

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

Notice of intention to exercise put option

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 September 6, 2016 Cemig received from **Banco BTG Pactual** (**‘BTG Pactual’**) Notice of Intention to Exercise a Put Option giving irrevocable notice of exercise of BTG Pactual’s right to sell to **Cemig**:

153,634,195 preferred shares held by **Pactual** in Parati S.A. – Participações em Ativos de Energia Elétrica (**‘Parati’**) (**‘Shares subject of the Put Option’**),

under the ‘First Exercise Window’ specified in Clauses 6.1 and 6.2 of the Stockholders’ Agreement of the **Parati**, signed on April 11, 2011 between

Cemig, Banco Santander (Brasil) S.A., BV Financeira S.A. – Crédito, Financiamento e Investimento, BB – Banco de Investimento S.A., and Banco BTG Pactual S.A.,

with **Parati** as consenting party (**‘the Parati Stockholders’ Agreement’**), as amended.

Cemig has until November 30 to effect the acquisition of the shares or indicate a third party which will do so.

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

Belo Horizonte, September 7, 2016

Raul Lycurgo Leite
Acting Chief Finance and Investor Relations Officer