

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

TAESA – Price per Unit

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 the Cemig affiliated company **Transmissora Aliança de Energia Elétrica S.A.** (“**Taesá**”) filed the following **Material Announcement**:

*“**TRANSMISSORA ALIANÇA DE ENERGIA ELÉTRICA S.A.** (BM&FBOVESPA Ticker: **TAEE11**) (“**TAESA**” or the “**Company**”), pursuant to Section 157, §4º of Law No. 6,404, dated December 15, 1976, as amended, and the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários) (“**CVM**”) Rule No. 358, dated January 3rd, 2002, as amended, in addition to the material fact dated September 29, 2016, hereby informs its shareholders and the market in general of the pricing of its restricted offering (the “**Restricted Offering**”) of 65,702,230 units (each unit being evidenced by certificados de depósito de ações, each of which represents one outstanding ação ordinária (common share) and two outstanding ações preferenciais (preferred shares) (the “**Units**”) to be offered and sold by Fundo de Investimento em Participações Coliseu (“**FIP Coliseu**”) and Companhia Energética de Minas Gerais – CEMIG (“**CEMIG**” and, together with FIP Coliseu, the “**Selling Shareholders**”), in accordance with CVM Rule No. 476, dated January 16, 2009, as amended (“**CVM Rule 476**”).*

The Restricted Offering price per Unit is R\$19.65. The total amount of the Restricted Offering is R\$1,291,048,819.50.

The settlement of the Restricted Offering is scheduled to occur on October 24, 2016, date on which the Company will disclose a material fact containing the final information regarding the Restricted Offering, including the new corporate structure of the Company, as well as provide a new version of the formulário de referência to reflect the outcome of the Restricted Offering.

This material fact is disclosed for informative purposes only and shall not, under any circumstances, be construed as an investment recommendation. This material fact does not constitute an offer to sell or the solicitation of an offer to buy the Company’s securities, including the Units, and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of that jurisdiction.”

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

Belo Horizonte, October 19, 2016

Fabiano Maia Pereira
Chief Finance and Investor Relations Officer