

# FINANCIAL STATEMENTS

## 3<sup>rd</sup> Quarter 2002

- Chief Financial Officer - DFN
- Chief Investor Relations Officer

# Agenda

- **Introduction**
- **Operating Performance**
- **Financial Statements**
- **Outlook for 2003**
- **Conclusion**

# 3rd Quarter Highlights



## • Positives

- Sound financial situation
- Debt rollover
- CRC: receivables acquisition by Federal Government
- Capital expenditure: R\$ 764.4 million
- New customers: 33,000
- Served Customers: 5.5 million
  - Penetration
    - Urban: 100%
    - Rural: 85%

## • Negatives

- *Real* Devaluation
  - Increased debt
- MAE energy transaction figures
- Sluggish electricity consumption growth
- CRC: applied discount
- Unbundling: fine applied

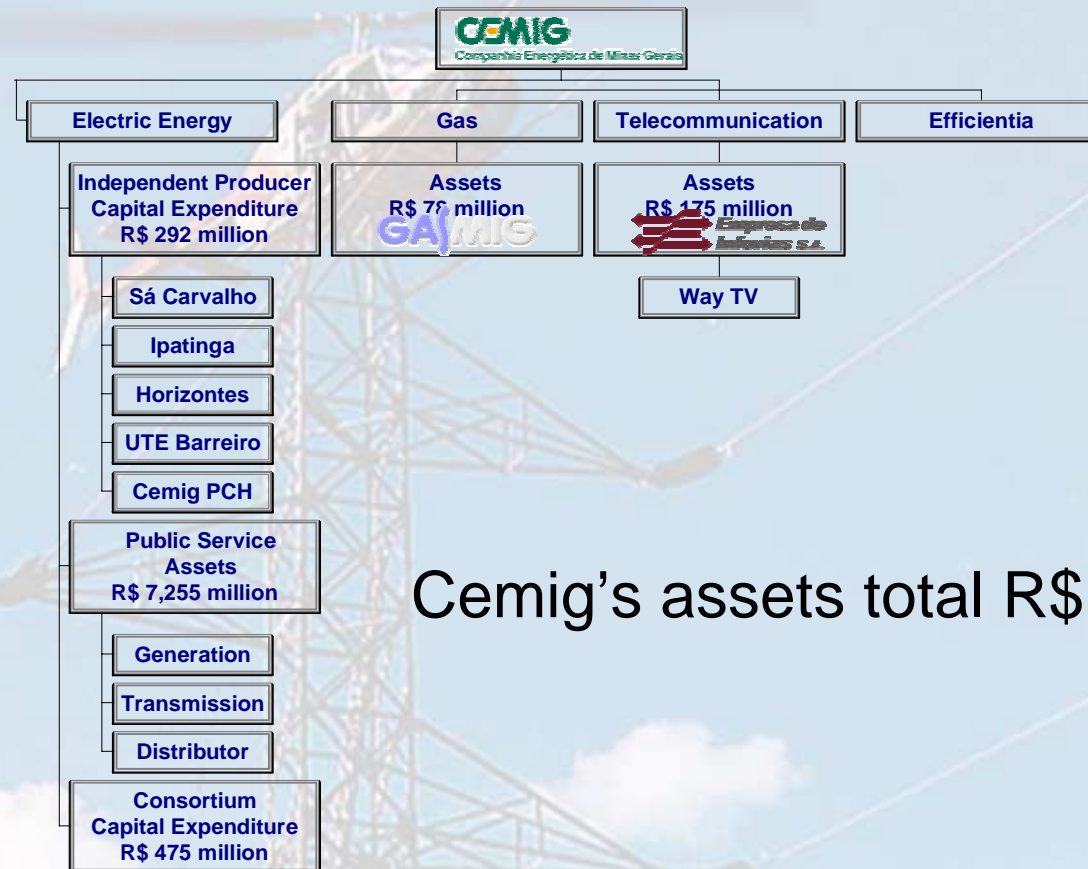


# Cemig Today

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A Melhor Energia do Brasil.



4



Cemig's assets total R\$ 8.28 billion



# High Investment Returns Added Value to Core Business

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## Consolidated Statement of Income as of September 2002

Description	Cemig	Gasmig	Infovias	Sá Carvalho	Ipatinga	Total
Net Operating Revenue	3.692,7	99,1	6,6	16,6	5,6	3.820,6
Operating Expenses	3.267,6	82,6	26,3	3,9	4,6	3.385,0
Operating Margin (%)	11,5	16,6	(298,5)	76,5	17,9	11,4
Financial Income (loss)	(899,3)	2,6	(55,8)	1,9	0,9	(949,7)
Non-operating Income (loss)	(19,0)	0,0	(0,6)	0,0	0,0	(19,6)
Income (loss) before Income Tax	(493,2)	19,1	(76,1)	14,6	1,9	(533,7)
Tax and Profit-Sharing	(121,0)	7,1	(36,3)	4,0	0,5	(145,7)
Reversal of Interest on Capital	120,0	-	-	-	-	120,0
Income/Loss after Income Tax	(252,2)	12,0	(39,8)	10,6	1,4	(268,0)
Net Margin (%)	(6,8)	12,1	(603,0)	63,9	25,0	(7,0)
EBITDA Margin (%)	22,0	19,0	(112,8)	88,0	97,8	22,1

Values in R\$ million



# Cemig Today

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- Brazil's largest electricity distributor:
  - Consumers served: 5.55 million
  - Retail sales: 12.15% market share
  - Distribution network length
- Sixth largest power generator:
  - Installed Capacity: 7.01% market share
  - Electric energy output
- Fourth largest transmission grid
  - Installed transformer capacity
  - Transmission grid extension

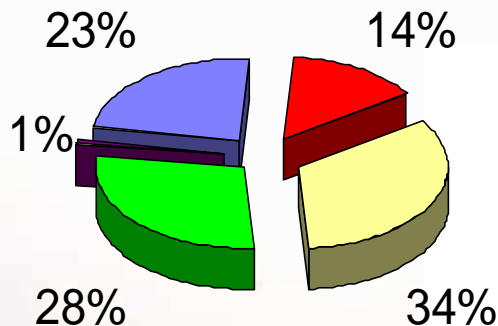




# Highlights



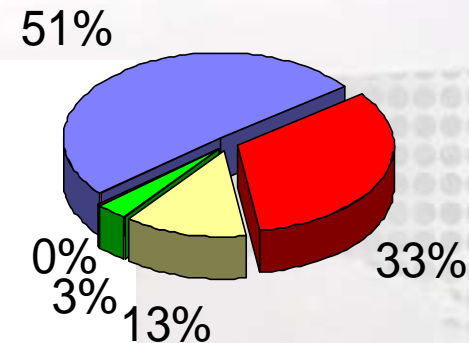
## TOTAL SHARES



## CEMIG's SHAREHOLDING CAPITAL SEPTEMBER/2002

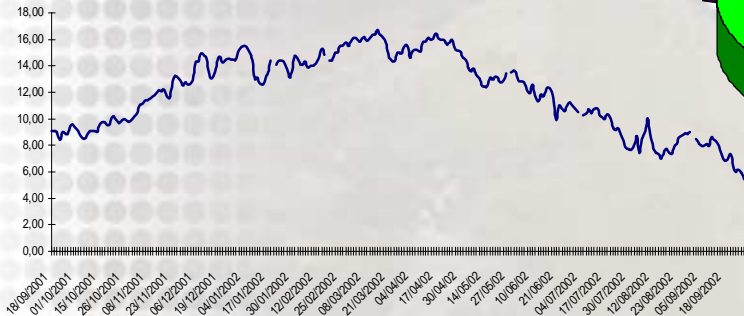
- State of Minas Gerais
- Southern Electric Brasil Part. Ltda.
- Private Investors and Other Shareholders
- Foreign Investors
- Others

## COMMON SHARES

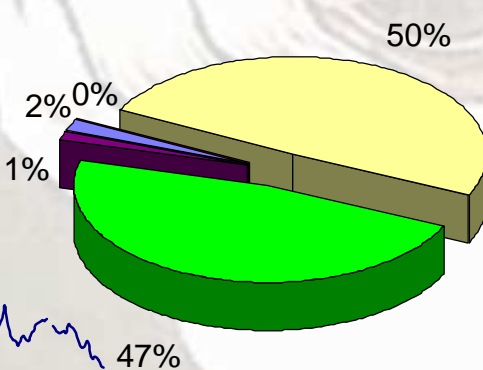


**Listing  
New York Stock  
Exchange**

## CIG

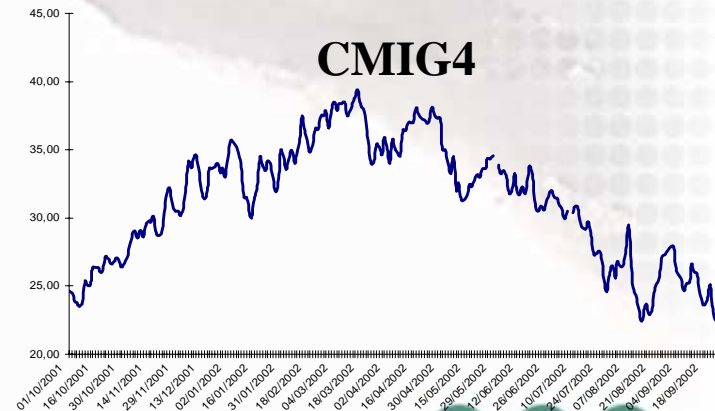


## PREFERRED SHARES

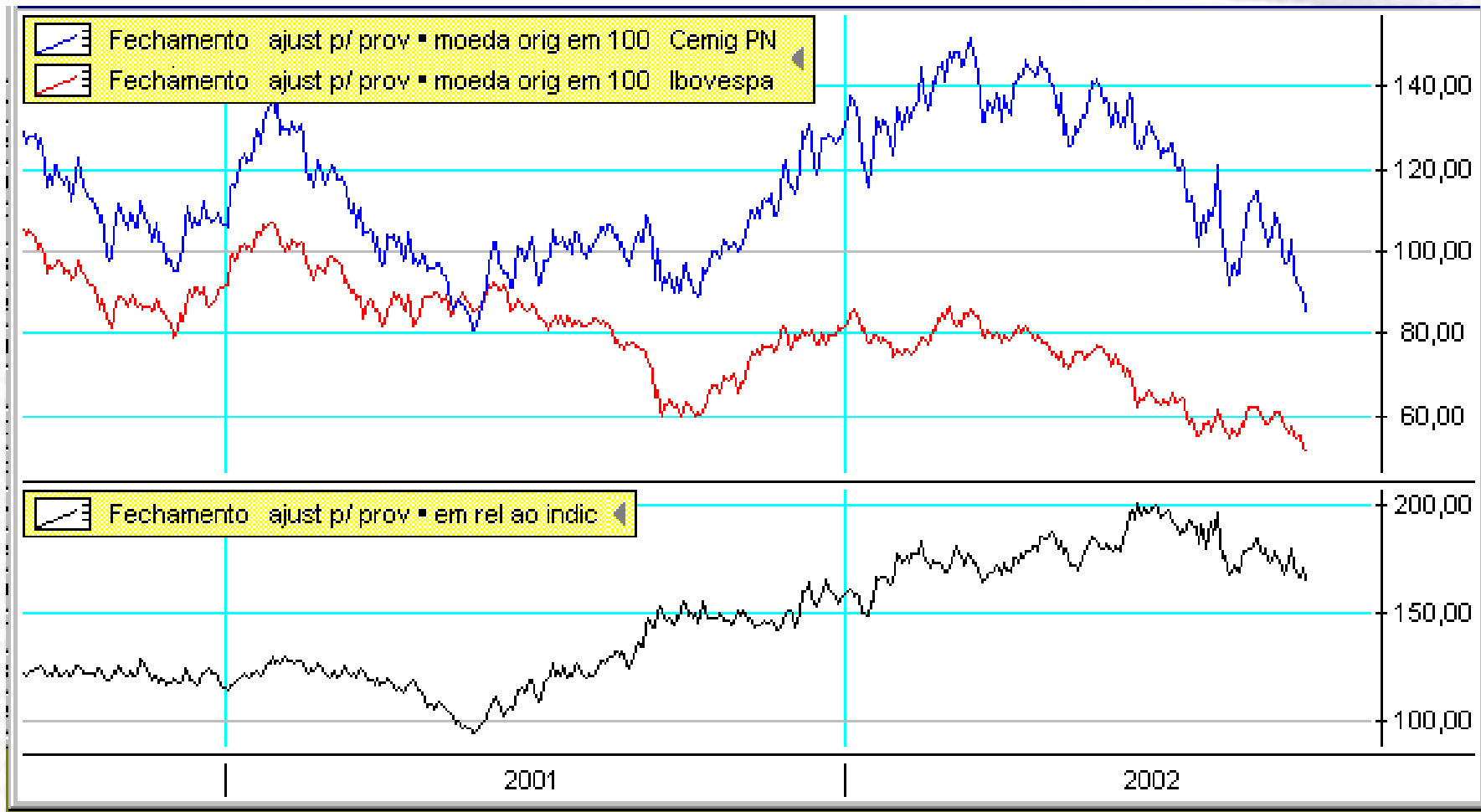


**BOVESPA  
Corporate Governance  
Level I**

## CMIG4



# Stock has Outperformed IBOVESPA





# Key Figures as of September 30, 2002

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9

Own Power Output	16.019 GWh	↑	3.3 %
Number of Consumers	5.553 million	↑	3.9 %
Retail Sales	26.764 GWh	↓	(2.8) %
Net Operating Revenue	R\$3.693 MI	↑	33.8 %
Operating Expenses	R\$3.268 MI	↑	24.6 %
Operating Margin	11.5 %	↑	128.5 %
EBITDA	R\$813 MI	↑	57.9 %
EBITDA Margin	22.0 %	↑	18.1%
FX Losses	(887.6 MI)	↑	94.5 %
Company Net Profit	(R\$252.2 MI)	↑	---
Net Margin	(6.8) %	↑	---
<b>Consolidated Net Profit</b>	<b>(R\$268 MI)</b>	<b>↑</b>	<b>---</b>
<b>Consolidated Net Margin</b>	<b>(7.0) %</b>	<b>↑</b>	<b>---</b>

# Agenda

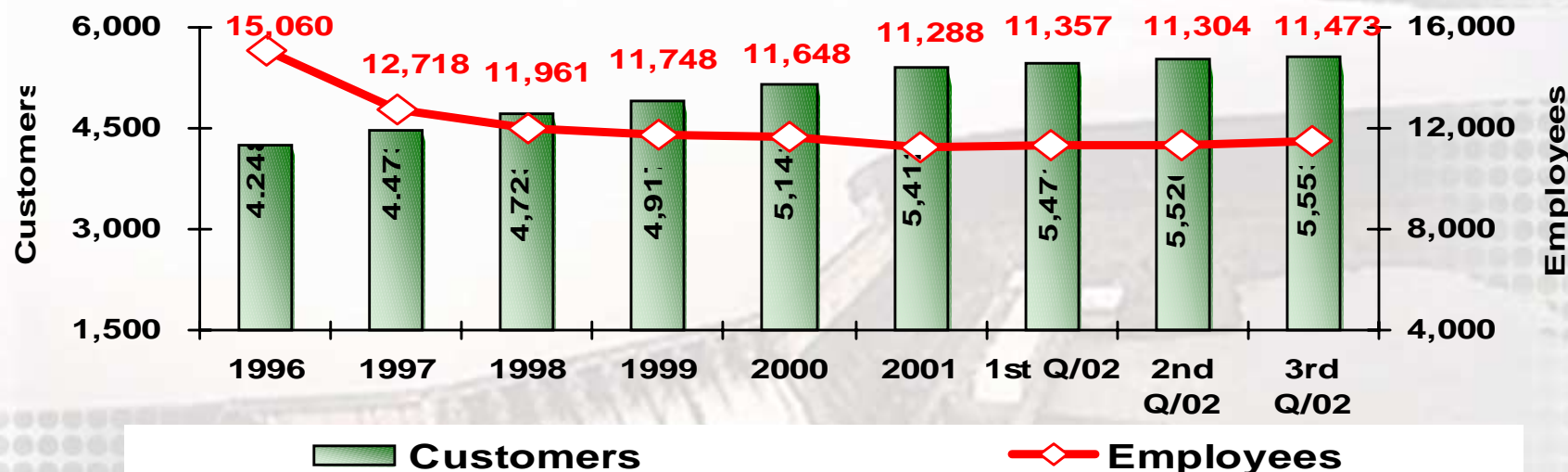
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- ✓ **Introduction**
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# Productivity Gains



	1997	1998	1999	2000	2001	as of Sep/02	as of Sep/01
Customers per Employee	352	391	418	441	479	483	470
MWh Sold / Employee	2.676	3.282	3.332	3.647	3.093	2.288	2.382
Labor Expenses per Net Re	27,9	19,2	16,0	14,2	11,7	10,6	15,5
Net Revenue per Expenses	0,83	0,73	0,86	0,81	0,81	0,88	0,95
Added Value Ratio	1,21	1,38	1,16	1,24	1,24	1,13	1,05
Sales Growth (%)	3,10	2,20	(0,03)	7,00	(7,0)	(2,0)	(7,1)
Operating Expenses / MWh	49	50	75	69	109	124	97



# Energy Balance as of September 2002

## Energy for Sale 36,896 GWh

<u>Energy Generated</u>	<u>16,898</u>
Own Generation	15,444
Third party plant output	879
Affiliates	575

<u>Energy Purchased</u>	<u>19,997</u>
Itaipu	9,541
Other Utilities	2,028
Short-term Energy	8,381
Isolated Loads	47

## Energy Delivered to Transmission

<b>Total Energy</b>	<b>33,459 GWh</b>
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<b>Losses 9.3 %</b>	<b>3,437 GWh</b>
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## Regulated Business

<b>13,076 GWh</b>
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## Non-regulated Business

<b>12,870 GWh</b>
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## Third-party Plant Supply

<b>992 GWh</b>
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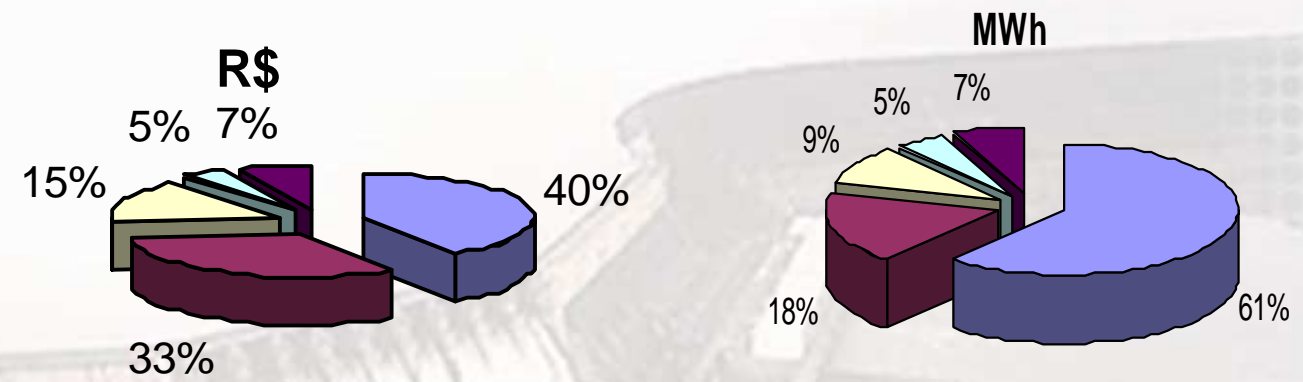
## Wholesale

<b>6,521 GWh</b>
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# Retail Sales

as of September 2002

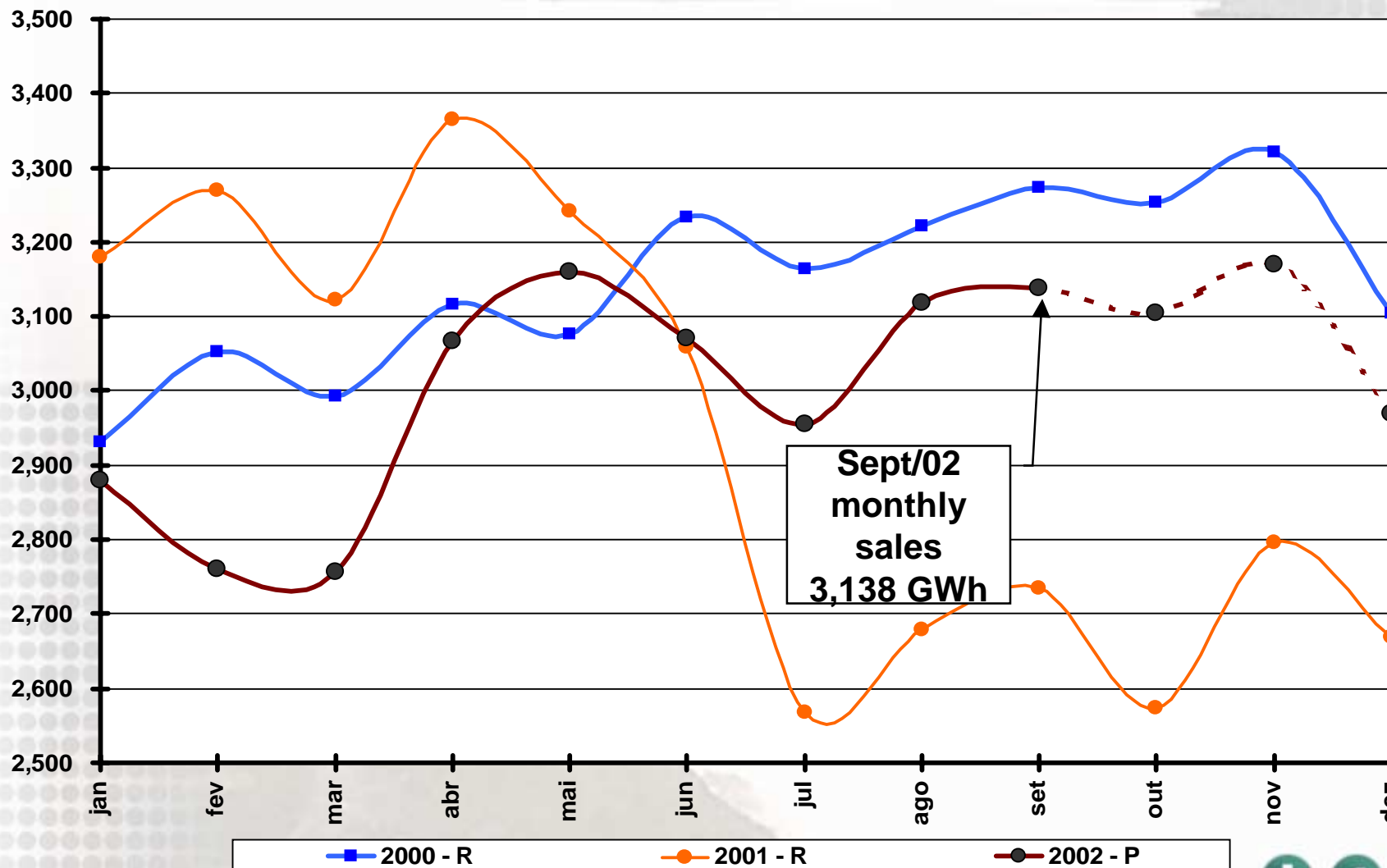


■ Industrial 
 ■ Residential 
 ■ Commercial 
 ■ Rural 
 ■ Others

9 months of 2002/2001 (%)	3Q 2002/2001 (%)	Last 12 months (%)
(1.97)	16.8	(7.10)
(7.64)	15.60	(13.30)
(11.22)	11.12	(16.24)
(0.61)	15.99	(4.80)
(4.62)	21.39	(9.20)



# Monthly Sales - GWh



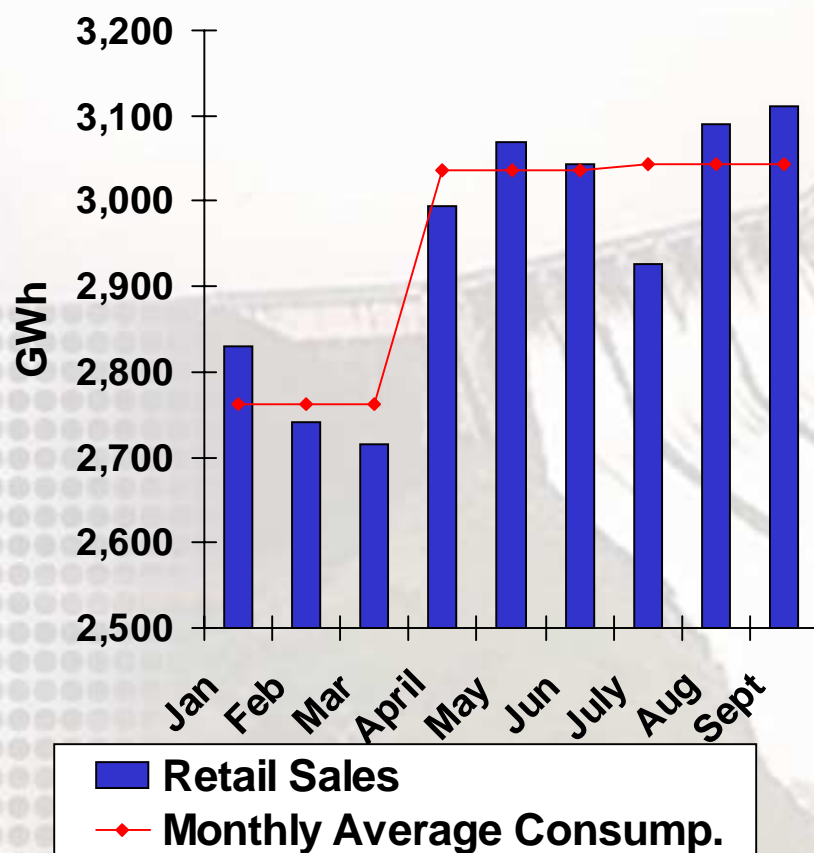
# Energy Retail Sales Volume Growth Analysis

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15

- In 2Q and 3Q 2002, monthly average retail sales volume was 10% higher than 1Q 2002

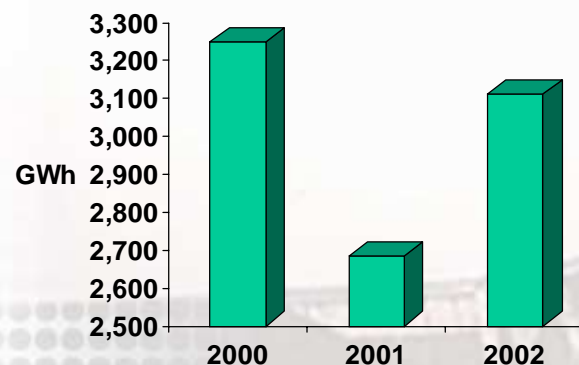


# Energy Retail Sales Volume Growth Analysis

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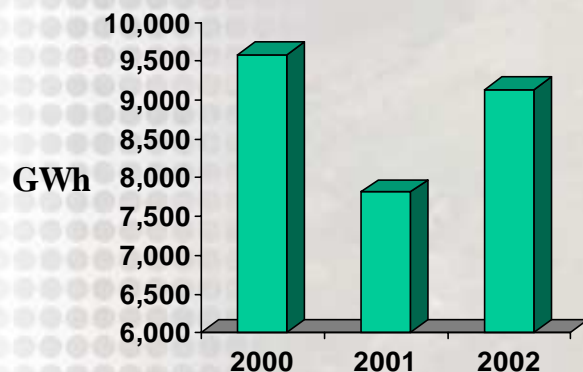


## September Retail Sales Analysis



- **September 2002 retail sales were:**
  - Approximately 16% stronger compared to September 2001
  - 4% lower than 2000

## Third Quarter Analysis



- **3Q 2002 retail sales volume was:**
  - 4.8% lower than 2000
  - 16.8% stronger than 2001



# Agenda

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# Sound Balance Sheet Sustains Growth

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Description	as of Sep/02	as of Sep/01	Change %
<b>ASSETS</b>	<b>14,813.2</b>	<b>13,995.3</b>	<b>5.8</b>
Current Assets	1,811.9	1,632.4	11.0
Noncurrent Assets	4,724.0	4,244.7	11.3
Permanent Assets	8,277.3	8,118.2	2.0
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>14,813.2</b>	<b>13,995.3</b>	<b>5.8</b>
Current Liabilities	2,992.4	2,210.3	35.4
Long-term Liabilities	5,306.1	4,828.2	9.9
Shareholders' Equity	6,514.7	6,956.8	(6.4)

Values in millions of *Reais*



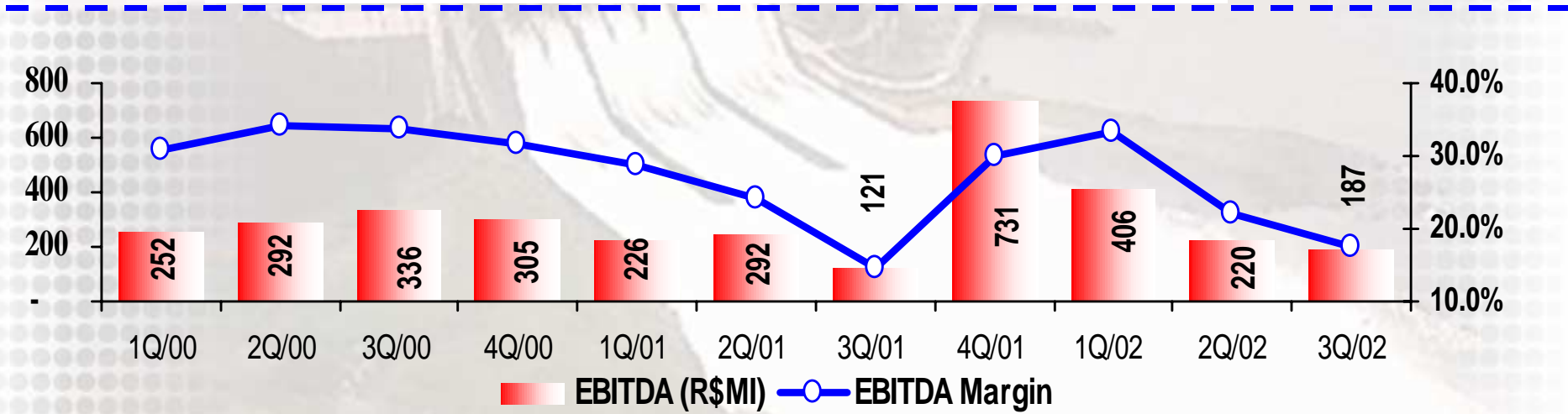
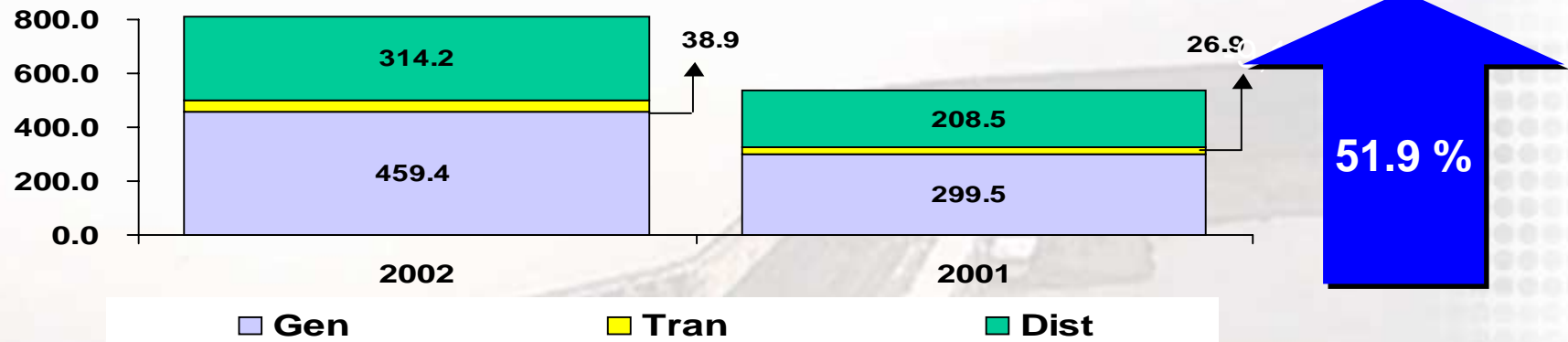
# Statement of Income

## Holding

Statement of Income							
Values in millions of Reais							
	2002				2001		
	As of Sep/02	3Q	2Q	1Q	As of Sep/02	3Q	Year
Net Revenue	3,693	1,489	994	1,210	2,761	828	4,713
Operating Expenses	(3,268)	(1,433)	(902)	(933)	(2,622)	(909)	(3,804)
EBIT	425	56	92	277	139	(81)	909
Financial Income	(899)	(650)	(316)	67	(366)	(197)	(205)
Non-Operating Income	(19)	(5)	(7)	(7)	(62)	(36)	(90)
Net Income	(268)	(442)	(46)	220	(195)	(209)	478

# EBITDA

## Nine Months Ended September 30, 2002





# Net Revenue Increased 33.7% Due to Tariff Readjustment



## Holding

Operating Revenues Values in millions of Reais							
	2002				2001		
	As of Sep/02	3Q	2Q	1Q	As of Sep/01	3Q	YEAR
Retail Sales	3,913	1,389	1,390	1,134	3,462	995	4,553
Extraordinary Revenue	269	8	(54)	315	-	-	1,058
Wholesale	489	440	10	39	56	39	145
Transmission Grid Revenue	135	55	42	38	114	41	154
Others	59	22	19	18	82	28	108
Deductions	(1,172)	(424)	(413)	(335)	(953)	(276)	(1,303)
<b>Net Revenue</b>	<b>3,693</b>	<b>1,489</b>	<b>994</b>	<b>1,210</b>	<b>2,761</b>	<b>828</b>	<b>4,713</b>

# Extraordinary Revenues and Expenses Under the Industry Agreement

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**50**  
ANOS

22

## Rationing Agreement

Description

	Previously Booked	Total
<b>1) Inflow</b>	<b>1,782,918</b>	<b>2,217,392</b>
<b>1.1 ANEEL approved</b>	<b>1,555,553</b>	<b>1,557,897</b>
1.1.1 Revenue loss from Jun to Dec 01	724,098	724,098
1.1.2 Revenue loss from Jan to Feb 02	152,749	152,749
1.1.3 Parcel A cost increase incurred	262,780	262,780
1.1.4 Generators reimbursement to be collected by Cemig D	415,926	418,270
<b>1.2 Cemig G reimbursement</b>	<b>112,412</b>	<b>545,116</b>
1.2.1 Published by MAE	112,412	545,116
1.2.1 To be published by MAE	-	-
<b>1.3 System operation charges to be included as tracking account</b>	<b>114,953</b>	<b>114,379</b>
1.3.1 Published by MAE	98,207	97,633
1.3.2 To be published by MAE	16,746	16,746
<b>2) Outflow</b>	<b>760,952</b>	<b>1,238,209</b>
<b>2.1 Total exposure to spot market</b>	<b>345,026</b>	<b>819,939</b>
2.2.1 Short term purchases	230,073	705,560
2.2.1.1 Published by MAE	209,267	684,754
2.2.1.2 To be published by MAE	20,806	20,806
2.2.2 System operation charges	114,953	114,379
2.2.2.1 Published by MAE	98,207	97,633
2.2.2.2 To be published by MAE	16,746	16,746
2.2.3 IGP-M pegged reinstatement	-	-
<b>2.2 Generators reimbursement to be collected by Cemig D</b>	<b>415,926</b>	<b>418,270</b>
2.2.1 Generators reimbursement to be collected by Cemig D	415,926	418,270

Note Amounts of the MAE exposure from Sep 00 to Sep 02

All financial information in Brazilian GAAP



# Energy Purchased Reflects Rationing Adjustment



## Holding

Operating Expenses Values in millions of Reais							
	2002				2001		
	As of Sep/02	3Q	2Q	1Q	As of Sep/02	3Q	YEAR
Energy Purchased	1,455	793	302	360	815	303	1,514
Labor	392	130	130	132	427	125	549
Depreciation and Amortiza	387	129	129	129	375	127	503
CCC	252	92	90	70	245	89	249
Transmission Grid	220	78	77	65	205	73	250
Outsourced Services	174	66	58	50	163	61	214
FORIUZ – Employee Post-retirement Benefits	163	55	54	54	151	50	201
Other Expenses	225	90	62	73	241	80	324
<b>Total</b>	<b>3,268</b>	<b>1,433</b>	<b>902</b>	<b>933</b>	<b>2,622</b>	<b>909</b>	<b>3,804</b>



# Labor Costs

## Values in millions of *Reais*

Description	Sep/02	Sep/01	Change (%)
Payroll	398.6	387.2	2.9
Forluz Expenses	21.7	22.7	(4.3)
Health Care Insurance and Food	39.1	45.1	(13.3)
<b>TOTAL COST</b>	<b>459.4</b>	<b>455.0</b>	<b>1.0</b>
Capitalized Costs	(69.2)	(60.2)	15.0
<b>Subtotal</b>	<b>390.2</b>	<b>394.8</b>	<b>(1.2)</b>
Voluntary Severance Program	1.8	32.5	(94.6)
<b>Allocated Income</b>	<b>321.0</b>	<b>334.6</b>	<b>(4.1)</b>
<b>ROP %</b>	<b>10.6</b>	<b>15.5</b>	<b>(31.6)</b>

- 8.16% salary readjustment in Nov. 2001
- 1.54% headcount cut



# Expenses do not Reflect Expense Cutting Program Implemented this Quarter



Outsourced Services	1Tri	2Tri	3Tri
Bill collection/ meter reading	14.645	15.043	16.544
Communication	7.001	7.498	6.889
Electric facility maintenance	7.123	8.085	11.703
Office services	3.510	3.820	4.646
Hired manpower	1.027	1.283	1.102
Freight and travel	2.575	3.513	4.388
Lodging and restaurants	2.274	3.410	3.891
Security	1.816	2.508	2.137
Consultancy	582	1.083	1.415
Furniture and office equipment	1.676	1.503	2.371
Car and truck repairs	1.080	1.428	1.198
INDI	873	1.311	1.076
Others	5.757	7.270	8.924
<b>Total</b>	<b>49.939</b>	<b>57.755</b>	<b>66.284</b>

Other expenses	1Tri	2Tri	3Tri
Supplies	15.902	17.572	17.399
Royalties	8.444	13.187	11.871
Operating provision	14.245	(5.826)	19.613
Fuel purchase	8.543	7.559	11.892
Rentals and lease	3.902	3.570	3.610
Donations	2.960	3.978	3.529
Publicity	3.432	7.167	4.631
ANEEL auditing fee	2.855	2.844	2.830
Electricity own consumption	2.212	2.745	2.536
Insurance	98	620	330
ASMAE contribution	2.109	1.662	1.925
F.N.D.C.T	2.574	1.855	2.574
Real estate tax and others	2.257	601	426
Others	4.186	4.090	5.645
<b>Total</b>	<b>73.719</b>	<b>61.624</b>	<b>88.811</b>

- higher maintenance expenses
- Accounting adjustments:
  - Office facility services
  - Hired manpower
  - Furniture and office equipment maintenance

- Operating provisions:
  - higher bad debt provision
  - higher legal proceeding provision
- higher third quarter fuel expenses

# FX Losses in 2002 Larger than in 2001

## Consolidated

Financial Income Breakdown							
Values in millions of Reais							
	2002				2001		
	As of Sep/02	3Q	2Q	1Q	As of Sep/02	3Q	YEAR
<b>Financial Revenues</b>							
CRC Contract	295	160	93	42	186	86	253
Short-term Investment Income	189	99	62	28	58	31	78
Monetary Variation - Extraordinary Revenues	199	61	76	62	-	-	26
FX - Gains	82	53	23	6	26	11	58
Others	98	79	8	11	58	12	91
	863	452	262	149	328	140	506
<b>Financial Expenses</b>							
Interest on Loans and Financing	(172)	(57)	(60)	(55)	(137)	(54)	(221)
Monetary Variation - Utilities and Debt	(81)	(30)	(31)	(20)	(17)	(7)	(33)
CPMF - Financial Transactions Tax	(18)	(7)	(6)	(5)	(16)	(5)	(27)
FX - Losses	(969)	(642)	(325)	(2)	(482)	(252)	(267)
Others	(402)	(366)	(36)	-	(42)	(19)	(60)
	(1.642)	(1.102)	(458)	(82)	(694)	(337)	(608)
<b>Interest on Capital</b>	120	-	120	-	-	-	103
	(899)	(650)	(316)	67	(366)	(197)	(205)

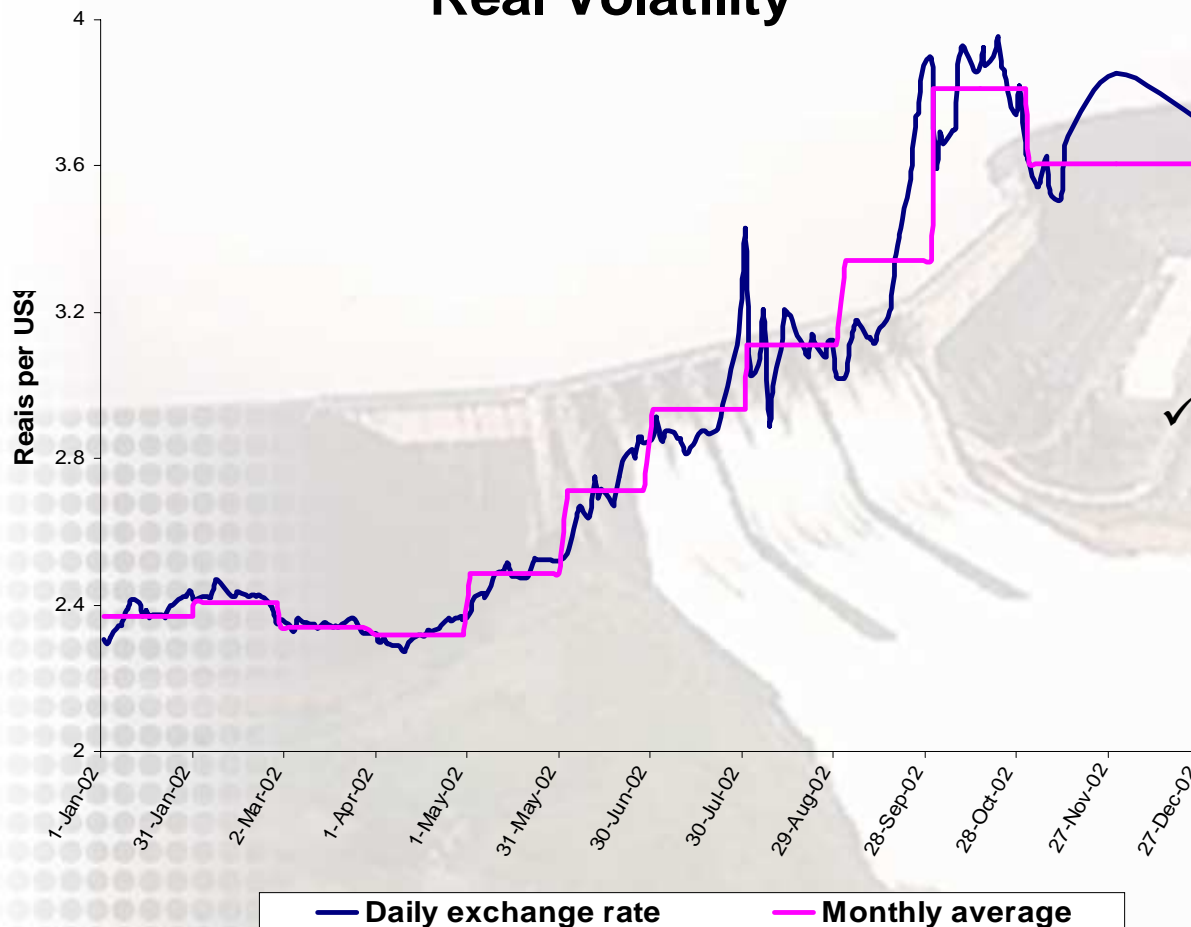
# Cash Flow

Values in millions of *Reais*

	9 months ended on	
	9/30/2002	9/30/2001
Net income (loss)	(267,997)	(194,621)
Depreciation and Amortization	387,376	375,334
Extraordinary Revenue	(268,913)	-
Wholesale Revenue - Long-term	(464,976)	-
Electricity Purchase Expense to be Passed to Generators	65,242	-
Post Employment Obligation	162,747	150,794
Extraordinary Revenue - Billed	183,203	-
CVA Tracking Account	(159,028)	-
Loans and Financing	314,387	208,940
Suppliers	703,511	65,226
Others	(32,930)	-
<b>Cash from Operations</b>	<b>622,622</b>	<b>683,141</b>
<b>Financing Activities</b>		
New Loans	287,290	263,411
Debt Retirement	(275,035)	(273,690)
Special Obligations (Consumer Contribution)	113,141	123,271
Pre-sale of Electricity	(42,596)	(35,060)
Interest on Capital and Dividends	(176,374)	(169,548)
<b>TOTAL Funds Available for Investment</b>	<b>529,048</b>	<b>591,525</b>
<b>INVESTMENTS</b>		
New Business	372,567	120,044
Property, Plant and Equipment	450,565	295,511
	<b>823,132</b>	<b>415,555</b>
<b>Net Cash Variation</b>	<b>(294,084)</b>	<b>175,970</b>
<b>Cash Variation Breakdown</b>		
At the Start of the Quarter	642,492	219,281
At the End of the Quarter	348,408	395,251
	<b>(294,084)</b>	<b>175,970</b>

# Exchange Rate Volatility Still a Concern

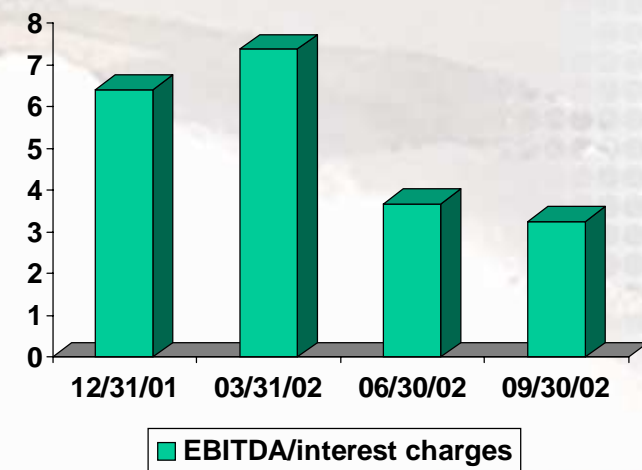
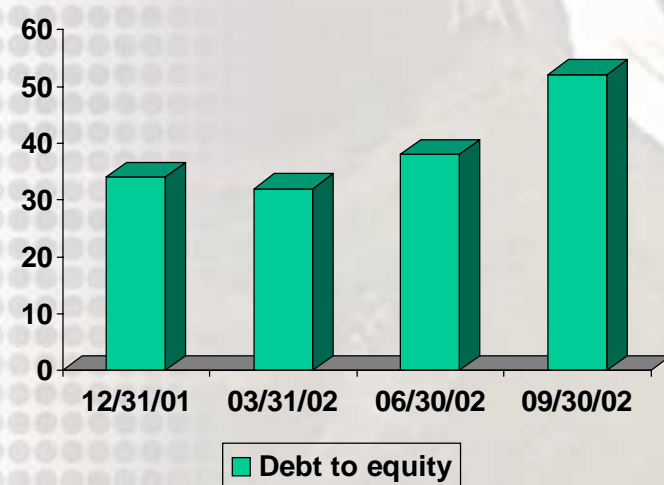
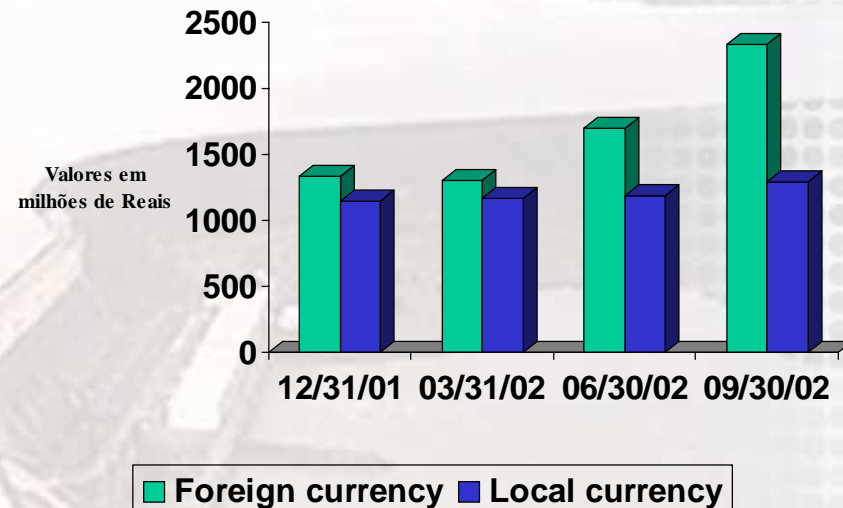
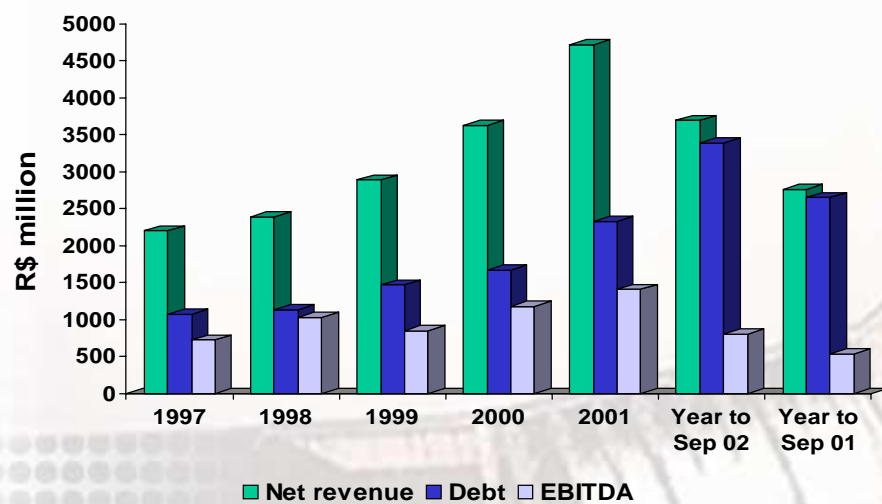
## Real Volatility



- ✓ **Real devaluation:**
- ✓ **Jan to Sept 02 : 67.9%**
- ✓ **Jan to Sept: 13.1%**



# Debt Growth Derived from *Real* Devaluation



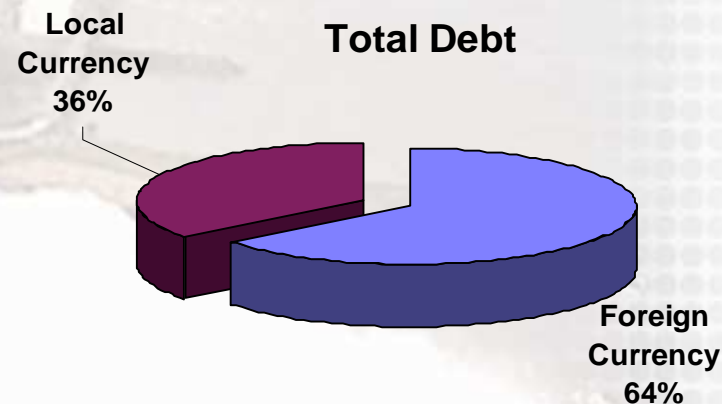
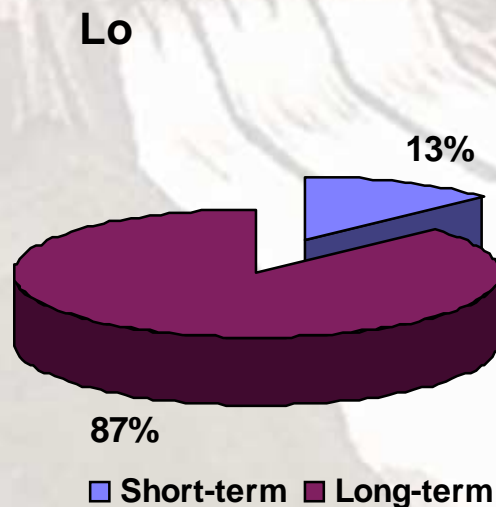
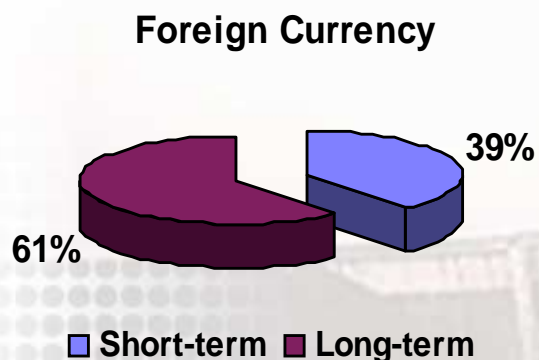
# Foreign Currency Debt Reduced by Eurobond Repayment

Millions of Reais

## Holding

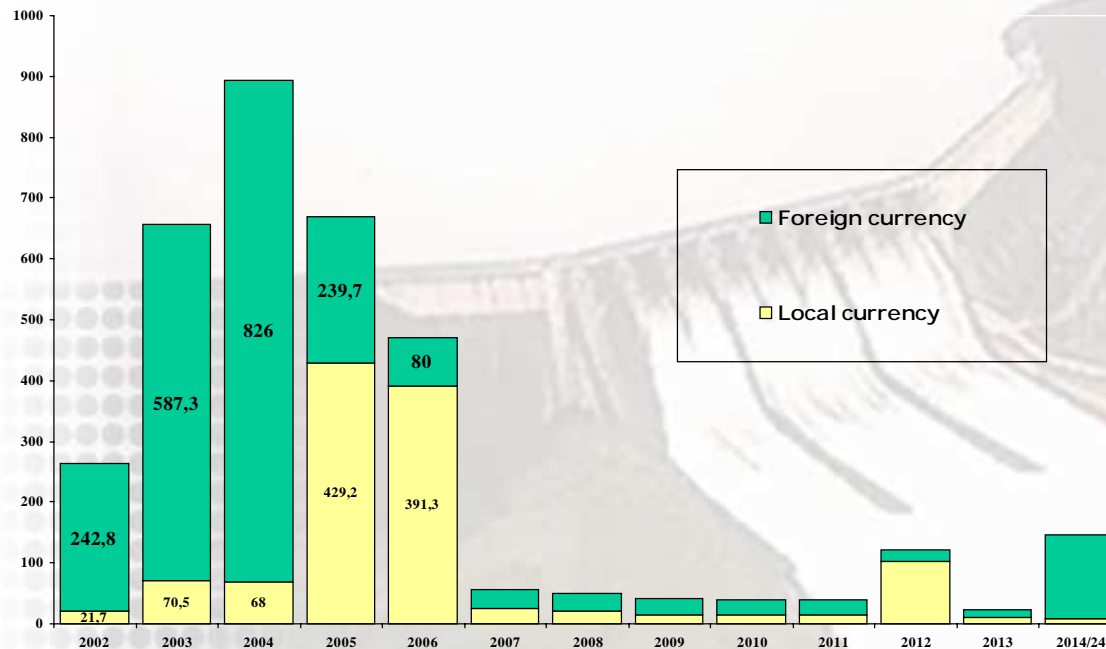
	Short-term (*)	Long-term	Total
Foreign Currency	909	1,423	2,331
Local Currency	168	1,122	1,290
Escrow Account	(167)	(66)	(233)
<b>Total</b>	<b>910</b>	<b>2,479</b>	<b>3,388</b>

(\*) Including interest charge provisions



# Debt Schedule

Values in R\$ thousands



- **US\$ 95 million debt rollover, year to Sept. 30, 2002:**

- Banco Itaú S.A. US\$50 million, tenor 59 months, LIBOR (6 months) plus 3.25% p.a.
- Citibank N.A., ABN – AMRO Real S.A. US\$45.6 million, tenor 36 months, LIBOR (6 months) plus 4.25% p.a.

**Through year end, US\$35 million.**

- **In 2003, US\$124.3 million.**

# Hedge Policy

- In 3Q 2002, Cemig hedged part of its short-term debt service, taking dollar x CDI swap transactions and spotting opportunities offered by capital market volatility.
- CEMIG has limited acquisition of foreign currency debt, seeking balanced exposure on foreign and local currency.
- Current position of foreign currency-denominated assets
  - September 2002: US\$125million
  - October 2002: US\$155 million.
- Foreign currency-denominated debt
  - September 2002: US\$587.3 million
  - October 2002: US\$560.5 million



# Related Party Transactions

**CEMIG**  
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## Values in Thousands of Reais – 09/30/2002

	<i>Government</i>
<b>ASSETS</b>	
<b>Current Assets</b>	
Accounts Receivable	11,523
Taxes and Social Recoverable Charges	
Recoverable Taxes - State ICMS (VAT) - Complementary Law 102	12,179
<b>Long-term Receivables</b>	
CRC Receivables from Minas Gerais State Government	1,483,138
Others	
Recoverable Taxes - State ICMS (VAT)	18,843
Recoverable Taxes - State ICMS (VAT) - Complementary Law 102	59,965
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Taxes and Social Charges - State VAT	
ICMS (VAT) Payable	116,793
Dividends to be Paid	28,136
<b>STATEMENT OF INCOME</b>	
Gross Sales	17,071
Gross Sales Deduction - ICMS (VAT)	(833,385)
Interest and Monetary Restatement - Accounts Receivable from Minas Gerais State Government	295,343
Financial Expenses	
CRC Financial Loss	304,310

# CRC Receivables Under Negotiation

## OUTSTANDING DEBT IN 09/30/2002: R\$1,787,449 THOUSAND

Debt to Mature (Original Contract) - R\$ thousand
From October/2002 on: R\$1,182,334 thousand

Overdue Debt (Original Contract) - R\$ thousand	
1999:	173.405
2000:	159.533
2001:	165.795
2002 (as of September):	106.382
Total	605.115

<b>Second Amendment : R\$1,160,982 thousand</b>	
Outstanding Debt as of Sept. 2002	
Signature:	14/10/2002
Interest Rate:	6% p.a.
Monetary Restatement Index:	IGP-DI
Guarantee:	FPE + Dividends
Amortization:	149 parcels of R\$10.974 thousand
Start/End:	From January/2003 to May/2015
Payments Scheduled for 2003:	R\$131.690 thousand

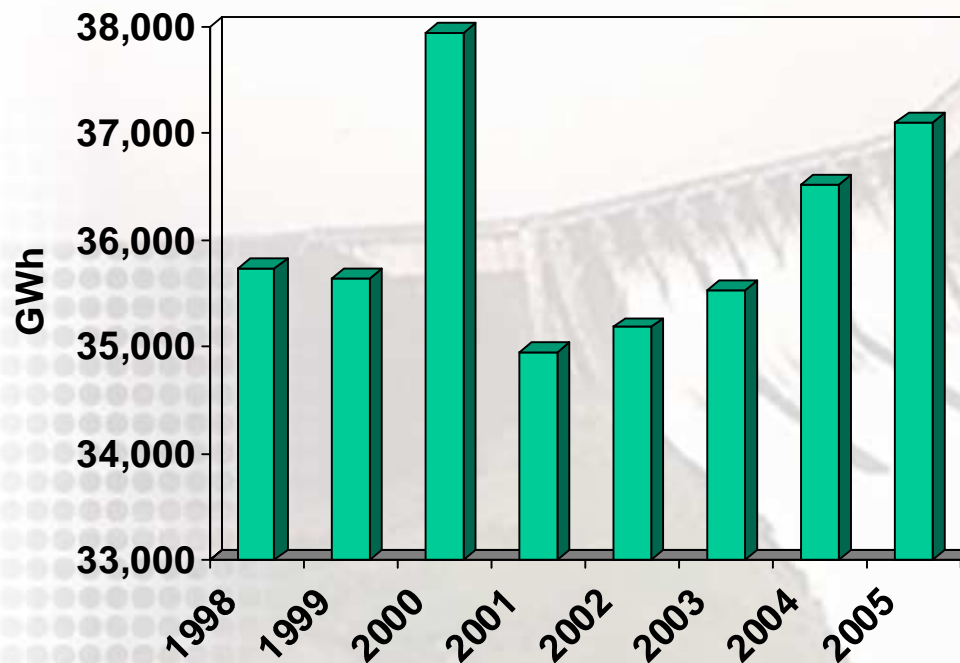
<b>Third Amendment: R\$666,495 thousand</b>	
(Pending Values in 12/31/02 at Sept. 2002 Prices)	
Signature:	24/10/2002
Interest Rate:	from 6% a .a to 12% a. <sup>a</sup>
Monetary Restatement Index:	IGP-DI
Guarantee:	FPE + Dividends
Amortization:	149 parces of R\$8,296 thousand
Start/End:	From January/2003 to May/2015
Payments Scheduled for 2003:	R\$99,551 thousand

# Agenda

- ✓ **Introduction**
- ✓ **Operating Performance**
- ✓ **Financial Statements**
- **Outlook for 2003**
- **Conclusion**

# Retail Sales Volume Growth Estimate Reflects Impact of 2001- 2002 Rationing

2002-2005 Estimated Energy Retail  
Sales Growth



- Estimated annual growth rate in 2003-2005 is 2.2%
- 2000-2004 CAGR is -0.7%



# Energy Retail Sales Volume Growth Analysis

**CEMIG**  
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37  
**50**  
ANOS

- **Principal reasons for slower growth:**
  - **Change in average residential and commercial consumption:**
    - 3Q 2002 averages were 7.6% and 4.6% lower than 2001;
  - **Change in industrial consumption pattern:**
    - Some consumers are replacing utility supply with self-generation (aluminum industry has hydropower projects, steel and fertilizer plants have cogeneration projects) and diesel-fired generators or other alternatives during peak hours.

## 2002 Estimate Revision

- **New requirements for low income consumer subsidies brought R\$5 million monthly revenue loss.**
- **Reduction of initial contract volume rose from 2.4% to 6.3%, resulting in lower revenue loss recovery.**
- **New figures from MAE transactions show R\$ 50 million additional cost.**
- **Consumption growth estimate now is 0.7%, down from 2.3%, previously predicted.**

# CAPEX is Adjusted to New Context

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## R\$ 3.3 Billion Planned for Next 4 Years

Items	Actual			Projected			
	2000	2001	Até set/02	2002	2003	2004	2005
Generation	144.4	169.0	286.4	422.2	201.3	91.2	13.8
Transmission	8.9	46.8	46.7	80.3	96.6	104.2	94.9
Sub-transmission	40.6	31.5	49.9	80.3	130.9	121.9	126.7
Distribution	291.8	348.1	214.6	338.0	354.9	321.0	292.4
Other	17.3	6.8	16.1	41.4	64.7	87.9	90.5
Infovias	18.5	33.2	150.7	165.7	-	-	-
<b>TOTAL</b>	<b>521.5</b>	<b>635.3</b>	<b>764.4</b>	<b>1,127.9</b>	<b>848.4</b>	<b>726.2</b>	<b>618.2</b>

Values in millions of *Reais*



# Major Projects

## Outlook

### Generation Capacity Expansion (MW)

PLANT	2002	2003	2004	2005	2006	CEMIG's Participation (%)
<b>Hydro Power Plants</b>						
<b>In Operation</b>	5.434					
<b>Under Construction</b>						
<b>FUNIL</b>	180					49,00
<b>QUEIMADOS</b>		105				82,50
<b>AIMORÉS</b>		330				49,00
<b>IRAPÉ</b>				360		
<b>CAPIM BRANCO I</b>			240			21,05
<b>CAPIM BRANCO II</b>					210	21,05
<b>Thermal Power Plants</b>						
<b>In operation</b>	171					
<b>Under construction</b>						
<b>SULMINAS</b>			500			31,00
<b>BARREIRO</b>		13				
<b>IGARAPE</b>		219				
<b>Others</b>	1					
<b>Cemig's total capacity</b>	<b>5.694</b>	<b>6.175</b>	<b>6.380</b>	<b>6.740</b>	<b>6.784</b>	



Queimado



Funil



Aimorés



Porto Estrela



# Agenda

**CEMIG**  
A Melhor Energia do Brasil.



- ✓ **Introduction**
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# Major challenges

- New Federal and State Administrations
- Rate Setting Process
  - Rate Review
  - X Factor
- Unbundling?
- Changes in the MAE
  - New Market Rules?
- Wholesale Pricing
  - Extension of Initial Contracts
  - Auctions?

# Achievements with Best Corporate Governance Practices



**CIG  
LISTED  
NYSE**



- **BOVESPA Level I : CMIG3 and CMIG4**
- **NYSE Level II ADR: CIG**
- **Latibex : XCMIG**
- **Dow Jones Sustainability Index 2000 and 2001**