

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

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

MARKET ANNOUNCEMENT

Reply to CVM Inquiry Letter 1238/2017-SAE, of July 7, 2017

Question asked by BM&FBovespa

July 7, 2017 1238/2017–SAE

Companhia Energética de Minas Gerais – CEMIG To Mr. Adézio de Almeida Lima Investor Relations Director

Subject: Request for information on media news report

Dear Sirs,

A news report in the newspaper *Valor Econômico*, on July 7, 2017, under the headline – "Cemig has till early August to renegotiate debts",

- contains among other information the following statements:
 - 1. Cemig is working on getting its plan to sell assets, announced in 2015, off the drawing board;
 - 2. Cemig's Board of Directors has approved the sale of the stake in the Santo Antônio hydroelectric plant, in Rondônia, to be completed in October. This has been agreed with the Chinese company SPIC.
 - 3. It is believed that by the end of September or early October Cemig will be receiving the amount of the sale transaction price.

We request further information/explanation on the items indicated, by July 10, 2017, including your confirmation of them or otherwise, and also any other information that is considered to be important.

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Reply by CEMIG

In response to Official Letter 1238/2017-SAE, of July 7, 2017, we inform you that the subjects referred to in the report published by *Valor Econômico* on July 7, 2017 have been widely published, as set out below:

- 1 This matter was the subject of the Material Announcement published on June 1, 2017 (publication receipt No. 002453IPE010620170104288707-22);
- 2 In the Material Announcement published on June 27, 2017 (publication receipt No. 002453IPE270620170104291312-18), we announced receipt of an offer to acquire the interests held by Cemig Geração e Transmissão S.A. and by SAAG Investimentos S.A. in Madeira Energia S.A. ('Mesa') holder of the concession to operate the Santo Antônio Hydroelectric Plant; and stated that this proposal is the result of various rounds of negotiation between the parties and that the management bodies of the Company will study the offer and make a decision on it.
- 3 In relation to this item "It is believed that by the end of September or early October Cemig will be receiving the amount of the sale transaction price" we report that the offer is still being analyzed by the Company's management bodies.

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, July 10, 2017

Adézio de Almeida Lima

Chief Finance and Investor Relations Officer