

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

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:

On April 1, 2016 Cemig's affiliated company **Renova Energia** and Cemig's affiliated company **Light S.A.** published the following **Material Announcement**:

“Renova Energia S.A. (RNEW11) (“Renova” or “Company”), in accordance to Instruction CVM No. 358/2002, as amended, informs to shareholders and the market in general that, on this date, the purchase and sale of shares for the sale of ESPRA project ("Agreement ESPRA") owned by Renova to Terraform Global, Inc. (" terraform Global ") was terminated by an agreement between the parties, upon a break up fee payment in the amount of US\$10.00 million to Renova. In this way, the Espra projects (three small hydroelectric contracted under PROINFA, with 41.8MW installed capacity), remains in the Company and return to compose the Renova's portfolio of operational assets.

The Espra Agreement was covered in the first phase of the transaction with Terraform Global and SunEdison, Inc. ("SunEdison") announced on July 15, 2015.

The Company also informs that has notified SunEdison and Terraform Global of its intention to exercise the option to sell 7 million Terraform Global's shares held by the Company as provided in the contract and as disclosed in the Material Fact published by Renova on 18 September 2015. SunEdison will have 60 days to settle the transaction, given that SunEdison may, at its exclusive discretion, choose the price per share of US\$ 15.00 or R\$ 50.48.

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

Belo Horizonte, April 2, 2016.

Fabiano Maia Pereira
Chief Finance and Investor Relations Officer