

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MARKET ANNOUNCEMENT

Supreme Court suspends ruling that had prevented reconciliation on major power plant concessions

Cemig (*Companhia Energética de Minas Gerais*), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, in compliance with CVM Instruction 358 of January 3, 2002 as amended, **hereby reports** to the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (Brasil, Bolsa, Balcão – B3) and the market **as follows**:

Justice Dias Toffoli of the Federal Supreme Court (*Supremo Tribunal Federal – STF*) has granted an interim order suspending the effects of the appeal judgment given by the Federal Audit Board (*Tribunal de Contas da União – TCU*) in which the TCU had ruled against continuation of the reconciliation proceedings in progress between the federal government and Cemig on the question of extension of the concessions of the *Jaguara*, *São Simão* and *Miranda* Hydroelectric Plants.

The STF gave this decision in the proceedings on Application for order of *mandamus* (*mandado de segurança*) No. 35192, brought by Cemig against the judgment of the TCU.

The TCU had based its decision on argument that the negotiations in progress between the federal government and Cemig would put at risk the proceedings for holding of tenders for those same concessions, organized by the National Electricity Agency (Aneel) – which had been scheduled for September 27. The TCU had further alleged it was not aware of the terms of the reconciliation process in progress.

The reconciliation talks are being held in the Federal Administration Reconciliation and Arbitration Chamber (CCAF) of the Federal Attorney General's Office – aiming to bring to a conclusion legal actions currently before the judiciary, including the STF itself: the Ordinary Appeal in Application for Mandamus No. 34203, and Action for Provisional Remedy No. 3980, in which Justice Dias Toffoli himself is also the reporting Justice.

Cemig reports that these meetings began this month, and further meetings are scheduled. In Cemig's view, this STF's decision reopens the possibility of negotiation with the federal government on the subject of these concessions.

Belo Horizonte, September 21, 2017

Adézio de Almeida Lima
Chief Finance and Investor Relations Officer