

Cemig Geração e Transmissão S.A.

2nd Public Issue of Debentures

*Annual report of the Fiduciary Agent
on the business year 2013*

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Characteristics of the Issue

Issue Date:	January 15, 2010
Maturity date:	January 15, 2015
Fiduciary Agent:	Oliveira Trust DTVM S.A.
MANAGERS:	BB – Banco de Investimentos S.A., Caixa Econômica Federal, HSBC Corretora de Títulos e Valores Mobiliários S.A., Banco Votorantim S.A., BES Investimentos do Brasil S.A. – Banco de Investimento, and Banco BTG Pactual
MANDATED BANK:	Banco Bradesco S.A.
REPORTING BANK:	Banco Bradesco S.A.
TOTAL VALUE(*):	R\$ 2,700,000,000.00
QUANTITY OF DEBENTURES:	270,000
NUMBER OF SERIES:	2
PUBLICATION:	<i>Valor Econômico</i> newspaper (National Edition), and Issuer's website.
USE OF PROCEEDS:	According to statement by the Issuer, net proceeds were applied in full to redeem the 270 Commercial Promissory Notes of the Company's 3rd Issue, with nominal unit value of R\$ 10,000,000.00, issued on October 30, 2009.

(*) On the Issue Date

CHARACTERISTICS OF THE FIRST SERIES

This series matured and was settled on January 15, 2012, hence there are no more debentures of this series in circulation.

CHARACTERISTICS OF THE SECOND SERIES

ISSUE DATE:	January 15, 2010
MATURITY DATE:	January 15, 2015
TOTAL VALUE(*):	R\$ 1,134,000,000.00
NOMINAL UNIT VALUE(*):	R\$ 10,000.00
UNIT PRICE ON DEC. 31,2013:	R\$ 9,039.24
QUANTITY OF DEBENTURES:	113,400
REGISTRY WITH THE CVM:	CVM/SRE/DEB/2010/006
DATE OF CVM REGISTRATION:	March 2, 2010
ASSET CODE:	CMTR22 and CMGT-D22
ISIN CODE:	BRCMGTDDBS039
TRADING:	SND System (National Debentures System – <i>Sistema Nacional de Debentures</i>) of Cetip; and BovespaFix fixed income trading system of the BM&FBovespa.
FORM:	Nominal, book-entry.
GUARANTEE:	Unsecured, with additional guarantee of a surety given by Companhia Energética de Minas Gerais – Cemig.
CONVERTIBILITY:	Not convertible into shares.

(*) On the Issue Date

MONETARY UPDATING:

Indexor	Period
IPCA index	From January 15, 2010 to January 15, 2015 (Issue Deed.)

INTEREST:

1st period	
Start	January 15, 2010
Termination	January 15, 2015
Yield	7.6796%
Business days basis	252
UP (unit price) at start of period	R\$ 10,000.00
Payments	Annual, from the Issue Date, in January of each year, the first payment being payable on January 15, 2011 and the last on January 15, 2015.
Document	1st Amendment to the Issue Deed.

PREMIUM:

None.

AMORTIZATIONS OF THE NOMINAL VALUE:

Date	Percentage
January 15, 2013	33%
January 15, 2014	33%
January 15, 2015	34%

Amortization of the nominal unit value in annual portions, the first on January 15, 2013, the second on January 15, 2014 and the third on January 15, 2015.

RENEGOTIATION:

None.

RATING:

Date	Global Scale	Brazil Scale	Rating agency
Feb. 4, 2011	Baa3	Aa1.br	Moody's
Jan. 25, 2012	Baa3	Aa1.br	Moody's
Feb. 29, 2012	Baa3	Aa1.br	Moody's
Feb. 5, 2013	Baa3	Aa1.br	Moody's
Jul. 22, 2013		AA(bra)	Fitch Ratings
Nov. 14, 2013	BB+	brAA+	Standard & Poor's
Feb. 6, 2014	Baa3	Aa1.br	Moody's

PAYMENTS MADE PER DEBENTURE IN 2013:

AMORTIZATION OF THE NOMINAL VALUE	
Date of payment	Unit Value (R\$)
January 15, 2013	3,939.61

INTEREST	
Date of payment	Unit Value (R\$)
January 15, 2013	909.26

POSITION OF THE ASSET ON DECEMBER 31, 2013:

In circulation	113,400 (2 nd Series)
Treasury	0 (2 nd Series)
Total	113,400 (2nd Series)

LEGAL AND CORPORATE EVENTS:

The by-laws of the Issuer were changed by the Ordinary and Extraordinary General Meetings of Stockholders held on April 30, 2013, and by the Extraordinary General Meeting of Stockholders held on September 26, 2013.

Copies of the minutes of these meetings are available on the website of the CVM.

GUARANTEES:

None.

**INFORMATION ON THE EXISTENCE OF OTHER DEBENTURE ISSUES
(Article 12 of CVM Instruction 28/83):**

We declare that we provide Fiduciary Agent services to the following companies belonging to the same economic group as the Issuer:

- (i) EATE – Empresa Amazonense de Transmissão de Energia S.A., for its first public issue of unsecured debentures, with maturity on March 16, 2016, with total volume on the issue date of R\$ 360,000,000.00 (three hundred sixty million Reais), through issue of 360 debentures. There were no redemption, conversion, renegotiation or default events in 2013. Payments of interest and amortization were made monthly, on the 16th day of each month.
- (ii) EATE – Empresa Amazonense de Transmissão de Energia S.A., for its second public issue of unsecured debentures, with maturity on October 19, 2017, with total volume on the issue date of R\$ 150,000,000.00 (one hundred fifty million Reais), through issue of 15,000 debentures. There were no redemption, conversion, renegotiation or default events in 2013. There were payments of interest and amortization.
- (iii) EATE – Empresa Amazonense de Transmissão de Energia S.A., for its third public issue of unsecured debentures, with maturity on March 17, 2019, with total volume on the issue date of R\$ 270,000,000.00 (two hundred seventy million Reais), through issue of 27,000 debentures.
- (iv) ECTE – Empresa Catarinense de Transmissão de Energia S.A., for its first public issue of unsecured debentures, with maturity on March 16, 2016, with total volume on the issue date of R\$ 75,000,000.00 (seventy five million Reais), through issue of 75 debentures. There were no redemption, conversion, renegotiation or default events in 2013. Payments of interest and amortization were made monthly, on the 16th day of each month.
- (v) ECTE – Empresa Catarinense de Transmissão de Energia S.A., for its second public issue of unsecured debentures, with maturity on October 29, 2017, with total volume on the issue date of R\$ 80,000,000.00 (eighty million Reais), through issue of 8,000 debentures. There were no redemption, conversion, renegotiation or default events in 2013. Payments of interest and amortization were made in the year.
- (vi) ENTE – Empresa Norte de Transmissão de Energia S.A., for its first public issue of unsecured debentures, with maturity on March 16, 2016, with total volume on the issue date of R\$ 190,000,000.00 (one hundred ninety million Reais), through issue of 190 debentures. There were no redemption, conversion, renegotiation or default events in 2013. Payments of interest and amortization were made monthly, on the 16th day of each month.
- (vii) ETEP – Empresa Paraense de Transmissão de Energia S.A., for its first public issue of unsecured debentures, with maturity on November 30, 2016, with total volume on the issue date of R\$ 70,000,000.00 (seventy million Reais), through issue of 70 debentures. There were no redemption, conversion, renegotiation or default events in 2013. Payments of interest and amortization were made monthly, on the 30th day of each month.

- (viii) Light Serviços de Eletricidade S.A., for its fourth private issue of debentures with floating guarantee, with maturity on June 30, 2015, with total volume on the issue date of R\$ 767,252,000.00 (seven hundred sixty seven million, two hundred fifty two thousand Reais), through issue of 767,252 debentures. There were no redemption, conversion, renegotiation or default events in 2013. Payments of interest and amortization were made.
- (ix) Light Serviços de Eletricidade S.A., for its 9th public issue of debentures, with guarantee, having maturity on May 15, 2023, with total volume on the issue date of R\$ 1,600,000,000.00 (one billion six hundred thousand Reais), by issue of 160,000 debentures. There were no redemption, conversion, amortization, renegotiation or default events in 2013. There was payment of interest.
- (x) Companhia Transirapé de Transmissão, for its first public issue of unsecured debentures, with maturity on November 14, 2017, with total volume on the issue date of R\$ 42,500,000.00 (forty two million five hundred thousand Reais), through issue of 4,250 debentures. There were no redemption, conversion, renegotiation or default events in 2013. Payments of interest and amortization were made in the year.
- (xi) Companhia Transudeste de Transmissão, for its first public issue of unsecured debentures, with maturity on November 14, 2017, with total volume on the issue date of R\$ 47,500,000.00 (forty seven million five hundred thousand Reais), through issue of 4,750 debentures. There were no redemption, conversion, renegotiation or default events in 2013. Payments of interest or amortization were made in the year.
- (xii) Cemig Geração e Transmissão S.A., for its fourth public issue of unsecured debentures, in a single series, with maturity on December 23, 2016, and with total volume on the Issue Date of R\$ 500,000,000.00. There were no redemption, conversion, interest, amortization, renegotiation or default events in 2013.

**INFORMATION REQUIRED UNDER CVM INSTRUCTION 28/83,
AND BY ANALOGY UNDER SUB-CLAUSE "B" OF §1 OF ARTICLE 68 OF LAW 6404/76:**

Subclause 'a' of Sub-item XVII of Article 12 of CVM Instruction 28/83 – 'Any omission or inaccuracy, contained in the information disclosed by the company, or any default or arrears in the obligatory presentation of information by the company, of which it is aware.'	We are not aware of any omission or inaccuracy, contained in the information disclosed by the company, nor any default or arrears in the obligatory presentation of information by the company.
Sub-clause 'b' of Sub-item XVII of Article 12 of CVM Instruction 28/83 – 'Changes in the by-laws taking place in the period'.	There was a change in the by-laws in the period specified above.
Sub-clause 'c' of Sub-item XVII of Article 12 of CVM Instruction 28/83 – 'Comments on the financial statements of the Company, focusing on the Company's economic, financial and capital structure indicators'.	Information available in the Item <i>Comments on the Financial Statements</i> .
Sub-clause 'd' of Sub-item XVII of Article 12 of CVM Instruction 28/83 – 'Position of the distribution or placement of the debentures in the market'.	Information available above, in the table of Debentures in circulation, as already made available to Cetip.
Sub-clause 'e' of Sub-item XVII of Article 12 of CVM Instruction 28/83 – 'Redemption, amortization, conversion, renegotiation or payment of interest of the debentures taking place in the period, and acquisitions and sales of	There has been no redemption, total or partial, in this issue. The debentures will be amortized as set out in the report. They are not subject to renegotiation and are not convertible into shares. We are not aware of the Issuer acquiring any debentures in the secondary

debentures made by the issuer company'.	market and placing them again in circulation. The totality of the debentures of the second series issued remains in circulation.
Sub-clause 'f' of Sub-item XVII of Article 12 of CVM Instruction 28/83 – 'Constitution of and/or investment by the debentures amortization fund, when applicable'.	No debentures amortization fund has been constituted.
Sub-clause 'g' of Sub-item XVII of Article 12 of CVM Instruction 28/83 – 'Accompaniment of the allocation of the funds raised through the debenture issue, according to data obtained from the managers of the Issuer company'.	Information contained above, in the item <i>Use of Proceeds</i> .
Subclause 'h' of Sub-item XVII of Article 12 of CVM Instruction 28/83 – 'List of goods and financial assets delivered to the Fiduciary Agent for administration:'	No goods or financial assets were delivered to the Fiduciary Agent for management .
Subclause 'i' do Sub-item XVII of Article 12 of CVM Instruction 28/83 – 'Compliance with other obligations assumed by the Company in the Issue Deed'.	Information available in this report.
Subclause 'j' of Sub-item XVII of Article 12 of CVM Instruction 28/83 – 'Statement on the sufficiency and enforceability of the guarantees of the Debentures'.	The guarantee of this issue is unsecured (stated in writing), so the obligations arising from the issue fall generically upon all the assets of the Issuer. Additionally, the issue contains a direct nominal guarantee, which was duly constituted at the time of the issue.
Subclause 'l' of Sub-item XVII of Article 12 of CVM Instruction 28/83 – 'Statement on the Fiduciary Agent's qualification to continue exercising the function of fiduciary agent'.	This statement is provided below.
Subclause 'k' of Sub-item XVII of Article 12 of CVM Instruction 28/83 – 'Statement on the existence of other issues, public or private, of debentures by any affiliated company, subsidiary, parent company or a member of the same group as the Issuer in which the Fiduciary Agent has also acted as fiduciary agent in the period.'	We declare that we provide Fiduciary Agent services to companies belonging to the same economic group as the Issuer, as set out above.

COMMENTS ON THE ACCOUNTING STATEMENTS OF CEMIG GERAÇÃO E TRANSMISSÃO S.A.

THE COMPANY

COMPANY'S SITUATION: Operational

NATURE OF STOCKHOLDING CONTROL: State-controlled

FINANCIAL SITUATION

General liquidity increased from 0.45 in 2012 to 0.57 in 2013. Current liquidity increased from 0.86 in 2012 to 1.08 in 2013. 'Quick ratio' ('acid test ratio') increased from 0.86 in 2012 to 1.07 in 2013. Asset turnover increased from 0.38 in 2012 to 0.50 in 2013.

CAPITAL STRUCTURE

The ratio {Loans / Stockholders' equity} increased from 0.88 in 2012 to 1.07 in 2013. The ratio { Third party funds / Stockholders' equity } increased from 1.28 in 2012 to 1.75 in 2013. The ratio { PP&E / Stockholders' equity } increased from 1.02 in 2012 to 1.35 in 2013(*). From 2012 to 2013, Non-current liabilities were reduced by 5.6%, and Current liabilities increased by 5.5%.

(*) PP&E / Equity ratio: $(1.02.03 / 2.03) = 5,137,692 / 3,815,017 = 1.35$

RESULTS

The Company reported Net profit for 2013 of R\$ 1,811,374,000 (one billion eight hundred eleven million three hundred seventy four thousand Reais), which compares to R\$ 1,919,485,000 in 2012. Net revenue in 2013 was 12.72% higher than in 2012. Gross margin was 51.63% in 2013, compared to 58.07% in 2012; and Net margin was 34.63%, compared to 41.37% in 2012. Net profit was 5.63% less than in 2012. The ratio of Net profit to Stockholders' equity was 47.48% in 2013, compared to 36.18% in 2012.

We recommend a complete reading of the Financial Statements, the Report of Management and the Opinion of the external auditors for the best analysis of the company's economic and financial situation.

STATEMENT BY THE FIDUCIARY AGENT

Oliveira Trust declares that it has full capability to continue to exercise the function of Fiduciary Agent of this Debenture Issue of Cemig Geração e Transmissão S.A.


José Alexandre Freitas


Antonio Amaro

STATEMENT OF FINANCIAL POSITION
(R\$ '000)

ASSETS

		Dec. 31, 2013	Dec. 31, 2012
1	Total assets	10,475,039	12,078,511
1.01	Current assets	2,713,602	2,066,216
1.01.01	Cash and cash equivalents	1,107,174	509,152
1.01.02	Cash investments	531,993	445,639
1.01.03	Accounts receivable	745,753	581,305
1.01.04	Inventories	5,574	5,204
1.01.06	Taxes recoverable	251,435	109,062
1.01.08	Other current assets	71,673	415,854
1.02	Noncurrent assets	7,761,437	10,012,295
1.02.01	Long term assets	1,051,148	994,735
1.02.02	Investments	1,519,321	3,539,372
1.02.03	Property, plant and equipment	5,137,692	5,414,273
1.02.04	Intangible assets	53,276	63,915

Liabilities

		Dec. 31, 2013	Dec. 31, 2012
2	Total liabilities	10,475,039	12,078,511
2.01	Current liabilities	2,520,739	2,389,760
2.01.01	Payroll-associated and employment-law obligations	42,668	51,337
2.01.02	Suppliers	214,240	206,569
2.01.03	Taxes, etc., payable	84,552	76,615
2.01.04	Loans and financings	1,085,964	1,462,282
2.01.05	Other liabilities	1,093,315	592,957
2.02	Noncurrent liabilities	4,139,283	4,382,703
2.02.01	Loans and financings	3,006,842	3,193,681
2.02.02	Other liabilities	849,049	898,085
2.02.03	Deferred taxes	226,768	276,974
2.02.04	Provisions	56,624	13,963
2.03	Stockholders' equity	3,815,017	5,306,048
2.03.01	Paid-up share capital	893,192	3,296,785
2.03.04	Profit reserves	2,384,711	1,418,845
2.03.06	Adjustments to Stockholders' equity	537,114	590,418

Profit and loss account (R\$ '000)			
		2013	2012
3.01	Net revenue from sales and/or services	5,230,134	4,639,948
3.02	Cost of goods and /or services sold	-2,529,986	-1,945,717
3.02.01	Charges for the use of the national grid	-256,610	-267,863
3.02.02	Electricity bought for resale	-1,244,499	-713,066
3.02.03	Personnel and managers	-229,150	-230,752
3.02.05	Materials	-10,320	-10,801
3.02.06	Raw materials and inputs for production of electricity	-55,597	-5,025
3.02.07	Outsourced services	-110,067	-113,640
3.02.08	Depreciation and amortization	-339,957	-308,221
3.02.09	Operational reversals (provisions)	-55,117	-998
3.02.10	Royalties for use of water resources	-125,751	-178,072
3.02.11	Construction cost	-91,176	-107,304
3.02.12	Other costs of operation	-11,742	-9,975
3.03	Gross profit	2,700,148	2,694,231
3.04	Operational revenue (expenses)	-84,015	235,280
3.04.01	Selling expenses	253	-2,004
3.04.02	General and administrative expenses	-202,097	-141,596
3.04.03	Losses on impairment of assets	-94,080	0
3.04.04	Other operational revenues	0	0
3.04.05	Other operational expenses	-138,268	-158,484
3.04.06	Gain (loss) in subsidiaries by equity method	350,177	537,364
3.05	Profit before Financial revenue (expenses)	2,616,133	2,929,511
3.06	Financial revenue (expenses)	-202,852	-442,001
3.06.01	Financial revenues	303,201	132,785
3.06.02	Financial expenses	-506,053	-574,786
3.07	Profit (loss) before taxes on profit	2,413,281	2,487,510
3.08	Income tax and Social Contribution tax	-601,907	-568,025
3.08.01	Current	-673,089	-548,612
3.08.02	Deferred	71,182	-19,413
3.09	Net profit (loss) from continued operations	1,811,374	1,919,485
3.10	Net profit (loss) from discontinued operations	0	0
3.10.01	Net profit (loss) from discontinued operations	0	0
3.10.02	Net gains (losses) on assets of discontinued operations	0	0
3.11	Profit (loss) for the period	1,811,374	1,919,485
3.99	Profit per share (R\$ per share)	0	0
3.99.01	Basic profit per share	0	0
3.99.02	Diluted profit per share	0	0

Financial indicators		
	Dec. 31, 2013	Dec. 31, 2012
Leverage		
Third party funds / Stockholders' equity	1.75	1.28
Loans / Stockholders' equity	1.07	0.88
Activity index		
Asset turnover	0.5	0.38
PP&E to equity ratio		
PP&E / Stockholders' equity (*)	1.35	1.02
Liquidity		
General liquidity	0.57	0.45
Current liquidity	1.08	0.86
Acid test ratio	1.07	0.86
Profitability		
Gross margin	51.63%	58.07%
Net margin	34.63%	41.37%
Return and equity	47.48%	36.18%

(*) PP&E to Equity ratio: $(1.02.03 / 2.03) = 5,137,692 / 3,815,017 = 1.35$

N/A – Not applicable

Source: Standardized Financial statements (*Demonstrações Financeiras Padronizadas*, or *DFP*) for Business year 2013.