



CEMIG GERAÇÃO E TRANSMISSÃO S.A.

Registered with the CVM – CVM Nº: 02032-0
CNPJ Nº: 06.981.176/0001-58 – NIRE: 0623221310098
Av. Barbacena 1200, 12nd floor, B1 Wing, Santo Agostinho
30190-131 Belo Horizonte, Minas Gerais, Brazil

ISIN Code of the First Series: BRCMGTDBS021
ISIN Code of the Second Series: BRCMGTDBS039

MARKET ANNOUNCEMENT

CEMIG GERAÇÃO E TRANSMISSÃO S.A. (“the Issuer”), **BB - BANCO DE INVESTIMENTO S.A.** (“**BB-BI**” or “the **Lead Manager**”), **CAIXA ECONÔMICA FEDERAL** (“**CAIXA**”), **HSBC CORRETORA DE TÍTULOS E VALORES MOBILIÁRIOS S.A.** (“**HSBC**”), **BANCO VOTORANTIM S.A.** (“**Votorantim**”), **BES INVESTIMENTO DO BRASIL S.A. – BANCO DE INVESTIMENTO** (“**BESI**”) and **BANCO BTG PACTUAL S.A.**, formerly named Banco UBS Pactual S.A. (“**BTG Pactual**”, and when referred to jointly with the Lead Manager, CAIXA, HSBC, Votorantim and BESI, “the **Managers**”), hereby announce to the public, in accordance with Instruction 400 of December 29, 2003 issued by the Brazilian Securities Commission (“**CVM**”) as amended (“**CVM Instruction 400**”), and in accordance with the Anbid Code of Regulation and Best Practices for Public Offerings of Distribution and Acquisition of Securities, that on December 22, 2009 they filed application to the CVM for registry of the Public Distribution (“the **Offering**” or “the **Issue**”) of 270,000 (two hundred and seventy thousand) non-convertible, nominal, book-entry, unsecured debentures, in two series, of the Issuer’s Second Issue, with nominal unit value of R\$ 10,000.00 (ten thousand Reais) on the Issue Date (as defined below) (“the **Debentures**”), making a total value of

R\$ 2,700,000,000.00

1. CORPORATE DECISIONS

The Issue was decided and approved in meetings of the Board of Directors of the Company held on July 23, August 27 and December 1, 2009 (“the Board Meetings”). The minutes of the meetings of the Board of Directors of the Company held on July 23 and August 27, 2009 were duly filed with the Commercial Board of the State of Minas Gerais (“JUCEMG”) on September 3 and 8, 2009, under numbers 4189606 and 4191508, respectively, and published on September 9, 2009 in the Official Gazette of the State of Minas Gerais, and in the newspapers *Valor Econômico* – National Edition and *O Tempo*. The minutes of the meeting of the Board of Directors of the Company held on December 1, 2009 were duly filed with JUCEMG on December 16, 2009 and will be published in the Official Gazette of the State of Minas Gerais and in the newspapers *Valor Econômico* – National Edition and *O Tempo*.

2. INFORMATION ABOUT THE OFFERING

2.1. Bookbuilding Procedure

The Managers will organize the procedure of collection of investment intentions with potential investors in the Offering, in the terms of Article 23, Paragraphs 1 and 2, and Article 24, of CVM Instruction 400, without receipt of reservations, without minimum or maximum lots of debentures of the First Series (as defined below) nor of Debentures of the Second Series (as defined below) (“the Bookbuilding Procedure”), so as to decide, jointly with the Issuer, the quantity and remuneration of each one of the series of the Issue, subject to the limits specified in Item 2.4 below. The result of the Bookbuilding Procedure will be ratified through an amendment to “the Private Deed of The Second Issue of Non-convertible, Unsecured Debentures of Cemig Geração e Transmissão – **Cemig GT** in Two Series for Public Distribution”, entered into between the Issuer and Oliveira Trust Distribuidora de Títulos e Valores Mobiliários S.A. (“the Fiduciary Agent”) on December 15, 2009 (“the Issue Deed”), and will be published by an advertisement of the Start of the Offering (“the Commencement Announcement”).

2.2. Total Value of the Issue

The total value of the Issue is R\$ 2,700,000,000.00 (two billion, seven hundred million Reais) on the Issue Date.

2.3. Issue Date:

For all purposes and effects, the date of issue of the Debentures will be January 15, 2010 (“the Issue Date”).

2.4. Series

The Issue will be made in up to two series, and the quantity of Debentures to be allocated to each series will be defined by means of the Bookbuilding Procedure, subject to the allocation of the Debentures between the Series taking place on “the Communicating Channels” system (“the Communicating Channels System”). The Issuer may not place the Debentures of the Second Series (as defined below) before all the Debentures of the First Series (as defined below) have been placed, under Article 59, Paragraph 3, of Law 6404 of December 15, 1976, as amended (“the Corporate Law”). The Issuance of the Debentures of the Second Series is conditional upon obtaining of demand from investors sufficient for the issuance of, at least 20,000 (twenty thousand) Debentures of the Second Series (“the Minimum Amount of the Second Series”). If the Minimum Amount of the Second Series is not reached in the Bookbuilding Procedure, the Issuer will cancel the issuance of the said series. Subject to the express references to the Debentures of the First Series or the Debentures of the Second Series, all references to “the Debentures” should be understood as a joint reference to the Debentures of the First Series and Debentures of the Second Series.

2.5. Number of debentures:

The Issue shall be made up of 270,000 (two hundred and seventy thousand) Debentures.

2.6. Nominal Unit Value:

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

2.7. Type and Form:

The Debentures shall be nominal and of the book-entry type, without issuance of deposits or certificates.

2.8. Tenor and Maturity Date:

The Debentures allocated to the first series (“the Debentures of the First Series”) shall have tenor of 2 (two) years from the Issue Date, with maturity on January 15, 2012 (“the Maturity Date of the First Series”). The Debentures allocated to the Second Series (“the Debentures of the Second Series”) shall have a period of maturity of 5 (five) years from the Issue Date, with maturity on January 15, 2015 (“the Maturity Date of the Second Series”).

2.9. Amortization

The full amortization of the Nominal Unit Value of the Debentures of the First Series shall be made in a single payment, on the Maturity Date of the First Series.

The Nominal Unit Value of the Debentures of the Second Series will be amortized in three annual installments, each one of them monetarily adjusted from the Issue Date, the first with maturity on January 15, 2013, the second with maturity on January 15, 2014 and the last with maturity on January 15, 2015 (“the Amortization Dates of the Debentures of the Second Series”), as per this table:

Amortization Dates	Fraction of the Nominal Unit Value to be Amortized
January 15, 2012	33.00%
January 15, 2014	33.00%
January 15, 2015	34.00%

2.10. Remuneration of the Debentures of the First Series

The Debentures of the First Series shall be remunerated as follows.

I. *Monetary updating:* The Nominal Unit Value of the Debentures of the First Series will not be updated.

II. *Remuneratory Interest:* Remuneratory Interest corresponding to the accumulated variation of the average daily values of DI – Interbank Deposit – one-day, *extragrupo* rate shall be applied to the Nominal Unit Value of the Debentures of the First Series, in percentage form, calculated, and published daily by Cetip in the daily bulletin on its website (<http://www.cetip.com.br>) (“the DI Rate”), capitalized by a spread to be decided in accordance with the Bookbuilding Procedure, and in any event limited to 1.50% (one point five zero percent) per year (“the Minimum Rate of the First Series”), on the basis of 252 (two hundred and fifty two) Business Days, from the Issue Date or from the Date of Payment of the Remuneration immediately prior to the date of the actual payment of the Debentures of the First Series (“the Remuneratory Interest on the First Series”), which will occur at the end of each Capitalization Period, as defined in Item 4.5.1 of the Issue Deed. The Remuneratory Interest of the First Series will be calculated by the regime of compound capitalization, *pro rata temporis* by Business Days and, subject to the periodicity specified in Item 2.12 below, shall be paid at the end of each Capitalization period, or on the date of early settlement resulting from early maturity of the Debentures by reason of the occurrence of one of the Default Events, subject to the formula contained in the Issue Deed.

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

2.11. Remuneration of the Debentures of the Second Series

The Debentures of the Second Series shall be remunerated as follows.

I. *Monetary updating:* The Nominal Unit Value of the Debentures of the Second Series or the Balance of the Nominal Unit Value of the Debentures of the Second Series (as defined below), as the case may be, shall be updated, from the Issue Date, by the variation in the Expanded Consumer Price Index – IPCA (“the IPCA”), calculated and published by the Brazilian Geography and Statistics Institute – IBGE (“the IBGE” and “the Updating of the Second Series”, respectively), and the result of the Updating of the Second Series automatically incorporated into the Nominal Unit Value or the Balance of the Nominal Unit Value, as the case may be, of the Debentures of the Second Series. The Updating of the Second

Series shall be paid with the frequency specified in Item 2.12 below, or on the date of early settlement resulting from early maturity of the Debentures by reason of the occurrence of one of the Default Events, as applicable, subject to the formula contained in the Issue Deed.

II. Remuneratory Interest: The Debentures of the Second Series shall be entitled to remuneratory interest to be decided in accordance with the Bookbuilding Procedure. The Remuneratory Interest applicable to the Debentures of the Second Series shall obey the minimum rate equivalent to the remuneration on Series B National Treasury Notes, maturing on May 15, 2015 (“NTN-Bs”), calculated by the arithmetic mean of trades in NTN-Bs on 5 (five) days prior to the date of the Bookbuilding Procedure, according to indicative rates published by Andima – The Brazilian Association of Financial Market Institutions (“Andima”), plus 1.50% (one point five zero percent) per year (“the Remuneratory Interest of the Second Series” and, when referred to jointly with the updating of the Second Series, “the Remuneration of the Second Series”). The rate used for calculation of the Remuneratory Interest on the Second Series shall be applied to the Nominal Unit Value of the Debentures of the Second Series or to the Balance of the Nominal Unit Value of the Debentures of the Second Series, updated as stipulated above, calculated by Business Days elapsed, on the basis of a year of 252 (two hundred and fifty two) Business Days, from the Issue Date, and subject to the periodicity specified in Item 2.12 below, paid at the end of each Capitalization Period (or on the date of early settlement resulting from early maturity of the Debentures by reason of the occurrence of one of the Default Events, calculated by the regime of compound capitalization *pro rata temporis* by Business Days), obeying the formula contained in the Issue Deed.

2.12. Payment of the Remuneratory Interest of the First Series and of the Remuneratory Interest of the Second Series

The payment of the Remuneratory Interest of the First Series will be made annually, as from the Issue Date, on the fifteenth of January of each year, the first payment being payable on January 15, 2011 and the last payment on January 15, 2012, which is the Maturity Date of the First Series.

The payment of the Remuneratory Interest of the Second Series shall be made annually, as from the Issue Date, on the fifteenth of January of each year, the first payment being payable on January 15, 2011 and the last payment on January 15, 2015, which is the Maturity Date of the Second Series.

2.13. Guarantee

The Debentures of this Issue and the obligations assumed by the Issuer under the Issue Deed are guaranteed by a guarantee given by Companhia Energética de Minas Gerais – Cemig (“the Surety Guarantor”) which gives this guarantee as joint debtor and principal payer of all the obligations arising from the Issue Deed until their final settlement, with express waiver of the benefits provided by Articles 366, 827, 830, 834, 835, 837, 838 and 839, of Law 10406 of January 10, 2002 as amended (“the Civil Code”), and Articles 77 and 595, of Law 5869 of January 11, 1973 as amended (“the Code of Civil Procedure”) for the obligations assumed in the Issue Deed.

The Guarantor will subrogate itself in the rights of the Holders of Debentures of the First Issue and/or in the rights of the Holders of Debentures of the Second Series, as the case may be, if it comes to honor, totally or partially, the Guarantee subject of this item.

2.14. Placement Regime

The Managers shall carry out the public placement of the Debentures in the regime of firm guarantee of subscription, subject to the terms of the “Contract for Public Distribution, Under the Firm Guarantee of Placement Regime, of Non-convertible, Unsecured Debentures in Two Series of the Second Issue by Cemig Geração e Transmissão S.A.”, signed on December 15, 2009 between the Company and the Managers (“the Distribution Agreement”).

The Managers may subcontract financial institutions to assist them in placement of the debentures, in the terms of the Distribution Agreement.

2.15. Registry for Distribution and Trading

The Debentures shall be registered for (a) distribution in the primary market through the SDT – Securities Distribution Module (“the SDT”), administered and operated by Cetip, with distribution and trading settled, and the Debentures held in custody by, Cetip; and (b) trading in the secondary market through (i) the SND – National Debentures Module (“the SND”), administered and operated by Cetip, with trades settled through, and Debentures held in custody by, Cetip; and (ii) the Bovespafix system (“Bovespafix”), administered by BM&FBovespa S.A. – Bolsa de Valores, Mercadorias e Futuros (“BM&FBovespa”), with trades settled through, and Debentures held in custody by, the BM&FBovespa.

2.16. Use of proceeds

The net proceeds obtained by the Issuer through the paying-up of the Debentures will be applied in full for redemption of the 270 (two hundred and seventy) Commercial Promissory Notes of the Issuer’s Third Series, with nominal unit value of R\$ 10,000,000.00 (ten millions Reais), issued on October 30, 2009, with remuneratory interest corresponding to 113% (one hundred and thirteen per cent) of the average DI Interbank Deposit, *over extragrupo* rate for one day, expressed in percentage form per year, on the basis of 252 (two hundred and fifty two) Business Days, calculated and published daily by Cetip, which were the subject of public distribution and which mature on April 28, 2010.

2.17. Mandated Bank and Depository Institution

The mandated bank and deposited institution of the Debentures is Banco Bradesco S.A., a financial institution with head office in the City of Osasco, São Paulo State, at Cidade de Deus, s/nº, Vila Yara, registered in the CNPJ/MF under No.60.746.948/0001-12 (“the Mandated Bank” or “the Depository Institution”), and this definition includes any such other institution as may come to succeed the Mandated Bank in the provision of the services specified in this item).

2.18. Fiduciary Agent

Oliveira Trust Distribuidora de Títulos e Valores Mobiliários S.A., with head office in the City of Rio de Janeiro, Rio de Janeiro State, at Avenida das Américas 500, Barra da Tijuca, registered in the CNPJ/MF under No. 36.113.876/0001-91, will act as the fiduciary agent of the Debentures, in the terms of the Issue Deed.

2.19. Limit of the Issue

The Issue complies with the limits specified in Article 60 of the Corporate Law, considering that the registered capital of the Issuer, on the Issue Date, will be R\$ 3,296,785,358.90 (three billion two hundred and ninety six million seven hundred and eighty five thousand three hundred and fifty eight Reais and ninety centavos).

2.20. Start of the Offering

The public placement of the Debentures shall begin only after: (a) granting of registry of the Offering by the CVM; (b) publication of the Commencement Announcement; and (c) the final prospectus (“the Final Prospectus”) being made available to investors.

2.21. Estimated timetable of the stages of Offering:

Nº	Event	Date/ Projected Date *
1.	Filing of the Application for Registry of the Offering with the CVM	December 22, 2009
2.	Publication of the Market Announcement of the Offering Preliminary Prospectus (“ <u>the Preliminary Prospectus</u> ”)	December 23, 2009
3.	Start of presentations to potential investors	January 20, 2010
4.	End of presentations to potential investors	January 26, 2010
5.	Bookbuilding Procedure	February 23, 2010
6.	Registry of the offer with the CVM Publication of the Announcement of Commencement of the Offering with	By March 2, 2010
7.	publication of the result of the Bookbuilding Procedure Final Prospectus made available	March 3, 2010
8.	Settlement of Debentures of the First Series Settlement of the Debentures of the Second Series	March 8, 2010 March 9, 2010
9.	Publication of Closing Announcement of the Offering	By March 12, 2010

(*) The dates specified for future events are merely indicative, and are subject to alteration.

2.22 Advertising

Advice must obligatory be given, in the form of notices, of all acts or decisions to be taken arising from this Issue which, in any form, involve interests of the Debenture holders, and notice of them must also be published in the newspaper *Valor Econômico* – National Edition, and also on the Issuer’s Internet page (<http://cemig.infoinvest.com.br/ptb/s-45-ptb.html>).

2.23 Target public

The target public of the offering is made up of investors resident, domiciled or with head office in Brazil, including investment clubs, investment funds, managed portfolios, entities that are managers of third party funds registered with the CVM, entities authorized to function by the Brazilian Central Bank, condominiums for investment in portfolios of securities registered with the CVM and/or the BM&FBovespa, pension funds, open or closed supplementary pension plan or annuity entities, and insurance companies, and also investors considered to be institutional or qualified, under CVM Instruction 409 of August 18, 2004, as amended, taking into account, at all times, the risk profile of the parties to which the Offering is directed.

2.24 Inappropriateness of the Offering

The Debentures are not appropriate for investors that: (i) require liquidity, in view of the possibility of trading in the Debentures in the secondary market being small or non-existent; (ii) are not disposed to run the credit risk of the electricity sector; and/or (iii) do not have the degree of sophistication and knowledge necessary for assuming the risks inherent to investment in the Debentures. Investors should read the “Risk Factors” section of the Preliminary Prospectus and of the Final Prospectus.

3. 1. PRELIMINARY PROSPECTUS

The Preliminary Prospectus is available at the following addresses and web pages:

CEMIG GERAÇÃO E TRANSMISSÃO S.A.

Avenida Barbacena 1200, 12th Floor, B1 Wing,

30190-131 Belo Horizonte, MG, Brazil

Website: <http://cemig.infoinvest.com.br/ptb/s-45-ptb.html>

BB – BANCO DE INVESTIMENTO S.A.

Rua Senador Dantas 105, 36th Floor,
Centro, Rio de Janeiro, RJ, Brazil

Website: <http://www.bb.com.br/ofertapublica> – Select > *Outros Prospectos*

CAIXA ECONÔMICA FEDERAL

Avenida Paulista 2300, 12th Floor, Cerqueira César,
01310-300 São Paulo, SP, Brazil

Website: <http://www.caixa.gov.br/download/index.asp> – Select the item *Mercado de Capitais – Ofertas em Andamento* > Sub-item *Cemig Geração Transmissão – 2ª Emissão Debêntures – 2009*

HSBC CORRETORA DE TÍTULOS E VALORES MOBILIÁRIOS S.A.

Avenida Brigadeiro Faria Lima 3064, 4th Floor,
01451-000 São Paulo, SP, Brazil.

Website:

<http://www.hsbc.com.br/1/2/portal/pt/para-sua-empresa/investimento/operacoes-especiais/operacoes-especiais-mais-informacoes> – Select *Cemig Geração e Transmissão – Prospecto da 2ª Emissão de Debêntures*

BANCO VOTORANTIM

Avenida das Nações Unidas 14171, 18th Floor, Torre A,
04794-000 São Paulo, SP, Brazil.

Website: <http://www.bancovotorantim.com.br/ofertaspublicas>

BES INVESTIMENTO DO BRASIL S.A. – BANCO DE INVESTIMENTO

Avenida Brigadeiro Faria Lima 3729, 6th Floor, Itaim Bibi,
04538-905 São Paulo, SP, Brazil.

Website: <http://www.besinvestimento.com.br/emissoes>

BANCO BTG PACTUAL S.A.

Avenida Brigadeiro Faria Lima 3729, 9th Floor,
04538-133 São Paulo, SP, Brazil.

<http://www.btgpactual.com/home/ib/pt/capitalmarkets.aspx>

CETIP S.A. – The Organized Over-the-counter Market in Assets and Derivatives

Rua Líbero Badaró 425, 24th Floor,
01009-000 São Paulo, SP, Brazil.

Website: www.cetip.com.br

BM&FBOVESPA S.A. – Stock, Commodities and Futures Market

Rua XV de Novembro 275,
01009-000 São Paulo, SP, Brazil.

Website: <http://www.bovespa.com.br>

CVM – BRAZILIAN SECURITIES COMMISSION

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

Website: <http://www.cvm.gov.br>

4. ADDITIONAL INFORMATION

For further information on the Offering and the Debentures, interested parties should contact the head office of the Managers, or the CVM, Cetip, BM&FBovespa or the head office of the Issuer, at the addresses indicated in Item 3 above.

The information contained in the Preliminary Prospectus will be the subject of analysis by the CVM and is subject to complementation or correction.

The Final Prospectus will be placed at the disposal of Investors in the locations referred to above, as from the date of publication of the Commencement Announcement, which will depend on granting of the Registry of the Offering by the CVM.

Registry of this distribution does not imply any guarantee by the CVM of the truthfulness of the information given nor any judgment on the quality of the issuer, nor on the debentures to be distributed.

READ THE PROSPECTUS BEFORE ACCEPTING THE OFFER



The present public offer or program was prepared in accordance with Anbid's rules for Regulation and Best Practices for Public Offers for Distribution and Acquisition of Securities, and thus complies with the minimum standards of information required by Anbid, and Anbid has no responsibility for the said information, nor for the quality of the Issuer and/or of the offering party/ies, nor of the Participating Institutions nor of the securities that are the subject of the present public offer/program. This seal does not imply an investment recommendation. Registration or prior analysis of this distribution does not imply, on the part of Anbid, a guarantee of the truth of the information provided nor any judgment on the quality of the issuing company nor the securities to be distributed.

MANAGERS



BB – BANCO DE INVESTIMENTO S.A. IS THE LEAD MANAGER