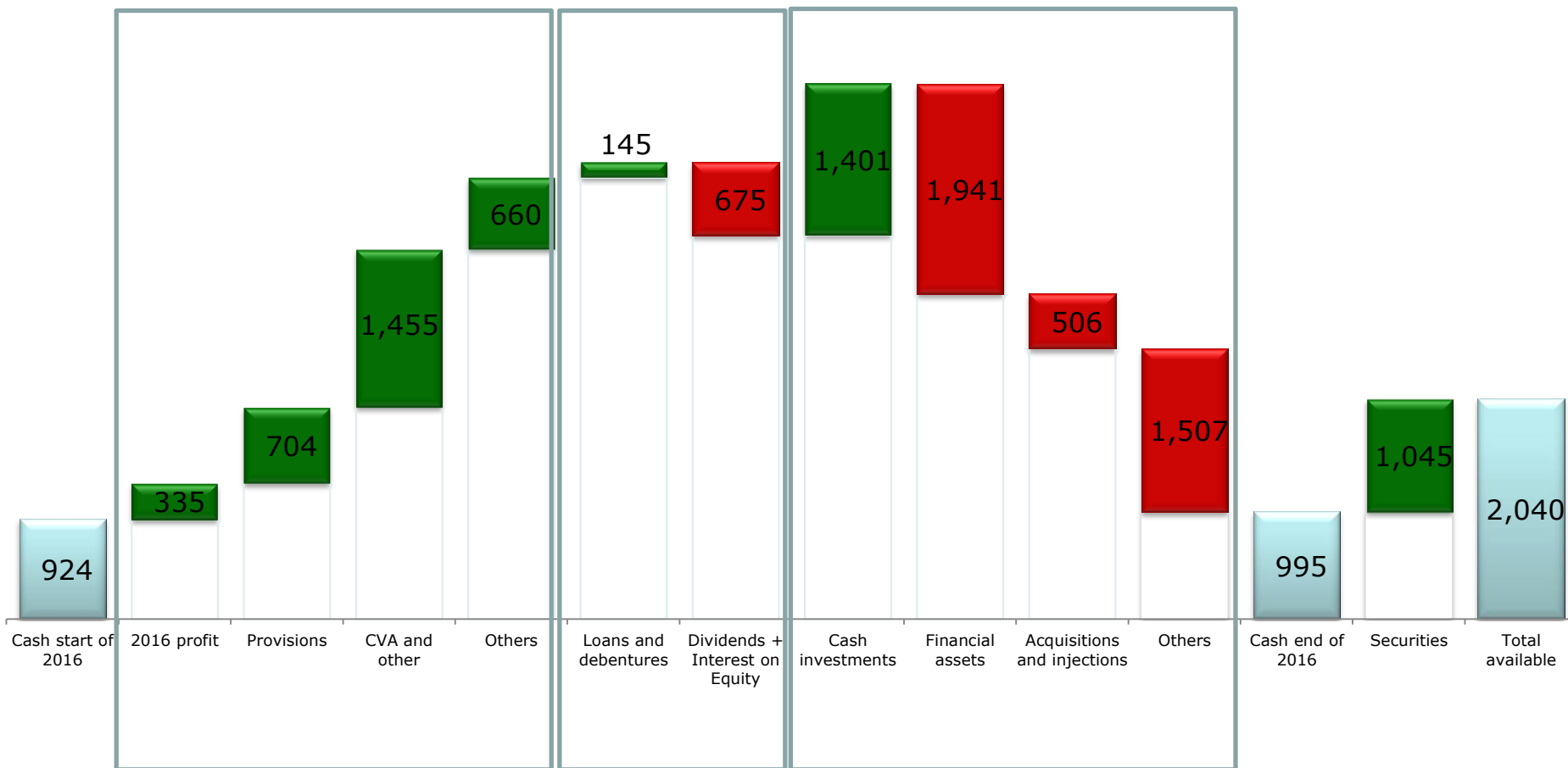
	2016		
	Planned	Realized	%
GENERATION	49,156	43,233	88.0%
Investment program	49,156	43,233	88.0%
Capital injections	958,023	871,992	91.0%
Renova Energia S.A.	340,000	277,863	81.7%
<i>Aliança Norte</i>	179,943	179,766	99.9%
<i>Madeira Energia S.A. – Mesa (Santo Antônio Plant)</i>	102,272	79,213	77.5%
<i>SPC - Amazônia Energia Participações S.A. (Belo Monte)</i>	292,204	291,913	99.9%
<i>Other</i>	43,604	43,237	99.2%
Auction 012/2015 - Grant of concessions	2,216,353	2,216,353	100.0%
TRANSMISSION	64,900	58,453	90.1%
Investment program	64,900	58,453	90.1%
Cemig D	1,309,907	1,094,373	83.5%
Investment program	1,309,907	1,094,373	83.5%
CEMIG holding company	651,234	650,078	99.8%
Investment program	1,416	398	28.1%
Injections / acquisitions	649,818	649,680	100.0%
Total of investments	5,249,573	4,934,482	94.0%

Cash flow

Operations
R\$3,154

Financing
-R\$530

Investment
-R\$2,553



The Board has decided to submit to the AGM:

- From Net profit + retained earnings: R\$371 million, as follows:
 - Minimum mandatory dividend: R\$204 million - payable to holders of preferred shares
 - Held in Retained earnings reserve: R\$161million
 - Held in Tax incentives reserve: R\$7 million

At its meeting on December 21, 2016, the Board of Directors decided to pay:

- Interest on Equity R\$380million - Counterpart in Retained earnings reserve



Investor Relations

Tel: +55 (31) 3506-5024

ri@cemig.com.br

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

