

## Second Quarter 2008

### Relevant Results

Santo Domingo, Dominican Republic  
August 12, 2008

Contact:  
Yandery Teran  
Investor Relations Director  
(1) (809) 955-2223  
[inversoraesdom@aes.com](mailto:inversoraesdom@aes.com)  
[www.aesdominicana.com.do](http://www.aesdominicana.com.do)



### Itabo reports Net Income of US\$7.7 million for the second quarter 2008

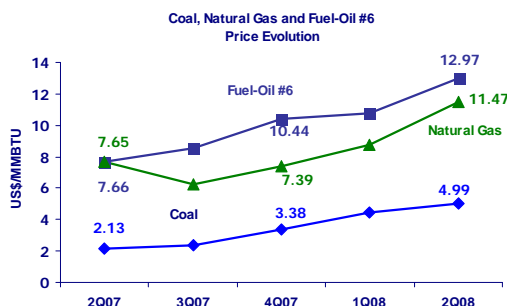
Santo Domingo, Dominican Republic, August 12, 2008 – Itabo announced today results for the second quarter 2008. All operating and financial information, except where otherwise specified, is expressed in US dollars in conformity with Generally Accepted Accounting Principles applicable in the United States (USGAAP).

Revenues increased 19.9% in the second quarter 2008 compared to the same period of 2007 and the accrued results as of June 2008 increased 18.7% compared to the same period of the previous year. Net Income increased 75% to US\$7.7 million in the second quarter of 2008 as compared with the same period of 2007 and the accrued results as of June 2008 increased 2.6% to US\$12.0 million.

2Q08	2Q07	(Millions of US\$)	6M08	6M07
59.0	49.2	Revenues	113.0	95.2
48.1	42.1	Operating costs and expenses	94.5	76.6
10.9	7.1	Operating income	18.5	18.6
18.5%	14.4%	Operating income margin	16.4%	19.5%
7.7	4.4	Net Income	12.0	11.7
		Net Cash Provided by (Used in)		
1.7	(13.4)	Operating Activities	14.7	(0.7)

### External Factors<sup>1</sup>

- GDP grew 6.2% as of March, 2008.
- Inflation stood at 7.57% at the end of June.
- Exchange Rate as of June 30th, 2008 closed at RD\$33.83 per US dollar (Bid) and RD\$34.47 per US dollar (Ask).
- Average coal price was US\$4.99 per MMBtu for the quarter.
- Total electricity demand for the second quarter 2008 reached 2,920 GWh, an 8.3% increase over the second quarter 2007.



### Analysis of Consolidated<sup>2</sup> Financial Results (In USGAAP)

**Revenues** increased 19.9% to US\$59.0 million in the second quarter 2008 compared to the same period of 2007. The factors that led to these results were: (i) US\$10.6 million of higher sales to the distribution companies due to increment in the coal prices that are used to escalate PPA sales and higher demand; (ii) lower spot sales for US\$0.9 million, due to higher contracted sales; and, (iii) higher other revenues for US\$0.1 million, basically due to higher fuel sales to third parties (coal and petcoke).

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

<sup>2</sup> The accompanying consolidated financial results include the accounts of Itabo, and its subsidiary Itabo Finance, S. A. Intercompany balances and transactions have been eliminated in these consolidated financial statements.

### Highlights

- On May 15th, 2007 Standard & Poor's affirmed the "B" rating to the Itabo's US\$125 million bonds and revised its outlook from "Stable" to "Negative".
- In May, Itabo I reached its highest monthly generation for a single unit: 82.81 GWh.
- On June 30th, Itabo II was placed out of service, for programmed major maintenance for twenty five days.

### Inside this report:

Analysis of Financial Results	1-3
Financial Debt Summary	3
Liquidity	3
Regulation and Sector Developments	4
Operational Results	4
Operational Developments	4
Safety Indicators	5
Environmental Matters	5
Corporate Social Responsibility	5
Financial Statements	6-8
Glossary of Key Terms	10

For the first six months of 2008, Revenues totaled US\$113.0 million, an increase of 18.7% compared to the same period of 2007. This increase was mainly caused by the net effect of: (i) higher demand from distribution companies by US\$22.9 million, including higher contracted prices due to the increment in the coal's indexation factor; (ii) lower spot sales by US\$6.0 million due to higher contracted demand and lower generation since Itabo I was placed out of service for 45 days for a programmed maintenance; and, (iii) higher other revenues by US\$0.9 million, basically due to higher fuel sales to third parties (coal and petcoke).

**Revenues consist of the following:**

2Q08	2Q07	Var%	(Millions of US\$)	6M08	6M07	Var%
58.6	48.9	19.8	Electricity sales	112.0	94.5	18.5
0.4	0.3	33.3	Other revenues	1.0	0.7	42.9
<b>59.0</b>	<b>49.2</b>	<b>19.9</b>	<b>Total Revenues</b>	<b>113.0</b>	<b>95.2</b>	<b>18.7</b>

**Operating Costs and Expenses** increased 14.3%, in the second quarter 2008, to US\$48.1 million compared to the same period of 2007. This variance was principally a net result of: (i) US\$3.3 million of higher coal consumption due to higher generation; (ii) higher electricity purchase by US\$1.0 million due to higher demand; (iii) higher selling, general and administrative expenses by US\$0.7 million; (iv) higher depreciation expenses by US\$0.6 million; and, (v) US\$0.5 million of higher operating and maintenance expenses.

During the first six months of 2008, Operating Costs and Expenses increased 23.4% to US\$94.5 million compared to same period of 2007. This variation was mainly caused by the net effect of: (i) higher energy purchase by US\$12.2 million during the period of Itabo's programmed maintenance; (ii) US\$3.0 million of higher operating and maintenance expenses; (iii) higher fuel cost by US\$1.4 million basically due to higher coal prices; (iv) higher depreciation expense by US\$0.8 million; and, (v) higher selling, general and administrative expenses by US\$0.5 million.

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

2Q08	2Q07	Var%	(Millions of US\$)	6M08	6M07	Var%
36.3	32.1	13.1	Cost of electricity sales	70.2	56.6	24.0
3.5	3.0	16.7	Operating and maintenance expenses	8.5	5.5	54.5
3.2	2.5	28.0	Selling, general and administrative expenses	6.0	5.5	9.1
5.0	4.4	13.6	Depreciation	9.6	8.8	9.1
0.1	0.1	0.0	Amortization of contracts	0.2	0.2	0.0
<b>48.1</b>	<b>42.1</b>	<b>14.3</b>	<b>Total Operating Cost and Expenses</b>	<b>94.5</b>	<b>76.6</b>	<b>23.4</b>

Total **Other Expenses** were US\$2.1 million in the second quarter 2008 compared to US\$1.8 million in the same period of 2007. This variation was mainly caused by the net effect of: (i) lower commercial interest expenses by US\$0.8 million; (ii) US\$0.6 million of lower interest income on short term investments; (iii) higher financial interest expenses by US\$0.4 million; (iv) lower exchange gain by US\$0.3 million; and, (v) higher commercial interest income by US\$0.2 million.

For the first six months of 2008, Net Expenses increased to US\$4.6 million, as compared to the Net Expenses recorded in the same period of 2007 of US\$3.9 million. This variance was the net result of: (i) an decrease of US\$1.5 million of financial interest income; (ii) US\$0.9 million of lower commercial interest expense; (iii) lower exchange gain by US\$0.5 million; (iv) higher commercial interest income by US\$0.4 million due to higher accounts receivables; and, (v) lower amortization of deferred financing cost by US\$0.2 million; and, (vi) higher financial interest expenses by US\$0.2 million.

- The programmed maintenance of Itabo I was completed successfully. This event involved higher spare parts purchases and higher electricity purchases through backup contract during 2008.

- For the first semester of 2008, average financial interest rate for short term investment was 2.37%, compared with 4.94% for the first semester of 2007.

**Other (Expenses) consists of the following:**

2Q08	2Q07	Var%	(Millions of US\$)	6M08	6M07	Var%
(3.9)	(2.9)	34.5	Interest income (expenses)- financial- net	(2.2)	(5.7)	(61.4)
1.9	0.9	111.1	Interest income (expenses)- commercial- net	(2.2)	1.7	n/a
(0.1)	(0.1)	0.0	Amortization of deferred financing cost	(0.2)	(0.4)	(50.0)
0.0	0.0	0.0	Other income- net	0.0	0.0	0.0
0.0	0.3	(100.0)	Exchange gain	0.0	0.5	(100.0)
<b>(2.1)</b>	<b>(1.8)</b>	<b>16.7</b>	<b>Total Other (Expenses)</b>	<b>(4.6)</b>	<b>(3.9)</b>	<b>17.9</b>

**Net Cash Provided by Operating Activities** was US\$1.7 million for the second quarter 2008 compared to a Net Cash Used by Operating Activities of US\$13.4 million in the same period of 2007. This variation was mainly a net result of the following causes: (i) accounts receivable increased US\$19.3 million basically to higher sales to Distribution Companies; (ii) higher accounts payable by US\$14.7 million; (iii) lower prepaid taxes by US\$12.9 million; (iv) US\$3.5 million of higher positive reconciling adjustments, reconciling net income to net cash provided by operations; and, (vi) Net Income by US\$3.3 million.

For the first six months of 2008, the **Net Cash Provided by Operating Activities** was US\$14.7 million against a Net Cash Used by operating activities of US\$0.7 million in the same period of 2007. This variation was primarily the net result of: (i) accounts receivables increased US\$40.3 million; (ii) US\$20.7 million of higher accounts payable; (iii) lower prepaid taxes by US\$13.0 million; (iv) lower fuel inventory by US\$11.2 million; and, (v) US\$10.8 million of higher positive reconciling adjustments, reconciling net income to net cash provided by operating activities.

**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 net cash provided of US\$1.3 million for the second quarter 2008. During this period, there were additions to property, plant and equipment by US\$0.4 million.

For the first six months of 2008, the Free Cash Flow was net cash provided of US\$11.9 million. In addition to the net cash provided by operating activities of US\$14.7 million, there were additions to property, plant and equipment by US\$2.8 million.

## Financial Debt Summary

- On May 15<sup>th</sup>, Standard & Poor's affirmed the "B" rating to the Itabo's US\$125 million bonds and revised its outlook from "Stable" to "Negative".
- On June 2<sup>nd</sup>, the "Superintendencia de Valores" (Dominican Stock Market Superintendence) enacted a new Resolution (R-CNV-2008-02-MV) which establishes dispositions about Privileged Information, Highlights and Market Manipulation.

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

## Liquidity

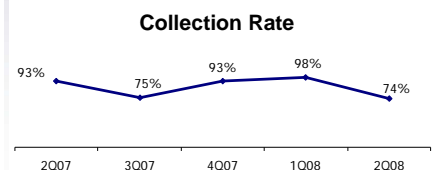
### Collections

During the second quarter 2008 the collection rate was 74% against 93% in the same period of 2007.

For the first six-months of 2008, the average collections rate was 86% compared with 118% registered in the same period of 2007. This reduction was basically due to the fact that the DR Distribution Companies registered an additional deficit because of the constant increment of fuels prices, mainly petroleum derivatives. However, during the first semester 2008 the total amount offset with the distribution companies was US\$9.1 million.

Financial Debt	Jun-08	Dec-07
Local Currency	0	0
Foreign Currency	125	125
<b>Total Debt</b>	<b>125</b>	<b>125</b>
Short Term	0%	0%
Long Term	100%	100%
Fixed Rate	100%	100%
Variable Rate	0%	0%
Financing Cost (*)	11.3%	11.2%
Average Life (years)	5	6

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



## Organizational Structure

On August 7<sup>th</sup>, 2008, Coastal Itabo Ltd. and its affiliates, an AES Subsidiary, purchased from AES Gener, S. A. and affiliate companies ("AES Gener") all its interests in Empresa Generadora de Electricidad Itabo, S.A. ("EGE Itabo") and New Caribbean Investment, S.A. ("NCI"), which manages and operates Itabo under a Management Agreement. As of the aforementioned date, Coastal Itabo own 50.0% of all outstanding shares of EGE Itabo (the other 50% is owned by FONPER and the ex-employees) and 100% of the outstanding shares of NCI.

- New Organizational Structure:
  - 50.00% Coastal ITABO
  - 49.97% FONPER
  - 0.03% Ex- employees CDE

## Regulation and Sector Developments

In April 2008, the Electric Sector General Agreement was renewed. The Dominican Government committed to stay current with its electricity bills in 2008 and cover the potential deficit of the Distribution Companies during one-year period up to an aggregate amount of RD\$21,000 million (equivalent to US\$650 million). The Electric Sector Agreement also includes a clause that establishes that by August, 2008 the Government will provide mechanisms to settle the frozen debt.

## Operational Results

For the second quarter 2008, the **Net Generation** was 427 GWh, an increase of 12.1% with respect to the same period of the previous year mainly as a result of higher **Plant Availability Factor**. The Energy Sold decreased 2.2% with respect to the same period of the previous year mainly due to the reduction on sales in spot market. The Itabo's **firm capacity** has increased 17.3% as a consequence of its historical plant availability improvement.

For the six months of 2008, the **Net Generation** was 763 GWh a decrease of 7.4% against the same period 2007 and **Plant Availability** decreased 7.1% to 79% basically due to Itabo I programmed maintenance, which was successfully completed during the first quarter 2008. The Itabo's **firm capacity** has increased 21.1% as a consequence of its historical plant availability improvement.

The following table presents selected operational information for each of the periods indicated:

2Q08	2Q07*	Var.		6M08	6M07*	Var.
471	419	12.4%	Gross generation	GWh	842	901 -6.5%
(44)	(38)	15.8%	Internal consumption	GWh	(79)	(77) 2.6%
<b>427</b>	<b>381</b>	<b>12.1%</b>	<b>Net Generation</b>	<b>GWh</b>	<b>763</b>	<b>824 -7.4%</b>
483	494	-2.2%	Total Energy Sold	GWh	924	982 -5.9%
244	208	17.3%	Firm Capacity	MW	247	204 21.1%
11,090	11,277	-1.7%	Heat Rate	Btu/KWh	11,001	11,387 -3.4%
89	81	9.9%	Plant Availability	%	79	85 -7.1%
9	8	12.5%	EFOR	%	7	7 0.0%

\* Revised data

## Operational Developments

- During the second quarter 2008, three coal vessels were received containing 155,531 MT.
- In May, Itabo I reached its highest monthly generation for a single unit: 82.81 GWh. Previously, it was reached in January 2007 for 82.54 GWh by Unit II.
- In June, a 30-day backup contract was signed with Generadora Palamara-La Vega (a generation company) in order to close the commercial position of Itabo during its Unit II maintenance period of June 25-July 25. The quantity contracted is around 20 GWh.
- In June, Itabo received US\$5.9 million as part of the sales of four of its gas turbines.

As of June 31, 2008	
Installed capacity (MW)	433
Power Generation Units	7
Effective capacity (MW)	433
Contracted capacity (MW) <sup>(1)</sup>	302

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

- In the second quarter 2008, the Net Generation was 427 GWh, representing an increase of 12.1% compared to the same period of 2007; basically due to higher Plant Availability Factor.

### Safety Indicators

- During the second quarter of 2008, Itabo had no lost time accidents (LTAs).
- In the first half 2008, an important aspect to mention is that during the programmed maintenance of Itabo I, 600 people were involved without incidents.
- According to the safety program, training sessions took place at Itabo: Safety Walks, Safety meetings, Contractors Inspections.

### Environmental Matters

During the second quarter of 2008, 50.6 tons of solid waste was disposed from the Santo Domingo Power Plant, using the services of TREDI, which is an internationally certified company to manage this type of waste. Besides, a monitoring of gas emission from fixed sources was performed and the World Environmental Day was celebrated.

During the first half of 2008, the Environmental Ministry renewed the environmental permit for Itabo. Air Quality, Air Emissions from stack and environmental noise studies were performed in Itabo's power plant site. Besides, CO2 emissions reduction task force was formed in the plant to study potential technologies that can lead us to a 10% reduction of actual emissions. Environmental accidents did not occur during the first half of 2008.

### Corporate Social Responsibility

During the second quarter 2008, the AES Dominicana Foundation made a Cooperation Agreement with the Instituto Tecnológico de Santo Domingo ("INTEC"), a Dominican university, to sponsor five scholarships to outstanding students. Besides, a temporary work program was established in Itabo Power Plant with the students of the Technical School of Haina.

Since the AES Dominicana Foundation was instituted, it has assisted the communities surrounding the power plants, supplying medical equipments and materials to its hospitals, sport practices and schools, as well as fire equipment. The foundation has collaborated with educational programs and has joined CURE International for surgical interventions to poor children with congenital deformities.

- No LTAs during the first semester 2008.

- Environmental accidents did not occur during the first six months of 2008.

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

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

1Q08	2Q08	2Q07		6M08	6M07
<b>REVENUES</b>					
53,398	58,645	48,910	Electricity sales	112,043	94,480
573	395	318	Other revenues	968	759
<b>53,971</b>	<b>59,040</b>	<b>49,228</b>	<b>Total revenues</b>	<b>113,011</b>	<b>95,239</b>
<b>OPERATING COSTS AND EXPENSES</b>					
33,855	36,341	32,111	Cost of electricity sales	70,196	56,623
4,962	3,543	3,082	Operating, maintenance and general expenses	8,505	5,559
2,774	3,148	2,483	Selling, general and administrative expenses	5,922	5,523
4,684	4,959	4,363	Depreciation	9,643	8,717
118	117	117	Amortization of contracts	235	235
<b>46,393</b>	<b>48,108</b>	<b>42,156</b>	<b>Total operating costs and expenses</b>	<b>94,501</b>	<b>76,657</b>
<b>7,578</b>	<b>10,932</b>	<b>7,072</b>	<b>Operating income</b>	<b>18,510</b>	<b>18,582</b>
1,743	1,893	2,294	Interest income	3,636	4,734
(4,131)	(3,911)	(4,392)	Interest expense	(8,042)	(8,796)
(128)	(127)	(148)	Amortization of deferred financing costs	(255)	(422)
3	19	23	Other income - net	22	23
42	(72)	315	Exchange (loss) gain	(30)	512
<b>(2,471)</b>	<b>(2,198)</b>	<b>(1,908)</b>	<b>Total non operational</b>	<b>(4,669)</b>	<b>(3,949)</b>
<b>5,107</b>	<b>8,734</b>	<b>5,164</b>	<b>Income before taxes</b>	<b>13,841</b>	<b>14,633</b>
(807)	(1,020)	(766)	Income tax expense	(1,827)	(2,924)
<b>4,300</b>	<b>7,714</b>	<b>4,398</b>	<b>Net income</b>	<b>12,014</b>	<b>11,709</b>

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 and Subsidiary**  
**(An indirectly subsidiary of The AES Corporation)**

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**  
**AS OF JUNE 30, 2008 AND DECEMBER 31, 2007**  
**(Expressed in thousands of US\$)**

	<u>June 30, 2008</u>	<u>December 31, 2007</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	16,262	4,368
Restricted cash and cash equivalents	290	290
Accounts receivable	1,915	5,609
Accounts receivable – related parties, net	117,591	102,228
Other receivable	2,561	834
Fuel inventory	5,254	13,782
Materials and supplies inventory - current	10,904	9,061
Prepaid taxes	40,591	39,362
Prepaid expenses and other assets	1,592	744
Deferred tax asset	-	4,437
Total current assets	<u>196,960</u>	<u>180,715</u>
Property, plant and equipment		
Property, plant and equipment	341,405	335,930
Accumulated depreciation and amortization	(96,628)	(90,403)
Construction in progress	2,680	3,402
Land	6,238	6,170
Net property, plant and equipment	<u>253,695</u>	<u>255,099</u>
Long term assets		
Debt service reserves	6,797	6,797
Materials and supplies inventory - long term	5,552	6,640
Deferred financing costs	2,726	2,981
Intangible - contracts	3,805	4,040
Other assets	2,923	3,358
Total long term assets	<u>21,803</u>	<u>23,816</u>
<b>Total assets</b>	<b><u>472,458</u></b>	<b><u>459,630</u></b>
<b>Liabilities and stockholders' equity</b>		
<b>Current liabilities</b>		
Accounts payable	15,611	12,998
Accounts payable - related parties	11,049	13,065
Accrued liabilities	7,518	7,309
Deferred income tax liability	152	-
Total current liabilities	<u>34,330</u>	<u>33,372</u>
Notes payable - long term	125,000	125,000
Deferred income tax liability	14,389	14,492
Other long - term liabilities	50	110
Total long term liabilities	<u>139,439</u>	<u>139,602</u>
Stockholders' equity		
Common stock (56,355,556 shares authorized and outstanding)	355,556	355,556
Additional paid-in-capital	115	96
Accumulated losses	(56,982)	(68,996)
Total stockholders' equity	<u>298,689</u>	<u>286,656</u>
<b>Total liabilities and stockholders' equity</b>	<b><u>472,458</u></b>	<b><u>459,630</u></b>

*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 and Subsidiary  
(An indirectly subsidiary of The AES Corporation)

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

1Q08	2Q08	2Q07		6M08	6M07
<b>Cash flows from operating activities</b>					
4,300	7,714	4,398	Net income	12,014	11,709
Adjustments to reconcile net income to net cash provided by operating activities:					
4,684	4,959	4,363	Depreciation	9,643	8,717
118	117	117	Amortization of contracts	235	235
128	127	148	Amortization of deferred financing costs	255	422
807	1,020	766	Income tax expense	1,827	2,924
19	9	51	Long term compensation	28	61
(42)	72	(315)	Remeasurement gain (loss)	30	(512)
-	0	(602)	Allowance for doubtful accounts	-	(602)
23	(23)	84	Other non-cash items	-	(75)
Changes in assets and liabilities:					
45	3,650	(586)	Accounts receivable - trade	3,694	(371)
(617)	(23,786)	(2,531)	Accounts receivable – related companies	(24,403)	12,388
(2,325)	598	(115)	Other receivable	(1,727)	(187)
-	0	3,000	Other receivable – related parties	-	6,000
5,487	3,041	2,888	Fuel inventory	8,528	(2,666)
(3,517)	(2,595)	(3,603)	Materials and supplies	(6,112)	(6,087)
-	0	(12,990)	Prepaid taxes	-	(12,990)
2,130	(2,652)	(2,120)	Prepaid expense and other assets	(522)	(1,595)
(3,031)	5,288	(7,095)	Accounts payable	2,257	(158)
147	6,877	4,606	Accounts payable - related parties	7,024	(11,239)
4,604	(2,793)	(3,888)	Accrued liabilities and other	1,811	(6,651)
2,923	(12,372)	(22,434)	Sub-total for changes in assets and liabilities	(9,450)	(23,556)
12,960	1,698	(13,424)	Net cash provided by (used in) operating activities	14,657	(677)
<b>Cash flows from investing activities:</b>					
(2,419)	(354)	(596)	Additions to property, plant and equipment	(2,773)	(1,301)
-	-	2	Proceeds from sales of property, plant and equipment	-	2
-	-	11	Change in restricted cash and cash equivalents	-	-
(2,420)	(354)	(583)	Net cash used in investing activities	(2,773)	(1,299)
<b>Cash flows from financing activities:</b>					
-	-	(52)	Notes payable - net	-	(10,052)
-	-	(32,284)	Dividends payment	-	(32,284)
-	-	(32,336)	Net cash used in financing activities	-	(42,336)
(42)	52	(43)	EFFECT OF EXCHANGE RATE CHANGES ON CASH	10	(132)
10,498	1,396	(46,386)	<b>NET INCREASE (DECREASE) IN CASH</b>	11,894	(44,444)
4,368	14,866	84,215	<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	4,368	82,273
14,866	16,262	37,829	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	16,262	37,829

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 2007 revenues of \$13.6 billion. With operations in 29 countries on five continents, AES's generation and distribution facilities have the capacity to serve 100 million people worldwide. Our 15 regulated utilities amass annual sales of over 78,000 GWh and our 123 generation facilities have the capacity to generate approximately 43,000 MW. Our global workforce of 28,000 people is committed to operational excellence and meeting the world's growing power. 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. Itabo is not bound to update or correct the information contained in this report.*

## Glossary of key terms

<b>Btu:</b>	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.
<b>CDEEE:</b>	Corporación Dominicana de Empresas Eléctricas Estatales. Previously known as CDE.
<b>Coordinating Body:</b>	“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.
<b>DPP:</b>	Dominican Power Partners.
<b>EAF:</b>	Equivalent Availability Factor
<b>Effective Capacity:</b>	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.
<b>EFOR:</b>	Equivalent Forced Outage Rate
<b>Firm Capacity:</b>	The amount of capacity assigned by the Coordinating Body to each power generation unit for being available to cover the demand in peak hours.
<b>FX:</b>	Foreign exchange, a banking term for changing money from one currency into another.
<b>GDP:</b>	The gross domestic product (GDP) is one of the measures of national income and output for a given country's economy. GDP is defined as the total market value of all final goods and services produced within the country in a given period of time (usually a calendar year).
<b>Installed capacity:</b>	The amount of MW a turbine is designed to produce upon installment (name-plate capacity).
<b>Platts:</b>	Is a provider of energy information around the world that has been in business in various forms for more than a century and is now a division of The McGraw-Hill Companies. Products include Platts Energy Economist, industry news and price benchmarks for the oil, natural gas, electricity, nuclear power, coal, petrochemical and metals markets.
<b>PPA:</b>	Power Purchase Agreement.
<b>SENI:</b>	Sistema Eléctrico Nacional Interconectado or the National Interconnected Electrical System.