

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

LISTED COMPANY

CNPJ 17.155.730/0001-64 – NIRE 31300040127

MATERIAL ANNOUNCEMENT

On acquisitions of small hydro plants

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 publicly informs the Brazilian Securities Commission (CVM), the São Paulo Stock, Commodities and Futures Exchange (BM&F Bovespa S.A.) and the market in general, as follows:

Media reports on July 30, 2013 stated that Cemig is studying the possibility of acquisition of small hydroelectric plants (PCHs), with the participation of **Renova**.

Light Energia S.A., a wholly-owned subsidiary of **Light S.A.**, is a member of the block holding stockholding control of **Renova**.

Cemig hereby reports that **Renova** and its controlling stockholders (**RR Participações S.A.** and **Light Energia S.A.**) are negotiating with **Cemig** for **Renova** to participate in the acquisition of the company **Brasil PCH S.A.**

Cemig recently signed a share purchase agreement for acquisition of 49% of the share capital of **Brasil PCH S.A.** This percentage could increase to 100% if the other stockholders of **Brasil PCH S.A.** exercise the right of joint sale that they have under the stockholders' agreement.

Negotiations have not been completed, and to date no decision has been approved by the corporate decision bodies of Cemig. If the negotiations develop into a concrete transaction, their terms and conditions will be published to the market.

Cemig will keep its stockholders and the market opportunely and appropriately informed on the conclusion of this transaction.

Belo Horizonte, July 31, 2013.

Luiz Fernando Rolla
Chief Finance and Investor Relations Officers