

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

Conclusion of increase in Cemig's stake in Gasmig

In accordance with CVM Instruction 358 of January 3, 2002, as amended, **Cemig** (*Companhia Energética de Minas Gerais*), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, **hereby informs** the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (BM&F Bovespa S.A.) and the market in general, as follows:

Cemig reports completion of the acquisition, from Petrobras's subsidiary **Gaspetro**, of Gaspetro's 40% equity holding in **Gasmig** (*Companhia de Gás de Minas Gerais*).

This transaction, under the Share Purchase Agreement signed with **Petrobras** (Petróleo Brasileiro S.A.) and approved by the Boards of Directors of Cemig and Petrobras, was reported in Cemig's Material Announcement of July 21, 2014.

On October 10, 2014 **Cemig** made the payment that completed this acquisition, in the amount of R\$ 570,935,931.26 (five hundred seventy million nine hundred thirty five thousand nine hundred thirty one Reais and twenty six centavos).

This amount is the result of monetary updating, by the IGP-M index, of the purchase price of R\$ 600 million specified in the Share Purchase Agreement, reported in the prior Material Announcement, less the dividends paid between the base date and the closing date.

The acquisition was completed after approval by the Brazilian Monopolies Authority (*Conselho Administrativo de Defesa Econômica*, or CADE) and consent from the concession-granting power, the State of Minas Gerais.

Gasmig is holder of the exclusive concession for distribution of piped natural gas in the State of Minas Gerais. It currently distributes 4.1 million cubic meters per day of natural gas through a network of more than 850km of gas pipelines.

Belo Horizonte, October 14, 2014

Luiz Fernando Rolla
Chief Finance and Investor Relations Officer