

## COMPANHIA ENERGÉTICA DE MINAS GERAIS - CEMIG

### LISTED COMPANY

CNPJ 17.155.730/0001-64

### MATERIAL ANNOUNCEMENT

**Cemig** (Companhia Energética de Minas Gerais), a company holding a public service concession and listed on the stock exchanges of São Paulo, New York and Madrid, in accordance with its commitment to implement best corporate governance practices, hereby informs its stockholders and the public, in accordance with CVM Instructions 358 of 3 January 2002 and 359 of 22 January 2002, that, through **Rio Minas Energia Participações S.A.** (“**RME**”), a company formed with **Andrade Gutierrez Concessões S.A., J.L.A. Participações S.A. and Pactual Energia Participações S.A.**, in which each of the partners holds 25% (twenty five per cent) of the shares, has today signed with **EDF International S.A.** (“**EDFI**”), an agreement for sale of shares (“the Agreement”) for the acquisition of the direct and indirect stockholdings of EDFI, corresponding to a total of 79.57% (seventy nine point seven five per cent) of the total registered capital, in **LIGHT S.A.**, the holding company which wholly controls, among other companies, the electricity distribution concession holder **Light Serviços de Eletricidade S.A.**, which serves 3.8 million consumers (6.4% of the whole Brazilian market), in 31 municipalities of the State of Rio de Janeiro, and the generating company **Light Energia S.A.**, which has hydroelectric power plants with aggregate generating capacity of 852 MW.

Under the Agreement **RME** will pay **US\$319,809,871.91** (three hundred and nineteen million eight hundred and nine thousand eight hundred and seventy one Reais and ninety-one centavos) for **EDFI**'s holding in **Light S.A.** The total value of the assets acquired is approximately US\$1,758,000,000.00.

Additionally **RME** will, on a date to be announced, make a **public offering for acquisition of the remaining shares of Light S.A.**, in accordance with Law 6404/76, CVM Instruction 361/2002 and the Regulation of the *Novo Mercado*.

Conclusion of the transaction, including the acquisition of the shares by **RME**, is subject to certain conditions established in the Agreement including, among others, approval of the transfer of control of **Light S.A.** being given by the Brazilian National Electricity Agency, **Aneel**, by the **Commission des Participations et des Transferts** of France, by the Brazilian Development Bank (**BNDES**), and by other creditors. The transaction will also be submitted to the Brazilian monopolies authority, **CADE** (Economic Defense Council) – in accordance with Law 8884/94.

Belo Horizonte, March 28, 2006

Flávio Decat de Moura

Chief Financial and Investor Relations Officer