CPFL ENERGIA


Wind farms


Wind farms

4Q11 Results


Bio Formosa TPP (biomass)

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4Q11 Highlights

- **YoY growth of 4.6%** in sales in the concession area
- **Acquisition of biomass cogeneration assets from Ester Mill** (40 MW in operation) for R$ 111.5 million by CPFL Renováveis in Mar/12
- **Acquisition of wind farms Bons Ventos** (157.5 MW in operation) for R$ 1,062 million by CPFL Renováveis in Feb/12
- **Acquisition of wind farms Atlântica** (120 MW under construction) by CPFL Renováveis in Jan/12
- **Distribution of R$ 1,506 million** in **dividends** in 2011. **Dividend yield of 7,1%**
- **Investments** of **R$ 703 million** in the **4Q11** and **R$ 1,905 million** in **2011**. Estimated **capex** of **R$ 8,310 million** between **2012-2016**
- **Increased** stake at **CPFL Renováveis** to **63.00%** with the conclusion of the acquisition of **Jantus,** and at **Epasa** to **52.75%** as from Dec/11
- Conclusion of acquisition of **SPP Santa Luzia in Dec/11**
- **Financing facility** of **R$ 85 million** approved by **BNDES** for construction of **SPP Salto Góes**
- **34.0% appreciation** of company's stocks on Bovespa, **surpassing** the Ibovespa (-18.1%) and the IEE indices (19.7%) and **appreciation** of **25.9%** of company's ADRs on **NYSE, exceeding** the Dow Jones (5.5%) and the DJBr20 indices (-20.6%) in **2011**
- **For the 7th consecutive year** in the **ISE** - Corporate Sustainability Index on Bovespa

Corporate structure | CPFL Energia (December 2011)

Increased stake at CPFL Renováveis to 63.00% and at Epasa to 52.75% as from Dec/11

Controlling shareholders[1]:

- VBC: 25.7%[2]
- PREVI: 31.0%
- Fundação CESP, Petros, Sistel, Sabesprev: 12.6%

Free Float: 30.7%

CPFL ENERGIA

DISTRIBUTION

- 100% cpfl paulista
- 100% cpfl piratininga
- 100% RGE
- 100% cpfl santa cruz
- 100% cpfl leste paulista
- 100% cpfl jaguari
- 100% cpfl sul paulista
- 100% cpfl mococa

COMMERCIALIZATION

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

SERVICES

- 100% cpfl serviços
- 100% cpfl atende
- 100% Chumpitaz Serviços

GENERATION

- 100% cpfl geração
  - 65% Ceran
  - 25.01% BAESA
  - 48.72% Enercan
  - 52.75% Epasa[3]
  - 51% Foz do Chapecó
- 100% Jaguari
  - 59.93% Paulista Lajeado
    - 5.94% Investco

RENEWABLES

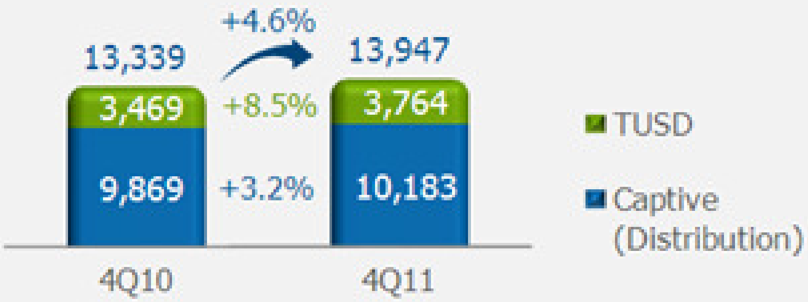
- 63.0%[4] CPFL RENOVÁVEIS

1) Controlling shareholders;
2) Includes the 0.1% direct stake owned by Camargo Corrêa S.A.;
3) Termoparaíba and Termonordeste Thermoelectric Facilities;
4) CPFL Energia owns a 63.0% indirect interest in CPFL Renováveis through CPFL Geração, with 35.5% and CPFL Brasil with 27.5%

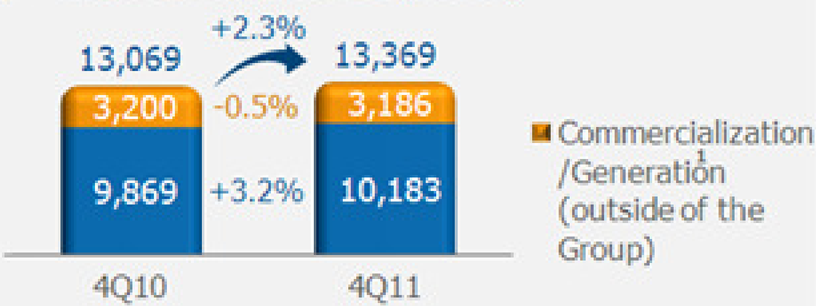
4Q11 Energy sales and TUSD

4Q11 Results

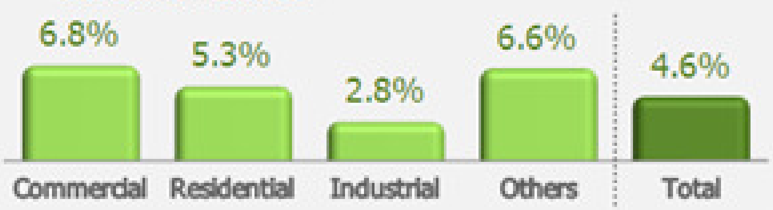
Sales in the concession area (GWh)



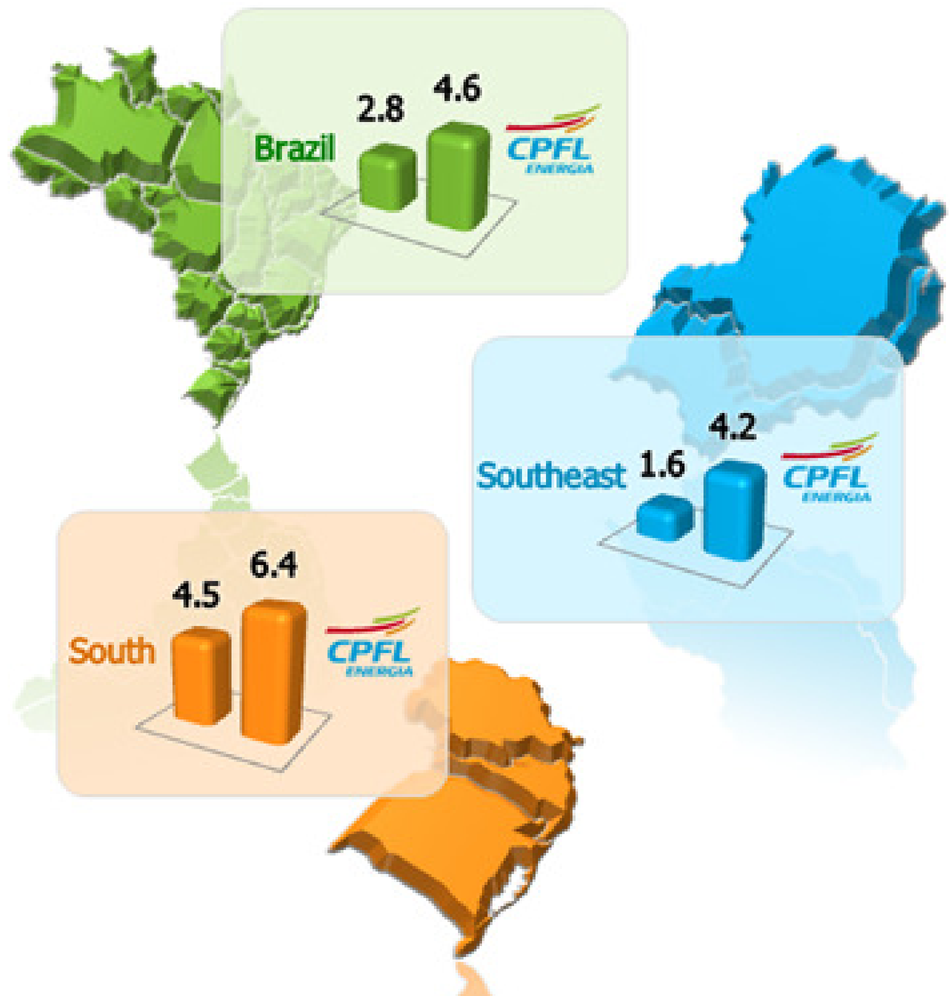
Total energy sales (GWh)[1]



Sales in the concession area
Consumer classes



Sales in the concession area (%)[2]
Comparison by region

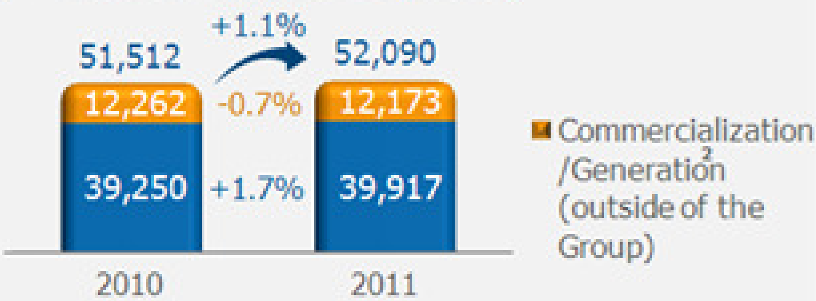


1) Take into account 65% interest in Ceran, 54.5% interest in CPFL Renováveis from Oct/11 to Nov/11 and 63.0% interest in Dec/11. Disregard sales from EPASA (availability contract). Disregard CCEE and related parties. 2) Source: EPE

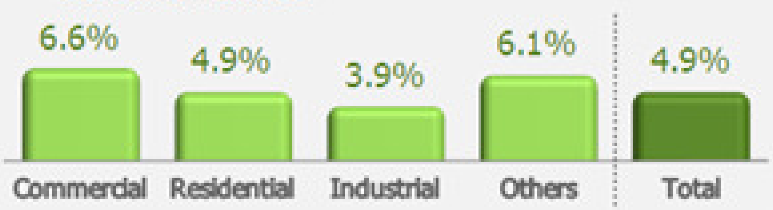
2011 Energy sales and TUSD

Sales in the concession area (GWh)[1]

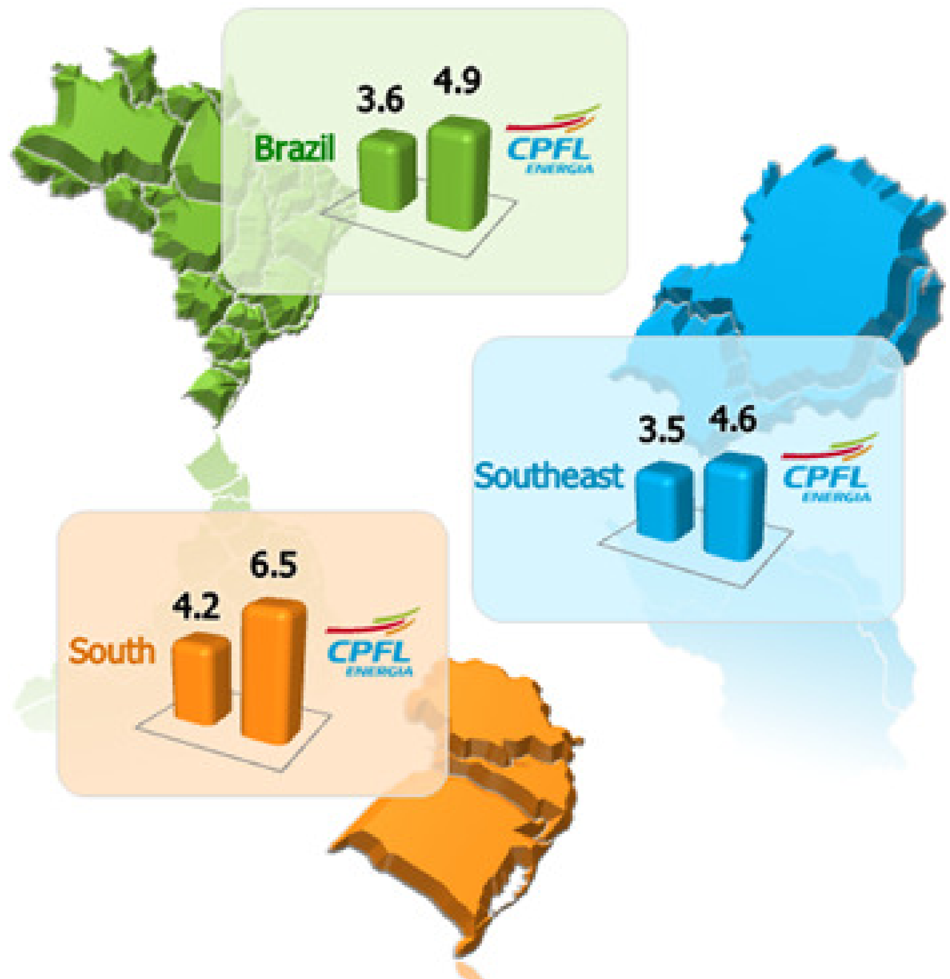
Total energy sales (GWh)[2]



Sales in the concession area
Consumer classes



Sales in the concession area (%)[3]
Comparison by region

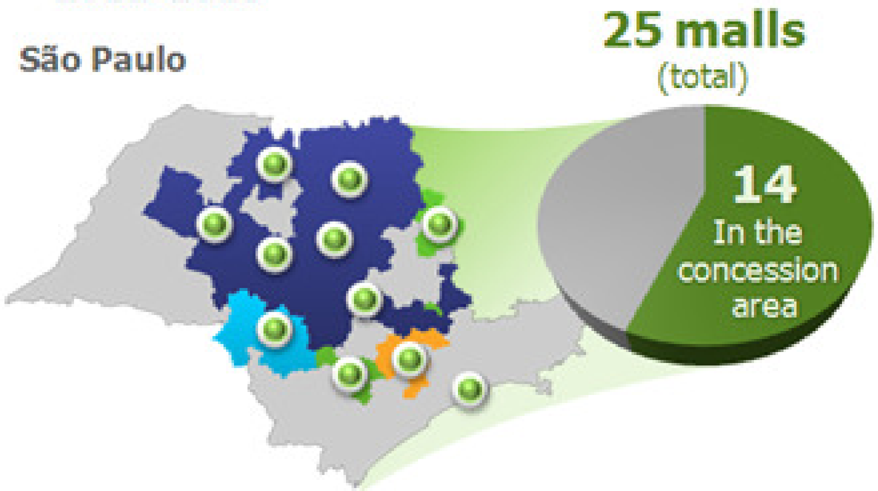


1) Disregard CAT 97 adjustment. Considering this adjustment, TUSD sales would be 13,128 GWh in 2010 and sales would reach 52,378 GWh (+4.2%). 2) Take into account 65% interest in Ceran, 54.5% interest in CPFL Renováveis between Aug-Nov/11 and 63.0% interest in Dec/11. Disregard sales from EPASA (availability contract). Disregard CCEE and related parties. 3) Source: EPE

Continuing perspectives of good rates for consumption growth of commercial and residential classes

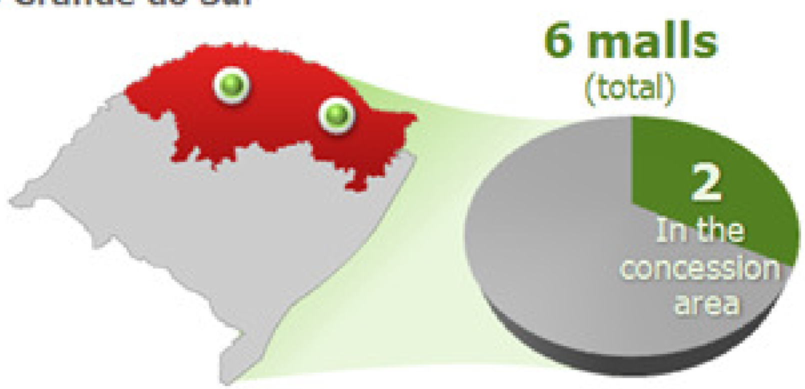
Commercial: expected inauguration of shopping malls 2012-2013[1]

São Paulo



Araçariguama
Bauru
Boituva
Botucatu
Campinas
Jundiaí (2)
Ribeirão Preto
S.J. do Rio Preto (2)
São Roque
Sorocaba (2)
Sumaré

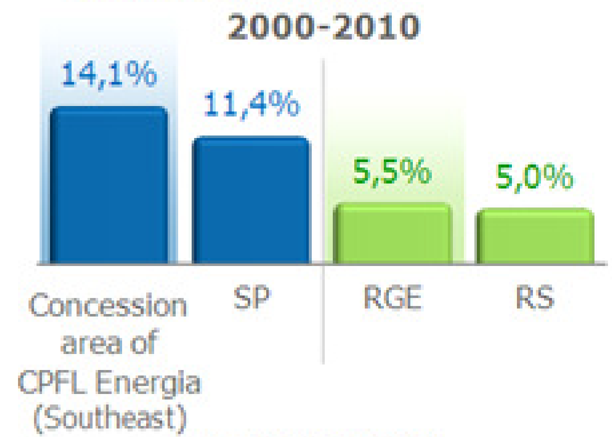
Rio Grande do Sul

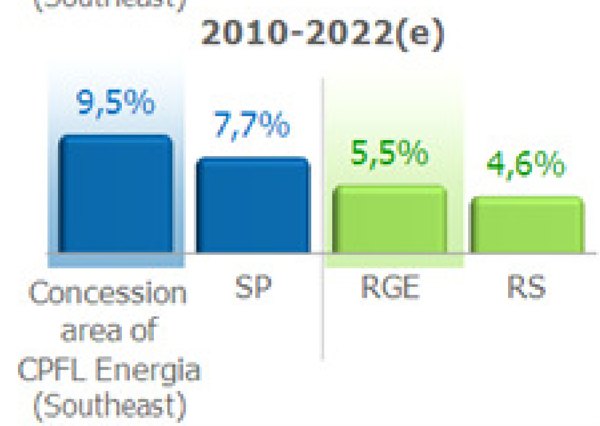


Farroupilha
Gravataí

Residential: Population growth[2]

Accumulated variation





Larger growth rates in the concession areas of CPFL Energia

1) Source: Abrasce 2) Source and projection: IBGE . Preparation LCA

4Q11 Results

	Net Revenue		EBITDA		Net Income[1]	
IFRS	+7.1%		+20.8%		+22.6%	
	4Q10	4Q11	4Q10	4Q11	4Q10	4Q11
	R$ 3,179 million	R$ 3,404 million	R$ 810 million	R$ 978 million	R$ 362 million	R$ 443 million
IFRS + Regulatory Assets & Liabilities - Non-recurring	+7.1%		+18.6%		+19.8%	
	4Q10	4Q11	4Q10	4Q11	4Q10	4Q11
	R$ 3,148 million	R$ 3,370 million	R$ 833 million	R$ 989 million	R$ 374 million	R$ 448 million

IFRS + Regulatory Assets & Liabilities - Non-recurring

	EBITDA		Net Income	
	4Q10	4Q11	4Q10	4Q11
M&A-related advisory services regarding Ersa and Jantus		- 9		- 6
Gain from sales of CPFL Piratininga's assets	+ 11		+ 7	
- Non-Recurring Effects	**+ 11**	**- 9**	**+ 7**	**- 6**
Tariff Review – Regulatory provision at CPFL Piratininga[2]		- 29		- 19
Other Regulatory Assets & Liabilities	+ 35	+ 30	+ 20	+ 18
+ Regulatory Assets & Liabilities	**+ 35**	**+ 1**	**+ 20**	**- 1**

1) CPFL Energia's Net Income (excludes non-controlling shareholders): 4Q11 = R$ 414 million | 4Q10 = R$ 356 million 2) Impact on Net Revenue

2011 Results

4Q11 Results

	Net Revenue		EBITDA		Net Income[1]	
IFRS	+6.2%		+12.5%		+ 1.4 %	
	2010	2011	2010	2011	2010	2011
	R$ 12,024 milllion	R$ 12,764 milllion	R$ 3,350 milllion	R$ 3,769 milllion	R$ 1,560 milllion	R$ 1,582 milllion
IFRS + Regulatory Assets & Liabilities - Non-recurring	+ 4.2%		+14.8%		+ 4.4 %	
	2010	2011	2010	2011	2010	2011
	R$ 12,093 milllion	R$ 12,605 milllion	R$ 3,297 milllion	R$ 3,786 milllion	R$ 1,517 milllion	R$ 1,583 milllion

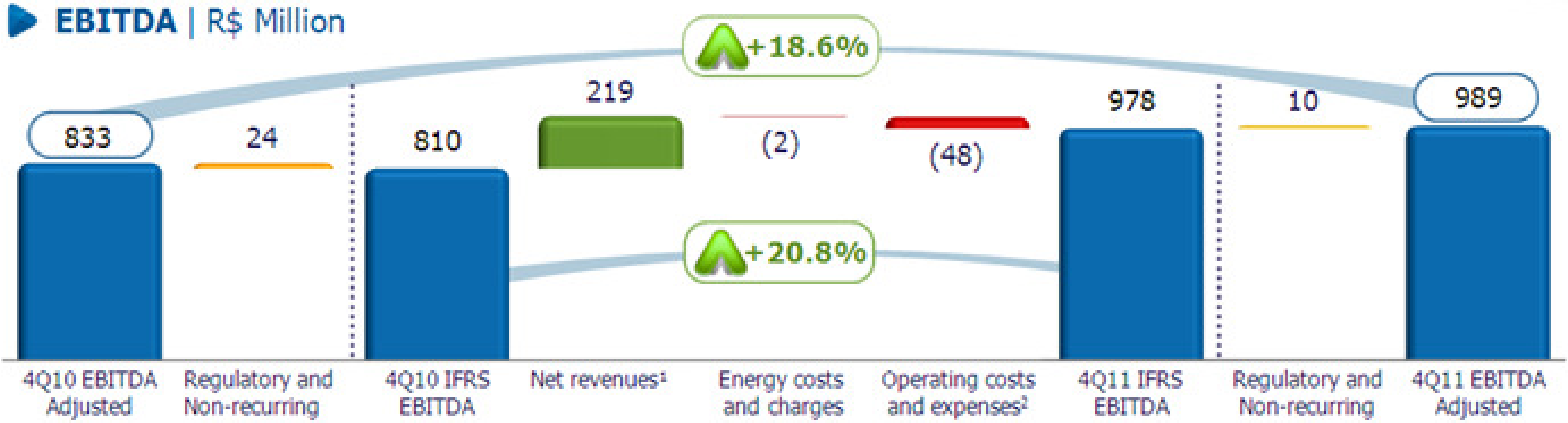
IFRS + Regulatory Assets & Liabilities - Non-recurring

Non-recurring effects	EBITDA 2010	EBITDA 2011	Net Income 2010	Net Income 2011
IRP - Incentivized retirement program		- 51		- 33
M&A-related advisory services regarding Ersa and Jantus		- 18		- 12
Provision of ISS tax in the Campos Novos HPP		- 10		- 6
Complimentary billing of energy costs at EPASA 2010 (net of charges)		+ 11		+ 7
Depreciation and UBP accounting adjustments of generation plants				- 14
Labor contingency provision at CPFL Paulista	- 20		- 13	
Reversal of PIS/COFINS provisions at CPFL Paulista and Piratininga[2]	+ 40		+ 29	
Gain from sales of CPFL Piratininga´s asset	+ 11		+ 7	
- Non-Recurring Effects	+ 31	- 68	+ 23	- 58
+ Regulatory Assets & Liabilities	- 22	- 50	- 19	- 57

1) CPFL Energia´s Net Income (excludes non-controlllng shareholders): 2011 = R$ 1,530 million | 2010 = R$ 1,538 million

2) Net effect

EBITDA | R$ Million

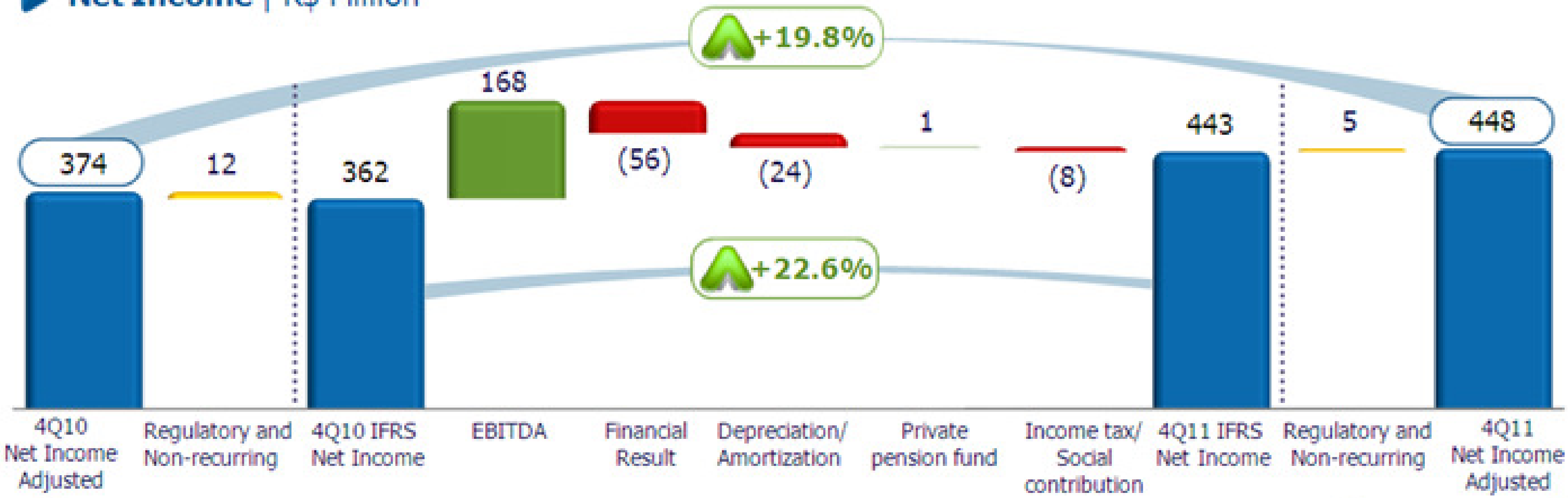


- **Increase of 7.7% in Net Revenues[1] (R$ 219 million)**
  - 3.2% increase in sales to the captive market and average tariff readjustments of 7.4% (R$ 314 million)
  - 4.1% increase in revenues from Tariff for the Use of the Distribution System (R$ 13 million)
  - Revenue from Foz do Chapecó HPP and CPFL Renováveis (R$ 108 million), of which R$ 80 million outwards the Group
  - 11.7% increase in Deductions from Revenues (R$ 166 million), mainly sector charges (R$ 65 million)
- **0.1% Increase of Energy Costs and Charges (R$ 2 million)**
- **12.5% Increase in Operating Costs and Expenses[2] (R$ 48 million) Adjusted P/M/S/O: -2.4% (R$ 9 million) | IGP-M: 5.1%**
  - Gain in sales of CPFL Piratininga´s assets 4Q10 (R$ 11 million)
  - Operation of Foz do Chapecó HPP, EPASA TPPs and CPFL Renováveis (R$ 37 miillion)
  - M&A-related advisory services regarding Ersa and Jantus (R$ 9 million)
  - Reduction of environmental indemnification at CPFL Geração (R$ 2 million)
  - Increase of RGE's recovery of bad debt (R$ 2 million)

NON-RECURRING

1) Excludes Revenues and Costs in the Construction of infrastructure 2) Personnel, Materials, Third Party Services and Others

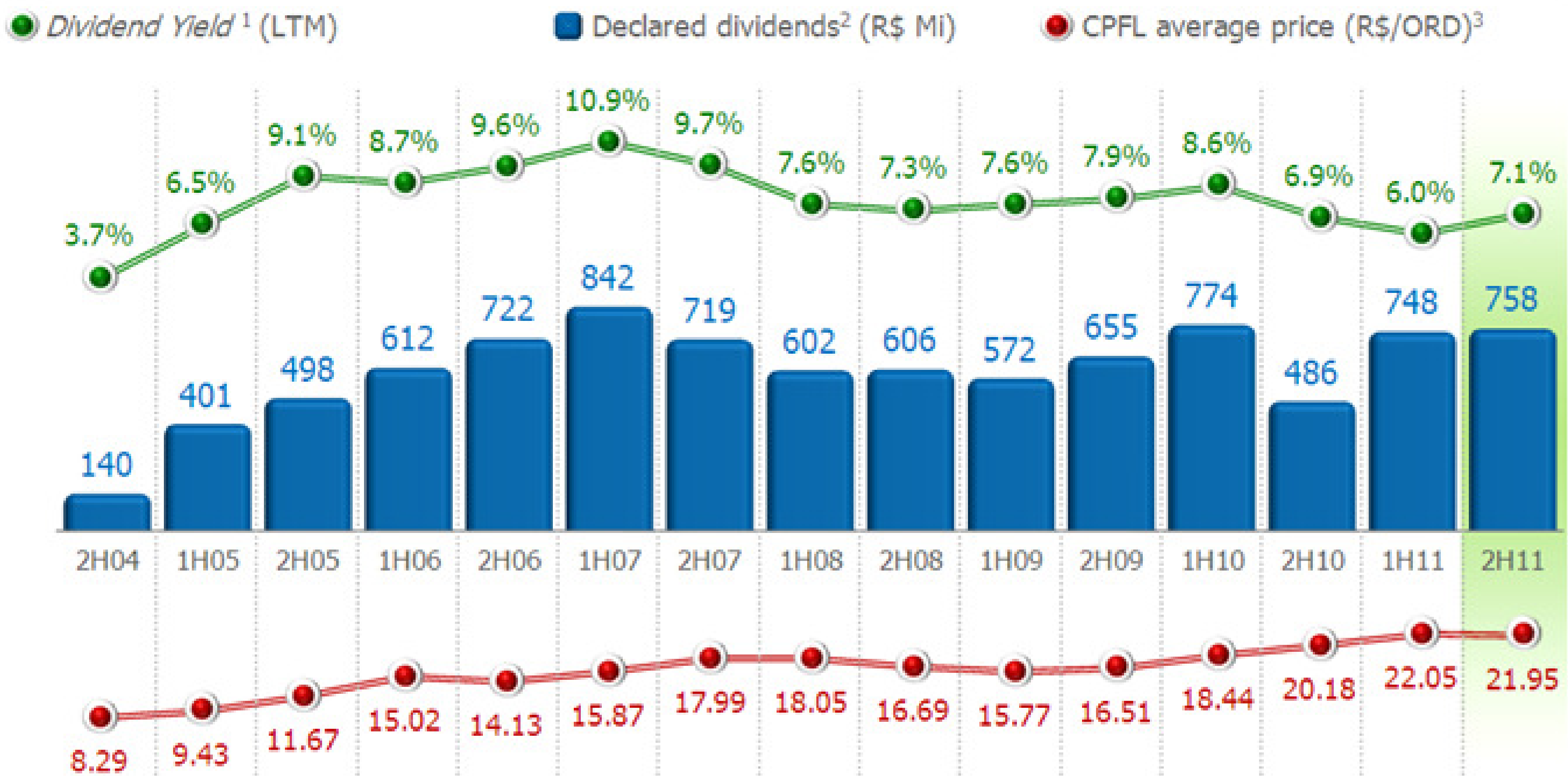
Net Income | R$ Million



- **Increase of 20.8% in EBITDA (R$ 168 million)**
- **Decrease of 48.4% in Financial Result (R$ 56 million)**
  - **Increase of 49.3% in Financial Expenses (R$ 131 million) - investments, acquisitions and pre-funding**
  - Increase of CDI rate in 0.11 percentage points (R$ 9 million) and FX of Itaipu invoices (R$ 13 million)
  - Operation of Foz do Chapecó HPP, EPASA TPPs and CPFL Renováveis (R$ 44 million)
  - Increase of debt charges and variations (acquisition of Jantus and cash for roll-over debt) (R$ 58 million)
  - **Increase of 50.1% in Financial Revenues (R$ 76 million)**, mainly Revenue from Financial Investments
- **Increase of 12.1% in Depreciation and Amortization (R$ 24 million)**
  - Foz do Chapecó HPP, EPASA TPPs and CPFL Renováveis (R$ 32 million)
  - Changes in the Brazilian tax legislation regarding PIS/COFINS tax credits based on depreciation (R$ 15 million)
- **Increase in Income Tax and Social Contribution (R$ 8 million)**
  - Higher tax credit complement than 2010 (R$ 18 million)

Selic	
4Q11	4Q10
+2.67%	+2.56%

Dividends



CPFL has distributed **95% of the net income** since its IPO
Cumulative dividends since IPO (Sep/04): **R$ 9,1 billion**

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).

Generation | Wind Farms and Biomass TPP Acquisitons

Proinfa PPA (Bons Ventos) and Alternative Source Auction (LFA Auction)
(Atlântica and Ester TPP)

Bons Ventos wind farms
(in commercial operation)

Location: **Ceará**

- Acquisition: **R$ 1,062 million**[1]
- **157.5 MW**
- **63 avg. MW**

- Commercial Start-up
  - Taíba: **4Q08**
  - Bons Ventos, Canoa Quebrada e Enacel: **1Q10**

- PPA:
  - **Proinfa | R$ 290.50/MWh (Dec/11)**
  - **20 years**

Atlântica wind farm (under construction)
Location: **Palmares do Sul | RS**

- **4 wind farms**
- Installed Capacity: **120 MW**
- Physical guarantee : **52.7 avg. MW**
- PPA: **LFA** (Aug/10) | **R$ 147.44/MWh** (Dec/11) | **20 years**

Ester TPP | biomass (into commercial operation)
Location: **Cosmópolis | SP**

- Acquisition: **R$ 111.5 million**[2]
- Installed Capacity: **40 MW**
- Physical guarantee: **11 avg. MW**
- PPA: **7 avg. MW (LFA 2007) | 15 years; 4 avg. MW (ACL)**

1) R$ 600 million (equity) and R$ 462 million (net debt) 2) R$ 50.9 million (equity) and R$ 60.6 million (net debt)

Generation | Projects under construction

CPFL RENOVÁVEIS

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

95% concluded

83% concluded

60% concluded

Project	Commercial Start-up (e)	Installed Capacity (MW)	Assured Energy (Avg. MW)	Capital Structure (e)	PPA
Bio Ipê TPP (95% concluded)	2Q12	25	8.4	79% BNDES 21% equity	ACL
Bio Pedra TPP (83% concluded)	2Q12	70	24.4	73% BNDES 27% equity	LER (Aug/10) R$ 154.12[1]
Santa Clara wind farm (60% concluded)	3Q12	188	76.0	65% BNDES 35% equity	LER (dez/09) R$ 168.32[1]

1) Constant currency (Dec/2011)

Generation | Projects under construction

CPFL ENERGIA — CPFL RENOVÁVEIS

Commercial start-up in **2013(e) | 348 MW / 144 avg. MW**[1]

	Commercial Start-up (e)	Installed capacity (MW)	Assured Energy (MWmédios)	Capital Structure (e)	PPA
 Salto Góes SPP — 54% concluded	1Q13	20	11.1	BNDES funding (63% debt / 37% equity)	LFA Aug/10 R$ 160.41[2]
 Coopcana TPP — 8% concluded	2Q13	50	18.0	BNDES funding (under review)	ACL
 Alvorada TPP — 8% concluded	2Q13	50	18.0	BNDES funding (under review)	ACL
Macacos[2] Wind Farms — 10% concluded	3Q13	78.2	37.1	BNDES funding (under review)	LFA Aug/10 R$ 137.3[2]
Campo dos Ventos II — 7% concluded	3Q13	30	14.0	BNDES funding (under review)	LER Aug/10 R$ 133.7[2]

1) Takes into account Atlântica wind farms (120MW/53avg. MW) 1) Macacos, Pedra Preta, Costa Branca and Juremas 2) Constant currency (Dec/2011)

Generation | Projects under construction

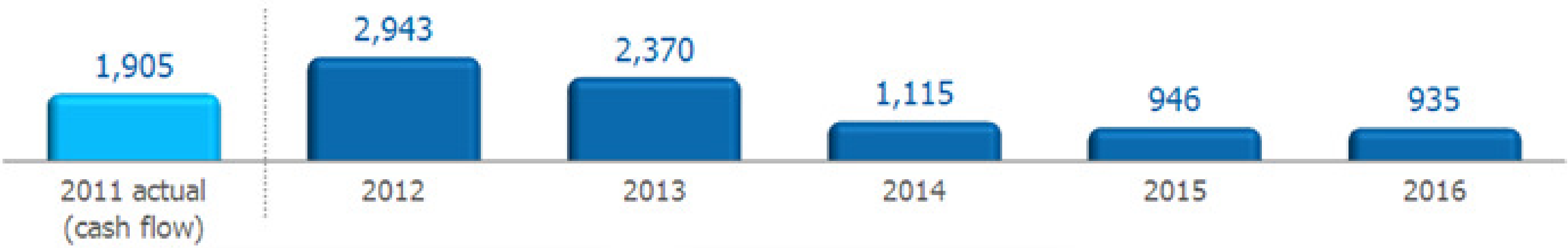
Commercial start-up in 2014(e) | 254 MW / 129 avg. MW

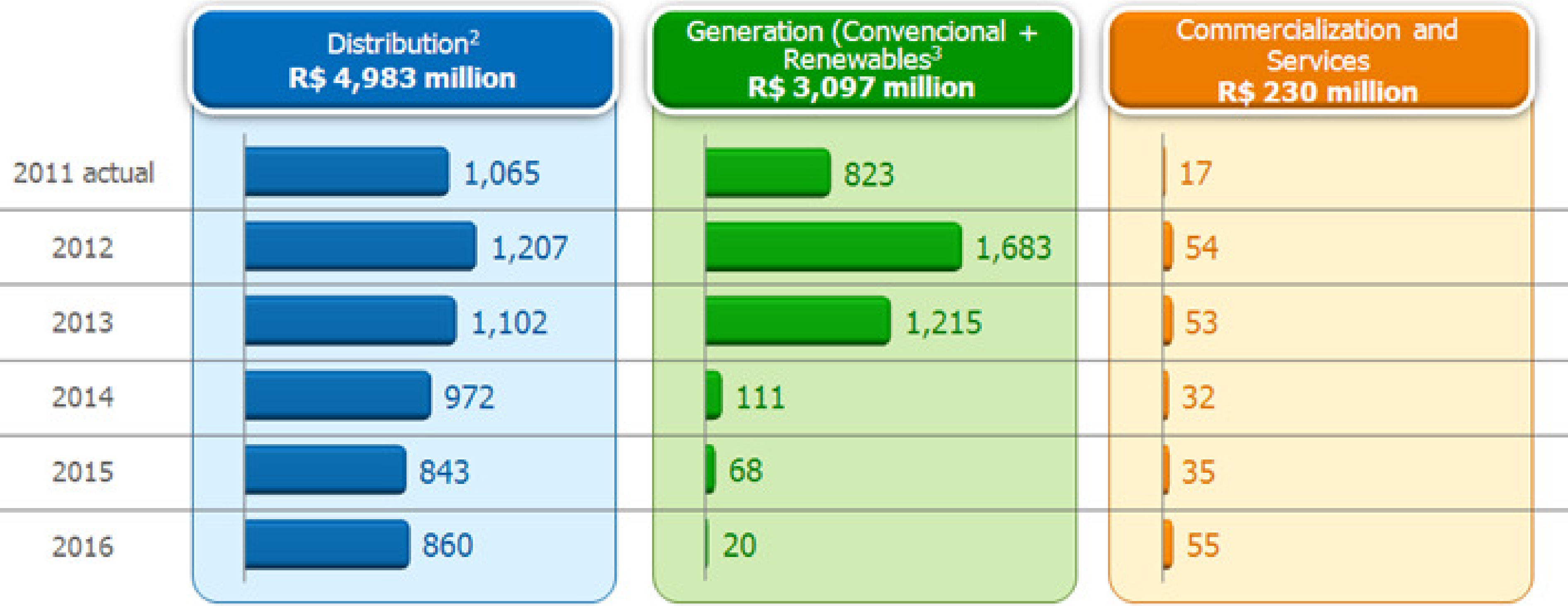
	Commercial Start-up (e)	Installed Capacity (MW)	Assured Energy (MWmédios)	Capital Structure (e)	PPA
	Pending approval by ANEEL				
Campo dos Ventos[1] Wind Farms	2Q14	138	68.5	BNDES funding (under review)	Free Market **2033**
	Pending approval by ANEEL				
São Benedito[2] Wind Farms	2Q14	116	60.6	BNDES 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 São Dimas, Santa Mônica and Santa Úrsula

Capex(e) 2012-2016

Total Capex(e) 2012-2016 | R$ 8,310 million[1]

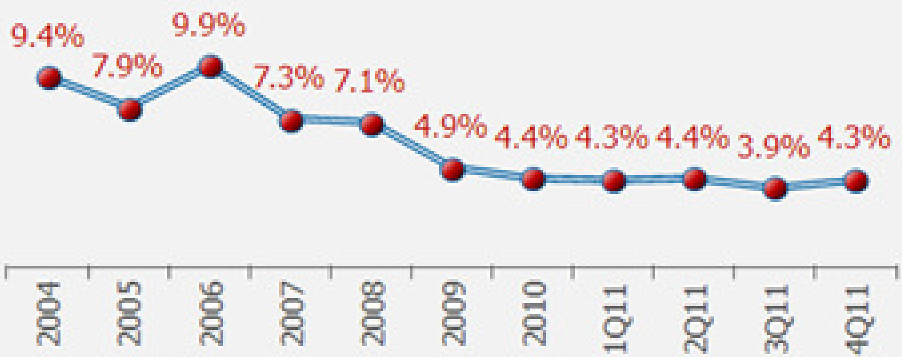




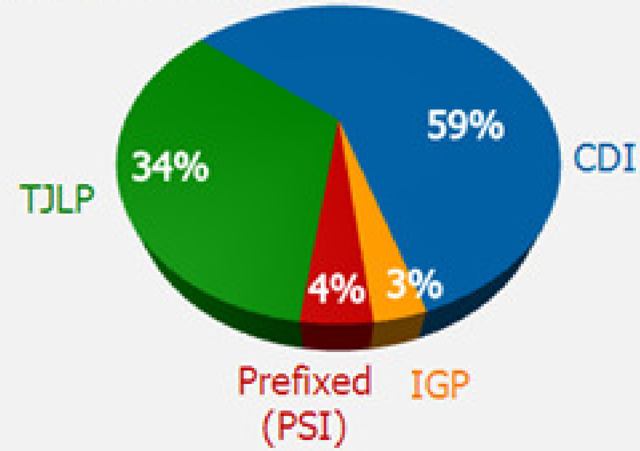
1) Constant currency (Dec/11). Take into account 100% interest in CPFL Renováveis and Ceran (IFRS) and proportional stake in the others generation plants. 2) Take into account private network incorporation and Tauron Project. 3) Take into account generation plants released until Mar 12, 2012

4Q11 debt profile

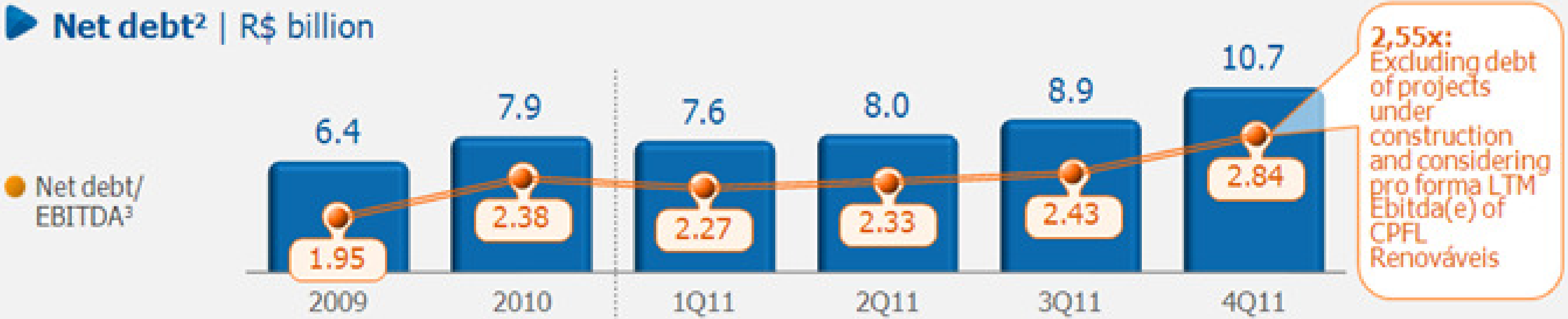
Gross debt real cost¹ | LTM



Gross debt breakdown¹



Net debt² | R$ billion

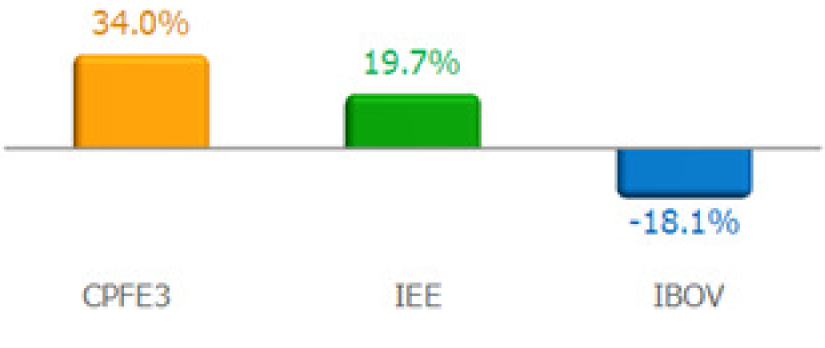


	2009	2010	1Q11	2Q11	3Q11	4Q11
Cash (R$ million)	1,487	1,563	1,967	4,403	4,275	2,700

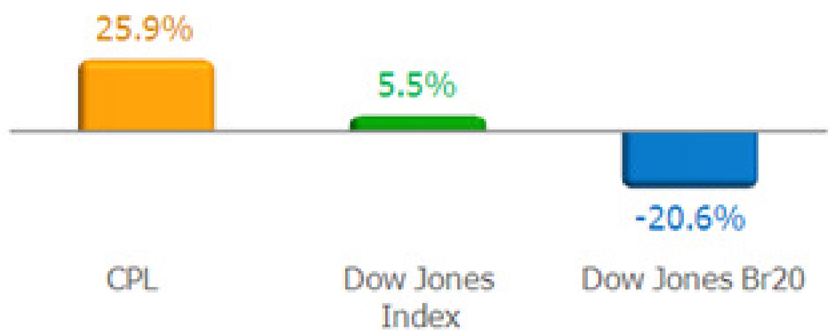
1) Financial debt + pension fund; 2) Net debt calculation pursuant to financial covenants methodology. Excludes pension fund debt and judicial deposits related to income tax at CPFL Paulista. Doesn't take into account regulatory assets and liabilities in EBITDA; 3) EBITDA LTM

Stocks | Performance above the main stock indexes

2011 share performance on Bovespa[1]



2011 share performance on NYSE[1]



Daily average trading volume on Bovespa + NYSE in 2011

Main electricity companies (R$ million)

IBOVESPA IBRX IEE ITAG IGC IGCT ISE MSCI Indexes

1) Cotações de fechamento em 29/dez/2011 – com ajuste por proventos (CPFE3: R$ 26,02/CPL: US$22,15)

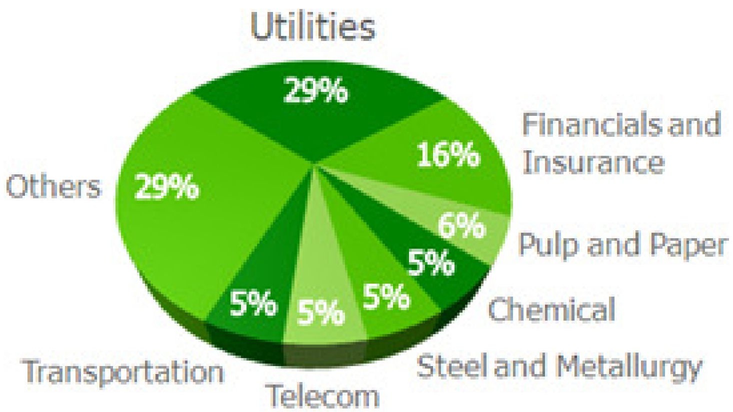
Sustaintability and market recognition

Índice de Sustentabilidade Empresarial ISE

2012 ISE Composition

- 38 companies | **limit**: 40 companies
- 18 sectors
- R$ 861 billion (market cap)
- CPFL Energia's stake | 1.8%

Sector Allocation[1] (in number of companies)



CPFL is one of the 13 companies that remains in ISE since its inception, in Dec, 2005

Presence for the seventh consecutive year

EUROMONEY BEST MANAGED COMPANIES IN LATIN AMERICA 2012

Euromoney Best Managed Companies in Latin America:
CPFL Energia was ranked as the best company in the utilities sector category

1) Market cap on 11/23/11 (date of disclosure of portfolio)

CPFL ENERGIA

Wind farms

Wind farms

4Q11 Results

Bio Formosa TPP (biomass)