

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MATERIAL ANNOUNCEMENT

Final judgment in Cemig’s favor on ICMS tax

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**:

On May 8, the legal action brought by Cemig, Cemig Distribuição S.A. (‘Cemig D’) and Cemig Geração e Transmissão S.A. (‘Cemig GT’) in the Regional Federal Appeal Court of the First Region reached final judgment against which there is no further appeal.

This judgment, in favor of the plaintiffs, recognized these companies’ right to exclude all amounts of ICMS tax from the amount on which the PIS and Cofins taxes are to be paid, with effect backdated to September 2003.

The companies are analyzing the legal and tax implications of the backdated effects since publication of the judgment. This process includes measurement of the tax credits, the form of offsetting/recovery of credits, and regulatory questions. These effects will be reported in the Quarterly Information for the second quarter of 2019 (ending June 30), planned to be published in August.

One result of the judgment is that no amounts of ICMS tax (paid or due) will in the future be included in any calculation of amounts of PIS and Cofins tax payable, within the electricity bills charged to customers of Cemig D. This will represent an average reduction of approximately 1% in the value of customers’ electricity bills.

Belo Horizonte, June 27, 2019.

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Chief Finance and Investor Relations Officer