

1Q12 Results

Icaraizinho
Wind Farm

100 anos
GERANDO
HISTÓRIAS



Alto Irani
Small Power Plant

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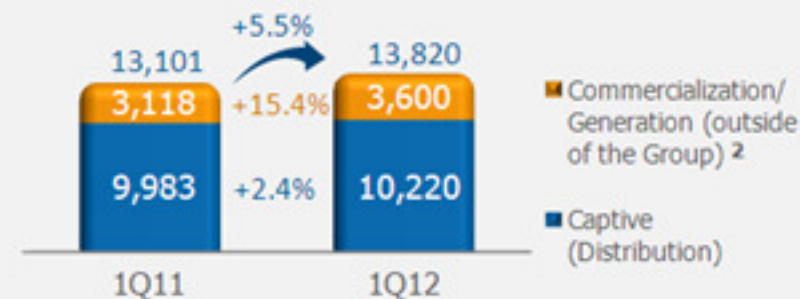
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- Sales in the concession area were up 3.4% QoQ
 - Annual tariff readjustment of 3.71% at CPFL Paulista as from Apr, 12
 - Closing of the acquisition of Atlântica wind farms in Mar, 12¹
 - Investments amounted R\$ 555 million
 - Credit rating of CPFL Energia was reaffirmed by FitchRatings | 'AA+(bra)'
 - CPFL Energia's shares rejoined the Dow Jones Brazil Titans 20 ADR Index as from Mar, 12
 - Stocks' Average daily trading volume increased 15.5% on BM&FBovespa and NYSE, reaching R\$ 35.5 million
 - In the last 12 months, CPFL Energia's shares were up 25.5% on BM&FBovespa, beating the Ibovespa (-5.9%) and the IEE (+18.0%) indices and the ADRs on NYSE appreciated 9.9%, exceeding the Dow Jones (+7.2%) and the DJBr20 (-13.1%) indices

1Q12 Energy sales and tariff for the use of the distribution system (TUSD)

Sales in the concession area (GWh)



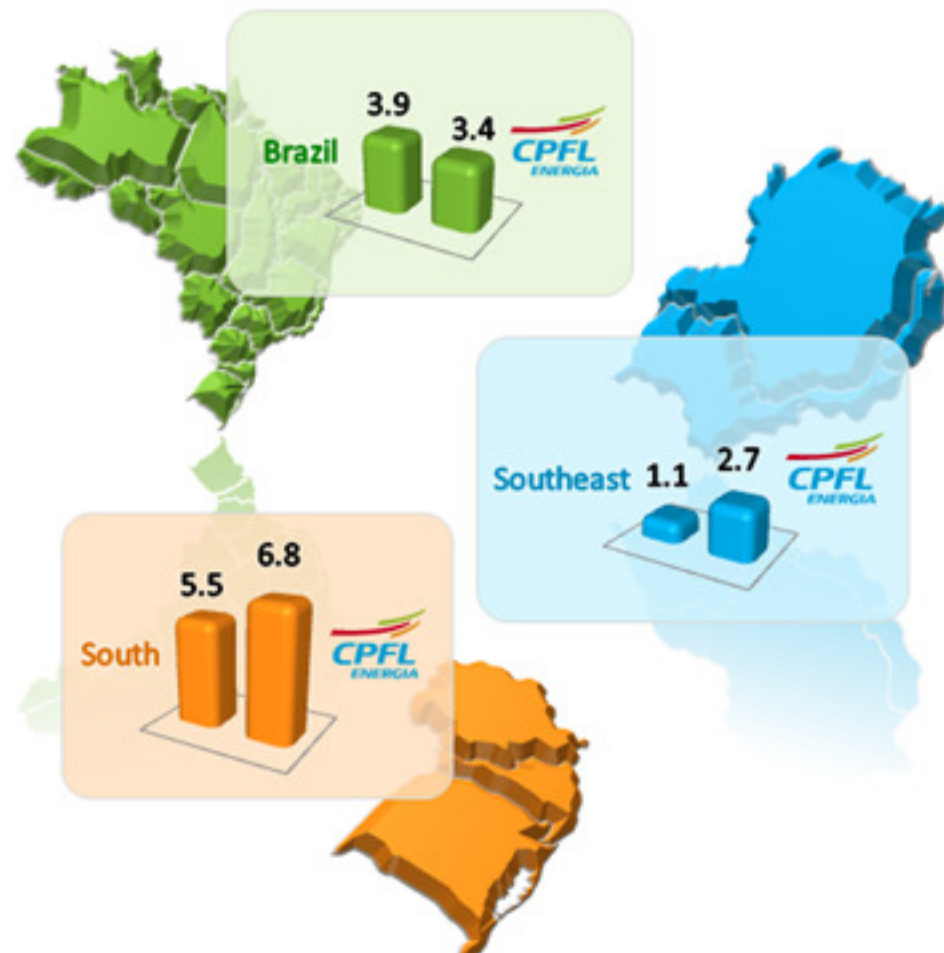
Total energy sales¹ (GWh)



Sales in the concession area Consumption segments



Sales in the concession area (%) Comparison by region (source: EPE)



1) Disregard CCEE and related parties. 2) 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 unbilled sales of 39 GWh in the 1Q12. Disregard sales of EPASA (availability contract).

Large investments will lead to growth in the concession area



High speed train

Campinas ◀▶ São Paulo ▶◀ Rio de Janeiro

► Total Investment (e)¹: **R\$ 34.6 billion**

- 1st Phase (e): **R\$ 6.7 billion**
- 2nd Phase (e): **R\$ 27.9 billion**

Airport expansion



Viracopos

- Construction of terminal (1st phase) and expansion of departure area
- Investment (e): **R\$ 873 million** by 2014¹

Guarulhos

- Construction of the 3rd terminal, expansion of the departure area and construction of a taxi lane
- Investment(e): **R\$ 1.38 billion** by 2014¹

Brasília

- Expansion of the passengers terminal, garage, highway system and departure area
- Investment(e): **R\$ 627 million** by 2014¹

► Investments announced for 2012-2013(e)²

- Expansion of the container **terminal** at **Santos Port** (SP)
- Expansion of the **gas** concessionaire network (Jundiaí, Piracicaba e Hortolândia)
- Expansion of the **telecommunication** network in the Ribeirão Preto region (SP)
- Construction of an **ethanol** terminal in Paulínia (SP)
- Construction of a servicing center for **transportation equipment** in Sorocaba (SP)

Total:
R\$ 3 billion

► Applications at BNDES for new projects amounted to **R\$ 55.7 billion** in the 1Q12³


Up 37%
compared to 1Q11

1) Source: STN/Dept. of the treasury | Estimated values subject to changes 2) Source: Press (investments announced between Jan. and Apr/12)

3) Source: BNDES | Performance Report – 03/31/12

IFRS

Net Revenue

 +13.2%

1Q11	1Q12
R\$ 3,023 million	R\$ 3,421 million

 +11.0%

1Q11	1Q12
R\$ 2,984 million	R\$ 3,311 million

EBITDA

 +6.2%

1Q11	1Q12
R\$ 1,020 million	R\$ 1,084 million

 +17.9%

1Q11	1Q12
R\$ 906 million	R\$ 1,067 million

Net Income¹

 -9.2%

1Q11	1Q12
R\$ 466 million	R\$ 423 million

 +9.5%

1Q11	1Q12
R\$ 375 million	R\$ 411 million

IFRS + Regulatory Assets & Liabilities – Non-recurring

IFRS + Regulatory Assets & Liabilities – Non-Recurring

Depreciation and adjustments for UBP accounting of gencos

Physical inventory of discos' assets

 **Non-Recurring Effects**

3rd Tariff Review- Regulatory provision at CPFL Piratininga²

Other Regulatory Assets & Liabilities

 **Regulatory Assests & Liabilities**

EBITDA

1T11

1T12

Net Income

1T11

1T12

 11

 9

 5

 6

 3

 9

 5

 5

 3

 48

 32

 123

 26

 85

 16

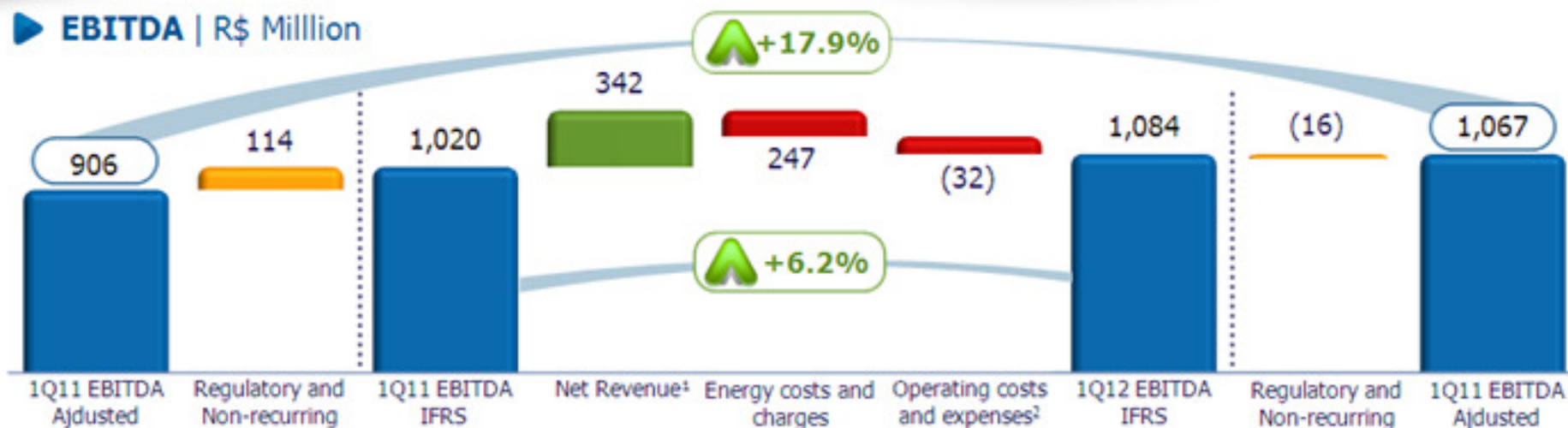
 123

 21

 85

 16

EBITDA | R\$ Million



+ Increase of 12.2% in Net Revenues¹ (R\$ 342 million)

- + 2.4% increase in sales to the captive market and average tariff readjustments of 7.51%³ (R\$ 305 million)
- + Revenue from Foz do Chapecó HPP and CPFL Renováveis (R\$ 110 million)
- + 1.9% increase in revenues from TUSD (R\$ 6 million)
- + Additional revenue from conventional generation and commercialization (R\$ 58 million)
- 9.0% increase in Deductions from Revenues (R\$ 134 million), mainly sector charges (R\$ 54 million)

- 17.4% increase of Energy Costs and Charges (R\$ 247 million)

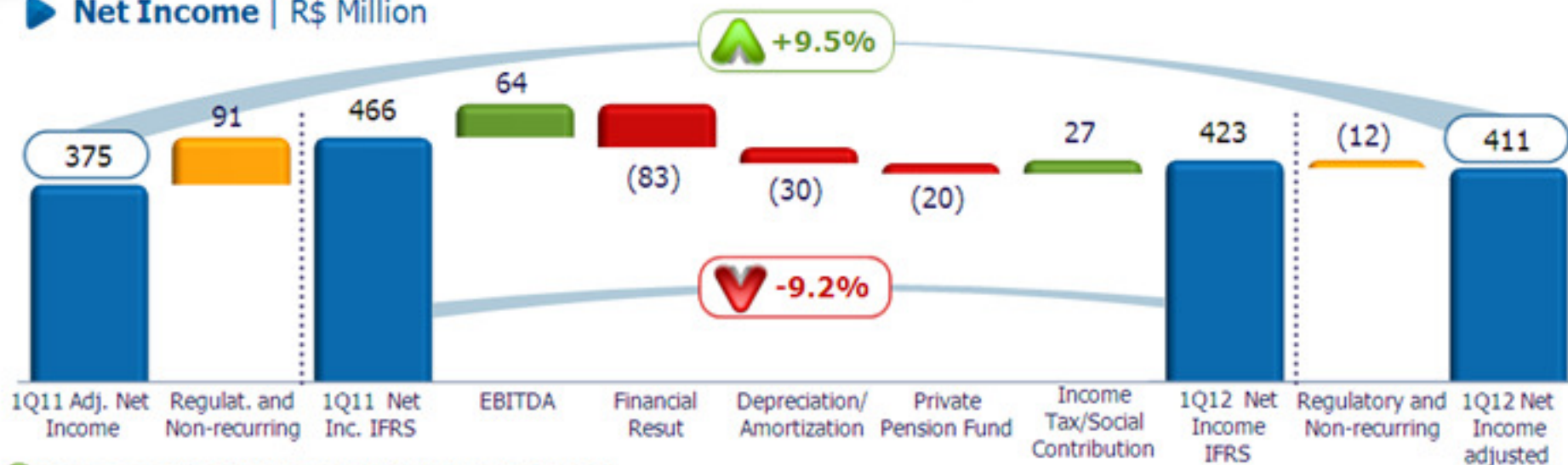
- 18.3% increase in costs with purchased energy for resale (R\$ 204 million)
- 14.2% increase in charges (R\$ 43 million), mainly basic network charges

- 8.6% increase in Operating Costs and Expenses² (R\$ 32 million)

- Non-recurring net effect of physical inventory of assets (R\$ 4 million)
- Start-up CPFL Renováveis (R\$ 28 million)

Adjusting for aforementioned items, adjust. P/M/S/O: +2.2% (R\$ 8 million) | IGP-M: +3.2%

Net Income | R\$ Million



+ Increase of 6.2% in EBITDA (R\$ 64 million)

- Decrease of 63.6% in Financial Result (R\$ 83 million)

- Increase of 39.3% in Financial Expenses (R\$ 101 million)

- Consolidation of CPFL Renováveis (R\$ 41 million) and currency effect from energy from Itaipu at the discos (R\$ 12 million)

- Net increase in financial charges due to the increase of indebtedness (R\$ 36 million)

+ Adjustments of UBP accounting in the gencos in the 1Q11 (R\$ 13 million) Non-recurring

+ Increase of 14.0% in Financial Revenues (R\$ 18 million), mainly because of higher deposits

- Increase of 16.0% in Depreciation and Amortization (R\$ 30 million)

- Operation of EPASA TPPs and CPFL Renováveis (R\$ 48 million)

+ Adjustments of UBP accounting in the gencos in the 1Q11 (R\$ 4 milhões) Non-recurring

+ Changes in ANEEL's depreciation rates (R\$ 12 million)

- Pension Funds (R\$ 20 million)

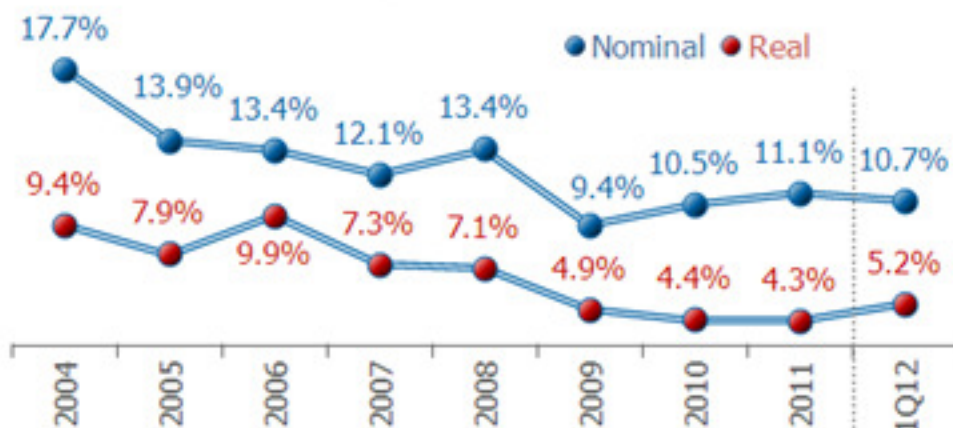
+ Decrease in income taxes and social contribution (R\$ 27 million)

CDI	
1Q12	1Q11
+2,45%	+2,64%

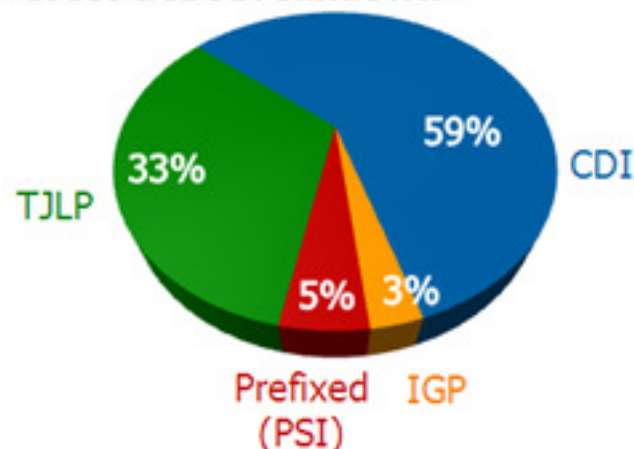
**"Savings" of financial expenses
≈ R\$ 16 million**

1Q12 Debt Profile

Gross debt cost¹ | LTM



Gross debt breakdown¹



Net debt² | R\$ billion



Cash
R\$ million

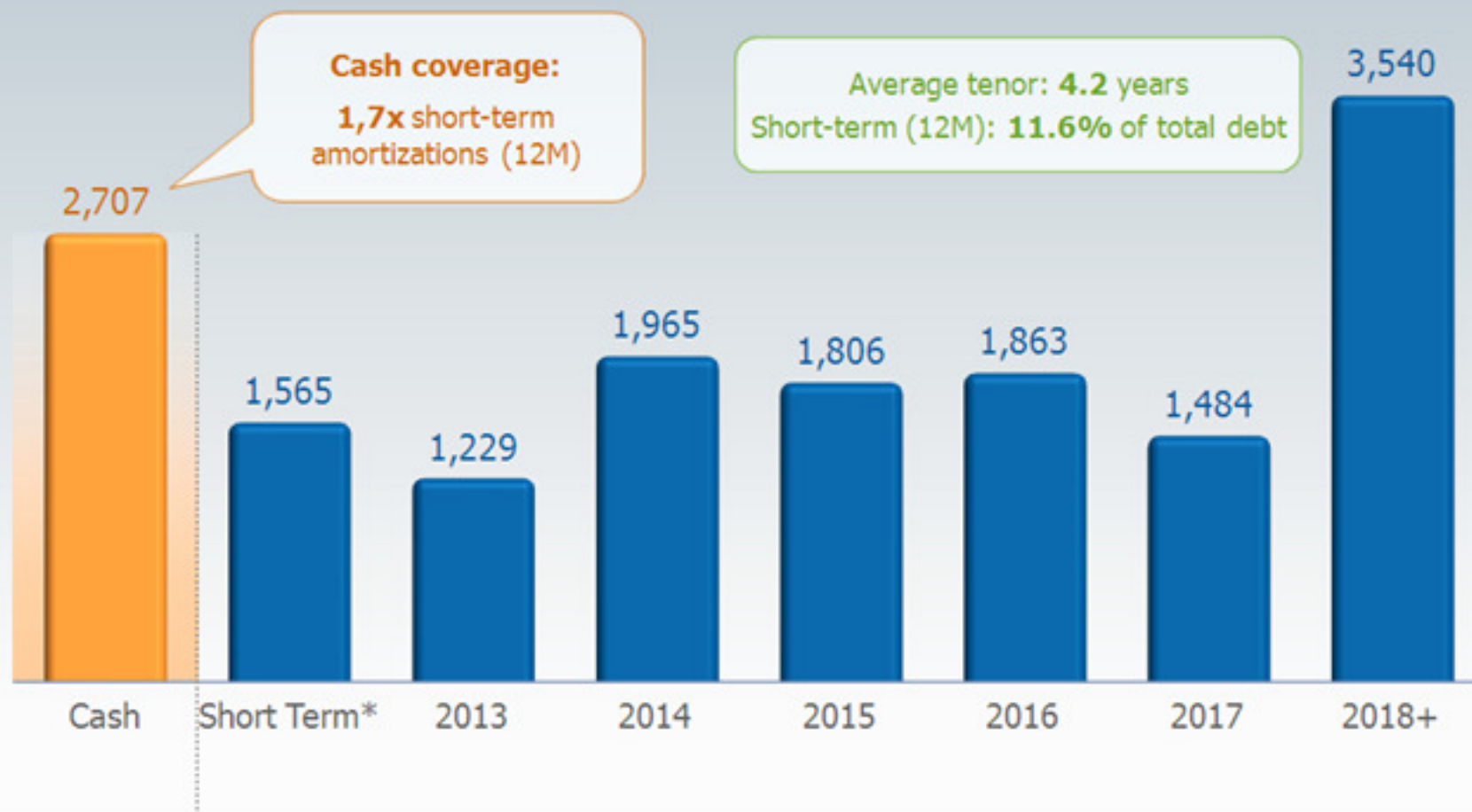
1,487

1,563

2,700

2,707

▶ Debt amortization schedule¹ | R\$ million



1) Disregard financial charges (ST = R\$ 376 million), hedge (net positive effect of R\$ 240 million) and MTM (R\$ 36 million)

*Considering debt related to the next 12 months (from Apr 01, 2012)

Reaffirmation of CPFL Energia's credit rating

FitchRatings**Rating AA+ (bra) | Apr/12**
Stable Perspective

- 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

"CPFL Group continues to show strong liquidity, which contributes positively for the current rating category. On December 31, 2011, the consolidated short-term debt (BRL1.7 billion) represented 12% of the total adjusted debt and was covered by 1.6 times the cash position, even after the conclusion of the acquisition of Jantus (operational wind farms), in December 2011. Last year, the group's liquidity benefited mainly through the issuance of BRL2.8 billion in debentures and BRL1.4 billion raised via Law 4131."

► Commercial start-up in **2012(e)** | **283 MW / 109 avg. MW**

	Commercial Start-up (e)	Installed Capacity (MW)	Physical guarantee (Avg. MW)	Capital Structure (e)	PPA
99% concluded (commercial start-up (e) in Jun/12)					
 <p>Bio Ipê TPP</p>	2Q12	25	8.4	79% BNDES 21% equity	ACL
94% concluded					
 <p>Bio Pedra TPP</p>	2Q12	70	24.4	73% BNDES 27% equity	LER (Aug/10) R\$ 154.12 ¹
73% concluded					
 <p>Santa Clara Wind Farm</p>	3Q12	188	76.0	65% BNDES 35% equity	LER (Dec/09) R\$ 168.32 ¹

► Commercial start-up in **2013(e)** | **120 MW/47 avg. MW**

	Commercial Start-up (e)	Installed Capacity (MW)	Assured Energy (Avg. MW)	Capital Structure (e)	PPA
 <p>Salto Góes SPP</p>	61% concluded				
	1Q13	20	11.1	BNDES funding (63% debt / 37% equity)	LFA Aug/10 R\$ 160.41 ¹
 <p>Coopcana TPP</p>	9% concluded				
	2Q13	50	18.0	BNDES funding (under review)	ACL
 <p>Alvorada TPP</p>	9% concluded				
	2Q13	50	18.0	BNDES funding (under review)	ACL

1) Constant currency (Dec/2011)


► Commercial start-up in **2013(e)** | **228 MW/104 avg. MW**

	Commercial Start-up (e)	Installed Capacity (MW)	Assured Energy (Avg. MW)	Capital Structure (e)	PPA
 <p>Macacos I Wind Farms¹</p>	<div> <div></div> 23% concluded </div>				
	3Q13	78.2	37.1	BNDES funding (under review)	LFA Aug/10 R\$ 137.3 ³
 <p>Campo dos Ventos II</p>	<div> <div></div> 7% concluded </div>				
	3Q13	30	14.0	BNDES funding (under review)	LER Aug/10 R\$ 133.7 ³
 <p>Atlântica Wind Farms²</p>	<div> <div></div> 6% concluded </div>				
	2H13	120	52.7	BNDES funding (under review)	LFA 2010 R\$ 147.44 ³

► Commercial start-up in **2014(e)** | **254 MW/129 avg. MW**

	Commercial Start-up (e)	Installed Capacity (MW)	Physical guarantee (avg. MW)	Capital Structure (e)	PPA
Pending approval by ANEEL					
Campo dos Ventos Wind Farms ¹	2Q14	138	68.5	BNDES funding (under review)	Free Market 2033
Pending approval by ANEEL					
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 Ursula



5,310 panels

Project (R&D)¹
**Generation of renewable energy with
solar photovoltaic panels**

- **Capacity²:** 1MWp (1,6 GWh) - supply to 657 consumers/month with average consumption of 200 KWh/month
- **Investments(e):** R\$ 13.8 million
- **Start up operation:** 1Q13
- **Status:** pre-project (under suppliers' analysis)
- **Benefits:** To enable the company explore new sources of alternative generation

1st solar plant in the Estate of São Paulo

Location: Campinas
Tanquinho Substation (13,700 m²)

1) Aprovado by Aneel in Dec/11. Protocol 013-2011 (technical and commercial plans for the generation of solar photovoltaic at the network).

2) MWp = megawatt-peak

Smart Grid | 1st Phase

- **Mobile Workforce Management:**
Use of data for order of teams
- **Telemetry 1st Phase:**
Installation of 25,000 intelligent meters in large clients and a metering center
- **Self Healing:**
Installation of 5,000 automatic switches/restarters by all of the Group's distribution companies

Process Management

- **Commercial, operational e logistics**
Process review
Use of anti-fraud standards (shielded cable, etc.)
- **Digital Bill:**
Electronic delivery of bills

Project status

- ▶ All suppliers contracted
Investments (e): R\$ 33 million
Gains (e) R\$ 42 million
- ▶ Start up of installation as from May, 12
Investments (e): R\$ 57 million
Gains (e) R\$ 15 million
- ▶ 2.887 automatic switches in operation (Mar, 12)
Investments (e): R\$ 125 million
Enabler for other projects
- ▶ On progress
Gains (e): R\$ 49 million
- ▶ System in operation at **CPFL Paulista e Pratinga**

Current investments: **R\$ 50 million** | Total investments (e): **R\$ 215 million**

Annual benefits (e) as from Dec/13: R\$ 106 million

Evolution of the short term prices

► Spot Prices (PLD) | R\$/MWh

Historical prices (monthly average)
Submarket: Southeast/Midwest



Lower-than-average rainfall as from February was responsible for the reduction in natural affluent energy to the reservoirs, resulting in a change in the recovery rate of storage in the Interconnected System (SIN) and an increase of spot prices in March.

► Natural Affluent Energy (NAE) | % of long-term avg.

Southeast/Midwest



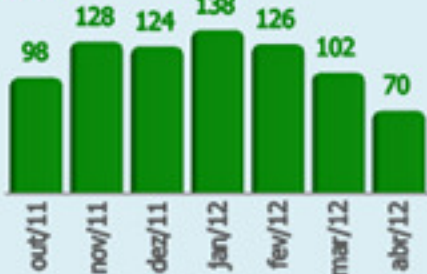
South



Northeast

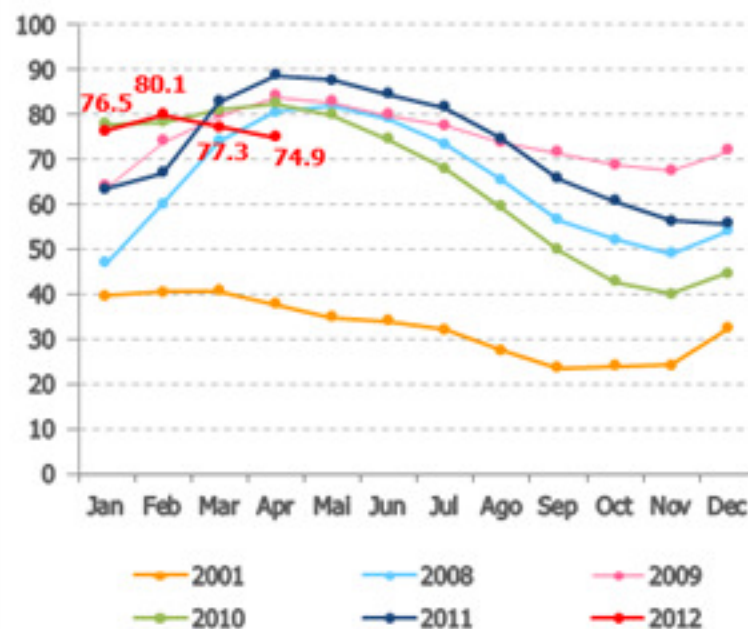


North



► Energy Stored in the SIN

Historical series since 2001 (%ESmax)



▶ LTM share performance on BM&FBovespa



▶ LTM share performance on NYSE



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



▶ Dow Jones Brazil Titans 20 ADR IndexSM

CPFL's ADRs reselected in Mar/12



- Increase in *market cap of free float* (+30%)¹
- Increase in daily average trading volume (+18%)¹

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