

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

Renova Energia S.A.: Acceptance of offer to sell assets

Cemig (*Companhia Energética de Minas Gerais*), a listed company with securities 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 January 20, 2016 Cemig's affiliated company **Renova Energia S.A.** ('Renova') published a Material Announcement with the following content:

*“ Further to its Material Announcement of January 12, 2017, and in accordance with CVM Instruction 358/2002 as amended, **Renova Energia S.A.** (RNEW11) ('the Company') hereby informs its stockholders and the market in general as follows:*

A meeting of the Board of Directors on today's date approved acceptance of the binding offer sent by AES Tietê Energia S.A. ('AES') for acquisition of the Alto Sertão II complex.

The Company further states that conclusion of the transaction is to take place only after:

- (I) signature of the Share Purchase Agreement, the terms of which are being discussed and negotiated between the parties; and, consequently,*
- (II) compliance with conditions precedent that are usual in this type of transaction, which will be stated in the said Share Purchase Agreement.*

The Company will keep the market informed on any events or developments related to the transaction.”

Belo Horizonte, January 20, 2017

Paulo Roberto Castellari Porchia
Chief Finance and Investor Relations Officer