

# COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

## MATERIAL ANNOUNCEMENT

### **Renova: binding proposal for capitalization**

As part of the Disinvestment Program published by Cemig on June 1, and updated July 7, 2017; in continuation of Cemig’s reporting to the public in Material Announcements of July 7, September 15 and October 17, 2017, and in compliance with CVM Instruction 358 of January 3, 2002 as amended,

**Cemig** (*Companhia Energética de Minas Gerais* – listed in São Paulo, New York and Madrid), **hereby reports** to the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (B3) and the market **as follows**:

On November 11, 2013, Cemig’s affiliated company Renova Energia S.A. (‘Renova’) published the following Material Announcement:

“ **Renova Energia S.A. (RNEW11) (‘Renova’)**, as per CVM Instruction 358/2002 as amended, and with reference to:

- (i) its Market Notice published on July 4, on receipt of a non-binding offer from **Brookfield Energia Renovável** (‘Brookfield’) for capitalization of **Renova**;
- (ii) its Material Announcement of July 17, when Renova granted exclusivity to Brookfield for due diligence and negotiation of documents for a primary subscription of capital in Renova;
- (iii) the Material Announcement of September 15, 2017, when Renova extended this exclusivity by 30 days; and
- (iv) the Material Announcement of October 17, when the exclusivity period ended,

**– now reports as follows:**

**Yesterday (November 12, 2017), after the close of the market, Renova received a binding proposal for primary investment of R\$ 1.4 billion in Renova, at a price of R\$ 6 per unit.**

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The offer further includes an earn-out of up to **R\$ 1.00 (one Real) per unit**, for any amount that **Renova** receives in the future as adjustment to the sale price of the *Alto Sertão II* Wind Power Complex.

The proposal also specifies conditions precedent that are usual in this type of transaction.

In the event of acceptance, Brookfield will be given a period of exclusivity of 60 days, able to be extended for 30 days, to finalize the documents of the transaction. The transaction will then be subject to consideration and approval by the governance bodies of Renova and its controlling stockholders.

Renova reiterates its commitment to keeping stockholders and the market in general fully and timely informed in accordance with the applicable legislation. ”

Belo Horizonte, November 13, 2017.

Adézio de Almeida Lima  
Chief Finance and Investor Relations Officer,  
Cemig