

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

Renova: New binding offer

Cemig (*Companhia Energética de Minas Gerais*), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, 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 (B3) and the market **as follows**:

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

“Renova Energia S.A. (RNEW11) ('Renova'), in accordance with CVM Instruction 358/2002 as amended, hereby informs its stockholders and the market in general as follows:

Renova has today received from Brookfield Energia Renovável S.A. ('BER') a new binding proposal replacing the offer for primary capitalization accepted on November 24, 2017 (as reported in a Material Announcement published to the market).

This proposal is for acquisition of the assets of the whole of the Alto Sertão III Complex ('the ASIII Complex'), plus certain other wind projects under development with total planned generating capacity of approximately 1.1 GW. The value proposed for the ASIII Complex is R\$ 650 million, to be paid on completion of the transaction, this amount being subject to usual post-closing adjustments ('the Price'). The Price may be increased by an earn-out of up to R\$ 150 million linked to future generation by the ASIII Complex, to be calculated after 5 years from its start of operation, plus R\$ 187,000 per MW of installed capacity for the wind projects in development.

Renova's management bodies are evaluating the Proposal received and in the event of its being accepted by management, BER will be granted a further period of exclusivity of 30 (thirty) days for finalization of the documents of the 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 23, 2018

José Maria Rabelo
Acting Chief Finance and Investor Relations Officer