

# COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

## MARKET ANNOUNCEMENT

Reply to BM&FBovespa Inquiry Letter 2861/2016-SAE/GAE-2, of August 8, 2016

### Question asked by BM&FBovespa

August 8, 2016  
2861/2016-SAE/GAE 2

Companhia Energética de Minas Gerais – CEMIG  
At.: Mr. Fabiano Maia Pereira  
Investor Relations Director

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

Dear Sirs,

A news report in the newspaper *Valor Econômico*, on August 8, 2016, under the headline:

*“Cemig has a plan to reduce debt by selling assets”*,

contains, among other information, the following:

1. The businesses in which Cemig is considering doing without part or all of its equity interests include Light, Taesa, Gasmig, and the Belo Monte and Santo Antônio hydroelectric plants.
2. The estimated period for conclusion of these transactions is the end of 2017.
3. Cemig Telecom, Ativas (a data center), Axxiom (an IT company) and Transchile (a transmission company in Chile) have also been mentioned as examples of share interests in assets that are not part of the ‘core business’ of Cemig and which may be sold.
4. Cemig has already stated that it intends to dispose of a part of its interest in Taesa, which could provide revenue of approximately R\$ 500 million.

We have not seen this information in the documents sent by your Company through the Empresas.NET System. If this is not the case, please state the document, the pages on which the information is to be found, and the date and time it was sent.

We would note that your Company should publish periodic or one-off information and other information of interest to the market, through the Empresas.NET System, ensuring for it wide and immediate dissemination and equitable treatment of investors and other market participants.

Having said this, we request explanation on the items indicated, by August 9th, 2016, without prejudice to the provisions of the sole sub-paragraph of Article 6 of CVM Instruction 358/02, and any other information deemed to be important.

Your response should be given through the IPE Module, selecting the category *Material Announcement*, or the category *Market Announcement*; the Type: *Responses to consultations by CVM/Bovespa*; and Subject heading: *News Reports*. This will result in simultaneous transmission of the file to the BM&FBovespa and to the CVM.

We note the obligation, stated in the sole sub-paragraph of Article 4 of CVM Instruction 358/02, to question managers and controlling stockholders of the Company to ascertain whether they may have knowledge of information that should be disclosed to the market.

The file sent should contain the question that is asked above, preceding your company's reply.

This request is made under the Cooperation Working Agreement made between the CVM and BM&FBovespa on December 13, 2011. Non-compliance with the request may make your company subject to an incentive fine by the Company Relations Management Unit (SEP) of the CVM, subject to CVM Instruction 452/07.

Yours,

Nelson Barroso Ortega  
**Company Monitoring Management Unit**

### Reply by CEMIG

In reply to Official Letter 2861/2016-SAE/GAE 2, of August 8, 2016, we give the following explanatory information:

1. Re: "Light, Taesa, Gasmig, and the Belo Monte and Santo Antônio hydroelectric plants are some of the assets in which Cemig is considering the possibility of disposal of part or all of its interest."

These are assets that are part of Cemig's portfolio of equity interests. The intention to review them was stated in the presentation given during the 21st Annual Cemig – Apimec meeting, held on May 24, 2016, which was transmitted by video webcast, and filed by EmpresasNet on May 24, 2016 at 6.23 p.m., on page 4, under the heading

*"Main assumptions",*

as follows:

*"... Cemig will seek to recover the level of the company's market value, ensuring its sustainability. Cemig will reduce debt, increase productivity, and review its portfolio of equity interests, focusing on its core business, and prioritizing companies in which it holds the control."*

It was also contained in the Market Announcement filed via EmpresasNet on May 19, 2016, at 6.09 p.m., under the subject heading

*“Reply to CVM Inquiry Letter 217/2016-CVM/SEP/GEA-1, of May 18, 2016”*

and on July 6, 2016, at 5.46 p.m., under the subject heading

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

it being stated verbatim in the latter, on the second page, that

*“Companhia Energética de Minas Gerais – Cemig intends to sell some assets to reduce its leverage”;*

and also on July 22, 2016 at 5.19 p.m., where we stated:

*“that, as has been already widely published, including in our financial statements, that our partners in the controlling stockholding block of Light hold a put option, exercisable against Cemig, to sell their interest in the control structure of that company, and that we are at present studying various alternatives for partnership for substitution of these partners.”*

In relation to Gasmig, the Company published a Material Announcement, on August 1, 2016, at 6.11 p.m., under the subject heading:

*“Contracting of financial advisors for capitalization of Gasmig”*.

2. Re: “The estimated period for conclusion of these transactions is the end of 2017.”

This refers to an estimate of period based on the maturity, in 2018, of the larger volume of debt of Cemig, in the order of R\$ 11 billion, as is shown in the chart presented in the illustration

*“Cemig, consolidated: debt profile”*,

on page 10 of the Market Notice filed via EmpresasNet, on May 17, 2016, at 10.27 a.m., under the subject heading

*“Presentation of Results – ITR for 1st quarter 2016”*.

3. Re: “Cemig Telecom, Ativas (a data center), Axxiom (an IT company) and Transchile (a transmission company in Chile) have also been mentioned as examples of share interests in assets that are not part of the ‘core business’ of Cemig and which may be sold.”

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It was also stated in the Market Notices filed via empresasNet on May 19, 2016, at 6.09 p.m., under the subject heading

*“Reply to CVM Inquiry Letter 217/2016-CVM/SEP/GEA-1, of May 18, 2016”*

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it being stated verbatim in the latter, on the second page, that

*“Companhia Energética de Minas Gerais – Cemig intends to sell some assets to reduce its leverage”.*

4. Re: “Cemig has already stated that it intends to dispose of a part of its interest in Taesa, which could provide revenue of approximately R\$ 500 million.”

In relation to Transmissora Aliança de Energia Elétrica S.A. (‘Taesa’), the Executive Board has submitted a proposal to the Board of Directors for monetization, through sale of shares, none of which shares are within the controlling stockholding block, as published by the Material Announcement of August 3, 2016, at 8.21 p.m.

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

Belo Horizonte, August 9, 2016

Fabiano Maia Pereira

Chief Finance and Investor Relations Officer