

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MARKET ANNOUNCEMENT

Cemig forms consortium with EPM of Colombia for privatization of utility Isagén

In line with its commitment to the best corporate governance practices, **Cemig** (*Companhia Energética de Minas Gerais* – a listed company with securities traded on stock exchanges of São Paulo, New York and Madrid), hereby **reports** to its stockholders and the market as follows:

Cemig has formed a consortium with **Empresas Públicas de Medellín** (“EPM”), a Colombian utility company, to participate in the process of privatization of the Colombian utility **Isagén**.

EPM is a group of 58 companies – 38 in Central America, Mexico, Chile, the US and Spain, and 20 in Colombia – operating in electricity, telecommunications, gas and water. In Colombian electricity, EPM has market shares of 23% in generation, 6% in transmission, and 25% in distribution and trading. One of its most important projects under construction is *Ituango*, which will be the largest hydroelectric plant in Colombia, with generation capacity of 2,400 MW.

Isagén’s six current generating plants have total generation capacity of 2,212MW, of which 86.43% (1,912MW) is hydroelectric, and 13.57% (300MW) is thermoelectric.

The opportunity is in line with Cemig’s development strategy set out in its **Long-Term Strategic Plan**. The Plan aims for balanced growth in the segments of generation, transmission and distribution of electricity, both organically, through new projects, and also through mergers and acquisitions – its principal commitment being to sustainable growth and addition of value for Cemig’s stockholders in the long term. **EPM** operates assets that have strategic significance, which is why Cemig believes a partnership with it could be of mutual interest for both companies.

Cemig reaffirms its commitment to seek investment opportunities that meet the requirements of profitability established by its stockholders; and to publish all and any material information as and when any stockholding ownership transaction takes place.

Belo Horizonte, March 7, 2014.

Luiz Fernando Rolla
Chief Finance and Investor Relations Officer