

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

Umburanas project transaction completed

Cemig (*Companhia Energética de Minas Gerais* – listed in São Paulo, New York and Madrid), in accordance with CVM Instruction 358 of January 3, 2002 as amended, **hereby reports** to the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (B3) and the market **as follows**:

Today Cemig’s affiliated company Renova Energia S.A. (**‘Renova’**) published the following Material Announcement:

“In continuation of the Material Announcements of August 8 and 23, 2017, reporting negotiations for sale of the *Umburanas* Wind Farm Complex project to Engie Brasil Energia S.A. (**‘Engie’**), and signature of the related Rights Assignment (**‘the Transaction’**), Renova Energia S.A. (RNEW11) (**‘Renova’**), in compliance with CVM Instruction 358/2002 as amended, **reports as follows** to its stockholders and the market in general:

The Transaction was completed today, for a total of R\$ 16,937,854.20.

The scope of the Transaction covers:

- (i) **‘Umburanas I’**, contracted at the **2013 A-5 LEN** (**‘New build’**) Auction, (decontracted by *MCSD A4+* offsetting, as disclosed in Renova’s Material Announcement of May 19, 2017).
- (ii) **‘Umburanas II’** – a PPA currently in effect, contracted at the 2014 A-5 LEN Auction.
- (iii) **‘Umburanas III’** – remaining wind potential held by Renova in the region of Umburanas.
- (iv) The **Free Market PPAs ‘Light II’, ‘Mercado Livre II’ and ‘Mercado Livre III’**, for supply of 165.2 MW_{average} from July 1, 2019.

The Transaction reduces the exposure of Renova, through its trading company Renova Comercializadora, by the amount of these contracts.

As reported in a Material Announcement on October 24, 2017, Aneel has approved the transfer of the Umburanas Wind Complex to Engie, subject to payment by Renova of a fine of R\$ 3.8 million relating to the cancellation of 4 grants in relation to the Project.

Renova reiterates that the Transaction described above in no way affects the negotiations in progress with **Brookfield Energia Renovável**, which were the subject of the Material Announcement published on November 11. ”

Belo Horizonte, November 24, 2017.

José Maria Rabelo
Acting Chief Finance and Investor Relations Officer