CPFL ENERGIA

1Q07

1Q07 Highlights and Results – CPFL Energia

Value Creation Agenda

Net Revenue:
R$ 1,822 million (1Q06)
R$ 2,153 million (1Q07)
+18.2%

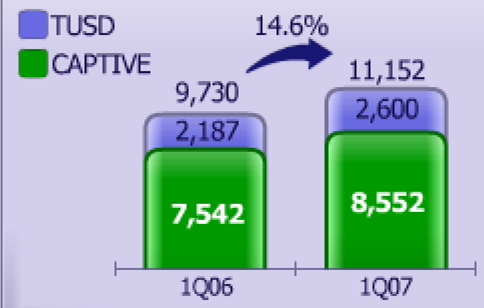
EBITDA:
R$ 654 million (1Q06)
R$ 869 million (1Q07)
+32.8%

Net Income:
R$ 306 million (1Q06)
R$ 473 million (1Q07)
+54.3%

- 14.6% increase in concession area sales[1]
- Commercial start-up of Campos Novos HPP in Feb/07[2]
- RGE's Corporate Reorganization and incorporation of CPFL Centrais Elétricas and Semesa by CPFL Geração in Mar/07
- Shares included in the Ibovespa index in Apr/07 and in the IBrX-50 index in Jan/07
- Acquisition of CMS Brasil assets in Apr/07[3]

1) 6.1% excluding the acquisition of the additional stake in RGE and the acquisition of Santa Cruz
2) First and second turbines (100% of assured energy)
3) Currently being approved by the regulatory bodies (ANEEL/CADE)

Concession Area Sales (GWh)



Concession Area Sales 14.6%

Excluding RGE and Santa Cruz Acquisition Effect 6.1%

Captive Market **13.4%** 3.3%

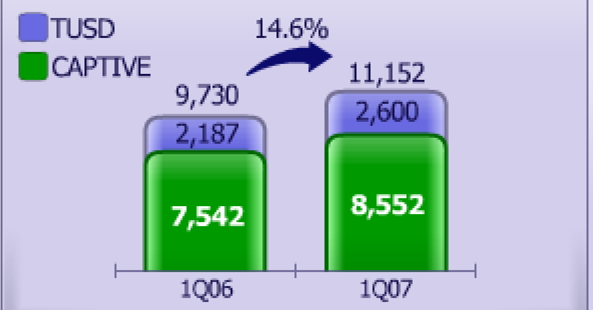
Rural	**Residential**	**Commercial**	**Industrial**
21.1% 2.7%	**18.5%** 9.8%	**14.2%** 6.4%	**5.0%** -4.0%

TUSD **18.9%**

Note: Excluding the acquisition of 32.69% of RGE in May/06 and 99.99% of Cia. Luz e Força Santa Cruz in Oct/06

1) Excludes intercompany transactions (consolidation accounting basis), CCEE and generation sales (except to the Free Market)

Concession Area Sales (GWh)



Concession Area Sales 14.6%

Excluding RGE and Santa Cruz Acquisition Effect 6.1%

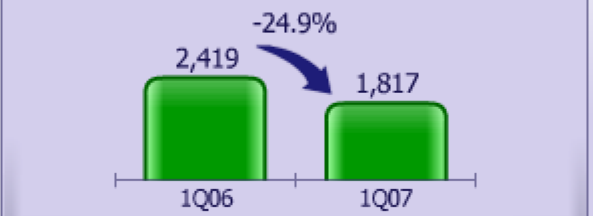
Captive Market 13.4%

3.3%

Rural	Residential	Commercial	Industrial
21.1%	18.5%	14.2%	5.0%
2.7%	9.8%	6.4%	-4.0%

TUSD 18.9%

Free Market Sales (GWh)



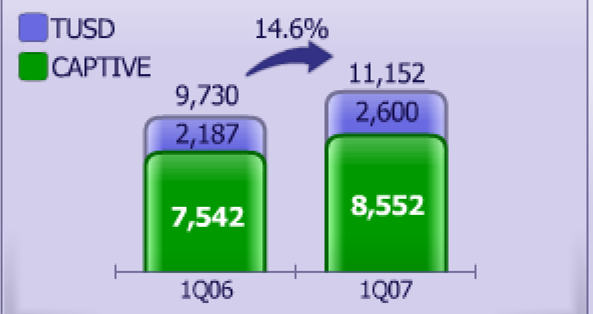
Free Market Sales -24.9%

Note: Excluding the acquisition of 32.69% of RGE in May/06 and 99.99% of Cia. Luz e Força Santa Cruz in Oct/06

1) Excludes intercompany transactions (consolidation accounting basis), CCEE and generation sales (except to the Free Market)

1Q07 Energy Sales

Concession Area Sales (GWh)

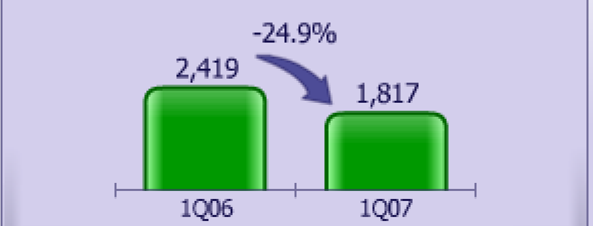


Concession Area Sales ▲ **14.6%**

Excluding RGE and Santa Cruz Acquisition Effect 6.1%

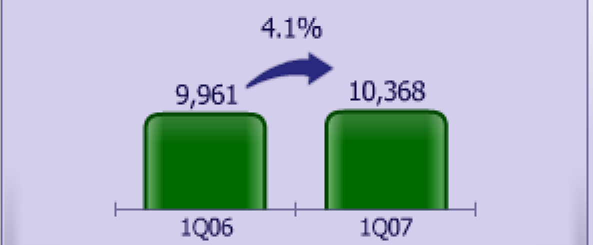
Captive Market	**13.4%** ▲ 3.3%			TUSD
21.1% ▲ 2.7%	**18.5%** ▲ 9.8%	**14.2%** ▲ 6.4%	**5.0%** ▲ -4.0%	**18.9%** ▲
Rural	**Residential**	**Commercial**	**Industrial**	

Free Market Sales (GWh)



Free Market Sales ▼ **-24.9%**

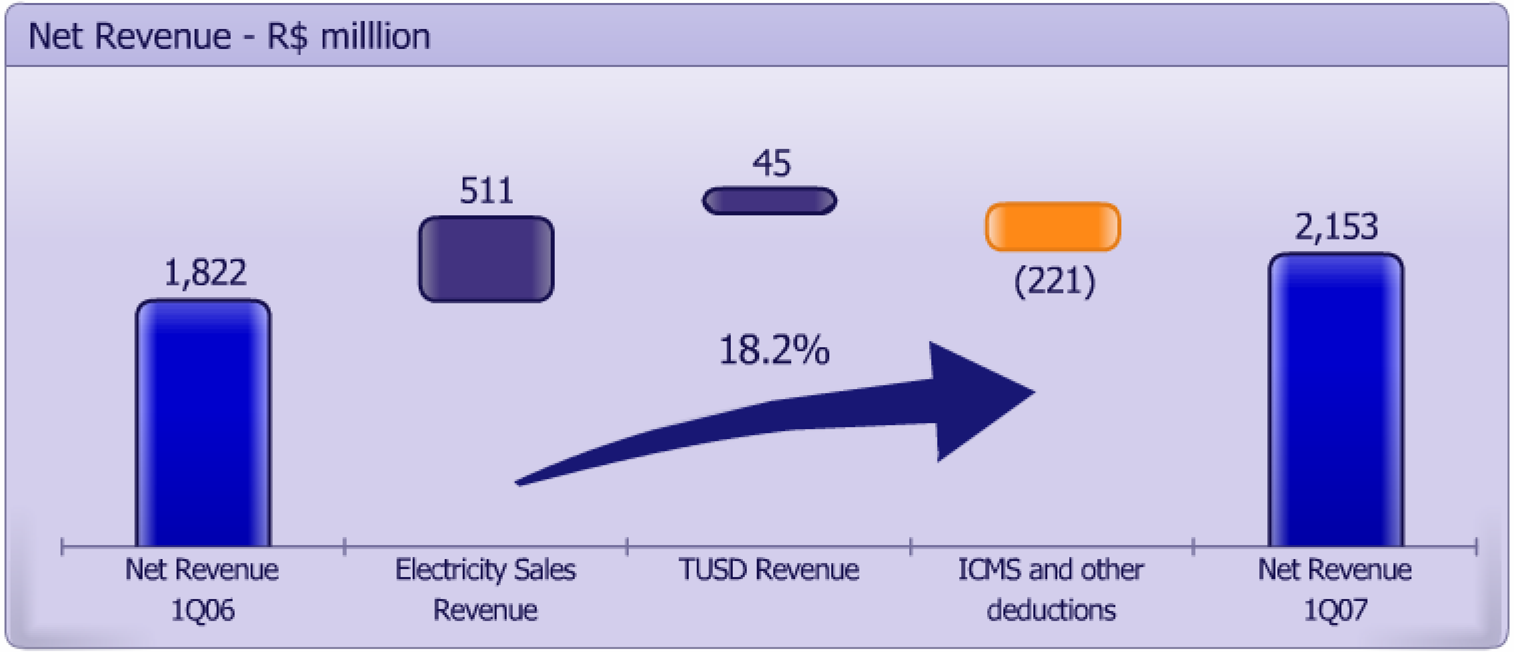
Total Energy Sales[1] (GWh)



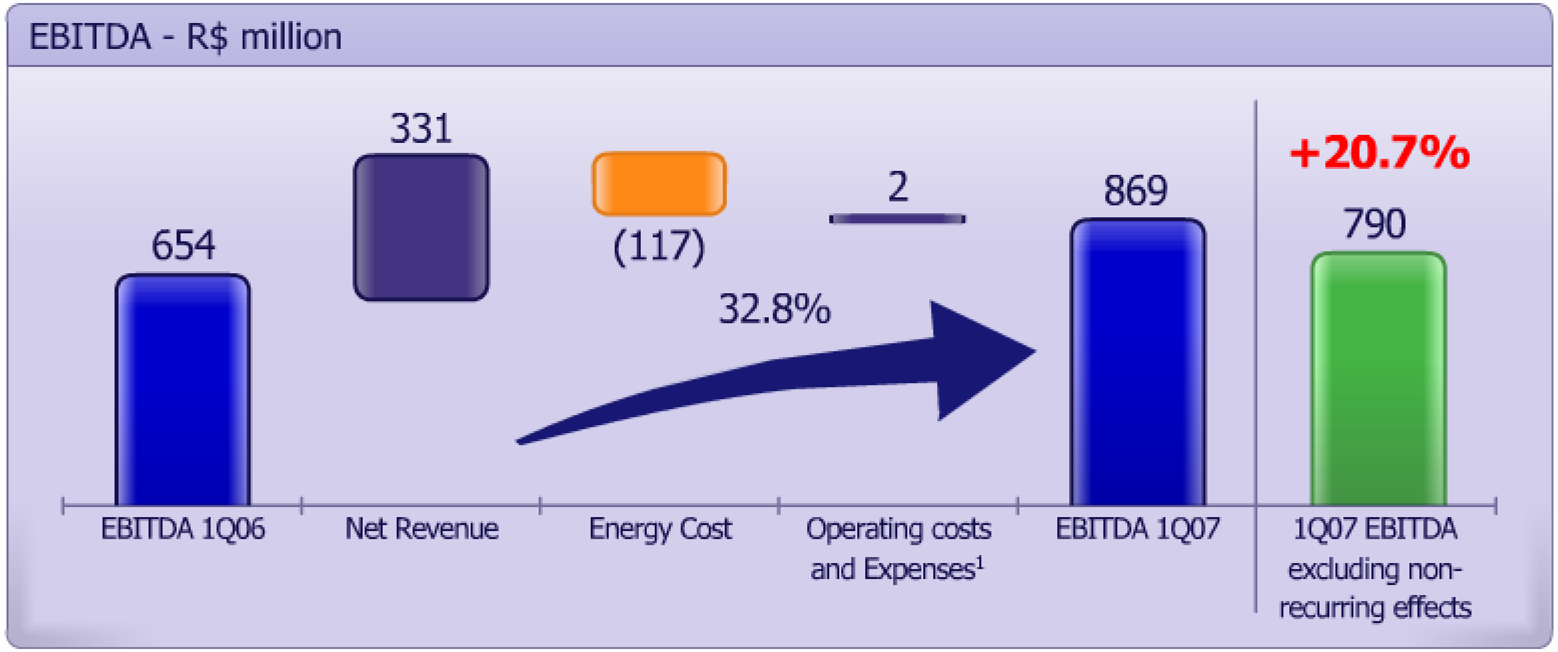
Total Energy Sales ▲ **4.1%**

Note: Excluding the acquisition of 32.69% of RGE in May/06 and 99.99% of Cia. Luz e Força Santa Cruz in Oct/06

1) Excludes intercompany transactions (consolidation accounting basis), CCEE and generation sales (except to the Free Market)



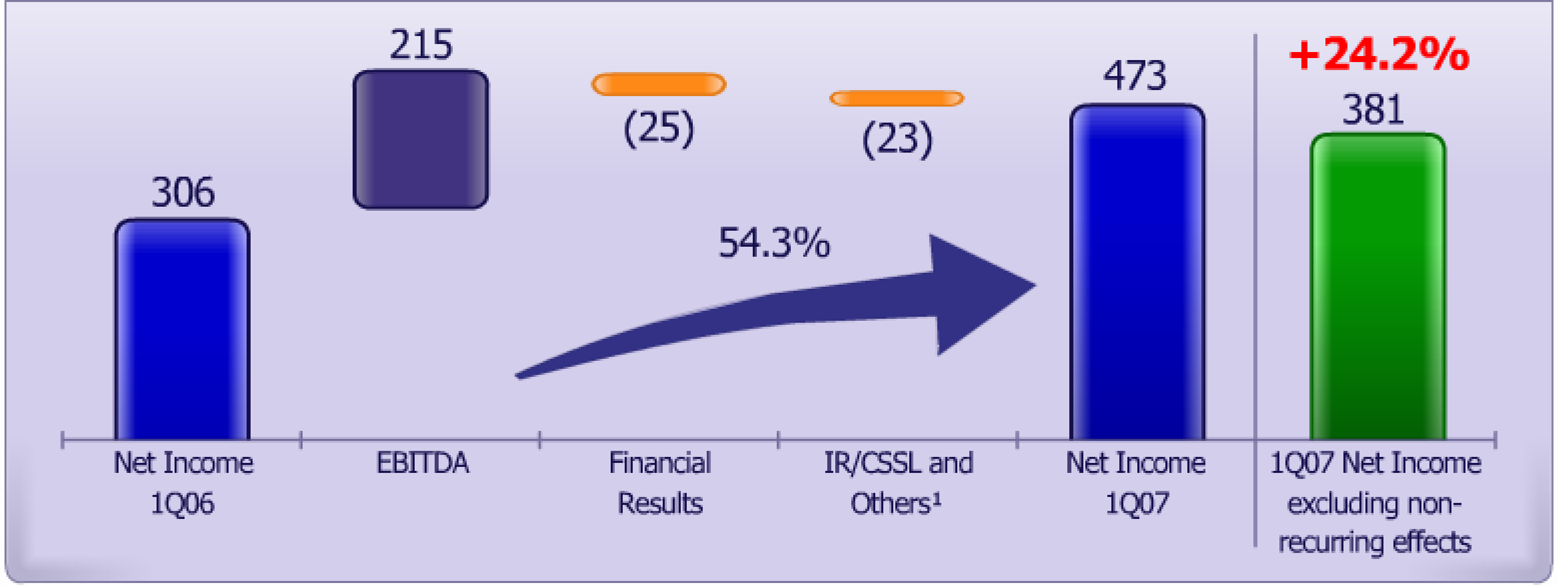
- 18.2% Net Revenue increase (R$ 331 million)
  - (+) 19.4% Electricity Sales Revenue increase (R$ 511 million)
    - (+) 13.4% Captive Market Sales increase (R$ 322 million)
      - (+) 3.3% captive market organic growth (R$ 60 million)
      - (+) Acquisition of additional stake in RGE (R$ 196 million)
      - (+) Acquisition of Santa Cruz (R$ 66 million)
    - (+) Adjustment Tariff: CPFL Paulista (Apr/06: 10.83%), CPFL Piratininga (Oct/06: 10.79%) and RGE (Apr/06: 10.19%)
  - (+) 29.0% TUSD revenue increase (R$ 45 million)
  - (−) 22.8% ICMS tax and other deductions increase (R$ 221 million)



- 32.8 % EBITDA increase (R$ 215 million)
  - (+) 18.2% Net Revenue increase (R$ 331 million)
  - (–) 12.5% Energy Cost increase (R$ 117 million)
    - (–) Acquistion of additional stake in RGE (R$ 79 million)
    - (–) Acquistion of Santa Cruz (R$ 25 million)
    - (+) Non-recurring effects due to 2005/2006 IRT adjustment (R$ 79 million)
  - (+) 1.0% Operating Costs and Expenses[1] decrease (R$ 2 million)
    - (+) Incentivated retirement program in 1Q06 (R$ 17 million)

1) Including Personnel, Materials, Third Party Services and Others

Net Income - R$ million

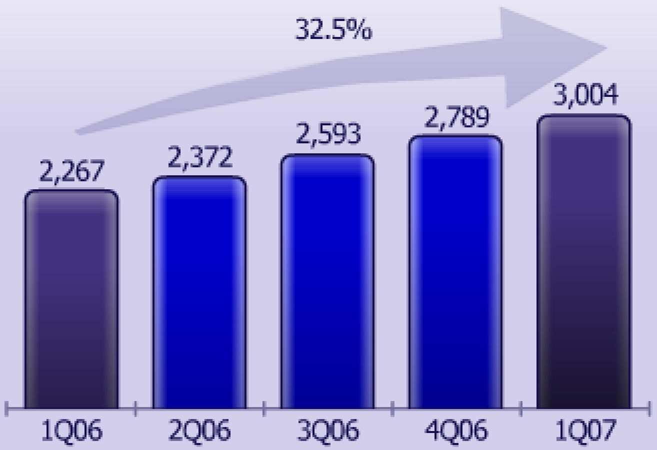


- 54.3% Net Income increase (R$ 166 million)
  - (+) 32.8% EBITDA increase (R$ 215 million)
  - (–) 30.6% Financial Results increase (R$ 25 million)
    - (–) 29.2% Financial Income decrease (R$ 42 million)
      - (–) Financial income yield decrease (R$ 23 million)
      - (–) RTE remuneration decrease (R$ 15 million)
    - (+) 7.5% Financial Expenses decrease (R$ 17 million)
      - (+) Debt expenses decrease (R$ 16 million)
  - (–) 8.7% Income Tax, Social Contribution Tax and others[1] increase (R$ 23 million)
    - (+) Non-recorring fiscal credit (R$ 40 million)

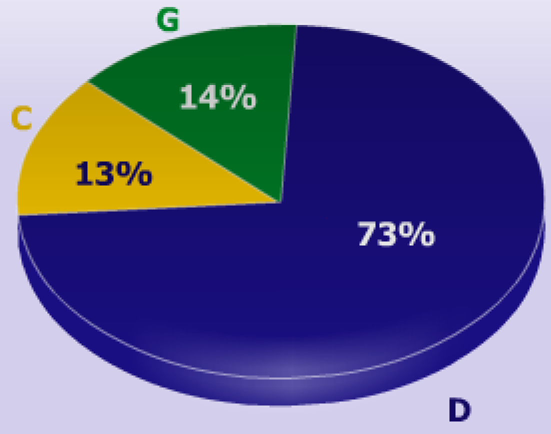
1) Including Pension Fund, Depreciation and Amortization

CPFL Energia reports consistent growth in EBITDA and Net Income

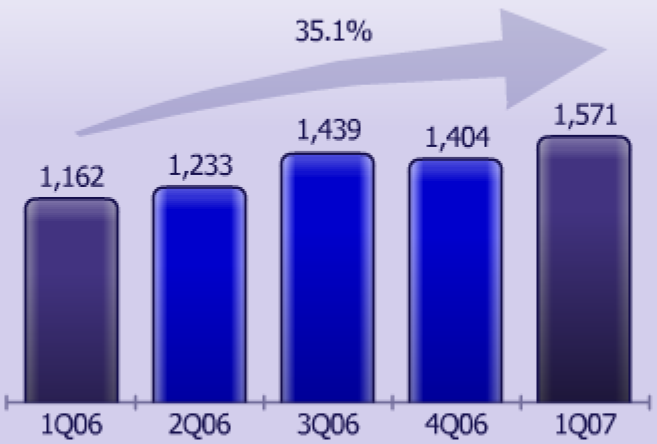
EBITDA[1] – last twelve months - R$ million



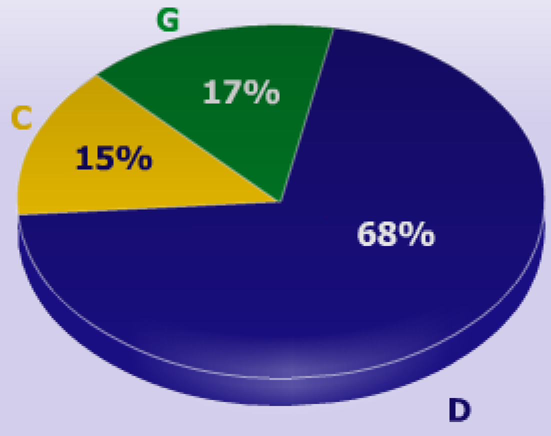
EBITDA Breakdown 1Q07[2]



Net Income[1] – last twelve months - R$ million



Net Income Breakdown 1Q07[2]



1) Including non-recurring effects
2) Intercompany transactions excluded from 1Q07 EBITDA and Net Income breakdowns

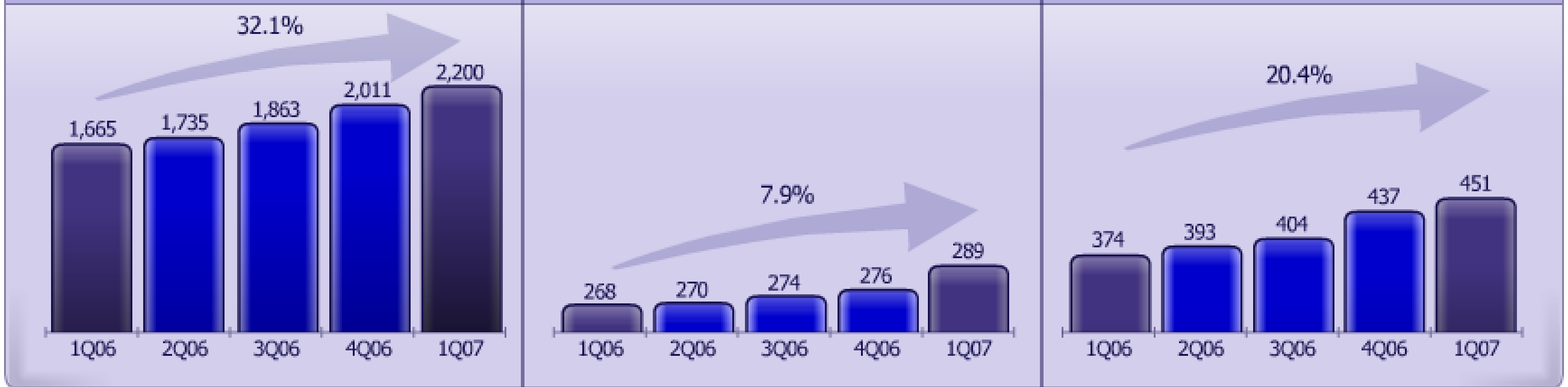
All business units contribute postively to the Group's results

Distribution

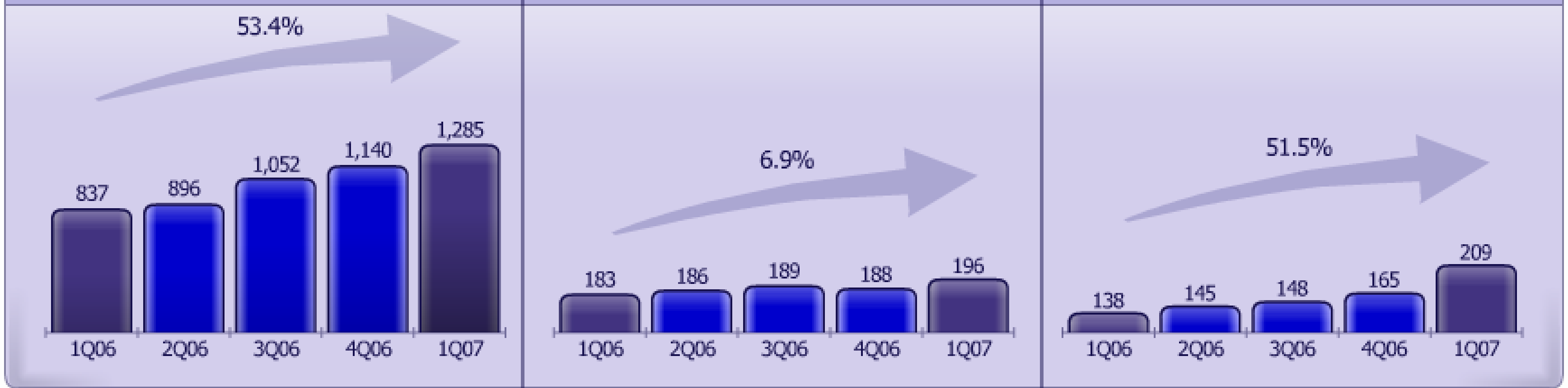
Commercialization

Generation

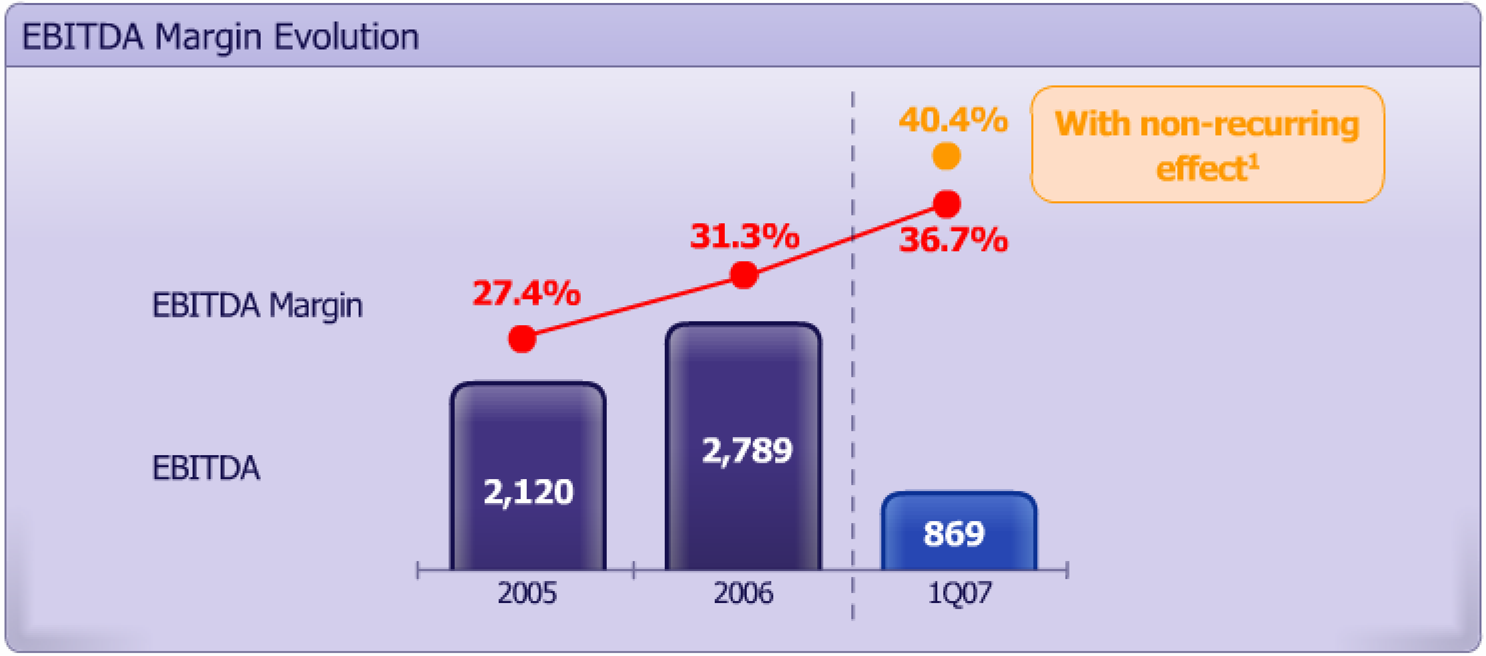
EBITDA – last 12 months
R$ million



Net Income – last 12 months
R$ million



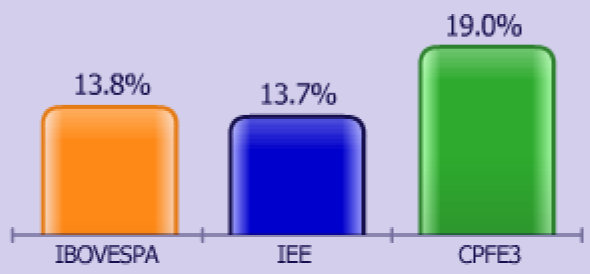
Note: Includes non-recurring effects



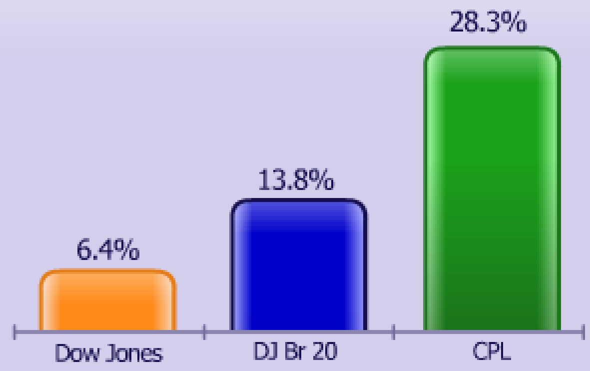
1) Includes non-recurring effect of R$ 79 million in EBITDA

Average traded volume in 1Q07 exceeds the 2006 average

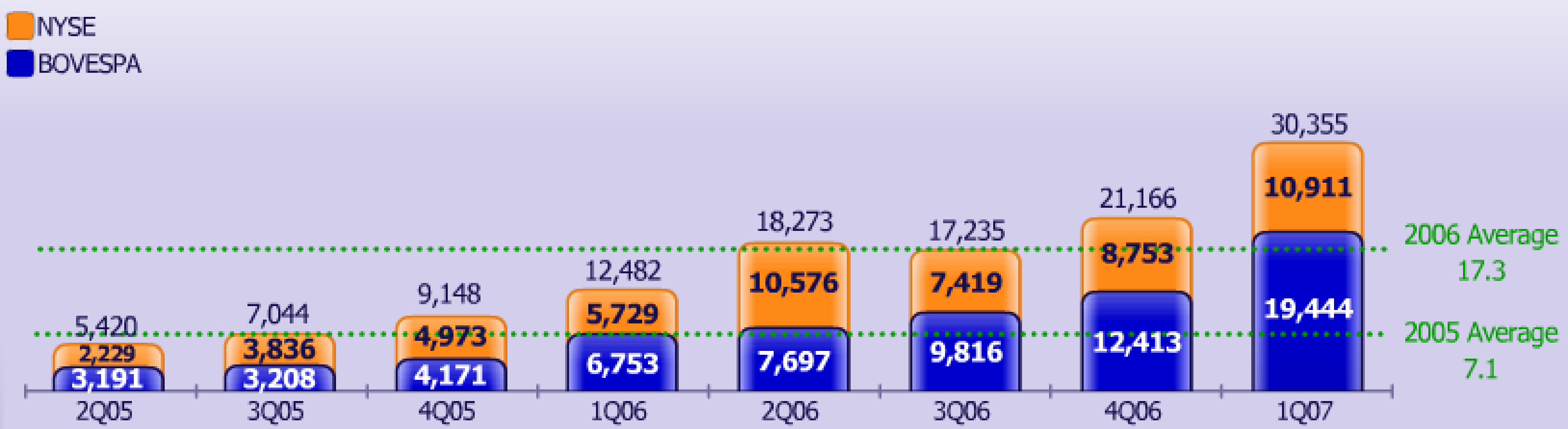
Share performance - BOVESPA[1]



Share performance - NYSE[1]



Daily Average Volume Evolution - R$ million



In 1Q07, CPFL's daily average traded volume increased by 75.8% over 2006 average

1) Share prices adjusted for dividends - from Jan 1st to May 4th

- CPFL included in Ibovespa on May 1st, 2007

Period: May/07 – Aug/07
Index Stake[1]: 0.794%

Investment Funds currently indexed to the Ibovespa have a Shareholders Equity of R$ 14.4 billion[2]

- CPFL included in IBXr-50 on January 1st, 2007

Period: May/07 – Aug/07
Index Stake[1]: 0.678%

Investment Funds currently indexed to the IBrX-50 have a Shareholders Equity of R$ 7.7 billion[2]

CPFL Energia participates in the market's most important indexes

1) Source: Bovespa
2) Source: ANBID (base date: April 20, 2007)

1Q07 Highlights and Results – CPFL Energia

Value Creation Agenda

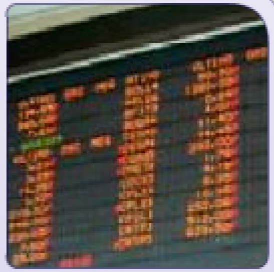
o slide

Strategic agenda cleary defined, focused in valuation, liquidity and security

Synergic Growth

- RGE 's Integration Process
- Second stage of Santa Cruz's Integration Plan
- Acquisition of CMS Energy Brasil assets
- Commercial start-up of Campos Novos HPP

Operational Efficiency



Financial Discipline

Sustainability and Coporate Responsibility

Differentiated Corporate Governance

RGE's integration process will be concluded by January/08

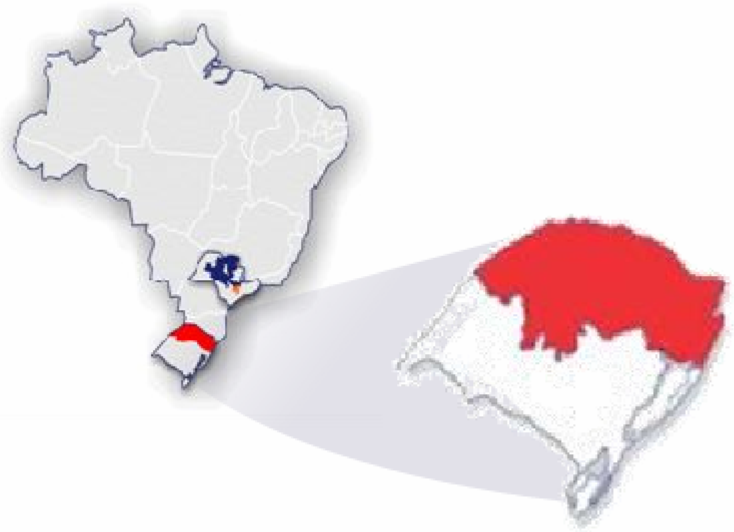
Concluded Activities

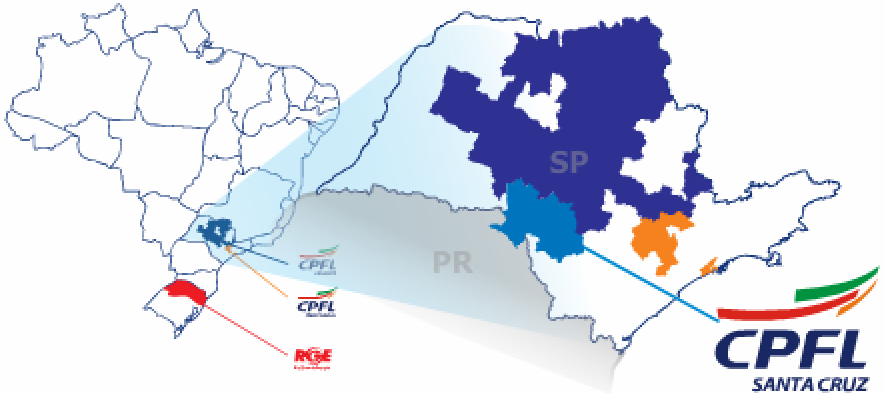
- ✓ Organizational restructuring
- ✓ Supply process optimization
- ✓ Human Resources process' centralization
- ✓ Infrastructure´s optimization (headquarter)
- ✓ Reduction in overtime (Human Resources)
- ✓ IT process´ optimization

Integration process will generate R$ 32.5 million/year sinergies gains

Working-on Activities

- Delinquency recovery
  - 12% reduction (1Q07 vs 1Q06)
- Tax credit's optimization
  - Corporate Reorganization
- Reduction in the cost of debt and financial service charges
  - Loan Renegociation (R$ 103 million) with reduction in the cost: CDI + 1.75% to 106% CDI as of Mar/07
  - R$ 1 million per year with billing expenses reduction
  - Reduction of 32% with cost of insurance





◉ Concluded Activities

✓ Integration Plan definition
- New organizational structure
- Managerial and Operational Process

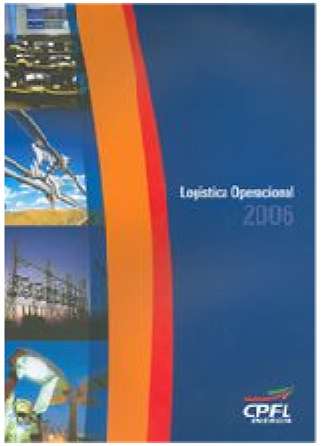
✓ Financial Statements Consolidation

Integration process will generate R$ 16 million/year sinergies gains as of 2008

◉ Working-on Activities

- New organizational structure implementation
- Managerial and operational processes centralization
  - Transfer of Headquarter and decision process to concess region (concluded)
- Improvement in service quality through more efficient operational management
  - Costumer services optimization (call-center) with 10% personnel reduction (concluded)
- Implementation of the SAP R/3 and integration with CPFL Energia
  - Estimated conclusion: dez/07
- Possibility of financial leverage

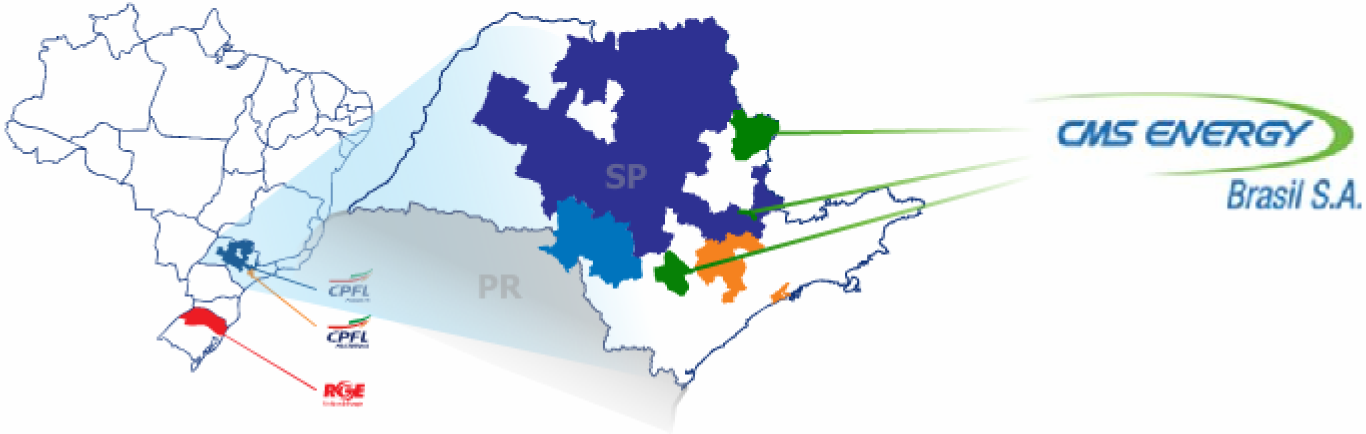
Integration according to the "CPFL Operational Model"



- Definition of all process envolving Network Sevices, Distribution services, Transmission Services and Asset Management
  - ✓ Operating Logistics: location and specification of the support basis
  - ✓ Attribution and activities definition to be developed by kind of operating basis
  - ✓ Provisioning of the staff, timetable, fleet and tooling
  - ✓ Process centralization (Ex: Planning, Management, Projects etc.)

- Supporting this model:
  - ✓ GIS-D Solution, whole of tecnologies integrated supporting: Engineering, Planning, Projects, Sites, Maintenance, Operation and Asset Management
  - ✓ *CPFL Padrão* (CPFL Operational Model) with training and continuous improvement
  - ✓ Certification Program - SGI

All processes are standardized and certified



- Acquisition of CMS Energy Brasil S.A.
  - Acquisition price: US$ 211 million
  - 7 companies: distribution (4), generation (1), commercialization (1) and service (1)
  - Acquisition is currently under approval of the regulatory agencies (ANEEL/CADE)
- 2006 Results:
  - Net Revenue: R$ 294 million
  - EBITDA: R$ 73.4 million
  - Net Income: R$ 35.1 million

Distribution

- Energy Sales: 1,243 GWh (2006)
- 180,000 consumers in the states of São Paulo and Minas Gerais
- Concession area in the boarder line of CPFL Paulista and CPFL Piratininga

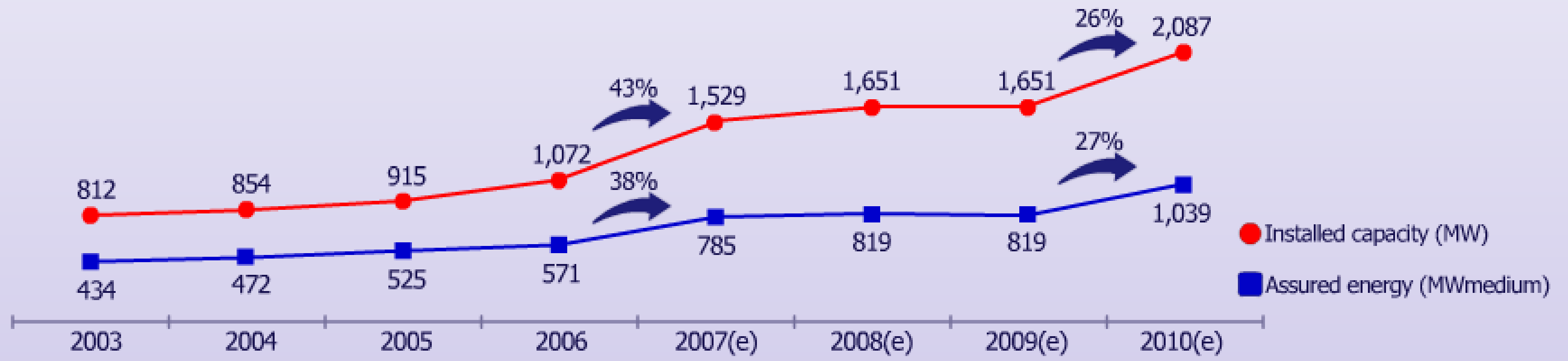
Generation

- Total installed capacity of 86.8 MW
  - 6.93% stake in Lajeado HPP: 62.5 MW
  - 9 SHP's: 24.3 MW

CPFL's generating capacity between 2004 and 2010, based on 6 new units

	Monte Claro	Barra Grande	Campos Novos	Castro Alves	14 de Julho	Foz do Chapecó
CPFL's stake (%)	65.00	25.01	48.72	65.00	65.00	51.00
CPFL's capacity (MW)	84.5	172.5	428.8	84.5	65.0	436.1
Status	✓ Operating	✓ Operating	✓ Operating	4Q07 Operation	3Q08 Operation	3Q10 Operation

Installed Capacity and Assured Energy Evolution[1]



1) Excluding the CMS Energy Brasil S.A. generation assets

	May/06	Aug/06	Oct/06	Apr/07
Asset	RGE (Uma empresa CPFL Energia)	Foz do Chapecó (Foz do Chapecó Energia S.A.)	CPFL Santa Cruz	CMS Energy Brasil S.A.
Acquired Capital	32.69%	11%	99.9%	100%
Investment - Equity (R$ million)	414	89,3[1]	203	429[2]
Acquisition Rational	Management control and synergy gains	Increase generation portfolio	Consolidate distribution segment and synergy gains	Consolidate distribution segment and synergy gains

The 4 acquisitions represent an investment of R$ 1.1 billion (equity)

1) Investment to be done until 2010
2) Estimated value

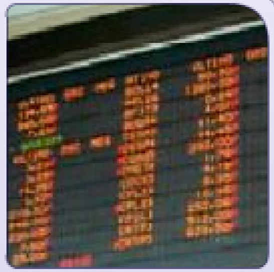
Strategic agenda cleary defined, focused in valuation, liquidity and security

Synergic Growth

- RGE 's Integration Process
- Second stage of Santa Cruz's Integration Plan
- Acquisition of CMS Energy Brasil assets
- Commercial start-up of Campos Novos HPP

Operational Efficiency

- Improvement in RGE's operational indicators



Financial Discipline

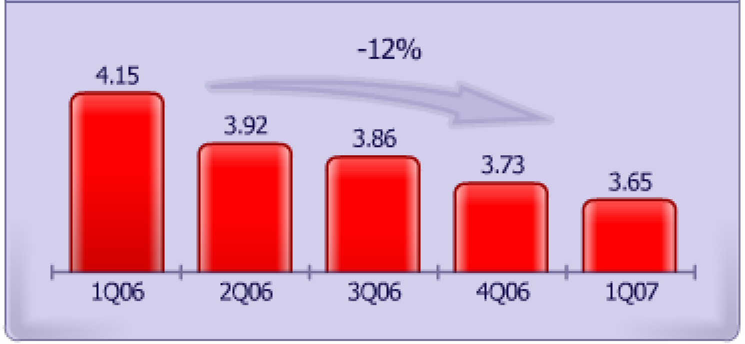
Sustainability and Coporate Responsibility

Differentiated Corporate Governance

The solidity achieved by CPFL reflects its operational efficiency and the quality of the markets in which it operates

Commercial Losses (%) – Last 12 months

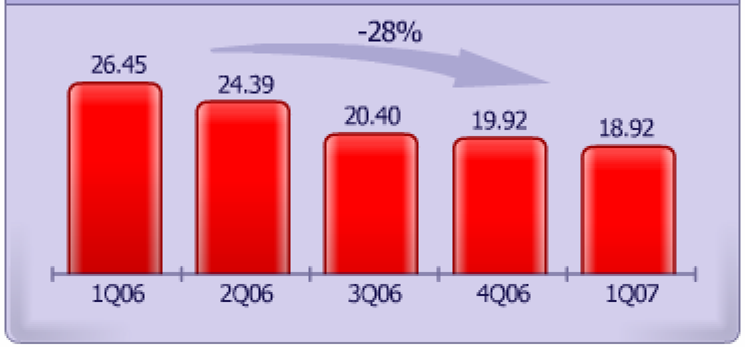
Delinquency[1] (%) – Last 12 months



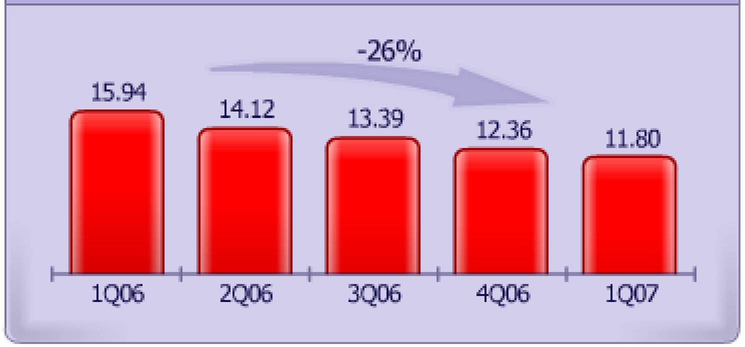
- Initiatives for reduction of the delinquency levels:
  - Intensification of negotiations with Government and hospitals
  - Intensification of collection in high and low voltage groups

RGE

DEC (hours)[2]

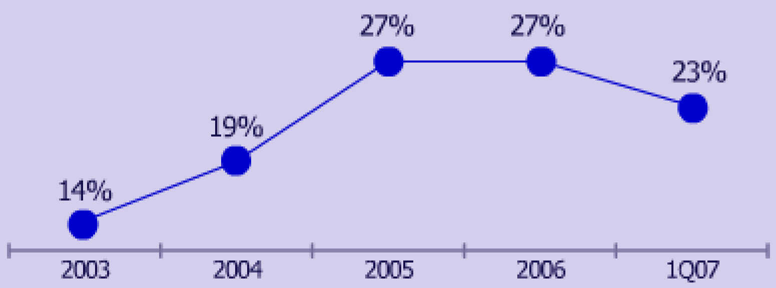


FEC (times)[2]



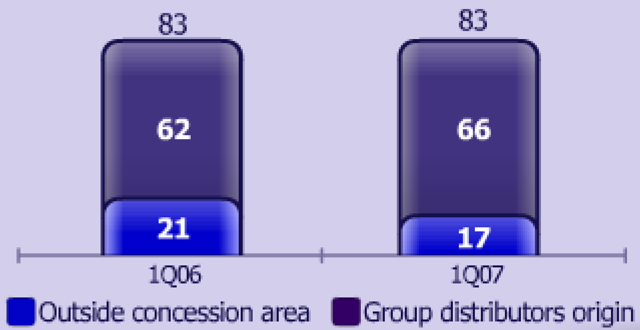
1) Bills overdue for more than 30 days - % of total billings
2) Source: ANEEL

Commercialization Market Share - CPFL Brasil



Source: CCEE (acum.feb/06)

Number of clients in the free market



- Market leadership with 23% market share
- Same number of clients
- 12.9% increase in EBITDA and 11.0% in Net Income (1Q07 vs 1Q06)

1) CPFL Paulista and CPFL Piratininga customers classified as potentially free, with contracts due in 1Q07

Synergic Growth

- RGE 's Integration Process
- Second stage of Santa Cruz's Integration Plan
- Acquisition of CMS Energy Brasil assets
- Commercial start-up of Campos Novos HPP

Operational Efficiency

- Improvement in RGE's operational indicators

Financial Discipline

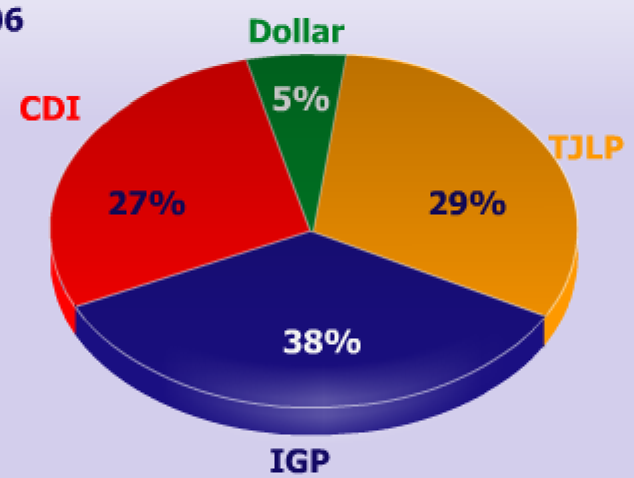
- Improvement in debt profile
- Improvement in credit rating
- RGE's corporate reorganization
- Incorporation of CPFL Centrais Elétricas and Semesa by CPFL Geração

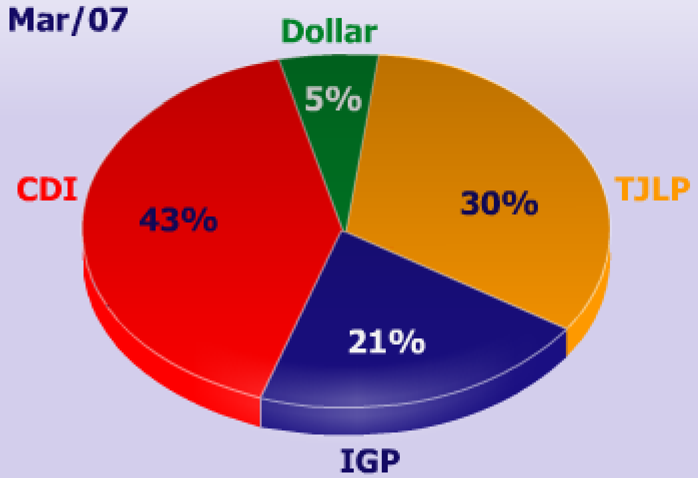
Sustainability and Coporate Responsibility

Differentiated Corporate Governance

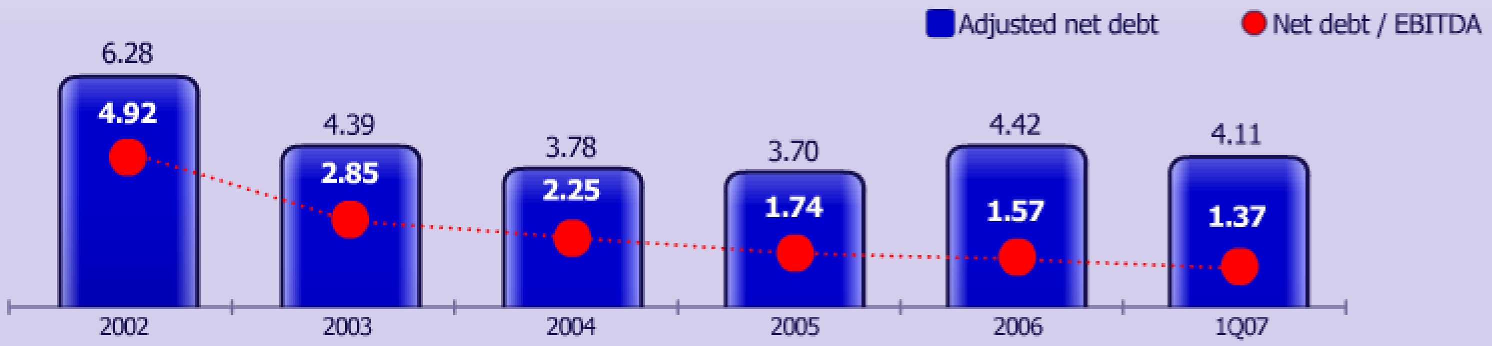
Financial Discipline and Debt Profile

Debt Breakdown





Adjusted net debt[1] / EBITDA[2] (R$ billion)



Nominal Cost	26.9%	19.8%	17.7%	13.9%	13.4%	12.0%

1) Adjusted net debt = total financial debt + private pension plan – cash and cash equivalents – regulatory asset
2) EBITDA last 12 months

Standard and Poor's and Fitch upgraded CPFL's credit rating

STANDARD & POOR'S

Until April, 2007	As of April, 2007
Rating brA+	**Rating brAA-**

FitchRatings

Until April, 2007	As of April, 2007
Rating A+ (bra)	**Rating AA (bra)**

"...the start-up of important hydroelectric generation projects in the next few years, representing an upside of the cash generation on the CPFL Energia results..." (Standard & Poor's)

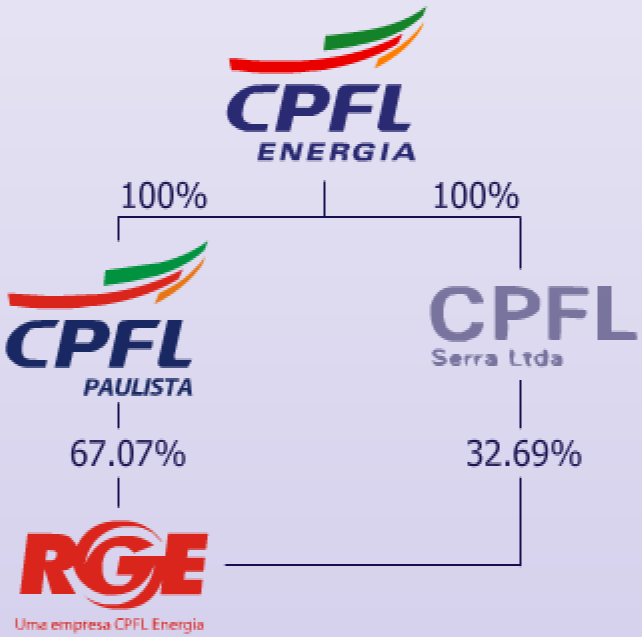
"...the main distribution companies of the Group shows a better operational performance than the similar average and it is located in a mature and stable concession area..." (Standard & Poor's)

"...the close relation of the Group with the capital markets has increased their financial flexibility." (Standard & Poor's)

Source: Standard & Poor's – 04/05/2007 and Fitch Ratings – 04/12/2007 – (national scale)

12/31/06

Previous Corporate Structure



03/31/07

Current Corporate Structure

Note: Concluded on March 14, 2007

Improvement in CPFL Energia's corporate structure - CPFL Geração

12/31/06
Previous Corporate Structure

- CPFL Energia
  - 100% CPFL Geração
    - 100% CPFL Centrais Elétricas S.A.
    - 100% Semesa
    - 100% CPFL Sul
    - 65.00% Ceran
    - 25.01% Baesa
    - 48.72% Enercan
    - 51% Foz do Chapecó

03/31/07
Current Corporate Structure

- CPFL Energia
  - 100% CPFL Geração
    - 100% CPFL Sul
    - 65.00% Ceran
    - 25.01% Baesa
    - 48.72% Enercan
    - 51% Foz do Chapecó

Main benefits:

- Reduction in operational and administrative costs (legal and regulatory obligations)
- Simplified corporate structure

Note: Concluded on March 30, 2007

CPFL Energia's improved corporate structure

1) Market position: Free Float 27.08% + 0.01 from Others.

Note: Excluding acquisition of CMS Energy Brasil S.A. (currently under approval of the regulatory bodies: ANEEL/CADE)

Strategic agenda cleary defined, focused in valuation, liquidity and security

Synergic Growth

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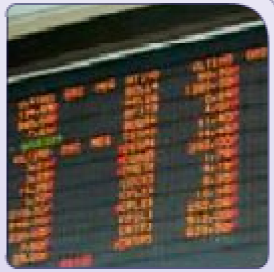
- Second stage of Santa Cruz's Integration Plan
- Acquisition of CMS Energy Brasil assets
- Commercial start-up of Campos Novos HPP

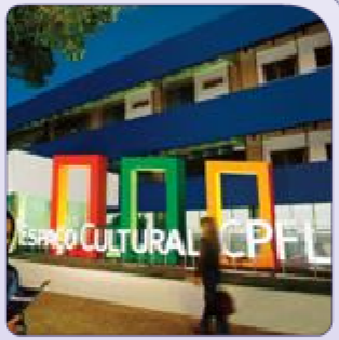
Operational Efficiency

- Improvement in RGE's operational indicators



Financial Discipline

- Improvement in debt profile
- Improvement in credit rating
- RGE's corporate reorganization
- Incorporation of CPFL Centrais Elétricas and Semesa by CPFL Geração



Sustainability and Coporate Responsibility

- Approval for the commercialization of Monte Claro HPP's carbon credits

Differentiated Corporate Governance

Approval for the commercialization of Monte Claro HPP's carbon credits

Approved Projects:

	CPFL Centrais Elétricas	HPP Monte Claro
Potential sales until 2012 (tonnes of CO_2 equivalent)	120 thousand	850 thousand
Approved by Interministerial Commission for Global Climate Change[1]	May 29, 2006	Sep 22, 2006
Average Acquisition Price (€/tonne)	12.8	———
CDM – Clean Development Mechanism Approval	Oct/06	Apr/07
Estimated Revenue	€ 1.5 million	€ 10.9 million[2]

Ongoing projects:

- Castro Alves HPP
- 14 de Julho HPP
- Campos Novos HPP[3]
- Foz do Chapecó HPP

Potential carbon credits generated by ongoing projects until 2012 may exceed 6.85 million tonnes[2]

1) Federal body related to the Ministry of Science and Technology – MCT, responsible for the analysis of Clean Development Mechanism projects
2) Considering the same average acquisition price of CPFL Centrais Elétricas
3) Campos Novos HPP: estimated at 4 million tonnes

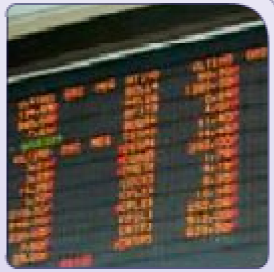
Strategic agenda cleary defined, focused in valuation, liquidity and security

Synergic Growth

- RGE 's Integration Process
- Second stage of Santa Cruz's Integration Plan
- Acquisition of CMS Energy Brasil assets
- Commercial start-up of Campos Novos HPP

Operational Efficiency

- Improvement in RGE's operational indicators



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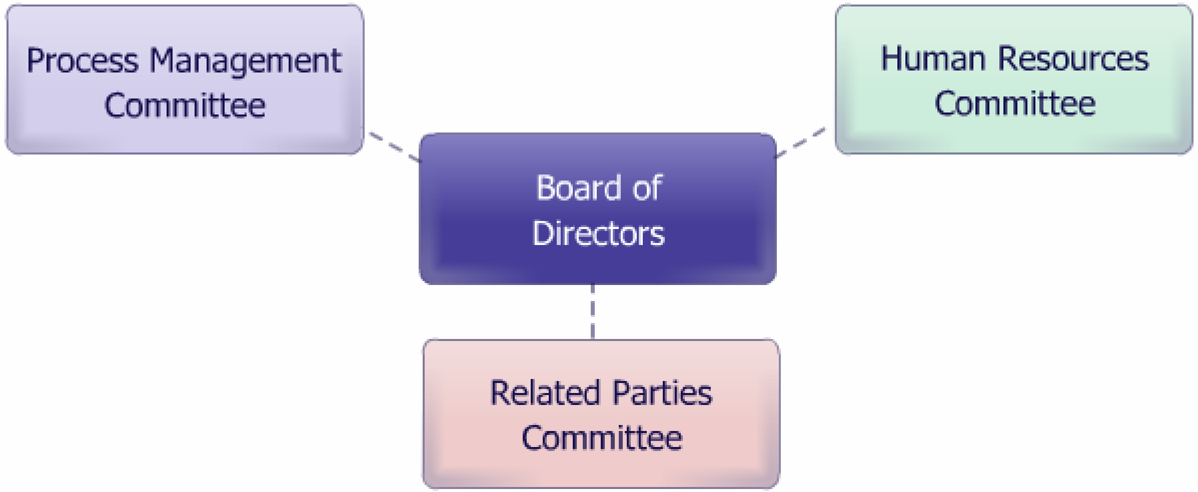
Differentiated Corporate Governance

- Election of the new Board members

- Election of the new Board of Directors members (Apr/07)
  - 7 Members and one independent member
    - Luis Aníbal de Lima Fernandes (President)
    - Cecília Mendes Garcez Siqueira (Vice-president)
    - Francisco Caprino Neto
    - Martin Roberto Glogowsky
    - Milton Luciano dos Santos
    - Otávio Carneiro de Rezende
    - Ana Dolores Moura Carneiro de Novaes (Independent Member)
  - 3 Committees Supporting Board of Directors: Process Management Committee, Human Resources Committee and Related Parties Committee



Corporate Governance Policies

Code of Ethics and corporate conduct review

Strategic agenda cleary defined, focused in valuation, liquidity and security

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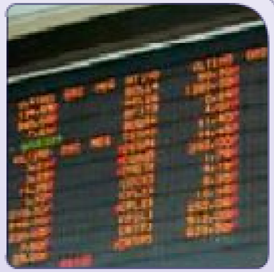

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CPFL Energia's investment case with growth oppotunities

Competitiveness + Strategic Position = Sustainability

	CPFL in the IPO (Sep/04)	Main Realizations (until 1Q07)
Distribution	• Distribution of 36,364 GWh (2004) • 2 distributors + 67.07% stake in RGE • 5,5 million of consumers	• Distribution of 4,993 GWh[1] additional (+ 14%) • Acquisition of 32.69% stake in RGE • Acquisition of Santa Cruz company • Assignment of the purchase's contract of CMS • 400 thousand new consumers
Generation	• Installed Capacity of 812 MW[2] • 19 SPP's + 1 TPP + Semesa HPP	• Installed Capacity addition of 504 MW (+ 59%) • Opening of 3 HPP's: • HPP Monte Claro • HPP Barra Grande • HPP Campos Novos
Commercialization	• Commercialization of 3,209 GWh (2004) • 50 consumerrs • Market share: 19%	• Commercialization of 6,125 GWh1 additional (+ 191%) • Addition of 33 consumers • Market share: 23%
EBITDA	R$ 1.7 billion (2004)	R$ 3.0 billion (LTM)
Capital Markets	• Free Float: 13.6% • Daily Volume traded: CPFE3 (4T04): R$ 4.8 million	• Free Float: 27.1% • Daily volume traded: CPFE3 (1Q07): R$ 19.4 million • CPFL is included in the main indexes: Ibovespa (Apr/07)

1) Consider GWh sold in 2006 with relation to 2004
2) Installed capacity until the IPO (Sep/04)

CPFL ENERGIA

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1Q07