

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MARKET INFORMATION

Cemig: Financial update

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 Article 12 of 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**:

As widely publicized at, and since, Cemig's 22nd Annual Meeting with the Capital Markets, on June 1, 2017, Cemig is working successfully on execution of its plan to improve its capital structure, increase its operational cash flow generation, and diversify its sources of finance.

The plan is based primarily on the following lines of action:

- **Reprofiling of debt:**

This is in negotiation with the main creditor banks, for a total of R\$ 4 billion, with approximate maturity of five years, and grace period of up to 18 months.

This has been approved by the Company's governance.

- **International debt issue:**

An issue of debt outside Brazil of approximately US\$1 billion.

This has been approved by the Company's governance.

- **Capital increase:**

Increase in the Company's share capital by R\$ 1.3 billion, through subscription of shares.

(Approved by the EGM of October 26, 2017.)

- **Sale of shares:**

A proposed solution for the Put options related to Light, through sale of shares held outside the controlling block of the investee company.

- **Disinvestment program:**

Cemig has various processes of disinvestment in progress.

Highlights are the processes for the sale of its equity interests in Santo Antônio Energia, Light and Renova. The stage of these processes is in line with timing considered to be appropriate for M&A transactions for disposal of interests in companies of this scale.

- **Operational efficiency:**

1,948 employees accepted the Voluntary Retirement Programs implemented in 2016 and 2017 – resulting in a reduction in costs of approximately R\$ 450 million per year.

In addition to the above, there are also the following significant factors:

Financial expenses: The reduction in the Selic interest rate has made a substantial contribution to reduction of Cemig's financial expenses.

Cash flow: Payment of debt of approximately R\$ 1 billion in 2017 is a demonstration of Cemig's economic strength and cash flow generation capacity.

Tariffs: The Periodic Tariff Review scheduled for May 2018 will also contribute to increase in the Company's cash generation.

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

Belo Horizonte, November 6, 2017.

Adézio de Almeida Lima
Chief Finance and Investor Relations Officer