

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

INCREASE IN STOCKHOLDING INTEREST

In continuity of its Material Announcement of September 7, 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 Cemig acquired all the 153,634,195 preferred shares held by Banco BTG Pactual S.A. ("**BTG**") in

- RME – Rio Minas Energia Participações S.A. ('**RME**') and
- Luce Empreendimentos e Participações S.A. ('**Lepsa**')

for consideration of R\$ 201,961,743.54 (two hundred and one million nine hundred sixty one thousand seven hundred forty three Reais and fifty four centavos).

This acquisition:

- increases Cemig's holding in the total capital of **RME** from 60.65% to 66.27%, while its holding in the voting stock remains at 50%; and
- increases Cemig's holding in the total capital of **Lepsa** from 61.06% to 66.62%, while its holding in the voting stock remains at 50%.

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

Belo Horizonte, November 30, 2016

Fabiano Maia Pereira
Chief Finance and Investor Relations Officer