

CEMIG DISTRIBUIÇÃO S.A.

LISTED COMPANY

CNPJ: 06.981.180/0001-16 – NIRE: 3130002056-8

MARKET ANNOUNCEMENT

Offering of R\$ 1.6 billion in 5 to 12-year debentures

CEMIG DISTRIBUIÇÃO S.A. (“The Company” or “Cemig D”), a Brazilian corporation registered with the CVM (Brazilian Securities Commission), and subsidiary of **Cemig** (*Companhia Energética de Minas Gerais*), hereby informs the public, the CVM, and the São Paulo Stock, Commodities and Futures Exchange (BM&FBovespa S.A.) – in accordance with CVM Instruction 358 of January 3, 2002 – as follows:

On January 7, 2013 application was made to Anbima (the Brazilian Association of Financial and Capital Market Entities), in compliance with the Anbima Code of Regulation and Best Practices for Agreed Activities, for initial analysis of an application for registration of a public offering, under the regime of firm guarantee of placement, of:

Up to 1,600,000 unsecured, nominal, book-entry debentures not convertible into shares, in up to three series, with nominal unit value of R\$ 1,000.00, constituting total value of up to R\$ 1,600,000,000.00, on the Issue Date (February 15, 2013), without taking into account any supplementary debentures issued under Article 24 of CVM Instruction 400 (of December 29, 2003) as amended, and/or any additional debentures issued under Paragraph 2 of CVM Instruction 400, in compliance with the procedures of CVM Instruction 400 and CVM Instruction 471 (of August 8, 2008) as amended (“the Offering”).

- The debentures of the first series will have tenor of five years from the Issue Date, with maturity on February 15, 2018.
- The debentures of the second series will have tenor of eight years from the Issue Date, with maturity on February 15, 2021.
- The debentures of the third series will have tenor of twelve years from the Issue Date, with maturity on February 15, 2025.

Allocation of debentures to each series will be decided in accordance with investors’ demand, ascertained in a bookbuilding procedure using the “communicating vessels” system.

The Offering will commence after (a) granting of registration of the Offering by the CVM and (b) publication of the opening announcement of the Offering; and (c) after the final prospectus has been made available to investors.

A further market announcement with the other characteristics of the Offering will be published at an appropriate time.

Belo Horizonte, January 7, 2013.

Maria Celeste Morais Guimarães
Acting Chief Finance and Investor Relations Officer