

1Q10 Results



▶ Net Revenue

1Q10
R\$ 2,785 million

▲ +16.7%

▲ +16.3%

Reported
1Q09
R\$ 2,386 million

Recurring
1Q09
R\$ 2,395 million

▶ EBITDA

1Q10
R\$ 809 million

▲ +22.8%

▲ +16.9%

Reported
1Q09
R\$ 659 million

Recurring
1Q09
R\$ 692 million

▶ Net Income

1Q10
R\$ 390 million

▲ +38.0%

▲ +33.1%

Reported
1Q09
R\$ 283 million

Recurring
1Q09
R\$ 293 million

- Growth of 8.5% in concession area sales¹
- Annual Tariff Readjustment of 1.55% for CPFL Paulista, including 1.87% in Parcel B, effective as of April, 8th
- Funding of R\$ 1.2 billion at a cost of 107% of CDI, for working capital and lengthening of the maturity profile
- Announcement of 3 new biomass projects - Ipê, Buriti and Pedra, adding 145 MW of installed generation capacity and representing capital expenditures of R\$ 366 million
- Approved the process of migration of minority shareholders of CPFL Santa Cruz, CPFL Leste Paulista, CPFL Sul Paulista, CPFL Jaguari, CPFL Mococa, CPFL Serviços and Jaguari Geração, increasing the free float by 0.2%
- Greenhouse Gas Inventory covering the entire Group
- Appreciation of 3.9% in CPFE3, exceeding Ibovespa (2.6%) and IEE (-0.4%) in the quarter



25.7%¹



31.0%



12.6%

Free Float












30.7%



DISTRIBUTION

100%	
100%	
100%	
100%	
100%	
100%	
100%	
100%	

COMMERCIALIZATION AND SERVICES

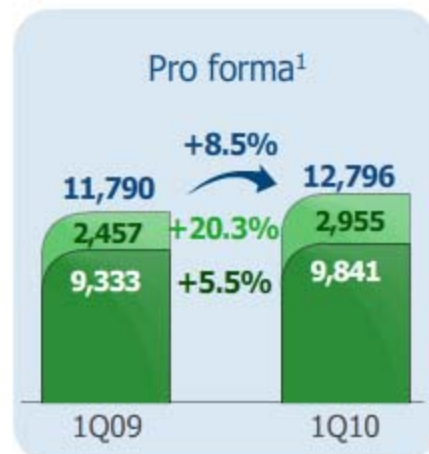
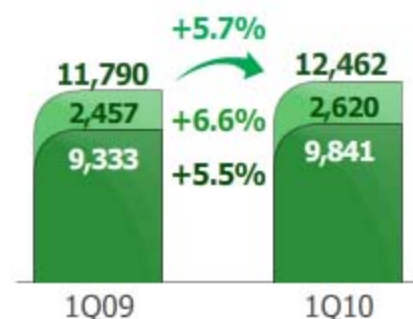
100%	
100%	
99.95%	
100%	
100%	
100%	
100%	
100%	
100%	
100%	
100%	

GENERATION

100%	
100%	
65%	
25.01%	
48.72%	
100%	
100%	
51%	
51%	
100%	
100%	
59.93%	
5.91%	

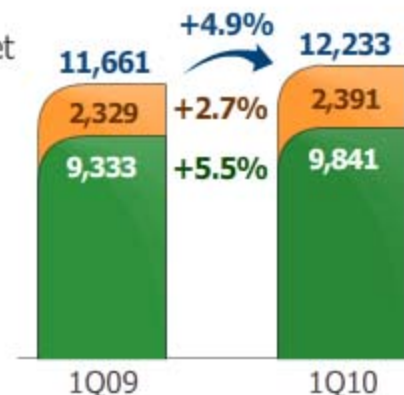
▶ Concession area sales (GWh)

■ TUSD
■ Captive market



▶ Total energy sales (GWh)

■ Free market
■ Captive market



▶ Consumer class

1Q09 vs 1Q10



Residential
Commercial
Industrial
Others
Total

Pro forma¹ 1Q09 vs 1Q10



▶ Drivers of the concession area

- 2.3% Increase in the number of customers (+138 thousand)
- Temperature – CDD: Santos (+15%), Rib. Preto (+8%) and Campinas (+4%)

▶ Macroeconomic drivers

- Payroll²
- Retail sales³
- Sales of furniture and home appliances³

▶ Brazil (last twelve months)

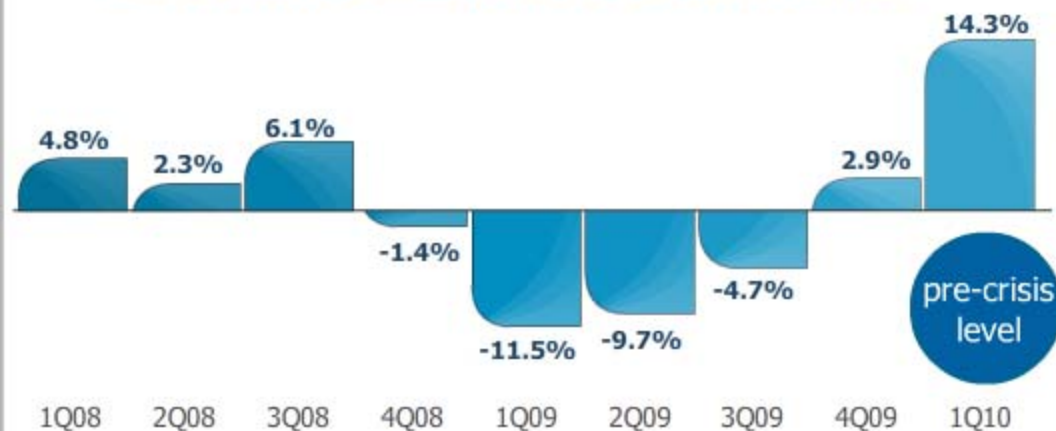
- Creation of formal job positions⁴ (CAGED) – (thousand)
- Increase in credit supply⁵ (R\$ bi)

	SP	RS	Brazil
▲	2.3%	5.1%	3.3%
▲	7.9%	4.7%	6.9%
▲	3.9%	7.4%	4.8%

	Mar, 09	Mar, 10
▲	856	1,698
▲	27	31

Industrial consumption performance (pro forma)

Growth against the same period for the preceding year



Macroeconomic Drivers

Industrial production¹

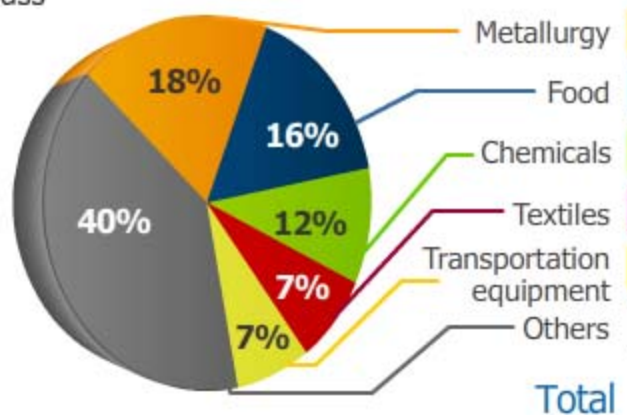
	Last 12 months ²	1Q10 vs. 1Q09
Brazil	-0.3%	18.1%
São Paulo	-1.4%	18.1%
Rio Grande do Sul	0.2%	16.1%
Exports ³ (average daily in USD)	-12.7%	25.6%

Capacity utilization⁴

Feb, 09	Feb, 10
78.2 %	80.4%

Industrial consumption performance by sector (GWh)

Sector participation in the industrial class



1Q10 | 1Q09

Metallurgy	▲ 30.6%
Food	▲ 0.2%
Chemicals	▲ 18.8%
Textiles	▲ 18.8%
Transportation equipment	▲ 27.4%
Others	▲ 14.3%
Total	▲ 14.3%

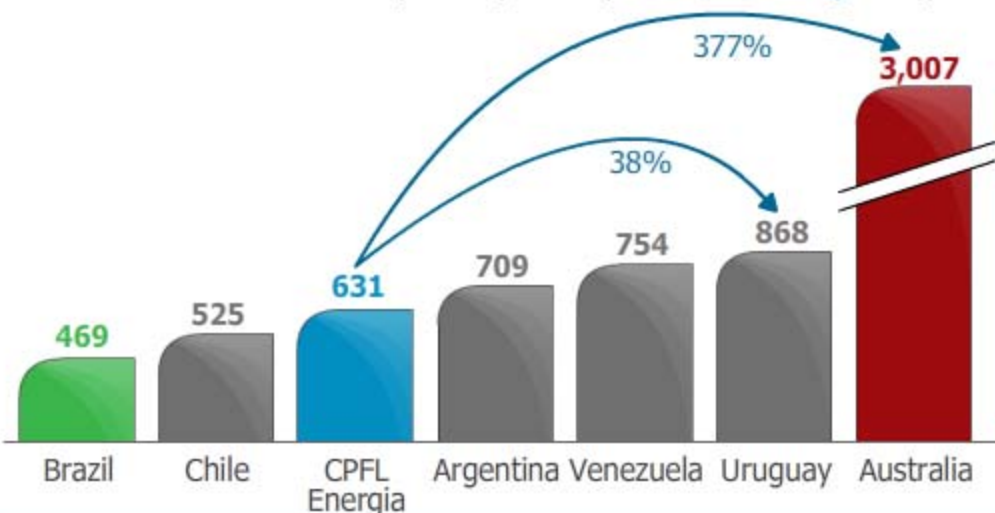
1Q10 | 1Q08

Metallurgy	▼ 6.5%
Food	▲ 2.7%
Chemicals	▲ 17.5%
Textiles	▲ 0.6%
Transportation equipment	▼ 1.5%
Others	▲ 2.5%
Total	▲ 1.1%

Residential consumption – outlook

International comparison of residential energy consumption

▶ Residential consumption per capita¹ – 2007 (GWh)



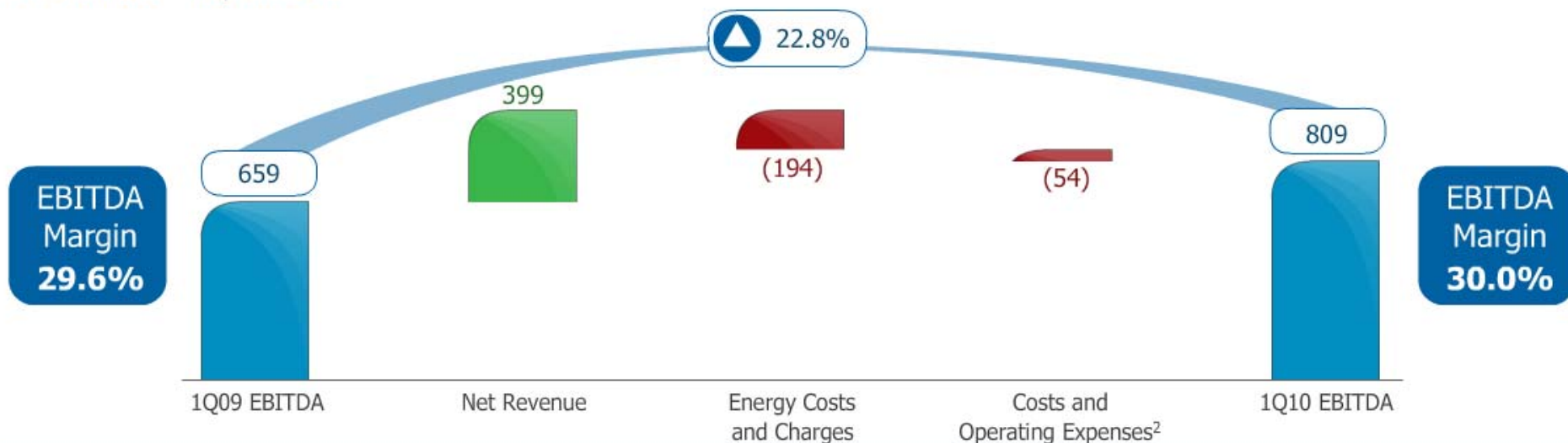
	Per Capita GDP ² (US\$)	Gini coefficient ³	HDI ⁴	Average residential tariff ⁵ (US\$)
Brazil	6,852	56.7	0.813	190
Chile	9,854	54.9	0.878	136
Argentina	6,636	45.7	0.866	99
Venezuela	8,559	41	0.844	45
Uruguay	6,913	41	0.865	157
Australia	45,590	30.5	0.970	98

▶ Outlook for Brazil

- Increase in employment and income
- Growth in the formal labor market
- Progress in income distribution
- Maintenance of controlled inflation
- Expansion in credit availability
- Reduction in interest rates to the consumer
- Improvements in access to credit (access to the banks and lines of finance)
- Large housing deficit to be resolved

Potential Growth in Residential Consumption

EBITDA – R\$ million



+ Increase of 16.7% in Net Revenue (R\$ 399 million)

- + Increase of 4.9% in total energy sales
- + Tariff and Contractual Adjustments
- + Increase of 33.2% in TUSD Revenue (R\$ 60 million)¹

+ Increase of 13.5% in Energy Costs and Charges (R\$ 194 million)

Recurring: +16.7%

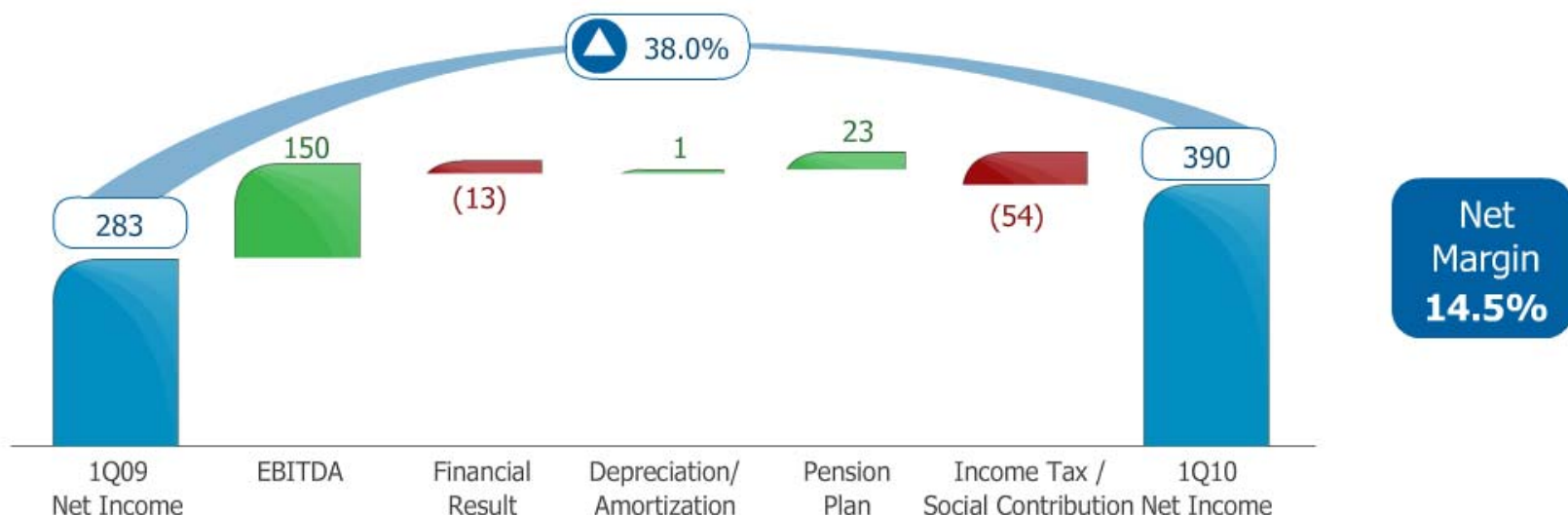
- + Non-recurring effects 1Q09: RGE Agreement ANEEL Order 768/09 and CPFL Paulista and RGE's Definitive Tariff Revision (R\$ 41 million)
- + Increase of 31.9% in charges for use of the system, mainly due to higher ESS's amortization

+ Increase of 19.1% in Costs and Operating Expenses² (R\$ 27 million)

Adjusted: +6.1%

- + Non-recurring effects 1Q09: RGE's Allowance for Doubtful Accounts Reversal net of legal fees (R\$ 54 million)
- + Energy contract's premium paid by EPASA due to postponement in ANEEL authorization (R\$ 5 million)
- + CPFL Piratininga's free energy liability's complement (R\$ 2 million)
- + Increase in SAT rate (Occupational Accident Premium), CPFL Atende hiring and reduction in capitalization of personnel costs at RGE (R\$ 9 million)
- + Dismissal's indemnity and adjustments to provisions (R\$ 7 million)

Net Income – R\$ million



⊕ Increase of 22.8% in EBITDA (R\$ 150 million)

⊖ Reduction of 20.7% in Financial Result (R\$ 13 million)

Recurring: +5.6%

⊖ Reduction of 14.7% in Financial Revenues (R\$ 17 million)

⊖ 1Q09 Non-recurring effects' monetary update (R\$ 18 million)

⊕ Reduction of 2.2% in Financial Expenses (R\$ 4 million)

⊕ Reduction of 1.0% in Depreciation and Amortization (R\$ 1 million)

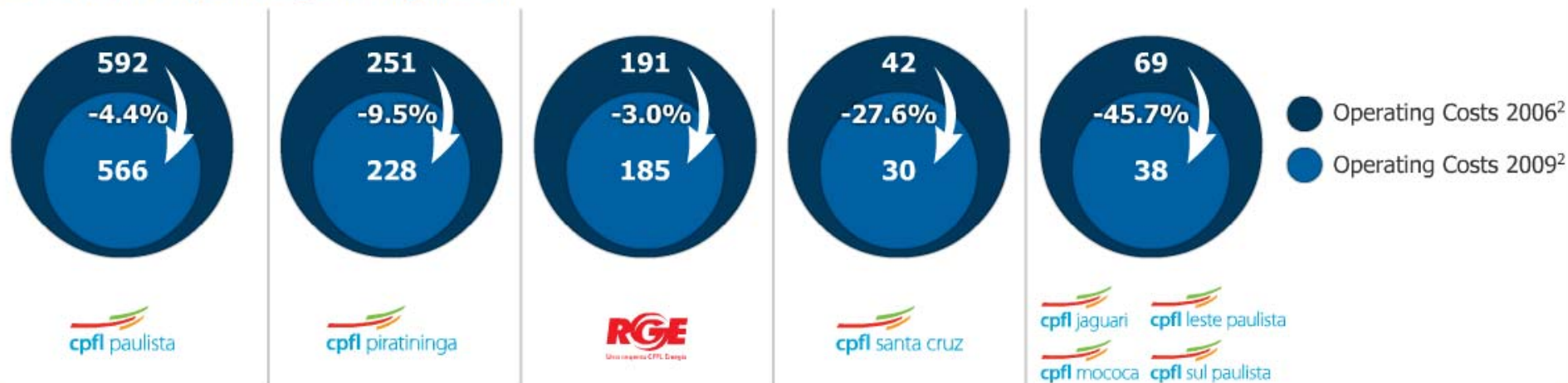
⊕ Pension Plan Entity (R\$ 23 million)

⊖ Increase in Income Tax and Social Contribution (R\$ 54 million)

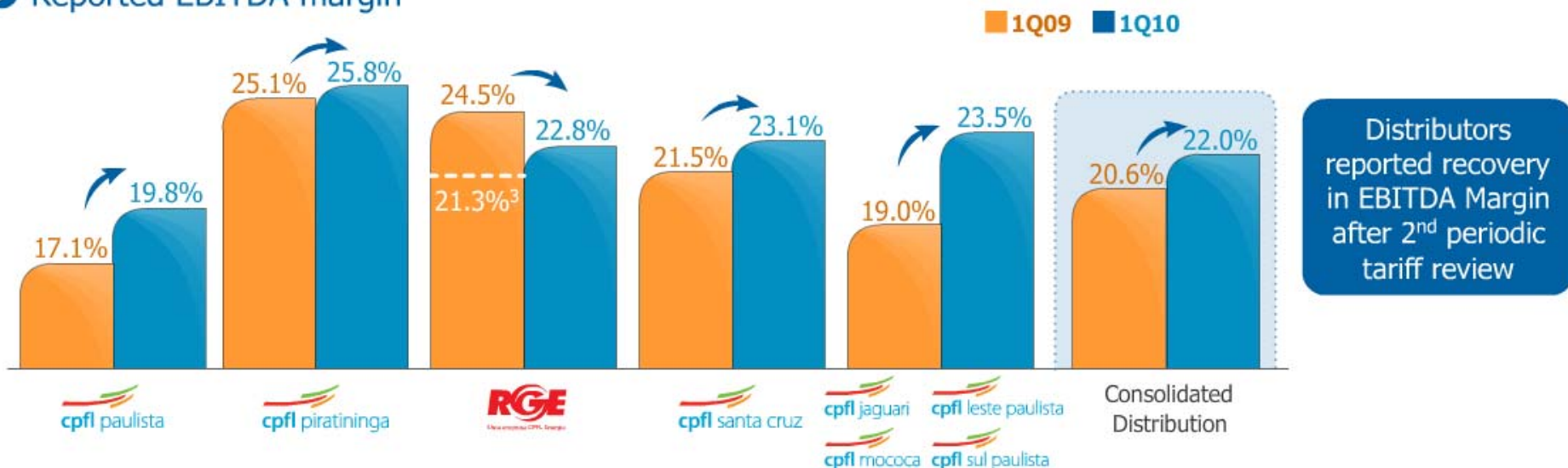
	1Q09	1Q10
Selic	2.9%	2.0%
R\$ / US\$	-0.9%	2.3%
IGP-DI	-0.9%	2.8%
TJLP	1.53%	1.47%

Acquired Distributors have reported improved indicators

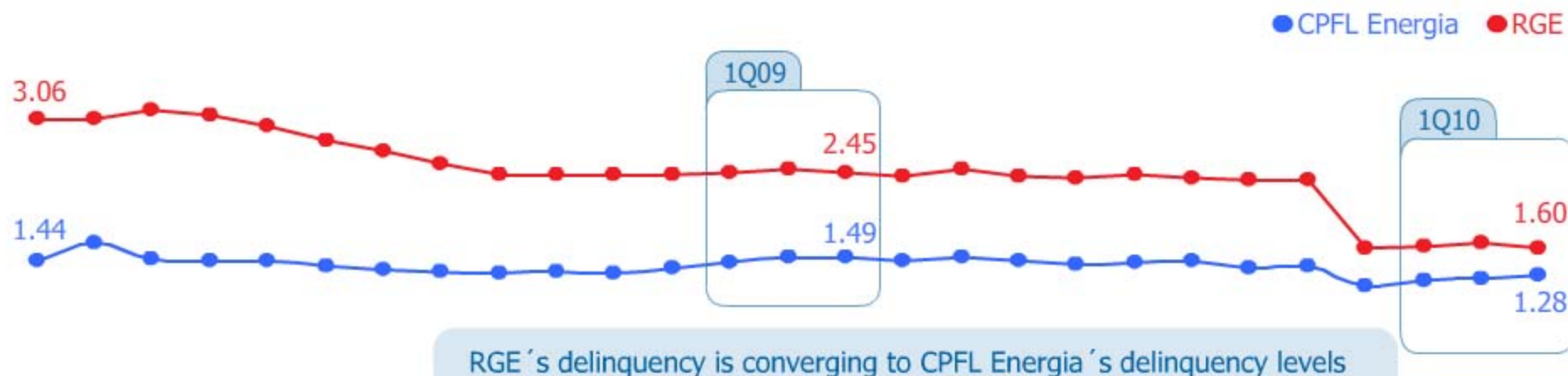
▶ Effective operating management¹



▶ Reported EBITDA margin



▶ Delinquency¹ (%) – Jan/2008 up to Mar/2010



▶ Productivity Indicators – Consolidated Distribution

Indicator	1Q08	1Q09	1Q10	1Q10 vs. 1Q08
Sold Energy (MWh)/Employee	1,451	1,457	1,531	+5.5%
Sold Energy (MWh)/Consumer	1.44	1.42	1.47	+2.1%

Superior performance compared to pre-crisis period

Initiation of the process of private networks' incorporation

Company	Estimated		Actual (R\$ Milhões)	Start of Incorporation
	Physical (km)	Book value (R\$ Milhões)		
CPFL Paulista	31,237	340.3	7.1	Jan, 10
RGE	2,366	14.7	0	Aug, 10
CPFL Santa Cruz	1,158	14.4	0	Sep, 10
CPFL Leste Paulista	2,964	18.1	0	Oct, 10
CPFL Sul Paulista				
CPFL Mococa e				
CPFL Jaguari				
Total	37,725	387.5	7.1	-----

Incorporation methodology defined by ANEEL:
book value and twenty-year depreciation

Increase in Remuneration Asset Basis and Reference Company

Foz do Chapecó HPP: 91% already concluded

Foz do Chapecó HPP: CPFL Stake (51%)

- Installed Capacity 436 MW
- Assured Energy 220 avg.MW
- Total Investment R\$ 1,347 million

Next stages to commercial start-up

- Conclusion of Dam construction: April, 2010
- Reservoir filling process begins: June, 2010
- Final tests: July-August, 2010

Start of
Construction
Dec, 06

91%
concluded
Mar, 10

Commercial
Start-up
3Q10

CPFL has already invested: R\$ 1,144 million

CPFL estimated revenue: R\$ 290 million/year



Sugarcane-fired Thermoelectric Power Plant

- Estimated Investment: R\$ 98 million¹
- Installed Capacity: 45 MW
- Capacity exported to CPFL Brasil: 24 MW/harvest
- Location: São Paulo

CPFL has already invested: R\$ 82 million
Financing: R\$ 45 million



Sugarcane-fired Thermoelectric Power Plant

- Estimated Investment: R\$ 127 million²
- Installed Capacity: 40 MW
- Capacity exported to CPFL Brasil: 25 MW/harvest
- Location: Rio Grande do Norte

Monitoring of Installation

- CPFL has already invested: R\$ 12 million
- Financing: Approval in progress

Start of
construction
Aug, 08

Commercial
Start-up
2Q10

98%
concluded
Mar, 10

Start of
construction
Mar, 10

Commercial
Start-up
Jul, 11

EPASA TPP - CPFL Stake (51%)

- Installed Capacity: 174,2 MW
- Total Investment: R\$ 310 million
- CPFL has already invested: R\$ 210 million
- Location: Paraíba

Long Term Financing – BNB Bank

- R\$ 214 million
- 8.5% p.y. pre
- 3 years of grace period + 11 years
- Objective: Prepayment of 1st Debentures issue

Start of
construction
Oct, 09

46%
concluded
Mar, 10

Commercial
Start-up
3Q10

Annual fixed revenue of R\$ 85 million (as of Mar, 10)

CPFL Wind Farms

Santa Clara I, II, III, IV, V, VI and Eurus VI Wind Farms

- Capacity Installed: 188 MW
- Commercialized Energy: 76 avg.MW
- Total Investment: R\$ 768 million
- Location: Rio Grande do Norte

Monitoring of Installation

- Shared Transformed Substation: Approval in progress
- Financing: Approval in progress

Start of
construction
Aug, 10

Commercial
Start-up
Jul, 12

CPFL Estimated Revenue: R\$ 100 million/year

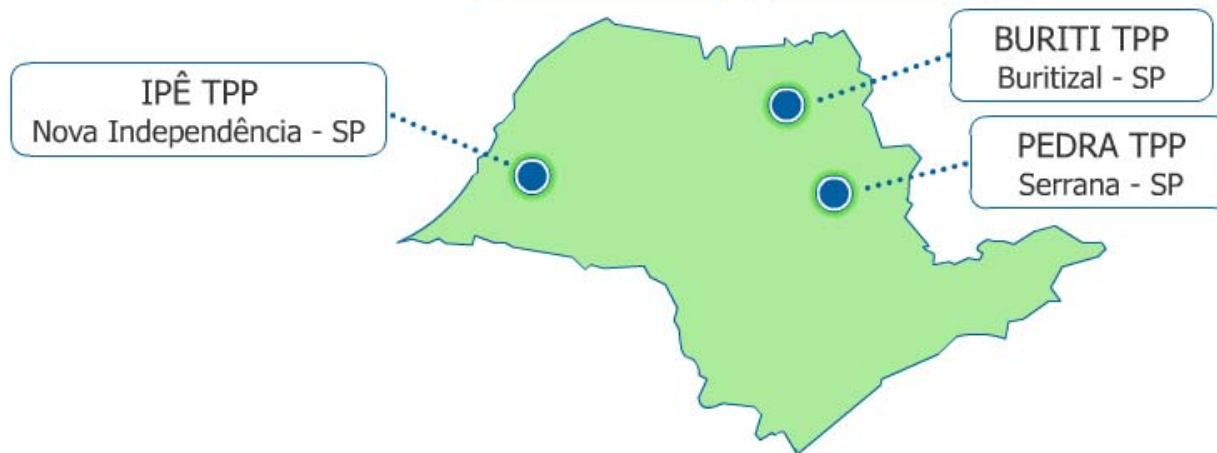
Announcement of three new biomass energy generation's projects: CPFL Bio Buriti, Ipê and Pedra

CPFL
Bio Buriti

CPFL
Bio Ipê

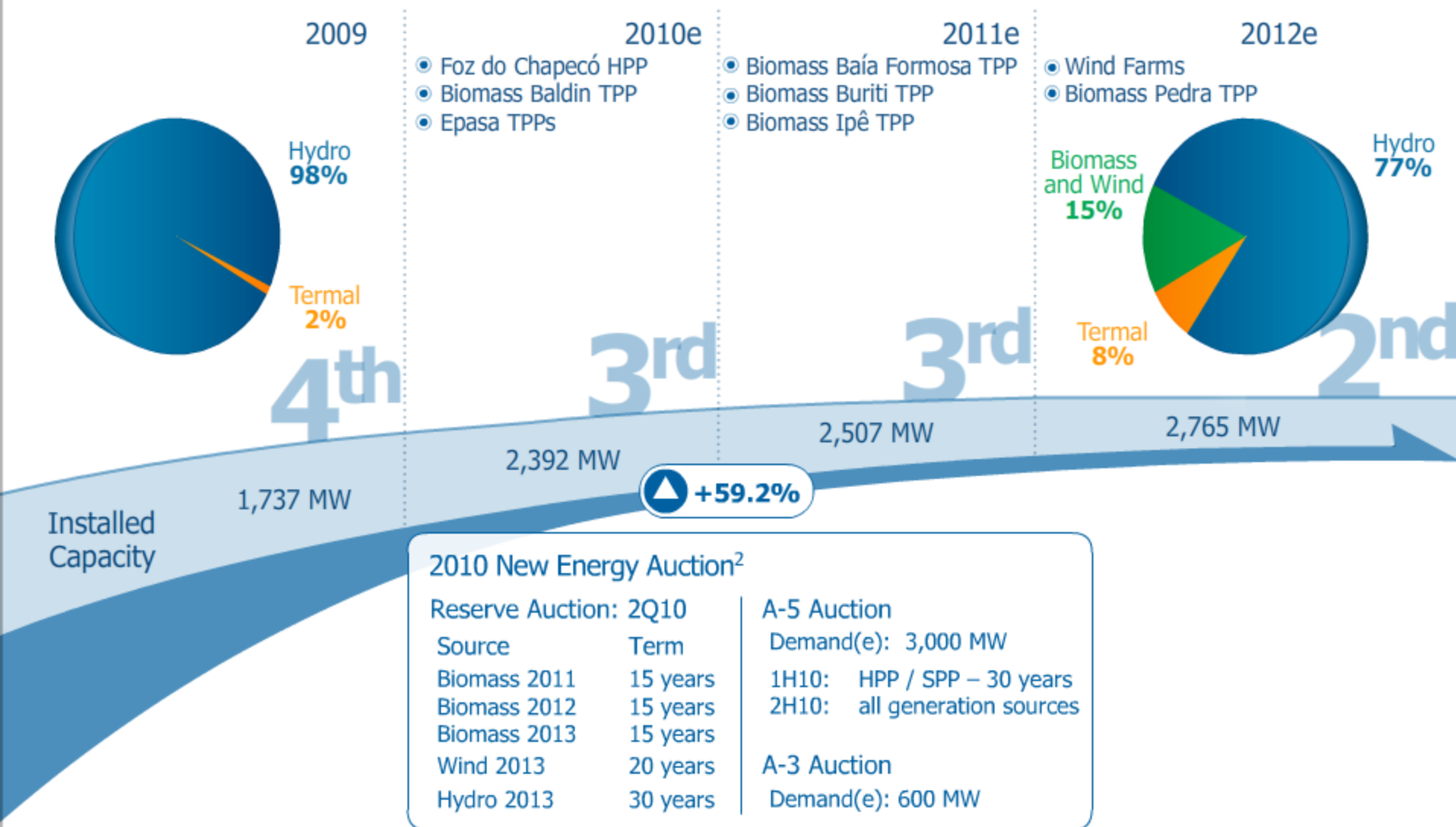
CPFL
Bio Pedra

Location	Commercial Start-up	Installed Capacity	Capacity exported to CPFL/harvest	Assured Energy	CPFL Investment (R\$ million)
Buritizal SP	Jun, 11	50 MW	30.00 MW	21.02	135
Nova Independência SP	Jun, 11	25 MW	14.37 MW	8.19	26
Serrana SP	Apr, 12	70 MW	44.26 MW	24.42	205
		145 MW	88.63 MW	53.63	366



With the new projects, CPFL has already 5 sugarcane-fired TPPs, reaching 230 MW of installed capacity

▶ Private Brazilian Generators Ranking¹ - CPFL Position



▶ A-5 Auctions 2010

MME Ordinance 54 of 02/03/2010 establishes two A5 Auction for 2010

1st half – specific to hydro sources (SHP and HPP)

2nd half - All generation sources

▶ Preliminary evaluation of HPPs as possible participants in the A-5 Auction/2010



#	Hydroelectric	River	MW	FU
1	Garibaldi	Canoas	175	SC
2	Uruguí	Parnaíba	134	MA / PI
3	Ribeiro Gonçalves	Parnaíba	113	MA / PI
4	Castelhano	Parnaíba	64	MA / PI
5	Cachoeira	Parnaíba	63	MA / PI
6	Estreito Parnaíba	Parnaíba	56	MA / PI
7	São Manoel	Teles Pires	746	PA / MT
8	Teles Pires	Teles Pires	1,820	PA / MT
9	Sinop	Teles Pires	461	MT
10	Colíder	Teles Pires	342	MT
11	Foz do Apiacás	Apiacás	275	MT
12	Ferreira Gomes	Araguari	153	AP

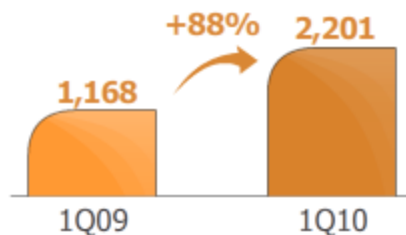
TOTAL 4,402 MW

CPFLTOTAL

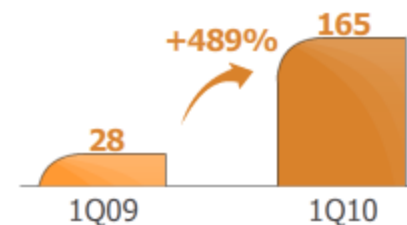
pagamentos e serviços



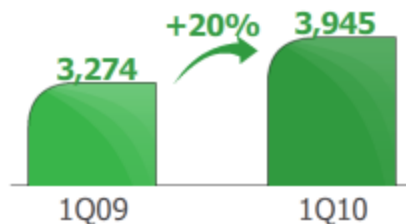

Consumer
Service Points¹



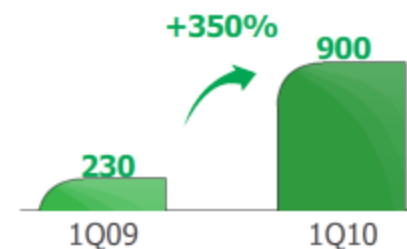
Seat



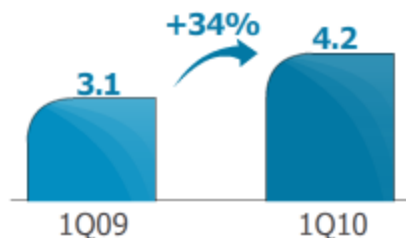
Quantity of
Transactions



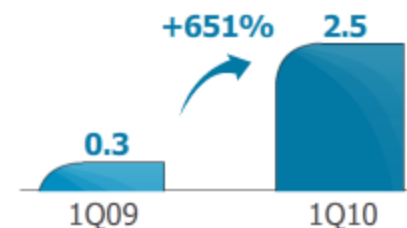
Call Numbers
(thousand)



Gross Revenue
(R\$ million)



Gross Revenue
(R\$ million)



Type of energy

- From renewable sources: biomass, SPP, wind and solar energy

Customers

- With contracted demand between 500 kW and 3 MW

Benefit to the customer

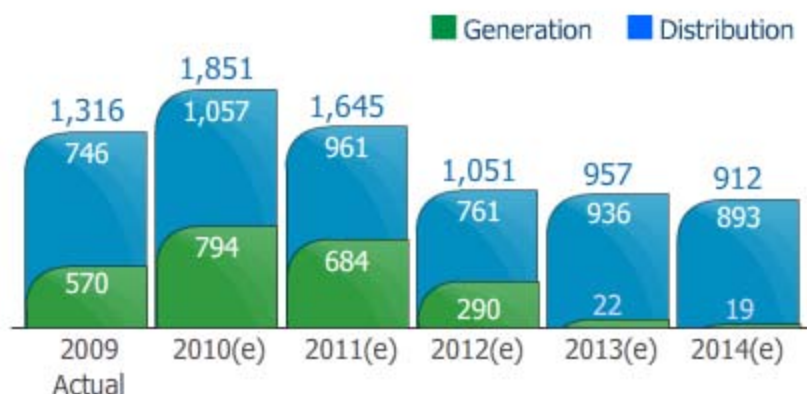
- Discount from 50% to 100% in TUSD – Use of the System Charges

CPFL Brasil

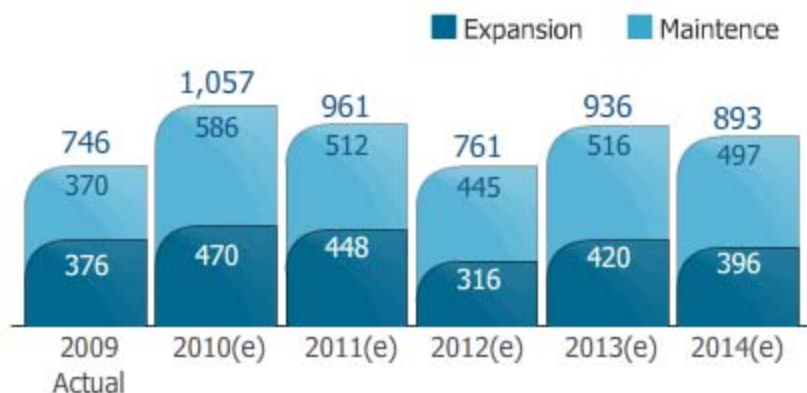
- Number of current sales contracts: 51
- Average term of the contracts: 2 to 5 years
- Estimated sales for 2010: R\$ 94 million
 - Contracts beginning 2010: R\$ 66 million
 - Previous contracts: R\$ 28 million

CPFL has been using its purchases of energy generated from biomass and plants under construction to enhance businesses

▶ Total Capex – R\$ million

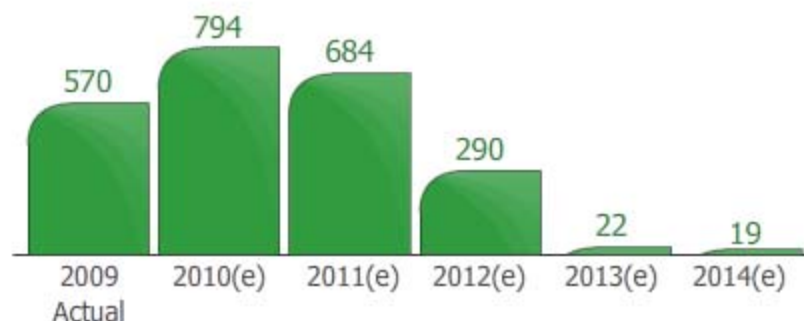


▶ Distribution – R\$ million



2010 - 2014 (e) Distribution: R\$ 4.6 billion
88% of RAB

▶ Generation – R\$ million



▶ 2010-2014 Capex:

- 42%: Wind
- 12%: Foz do Chapecó HPP
- 11%: EPASA (Termonordeste and Termoparaíba TPPs)
- 27%: Biomass (Baldin, Bioformosa, Pedra, Buriti and Ipê)
- 8%: Others

2010 - 2014 (e) Generation: R\$ 1.8 billion

▶ Actual – R\$ million

1Q10
298

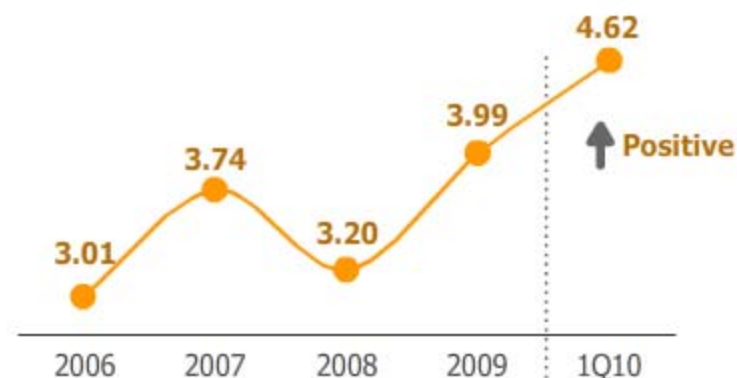
1Q09
273

%
+9.2

Adjusted Net Debt (R\$ million)



EBITDA/Financial Expense



Adjusted Net Debt/EBITDA² (R\$ billion)



▶ Roll-over and Funding - Apr, 10

cpfl geração

R\$ 883 million

cpfl piratininga

R\$ 262 million

cpfl paulista

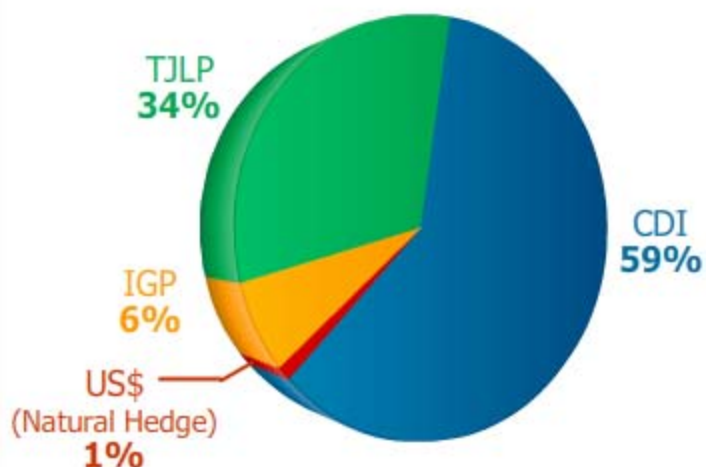
R\$ 103 million

R\$ 1,248 million

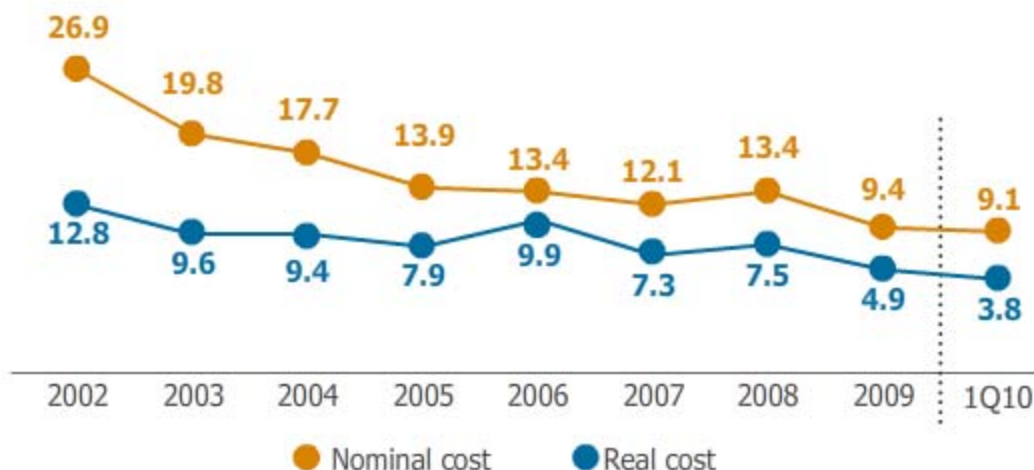
- Remuneration p.y.: 107% of CDI
- Term: 5 years
- Roll-over and working capital

**Debt average
term: 4.7
years¹**

▶ Debt Breakdown

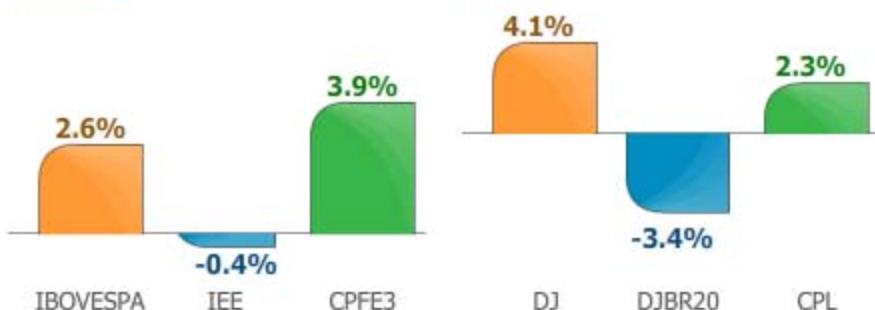


▶ Cost of Debt Evolution² – (%)



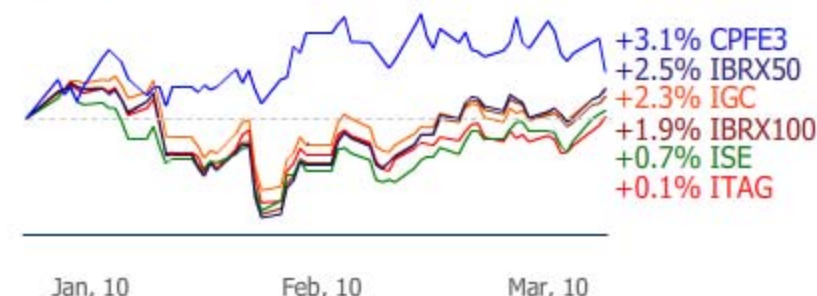
1Q10 shares performance¹

Bovespa

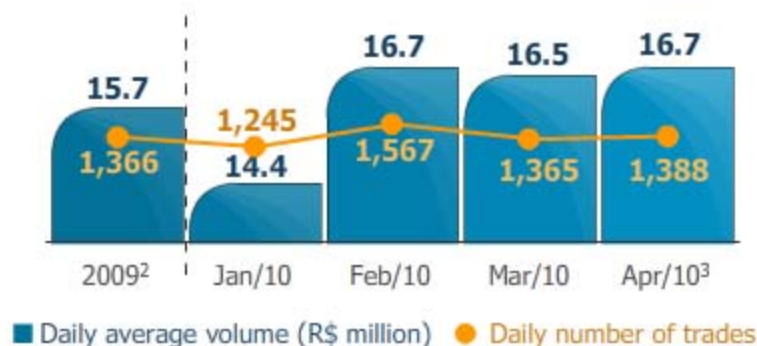


CPFL's performance¹ vs. main indexes

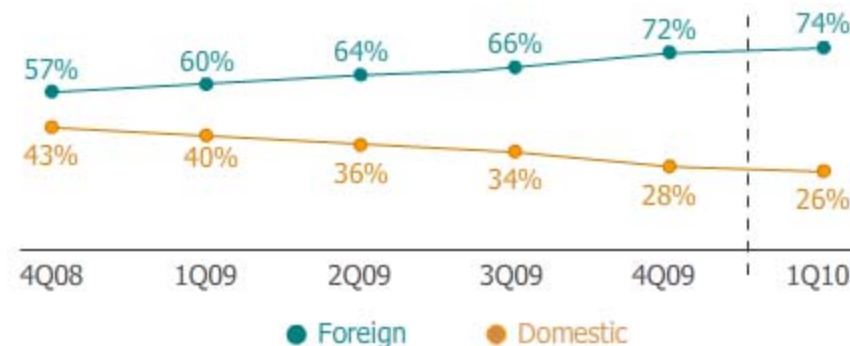
Bovespa



Daily average volume and number of trades - Bovespa



Ownership – Foreign vs. Domestic



► Growing demand for sustainable companies



► CPFL Energia Initiatives

- Carbon Credit
- Electric Vehicle
- Energy Efficiency Projects
- Reforestation
- Measures for reducing water and energy consumption

Carbon Credits recognized by CPFL (e) until 2012:
1,017 thousand tonn CO₂ eq

► Greenhouse Gas Inventory

Purpose

- Designed to align the company to the requirements of the market and society in relation to climatic changes , with 100% Group wide coverage.

Results

- Total Emissions = 132 thousand tonn CO₂ (Baseline year 2009)

Next steps

- To analyze mitigation opportunities through market benchmark



1Q10 Results



Investor Relations

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CPFL
ENERGIA