

# COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

## MATERIAL ANNOUNCEMENT

### Renova accepts Brookfield binding offer

**Cemig** (*Companhia Energética de Minas Gerais*), listed and traded on exchanges in São Paulo, New York and Madrid, as per CVM Instruction 358 of 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 compliance with CVM Instruction 358/2002, as amended, and with reference to the Material Announcement published to the market on February 23, 2018, Renova Energia S.A. (RNEW11) hereby informs its stockholders and the market in general as follows:

On February 27, 2018 the Board of Directors of Renova decided in favor of acceptance of the binding offer made by Brookfield Energia Renovável S.A. (“BER”).

The proposal is for acquisition of the following assets for the following prices:

- (i) **The Alto Sertão III wind power complex**, with generation capacity contracted under PPAs of 433 MW, and generation capacity of 288MW contracted at the auction of December 2017, for the price of R\$ 650 million, to be paid on the date of completion of the transaction. The price may be increased by an earn-out of up to R\$ 150 million (adjusted by the CDI rate) linked to future generation by the complex, to be calculated after 5 years from its start of operation. The bank financings related to these assets will also be transferred to BER.
- (ii) **Wind power projects in development**, with estimated installed capacity of 1.1 GW, priced at R\$ 187,000 per MW, to be paid as earn-out (adjusted by the CDI rate).

The Board also approved granting BER a further period of exclusivity for 30 (thirty) days, able to be extended automatically for thirty additional days, for finalization of the documents of the transaction. Final completion of the transaction will take place after consideration and approval by the governance bodies of Renova and of its controlling stockholders, and after compliance with the conditions precedent that are usual in this type of transaction.

The proceeds from the transaction will be prioritized for payment of suppliers and creditors of the Alto Sertão III project.

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

Belo Horizonte, February 27, 2018.

José Maria Rabelo  
Acting Chief Finance and Investor Relations Officer