

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

Increase in holdings in RME and Lepsa

Complementing its reports in Material Announcements of Sep. 18 and Nov. 22 this year, **Cemig** (*Companhia Energética de Minas Gerais*, listed in São Paulo, New York and Madrid), and in compliance with 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**:

On today's date (Nov. 30, 2017), **Cemig** acquired from

BB–Banco de Investimento S.A.,

BV Financeira S.A. – Crédito, Financiamento e Investimento, and

Banco Santander (Brasil) S.A.

(jointly, 'the Stockholder Banks'),

the whole of their equity interest in

Luce Empreendimentos e Participações S.A. ("LEPSA")

and the whole of their holding in the preferred shares of

RME – Rio Minas Energia Participações S.A. ("RME"),

for R\$ 1,015,943,507,26 (one billion fifteen million nine hundred forty three thousand five hundred seven Reais and twenty six centavos).

With this acquisition Cemig increased its holding in RME from 66.27% to 75% of the total share capital, while continuing to hold a 50% equity interest in the voting shares of RME, and has increased its interest in the total and voting stock of LEPSA from 66.62% to 100%.

Cemig will keep its stockholders and the market duly informed on all new information related to this subject.

Belo Horizonte, November 30, 2017

José Maria Rabelo

Acting Chief Finance and Investor Relations Officer