

COMPANHIA ENERGÉTICA DE MINAS GERAIS –CEMIG
LISTED COMPANY – CNPJ 17.155.730/0001-64 – NIRE 31300040127

MATERIAL ANNOUNCEMENT

Cemig (*Companhia Energética de Minas Gerais* – listed in 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:

Cemig’s affiliated company, Light S.A. (‘Light’) has yesterday (October 22, 2018) published the following **Material Announcement**:

“ *LIGHT S.A. (LIGT3)* (“Company” or “Light”), under the terms of Instruction No. 358, dated January 3, 2002, of the Brazilian Securities Exchange Commission (Comissão de Valores Mobiliários - “CVM”), as amended, Instruction No. 476, dated January 16, 2009, of CVM, as amended (“Instruction CVM 476”), and article No. 157, paragraph 4, of Law No. 6.404, dated December 15, 1976, as amended (“Corporations Law”), hereby informs its shareholders and the market in general that, on this date, an Extraordinary General Meeting of the Company (“EGM”) was called to be held on November 22, 2018, to deliberate on amendments to the Company’s bylaws (“Bylaws Amendment”), in order to enable a possible transaction which could lead to the dispersion of the Company’s corporate capital, as described below.

In addition to the disclosed in the Company’s material fact released on August 16, 2018, the Company is considering the possibility of conducting a primary public offering of shares, with restrict distribution efforts, in Brazil and abroad to qualified institutional investors in United States of America and for investors who are deemed to be non-residents or domiciled in the United States of America, based on the provisions of the Rule 144A and the Regulation S, pursuant to the U.S. Securities Act of 1933, as amended (“Securities Act”), which may also have a secondary tranche and an anchorage by investment funds led by GP Investments Ltd. (“Investors” and “Offering”), which may acquire a material equity stake in the Company.

Notwithstanding the foregoing, as disclosed by Companhia Energética de Minas Gerais – CEMIG (“CEMIG”), in a material fact dated September 21, 2018, CEMIG has received Notices of Intent to Exercise the Put Option - Third Window of RME - Rio Minas Energia Participações S.A. (“RME”), sent by BB-Banco de Investimento S.A., BV Financeira S.A. - Crédito, Financiamento e Investimento and Banco Santander (Brasil) S.A. (jointly “Shareholder Banks”), informing the irrevocable and irreversible exercise of the right to sell all the shares issued by RME held by them (“Put Option”), which, once the Put Option is consummated, will result in the extinction of the Company’s control block (“Extinction of the Block of Control”). As a consequence of the exercise of the Put Option, there is also the possibility that the shareholders that are part of the Company’s control block (CEMIG, RME and Luce Empreendimentos e Participações S.A. (“LEPSA”)) dispose a portion of its Company shares in the secondary market (“Disposal of Shares of the Block of Control”).

Accordingly, the completion of the possible Offering, the Extinction of the Block of Control and/or the Disposal of Shares of the Block of Control, described above, may disperse the

ownership of the Company's corporate capital, and result in no shareholder or group of shareholders holding, individually or jointly, more than 50% of the Company's corporate capital, and without the existence of a controlling shareholder (or a group of controlling shareholders), whether directly or indirectly.

Detailed information on the Bylaws Amendment proposal is included in the call notice of the EGM, the Manual for Participation of Shareholders in the EGM and its schedules, which were made available on the website of the Company and CVM.

It should be noted that an eventual materialization of any of the transactions above mentioned is subject to the conditions of the Brazilian and international capital markets, and the Company's and sellers' approvals, as the case may be. In addition, any future offering of shares will be conducted in accordance with applicable regulation.

This Material Fact is not intended to be published or distributed, directly or indirectly, in the United States of America and does not constitute an offer to sell securities in the United States of America. The securities mentioned in this Material Fact were not and will not be registered under the Securities Act or any other securities laws and shall not be offered or sold in the United States of America without proper registration or an exemption from the applicable registration pursuant to the Securities Act.

On this date, there is no public offering being conducted in Brazil or the United States of America.

No security shall be sold in any state or jurisdiction, including in Brazil or the United States of America, in which the offer, solicitation or sale of such security is considered unlawful prior to registration or compliance with the securities laws of such state or jurisdiction.

This Material Fact is for information purposes only and should not, under any circumstances, be construed as, nor constitute, an investment recommendation or an offer to sell, or a solicitation or an offer to purchase any of the Company's securities in Brazil, including its issued shares.

The Company will keep its shareholders and the market in general informed about the possible transactions mentioned above, pursuant to the applicable regulation.

Additional information may be obtained from the Company's Investor Relations Department, in the City of Rio de Janeiro, State of Rio de Janeiro, Av. Marechal Floriano nº 168, parte, 2º andar, Corredor A, CEP 20080-002, or on the website of the Company (www.ri.light.com.br).

Belo Horizonte, October 23, 2018.

Maurício Fernandes Leonardo Júnior
Chief Finance and Investor Relations Officer