

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MARKET ANNOUNCEMENT

Moody's raises ratings for Cemig

Cemig (*Companhia Energética de Minas Gerais* – listed and traded on the stock exchanges of São Paulo, New York and Madrid) **hereby informs** the public, the CVM (the Brazilian Securities Commission) and the São Paulo stock exchange (B3) **as follows:**

Moody's América Latina ('Moody's') has concluded its review for upgrade, which it began on September 9, 2018 when it increased the corporate ratings of Cemig and its wholly-owned subsidiaries Cemig Distribuição S.A. ('**Cemig D**') and Cemig Geração e Transmissão S.A. ('**Cemig GT**'), from B3/B2.br to **B2/Ba1.br**, on both the global and the Brazilian scale.

Moody's has now further upgraded the corporate ratings of **Cemig**, from B2/Ba1.br to **B1/Baa2.br**, on both the global and the Brazilian scale. Concomitantly, Moody's upgraded the global and national scale issuer, senior unsecured, and senior secured ratings assigned to **Cemig D** and **Cemig GT** from B2/Ba1.br to **B1/Baa2.br**. These are thus now classified as investment grade on the Brazilian scale. The outlook is stable.

Moody's has stated that the upgrade reflects the perception of overall improvement in the Company's liquidity following receipts of reimbursement for assets, sales of assets, refinancings of short-term debt, and a more prudent strategy of management of liabilities, which will help to mitigate liquidity risks.

Similarly, during 2018, Standard&Poor's and Fitch Ratings have also upgraded their ratings for Cemig and for its wholly-owned subsidiaries.

Cemig sees the changes by these agencies as a recognition of its efforts to increase its credit quality, and reiterates its commitment to improve its liquidity and capital structure through lengthening of its debt profile and sale of assets.

Belo Horizonte, November 1, 2018

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