

# COMPANHIA ENERGÉTICA DE MINAS GERAIS - CEMIG

LISTED COMPANY

CNPJ 17.155.730/0001-64

NIRE 31300040127

## MARKET ANNOUNCEMENT

### Non-binding proposal for interest in EDP

**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 in particular and the market in general as follows:

On October 21 Cemig presented a **non-binding** proposal for acquisition of the 21.35% stockholding interest in **Energias de Portugal S.A. (EDP)**, held by Parpública – Participações Públicas (SGPS), S.A.

This non-binding proposal is in accordance with the development strategy set out in Cemig's Long-Term Strategic Plan, which specifies the aim of balanced growth in electricity generation, transmission and distribution, through organic growth in the form of new projects and also through mergers and acquisitions. EDP operates assets that have great strategic importance and in which a partnership with Cemig could be of mutual interest to both companies.

The principal commitment of the Long-Term Strategic Plan is sustainable growth, with the aim of delivering assured growth in value for shareholders over the long term. Compliance with this principle has always been ensured by strong financial discipline, which aims to preserve Cemig's solid economic and financial solidity, without affecting its indicators nor its capacity for payment and distribution of dividends.

Cemig reiterates its commitment to seek investment opportunities that comply with the requirements for profitability and returns established by its shareholders, and to disclose all and any information on material events, as and when they take place.

Belo Horizonte, October 24, 2011

Frederico Pacheco de Medeiros  
Acting Chief Finance and Investor Relations Officer