

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

Cancellation of contract between RenovaCom and Cemig GT

Cemig (*Companhia Energética de Minas Gerais*), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid; and its wholly-owned subsidiary **Cemig Geração e Transmissão S.A.** (“**Cemig GT**”); in accordance with CVM Instruction 358 of January 3, 2002, as amended, **hereby inform** the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (BM&F Bovespa S.A.) and the market in general, **as follows**:

Today **Renova Energia S.A.** filed the following **Material Announcement**:

“ Renova Energia S.A. (RNEW11) (“**Renova**”), in accordance with CVM Instruction 358/2002 as amended, hereby informs its stockholders and the market in general as follows:

A meeting of the Board of Directors of **Renova** has approved cancellation of the contract entered into between **RenovaCom** and **Cemig GT** for supply by 25 wind farms in the region of Jacobina, in the Brazilian state of Bahia, with 676.2 MW of installed capacity, for operational startup on January 1, 2019 (‘the Cemig PPA Agreement’).

This cancellation significantly reduces Renova’s need for investments and also improves its liquidity position. The decision shows the firm intention of Renova and its controlling stockholders to re-scale Renova’s portfolio of businesses, optimizing investments and providing the optimum adaptation for its capital structure.

Renova reaffirms its commitment to keep its stockholders and the market informed.

São Paulo, June 14, 2016.

Cristiano Corrêa de Barros

Chief Finance, Business Development and Investor Relations Officer”

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

Belo Horizonte, June 14, 2016

Fabiano Maia Pereira

Chief Finance and Investor Relations Officer