

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

LISTED COMPANY

CNPJ 17.155.730/0001-64 – NIRE 31300040127

BOARD OF DIRECTORS

SUMMARY OF MINUTES OF THE 557TH MEETING

Date, time and place: January 17, 2013 at 9 a.m. at the Company's head office,
Av. Barbacena 1200, 21st Floor, Belo Horizonte, Minas Gerais, Brazil.

Meeting Committee: Chairs: Dorothea Fonseca Furquim Werneck,
Guy Maria Villela Paschoal;
Secretary: Anamaria Pugedo Frade Barros.

Summary of proceedings:

I Conflict of interest: The Chair asked the Board Members present whether any of them had conflict of interest in relation to the matters on the agenda of this meeting, and all stated there was no such conflict of interest, except the Board Members:

Dorothea Fonseca Furquim Werneck,	Djalma Bastos de Morais,	Paulo Sérgio Machado Ribeiro
Arcângelo Eustáquio Torres Queiroz,	Fuad Jorge Noman Filho,	Francelino Pereira dos Santos,
Lauro Sérgio Vasconcelos David,	João Camilo Penna,	Luiz Augusto de Barros,
Marco Antonio Rodrigues da Cunha, and	Wando Pereira Borges,	

– who stated that they had conflict of interest in relation to signature of an amendment to the Commitment Undertaking for settlement of the CRC Account.

These Board Members withdrew from the meeting room at the time of discussion and voting on this matter, returning to proceed with the meeting after the vote on the matter had been taken.

II The Board approved the minutes of this meeting.

III The Board authorized:

1 Signature of an amendment to the Commitment Undertaking entered into with the State of Minas Gerais, to enable early payment, by the State of Minas Gerais, of the debt under the Contract for Assignment of the Outstanding Balance Receivable on the Earnings Compensation (CRC) Account, to rectify the amount of the Debit and of the Updated Debit; and

2.A. Provision of a surety guarantee by the Company (“Cemig” or “the Guarantor”) in relation to the Third Issue of Unsecured Debentures, Not Convertible into Shares, in up to Three

Series, for Public Distribution, by Cemig Distribuição S.A. (“**Cemig D**”, “**the Issuer**” or “**the Company**”), under the regime of firm guarantee of placement, in accordance with:

- CVM Instruction 400/2003, as amended,
- CVM Instruction 471/2008, as amended,
- the CVM/Anbima Agreement for Simplified Procedure for Registry of Public Offerings, regulated by CVM Instruction 471, signed between the CVM and the Brazilian Financial and Capital Market Entities’ Association (“Anbima”),
- the provisions of the Anbima Code of Regulation and Best Practices for Public Offerings for Distribution and Acquisition of Securities,
- and the Anbima Code of Regulation and Best Practices for the Agreed Activities,
- and, in relation to the debentures of the second and third series, the Anbima Code of Regulation and Best Practices for the Fixed Income *Novo Mercado* (the Anbima Fixed income Code),

with the following characteristics:

Issuer: Cemig Distribuição S.A.

Lead Manager: BB – Banco de Investimento S.A. (“**BB-BI**”).

Managers: BB-BI, HSBC Corretora de Títulos e Valores Mobiliários S.A. (“**HSBC**”) and Banco Votorantim S.A. (“**Votorantim**”), and other financial institutions approved by Cemig D and nominated by the Managers, as a result of any syndication process that might take place.

Guarantee: The Debentures and the obligations arising from them will have the surety guarantee of Companhia Energética de Minas Gerais – **Cemig**.

Fiduciary Agent: GDC Partners Serviços Fiduciários DTVM Ltda.

Use of Proceeds: The net proceeds obtained by the Issuer from paying-up of the Debentures will be allocated for payment (early redemption) of the Commercial Promissory Notes of the fifth and sixth issues by Cemig D, and for investment in works to expand, renew and improve the Issuer’s electricity distribution structure.

Volume of the Issue: Up to one billion six hundred million Reais in currency of the Issue Date. This amount may be increased by up to 35%, by use of a Supplementary Lot (15%) and/or an Additional Lot (20%), as specified by CVM Instruction 400.

Nominal Unit Value: One thousand Reais, in currency of the Issue Date.

Quantity of Debentures, and Number of Series: Up to one million six hundred thousand debentures (without taking into account the additional lot and/or the supplementary lot), to be distributed in up to three series, through the “communicating vessels” structure. Whether and how many Debentures will be allocated to each series of the Issue will be decided in accordance with the demand for the Debentures from investors, as ascertained in a Bookbuilding Procedure, to be carried out by the Managers. It shall be permitted for any one or more of the series not to be issued, in which case the Debentures will be issued in the one or more other series, depending on the result of the Bookbuilding Procedure. A partial distribution of the Offering will also be permitted, and in this case, the total amount of this third issue of debentures would be reduced.

Maintenance of each one of the series of the Issue is conditional upon distribution of a minimum amount of one hundred thousand Debentures for such series (“the Minimum Amount”). If the Minimum Amount of any series is not attained in the Bookbuilding Procedure, the Issuer will cancel the issuance of that series.

Placement procedure and regime: The distribution will be public, under the regime of firm guarantee of placement up to the limit of one billion six hundred million Reais. The firm guarantee shall be exercised by the Managers, exclusively, through subscription of the Debentures allocated to the First Series, and shall be exercised at the Minimum Rate of the

First Series. In the event that the amount of the Issue is increased in the terms of the item “Volume of the Issue” above, the Managers shall carry out the distribution of the Supplementary Debentures and/or the Additional Debentures under the regime of best efforts of placement.

Form: Nominal, book-entry debentures, without the issuance of deposits or certificates.

Type: Unsecured.

Convertibility: Not convertible into shares.

Issue Date: February 15, 2013;

Tenor:

- a) The Debentures of the First Series shall have maturity at five years from the Issue Date;
- b) the Debentures of the Second Series shall have maturity at eight years from the Issue Date; and
- c) the Debentures of the Third Series shall have maturity at ten years from the Issue Date.

Remuneration:

a) **The Debentures of the First Series** shall not have their Nominal Unit Value updated, and shall earn Remuneratory Interest corresponding to 100% of the accumulated variation of the average *over extra-grupo* interbank (DI) rate, expressed in the form of a percentage per year, on the 252 business days basis, calculated and published daily by Cetip S.A. – Mercados Organizados (“Cetip”) in the daily bulletin on its website (<http://www.cetip.com.br>) (“the DI Over Rate”), capitalized by a spread to be decided in accordance with a bookbuilding procedure to be carried out by the Managers, subject to a maximum of 0.73% per year, on the 252 Business Days basis, (“the Remuneratory Interest of the First Series”), calculated on the compound capitalization basis *pro rata temporis* by business days elapsed, from the Issue Date up to the date of its actual payment.

In the case of abolition of DI Over Rate, or absence of its calculation and/or publication for more than ten consecutive days after the date expected for its calculation and/or publication, or in the event of it being impossible legally to apply the DI Over Rate to the Debentures of the First Series, or impossible by order of a Court, then a general meeting of debenture holders of the first series shall be called for decision, by common agreement with the Issuer, on a new parameter to be used for the purposes of calculation of the Remuneratory Interest of the First Series that will be applied, subject to the provision in the related issue deed of the Debentures.

If there is no agreement on the new parameter between the Issuer and the debenture holders of the first series, the Issuer shall redeem the totality of the Debentures of the first series in circulation, within up to 30 calendar days from the date of the holding of the related general meeting, subject to the provision in the respective issue deed of the Debentures.

b) **The Debentures of the Second Series** shall have their Nominal Unit Value (or balance of the Nominal Unit Value, as the case may be) updated by the accumulated variation of the Expanded Consumer Price Index (IPCA), calculated and published by the Brazilian Geography and Statistics Institute (IBGE), from the Issue Date up to the date of actual payment (“the Monetary Updating”), and shall earn remuneratory interest corresponding to a percentage per year, on the 250 business days basis, to be decided in accordance with the bookbuilding procedure, subject to a maximum of 5.20% per year (“the Remuneratory Interest of the Second Series”).

The Remuneratory Interest of the Second Series will be calculated by compound capitalization, *pro rata temporis* by business days elapsed, from the Issue Date (or the immediately prior Date of Payment of the Remuneratory Interest of the Second Series, as the case may be) up to the date of its actual payment; and

b) the Debentures of the Third Series shall have their Nominal Unit Value (or balance of the Nominal Unit Value, as the case may be) updated by the Monetary Updating and shall earn remuneratory interest corresponding to a percentage per year, on the 250 business days basis, to be decided in accordance with the bookbuilding procedure, subject to a maximum of 5.75% per year (“the Remuneratory Interest of the Third Series”).

The Remuneratory Interest of the Third Series will be calculated by compound capitalization, *pro rata temporis* by business days elapsed, from the Issue Date (or the immediately prior Date of Payment of the Remuneratory Interest of the Third Series, as the case may be) up to the date of its actual payment.

If non-publication of the IPCA Index takes place for a period of more than ten consecutive days after the expected date for its calculation and/or publication, or, further, in the event of its being abolished or of it being legally impossible to apply it to the Debentures of the Third Series, or if by order of a Court, then a general meeting of Debenture Holders of the Second Series and/or a general meeting of Debenture Holders of the Third Series shall be called for decision, by common agreement with the Issuer, on a new parameter to be used for the purposes of calculation of the Monetary Updating that will be applied, subject to the provision in the related issue deed of the Debentures.

If there is no agreement on the new parameter between the Issuer and the debenture holders of the Second Series and/or the debenture holders of the Third Series, the Issuer shall redeem the totality of the Debentures of such series, within up to thirty calendar days from the date of the holding of the related general meeting, subject to the provision in the respective issue deed of the Debentures. At the end of the Bookbuilding Procedure, the Issuer will ratify the issuance of the Debentures of the First Series, the Debentures of the Second Series and/or the Debentures of the Third Series, and also the remuneration and the quantity of Debentures of each one of the series of the Issue, through an amendment to the Issue Deed, which will be filed with the Commercial Board of the State of Minas Gerais and registered in the competent Notaries’ Offices for Registry of Securities and Documents of the jurisdictions where the head offices of the parties are located.

Form of Amortization of the Nominal Unit Value:

- a) The Debentures of the First Series will be amortized in a single payment on the maturity Date of the First Series (“bullet” amortization);
- b) the Debentures of the Second Series will be amortized in three consecutive annual payments, in the sixth, seventh and eighth years from the Issue Date, in the proportion of 33%, 33% and 34%, respectively; and
- c) the Debentures of the Third Series will be amortized in four equal consecutive annual payments, in the ninth, tenth, eleventh and twelfth years from the Issue Date.

Payment of the Remuneration: Annual, from the issue date, for the three series;

Payment of the Monetary Updating of the Second and Third Series: On the same dates as amortization of the series.

Registry for Placement and Trading: The Debentures of all the series will be registered for distribution in the primary market through the MDA (Asset Distribution Module), managed and operated by Cetip, with the financial settlement of the distribution being carried out through Cetip, and/or the DDA (Assets Distribution System), managed and operated by BM&FBovespa (the Securities, Commodities and Futures Exchange); and for trading in the secondary market, with, as a priority, use of mechanisms that permit the right of trading intervention by third parties, through the Cetip21–Securities (“Cetip–21”), managed and operated by Cetip, with financial settlement of trades and electronic custody of the debentures carried out in Cetip, and/or through the BovespaFix, managed and operated by the BM&FBovespa S.A., with financial settlement of trades and electronic custody of the Debentures carried out in the BM&FBovespa.

Minimum rating: “Aa3.br” on the Brazilian scale by Moody’s América Latina Ltda.

Renegotiation: None.

Total or Partial Optional Early Maturity: None.

Obligatory Early Redemption: If, at any time during the period of validity of the Debentures of the Second or Third Series, an Obligatory Redemption Event (to be defined in the related issue deed of the debentures in accordance with the provisions of Article 4 of the Anbima Code of Regulation and Best Practices of the Fixed Income *Novo Mercado*) occurs, those Debenture Holders of the Second or Third Series who so desire may request from the Issuer early redemption of the Debentures in circulation that they hold of the Second or Third Series, by written communication to this effect to be sent to the Issuer 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 within 15 calendar days from receipt of that Early Redemption Request, by payment of the Nominal Unit Value (or of the Balance of the Nominal Unit Value, as the case may be) of the Debentures to be redeemed of the Second or Third Series, augmented by the Remuneration of the Second Series and/or the Remuneration of the Third Series, as applicable. The Issuer’s obligations in relation to carrying out the Obligatory Early Redemption of the Debentures of the Second Series and/or of the Debentures of the Third Series, as herein indicated, and compliance with the other provisions of the Anbima Fixed Income Code, are subject to implementation of a suspensive condition, namely obtaining of the registry of the Debentures of the Second Series and/or of the Third Series, as the case may be, in the Fixed Income *Novo Mercado*.

If the Debentures of the Second Series and/or the Debentures of the Third Series cease, at any moment or for any reason, to be registered on the Anbima Fixed Income *Novo Mercado*, the Issuer will cease to be obliged to obey the obligations established in the Anbima Fixed Income Code, including in relation to the obligatory early redemption provided for herein, but the Issuer shall continue to be obliged to repurchase the Debentures from such investors as desire this as a result of the loss of the registration on the Fixed Income *Novo Mercado*, as specified in sub-item X of Article 4 of the Anbima Fixed Income Code.

The Obligatory Early Redemption may take place only in relation to the totality of the Debentures of the Second Series and/or of the Debentures of the Third Series in circulation owned by the requesting Debenture Holder.

Optional Acquisition: The issuer may repurchase the Debentures of the First Series in circulation at any time, at its exclusive option, and may repurchase Debentures of the Second Series or of the Third Series after two calendar years from the Issue Date. In any event the optional acquisition of the Debentures by the Issuer must obey Paragraph 3 of Article 55 of the Corporate Law, and the Debentures acquired may be cancelled, remain in the Issuer’s treasury, or be once again placed in the market, in accordance with the rules issued by the CVM, and such fact must be contained in the Issuer’s report of management and financial statements.

The Debentures acquired by the Issuer for holding in treasury, if and when placed again in the market, shall carry the right to the same remuneration as the other Debentures in Circulation of the same series. During the first two years from the Issue Date the Issuer may only acquire Debentures of the Second Series in circulation or Debentures of the Third Series in circulation in an amount representing, of each issue, up to 5% of the total value of the respective series of the Issue.

The calculation of this limit shall be based on the aggregate of all acquisitions of Debentures in Circulation of each respective series of the Issue by all entities of the Issuer's economic-financial conglomerate.

Early Maturity: All the following events shall be considered to be "Default Events", resulting in early maturity of the Debentures and immediate demandability of payment, by the Issuer, of the Nominal Unit Value (or of the Balance of the Nominal Unit Value) of each Debenture, augmented by the Remuneration of the related Series, calculated *pro rata temporis*:

- a) 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.
- b) Non-compliance by the Issuer and/or the Guarantor with any pecuniary obligation related to the Debentures.
- c) 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 fifty million Reais or its equivalent in other currencies, whether or not due to contractual non-compliance.
- d) Termination, for any reason, of any of the concession contracts to which the Issuer and/or the Guarantor is 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 result.
- e) Legitimate protest of securities against the Issuer and/or against the Guarantor, in a global amount exceeding fifty million Reais or its equivalent in other currencies, unless made in error, or due to bad faith of a third party, as long as this is validly proven by the Issuer and/or by the Guarantor, as the case may be, or unless suspended or cancelled or if guarantees are given in court, in any case within a maximum of 30 (thirty) calendar days from the date on which a written notice sent by the Fiduciary Agent to the Issuer is received.
- f) 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 (thirty) calendar days from the date on which the written notice sent by the Fiduciary Agent to the issuer is received.
- g) If the Issuer and/or the Guarantor, as the case may be, omit/s to pay, on the maturity date, or does not take the legal and/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 fifty million Reais or more or its equivalent in other currencies.
- h) Privatization, merger, liquidation, dissolution, extinction, split and/or any other form of stockholding reorganization that results in reduction of the registered capital of the Issuer and/or of the Guarantor, unless it is by order of a Court or by Regulatory decision, or, further, unless it does not result in alteration of the rating of the issue to a rating below "Aa3.br" supplied by Moody's América Latina or equivalent rating issued by a risk rating agency to be contracted by the Issuer.
- i) Transformation of the Issuer into a limited company.

For the purposes of Sub-item (h) above, privatization is defined as an event in which the Guarantor, the present direct controlling stockholder of the Issuer, ceases directly or indirectly to hold the equivalent of, at least, 50% (fifty percent) plus one share of the total of the shares representing the Issuer's voting stock; and/or the Government of the State of Minas Gerais, currently controlling stockholder of the Guarantor, ceases directly or indirectly to hold the equivalent of, at least, 50% plus one share of the total of the shares representing the voting capital of the Guarantor.

If any of the Default Events specified in Sub-items (a), (b) or (c) above occurs, maturity of the Debentures shall take place automatically, independently of advice or notification, in the courts or otherwise, save that the Fiduciary Agent must immediately send written notice to the Issuer making the Issuer aware of such event.

In this event the debentures will be cancelled, and the Issuer undertakes to make the payments and pay the charges specified in the issue deed within 3 business days from receipt of the related communication sent by the Fiduciary Agent.

If any of the other Default Events occur, the Fiduciary Agent shall call, within forty-eight hours of the date on which it becomes aware of the occurrence of any of the said events, a general meeting of Debenture Holders for each series of the Issue to decide on the non-declaration of early maturity of the Debentures, obeying the convocation procedure specified in the Issue Deed and the specific quorum established below. The Fiduciary Agent must immediately send the Issuer written notice informing it of the decisions taken in these General Meetings.

Any of the general meetings referred to above may also be called by the Issuer, in the manner specified in the issue deed. If, in any of the general meetings referred to above, debenture holders of at least two-thirds of the Debentures of the First Series in Circulation, and/or the Debenture Holders of the Second Series holding at least two-thirds of the Debentures of the Second Series in Circulation, and/or Debenture Holders of the Third Series holding at least two-thirds of the Debentures of the Third Series in Circulation, as applicable, decide that the Fiduciary Agent shall not declare early maturity of the Debentures of the First Series, of the Debentures of the Second Series and/or of the Debentures of the Third Series, as the case may be, the Fiduciary Agent shall not declare early maturity of such Debentures.

In addition, in the event that a general meeting of debenture holders does not come into session, for lack of quorum, the Fiduciary Agent shall declare immediate early maturity of all the obligations arising from the Debentures, and shall immediately send the Issuer a communication in writing informing it of such event.

Subscription Price: The subscription shall be at the respective Nominal Unit Value, plus the Remuneration applicable to the Series of the Issue, calculated *pro rata temporis*, from the Issue Date up to date of subscription and paying-up of the Debentures, to two decimal places, without rounding.

Procedure for subscription and payment: The Debentures shall be paid-up at sight, simultaneously with subscription, for the subscription price, in Brazilian currency, in accordance with the settlement rules and procedures applicable to Cetip and/or to BM&FBovespa, as applicable.

Place of Payment: The payments shall be made by the Issuer on the related due dates, using:

- a) the procedures adopted by Cetip, for the Debentures held electronically for custody in Cetip-21;
- b) the procedures adopted by BM&FBovespa, for the Debentures registered in the BovespaFix; and/or
- c) the procedures adopted by the Mandated Bank, for the Debentures that are not linked to Cetip or to BM&FBovespa;

Extension of periods: The periods relating to payment of any obligation shall be considered extended to the next subsequent Business Day, if the maturity falls on a day on which there is not a business or bank working day at the place of payment, without any increase in the amounts payable, except in cases where the payments are to be made by Cetip or by BM&FBovespa, in which case the extension shall take place only when the date of payment coincides with a public holiday in the municipality of São Paulo, a national holiday, or a Saturday or a Sunday.

Arrears charges: If the Issuer omits to make any payments payable to the Debenture Holders within the stipulated periods, the amounts shall be subject to a contractual, irreducible, compensatory penalty payment, of 2% on the amount due and unpaid; and non-compensatory arrears interest calculated at the rate of 1% (one per cent) per month.

2.B. Signature, as guarantor, of the documents that are indispensable to carrying out the Issue, including:

- a) the Contract for Management, Placement and Distribution of Non-Convertible Debentures, under the Regime of Firm Guarantee, of the Third Public Issue of Cemig Distribuição S.A.; and
- b) the Private Deed of the 3rd Public Issue of Non-convertible Debentures of Cemig Distribuição S.A. and related subsequent amendments, and any others duly analyzed by the legal department which do not place any further burden on the transaction.

2.C. All such acts by the Executive Board as are necessary to put into effect the decisions taken at this meeting.

IV Remarks: The Chair made comments on a matter of interest to the Company.

The following were present:

Board members:	Dorothea Fonseca Furquim Werneck, Djalma Bastos de Moraes, Arcângelo Eustáquio Torres Queiroz, Francelino Pereira dos Santos, Fuad Jorge Noman Filho, Guy Maria Villela Paschoal, João Camilo Penna, Saulo Alves Pereira Junior,	Bruno Magalhães Menicucci, Wando Pereira Borges, Marina Rosenthal Rocha, Tarcísio Augusto Carneiro, José Augusto Gomes Campos, Lauro Sérgio Vasconcelos David, Luiz Augusto de Barros, Marco Antonio Rodrigues da Cunha, Paulo Sérgio Machado Ribeiro.
Secretary:	Anamaria Pugedo Frade Barros.	

Anamaria Pugedo Frade Barros