

CEMIG DISTRIBUIÇÃO S.A.
LISTED COMPANY
CNPJ 06981.180/0001-16 – NIRE 31300020568

MARKET ANNOUNCEMENT

R\$ 640mn Notes issue completed

Cemig Distribuição S.A. (“**Cemig D**”), a listed subsidiary of **Cemig** (*Companhia Energética de Minas Gerais – Cemig*), hereby informs the public, in accordance with Instruction 358 of January 3, 2002 issued by the Brazilian Securities Commission (*Comissão de Valores Mobiliários – CVM*) as follows:

On July 2, 2012 Cemig D completed its **5th issue of Commercial Promissory Notes** for public distribution, with restricted placement efforts, under the regime of firm guarantee of subscription, in accordance with CVM Instruction 476 (of January 16, 2009) as amended, in the total amount of **R\$ 640,000,000.00** (six hundred forty million Reais) (“**the Offering**”).

Sixty-four (64) Commercial Promissory Notes (“**the Notes**”) were issued, each with nominal unit value of R\$ 10,000,000.00 (ten million Reais), maturing June 27, 2013.

The nominal unit value of the Notes will not undergo monetary updating. They will be remunerated by interest at 104.08% of the DI Rate, calculated and published daily by Cetip (*Cetip S.A. – Mercados Organizados*), and available daily on Cetip’s website (<http://www.cetip.com.br>).

The Notes have a surety guarantee from **Cemig**.

The Offering was approved by the June 5, 2012 meeting of the Board of Directors.

The proceeds will be used for: financing of investments already made or to be made by the Issuer; payment of debt contracted by the Issuer; and/or strengthening of the Issuer’s working capital.

The **Lead Manager** of the placement was BB – Banco de Investimento S.A.

Belo Horizonte, July 5, 2012.

Luiz Fernando Rolla
Chief Finance and Investor Relations Officer