

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

LISTED COMPANY
CNPJ 17.155.730/0001-64

Market announcement

BRASCAN Brasil Ltda. exercises its option to purchase the shares of Schahin Holding S.A. in electricity transmission companies

Companhia Energética de Minas Gerais – **Cemig**, a holder of public electricity service concessions, listed on the stock exchanges of São Paulo, New York and Madrid, hereby announces, in accordance with its commitment to best practices in corporate governance and CVM Instructions 358 and 359 of January 3 and 22, 2002, that on May 16, 2006, pursuant to the Share Purchase Agreements (“the Agreements”) signed on May 4, 2006, between Companhia Energética de Minas Gerais – Cemig, Schahin Holding S.A. (“**Schahin**”), MDU Brasil Ltda. and Brascan Brasil Ltda. (“**Brascan**”), Brascan exercised its options to purchase part of the shares of Schahin in the electricity transmission companies Empresa Amazonense de Transmissão de Energia (“**EATE**”), Empresa Paraense de Transmissão de Energia (“**ETEP**”), Empresa Catarinense de Transmissão de Energia (“**ECTE**”), Empresa Regional de Transmissão de Energia (“**ERTE**”), and Empresa Norte de Transmissão de Energia (“**ENTE**”).

As a result of this transaction the percentage interests held by each of the stockholders in the acquisition of the holdings of Schahin in the respective transmission concession holders are now as follows:

COMPANY	EATE	ETEP	ECTE	ERTE	ENTE
CEMIG	50.00%	50.00%	18.75%	36.00%	36.00%
BRASCAN	50.00%	50.00%	18.75%	36.00%	36.00%
MDU	-	-	62.50%	28.00%	28.00%

Conclusion of the transaction and acquisition of the shares by Cemig and its partners are subject to compliance with certain conditions established in the Agreement including, among others, approval of the transfer of the shares of the above-mentioned companies by the Brazilian electricity regulator, Aneel, by the Brazilian Development Bank (BNDES), and by other financing agents. The transaction will also be submitted to the Brazilian monopolies authority, CADE, in accordance with Law 8884/94.

Belo Horizonte, May 19, 2006

Flávio Decat de Moura
Chief Financial and Investor Relations Officer