

COMPANHIA ENERGÉTICA DE MINAS GERAIS - CEMIG

LISTED COMPANY
CNPJ 17.155.730/0001-64
NIRE 31300040127

MATERIAL ANNOUNCEMENT

Cemig (Companhia Energética de Minas Gerais), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, hereby informs the public, the Brazilian Securities Commission (CVM), the São Paulo Stock, Commodities and Futures Exchange (“BM&FBovespa”) and the market – in accordance with CVM Instruction 358 of January 3, 2002, as amended – as follows:

On June 2, 2011, **Transmissora Aliança de Energia Elétrica S.A. (“TAESA”)**, an affiliated company of **CEMIG**, signed two **Share Purchase Agreements** with the **ABENGOA Group**:

- 1) the first is for acquisition of 50% of the shares held by **Abengoa Concessões Brasil Holding S.A.** in the registered capital of **Abengoa Participações Holding S.A.**, which on the closing date of the transaction will own 100% (one hundred per cent) of the registered capital of the following transmission companies:

STE – Sul Transmissora de Energia S.A., ATE Transmissora de Energia S.A.,	ATE II Transmissora de Energia S.A., and ATE III Transmissora de Energia S.A.;
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- 2) the second is for acquisition of 100% of the shares held by Abengoa **Concessões Brasil Holding S.A.** and by Abengoa **Construção Brasil Ltda.** in the registered capital of:

NTE - Nordeste Transmissora de Energia S.A.;

(the five companies being referred to jointly as “the Transmission Companies”).

For the acquisitions described in the two Share Purchase Agreements TAESA will pay a total of R\$ 1,099,224,000.00 (one billion, ninety nine million two hundred twenty four thousand Reais), in currency of December 31, 2010.

The acquisition price will be updated in monetary terms by the accumulated variation of the Selic rate from the base-date of December 31, 2010 to the last business day prior to the date of conclusion of the transaction, on which day the payment and effective acquisition of the shares by TAESA takes place. The acquisition price will be adjusted for stockholder proceeds and/or any increases or reductions in capital that occur between the base date and the date of conclusion of the transaction.

Conclusion of the transaction and effective acquisition of the shares by TAESA shall be subject to certain conditions precedent, among which we mention:

- (i) approval by the General Meeting of Stockholders of the Company;
- (ii) consent of the financing banks of the Transmission Companies; and
- (iii) approval by the Brazilian electricity regulator, Aneel.

The transaction will also be submitted to the Brazilian monopolies authority, CADE, in accordance with Law 8884/94.

The company will keep the market duly and timely informed on progress of the transaction.

Belo Horizonte, June 2, 2011.

Luiz Fernando Rolla
Chief Finance and Investor Relations Officer