



## Second Quarter 2006 Relevant Results

Santo Domingo, Dominican Republic  
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### AES Andres B.V. and Subsidiary and Dominican Power Partners and Subsidiary announced a Net Income of US\$ 12.4 million for the first half 2006

Santo Domingo, Dominican Republic, August 08, 2006 – AES Dominicana announced today results for the second quarter of 2006 and the first half of 2006. All operating and financial information, except where otherwise specified, is based on the combined figures of AES Andres B.V. and Dominican Power Partners, and their subsidiaries, in dollars in conformity with generally accepted accounting principles applicable in the United States.

Operating income for the second quarter of 2006 improved 18.0% compared to the same period of 2005, and the results for the first half 2006 increased 6.4% compared with the previous year. The Net Loss decreased 55.0% to US\$0.9 million in the second quarter of 2006, and the Net Income for the first half 2006 was US\$12.4 from a Net Loss of US\$ 19.7 million in the same period of the previous year.

2Q05	1Q06	2Q06	(Millions of US\$)	1H05	1H06
49.9	64.4	57.1	Revenues	92.8	121.5
38.8	55.9	44.0	Operating costs and expenses	72.5	99.9
11.1	8.5	13.1	Operating income	20.3	21.6
22.2%	13.2%	22.9%	Operating income margin	21.9%	17.8%
(2.0)	13.3	(0.9)	Net Income (Loss) (*)	(19.7)	12.4
			Net Cash Provided by (used in)		
(1.7)	20.9	17.3	Operating Activities	(3.9)	38.2

(\*) Net Income (Loss) includes interest expense of US\$ 8.0 million, US\$ 8.6 million, US\$ 8.7 million, US\$ 15.9 million and US\$ 17.3 million in 2Q05, 1Q06, 2Q06, 1H05 and 1H06, respectively, related to accrued and unpaid interest under a subordinated intercompany loan under which AES made its capital injections to finance the development and construction of Andres. AES views this loan as an equity investment and the respective interests are a restricted payment under the indenture.

### Highlights

- In May, a new amendment of LNG Sales Contract with BP Gas Marketing, Ltd (BP), reduced for 2006 and 2007 the Annual Minimum Quantity of LNG to be purchased under the original agreement and established an alternative payment mechanism through a Stand-By Letter of Credit.
- In May, DPP became a guarantor of AES Grand Itabo for an amount up to US\$9.9 million.
- In the second quarter, Andres entered into two PPAs with unregulated users (UNRs): Hotel Barceló Capella for 3 years, and Termo Envases for 1 year.

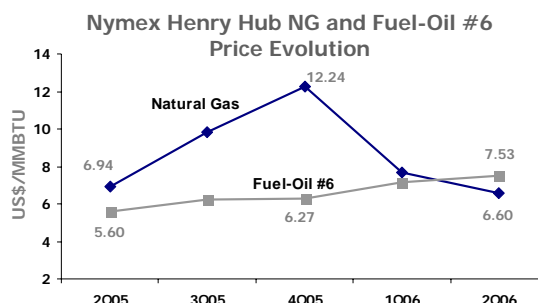
### External Factors (\*)

- The GDP grew 12.6% (estimated) in first quarter 2006.
- Accrued inflation during second quarter stood at 1.99%.
- Exchange Rate closed at RD\$32.79 per US dollar as of June 30, 2006.
- Total electricity demand for the quarter reached 2,733 Gwh, a 9.4% increase over the same period of 2005.

(\*) Source: Dominican Central Bank and Platts.

- Average Nymex Henry Hub natural gas prices were US\$6.6 per MMBtu for the quarter, with a peak of US\$8.2 per MMBtu and a low of US\$5.9 per MMBtu. On the first half of 2006, the average was US\$7.2 per MMBtu.(\*\*)

(\*\*) Pricing under the BP Contract is at a premium to the Henry Hub natural gas price per MMBtu on the NYMEX Index.



## Analysis of Combined Financial Results (In USGAAP)

**Revenues** increased 14.4% to US\$57.1 million in the second quarter of 2006 compared to the same period of 2005. This increase was mainly caused by: (i) higher sales to EDE-Este by US\$3.1 million (26.7 GWh); (ii) sales to unregulated users by US\$1.2 million; and, (iii) higher sales to Spot market by US\$2.8 million (16 GWh) due to the increase of the net generation of Andres and DPP which exceeded their PPAs commitments.

For the first half of 2006, **Revenues** totaled US\$121.5 million, a 31.0% increase compared to the same period of 2005. This increase was mainly caused by: (i) higher sales to EDE-Este by US\$21.9 million due to an increase of its demand by 54 GWh and an increase in contract electricity prices as a consequence of a 10.5% increment in the average NYMEX gas price and a 3.8% growth in the U.S. CPI; (ii) the sales to unregulated users by US\$2.5 million; and, (iii) higher sales to Spot market by US\$4.3 million (21 GWh).

### Revenues consist of the following:

2Q05	2Q06	Var%	(Millions of US\$)	1H05	1H06	Var%
47.0	51.4	9.4	Electricity sales – long term PPA	88.0	112.4	27.8
2.9	5.7	96.6	Electricity sales – spot market	4.8	9.1	89.6
0.0	0.0	n/a	Other sales	0.0	0.0	n/a
<b>49.9</b>	<b>57.1</b>	<b>14.4</b>	<b>Total Revenues</b>	<b>92.8</b>	<b>121.5</b>	<b>31.0</b>

**Operating Costs and Expenses** increased 13.4%, in the second quarter 2006, to US\$44.0 million compared to the same period of 2005. This increase was principally a result of: (i) US\$2.1 million of higher LNG consumption during the quarter (9%) due to higher generation; (ii) higher energy purchases by US\$1.7 million (23%) to cover their PPAs; (iii) the application of a Property Tax of 1% (US\$0.4 million) on net fixed assets, effective since January 1<sup>st</sup> 2006; and, (iv) US\$1.0 million of higher depreciation expense due to greater Equivalent Operating Hours (EOH) consumption during 2006 as a result of an increased generation.

In April 2006, Andres reversed the take-or-pay expense by US\$2.1 million booked during the first quarter of 2006 due to the renegotiation of the minimum quantity for the contractual year of 2006, under the LNG Sales Contract with BP.

During the first half of 2006, **Operating Costs and Expenses** increased 37.8% to US\$99.9 million compared to the first half of 2005. This variation was mainly caused by the higher generation registered in 2006. This factor caused: (i) Higher LNG consumption by US\$14.1 million (45.6%); (ii) higher energy purchases by US\$9.5 million; (iii) US\$1.4 million of higher depreciation expense due to higher Equivalent Operating Hours (EOH) consumption; and, (iv) Maintenance expenses increased by US\$2.4 million mainly as a result of the repair of the Los Mina Unit VI during the first quarter of 2006.

**Operating costs and expenses consist of the following:**

2Q05	2Q06	Var%	(Millions of US\$)	1H05	1H06	Var%
			Cost of sales - electricity purchases and fuel costs used for generation	57.6	81.2	41.0
30.7	34.5	12.4				
4.9	5.3	8.2	Operating, maintenance and general expenses	8.6	11.0	27.9
3.2	4.2	31.3	Depreciation and amortization of intangible assets	6.3	7.7	22.2
<b>38.8</b>	<b>44.0</b>	<b>13.4</b>	<b>Total Operating Cost and Expenses</b>	<b>72.5</b>	<b>99.9</b>	<b>37.8</b>

**Total Other Expenses** increased 10.2% to US\$13.0 million in the second quarter of 2006 compared to the same period of 2005. This increase was mainly caused by: (i) Lower commercial interest expense as the result of the lower accounts payable balance due to the Sector Agreement and setoff transactions; (ii) local currency depreciated 1.1% against the dollar, (4.7% in the same period 2005), affecting the net liability exposure causing a foreign exchange gain lower than the one recorded last year.

For the first half of 2006, **Total Other Expenses** decreased 80.5% to US\$7.3 million. This net decrease was principally a result of: (i) the realization of approximately US\$17.0 million of interest income charged to EDE Este as part of the offset transactions executed in the first quarter 2006; (ii) the reduction of the accounts payable caused lower commercial interest expense; and, (iii) local currency appreciated 5.1% against the dollar, (5.4% in the same period 2005), affecting the net liability exposure causing a foreign exchange loss lower than the one recorded last year.

**Other Income (Expenses) consist of the following:**

2Q05	2Q06	Var%	(Millions of US\$)	1H05	1H06	Var%
(4.7)	(4.6)	-2.1	Interest income (expense) financial - net	(9.1)	(9.5)	4.4
(1.6)	(0.2)	-87.5	Interest income (expense) commercial and others - net	(7.5)	20.7	n/a
(8.0)	(8.7)	8.7	Subordinated intercompany loan interest expense (*)	(15.9)	(17.3)	8.8
(0.5)	(0.3)	-40.0	Deferred financing costs amortization	(1.0)	(0.4)	-60.0
3.0	0.8	-73.3	Foreign currency (loss) gain	(4.0)	(0.8)	-80.0
<b>(11.8)</b>	<b>(13.0)</b>	<b>10.2</b>	<b>Total Other Expenses</b>	<b>(37.5)</b>	<b>(7.3)</b>	<b>-80.5</b>

(\*) Interest expenses are those generated by the subordinated intercompany loan under which AES made its capital injections to finance the development and construction of Andres.

**Net Income (Loss) (\*)** Net Loss decreased to US\$0.9 million, or 55%, in the second quarter 2006, as compared to the Net Loss recorded in the same period of 2005 of US\$2.0 million. This variance was mainly attributed to lower interest expense, net during the second quarter 2006 due the electric sector agreements and setoff transactions.

For the first half of 2006, **Net Income** increased to US\$12.4 million, as compared to a Net loss recorded in the same period of 2005 of US\$19.7 million. This variance was mainly attributed to a decrease of interest expense, net by US\$26.4 million, or 81%, when compared to the interest expense, net recorded in the first half of 2005.

(\*) Net Income (Loss) includes interest expense of US\$ 8.0 million, US\$ 8.7 million, US\$ 15.9 million and US\$ 17.3 million in 2Q05, 2Q06, 1H05 and 1H06, respectively, related to accrued and unpaid interest under a subordinated intercompany loan under which AES made its capital injections to finance the development and construction of Andres. AES views this loan as an equity investment and the respective interests are a restricted payment under the indenture.

**Net Cash Provided by Operating Activities** was US\$17.3 million for the second quarter 2006 compared to a Net Cash used in Operating Activities of US\$ 1.7 million in the same period of 2005. This increase was primarily the result of the following causes: (i) net loss decreased US\$1.2 million in the second quarter 2006 when compared to the same period of 2005; (ii) accounts receivable decreased US\$5.9 million as compared to a US\$10.2 million increase in the same period of 2005; and, (iii) US\$1.5 million higher positive reconciling adjustments, reconciling net loss to net cash provided by operations.

For the first half of 2006, the **Net Cash Provided by Operating Activities** increased US\$42.1 million when compared to the first half 2005, going from US\$3.9 million used in operating activities to US\$38.2 million provided by operating activities. This increase was primarily the result of the following causes: (i) net income increased US\$32.1 million in the first half of 2006 compared to the same period of 2005; (ii) inventories decreased US\$3.2 million as compared to a US\$4.2 million increase in the first semester 2005; and, (iii) US\$2.3 million higher positive reconciling adjustments, reconciling net income to net cash provided by operations.

**Free Cash Flow** (a non-GAAP financial measure defined as net cash from operating activities less capital expenditures defined in the in the accompanying financial statement as Additions to Property, Plant and Equipment) was US\$16.1 million for the second quarter 2006. In addition to the net cash provided by operating activities of US\$17.3 million, there were additions to property, plant and equipment by US\$1.1 million (corresponding mostly to the Flear Project) during the second quarter of 2006.

For the first half of 2006, the **Free Cash Flow** was US\$ 34.2 million. In addition to the net cash provided by operating activities of US\$ 38.2 million, there were additions to property, plant and equipment by US\$4.0 million (corresponding mostly to the Flear Project) during the first half of 2006.

### Financial Debt Summary

- As of May 26, 2006, Andres posted a Stand-By Letter of Credit with Citibank (NY) for the amount of US\$20.0 million to be used in connection with the purchase of Liquefied Natural Gas (LNG) from BP Gas Marketing Ltd (BP). The facility is up to US\$25.0 million with a total tenor of 180 days at 800 bps per annum. The LNG contract with BP contemplates that payment of cargoes could be made 15 days after the invoice receipt provided that a Stand-By Letter of Credit posted in its favor by Andres. This Stand-By Letter of Credit has been fully guaranteed by DPP.
- On May 18th, 2006, DPP issued a guaranty in favor of ABN AMRO BANK, N.V., as agent on behalf of a syndicate of lenders. Under such guaranty, DPP guarantees up to \$9.9 million (the "maximum guaranty amount") of the amounts owed by AES Grand Itabo to such lenders under a loan facility made available to AES Grand Itabo on May 18th, 2006. In consideration for the making of this guaranty AES Grand Itabo has agreed to pay DPP an annual guarantee fee of 1% of the maximum guaranty amount; such fee is to accrue but not be payable until the guaranteed loans are repaid in full.

Financial Debt	Jun-05	Jun-06
(expressed in millions of US\$)		
Local Currency	-	-
Foreing Currency	136	160
<b>Total Debt</b>	<b>136</b>	<b>160</b>
Financing Cost (*)	13.6%	11.9%
Average Life (years)	1	9

Debt Profile	Jun-05	Jun-06
Local Currency (RD\$)	0%	0%
Foreing Currency (US\$)	100%	100%
Fixed Rate	6%	100%
Variable Rate	94%	0%
Short Term	94%	0%
Long Term	6%	100%

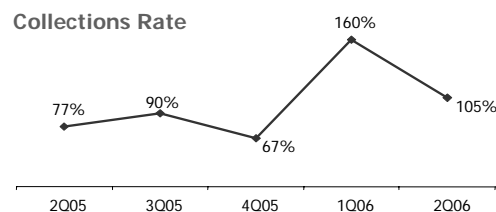
(\*) (1) After tax rates. (2) In 2006, The Notes effective rate includes the interest income accrued by the interest debt reserve.

Credit Ratings		
Fitch Ratings	Senior Notes 2015	B-
Standard & Poor's	Senior Notes 2015	B-

## Liquidity

### Collections

In the second quarter 2006, collections rate stood at 105%. This result reflects the positive effect that the Sector Agreement had over this indicator. In February 2006, the Ministry of Finance, the CNE, the CDEEE, all generators and all distributors renewed the "Acuerdo General del Sector Eléctrico Dominicano," or the Sector Agreement whereby distribution companies, with the economic assistance of the Dominican Government, have committed to pay the electricity bills owed to the generators, the generators committed to generate the required electricity, the Dominican Government committed to stay current with its bills, and the debts and credits owed among the different electricity sector companies were reconciled as of the end of 2005, and frozen for a year.



The collections rate of the first quarter of 2006, 160%, was the result of a second round of setoff transactions that involved DPP, Andres, EDE Este, EDE Norte, EDE Sur and CDEEE, that took place in February of 2006. Thus, all accounts payable to CDEEE were offset.

For the first half of 2006, the collections rate was 134% compared with 170% registered in the same period of 2005.

## Regulation and Sector Developments

During the second quarter of 2006, the Dominican Transmission Company began the construction of several transmission projects to improve the service quality. One of these projects is the "Autopista Eléctrica" which consists of a 345 kV line that interconnects the South Area of the country with the North Area, specifically the City of Santiago.

## Operational Results

The following tables presents selected operating information for each of the periods indicated:

As of Jun 30, 2006	Andres	DPP	Aggregate
Installed capacity (MW)	319	236	555
Power Generation Units	1	2	3
Effective capacity (MW)	304	236	540
Contracted capacity (MW) <sup>(1)</sup>	61	210	271

<sup>(1)</sup> Capacity contracted through long-term PPAs.

2Q05	1Q06	2Q06	2006 Vs 2Q05	Operating Data	1H05	1H06	Var.	
427	207	480	12.5%	Gross generation	GWh	578	687	19.0%
(16)	(9)	(16)	0.0%	Internal consumption	GWh	(23)	(25)	8.8%
<b>411</b>	<b>198</b>	<b>465</b>	<b>13.0%</b>	<b>Net Generation</b>	<b>GWh</b>	<b>555</b>	<b>663</b>	<b>19.4%</b>
423	400	480	13.4%	Total Energy Sold	GWh	780	880	12.8%
65	71	73	12.3%	Andres' Firm Capacity	MW	63	72	14.4%
7,753	7,756	7,722	-0.4%	Andres Heat Rate	Btu/KWh	7,945	7,756	-2.4%
99	99	98	-1.0%	Andres Plant Availability	%	100	99	-1.0%
1	2	1	0.0%	Andres EFOR	%	0	2	n/a
46	48	44	-4.3%	DPP's Firm Capacity	MW	44	46	4.4%
49	56	98	100.0%	DPP Plant Availability	%	50	77	55.6%
32	0	6	-81.3%	DPP EFOR	%	1	0	-100.0%

In general terms, it can be observed that generation of electricity increases notably in the second quarter of each year --in comparison with produced energy during the first quarter (e.g. 135% in 2006 and 185% in 2005). By and large, gas prices step up in December due to the demand's growth during winter in the U.S. Consequently, Andres and DPP had to turn to the spot market in order to satisfy their purchase agreements during the first quarter of 2005 and 2006.

During the second quarter of 2006, Andres' Firm Capacity increased 12.4% to 73MW. This increase is caused by a higher availability due to the improvement in competitiveness of the prices of Henry Hub Natural Gas, compared with the same period of the previous year.

DPP Plant Availability improved to 98%, compared to 49% in second quarter of 2005. This variation results from the fact that Los Minas Unit VI was put out of service in December 2004 due to problems with the turbine rotor. In March 2006, the unit was repaired and brought on line for testing. However, DPP's Firm Capacity maintained its level because DPP operates only a few hours due to its position in the merit list. For that reason, its rate of availability does not improve in the same proportion as other plants (e.g. Andres).

In May 2006, the Andres unit had a record net generation of 175.2 GWh, the highest registered so far. This was possible mainly due to the low purchase price of LNG in comparison with other fuels, which puts Andres in 4th place in the merit list of the system after hydro and coal generation.

### Operational Developments

- In June 2006, the cargo vessel 'British Merchant' docked at AES Andres pier carrying 135,000 m<sup>3</sup> of natural gas, which would be used to generate continuously for approximately two months (about 20% of the system average demand). This is the second gas shipment received in 2006.
- During the second quarter 2006, Andres entered into two PPAs with unregulated users: Hotel Barceló Capella for 3 years, and Termo Envases for 1 year.
- The following table shows Andres current PPAs with unregulated users:

Company	Capacity Max. (MW)	Closing Date	Term (years)
Z.F. La Romana I	1.0	May-05	3
Multicentro CG	1.8	Sep-05	2
AERODOM	3.0	Jan -06	3
Cervecería Bohemia	2.1	Feb-06	2
Hotel Barceló Capella	1.3	May-06	3
Termo Envases	1.7	Jun-06	1
<b>Total</b>	<b>10.9</b>		

### Amendment to the LNG Sales Contract with BP Gas Marketing, Ltd.

- On May 8th, 2006, the second "letter agreement " was signed between AES Andres, Atlantic Basin Services Ltd (ABS) and BP Gas Marketing Limited which modifies the LNG Sales Contract entered among them. By means of such letter agreement, the contracted purchase quantities for the years 2006 and 2007 were reduced from 33.6 TBtu to the following: (i) Contract year 2006:12TBtu; and, (ii) Contract year 2007: Not less than 6 TBtu and shall not exceed 33.6 TBtu, at AES sole request.
- Andres and ABS shall have the ability to request additional 3TBtu each year (contingent amount).
- An alternative payment mechanism was agreed to permit Andres and ABS to post a Stand By Letter of Credit in an amount not lower than US\$20 million, which would allow Andres and ABS to avoid the prepayment mechanism and pay each cargo 15 days after receipt of the corresponding invoice after the cargo arrival.

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### **Safety Indicators**

Andres and DPP has had in place a safety program monitored by a safety coordinator and a safety committee in order to maintain the required level of safety at their respective facilities. The safety program covers three major areas: (i) training in material safety data sheets, first aid and fire systems; (ii) scheduled inspections; and (iii) emergency plans.

In addition, in March 2006, Andres received the PBIP (Protection of Ports and Harbor Facilities) certification given by the Dominican Port Authority (APD) that it satisfactorily meets all the International Maritime Organization's regulations.

In the first half of 2006, Andres and DPP had no accidents that have required to shut down the units, or lost time accidents (LTA).

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### **Environmental Matters**

Andres has the only LNG shipment receiving terminal in the Dominican Republic, a regasification and storage facility, and a natural gas pipeline to Santo Domingo.

An environmentally-beneficial feature of natural gas is that it doesn't emit solid particles or ashes during combustion. Also, nitrogen oxide emissions are lower than the ones produced by others fossil fuels. Finally, sulfur dioxide emissions are practically nonexistent.

At present, Natural Gas is the best option among all fossil fuels and AES Dominicana demonstrates its commitment to protecting the environment by using it in its power generation plants.

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### **The First International Seminar "Perspectives of the Natural Gas Market in the Dominican Republic and the Region"**

In June 2006, AES Dominicana sponsored, together with other Governmental officials and private institutions, a two-day seminar on the theme "Perspectives of the Natural Gas Market in the Dominican Republic and the Region" at the Hotel Jaragua in Santo Domingo. This seminar was well attended and included speakers from: the Dominican Republic, Jamaican, Haitian and Chilean governments; gas distributors from Argentina and Chile, as well as the former Minister of Energy of Trinidad & Tobago and National Gas Company (NGC) of the same country.

The main objective of the seminar was to open a debate about regulatory aspects related to natural gas markets and discuss the short and middle term strategies to develop the Natural Gas Market in the Dominican Republic and the region. At present, this fuel is solely used for electricity generation in the country.

## 2Q 2006 Relevant Results

### AES Andres B. V. and Subsidiary and Dominican Power Partners and Subsidiary (Indirect Wholly Owned Subsidiaries of the AES Corporation)

#### UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS (Expressed in US\$)

2Q05	1Q06	2Q06		1H05	1H06
<b>REVENUES</b>					
46,970,929	61,019,157	51,352,935	Electricity sales – contracts	87,952,062	112,372,092
2,949,339	3,361,698	5,733,749	Electricity sales – spot market	4,864,908	9,095,447
-	17,842	-	Other sales	-	17,842
49,920,269	64,398,697	57,086,684	Total revenues	92,816,970	121,485,381
<b>OPERATING COSTS AND EXPENSES</b>					
30,745,481	46,649,245	34,537,409	Cost of sales – electricity purchases and fuel costs used for generation	57,601,073	81,186,654
4,856,186	5,687,247	5,288,877	Operating, maintenance and general expenses	8,597,671	10,976,124
3,213,473	3,549,652	4,200,389	Depreciation and amortization of intangible assets	6,312,055	7,750,041
38,815,140	55,886,145	44,026,674	Total operating costs and expenses	72,510,799	99,912,819
11,105,128	8,512,552	13,060,010	<b>OPERATING INCOME</b>	20,306,171	21,572,562
<b>OTHER INCOME (EXPENSES)</b>					
(6,345,970)	15,948,738	(4,731,426)	Interest income (expense) – net	(16,612,493)	11,217,312
(7,984,095)	(8,626,906)	(8,722,761)	Subordinated intercompany loan interest expense (*)	(15,880,451)	(17,349,667)
(450,136)	(131,567)	(302,235)	Deferred financing costs amortization	(900,271)	(433,802)
(94,498)	-	-	Other income (loss)	(47,122)	-
2,964,770	(1,558,206)	835,204	Foreign currency (loss) gain	(4,022,289)	(723,002)
(804,801)	14,144,611	138,792	<b>INCOME (LOSS) BEFORE TAXES</b>	(17,156,455)	14,283,403
(1,232,041)	(878,391)	(1,004,118)	Income tax expense	(2,536,229)	(1,882,509)
(2,036,842)	13,266,220	(865,326)	<b>NET INCOME (LOSS)</b>	(19,692,684)	12,400,894

(\*) Interest expenses are those generated by the subordinated intercompany loan under which AES made its capital injections to finance the development and construction of Andres.

The company's Financial Results were prepared in Dollars in conformity with generally accepted accounting principles in the United States, as of any date of determination, or "GAAP."

**AES Andres B. V. and Subsidiary and  
Dominican Power Partners and Subsidiary**  
(Indirect Wholly Owned Subsidiaries of the AES Corporation)

**UNAUDITED PRO FORMA COMBINED BALANCE SHEET**  
(Expressed in US\$)

	2005 December 31	2006 June 30
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	896,673	34,488,378
Restricted cash	-	39,395
Accounts receivable	54,277,453	89,143,054
Accounts receivable – related parties	-	1,033,991
Other receivable	1,207,148	972,314
Other receivable – related parties	1,115,428	1,234,325
Inventories	21,930,515	18,719,828
Income tax receivable	2,248,070	2,710,909
Prepaid expenses	1,251,415	1,312,063
Total current assets	<u>82,926,702</u>	<u>149,654,257</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Land	6,593,858	6,593,858
Plant and electricity generating equipment	549,868,638	553,803,946
Less accumulated depreciation	<u>(72,053,273)</u>	<u>(79,786,664)</u>
Property, plant and equipment	484,409,223	480,611,140
<b>OTHER ASSETS</b>		
Intangible assets – net	65,411	58,763
Deferred financing costs – net	5,468,752	5,485,635
Long term accounts receivable	55,138,291	-
Debt service reserves	8,800,000	8,985,590
Other assets	456,565	457,068
Total other assets	<u>69,929,019</u>	<u>14,987,056</u>
<b>TOTAL</b>	<u><u>637,264,944</u></u>	<u><u>645,252,453</u></u>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	60,957,450	30,851,880
Accounts payable and accrued liabilities – related parties	7,492,911	16,047,499
Total current liabilities	<u>68,450,361</u>	<u>46,899,379</u>
<b>LONG TERM LIABILITIES</b>		
Deferred income tax	13,830,980	15,713,489
Intercompany loan	378,165,755	395,515,422
Notes payable	160,000,000	160,000,000
Other liabilities	2,776,821	618,519
Total long term liabilities	<u>554,773,556</u>	<u>571,847,430</u>
<b>SHAREHOLDER'S EQUITY</b>		
Common stock	15,019,462	15,019,462
Contributed capital	108,420,212	108,420,212
Additional paid-in capital	488,657	554,013
Accumulated losses	(44,012,060)	(31,611,166)
Dividends	(65,844,574)	(65,844,574)
Accumulated other comprehensive loss	(30,670)	(32,303)
Total shareholder's equity	<u>14,041,027</u>	<u>26,505,644</u>
<b>TOTAL</b>	<u><u>637,264,944</u></u>	<u><u>645,252,453</u></u>

*The company's Financial Results were prepared in Dollars in conformity with generally accepted accounting principles in the United States, as of any date of determination, or "GAAP."*

## 2Q 2006 Relevant Results

### AES Andres B. V. and Subsidiary and Dominican Power Partners and Subsidiary (Indirect Wholly-Owned Subsidiaries of the AES Corporation)

#### UNAUDITED PRO FORMA COMBINED STATEMENTS OF CASH FLOWS (Expressed in US\$)

2Q05	1Q06	2Q06		1H05	1H06
			<b>OPERATING ACTIVITIES:</b>		
(2,036,842)	13,266,220	(865,326)	Net income (loss)	(19,692,684)	12,400,894
			Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
3,213,473	3,549,652	4,200,389	Depreciation and amortization	6,312,055	7,750,041
450,136	131,567	302,235	Deferred financing costs amortization	900,271	433,802
-	-	-	Loss on asset disposal	-	-
-	-	-	Impairment loss	-	-
1,788	(1,997)	364	Currency translation adjustment	(1,944)	(1,633)
7,984,095	8,626,906	8,722,761	Subordinated intercompany note interest expense	15,880,451	17,349,667
163,957	61,246	88,685	Long term incentive compensation	257,104	149,931
			Changes in assets and liabilities:		
(10,211,473)	(40,737,010)	5,871,409	Accounts receivable	7,926,113	(34,865,601)
-	-	(1,033,991)	Accounts receivable – related parties	-	(1,033,991)
2,457,769	341,763	(106,927)	Other receivable	(7,094,822)	234,836
4,875,339	(12,215)	(106,682)	Other receivable – related parties	(118,897)	(118,897)
(41,156)	(4,275,739)	7,486,426	Inventory	(4,243,093)	3,210,687
(924,700)	(492,443)	29,604	Income tax receivable	(462,839)	(462,839)
(589,177)	948,254	(1,008,902)	Prepaid expenses	(525,404)	(60,648)
-	55,138,291	-	Long – term accounts receivable	53,367,441	55,138,291
(2,174,251)	(17,763,406)	(12,399,585)	Accounts payable and accrued liabilities	(59,289,759)	(30,162,991)
(5,748,180)	1,576,095	6,978,493	Accounts payable and accrued liabilities – related parties	(346,598)	8,554,588
714,907	1,782,212	100,297	Deferred tax liability	3,031,842	1,882,509
-	1,786,664	-	Long – term accounts payable	-	1,786,664
185,361	(2,977,495)	(994,626)	Other liabilities	176,409	(3,972,121)
<u>(1,678,955)</u>	<u>20,948,565</u>	<u>17,264,624</u>	Net cash provided by (used in) operating activities	<u>(3,924,354)</u>	<u>38,213,189</u>
			<b>INVESTING ACTIVITIES:</b>		
85,541	(2,797,148)	(1,173,627)	Additions to property, plant and equipment	(236,874)	(3,970,775)
(9,744)	(7,363)	(529)	Changes on intangible assets	(3,216)	(7,892)
-	23,855	9,501	Proceeds from sales of property, plant and equipment	-	33,356
2,770	(300,140)	260,745	Increase in restricted cash	-	(39,395)
-	-	(185,590)	(Increase) decrease in debt service reserves	-	(185,590)
(21,484)	(546)	43	(Increase) decrease in other deposits	(459)	(503)
<u>57,083</u>	<u>(3,081,342)</u>	<u>(1,089,457)</u>	Net cash used in investing activities	<u>(240,549)</u>	<u>(4,170,799)</u>
			<b>FINANCING ACTIVITIES:</b>		
-	(26,014)	(424,671)	Financing costs payments	-	(450,685)
<u>-</u>	<u>(26,014)</u>	<u>(424,671)</u>	Net cash (used in) financing activities	<u>-</u>	<u>(450,685)</u>
(1,621,872)	17,841,209	15,750,496	<b>NET INCREASE (DECREASE ) IN CASH</b>	(4,164,903)	33,591,705
4,210,132	896,673	18,737,882	<b>CASH AT THE BEGINNING OF THE PERIOD</b>	6,753,163	896,673
<u>2,588,259</u>	<u>18,737,882</u>	<u>34,488,378</u>	<b>CASH AT THE END OF THE PERIOD</b>	<u>2,588,259</u>	<u>34,488,378</u>

The company's Financial Results were prepared in Dollars in conformity with generally accepted accounting principles in the United States, as of any date of determination, or "GAAP."

The pro forma combined balance sheet and statement of operations presented in this report have not been audited and were derived from the unaudited consolidated financial statements of Andres and the unaudited consolidated financial statements of DPP. The information provided by the consolidated financial statements of Andres and the consolidated financial statements of DPP has been prepared in accordance with USGAAP.

The unaudited pro forma combined financial information described above is being provided for illustrative purposes only. Andres and DPP may have performed differently if they had actually been combined during the periods presented. This unaudited pro forma combined financial information should be read in conjunction with the unaudited consolidated financial statements as of and for the periods ended on June 30, 2006 and June 30, 2005, and notes thereto, of each of Andres and DPP. You should not rely on the pro forma combined financial information as being indicative of the historical results that would have been achieved by Andres and DPP if they had always been combined.

AES Dominicana references to AES Andres B.V. ("Andres") and Dominican Power Partners ("DPP"), both are affiliate of The AES Corporation (AES). Andres and DPP own and operate power generation units that in the aggregate have 540 MW of effective capacity and 555 MW of installed capacity which represents approximately 18.4% of the current total effective capacity and 17.7% of the current total installed capacity, respectively, in the Dominican Republic. Andres also has the only liquefied natural gas, or LNG, shipment receiving terminal in the Dominican Republic, a regasification facility and a storage facility, or LNG facility, and a natural gas pipeline to Santo Domingo.

AES is one of the world's largest global power companies, with 2005 revenues of US\$11.1 billion. With operations in 26 countries on five continents, AES's generation and distribution facilities have the capacity to serve 100 million people worldwide. Our 14 regulated utilities amass annual sales of over 82,000 MWh and our 127 generation facilities have the capacity to generate over 44,000 megawatts. Our global workforce of 30,000 people is committed to operational excellence and meeting the world's growing power needs. To learn more about AES, please visit [www.aes.com](http://www.aes.com) or contact AES media relations at [media@aes.com](mailto:media@aes.com).

Please address any questions or comments related to this report to Investor Relations, email address: [inversoraesdom@aes.com](mailto:inversoraesdom@aes.com)

This report may contain forward-looking statements speculative in nature based on the information, operational plans and forecasts currently available about future trends and facts. As such, they are subject to risks and uncertainties. A wide variety of factors may cause future real facts to differ significantly from the issues presented or anticipated in this report, including, among others, changes in general economic, political, government and business conditions. In the event of materializing any of these risks or uncertainties, or if underlying assumptions prove to be mistaken, future real facts may vary significantly. AES Dominicana is not bound to update or correct the information contained in this report.

## Glossary of key terms

- Btu:** British thermal units of measurement. It is a unit of heat in the English European System. Its equivalence in the International System (IS) is the Calorie. The prices of Natural Gas are usually expressed in US\$/MMBtu. 1 Btu is equivalent to 252 calories.
- CD:** Certificates of deposit.
- CDEEE:** Corporación Dominicana de Empresas Eléctricas Estatales.
- Coordinating Body:** "OC" or *Organismo Coordinador*. Whose function is to plan and coordinate the operations of the power providers with those of the transmission, distribution and commercialization system that form the SENI.
- DPP:** Dominican Power Partners.
- EAF:** Equivalent Availability Factor
- Effective Capacity:** The currently available capacity, as of any date of determination, for generation of a unit or the amount of MW that a power generation unit can reliably generate.
- EFOR:** Equivalent Forced Outage Rate
- Firm Capacity:** The amount of capacity assigned by the Coordinating Body to each power generation unit for being available to cover the demand in peak hours.

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Glossary of key terms ...2

- FX:** Foreign exchange, a banking term for changing money from one currency into another.
- Henry Hub:** The specific pricing point for natural gas future contracts on the New York Mercantile Exchange, or NYMEX.
- Installed capacity:** The amount of MW a turbine is designed to produce upon installment (name-plate capacity).
- Liquid Natural Gas (LNG):** Natural Gas processed to be transported in liquid form. It is the best alternative for transporting and storage because when transformed into liquid at atmospheric pressure and -163° C, the liquefaction process reduces the volume of gas by 600 times
- PPA:** Power Purchase Agreement.
- SENI:** *Sistema Eléctrico Nacional Interconectado* or the National Interconnected Electrical System.
- Unregulated Users (UNR):** The user of the electrical service which monthly demand exceeds the limits established by Superintendency in order to be classified as an unregulated user under the General Electricity Law.