

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

LISTED COMPANY

CNPJ 17.155.730/0001-64 --- NIRE 31300040127

MATERIAL ANNOUNCEMENT

Acquisition of interest in the Belo Monte Hydroelectric Plant

CEMIG (*Companhia Energética de Minas Gerais*), a listed company with share securities traded on the stock exchanges of São Paulo, New York and Madrid, in accordance with CVM Instruction 358/02, as amended, and its commitment to best corporate governance practices, hereby informs its shareholders and the market in general as follows:

On today's date Cemig's affiliated company **Amazônia Energia Participações S.A.** ("**Amazônia Energia**") signed share purchase agreements with six companies holding equity interests amounting, in aggregate, to 9.77% of the share capital of **Norte Energia S.A.** ("**Norte Energia**"), a Brazilian corporation that holds the concession for construction and commercial operation of the Belo Monte Hydroelectric Plant, on the Xingu River, in the Brazilian State of Pará ("**the Belo Monte Plant**").

Amazônia Energia was formed as a special-purpose company by its present shareholders, which are: **Light S.A.**, with ownership of 51% of the voting stock and 25.5% of the total stock; and **Cemig Geração e Transmissão S.A.** ("**Cemig GT**"), a wholly-owned subsidiary of **Cemig**, owning 49% of the voting stock and 74.5% of the total stock.

Amazônia Energia will acquire equity interests in **Norte Energia** from the vendors, as follows: (i) Construtora Queiroz Galvão S.A.: 2.51%; (ii) Construtora OAS Ltda.: 2.51%; (iii) Contern Construções e Comércio Ltda.: 1.25%; (iv) Cetenco Engenharia S.A.: 1.25%; (v) Galvão Engenharia S.A.: 1.25%; and (vi) J. Malucelli Construtora de Obras S.A.: 1%.

For the acquisition of this aggregate stockholding of 9.77%, **Amazônia Energia** will pay, in up to 5 (five) business days after signature of the contracts, a total of R\$ 118,691,102.79 (one hundred and eighteen million six hundred and ninety one thousand one hundred and two Reais and seventy nine centavos). The acquisition price corresponds to the value of the injections of capital made by the vendors, adjusted by the IPCA Inflation Index up to October 26, 2011.

The entry of **Amazônia Energia** as a shareholder of **Norte Energia**, replacing the vendors, was approved by an Extraordinary General Meeting of Shareholders of **Norte Energia** on today's date.

The Brazilian electricity regulator, Aneel, will be duly informed of the transaction, and it will also be submitted to the Brazilian monopolies authority, CADE, in accordance with Law 8884/94.

Belo Horizonte, October 25, 2011

Frederico Pacheco de Medeiros
Acting Chief Finance and Investor Relations Officer.