

The AES Corporation Fourth Quarter & Full Year 2014 Financial Review

February 26, 2015

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 55 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 Discussion & Analysis in AES' 2014 Annual Report on Form 10-K, 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.

Fourth Quarter and Full Year 2014 Earnings Call

Agenda

- 2014 results
- Current macro environment
- Executing on our strategy
- Capital allocation
- Q4 & FY 2014 financial review
- 2014-2015 Parent capital allocation plans
- Guidance and expectations
- Priorities for 2015

Key Takeaways

- Adjusted EPS[1] of $1.30 and Proportional Free Cash Flow[1] of $891 million
- Continuing to invest in attractive platform expansions, share buybacks and growing dividend
- We have taken a number of steps to mitigate majority of macro and other impacts
  - Lowering 2015 Adjusted EPS[1] guidance by $0.05, to $1.25-$1.35
  - Reaffirming 2015 Proportional Free Cash Flow[1] guidance of $1,000-$1,350 million
  - Maintaining long-term growth rates for both Adjusted EPS[1] and Proportional Free Cash Flow[1]

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

2014 Strategic Achievements

- Brought in financial partners to invest $1.9 billion in our subsidiaries
- Announced or closed 10 transactions for $1.8 billion in equity proceeds from asset sales
- Broke ground on 6 new platform expansion projects, totaling 2,226 MW and won long-term contracts to build 1,384 MW of capacity
- Allocated $608 million to reduce Parent debt and improve our credit profile
- Returned $452 million back to shareholders
- Announced a doubling of our dividend, with an intended growth rate of 10% per year

Q4 and Full Year 2014 Results

$ in Millions, Except Per Share Amounts	Q4 2014	Q4 2013	FY 2014	FY 2013	FY 2014 Guidance
Adjusted EPS[1]	$0.41	$0.29	$1.30	$1.29	$1.25-$1.31
Proportional Free Cash Flow[1]	$287	$348	$891	$1,271	$900-$1,000
Consolidated Net Cash Provided by Operating Activities	$575	$675	$1,791	$2,715	$1,800-$2,200

- Achieved full year Adjusted EPS[1] guidance
- Proportional Free Cash Flow[1] impacted by higher working capital requirements in Brazil and Chile, as well as increased receivables in Bulgaria, both of which are expected to reverse in 2015

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

Offsetting Majority of $0.18 Headwinds; Lowering 2015 Adjusted EPS[1] Guidance by $0.05, to $1.25-$1.35

- Currency and commodity forwards have declined significantly, impacting certain businesses
- Continuing poor hydrological conditions in Brazil
- Taking proactive steps:
  - Lowering sensitivity to hydrology by adopting more optimal hedging strategies in Brazil and Panama
  - Bringing a 72 MW oil-fired barge to Panama
  - Hedging foreign currency exposure in Brazil, Colombia and Europe
  - Revenue improvements and cost savings initiatives across our portfolio
  - Capital allocation
- Additional potential opportunities to offset hydro risk:
  - Long-term gas supply for 640 MW Uruguaiana plant in Brazil
  - Exporting energy from Chile and Argentina to the Brazilian grid
- Negotiating terms of Maritza in Bulgaria's PPA
  - Government of Bulgaria has committed to paying $262 million in outstanding receivables; in ongoing discussions to lower energy prices

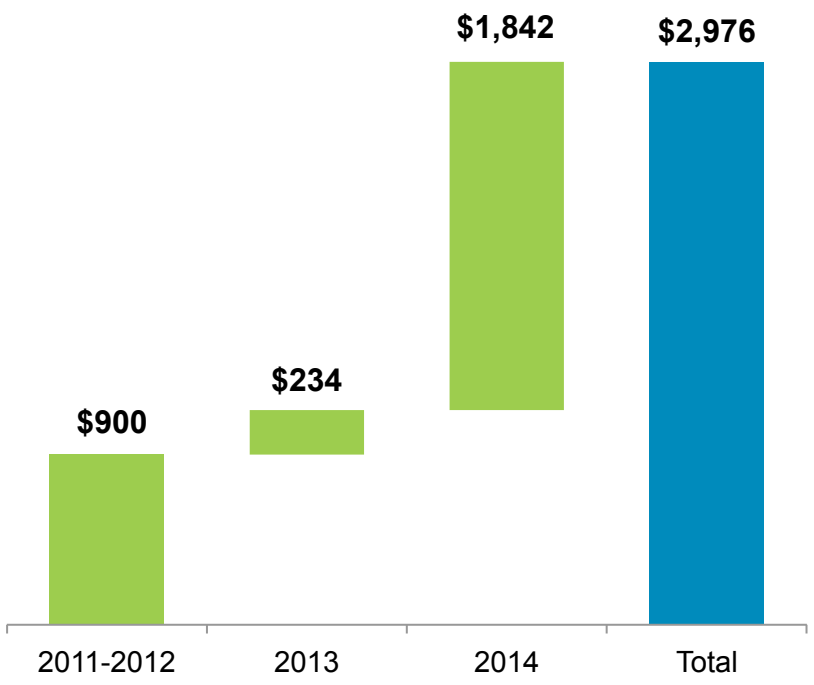
Reaffirming 2015 Proportional Free Cash Flow[1] Guidance of $1,000-$1,350 Million

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

Reducing Complexity: Since September 2011, Exited 10 Countries & Raised $3 Billion[1] in Equity Proceeds to AES

$ in Millions

Equity Proceeds to AES



Transactions Since Q3 2014 Earnings Call

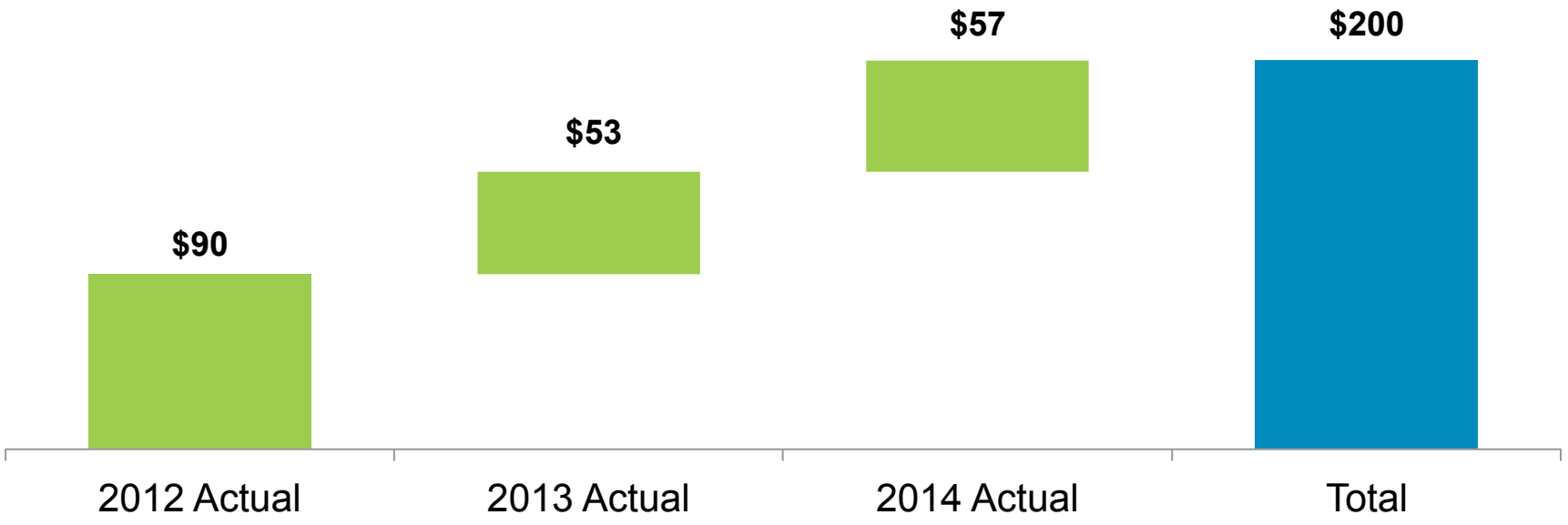
- Announced or closed 3 transactions ($731 million in equity value):
  - IPALCO (US-Indiana) partnership: $595 million
  - Ebute (Nigeria): $11 million
  - Closed AES Entek (Turkey JV): $125 million

1. See Slide 39 for details.

Performance Excellence: Improving Efficiencies Across Our Portfolio

$ in Millions

Achieved Reduction of $200 in Global Overhead[1] One Year Early

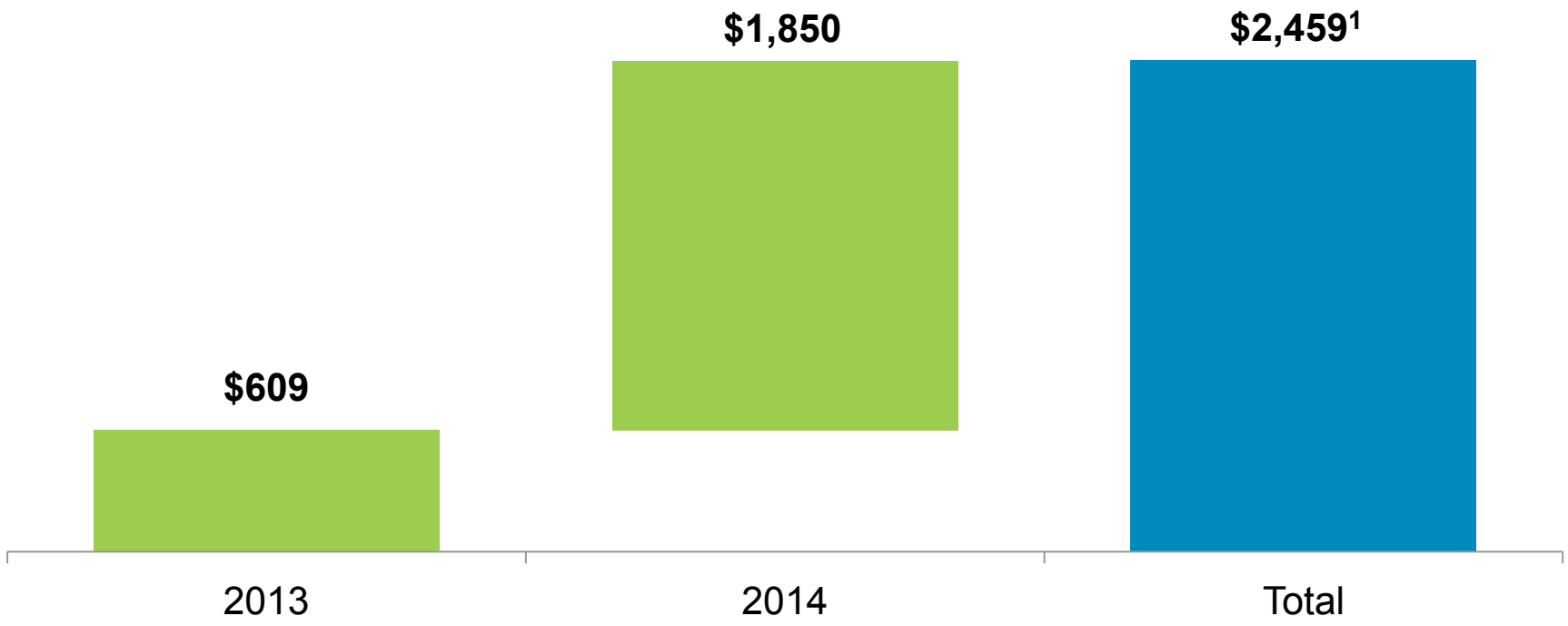


Going Forward, Focusing on Additional Cost Savings Initiatives, Including O&M Reductions

1. Cost reductions will be reflected in General and Administrative Expense (G&A), as well as Cost of Sales. Some of the previously reported 2012 and 2013 G&A Expense related to administrative costs at our SBUs has been reclassified to Cost of Sales.

Expanding Access to Capital: Partnerships at the Project and Business Level

$ in Millions

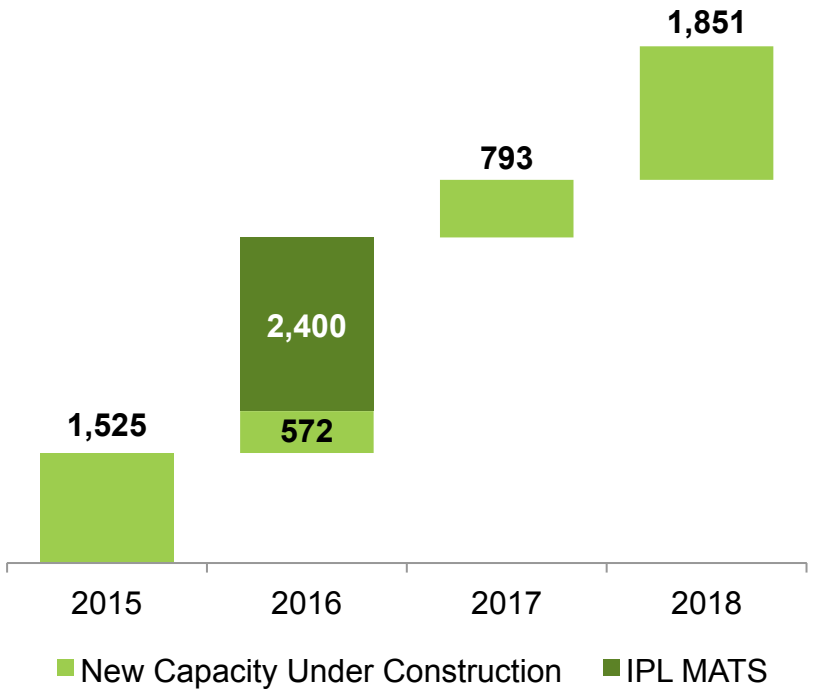


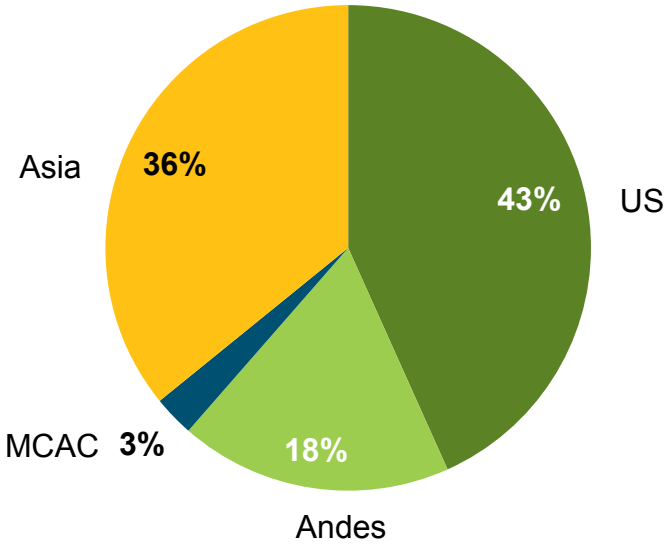
Objective: Optimize Our Exposure, Improve Returns and Free-Up Capital

1. See Slide 40 for details.

Leveraging Our Platforms: Already Funded 70% of $1.5 Billion in Equity Commitments for Projects Under Construction

7,141 MW Under Construction Yield More Than 15% ROE[1]





1. Based on 2018 contributions from all projects under construction and IPL MATS upgrades. Assumes a full year contribution from Alto Maipo, which is expected to come on-line in 2H 2018. Weighted Average Return on Equity is net income divided by AES equity contribution.

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.

Leveraging Our Platforms: Attractive Growth Opportunities

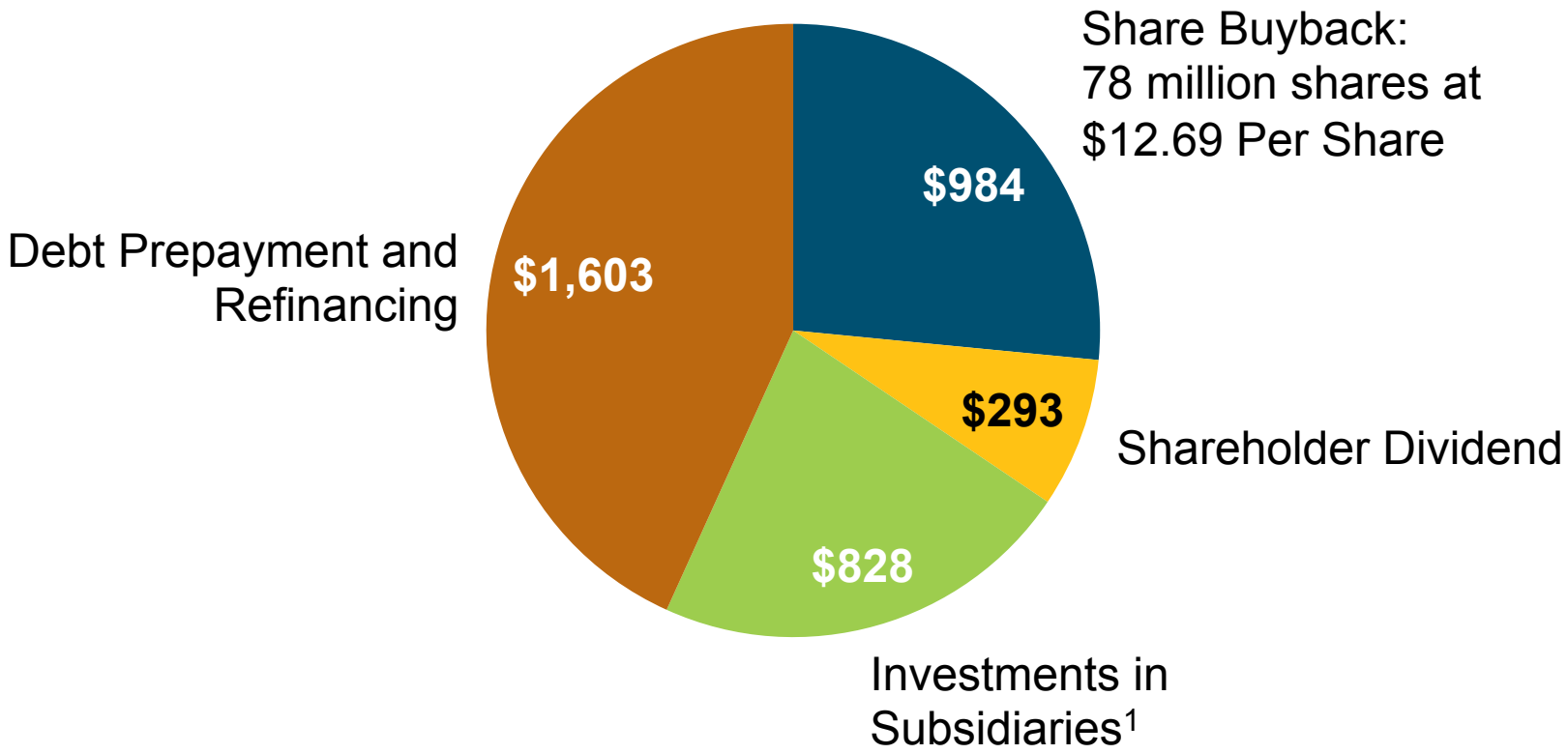
Growth Investment Criteria

- Maintains or enhances the value of existing businesses
  - Example: IPL environmental upgrades and CCGT; oil-fired barge in Panama
- Offers compelling risk-adjusted returns, while minimizing AES' equity investment by utilizing project-level cash or local leverage capacity
  - Examples: closing the cycle at DPP plant in the Dominican Republic; energy storage
- For large projects, bring in partners to maximize returns and fine tune total exposure to the project

New Investments to Continue to Compete Against Share Repurchases

Invested $3.7 Billion of Discretionary Cash in Shareholder Returns, Debt Paydown and Select Growth Projects

September 2011-December 2014; $ in Millions



78% of Discretionary Cash Allocated to Deleveraging and Returning Cash to Shareholders

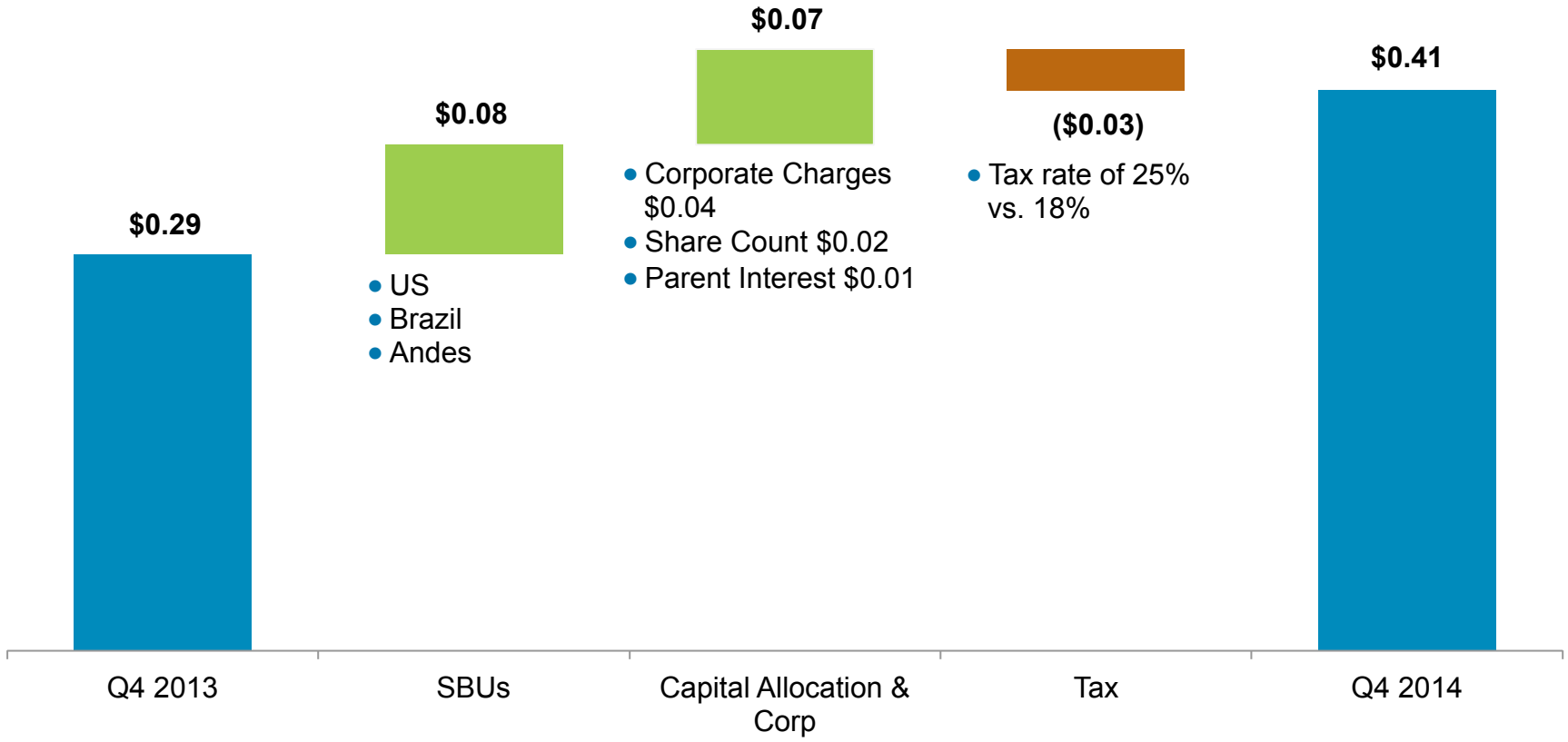
1. Excludes $2.3 billion investment in DPL.

Q4 and Full Year 2014 Financial Review

- Q4 and FY 2014 results
  - Adjusted EPS[1]
  - Adjusted PTC[1] by Strategic Business Unit (SBU)
  - Cash flow
- 2014 and 2015 Parent capital allocation plans
- Guidance and expectations

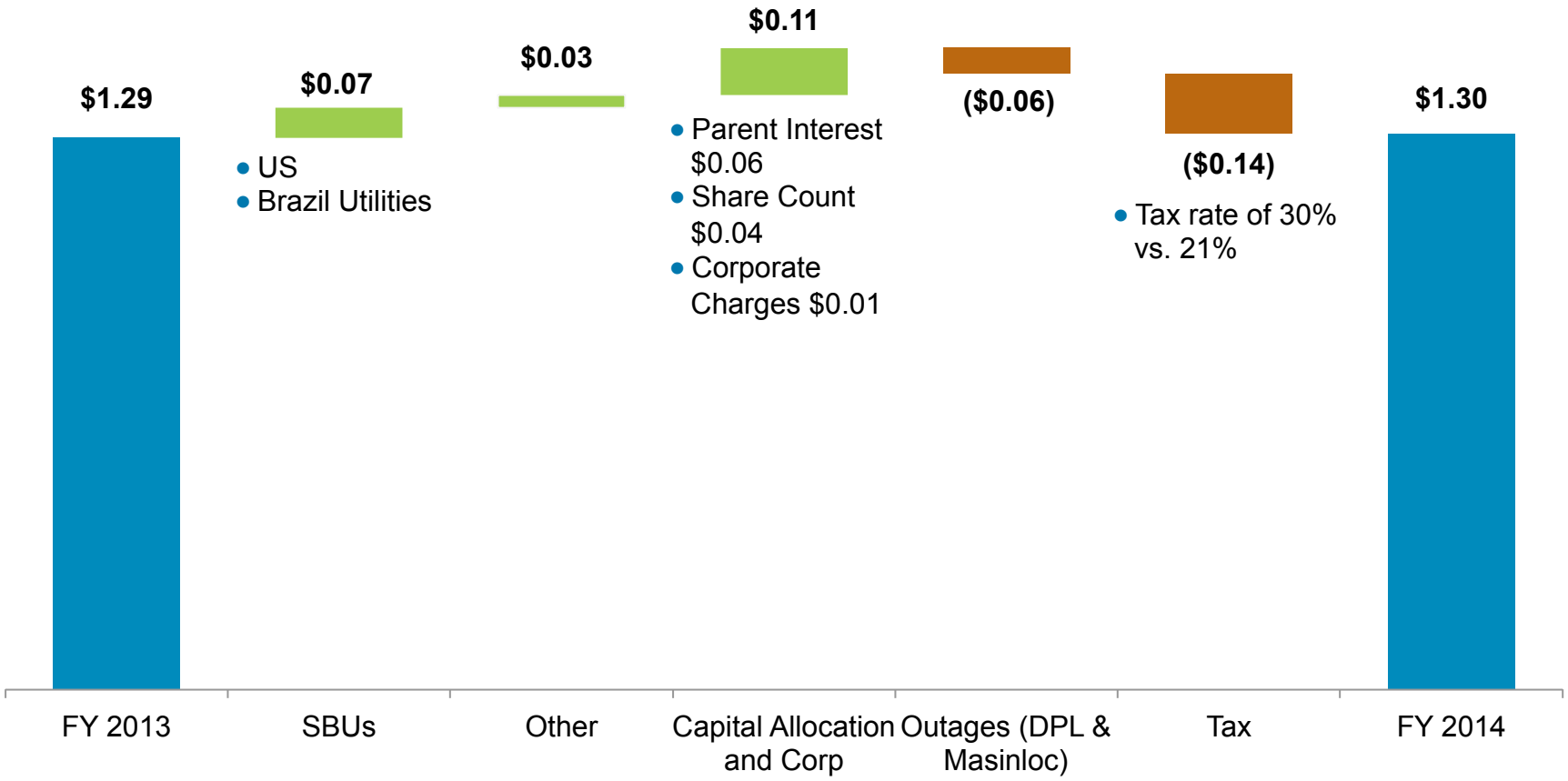
1. A non-GAAP financial measure. See Appendix for definition and reconciliation.

Q4 2014 Adjusted EPS[1] Increased $0.12



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

FY 2014 Adjusted EPS[1] Increased $0.01



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

FY 2014 Adjusted PTC[1] and Adjusted EPS[1]

$ in Millions

SBU	FY 2013	FY 2014	2014 Adjusted PTC[1] Modeling Range
US	$440	$445	$430-$460
Andes	$353	$421	$410-$450
Brazil	$212	$242	$235-$255
MCAC	$339	$352	$340-$370
Europe	$345	$348	$350-$370
Asia	$142	$46	$35-$55
Total SBUs	**$1,831**	**$1,854**	**$1,800-$1,960**
Corp/Other	($624)	($533)	($530)-($570)
Total AES Adjusted PTC[1,2]	**$1,207**	**$1,321**	**$1,270-$1,390**
Adjusted Effective Tax Rate	21%	30%	31%-33%
Diluted Share Count	748	724	724
ADJUSTED EPS[1]	**$1.29**	**$1.30**	**$1.25-$1.31**

1. A non-GAAP financial metric. See Appendix for definitions and reconciliations.
2. Includes $53 million and $47 million of after-tax adjusted equity in earnings for full year 2014 and 2013, respectively.

Hydro Conditions Improving Except in Brazil

	Colombia, Chile & Argentina	Panama	Brazil	TOTAL
	• Chivor in Colombia had stronger inflows versus the rest of the country, leading to favorable short-term sales at attractive prices for 2014 • Inflows currently 92% of long-term average in Colombia • Expect normal hydro conditions in 2015	• Inflows have improved to ~100% of long-term average • Spot prices down 65% to $100/MWh • Expect normal hydro conditions in 2015	• Expect 2015 hydro conditions to be worse than 2014 • Expect to cover 15%-17% of contract commitment from the spot market in 2015 versus 10% in 2014 • Government has capped spot prices at R$388/MWh in 2015 vs. R$823/MWh in 2014	
FY 2013 Adjusted EPS[1] Impact	($0.02)	($0.10)	($0.01)	($0.13)
FY 2014 Adjusted EPS[1] Impact	$0.03	($0.06)	($0.07)	($0.10)
FY 2015 Adjusted EPS[1] Impact	-	-	($0.05)[2]	($0.05)

1. A non-GAAP financial measure. See Appendix for definition and reconciliation. Impact on Adjusted EPS is relative to normal hydrology.
2. Does not include any impact from potential rationing, which could be an additional $0.05 per share.

Proportional Free Cash Flow (Prop FCF)[1]

$ in Millions

	Q4	FY	Full Year Guidance
2014	$287	$891	$900-$1,000
2013	$348	$1,271	N/A

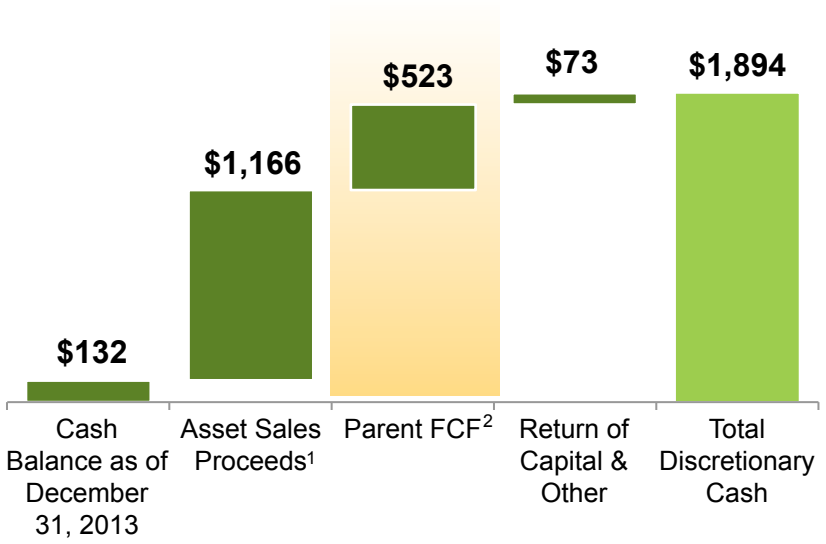
- FY 2014 results at the low end of revised guidance, but ~$250 million lower than prior guidance:
  - Primarily driven by ~$200 million in higher working capital requirements in Brazil and Chile, as well as increased receivables in Bulgaria, which are expected to largely reverse in 2015
- FY 2013 results included $200 million in contributions from businesses that were sold, as well as payments related to an amendment to a fuel contract in the Dominican Republic and the Beaver Valley PPA termination

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

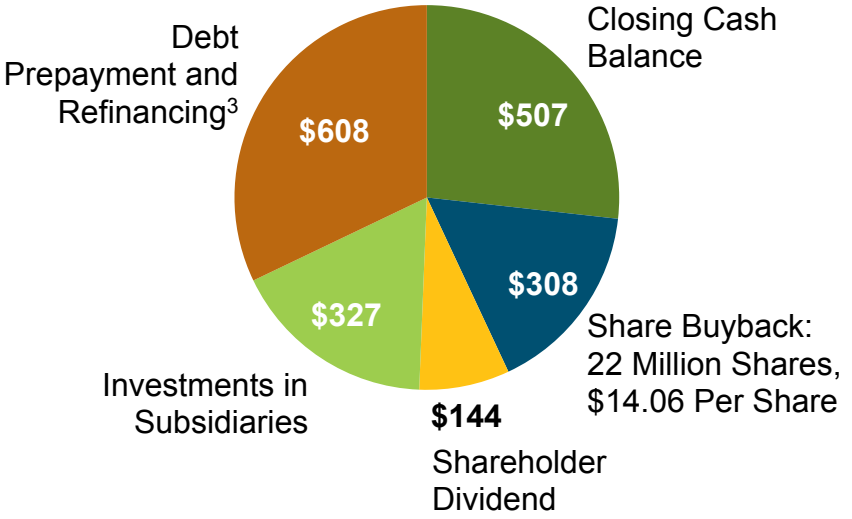
2014 Parent Capital Allocation Plan

$ in Millions

Discretionary Cash – Sources ($1,894)



Discretionary Cash – Uses ($1,894)



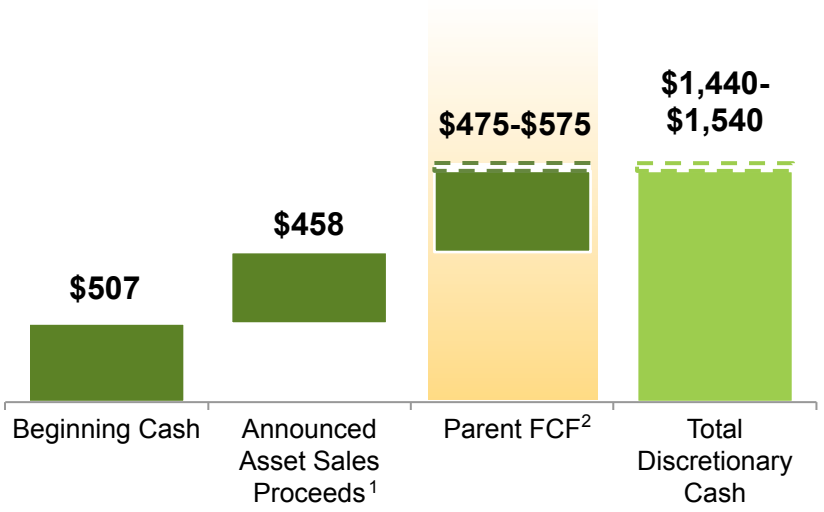
76% of Discretionary Cash Allocated to Deleveraging and Returning $452 Million to Shareholders

1. Includes announced or closed asset sale proceeds net of transaction costs of: $434 million (Masinloc in the Philippines), $177 million (solar), $153 million (Sonel, Kribi and Dibamba in Cameroon), $156 million (UK Wind), $125 million (AES Entek joint venture in Turkey), $74 million (Dominican Republic), $27 million (3 US wind facilities), $11 million (Ebute in Nigeria) and $8 million (India wind).
2. A non-GAAP financial metric. See Appendix for definition and reconciliation.
3. Includes $550 million recourse debt prepayment, associated premiums and $12 million net use of cash related to first half 2014 refinancings.

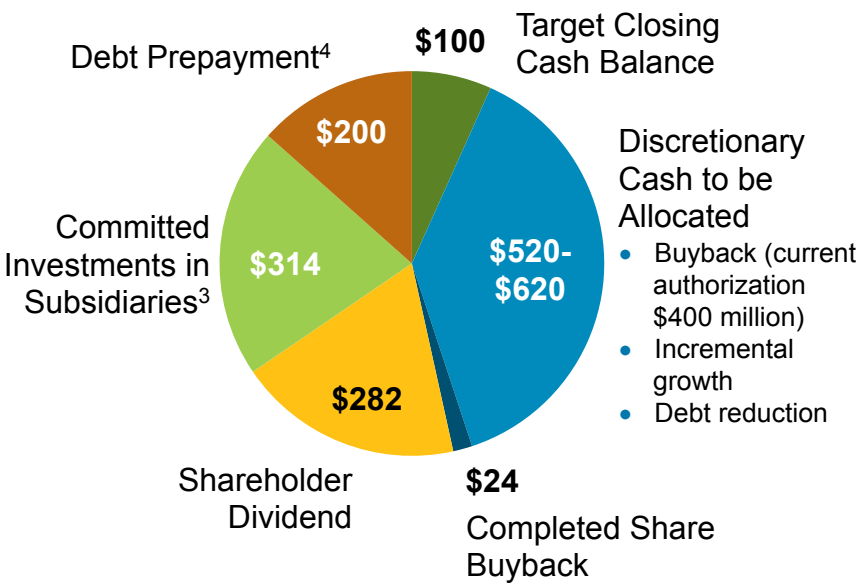
2015 Parent Capital Allocation Plan

$ in Millions

Discretionary Cash – Sources ($1,440-$1,540)



Discretionary Cash – Uses ($1,440-$1,540)

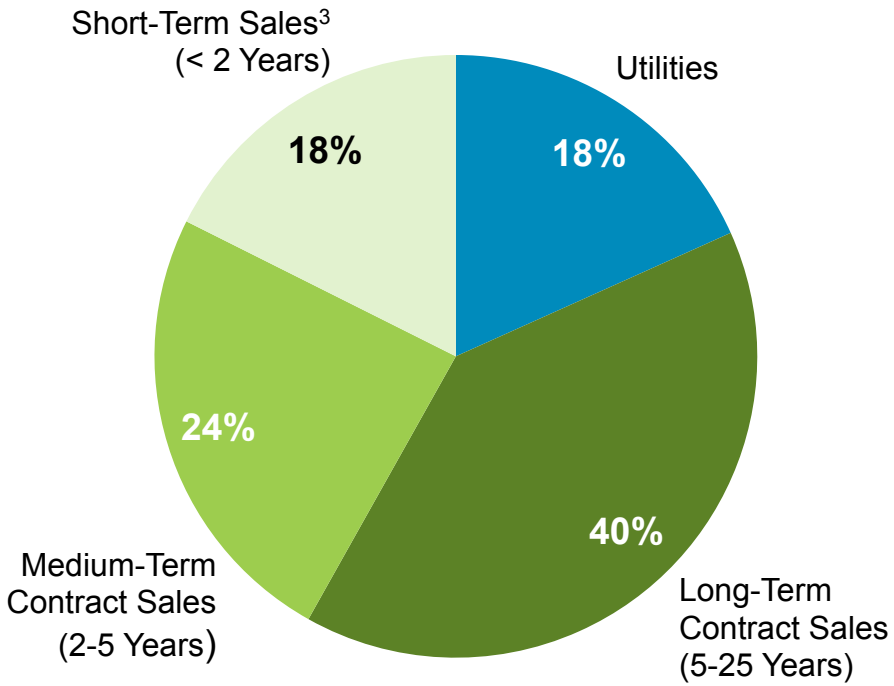


New Growth Investments Will Compete Against Share Repurchases

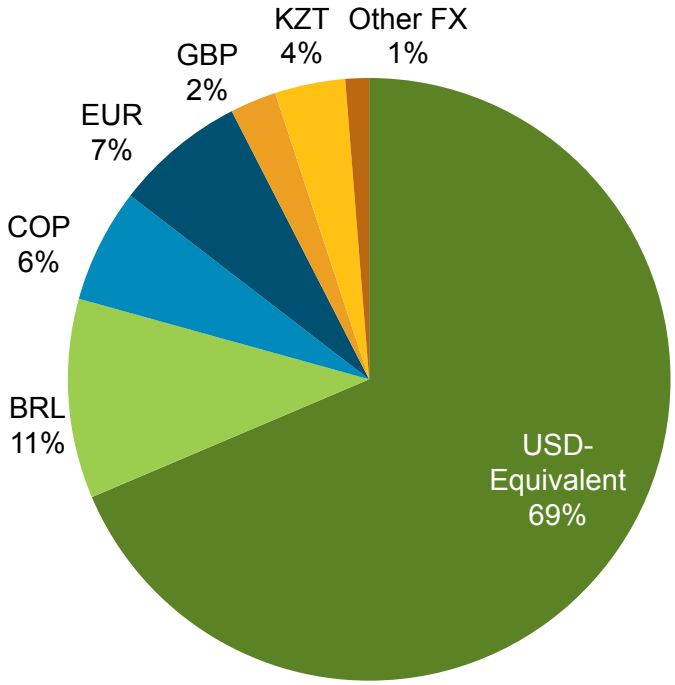
1. Includes announced asset sale proceeds of: $458 million (IPALCO partnership).
2. A non-GAAP financial metric. See Appendix for definition and reconciliation.
3. Includes $214 million investment by IPALCO minority partner CDPQ in 2015 that will be funded directly by CDPQ to IPALCO.
4. To offset loss of subsidiary distributions due to sale of 30% direct and indirect interests in IPALCO.

Long-Term Protections Built into Business Model to Manage Foreign Currency and Commodity Fluctuations[1]

2015 Adjusted PTC[2] by Contract Type

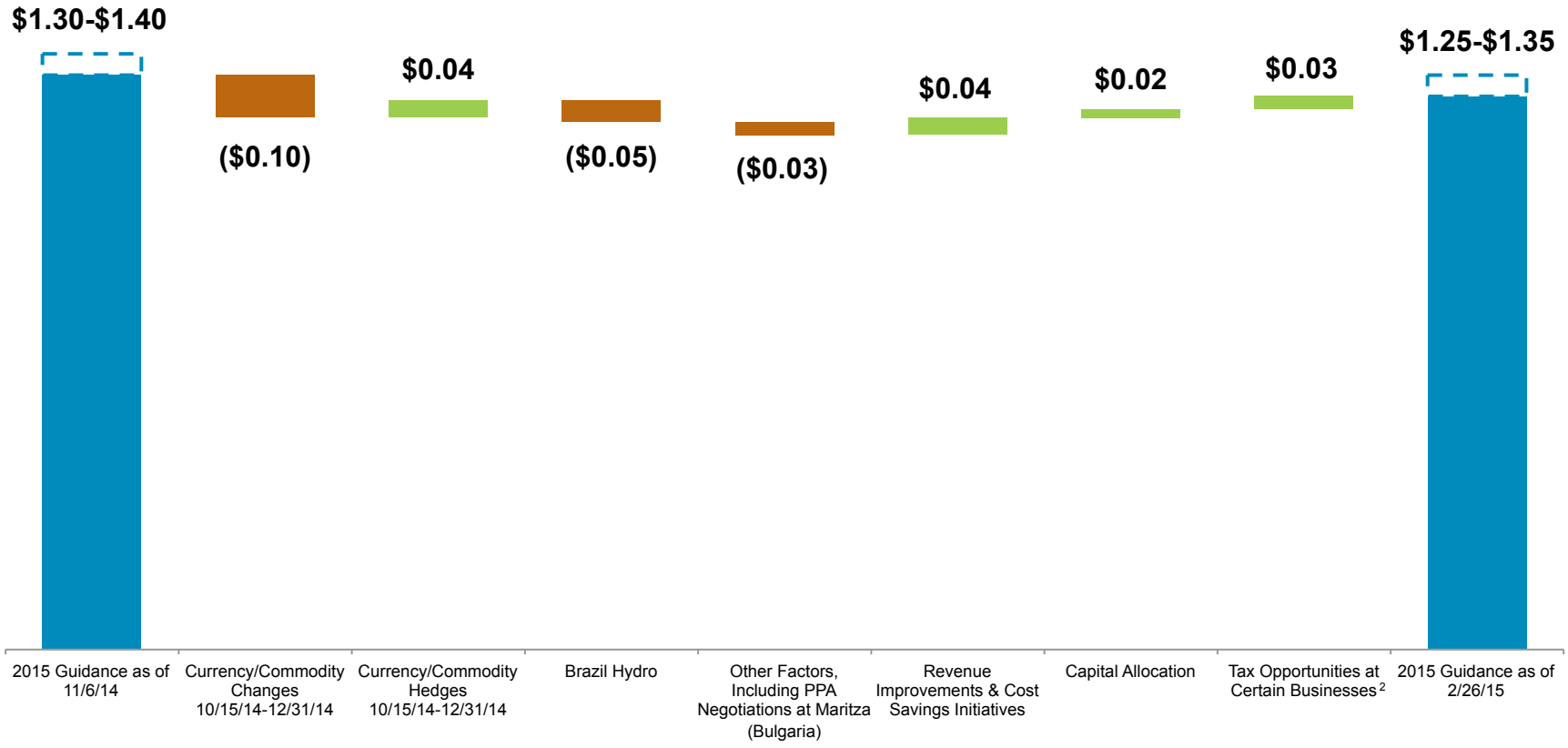


2015 Adjusted PTC[2] by Currency



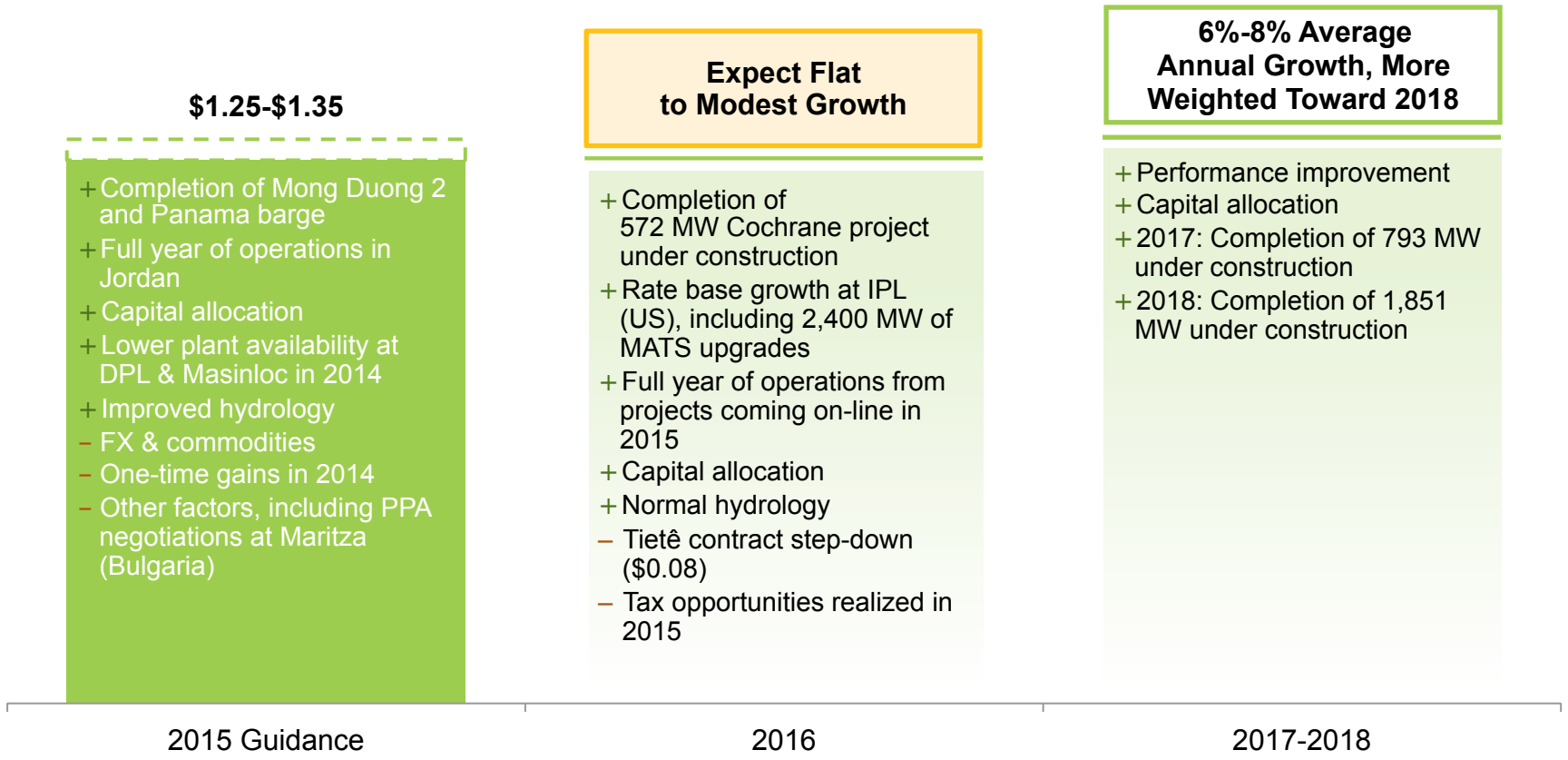
1. See Slides 43-45 for detailed sensitivities.
2. Before Corporate Charges. A non-GAAP financial measure. See Appendix for definition and reconciliation.
3. Kazakhstan and Argentina are businesses classified under Short-Term Sales that sell into regulated prices.

Revised 2015 Adjusted EPS[1] Guidance Range of $1.25-$1.35



1. A non-GAAP financial measure. See Appendix for definition and reconciliation.
2. Related to non-consolidated businesses.

Adjusted EPS[1] Growth Drivers

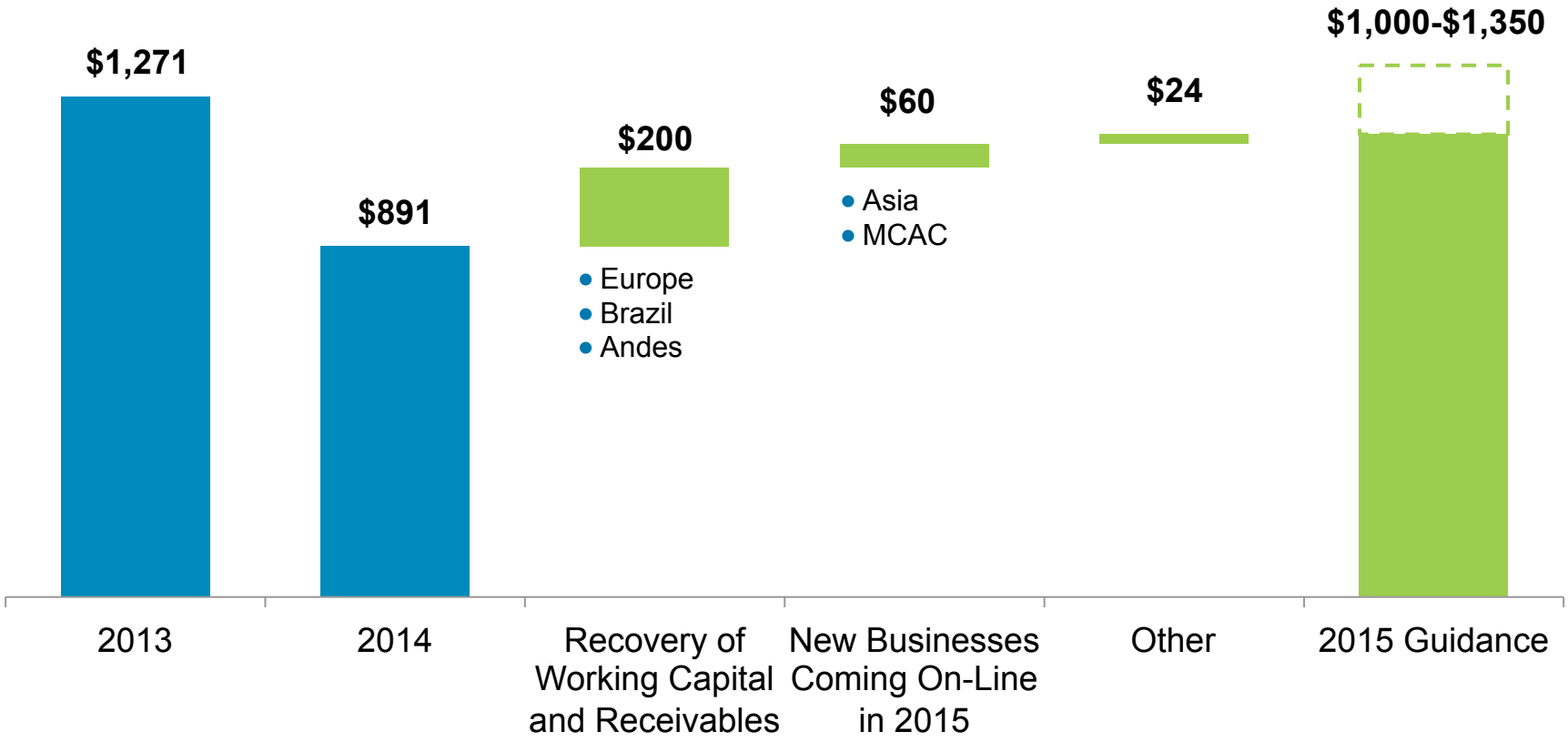


Average Annual Total Return of 8%[2]

1. A non-GAAP financial measure. See Appendix for definition and reconciliation.
2. Based on implied Adjusted EPS growth of 5%-6% and dividend yield of 2.75%.

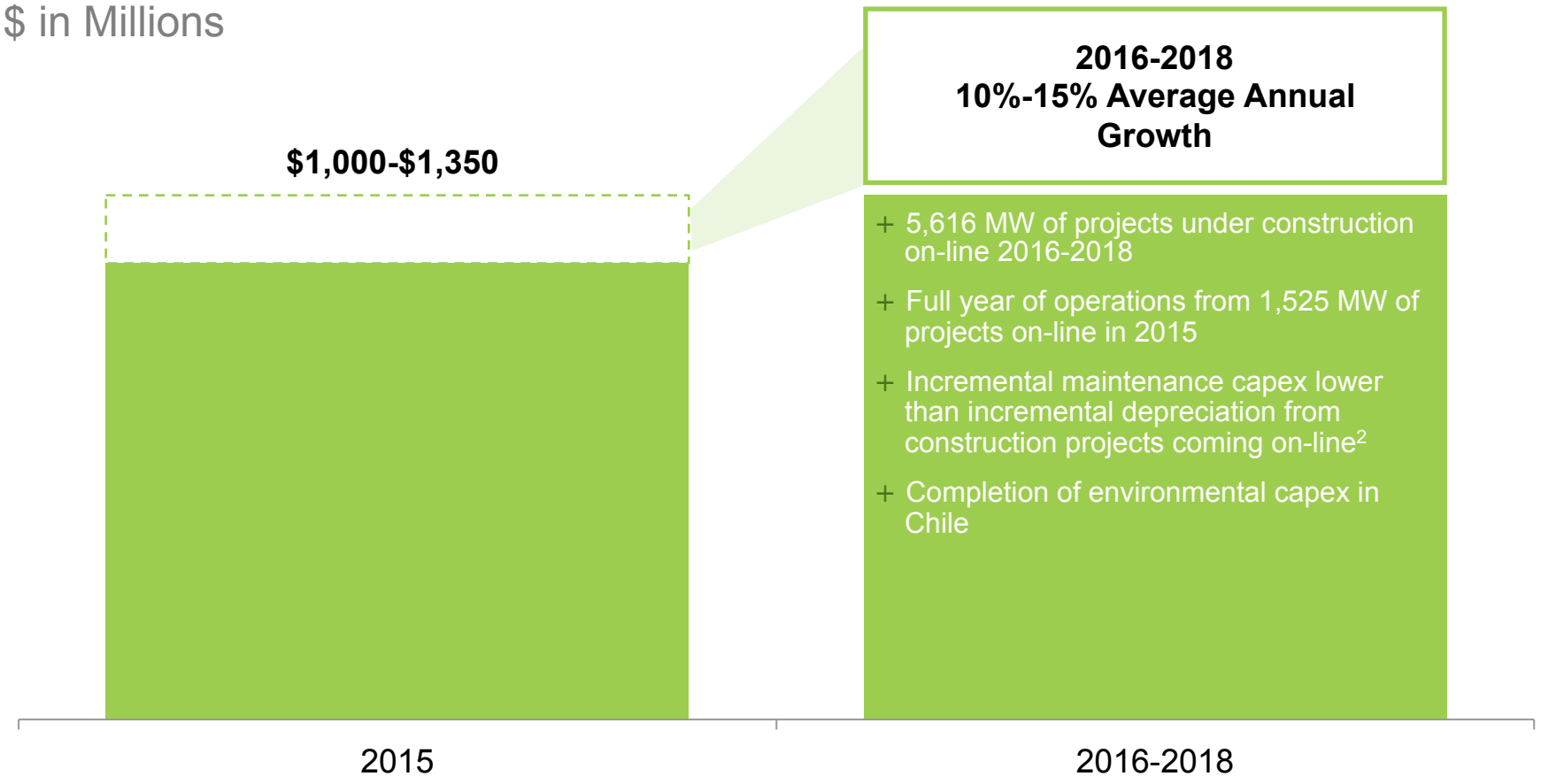
2015 Proportional Free Cash Flow[1] Guidance: Recovery of Working Capital/Receivables & New Businesses Drive Growth

$ in Millions



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

Beyond 2015, Proportional Free Cash Flow[1] Growth Largely Driven by Projects Under Construction Coming On-Line



Strong and Growing Proportional Free Cash Flow[1] Drives Capital Allocation Opportunities

1. A non-GAAP financial measure. See Appendix for definition and reconciliation.
2. Consistent with our current operating portfolio, where in 2014 proportional maintenance capex was $541 million and proportional depreciation was $972 million.

Key Takeaways

- We made significant progress on our strategy in 2014
- We are encouraged by the resilience of our platform and the opportunities it provides to increase shareholder value
- For 2015, our priorities are:
  - Pull all levers to achieve financial objectives
  - Complete 1,240 MW Mong Duong project in Vietnam, which will be a major contributor to our growth
  - Resolve Maritza's (Bulgaria) outstanding receivables and renegotiate our PPA
  - Execute on new platform expansion opportunities and bring in more partners
  - Allocate discretionary cash to maximize returns, including growing our dividend and returning cash to shareholders through share repurchases when our stock is undervalued

Appendix

- Q4 Adjusted EPS[1] & Adjusted PTC[1] — Slides 28-29
- Listed Subs & Public Filers — Slide 30
- SBU Modeling Disclosures — Slides 31-33
- DPL Inc. Modeling Disclosures — Slide 34
- DP&L and DPL Inc. Debt Maturities — Slide 35
- Parent Only Cash Flow — Slides 36-38
- Asset Sales — Slide 39
- Partnerships — Slide 40
- Key Assumptions for 2015 Guidance — Slide 41
- 2015 Adjusted PTC[1] Modeling Ranges — Slide 42
- 2015 Guidance Estimated Sensitivities — Slide 43
- Currency and Commodities — Slides 44-45
- AES Modeling Disclosures — Slide 46
- Construction Program — Slide 47
- Reconciliations — Slides 48-54
- Assumptions & Definitions — Slides 55-57

1. A non-GAAP financial measure.

Q4 2014 Adjusted PTC[1] Summary

$ in Millions

SBU	Q4 2014	Q4 2013	Variance	Key Drivers
US	$134	$112	$22	+ Lower maintenance and pension costs at IPL
Andes	$144	$75	$69	+ $59 million[2] in interest recognized on receivables in Argentina + Improved hydrology at Chivor in Colombia
Brazil	$58	$8	$50	+ Regulatory liability in 2013 for potential customer refunds at Eletropaulo – Poor hydrology resulting in higher spot purchases at Tietê
MCAC	$68	$83	($15)	– Lower gas sales and frequency regulation revenue as a result of a regulatory change in the Dominican Republic + Improved hydrology in Panama

1. A non-GAAP financial measure. See reconciliation on Slide 48 and "definitions".
2. In third quarter 2013, $20 million in interest recognized on receivables in Argentina.

Q4 2014 Adjusted PTC[1] Summary (Continued)

$ in Millions, Except Per Share Amounts

SBU	Q4 2014	Q4 2013	Variance	Key Drivers
Europe	$81	$111	($30)	– Higher outages and related costs at Maritza in Bulgaria and Kilroot in the United Kingdom + Contributions from IPP4 in Jordan, which came on-line in July
Asia	$13	$41	($28)	– Higher spot prices in 2013 at Masinloc in the Philippines – Sale of 45% of our stake in Masinloc
Total SBUs	**$498**	**$430**	**$68**	
Corp/Other	($114)	($169)	$55	+ Lower Parent interest expense + Lower G&A expense + Lower losses from solar
Total AES Adjusted PTC[1]	**$384**	**$261**	**$123**	
Adjusted Effective Tax Rate	25%	18%		
Diluted Share Count	714	744		
ADJUSTED EPS[1]	**$0.41**	**$0.29**	**$0.12**	

1. A non-GAAP financial measure. See reconciliation on Slide 48 and “definitions”.
2. Includes $17 million and $3 million of after-tax adjusted equity in earnings for fourth quarter 2014 and 2013, respectively.

Full Year 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	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013
US GAAP Reconciliation										
Business Unit Adjusted Earnings to AES [1,3]	**75**	**61**	**88**	**107**	**176**	**202**	**22**	**(9)**	**49**	**99**
AES Business Unit Adjusted PTC[1]	**123**	**99**	**120**	**142**	**274**	**256**	**33**	**(13)**	**74**	**148**
Impact of AES Adjustments excluded from Public Filings	-	-	-	-	3	5	-	-	-	-
Adjusted PTC[1,3] Public Filer (Stand-alone)	**123**	**99**	**120**	**142**	**277**	**261**	**33**	**(13)**	**74**	**148**
Unrealized Derivatives (Losses)/Gains	-	-	(3)	(6)	-	1	-	-	-	-
Unrealized Foreign Currency Transaction Losses	-	-	-	-	(6)	(6)	-	-	-	-
Impairment Losses	-	-	(147)	(333)	-	-	-	-	-	-
Disposition/Acquisition Gains	-	-	4	-	-	-	-	-	-	-
Loss on extinguishment of debt	-	-	(31)	(3)	(19)	-	-	-	-	-
Non-Controlling Interest before Tax	3	3	1	1	94	109	187	(55)	247	491
Income Tax Benefit/(Expenses)	(48)	(38)	(18)	(22)	(131)	(85)	(73)	20	(106)	(210)
US GAAP Income/(Loss) from Continuing Operations[4]	**78**	**64**	**(74)**	**(221)**	**215**	**280**	**147**	**(48)**	**215**	**429**
IFRS Reconciliation										
Adjustment to Depreciation & Amortization[5]					(53)	(54)	(33)	(46)	(22)	(27)
Adjustment to Regulatory Liabilities & Assets[6]					-	-	(363)	236	-	-
Adjustment to Taxes[7]					52	1	117	(71)	11	14
Other Adjustments					(39)	(29)	61	15	(7)	(8)
IFRS Net Income					**175**	**198**	**(71)**	**86**	**197**	**408**
BRL-USD Implied Exchange Rate							1.8564	2.3078	2.2758	2.1577

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.
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).

FY 2014 Modeling Disclosures

$ in Millions	Adjusted PTC[1]	Interest Expense[2]			Interest Income			Depreciation & Amortization[2]		
		Consolidated	Adjustment Factor	Proportional	Consolidated	Adjustment Factor	Proportional	Consolidated	Adjustment Factor	Proportional
US[2]	$445	**285**	**-**	**285**	**-**	**-**	**-**	**450**	**-**	**450**
DPL	$120	126	-	126	-	-	-	143	-	143
IPL	$123	110	-	110	-	-	-	186	-	186
Andes	$421	**160**	**(43)**	**117**	**87**	**(6)**	**81**	**182**	**(50)**	**132**
AES Gener	$274	148	(43)	103	17	(6)	11	171	(50)	121
Brazil	$242	**331**	**(256)**	**75**	**249**	**(164)**	**85**	**260**	**(172)**	**88**
Tietê	$74	49	(37)	12	18	(14)	4	50	(38)	12
Eletropaulo	$33	260	(218)	42	169	(142)	27	160	(134)	26
MCAC	$352	**178**	**(22)**	**156**	**25**	**(5)**	**21**	**145**	**(31)**	**114**
Europe[2]	$348	**98**	**(11)**	**87**	**1**	**-**	**1**	**154**	**(11)**	**143**
Asia[2]	$46	**25**	**(7)**	**18**	**2**	**-**	**2**	**32**	**(9)**	**23**
Subtotal	**$1,854**	**1,077**	**(337)**	**738**	**364**	**174**	**190**	**1,223**	**(273)**	**950**
Corp/Other	($533)	**394**	**-**	**394**	**1**	**-**	**1**	**22**	**-**	**22**
TOTAL	**$1,321**	**1,471**	**(337)**	**1,132**	**365**	**174**	**191**	**1,245**	**(273)**	**972**

1. A non-GAAP financial measure. See reconciliation on Slide 49 and “definitions”.
2. Excludes interest expense and depreciation and amortization of discontinued businesses.

FY 2014 Modeling Disclosures

$ in Millions	Total Debt			Cash & Cash Equivalents, Restricted Cash, Short-Term Investments, Debt Service Reserves & Other Deposits		
	Consolidated	Adjustment Factor	Proportional	Consolidated	Adjustment Factor	Proportional
US	**4,898**	**-**	**4,898**	**285**	**-**	**285**
DPL	2,160	-	2,160	34	-	34
IPL	2,001	-	2,001	29	-	29
Andes	**3,209**	**(1,081)**	**2,128**	**290**	**(81)**	**209**
AES Gener	3,015	(1,081)	1,934	232	(81)	151
Brazil[1]	**2,256**	**(1,447)**	**809**	**982**	**(675)**	**307**
Tietê	601	(455)	146	201	(152)	49
Eletropaulo	1,181	(991)	190	522	(434)	88
MCAC	**2,301**	**(309)**	**1,992**	**455**	**(67)**	**388**
EMEA	**1,297**	**(225)**	**1,072**	**119**	**(33)**	**86**
Asia	**1,639**	**(803)**	**836**	**81**	**30**	**51**
Subtotal	**15,600**	**(3,865)**	**11,745**	**2,212**	**(886)**	**1,326**
Corp/Other	**5,258**	**-**	**5,258**	**730**	**-**	**730**
TOTAL	**20,858**	**(3,865)**	**16,993**	**2,942**	**(886)**	**2,056**

1. In addition to total debt, Eletropaulo has $1.1 billion of pension plan liabilities. AES owns 16% of Eletropaulo.

Q4 2014 Modeling Disclosures

$ in Millions	Adjusted PTC[1]	Interest Expense			Interest Income			Depreciation & Amortization		
		Consolidated	Adjustment Factor	Proportional	Consolidated	Adjustment Factor	Proportional	Consolidated	Adjustment Factor	Proportional
US	$134	**72**	**-**	**72**	**3**	**-**	**3**	**111**	**-**	**111**
DPL	$52	33	-	33	3	-	3	37	-	37
IPL	$29	27	-	27	-	-	-	44	-	44
Andes	$144	**39**	**(11)**	**29**	**65**	**(2)**	**63**	**45**	**(12)**	**33**
AES Gener	$69	35	(10)	25	4	(2)	2	42	(12)	30
Brazil	$58	**110**	**(75)**	**35**	**84**	**(50)**	**34**	**65**	**(43)**	**22**
Tietê	($11)	16	(12)	4	1	(1)	-	13	(10)	3
Eletropaulo	$18	75	(63)	12	55	(46)	9	39	(33)	6
MCAC	$68	**46**	**(6)**	**40**	**8**	**(1)**	**7**	**36**	**(8)**	**28**
Europe	$81	**20**	**(3)**	**17**	**-**	**-**	**-**	**34**	**(3)**	**31**
Asia	$13	**6**	**(2)**	**4**	**-**	**-**	**-**	**8**	**(4)**	**4**
Subtotal	**$498**	**293**	**(96)**	**197**	**160**	**(53)**	**107**	**299**	**(70)**	**229**
Corp/Other	($114)	**92**	**-**	**92**	**-**	**-**	**-**	**9**	**-**	**9**
TOTAL	**$384**	**385**	**(96)**	**289**	**160**	**(53)**	**107**	**308**	**(70)**	**238**

1. A non-GAAP financial measure. See reconciliation on Slide 48 and “definitions”.

DPL Inc. Modeling Disclosures

Based on Market Conditions and Hedged Position as of December 31, 2014

	Full Year 2015	Full Year 2016	Full Year 2017
Volume Production (TWh)	14	14	13
% Volume Hedged	~67%	~35%	~9%
EBITDA Generation Business[1,2] ($ in Millions)		$100 to $110 per year	
EBITDA DPL Inc. including Generation and T&D ($ in Millions)		~ $350 per year	
Reference Prices			
Henry Hub Natural Gas ($/mmbtu)	3.0	3.5	3.8
AEP-Dayton Hub ATC Prices ($/MWh)	35.5	35	36
EBITDA Sensitivities (with Existing Hedges)[3] ($ in Millions)			
+10% Henry Hub Natural Gas	$8	$23	$33
-10% Henry Hub Natural Gas	-$5	-$20	-$31

1. Includes DPL's competitive retail segment.
2. Excludes capacity premium performance uplift.
3. Gas price sensitivities are based on an calculated gas-power relationship. There is some degree of asymmetry considering dispatch capabilities of units.

Non-Recourse Debt at DP&L and DPL Inc.

$ in Millions

Series	Interest Rate	Maturity	Amount Outstanding as of December 31, 2014	Remarks
2013 First Mortgage Bonds	**1.875%**	**September 2016**	**$445.0**	• **Callable at make-whole T+20**
2006 OH Air Quality Pollution Control	4.8%	September 2036	$100.0	• Non-callable; callable at par in Sep 2016
2005 Boone County, KY Pollution Control	4.7%	January 2028	$35.3	• Non-callable; callable at par in July 2015
2005 OH Air Quality Pollution Control	4.8%	January 2034	$137.8	• Non-callable; callable at par in July 2015
2005 OH Water Quality Pollution Control	4.8%	January 2034	$41.3	• Non-callable; callable at par in July 2015
2008 OH Air Quality Pollution Control VDRNs	Variable	November 2040	$100.0	• Callable at par
Total Pollution Control	**Various**	**Various**	**$414.4**	
Wright-Patterson AFB Note	**4.2%**	**February 2061**	**$18.3**	• **No contractual prepayment option**
DP&L Preferred	**3.8%**	**N/A**	**$22.9**	• **Redeemable at pre-established premium**
Total DP&L			**$900.6**	
2018 Term Loan	**Variable**	**May 2018**	**$160.0**	• **No prepayment penalty**
2016 Senior Unsecured	6.50%	October 2016	$130.0	• Callable make-whole T+50
2019 Senior Unsecured	6.75%	October 2019	$200.0	• Callable at make-whole T+50
2021 Senior Unsecured	7.25%	October 2021	$780.0	• Callable at make-whole T+50
Total Senior Unsecured	**Various**	**Various**	**$1,110**	
2001 Cap Trust II Securities	**8.125%**	**September 2031**	**$15.6**	• **Non-callable**
Total DPL Inc.			**$1,285.6**	
TOTAL			**$2,186.2**	

Parent Sources & Uses of Liquidity

$ in Millions	Q4		Full Year	
	2014	2013	2014	2013
SOURCES				
Total Subsidiary Distributions[1]	$414	$402	$1,151	$1,260
Proceeds from Asset Sales, Net	$328	$6	$1,166	$246
Financing Proceeds, Net	-	-	$1,508	$746
Increased/(Decreased) Credit Facility Commitments	-	-	-	-
Issuance of Common Stock, Net	-	$2	$3	$13
Total Returns of Capital Distributions & Project Financing Proceeds	$18	$30	$85	$193
Beginning Parent Company Liquidity[2]	$1,028	$993	$931	$1,106
Total Sources	**$1,788**	**$1,433**	**$4,844**	**$3,564**
USES				
Repayments of Debt	($98)	($2)	($2,116)	($1,210)
Shareholder Dividend	($36)	($30)	($144)	($119)
Repurchase of Equity	($168)	($258)	($308)	($321)
Investments in Subsidiaries, Net	($64)	($11)	($327)	($198)
Cash for Development, Selling, General & Administrative and Taxes	($32)	($52)	($247)	($298)
Cash Payments for Interest	($100)	($143)	($380)	($446)
Changes in Letters of Credit and Other, Net	($44)	($6)	($76)	($41)
Ending Parent Company Liquidity[2]	($1,246)	($931)	($1,246)	($931)
Total Uses	**($1,788)**	**($1,433)**	**($4,844)**	**($3,564)**

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

Q4 & FY 2014 Subsidiary Distributions[1]

Subsidiary Distributions[1] by SBU		
$ in Millions	Q4 2014	FY 2014
US	$47	$236
Andes	$77	$164
Brazil	$5	$74
MCAC	$188	$339
Europe	$61	$180
Asia	$21	$92
Corporate & Other[2]	$15	$66
TOTAL	**$414**	**$1,151**

Top Ten Subsidiary Distributions[1] by Business							
Q4 2014				FY 2014			
Business	Amount	Business	Amount	Business	Amount	Business	Amount
Andres (MCAC)	$101	Itabo (MCAC)	$17	Andres (MCAC)	$210	Global Insurance (Corporate & Other)	$64
Gener (Andes)	$77	Kilroot (Europe)	$16	Gener (Andes)	$164	Brasiliana	$58
TEG TEP (MCAC)	$30	Global Insurance (Corporate & Other)	$15	Masinloc (Asia)	$84	DPP (Los Mina, MCAC)	$50
DPP (Los Mina, MCAC)	$25	Ebute[3] (Europe)	$15	IPALCO (US)	$78	Southland (US)	$46
Masinloc (Asia)	$21	Warrior Run (US)	$14	Kilroot (Europe)	$69	Warrior Run (US)	$37

1. See “definitions”.
2. Corporate & Other includes Global Insurance and solar.
3. Ebute in Nigeria was sold during the fourth quarter of 2014.

Reconciliation of Subsidiary Distributions[1] & Parent Liquidity[2]

$ in Millions	Quarter Ended			
	December 31, 2014	September 30, 2014	June 30, 2014	March 31, 2014
Total Subsidiary Distributions[1] to Parent & QHCs[3]	$414	$295	$210	$232
Total Return of Capital Distributions to Parent & QHCs[3]	$18	$31	$26	$9
Total Subsidiary Distributions[1] & Returns of Capital to Parent	**$432**	**$326**	**$236**	**$241**

$ in Millions	Balance as of			
	December 31, 2014	September 30, 2014	June 30, 2014	March 31, 2014
Cash at Parent & QHCs[3]	$507	$229	$15	$26
Availability Under Credit Facilities	$739	$799	$679	$799
Ending Liquidity	**$1,246**	**$1,028**	**$694**	**$825**

1. See “definitions”.
2. A non-GAAP financial measure. See “definitions”.
3. Qualified Holding Company. See “assumptions”.

Reducing Complexity: Since September 2011, Exited 10 Countries

$ in Millions

Business	Country	Proceeds to AES				Remarks
		September 2011-December 2012	2013	2014	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
Sonel, Dibamba and Kribi	Cameroon			$202[2]	$202	
Wind Project & Pipeline	India & Poland			$16	$16	
3 Wind Projects	U.S.			$27	$27	Limited growth
Silver Ridge Power (Solar)	Various			$178	$178	
Masinloc Partnership	Philippines			$443	$443	Strategic partnership
4 Wind Projects	United Kingdom			$161	$161	
Dominicana Partnership	Dominican Republic			$84	$84	Strategic partnership
Turkey JV	Turkey			$125	$125	
IPALCO Partnership	U.S.-Indiana			$595[3]	$595[3]	Strategic partnership
Ebute	Nigeria			$11	$11	Limited growth/no competitive advantage
TOTAL		**$900**	**$234**	**$1,842**	**$2,976**	

1. AES owns 46% of its Brasiliana subsidiary. Proceeds and debt reflect AES' ownership percentage.
2. $40 million to be received in 2016.
3. $351 million to be received in 2015-2016.

Expanding Access to Capital: Strategic Partners Have Invested $2.5 Billion in Our Subsidiaries

$ in Millions

Business	Country	Strategic Partner	2013	2014
Cochrane	Chile	Mitsubishi Corporation	$145	
Alto Maipo	Chile	Antofagasta Minerals	$361	
Silver Ridge Power (Solar)	Various	Google	$103	
Guacolda	Chile	Global Infrastructure Partners (GIP		$728
Masinloc	Philippines	EGCO		$443
AES Dominicana	Dominican Republic	Estrella-Linda		$84
IPALCO	U.S.	CDPQ		$595
TOTAL			**$609**	**$1,850**

Key Assumptions for 2015 Guidance

- No rationing in Brazil
- Currency and commodity forward curves as of December 31, 2014
- 31% to 33% effective tax rate, which assumes that the CFC look-through rule is extended
  - If not extended, the impact could be negative $0.04-$0.06 on Adjusted EPS[1], with no impact on cash flow due to sufficient U.S. NOLs

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

Full Year 2015 Adjusted PTC[1] Modeling Ranges

$ in Millions

SBU	Prior 2015 Adjusted PTC[1] Modeling Range[2] (Provided 11/6/14)	Current 2015 Adjusted PTC[1] Modeling Range[2] (Provided 2/26/15)	Drivers of Growth Versus 2014
US	$450-$490	$450-$490	+ Lower outages – Continued transition to market prices at DPL
Andes	$390-$430	$425-$465	+ Higher contributions from Gener in Chile – Hydrology in Colombia
Brazil	$200-$230	$145-$175	– One-time gain at Sul in Q2 2014 – FX
MCAC	$395-$435	$380-$420	+ Hydrology in Panama + Oil-fired barge in Panama – Ancillary services in the Dominican Republic
Europe	$260-$300	$225-$265	– Sale of Ebute – One-time gain in Kazakhstan in Q2 2014 – FX – UK margins – Maritza PPA negotiation
Asia	$60-$80	$80-$100	+ Masinloc performance + Mong Duong on-line
Total SBUs	**$1,755-$1,965**	**$1,705-$1,915**	
Corp/Other	($500)-($540)	($500)-($540)	
Total AES Adjusted PTC[1,2]	**$1,255-$1,425**	**$1,205-$1,375**	

1. A non-GAAP financial metric. See “definitions”.
2. Total AES Adjusted PTC includes after-tax adjusted equity in earnings.

2015 Guidance Estimated Sensitivities

Interest Rates[1]

- 100 bps move in interest rates over FY 2015 is equal to a change in EPS of approximately $0.03

Currencies

10% appreciation in USD against the following key currencies is equal to the following negative EPS impacts:	2015	
	Average Rate	Sensitivity
Argentine Peso (ARS)	10.12	Less than $0.005
Brazilian Real (BRL)	2.79	$0.015
Colombian Peso (COP)	2,412	$0.010
Euro (EUR)	1.21	$0.010
Great British Pound (GBP)	1.56	Less than $0.005
Kazakhstan Tenge (KZT)	211.8	$0.005

Commodity Sensitivity

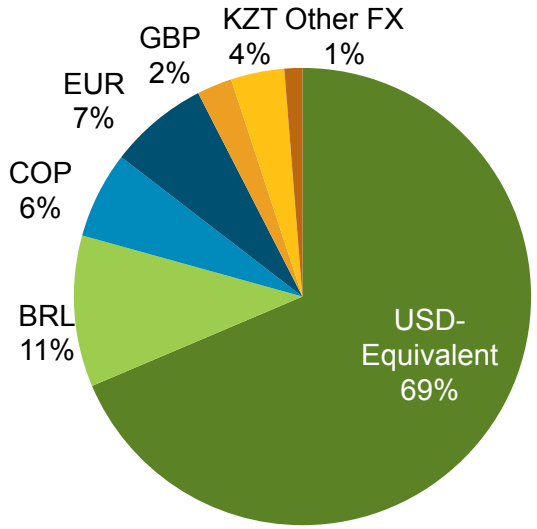
10% increase in commodity prices is forecasted to have the following EPS impacts:	2015	
	Average Rate	Sensitivity
NYMEX Coal	$51/ton	$0.010, negative correlation
Rotterdam Coal (API 2)	$66/ton	
NYMEX WTI Crude Oil	$56/bbl	$0.010, positive correlation
IPE Brent Crude Oil	$61/bbl	
NYMEX Henry Hub Natural Gas	$3.0/mmbtu	$0.015, positive correlation
UK National Balancing Point Natural Gas	£0.49/therm	
US Power – PJM AD Hub	$35.5/MWh	$0.010, positive correlation

Note: Guidance provided on February 26, 2015. 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 full year 2015 adjusted EPS. Actual results may differ from the sensitivities provided due to execution of risk management strategies, local market dynamics and operational factors. 2015 guidance is based on currency and commodity forward curves and forecasts as of December 31, 2014. 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.

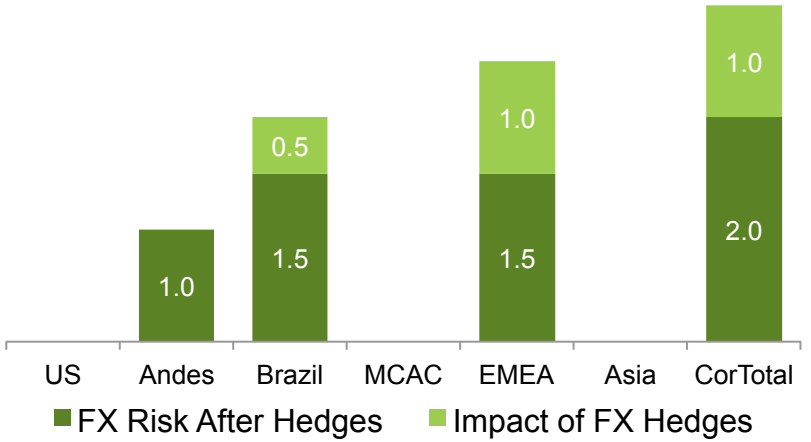
1. The move is applied to the floating interest rate portfolio balances as of December 31, 2014.

2015 Foreign Exchange (FX) Risk Mitigated Through Structuring of Our Businesses and Active Hedging

2015 Adjusted PTC[1] by Currency



2015 Full Year FX Sensitivity[2,3] by SBU (Cents Per Share)

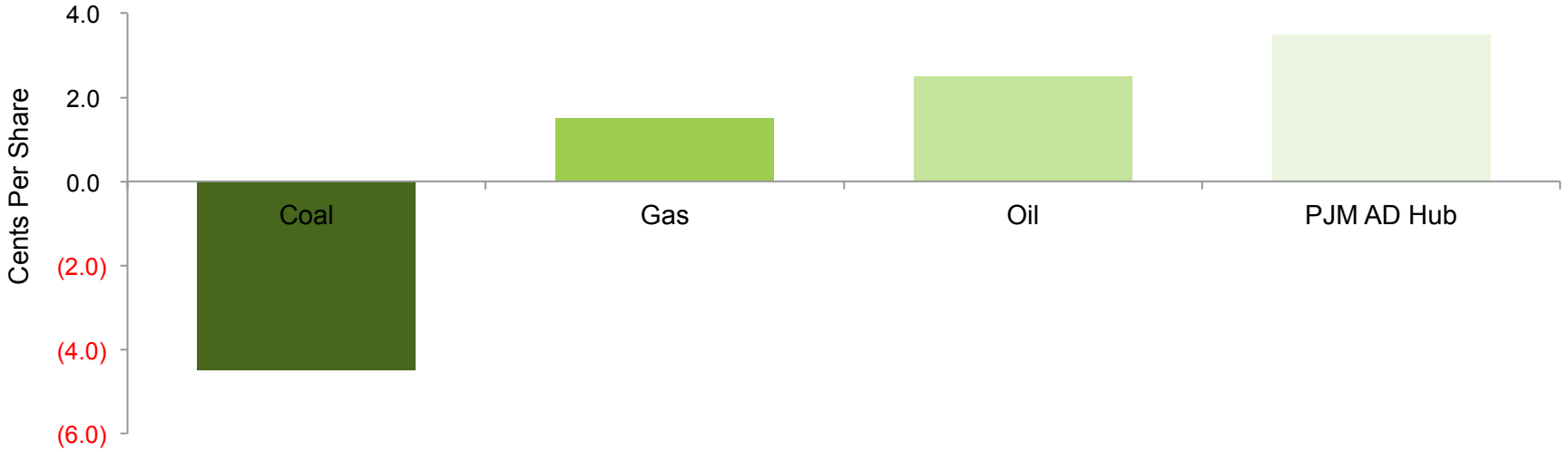


- 2015 correlated FX risk after hedges is $0.02 for 10% USD appreciation
- 69% of 2015 earnings effectively USD
  - USD-based economies (i.e. U.S., Panama)
  - Structuring of our PPAs
- FX risk mitigated on 12-month rolling basis by shorter-term active FX hedging programs

1. Before Corporate Charges. A non-GAAP financial measure. See Appendix Slide 53 for reconciliation and "definitions".
2. Sensitivity represents full year 2015 exposure to a 10% appreciation of USD relative to foreign currency as of December 31, 2014.
3. Andes includes Argentina and Colombia businesses only due to limited translational impact of USD appreciation to Chilean businesses.

Commodity Exposure is Largely Hedged Through 2016, Long on Natural Gas and Oil in Medium- to Long-Term

Full Year 2017 Adjusted EPS[1] Commodity Sensitivity[2] for 10% Change in Commodity Prices



- Mostly hedged through 2016, more open positions in a longer term is the primary driver of increase in commodity sensitivity
- Coal exposure is largely at DPL and UK; gas exposure is largely in UK; oil exposure is largely in the Dominican Republic; PJM AD Hub exposure is at DPL
- Based on commodity forward curves and forecasts as of December 31, 2014

1. A non-GAAP financial measure. See “definitions”.
2. Domestic and International sensitivities are combined and assumes each fuel category moves 10%. Adjusted EPS is negatively correlated to coal price movement, and positively correlated to gas, oil and power price movements.

AES Modeling Disclosures – 2015

$ in Millions	2015 Assumptions
Parent Company Cash Flow Assumptions	
Subsidiary Distributions (a)	$1,075-$1,175
Cash Interest (b)	$350
Cash for Development, General & Administrative and Tax (c)	$250
Parent Free Cash Flow (a – b – c)	$475-$575

1. A non-GAAP financial measure. See reconciliation on Slide 53 and “definitions”.

Attractive Returns from 2015-2018 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 2014-2018									
Tunjita	Colombia	71%	Hydro	20	1H 2015	$67	$2[1]		Lease capital structure at Chivor
Warrior Run ES	US-MD	100%	Energy Storage	20	1H 2015	$8	$8		
Estrella del Mar I	Panama	50%	Fuel Oil	72	1H 2015	$50	$8		
Guacolda V	Chile	35%	Coal	152	2H 2015	$454	$48		
Mong Duong 2	Vietnam	51%	Coal	1,240	2H 2015	$1,948	$249		
Andes Solar	Chile	71%	Solar	21	2H 2015	$44	$22		
IPL MATS	US-IN	85%[2]	Coal		1H 2016	$511	$230		Environmental (MATS) upgrades of 2,400 MW
Cochrane	Chile	42%	Coal Energy Storage	532 40	2H 2016	$1,350	$130		
Eagle Valley CCGT	US-IN	85%[2]	Gas	671	1H 2017	$585	$263		
DPP Conversion	Dominican Republic	92%	Gas	122	1H 2017	$260	$0		
OPGC 2	India	49%	Coal	1,320	1H 2018	$1,600	$225		
Alto Maipo	Chile	42%	Hydro	531	2H 2018	$2,050	$335		
ROE[3] IN 2018								**>15%**	**Weighted average; net income divided by AES equity contribution**
CASH YIELD[3] IN 2018								**~16%**	**Weighted average; subsidiary distributions divided by AES equity contribution**

1. AES equity contribution equal to 71% of AES Gener's equity contribution to the project.
2. CDPQ will invest an additional $349 million in IPALCO through 2016, in exchange for a 17.65% equity stake, funding existing growth and environmental projects at Indianapolis Power & Light Company (IPL). After completion of these transactions, CDPQ's direct and indirect interests in IPALCO will total 30%, AES will own 85% of AES US Investments, and AES US Investments will own 82.35% of IPALCO.
3. Based on projections. See our 2014 Form 10-K for further discussion of development and construction risks. Based on 2018 contributions from all projects under construction and IPL MATS upgrades. Assumes a full year contribution from Alto Maipo, which is expected to come on-line in 2H 2018.

Reconciliation of Q4 Adjusted PTC[1] & Adjusted EPS[1]

$ in Millions, Except Per Share Amounts	Q4 2014		Q4 2013	
	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
Loss (Income) from Continuing Operations Attributable to AES and Diluted EPS	$206	$0.29	($170)	($0.23)
Add Back Income Tax Expense from Continuing Operations Attributable to AES	$90		$60	
Pre-Tax Contribution	$296		($110)	
Adjustments				
Unrealized Derivative (Gains)/Losses[3]	($114)	($0.10)	($11)	($0.02)
Unrealized Foreign Currency Transaction (Gains)/Losses[4]	$15	$0.04	$13	$0.01
Disposition/Acquisition (Gains)/Losses	$5	($0.08)[5]	-	-
Impairment Losses	$121	$0.20[6]	$351	$0.52[7]
Loss on Extinguishment of Debt	$61	$0.06[8]	$18	$0.01[9]
ADJUSTED PTC[1] & ADJUSTED EPS[1]	**$384**	**$0.41**	**$261**	**$0.29**

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 $(0.06) and $0.00 in the three months ended December 31, 2014 and 2013, respectively.
4. Unrealized foreign currency transaction (gains) losses were net of income tax per share of $(0.02) and $0.01 in the three months ended December 31, 2014 and 2013, respectively.
5. Amount primarily relates to the loss from the sale of Ebute of $6 million ($6 million, or $0.01 per share, net of income tax per share of $0.00), the loss from the liquidation of AgCert International of $1 million (net benefit of $18 million, or $0.03 per share, including income tax per share of $0.03), the tax benefit of $28 million ($0.04 per share) related to the Silver Ridge Power transaction, the tax benefit of $18 million ($0.03 per share) associated with the agreement executed in December 2014 to sell a noncontrolling interest in IPALCO, and the tax expense of $5 million ($0.01 per share) associated with the sale of a noncontrolling interest in our Dominican Republic businesses.
6. Amount primarily relates to other-than-temporary impairments of our equity method investment at Entek of $69 million ($75 million, or $0.10 per share, net of income tax per share of $0.01) and at Elsta of $41 million ($31 million, or $0.04 per share, net of income tax per share of $0.01) as well as the goodwill impairment at Buffalo Gap of $10 million ($10 million, or $0.01 per share, net of income tax per share of $0.00).
7. Amount primarily relates to the goodwill impairments at DPL of $307 million ($307 million, or $0.41 per share, net of income tax per share of $0.00) and at Mountain View of $7 million ($7 million, or $0.01 per share, net of income tax per share of $0.00). Amount also includes other-than-temporary impairment of our equity method investment at Elsta $7 million ($39 million, or $0.05 per share, net of income tax per share of $(0.04)), at DPL of $26 million ($17 million, or $0.02 per share, net of income tax per share of $0.01), at El Salvador for $4 million ($4 million, or $0.01 per share, net of income tax per share of $0.00).
8. Amount primarily Amount primarily relates to the loss on early retirement of debt at the DPL of $31 million ($20 million, or $0.03 per share, net of income tax per share of $0.02), at Electrica Angamos of $20 million ($11 million, or $0.02 per share, net of noncontrolling interest of $6 million and of income tax per share of $0.00), at Parent Company of $11 million ($6 million, or $0.01 per share, net of income tax per share of $0.01) and at Warrior Run of $7 million ($5 million, or $0.01 per share, net of income tax per share of $0.00).
9. Amount primarily relates to the loss on retirement of debt at Changuinola of $14 million ($10 million, or $0.01 per share, net of income tax per share of $0.01).

Reconciliation of Full Year Adjusted PTC[1] & Adjusted EPS[1]

$ in Millions, Except Per Share Amounts	FY 2014		FY 2013	
	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
Loss (Income) from Continuing Operations Attributable to AES and Diluted EPS	$789	$1.09	$284	$0.38
Add Back Income Tax Expense from Continuing Operations Attributable to AES	$228		$156	
Pre-Tax Contribution	$1,017		$440	
Adjustments				
Unrealized Derivative (Gains)/Losses[3]	($135)	($0.12)	($57)	($0.05)
Unrealized Foreign Currency Transaction (Gains)/Losses[4]	$110	$0.14	$41	$0.02
Disposition/Acquisition (Gains)/Losses	($361)	($0.59)[5]	($30)	($0.03)[6]
Impairment Losses	$416	$0.53[7]	$588	$0.75[8]
Loss on Extinguishment of Debt	$274	$0.25[9]	$225	$0.22[10]
ADJUSTED PTC[1] & ADJUSTED EPS[1]	**$1,321**	**$1.30**	**$1,207**	**$1.29**

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 $(0.07) and $(0.02) in 2014 and 2013 respectively.
4. Unrealized foreign currency transaction (gains) losses were net of income tax per share of $0.02 and $0.02 in 2014 and 2013 respectively.
5. Amount primarily relates to the gain from the sale of a noncontrolling interest in Masinloc of $283 million ($283 million, or $0.39 per share, net of income tax per share of $0.00), the gain from the sale of the UK wind projects of $78 million ($78 million, or $0.11 per share, net of income tax per share of $0.00), the loss from the sale of Ebute of $6 million ($6 million, or $0.01 per share, net of income tax per share of $0.00), the loss from the liquidation of AgCert International of $1 million (net benefit of $18 million, or $0.03 per share, including income tax per share of $0.03), the tax benefit of $24 million ($0.03 per share) related to the Silver Ridge Power transaction, the tax benefit of $18 million ($0.02 per share) associated with the agreement executed in December 2014 to sell a noncontrolling interest in IPALCO, and the tax benefit of $7 million ($0.01 per share) associated with the sale of a noncontrolling interest in our Dominican Republic businesses.
6. Amount primarily relates to the gain from the sale of the remaining 20% of our interest in Cartagena for $20 million ($15 million, or $0.02 per share, net of income tax per share of $0.01) as well as the gain from the sale of Trinidad for $3 million ($4 million, or $0.01 per share, net of income tax per share of $0.00).
7. Amount primarily relates to the goodwill impairments at DPLER of $136 million ($136 million, or $0.19 per share, net of income tax per share of $0.00), and at Buffalo Gap of $28 million ($28 million, or $0.04 per share, net of income tax per share of $0.00), and asset impairments at Ebute of $67 million ($64 million, or $0.09 per share, net of noncontrolling interest of $3 million and of income tax per share of $0.00), at DPL of $12 million ($7 million, or $0.01 per share, net of income tax per share of $0.01), at Newfield of $12 million ($6 million, or $0.01 per share, net of noncontrolling interest of $6 million and of income tax per share of $0.00), and at Elsta of $41 million ($31 million, or $0.04 per share, net of income tax per share of $0.01), as well as the other-than-temporary impairments of our equity method investment at Silver Ridge Power of $42 million ($27 million, or $0.04 per share, net of income tax per share of $0.02), and at Entek of $86 million ($86 million, or $0.12 per share, net of income tax per share of $0.00).
8. Amount primarily relates to the goodwill impairments at DPL of $307 million ($307 million, or $0.41 per share, net of income tax per share of $0.00), at Ebute of $58 million ($58 million, or $0.08 per share, net of income tax per share of $0.00) and at Mountain View of $7 million ($7 million, or $0.01 per share, net of income tax per share of $0.00). Amount also includes an other-than-temporary impairment of our equity method investment at Elsta of $129 million ($128 million, or $0.17 per share, net of income tax per share of $0.00) and asset impairments at Beaver Valley of $46 million ($30 million, or $0.04 per share, net of income tax per share of $0.02), at DPL of $26 million ($17 million, or $0.02 per share, net of income tax per share of $0.01), at Itabo (San Lorenzo) of $16 million ($6 million, or $0.01 per share, net of noncontrolling interest of $8 million and of income tax per share of $0.00), at El Salvador for $4 million ($4 million, or $0.01 per share, net of income tax per share of $0.00).
9. Amount primarily relates to the loss on early retirement of debt at the Parent Company of $200 million ($130 million, or $0.18 per share, net of income tax per share of $0.10), at DPL of $31 million ($20 million, or $0.03 per share, net of income tax per share of $0.02), at Electrica Angamos of $20 million ($11 million, or $0.02 per share, net of noncontrolling interest of $6 million and of income tax per share of $0.00), at UK wind projects of $18 million ($15 million, or $0.02 per share, net of income tax per share of $0.00), at Warrior Run of $8 million ($5 million, or $0.01 per share, net of income tax per share of $0.00) and at Gener of $7 million ($4 million, or $0.01 per share, net of noncontrolling interest of $2 million and of income tax per share of $0.00).
10. Amount primarily relates to the loss on early retirement of debt at Parent Company of $165 million ($107 million, or $0.14 per share, net of income tax per share of $0.08), at Masinloc of $43 million ($39 million, or $0.05 per share, net of income tax per share of $0.00) and Changuinola of $14 million ($10 million, or $0.01 per share, net of income tax per share of $0.01).

Reconciliation of Q4 Capex and Free Cash Flow[1]

$ in Millions	Consolidated Q4	
	2014	2013
Operational Capex (a)	$207	$235
Environmental Capex (b)	$69	$66
Maintenance Capex (a + b)	$276	$301
Growth Capex (c)	$519	$513
Total Capex[2] (a + b + c)	**$795**	**$814**

$ in Millions	Consolidated Q4		Proportional[1] Q4	
	2014	2013	2014	2013
Operating Cash Flow	$575	$675	$467	$535
Less Maintenance Capex, net of Reinsurance Proceeds and Non-Recoverable Environmental Capex	$233	$267	$180	$187
Free Cash Flow[1]	**$342**	**$408**	**$287**	**$348**

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

Reconciliation of Full Year Capex and Free Cash Flow[1]

$ in Millions	Consolidated Full Year	
	2014	2013
Operational Capex (a)	$666	$760
Environmental Capex (b)	$241	$211
Maintenance Capex (a + b)	$907	$971
Growth Capex (c)	$1,637	$1,608
Total Capex[2] (a + b + c)	**$2,544**	**$2,579**

$ in Millions	Consolidated Full Year		Proportional[1] Full Year	
	2014	2013	2014	2013
Operating Cash Flow	$1,791	$2,715	$1,432	$1,881
Less Maintenance Capex, net of Reinsurance Proceeds and Non-Recoverable Environmental Capex	$744	$861	$541	$610
Free Cash Flow[1]	**$1,047**	**$1,854**	**$891**	**$1,271**

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

Reconciliation of 2014 Guidance

$ in Millions, Except Per Share Amounts

2014 Guidance	
Adjusted EPS[1]	$1.25-$1.31
Proportional Free Cash Flow[1]	$900-$1,000
Consolidated Net Cash Provided by Operating Activities	$1,800-$2,200

Reconciliation	Consolidated	Adjustment Factor	Proportional
Consolidated Net Cash Provided by Operating Activities (a)	$1,800-$2,200	$350-$650	$1,450-$1,550
Maintenance & Environmental Capital Expenditures (b)	$650-$850	$200	$450-$650
Free Cash Flow[1] (a - b)	$1,050-$1,450	$150-$450	$900-$1,000

- Commodity and foreign currency exchange rates forward curves as of October 15, 2014

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

Reconciliation of 2015 Guidance

$ in Millions, Except Per Share Amounts

2015 Guidance	
Adjusted EPS[1]	$1.25-$1.35
Proportional Free Cash Flow[1]	$1,000-$1,350
Consolidated Net Cash Provided by Operating Activities	$1,900-$2,700

Reconciliation	Consolidated	Adjustment Factor	Proportional
Consolidated Net Cash Provided by Operating Activities (a)	$1,900-$2,700	$300-$750	$1,600-$1,950
Maintenance & Environmental Capital Expenditures (b)	$650-$950	$200	$450-$750
Free Cash Flow[1] (a - b)	$1,100-$1,900	$100-$550	$1,000-$1,350

- Commodity and foreign currency exchange rates forward curves as of December 31, 2014

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

Reconciliation of Net Debt[1] as of December 31, 2014

$ in Millions	
Non-Recourse Debt (Current)	$1,982
Recourse Debt (Current)	151
Non-Recourse Debt (Noncurrent)	13,618
Recourse Debt (Noncurrent)	5,107
Total Debt	**$20,858**
LESS	
Cash & Cash Equivalents	$1,539
Restricted Cash	283
Short-Term Investments	709
Debt Service Reserves & Other Deposits	411
Total	**$2,942**
NET DEBT	**$17,916**

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 both consolidated entities and entities accounted for under the equity method 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, adjusted for the same gains or losses excluded from consolidated entities. 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 both consolidated entities and entities accounted for under the equity method 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, adjusted for the same gains or losses excluded from consolidated entities. 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 non-recoverable 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 (Continued)

- **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.
  The proportional adjustment factor, proportional maintenance capital expenditures (net of reinsurance proceeds), and proportional non-recoverable environmental capital expenditures are calculated by multiplying the percentage owned by non-controlling interests for each entity by its corresponding consolidated cash flow metric and adding up the resulting figures. For example, the Company owns approximately 70% of AES Gener, its subsidiary in Chile. Assuming a consolidated net cash flow from operating activities of $100 from AES Gener, the proportional adjustment factor for AES Gener would equal approximately $30 (or $100 x 30%). The Company calculates the proportional adjustment factor for each consolidated business in this manner and then adds these amounts together to determine the total proportional adjustment factor used in the reconciliation. The proportional adjustment factor may differ from the proportion of income attributable to non-controlling interests as a result of (a) non-cash items which impact income but not cash and (b) AES' ownership interest in the subsidiary where such items occur.
- **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.