

Summary Information on the Public Distribution of Commercial Paper Securities of the Third Issue by



CEMIG DISTRIBUIÇÃO S.A.

LISTED COMPANY

CNPJ n.º 06.981.180/0001-16

Av. Barbacena, 1200, 17th. floor, A1 Wing, Bairro Santo Agostinho
Belo Horizonte , Minas Gerais, Brazil

ISIN: BRCMGDNPM027

Lead Manager:



The lead manager of this offering is Caixa Econômica Federal

In the amount of

R\$ 400,000,000.00

1. INFORMATION ABOUT THE OFFERING

1.1. Corporate decisions

The Third Issue of Commercial Promissory Notes (“the Offering”, “the Issue”, and “the Securities”) was approved by the Board of Directors of Cemig Distribuição S.A. (“Cemig Distribuição”, the “Issuer” or “the Company”) at a meeting held on May 24, 2007 (“RCA”).

The guarantee given for the Promissory Notes by Companhia Energética de Minas Gerais – Cemig (“Cemig” or “the Guarantor”) was approved by the meeting of the Board of Directors of Cemig held on May 24, 2007.

1.2. Total amount of the Issue

The total amount of the issue is R\$ 400,000,000.00 (four hundred million Reais).

1.3. Series

The Securities will be issued in a single series.

1.4. Quantity of Securities

The issue is made up of 40 (forty) Commercial Paper Securities (Promissory Notes).

1.5. Nominal unit value

The par value (“the Nominal Unit Value”) of the Securities is R\$ 10,000,000.00 (ten million Reais).

1.6. Form

The Security shall be nominal, and issued in physical form, and shall be held on deposit with an institution qualified to provide the services of custody. The Securities will circulate by non-transferable endorsement, constituting mere transfer of ownership.

1.7. Date of Issue

For all intents and purposes, the Date of Issue of the securities shall be the date of their actual subscription and paying-up (“the Issue Date”).

1.8. Subscription Price

The securities shall be subscribed for Nominal Unit Value, in Brazilian currency, at sight, simultaneously with subscription (“the Subscription Price”).

1.9. Procedure for subscription and paying-up

The Securities must be subscribed and paid-up within 10 (ten) business days from the date of publication of the Announcement of Commencement of Distribution of Commercial Paper Securities (“the Commencement Announcement”), subject to the provisions of item 1.14 below. The placement of the Securities shall be carried out in accordance with the procedures of the Brazilian Promissory Notes System (“NOTA”), operated by “Andima” (The National Association of Financial Market Institutions) and operated by “CETIP” (the Custody and Settlement Chamber).

1.10. Remuneration

Remuneration interest shall be due on the Nominal Unit Value of the Promissory Notes, at the rate of 101.6% (one hundred and one point six per cent) of the average daily rate for interbank deposits known as the “DI over extra-grupo Rate”, expressed in the form of an annual rate in per cent, on the 252 (two-hundred-and-fifty-two)-business-day, calculated and published daily by the CETIP (Custody and Settlement Chamber) in its daily bulletin available on its Internet page (<http://www.cetip.com.br>) (“The DI Rate” and “the Remuneration”). The Remuneration shall be calculated exponentially and cumulatively pro rata tempore per business day, applicable to the Nominal Unit Value of each Promissory Note, from the date of the actual subscription and paying-up (“Issue Date”) of the Securities up to the respective Maturity Date, in accordance with the following formula:

$$J = VNe \times (\text{InterestFactor} - 1) ,$$

Where:

J = unit value of the remuneration interest, calculated to 6 (six) decimal places, without rounding, payable at the end of the Capitalization Period.

VNe = the Nominal Value of the issue, published/calculated to 6 (six) decimal places, without rounding.

InterestFactor = product of the DI Rates, summed exponentially with a percentage factor, from the start date of the Capitalization Period, inclusive, up to the date of termination of Capitalization Period exclusive, calculated to 8 (eight) decimal places, without rounding, as found by the following formula:

$$\text{Interest Factor} = \prod_{k=1}^n \left(1 + \text{TDI}_k \times \frac{p}{100} \right)$$

Where:

n = the total number of days of the DI Rate used in the updating of the asset, where “n” is a whole number.

P = 101.6% (percentage applied to the DI Rate).

TDI_k = the DI Rate, expressed by day, calculated to 8 (eight) decimal places, with rounding, as follows:

$$\text{TDI}_k = \left(\frac{\text{DI}_k}{100} + 1 \right)^{\frac{1}{252}} - 1$$

Where:

DI_k = The DI Rate published by CETIP, valid for 1 (one) business day (“overnight”), used to 2 (two) decimal places.

“Capitalization Period”: This is the time interval starting on the Issue Date, inclusive, and ending on the date of payment of the Nominal Unit Value of the Security, exclusive, plus the Remuneration.

If at any time during the period of validity of the Securities the DI Rate is not published, the last previous available DI Rate shall be applied, and in this event no offsetting between the Issuer and the holders of the Securities shall be payable when the DI Rate that would be applicable is subsequently published.

If the DI Rate ceases to be published for a period of more than 10 (ten) days, or if it is abolished or if there is a legal impossibility of application of the DI Rate to the Securities, the legal parameter which is established, if any, shall be used in substitution of it. If there is not a substitute legal parameter for the DI Rate, then the weighted average rate of remuneration of Brazilian short-term federal public securities with maturity of 180 (one hundred and eighty) days.

For the purposes of the Issue, the expression “Business Day” means any day, with the exception of Saturdays, Sundays, and national holidays.

1.11. Form of pricing

The Security shall be offered to investors with the Remuneration mentioned in 1.10. above, without any price formation mechanisms.

1.12. Charges for arrears

If there is a failure of punctuality in the payment of any amount payable to the holders of the Securities, the overdue units shall be subject to: (a) arrears interest calculated from the day of default to the date of actual payment, at the rate of 1% (one per cent) per month, on the amount owed, independently of the price, or notification or action in or outside the Courts; and (b) a conventional arrears penalty payment, irreducible and of a compensatory nature, of 2% (two per cent) on the amount due and unpaid.

1.13. Period of Maturity

The maturity period of the Promissory Notes shall be 180 (one hundred and eighty) calendar days from the date of subscription (“the Maturity Date”).

1.14. Placement regime and distribution procedure

The Lead Manager shall carry out the distribution of the Securities on the Firm Guarantee of Subscription basis.

The Securities shall be the object of a public distribution, intermediated by financial institutions that are part of the Securities Distribution System. The sharing criterion shall be proportional to the volume of orders placed by investors. There shall be no prior reserves nor setting of maximum or minimum lots. No contract for stabilization of the price of the Securities shall be signed. No fund to sustain liquidity for the Securities shall be constituted. No type of discount shall be granted by the Lead Manager to investors interested in requiring the Securities.

The placement of Securities shall begin, in accordance with Article 3 of CVM Instruction 429 of March 22, 2006 only 5 (five) business days after: (i) filing of the application with the CVM (“Automatic Registry”); (ii) publication of the Commencement Announcement of the Offering; and (iii) availability of this document . The placement of the Securities shall be carried out in accordance with the procedures of the Promissory Note System (“NOTA”), administered by Andima and operated by CETIP.

If the CVM does not grant Automatic Registry, the terms and conditions of this present Issue shall remain in force, but the period of 5 (five) days shall be replaced by the periods referred to by CVM Instruction 134 of February 1, 1990, and the term “Automatic Registry” shall be replaced by “Registry”, which shall have the following meaning: “concession of registry of the issue by the CVM”.

Subject to compliance with the applicable regulations, the Lead Manager shall carry out the public distribution of the Promissory Notes, in such a way as to ensure: (i) that the treatment given to investors is fair and equitable; and (ii) the investment is adapted to the risk profile of its clients.

In accordance with the option provided for in Article 1 of CVM Instruction 155 of August 7, 1991 (“CVM Instruction 155”), for the purposes of this Issue no prospectus nor any advertising material intended for public disclosure shall be used, other than the Commencement Announcement, the Closing Announcement of Distribution and the summaries of this information on the Issue as specified in the Appendix to CVM Instruction 155.

1.15. Target public

The Offering shall be destined solely and exclusively to qualified investors, as defined by Article 109, sub-item (i) of CVM Instruction 409 of 18 August 18, 2004 (“Qualified Investors”).

Any other investors who are not Qualified Investors should be fully aware that the present offering is not appropriate, since it is destined exclusively for Qualified Investors who have sufficient specialization and knowledge to take an independent investment decision on the proper grounds.

1.16. Guarantee

The Securities are guaranteed by a guarantee given by Cemig .

The Lead Manager warrants that the guarantee by Cemig was duly constituted by signature of its legal representatives on the reverse side of the physical issued form of each of the Securities, guaranteeing the totality of the debt represented by them, and the guarantee in question was duly approved by a meeting of the Board of Directors of Cemig held on May 24, 2007, and is, thus, fully enforceable against Cemig.

1.17. Early redemption

The Company may effect early redemption of the Securities, at its exclusive option, provided that the holders thereof are in agreement, in accordance with the applicable legislation. In the event of partial early redemption, this shall take place by lottery, in accordance with Paragraph one of Article 55 of Law 6404 of December 17, 1976.

1.18. Early redemption events

The holders of the Securities may declare automatic early maturity of all the obligations arising from the Securities that they hold and demand immediate payment by the issuer of the Nominal Unit Value of the Securities plus the Remuneration and charges calculated pro rata tempore, from the Issue Date, by letter formally delivered or with advice of receipt addressed to the head office of the Issuer, in any of the following events:

- (i) decree of bankruptcy of the Issuer and/or the Guarantor; or dissolution and/or liquidation of the Issuer and/or Guarantor; or application for judicial or out-of-Court recovery or bankruptcy formulated by the Issuer and/or Guarantor; or further, any analogous event which may characterize a state of insolvency, including agreement with creditors, in accordance with the applicable legislation;
- (ii) legitimate and reiterated protest of securities against the Issuer with individual or aggregate value unpaid exceeding R\$ 50,000,000.00 (fifty million Reais), unless the protest shall have been filed in error of due to bad faith of third parties, and provided this is validly proven by the Issuer, or if it is canceled or, further, validly contested in the Courts, in any event, within a maximum period of 30 (thirty) days calendar days from the date of maturity of the obligations;
- (iii) early maturity of any pecuniary obligation of the Issuer and/or the Guarantor, arising from default on an obligation to pay any individual or aggregate amount in excess of R\$ 50,000,000.00 (fifty million Reais);
- (iv) change, transfer or direct or indirect assignment of the stockholding control of the Issuer and/or Guarantor, other than by legal order, without the prior consent of the holders;
- (v) absorption of the Issuer by another company, split or merger of the Issuer and/or of the Guarantor, unless by legal orders;
- (vi) privatization of the Issuer and/or Guarantor;
- (vii) termination, for any reason whatsoever, of any of the concession contracts held by the Issuer and/ or Guarantor that represent an adverse material impact on the payment capacity of the Issuer or Guarantor; or

- (viii) unjustified default by the Issuer and/ or Guarantor, or absence of legal and/or Court measures required for the non-payment of any debt or any obligation to pay, under any agreement in which either or both are lender or guarantor, with individual or aggregate amount exceeding R\$ 50,000,000.00 (fifty million Reais).

1.19. Trading location

The Securities shall be traded in the over-the-counter market, through the NOTA system operated by Andima and operated by CETIP.

1.20. Payment location

The payments relating to the Securities shall be carried out in accordance with the procedures of CETIP, for the Securities registered on the NOTA, or, for the holders of the Securities who are not linked to the third system, at the head office of the Issuer.

1.21. Lead manager

The Lead Manager of the offering is Caixa Econômica Federal, which may be contacted at the following address:

CAIXA ECONÔMICA FEDERAL

Av. Paulista 2300 – 12th Floor
01310-300 São Paulo, SP, Brazil
Tel: (+55 11) 3555 6200
Fax: (+55 11) 3211 0130
E-mail: gemef@caixa.gov.br
Att.: Alexandre Parisi

1.22. Use of proceeds

The proceeds from the public distribution of the Securities shall be used:

- to replenish the cash used in the payment of principal of the company's debts taking place between January 2007 and the date of receipt of the funds, estimated at R\$ 297 million, among which an important element is payment of the principal of the 2nd issue of Promissory Notes, in the amount of R\$ 200 million; and
- to pay the principal of the debts becoming due up to the end of the year, limited to R\$ 103 million.

1.23. Mandated bank

Banco Bradesco S.A. shall be the mandated bank.

1.24. Sharing procedure

The sharing criterion shall be of proportionality to the volume of orders placed by investors.

2. OVERVIEW OF THE COMPANY

2.1. Brief history

Cemig Distribuidora is a Brazilian corporation registered for listing, a wholly owned subsidiary of Companhia Energética de Minas Gerais – Cemig, constituted on September 8, 2004. It began operating on January 1, 2005, consequent upon the separation of the activities of Companhia Energética de Minas Gerais – Cemig. The CVM granted its registry for listing on September 25, 1996, by Official Statement SEP/RIC nº 41 de 2006, and it should be emphasized that its shares are not at present traded on securities exchanges.

The concession contract of Companhia Energética de Minas Gerais – Cemig for electricity distribution, signed in 1997, required that its operations be restructured by the separation of the activities of generation, transmission and distribution into wholly owned subsidiaries (“Unbundling”).

Additionally, Provisional Measure 144, of December 11, 2003, which was subsequently converted into Federal Law 10848 of March 15, 2004, governing restructuring of the model of the Brazilian electricity sector, required the division – into separate companies – of the activities of generation and transmission from the activity of electricity distribution.

Thus, seeking the best manner of carrying out the stockholding restructuring of Companhia Energética de Minas Gerais - Cemig, the Board of Directors approved the process of unbundling and, in August 2004, Law 15290/04 was sanctioned by the Governor of the State of Minas Gerais, authorizing the stockholding restructuring.

On September 8, 2004 two wholly-owned subsidiaries of Companhia Energética de Minas Gerais – Cemig were formed, namely Cemig Geração e Transmissão S.A., and Cemig Distribuição S.A.

The networks and distribution lines and other assets and liabilities related to the activities of electricity distribution of Companhia Energética de Minas Gerais – Cemig were transferred to Cemig Distribuição, effective January 1, 2005.

The National Electricity Agency (“Aneel”) gave its final homologation to the transfer of the electricity distribution concession by Authorizing Resolution 407 of December 20, 2004.

2.2. Objects

The objects of the company are to study, plan, draw up, operate, and commercially operate, electricity distribution and sales systems and related services for which concessions have been given or may come to be given, by any means of law.

2.3. The Company’s activities

The principal activity of the Issuer is the provision of public electricity distribution service.

The business involves the purchase and sub-transmission of high-voltage energy (138kV and 88 kV), its transformation into medium-voltage and low-voltage energy, and its distribution and sale to final consumers in the State of Minas Gerais.

The area of the Issuer's concession is 567,740 km², covering approximately 97% of the Brazilian State of Minas Gerais, serving 6,302,080 consumers (March 2007 figures), in 774 municipalities and 5,415 locations.

3. SELECTED FINANCIAL INFORMATION

The table below gives the principal consolidated financial data of the Issuer. These should be read in conjunction with its complete financial statements. The Company's activities began only on January 1, 2005.

R\$ '000

	December 31,			March 31,	
	2004	2005	2006	2006	2007
Assets					
Current assets	1	3,430,234	3,835,826	3,618,023	4,276,273
Long term assets	-	2,623,260	1,872,705	2,555,971	1,930,262
Fixed assets	-	3,202,058	3,738,837	3,276,107	3,778,926
Total assets	1	9,255,552	9,447,368	9,452,400	9,985,461
Liabilities					
Current liabilities	-	3,118,086	3,543,311	3,049,245	3,883,726
Long term liabilities	-	3,825,962	3,554,075	3,947,215	3,571,355
Stockholders' equity	1	2,311,504	2,349,982	2,455,940	2,530,380
Total liabilities	1	9,255,552	9,447,368	9,452,400	9,985,461
Income statement					
Net operational revenue	-	6,396,847	6,314,222	1,376,598	1,297,180
Cost of services provided*	-	(5,049,065)	(5,208,840)	(1,125,941)	(977,603)
Gross profit	-	1,347,782	1,105,382	250,657	319,577
Operational profit	-	1,198,090	912,987	228,276	284,619
Non-operational profit (loss)	-	(30,716)	(25,500)	(7,639)	(9,350)
Net profit after income tax	-	990,129	769,567	144,436	180,398

* "Cost of services provided": The Issuer's operations separate only "cost of electricity" and "cost of operation", in accordance with the Chart of Accounts of the electricity sector.

3.1. Independent Auditor

The Issuer's financial statements for the business years ended December 31, 2004 and 2005, and the periods ended December 30, 2004, 2005 and 2006 were audited by Deloitte Touche Tohmatsu. The quarterly information for March 31, 2006 and 2007 was the subject of a limited review by the said Independent Auditors, in accordance with the determinations of the CVM in relation to the preparation of quarterly financial statements (ITRs).

4. INFORMATION ABOUT THE GUARANTOR

Companhia Energética de Minas Gerais – Cemig, constituted on May 22, 1952, is a corporation with mixed private sector and public sector stockholdings, whose purpose is to operate, and to operate commercially, electricity generation, transmission, distribution and sales systems and related services; to carry out activities in the various fields of energy, from any source, with a view to economic and commercial operation; to provide consultancy services, within its area of operation, to companies both inside and outside Brazil; and to carry out activities directly or indirectly related to its objects.

These activities may be exercised directly by Companhia Energética de Minas Gerais – Cemig, or, as intermediary, by companies constituted by it, or in which it any time comes to hold a majority or minority stake, upon decision by the Board of Directors, in accordance with State Laws 828 of 4 December 1951, 8655 of 18 September 18 1984, 15290 of 4 August 2004, and 16078 of 26 April 2006.

4.1. Registered capital

On March 31, 2007, the registered capital of Companhia Energética de Minas Gerais – Cemig was R\$ 1,621,538,190.25 in the form of 70,874,167,923 common shares and 91,279,651,102 preferred shares, all being book-entry shares with nominal unit value of R\$ 0.01.

This table shows the distribution of the registered capital of Cemig on March 31, 2007.

Stockholders	Common	%	Preferred	%	Total	%
State of Minas Gerais	36,116,304,884	50.97	102	0.00	36,116,304,986	22.27
Other entities of MG State	9,552,515	0.01	1,776,588,306	1.95	1,786,140,821	1.96
Federal government entities	28,828,941	0.04	34,959,199	0.04	63,788,140	0.04
Municipalities	6,067,139	0.01	5,408,474	0.01	11,475,613	0.01
Southern Electric Brasil Participações Ltda.	23,362,956,173	32.96	-	-	23,362,956,173	14.41
Others in Brazil	6,809,857,036	9.61	26,549,903,968	29.09	33,359,761,004	20.57
Others outside Brazil	4,538,668,178	6.40	62,796,329,039	68.80	67,334,997,217	41.53
Shares in treasury	-	-	69,128,403	0.08	69,128,403	0.04
Shares not yet identified (bearer shares)	-	-	47,205,252	0.05	47,205,252	0.03
Board of Directors, Audit Board, Executive Board	1,933,057	0.00	128,359	0.00	2,061,416	0.00
Total	70,874,167,923	100.00	91,279,651,102	100.00	162,153,819,025	100.00

4.2. Brief description of the principal stockholders

The principal stockholders of Companhia Energética de Minas Gerais – Cemig are: the State of Minas Gerais; and Southern Electric Brasil Participações Ltda., a joint venture constituted in 1994. The voting rights related to the shares held by them are the same.

4.3. Brief description of the subsidiaries

Cemig has stockholdings in the following companies that were in operation on March 31, 2007:

Cemig Geração e Transmissão S.A. (subsidiary, 100.00% stake) – A wholly owned subsidiary registered for listing, with generation and transmission of electricity, through 46 power plants, 43 being hydroelectric, one a wind power plant and two thermal plants, and their transmission lines, most of them belonging to the Brazilian national generation and transmission grid system.

Cemig Distribuição S.A. (subsidiary – 100.00% stake) – A wholly owned subsidiary registered for listing, with distribution of electricity through distribution networks and lines in approximately 97.00% of the Brazilian State of Minas Gerais.

Sá Carvalho S.A. (subsidiary – 100.00% stake) – Production and sale of electricity, as a holder of a concession for public electricity service, through the Sá Carvalho hydroelectric power plant.

Usina Térmica Ipatinga S.A. (subsidiary – stake 100.00%) – Production and sale, under the independent production regime, of thermally produced electricity, through the Ipatinga thermal plant, located on the premises of Usiminas (Usinas Siderúrgicas de Minas Gerais S.A.).

Empresa de Infovias S.A. (“Infovias”) (subsidiary – 100.00% stake) – Provision and commercial exploration of a specialized service in the area of telecommunications, by means of an integrated system consisting of fiber optic cables, coaxial cables, electronic and associated equipment (multi-service network).

Companhia de Gás de Minas Gerais – Gasmig (“Gasmig”) (jointly controlled – 55.19% stake) – Acquisition, transport and distribution of combustible gas or sub-products and derivatives, through concession for distribution of gas in the State of Minas Gerais, granted by the government of the State of Minas Gerais.

Rio Minas Energia Participações S.A. (“RME”) (jointly controlled subsidiary – 25.00% stake) – This company holds 79.39% of the registered capital of Light S.A. (“Light”), a holding company that wholly controls, among other companies, the distribution concession holder Light Serviços de Eletricidade S.A., with 3.8 million consumers in 31 municipalities of the Brazilian state of Rio de Janeiro and the generating company Light Energia S.A., which has 852 MW of installed capacity;

Efficientia S.A. (subsidiary – 100.00% stake) – Provides electricity efficiency and optimization services and energy solutions through studies and execution of projects, as well as providing services of operation and maintenance in energy supply facilities.

Horizontes Energia S.A. (subsidiary – 100.00% stake) – Production and sale of electricity, in the independent product mode, through the Machado Mineiro and Salto do Paraopeba hydroelectric power plants, in the State of Minas Gerais, and Salto do Voltão and Salto do Passo Velho, in the State of Santa Catarina;

Central Termelétrica de Cogeração S.A. (subsidiary – 100.00% stake) – Production and sale of thermally generated electricity, as an independent producer, through the construction and operation of the thermal power plant known as the Barreiro Thermal Power Plant, located on the premises of Vallourec & Mannesmann Tubes, in the State of Minas Gerais. The concession was transferred to UTE Barreiro S.A. in the first quarter of 2006.

Rosal Energia S.A. (subsidiary – 100.00% stake) – Production and sale of electricity, as a public electricity service concession holder, through the Rosal hydroelectric power plant located on the border between the States of Rio de Janeiro and Espírito Santo, Brazil.

Central Hidrelétrica Pai Joaquim S.A. (subsidiary – 100.00% stake) – Production and sale of electricity as an independent producer. The concession was transferred to Cemig PCH S.A. in the first quarter of 2006.

Companhia Transleste de Transmissão (jointly controlled – 25.00% stake) – Operation of a 345 kV transmission line connecting the substation located in Montes Claros to the substation of the Irapé hydroelectric power plant.

Companhia Transudeste de Transmissão (jointly controlled – 24.00% stake) – Construction, implementation, operation and maintenance of the 345 kV Itutinga–Juiz de Fora transmission line, part of the distribution grid.

Cemig PCH S.A. (subsidiary – 100.00% stake) – Production and sale of electricity under the Independent Power Producer Regime, through the Pai Joaquim hydroelectric power plant;

Cemig Capim Branco Energia S.A. (subsidiary – stake 100.00%) – Production and sale of electricity under the Independent Power Producer Regime, through the Capim Branco I and II hydroelectric power plants, built through a consortium with private sector partners;

UTE Barreiro S.A. (subsidiary – stake 100.00%) – Production and sale of thermo-electric energy, under the Independent Power Producer Regime, through construction and commercial operation of the thermoelectric power plant named UTE Barreiro, located in the premises of Vallourec & Mannesmann Tubes, in the State of Minas Gerais;

Cemig Trading S.A. (subsidiary – 100.00% stake) – Sale and intermediation of business transactions related to energy;

Empresa Paraense de Transmissão de Energia S.A. (“ETEP”) (jointly controlled – stake of 25.00% of the voting stock, 17.51% of the total stock) – Electricity transmission concession holder for the transmission line from the Tucuruí substation to the Vila do Conde substation, in the state of Pará. The process of acquisition of the stake in this company was completed in August 2006;

Empresa Norte de Transmissão de Energia S.A. (“ENTE”) (jointly controlled – stake of 18.35%) – Electricity transmission concession holder for the two 500-kV transmission lines from the Tucuruí substation to the Marabá substation, in the state of Pará, and from the Marabá substation to the Açailândia substation, in the state of Maranhão. The process of acquisition of the stake in this company was completed in August 2006;

Empresa Regional de Transmissão de Energia S.A. (“ERTE”) (jointly controlled – stake of 18.35%) – Electricity transmission concession holder for the 230-kV transmission line from the Vila do Conde substation to the Santa Maria substation, in the state of Pará. The process of acquisition of the stake in this company was completed in August 2006;

Empresa Amazonense de Transmissão de Energia S.A. (“EATE”) (jointly controlled – stake of 25.00% of the voting stock, 14.93% of the total stock) – Electricity transmission concession holder for the 500-kV transmission line between the Tucuruí, Marabá, Imperatriz, Presidente Dutra and Açailândia switching substations. The process of acquisition of the stake in this company was completed in August 2006;

Empresa Catarinense de Transmissão de Energia S.A. (“ECTE”) (jointly controlled – stake of 7.50%) – Electricity transmission concession holder for the 525-kV transmission line from the Campos Novos substation to the Blumenau substation, in the state of Santa Catarina. The process of acquisition of the stake in this company was completed in August 2006;

Cemig also has stockholdings in the companies listed below, which were in the pre-operational phase on March 31, 2007:

Companhia de Transmissão Centroeste de Minas (jointly controlled – 51.00% stake) – Construction, implementation, operation and maintenance of the electricity transmission facilities of the basic network of the national grid – the 345kV Furnas–Pimenta transmission line.

Companhia Transirapé de Transmissão (jointly controlled – 24.50% stake) – Construction, implementation, operation and maintenance of the electricity transmission facilities of the national grid – the 230 kV Irapé–Araçuaí transmission line.

Transchile Charrúa Transmisión S.A. – (“Transchile”) (jointly controlled – 49.00% stake) – Implementation, operation and maintenance of the Charrúa–Nueva Temuco 220 kV transmission line and two sections of transmission line at the Charrúa and Nueva Temuco substations, in the central region of Chile. The head office of Transchile is in Santiago, Chile.

4.4 Subsequent events:

Reduction of RME’s stake in Light

On May 16, 2007, BNDESPAR exercised its right as debenture holder of the fourth issue of convertible debentures by Light SESA, requesting the exercise of 654,541 warrants of Light S.A. As a consequence, BNDESPAR became a stockholder of Light S.A. by subscription of 61,700,307,365 common shares issued by the company, to be paid up on May 21, 2007 by exchange in payment for 654,541 convertible debentures of Light SESA. The transaction corresponded to 90% of the debentures held by BNDESPAR which, after the increase of capital, held 31.44% of the

shares of Light S.A., carrying the right to the full dividends for 2007. The transaction reduced the stake in Light held by RME from 79.39% to 54.17%, and the stake held by Cemig from 19.85% to 13.54%.

Tariff adjustment

By Homologation Resolution 446 of April 3, 2007, The Brazilian electricity regulator, Aneel, adjusted the tariffs of Cemig D by 9.42%. This percentage was made up of an element of 3.41% in relation to the annual tariff adjustment and 6.01% in relation to the financial components external to the annual tariff adjustment.

Some financial components were included and others withdrawn (4.18%), due to having been paid in the previous cycle (twelve months from April 2006 through March 2007). Hence the net impact on revenue was approximately 5.24%, taking into account the market used for the calculation of the adjustment.

Change in the structure of the Registered Capital of Cemig

The Ordinary and Extraordinary General Meetings of Stockholders of Cemig held on April 26, 2007 approved, among other matters, an increase in the registered capital in the amount of R\$ 810,769,089.75, by incorporation of an earnings reserve, resulting in a stock bonus of 500 new shares per group of 1,000 existing shares, of the same type and carrying the same rights as the prior shares, with nominal value of R\$ 0.01 (“The Stock Bonus”). All stockholders on the Nominal Share Registry on the date of the said General Meeting received the benefit of the Stock Bonus.

On June 4, 2007, the shares of Cemig were grouped, in a reverse split, in the proportion of 500 (five hundred) shares with nominal value of R\$ 0.01 (one centavo), to 1 (one) share of the same type as the prior shares, with nominal value of R\$ 5.00 (five Reais)(“the Reverse Split”).

The distribution of the registered capital, as shown in 4.1 above, was adjusted to include the changes resulting from the Stock Bonus and the Reverse Split. This table shows the distribution of the registered capital of Cemig in June 2007:

Acionistas	Number of shares					
	Common	%	Preferred	%	Total	%
State of Minas Gerais	108,377,572	50.97	5,329,765	1.94	113,707,337	23.37
Southern Electric Brasil Participações Ltda.	70,088,868	32.96	-	-	70,088,868	14.40
Other stockholders						
In Brazil	20,054,948	9.43	78,417,567	28.65	98,472,515	20.24
Outside Brazil	14,101,115	6.63	190,091,621	69.41	204,192,736	41.97
Total	212,622,503	100.00	273,838,953	100.00	486,461,456	100.00

Source: http://v2.cemig.infoinvest.com.br/static/ptb/estru_acionaria.asp

Launch of ADRs for Cemig common shares

Until 2007, Cemig has had a program of American Depositary Receipts (ADRs) representing its preferred shares, trading on the New York Stock Exchange. On March 31, 2007, ADRs in circulation under this program represented approximately US\$1.154 billion, or 25.99% of the preferred shares of Cemig, and 14.63% of the company’s total capital. To give US investors the same access to the common shares as to the preferred shares, Cemig constituted a program of ADRs representing its common shares, which was listed on the New York Stock Exchange on June 12, 2007.

5. RISK FACTORS

Before taking an investment decision in relation to the Securities, potential investors should carefully consider, in the light of their own financial situations and investment objectives, all the information available in this document and, in particular, should assess the risk factors described below.

Risks related to the Offering

Volatility and absence of liquidity in the Brazilian securities markets

Investing in securities of emerging markets, such as Brazil, involve a greater risk than investing in securities of issuers from more developed countries, and such investments are regarded as being of a speculative nature. Brazilian investments, such as the Securities in this Offering, are subject to economic and political risks, involving, among other factors:

- changes in the regulatory, fiscal, economic and political environments which can affect the capacity for investors to receive payments, in whole or in part, in relation to their investment; and
- restrictions on foreign investments and repatriation of invested capital. The Brazilian securities markets are substantially smaller, less liquid, more concentrated and more volatile than the principal markets in US and European securities, and are less regulated and supervised than those markets.
- The relatively small market capitalization, and low liquidity, of the Brazilian securities markets, can substantially limit the trading capacity of the Securities at the desired price and moment in time.

Low liquidity of the secondary market

The secondary market that exists in Brazil for trading of Promissory Notes has historically had low liquidity, and there is no guarantee that a market for trading in the Securities will exist in the future that enables their holders to sell them, if they decide in favor of the investment. Cemig Distribuição cannot guarantee that any market for the Securities will develop, nor that it will be liquid. The liquidity and the market for the Securities could also be negatively affected by a general fall in the market for Promissory Notes. Such a fall could have an adverse effect on the liquidity and markets of the Securities, independently of the outlook for the financial performance of Cemig Distribuição.

Events for early maturity of the Securities

The text of the security representing the Promissory Note provides that certain events shall cause automatic early maturity of the Company's obligations, such as application for Judicial Recovery (reorganization through the Courts) or bankruptcy of the Issuer, non-compliance with obligations provided for in the distribution contract, extinction of concessions and early maturity of other debts. There are no guarantees that the Company will have sufficient funds in cash to provide for the payment of the Securities in the event of early maturity of its obligations. Further, the results and activities of the Issuer could suffer a significant negative impact in the event of early maturity.

Payment by the Guarantor

The Securities have the guarantee of Cemig, which is the controlling stockholder of the Issuer. By reason of its activities, Cemig is subject, among others, to the risks related to macroeconomic factors and to the risks related to the electricity sector. If any of these risks becomes a material reality, it is not possible to guarantee that the Guarantor, if called upon, will have the ability to honor the payment of the Securities.

Validity of stipulation of the DI Rate

Precedent 176 of the Higher Appeal Court states that the clause which subjects the debtor to payment of interest in accordance with the rate published by Andima/Cetip is null. According to the Appeal Court Judgments that gave rise to this Precedent, Andima and Cetip are entities under private law, whose purpose is the defense of the interests of financial institutions. Although the said Precedent does not bind the decisions of the Judiciary, the possibility exists that in a Court dispute that Precedent may come to be applied by the Judiciary in a judgment to the effect that the DI Rate is not valid as a factor for remuneration of Promissory Notes. In this event, the new index must be determined by the Judiciary, and could represent lower remuneration than the DI Rate, with adverse affect on the yield from the Securities.

No opinions of legal counsel nor of independent auditors have been nor will be issued in relation to the information contained in this instrument and the other documents related to the Offering.

The Company has not contracted lawyers or Independent Auditors for the conduction of a process of due diligence or accounting audit, respectively, of the information of a legal or accounting nature in relation to its business and activities, with a view to the preparation of this instrument or of the other documents which were made available to investors in the ambit of the Offering. This being so, those acquiring the Securities should take their investment decision in the knowledge that the sufficiency, veracity, quality and precision of the information provided by the Company in this present instrument were not verified independently by third parties contracted for such purpose.

6. RELATIONSHIP BETWEEN THE ISSUER AND THE LEAD MANAGER

As well as the present offering, the Lead Manager has relationships with the Issuer through provision of banking services in general, which include collections of receivables, payment of suppliers, and financial and economic advisory services.

7. STATEMENT BY THE COMPANY AND THE LEAD MANAGER

7.1. Under the applicable regulations, the Issuer is responsible for the veracity of the information contained herein also information supplied to the market at the time of registration and the public distribution, and warrants that that information is true, correct, consistent and sufficient, in accordance with a statement given by the Issuer pursuant to item 7 of the Appendix to Instruction 155 of the CVM, and Article 56 of CVM Instruction 400, of December 29, 2003.

7.2. The Lead Manager warrants that it has taken all the measures of care and acted with high standards of diligence to ensure that all the information provided to the market on the occasion of the registry and the public distribution is true, consistent, correct and sufficient, in accordance with the statement given by the Lead Manager pursuant to item 7 of the Appendix to CVM Instruction 155, and Article 56 of CVM Instruction 400.

8. ADDITIONAL INFORMATION

For more information in relation to the Offering and the Securities interested parties should visit the head office of the Lead Manager at the address indicated in item 1.21 above, or at the CVM or at the head office of the Issuer, at the addresses indicated below:

CVM (Comissão de Valores Mobiliários – Brazilian Securities Commission)

Rua Sete de Setembro 111, 5th Floor
Rio de Janeiro, RJ, Brazil.

Rua Cincinato Braga, 340 – 2nd, 3rd and 4th Floors
São Paulo, SP, Brazil.

This document is available at the CVM for consultation and reproduction.

Headquarters of the Issuer:

Cemig Distribuição S.A.

Av. Barbacena 1200, 17th Floor, A1 Wing, Bairro Santo Agostinho
Belo Horizonte, Minas Gerais, Brazil

Cristiano Corrêa de Barros

Telephone: (+55 31) 3299-4810

Fax: (+55 31) 3299-3790

Email: cbarros@cemig.com.br

<http://cemigd.foinvest.com.br/>

Head office of the Lead Manager

CAIXA ECONÔMICA FEDERAL

Av. Paulista 2300 – 12th Floor

01310-300 São Paulo, SP, Brazil

Att.: Mr. Alexandre Parisi

Tel: (+55 11) 3555 6200

Fax: (+55 11) 3211 0130

E-mail: gemef@caixa.gov.br

<http://www1.caixa.gov.br/download/index.asp>

The information presented here constitutes a summary of the terms and conditions of the Second Issue of Promissory Notes of Cemig Distribuidora S.A., which are described in the principal Promissory Note. The said terms and conditions are merely indicative and it is not guaranteed that the information contained here is reproduced in totality in the Promissory Note.

Investment in the Securities involves a number of risks which should be taken into account by the potential investor. These risks include factors of liquidity, credit, market, and specific regulation, among others, which relate both to the Issue and to the Securities themselves.

The registration of this distribution with the Securities Commission (CVM) aims only to guarantee access to the information that will be given by the Issuer at the request of the subscribers in the location mentioned in this notice, and does not constitute a guarantee by the CVM of the truthfulness of the information, nor any judgment in relation to the quality of the Issuing Company or in relation to the Securities to be distributed.



This public offering was prepared in accordance with the Self-Regulation Code of ANBID for Public Offerings for Distribution and Acquisition of Securities, which is an integral part of the Minutes registered with the Fourth Notary's Office for Registry of Legal Entities of the City of São Paulo, São Paulo State, under number 4890254, and this present Public Offering thus meets the minimum standards of information contained in the code, and ANBID shall not have any responsibility for the said information, nor for the quality of the Issuer, the Offering Parties, the participation institutions or the Securities that are the subject of the Public Offering..
