CPFL ENERGIA

1Q06

Highlights and Results – CPFL Energia

Value Creation Agenda

CPFL Energia – 1Q06 Highlights

Gross Revenue	EBITDA
11.6%	29.1%
R$ 2,789 million	R$ 654 million

Net Income	Total Energy Sales
85.0%	7.5%
R$ 306 million	9,962 GWh

CPFL Energia – 1Q06 Highlights

Sales in distribution's concession area

4.1%
9,723 GWh

Energy sales to the free market

65.9%
2,419 GWh

Annual tariff adjustment

10.8% CPFL Paulista

10.2% RGE

CPFL Piratininga's unbundling process

CPFL Piratininga´s debenture issue of R$ 400 million, with cost of 104% of CDI

CPFL acquires 32.69% of RGE and now holds 99.76% of this company[1]

1 Interest not including treasury shares

CPFL moves forward in the unbundling process

Dec 31st, 2005

CPFL moves forward in the unbundling process

CPFL moves forward in the unbundling process

Dec 31st, 2005

CPFL Energia

100%

CPFL Paulista

100%

CPFL Piratininga

67.07%

RGE Rio Grande Energia

3.08% Comgás
0.05% EDB

Jan 01st, 2006

CPFL Energia

100% CPFL Paulista

100% CPFL Piratininga

3.08% Comgás
0.05% EDB

67.07% RGE Rio Grande Energia

Accounting

CPFL Paulista

- ↓ Investment Account of R$ 413.3 million
- ↓ Capital Account of R$ 413.3 million

CPFL moves forward in the unbundling process

Dec 31st, 2005 | Jan 01st, 2006

CPFL Paulista

- ↓ Investment Account of R$ 413.3 million
- ↓ Capital Account of R$ 413.3 million

CPFL Energia

- ↓ Investment Account in CPFL Paulista of R$ 413.3 million
- ↑ Investment Account in CPFL Piratininga and other assets[1] of R$ 413.3 million

1 CPFL Piratininga (R$ 385,4 million), Comgás (R$ 27,2 million) and EdB (R$ 0,8 million)

CPFL Energia – Corporate Structure

Shareholders of CPFL Energia

VBC Energia	PREVI	Fundação CESP / Petros / Sistel / Sabesprev	Free-Float
38.49%	31.11%	12.65%	17.75%

CPFL Energia

DISTRIBUTION

- 100% — CPFL Paulista
  - 67.07% — RGE RioGrandeEnergia
- 100% — CPFL Piratininga

COMMERCIALIZATION

- 100% — CPFL Brasil

GENERATION

- 100% — CPFL Geração
  - 100% — CPFL Centrais Elétricas S.A.
  - 100% — CPFL Sul Centrais Elétricas LTDA
  - 100% — Semesa Semesa S.A.
  - 65% — Ceran Cia Energética Rio das Antas
  - 25.01% — BAESA Energética Barra Grande S.A.
  - 48.72% — Enercan Campos Novos Energia S.A.
  - 66.67% — Foz do Chapecó Foz do Chapecó Energia S.A.
    - 60% — Consórcio Energético Foz do Chapecó

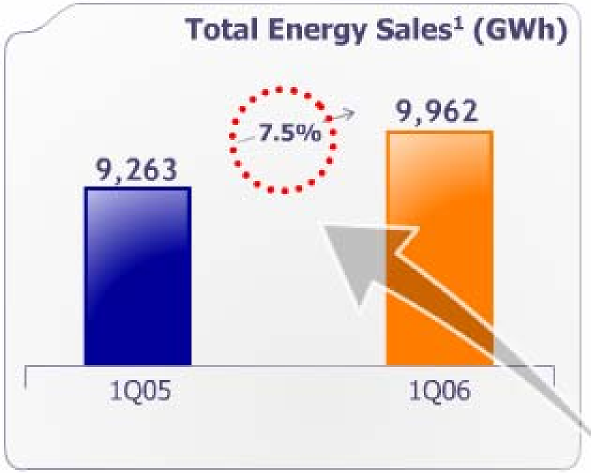
Base: January 1, 2006

1Q06 Energy Sales

1 Excludes transactions between group's companies (consolidation acconting criteria), CCEE and Generation sales

2 Excludes transactions between group's companies (consolidation acconting criteria) and CCEE

1Q06 Energy Sales



Total Energy Sales 7.5%

Free Market 65.9%

Captive Market[3]
- 5.5% Residential
- 8.5% Commercial
- 4.7% Rural

1 Excludes transactions between group's companies (consolidation acconting criteria), CCEE and Generation sales
2 Excludes transactions between group's companies (consolidation acconting criteria) and CCEE
3 CPFL Paulista and CPFL Piratininga

1Q06 Energy Sales

Total Energy Sales[1] (GWh)

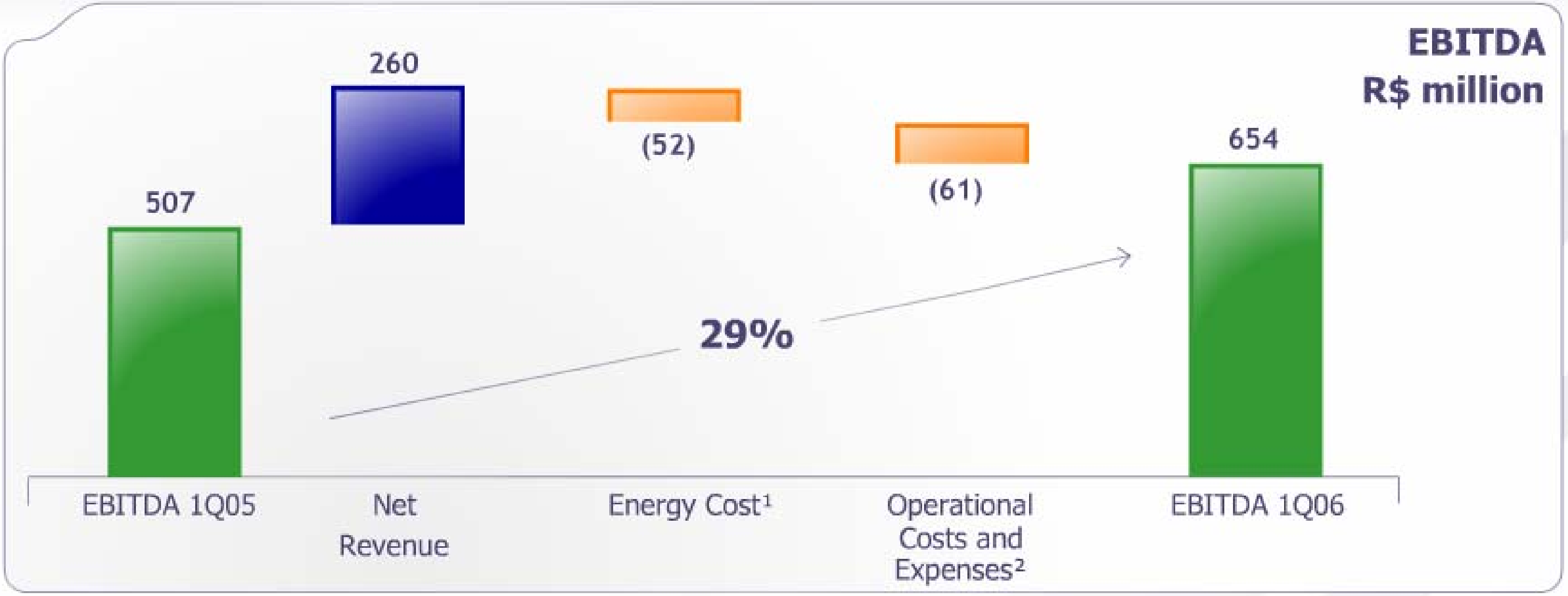
Free Market Sales[2] (GWh)

Concession Area Sales (GWh)

- Total Energy Sales ▲ 7.5%
  - Free Market ▲ 65.9%
  - Captive Market[3] ▲ 5.5% Residential
    - ▲ 8.5% Commercial
    - ▲ 4.7% Rural
- Concession Area Sales ▲ 4.1%
  - TUSD Sales ▲ 41.8%

1 Excludes transactions between group's companies (consolidation acconting criteria), CCEE and Generation sales
2 Excludes transactions between group's companies (consolidation acconting criteria) and CCEE
3 CPFL Paulista and CPFL Piratininga

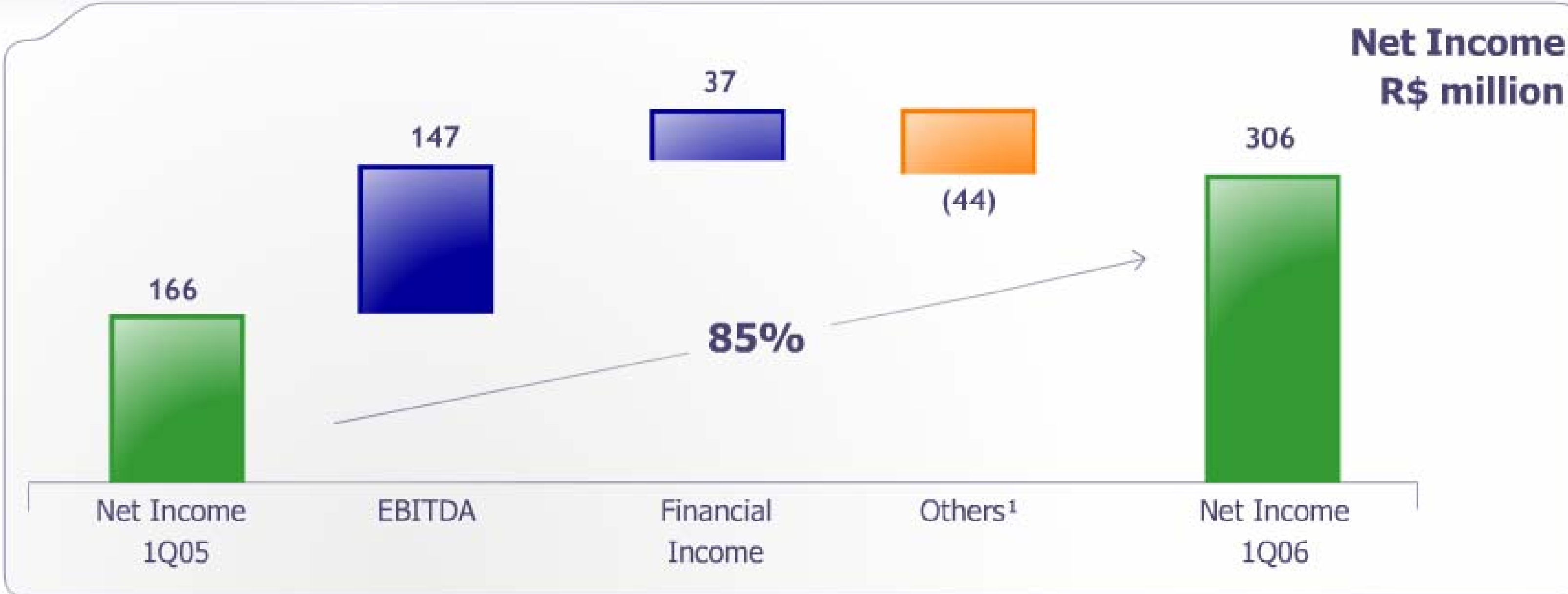
CPFL Energia – 1Q06 Results



29.1% EBITDA increase (R$ 147 million)

- 14.5% Net Revenue increase (R$ 260 million)
- 4.8% Energy Cost[1] increase (R$ 52 million)
- 31.6% Operational Costs and Expenses increase[2] (R$ 61 million)
  - Voluntary Dismissal Program (R$ 17 million)
  - Barra Grande HPP and CPFL Sul SPP operations (R$ 3 million)

1 Includes CCC, CDE, minority participation and non-operational results
2 Consider Personnel, Material, Third Party Services and Other expenses



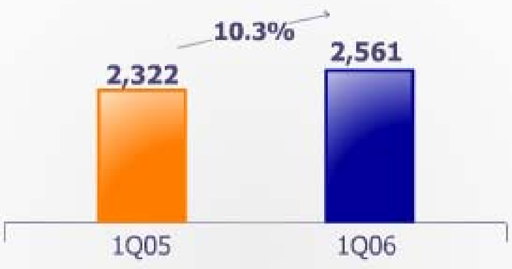
85.0% Net Income increase (R$ 141 million)

- 29.1% EBITDA increase (R$ 147 million)
- 31.3% Financial Income inprovement (R$ 37 million)
  - 13.2% financial revenue increase
  - 8.4% financial expenses reduction

1 Private Pension, Income and Social Contribution Taxes, Amortization/Depreciation

Distribution – 1Q06 Results

Gross Revenue
R$ million



- 10.3% Gross Revenue increase (R$ 240 million)
  - 4.1% growth in concession area sales
  - 62.0% growth in TUSD revenue (R$ 59 million)
  - Distributors readjustments and tariff review
    - CPFL Paulista 17.74% - April/05
    - RGE 21.93% - April/05
    - CPFL Piratininga 1.54%[1] - October/05

EBITDA
R$ million

- 18.6% EBITDA increase (R$ 70 million)
  - 10.3% gross revenue increase (R$ 240 million)
  - 0.3% energy costs increase (R$ 3 million)
  - 47.4% CCC and CDE increase (R$ 65 million)
  - Voluntary Dismissal Program - (R$ 16 million)
  - 20.3% operating costs and expenses[2] increase (R$ 36 million)

Net Income
R$ million

- 67.2% Net Income increase (R$ 82 million)
  - 18.6% EBITDA increase (R$ 70 million)
  - 32.9% net financial expenses reduction (R$ 26 million)

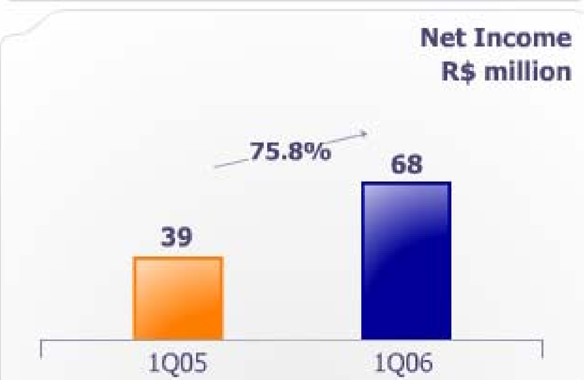
1 PIS / COFINS already excluded

2 Consider Personnel (excluding VDP), Material, Third Party Services and Other Expenses

Commercialization – 1Q06 Results

- 51.9% Gross Revenue increase (R$ 154 million)
  - 44.4% total energy sales growth and 65.9% free market sales growth
  - 97.9% value-added product and service revenues increase

- 75.0% EBITDA increase (R$ 43 million)
  - 51.9% gross revenue increase (R$ 154 million)
  - 46.3% energy costs increase (R$ 89 million)
  - 30.1% operating costs and expenses[1] increase (R$ 2 million)

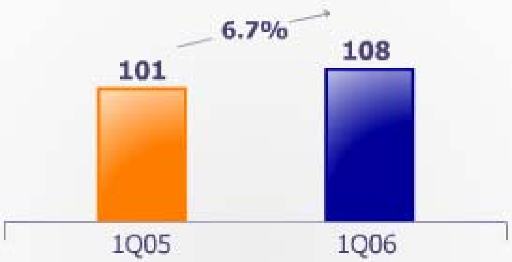


- 75.8% Net Income increase (R$ 29 million)
  - 75.0% EBITDA increase (R$ 43 million)
  - 63.4% net financial expenses reduction (R$ 1 million)

1 Consider Personnel, Material, Third Party Services and Other Expenses

Generation – 1Q06 Results

Gross Revenue
R$ million



EBITDA
R$ million

Net Income
R$ million

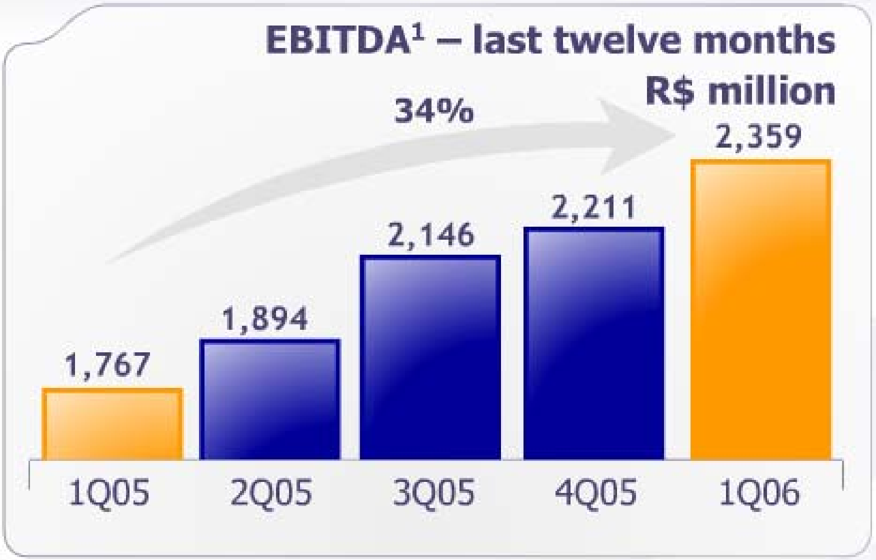
- **6.7% Gross Revenue increase (R$ 7 million)**
  - Barra Grande HPP and CPFL Sul SPP commercial operations: increase of 166 GWh (R$ 16 million)
  - CPFL Centrais Elétricas: 11.12% readjustment (Apr/05) and migration from initial contracts, with increase in the average price (R$ 7 million)
  - Reduction related to PIS/COFINS[1]: return to the cumulative accrual system, with a 3.65% rate (R$ 17 million)

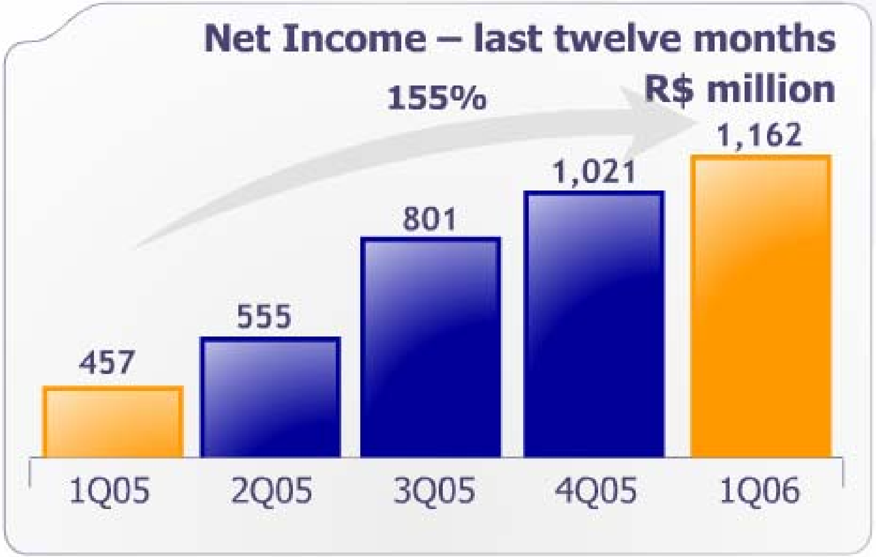
- **35.5% EBITDA growth (R$ 29 million)**
  - 6.7% gross revenue increase (R$ 7 million)
  - Reversal of PIS/COFINS[1]: return to the cumulative accrual system, with a 3.65% rate (R$ 31 million)
  - 70% operating costs and expenses[2] growth (R$ 6 million)
    - Barra Grande HPP and CPFL Sul SPP operations (R$ 3 million)

- **86.1% Net Income increase (R$ 21 million)**
  - 35.5% EBITDA increase (R$ 29 million)
  - 11.3% net financial expenses reduction (R$ 4 million)

1 Application of Article 109 of Law 11,196/2005: contracts longer than one year, signed up to Oct 31st, 2003, may revert to the cumulative accrual system (3.65%)
2 Consider Personnel, Material, Third Party Services and Other Expenses

CPFL Energia reports consistent growth in EBITDA and Net Income



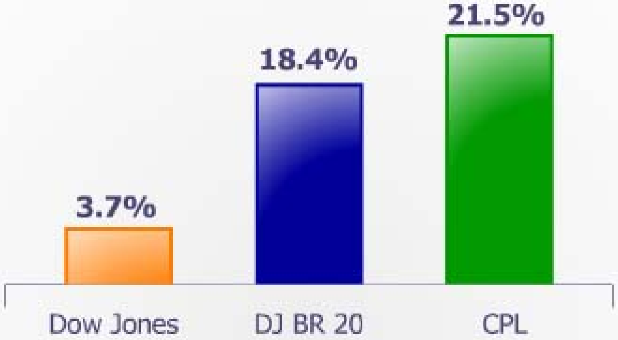


1 4Q05 and 1Q06 EBITDA excluding non-recurrent effects from 4Q05

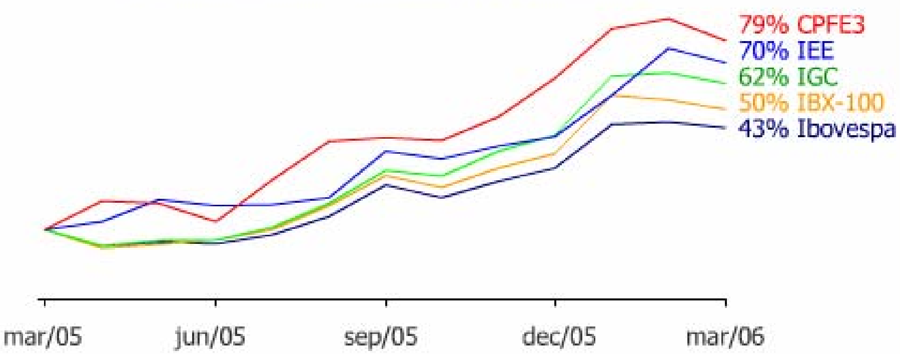
Capital market performance

Shares Performance BOVESPA[1] – 1Q06

Shares Performance NYSE[1] – 1Q06



Appreciation - last twelve months



Daily average volume ON + ADR
R$ million

1 Share prices adjusted for dividends (Mar 31st, 2006 - CPFE3: R$ 29.62 and CPL: US$ 40.92)

Highlights and Results – CPFL Energia

Value Creation Agenda

Strategic agenda clearly defined, focused on appreciation, liquidity and safety

Synergic Growth

- Distribution: Strong market basis
- Generation: Guarantee of PPAs
- Commercialization: Free clients retention

Differentiated Corporate Governance

- Single class of shares: 100% tag along
- Commitment to float increase
- Dividend policy

Operating Efficiency

- Distribution scale gains
- Standardization and processes certification
- System automation and modernization
- Call Center

Sustainability and Corporate Responsibility

- Internal public development, capacity and mobilization
- Contribution to the social, economical and cultural communities development

Financial Discipline

- Leverage management: rating between BBB and AA
- Management focused on value creation for the shareholder, using GVA methodology

Synergic Growth - CPFL acquires 32,69% PSEG's stake in RGE

With the acquisition, CPFL holds 99.76%[1] of Rio Grande Energia - RGE

Key Indicators - 2005

	RGE[1] 32.69%	CPFL Energia[2]
Gross Revenue (R$ thousand)	722	10,907
EBITDA (R$ thousand)	103	2,120
Net Income (R$ thousand)	37	1,021
Customers (thousand)	1,095	5,608
Brazil Market-Share	2.4%	12.4%
Distribution Concession Area (km^2)	90,718	187,943
Distribution network high voltage[3] (km)	1,634	8,267
Distribution network medium/low voltage(km)	65,038	160,272

1 Interest not including treasury shares. Financial informations published by RGE.
2 Considering 67,07% of RGE in Gross Revenue, EBITDA and Net Income
3 High voltage: 34,5kV and higher than 34,5kV
Note: Customers, market share, concession area and distribution network consider 100% of the companies

Synergic Growth - CPFL acquisition is in line with CPFL Energia's growth strategy

Acquisition highlights

- Scale in operations is a key-factor in the distribution business
- Distribution market-share limit of 20%[1]
- Synergic growth – through acquisitions – must occur reducing uncertain about synergies

Acquisition main conditions

- US$ 185 million for IPÊ Energia, PSEG Brasil and PSEG Trader – which includes RGE´s 32,67% stake as main asset
- Date acquisition for accounting purposes: January 1st, 2006
- Payment of related value in dollars, after regulatory authorities approval

Parameters for the acquisition

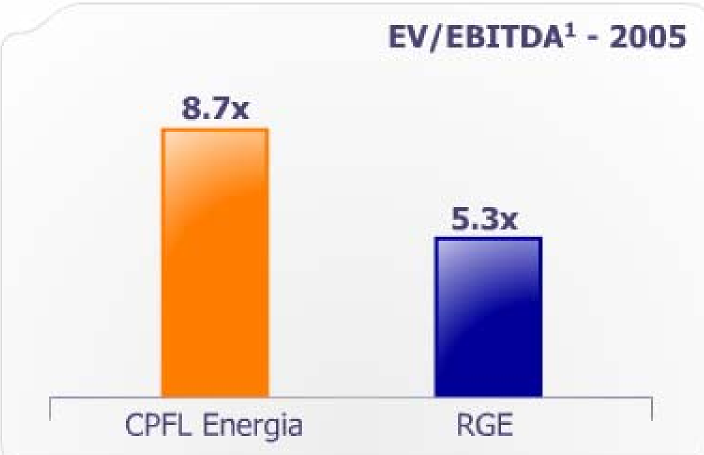
- Return on Equity in line with the current business portfolio
- Capture of synergies with low risk and incertanties – in line with the CPFL's strategy

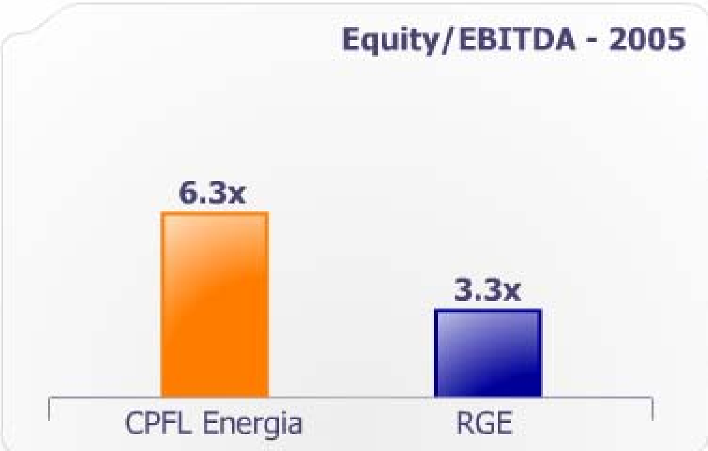
Next steps in the process

- Process approval by ANEEL and others regulatory authorities
- Companies's consolidation
- Fiscal Credit benefit

1 Limit concentration of 20% for Brazil coverage or 25% for regional coverage

Synergic Growth - RGE acquisition's EV/EBITDA is lower than CPFL Energia





Financial Indicators Comparison - 2005

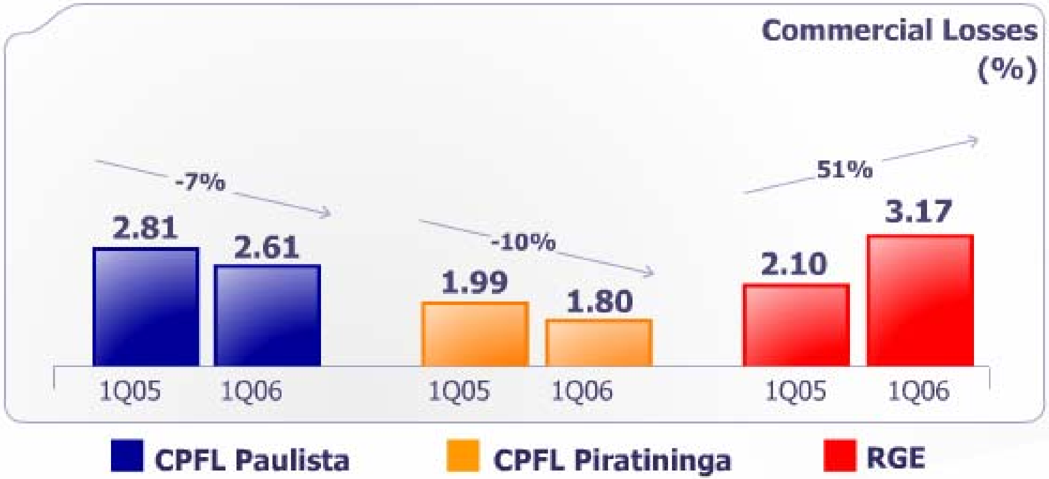
	CPFL Energia	RGE
P/E – Price / Earnings	13.2x	9.1x
P/BK – Price / Book Value	2.8X	0.9X

1 Considering Total Financial Debt and total equity value based in the acquisition value (US$ 163 million - exchange rate R$ 2.0714)

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

Consolidated Distribution

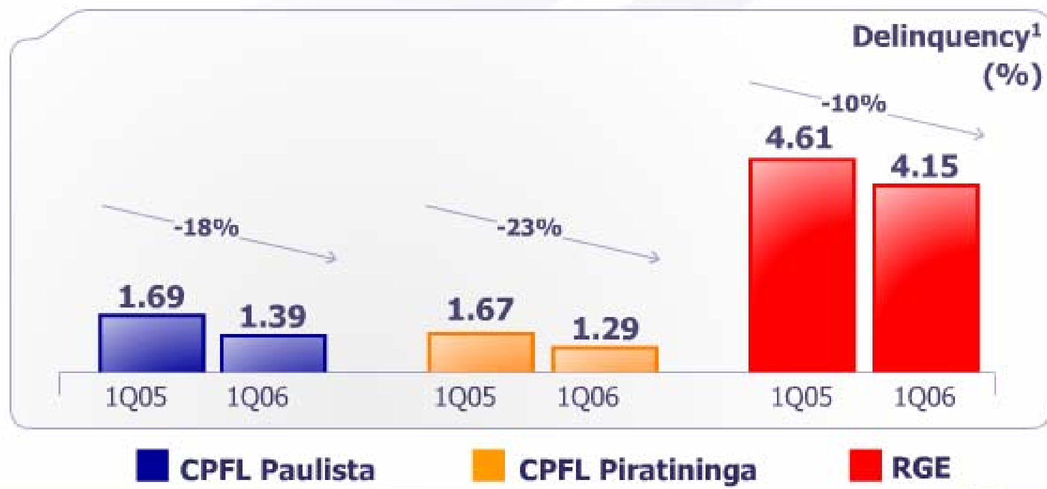
- 50,135 new connections in 1Q06 – 16,712 connections/month average : 4.8% above the 1Q05 average



- 130 thousand inspections
  - 33.5 million* revenues recovery

9,2% increase over the 1Q05

Delinquency ratio falls to lowest historic level in CPFL Piratininga and CPFL Paulista



1 - Bills overdue more than 30 days - % of billing
* With 100% of RGE

Barra Grande HPP Project conclusion

- Nov 1st, 2005 - commercial operation of the 1st turbine
  - 54% of total assured energy
- Feb 1st, 2006 - commercial operation of the 2nd turbine
  - 100% of total assured energy
- May 1st, 2006 - commercial operation of the last turbine

172.5 MW and 95.2 MW medium assured energy increase, representing R$ 102 million/year[1] additional in Group's revenue

1 - Considering price of ~ 100% of Normative Value

Campos Novos HPP - Reservoir Filling

- Up to now, the reservoir's level has raised by 152.50 meters (90%); to reach its Minimum Operating Level, there are 14 meters left to fill

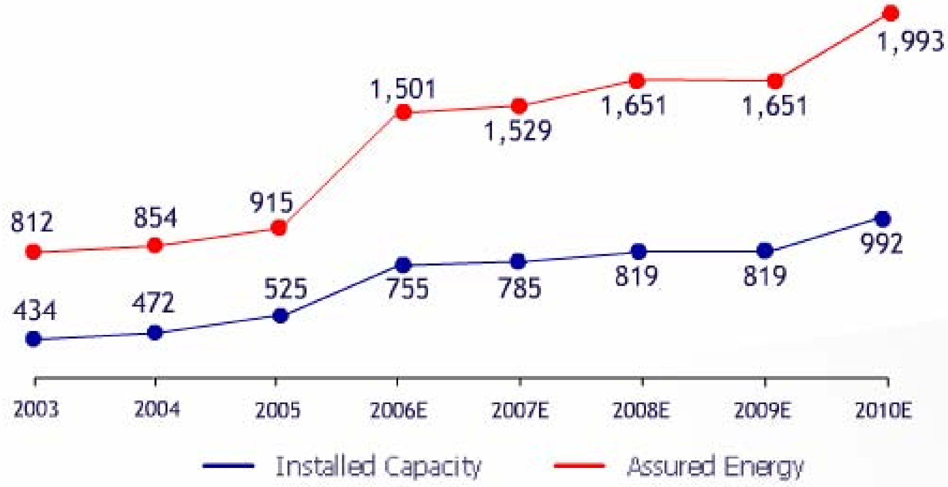
- In order to start up commercial operations of the Generation Units, the two rerouting tunnels must be closed with concrete. Works on rerouting tunnel 01 have been already concluded. To complete tunnel 02 works, a protection is being constructed with the use of rocks in the tunnel's entrance, because of an operation error in one of the Reservoir's sluice gates and employees' safety reasons. To execute these repairs, it was necessary to settle a structure to launch the rocks inside the Reservoir, which occasioned a delay on Commercial Generation, scheduled to July, 2006

- Enercan has insurances to cover the repair works

- The delay in Commercial Generation brings a entry delay in the revenue, however, also leads to operating expenses and financing payment postponement, for the same period. The Net Present Value of this delay is R$ 31 million which, combined with a R$ 25 million economy, already occurred in the investment, leads to a practically null value in the Company's results

65% installed capacity increase between 2005 and 2006, with another 33% by 2010

Installed capacity evolution and assured energy



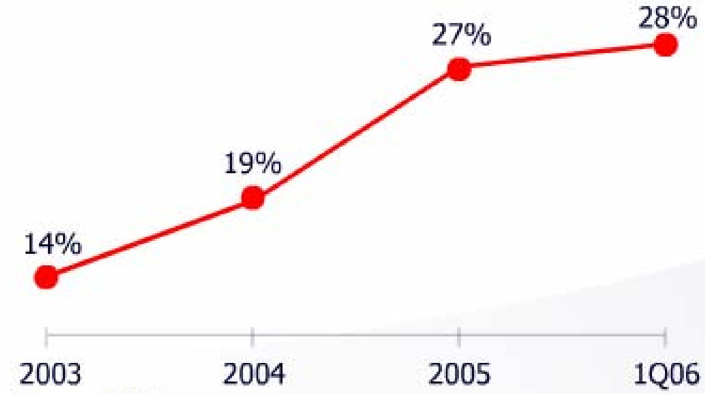
- Campos Novos: 91% of assured energy in 1st turbine (2006)
- Castro Alves: 63% of assured energy in 1st turbine (2007)
- 14 de Julho: 93% of assured energy in 1st turbine (2008)

Campos Novos

All projects with signed contracts with price of ~ 100% normative value

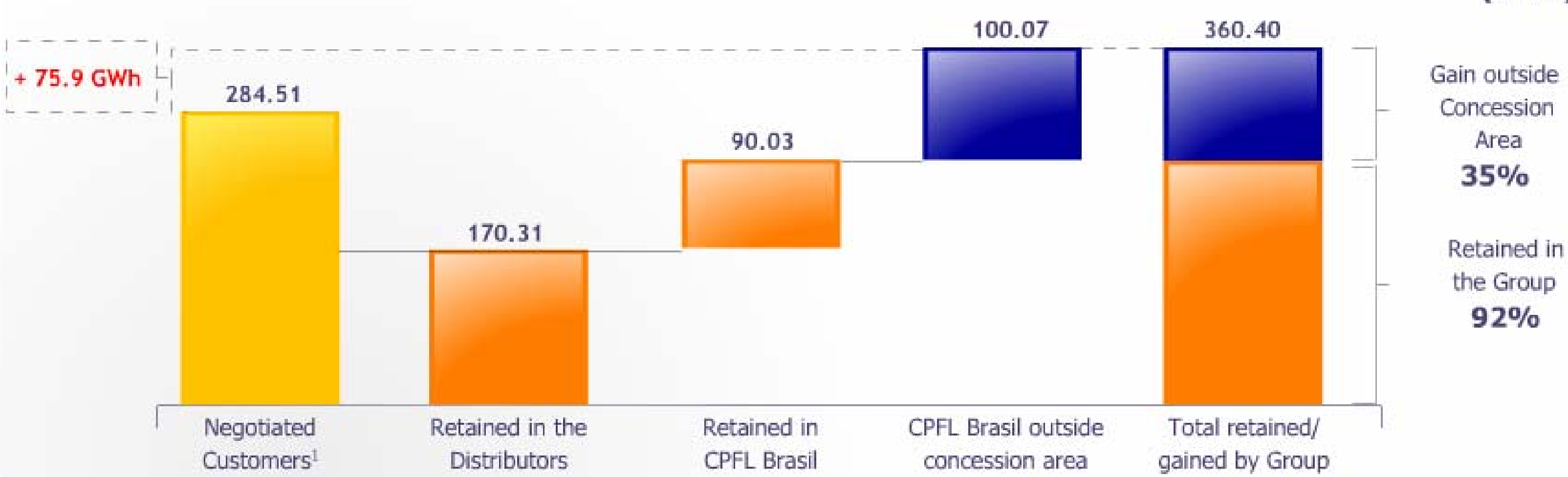
Commercialization's market-share increase and positive balance in free customers movement

Commercialization Market Share - CPFL Brasil



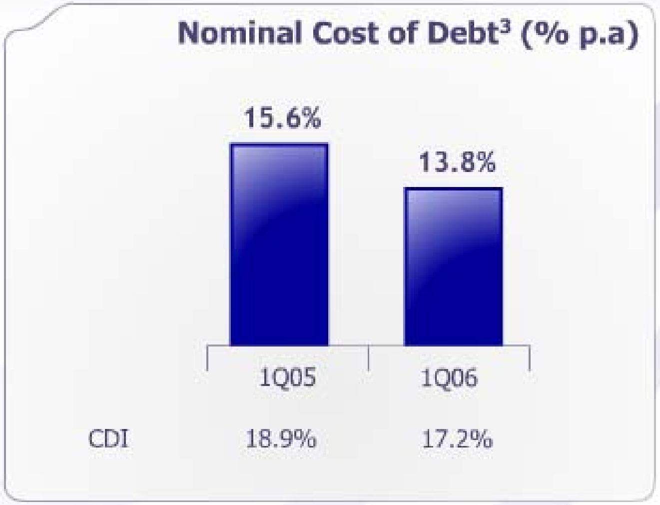
Source: CCEE

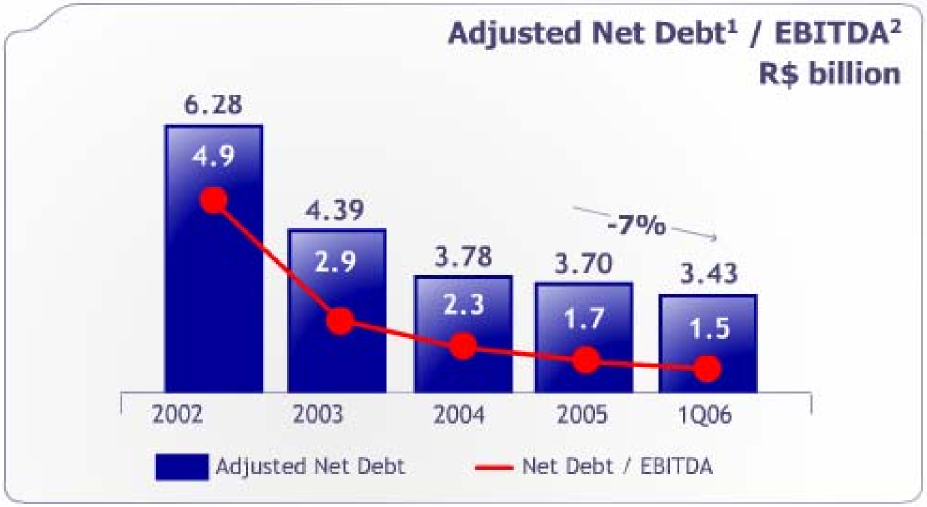
Free Customers Flow in 1Q06 (GWh)

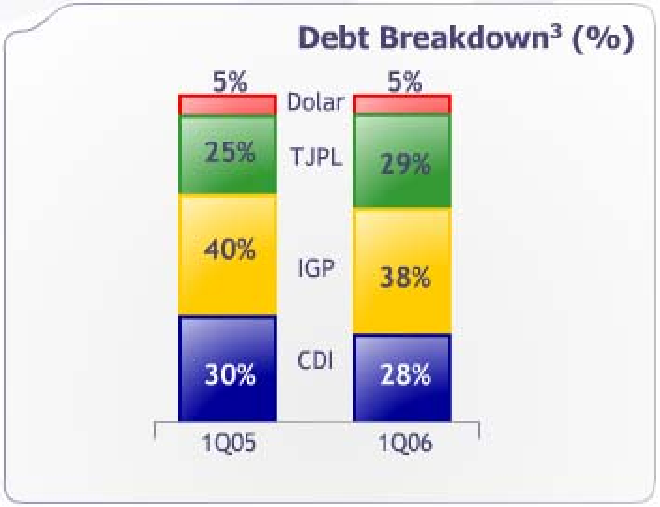


1 CPFL Paulista and CPFL Piratininga customers classified as potentially free, with contracts due in 1Q06

Financial discipline and debt profile improvement







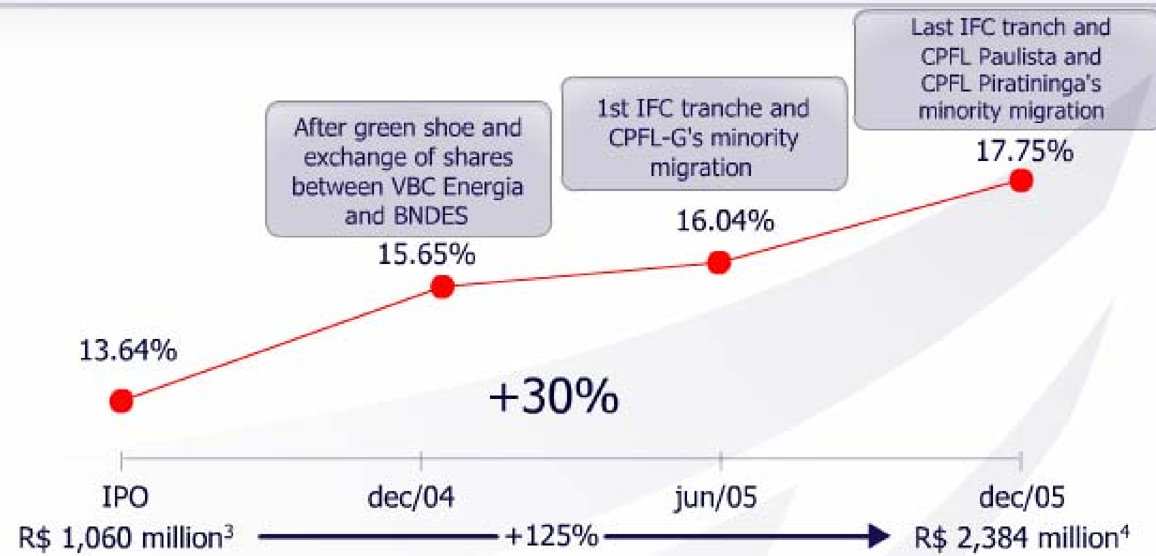
Capital Structure: Debt 54% / Equity 46%

1 Adjusted net debt = total financial debt + private pension funds - cash and cash equivalents - regulatory assets
2 Last 12 months EBITDA 3 Excluding RTE

Corporate Governance Commitment

Free Float

Increase from 13.64 % to 17.75% since the IPO



Dividend Payment[1]

- effective payment in the last 2 years (95%) exceeds minimum payment of 50% of the net income on a semi-annual basis
- in the last 2 years,CPFL Energia has paid out R$ 551 million above the minimum

1 Including Interest on Own Capital 2 Semi-annual dividend compared to the share average closing price - sum the last 2 half years
3 IPO's share price - R$ 17.22 per share (not adjusted) 4 Dec 29th, 2005 - R$ 28.00 per share (not adjusted) 5 % of net income

1Q06