

CEMIG GERAÇÃO E TRANSMISSÃO S.A.

LISTED COMPANY
CNPJ 06.981.176/0001-58
NIRE 31300020550

MATERIAL ANNOUNCEMENT

Acquisition of 49% of Brasil PCH

Cemig Geração e Transmissão S.A. (“**Cemig GT**” or “The Company”), a listed company, subsidiary of Companhia Energética de Minas Gerais – Cemig (“**Cemig**”), hereby publicly informs the Brazilian Securities Commission (CVM), BM&FBovespa S.A (the São Paulo Stock, Commodities and Futures Exchange), and the market in general, as follows:

On today’s date, The Company signed a share purchase agreement with **Petróleo Brasileiro S.A (“Petrobras”)**, for acquisition of 49% of the common shares of **Brasil PCH S.A.** (“**Brasil PCH**”).

Brasil PCH is currently one of the leading independent power producers operating from renewable energy sources in Brazil. It is a holding company controlling 13 Small Hydro Plants (*PCHs – Pequenas Centrais Elétricas*) in operation, in the states of Minas Gerais, Rio de Janeiro, Espírito Santo and Goiás, with total installed capacity of 291MW and assured power level of 194MW average. All of the electricity generated by these plants is sold to Eletrobras (*Centrais Elétricas Brasileiras S.A.*), under contracts signed under the **Proinfra** Program to Encourage Alternative Electricity Sources (*Programa de Incentivo às Fontes Alternativas de Energia Elétrica*).

The acquisition price, for 49% of the common shares of **Brasil PCH**, is R\$ 650 million, with base date January 1, 2013, to be adjusted in accordance with the terms of the share purchase agreement.

Completion of the transaction is conditional upon the first refusal and ‘tag-along’ rights specified in the stockholders’ agreement of Brasil PCH, and on certain conditions precedent, including the consent of the Brazilian electricity regulator, Aneel (*Agência Nacional de Energia Elétrica – National Electricity Agency*), the Brazilian monopolies authority, Cade (*Conselho Administrativo de Defesa Econômica*), and financing agents.

The Company will keep the market opportunely and appropriately informed on the conclusion of this transaction.

Belo Horizonte, June 14, 2013

Luiz Fernando Rolla
Chief Finance and Investor Relations Officer