

The AES Corporation

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Safe Harbor Disclosure

Certain statements in the following presentation regarding AES' 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' 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 Slide 35 and 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' filings with the Securities and Exchange Commission including but not limited to the risks discussed under Item 1A "Risk Factors" and Item 7: Management's

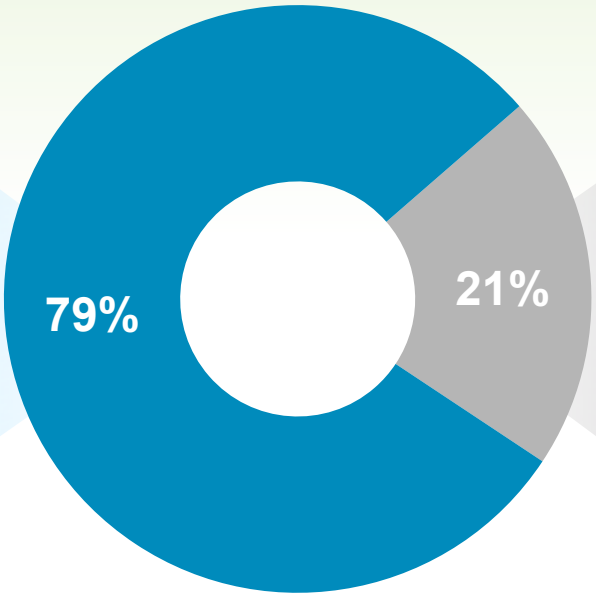
filings. AES undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Who We Are: A Diversified Power Generation & Distribution Company

Full Year 2012 Adjusted Pre-Tax Contribution (PTC)[1,2]: $2.1 Billion Before Corporate Charges of $0.7 Billion

Generation

- U.S., Chile, Brazil, Central America and Philippines most significant
- 30 GW of generating capacity



Utilities

- U.S. and Brazil most significant
- Includes 8 GW of generating capacity

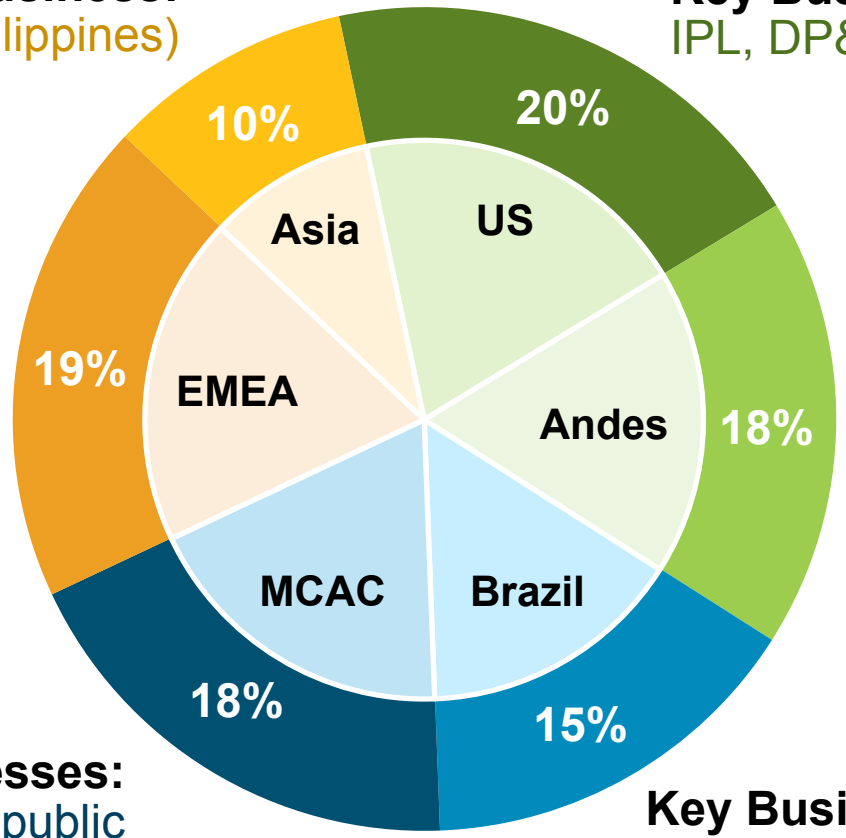
1. A non-GAAP financial measure. See Appendix for definition and reconciliation.
2. Amounts previously reported have been recast to reflect the reclassification of the Ukraine distribution businesses as discontinued operations.

Key Businesses Represent ~70% of Adjusted PTC[1,2]

Full Year 2012 $2.1 Billion Before Corporate Charges of $0.7 Billion

Key Business:
Masinloc (Philippines)

Key Businesses:
IPL, DP&L, U.S. Generation



Key Business:
Maritza (Bulgaria)

Key Businesses:
Gener[3], Argentina

Key Businesses:
Dominican Republic

Key Businesses:
Tietê, Sul

1. A non-GAAP financial measure. See Appendix for definition and reconciliation.
2. Amounts previously reported have been recast to reflect the reclassification of the Ukraine distribution businesses as discontinued operations.
3. Operations in Chile and Colombia.

Strategy to Unlock Shareholder Value

1 Improving Profitability

Increase Earnings and Cash Flow

- Streamline operations and reduce costs
- Improve returns of operating businesses

2 Narrowing Our Geographic Focus

Simplify Story and Reduce Portfolio Risk

- Exit markets without a competitive advantage
- Redeploy capital at attractive risk-adjusted returns

3 Optimizing Capital Allocation

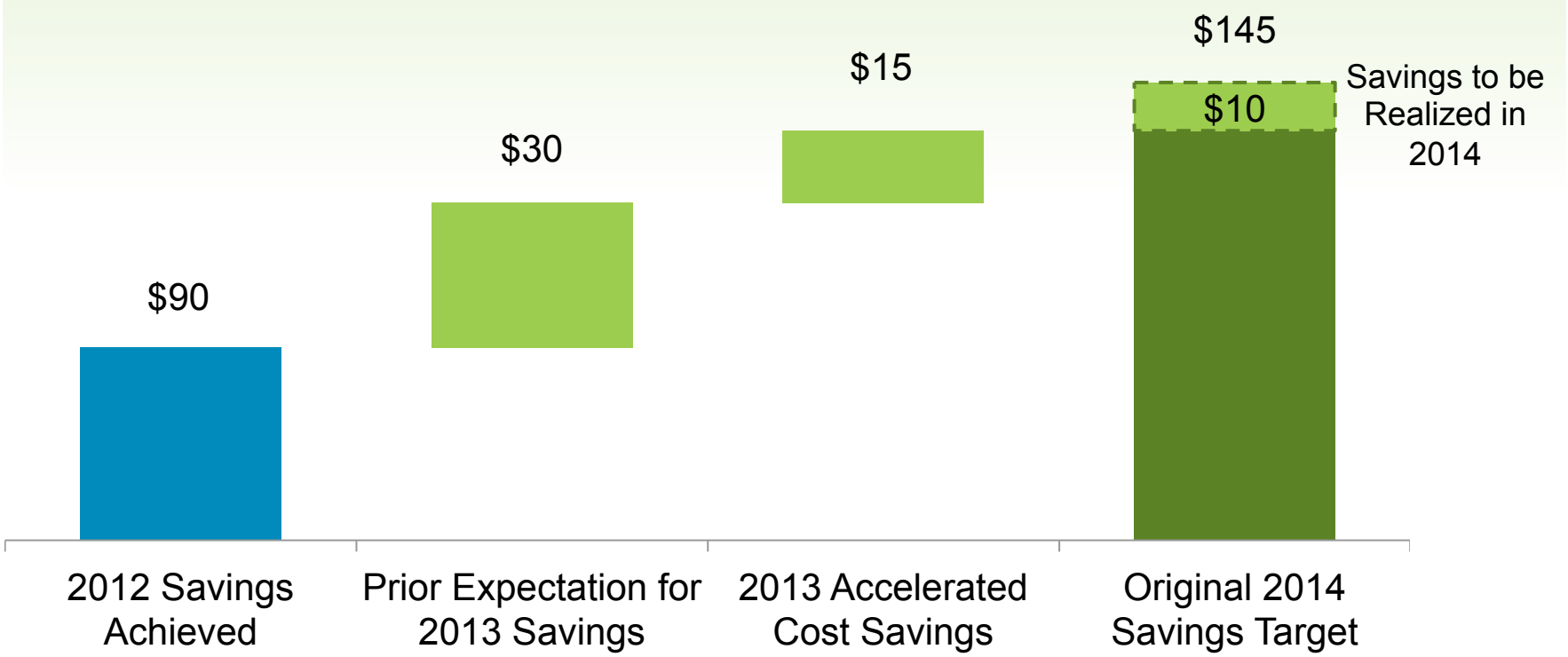
Maximize Risk-Adjusted Returns

- Invest in platform expansion opportunities
- Delever and return cash to shareholders

Improving Profitability: Streamlining Operations and Reducing Overhead

$ in Millions

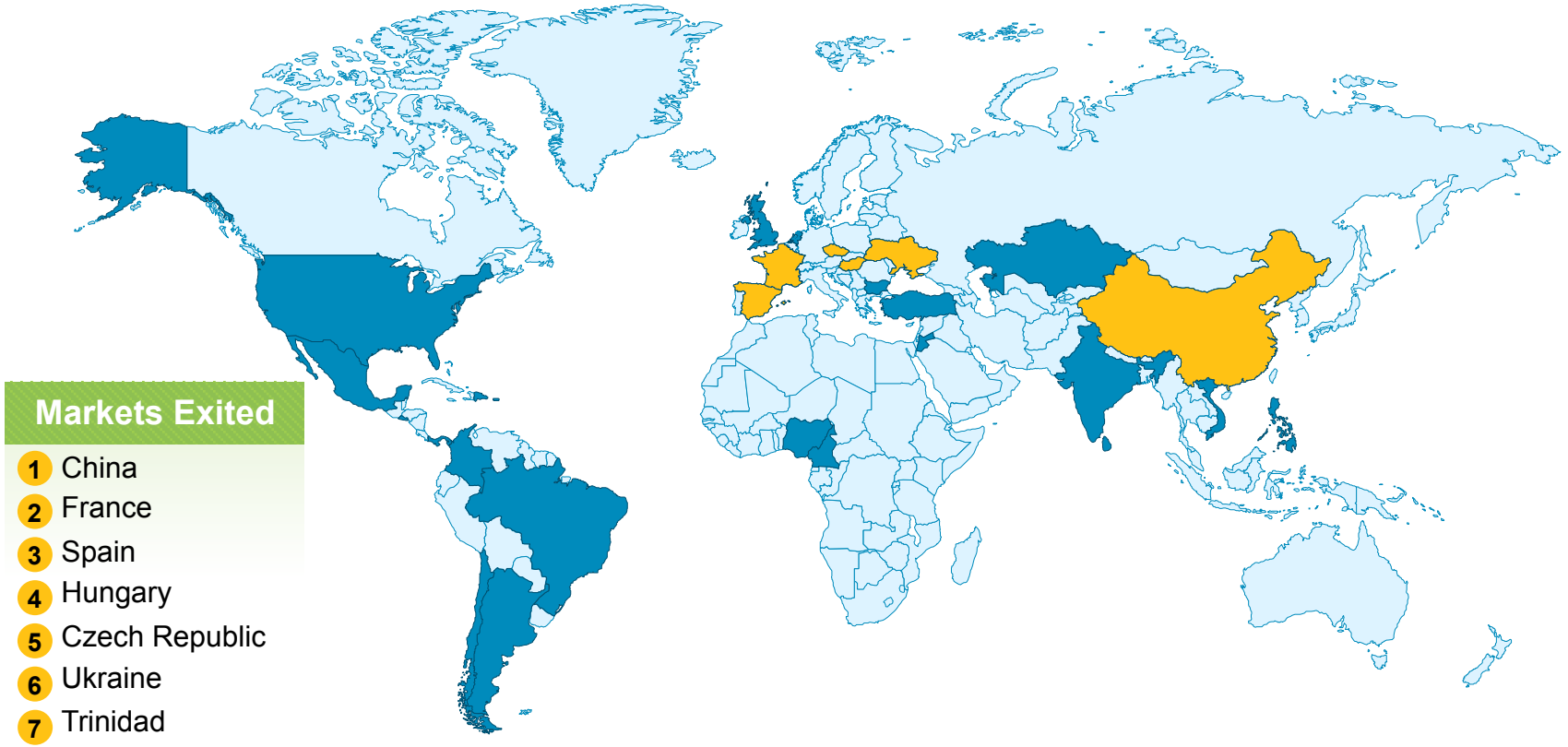
Targeting $145 Million in Overhead Cost Reductions[1] by 2014



1. Cost reductions will be reflected in general and administrative expense, as well as cost of sales.

Narrowing Our Geographic Focus: Simplify Story and Reduce Risk

Closed $1.1 Billion in Asset Sales; Exited 7 Markets



Markets Exited

1. China
2. France
3. Spain
4. Hungary
5. Czech Republic
6. Ukraine
7. Trinidad

Future Asset Sales – Businesses With Limited Growth Potential or Competitive Advantage

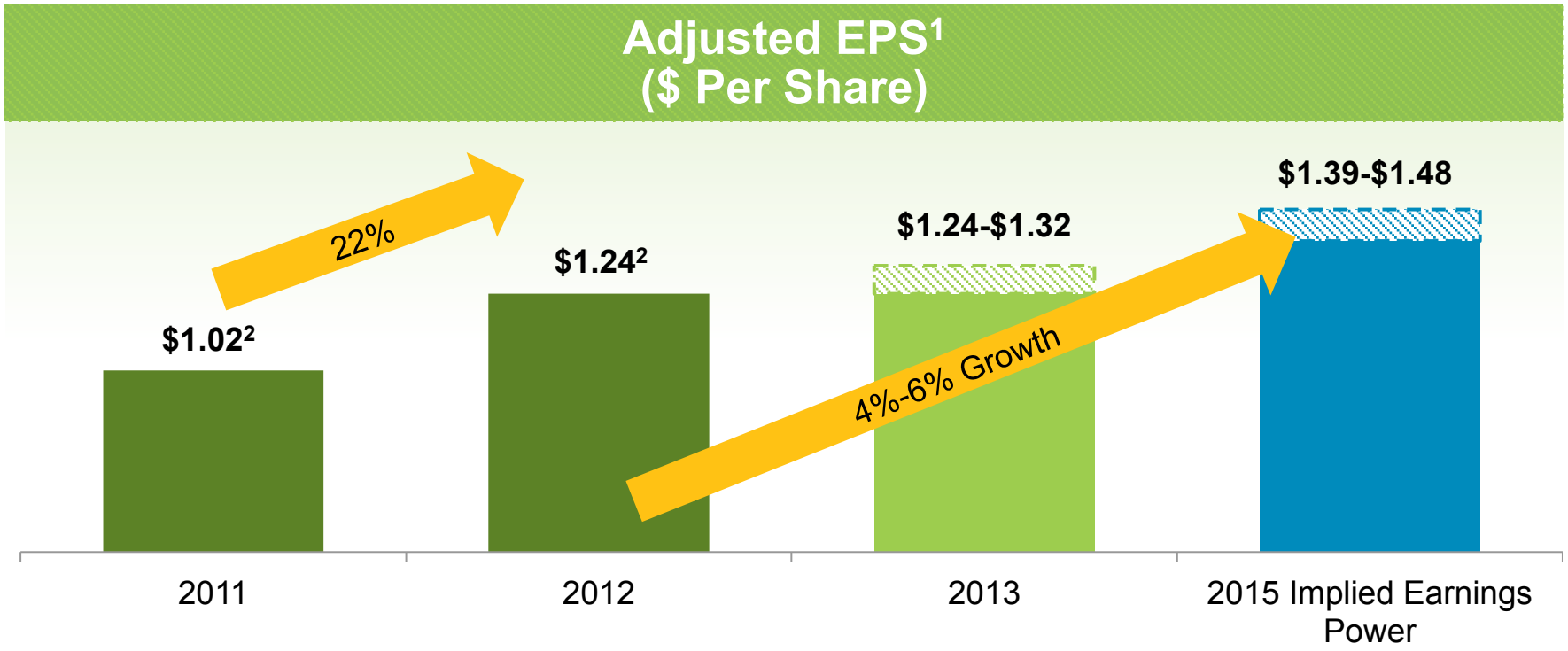
Optimizing Capital Allocation: Reducing Leverage and Returning Cash to Shareholders

	Since September 2011

Debt Repayment	• $1 billion in prepayments
	  ▸ $820 million recourse debt
	  ▸ $197 million non-recourse debt (Brasiliana)

Share Buybacks	• $453 million • 39 million shares; average price $11.58/share
Dividend	• Initiated quarterly dividend of $0.04 per share

Optimizing Capital Allocation: Targeting 4% to 6% Adjusted EPS[1] Growth



2012 Benefitted from 1,619 MW of New Capacity[3]; Projecting Total Return of 6% to 8% Annually Through 2015

1. A non-GAAP financial measure. See Appendix for definition and reconciliation.
2. Reported earnings before impact of Ukraine discontinued operations. Adjusted EPS was $1.21 and $1.00 in 2012 and 2011, respectively, after the impact of discontinued operations.
3. 1,619 MW of new capacity came on-line in 2011.

On Track to Achieve 2013 Guidance[1]

$ in Millions, Except Per Share Amounts	Q2 2013	Q2 2012	YTD 2013	YTD 2012	2013 Guidance	% of 2013 Guidance Midpoint
Adjusted EPS[2]	$0.32	$0.18	$0.58	$0.55	$1.24-$1.32	45%
Proportional Free Cash Flow[2]	$148	$213	$500	$448	$750-$1,050	56%
Consolidated Net Cash Provided by Operating Activities	$567	$580	$1,185	$1,114	$2,500-$3,100	42%

- Hydrology: unfavorable impact of $0.12 included in guidance
- Maritza receivables update: $104 million receivables outstanding as of June 30, 2013, of which ~80% is overdue for less than 60 days
  - Received $37 million during August 2013

1. Guidance as of September 6, 2013.
2. A non-GAAP financial measure. See Appendix for definition and reconciliation.

DP&L Rate Case Order

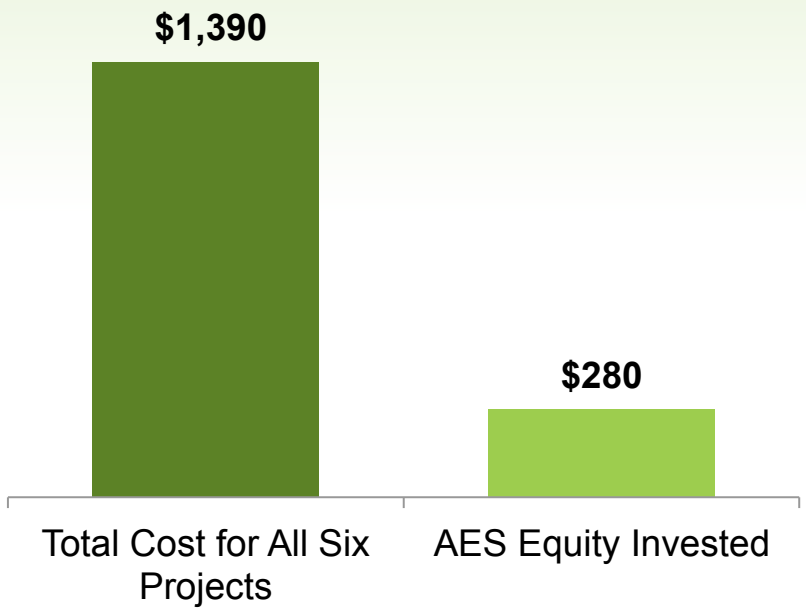
Electric Security Plan (ESP)

Key Elements	DP&L ESP Filing (December 12, 2012)	PUCO Order (September 6, 2013)
Non-Bypassable Charge	$137.5 million/year for 5 years (Jan. 2013-Dec. 2017)	$110 million/year for 3 years (Jan. 2014-Dec. 2016); Potential $45.8 million over 5 months (Jan. 2017-May 31, 2017)
Switching Tracker	Ends June 2016	No Tracker
Transition to Market	100% by June 2016[1]	100% by June 1, 2017[2]
Generation Separation	By December 2017	By May 31, 2017[3]

1. ESP included an initial auction of SSO load of 10% in 2013, increasing to 40% in June 2014, 70% in June 2015 and 100% in June 2016.
2. Initial auction of 10% beginning January 1, 2014 through December 31, 2014, increasing to 40% on January 1, 2015 through December 31, 2015, 70% on January 1, 2016 through May 31, 2017 and 100% thereafter.
3. DP&L to file separation application by December 31, 2013.

Near-Term Growth: Attractive Risk-Adjusted Returns from Platform Expansions

2013-2014 Construction Projects (789 MW[1]) $ in Millions



Estimated 2015 Returns[2]

- ROE: 14%
- Cash Yield: 14%

100% of Capital Requirements Secured; AES Equity Already Funded

1. 491 proportional MW. Includes 270 MW Ventanas IV (Campiche) coal-fired plant (Chile), 247 MW IPP4 Jordan heavy fuel oil-fired plant (Jordan), 216 MW Kribi gas-fired plant (Cameroon), 20 MW Tunjita hydroelectric plant (Colombia), 20 MW Sixpenny Wood wind farm (United Kingdom) and 16 MW Yelvertoft wind farm (United Kingdom).
2. Weighted Average Return on Equity is net income divided by AES equity contribution. Cash Yield is subsidiary distributions divided by AES equity contribution. See Slide 24 for details.

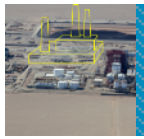
Growth Focused on Platform Expansions – Example Projects 2015 and Beyond

Under Construction

- 1,924 MW of coal-fired generation
- $3,754 million total project cost (already funded
- $424 million AES equity (already funded)



Guacolda V (Chile)
152 MW coal-fired
COD expected in 2H 2015



Cochrane (Chile)
532 MW coal-fired
COD expected in 2016



Mong Duong 2 (Vietnam)
1,240 MW coal-fired
COD expected in 2H 2015

In Development



Indianapolis Power & Light (US)
$1,161-$1,211 million capex
Represents a 50% increase in rate base



Alto Maipo (Chile)
531 MW run-of-river hydro



Masinloc (Philippines)
300-600 MW coal-fired



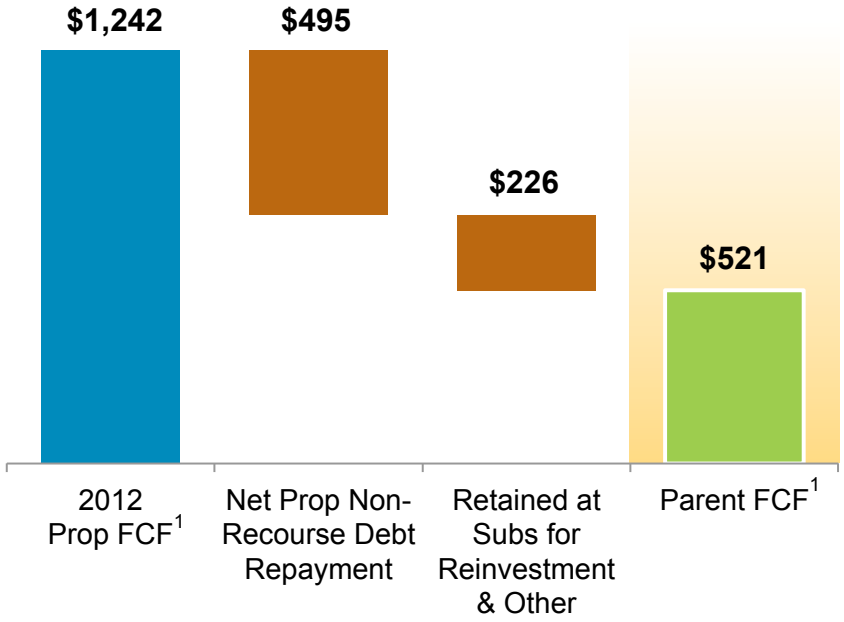
Odisha (India)
1,300 MW coal-fired

Note: For discussion of risks involved in the development process, see Item 1-A: Risk Factors – Our business is subject to substantial construction and development uncertainties in our 2012 Form 10-K.

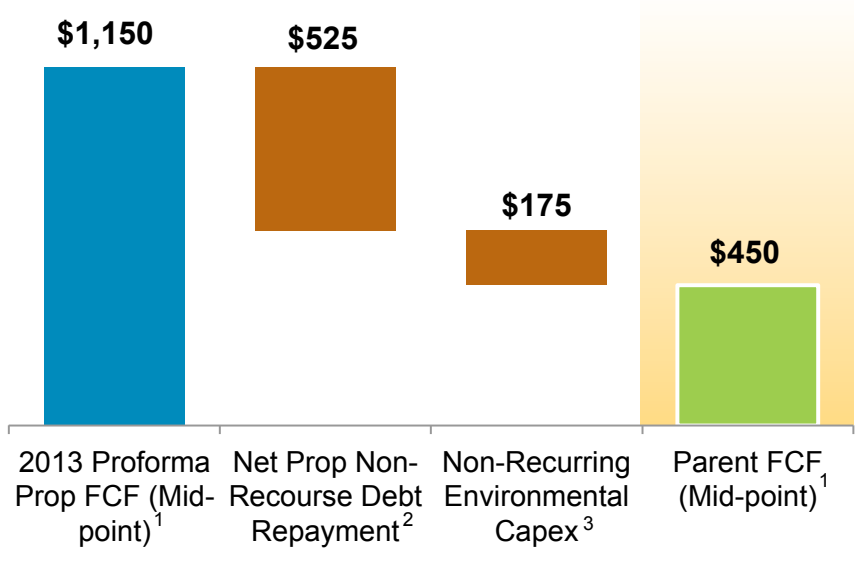
$1.0-$1.3 Billion of Prop FCF[1] Used to Reduce Leverage and Fund Discretionary Investments

$ in Millions

2012 Parent FCF[1]



2013 Parent FCF[1]



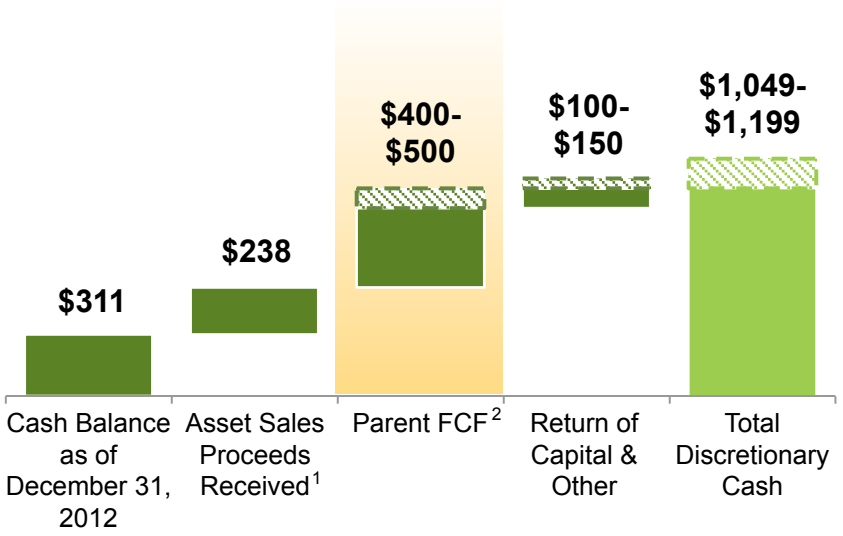
Performance Improvements, Funded Growth Investments and Deleveraging Drive Future Parent FCF[1] Growth

1. A non-GAAP financial measure. See Appendix for definition and reconciliation.
2. Excludes ~$150 million of planned DPL debt repayment in 2013, which will be funded from cash on hand.
3. Net of estimated debt issuance to fund IPL environmental capex.

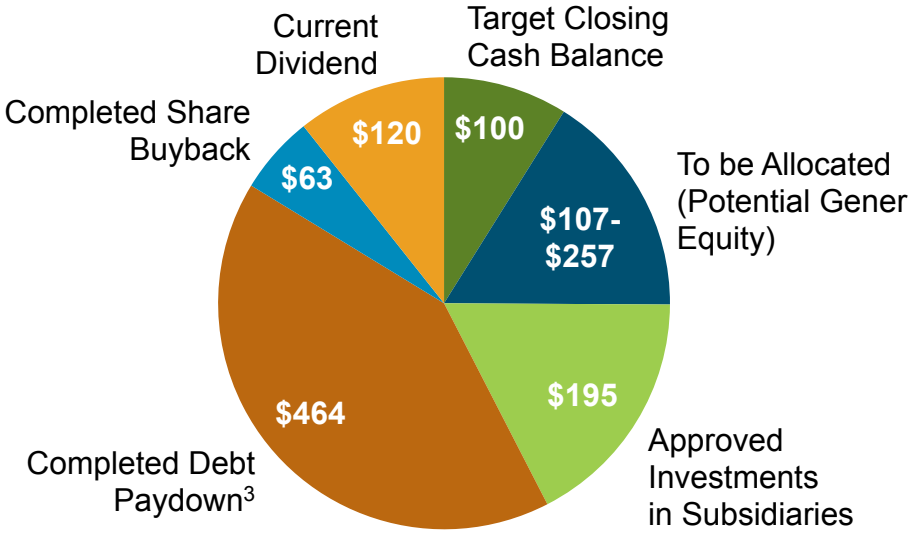
2013 Parent Capital Allocation Plan

$ in Millions

Discretionary Cash – Sources ($1,049-$1,199)



Discretionary Cash – Uses ($1,049-$1,199)



Unallocated Cash Available to Invest in Share Buybacks, Platform Expansions and Debt Paydown

1. Includes closed asset sale proceeds net of transaction costs of: $46 million (JHRH in China), $108 million (Ukraine utilities), $24 million (Cartagena in Spain), $30 million (Trinidad generation), $26 million (wind turbines in U.S.) and other small transactions.
2. A non-GAAP financial metric. See Appendix for definition and reconciliation.
3. Includes $300 million recourse debt prepayment and premiums paid on $1 billion in debt transactions.

Key Takeaways

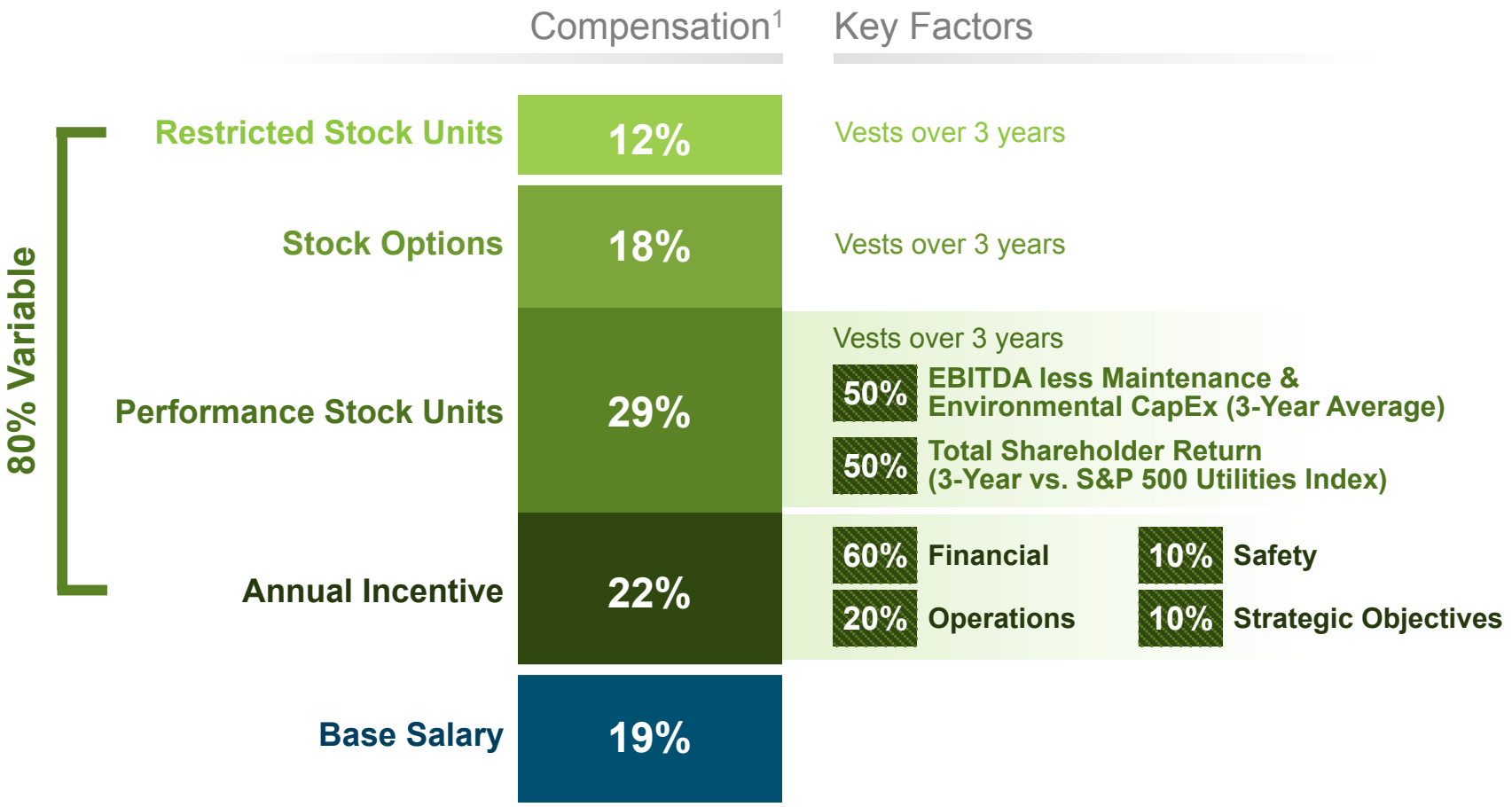
- Leveraging our unique strengths (diversity, scale, platform)
- Strategy to yield value for shareholders
  - Increasing earnings and cash flow
  - Simplifying story and reducing portfolio risk
  - Maximizing risk-adjusted returns
- Stock represents an attractive value proposition
  - Low P/E (~10x[1])
  - High free cash flow[2] yield of 10%-13%
  - Total return target of 6%-8% (3-year CAGR, 2012-2015)[3]
    - 4%-6% Adjusted EPS[2] growth
    - Dividend yield modest, but has strong growth potential

1. Based on mid-point of 2013 Adjusted EPS guidance of $1.28 and share price of $13.09 as of September 6, 2013.
2. A non-GAAP financial measure. See Appendix for definition and reconciliation.
3. As of August 8, 2013.

Appendix

- Executive Compensation — Slide 18
- 2013 Guidance Estimated Sensitivities — Slide 19
- Capital Structure – Recourse Debt — Slide 20
- Adjusted PTC: Reconciliation to Public Financials — Slide 21
- AES Modeling Disclosures — Slide 22
- Construction and Development — Slides 23-27
- Asset Sales — Slide 28
- Reconciliations — Slides 29-34
- Assumptions & Definitions — Slides 35-37

Executive Compensation Aligned with Shareholders' Interests



80% of Compensation is Tied to Stock Price and/or Business Performance

1. 2013 target compensation for CEO and other Named Executive Officers.

2013 Guidance Estimated Sensitivities

Interest Rates[1]

- 100 bps move in interest rates over balance of year 2013 is equal to a change in EPS of approximately $0.01

Currencies

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

	Balance of Year 2013	
	Average Rate	Sensitivity
Argentine Peso (ARS)	5.92	$0.005
Brazilian Real (BRL)	2.27	$0.005
Colombian Peso (COP)	1,940	Immaterial
Euro (EUR)	1.30	$0.005

Commodity Sensitivity

10% increase in commodity prices is forecasted to have the following EPS impacts:	Balance of Year 2013	
	Average Rate	Sensitivity
NYMEX Coal	$55/ton	$0.005, negative correlation
Rotterdam Coal (API 2)	$78/ton	
NYMEX WTI Crude Oil	$96/bbl	$0.005, positive correlation
IPE Brent Crude Oil	$102/bbl	
NYMEX Henry Hub Natural Gas	$3.6/mmbtu	$0.005, positive correlation
UK National Balancing Point Natural Gas	£0.68/therm	

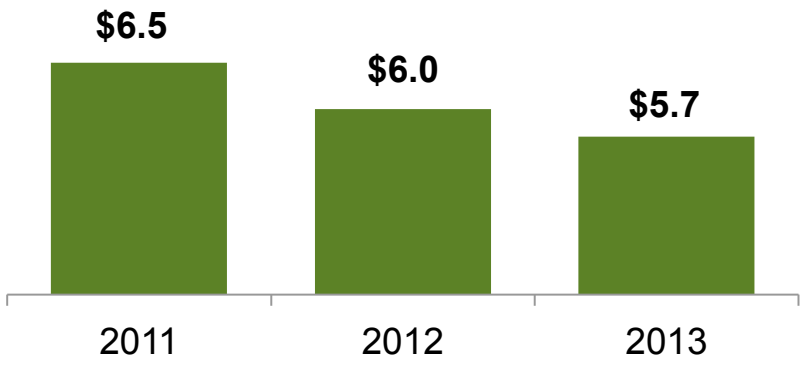
Note: Guidance given August 8, 2013. Sensitivities are provided on a standalone basis, assuming no change in the other factors, to illustrate the magnitude and direction of changing market factors on AES results. Estimates show the impact on year-to-go 2013 adjusted EPS. Actual results may differ from the sensitivities provided due to execution of risk management strategies, local market dynamics and operational factors. Year-to-go 2013 guidance is based on currency and commodity forward curves and forecasts as of June 30, 2013. There are inherent uncertainties in the forecasting process and actual results may differ from projections. The Company undertakes no obligation to update the guidance presented today. Please see Item 3 of the Form 10-Q for a more complete discussion of this topic. AES has exposure to multiple coal, oil, and natural gas indices; forward curves are provided for representative liquid markets. Sensitivities are rounded to the nearest ½ cent per share.

1. The move is applied to the floating interest rate portfolio balances as of June 30, 2013.

Capital Structure – Recourse Debt

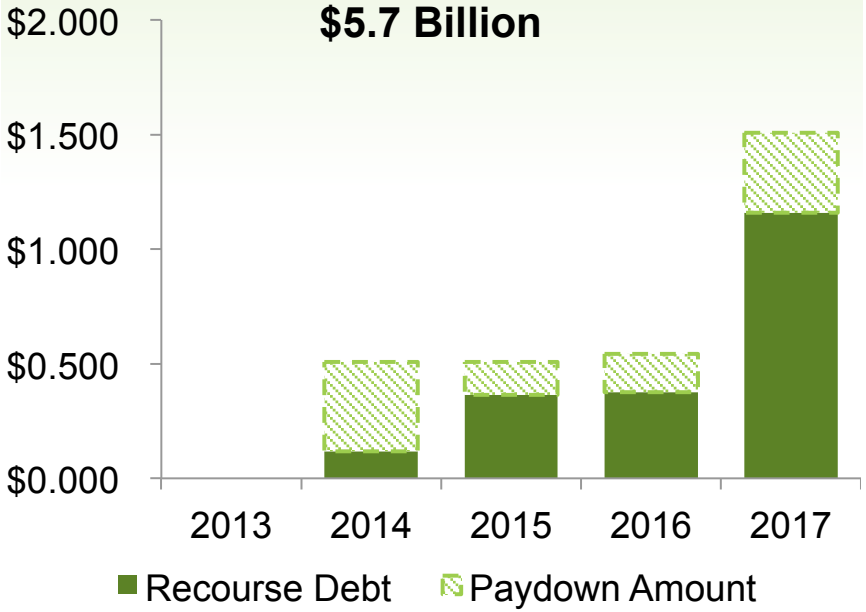
Total Recourse Debt

$0.8 Billion Recourse Debt Paydown in 2012-2013



Recourse Debt Maturity Profile[1]

Proforma for Recent Transactions $5.7 Billion



Modest Maturity Profile from 2013 to 2016 (After Results of Tender and Call Completed During Q2)

1. Before and after tender offers/call completed during Q2 2013.

Second Quarter 2012-2013 Adjusted PTC[1]: Reconciliation to Public Financials of Listed Subsidiaries & Public Filers

This table provides financial data of those operating subsidiaries of AES that are publicly listed or have publicly filed financial information on a stand-alone basis. The table provides a reconciliation of the subsidiary's Adjusted PTC as it is included in AES consolidated Adjusted PTC with the subsidiary's income/(loss) from continuing operations under US GAAP and the subsidiary's locally IFRS reported net income, if applicable. Readers should consult the subsidiary's publicly filed reports for further details of such subsidiary's results of operations.

AES SBU/Reporting Country	US				Andes/Chile		Brazil			
AES Company	IPL		DPL		AES Gener[2]		Eletropaulo[2]		Tietê[2]	
$ in Millions	Q2 2013	Q2 2012	Q2 2013	Q2 2012	Q2 2013	Q2 2012	Q2 2013	Q2 2012	Q2 2013	Q2 2012
US GAAP Reconciliation										
Business Unit Adjusted Earnings to AES [1,3]	**$9**	**$12**	**$7**	**$5**	**$46**	**$17**	**$3**	**($7)**	**$29**	**$31**
AES Business Unit Adjusted PTC[1]	**$15**	**$20**	**$9**	**$13**	**$57**	**$25**	**$5**	**($11)**	**$43**	**$46**
Impact of AES Adjustments excluded from Public Filings	-	-	-	-	$1	($1)	$1	($1)	-	-
Adjusted PTC[1,3] Public Filer (Stand-alone)	**$15**	**$20**	**$9**	**$13**	**$58**	**$24**	**$6**	**($12)**	**$43**	**$46**
Unrealized Derivatives (Losses)/Gains	-	-	$18	-	$1	-	-	-	-	-
Unrealized Foreign Currency Transaction Losses	-	-	-	-	$1	($3)	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-	-	-
Loss on Extinguishment of Debt	-	-	-	-	-	-	-	-	-	-
Non-Controlling Interest before Tax	-	-	-	-	$23	$8	$33	($59)	$140	$143
Income Tax Benefit/(Expenses)	($6)	($8)	($4)	($8)	($15)	($12)	($11)	$23	($60)	($62)
US GAAP Income/(Loss) from Continuing Operations[4]	**$9**	**$12**	**$23**	**$5**	**$68**	**$17**	**$28**	**($48)**	**$123**	**$127**
IFRS Reconciliation										
Adjustment to Depreciation & Amortization[5]					($13)	($14)	($7)	($14)	($7)	($7)
Adjustment to Regulatory Liabilities & Assets[6]					-	-	$140	$126	-	-
Adjustment to Taxes[7]					($6)	($1)	($45)	($41)	$1	$2
Other Adjustments					($4)	($4)	($10)	($2)	($1)	($4)
IFRS Net Income					**$45**	**($2)**	**$106**	**$21**	**$116**	**$118**
BRL-USD Implied Exchange Rate							2.3069	2.0902	2.0648	1.9532
Market Value of AES' Interest as of September 6, 2013					$3,657.1		$103.5		$809.0	

1. A non-GAAP financial measure. Reconciliation provided above. See "definitions" for descriptions of adjustments.
2. The listed subsidiary is a public filer in its home country and reports its financial results locally under IFRS. Accordingly certain adjustments presented under IFRS Reconciliation are required to account for differences between US GAAP and local IFRS standards.
3. Total Adjusted PTC, US GAAP Income from continuing operations and intervening adjustments are calculated before the elimination of inter-segment transactions such as revenue and expenses related to the transfer of electricity from AES generation plants to AES utilities within Brazil.
4. Represents the income/(loss) from continuing operations of the subsidiary included in the consolidated operating results of AES under US GAAP.
5. Adjustment to depreciation and amortization expense represents additional expense required due primarily to basis differences of long-lived and intangible assets under IFRS for each reporting period.
6. Adjustment to regulatory assets and liabilities in Brazil is required as IFRS does not recognize such assets or liabilities. The net adjustment is the result of mainly regulatory liabilities recorded during 2012 for the 2011 tariff reset provision offset by regulatory assets recorded mainly related to the cost of energy (Parcel A costs).
7. Adjustment to taxes represents mainly differences relating to the regulatory assets and liabilities impact on revenue (Eletropaulo) and depreciation for the difference in cost basis of PP&E (Eletropaulo and Tiete).

AES Modeling Disclosures

$ in Millions	2013 Assumptions
Income Statement Assumptions	
Adjusted PTC[1] Before Corporate Charges	$1,930-$2,015
Corporate Charges	($700-$720)
Adjusted PTC[1]	$1,220-$1,305
Tax Rate	23%-25%
Diluted Share Count	749
Parent Company Cash Flow Assumptions	
Subsidiary Distributions (a)	$1,150-$1,250
Cash Interest (b)	$450
Cash for Development, General & Administrative and Tax (c)	$300
Parent Free Cash Flow (a – b – c)	$400-$500

- Commodity and foreign currency exchange rates forward curves as of June 30, 2013

1. A non-GAAP financial measure. See Slide 34 and “definitions”.

2,191 MW Under Construction as of August 6, 2013

	Generation (Thermal)				Generation (Renewables)
	Jordan	Chile	Vietnam	Chile	Colombia
Project	IPP 4 Jordan	Guacolda V	Mong Duong 2	Cochrane	Tunjita
% Owned	60%	36%	51%	49%	71%
Type	Heavy Fuel Oil	Coal	Coal	Coal	Hydro
Gross MW	247 MW	152 MW	1,240 MW	532 MW	20 MW
Expected Commercial Operations Date	2H 2014	2H 2015	2H 2015	2016	2H 2014

Note: These are some of our construction projects. Other projects not currently on this slide, whether developed through acquisitions or otherwise, may be brought on-line before these projects. In addition, some of these examples may not close or be completed as anticipated, or they may be delayed, due to uncertainty inherent in the development process

Attractive Returns from 2013-2015 Construction Pipeline

$ in Millions, Unless Otherwise Stated

Project	Country	AES Ownership	Fuel	Gross MW	Expected COD	Total Capex	Total AES Equity	ROE	Comments
Construction Projects Coming On-Line 2013-2014									
Ventanas IV (Campiche)	Chile	71%	Coal	270	1H 2013	$550	$156[1]		Funded through AES Gener with corporate debt
Kribi	Cameroon	56%	Gas	216	1H 2013	$338	$42[2]		
Sixpenny Wood	UK	100%	Wind	20	1H 2013	$47	$15[2]		
Yelvertoft	UK	100%	Wind	16	1H 2013	$38	$14[2]		
Amman East (IPP 4)	Jordan	60%	Oil/Gas/Distillate	240	2H 2014	$340	$51[2]		
Tunjita	Colombia	71%	Hydro	20	2H 2014	$67	$2[1]		Lease capital structure at Chivor
2015 ROE[3]								**~14%**	**Weighted average; net income divided by AES equity contribution**
2015 CASH YIELD[3]								**~14%**	**Weighted average; subsidiary distributions divided by AES equity contribution**
Project	**Country**	**AES Ownership**	**Fuel**	**Gross MW**	**Expected COD**	**Total Capex**	**Total AES Equity**	**ROE**	**Comments**
Construction Projects Coming On-Line 2015									
Guacolda V	Chile	36%	Coal	152	2H 2015	$454	$48[1]		Equity investment accounting; financing closed in October 2012 for $318 million
Mong Duong II	Vietnam	51%	Coal	1,240	2H 2015	$1,948	$249[2]		Lease accounting reduces earnings in early years; high cash yield
2016 ROE								**~5%**	**Weighted average; net income divided by AES equity contribution[3]**
2016 CASH YIELD								**~19%**	**Weighted average; subsidiary distributions divided by AES equity contribution[3]**

1. AES equity contribution equal to 71% of AES Gener's equity contribution to the project.
2. AES equity contribution defined as AES equity invested in the project. For Kribi, project also utilized cash on hand (AES' share of this cash is approximately $7 million).
3. Based on projections. See our 2012 Form 10-K for further discussion of development and construction risks.

Example Growth Projects Post-2015: Indianapolis Power & Light (US)



- Mercury and Air Toxics Standards (MATS) compliance – approved
  - $511 million total project cost 2013-2016
  - 2,400 MW nameplate capacity of baseload coal-fired generation
  - Full recovery under tracker for qualifying costs, including return on equity
- Filed to build a 550-725 MW combined cycle gas-fired plant and converting 212 MW from coal to gas
  - $650-$700 million total project cost 2014-2017
  - Commission decision anticipated by Q2 2014
  - COD expected in 2017 for CCGT plant; 2016 for conversion

Petersburg



Note: For discussion of risks involved in the development process, see Item 1-A: Risk Factors – Our business is subject to substantial construction and development uncertainties in our 2012 Form 10-K.

Example Growth Projects Post-2015: AES Gener in Chile (Andes)



Guacolda V 152 MW Coal-Fired

- Under construction – $454 million project cost
- COD targeted for 2H 2015



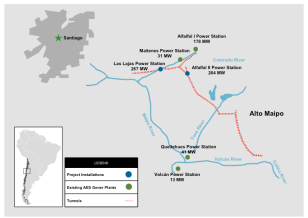
Cochrane 532 MW Coal-Fired

- Under construction – $1.4 billion project cost
- Platform expansion
- Mitsubishi is 40% partner
- COD targeted for 2016



Alto Maipo 531 MW Run-of-River Hydro

- Advanced development
- Platform expansion – 50 km east of Santiago
- Antofagasta Minerals is 40% partner and signed PPAs for up to 160 MW
- Most permits and electric concession obtained
- Working on non-recourse financing



Note: For discussion of risks involved in the development process, see Item 1-A: Risk Factors – Our business is subject to substantial construction and development uncertainties in our 2012 Form 10-K.

Example Growth Projects Post-2015: Vietnam, Philippines and India (Asia)



Mong Duong 2
1,240 MW
Coal-Fired
Vietnam

- Under construction – $1.9 billion project cost
- Fully contracted business with U.S. Dollar functional currency
- Construction commenced in 2011 and COD expected in 2H 2015
- Strong cash-on-cash returns



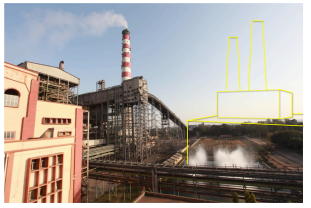
Masinloc
300-600 MW
Coal-Fired
Philippines

- In development
- Project permitting substantially advanced
- EPC tender underway
- Pursuing long-term contracts



Odisha
1,300 MW
Coal-Fired
India

- In development
- Platform expansion with local coal mine providing key competitive advantage
- State government is 51% partner and non-recourse financing secured



Note: For discussion of risks involved in the development process, see Item 1-A: Risk Factors – Our business is subject to substantial construction and development uncertainties in our 2012 Form 10-K.

Narrowing Our Geographic Focus: Since September 2011, Sold 16 Assets and Exited 7 Countries

$ in Millions

Business	Country	AES Share of Proceeds			Remarks
		September 2011-December 2012	2013	Total	
Atimus (Telecom)	Brazil	$284		$284	Non-core asset; Paid down $197 million[1] in debt at Brasiliana subsidiary
Bohemia	Czech Republic	$12		$12	Limited growth
Edes and Edelap	Argentina	$4		$4	Underperforming businesses
Cartagena	Spain	$229	$24	$253	No expansion potential
Red Oak and Ironwood	U.S.	$228		$228	No expansion potential
French Wind	France	$42		$42	Limited growth/ no competitive advantage
Hydro, Coal and Wind	China	$87	$46	$133	Limited growth/ no competitive advantage
Tisza II	Hungary	$14		$14	Limited growth/ no competitive advantage
Two Distribution Companies	Ukraine		$108	$108	Limited growth/ no competitive advantage
Trinidad	Trinidad		$30	$30	Limited growth/ no competitive advantage
Wind Turbines	U.S.		$26	$26	No suitable project
TOTAL		**$900**	**$234**	**$1,134**	

1. AES owns 46% of its Brasiliana subsidiary. Proceeds and debt reflect AES' ownership percentage.

Reconciliation of Adjusted EPS[1]

	Full Year	
	2012	2011
GAAP Diluted EPS from Continuing Operations	($1.24)	$0.61
Adjustment to Diluted Shares	$0.01	-
NON-GAAP DILUTED EPS FROM CONTINUING OPERATIONS	**($1.23)**	**$0.61**
Unrealized Derivative Losses[2]	$0.11	$0.01
Unrealized Foreign Currency Transaction (Gains)/Losses[3]	($0.03)	$0.05
Disposition/Acquisition (Gains)	($0.18)[4]	-
Impairment (Gains)/Losses	$2.53[5]	$0.29[6]
Debt Retirement Losses	$0.01[7]	$0.04[8]
ADJUSTED EPS[1]	**$1.21**	**$1.00**

1. A non-GAAP financial measure. See "definitions". Amounts previously reported have been recast to reflect the reclassification of the Ukraine distribution businesses as discontinued operations.
2. Unrealized derivative losses were net of income tax per share of $0.04 and $0.01 in the year ended December 31, 2012 and 2011, respectively.
3. Unrealized foreign currency transaction (gains)/losses were net of income tax per share of $0.00 and $0.00 in the year ended December 31, 2012 and 2011, respectively.
4. Amount primarily relates to the gains from the sale of 80% of our interest in Cartagena for $178 million ($109 million, or $0.14 per share, net of income tax of $0.09 per share) and equity method investments in China of $24 million ($25 million, or $0.03 per share, including an income tax credit of $1 million, or $0.00 per share).
5. Amount primarily relates to the goodwill impairment at DPL of $1.82 billion ($1.82 billion, or $2.39 per share, net of income tax of $0.00 per share). Amount also includes other-than-temporary impairment of equity method investments in China of $32 million ($32 million, or $0.04 per share, net of income tax of $0.00 per share), and at InnoVent of $17 million ($17 million, or $0.02 per share, net of income tax of $0.00 per share), as well as asset impairments of wind turbines and projects of $41 million ($26 million, or $0.03 per share, net of income tax of $0.02 per share), at Kelanitissa of $19 million ($17 million, or $0.02 per share, net of noncontrolling interest of $2 million and of income tax of $0.00 per share), and at St. Patrick of $11 million ($11 million, or $0.01 per share, net of income tax of $0.00 per share.
6. Amount includes other-than-temporary impairment of equity method investments at Chigen, including Yangcheng, of $79 million ($79 million, or $0.10 per share, net of income tax of $0.00 per share), asset impairments of wind turbines of $116 million ($75 million, or $0.10 per share, net of income tax of $0.05 per share), Kelanitissa of $42 million ($38 million, or $0.05 per share, net of noncontrolling interest of $4 million and of income tax of $0.00 per share), Bohemia of $9 million ($9 million, and $0.01 per share, net of income tax of $0.00 per share), and goodwill impairment at Chigen of $17 million ($17 million or $0.02 per share, net of income tax of $0.00 per share).
7. Amount primarily relates to the loss on retirement of debt at the Parent Company of $15 million ($10 million, or $0.01 per share, net of income tax of $0.01 per share).
8. Amount includes loss on retirement of debt at Gener of $38 million ($22 million, or $0.03 per share, net of noncontrolling interest of $11 million and of income tax of $0.01 per share) and at IPL of $15 million ($10 million, or $0.01 per share, net of income tax of $0.01 per share).

Reconciliation of Adjusted PTC[1,2] & Adjusted EPS[1,2]

$ in Millions, Except Per Share Amounts

	Full Year 2012		Full Year 2011	
	Amount	Per Share (Diluted)	Amount	Per Share (Diluted)
Income (Loss) from Continuing Operations Attributable to AES & GAAP Diluted EPS from Continuing Operations	($938)	($1.24)	$477	$0.61
Adjustment to Diluted Shares		$0.01		-
NON-GAAP DILUTED EPS FROM CONTINUING OPERATIONS		**($1.23)**		**$0.61**
Add Back Income Tax from Continuing Operations Attributable to AES	$444		$213	
Pre-Tax Contribution	($494)		$690	

Adjustments[3]	Full Year 2012		Full Year 2011	
	Net of NCI	Per Share (Diluted)	Net of NCI	Per Share (Diluted)
Unrealized Derivative Losses	$118	$0.11	$11	$0.01
Unrealized Foreign Currency Transaction (Gains)/Losses	($18)	($0.03)	$39	$0.05
Disposition/Acquisition (Gains)	($206)	($0.18)	-	-
Impairment Losses	$1,936	$2.53	$271	$0.29
Debt Retirement Losses	$16	$0.01	$46	$0.04
ADJUSTED PTC[1] & ADJUSTED EPS[1]	**$1,352**	**$1.21**	**$1,057**	**$1.00**

1. A non-GAAP financial measure. See “definitions”.
2. Amounts previously reported have been recast to reflect the reclassification of the Ukraine distribution businesses as discontinued operations.
3. See description of adjustments on Slide 29.

Reconciliation of Second Quarter Adjusted PTC[1] & Adjusted EPS[1]

$ in Millions, Except Per Share Amounts	Second Quarter 2013		Second Quarter 2012	
	Net of NCI[2]	Per Share (Diluted) Net of NCI[2] and Tax	Net of NCI[2]	Per Share (Diluted) Net of NCI[2] and Tax
Income from Continuing Operations Attributable to AES and Diluted EPS from Continuing Operations	$164	$0.22	$70	$0.09
Add Back Income Tax Expense from Continuing Operations Attributable to AES	$16		$40	
Pre-Tax Contribution	$180		$110	
Adjustments				
Unrealized Derivative (Gains)/Losses[3]	($65)	($0.06)	$42	$0.04
Unrealized Foreign Currency Transaction (Gains)/Losses[4]	$15	$0.02	$41	$0.04
Disposition/Acquisition (Gains)	($23)	($0.03)[5]	($4)	-[6]
Impairment Losses	-	-	$17	$0.01[7]
Loss on Extinguishment of Debt	$164	$0.17[8]	-	-
ADJUSTED PTC[1] & ADJUSTED EPS[1]	**$271**	**$0.32**	**$206**	**$0.18**

1. A non-GAAP financial measure. See “definitions”.
2. NCI is defined as Noncontrolling Interests.
3. Unrealized derivative (gains)/losses were net of income tax per share of ($0.02) and $0.02 in the three months ended June 30, 2013 and 2012, respectively.
4. Unrealized foreign currency transaction (gains)/losses were net of income tax per share of $0.00 and $0.02 in the three months ended June 30, 2013 and 2012, respectively.
5. Amount primarily relates to the gain from the sale of the remaining 20% interest in Cartagena for $20 million ($15 million, or $0.02 per share, net of income tax per share of $0.01).
6. Amount primarily relates to the gain from the sale of St. Patrick, for $4 million ($4 million, or $0.00 per share, net of income tax per share of $0.00).
7. Amount includes impairments at our St. Patrick business of $11 million ($7 million, or $0.01 per share, net of income tax per share of $0.00) and Kelanitissa of $7 million ($4 million, or $0.01 per share, net of non-controlling interest of $1 million and income tax per share of $0.00).
8. Amount primarily relates to the loss on early retirement of debt at Corporate of $163 million ($121 million, or $0.16 per share, net of income tax per share of $0.06).

Reconciliation of Year-to-Date Adjusted PTC[1] & Adjusted EPS[1]

$ in Millions, Except Per Share Amounts	YTD 2013		YTD 2012	
	Net of NCI[2]	Per Share (Diluted) Net of NCI[2] and Tax	Net of NCI[2]	Per Share (Diluted) Net of NCI[2] and Tax
Income from Continuing Operations Attributable to AES and Diluted EPS from Continuing Operations	$270	$0.36	$411	$0.54
Add Back Income Tax Expense from Continuing Operations Attributable to AES	$47		$231	
Pre-Tax Contribution	$317		$642	
Adjustments				
Unrealized Derivative (Gains)/Losses[3]	($52)	($0.05)	$72	$0.07
Unrealized Foreign Currency Transaction (Gains)/Losses[4]	$42	$0.04	$12	$0.01
Disposition/Acquisition (Gains)	($26)	($0.03)[5]	($182)	($0.14)[6]
Impairment Losses	$48	$0.05[7]	$75	$0.07[8]
Loss on Extinguishment of Debt	$207	$0.21[9]	-	-
ADJUSTED PTC[1] & ADJUSTED EPS[1]	**$536**	**$0.58**	**$619**	**$0.55**

1. A non-GAAP financial measure. See “definitions”.
2. NCI is defined as Noncontrolling Interests.
3. Unrealized derivative losses were net of income tax per share of ($0.02) and $0.03 in the six months ended June 30, 2013 and 2012, respectively.
4. Unrealized foreign currency transaction (gains)/losses were net of income tax per share of $0.02 and $0.00 in the six months ended June 30, 2013 and 2012, respectively.
5. Amount primarily relates to the gain from the sale of the remaining 20% interest in Cartagena for $20 million ($15 million, or $0.02 per share, net of income tax per share of $0.01), the gain from the sale of wind turbines for $3 million ($2 million, or $0.00 per share, net of income tax per share of $0.00) as well as the gain from the sale of Chengdu, an equity method investment in China for $3 million ($2 million, or $0.00 per share, net of income tax per share of $0.00).
6. Amount primarily relates to the gain from the sale of 80% of our interest in Cartagena for $178 million ($106 million, or $0.14 per share, net of income tax per share of $0.09).
7. Amount primarily relates to asset impairments at Beaver Valley of $46 million ($34 million, or $0.05 per share, net of income tax per share of $0.02).
8. Amount primarily relates to the other-than-temporary impairment of equity method investments in China of $32 million ($26 million, or $0.03 per share, net of income tax per share of $0.01), and at InnoVent of $17 million ($12 million, or $0.02 per share, net of income tax per share of $0.01), and asset impairments at St. Patrick of $11 million ($7 million or $0.01 per share, net of income tax per share of $0.00) and at Kelanitissa of $12 million ($8 million, or $0.01 per share, net of non-controlling interest of $1 million and income tax per share of $0.00).
9. Amount primarily relates to the loss on early retirement of debt at Corporate of $165 million ($123 million, or $0.16 per share, net of income tax per share of $0.06), and loss on early retirement of debt at Masinloc of $43 million ($29 million, or $0.04 per share, net of non-controlling interest of $3 million and of income tax per share of $0.01).

Reconciliation of 2012 Capital Expenditures and Free Cash Flow

$ in Millions

Full Year 2012 Capital Expenditures (Capex)	
Operational Capex (a)	$968
Environmental Capex (b)	$75
Maintenance Capex[1] (a + b)	$1,043
Growth Capex[1] (c)	$1,227
Total Capex[2] (a + b + c)	**$2,270**

Reconciliation of Free Cash Flow	Consolidated Full Year 2012	Proportional Full Year 2012
Operating Cash Flow	$2,901	$1,935
Less Maintenance Capex[1], net of Reinsurance Proceeds	$998	$693
Free Cash Flow[1]	**$1,903**	**$1,242**

1. A non-GAAP financial measure. See “definitions”.
2. Includes capital expenditures under investing and financing activities

Reconciliation of 2013 Guidance

$ in Millions, Except Per Share Amounts

2013 Guidance	
Adjusted EPS[1]	$1.24-$1.32
Proportional Free Cash Flow[1]	$750-$1,050
Consolidated Net Cash Provided by Operating Activities	$2,500-$3,100

Reconciliation	Consolidated	Adjustment Factor	Proportional
Consolidated Net Cash Provided by Operating Activities (a)	$2,500-$3,100	$850-$1,150	$1,650-$1,950
Maintenance & Environmental Capital Expenditures (b)	$1,050-$1,350	$300	$750-$1,050
Free Cash Flow[1] (a - b)	$1,300-$1,900	$550-$850	$750-$1,050

In providing its full year 2013 Adjusted EPS guidance and 2013 Adjusted PTC modeling assumptions, the Company notes that there could be differences between expected reported earnings and estimated operating earnings for matters such as, but not limited to: (a) unrealized gains or losses related to derivative transactions; (b) unrealized foreign currency gains or losses; (c) gains or losses due to dispositions and acquisitions of business interests; (d) losses due to; and (e) costs due to the early retirement of debt. At this time, management is not able to estimate the aggregate impact, if any, of these items on reported earnings. Accordingly, the Company is not able to provide a corresponding GAAP equivalent for its Adjusted EPS guidance and its Adjusted PTC modeling assumptions. See Slide 31 for amounts as of June 30, 2013.

1. A non-GAAP financial measure. See “definitions”.

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 the Gross Domestic Product (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 qualified 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, however, cash held at qualified holding companies does not reflect the impact of any tax liabilities that may result from any such cash being repatriated to the Parent Company in the U.S. 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' indebtedness.

Definitions

- **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) unrealized gains or losses related to derivative transactions, (b) unrealized foreign currency gains or losses, (c) gains or losses due to dispositions and acquisitions of business interests, (d) losses due to impairments, and (e) costs due to the early retirement of debt. The GAAP measure most comparable to Adjusted EPS is diluted earnings per share from continuing operations. AES believes that Adjusted EPS 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 unrealized gains or losses related to derivative transactions, unrealized foreign currency gains or losses, losses due to impairments and strategic decisions to dispose or acquire business interests or retire debt, which affect results in a given period or periods. Adjusted EPS should not be construed as an alternative to diluted earnings per share from continuing operations, which is determined in accordance with GAAP.
- **Adjusted Pre-Tax Contribution** (a non-GAAP financial measure) represents pre-tax income from continuing operations attributable to AES excluding gains or losses of the consolidated entity due to (a) unrealized gains or losses related to derivative transactions, (b) unrealized foreign currency gains or losses, (c) gains or losses due to dispositions and acquisitions of business interests, (d) losses due to impairments, and (e) costs due to the early retirement of debt. It includes net equity in earnings of affiliates, on an after-tax basis. The GAAP measure most comparable to Adjusted PTC is income from continuing operations attributable to AES. AES believes that Adjusted PTC 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 unrealized gains or losses related to derivative transactions, unrealized foreign currency gains or losses, losses due to impairments and strategic decisions to dispose or acquire business interests or retire debt, which affect results in a given period or periods. Earnings before tax represents the business performance of the Company before the application of statutory income tax rates and tax adjustments, including the affects of tax planning, corresponding to the various jurisdictions in which the Company operates. Adjusted PTC should not be construed as an alternative to income from continuing operations attributable to AES, which is determined in accordance with GAAP.
- **Free Cash Flow** (a non-GAAP financial measure) is defined as net cash from operating activities less maintenance capital expenditures (including environmental capital expenditures), net of reinsurance proceeds from third parties. 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. Free cash flow should not be construed as an alternative to net cash from operating activities, which is determined in accordance with GAAP.
- **Net Debt** (a non-GAAP financial measure) is defined as current and non-current recourse and non-recourse debt less cash and cash equivalents, restricted cash, short term investments, debt service reserves and other deposits. AES believes that net debt is a useful measure for evaluating our financial condition because it is a standard industry measure that provides an alternate view of a company's indebtedness by considering the capacity of cash. It is also a required component of valuation techniques used by management and the investment community.
- **Parent Company Liquidity** (a non-GAAP financial measure) is defined as cash at the Parent Company plus availability under corporate credit facilities plus cash at qualified 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' indebtedness.
- **Parent Free Cash Flow** (a non-GAAP financial measure) should not be construed as an alternative to Net Cash Provided by Operating Activities which is determined in accordance with GAAP. Parent Free Cash Flow is equal to Subsidiary Distributions less cash used for interest costs, development, general and administrative activities, and tax payments by the Parent Company. Parent Free Cash Flow is used for dividends, share repurchases, growth investments, recourse debt repayments, and other uses by the Parent Company.

Definitions, Cont'd.

- **Proportional Metrics –** The Company is a holding company that derives its income and cash flows from the activities of its subsidiaries, some of which are not wholly-owned by the Company. Accordingly, the Company has presented certain financial metrics which are defined as Proportional (a non-GAAP financial measure) to account for the Company's ownership interest.
  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 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) inter-segment transactions are included as applicable for the metric presented.
- **Subsidiary Liquidity** (a non-GAAP financial measure) is defined as cash and cash equivalents and bank lines of credit at various subsidiaries.
- **Subsidiary Distributions** should not be construed as an alternative to Net Cash Provided by Operating Activities which is 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 the 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.