

MARKET ANNOUNCEMENT



Geração e Transmissão S.A.

Listed company

CNPJ No 06.981.180/0001-16

Avenida Barbacena 1200, 12th Floor, B1 Wing,
Belo Horizonte, Minas Gerais, 30190-131, Brazil.

ISIN: BRCMGTDBS005 - 1^a Serie

BRCMGTDBS013 - 2^a Serie

Unibanco (União de Bancos Brasileiros S.A.), as Lead Manager of the Offer (defined below), hereby gives notice, pursuant to Article 53 of CVM Instruction 400 of December 29, 2003, as amended (“CVM Instruction 400”), that application was made to the CVM on January 5, 2007 for registry of the 1st Public Issue of Debentures issued by Cemig Geração e Transmissão S.A. (“the Issuer” or “Cemig GT”) (“the Offer” or “the 1st Issue”).

1. INFORMATION ABOUT THE OFFER

This Offer is carried out for the purposes of realization of the Obligatory Exchange of Debentures of the 1st Issue of Companhia Energética de Minas Gerais (“Cemig”) carried out under the Private Deed of the 1st Public Issue of Non-Convertible Debentures, Divided into Two Series, Without Guarantee or Preference of Cemig, contracted on October 4, 2001, as amended (“the Deed of the 1st Cemig Issue”), for the Debentures (as below defined) of the 1st Issue of Cemig GT, with the consequent cancellation of the Debentures of the 1st Cemig Issue (“the Obligatory Exchange”).

The Offer will be the first issue of Debentures by Cemig GT, consisting of 62,500 (sixty two thousand five hundred) Debentures not convertible into shares, of which 31,250 (thirty two thousand five hundred) will be of the First Series, with nominal unit value of R\$ 15,641.490773, on November 1 (the “Issue Date”) and 31,250 (thirty two thousand five hundred) of the Second Series, with nominal unit value of R\$ 16,131.837123 on the Issue Date. The tenor of the Debentures of the First Series shall be 36 months from the Issue Date, thus maturing on November 1, 2009; and the tenor of the Debentures of the Second Series shall be 60 months from the Issue Date, thus maturing on November 1, 2011. The debentures of the 1st Series shall return interest corresponding to the accumulated value of 100% of the average daily interbank deposit rate (“the DI Rate”), calculated and published by Cetip, capitalized by a spread of 1.2% per year.

The debentures of the 2nd Series shall return interest corresponding to the accumulated value of 104% of the average daily interbank deposit rate (“the DI Rate”), calculated and published by Cetip.

The Debentures of the present Offer are guaranteed through a guarantee given by Cemig.

The 1st Issue of Debentures of Cemig GT was approved at the 22nd Meeting of the Board of Directors of the Issuer held on February 20, 2006, the minutes of which were rectified by the 37th Meeting of

the Board of Directors of the Issuer held on November 23, 2006. The guarantee that will be given of this Issue by Cemig was authorized at the 372nd Meeting of the Board of Directors of Cemig, held on January 25, 2006.

The Obligatory Exchange will be carried out as specified in the Issue Deed of the 1st Cemig Issue, and the paying up of the Debentures shall be at sight, by exchange for the Debentures of the 1st Cemig Issue. Each Debenture of the 1st Series of the 1st Cemig Issue shall correspond to 1 (one) Debenture of the 1st Series of the 1st Issue of Cemig GT; and each Debenture of the 2nd Series of the 1st Cemig Issue shall correspond to 1 (one) Debenture of the 2nd Series of the 1st Issue of Cemig GT.

2. INFORMATION ON THE PROCEDURES OF THE OFFER

Subject to the conditions specified in the Distribution Contract of the Offer, the Lead Manager shall carry out the public distribution of the Debentures on a best efforts placement basis.

In accordance with the provisions of the applicable regulations, the Lead Manager shall carry out the public distribution of the Debentures in accordance with a distribution plan adopted in compliance with the terms of §3 of Article 33 of CVM Instruction 400, in such a way as to guarantee: (i) that the treatment given to the investors is fair and equitable, (ii) that the investment is appropriate to the risk profile of the respective clients of the Lead Manager; and (iii) that any doubts on the part of the investors can be cleared up by a person designated by the Lead Manager.

The distribution plan shall be carried out in the following terms:

- (i) after obtaining of registry of the Offer by the CVM, the respective Announcement of Commencement shall be published;
- (ii) in view of the Obligatory Exchange, there will be no right of preference for subscription of the Debentures by the Issuer's present stockholders;
- (iii) also in view of the Obligatory Exchange, there shall be no minimum or maximum lots for subscription of the Debentures; and
- (iv) in accordance with the terms of the Obligatory Exchange, only and exclusively requests from the Debenture Holders of the 1st Cemig Issue will be served.

The maximum period for placement of the Debentures shall be 5 (five) business days from the date of publication of the Announcement of Commencement of the Offer.

The Debentures of the 1st Cemig Issue received by the Issuer for the purpose of paying up of the Debentures of this present Issue will be cancelled.

The Debentures shall be registered for distribution in the primary market: (i) through the SDT (Securities Distribution System), administered by Cetip (the Settlement and Custody Chamber), based on the policies and guidelines set by Andima (the National Association of Financial Market Institutions), settlement and custody being at the Cetip; and (ii) through the Bovespafix system, administered by the São Paulo Stock Exchange (Bovespa) ("the Bovespafix System"), settlement and custody being at the CBLC (Brazilian Settlement and Custody Company).

The Debentures shall be registered for trading in the secondary market: (i) through the SND (National Debentures System), administered by the Cetip, based on the policies and guidelines fixed

by Andima, settlement and custody being at the Cetip; and (ii) through the Bovespafix System administered by BOVESPA, settlement and custody being at the CBLC.

3. PRELIMINARY PROSPECTUS

The Preliminary Prospectus shall be available at the following addresses and Internet web pages:

CEMIG GERAÇÃO E TRANSMISSÃO S.A.
Avenida Barbacena 1200, 12th Floor, B1 Wing,
Belo Horizonte, MG, Brazil.
<http://cemigt.infoinvest.com.br>

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG
Av. Barbacena 1200, 1st Floor, A1 Wing,
Belo Horizonte, Minas Gerais, Brazil.
www.cemig.com.br

UNIBANCO – UNIÃO DE BANCOS BRASILEIROS S.A.
Av. Eusébio Matoso 891,
São Paulo, SP, Brazil.
www.unibanco.com.br/prospectos

COMISSÃO DE VALORES MOBILIÁRIOS – CVM
Rua Sete de Setembro 111, 5th Floor, Centro, Rio de Janeiro, RJ, Brazil, or
Rua Cincinato Braga 340, 2nd to 4th Floors,
Edifício Delta Plaza, São Paulo, SP, Brazil.
www.cvm.gov.br

CBLC – COMPANHIA BRASILEIRA DE LIQUIDAÇÃO E CUSTÓDIA
Rua XV de Novembro 275,
São Paulo, SP, Brazil.
www.cblc.com.br

CÂMARA DE CUSTÓDIA E LIQUIDAÇÃO – CETIP
Av. República do Chile 230, 11th Floor, Centro, Rio de Janeiro, RJ, Brazil;
or
Rua Líbero Badaró 425, 24th Floor, Centro, São Paulo, SP, Brazil.
www.cetip.com.br

4. COMPLEMENTARY INFORMATION

The Issue is subject to prior approval by the CVM. Complementary information about the Issue may be obtained from the Issuer and the Lead Manager at the addresses indicated above. The information contained in the Preliminary Prospectus will be the subject of analysis by the CVM and is subject to complementation or correction. The Final Prospectus of the Issue will be placed at the disposal of investors in the locations referred to in item 3 above, as from the date of

commencement of the distribution of the Debentures of the Issue. The Preliminary Prospectus contains information that is complementary to this document and reading will make possible a detailed analysis of the Issuer, the terms and conditions of the Offer and the risks inherent to it.

Belo Horizonte, March 30, 2007

READ THE PROSPECTUS BEFORE ACCEPTING THE OFFER

The information included in the Preliminary Prospectus will be the subject of analysis by the CVM, which has not yet issued a statement on the subject.

The Preliminary Prospectus is subject to complementation and alteration. The Final Prospectus will be placed at the disposal of investors at the addresses indicated in item 3 above at an appropriate time.

Registry of the present Offer does not imply any guarantee by the CVM of the truthfulness of the information presented or any judgment by the CVM about the quality of the company, nor on the Debentures to be distributed.



The present Public Offer or program was prepared in accordance with the terms of the Self-Regulation Code of ANBID for Public Offers for distribution and acquisition of securities, which has been registered at the 4th Registry Office for Securities and Documents of the district of São Paulo, São Paulo State, under No. 4890254, and the present Public Offer thus complies with the minimum standards of information contained in the Code, and ANBID has no responsibility for the said information, for the quality of the Issuer and/or the Offering party/ies, nor of the participating institutions nor the securities that are the subject of the present Public Offer/program.

Lead Manager

