

## PUBLICATION OF RESULTS

### CEMIG REPORTS 1Q16 EBITDA OF R\$ 643 MILLION

Main factors in the quarter

- Change in profile of allocation of supply in 2016
- Spot price significantly lower this year
- Significantly lower sales of gas to industry and thermal generation plants
- Negative equity contribution from Renova: significant impact

Indicators (GWh)	1Q16	1Q15	Change %
Electricity sold, GWh (excluding CCEE)	13,284	15,782	(15.83)
Indicators – R\$ '000	1Q16	1Q15	Change %
Sales on CCEE	2,630	1,010,932	(99.74)
Net debt	13,249,246	11,731,593	12.94
Gross revenue	7,354,294	7,941,700	(7.40)
Net revenue	4,451,660	5,849,279	(23.89)
Ebitda (IFRS)	643,331	2,578,893	(75.05)
Net profit in the quarter	5,207	1,484,627	(99.65)
Earnings per share	(0.004)	1.18	-
Ebitda margin	14.44	44.09	(29.65 p.p.)

## Conference call

### Publication of 1Q16 results

#### Video webcast and conference call

May 17, 2016 (Tuesday) : 11 AM, Brasília time

This transmission on Cemig's results will have simultaneous translation into English and can be seen in real time by Video Webcast, at <http://ri.cemig.com.br> or heard by conference call on:

+ 55 (11) 2188-0155 (1st option) or

+ 55 (11) 2188-0188 (2nd option)

Password: CEMIG

<p><b>Playback of Video Webcast:</b> Site: <a href="http://ri.cemig.com.br">http://ri.cemig.com.br</a> Click on the banner and download. Available for 90 days</p>	<p><b>Conference call – Playback:</b> Telephone: (+55-11) 2188-0400 Password: CEMIG Português Available from May 17 to June 1, 2016</p>
--	---

## Cemig Investor Relations

<http://ri.cemig.com.br/>  
[ri@cemig.com.br](mailto:ri@cemig.com.br)

Tel.: (+55-31) 3506-5024

Fax: (+55-31) 3506-5025

## Cemig's Executive Investor Relations Team

- **Chief Finance and Investor Relations Officer**  
Fabiano Maia Pereira
- **General Manager, Investor Relations**  
Antônio Carlos Vélez Braga
- **Manager, Investor Market**  
Robson Laranjo

## Contents

CONFERENCE CALL.....	1
CEMIG INVESTOR RELATIONS.....	1
CEMIG'S EXECUTIVE INVESTOR RELATIONS TEAM .....	1
SUMMARY.....	2
CEMIG STOCK PRICE PERFORMANCE .....	3
CEMIG'S LONG-TERM RATINGS.....	3
ADOPTION OF IFRS .....	4
CEMIG'S CONSOLIDATED ELECTRICITY MARKET.....	5
THE ELECTRICITY MARKET OF CEMIG D.....	8
THE ELECTRICITY MARKET OF CEMIG GT .....	9
PHYSICAL TOTALS OF TRANSPORT AND DISTRIBUTION - MWH.....	11
QUALITY INDICATORS - SAIDI AND SAIFI.....	12
CONSOLIDATED OPERATIONAL REVENUE .....	13
SECTOR / REGULATORY CHARGES - DEDUCTIONS FROM REVENUE .....	14
OPERATIONAL COSTS AND EXPENSES .....	16
EQUITY GAIN (LOSS) IN SUBSIDIARIES .....	21
FINANCIAL REVENUE (EXPENSES).....	22
EBITDA .....	23
DEBT.....	24
FINANCIAL STATEMENTS SEPARATED BY COMPANY AND BY OPERATIONAL SEGMENT .....	26
GENERATING PLANTS .....	28
DEFAULT.....	30

## Cemig stock price performance

Security	Ticker	Currency	Close of March 31, 2016	Close of 2015	Change in the period %
Cemig PN	CMIG4	R\$	7.68	5.67	35.49%
Cemig ON	CMIG3	R\$	7.42	5.98	24.18%
ADR PN	CIG	US\$	2.15	1.38	55.28%
ADR ON	CIG.C	US\$	2.15	1.70	26.74%
Ibovespa	Ibovespa	-	50,055	43,349	15.47%
IEEX	IEEX	-	27,859	24,803	12.32%

Source: Economática.

Trading volume in Cemig's preferred shares (CMIG4) totaled R\$ 2.84 billion in 1Q16, a daily average of R\$ 47.40 million. They handle in both its common (ON) and preferred (PN) shares, Cemig was the Brazilian electricity company with the highest trading liquidity, and one of the most traded Brazilian stock market.

On the New York Stock Exchange the volume traded in ADRs for Cemig's preferred shares (CIG) in 1Q16 was US\$ 442.3 million: we see this as reflecting recognition by the investor market of Cemig as a global investment option.

The São Paulo stock exchange (Bovespa) index – the Ibovespa – rose 15.47% in the quarter, closing the quarter at 50,055 points. Cemig's shares outperformed the principal Brazilian stock index and also the electricity sector index: the common (ON) shares rose 24.18% in the quarter, and the preferred (PN) shares rose 35.49%. The strengthening of both the Bovespa index and Cemig's share prices reflected the change in market expectations.

## Cemig's long-term ratings

This table shows credit risk ratings and outlook for Cemig's companies as provided by the principal rating agencies:

### Brazilian rating:

Agency	Cemig		Cemig D		Cemig GT	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
<b>Fitch</b>	AA-(bra)	Negative	AA-(bra)	Negative	AA-(bra)	Negative
<b>S&amp;P</b>	brA	Negative	brA	Negative	brA	Negative
<b>Moody's</b>	A2.br	Negative	A2.br	Negative	A2.br	Negative

### Global Rating:

Agency	Cemig		Cemig D		Cemig GT	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
<b>S&amp;P</b>	BB-	Negative	BB-	Negative	BB-	Negative
<b>Moody's</b>	Ba3	Negative	Ba3	Negative	Ba3	Negative

Note: Fitch gives only Brazilian – not global – ratings.

On February 25, 2016, Moody's downgraded its Brazilian ratings for Cemig and its wholly-owned subsidiaries Cemig D and Cemig GT, and their debenture issues, from Aa2.br to A2.br; and their global ratings from Ba1 to Ba3. The outlook was changed to negative.

### Adoption of IFRS

The results presented below are prepared in accordance with the new Brazilian accounting rules, which embody a process of harmonization between Brazilian accounting rules and IFRS (International Financial Reporting Standards).

## PROFIT AND LOSS ACCOUNTS

Consolidated – R\$ '000	1Q16	1Q15	Change %
<b>REVENUE</b>	<b>4,451,660</b>	<b>5,849,279</b>	<b>(23.89)</b>
<b>OPERATING COSTS</b>			
Personnel	(413,407)	(336,438)	22.88
Employees' and managers' profit shares	-	(80,973)	-
Post-retirement liabilities	(75,186)	(57,609)	30.51
Materials	(10,980)	(13,882)	(20.90)
Raw materials and inputs for production of electricity	(18)	(77,518)	(99.98)
Outsourced services	(208,004)	(198,829)	4.61
Electricity purchased for resale	(1,931,361)	(2,421,404)	(20.24)
Depreciation and amortization	(199,033)	(247,121)	(19.46)
Operating provisions	(251,770)	(43,164)	483.29
Charges for use of the National Grid	(258,706)	(241,389)	7.17
Gas bought for resale	(237,863)	(262,008)	(9.22)
Infrastructure construction costs	(235,021)	(233,573)	(0.62)
Other operational expenses, net	(128,086)	(128,221)	(0.11)
<b>TOTAL COST</b>	<b>(3,949,435)</b>	<b>(4,342,129)</b>	<b>(9.04)</b>
Equity method gain (loss)	(57,927)	90,092	-
Gain (loss) on reorganization – Aliança	-	734,530	-
<b>Operational profit before Financial income (expenses) and taxes</b>	<b>444,298</b>	<b>2,331,772</b>	<b>(80.95)</b>
Financial revenues	226,580	290,302	(21.95)
Financial expenses	(639,138)	(563,752)	13.37
<b>Profit before income tax and Social Contribution tax</b>	<b>31,740</b>	<b>2,058,322</b>	<b>-</b>
Current and deferred income tax and Social Contribution tax	(26,533)	(573,695)	(95.38)
<b>NET PROFIT FOR THE PERIOD</b>	<b>5,207</b>	<b>1,484,627</b>	<b>(99.65)</b>
Interest of the controlling stockholders	5,119	1,484,482	
Interest of non-controlling stockholder	88	145	
<b>NET PROFIT FOR THE PERIOD</b>	<b>5,207</b>	<b>1,484,627</b>	
Fair value gain (loss) on stockholding transaction	-	(573,182)	
<b>ADJUSTED NET PROFIT FOR THE PERIOD</b>	<b>5,207</b>	<b>911,445</b>	<b>(99.43)</b>

### Cemig's consolidated electricity market

The **Cemig Group** sells electricity through its distribution company, *Cemig Distribuição S.A.* ('**Cemig D**'), its generation and transmission company *Cemig Geração e Transmissão S.A.* ('**Cemig GT**'), and other wholly-owned subsidiaries: *Horizontes Energia*, *Termelétrica Ipatinga* (up to January 2015), *Sá Carvalho*, *Termelétrica de Barreiro*, *Cemig PCH*, *Rosal Energia* and *Cemig Capim Branco Energia* (up to March 2015).

The total for sales in Cemig's consolidated electricity market comprises sales to:

- (I) Captive consumers in Cemig's concession area in the State of Minas Gerais;
  - (II) Free Consumers in both the State of Minas Gerais and other States of Brazil, in the Free Market (*Ambiente de Contratação Livre*, or ACL);
  - (III) other agents of the electricity sector – traders, generators and independent power producers, also in the ACL;
  - (IV) Distributors, in the Regulated Market (*Ambiente de Contratação Regulada*, or ACR); and
  - (V) the wholesale trading chamber (*Câmara de Comercialização de Energia Elétrica*, or CCEE)
- ( – eliminating transactions between companies of the Cemig Group ).

In 1Q16 the Cemig group sold a total volume of 13,284 GWh. This volume was 15.8% less than its total sales volume in 1Q15.

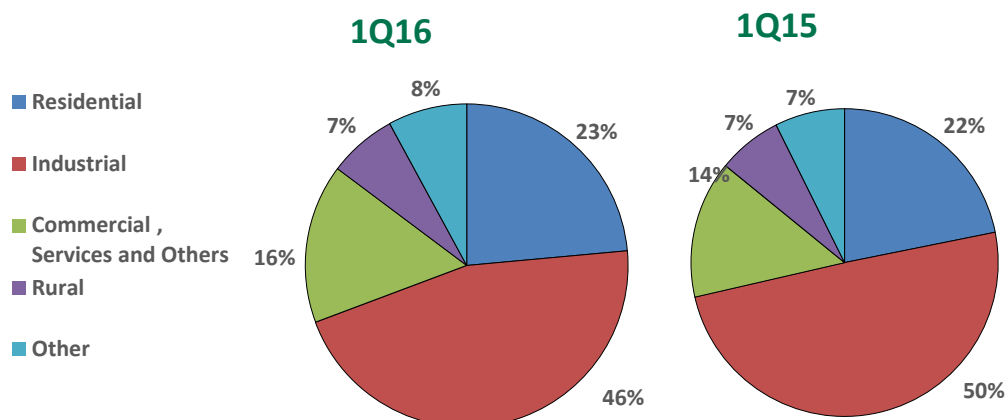
Sales of electricity to final consumers plus Cemig's own consumption totaled 10,587 GWh, or 9.9% less than in 1Q15.

Overall, electricity consumption has been affected since 1Q15 by adverse Brazilian political and economic circumstances; and, in the captive market, by the successive increases in electricity rates charged to consumers, associated with application of the 'Tariff Flag' system, resulting in significant increases in consumers' electricity bills.

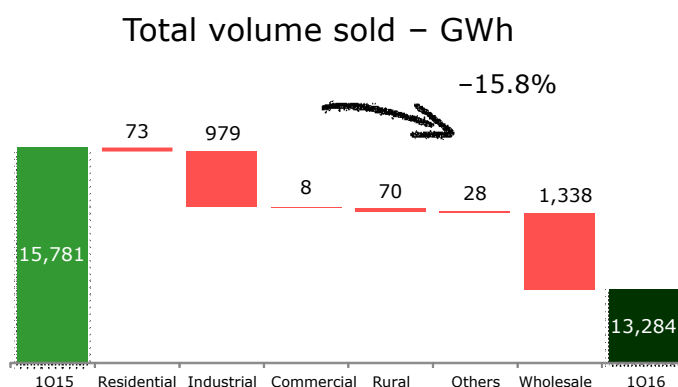
Sales to distributors, traders, other generating companies and independent power producers totaled 2,697 GWh – or 33.2% less than in 1Q16.

In March 2016 the Cemig group invoiced 8,120,322 clients – a growth of 1.9% in the consumer base in the year since March 2015. Of these, 8,120,262 are final consumers, including Cemig's own consumption; and 60 are other agents in the Brazilian electricity sector.

This chart shows the breakdown of the Cemig Group's sales to final consumers in the quarter, by consumer category:



### Total consumption of electricity (GWh)



Consolidated	MWh		Change, %	Average price 1Q16 R\$	Average price 1Q15 R\$
	1Q16	1Q15			
Residential	2,490,519	2,563,143	(2.83)	812.54	603.46
Industrial	4,837,976	5,816,894	(16.83)	278.43	220.93
Commercial, Services and Others	1,687,814	1,696,604	(0.52)	689.19	499.13
Rural	723,827	794,723	(8.92)	445.62	319.80
Public authorities	215,405	217,588	(1.00)	624.15	486.26
Public lighting	329,062	331,051	(0.60)	418.96	302.52
Public service	292,885	316,384	(7.43)	467.58	343.97
<b>Subtotal</b>	<b>10,577,488</b>	<b>11,736,387</b>	<b>(9.87)</b>	<b>497.82</b>	<b>361.92</b>
Own consumption	9,452	9,819	(3.74)	-	-
Wholesale supply to agents in Free and Regulated Markets (*)	2,696,632	4,035,551	(33.18)	204.61	209.96
<b>Total</b>	<b>13,283,572</b>	<b>15,781,757</b>	<b>(15.83)</b>	<b>445.27</b>	<b>325.63</b>

(\*) Includes Regulated Market Electricity Sale Contracts (CCEARs) and 'bilateral contracts' with other agents.



## The electricity market of Cemig D

Electricity billed to captive clients and electricity transported for Free Clients and distributors with access to Cemig D's networks in 1Q16 totaled 10,460 GWh, or 3.3% less than in 1Q15.

There are two components of this reduction: Consumption by the captive market 5.5% lower year-on-year, and use of the network by Free Clients 0.5% lower.

In March 2016 Cemig billed 8,120,073 consumers, or 1.9% more consumers than in March 2015. Of this total, 445 are Free Consumers using the distribution network of Cemig D.

Consolidated	Number of clients		Change, %
	1Q16	1Q15	
Residential	6,566,165	6,429,953	2.1
Industrial	74,922	75,736	-1.1
Commercial, Services and Others	713,951	713,759	-
Rural	684,988	671,531	2.0
Public authorities	62,994	62,506	0.8
Public lighting	4,438	3,794	17.0
Public service	11,414	10,459	9.1
<b>Total</b>	<b>8,118,872</b>	<b>7,967,738</b>	<b>1.9</b>

Comments on the various consumer categories:

### Residential

Residential consumption was 2,491 GWh of the electricity transacted by Cemig, or 2.83% less than in 1Q15.

The lower level of residential consumption is due to:

- Increases in rates, and application of the 'Tariff Flag' rates as from January 2015.
- Reduction in families' disposable income over the year 2015 and in the first quarter of 2016.
- Deterioration in family confidence.
- Fewer calendar days in first quarter 2016 (90.2 days) than in first quarter 2015 (91.8 days).

- Lower temperatures in 1Q16 than 1Q15, resulting in less use by consumers of air conditioners and ventilators in their homes.

Average monthly consumption per consumer in 1Q16 was 126.4 KWh/month, or 4.6% lower than the average for 2015 (132.4 KWh/month).

### Industrial

Electricity used by captive clients was 7.9% of the volume of electricity distributed by Cemig, totaling 831 GWh in 1Q16, 12.6% less than 1Q15.

This is in line with the continuing retraction of economic activity both in Minas Gerais and in the whole of Brazil, and the performance of the international market:

- lower physical production, reflecting undesired inventory levels and less demand, leading to idle manufacturing capacity and lower use of labor;
- lack of entrepreneur confidence, and low levels of public and private investment;
- uncertainties in the Brazilian political and economic situation; and
- high cost of corporate credit due to high interest rates, and banks being more selective in granting loans.

The decline in consumption is seen in most areas of economic activity: food products (-3.9%), nonmetallic minerals (-17.0%), mining (-8.6%), chemicals (-11.6%), metallurgy/pig-iron (-30.1%) and metal products (-13.8%).

## **The electricity market of Cemig GT**

Cemig GT's sales volume in 1Q16 was affected by termination of concession of plants. As from the termination, Cemig GT received payment for this output was under the Physical Guarantee Quota regime, and via settlement on the spot market.

Cemig GT's market comprises sales of power as follows:

- (I) in the Free Market (*Ambiente de Contratação Livre – ACL*) to Free Clients, either located in Minas Gerais or in other States;
- (II) to other agents in the electricity sector – traders, generators and independent power producers (in the Free Market);
- (III) to electricity distributors (in the Regulated Market – ACR); and
- (IV) sales in the CCEE (Wholesale Electricity Trading Chamber).

The total supply billed by Cemig GT in 1Q16 was 6,703 GWh, or 24.6% less than in 1Q15.

The number of clients billed by Cemig GT was 28.6% higher than at the end of March 2015, totaling 684. Of these: 623 were industrial and commercial clients, 47 were distribution companies, and 14 were companies in the category of traders, generators and independent power producers.

Free clients consumed 3,975 GWh in 1Q16, or 59.3% of the total electricity provided by Cemig GT, and 16.9% less than in 1Q15 – on the following main factors:

- reduction of consumption by industrial clients due to the continuous retraction in economic activity at state and national level in Brazil, and the performance of the international economy;
- lower availability of power for sale due to the conditions for renewal of concessions, as per Law 1303/2050 – this supply was redirected to the Physical Guarantee Quota regime; and
- shutdown of a mining operation in Minas Gerais state.

In 1Q16 Cemig GT added 113 new clients in the *Commercial* category, mainly outside the state of Minas Gerais.

Sales and trading transactions in electricity with other agents of the electricity sector in the Free Market lead to selling opportunities, which lead to short-term sales contracts. In 1Q16 total sales of electricity were 2,049 GWh, or 18.7% less than in 1Q15.

Sales in the Regulated Market, including sales to Cemig D, were 57.3% lower than in 1Q15, for several reasons:

- Cessation of contracts entered into as a result of the corporate reorganization of the Cemig group, with the transfer of assets from Cemig GT to Aliança Energia; and
- Termination of contracts made at the 18th Adjustment Auction, held in the first half of 2015, and the second 'Existing Supply' Auction, held in 2005 at governing the period 2005–2015.

Since September 15, 2015 the *São Simão* Plant has been serving the Regulated Market under the 'quota' regime, in accordance with Ministerial Order 432/2015. The company now recognizes only the revenue from provision of the services of operation and maintenance of the plant.

## Physical totals of transport and distribution – MWh

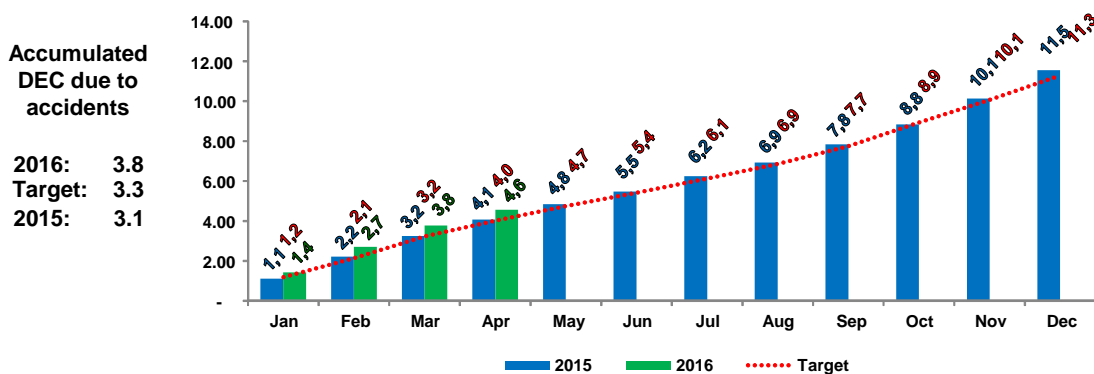
Description	MWh		Change %
	1Q16	1Q15	
<b>Total energy carried</b>			
Electricity transported for distributors	84,955	87,127	(2.49)
Electricity transported for free clients	4,141,925	3,837,319	7.94
Own load			
Consumption by captive market	6,407,724	6,722,478	(4.68)
Losses in distribution network	NA	1,397,458	-

## QUALITY INDICATORS – SAIDI AND SAIFI

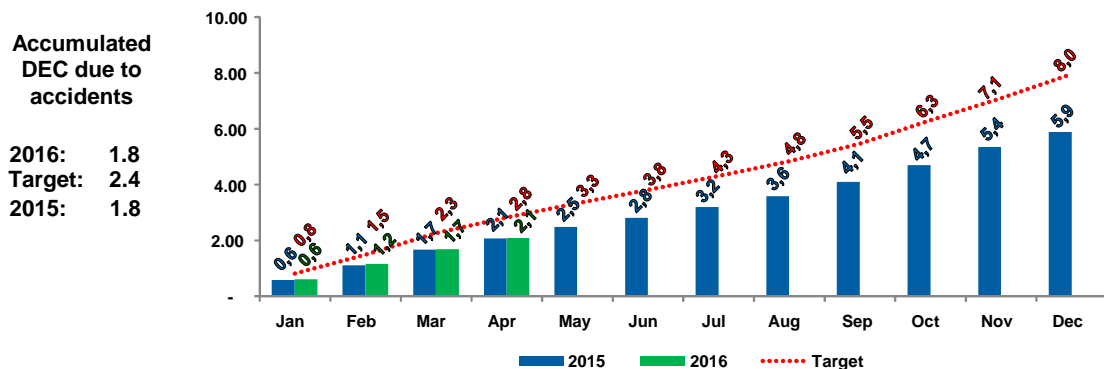
Cemig is continuously taking action to improve operational management, organization of the logistics of its emergency services, and its permanent regime of preventive inspection and maintenance of substations, lines and distribution networks. It also invests in training of its staff for improved qualifications, state-of-the-art technologies, and standardization of work processes, aiming to uphold the quality of electricity supply, and as a result maintain the satisfaction of clients and consumers.

The charts below show Cemig’s indicators for duration and frequency of outages – SAIDI (System Average Interruption Duration Index, in hours), and SAIFI (System Average Interruption Frequency Index, in number of outages), since January 2015.

**SAIDI (System Average Interruption Duration Index) – hours/consumer/month**



**SAIFI (System Average Interruption Frequency Index) – outages/consumer/month**



## Consolidated operational revenue

### Revenue from supply of electricity:

Total revenue from supply of electricity to final consumers in 1Q16 was R\$ 5.915 billion, or 15.10% more than the total revenue of R\$ 5.139 billion in 2015.

### *Final consumers*

Total revenue from electricity sold to final consumers, excluding Cemig's own consumption, in 1Q16 was R\$ 5.307 billion, or 23.65% more than the figure for 1Q15, of R\$ 4.292 billion.

The main factors affecting revenue in 1Q16 were:

- The Extraordinary Tariff Adjustment (RTE) for Cemig D (Distribution), which resulted in an average impact on consumers' tariffs of 28.76%, applicable from March 2, 2015.
- An annual tariff adjustment, with average effect on consumer tariffs of 7.07%, effective from April 8, 2015.
- Volume of electricity sold 15.83% lower.

	R\$		Change %	Average price 1Q16 R\$	Average price 1Q15 R\$	Change %
	1Q16	1Q15				
Residential	2,023,634	1,546,762	30.83	812.54	603.46	34.65
Industrial	1,347,060	1,285,151	4.82	278.43	220.93	26.03
Commercial, Services and Others	1,163,232	846,832	37.36	689.19	499.13	38.08
Rural	322,553	254,149	26.91	445.62	319.80	39.35
Public authorities	134,446	105,804	27.07	624.15	486.26	28.36
Public lighting	137,865	100,151	37.66	418.96	302.52	38.49
Public service	136,947	108,826	25.84	467.58	343.97	35.94
<b>Subtotal</b>	<b>5,265,737</b>	<b>4,247,675</b>	<b>23.97</b>	<b>497.82</b>	<b>361.92</b>	<b>37.55</b>
Supply not yet invoiced, net	41,021	44,055	(6.89)	-	-	-
Wholesale supply to other concession holders (*)	551,762	847,299	(34.88)	204.61	209.96	(2,55)
Wholesale supply not yet invoiced, net	56,293	212	26.453.3	-	-	-
<b>Total</b>	<b>5,914,813</b>	<b>5,139,029</b>	<b>15,09</b>	<b>445.27</b>	<b>325.63</b>	<b>36.74</b>

(\*) Includes Regulated Market Electricity Sale Contracts (CCEARs) and 'bilateral contracts' with other agents.

### Revenue from Use of Distribution Systems (the TUSD charge)

The revenue of Cemig D (Distribution) from the TUSD in 1Q16 was R\$ 409 million, or 94.76% higher than in 1Q15 (R\$ 210 million). This reflects the impact of the tariff adjustments in 2015 – an increase of 96.21% for Free Consumers. The 2015 increases were mainly due to passing through of the CDE (Energy Development Account) amounts to the tariffs paid by consumers.

### Revenue from transactions in the Wholesale Trading Chamber (CCEE)

Revenue from transactions in electricity on the CCEE in 1Q16 was R\$ 3 million, compared to R\$ 1.01 billion – a reduction of 99.7% year-on-year. This is mainly due to the spot price (*Preço de Liquidação de Diferenças*, or PLD) being 91.07% lower year-on-year in the wholesale market (at R\$ 34.69/MWh in 2016 compared to R\$ 388.48/MWh in 2015); and the lower quantity of electricity available for settlement in the wholesale market in 2016.

### CVA and Other financial components in tariff adjustment

Due to the alteration in the concession contracts of the distributors, Cemig started to recognize balances of non-controllable costs to be passed through to Cemig D's next tariff adjustment. These comprised a reversal of R\$ 132 million in operational revenue in 1Q16. This compares with operational revenue of R\$ 550 million in 2015. This variation is principally due to the reduction of the costs of electricity acquired in auctions.

## **Sector / Regulatory charges – deductions from revenue**

The sector charges that are effectively deductions from reported revenue totaled R\$ 2.903 billion in 1Q16, compared to R\$ 2.092 billion in 2015 – an increase of 38.77%. This principally results from the increase in the charges under the Energy Development Account (CDE), and the Tariff Flag charges.

### The Energy Development Account – CDE

Payments to the Energy Development Account (CDE) are decided by an Aneel Resolution. The expenses included in the CDE are: concession indemnities, tariff subsidies, subsidy for balanced tariff reduction, low-income consumer subsidy, coal consumption subsidy, and the Fuels Consumption Account (CCC).

Charges for the CDE in 1Q16 were R\$ 600 million, compared to R\$ 298 million in 1Q15. This is the result of the new budget for the CDE since March 2015, in which Aneel increased the annual amount to be paid by Cemig D (which is passed through to the consumer in the Sector Charges component of tariffs).

### Consumer charges – the 'Tariff Flag' system

With the creation of the *Tariff Flag* mechanism, Cemig had an account under Consumer Charges related to the Tariff Flag payments, totaling R\$ 273 million in 1Q16, compared to R\$ 87 million in 1Q15.

The 'Flag Account' (*Conta Bandeira*) was created on February 5, 2015, to manage the funds collected from captive customers of utilities of the national grid holding electricity distribution concessions and permissions – these were paid, on behalf of the CDE, directly to the Flag Account. The resulting funds are passed through by the Wholesale Trading Chamber (CCEE) to distribution agents, based on the differences between:

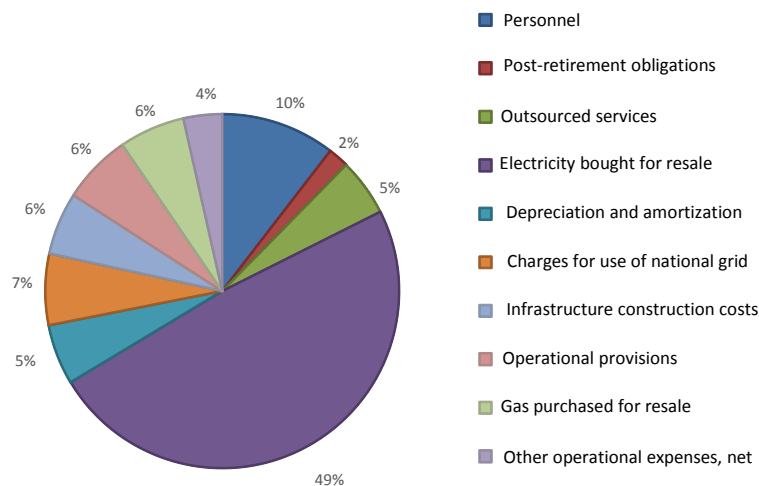
- (i) realized costs of thermal generation and exposure to short term market prices, and
- (ii) the amounts covered by the tariff.

The other deductions from revenue are taxes, calculated as a percentage of amounts invoiced. Thus their variations are, substantially, proportional to the changes in revenue.



## Operational costs and expenses

Operational costs and expenses, excluding Financial revenue (expenses), totaled R\$ 3.949 billion in 1Q16, or 9.05% more than in 1Q15 (R\$ 4.342 billion).



The following paragraphs comment on the main variations:

### Electricity purchased for resale

The expense on electricity bought for resale in 1Q16 was R\$ 1.931 billion, or 20.24% more than in 1Q15 (R\$ 2.421 billion). The main factors in the higher figure are:

#### **Cemig D:**

- Expense on electricity acquired in auctions 42.57% lower, at R\$ 665 million in 1Q16, compared to R\$ 1.159 billion in 1H15, mainly on on lower expenditure on fuel for generation by the thermal plants.
- Expense on electricity from Itaipu Binacional 14.36% lower, at R\$ 316mn in 1Q16, compared to R\$ 370mn in 1Q15. This is mainly due to (i) the lower tariff, which was US\$38.07/kw/month in 1Q15, but US\$25.78/kw/month as from January 2016; and (ii) the volume of electricity bought being 5.25% lower.
- The cost of purchases of supply in the short-term market was lower by 64.74% – at R\$ 86 million in 1Q16, vs. R\$ 245 million in 1Q15) – reflecting the lower cost of electricity in the wholesale market in 2015.

## Cemig GT:

The expense on electricity bought for resale in 1Q16 was R\$ 660 million, or 8.55% more than in 1Q15 (R\$ 608 million). This reflects a higher average price per MWh (R\$ 134.74 in 2016, vs. R\$ 179.94 in 2015), with an offsetting effect from volume of electricity purchased in 1Q16 25.12% lower (4,510,660 MWh), compared to 1Q15 (3,669,685 MWh).

### Operating provisions

Operational Provisions 486.05% higher year-on-year in the quarter – an expense of R\$ 252mn in 1Q16, compared to R\$ 43mn in 1Q15. The main factors in this result are:

- Higher provisions for doubtful receivables: R\$ 76 million in 1Q16, compared to R\$ 27 million in 1Q15 – mainly reflecting a higher level of default, influenced by the significant increase in consumer electricity rates put in place in 2015, and also the Brazilian macroeconomic context.
- Higher provisions for contingencies: in particular for employment-law litigation – totaling R\$ 50 million in 1Q16, compared to R\$ 16 million in 1Q15. There was also an increase in regulatory provisions – at R\$ 21 million in 1Q16, compared to R\$ 3 million in 2015, reflecting an infringement claim issued by Aneel, in the administrative sphere, related to assessment of electricity distribution services.
- This change mainly reflected provisions for the put options on equity interests in Parati (R\$ 79 million), and SAAG (R\$ 9 million), respectively.

#### a) Put options for Units in FIP Melbourne

Option Contracts for sale of Units ('the Put Options') were signed between Cemig GT and the pension plan entities that participate in the investment structure of SAAG, which those entities may exercise in the 84th month from June 2014. The exercise price of the Put Options will correspond to the amount invested by each pension plan company in the Investment Structure, updated *pro rata temporis* by the IPCA inflation index (*Índice Nacional de Preços ao Consumidor Amplo*, published by the Brazilian

Geography and Statistics Institute – IBGE), plus 7% per year, less such dividends and Interest on Equity as have been paid by SAAG to the pension plan entities.

To decide the method to be used for measuring the fair value of that option, since Madeira Energia is an unlisted company, the Company adopted the discounted cash flow method to measure the fair value of the options. The fair value of this option has been calculated on the basis of the estimated exercise price on the day of exercise of the option, less the fair value of the shares that are the subject of the put option, also estimated for the date of exercise, brought to present value at the interim reporting date, at the effective rate of 8% p.a. (discounting inflation effects). Based on the studies made, a liability of R\$ 157 million is recorded in Cemig GT, for the difference between the the exercise price and the estimated fair value of the assets.

#### b) FIP Redentor

Cemig granted to Fundo de Participações Redentor, which is a stockholder of Parati, an option to sell the totality of the shares which that fund holds in Parati, exercisable in May 2016. The exercise price of the option is calculated from the sum of the value of the amounts injected by the Fund into Parati, plus the running expenses of the fund, less Interest on Equity, and dividends, distributed by Parati. The exercise price is subject to monetary updating by the CDI (Interbank CD) Rate plus financial remuneration at 0.9% per year.

To decide the method to be used in measuring the fair value of this option, the Company observed the daily trading volume of the shares of Light, and also the fact that such option, if exercised by the Fund, will require the sale to the Company, in a single transaction, of shares in Light in a quantity higher than the daily exchange trading averages. Thus, the Company has adopted the discounted cash flow method for measurement of the fair values of the options. The fair value of that option was calculated as the amount of the exercise price estimated on the date of exercise, less the fair value of the shares subject of the put option, also estimated on the date of the

exercise of the option, brought to present value on the reporting date, at an effective rate of 7.5% p.a. (discounting inflation effects).

Based on the studies made, a liability of R\$ 1.324 billion is recorded in Cemig itself (the holding company), for the difference between the the exercise price and the estimated fair value of the assets.

On May 27, 2016, there will be an Extraordinary General Meeting of Stockholders to decide on changes in the agreement with FIP Redentor, including postponement of the date of exercise of the put option. For more details see the Convocation Notice:

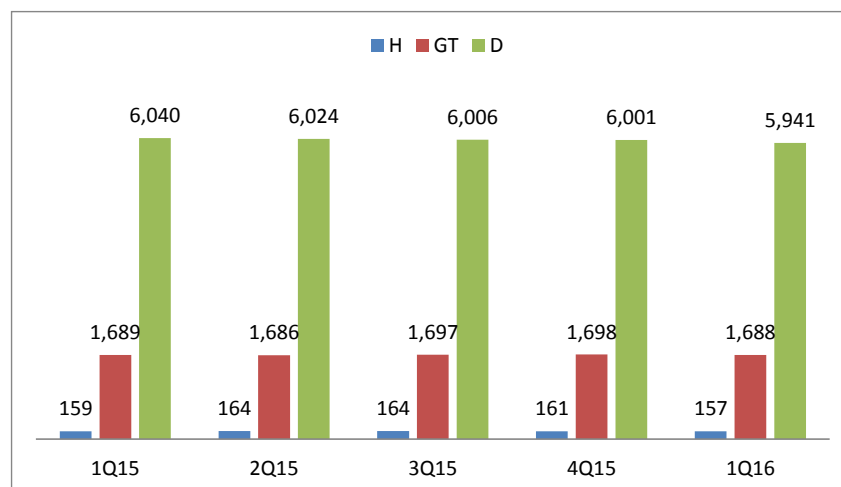
[http://cemig.infoinvest.com.br/enu/13511/conv\\_proposta\\_AGE27-05-16\\_ing.pdf](http://cemig.infoinvest.com.br/enu/13511/conv_proposta_AGE27-05-16_ing.pdf)

### Personnel

Personnel expenses were R\$ 413 million in 1Q16, compared to R\$ 336 million in 1Q15, an increase of 22.92%. This arises mainly from the following items:

- Salary increases of 3% from March 2015, as a result of the collective negotiation decided by the courts on application from organizations representing the employees;
- Salary increases, under the Collective Agreement, of 10.33%, as from November 2015.

### Number of employees



### Gas bought for resale

The expense Cemig reports for Gas bought for resale was R\$ 238 million in 1Q16, vs. R\$ 262 million in 1Q15. This is basically due to a lower quantity of gas purchased (287,594m<sup>3</sup> in 1Q16, compared to 380,666m<sup>3</sup> in 1Q15) reflecting Brazil's economic downturn, which affected the industrial market, and also led to gas-fired thermoelectric generation plants being de-activated.

Market ('000 m <sup>3</sup> /day)	2012	2013	2014	2015	1Q16
Residential	-	0.17	0.72	1.04	1.57
Commercial	24.73	20.38	23.15	22.42	20.63
Industrial	2,740.00	2,734.95	2,849.24	2,422.78	2,116.84
Other	114.09	106.33	99.64	119.87	118.13
<b>Total market excluding thermal plants</b>	<b>2,878.82</b>	<b>2,861.83</b>	<b>2,972.75</b>	<b>2,566.11</b>	<b>2,257.17</b>
Thermal plants	746.09	1,214.50	1,223.99	1,309.13	918.21
<b>Total</b>	<b>3,624.91</b>	<b>4,076.33</b>	<b>4,196.74</b>	<b>3,875.24</b>	<b>3,175.38</b>

In the industrial market, the lower daily average of sales reflects reductions in economic activity in many of the industries served by Gasmig. Examples are:

- Metallurgy (-32%);
- Manufacture of machines and equipment (-26%); and
- Textiles and textile products (-16%).

The thermoelectric generation plants, which had been operating uninterruptedly since 2012, and now less in demand due to the lower demand for electricity, and also the higher levels of rainfall in the current rainy period.

Supply of gas for the residential market, which began in 2013, was connected to 4,645 homes in March 2016 (3,820 homes at December 31, 2015).

### Fair value gain (loss) on stockholding transaction

In 2015 the Company posted a gain of R\$ 735 million arising from the constitution of *Aliança Geração de Energia*. On February 27, 2015, the transaction of association between Vale S.A. and Cemig GT by subscription of shares in *Aliança Geração de Energia S.A.* was completed. The two companies subscribed their shares in *Aliança* by

transfer to it of their interests in the following generation assets: *Porto Estrela, Igarapava, Funil, Capim Branco I, Capim Branco II, Aimorés* and *Candongá*. Aliança has installed hydroelectric generation capacity of 1,158 MW in operation (assured offtake level 652 MW), as well as other generation projects.

Since its creation, Aliança Geração de Energia has made a positive contribution to Cemig GT. In 1Q16 this interest provided Cemig GT with a gain of R\$ 24 million.

## Equity gain (loss) in subsidiaries

In 1Q16 Cemig posted a net equity method gain of R\$ 58 million, which compares with a net gain of R\$ 90 million in 1Q15. This is mainly due to a loss of R\$ 152 million in 1Q16 in the jointly-controlled entity Renova Energia.

### Investment in Renova – Loss due to impairment of assets available for sale

#### *Option contract*

A contract was signed on September 18, 2015 giving Renova the option to sell to SunEdison up to 7,000,000 shares in TerraForm Global, which Renova had received under the agreement in the first phase of the related asset exchange transaction.

The exercise price of this option was set at R\$ 50.48 or US\$15.00, at the exchange rate of the day, at SunEdison's choice. The contract also gave SunEdison an option to buy the same 7 million shares on the same terms.

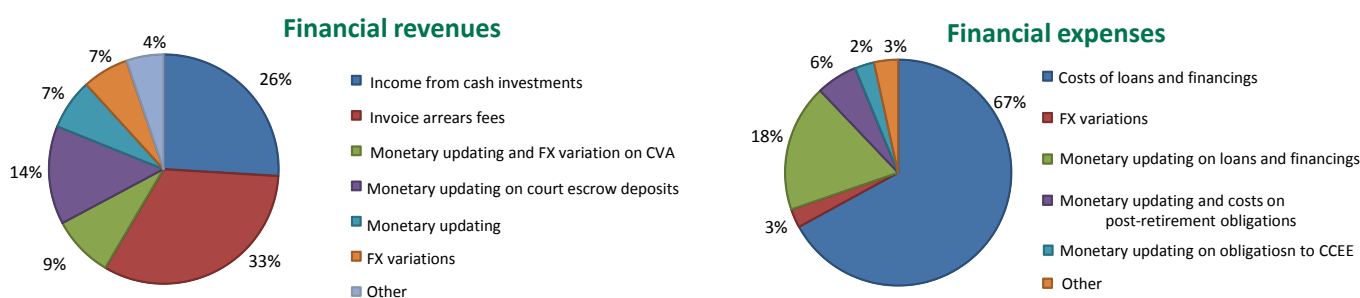
Renova priced the option using the Black-Scholes mathematical model, the future expectation for the exchange rate, and the credit risk. Based on this valuation, a loss of R\$ 217 million has been recognized in 1Q16. Cemig's impact is R\$ 59 million, according to its 27.35% interest in Renova's stake.

### Investment in TerraForm – pricing of the shares

The company also posted a loss in 1Q16, of R\$ 272 million, resulting from the fall in the stock price of TerraForm, in which Renova holds an equity interest of 11.42%, valued on the basis of the market price of the shares.

The figures above refer to the full impact on the financial statements of Renova. The effect for Cemig was proportional to its interest in the investee, valued by the equity method.

### Financial revenue (expenses)



Cemig reports net financial expenses of R\$ 413 mn in 1Q16, compared to net financial expenses of R\$ 273mn in 1Q15. The main factors are:

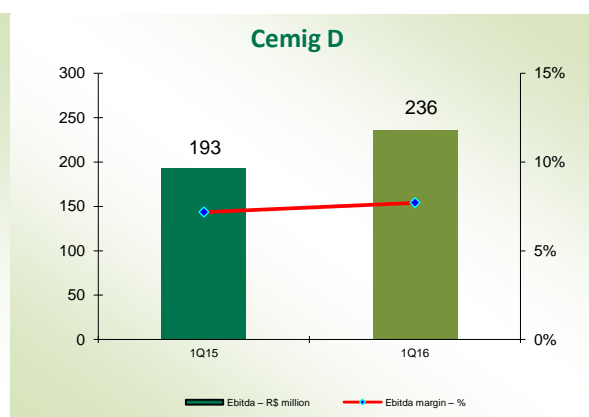
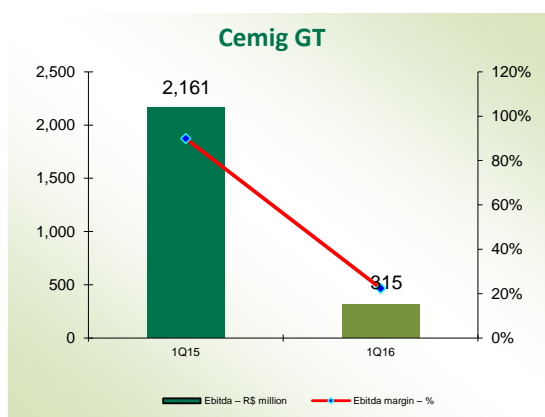
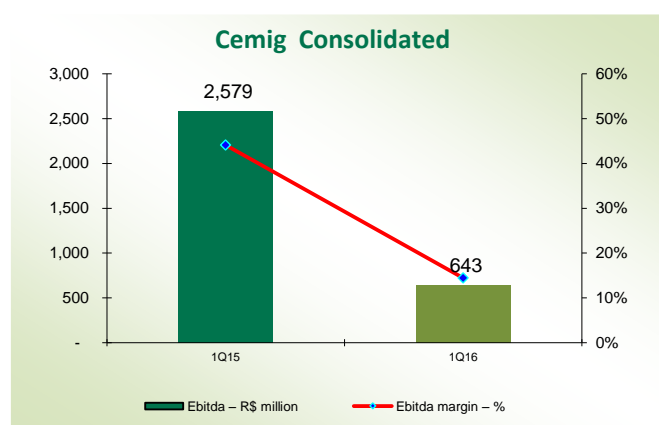
- Lower gain on updating of financial assets reported for the Remuneration Assets Base (BRR): R\$ 2mn in 1Q16, vs. R\$ 92mn in 1Q15. This is due to the BRR being lower, following the renewal of the concession contract in December 2015: on March 31, 2016 the amount of R\$ 164 million was classified in Financial assets (compared to R\$ 6.21 billion on March 31, 2015).
- Recognition of monetary updating on deposits linked to legal actions, representing a gain in Financial revenue of R\$ 31mn in 1Q16.
- Charges for loans and financings 46.08% higher, at R\$ 428 million in 1Q16, compared to R\$ 293mn in 1Q15. This mainly reflects higher debt indexed to the

CDI Rate; and also the higher variation provided by the CDI rate, itself, at 3,25% in 1Q16 compared to 2.81% in 1Q15.

## EBITDA

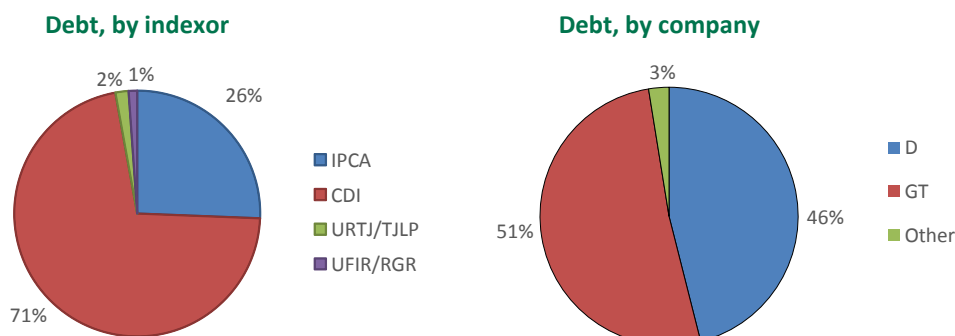
Cemig's consolidated Ebitda in 1Q16 was 24.95% of its value in 1Q15 – a reduction of 75.05%. This mainly reflects: (i) recognition in 1Q15 of a gain of R\$ 735 million from calculation of fair value in a stockholding transaction; and (ii) much lower revenue from wholesale transactions on the CCEE – at R\$ 3 million in 1Q16, compared to R\$ 1.01 billion in 1Q15, due to the lower volume of supply de-contracted.

Ebitda – R\$ '000	1Q16	1Q15	Change, %
Profit (loss) for the quarter	5,207	1,484,627	(99.65)
+ Income tax and Social Contribution tax	26,533	573,695	(95.38)
+ Net financial revenue (expenses)	412,558	273,450	50.87
+ Depreciation and amortization	199,033	247,121	(19.46)
<b>= EBITDA</b>	<b>643,331</b>	<b>2,578,893</b>	<b>(75.05)</b>



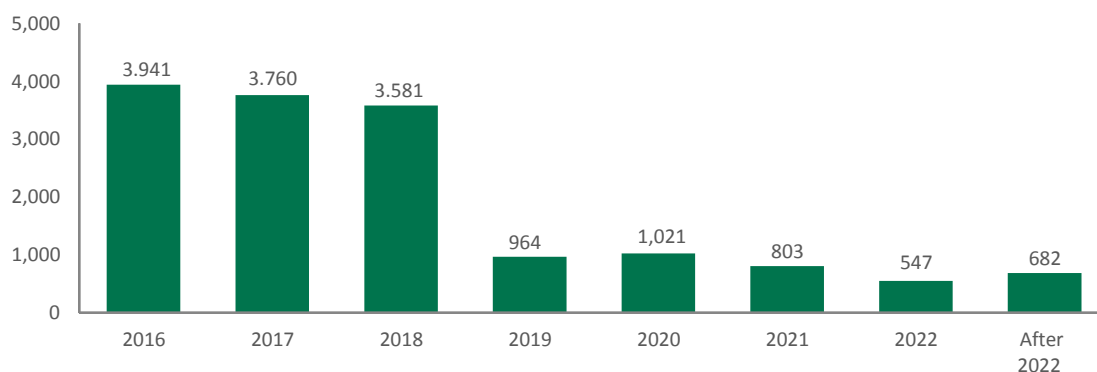


## DEBT



The Company's consolidated total debt on March 31, 2016 was R\$ 15.300 billion, 0.88% less than at December 31, 2015.

### Debt amortization timetable (R\$ mn)



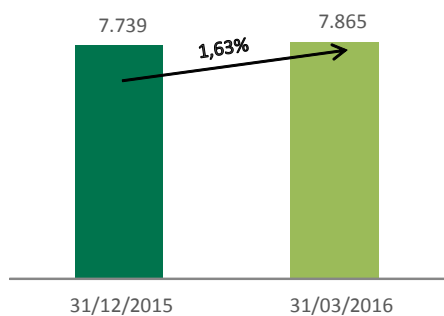
Cemig D has rolled over the greater part of its short-term debt: the balance payable in 2016 is R\$ 918 million. On March 22, 2016, Cemig D contracted with Caixa Econômica Federal a debt of R\$ 750 million at 132.14% of the CDI rate for a total of 48 months, with grace period of 18 months. On March 28, 2016, Cemig D concluded its fourth issue of non-convertible debentures, for a total of R\$ 1.615 billion, with maturity at three years. These funds were used to settle its eighth issue of Notes. Both these contracts allow for early payment without penalty.

On April 22, 2016 Cemig D rolled over debt of R\$ 600 million with Banco do Brasil, for interest of 128.00% of the CPI rate, and final maturity in April 2018.

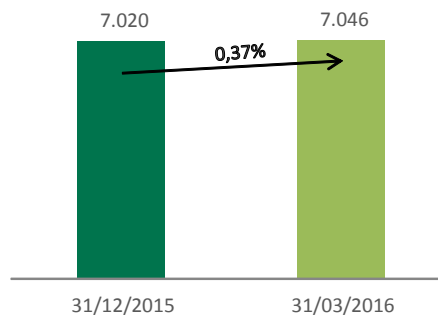
Cemig GT has loans of R\$ 2.919 billion maturing in 2016, most of it in December.

Cemig GT	Maturity	Annual financial cost %	Total R\$ mn
Promissory Notes – 6th Issue	12/2016	120% of the CDI Rate	1,472
Debentures – 4th Issue, 1st Series	12/2016	CDI + 0.85%	519

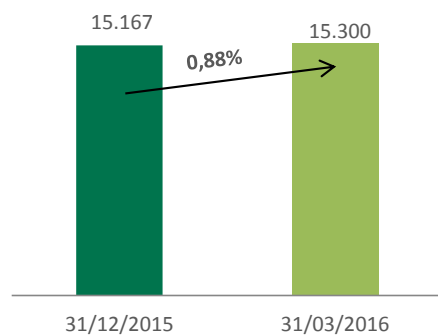
Debt Cemig GT- R\$ mn



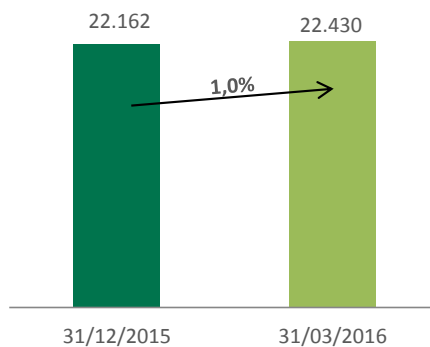
Debt Cemig D- R\$ mn



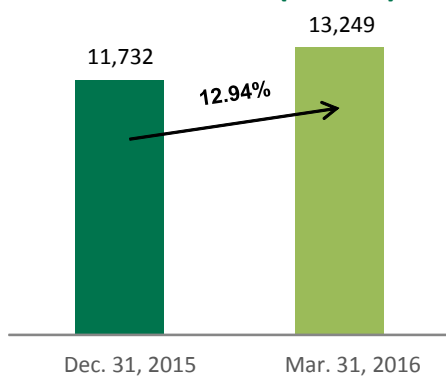
Debt - with IFRS 10  
R\$ mn



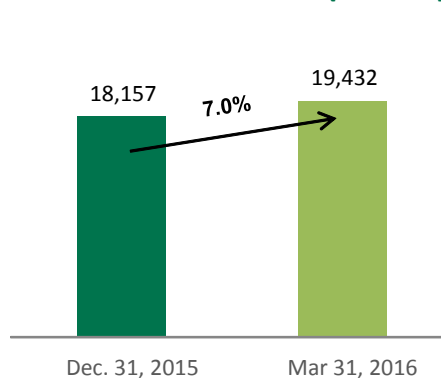
Debt - without IFRS 10  
R\$ mn



Net debt  
With IFRS 10 (R\$ mn)



Net debt  
Without IFRS 10 (R\$ mn)



## FINANCIAL STATEMENTS SEPARATED BY COMPANY AND BY OPERATIONAL SEGMENT

FINANCIAL STATEMENTS SEPARATED BY COMPANY AT MARCH 31, 2016

Item	Holding company	Cemig GT	Cemig D	Gasmig	Cemig Telecom	Sá Carvalho	Rosal	Other subsidiaries	Eliminations / transfers	Total, subsidiaries	Taesa	Light	Madeira	Alliança Generation	Other jointly-controlled entities	Eliminations / transfers	Subsidiaries and jointly-controlled entities
<b>ASSETS</b>	<b>16,358,669</b>	<b>15,991,748</b>	<b>16,272,718</b>	<b>2,045,269</b>	<b>314,112</b>	<b>158,008</b>	<b>136,541</b>	<b>291,495</b>	<b>(10,146,584)</b>	<b>41,421,976</b>	<b>4,742,200</b>	<b>4,955,128</b>	<b>2,506,664</b>	<b>1,191,731</b>	<b>4,866,417</b>	<b>(8,020,814)</b>	<b>51,663,302</b>
Cash and cash equivalents	43,333	441,232	595,146	57,610	1,712	5,596	4,413	43,934	-	1,192,976	262,513	243,930	14,250	187,050	180,065	-	2,080,784
Accounts receivable	-	630,663	2,815,168	83,935	16,528	6,384	5,656	3,636	(17,116)	3,544,854	101,294	853,458	32,327	39,868	66,170	(15,399)	4,622,572
Securities – cash investments	87,852	247,924	344,435	52,657	17,655	13,039	10,237	83,536	-	857,335	2,213	-	-	-	58,212	-	917,760
Taxes	997,888	185,453	1,223,301	56,910	16,855	136	459	1,181	-	2,482,183	289,362	389,849	68,339	3,438	16,524	-	3,249,695
Other assets	1,376,835	780,902	1,690,813	470,918	5,619	4,956	1,642	33,318	(833,004)	3,531,999	42,993	639,513	160,843	63,453	509,483	42,341	4,990,625
Investments, PP&E, Intangible, and Financial assets of concession	13,852,761	13,705,574	9,603,855	1,323,239	255,743	127,897	114,134	125,890	(9,296,464)	29,812,629	4,043,825	2,828,378	2,230,905	897,922	4,035,963	(8,047,756)	35,801,866
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>16,358,669</b>	<b>15,991,748</b>	<b>16,272,718</b>	<b>2,045,269</b>	<b>314,112</b>	<b>158,008</b>	<b>136,541</b>	<b>291,495</b>	<b>(10,146,584)</b>	<b>41,421,976</b>	<b>4,742,200</b>	<b>4,955,128</b>	<b>2,506,664</b>	<b>1,191,731</b>	<b>4,866,417</b>	<b>(8,020,814)</b>	<b>51,663,302</b>
Suppliers and supplies	5,465	319,312	994,149	237,137	8,729	8,920	3,884	3,507	(21,690)	1,559,413	15,507	453,517	137,214	18,097	174,049	(44,938)	2,312,859
Loans, financings and debentures	-	7,864,924	7,046,209	350,376	38,048	-	-	-	-	15,299,557	1,777,201	2,366,183	1,473,947	114,824	1,398,614	-	22,430,326
Interest on Equity, and dividends	1,295,775	562,736	185,105	45,667	-	2,464	-	25,466	(821,207)	1,296,006	1	14,287	-	-	22,793	(37,081)	1,296,006
Post-retirement liabilities	310,474	732,975	2,262,831	-	-	-	-	1	-	3,306,281	-	14,491	-	-	-	-	3,320,772
Taxes	20,918	710,994	1,696,343	301,325	10,175	38,087	2,654	10,457	-	2,790,953	833,985	393,608	41,725	18,887	94,674	-	4,173,832
Other liabilities	1,752,327	1,182,120	1,009,374	167,682	76,776	722	681	9,548	(7,240)	4,191,990	107,619	521,502	104,153	139,413	57,787	29,267	5,151,731
<b>TOTAL EQUITY</b>	<b>12,973,710</b>	<b>4,618,687</b>	<b>3,078,707</b>	<b>943,082</b>	<b>180,384</b>	<b>107,815</b>	<b>129,322</b>	<b>242,516</b>	<b>(9,296,447)</b>	<b>12,977,776</b>	<b>2,007,887</b>	<b>1,191,540</b>	<b>749,625</b>	<b>900,510</b>	<b>3,118,500</b>	<b>(7,968,062)</b>	<b>12,977,776</b>
Attributed to controlling stockholders	12,973,710	4,618,687	3,078,707	939,016	180,384	107,815	129,322	242,515	(9,265,402)	12,973,710	2,007,887	1,191,540	749,625	900,510	3,118,500	(7,968,062)	12,973,710
Interest of non-controlling stockholder	-	-	-	4,066	-	-	-	-	-	4,066	-	-	-	-	-	-	4,066
<b>NET PROFIT (LOSS)</b>																	
Net operational revenue	365	1,401,062	2,689,600	312,235	24,124	16,458	14,763	38,853	(45,800)	4,451,660	231,420	828,034	64,162	89,894	97,548	(70,326)	5,692,392
Operational costs and expenses	(110,785)	(983,292)	(2,575,718)	(275,477)	(22,006)	(9,457)	(6,866)	(7,192)	41,358	(3,949,435)	(22,827)	(753,981)	(44,528)	(41,755)	(90,038)	(86,506)	(4,989,070)
Electricity purchased for resale	-	(660,318)	(1,276,015)	-	-	(1,296)	(260)	122	6,406	(1,931,361)	-	(510,714)	(3,973)	(9,685)	(27,450)	47,152	(2,436,031)
Charges for use of the National Grid	-	(73,976)	(213,345)	-	-	-	(829)	(84)	29,528	(258,706)	-	-	(13,015)	(4,231)	(3,265)	16,164	(263,053)
Gas bought for resale	-	-	-	(237,863)	-	-	-	-	-	(237,863)	-	-	-	-	-	-	(237,863)
Construction cost	-	(6,688)	(218,594)	(9,739)	-	-	-	-	-	(235,021)	(352)	(104,405)	-	-	(267)	-	(340,045)
Personnel	(10,082)	(97,462)	(288,395)	(9,737)	(4,728)	(270)	(374)	(2,359)	-	(413,407)	(12,645)	(28,578)	(1,813)	(3,418)	(16,396)	-	(476,257)
Post-retirement liabilities	(8,642)	(16,581)	(49,963)	-	-	-	-	-	-	(75,186)	-	-	-	-	-	-	(75,186)
Materials	(20)	(2,228)	(8,215)	(297)	(19)	(72)	(72)	(75)	-	(10,998)	(1,360)	(4,900)	(379)	(112)	(964)	-	(18,713)
Outsourced services	(1,820)	(35,505)	(166,977)	(2,719)	(5,446)	(942)	(1,169)	(2,082)	8,656	(208,004)	(4,487)	(42,348)	(2,466)	(6,860)	(10,037)	2,350	(271,852)
Depreciation and amortization	(130)	(46,959)	(121,845)	(13,124)	(8,123)	(1,404)	(1,093)	(2,541)	(3,814)	(199,033)	(535)	(39,723)	(15,688)	(15,443)	(17,477)	(160,795)	(448,694)
Operating provisions	(85,534)	(21,839)	(144,560)	-	163	-	-	-	-	(251,770)	64	(25,801)	(6,173)	-	623	-	(283,057)
Other expenses, net	(4,557)	(21,736)	(87,809)	(1,998)	(3,853)	(5,473)	(3,069)	(173)	582	(128,086)	(3,512)	2,488	(1,021)	(2,006)	(14,805)	8,623	(138,319)
<b>Operational profit before Equity gains (losses) and Financial revenue (expenses)</b>	<b>(110,420)</b>	<b>417,770</b>	<b>113,882</b>	<b>36,758</b>	<b>2,118</b>	<b>7,001</b>	<b>7,897</b>	<b>31,661</b>	<b>(4,442)</b>	<b>502,225</b>	<b>208,593</b>	<b>74,053</b>	<b>19,634</b>	<b>48,139</b>	<b>7,510</b>	<b>(156,832)</b>	<b>703,322</b>
Equity method gain (loss)	63,434	(150,174)	-	-	(7,398)	-	-	-	36,211	(57,927)	258	(27,811)	-	(904)	(127,400)	169,495	(44,289)
Gain on the stockholding reorganization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28,868	-	28,868
Financial revenue	30,249	42,637	143,918	4,249	1,042	455	306	3,724	-	226,580	68,471	(1,599)	4,938	3,582	12,669	-	314,641
Financial expenses	(9,577)	(332,506)	(283,675)	(11,738)	(1,522)	(62)	(9)	(49)	-	(639,138)	(134,363)	(30,612)	(42,173)	(8,200)	(46,270)	-	(900,756)
<b>Profit before income tax and Social Contribution tax</b>	<b>(26,314)</b>	<b>(22,273)</b>	<b>(25,875)</b>	<b>29,269</b>	<b>(5,760)</b>	<b>7,394</b>	<b>8,194</b>	<b>35,336</b>	<b>31,769</b>	<b>31,740</b>	<b>142,959</b>	<b>14,031</b>	<b>(17,601)</b>	<b>42,617</b>	<b>(124,623)</b>	<b>12,663</b>	<b>101,786</b>
Income tax and Social Contribution tax	31,433	(39,024)	(1,266)	(8,738)	(539)	(2,505)	(693)	(5,201)	-	(26,533)	(32,962)	(13,568)	3,116	(12,622)	(14,010)	-	(96,579)
<b>Profit (loss) for the period</b>	<b>5,119</b>	<b>(61,297)</b>	<b>(27,141)</b>	<b>20,531</b>	<b>(6,299)</b>	<b>4,889</b>	<b>7,501</b>	<b>30,135</b>	<b>31,769</b>	<b>5,207</b>	<b>109,997</b>	<b>463</b>	<b>(14,485)</b>	<b>29,995</b>	<b>(138,633)</b>	<b>12,663</b>	<b>5,207</b>
Interest of the controlling stockholders	5,119	(61,297)	(27,141)	20,443	(6,299)	4,889	7,501	30,135	31,769	5,119	109,997	463	(14,485)	29,995	(138,633)	12,663	5,119
Interest of non-controlling stockholder	-	-	-	88	-	-	-	-	-	88	-	-	-	-	-	-	88
	<b>5,119</b>	<b>(61,297)</b>	<b>(27,141)</b>	<b>20,531</b>	<b>(6,299)</b>	<b>4,889</b>	<b>7,501</b>	<b>30,135</b>	<b>31,769</b>	<b>5,207</b>	<b>109,997</b>	<b>463</b>	<b>(14,485)</b>	<b>29,995</b>	<b>(138,633)</b>	<b>12,663</b>	<b>5,207</b>

## INFORMATION BY MARKET SEGMENT ON MARCH 31, 2016

Item	Electricity			Telecoms	Gas	Others	Eliminations	TOTAL
	GENERATION	TRANSMISSION	DISTRIBUTION					
<b>ASSETS OF THE SEGMENT</b>	14,563,360	4,449,991	17,800,671	314,112	2,520,566	2,614,718	(841,442)	41,421,976
<b>ADDITIONS TO THE SEGMENT</b>	2,696,071	6,688	218,594	7,574	9,739	-	-	2,938,666
<b>Investments in subsidiaries and jointly-controlled entities</b>	6,084,311	2,516,500	1,527,953	-	-	23,483	-	10,152,247
<b>NET REVENUE</b>	<b>1,333,349</b>	<b>106,559</b>	<b>2,689,600</b>	<b>24,124</b>	<b>312,235</b>	<b>31,599</b>	<b>(45,806)</b>	<b>4,451,660</b>
<b>COST OF ELECTRICITY AND GAS</b>								
Electricity purchased for resale	(661,751)	-	(1,276,015)	-	-	-	6,405	(1,931,361)
Charges for use of the National Grid	(74,801)	(88)	(213,345)	-	-	-	29,528	(258,706)
Gas bought for resale	-	-	-	-	(237,863)	-	-	(237,863)
<b>Operational costs, total</b>	<b>(736,552)</b>	<b>(88)</b>	<b>(1,489,360)</b>	<b>-</b>	<b>(237,863)</b>	<b>-</b>	<b>35,933</b>	<b>(2,427,930)</b>
<b>OPERATIONAL COSTS AND EXPENSES</b>								
Personnel	(68,237)	(29,869)	(288,395)	(4,728)	(9,737)	(12,441)	-	(413,407)
Post-retirement liabilities	(11,712)	(4,869)	(49,963)	-	-	(8,642)	-	(75,186)
Materials	(1,990)	(446)	(8,215)	(19)	(297)	(31)	-	(10,998)
Outsourced services	(32,902)	(6,635)	(166,977)	(5,446)	(2,719)	(1,981)	8,656	(208,004)
Depreciation and amortization	(51,995)	-	(121,845)	(8,123)	(13,124)	(3,946)	-	(199,033)
Operational provisions (reversals)	(19,349)	(2,490)	(144,560)	163	-	(85,534)	-	(251,770)
Construction costs	-	(6,688)	(218,594)	-	(9,739)	-	-	(235,021)
Other operational expenses, net	(29,141)	(1,252)	(87,809)	(3,853)	(1,998)	(5,250)	1,217	(128,086)
<b>Total cost of operation</b>	<b>(215,326)</b>	<b>(52,249)</b>	<b>(1,086,358)</b>	<b>(22,006)</b>	<b>(37,614)</b>	<b>(117,825)</b>	<b>9,873</b>	<b>(1,521,505)</b>
<b>OPERATIONAL COSTS AND EXPENSES</b>	<b>(951,878)</b>	<b>(52,337)</b>	<b>(2,575,718)</b>	<b>(22,006)</b>	<b>(275,477)</b>	<b>(117,825)</b>	<b>45,806</b>	<b>(3,949,435)</b>
<b>Operational profit before Equity gains (losses) and Financial revenue (expenses)</b>	<b>381,471</b>	<b>54,222</b>	<b>113,882</b>	<b>2,118</b>	<b>36,758</b>	<b>(86,226)</b>	<b>-</b>	<b>502,225</b>
Equity method gain (loss)	(150,175)	113,116	(13,163)	(7,398)	-	(307)	-	(57,927)
Financial revenues	44,636	603	143,918	1,042	4,249	32,132	-	226,580
Financial expenses	(330,941)	(1,662)	(283,675)	(1,522)	(11,738)	(9,600)	-	(639,138)
<b>PRE-TAX PROFIT</b>	<b>(55,009)</b>	<b>166,279</b>	<b>(39,038)</b>	<b>(5,760)</b>	<b>29,269</b>	<b>(64,001)</b>	<b>-</b>	<b>31,740</b>
Income tax and Social Contribution tax	(27,028)	(16,221)	(1,266)	(539)	(8,738)	27,259	-	(26,533)
<b>Net profit</b>	<b>(82,037)</b>	<b>150,058</b>	<b>(40,304)</b>	<b>(6,299)</b>	<b>20,531</b>	<b>(36,742)</b>	<b>-</b>	<b>5,207</b>
<b>Interest of the controlling stockholders</b>	<b>(82,037)</b>	<b>150,058</b>	<b>(40,304)</b>	<b>(6,299)</b>	<b>20,443</b>	<b>(36,742)</b>	<b>-</b>	<b>5,119</b>
<b>Interest of non-controlling stockholder</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>88</b>	<b>-</b>	<b>-</b>	<b>88</b>
	<b>(82,037)</b>	<b>150,058</b>	<b>(40,304)</b>	<b>(6,299)</b>	<b>20,531</b>	<b>(36,742)</b>	<b>-</b>	<b>5,207</b>

## **Mining and Energy Ministry Ministerial Order 120**

The Mining and Energy Ministry, through its Ministerial Order 120, of April 20, 2016, has set the criteria for indemnity of transmission assets. It states that the amounts that are approved shall be received in a period of eight years as from the 2017 tariff adjustment, and will be updated by the variation in the IPCA inflation index, and remunerated on the basis of the specific cost of capital of the transmission segment as defined by Aneel in the processes of periodic Tariff Review, estimated at 10.44% p.a. The Companies in the sector are in the process of obtaining more detailed explanations from the regulator on the criteria related to monetary updating and receipt of the indemnity.

The Valuation Opinion delivered to Aneel on July 31, 2014 represented an indemnity to the Company of R\$ 1.169 billion, at the base date of December 31, 2012.

On February 23, 2015, Aneel sent the Company the Report of Inspection with the preliminary review of the Opinion sent by the Company, corresponding to a price of R\$ 1.157 billion, of which R\$ 285 million was received in the first quarter of 2013 – the remaining balance being R\$ 872 million. Updating of this amount by the IGP–M inflation index to March 31, 2016 results in the amount of R\$ 1.085 billion (R\$ 1.054 billion at December 31, 2015).

Cemig GT is still in process of assessing the effects of the Ministerial Order, and has an estimate of an impact of approximately R\$ 500 million in financial revenue – which will be posted in the second quarter of 2016.

## Generating plants

Plant	Type	Company	Cemig's Interest	Installed Capacit (MW)	Assured Energy (average MW)	Installed Capacit (MW)*	Assured Energy (average MW)*	Year Concession or Authorization Expires
São Simão	Hydroelectric	CEMIG GT	100.0%	1,710.00	1,281.00	1,710.00	1,281.00	1/11/2015
Emborcação	Hydroelectric	CEMIG GT	100.0%	1,192.00	497.00	1,192.00	497.00	7/23/2025
Nova Ponte	Hydroelectric	CEMIG GT	100.0%	510.00	276.00	510.00	276.00	7/23/2025
Jaguara	Hydroelectric	CEMIG GT	100.0%	424.00	336.00	424.00	336.00	8/28/2013
Miranda	Hydroelectric	CEMIG GT	100.0%	408.00	202.00	408.00	202.00	12/23/2016
Irapé	Hydroelectric	CEMIG GT	100.0%	399.00	210.70	399.00	210.70	2/28/2035
Três Marias	Hydroelectric	CEMIG GT	100.0%	396.00	239.00	396.00	239.00	1/4/2046
Volta Grande	Hydroelectric	CEMIG GT	100.0%	380.00	229.00	380.00	229.00	2/23/2017
Igarapé	Thermal	CEMIG GT	100.0%	131.00	71.30	131.00	71.30	8/13/2024
Salto Grande	Hydroelectric	CEMIG GT	100.0%	102.00	75.00	102.00	75.00	1/4/2046
Itutinga	Hydroelectric	CEMIG GT	100.0%	52.00	28.00	52.00	28.00	1/4/2046
Camargos	Hydroelectric	CEMIG GT	100.0%	46.00	21.00	46.00	21.00	1/4/2046
Piau	SHP	CEMIG GT	100.0%	18.01	13.53	18.01	13.53	1/4/2046
Gafanhoto	SHP	CEMIG GT	100.0%	14.00	6.68	14.00	6.68	1/4/2046
Peti	SHP	CEMIG GT	100.0%	9.40	6.18	9.40	6.18	1/4/2046
Rio de Pedras	SHP	CEMIG GT	100.0%	9.28	2.15	9.28	2.15	9/19/2024
Poço Fundo	SHP	CEMIG GT	100.0%	9.16	5.79	9.16	5.79	8/19/2025
Tronqueiras	SHP	CEMIG GT	100.0%	8.50	3.39	8.50	3.39	1/4/2046
Joasal	SHP	CEMIG GT	100.0%	8.40	5.20	8.40	8.40	1/4/2046
Martins	SHP	CEMIG GT	100.0%	7.70	1.84	7.70	1.84	1/4/2046
Cajuru	SHP	CEMIG GT	100.0%	7.20	2.69	7.20	2.69	1/4/2046
Ervália	SHP	CEMIG GT	100.0%	6.97	3.03	6.97	3.03	1/4/2046
São Bernardo	SHP	CEMIG GT	100.0%	6.82	3.42	6.82	3.42	8/19/2025
Nebolina	SHP	CEMIG GT	100.0%	6.47	4.66	6.47	4.66	1/4/2046
Cel. Domiciano	SHP	CEMIG GT	100.0%	5.04	3.59	5.04	3.59	1/4/2046
Paraúna	SHP	CEMIG GT	100.0%	4.28	1.90	4.28	1.90	-
Pandeiros	SHP	CEMIG GT	100.0%	4.20	0.47	4.20	0.47	9/22/2021
Paciência	SHP	CEMIG GT	100.0%	4.08	2.36	4.08	2.36	1/4/2046
Marmelos	SHP	CEMIG GT	100.0%	4.00	2.74	4.00	2.74	1/4/2046
Dona Rita	SHP	CEMIG GT	100.0%	2.40	1.03	2.40	1.03	1/4/2046
Salto de Moraes	SHP	CEMIG GT	100.0%	2.39	0.60	2.39	0.60	7/1/2020
Sumidouro	SHP	CEMIG GT	100.0%	2.12	0.53	2.12	0.53	-
Anil	SHP	CEMIG GT	100.0%	2.08	1.10	2.08	1.10	-
Xicão	SHP	CEMIG GT	100.0%	1.81	0.61	1.81	0.61	8/19/2025
Luiz Dias	SHP	CEMIG GT	100.0%	1.62	0.61	1.62	0.61	8/19/2025
Sinceridade	SHP	CEMIG GT	100.0%	1.42	0.35	1.42	0.35	1/4/2046
Central Mineirão	Solar	CEMIG GT	100.0%	1.42	-	1.42	-	-
Poquim	SHP	CEMIG GT	100.0%	1.41	0.39	1.41	0.39	7/8/2015
Santa Marta	SHP	CEMIG GT	100.0%	1.00	0.58	1.00	0.58	7/8/2015
Pissarrão	SHP	CEMIG GT	100.0%	0.80	0.55	0.80	0.55	-
Jacutinga	SHP	CEMIG GT	100.0%	0.72	0.57	0.72	0.57	-
Santa Luzia	SHP	CEMIG GT	100.0%	0.70	0.23	0.70	0.23	2/25/2026
Lages *	SHP	CEMIG GT	100.0%	0.68	-	0.68	-	-
Bom Jesus do Galho	SHP	CEMIG GT	100.0%	0.36	0.13	0.36	0.13	-
Pai Joaquim	SHP	CEMIG PCH	100.0%	23.00	4.26	23.00	4.26	4/1/2032
Salto Voltão	SHP	Horizontes Energia	100.0%	8.20	6.63	8.20	6.63	10/4/2030
Salto do Paraopeba	SHP	Horizontes Energia	100.0%	2.46	-	2.46	-	10/4/2030
Salto do Passo Velho	SHP	Horizontes Energia	100.0%	1.80	1.06	1.80	1.06	10/4/2030
Machado Mineiro	SHP	Horizontes Energia	100.0%	1.72	1.03	1.72	1.03	7/8/2025
Rosal	Hydroelectric	Rosal Energia	100.0%	55.00	30.00	55.00	30.00	5/8/2032
Sã Carvalho	Hydroelectric	Sã Carvalho	100.0%	78.00	58.00	78.00	58.00	12/1/2024
Barreiro	Thermal	Sina Termelétrica Barrei	100.0%	12.90	11.37	12.90	11.37	4/30/2023
Queimado	Hydroelectric	CEMIG GT	82.5%	105.00	58.00	86.63	47.85	1/2/2033
Praias de Parajuru	Wind Farm	CEMIG GT	49.0%	28.80	8.39	14.11	4.11	9/24/2032
Praia do Morgado	Wind Farm	CEMIG GT	49.0%	28.80	13.20	14.11	6.47	12/26/2031
Paracambi	SHP	CEMIG GT	49.0%	25.00	19.53	12.25	9.57	2/16/2031
Volta do Rio	Wind Farm	CEMIG GT	49.0%	42.00	18.41	20.58	9.02	12/26/2031
Santo Antônio	Hydroelectric	Santo Antônio Energia	17.7%	2,714.72	2,218.00	480.06	392.22	6/12/2046
Aimorés	Hydroelectric	ALIANÇA	45.0%	330.00	172.00	148.50	77.40	12/20/2035
Amador Aguiar I (Capim Bra	Hydroelectric	ALIANÇA	39.3%	240.00	155.00	94.36	60.94	8/29/2036
Amador Aguiar II (Capim Br	Hydroelectric	ALIANÇA	39.3%	210.00	131.00	82.56	51.50	8/29/2036
Igarapava	Hydroelectric	ALIANÇA	23.7%	210.00	136.00	49.75	32.22	12/30/2028
Funil	Hydroelectric	ALIANÇA	45.0%	180.00	89.00	81.00	40.05	12/20/2035
Candongá	Hydroelectric	ALIANÇA	22.5%	140.00	64.50	31.50	14.51	5/25/2035
Porto Estrela	Hydroelectric	ALIANÇA	30.0%	112.00	55.80	33.60	16.74	7/10/2032
Baguari	Hydroelectric	BAGUARI ENERGIA	34.0%	140.00	80.20	47.60	27.27	8/15/2041
Cachoeirão	SHP	Hidrelétrica Cachoeirão	49.0%	27.00	16.37	13.23	8.02	7/25/2030
Pipoca	SHP	Hidrelétrica Pipoca	49.0%	20.00	11.90	9.80	5.83	9/10/2031
Retiro Baixo	Hydroelectric	Retiro Baixo Energética	25.0%	82.00	38.50	20.46	9.61	8/25/2041
	Hydroelectric	Lightger	49.0%	855.14	637.00	419.02	312.13	
	SHP	Lightger	25.0%	25.00	19.53	6.25	4.88	
	SHP	Brasil PCH	31.2%	291.00	188.85	90.67	20.31	
	Wind Farm	Renova Energia	35.2%	680.50	325.91	239.21	114.56	
	SHP	Renova Energia	35.2%	41.80	18.74	14.69	6.59	

\* The installed capacit and the assured energy are already on cemig's share

## Generation: Annual Permitted Revenue (RAP)

Resolução Homologatoria ANEEL - nº 1.313*				
Receita Anual Permitida - RAP	RAP	% Cemig	Cemig Consolidado	Cemig GT
Cemig GT	234.340.198	100,0%	234.340.198	234.340.198
Cemig Itajuba	36.345.194	100,0%	36.345.194	36.345.194
Centroeste	15.420.427	51,0%	7.864.418	
Transirapé	26.287.112	24,5%	6.440.342	
Transleste	36.163.304	25,0%	9.040.826	
Transudeste	22.414.358	24,0%	5.379.446	
Taesa	43,36%			
ETEO	155.851.060	43,4%	67.576.823	
ETAU	38.433.513	22,8%	8.762.945	
NOVATRANS	460.994.392	43,4%	199.886.586	
TSN	449.086.299	43,4%	194.723.252	
GTESA	8.238.429	43,4%	3.572.172	
PATESA	18.930.852	43,4%	8.208.394	
Munirah	32.335.023	43,4%	14.020.425	
Brasnorte	22.865.011	16,8%	3.833.291	
São Gotardo	4.594.930	43,4%	1.992.356	
Abengoa				
NTE	135.672.013	43,4%	58.827.214	
STE	72.452.041	43,4%	31.415.113	
ATEI	132.046.398	43,4%	57.255.152	
ATEII	204.000.305	43,4%	88.454.275	
ATEIII	102.659.854	43,4%	44.513.183	
TBE				
EATE	381.289.719	21,7%	82.634.235	
STC	36.934.709	17,3%	6.403.873	
Lumitrans	23.591.101	17,3%	4.090.187	
ENTE	199.517.005	21,7%	43.245.595	
ERTE	44.785.760	21,7%	9.706.942	
ETEP	86.906.931	21,7%	18.835.509	
ECTE	84.200.833	8,3%	6.970.657	
EBTE	40.614.511	32,3%	13.118.164	
ESDE	11.542.416	21,7%	2.501.610	
ETSE	19.741.437	8,3%	1.634.316	
Light	7.924.732	32,6%	2.581.878	
Transchile**	21.396.000	49,0%	10.484.040	
<b>RAP TOTAL CEMIG</b>			<b>1.284.658.610</b>	<b>270.685.392</b>

\* Receitas anuais permitidas com vigência entre 1º de julho de 2015 e 30 de junho de 2016.

\*\* A receita de transmissão da Transchile é dada em Dólar Norte Americano e é corrigida, anualmente, de acordo com o Decreto Nº 163 ([http://www.cne.cl/images/stories/normativas/otros%20niveles/electricidad/DOC65\\_-\\_decreto163obrasurgentes.pdf](http://www.cne.cl/images/stories/normativas/otros%20niveles/electricidad/DOC65_-_decreto163obrasurgentes.pdf)).

## DEFAULT

In 2015, to achieve economic and financial equilibrium for the companies of the sector, and synchronization between tariffs and the real variable costs of electricity, Aneel implemented the system of 'Tariff Flags', and also enacted an Extraordinary Tariff Increase, in March. These measures had an impact on electricity rates, involving as it did a pass-through of costs to final consumers.

In this context of an exceptional increase in electricity rates, Cemig has seen an increase in amounts invoiced that are not paid by final consumers, and this has resulted in growth in the stock of debt to levels higher than the average of recent months.

The average level of default during the month of January 2016 was 25% higher than in January 2015. This increased percentage of default has had a negative effect on the Company's cash flow.

Due to the present economic context, default has remained at a level that is high for the Company. The rate of default in January was 3.91%.

The Company uses various tools of communication and collection to prevent increase in default. These include telephone contact, sending of e-mails, use of text messages, and collection letters. We are also making efforts with the credit protection services – Serasa (*Serviço de Proteção ao Crédito*) and CDL (*Câmara de Dirigentes Lojistas*) – to register these arrears on their records for defaulting clients; and we are also applying disconnection of supply. Aneel Resolution 414 allows supply to be cut off after 15 days from receipt of a notice to the defaulting consumer.



## Appendices

### Cemig D Tables (R\$ million)

CEMIG D Market				
Quarter	(GWh)			GW
	Captive Consumers	TUSD ENERGY1	T.E.D2	TUSD PICK3
4Q13	6.615	4.975	11.591	29
1Q14	6.744	4.464	11.208	29
2Q14	6.646	4.485	11.132	29
3Q14	6.686	4.298	10.984	27
4Q14	6.935	4.201	11.136	29
1Q15	6.780	4.034	10.814	30
2Q15	6.371	3.896	10.268	28
3Q15	6.471	3.803	10.274	29
4Q15	6.850	3.937	10.787	28
1Q16	6.408	4.053	10.460	29

1. Refers to the quantity of electricity for calculation of the regulatory charges charged to free consumer clients ("Portion A")
2. Total electricity distributed
3. Sum of the demand on which the TUSD is invoiced, according to demand contracted ("Portion B").

Operating Revenues	1Q16	1Q15	Change%
Sales to end consumers	4.331	3.389	28
TUSD	417	226	84
CVA and Other financial components in tariff adjustment	(132)	550	(124)
Construction revenue	219	203	8
Others	297	248	20
<b>Subtotal</b>	<b>5.131</b>	<b>4.616</b>	<b>11</b>
Deductions	(2.442)	(1.551)	57
<b>Net Revenues</b>	<b>2.690</b>	<b>3.065</b>	<b>(12)</b>

Operating Expenses	1Q16	1Q15	Change%
Personnel/Administrators/Councillors	288	228	26
Employee Participation	-	62	-
Forluz – Post-Retirement Employee Benefits	50	42	20
Materials	8	10	(16)
Contracted Services	167	157	6
Purchased Energy	1.276	1.838	(31)
Depreciation and Amortization	122	112	9
Operating Provisions	145	40	260
Charges for Use of Basic Transmission Network	213	195	9
Cost from Operation	219	203	8
Other Expenses	88	98	(10)
<b>Total</b>	<b>2.576</b>	<b>2.984</b>	<b>(14)</b>

Statement of Results	1Q16	1Q15	Change%
Net Revenue	2.690	3.065	(12)
Operating Expenses	2.576	2.984	(14)
<b>EBIT</b>	<b>114</b>	<b>81</b>	<b>40</b>
<b>EBITDA</b>	<b>236</b>	<b>193</b>	<b>22</b>
Financial Result	(140)	(65)	117
Provision for Income Taxes, Social Cont & Deferred Income	(1)	(11)	(89)
<b>Net Income</b>	<b>(27)</b>	<b>5</b>	<b>-</b>

### Cemig GT Tables (R\$ million)

Operating Revenues	1Q16	1Q15	Change%
Sales to end consumers	945	913	3
Supply	592	808	(27)
Gain on monetary updating of Concession Grant Fee	81	-	-
Transactions in the CCEE	4	1.000	(100)
Revenues from Trans. Network	94	80	18
Construction revenue	7	31	(78)
Transmission indemnity revenue	31	-	-
Others	6	5	28
<b>Subtotal</b>	<b>1.760</b>	<b>2.837</b>	<b>(38)</b>
Deductions	(359)	(434)	(17)
<b>Net Revenues</b>	<b>1.401</b>	<b>2.403</b>	<b>(42)</b>

Operating Expenses	1Q16	1Q15	Change%
Personnel/Administrators/Councillors	97	83	17
Employee Participation	-	15	-
Forluz – Post-Retirement Employee Benefits	17	13	31
Materials	2	3	(34)
Raw Materials and Supplies Energy Production	-	78	(100)
Contracted Services	36	32	11
Depreciation and Amortization	47	76	(38)
Operating Reserves	22	(5)	-
Charges for Use of Basic Transmission Network	74	72	2
Purchased Energy	660	608	9
Construction Cost	7	31	(78)
Other Expenses	22	9	131
<b>Total</b>	<b>983</b>	<b>1.015</b>	<b>(3)</b>

Statement of Results	1Q16	1Q15	Change%
Net Revenue	1.401	2.403	(42)
Operating Expenses	(983)	(1.015)	(3)
<b>EBIT</b>	<b>418</b>	<b>1.388</b>	<b>(70)</b>
Equity equivalence results	(150)	(37)	303
Fair value gain (loss) on stockholding transaction	-	735	-
<b>EBITDA</b>	<b>315</b>	<b>2.161</b>	<b>(85)</b>
Financial Result	(290)	(212)	37
Provision for Income Taxes, Social Cont & Deferred Income Tax	(39)	(560)	(93)
<b>Net Income</b>	<b>(61)</b>	<b>1.313</b>	<b>-</b>

### Cemig Tables (R\$ million)

Energy Sales (Consolidated)(GWh)	1Q16	1Q15	Change%
Residential	2,491	2,563	(3)
Industrial	4,838	5,817	(17)
Commercial	1,688	1,697	(1)
Rural	724	795	(9)
Others	837	865	(3)
<b>Subtotal</b>	<b>10,577</b>	<b>11,736</b>	<b>(10)</b>
Own Consumption	9	10	(4)
Supply	2,697	4,036	-
<b>TOTAL</b>	<b>13,284</b>	<b>15,782</b>	<b>(16)</b>

Energy Sales	1Q16	1Q15	Δ%
Residential	2,024	1,547	31
Industrial	1,347	1,285	5
Commercial	1,163	847	37
Rural	323	254	27
Others	409	315	30
<b>Electricity sold to final consumers</b>	<b>5,266</b>	<b>4,248</b>	<b>24</b>
Unbilled Supply, Net	97	44	120
Supply	552	847	(35)
<b>TOTAL</b>	<b>5,915</b>	<b>5,139</b>	<b>15</b>

Operating Revenues	1Q16	1Q15	Δ%
Sales to end consumers	5,307	4,292	24
TUSD	409	210	95
Supply	608	848	(28)
Transactions in the CCEE	3	1,011	(100)
CVA and Other financial components in tariff adjustment	(132)	550	-
Gain on monetary updating of Concession Grant Fee	81	-	-
Revenues from Trans. Network	73	63	16
Construction revenue	235	234	1
Gas supply	379	426	(11)
Transmission Indemnity Revenue	31	-	-
Others	361	309	17
<b>Subtotal</b>	<b>7,354</b>	<b>7,942</b>	<b>(7)</b>
Deductions	(2,903)	(2,092)	39
<b>Net Revenues</b>	<b>4,452</b>	<b>5,849</b>	<b>(24)</b>

Operating Expenses	1Q16	1Q15	Δ%
Personnel/Administrators/Councillors	413	336	23
Employee Participation	-	81	-
Forluz – Post-Retirement Employee Benefits	75	58	31
Materials	11	14	(21)
Raw materials and inputs for production of electricity	-	78	-
Contracted Services	208	199	5
Purchased Energy	1,931	2,421	(20)
Depreciation and Amortization	199	247	(19)
Operating Provisions	252	43	483
Charges for Use of Basic Transmission Network	259	241	7
Gas bought for resale	238	262	(9)
Cost from Operation	235	234	1
Other Expenses	128	128	-
<b>TOTAL</b>	<b>3,949</b>	<b>4,342</b>	<b>(9)</b>

Financial Result Breakdown	1Q16	1Q15	Δ%
<b>Financial revenues</b>	<b>227</b>	<b>290</b>	<b>(22)</b>
Revenue from cash investments	59	39	51
Arrears penalty payments on electricity bills	74	47	58
Exchange rate	15	53	(72)
Monetary updating	48	5	943
Monetary updating - CVA	20	40	(51)
Taxes applied to Financial Revenue	(12)	-	-
Monetary updating of the Financial Asset of the Concession	2	92	(98)
Other	22	15	47
<b>Financial expenses</b>	<b>(639)</b>	<b>(564)</b>	<b>13</b>
Costs of loans and financings	(428)	(293)	46
Exchange rate	(17)	(62)	(72)
Monetary updating – loans and financings	(116)	(135)	(14)
Monetary updating – paid concessions	(1)	(6)	-
Charges and monetary updating on Post-employment obligations	(37)	(38)	(1)
Other	(38)	(31)	25
<b>Financial revenue (expenses)</b>	<b>(413)</b>	<b>(273)</b>	<b>51</b>

Statement of Results	1Q16	1Q15	Δ%
Net Revenue	4,452	5,849	(24)
Operating Expenses	3,949	4,342	(9)
<b>EBIT</b>	<b>502</b>	<b>1,507</b>	<b>(67)</b>
Equity gain in subsidiaries	(58)	90	-
Gain on stockholding reorganization	-	735	-
Depreciation and Amortization	199	247	(19)
<b>EBITDA</b>	<b>643</b>	<b>2,580</b>	<b>(75)</b>
Financial Result	(413)	(273)	51
Tax	(27)	(574)	(95)
<b>Net Income</b>	<b>5</b>	<b>1,485</b>	<b>(100)</b>

Cash Flow Statement	2015	2014	Change%
<b>Cash at beginning of period</b>	<b>925</b>	<b>887</b>	<b>4</b>
<b>Cash generated by operations</b>	<b>600</b>	<b>332</b>	<b>80</b>
Net profit	5	1,485	(100)
Current and deferred income tax and Social Contribution tax	27	574	(95)
Depreciation and amortization	199	247	(19)
Gain on the Aliança stockholding reorganization	-	(735)	-
Passthrough from CDE	404	(63)	(740)
Equity gain (loss) in subsidiaries	58	(90)	(164)
Provisions (reversals) for operational losses	252	43	483
Dividends received from equity holdings	42	27	58
Other adjustments	(387)	(1,155)	(67)
<b>Financing activities</b>	<b>147</b>	<b>(583)</b>	<b>(125)</b>
Financings obtained and capital increase	1,921	200	861
Interest on Equity, and dividends	(22)	(26)	(15)
Payments of loans and financings	(1,752)	(757)	131
<b>Investment activity</b>	<b>(478)</b>	<b>(19)</b>	<b>2,460</b>
Securities - Financial Investment	206	524	-
Acquisition of ownership interest and future capital commitments	(480)	(331)	45
Fixed and Intangible assets	(205)	(211)	(3)
<b>Cash at end of period</b>	<b>1,193</b>	<b>618</b>	<b>93</b>
<b>Total Cash</b>	<b>2,050</b>	<b>3,435</b>	

BALANCE SHEETS (CONSOLIDATED) - ASSETS	03/31/2016	12/31/2015
<b>CURRENT</b>	<b>7,479</b>	<b>9,377</b>
Cash and cash equivalents	1,193	925
Securities	796	2,427
Consumers, Traders and Concession holders – Transport of electricity	3,409	3,764
Financial assets of the concession	704	874
Tax offsetable	207	175
Income tax and Social Contribution tax recoverable	345	306
Dividends receivable	35	62
Inventories	38	37
Passthrough from CDE (Energy Development Account)	72	72
Other credits	681	735
<b>NON-CURRENT</b>	<b>33,920</b>	<b>31,503</b>
Securities	61	84
Consumers, Traders and Concession holders – Transport of electricity	136	134
Tax offsetable	220	258
Income tax and Social Contribution tax recoverable	175	206
Deferred income tax and Social Contribution tax	1,535	1,498
Escrow deposits in legal actions	1,856	1,813
Other credits	851	868
Financial assets of the concession	4,752	2,660
Investments	10,129	9,768
PP&E	3,885	3,940
Intangible assets	10,320	10,275
<b>TOTAL ASSETS</b>	<b>41,399</b>	<b>40,880</b>

BALANCE SHEETS LIABILITIES AND SHAREHOLDERS' EQUITY	03/31/2016	12/31/2015
<b>CURRENT</b>	<b>11,988</b>	<b>13,086</b>
Suppliers	1,559	1,901
Regulatory charges	439	517
Profit shares	89	114
Taxes	670	740
Income tax and Social Contribution tax	9	11
Interest on Equity, and dividends, payable	1,285	1,318
Loans, financings and debentures	4,911	6,300
Payroll and related charges	217	221
Post-retirement liabilities	178	167
Other obligations	1,307	551
Provisions for losses on investments	1,324	1,245
<b>NON-CURRENT</b>	<b>16,445</b>	<b>14,795</b>
Regulatory charges	253	226
Loans, financings and debentures	10,389	8,866
Taxes	740	740
Income tax and Social Contribution tax	681	689
Provisions	828	755
Post-retirement liabilities	3,128	3,086
Provisions for losses on investments	157	148
Other obligations	269	285
<b>STOCKHOLDERS' EQUITY</b>	<b>12,962</b>	<b>12,995</b>
Share capital	6,294	6,294
Capital reserves	1,925	1,925
Profit reserves	4,664	4,674
Adjustments to Stockholders' equity	60	102
Retained earnings	19	-
<b>NON- CONTROLLING STOCKHOLDER'S EQUITY</b>	<b>4</b>	<b>4</b>
<b>TOTAL LIABILITIES</b>	<b>41,399</b>	<b>40,880</b>