



2019

Regaining Financial Solidity



Some statements and estimates in this material may represent expectations about future events or results that involve risks and uncertainties known and unknown. There is no guarantee that the events or results referred to in these expectations will occur.

These expectations are based on present assumptions and analyses from the viewpoint of our management, based on their experience, the macroeconomic environment, market conditions in the energy sector and our expected future results, many of which are not under Cemig's control.

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

The information and opinions contained herein should not be understood as a recommendation to potential investors and no investment decision should be based on the truthfulness, or completeness as of the date hereof 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 lead to different results from those estimated by Cemig, please consult the section on Risk Factors included in our Formulário de Referência filed with the Brazilian Securities Commission – CVM, and in Form 20-F filed with the U.S. Securities and Exchange Commission – SEC.

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

Integrated Power
Utility in Brazil



Market share in the
free market



Market Cap
US\$5.7B ⁽¹⁾

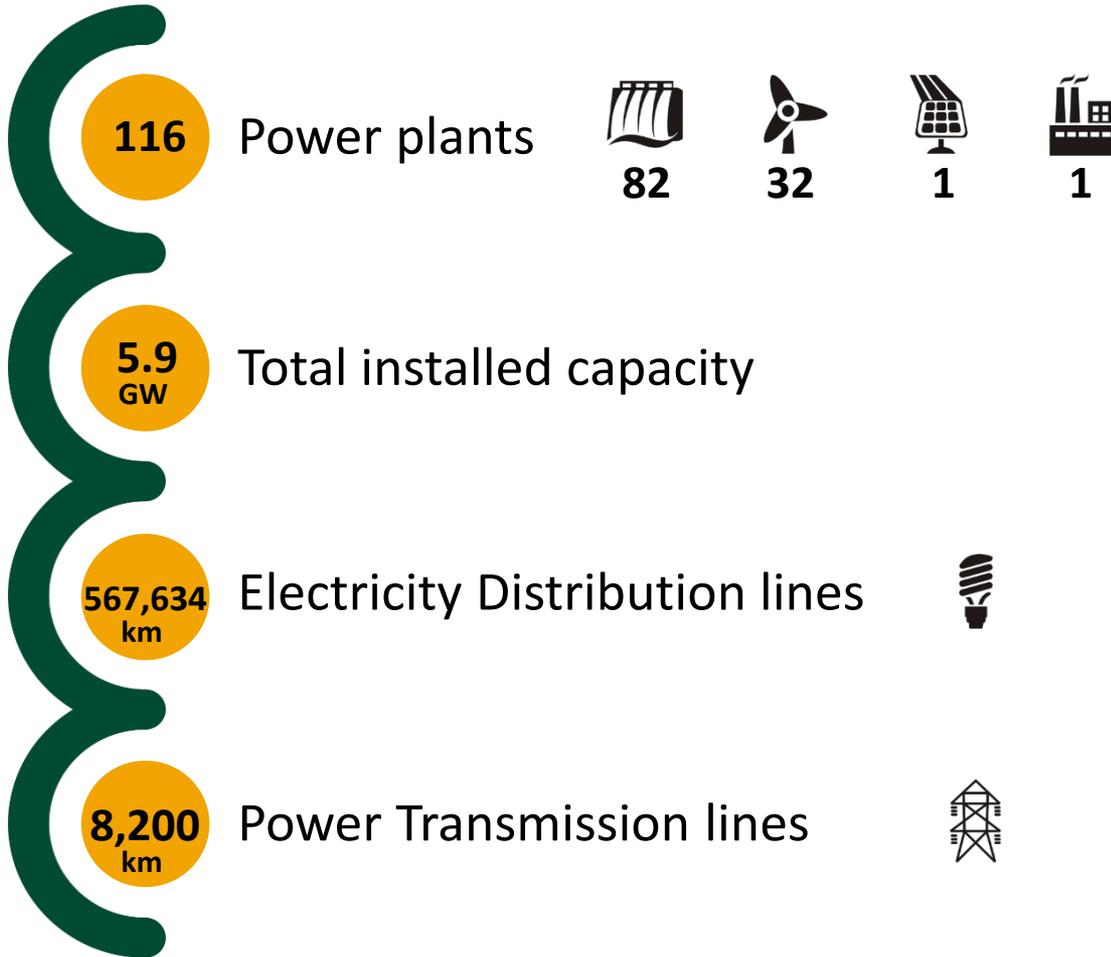


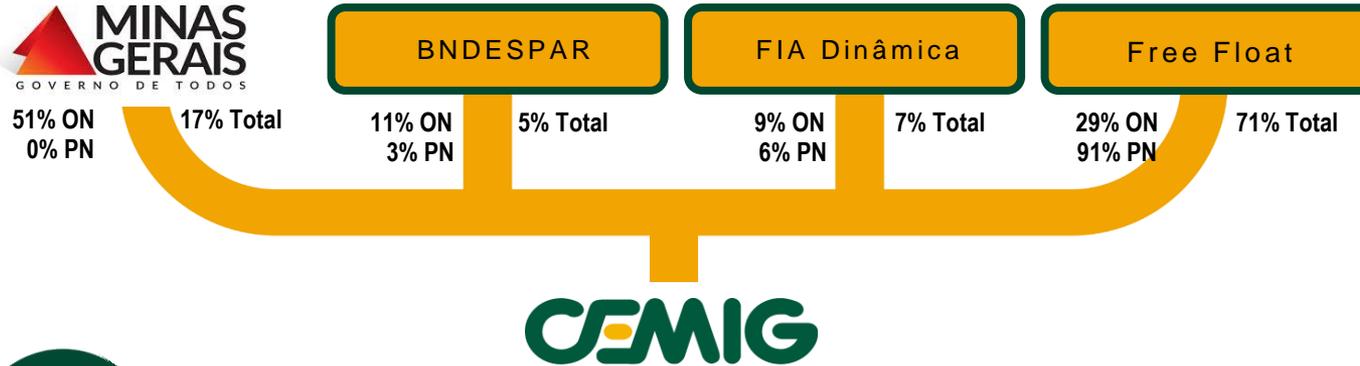
EBITDA 2017
US\$1.1B⁽³⁾

In the Power Industry since **1952**

LEADER

(1) As of January 18th, 2019
 (2) In the Brazilian Energy Industry
 (3) US\$3.3080 – on December 29th, 2017





1 Based in State of Minas Gerais



2 Among the most liquid stocks in Brazil's electricity sector

- listed on New York, São Paulo and Madrid
- More than 140,000 shareholders in 38 countries
- Average daily trading volume in 2018

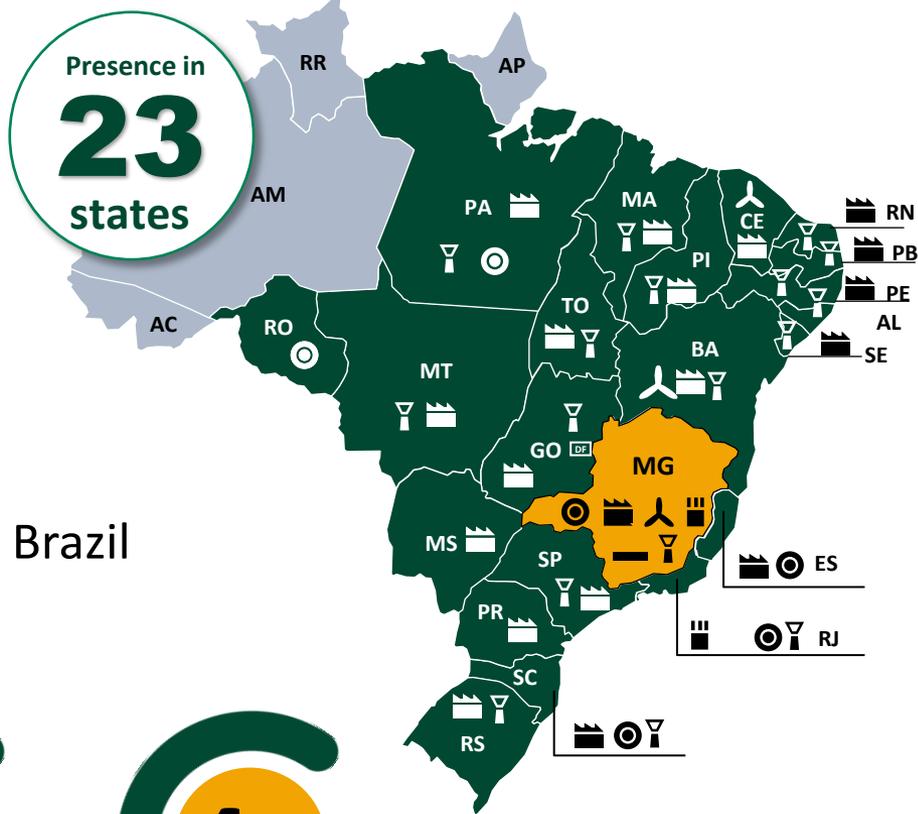
R\$120.1M in Bovespa and US\$10.4M in NYSE



3 Solid dividend policy

#1

Integrated Power Utility in Brazil



Electricity Distributor



Largest Power Transmission Group



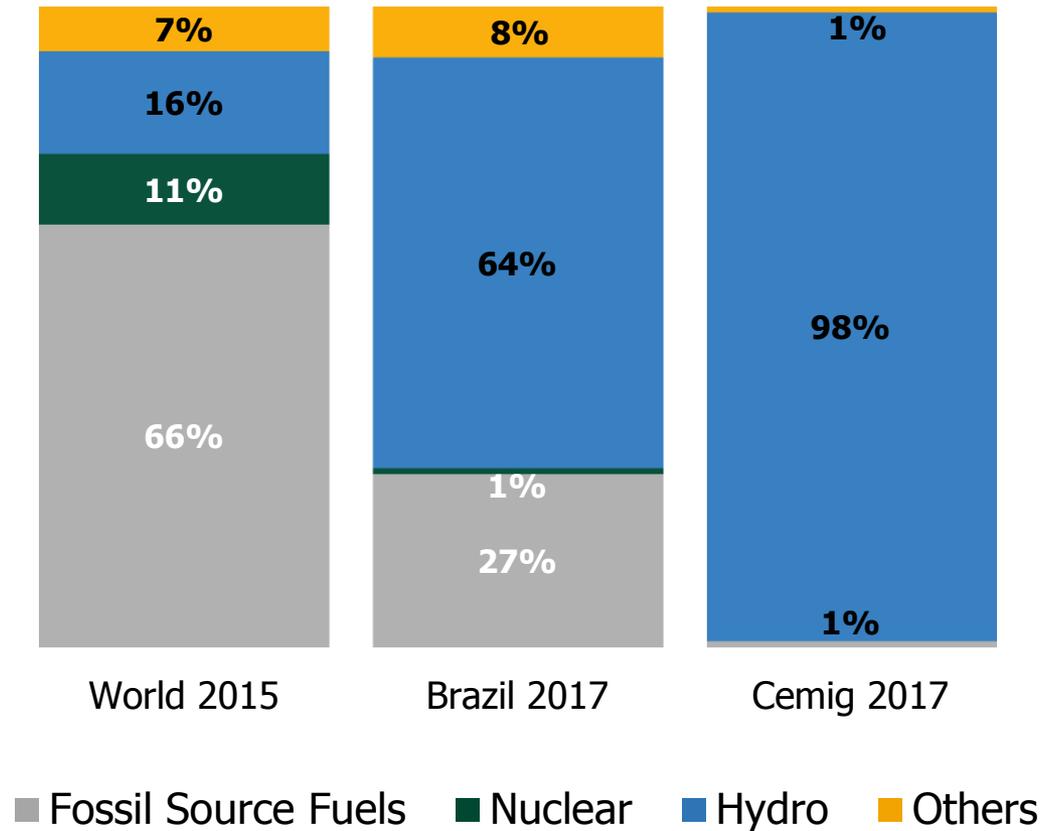
Largest Power Generation Group

- Power Generation
- Power Transmission
- Electricity Distribution
- Cemig "Free Consumer" Clients
- Wind Power Generation
- Natural Gas Distribution

INTEGRATED

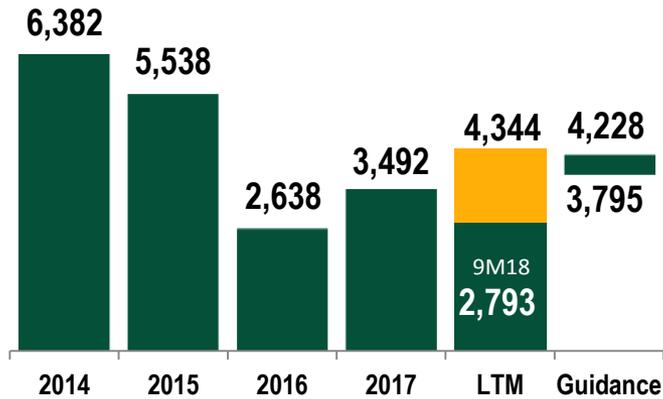
(1) In terms of length of electricity distribution lines

Power Generation by Source

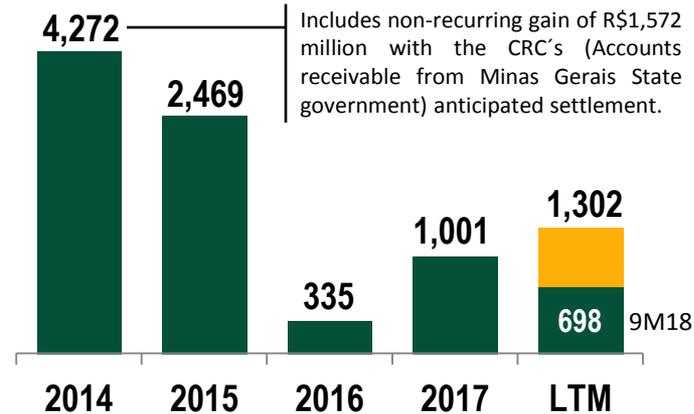


RENEWABLE LEADER

Ebitda

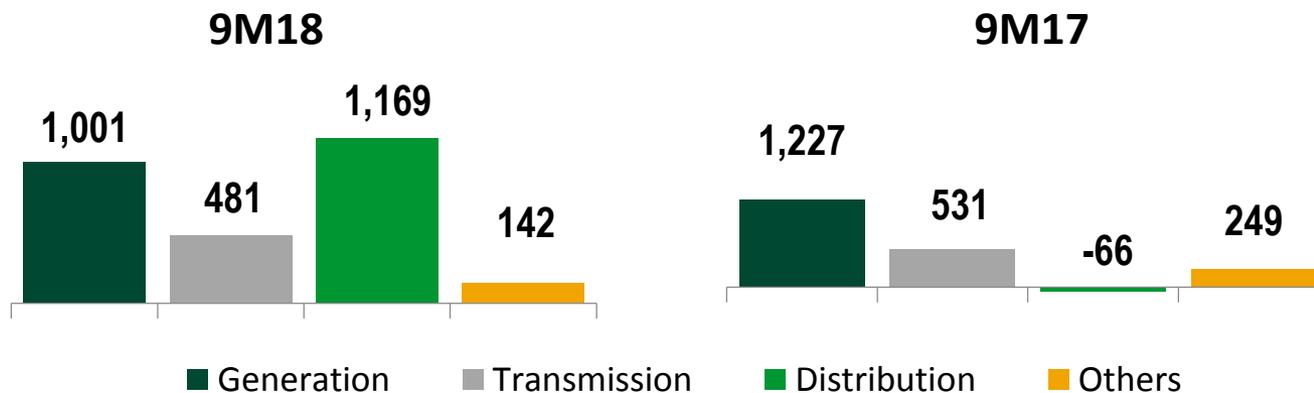


Net Income



Breakdown of Ebitda

Diversified, Low Risk Business Portfolio



Most of the revenues are inflation protected

Bylaws

- Guaranteed - The minimum annual dividend

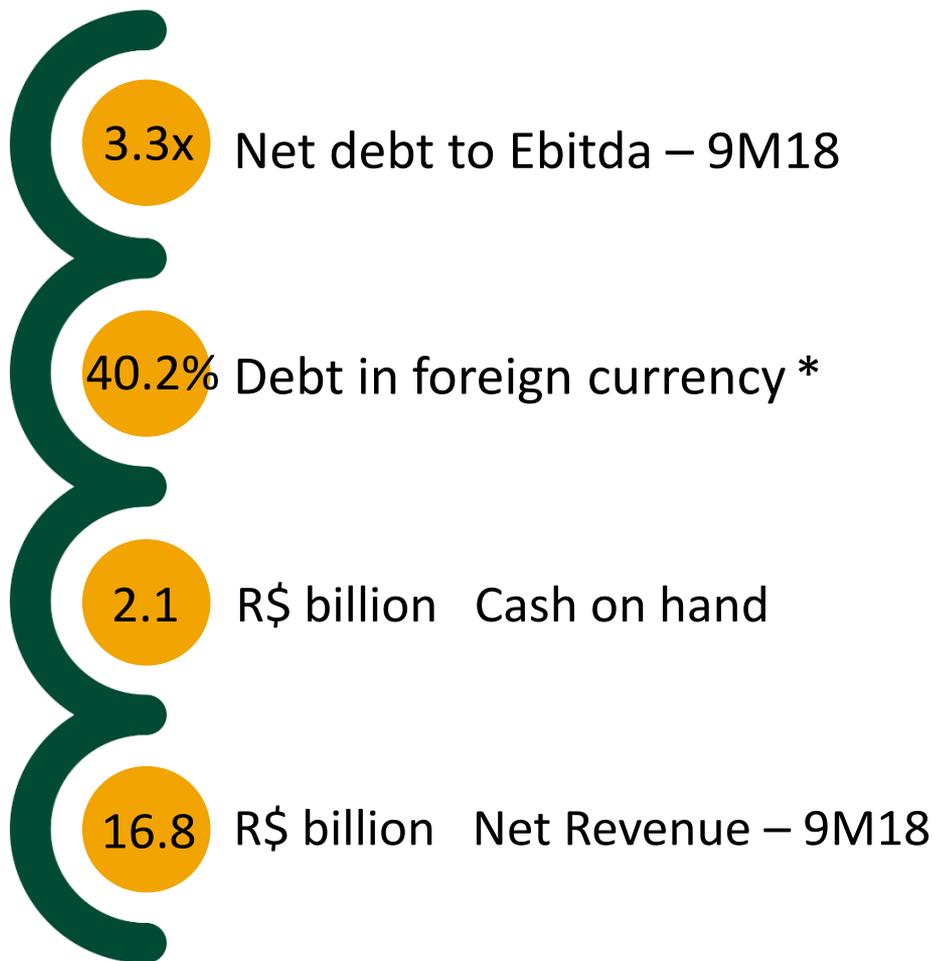
Shares	Number of Shares	Guarantee	Minimum Annual
Common	487,614,213	-	
Preferred	971,138,388	R\$ 0.50	R\$ 485.569.194
Total	1,458,752,601	-	R\$ 485.569.194

- Minimum payout – 50% of the net profit

2018 - Dividend yield 5.9%*

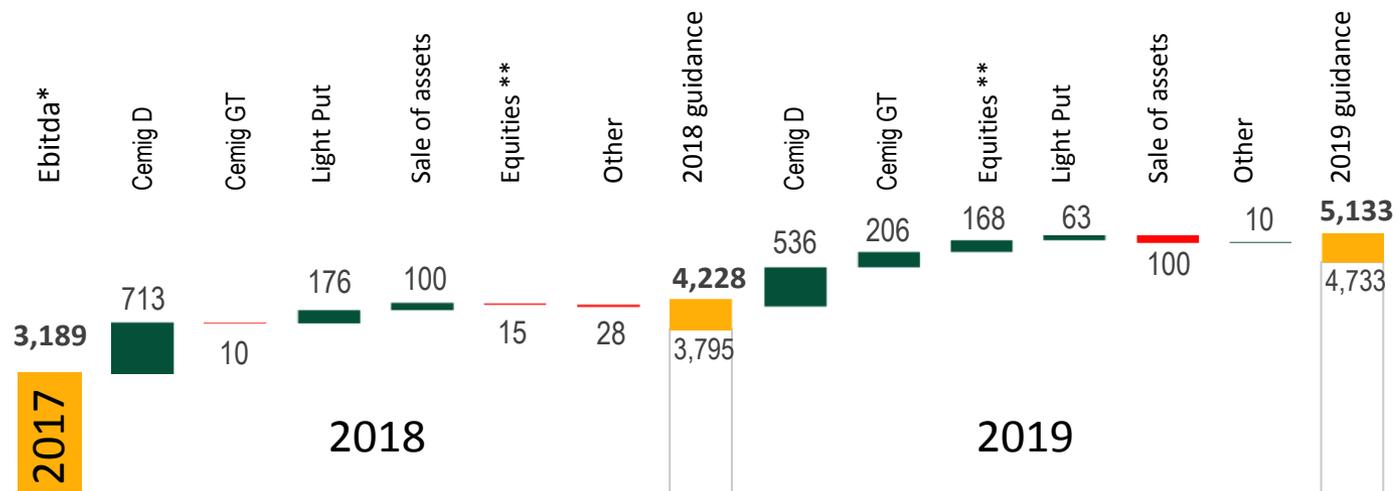
- R\$0.50 per preferred share
- R\$0.03 per common share
- Paid in a single installment on December 28, 2018

* Considering share price as of December 30, 2017

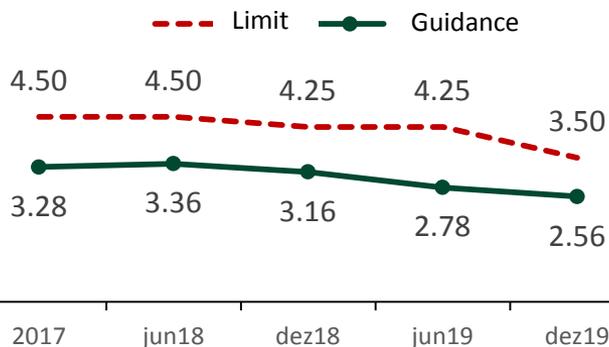


STABILITY

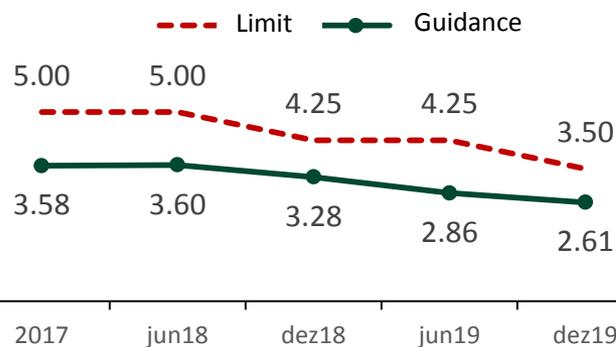
* Debt in Dollar converted into CDI percentage per hedging instrument, within a band of Exchange variation



Net debt/Ebitda*** – Refinancing



Net debt/Ebitda*** – Eurobond



* Recurring 2017 Ebitda.

** Refers to total of companies in which Cemig H has equity interests, other than Cemig D and Cemig GT.

*** Net debt and Ebitda are adjusted according to the definitions in the debt contracts.

Source: Cemig.

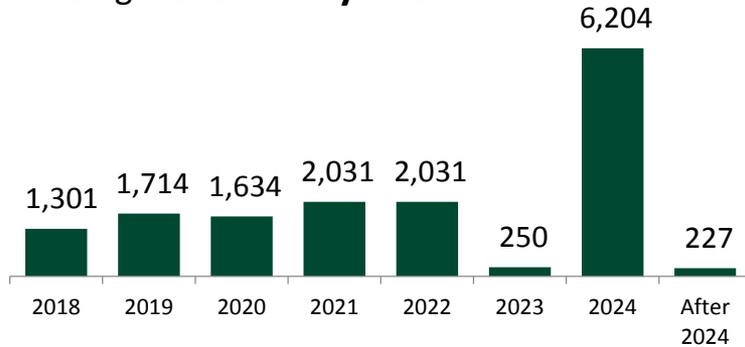
Ebitda IFRS - Constant June 2018 R\$ mn

PROJECTION

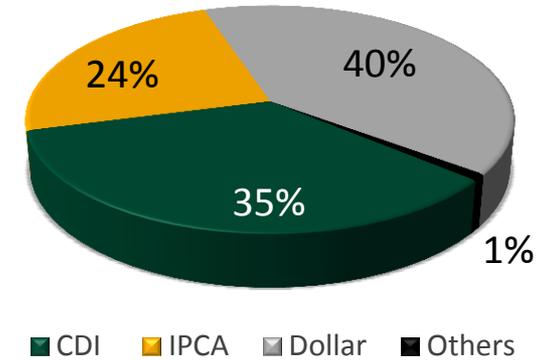
Maturities timetable

Total net debt : **R\$13.2 billion**

Average tenor : **4.2 years**



Leverage – %



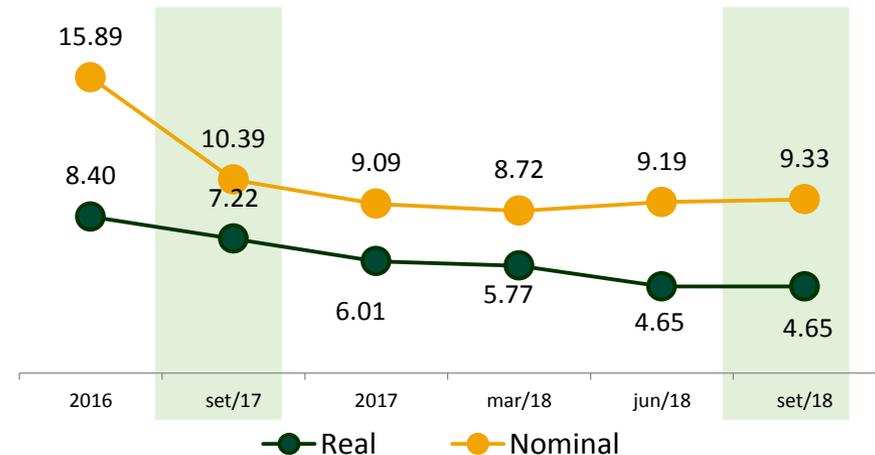
□ Debt in Dollar converted into CDI percentage per hedging instrument, within a band of Exchange variation

Debt information

Cemig GT used available cash to make early settlement of debt:

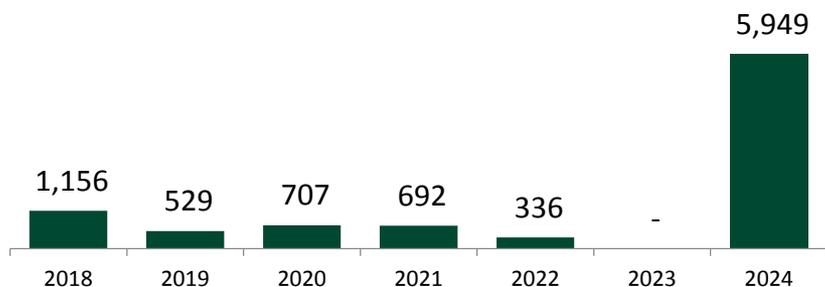
- R\$ 741 mn – bank credit notes maturing 2019, 2020, 2021
- R\$ 132 mn in debentures maturing December 2018

Cost of debt – % p.a.

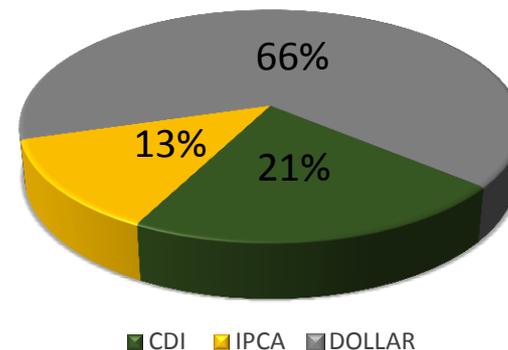


Maturities timetable – Average tenor: 4.1 years

Total net debt: **R\$7.9 billion**
Average tenor : **4.7 years**

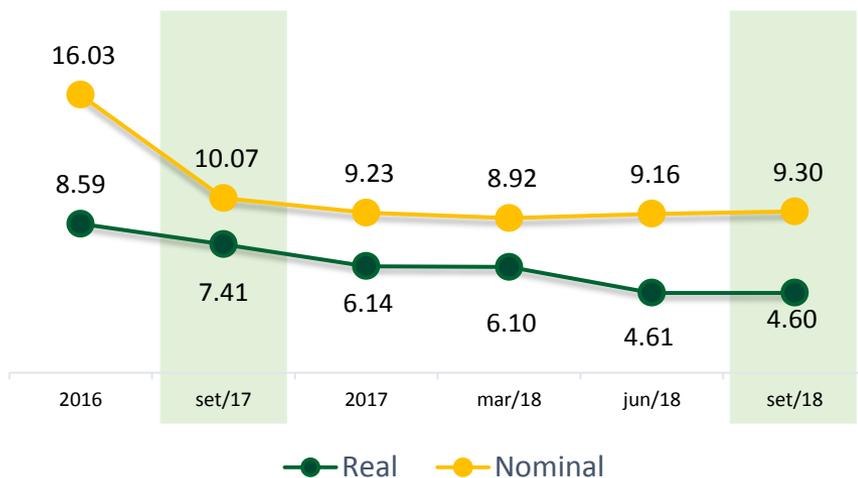


Main indexors

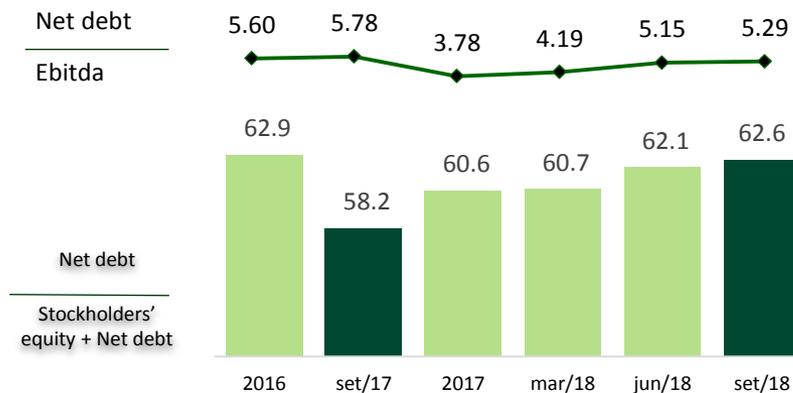


□ Debt in Dollar converted into CDI percentage per hedging instrument, within a band of Exchange variation

Cost of debt – % p.a.



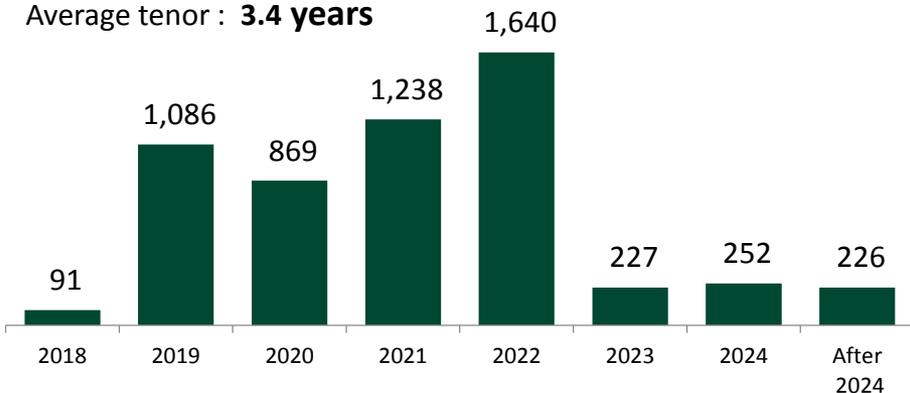
Leverage – %



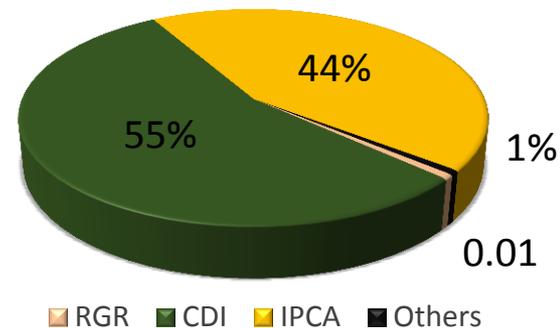
Maturities timetable – Average tenor: 3.6 years

Total net debt: **R\$4.9 billion**

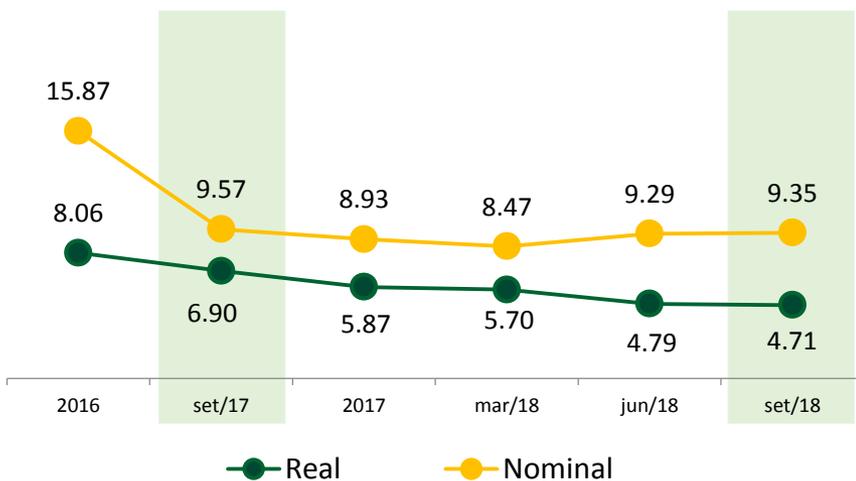
Average tenor : **3.4 years**



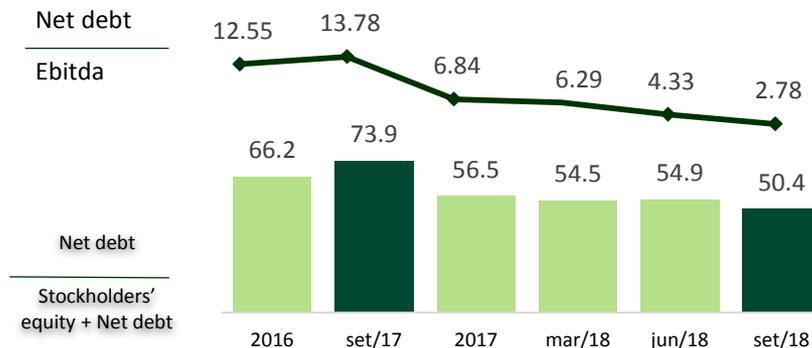
Main indexors



Cost of debt – % p.a.



Leverage – %



Strategy was designed to deleverage Cemig

Company	Stake %	Amount R\$ MM	Status
Realized			
	9,86%	717	Block trade completed
	25%	80	Transfer, to Taesa, completed (Nov. 2017)
	100%	649 ⁽¹⁾	Auction for sale of assets concluded- August 08, 2018
TOTAL		1.446	
In progress			
	-	- ⁽²⁾	Restructuring with assets' sale for settlement of pre-payments under PPA
	48,86%	1.353 ⁽³⁾	New timetable and structure for disposal
	18%	1.117 ⁽⁴⁾	Negotiations with potential purchaser resumed
	51%	48 ⁽⁵⁾	Transfer of 51% position of the shares to Taesa in legal analysis
	Até 49%	1.180 ⁽⁴⁾	Structuring of sale model in legal analysis
Consórcios de Exploração de Gás	24,50%	21 ⁽⁴⁾	Auction on July 3rd, 2018 had no tenderers / Studies for a new auction
	12%	1.443 ⁽⁴⁾	Negotiations between private stokholderes for sale of 50,02%
Cachoeirão, Pipoca, Paracambi	49%	125 ⁽⁴⁾	Transaction postponed to 2019
TOTAL		5.287	

Notes:

- (1) Total value of bids won on August 8th, 18 auction
- (2) Under evaluation
- (3) Market value (BM&F Bovespa) on May 05 th, 2018: R\$13,58/share
- (4) Book value
- (5) Valuation by the Company

ASSET SALE

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

FitchRatings

A-(bra) Cemig H, Cemig GT and Cemig D National Scale
 B+ Cemig H, Cemig GT e Cemig D Global Scale

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

STANDARD & POOR'S

brA+ Cemig H, Cemig GT and Cemig D National Scale
 B Cemig H, Cemig GT and Cemig D Global Scale

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



Baa2.br Cemig H, Cemig GT and Cemig D National Scale
 B1 Cemig H, Cemig GT and Cemig D Global Scale

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

RATING

Aneel approved readjustment in the Technical Note 45/2018

- May 28th anniversary regulatory date

Main points of the Review for the 4th Tariff Cycle:

- Investment around R\$ 5 billion
- Investment on 'Special obligations' around R\$ 1.2 billion
- Opex: Cemig D scores above average in efficiency metrics

Regulatory asset base (RAB)	2013	2018
Remuneration Base – gross R\$	15,724	20,490
Remuneration Base – net R\$	5,849	8,906
Average depreciation rate	3.84 %	3.84%
WACC	7.51%	8.09%
Remuneration of the special obligations	-	149
CAIMI R\$	147	333
QRR R\$ - Depreciation (Gross RAB x Dep rate)	590	787
Remuneration of capital R\$ (Net RAB x WACC)	587	1,236

Position in August, 2018

Supply

Average MW



Total Supply	4,019	3,837	3,683	3,158	2,991	3,406	3,164	2,967	2,526	2,106	2,101
Current Balance	0	212	149	-101	187	838	1,517	1,720	1,335	934	941
Total Demand	4,019	3,625	3,534	3,259	2,804	2,568	1,647	1,247	1,191	1,172	1,160

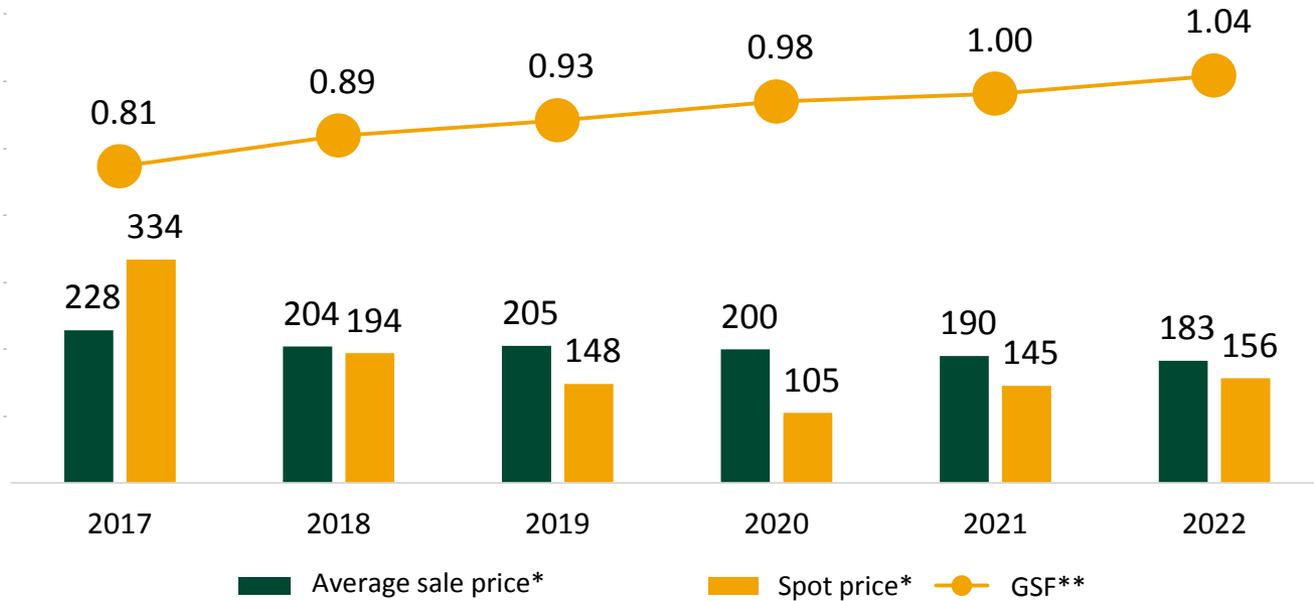
Demand

Average MW



■ Sales: Regulated Market ■ Sales: Free Market □ Probable renewals ■ Spot Market

POWER BALANCE



SALE PRICE & GSF

Source: Cemig

* Generation Scaling Factor

** Constant R\$/MWh



MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM



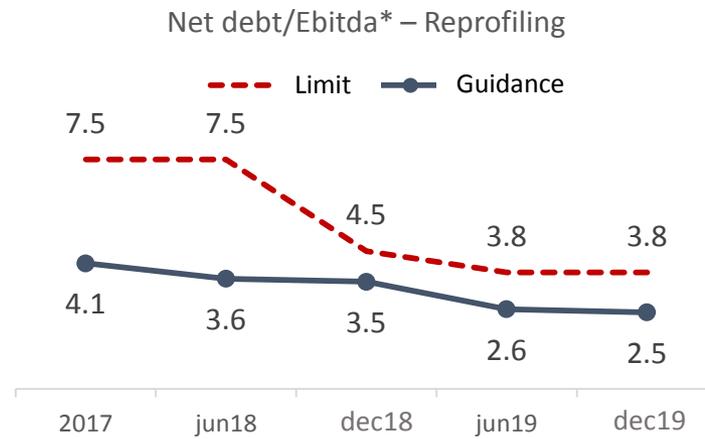
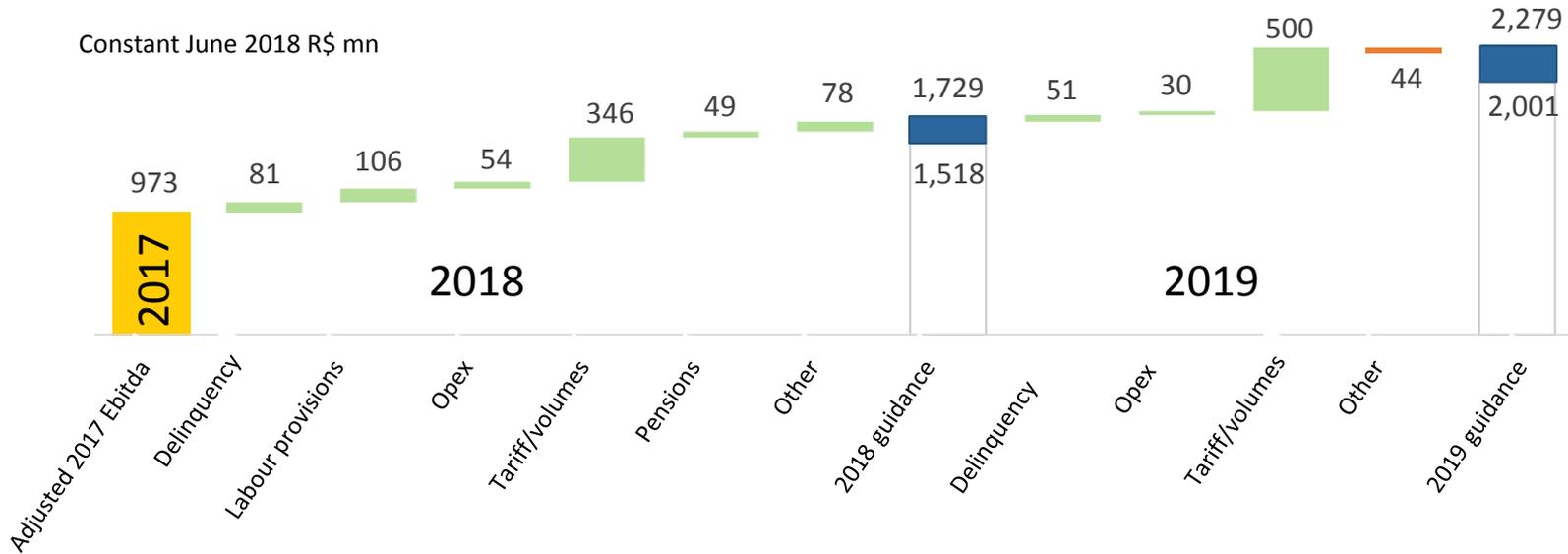
CEMIG

Investor Relations

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

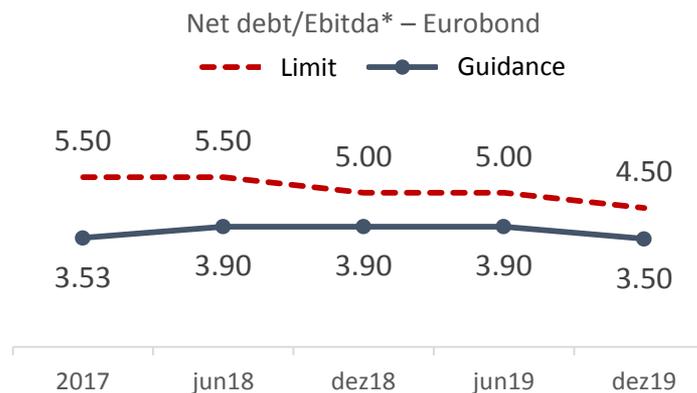
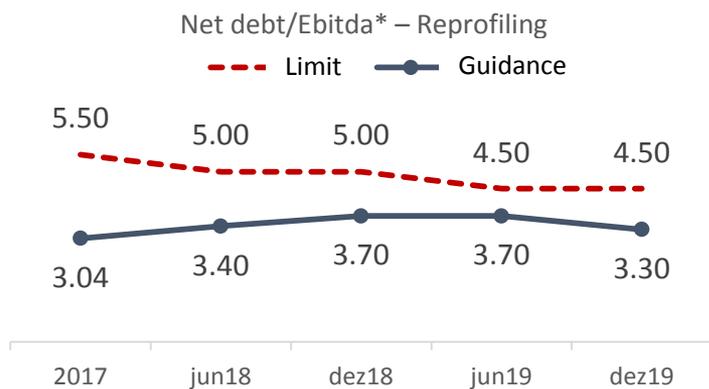
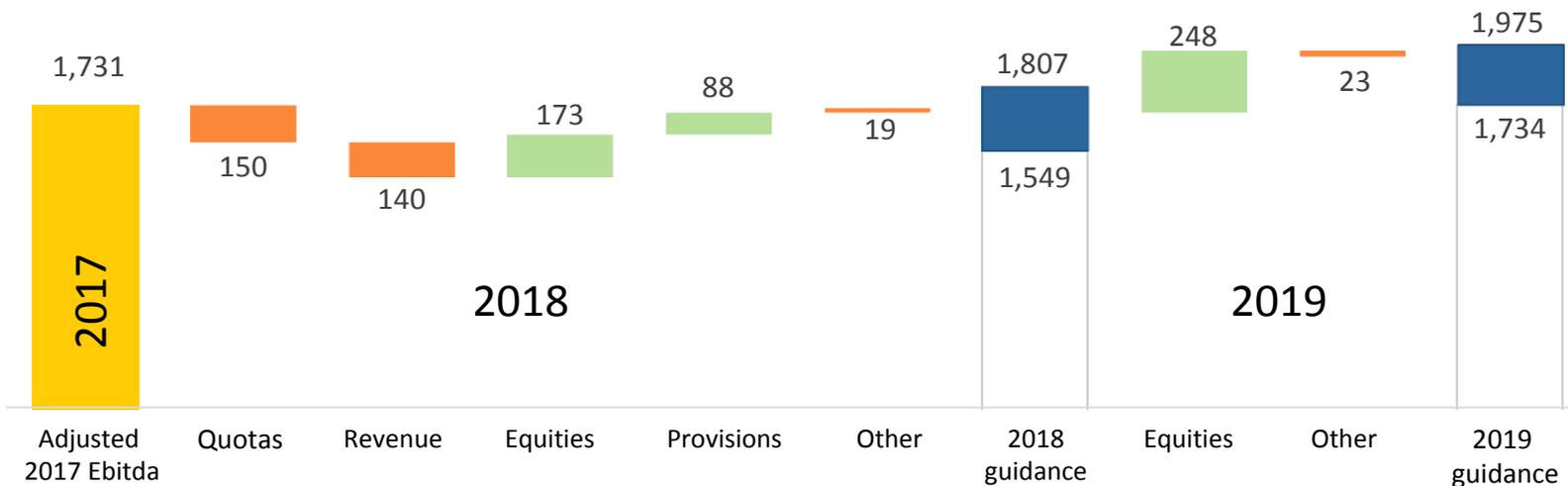


Source: Cemig.

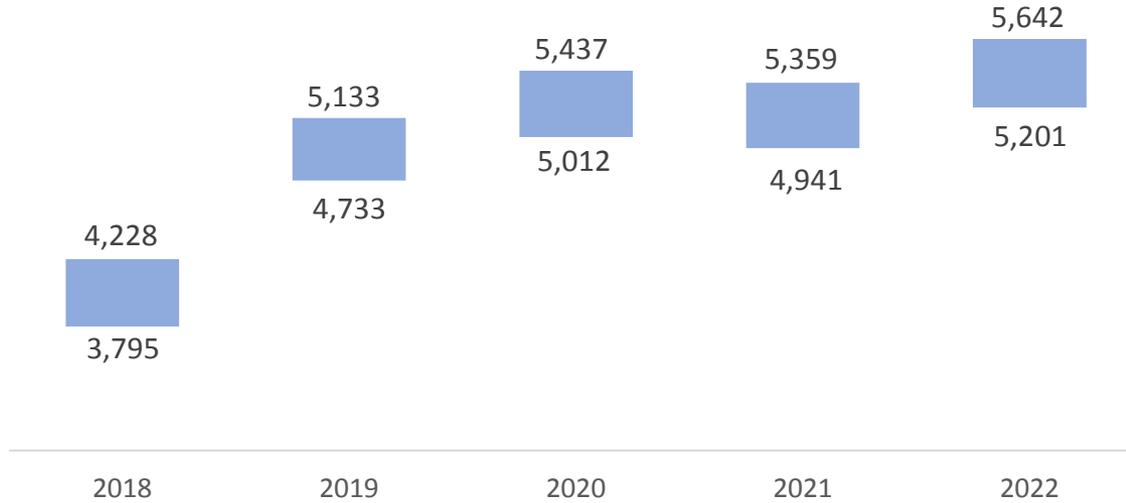
* Adjusted according to definition in the debt contract.

Ebitda IFRS - Constant June 2018 R\$ mn

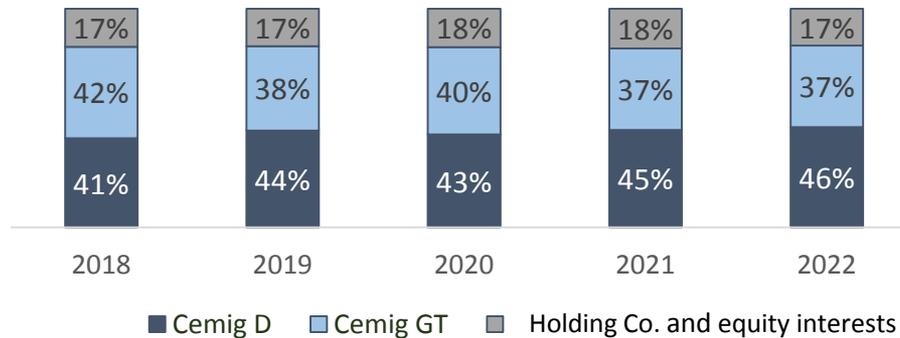
Ebitda IFRS - Constant June 2018 R\$ mn



* Net debt and Ebitda are adjusted according to the definitions in the debt contracts.



Breakdown of Ebitda



Source: Cemig.

Constant June 2018 R\$ mn

Cemig Consolidated (Guarantor)

- Maintenance Covenants

Leverage Maintenance	
Covenant Net Debt / Covenant EBITDA	Cemig
31/Dec/2017 and 30/Jun/2018	5.00x
31/Dec/2018 and 30/Jun/2019	4.25x
31/Dec/2019 and 30/Jun/2020	3.50x
31/Dec/2020 and s/a thereafter	3.00x

Liens Maintenance	
Total Secured Debt / Covenant EBITDA	Cemig
31/Dec/2017	2.00x
30/Jun/2018 and semi-annually thereafter	1.75x

Dividend Payments
Minimum Legally Required Only

Cemig GT (Issuer & Restricted Subsidiaries)

- Maintenance Covenants

Leverage Maintenance	
Covenant Net Debt / Covenant EBITDA	Cemig GT
31/Dec/2017 and 30/Jun/2018	5.50x
31/Dec/2018 and 30/Jun/2019	5.00x
31/Dec/2019 and 30/Jun/2020	4.50x
31/Dec/2020 and 30/Jun/2021	3.00x
31/Dec/2021 and s/a thereafter	2.50x

Liens Maintenance	
Total Secured Debt / Covenant EBITDA	Cemig GT
31/Dec/2017 and semi-annually thereafter	1.50x

- Incurrence Covenants

Limitation on Incurrence of Indebtedness	
Covenant Net Debt / Covenant EBITDA	Cemig GT
On or Before 31/Dec/2018	5.50x
On or Before 31/Dec/2019	5.00x
On or Before 31/Dec/2020	4.50x
On or Before 31/Dec/2021	3.00x
Thereafter	2.50x
(+) General Basket of US\$100mm or 3% of CNTA	

Limitation on Incurrence of Liens	
Total Secured Debt / Covenant EBITDA	1.50x

Restricted Payments	
% of Net Income from Sept. 30, 2017	Cemig GT
If Cov. Net Debt / Cov. EBITDA > 2.5x	0%
If Cov. Net Debt / Cov. EBITDA ≤ 2.5x	50%
(+) Minimum Legally Required Dividends Carve-Out	
(+) US\$30mm or PF 2.5x Cov. Net Debt / Cov. EBITDA	

Asset Sales
Transaction with Affiliates
Limitation on Sale and Lease-Backs
Limitation on Dividend Restrictions on Restricted Subs
Consolidation, Merger, Conveyance, Sale or Lease
Change of Control Put @ 101%

Additional Provisions

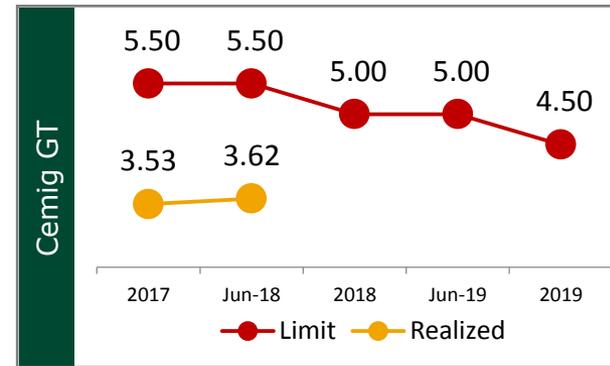
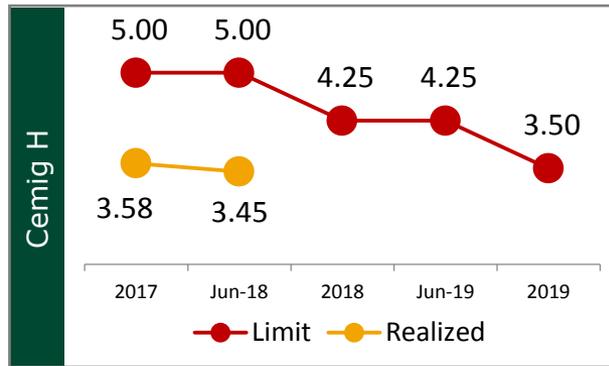
- Penalty Interest for Failure to Comply with any Maintenance Covenant: **+2.0% p.a.** for as long as any Maintenance Covenant is breached
- Penalty Interest for Failure to Implement Bank Debt Refinancing: **+2.0% p.a.** if Bank Debt Refinancing not implemented by Feb. 15, 2018

12 months	September 30,2018	
R\$ (in million)	GT	H
Consolidated Indebtedness	9,369	15,394
<i>plus</i> debt contracts with Forluz	238	1,052
<i>plus</i> carrying liability of any put option obligation	424	1,073
<i>minus</i> escrow account amounts deposited to satisfy any put option obligation	-	(92)
<i>minus</i> consolidated cash and cash equivalents; plus consolidated marketable securities recorded as current assets	(1,256)	(2,065)
Covenant Net Debt	8,775	15,362
Covenant EBITDA	2,510	5,401
Covenant Net Debt / Covenant Ebitda	3.50	2.84
Total Secured Debt		5,119
Total Secured Debt / Covenant EBITDA		0.95

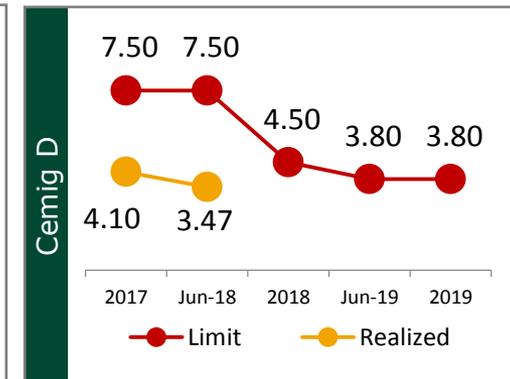
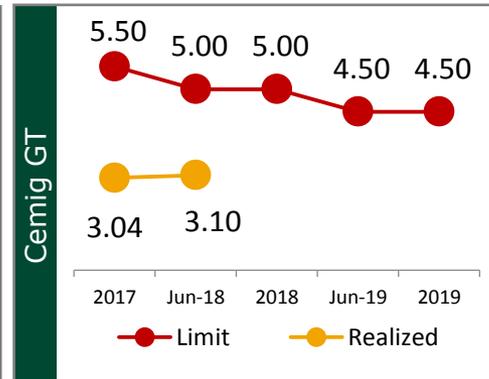
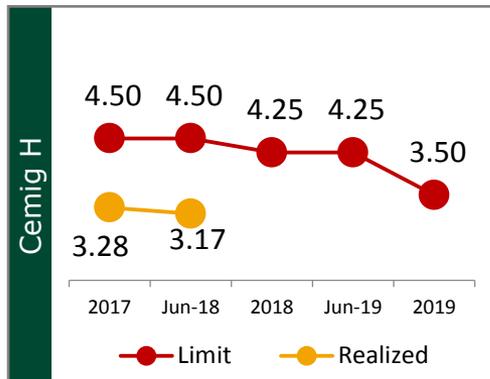
12 months	September 30,2018	
R\$ (in million)	GT	H
Net income for the period/year (i)	(92)	1.303
Net financial expenses	1.265	1.462
Income tax and Social Contribution tax	204	727
Depreciation and amortization	144	852
EBTIDA	1.521	4.344
minus minority interest result	612	307
minus provision for the variation in value of the put option obligations	110	311
minus non-operating result (which includes any gains on asset sales and any asset write-off or impairments)	43	(35)
minus non-cash credits and gains increasing net income, to the extent they are non-recurring	(243)	(720)
plus expenses related to adherence to the Minas Gerais State Tax Credits Regularization Plan (Plano de Regularização de Créditos Tributários – PRCT), incurred in the third quarter of 2017	30	562
minus non-cash revenues related to transmission and generation indemnification	(231)	(231)
plus cash dividends received from minority investments (as measured in the statement of cash flows)	146	341
minus monetary updating of concession grant fees	(323)	(323)
plus cash inflows related to power generation concession grant fee	248	248
plus cash inflows related to transmission revenue for cost of capital coverage	597	597
Covenant EBITDA	2.510	5.401

Net debt/Ebitda

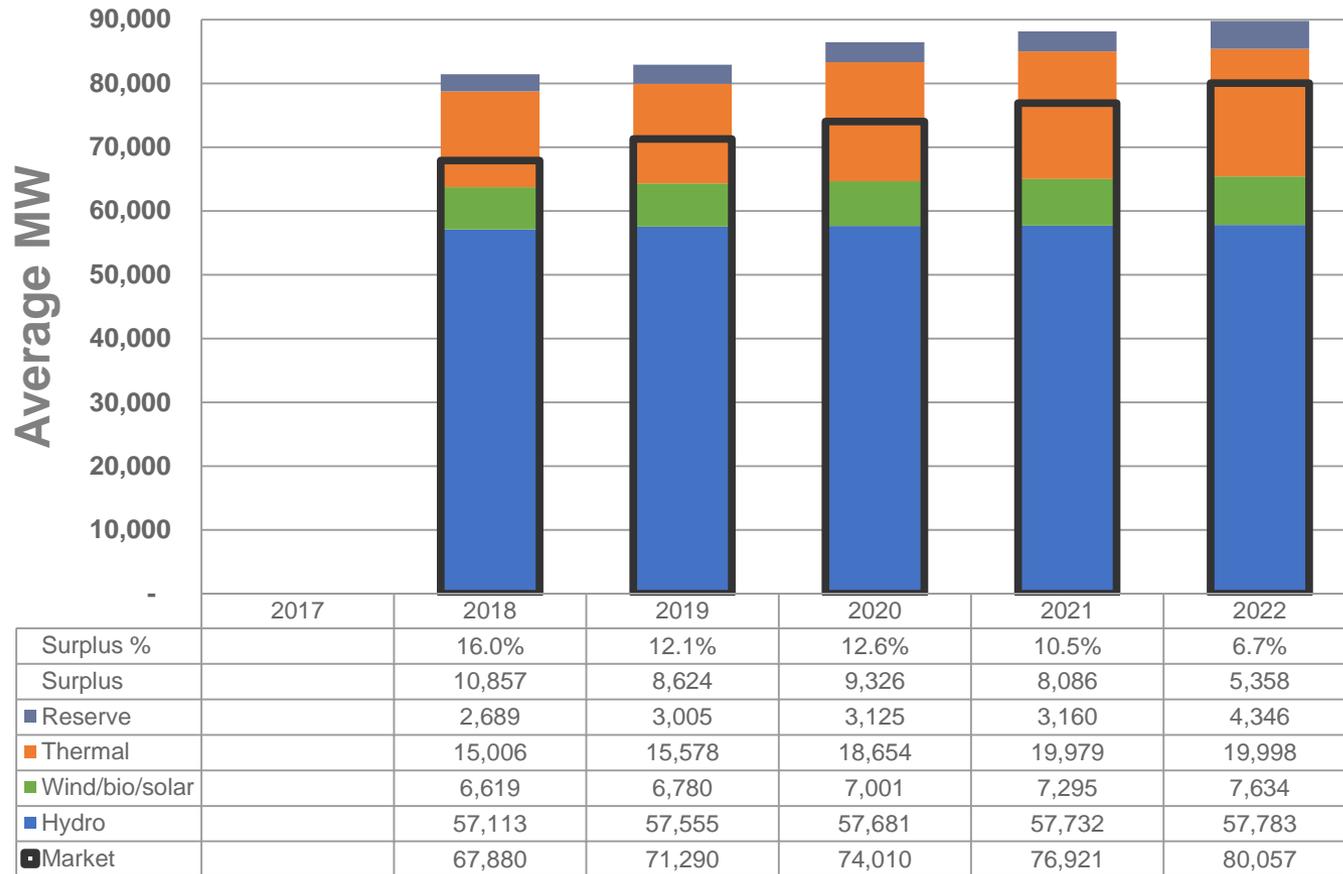
Eurobonds' Covenant - (LTM – Last twelve months)



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

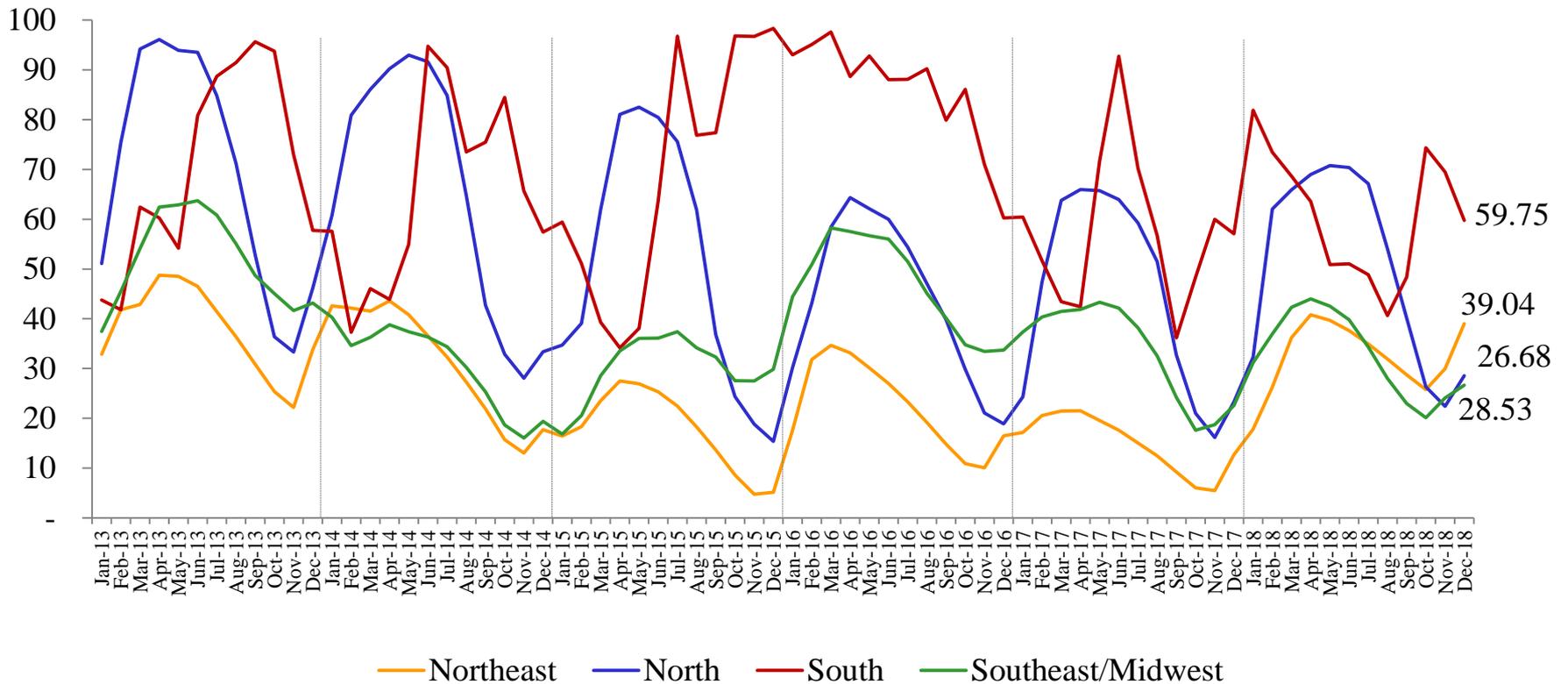


Made in May 2018



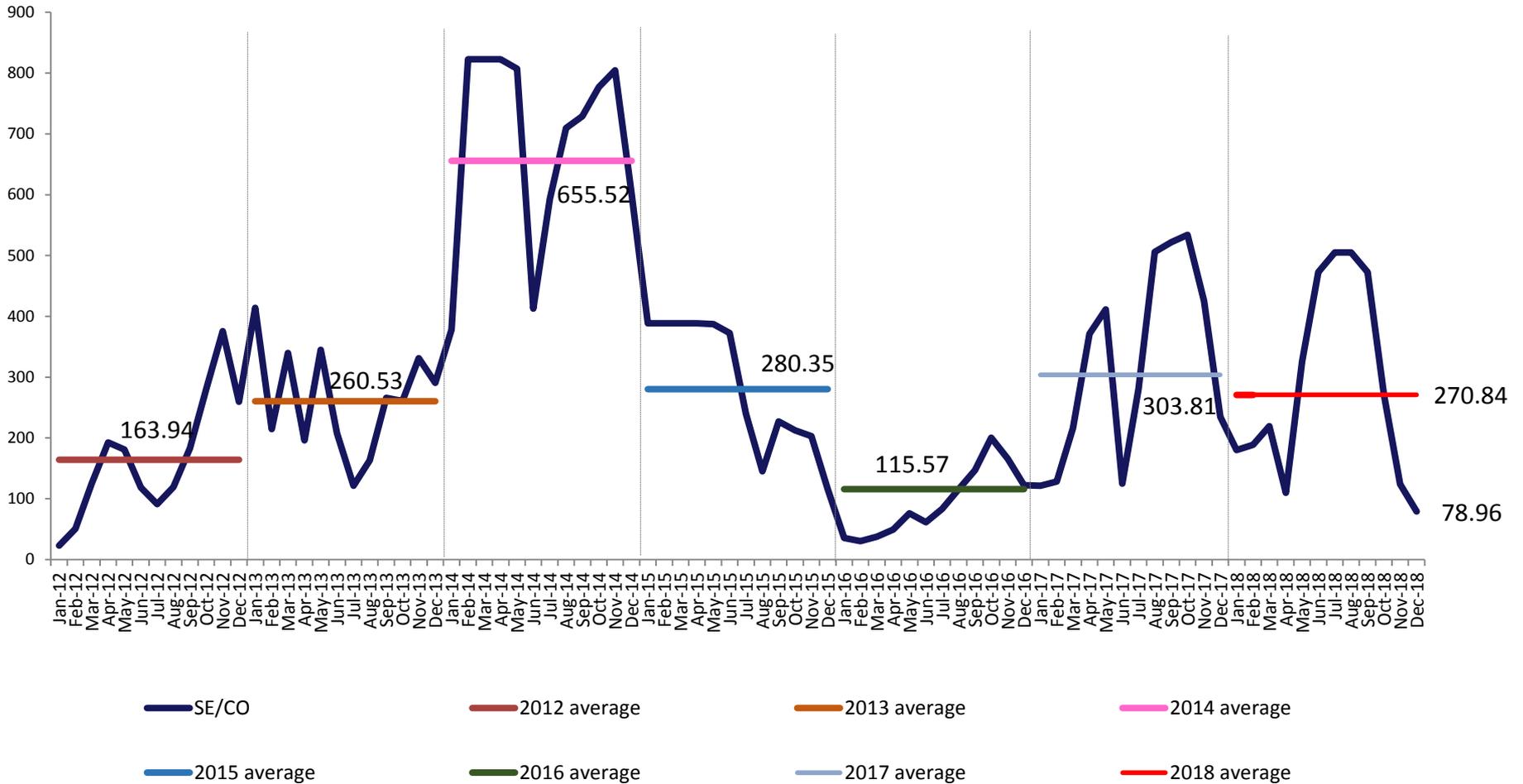
Source: **May 2018 monthly operational survey (PMO)** (includes contracting of Angra III as Reserve Energy from Jan, 2022),

by region (%)*

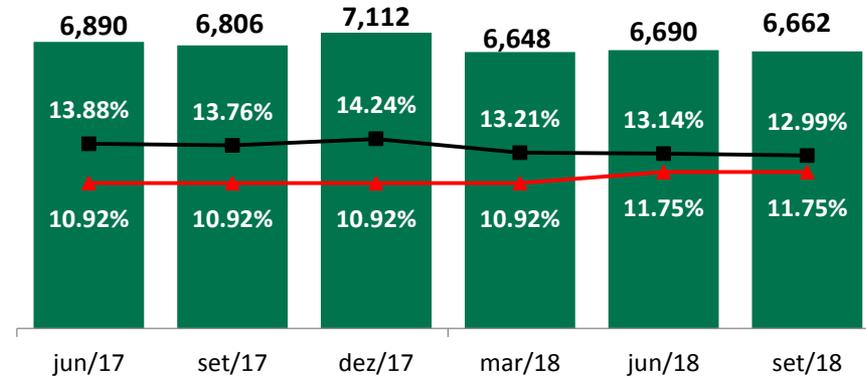


*Source: ONS

Brazil: eletricity spot price – monthly average (R\$/MWh)

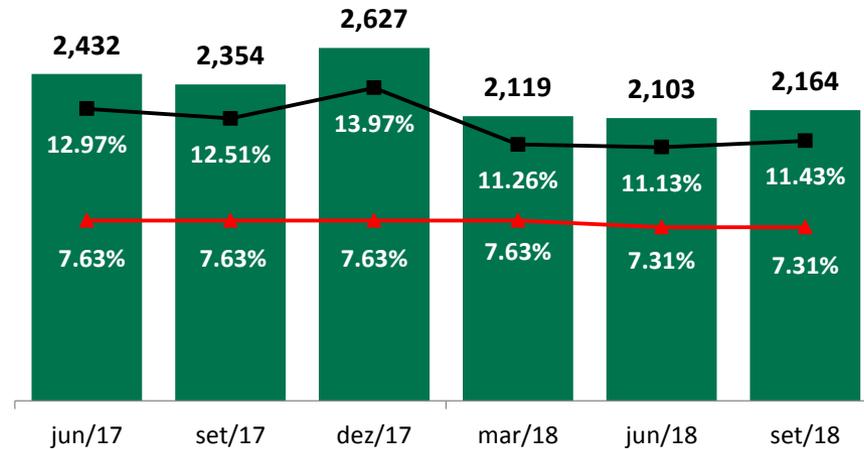


Total losses



■ Total Losses (GWh)
 —■ Total Losses / Total Load (%)
 —▲ Total Regulatory losses

Non-technical losses/Total Low voltage market



■ Non-technical losses (GWh)
 —■ Non-technical losses/Low voltage market (%)
 —▲ Regulatory losses (Low Voltage)

Average daily trading volume in 2018

BOVESPA: R\$120.1 million

NYSE: US\$10.4 million

North America

Canada
USA

EUROPE

Austria	Germany	Italy	Portugal
Belgium	Guernsey	Malta	Spain
Denmark	Greece	Jersey	Sweden
France	Holland	Liechtenstein	Switzerland
Finland	Ireland	Luxembourg	UK
		Norway	

ASIA

Brunei
Japan
India
Malaysia
Singapore
South Korea
Taiwan
China

LATIBEX (2017)
XCMIG
€ 7.1 million

NYSE (2017)
CIG US\$ 2.95 billion
CIG.C US\$ 2.3 million

Central America

Bahamas
Bermuda
Cayman islands

Middle East

UAE
Kuwait
Oman
Saudi Arabia

South America

Argentina
Brazil
Chile
Uruguay

BOVESPA (2017)
CMIG4 R\$ 17.0 billion
CMIG3 R\$ 1.1 billion

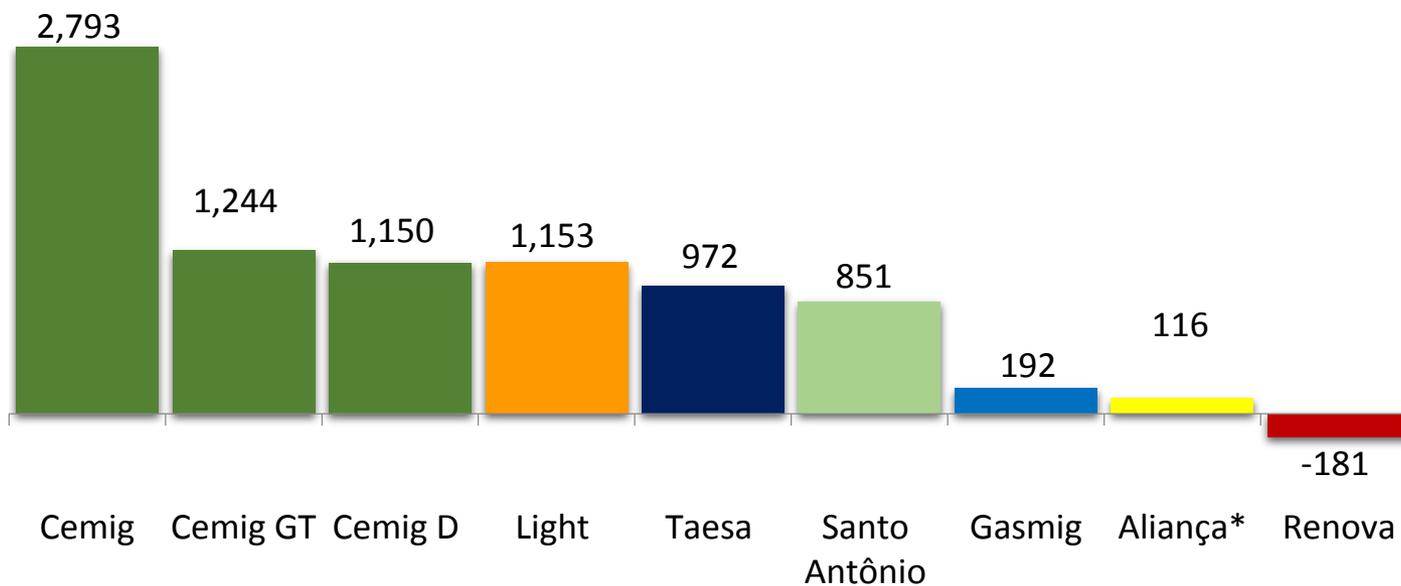
Africa

South Africa

OCEANIA

Australia
New Zealand

- Shares traded on 3 stock exchanges
- Over 140,000 stockholders in 38 countries



Companies	Ebitda 9M18	% Cemig	Proportional	Guidance 2018
Cemig	2,793			3,795 - 4,228
Cemig GT	1,244	100%	1,244	1,549 - 1,807
Cemig D	1,150	100%	1,150	1,518 - 1,729
Light	1,153	48.86%	563	
Taesa	972	21.68%	211	
Aliança*	116	45%	52	
Gasmig	192	99.57%	191	
Santo Antônio	851	18%	153	
Renova	(181)	36.23%	(66)	

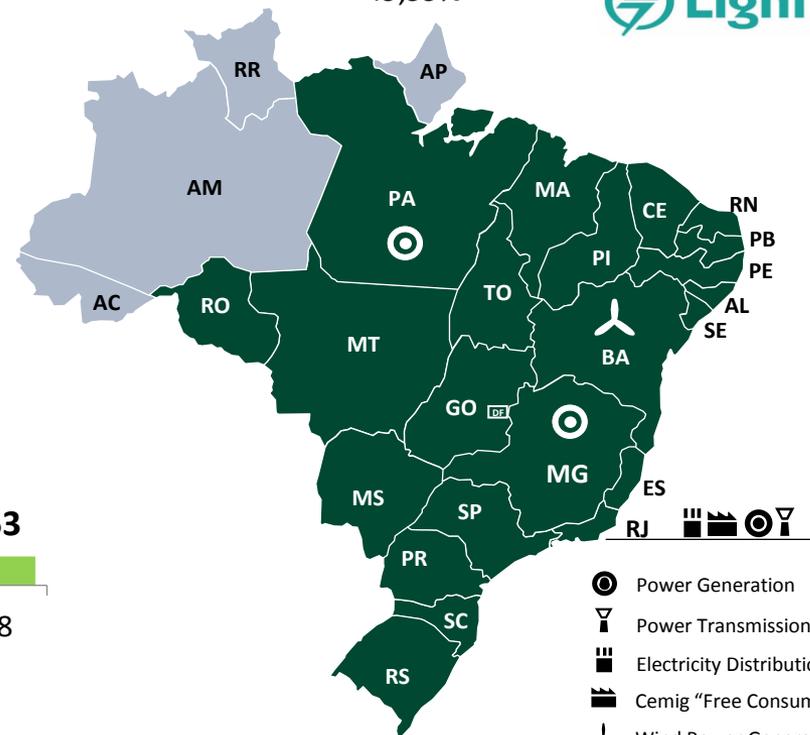
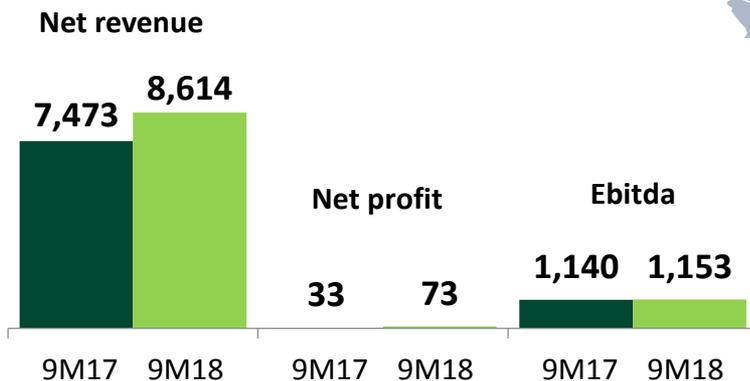
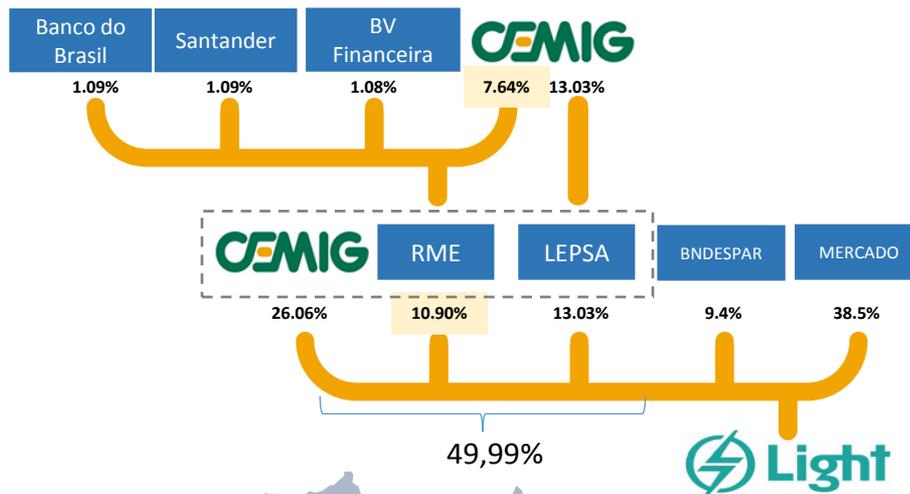
* Estimate

8.5 R\$ bn Net RAB - Regulatory Asset Base

1,024 MW installed capacity

648 MWavg Assured Energy

2.8 R\$ bn of market capitalization
Aug, 27th



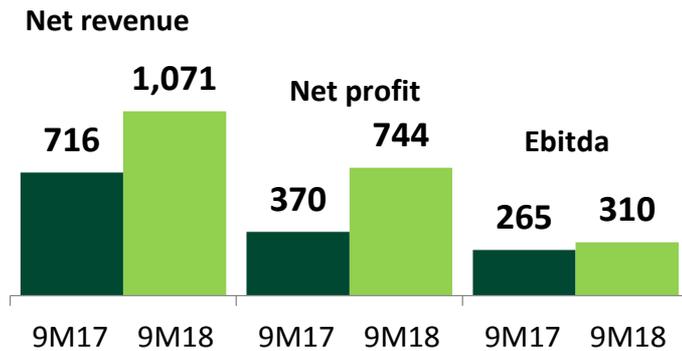
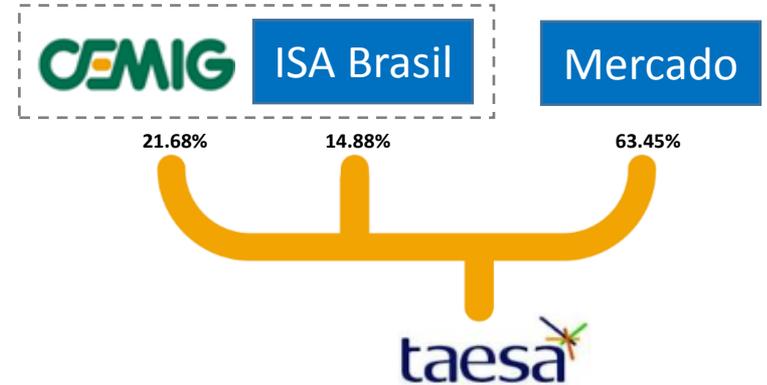
FitchRatings A+(bra)



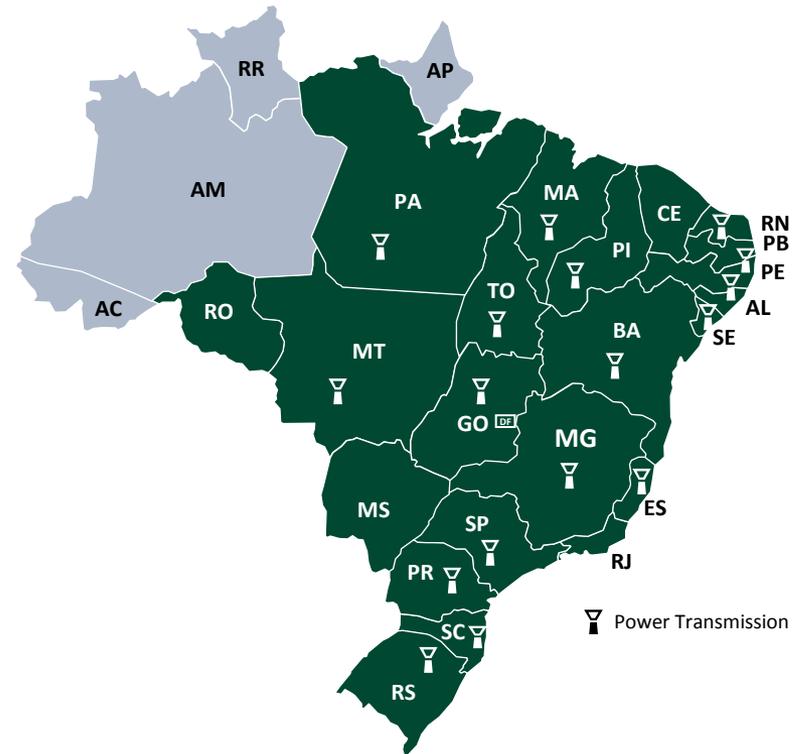
STANDARD & POOR'S Baa1.br B1

- Power Generation
- Power Transmission
- Electricity Distribution
- Cemig "Free Consumer" Clients
- Wind Power Generation

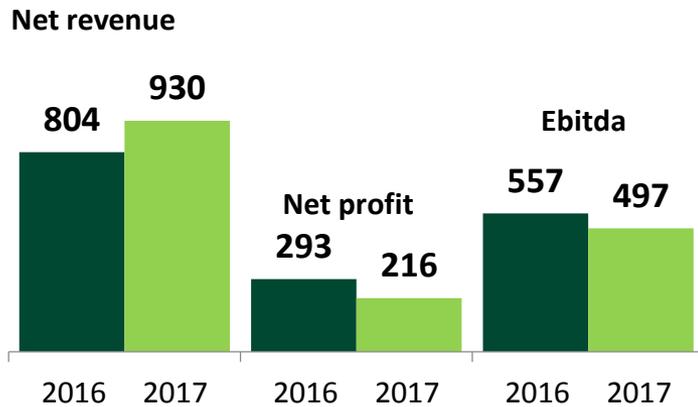
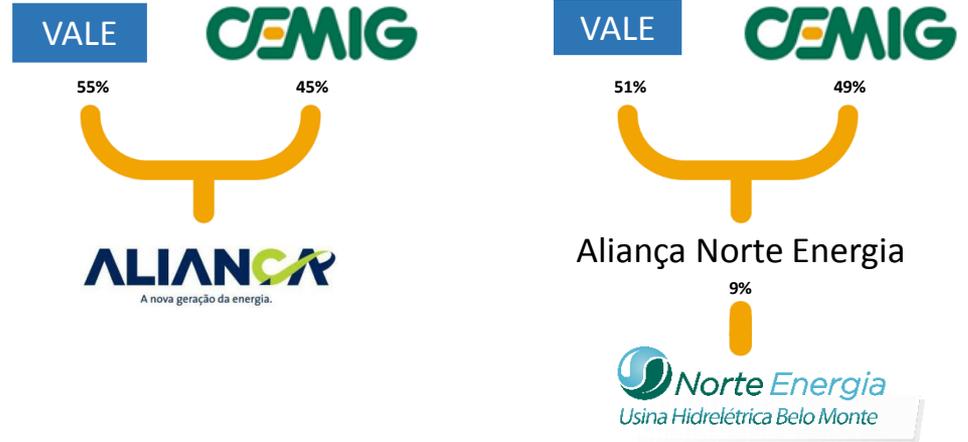
- 2.6 R\$ bn RAP - Annual Permitted Revenues (2018/2019)
- 12,135 Km in transmission line
- 7.3 R\$ bn of market capitalization Aug.27th



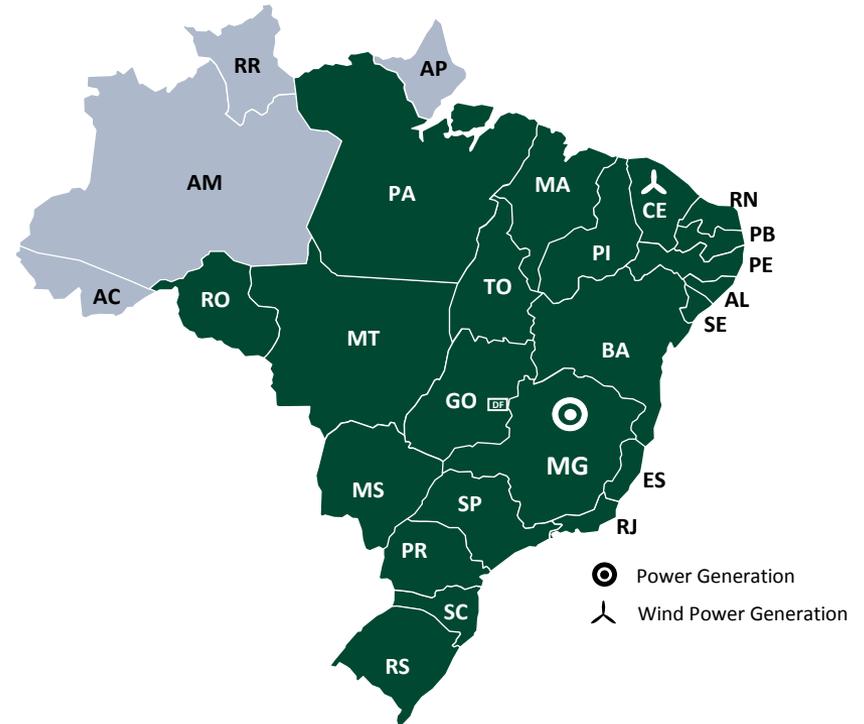
FitchRatings AAA(bra) STANDARD & POOR'S brAAA



- 8 Enterprises in operation
- 1,257 MW installed capacity
- 695 MWavg Assured Energy



FitchRatings AAA(bra)

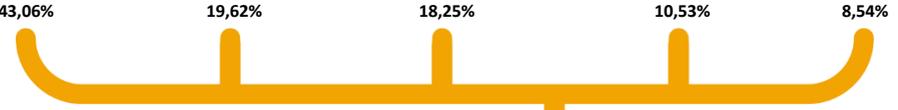


3,568 MW installed capacity

2,424 MWavg Assured Energy

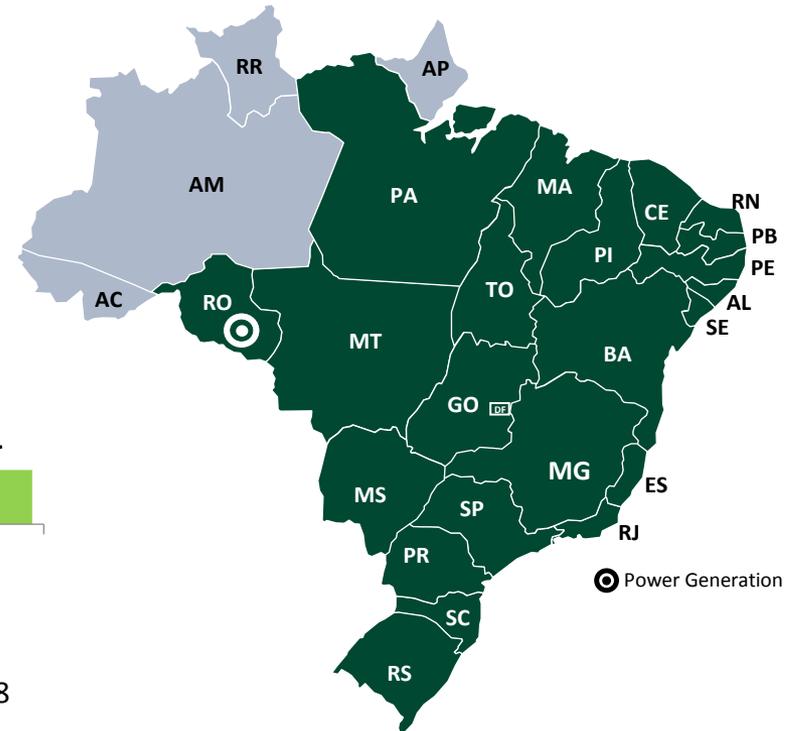
50 Generator units – bulb turbine

20 R\$ billion – Capex



Caixa FIP
Amazônia Energia

100%



Net revenue

