

## COMPANHIA ENERGÉTICA DE MINAS GERAIS - CEMIG

BRAZILIAN LISTED COMPANY

CNPJ 17.155.730/0001-64

### MATERIAL ANNOUNCEMENT

Companhia Energética de Minas Gerais – Cemig, a listed company traded on the stock exchanges of São Paulo, New York and Madrid, and holder of public service concessions, hereby informs the public, in accordance with its commitment to implement best corporate governance practices, and CVM Instructions 358 of 3 January 2002 and 359 of 22 January 2002, that on today's date **Cemig, in partnership with MDU Brasil Ltda. (“MDU”) and Brascan Brasil Ltda (“Brascan”) have signed Share Purchase and Sale Agreements (“the Agreements”)** with Schahin Holding S.A., as Vendor, and Schahin Engenharia S.A. and Schahin Energia S.A. as guarantors (jointly, **“Schahin”**), relating to the acquisition of 100% of the holdings of Schahin in the following electricity transmission concessions, including 50% (fifty per cent) of the voting capital of: (i) Empresa Amazonense de Transmissão de Energia S.A., (ii) Empresa Paraense de Transmissão de Energia S.A., (iii) Empresa Norte de Transmissão de Energia S.A. and (iv) Empresa Regional de Transmissão de Energia S.A., and 40% (forty per cent) of the voting capital of ECTE - Empresa Catarinense de Transmissão de Energia S.A..

CEMIG and MDU form the “Purchasing Group” and Brascan holds an option to purchase the said shareholdings.

The purchasers have agreed the value of R\$ 656,000,000.00 (six hundred and fifty six million Reais), on the basis of September 2005, for Schahin's holdings in the above-mentioned concessions.

Conclusion of the transaction to complete the acquisition of the shares by Cemig and its partners is subject to compliance with certain conditions established in the Agreements, including approval by the Brazilian Electricity Regulator (ANEEL) by the Brazilian Development Bank (BNDES) and by other financing bodies, of the transfer of the shares of the above-mentioned companies. The Brazilian monopolies authority, CADE, will also be notified of the transaction, in accordance with Law 8884/94.

Belo Horizonte, May 4, 2006

Flávio Decat de Moura  
Chief Financial and Investor Relations Officer