

COMPANHIA ENERGÉTICA DE MINAS GERAIS - CEMIG

LISTED COMPANY – CNPJ 17.155.730/0001-64 – NIRE 31300040127

MARKET NOTICE

Reply to Inquiry by the CVM

Reply to CVM Inquiry Letter 505/2015/CVM/SEP/GEA-1, of Nov. 30, 2015

Question asked by the Brazilian Securities Commission (CVM)

“ Official Letter 505/2015/CVM/SEP/GEA-1

Rio de Janeiro, November 30, 2015

To Mr. Fabiano Maia Pereira

Investor Relations Director, Companhia Energética de Minas Gerais – CEMIG

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SUBJECT: Request for information on news media report

Dear Sir,

1. We refer to the news report published today in Valor Econômico newspaper, in the Politics section, under the headline: "BNDES will take over Andrade Gutierrez's share interest in Cemig", which contains the following statements:

The Brazilian Development Bank (Banco Nacional de Desenvolvimento Econômico e Social - BNDES) is preparing to enter the controlling management stockholding block of Cemig (Companhia Energética de Minas Gerais). When finalized, the transaction will give BNDES Participações 12.9% of the voting stock of Cemig and the right to two seats on its Board of Directors. The change will result in a reduction in the interest that the construction company Andrade Gutierrez has in Cemig today.

The BNDES has submitted the transaction to the Brazilian Monopolies Commission (Conselho Administrativo de Direito Econômico - Cade) to confirm whether its entry into Cemig would be considered as conflicting with its interest in other electricity companies. Cade has given the green light and Valor newspaper has ascertained that the bank expects to make the transaction a concrete reality before the end of this year.

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The change is part of the agreement signed between the BNDES and Andrade in late 2009. Through its subsidiary AGC Energia, Andrade became a partner in Cemig in that year, owning 14.4% of Cemig's total capital. It is an interest that belonged to AES, and was the subject of a long legal battle with the BNDES. Andrade then got involved and acquired this share in Cemig's capital, which gave it 33% of the common shares (voting stock) of Cemig.

This block of shares cost Andrade Gutierrez R\$ 2.115 billion at that time, of which R\$ 500 million was paid at sight and R\$ 850 million was paid this year. The remaining R\$ 765 million was raised through a debenture transaction with the BNDES which established that as from February 2015 these debentures would automatically be exchanged for shares of Cemig, according to information given by the BNDES through its management offices. It was this exchange which Cade authorized in August.

In figures, this means that BNDESPar will receive a stockholding interest equivalent to 12.9% of the common shares and 2% of the preferred shares, which will represent 5.6% of Cemig's total share capital. Added to the almost symbolic percentage interest of 0.75% which it has today, the new equity interest will make the bank owner of 6.35% of Cemig's total share capital.

[...]

The arrangement will not, however, change the stockholders' agreement. That will continue to be in effect, up to a level of an interest of 20% in the voting stock. At the moment, according to a person in the BNDES, it has no intention of taking the two seats on the Board of Directors of Cemig, nor does it intend to have any significant position of interference in management. "

2. In view of the above, we order you to state whether the news reported is true, and, if its truth is confirmed, why you believed that this was not a case of material information to be published in a Material Announcement.

3. This statement must be given through the Empresa.NET System, in the category: Market notice, sub-category: Responses to Consultations by CVM / Bovespa – Subject: Media News Report – and should include a transcription of this Official Letter.

4. We highlight that, under Article 3 of CVM Instruction 358/02 it is the responsibility of the Chief Investor Relations Officer to disclose to and advise the CVM, and as the case may be, the stock exchange and/or any organized over-the-counter market on which securities issued by the company are traded, of any material event or fact which takes place or is related to its business, and to make best efforts for its immediate and wide dissemination, simultaneously to all the markets in which such securities are traded.

5. We notify you that the Company Relations Supervision Management may, under Sub-item II of Article 9 of Law 6385/1976 and CVM Instruction 452/2007, apply a coercive fine of R\$ 1,000 (one thousand Reais), without prejudice to other administrative sanctions, in the event of non-compliance with the demand made in this Official Letter within one business day from becoming aware of the content of this communication, now sent by fax and by e-mail.

Yours,

NILZA MARIA SILVA DE OLIVEIRA

Company Monitoring Management Unit 1 ”

Reply by CEMIG

Dear Ms. Oliveira,

In response to the request of the CVM, we would make clear that the possibility of BNDESPar becoming the holder of common shares in the Company representing 12.91% of the voting stock and 5.65% of the Company's total stock is provided for in item D of the Preamble of the Stockholders' Agreement of the Company, dated August 1, 2011, which was filed with the CVM and was made available on August 9, 2011 on our Investor Relations website:

(http://cemig.foinvest.com.br/ptb/8867/AcordodeAcionistas_por.pdf),

Item D of the said Preamble of that Agreement states the following:

"(D) BNDESPar may, as from February 16, 2015 or from total settlement of the non-convertible debentures issued by AGC Energia on March 4, 2011 which it owns, whichever is earlier, become an important stockholder of the Company through exchange of the said Debentures for 38,522,400 common shares in the Company, representing, on today's date, 12.91% of the voting stock and 5.65% of the total stock of the Company;"

However, up to the present moment, Cemig has not been informed whether BNDESPar will or will not exercise this right, and, if it will exercise it, when. Further, there has been no alteration in the Company's Nominal Share Registry, so the Company is not in a position to make a statement about the affirmations contained in the news referred to.

After becoming aware of the news report, Cemig asked the stockholder AGC Energia for an explanation as to the truth of the information published, and is awaiting reply.

In relation to the movement in the Company's shares, although the volume traded on November 30 was higher than the daily average of the last 30 days, we find that the same was the case for the vast majority of the shares that comprise the Bovespa Index and the Electricity Index. Similarly, the variations in the shares of Cemig took place in the same trend as that of the market in general, and with an intensity compatible with that shown by the shares of other state-controlled companies in the Electricity Index, such as those of Cesp, Celesc and Eletrobrás, to cite a few examples.

Cemig reiterates its commitment to opportune and timely disclosure of all and any fact which is of interest to its stockholders.

Belo Horizonte, December 1, 2015.

Fabiano Maia Pereira
Chief Finance and Investor Relations Officer