



# **CPFL**

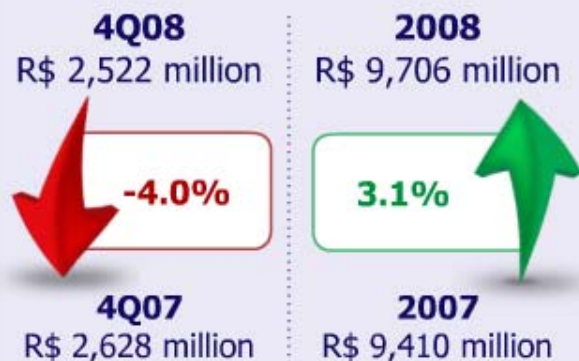
## **ENERGIA**



**4Q08 / 2008**

**CPL**  
**LISTED**  
**NYSE**

## Net Revenue



## EBITDA



## Net Income



- Growth of 3.4 % in total energy sales in 4Q08 and 4.6% in 2008<sup>1</sup>
- Castro Alves HPP commercial operations start-up of on February 29<sup>th</sup>, 2008 and 14 de Julho HPP on December 25<sup>th</sup>, 2008, with a energy generation of 649 GWh/year
- Constitution of CPFL Bioenergia and the first project - Baldin Plant, with an investment of R\$ 98 million
- Expansion in new businesses with Value Added Services, CPFL Total and CPFL Atende
- Trading of R\$ 7 million of carbon credits in 2008

- Announcement of the provisional indexes for the Second Tariff Review Cycle for CPFL Paulista, CPFL Piratininga, RGE and final indexes for CPFL Santa Cruz and CPFL Jaguariúna's distributors
- CPFL Energia's national scale credit rating raised to AA+ by S&P as from July 2008
- Payout of R\$ 1,208 million in dividends, equivalent to a dividend yield of 7.3% in the last 12 months.
- Proxy Statement for the Shareholders General Meeting in April 23<sup>rd</sup>, 2009

## Net Revenue

**2008**

R\$ 9,636 million

**4.5%**

**2007**

R\$ 9,221 million

## EBITDA

**2008**

R\$ 2,980 million

**-8.8%**

**2007**

R\$ 3,266 million

## Net Income

**2008**

R\$ 1,412 million

**-9.7%**

**2007**

R\$ 1,563 million

## Non-recurring effects

**2007**

**2008**

- CPFL Paulista's 2004/2006 Tariff Readjustment Index after-account
- Tax credit of Semesa's incorporation in CPFL Geração
- ➖ Hedge expenses in the CPFL Jaguariúna's acquisition
- Write-off of regulatory asset and liability related to free energy losses

- ➖ Tariff Review effect
- ➖ Energy cost due to Castro Alves HPP delayed start-up
- Pass-through related to CUSD-G Agreement





28.0%<sup>1</sup>



31.1%



12.7%

**Free Float**

28.2%



## DISTRIBUTION

100% **Perácio**

- 100%  cpfl paulista
- 100%  cpfl piratininga
- 100%  RGE  
Uma empresa CPFL Energia
- 99.99%  cpfl santa cruz

## COMMERCIALIZATION

- 100%  cpfl brasil
- 100%  cpfl meridional
- 99.95%  cpfl sul geradora
- 100%  cpfl cone sul
- 100%  cpfl atende



## GENERATION

- 100%  cpfl geração
- 100%  cpfl sul
- 65%  Ceran  
De Energia para o Brasil
- 25.01%  BAESA  
Brasil Aberto Energia S.A.
- 48.72%  Enercan  
Empresa Brasileira de Energia S.A.
- 51%  Foz do Chapecó  
Força do Chapecó Energia S.A.
- 100%  cpfl bioenergia

100%



- 96.56%  cpfl leste paulista
- 90.15%  cpfl jaguari
- 87.80%  cpfl sul paulista
- 89.75%  cpfl mococa

- 100%  cpfl planalto
- 89.81%  cpfl serviços

90.15%  Jaguari  
Gerador

- 59.93% *Paulista Lajeado*
- 5.91% *Investco*

Base date: Dec/08



28.0%<sup>1</sup>



31.1%



12.7%

**Free Float**

28.2%



## DISTRIBUTION



## COMMERCIALIZATION



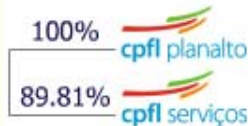
## GENERATION

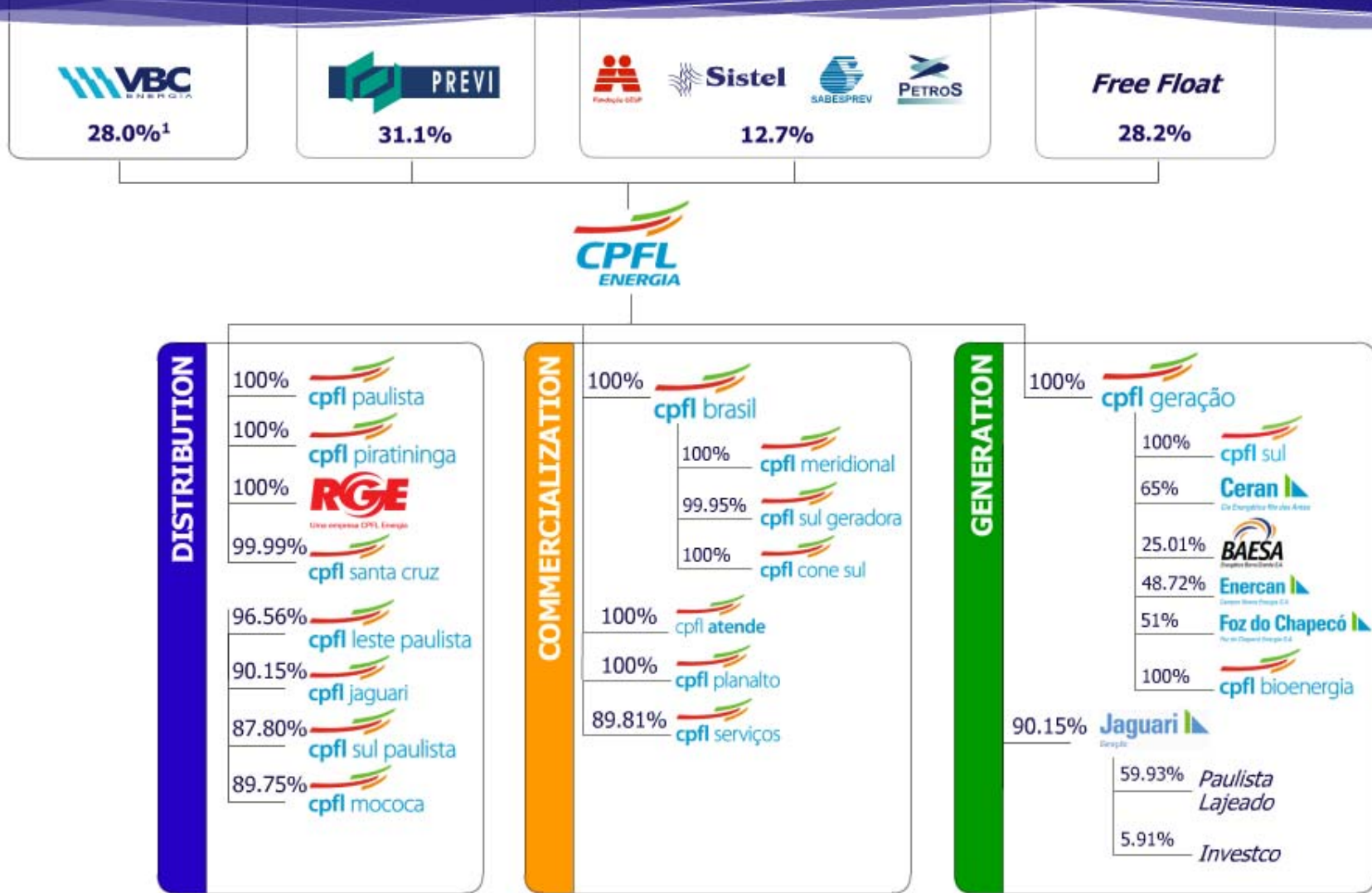


**2009, Feb 18<sup>th</sup>:**  
Perácio's incorporation by  
CPFL Jaguariúna

Tax credit  
of R\$ 47 million

100% 





**CPFL Jaguariúna split-up conclusion period: March 25, 2009**

Base date: Mar/08



## Distributors in Southeast



### Residential and Commercial



#### Rising employment, income, credit and consumption

- 8% increase in total São Paulo salaries<sup>1</sup>
- 20% increase in SP furniture and home appliance sales<sup>1</sup>
- 13% increase in retail sales in SP<sup>1</sup>



#### Lower temperatures

- Most affected: Campinas (-3%), Sorocaba (-3%) and Santos (-4%)

4Q08  
vs  
4Q07

### Industrial



#### Crisis impact in the São Paulo industrial activity<sup>2</sup>

- 8% decrease in SP industrial output
- Most affected sectors: metallurgy (-14%), automotive (-14%), steel (-10%), machines and equipments (-8%)
- Less affected sector: food (+4%)

4Q08  
vs  
3Q08

### Residential and Commercial



#### Rising employment, income, credit and consumption

- 9% increase in total Rio Grande do Sul salaries<sup>1</sup>
- 12% increase in furniture and home appliance sales<sup>1</sup>
- 7% increase in RS retail sales<sup>1</sup>



#### Crisis impact in the Rio Grande do Sul industrial activity<sup>2</sup>

- 10% decrease in RS industrial output
- Most affected sectors: chemical products (-21%) and automotive (-13%)

4Q08  
vs  
3Q08

## Distributors in South



## Concession Area Sales (GWh)



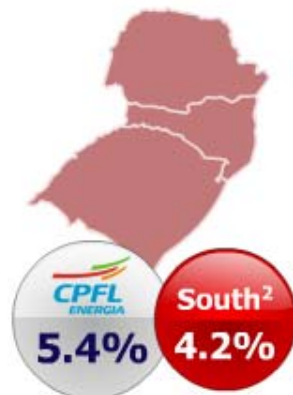
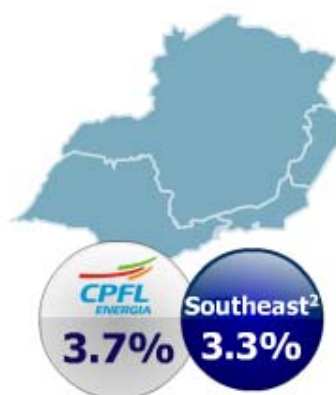
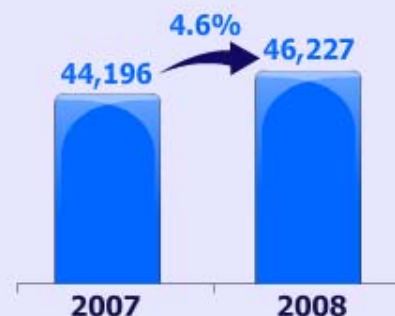
## Captive Market (GWh)



## Free Market Sales (GWh)



## Total Energy Sales (GWh)





## Concession Area Sales (GWh)



## Captive Market (GWh)



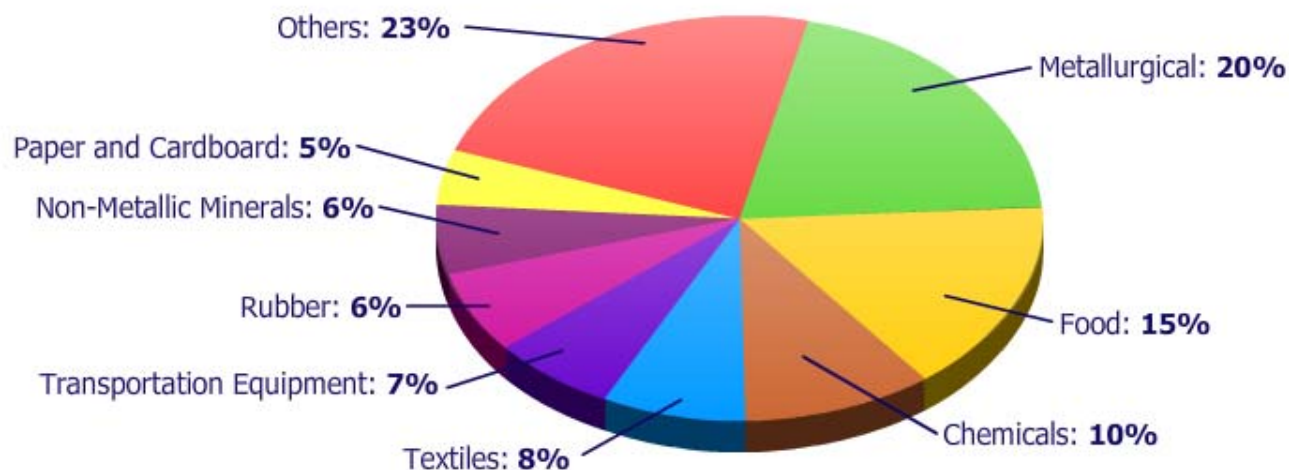
## Free Market Sales (GWh)



## Total Energy Sales (GWh)



Industrial Segment by activity: CPFL Energia's concession area in 2008 (GWh)

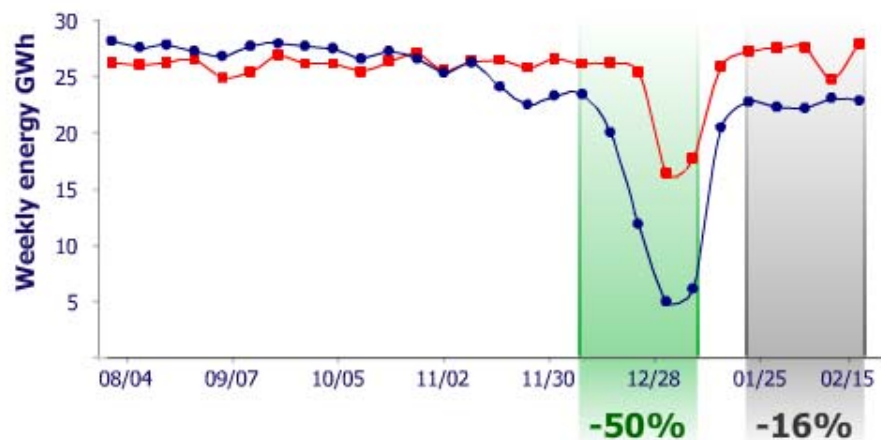


## CPFL - Characteristics of the revenues:

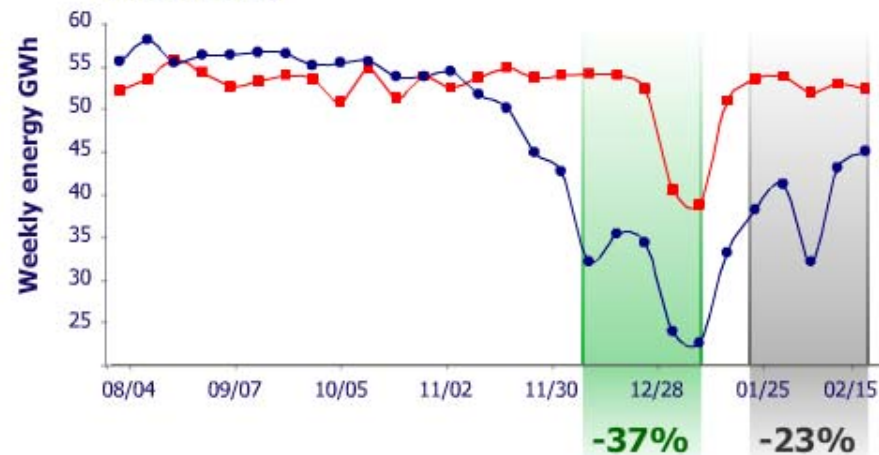
- Distribution: reduction in the demand of the customer is done only 180 days after the request
- Commercialization: average take or pay of the contracts in 2009 is 96%
- Generation: 100% long-term contracted energy, without possibility of reduction

Up to 2008 December, no major customer requested a reduction in the contracted demand of energy

### Automotive



### Metallurgy



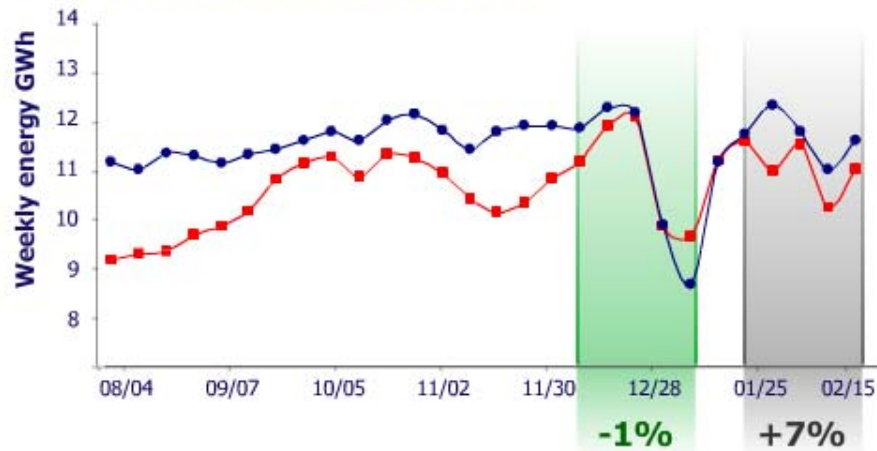
■ From Aug, 07 to Feb, 08    
 ● From Aug, 08 to Feb, 09    
 ■ Accumulated 4 weeks until Jan 04, 2009<sup>1</sup>    
 ■ Accumulated 4 weeks until Feb 15, 2009<sup>1</sup>

**Automotive** and **metallurgy** sectors were the most affected by the crisis intensification in the 4Q08

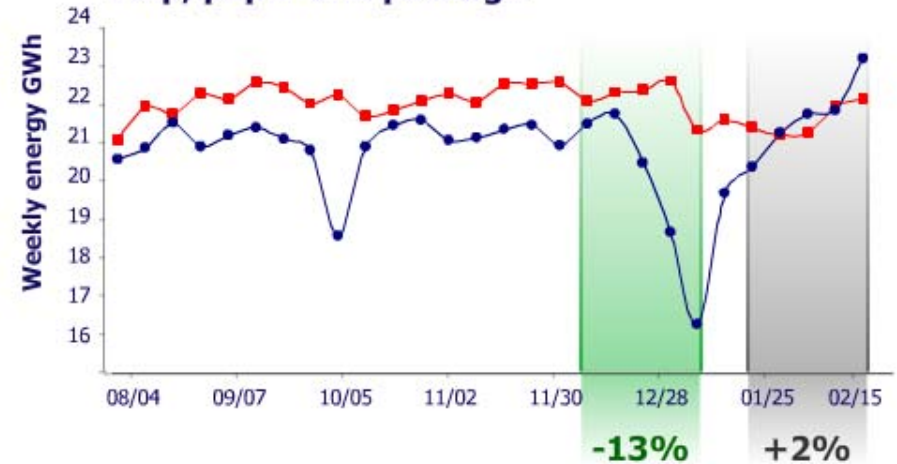
Since Jan, 2009, these sectors have showed similar consumption from Nov/08



## Food, beverages and Beef



## Pulp, paper and package



■ From Aug, 07 to Feb, 08 
 ● From Aug, 08 to Feb, 09 
  Accumulated 4 weeks until Jan 04, 2009<sup>1</sup>
 Accumulated 4 weeks until Feb 15, 2009<sup>1</sup>

**Food, beverages and beef** sectors, as well as **pulp, paper and package** have showed growth regarding the same period of the last year

## Net Revenue - R\$ million



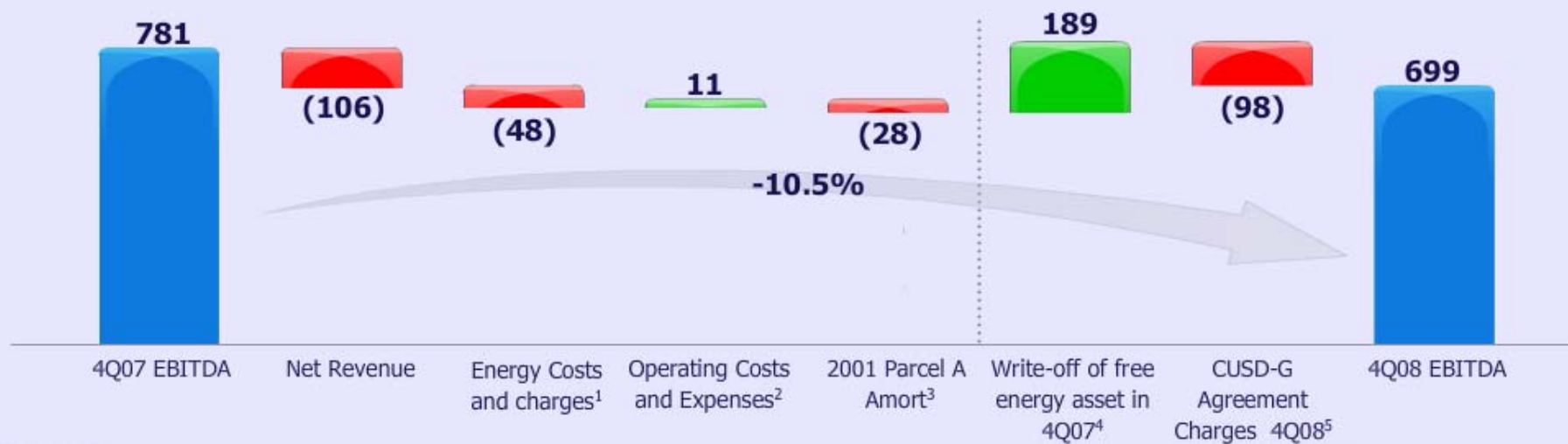
**4.0% Net Revenue Decrease**  
**(R\$ 106 million)**

**Excluding RGE non-recurring effect:**  
**-3.5%**

- Reduction of 1.1% in Gross Revenue from Energy Sales (R\$ 36 million)<sup>2</sup>
  - + 3.4% increase in total energy sales
- Average reduction of 11% in distribution tariffs in view of periodic tariff review<sup>3</sup>; a core annual tariff adjustment of 10.92% awarded to CPFL Piratininga in October 2008
- Provision of revenue reversal due to reduction of RAB at RGE (R\$ 26 million)<sup>4</sup>
- Reduction of 6.4% in TUSD Revenue (R\$ 12 million)
- Reduction of 22.1% in Other Revenues (R\$ 16 million)
  - + Increase of 8.1% in revenues from VAS and CPFL Total (R\$ 2 million)
- + Reduction of 0.7% in Revenue Deductions (R\$ 9 million)
- + Net Revenue from the Amortization of 2001 Parcel A<sup>5</sup> (R\$ 28 million)

**Non-recurring:**  
**R\$ 17 million**

## EBITDA - R\$ million



**10.5 % EBITDA  
Decrease  
(R\$ 82 million)**

**Excluding RGE  
non-recurring effect:  
-8.5%**

- ➖ Reduction of 4.0% in Net Revenue (R\$ 106 million)
- ➖ Increase of 3.7% in Energy Costs and Charges<sup>1</sup> (R\$ 48 million)
- ➕ Reduction of 3.3% in Costs and Operating Expenses<sup>2</sup> (R\$ 11 million)
  - ➕ Allowance for Doubtful Accounts Reversal (R\$ 10 million)
  - ➕ Reduction in Publicity and Advertising Expenses (R\$ 6 million)
- ➖ Increase in Personal Expenses (R\$ 12 million)
- ➖ Amortization of 2001 Parcel A in Energy Costs and Charges and ANEEL Inspection Fee (R\$ 28 million)<sup>3</sup>

1) Excluding values related to 2001 Parcel A Amortization

2) Personnel, Material, Third Party Services and Others – includes minority participation

3) Zero impact on EBITDA

4) Other revenues and Other expenses impact – Zero impact on EBITDA

5) Impact TUSD Revenue and Charges for use of the system



## Net Income - R\$ million



**9.3% Net Income Decrease**  
**(R\$ 34 million)**

**Excluding RGE non-recurring effect:**  
**-6.6%**

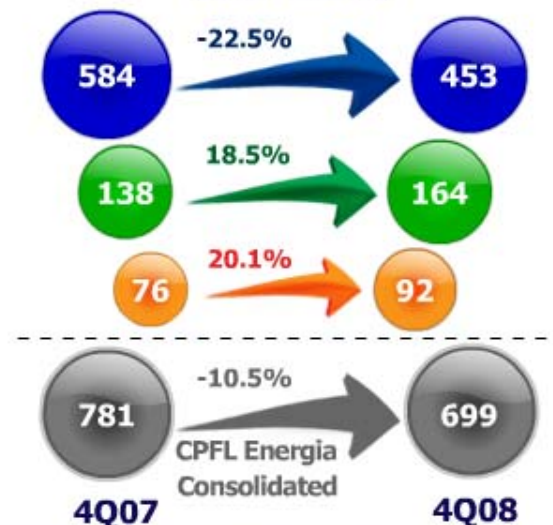
- Reduction of 10.5% in EBITDA (R\$ 82 million)
- Reduction of 41.4% in Financial Result (R\$ 39 million)
  - + Income from Financial Investments (R\$ 6 million)
  - Financial expenses on Castro Alves and 14 de Julho HPPs debt (R\$ 11 million)
  - Other Financial Expenses (R\$ 34 million)
- + Decrease in Income Tax and Social Contribution (R\$ 73 million)
  - + Tax credit complement – CPFL Energia Holding (R\$ 33 million)
- + Depreciation, amortization and Pension Plan (R\$ 13 million)

Selic	
4Q08	4Q07
3.36%	2.64%

## EBITDA Breakdown<sup>1</sup>



## EBITDA Evolution<sup>1</sup> (R\$ Million)



## Recurring Margin Evolution<sup>2</sup>



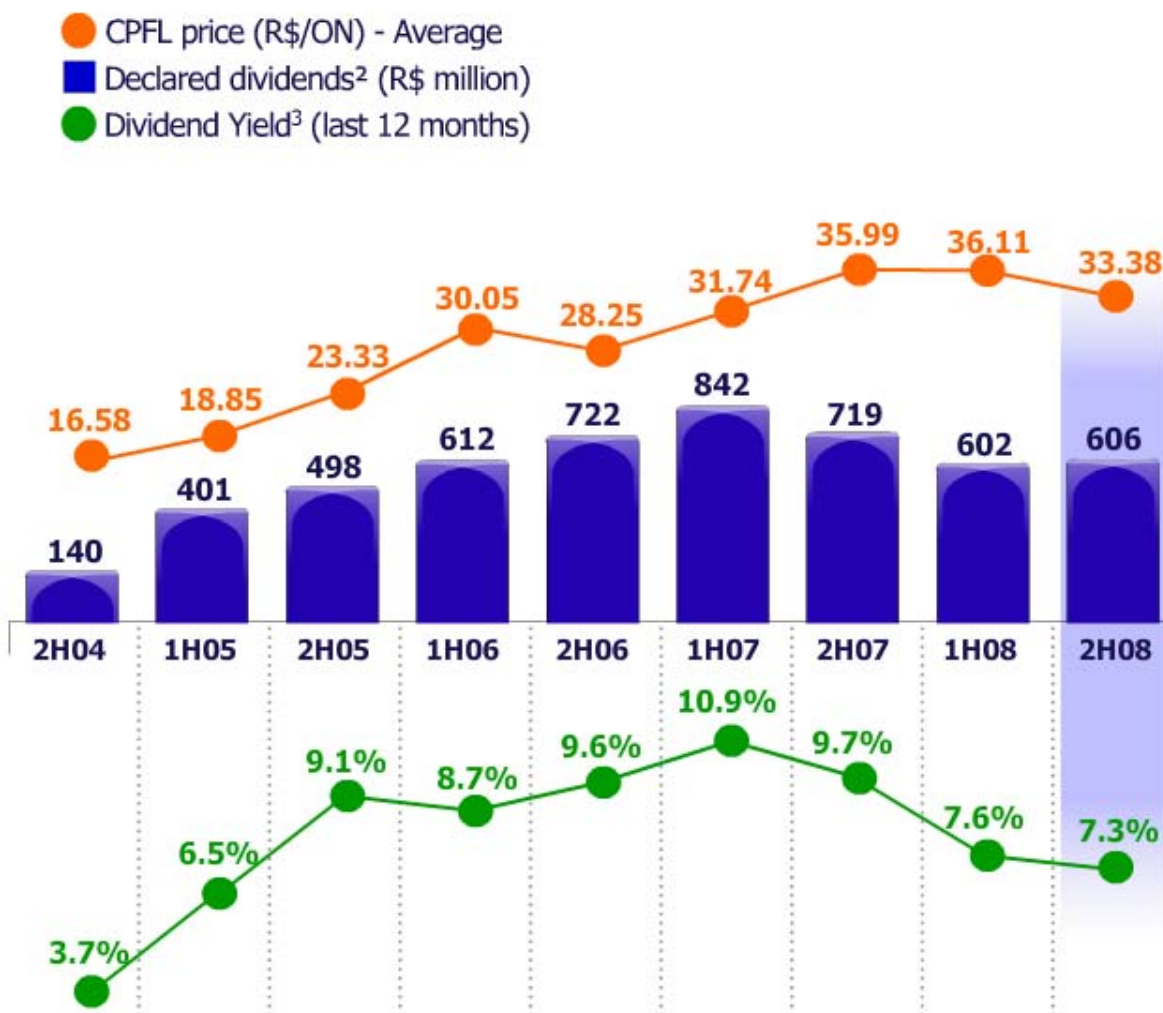
1) Participation of the segment in the sum of D, G and C – reported and items which affect revenues but not EBITDA

2) Calculation of margin excludes non-recurring effects, one-off effects (free energy - 4Q07; CU5D-G agreement)

**CPFL distributes  
95%<sup>1</sup>  
of net income  
in dividends:  
R\$ 1,208 million  
in 2008 – R\$ 2.52  
per share**

**Since the IPO (2H04),  
CPFL Energia's dividend  
yield has already  
reached 64.3%<sup>4</sup>**

## Dividends and Dividend Yield



1) R\$ 4,318 thousand already deducted relative to Law 11,638/07 and PM 449/08 with respect to results for 2007 and 2006 fiscal years (94.7%).

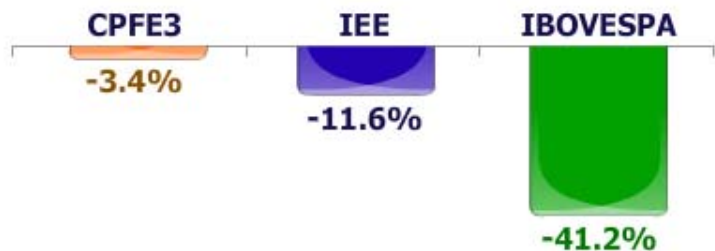
2) Payout in the subsequent semester

3) Based on average closing prices for each semester.

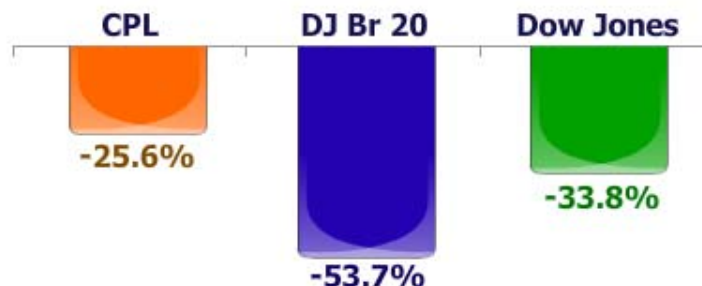
4) IPO price of R\$ 17.22/share



## Share performance<sup>1</sup> - Bovespa 2008



## Share performance<sup>1</sup> - NYSE 2008



## Daily Average Volume - R\$ thousand



## Presence in the main indexes



# Conclusion of the CPFL Santa Cruz and CPFL Jaguariúna's restructuring processes



Acquisition in 2006, October - R\$ 203 million

Energy Sales (GWh)



Delinquency (%)



Productivity (# Employees)



Acquisition in 2007, April - R\$ 412 million

Energy Sales (GWh)



Delinquency (%)



Productivity (# Employees)



**Gains of R\$ 8.4 million**





	<b>Monte Claro HPP (2004)</b>	<b>Castro Alves HPP (2008)</b>	<b>14 de Julho HPP (2008)</b>	<b>CPFL 65%</b>
<b>Installed Capacity</b>	84.5 MW	84.5 MW	65.0 MW	<b>234.0 MW*</b>
<b>Assured Energy</b>	38.4 MWmedium	41.6 MWmedium	32.5 MWmedium	<b>112.5 MWmedium*</b>
<b>Investment</b>	R\$ 272 million	R\$ 311 million	R\$ 317 million	<b>R\$ 900 million*</b>
<b>Annual Revenue 2009(e)</b>	R\$ 41 million	R\$ 45 million	R\$ 35 million	<b>R\$ 121 million*</b>

## 14 de Julho HPP

Commercial Start-up:

- Dec 25<sup>th</sup>, 2008







Work Status  
**Dec/07**

**24%**

**CPFL stake (51%)**

Installed Capacity: 436 MW  
Assured Energy: 220 MWmedium  
Investment: R\$ 1.33 billion

**CPFL**  
Investment:  
**R\$ 367**  
**million**

Work Status  
**Dec/08**

**60%**

- 20% of electromechanical construction
- 65% of the civil works
- 52% of the electromechanical equipment supplies

**Foz do Chapecó HPP building has no delay**



## Sugarcane-fired Thermoelectric Power Plant

- CPFL's estimated investment: R\$ 98 million
- Installed capacity: 45 MW
- Energy exported to CPFL Brasil:  
24 MWmedium/harvest



### Phases in progress:

- Construction of substation
- Construction of power house
- Assembly of boiler
- Construction of cooling tower



## CPFLTOTAL... pagamentos e serviços

Customer Service  
Points<sup>1</sup>



Transactions  
(thousand units)



Gross Revenue  
(R\$ thousand)



VAS: **359**

contracts signed in  
2008 and sales of

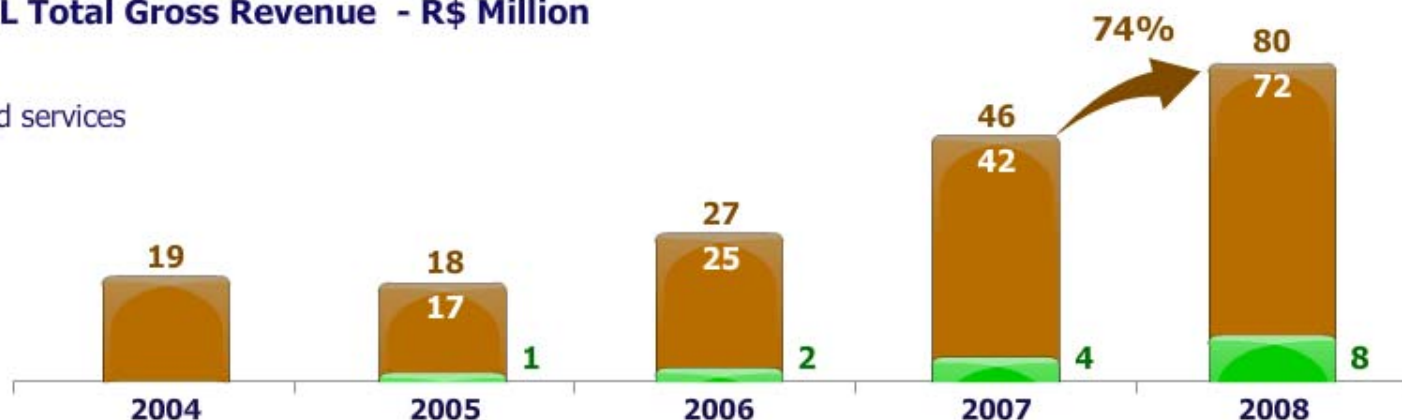
**R\$ 105 million**

20% billed in 2008  
(R\$ 21 million) and 80%  
to invoice (R\$ 84 million)



## VAS and CPFL Total Gross Revenue - R\$ Million

■ CPFL Total  
■ Value-added services





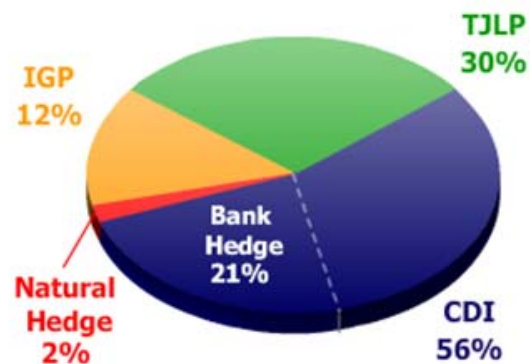
## Adjusted Net Debt (R\$ million)



## Adjusted Net Debt/EBITDA<sup>2</sup> (R\$ billion)



## Debt Indexation



**STANDARD  
& POOR'S**

July 2008

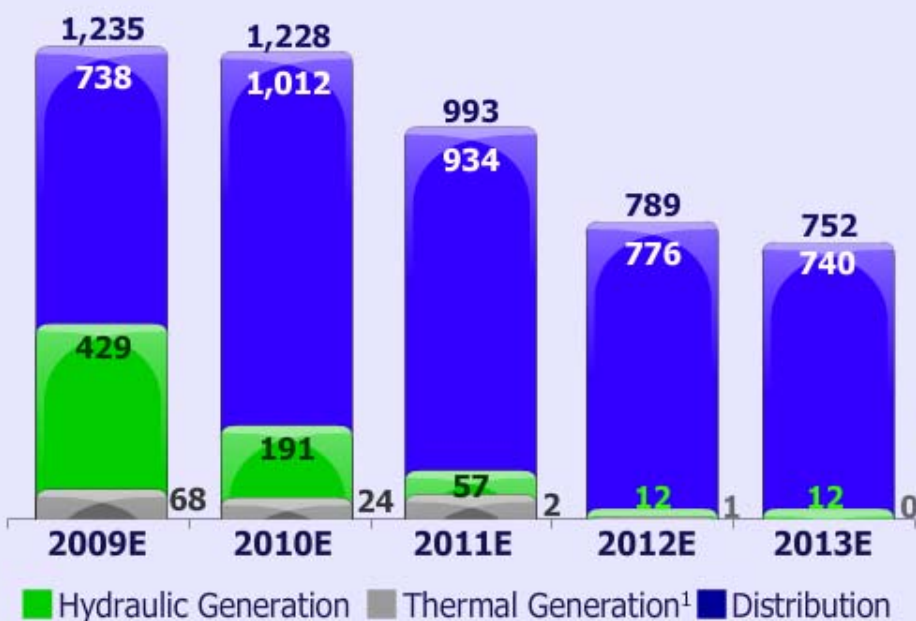
**Rating brAA+**  
National Scale



## CPFL don't have debt with foreign exchange variation



## Total Capex - R\$ Million

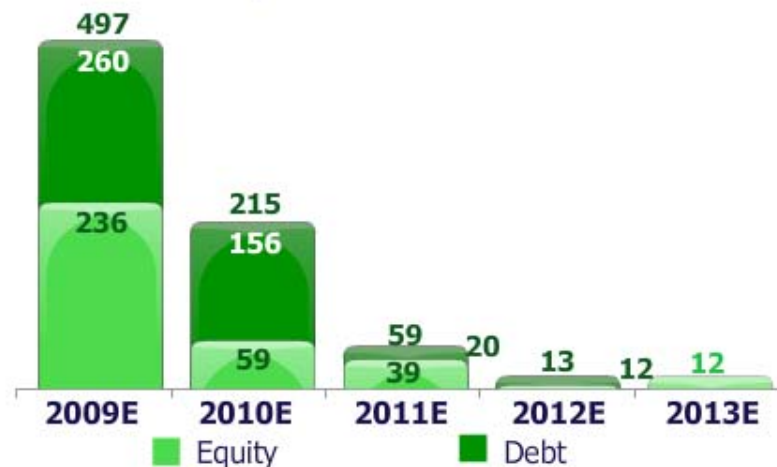


**Capex: R\$ 5 billion**

## Distribution - R\$ Million



## Generation - R\$ Million







# **CPFL**

## **ENERGIA**

**4Q08 / 2008**

**Relações com Investidores**

Tel.: 55 19 3756 6083

E-mail: [ri@cpfl.com.br](mailto:ri@cpfl.com.br)

Website: [www.cpfl.com.br/ri](http://www.cpfl.com.br/ri)



**CPL**  
**LISTED**  
**NYSE**