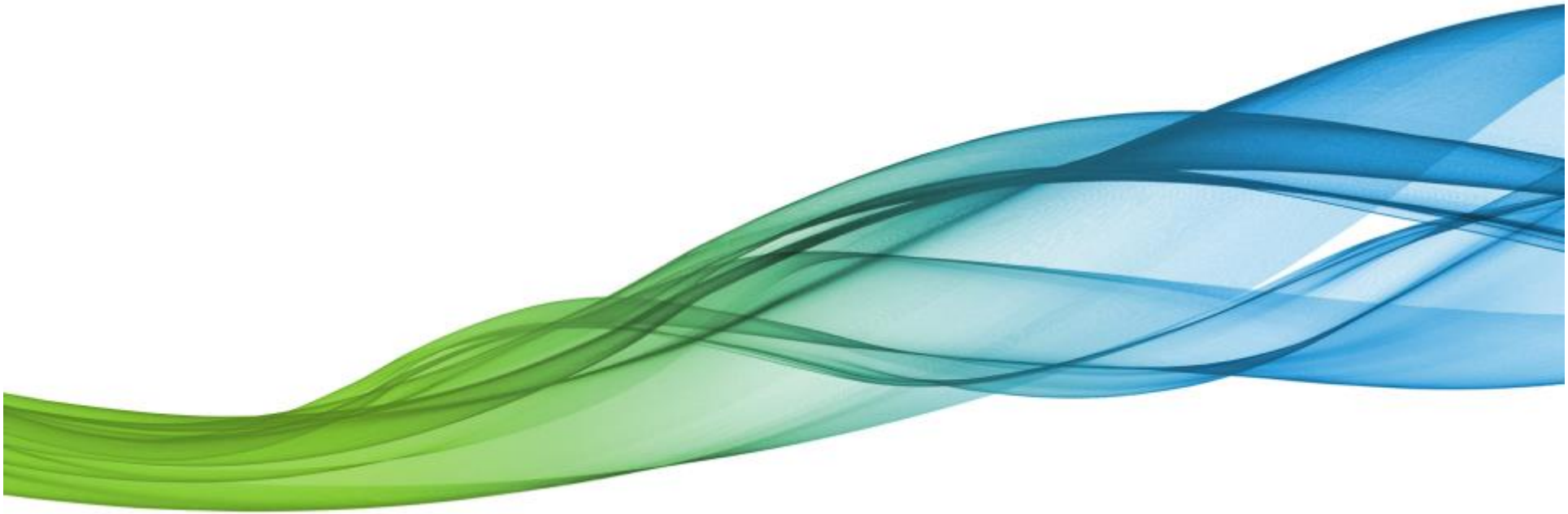
The AES Corporation
Second Quarter 2015
Financial Review

August 10, 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 62 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.

Second Quarter 2015 Earnings Call: Key Takeaways

- Reaffirming 2015 guidance for all metrics
- Reaching closure of key pending matters
  - Fair outcome of rate case at Eletropaulo in Brazil
  - PPA negotiations at Maritza in Bulgaria
- Leveraging our platforms
  - Commissioned Mong Duong 2 in April, six months early and under budget
  - $7 billion construction program advancing on schedule – majority of AES' equity already funded
- Expanding access to capital through partnerships
  - Forming a new 50/50 joint venture with Grupo BAL to co-invest in power and related infrastructure projects in Mexico
- Delivering on our commitment to invest at least $325 million in share repurchases this year
  - Intend to utilize ~$100 million left on outstanding authorization
  - This year, investing $1 billion, including ~$700 million in returns to shareholders and $345 million in debt prepayment

Q2 and Year-to-Date 2015 Results

$ in Millions, Except Per Share Amounts

	Q2 2015	Q2 2014	YTD 2015	YTD 2014	FY 2015 Guidance	YTD 2015 % of Guidance Midpoint	YTD 2014 % of Actuals
Adjusted EPS[1]	$0.25	$0.28	$0.50	$0.53	$1.25-$1.35	38%	41%
Proportional Free Cash Flow[1]	$62	$47	$327	$176	$1,000-$1,350	28%	20%
Consolidated Net Cash Provided by Operating Activities	$153	$232	$590	$453	$1,900-$2,700	26%	25%

- Reaffirming 2015 guidance for all metrics
  - Earnings and cash flow more weighted towards second half of 2015, consistent with 2014
  - Expect to benefit from improved availability (planned outages in first half), improved hydrology and higher collections

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

Decline in Power Consumption in Brazil is In Line with Our Prior Expectations

- Largely a result of:
  - Expected 2% contraction in GDP
  - High electricity prices as a result of below normal hydrology
- Forecasting negative 4% year-over-year volume growth at Brazilian utilities
  - Already factored into prior guidance
- Every 1% change in volume is ~$7 million Adjusted PTC[1]

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

Hydro Conditions Improving and In Line with Prior Expectations

	Colombia, Chile & Argentina	Panama	Brazil	TOTAL
	• Chivor in Colombia is experiencing stronger inflows (close to long-term average) versus the rest of the country (~90% of long-term average) • Expect normal hydro conditions in 2015	• Inflows have improved to close to long-term average • Spot prices down more than half to $100/MWh • Expect normal hydro conditions in 2015	• Expect to cover 17%-19% of contract commitment from the spot market in 2015 • July rainfall 156% of long-term average; reservoir levels projected to be 37% by end of August vs. 20% at beginning of 2015 – reflects in spot price of 120 Reals/MWh, significantly lower than last year	
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	-	-	($0.07)	($0.07)

1. A non-GAAP financial measure. See Appendix for definition. Impact on Adjusted EPS is relative to normal hydrology.

Brazil Updates

Eletropaulo Tariff Adjustment

- Secured approval for four-year tariff adjustment
- Final outcome in line with expectations
- Sets a strong foundation for predictable operations through 2019

Brasiliana Restructuring

- Own various businesses with BNDES, the state-owned development bank
- Restructuring allows separation of generation business, Tietê
  - More control of operations and capital allocation decisions
- Expect approval from key stakeholders and regulator before year-end
- Once closed, more favorable position to leverage ~$500 million of debt capacity at Tietê

Update on Maritza in Bulgaria

690 MW Coal-Fired Maritza Plant

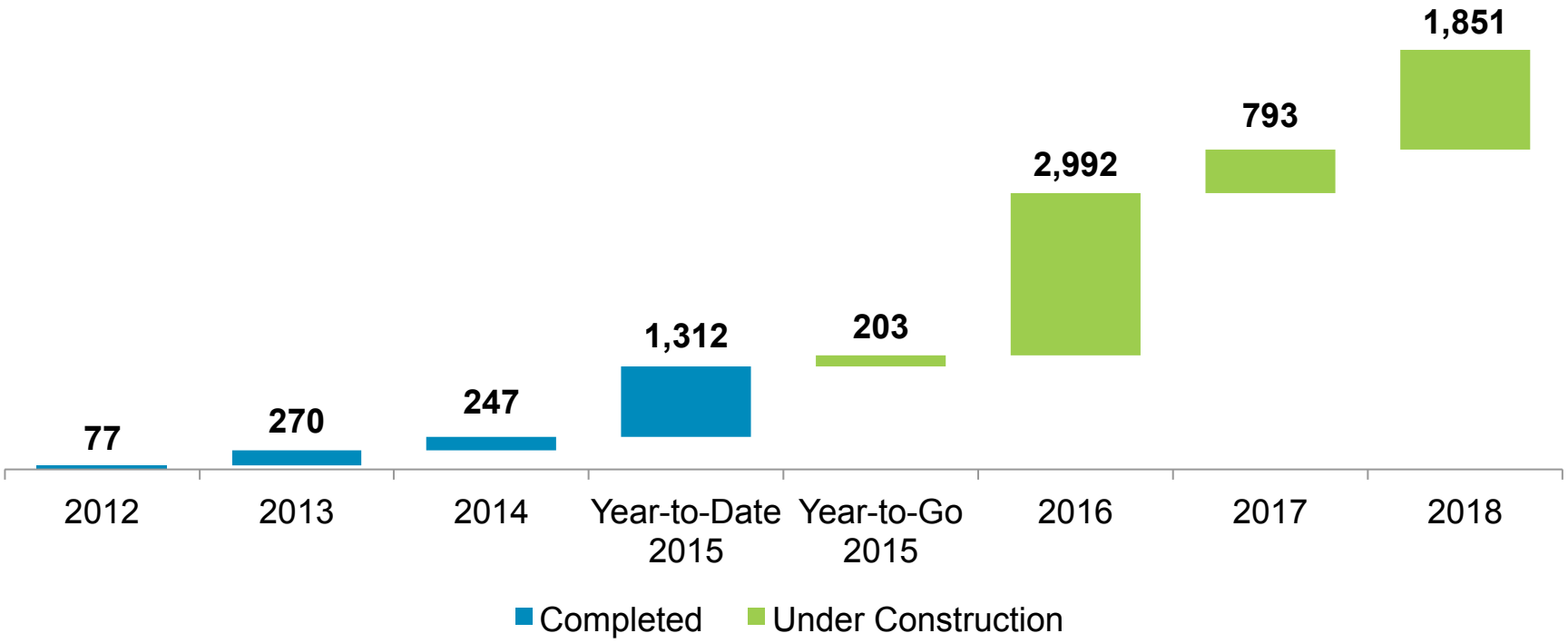


- In April, signed a non-binding MoU with NEK, the offtaker to:
  - Reduce the capacity payment to Maritza through 2026 when the PPA expires ($0.03 annual Adjusted EPS[1] impact)
  - NEK will pay its full outstanding receivables ($281 million as of June 30, 2015)
- Secured required approvals from project lenders and Bulgarian regulator
- Government of Bulgaria taking concrete steps to improve NEK's financial position on a sustainable basis
- Closing expected during second half of 2015

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

Leveraging Our Platforms: Year-to-Date 2015, Already Brought On-Line 87% Expected New Capacity of 1,515 MW

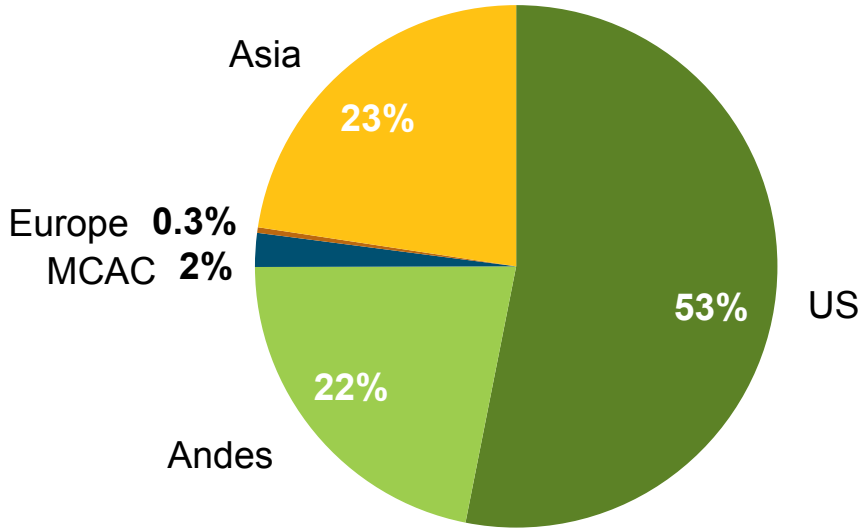
7,151 MW Expected to Come On-Line 2015-2018



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: 5,839 MW Under Construction Yield More Than 15% ROE[1]

77% of 5,839 MW Under Construction in the Americas



$7 Billion Total Cost; AES Equity of $1.3 Billion, of Which Only $400 Million is Unfunded

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.

Commissioned Mong Duong 2 in Vietnam Six Months Early & Under Budget

1,240 MW Coal-Fired Mong Duong 2



World Leader in Battery-Based Energy Storage

Growing Regulatory Support & Acceptance by Power Systems and Utilities



- 86 MW of installed capacity
- 70 MW under construction and expected on-line through 2016
  - Recently broke ground on three new projects, totaling 40 MW
- 190 MW in late stage development, including 100 MW in California under a 20-year PPA

Note: Picture shows Tait energy storage array in Ohio.

Forming a 50/50 Joint Venture with Grupo BAL in Mexico

Poised to Take Advantage of Opening Energy Market

- Grupo BAL – one of the largest business groups in Mexico
  - $11 billion market cap
- Joint venture will exclusively co-invest in new power, desalination and natural gas projects in Mexico
- Government of Mexico in the process of implementing new energy reforms
  - Will allow private sector to participate in expanding energy infrastructure
- 25 GW of new or replacement generation over next 10 years



Note: Picture shows TEG TEP power plant in Mexico.

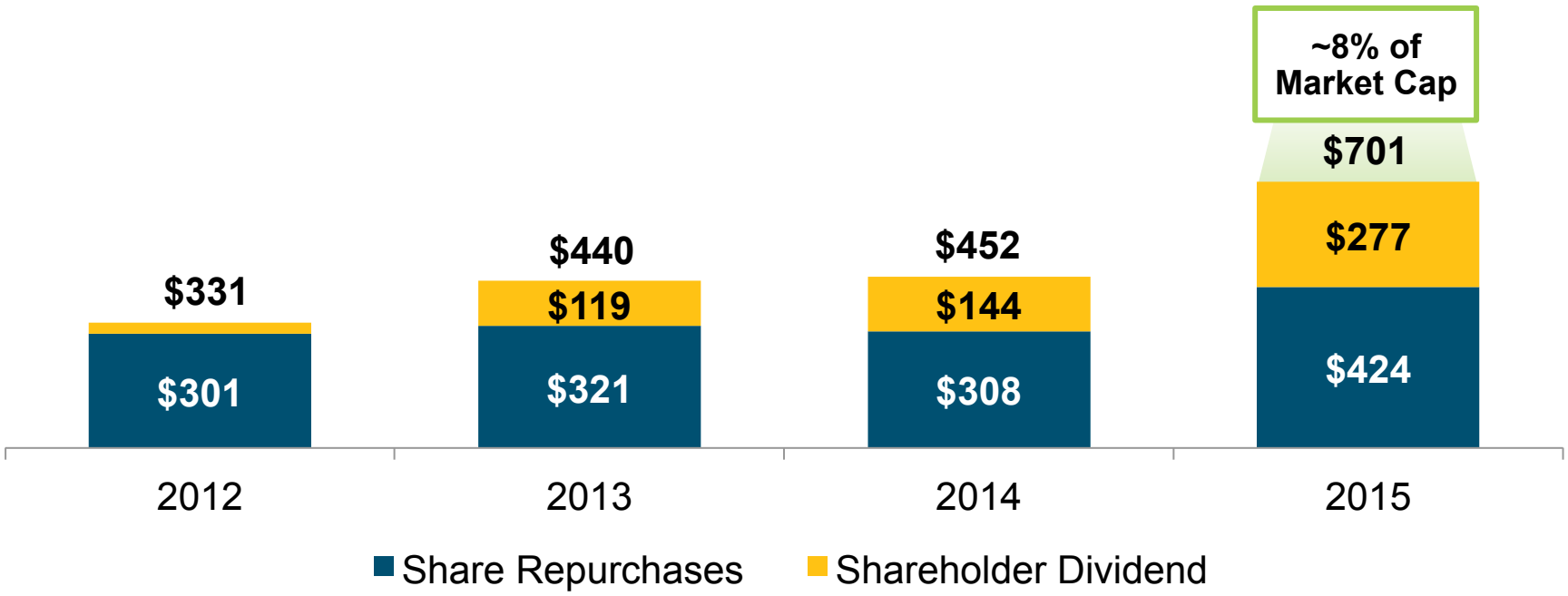
Strong Cash Flow Growth, Business Level Debt Capacity and Asset Sale Proceeds Fund Future Equity Investments

- Investments in growth projects continue to compete against share repurchases
- Future projects to be heavily weighted toward natural gas, renewables and energy storage
  - Leveraging platforms to provide desalination and LNG
- Expect moderate $300-$400 million annual AES equity for attractive growth projects
- Recycling capital remains integral part of strategy

Maximizing Risk-Adjusted Per Share Returns to Shareholders

$ in Millions

Returning $2 Billion to Shareholders 2012-2015



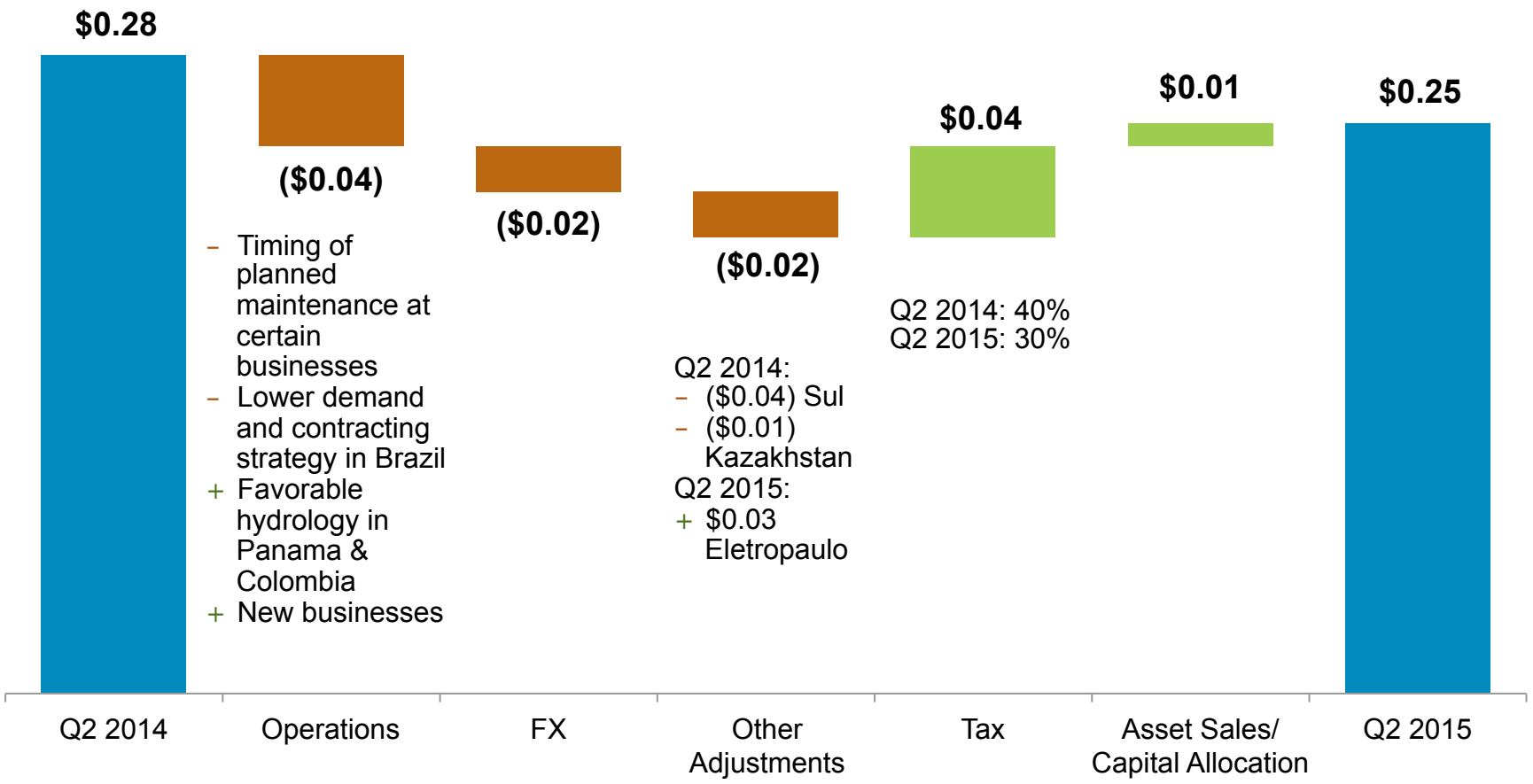
In Addition, Reduced Parent Debt by $1.5 Billion (23%) Over the Same Period

Q2 2015 Financial Review

- Q2 2015 results
  - Adjusted EPS[1]
  - Adjusted PTC[1] and Proportional Free Cash Flow by Strategic Business Unit (SBU)
- 2015 Guidance
- 2015 Parent capital allocation plan

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

Q2 2015 Adjusted EPS Decreased $0.03

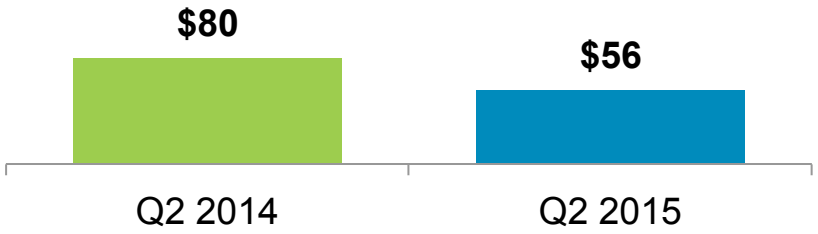


1. A non-GAAP financial measure. See Appendix for definition and reconciliation.

Q2 Financial Results: US SBU

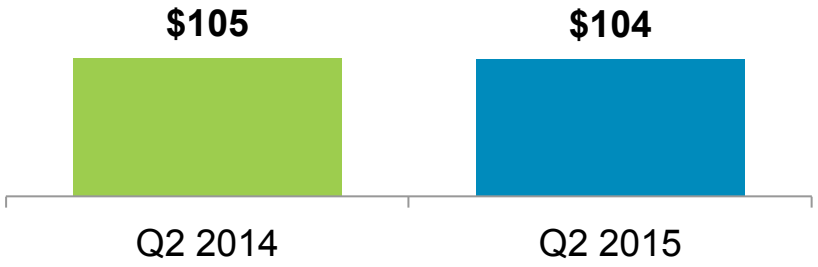
$ in Millions

Adjusted PTC[1] Decreased $24



- Planned maintenance in Hawaii and at IPL (already completed)
- Lower wind generation, primarily at 524 MW Buffalo Gap in Texas

Proportional Free Cash Flow[1] Decreased $1



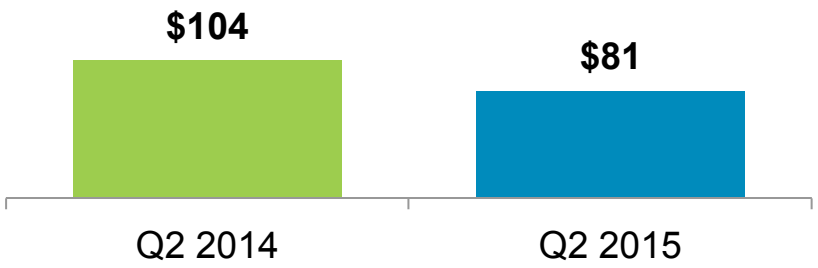
- Lower operating performance and higher working capital requirements at IPL and a few generation facilities
+ Working capital recovery and timing of interest payments at DPL

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

Q2 Financial Results: Andes SBU

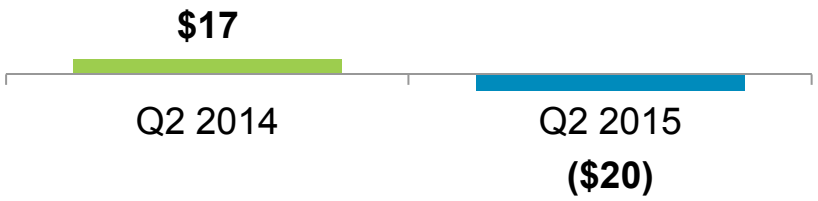
$ in Millions

Adjusted PTC[1] Decreased $23



- Timing of planned maintenance in Chile and Argentina
- Weaker Colombian Peso

Proportional Free Cash Flow[1] Decreased $37



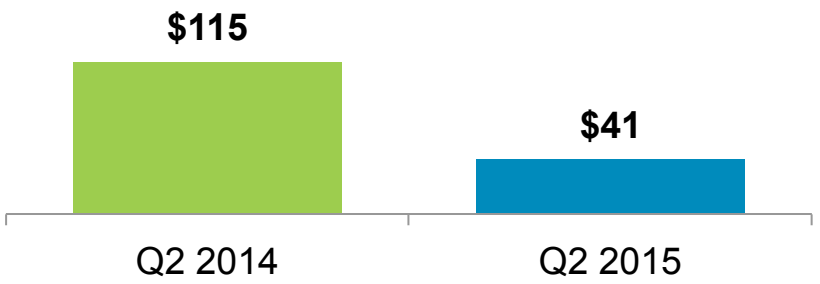
- Lower earnings and a higher tax payment at Chivor in Colombia

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

Q2 Financial Results: Brazil SBU

$ in Millions

Adjusted PTC[1] Decreased $74



- Weaker Brazilian Real
- $13 million net impact from liability reversals at Sul and Eletropaulo
- Lower spot sales and higher contracted sales associated with unfavorable hydrology at Tietê
- Lower demand and higher costs at Sul

Proportional Free Cash Flow[1] Decreased $18



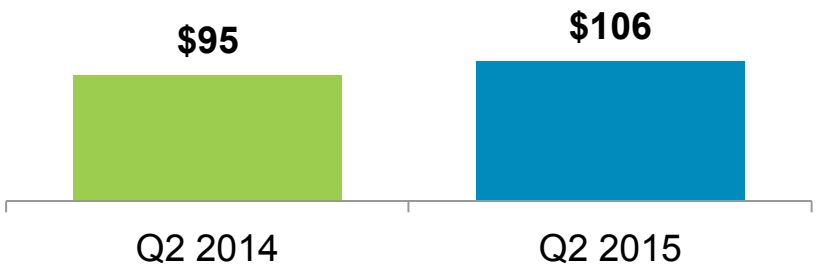
- Lower spot sales and higher contracted sales associated with unfavorable hydrology at Tietê

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

Q2 Financial Results: MCAC SBU

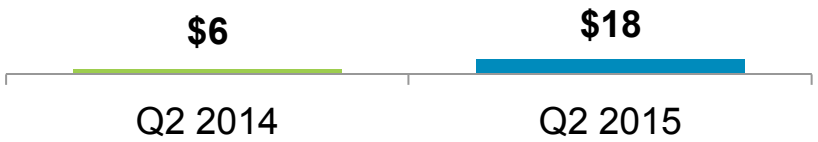
$ in Millions

Adjusted PTC[1] Increased $11



+ Improved hydrology and commencement of operations of the thermal power barge in Panama

Proportional Free Cash Flow[1] Increased $12



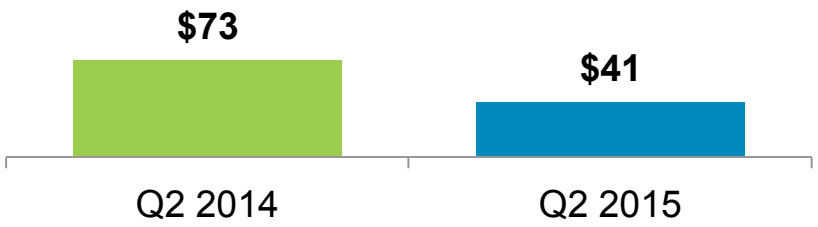
+ Improved operating performance

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

Q2 Financial Results: Europe SBU

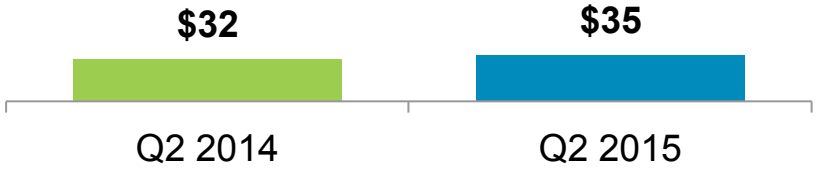
$ in Millions

Adjusted PTC[1] Decreased $32



- Lower energy prices and timing of planned maintenance at Kilroot in the United Kingdom
- Favorable reversal of a liability in Kazakhstan in 2014

Proportional Free Cash Flow[1] Increased $3



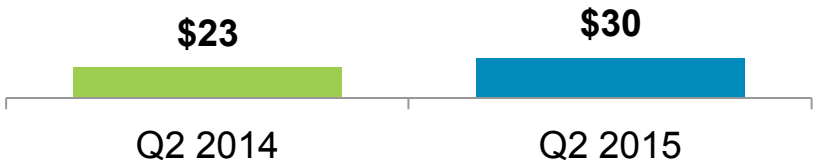
+ Improved working capital at Maritza in Bulgaria
- Timing of planned maintenance at Kilroot in the United Kingdom
- Sale of Ebute in Nigeria in 2014

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

Q2 Financial Results: Asia SBU

$ in Millions

Adjusted PTC[1] Increased $7



+ Early commencement of operations at Mong Duong in Vietnam
- Lower contributions from Masinloc due to the sale of a minority interest in the second half of 2014

Proportional Free Cash Flow[1] Decreased $2

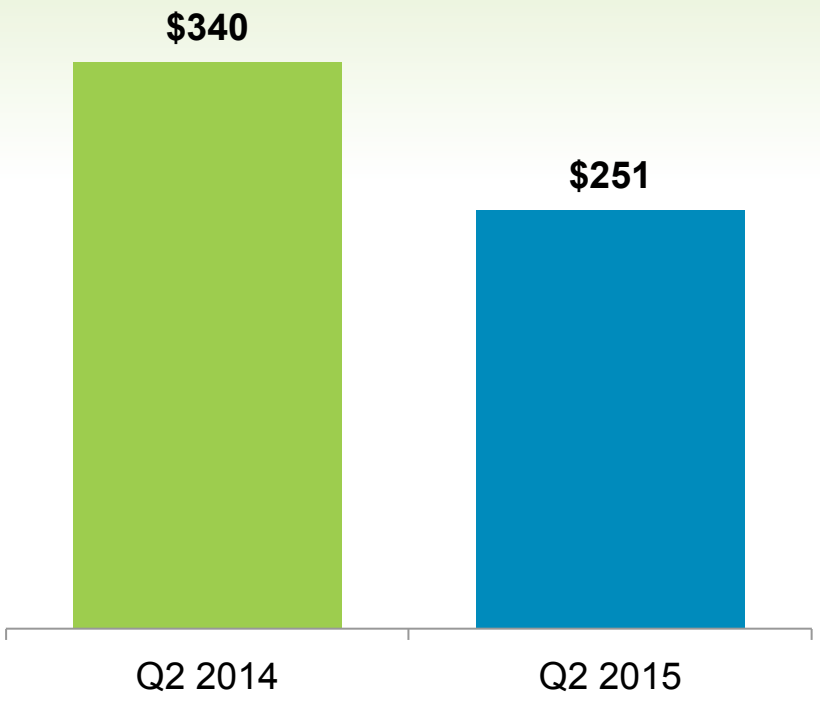


1. A non-GAAP financial measure. See Appendix for definition and reconciliation.

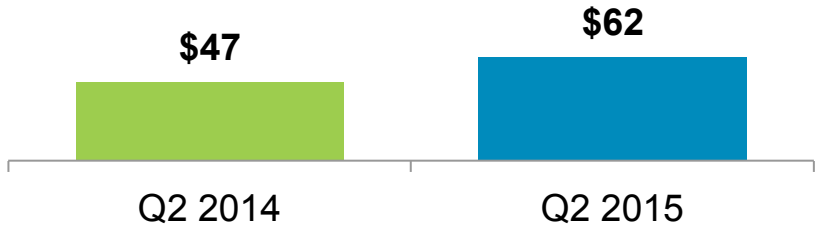
Q2 Financial Results Summary

$ in Millions

Adjusted PTC[1] Decreased $89



Proportional Free Cash Flow[1] Increased $15

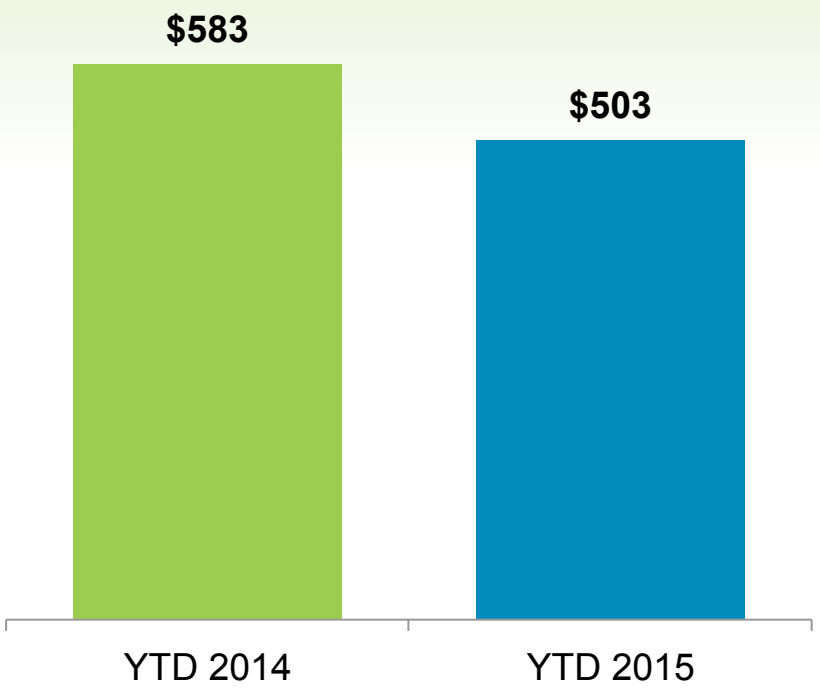


1. A non-GAAP financial measure. See Appendix for definition and reconciliation.

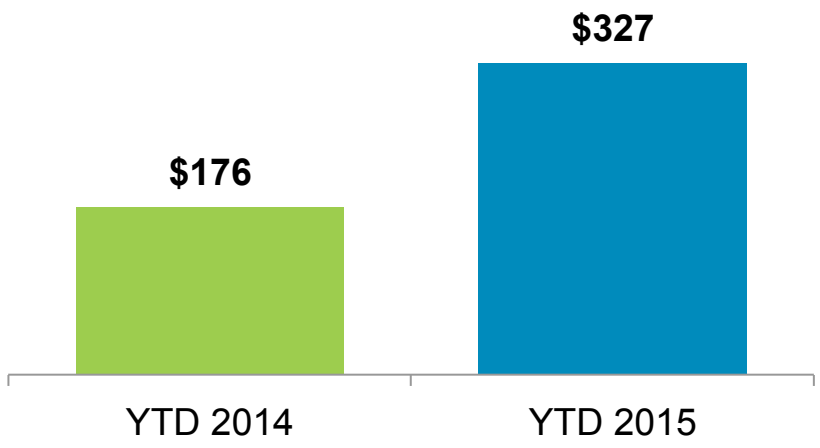
YTD Financial Results Summary

$ in Millions

Adjusted PTC[1] Decreased $80



Proportional Free Cash Flow[1] Increased $151



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

Reaffirming 2015 Guidance

$ in Millions, Except Per Share Amounts

	YTD 2015	YTD 2014	FY 2015 Guidance
Adjusted EPS[1]	$0.50	$0.53	$1.25-$1.35
Proportional Free Cash Flow[1]	$327	$176	$1,000-$1,350
Consolidated Net Cash Provided by Operating Activities	$590	$453	$1,900-$2,700

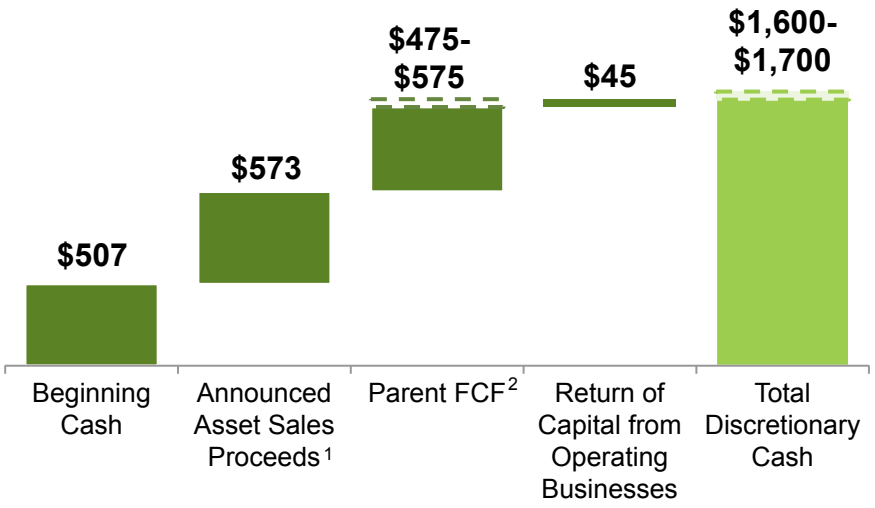
- In the second half of 2015, expect Adjusted EPS to benefit from:
  - Lower planned maintenance and seasonality in the US, Chile and the Dominican Republic
  - Improved hydrological conditions in Panama and Colombia
  - Previously expected benefit from tax opportunities at certain businesses
  - Contributions from Mong Duong in Vietnam, which came on-line in the first half of 2015
- In the second half of 2015, expect Proportional Free Cash Flow[1] to benefit from:
  - Higher operating results expected in the second half of 2015
  - Remaining increase largely attributable to lower pension and fuel payments at IPL in the US; timing of tax payments at Gener; higher collections of receivables in the Dominican Republic; and collection of receivables in Bulgaria

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

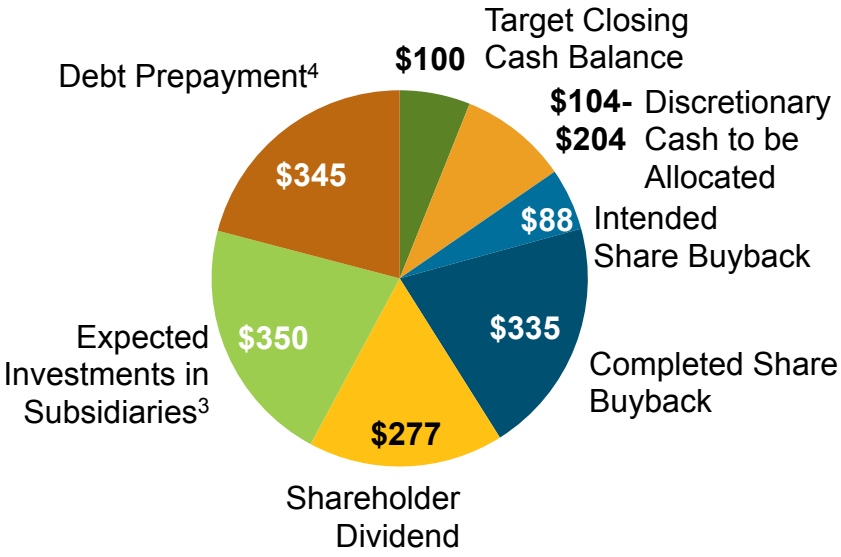
2015 Parent Capital Allocation Plan

$ in Millions

Discretionary Cash – Sources ($1,600-$1,700)



Discretionary Cash – Uses ($1,600-$1,700)



75% Allocated to Debt Prepayment, Dividends & Share Repurchases

1. Includes announced asset sale proceeds of: $453 million (IPALCO, US partnership), $58 million (Armenia Mountain, US), $30 million (IPP4, Jordan partnership) and $32 million (Spain solar).
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 was funded directly by CDPQ to IPALCO.
4. Includes $315 million Parent debt prepayment and costs associated with prepayment and refinancing near-term maturities.

Progress on Priorities for 2015

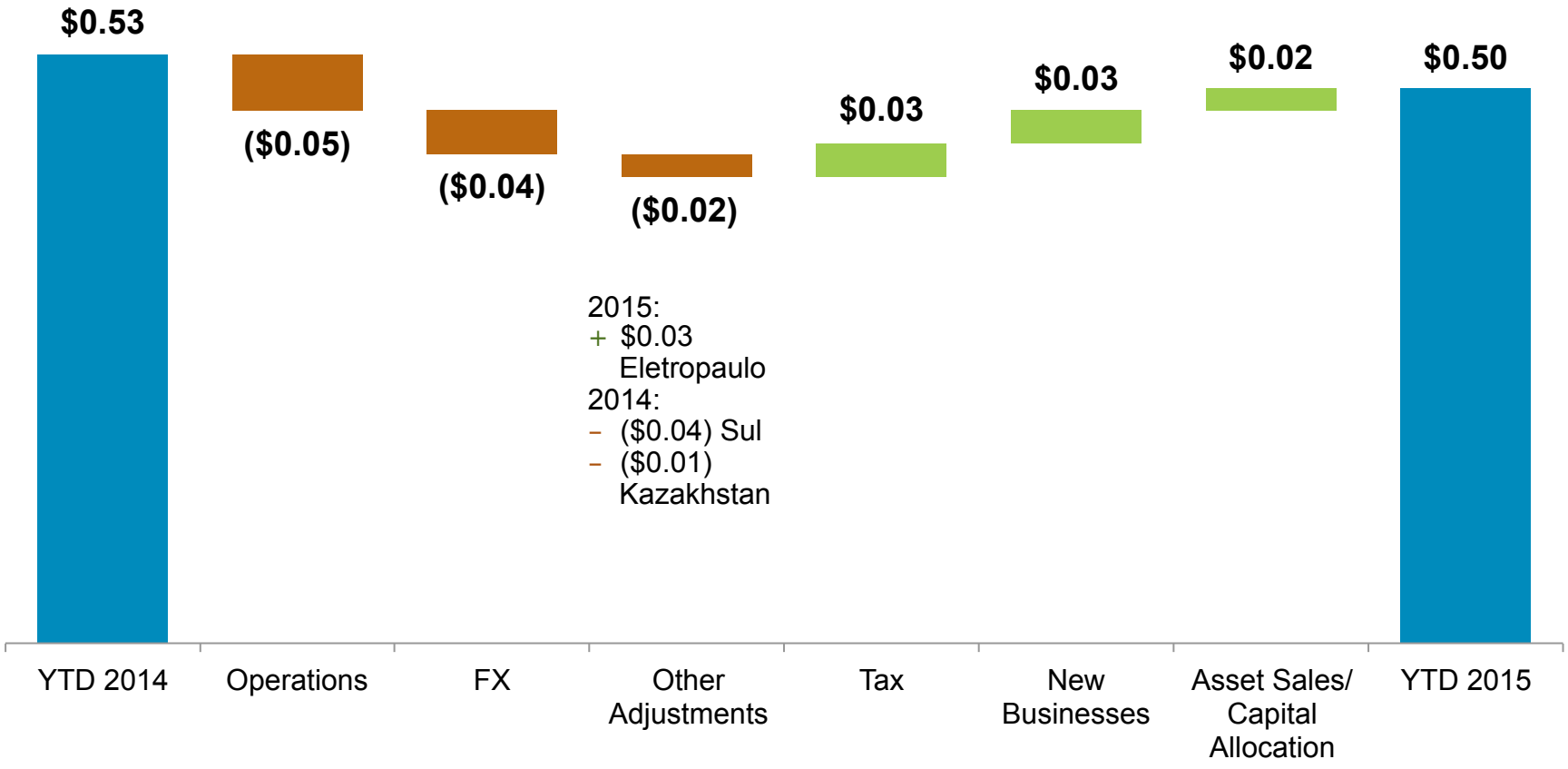
Priority	Status	
	On Track	Completed
Pull all levers to achieve our financial objectives, despite headwinds from poor hydrology in Brazil and lower FX and commodity prices	✓	
Resolve Maritza's (Bulgaria) outstanding receivables and renegotiate our PPA	✓	
Complete 1,240 MW Mong Duong project in Vietnam, which will be a major contributor to our growth		✓
Continue to execute on our platform expansion opportunities and bring in financial partners	✓	
Reduce Parent debt and improve our credit profile by prepaying and refinancing near-term maturities		✓
Allocate our discretionary capital to maximize shareholder returns, by competing growth projects against share repurchases		✓

Appendix

- YTD Adjusted EPS[1] — Slide 30
- YTD Adjusted PTC[1] & Proportional Free Cash Flow[1] — Slides 31-36
- Listed Subs & Public Filers — Slide 37
- SBU Modeling Disclosures — Slides 38-39
- DPL Inc. Modeling Disclosures — Slide 40
- DP&L and DPL Inc. Debt Maturities — Slide 41
- Parent Only Cash Flow — Slides 42-44
- Asset Sales — Slide 45
- Partnerships — Slide 46
- 2015 Adjusted PTC[1] Modeling Ranges — Slide 47
- Currency and Commodities — Slides 48-50
- AES Modeling Disclosures — Slide 51
- Key Assumptions for 2015 Guidance — Slide 52
- Adjusted EPS[1] Growth — Slide 53
- Proportional Free Cash Flow[1] Growth — Slide 54
- Construction Program — Slide 55
- Reconciliations — Slides 56-61
- Assumptions & Definitions — Slides 62-64

1. A non-GAAP financial measure.

YTD 2015 Adjusted EPS Decreased $0.03

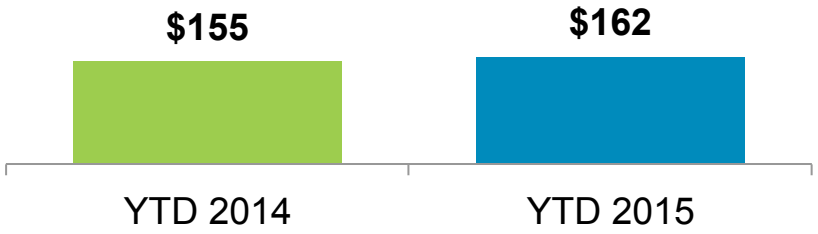


1. A non-GAAP financial measure. See Slide 56 for reconciliation and "definitions".

YTD Financial Results: US SBU

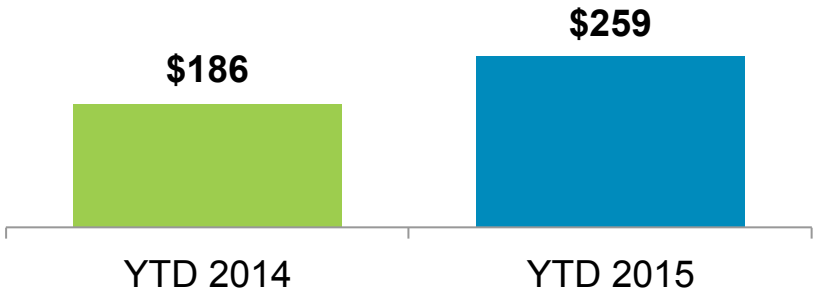
$ in Millions

Adjusted PTC[1] Increased $7



+ Better availability and lower fixed costs at DPL
- Lower generation across our wind portfolio

Proportional Free Cash Flow[1] Increased $73



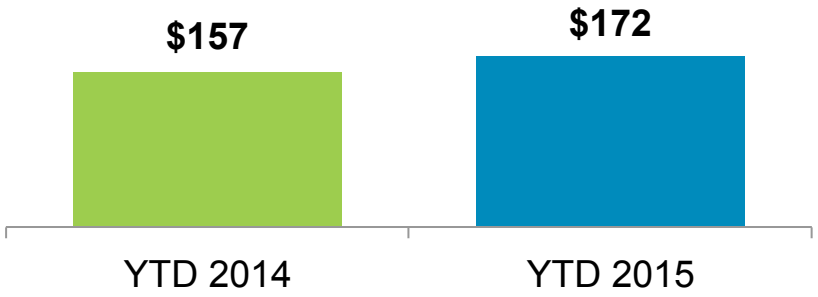
+ Working capital recovery and lower interest paid at DPL
- Lower generation across our wind portfolio
- Higher working capital requirements at Shady Point
- Outages, lower collections and higher maintenance capex at IPL

1. A non-GAAP financial measure. See Slide 57 for reconciliation and "definitions".

YTD Financial Results: Andes SBU

$ in Millions

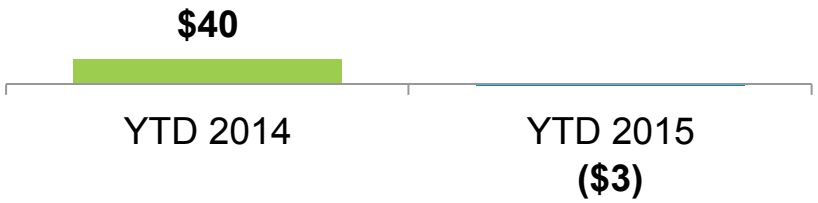
Adjusted PTC[1] Increased $15



+ Higher spot sales in Chile
+ Higher generation at Chivor in Colombia
+ Higher interest on receivables in Argentina
– Weaker Colombian Peso
– Higher maintenance costs in Argentina

Proportional Free Cash Flow[1] Decreased $43

– Higher tax payment at Chivor in Colombia

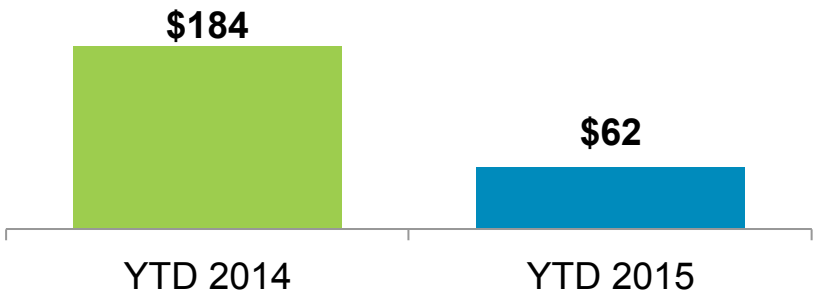


1. A non-GAAP financial measure. See Slide 57 for reconciliation and "definitions".

YTD Financial Results: Brazil SBU

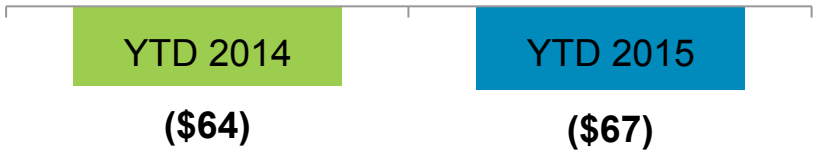
$ in Millions

Adjusted PTC[1] Decreased $122



- – Devaluation of Brazilian Real
- – $13 million net impact from liability reversal at Sul and Eletropaulo
- – Lower spot sales at Tietê
- \+ Favorable tariff review at Eletropaulo

Proportional Free Cash Flow[1] Decreased $3



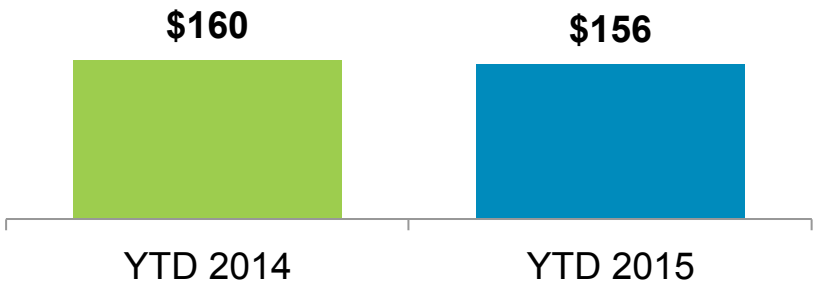
- – Lower spot sales and higher contracted sales due to poor hydrology at Tietê
- \+ Higher collections as a result of a favorable tariff at Eletropaulo

1. A non-GAAP financial measure. See Slide 57 for reconciliation and “definitions”.

YTD Financial Results: MCAC SBU

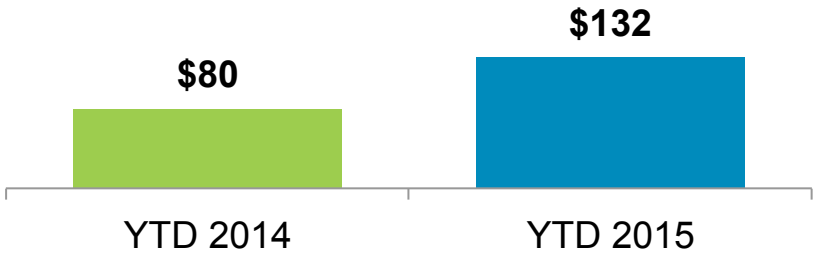
$ in Millions

Adjusted PTC[1] Decreased $4



- Lower margins and availability in the Dominican Republic
- Lower availability in Mexico
+ Improved hydrology and commencement of operations of the thermal power barge in Panama

Proportional Free Cash Flow[1] Increased $52



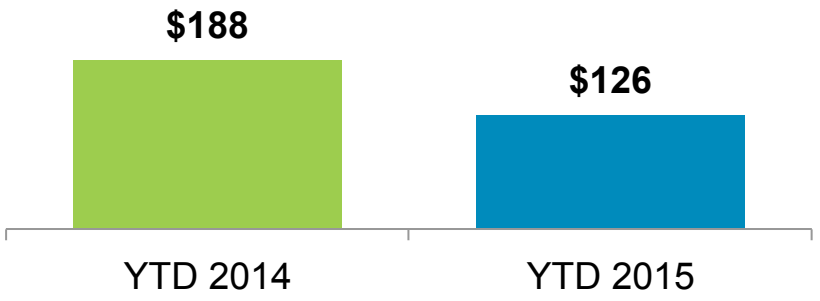
+ Improved working capital in Puerto Rico and El Salvador
+ Lower energy purchases as a result of improved hydrology in Panama
- Lower collections and higher maintenance capex in the Dominican Republic

1. A non-GAAP financial measure. See Slide 57 for reconciliation and "definitions".

YTD Financial Results: Europe SBU

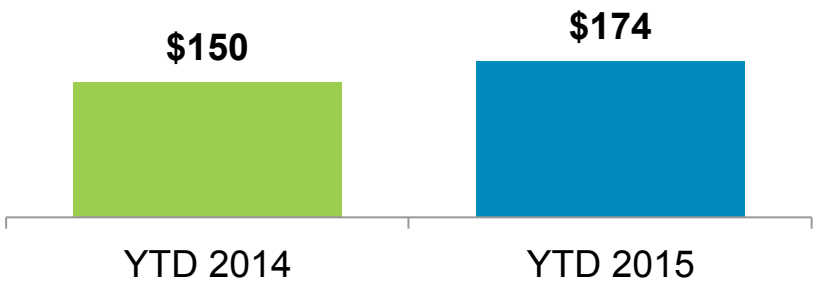
$ in Millions

Adjusted PTC[1] Decreased $62



- Lower energy prices and the timing of planned maintenance at Kilroot in the United Kingdom
- Sales of Ebute in Nigeria and wind businesses in the United Kingdom
- Unfavorable foreign exchange rates
- Favorable reversal of a liability in Kazakhstan in 2014

Proportional Free Cash Flow[1] Increased $24



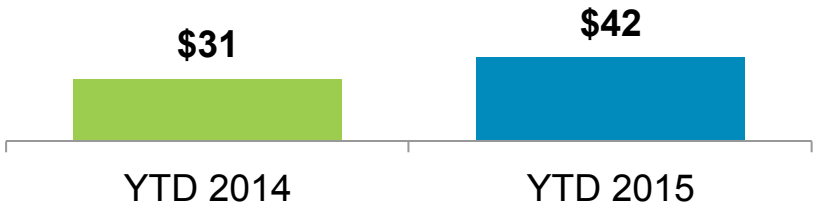
+ Improved working capital at Maritza in Bulgaria
- Timing of planned maintenance at Kilroot in the United Kingdom
- Sale of Ebute in Nigeria in 2014

1. A non-GAAP financial measure. See Slide 57 for reconciliation and "definitions".

YTD Financial Results: Asia SBU

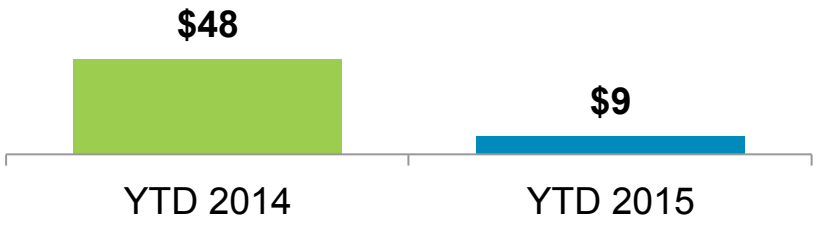
$ in Millions

Adjusted PTC[1] Increased $11



+ Early commencement of operations at Mong Duong in Vietnam

Proportional Free Cash Flow[1] Decreased $39



- Sale of a minority interest in Masinloc in the Philippines in 2014
- Contractual time lag between billing and collections at Masinloc

1. A non-GAAP financial measure. See Slide 57 for reconciliation and "definitions".

Q2 2015 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 2015	Q2 2014	Q2 2015	Q2 2014	Q2 2015	Q2 2014	Q2 2015	Q2 2014	Q2 2015	Q2 2014
US GAAP Reconciliation										
Business Unit Adjusted Earnings to AES [1,3]	**$7**	**$10**	**$18**	**$4**	**$35**	**$70**	**$20**	**$4**	**$10**	**$29**
AES Business Unit Adjusted PTC[1]	**$7**	**$16**	**$21**	**$6**	**$55**	**$64**	**$29**	**$6**	**$15**	**$42**
Impact of AES Adjustments excluded from Public Filings	-	-	-	-	$1	$2	-	-	-	-
Adjusted PTC[1,3] Public Filer (Stand-alone)	**$7**	**$16**	**$21**	**$6**	**$56**	**$66**	**$29**	**$6**	**$15**	**$42**
Unrealized Derivatives (Losses)/Gains	-	-	-	-	$1	-	-	-	-	-
Unrealized Foreign Currency Transaction Losses	-	-	-	-	($6)	($9)	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-	-	-
Disposition/Acquisition Gains	-	-	$1	-	-	-	-	-	-	-
Loss on extinguishment of debt	($15)	-	-	-	($4)	($1)	-	-	-	-
Non-Controlling Interest before Tax	($1)	$1	-	-	$19	$24	$155	$32	$51	$134
Income Tax Benefit/(Expenses)	$4	($6)	-	$28	($27)	$7	($56)	($13)	($21)	($57)
US GAAP Income/(Loss) from Continuing Operations[4]	**($5)**	**$11**	**$22**	**$34**	**$39**	**$87**	**$128**	**$25**	**$45**	**$119**
IFRS Reconciliation										
Adjustment to Depreciation & Amortization[5]	-	-	-	-	($9)	($13)	($21)	$1	($3)	($6)
Adjustment to Regulatory Liabilities & Assets[6]	-	-	-	-	-	-	($160)	($293)	-	-
Adjustment to Taxes[7]	-	-	-	-	$2	($24)	$48	$95	-	-
Other Adjustments	-	-	-	-	($1)	($6)	$20	$13	($3)	($1)
IFRS Net Income	**-**	**-**	**-**	**-**	**$31**	**$44**	**$15**	**($159)**	**$39**	**$113**
BRL-USD Implied Exchange Rate	-	-	-	-	-	-	3.2831	2.2276	3.2424	2.2295

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 was required as IFRS does not recognize such assets or liabilities in Q2 2014. Since Dec'14 these regulatory assets and liabilities became to be recognized in IFRS. The amount in Q2 2015 is related to the reversal of contingent regulatory liability in USGAAP.
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).

Q2 2015 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	**$56**	**$69**	**($7)**	**$62**	**-**	**-**	**-**	**$105**	**($11)**	**$94**
DPL	$21	$31	-	$31	-	-	-	$34	-	$34
IPL	$7	$27	($7)	$20	-	-	-	$43	($11)	$32
Andes	**$81**	**$34**	**($8)**	**$26**	**$13**	**($2)**	**$11**	**$50**	**($14)**	**$36**
AES Gener	$55	$29	($8)	$21	$4	($2)	$2	$48	($14)	$34
Brazil	**$41**	**$37**	**($10)**	**$27**	**$76**	**($48)**	**$28**	**$49**	**($31)**	**$18**
Tietê	$15	$13	($10)	$3	$2	($2)	-	$11	($8)	$3
Eletropaulo	$29	-	-	-	$53	($44)	$9	$28	($24)	$4
MCAC	**$106**	**$46**	**($7)**	**$39**	**$9**	**($2)**	**$7**	**$39**	**($9)**	**$30**
Europe	**$41**	**$20**	**($3)**	**$17**	**-**	**-**	**-**	**$36**	**($3)**	**$33**
Asia	**$30**	**$23**	**($11)**	**$12**	**$34**	**($17)**	**$17**	**$16**	**($4)**	**$12**
Subtotal	**$355**	**$229**	**($46)**	**$183**	**$132**	**($69)**	**$63**	**$295**	**($72)**	**$223**
Corp/Other	**($104)**	**$81**	**-**	**$81**	**$1**	**-**	**$1**	**$4**	**-**	**$4**
TOTAL	**$251**	**$310**	**($46)**	**$264**	**$133**	**($69)**	**$64**	**$299**	**($72)**	**$227**

1. A non-GAAP financial measure. See reconciliation on Slide 56 and “definitions”.

Q2 2015 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	**$4,907**	**($521)**	**$4,386**	**$275**	**($15)**	**$260**
DPL	$2,160	-	$2,160	$142	-	$142
IPL	$2,095	($521)	$1,574	$59	($15)	$44
Andes	**$3,677**	**($1,314)**	**$2,363**	**$216**	**($74)**	**$142**
AES Gener	$3,485	($1,314)	$2,171	$191	($74)	$117
Brazil[1]	**$1,915**	**($1,204)**	**$711**	**$651**	**($464)**	**$187**
Tietê	$418	($317)	$101	$75	($57)	$18
Eletropaulo	$1,057	($887)	$170	$394	($327)	$67
MCAC	**$2,329**	**($410)**	**$1,919**	**$465**	**($71)**	**$394**
EMEA	**$1,179**	**($218)**	**$961**	**$208**	**($38)**	**$170**
Asia	**$1,701**	**($834)**	**$867**	**$114**	**($47)**	**$67**
Subtotal	**$15,708**	**($4,501)**	**$11,207**	**$1,929**	**($709)**	**$1,220**
Corp/Other	**$5,055**	**-**	**$5,055**	**$243**	**-**	**$243**
TOTAL	**$20,763**	**($4,501)**	**$16,262**	**$2,172**	**($709)**	**$1,463**

1. In addition to total debt, Eletropaulo has $932 million of pension plan liabilities. AES owns 16% of Eletropaulo.

DPL Inc. Modeling Disclosures

Based on Market Conditions and Hedged Position as of June 30, 2015

	Balance of Year 2015	Full Year 2016	Full Year 2017
Volume Production (TWh)	7.4	15.7	14.3
% Volume Hedged	~63%	~45%	~14%
Average Hedge Dark Spread ($/MWh)	$12.82	13.31	12.11
EBITDA Generation Business[1,2] ($ in Millions)		$90 to $100 per year	
EBITDA DPL Inc. including Generation and T&D ($ in Millions)		~ $350 per year	
Reference Prices			
Henry Hub Natural Gas ($/mmbtu)	2.9	3.2	3.3
AEP-Dayton Hub ATC Prices ($/MWh)	33	35	34
EBITDA Sensitivities (with Existing Hedges)[3] ($ in Millions)			
+10% Henry Hub Natural Gas	$5	$19	$29
-10% Henry Hub Natural Gas	-$5	-$19	-$29

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 2015 sensitivities are for balance of the year.

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

$ in Millions

Series	Interest Rate	Maturity	Amount Outstanding as of June 30, 2015	Amount Outstanding as of August 3, 2015	Remarks
2013 First Mortgage Bonds	**1.875%**	**Sep 2016**	**$445.0**	**$445.0**	• **Callable at make-whole T+20**
2005 Boone County, KY PCBs	4.7%	Jan 2028	$35.3	-	• Redeemed and retired on July 1
2005 OH Air Quality PCBs	4.8%	Jan 2034	$137.8	-	• Non-callable; callable at par in July 2015
2005 OH Water Quality PCBs	4.8%	Jan 2034	$41.3	-	• Redeemed and retired on July 1
2006 OH Air Quality PCBs	4.8%	Sep 2036	$100.0	$100.0	• Non-callable; at par in Sep 2016
2008 OH Air Quality PCBs (VDRNs)	Variable	Nov 2040	$100.0	-	• Callable at par
2015 Direct Purchase Tax Exempt TL	Variable	Aug 2020 (put)	-	$200.0	• Redeemable at par on any day
Total Pollution Control	**Various**	**Various**	**$414.4**	**$300.0**	
Wright-Patterson AFB Note	**4.2%**	**Feb 2061**	**$18.1**	**$18.1**	• **No prepayment option**
2015 DP&L Revolver	Variable	**Jul 2020**	**-**	**$35.0**	• **Pre-payable on any day**
DP&L Preferred	**3.8%**	**N/A**	**$22.9**	**$22.9**	• **Redeemable at pre-established premium**
Total DP&L			**$900.4**	**$821.0**	
2018 Term Loan	**Variable**	**May 2018**	**$160.0**	**$125.0**	• **No prepayment penalty**
2016 Senior Unsecured	6.50%	Oct 2016	$130.0	$130.0	• Callable make-whole T+50
2019 Senior Unsecured	6.75%	Oct 2019	$200.0	$200.0	• Callable at make-whole T+50
2021 Senior Unsecured	7.25%	Oct 2021	$780.0	$780.0	• Callable at make-whole T+50
Total Senior Unsecured	**Various**	**Various**	**$1,110**	**$1,110**	
2015 DPL Revolver	**Variable**	**Jul 2020**	**-**	**$20.0**	• **Pre-payable on any day**
2001 Cap Trust II Securities	**8.125%**	**Sep 2031**	**$15.6**	**$15.6**	• **Non-callable**
Total DPL Inc.			**$1,285.6**	**$1,270.6**	
TOTAL			**$2,186.0**	**$2,091.6**	

Parent Sources & Uses of Liquidity

$ in Millions	Q2		YTD	
	2015	2014	2015	2014
SOURCES				
Total Subsidiary Distributions[1]	$235	$210	$409	$441
Proceeds from Asset Sales, Net	-	$155	$236	$189
Financing Proceeds, Net	$570	$765	$570	$1,508
Increased/(Decreased) Credit Facility Commitments	-	-	-	-
Issuance of Common Stock, Net	$5	-	$5	$1
Total Returns of Capital Distributions & Project Financing Proceeds	$8	$26	$8	$36
Beginning Parent Company Liquidity[2]	$1,031	$825	$1,246	$931
Total Sources	**$1,849**	**$1,981**	**$2,474**	**$3,106**
USES				
Repayments of Debt	($579)	($797)	($915)	($1,662)
Shareholder Dividend	($70)	($36)	($141)	($72)
Repurchase of Equity	($271)	($32)	($306)	($32)
Investments in Subsidiaries, Net	($18)	($228)	($65)	($258)
Cash for Development, Selling, General & Administrative and Taxes	($55)	($52)	($115)	($164)
Cash Payments for Interest	($80)	($114)	($166)	($195)
Changes in Letters of Credit and Other, Net	$3	($28)	$13	($29)
Ending Parent Company Liquidity[2]	($779)	($694)	($779)	($694)
Total Uses	**($1,849)**	**($1,981)**	**($2,474)**	**($3,106)**

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

Q2 & YTD 2015 Subsidiary Distributions[1]

$ in Millions

Subsidiary Distributions[1] by SBU		
	Q2 2015	YTD 2015
US	$123	$241
Andes	$44	$44
Brazil	$13	$13
MCAC	$15	$55
Europe	$19	$35
Asia	$7	$7
Corporate & Other[2]	$14	$14
TOTAL	**$235**	**$409**

Top Ten Subsidiary Distributions[1] by Business							
Q2 2015				YTD 2015			
Business	Amount	Business	Amount	Business	Amount	Business	Amount
US Holdco (US)	$103	Ballylumford (Europe)	$13	US Holdco (US)	$198	Brasiliana (Brazil)	$13
Gener (Andes)	$44	Itabo (MCAC)	$7	Gener (Andes)	$44	Ballylumford (Europe)	$13
IPALCO (US)	$14	Masinloc (Asia)	$7	IPALCO (US)	$30	Andres (MCAC)	$11
Global Insurance (Corp & Other)	$14	Maritza East (Europe)	$6	TEG TEP (MCAC)	$26	Laurel Mountain (US)	$10
Brasiliana (Brazil)	$13	Changuinola (MCAC)	$3	Global Insurance (Corp & Other)	$14	Elsta (Europe)	$8

1. See “definitions”.
2. Corporate & Other includes Global Insurance and solar.

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

$ in Millions

	Quarter Ended			
	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
Total Subsidiary Distributions[1] to Parent & QHCs[3]	$235	$175	$414	$295
Total Return of Capital Distributions to Parent & QHCs[3]	$8	-	$18	$31
Total Subsidiary Distributions[1] & Returns of Capital to Parent	**$243**	**$175**	**$432**	**$326**

	Balance as of			
	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
Cash at Parent & QHCs[3]	$40	$292	$507	$229
Availability Under Credit Facilities	$739	$739	$739	$799
Ending Liquidity	**$779**	**$1,031**	**$1,246**	**$1,028**

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	2015	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			$162		$202[2]	
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	
Ebute	Nigeria			$11		$11	Limited growth/no competitive advantage
IPALCO Partnership	U.S.-Indiana				$461	$595[3]	Strategic partnership
IPP4	Jordan				$30	$30	
Armenia Mountain	U.S.-Pennsylvania				$70	$70	Limited growth
Spain Solar	Spain				$32	$32	
TOTAL		**$900**	**$234**	**$1,207**	**$593**	**$3,108**	

1. AES owns 46% of its Brasiliana subsidiary. Proceeds and debt reflect AES' ownership percentage.
2. $40 million to be received in 2016.
3. $134 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	2015	Total
Cochrane	Chile	Mitsubishi Corporation	$145			$145
Alto Maipo	Chile	Antofagasta Minerals	$361			$361
Silver Ridge Power (Solar)	Various	Google	$103			$103
Guacolda	Chile	Global Infrastructure Partners (GIP)		$728		$728
Masinloc	Philippines	EGCO		$443		$443
AES Dominicana	Dominican Republic	Estrella-Linda		$84		$84
IPALCO	U.S.	CDPQ			$461	$595[1]
IPP4	Jordan	Nebras Power			$30	$30
TOTAL			**$609**	**$1,255**	**$491**	**$2,489**

1. $134 million to be received in 2015-2016.

Full Year 2015 Adjusted PTC[1] Modeling Ranges

$ in Millions

SBU	2015 Adjusted PTC[1]		Drivers of Growth Versus 2014
	Modeling Ranges Provided on February 26, 2015[2]	Modeling Ranges Provided on August 10, 2015	
US	$450-$490	$400-$440	+ Lower outages – Lower prices at IPL and DPL – Lower wind production
Andes	$425-$465	$460-$500	+ Higher contributions from Gener in Chile – Hydrology in Colombia
Brazil	$145-$175	$145-$175	– One-time gain at Sul in Q2 2014 – FX
MCAC	$380-$420	$365-$405	+ Hydrology in Panama + Oil-fired barge in Panama – Ancillary services in the Dominican Republic
Europe	$225-$265	$220-$260	– Sale of Ebute – One-time gain in Kazakhstan in Q2 2014 – FX – UK margins – Maritza PPA negotiation
Asia	$80-$100	$90-$120	+ Masinloc performance + Mong Duong on-line
Total SBUs	**$1,705-$1,915**	**$1,680-$1,900**	
Corp/Other	($500)-($540)	($475)-($525)	
Total AES Adjusted PTC[1,2]	**$1,205-$1,375**	**$1,205-$1,375**	

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

Year-to-Go 2015 Guidance Estimated Sensitivities

Interest Rates[1]

- 100 bps move in interest rates over year-to-go 2015 is equal to a change in EPS of approximately $0.015
- 10% appreciation in USD against the following key currencies is equal to the following negative EPS impacts:

Currencies

	2015	
	Average Rate	Sensitivity
Argentine Peso (ARS)	9.67	Less than $0.005
Brazilian Real (BRL)	3.20	$0.005
Colombian Peso (COP)	2,629	$0.005
Euro (EUR)	1.12	Less than $0.005
Great British Pound (GBP)	1.57	Less than $0.005
Kazakhstan Tenge (KZT)	194.2	$0.005

Commodity Sensitivity

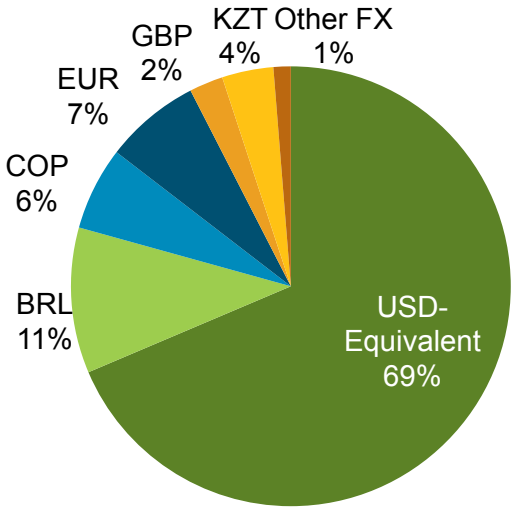
10% increase in commodity prices is forecasted to have the following EPS impacts:	2015	
	Average Rate	Sensitivity
NYMEX Coal	$41/ton	$0.005, negative correlation
Rotterdam Coal (API 2)	$60/ton	
NYMEX WTI Crude Oil	$60/bbl	$0.005, positive correlation
IPE Brent Crude Oil	$64/bbl	
NYMEX Henry Hub Natural Gas	$2.9/mmbtu	$0.005, positive correlation
UK National Balancing Point Natural Gas	£0.44/therm	
US Power (DPL) – PJM AD Hub	$ 33/MWh	$0.010, positive correlation

Note: Guidance provided on August 10, 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 year-to-go 2015 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 2015 guidance is based on currency and commodity forward curves and forecasts as of June 30, 2015. 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, and power indices; forward curves are provided for representative liquid markets. Sensitivities are rounded to the nearest ½ cent per share.

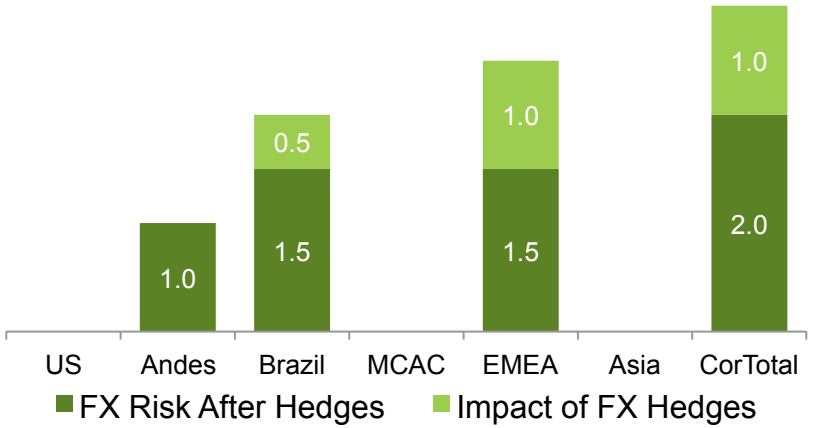
1. The move is applied to the floating interest rate portfolio balances as of June 30, 2015.

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)

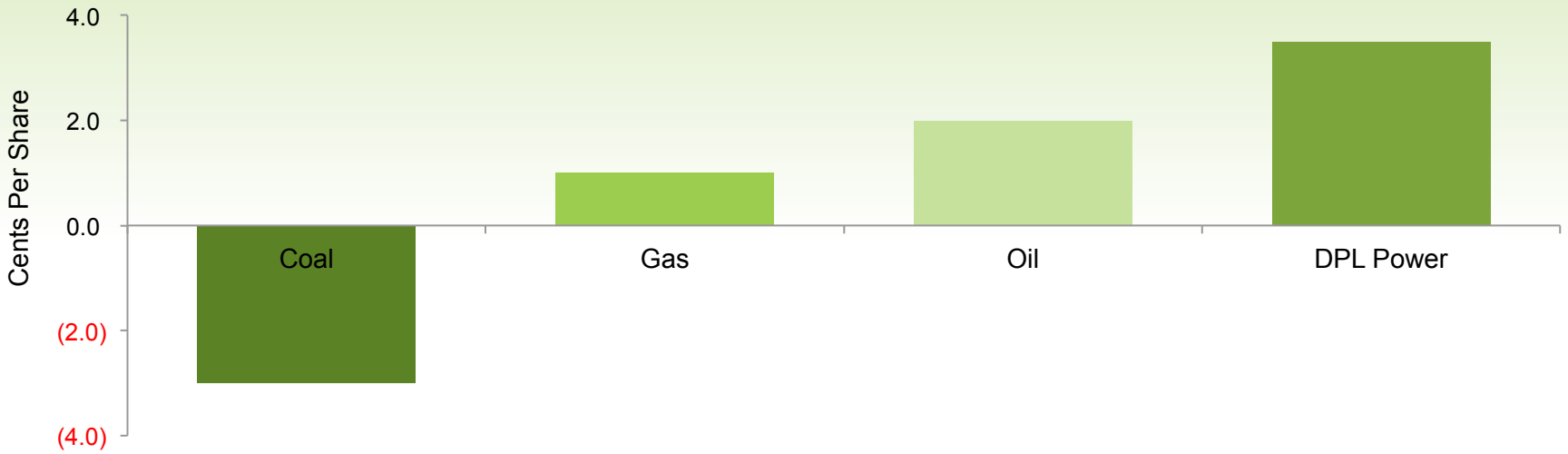


- 2015 correlated FX risk after hedges is $0.02 for 10% USD appreciation
- 69% of 2015 earnings effectively USD
  - USD-based economies (i.e. U.S., Panama)
  - Structuring of our PPAs
- FX risk mitigated on 12-month rolling basis by shorter-term active FX hedging programs

1. Before Corporate Charges. A non-GAAP financial measure. See “definitions” and Slide 60 for reconciliation.
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

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

$ in Millions

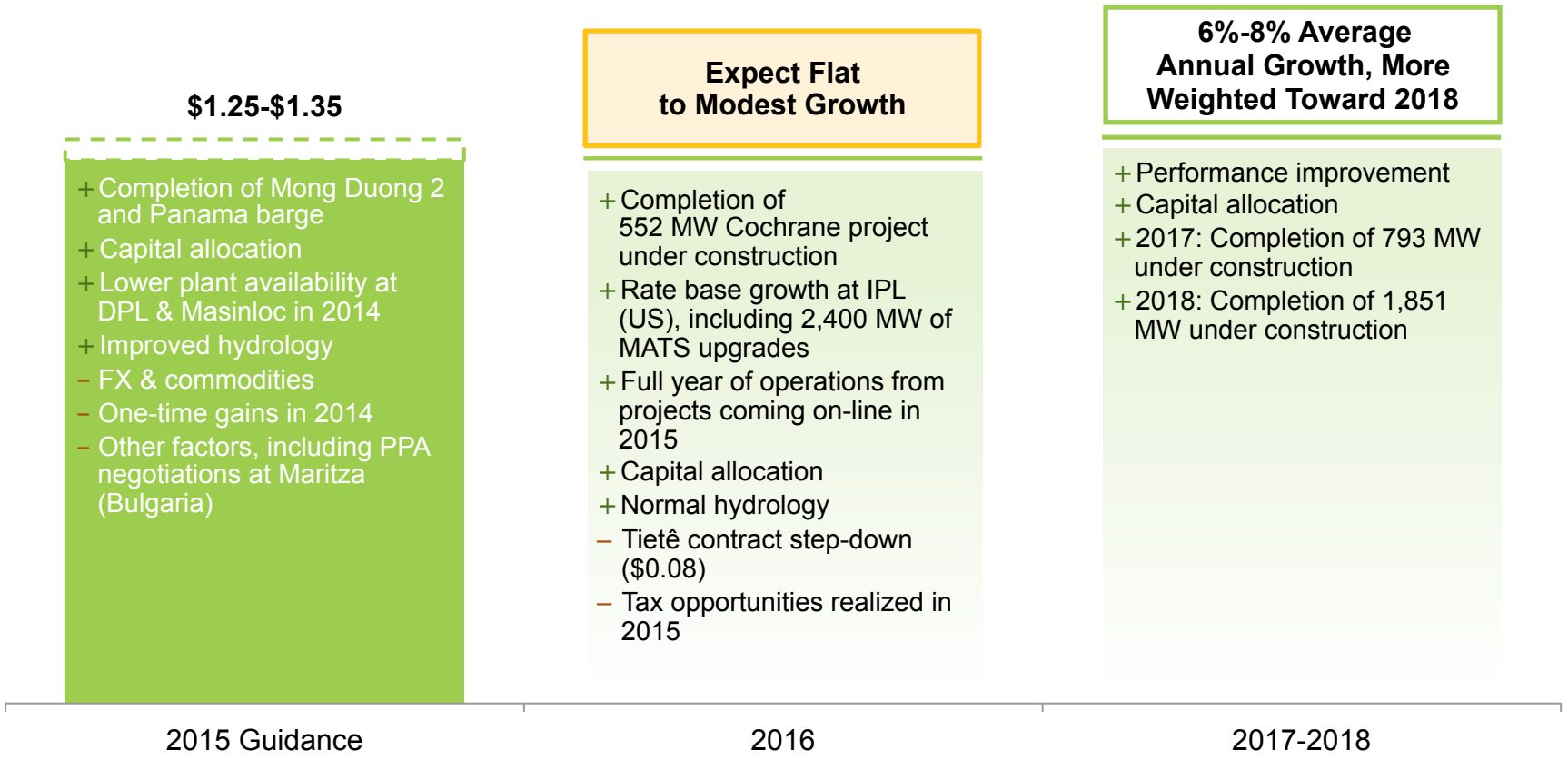
	2015 Assumptions
Parent Company Cash Flow Assumptions	
Subsidiary Distributions (a)	$1,075-$1,175
Cash Interest (b)	$350
Cash for Development, General & Administrative and Tax (c)	$250
Parent Free Cash Flow[1] (a – b – c)	$475-$575

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

Key Assumptions for 2015 Guidance

- Currency and commodity forward curves as of June 30, 2015
- Current outlook for hydrology in Latin America – in line with our expectations
- Full year 2015 tax rate of 31%-33% versus year-to-date tax rate of 31% and full year 2014 tax rate of 30%

Adjusted EPS[1] Growth Drivers

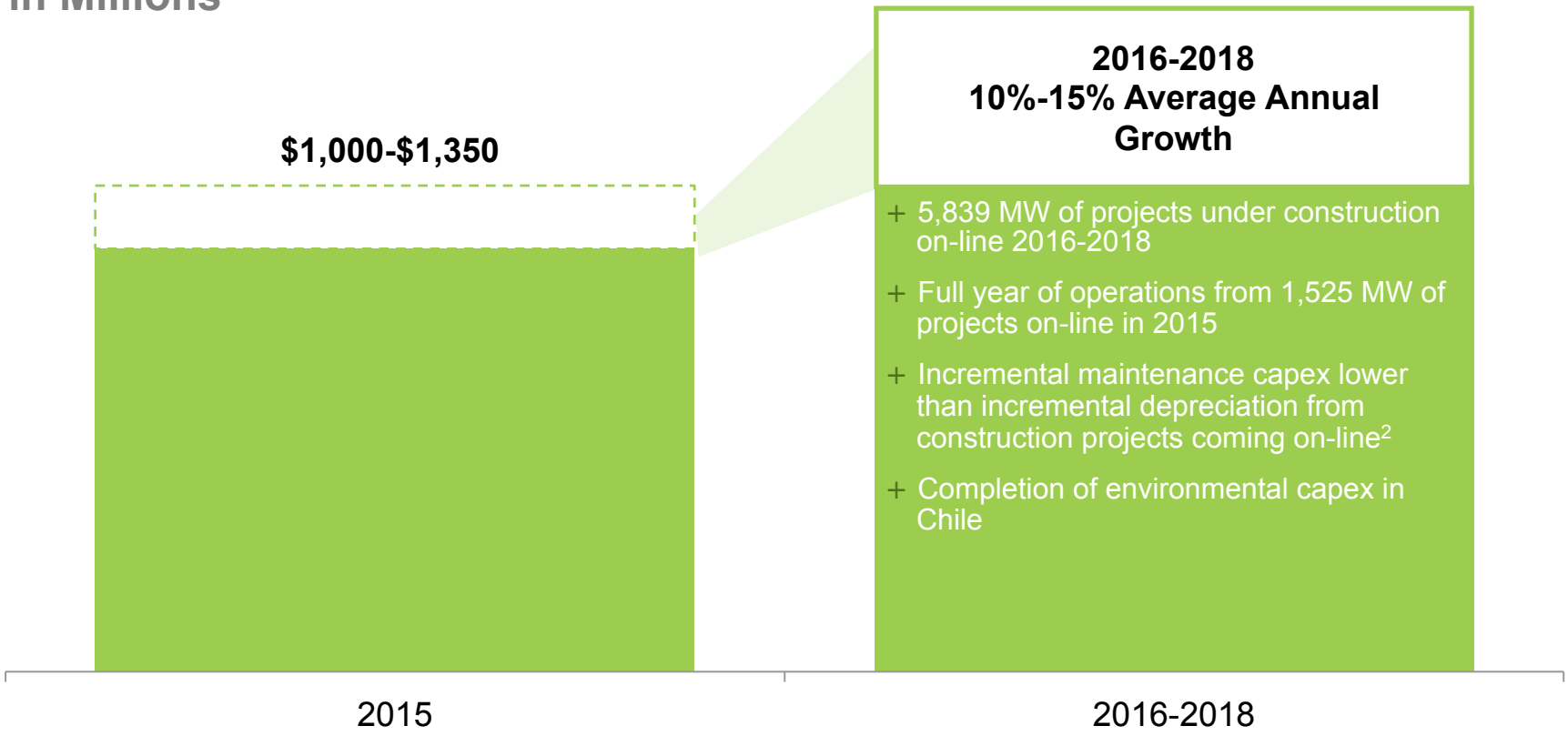


Average Annual Total Return of 8%[2]

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

Reaffirming 2015 Proportional Free Cash Flow[1] Guidance

$ in Millions



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

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

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 2015-2018									
Guacolda V	Chile	35%	Coal	152	2H 2015	$454	$48		
Andes Solar	Chile	71%	Solar	21	2H 2015	$44	$22		
Tunjita	Colombia	71%	Hydro	20	1H 2016	$67	$2[1]		Lease capital structure at Chivor
IPL MATS	US-IN	75%[2]	Coal		1H 2016	$511	$230		Environmental (MATS) upgrades of 2,400 MW
Cochrane	Chile	42%	Coal	532	2H 2016	$1,350	$130		
Eagle Valley CCGT	US-IN	75%[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								**~14%**	**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 $134 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 Q2 Adjusted PTC[1] & Adjusted EPS[1]

$ in Millions, Except Per Share Amounts	Q2 2015		Q2 2014	
	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 (Loss) from Continuing Operations Attributable to AES and Diluted EPS	$69	$0.10	$142	$0.20
Add Back Income Tax Expense (Benefit) from Continuing Operations Attributable to AES	$46		$99	
Pre-Tax Contribution	$115		$241	
Adjustments				
Unrealized Derivative (Gains)/Losses[3]	($2)	-	($22)	($0.02)
Unrealized Foreign Currency Transaction (Gains)/Losses[4]	($3)	-	$7	-
Disposition/Acquisition (Gains)/Losses	($4)	($0.01)	$2	-
Impairment Losses	$30	$0.04[5]	$99	$0.09[6]
Loss on Extinguishment of Debt	$115	$0.12[7]	$13	$0.01[8]
ADJUSTED PTC[1] & ADJUSTED EPS[1]	**$251**	**$0.25**	**$340**	**$0.28**

1. A non-GAAP financial measure as reconciled above. See “definitions”.
2. NCI is defined as Noncontrolling Interests.
3. Unrealized derivative (gains)/losses were net of income tax per share of $0.00 and ($0.01) in the three months ended June 30, 2015 and 2014.
4. Unrealized foreign currency transaction (gains)/losses were net of income tax per share of ($0.01) and $0.00 in the three months ended June 30, 2015 and 2014.
5. Amount primarily relates to the asset impairment at UK Wind of $37 million ($30 million, or $0.04 per share, net of income tax per share of $0.00).
6. Amount primarily relates to the asset impairment at Ebute of $52 million ($34 million, or $0.05 per share, net of income tax per share of $0.02) and at Newfield of $11 million ($6 million, or $0.00 per share, net of income tax per share of $0.00) and other-than-temporary impairment of our equity method investment at Silver Ridge of $44 million ($30 million, or $0.04 per share, net of income tax per share of $0.02).
7. Amount primarily relates to the loss on early retirement of debt at the Parent Company of $85 million ($58 million, or $0.08 per share, net of income tax per share of $0.04), at IPL of $19 million ($10 million, or $0.01 per share, net of income tax per share of $0.01), at Panama of $16 million ($5 million, or $0.01 per share, net of income tax per share of $0.00) and at Sul of $4 million ($3 million, or $0.00 per share, net of income tax per share of $0.00).
8. Amount primarily relates to the loss on early retirement of debt at the Parent Company of $13 million ($8 million, or $0.01 per share, net of income tax per share of $0.01).

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

$ in Millions, Except Per Share Amounts	YTD 2015		YTD 2014	
	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 (Loss) from Continuing Operations Attributable to AES and Diluted EPS	$211	$0.30	$95	$0.13
Add Back Income Tax Expense from Continuing Operations Attributable to AES	$96		$74	
Pre-Tax Contribution	$307		$169	
Adjustments				
Unrealized Derivative (Gains)/Losses[3]	($17)	($0.02)	($32)	($0.03)
Unrealized Foreign Currency Transaction (Gains)/Losses[4]	$44	$0.04	$33	$0.03
Disposition/Acquisition (Gains)/Losses	($9)	($0.01)	$1	-
Impairment Losses	$36	$0.05[5]	$265	$0.26[6]
Loss on Extinguishment of Debt	$142	$0.14[7]	$147	$0.14[8]
ADJUSTED PTC[1] & ADJUSTED EPS[1]	**$503**	**$0.50**	**$583**	**$0.53**

1. A non-GAAP financial measure as reconciled above. See “definitions”.
2. NCI is defined as Noncontrolling Interests.
3. Unrealized derivative (gains)/losses were net of income tax per share of ($0.01) and ($0.01) in the six months ended June 30, 2015 and 2014, respectively.
4. Unrealized foreign currency transaction (gains)/losses were net of income tax per share of $0.02 and $0.01 in the six months ended June 30, 2015 and 2014, respectively.
5. Amount primarily relates to the asset impairment at UK Wind of $37 million ($30 million, or $0.04 per share, net of income tax per share of $0.00).
6. Amount primarily relates to the goodwill impairments at DPLER of $136 million ($92 million, or $0.13 per share, net of income tax per share of 0.06), at Buffalo Gap of $18 million ($18 million, or $0.03 per share, net of income tax per share of $0.00) and asset impairments at Ebute of $52 million ($34 million, or $0.05 per share, net of income tax per share of $0.02), at Newfield of $11 million ($6 million, or $0.00 per share, net of income tax per share of $0.00), at DPL of $12 million ($8 million, or $0.01 per share, net of income tax per share of $0.00) and other-than-temporary impairment of our equity method investment at Silver Ridge of $44 million ($30 million, or $0.04 per share, net of income tax per share of $0.02).
7. Amount primarily relates to the loss on early retirement of debt at the Parent Company of $111 million ($76 million, or $0.11 per share, net of income tax per share of $0.05), at IPL of $19 million ($10 million, or $0.01 per share, net of income tax per share of $0.01), at Panama of $16 million ($5 million, or $0.01 per share, net of income tax per share of $0.00) and at Sul of $4 million ($3 million, or $0.00 per share, net of income tax per share of $0.00).
8. Amount primarily relates to the loss on early retirement of debt at the Parent Company of $145 million ($99 million, or $0.14 per share, net of income tax per share of $0.06).

Reconciliation of Q2 Capex and Free Cash Flow[1]

$ in Millions

	Consolidated Q2	
	2015	2014
Operational Capex (a)	$157	$152
Environmental Capex (b)	$81	$77
Maintenance Capex (a + b)	$238	$229
Growth Capex (c)	$353	$414
Total Capex[2] (a + b + c)	**$591**	**$643**

	Consolidated Q2		Proportional[1] Q2	
	2015	2014	2015	2014
Operating Cash Flow	$204[2]	$232	$191[2]	$168
Less: Maintenance Capex, net of Reinsurance Proceeds and Non-Recoverable Environmental Capex	($174)	($177)	($129)	($121)
Free Cash Flow[1]	**$30**	**$55**	**$62**	**$47**

1. A non-GAAP financial measure as reconciled above. See “definitions”.
2. Beginning in Q1 2015, the definition of free cash flow and proportional operating cash flow was revised to also exclude cash flows related to service concession assets.

Reconciliation of YTD Capex and Free Cash Flow[1]

$ in Millions

	Consolidated YTD	
	2015	2014
Operational Capex (a)	$306	$289
Environmental Capex (b)	$130	$111
Maintenance Capex (a + b)	$436	$400
Growth Capex (c)	$816	$820
Total Capex[2] (a + b + c)	**$1,252**	**$1,220**

	Consolidated YTD		Proportional[1] YTD	
	2015	2014	2015	2014
Operating Cash Flow	$661[2]	$453	$576[2]	$409
Less: Maintenance Capex, net of Reinsurance Proceeds and Non-Recoverable Environmental Capex	($332)	($325)	($249)	($233)
Free Cash Flow[1]	**$329**	**$128**	**$327**	**$176**

1. A non-GAAP financial measure as reconciled above. See “definitions”.
2. Includes capital expenditures under investing and financing activities.
3. Beginning in Q1 2015, the definition of free cash flow and proportional operating cash flow was revised to also exclude cash flows related to service concession assets.

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 June 30, 2015

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

Reconciliation of Net Debt[1] as of June 30, 2015

$ in Millions

Non-Recourse Debt (Current)	$1,999
Recourse Debt (Current)	-
Non-Recourse Debt (Noncurrent)	$13,750
Recourse Debt (Noncurrent)	$5,014
Total Debt	**$20,763**
LESS	
Cash & Cash Equivalents	$1,022
Restricted Cash	$308
Short-Term Investments	$439
Debt Service Reserves & Other Deposits	$403
Total	**$2,172**
NET DEBT	**$18,591**

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 Free Cash Flow** – The Company defines Proportional Free Cash Flow as cash flows from operating activities less maintenance capital expenditures (including non-recoverable environmental capital expenditures), adjusted for the estimated impact of noncontrolling interests. The proportionate share of cash flows and related adjustments attributable to noncontrolling interests in our subsidiaries comprise the proportional adjustment factor presented in the reconciliation below. Upon the Company's adoption of the accounting guidance for service concession arrangements effective January 1, 2015, capital expenditures related to service concession assets that would have been classified as investing activities on the Condensed Consolidated Statement of Cash Flows are now classified as operating activities.
  Beginning in the first quarter of 2015, the Company changed the definition of Proportional Free Cash Flow to exclude the cash flows for capital expenditures related to service concession assets that are now classified within net cash provided by operating activities on the Condensed Consolidated Statement of Cash Flows. The proportional adjustment factor for these capital expenditures is presented in the reconciliation below.
  The Company excludes environmental capital expenditures that are expected to be recovered through regulatory, contractual or other mechanisms. An example of recoverable environmental capital expenditures is IPL's investment in MATS-related environmental upgrades that are recovered through a tracker.
  The GAAP measure most comparable to proportional free cash flow is cash flows from operating activities. We believe that proportional free cash flow better reflects the underlying business performance of the Company, as it measures the cash generated by the business, after the funding of maintenance capital expenditures, that may be available for investing or repaying debt or other purposes. Factors in this determination include the impact of noncontrolling interests, where AES consolidates the results of a subsidiary that is not wholly owned by the Company.
- **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. Beginning in Q1 2015, the definition was revised to also exclude cash flows related to service concession assets.
  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.