

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

Absorption of Redentor by RME

In continuity of its Material Announcement of August 12, 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**:

On today's date, General Meetings of Stockholders of Redentor Energia S.A. ('**Redentor**') and of RME – Rio Minas Energia Participações S.A. ('**RME**') approved the reverse absorption of Redentor by RME, in accordance with its by-laws and the applicable legislation.

All the procedures for filing and publication of the act of absorption will now be carried out, to result in the extinction of Redentor for all purposes of law.

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

Belo Horizonte, August 31, 2016

Fabiano Maia Pereira
Chief Finance and Investor Relations Officer