

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

CNPJ/MF nº 17.155.730/0001-64

NIRE nº 062.002.160-0057

MATERIAL ANNOUNCEMENT

Debentures – subscribed by the State of Minas Gerais

Companhia Energética de Minas Gerais – **Cemig**, a listed company holding public service concessions, with shares traded on the stock exchanges of São Paulo, New York and Madrid, hereby informs the public, in accordance with its commitment to implement best corporate governance practices, of the issuance on December 29, 2005 of two thousand two hundred and fifty (2,250) subordinated, nominal, book-entry debentures of Cemig's fifth private issue of nonconvertible debentures, with nominal unit value of R\$ 10,000.00 on the Issue Date (December 29, 2005), having total value of R\$ 22,500,000.00. These debentures were subscribed by the State of Minas Gerais. They have maturity at 25 years, monetary adjustment for inflation by the nominal value of the IGP-M inflation index, and do not pay remuneration interest. The funds received by Cemig will be applied in the construction of the Irapé hydroelectric power plant.

Belo Horizonte, January 26, 2006

Flávio Decat de Moura
Chief Financial and Investor Relations Officer