

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

Ativas capital transaction completed

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 Cemig’s wholly-owned subsidiary **Cemig Telecomunicações S.A.** (‘Cemig Telecom’) filed the following **Material Announcement**:

“ Completion of transaction to subscribe capital in Ativas

Cemig Telecomunicações S.A. (‘Cemig Telecom’), a Brazilian corporation operating in the category of Multimedia Communication Services (SCM), in accordance with best corporate governance practices, hereby informs the market as follows:

Following compliance with the conditions precedent specified in the Investment Agreement signed on August 25, 2016 between Cemig Telecom, Ativas Participações S.A. (‘Ativas Participações’) and Sonda Procwork Outsourcing Informática Ltda., (‘Sonda’), for injection of capital into Ativas Data Center S.A. (‘Ativas’), this transaction was completed today.

As per the advice to the market given by the Material Announcement of August 25, 2016, Sonda, has subscribed capital totaling R\$ 114 million, and now holds an equity interest of 60% in Ativas, while Cemig Telecom holds 19.6% and Ativas Participações holds 20.4%.”

Cemig reiterates its commitment to timely publication of all and any material information on this matter.

Belo Horizonte, October 19, 2016

Fabiano Maia Pereira
Chief Finance and Investor Relations Officer