

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MARKET ANNOUNCEMENT

Reply to CVM Inquiry Letter 315/2016-CVM/SEP/GEA-1, of July 5, 2016

Question asked by the Brazilian Securities Commission (CVM)

Rio de Janeiro, July 5, 2016

To Mr.

Fabiano Maia Pereira

Investor Relations Director

Cia. Companhia Energética de Minas Gerais – CEMIG

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Subject: **Request for information on news report**

Dear Sir,

1. We refer to the news report published today on the *Infomoney* news website, under the headline:

“One more electricity company wants to sell assets; Usiminas stockholders publish dissent in newspaper; plus 9 more reports”

which contains the following statements:

“Sources have told Reuters that Minas Gerais electricity company Cemig (CMIG4) has contracted at least three investment banks to prepare the sale of small hydroelectric plants and one gas distribution unit. Cemig expects to raise R\$ 1.7 billion from the sale of the gas unit, the sources said. Cemig has also retained Banco do Brasil and BTG Pactual to manage the sale of some of the company’s 24 small hydroelectric plants, all in Minas Gerais.”

2. In view of the above, we require you to state whether the news reported is true, and, if its truth is confirmed, you should explain for what reasons you believed that this was not a case of Material Information, to be published in a Material Announcement, and comment on any other information considered to be important on the subject.

3. Your statement should be given through the Empresas.NET system, in the category: *Market Announcement*, 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 warn you that, by order of the Company Relations Supervision Management, using its powers under Sub-item II of Article 9 of Law 6385/1976 and CVM Instruction 452/07, a coercive fine of **R\$ 1,000 (one thousand Reais)** is applicable, without prejudice to other administrative sanctions, for any non-compliance with the requirement contained in this Official Letter within **one business day** from becoming aware of the content of this communication, sent exclusively by e-mail, notwithstanding the provisions of §1 of Article 6 of CVM Instruction 358/02.

Reply by CEMIG

Dear Madam,

In response to Official Letter 315/2016/CVM/SEP/GEA-1 of July 5, 2016, we advise you that, as stated to the market in its 21st Annual Cemig–Apimec meeting, which was held on May 24, 2016 and widely publicized via video webcast, Companhia Energética de Minas Gerais – Cemig intends to sell some assets to reduce its leverage. However, although the Company is researching and studying several alternatives, so far no financial advisor has been contracted, nor has any contractual instrument been entered into, non-binding or otherwise, in relation to the assets mentioned in the report referred to.

Cemig takes this opportunity of reiterating its commitment to opportune and timely disclosure of all facts that are of interest to its stockholders, in accordance with Article 2 of CVM Instruction 358/2002.

Belo Horizonte, July 6, 2016

Fabiano Maia Pereira

Chief Finance and Investor Relations Officer