

COMPANHIA ENERGÉTICA DE MINAS GERAIS - CEMIG

LISTED COMPANY

CNPJ 17.155.730/0001-64

MATERIAL ANNOUNCEMENT

In accordance with its commitment to best corporate governance practices, and CVM Instructions 358 of 3 January 2002 and 359 of 22 January 2002, and subsequent to its Material Announcement of May 5, 2006 and market announcement dated May 19, 2006, **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 announces the **completion on today's date of the transaction for purchase of the sales owned by Schahin Holding S.A in the following electricity transmission concession holders:** (i) Empresa Amazonense de Transmissão de Energia S.A. - EATE, (ii) Empresa Paraense de Transmissão de Energia S.A. - ETEP, (iii) Empresa Norte de Transmissão de Energia S.A. – ENTE, (iv) Empresa Regional de Transmissão de Energia S.A. – ERTE, and (v) da Empresa Catarinense de Transmissão de Energia S.A. – ECTE.

Belo Horizonte, August 16, 2006

Flávio Decat de Moura
Chief Financial and Investor Relations Officer