

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

Cemig announces Disinvestment Program

Cemig (*Companhia Energética de Minas Gerais*), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, and its wholly-owned subsidiary Cemig Geração e Transmissão S.A. (**Cemig GT**), as per CVM Instruction 358 of January 3, 2002, as amended, hereby report to the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (BM&F Bovespa S.A.) and the market as follows:

Cemig has today announced its disinvestment program, during its 22nd *Annual Meeting with the Capital Markets*, a public event which is widely reported, including by video webcast. Implementation of this Disinvestment Program aims to re-establish Cemig's financial equilibrium, through an accelerated reduction of net debt. The company's criteria for choice of priorities in the Disinvestment Program are:

- assets with the highest liquidity;
- assets that are not expected to provide returns in the short term; and
- assets that are not strategic and/or in which the Company has less significant equity interests.

This table gives a summary of the Program:

Company	Criterion			% stake	Book value ¹ R\$ mn	Status
	✓	✗	✗	19%	1,432 ²	Negotiation of equity interests
	✓	✗	✓	25	77	Final phase of signature of contracts
	✗	✓	✓	18%	1,278	Binding proposal
	✗	✓	✗	-	315	Non-binding proposal (primary capitalization)
	✓	✗	✗	43%	530	Negotiation of equity interests
Cachoeirão, Pipoca, Paracambi	✓	✗	✗	49%	127	Negotiation of equity interests
	✗	✗	✓	49% ON 100% PN	1,202	Preparation of tender
	✗	✗	✓	100%	193	Preparation of tender
	✗	✓	✓	12%	1.392	Contracting of advisors
Gas exploration concessions	✗	✗	✓	24.5%	16	Preparation of tender
				Total	6,564	

(1) Value reported in the Company's accounting. The exceptions are: Taesa, Transmineira, Renova and Light Energia.

Does not represent a guarantee or expectation of the real sale value of the assets.

(2) Market value (BM&F Bovespa) on March 31, 2017: R\$ 22.44/unit.

Cemig will keep stockholders and the market timely and appropriately informed on the progress of this program.

Belo Horizonte, June 1, 2017

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