

# COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

## MATERIAL ANNOUNCEMENT

### **Bonds: payment limit temporary exceeded**

In compliance with CVM Instruction 358 of January 3, 2002 as amended, **Cemig** (*Companhia Energética de Minas Gerais*, listed and traded in São Paulo, New York and Madrid), **hereby reports** to the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (B3) and the market **as follows**:

Cemig's wholly-owned subsidiary, Cemig Geração e Transmissão S.A. (**'Cemig GT'** or **'the Company'**) has notified the trustee of its US\$1.5 billion Eurobond issue maturing Dec. 5, 2024 that the permitted threshold level of investments by Cemig GT under the issue's Limitation on Restricted Payments clause has, exceptionally, been momentarily exceeded, and that this excess will be reversed within the period for cure established in the Issue Deed.

The situation is the result of a loan by Cemig GT to Cemig D, of R\$ 630 million, to be repaid in two installments, in November and December 2018. The first of these repayments (in November) will result in Cemig GT being compliant with the said limitation clause. As soon as the payment is made, Cemig GT will use the funds to pre-pay currently existing debt, accelerating the process of deleverage currently in progress.

The Company remains compliant with all the other covenants, especially in relation to the ratio Net debt / Ebitda.

To make the loan, Cemig GT used funds from the reimbursement, of R\$ 1.14 billion, received on August 31, 2018, for the value of assets not previously reimbursed or depreciated relating to the Basic Projects of the *São Simão* and *Miranda* hydroelectric plants.

Cemig reiterates its commitment to keep stockholders and the market in general timely and promptly informed on any further news relating to this matter.

Belo Horizonte, October 10, 2018.

Daniel Faria Costa  
Acting Chief Finance and Investor Relations Officer