COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

LISTED COMPANY – CNPJ 17.155.730/0001-64

NOTICE TO STOCKHOLDERS

Lower than mandatory dividends for 2015

The by-laws of Cemig specify, in §1 of Subclause 'b' of Clause 28, that a payment of 50% of Net profit is to be distributed as minimum mandatory dividend to the Company's stockholders, subject to the other provisions of the by-laws and the applicable legislation.

However, the General Meeting of Stockholders held on April 29, 2016 approved a proposal by the Board of Directors that, of the Net profit of R$ 2,491,375,000 for 2015, the amount paid in dividends will be R$ 633,968,000, corresponding to calculation based on 25% of the Net profit for 2015.

The proposal made by the Board of Directors informed the Meeting that the payment of a dividend calculated on the basis of 50% of the profit for the year, specified in the by-laws, would not be compatible with the Company's current financial situation. The Company's Net working capital on December 31, 2015 was R$ 3.709 billion negative. That balance included a part, maturing in the short term, of the Company's total indebtedness of R$ 6.300 billion. Cash generated by operations in 2015 totaled R$ 3.007 billion, illustrating the Company's need to roll over a significant part of its debt.

In considering effects of the present macroeconomic situation, the sale prices of electricity in 2016 are expected to be lower than those in previous periods, and the significant increases in final consumers' electricity bills could, in the Company's view, result in an increase in consumer default in the year.

Also, profit forecasts indicate that the debt ratios specified in the by-laws may not be met in 2016.

Thus, the Company's management, in its Proposal, advised the General Meeting of Stockholders that it believed that it would be more prudent, at the present moment, not to allocate a portion of the obligatory dividend specified for payment in the year 2016, so as to reduce indebtedness, with a view to securing the ratios specified in the by-laws, and also guaranteeing the liquidity of its operations, in view of the issues referred to above.

The amounts not distributed as obligatory dividend, of R$ 633,967,000, calculated on the basis of 25% of the Net profit for the business year 2015, will be held in Stockholders' equity in the Reserve for obligatory dividends not distributed, to be paid as soon as the financial situation so permits, in accordance with Paragraph 5 of Article 202 of Law 6404/1976.

Belo Horizonte, May 3, 2016

Fabiano Maia Pereira
Chief Finance and Investor Relations Officer