



**CEMIG GT WINS COMPETITIVE BID TO ACQUIRE 49% OF
BRASIL PCH
from
PETROBRAS**

Today **Cemig GT** (*Cemig Geração e Transmissão S.A.*) signed a share purchase agreement with **Petrobras** for acquisition of 49% of the voting stock of **Brasil PCH S.A.**

BRASIL PCH S.A. is a holding company controlling 13 Small Hydro Plants ('PCHs' – Pequenas Centrais Elétricas):

<i>Bonfante (19 MW),</i>	<i>Calheiros (19 MW),</i>	<i>Fumaça IV (4.5 MW),</i>
<i>Carangola (15 MW),</i>	<i>Funil (22.5 MW),</i>	<i>Irara (30 MW),</i>
<i>Jataí (30 MW),</i>	<i>Monte Serrat (25 MW),</i>	<i>Retiro Velho (18 MW),</i>
<i>Santa Fé (30 MW),</i>	<i>São Joaquim (21 MW),</i>	<i>São Pedro (30 MW) and</i>
<i>São Simão (27 MW).</i>		

– **Belo Horizonte, June 14, 2013**

Cemig (*Companhia Energética de Minas Gerais*) **announces** to stockholders and the public that today its subsidiary **Cemig GT** (*Cemig Geração e Transmissão S.A.*) signed a **share purchase agreement** with **Petrobras** for acquisition of 49% of the common shares of **Brasil PCH S.A.**

The acquisition price, for 49% of the common shares of **Brasil PCH**, is R\$ 650 million, on base date January 1, 2013, to be adjusted in accordance with the terms of the share purchase agreement.

All of the electricity generated by these plants is sold to **Eletrobras**, under contracts signed under the **Proinfa** Program (*Brazil's Program to Encourage Alternative Electricity Sources*).

Completion of the transaction is conditional upon the first refusal and 'tag-along' rights specified in the stockholders' agreement of **Brasil PCH**. Conclusion of the transaction also depends on certain conditions precedent, including: consent of the Brazilian electricity regulator, Aneel; the Brazilian monopolies authority, Cade (*Conselho Administrativo de Defesa Econômica*); and financing agents.

Brasil PCH is currently one of Brazil's leading independent power producers operating from renewable sources. It is a holding company controlling 13 Small Hydro Plants in operation, in the states of Minas Gerais, Rio de Janeiro, Espírito Santo and Goiás, with total installed capacity of 291MW and total assured power of 194MW.

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Brasil PCH – Objectives of the acquisition

The main purpose of the transaction, in line with **Cemig's** Long-Term Strategic Plan, is as part of **Cemig's** strategy of achieving sustainable growth in generation, transmission and distribution of electricity – thus reaffirming and strengthening its position as one of the major players in the Brazilian electricity sector.

Since PCHs are considered to be within the definition of alternative energy sources, they benefit from special legislation to encourage development of those sources.

With this transaction, Cemig once again affirms its vocation for growth in renewable energy.

The transaction – Distinguishing factors

Some of the factors features that distinguish this acquisition:

- For **Cemig**, the transaction is in line with both the **strategy** of its Long-Term Strategic Plan, and also the Plan's requirement for levels of **return on investment**.
- The **return** on the operational assets is **contractually guaranteed** under the Proinfra program.
- The cash flow of the Small Hydro Plants results in a high **Ebitda margin**.
- The **equipment** is new and in good operating condition.
- In accordance with Cemig's standard practice, the facilities have full legal **compliance with environmental requirements**; they have also been the subject of several outstanding actions in environmental management.
- The **renewable** nature of the electricity generation source is in line with Cemig's sustainability targets.

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