

# Fourth Quarter 2009

## Relevant Results

Santo Domingo, Dominican Republic  
March 17th, 2010

### 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 Income of US\$9.4 million in the fourth quarter 2009.

Santo Domingo, Dominican Republic, March 17<sup>th</sup>, 2010 – Today AES Andres and Dominican Power Partners (DPP) announced combined results for the fourth quarter 2009 and the accumulated results for the period ending December 31<sup>st</sup>, 2009. All operating and financial information, except where otherwise specified, is based on the unaudited 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).

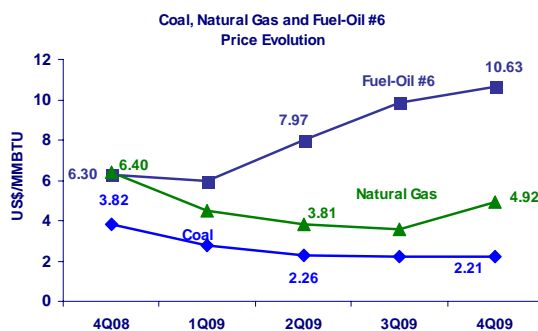
Revenues decreased 4.1% to US\$68.5 million in the fourth quarter 2009 compared to the same period of 2008 and the Accumulated Revenues for the year ended in December 2009 decreased 34.5% compared to 2008. Net Income for the fourth quarter 2009 was US\$9.4 million compared to a Net Income of US\$0.6 million in the same period of 2008 and the accumulated Net Income as of December 31<sup>st</sup>, 2009 was US\$3.7 million compared to a Net Income of US\$21.4 million in 2008.

4Q09	4Q08	(Millions of US\$)	12M09	12M08
68.5	71.4	Revenues	234.5	358.2
40.1	54.8	Operating costs and expenses	168.9	260.8
28.4	16.6	Operating income	65.6	97.4
41.5%	23.2%	Operating income margin	28.0%	27.2%
9.4	0.6	Net Income (*)	3.7	21.4
Net Cash Provided by (Used in)				
17.3	(11.0)	Operating Activities	18.8	(13.3)

(\*) Net Income includes interest expense of US\$9.6 million in 4Q09 and 4Q08 and US\$38.2 million in 12M09 and US\$38.3 million in 12M08, 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.

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

- Dominican Republic's GDP grew 3.5% during 2009.
- 2009 annualized inflation was 5.76%.
- Exchange Rate as of December 31<sup>st</sup>, 2009 was RD\$36.11 per US dollar (Bid) and RD\$36.17 per US dollar (Ask).
- Average Nymex Henry Hub natural gas prices were US\$4.92 per MMBtu for the fourth quarter, with a peak of US\$5.99 per MMBtu and a low of US\$4.25 per MMBtu.<sup>2</sup>
- Total electricity demand for 2009 reached 10,954 GWh, a decrease of 1.7% versus 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

- In November, Andres renewed its Standby Letter of Credit for LNG purchases with Citibank, for six additional months.
- On November 9th, the IMF approved the Stand by agreement and the electricity sector received around US\$ 300 million.
- In December, the Security Superintendence of the Dominican Republic approved a local bonds issuance to Andres for US\$30 million.
- On January 17th, 2010 Andres started operation of the Liquefied Natural Gas Truck Terminal.
- In February 2010, AES Dominicana obtained the ISO9000 and ISO14000 certifications.

### Inside this report:

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

### Analysis of Combined Financial Results (In USGAAP)

**Revenues** decreased 4.1% to US\$68.5 million in the fourth quarter 2009 compared to the same period of 2008. The main factors that led to these results were the net effect of: (i) higher contracted sales by US\$21.1 million, primarily due to a higher quantity of energy sales (a function of a contract suspension between Edeeste and DPP in 2008), (ii) lower spot sales by US\$19.1 million, largely a result of a decrease in spot prices and volume sold (4Q09-38GWh vs. 4Q08-204GWh), and, (iii) an decrease of US\$4.9 million in natural gas & other sales. This decrease was the result of the impact of an embedded derivative (from the Haina and EdeNorte energy sales contracts) that was registered in 4Q2008 and lower natural gas prices.

For the year ended on December 31<sup>st</sup>, 2009, Revenues totaled US\$234.5 million, a decrease of 34.5% compared to the same period of 2008. This result was largely the result of: (i) lower contracted sales by US\$75.2 million, basically to lower prices (Contracted prices are monthly indexed to the NYMEX natural gas prices) and a lower quantity of energy sold; (ii) lower spot sales by US\$45.4 million due to lower generation and average prices; and, (iii) lower natural gas & other sales by US\$3.1 million as result of the reduction in natural gas prices.

It should be noted that lower generation and subsequent sales volume that drives a lot of the variation described above was a function of two main factors: (i) Andres operated at limited capacity during a portion of 2009 (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 in Q209 for major maintenance .

**Revenues consist of the following:**

4Q09	4Q08	Var%	(Millions of US\$)	12M09	12M08	Var%
57.6	36.5	57.8	Electricity sales – Contracts	203.1	278.3	(27.0)
10.4	29.5	(64.7)	Electricity sales – spot market	29.0	74.4	(61.0)
0.5	5.4	(90.7)	Natural Gas Sales & Other Sales	2.4	5.5	(56.4)
<b>68.5</b>	<b>71.4</b>	<b>(4.1)</b>	<b>Total Revenues</b>	<b>234.5</b>	<b>358.2</b>	<b>(34.5)</b>

**Operating Costs and Expenses** decreased 26.8%, in the fourth quarter 2009, to US\$40.1 million compared to the same period of 2008. This variance was principally a net result of: (i) lower fuel costs by US\$17.2 million due to lower fuel prices and lower generation; (ii) higher electricity purchases by US\$3.0 million due to lower generation; (iii) lower operating, maintenance and general expenses by US\$1.1 million, since in 2008 Andres had a failure in its gas turbine transformer; (iv) higher derivatives instruments expenses by US\$0.5 million, and, (iv) higher depreciation expenses by US\$0.1 million.

As of December 31<sup>st</sup>, 2009, Operating Costs and Expenses decreased 35.2% to US\$168.9 million compared to the year ended December 31<sup>st</sup>, 2008. This variance was mainly caused by: (i) lower LNG consumption by US\$133.2 million partially offset by US\$35.4 million of higher energy purchase requirements due to lower generation; (ii) higher operating, maintenance and general expenses and general expenses by US\$3.4 million due to the major maintenance and the transformer failure of Andres; (iii) higher derivatives instruments by US\$1.7 million included in the contract for natural gas purchases; and, (iv) higher depreciation expenses by US\$0.8 million.

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

4Q09	4Q08	Var%	(Millions of US\$)	12M09	12M08	Var%
30.7	44.9	(31.6)	Cost of sales - electricity purchases and fuel costs for generation & resale	123.4	221.2	(44.2)
5.1	6.2	(17.7)	Operating, maintenance and general expenses	28.2	24.8	13.7
0.5	0.0	n/a	Derivatives Instruments	1.7	0.0	n/a
3.8	3.7	2.7	Depreciation and amortization of intangible assets	15.6	14.8	5.4
<b>40.1</b>	<b>54.8</b>	<b>(26.8)</b>	<b>Total Operating Cost and Expenses</b>	<b>168.9</b>	<b>260.8</b>	<b>(35.2)</b>

Total **Other Expenses** were US\$14.2 million in the fourth quarter 2009, an increase of 20.3% when compared to US\$11.8 million in the same period of 2008. This was the result of a negative impact from: (i) higher net financial expenses by US\$1.7 million that resulted from higher penalty of A/P over spot market and due to interest over 2008 income tax (It had been financed over 2009, for Andres request); (ii) Higher other expenses by US\$0.4 million (even though the company received a reimbursement from the insurance company for the transformer failure by US\$0.4 million), this was partially reduced since the AES Pipeline Project costs, previously capitalized, were written off in accordance with PP&E policy; (iii) US\$0.2 million from investment Asset Impairment Expense; and, (iv) Lower net commercial interest income by US\$0.1 million.

As of December 31<sup>st</sup>, 2009, **Net Expenses** decreased to US\$48.8 million, from US\$49.9 million during the 2008. This net variance resulted from: (i) higher investment Asset impairment expense by US\$7.4 million that resulted from a fair market value

assessment of the sovereign Bonds which Andres accepted as a means of compensation for outstanding account receivables; (ii) higher other income by US\$6.3 million due to insurance reimbursement and the gain on sale of investment; (iii) higher net commercial interest income by US\$3.1 million derived from the A/R from spot market sales; (iv) US\$0.8 million of higher interest expenses; and, (v) higher foreign currency income by US\$0.3 million.

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

4Q09	4Q08	Var%	(Millions of US\$)	12M09	12M08	Var%
(4.6)	(2.9)	58.6	Interest (expense) – financial - net	(17.5)	(16.7)	4.8
2.0	2.1	(4.8)	Interest income – commercial and others-net	10.5	7.4	41.9
(9.6)	(9.6)	0.0	Subordinated intercompany loan interest expense (*)	(38.2)	(38.3)	(0.3)
(0.5)	(0.5)	0.0	Deferred financing costs amortization	(2.1)	(1.6)	31.3
(0.2)	0.0	n/a	Investment Asset Impairment Expense	(7.4)	0.0	n/a
(1.3)	(0.9)	44.4	Other Income (expenses)	5.3	(1.0)	n/a
0.0	0.0	n/a	Foreign currency gain	0.6	0.3	100.0
<b>(14.2)</b>	<b>(11.8)</b>	<b>20.3</b>	<b>Total Other (Expenses)</b>	<b>(48.8)</b>	<b>(49.9)</b>	<b>(2.2)</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 Provided by Operating Activities** was US\$17.3 million for the fourth quarter 2009 compared to a Net Cash Used in Operating Activities of US\$11.0 million in the same period of 2008, resulting a net increase of US\$28.3 million, mainly due to the following causes: (i) positive impact due to lower accounts receivables by US\$68.7 million mainly a result of extraordinary collections in November and December 2009 that resulted from the Government closing the US\$1.7 billion Stand-By Agreement with the IMF; (ii) negative impact due to lower account payables by US\$57.3 million, related to the electricity market; (iii) higher net income by US\$8.8 million; (iv) a positive impact of US\$4.9 million from a lower derivative gain; and, (iv) positive reconciling adjustment by US\$3.2 million reconciling net income to net cash provided by operations.

For the year ended on December 31<sup>st</sup>, 2009, the Net Cash Provided by Operating Activities was US\$18.8 million against a Net Cash Used in Operating Activities of US\$13.3 million for the year ended in December 31<sup>st</sup>, 2008, resulting in a net increase of operating cash by US\$32.1 million, due to the following: (i) a positive impact due to lower accounts receivable by US\$57.1 million (during 2009 the company received US\$56.0 million in sovereign bonds and during the last quarter 2009 the business received extraordinary collections as a result of the funds the government received from the IMF); (ii) higher inventory by US\$19.5 million, since in December a vessel was received with around 3TBu of natural gas, (iii) lower account payables by US\$6.0 million; and, (iv) positive impact of US\$0.5 million from higher positive reconciling adjustments, reconciling net income to net cash provided by 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 provided by US\$10.5 million for the fourth quarter 2009. In addition to the net cash provided by Operating Activities of US\$17.3 million, during this period, there were additions to property, plant and equipment of US\$6.8 million.

For the year ended on December 31<sup>st</sup>, 2009, the Free Cash Flow metric showed net cash used of US\$6.1 million. In addition to the net cash provided by operating activities of US\$18.8 million, there were additions to property, plant and equipment by US\$24.9 million which included the new transformer and spare parts added during the major maintenance.

## Financial Debt Summary

- In November, Andres renewed its US\$15.0 million Standby Letter of Credit for LNG purchases with Citibank, for six additional months and added automatic renewal language. In addition, at the close of 2009 Andres maintained a US\$5.0 million Line of Credit with BHD (outstanding on December 31<sup>st</sup>, 2009).
- In December, Andres paid the International Bonds interest for US\$8.6 million and Intercompany loan interest for US\$19.0 million.
- In December, the Security Superintendence of the Dominican Republic approved Andres local bond issuance for an amount up to US\$30 million.
- On December 24th, the third and final tranche of Andres local Bonds were paid for a total amount of US\$9.6 million (US\$25.0 million of principal was repaid in full in March, June and December of 2009).

- The following table shows a summary of the AES Dominicana Debt Profile as of December 2009:

Financial Debt	Dic-09	Dic-08
<i>(expressed in millions of US\$)</i>		
Local Currency	-	-
Foreign Currency	161	181
<b>Total Debt</b>	<b>161</b>	<b>181</b>
Fixed Rate	100%	100%
Variable Rate	0%	0%
Short Term	0%	14%
Long Term	100%	86%
Financing Cost (*)	11.86%	10.90%
Average Life (years)	5	6

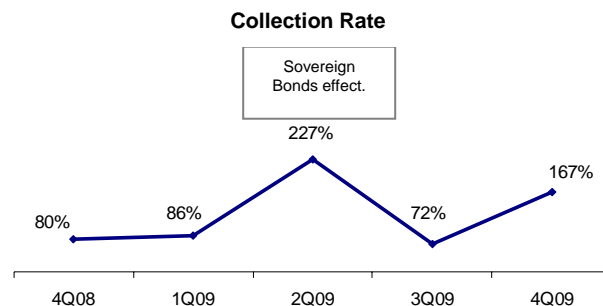
(\*) (1) After tax rates. (2) The Notes effective rate includes the interest income accrued by the interest debt reserve.

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)	

## Liquidity

### Collections

- In the fourth quarter of 2009, the collections rate stood at 167% compared with 80% registered in the same quarter of 2008. This was largely a function of extraordinary collections that resulted from the Government's signature of a Stand by Agreement with the IMF and a subsequent allocation of funds to electricity sector participants that equaled of approximately US\$300.0 million.
- For the year ended as of December 31<sup>st</sup>, 2009, the average collections rate was 138% compared with 85% registered in the same period of 2008. This increase is primarily attributable to the fact that (i) in June, Andres & DPP accepted US\$56 million of sovereign bonds as a form of compensation for 2008 outstanding accounts receivable and (ii) the Dominican Government signed the Stand by Agreement with the IMF. Please note that 100% of the bonds received were successfully monetized by September 1, 2009. This resulted in US\$52.8 million for Andres & DPP.
- As of December 31<sup>st</sup>, 2009, AES Dominicana has done compensation agreements with the Distribution Companies for a total amount of US\$5.0 million.



## Regulation

- On October 12th, the Government signed a Letter of Intent for a Stand-By Agreement of US\$1.7 Billion with the IMF. This agreement was contingent on support to the electricity sector and explicitly included performance indicators for the distributions companies and a plan to pay the current debt to the generators. On November 9th, the IMF approved the agreement and the electricity sector received around US\$ 300 million.
- The Dominican Government budgeted US\$ 350 million for the electricity sector during 2010.

## Operational Results

In the fourth quarter 2009, the **Combined Net Generation** was 631 GWh, representing an increase of 36.3% compared to the same period of 2008. This increase is primarily attributable to the transformer failure which occurred in December 2008. As of December 31<sup>st</sup>, 2009, **Combined Net Generation** was 2,195 GWh, a decrease of 7.7% compared to the same period of 2008.

During the fourth quarter 2009, Andres' **Firm Capacity** decreased 2.8% to 246MW, the **EAF** increased 28.0% and Andres **EFOR** decreased to 1.0%, largely a result of the transformer failure which occurred in December 2008. As of December 31<sup>st</sup>, 2009, Andres' firm capacity reached 226MW, a decrease of 5.8% compared to the same period of 2008, the Plant Availability decreased 14.3% and the EFOR increased to 13.0%, as a consequence of the transformer failure that affected part of 2009 and major maintenance.

Variations that occurred during these periods are a result of these two factors; (1) During part the first quarter 2009, Andres was operating at limited capacity (230 MW), as a result of installing a temporary transformer in January 2009 after the December 2008 failure and, (2)\_ Andres also underwent 29 days of major maintenance.

As of December 31<sup>st</sup> 2009, DPP **Firm Capacity** decreased 32.0 % to an average of 17 MW. The **EAF** decreased 16.7%.and the **EFOR** increased to 5.0% mainly due to the fact that Unit V operated at limited capacity for technical reasons.

As of Dec. 31st, 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)	101	210	311

4Q09	4Q08 *	Var. %	Operating Data		12M09	12M08 *	Var. %
644	473	36.2	Gross generation	GWh	2,236	2,427	(7.9)
(13)	(10)	30.0	Internal consumption	GWh	(41)	(49)	(16.3)
<b>631</b>	<b>463</b>	<b>36.3</b>	<b>Net Generation</b>	<b>GWh</b>	<b>2,195</b>	<b>2,378</b>	<b>(7.7)</b>
643	463	38.9	Total Energy Sold	GWh	2,309	2,378	(2.9)
246	253	(2.8)	Andres' Firm Capacity	MW	226	240	(5.8)
7,756	7,895	(1.8)	Andres Heat Rate	Btu/KWh	7,851	7,704	1.9
96	75	28.0	Andres EAF	%	78	91	(14.3)
1	15	(93.3)	Andres EFOR	%	13	4	225.0
12	22	(45.5)	DPP's Firm Capacity	MW	17	25	(32.0)
49	96	(49.0)	DPP EAF	%	80	96	(16.7)
1	16	(93.8)	DPP EFOR	%	5	4	25.0

\* Data revised.

## Operational Developments

- During the fourth quarter, Andres signed nine contracts with Non Regulated Users of the market for around 14MW. As of December 31<sup>st</sup>, Andres had 30 UNRs contracts, totaling 51MW.
- During the fourth quarter 2009, two vessels docked at Andres pier carrying a total of 6 TBtu of natural gas.
- On January 18<sup>th</sup>, 2010, Andres started commercial operations of the Liquefied Natural Gas Truck Terminal that will allow for the development of alternatives for natural gas supply around the Dominican Republic. This terminal is the first in Latin America.

## Safety Indicator

- During the year ended on December 31<sup>st</sup>, 2009, Andres and DPP accomplished the goal of no Lost Time Accidents (LTA) and no fatalities, differing with 2008, when the companies had two LTAs.
- In 2009, DPP reached five consecutive years without a Lost Time Accident.(LTA).
- During the fourth quarter, according to the Occupational Health and Safety Program, training sessions took place at Andres and DPP. These sessions included among other things: Safety Walks, Safety meetings, incidents report program, first aid, trainings with firefighters, emergency drill, continuous education and certification of contractors, inspection and safety compliance.

**Environmental Matters**

- During 2009, AES Dominicana participated in the "World Beach and Coasts Cleanup Day" with massive support from the community of Haina and the zone's civil and business organizations, in coordination with the Blue Life Foundation. More than 700 volunteers from Bajos de Haina, 150 AES Dominicana employees, together with members of Blue Life, cleaned the beach called "El Gringo," next to Itabo power plant, frequented by the zone's inhabitants. Besides, Andres was recognized by the Central America Commission for Development and Environment, as the energy production more clean.
- During 2009, Andres sent the two semiannually reports for environment accomplish to the Environmental Ministry. Andres & DPP did not have environmental incidents.
- In February 2010, AES Dominicana obtained the ISO9000 and ISO14000 certifications.

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\$)

4Q09	4Q08		12M09	12M08
<b>REVENUES</b>				
57,587	36,457	Electricity sales – contracts	203,122	278,291
10,385	29,509	Electricity sales – spot market	28,972	74,408
549	975	Natural gas sales	2,286	5,494
-	4,416	Commodity derivative loss	-	-
14	14	Other sales	156	56
<u>68,535</u>	<u>71,372</u>	Total revenues	<u>234,536</u>	<u>358,249</u>
<b>OPERATING COSTS AND EXPENSES</b>				
30,270	43,898	Cost of sales – electricity purchases and fuel costs used for generation	122,994	215,594
470	1,010	Cost of sales – fuel and fuel related costs purchased for resale	470	5,620
5,081	6,169	Operating, maintenance and general expenses	28,181	24,782
523	-	Derivatives instruments	1,756	-
3,766	3,704	Depreciation and amortization of intangible assets	15,506	14,753
<u>40,111</u>	<u>54,781</u>	Total operating costs and expenses	<u>168,907</u>	<u>260,748</u>
28,425	16,591	<b>OPERATING INCOME</b>	65,629	97,501
<b>OTHER INCOME (EXPENSES)</b>				
(2,577)	(832)	Interest expense – net	(7,005)	(9,293)
(9,634)	(9,634)	Subordinated intercompany loan interest expense (*)	(38,224)	(38,329)
(438)	(536)	Deferred financing costs amortization	(2,149)	(1,639)
(176)	-	Investment Asset Impairment Expense	(7,402)	-
(1,323)	(905)	Other (expenses) income	5,317	(951)
(32)	56	Foreign currency (loss) gain	598	354
14,245	4,739	<b>INCOME BEFORE TAXES</b>	16,765	47,643
(4,840)	(4,160)	Income tax expense	(13,034)	(26,265)
<u>9,405</u>	<u>579</u>	<b>NET INCOME (**)</b>	<u>3,731</u>	<u>21,378</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\$9.6 million in 4Q09 and 4Q08, respectively, and US\$38.2 million in 12M09 and US\$38.3 million in 12M08, 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**  
**(Expressed in Thousands US\$)**

	<u>Dec.31st, 2009</u>	<u>Dec.31st, 2008</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	US\$ 61,831,165	US\$ 40,435,400
Restricted cash	1,209,230	14,797
Short term investment	1,170,644	1,155,000
Accounts receivable	111,580,405	144,969,321
Accounts receivable – related parties	6,507,939	4,671,867
Other receivable	2,179,973	1,228,154
Other receivable – related parties	2,848,445	3,269,936
Inventories	19,407,041	12,200,013
Income tax receivable	-	-
Prepaid expenses	1,483,402	1,229,503
Deferred tax asset	3,163,721	-
Derivative asset	-	-
Total current assets	<u>211,381,965</u>	<u>209,173,991</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Land	10,370,304	10,370,304
Plant and electricity generating equipment	573,918,518	555,369,258
Less accumulated depreciation	<u>(121,644,536)</u>	<u>(109,208,687)</u>
Property, plant and equipment	462,644,286	456,530,875
<b>OTHER ASSETS</b>		
Intangible assets – net	-	909
Deferred financing costs – net	3,750,085	4,613,499
Long term accounts receivable	25,156,708	39,445,295
Debt service reserves	8,580,000	8,580,000
Long term investment	-	-
Other assets	1,589,790	74,144
Total other assets	<u>39,076,583</u>	<u>52,713,847</u>
<b>TOTAL</b>	<u><u>713,102,834</u></u>	<u><u>718,418,713</u></u>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	US\$ 16,667,113	US\$ 10,525,735
Accounts payable and accrued liabilities – related parties	3,422,410	2,835,984
Notes payable - short term	5,000,000	25,000,000
Income tax payable	45,370,562	43,846,204
Total current liabilities	<u>70,460,085</u>	<u>82,207,922</u>
<b>LONG TERM LIABILITIES</b>		
Deferred income tax	26,095,517	24,994,111
Intercompany loan	413,152,930	413,152,653
Notes payable	156,000,000	156,000,000
Long term derivative	1,755,605	-
Other liabilities	249,352	539,652
Total long term liabilities	<u>597,253,404</u>	<u>594,686,417</u>
<b>SHAREHOLDER'S EQUITY</b>		
Common stock	15,019,462	15,019,462
Contributed capital	109,157,902	108,420,212
Additional paid-in capital	(93,123)	1,115,116
Accumulated losses	(78,659,916)	(82,994,852)
Accumulated other comprehensive loss	<u>(34,981)</u>	<u>(35,563)</u>
Total shareholder's equity	<u>45,389,345</u>	<u>41,524,374</u>
<b>TOTAL</b>	<u><u>713,102,834</u></u>	<u><u>718,418,713</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 US\$)**

4Q09		4Q08			12M09		12M08	
US\$	9,405	US\$	579		US\$	3,731	US\$	21,378
				<b>OPERATING ACTIVITIES:</b>				
				Net income(Loss)				
				Adjustments to reconcile net income to net cash provided by operating activities:				
	3,766		3,704	Depreciation and amortization		15,506		14,753
	523		(4,416)	Commodity derivative gain		1,756		-
	13,853		(1,516)	Income tax expense		14,822		-
	438		536	Deferred financing costs amortization		2,149		1,639
	95		801	Loss on asset disposal		1,773		900
	-		(37)	Bad debt reserve		-		-
	0		0	Currency translation adjustment		1		1
	(9,530)		(9,634)	Subordinated intercompany note interest expense		-		-
	29		87	Long term incentive compensation		201		400
	(9,013)		(17,838)	Deferred income tax expense		(1,788)		2,751
	(0)		-	Investment Asset Impairment Expense		5,032		-
	-		-	Unrealized commodity gain		-		-
				Changes in assets and liabilities:				
	25,913		(5,175)	Accounts receivable		(5,508)		(58,805)
	24,464		(1,833)	Accounts receivable – related parties		(1,836)		(1,833)
	(823)		303	Other receivable		(952)		1,586
	4,959		(7,454)	Other receivable – related parties		421		(5,885)
	5,379		9,461	Inventory		(7,207)		12,308
	(12,200)		-	Income tax receivable		-		-
	(781)		920	Prepaid expenses		(1,483)		176
	(3,110)		-	Deferred tax asset		(1,934)		-
	(1,700)		-	Long – term accounts receivable		(0)		-
	-		-	Other assets		-		-
	(14,793)		(5,736)	Accounts payable and accrued liabilities		9,099		(2,846)
	(19,763)		5,181	Accounts payable and accrued liabilities – related parties		587		(17,622)
	(2,688)		20,638	Income tax payable		(17,990)		18,119
	-		-	Intercompany interest payment		-		-
	3,196		510	Deferred tax liability		2,748		-
	-		-	Long – term accounts payable		-		-
	-		-	Other long term		-		-
	(339)		(125)	Other liabilities		(358)		(346)
	<u>17,280</u>		<u>(11,044)</u>	Net cash provided by (used in) operating activities		<u>18,769</u>		<u>(13,326)</u>
				<b>INVESTING ACTIVITIES:</b>				
	(6,775)		(349)	Additions to property, plant and equipment		(24,940)		(6,743)
	-		-	Long term investment		50,030		-
	-		-	Loan to related party		-		-
	-		-	Proceeds from sales of property, plant and equipment		-		-
	(1,200)		1,032	Increase in restricted cash		(1,194)		15,001
	-		-	Advances to suppliers in purchase of PP&E		-		-
	(2)		(1,155)	Purchase of short term investments		(16)		(1,155)
	-		-	Decrease in debt service reserves		-		-
	688		(2,771)	Increase in other deposits		34		142
	<u>(7,289)</u>		<u>(3,243)</u>	Net cash provided by (used in) investing activities		<u>23,913</u>		<u>7,245</u>
				<b>FINANCING ACTIVITIES:</b>				
	(25,000)		-	Principal payments		(25,000)		-
	15,404		-	New borrowings – Notes payable		5,000		9,596
	-		-	Dividend Payments		-		-
	(586)		(974)	Financing costs payments		(1,286)		(1,473)
	<u>(10,182)</u>		<u>(974)</u>	Net cash provided by (used in) financing activities		<u>(21,286)</u>		<u>8,123</u>
	(191)		(15,260)	<b>NET INCREASE (DECREASE) IN CASH</b>		21,396		2,042
	<u>62,022</u>		<u>55,696</u>	<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<u>40,435</u>		<u>38,393</u>
<b>US\$</b>	<b>61,831</b>	<b>US\$</b>	<b>40,435</b>	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>US\$</b>	<b>61,831</b>	<b>US\$</b>	<b>40,435</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 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 December 31<sup>st</sup>, 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 provide affordable and sustainable energy to 29 countries. Our workforce of 27,000 people is committed to operational excellence and meeting the world's changing power needs. Our 2009 revenues were \$14 billion and we own and manage \$40 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. 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.