



Media release



CEMIG AND LIGHT ACQUIRING 9.77% OF BELO MONTE HYDRO PLANT

Acquisition via 75%/25%-owned joint vehicle Amazônia Energia

- ***Cemig and Light announce a strategic acquisition: a stake in the Belo Monte Hydroelectric Plant, through their joint special-purpose company Amazônia Energia***
- ***Amazônia Energia has contracted to buy 9.77% of the share capital of Norte Energia S.A. (“NESA”), holder of the concession to operate Belo Monte.***
- ***Amazônia Energia Participações S.A. is owned 74.5% by Cemig, 25.5% by Light S.A.***

– ***Belo Horizonte, and Rio de Janeiro, October 25, 2011***

The two leading Brazilian electricity companies **Cemig** and **Light** announce today to their shareholders and the public that the Boards of Directors of both companies have approved the acquisition of **9.77%** of the share capital of **Norte Energia S.A.**, holder of the concession to build and operate the **Belo Monte Hydroelectric Plant**. The acquisition will be made by **Amazônia Energia**, in which **Light** holds 51% of the common (ON) shares and **Cemig GT** holds 49% of the ON shares and 100% of the preferred (PN) shares. The price to be paid for the acquisition of the shares in **NESA** is **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 sum represents a reimbursement of the total amount injected into the company by the vendors, adjusted by the IPCA index to October 16, 2011.

Belo Monte is the largest electricity generation plant currently under construction in the world: when completed it will have installed capacity of **11,233 MW**, with Assured Energy of 4,571 average MW. Start of commercial operation is scheduled for **February 2015**. The concession to operate the plant, for 35 years, is held by **NESA**, which won it in the auction of April 2010.

Objectives of the transaction

The main reason behind the acquisition – in line with Cemig’s Long-term Strategic Plan – is sustainable growth for the **Cemig Group** in the three operational segments of the electricity market: generation, transmission and distribution. Under its Long-term Plan, Cemig has a final target of 20% Brazilian market share in each one of the three segments.

For **Light**, the holding in the Belo Monte Hydro Plant increases the contribution of generation to its consolidated results, an objective specified in its strategic planning.

Brazil’s Northern Region is the main frontier for expansion of hydroelectric generation in Brazil – the region has more than 60% of the potential for hydroelectric expansion still available. Thus, participation in these projects is of strategic importance. The **Belo Monte** Hydro Plant is the second project in the region in which Cemig GT has an interest: it already has a 10% stake in the consortium building the **Santo Antônio** Hydro Plant, in the State of Rondônia, also in the Amazon region.

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The transaction will add 818 MW to Cemig's total generation capacity, increasing its Brazilian generation market share from 7% to 8%, and increasing Light's generation capacity by 280 MW.

Acquisition of the interest in the plant at this stage has several advantages:

- The key contracts for building works and equipment have been signed.
- There are already considerable mitigating factors for the main risks associated with the project.
- Injections of capital diluted over 9 years, and using the project's own cash flow in the last three years
- The environmental costs have already been defined.
- Contracts for sale of the plant's entire output have already been made.

Corporate governance

Under the Shareholders' Agreement of **NESA, Amazônia Energia** will have the right to appoint one sitting member of the Board of Directors (and his/her substitute member), one member of each of the Committees of the Board of Directors, the Chief Corporate Management Officer, and one member of the Fiscal Council, in a rotating system with other shareholders.

Importantly, this acquisition will not affect the policy of either Cemig or Light for payment of dividends to shareholders.

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Cemig invites you – Conference Call
Date: 10/26/2011, at 12h00 (Brazil time).
Simultaneous translation into English
Connection: +55 (11) 4688-6341
Password: Cemig

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About Cemig

Cemig – *Companhia Energética de Minas Gerais (CMIG3, CMIG4, CIG)* is one of the largest companies in the Brazilian electricity sector, and a benchmark, both in Brazil and worldwide, for sustainability. The Cemig Group comprises 62 companies and 10 consortia, operating in electricity generation, transmission and distribution, and energy solutions. It also has investments in distribution of natural gas, data transmission, and energy efficiency consultancy, and an equity interest in a transmission line in Chile.

About Light

Light S.A. (LIGT3), based in Rio de Janeiro, operates in generation, transmission, distribution, and complementary services. It is a holding company with 100% interests in subsidiaries operating in three segments: distribution (*Light SESA*), generation (*Light Energia*), and energy trading and services (*Light Esco, Lightcom*).