

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

LISTED COMPANY
CNPJ 17155.730/0001-64
NIRE 31300040127

MARKET ANNOUNCEMENT

Cemig (Companhia Energética de Minas Gerais), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, hereby informs the public, the Brazilian Securities Commission (CVM), the São Paulo Stock, Commodities and Futures Exchange (“BM&FBovespa”) and the market – in accordance with CVM Instruction 358 of January 3, 2002, as amended – as follows:

On June 22, 2012, **Light S.A.**, an affiliated company of **Cemig**, issued a Material Announcement with the following content:

“Light S.A. (“Company”), pursuant to CVM Rule 358 of January 3, 2002, and in continuation of the Material Fact of June 1, 2012 and the Notice to the Market of June 15, 2012, hereby announces to its shareholders and the market that, on this date, BNDES Participações S.A. - BNDESPAR (“BNDESPAR”), Renova Energia S.A. (“Renova”), Light S.A., Light Energia S.A. (“Light Energia”), RR Participações S.A. (“RR”), Ricardo Lopes Delneri and Renato do Amaral Figueiredo signed the “Private Agreement for Subscription to Share Deposit Certificates (Units) Issued by Renova Energia S.A. and Other Covenants” (“Agreement”), which regulates how BNDESPAR’s investment in Renova will be made (“Investment”).

Funds from the Investment will be allocated to sustain the implementation of Renova’s business plan, both towards ongoing and future wind and solar power projects, as well as small hydroelectric power plants.

The Agreement envisages a capital increase in Renova, to be resolved at an opportune moment, by up to three hundred fourteen million, seven hundred thousand, four hundred seven reais and eighty-five centavos (R\$314,700,407.85), at the price per share (common or preferred) of nine reais three three three four centavos (R\$9.3334) (“Price per Share”) (“Capital Increase”).

Under the Agreement, RR, Light Energia and InfraBrasil Fundo de Investimento em Participações will transfer their respective preemptive rights arising from the Capital Increase to BNDESPAR.

BNDESPAR, on the other hand, undertook to subscribe to and pay the Units issued under the Capital Increase in the minimum amount of two hundred fifty million and nine reais and seventy centavos (R\$250,000,009.70). Apart from this minimum subscription, BNDESPAR will be entitled to the apportionment: (i) of the Units remaining unsubscribed after the period for exercising the preemptive rights of other shareholders of Renova has elapsed; and (ii) of the Units not subscribed by other shareholders of Renova and which are sold at an auction to be held at the BM&FBovespa S.A. - Securities, Commodities and Futures Exchange, for the Price per Share (“Subscription Guarantee”).

Consequent to the Investment, RR, Light Energia and BNDESPAR undertook to sign a shareholders' agreement to assure BNDESPAR the following rights: (i) election of one (1) member of the Board of Directors of Renova; (ii) tag-along right in case of direct or indirect sale of the shares of Renova held by RR or Light Energia; and (iii) right to be included in secondary public offerings of Renova.

The Investment entails neither the transfer of control by the controlling shareholders of Renova (RR and Light Energia), pursuant to Article 254-A of the Brazilian Law of Corporations, nor the acquisition of control of Renova by BNDESPAR, in accordance with Article 256 of said law.”

Belo Horizonte, June 25, 2012

Luiz Fernando Rolla
Chief Officer for Finance and Investor Relations