

Cemig in Figures - Consolidated

CIG
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NYSE

CIG.C
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NYSE

CEMIG

www.cemig.com.br

ri@cemig.com.br

Why invest in Cemig?

SHARE PERFORMANCE IN THE RECENT YEARS*			
	2016**	2015	2014
CMIG3	51%	-52%	20%
CMIG4	60%	-52%	16%
CIG (ADR for preferred Shares – 1 to 1 ratio)	95%	-68%	1%
CIG.C (ADR common Shares – 1 to 1 ratio)	90%	-66%	4%

*Source Economática **
As of September 30, 2016.

DESCRIPTION	2015	2014	2013
Service			
Number of consumers ('000) (1)	12,229	12,299	11,899
Number of employees	7,860	7,922	7,922
Consumers per employee	1,565	1,544	1,502
Locations served	5,415	5,415	5,415
Municipalities served (1)	774	805	805
The market			
Concession area (km²) (1)	578,448	578,448	578,448
Own generation (Gwh) (2)	18,555	28,050	31,485
Average retail tariff, including ICMS tax (R\$/MWh)			
Residential	742.38	517.60	467.87
Industrial	251.67	184.18	171.56
Commercial	614.94	435.57	390.06
Rural	416.18	267.97	244.62
Operational			
Number of plants in operation	109	105	70
Generating capacity (MW)	7,800	7,717	7,158
Transmission lines (Km) (3)	9,471	9,469	9,454
Distribution lines (Km)			
Urban	117,614	99,818	98,175
Rural	393,096	392,030	387,870
Financials - IFRS*			
Gross operational revenue - R\$ billion	32.842	25.165	19.390
Net operational revenue - R\$ billion	21.292	19.540	14.627
Operational margin (%)	12	16	21
Ebitda - R\$ billion	4.955	6.382	5.186
Ebitda - margin (%)	23.3	32.7	35.5
Market capitalization - R\$ billion (4)	7.843	16.812	17.709
Net income - R\$ billion	2.492	3.137	3.104
Net income per share - R\$	1.98	2.49	2.47
Net equity - R\$ billion	12.999	11.285	12.638
Book value per share (Holding company) (3)	10.33	8.97	14.82
Return on equity (%)	19.17	27.80	24.56
Debt/net equity (%)	117	120	75
Current liquidity	0.72	0.65	1.10
general liquidity	0.61	0.76	0.90
Total debt - R\$ billion (5)	15.167	13.509	9.457
Total debt / total capitalization (6)	0.54	0.54	0.43
Price / Earnings	3.02	5.27	5.10
Dividends declared - R\$ million (7)	767	4,156	1,656

Notes:

(1) Figures include Cemig D and Light.

(2) Generation at center of gravity, less the generation losses and internal consumption of plants. Includes Cemig GT and Light.

(3) Figures include Cemig GT, Light, TBE and Taesa (since 2009).

(4) Total number of shares) X (unadjusted price of PN share on December 31).

(5) Total debt = loans, financings and debentures.

(6) Total capitalization = Total debt + Stockholders' equity.

(7) Includes ordinary dividends, extraordinary dividends, and Interest on Equity.

» Largest Brazilian integrated power company

Largest Distributor
by energy sales

3rd Largest Generation Group
by installed capacity

Largest Transmission Group
by Permitted Annual Revenue (RAP)

» Positioned as consolidator

- History of successful acquisitions
- Investments rigorously selected for profitability and value accretion

» Most liquid stock in the sector

- Free float 82% of total shares; exchange-traded in São Paulo, New York and Madrid
- More than 120,000 stockholders – in more than 40 countries
- Average daily trading volume (in the last 12 months up to Ebitda TVM 2016)
 - NYSE – USD\$ 2.1 [M]
 - BM&FBOVESPA (São Paulo-Brazil) – R\$ 1.8 [M]

» Portfolio of investments balanced between areas of operation

- Installed Generation Capacity – 8.1 GW
- Transmission Lines – 5,885 miles
- Distribution Lines – 317,341 miles

» Exceptional corporate governance

- **Sarbanes-Oxley** – rigorous compliance
- **Pro-market by-laws** set limits to investment/Ebitda and Debt/Ebitda
- **Seven of the total 15 Board members** are appointed by minority shareholders

» Leader in sustainability

- The only Latin American utility included in the **DJSI World Index** since its creation (1999)
- Included in **Bovespa's Corporate Sustainability Index** since that index was created (2005)

» Solid and growing financial results

- Robust and growing **Ebitda**
- Continuous growth in **Net Profit**

» Strong dividend policy

- Minimum **50%** of year's net profit is distributed as dividends
- **Extraordinary dividends** may be paid in alternate years



Classificação: Público

Cemig: a leading Brazilian power company

Cemig was created in 1952 by Juscelino Kubitschek, the Brazilian President who built Brasilia. The controlling stockholder is the State of Minas Gerais, with 51% of the common stock.

Cemig operates in **generation, transmission and distribution** of electricity – and also in distribution of natural gas, telecommunications and energy services.

Fulfilling its long-term plan, Cemig has grown since 2004 into the largest integrated company in the Brazilian electricity sector. Highlights of this growth:

2004	Acquisition: Rosal Energia (generation – 55 MW)
2006	Acquisition: 13% of Light (Brazil's 3rd largest electricity distributor) Acquisition: 40% of TBE (5 companies, 1,320 miles of transmission lines)
2007	10% interest in Santo Antônio plant consortium (generation – 3.6 GW)
2009	Acquisition: 49% of 3 wind farms in Ceara (generation – 100 MW) Acquisition: 57% of Taesá ² (formerly Terna) – 2,070 miles of transmission lines
2011	Interest in Light increased to 32.5% (26.1% direct, 6.4% indirect) Light acquired 25% of Renova Energia (mainly wind power: 2.4 GW) Taesá acquired 50% of Abengoa (980 miles of transmission lines) Belo Monte Hydro Plant consortium (generation – 11.2 GW) – 10% interest acquired through Amazônia Energia (Cemig GT and Light)
2012	Taesá acquired remaining 50% interest in Abengoa
2013	Renova and Cemig GT acquired 51% of Brasil PCH (generation - 291MW) Entry (with Light and RR) into Renova controlling stockholding block Acquisition: 4.4% indirect interest in Belo Monte Hydro Plant consortium ¹
2014	Acquisition: By 5.1% indirect interest in Santo Antônio plant consortium Acquisition: 49.9 % of Retiro Baixo (generation – 83 MW) 50% interest in the project to build 25 wind farms (generation - 676, 2 MW)
2015	Constitution of Aliança Energia: Vale owns 55% of the equity, and Cemig GT 45% (generation 1,158 MW)

Cemig has important market share in all three areas of the Brazilian electric sector³:

Distribution: 15%
by volume distributed

Generation: 7%
by installed capacity

Transmission: 25%
by Permitted Annual Revenue (RAP)

¹ These transactions are subject to certain conditions as approval by the Brazilian monopolies authority, Cade, consents from the Brazilian electricity regulator, Aneel, precedent and commercial conditions, among others.

² Current Cemig's interest in Taesa after Taesa's Re-IPO is 43%.

³ Sources: Company reports; EPE (Brazilian Energy Research Company) (Dec. 2013) – Includes the sum of Cemig GT, Cemig D, Light and Taesa market share.

Cemig's dividend policy

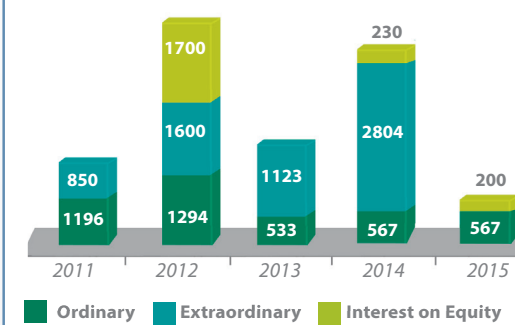
Every year, Cemig distributes as dividends at least 50% of its prior year net profit. Every two years it distributes extraordinary dividends if there is appropriate availability of cash. Dividends are paid in two equal installments – at the end of June and December. Preferred shares carry a minimum annual dividend - the greater of:

- 10% of their nominal value; or
- 3% of the stockholders' equity per share that they represent.

Growing profitability and strong dividend policy: significant stockholder gains

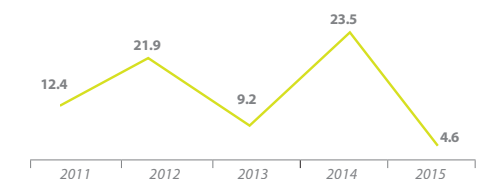
At the AGM of April 30, 2014, Cemig declared dividends of R\$ 1.656 billion. At the BDM of June 27, 2014, Cemig declared dividends of R\$ 1.704 billion. At the BDM of November 06, 2014, Cemig declared dividends of R\$ 1.100 billion. At the EBM of December 26, 2014, Cemig declared interest on equity of R\$ 230 million. At the AGM of April 30, 2015, Cemig declared dividends of R\$ 567 million. At the EBM of December 30, 2015, Cemig declared interest on equity of R\$ 200 million. At the AGM of April 29, 2016, Cemig declared dividends of R\$ 633.97 million.

STOCKHOLDER PAYMENTS* As voted each year – R\$ million



*(Dividends and Interest on Equity)

DIVIDEND YIELD* - % CMIG4



* (Total of ordinary dividends, extraordinary dividends and Interest on Equity decided in prior year) divided by Stock price at close of prior year.

DIVIDENDS AS % OF NET PROFIT (Dividend Payout)* (%)



*(Total payments for the year) / (Net profit for the year).

INVESTOR RELATIONS CONTACTS

CEMIG
Investor Relations Department
Antônio Carlos Vélaz Braga
Tel: +55 31 3506-5024
E-mail: ri@cemig.com.br
Web: <http://ri.cemig.com.br>

DEPOSITARY BANK
Citibank
Teresa Loureiro
Phone: 1-877-248-4237
Email: citibank@shareholders-online.com
Web: <https://www.citiadr.idmanagedsolutions.com>

Cemig's Latin America Presence

