

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

Listed company
CNPJ n° 17.155.730/0001-64
Avenida Barbacena 1200
30190-131 Belo Horizonte, Minas Gerais, Brazil

NIRE n° 31300040127

MATERIAL ANNOUNCEMENT

In accordance with the best corporate governance practices, **Cemig** (Companhia Energética de Minas Gerais), a listed company with share securities traded on the stock exchanges of New York, Madrid and São Paulo, hereby announces that 3,000 (three thousand) debentures not convertible into shares were issued on December 28, 2006, under the Private Debenture Issue Deed of Cemig's 6th Private Issue of Non-Convertible Debentures (Single Series, without guarantee and without preference). The Issue was approved by the meeting of the Board of Directors held on November 30, 2006.

The debentures are of the subordinated type, with nominal unit value of R\$ 10,000.00 on December 28, 2006 ("Issue Date"), totaling the amount of R\$ 30,000,000.00. The maturity of the debentures will be 25 years from the Issue Date, updated by the nominal value of the Brazilian IGP-M inflation index, and without the right to receipt of remuneratory interest.

The totality of the debentures was subscribed by the Brazilian State of Minas Gerais. The proceeds received by Cemig will be used to cover expenses realized in construction of the Irapé Hydroelectric Power Plant.

Belo Horizonte, January 2, 2007

Flávio Decat de Moura
Chief Financial and Investor Relations Officer