

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

Sale of interest in Transchile completed

With reference to the Material Announcement dated September 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**:

The suspensive condition in the Share Purchase Agreement signed on September 12, 2016 has been met, and as a result, on today's date all of the shares in Transchile Charrúa Transmisión S.A. previously held by Cemig, namely 49% (forty nine percent) of the total capital, have been transferred to Ferrovial Transco Chile SpA., a company controlled by Ferrovial S.A., completing the sale.

Belo Horizonte, October 6, 2016

Fabiano Maia Pereira
Chief Finance and Investor Relations Officer