

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

Disposal by Cemig of shares in Taesa

In continuity of its Material Announcement of August 3, 2016, **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**:

Today, August 31, 2016, the Board of Directors of Cemig authorized monetization of up to

40,702,230 (forty million seven hundred two thousand two hundred thirty)
Units in Transmissora Aliança de Energia Elétrica S.A. (**‘Taesa’**)

corresponding to:

40,702,230 (forty million seven hundred two thousand two hundred thirty)
common shares and

81,404,460 (eighty one million four hundred four thousand four hundred sixty)
preferred shares in **Taesa**, owned by **Cemig**.

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

Belo Horizonte, August 31, 2016

Fabiano Maia Pereira
Chief Finance and Investor Relations Officer