

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

Cemig joins ICMS tax mitigation plan

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

Cemig has subscribed to the Tax Credits Regularization Plan (*Plano de Regularização de Créditos Tributários*, or PRCT) of Minas Gerais State, in relation to ICMS tax totaling R\$ 588 million, resulting in a significant mitigation of risk.

The commitment by Cemig D, for an amount of R\$ 558 million, results in a reduction of 90% in interest charged and penalty fines imposed in relation to payment of the tax. This amount is for the base-date September 2017, and will be updated by application of 50% of the Selic rate until the date of payment, which is to be made in six monthly installments. The first of these, of R\$ 93 million, was paid on October 31, 2017.

The commitment by Cemig GT, for an amount of R\$ 30 million, which was paid in full on October 31, 2017, reduced interest and penalty fines charged by 95%.

The decision will result in negative effects in the results for 3Q17 – reducing Ebitda by approximately R\$ 588 million, and Net profit by approximately R\$ 388 million.

Payment of the obligation will be financed by operational cash flow, without causing any increase in debt, and without significant change in our financial programming.

Belo Horizonte, November 9, 2017.

Adézio de Almeida Lima
Chief Finance and Investor Relations Officer