

# COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

## MATERIAL ANNOUNCEMENT

### Board proposes R\$ 1 billion capital increase

**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 informs** the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (BM&F Bovespa S.A.) and the market **as follows**:

On today's date Cemig's Board of Directors decided to submit to an Extraordinary General Meeting of Stockholders a proposal for increase of the Company's share capital,

by up to R\$ 1,000,000,000.00 (one billion Reais),  
through issuance of up to 66,849,505 (sixty six million eight hundred forty nine thousand five hundred five) new common shares  
and up to 133,150,495 (one hundred thirty three million one hundred fifty thousand four hundred ninety five) new preferred shares,  
all nominal, book-entry shares,  
each with nominal value of R\$ 5.00 (five Reais),  
for issue price per share, for both common and preferred shares,  
of R\$ 6.57 (six Reais and fifty seven centavos)

('the Capital Increase').

All the shares resulting from this subscription will have the same rights as the shares of the same class on which the capital increase is based. The Capital Increase will be by private subscription, with present shareholders having preference to participate in proportion to their current equity holdings, on the basis of 0.1588762172 of a new share for each share held at the close of market on the day of the EGM that authorizes the Capital Increase.

All the information on the Capital Increase and the right of first refusal will be given in the Notice to Stockholders which the Company will publish, in accordance with CVM Instruction 480 of December 7, 2009, as amended.

The Capital Increase will provide the Company with an increasingly robust capital structure and cash position, helping to reduce its financial leverage.

Cemig will keep its stockholders and the market informed on this Capital Increase. For further information, contact Cemig by email on: [ri@cemig.com.br](mailto:ri@cemig.com.br)

Belo Horizonte, September 25, 2017

Adézio de Almeida Lima  
Chief Finance and Investor Relations Officer