

COMPANHIA ENERGÉTICA DE MINAS GERAIS - CEMIG CEMIG

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

MARKET ANNOUNCEMENT

CemigTelecom: private sector negotiation

In accordance with CVM Instruction 358 of January 3, 2002, as amended, **Cemig** (*Companhia Energética de Minas Gerais*), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, **hereby informs** the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (BM&F Bovespa S.A.) and the market in general, **as follows:**

Today Cemig's wholly-owned subsidiary **Cemig Telecom** (*Cemig Telecomunicações S.A.*) published the following **Market Announcement:**

" In accordance with best Corporate Governance practices, Cemig Telecomunicações S.A. ("**Cemig Telecom**"), a company registered with the CVM and a provider of Multimedia Communication Services (SCM) under an authorization issued by Anatel (*Agência Nacional de Telecomunicações* – the Brazilian telecommunications regulator), **informs the market as follows:**

In relation to the interview given by the CEO of Cemig, the controlling stockholder of CemigTelecom, on the subject of the Company seeking a private-sector partner (as previously disclosed in Market Announcements of June 13, 2014 and April 10, 2015):

A negotiation is in progress with an entity of the private sector partner for the purpose of expanding and adding value to the Company's business.

This negotiation is still pending conclusion. If it is finalized, it will need to be approved by the management bodies of both Cemig and CemigTelecom and, subsequently, by the Brazilian monopolies authority, CADE, and the competent regulators.

CemigTelecom reaffirms its commitment to seek investment opportunities that meet the requirements of profitability established by its stockholder, and underlines its commitment to publish all and any material information promptly at the appropriate time.

Belo Horizonte, January 7, 2016.

Fabiano Maia Pereira Chief Finance and Investor Relations Officer

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