

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

Agreement to end cross holdings in Ceará wind farms

Cemig (*Companhia Energética de Minas Gerais*), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, in accordance with CVM Instruction 358 of January 3, 2002, as amended, **hereby informs** the Brazilian Securities Commission (CVM), its stockholders, and the São Paulo Stock Exchange (B3) **as follows**:

As approved by the meeting of the Board of Directors of **Cemig** held on December 12, 2017, and by the meeting of the Board of Directors of **Energimp S.A.** (**‘Energimp’**), held on February 5, 2018, and also as per the Memorandum of Understanding dated February 8, 2018, we report signature of the final document, entitled ‘Private Transaction Agreement’ (**‘the Agreement’**), between Cemig Geração e Transmissão S.A. (**‘Cemig GT’**), and Energimp (jointly, ‘the Parties’).

The objective of the Agreement is to eliminate the cross holdings between the Parties in the companies:

- Central Eólica Praias de Parajuru S.A. (**‘Parajuru’**)
- Central Eólica Volta do Rio S.A. (**‘Volta do Rio’**) and
- Central Eólica Praias do Morgado S.A. (**‘Morgado’**),

– and extinguish the corporate partnership currently existing between the Parties (**‘the Elimination of cross holdings’**).

As a result of the Elimination of cross holdings:

- 100% of the shares in **Parajuru** and **Volta do Rio** will be entirely owned by **Cemig GT**, or such party as it may indicate, and
- 100% of the shares in **Morgado** will be entirely owned by **Energimp**.

The Elimination of cross holdings is subject to suspensive conditions, which include, among others, approval by the Brazilian monopolies authority CADE (*Conselho Administrativo de Defesa Econômica*), at the times and in the manner indicated by the related applicable legislation, and of the financing bank.

Belo Horizonte, May 17, 2018

Maurício Fernandes Leonardo Júnior
Chief Finance and Investor Relations Officer