

AES Andres B.V. and Subsidiary and Dominican Power Partners and Subsidiary announced a combined Net Loss of US\$1.8 million in the third quarter 2008

Santo Domingo, Dominican Republic, November 14, 2008 – AES Andres and Dominican Power Partners (DPP) announced today combined results for the third quarter, 2008. All operating and financial information, except where otherwise specified, is based on the combined figures of AES Andres and Dominican Power Partners, and their subsidiaries, and expressed in US dollars in conformity with Generally Accepted Accounting Principles Applicable in the United States (USGAAP).

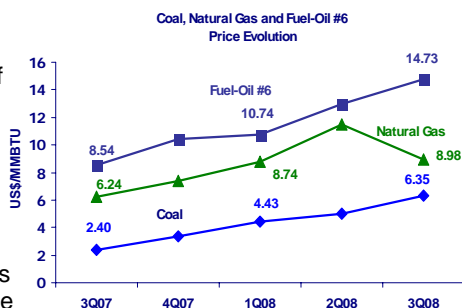
Revenues increased 36.9% to US\$95.8 million in the third quarter 2008 compared to the same period of 2007 and the accrued Revenues as of September 2008 increased 39.1% compared to the same period of the previous year. Net Loss for the third quarter 2008 was US\$1.8 million compared to a Net Loss of US\$ 9.5 million in the same period of 2007 and the accrued results as of September 2008 was a Net Income of US\$20.8 million compared to a Net Loss of US\$6.3 million in the same period of 2007.

| 3Q08 | 3Q07 | (Millions of US\$) | 9M08 | 9M07 |
|-------|-------|---|-------|-------|
| 95.8 | 70.0 | Revenues | 286.9 | 206.3 |
| 77.2 | 73.1 | Operating costs and expenses | 206.0 | 180.0 |
| 18.6 | (3.1) | Operating income (Loss) | 80.9 | 26.3 |
| 19.4% | -4.4% | Operating income (Loss) margin | 28.2% | 12.7% |
| (1.8) | (9.5) | Net Income (Loss) (*) | 20.8 | (6.3) |
| | | Net Cash Provided by Operating Activities | | |
| 12.1 | 30.1 | | 1.4 | 26.2 |

(*) Net Income (loss) includes interest expense of US\$9.6 million, US\$9.6 million, US\$28.7 million and US\$28.6 million in 3Q08, 3Q07, 9M08 and 9M07, respectively, related to 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. During the first nine months 2008, was paid US\$19.1 million related to the interest accrued during this period. In 2007, was paid US\$38.2 million related to interest accrued during the year.

External Factors¹

- GDP grew 7.5% as of June, 2008.
- Inflation stood at 10.76% at the end of September.
- Exchange Rate as of September 30th, 2008 closed at RD\$34.41 per US dollar (Bid) and RD\$35.13 per US dollar (Ask).
- Average Nymex Henry Hub natural gas prices were US\$8.98 per MMBtu for the quarter, with a peak of US\$13.58 per MMBtu and a low of US\$7.22 per MMBtu.²
- Total electricity demand for the third quarter 2008 reached 2,901 GWh, a 1% decrease over the third quarter 2007.



¹ Source: Dominican Central Bank, Coordinating Body and Platts.

² Pricing under the BP Contract is at a premium to the Henry Hub natural gas price per MMBtu on the NYMEX Index.

Highlights

- In August 2008, Fitch Rating affirmed the "B-" rating outlook "stable" of AES Dominicana Senior Unsecured Notes due to 2015.
- On June 24th, was offered the third and last tranche of Andres' local bond, for a total amount of US\$9.6 million, at an annual fixed rate of 6% and 18-month term.
- Andres' Firm Capacity increased 69.3% to 232MW during the third quarter of 2008.

Inside this report:

| | |
|---------------------------------|-----|
| Analysis of Financial Results | 2 |
| Financial Debt Summary | 3 |
| Liquidity | 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 |

Analysis of Combined Financial Results (In USGAAP)

Revenues increased 36.9% to US\$95.8 million in the third quarter 2008 compared to the same period of 2007. The main factors that led to these results were: (i) higher contracted sales by US\$23.5 million and higher spot sales by US\$10.7 million, basically due to higher generation and higher prices; and, (ii) lower other sales by US\$8.4 million.

For the nine months ending September 30th, 2008, **Revenues** totaled US\$286.9 million, an increase of 39.1% as compared to the same period of 2007. This result was mainly caused by: (i) higher contracted sales by US\$48.8 million; (ii) higher spot sales by US\$33.0 million due to higher generation and higher prices; (iii) lower other sales by US\$1.2 million.

Revenues consist of the following:

| 3Q08 | 3Q07 | Var% | (Millions of US\$) | 9M08 | 9M07 | Var% |
|-------------|-------------|-------------|---------------------------------|--------------|--------------|-------------|
| 89.8 | 66.3 | 35.4 | Electricity sales – Contracts | 241.9 | 193.1 | 25.3 |
| 13.9 | 3.2 | n/a | Electricity sales – spot market | 44.9 | 11.9 | n/a |
| (7.9) | 0.5 | n/a | Natural Gas Sales & Other Sales | 0.1 | 1.3 | n/a |
| 95.8 | 70.0 | 36.9 | Total Revenues | 286.9 | 206.3 | 39.1 |

Operating Costs and Expenses increased 5.6%, in the third quarter 2008, to US\$77.2 million compared to the same period of 2007. This variance was principally a net result of: (i) higher LNG consumption by US\$26.5 million partially offset by lower energy purchases by US\$11.3 million due to higher generation; (ii) lower operating, maintenance and general expenses by US\$7.7 million basically due to the repair and maintenance expenses made in 2007 to Andres unit during the outage and due to an impairment loss recorded as a result of hurricane Dean; and, (iii) US\$3.4 million of lower depreciation expenses since in 2007 was booked an accelerated depreciation of the damaged assets as a result of hurricane Dean.

During the first nine months of 2008, Operating Costs and Expenses increased 14.4% to US\$206.0 million compared to the first nine months of 2007. This variance was mainly caused by: (i) higher LNG consumption by US\$53.8 million and partially offset by lower energy purchases by US\$17.1 million due to higher generation and higher firm capacity; (ii) lower operating, maintenance and general expenses by US\$6.5 million; and, (iii) lower depreciation expenses by US\$4.2 million.

Operating costs and expenses consist of the following:

| 3Q08 | 3Q07 | Var% | (Millions of US\$) | 9M08 | 9M07 | Var% |
|-------------|-------------|------------|---|--------------|--------------|-------------|
| 68.1 | 52.9 | 28.7 | Cost of sales - electricity purchases and fuel costs for generation | 176.3 | 139.6 | 26.3 |
| 5.4 | 13.1 | (58.8) | Operating, maintenance and general expenses | 18.6 | 25.1 | (25.9) |
| 3.7 | 7.1 | (47.9) | Depreciation and amortization of intangible assets | 11.1 | 15.3 | (27.5) |
| 77.2 | 73.1 | 5.6 | Total Operating Cost and Expenses | 206.0 | 180.0 | 14.4 |

Total **Other Expenses** were US\$12.2 million in the third quarter 2008 compared to US\$6.5 million in the same period of 2007. This variation was mainly caused by: (i) higher net financial interest expenses by US\$7.5 million; (ii) US\$1.6 million of higher net commercial interest income; (iii) higher foreign currency gain by US\$0.4 million; (iv) lower other income by US\$0.1 million; and, (v) higher deferred financing cost amortization by US\$0.1 million.

For the first nine months of 2008, Net Other Expenses increased to US\$38.0 million, as compared to total expenses in the same period of 2007 by US\$31.2 million. This variance was mainly attributed to: (i) higher net financial interest expenses by US\$9.5 million; (ii) higher net commercial interest income by US\$2.9 million due to higher accounts receivables; (iii) US\$0.4 million of lower other income; and, (iv) US\$0.2 million of higher foreign currency gain.

- Revenues increased 36.9% to US\$95.8 million in the third quarter and 39.1% year to date, basically due to higher contracted sales and higher spot sales derived from higher prices and higher generation.

- Operating Costs and Expenses increased 5.6% in the third quarter and 14.4% year to date, basically due to higher generation.

- Total Other Expenses increased, among other factors, due to higher financial interest expenses (local bond issuance).

Other (Expenses) consists of the following:

| 3Q08 | 3Q07 | Var% | (Millions of US\$) | 9M08 | 9M07 | Var% |
|---------------|--------------|-------------|---|---------------|---------------|-------------|
| (4.6) | 2.9 | n/a | Interest income (expense) – financial - net | (13.8) | (4.3) | 220.9 |
| 2.1 | 0.5 | n/a | Interest income (expense) – commercial and others-net | 5.4 | 2.5 | 116.0 |
| (9.6) | (9.6) | 0.0 | Subordinated intercompany loan interest expense (*) | (28.6) | (28.5) | 0.4 |
| (0.5) | (0.4) | 25.0 | Deferred financing costs amortization | (1.2) | (1.3) | (7.7) |
| (0.1) | 0.0 | n/a | Other Income (expenses) | (0.1) | 0.3 | n/a |
| 0.5 | 0.1 | n/a | Foreign currency gain (loss) | 0.3 | 0.1 | 200.0 |
| (12.2) | (6.5) | 87.7 | Total Other (Expenses) | (38.0) | (31.2) | 21.8 |

(*) 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 Cash Provided by Operating Activities was US\$12.1 million for the third quarter 2008 compared to a Net Cash Provided by Operating Activities of US\$30.1 million in the same period of 2007. This variation was mainly a net result of the following causes: (i) higher accounts receivable by US\$25.8 million; (ii) lower net loss by US\$7.7 million; (iii) decrease of accounts payable by US\$7.0 million; and; (iv) US\$7.1 million of higher positive reconciling adjustments, reconciling net loss to net cash provided by operations.

For the first nine months of 2008, the Net Cash Provided by Operating Activities was US\$1.4 million against a Net Cash Provided by operating activities of US\$26.2 million for the first nine months of 2007. This variation was primarily the result of: (i) higher accounts receivable by US\$42.8 million; (ii) lower account payable by US\$37.1 million, basically due to lower energy purchases; (iii) higher net income by US\$27.1 million; (iv) US\$23.7 million of positive reconciling adjustments, reconciling net income to net cash used in operations; and, (v) lower inventory by US\$4.3 million.

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\$7.2 million for the third quarter 2008. During this period, there were additions to property, plant and equipment by US\$4.9 million.

For the first nine months of 2008, the Free Cash Flow was net cash used of US\$5.0 million. In addition to the net cash provided in operating activities of US\$1.4 million, there were additions to property, plant and equipment by US\$6.4 million, corresponding mostly to power plant spare parts additions.

Financial Debt Summary

On June 24th, the business offered the third and last tranche of a local bond issuance. The third tranche totaled US\$9.6 million, and priced at an annual fixed rate of 6% with a 18-month term. The total amount was placed on July 18th. The total outstanding for this bond is US\$25 million.

Fitch Ratings affirmed AES Dominicana Energía Finance, S.A.'s 'B-' international foreign and its outlook in 'Stable'. The rating action applies to US\$160 million of Senior Notes due 2015.

| Rating Agency | | Rating | Outlook |
|-------------------|---------------------------|-----------|---------|
| Fitch Ratings | Senior Notes 2015 | B- | Stable |
| Standard & Poor's | Senior Notes 2015 | B- | Stable |
| Feller Rate | Guaranteed Ordinary Bonds | BBB (dom) | |
| Fitch Dominicana | Guaranteed Ordinary Bonds | BBB (dom) | |

- Net Cash Provided by Operating Activities was US\$12.1 million for the third quarter 2008 compared to a Net Cash Provided by Operating Activities of US\$30.1 million in the same period of 2007.

| Financial Debt | Sep-08 | Dec-07 |
|---------------------------|------------|------------|
| (millions of US\$) | | |
| Local Currency | - | - |
| Foreign Currency | 181 | 171 |
| Total Debt | 181 | 171 |
| Fixed Rate | 100% | 100% |
| Variable Rate | 0% | 0% |
| Short Term | 9% | 0% |
| Long Term | 91% | 100% |
| Financing Cost (*) | 10.86% | 11.33% |
| Average Life (years) | 7 | 8 |

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

Liquidity

Collections

In the third quarter 2008, collections rate stood at 69% compared with 91% registered in the same quarter of 2007. This reduction was basically due to the fact that the system registered an additional deficit because of the constant increment of fuels prices, mainly petroleum derivatives.

In addition, during the quarter DPP and EDE Este entered into a renegotiation of the overdue receivables as of December 2004, which includes partial payments since April 2009 until March 2016, totaling US\$28.6 million. This agreement includes an offsetting transaction by US\$2.4 million.

For the first nine months of 2008, the average collections rate was 85% compared with 99% registered in the same period of 2007. During the first nine month 2008 the total amount offset was US\$10.0 million.

Operational Results

In the third quarter 2008, the **Combined Net Generation** was 651 GWh, representing an increase of 26.2% compared to the same period of 2007 and for the first nine months of 2008, the **Combined Net Generation** was 1,915 GWh, an increase of 15.7% compared to the same period of 2007, basically due to its historical performance improvement.

During the third quarter of 2008, Andres' **Firm Capacity** increased 69.3% to 232MW. As of September 2008, Andres' firm capacity reached 204MW, an increase of 50.0%, due to an historical higher availability as consequence of strong operations.

Andres **Plant Availability** increased 29.9% mainly due to during third quarter of 2007 the power plant was out of service for 20 days as a result of a scheduled maintenance.

DPP **Plant Availability** increased 5.3% during third quarter of 2008 due to it was declared available several times during this period, in order to support the system demand.

For the first nine months 2008, DPP **Plant Availability** increased 10.3% to 96%, due to it was declared available several times during this period. The **Firm Capacity** increased 14.3% to an average of 32 MW.

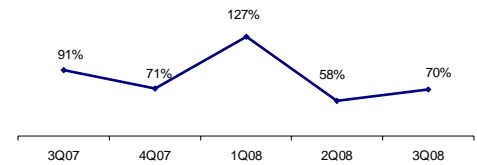
| 3Q08 | 3Q07 (*) | Var. % | Operating Data | | 9M08 | 9M07 (*) | Var. % |
|------------|------------|-------------|---------------------------|------------|--------------|--------------|-------------|
| 663 | 528 | 25.6 | Gross generation | GWh | 1,954 | 1,695 | 15.3 |
| (12) | (12) | 0.0 | Internal consumption | GWh | (39) | (40) | (2.5) |
| 651 | 516 | 26.2 | Net Generation | GWh | 1,915 | 1,655 | 15.7 |
| 662 | 585 | 13.2 | Total Energy Sold | GWh | 1,926 | 1,734 | 11.1 |
| 232 | 137 | 69.3 | Andres' Firm Capacity | MW | 204 | 136 | 50.0 |
| 7,678 | 7,866 | (2.4) | Andres Heat Rate | Btu/KWh | 7,659 | 7,692 | (0.4) |
| 100 | 77 | 29.9 | Andres Plant Availability | % | 97 | 91 | 6.6 |
| 0.3 | 1 | (70.0) | Andres EFOR | % | 0.3 | 1 | (70.0) |
| 31 | 27 | 14.8 | DPP's Firm Capacity | MW | 32 | 28 | 14.3 |
| 100 | 95 | 5.3 | DPP Plant Availability | % | 96 | 87 | 10.3 |
| 1 | 0 | 100.0 | DPP EFOR | % | 1 | 1 | 0.0 |

(*) Revised data

Operational Developments

- During the third quarter 2008, two vessels docked at Andres pier carrying 270,000 m³ of natural gas.
- During the quarter, Andres renewed four of its Deregulated User contracts. As of September 30th, 2008 the total capacity contracted by UNRs was 31 MW.

Collection Rate



- Andres Firm Capacity increased 69.3% to 232MW, caused by a historical higher availability.
- DPP Plant Availability increased 5.3% during third quarter of 2008.

| As of Sept. 30, 2008 | Andres | DPP | Aggregate |
|--------------------------|--------|-----|-----------|
| Installed capacity (MW) | 319 | 236 | 555 |
| Power Generation Units | 1 | 2 | 3 |
| Effective capacity (MW) | 304 | 236 | 540 |
| Contracted capacity (MW) | 81 | 210 | 291 |

- During the third quarter, Andres received two vessels with 270,000 M³.

- On October 16th, Andres was placed out of service due to a failure in the gas turbine.

Safety Indicator

- During the third quarter 2008, Andres and DPP had no accidents that required shutting down the units but had its first LTAs of 2008.
- During the quarter several contractors received safety certification.
- During the first nine months of 2008, according to the Occupational Health and Safety Program, training sessions took place at Andres and DPP: Safety Walks, Safety meetings, incidents report program, first aid, trainings with firefighters, continuous education and contractors Certification and inspection.
- During the third quarter 2008, Andres had its first LTAs during 2008, but did not have environmental incidents.

Environmental Matters

On October 1st, Andres obtained the modified environmental license. This modification includes the combination of two previous licenses and the addition of the shore wall protection construction.

During the first nine months of 2008, the Environmental Ministry granted the environmental permit for DPP.

In Andres, an Environmental monitoring was performed and 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

Corporate Social Responsibility

During the third quarter the AES Dominicana Foundation continued giving support to the communities surrounding the power plants, through sport and educational equipment donations.

During the first nine month 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 and established a temporary work program in Itabo Power Plant with the students of the Technical School of Haina.

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

UNAUDITED PRO FORMA COMBINED STATEMENTS OF OPERATIONS
(Expressed in Thousands of US\$)

| 3Q08 | 3Q07 | | 9M08 | 9M07 |
|-------------------------------------|----------------|--|----------------|----------------|
| REVENUES | | | | |
| 89,776 | 66,300 | Electricity sales – contracts | 241,833 | 193,113 |
| 13,919 | 3,211 | Electricity sales – spot market | 44,898 | 11,837 |
| 1,783 | 464 | Natural gas sales | 4,518 | 1,277 |
| (9,701) | - | Commodity derivative gain | (4,416) | - |
| 14 | 12 | Other sales | 42 | 64 |
| <u>95,791</u> | <u>69,988</u> | Total revenues | <u>286,876</u> | <u>206,291</u> |
| OPERATING COSTS AND EXPENSES | | | | |
| 65,963 | 52,935 | Cost of sales – electricity purchases and fuel costs used for generation | 171,696 | 138,334 |
| 2,036 | - | Cost of sales – fuel and fuel related costs purchased for resale | 4,609 | 1,317 |
| 5,478 | 13,054 | Operating, maintenance and general expenses | 18,612 | 24,975 |
| 3,690 | 7,078 | Depreciation and amortization of intangible assets | 11,050 | 15,332 |
| <u>77,167</u> | <u>73,067</u> | Total operating costs and expenses | <u>205,967</u> | <u>179,959</u> |
| 18,625 | (3,078) | OPERATING INCOME (LOSS) | 80,909 | 26,332 |
| OTHER INCOME (EXPENSES) | | | | |
| (2,522) | 3,358 | Interest expense – net (*) | (8,461) | (1,817) |
| (9,634) | (9,634) | Subordinated intercompany loan interest expense | (28,694) | (28,589) |
| (460) | (361) | Deferred financing costs amortization | (1,104) | (1,314) |
| (50) | 0 | Other income | (45) | 336 |
| 480 | 135 | Foreign currency (loss) gain | 299 | 138 |
| 6,438 | (9,581) | INCOME BEFORE TAXES | 42,904 | (4,915) |
| (8,241) | 106 | Income tax expense (gain) | (22,105) | (1,359) |
| <u>(1,803)</u> | <u>(9,475)</u> | NET INCOME (LOSS) ** | <u>20,799</u> | <u>(6,270)</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."

(*) 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) includes interest expense of US\$9.6 million, US\$9.6 million, US\$28.7 million and US\$28.6 million in 3Q08, 3Q07, 9M08 and 9M07, respectively, related to 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. During the first nine months 2008, was paid US\$19.1 million related to the interest accrued during this period. In 2007, was paid US\$38.2 million related to interest accrued during the year.

AES Andres B. V. and Subsidiary
Dominican Power Partners and Subsidiary
(Indirect Wholly-Owned Subsidiaries of The AES Corporation)
UNAUDITED PRO FORMA COMBINED BALANCE SHEETS
(Expressed in Thousand of US\$)

| | <u>Sept. 30, 2008</u> | <u>Dec. 31, 2007</u> |
|--|-----------------------|-----------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | 55,696 | 38,393 |
| Restricted cash | 1,047 | 15,016 |
| Accounts receivable | 148,340 | 128,267 |
| Other receivable | 1,532 | 2,814 |
| Other receivable – related parties | 1,003 | 2,572 |
| Inventories | 22,795 | 26,808 |
| Prepaid expenses | 2,150 | 1,406 |
| Deferred tax asset | - | 6 |
| Derivative asset | 76 | - |
| Total current assets | <u>232,637</u> | <u>215,282</u> |
| PROPERTY, PLANT AND EQUIPMENT | | |
| Land | 10,370 | 6,594 |
| Plant and electricity generating equipment | 551,194 | 548,126 |
| Less accumulated depreciation | (105,515) | (95,913) |
| Property, plant and equipment | <u>456,050</u> | <u>458,807</u> |
| OTHER ASSETS | | |
| Intangible assets – net | 1 | 75 |
| Deferred financing costs – net | 4,176 | 4,651 |
| Long term accounts receivable | 27,884 | - |
| Debt service reserves | 8,580 | 8,580 |
| Other assets | 109 | 3,022 |
| Total other assets | 40,749 | 16,328 |
| TOTAL | <u><u>729,436</u></u> | <u><u>690,417</u></u> |
| LIABILITIES AND SHAREHOLDER'S EQUITY | | |
| CURRENT LIABILITIES | | |
| Notes payable - short term | 15,404 | - |
| Accounts payable and accrued liabilities | 16,376 | 19,076 |
| Accounts payable and accrued liabilities – related parties | 4 | 22,856 |
| Income tax payable | 39,861 | 20,214 |
| Total current liabilities | <u>71,645</u> | <u>62,146</u> |
| LONG TERM LIABILITIES | | |
| Deferred income tax | 24,207 | 23,076 |
| Intercompany loan | 422,787 | 413,153 |
| Notes payable | 165,596 | 171,404 |
| Long term derivative | 3,673 | - |
| Other liabilities | 622 | 685 |
| Total long term liabilities | <u>616,885</u> | <u>608,318</u> |
| SHAREHOLDER'S EQUITY | | |
| Common stock | 15,019 | 15,019 |
| Contributed capital | 108,420 | 108,420 |
| Additional paid-in capital | 1,077 | 922 |
| Accumulated losses | (83,574) | (104,373) |
| Accumulated other comprehensive loss | (36) | (36) |
| Total shareholder's equity | <u>40,906</u> | <u>19,953</u> |
| TOTAL | <u><u>729,436</u></u> | <u><u>690,417</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."

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

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

| 3Q08 | 3Q07 | | 9M08 | 9M07 |
|----------------|----------------|---|---------------|-----------------|
| | | OPERATING ACTIVITIES: | | |
| (1,803) | (9,475) | Net (loss) income | 20,799 | (6,270) |
| | | Adjustments to reconcile net income to net cash (used in) provided by operating activities: | | |
| 3,690 | 7,078 | Depreciation and amortization | 11,050 | 15,332 |
| 9,701 | | Commodity derivative gain | 4,416 | - |
| 334 | | Income tax expense | 1,516 | - |
| 460 | 361 | Deferred financing costs amortization | 1,104 | 1,314 |
| 94 | 3,072 | Loss on asset disposal | 99 | 3,075 |
| - | 1,044 | Bad debt reserve | 37 | 1,044 |
| 0 | (0) | Currency translation adjustment | 0 | (2) |
| 9,634 | 9,634 | Subordinated intercompany note interest expense | 9,634 | 28,589 |
| 97 | 140 | Long term incentive compensation | 312 | 382 |
| 7,908 | - | Deferred income tax expense | 20,589 | - |
| - | - | Unrealized commodity gain | - | (9,211) |
| | | Changes in assets and liabilities: | | |
| (24,487) | 1,383 | Accounts receivable | (53,630) | (793) |
| 570 | (621) | Other receivable | 1,283 | 5,981 |
| 204 | 1,290 | Other receivable – related parties | 1,569 | (13,148) |
| (2,367) | 2,858 | Inventory | 2,847 | (1,475) |
| - | (873) | Income tax receivable | - | (1,139) |
| 1,146 | 1,277 | Prepaid expenses | (744) | 19 |
| - | 7 | Deferred tax asset | - | - |
| 9,654 | (3,485) | Accounts payable and accrued liabilities | 2,890 | 3,377 |
| (2,773) | 17,336 | Accounts payable and accrued liabilities – related parties | (22,803) | 13,781 |
| (1,377) | | Income tax payable | (2,519) | - |
| - | | Intercompany interest payment | - | (15,813) |
| (473) | (229) | Deferred tax liability | (510) | 1,404 |
| - | | Long – term accounts payable | - | 1,787 |
| 3,673 | | Other long term | 3,673 | - |
| (1,774) | (724) | Other liabilities | (221) | (2,030) |
| <u>12,110</u> | <u>30,072</u> | Net cash provided by operating activities | <u>1,391</u> | <u>26,205</u> |
| | | INVESTING ACTIVITIES: | | |
| (4,948) | (6,598) | Additions to property, plant and equipment | (6,394) | (7,328) |
| - | (27) | Changes on intangible assets | - | (49) |
| (862) | - | Increase in restricted cash | 13,968 | (14,943) |
| - | - | Advances to suppliers in purchase of PP&E | - | (2,719) |
| - | - | Purchase of short term investments | - | (876) |
| - | - | Decrease in debt service reserves | - | 220 |
| 2,760 | (156) | Increase in other deposits | 2,913 | (261) |
| <u>(3,049)</u> | <u>(6,781)</u> | Net cash provided by (used in) investing activities | <u>10,488</u> | <u>(25,956)</u> |
| | | FINANCING ACTIVITIES: | | |
| - | (4,000) | Principal payments | - | (4,000) |
| 4,596 | 5,000 | New borrowings – Notes payable | 9,596 | 5,000 |
| - | | Dividend Payments | 0 | -10,000 |
| - | (73) | Financing costs payments | (500) | (510) |
| <u>4,596</u> | <u>927</u> | Net cash provided by (used in) financing activities | <u>9,096</u> | <u>(9,510)</u> |
| 13,656 | 24,219 | NET INCREASE (DECREASE) IN CASH | 20,975 | (9,261) |
| <u>45,712</u> | <u>39,669</u> | CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | <u>38,393</u> | <u>72,502</u> |
| <u>59,368</u> | <u>63,888</u> | CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | <u>59,368</u> | <u>63,241</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 September 30, 2008 and 2007 and December 31, 2007, 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.

Andres and DPP, affiliates of The AES Corporation (AES), own and operate power generation units that in the aggregate have 540 MW of effective capacity and 555 MW of installed capacity, which represent approximately 18.4% of the current total effective capacity and 17.3% 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 degasification 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 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 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. 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. |
| TBtu | Trillion of Btu. |
| 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. |
| Deregulated Users (UNR): | The user of the electrical service which monthly demand exceeds the limits established by Superintendence in order to be classified as an unregulated user under the General Electricity Law. |
| 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. |
| FX: | Foreign exchange, a banking term for changing money from one currency into another. |
| GDP: | 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). |
| 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. |