ENERGY CO OF MINAS GERAIS
Form 6-K
December 18, 2015

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 6-K

Report of foreign private issuer pursuant to rule 13a-16 or 15d-16 of the securities exchange act of 1934

For the month of December 2015

Commission File Number 1-15224

ENERGY COMPANY OF MINAS GERAIS

(Translation of Registrant s Name Into English)

Avenida Barbacena, 1200

30190-131 Belo Horizonte, Minas Gerais, Brazil

(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F x Form 40-F ¨

Indicate by check mark if the registrant is submitting the Form 6-K in paper

as permitted by Regulation S-T Rule 101(b)(1): ¨

Indicate by check mark if the registrant is submitting the Form 6-K in paper

as permitted by Regulation S-T Rule 101(b)(7): ¨

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ¨ No x

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

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Description of Item

FORWARD-LOOKING STATEMENTS

This report contains statements about expected future events and financial results that are forward-looking and subject to risks and uncertainties. Actual results could differ materially from those predicted in such forward-looking statements. Factors which may cause actual results to differ materially from those discussed herein include those risk factors set forth in our most recent Annual Report on Form 20-F filed with the Securities and Exchange Commission. CEMIG undertakes no obligation to revise these forward-looking statements to reflect events or circumstances after the date hereof, and claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

Date: December 18, 2015

By: /s/ Fabiano Maia Pereira
Name: Fabiano Maia Pereira
Title: Chief Officer for Finance and Investor Relations

1. SUMMARY OF MINUTES OF THE 647TH MEETING OF THE BOARD OF DIRECTORS HELD ON OCTOBER 9, 2015

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COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

BOARD OF DIRECTORS

SUMMARY OF MINUTES OF THE 647TH MEETING

Date, time and place: October 9, 2015, at 8.30 a.m. at Av. Barbacena 1200, 21st floor,

Belo Horizonte, Minas Gerais, Brazil.

Meeting Committee: Chair: José Afonso Bicalho Beltrão da Silva;

Secretary: Anamaria Pugedo Frade Barros

Summary of proceedings:

I **Conflict of interest:** The Board Members listed below stated that they had no conflict of interest with the matters on the agenda of the meeting, except the board members

Arcângelo Eustáquio Torres Queiroz and Samy Kopit Moscovitch,

who stated themselves to have conflict of interest in the matter of the 2015-18 Specific Collective Agreement on Profit Sharing. They withdrew from the meeting room while this matter was presented and debated, and returned after it had been considered.

II **The Board approved:**

A)

The proposal of the board member Saulo Alves Pereira Junior, to change the Executive Board, as follows: Mr. Fernando Henrique Schüffner Neto no longer to be Chief Business Development Officer, to be replaced by election, as Chief Business Development Officer, of:

Mr. César Vaz de Melo Fernandes	Brazilian, divorced, engineer, resident and domiciled in Nova Lima, Minas Gerais, at Alameda Serra da Mantiqueira 1925, Condomínio Vila Del Rey, CEP 34000-000, bearer of CI 27007/D-CREA-MG and CPF 299529806-04,

to serve the rest of the present period of office, that is to say until the first meeting of the Board of Directors after the Annual General Meeting of 2018.

B) The Programmed Voluntary Retirement Plan (PDVP).

C) The minutes of this meeting.

Av. Barbacena 1200	Santo Agostinho	30190-131 Belo Horizonte, MG	Brazil	Tel.: +55 31 3506-5024	Fax +55 31 3506-5025

III The Board authorized:

A) 1) Grant by the company of irrevocable surety, for the following transactions:

a) Signature of the Third Amendment to Fixed Lending Contracts No s 330.800.591 and 330.800.592, between Cemig GT and Banco do Brasil S.A., to postpone the maturities of R$ 33.9 million and R$ 95.2 million becoming due on October 26, 2015 and October 30, 2015 by one year, for a flat fee of 1.22% of those amounts, maintaining the financial cost at 108.00% of the CDI rate, and the other terms of the Contracts, unchanged.

b) Signature of the Fourth amendment to the following Bank Credit Notes issued by Cemig GT in favor of Banco do Brasil S.A. No s

330.800.376,	330.800.383,	330.800.384,	330.800.385,	330.800.386,
330.800.387,	330.800.388,	330.800.389,	330.800.390,	330.800.391,
330.800.392,	330.800.393,	330.800.394	and	330.800.395,

postponing the maturity of R$ 540 million becoming due on October 24, 2015, for up to three years, now to be amortized in two annual installments in 2017 and 2018, and altering the financial charges on the debtor balance from 104.10% to 112.00% of the CDI Rate, for a flat fee of 1.85% on the amounts prorogued, the other terms of the Notes being unchanged.

c) Signature of a Credit Line Agreement between Cemig GT and Banco da Amazônia S.A., with consequent emission of one or more Amazônia Bank Working Capital Notes, in the total amount of R$ 120 million, using the proceeds for payment of

(i) interest on the debts becoming due on October 24, 26 and 30, 2015, and
(ii) part of the debt becoming due in December 2015,

the terms of the agreement to be as follows:

Maturity:	Up to thirty six months;

Payment of the Principal:	Bullet, at maturity.
Financial cost:	CDI+1.90% p.a., paid annually, plus IOF tax;

2) Signature of the documents necessary for contracting of the above credit transactions.

3) All acts by the Executive Board necessary for putting the above decisions into effect.

B) Exceeding, in 2015, of the target for consolidated debt set by Subclause a of Paragraph 7 of Clause 11 of the by-laws, this ratio to be limited to 2.45 times Ebitda (profit before interest, taxes, depreciation and amortization); and also the target in subclause b of the by-laws, for consolidated { Net debt / (Net debt + Stockholders equity) }, this to be limited to 50.75%.

C) Opening of Administrative Tender Proceedings for, and contracting directly with the insurer of, group life insurance, for twelve months, renewable for up to forty eight months by amendments, to a total limit period of sixty months, from January 1, 2016, for:

employees, active or unpaid leave, and retirees, of Cemig, Cemig D and Cemig GT;
members of the Executive Board, the Board of Directors and the Audit Board of Cemig;
active employees of Sá Carvalho S.A. and of Rosa Energia S.A.; and
employees of Cemig who retired on or before December 31, 2004;

D) Inclusion in the same administrative tender proceedings referred to in sub-item C, and contracting of, the complementary policy for retirees, with defined maximum individual capital, covering the reduction of capital due to age, with subscription for the insured being optional, and the full cost of this complementary policy to be the entire responsibility of those insured.

E) Constitution by Cemig GT and Itaocara Energia Ltda. of a special-purpose corporation, to be owned 49% by Cemig GT and 51% by Itaocara Energia Ltda., for construction and commercial operation of the concession for the *Itaocara I* Hydroelectric Plant;

F) Signature, with Companhia de Desenvolvimento Econômico de Minas Gerais (Codemig) and Imetame Energia Ltda., of the Fourth Amendment to the Contracts for constitution of the SF-T-104 and SF-T-114 Exploration Consortia, to the change the head office address of those consortia.

G) Signature of Partnership Undertakings between Cemig, Cemig D, Cemig GT and the Municipal Councils for the Rights of Children and Adolescents participating in the AI6% Program, for payment of the donations raised from the employees of these companies, and of a 1% portion of the income tax payable by these companies, for application in programs and projects jointly carried out in the ambit of the Municipality, to be in effect until August 31, 2016.

H) Signature jointly by Cemig, Cemig D and Cemig GT of the 2015-18 Specific Collective Agreement on Profit Sharing, with the beneficiaries specified therein, within the annual financial limit to be oriented by the Human Resources Committee of the Board of Directors; and filing of such legal actions relating to and inherent to the process of negotiation of said agreement and its consequences as are necessary for the preservation of the Company?s interests.

IV The Board gave orientation for the following to vote as follows:

A) The members of the Board of Directors of Cemig GT to vote in favor of re-ratification of the minutes of the Extraordinary General Meeting of Stockholders of Aliança Geração de Energia S.A. (Aliança Geração), to correct part of the numbers related to the increase of the share capital of Aliança Geração,

to: one billion two hundred ninety million three hundred sixty four thousand six hundred fifty eight Reais,

of which: Cemig GT will subscribe:

five hundred eighty one million one hundred fourteen thousand ninety six nominal common shares without par value,

paying for this subscription with the Cemig GT Assets;

and Vale will subscribe:

seven hundred ten million, two hundred fifty thousand, five hundred sixty two nominal common shares without par value paying for this subscription with the Vale Assets;

the percentage interests of the Parties in the voting and total share capital of Aliança Geração remaining unchanged, at 55% for Vale and 45% for Cemig GT;

B) The members of the Board of Directors of Cemig GT to vote in favor of orientation of vote by the representatives of Cemig GT in the Ordinary General Meeting of Stockholders of Aliança Geração on the matter referred to in subclause A of this item;

C) The board members appointed by the company to vote at the meeting of the Board of Directors of Transmissora Aliança de Energia Elétrica S.A. (Taesa) to vote in favor of approval of the statement of vote by the representative of that company in the Extraordinary General Meeting of Stockholders of Empresa Catarinense de Transmissão de Energia S.A. (ECTE) which, in turn, will approve the statement of vote of its representative in the EGM of Empresa de Transmissão Serrana S.A. (ETSE) which, in turn, will decide on:

1) increase in the registered capital of ETSE, to ninety two million nine hundred forty three thousand Reais, through issuance of thirty two thousand fifty common shares to be paid in full by ECTE; and

2) change in the by-laws of ETSE, arising from the increase in its registered capital.

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D) The representatives of Cemig in the meeting of the Board of Directors of Light S.A. (Light) to vote in favor of orientation of the vote(s) of the representative(s) of Light in the General Meeting of Stockholders of the SPC, on:

1) Constitution of the SPC, for the public use assets concession to operate the Itaocara I Hydroelectric plant;

2) Signature of the Stockholders Agreement of the SPC; and

3) Election of the members of the Board of Directors of the SPC.

V The Board ratified signature by the Company of the following amendments, as party and as consenting party with Furnas Centrais Elétricas S.A. (Furnas), Empresa Amazonense de Transmissão de Energia (EATE), and Transminas Holding, signing as Consenting Parties for adjustment of the calculation of the formula for Annual Permitted Revenue (RAP), with ratification of all measures taken since June 30, 2014:

A) the Fifth Amendment to Transmission Service Concession Contract 012/2005-Aneel, between the federal government, through the National Electricity Agency, Aneel, and Companhia Transirapé de Transmissão;

B) the Fourth Amendment to Transmission Concession Contract 005/2005-Aneel, between the federal government, through Aneel, and Companhia Transudeste de Transmissão.

C) the Third Amendment to Transmission Concession Contract 009/2004-Aneel, between the federal government, through Aneel, and Companhia Transleste de Transmissão.

VI The Chair informed the meeting that the Executive Board is now constituted as follows:

Mauro Borges Lemos	Brazilian, married, economist, resident and domiciled in Belo Horizonte, Minas Gerais at Rua Fausto Nunes Vieira 120/601, Belvedere, CEP 30320-590, bearer of Identity Card M992314 issued by the Public Safety Department of Minas Gerais State, and CPF 316720516-49;
Mateus de Moura Lima Gomes	Brazilian, divorced, lawyer, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Groelândia 395/603, Sion, CEP 30320-060, bearer of Identity Card MG8876108 issued by the Civil Police of Minas Gerais and of CPF 037285936-48;

Evandro Leite Vasconcelos	Brazilian, married, civil engineer, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Manoel Couto 365, Cidade Jardim, CEP 30380-080, bearer of Identity Card 29657D-CREA-MG and CPF 251704146-68;
César Vaz de Melo Fernandes	whose details appear above;
Ricardo José Charbel	Brazilian, married, engineer, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Herculano de Freitas 151/601, Gutierrez, CEP 30441-039, bearer of Identity Card M-1073988-SSPMG and CPF 383259856-15;
Fabiano Maia Pereira	Brazilian, married, economist, resident and domiciled in Belo Horizonte, at Rua Santa Rita Durão 1000, Funcionários, CEP 30140-111, bearer of Identity Card 098405244 issued by the Félix Pacheco Institute of Rio de Janeiro State, and CPF 027583306-28;
Eduardo Lima Andrade Ferreira	Brazilian, married, civil engineer, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Ramalhete 288/402, Anchieta, CEP 30310-310, bearer of Identity Card MG10738632-SSPMG and CPF 048415486-96;

Franklin Moreira Gonçalves	Brazilian, married, data processing technologist, resident and domiciled in Belo Horizonte, MG, at Rua João Gualberto Filho 551/302, Sagrada Família, CEP 31030-410, bearer of Identity Card MG5540831 issued by the Civil Police of Minas Gerais, and CPF 754988556-72;
Márcio Lúcio Serrano	Brazilian, married, doctor, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua São Romão 505/401, São Pedro, CEP 30330-120, bearer of Identity Card M575778-SSP/MG and CPF 110906186-20;
Raul Lycurgo Leite	Brazilian, married, lawyer, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Santa Catarina 1466/402, Lourdes, CEP 30170-081, bearer of Identity Card 1288658-SSP/DF and CPF 658219551-49;
Luiz Fernando Rolla	Brazilian, married, engineer, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Ney Lambert 112, Belvedere, CEP 30320-440, bearer of Identity Card MG-1389219 issued by the Civil Police of Minas Gerais, and CPF 195805686-34.

VII The Chief Officer elected declared in advance that he is not subject to any prohibition on exercise of commercial activity, that he does not occupy any post in a company which could be considered to be a competitor of the Company, and that he does not have nor represent any interest conflicting with that of Cemig; and made a solemn commitment to become aware of, obey and comply with the principles, ethical values and rules established by the Code of Professional Conduct of Companhia Energética de Minas Gerais and the Code of Ethical Conduct of Government Workers and Senior Administration of the State of Minas Gerais.

VIII Abstention: The board member Arcângelo Eustáquio Torres Queiroz abstained from voting on the matters relating to contracting of group life insurance and contracting of a complementary policy for the retirees, referred to in Sub-items C and D of Item III, above.

IX Comment: The Chair, the Board Member Arcângelo Eustáquio Torres Queiroz, and the manager Emílio Luiz Cáfaro made comments on subjects of interest to the Company.

The following were present:

Board members:	José Afonso Bicalho Beltrão da Silva,	Saulo Alves Pereira Junior,
	Mauro Borges Lemos,	Bruno Magalhães Menicucci,
	Allan Kardec de Melo Ferreira,	Tarcísio Augusto Carneiro,
	Arcângelo Eustáquio Torres Queiroz,	Antônio Dirceu Araujo Xavier,
	Guy Maria Villela Paschoal,	Carlos Fernando da Silveira Vianna,
	Helvécio Miranda Magalhães Junior,	Flávio Miarelli Piedade,
	José Henrique Maia,	José Augusto Gomes Campos,
	José Pais Rangel,	Luiz Guilherme Piva,
	Marco Antônio de Rezende Teixeira,	Marina Rosenthal Rocha,
	Marco Antônio Soares da Cunha Castello Branco,	Newton Brandão Ferraz Ramos,
	Nelson José Hubner Moreira,	Samy Kopit Moscovitch,
	Paulo Roberto Reckziegel Guedes,	Wieland Silberschneider;
Manager:	Emílio Luiz Cáfaro;	
Secretary:	Anamaria Pugedo Frade Barros.	

(Signed) Anamaria Pugedo Frade Barros

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2. SUMMARY OF PRINCIPAL DECISIONS OF THE 648TH MEETING OF THE BOARD OF DIRECTORS HELD ON NOVEMBER 20, 2015

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

CEMIG

LISTED COMPANY CNPJ 06.981.180/0001-16 NIRE 31300020568

BOARD OF DIRECTORS

Meeting of November 20, 2015

SUMMARY OF PRINCIPAL DECISIONS

At its 648th meeting, held on November 20, 2015, the Board of Directors of **Cemig** (*Companhia Energética de Minas Gerais*) decided the following:

1. Signature, as consenting parties, of an amendment to a lending agreement.

2. The 2016 20 Five-Year Plan, the 2016 Budget, and Guidelines for budget planning.

3. The Collective Work Agreement (ACT) for 2015 16.

4. Contracting of advertising agencies / Complementation of Board Spending Decision (CRCA).

5. Orientation of vote in Extraordinary General Meeting of Stockholders of Taesa.

6. The Corporate Risk Matrix; the Fraud and Corruption Risk Matrix, and Risk Appetite Matrix.

7. Rules for acquisition of financial assets.

8. The PDVP Programmed Voluntary Retirement Plan / Re-ratification of CRCA.

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3. CONVOCATION OF EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS DATED NOVEMBER 24, 2015

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS

DECEMBER 29, 2015

CONVOCATION

Stockholders are hereby called to an Extraordinary General Meeting of Stockholders to be held on December 29, 2015 at 11 a.m., at the company s head office, Av. Barbacena 1200, 21st floor, Belo Horizonte, Minas Gerais, Brazil, to decide on:

Authorization for the limit ratios specified in sub-items a , b and d of Paragraph 7 of Clause 11 of the by-laws to be exceeded in 2015.

Any stockholder who wishes to be represented by proxy at the said General Meeting of Stockholders should obey the precepts of Article 126 of Law 6406 of 1976, as amended, and of the sole Paragraph of Clause 9 of the Company s by-laws, by exhibiting at the time, or depositing, preferably by December 23, 2015, proofs of ownership of the shares, issued by a depositary financial institution, and a power of attorney with specific powers, at Cemig s Corporate Executive Secretariat Office (*Superintendência da Secretaria Geral e Executiva Empresarial*) at Av. Barbacena, 1200 19th Floor, B1 Wing, Belo Horizonte, Minas Gerais.

Belo Horizonte, November 24, 2015

José Afonso Bicalho Beltrão da Silva

Chair of the Board of Directors

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PROPOSAL

BY THE BOARD OF DIRECTORS

TO THE

ORDINARY AND EXTRAORDINARY GENERAL MEETINGS OF STOCKHOLDERS

TO BE HELD ON DECEMBER 29, 2015

Dear Stockholders:

The Board of Directors of Companhia Energética de Minas Gerais Cemig

whereas:

a) In its management of the Company and in the exercise of the right to vote in wholly-owned and other subsidiaries, affiliated companies and consortia, the Board of Directors and the Executive Board are required at all times faithfully to comply with certain targets stated in Clause 11, Paragraph 7, of the Company s by-laws, including the following:

to keep the Company s consolidated indebtedness less than or equal to 2 (two) times the Company s Ebitda (profit before interest, taxes, depreciation and amortization); and

to keep the consolidated ratio of (Net debt) / (Net debt + Stockholders equity) to a maximum of 40% (forty per cent); and

to limit the consolidated amount of funds allocated to capital investment and acquisition of any assets in each business year to the equivalent of 40% (forty per cent) of Ebitda (profit before interest, taxes, depreciation and amortization);

b) under Clause 11, Paragraph 9, of the by-laws the said targets for indicators may be exceeded for reasons related to temporarily prevailing conditions, upon prior justification by grounds and specific approval by the Board of Directors, up to the following limits:

Consolidated indebtedness: less than or equal to 2.5 times Ebitda (profit before interest, taxes, depreciation and amortization); and

Consolidated (Net debt) / (Net debt + Stockholders equity): maximum of 50%;

c) above these limits, including the case of limitation of Consolidated funds allocated to capital investment and acquisition of any assets to 40% of Ebitda (profit before interest, taxes, depreciation and amortization), the targets may be exceeded upon prior justification with grounds and specific approval by the stockholders in a General Meeting of Stockholders;

d) Cemig s wholly-owned subsidiary **Cemig Geração e Transmissão S.A.** (**Cemig GT**) has won the concessions for Lot D of Aneel Auction 12/2015, on November 25, 2015; and

under Law 12783 of January 11, 2013, as amended by Provisional Measure 688 of August 18, 2015, the first tranche of the Concession Grant Fee (*Bonificação pela Outorga* BO) is payable on December 30, 2015;

e) to make the payment of the first tranche of the Concession Grant Fee, Cemig GT intends to access the Brazilian capital market by an issue of promissory Notes in the amount of up to R$ 1,500,000,000.00 (one billion five hundred million Reais);

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f) the investment in the Grant and the issue of the debt securities, combined with the changes which have taken place, and those expected to take place by the end of the year, in the ratios referred to in the by-laws of Cemig, will result in the indicators being higher than those approved by the Board of Directors, as follows:

Cemig holding company Ratios IFRS

	2015
Net debt / Ebitda	2.63
Net debt / (Stockholders equity + net debt)	0.51
Capex / Ebitda	0.62
	R$ million
Gross debt	15,304
Cash	1,318
Net debt	13,986
Ebitda	5,310
Capex	3,314
Stockholders equity	13,331

The Board of Directors of Companhia Energética de Minas Gerais Cemig thus now proposes to you as follows:

Authorization for the following limit ratios, in 2015:

the Company s consolidated indebtedness, as referred to in Subclause a of Paragraph 7 of Clause 11 of the Company s by-laws to be limited to 2.6 (two point six) times the Company s Ebitda (profit before interest, taxes, depreciation and amortization);

the ratio referred to in Subclause b of Paragraph 7 of Clause 11 of the by-laws, namely the consolidated ratio of (Net debt) / (Net debt + Stockholders equity), to be limited to 51%; and

the quantity referred to in Subclause d of Paragraph 7 of Clause 11 of the by-laws, namely the consolidated amount of funds allocated to capital investment and acquisition of any assets in the business year, to be limited to 62% of the Company s Ebitda (profit before interest, taxes, depreciation and amortization).

As can be seen, the objective of this proposal is to meet legitimate interests of the stockholders and of the Company, and as a result it is the hope of the Board of Directors that it will be approved by the Stockholders.

Belo Horizonte, November 24, 2015.

José Afonso Bicalho Beltrão da Silva   Nelson José Hubner Moreira

Mauro Borges Lemos	Paulo Roberto Reckziegel Guedes
Allan Kardec de Melo Ferreira	Saulo Alves Pereira Junior
Arcângelo Eustáquio Torres Queiroz	Antônio Dirceu Araújo Xavier
Guy Maria Villela Paschoal	Bruno Magalhães Menicucci
Helvécio Miranda Magalhães Junior	Ricardo Wagner Righi de Toledo
José Henrique Maia	Tarcísio Augusto Carneiro
José Pais Rangel	

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4. SUMMARY OF PRINCIPAL DECISIONS OF THE 649TH MEETING OF THE BOARD OF DIRECTORS HELD ON NOVEMBER 24, 2015

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

CEMIG

LISTED COMPANY CNPJ 06.981.180/0001-16 NIRE 31300020568

BOARD OF DIRECTORS

Meeting of November 24, 2015

SUMMARY OF PRINCIPAL DECISIONS

At its 649th meeting, held on November 24, 2015, the Board of Directors of **Cemig** (*Companhia Energética de Minas Gerais*) decided the following:

1. Creation of a company by Cemig GT.

2. Submission to an Extraordinary General Meeting of Stockholders of a proposal to allow financial ratios specified in the by-laws to be exceeded in 2015.

3. Convocation of an Extraordinary General Meeting of Stockholders to be held on December 29, 2015, to deal with the proposal to allow financial ratios to be exceeded.

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5. MATERIAL ANNOUNCEMENT DATED NOVEMBER 25, 2015: CEMIG GT WINS GENERATION CONCESSIONS FOR 18 HYDRO PLANTS

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

MATERIAL ANNOUNCEMENT

Cemig GT wins generation concessions for 18 hydro plants

Cemig (*Companhia Energética de Minas Gerais*), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, in accordance with CVM Instruction 358 of January 3, 2002, as amended, **hereby informs** the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (BM&F Bovespa S.A.) and the market in general, **as follows:**

Cemig s wholly-owned subsidiary **Cemig GT** (*Cemig Geração e Transmissão S.A.*) took part in the **Hydroelectric Plant Concessions Auction** under the Regime of Guaranteed Offtake and Power Level Quotas, held today (November 25, 2015).

Cemig GT won the contract for Lot D, which is described as follows:

Number of generation plants:	18 (eighteen);
Total installed generation capacity:	699.57 MW;
Percentage of the Guaranteed Physical Offtake allocated to the Regulated Market:	
from January 1 to December 31, 2016:	100% (one hundred per cent);
as from January 1, 2017:	70% (seventy per cent).

Contracts will be signed against payment of a Concession Grant Fee (*Bonificação pela Outorga* BO) of:

R$ 2,216,352,626.56	(two billion two hundred sixteen million three hundred fifty two million, six hundred twenty six Reais fifty six centavos), to be paid as follows:
1st tranche (65%):	December 31, 2015;
2nd tranche (35%):	in up to 180 (one hundred and eight) calendar days from the date of signature of the contract, updated by the Selic rate from the date of payment of the first tranche up to the date of payment of the second tranche.

Global remuneration receivable by Cemig for the service of generation in the plants comprising Lot D:

R$ 498,694,000.00/year (four hundred ninety eight million six hundred ninety four thousand Reais/year) comprising two components:

- ü Fee for Management of Generation Assets *Custo de Gestão dos Ativos de Geração* (GAG), and
- ü Yield on the Concession Grant Fee *Retorno da Bonificação pela Outorga* (RBO)

calculated on the basis of a discount of 1% in relation to the auction ceiling price.

In addition, Cemig hopes to receive a guarantee of the amounts that the federal government will reimburse it for its investments in electricity generation assets that have not yet been amortized or fully depreciated. This reimbursement is a specified component of the process of renewal of concessions enacted by the federal government in 2012: the process is still at the stage of awaiting decision by the government on its calculation of the amount of this reimbursement.

Cemig will keep the market appropriately and timely informed on the progress of the projects.

Belo Horizonte, November 25, 2015

Fabiano Maia Pereira

Chief Finance and Investor Relations Officer

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This text is a translation, provided for information only. The original text in Portuguese is the legally valid version.

6. MARKET ANNOUNCEMENT DATED NOVEMBER 26, 2015: CEMIG INCLUDED FOR 11TH YEAR RUNNING IN BM & FBOVESPA S ISE CORPORATE SUSTAINABILITY INDEX

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COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

MARKET ANNOUNCEMENT

Cemig Included for 11th year running in BM&FBovespa s ISE Corporate Sustainability Index

As part of its commitment to best corporate governance practices, **Cemig** (*Companhia Energética de Minas Gerais*), a listed company with equity securities traded on the stock exchanges of São Paulo, New York and Madrid, hereby **reports** to its stockholders and the market **as follows:**

Cemig has been selected, for the 11th consecutive year, for inclusion in the ISE Corporate Sustainability Index (*Índice de Sustentabilidade Empresarial*) of the São Paulo Stock Exchange (*BM&FBovespa*), for the year 2016. Cemig has been included in this index every year since its creation, in 2005.

The new portfolio of the ISE comprises 40 shares of 35 companies, in 16 sectors, with total market capitalization of R$ 960.2 billion or 54.50% of the total market capitalization of all the shares traded on the BM&FBovespa (on Nov. 24, 2015).

The shares in the new portfolio of the ISE were selected from among the 180 companies with the 200 most liquid shares on the exchange in January 2015, assessed on their responses to a questionnaire with over 400 questions, reflecting the characteristics of each company, its activities in the economic, environmental and social dimensions, its attitudes and actions in relation to climate change and corporate governance, and the nature of its products.

Cemig s continuous inclusion in this index is a demonstration of its commitment to seek creation of value for its stockholders, employees and suppliers, and the well-being of society in general, while ever improving its corporate sustainability practices.

For more details on the ISE index of the BM&FBovespa, see:

http://www.isebvmf.com.br/index.php?r=site/conteudo&id=1

Belo Horizonte, November 26, 2015.

Fabiano Maia Pereira

Chief Finance and Investor Relations Officer

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7. MARKET ANNOUNCEMENT DATED NOVEMBER 27, 2015: CEMIG RECOGNIZED AS ONE OF THE WORLD S MOST SUSTAINABLE EMERGING MARKET COMPANIES

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

CEMIG

LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

MARKET ANNOUNCEMENT

Cemig recognized as one of the world s

most sustainable emerging market companies

As part of its commitment to best corporate governance practices, **Cemig** (*Companhia Energética de Minas Gerais*), a listed company with equity securities traded on the exchanges of São Paulo, New York and Madrid, hereby **reports** as follows**:**

Cemig has been selected as one of the 70 most advanced Emerging Market companies, in the **Euronext Vigeo Emerging 70** index.

This new index distinguishes the companies scoring highest for their environmental, social and corporate governance practices, after assessment on approximately 330 indicators.

Selection involved consultations by Vigeo of Cemig s website and Sustainability Report, and analyses of the public information published about the company. The companies selected will be reassessed every six months, in June and December.

About Vigeo:

Founded in France in 2002, **Vigeo** has established itself as a European specialist in assessment of companies and organizations practices and performance on environmental, social and corporate governance themes. More information on Euronext and Vigeo can be found at:

http://www.vigeo.com/csr-rating-agency/fr.

Items describing the best practices adopted by **Cemig** in the social, environmental, and economic dimensions of its activity can be seen on the *Sustainability* link of Cemig s website:

http://www.cemig.com.br/en-us/Company_and_Future/Sustainability/Pages/sustainability.aspx

Belo Horizonte, November 27, 2015.

Fabiano Maia Pereira

Chief Finance and Investor Relations Officer

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8. MARKET NOTICE DATED DECEMBER 1, 2015: REPLY TO CVM INQUIRY LETTER 505/2015/CVM/SEP/GEA-1, OF NOV. 30, 2015

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

MARKET NOTICE

Reply to Inquiry by the CVM

Reply to CVM Inquiry Letter 505/2015/CVM/SEP/GEA-1, of Nov. 30, 2015

Question asked by the Brazilian Securities Commission (CVM)

Official Letter 505/2015/CVM/SEP/GEA-1

Rio de Janeiro, November 30, 2015

To Mr. Fabiano Maia Pereira

Investor Relations Director, Companhia Energética de Minas Gerais CEMIG

Av. Barbacena, 1200 5º andar/ B1 Bairro: Santo Agostinho Belo Horizonte, MG

CEP: 30190-131 Fax: (31) 3506-5026 Tel.: (31) 3506-5024

Email: ri@cemig.com.br c/c: gre@bvmf.com.br

SUBJECT: Request for information on news media report

Dear Sir,

1. We refer to the news report published today in Valor Econômico newspaper, in the Politics section, under the headline: BNDES will take over Andrade Gutierrez s share interest in Cemig , which contains the following statements:

The Brazilian Development Bank (Banco Nacional de Desenvolvimento Econômico e Social BNDES) is preparing to enter the controlling management stockholding block of Cemig (Companhia Energética de Minas Gerais). When finalized, the transaction will give BNDES Participações 12.9% of the voting stock of Cemig and the right to two seats on its Board of Directors. The change will result in a reduction in the interest that the construction company Andrade Gutierrez has in Cemig today.

The BNDES has submitted the transaction to the Brazilian Monopolies Commission (Conselho Administrativo de Direito Econômico Cade) to confirm whether its entry into Cemig would be considered as conflicting with its interest in other electricity companies. Cade has given the green light and Valor newspaper has ascertained that the bank expects to make the transaction a concrete reality before the end of this year.

Continued>

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The change is part of the agreement signed between the BNDES and Andrade in late 2009. Through its subsidiary AGC Energia, Andrade became a partner in Cemig in that year, owning 14.4% of Cemig s total capital. It is an interest that belonged to AES, and was the subject of a long legal battle with the BNDES. Andrade then got involved and acquired this share in Cemig s capital, which gave it 33% of the common shares (voting stock) of Cemig.

This block of shares cost Andrade Gutierrez R$ 2.115 billion at that time, of which R$ 500 million was paid at sight and R$ 850 million was paid this year. The remaining R$ 765 million was raised through a debenture transaction with the BNDES which established that as from February 2015 these debentures would automatically be exchanged for shares of Cemig, according to information given by the BNDES through its management offices. It was this exchange which Cade authorized in August.

In figures, this means that BNDESPar will receive a stockholding interest equivalent to 12.9% of the common shares and 2% of the preferred shares, which will represent 5.6% of Cemig s total share capital. Added to the almost symbolic percentage interest of 0.75% which it has today, the new equity interest will make the bank owner of 6.35% of Cemig s total share capital.

[.]

The arrangement will not, however, change the stockholders agreement. That will continue to be in effect, up to a level of an interest of 20% in the voting stock. At the moment, according to a person in the BNDES, it has no intention of taking the two seats on the Board of Directors of Cemig, nor does it intend to have any significant position of interference in management.

2. In view of the above, we order you to state whether the news reported is true, and, if its truth is confirmed, why you believed that this was not a case of material information to be published in a Material Announcement.

3. This statement must be given through the Empresa.NET System, in the category: Market notice, sub-category: Responses to Consultations by CVM / Bovespa Subject: Media News Report and should include a transcription of this Official Letter.

4. We highlight that, under Article 3 of CVM Instruction 358/02 it is the responsibility of the Chief Investor Relations Officer to disclose to and advise the CVM, and as the case may be, the stock exchange and/or any organized over-the-counter market on which securities issued by the company are traded, of any material event or fact which takes place or is related to its business, and to make best efforts for its immediate and wide dissemination, simultaneously to all the markets in which such securities are traded.

5. We notify you that the Company Relations Supervision Management may, under Sub-item II of Article 9 of Law 6385/1976 and CVM Instruction 452/2007, apply a coercive fine of R$ 1,000 (one thousand Reais), without prejudice to other administrative sanctions, in the event of non-compliance with the demand made in this Official Letter within one business day from becoming aware of the content of this communication, now sent by fax and by e-mail.

Yours,

NILZA MARIA SILVA DE OLIVEIRA

Company Monitoring Management Unit 1

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Reply by CEMIG

Dear Ms. Oliveira,

In response to the request of the CVM, we would make clear that the possibility of BNDESPar becoming the holder of common shares in the Company representing 12.91% of the voting stock and 5.65% of the Company s total stock is provided for in item D of the Preamble of the Stockholders Agreement of the Company, dated August 1, 2011, which was filed with the CVM and was made available on August 9, 2011 on our Investor Relations website:

(http://cemig.infoinvest.com.br/ptb/8867/AcordodeAcionistas_por.pdf),

Item D of the said Preamble of that Agreement states the following:

(D) BNDESPar may, as from February 16, 2015 or from total settlement of the non-convertible debentures issued by AGC Energia on March 4, 2011 which it owns, whichever is earlier, become an important stockholder of the Company through exchange of the said Debentures for 38,522,400 common shares in the Company, representing, on today s date, 12.91% of the voting stock and 5.65% of the total stock of the Company;

However, up to the present moment, Cemig has not been informed whether BNDESPar will or will not exercise this right, and, if it will exercise it, when. Further, there has been no alteration in the Company s Nominal Share Registry, so the Company is not in a position to make a statement about the affirmations contained in the news referred to.

After becoming aware of the news report, Cemig asked the stockholder AGC Energia for an explanation as to the truth of the information published, and is awaiting reply.

In relation to the movement in the Company s shares, although the volume traded on November 30 was higher than the daily average of the last 30 days, we find that the same was the case for the vast majority of the shares that comprise the Bovespa Index and the Electricity Index. Similarly, the variations in the shares of Cemig took place in the same trend as that of the market in general, and with an intensity compatible with that shown by the shares of other state-controlled companies in the Electricity Index, such as those of Cesp, Celesc and Eletrobrás, to cite a few examples.

Cemig reiterates its commitment to opportune and timely disclosure of all and any fact which is of interest to its stockholders.

Belo Horizonte, December 1, 2015.

Fabiano Maia Pereira

Chief Finance and Investor Relations Officer

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9. MATERIAL ANNOUNCEMENT DATED DECEMBER 1, 2015: AGREEMENT FOR SALE OF LIGHT S SHARES IN RENOVA TO SUNEDISON RESCINDED

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

MATERIAL ANNOUNCEMENT

In accordance with CVM Instruction 358 of January 3, 2002, as amended, **Cemig (Companhia Energética de Minas Gerais)**, a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, hereby informs the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (BM&F Bovespa S.A.) and the market in general, as follows:

On today s date Cemig s affiliated company **Light S.A. (Light).** published a Material Announcement with the following content:

Light S.A. (Light), in compliance with the Brazilian Securities and Exchange Commission (CVM) Rule 358, of January 3, 2002, hereby announces to its shareholders and the market in general that its wholly-owned subsidiary Light Energia S.A. (Light Energia), received from SunEdison, INC. (SunEdison), on this date, a notification regarding the annulment of the Share Purchase Agreement (Agreement), entered into on July 15th 2015 according to the Material Fact and Notice to the Market disclosed on July 2nd and July 15th 2015, respectively (Transaction).

In accordance with the Agreement, in case the Transaction was not concluded until November 30th 2015, any of the parts could notify the other as to the Agreement annulment, without onus.

The fulfillment of the Transaction was subject to a series of preceding conditions, and despite some have not been fully met, SunEdison and Light Energia were negotiating with the intention to complete the Transaction. However, due to the market adverse conditions, the negotiation was not succeeded.

Additionally, Light informs that the Private Agreement for the Option to Sell Shares Issued by Renova Energia S.A. between BNDES Participações S.A. and Light Energia, with the Company as consenting intervening party, announced on September 4th, 2015, is automatically extinct

Due to the Agreement annulment, Light, in accordance with its strategy, will continue to evaluate the sale of its 15.87% stake in Renova, and keep the market informed as to its progress.

Rio de Janeiro, December 1st, 2015.

João Batista Zolini Carneiro

Chief Business Development and IR Officer

Belo Horizonte, December 01, 2015.

Fabiano Maia Pereira

Chief Finance and Investor Relations Officer

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10. MATERIAL ANNOUNCEMENT DATED DECEMBER 1, 2015: CANCELLATION OF PHASE II OF THE AGREEMENT WITH TERRAFORM GLOBAL (RENOVA)

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

MATERIAL ANNOUNCEMENT

In accordance with CVM Instruction 358 of January 3, 2002, as amended, **Cemig (Companhia Energética de Minas Gerais)**, a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, hereby informs the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (BM&FBovespa S.A.) and the market in general, as follows:

On today s date Cemig s affiliated company **Renova Energia S.A. (Renova)**. published a Material Announcement with the following content:

MATERIAL FACT Cancellation of Phase II of the Agreement with TerraForm Global

Renova Energia S.A. (RNEW11) (Renova or the Company), in accordance with CVM Instruction 358/2002 as amended, hereby informs its stockholders and the market in general as follows:

Complementing the Material Fact published by Light S.A., the Company has been notified of the cancellation of Phase II of its Agreement with TerraForm Global / SunEdison.

Phase II of the Agreement consisted of a contract in which shares in subsidiaries of Renova that hold assets with 2,204.2 MW of installed generation capacity were to be exchanged for shares in TerraForm Global, representing enterprise value of R$ 13.4 billion.

One of the conditions precedent for Phase II of the Agreement was conclusion of the sale to SunEdison of the stockholding interest in Renova held by Light, within the controlling stockholding block of Renova. As a consequence of the sale of that interest not having been consummated, Phase II of the Agreement is canceled.

The Company hereby informs the market that Phase I of the transaction remains fully in effect. That Phase I comprises: share purchase agreements for sale of wind generation and small hydroelectric plant (SHPs) assets with aggregate installed generation capacity of 141.0 MW; and a contract to swap wind power assets with 195.2 MW of installed capacity. Conclusion of the transaction in the wind power assets took place on September 18, 2015, and the SHPs will be transferred as soon as the conditions precedent are complied with.

The joint venture between Renova and SunEdison for sales and development of solar energy projects in the Brazilian Regulated Market also continues to be fully in effect.

Renova further informs the public that it had already taken this possibility into consideration, and is adapting its business plan with a view to rescaling future investments, taking account of the cancellation of Phase II and the *present market conditions.*

Renova reiterates that it will keep the market informed on any material developments.

São Paulo, December 1st, 2015

Cristiano Corrêa de Barros

Chief Finance, Business Development and Investor Relations Officer

Belo Horizonte, December 01, 2015.

Fabiano Maia Pereira

Chief Finance and Investor Relations Officer

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11. NOTICE TO STOCKHOLDERS DATED DECEMBER 9, 2015: DIVIDENDS AND INTEREST ON EQUITY: PAYMENTS TO STOCKHOLDERS ON DECEMBER 28, 2015

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COMPANIHA ENERGÉTICA DE MINAS GERAIS CEMIG

LISTED COMPANY CNPJ 17.155.730/0001-64

NOTICE TO STOCKHOLDERS

Dividends and Interest on Equity:

Payments to stockholders on December 28, 2015

In accordance with the decision by the Executive Board of December 26, 2014 and the decision of the Annual and Extraordinary Meetings of Stockholders held concurrently on April 30, 2015, **Cemig will make the following payments on December 28, 2015:**

1: The second part of the Interest on Equity for the 2014 business year:

R$ 115,000,000.00 (one hundred fifteen million Reais)

corresponding to: **R$ 0.091394534** per share.

For shares traded on the BM&FBovespa, this will be paid to stockholders of record on December 26, 2014. The shares first traded ex- these rights on December 29, 2014.

2: The single payment of dividends for the 2014 business year:

R$ 567,317,000.00 (five hundred sixty seven million three hundred seventeen thousand Reais)

corresponding to: **R$ 0.450866721** per share.

For shares traded on the BM&FBovespa, this will be paid to stockholders of record on April 30, 2015. The shares first traded ex- these rights on May 4, 2015.

Stockholders whose bank details are up to date with the Custodian Bank for Cemig s shares (Banco Itaú Unibanco S.A.) will have their credits posted automatically on the first day of payment.

Any stockholder not receiving the credit referred to should visit a branch of Banco Itaú Unibanco S.A. to update the stockholder s Investor Registry details.

Payments relating to shares deposited in custody at CBLC (*Companhia Brasileira de Liquidação e Custódia* the Brazilian Settlement and Custody Company) will be credited to that entity and the Depositary Brokers will be responsible for passing the amounts through to holders.

Belo Horizonte, December 9, 2015

Fabiano Maia Pereira

Chief Finance and Investor Relations Officer

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12. MARKET ANNOUNCEMENT DATED DECEMBER 9, 2015: REPLY TO BM & FBOVESPA OFFICIAL LETTER 3646/2015 SAE, OF DECEMBER 7, 2015

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COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

MARKET ANNOUNCEMENT

Reply to BM&FBovespa Official Letter 3646/2015 SAE, of December 7, 2015

Question asked by BM&FBovespa

CIA ENERGÉTICA DE MINAS GERAIS CEMIG

Mr. Fabiano Maia Pereira

Investor Relations Director

Subject: ***Atypical trading in shares***

Dear Sir,

In view of the most recent variations in the prices of your company s shares, the number of trades and volume traded, as set out below, we request you to inform us, ***by December 8, 2015****, whether there is any fact you are aware of that could be the reason for this.*

We note the obligation stated in the sole sub-paragraph of Article 4 of CVM Instruction 358/02, to question managers and controlling stockholders of the Company to ascertain whether they had knowledge of information that should be disclosed to the market.

ON shares
Prices (R$ per share)

Date	Opening	Minimum	Maximum	Average	Last	Variation, %	No. of trades	Quantity	Volume
24/11/2015	6.97	6.90	7.14	6.95	6.90	-0.71	339	175,100	1,217,702
25/11/2015	7.00	6.83	7.00	6.88	6.85	-0.72	566	161,300	1,110,505
26/11/2015	6.90	6.90	7.10	6.97	6.93	1.16	251	160,300	1,116,849
27/11/2015	6.98	6.70	7.00	6.77	6.77	-2.30	520	235,200	1,592,901
30/11/2015	6.82	6.54	6.82	6.61	6.61	-2.36	510	225,400	1,488,967
01/12/2015	6.60	6.35	6.65	6.41	6.37	-3.63	326	116,400	745,870
02/12/2015	6.41	6.17	6.63	6.37	6.36	-0.15	282	128,500	819,139

03/12/2015	6.51	6.20	6.83	6.45	6.20	-2.51	368	166,800	1,076,077
04/12/2015	6.36	6.03	6.40	6.13	6.03	-2.74	456	220,700	1,352,833
07/12/2015	6.09	6.09	6.64	6.36	6.64	10.11	1,049	421,800	2,685,585

* Updated to 5.15 p.m.

The file to be sent should contain the question that is asked above, preceding your company s reply.

We remind you that this request is made under the Cooperation Working Agreement between the CVM and BM&FBOVESPA of December 13, 2011, and that non-compliance with it may make your company subject to imposition of an incentive fine by the Company Relations Management Unit (SEP) of the CVM, subject to CVM Instruction 452/07.

Yours,

Nelson Barroso Ortega

Company Monitoring Management Unit

(Continued: >

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Reply by CEMIG

Dear Sirs,

In response to the request by BM&FBovespa, in its Official Letter SAE 3646/15, of December 7, 2015, about the most recent variations in the prices of our shares, the increase in the number of trades and the quantity traded, we inform you that we have no knowledge of any fact or event resulting from our activities or business that would justify the events and has not been duly publicized.

We highlight that on November 25, 2015, as per a Material Announcement filed with the CVM, delivered against receipt number 002453IPE25112015010423312-41, the Company took part in the Auction to Contract Concessions for Hydroelectric Generation Plants in the regime of Allocation of Physical Guarantee and Power, held on November 25, 2015, in which it won the bidding for Lot D.

We further note that on December 8, 2015, the Federal Supreme Court published a dispatch designating a conciliation hearing (on December 15, 2015 at 10 a.m.) in the proceedings of Action for Provisional Remedy No. 3980/DF, the object of which action is to obtain Provisional Remedy suspending the effects of the judgment given by the First Section of the Higher Appeal Court, which refused the order applied for in action for Mandamus No. 20432/DF, to maintain Cemig as holder of the concession for the Jaguara Hydroelectric Generation Plant, on the initial bases of Concession Contract 007/97, until final judgment by the Federal Supreme Court on the Ordinary Appeal .

However, the Company believes that, since the most recent communication to the market in relation to the Jaguara Hydroelectric Plant, there has been no new development that would justify a further notice to the market. It is the Company s understanding that the simple designation of a hearing in a legal proceeding that is open to the public and of which the market is widely aware does not generate a duty to publish a Material Announcement or notice to the market, since the scheduling of an audience in a legal proceeding is an ordinary act, of mere court routine, and does not have the effect of altering the present status quo of Cemig in relation to the Jaguara Hydroelectric Plant, nor, indeed, does it generate any right or expectation of a right in relation to this plant which is subject to an application in the courts (Jaguara) the situation of which plant, we would repeat, is the same as that on the day prior to the trading session of December 7, 2015.

Further to these comments, we would clarify that the response to the Official Letter referred to above is being made on today s date (December 9, 2015), since yesterday was a municipal public holiday in Belo Horizonte (Immaculate Conception Day) and as a consequence neither December 7 nor December 8 was a business day for Cemig.

Cemig reiterates its commitment to timely publication of all and any material information.

Belo Horizonte, December 9, 2015.

Fabiano Maia Pereira

Chief Finance and Investor Relations Officer

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13. SUMMARY OF PRINCIPAL DECISIONS OF THE 650TH MEETING OF THE BOARD OF DIRECTORS HELD ON DECEMBER 10, 2015

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

CEMIG

LISTED COMPANY CNPJ 06.981.180/0001-16 NIRE 31300020568

BOARD OF DIRECTORS

Meeting of December 10, 2015

SUMMARY OF PRINCIPAL DECISIONS

At its 650th meeting, held on December 10, 2015, the Board of Directors of **Cemig** (*Companhia Energética de Minas Gerais*) decided the following:

1. Guarantee for issue of Promissory Notes by Cemig GT.

2. Guarantee for issue of Promissory Notes by Cemig D.

3. Guarantee for issue of Promissory Notes by CemigTelecom.

4. Authorization for input of capital into, and increase in the share capital of, CemigTelecom;

Authorization for input of capital by CemigTelecom into Ativas Data Center;

Orientation of vote in meetings of CemigTelecom.

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14. SUMMARY OF PRINCIPAL DECISIONS OF THE 651ST MEETING OF THE BOARD OF DIRECTORS HELD ON DECEMBER 16, 2015

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COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127

BOARD OF DIRECTORS

Meeting of December 16, 2015

SUMMARY OF PRINCIPAL DECISIONS

At its 651st meeting, held on December 16, 2015, the Board of Directors of **Cemig** (*Companhia Energética de Minas Gerais*) decided the following:

1. Calendar for meetings of the Board of Directors in 2016.

2. Convocation of Extraordinary General Meeting of Stockholders to be held on January 20, 2016, to decide on changes to the Board of Directors.

3. Signature, as consenting party, of amendments to Distribution Concession Contracts between Cemig D and the federal government, through Aneel.

4. Authorization for periodic declaration by the Executive Board of Interest on Equity.

5. Contracting of legal action guarantee insurance.

6. Advance against Future Capital Increase in Cemig D.

7. Budget for first quarter 2016.

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June 26,
2010 June 25,
2011 June 26,
2010

Systemwide Points of Distribution

Franchised points of distribution beginning of period

16,270 15,491 16,166 15,377

Franchises opened

314 479 594 802

Franchises closed

(174) (151) (361) (360)

Net transfers (to) from company-owned points of distribution

(20) 11 (20)

Franchised points of distribution in operation end of period

	16,410	15,799	16,410	15,799
Company-owned points of distribution end of period				
	17	34	17	34
Total systemwide points of distribution end of period				
	16,427	15,833	16,427	15,833

(6) Goodwill and Other Intangible Assets

The changes in the gross carrying amount of goodwill from December 25, 2010 to June 25, 2011 are due to the impact of foreign currency fluctuations.

Other intangible assets at June 25, 2011 consisted of the following (in thousands):

	Weighted average amortization period (years)	Gross carrying amount	Accumulated amortization	Net carrying amount
Definite-lived intangibles:				
Franchise rights	20	$ 383,942	(109,065)	274,877
Favorable operating leases acquired	13	89,183	(36,422)	52,761
License rights	10	6,230	(3,310)	2,920
Indefinite-lived intangible:				
Trade names	N/A	1,190,970		1,190,970
		$ 1,670,325	(148,797)	1,521,528

Other intangible assets at December 25, 2010 consisted of the following (in thousands):

	Weighted average amortization period (years)	Gross carrying amount	Accumulated amortization	Net carrying amount
Definite lived intangibles:				
Franchise rights	20	$ 385,309	(100,296)	285,013
Favorable operating leases acquired	13	90,406	(33,965)	56,441
License rights	10	6,230	(2,997)	3,233
Indefinite lived intangible:				
Trade names	N/A	1,190,970		1,190,970
		$ 1,672,915	(137,258)	1,535,657

The changes in the gross carrying amount of other intangible assets from December 25, 2010 to June 25, 2011 are due to the impact of foreign currency fluctuations and the impairment of favorable operating leases acquired resulting from lease terminations. Impairment of favorable operating leases acquired totaled $206 thousand and $858 thousand for the three months ended June 25, 2011 and June 26, 2010, respectively, and $217 thousand and $1.6 million for the six months ended June 25, 2011 and June 26, 2010, respectively, and is included within impairment charges in the consolidated statements of operations.

Total estimated amortization expense for fiscal years 2011 through 2015 is presented below (in thousands). The amount reflected below for fiscal year 2011 includes year-to-date amortization.

Fiscal year:	
2011	$ 27,974
2012	26,881
2013	26,318
2014	25,788
2015	25,432

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The impact of our unfavorable leases acquired resulted in an increase in rental income and a decrease in rental expense as follows (in thousands):

	Three months ended		Six months ended	
	June 25, 2011	June 26, 2010	June 25, 2011	June 26, 2010
Increase in rental income	$ 448	629	822	1,090
Decrease in rental expense	398	636	876	1,146
Total increase in operating income	$ 846	1,265	1,698	2,236

(7) Debt

On February 18, 2011, the Company completed a re-pricing of its term loans under the senior credit facility, as well as increased the size of the term loans from $1.25 billion to $1.40 billion. The incremental proceeds of the term loans were used to repay $150.0 million of the Company s senior notes.

As a result of the re-pricing of the term loans, the Company recorded a loss on debt extinguishment and refinancing transaction of $4.4 million, which includes a debt extinguishment of $465 thousand related to the write-off of original issuance discount and deferred financing costs, and $3.9 million of costs related to the refinancing, including a prepayment premium paid to creditors and fees paid to third parties. In conjunction with the repayment of senior notes, the Company recorded a loss on debt extinguishment of $6.6 million, which includes the write-off of original issuance discount and deferred financing costs totaling $5.8 million, as well as a prepayment premium and third-party costs of $758 thousand.

On May 24, 2011, the Company increased the size of the term loans from $1.40 billion to $1.50 billion. The incremental proceeds of the term loans were used to repay $100.0 million of the Company s senior notes.

As a result of the additional borrowings under the term loans, the Company recorded a loss on debt extinguishment and refinancing transaction of $859 thousand, which consisted primarily of fees paid to third parties. In conjunction with the repayment of senior notes, the Company recorded a loss on debt extinguishment of $4.3 million, which includes the write-off of original issuance discount and deferred financing costs totaling $3.8 million, as well as a prepayment premium of $500 thousand.

As of June 25, 2011, borrowings under the senior credit facility bear interest at a rate per annum equal to an applicable margin plus, at our option, either (1) a base rate determined by reference to the highest of (a) the Federal Funds rate plus 0.5%, (b) the prime rate (c) the LIBOR rate plus 1%, and (d) 2.25% in the case of term loans or 2.50% in the case of swing line or revolving credit loans or (2) a LIBOR rate provided that LIBOR shall not be lower than 1.25% in the case of term loans or 1.50% in the case of revolving credit loans. The applicable margin under the term loan facility is 2.00% for loans based upon the base rate and 3.00% for loans based upon the LIBOR rate. The applicable margin under the revolving credit facility ranges from 2.75% to 3.25% for loans based upon the base rate and ranges from 3.75% to 4.25% for loans based upon the LIBOR rate, in each case based upon on specified leverage ratios. In May 2011, the Company amended the senior credit facility such that upon the consummation of an initial public offering, (a) the applicable margin under the revolving credit facility will be reduced to match the term loans, which is 2.00% for loans based upon the base rate, and 3.00% for loans based upon the LIBOR rate, (b) the minimum base rate under the revolving credit facility will be reduced from 2.50% to 2.25%, to match the term loan facility, and (c) the minimum LIBOR rate under the revolving credit facility will be reduced from 1.50% to 1.25%, to match the term loan facility. In addition, following the consummation of an initial public offering, if the leverage ratio as of the end of any fiscal quarter is less than or equal to 5.10 to 1.00, the minimum base rate and minimum LIBOR rate for borrowings under the term loan facility and revolving credit facility will be permanently reduced by 0.25% to 2.00% in the case of base rate loans and 1.00% in the case of LIBOR rate loans.

In connection with the amendment of the senior credit facility, the Company is required to pay an arranging and re-pricing fee of $3.0 million upon consummation of an initial public offering. This fee was paid on August 1, 2011 and will be recorded in loss on debt extinguishment and refinancing transactions in the statement of operations in the quarter ended September 24, 2011.

Repayments are required to be made on term loan borrowings equal to $15.0 million per calendar year, payable in quarterly installments through September 2017.

As a result of completing an initial public offering, on August 1, 2011, the Company deposited funds with the trustee governing the senior notes to repay the full remaining principal balance on the senior notes (see note 15).

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(8) Other Current Liabilities

Other current liabilities consisted of the following (in thousands):

	June 25, 2011	December 25, 2010
Gift card/certificate liability	$ 81,772	123,078
Accrued salary and benefits	18,196	21,307
Accrued professional and legal costs	8,627	9,839
Accrued interest	3,044	6,129
Other	23,164	23,241
Total other current liabilities	$ 134,803	183,594

(9) Comprehensive Income

Comprehensive income for the three and six months ended June 25, 2011 and June 26, 2010 consisted of the following (in thousands):

	Three months ended		Six months ended	
	June 25, 2011	June 26, 2010	June 25, 2011	June 26, 2010
Net income	$ 17,162	17,337	15,439	23,275
Effect of foreign currency translation	3,019	(1,615)	8,052	533
Other	125	115	49	(34)
Total comprehensive income	$ 20,306	15,837	23,540	23,774

The components of accumulated other comprehensive income were as follows (in thousands):

	June 25, 2011	December 25, 2010
Effect of foreign currency translation	$ 22,402	14,350
Other	(674)	(723)
Total accumulated other comprehensive income	$ 21,728	13,627

(10) Segment Information

The Company is strategically aligned into two global brands, Dunkin Donuts and Baskin-Robbins, which are further segregated between U.S. operations and international operations. As such, the Company has determined that it has four operating segments, which are its reportable segments: Dunkin Donuts U.S., Dunkin Donuts International, Baskin-Robbins U.S., and Baskin-Robbins International. Dunkin Donuts U.S., Baskin-Robbins U.S., and Dunkin Donuts International primarily derive their revenues through royalty income, franchise fees, and rental income. Baskin-Robbins U.S. also derives revenue through license fees from a third-party license agreement. Baskin-Robbins International primarily derives its revenues from the manufacturing and sales of ice cream products, as well as royalty income, franchise fees, and license fees. The operating results of each segment are regularly reviewed and evaluated separately by the Company s senior management, which includes, but is not limited to, the chief executive officer, the chief financial officer, and brand officers. Senior management primarily evaluates the performance of its segments and allocates resources to them based on earnings before interest, taxes, depreciation, amortization, impairment charges, foreign currency gains and losses, other gains, and unallocated corporate charges referred to as segment profit. When senior management reviews a balance sheet, it is at a consolidated level. The accounting policies applicable to each segment are consistent with those used in the consolidated financial statements.

Subsequent to December 25, 2010 and as part of fiscal year 2011 management reporting, intersegment royalties and rental income earned from company-owned restaurants are now eliminated from Dunkin Donuts U.S. segment revenues. Revenues for all periods presented in the tables below have been restated to reflect these changes.

Revenues for all operating segments include only transactions with unaffiliated customers and include no intersegment revenues. Revenues reported as Other include retail sales for company-owned restaurants, as well as revenue earned through arrangements with third parties in which our brand names are used and revenue generated from online training programs for franchisees that are not allocated to a specific segment. Revenues by segment were as follows (in thousands):

	Revenues			
	Three months ended		Six months ended	
	June 25, 2011	June 26, 2010 (As adjusted)	June 25, 2011	June 26, 2010 (As adjusted)
Dunkin Donuts U.S.	$ 107,383	100,972	203,607	192,151
Dunkin Donuts International	3,830	3,264	7,700	6,585
Baskin-Robbins U.S.	12,364	13,127	21,409	22,159
Baskin-Robbins International	27,397	25,369	52,059	44,412
Total reportable segment revenues	150,974	142,732	284,775	265,307
Other	5,998	7,684	11,410	12,521
Total revenues	$ 156,972	150,416	296,185	277,828

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For purposes of evaluating segment profit, Dunkin Donuts U.S. includes the net operating income earned from company-owned restaurants. Expenses included in Corporate and other in the segment profit table below include corporate overhead costs, such as payroll and related benefit costs and professional services. Segment profit by segment was as follows (in thousands):

	Segment profit			
	Three months ended		Six months ended	
	June 25, 2011	June 26, 2010 (As adjusted)	June 25, 2011	June 26, 2010 (As adjusted)
Dunkin Donuts U.S.	$ 82,605	77,670	153,313	141,233
Dunkin Donuts International	3,150	3,536	6,330	7,248
Baskin-Robbins U.S.	6,927	9,402	11,226	14,626
Baskin-Robbins International	10,453	12,441	18,616	20,968
Total reportable segment profit	103,135	103,049	189,485	184,075
Corporate and other	(27,818)	(28,718)	(55,471)	(56,313)
Interest expense, net	(28,808)	(27,467)	(62,575)	(54,987)
Depreciation and amortization	(13,119)	(15,169)	(26,327)	(30,501)
Impairment charges	(404)	(1,276)	(1,057)	(2,690)
Loss on debt extinguishment and refinancing transactions	(5,165)	(3,693)	(16,172)	(3,693)
Other gains, net	(64)	(274)	412	(29)
Income before income taxes	$ 27,757	26,452	28,295	35,862

Equity in net income of joint ventures is included in segment profit for the Dunkin Donuts International and Baskin-Robbins International reportable segments. Equity in net income of joint ventures by reportable segment was as follows (in thousands):

	Equity in net income of joint ventures			
	Three months ended		Six months ended	
	June 25, 2011	June 26, 2010	June 25, 2011	June 26, 2010
Dunkin Donuts International	$ 505	1,288	893	2,424
Baskin-Robbins International	3,510	3,506	3,904	6,012
Total equity in net income of joint ventures	$ 4,015	4,794	4,797	8,436

(11) Stockholders Equity

(a) Class L Common Stock

During the periods presented in this quarterly report, our charter authorizes the Company to issue two classes of common stock, Class L and common. The rights of the holders of common and Class L shares are identical, except with respect to priority in the event of a distribution, as defined. The Class L common stock is entitled to a preference with respect to all distributions by the Company until the holders of Class L common stock have received an amount equal to the Class L base amount of approximately forty-one dollars and seventy-five cents per share, plus an amount sufficient to generate an internal rate of return of 9% per annum on the Class L base amount, compounded quarterly. Thereafter, the common and Class L stock share ratably in all distributions by the Company. In the event of a change of control or an initial public offering of the Company, each share of Class L common stock is convertible into a number of shares of common stock based on the fair market value of a common share at such time. Class L common stock is classified outside of permanent equity in the consolidated balance sheets at its preferential distribution amount, as the Class L stockholders control the timing and amount of distributions. The Class L preferred return of 9% per annum, compounded quarterly, is added to the Class L preferential distribution amount each period and recorded as an increase to accumulated deficit. Dividends paid on the Class L common stock reduce the Class L preferential distribution amount.

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The change in Class L common stock during the six months ended June 25, 2011 resulted from the following (in thousands):

	Six months ended June 25, 2011	
	Shares	**Amount**
Common stock, Class L, as of December 25, 2010	22,995	$ 840,582
Issuance of Class L common stock	65	2,271
Repurchases of Class L common stock		(113)
Retirement of treasury stock	(194)	
Accretion of Class L preferred return		38,314
Common stock, Class L, as of June 25, 2011	22,866	881,054

The increase in the accumulated deficit for the six months ended June 25, 2011 resulted from the accretion of the Class L preferred return, offset by net income for the period.

(b) Treasury Stock

During the six months ended June 25, 2011, the Company repurchased a total of 17,189 shares of common stock and 3,266 shares of Class L common stock that was originally sold and/or granted to former employees of the Company. The Company accounts for treasury stock under the cost method, and as such recorded $286 thousand in treasury stock during the six months ended June 25, 2011 based on the cost of the shares on the respective dates of repurchase. On April 26, 2011, the Company retired all of its treasury stock, resulting in a $2.0 million reduction in common treasury stock and additional paid-in-capital.

(c) Equity Incentive Plans

The Company s 2006 Executive Incentive Plan, as amended, (the 2006 Plan) provides for the grant of stock-based and other incentive awards. A maximum of 12,191,145 shares of common stock may be delivered in satisfaction of awards under the 2006 Plan, of which a maximum of 5,012,966 shares may be awarded as nonvested (restricted) shares and a maximum of 7,178,179 may be delivered in satisfaction of stock options.

During the six months ended June 25, 2011, the Company granted the following stock-based awards:

Grant Date	**Type of award**	**Number of awards granted**	**Option exercise price**	**Fair value of underlying common stock**
3/9/2011	Executive options	637,040	$ 7.31	$ 7.31
3/9/2011	Nonexecutive options	21,891	$ 7.31	$ 7.31

The executive stock options vest in two separate tranches, which have been designated as Tranche 4 and Tranche 5. Tranche 4 options vest in equal annual amounts over a five-year period subsequent to the grant date. Tranche 5 options vest based on continued service over a five-year period and achievement of specified investor returns upon a sale, distribution, or dividend. Both Tranche 4 and Tranche 5 options provide for partial accelerated vesting upon change in control. The nonexecutive stock options vest in equal annual amounts over a five-year period subsequent to the grant date, and also fully vest upon a change of control. The maximum contractual term of both executive and nonexecutive options is ten years.

The Company estimated the fair value of the Tranche 4 options and the nonexecutive options on the date of grant using the Black-Scholes option pricing model. The fair value of the Tranche 5 options was estimated on the date of grant using a combination of lattice models and Monte Carlo simulations. The estimated fair value of awards granted is based upon certain assumptions, including probability of achievement of performance and market conditions for certain awards, stock price, expected term, expected volatility, dividend yield, and a risk-free interest rate. The fair value of the Class A common stock underlying the options granted was determined based on a contemporaneous valuation performed by an independent third-party valuation specialist in accordance with the guidelines outlined in the American Institute of Certified Public Accountants Practice Aid, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*.

Total compensation expense related to all share-based awards was $206 thousand and $259 thousand for the three months ended June 25, 2011 and June 26, 2010, respectively, and $447 thousand and $871 thousand for the six months ended June 25, 2011 and June 26, 2010, respectively, and is included in general and administrative expenses, net in the consolidated statements of operations.

(12) Income Taxes

During the first quarter of fiscal year 2011, the Company recognized deferred tax expense of $1.9 million due to enacted changes in future state income tax rates. This change in enacted tax rates affects the tax rate expected to be in effect in future periods when the deferred tax assets and liabilities reverse.

The federal income tax returns of the Company for fiscal years 2006, 2007 and 2008 are currently under audit by the Internal Revenue Service (IRS), and the IRS has proposed adjustments for fiscal years 2006 and 2007 to increase our taxable income as it relates to our gift card program, specifically to record taxable income upon the activation of gift cards. We have filed a protest to the IRS proposed adjustments, and we believe we have alternative grounds to appeal or settle on should this position be denied. If the IRS were to prevail in this matter the proposed adjustments would result in additional taxable income of approximately $58.9 million for fiscal years 2006 and 2007 and approximately $26.5 million of additional federal and state taxes and interest owed, net of federal and state benefits. If the IRS prevails, a cash payment would be required and the additional taxable income would represent temporary differences that will be deductible in future years. Therefore, the potential tax expense attributable to the IRS adjustments for 2006 and 2007 would be limited to $2.6 million, consisting of federal and state interest, net of federal and state benefits. In addition, if the IRS were to prevail in respect of fiscal years 2006 and 2007 it is likely to make similar claims for years subsequent to fiscal 2007 and the potential additional federal and state taxes and interest owed, net of federal and state benefits, for fiscal years 2008, 2009 and 2010, computed on a similar basis to the IRS method used for fiscal years 2006 and 2007, and factoring in the timing of our gift card uses and activations, would be approximately $19.4 million. The corresponding potential tax expense impact attributable to these later fiscal years, 2008 through 2010, would be approximately $0.5 million. While we believe that the Company has properly reported taxable income and paid taxes in accordance with applicable laws and that the proposed adjustments are inconsistent with our franchisor model and the structure of our gift card program, no assurance can be made that we will prevail in the final resolution of this matter. An unfavorable outcome from any tax audit could result in higher tax costs, penalties and interest, thereby negatively and adversely impacting our financial condition, results of operations, or cash flows.

(13) Commitments and Contingencies

(a) Lease Commitments

The Company is party to various leases for property, including land and buildings, leased automobiles, and office equipment under non-cancelable operating and capital lease arrangements.

(b) Guarantees

The Company has established agreements with certain financial institutions whereby the Company s franchisees can obtain financing with terms of approximately five to ten years for various business purposes. Substantially all loan proceeds are used by the franchisees to finance store improvements, new store development, new central production locations, equipment purchases, related business acquisition costs, working capital, and other costs. In limited instances, the Company guarantees a portion of the payments and commitments of the franchisees, which is collateralized by the store equipment owned by the franchisee. Under the terms of the agreements, in the event that all outstanding borrowings come due simultaneously, the Company would be contingently liable for $7.4 million at June 25, 2011. At June 25, 2011, there were no amounts under such guarantees that were due. The fair value of the guarantee liability and corresponding asset recorded on the consolidated balance sheets was $915 thousand and $1.2 million, respectively, at June 25, 2011 and $1.0 million and $1.5 million, respectively, at December 25, 2010. The Company assesses the risk of performing under these guarantees for each franchisee relationship on a quarterly basis. As of June 25, 2011 and December 25, 2010, the Company had recorded reserves for such guarantees of $377 thousand and $1.2 million, respectively.

The Company has entered into a third-party guarantee with a distribution facility of franchisee products that ensures franchisees will purchase a certain volume of product over a ten-year period. As product is purchased by the Company s franchisees over the term of the agreement, the amount of the guarantee is reduced. As of June 25, 2011, the Company was contingently liable for $8.2 million, under this guarantee. Based on current internal forecasts, the Company believes the franchisees will achieve the required volume of purchases, and therefore, the Company would not be required to make payments under this agreement. Additionally, the Company has various supply chain contracts that provide for purchase commitments or exclusivity, the majority of which result in the Company being contingently liable upon early termination of the agreement or engaging with another supplier. Based on prior history and the Company s ability to extend contract terms, we have not recorded any liabilities related to these commitments. As of June 25, 2011, we were contingently liable under such supply chain agreements for approximately $29.5 million.

As a result of assigning our interest in obligations under property leases as a condition of the refranchising of certain restaurants and the guarantee of certain other leases, we are contingently liable on certain lease agreements. These leases have varying terms, the latest of which expires in 2024. As of June 25, 2011, the potential amount of undiscounted payments the Company could be required to make in the event of nonpayment by the primary lessee was $10.4 million. Our franchisees are the primary lessees under the majority of these leases. The Company generally has cross-default provisions with these franchisees that would put them in default of their franchise agreement in the event of nonpayment under the lease. We believe these cross-default provisions significantly reduce the risk that we will be required to make payments under these leases. Accordingly, we do not believe it is probable that the Company will be required to make payments under such leases, and we have not recorded a liability for such contingent liabilities.

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(c) Letters of Credit

At June 25, 2011, the Company had standby letters of credit outstanding for a total of $11.1 million. There were no amounts drawn down on these letters of credit.

(d) Legal Matters

The Company is engaged in several matters of litigation arising in the ordinary course of its business as a franchisor. Such matters include disputes related to compliance with the terms of franchise and development agreements, including claims or threats of claims of breach of contract, negligence, and other alleged violations by the Company. At June 25, 2011 and December 25, 2010, contingent liabilities totaling $4.3 million and $4.2 million, respectively, were included in other current liabilities in the consolidated balance sheets to reflect the Company s estimate of the potential loss which may be incurred in connection with these matters. While the Company intends to vigorously defend its positions against all claims in these lawsuits and disputes, it is reasonably possible that the losses in connection with these matters could increase by up to an additional $8.0 million based on the outcome of ongoing litigation or negotiations.

(14) Related-Party Transactions

(a) Advertising Funds

At June 25, 2011 and December 25, 2010, the Company had a net payable of $21.3 million and $23.1 million, respectively, to the various advertising funds.

To cover administrative expenses of the advertising funds, the Company charges each advertising fund a management fee for items such as facilities, accounting services, information technology, data processing, product development, legal, administrative support services, and other operating expenses, which amounted to $1.5 million and $1.4 million for the three months ended June 25, 2011 and June 26, 2010, respectively, and $3.0 million and $2.8 million for the six months ended June 25, 2011 and June 26, 2010, respectively. Such management fees are reflected in the consolidated statements of operations as a reduction in general and administrative expenses, net.

(b) Sponsors

DBGI is majority-owned by investment funds controlled by Bain Capital Partners, LLC, The Carlyle Group, and Thomas H. Lee Partners, L.P. (collectively, the Sponsors). Prior to the closing of the Company s initial public offering on August 1, 2011, the Company was charged an annual management fee by the Sponsors of $1.0 million per Sponsor, payable in quarterly installments. The Company recognized $750 thousand of expense related to Sponsor management fees during the three months ended June 25, 2011 and June 26, 2010, and $1.5 million during the six months ended June 25, 2011 and June 26, 2010, which is included in general and administrative expenses, net in the consolidated statements of operations. At December 25, 2010, the Company had $500 thousand of prepaid management fees to the Sponsors, which were recorded in prepaid expenses and other current assets in the consolidated balance sheets. No management fees had been prepaid to the Sponsors as of June 25, 2011. Due to the completion of the initial public offering in August 2011, we expect to incur an incremental expense of approximately $14.2 million within general and administrative expenses, net, in the consolidated statement of operations during the three months ended September 24, 2011 related to the termination of the Sponsor management agreement.

At June 25, 2011 and December 25, 2010, certain affiliates of the Sponsors held $65.6 million and $70.6 million, respectively, of term loans, net of original issue discount, issued under the Company s senior credit facility. The terms of these loans are identical to all other term loans issued to lenders in the senior credit facility.

Our Sponsors have a controlling interest in our Company as well as several other entities. The existence of such common ownership and management control within business and other transactions could result in differences within our operating results or financial position than if the entities were autonomous. The Company made payments to entities under common control totaling approximately $538 thousand and $384 thousand during the three months ended June 25, 2011 and June 26, 2010, respectively, and $603 thousand and $512 thousand during the six months ended June 25, 2011 and June 26, 2010, respectively, primarily for the purchase of training services and leasing of restaurant space. At June 25, 2011, the Company had a net credit to be applied to future invoices totaling $77 thousand from these entities. At December 25, 2010, the company owed these entities $48 thousand which was recorded in accounts payable and other current liabilities in the consolidated balance sheet.

In March 2006, we entered into an investor agreement with the Sponsors and also entered into a registration rights and coordination agreement with certain shareholders, including the Sponsors. Pursuant to these agreements, subject to certain exceptions and conditions, our Sponsors may require us to register their shares of common stock under the Securities Act, and they will have the right to participate in certain future registrations of securities by us. These agreements were amended and restated in connection with our initial public offering.

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(c) Joint Ventures

The Company received royalties from its joint ventures as follows (in thousands):

	Three months ended		Six months ended	
	June 25, 2011	June 26, 2010	June 25, 2011	June 26, 2010
B-R 31 Ice Cream Co., Ltd (BR Japan)	$ 753	570	1,101	875
Baskin-Robbins Co., Ltd Korea (BR Korea)	785	592	1,654	1,432
	$ 1,538	1,162	2,755	2,307

At June 25, 2011 and December 25, 2010, the Company had $1.2 million and $962 thousand, respectively, of royalties receivable from its joint ventures which were recorded in accounts receivable, net of allowance for doubtful accounts, in the consolidated balance sheets.

The Company made payments to its joint ventures totaling approximately $352 thousand and $287 thousand during the three months ended June 25, 2011 and June 26, 2010, respectively, and $460 thousand and $742 thousand during the six months ended June 25, 2011 and June 26, 2010, respectively, primarily for the purchase of ice cream products and incentive payments.

(d) Board of Directors

Certain family members of our board of directors hold an ownership interest in an entity that owns and operates Dunkin Donuts restaurants and holds the right to develop additional restaurants under store development agreements. During the three and six months ended June 25, 2011, the Company received $157 thousand in royalty, rental, and other payments from this entity. No amounts were received during the three or six months ended June 26, 2010.

(15) Subsequent Event

On August 1, 2011, the Company completed an initial public offering in which the Company sold 22,250,000 shares of common stock at an initial public offering price of $19 per share, less underwriter discounts and commissions, resulting in net proceeds to the Company of approximately $390.0 million after deducting underwriter discounts and commissions and expenses paid or payable by the Company. Additionally, the underwriters exercised in full their option to purchase 3,337,500 additional shares, which were sold by existing stockholders. The Company used a portion of the net proceeds from the initial public offering to repay the remaining $375.0 million outstanding under the senior notes, and will use any remaining net proceeds for working capital and general corporate purposes.

Immediately prior to the initial public offering, each outstanding share of Class L common stock converted into approximately 0.2189 of a share of common stock plus 2.2149 shares of common stock, which was determined by dividing the Class L preference amount, $38.8274, by the initial public offering price net of the estimated underwriting discount and a pro rata portion, based upon the number of shares sold in the offering, of the estimated offering-related expenses. As such, the 22,866,379 shares of Class L common stock that were outstanding as of June 25, 2011 and at the time of the offering converted into 55,652,782 shares of common stock.

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Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations
Forward-Looking Statements

Certain statements contained herein are not based on historical fact and are forward-looking statements within the meaning of the applicable securities laws and regulations. Generally, these statements can be identified by the use of words such as anticipate, believe, could, estimate, expect, feel, forecast, intend, may, plan, potential, project, should, would, and similar expressions intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward-looking statements include all matters that are not historical facts. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These risk and uncertainties include, but are not limited to: the ongoing level of profitability of franchisees and licensees; changes in working relationship with our franchisees and licensees and the actions of our franchisees and licensees; our master franchisees relationships with sub-franchisees; the strength of our brand in the markets in which we compete; changes in competition within the quick service restaurant segment of the food industry; changes in consumer behavior resulting from changes in technologies or alternative methods of delivery; economic and political conditions in the countries where we operate; our substantial indebtedness; our ability to protect our intellectual property rights; consumer preferences, spending patterns and demographic trends; the success of our growth strategy and international development; changes in commodity and food prices, particularly coffee, dairy products and sugar, and the other operating costs; shortages of coffee; failure of our network and information technology systems; interruptions or shortages in the supply of products to our franchisees and licensees; inability to recover our capital costs; changes in political, legal, economic or other factors in international markets; termination of a master franchise agreement or contracts with the U.S. military; currency exchange rates; the impact of food borne-illness or food safety issues or adverse public or medial opinions regarding the health effects of consuming our products; our ability to collect royalty payments from our franchisees and licensees; uncertainties relating to litigation; changes in regulatory requirements to our and our franchisees and licensees ability to comply with current or future regulatory requirements; review and audit of certain of our tax returns; the ability of our franchisees and licensees to open new restaurants and keep existing restaurants in operation; our ability to retain key personnel; any inability to protect consumer credit card data and catastrophic events.

Forward-looking statements reflect management s analysis as of the date of this quarterly report. Important factors that could cause actual results to differ materially from our expectations are more fully described in our other filings with the Securities and Exchange Commission, including under the section headed Risk Factors in our Prospectus. Except as required by applicable law, we do not undertake to publicly update or revise any of these forward-looking statements, whether as a result of new information, future events or otherwise.

Introduction and Overview

We are one of the world s leading franchisors of quick service restaurants (QSRs) serving hot and cold coffee and baked goods, as well as hard serve ice cream. We franchise restaurants under our Dunkin Donuts and Baskin-Robbins brands. With over 16,000 points of distribution in 56 countries, we believe that our portfolio has strong brand awareness in our key markets. QSR is a restaurant format characterized by counter or drive-thru ordering and limited or no table service. As of June 25, 2011, Dunkin Donuts had 9,867 global points of distribution with restaurants in 36 U.S. states and the District of Columbia and in 31 foreign countries. Baskin-Robbins had 6,560 global points of distribution as of the same date, with restaurants in 45 U.S. states and the District of Columbia and in 46 foreign countries.

We are organized into four reporting segments: Dunkin Donuts U.S., Dunkin Donuts International, Baskin-Robbins U.S., and Baskin-Robbins International. We generate revenue from four primary sources: (i) royalty income and franchise fees associated with franchised restaurants, (ii) rental income from restaurant properties that we lease or sublease to franchisees, (iii) sales of ice cream products to franchisees in certain international markets, and (iv) other income including fees for the licensing of our brands for products sold in non-franchised outlets, the licensing of the right to manufacture Baskin-Robbins ice cream sold to U.S. franchisees, refranchising gains, transfer fees from franchisees, revenue from our company-owned restaurants, and online training fees.

Franchisees fund the vast majority of the cost of new restaurant development. As a result, we are able to grow our system with lower capital requirements than many of our competitors. With only 17 company-owned restaurants as of June 25, 2011, we are less affected by store-level costs and profitability and fluctuations in commodity costs than other QSR operators.

Our franchisees fund substantially all of the advertising that supports both brands. Those advertising funds also fund the cost of our marketing personnel. Royalty payments and advertising fund contributions typically are made on a weekly basis for restaurants in the U.S., which limits our working capital needs. For the six months ended June 25, 2011, franchisee contributions to the U.S. advertising funds were $147.8 million.

We operate and report financial information on a 52- or 53-week year on a 13-week quarter (or 14-week fourth quarter, when applicable) basis with the fiscal year ending on the last Saturday in December and fiscal quarters ending on the 13th Saturday of each quarter (or 14th Saturday of the fourth quarter, when applicable). The data periods contained within the three- and six-month periods ended June 25, 2011 and June 26, 2010 reflect the results of operations for the 13-week and 26-week periods ended on those dates. Operating results for the three- and six-month periods ended June 25, 2011 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2011. The data periods contained within our three- and twelve-month periods ending December 31, 2011 will reflect the results of operations for the 14-week and 53-week periods ending on those dates.

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Selected Operating and Financial Highlights

	Three months ended		Six months ended	
	June 25, 2011	June 26, 2010	June 25, 2011	June 26, 2010
	(In thousands, except percentages)			
Systemwide sales growth	6.9%	6.4%	6.2%	5.9%
Comparable store sales growth (U.S. only):				
Dunkin Donuts U.S.	3.8%	1.9%	3.4%	0.7%
Baskin-Robbins U.S.	(2.8)%	(5.1)%	(1.7)%	(6.3)%
Total revenues	$ 156,972	$ 150,416	$ 296,185	$ 277,828
Operating income	61,794	57,886	106,630	94,571
Net income	17,162	17,337	15,439	23,275

Our financial results are largely driven by changes in systemwide sales, which include sales by all points of distribution, whether owned by Dunkin Brands or by its franchisees and licensees. While we do not record sales by franchisees or licensees as revenue, we believe that this information is important in obtaining an understanding of our financial performance. We believe systemwide sales information aids in understanding how we derive royalty revenue, assists readers in evaluating our performance relative to competitors, and indicates the strength of our franchised brands. Comparable store sales growth represents the growth in average weekly sales for restaurants that have been open at least 54 weeks that have reported sales in the current and comparable prior year week.

Overall growth in systemwide sales of 6.9% and 6.2% for the three and six months ended June 25, 2011, respectively, resulted from the following:

Dunkin Donuts U.S. systemwide sales growth of 6.0% and 5.7% for the three and six months ended June 25, 2011, respectively, as the result of 197 net new restaurants opened since June 26, 2010 and comparable store sales growth of 3.8% and 3.4%, respectively, driven mainly by increased average ticket. The increase in average ticket was driven by three factors: shift in product mix towards iced beverages and premium breakfast sandwiches, increase in units per transaction, and lastly, an increase in pricing;

Baskin-Robbins International systemwide sales growth of 15.3% and 11.0% for the three and six months ended June 25, 2011, respectively, as a result of increased sales in South Korea and Japan, which resulted primarily from favorable foreign exchange, as well as increased sales in Saudi Arabia and Australia;

Dunkin Donuts International systemwide sales growth of 10.3% and 10.2% for the three and six months ended June 25, 2011, respectively, which was driven by strong sales and favorable foreign exchange in South Korea, as well as increased sales in Southeast Asia, Russia, the Middle East, and Colombia; and

Baskin-Robbins U.S. systemwide sales declines of 5.1% and 3.0% for the three and six months ended June 25, 2011, respectively, resulting from comparable store sales declines of 2.8% and 1.7%, respectively, as well as a slightly reduced restaurant base.

The increase in total revenues of approximately $6.6 million, or 4.4%, for the three months ended June 25, 2011 as compared to the comparable period of 2010 primarily resulted from increased franchise fees and royalty income of $7.4 million and sales of ice cream products of $1.3 million, which were primarily driven by the overall increase in systemwide sales, offset by a $2.0 million decline in other revenues resulting from fewer company-owned stores. The increase in total revenues of approximately $18.4 million, or 6.6%, for the six months ended June 25, 2011 as compared to the comparable period of 2010 primarily resulted from increased franchise fees and royalty income of $13.2 million and sales of ice cream products of $6.2 million, both of which were driven by the overall increase in systemwide sales.

Operating income increased $3.9 million, or 6.8%, for the three months ended June 25, 2011, driven by a $7.4 million increase in franchise fees and royalty income and a $2.1 million decline in depreciation and amortization. These increases in operating income for the three months ended June 25, 2011 were offset by a $2.0 million decline in other revenues resulting from fewer company-owned stores, a $1.5 million decline in net margin on sales of ice cream products, and a $1.4 million increase in general and administrative expenses. Operating income increased $12.1 million, or 12.8%, for the six months ended June 25, 2011, driven by a $13.2 million increase in franchise fees and royalty income, a $4.2 million decline in depreciation and amortization, and a $1.6 million decline in impairment charges. These increases in operating income for the six months ended June 25, 2011 were offset by a $4.1 million increase in general and administrative expenses and a $3.6 million decline in equity in net income of joint ventures.

Net income remained flat for the three months ended June 25, 2011 as compared to the prior year comparable quarter. An increase in operating income of $3.9 million and a decline of $1.5 million in tax expense were offset by incremental interest expense of $1.5 million resulting from additional long-term debt obtained since the prior year and an increase in loss on debt extinguishment and

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refinancing transaction resulting from additional term loan borrowings and related repayment of senior notes. Net income declined $7.8 million, or 33.7%, for the six months ended June 25, 2011, primarily driven by increased losses on debt extinguishment and refinancing transactions of $12.5 million resulting from term loan borrowings and related repayments of senior notes. The increased losses on debt extinguishment and refinancing combined with a $7.8 million increase in interest expense resulting from additional long-term debt obtained since the prior year were offset by an increase in operating income of $12.1 million.

Results of operations

Consolidated results of operations

	Three months ended				Six months ended			
	June 25, 2011	June 26, 2010	Increase (Decrease) $	%	June 25, 2011	June 26, 2010	Increase (Decrease) $	%
	(In thousands, except percentages)				(In thousands, except percentages)			
Franchise fees and royalty income	$ 98,139	90,730	7,409	8.2%	$ 184,098	170,895	13,203	7.7%
Rental income	24,143	24,316	(173)	(0.7)%	46,274	46,432	(158)	(0.3)%
Sales of ice cream products	25,225	23,908	1,317	5.5%	47,941	41,701	6,240	15.0%
Other revenues	9,465	11,462	(1,997)	(17.4)%	17,872	18,800	(928)	(4.9)%
Total revenues	$ 156,972	150,416	6,556	4.4%	$ 296,185	277,828	18,357	6.6%

Total revenues for the three months ended June 25, 2011 increased $6.6 million, or 4.4%, driven by an increase in royalty income of $5.2 million, or 6.0%, mainly as a result of Dunkin Donuts U.S. systemwide sales growth, and a $2.0 million increase in franchise renewal income. Sales of ice cream products also contributed to the increase in total revenues, which were primarily driven by strong sales in Australia and Southeast Asia, as well as a December 2010 price increase that was implemented to offset higher commodity costs. A decline in other revenues of $2.0 million partially offset these revenue increases, which was primarily driven by a decline in sales at company-owned restaurants due to the resale of restaurants to franchisees.

Total revenues for the six months ended June 25, 2011 increased $18.4 million, or 6.6%, driven by an increase in royalty income of $9.4 million, or 5.8%, mainly as a result of Dunkin Donuts U.S. systemwide sales growth, and a $3.1 million increase in franchise renewal income. Sales of ice cream products also increased $6.2 million, primarily driven by strong sales in the Middle East and Australia, as well as the price increase noted above.

	Three months ended				Six months ended			
	June 25, 2011	June 26, 2010	Increase (Decrease) $	%	June 25, 2011	June 26, 2010	Increase (Decrease) $	%
	(In thousands, except percentages)							
Occupancy expenses-franchised restaurants	$ 12,917	12,334	583	4.7%	$ 25,205	26,490	(1,285)	(4.9)%
Cost of ice cream products	18,696	15,927	2,769	17.4%	33,820	28,149	5,671	20.1%
General and administrative expenses, net	54,057	52,618	1,439	2.7%	107,943	103,863	4,080	3.9%
Depreciation and amortization	13,119	15,169	(2,050)	(13.5)%	26,327	30,501	(4,174)	(13.7)%
Impairment charges	404	1,276	(872)	(68.3)%	1,057	2,690	(1,633)	(60.7)%
Total operating costs and expenses	$ 99,193	97,324	1,869	1.9%	194,352	191,693	2,659	1.4%
Equity in net income of joint ventures	4,015	4,794	(779)	(16.2)%	4,797	8,436	(3,639)	(43.1)%
Operating income	$ 61,794	$ 57,886	3,908	6.8%	$ 106,630	$ 94,571	12,059	12.8%

Occupancy expenses for franchised restaurants remained flat for the three months ended June 25, 2011, but decreased $1.3 million for the six months ended June 25, 2011 primarily as a result of lease reserves recorded in the prior year, as well as a decline in the number of leased properties.

Cost of ice cream products for the three and six months ended June 25, 2011 increased 17.4% and 20.1%, respectively, as compared to increases in sales of ice cream products of 5.5% and 15.0%, respectively. The higher percentage increases in cost of ice cream products were primarily the result of unfavorable commodity prices and foreign exchange, slightly offset by increases in selling price.

The increase in general and administrative expenses of $1.4 million for the three months ended June 25, 2011 was driven by a $4.6 million increase in personnel costs related to investment in our Dunkin Donuts U.S. contiguous growth strategy and higher projected incentive compensation payouts. Offsetting this increase was a $2.3 million decline in professional fees and legal costs driven by reduced information technology enhancement expenses and legal settlement reserves, as well as a $2.1 million decline in cost of sales for company-owned restaurants due to the resale of restaurants to franchisees.

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The increase in general and administrative expenses of $4.1 million for the six months ended June 25, 2011 was driven by a $6.9 million increase in personnel costs related to investment in our Dunkin Donuts U.S. contiguous growth strategy, and higher projected incentive compensation payouts. Offsetting this increase was a $2.1 million decline in cost of sales for company-owned restaurants due to the resale of restaurants to franchisees. Due to the completion of an initial public offering in August 2011, we expect to incur an incremental expense of approximately $14.2 million within general and administrative expenses, net, during the three months ended September 24, 2011 related to the termination of the Sponsor management agreement. Additionally, the Company expects to record additional share-based compensation expense within general and administrative expenses of approximately $3 million upon completion of the initial public offering, related to approximately 0.8 million restricted shares granted to employees that were not eligible to vest until completion of an initial public offering or change of control (performance condition).

Depreciation and amortization for the three and six months ended June 25, 2011 declined $2.1 million and $4.2 million, respectively. These decreases resulted primarily from a license right intangible asset becoming fully amortized, as well as terminations of lease agreements in the normal course of business resulting in the write-off of favorable lease intangible assets, which thereby reduced future amortization. Additionally, depreciation expense declined due to assets becoming fully depreciated and the write-off of leasehold improvements upon terminations of lease agreements.

The decreases in impairment charges for the three and six months ended June 25, 2011 resulted primarily from the timing of lease terminations in the ordinary course, which result in the write-off of favorable lease intangible assets and leasehold improvements.

Equity in net income of joint ventures decreased $0.8 million and $3.6 million for the three and six months ended June 25, 2011, respectively, driven by higher expenses for our South Korea joint venture. Additionally, joint venture income from Japan for the six months ended June 25, 2011 was negatively impacted by the March 2011 earthquake and tsunami.

	Three months ended				**Six months ended**			
	June 25, 2011	**June 26, 2010**	**Increase (Decrease) $**	**%**	**June 25, 2011**	**June 26, 2010**	**Increase (Decrease) $**	**%**
	(In thousands, except percentages)							
Interest expense, net	$ (28,808)	(27,467)	(1,341)	4.9%	$ (62,575)	(54,987)	(7,588)	13.8%
Loss on debt extinguishment	(5,165)	(3,693)	(1,472)	39.9%	(16,172)	(3,693)	(12,479)	337.9%
Other gains (losses), net	(64)	(274)	210	(76.6)%	412	(29)	441	(1,520.7)%
Total other expense	$ (34,037)	(31,434)	(2,603)	8.3%	$ (78,335)	(58,709)	(19,626)	33.4%

The increase in net interest expense for the three and six months ended June 25, 2011 resulted primarily from incremental interest expense related to an increase in the weighted average long-term debt outstanding of approximately $479 million, offset by a reduction in the average cost of borrowing.

The loss on debt extinguishment and refinancing for the three and six months ended June 25, 2011 resulted from the term loan re-pricing and upsize transactions completed in the first and second quarters of 2011. As the re-pricing transactions included the repayment of a portion of the outstanding senior notes with the proceeds from the corresponding increases in the term loan, losses on debt extinguishment of $4.3 million and $10.9 million were recorded related to the senior notes during the three and six months ended June 25, 2011, respectively, which included the write-off of unamortized debt issuance costs and original issue discount and transaction related fees. Additionally, losses of $0.9 million and $5.3 million were recorded related to the term loan during the three and six months ended June 25, 2011, respectively, which consisted primarily of third-party fees incurred, as well as the write-off of unamortized debt issuance costs and original issue discount, and call premiums paid to lenders that exited the term loan syndicate. The loss on debt extinguishment recorded during the three and six months ended June 26, 2010 resulted from the voluntary retirement of long-term debt, which resulted in a $3.7 million loss.

Other gains (losses), net, for the three and six months ended June 25, 2011 were favorably impacted by fluctuations in the U.S. dollar against the Canadian dollar as compared to the corresponding periods in the prior year.

	Three months ended	**Six months ended**

	June 25, 2011	June 26, 2010	June 25, 2011	June 26, 2010
	($ in thousands, except percentages)			
Income before income taxes	$ 27,757	$ 26,452	$ 28,295	$ 35,862
Provision for income taxes	10,595	9,115	12,856	12,587
Effective tax rate	38.2%	34.5%	45.4%	35.1%

The increase in the effective tax rate for the three months ended June 25, 2011 was primarily attributable to lower projected permanent differences for fiscal year 2011 related to our joint ventures and other foreign taxes. In addition, the effective tax rate for the six months ended June 25, 2011 was impacted by enacted increases in state tax rates, which resulted in additional deferred tax expense of approximately $1.9 million in the six months ended June 25, 2011.

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Operating segments

We operate four reportable operating segments: Dunkin Donuts U.S., Dunkin Donuts International, Baskin-Robbins U.S., and Baskin-Robbins International. We evaluate the performance of our segments and allocate resources to them based on earnings before interest, taxes, depreciation, amortization, impairment charges, foreign currency gains and losses, other gains and losses, and unallocated corporate charges, referred to as segment profit. Segment profit for the Dunkin Donuts International and Baskin-Robbins International segments include equity in net income from joint ventures. For a reconciliation to total revenues and net income, see the notes to our consolidated financial statements. Revenues for all segments include only transactions with unaffiliated customers and include no intersegment revenues. Revenues not included in segment revenues include retail sales from company-owned restaurants, as well as revenue earned through arrangements with third parties in which our brand names are used and revenue generated from online training programs for franchisees that are not allocated to a specific segment. For purposes of evaluating segment profit, Dunkin Donuts U.S. includes the net operating income earned from company-owned restaurants.

Dunkin Donuts U.S.

	Three months ended				Six months ended			
	June 25, 2011	June 26, 2010	Increase (Decrease) $	%	June 25, 2011	June 26, 2010	Increase (Decrease) $	%
	(In thousands, except percentages)							
Revenues	$ 107,383	100,972	6,411	6.3%	$ 203,607	192,151	11,456	6.0%
Segment profit	82,605	77,670	4,935	6.4%	153,313	141,233	12,080	8.6%

The increases in Dunkin Donuts U.S. revenues for the three and six months ended June 25, 2011 was primarily driven by increases in royalty income of $4.3 million and $7.6 million, respectively, as a result of increases in systemwide sales, as well as increases in franchise fees of $2.1 million and $3.2 million, respectively, as a result of increased franchise renewal income.

The increases in Dunkin Donuts U.S. segment profit for the three and six months ended June 25, 2011 was primarily driven by the increases in total revenues of $6.4 million and $11.5 million, respectively, offset by increases in personnel costs of $1.3 million and $2.0 million, respectively. The increase in segment profit for the six months ended June 25, 2011 also resulted from a decline in total occupancy expenses of $1.1 million driven by additional lease reserves recorded in the prior year and a decline in the number of leased locations.

Dunkin Donuts International

	Three months ended				Six months ended			
	June 25, 2011	June 26, 2010	Increase (Decrease) $	%	June 25, 2011	June 26, 2010	Increase (Decrease) $	%
	(In thousands, except percentages)							
Revenues	$ 3,830	3,264	566	17.3%	$ 7,700	6,585	1,115	16.9%
Segment profit	3,150	3,536	(386)	(10.9)%	6,330	7,248	(918)	(12.7)%

The increases in Dunkin Donuts International revenues for the three and six months ended June 25, 2011 resulted primarily from increases in royalty income of $0.5 million and $0.8 million, respectively, driven by the increase in systemwide sales. Also contributing to the increased revenues for the six months ended June 25, 2011 was an increase of $0.3 million in franchise fees driven by a deposit retained from a former licensee in Mexico.

The decreases in Dunkin Donuts International segment profit for the three and six months ended June 25, 2011 were primarily driven by declines in income from the South Korea joint venture of $0.8 million and $1.5 million, respectively, as well as increases in personnel costs of $0.2 million, and $0.4 million, respectively. These declines in segment profit were offset by the respective increase in revenues.

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Baskin-Robbins U.S.

	Three months ended				Six months ended			
	June 25, 2011	June 26, 2010	Increase (Decrease) $	%	June 25, 2011	June 26, 2010	Increase (Decrease) $	%
	(In thousands, except percentages)							
Revenues	$ 12,364	13,127	(763)	(5.8)%	$ 21,409	22,159	(750)	(3.4)%
Segment profit	6,927	9,402	(2,475)	(26.3)%	11,226	14,626	(3,400)	(23.2)%

The declines in Baskin-Robbins U.S. revenues for the three and six months ended June 25, 2011 primarily resulted from declines in royalty income and licensing income, consistent with the declines in systemwide sales.

Baskin-Robbins U.S. segment profit for the three and six months ended June 25, 2011 declined as a result of increased general and administrative expenses, including $1.0 million and $2.0 million, respectively, related to the roll-out of a new point-of-sale system for Baskin-Robbins franchisees, as well as additional contributions to the Baskin-Robbins advertising fund to support various marketing initiatives. Additionally, personnel costs increased $0.3 million and $0.5 million for the three and six months ended June 25, 2011, respectively.

Baskin-Robbins International

	Three months ended				Six months ended			
	June 25, 2011	June 26, 2010	Increase (Decrease) $	%	June 25, 2011	June 26, 2010	Increase (Decrease) $	%
	(In thousands, except percentages)							
Revenues	$ 27,397	25,369	2,028	8.0%	$ 52,059	44,412	7,647	17.2%
Segment profit	10,453	12,441	(1,988)	(16.0)%	18,616	20,968	(2,352)	(11.2)%

The growth in Baskin-Robbins International revenues for the three and six months ended June 25, 2011 resulted from an increase in sales of ice cream products of $1.4 million and $6.3 million, respectively, which was primarily driven by strong sales in Australia and Southeast Asia, as well as a December 2010 price increase that was implemented to offset higher commodity costs. Royalty income also increased $0.8 million and $1.4 million for the three and six months ended June 25, 2011, respectively, primarily as a result of higher sales and additional royalties earned in Australia directly from franchisees following the termination of a master license agreement.

The decline in Baskin-Robbins International segment profit for the three months ended June 25, 2011 resulted primarily from a $1.5 million decline in net margin on ice cream sales driven by unfavorable commodity costs and foreign exchange. Additionally, general and administrative expenses increased $1.1 million as a result of an increase in personnel costs. Offsetting these declines in segment profit was a $0.8 million increase in royalty income.

The decline in Baskin-Robbins International segment profit for the six months ended June 25, 2011 resulted primarily from a decrease in joint venture income of $2.1 million for the Baskin-Robbins businesses in South Korea and Japan. The decline in joint venture income for Japan primarily resulted from the March 2011 earthquake and tsunami, while South Korea joint venture income declined as a result of increased operating expenses. Additionally, general and administrative expenses increased $2.1 million as a result of an increase in personnel costs, additional travel costs, and increased professional fees. Offsetting these declines in segment profit was an increase in royalty income of $1.4 million, as well as a $0.6 million increase in net margin on ice cream sales driven by strong sales and price increases offset by unfavorable commodity costs and foreign exchange.

Liquidity and Capital Resources

As of June 25, 2011, we held $145.6 million of cash and cash equivalents, which included $73.6 million of cash held for advertising funds and reserved for gift card/certificate programs. In addition, as of June 25, 2011, we had a borrowing capacity of $88.9 million under our $100.0 million revolving credit facility. During the six months ended June 25, 2011, net cash provided by operating activities was $38.5 million, as compared to $49.5 million for the six months ended June 26, 2010. Net cash provided by operating activities for the six months ended June 26, 2010 included a cash inflow of $11.2 million resulting from fluctuations in restricted cash balances related to our securitization indebtedness.

Following the redemption and discharge of the securitization indebtedness in fiscal year 2010, such amounts are no longer restricted, and therefore, there was no operating cash flow impact from restricted cash for the six months ended June 25, 2011.

Net cash provided by operating activities of $38.5 million during the six months ended June 25, 2011 was primarily driven by net income of $15.4 million (increased by depreciation and amortization of $26.3 million and $14.8 million of other net non-cash reconciling adjustments) and dividends received from joint ventures of $5.2 million, offset by $23.3 million of changes in operating assets and liabilities. During the six months ended June 25, 2011, we invested $9.1 million in capital additions to property and equipment. Net cash used in financing activities was $18.8 million during the six months ended June 25, 2011, driven primarily by costs associated with the February and May 2011 term loan re-pricing and upsize transactions, as well as required term loan principal payments, totaling $21.7 million, offset by proceeds from the issuance of common stock of $3.2 million.

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On November 23, 2010, we consummated a refinancing transaction whereby Dunkin Brands, Inc. (i) issued and sold $625.0 million aggregate principal amount of 9 5/8% senior notes due 2018 and (ii) borrowed $1.25 billion in term loans and secured a $100.0 million revolving credit facility from a consortium of banks. The senior secured credit facility was amended on February 18, 2011, primarily to obtain more favorable interest rate margins and to increase the term loan borrowings under the senior secured credit facility to $1.40 billion. The full $150.0 million increase in term loan borrowings under the senior secured credit facility was used to redeem an equal principal amount of the senior notes at a price of 100.5% of par on March 21, 2011. On May 24, 2011 we further increased the size of the term loan facility by an additional $100.0 million to approximately $1.50 billion, which was again used to redeem an equal principal amount of the senior notes.

On August 1, 2011, the Company completed an initial public offering in which we sold 22,250,000 shares of common stock at an initial public offering price of $19 per share, resulting in net proceeds to the Company of approximately $390.0 million after deducting underwriter discounts and commissions and offering-related expenses paid or payable by the Company. The Company used a portion of the net proceeds from the initial public offering to repay the remaining $375.0 million outstanding under the senior notes, and will use any remaining net proceeds for working capital and general corporate purposes.

The senior credit facility is guaranteed by certain of Dunkin Brands, Inc. s wholly-owned domestic subsidiaries and includes a term loan facility and a revolving credit facility. Following the May 2011 amendment, the aggregate borrowings available under the senior secured credit facility are approximately $1.6 billion, consisting of a full-drawn approximately $1.5 billion term loan facility and an undrawn $100.0 million revolving credit facility under which there was $88.9 million in available borrowings and $11.1 million of letters of credit outstanding as of June 25, 2011. Borrowings under the term loan bear interest, payable at least quarterly. The senior secured credit facility requires principal amortization repayments to be made on term loan borrowings equal to approximately $15.0 million per calendar year, payable in quarterly installments through September 2017. The final scheduled principal payment on the outstanding borrowings under the term loan is due in November 2017. Borrowings under the revolving credit facility (excluding letters of credit) bear interest, payable at least quarterly. We also pay a 0.50% commitment fee per annum on the unused portion of the revolver. The fee for letter of credit amounts outstanding ranges from 3.75% to 4.25%. At June 25, 2011, the fee for letter of credit amounts outstanding was 4.25%. The revolving credit facility expires in November 2015.

As of June 25, 2011, borrowings under the senior credit facility bear interest at a rate per annum equal to an applicable margin plus, at our option, either (1) a base rate determined by reference to the highest of (a) the Federal Funds rate plus 0.5%, (b) the prime rate (c) the LIBOR rate plus 1%, and (d) 2.25% in the case of term loans or 2.50% in the case of swing line or revolving credit loans or (2) a LIBOR rate provided that LIBOR shall not be lower than 1.25% in the case of term loans or 1.50% in the case of revolving credit loans. The applicable margin under the term loan facility is 2.00% for loans based upon the base rate and 3.00% for loans based upon the LIBOR rate. The applicable margin under the revolving credit facility ranges from 2.75% to 3.25% for loans based upon the base rate and ranges from 3.75% to 4.25% for loans based upon the LIBOR rate, in each case based upon on specified leverage ratios. As a result of the May 2011 amendment and completion of the initial public offering, (a) the applicable margin under the revolving credit facility was reduced to match the term loans, which is 2.00% for loans based upon the base rate, and 3.00% for loans based upon the LIBOR rate, (b) the minimum base rate under the revolving credit facility was reduced from 2.50% to 2.25%, to match the term loan facility, and (c) the minimum LIBOR rate under the revolving credit facility was reduced from 1.50% to 1.25%, to match the term loan facility. In addition, if the leverage ratio as of the end of any fiscal quarter is less than or equal to 5.10 to 1.00, the minimum base rate and minimum LIBOR rate for borrowings under the term loan facility and revolving credit facility will be permanently reduced by 0.25% to 2.00% in the case of base rate loans and 1.00% in the case of LIBOR rate loans.

The senior credit facility requires us to comply on a quarterly basis, with certain financial covenants, including a maximum ratio of debt to adjusted EBITDA (the leverage ratio) and a minimum ratio of adjusted EBITDA to interest expense (the coverage ratio), each of which becomes more restrictive over time. For fiscal year 2011, the terms of the senior credit facility require that we maintain a leverage ratio of no more than 8.60 to 1.00 and a minimum interest coverage ratio of 1.45 to 1.00. The leverage ratio financial covenant will become more restrictive over time and will require us to maintain a leverage ratio of no more than 6.25 to 1.00 by the second quarter of fiscal year 2017. The interest coverage ratio covenant will also become more restrictive over time and will require us to maintain an interest coverage ratio of no less than 1.95 to 1.00 by the second quarter of fiscal year 2017. Failure to comply with either of these covenants would result in an event of default under our senior credit facility unless waived by our senior credit facility lenders. An event of default under our senior credit facility can result in the acceleration of our indebtedness under the facility, which in turn can result in an event of default and possible acceleration of our other indebtedness. Adjusted EBITDA is a non-GAAP measure used to determine our compliance with certain covenants contained in our senior credit facility, including our leverage ratio. Adjusted EBITDA is defined in our senior credit facility as net income/(loss) before interest, taxes, depreciation and amortization and impairment of long-lived assets, as adjusted, with respect to the twelve months ended June 25, 2011, for the items summarized in the table below. Adjusted EBITDA is not a presentation made in accordance with GAAP, and our use of the term adjusted EBITDA varies from others in our industry due to the potential inconsistencies in the method of calculation and differences due to items subject to interpretation. Adjusted EBITDA should not be considered as an alternative to net income/(loss), operating income or any other performance measures derived in accordance with GAAP, as a measure of operating performance or as an alternative to cash flows as a measure of liquidity. Adjusted EBITDA has important limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Because of these limitations we rely primarily on our GAAP results. However, we believe that presenting adjusted EBITDA is appropriate to provide additional information to investors to demonstrate compliance with our financing covenants. As of June 25, 2011, we were in compliance with our senior credit facility financial covenants, including a leverage ratio of 6.2 to 1 and an interest coverage ratio of 2.4 to 1, which were calculated for the twelve months ended June 25, 2011 based upon the adjustments to EBITDA, as provided for under the terms of our senior credit facility. The following is a reconciliation of our net income to such adjusted EBITDA for the twelve months ended June 25, 2011 (in thousands):

	Twelve months ended June 25, 2011	
Net income	$	19,025
Interest expense		120,604
Income tax expense (benefit)		(7,146)
Depreciation and amortization		53,652
Impairment of long-lived assets		5,442
EBITDA	$	191,577
Adjustments:		
Non-cash adjustments[(a)]	$	3,944
Transaction costs[(b)]		1,219
Sponsor management fees[(c)]		3,000
Loss on debt extinguishment and refinancing transactions[(d)]		74,434
Senior executive transition and severance[(e)]		4,282
New market entry[(f)]		1,022
Franchisee-related restructuring[(g)]		3,374
Technology and market related initiatives[(h)]		4,367
Other[(i)]		1,995
Total adjustments	$	97,637
Adjusted EBITDA	$	289,214

(a) Represents non-cash adjustments, including stock compensation expense, legal reserves, and other non-cash gains and losses.

(b) Represents cost and expenses related to the Company s refinancing and dividend transactions.

(c) Represents annual fees paid to the Sponsors under a management agreement, which terminated upon the consummation of the initial public offering in July 2011.

(d) Represents gains/losses recorded and related transaction costs associated with the refinancing of long-term debt, including the write-off of deferred financing costs and original issue discount, as well as pre-payment premiums.
(e) Represents severance and related benefits costs associated with non-recurring reorganizations (includes the accrual of costs associated with Executive Chairman transition).
(f) Represents one-time costs and fees associated with entry into new markets.
(g) Represents one-time costs of franchisee-related restructuring programs.
(h) Represents costs associated with various franchisee information technology and one-time market research programs.
(i) Represents the net impact of other non-recurring and individually insignificant adjustments.

Based upon our current level of operations and anticipated growth, we believe that the cash generated from our operations and amounts available under our revolving credit facility will be adequate to meet our anticipated debt service requirements, capital expenditures and working capital needs for at least the next twelve months. We believe that we will be able to meet these obligations even if we experience no growth in sales or profits. There can be no assurance, however, that our business will generate sufficient cash flows from operations or that future borrowings will be available under our revolving credit facility or otherwise to enable us to service our indebtedness, including our senior secured credit facility, or to make anticipated capital expenditures. Our future operating performance and our ability to service, extend or refinance the senior secured credit facility will be subject to future economic conditions and to financial, business and other factors, many of which are beyond our control.

Recently Issued Accounting Standards

In December 2010, the Financial Accounting Standards Board (FASB) issued new guidance to amend the criteria for performing the second step of the goodwill impairment test for reporting units with zero or negative carrying amounts and requires performing the second step if qualitative factors indicate that it is more likely than not that a goodwill impairment exists. This new guidance is effective for the Company beginning in fiscal year 2012. We do not expect the adoption of this guidance to have a material impact on our goodwill assessment or our consolidated financial statements.

In June 2011, the FASB issued new guidance to increase the prominence of other comprehensive income in financial statements. This guidance provides the option to present the components of net income and comprehensive income in either one single statement or in two consecutive statements reporting net income and other comprehensive income. This guidance is effective for the Company beginning in fiscal year 2012. The adoption of this guidance will not have a material impact on our consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There has been no material change in the foreign exchange risk or interest rate risk discussed in Management s discussion and analysis of financial condition and results of operations included in the Prospectus.

Item 4. Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of June 25, 2011. The term disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of June 25, 2011, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective.

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Part II. Other Information

Item 1. Legal Proceedings

The Company is engaged in several matters of litigation arising in the ordinary course of its business as a franchisor. Such matters include disputes related to compliance with the terms of franchise and development agreements, including claims or threats of claims of breach of contract, negligence, and other alleged violations by the Company. The Company intends to vigorously defend its positions against all claims in these lawsuits and disputes.

Item 1A. Risk Factors.

There have been no material changes from the risk factors disclosed in the Prospectus.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Recent Sales of Unregistered Securities

During the fiscal quarter ended June 25, 2011, we issued 2,671 shares of our common stock upon the exercise of outstanding stock options by certain of our employees for an aggregate purchase price of $10,744. The shares were issued in transactions that were exempt from the registration requirements of the Securities Act pursuant to Section 4(2) of the Securities Act, including Rule 701 promulgated thereunder.

Use of Proceeds from our Initial Public Offering

In August 2011, we completed the initial public offering of our common stock pursuant to a registration statement on Form S-1, as amended (File No. 333-173898) that was declared effective on July 26, 2011. Under the registration statement, we registered the offering and sale of an aggregate of 25,587,500 shares of our common stock at a price of $19.00 per share, as presented below:

	Number of Shares Offered in the IPO	Aggregate Offering Price
Common stock sold by the Company	22,250,000	$ 422,750,000
Common stock sold by the selling stockholders pursuant to the underwriters option to purchase additional shares	3,337,500	$ 63,412,500
Total shares offered in the IPO	25,587,500	$ 486,162,500

J.P. Morgan, Barclays Capital, Morgan Stanley, BofA Merrill Lynch, and Goldman, Sachs & Co. acted as joint book running managers of the offering. The offering commenced on July 26, 2011 and closed on August 1, 2011. The sale of shares pursuant to the underwriters option to purchase additional shares also closed on August 1, 2011.

We raised a total of $422.8 million in gross proceeds in the initial public offering, or approximately $390.0 million in net proceeds after deducting underwriting discounts and commissions of $27.5 million and $5.3 million of offering-related expenses. We did not receive any proceeds from the sale of shares of common stock by the selling stockholders.

On August 1, 2011, we deposited with the trustee under the indenture governing the Dunkin Brands, Inc. 9 5/8% senior notes due 2018 the portion of our net proceeds from the initial public offering to repay in full all amounts outstanding in respect of the $375.0 million of senior notes and the related accrued interest and prepayment premium. The remainder of the net proceeds will be used for working capital and general corporate purposes.

Item 3. Defaults Upon Senior Securities

None.

Item 5. Other Information

None.

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Item 6. Exhibits

(a) Exhibits:

31.1	Principal Executive Officer Certification Pursuant to Securities Exchange Act Rules 13a-14 and 15d-14 as Adopted Pursuant to the Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Principal Financial Officer Certification Pursuant to Securities Exchange Act Rules 13a-14 and 15d-14 as Adopted Pursuant to the Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Principal Executive Officer Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Principal Financial Officer Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Ex. 101.INS*	XBRL Instance Document
Ex. 101.SCH*	XBRL Taxonomy Extension Schema Document
Ex. 101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
Ex. 101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
Ex. 101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
Ex. 101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document

* In accordance with Regulation S-T, the XBRL-related information in Exhibit 101 to this Quarterly Report on Form 10-Q shall be deemed to be furnished and not filed.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DUNKIN BRANDS GROUP, INC.

Date: August 4, 2011	By:	/s/ Nigel Travis Nigel Travis, Chief Executive Officer

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