

CEMIG DISTRIBUIÇÃO S.A.

LISTED COMPANY

CNPJ: 06.981.180/0001-16 – NIRE 31300020568

MARKET ANNOUNCEMENT

R\$ 600 million Commercial Promissory Notes issue by Cemig D

Cemig Distribuição S.A. (“The Company” or “Cemig D”), a Brazilian corporation and subsidiary of **Cemig** (*Companhia Energética de Minas Gerais*), hereby informs the public, in accordance with Instruction 358 of January 3, 2002 of the Brazilian Securities Commission (CVM), as follows:

On December 21, 2012 Cemig D made its sixth 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, for a total of R\$ 600,000,000.00 (six hundred million Reais) (“the Issue”).

Sixty (60) Commercial Promissory Notes were issued, each with nominal unit value of R\$ 10,000,000.00 (ten million Reais) (“the Notes”), with maturity on June 19, 2013. The nominal unit value of the Notes will not undergo monetary updating.

The Notes bear remuneratory interest of:

- (i) 102.50% (one hundred and two point five per cent) of the daily average DI “over *extra-grupo*” rate (for one-day Interbank Deposits), expressed in the form of an annual percentage on the 252 business days basis, calculated and published daily by Cetip in its daily bulletin on its website (<http://www.cetip.com.br>) (“the DI Rate”), from the issue date to the 120th (one hundred and twentieth) calendar day following the issue date; and
- (ii) 103.0% (one hundred and three per cent) of the DI Rate, from the 120th (one hundred and twentieth) calendar day following the issue date and the maturity date. The Notes have a surety guarantee from Cemig.

The Issue of the Notes was approved by a meeting of the Board of Directors held on December 4, 2012. The proceeds will be used for replenishment of the Company’s cash position following investments and payment of dividends made over the course of 2012.

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

Belo Horizonte, December 21, 2012,

Luiz Fernando Rolla
Chief Finance and Investor Relations Officer