

COMPANHIA ENERGÉTICA DE MINAS GERAISCEMIG

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

MATERIAL ANNOUNCEMENT

Cemig and Taesa sign Transmineiras stockholding transaction

In continuation from its Material Announcements of July 3 and 12, 2017, 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 reports** to the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (BM&F Bovespa S.A.) and the market **as follows**:

Today (July 13, 2017) Cemig signed the instrument ('the Transaction Instrument') setting the terms of the stockholding restructuring ('the Transaction') involving the transfer to Transmissora Aliança de Energia Elétrica S.A. ('**Taesa**') of the stockholding interests held by **Cemig** in the following public electricity transmission concession holders (referred to jointly as 'the Transmineiras Companies'):

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

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The initial value of the transaction is

R\$ 76,710,000.00 (seventy six million seven hundred ten thousand Reais),

to be paid on the date of Closing of the Transaction.

This amount will be subject to monetary updating by:

(i) accumulated variation of the IPCA inflation index as from January 1, 2017, inclusive, up to the day immediately prior to the date of signature of the Transaction Instrument; and

(ii) accumulated variation resulting from application of 100% (one hundred per cent) of the CDI rate, from the date of signature, inclusive, up to the day immediately prior to the date of Closing of the Transaction;

– after discounting of any amounts of dividends and/or Interest on Equity declared as from January 1, 2017 (inclusive) by the Transmineiras Companies in favor of Cemig, whether paid or not, up to the date of Closing of the Transaction, duly updated by the accumulated variation of the IPCA inflation index from the date of the payment to the day immediately prior to the date of Closing of the Transaction.

Under the terms of the Transaction Instrument, a further tranche with maximum value of

R\$ 11,786,000.00 (eleven million seven hundred eighty six thousand Reais)

may be divided between Taesa and Cemig if the Transmineiras Companies obtain a favorable judgment in certain legal proceedings that are in progress.

This amount will be updated by the accumulated variation resulting from application of 100% (one hundred per cent) of the CDI rate from January 1, 2017, inclusive, to the day immediately prior to the day of payment.

Cemig emphasizes that the transaction is subject to approval by a General Meeting of Stockholders of Taesa, which will be called to ratify signature of the instruments necessary for its execution.

The Transaction will also be submitted for approval to the anti-trust authorities, including the Brazilian monopolies authority CADE (*Conselho Administrativo de Defesa Econômica*) and the Brazilian electricity regulator, Aneel, at the times and in the manner indicated by the related applicable legislation, and its completion is further subject to the related prior approvals being obtained – including approvals of the creditors and financing banks.

Cemig will keep its stockholders and the market timely and appropriately informed on the progress of this transaction. For further information please contact Cemig on: ri@cemig.com.br

Belo Horizonte, July 13, 2017

Adézio de Almeida Lima
Chief Finance and Investor Relations Officer