



# ***CPFL***

## ***ENERGIA***



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

**4Q07 / 2007**

## Net Revenue

**R\$ 9,410 million (2007)**



R\$ 7,912 million (2006)

**R\$ 2,628 million (4Q07)**



R\$ 2,133 million (4Q06)

## EBITDA

**R\$ 3,345 million (2007)**



R\$ 2,789 million (2006)

**R\$ 781 million (4Q07)**



R\$ 684 million (4Q06)

## Net Income

**R\$ 1,643 million (2007)**



R\$ 1,404 million (2006)

**R\$ 373 million (4Q07)**



R\$ 345 million (4Q06)

12.4% increase in concession area volume sales<sup>2</sup>

CPFL Jaguariúna's<sup>3</sup> acquisition of in April/07

CERFRA's asset acquisition, adding 1.1 thousand clients and R\$ 3.6 million to the Group's assets basis

CPFL Piratininga's periodic tariff revision index of 10.11% in Oct/2007

Commercial start-up of Campos Novos HPP in Feb/2007 and repowering of Gavião Peixoto, Capão Preto and Chibarro SPPs

Dividends of R\$ 1,561 million, giving an annualized dividend yield of 9.7%<sup>4</sup>

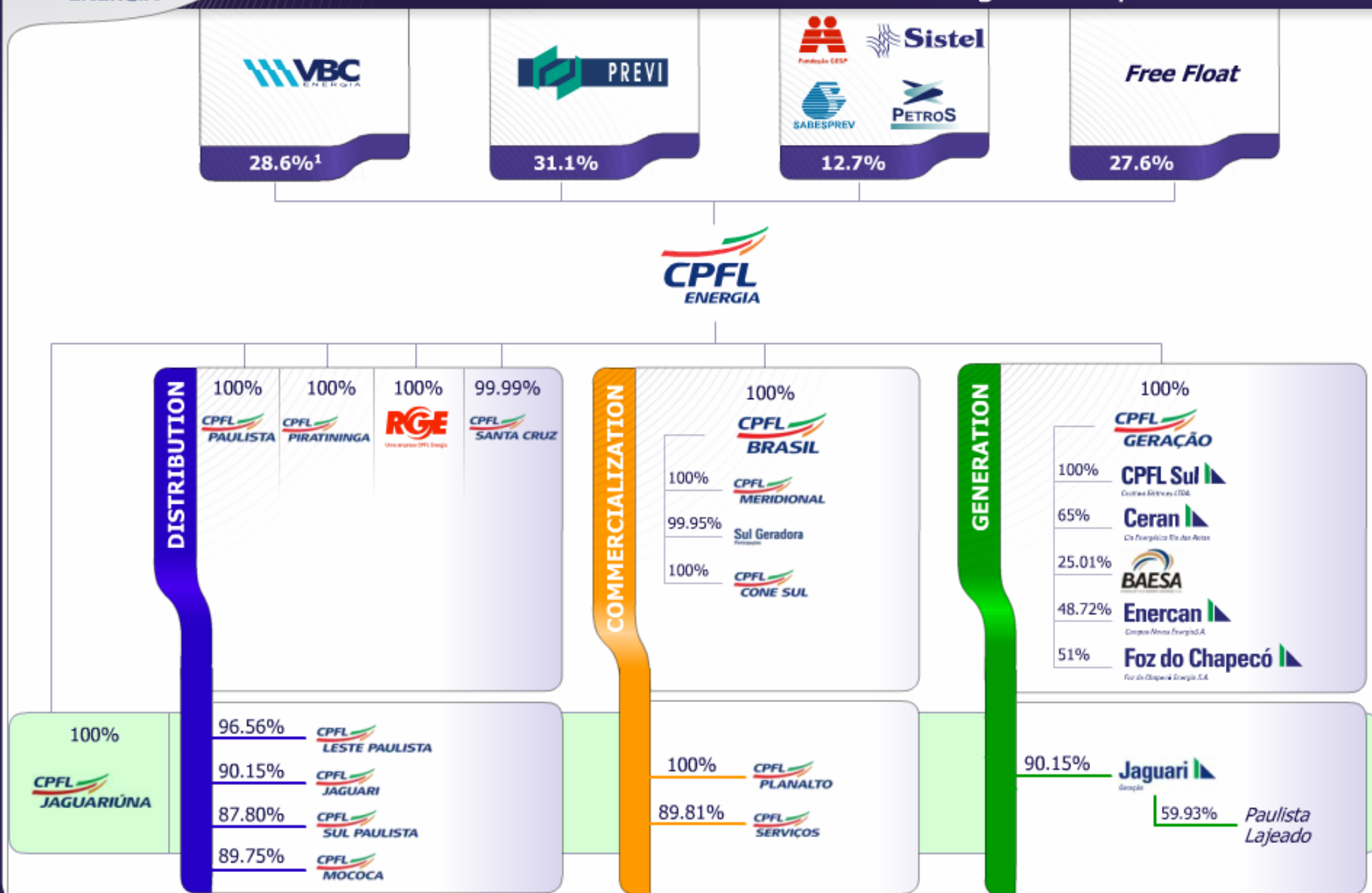
CPFL Energia's shares were included in IBrX-50, Ibovespa and Morgan Stanley's MSCI indexes

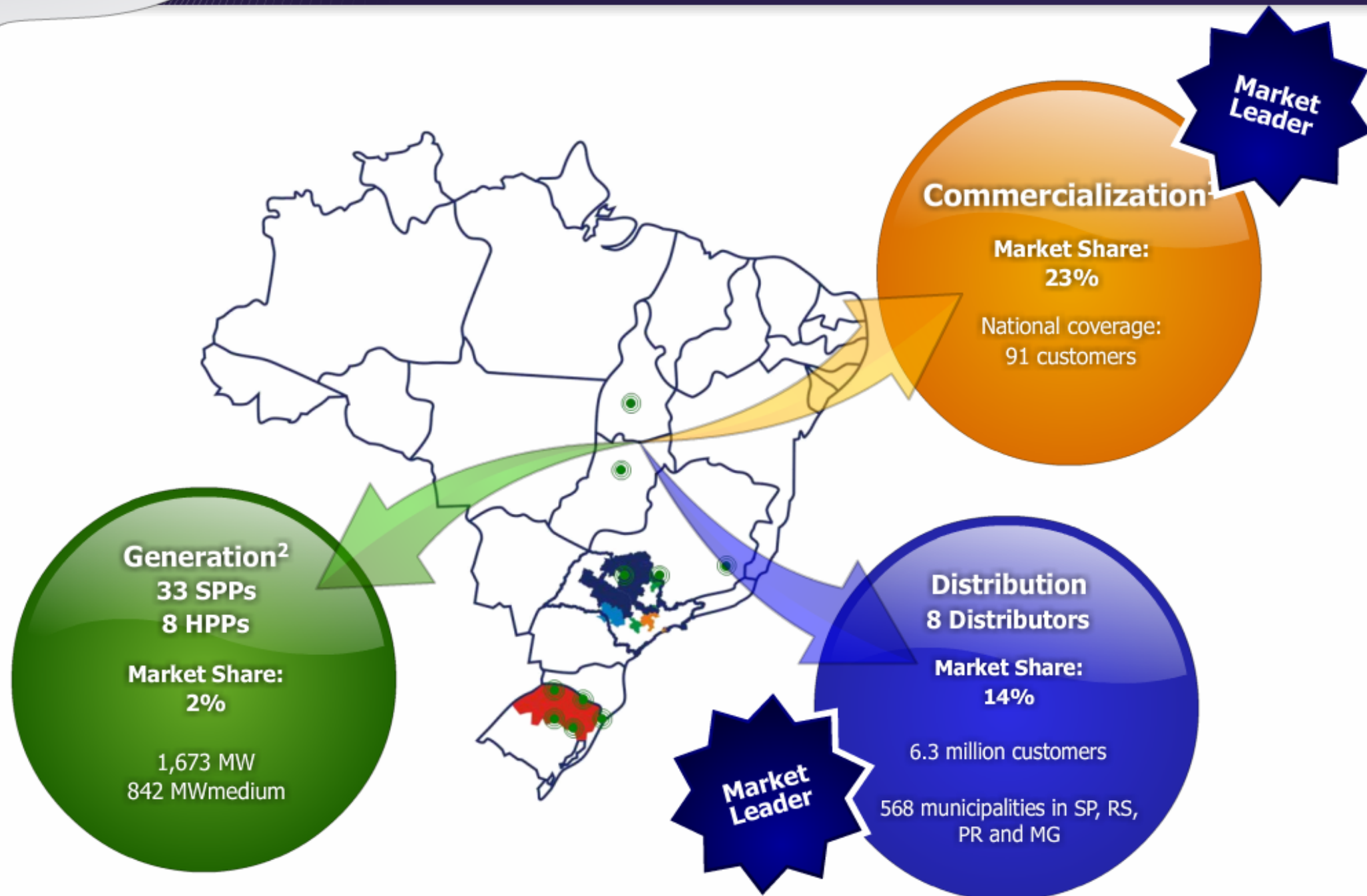
1) Including 4Q07 non-recurring effect of write-off of liability free energy

2) 6,0% excluding the acquisition of the additional stake in RGE and the acquisitions of Santa Cruz and CMS Energy Brasil

3) Old company name: CMS Energy Brasil

4) Last twelve months





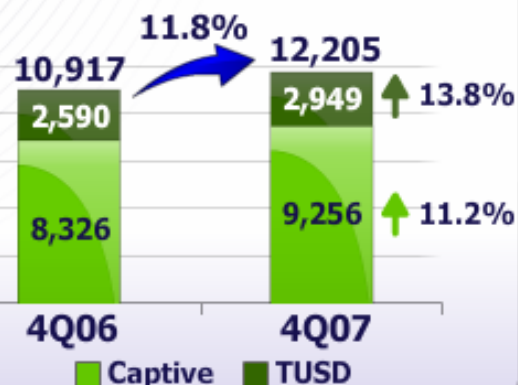
1) Consolidated Market Share including all Group's commercialization companies: Jan - Aug/07

2) Considers commercial start-up of Castro Alves HPP and SPPs repowering's Chibarro and Capão Preto (feb/08)

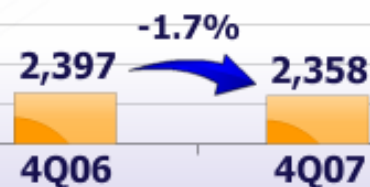


## 4Q07

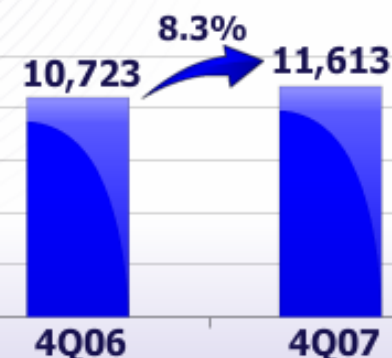
### Concession Area Sales (GWh)



### Free Market Sales (GWh)



### Total Energy Sales (GWh)



## 2007

### Concession Area Sales (GWh)



### Free Market Sales<sup>1</sup> (GWh)



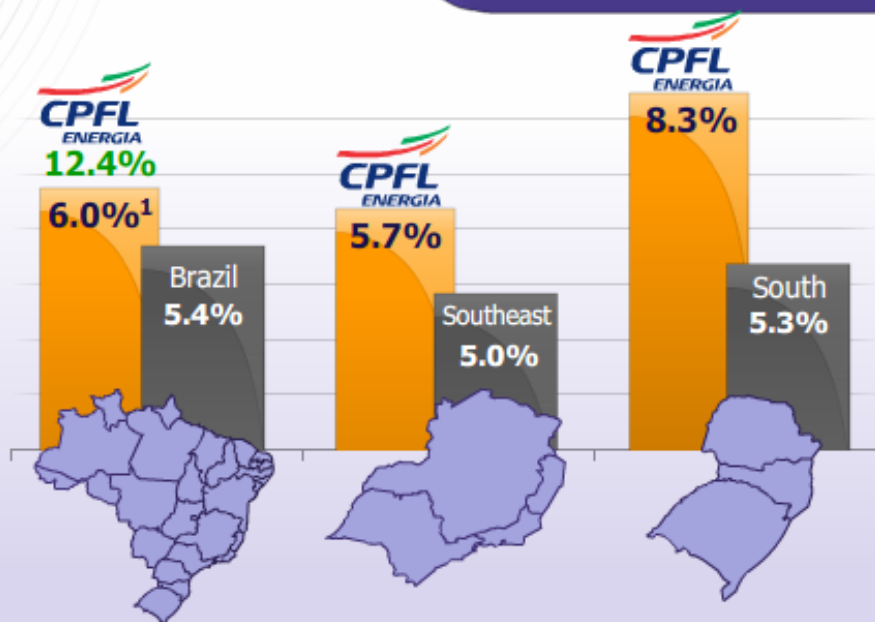
### Total Energy Sales (GWh)



Note: Excludes intercompany transactions (consolidation accounting basis), CCEE and generation sales (except to the free market).

1) Sales to RGE (32.69%) were booked as bilateral sales up to May/06, and as intercompany transactions as of June/06, when this interest was acquired. Excluding this effect, sales to the Free Market would have fallen by 2.8% in the year.

## Concession Area Sales



**CPFL Energia's energy sales in 2007 had higher growth than Brazil, Southeast and South regions<sup>2</sup>**



**13.5%**   
**6.9%**   
**Residential**

**12.5%**   
**6.9%**   
**Commercial**

**4.8%**   
**-1.9%**   
**Industrial**

**27.7%**   
**4.4%**   
**Rural**

**11.1%**   
**2.8%**   
**Others**

**17.2%**   
**15.2%**   
**TUSD**

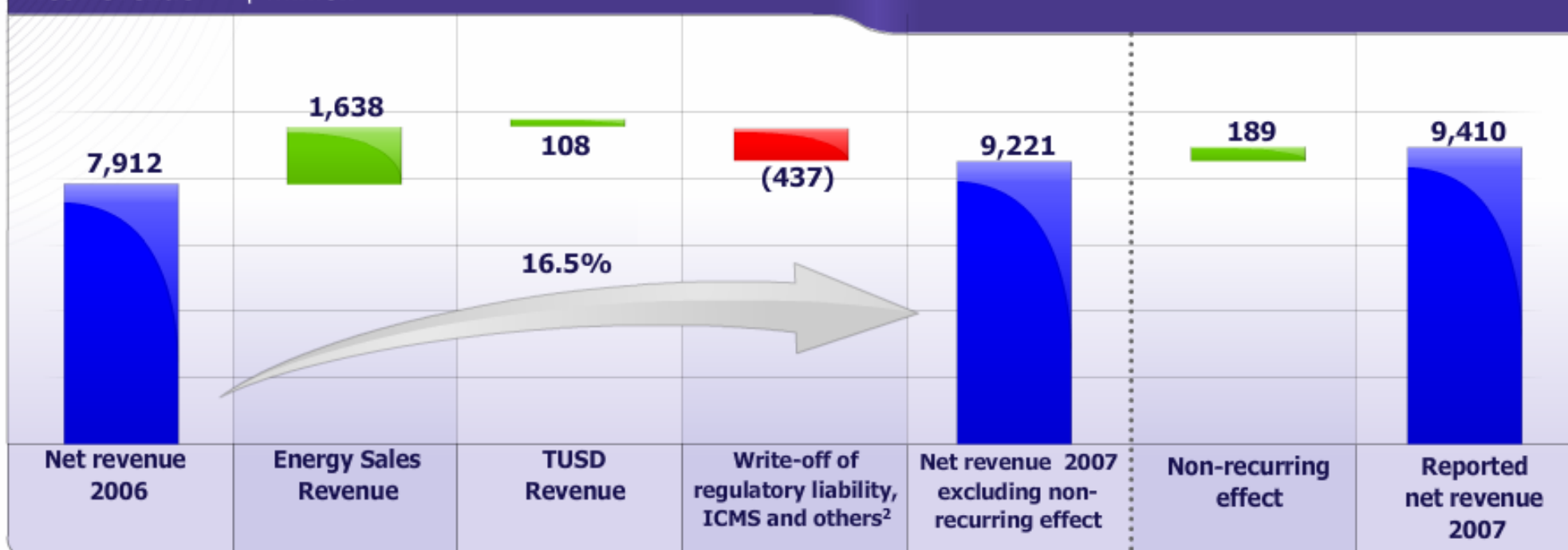
 With acquisitions

 Without acquisitions

1) Excluding the acquisition of the additional stake in RGE and the acquisitions of CPFL Santa Cruz and CMS Energy Brasil

2) Comparative between CPFL Energia and Southeast and South Regions, considering the distribution companies of each region only

# Net Revenue - R\$ million

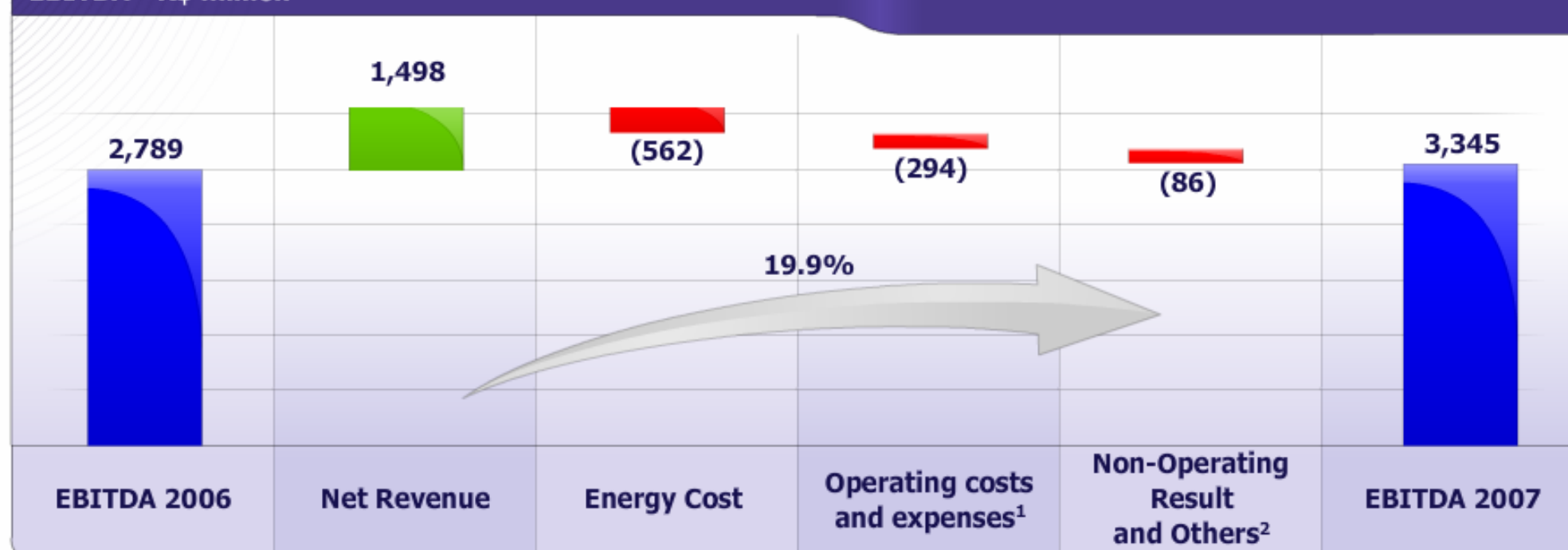


**16.5% Net Revenue increase (R\$ 1,309 million)**

- (+) 14.4% Energy Sales Gross Revenue increase (R\$ 1,638 million)
  - (+) 7.5% total energy sales increase
    - (+) Addition from CPFL Jaguariúna (R\$ 209 million), CPFL Santa Cruz (R\$ 267 million) and RGE (R\$ 322 million)
  - (+) Annual Tariff Adjustment: CPFL Paulista (Apr/07: 7.06%), CPFL Piratininga (Oct/07: -10.11%), RGE (Apr/07: 6.05%) and Semesa (Jan/07: 3.83%)
- (+) 15.6% TUSD Revenue increase (R\$ 108 million)
- (-) ICMS tax and other deductions<sup>2</sup> increase (R\$ 437 million)

**\*Non-recurring effect 4Q07: write-off of free energy liability**

## EBITDA - R\$ million



**19.9% EBITDA increase**  
**(R\$ 556 milhões)**

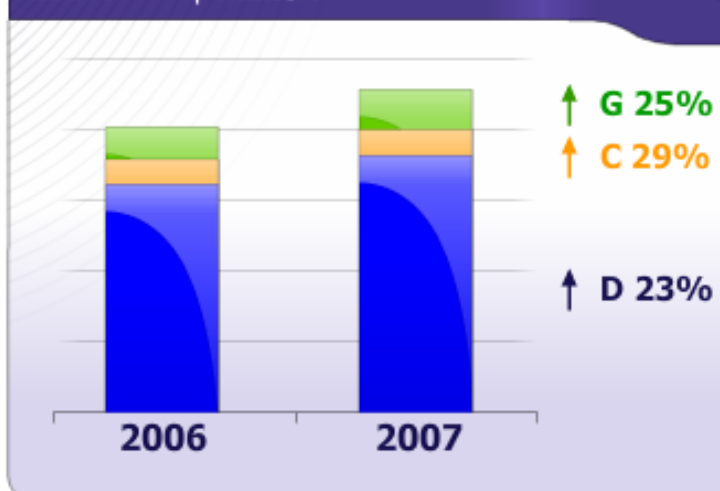
- (+) 18.9% Net Revenue increase (R\$ 1,498 million)
- (-) 13.4% Energy Costs and charges increase (R\$ 562 million)
  - (-) Additions of CPFL Jaguariúna (R\$ 66 million), CPFL Santa Cruz (R\$ 100 million) and RGE (R\$ 137 million)
  - (+) HPP Campos Novos operational start-up (R\$ 149 million)
- (-) 30.1% Operating Costs and Expenses¹ increase (R\$ 294 million)
  - (-) Additions of CPFL Jaguariúna (R\$ 36 million), CPFL Santa Cruz (R\$ 39 million), HPP Campos Novos (R\$ 17 million) and RGE (R\$ 21 million)
  - (-) Write-off of regulatory asset related to free energy losses (R\$ 189 million)
- (-) Non-operating Result and Others² (R\$ 86 million)
  - (-) Sale of interest in Comgás in 2006 (R\$ 63 million)

Excluding non-recurring effects: **10.8%**  
Excluding news companies: **-0.7%**

Non-recurring

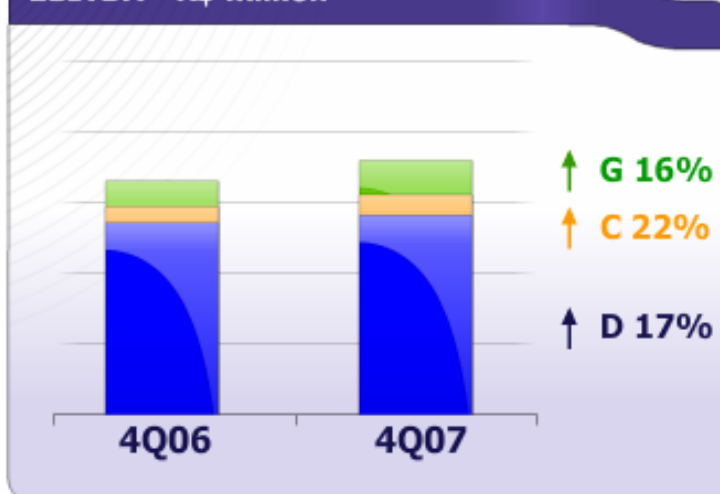


## EBITDA- R\$ million



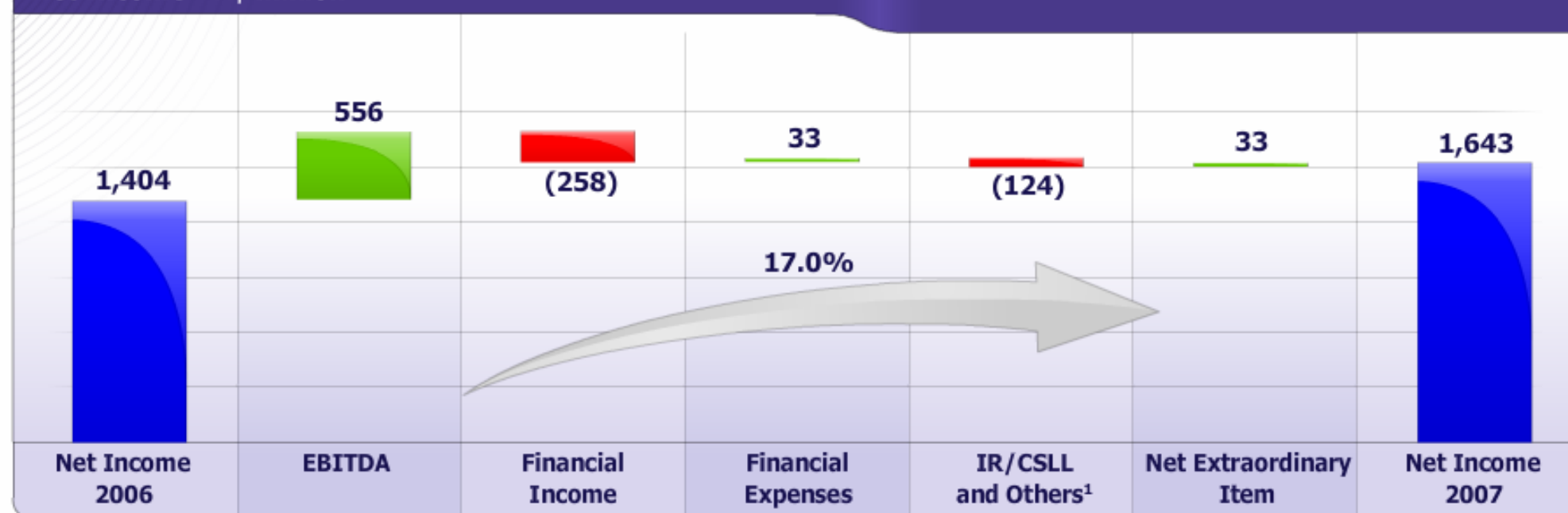
- Distribution (R\$ 461 million)
  - (+) 18.7% Net Revenue increase (R\$ 1,322 million)
  - (-) 15.0% Energy Cost and Electricity Charges increase (R\$ 620 million)

## EBITDA - R\$ million



- Commercialization (R\$ 81 million)
  - (+) 2.2% Net Revenue increase (R\$ 34 million)
  - (+) 5.2% Energy Costs decrease (R\$ 66 million)
- Generation (R\$ 108 million)
  - (+) 29.8% Net Revenue increase (R\$ 152 million)
  - (+) Commercial start-up of Campos Novos HPP

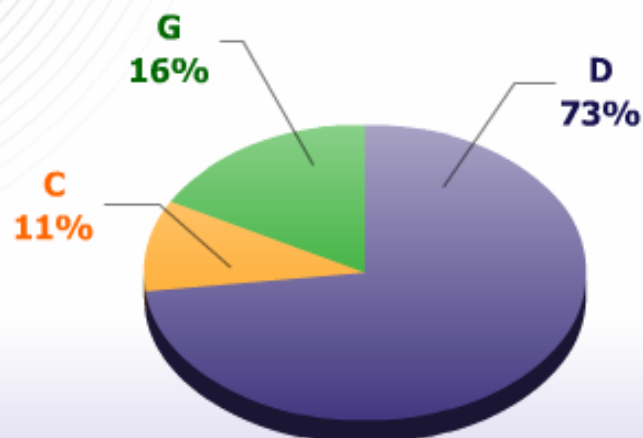
# Net Income - R\$ million



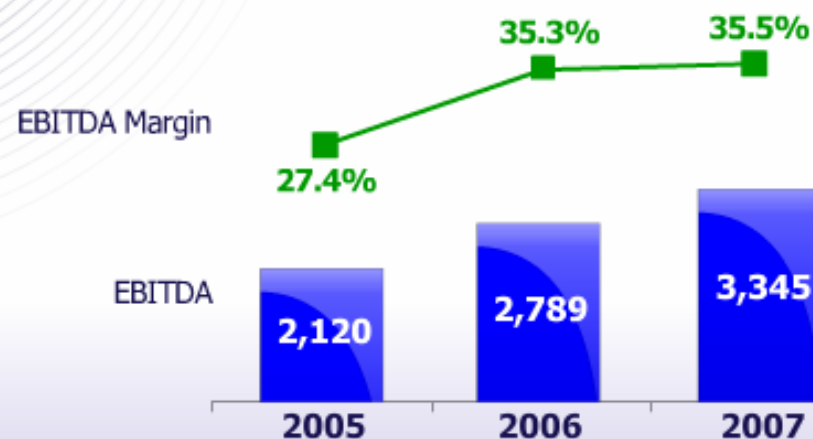
**17.0% Net Income increase  
(R\$ 239 millions)**

- (+) 19.9% EBITDA increase (R\$ 556 million)
- (-) 40.4% Financial Income decrease (R\$ 258 million)
  - (-) Financial Income yield (R\$ 26 million)
  - (-) Regulatory assets gains (R\$ 69 million)
  - (-) Decision judicial referring to PIS/COFINS and hedge operations related to RGE acquisition in 2006 (R\$ 153 million)
- (+) 3.5% Financial Expenses decrease (R\$ 33 million)
- (-) Income tax, Social Contribution and Others increase<sup>1</sup> (R\$ 124 million)
- (+) Net Extraordinary Item amortization conclusion in 2006, related to CVM 371/00 (R\$ 33 million)

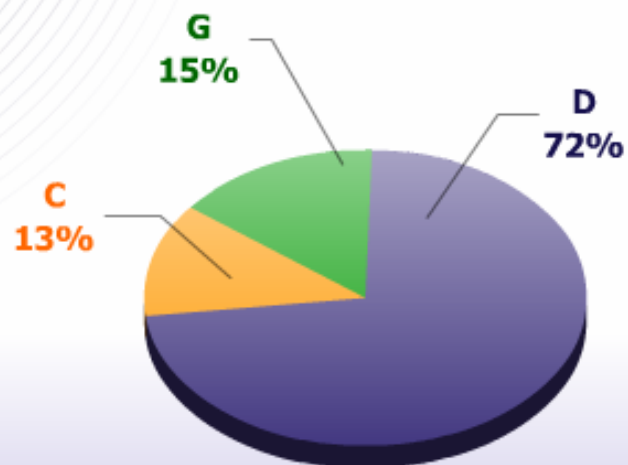
## 2007 EBITDA Breakdown



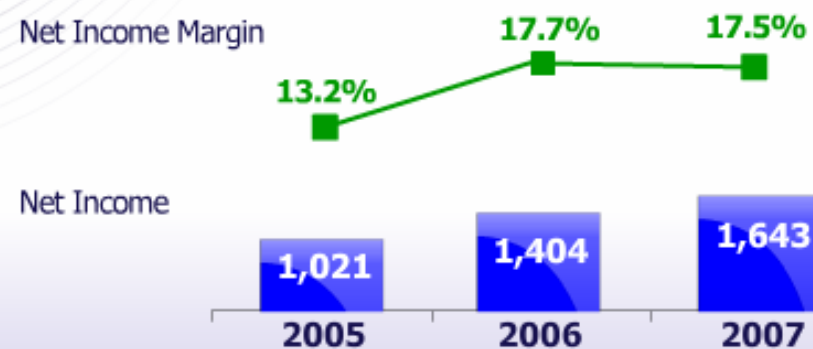
## EBITDA Margin Evolution



## 2007 Net Income Breakdown

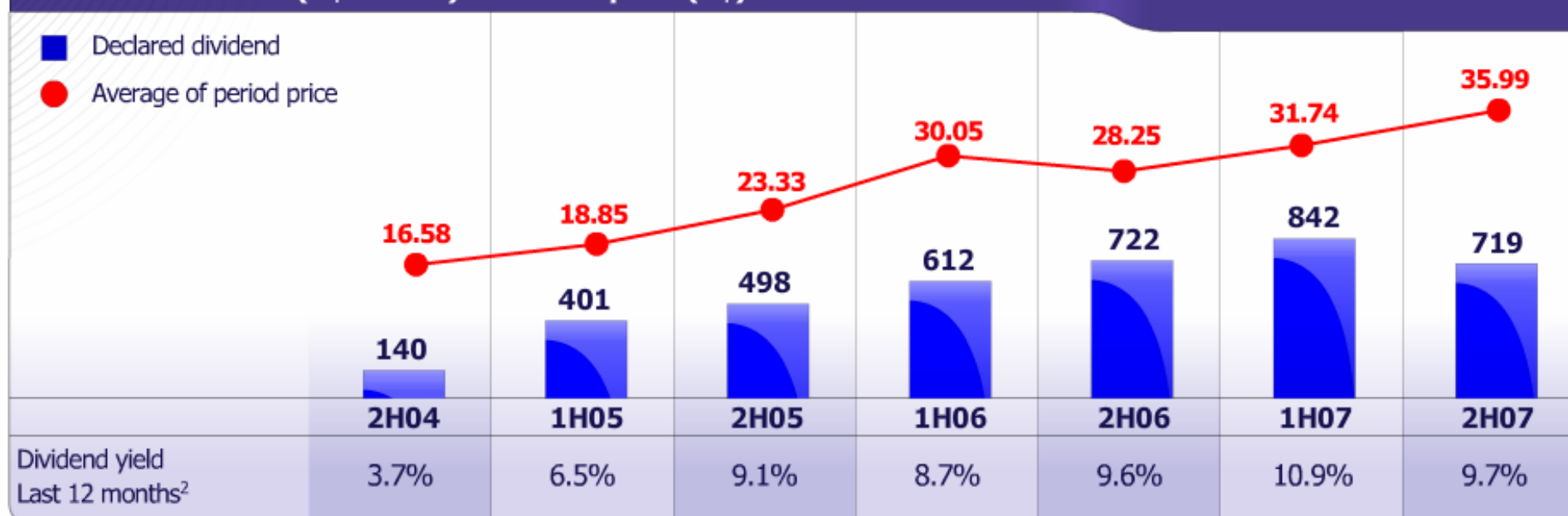


## Net Margin Evolution



**CPFL distributes 95% of net income in dividends:  
R\$ 1,561 million in 2007 – R\$ 3.25 per share**

**Declared dividend<sup>1</sup> (R\$ million) vs. CPFE3 price (R\$)**



**Since the IPO (2H04), CPFL Energia's dividend yield has already reached 49.7%<sup>3</sup>**

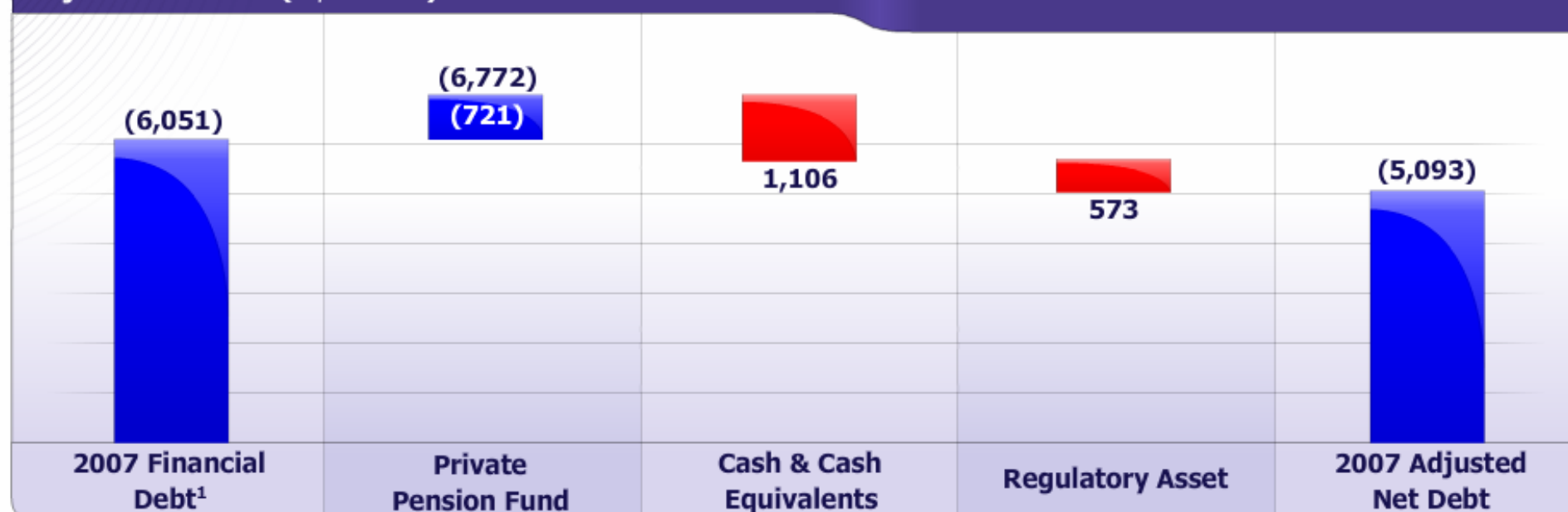
1) Declared dividend: payment in the next half year

2) Considering last two half year's dividend yield

3) IPO's price per share: R\$ 17.22



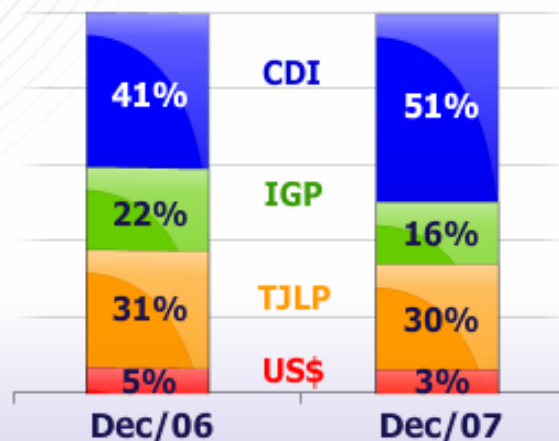
## Adjusted Net Debt (R\$ million)


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

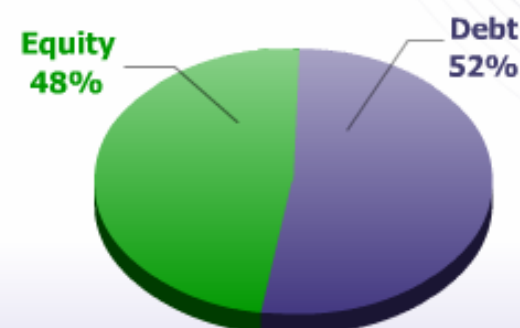

1) Includes derivatives and excludes judicial deposit of R\$ 373 million

2) last twelve months EBITDA

### Debt breakdown



### Capital Structure<sup>1</sup>

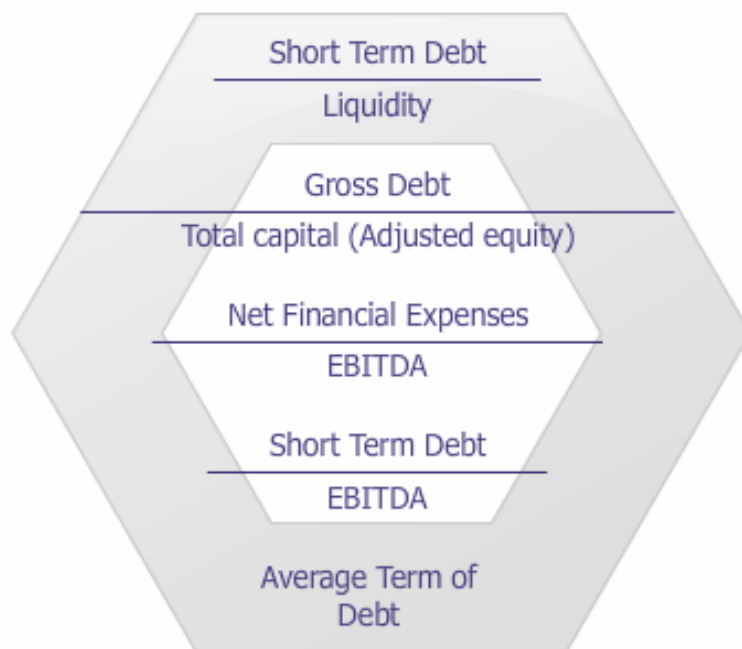


### Financial funding and debt roll-over reached R\$ 1.4 billion in 2007

	Amount (R\$ million) <sup>2</sup>	Cost
FINEM - CPFL Paulista and CPFL Piratininga	214	TJLP + 3.3% p.y.
CERAN	104	TJLP + 3.3% until 4.3% p.y.
Foz do Chapecó	396	TJLP + 2.49% until 2.95% p.y.
Debenture of CMS acquisition	466	CDI + 0.45% p.y.
Financial roll-over of RGE	101	CDI + 0.60% p.y.
Others	109	

1) Adjusted net debt + Shareholders' equity 2) Dec 31<sup>st</sup>, 2007 Balance - include financial charges

### Key - indexes



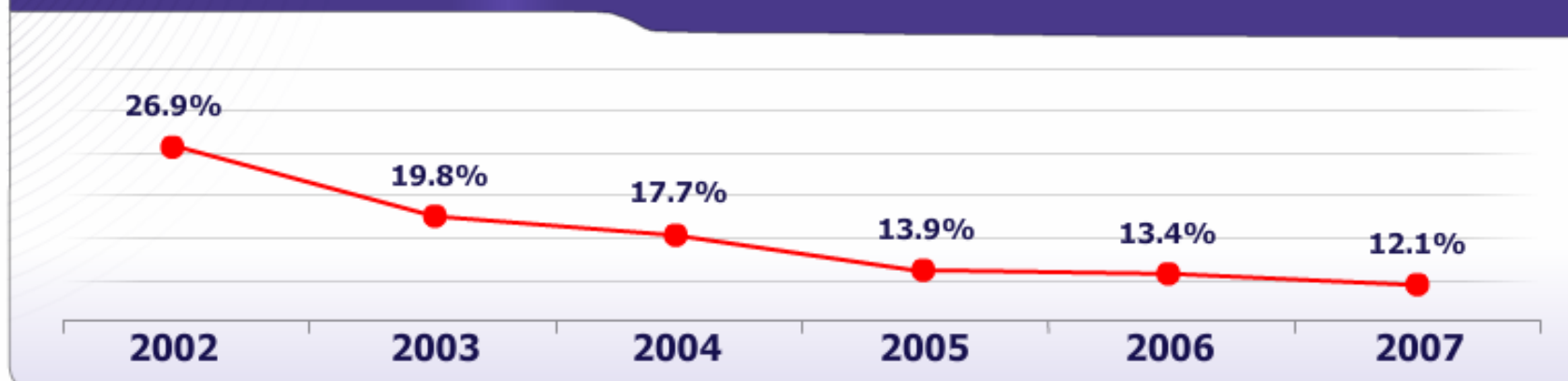
**STANDARD  
& POOR'S**

**Rating brAA-**

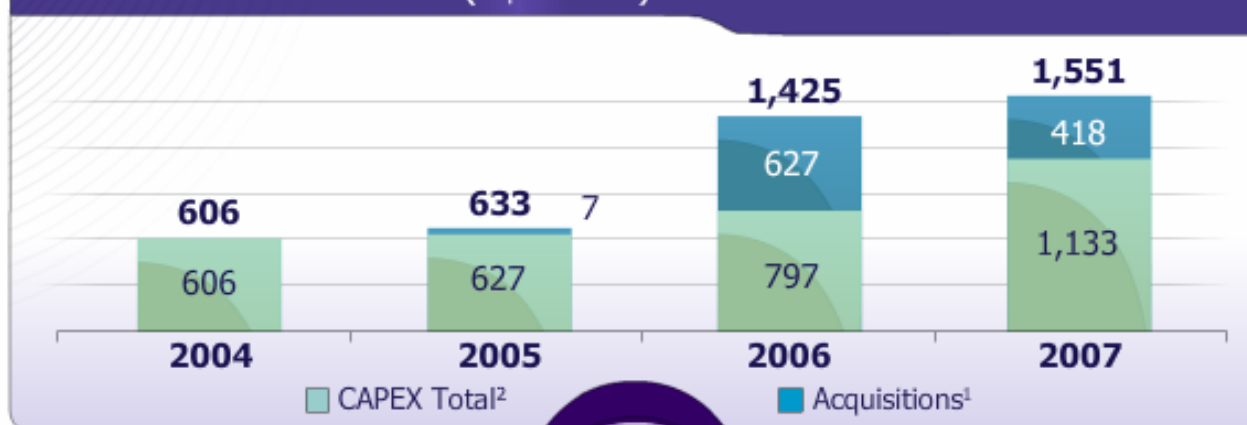
**FitchRatings**  
KNOW YOUR RISK





**Rating AA (bra)**

### Nominal Cost of Debt evolution



**Actual out investment (R\$ million)**



	May, 2006	Aug, 2006	Oct, 2006	Apr, 2007
Asset	 Uma empresa CPFL Energia	 Foz do Chapecó Energia S.A.		
Acquired Stake	32.69%	11%	99.9%	100%
Investment – Equity (R\$ million)	414	9	203	412

1) Considers minority shareholders participation's acquisitions

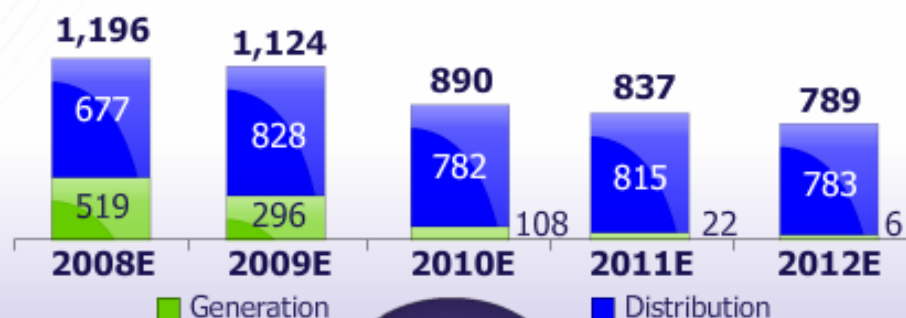
Note: no considers hedge value in operations

2) Considers CERFRA's asset acquisition



**In next 5 years the CPFL Energia will to invest R\$ 5 billion**

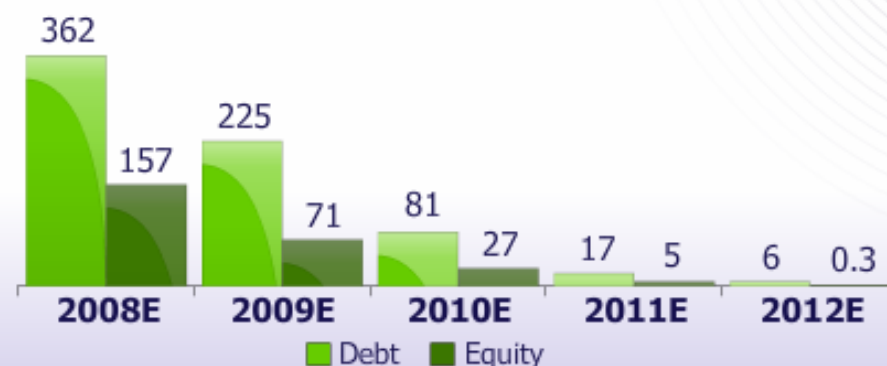
### Total Capex (R\$ million)











### Distribution – R\$ million



### Generation – R\$ million

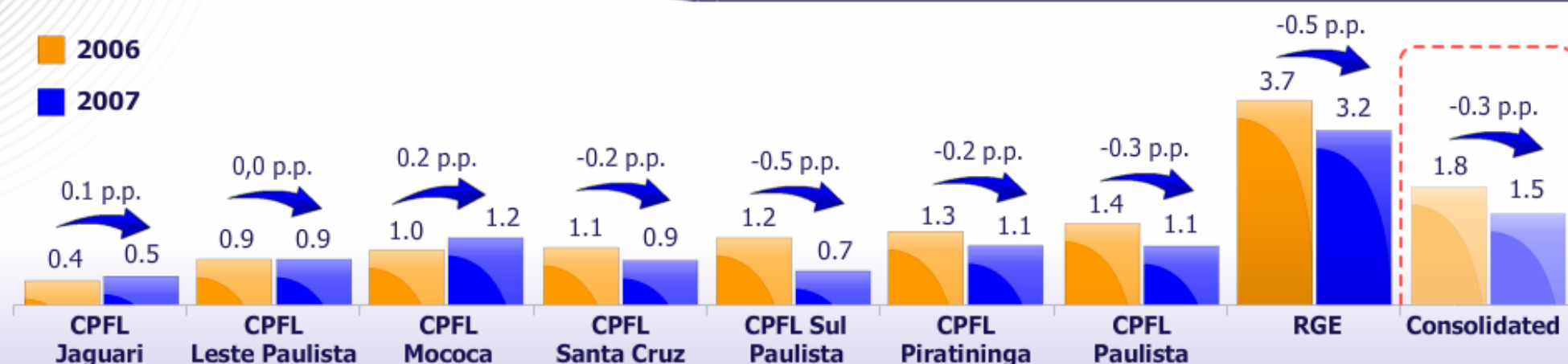


Note: Values in constant currency

	Oct/07	Feb/08	Feb/08	Feb/08	Feb/08	Feb/08	Apr/08	Apr/08
								
Public Hearing	-10.98%	-7.53%	-11.54%	-8.86%	-7.57%	-7.87%	-10,28%	1,44%
Tariff Revision Index (with financial components)	-10.11%	-7.13%	-1.65%	-1.58%	-5.65%	-3.57%		

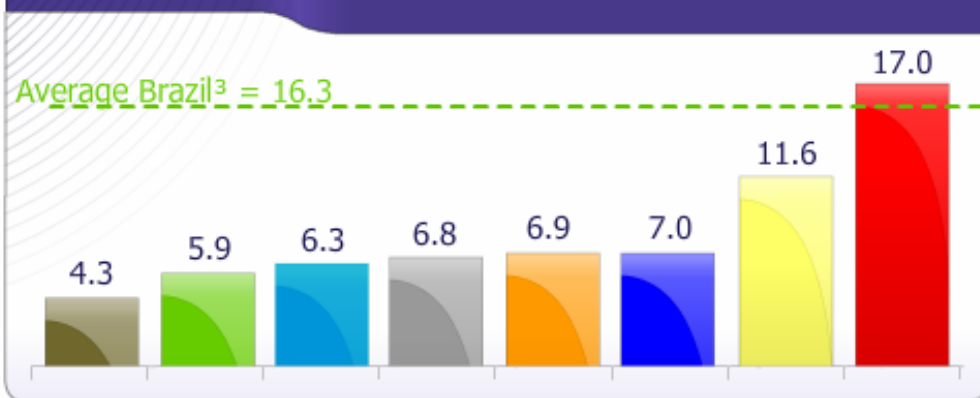
**CPFL Paulista Public Hearing on Feb 27<sup>th</sup>, 2008**  
**RGE Public Hearing on Mar 14<sup>th</sup>, 2008**

### Delinquency<sup>1</sup> (%)



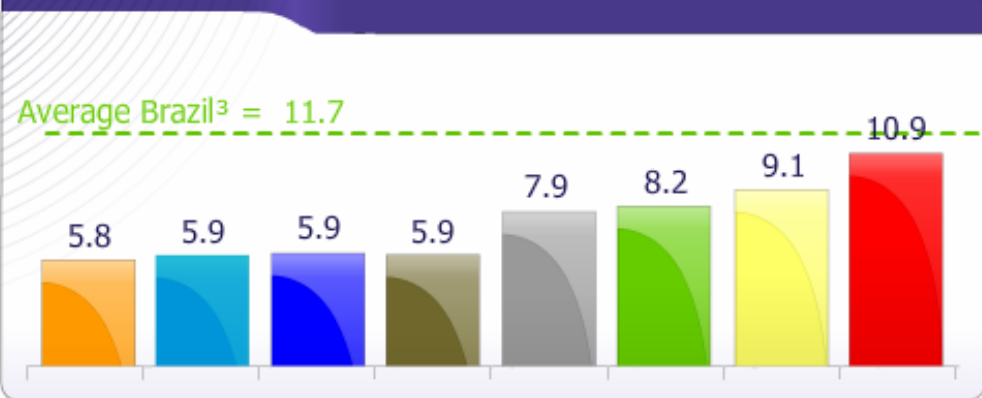
- Reduction in delinquency levels due to intensification of debt negotiation with government and hospitals and intensification of collection in high and low-voltage groups
- Disconnection of delinquent customers: R\$ 45 million collected<sup>2</sup> in 2007

### DEC (hours) - 2007



CPFL Mococa CPFL Santa Cruz CPFL Jaguari CPFL Leste Paulista CPFL Piratininga CPFL Paulista CPFL Sul Paulista RGE

### FEC (times) - 2007

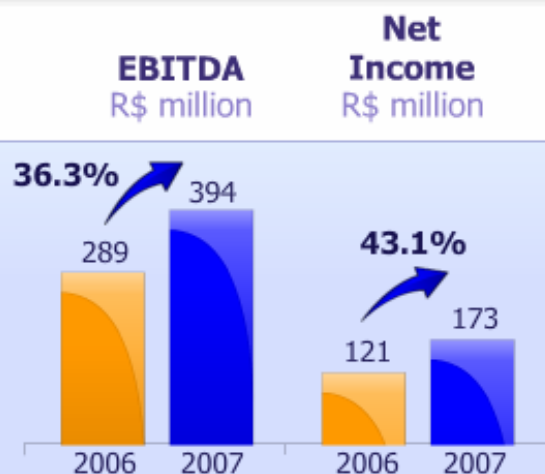


1) Bills overdue for more than 30 days - % of total billings

2) CPFL Paulista and CPFL Piratininga. In 2008, all distributors will be covered

3) Source: ANEEL – last available figures (average year 2006)

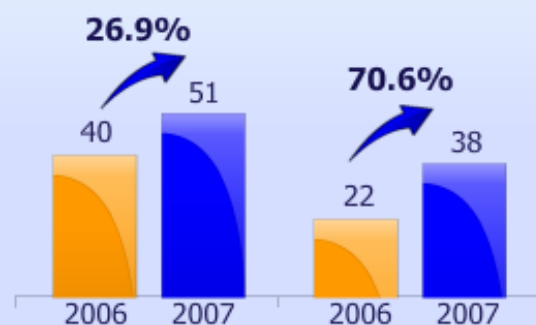
## RGE<sup>1</sup>



## EBITDA Margin

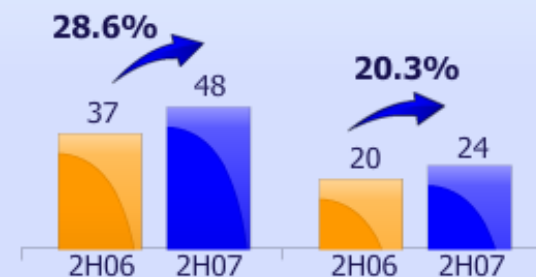
2006	2007
22.5%	24.4%

## CPFL Santa Cruz



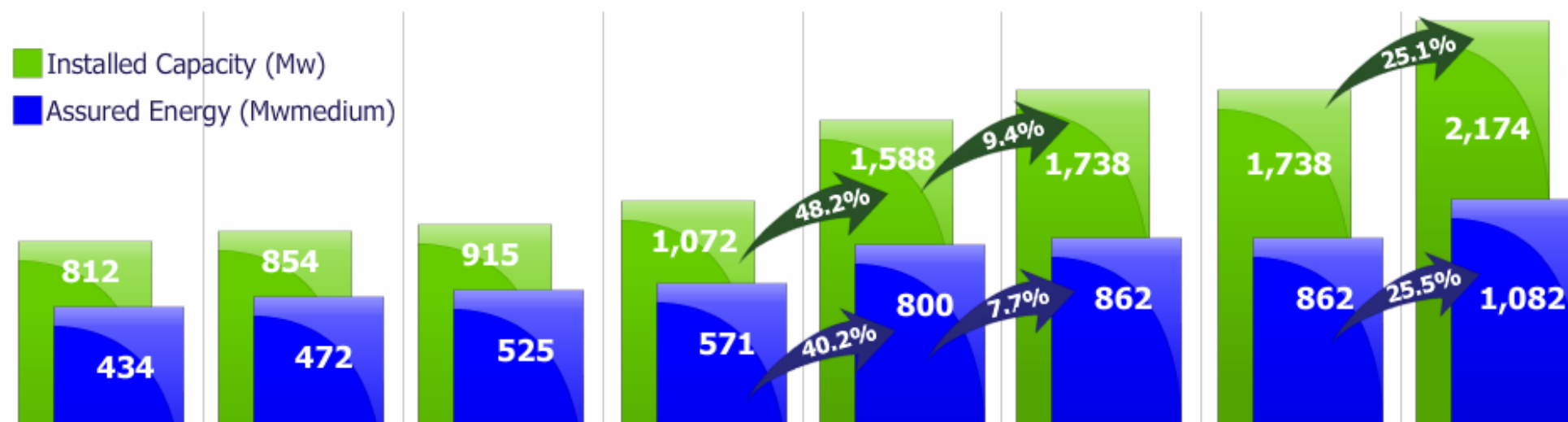
2006	2007
23.8%	26.7%

## CPFL Jaguariúna



2006	2007
29.0%	31.0%





							
							
Serra da Mesa		CPFL Sul		Lajeado	14 de Julho		
2003	2004	2005	2006	2007	2008(e)	2009(e)	2010(e)

## Campos Novos HPP



CPFL's total investment: R\$ 790 million  
Revenue increase/year (e): R\$ 174 million

Highest rockfill dam  
in concrete face in  
the world among  
HPP's in operation  
**202 meters**

High installed  
capacity per flooded  
area ratio  
**25.1 MW/km<sup>2</sup>**

The commercial start-up of Campos Novos HPP increased Group's installed generating capacity by 40% (+428.8MW) and assured energy by 32% (+184.1 MWmedium)



Gaivão Peixoto, Chibarro and Capão Preto SPPs: 3.9 MWmedium increase



**There is still potential to add a further  
15 MWmedium of assured energy to  
the existing SPPs.**

**Castro Alves HPP (CPFL's stake: 65%)**



**Situation: Jan 15<sup>th</sup>, 2008 (before reservoir filling)**



**Situation: Feb 03<sup>rd</sup>, 2008**

- Beginning of reservoir filling:
- End of reservoir filling:

Jan 16<sup>th</sup>, 2008  
Feb 03<sup>rd</sup>, 2008

Addition of 84.5 MW  
and 41.6 MWmedium to  
the current Group's:  
revenue increase per  
year R\$ 45 million

**Commercial start-up: Feb 29<sup>th</sup>, 2008**



## 14 de Julho HPP (CPFL's stake: 65%)



**Status: 79% completed**  
**Commercial start-up<sup>(e)</sup>: 4Q08**

Addition of 65 MW and 32.5  
 MW/medium: revenue increase:  
 R\$ 35 million/year

## Foz do Chapecó HPP (CPFL's stake: 51%)



**Status: 24% completed**  
**Commercial start-up<sup>(e)</sup>: 3Q10**

- Sale of energy (11%) in the A-5 Auction in Oct/07 at R\$ 131.49/MWh
- CPFL's total investment: R\$ 1.1 billion
  - First tranche of BNDES in Dec/2007, in the amount of R\$245 million (CPFL's stake)

### Energy Commercialization Auction

August/07

- Commercialized energy: 3,038 GWh
- Amount: R\$ 435 million
- Average price: R\$ 143/ MWh
- Period: 2008 - 2012

September/07

- Commercialized energy : 1.297 GWh
- Amount: R\$ 191 million
- Average price: R\$ 147/MWh
- Period: 2008 - 2020

### Value Added Services

#### Transmission System

Construction of Substation and Transmission Line  
138 kV

#### Distribution Systems

Construction of Networks, Cabins and transforming  
points on sites and on industrial clients' plants

#### Assets Management Autoproduction

In 2007, CPFL Brasil developed 200 projects,  
representing a total commercialized  
value of R\$ 49 million

Since 2002, it has been installed 991 MVA  
(equivalent to 60% of RGE) and 670 km of  
networks in industrial customers

## Internal

- Restructuring of the Ethics and Corporate Conduct Committee with the inclusion of a representative of civil society
- Implementation of the Ethical Development and Management System
- Creation of the CPFL Energia Ethical Network

## Environmental Management

- Energy bills printed on recycled paper:  $\cong$  56 million bills delivered in 2007
- Beginning of tests with electrical vehicles

## Business Chain

- "Rede de Valor" Program: 2 regional conferences with 550 participants and 12 local meetings
- "Tear" Program: 2 meetings (CEO and Suppliers) with over 100 companies, 2 workshops with Suppliers and 8 local meetings with 26 active participant suppliers

## Community

- Support Program for Municipal Councils for Children's and Adolescents' Rights: investment of R\$ 3 million
- Philanthropic Hospitals Renewal Program: investment of R\$ 1 million

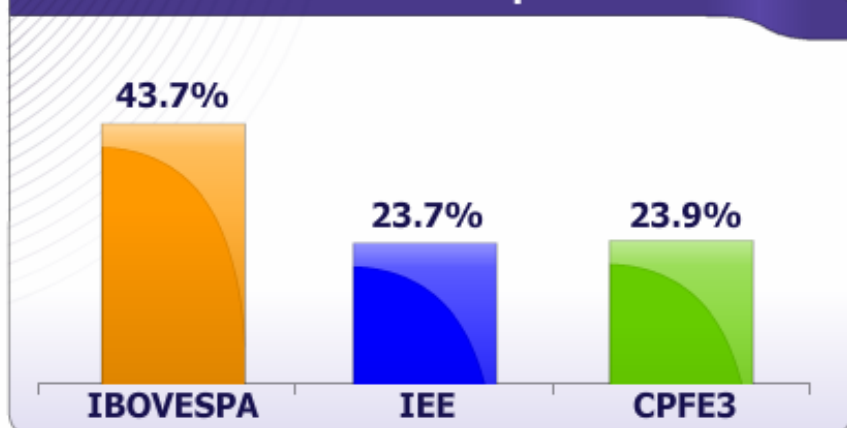
## Knowledge Management

- "Espaço Cultural CPFL" (CPFL Cultural Center): 2007 Program discussing the Global Warming , with 40 lectures and 6,500 participants
- Communications for Sustainability: Partnership with "Planeta Sustentável" (Sustainable Planet) and Brazilian Association for Leadership Development
- "CPFL Management" with over 159 executives

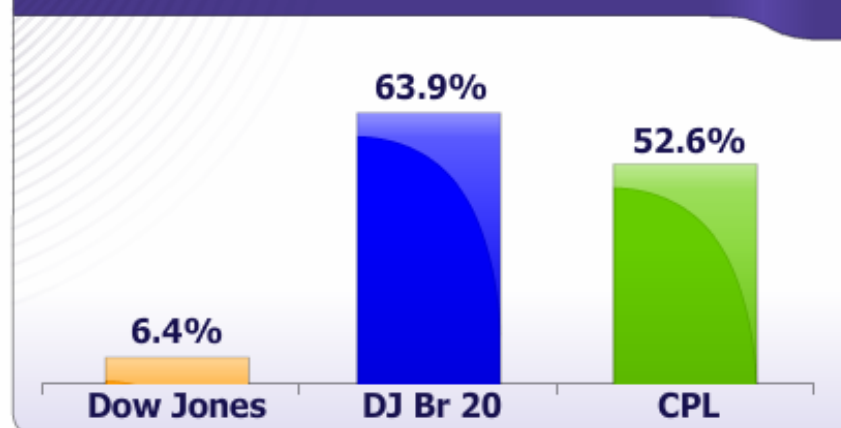




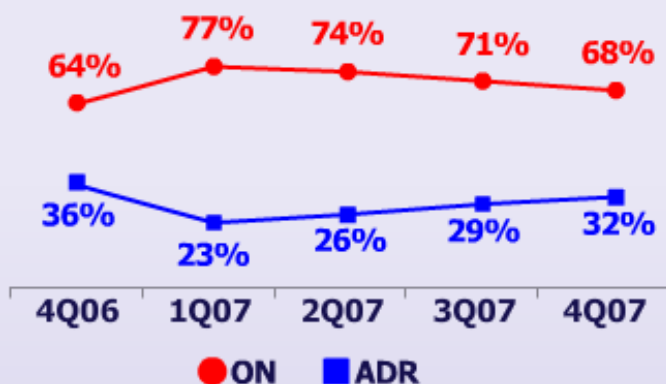
## Share Performance – Bovespa<sup>1</sup> - 2007



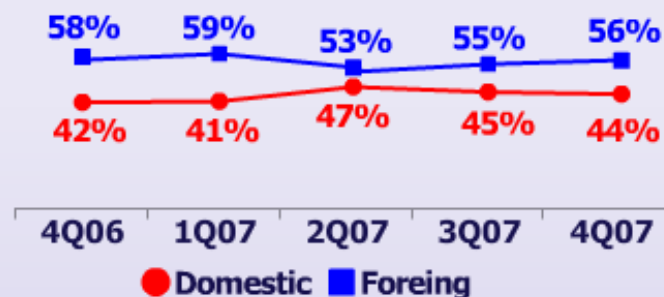
## Share Performance – NYSE<sup>1</sup> - 2007



## Ownership – ADR vs. ON



## Ownership – Domestic vs. Foreign

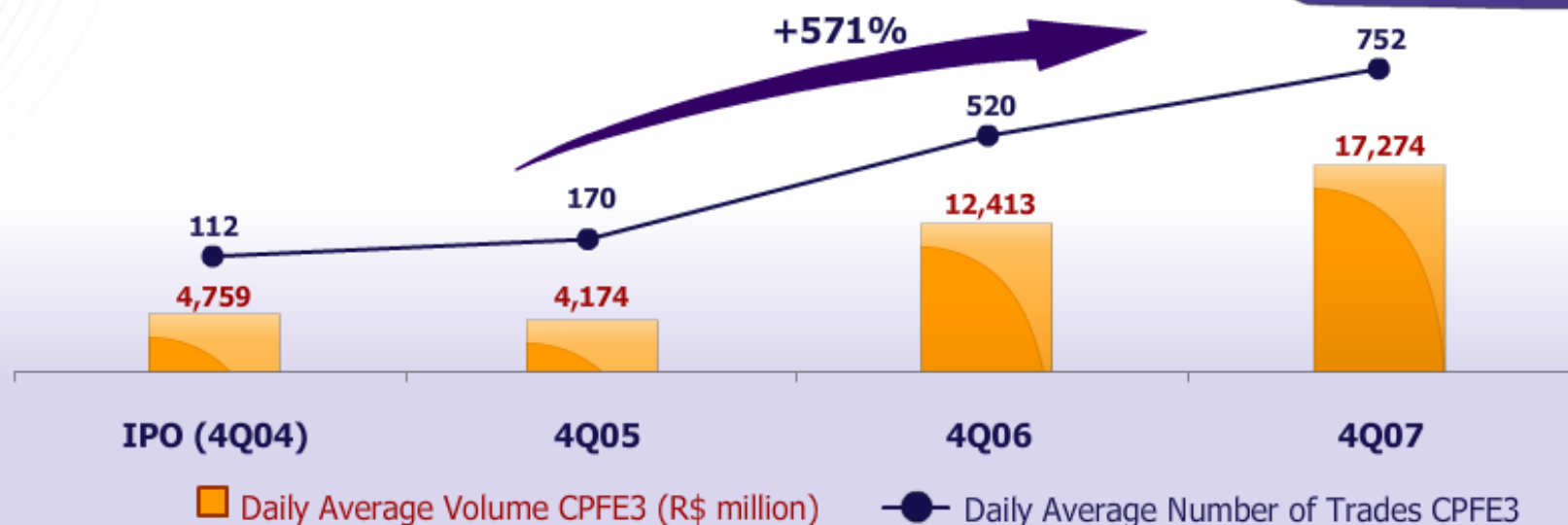


## Retail investors<sup>2</sup> - n° (thousand)



- Retail investors increase
- Balanced ownership: ADR vs. ON

### CPFL – Daily Average Volume and Number of trades



### Daily Average Volume R\$ (thousand)

	2005		2006		2007
<b>Bovespa - ON</b>	3,521	+160%	9,141	+116%	19,755
<b>NYSE - ADR</b>	3,506	+132%	8,128	+58%	12,807
<b>Total</b>	<b>7,027</b>		<b>17,270</b>		<b>32,561</b>

+363%

CPFL Energia  
presents substantial  
increase in daily  
average volume in  
2007





MSCI Indexes

*Ibovespa*

**IBrX** ÍNDICE BRASIL

**itag**

Índice de Ações com Tag Along Diferenciado

**IBrX50**

IPO

2005/2006

2007

Investment Funds currently indexed to the IBrX-50 and Ibovespa  
represent a total Shareholder Equity of R\$ 31 billion<sup>1</sup>

## Institutional and retail

- 11 Apimec meetings (SP, RJ, RS, DF and MG)
- 4 Webcasts with simultaneous translation
- 8 Conferences ( 3 national and 5 international)
- 6 Non-deal Roadshows (2 national and 4 international)
- 24 institutions releasing research reports about CPFL
- 2<sup>nd</sup> Investors Day CPFL Energia, with visit to Salto Grande SPP
- 8 Chats with banks and brokers
- 3 Expomoney events (Curitiba, SP and RJ)
- 1 event with INI (National Investors Institute)
- 8,500 accesses per month to the CPFL's IR website

**180  
meetings  
in 2007**



Investor Day – Campinas

Expo Money

Apimec

## Market Recognition



- Honorable mention "Best Corporate Governance"
- Best Conference Call
- Best Investor Relations Program (large-cap companies)



- Expo Money 2007 Award – Respect to Individual Investors



- Quality Award – Best 2007 Presentation
- Selo Assiduidade APIMEC - SP - 6 years



### **Investor Relations**

Phone: 55 19 3756 6083

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

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



**4Q07 / 2007**