

CEMIG GERAÇÃO E TRANSMISSÃO S.A.

Listed company – CVM N° 02032-0
CNPJ 06.981.176/0001-58 – NIRE 31300020550

MARKET ANNOUNCEMENT

Reply to CVM Inquiry Letter 567/2016-CVM/SEP/GEA-1, of December 20, 2016

Question asked by the Brazilian Securities Commission (CVM)

Rio de Janeiro, December 20, 2016.

To Mr. Fabiano Maia Pereira
Investor Relations Director
Companhia Energética de Minas Gerais – CEMIG
Av. Barbacena 1200 – 5th floor, B1 Wing, Santo Agostinho,
CEP: 30190-131 Belo Horizonte, MG
E-mail: ri@cemig.com.br
Fax: (31) 3506-5026
Tel.: (31) 3506-5024
cc: emissores@bvmf.com.br

Subject: Request for information on news report

Dear Sir,

1. I refer to the news reports published today, December 20, 2016, in certain newspapers – including the *Folha de São Paulo* and *Valor Econômico* – on expectation of an imminent change of manager of Companhia Energética de Minas Gerais.
2. In view of the above, we request you to state whether the news reports are true, in particular in relation to the change of manager; and, if their truth is confirmed, you should explain for what reasons you believed that this was not a case of Material Information, and also 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 highlight that, under Article 3 of CVM Instruction 358/2002 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. Further, §1 of Article 4 of CVM Instruction 358/2002 specifies the obligation to seek information from the managers and controlling stockholders of the company, and from all the other people who have access to material facts and events, to ascertain whether they have knowledge of information that ought to be published to the market.
6. We warn you that the Company Relations Supervision Management, using its powers under law and based on Sub-item II of Article 9 of Law 6385/1976 and CVM Instruction 452/07, may decide to apply a coercive fine of R\$ 1,000 (one thousand Reais), 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.

Reply by CEMIG

Dear Ms. Nilza Maria Silva de Oliveira,

In response to Official Letter 567/2016-CVM/SEP/GEA-1, of December 20, 2016, we inform you that it is the Company's understanding is that "expectation of an imminent change of manager" does not characterize publication of a Material Fact or Event in the terms of Article 2 of CVM Instruction 358/2002.

Since this is a matter for the Board of Directors, which has the sole competency to elect and dismiss Executive Officers of the Company, such information may be published only after a meeting of that board has been held and a change of Chief Officer confirmed. 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 the terms of Article 2 of CVM Instruction 358/2002.

Belo Horizonte, December 21, 2016.

Fabiano Maia Pereira
Chief Finance and Investor Relations Officer