» AES Corporation: *Today. Tomorrow. Making it Happen.*

Lehman Brothers CEO Energy Conference

New York, NY

September 5, 2007

AES
the power of being global













» Safe Harbor Disclosure

Certain statements in the following presentation regarding AES's business operations may constitute "forward-looking statements." Such forward-looking statements include, but are not limited to, those related to future earnings, growth and financial and operating performance. Forward-looking statements are not intended to be a guarantee of future results, but instead constitute AES's current expectations based on reasonable assumptions. Forecasted financial information is based on certain material assumptions. These assumptions include, but are not limited to, continued normal or better levels of operating performance and electricity demand at our distribution companies and operational performance at our generation businesses consistent with historical levels, as well as achievements of planned productivity improvements and incremental growth from investments at investment levels and rates of return consistent with prior experience. For additional assumptions see the Appendix to this presentation. Actual results could differ materially from those projected in our forward-looking statements due to risks, uncertainties and other factors. Important factors that could affect actual results are discussed in AES's filings with the Securities and Exchange Commission including but not limited to the risks discussed under Item 1A "Risk Factors" in the Company's Annual Report on Form 10-K/A for the year ended December 31, 2006, as well as our other SEC filings. AES undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

» A Global Opportunity

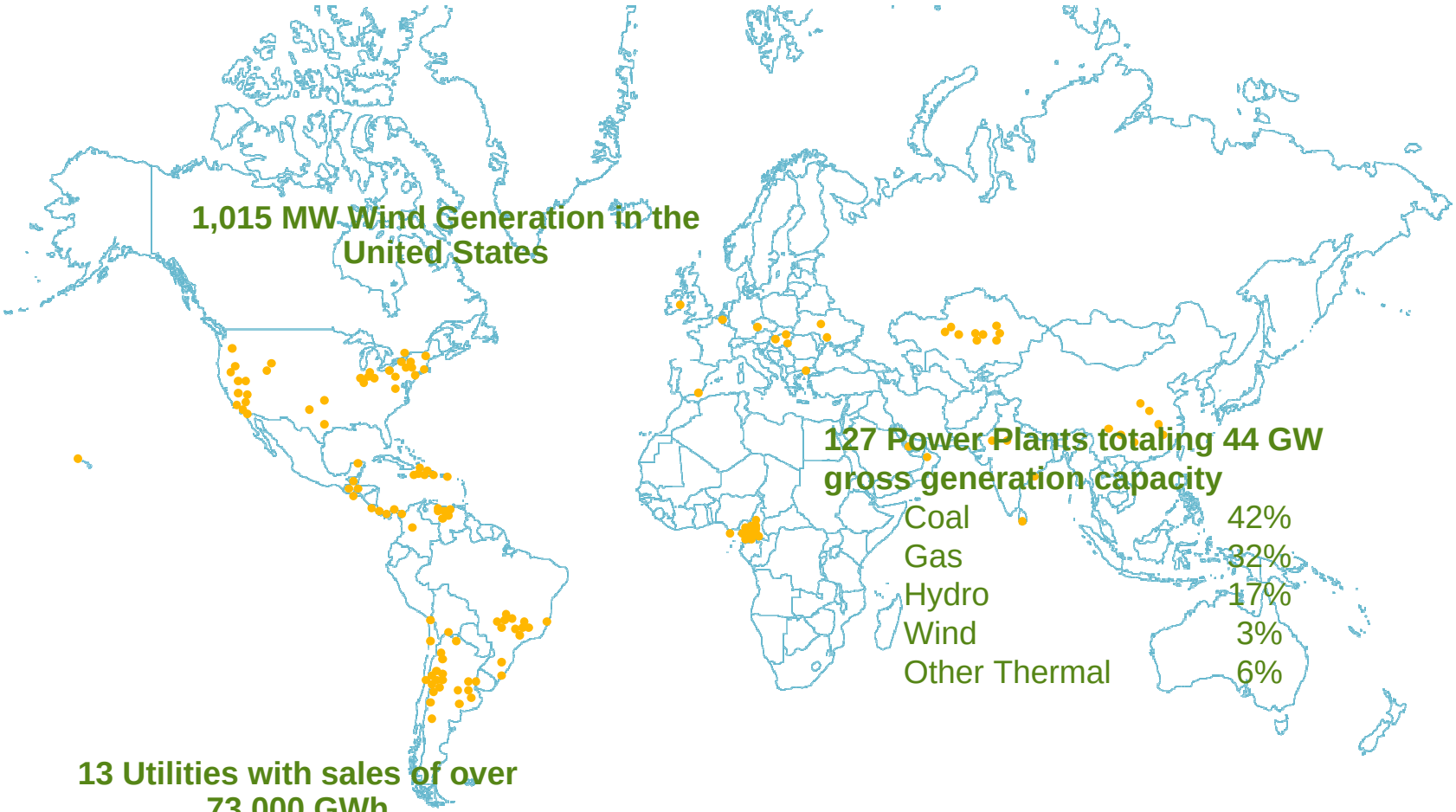
Contains Forward Looking Statements

- Industry Leadership
  - Over 25 years of development, construction & operational experience
  - Operations in 28 countries on 5 continents managing $33 billion assets
- Diversified portfolio
  - 44 GW generation plants largely contracted under long-term contracts
  - 13 Utilities
  - Alternative energy business:
    - Over 1,000 MW wind projects in operation
    - Production of greenhouse gas emissions credits
- Well positioned to leverage market opportunities and industry dynamics

Positioned to Deliver Above Average Growth while Effectively Managing Risk

» AES is Among the Largest Global Power Companies

Contains Forward Looking Statements



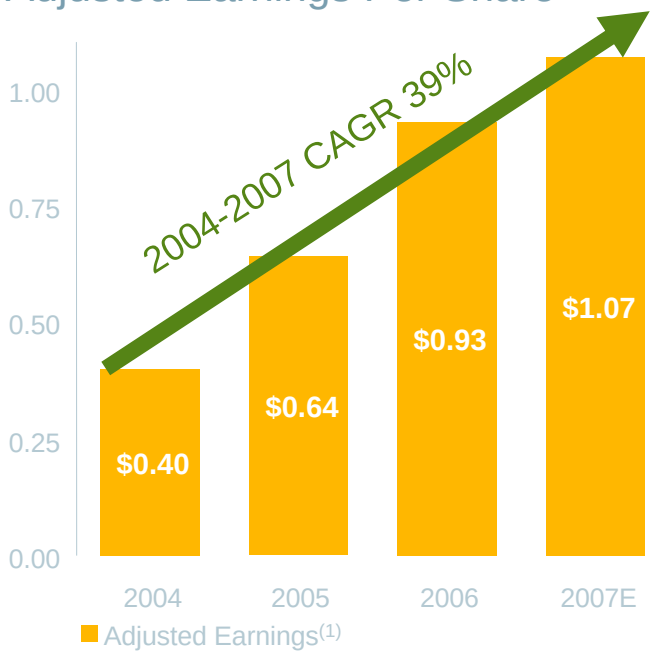
Note: Not ownership adjusted. Countries and locations include projects under construction.

» Track Record of Meeting our Commitments

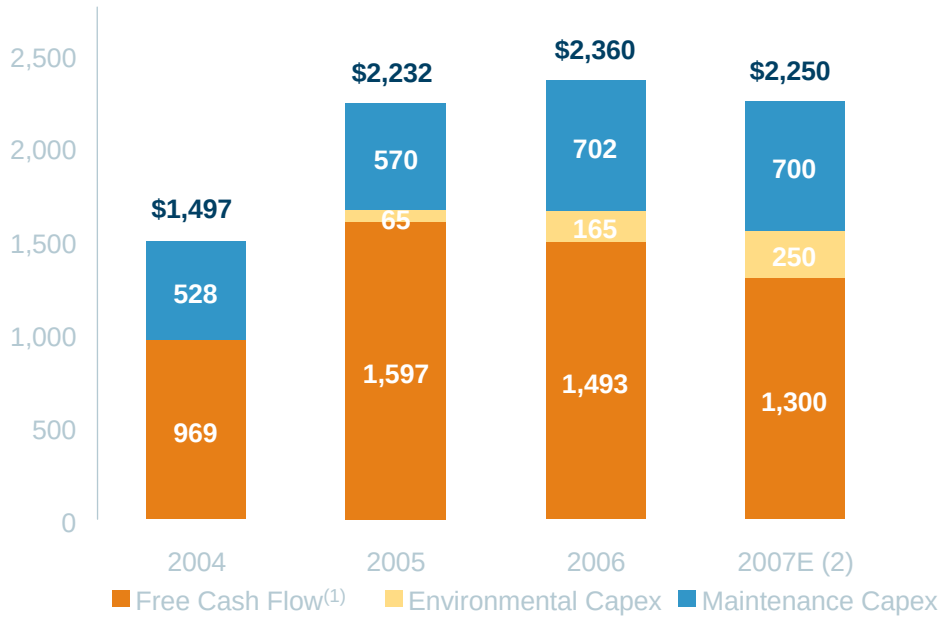
Contains Forward Looking Statements

› High free cash flow generation positions AES to take advantage of continued de-levering, opportunistic acquisitions and platform expansion opportunities

Adjusted Earnings Per Share(1)



Operating Cash Flow



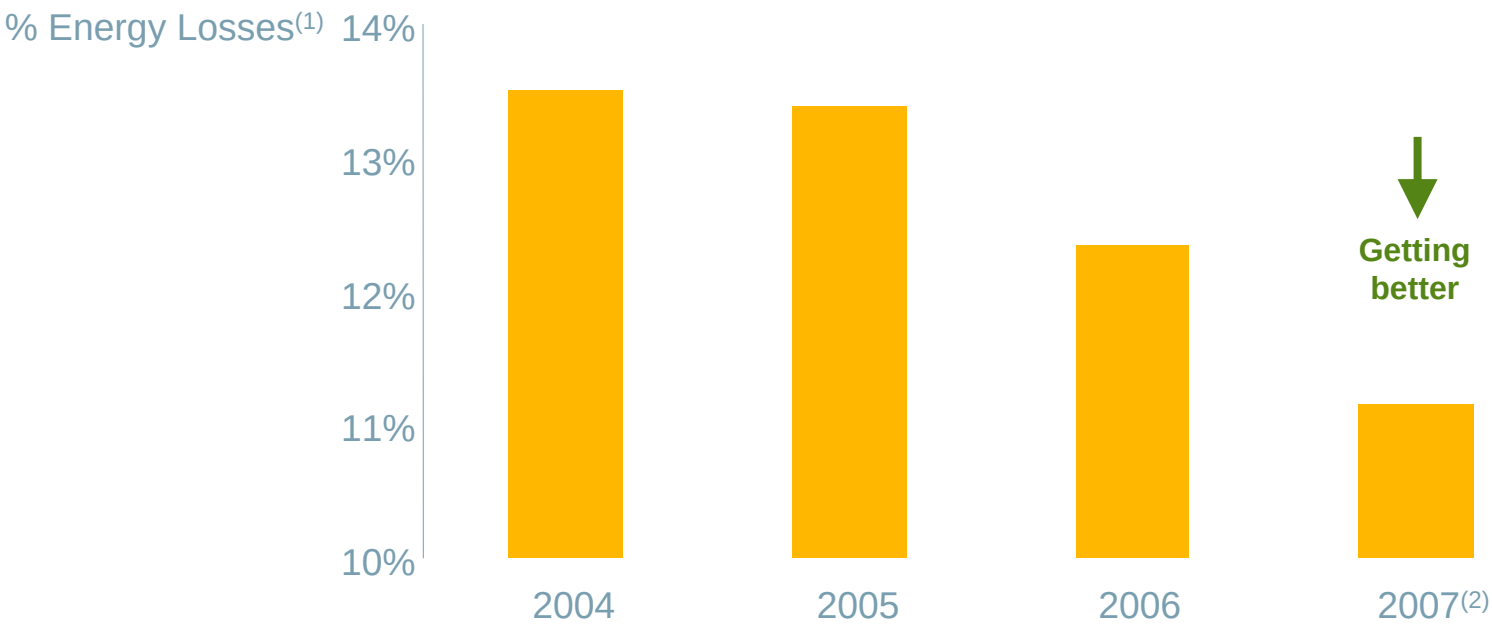
(1)A non-GAAP financial measure

(2)Mid-point of 2007 guidance

» Operational Excellence: Distribution

Contains Forward Looking Statements

› KPI Focus – Energy Losses in Latin America

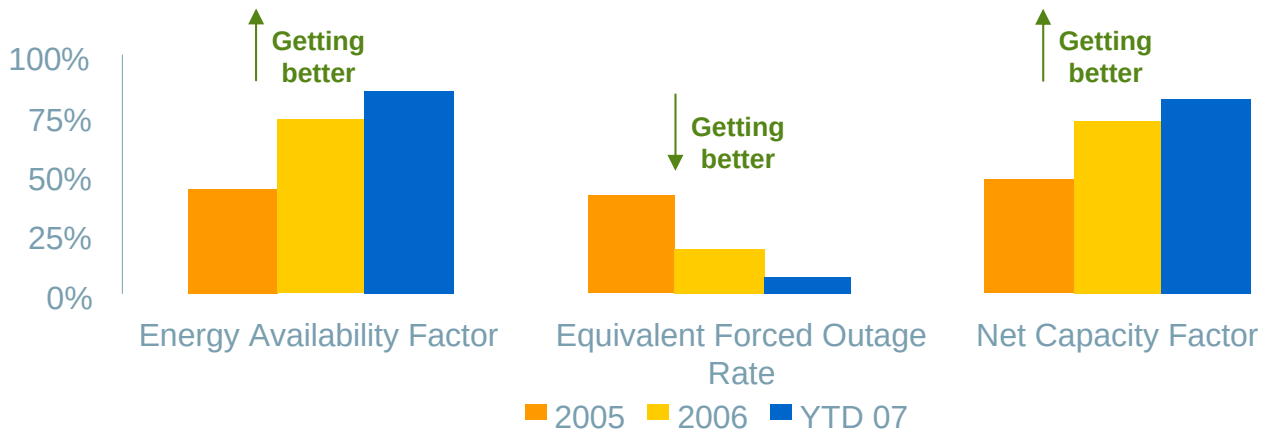


(1) Includes technical and non-technical losses
(2) Last 12 months ending June 2007

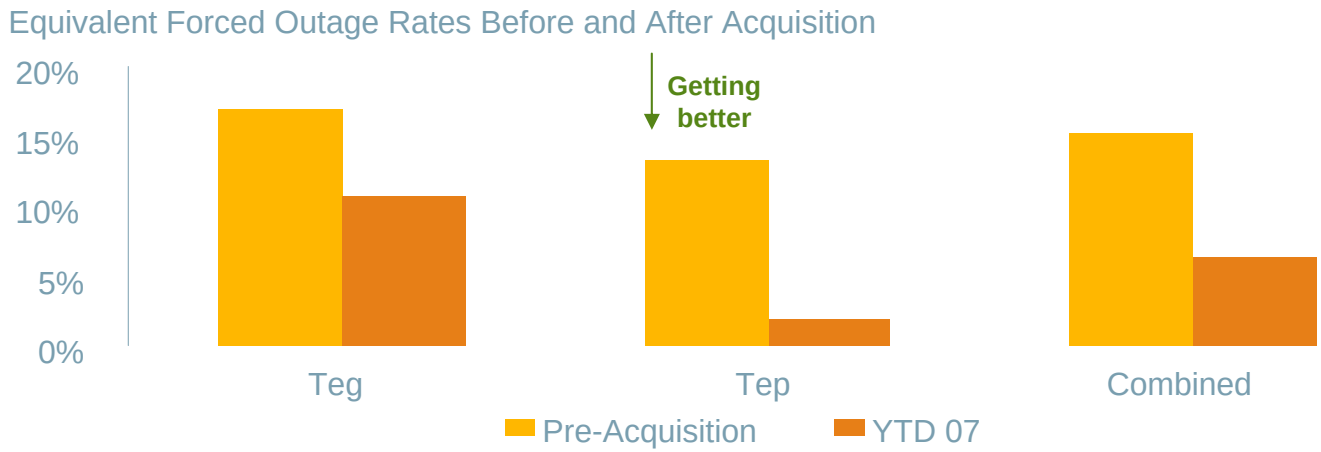
» Operational Excellence: Generation

Contains Forward Looking Statements

› AES acquired control of Itabo, a 472 MW coal plant located in the Dominican Republic, in mid-2006



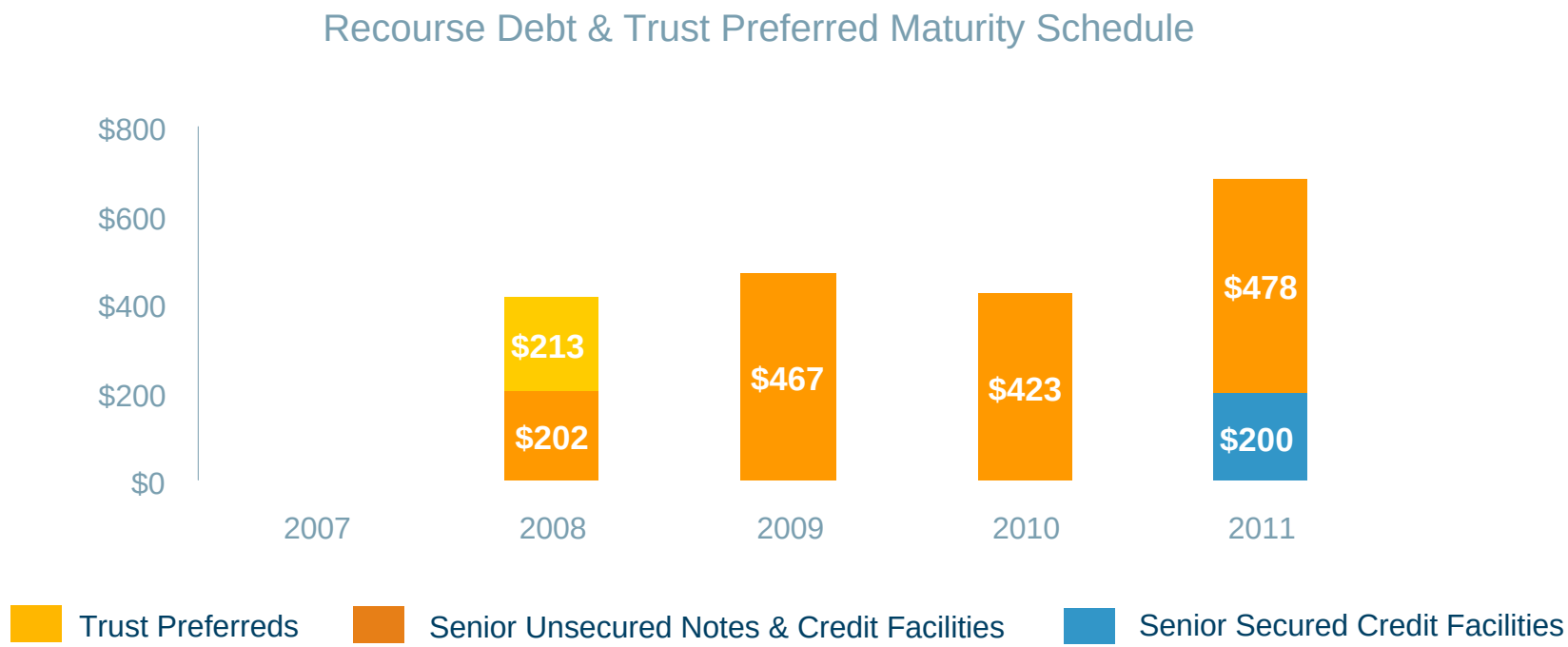
› AES acquired control of TEG and TEP, a total of 460 MW of pet-coke fired plants in Mexico, in early 2007



» Balanced Debt Maturity Profile

Contains Forward Looking Statements

› Average annual maturities within parent free cash flow generation



» Managing Commodity and Interest Rate Risks

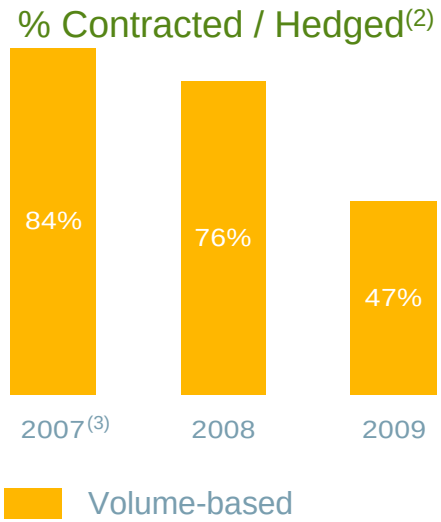
Contains Forward Looking Statements

› 72% of our generation portfolio is under long-term contracts[1]

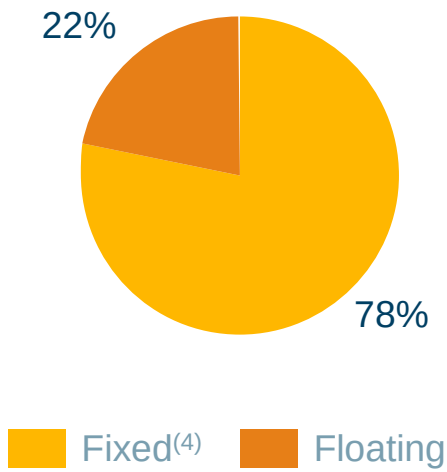
› We actively monitor our remaining capacity and employ hedging strategies

› As a prudent policy, we maintain approximately 80% of our total debt in fixed rates to hedge our interest rate exposure

Key Merchant Business: AES Eastern Energy – 1,268 MW of competitive generation in New York



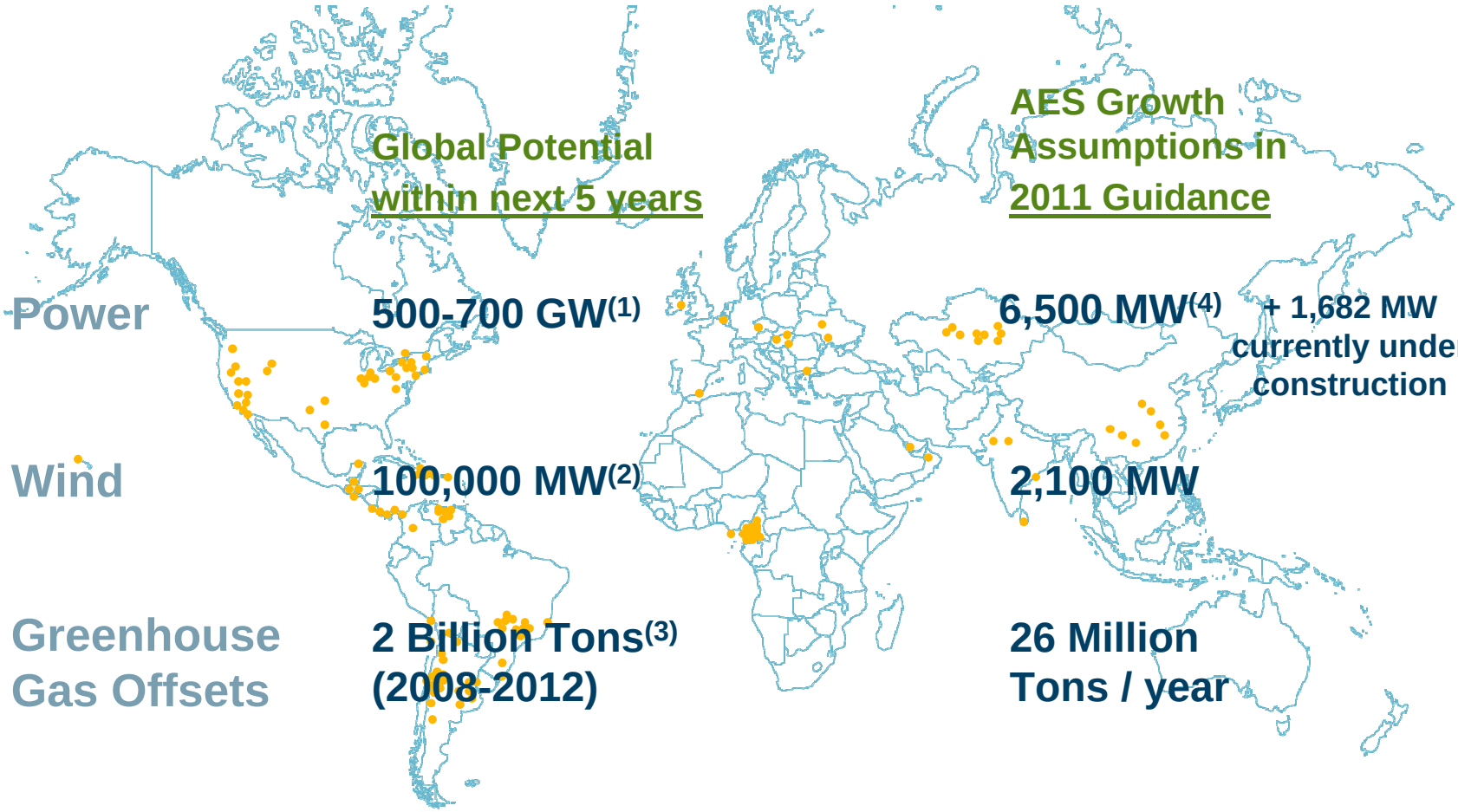
AES Consolidated Debt[2]



[1]Includes all generation assets owned by AES or operated under management agreements and plants under construction
[2]As of June 30, 2007
[3]Balance of year
[4]Fixed rate debt includes interest rate swaps

» A Leader in Global Power and Alternative Energy

Contains Forward Looking Statements



	Global Potential within next 5 years	AES Growth Assumptions in 2011 Guidance
Power	500-700 GW[1]	6,500 MW[4] + 1,682 MW currently under construction
Wind	100,000 MW[2]	2,100 MW
Greenhouse Gas Offsets	2 Billion Tons[3] (2008-2012)	26 Million Tons / year

[1]CERA and IEA forecasts (2006)
[2]Emerging Energy Research (March 2007)
[3]World Bank (2007)
[4]Includes Greenfield and M&A

» Proven Development and Construction Experience

Contains Forward Looking Statements

› In 2006 - 2007 completed 4 plants totaling 1,679 MW, all with long-term contracts

› Currently 1,682 MW under construction in 4 countries:

	Bulgaria	Chile	Chile	Panama	Jordan
Project	**Maritza East**	**Guacolda III**	**Nueva Ventanas**	**Changuinola**	**Amman East**
Type (Gross MW)	670 MW Lignite	152 MW Coal	267 MW Coal	223 MW Hydro	370 MW CCGT
Total Project cost	$1.4bn	$300mn	$500mn	$560mn	$300mn
Leverage	70%	70%	80%	65%	75%
Financing secured?	✓	✓	✓	✓	✓
AES equity already funded?	✓	✓	✓	~ $150mn to be funded over 3 - 4 years	✓
Expected annual revenue	$300mn	$65mn	$120mn	$115mn	$43mn[(1)]
Commercial Operation Date (exp)	2009-10	Q3/Q4 2009	Q1 2010	Q1 2011	2008-09

[(1)]Tolling fee

» Core Power Development Pipeline

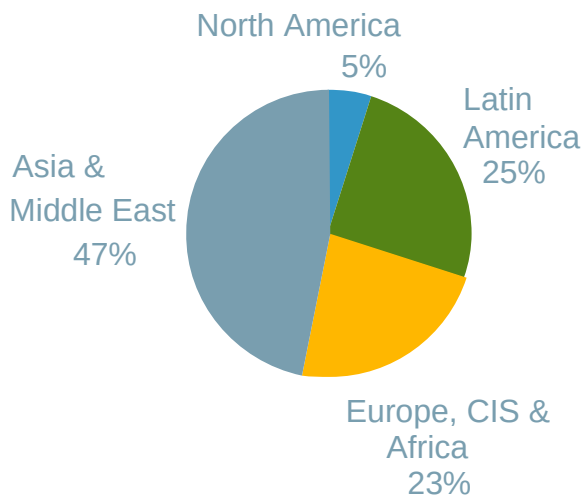
Contains Forward Looking Statements

› Current Development Pipeline has over 25 GW total development opportunities with 15 GW of projects in medium to advanced stages of development in 19 countries[(1)]

› Selected projects beyond early stage development:

Project	Gross MW	Fuel	Country
Mong Duong	1,200	Coal	Vietnam
Musi Rawas	1,200	Coal	Indonesia
Chattisgarh	1,200	Coal	India
OPCG Expansion	1,200	Coal	India
Turkey Hydros (ICTAS Energy)	390	Hydro	Turkey
Kilroot Expansion	430	Gas	N. Ireland
Changuinola 2	213	Hydro	Panama
Angamos	400	Coal	Chile
Alto Maipo	528	Hydro	Chile
Masinloc[(2)]	660	Coal	Philippines
South Africa Peakers[(2)]	1,000	Oil	South Africa

Geographic Breakdown (15 GW)



[(1)]AES defines medium to advanced stage projects as projects that have achieved a particular milestone or milestones, but have not reached financial close

[(2)]Expected financial close 4Q07

» Core Power Acquisition Example: Masinloc

Contains Forward Looking Statements

- 660MW (gross) coal fired power plant commissioned in 1998
- $930 million acquisition expected to be closed in Q4 2007
  - Seller financing available for up to 60% of the purchase price
- Lowest cost thermal plant in the system
- Excellent entry point into the robust and growing Philippines market
- Opportunity for performance improvements
- Expansion options
  - Existing infrastructure supports expansion potential of up to 600 MW
- $300 million+ expected annual revenues





» Greenfield Investment Example: Bulgaria

Contains Forward Looking Statements

- 670MW lignite-fired power plant
- $1.4 billion project cost
  - ~70% (~$1 billion) non recourse financing provided by commercial banks and multilaterals.
  - AES equity commitment already funded through a letter of credit
- Strong commercial and financing terms
  - 15 year contract with national utility
  - 15 year lignite supply agreement minimizes energy supply risks
- Letter of government support
- Construction started in 2006 and is expected to be completed in 2009-2010
- $300 million+ expected annual revenues

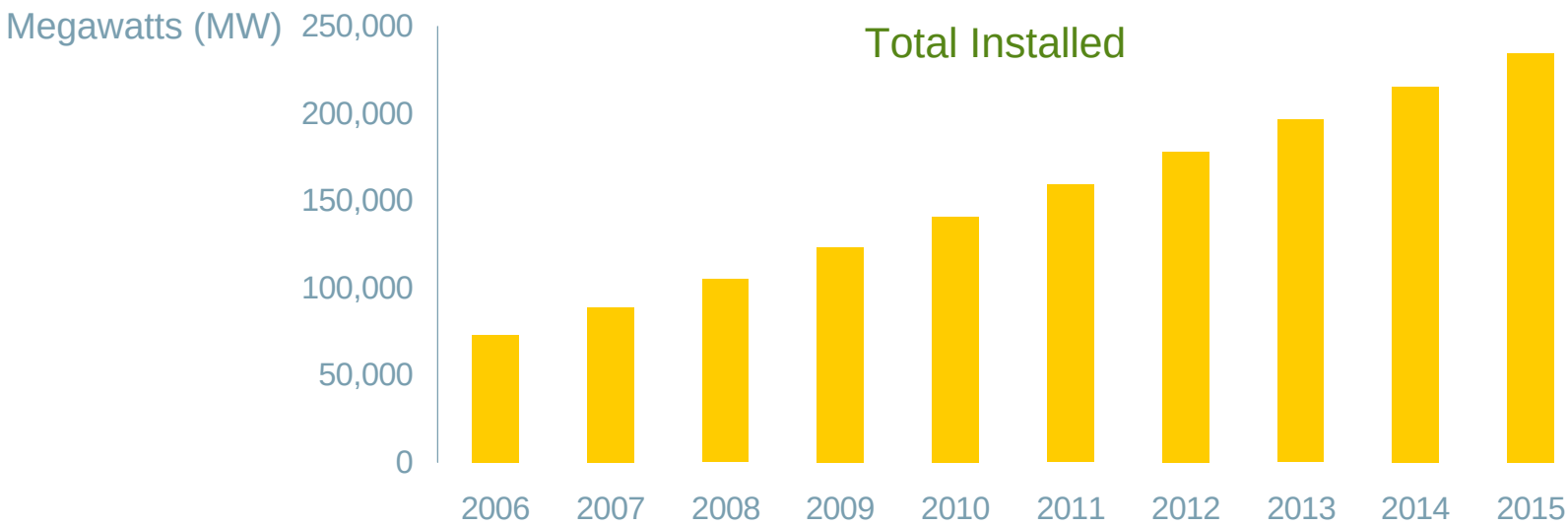


» Alternative Energy: Wind Generation

Contains Forward Looking Statements

- Global installed capacity expected to more than triple by 2015
- AES currently operates over 1,000 MW wind generation
- Already achieved 400 MW of our 2,100 MW goal
  - 186 MW acquisition from GE Energy in 2Q07
  - Completed construction of 233 MW Buffalo Gap II wind farm in 2Q07





Source: CERA

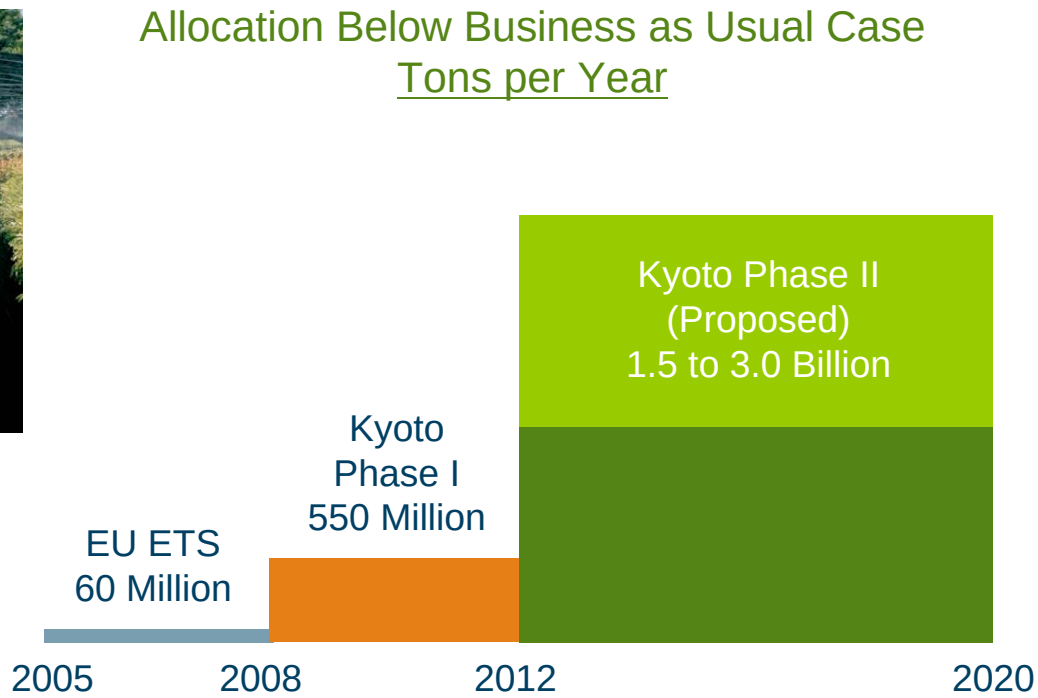
» Alternative Energy: Climate Change

Contains Forward Looking Statements

› New environmental regulations expected to create a $10 billion a year market for emission offset credits

› Aggregation contracts signed in Europe, China, Malaysia, Indonesia and South America for over 8 million tons of annual offset credits





Source: AES estimates

» AES Climate Change Strategy

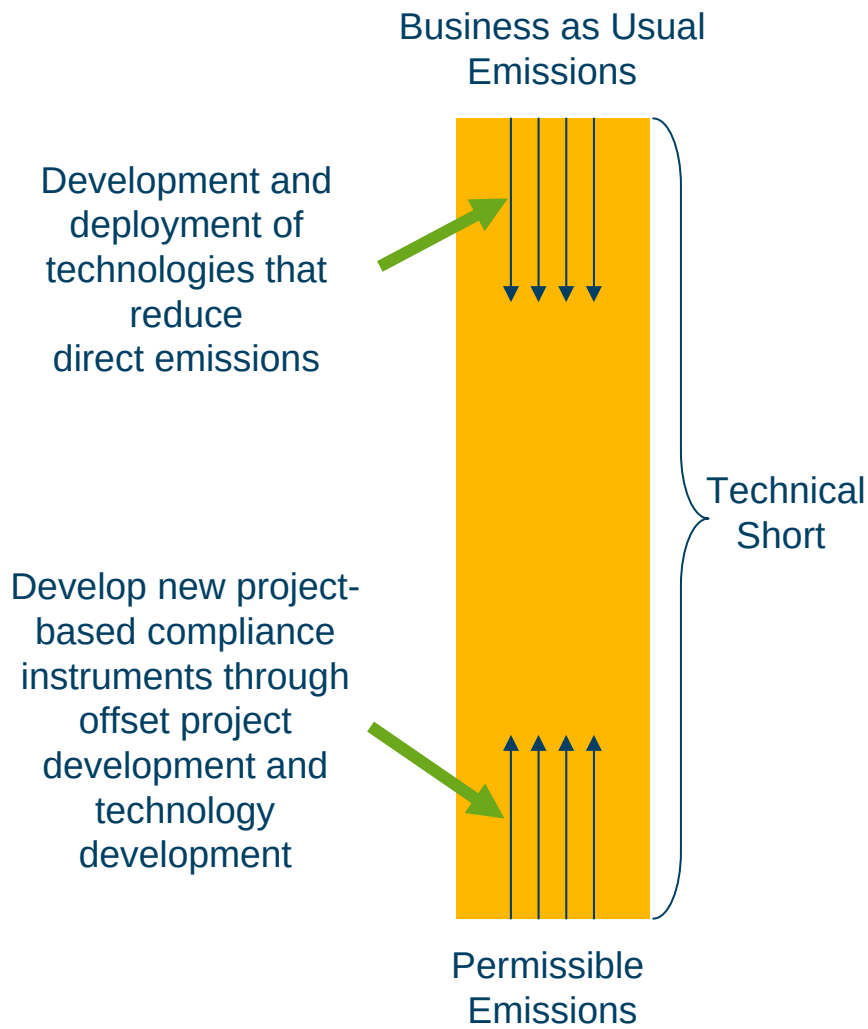
Contains Forward Looking Statements

› Strategic approach

- Invest in large scale, low cost methods for creating certified emissions reductions (CERs) in developing countries for delivery against Kyoto obligations
- Diversified investments in technologies, methodologies, and geographies

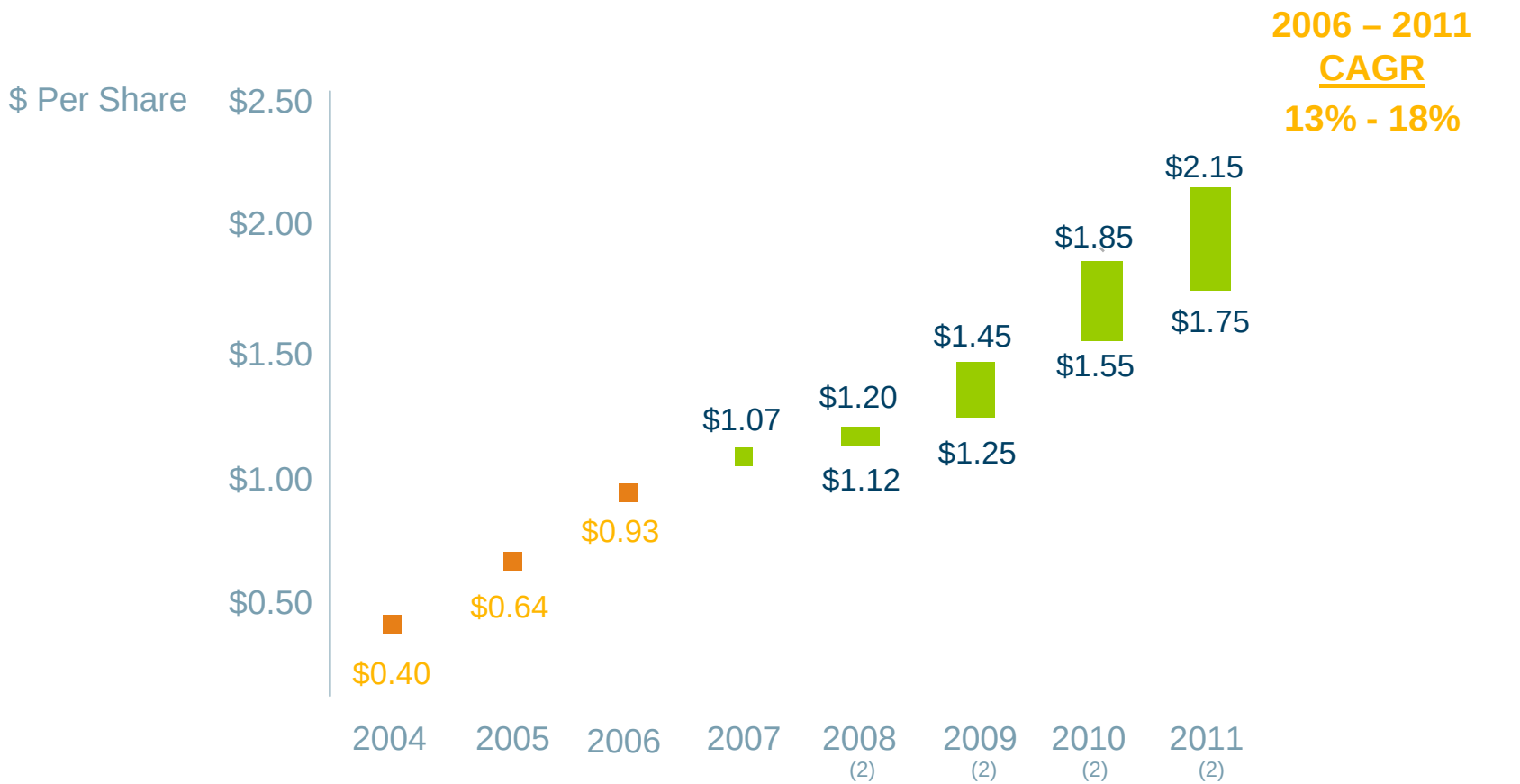
› Tactics

- Greenfield development
- 3rd party acquisition & partnerships
- Small project aggregation at low cost
- Technology development



» Adjusted EPS[(1)] Guidance for the Next Five Years

Contains Forward Looking Statements

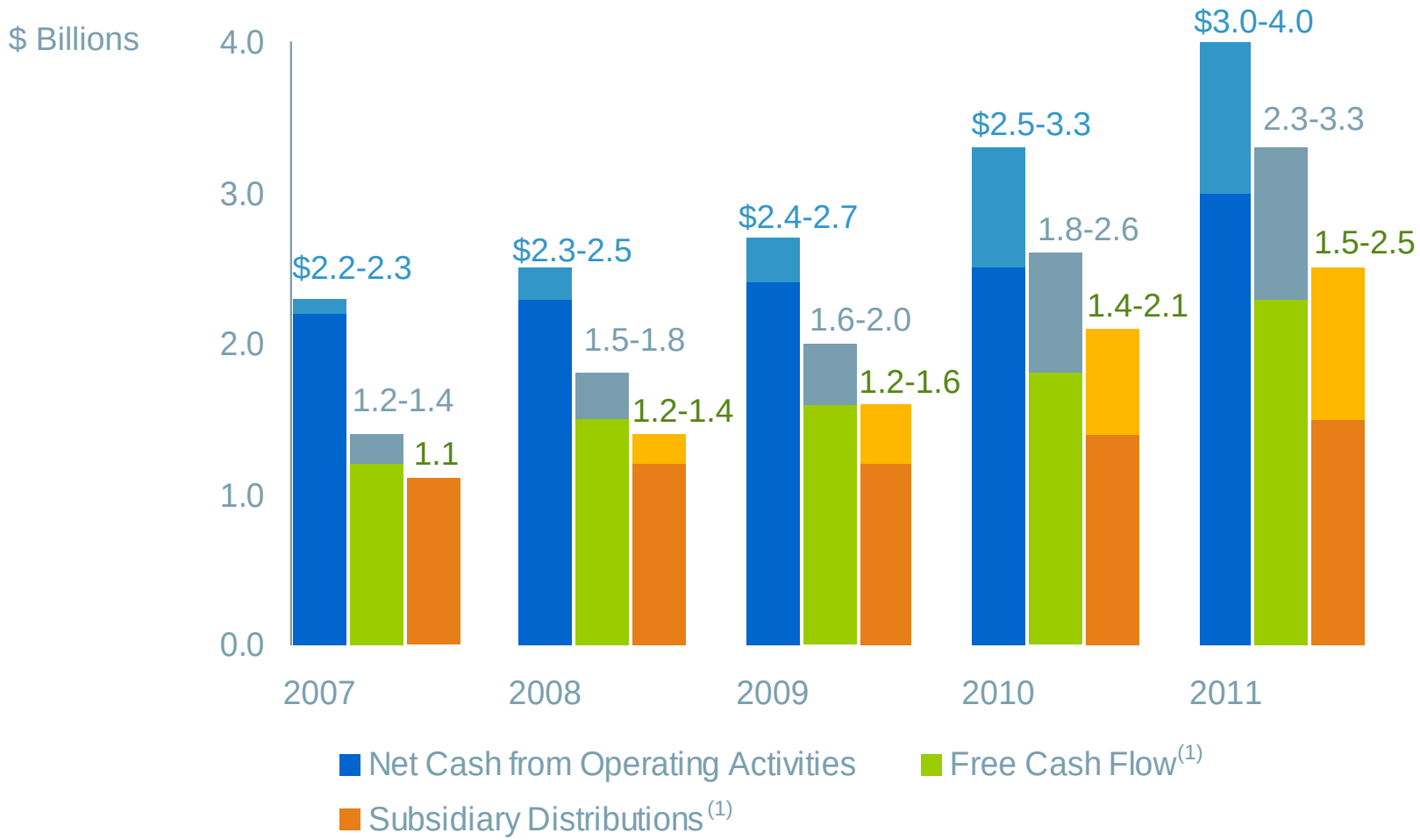


[(1)]A non-GAAP financial measure

[(2)]For 2008 through 2011, Diluted EPS from continuing operations and Adjusted EPS for the purposes of this slide are assumed to be the same

» Forecast Shows Strong Cash Flow Growth

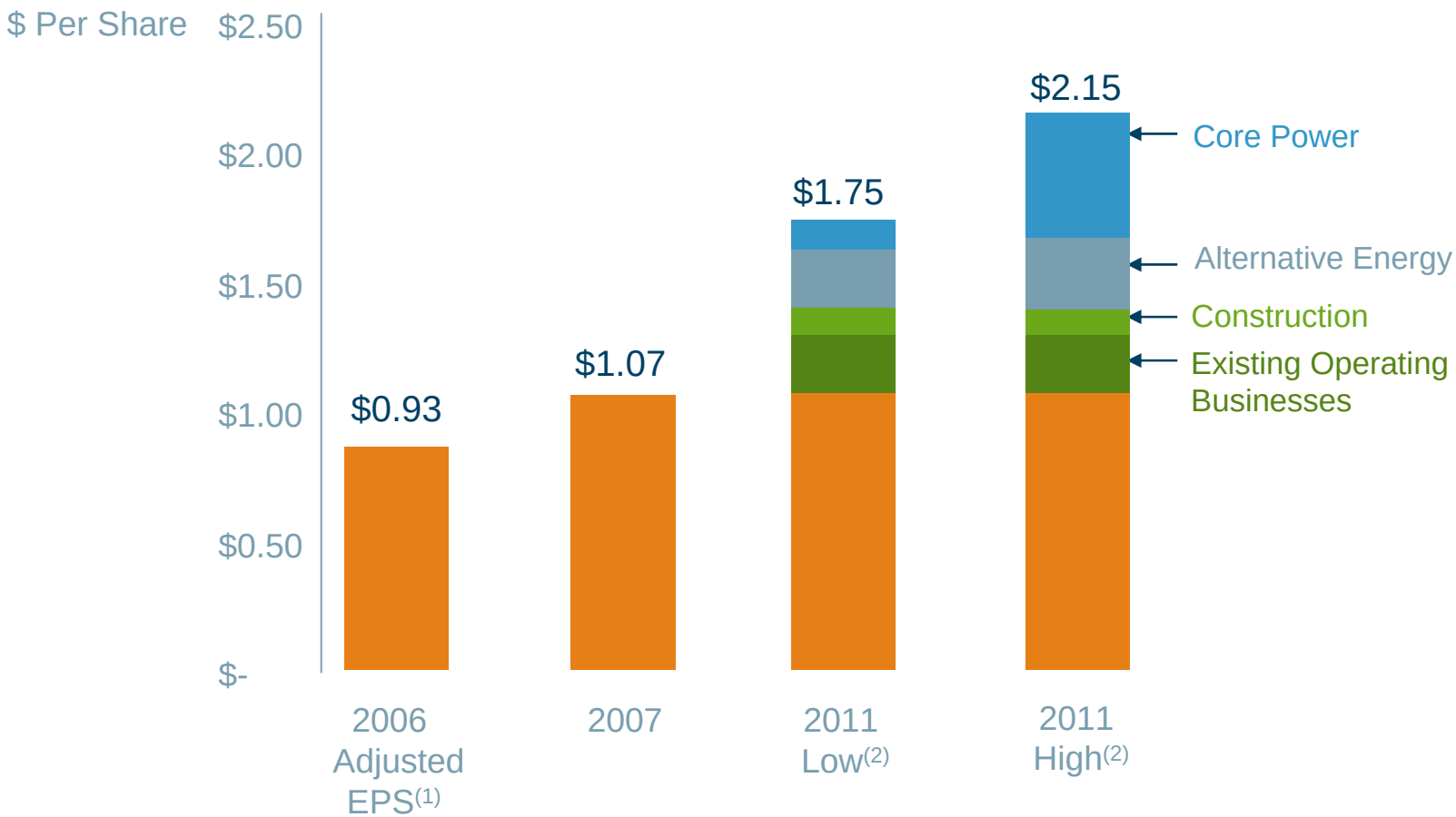
Contains Forward Looking Statements



(1)A non-GAAP financial measure.

» Adjusted EPS[(1)] Growth Driven by Four Factors

Contains Forward Looking Statements



(1)A non-GAAP financial measure

(2)For 2011, Diluted EPS from continuing operations and Adjusted EPS for the purposes of this slide are assumed to be the same

» Why Invest in AES?

Contains Forward Looking Statements

- Solid Fundamentals and Operating Model
  - Project Finance skills
  - Operating and Turnaround Expertise
- Well positioned to leverage market opportunities and industry dynamics
- Rigorous Capital Allocation and Risk Management
- Double Digit Earnings Growth (2006-2011)
- Strong and Growing Free Cash Flow

Growth in Shareholder Value

» Appendix

» Assumptions

Forecasted financial information is based on certain material assumptions. Such assumptions include, but are not limited to: (a) no unforeseen external events such as wars, depressions, or economic or political disruptions occur; (b) businesses continue to operate in a manner consistent with or better than prior operating performance, including achievement of planned productivity improvements including benefits of global sourcing, and in accordance with the provisions of their relevant contracts or concessions; (c) new business opportunities are available to AES in sufficient quantity to achieve its growth objectives; (d) no material disruptions or discontinuities occur in GDP, foreign exchange rates, inflation or interest rates during the forecast period; and (e) material business-specific risks as described in the Company's SEC filings do not occur individually or cumulatively. In addition, benefits from global sourcing include avoided costs, reduction in capital project costs versus budgetary estimates, and projected savings based on assumed spend volume which may or may not actually be achieved. Also, improvement in certain KPIs such as equivalent forced outage rate and commercial availability may not improve financial performance at all facilities based on commercial terms and conditions. These benefits will not be fully reflected in the Company's consolidated financial results.

The cash held at qualifying holding companies (QHCs) represents cash sent to subsidiaries of the Company domiciled outside of the U.S. Such subsidiaries had no contractual restrictions on their ability to send cash to AES, the Parent Company. Cash at those subsidiaries was used for investment and related activities outside of the U.S. These investments included equity investments and loans to other foreign subsidiaries as well as development and general costs and expenses incurred outside the U.S. Since the cash held by these QHCs is available to the Parent, AES uses the combined measure of subsidiary distributions to Parent and QHCs as a useful measure of cash available to the Parent to meet its international liquidity needs. AES believes that unconsolidated parent company liquidity is important to the liquidity position of AES as a parent company because of the non-recourse nature of most of AES's indebtedness.

» Definitions of Non-GAAP Financial Measures

› Adjusted earnings per share – Defined as diluted earnings per share from continuing operations excluding gains or losses associated with (a) mark-to-market amounts related to FAS 133 derivative transactions, (b) foreign currency transaction impacts on the net monetary position related to Brazil and Argentina, (c) significant asset gains or losses due to disposition transactions and impairments, and (d) early retirement of recourse debt. AES believes that adjusted earnings per share better reflects the underlying business performance of the Company, and is considered in the Company's internal evaluation of financial performance. Factors in this determination include the variability associated with mark-to-market gains or losses related to certain derivative transactions, currency gains and losses, periodic strategic decisions to dispose of certain assets which may influence results in a given period, and the early retirement of corporate debt.

› Free cash flow – Net cash flow from operating activities less maintenance capital expenditures. Maintenance capital expenditures reflect property additions less growth capital expenditures. AES believes that free cash flow is a useful measure for evaluating our financial condition because it represents the amount of cash provided by operations less maintenance capital expenditures as defined by our businesses, that may be available for investing or for repaying debt.

› Subsidiary distributions – Cash distributions (primarily dividends and interest income) from subsidiary companies to the parent company and qualified holding companies. These cash flows are the source of cash flow to the parent to meet corporate interest, overhead, cash taxes, and discretionary uses such as recourse debt reductions and corporate investments.

» Reconciliation of 2011 Guidance Elements

Contains Forward Looking Statements

Reconciliation of 2003 and 2004 Adjusted EPS	2004	2005	2006	2007
Diluted Earnings Per Share From Continuing Operations	$0.27	$0.61	$0.20	$1.04
FAS 133 Mark-to-Market (Gains)/Losses	(0.01)	-	-	0.02
Currency Transaction (Gains)/Losses	0.04	0.03	0.01	0.01
Net Asset (Gains)/Losses and Impairments	0.08	-	0.68	-
Debt Retirement (Gains)/Losses	0.02	-	0.04	-
Adjusted Earnings Per Share	$0.40	$0.64	$0.93	$1.07

Reconciliation of Free Cash Flow	2007	2008	2009	2010	2011
Net Cash from Operating Activities	$2.2 to 2.3	$2.3 to 2.5	$2.4 to 2.7	$2.5 to 3.3	$3.0 to 4.0
Less: Maintenance Capital Expenditures	1.0 to 0.9	0.8 to 0.7	0.8 to 0.7	0.7	0.7
Free Cash Flow	$1.2 to 1.4	$1.5 to 1.8	$1.6 to 2.0	$1.8 to 2.6	$2.3 to 3.3