

ANNUAL REPORT OF THE FIDUCIARY AGENT
BUSINESS YEAR 2014

CEMIG DISTRIBUIÇÃO S.A.

3rd Issue of Non-convertible Debentures

GDC Partners Serviços Fiduciários DTVM Ltda.
FIDUCIARY AGENT

April 2015

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Rio de Janeiro, April 29, 2015.

To:
The Debenture Holders

CEMIG DISTRIBUIÇÃO S.A.

Av. Barbacena 1200, 17th floor, A1 Wing, Santo Agostinho,
30190-924 Belo Horizonte, MG, Brazil

Att: **Mr. Fabiano Maia Pereira**
Chief Investor Relations Officer

The Brazilian Securities Commission (CVM)

Rua Sete de Setembro 111, 2nd floor, Centro,
20050-901 Rio de Janeiro, RJ, Brazil

Att: **Securities Registry Directorate – SRE**

CETIP S.A. – MERCADOS ORGANIZADOS

Avenida República do Chile, 230, 11th floor,
20031-170 Rio de Janeiro, RJ, Brazil

Att: **Securities Management Office**

BM&FBovespa S.A. – Bolsa de Valores, Mercadorias e Futuros

Rua XV de Novembro 275,
01452-001 São Paulo, São Paulo

BB-BANCO DE INVESTIMENTO S.A.

As the Fiduciary Agent for the 3rd Issue of Debentures by **CEMIG DISTRIBUIÇÃO S.A.** ('Cemig D'), we present the annual report on this issue, in compliance with Law 6404 of December 15, 1976, CVM Instruction 28, of November 23, 1983 and the Issue Deed of the Third Issue for Public Distribution by Cemig D, of Unsecured, Non-convertible Debentures, in up to 3 Series.

Consideration of the situation of the Company was based on: the information supplied by the Issuer; accounting statements; and internal controls of this Fiduciary Agent.

This report is at the disposal of debenture holders at the head office of the Issuer, at the head office of the Fiduciary Agent, at the CVM, at Cetip, at the BM&FBovespa, and at the office of the Lead Manager.

Yours,



GDC Partners Serviços Fiduciários DTVM Ltda.

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1. CHARACTERISTICS OF THE ISSUER

Trading name:	Cemig Distribuição S.A.
Head office address:	Av. Barbacena 1200, 17th floor, A1 Wing, Santo Agostinho, 30190-131, Belo Horizonte, MG
Telephone/Fax:	(+55-31) 3506-5024 / (+55-31) 3506-5025.
Investor Relations Director:	Fabiano Maia Pereira
Brazilian Corporate Tax Number (CNPJ/MF):	06.981.180/0001-16.
Status:	Operational.
External auditors:	Deloitte Touche Tohmatsu Auditores Independentes.
Principal activity:	To study, plan, project, build and commercially operate systems of distribution and sale of electricity and related services.

2. CHARACTERISTICS OF THE ISSUE

Security:	Debentures.
CVM registry N°:	1st Series: CVM/SER/DEB/2013/008. 2nd Series: CVM/SER/DEB/2013/009. 3rd Series: CVM/SER/DEB/2013/010.
ISIN:	1st Series: BRCMGDDBS025. 2nd Series: BRCMGDDBS033. 3rd Series: BRCMGDDBS041.
Cetip Asset Code	1st series: CMDT13. 2nd Series: CMDT23. 3rd Series: CMDT33.
Issuer's situation:	Active.
Issuer's situation:	Compliant with pecuniary obligations.
Lead Manager:	BB Banco de Investimento S.A.

Managers:	HSBC Corretora de Títulos e Valores Mobiliários S.A. and Banco Votorantim S.A.
Rating:	Moody's, February 3, 2014: Baa3 – Global scale; Aa1.br Brazilian scale.
Mandated Settlement Bank and Bookkeeping Institution:	Banco Bradesco S.A.
Number of series:	The issue was made in three Series.
Total amount of the Issue:	The total value of the Issue is R\$ 2,160,000,000.00 (two billion, one hundred sixty million Reais) on the Issue Date.
Quantity of Debentures:	The issue comprises 2,160,000 (two million one hundred sixty thousand Debentures, of which 410,817 (four hundred ten thousand eight hundred seventeen) are debentures of the First Series, 1,095,508 (one million ninety five thousand five hundred eight) are debentures of the Second Series, and 653,675 (six hundred fifty three thousand six hundred seventy five) are debentures of the Third Series.
Nominal Unit Value:	The nominal unit value of the Debentures is R\$ 1,000.00 (one thousand Reais) on the Issue Date.
Unit Price on Dec. 31, 2014:	According to our calculations and our interpretation of the terms and conditions of the Issue, while not implying any commitment to acceptance by any of the parties involved, the unit prices of the Debentures on December 31, 2014 were: – of the First Series, R\$ 1,100.762386; – of the Second Series, R\$ 1,157.150436; and – of the Third Series, R\$ 1,161.008951.
Issue Date:	For all purposes the issue date of the Debentures is February 15, 2013.
Form:	The Debentures are nominal, book-entry Debentures, without the issuance of deposits or certificates.
Convertibility:	The Debentures are not be convertible into shares.
Type:	The Debentures are of the unsecured type.
Renegotiation:	The Debentures are not subject to renegotiation.
Tenor and Maturity Date:	First Series: The Debentures of the First Series have tenor of 5 (five) years from the Issue Date, with maturity on February 15, 2018. Second Series: The Debentures of the Second Series have tenor of 8 (five) years

Third Series: from the Issue Date, with maturity on February 15, 2021.
The Debentures of the Third Series have tenor of 12 (five) years from the Issue Date, with maturity on February 15, 2025.

Remuneration of the Debentures of the First Series:

Monetary updating:

The Nominal Unit Value of the Debentures of the First Series will not be updated.

Remuneratory Interest:

Remuneratory Interest corresponding to 100% (one hundred per cent) of the accumulated variation of the DI Rate, on the 252 Business Days basis, capitalized by a spread of 0.69%, 252-business-days basis, decided in accordance with the Bookbuilding Procedure.

Remuneration of the Debentures of the Second Series:

Monetary updating:

The Nominal Unit Value of the Debentures of the Second Series is updated by the accumulated variation of the IPCA index, published by IBGE, from the Issue Date (or from the immediately prior Amortization Date of the Second Series) up to the date of its actual payment, and the product of the Monetary Updating is automatically incorporated into the Nominal Unit Value of the Debentures of the Second Series.

Remuneratory Interest:

As established by the Bookbuilding Procedure, remuneratory interest, at 4.70% per year, on the 252 business days basis, is applied to the Nominal Unit Value of the Debentures of the Second Series, updated by the Monetary Updating.

Remuneration of the Debentures of the Third Series:

Monetary updating: The Nominal Unit value of the Debentures of the Third Series is updated by the accumulated variation of the IPCA index published by the IBGE, from the Issue Date (or the immediately prior Date of Amortization of the Third Series, as the case may be) up to its date of actual payment, and the product of the Monetary Updating is automatically incorporated into the Nominal Unit Value of the Debentures of the Third Series.

Remuneratory interest:

Remuneratory interest at 5.10% per year, on the 252 business days basis, as established by the Bookbuilding Procedure, applies to the Nominal Unit Value of the Debentures of the Third Series, updated by the Monetary Updating.

Amortization of the Nominal Unit Value:

1st Series: The Nominal Unit Value of the Debentures of the First Series shall be amortized in a single payment, on the Maturity Date of the First Series.

2nd Series: The Nominal Unit Value of the Debentures of the Third Series will be amortized in 3 (three) consecutive annual installments, duly updated by the Monetary Updating, as from the 6th (sixth) year counted from the Issue Date, in accordance with the following table:

Amortization Dates:	Fraction:
February 15, 2019	33.00%
February 15, 2020	33.00%
February 15, 2021	34.00%

3rd Series: The Nominal Unit Value of the Debentures of the Third Series will be amortized in 4 (four) consecutive annual installments, duly updated by

the Monetary Updating, as from the 9th (ninth) year counted from the Issue Date, in accordance with the following table:

Amortization Dates:	Fraction:
February 15, 2022	25.00%
February 15, 2023	25.00%
February 15, 2024	25.00%
February 15, 2025	25.00%

Frequency of payment of the Remuneratory Interest:

- 1st Series: The Remuneratory Interest of the First Series is paid annually, starting from the Issue Date, always on February 15 of each year, the first payment being due on February 15, 2014 and the last payment on the Maturity Date of the First Series.
- 2nd Series: The Remuneratory Interest of the Second Series is paid annually, starting from the Issue Date, always on February 15 of each year, and the last payment on the Maturity Date of the Second Series.
- 3rd Series: The Remuneratory Interest of the Third Series is paid annually, starting from the Issue Date, always on February 15 of each year and the last payment on the Maturity Date of the Third Series

Optional Acquisition:

The Issuer may, at its exclusive option, and (i) at any time, in relation to the Debentures of the First Series in circulation, and (ii) as from the 25th month (inclusive) after the Issue Date, in relation to the Debentures of the Second and/or Third Series in circulation, acquire Debentures in Circulation, which may be canceled, remain in the Issuer's treasury or be once again placed in the market, as per the rules issued by the CVM, and such fact must be contained in the report of management and the financial statements of the Issuer.

The Issuer may acquire Debentures of the Second Series in Circulation and/or Debentures of the Third Series in Circulation, during the first 24 months from the Issue Date, up to a maximum of 5% of the total value of the respective Series of the Issue. The calculation of this limit shall be based on the aggregate of acquisitions of Debentures in Circulation of the respective series of the Issue by all the entities that comprise the Issuer's economic-financial conglomerate.

Total or Partial Optional Early Redemption:

There will be no optional early redemption (total or partial) of the Debentures, and hence the Issuer may not repurchase, at its own sole option, the Debentures of any of the Series during the whole of their period of validity.

Obligatory Early Redemption:

If an Obligatory Redemption Event occurs at any time during the period of validity of the Debentures of the Second Series and/or the Debentures of Third Series, such Debenture Holders of the Second or Third Series as so desire may ask the Issuer for early redemption of the Debentures in circulation that they own of the Second or Third Series, as the case may be, by communication in writing to that effect to be sent to the Issuer, with a copy to the Fiduciary Agent, within 15 calendar days from the publication of the Notice to Debenture Holders about the occurrence of the Obligatory Redemption Event, and the Issuer is obliged to effect redemption of such Debentures of the Second and/or Third Series within 15 calendar days from receipt of the respective Early Redemption Request. All the Debentures of the Debenture

Holders who have requested the Obligatory Early Redemption shall be redeemed on a single date, by payment of the Nominal Unit Value of the Debentures to be redeemed of the Second and/or Third Series, augmented by the Remuneration of the Second Series or the Remuneration of the Third Series, as applicable.

Early Maturity:

Default Events:

- (i) Declaration of bankruptcy, dissolution and/or liquidation of the Issuer and/or of the Guarantor, or application for Judicial Recovery or out-of-court reorganization or bankruptcy made by the Issuer and/or by the Guarantor; or any analogous event that characterizes a state of insolvency of the Issuer and/or the Guarantor, in accordance with the applicable legislation.
- (ii) Non-compliance by the Issuer and/or the Guarantor with any pecuniary obligation related to the Debentures.
- (iii) Early redemption of any pecuniary obligation of the Issuer and/or of the Guarantor arising from default on an obligation to pay any individual or aggregate amount greater than R\$ 50,000,000.00 or its equivalent in other currencies, whether or not due to contractual non-compliance.
- (iv) Termination, for any reason, of any of the concession contracts to which the Issuer and/or the Guarantor is/are a party and which separately or jointly represent an amount equal to 30% or more of the net operational revenue of the Issuer and/or of the Guarantor, as the case may be, stated in its/their last prior financial statements at the time, and in the case of the Guarantor this percentage shall be calculated in relation to the Guarantor's consolidated results.
- (v) Legitimate protest against the Issuer and/or against the Guarantor the global value of which exceeds R\$ 50,000,000.00 or its equivalent in other currencies, unless, within a maximum of thirty calendar days from the date of receipt of a written notice sent by the Fiduciary Agent to the Issuer: either (a) the protest has been validly proven by the Issuer and/or the Guarantor (as the case may be) to have been filed in error or due to bad faith by a third party; or (b) the protest is suspended or canceled; or (c) guarantees are given in court.
- (vi) Non-compliance by the Issuer and/or by the Guarantor, as the case may be, with any non-pecuniary obligation specified in the Issue Deed, not cured within 30 calendar days from the date on which the written notice sent by the Fiduciary Agent to the issuer is received.
- (vii) If the Issuer or the Guarantor, as the case may be, omits to pay by the maturity date, or does not take the legal or judicial measures required for non-payment in relation to, any debt or any other obligation payable by the Issuer and/or the Guarantor, as the case may be, under any agreement or contract to which it is a party as a borrower or guarantor, involving an amount of R\$ 50,000,000.00 or more or its equivalent in other currencies.
- (viii) Privatization, merger, liquidation, dissolution, extinction, split or any other form of stockholding reorganization that results in reduction of the registered capital of the Issuer and/or the Guarantor, unless it is by reason of an order of a Court or a regulatory decision, or does not cause a change in the rating of the Issue to a rating lower than the rating of "Aa3.br" supplied by Moody's America Latina or equivalent classification issued by another risk rating agency contracted by the Issuer in the future.
- (ix) Transformation of the Issuer into a limited company.

3. ALLOCATION OF PROCEEDS

The net proceeds obtained by the Issuer from subscription of the Debentures were allocated as follows and in the following proportion: (i) approximately 31% for redemption of the 64 Promissory Notes of the Issuer's 5th Issue, issued on July 2, 2012; (ii) approximately 28% for redemption of the 60 Promissory Notes of the Issuer's 6th Issue, issued on December 21, 2012; and (iii) the remaining balance, equivalent to approximately 41% of the net proceeds obtained from by the Issuer from the subscription of the Issue, was used for investments in works to expand, renew and improve the Issuer's Electricity Distribution structure.

4. GUARANTEES

In guarantee of faithful, punctual and full payment of the Debentures, Companhia Energética de Minas Gerais – Cemig has given a surety guarantee in favor of the Debenture Holders, committing itself, as joint debtor and principal payer of all the amounts payable by the Issuer under the terms of the Issue Deed, until final settlement of the Debentures.

5. POSITION OF THE DEBENTURES

On Dec. 31, 2014	Number of Debentures 1st Series	Number of Debentures 2nd Series	Quantity of Debentures 3rd Series
In circulation (Cetip):	410,817	1,093,935	650,060
In circulation (Bovespa):	-	1,573	3,615
Treasury:	-	-	-

6. EVENTS, 2014

DATE	EVENT
February 17, 2014	Remuneratory Interest of the First Series
February 17, 2014	Remuneratory Interest of the Second Series
February 17, 2014	Remuneratory Interest of the Third Series

7. EVENTS SCHEDULED FOR 2015

DATE	EVENT
February 18, 2015	Remuneratory Interest of the First Series (*)
February 18, 2015	Remuneratory Interest of the Second Series (*)
February 18, 2015	Remuneratory Interest of the Third Series (*)

(*) These are events already settled at time of writing.

8. LEGAL AND CORPORATE EVENTS

ORDINARY AND EXTRAORDINARY GENERAL MEETINGS OF STOCKHOLDERS – April 30, 2014

– Decisions:

Agenda:

- a) Examination, debate and voting on the Report of Management and the Financial Statements for the year ended December 31, 2013, and the related complementary documents.
- b) Allocation of the Net profit for the business year 2012, in the amount of R\$ 490,254,000.
- c) Decision on the form and date of payment of dividends, in the amount of R\$ 263,600,000.
- d) Election of the sitting and substitute members of the Board of Directors, in the event of there being a change in the composition of the Board of Directors of Cemig.
- f) Election of the sitting and substitute members of the Audit Board, due to completion of their period of office.

In accordance with item ‘a’ of the agenda, the Chair put the Report of Management and the Financial Statements for the year ended December 31, 2013, and the respective complementary documents, in debate, pointing out that they had been widely publicized in the press, since they were placed at the disposal of the stockholder by a notice published in the newspapers *Minas Gerais*, the official journal of the Powers of the State, on March 22, 25 and 26 of this year, on pages 87, 38 and 69, respectively, and in *O Tempo* on March 22, 23 and 24 of this year, on pages 34, 37 and 18, respectively, and published again in the same newspapers on April 12 of this year.

The Chair put to the vote the Report of Management and the Financial Statements for the year ended December 31, 2013, and the respective complementary documents, and they were approved.

Continuing the proceedings, the Chair asked the Secretary to read the Proposal by the Board of Directors, which deals with items ‘b’ and ‘c’ of the agenda, and also to read the Opinion of the Audit Board thereon. The Chair then put to debate and, subsequently, to the vote, the Proposal by the Board of Directors, relating to items ‘b’ and ‘c’ of the Agenda, and that proposal was approved.

The Chair then dealt with item ‘d’ of the agenda.

Considering that:

- 1) under § 1 of Clause 8 of the by-laws, the members of the Board of Directors of this Company shall be the same as those of the Board of Directors of the sole stockholder, Cemig;
- 2) there is a vacancy on the Board of Directors resulting from the resignation on April 7, 2014 of the board member Dorothea Fonseca Furquim Werneck, as per a letter in the Company’s possession;
- 3) due to the expiry of the period of office of the members of the Board of Directors of Cemig, appointment was approved if new members of that Board, in that Company, at the extraordinary and Ordinary Annual General Meetings of stockholders held, concurrently, on the same date, at 11 a.m.;
- 4) 15 (fifteen) sitting members and their representative substitute members had been elected to the Board of Directors of Cemig, under §7 of article 141 of Law 6404, of December 15, 1976 as amended;

The representative of the stockholder Companhia Energética de Minas Gerais – Cemig, in relation to the composition of Board of Directors, then proposed the following persons, to serve the remainder of the period of office of the other current members of the Board of Directors, that is to say until the Annual General Meeting of Stockholders to be held in 2016:

- 1) Adriano Magalhães Chaves and Christiano Miguel Moysés to cease to be substitute members;
- 2) election of Mr. José Pais Rangel as sitting member; and of Mr. José João Abdalla Filho as his substitute member;
- 3) election of Mr. Danilo de Castro as a sitting member, with Mr. Paulo Sérgio Machado Ribeiro as his substitute member;
- 4) election of Mr. Custódio Antonio de Mattos, as substitute member for Mr. Joaquim Francisco de Castro Neto;
- 5) election of Mr. Flávio Miarelli Piedade as substitute member for the board member Mr. Guy Maria Villela Paschoal.

The said proposal of the representative of the representatives of the stockholder Companhia Energética de Minas Gerais - Cemig was placed in debate, then put to the vote, and approved.

The board members elected declared – in advance – that they are not subject to any prohibition on exercise of commercial activity, that they do not occupy any post in a company which could be considered to be a competitor of the Company, and that they do not have nor represent any interest conflicting with that of Cemig D, and assumed a solemn

undertaking to become aware of, obey and comply with the principles, ethical values and rules established by the Code of Ethical Conduct of Government Workers and Senior Administration of the State of Minas Gerais.

The Chair then stated that the composition of the Board of Directors is now as follows:

Sitting members:

Danilo de Castro, Djalma Bastos de Morais, Arcângelo Eustáquio Torres Queiroz, João Camilo Penna, Joaquim Francisco de Castro Neto, Fuad Jorge Noman Filho, Tadeu Barreto Guimarães, Wando Pereira Borges, Guy Maria Villela Paschoal, Eduardo Borges de Andrade, Otávio Marques de Azevedo, Paulo Roberto Reckziegel Guedes, Ricardo Coutinho de Sena, Saulo Alves Pereira Junior and José Pais Rangel;

– and as substitute members:

Paulo Sérgio Machado Ribeiro, Lauro Sérgio Vasconcelos David, Franklin Moreira Gonçalves, Guilherme Horta Gonçalves Júnior, Custódio Antonio de Mattos, Luiz Augusto de Barros, Leonardo Maurício Colombini Lima, Marco Antonio Rodrigues da Cunha, Flávio Miarelli Piedade, Tarcísio Augusto Carneiro, Bruno Magalhães Menicucci, Marina Rosenthal Rocha, Newton Brandão Ferraz Ramos, José Augusto Gomes Campos and José João Abdalla Filho, respectively.

The Chair then stated that, under the head paragraph of Clause 8 of the by-laws, the Board of Directors of Cemig D comprises 14 (fourteen) sitting members and the same number of substitute members, and since the composition of this board was altered to reflect the composition of the Board of Directors of Cemig, and in view of the sole paragraph of that same Clause 8, it is necessary to adjust the by-laws of the Company.

Thus the representatives of the stockholder Companhia Energética de Minas Gerais – Cemig proposed calling an extraordinary General Meeting of Stockholders of the Company to be held on June 3, 2014 at 3 p.m., to decide on alteration of the head paragraph of Clause 8 of the by-laws, to the following:

“Clause 8: The Company’s Board of Directors shall be made up of 15 (fifteen) sitting members and an equal number of substitute members. One of the members shall be its Chair and another its Vice-Chair, all being subject to election and dismissal at any time by the General Meeting of Stockholders, for a period of office of 3 (three) years, and able to be reelected.”.

The said proposal by the representatives of the stockholder Companhia Energética de Minas Gerais was placed in debate, then put to the vote, and approved.

Continuing with the agenda, the Chair then dealt with sub-clause ‘e’ of the agenda, stating that the period of office of the sitting and substitute members of the Audit Board ended with this present meeting, and that a new election should thus be held for that Board, with a period of office of (one) year, that is to say, up to the Ordinary General Meeting of Stockholders to be held in 2015.

He then stated that under Clause 18 of the by-laws the sitting members, and their substitute members, of the Audit Board of this Company are the members of the Audit Board of the sole stockholder, Companhia Energética de Minas Gerais – Cemig.

Thus, and considering the election of the members of the Audit Board of the sole stockholder, in the Ordinary and Extraordinary General Meetings of Stockholders of that company held on today’s date at 11 a.m., the representatives of Companhia Energética de Minas Gerais – Cemig nominated the following persons to be members of the Audit Board:

Sitting members:

Lauro Sander; Bruno Gonçalves Siqueira; Aristóteles Luiz Menezes Vasconcellos Drummond; Luiz Guaritá Neto; and Thales de Souza Ramos Filho;

Substitute members:

Salvador José Cardoso de Siqueira; Rafael Pinto Queiroz Neto; Marcus Eolo de Lamounier Bicalho; Ari Barcelos da Silva; and Aliomar Silva Lima.

The nominations by Companhia Energética de Minas Gerais – Cemig for members of the Audit Board were placed in debate, and later, put to the vote, and were approved.

The Board Members elected declared – in advance – that they are not subject to any prohibition on exercise of

commercial activity, and assumed a solemn undertaking to become aware of, obey and comply with the principles, ethical values and rules established by the Code of Ethical Conduct of Government Workers and Senior Administration of the State of Minas Gerais.

The Chair then stated that the publications by Cemig D specified in Law 6404 of December 15, 1976, as amended, will be made in the newspapers *Minas Gerais*, the official publication of the Powers of the State, and the newspaper *O Tempo*, without prejudice to possible publication in other newspapers.

Extraordinary General Meeting of Stockholders – June 3, 2014 – Decisions:

– In view of the following facts and considerations:

- a) at the Ordinary and Extraordinary General Meetings of Stockholders of Cemig held, concurrently, on April 30, 2014, a total of 15 (fifteen) sitting members and their respective substitute members were elected to comprise the Board of Directors of Cemig, in accordance with §7 of Article 141 of Law 6404 of December 15, 1976 as amended;
- b) §1 of Article 11 of the by-laws of the Company's sole stockholder, Companhia Energética de Minas Gerais – Cemig, specifies that the structure and composition of the Board of Directors and the Executive Board of Cemig shall be reproduced identically in Cemig Distribuição S.A. ('Cemig D'), and in Cemig Geração e Transmissão S. A. ('Cemig GT'), with the exception of two appointments to the Executive Board;
- c) the head paragraph of Clause 12 of the by-laws of Cemig at present states that that Board shall comprise 14 (fourteen) members and an equal number of substitute members;
- d) §4 of Clause 12 of the by-laws of Cemig states that the Boards of Directors of Cemig D and of Cemig GT must obligatorily comprise the same sitting and substitute members as are elected to the Board of Directors of Cemig;
- e) Clause 8, §1, of the by-laws of Cemig D and of Cemig GT, also, establish that the members of the Boards of Directors of those companies must, obligatorily, be the same members of the Board of Directors of the sole stockholder, Cemig;
- f) as a result of the change in the composition of the Board of Directors of Cemig there was a change in the composition of the Boards of Directors of the wholly-owned subsidiaries Cemig D and Cemig GT, on April 30, 2014, since the structure and composition of their Boards of Directors must be the same as those of the Board of Directors of Cemig;

– it was proposed, at the Ordinary and Extraordinary General Meetings of Stockholders of Cemig D held on April 30, 2014, that the head paragraph of Article 8 of the by-laws should be altered to read as follows:

“Clause 8: The Company's Board of Directors shall be made up of 15 (fifteen) sitting members and an equal number of substitute members. One of the members shall be its Chair and another its Vice-Chair, all being subject to election and dismissal at any time by the General Meeting of Stockholders, for a period of office of 3 (three) years, and able to be reelected.

Belo Horizonte, April 30, 2014.

Luiz Fernando Rolla

Chair of the Ordinary and Extraordinary General Meetings of Stockholders of Cemig D held on April 30, 2014.”

The Chair then put the above-mentioned Proposal to debate, and, subsequently, to the vote, and it was approved.

There being no further business, the Chair opened the meeting to the floor, and since no-one wished to speak, ordered the meeting suspended for the time necessary for the writing of the minutes.

The session being reopened, the Chair, after putting the said minutes to debate and to the vote and verifying that they had been approved and signed, closed the meeting.

For the record, I, Anamaria Pugedo Frade Barros, Secretary, wrote these minutes and sign them together with all those present.

The copies of the minutes described above, and also the other minutes that do not refer to this Issue or to the changes in the by-laws, are at your disposal at the office of the Fiduciary Agent and on the website <http://www.cvm.gov.br>.

9. NOTICE TO DEBENTURE HOLDERS

NOTICE TO DEBENTURE HOLDERS - February 14, 2014 - Cemig Distribuição S.A. ('the Company') advises

holders of the debentures of its 3rd Issue in circulation (Series 1, 2 and 3) ('the Debenture Holders') that it will make payment of interest on February 17, 2014.

10. GENERAL MEETING OF DEBENTURE HOLDERS

No General Meeting of Debenture holders relating to this issue was held in 2014.

11. EARLY MATURITY

We are not aware of the occurrence of any of the events specified in the Issue Deed as able to give rise to early maturity of the issue. The Issuer sent the Fiduciary Agent a statement of compliance in relation to the obligations established in the Issue Deed.

12. PERFORMANCE OF THE ISSUER

(Source: Report of Management / DFP-CVM December 31, 2014)

Cemig D reported net profit of R\$ 430 million in 2014, representing a reduction of 12.24% in comparison with its profit of R\$ 490 million for 2013.

This mainly reflected a better result in Financial revenue (expenses) in 2013, with net financial expenses of R\$ 393 million in 2014 compared to R\$ 194 million in 2013, in turn reflecting credits of R\$ 162 million in the prior year due to winning of a legal action which challenged the charging of the Pasep/Cofins tax on financial revenues.

The main variations in elements of the result are as follows.

Ebitda (earnings before interest, tax, depreciation and amortization)

Cemig D's Ebitda in 2014 was 10.33% higher than in 2013. The higher Ebitda in 2014 was mainly due to recognition of the balance of the CVA Account and was mainly due to the recognition of the balance of the CVA account and other financial components.

Operational revenue

The breakdown of the Company's revenue is as follows:

R\$ million	2014	2013
Revenue from supply of electricity – Captive consumers	11,443	9,816
Revenue from Use of the network – Free Consumers	894	1,047
CVA and Other financial components in tariff increases	1,107	-
Transactions in electricity on the CCEE	-	180
Distribution Infrastructure Construction Revenue	861	884
Other operational revenues	1,039	814
Taxes and charges applied to Revenue	(4,103)	(3,535)
	11,241	9,206

Other operational revenues

The Company's Other operational revenues in 2014 were 27.64% higher, at R\$ 1.04 billion in 2014, compared to R\$ 814 million in 2013. The main factors were:

Revenue for the low-income-consumer subsidies, and to compensate for the subsidy in the TUSD (Tariff for Use of the Distribution System) was R\$ 117 million higher.

A higher amount was permitted by the CCEE in 2014 than in 2013 for omissions from electricity invoices of thermal-sourced electricity purchases, due to a lower level of generation than specified by the National System Operator (*Operador Nacional do Sistema Elétrico*, ONS) in 2014, of R\$ 141 million, compared to R\$ 57 million in 2013.

Revenue from rentals and leasing was R\$ 23 million higher due to contractual adjustments and signature of new contracts.

Operational costs and expenses (excluding Financial revenue/expenses)

Operational costs and expenses (including Construction cost, and excluding Financial revenue/expenses) in 2014 were R\$ 10.249 billion, 22.96% more than in 2013 (R\$ 8.335 billion).

Net financial revenue (expenses)

Cemig D posted net financial expenses of R\$ 393 million in 2014, compared to net financial expenses of R\$ 194 million in 2013.

The main factors in net financial revenue (expenses) in 2014 were the following:

Financial revenues 20.97% lower in 2014 than in 2013, mainly reflecting the successful court judgment in 2013 on Cemig's challenge of the attempted expansion in the calculation base for the Pasep and Cofins contributions on Financial revenue and Other non-operational revenues, for which a positive effect of R\$ 162 million was posted.

Charges for loans and financings 19.89% higher at R\$ 422 million, compared to R\$ 352 million in 2013. This is substantially due to the increase in debt as a result of raising of R\$ 1.21 billion by Cemig D in April 2014, indexed to the CDI Rate, and the higher return from the CDI rate in the period: 10.81% in 2014, compared to 8.05% in 2013.

Expense on monetary updating of loans and financings was 43.22% higher, at R\$ 169 million in 2014, than in 2013 (R\$ 118 million). This reflects the higher IPCA index in the period (6.41% in 2014, vs. 5.91% in 2013).

Income tax and Social Contribution tax

In 2014, the expense on income tax and the Social Contribution tax totaled R\$ 169 million, on pre-tax profit of R\$ 599 million, an effective rate of 28.21%. In 2013, the expense on income tax and the Social Contribution tax totaled R\$ 187 million, on pre-tax profit of R\$ 678 million, an effective rate of 27.58%.

Liquidity and capital resources

Our business is capital-intensive. Historically, we have a need for capital to finance the expansion and modernization of the existing distribution lines and networks.

Funding and debt management policy

The Company maintains its commitment to ensure that its credit quality is preserved at satisfactory levels that denote low credit risk, to enable it to benefit from financial costs that are compatible with the profitability of the business.

In 2014, R\$ 1.22 billion was raised to finance the Company's investment program.

The composition of Cemig D's debt is a reflection of the sources of funding available to it – bank credit, used for rolling over of debt; and issues of debentures and Notes, in which a significant demand has been allocated in issues indexed to the local interest rate – and also its intention to avoid exposure to debt in foreign currency (currently 0.48%). The average cost of Cemig's debt is 6.44% p.a. in real terms.

The Company's debt management centers on: lengthening of tenors; limitation of indebtedness to the levels specified by the by-laws ($\text{Net debt/Ebitda} \leq 2$ and $\text{Net debt}/(\text{Stockholders' equity} + \text{Net debt}) \leq 40\%$); reduction of the cost of financing; and preservation of the Company's payment capacity, while avoiding pressures on cash flows such as might suggest refinancing risk.

Cemig D's debt at December 31, 2014 totaled R\$ 6.048 billion, and had average tenor of 4.3 years.

13. ANALYSIS OF THE FINANCIAL STATEMENTS

The Issuer's net debt ratio at the end of 2014 was 82.10%, and increase of 2.04 percentage points (pp) in relation to 2013 (80.05%).

Its short term debt was higher, at 40.82% of the total, than at the end of 2013 (32.98%).

Fixed Asset Ratio, at 59.79% (of Stockholders' equity) in 2014, was 17.26 pp lower than at the end of 2013 (77.06%).

The percentage of fixed assets in non-current assets in 2014 (16.10%) was lower than in 2013 by 4.78 p.p.

The ratio of Financial debt to Assets increased by 1.63 p.p.

Liquidity indicators:

The Issuer's Immediate liquidity was 14.03 pp lower (0.07) in 2014. Both Current Liquidity and Acid test ratio decreased by 11.74 p.p. General liquidity rose by 3.05 p.p., to 1.09.

The Issuer's Net operational revenue in 2014 was R\$ 11.241 billion, 22.11% higher than in 2013 (R\$ 9.206 billion). Gross profit was R\$ 1.996 billion, 5.62% higher than in 2013 (R\$ 1.890 billion).

Gross margin was 17.75%. Net profit in 2014 was R\$ 420.9 million, 12.31% less than in 2013. Net margin was 3.82%. Operational margin was 8.83%, 0.64 p.p. lower than in the previous year.

Return on equity and Return on Investments were both lower in 2014. Return on equity was 17.32%, and Return on Investments was 3.10%. Asset turnover, at 81.08%, was up 7.42% from the prior year.

ECONOMIC AND FINANCIAL INDICATORS - HOLDING COMPANY		
<i>Capital structure indicators</i>	2014	2013
Total debt	82.10%	80.05%
Composition of debt	40.82%	32.98%
Fixed assets to Equity ratio:	59.79%	77.06%
Fixed assets as a percentage of net non-current assets	16.10%	20.88%
Financial debt / assets	43.62%	41.99%
<i>Liquidity indicators</i>	2014	2013
Immediate liquidity	0,07	0,21
Current liquidity ratio	0,84	0,95
Quick ratio	0,84	0,95
General liquidity ratio	1,09	1,06
<i>Profitability indicators</i>	2014	2013
Return on equity	17.32%	19.67%
Return on investments	3.10%	3.92%
Asset turnover	81.08%	73.66%
Gross margin	17.75%	20.53%
Operational margin	8.83%	9.47%
Net margin	3.82%	5.33%

14. ABOUT THE INFORMATION

The Fiduciary Agent is not aware of any omission or untruth in the information disclosed by the Issuer in 2014. The Issuer has sent the Fiduciary Agent a statement of compliance in relation to the obligatory provision of information.

The Fiduciary Agent hereby discloses that it has acted as Fiduciary Agent during 2014 for the following issues:

I. Second issue of Debentures by Transmissora Aliança de Energia Elétrica S.A., with the following characteristics:

- (a) Value of the Issue: R\$ 815,000,000.00 (eight hundred fifteen million Reais).
- (b) Number of debentures issued: 1st series: 4,250 (four thousand two hundred fifty);
2nd Series: 2,450 (two thousand four hundred fifty);
4th Series: 1,450 (one thousand four hundred fifty).
- (c) Type: Unsecured.
- (d) Maturity of the Debentures: 1st series: 5 years – maturity on December 15, 2015;
2nd Series: 7 years – maturity on December 15, 2017; and
4th Series: 7 years – maturity on December 15, 2017.
- (e) Type and value of the goods given in guarantee and name of the guarantors: None.
- (f) Amortization: 1st Series: one installment on December 15, 2014.
- (g) Redemption, renegotiation, conversion or default events in the period: None.

II. Third issue of Debentures by Transmissora Aliança de Energia Elétrica S.A., with the following characteristics:

- (a) Value of the Issue: R\$ 2,160,000,000.00 (two billion one hundred sixty million Reais).
- (b) Number of debentures issued: 1st series: 665,000 (six hundred sixty five thousand);
2nd Series: 793,000 (seven hundred ninety three thousand);
3rd Series: 702,000 (seven hundred two thousand).
- (c) Type: Unsecured.
- (d) Maturity of the Debentures: 1st series: 5 years – maturity on October 15, 2017;
2nd Series: 8 years – maturity on October 15, 2020; and
3rd Series: 12 years – maturity on October 15, 2024.
- (e) Type and value of the goods given in guarantee and name of the guarantors: None.
- (f) Redemption, re-negotiation, amortization, conversion or default events in the period: None.

III. First Issue of Debentures by Brasnorte Transmissora de Energia S.A., with the following characteristics:

- (a) Value of the Issue: R\$ 17,000,000.00 (seventeen million Reais).
- (b) Number of debentures issued: 1,700 (one thousand seven hundred).
- (c) Type: Unsecured.
- (d) Maturity of the Debentures: 18 months, maturing June 22, 2016.
- (e) Type and value of the goods given in guarantee and name of the guarantors: None.
- (f) Redemption, re-negotiation, amortization, conversion or default events in the period: None.

IV. First Issue of Debentures by Empresa de Transmissão do Alto Uruguai S.A., with the following characteristics:

- (a) Value of the Issue: R\$ 10,000,000.00 (ten million Reais).
- (b) Number of debentures issued: 1,000 (one thousand debentures).
- (c) Type: Unsecured.
- (d) Maturity of the Debentures: 5 years – maturity on December 1, 2019.
- (e) Type and value of the goods given in guarantee and name of the guarantors: None.
- (f) Redemption, re-negotiation, amortization, conversion or default events in the period: None.

15. STATEMENT BY THE FIDUCIARY AGENT

The Fiduciary Agent declares that it has full capability to continue to exercise the function of Fiduciary Agent of this Issue of debentures by **Cemig Distribuição S.A.**, in accordance with Article 68, §1, sub-clause 'b' of Law 6404, of December 15, 1976 and Article 12, Sub-item XVII, Sub-clause "I" of CVM Instruction 28 of November 23, 1983.

Rio de Janeiro, April 29, 2015.



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