

# COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

## MATERIAL ANNOUNCEMENT

### Capital increase in wholly-owned subsidiary Cemig D

In accordance with CVM Instruction 358/2002 as amended, **Cemig** (*Companhia Energética de Minas Gerais*) and **Cemig D** (*Cemig Distribuição S.A.*) **hereby inform** the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (BM&FBovespa S.A.) and the market in general, **as follows**:

Today, March 11, 2015, the Board of Directors of Cemig authorized

- (1) transfer by Cemig to Cemig D of up to R\$ 100,000,000.00 (one hundred million Reais) as an advance against future capital increase (AFAC); and
- (2) submission of a proposal to the Extraordinary General Meeting of Stockholders for orientation of vote by the representative of Cemig in the Extraordinary General Meeting of Stockholders of Cemig D in favor of approval of increase in the share capital of Cemig D, with alteration of the by-laws of Cemig D to reflect this capital increase.

The proposal is for increase in the share capital of Cemig D

from	R\$ 2,261,997,787.64	(two billion two hundred sixty one million nine hundred ninety seven thousand seven hundred eighty seven Reais and sixty four centavos)
to	R\$ 2,361,997,787.64	(two billion three hundred sixty one million nine hundred ninety seven thousand seven hundred eighty seven Reais and sixty four centavos)
through issue of	97,115,665	(ninety seven million one hundred fifteen thousand six hundred sixty five)
new nominal common shares without par value,		
for issue price of	R\$ 1.0297	
to be subscribed by Cemig through an Advance against Future Capital Increase.		

The issue price was set to be equal to the Stockholders' equity per share of Cemig D (Article 170, §1, II of Law 6404/1976, as amended). Under the proposal, the number of shares of Cemig D increases:

from	2,261,997,787	(two billion two hundred sixty one million nine hundred ninety seven thousand seven hundred eighty seven)
to	2,359,113,452	(two billion three hundred fifty nine million one hundred thirteen thousand four hundred fifty two)

nominal common shares without par value.

Belo Horizonte, March 11, 2015.

Fabiano Maia Pereira  
Chief Finance and Investor Relations Officer