

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

Executive Board submits monetization proposal to Board of Directors

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**:

The Executive Board of Cemig has decided to submit to the Board of Directors a proposal for monetization of the following **Units** which it holds in its affiliated company **Transmissora Aliança de Energia Elétrica S.A. – TAESA**:

- 22,273,452 (twenty two million two hundred seventy three thousand four hundred fifty two) **Units** – comprising:
 - 22,273,452 (twenty two million two hundred seventy three thousand four hundred fifty two) common shares and
 - 44,546,904 (forty four million five hundred forty six thousand nine hundred four) preferred shares.

All these shares are outside the controlling stockholding block.

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

Belo Horizonte, August 3, 2016

Fabiano Maia Pereira
Chief Finance and Investor Relations Officer