



2018

Year of importante achievements



Certain statements and estimates in this material may represent expectations about future events or results, which are subject to risks and uncertainties, which may be known or unknown. There is no guarantee that the events or results will take place as referred to in these expectations.

These expectations are based on the present assumptions and analyses from the point of view of our management, in accordance with their experience and other factors such as the macroeconomic environment, and market conditions in the electricity sector; and on our expectations for future results, many of which are not under our control.

Important factors that could lead to significant differences between actual results and the projections about future events or results include our business strategy, Brazilian and international economic conditions, technology, our financial strategy, changes in the electricity sector, hydrological conditions, conditions in the financial and energy markets, uncertainty on our results from future operations, plans and objectives, and other factors. Because of these and other factors, our real results may differ significantly from those indicated in or implied by such statements.

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To evaluate the risks and uncertainties as they relate to Cemig, and to obtain additional information about factors that could give rise to different results from those estimated by Cemig, please consult the section on Risk Factors included in the Reference Form filed with the Brazilian Securities Commission – CVM – and in the 20-F form filed with the U.S. Securities and Exchange Commission – SEC.

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

Disclaimer

1

Conclusion of the Capital increase of: **R\$ 1.3 bn**

2

Cemig D Capital increase of: **R\$ 1.1 bn** (total of **R\$ 2.6 bn** in 2017 and 2018)

3

Tariff increase for Cemig D – Efforts in 2013–18 cycle recognized

4

Eurobond issue- successful retap: **US\$ 500 mn**

5

Telecom assets sale of **R\$ 654 mn**

6

Receipt of non-depreciated generation assets **R\$1.1 bn**

7

RME put option settled: **R\$659 mn**

2018

Expressive evolution of Cemig's ratings in 2018, shows the commitment to lengthening the debt profile, with efficient operational management and focus on maximum results.

This table shows how Cemig's ratings have been changed, 2017/2018:

Fitch		Investment Grade											Speculative Grade										
National	Global	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C	RD/D		

Moodys		Investment Grade											Speculative Grade										
National	Global	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa1	Caa2	Caa3	Ca	C	

S&P		Investment Grade											Speculative Grade										
National	Global	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC+	CCC	CCC-	CC	C	D

RATINGS

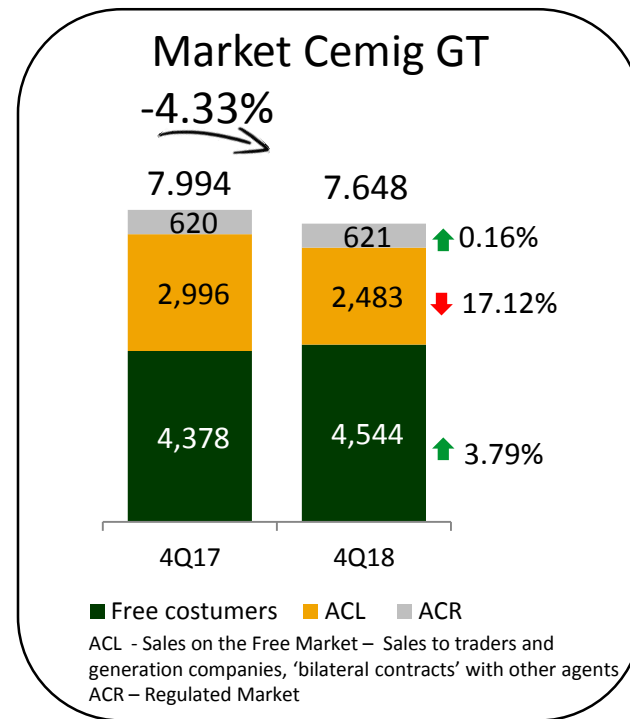
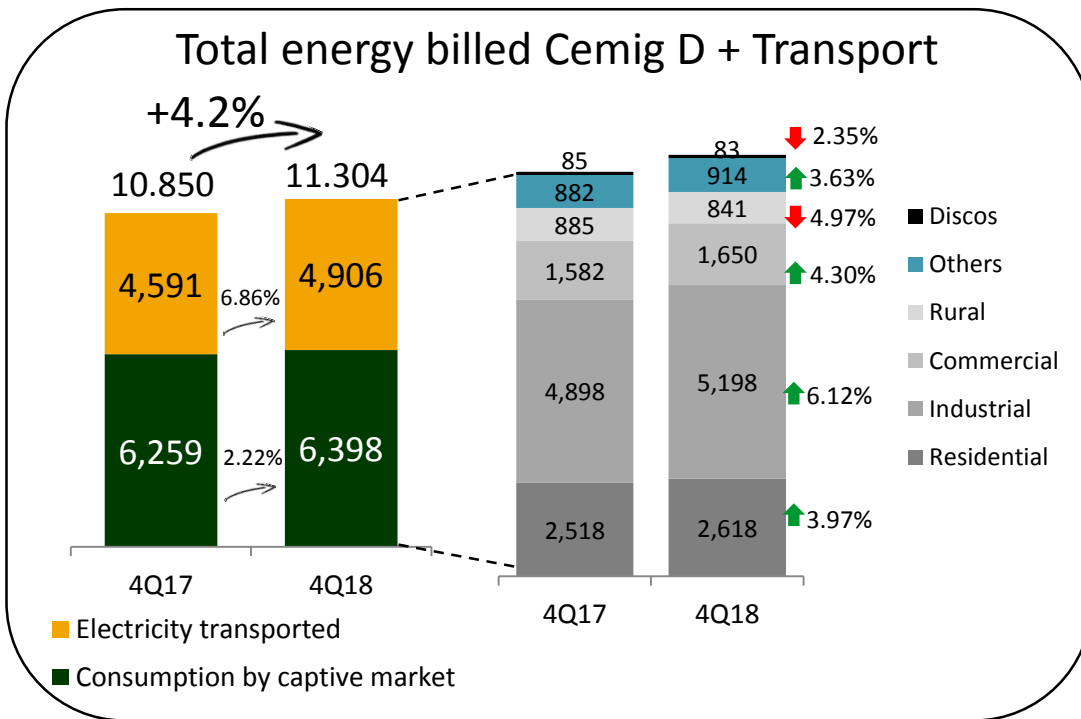
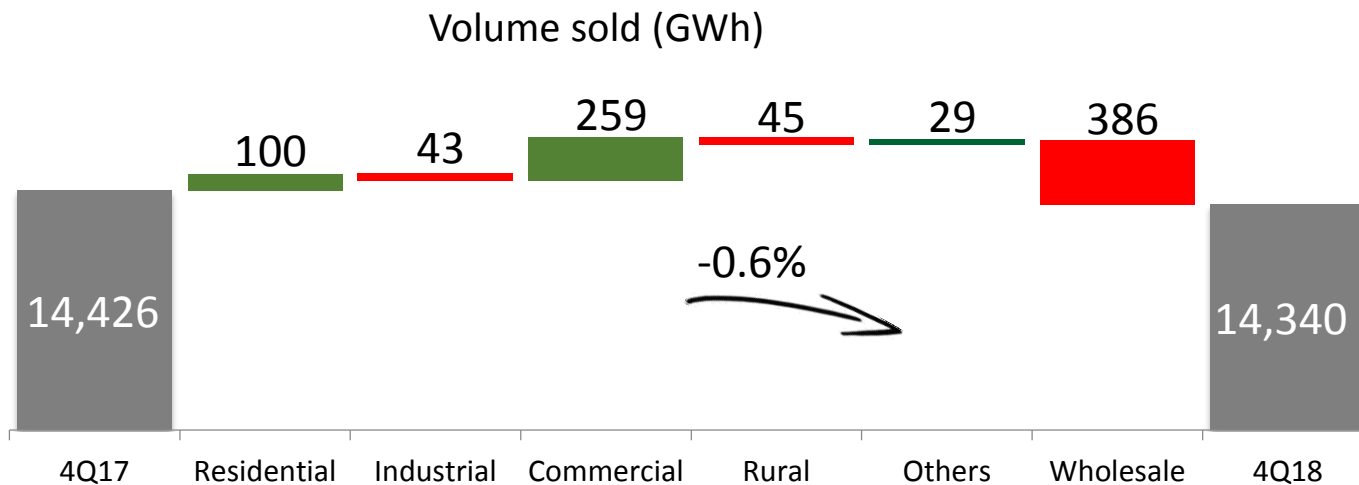
Gain of **R\$ 378 mn** on sales of telecom assets

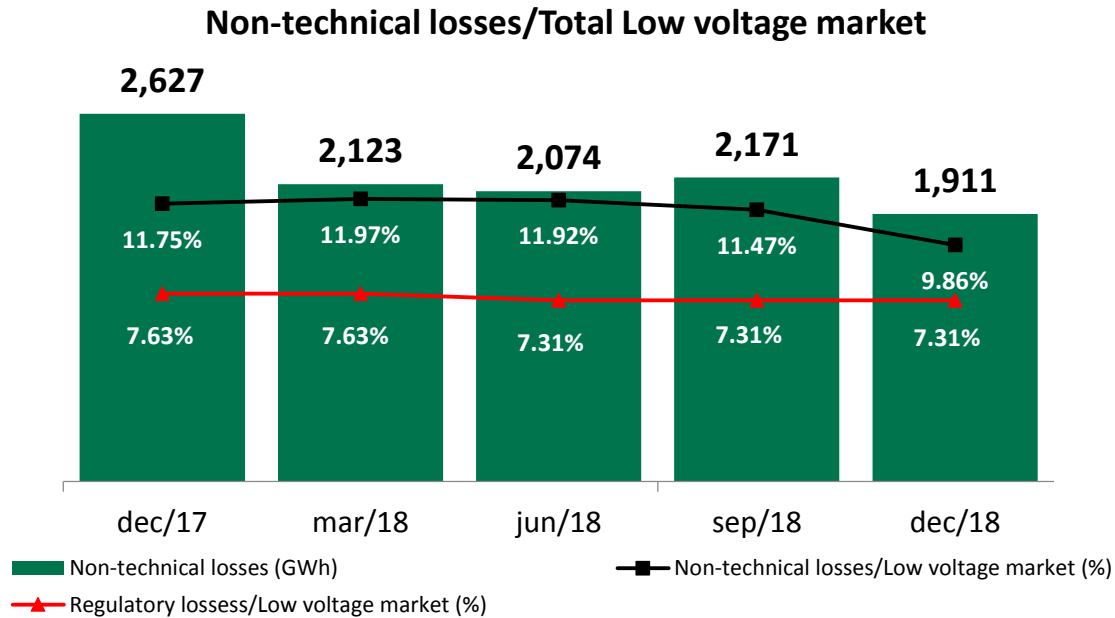
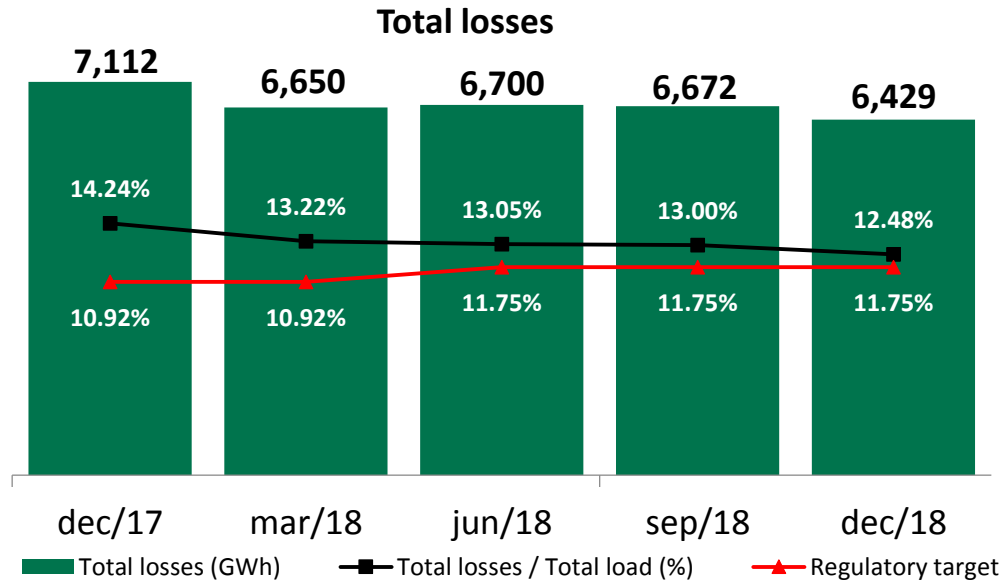
R\$ 119 mn net loss with restatement of prior equity holding in the subsidiaries acquired, on elimination of crossover stockholdings (Windfarms, Light and Lightger)

Madeira – **R\$ 127 mn** impairment

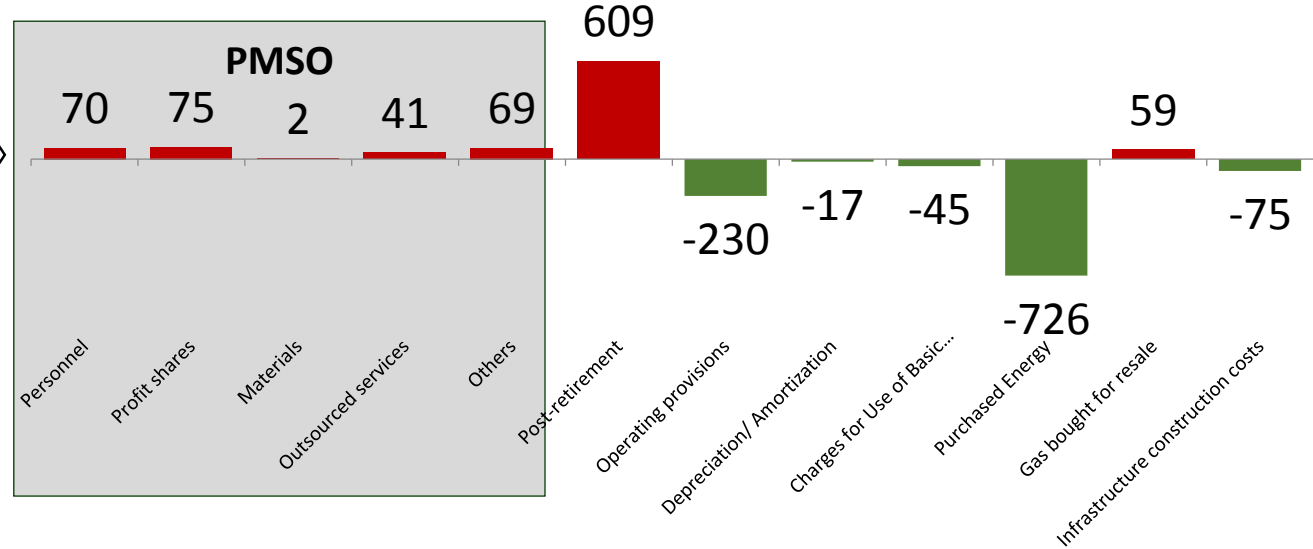
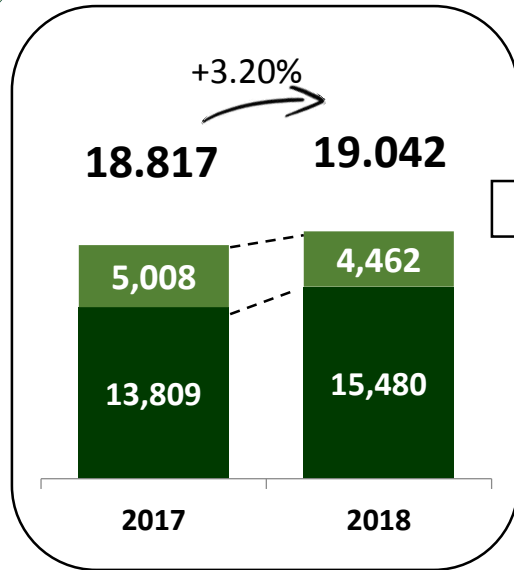
2019 Early Retirement Plan – **R\$ 65 mn** expense in Dec. 2018

Net financial revenues in the year – gains related to the Eurobond issue: **R\$ 570 mn** on hedge instruments; and **R\$ 199 mn** in exchange rate variation (Eurobond)





Change in consolidated operational expenses– 4Q18/4Q17



PMSO Adjustment

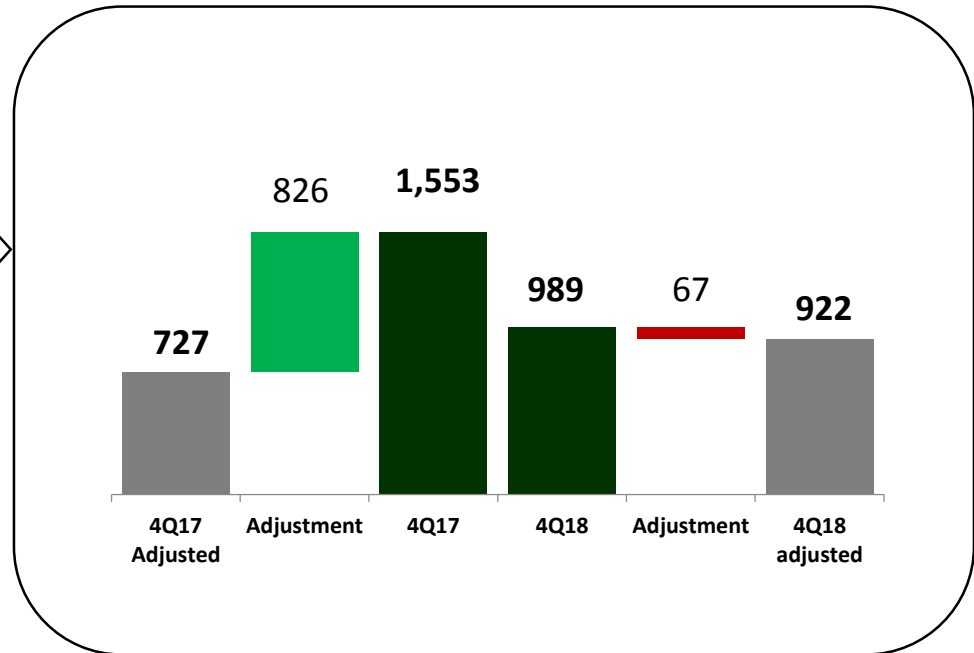
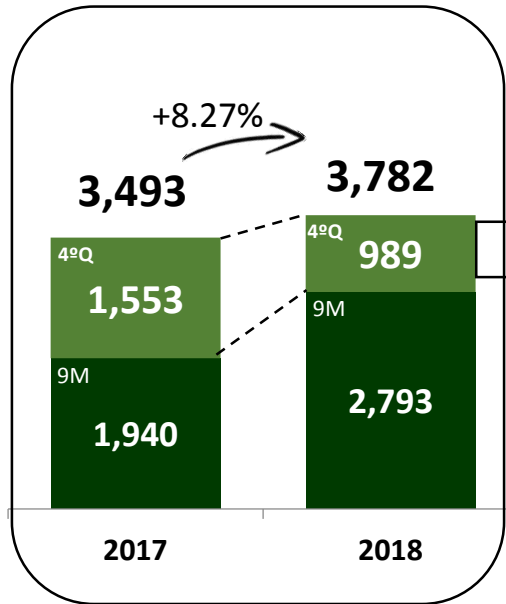
- ✓ Personnel - Expense of R\$ 65 mn with 2019 PDVP appropriated on 4Q18
- ✓ Profit Shares

4Q18	4Q17	2018	2017
R\$54	-R\$21	R\$77	R\$5

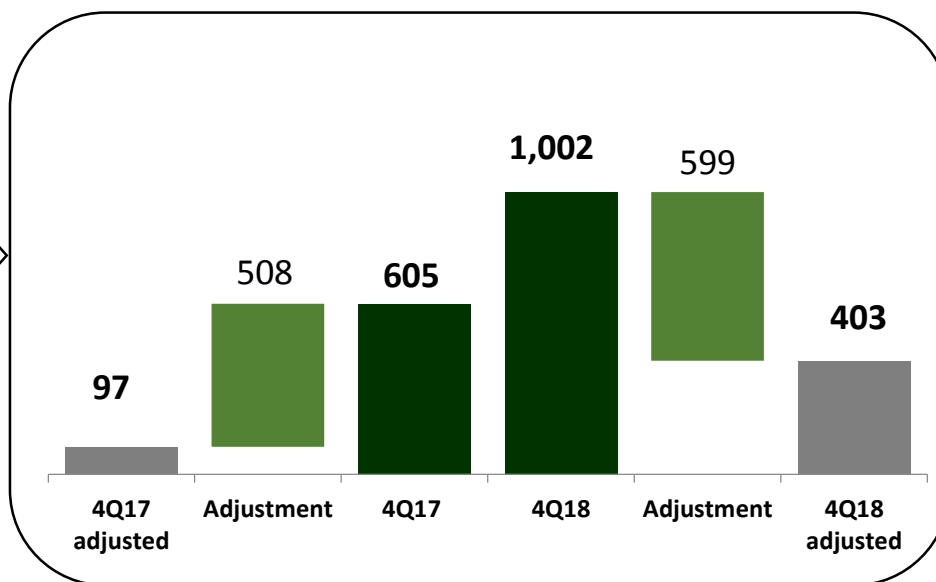
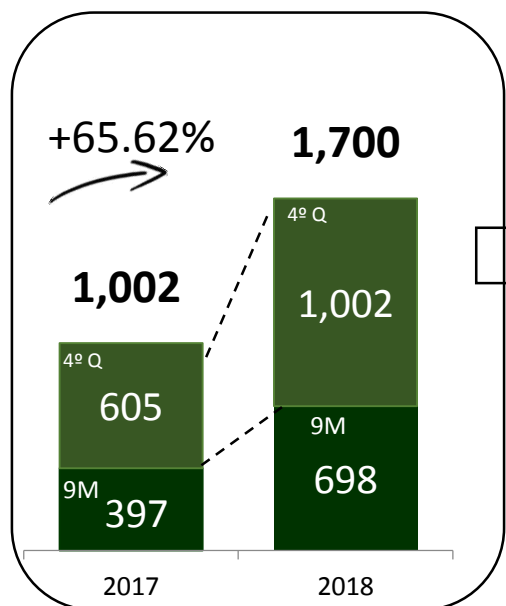
- ✓ Others – Net gain on sale of TAESA share of R\$ 207 mn on 4Q17

	PMSO					
	4Q18	4Q17	%	2018	2017	%
Personnel	476	331	43.8%	1,487	1,632	-8.9%
Materials	30	28	7.1%	104	71	46.5%
Outsourced services	334	293	14.0%	1,087	974	11.6%
Others	140	70	100.0%	403	382	5.5%
Total	980	722	35.7%	3,081	3,059	0.72%

	PMSO adjusted					
	4Q18	4Q17	%	2018	2017	%
Personnel adjusted	357	351	1.7%	1,345	1,627	-17.33%
Materials	30	28	7.1%	104	71	46.48%
Outsourced services	334	293	14.0%	1,087	974	11.60%
Others adjusted	140	277	-49.5%	403	589	-31.58%
Total adjusted	861	949	-9.3%	2,939	3,261	-9.87%



Adjustments for comparison effect			
	4Q18	4Q17	%
Ebitda	989	1,553	-36.32%
Telecom Assets	-378	-	
TAESA	-	-207	
2019 Programmed Voluntary Retirement Plan	65	-	
Restatement of investments	119	-	
Post-retirement benefits	0	-619	
Impairment of investments - MADEIRA	127	-	
Ebitda adjusted	922	727	26.82%

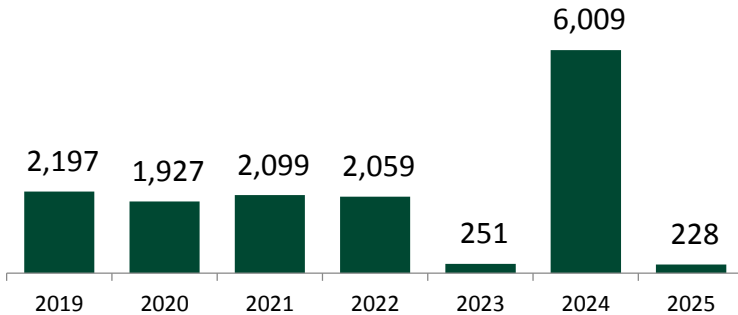


Adjustments for comparison effect			
	4Q18	4Q17	%
Net profit	1,002	605	65.62%
Telecom Assets	-249	-	
TAESA	-	-137	
2019 Programmed Voluntary Retirement Plan	43	-	
Restatement of investments	79	-	
Windfarms indemnity	-47	-	
HEDGE Instruments	-508	37	
Post-retirement benefits	-	-409	
Impairment of investments - MADEIRA	84	-	
Net profit adjusted	403	97	315.46%

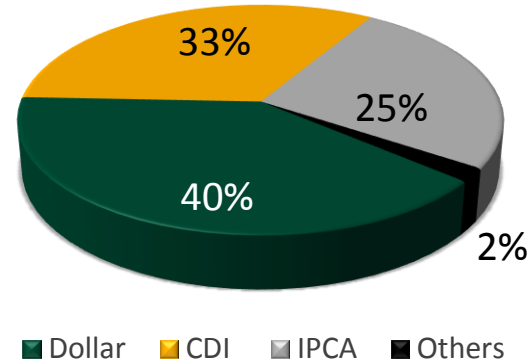
Maturities timetable

Total net debt : **R\$13.1 billion**

Average tenor: **4.1 years**



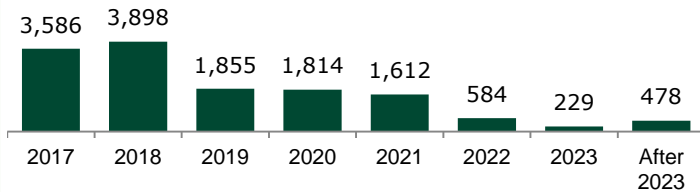
Main indexes



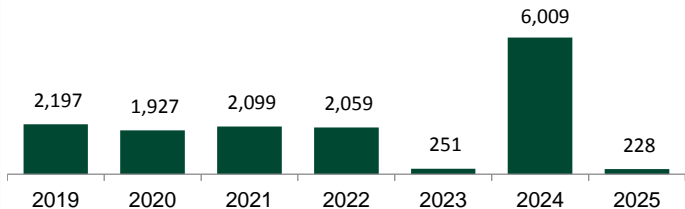
□ Debt in Dollar converted into CDI percentage per hedging instrument, within a band of Exchange variation

Turnaround of the debt profile

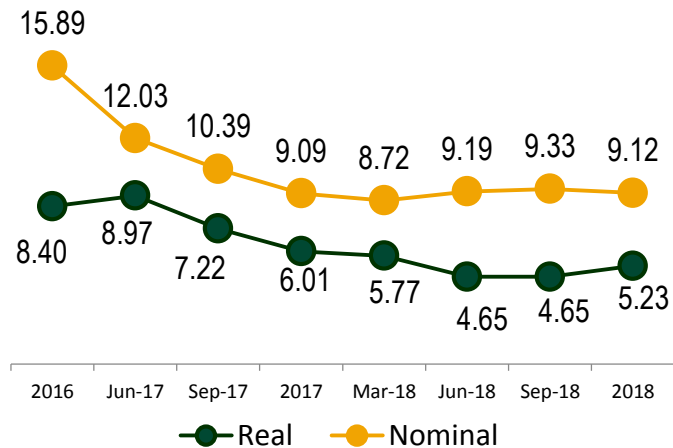
Maturity table of Sep/2017 – Average tenor 2.2 years



Maturity table of Dec/2018 – Average tenor 4.1 years



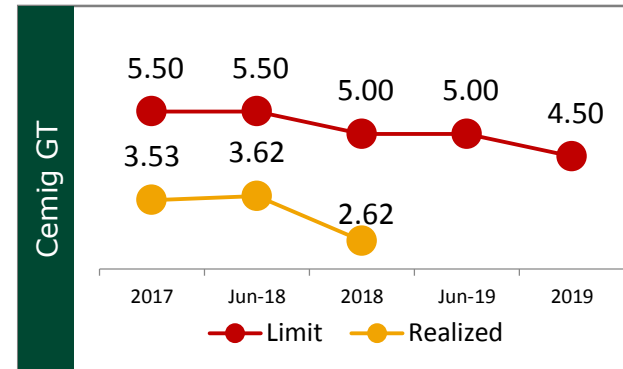
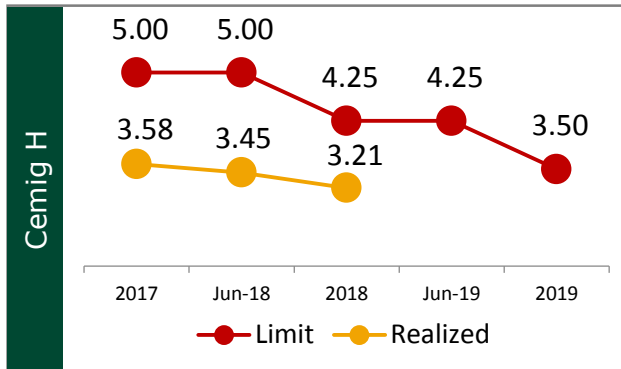
Cost of debt- %



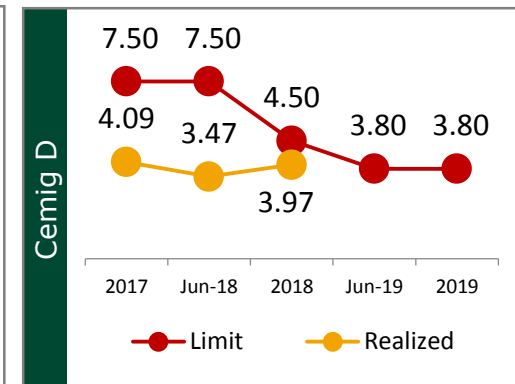
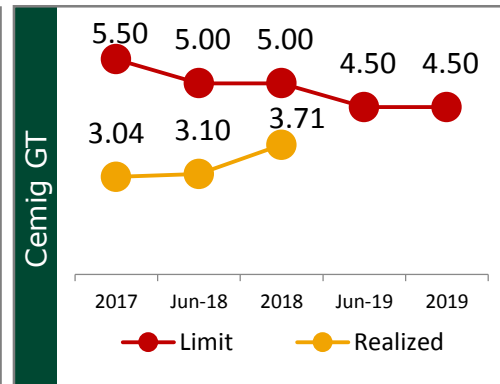
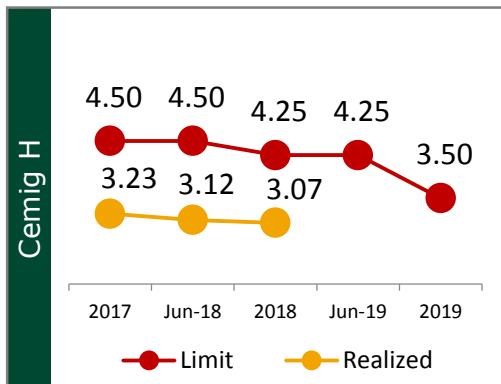
Leverage

Net debt/Ebitda

Eurobonds' Covenant - (LTM – Last twelve months)



Reprofiling's Covenant - (LTM – Last twelve months)





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