

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

Miranda Plant: Aneel recommends against acceptance of Cemig GT's application to extend concession

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

On June 10, 2016, Cemig's wholly-owned subsidiary Cemig Geração e Transmissão S.A. ('**Cemig GT**') filed application with the Brazilian National Electricity Agency, Aneel, for extension, for 20 years, of the period of its concession for the *Miranda* hydroelectric Plant ('the Miranda Plant').

Today, July 12, 2016, Aneel, accepting the vote of its rapporteur Mr. José Jurhosa Junior, in the case (Case 2016.01.1.070965-4), decided to refer the application:

“to the Mining and Energy Ministry, with the recommendation that the application made by Cemig GT for extension of the period of the concession for the Miranda Hydroelectric Plant should not be recognized, due to having been made after the deadline stipulated by Law 12783/2013”.

The Company is considering any possible administrative or legal measures, and will keep its stockholders and the market appropriately and timely updated on any material developments.

Belo Horizonte, July 12, 2016

Fabiano Maia Pereira
Chief Finance and Investor Relations Officer