2Q12 Results

Icaraizinho
Wind Farm

Alto Irani
Small Power Plant

100 anos
GERANDO
HISTÓRIAS

CPFL
ENERGIA

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2Q12 Highlights

- Sales in the concession area were up 5.3% QoQ
- Commercial start-up of Bio Ipê TPP (25MW) e Bio Pedra TPP (70MW) in May/12
- Closing of the acquisition of Bons Ventos wind farms in Jun/12
- Interim dividends declared in the amount of R$ 640 million, related to 1H12
- Investments amounted R$ 715 million in 2Q12
- Credit rating AA+(bra) assigned by Fitch to the issuance of subsidiaries' debentures and credit rating Ba2 (global scale) and Aa3.br (national scale) assigned by Moody's to CPFL Renováveis
- Stock's average daily trading volume increased by 40.2% on BM&FBovespa and NYSE (2Q12 vs 2Q11), reaching R$ 49.8 million
- Agência Estado Distinction Award Companies 2012 – acknowledge of companies that, despite the unfavorable international scenario, managed to deliver outstanding results to its shareholders

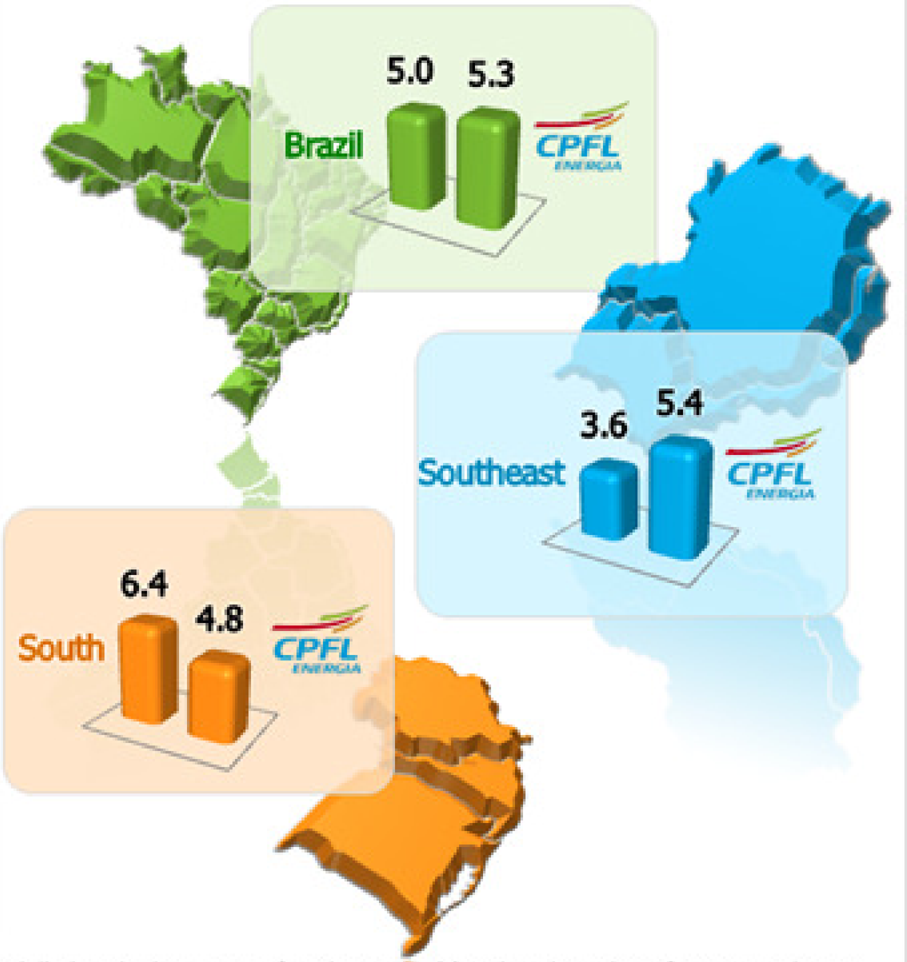
2Q12 energy sales and tariff for the use of the distribution system (TUSD)

Sales in the concession area[1] (GWh)

Total energy sales[2] (GWh)

Sales in the concession area (%)

Comparison by region (source: EPE)



1) Changes in RGE's billing calendar of free clients and permissionaries: (i) clients are now billed at the beginning of each month; (ii) reduced number of meter readings in the quarter (approx. 30 days); (iii) registration of "non-billed" revenues (zero effect on the result). 2) Disregard CCEE and related parties. 3) Take into account 100% of CPFL Renováveis and Ceran (accounting criteria | IFRS) and sales of Semesa and Foz do Chapecó (regulated market). Take into account provisioned sales of 9 GWh in 2Q12. Disregard sales of EPASA (availability contract).

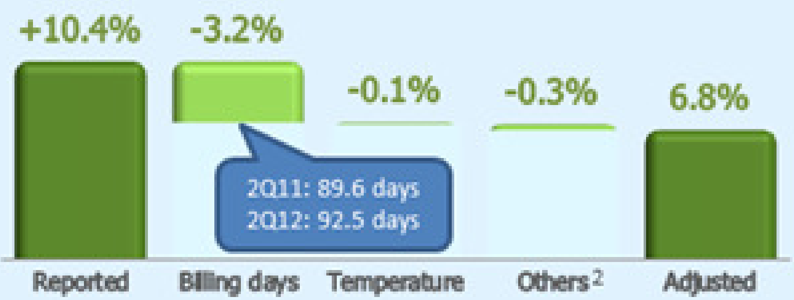
Performance in the concession area

Sales in the concession area (GWh)

Consumption segments

Residential and Commercial segments favored by more billing days in 2Q12 in comparison to 2Q11

Residential consumption | 2Q12 x 2Q11



Commercial consumption | 2Q12 x 2Q11

1) Residential: 92.5 days in average in 2Q12 versus 89.6 days in 2Q11 | Commercial: 92.5 days in average in 2Q12 versus 89.8 days in 2Q11.
2) Includes migration between consumer segments and fraud recovery.

Families' expectations and growth potential of energy consumption in the concession area

Families' expectations[1]

Are optimistic regarding:	Southeast	South
Economic situation (12 months)	70.2%	56.6%
Economic situation (5 years)	57.5%	55.1%
Family's financial situation (next year)	87.4%	81.8%
Moment to acquire durable goods	68.4%	38.7%
Reliability on employment	85.4%	88.6%

Ownership and habits Survey[4]

- **98%** have no dishwasher
- **94%** have no air conditioning
- **53%** have no computer/notebook
- **45%** have no microwave
- **33%** have no washing machine

Growth Potential

Annual residential consumption per capita[2]

KWh | 2009

1) Source: IEF/IPEA. 2) Source: International Energy Agency. 3) Source: Ten-Year Energy Plan – PDEE (2011-2020), EPE, May/11. 4) Source: CPFL Energia.

2Q12 Results

	Net Revenue		EBITDA		Net Income[1]	
IFRS	+14.9%		+14.1%		-20.6%	
	2Q11	2Q12	2Q11	2Q12	2Q11	2Q12
	R$ 2,794 milllion	R$ 3,212 million	R$ 815 million	R$ 930 million	R$ 294 million	R$ 234 million
IFRS + Regulatory Assets & Liabilities – Non-recurring	+14.0%		+19.3%		0.0%	
	2Q11	2Q12	2Q11	2Q12	2Q11	2Q12
	R$ 2,735 million	R$ 3,119 million	R$ 890 million	R$ 1,062 million	R$ 344 million	R$ 344 million

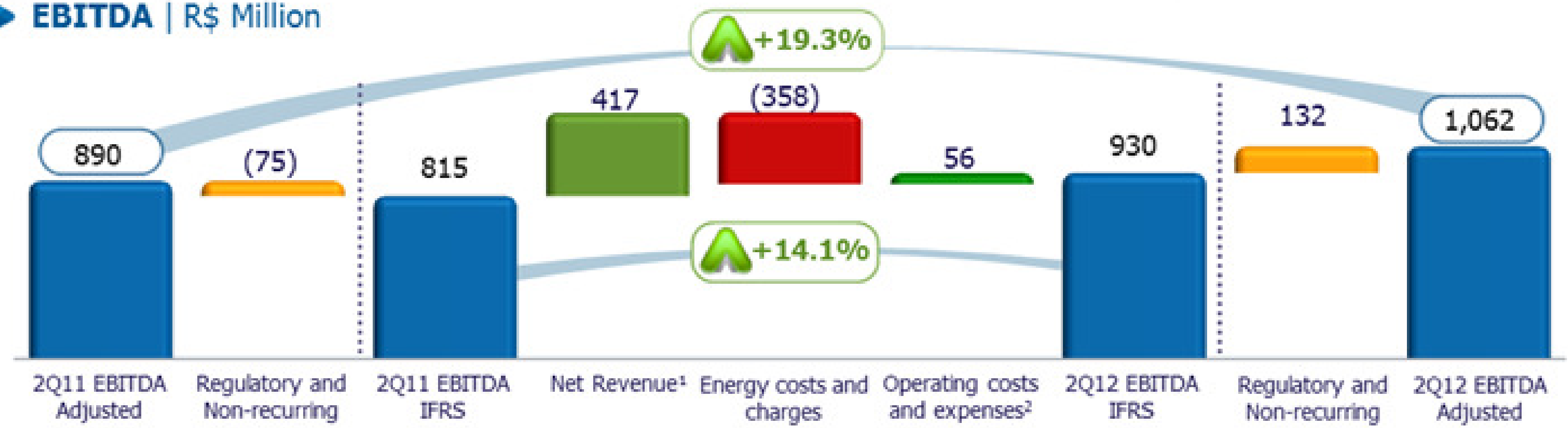
IFRS + Regulatory Assets & Liabilities – Non-Recurring

	EBITDA		Net Income	
	2Q11	2Q12	2Q11	2Q12
Incentivized retirement program	− 48		− 31	
Provision for contingency of ISS tax on services – Enercan	− 10		− 6	
Basic network charges due to EPASA related to 2010	− 6		− 4	
Depreciation and adjustments for UBP accounting of gencos			− 14	− 25
Physical inventory of discos' assets	− 11	− 7	− 7	− 4
− Non-Recurring Effects	**− 75**	**− 7**	**− 63**	**− 29**
3rd Tariff Review - Regulatory provision Discos² - Net Revenue		− 63		− 42
Other Regulatory Assets & Liabilities	+ 1	+ 189	− 13	+ 122
+ Regulatory Assets & Liabilities	**+ 1**	**+ 126**	**− 13**	**+ 81**
TOTAL (Regulatory Assets & Liabilities - Non-Recurring Effects)	**+ 75**	**+ 132**	**+ 50**	**+ 110**

1) Consolidated figures. Excluding non-controlling shareholders: 2Q12 = R$ 229 million | 2Q11 = R$ 288 million; 2) CPFL Piratininga, CPFL Santa Cruz, CPFL Jaguari, CPFL Sul Paulista, CPFL Leste Paulista e CPFL Mococa

2Q12 Results

EBITDA | R$ Million



- **14.9% increase in Net Revenues[1] (R$ 417 million)**
  - Sales to the captive market were up 5.0% and average tariff readjustments of 5.3%[3] (R$ 238 million)
  - CPFL Renováveis (R$ 122 million) + Conventional Generation + Commercialization and Services (R$ 110 milllion)
  - Revenues from free consumers (TUSD) grew 6.5% (R$ 21 million)
  - 8.7% increase in Deductions from Revenues (R$ 128 million)
  - **Reclassification of PIS/COFINS tax credits based on depreciation to Deductions from Revenues (R$ 50 million)**

NO IMPACT ON NET INCOME

- **23.5% increase in Energy Costs and Charges (R$ 358 million)**
  - Purchased energy for resale grew by 26.6% (R$ 324 million)
  - Charges were up 11.1% (R$ 34 million)

PLD (R$/MWh)[4]	
2Q12	2Q11
164.55	20.45

R$/US$	
2Q12	2Q11
2.00	1.58

- **12.3% increase in Operating Costs and Expenses [2] (R$ 56 million)**
  - Incentivized retirement program (R$ 48 million) and Provision of ISS tax in the Campos Novos HPP (R$ 10 million)

1) Excludes Revenues of construction of own assets 2) Personnel, Material, Third Party Services and Others
3) Consumer perception 4) Average spot price (Southern/Southeastern Submarket)

2Q12 Results | PMSO

PMSO¹ | R$ Million

Value Initiatives

Corporate Level

Improved procurement of airline tickets:
- Increased average time for advance purchases: **Reduction of approximately 15% in fares**

Paper consumption
- **Reduction of36%**

Printing and copies
- Removal of single-user printers: **77% reduction in per unit cost of printing**

Operational Level

Vehicle Fleet (Reduction of R$ 2.9 million)
- Monthly monitor report per vehicle
- Reduction of 10% (in km) in the Group
- Centralized fleet management, optimization of poof of vehicles
- Installation of telemetry equipment (speed control, routes, etc.)

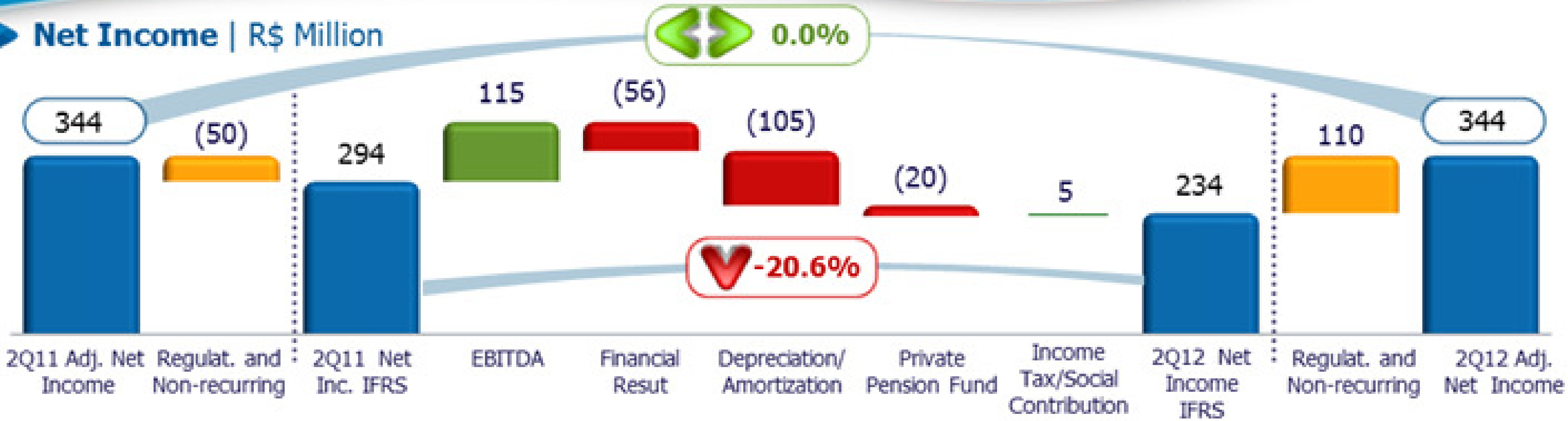
Collection Initiatives (Delinquency reduction of R$ 5.2 million)
- Optimum power cut level study
- Customer segmentation with specific action plans for each segment (credit restriction, "symbolic" disconnection, effective disconnection)

Reading and Delivering of bills (Reduction of R$ 2.0 to R$ 3.5 million)
- Leveling of banks charges for all Discos
- Online billing (email)
- Layout changes/type of paper for notifications

1) Personnel, Material, Third Party Services and Others

2Q12 Results

Net Income | R$ Million

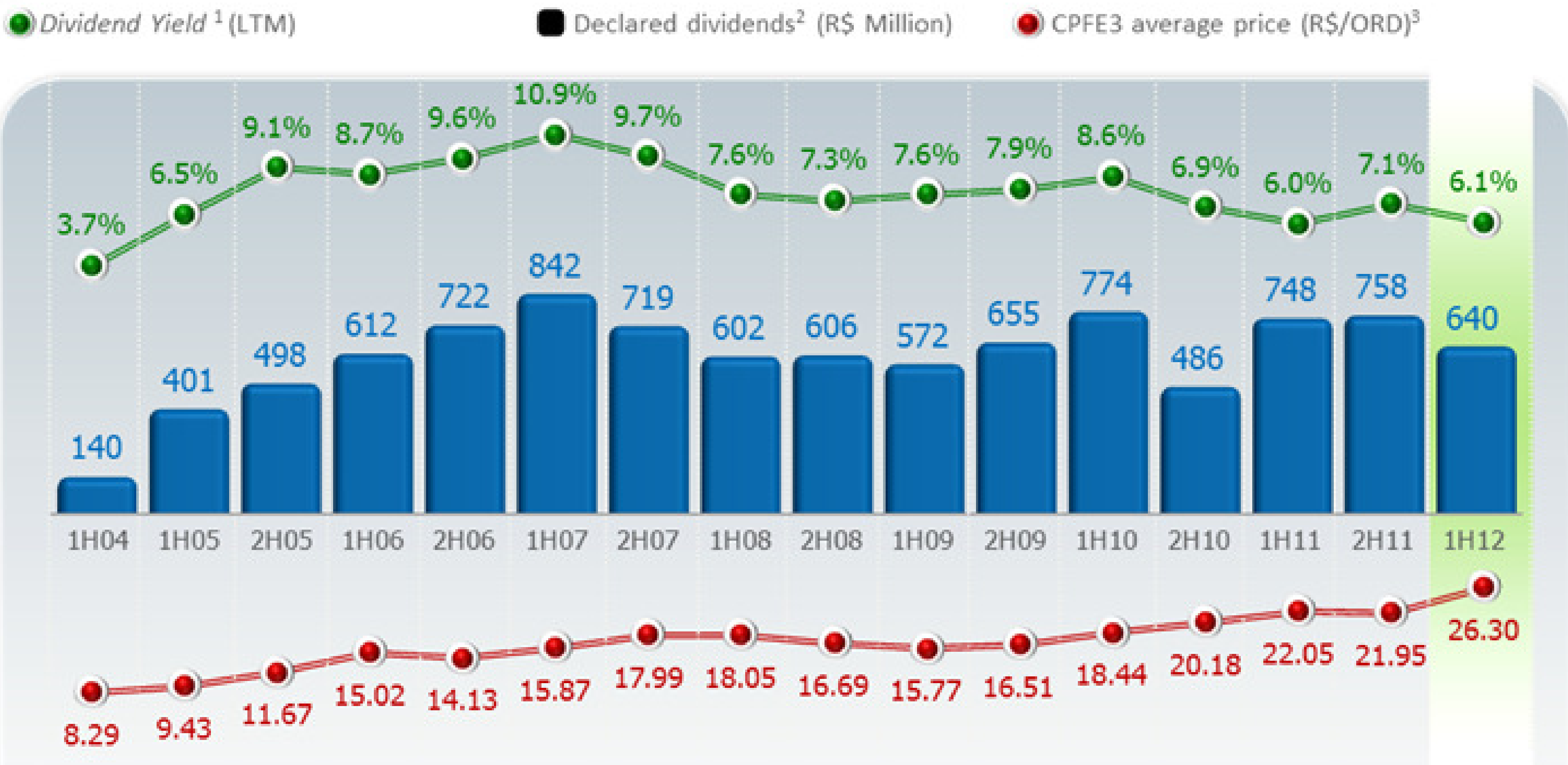


- **14.1% increase in EBITDA (R$ 115 million)**
- **Negative Net Financial Result increased 30.9% (R$ 56 million)**
  - **Financial Expenses were up 18.7% (R$ 58 million)**
  - Consolidation of CPFL Renováveis (R$ 44 million)
  - Currency effect from energy bills from Itaipu at discos (R$ 16 million) and increased debt stock (R$ 15 million)
  - 55.1% decrease in UBP (R$ 17 million), mainly due to the **non-recurring** net effect adjustments of gencos UBP accounting (R$ 14 million)
- **Depreciation and Amortization grew by 52.3% (R$ 105 million)**
  - Consolidation of CPFL Renováveis (R$ 57 million)
  - **Reclassification of PIS/COFINS tax credits based on depreciation to Deductions from Revenues (R$ 50 million)**
- **Results on Pension Fund (R$ 20 million)**
- **Income tax and social contribution (R$ 5 million)**

"Savings" of financial expenses ≈ R$ 65 million

CDI	
2Q12	2Q11
+2.1%	+2.8%

Distribution of R$ 640 million in dividends in 1H12



CPFL distributes **100% of the 1H12 net income in dividends**

R$ 640 million | 0.67/share

1) Considering last two half years' dividend yield 2) Refer to declared dividend. Payment in the next half year 3) Considers share price adjusted for reversal stock split and simultaneous split of shares on June 29, 2011 (not adjusted per dividends).

Capex and acquisitions in the last 12 months

Capex by segment | R$ million

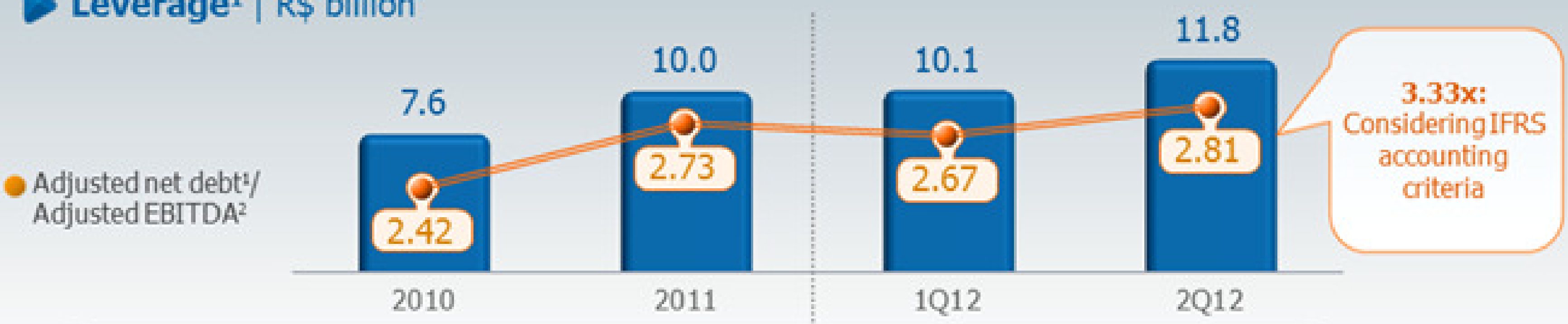
Segment	3Q11	4Q11	1Q12	2Q12	12M2Q12
Distribution	305	324	266	339	**1,234**
Generation	153	374	288	371	**1,186**
Commercializ.	7	4	1	5	**17**
Total	**465**	**702**	**555**	**715**	**2,437**

Acquisitions announced in the last 12 months | R$ million

Asset	Cash	Acquired Debt	Total
Jantus Wind Farm	823	675	**1,499**
Bons Ventos Wind Farm	573	517	**1,090**
Subtotal	**1,396**	**1,192**	**2,589**
Ester Biomass TPP (pending closing)	51	61	**112**
Acquisitions	**1,447**	**1,253**	**2,700**

Indebtedness – control of financial covenants

Leverage[1] | R$ billion

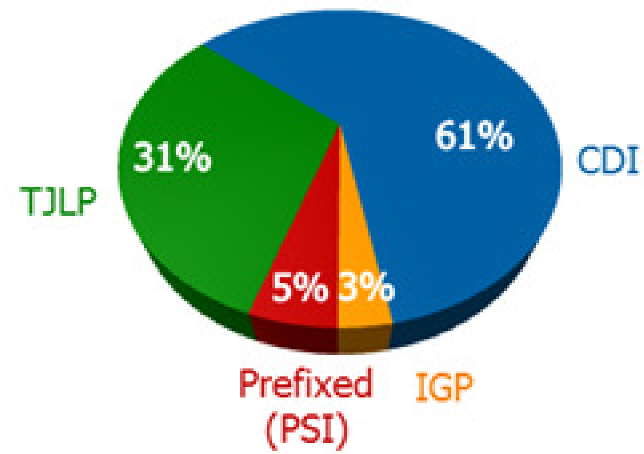


	2010	2011	1Q12	2Q12
Adjusted EBITDA[2] R$ million	3,151	3,665	3,782	4,182

Net leverage calculation (net debt / EBITDA) – financial covenants

- ✓ Proportional consolidation of CPFL Renováveis (63%) and CERAN (65%)
- ✓ Including CVA (Compensation Account for Non-Manageable Costs) in EBTIDA calculation
- ✓ Including historical EBITDA from Jantus, Ersa, Santa Luzia and Bons Ventos

Gross debt breakdown[3]



1) Net debt calculation pursuant to financial covenants methodology 2) LTM EBITDA ajdusted pursuant to new methodology. 3) Financial debt (+) pension fund (-) *hedge*

Debt profile on Jun 30, 2012

Debt amortization schedule[1] (Jun/12) | R$ million

1) Disregard financial charges (ST = R$ 276 million), hedge (net positive effect of R$ 460 million) and MTM (R$ 20 million)
2) Considering debt amortization for the next 12 months (from Jul 01, 2012)

Subsequent events | Pre-funding in Jul/12

Issue of Debentures

cpfl paulista | cpfl piratininga | RGE

R$ 1.3 billion

- Type: **CVM instruction 476**
- Bookrunner: **CEF**
- Use of funds: **Refinancing and working capital**
- Average cost: **CDI + 0.80% p.a.**
- Maturity: **7 years**

Law 4131 funding

cpfl paulista | cpfl piratininga | RGE | cpfl santa cruz | cpfl sul paulista | cpfl mococa | cpfl jaguari | cpfl leste paulista

R$ 297.4 million

- Use of funds: **Refinancing and working capital**
- Average cost: **104,7% of CDI (swaped)**
- Maturity: **3 to 4 years**

Debt profile adjusted for the last issuances in July 2012

Pro forma debt amortization schedule[1] | R$ million

1) Disregard financial charges (ST = R$ 276 million), hedge (net positive effect of R$ 460 million) and MTM (R$ 20 million)
2) Considering debt amortization for the next 12 months (from Jul 01, 2012)

Last credit rating actions

Favorable credit rating to CPFL Renováveis and issuance of debentures by CPFL's Discos

Moody's

Rating Ba2 (global scale)
Rating Aa3.br (national scale)
Outlook Stable | Jul/12

CPFL RENOVÁVEIS

- Expertise at constructing and operating SPPs and Biomass TPPs
- Support of strong shareholders and a diversified portfolio of power sources
- Cash flow relatively stable
- Ability to secure long-term funding

FitchRatings

Rating AA+ (bra) | Jul/12
Outlook Stable

Issuance of R$ 1.3 billion in debentures:

cpfl paulista | cpfl piratininga | RGE

- Market position and diversified asset base of the group
- Strong cash generation capacity
- Moderate net leverage and robust liquidity
- Positive business strategy of the group, with expansion in power generation
- Moderate negative impact of the third tariff review cycle

Schedule
3rd Tariff Review Cycle | CPFL Piratininga

June	July	August	September	October
19th: Aneel submits preliminary proposal to CPFL	**3rd:** Aneel's meeting **12th:** Public Hearing Opening (technical notes release)	**16th:** In-house public hearing (opportunity for unions, consumers, etc. give their opinions) **17th:** End of in-house public hearing (deadline for contributions)	**11th:** Aneel submits final proposal to CPFL **18th:** Meeting with Rapporteur Director	**2nd:** Meeting of Aneel's Board of Directors **23rd:** CPFL Piratininga's tariffs published

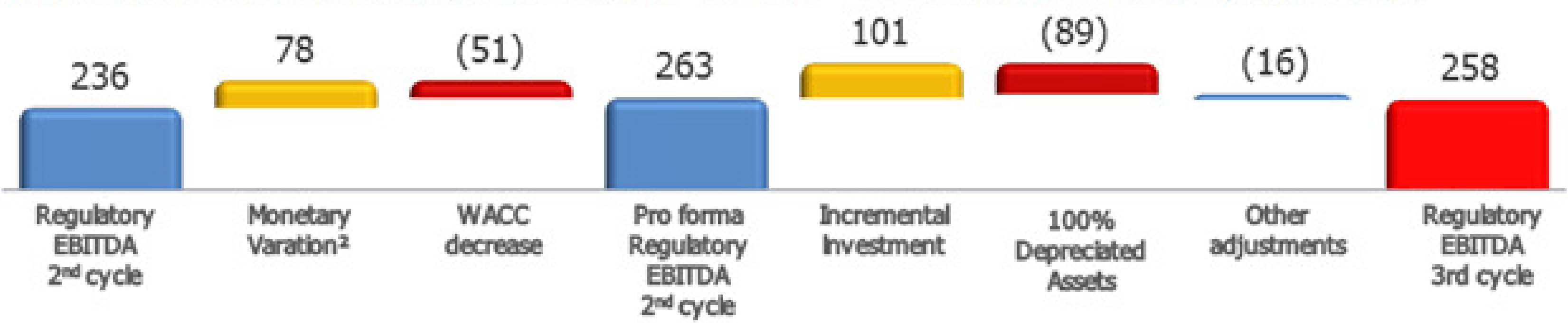
3rd Tariff Review Cycle | CPFL Piratininga

Gross Regulatory Asset Base (A)	2,760
Depreciation rate (B)	4.09%
Depreciation Quota (C = A x B)	113
Net Regulatory Asset Base (D)	1,286
Pre-tax WACC (E)	11.36%
Cost of capital (F = E x D)	146
Regulatory EBITDA (G = C + F)	259
Regulatory OPEX[1] = CAOM + CAIMI (H)	330
Parcel B (I = G+H)	589
X-Factor (J)	1.15%
Parcel B adjusted by market [L = I x (1-J)]	582
Parcel A (M)	2,053
Required Revenue (N = L + M)	2,635
Other Revenues (O)	26
Verified Revenue (P)	2,701
Tariff repositioning [Q = ((N-O)/P)-1]	-3.40%

Tariff repositioning
-3.40%

Average effect for consumer
-8.18%

Reconciliation of Regulatory EBITDA | 2nd and 3rd Tariff Review Cycle (R$ million)



1)CAOM = Administration, Operation and Maintenance Cost and CAIMI = Annual costs for fixtures, vehicles and IT 2) Inflation = 32.91%

Generation | Commercial start up

Bio Ipê TPP

Location:
Nova Independência | SP

- **Biomass TPP**
- Installed capacity: **25 MW**
- Assured energy: **8.2 MWavg**
- PPA: **Free Market**

Bio Pedra TPP

Location:
Serrana | SP

- **Biomass TPP**
- Installed capacity: **70 MW**
- Assured energy: **24.4 MWavg**
- PPA: **LER** (Aug/10)
  R$ 154.12/MWh[1] | 15 years
- Estimated revenue: **R$ 33 million/year**

1) Constant currency (Dec/11)

Generation | Project concluded

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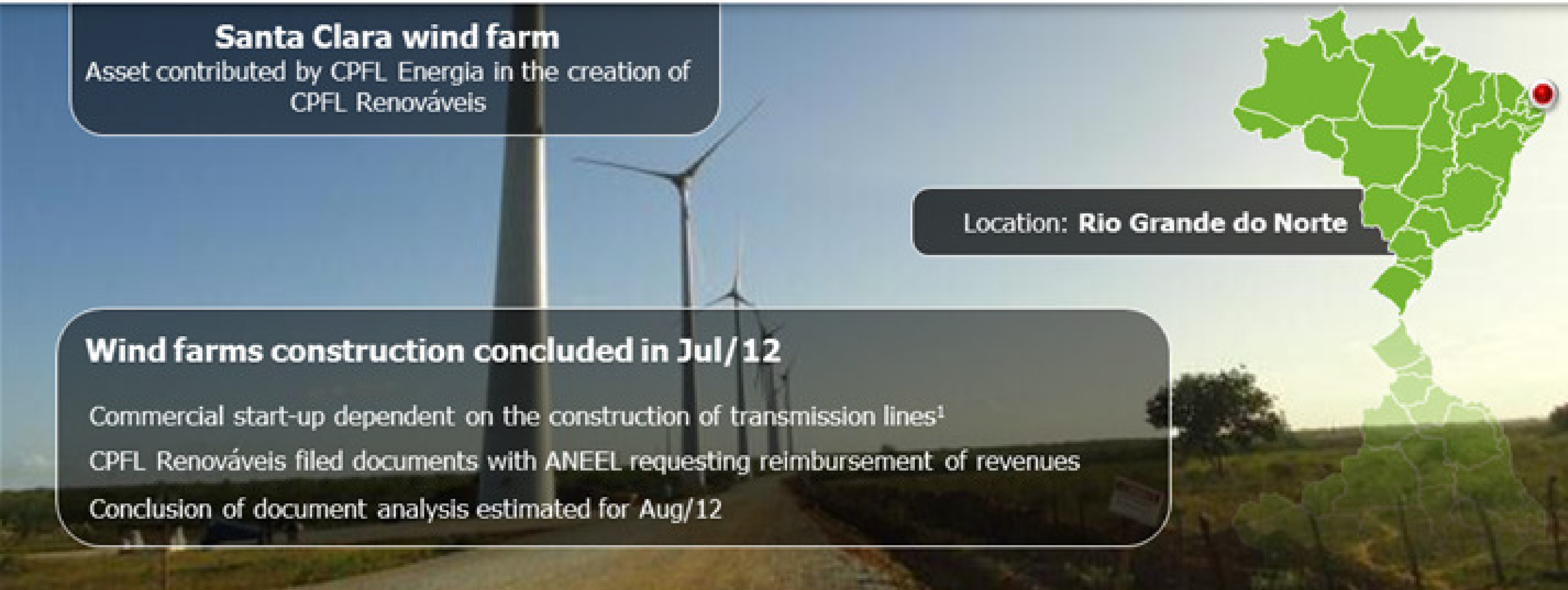
Commercial start up in **2012(e)** | **188 MW / 76 MWavg**



Santa Clara wind farm

Asset contributed by CPFL Energia in the creation of CPFL Renováveis

Location: **Rio Grande do Norte**

Wind farms construction concluded in Jul/12

Commercial start-up dependent on the construction of transmission lines[1]

CPFL Renováveis filed documents with ANEEL requesting reimbursement of revenues

Conclusion of document analysis estimated for Aug/12

100% concluded[1]

Start of Construction Aug/10

- Funding:
  - **BNDES**
  - **65% debt / 35% equity**

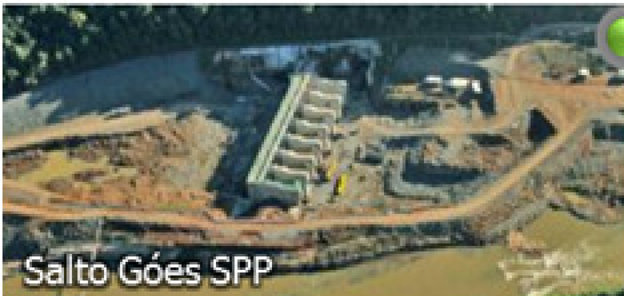
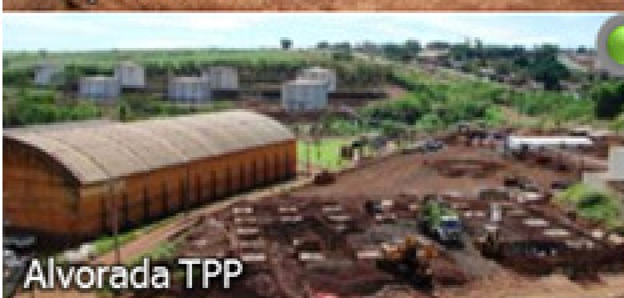
- PPA:
  - **LER (Dec/09) | R$ 168.32/MWh[2]**
  - **20 years**
  - **Annual Revenue (e): R$ 112 million**

1) Wind farms are able to generate energy, but are awaiting for the conclusion of transmission lines; 2) Constant currency (Dec/2011)

Generation | Projects under construction

CPFL ENERGIA — CPFL RENOVÁVEIS

Commercial start up in **2013(e)** | **120 MW/47 MWavg**

	Commercial Start up (e)	Installed Capacity (MW)	Assured Energy (MWavg)	Capital Structure (e)	PPA
 Salto Góes SPP 80% concluded	1Q13	20	11.1	BNDES funding (63% debt / 37% equity)	Alternative Sources Auction Aug/10 R$ 160.41[1]
 Coopcana TPP 11% concluded	2Q13	50	18.0	BNDES funding (under review)	Free Market
 Alvorada TPP 19% concluded	2Q13	50	18.0	BNDES funding (under review)	Free Market

1) Constant currency (Dec/2011)

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Generation | Projects under construction

CPFL RENOVÁVEIS

Commercial start up in **2013(e) | 228 MW/104 MWavg**

Macacos I wind farm[1]

Atlântica wind farm[2]

Project	Status	Commercial Start up (e)	Installed Capacity (MW)	Assured Energy (MWavg)	Capital Structure (e)	PPA
Macacos I wind farm[1]	25% concluded	3Q13	78.2	37.1	BNDES funding (under review)	Alternative Sources Auction Aug/10 R$ 137.3[3]
Campo dos Ventos II	7% concluded	3Q13	30	14.0	BNDES funding (under review)	Reserve Auction Aug/10 R$ 133.7[3]
Atlântica wind farm[2]	12% concluded	2H13	120	52.7	BNDES funding (under review)	Alternative Sources Auction 2010 R$ 147.44[3]

1) Macacos, Pedra Preta, Costa Branca and Juremas 2) Atlântica I, II, IV and V 3) Constant currency (Dec/11)

CPFL ENERGIA

Generation | Projects under construction

CPFL RENOVÁVEIS

Commercial start up in **2014(e) | 254 MW/129 MWavg**

	Commercial Start up (e)	Installed Capacity (MW)	Assured Energy (MWavg)	Capital Structure (e)	PPA
	8% concluded				
Campo dos Ventos wind farms[1]	2Q14	138	68.5	BNDES funding (under review)	Free market **2033**
	7% concluded				
São Benedito wind farms[2]	2Q14	116	60.6	BNDES funding (under review)	Free market **2034**

1) Campo dos Ventos I, III, V, São Domingos and Ventos de São Martinho 2) Ventos de São Benedito, Ventos de Santo Dimas, Santa Mônica and Santa Úrsula

CPFL ENERGIA

Prêmios e reconhecimentos

Agência Estado Distinction Award Companies 2012

Acknowledge of companies that, despite the unfavorable international scenario, managed to deliver outstanding results to its shareholders

DESTAQUE AGÊNCIA ESTADO EMPRESAS

ABRADEE Award 2012

Best Electric Energy Distribution Company in the South Region

- RGE – 2003|2009|2010|2011|**2012**

Management Quality

CPFL Paulista – 2005|2006|2008|2009|**2012**

RGE – **2012**

Social Responsibility

- CPFL Leste Paulista – **2012**

Stock market performance

Share performance on BM&FBovespa
12 months[1]

Share performance on NYSE
12 months[1]

Daily average trading volume on BM&FBovespa + NYSE (R$ million)

Share performance
Comparison with the sustainability indexes
12 months (from Jul/11 to Jun/12)

IBOVESPA IBRX IEE ITAG IGC IGCT ISE DOW JONES BRAZIL TITANS 20 ADR MSCI Indexes

1) Considers the last 12 months ended in Jun-12

2Q12 Results

100 anos GERANDO HISTÓRIAS

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