

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

Vale and Cemig GT form the generation company ALIANÇA

Complementing the Material Announcement published on December 19, 2013,

Cemig (*Companhia Energética de Minas Gerais S.A.*) and

Cemig GT (*Cemig Geração e Transmissão S.A.*)

hereby inform the public, the Brazilian Securities Commission (CVM), and the São Paulo Stock Exchange (BM&FBovespa S.A.) (complying with CVM Instruction 358/2002, as amended) **as follows:**

Vale S.A. (*‘Vale’*) and **Cemig GT** have today completed the transaction creating their association (*‘the Association’*) in the company

Aliança Geração de Energia S.A. (*‘Aliança’*).

The two companies subscribed shares in Aliança by transfer to it of the equity interests they held in the following electricity generation assets:

Porto Estrela, Capim Branco I,	Capim Branco II,	Igarapava, Aimorés and	Funil, Candongá.
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Aliança has 1,158 MW of installed hydroelectric generation capacity in operation (with assured offtake level 652 MW), as well as other generation projects. It is valued at R\$ 4.5 billion.

- **Vale** owns 55% of the equity, and **Cemig GT** 45%.

For **Cemig GT**, the Association increases its potential to generate new business and maximize results, due to the combination of the two companies’ experiences in operational, financial and project management.

Cemig GT also informs the public that the Association is subject to a further requirement:

- Conclusion, by June 19, 2015, of acquisition of the 49% interest held by **Vale** in **Aliança Norte Energia Participações S.A.**, which owns 9% of **Norte Energia S.A.** (*‘the Aliança Norte Acquisition’*), referred to in the Material Announcement of December 19, 2013.

If that transaction is not concluded by June 19, **Vale** will have the exclusive right, at its option, to dissolve the Association, within 60 (sixty) calendar days from June 19, 2015.

Cemig GT will make its best endeavors to comply with the conditions for conclusion of the transaction within the agreed period.

Belo Horizonte, February 27, 2015.

Fabiano Maia Pereira

Chief Finance and Investor Relations Officer