

## Second Quarter 2009

### Relevant Results

Santo Domingo, Dominican Republic  
August 17th, 2009

#### Contact:

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



### AES Andres B.V. and Subsidiary and Dominican Power Partners and Subsidiary announced a combined Net Loss of US\$13.7 million in the second quarter 2009.

Santo Domingo, Dominican Republic, August 17<sup>th</sup>, 2009 – Today AES Andres and Dominican Power Partners (DPP) announced combined results for the second quarter, 2009 and the accumulated six-month results for the period ending June 30, 2009. 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).

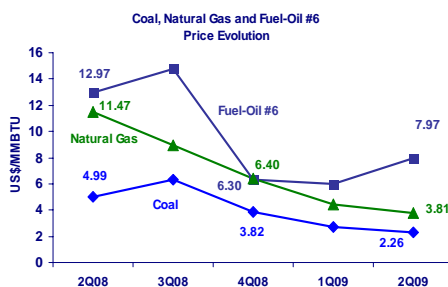
Revenues decreased 52.4% to US\$51.2 million in the second quarter 2009 compared to the same period of 2008 and the accumulated Revenues for the six month period ending June 2009 decreased 46.6% compared to the same period of the previous year. Net Loss for the second quarter 2009 was US\$13.7 million compared to a Net Income of US\$ 12.1 million in the same period of 2008 and the accumulated net income as of June 2009 was US\$18.4 million.

2Q09	2Q08	(Millions of US\$)	6M09	6M08
51.2	107.5	Revenues	102.0	191.1
49.9	73.1	Operating costs and expenses	94.6	128.8
1.3	34.4	Operating income	7.4	62.3
2.5%	32.0%	Operating income margin	7.3%	32.6%
(13.7)	12.1	Net (Loss) Income (*)	(18.4)	22.6
(3.3)	(38.4)	Net Cash Used by Operating Activities	(3.2)	(10.7)

(\*) Net Income includes interest expense of US\$9.5 million in 2Q09 and 2Q08 and US\$19.0 million in 6M09 and 6M08, 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. The total amount accrued as of June 30, 2009 and 2008 was paid.

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

- GDP grew 1.0% as of March, 2009.
- YTD accumulated inflation stood at 3.19% at the close of the first half of 2009.
- Exchange Rate as of June 30<sup>th</sup>, 2009 closed at RD\$35.93 per US dollar (Bid) and RD\$36.02 per US dollar (Ask).
- Average Nymex Henry Hub natural gas prices were US\$4.47 per MMBtu for the quarter, with a peak of US\$6.07 per MMBtu and a low of US\$3.63 per MMBtu.<sup>2</sup>
- Total electricity demand for the second quarter 2009 reached 2,681 GWh, a decrease of 8.2% over the same period 2008.



<sup>1</sup> Source: Dominican Central Bank, Coordinating Body and Platts.

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

### Highlights

- On April 28th, the AES Dominicana's Corporate Governance Code was released.
- On May 20th, the Andres 29 days major maintenance was successfully finished.
- During the second quarter, Andres paid the second tranche of its local bonds by US\$10 million.
- On June 2nd, Andres & DPP accepted the sovereign bonds for a total amount of US\$56 million. These Bonds were applied to the 2008 outstanding receivables as a partial payment

### Inside this report:

Analysis of Financial Results	2-3
Financial Debt Summary	3
Regulation	4
Liquidity	4
Operational Results	4
Operational Developments	5
Organizational Structure	5
Safety Indicators	6
Environmental Matters	6
Financial Statements	7-9
Glossary of Key Terms	11

## Analysis of Combined Financial Results (In USGAAP)

**Revenues** decreased 52.4% to US\$51.2 million in the second quarter 2009 compared to the same period of 2008. The main factors that led to these results were the net effect of: (i) lower contracted sales by US\$39.7 million, basically due to lower LNG prices, which are used to index the PPA prices, and lower sold energy quantity; (ii) lower spot sales by US\$10.2 million, due to a decrease in average spot prices and a decrease in the volume of energy available for sale in the spot market and, (iii) lower other sales by US\$6.4 million.

For the six months ending June 30th, 2009, Revenues totaled US\$102.0 million, a decrease of 46.6% as compared to the same period of 2008. This result was mainly caused by: (i) lower contracted sales by US\$57.2 million, basically to lower prices and lower energy quantity; (ii) lower spot sales by US\$25.3 million due to lower generation and average prices; and (iii) lower other sales by US\$6.6 million.

It should be noted that lower generation and subsequent sales volume that drives a lot of the variation described above was largely a function of two factors: (i) Andres operated at limited capacity for a part of the quarter (this was a result of the installation of a temporary transformer, with lower capacity than the original -150MVA Vs. 220 MVA- that was installed in January following the December 2008 transformer failure; and (ii) Andres' was shut down for 29 days for major maintenance,

### Revenues consist of the following:

2Q09	2Q08	Var%	(Millions of US\$)	6M09	6M08	Var%
47.9	87.6	(45.3)	Electricity sales – Contracts	94.9	152.1	(37.6)
2.7	12.9	(79.1)	Electricity sales – spot market	5.7	31.0	(81.6)
0.6	7.0	(91.4)	Natural Gas Sales & Other Sales	1.4	8.0	(82.5)
<b>51.2</b>	<b>107.5</b>	<b>(52.4)</b>	<b>Total Revenues</b>	<b>102.0</b>	<b>191.1</b>	<b>(46.6)</b>

**Operating Costs and Expenses** decreased 31.7%, in the second quarter 2009, to US\$49.9 million compared to the same period of 2008. This variance was principally a net result of: (i) lower fuel costs by US\$44.2 million due to lower generation and lower fuel prices; (ii) higher electricity purchases by US\$17.2 million, due to the fact that Andres operated in limited capacity during part of the quarter and underwent major maintenance for 29 days; and, (iii) higher operating, maintenance and general expenses of US\$2.6 million, due to Andres' major maintenance.

During the first six months of 2009, Operating Costs and Expenses decreased 26.6% to US\$94.6 million compared to the first six months of 2008. This variance was mainly caused by: (i) lower LNG consumption by US\$69.9 million; (ii) higher energy purchases by US\$29.6 million due to lower generation; and, (iii) higher operating, maintenance and general expenses by US\$4.6 million primarily due to the major maintenance and transformer failure of Andres.

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

2Q09	2Q08	Var%	(Millions of US\$)	6M09	6M08	Var%
34.6	61.6	(43.8)	Cost of sales - electricity purchases and fuel costs for generation	68.0	108.3	(37.2)
10.5	7.9	32.9	Operating, maintenance and general expenses	17.8	13.2	34.8
0.9	0.0	n/a	Derivatives Instruments	0.9	0.0	n/a
3.9	3.6	8.3	Depreciation and amortization of intangible assets	7.9	7.3	8.2
<b>49.9</b>	<b>73.1</b>	<b>(31.7)</b>	<b>Total Operating Cost and Expenses</b>	<b>94.6</b>	<b>128.8</b>	<b>(26.6)</b>

Total **Other Expenses** were US\$14.6 million in the second quarter 2009 compared to US\$14.5 million in the same period of 2008. This variation was mainly caused by: (i) an asset impairment expense of US\$7.2 million that resulted from a fair market value assessment of the sovereign bonds accepted by Andres & DPP in June of 2009 for 2008 outstanding Accounts Receivable; (ii) higher other income of US\$5.1 million due to the insurance reimbursement for the Andres transformer failure, which had previously been written off; (iii) higher net commercial interest income by US\$1.5 million, due to higher

- Revenues decreased 52.4% in the second quarter 2009 and 46.6% for the first six months 2009, mainly due to lower contracted and spot sales.

- Operating Costs and Expenses decreased 31.7% during the second quarter 2009 and 26.6% for the first six months 2009, basically due to lower generation and lower fuel prices.

- During the second quarter 2009 were booked the interests gained for the sovereign bonds and investment asset impairment expense by US\$7.2 million as result of fair market value assessment of the sovereign bond hold by Andres & DPP as of June 2009

accounts receivables; (iv) lower net financial interest expense by US\$0.4 million; and, (v) higher foreign currency gain by US\$0.3 million.

For the first six months of 2009, Net Expenses decreased to US\$25.3 million, as compared to total expenses in the same period of 2008 by US\$25.8 million. This variance was mainly attributed to: (i) an asset impairment expense of US\$7.2 million that resulted from a fair market value assessment of the sovereign Bonds which Andres accepted as a means of compensation for outstanding accounts receivable; (ii) higher other income by US\$3.6 million mainly due to the insurance reimbursement for the Andres transformer failure, which had previously been written off; (iii) higher net commercial interest income by US\$3.5 million; (iv) US\$0.7 million of higher foreign currency income; (v) higher deferred financing cost amortization by US\$0.6 million; and, (vi) lower net financial interest expenses by US\$0.5 million which was primarily a factor of the payment of the first and second tranches of Andres local bonds, and higher interest income from the accumulated coupon payment of the sovereign bonds.

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

2Q09	2Q08	Var%	(Millions of US\$)	6M09	6M08	Var%
(4.2)	(4.6)	(8.7)	Interest (expense) – financial - net	(8.7)	(9.2)	(5.4)
3.4	1.9	78.9	Interest income – commercial and others-net	6.8	3.3	106.1
(9.5)	(9.5)	0.0	Subordinated intercompany loan interest expense	(19.0)	(19.0)	0.0
(0.6)	(0.4)	50.0	Deferred financing costs amortization	(1.3)	(0.7)	85.7
(7.2)	0.0	n/a	Investment Asset Impairment Expense	(7.2)	0.0	n/a
3.2	(1.9)	n/a	Other Income (expenses)	3.6	0.0	n/a
0.3	0.0	n/a	Foreign currency gain (loss)	0.5	(0.2)	n/a
<b>(14.6)</b>	<b>(14.5)</b>	<b>0.7</b>	<b>Total Other (Expenses)</b>	<b>(25.3)</b>	<b>(25.8)</b>	<b>(1.9)</b>

(\*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 Used in Operating Activities** was US\$3.3 million for the second quarter 2009 compared to a Net Cash Used in Operating Activities of US\$38.4 million in the same period of 2008. This variation was mainly a net result of the following causes: (i) higher net loss by US\$25.9 million; (ii) higher accounts payables by US\$22.5 million, related to payments to the electricity market; (iii) lower accounts receivables by US\$20.2 million; (iv) an asset impairment expense of US\$6.4 million as described above; (v) a lower commodity derivatives gain of US\$6.2 million (embedded derivative in the PPA with EGE Haina); and, (vi) positive reconciling adjustment by US\$5.7 million reconciling net loss to net cash used in operations.

For the first six months of 2009, the Net Cash Used in Operating Activities was US\$3.2 million against a Net Cash Used by operating activities of US\$10.7 million for the first six months of 2008. This variation was primarily the result of: (i) higher account payable by US\$47.2 million; (ii) higher net loss by US\$41.0 million; (iii) lower accounts receivables by US\$5.0 million; and, (iv) US\$3.5 million higher negative reconciling adjustments, reconciling net loss 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 and advances to suppliers in purchases of PP&E) was net cash used of US\$17.9 million for the second quarter 2009. During this period, there were additions to property, plant and equipment of US\$14.6 million, which included the new transformer and spare parts changed during the major maintenance.

For the first six months of 2009, the Free Cash Flow was net cash used of US\$19.1 million. In addition to the net cash used in operating activities of US\$3.2 million, there were additions to property, plant and equipment by US\$15.9 million.

## Financial Debt Summary

- At the end of the second quarter of 2009, the company's financial debt stood at US\$171 million, a decrease of 5.5% (US\$10 million) against December, 2008. In March and June 2009 Andres paid back principle in the amount of US\$5.4 million and

- Net Cash used in Operating Activities was US\$3.2 million for the first six months 2009 compared to a Net Cash used by Operating Activities of US\$10.7 million in the same period of 2008.

US\$10.0 million, respectively of it local bond issuance. This US\$15.4 million reduction in debt was then partially offset by the issuance of a new Working Capital Line of Credit in the amount of US\$5.0 million.

- On June 2<sup>nd</sup>, Andres & DPP accepted US\$56.0 million of sovereign bonds from the CDEEE as a form of compensation for 2008 outstanding accounts receivable. As of June 30<sup>th</sup>, Andres & DPP had sold US\$15.9 million of par value Bonds and has paid to suppliers an additional US\$3.1 million of par value Bonds.
- Andres extended its US\$15.0 million Standby Letter of Credit to guarantee LNG shipments with at a cost of 4.375% per semester.
- During the second quarter 2009, semi-annual interest of US\$8.6 million under the AES Dominicana Senior Bonds was paid.
- Andres paid US\$19 million of interest obligations under its intercompany loan for the time period of January to June 2009.

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)	

Financial Debt	Jun-09	Dec-08
<i>(expressed in millions of US\$)</i>		
Local Currency	-	-
Foreign Currency	171	181
<b>Total Debt</b>	<b>171</b>	<b>181</b>
Fixed Rate	100%	100%
Variable Rate	0%	0%
Short Term	6%	14%
Long Term	94%	86%
Financing Cost (*)	11.37%	10.90%
Average Life (years)	6	6

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

**Regulation**

- On May 29th, the Dominican Congress approved the law that will allow the bonds to be used to extinguish tax obligations. On June 1st, the President ratified it. The sovereign bonds were applied to the 2008 outstanding receivables.
- In the second quarter 2009, the Capacity Spot Price was defined by the Superintendence of Electricity for the period 2009-2012.
- In June, the Dominican Superintendence of Electricity (SIE) increased the distribution tariffs by an average of 6.4%. In addition to this, the SIE also made an additional increase effective beginning in July 2009, by an average of 5.7%.
- In June, the Dominican Government eliminated the Blackout Reduction Program (PRA) and it will concentrate the subsidy directly to the poor families.

- In June, the Superintendence of Electricity (SIE) increased the distribution tariff in an average of 6.4% and eliminated the Blackout Reduction Program (PRA).

**Liquidity**

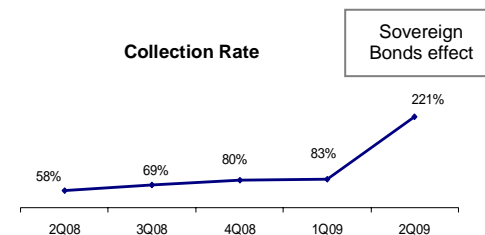
**Collections**

In the second quarter 2009, collections rate stood at 221% compared with 58% registered in the same quarter of 2008, basically due to the fact that in June, Andres & DPP accepted the sovereign bonds as a form of compensation for 2008 outstanding accounts receivable in a total amount of US\$56 million. The sovereign bonds were applied to the 2008 outstanding receivables.

For the first six-months of 2009, the average collections rate was 152% compared with 93% registered in the same period of 2008. During the first semester 2009 the total amount offset was US\$5.0 million.

**Operational Results**

During part of the second quarter 2009 and the first half of 2009, Andres was operating at limited capacity (230 MW), as a result of installing a temporary transformer in January 2009, after the failure that occurred in December 2008. Besides this, Andres also underwent 29 days of major maintenance. Variations that occurred during these periods are a result of these two factors.



In the second quarter 2009, the **Combined Net Generation** was 445 GWh, representing a decrease of 30.8% compared to the same period of 2008. For the first half 2009, **Combined Net Generation** was 943 GWh, a decrease of 25.5% compared to the same period of 2008.

During the second quarter 2009, Andres' **Firm Capacity** decreased 4.9% to 214MW, **Plant Availability** decreased 35.5% and Andres **EFOR** increased to 12.0%. During the first half 2009, Andres' firm capacity reached 214MW, a decrease of 5.3%, the Plant Availability decreased 38.9% and the EFOR increased to 26.0%.

During the second quarter, DPP **Firm Capacity** decreased 19.2% to an average of 21 MW due to the fact that Los Mina V was operating at limited capacity. The **Plant Availability** increased 7.9%.and the **EFOR** increased to 7.0% mainly due to the fact that Unit V operated at limited capacity for technical reasons.

As of June 30th, 2009	Andres	DPP	Aggregate
Installed capacity (MW)	319	236	555
Power Generation Units	1	2	3
Effective capacity (MW)	304	236	540
Contracted capacity (MW)	97	210	307

- The combined net generation decreased 30.8% to 445 GWh, caused by Andres operated in a limited capacity (230MW) during part of the second quarter.

2Q09	2Q08 *	Var. %	Operating Data	6M09	6M08 *	Var. %
452	658	(31.3)	Gross generation	GWh	958	1,292 (25.9)
(7)	(15)	(53.3)	Internal consumption	GWh	(15)	(27) (44.4)
<b>445</b>	<b>643</b>	<b>(30.8)</b>	<b>Net Generation</b>	<b>GWh</b>	<b>943</b>	<b>1,265 (25.5)</b>
535	643	(16.8)	Total Energy Sold	GWh	1,039	1,265 (17.9)
214	225	(4.9)	Andres' Firm Capacity	MW	214	226 (5.3)
7,805	7,719	1.1	Andres Heat Rate	Btu/KWh	8,005	7,649 4.7
60	93	(35.5)	Andres Plant Availability	%	58	95 (38.9)
12	0	n/a	Andres EFOR	%	26	0 n/a
21	26	(19.2)	DPP's Firm Capacity	MW	20	26 (23.1)
96	89	7.9	DPP Plant Availability	%	95	94 1.1
7	1	n/a	DPP EFOR	%	7	1 n/a

\* Data revised.

### Operational Developments

- The PPA contract between EDEEste and Andres, which was temporally suspended in April 1<sup>st</sup> given to the amount of un-paid invoices, was re-instated in June 1<sup>st</sup> 2009.
- On April 1st, Andres and Compañía de Electricidad San Pedro de Macorís (CESPM) signed a Memorandum of Understanding (MOU), for the construction and operation of a pipeline from Andres' natural gas terminal to CESPM power plant in San Pedro de Macoris and for the related sales of natural gas. CESPM will construct the pipeline and Andres will operate and maintain it.
- On May 20<sup>th</sup>, the Andres major maintenance was successfully finished. This maintenance lasted for a period of 29 days and impacted all of the plant's components and power plant facilities. Also, a new 260 MVA transformer was installed during this maintenance with period (the original had a capacity of 220 MVA).
- During the second quarter Andres signed two contracts renewals with UNRs for approximately 3MW and three years, and signed a new contract with another UNR for five years and 3.69MW. As of June 2009, the total contracted capacity with UNRs was 47MW.
- During the second quarter 2009, one vessel docked at Andres pier carrying 3 TBtu of natural gas.

- The Andres major maintenance (29 days) was successfully finished and the replacement of the transformer was done.

### Organizational Structure

On April 28th, AES Dominicana's Corporate Governance Code was released, accomplishing with the Dominican Republic capital market law and international standards.

### Safety Indicator

- During the second quarter 2009, Andres and DPP had no accidents that required shutting down the units.
  - During the second quarter, according to the Occupational Health and Safety Program, training sessions took place at Andres and DPP: Safety Walks, Safety meetings, and training to the contractors.
  - The businesses celebrated the AES Security Week.
- No LTAs during the second quarter.

### Environmental Matters

- During the second quarter 2009, the Group AES Dominicana (comprised of Andres, DPP and Itabo businesses) was recognized as one of the Top Green Companies in all of Central America and Caribbean by the *Markets and Trends* magazine and the National Network of business support. In addition, the "Red Nacional Empresarial para la Proteccion Ambiental" recognized AES Dominicana for the energy saving projects in Andres. No environmental incidents occurred during this period.
  - During the first six months of 2009, a Reforestation Day was celebrated in the San Jose de Ocoa region (south). In this activity more than 50 AES Dominicana employees, together with the environmental groups Pronatura and ADESJO, and the San Jose Development Association, planted more than 2,000 native pine trees (*Pinus Occidentallis*).
  - Andres & DPP did not have environmental incidents.
- AES Dominicana was recognized as one of the Top Green Companies of Central America and Caribbean by the *Markets and Trends* magazine.

**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 US\$)**

2Q09	2Q08		6M09	6M08
<b>REVENUES</b>				
47,944	87,598	Electricity sales – contracts	94,970	152,058
2,676	12,910	Electricity sales – spot market	5,708	30,979
483	1,689	Natural gas sales	1,237	2,736
0	5,285	Commodity derivative loss	0	5,285
114	15	Other sales	128	28
<u>51,217</u>	<u>107,497</u>	Total revenues	<u>102,043</u>	<u>191,085</u>
<b>OPERATING COSTS AND EXPENSES</b>				
35,249	60,008	Cost of sales – electricity purchases and fuel costs used for generation	68,050	105,733
(679)	1,585	Cost of sales – fuel and fuel related costs purchased for resale	0	2,573
10,560	7,867	Operating, maintenance and general expenses	17,814	13,135
935	0	Derivatives instruments	935	-
3,897	3,639	Depreciation and amortization of intangible assets	7,886	7,360
<u>49,962</u>	<u>73,099</u>	Total operating costs and expenses	<u>94,684</u>	<u>128,801</u>
1,255	34,398	<b>OPERATING INCOME</b>	7,359	62,284
<b>OTHER INCOME (EXPENSES)</b>				
(818)	(2,722)	Interest expense – net	(1,907)	(5,939)
(9,530)	(9,530)	Subordinated intercompany loan interest expense	(19,060)	(19,060)
(584)	(365)	Deferred financing costs amortization	(1,245)	(644)
(7,226)	0	Investment Asset Impairment Expense	(7,226)	-
3,172	(1,894)	Other income (Expense)	3,543	5
252	16	Foreign currency gain (loss)	474	(182)
(13,479)	19,904	<b>INCOME BEFORE TAXES</b>	(18,063)	36,466
(267)	(7,765)	Income tax expense	(340)	(13,864)
<u>(13,746)</u>	<u>12,139</u>	<b>NET INCOME (LOSS)</b>	<u>(18,403)</u>	<u>22,602</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 includes interest expense of US\$9.5 million in 2Q09 and US\$9.5 million in 2Q08, respectively, and US\$19.0 million in 6M09 and 6M08, 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.

**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**  
**AS OF JUNE 30 2009 AND DECEMBER 31, 2008**  
**(Expressed in Thousands US\$)**

	<u>June 30th, 2009</u>	<u>Dec. 31st, 2008</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	25,427	40,435
Restricted cash	9	15
Short term investment	1,154	1,155
Accounts receivable	117,105	144,969
Accounts receivable – related parties	9,681	4,672
Other receivable	1,723	1,833
Other receivable – related parties	3,422	1,228
Inventories	8,343	1,437
Income tax receivable	-	12,200
Prepaid expenses	3,953	-
Deferred tax asset	-	1,230
Derivative asset	-	-
Total current assets	<u>170,818</u>	<u>209,175</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Land	10,370	10,370
Plant and electricity generating equipment	568,650	555,369
Less accumulated depreciation	<u>(116,190)</u>	<u>(109,209)</u>
Property, plant and equipment	462,830	456,531
<b>OTHER ASSETS</b>		
Intangible assets – net	0	1
Deferred financing costs – net	4,069	4,613
Long term accounts receivable	26,502	39,445
Debt service reserves	8,595	8,580
Long term investment	31,775	-
Other assets	16	74
Total other assets	<u>70,958</u>	<u>52,714</u>
<b>TOTAL</b>	<u><u>704,606</u></u>	<u><u>718,419</u></u>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Notes payable - short term	14,596	25,000
Accounts payable and accrued liabilities	26,904	10,526
Accounts payable and accrued liabilities – related parties	5,730	2,836
Income tax payable	38,607	43,846
Total current liabilities	<u>85,838</u>	<u>82,208</u>
<b>LONG TERM LIABILITIES</b>		
Deferred income tax	24,633	24,994
Intercompany loan	413,153	413,153
Notes payable	156,000	156,000
Long term derivative	935	0
Other liabilities	552	540
Total long term liabilities	<u>595,272</u>	<u>594,686</u>
<b>SHAREHOLDER'S EQUITY</b>		
Common stock	15,000	15,019
Contributed capital	108,440	108,420
Additional paid-in capital	1,178	1,115
Accumulated losses	(101,398)	(82,995)
Accumulated other comprehensive loss	276	(36)
Total shareholder's equity	<u>23,496</u>	<u>41,524</u>
<b>TOTAL</b>	<u><u>704,606</u></u>	<u><u>718,419</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 Thousands US\$)

2Q09	2Q08		6M09	6M08
		<b>OPERATING ACTIVITIES:</b>		
(13,746)	12,139	Net income (Loss)	(18,403)	22,602
		Adjustments to reconcile net income to net cash provided by operating activities:		
3,897	3,639	Depreciation and amortization	7,886	7,360
935	(5,285)	Commodity derivative gain	935	(5,285)
(101)	1,182	Income tax expense	(50)	1,182
584	365	Deferred financing costs amortization	1,245	644
(98)	-	Loss on asset disposal	1,678	5
-	-	Bad debt reserve	-	37
		Currency translation adjustment	-	-
(9,530)	(9,482)	Subordinated intercompany note interest expense		
39	48	Long term incentive compensation	109	216
368	11,517	Deferred income tax expense	390	12,681
6,411	0	Investment Asset Impairment Expense	6,411	
	1,895	Unrealized commodity gain		
		Changes in assets and liabilities:		
(3,672)	(32,729)	Accounts receivable	(14,967)	(29,143)
(5,009)	0	Accounts receivable – related parties	(5,009)	
28	(604)	Other receivable	110	713
(2,209)	2,263	Other receivable – related parties	(2,193)	1,365
(587)	(6,365)	Inventory	(6,907)	5,214
12,200	0	Income tax receivable	12,200	
(3,100)	(3,138)	Prepaid expenses	(2,008)	(1,890)
1,230	-	Deferred tax asset	1,230	-
1,027	-	Long – term accounts receivable	1,027	-
		Other assets	-	-
12,019	-3,509	Accounts payable and accrued liabilities	19,431	(6,765)
1,917	(5,104)	Accounts payable and accrued liabilities – related parties	949	(20,031)
(5,628)	(5,170)	Income tax payable	(6,897)	(1,142)
-	-	Intercompany interest payment		
22	(125)	Deferred tax liability	(311)	(37)
-	-	Long – term accounts payable		
-	-	Other long term		
(263)	62	Other liabilities	(34)	1,553
<u>(3,269)</u>	<u>(38,400)</u>	Net cash used by operating activities	<u>(3,179)</u>	<u>(10,719)</u>
		<b>INVESTING ACTIVITIES:</b>		
(14,599)	(1,279)	Additions to property, plant and equipment	(15,862)	(1,446)
15,072	-	Long term investment	15,072	-
0	14,830	Increase in restricted cash	6	14,830
-	-	Purchase of short term investments	1	-
1,689	148	Increase in other deposits	58	153
<u>2,163</u>	<u>13,700</u>	Net cash provided by (used in) investing activities	<u>(725)</u>	<u>13,537</u>
		<b>FINANCING ACTIVITIES:</b>		
(5,404)	5,000	New borrowings – Notes payable	(10,404)	5,000
(701)	(500)	Financing costs payments	(701)	(500)
<u>(6,105)</u>	<u>4,500</u>	Net cash provided by (used in) financing activities	<u>(11,105)</u>	<u>4,500</u>
(7,212)	(20,200)	<b>NET INCREASE (DECREASE) IN CASH</b>	(15,009)	7,319
<u>32,639</u>	<u>65,913</u>	<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>40,435</u>	<u>38,393</u>
<u>25,427</u>	<u>45,713</u>	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>25,427</u>	<u>45,712</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 June 30, 2009 and 2008 and December 31, 2008, 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 555 MW of installed capacity, which represent approximately 21% of the current total installed capacity, 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.*

*The AES Corporation (NYSE: AES) is a Fortune 500 global power company with generation and distribution businesses. Through our diverse portfolio of thermal and renewable fuel sources, we safely provide affordable and sustainable energy to 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 manage more than \$35 billion in total assets. BusinessWeek named AES to its 2009 "BW 50" list. 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. AES Dominicana 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>TBtu</b>	Trillion of Btu.
<b>CDEEE:</b>	Corporación Dominicana de Empresas Eléctricas Estatales.
<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>Deregulated Users (UNR):</b>	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.
<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 <b>gross domestic product</b> (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>Henry Hub:</b>	The specific pricing point for natural gas future contracts on the New York Mercantile Exchange, or NYMEX.
<b>Installed capacity:</b>	The amount of MW a turbine is designed to produce upon installment (name-plate capacity).
<b>Liquid Natural Gas (LNG):</b>	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.
<b>PPA:</b>	Power Purchase Agreement.
<b>SENI:</b>	Sistema Eléctrico Nacional Interconectado or the National Interconnected Electrical System.