

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

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

MARKET ANNOUNCEMENT

Reply to CVM Inquiry Letter 200/2017/CVM/SEP/GEA-1, of May 16, 2017

Question asked by the Brazilian Securities Commission (CVM)

Rio de Janeiro, May 16, 2017

To Mr.

Adézio de Almeida Lima

Investor Relations Director

Companhia Energética de Minas Gerais – CEMIG

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Subject: Request for information on news report.

Dear Sir,

1. I request a statement by your company on the news item published by the news vehicle Reuters on May 16, 2017 under the headline:

“Cemig is close to selling the Santo Antônio plant and may reduce stake in Taesa”.

2. 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.

3. 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.
4. Further, §1 of Article 4 of CVM Instruction 358/2002 specifies the obligation, also, 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.
5. I 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 452/2007, has the power 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, which has been sent exclusively by e-mail.

Reply by CEMIG

Dear Ms. Nilza Maria Silva de Oliveira,

In response to Official Letter 200/2017/CVM/SEP/GEA-1 of May 16, 2017, we advise you 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. On this subject, although the Company is studying and prospecting various alternatives, so far no contractual instrument has been entered into, even on a non-binding basis, 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 and any facts that are of interest to its stockholders, in accordance with Article 2 of CVM Instruction 358/2002.

Belo Horizonte, May 17, 2017

Adézio de Almeida Lima
Chief Finance and Investor Relations Officer