

3Q17 Results



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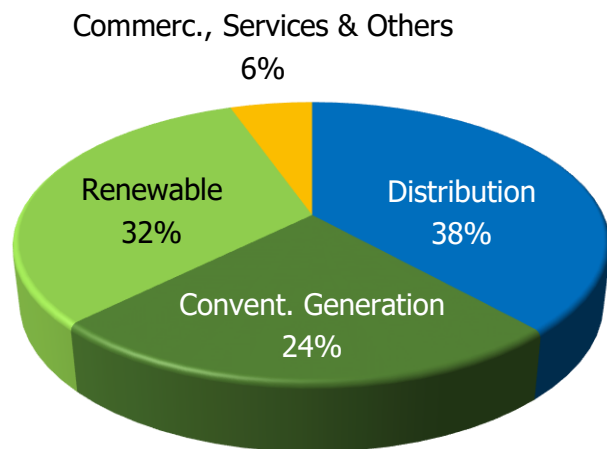
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- ✓ **Increase in load** in the concession area **(+4.2%)**¹
- ✓ **Reduction in the contracted demand: -0.9%** Off Peak and **-1.3%** Peak (Sep-17 vs. Sep-16)¹
- ✓ Increases of **62.7% in Net Operating Revenue** and of **13.8% in EBITDA**
- ✓ Investments of **R\$ 544 million**²
- ✓ Net debt of **R\$ 13.7 billion** and leverage of **3.24x Net Debt/EBITDA**³
- ✓ **CPFL Piratininga tariff adjustment**, in Oct-17, with an **average effect of +17.28%** to be perceived by the consumers
- ✓ **Status of State Grid transaction:** Tag Along Tender Offer registered by CVM; auction will occur on Nov 30, according to the Notice released on Oct 31
- ✓ Launch of **CPFL Inova**, an open innovation program created by CPFL Energia in partnership with Endeavor Brasil
- ✓ **Relevant Sector Issues in the Quarter:** GSF, Eletrobras, WACC, Hydrology and Public Consultation 33

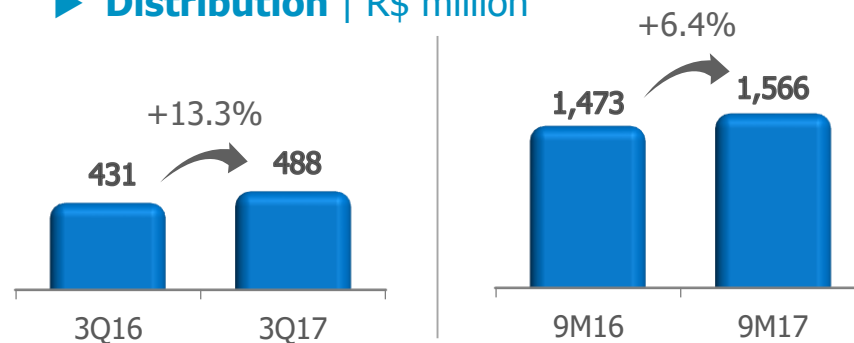
1) Excluding RGE Sul; 2) Considering the investments in transmission, in the amount of R\$ 6 million; 3) Financial covenants criteria.

► EBITDA¹ Breakdown | 3Q17 | R\$ million

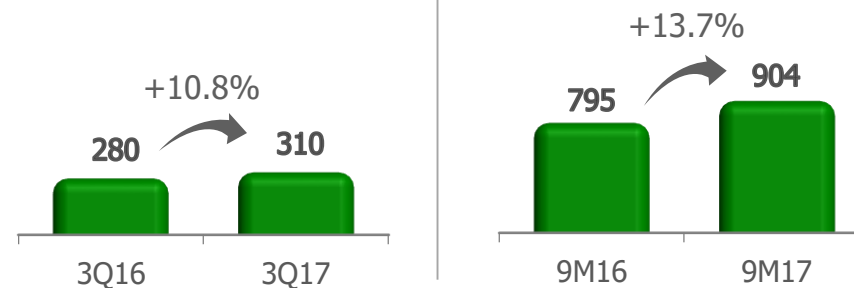


Total: R\$ 1,275 million

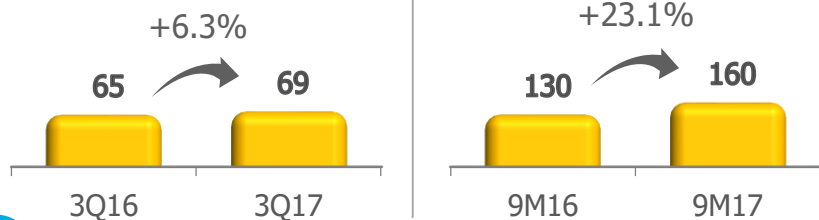
► Distribution | R\$ million



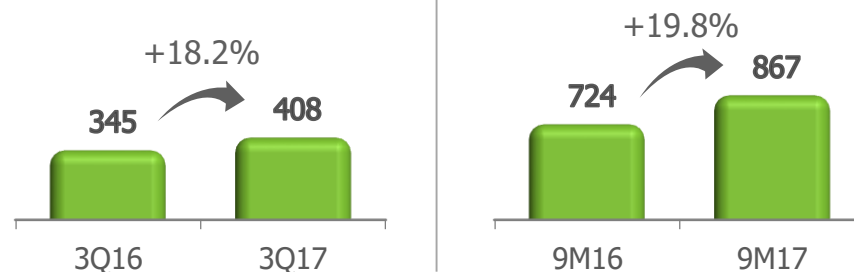
► Conventional Generation | R\$ million



► Commerc., Services & Others | R\$ million



► Renewable Generation | R\$ million

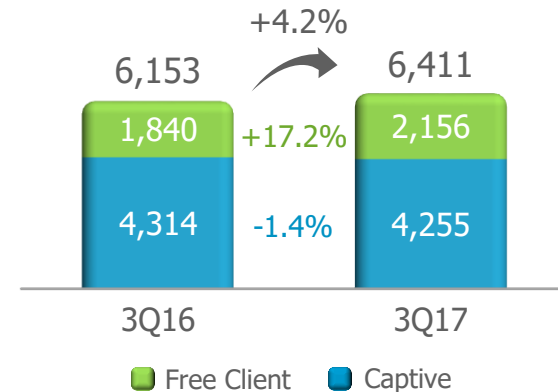


1) EBITDA is calculated from the sum of net income, taxes, financial result, depreciation/amortization, as CVM Instruction no. 527/12.

Highlights

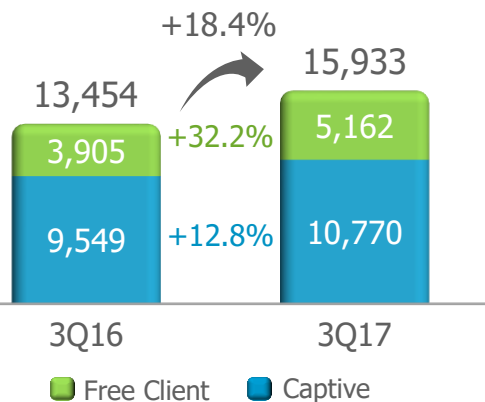
- ✓ **Increase in sales** in the concession area (+**18.4%**)
- ✓ **RGE Sul (3Q17)** added **2,045 GWh** in sales
- ✓ Disregarding RGE Sul:
 - **Increase in sales** in the concession area (+**3.2%**)
 - **Increase in load** in the concession area (+**4.2%**)
 - **Reduction in the contracted demand:** -**0.9%** Off Peak and -**1.3%** Peak (Sep-17 vs. Sep-16)
 - **Losses:** from **8.84%** in 3Q16 and **8.86%** in 2Q17 to **8.98%** in 3Q17

► Load in the concession area (without RGE Sul)^{1,2} | average MW



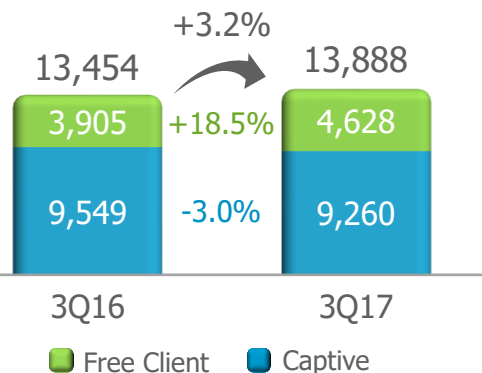
Free Client Captive

► Sales in the concession area (with RGE Sul)² | GWh



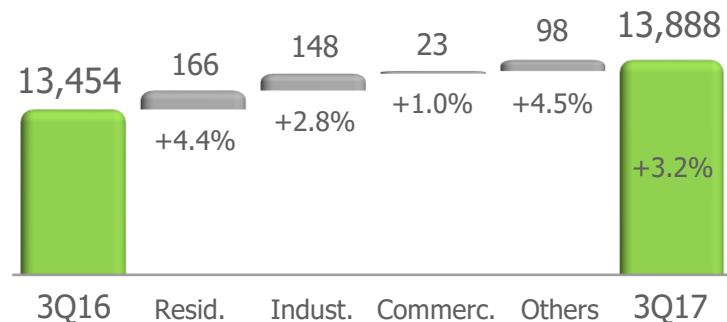
Free Client Captive

► Sales in the concession area (without RGE Sul)² | GWh



Free Client Captive

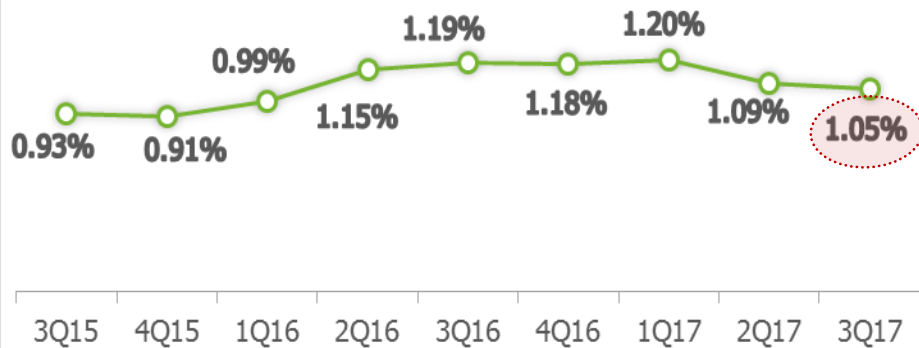
► Sales by consumption segment (without RGE Sul)² | GWh



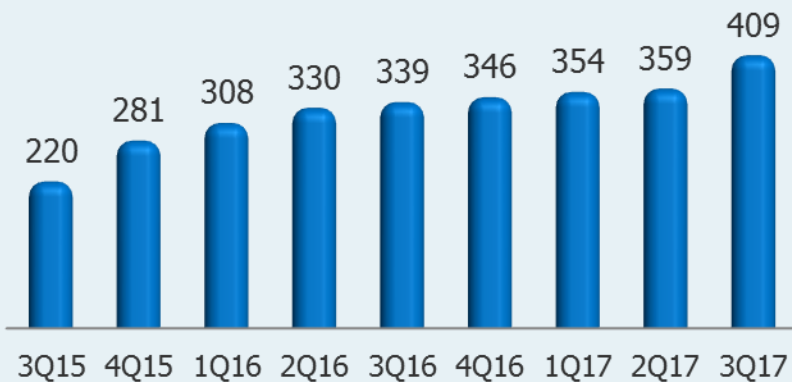
► ADA Evolution | % of Gross Revenue¹



► Total (R\$) Overdue Bills – Above 90 days | in % of revenues – LTM²



► Collection actions | Cuts (thousands)



Generation: Performance in 3Q17

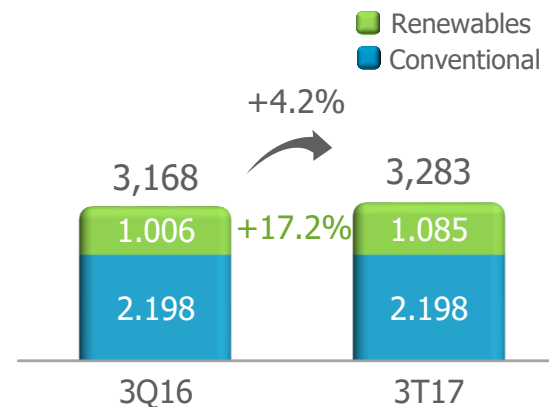
Highlights

- ✓ **Unfavorable hydrological situation** has led the PLD (SE/CW) from **R\$ 149/MWh** in Sep-16 to **R\$ 522/MWh** in Sep-17
- ✓ **Wind generation below the P50 (-5.0%)**

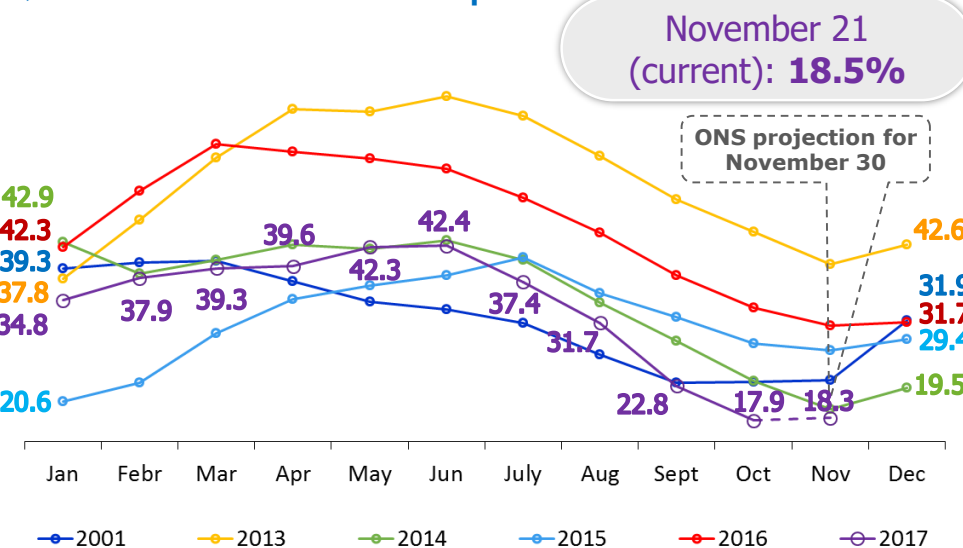
► PLD (SE/CW) Evolution



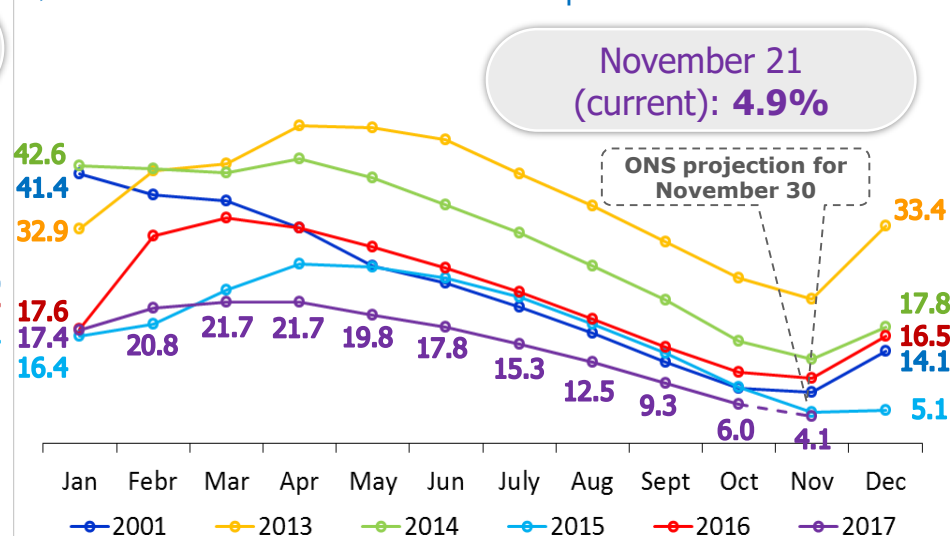
► 3Q17 Installed Capacity¹ | MW



► NIPS Reservoir Levels | %



► Northeast Reservoir Levels | %



IFRS

Net Revenue



62.7%
R\$ 3,001 million

3Q16	3Q17
R\$ 4,783	R\$ 7,784
million	million



42.7%
R\$ 2,043 million

3Q16	3Q17
R\$ 4,783	R\$ 6,826
million	million

EBITDA



13.8%
R\$ 154 million

3Q16	3Q17
R\$ 1,120	R\$ 1,275
million	million



7.3%
R\$ 82 million

3Q16	3Q17
R\$ 1,120	R\$ 1,202
million	million

Net Income



44.9%
R\$ 121 million

3Q16	3Q17
R\$ 269	R\$ 390
million	million



49.4%
R\$ 133 million

3Q16	3Q17
R\$ 269	R\$ 402
million	million

IFRS (-) RGE Sul
(WITHOUT ACQUISITION
DEBT ADJUSTMENTS)

Key Factors

EBITDA:

- + Distribution: total var. of +R\$ 57 MM**
 - Market (+R\$ 86 MM)
 - RGE Sul (+R\$ 72 MM)
 - Manageable PMSO + ADA + Reinforcement of collection actions (-R\$ 52 MM)
 - Concession financial asset (-R\$ 38 MM)
 - Itaipu's exchange variation (-R\$ 9 MM)
- + Conventional Generation: total var. of +R\$ 30 MM**
 - Financial adjustments of UBP (+R\$ 17 MM)
 - EPASA's performance (+R\$ 12 MM)
- + Commerc., Serv. & Others: total var. of +R\$ 4 MM**
 - Margin gains by price and volume (+R\$ 34 MM)
 - Contractual penalties in 3Q16 (-R\$ 23 MM)

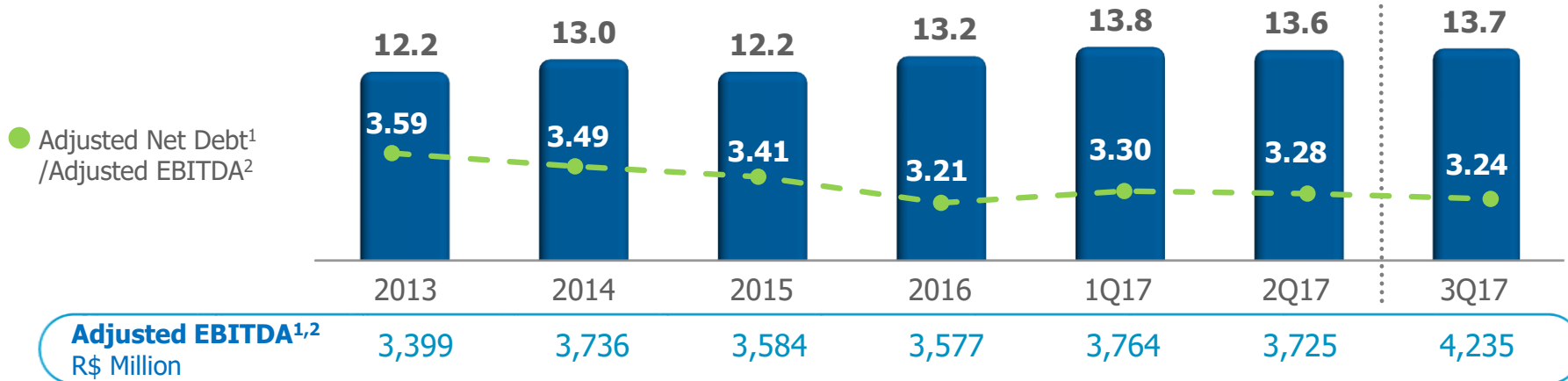
EBITDA:

- + Renewable Generation: total var. of +R\$ 63 MM**
 - Start-up of wind farms – ACL complex (+R\$ 92 MM)
 - Contractual penalties in 3Q16 (+R\$ 37 MM)
 - Impact of the GSF (-R\$ 27 MM)
 - Lower wind farms generation (-R\$ 23 MM)
 - Seasonalization of PPA for SHPPs (-R\$ 10 MM)

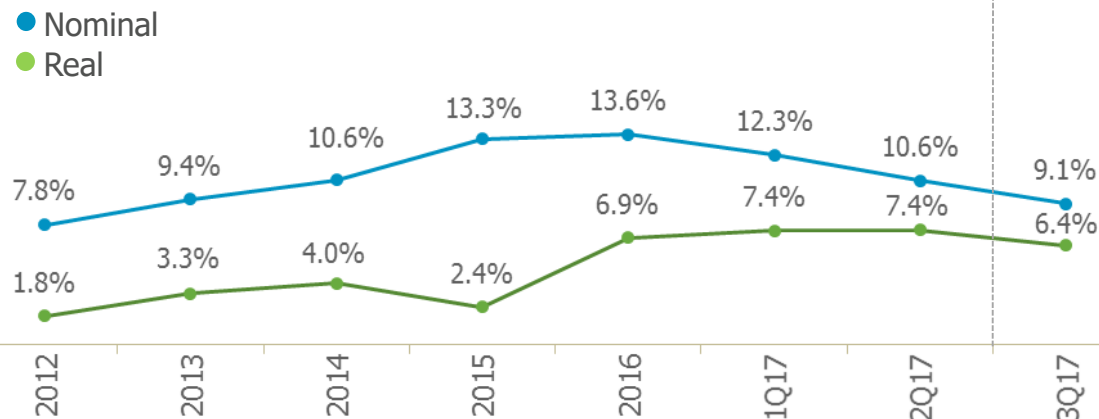
Net Income:

- + Financial Result: total var. of +R\$ 73 MM**
 - Debt charges, net of income from financial investments (+R\$ 122 MM)
 - MTM (+R\$ 43 MM)
 - Itaipu's exchange variation (+R\$ 9 MM)
 - RGE Sul: consolid. (-R\$ 37 MM) & acquis. (-R\$ 45 MM)

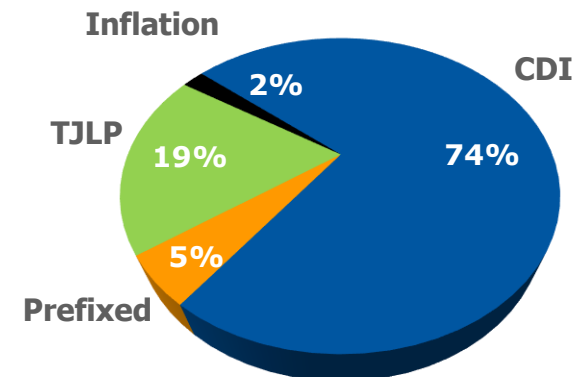
► Leverage¹ | R\$ Billion



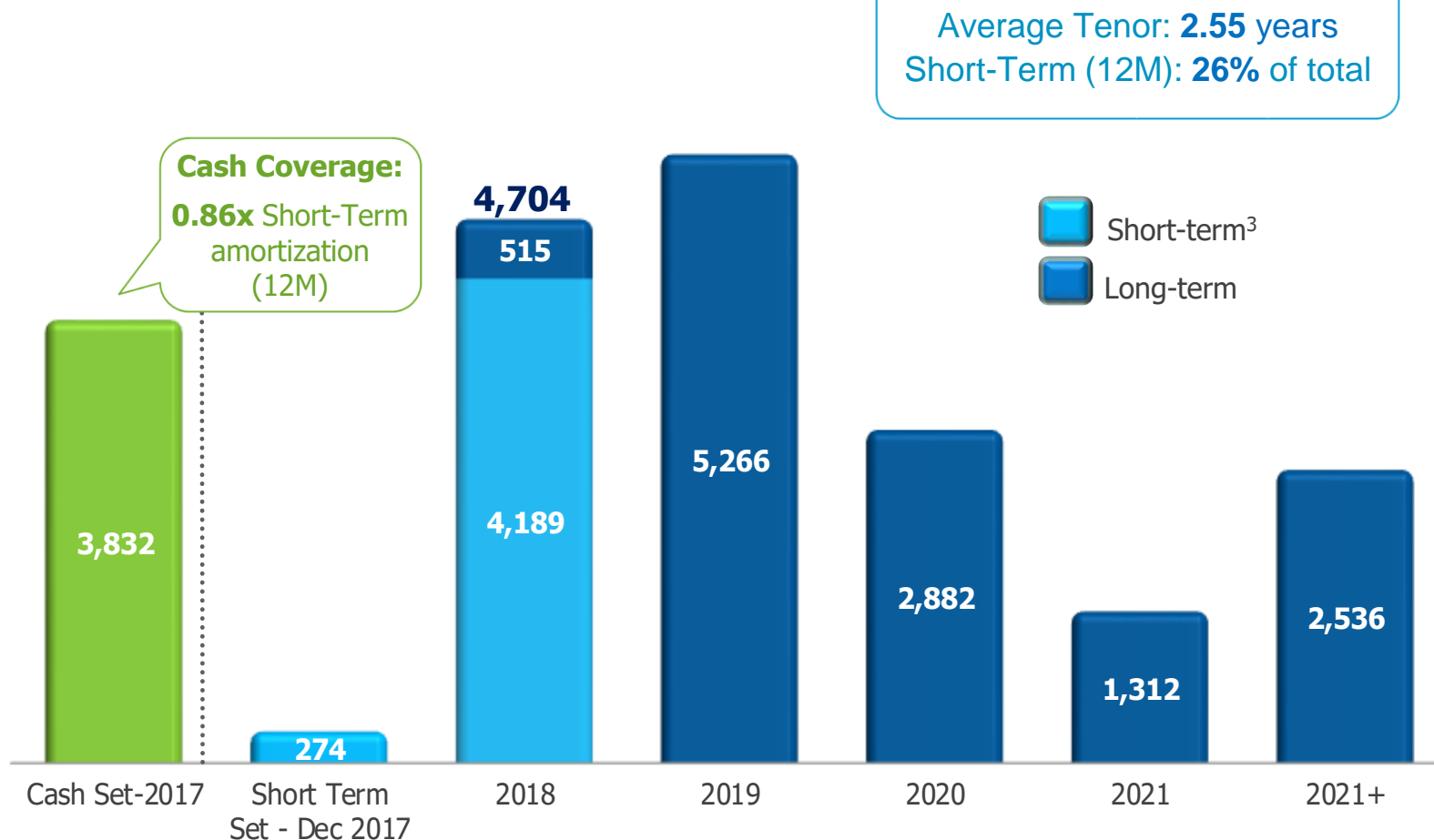
► Gross Debt Cost^{3,4} | end of period



► Gross Debt Breakdown by Indexer | 3Q17^{1,4}



► Debt amortization schedule^{1,2} | Sep-17 | R\$ Million



SHPP Boa Vista II – Under Construction



Status: concrete pouring of the structures concluded. Electrical and mechanical equipment manufactured as planned.



Commercial Start-up	Installed Capacity	Assured Energy	PPA ¹	Location	Financing
2020	29.9 MW	14.0 average-MW	21 st LEN 2015 R\$ 225.53/MWh until 2049	Minas Gerais	BNDES (under analysis)

1) Constant Currency (Sep-17).



ENERGIA QUE **ALIMENTA GRANDES IDEIAS**



CPFL immersion program in the entrepreneurial ecosystem, with the objective of approaching and connecting CPFL with the largest startups/scale-ups in Brazil



The basis of the project is Endeavor's acceleration methodology designed to map, select, diagnose, and track high impact entrepreneurs (scale-ups) of Endeavor's mentoring network



The program will select up to 12 scale-ups within the themes of interest of the CPFL group

Main Goals

- Connect CPFL and its executives with innovative initiatives in Brazil
- Mapping solutions and key innovations within our industry
- Customized program for the challenges and objectives of CPFL

Solutions of Interest

Operational Efficiency

Energy Efficiency

Distributed Generation

Energy Storage

Internet of Things

Big Data/Analytics

Smart Cities

Relationship with Customers



STATE GRID
CORPORATION OF CHINA

54.6%

Free Float

45.4%



01/23/17

**Conclusion
of
Transaction**

02/22/17

**Tender
Offer's
Registration
Application**

07/12/17

**Change of
documentation
at CVM for
the Mandatory
Tender Offer**

10/26/17

**Mandatory
Tender Offer's
Registration**

11/30/17

**Mandatory
Tender
Offer**

Acquisition of the stakes of Camargo Corrêa, Previ and Bonaire (54.6% of the total of CPFL Energia)

R\$ 25.51/share
(updated by Selic)

Status:

- On 10/26/17, the CVM approved all relevant documents and the continuity of the Mandatory Tender Offer resulting from the transfer of control of the Company
- On 10/31/17, CPFL Energia released a Material Fact informing the publication, on that date, of the Form of Notice of the Offer
- The auction will occur on 11/30/17



CPFL
ENERGIA