

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

In continuation of the information given in the **Material Announcements of May 7 and July 16** of this year and **Market Notice of July 31** of this year, **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), the São Paulo Stock Exchange (BM&F Bovespa S.A.) and **the market** in general, as follows:

On September 19, 2015 Cemig’s affiliated company **Renova Energia** and on September 21, 2015, Cemig’s affiliated company **Light S.A.** published the following **Material Announcement**:

“Renova Energia S.A. (RNEW11) (“Renova” or “Company”), the biggest company in terms of renewable energy contracted installed capacity in Brazil, in accordance to Instruction CVM No. 358/2002, as amended, informs to shareholders and the market in general that, in addition to the material fact disclosed on May 7, 2015, and on July 15, and the disclosure to the market on July 7, 2015, that the closing of the first phase of the transaction with TerraForm Global, Inc. (“TerraForm Global”) has occurred on this date, in connection with the wind power operational assets of the Bahia and Salvador projects, as described below:

(i) Sale of the Bahia Project assets, comprising five wind farms that commercialized power in the LER 2009, with 99.2MW installed capacity, for the value (equity value) of R\$ 451 million, by way of payment in cash on this date; and

(ii) Swap of the shares of subsidiaries of the Company that are the controlling shareholders of the Salvador Project assets, comprising nine wind farms that commercialized power in the LER 2009, with 195.2MW installed capacity, for the value (equity value) of R\$ 1.026 billion, for 20,327,499 Class A common shares of TerraForm Global, being the share price of the initial public offering (IPO) of TerraForm Global (i.e. US\$15.00 per share) the basis for the swap.

It is important to highlight that (a) a portion of the funds received by Renova as a result of the sale of the assets of the Bahia Project and (b) a portion of the TerraForm Global shares received by Renova due to the swap of the Salvador Project assets are currently deposited in an escrow account or subject to similar contractual arrangements in compliance with certain contractual obligations.

The parties have also entered into an agreement providing for a (i) put option for Renova, which may be financially settled and a (ii) call option for SunEdison, Inc. (“SunEdison”), which may be financially settled, pursuant to which, following March 31, 2016 (1) Renova shall have the option to put to SunEdison up to 7 million TerraForm Global shares and (2) SunEdison shall have the option to call from Renova, up to 7 million TerraForm Global shares. The effective price upon exercise of

the put or call option will be R\$50.48 or US\$15.00 per share, as such price per share shall be reduced, but not increased, by an agreed upon exchange rate formula.

Finally, the Company informs its shareholders that the closing of the sale of the Espra projects (three small hydroelectric contracted under PROINFA, with 41.8MW installed capacity) to TerraForm Global is currently subject to the fulfilment of certain conditions by the parties, including regulatory approvals.

Further clarifications on the Transaction may be discussed with the Company.”

Belo Horizonte, September 21, 2015.

Fabiano Maia Pereira
Chief Finance and Investor Relations Officer