

## Fourth Quarter 2008

### Relevant Results

Santo Domingo, Dominican Republic  
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### Itabo reports Net Income of US\$17.1 million for the fourth quarter 2008

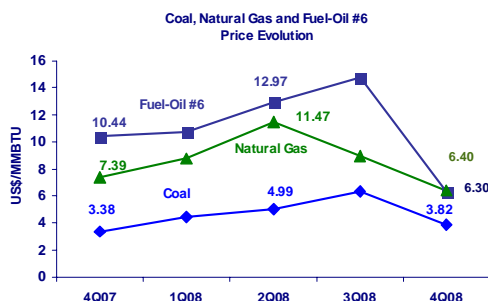
Santo Domingo, Dominican Republic, March 17, 2009 – Itabo announced today results for the fourth quarter 2008. All operating and financial information, except where otherwise specified, is expressed in US dollars in conformity with Generally Accepted Accounting Principles applicable in the United States (USGAAP).

Revenues increased 24.6% in the fourth quarter 2008 compared to the same period of 2007 and the accrued results as of December 2008 increased 25.6% compared to the same period of the previous year. Net Results was a Net Income of US\$17.1 million in the fourth quarter of 2008 as compared with a Net Loss of US\$2.4 million in the same period of 2007 and the accrued results as of December 2008 increased to US\$42.1 million.

4Q08	4Q07	(Millions of US\$)	12M08	12M07
67.4	54.1	Revenues	251.8	200.5
43.3	59.4	Operating costs and expenses	197.7	187.0
24.1	(5.3)	Operating income (loss)	54.1	13.5
35.8%	-9.8%	Operating income margin	21.5%	6.7%
17.1	(2.4)	Net Income (loss)	42.1	8.7
		Net Cash Provided by (Used in)		
(0.1)	(5.7)	Operating Activities	3.9	(4.9)

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

- GDP grew 5.3% as of December, 2008.
- Inflation stood at 4.52% at the end of December.
- Exchange Rate as of December 31st, 2008 closed at RD\$34.79 per US dollar (Bid) and RD\$35.57 per US dollar (Ask).
- Average coal price was US\$3.82 per MMBtu for the quarter, with a peak of US\$5.32 per MMBtu and a low of US\$2.98 per MMBtu.
- Total electricity demand for 2008 reached 11,145 GWh, an increase of 4.1% over 2007.



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

**Revenues** increased 24.6% to US\$67.4 million in the fourth quarter 2008 compared to the same period of 2007. The factors that led to these results were: (i) US\$13.0 million of higher sales, basically to the distribution companies due to increment in the coal prices that are used to escalate PPA sale; and, (ii) higher other revenues for US\$0.3 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 December 11, 2008, Standard & Poor's Ratings Services affirmed its 'B' long-term corporate credit rating on Itabo and revised its outlook to stable from negative.
- In 2009, Itabo received a Government proposal to pay a portion of 2008's accounts receivable with Sovereign Bonds.
- In November, a discharge and storage contract with CEMEX was signed.
- On December 30th, an amendment to the Itabo-Edeeste' PPA was done. The new supplied capacity will be 50 MW, with an option for Itabo of increase the supplied capacity to 100 MW.

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For the year ended in December 2008, Revenues totaled US\$251.8 million, an increase of 25.6% compared to the same period of 2007. This increase was mainly caused by the net effect of: (i) higher contracted demand from distribution companies and higher contracted prices due to the increment in the coal's indexation factor, partially offset by lower spot sales, totaling a net variation of US\$50.5 million; and, (ii) higher other revenues by US\$0.8 million, basically due to higher fuel sales to third parties (coal and petcoke).

**Revenues consist of the following:**

4Q08	4Q07	Var%	(Millions of US\$)	12M08	12M07	Var%
66.7	53.7	24.2	Electricity sales	249.6	199.1	25.4
0.7	0.4	75.0	Other revenues	2.2	1.4	57.1
<b>67.4</b>	<b>54.1</b>	<b>24.6</b>	<b>Total Revenues</b>	<b>251.8</b>	<b>200.5</b>	<b>25.6</b>

**Operating Costs and Expenses** decreased 27.1%, in the fourth quarter 2008, to US\$43.3 million compared to the same period of 2007. This variance was principally a net result of: (i) lower electricity purchases by US\$15.0 million; (ii) US\$1.9 million of lower operating and maintenance expenses, basically due to the fact that during 2007 and according to the Dominican tax law, the Company was subject to a property tax of 1% and it was booked in this line, while in 2008 the company calculated income tax; (iii) US\$1.3 million of higher fuel expenses due to higher fuel prices; (iv) lower selling, general and administrative expenses by US\$0.9 million; and, (v) higher depreciation expenses by US\$0.4 million.

During the ended on December 2008, Operating Costs and Expenses increased 5.7% to US\$197.7 million compared to same period of 2007. This variation was mainly caused by the net effect of: (i) higher cost of electricity sales by US\$8.3 million basically due to higher fuel cost, derived from higher coal prices during 2008; (ii) higher operating and maintenance expenses by US\$1.7 million due to Itabo I & II maintenance; (iii) US\$0.9 million of higher depreciation expense; and, (iv) lower selling, general and administrative expenses by US\$0.2 million.

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

4Q08	4Q07	Var%	(Millions of US\$)	12M08	12M07	Var%
29.9	43.6	(31.4)	Cost of electricity sales	146.1	137.8	6.0
4.4	6.3	(30.2)	Operating and maintenance expenses	18.2	16.5	10.3
3.9	4.8	(18.8)	Selling, general and administrative expenses	13.5	13.7	(1.5)
4.9	4.5	8.9	Depreciation	19.4	18.5	4.9
0.2	0.2	0.0	Amortization of contracts	0.5	0.5	0.0
<b>43.3</b>	<b>59.4</b>	<b>(27.1)</b>	<b>Total Operating Cost and Expenses</b>	<b>197.7</b>	<b>187.0</b>	<b>5.7</b>

Total **Other Expenses** were US\$1.8 million in the fourth quarter 2008 compared to a total other income of US\$1.4 million in the same period of 2007. This variation was mainly caused by the net effect of: (i) lower other income by US\$4.3 million due to in 2007 were sold four buildings and a land portion; (ii) higher commercial interest income by US\$0.7 million; (iii) US\$0.6 million of higher exchange gain; (iv) lower financial interest income by US\$0.1 million; and, (v) higher interest expenses by US\$0.1 million.

For the year ended on December 2008, **Net Other Expenses** decreased in 90.9% to US\$0.4 million, as compared to the Net Other Expenses of US\$4.4 million recorded in the same period of 2007. This variance was the net result of: (i) higher other income by US\$2.6 million due to higher gain on asset sale derived from the four gas turbine sale; (ii) lower financial interest income by US\$1.9 million; (iii) higher net commercial interest income by US\$1.5 million, due to higher accounts receivables; (iv) lower financial interest expense by US\$1.0 million due to lower debt; (v) higher exchange gain by US\$0.6 million, due to FX rate depreciated, affecting the net asset exposure; and (vi) lower deferred financing cost by US\$0.2 million.

- The programmed maintenances of Itabo I & II were completed successfully. These events involved higher spare parts purchases.
- During 2008, higher cost of electricity sales by US\$8.3 million basically due to higher fuel cost, derived from higher coal prices.

- For the year ended the net other expenses decreased in 90.9% due to higher other income from the 4 gas turbines sale during second quarter 2008.

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

4Q08	4Q07 (*)	Var%	(Millions of US\$)	12M08	12M07(*)	Var%
(3.7)	(3.5)	5.7	Interest income (expenses)- financial- net	(14.6)	(13.7)	6.6
1.9	1.2	58.3	Interest income (expenses)- commercial- net	6.7	5.2	28.8
(0.1)	(0.1)	0.0	Amortization of deferred financing cost	(0.5)	(0.7)	(28.6)
(0.1)	4.2	n/a	Other income (expenses)- net	7.5	4.9	53.1
0.2	(0.4)	n/a	Exchange gain (loss)	0.5	(0.1)	n/a
<b>(1.8)</b>	<b>1.4</b>	<b>n/a</b>	<b>Total Other Income (Expenses)</b>	<b>(0.4)</b>	<b>(4.4)</b>	<b>(90.9)</b>

\* Data revised

**Net Cash Used in Operating Activities** was US\$0.1 million for the fourth quarter 2008 compared to a Net Cash Used in Operating Activities of US\$5.7 million in the same period of 2007. This variation was mainly a net result of the following causes: (i) higher net income by US\$19.5 million; (ii) lower accounts payable by US\$19.5 million; (iii) higher accounts receivable by US\$11.3 million, basically due to the additional deficit of the Distribution Companies arisen from the 2008 fuel increment, causing lower collections; (iv) higher income tax expenses US\$6.8 million; and, (v) US\$10.1 million of higher positive reconciling adjustments, reconciling net income to net cash used in operations.

For the year ended on December 2008, the **Net Cash Provided by Operating Activities** was US\$3.9 million against a Net Cash Used in Operating Activities of US\$4.9 million in the same period of 2007. This variation was primarily the net result of: (i) accounts receivables increased US\$78.3 million due to higher sales to Distribution Companies and lower collections; (ii) US\$33.4 million of higher net income; (iii) lower prepaid taxes by US\$20.8 million, due to in 2007 the company paid dividends; (iv) lower inventory by US\$13.0 million; (v) US\$11.4 million of higher income tax expenses; (vi) higher accounts payable by US\$9.3 million; and, (vii) US\$0.8 million of higher negative 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 and advances to suppliers in purchases of PP&E) was net cash used of US\$3.9 million for the fourth quarter 2008. During this period, there were additions to property, plant and equipment by US\$3.8 million.

For the year ended on December 2008, the Free Cash Flow was a Net Cash Used of US\$3.9 million. In addition to the net cash provided by operating activities of US\$3.9 million, there were additions to property, plant and equipment by US\$7.8 million.

**Financial Debt Summary**

- During the fourth quarter, Itabo paid the fourth coupon of its Senior Notes by US\$6.8 million.
- During the quarter, Itabo received the last payment related to the gas turbines sale to AES Kilroot, for US\$3.4 million. The turbines were sold for US\$20.5 million.
- On Dec. 11, 2008, Standard & Poor's Ratings Services affirmed its 'B' long-term corporate credit rating on Itabo and revised its outlook to "stable" from "negative". At the same time, they affirmed the 'B' long-term rating on Itabo Finance S.A.'s \$125 million notes.

Rating Agency		Rating	Outlook
Fitch Ratings	Senior Notes 2015	B-	Stable
Standard & Poor's	Senior Notes 2015	B	Stable

Financial Debt	Dec-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.

## Dividends

On July 21st, 2008, the Board of Directors declared dividends by RD\$1,224 million (around US\$35 million) less the amount given in advance in December 2007 by RD\$400 million (around US\$12 million), the outstanding amount (US\$23 million) will be paid according to the cash availability.

## Liquidity

### Collections

During the fourth quarter 2008 the collection rate was 45% against 93% in the same period of 2007.

For the year ended on December 2008, the average collections rate was 72% compared with 101% 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. During the year 2008 the total amount offset with the distribution companies was US\$18 million.

In 2009, Itabo received a Government proposal to pay part of the 2008's accounts receivable with Sovereign Bonds.

Based on the aforementioned proposal, a "Memorandum of Understanding" (MOU) was signed on February 9, 2009, indicating that Itabo agrees to accept the bonds as a partial payment of the outstanding receivables related to 2008 if the National Congress approves the law that will allow the bonds to be used to pay tax obligations since 2009 until the maturity date of the bonds. The total amount allocated for Itabo is US\$54 million (US\$18 million for each Distribution Company).

## Operational Results

For the fourth quarter 2008, the **Net Generation** was 412 GWh, an increase of 9.9% with respect to the same period of the previous year. The Energy Sold increased 15.5% when compared to the same period of the previous year mainly due to higher contract sales. The Itabo's **firm capacity** has increased 2.3% as a consequence of its historical plant availability improvement.

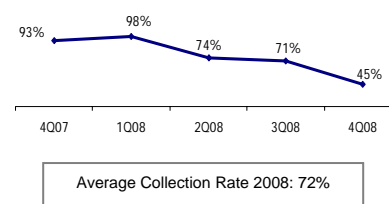
For the year ended on December 2008, the **Net Generation** was 1,547 GWh a decrease of 1.7% against the same period 2007 due to lower operating hour as a consequence of the planned maintenances, successfully completed during the first and the third quarters 2008. The Itabo's **firm capacity** has increased 12.6% as a consequence of its historical plant availability improvement.

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

4Q08	4Q07*	Var. %			12M08	12M07*	Var. %
453	416	8.9	Gross generation	GWh	1,706	1,730	(1.4)
(41)	(41)	0.0	Internal consumption	GWh	(159)	(156)	1.9
<b>412</b>	<b>375</b>	<b>9.9</b>	<b>Net Generation</b>	<b>GWh</b>	<b>1,547</b>	<b>1,574</b>	<b>(1.7)</b>
560	485	15.5	Total Energy Sold	GWh	2,020	1,976	2.2
227	222	2.3	Firm Capacity	MW	238	212	12.6
11,064	11,614	(4.7)	Heat Rate	Btu/KWh	11,096	11,410	(2.8)
91	82	11.0	Plant Availability	%	82	82	0.0
6	6	0.0	EFOR	%	7	7	0.0

\* Revised data

### Collection Rate



- During 2008, the total amount offset with the distribution companies was US\$18 million.

- During 2008, the Net capacity was 238 MW, representing an increase of 12.6% compared to the same period of 2007; as a consequence of its historical plant availability improvement.
- The net generation decreased a 4.4% in the year ended on December 2008, basically due to higher programmed maintenance hours.

As of Dec. 31, 2008	
Installed capacity (MW)	294.5
Power Generation Units	3
Effective capacity (MW)	294.5

## Operational Developments

- During the quarter, Itabo signed a new coal contract for the provision of 500,000 mt for 2009.
- During the fourth quarter 2008, four coal vessels were received containing 152,481 MT.
- On October 31<sup>st</sup>, Itabo II was placed out of service for inspection of bearings 1, 2 and 3 of the turbine; due to high vibrations. The unit remained out of service for 7 days.
- In November, a discharge and storage contract with CEMEX was signed to provide them the discharge and storage services of petcoke and coal through Itabo's Private Dock. This contract is part of the diversification of Itabo's sales strategy.
- On December 23<sup>rd</sup>, Itabo signed a lease contract with Andres (a related company) for a 150 MVA transformer, 13.8/138KW, during a three months period and US\$5,000 monthly. Andres is using this transformer temporarily until the one damaged on December 20<sup>th</sup> is replaced.
- On December 30<sup>th</sup>, an amendment to the Itabo-Edeeste' PPA was done and the new supplied capacity will be 50 MW, with an option for Itabo to increase the supplied capacity to 100 MW. This amendment is effective since January 1<sup>st</sup>, 2009. The new total contracted capacity for Itabo is 250 MW, decreasing its exposure to the spot market.
- During 2008, Itabo I was placed out of service for 45 days and Itabo II was placed out of service for 22 days, in order to conduct programmed maintenances.
- On February 15<sup>th</sup> 2009, Itabo I was placed out of service due to planned maintenance for 23 days. During the outage Itabo has mainly purchased energy through the spot market.

## Regulation

On February 20<sup>th</sup>, 2009 the application of the dispositions of Law 186-07 began with the intention to sanction all the activities related to the electrical fraud. This is a transcendental event in the history of the electrical industry. The application of the sanctions will begin to in the districts that are within the program 24 hours and with the industrial and commercial clients. An educational campaign is in place against the electrical fraud, through the different communications media, warning the population about the legal consequences of electricity theft.

## Safety Indicators

During the fourth quarter of 2008, Itabo had its first lost time accident (LTA) for 2008.

In the year ended on December 2008, an important aspect to mention is that during the programmed maintenances of Itabo I & II there were no incidents.

According to the safety program, training sessions took place at Itabo: safety walks, safety meetings, contractors inspections.

## Environmental Matters

- During the quarter, Itabo received the environmental permits No. 006-01 that includes the rehabilitation project, coal provisional unloading and the ash deposit. Besides, the environmental agency (SEMAREMA) made a review of Itabo power plant site, without significant findings.
- During the year ended on December 2008, water discharges environmental monitoring was performed, and the characterization of the underground waters of the ash land fill.
- Environmental accidents did not occur during this year.

- In November, a discharge and storage contract with CEMEX was signed.

- Amendment to the Itabo – Edeeste PPA to supply 50 MW , with an option to increment it to 100 MW

- In February 2009, begun the application of the sanctions related to the electrical fraud.

- During the programmed maintenances of Itabo I & II there were no incidents.

- Itabo has been in compliance with all the environmental rules.

### Corporate Social Responsibility

During the year ended on December 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.

Besides, the AES Dominicana Foundation inaugurated the new energy room of the children's museum "Trampolin", with the purpose of educate the new generations in energy saving.

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

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

For the years ended as of December 31, 2008 and 2007

(Amounts expressed in thousands of US\$ dollars)

4Q08	4Q07		12M08	12M07
<b>REVENUES</b>				
66,686	53,701	Electricity sales	249,594	199,025
748	366	Other revenues	2,184	1,440
<b>67,434</b>	<b>54,067</b>	<b>Total revenues</b>	<b>251,778</b>	<b>200,465</b>
<b>OPERATING COSTS AND EXPENSES</b>				
29,936	43,640	Cost of electricity sales	146,112	137,827
4,427	6,314	Operating, maintenance and general expenses	18,244	16,566
3,944	4,834	Selling, general and administrative expenses	13,490	13,769
4,907	4,520	Depreciation	19,381	18,453
118	118	Amortization of contracts	471	471
<b>43,332</b>	<b>59,426</b>	<b>Total operating costs and expenses</b>	<b>197,698</b>	<b>187,086</b>
<b>24,102</b>	<b>(5,359)</b>	<b>Operating income (expenses)</b>	<b>54,080</b>	<b>13,379</b>
3,296	2,165	Interest income	9,224	8,874
(5,047)	(4,435)	Interest expense	(17,111)	(17,423)
(128)	(128)	Amortization of deferred financing costs	(511)	(684)
(174)	4,209	Other income (expenses) - net	7,489	4,865
234	(439)	Remeasurement gain (loss)	483	(87)
<b>(1,818)</b>	<b>1,372</b>	<b>Total non operational income (expenses)</b>	<b>(426)</b>	<b>(4,455)</b>
<b>22,284</b>	<b>(3,987)</b>	<b>Income (loss) before taxes</b>	<b>53,654</b>	<b>8,924</b>
(5,206)	1,573	Income (loss) tax expenses	(11,559)	(191)
<b>17,078</b>	<b>(2,414)</b>	<b>Net income (loss)</b>	<b>42,095</b>	<b>8,733</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.**  
**(An indirectly subsidiary of The AES Corporation)**  
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2008 AND 2007**  
**(Amounts expressed in thousands of US\$ dollars)**

	<u>Dec. 31, 2008</u>	<u>Dec. 31, 2007</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	20,511	4,368
Restricted cash and cash equivalents	281	291
Accounts receivable	1,237	5,609
Accounts receivable – related parties, net	122,920	102,228
Other receivable	870	834
Fuel inventory	4,696	13,782
Materials and supplies inventory - current	10,832	9,061
Prepaid taxes	29,931	39,362
Prepaid expenses and other assets	626	744
Deferred tax asset	702	4,437
Total current assets	<u>192,606</u>	<u>180,716</u>
Property, plant and equipment		
Property, plant and equipment	330,741	335,930
Accumulated depreciation and amortization	(102,928)	(90,403)
Construction in progress	3,214	3,402
Land	7,619	6,170
Net property, plant and equipment	<u>238,646</u>	<u>255,099</u>
Long term assets		
Long term receivables from customers	53,949	-
Debt service reserves	6,797	6,797
Materials and supplies inventory - long term	4,082	6,640
Deferred financing costs	2,470	2,981
Intangible - contracts	3,569	4,040
Other assets	3,520	3,358
Total long term assets	<u>74,387</u>	<u>23,816</u>
<b>Total assets</b>	<b><u>505,639</u></b>	<b><u>459,631</u></b>
<b>Liabilities and stockholders' equity</b>		
<b>Current liabilities</b>		
Accounts payable	22,968	12,999
Accounts payable - related parties	14,897	13,065
Accrued liabilities	16,759	7,309
Deferred income tax liability	-	-
Total current liabilities	<u>54,624</u>	<u>33,373</u>
Notes payable - long term	125,000	125,000
Deferred income tax liability	14,919	14,492
Other long - term liabilities	172	110
Total long term liabilities	<u>140,091</u>	<u>139,602</u>
Stockholders' equity		
Common stock (56,355,556 shares authorized and outstanding)	355,556	355,556
Additional paid-in-capital	135	96
Accumulated losses	(44,767)	(68,996)
Total stockholders' equity	<u>310,924</u>	<u>286,656</u>
<b>Total liabilities and stockholders' equity</b>	<b><u>US\$ 505,639</u></b>	<b><u>US\$ 459,631</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.  
(An indirectly subsidiary of The AES Corporation)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the years ended as of December 31, 2008 and 2007  
(Amounts expressed in thousands of US\$ dollars)

4Q08	4Q07		12M08	12M07
		<b>Cash flows from operating activities</b>		
17,078	(2,414)	Net income	42,095	8,733
		Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
4,907	4,520	Depreciation	19,381	18,453
118	118	Amortization of contracts	471	471
128	128	Amortization of deferred financing costs	511	684
5,205	(1,573)	Income tax expense	11,559	191
-	-	Income tax payments	-	-
3	(32)	Long term compensation	78	84
(234)	439	Remeasurement gain (loss)	(483)	87
-	(3,959)	Gain on asset disposal	(7,584)	(4,599)
-	1,425	Allowance for doubtful accounts	-	833
-	(466)	Other non-cash items	-	(1,040)
0		Changes in assets and liabilities:		
15,884	(5,086)	Accounts receivable - trade	5,482	(4,757)
(62,696)	(30,406)	Accounts receivable - related parties	(109,425)	(26,954)
182	(109)	Other receivable	(36)	4
-	-	Other receivable - related parties	-	6,000
4,678	(1,447)	Fuel inventory	9,086	(8,583)
(2,018)	(478)	Materials and supplies	(8,995)	(4,289)
-	(7,797)	Prepaid taxes	-	(20,797)
4,001	736	Prepaid expense and other assets	2,166	(183)
(4,700)	6,984	Accounts payable	10,258	3,953
21,165	28,947	Accounts payable - related parties	27,682	24,696
(3,744)	4,778	Accrued liabilities and other	1,680	2,109
(27,248)	(3,878)	Sub-total for changes in assets and liabilities	(62,102)	(28,801)
(43)	(5,692)	Net cash provided by (used in) operating activities	3,926	(4,904)
		<b>Cash flows from investing activities:</b>		
(362)	(4,132)	Additions to property, plant and equipment	(4,410)	(8,101)
(3,463)	519	Advances to suppliers in purchase of PP&E	(3,463)	(3,301)
3,395	14	Proceeds from sales of property, plant and equipment	20,100	365
4	(75)	Change in restricted cash and cash equivalents	10	(75)
(426)	(3,674)	Net cash provided by (used in) investing activities	12,237	(11,112)
		<b>Cash flows from financing activities:</b>		
-	52	Notes payable - net	-	(20,524)
-	(1)	Dividends payment	-	(32,285)
-	(8,923)	Dividends advance	-	(8,923)
-	(8,872)	Net cash used in financing activities	-	(61,732)
25	(12)	EFFECT OF EXCHANGE RATE CHANGES ON CASH	(20)	(157)
(444)	(18,250)	<b>NET INCREASE (DECREASE) IN CASH</b>	16,143	(77,905)
20,955	22,618	<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	4,368	82,273
<b>US\$ 20,511</b>	<b>US\$ 4,368</b>	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>US\$ 20,511</b>	<b>US\$ 4,368</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."

*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. Itabo operates power generation units that in the aggregate have 294.5 MW of effective and installed capacity. 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.*

*The AES Corporation (NYSE: AES) is a global power company with generation and distribution businesses. Through our diverse portfolio of thermal and renewable fuel sources, we provide affordable and sustainable energy in 29 countries. Our workforce of 25,000 people is committed to operational excellence and meeting the world's changing power needs. Our 2008 revenues were \$16 billion and we own and manage more than \$35 billion in total assets. To learn more, please visit [www.aes.com](http://www.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.*

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

## 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>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.