

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

Update on Cemig capital increase

Referring to and complementing the **Material Announcements** published on December 13, 2017 and January 8, 2018, and in compliance with CVM Instruction 358 of January 3, 2002, as amended, **Cemig** – *Companhia Energética de Minas Gerais* (listed, with securities traded on the stock exchanges of São Paulo, New York and Madrid) **hereby reports** to the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (B3 S.A.) and the market **as follows**:

Cemig is evaluating alternative courses of action for sale of 100% of the shares not subscribed in the capital increase approved by the Extraordinary General Meeting of Stockholders held on October 26, 2017. These alternatives include:

- (i) – a public offering under the simplified regime, governed by Article 6, §1, of Instruction 400 issued by the Brazilian Securities Commission (CVM) on December 29, 2003 as amended (‘CVM Instruction 400’); and
- (ii) – a public offering of a single indivisible lot, with automatic dispensation from registry with the CVM, through a special auction on the São Paulo Stock Exchange (B3 S.A. – *Brasil, Bolsa, Balcão*), under Article 5, Sub-item II, of CVM Instruction 400, CVM Instruction 168 of December 23, 1991 and the regulations of the B3.

Cemig will keep its stockholders updated on any further information on the sale of these remaining shares.

Belo Horizonte, February 28, 2018.

José Maria Rabelo
Acting Chief Finance and Investor Relations Officer