

COMPANHIA ENERGÉTICA DE MINAS GERAIS - CEMIG

LISTED COMPANY
CNPJ 17.155.730/0001-64
NIRE 31300040127

MATERIAL ANNOUNCEMENT

Binding bid for stake 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 own commitment to best corporate governance practices, hereby informs its stockholders and the market in general as follows:

On today's date Cemig presented a **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.

If Cemig is the winner in the tender procedure, two companies will be created outside Brazil to provide a vehicle for the transaction to be put into effect.

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

Belo Horizonte, December 9, 2011

Arlindo Porto Neto
Acting Chief Finance and Investor Relations Officer.