



Fourth Quarter 2006

Relevant Results

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Itabo reports Operating Income of US\$ 0.4 million for the fourth quarter of 2006

Santo Domingo, Dominican Republic, March 06, 2007 – Itabo today reported results for the fourth quarter 2006 and the accrued results as of December 31st, 2006. All operating and financial information, except where otherwise specified, is based in dollars and conforms with generally accepted accounting principles applicable in the United States.

Operating income for the fourth quarter of 2006 increased to US\$0.4 million compared to an Operating Loss of US\$33.6 million recorded in the same period of 2005. Net Income was US\$10.9 million in the fourth quarter of 2006, compared to a Net Loss of US\$30.4 million in the same period of the previous year, and Net Income for the year ended December 31st, 2006 increased to US\$51.1 million from a Net Loss of US\$12.2 million in the previous year.

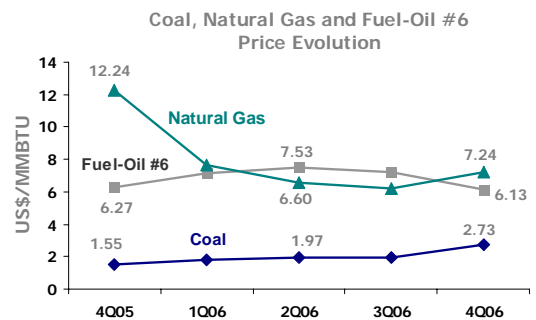
1Q06	2Q06	3Q06	4Q06	4Q05	(Millions of US\$)	12M06	12M05
40.8	49.8	48.1	46.6	42.0	Revenues	185.2	179.5
31.1	42.7	39.6	46.2	75.6	Operating costs and expenses	159.6	197.6
9.7	7.3	8.5	0.4	(33.6)	Operating income (Loss)	25.6	(18.1)
23.7%	14.7%	17.7%	0.9%	-80.0%	Operating income (Loss) margin	13.8%	-10.1%
9.2	8.6	22.4	10.9	(30.4)	Net Income (Loss)	51.1	(12.2)
					Net Cash Provided by (used in)		
7.0	10.3	18.2	12.6	3.2	Operating Activities	48.0	12.7

Highlights

- In October 2006, Itabo Finance S.A. issued seven-year notes for US\$125.0 million in the international markets pursuant to Rule 144A and Regulation S of the SEC.
- In October 2006, a remaining portion of the dividend declared in July 2006 was paid in the amount of RD\$1,227.9 (approximately US\$36.9 million).
- In November 2006, Itabo entered into another offsetting transaction with EDE Norte, EDE Sur and CDEEE. By means of this arrangement Itabo offset part of its accounts receivable from EDE Norte and EDE Sur for approximately US\$10.4 million.
- During 2006, Itabo made dividend payments in advance to its shareholders by approximately US\$87.5 million.

External Factors¹

- GDP grew 10.7% in 2006.
- Inflation for the quarter stood at 1.5%; accumulated inflation stood at 5.0% at the end of 2006.
- Exchange Rate as of December 31, 2006 closed at RD\$33.50 per US dollar for purchase and RD\$33.78 per US dollar for the sale.
- Total electricity demand for the year 2006 reached 10,349 GWh, a 9.2% increase over the year 2005.
- Average coal prices were US\$2.73 per MMBtu for the quarter.



¹Source: Dominican Central Bank and FOB, 6300 kcal/kg Puerto Bolivar, Platts International Coal Report.

Analysis of Financial Results
(In USGAAP)

Revenues increased 11.0% to US\$46.6 million in the fourth quarter of 2006 as compared to the same period of 2005. The principal reason for the increase was higher demand from the distribution companies (14 GWh) in the fourth quarter of 2006 as compared to the same period of 2005. Electricity sales consist of contract electricity sales through PPAs with EDE-Este, EDE-Norte and EDE-Sur. Electricity sales also includes spot market sales of energy for an aggregate amount of US\$0.4 million.

For the year ended December 31st, 2006, **Revenues** totaled US\$185.2 million, an increase of 3.2% compared to the same period of 2005. This increase was mainly caused by the net effect of: (i) an increase in contracted energy sales due to the increase in the demand from the distribution companies (81 GWh), partially offset by (ii) a lower contract electricity price resulting from the decrease in the average coal price used to index the price of energy under the PPAs.

Revenues consist of the following:

4Q06	4Q05	Var%	(Millions of US\$)	12M06	12M05	Var%
46.2	41.8	10.5	Electricity sales	184.2	178.8	3.0
0.4	0.2	100.0	Other revenues	1.0	0.7	42.9
46.6	42.0	11.0	Total Revenues	185.2	179.5	3.2

Operating Costs and Expenses decreased 38.9% to US\$46.2 million, in the fourth quarter 2006, compared to the same period of 2005. This variation was principally a net result of: (i) maintenance expenses decreased by US\$1.8 million mainly as result of repairs performed to Units I and II in the fourth quarter of 2005; (ii) during the fourth quarter of the 2005 an impairment expense was booked for US\$33.6 million regarding the five Turbo Gas Units classified as assets held for sale; and (iii) higher coal consumption by US\$6.3 million due to a higher generation in the last quarter of the 2006 (37.7%).

During the year ended December 31st, 2006, **Operating Costs and Expenses** decreased 19.2% to US\$159.6 million compared to the year ended December 31st, 2005. This variation was mainly caused by the net effect of: (i) lower energy purchases by US\$11.8 million driven by an increase in Itabo's generation (53.7%); (ii) maintenance expenses decreased by US\$7.6 million mainly as a result of repairs performed during the first ten months of 2005; (iii) lower depreciation expense by US\$3.7 million since as of December, 2005 Itabo classified five Turbo Gas Units as assets held for sale; (iv) higher coal consumption by US\$19.6 million (65.5%); (v) impairment expenses of the five turbo Gas Units classified as assets held for sale (US\$33.6 Million) recorded in December 2005; and (vi) a reduction of the selling, general and administrative expenses for US\$0.9.

Operating costs and expenses consist of the following:

4Q06	4Q05	Var%	(Millions of US\$)	12M06	12M05	Var%
34.6	27.8	24.5	Cost of electricity sales	118.4	110.6	7.1
4.1	5.9	(30.5)	Operating and maintenance expenses	14.3	21.9	(34.7)
3.7	4.0	(7.5)	Selling, general and administrative expenses	13.1	14.0	(6.4)
0.0	33.6	(100.0)	Impairment loss	0.0	33.6	(100.0)
3.7	4.2	(11.9)	Depreciation	13.3	17.0	(21.8)
0.1	0.1	0.0	Amortization of contracts	0.5	0.5	0.0
46.2	75.6	(38.9)	Total Operating Cost and Expenses	159.6	197.6	(19.2)

Total Other Expenses was US\$2.3 million in the fourth quarter of 2006 compared to a total other income of US\$3.7 million in 2005. This variation was mainly caused by the net effect of the following causes: (i) US\$3.2 million of higher interest expenses as a result of the Senior Notes issued in October 2006; (ii) a decrease of the foreign exchange gain of US\$2.4 million; (iii) US\$ 0.8 million from bad debt provision; and, (iv) US\$1.0 million increase of interest income from investments in time deposits.

For the year ended as of December 31st, 2006, **Total Other Income** increased 33.8% to US\$10.7 million. This net increase was mainly a result of: (i) a US\$7.2 million insurance claim recovery in the third quarter of 2006; (ii) a decrease of the foreign exchange gain of US\$1.1 million in the year ended in December 31st, 2006 as compared to the same period of 2005; (iii) an increase of the interest expenses by US\$1.5 million, basically due the interest expenses of the Senior Notes; (iv) decrease of the interest income by US\$0.8 million; and (v) US\$0.8 million from bad debt provision.

Other Income (Expenses) consists of the following:

4Q06	4Q05	Var%	(Millions of US\$)	12M06	12M05	Var%
2.9	2.1	38.1	Interest income	8.7	9.5	(8.4)
(4.6)	(1.1)	318.2	Interest expense	(5.5)	(4.0)	37.5
(0.8)	0.1	n/a	Other income (expense) - net	6.1	0.0	100.0
0.2	2.6	(92.3)	Foreign currency (loss) gain	1.4	2.5	(44.0)
(2.3)	3.7	n/a	Total Other Income (Expenses)	10.7	8.0	33.8

Net Income increased to US\$10.9 million in the fourth quarter 2006, as compared to the Net loss recorded in the same period of 2005 of US\$30.4 million. This variance was mainly attributed to: (i) an increase of US\$33.9 million in the operating income as a result of higher generation and impairment loss of US\$33.6 million booked in 2005; and (ii) a decrease in Other Income to a Net Loss in the fourth quarter of 2006 of US\$6.0 million driven by a bad debt provision and a decrease in foreign exchange gain.

For the year ended December 31st, 2006, **Net Income** increased to US\$51.1 million, as compared to the Net loss recorded in the same period of 2005 of US\$12.2 million. This variance was mainly attributed to: (i) an increase of US\$43.8 million in the operating income as a result of higher generation, impairment loss booked in 2005 and lower maintenance expenses during the year ended December 31st, 2006; and (ii) an increase in other income by US\$2.7 million driven by an insurance claim recovery during the third quarter.

Net Cash Provided by Operating Activities increased 293.8% to US\$12.6 million for the fourth quarter 2006, compared to the same period of 2005. This variation was mainly a net result of the following causes: (i) net income increased US\$41.3 million; (ii) in the 2005 was booked US\$33.6 million from impairment loss; and, (iii) US\$1.7 million of higher positive reconciling adjustments, reconciling net income to net cash provided by operations.

For year ended December 31st, 2006, the **Net Cash Provided by Operating Activities** increased US\$35.3 million when compared to the same period of 2005, going from US\$12.7 million to US\$48.0 million. This variation was primarily the result of: (i) an increase in net income by US\$63.3 million; (ii) US\$33.6 million from impairment loss booked in the 2005; and (iii) US\$5.6 million of 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\$10.4 million for the fourth quarter 2006. In addition to the net cash provided by operating activities of US\$12.6 million, there were additions to property, plant and equipment of US\$2.2 million (corresponding mostly to the Unloading Dock Project) during fourth quarter 2006.

For the year ended December 31st, 2006, the **Free Cash Flow** was US\$36.1 million. In addition to the net cash provided by operating activities of US\$48.0 million, there were additions to property, plant and equipment by US\$11.9 million, corresponding mostly to the Unloading Dock Project.

Financial Debt Summary

- In October 2006, Finance issued \$125.0 million in Senior Notes (the "Notes") in the international markets pursuant to Rule 144A and Regulation S of the SEC, underwritten by ABN AMRO, with a final single installment payment in October 2013 at 10.875% interest per annum. Interest is payable semiannually commencing on April 5, 2007. These Notes were rated "B" by Standard & Poor's Ratings Services and "B-" by Fitch, Inc. The net proceeds of the Notes were used to: (i) fund the interest debt reserve, (ii) pay dividends in an amount approximately to \$37.0 million, and (iii) pay financing fees and expenses.
- In October 2006, Itabo paid all local revolving Credit Lines for an aggregate amount of US\$17.0 million.

Financial Debt	Dec-06	Dec-05
(expressed in millions of US\$)		
Local Currency	11	9
Foreign Currency	135	6
Total Debt	146	15
Financing Cost (*)	12.2%	15.0%
Average Life (years)	6	1

Debt Profile	Dec-06	Dec-05
Local Currency (RD\$)	7%	58%
Foreign Currency (US\$)	93%	42%
Fixed Rate	93%	0%
Variable Rate	7%	100%
Short Term	7%	100%
Long Term	93%	0%

Rating Agency		Rating	Outlook
Fitch Ratings	Senior Notes 2013	B-	Positive
Standard & Poor's	Senior Notes 2013	B	Positive
Feller Rate	Local Bonds 2007	A	Stable

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

Dividends

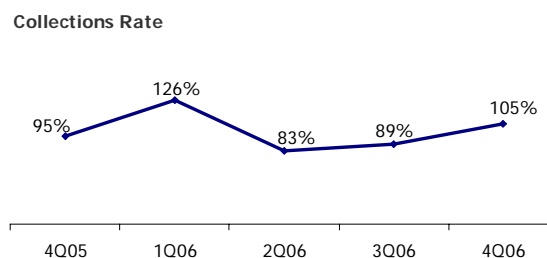
- On October 12, 2006, Itabo paid the remaining portion of the dividends declared in July 2006 for an amount of RD\$1,227.9 (approximately US\$36.9 million).
- In December 2006, Itabo paid dividends in advance to its shareholders by approximately US\$20.8 million approved by the Board of Directors on November 16, 2006.

Liquidity

Collections

In November 2006, Itabo entered into another offsetting transaction with EDE Norte, EDE Sur and CDEEE. By means of this arrangement Itabo offset part of its accounts receivable from EDE Norte and EDE Sur with accounts payable to CDEEE. Therefore the transaction reduced Itabo's

accounts receivable with EDE Norte and EDE Sur and its accounts payable to CDEEE by US\$10.4 million.



In the fourth quarter 2006, the collections rate stood at 105% compared with 95% registered in the same period of 2005.

During 2006, Itabo entered into two offsetting transactions in February and November. In addition, in February 2006, CDEEE and Itabo agreed that amounts invoiced by CDEEE to Itabo between May 2006 and June 2007, up to an aggregate amount of US\$11 million, will be satisfied by Itabo as follows: (i) for the period from May 2006 to December 2006, US\$0.63 million each month; and (ii) from January 2007 to June 2007, US\$1 million per month. Itabo is required to pay amounts invoiced by CDEEE in excess of the foregoing amounts in accordance with the provisions of the General Electricity Law. As part of that same agreement, CDEEE accepted an assignment by Itabo of accounts receivable from EDE-Este and EDE-Norte having an aggregate face amount of approximately US\$11 million on account of future amounts payable by Itabo to CDEEE. CDEEE and Itabo further agreed that CDEEE will apply the accounts receivable assigned by Itabo in an amount of up to US\$11 million to amounts invoiced by CDEEE to Itabo on account of capacity, interconnection fees under the General Electricity Law and other transactions up to an amount of US\$1 million per month, to the extent such invoices become due and payable between May 2006 and June 2007.

The average of collections rate for the year 2006 was 101% compared with 96% registered in 2005.

Regulation and Sector Developments

- In October 2006, a meeting was scheduled by the DR Government to discuss and reach agreement with respect to the renegotiation of the contracts under the so called Madrid Agreement with the respective private generators.
- In December 2006, the Executive branch sent to congress a bill modifying the General Electricity Law where the theft of electricity is criminalized, it also simplifies the process that the Distribution companies have to follow in order to detect and document a fraud in the electric networks. The legislative piece is expected to be approved in the first quarter of 2007.
- In January 2007, Itabo received a letter from the Electricity Sector Contracts Renegotiation Committee communicating the government proposal. Itabo is preparing a formal answer to that proposal.

Operational Results

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

As of Dec 31, 2006	
Installed capacity (MW)	472
Power Generation Units	7
Effective capacity (MW)	433
Contracted capacity (MW) ⁽¹⁾	302

⁽¹⁾ Capacity contracted through long-term PPAs.

1Q06	2Q06	3Q06	4Q06	4Q05	4Q06 Vs 4Q05			Year 2006	Year 2005	Var.
414	457	407	406	305	33.1%	Gross generation	GWh	1,684	1,116	50.9%
(36)	(39)	(36)	(35)	(30)	16.7%	Internal consumption	GWh	(146)	(106)	37.7%
378	418	371	371	275	34.9%	Net Generation	GWh	1,538	1,010	52.3%
398	463	466	499	457	9.2%	Total Energy Sold	GWh	1,826	1,726	5.8%
200	207	207	198	179	10.6%	Firm Capacity	MW	203	177	14.7%
10,792	11,072	11,587	11,619	12,398	-6.3%	Heat Rate	Btu/KWh	11,268	11,425	-1.4%
75	81	70	72	52	38.5%	Plant Availability	%	75	49	53.1%
23	12	24	18	28	-35.7%	EFOR	%	19	39	-51.3%

Net Generation for the fourth quarter of 2006 was 371 GWh, an increase of 34.9% with respect to the same period of the previous year. This improvement was mainly due to an increase by 38.5% of the plant availability during the quarter as compared to the fourth quarter 2005.

Plant availability increased 53.1% in 2006. This level of performance was the result of the rehabilitation and reliability programs of Itabo I and Itabo II. These programs established operational procedures and processes for the overhauled and converted facilities, and provided for an assessment of the units and the implementation of corrective and preventive maintenance regimes.

The higher Plant availability of Itabo I and Itabo II during the year 2006, caused: (a) an improvement of 52.3% in Net Generation, (b) an improvement of 14.7% in Firm Capacity, and (c) a reduction of 51.3% in the equivalent forced outage rate. In this year, Itabo has reached a **historical generation record of 1,538 GWh**, which has been the highest net generation since the both units operate together (1988).

Operational Developments

During fourth quarter 2006 four shipments were received at Itabo International Unloading Dock totaling 145 thousand metric tons of solid fuel.

Safety Indicators

During the fourth quarter of 2006, Itabo continued training its employees in: Incident Notification and Near Misses and Accident classifications, Safe Work, Safe Handling of Gas Compressed Cylinder and Fall Protection.

The Safety Walking Inspection has been implemented across the company as part of the accident prevention strategy designed to detect unsafe/substandard conditions or acts which could lead to an accident in the various operational and administrative areas.

During the fourth quarter of 2006, Itabo had no accidents that required shutting down units, or lost time accidents (LTAs). The total accidents in 2006 were two.

Environmental Matters

In November 2006, several environmental projects were implemented: Green Areas, planting trees for live barriers as dust mitigation; Construction of recovery ponds for blow downs for its reuse; and some drainages modification to deviate them to the oily water separator.

Four shipments of coal were received at the Itabo International Port without any major problem related to safety on the environment.

Empresa Generadora de Electricidad Itabo, S.A.

STATEMENTS OF OPERATIONS
(Expressed in thousands of US\$)

1Q06	2Q06	3Q06	4Q06	4Q05		12M06	12M05
					REVENUES		
40,610	49,467	47,964	46,147	41,814	Electricity sales	184,188	178,775
205	298	126	430	168	Other revenues	1,059	697
<u>40,815</u>	<u>49,765</u>	<u>48,090</u>	<u>46,577</u>	<u>41,982</u>	Total revenues	<u>185,247</u>	<u>179,472</u>
					OPERATING COSTS AND EXPENSES		
20,588	32,824	30,317	34,636	27,772	Cost of electricity sales	118,365	110,626
2,876	3,995	3,341	4,077	5,947	Operating, maintenance expenses	14,289	21,869
4,359	2,437	2,650	3,668	3,985	Selling, general and administrative expenses	13,114	14,032
-	-	-	-	33,550	Impairment Loss	-	33,550
3,195	3,200	3,239	3,710	4,189	Depreciation	13,344	17,018
118	117	118	118	118	Amortization of contracts	471	471
<u>31,136</u>	<u>42,573</u>	<u>39,665</u>	<u>46,209</u>	<u>75,561</u>	Total operating costs and expenses	<u>159,583</u>	<u>197,566</u>
9,679	7,192	8,425	368	(33,579)	OPERATING INCOME	25,664	(18,094)
					OTHER INCOME (EXPENSES)		
1,771	1,944	2,072	2,868	2,062	Interest income	8,655	9,487
(312)	(191)	(379)	(4,582)	(1,081)	Interest expense	(5,464)	(3,975)
503	211	6,256	(832)	78	Other income (expense) - net	6,138	35
<u>(656)</u>	<u>(139)</u>	<u>2,021</u>	<u>160</u>	<u>2,627</u>	Exchange gain (loss)	1,386	2,519
10,985	9,017	18,395	(2,018)	(29,892)	INCOME (LOSS) BEFORE TAXES	36,379	(10,027)
(1,742)	(452)	3,957	12,956	(495)	Income tax benefit (expense)	14,719	(2,197)
<u>9,243</u>	<u>8,565</u>	<u>22,352</u>	<u>10,938</u>	<u>(30,387)</u>	NET INCOME (LOSS)	<u>51,098</u>	<u>(12,224)</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."

EMPRESA GENERADORA DE ELECTRICIDAD ITABO, S. A.

**CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2006 AND 2005
(IN THOUSANDS OF US\$)**

	Dec-06	Dec-05
Assets		
Current assets		
Cash and cash equivalents	82,273	9,371
Restricted cash and cash equivalents	299	286
Accounts receivable - trade	5,065	167
Accounts receivable - related parties	97,611	46,166
Other receivable	6,549	609
Fuel inventory	5,199	6,926
Materials and supplies inventory - current	6,157	6,550
Assets held for sale	18,071	18,800
Prepaid taxes	22,000	2,181
Prepaid expenses and other assets	553	527
Total current assets	<u>243,777</u>	<u>91,583</u>
Property, plant and equipment		
Property, plant and equipment	300,397	268,874
Accumulated depreciation and amortization	(59,737)	(64,527)
Construction in progress	441	38,132
Land	6,439	6,439
Net property, plant and equipment (Note 3)	<u>247,540</u>	<u>248,918</u>
Long term assets		
Long term accounts receivable, related parties (Note 4)	-	60,918
Debt service reserves	6,797	
Materials and supplies inventory - long term	5,152	3,394
Deferred asset- Long Term	3,665	-
Intangible - contracts (Note 5)	4,511	4,981
Other assets	65	40
Total long term assets	<u>20,190</u>	<u>69,333</u>
Total assets	<u>511,507</u>	<u>409,834</u>
Liabilities and stockholders' equity		
Current liabilities		
Notes payable - short term	13,800	9,011
Accounts payable	29,053	17,075
Accounts payable - related parties	885	15,400
Accrued liabilities	8,177	1,795
Deferred revenues - current	636	636
Deferred income tax liability	3,024	-
Total current liabilities	<u>55,575</u>	<u>43,917</u>
Notes payable - long term	131,667	5,729
Deferred revenue - long term	318	954
Deferred income tax liability	10,251	9,119
Other long-term liabilities	50	76
Total long term liabilities	<u>142,286</u>	<u>15,878</u>
Stockholders' equity		
Common stock (56,355,356 shares authorized and outstandi	355,556	355,556
Additional paid-in-capital	76	53
Retained earnings (accumulated losses)	(41,986)	(5,570)
Total stockholders' equity	<u>313,646</u>	<u>350,039</u>
Total liabilities and stockholders' equity	<u>511,507</u>	<u>409,834</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."

Empresa Generadora de Electricidad Itabo, S.A.

STATEMENTS OF CASH FLOWS
(Expressed in thousands of US\$)

1Q06	2Q06	3Q06	4Q06	4Q05		12M06	12M05
					OPERATING ACTIVITIES:		
9,243	8,565	22,352	10,938	(30,387)	Net income (loss)	51,098	(12,225)
					Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
					Depreciation	13,344	17,018
3,195	3,200	3,239	3,710	4,189	Amortization of contracts	471	471
118	117	118	118	118	Income tax income (expense)	(14,719)	2,197
				33,550	Income tax expense - deferred		
(1,000)	3,099	(3,957)	(12,956)	495	Long term compensation	52	58
2,742	(2,647)	-	-	-	Exchange (gain) loss	(1,386)	(2,519)
6	16	16	14	16	Gain on asset disposal		
656	139	(2,021)	(160)	(2,627)	Other non-cash items	(636)	(636)
(505)	(207)	-	-	-	Changes in assets and liabilities:		
(159)	(159)	553	(159)	(159)	Accounts receivable (including related parties)	6,065	1,448
					Other receivable	(5,940)	(202)
8,808	2,355	(6,974)	1,876	(9,358)	Fuel inventory	1,727	2,139
(327)	(9,370)	2,114	1,643	1,368	Materials and supplies	(1,401)	(2,225)
24	1,968	(2,608)	2,343	(1,266)	Prepaid taxes	(5,100)	(2,525)
(821)	(266)	354	(668)	(1,819)	Prepaid expense and other assets	(26)	(128)
(1,978)	1,094	(2,879)	(1,337)	972	Deferred tax asset	(3,665)	-
489	(1,863)	626	722	746	Accounts payable	(1,959)	(25,524)
		(488)	(3,177)	-	Accrued liabilities and other	6,296	1,811
(11,769)	2,449	5,153	2,208	5,579	Deferred tax liability	3,799	-
(1,690)	1,773	252	5,961	1,771	Sub-total for changes in assets and liabilities	(204)	(25,206)
		2,319	1,480	-			
<u>(7,264)</u>	<u>(1,860)</u>	<u>(2,131)</u>	<u>11,051</u>	<u>(2,007)</u>	Net cash provided by (used in) operating activities	<u>48,020</u>	<u>12,708</u>
<u>7,032</u>	<u>10,263</u>	<u>18,169</u>	<u>12,556</u>	<u>3,188</u>			
					CASH FLOWS FROM INVESTING ACTIVITIES:		
(1,867)	(2,186)	(5,728)	(2,148)	(1,981)	Additions to property, plant and equipment	(11,929)	(6,103)
505	207	17	4	(287)	Proceeds from sales of property, plant and equipment	733	(124)
			(6,797)	-	Change in restricted cash and cash equivalents	(6,797)	-
(20)	-	8	(1)	-	Net cash used in investing activities	(18,006)	(6,227)
<u>(1,382)</u>	<u>(1,979)</u>	<u>(5,703)</u>	<u>(8,942)</u>	<u>(2,268)</u>			
					CASH FLOWS FROM FINANCING ACTIVITIES:		
(4,440)	(916)	27,909	107,944	7,315	Notes payable - net	130,497	6,152
-	-	(29,115)	(58,399)	(6,169)	Dividends payment	(87,514)	(6,169)
<u>(4,440)</u>	<u>(916)</u>	<u>(1,206)</u>	<u>49,545</u>	<u>1,146</u>	Net cash (used in) provided by financing activities	<u>42,983</u>	<u>(17)</u>
71	25	(135)	(56)	(376)	EFFECT OF EXCHANGE RATE CHANGES ON CASH	(95)	(399)
1,281	7,393	11,125	53,103	1,690	NET INCREASE (DECREASE) IN CASH	72,902	6,065
<u>9,371</u>	<u>-</u>	<u>18,045</u>	<u>29,170</u>	<u>7,681</u>	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>9,371</u>	<u>3,306</u>
<u>10,652</u>	<u>7,393</u>	<u>29,170</u>	<u>82,273</u>	<u>9,371</u>	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>82,273</u>	<u>9,371</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 results presented in this report have not been audited and were prepared in Dollars in conformity with generally accepted accounting principles in the United States, as of any date of determination, or "GAAP."

Itabo is controlled and managed by subsidiaries of AES. Itabo owns the lowest-cost thermal power generation units in the Dominican Republic and is the second largest thermal power generator in the country based on effective capacity and installed capacity. Itabo operates power generation units that in the aggregate have 433 MW of effective capacity and 472 MW of installed capacity, which represent approximately 15% of the current total effective capacity and 14% of the current total installed capacity in the Dominican Republic. Itabo also has the only loading dock with the capacity to service Panamax vessels and to unload to 60,000 tons of solid fuels in bulk.

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 123 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 or contact AES media relations at media@aes.com.

Please address any questions or comments related to this report to Investor Relations, email address: 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. Itabo 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.
- CDEEE:** Corporación Dominicana de Empresas Eléctricas Estatales.
- Coordinating Body:** "OC" or Organismo Coordinador. Whose function is to plan and coordinate the economic operations of the power providers with those of the transmission, distribution and commercialization system that form the SENI.
- 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.
- FX:** Foreign exchange, a banking term for changing money from one currency into another.
- Installed capacity:** The amount of MW a turbine is designed to produce upon installment (name-plate capacity).
- PPA:** Power Purchase Agreement.
- SENI:** Sistema Eléctrico Nacional Interconectado or the National Interconnected Electrical System.