AES

the power of being global

2009 Investor Day

May 27, 2009



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 accurate projections of future interest rates, commodity prices and foreign currency pricing, 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, 2008, 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.

Presenters & Agenda



Philip Odeen
Chairman of the Board



Paul Hanrahan
President & Chief Executive Officer



Andrés Gluski
Executive Vice President & Chief Operating Officer



Victoria Harker
Executive Vice President & Chief Financial Officer



Ned Hall
Executive Vice President & President, North America

Opening Remarks

Overview & Valuation

Operations & Construction Update

Liquidity & Debt Profile

Business Development Update

Philip Odeen

Chairman of the Board



Board of Directors



Philip Odeen
Chairman of the Board



Samuel Bodman
Director



Paul Hanrahan
Director, President & CEO



Tarun Khanna
Director



John Koskinen
Director



Philip Lader
Director



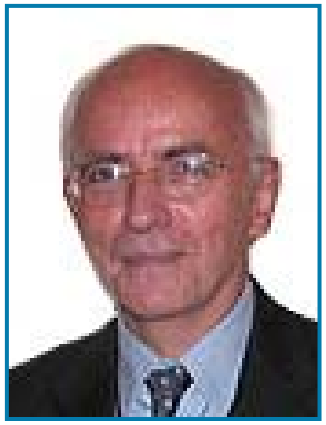
Sandra Moose
Director



Jay Morse
Director



Charles Rossotti
Director



Sven Sandstrom
Director

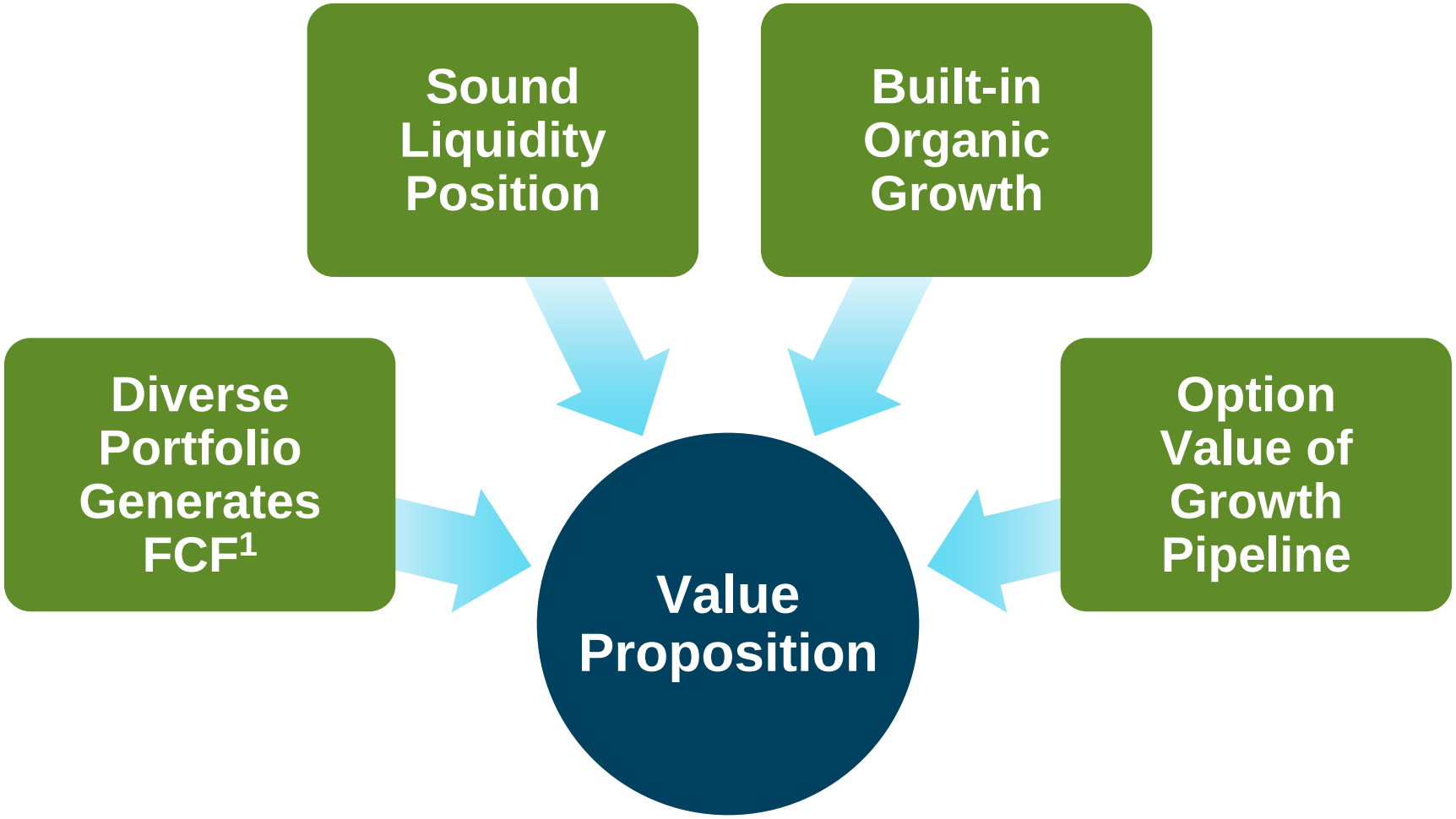
Overview

Paul Hanrahan

President & Chief Executive Officer



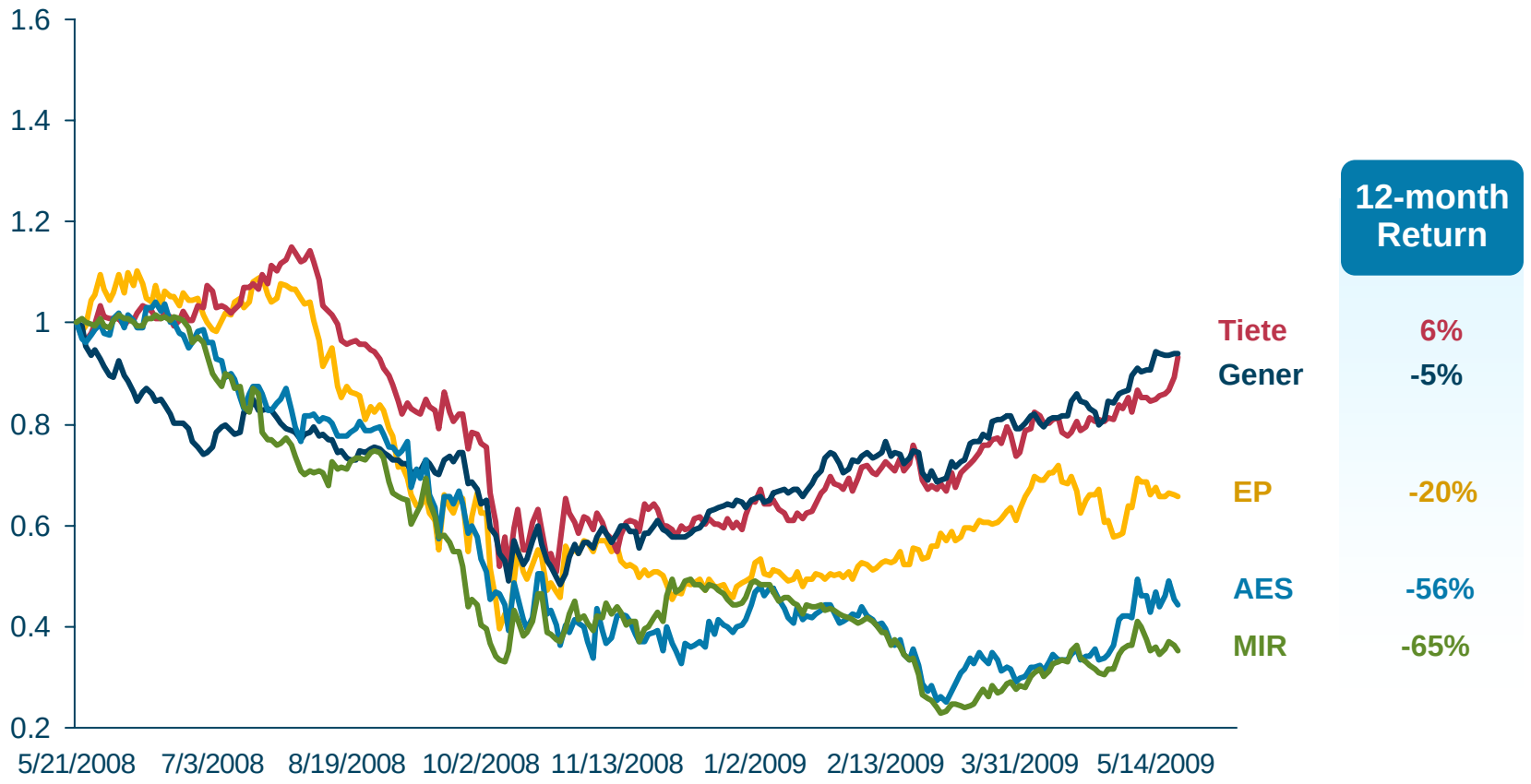
Today's Agenda



1. Free Cash Flow (FCF), a non-GAAP financial measure.

AES is Not Trading In Line With its Underlying Businesses

May 21, 2008 – May 22, 2009 ($ US)



Source: Bloomberg.

Stock Trades at a Discount Based on Existing Portfolio & Reflects No Value for Development Pipeline[1]

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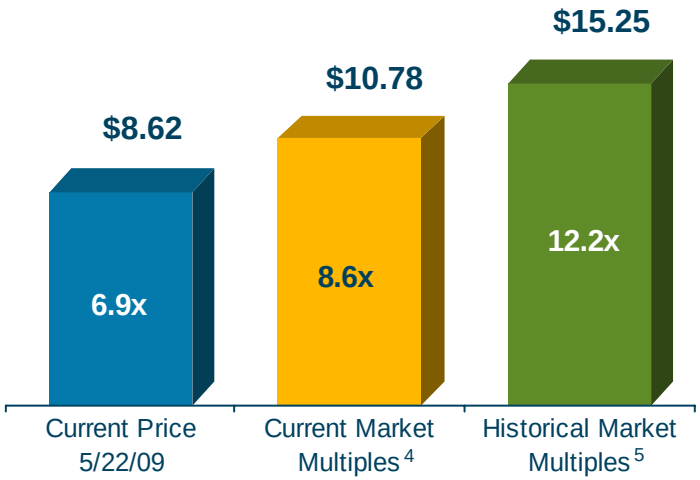
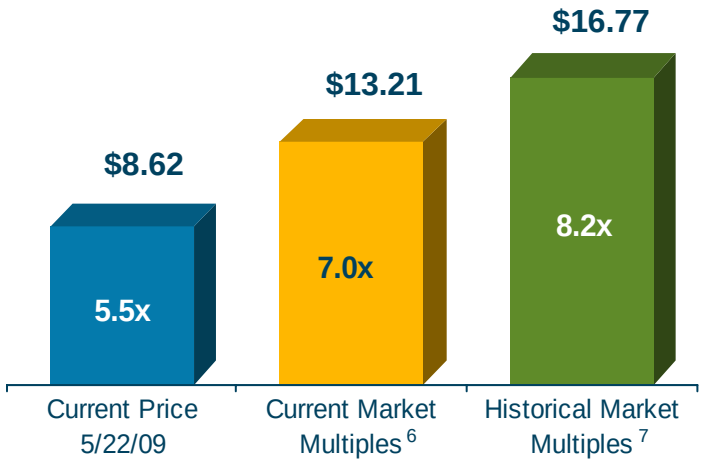
Based on 2011 P/E Multiples[2]



Based on Sum of the Parts[3]



1. The prices set forth do not reflect the Company's view of valuation. Rather, these numbers merely reflect the application of market multiples to certain of the Company's financial metrics. The resulting values do not include the value of the Company's development pipeline, change in control premium, or other factors relevant to the Company's view of its valuation.
2. P/E based on 2011 Adjusted Earnings Per Share. See Appendix for definition and reconciliation.
3. See slide 66 for sum of the parts analysis. 2009 EBITDA multiples applied to unlisted subsidiaries excluding wind, solar and equity earnings.
4. Current Market Multiples are based on 2011 P/E multiples of less regulated utilities (Bank of America/Merrill Lynch research).
5. Historical Market Multiples are based on last 10 years average of two-year forward P/E multiples of integrated utilities (Barclays research).
6. Current Market Multiples are based on 2009 EV/EBITDA multiples of less regulated utilities (Bank of America/Merrill Lynch research).
7. Historical Market Multiples are based on average of last five years multiples of less regulated utilities (Bank of America/Merrill Lynch research).

Stock Trades at a Discount Based on Existing Portfolio & Reflects No Value for Development Pipeline

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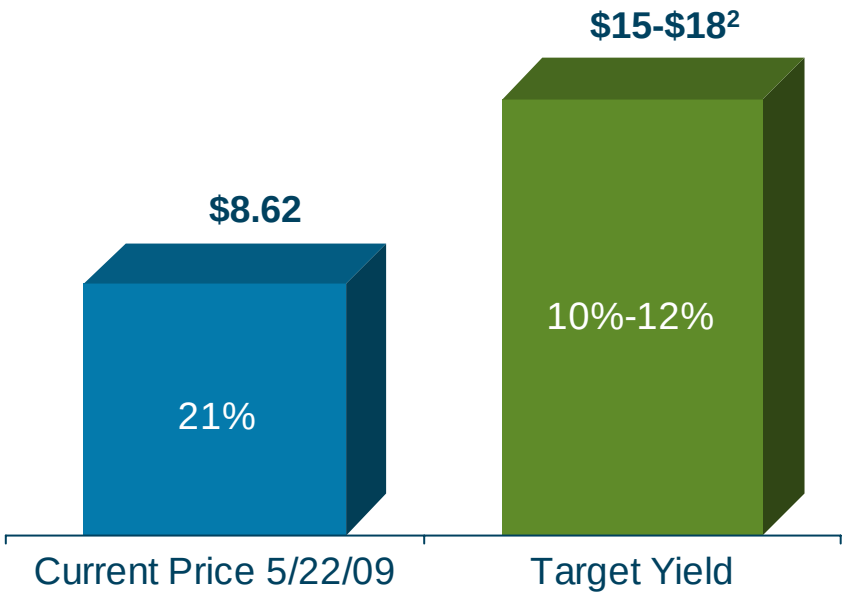
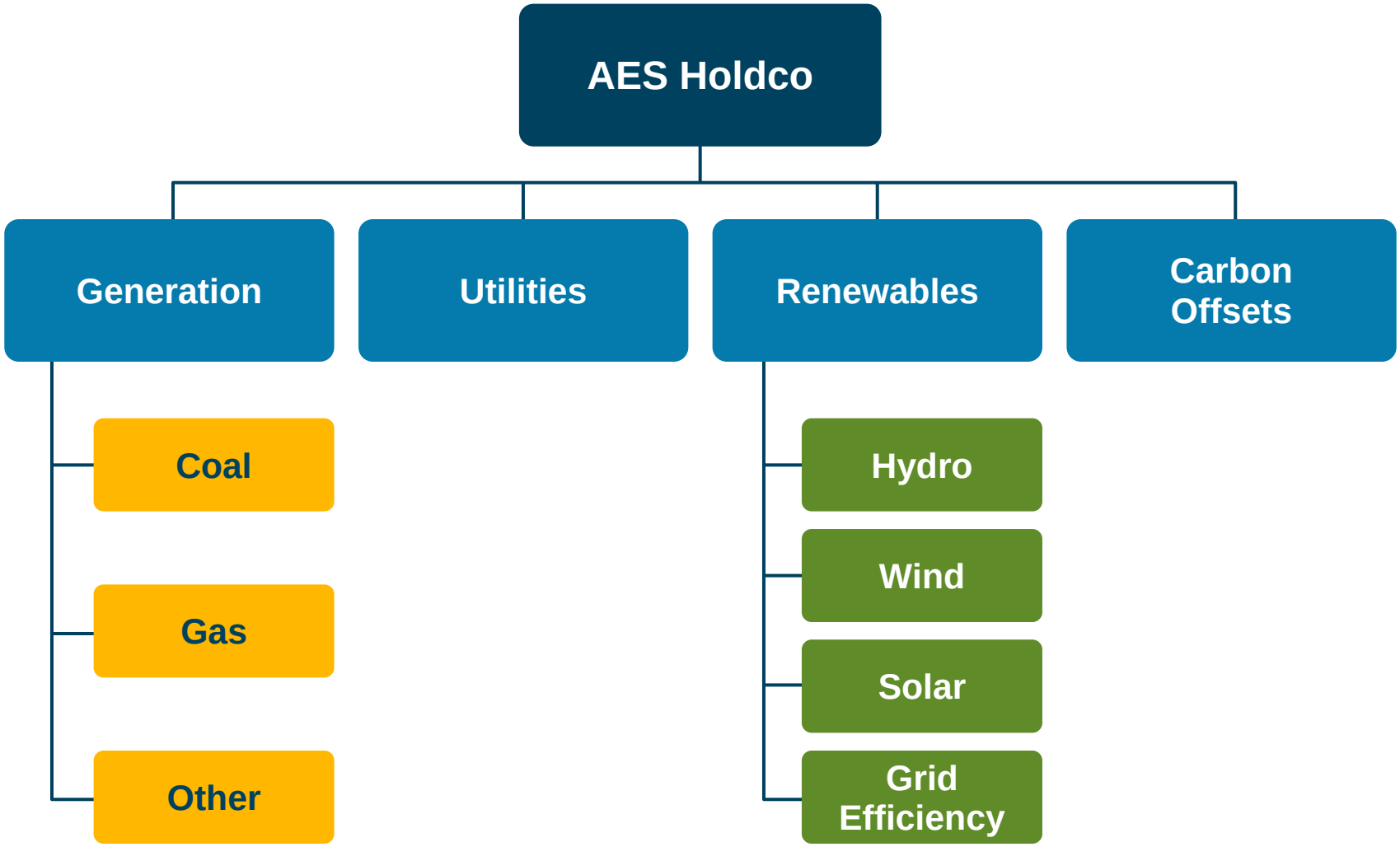
Based on 2011 Proportional Free Cash Flow Yield[1]

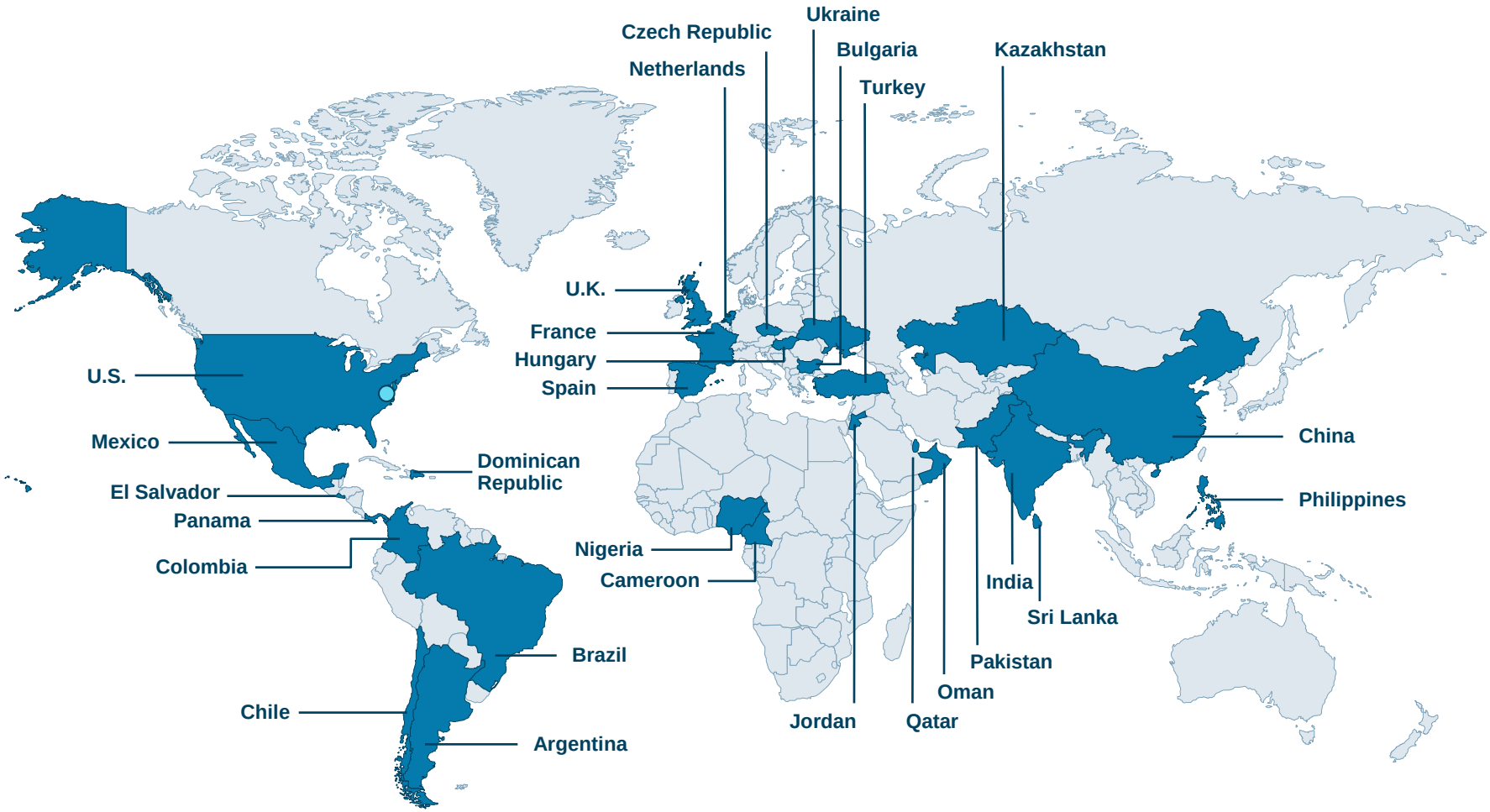


1. Proportional free cash flow and proportional free cash flow yield, non-GAAP financial measures (see Appendix for definitions and reconciliations), are based on mid-point of 2011 guidance of $1.2 billion and share count of 667 million. Target yield represents Company's view of investors' expectations.
2. The price noted here does not reflect the Company's view of its valuation. Rather, the number merely reflects the application of a 12% free cash flow yield to the Company's stock price. The resulting value does not include the value of the Company's development pipeline, change in control premium or other factors relevant to the Company's view of its valuation.

AES Overview



Global Operations



Global Construction



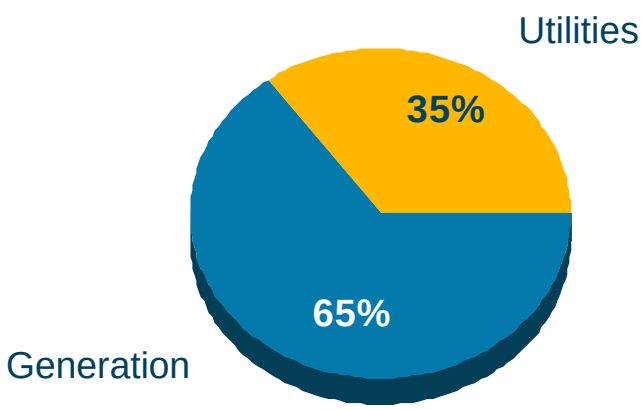
Key — AES Headquarters; Facilities Under Construction

Global Development

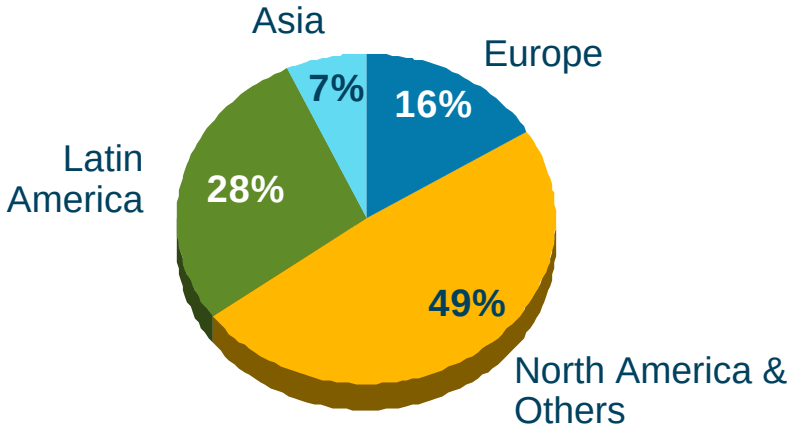


AES Overview

2008 Proportional Gross Margin[1] by Line of Business



Expected 2009 Subsidiary Distributions[2] by Geography

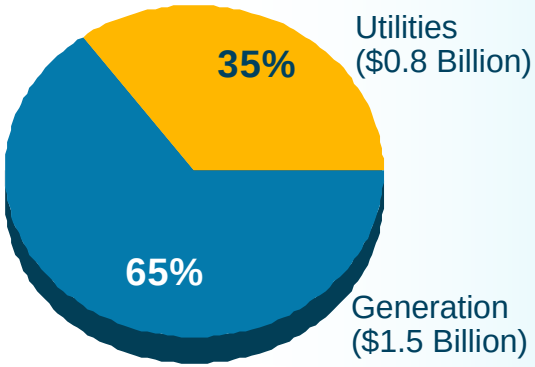


Note: 38,820 MW excludes Ekibastuz (4,000 MW), a business AES manages through June 2009.

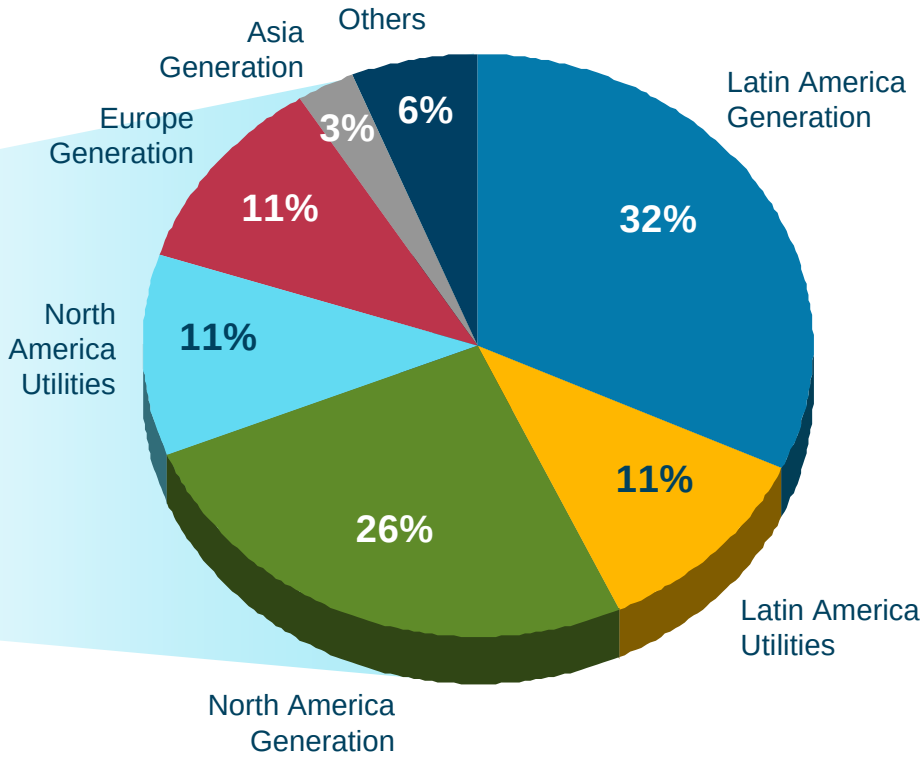
1. A non-GAAP financial measure. See Appendix for definition and reconciliation.
2. See Appendix for definition.

Diverse Portfolio: Businesses in Multiple Markets

2008 Proportional Gross Margin[1] ($2.3 Billion)



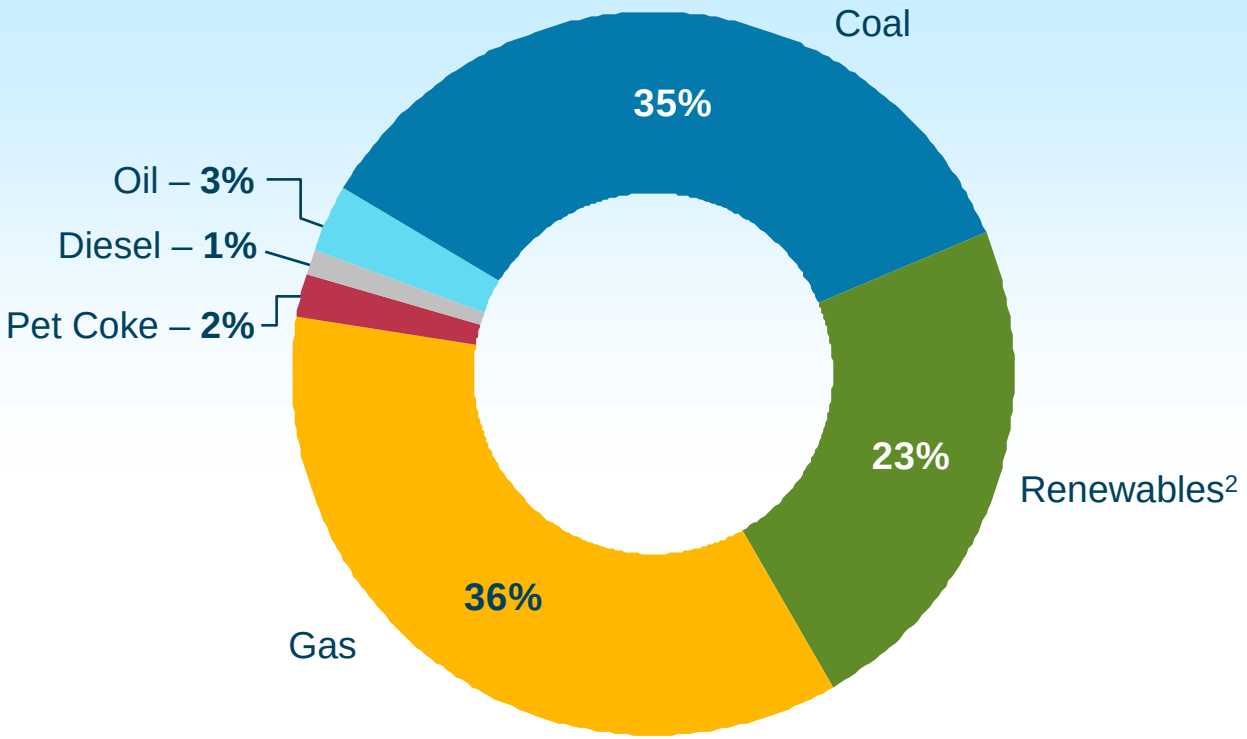
2008 Proportional Gross Margin[1] ($2.3 Billion)



1. A non-GAAP financial measure. See Appendix for definition and reconciliation.

Diverse Portfolio: Businesses Utilize Multiple Fuel Types

Current Portfolio by Fuel Type (MW[1])



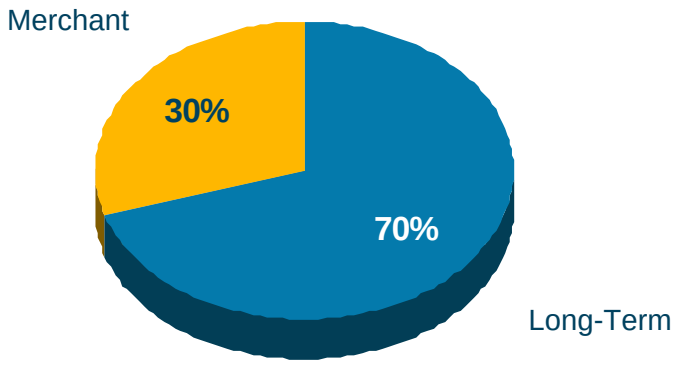
59% of Our Capacity Is in Natural Gas & Renewables

1. 38,820 MW in operation under generation and utilities segments. Excludes Ekibastuz (4,000 MW of coal), a business AES manages through June 2009.
2. Renewables include biomass, hydro, solar and wind.

Profile of Generation Businesses

- 70% of our generation capacity is contracted under long-term agreements with more than 100 offtakers
- Merchant businesses seek to hedge their margins in the medium to short-term
  - e.g., AES Eastern Energy (US)

Contract Status[1,2] (MW[3])

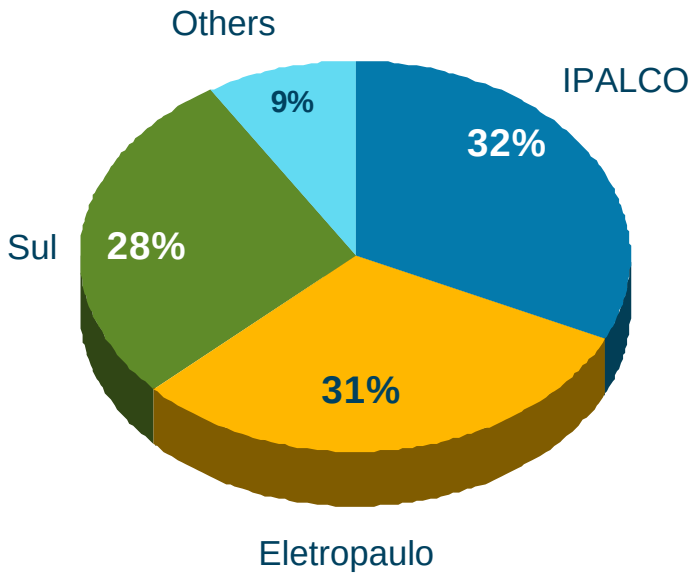


1. A Long-Term Contract Business is defined as having greater than 75% of both its revenue stream and fuel commodity expense substantially hedged under medium or long-term contracts extending for a minimum of the next 3 years (through December 2011).
2. A Merchant Business is defined as a business not meeting Long-Term Contract Business definition.
3. 38,400 MW of Generation in operation, including Ekibastuz (4,000 MW), a business AES manages through June 2009.

Profile of Utility Businesses

- Regulated businesses primarily with long-term concessions
  - 14 utilities, including 4,419 MW generation capacity
- Three largest utilities represent more than 90% of 2008 Utility segment proportional gross margin
  - Eletropaulo and Sul in Brazil
  - IPALCO in the US

2008 Proportional Gross Margin[1] from Utility Segment ($0.8 Billion)



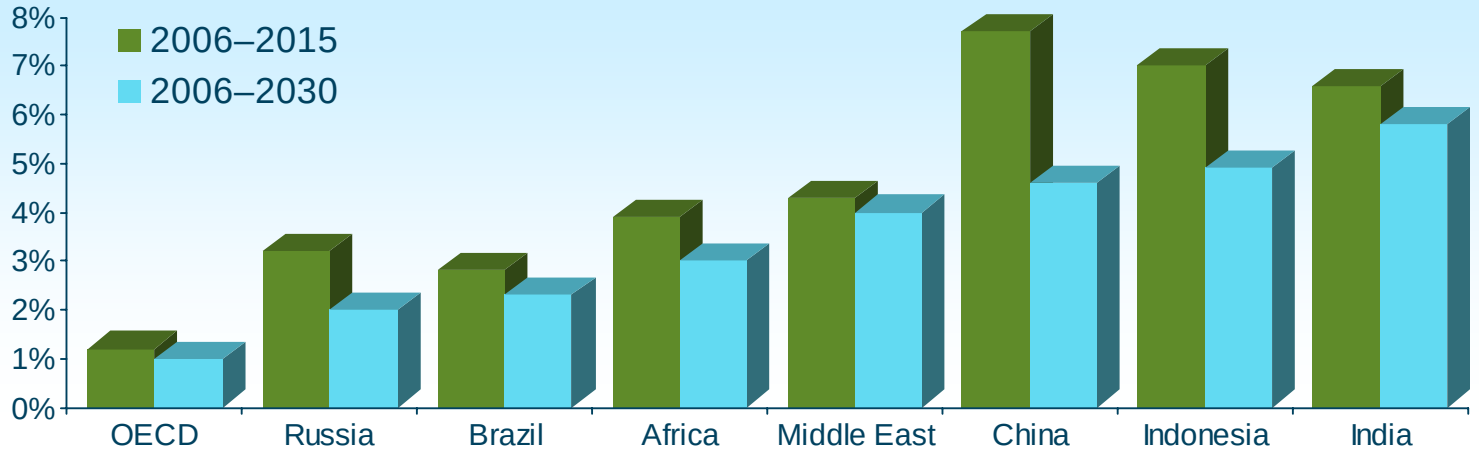
1. A non-GAAP financial measure. See Appendix for definition and reconciliation.

Global Trends

Global Electricity Demand	• Set to increase in long-term – particularly in developing countries where AES has expertise
Lack of Infrastructure Investment	• Aging capacity needs replacement
Environmental Concerns	• Driving shift to low carbon sources, renewables and carbon offsets
Energy Security Concerns	• Driving shift to indigenous fuels and renewables

Global Demand for Electricity Is Expected to Grow, Mostly in Non-OECD Countries

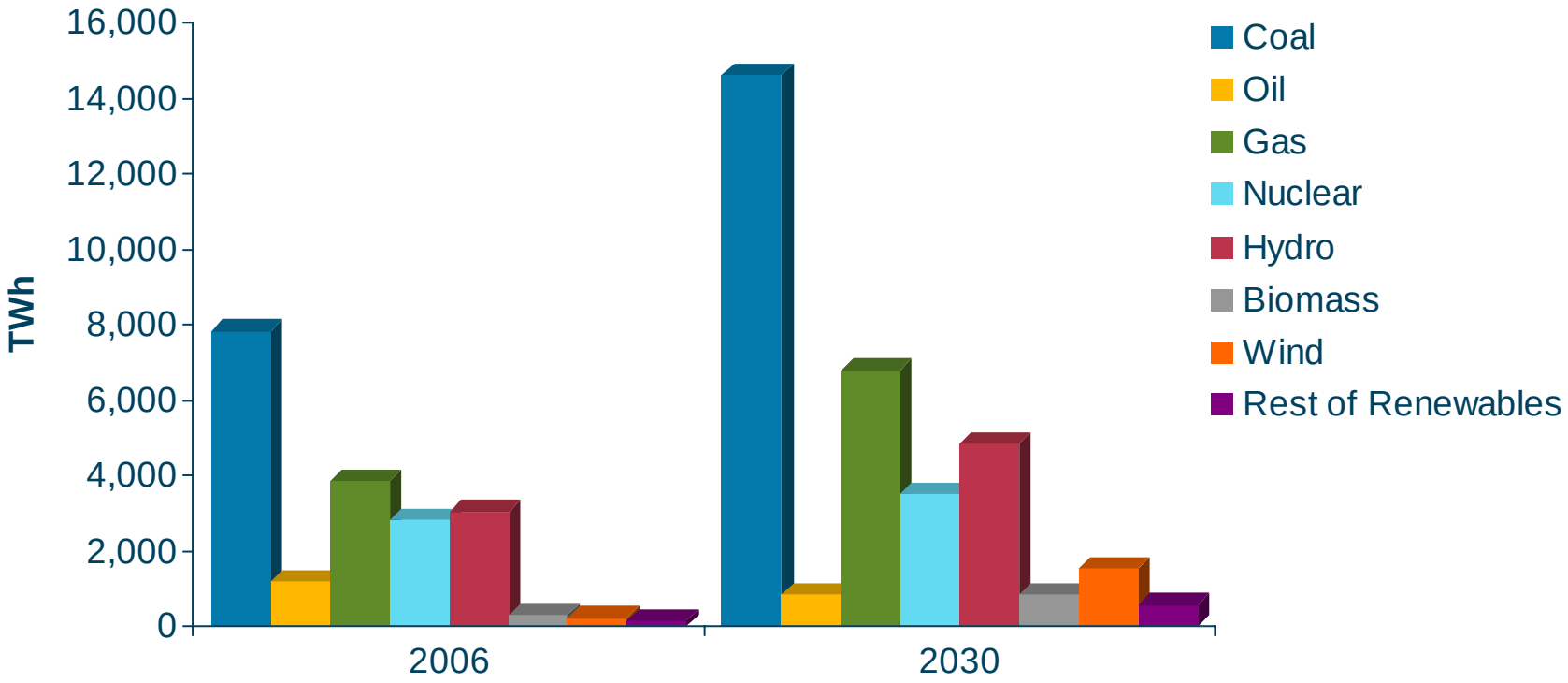
Electricity Demand Growth (2006-2030)



- Global capacity additions are predicted to grow at a 2.3% CAGR over the next 20 years
  - Non-OECD generation additions are expected to grow at a 3.3% CAGR

Source: International Energy Agency: World Energy Outlook 2009.

Renewables Will Take on a Greater Role, But Fossil Fuels Remain an Important Part of the Fuel Mix



- Coal remains an important part of the fuel mix, and renewables become more significant

Source: International Energy Agency: World Energy Outlook 2009.

Key Summary Points About AES

- Diversified mix of businesses results in stable cash flow to the Parent

- Asset base diversified across
  - Generation and Utility operations
  - Multiple markets
  - Various fuel types and technologies

- Significant opportunities in global energy going forward
  - More than 3,500 MW under construction
  - Development pipeline

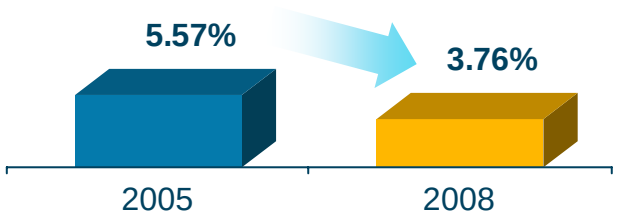
Andrés Gluski

Chief Operating Officer

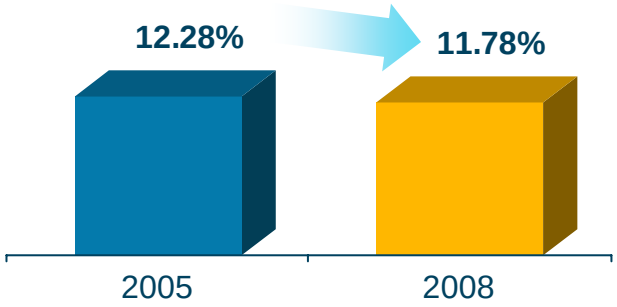


Improvement in Key Performance Indicators

Equivalent Forced Outages[1] %



Utility Losses[1] % (non-US)



In 2007, AES Latin America Won the Edison Electric Institute Global Operational Improvement Award

1. See Appendix for definition.

Note: Reflects "same fleet" data. All years exclude: Delano, Cartagena, EDC, Eden, Ekibastuz, Hemphill, Indian Queens, Los Vientos, Masinloc, Mendota, Placerita and TEG-TEP. Also excludes plants where AES has no management control (Guacolda, Hefei, Wuhu) and Wind facilities.

Experience in Improving Operations of Acquired Assets

TEG-TEP, Mexico



- Since acquisition in 2007:
  - Increased capacity by 5% to 484 MW
  - Improved availability from 77% to over 88%

Masinloc, Philippines



- Since acquisition in 2008:
  - Improved plant capacity by 40% to 630 MW
  - Improved plant availability from 85% to 95%

Improving Operating Performance Translating to Improved Financial Results

Adjusted Earnings Per Share[1]



1. A non-GAAP financial measure. See Appendix for definition and reconciliation.

Our Approach to Risk Management

Project Finance Model:

- Non-recourse financing; standalone project structure
- Insulates parent and other businesses

We Mitigate Key Risks Prior to Financing Including:

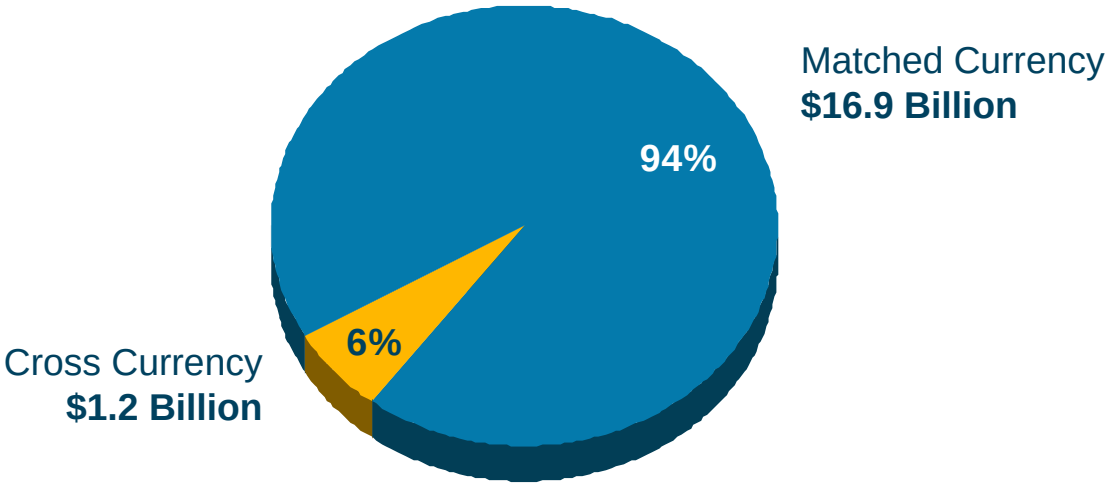
- Currency risk
- Commodity risk
- Political risk

Important Risk Mitigation Tools Include:

- Long-term power sales contracts (generally denominated in or indexed to US dollar)
- Matching of fuel and other significant costs to revenues
- Debt financing in local currency if contract is not tied to US dollar
- EPC contracts
- Regulatory mechanisms in the utility businesses

Risk Management: Currency Risk

Debt Currency v. Revenue Currency
$18.1 Billion (as of 12/31/2008)

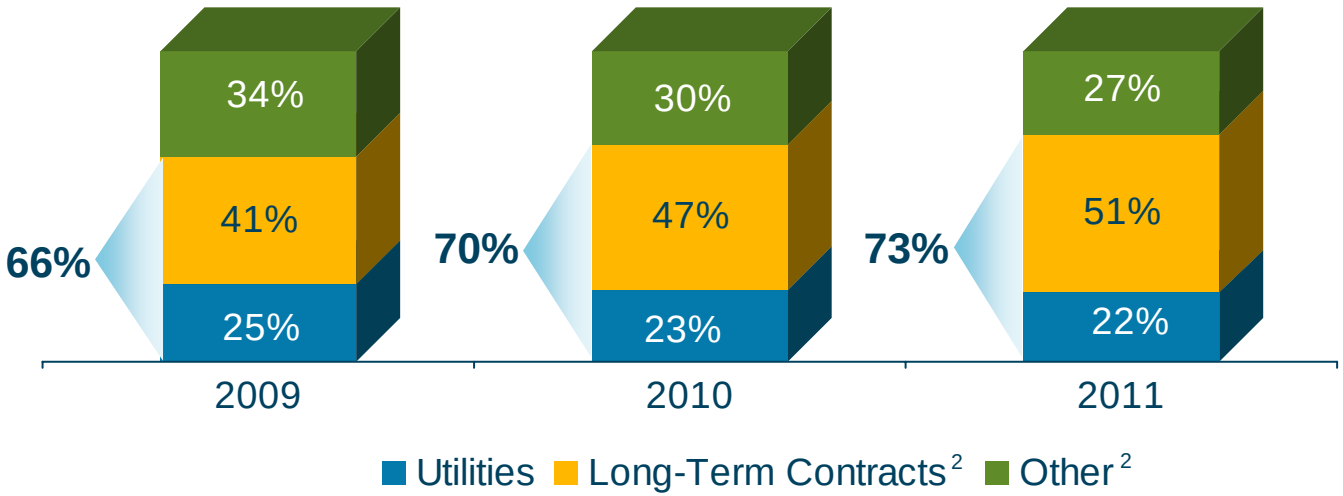


- Many Power Purchase Agreements (PPAs) denominated or paid in US Dollars
- 10% move in key currencies has an impact of approximately $0.03 on 2009 earnings

Note: See Slide 71 for key assumptions and sensitivities.

Risk Management: Limited Commodity Price Risk

2009-2011 Proportional Gross Margin[1]



- 70% of gross margin is attributable to long-term contracts and utilities (less commodity sensitive)
- Over time, percentage of gross margin from long-term contract businesses increases as projects under construction come on-line

Note: See Appendix for key assumptions and sensitivities.

1. A non-GAAP financial measure. See Appendix for definition and reconciliation.
2. See slide 18 for definitions.

Risk Management: Political Risk

Masinloc (Philippines)



- Multilateral partners – IFC[1] & ADB[2]
- Local advisory board

Gener (Chile)



- Shares listed on Chilean stock exchange with 30% float
- Local board of directors

Maritza East (Bulgaria)

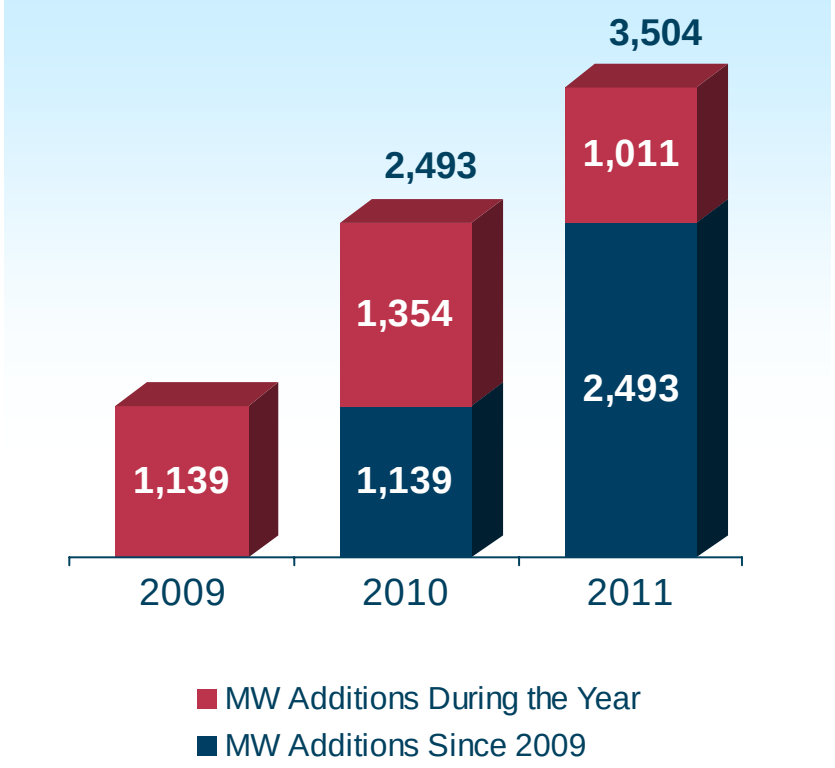


- Long-term contract with state-owned utility
- Multilaterals' support – EBRD[3], MIGA[4], German and French ECAs[5]
- Uses domestic waste fuel, which is less subject to price shocks

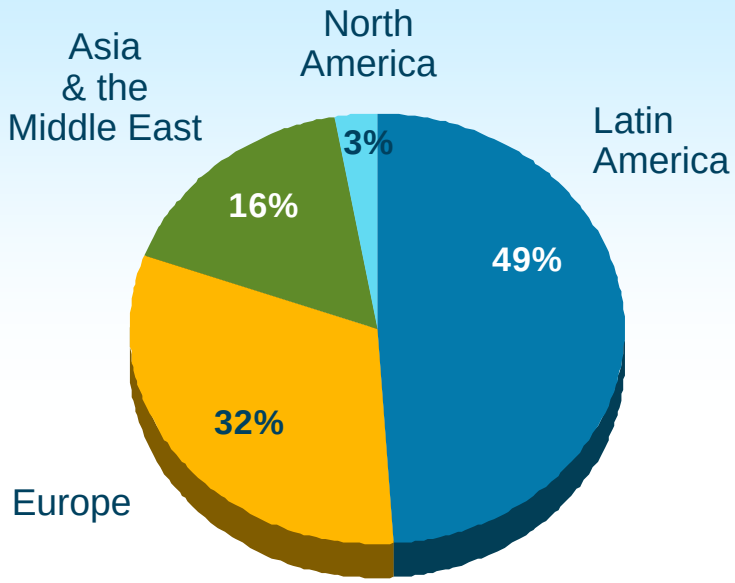
1. International Finance Corporation, a member of the World Bank Group.
2. Asian Development Bank.
3. European Bank for Reconstruction and Development.
4. Multilateral Investment Guarantee Agency, a member of the World Bank Group.
5. Export Credit Agencies.

Construction Program: More than 3,500 MW Under Construction, 96% of Which is Under Long-Term Contracts

Additional MW On-Line by Year



Construction Program by Geography (MW)



Note: See Appendix for details by project.

Market is Still Open for Well-Structured AES Projects

Recent Non-Recourse Project Finance Transactions				
Financing	**Type**	**Date**	**Amount**	**Long-Term Off-Take**
Angamos, Chile	Coal	Oct '08	$1 billion	✓
North Rhins, Scotland	Wind	Dec '08	$54 million	✓
St. Nikola at Kavarna, Bulgaria	Wind	Dec '08	$257 million	✓
AES Solar, Spain	Solar	Dec '08	$91 million	✓
Gener, Chile[1]	Various	Apr '09	$196 million	✓
Total			**$1.6 billion**	

1. Issued at Gener level.

Funding to Complete Construction Program Is in Place

Construction Program – $2,750 Million Total Capex to Be Incurred Through 2011

Source	Amount ($ in Millions)
Non-Recourse Financing Already Secured	$2,000
Cash at Gener	$350
AES Corp.	**$300**
Minority Partners	$100
Total	**$2,750**

Note: Does not include any growth capex at existing operating facilities. See Appendix for projects included in our construction program.

Construction Program 2009–2010: Nueva Ventanas, Guacolda 3

Nueva Ventanas (Gener), Chile
270 MW



100% Owned by Gener
(AES' Net Interest 71%)
COD[1]: 2010

Guacolda 3 (Gener), Chile
304 MW



50% Owned by Gener
(AES' Net Interest 35%)
COD[1]: 2009

1. Commercial Operations Date.

Construction Program 2010: Maritza East, 670 MW, Bulgaria

- Ownership: 100% Owned by AES
- COD[1]: Second Half 2010
- Fuel Type: Coal
- Total Project cost: $1.6 billion – 70% financed through long-term debt
- Output sold under long-term contract (PPA)
- PPA: NEK, state-owned utility, under 15-year contract
  - Capacity fee covers fixed costs, including return on investment
  - Fuel pass-through



1. Commercial Operations Date.

Construction Program 2011: Angamos, 518 MW, Chile

- 100% Owned by Gener (AES' net interest 71%)
- COD[1]: Second Half 2011
- Total Project cost $1.3 billion – 72% financed through long-term debt
- Output sold under long-term contract (PPA)
- PPA: BHP Billiton subsidiaries, one of the lowest cost copper mines in Chile, under a 15-yr and an 18-yr contract
  - Capacity fee covers fixed costs, including return on investment
  - Fuel pass-through



1. Commercial Operations Date.

Summary of AES Operations & Approach to Risk Management

- Leveraging our operational experience to improve profitability
- Risk management to minimize currency, commodity and political risks
- Construction program is progressing well
  - Debt financing is already in place and only $300 million in equity contributions from AES liquidity required through 2011
  - In 2011 these projects will contribute $0.25 EPS and $300-$400 million proportional free cash flow[1]

1. A non-GAAP financial measure. See Appendix for definition and reconciliation.

Solid Liquidity & Manageable Debt Profile

Victoria Harker

Chief Financial Officer



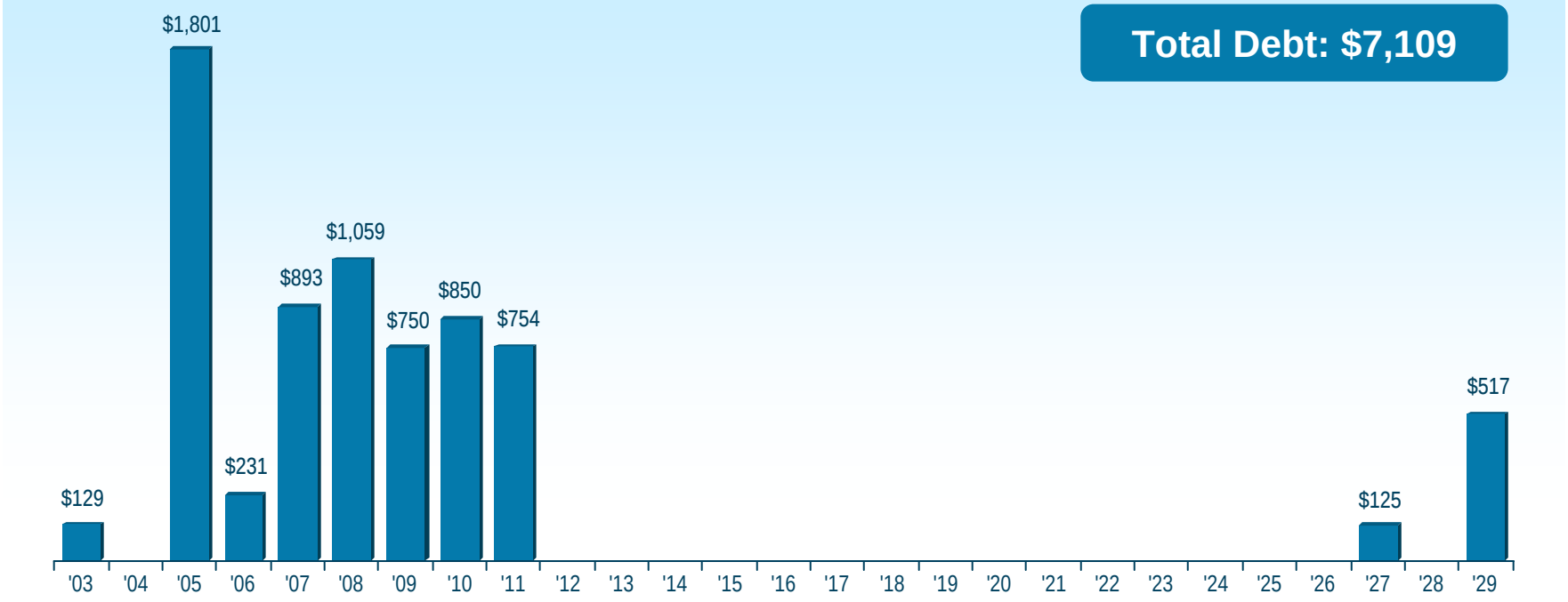
Solid Liquidity: Parent Company

- Total Parent Liquidity[1] of $1.5 billion as of May 15, 2009
  - $695 million in cash
  - $766 million availability under Revolver
- Recent transactions have contributed to our strong liquidity position
  - Increased the size of the Revolver from $750 million to $785 million through June 2010
  - Extended $605 million Revolver from 2010 to 2011
  - Issued $535 million in unsecured bonds to replace a portion of unsecured credit facility maturing in 2010

1. A non-GAAP financial measure. See Appendix for definition.

Historical Debt Profile, Significant Near-Term Parent Debt Maturities

Parent Debt Maturities as of 12/31/02 ($ in Millions)



2003–2006 Maturities ~ $2.1 B

Current Debt Profile, Reduced Overall & Near-Term Parent Debt

Parent Debt Maturities as of May 2009 ($ in Millions)



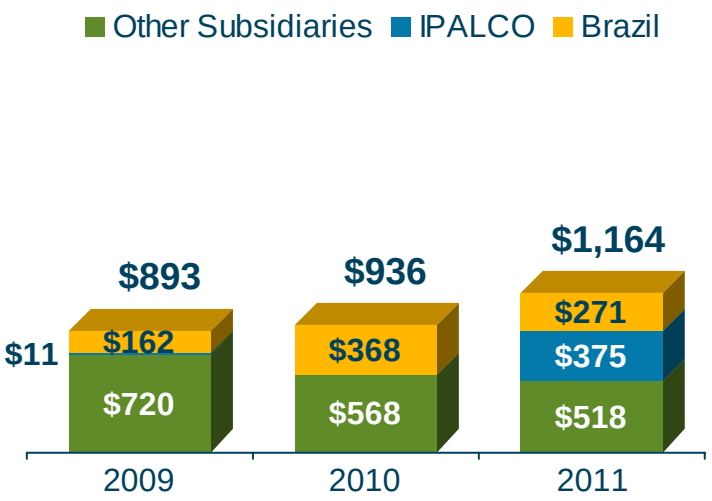
2009–2011 Maturities
$0.8 B

Solid Liquidity & Manageable Debt Profile: Subsidiaries

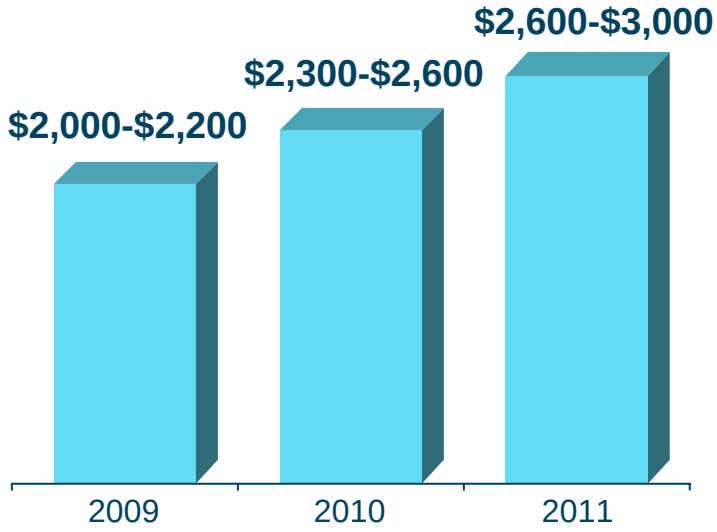
$ in Millions

- Total Subsidiary Liquidity[1] of $2.4 billion as of March 31, 2009
- Brazilian businesses and IPALCO have credit, liquidity and refinancing track record
- $500-$700 million of the remaining annual maturities paid from project cash flows

Subsidiary Debt Maturities



Consolidated Operating Cash Flow

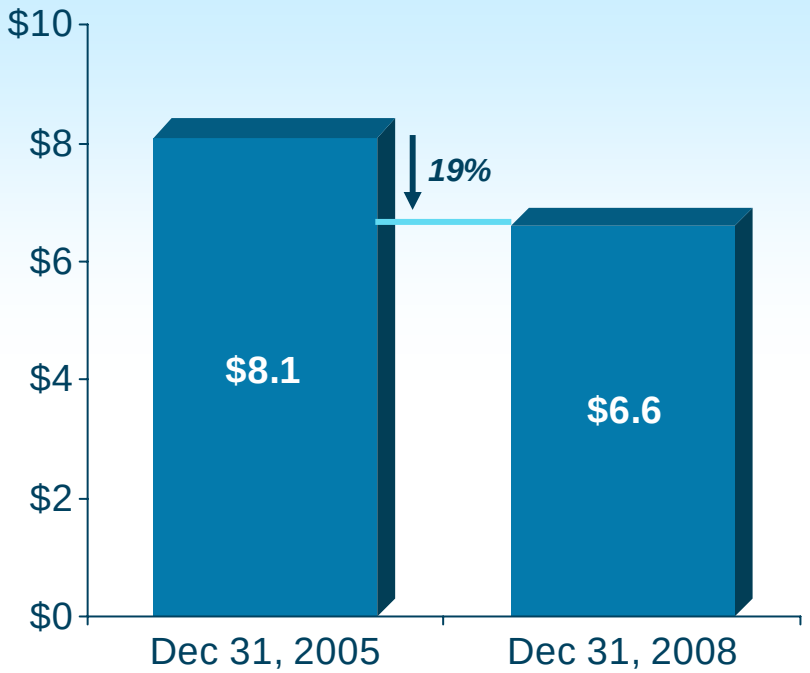


1. A non-GAAP financial measure. See Appendix for definition and details by project.

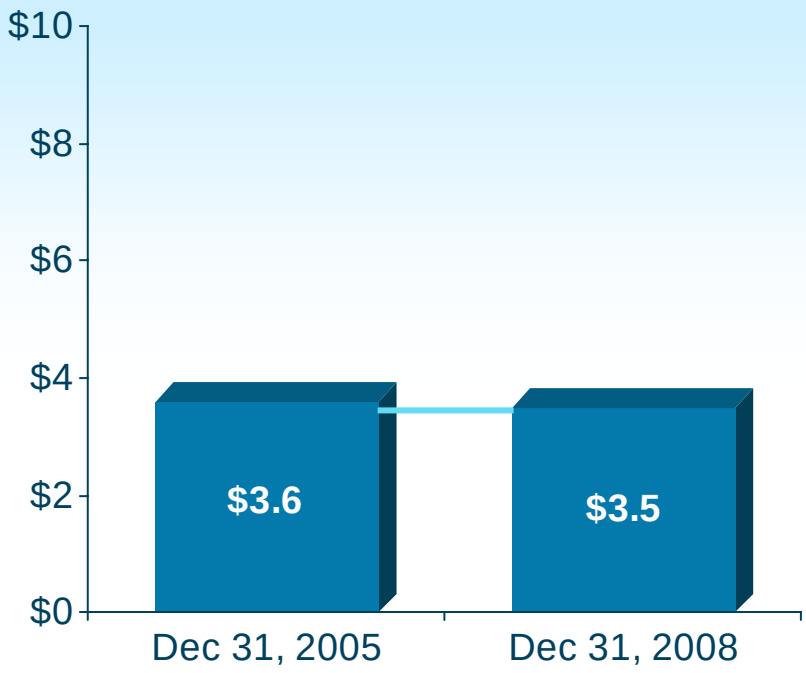
From 2005, Reduced Non-Recourse Debt on Existing Businesses by $1.6 Billion

$ in Billions

Debt at Generation Businesses



Debt at Utilities Businesses



Note: 12/31/05 numbers reflect the assets consolidated at 12/31/08 for comparison purposes. See Appendix for non-recourse debt reconciliations.

Summary of AES Liquidity & Debt Profile

- We have solid liquidity and a manageable debt profile
  - Operating cash flow is more than sufficient to cover our debt maturities
  - Non-recourse debt structure provides additional protection
- Demonstrated access to capital markets – even today
  - Project financing on reasonable terms for well-structured projects
  - Access to the recourse debt market
- Strong track record and portfolio of high quality businesses continue to attract capital

Development Pipeline

Ned Hall

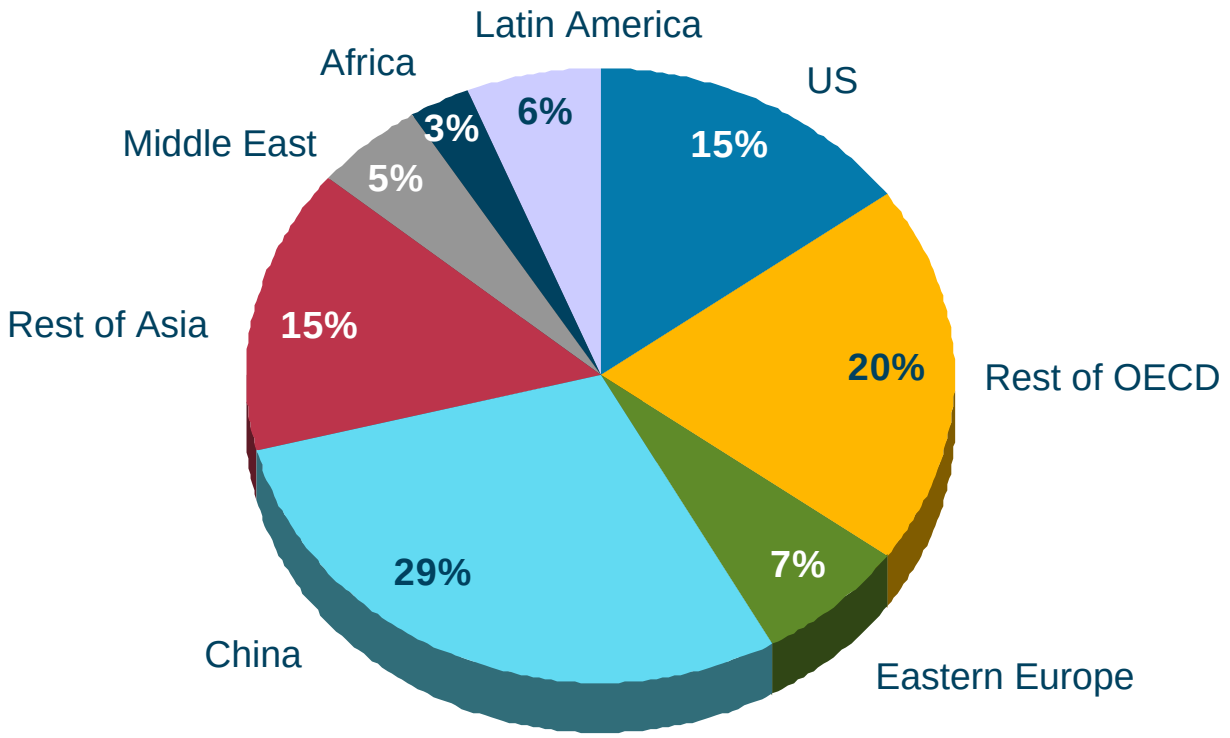
Executive Vice President &
President, North America



Global Energy Trends: 4,528 GW Capacity Is Expected to Be Added by 2030

37% of Which Is Expected by 2015

GW Additions by 2030
4,528 GW



Source: International Energy Agency: World Energy Outlook 2009.

Low Cost Development Options: Core Power Examples

- Greenfield opportunities:
  - OPGC II, India (1,200 MW coal) – platform expansion
  - Borsod CFB, Hungary (330 MW coal) – platform expansion
  - Chhattisgarh, India (1,200 MW coal)
  - Mong Duong, Vietnam (1,200 MW coal)

Existing AES Facility: OPGC, India, 420 MW (Coal)



Existing AES Facility: Borsod, Hungary, 56 MW (Coal)



Push for Renewables

Positive Market Fundamentals

- Increased government incentives
- Ability to secure project financing

Leveraging AES' Expertise

- Opportunities in countries with AES presence
- Core competencies in development, construction management and operations

Iznalloz, Spain
3 MW



Mountain View I & II, USA-CA
67 MW



Hydro Generation

- AES operates 7,460 MW of hydro generation and has 285 MW under construction
- We have an additional 850 MW in development
- We are reviewing new developments in China, Brazil, Chile, Panama, Colombia, Turkey and US

Under Construction:
Changuinola, Panama 223 MW



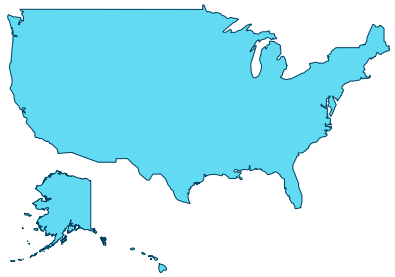
Existing AES Facility:
Chivor, Colombia 1,000 MW



Government Support Provides Opportunities for Wind Growth Across Multiple AES Markets

AES
the power of being global

US



- Renewable Portfolio Standards (RPS) in 28 states & DC
- ARRA 2009
- Federal RES

Europe



- 20% by 2020
- RPS/feed-in tariffs

China



- 10% by 2010
- 15% by 2020

Brazil



- Government sponsored program
- Renewable only RFPs

Condon: 50 MW



St Nikola: 156 MW



Huanghua: 49 MW



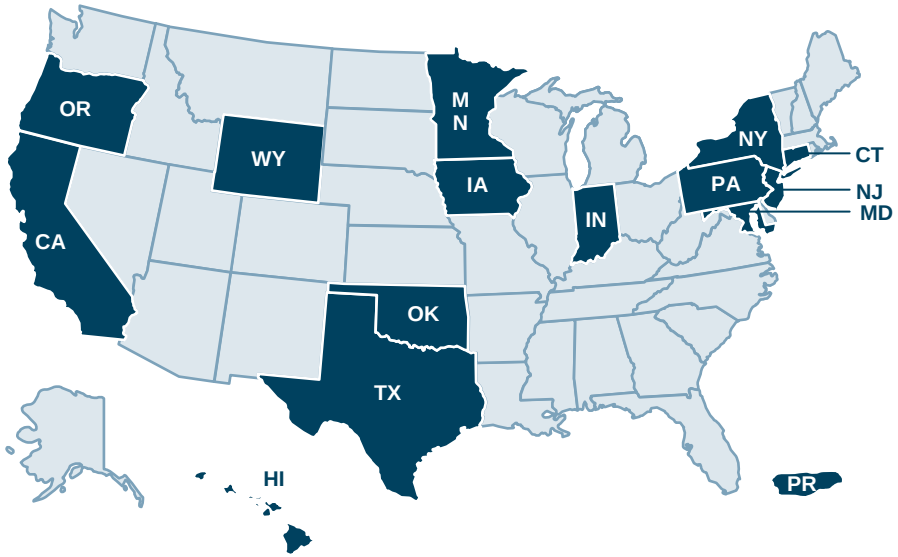
SIIF Energies: 210 MW



US Legislation Promotes Renewables by Expanding Financing Options

American Recovery & Reinvestment Act of 2009

- Production Tax Credit (PTC)
- Investment Tax Credit (ITC)
- Loan guarantee programs through Department of Energy

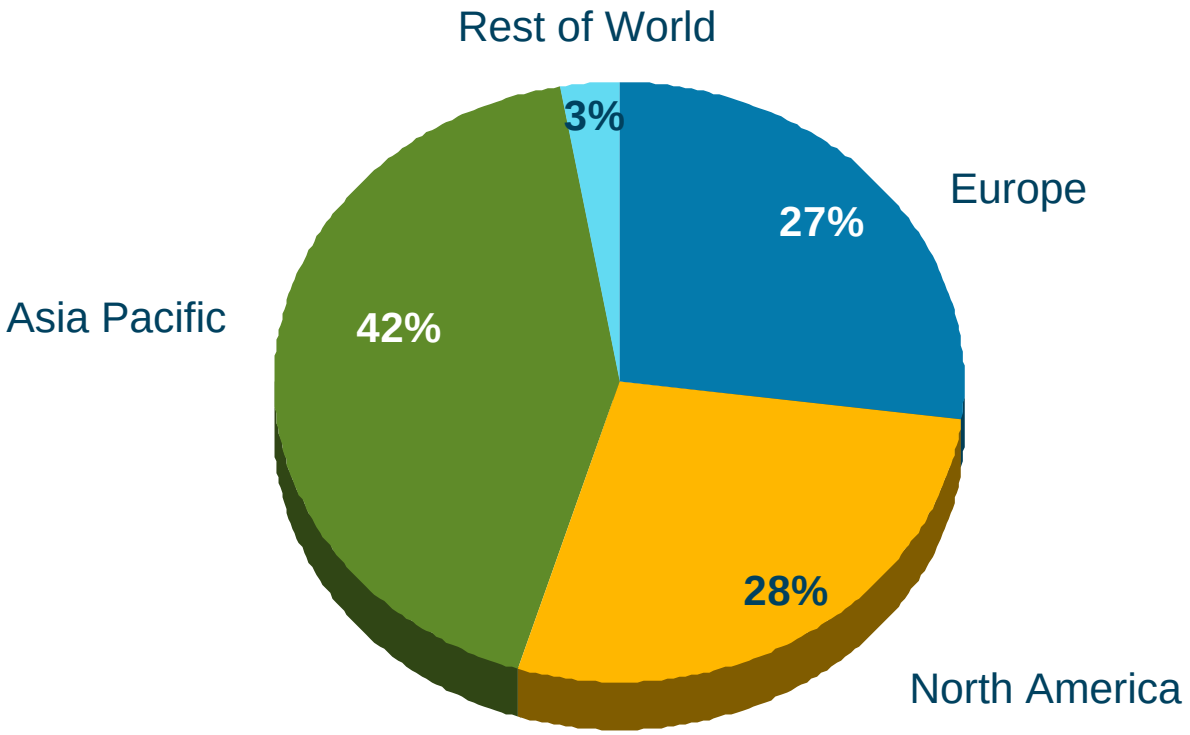


■ AES Presence



Global Energy Trends: 567 GW of Wind Capacity Expected to Be Added by 2020

GW Additions by 2020
567 GW



Source: Emerging Energy Research (EER): Global Wind Energy Market Forecast 2009.

AES Wind Generation: 1,274 MW in Operation in China, France & US

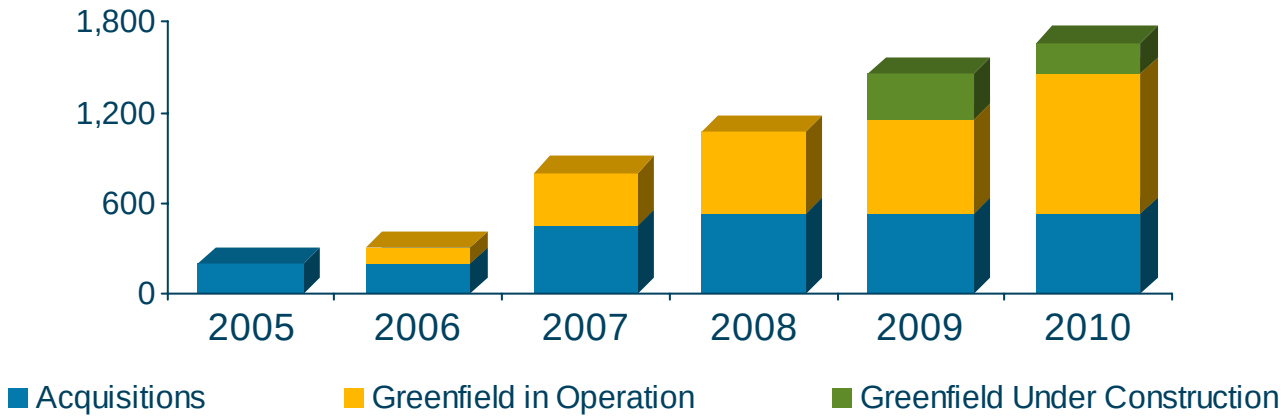
Established in 2005

- Strategy
  - M&A and Greenfield development
  - Start with OECD markets with attractive incentives
  - Non-recourse financing
  - Expand globally with focus on areas with AES presence
  - Leverage AES' relationships

Buffalo Gap, USA-TX
524 MW

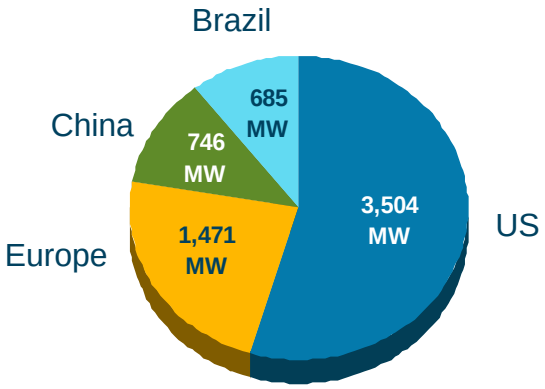


AES Wind Growth (MW)

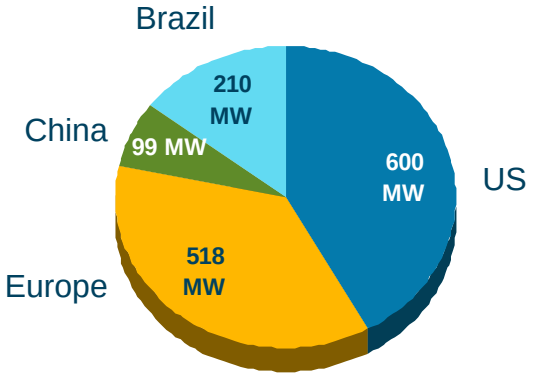


AES Wind Generation: ~6,000 MW Pipeline in Various Stages of Development

Total Development Pipeline
6,406 MW



Advanced Development Pipeline
1,427 MW



Huanghua, China
49.5 MW



Palm Springs, USA – CA
30 MW



Solar PV: Government Support Provides Opportunities for Solar PV Growth

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France



- Current Tariff: €0.32/kWh indexed
- Term: 20 years

Greece



- Current Tariff: €0.40/kWh
- Term: 20 years

Spain



- Current Tariff: €0.31/kWh indexed
- Term: 25 years

Italy



- Current Tariff: €0.35/kWh + market price
- Term: 20 years

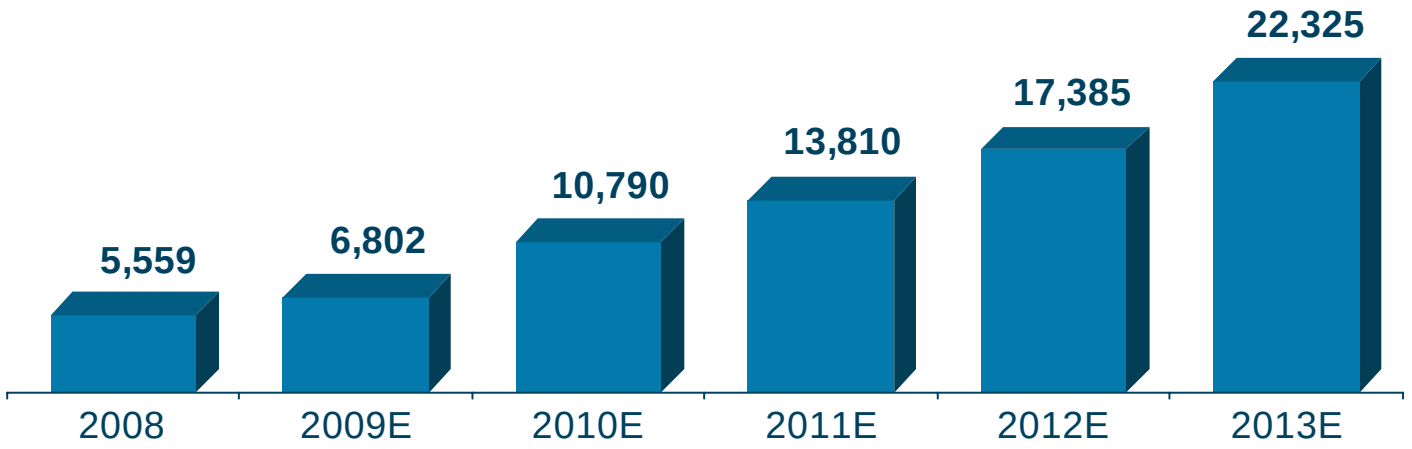
AES Solar: 32 MW Operating in Spain & 500 MW in Development

- Strategy
  - Partner with credible infrastructure fund – $1 Billion JV with Riverstone
  - Europe first
  - Non-recourse financing
  - Expand to rest of the world as equipment prices decline and markets open

Darro, Spain
6 MW



Global Solar PV Capacity[1] (MW) 2008-2013E CAGR: 32%



Source: European Photovoltaic Industry Association, April 2009.

Preserving Low Cost Options: Climate Solutions

- Currently own and operate landfill gas and animal waste based projects
  - 92 projects registered with the UN
  - Annual capacity of 1,800,000 Certified Emission Reductions (CER)
- Joint Venture with GE Energy Financial Services and Mission Point: Greenhouse Gas Services is focused on the US market

AgCert, Brazil
Animal Farm Biodigester



Nejapa, El Salvador
Landfill Gas



Greenhouse Gas Services: An AES-GE-MP Venture

Develop Carbon Offsets for Future US Compliance Market

What Does GHGS Do?

- Invest in methane to power
- Develop next generation Offset technologies such as Intelligent Nitrogen Application, Ventilation Air Methane, Ozone Depleting Substances, Forestry and Industrial Gases

Progress to Date

- 5 Projects yielding a combined 1.5 million Offsets
- Pipeline of projects from established and new technologies

Riverview Agricultural Waste



AES Grid Stability & Efficiency

What Does GSE Do?

- Improve Grid Services – Install "batteries" across the electric distribution system to provide higher quality grid services
  - Ancillary services
  - Supports renewable integration
  - Alternative to transmission

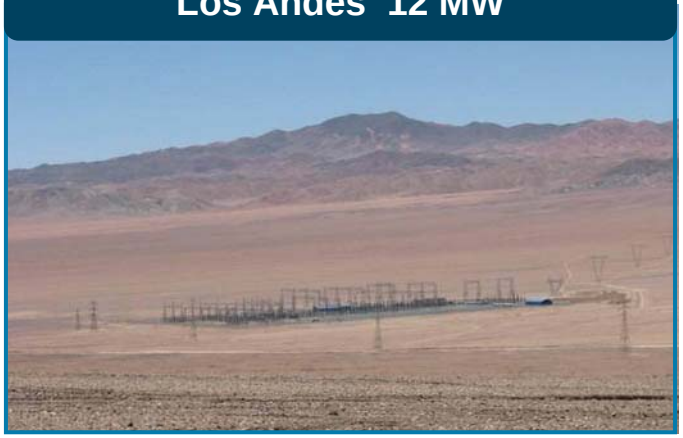
Progress to Date

- Working with PJM,NYISO, CAISO, ISO-NE, MISO and ERCOT to demonstrate technology and implement enabling rules
- 1-2 MW systems operating in PJM, MISO and CAISO
- 12 MW project in construction in Chile

PJM 1 MW



Los Andes 12 MW



Summary of Development Priorities

- Projected global power demand drives future growth opportunities for AES
- We are continuing to progress low cost options in core power, renewables and climate solutions
- We are well positioned for varying legislative, regulatory and financial developments across multiple markets and technologies
- Our global platform, development pipeline and core competencies position us to be a long-term high growth investment for our shareholders

2009-2011 Guidance

Paul Hanrahan

President & Chief Executive Officer



Key Drivers of 2009-2011 Earnings & Cash Flow Projections

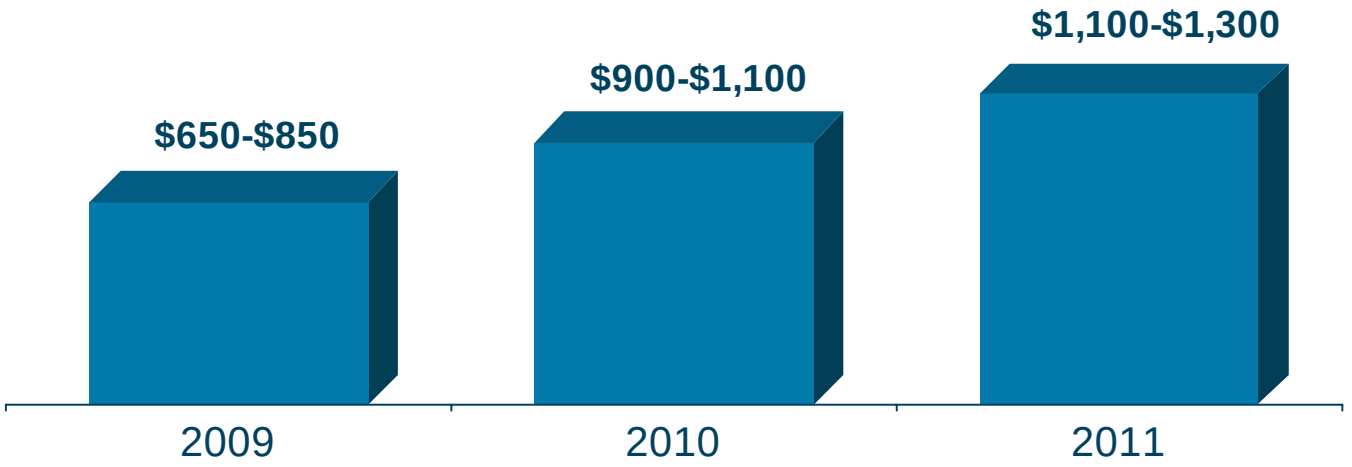
- Completion of over 3,500 MW construction program
  - Adds $0.25 to Adjusted EPS[1] and $300-$400 million proportional free cash flow[1] in 2011
- Assumes $800 million Corporate debt paydown
  - Resulting in lower Parent interest expense of $50 million by 2011
- For both commodities and currencies we used forward curves as of 3/31/09

1. A non-GAAP financial measure. See Appendix for definition and reconciliation.

Portfolio Generates Growing Proportional Free Cash Flow[1]: 26% CAGR[2]

$ in Millions

Proportional Free Cash Flow[1]

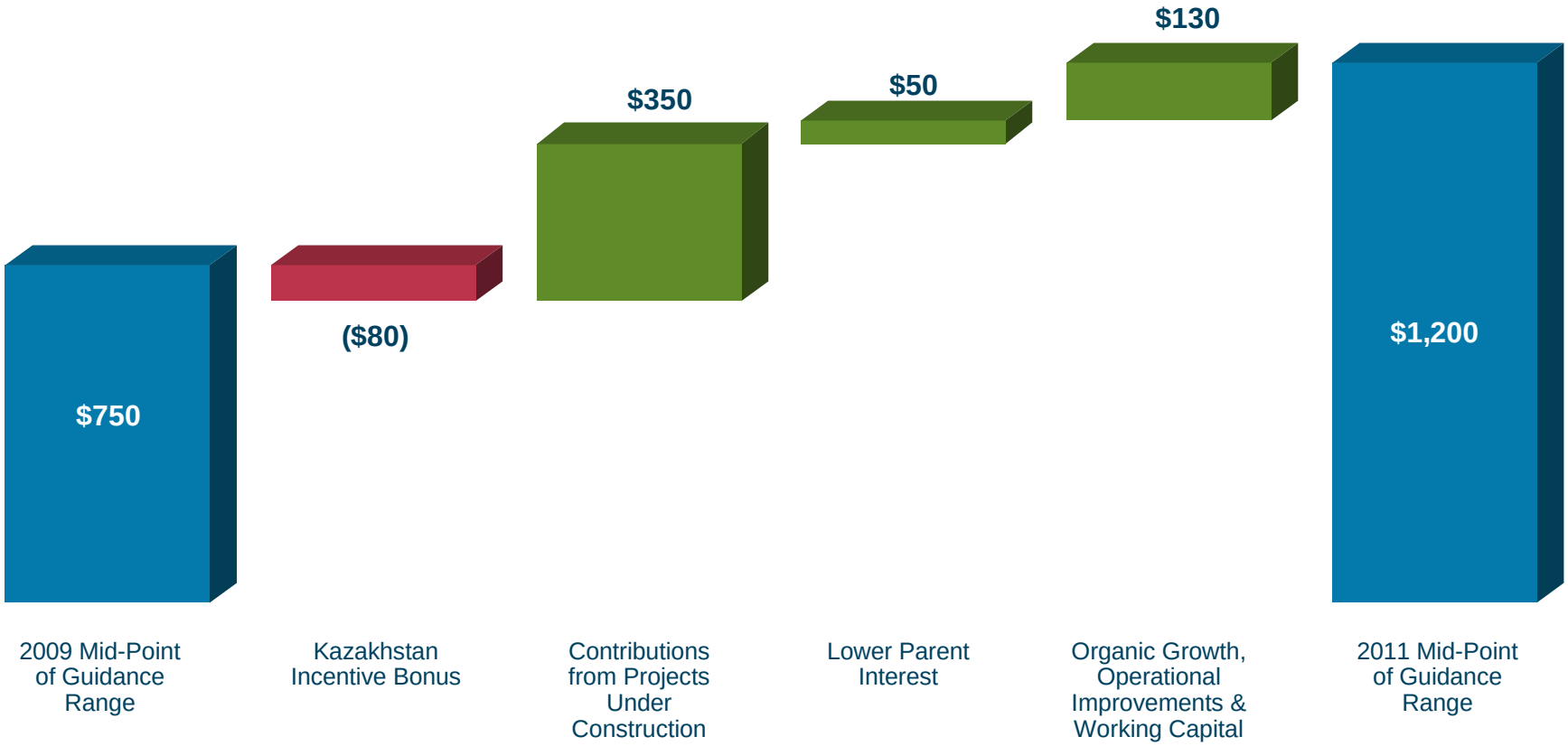


- AES has a proportional FCF Yield[1] of 11%-15% at current stock price[3] of $8.62 per share
- This increases to 19%-23% based on 2011 proportional free cash flow[1]

1. A non-GAAP financial measure. See Appendix for definition and reconciliation.
2. Based on mid-range proportional free cash flow from 2009-2011.
3. As of 5/22/09.

Proportional Free Cash Flow[1] Bridge

$ in Millions

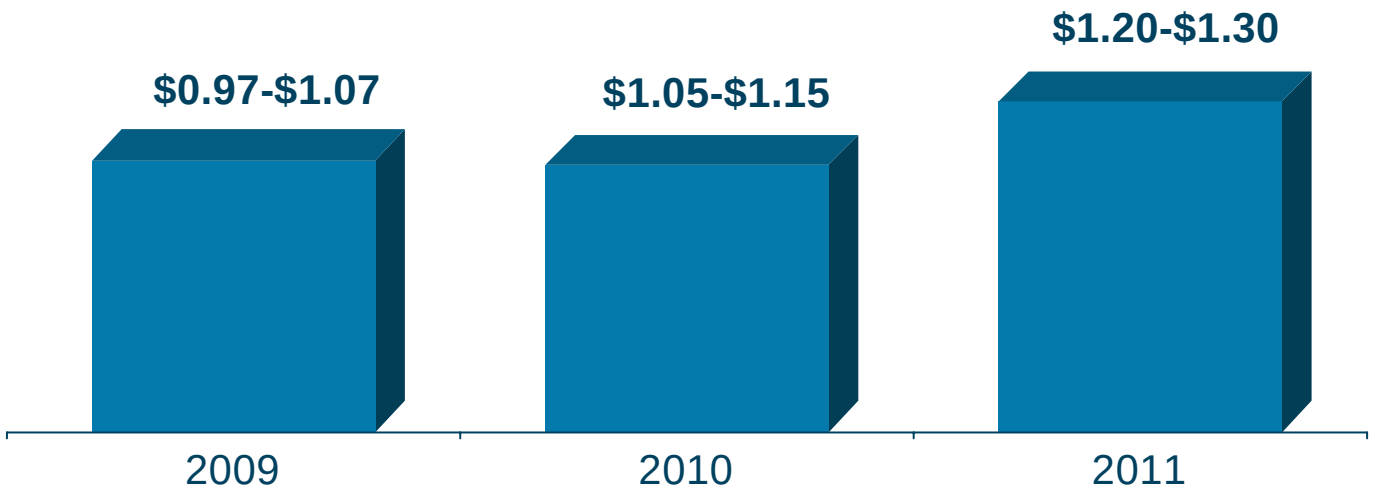


1. A non-GAAP financial measure. See Appendix for definition and reconciliation.

Earnings Projected to Grow at 11% CAGR[1]

$ Per Share

Adjusted EPS[2]

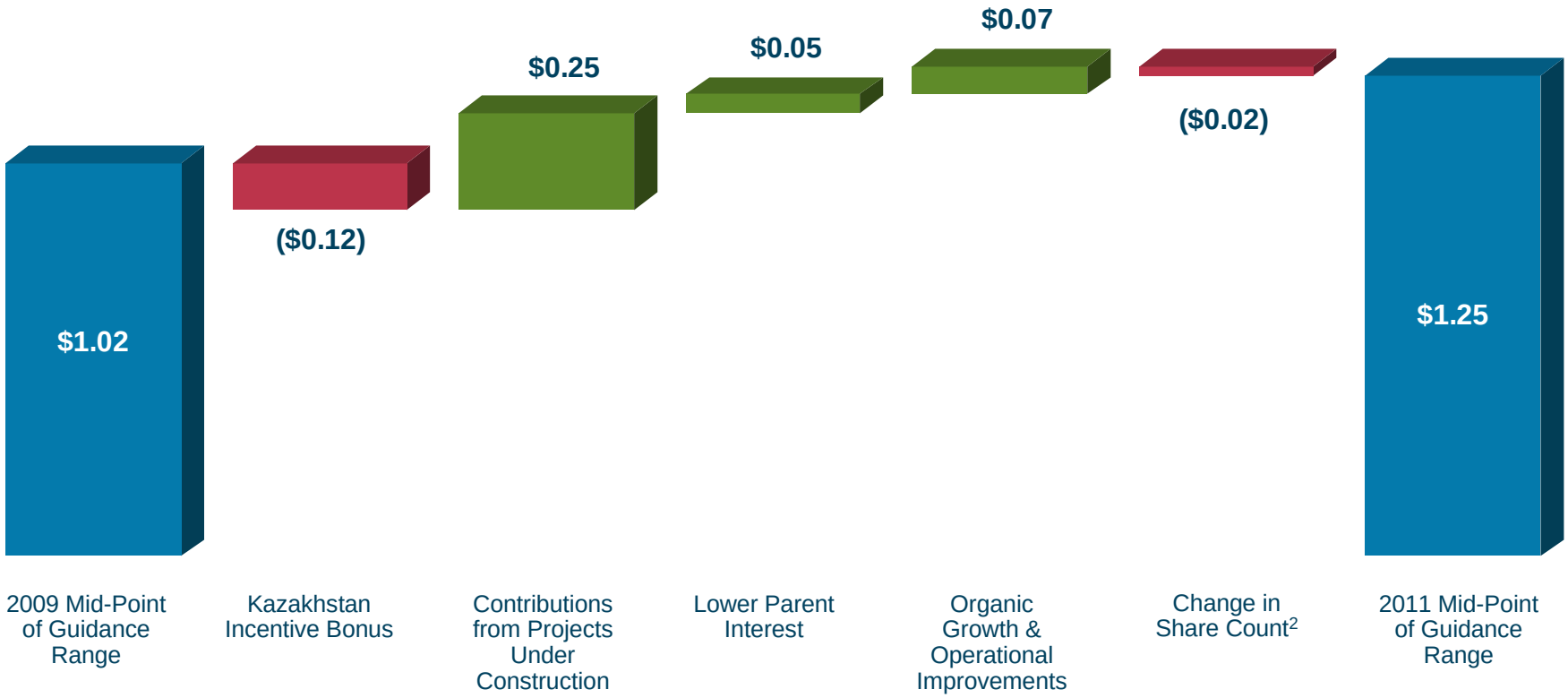


- AES is trading at 8.5x multiple of 2009 Adjusted Earnings Per Share[2]
- Based on 2011 Earnings potential, AES is trading at 6.9x multiple[3]

1. Based on mid-range EPS from 2009-2011.
2. A non-GAAP financial measure. See Appendix for definition and reconciliation.
3. Based on current stock price of $8.62 per share as of 5/22/09 and mid-point of EPS guidance range.

Adjusted Earnings Per Share[1] Bridge

$ in Millions



1. A non-GAAP financial measure. See Appendix for definition and reconciliation.
2. Assumes options equivalent to 14 million shares to be exercised by 2011.

Sum of the Parts Also Implies Substantial Undervaluation[1]

$ in Millions, Except Earnings Per Share

	Basis	Unlisted Subs at 5.5x 2009 Proportional EBITDA[2]	Unlisted Subs at 7x 2009 Proportional EBITDA[2]	Unlisted Subs at 8.2x 2009 Proportional EBITDA[2]	Remarks
Listed Subs (Tiete, Eletropaulo & Gener)	Equity Market Cap as of 5/22/09	3,702	3,702	3,702	
Enterprise Value of Wind	10x 2009 Proportional EBITDA[2]	652	652	652	10x Multiple Based on European Comps
Solar Joint Venture	Book Value	148	148	148	
Equity Earnings of Affiliates	9x AES Share of 2009 After-Tax Earnings	571	571	571	
Enterprise Value of Unlisted Companies (Excluding Wind, Solar and Equity Earnings)		10,983	13,978	16,355	Current 2009 EBITDA Market Multiples
Projects Under Construction (Excludes Projects Under Gener)	9x 2011 EPS[3] of $0.16	960	960	960	Current 2011 Market Multiples
Net Operating Losses (NOLs)	PV @ 10% Discount Rate	379	379	379	
Total Implied Enterprise Value		17,395	20,391	22,767	
Net Proportional Debt (Excluding Debt of Listed Subsidiaries)[2]		(11,581)	(11,581)	(11,581)	
Implied Equity Value		**5,814**	**8,810**	**11,186**	
Implied Equity Value Per Share		**$8.62**	**$13.21**	**$16.77**	Based on 667 Million Shares

1. The prices set forth do not reflect the Company's view of valuation. Rather, these numbers merely reflect the application of market multiples to certain of the Company's financial metrics. The resulting values do not include the value of the Company's development pipeline, change in control premium, or other factors relevant to the Company's view of its valuation.
2. A non-GAAP financial measure. Proportional EBITDA is calculated as proportional gross margin plus depreciation and amortization expense less general and administrative expense and is being used as a proxy for earnings before interest, taxes, depreciation and amortization. The Company's calculation does not include other expense/income, gain on sale of investments, (loss) gain on sale of subsidiary stock, impairment expense, foreign currency transaction (losses) gains on net monetary position or other non-operating expense. See appendix for reconciliation. Midpoints of proportional EBITDA ranges have been used to calculate enterprise values.
3. Earnings component of "EPS" refers to Adjusted Earnings Per Share, a non-GAAP financial measure. See Appendix for definition and reconciliation.

Stock Trades at a Discount Based on Existing Portfolio & Reflects No Value for Development Pipeline[1]

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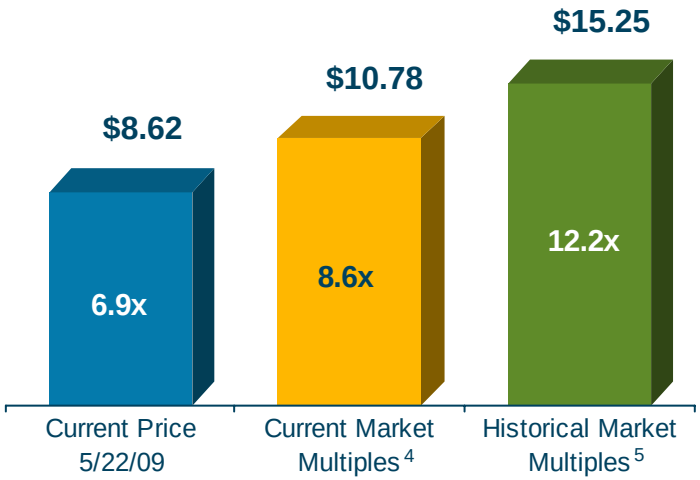
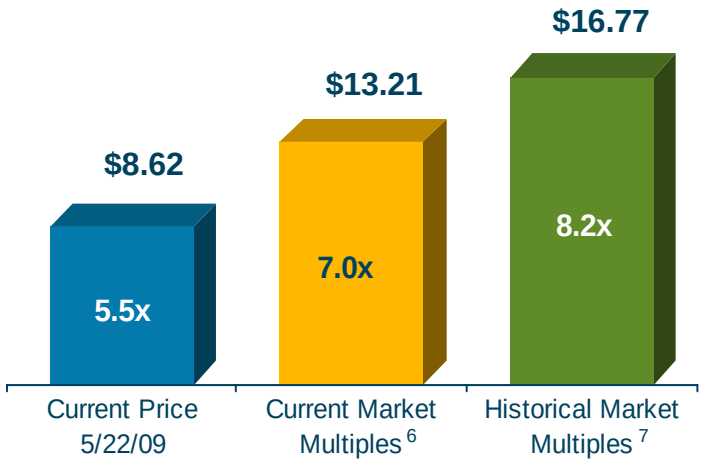
Based on 2011 P/E Multiples[2]



Based on Sum of the Parts[3]



1. The prices set forth do not reflect the Company's view of valuation. Rather, these numbers merely reflect the application of market multiples to certain of the Company's financial metrics. The resulting values do not include the value of the Company's development pipeline, change in control premium, or other factors relevant to the Company's view of its valuation.
2. P/E based on 2011 Adjusted Earnings Per Share. See Appendix for definition and reconciliation.
3. See slide 66 for sum of the parts analysis. 2009 EBITDA multiples applied to unlisted subsidiaries excluding wind, solar and equity earnings.
4. Current Market Multiples are based on 2011 P/E multiples of less regulated utilities (Bank of America/Merrill Lynch research).
5. Historical Market Multiples are based on last 10 years average of two-year forward P/E multiples of integrated utilities (Barclays research).
6. Current Market Multiples are based on 2009 EV/EBITDA multiples of less regulated utilities (Bank of America/Merrill Lynch research).
7. Historical Market Multiples are based on average of last five years multiples of less regulated utilities (Bank of America/Merrill Lynch research).

Stock Trades at a Discount Based on Existing Portfolio & Reflects No Value for Development Pipeline

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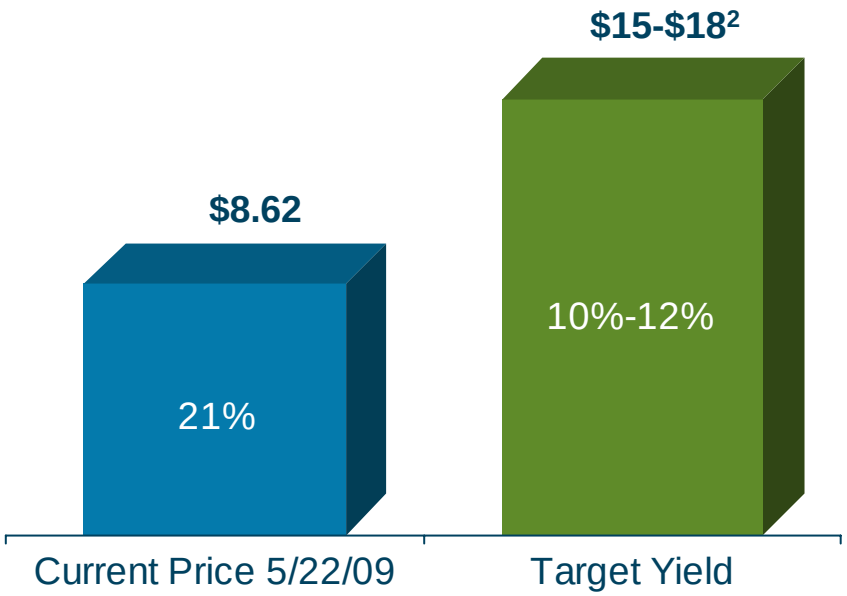
Based on 2011 Proportional Free Cash Flow Yield[1]



1. Proportional free cash flow and proportional free cash flow yield, non-GAAP financial measures (see Appendix for definitions and reconciliations), are based on mid-point of 2011 guidance of $1.2 billion and share count of 667 million. Target yield represents Company's view of investors' expectations.
2. The price noted here does not reflect the Company's view of its valuation. Rather, the number merely reflects the application of a 12% free cash flow yield to the Company's stock price. The resulting value does not include the value of the Company's development pipeline, change in control premium or other factors relevant to the Company's view of its valuation.

Currency & Commodity Sensitivities and Assumptions

Interest Rates

- 100 bps move in interest rates is equal to change in EPS of approximately $0.01-$0.02

Currencies

- 10% appreciation in USD against the following key currencies[1] is equal to the following negative EPS impacts:

	April 2009-December 2009		Full Year 2011	
	Average Rate	Sensitivity	Average Rate	Sensitivity
Brazilian Real (BRL)	2.36	$0.02	2.46	$0.04
Colombian Peso (COP)	2,608	$0.005	2,852	$0.01
Euro (EUR)	0.75	$0.005	0.75	$0.03
Argentine Peso (ARS)	3.82	$0.01	6.34	$0.02

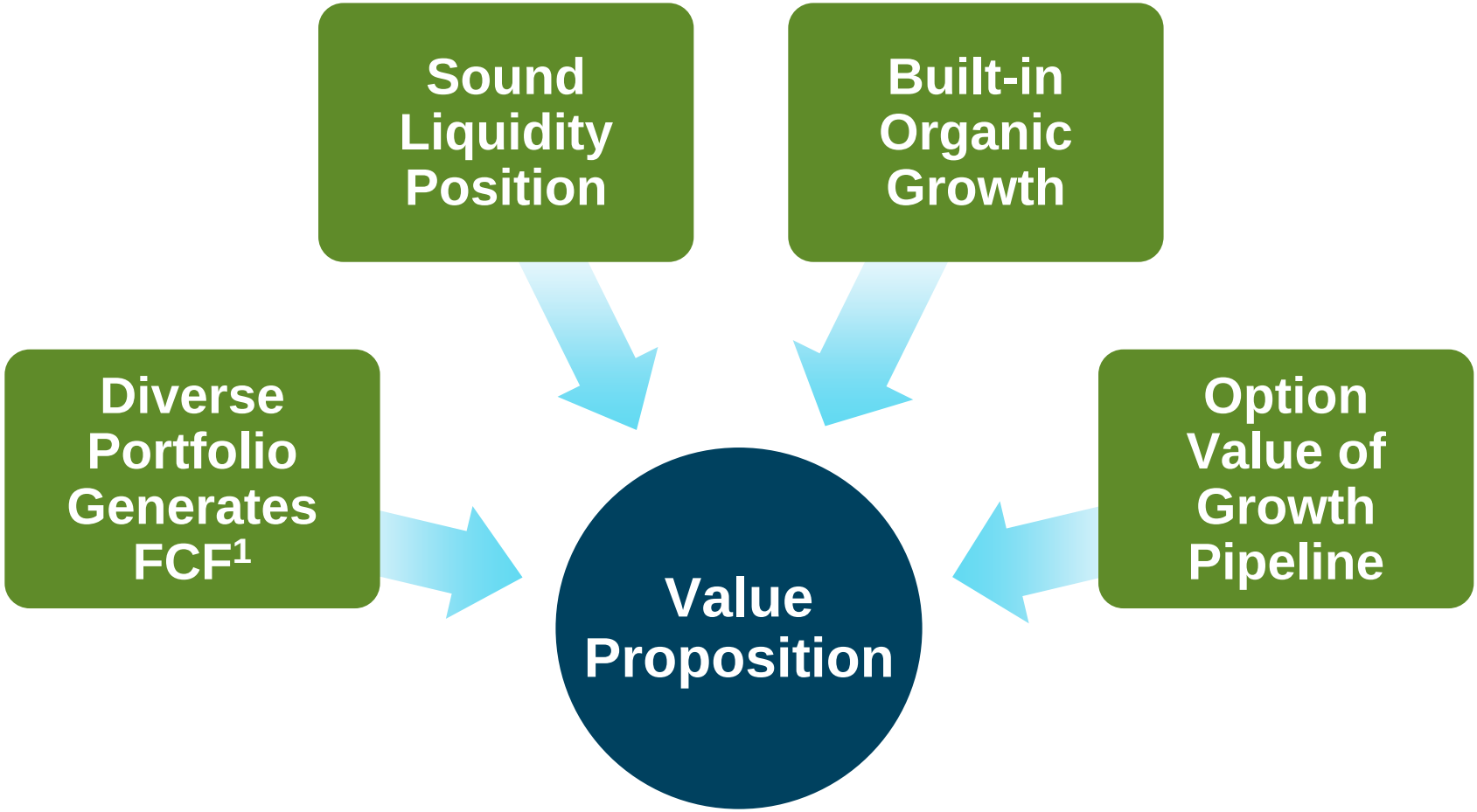
Commodity Sensitivity

	April 2009-December 2009		Full Year 2011	
	Average Rate	Sensitivity	Average Rate	Sensitivity
Newcastle Coal (Sensitivity $10/ton) negative correlation	$65/ton	($0.02)	$76/ton	($0.07)
NYMEX Coal (Sensitivity $10/ton) negative correlation	$47/ton		$63/ton	
NYMEX Crude Oil (Sensitivity $10/barrel) positive correlation	$52/barrel	$0.02	$67/barrel	$0.06
Henry Hub Natural Gas (Sensitivity $1/mmbtu) positive correlation	$4.3/mmbtu	$0.02	$6.7/mmbtu	$0.06
Certified Emission Credits (CERs) ($5/tonne) positive correlation	€10/tonne	$0.01	€11/tonne	$0.01

Note: All sensitivities are provided on a standalone basis, assuming no change in the other factors, and reflect the estimated year-to-go impact on 2009 Adjusted EPS. Actual results may differ from the sensitivities provided.

1. 2009-2011 guidance is based on currency forward curves as of 3/31/09.
2. 2009-2011 guidance is based on commodity forward curves as of 3/31//09.

Conclusion



Compelling Valuation Compared to Current Stock Price

1. Free Cash Flow (FCF), a non-GAAP financial measure.

Q&A



Appendix

- 2009-2011 Guidance — Slide 75
- Construction Program Details — Slide 76
- Non-Recourse Debt Maturities 2009-2011 — Slide 77-79
- Recourse Debt Maturities 2009-2011 — Slide 80
- Top 10 Subsidiary Distributions — Slide 81
- Reconciliations — Slide 82-91
- Definitions & Assumptions — Slide 92-94

2009-2011 Guidance

$ in Millions, Except Earnings Per Share

	2009		2010		2011	
	Consolidated	Proportional[1,2]	Consolidated	Proportional[1,2]	Consolidated	Proportional[1,2]
Operating Cash Flow	$2,000-$2,200	$1,200-$1,350	$2,300-$2,600	$1,450-$1,650	$2,600-$3,000	$1,600-$1,900
Free Cash Flow[2]	$1,300-$1,500	$650-$850	$1,600-$1,900	$900-$1,100	$1,900-$2,300	$1,100-$1,300
Gross Margin	$3,200-$3,400	$2,050-$2,150	$3,400-$3,700	$2,150-$2,350	$3,500-$3,900	$2,250-$2,550
Subsidiary Distributions[3]	$1,100-$1,300		$1,100-$1,300		$1,100-$1,300	
Adjusted Earnings Per Share[2]	$0.97-$1.07		$1.05-$1.15		$1.20-$1.30	

1. The AES Corporation (the "Company") is a holding company that derives its income and cash flows from the activities of its subsidiaries, some of which may not be wholly-owned by the Company. Accordingly, the Company has presented certain financial metrics which are defined as Proportional (a non-GAAP financial measure). See "definitions."
2. A non-GAAP financial measure. See "definitions" and reconciliation.
3. See "definitions."

Note: 2009 Guidance is based on expectations for future foreign exchange rates and commodity prices as of March 31, 2009. Actual results may differ.

Built-in Growth from More than 3,500 MW Under Construction

	Generation (Thermal)									Generation (Renewables)							Utility
	Jordan	Chile	UK	Chile	Chile	Bulgaria	Chile	Chile	Chile	US – PA	France	Scotland	China	Turkey	Bulgaria	Panama	Cameroon
Project	Amman East	Guacolda 3	Kilroot OCGT	Santa Lidia	Guacolda 4	Maritza East	Nueva Ventanas	Angamos	Campiche	Armenia Mountain	InnoVent[1]	North Rhins	Guohua Energy JV[2]	I.C. Energy JV[3]	St. Nikola	Changuinola I	Dibamba
% Owned	37	35	99	71	35	100	71	71	71	100	40	100	49	51	89	83	56
Fuel Type	Gas	Coal	Gas	Diesel	Coal	Coal	Coal	Coal	Coal	Wind	Wind	Wind	Wind	Hydro	Wind	Hydro	Heavy Fuel Oil
Gross MW	380 MW	152 MW	80 MW	130 MW	152 MW	670 MW	270 MW	518 MW	270 MW	101 MW	34 MW	22 MW	198 MW	62 MW	156 MW	223 MW	86 MW
Expected Commercial Operations Date	2H 2009	2H 2009	1H 2009	1H 2009	2H 2010	2H 2010	1H 2010	2H 2011	1H 2011	1H 2010	2009	2H 2009	2009-2010	2H 2010	1H 2010	1H 2011	2H 2009

- All funding secured to complete construction program
- More than 90% of capacity is under long-term contacts
- Approximately one-third of the total capacity will come online each year through 2011
- Kilroot OCGT came online in April 2009 and Santa Lidia came online in May 2009

1. InnoVent plants: Frenouville, Audrieu, Boisbergues, Gapree and Croixrault-Moencourt.
2. Joint Venture with Guohua Energy Investment Co. Ltd. Guohua Energy plants: Huanghua I & II, Chenq Qi and Dong Qi.
3. Joint Venture with I.C. Energy. I.C. Energy plants: Damlapinar Konya, Kepezkaya Konya and Kumkoy Samsun.

Non-Recourse Debt Maturities Summary by Segment as of March 31, 2009

US$ in Millions

	Line of Business	Country/State	Q2–Q4 '09	2010	2011	2012	2013	Thereafter	Total
North America									
Merida III	Generation	Mexico	6	13	14	14	17	14	78
TEG	Generation	Mexico	6	7	7	8	8	183	219
TEP	Generation	Mexico	6	8	8	8	9	181	220
Southland	Generation	USA – California	50	50	51	52	58	201	462
Hawaii	Generation	USA – Hawaii	14	20	22	23	25	311	415
IPALCO	Utilities	USA – Indiana	12	–	375	–	110	1,181	1,678
Warrior Run	Generation	USA – Maryland	21	29	32	35	26	104	247
Red Oak	Generation	USA – New Jersey	12	15	15	18	18	282	360
Eastern Energy	Generation	USA – New York	4	9	10	11	11	151	196
Shady Point	Generation	USA – Oklahoma	8	11	11	11	11	52	104
Condon Wind Power	Generation	USA – Oregon	–	1	1	1	2	21	26
Beaver Valley	Generation	USA – Pennsylvania	–	–	–	–	–	3	3
Ironwood	Generation	USA – Pennsylvania	8	12	14	11	14	213	272
Puerto Rico	Generation	USA – Puerto Rico	52	39	42	47	54	579	813
Total North America			**199**	**214**	**602**	**239**	**363**	**3,476**	**5,093**

Note: The above table is unaudited and is for reference purposes only. The table provides debt amortization of the business unit and subsidiary holding company. Any of these amortization schedules could be revised or accelerated for a number of reasons, including events of default, if any. The maturities shown include unamortized discounts used to calculate the book value of debt and may deviate from local GAAP business unit financials for a number of reasons, including capital lease accounting. Certain amounts have been rounded for presentation purposes. For further details on non-recourse debt, please refer to AES Corporation's SEC filings and press releases made from time to time.

Non-Recourse Debt Maturities Summary by Segment as of March 31, 2009

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US$ in Millions

	Line of Business	Country/State	Q2–Q4 '09	2010	2011	2012	2013	Thereafter	Total
Latin America									
Alicura II (Inc. Parana)	Generation	Argentina	4	11	11	12	12	135	185
Edelap	Utilities	Argentina	1	1	1	2	–	–	5
Edes	Utilities	Argentina	–	3	–	–	–	–	3
Brasiliana Energia	Utilities	Brazil	–	–	–	–	–	346	346
Eletropaulo[1]	Utilities	Brazil	20	230	112	111	111	254	838
Sul[1]	Utilities	Brazil	36	32	41	51	72	113	345
Tiete	Generation	Brazil	74	109	120	133	59	–	495
ESSA	Generation	Chile	8	7	7	7	7	39	75
Norgener	Generation	Chile	6	–	–	–	–	–	6
Angamos	Generation	Chile	–	–	–	1	2	50	53
Ventanas	Generation	Chile	–	14	16	17	19	280	346
Chivor	Generation	Colombia	7	9	9	–	–	170	195
Gener	Generation	Chile	–	–	–	–	–	603	603
Gener Total	***Generation***	***Chile/Colombia***	***21***	***30***	***32***	***25***	***28***	***1,142***	***1,278***
Dominicana (Andres and Los Mina)	Generation	Dominican Republic	20	–	–	–	–	156	176
Itabo	Generation	Dominican Republic	–	–	–	–	125	–	125
El Salvador	Utilities	El Salvador	18	–	–	–	–	299	317
Changuinola	Generation	Panama	–	–	8	11	12	178	209
Panama	Generation	Panama	–	–	–	–	–	300	300
Total Latin America			**194**	**416**	**325**	**345**	**419**	**2,923**	**4,622**

Note: The above table is unaudited and is for reference purposes only. The table provides debt amortization of the business unit and subsidiary holding company. Any of these amortization schedules could be revised or accelerated for a number of reasons, including events of default, if any. The maturities shown include unamortized discounts used to calculate the book value of debt and may deviate from local GAAP business unit financials for a number of reasons, including capital lease accounting. Certain amounts have been rounded for presentation purposes. For further details on non-recourse debt, please refer to AES Corporation's SEC filings and press releases made from time to time.

1. Brazilian GAAP reported financials for Eletropaulo and Sul exclude capital leases.

Non-Recourse Debt Maturities Summary by Segment as of March 31, 2009

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	Line of Business	Country/State	Q2–Q4 '09	2010	2011	2012	2013	Thereafter	Total
Europe & Africa									
Kavarna	Generation	Bulgaria	–	–	2	3	3	53	61
Maritza East I	Generation	Bulgaria	–	22	41	44	48	653	808
SONEL	Utilities	Cameroon	22	69	31	32	28	127	309
Borsod	Generation	Hungary	4	–	–	–	–	–	4
Tisza II	Generation	Hungary	24	12	–	–	–	–	36
Ebute	Generation	Nigeria	10	–	–	–	–	–	10
North Rhins	Generation	UK	–	5	2	2	2	27	38
Kilroot	Generation	UK	68	72	50	–	–	–	190
Kievoblenergo	Utilities	Ukraine	8	3	3	3	4	9	30
Rievnoblenergo	Utilities	Ukraine	1	2	2	2	2	4	13
Total Europe & Africa			**137**	**185**	**131**	**86**	**87**	**873**	**1,499**
Asia & Middle East									
CHIGEN	Generation	China	–	103	–	–	–	–	103
CHIGEN Subs	Generation	China	6	–	–	–	–	–	6
Amman East	Generation	Jordan	–	6	7	7	7	145	172
Barka	Generation	Oman	20	22	26	26	22	148	264
Lal Pir	Generation	Pakistan	–	–	–	–	–	–	–
Pak Gen	Generation	Pakistan	2	1	–	–	–	–	3
Oasis Total	***Generation***	***Jordan, Oman & Pakistan***	***22***	***29***	***33***	***33***	***29***	***293***	–
Masinloc	Generation	Philippines	15	–	35	36	37	471	594
Ras Laffan	Generation	Qatar	33	33	37	37	36	228	404
Kelanitissa	Generation	Sri Lanka	50	–	–	–	–	–	50
Total Asia & Middle East			**126**	**165**	**105**	**106**	**102**	**992**	**1,596**
Total Non-Recourse Debt			**656**	**980**	**1,163**	**776**	**971**	**8,264**	**12,810**

Note: The above table is unaudited and is for reference purposes only. The table provides debt amortization of the business unit and subsidiary holding company. Any of these amortization schedules could be revised or accelerated for a number of reasons, including events of default, if any. The maturities shown include unamortized discounts used to calculate the book value of debt and may deviate from local GAAP business unit financials for a number of reasons, including capital lease accounting. Certain amounts have been rounded for presentation purposes. For further details on non-recourse debt, please refer to AES Corporation's SEC filings and press releases made from time to time.

Recourse Debt & Trust Preferred Scheduled Maturities Summary[1] as of March 31, 2009

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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2029
Senior Secured Term Loan Facility due 2011	-	-	200	-	-	-	-	-	-	-	-	-	-
Senior Secured Credit Facility due 2010/2011[2]	-	-	-	-	-	-	-	-	-	-	-	-	-
Senior Secured Credit Facilities[2]	**-**	**-**	**200**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
8.75% Senior Secured Second Priority Notes due May 2013	-	-	-	-	690	-	-	-	-	-	-	-	-
9% Senior Secured Second Priority Notes due May 2015	-	-	-	-	-	-	-	-	-	-	-	-	-
Second Priority Senior Secured Notes	**-**	**-**	**-**	**-**	**690**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Senior Unsecured Credit Facility due 2010[2]	-	-	-	-	-	-	-	-	-	-	-	-	-
Senior Unsecured Credit Facilities[2]	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
8.75% Senior Unsecured Notes due June 2008	-	-	-	-	-	-	-	-	-	-	-	-	-
9.50% Senior Unsecured Notes due June 2009	154	-	-	-	-	-	-	-	-	-	-	-	-
9.375% Senior Unsecured Notes due September 2010	-	214	-	-	-	-	-	-	-	-	-	-	-
8.875% Senior Unsecured Notes due February 2011	-	-	129	-	-	-	-	-	-	-	-	-	-
8.375% Senior Unsecured Notes due March 2011[3]	-	-	122	-	-	-	-	-	-	-	-	-	-
7.75% Senior Unsecured Notes due March 2014	-	-	-	-	-	500	-	-	-	-	-	-	-
7.75% Senior Unsecured Notes due October 2015	-	-	-	-	-	-	500	-	-	-	-	-	-
8.00% Senior Unsecured Notes due October 2017	-	-	-	-	-	-	-	-	1,500	-	-	-	-
8.00% Senior Unsecured Notes due June 2020	-	-	-	-	-	-	-	-	-	-	-	625	-
Senior Unsecured Notes	**154**	**214**	**251**	**-**	**-**	**500**	**500**	**-**	**1,500**	**-**	**-**	**625**	**-**
6% Trust Preferred VII due May 2008	-	-	-	-	-	-	-	-	-	-	-	-	-
6.75% Trust Preferred III due October 2029	-	-	-	-	-	-	-	-	-	-	-	-	517
Trust Preferreds	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**517**
Total Recourse Debt Including Trust Preferreds[4]	**154**	**214**	**451**	**-**	**690**	**500**	**500**		**1,500**			**625**	**517**

Note: The above table is unaudited and is for reference purposes only.

1. The table above sets forth the projected remaining debt balances with respect to AES's currently outstanding recourse indebtedness and trust preferred securities as of each date presented. The table assumes that: (i) AES incurs no other indebtedness, and (ii) that only scheduled repayments are made. While AES may incur other indebtedness and may make additional unscheduled repayments, it is not practicable to project the amount or timing of any such incurrence or repayments and accordingly no reconciliation is provided. Please see AES's SEC filings for further information.
2. Amount drawn as of March 31, 2009. Excludes letters of credit issued under the facilities. Amounts drawn may be repaid at any time.
3. 8.375% Senior Unsecured Notes due 2011 were issued as £135 million. At March 31, 2009, roughly £85 million remained outstanding. The exchange rate as of March 31, 2008 was approximately US$1.421/£1.00.
4. These balances do not reflect unamortized discounts totaling approximately $5 million that are used to calculate the book value of the debt. Total excludes letters of credit and other debt guarantees. Certain amounts may vary slightly from other presentations due to rounding.

Top 10 Subsidiary Distributions, 2005-2008

2005		2006		2007		2008	
IPALCO	$208	Eastern Energy	$162	IPALCO	$170	Eastern Energy	$153
EDC[1]	$107	IPALCO	$142	Eastern Energy	$122	IPALCO	$124
Eastern Energy	$85	EDC[1]	$100	EDC[1]	$97	Kilroot	$105
Shady Point	$57	Gener	$81	Brasiliana	$90	Andres	$61
Hawaii	$46	Hungary	$37	Kilroot	$69	Ebute	$52
Ras Laffan	$45	Hawaii	$35	Hawaii	$49	Cartagena	$51
Gener	$36	Alicura	$33	Cartagena	$42	Brasiliana	$47
Alicura	$30	CAESS & EEO	$31	Shady Point	$38	Panama	$46
Southland	$29	Shady Point	$30	Ekibastuz[2]	$37	Gener	$45
Global Insurance	$25	Deepwater	$29	Gener	$36	Shady Point	$38
Subtotal – Top 10	**$668**		**$680**		**$750**		**$722**
Other Businesses	$325		$291		$349		$338
Total	**$993**		**$971**		**$1,099**		**$1,060**

1. A business sold by AES in May 2007.
2. A business sold by AES in May 2008. AES manages this business through June 2009.

Adjusted Earnings Per Share[1], 2005-2008

	2005	2006	2007	2008
Diluted EPS from Continuing Operations	**$0.53**	**$0.25**	**$0.72**	**$1.80**
FAS 133 Mark to Market (Gains)/Losses	$0.05	($0.05)	$0.03	$0.05
Currency Transaction (Gains)/Losses	$0.02	$0.02	($0.03)	$0.16
Disposition/Acquisition (Gains)/Losses	-	($0.15)	($0.18)	($1.27)
Impairment Losses	-	$0.83	$0.36	$0.13
Debt Retirement (Gains)/Losses	-	$0.04	$0.08	$0.25
Adjusted Earnings per Share[1]	**$0.60**	**$0.94**	**$0.98**	**$1.12**

1. A Non-GAAP financial measure as reconciled above. See “Definitions.”

Reconciliation of 2009 Guidance

$ in Millions, Except Earnings Per Share

	2009		
	Consolidated	**Adjustment Factors[1]**	**Proportional[1,2]**
Operating Cash Flow	$2,000-$2,200	$800-$850	$1,200-$1,350
Operational Capex (a)	$575-$675	$150-$175	$425-$500
Environmental Capex (b)	$50-$100	$0-$25	$50-$75
Less: Maintenance Capex (a+b)	$625-$775	$150-200	$475-$575
Free Cash Flow[2]	$1,300-$1,500	$650	$650-$850
Gross Margin	$3,200-$3,400	$1,150-$1,250	$2,050-$2,150
Subsidiary Distributions[3]	$1,100-$1,300		
Diluted Earnings Per Share	$1.03-$1.13		
Pro forma Adjustments[4]	($0.06)		
Adjusted Earnings Per Share[2]	$0.97-$1.07		

1. The AES Corporation (the "Company") is a holding company that derives its income and cash flows from the activities of its subsidiaries, some of which may not be wholly-owned by the Company. Accordingly, the Company has presented certain financial metrics which are defined as Proportional (a non-GAAP financial measure). See "definitions."
2. A non-GAAP financial measure. See "Definitions."
3. See "Definitions."
4. Reconciliation of Adjusted EPS includes $0.10 of adjustments primarily related to unrealized foreign currency and FAS 133 derivative losses offset by ($0.16) gain on sale of Northern Kazakhstan businesses.

Note: 2009 Guidance is based on expectations for future foreign exchange rates and commodity prices as of March 31, 2009. Actual results may differ.

Reconciliation of 2010 Guidance

$ in Millions, Except Earnings Per Share

	2010		
	Consolidated	**Adjustment Factors[1]**	**Proportional[1,2]**
Operating Cash Flow	$2,300-$2,600	$850-$950	$1,450-$1,650
Operational Capex (a)	$575-$675	$125-$175	$450-$500
Environmental Capex (b)	$50-$100	$10-$20	$40-$80
Less: Maintenance Capex (a+b)	$625-$775	$135-$195	$490-$580
Free Cash Flow[2]	$1,600-$1,900	$700-$800	$900-$1,100
Gross Margin	$3,400-$3,700	$1,250-$1,350	$2,150-$2,350
Subsidiary Distributions[3]	$1,100-$1,300		
Diluted Earnings Per Share	$0.95-$1.05		
Pro forma Adjustments[4]	$0.10		
Adjusted Earnings Per Share[2]	$1.05-$1.15		

1. The AES Corporation (the "Company") is a holding company that derives its income and cash flows from the activities of its subsidiaries, some of which may not be wholly-owned by the Company. Accordingly, the Company has presented certain financial metrics which are defined as Proportional (a non-GAAP financial measure). See "definitions."
2. A non-GAAP financial measure. See "Definitions."
3. See "Definitions."
4. Primarily unrealized foreign currency and FAS 133 losses.

Note: 2010 Guidance is based on expectations for future foreign exchange rates and commodity prices as of March 31, 2009. Actual results may differ.

Reconciliation of 2011 Guidance

$ in Millions, Except Earnings Per Share

	2011		
	Consolidated	**Adjustment Factors[1]**	**Proportional[1,2]**
Operating Cash Flow	$2,600-$3,000	$1,000-$1,100	$1,600-$1,900
Operational Capex (a)	$575-$675	$125-$175	$450-$500
Environmental Capex (b)	$50-$100	$5-$10	$45-$90
Less: Maintenance Capex (a+b)	$625-$775	$130-$185	$495-$590
Free Cash Flow[2]	$1,900-$2,300	$800-$1,000	$1,100-$1,300
Gross Margin	$3,500-$3,900	$1,250-$1,350	$2,250-$2,550
Subsidiary Distributions[3]	$1,100-$1,300		
Diluted Earnings Per Share	$1.10-$1.20		
Pro forma Adjustments[4]	$0.10		
Adjusted Earnings Per Share[2]	$1.20-$1.30		

1. The AES Corporation (the "Company") is a holding company that derives its income and cash flows from the activities of its subsidiaries, some of which may not be wholly-owned by the Company. Accordingly, the Company has presented certain financial metrics which are defined as Proportional (a non-GAAP financial measure). See "definitions."
2. A non-GAAP financial measure. See "Definitions."
3. See "Definitions."
4. Primarily unrealized foreign currency and FAS 133 losses.

Note: 2011 Guidance is based on expectations for future foreign exchange rates and commodity prices as of March 31, 2009. Actual results may differ.

Reconciliation of Proportional Free Cash Flow Yield[1]

$ in Millions

	2009	2010	2011
Proportional Free Cash Flow[1,2] (a)	$750	$1,000	$1,200
Current Market Value of Equity[3] (b)	$5,750	$5,750	$5,750
Proportional Free Cash Flow Yield[2,4] (a)/(b)	13%	17%	21%

1. A non-GAAP financial measure. See “definitions” and reconciliation.
2. Based on mid-point of guidance range.
3. Based on a share count of 667 million and a share price of $8.62 as of 5/22/09.
4. A non-GAAP financial measure. See “definitions.”

Reconciliation of 2008 Proportional Gross Margin[1]

$ in Millions

	Consolidated	Adjustment Factor[2]	Proportional[1,2]
Generation Segment Gross Margin	$1,528	$25	$1,503
Utility Segment Gross Margin	$2,179	$1,368	$811
Total Gross Margin	**$3,707**	**$1,393**	**$2,314**

1. A non-GAAP financial measure. See "definitions."
2. The AES Corporation (the "Company") is a holding company that derives its income and cash flows from the activities of its subsidiaries, some of which may not be wholly-owned by the Company. Accordingly, the Company has presented certain financial metrics which are defined as Proportional (a non-GAAP financial measure). See "definitions."

Reconciliation of 2011 Proportional Free Cash Flow[1] from Projects Under Construction

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$ in Millions

	Consolidated	Adjustment Factor[2]	Proportional[1,2]
Free Cash Flow[1] from Projects Under Construction	$350-$450	$50	$300-$400

1. A non-GAAP financial measure. See "definitions."
2. The AES Corporation (the "Company") is a holding company that derives its income and cash flows from the activities of its subsidiaries, some of which may not be wholly-owned by the Company. Accordingly, the Company has presented certain financial metrics which are defined as Proportional (a non-GAAP financial measure). See "definitions."

Non-Recourse Debt Reconciliation

$ in Billions

	Non-Recourse Debt Balance	
	As of 12/31/05	**As of 12/31/08**
Businesses Owned as of 12/31/2005	$11.7	$10.1
Generation	$8.1	$6.6
Utilities	$3.6	$3.5
Net Adjustment for New/(Sold) Businesses	$1.1	$2.8
As Reported	$12.8	$12.9

Reconciliation of Parent & Subsidiary Liquidity

In Millions, as of March 31, 2009

	Parent Company	Subsidiaries	Total
Cash & Cash Equivalents	$168	$1,099	$1,267
Bank Lines of Credit	$1,182	$1,305	$2,487
Total Liquidity	**$1,350[1]**	**$2,404[2]**	**$3,754**
Restricted Cash	–	$435	$435
Short-Term Investments	–	$1,134[3]	$1,134[3]
Debt Service Reserve Accounts	–	$571	$571
Total Liquidity Plus Additional Financial Assets	**$1,350**	**$4,544**	**$5,894**

1. This number represents Parent Liquidity as reconciled above. See “definitions.”
2. This number represents Subsidiary Liquidity as reconciled above. See “definitions.”
3. Includes: $1,013 million in Brazil.

Note: The numbers presented above are consolidated. Because the Company’s individual subsidiaries rely primarily on non-recourse debt, they may not have access to consolidated liquidity and will instead rely upon their individual ability to manage their obligations. In addition, the Parent Company may not have access to the liquidity at various subsidiaries due to various restrictions.

Reconciliation of Proportional EBITDA[1]

	Consolidated	Adjustment Factor[2]	Proportional[1,2]
Gross Margin	$3,200-$3,400	$1,150-$1,250	$2,050-$2,150
Add Depreciation & Amortization	$950-$1,050	$175	$775-$875
Less General & Administrative	$300	-	$300
EBITDA	**$3,850-$4,150**	**$1,325-$1,425**	**$2,525-$2,725**

2009 Proportional EBITDA

Listed Subs (Tiete, Eletropaulo & Gener)	$525-$595
Wind	$50-$80
Unlisted Companies (Excluding Wind)[3]	$1,950-$2,050
Total	**$2,525-$2,725**

1. A non-GAAP financial measure. See "definitions."
2. The AES Corporation (the "Company") is a holding company that derives its income and cash flows from the activities of its subsidiaries, some of which may not be wholly-owned by the Company. Accordingly, the Company has presented certain financial metrics which are defined as Proportional (a non-GAAP financial measure). See "definitions."
3. Net of General & Administrative. Solar and other equity method affiliates not included.

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

Non-GAAP Financial Measures

- Adjusted earnings per share (a non-GAAP financial measure) is defined as diluted earnings per share from continuing operations excluding gains or losses of the consolidated entity due to (a) mark-to-market amounts related to FAS 133 derivative transactions, (b) unrealized foreign currency gains or losses, (c) significant gains or losses due to dispositions and acquisitions of business interests, (d) significant losses due to impairments, and (e) costs due to the early retirement of 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 due to mark-to-market gains or losses related to derivative transactions, currency gains or losses, losses due to impairments and strategic decisions to dispose or acquire business interests or retired debt which affect results in a given period or periods
- 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
- Parent Company Liquidity (a non-GAAP financial measure) is 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
- Subsidiary Liquidity (a non-GAAP financial measure) is defined as cash and cash equivalents and bank lines of credit at various subsidiaries.
- The AES Corporation (the "Company") is a holding company that derives its income and cash flows from the activities of its subsidiaries, some of which may not be wholly-owned by the Company. Accordingly, the Company has presented certain financial metrics which are defined as Proportional (a non-GAAP financial measure)
- Proportional metrics present the Company's estimate of its share in the economics of the underlying metric. The Company believes that the Proportional metrics are useful to investors because they exclude the economic share in the metric presented that is held by non-AES shareholders. For example, Operating Cash Flow is a GAAP metric which presents the Company's cash flow from operations on a consolidated basis, including operating cash flow allocable to noncontrolling interests. Proportional Operating Cash Flow removes the share of operating cash flow allocable to noncontrolling interests and therefore may act as an aid in the valuation the Company. Proportional measures are considered in the Company's internal evaluation of financial performance
- Proportional metrics are reconciled to the nearest GAAP measure. Certain assumptions have been made to estimate our proportional financial measures. These assumptions include: (i) the Company's economic interest has been calculated based on a blended rate for each consolidated business when such business represents multiple legal entities; (ii) the Company's economic interest may differ from the percentage implied by the recorded net income or loss attributable to noncontrolling interests or dividends paid during a given period; (iii) the Company's economic interest for entities accounted for using the hypothetical liquidation at book value method is 100%; (iv) individual operating performance of the Company's equity method investments is not reflected and (v) all intercompany amounts have been excluded as applicable

Definitions (cont'd)

Non-GAAP Financial Measures

- Subsidiary Distributions should not be construed as an alternative to Net Cash Provided by Operating Activities which are determined in accordance with GAAP. Subsidiary Distributions are important to the Parent Company because the Parent Company is a holding company that does not derive any significant direct revenues from its own activities but instead relies on its subsidiaries' business activities and the resultant distributions to fund the debt service, investment and other cash needs of the holding company. The reconciliation of difference between the Subsidiary Distributions and Net Cash Provided by Operating Activities consists of cash generated from operating activities that is retained at the subsidiaries for a variety of reasons which are both discretionary and non-discretionary in nature. These factors include, but are not limited to, retention of cash to fund capital expenditures at the subsidiary, cash retention associated with non-recourse debt covenant restrictions and related debt service requirements at the subsidiaries, retention of cash related to sufficiency of local GAAP statutory retained earnings at the subsidiaries, retention of cash for working capital needs at the subsidiaries, and other similar timing differences between when the cash is generated at the subsidiaries and when it reaches the Parent Company and related holding companies
- Net Capacity Factor (NCF) – % of total hours a plant operated
- Equivalent Availability Factor (EAF) – % of total potential energy output a plant could have produced
- Equivalent Forced Outage Rate (EFOR) – % of hours a plant had an unplanned outage
- Utility Losses – % of energy lost due to non-technical reasons (theft, fraud, etc.)