

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

LISTED COMPANY – CNPJ 17.155.730/0001-64 – NIRE 31300040127

MATERIAL ANNOUNCEMENT

Sale of interest in TerraForm Global for US\$92.8 mn

Cemig (*Companhia Energética de Minas Gerais*), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, and its wholly-owned subsidiary Cemig Geração e Transmissão S.A. (**‘Cemig GT’**), as per CVM Instruction 358 of January 3, 2002, as amended, **hereby report** to the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (BM&F Bovespa S.A.) and the market **that:**

On May 26, 2017 Cemig’s affiliated company Renova Energia S.A. (**‘Renova’**) published a Material Announcement with the following content:

“ *Further to the Market Announcement of May 15, 2017, and in compliance with CVM Instruction 358/2002, as amended, **Renova Energia S.A. (RNEW11) (‘Renova’)** hereby informs stockholders and the market as follows:*

On today’s date Renova signed a Share Purchase Agreement to sell its shareholding in TerraForm Global Inc. (**‘TerraForm Global’**) to Orion US Holding 1 L.P., a vehicle of Brookfield Asset Management (**‘Brookfield’**).

The price for the acquisition will be US\$92.8 million, to be paid to Renova in cash on completion of the transaction, after certain conditions precedent have been met.

Also today, Renova and Terraform Global signed an agreement for the parties to terminate arbitration proceedings, upon compensation to Renova of US\$15.0 million.

Renova believes that this is one more important step on its new strategic path, and confirms the commitment of its management and controlling stockholders to re-establishing Renova’s financial stability and guaranteeing its long-term sustainability.

Renova will keep the market informed on all developments related to this transaction. ”

Cemig will keep stockholders and the market timely and appropriately informed on this matter.

Belo Horizonte, May 29, 2017

Adézio de Almeida Lima
Chief Finance and Investor Relations Officer