



**CPFL**  
**ENERGIA**

**Webcast**  
**3Q05 / 9M05**

## **CPFL Energia Highlights and Results**

**Capital Market – Balance After 1 Year of IPO**

**Value Creation Agenda**

Net Income of R\$ 240 million in 3Q05 and R\$ 641 million in 9M05

Growth of 17% in Gross Revenue and 79% in EBITDA in 3Q05 over 3Q04 comparison

Electric Energy Index (IEE) and IBX-100 - Bovespa inclusion

CPFL Paulista and CPFL Piratininga's minority shareholders migration announcement, with potential free-float increase from 16.8% to 17.8%

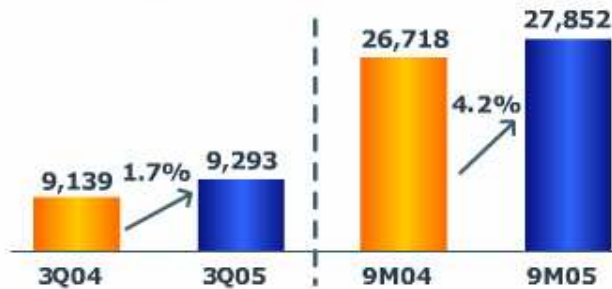
Final Tariff Review for CPFL Piratininga

Growth of 45% in the Commercialization business Gross Revenue and 31% in EBITDA in 3Q05 over 3Q04 comparison

HPP Campos Novos reservoir water filling started on Oct 10, 2005

HPP Barra Grande commercial operation started on Nov 1st, 2005

**Total Energy Sales (GWh)<sup>1</sup>**



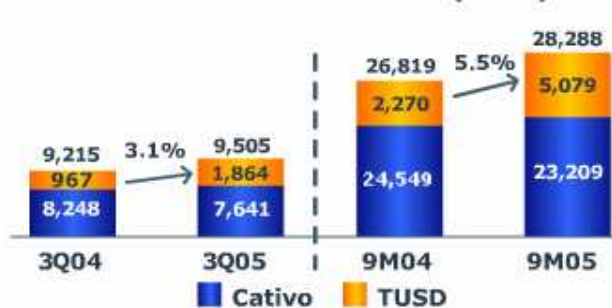
- Commercialization sales growth to the free market
- Distribution sales evolution

**Free Market Sales<sup>2</sup> (GWh)**



- 1,652 GWh sales to the free market, representing growth of 85% in 3Q05 over 3Q04 comparison

**Concession Area Sales<sup>3</sup> (GWh)**



- Captive market growth: residential 5.8% and commercial 6.0%
- 93% increase related to "TUSD" sales

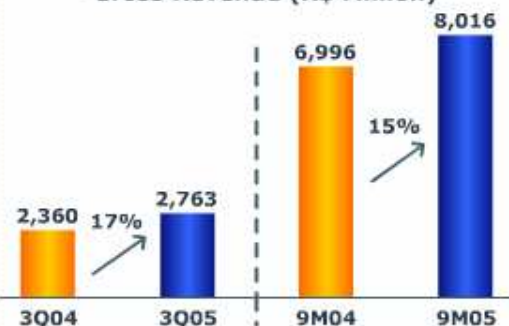
<sup>1</sup> With calendar adjustment. Does not include supply, CCEE and sales to Group's distribution companies

<sup>2</sup> Does not include supply, CCEE and sales to Group's distribution companies

<sup>3</sup> With calendar adjustment.



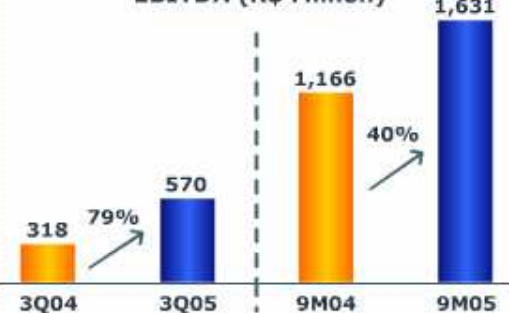
Gross Revenue (R\$ Million)



## 17% Gross Revenue increase

- 1.7% energy sales growth
- Average price increase in distribution and generation companies, related to the price readjustments
- 111% "TUSD" revenue growth

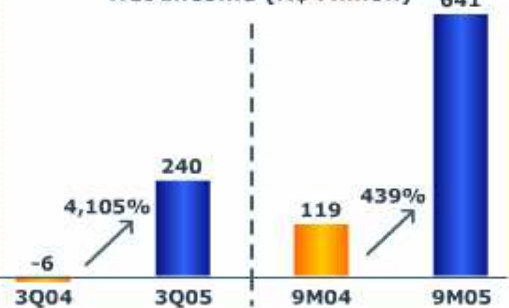
EBITDA (R\$ Million)



## 79% EBITDA increase

- 17% gross revenue growth
- 0.3% energy costs growth
- 4.8% operational costs and expenses growth

Net Income (R\$ Million)



## 4,105% Net Income increase

- 79% EBITDA increase
- 51% financial income improvement
- Recognition of the adjustments related to CPFL Piratininga's 2004 tariff review

ANEEL approved the CPFL Piratininga's Final Tariff Review (from Oct/03) in Oct/05

- Oct/03: 14.68% (preliminary)
- Oct/04: 13.01% - Resolution 336/01: 10.51% (preliminary)
- Oct/05: 11.52% - Resolution 336/01: 9.67% (definitive)

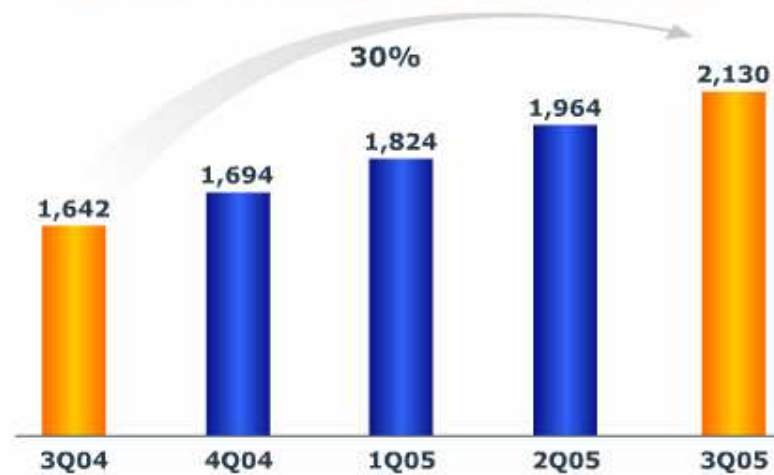
	R\$ million
Final Tariff Review total effect	(103,057)
Provisioned until Oct/04	(71,259)
<b>Complementary Value (Oct/05)</b>	<b>(31,798)</b>

#### CPFL Piratininga's results effects:

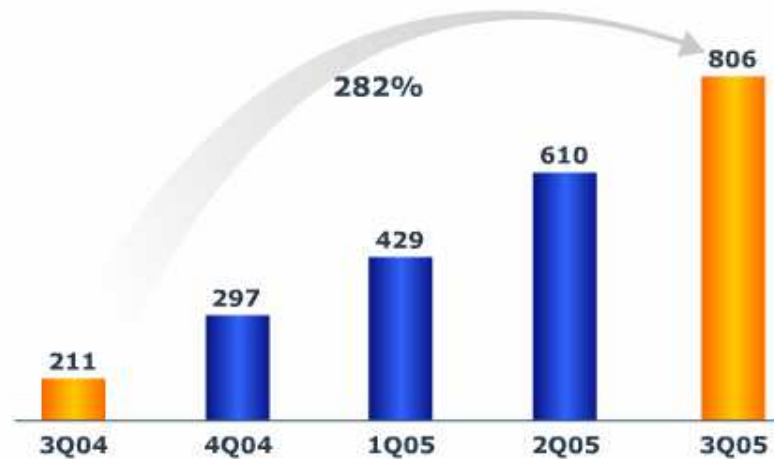
	3Q05	4Q05
Final Tariff Review complementary value adjustments	(28,649)	(3,149)
Previous Annual Tariff Readjustment	8,632	127
Effect on Gross Revenue	(20,017)	(3,022)
Effect on EBITDA	(19,286)	(2,912)
Effect on Net Income	(12,729)	(1,922)
<b>Effect on CPFL Energia's Net Income</b>	<b>(11,772)</b>	<b>(1,777)</b>

## CPFL Energia reports consistent growth in EBITDA and Net Income

EBITDA<sup>1</sup> - Last Twelve Months (R\$ million)

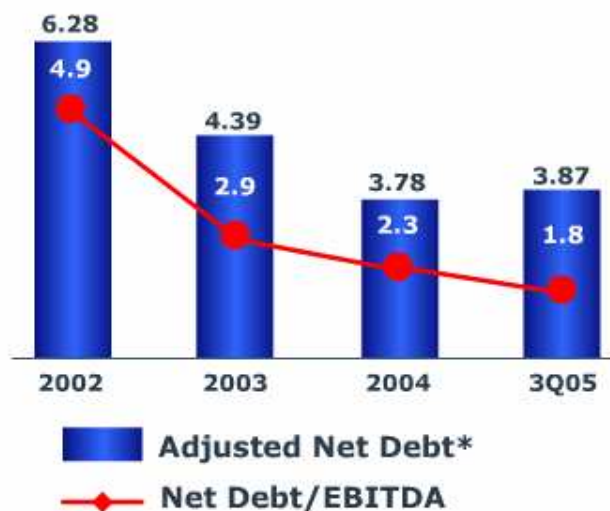


Net Income<sup>1</sup> - Last Twelve Months (R\$ million)

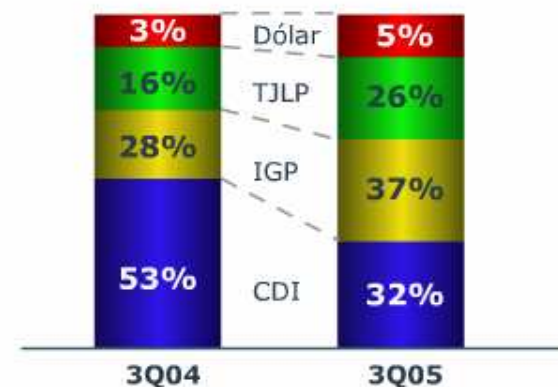


<sup>1</sup> With CPFL Piratininga Tariff Revision effects adjustment

Indebtedness (R\$ billion)



Debt Breakdown<sup>1</sup>



## Capital Structure 3Q05

- Debt 55% / Equity 45%
- Net Debt / EBITDA = 1.8

	3Q04	3Q05	
Nominal Debt Cost	18.4%	13.2%	-28%
Amortization Average Term - years	5.1	6.1	20%

EBITDA 3Q05: considering last 12 months.

<sup>1</sup> Debt without RTE

\* Adjusted net debt = total debt + pension funds - regulatory assets / CVA - cash

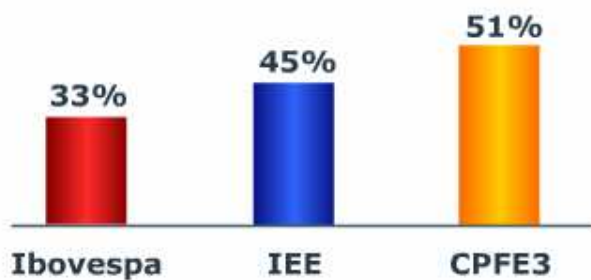


CPFL Energia's Highlights and Results

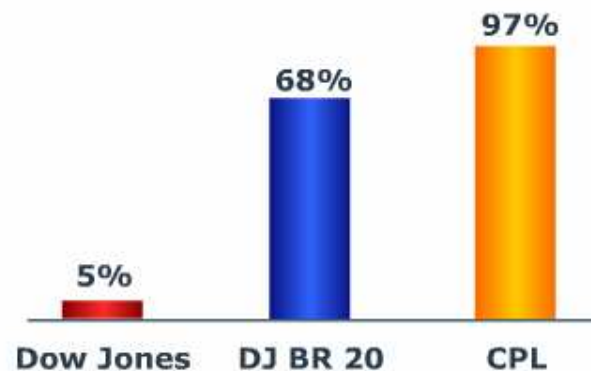
**Capital Markets – Balance One Year After the IPO**

Value Creation Agenda

## Shares' Performance - BOVESPA <sup>1</sup>



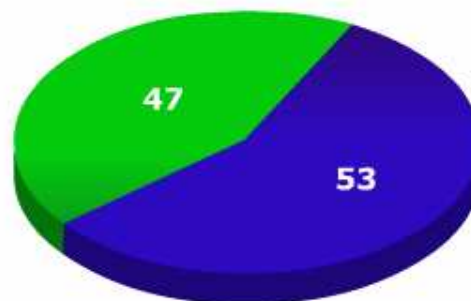
## Shares' Performance - NYSE <sup>1</sup>



## Stock (%)



## Total Trading Volume<sup>2</sup> (%)



Liquidity  
maintenance in  
both markets

<sup>1</sup> From IPO to Nov 04, 2005 – adjusted for dividends

<sup>2</sup> From IPO to Nov 04, 2005

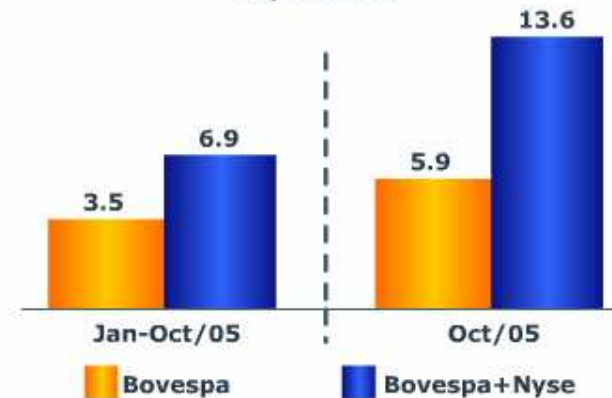
## BOVESPA

- IBrX** Brazil Index – IBrX (IBX-100)
- IEE** Electric Energy Index
- ITAG** Differentiated Tag Along Shares Index
- IGC** Differentiated Corporate Governance Shares Index

## NYSE

- DJBr20** Dow Jones Brazil Titans 20 ADR Index

**CPFL Energia  
Daily Average Trading  
Volume  
R\$ million**



## Negotiability Index:

63rd place over the past 12 months  
45th in October, 2005

Aiming for inclusion in IBX-50 and ISE

**CPFL Energia's Highlights and Results**

**Capital Markets – Balance One Year After the IPO**

**Value Creation Agenda**



## Strategies

## Programs

## Objectives

Operating Efficiency

- Standardization and Certification of Processes
- System Automation and Modernization
- Call Center

Synergic Growth

- Distribution: Opportunities for Scale Gains
- Generation: PPA's Guarantee
- Commercialization: Free Clients Retention

Financial Discipline

- Clear measure for indebtedness management: Ratings between BBB and AA

Differentiated Corporate Governance

- Single class of shares: 100% Tag Along
- Commitment to increase the Free Float
- Dividend Policy

**Value**

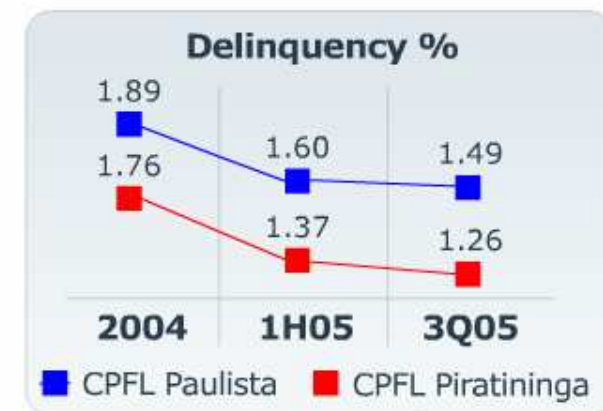
**Liquidity**

**Security**

Management focused on value creation, using VBM methodology (TSR, TBR, CFROGI and CVA)

### Distribution

- 51 thousand new connections in 3Q05, 14% above 1H05 monthly average
- Continuous commercial losses reduction<sup>1</sup>
  - 292 thousand inspections in 9M05
  - R\$ 49 million revenues recovery in 9M05
  - 65 GWh annual recovery perspective
- Delinquency levels reduction, with the historical best indexes in the CPFL Paulista and CPFL Piratininga in 3Q05



<sup>1</sup> CPFL Paulista and CPFL Piratininga

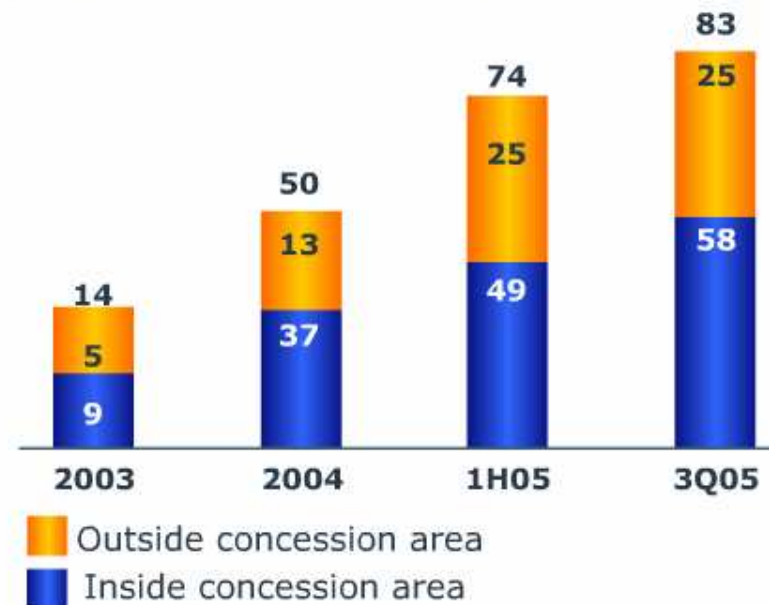
## Commercialization business

- 9 new free customers in 3Q05
  - Highlight for customers recovery from the CPFL concession area
- 50 customers in Dec/04 and 83 in 3Q05
  - 25 outside concession area



Energy commercialization desk

## Free customers number in free market





## Generation business

- 75% installed capacity growth until the beginning of 2006
  - Barra Grande HPP: 3 turbines
  - Campos Novos HPP: 3 turbines
- Chibarro and Capão Preto SPP 's repowering, with 134% addition in assured energy

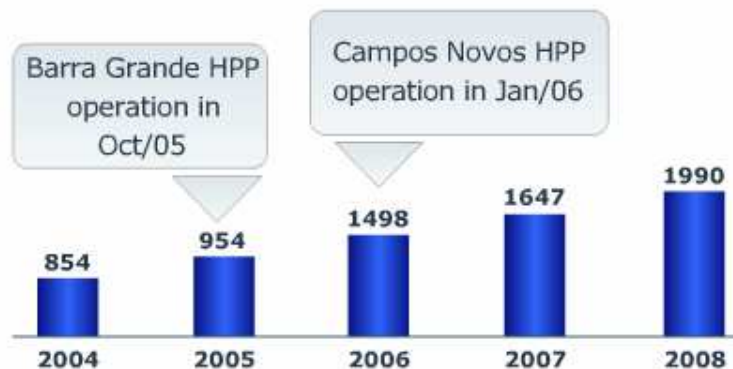


Barra Grande HPP



Campos Novos HPP

### Estimated Evolution of Installed Capacity - MW



- 54% Barra Grande HPP assured energy in the 1<sup>st</sup> turbine and 100% in the 2<sup>nd</sup> turbine
- 91% Campos Novos HPP assured energy in the 1<sup>st</sup> turbine



- Monitoring operation began on Oct 15, 2005
  - Load rejection tests and synchronization with the interconnected system
- Commercial operation on Nov 1<sup>st</sup>, 2005
- 95.2MW medium assured energy increase, representing R\$ 102 million/year<sup>1</sup> additional in Group's revenue



Barra Grande HPP



Barra Grande HPP

<sup>1</sup> Considering approximately 100% Normative Value tariffs

Reservoir  
Water Filling  
December /05

Machinery  
Commissioning  
January/06

**Inauguration  
January 31<sup>st</sup>/06**

184.1MW medium  
assured energy  
increase



Reservoir during the filling

### Reservoir Perspective – Illustrative



Minimum operational  
level: 655m

Level on Oct 25,  
2005: 641m

Level on Oct 10,  
2005: 488m



Jul/05



37.48%



32.38%



13.34%

*Free Float*

16.80%

Migration of CPFL Paulista and CPFL Piratininga's minority shareholders

Benefits to CPFL Paulista and CPFL Piratininga shareholders

- receipt of ordinary shares with 100% tag along rights
- shares with higher liquidity, traded in Bovespa's Novo Mercado and NYSE

Benefits to CPFL Energia and its shareholders

- 7.7 million new shares on the free float, representing around R\$ 182 thousand<sup>1</sup> (+10%)
- bigger float in the Brazilian private electric sector
- increase by 10.5 thousand<sup>2</sup> in the current shareholders base
- reduction in the number of subsidiaries trading at Bovespa
- liquidity concentration in CPFL Energia shares

December/05 estimated



38.32%



31.11%



12.82%

*Free Float*

17.75%

<sup>1</sup> Based on Oct. 31, 2005 share price

<sup>2</sup> Estimated - standard lot

### EuroMoney Magazine

- CPFL Energia – Deal of the Year in Latin America, in the Equity category



### ABAMEC Award 2004

- 2004 Best Public Company



### Institutional Investor

- 1<sup>st</sup> place in "Corporate Governance" – Latin America Electric Utilities
- 2<sup>nd</sup> place in "Investor Relations" - Latin America Electric Utilities – Sell Side
- 2<sup>nd</sup> place in "Investor Relations" - Latin America Electric Utilities – Buy Side



### IR Magazine Awards 2005 Brasil

- CPFL Energia: Laudable Runner-up for Best Investor Relations in an Initial Public Offering



### Wide analyst coverage

- 13 institutions release research reports about the Company
- 10 buy recommendations



CPFL Paulista is the 2005 National Quality Award (PNQ) winner

- First awarded company in the Brazilian energy sector
- Maturity and excellence certification in corporate and operating processes management
- PNQ is among the biggest quality awards in the world, such as Malcolm Baldrige National Quality Award (USA), European Quality Award and Deming Prize (Japan)
- PNQ was created 13 years ago and throughout this period only 23 organizations were awarded. Highlight the following companies:

Companhia Paulista de Força e Luz

Suzano Petroquímica

Gerdau Aços Finos Piratini

Caterpillar Brasil

Siemens Telecomunicações

Citibank (Global Consumer Bank)





**CPFL**  
**ENERGIA**