

COMPANHIA ENERGÉTICA DE MINAS GERAIS - CEMIG

LISTED CORPORATION

INCOME TAX REGISTRATION NUMBER 17.155.730/0001-64

MATERIAL FACT

Companhia Energética de Minas Gerais – CEMIG, in compliance with Ordinance No. 358 of January 1, 2002, of the *Comissão de Valores Mobiliários* (the “CVM”) (the Brazilian Securities and Exchange Commission) announced today that it will accrue a loss provision of certain receivables it has from the Government of the State of Minas Gerais, Brazil in its financial statements in the amount of R\$1,045,325,000.00 (approximately US\$450,000,000 according to March 31, 2002 rate of exchange). The receivables represent installments becoming due on or after January 1, 2003 under the second amendment, signed in October 2002, to the CRC Assignment Agreement between CEMIG and the State of Minas Gerais. In accordance with CVM rules, this provision will be reflected through a restatement of CEMIG’s Brazilian GAAP second- and third-quarter 2002 financial statements. CEMIG’s U.S. GAAP financial statements for the year ended December 31, 2001 will reflect the provision.

CEMIG, together with the Government of the State of Minas Gerais, is continuing to negotiate the payment of the balance due under the second amendment to the CRC Assignment Agreement, including the transfer of the obligation to pay the receivables to the Federal Government.

Belo Horizonte, Brazil, January 22, 2003.

Cristiano Corrêa de Barros
Investor Relations Officer