

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MARKET ANNOUNCEMENT

Reply to CVM Inquiry Letter 123/2017-CVM/SEP/GEA-1, of March 10, 2017

Question asked by the Brazilian Securities Commission (CVM)

Rio de Janeiro, March 10, 2017.

Subject: Request for information on news report

Dear Sir,

1. We refer to the news report published on March 10, 2017 in the *Estado de S. Paulo* newspaper in the *Coluna do Broad* section under the headline: “*Forward*”, which contains the following statements:

“With heavy debt maturities, Cemig is making firm progress with preparations for a placement outside Brazil, probably in May, of an issue of US\$ 600 million. The work of preparing the company for the transaction has been going on since 2016 and is reported to be at the phase of documentation. Conversations about a possible privatization, as part of the renegotiation of the debt owed by Minas Gerais to the federal government, do not hinder the transaction.”

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 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 March 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 reply to Official Letter 123/2017-CVM/SEP/GEA-1, of March 10, 2017, we inform you that Cemig has been studying alternatives for financing in the capital markets (whether domestic or international) with the specific objective of optimizing the Company's debt profile. We inform you, however, that as of today's date the Board of Directors has not approved any particular financing transaction.

In relation to any prospect of privatization, the Company informs you that as of today's date it is not aware of the existence of any process in progress. The Company has stated this previously, via a Market Announcement, on January 31, 2017.

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, March 13, 2017.

Adézio de Almeida Lima
Chief Finance and Investor Relations Officer