

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

Action to suspend claim by Minas Gerais State for adjustment to payment settled in 2011

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 358/2002 as amended, **hereby informs** the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (BM&FBovespa S.A.) and the market in general, **as follows:**

At a meeting held yesterday, December 29, 2014, the Board of Directors of Cemig decided to authorize the Executive Board urgently to take all measures necessary for suspension of liability for a credit in the amount of R\$ 239,445,051.80 (two hundred thirty nine million four hundred forty five thousand fifty one Reais and eighty centavos) claimed by the State of Minas Gerais in State Credit Administrative Case No. 0177846.1080/2014.4.

The Board of Directors has authorized and instructed the Executive Board urgently to take all necessary measures with the Judiciary or in the administrative sphere, using all possible means, including escrow deposit in Court or administrative proceedings, to secure definitive cancellation of the amount claimed by the State, and to ensure that the claimed amount is not inscribed in the State's Register of Outstanding Receivable Debt (*'dívida ativa'*) nor in its Register of Debt Receivable in Default (*'Cadin'*).

The case arises from the decision of the Board of Directors, at its meeting yesterday, not to approve payment of the difference between the application of the Selic Rate and application of the IGP–M inflation index to the amount of the advances against future capital increase (*'AFACs'*) made by the State to Cemig in 1995, 1996 and 1998 – which Cemig repaid in 2011 with monetary updating by the IGP–M index.

We reiterate the commitment of Cemig's management, conscious of its responsibility to stockholders, investors and capital market analysts, to uphold regularity and transparency in all information.

Belo Horizonte, December 30, 2014.

Luiz Fernando Rolla
Chief Finance and Investor Relations Officer