AES Corporation

- **May 28, 2008**

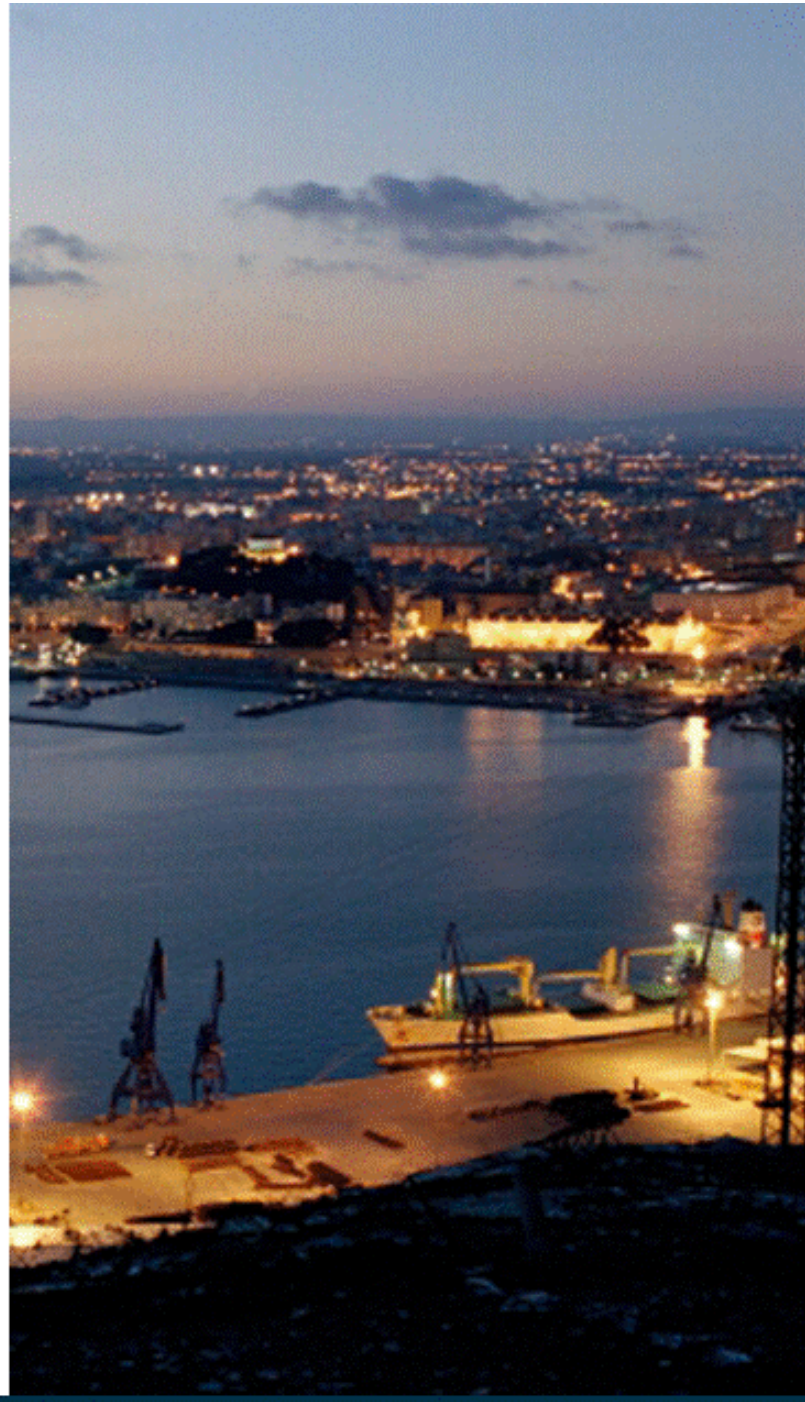
Victoria Harker, Executive VP and
Chief Financial Officer

Deutsche Bank
Energy & Utilities Conference



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 for the year ended December 31, 2007, 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.



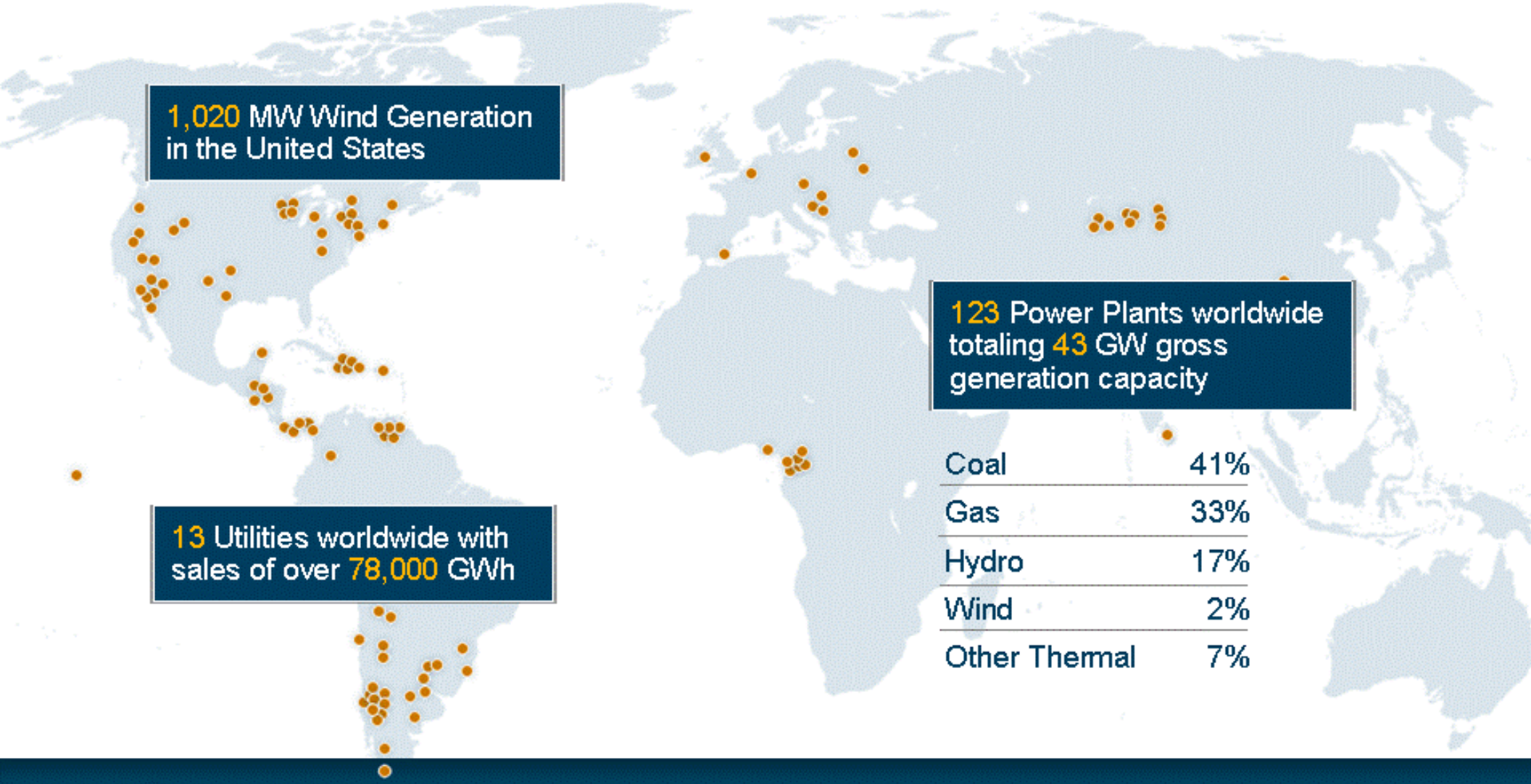
AES Overview

Contains Forward Looking Statements

Unique Electric Power Company	• A mix of core power, renewables and climate solution businesses • Operations in 29 countries with workforce of over 28,000 • Holding company structure with broad capabilities – e.g. fuel/technology, development and construction/operational management
Proven Operating Model with Strong Fundamentals	• 25 years of development, construction and operations experience • Focused on operating excellence • Active approach towards portfolio management • Continued improvement in financial metrics with strong and growing free cash flow
Well Positioned to Leverage Market Opportunities	• Global demand for conventional and alternative energy continues to grow • Environmental regulations create market for greenhouse gas offsets • Market knowledge, relationships with lenders, EPC contractors and offtakers
Disciplined and Diverse Growth Drivers in all Three Businesses	• Organic growth • Greenfield development • Focused M&A and portfolio management • Target to achieve 14-17% annual EPS growth by 2012

AES is Among the Largest Global Power Companies

Contains Forward Looking Statements



1,020 MW Wind Generation in the United States

13 Utilities worldwide with sales of over 78,000 GWh

123 Power Plants worldwide totaling 43 GW gross generation capacity

Coal	41%
Gas	33%
Hydro	17%
Wind	2%
Other Thermal	7%

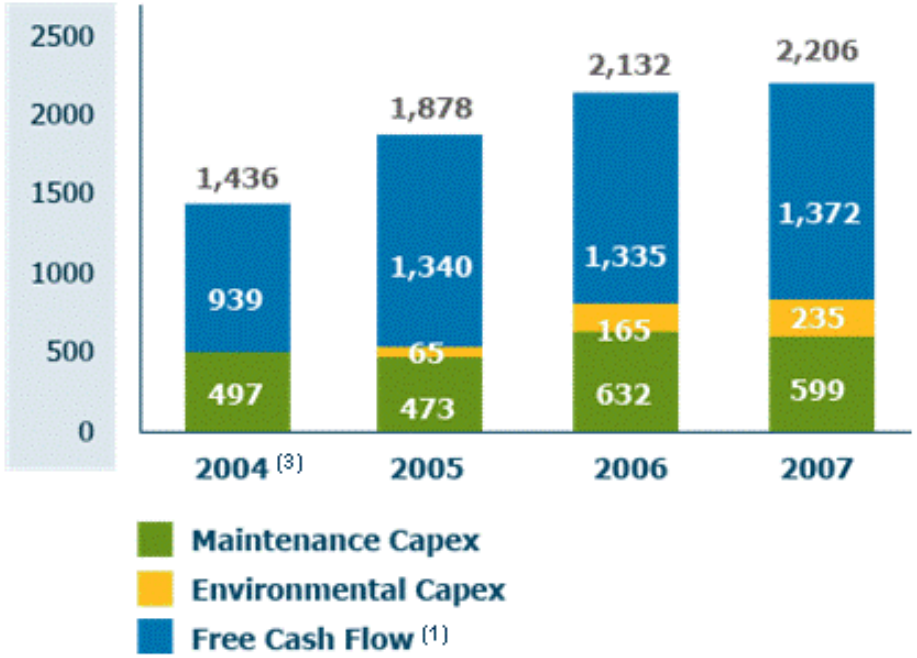
Track Record of Growth in Key Financial Metrics

Contains Forward Looking Statements

Adjusted Earnings Per Share[1]



Operating Cash Flow ($ in Millions)[2]



[1] A non-GAAP financial measure

[2] Excludes EDC, a business sold in May 2007, see appendix for reconciliation

[3] Unaudited

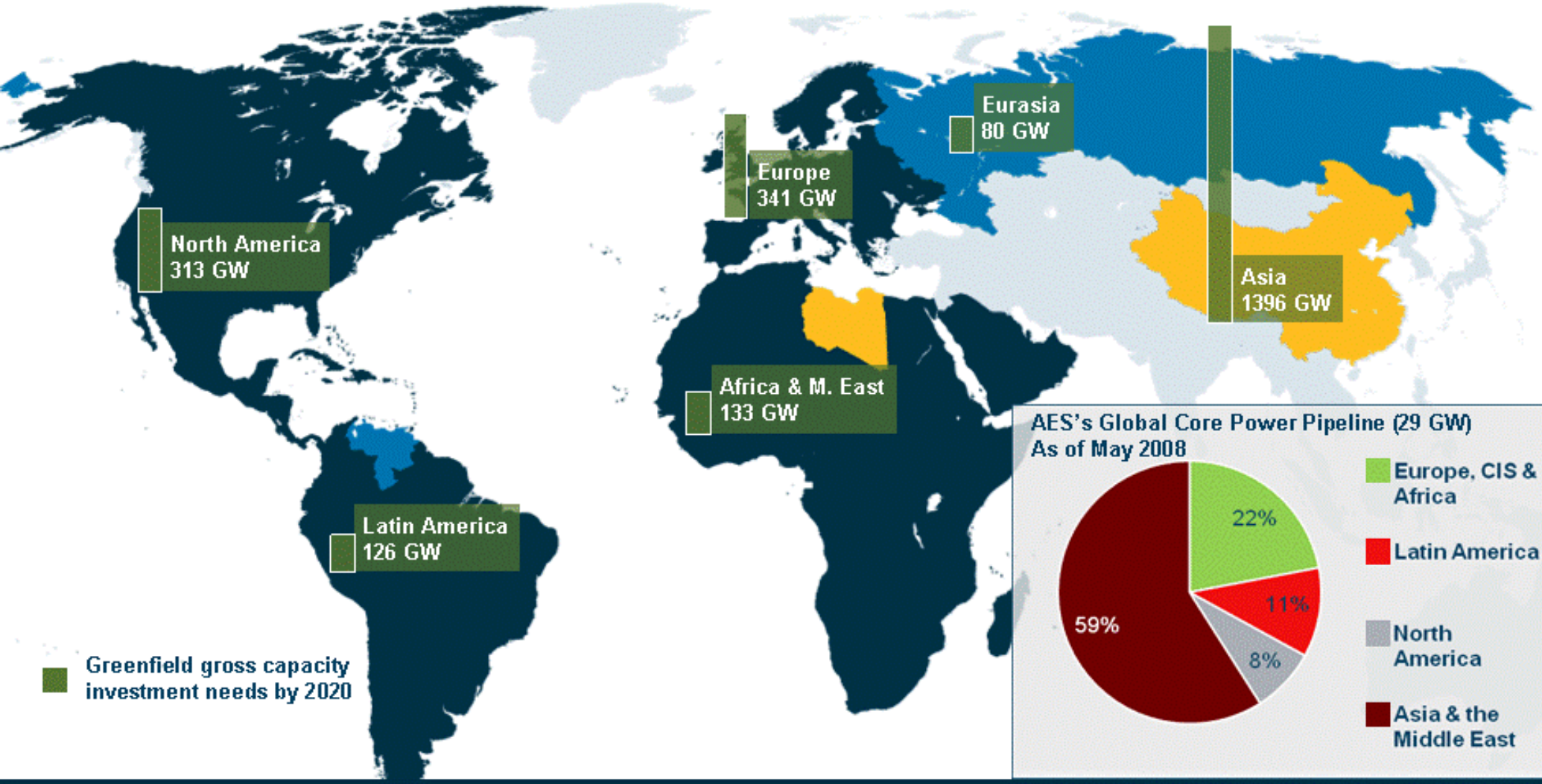
Key Global Macro Trends Allow Us to Leverage Our Global Footprint and Core Competencies in Development and Operations

Contains Forward Looking Statements



- **2400 GW[(1)] of Additional Global Power Needed by 2020 and Greater Than 80% of AES's Global Pipeline is Positioned in Growth Markets**

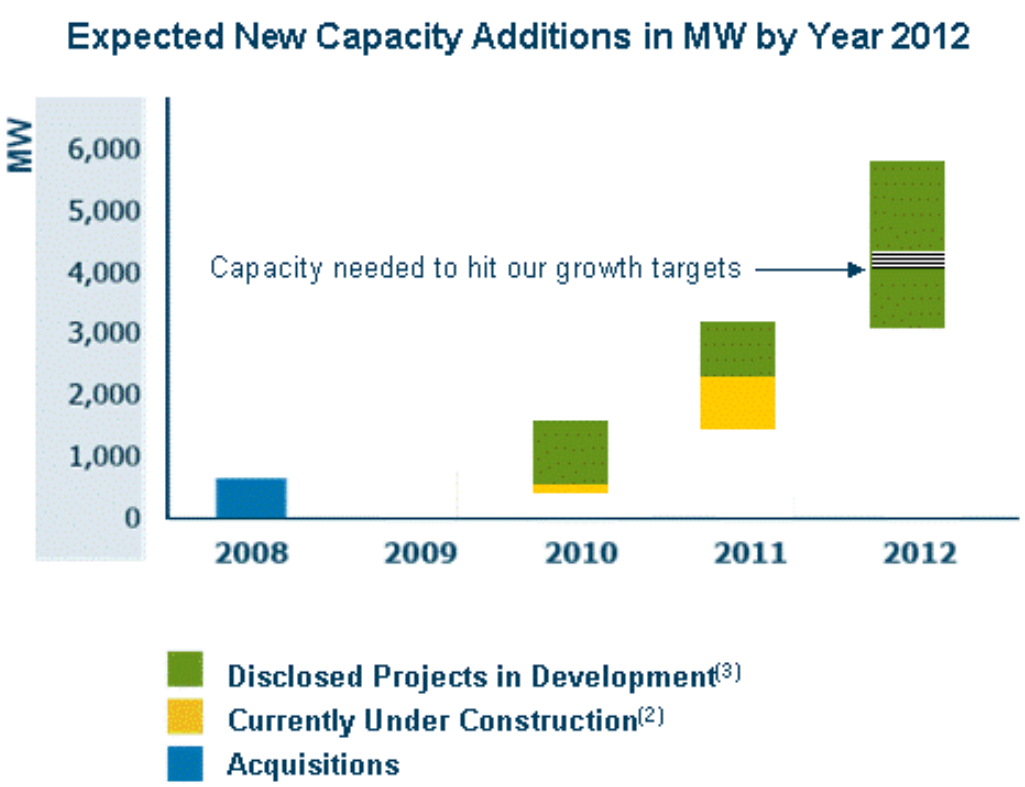
Contains Forward Looking Statements



(1) Cambridge Energy Research Associates, CERA

We are Well-Positioned to Achieve Our Core Power Targets

Contains Forward Looking Statements



Guidance(1)

- 4,100 MW additional capacity in operation by 2012

Progress

- 1,509 MW already announced
  - Acquisition of 660 MW Masinloc Project in the Philippines
  - 849 MW projects under construction in Chile and Turkey(2)
- Approximately 29,000 MW pipeline supports our growth targets (see appendix for examples)

(1) Guidance given in May 2007, and updated in March 2008
(2) Includes 520 MW Angamos coal plant in Chile, 267 MW Campiche coal plant in Chile and 62 MW hydro plants in Turkey
(3) Core power projects disclosed in appendix

Diverse and Extensive Development and Construction Management Experience

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- **In 2006-2007 completed 4 plants totaling 1,679 MW, all with long-term contracts**
- **Currently over 3,000 MW under construction in 7 countries:**

	Bulgaria	Chile	Chile	Chile	Chile	Chile	Chile	Panama	Jordan	U.S.A.	Turkey	China
Project	Maritza East	Guacolda 3	Guacolda 4	Nueva Ventanas	Santa Lidia	Angamos	Campiche	Changuinola I	Amman East	Buffalo Gap 3	I.C. Energy JV	Huanghua JV
Type	Coal	Coal	Coal	Coal	Diesel	Coal	Coal	Hydro	Gas	Wind	Hydro	Wind
Gross MW	670 MW	152 MW	152 MW	267 MW	130 MW	520 MW	267 MW	223 MW	370 MW	170 MW	62 MW	49.5 MW
Expected COD	2010	2H 2009	2H 2010	1H 2010	2H 2008	1H 2011	1H 2011	1H 2011	1H 2009	2H 2008	2H 2010	2009
Long Term Offtake Contract	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔		✔
Platform Expansion		✔	✔	✔	✔	✔	✔	✔		✔		



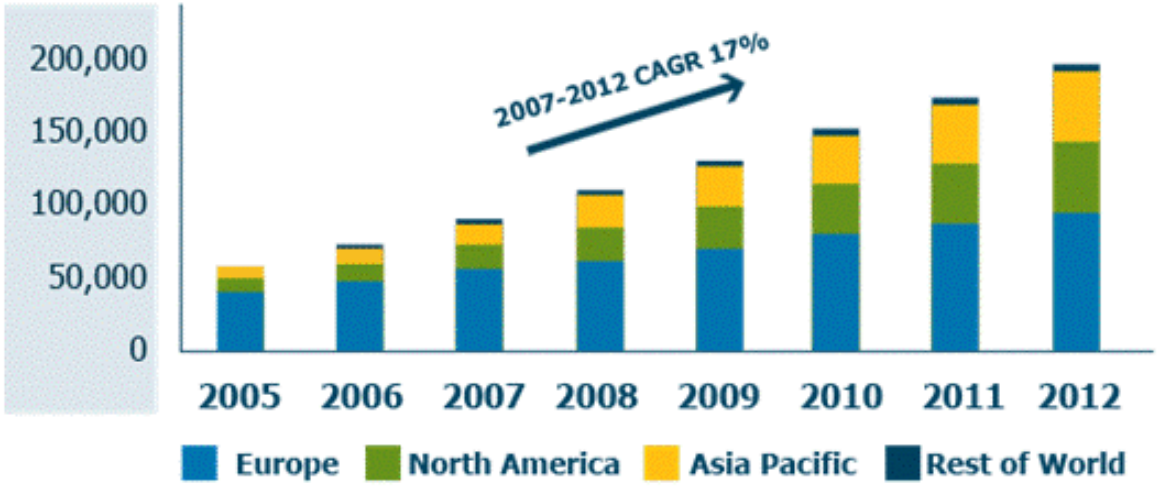


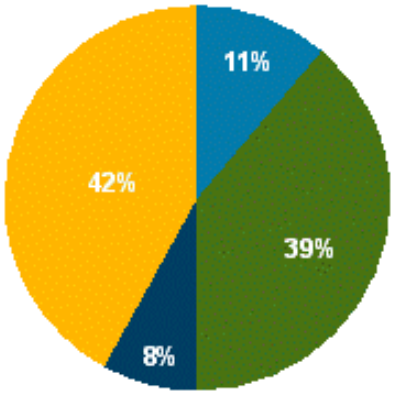
In Addition to Core Power Growth Opportunities, Significant Growth Potential Exists in Global Wind Energy Market

Contains Forward Looking Statements

Global Wind Potential

Installed Capacity (MW) [1]





AES's Global Wind Pipeline (6,000 MW)

- Asia & the Middle East
- Europe, CIS & Africa
- Latin America
- North America

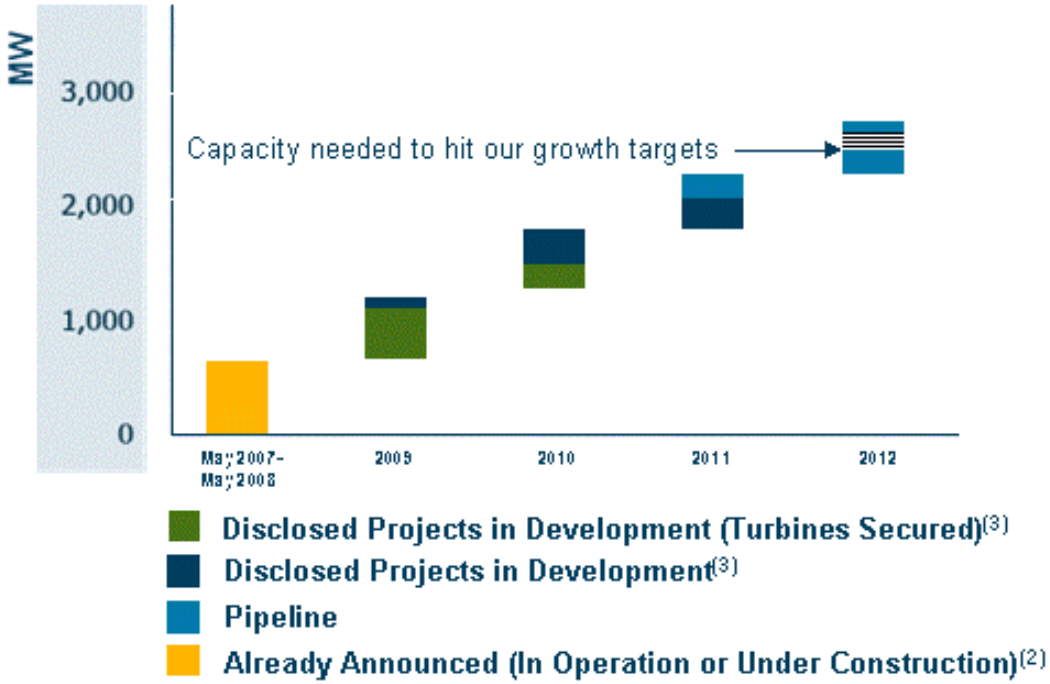
- **Long term energy demand and regulatory support continue to favor wind build out**
- **North America, Europe, Brazil and China continue to be the main growth markets, due to favorable tariff regimes**

(1) Source: Emerging Energy Research forecast as of November 2007

Our Wind Pipeline and Global Footprint Enables Us to Grow Our Wind Generation Business

Contains Forward Looking Statements

Expected New AES Capacity Additions in MW by Year 2012



Guidance(1)

- 2,600 MW additional capacity in operation by 2012

Progress

- 700 MW already in operation or under construction
- Over 6,000 MW pipeline supporting our goal to add 500 MW annually (see appendix for examples)





(1) Guidance given in May 2007, and updated in March 2008
(2) Includes Buffalo Gap II (233 MW), Buffalo Gap III (170 MW), GE Acquisition (186 MW), Mountain View I & II (67 MW) and Huanghua JV (50 MW)
(3) Wind development projects disclosed in appendix

Solar is a Natural Extension of Our Business and Offers Significant Growth Opportunities

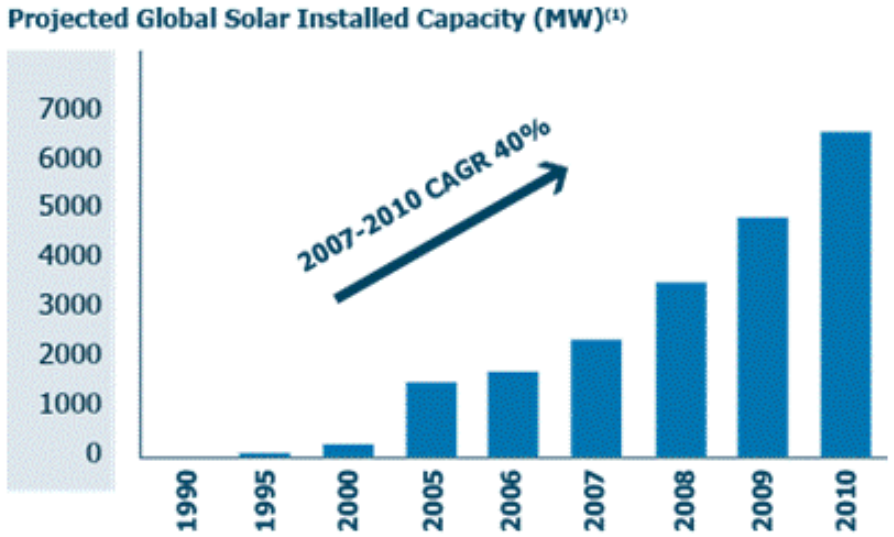
Contains Forward Looking Statements

Market Drivers

- Significant increase in fossil fuel prices
- Government incentives
- Steadily dropping cost of solar energy from more efficient PV cells and related manufacturing technology

AES

- Formed joint venture with Riverstone in March 2008
- Long-term contract market is a good fit with AES's core contract generation business model
- Focusing on Spain, Italy and Greece; currently 19 MW under construction in Spain with very favorable tariffs in place



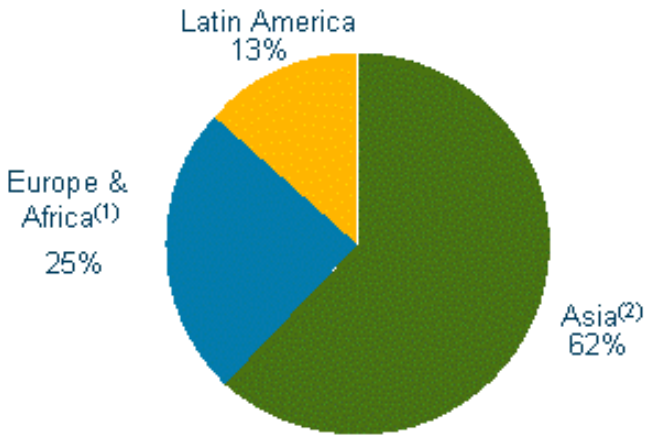




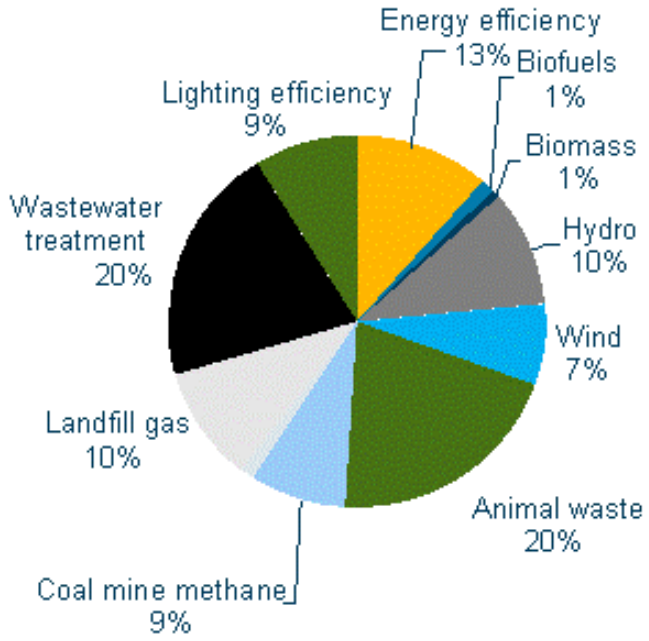
Global Carbon Regulations are Expected to Generate a Need for Carbon Reductions/Offsets

Contains Forward Looking Statements

Climate Solutions Pipeline by Region



Climate Solutions Pipeline by Sector



- Current pipeline includes projects representing more than 19 million tonnes per year
- Already achieved 0.4 million tonnes per year capacity(3)
- Near-term goal is to bring 6 million tonnes per year capacity into production by December 2009



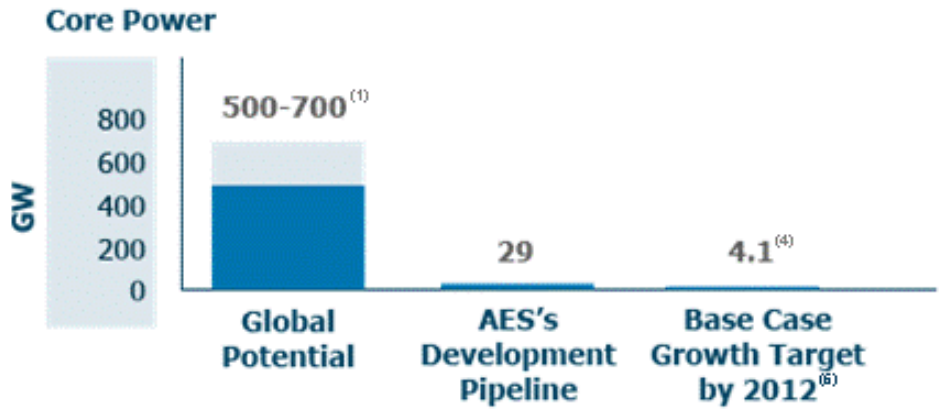


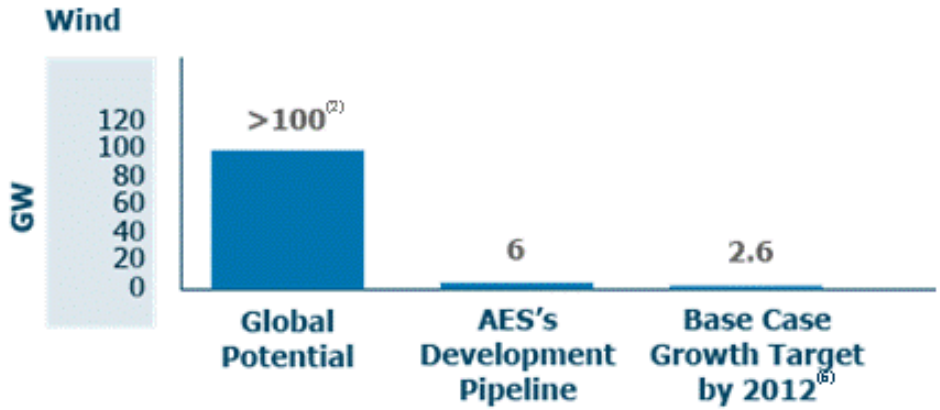
AES
the power of being global

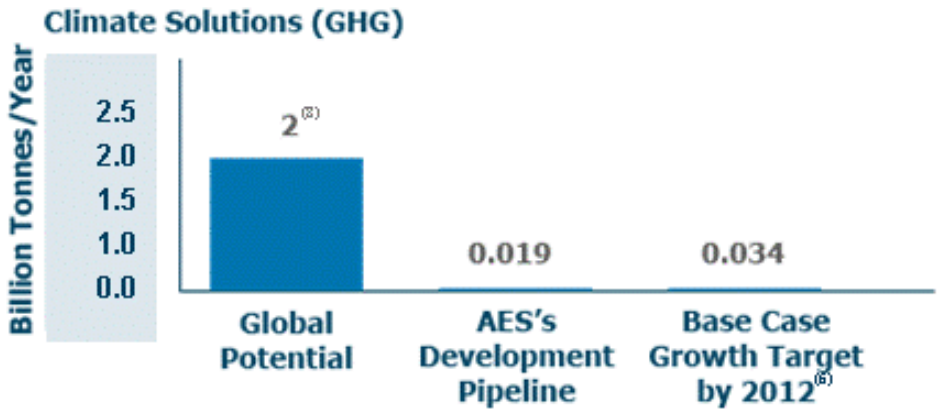
① Includes CIS countries
② Includes the Middle East
③ Annualized production over project life

Deep Pipeline Positions AES to Help Meet Market Demand Through 2012

Contains Forward Looking Statements







(1) CERA and IEA forecasts (2006)
(2) Emerging Energy Research (March 2007)
(3) World Bank (2007)
(4) Target is to close 6,500 MW, primarily greenfield projects, 4,100 of which will be in operation by December 2012, and remaining 2,400 projects will still be under construction by 2012.
(5) Guidance given in May 2007, and updated in March 2008

We Add Value Through Our Focused Acquisition Strategy …

Contains Forward Looking Statements

Masinloc - the Philippines
660 MW coal-fired plant

- $930 million acquisition closed in April 2008
  - Closed on ~$650 mn non-recourse financing
- Lowest cost thermal plant in the system
- Excellent entry point into the robust and growing Philippines market
- Opportunity for performance improvements
  - Lower availability during last three years vs. similar plants in AES portfolio
- Expansion options
  - Existing infrastructure supports expansion potential of up to 600 MW

TEG and TEP - Mexico
460 MW pet coke-fired plants

- $611 million acquisition closed in Q1 2007
  - Refinanced $454 mn (upsized from $421 mn) in Q4 2007 non-recourse financing with term exceeding 15 years
  - Raised non-recourse financing with the longest tenor in the history of Mexican power sector
- Opportunity for performance improvement
  - Last three years availability ~77% vs. AES CFB fleet average of 92%
  - AES pioneered the CFB technology in the USA – 5 power plants totaling 1,400 MW in operation in the USA





As well as Through Portfolio Management

Contains Forward Looking Statements

Continuous assessment of asset hold versus market value, risk profiles, and strategic fit drive capital market transactions

Examples:

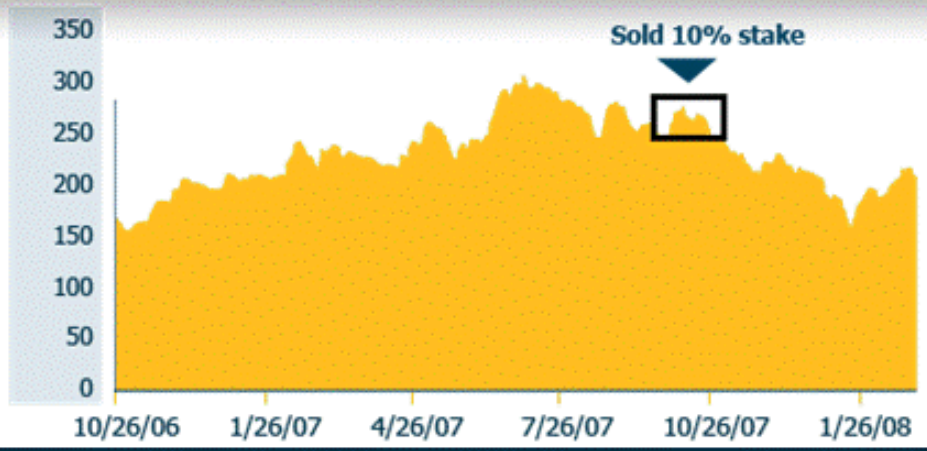
Gener, Chile

- Sold 10% stake in Gener (Chile) for approximately $300 million net proceeds to AES Corp (Oct 2007)
- Recorded net gain of $125 million
- AES still maintains 80% interest with a market cap of more than $2 billion

Kazakhstan

- Announced sale of northern Kazakhstan assets for up to $1.4 billion (February 2008)
  - Financial close – expected by June 2008
  - Book gain of >$900 million to be recorded at the time of financial close
- AES will maintain its existing business in eastern Kazakhstan
  - Owns 1,655 MW coal fired capacity and additional 1,000 MW under operating rights

Gener Stock Price (CLP/Share)

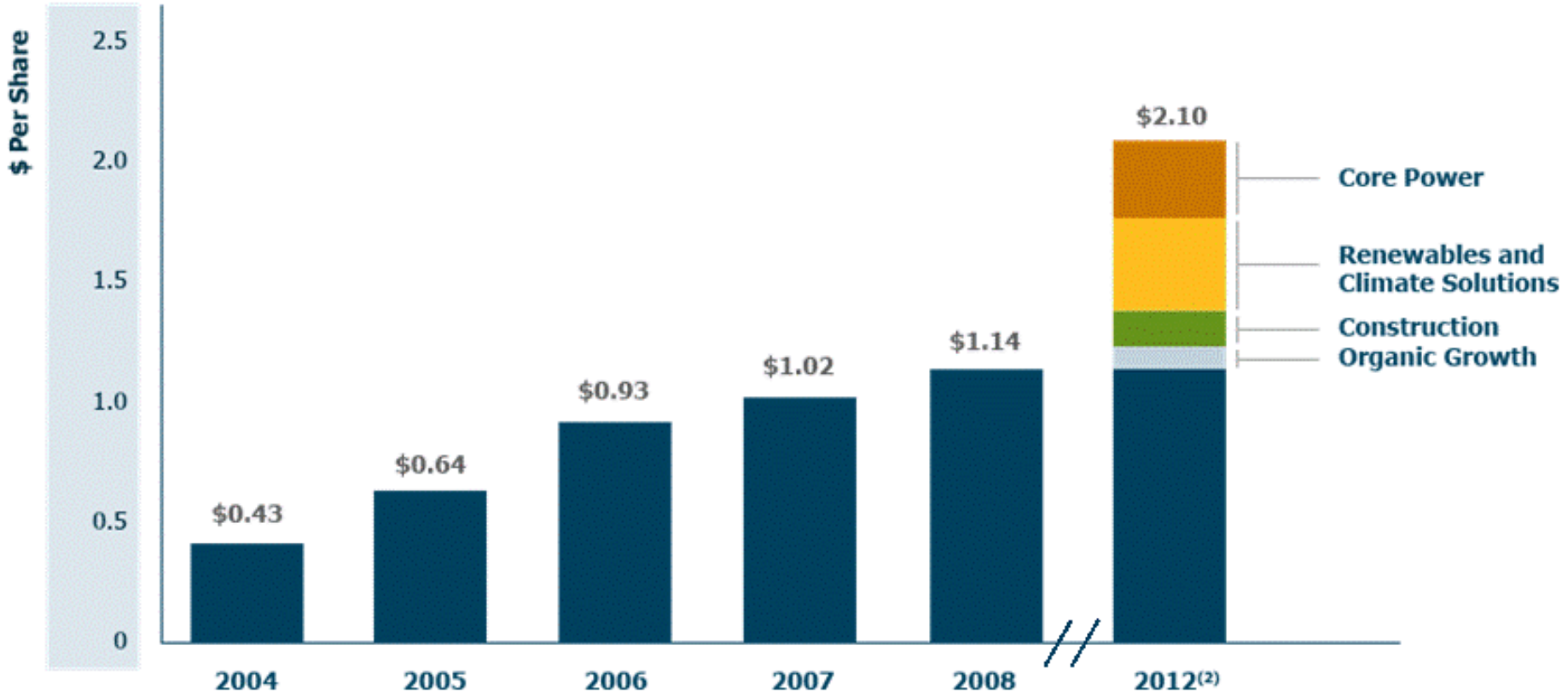




Adjusted EPS[(1)] Growth Driven by Four Factors

Contains Forward Looking Statements

As a result, we target 14-17% growth in EPS over the next five years (CAGR), tied to pipeline projects in each segment



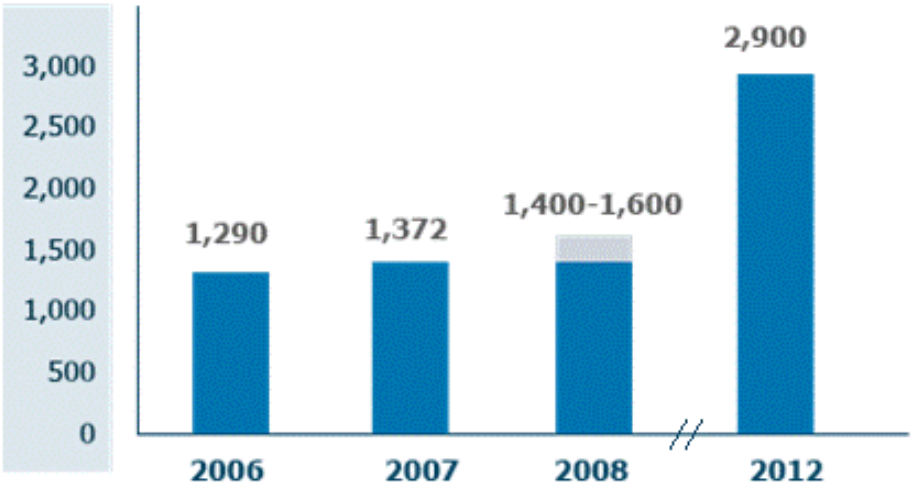
(1)A non-GAAP financial measure. See Appendix.

(2)For 2012, Diluted EPS from Continuing Operations and Adjusted EPS for the purposes of this slide are assumed to be the same and reflect the Base Case for our March 2008 Guidance

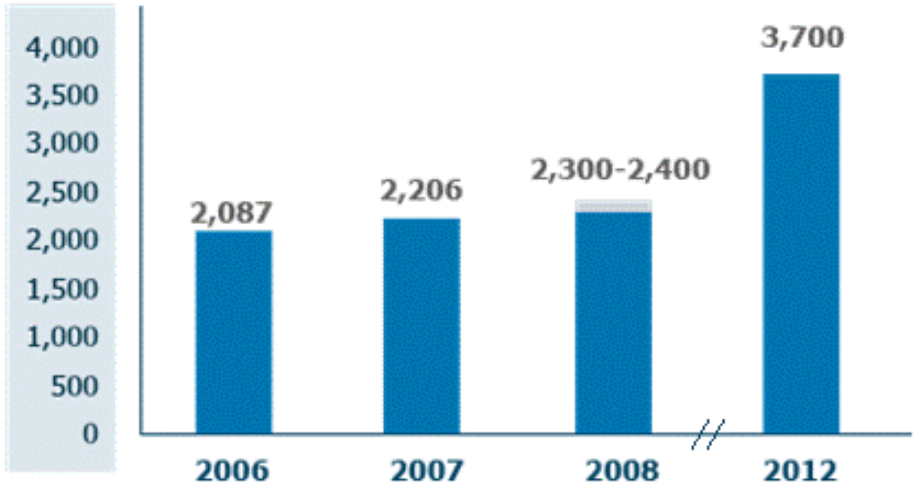
Forecast Shows Strong Cash Flow Growth

Contains Forward Looking Statements

Free Cash Flow[1][2] ($ in Millions)



Net Cash from Operating Activities[2] ($ in Millions)



(1) A non-GAAP financial measure. See Appendix.
(2) Excludes EDC, a business sold in May 2007, see appendix for reconciliation

Balanced Strategy to Increase Shareholders Value

Contains Forward Looking Statements

- Solid operating model with growing free cash flow
- Diverse growth drivers in Core Power, Renewables and Climate Solutions
  - Organic growth
  - Greenfield development
  - Focused M&A and Portfolio management
- Strong development track record with global pipeline exceeding 35,000 MW
  - More than 80% of the pipeline in growth markets
  - Target to bring 4,100 MW of core power and 2,600 MW of wind projects online by 2012, already announced 1,500 MW and 700 MW respectively
- Rigorous capital allocation process to maximize shareholder value
- Goal to deliver 14-17% EPS growth (CAGR) through 2012

- **Appendix**

Core Power Development Pipeline

- Total pipeline of over 29,000 MW.
- Development lead time ranges between three and five years with most key agreements executed within six months prior to the financial close. Construction period is typically between two and four years.
- Critical milestones including project award/LOI, siting and permitting requires significant development duration.

Examples

Countries	Capacity	Fuel Type	Platform Expansion	Letter of Intent Signed/ Awarded	Land Rights for the Power Plant Secured	Environmental Permits Applied	Environmental Permits Secured	Water Rights Secured/ Available	Fuel Supply Secured Tolling/ Pass Through	Engineering and Construction Contract	Power Purchase Agreement/ Not Required	Financial Close	Commercial Operation Date
Chile	530 MW	Hydro	✓	NA	✓	✓		✓	NA			Q2 2009	Q3 2013
El Salvador	267 MW	Coal	✓	NA	✓	✓		✓	✓	✓	✓	Q4 2008	Q4 2011
North America	600 MW	Coal		✓	✓			✓	✓			Q2 2009	Q2 2013
Trinidad	720 MW	Gas		✓	✓	✓		✓	✓			Q3 2008	Q4 2010
Cameroon	150-215 MW	Gas	✓	✓		✓		✓				Q3 2008	Q2 2010
Hungary	330 MW	Coal	✓	✓	✓	✓		✓				Q2 2009	Q4 2012
Northern Ireland	430 MW	Gas	✓	NA	✓	✓		✓			✓	Q2 2009	Q2 2011
India	1,200 MW	Coal				✓		✓	✓			Q3 2009	Q1 2013
India	1,200 MW	Coal	✓		✓	✓		✓	✓			Q2 2009	Q4 2012
Vietnam	1,200 MW	Coal		✓		✓	✓	✓				Q2 2009	Q4 2012

Note: These projects not guaranteed to close.

Wind Development Pipeline

Contains Forward Looking Statements

- Total wind development pipeline of over 6,000 MW. Potential to close 500 MW per year.
- Development lead time ranges between three and five years. Construction period is typically twelve months.

Examples

Countries	Capacity MW	Wind Analysis	Site Control	Permitting		Turbine Delivery Secured	Interconnection		Long-Term PPA/Tariff	Construction Start	Commercial Operation Date
				Applied	Secured		Advanced	Signed			
USA – CA	80 MW	✓	✓	✓		✓	✓	✓	✓	4Q 2009	4Q 2010
USA – CA	49 MW	✓	✓	✓			✓		✓	1Q 2010	1Q 2011
USA – PJM	100 MW	✓	✓	✓	✓	✓	✓			4Q 2008	4Q 2009
USA – PJM	125 MW	✓	✓	✓		✓	✓			4Q 2009	4Q 2010
USA – PJM	125 MW	✓	✓	✓			✓			4Q 2009	4Q 2010
USA – PJM	100 MW	✓	✓				✓			3Q 2010	3Q 2011
USA – TX	130 MW	✓	✓	✓			✓	✓		2Q 2010	2Q 2011
Bulgaria	156 MW	✓	✓	✓	✓	✓	✓			4Q 2008	4Q 2009
France	34 MW	✓	✓	✓	✓	✓	✓	✓	✓	3Q 2008	3Q 2009
France	68 MW	✓	✓	✓	✓	✓	✓	✓	✓	4Q 2008	4Q 2009
Scotland	108 MW	✓	✓	✓			✓	✓		4Q 2009	4Q 2010
Scotland	22 MW	✓	✓	✓	✓	✓	✓	✓		4Q 2008	4Q 2009
China	49 MW	✓	✓	✓	✓	✓	✓	✓	✓	2Q 2008	2Q 2009
China	49 MW	✓	✓	✓	✓	✓	✓	✓	✓	3Q 2008	3Q 2009
China	49 MW	✓	✓	✓			✓		✓	4Q 2008	4Q 2009
China	49 MW	✓	✓	✓			✓		✓	1Q 2009	1Q 2010

Note: These projects not guaranteed to close

- **Reconciliation of Adjusted EPS**

	2004	2005	2006	2007	2008
Diluted EPS from Continuing Operations	$0.29	$0.56	$0.27	$0.73	$2.43
FAS 133 Mark to Market (Gains) Losses	-	0.03	(0.06)	0.03	-
Currency Transaction Losses	0.04	0.05	0.01	-	-
Net Asset Losses & Impairments	0.08	0.00	0.68	0.18	(1.29)[1]
Debt Retirement Losses	0.02	0.00	0.03	0.08	-
Adjusted EPS	**$0.43**	**$0.64**	**$0.93**	**$1.02**	**$1.14**

(1) Includes estimated net gain of approximately $900 million or $1.29 per share primarily from sale of two indirectly owned subsidiaries in Kazakhstan, which closed on May 29, 2008.

Cash Flow Reconciliation

	2004[1] (Restated)	2005 (Restated)	2006 (Restated)	2007	2008
Net Cash provided by Operating Activities	**1,487**	**2,220**	**2,351**	**2,357**	**2,300-2,400**
EDC Impact[1]	**(51)**	**(342)**	**(264)**	**(151)**	**-**
Net Cash provided by Operating Activities, Excluding EDC	**1,436**	**1,878**	**2,087**	**2,206**	**2,300-2,400**
Maintenance Capital Expenditures	528	571	867	878	800-900
Maintenance Capital Expenditures, EDC[1]	31	33	70	44	-
Free Cash Flow[2]	**959**	**1,649**	**1,484**	**1,479**	**1,400-1,600**
Free Cash Flow, Excluding EDC[1][2]	**939**	**1,340**	**1,290**	**1,372**	**1,400-1,600**

[1] Unaudited
[2] A non-GAAP financial measure

Definitions of Non-GAAP Financial Measures

- Adjusted earnings per share – Adjusted earnings per share (a non-GAAP financial measure) is 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) costs related to early retirement of recourse debt. Effective January 1, 2008, the Company has decided to include costs associated with early retirement of non-recourse debt, in addition to recourse debt. This modification will apply prospectively and is not reflected in the 2007 results presented in this presentation. 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 – Free cash flow (a non-GAAP financial measure) is defined as net cash from operating activities less maintenance capital expenditures (including environmental 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.
- Liquidity – Defined as cash at the Parent Company plus availability under corporate revolver plus cash at qualifying holding companies (QHCs). 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.

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.