

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

Cemig Telecom assets sold for significant premiums

Cemig (*Companhia Energética de Minas Gerais* – listed, 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 (BM&F Bovespa S.A.) and the market **as follows**:

Today Cemig held the Public Auction for sale of its telecommunications assets not within scope of primary use, as specified in Tender Announcement 500-Y12121.

- The winning bid for Lot 1, presented by American Tower do Brasil – Internet das Coisas Ltda., was for R\$ 571,000,000.00 (five hundred seventy one million Reais), that is to say 70.41% above the minimum sale value specified in the Tender Announcement.
- The winning bid for Lot 2, presented by Algar Soluções em TIC S.A., was for R\$ 77,890,000.00 (seventy seven million, eight hundred ninety thousand Reais), i.e. 139.86% above the minimum sale value specified in the Tender Announcement.

The winning bidders were qualified during the session. Cemig will declare the winners after expiration of the period for appeals. After signature of the Asset Sale Agreements, conclusion of the transaction will depend on compliance with suspensive conditions stated in the Tender Announcement, including approval by the Brazilian competition authority, CADE (*Conselho Administrativo de Defesa Econômica*), if applicable.

The minutes of the public auction session are available on Cemig’s Electronic Procurement Site (<http://compras.cemig.com.br/>).

Cemig reiterates its commitment to keep stockholders and the market timely informed in accordance with the applicable law and regulations.

Belo Horizonte, August 8, 2018

Daniel Faria Costa
Acting Chief Finance and Investor Relations Officer