

Third Quarter 2007

Relevant Results

Santo Domingo, Dominican Republic
November 15, 2007



Contact:
Yandery Teran
Investor Relations Director
(1) (809) 955-2223
inversoraesdom@aes.com

Itabo reports a Net Loss of US\$ 0.6 million in the third quarter 2007

Santo Domingo, Dominican Republic, November 15, 2007 – Itabo announced today results for the third quarter 2007. All operating and financial information, except where otherwise specified, is expressed in US dollars in conformity with generally accepted accounting principles applicable in the United States.

Operating Income for the third quarter 2007 decreased 97.6% compared to the same period of 2006 and accrued results as of September 2007 decreased 26.3% to US\$18.7 million. The Net Results decreased to a Net Loss of US\$0.6 million from a Net Income of US\$22.4 million in the third quarter of 2006 and the accrued results as of September 2007 decreased 72.4% to US\$11.1 million.

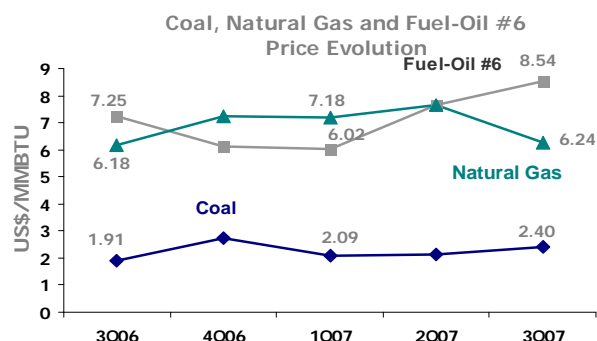
1Q07	2Q07	3Q07	3Q06	(Millions of US\$)	9M07	9M06
46.0	49.2	51.2	48.1	Revenues	146.4	138.7
34.5	42.1	51.0	39.6	Operating costs and expenses	127.7	113.3
11.5	7.1	0.2	8.5	Operating income	18.7	25.4
25.0%	14.4%	0.4%	17.7%	Operating income margin	12.8%	18.3%
7.3	4.4	(0.6)	22.4	Net Income (loss)	11.1	40.2
				Net Cash Provided by (used in)		
12.7	(13.4)	1.5	18.2	Operating Activities	0.8	35.5

Highlights

- On July 22, Itabo's Unit II maintenance was successfully completed.
- On August 7, 2007 the Itabo's local bonds were repaid in an aggregate amount of RD\$350 million (equivalent to US\$10.7 million).
- As a result of hurricane Dean, Itabo suffered small damages that were quickly repaired.
- In August 2007, Itabo sent a new proposal to the Electricity Sector Contracts Renegotiation Committee in relation to the renegotiation of its PPAs.
- In September, Itabo renewed a US\$15 million working capital credit facility with Banco de Reservas.
- On October 2nd, Itabo's interests on Senior Notes were paid by US\$6.7 million.

External Factors¹

- GDP grew 8.2% as of September 2007.
- Inflation stood at 5.3% at the end of September.
- Exchange Rate as of September 30th, 2007 closed at RD\$33.29 per US dollar for purchase and RD\$32.91 per US dollar for sale.
- Average coal prices were US\$2.40 per MMBtu for the quarter.
- Total electricity demand for the third quarter 2007 reached 2,930 GWh, an increase of 6.9% compared to the same period of the previous year.
- In September, Standard & Poor's credit rating of the Dominican Republic improved from B to B+, with stable outlook.



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

Analysis of Financial Results (In USGAAP)

Third quarter 2007 **Revenues** increased 6.4% to US\$51.2 million compared to US\$48.1 million in the same period of 2006. This variance was principally a net result of: (i) US\$3.6 million of higher sales to distribution companies, basically due to higher contracted prices derived from the increment of 19.5% in the coal's indexation factor; (ii) higher other revenues by US\$0.2 million basically due to the increment of coal sales; and, (iii) lower sales to Falconbridge by US\$0.7 million.

For the first nine months of 2007, **Revenues** totaled US\$146.4 million, an increase of 5.6% compared to the same period of 2006. This increase was mainly caused by the net effect of: (i) higher demand from distribution companies (21 GWh) by US\$7.6 million, including higher contracted prices due to the increment of 11.1% in the coal's indexation factor; (ii) higher spot sales by US\$3.6 million due to a higher generation; (iii) a lower connection right true up adjustment by US\$3.2 million since in 2006 it was booked for the first time and included 2004 and 2005 adjustment; (iv) lower sales to Falconbridge by US\$0.7 million; and, (v) higher other revenues by US\$0.4 million basically due to the increment of coal sales.

Revenues consist of the following:

3Q07	3Q06	Var%	(Millions of US\$)	9M07	9M06	Var%
50.9	48.0	6.0	Electricity sales	145.4	138.1	5.3
0.3	0.1	200.0	Other revenues	1.0	0.6	66.7
51.2	48.1	6.4	Total Revenues	146.4	138.7	5.6

Operating Costs and Expenses increased 28.8%, in the third quarter 2007, to US\$51.0 million compared to the same period of 2006. This variance was principally a net result of: (i) higher energy purchase by US\$4.1 million due to the increment on international fuel prices affecting spot purchases (3Q'07 US\$117/MWh Vs 3Q'06 US\$98/MWh); (ii) higher fuel consumption by approximately US\$3.2 million related to the increment on international coal prices and higher coal consumption due to higher generation; (iii) higher operating and maintenance expenses by US\$1.4 million due to higher maintenance expenses during the third quarter 2007, basically due to Itabo's unit II programmed maintenance performed in July; (iv) higher selling, general and administrative expenses by US\$0.7 million; and, (v) higher depreciation expense by US\$2.0 million due to the Port Project capitalization since October 2006 and due to the reclassification to fixed assets of the turbines that were previously classified as held for sale in 2005.

During the first nine months of 2007, **Operating Costs and Expenses** increased 12.7% to US\$127.7 million compared to same period of 2006. This variation was mainly caused by the net effect of: (i) higher coal consumption by US\$8.9 million driven by an increase in Itabo's generation and higher coal and petcoke unitary cost (coal-7.4% and petcoke- 69.9%); (ii) higher depreciation expense by US\$4.4 million due to the Unloading Dock capitalization since October 2006 and due to the reclassification to fixed assets of the turbines that were classified as held for sale in 2005; (iii) higher energy purchase by US\$1.6 million due to higher contracted demand and due to higher spot prices as result of the increment of international fuel prices (3Q'07 US\$112/MWh vs 3Q'06 US\$98/MWh); and, (iv) lower selling, general and administrative expenses by US\$0.6 million.

Operating costs and expenses consist of the following:

3Q07	3Q06	Var%	(Millions of US\$)	9M07	9M06	Var%
37.6	30.3	24.1	Cost of electricity sales	94.2	83.7	12.5
4.7	3.3	42.4	Operating and maintenance expenses	10.3	10.2	1.0
3.4	2.7	25.9	Selling, general and administrative expenses	8.9	9.5	(6.3)
5.2	3.2	62.5	Depreciation	14.0	9.6	45.8
0.1	0.1	0.0	Amortization of contracts	0.3	0.3	0.0
51.0	39.6	28.8	Total Operating Cost and Expenses	127.7	113.3	12.7

Total Other Expenses amounted to a US\$1.9 million loss in the third quarter 2007, compared to an income of US\$10.0 million in the same period of 2006. This variation was mainly caused by: (i) lower income by US\$5.7 million due to insurance recovery during 3Q'06; (ii) higher interest expenses by US\$3.8 million as a result of the Senior Notes and the capitalization, during 2006, of financial interests incurred during the construction of the Unloading Dock Project; (iii) US\$2.2 million of higher foreign currency expense due to local currency depreciation against the dollar (0.7%), affecting the net assets exposure causing an FX loss.; and, (iv) lower interest income by US\$0.1 million due to lower receivables, as a result of the setoff transactions that took place in January and July 2007.

For the first nine months of 2007, **Net Expenses** increased to US\$5.8 million, as compared to the Net Income recorded in the same period of 2006 of US\$13.1 million. This variance was mainly attributed to: (i) an increase of US\$12.1 million of interest expense as a result of the Senior Notes, the local bonds and the capitalization of financial interests of the Unloading Dock Project in 2006; (ii) lower other income by US\$6.3 million since last year the sale of two generation units (Itabo Los Mina and Timbeque) was booked and due to insurance recovery; (iii) higher interest income by US\$0.9 million as a result of time deposits and debt reserve deposit; (iv) US\$0.8 million of lower foreign currency gain due to a smaller currency appreciation; and (v) higher amortization of deferred financing cost by US\$0.7 million corresponding to the Senior Notes and the local bonds

Other Income (Expenses) consists of the following:

3Q07	3Q06	Var%	(Millions of US\$)	9M07	9M06	Var%
2.0	2.1	(4.8)	Interest income	6.7	5.8	15.5
(4.2)	(0.4)	n/a	Interest expense	(13.0)	(0.9)	n/a
(0.1)	0.0	n/a	Amortization of deferred financing cost	(0.6)	0.0	n/a
0.6	6.3	(90.5)	Other income- net	0.7	7.0	(90.0)
(0.2)	2.0	n/a	Exchange gain (loss)	0.4	1.2	(66.7)
(1.9)	10.0	n/a	Total Other (Expenses) Income	(5.8)	13.1	n/a

For the third quarter 2007 the Net Results decreased to a **Net Loss** of US\$0.6 million, from a Net Income recorded in the same period of 2006 of US\$22.4 million. This variance was mainly the net result of: (i) higher other expenses by US\$11.9 million basically due to higher interest expenses and lower other income; (ii) an increase of operating cost expenses by US\$11.4 million due to the increase of electricity purchases, fuel expenses and depreciation; and, (iii) higher revenues by US\$3.1 million.

For the first nine months of 2007, **Net Income** decreased to US\$11.1 million, as compared to the Net Income recorded in the same period of 2006 of US\$40.2 million. This variance was mainly attributed to: (i) an increase in other expenses by US\$18.9 million driven by higher interest expenses in connection with international and local bonds and lower other income; and (ii) a decrease of US\$6.7 million in the operating income as a result of higher electricity purchases, higher fuel expenses and higher depreciation expense during the first nine months of 2007.

Net Cash Provided by Operating Activities was US\$1.5 million for the third quarter 2007 compared to a Net Cash Provided by Operating Activities of US\$18.2 million in the same period of 2006. This variation was mainly a net result of the following causes: (i) lower net income by US\$22.9 million; (ii) higher increase in accounts receivable by US\$3.1; (iii) higher depreciation expense by US\$2.0 million; (iv) lower accounts payable by US\$1.0; and, (v) US\$8.3 million higher positive reconciling adjustments, reconciling net income to net cash provided by operations.

For the first nine months of 2007, the Net Cash Provided by Operating Activities was US\$0.8 million against a Net Cash Provided by operating activities of US\$35.5 million in the same period of 2006. This variation was primarily the net result of: (i) lower net income by US\$29.0 million; (ii) accounts receivable decrease by

US\$13.3 million; (iii) an increment of prepaid taxes by US\$11.1 due to tax withheld and paid in connection with dividends payment; and, (iv) US\$7.9 million higher negative reconciling adjustments, reconciling net income to net cash used in operations.

Free Cash Flow (a non-GAAP financial measure defined as net cash from operating activities less capital expenditures defined in the accompanying financial statement as Additions to Property, Plant and Equipment) was a net cash used of US\$1.2 million for the third quarter 2007. During this period, there were additions to property, plant and equipment by US\$2.7 million, corresponding to spare parts.

For the first nine months of 2007, the **Free Cash Flow** was net cash used of US\$3.2 million. In addition to the net cash provided by operating activities of US\$0.8 million, there were additions to property, plant and equipment by US\$4.0 million, corresponding mostly to new facilities in Unloading Dock Project, improvements in the new administration office, new vehicles and spare parts.

Financial Debt Summary

- On August 7, 2007 the local bonds were repaid in an aggregate amount of RD\$350 million (equivalent to US\$ 10.7 million).
- Itabo renewed a \$15 million working capital credit facility with Banco de Reservas, which remains unused.
- On October 2, Itabo's international bonds interests were paid by US\$6.7 million.

Financial Debt	Sep-07	Dec-06
<i>(expressed in millions of US\$)</i>		
Local Currency	0	11
Foreign Currency	125	135
Total Debt	125	146
Financing Cost (*)	11.2%	11.5%
Average Life (years)	6	5

Debt Profile	Sep-07	Dec-06
Local Currency (RD\$)	0%	7%
Foreign Currency (US\$)	100%	93%
Fixed Rate	100%	93%
Variable Rate	0%	7%
Short Term	0%	7%
Long Term	100%	93%

Rating Agency	Rating	Outlook
Fitch Ratings	Senior Notes 2013	B- Positive
Standard & Poor's	Senior Notes 2013	B Stable

(*) (1) After tax rates. (2) In 2007, the Notes effective rate includes the interest income accrued by the interest debt reserve.

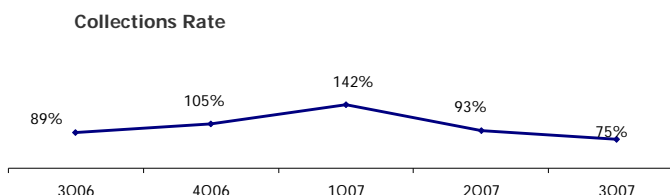
Dividends

During the first nine months 2007, Itabo paid dividends for an amount of RD\$1.5 billion (approximately US\$46 million) to its shareholders. The dividends were approved in May 2007.

Liquidity

Collections

During July 2007, Itabo entered into an offsetting transaction with CDEE. By means of this arrangement, Itabo reduced approximately \$3.3 million of its accounts receivable from CDEE, with accounts payable to this company.



In September 2007, Itabo entered into an offsetting transaction with EDE Norte, EDE Sur and CDEEE. By means of this arrangement Itabo offset part of its accounts receivable from EDE Norte with accounts payable to CDEEE for an aggregate amount of US\$2.1 million and with EDE Sur by US\$1.4 million.

For the first nine months of 2007, the collections rate was 103% compared with 109% registered in the same period of 2006. This reduction was basically due to the fact that the DR Distribution Companies didn't reach the CRI (Cash Recovery Index) established in their budget and due to an additional deficit that raised up because of the constant increment of fuels prices, mainly petroleum derivatives.

During the first nine months of 2007, the total amount offset with the distribution companies was \$21.7 million.

Regulation and Sector Developments

- In July, the DR Congress approved the Electricity law reform that will help the sector reach financial sustainability by: i. Criminalization of electrical fraud, ii. Set new limits to no-regulated users in order to protect Distros market, iii. Allow service cutoff after only one bill due, iv. Classify as a national security breach the intentional damage or interruption of national electricity grid.

Operational Results

For the third quarter 2007 the **Net Generation** was 375 GWh, an increase of 1.1% respect to the same period of the previous year. During this quarter was successfully completed Itabo's Unit II maintenance.

For the nine months of 2007 the **Net Generation** was 1,206 GWh an increase of 3.3% against the same period 2006, basically due to the increase of plant availability factor (2007-83% Vs 2006-75%) and the reduction of the EFOR (2007-7% Vs 2006-20%) as a consequence of the implementation of corrective and preventive maintenance programs.

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

As of Sep 30, 2007	
Installed capacity (MW)	433
Power Generation Units	7
Effective capacity (MW)	433
Contracted capacity (MW) ⁽¹⁾	302

⁽¹⁾ Capacity contracted through long-term PPAs.

1Q07	2Q07	3Q07	3Q06	Var.		9M07	9M06	Var.	
487	421	413	407	1.5%	Gross generation	GWh	1,321	1,278	3.4%
(39)	(38)	(38)	(36)	5.6%	Internal consumption	GWh	(115)	(111)	3.6%
448	383	375	371	1.1%	Net Generation	GWh	1,206	1,167	3.3%
441	494	477	466	2.4%	Total Energy Sold	GWh	1,412	1,327	6.4%
209	222	229	207	10.5%	Firm Capacity	MW	220	205	7.4%
11,309	11,220	11,220	11,392	-1.5%	Heat Rate	Btu/KWh	11,250	11,150	0.9%
89	81	78	70	12.0%	Plant Availability	%	83	75	9.7%
6	8	7	24	-69.6%	EFOR	%	7	20	-64.7%

Operational Developments

- In July 2007, the last petcoke shipment for 2007 was received with 55 thousand metric tons.
- On July 22, Itabo's Unit II maintenance was successfully completed; concluding some days in advance to what it was originally scheduled.

- High tides during Hurricane Dean impacted the coast (shoreline) of the Itabo plant, bringing excessive sweepings and trunks that forced the outage of Unit 1 by 52 hours; during this time preventive maintenance and corrective works took place. The damages suffered by the Itabo dock and other facilities of the plant were small and were quickly repaired.
- During the third quarter 2007, four shipments were received with 179 thousand metric tons of coal.

Safety Indicators

During the third quarter of 2007, Itabo continued training its employees in: Lock out Tag Out, Space Confined, and Contractor Safety. During this period was the Itabo II programmed outage that happened without lost time accidents (LTAs).

During the third quarter 2007, were replaced all fire system tubes.

During the nine months of 2007, six hundred and seven Contractors were trained in safety induction, as part of the accident prevention strategy before planned outage of Itabo II.

Environmental Matters

During the third quarter of 2007, the Environmental Compliance Report corresponding to the period December 2006-May 2007 was delivered to the Dominican environmental authorities, according to the requirements of the environmental license.

Itabo continued training its employees in: environmental education, environmental legislation and regulations and AES Corp's environmental standards

Environmental accidents did not occur during the planned outage of Itabo II.

EMPRESA GENERADORA DE ELECTRICIDAD ITABO, S. A.
(An indirectly subsidiary of The AES Corporation)

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

1Q 07	2Q 07	3Q 07	3Q 06		9M 07	9M 06
REVENUES						
45,570	48,910	50,844	47,964	Electricity sales	145,324	138,041
441	318	315	126	Other revenues	1,074	629
46,011	49,228	51,159	48,090	Total revenues	146,398	138,670
OPERATING COSTS AND EXPENSES						
24,512	32,111	37,564	30,317	Cost of electricity sales	94,187	83,729
2,477	3,082	4,693	3,341	Operating, maintenance and general expenses	10,252	10,212
3,040	2,483	3,412	2,650	Selling, general and administrative expenses	8,935	9,446
4,354	4,363	5,216	3,239	Depreciation	13,933	9,634
118	117	118	118	Amortization of contracts	353	353
34,501	42,156	51,003	39,665	Total operating costs and expenses	127,660	113,374
11,510	7,072	156	8,425	Operating income	18,738	25,296
2,440	2,294	1,975	2,072	Interest income	6,709	5,787
(4,404)	(4,392)	(4,192)	(379)	Interest expense	(12,988)	(882)
(274)	(148)	(134)	-	Amortization of deferred financing costs	(556)	-
-	23	633	6,256	Other income - net	656	6,970
197	315	(160)	2,021	Exchange gain	352	1,226
(2,041)	(1,908)	(1,878)	9,970	Total non operational	(5,827)	13,101
9,469	5,164	(1,722)	18,395	Income before taxes	12,911	38,397
(2,158)	(766)	1,160	3,957	Income tax (expense) benefit	(1,764)	1,763
7,311	4,398	(562)	22,352	Net income	11,147	40,160

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.
(An indirectly subsidiary of The AES Corporation)

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of US\$)

	<u>September 30,</u> <u>2007</u>	<u>December 31,</u> <u>2006</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	22,618	82,273
Restricted cash and cash equivalents	300	299
Accounts receivable	523	852
Accounts receivable – related parties, net	99,063	101,824
Other receivable	725	549
Other receivable – related parties	-	6,000
Fuel inventory	12,335	5,199
Materials and supplies inventory - current	9,131	6,157
Assets held for sale	-	18,071
Prepaid taxes	39,971	1,946
Prepaid expenses and other assets	1,472	553
Deferred tax asset	1,045	22,495
Total current assets	<u>187,183</u>	<u>246,218</u>
Property, plant and equipment		
Property, plant and equipment	335,462	317,815
Accumulated depreciation and amortization	(86,783)	(77,155)
Construction in progress	1,266	441
Land	6,439	6,439
Net property, plant and equipment	<u>256,384</u>	<u>247,540</u>
Long term assets		
Debt service reserves	6,797	6,797
Materials and supplies inventory - long term	5,347	5,152
Deferred financing costs	3,109	3,665
Intangible - contracts	4,158	4,511
Other assets	3,885	65
Total long term assets	<u>23,296</u>	<u>20,190</u>
Total assets	<u>466,863</u>	<u>513,948</u>
Liabilities and stockholders' equity		
Current liabilities		
Notes payable and short-term portion of long term debt	-	13,800
Accounts payable	5,687	8,796
Accounts payable - related parties	13,622	17,873
Accrued liabilities	8,649	11,446
Deferred revenues - current	477	636
Total current liabilities	<u>28,435</u>	<u>52,551</u>
Notes payable - long term	125,000	131,667
Deferred revenue - long term	-	318
Deferred income tax liability	15,291	10,251
Other long - term liabilities	127	50
Total long term liabilities	<u>140,418</u>	<u>142,286</u>
COMMITMENTS AND CONTINGENCIES		
Stockholders' equity		
Common stock	355,556	355,556
Additional paid-in-capital	112	76
Accumulated losses	(57,658)	(36,521)
Total stockholders' equity	<u>298,010</u>	<u>319,111</u>
Total liabilities and stockholders' equity	<u>466,863</u>	<u>513,948</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."

3Q 2007

Relevant Results

EMPRESA GENERADORA DE ELECTRICIDAD ITABO, S. A.
(An indirectly subsidiary of The AES Corporation)

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

1Q 07	2Q 07	3Q07	3Q06		9M07	9M06
OPERATING ACTIVITIES:						
7,311	4,398	(562)	22,352	Net income	11,147	40,160
Adjustments to reconcile net income to net cash provided by						
Operating activities:						
4,354	4,363	5,216	3,239	Depreciation	13,933	9,634
118	117	118	118	Amortization of contracts	353	353
274	148	134	-	Deferred financing costs amortization	556	-
2,158	766	(1,160)	(3,957)	Income tax expense (benefit)	1,764	(1,763)
10	51	55	16	Long term compensation	116	38
(197)	(315)	160	(2,021)	Exchange gain	(352)	(1,226)
-	(602)	(38)	712	Gain on asset disposal	(640)	-
-	-	(592)	-	Allowance for doubtful accounts	(592)	-
(159)	84	(499)	(159)	Other non-cash items	(574)	(477)
Changes in assets and liabilities:						
215	(586)	700	222	Accounts receivable	329	(945)
14,919	(2,531)	(8,936)	(7,196)	Accounts receivable – related parties	3,452	5,134
(72)	(115)	300	239	Other receivable	113	292
3,000	3,000	-	1,875	Other receivable – related parties	6,000	(7,875)
(5,554)	2,888	(4,470)	(2,608)	Fuel inventory	(7,136)	(616)
(2,484)	(3,603)	2,276	354	Materials and supplies	(3,811)	(733)
-	(12,990)	(10)	(1,048)	Prepaid taxes	(13,000)	(1,932)
524	(2,119)	676	626	Prepaid expense and other assets	(919)	(748)
5,565	(5,723)	(2,873)	1,520	Accounts payable	(3,031)	(743)
(14,472)	3,233	6,988	3,633	Accounts payable - related parties	(4,251)	(3,424)
(2,763)	(3,888)	3,982	252	Accrued liabilities and other	(2,669)	335
12,747	(13,424)	1,465	18,169	Net cash provided by operating activities	788	35,464
INVESTING ACTIVITIES:						
(705)	(596)	(2,668)	(5,728)	Additions to property, plant and equipment	(3,969)	(9,781)
-	-	(3,820)	-	Advances to suppliers in purchase of PP&E	(3,820)	-
-	2	349	17	Proceeds from sales of property, plant and equipment	351	729
(11)	11	-	8	Change in restricted cash and cash equivalents	-	(12)
(716)	(583)	(6,139)	(5,703)	Net cash used in investing activities	(7,438)	(9,064)
FINANCING ACTIVITIES:						
(10,000)	(52)	(10,524)	27,909	Notes payable - net	(20,576)	22,553
-	(32,284)	-	(29,115)	Dividends payment	(32,284)	(29,115)
(10,000)	(32,336)	(10,524)	(1,206)	Net cash used in provided by financing activities	(52,860)	(6,562)
(89)	(43)	(13)	(135)	EFFECT OF EXCHANGE RATE CHANGES ON CASH	(145)	(39)
1,942	(46,386)	(15,211)	11,125	NET (DECREASE) INCREASE IN CASH	(59,655)	19,799
82,273	84,215	37,829	18,045	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	82,273	9,371
84,215	37,829	22,618	29,170	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	22,618	29,170

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 and installed capacity, which represent approximately 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 2006 revenues of \$12.3 billion. With operations in 28 countries on five continents, AES's generation and distribution facilities have the capacity to serve 100 million people worldwide. Our 13 utilities amass annual sales of over 73,000 GWh and our 121 generation facilities have the capacity to generate approximately 40,000 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.