

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

Exchange of AGC Energia debentures for shares in Cemig

With reference to the information already given in the Market Announcement published on December 1, 2015, **Cemig** (*Companhia Energética de Minas Gerais*), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, in compliance with CVM Instruction 358 of January 3, 2002, **hereby reports** to the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (BM&FBovespa S.A.) and the market in general **as follows**:

Cemig has today received correspondence from the stockholder AGC Energia S.A. (**AGC Energia**) reporting that BNDES Participações S.A. – BNDESPar (**BNDESPar**) has requested exchange of the totality of the debentures issued under the Deed of **AGC Energia**'s First Private Issue of Non-convertible Permanent Asset-guaranteed Exchangeable Shareholders' Debentures, in a single series, dated February 28, 2011 and amended January 17, 2012, for 54,342,992 common shares and 16,718,797 preferred shares in **Cemig**, owned by **AGC Energia**, and asking **Cemig** that all payments to stockholders arising from the shares being exchanged, declared after February 25, 2016 and not paid by February 29, 2016 should be paid directly to **BNDESPar**.

Cemig will keep its stockholders and the market duly informed on all new information on this subject.

Belo Horizonte, March 1, 2016.

Fabiano Maia Pereira
Diretor de Finanças e Relações com Investidores