

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

Update on the entry of Cemig GT into the controlling block of Renova

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, and complementing its Material Announcement of August 8, 2013 – hereby informs the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (BM&F Bovespa S.A.) and the market in general, as follows:

On today's date Cemig's subsidiary **Cemig GT** (*Cemig Geração e Transmissão S.A.*) completed its subscription of 87,186,035 common shares in **Renova Energia S.A.** (**'Renova'**), with payment by realization of the advances it made against future capital increases, in a total of R\$ 1,550,071,797.66, on February 14, 2014 and March 31, 2014.

These events were provided for in the Investment Agreement signed between Cemig GT, Renova, RR Participações S.A. ("RR"), Light Energia S.A. ("Light Energia") and Chipley SP Participações S.A. ("Chipley"), regulating the entry of Cemig GT into the controlling stockholding block of Renova, and structuring of Chipley as a growth vehicle for Cemig GT and Renova.

For the capital increase to take place, RR and Light Energia assigned their rights of preference to Cemig GT. The issue price of the shares in Renova was R\$ 17.7789 per common share.

To reflect the subscription of the shares, and as specified in the Investment Agreement, a new Stockholders' Agreement was signed, today, between RR, Light Energia and Cemig GT.

After ratification of the capital increase in Renova by its Board of Directors, depending on the exercise of right of preference and subscription of remaining shares by other stockholders, Cemig GT's equity interest in Renova will be between 20.2% and 27.4% of the total share capital and between 24.9% and 36.6% of the total voting stock.

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

Belo Horizonte, September 29, 2014

Luiz Fernando Rolla
Chief Finance and Investor Relations Officer