

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

Cemig offer to Renova for interest in Brasil PCH / Chipley

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 reports** to the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange ('B3') and the market **as follows**:

In the context of (i) the recent changes in the negotiations for capitalization of Renova Energia S.A. ('Renova'), (ii) Renova's interest in bringing forward revenues from power purchase agreements, and with a view to (iii) execution of Cemig's Disinvestment Program, Cemig has today made a binding offer to Renova ('the Offer') for acquisition of 100% (one hundred per cent) of the shares in Chipley SP Participações S.A. ('Chipley') held by Renova or 51% (fifty one per cent) of the shares in Brasil PCH S.A. ('Brasil PCH') held by Chipley ('the Transaction').

Cemig's intention is that Renova should sell its interest in Brasil PCH to a third party, or to Cemig itself or any of its affiliated companies, in the terms of the Offer, to make it possible for payment to be made of the amounts owed to Cemig Geração e Transmissão S.A. ('Cemig GT').

The conclusion of the Transaction, if accepted by Renova, will depend on conditions present specified in the Offer of the type that are usual for this type of transaction.

In view of the above, Cemig GT hereby declares itself impeded from making statements or voting in the governance bodies of Renova on any decision in relation to the said binding proposal.

Cemig will keep the market and its stockholders updated on any further information about this capital increase.

Belo Horizonte, March 27, 2018.

Maurício Fernandes Leonardo Júnior
Chief Finance and Investor Relations Officer