COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MARKET ANNOUNCEMENT

Reply to CVM Inquiry Letter 8-/2017-CVM/SEP/GEA-1, of February 10, 2017

Question asked by the Brazilian Securities Commission (CVM)

Rio de Janeiro, February 10, 2017.

Subject: Request for information on news report.

Dear Sir,

1. We refer to the news reports published on February 10, 2017, in the *O Estado de São Paulo* newspaper, under the headline:

   "Control of Belo Monte plant is put on sale for R$ 10 billion"

   – containing statements to the following effect (we have summarized):

> *" The Belo Monte hydroelectric plant, in Pará, is for sale. According to information obtained by the* Estado *newspaper, the* ***Companies*** *that comprise the controlling stockholding block of Norte Energia, the company that holds the concession managing the plant, have contracted Bradesco BBI to seek potential* ***Investors*** *in Brazil and other countries. The operation also involves an international bank to carry out the negotiations for sale of the hydroelectric plant that is the world's third largest – after only the Three Gorges plant in China and Itaipu Binacional.*
>
> *What is for sale is the interests of the* ***companies*** *Neoenergia, Cemig, Light, Vale, Sinobras, J. Malucelli and* ***the pension funds*** *Petros (****Petrobras****) and Funcef (Caixa Econômica Federal). In aggregate, these companies hold a 50.02% interest in Norte Energia. The book value of Belo Monte is estimated at R$ 10 billion. The project will be completed only in 2019, and still requires investment of at least R$ 5 billion.*
>
> *When completed it will have generation capacity for 11,233 MW, and will have consumed more than R$ 31 billion – when the project began it was budgeted at R$ 18 billion. According to sources close to the company, to acquire the plant, purchasers will have to take over the financing of approximately R$ 22 billion granted to the project by the Brazilian Development Bank (BNDES). The plant is still applying for a further R$ 2 billion from the BNDES to complete the works.* [...] "

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2. In view of the above, we order you to make a statement about the news and the possible impacts on the Company, and to comment on any other information on the subject 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 our Company Relations Supervision Management, using its legal 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 non-compliance with the requirement contained in this Official Letter, which is sent exclusively by e-mail, **by February 13, 2017**, notwithstanding the provisions of §1 of Article 6 of CVM Instruction 358/02.

Reply by CEMIG

Dear Ms. Nilza Maria Silva de Oliveira,

In response to Official Letter 80/2017/CVM/SEP/GEA–1, of February 10, 2017, we state that, as widely publicized in the market, Companhia Energética de Minas Gerais – Cemig ('Cemig' or 'the Company') does intend to sell some assets to reduce its leverage. To this end, although the Company is studying and prospecting various alternatives, so far no financial adviser has been contracted nor any contractual instrument entered into, even on a non-binding basis, in relation to the asset mentioned in the report referred to.

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, February 13, 2017.

Paulo Roberto Castellari Porchia

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