

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

Transfer of transmission companies to Taesa

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** its stockholders and the market **as follows**:

The Board of Directors of Cemig has approved a stockholding restructuring (‘the Transaction’) to transfer to Transmissora Aliança de Energia Elétrica S.A. (‘Taesa’) the stockholding interests held by Cemig in the following public electricity transmission concession holders (referred to jointly as ‘the Transmineira Companies’):

.....
Companhia Transleste de Transmissão S.A. (‘Transleste’),
Companhia Transudeste de Transmissão S.A. (‘Transudeste’) and
Companhia Transirapé de Transmissão S.A. (‘Transirapé’)
.....

The Transaction is subject to final consideration by the Board of Directors of Taesa (subject, as regards the board members appointed by Cemig, to Article 115 of the Corporate Law), and subject to ratification by the General Meeting of Stockholders.

The Transaction will also be submitted for approval to the anti-trust authorities, including the Brazilian monopolies authority (CADE), at the times and in the manner indicated by applicable legislation, and its conclusion is subject to the related prior approvals being obtained – these include the approval of Aneel and of the financing banks, in particular the Brazilian Development Bank (BNDES).

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

Belo Horizonte, July 3, 2017

Adézio de Almeida Lima
Chief Finance and Investor Relations Officer