

COMPANHIA ENERGÉTICA DE MINAS GERAIS - CEMIG
LISTED COMPANY
CNPJ 17.155.730/0001-64
NIRE 31300040127

MARKET ANNOUNCEMENT

**REPLY TO BM&FBOVESPA INQUIRY
GAE/CAEM-2368/11, OF NOVEMBER 10, 2011**

Question asked by BM&F BOVESPA

In a report in the newspaper *Folha de São Paulo* of November 10, 2011 entitled “Electricity rate will fall by 2.4% in 2012”, it is stated that Cemig:

- estimates that the Ebitda of the distribution company will be reduced by R\$ 300 million, and that this, in Cemig’s results, will be less than 10%; and
- is currently investing R\$ 1.8 billion, including projects for the 2014 World Cup, but the post-revision investment is expected to be R\$ 600 million.

We request explanations about this report, and any other information considered to be important.

Answer by CEMIG

Dear Sirs:

In reply to your request made in BM&FBovespa Official Letter GAE/CAEM-2368/11, of November 10, 2011, we would inform you that

The newspaper item in the *Folha de São Paulo* newspaper of November 10, 2011, transcribed above, reports statements made by Cemig’s Chief Finance and Investor Relations Officer, Luiz Fernando Rolla, during the 42nd Ordinary Public Meeting of Aneel, which was held on November 8, 2011, in which a proposal for the methodology to be applied in the third Tariff Review of the holders of electricity distribution concessions was being discussed.

Belo Horizonte, November 11, 2011

Luiz Fernando Rolla
Chief Finance and Investor Relations Officer