

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

Acquisition of further interest in Santo Antônio Energia 81% complete

Following the Material Announcement of March 14, 2014, 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 – **further informs** the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (BM&F Bovespa S.A.) and the market in general, **as follows**:

On June 6, 2014, **Andrade Gutierrez Participações S.A.** (AGP) transferred 9,016,826,272 nominal preferred shares and 2,209,122,437 nominal common shares in **SAAG Investimentos S.A.** (‘SAAG’), corresponding to 83% (eighty three per cent) of the total capital and 49% (forty nine per cent) of the voting stock of SAAG, to **Fundo de Investimento em Participações Melbourne**, a fund administered by Banco Modal (‘**FIP Melbourne**’)(‘the Transaction’).

Cemig Geração e Transmissão S.A. (**Cemig GT**) and certain private pension plan entities are investors, through a structure of equity investment funds (‘**the Funds**’) and a special-purpose company (‘**the SPC**’ – jointly with the Funds, ‘**the Investment Structure**’).

Cemig GT holds less than 50% of the NAV of the Funds and less than 50% of the voting shares in the SPC, preserving the private-sector nature of the Investment Structure.

SAAG owns 12.4% (twelve point four per cent) of the share capital of **Madeira Energia S.A.** (‘Mesa’).

Payment of the Transaction has been divided into 2 (two) parts. The first, of R\$ 734,000,000.00 (seven hundred thirty four million Reais), equivalent to 81% (eighty one per cent) of the total amount of the Transaction, was paid on June 6, 2014. Payment of the second portion, planned to take place by August 31, 2014, is subject to subscription of a further issue of fund units by FIP Melbourne.

Put option contracts have also been signed between Cemig GT and the pension plan entities, giving those entities the right to sell their holdings in the 84th (eighty-fourth) month from today’s date.

The exercise price of the put options, for each of the pension fund entities in the Investment Structure, is equal to the amount invested by the respective entity, updated ‘pro rata temporis’ by the Expanded National Consumer Price inflation index (*Índice Nacional de Preços ao Consumidor Amplo – IPCA*), published by the Brazilian Geography and Statistics Institute (*Instituto Brasileiro de Geografia e Estatística – IBGE*), plus 7% (seven per cent) per year, less any dividends and Interest on Equity paid by SAAG to the pension plan entities.

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

Belo Horizonte, June 9, 2014

Luiz Fernando Rolla
Chief Finance and Investor Relations Officer