

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

Cemig (*Companhia Energética de Minas Gerais*, listed in São Paulo, New York and Madrid), in compliance with CVM Instruction 358 of January 3, 2002 as amended, **hereby reports** to the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (B3) and the market **as follows**:

Cemig’s affiliated company **Transmissora Aliança de Energia Elétrica S.A.** (‘Taesa’) has today published the following Material Announcement:

“Transmissora Aliança de Energia Elétrica S.A. (“Taesa” or “Company”), pursuant to the Instruction 358, of January 3, 2002, as amended, from the Brazilian Securities and Exchange Commission, and for the purposes of Paragraph 4 of Article 157 of the Law 6404, of December 15, 1976, as amended, hereby announces to its shareholders, to the market in general and to other interested parties that the Company was the winner of the dispute for the lot 12 related to the Transmission Auction 004/2018, promoted on this date by the Brazilian Electricity Regulatory Agency (“ANEEL”):

	Lot 12
Winning RAP	R\$ 58,956,000.00
Discount	38.8%
Location	State of Rio Grande do Sul
Extension	587 km
Substations	5
CAPEX ANEEL	R\$ 610 million
Construction Period (month)	48 months

It is noteworthy that the volume of investments (CAPEX) and the construction period mentioned above are based on the call notice of the auction published by ANEEL. However, the Company expects a reduction in the estimated volume of investments as well as in the period to conclude and energize the project.

Additionally, the base case considered the tax regime of presumed income, EBITDA margin to be over Taesa’s current levels, and better financial conditions than those guaranteed by National Bank for Economic and Social Development - BNDES.

This result consolidates Taesa's strategic positioning as one of the biggest energy transmission companies in the country, maintaining its history of financial discipline and value creation to its shareholders."

Belo Horizonte, December 20, 2018.

Maurício Fernandes Leonardo Júnior
Chief Finance and Investor Relations Officer