



CORPORATE ANNOUNCEMENT

IMMEDIATE RELEASE

CEMIG SETTLES PORTION OF CURRENT OBLIGATIONS TO MAE

Belo Horizonte, Feb. 25, 2003 – Companhia Energética de Minas Gerais – Cemig (NYSE: CIG, BOVESPA: CMIG3, CMIG4 and LATIBEX: XCMIG) one of Brazil's largest energy companies, announces the settlement, on February 18, 2003, of 50% of CEMIG's outstanding obligations relating to electricity purchase transactions effected on the *Mercado de Atacado de Energia* (the Brazilian wholesale electricity market, or MAE) during the period of mandatory electricity rationing in Brazil. In connection with this settlement, CEMIG disbursed R\$335,481,649.19 to the MAE agents. This amount was based on transaction data provided by the MAE.

The financial resources required for this settlement were obtained through a loan agreement dated February 7, 2003 between Banco Nacional de Desenvolvimento Econômico e Social (the Brazilian National Bank for Economic and Social Development, or BNDES) and CEMIG. This loan was made in accordance with the provisions of the General Agreement of the Electricity Sector, which was entered into between the Agência Nacional de Energia Elétrica (the Brazilian federal energy regulatory agency) and the Brazilian electric utilities affected by the electricity rationing program.

CEMIG is required to settle the remaining amounts due to the MAE upon the completion of an audit of transaction data currently being performed by the MAE. This audit may result in the recalculation of the transaction data figures that have previously been provided to CEMIG by the MAE. Under the General Agreement of the Electricity Sector, BNDES must provide additional financing in connection with such additional settlement.

Certain statements and assumptions contained herein are forward-looking statements based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results could differ materially from those expressed or implied in such statements.

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