

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MARKET NOTICE

Reply to CVM Inquiry Letter 201/2016-CVM/SEP/GEA-1, of May 11, 2016

Question asked by the Brazilian Securities Commission (CVM)

Rio de Janeiro, May 11, 2015.

To Mr. Fabiano Maia Pereira

Investor Relations Director

Cia. Energética de Minas Gerais – CEMIG

Av. Barbacena 1200 – 5th floor, B1 Wing, Santo Agostinho,

Belo Horizonte, Minas Gerais

CEP: 30190-131

Fax: (31) 3506-5026

Tel.: (31) 3506-5024

E-mail: ri@cemig.com.br

c/c: gre@bvmf.com.br

Subject: Request for information on news media report

Dear Sir,

1. We refer to the news report in the May 5, 2016 edition of the newspaper *Valor Econômico*, in the section *Empresas*, under the headline: “*Companies late delivering documents to US regulator*”, which contains the following statements:

“ *Seven Brazilian companies have not delivered their annual (20-F) reports to the US Securities and Exchange Commission (SEC), the regulator of the United States capital markets. This number of companies is unprecedented for the period since the SEC began to require monitoring of effectiveness of Companies’ internal controls, in 2002.*

... This Monday Cemig, ... and ... missed the date for delivery of the document, which is required to be deposited annually by all non-US companies with shares traded on stock exchanges in the United States.

The SEC grants an additional period until May 17, for late delivery of the form. After this period any company still not publishing the document is subject to penalties. ”

2. We therefore require you to inform us whether this report is true, and if so, to state the reasons why the said document has not yet been delivered, and what steps the issuer has taken to comply with that obligation.

3. Your statement should be given through the *Empresas.NET* system, in the category: *Market notices*, under the sub-category: *Responses to consultations by CVM/BOVESPA*; subject heading: *Media News Reports*, and should include a transcription of this letter.
4. We notify you that under Sub-item II of Article 9 of Law 6385/1976, and CVM Instruction 452/2007, the Company Relations Supervision Management may 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.

Reply by CEMIG

Dear Madam,

In response to Official Letter N° 201/2016-CVM/SEP/GEA-1, of May 11, 2016, we offer the following information:

Cemig has indeed not filed the 20-F report with the Securities and Exchange Commission (SEC) of the United States within the regular period – i.e. by the end of April 2016. And it has requested an extension of the period until May 17, 2016.

The reason for the delay in filing the 20-F is the qualification issued by the external auditors of the financial statements for the business year ended December 31, 2015.

For a fuller understanding, we provide the following further information:

The basis for the qualified opinion issued by the external auditors arises from the following:

Cemig has an indirect investment in Norte Energia S.A. (**‘Norte Energia’**), which is valued by the equity method, and is currently the subject of an investigation being carried out by the stockholder Centrais Elétricas Brasileiras S.A. (**‘Eletrobras’**), as has been mentioned in Notes 1 and 13 to the financial statements. As a result of this investigation not having been completed, the audit for the year ending December 31, 2015 of the financial statements of Amazônia Energia S.A. (**‘Amazônia Energia’**) and Aliança Norte Energia Participações S.A. (**‘Aliança Norte’**), investees of Cemig which hold the direct investment in **Norte Energia**, had not been completed by March 28, 2016, the date on which the company published its financial statements dated December 31, 2015.

As a result, the external auditors had not obtained sufficient auditing evidence in relation to the investments held in the investees, in the amount of R\$ 871,442,000 at December 31, 2015, and on the negative equity-method contribution of R\$ 10,261,000 for the business year ended on that date.

Cemig’s total investment in the investees referred to represents 2.13% of the Company’s total consolidated assets, and 6.71% of the Company’s Stockholders’ equity, at December 31, 2015.

As can be seen, the basis for qualification of the opinion is limited in scope exclusively to the effects, if any, of the investigation that is being carried out by Eletrobras in relation to the Company's indirect investment in **Norte Energia**. It is not the result of any disagreement in relation to any accounting practice or criterion for disclosure in the presentation of the financial statements, nor any limitation imposed by the Company's management on access to documents or information, nor any deficiencies in the Company's internal controls related to the management of its holdings in investees.

As mentioned in Note 13 to the financial statements, Eletrobras, which holds 49.98% of the share capital of **Norte Energia**, has contracted a law firm specialized in corporate investigation to ascertain any irregularities in undertakings in which the companies of the Eletrobras Group have a corporate or minority stockholding interest, and this includes the investment in **Norte Energia**. This work was still in progress on March 28, 2016, at the time of the conclusion and approval of the Company's financial statements. Cemig's management is not aware of any preliminary information from these investigations. As and when progress of the investigations produces any significant information, Cemig will assess any impacts on its financial statements.

In view of the SEC's restrictions on filing of the 20-F form with qualifications, the Company believes that it will be necessary, before filing the 20-F Form, to resolve, in the investee, the question that has led to the qualification referred to above.

We would highlight that all the Company's acts and decisions are guided by and based on the most absolute transparency, and in accordance with the laws and regulations to which it is subject.

The Company offers its respectful regards and remains at your disposal to provide any further information which may be thought to be necessary for consideration of this statement.

Belo Horizonte, May 12, 2016

Fabiano Maia Pereira

Chief Finance and Investor Relations Officer