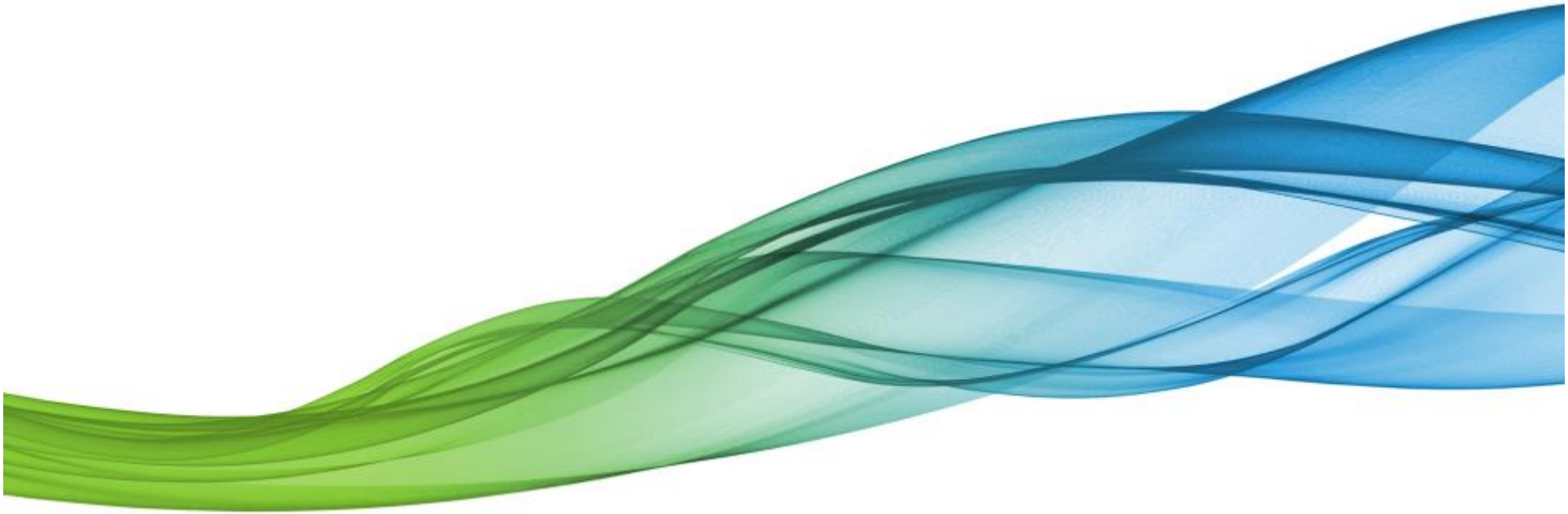
The AES Corporation
Fourth Quarter & Full Year 2015 Financial Review

February 24, 2016



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 65 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' 2015 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.

2015 Achievements

- Despite macroeconomic headwinds, achieved significant milestones
- Generated Proportional Free Cash Flow[1] of $1,241 million, up 39% compared to 2014
  - Parent Free Cash Flow[1] of $531 million, up $8 million compared to 2014
- Increased quarterly dividend by 10%, to $0.11 per share
- Delivered Adjusted EPS[1] of $1.22 versus $1.30 in 2014
- Returned $757 million, or 62%, of discretionary cash to shareholders through share repurchases and dividends
- Used $345 million, or 28% of discretionary cash to reduce corporate debt
- Brought on-line 1,484 MW of new projects and continued to make good progress on remaining 5,620 MW currently under construction
- Advanced select platform expansion projects in the Philippines, Panama and California

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

Significant Devaluation in Foreign Currencies and Commodities Continues to have a Negative Impact on Our Results

	Change 2014 to 2016[1]	2016 Forward Change from 10/15/15 to 1/31/16
Brazilian Real (BRL)	(44%)	(2%)
Colombian Peso (COP)	(40%)	(11%)
Euro	(18%)	(5%)
Kazakhstan Tenge (KZT)	(55%)	(22%)
NYMEX WTI/IPE Brent Crude Oil	(60%)	(25%)-(30%)
NYMEX Henry Hub/UK National Balancing Point Natural Gas	(45%)	(15%)-(30%)

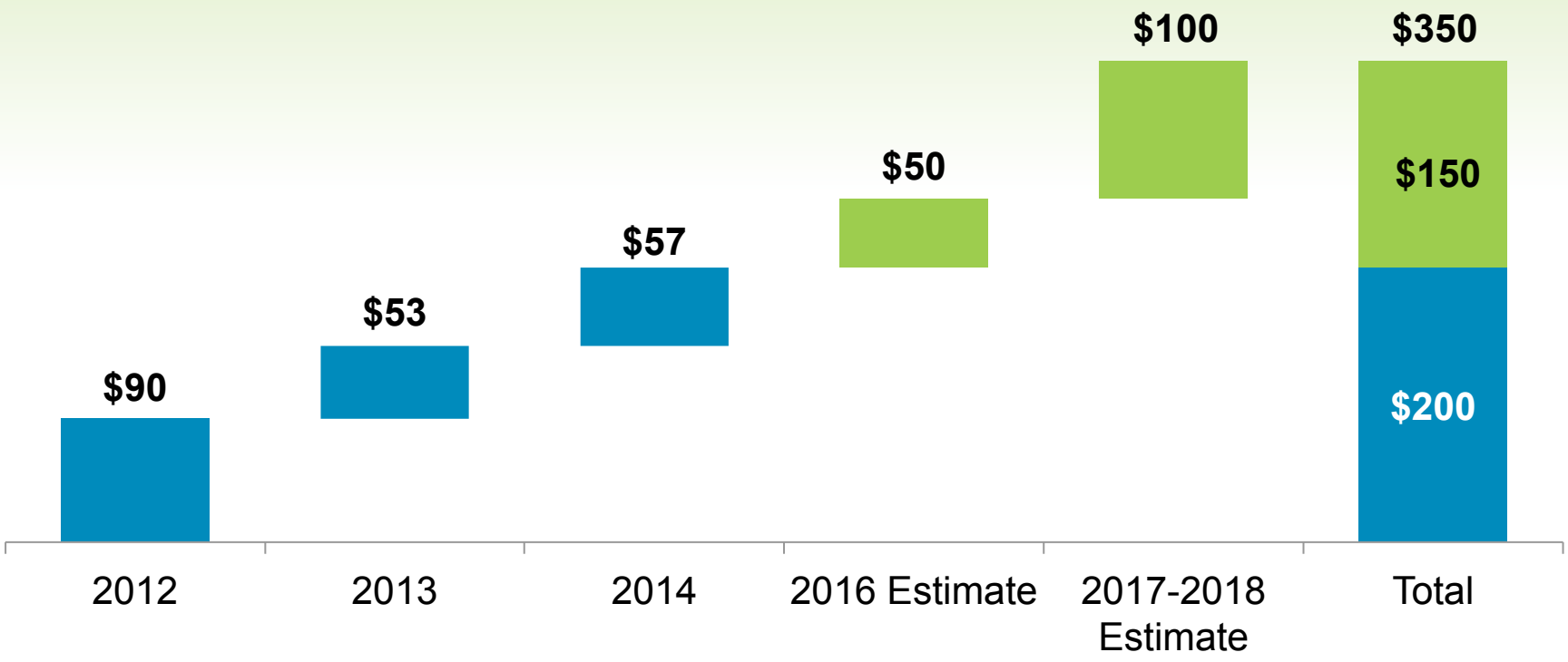
Impact on 2016 Guidance from Declines in Forward Curves from 10/15/15 to 1/31/16: $0.10 Per Share or $100 Million Before Hedging Activities

1. Average forecasted rate for 2016 as of January 31, 2016 versus average actual rate for 2014.

Performance Excellence: Partially Offsetting Macroeconomic Headwinds

$ in Millions

Already Achieved $200 Reduction in Global Overhead[1]; Recently Initiated $150 Cost Savings & Revenue Enhancement Initiative

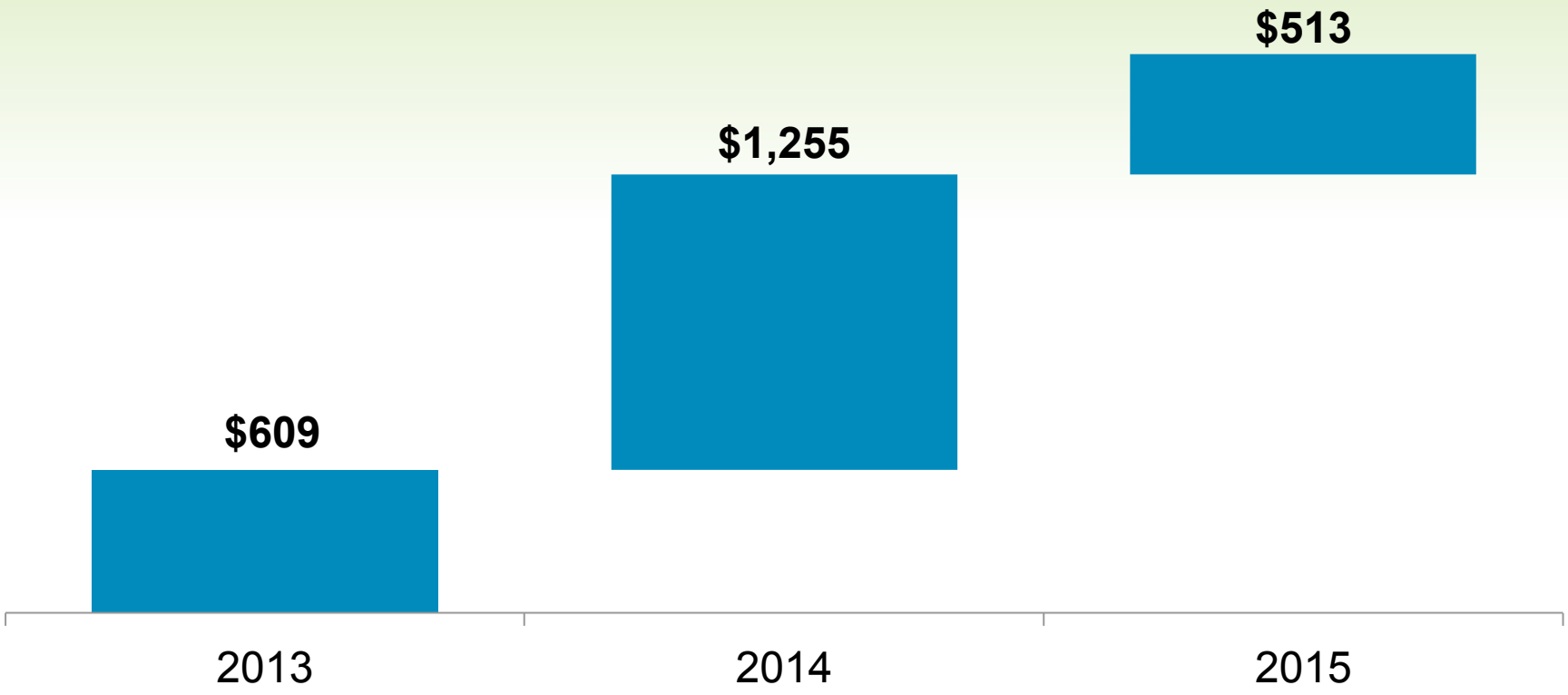


1. Cost reductions reflected in General and Administrative Expense (G&A), as well as Cost of Sales. Some of the previously reported 2012 and 2013 G&A Expense related to administrative costs at our SBUs has been reclassified to Cost of Sales.

Expanding Access to Capital

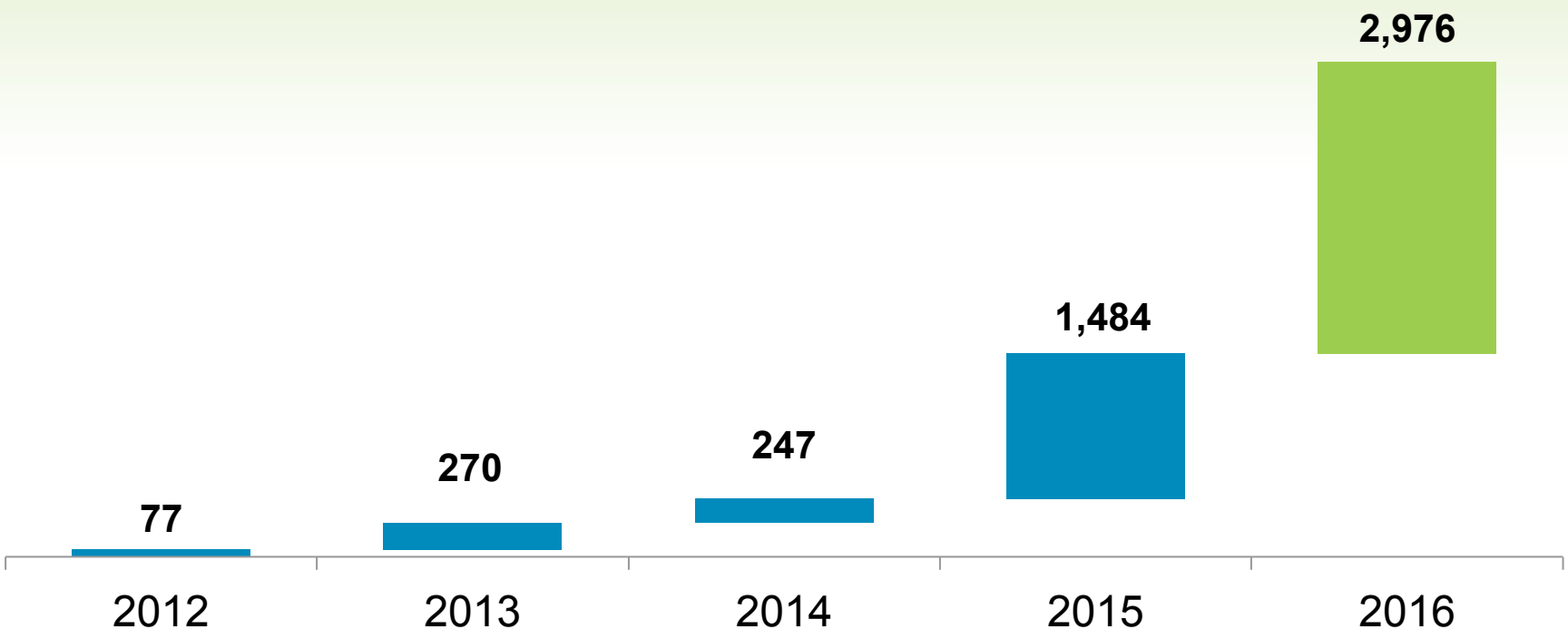
$ in Millions

Raised $2.5 Billion in Proceeds from Partnerships



Brought On-Line 1,484 MW in 2015

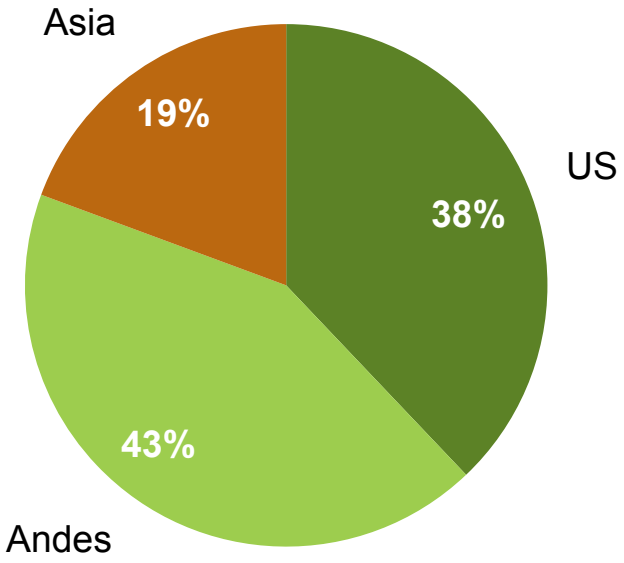
Since 2011, Brought On-Line 2,078 MW; Additional 2,976 MW Coming On-Line in 2016



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: 5,620 MW Currently Under Construction Yield ~15% Return on Equity[1]

81% of Required Equity is for Projects at IPL (US) and Gener (Chile)



$7 Billion Total Cost; AES Equity Commitment of $1.2 Billion, of Which Only $175 Million is Still to be Funded

1. Based on contributions from all projects under construction and IPL MATS and wastewater upgrades, from 2020-2023, once all projects under construction are completed.

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.

Our Markets Continue to Experience Robust Growth in Energy Demand, Supporting Need for Our Product

High Growth 6%-10%	Medium Growth 3%-5%	Limited Growth <2%	No Growth
• Panama • Vietnam • India • Dominican Republic	• Argentina • Chile • Colombia • Mexico • Philippines	• U.S. • Europe	• Brazil

Advanced Stage Development Project: Masinloc 2 in the Philippines

300 MW Expansion



- Electricity demand growth in the Philippines expected to remain 5%
- Expected to be one of the lowest cost electricity providers in the country
- Uses super critical technology – highest efficiency solution
- ~40% contracted under long-term, U.S. Dollar-denominated agreements; targeting ~80% under medium- and long-term contracts (consistent with Masinloc 1)
- $740 million total project cost to be funded with debt capacity and free cash flow generated at Masinloc 1
- Expect to break ground 1H 2016, with operations in 2019

Advanced Stage Development Project: Colon in Panama

350 MW CCGT and 180,000 m^3 LNG Storage Tank and Regasification Facility



- Building Panama's first natural gas-fired generation plant
- Power plant fully contracted under a 10-year, U.S. Dollar-denominated PPA
- Strategically located on the Panama Canal
  - Allows for some LNG capacity to be used for bunkering vessels with LNG or distributing to neighboring countries
- Expect to break ground in 1H 2016, with operations in 2018

Advanced Stage Development Project: Southland Repowering

1,384 MW Under 20-Year Power Purchase Agreements



- 1,284 MW of combined cycle natural gas capacity and 100 MW of battery-based energy storage
- California Public Utilities Commission recently approved our contracts with Southern California Edison
  - Expect the Commission to rule on requests for rehearing by opposing parties during Q1 2016
- Expect to break ground in 2017, with operations in 2020 and 2021
- Significant locational advantage – seeking permits for an additional 600 MW to be prepared to meet a potential electricity shortfall in Southern California

World Leader in Battery-Based Energy Storage

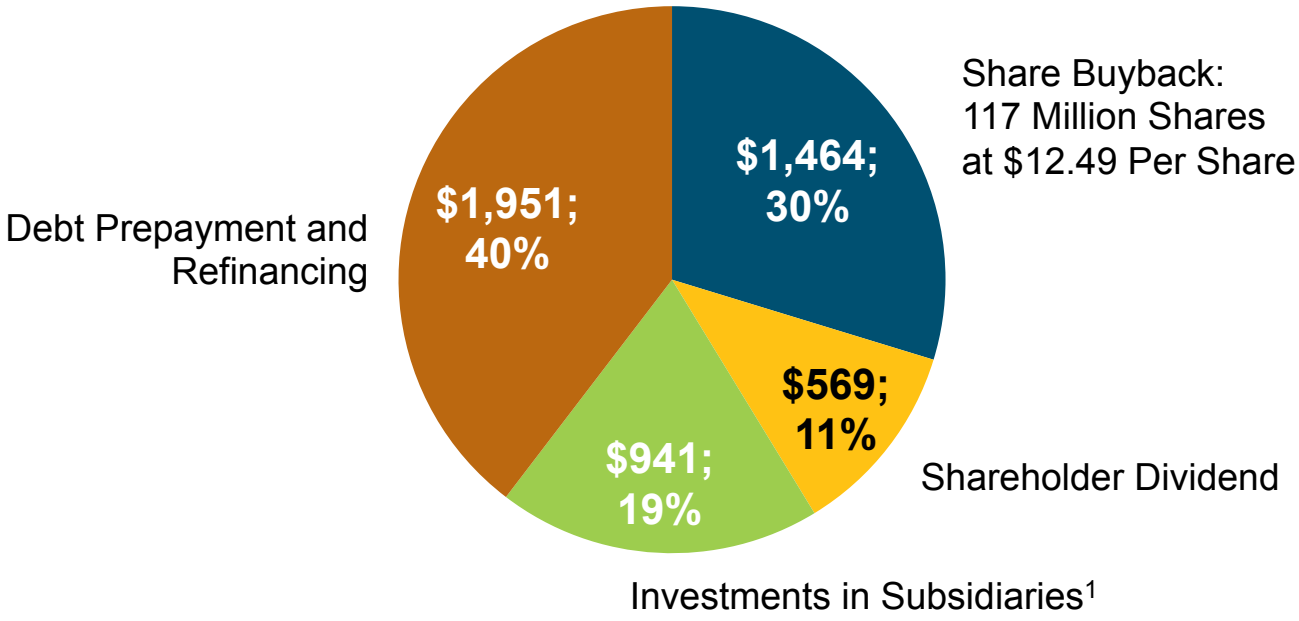
106 MW in Operation in Four Countries



- Advancion 4 battery-based energy storage developed with our eight years of experience in grid scale applications
  - Providing highest level of reliability and efficiency
- 60 MW under construction and expected to come on-line in 2016
- 228 MW in advanced stage development
- Recently signed alliance agreements with Eaton Corporation and Mitsubishi Corporation for third party sales

81% of $4.9 Billion in Discretionary Cash Invested in Shareholder Returns, Debt Pay Down and Select Growth Projects

September 2011-December 2015; $ in Millions



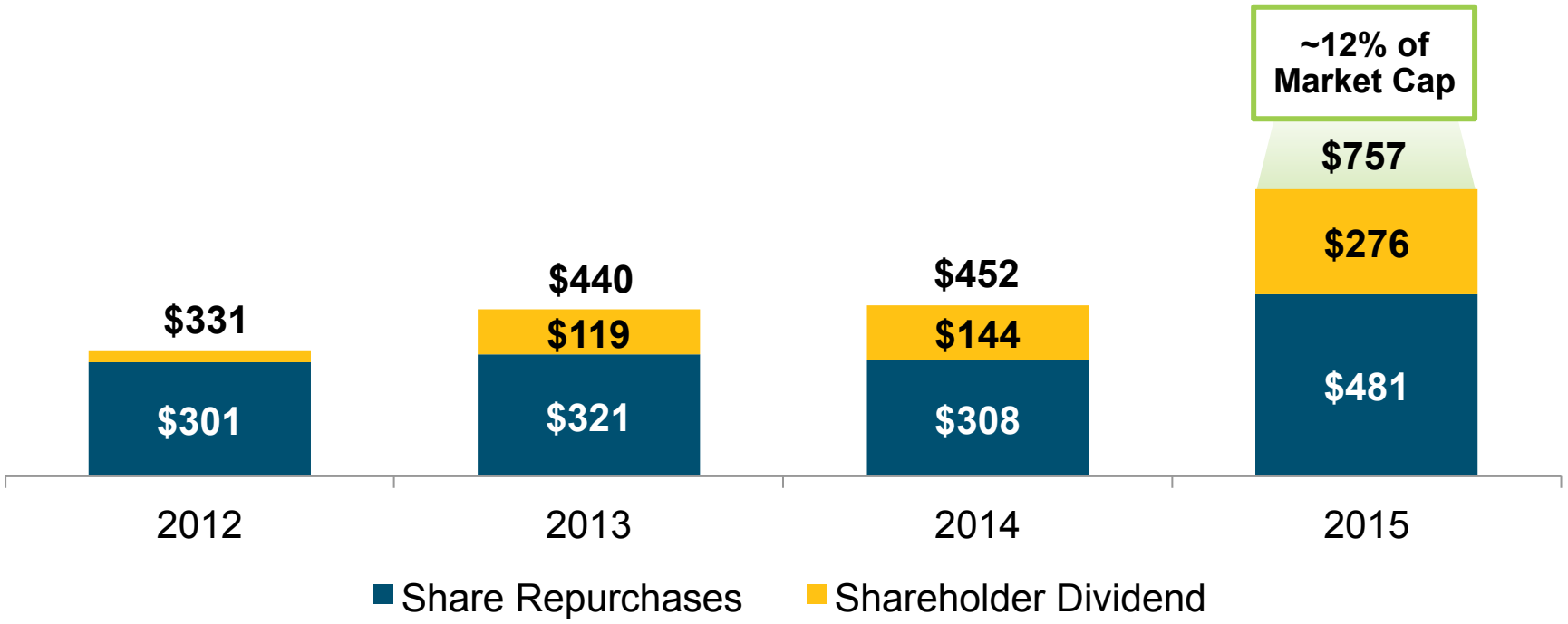
Reduced Parent Debt by 23% and Share Count by 15%

1. Excludes $2.3 billion investment in DPL.

Maximizing Risk-Adjusted Per Share Returns to Shareholders

$ in Millions

Returned $2 Billion to Shareholders 2012-2015

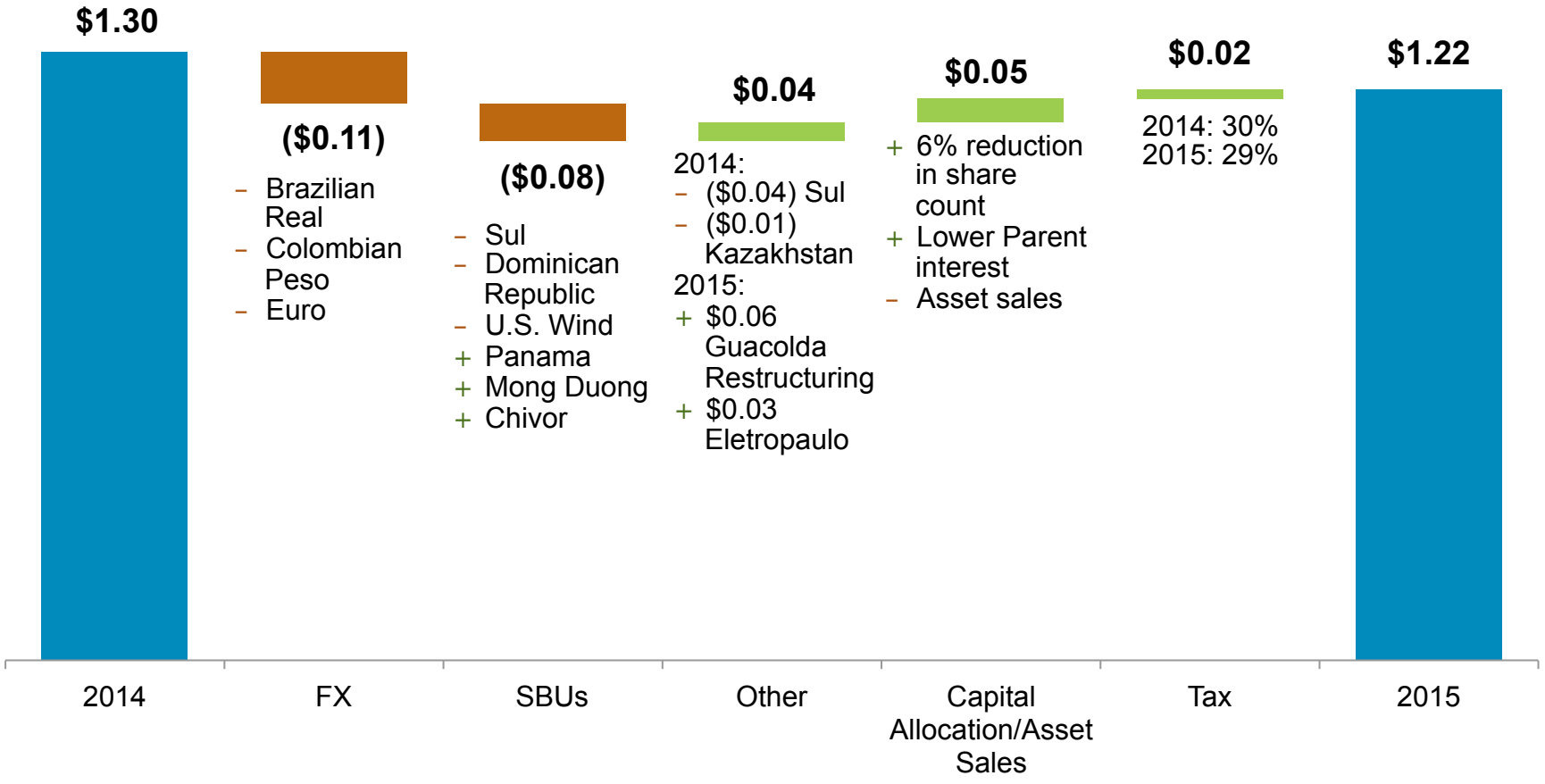


Q4 & Full Year 2015 Financial Review

- Q4 & FY 2015 results
  - Adjusted EPS[1]
  - Proportional Free Cash Flow and Adjusted PTC[1] by Strategic Business Unit (SBU)
- 2015 Parent capital allocation
- 2016-2018 Guidance and expectations
- 2016 Parent capital allocation plan

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

FY 2015 Adjusted EPS[1] Decreased $0.08



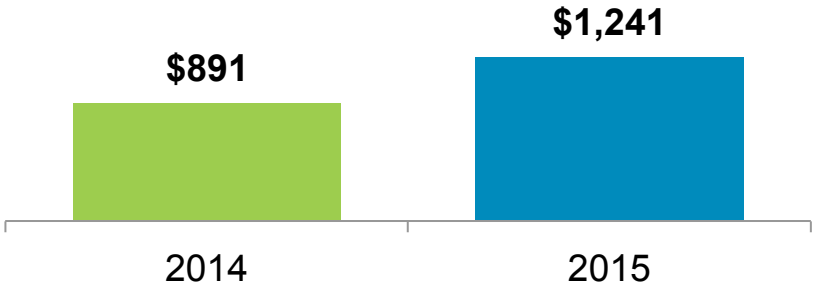
1. A non-GAAP financial measure. See Slide 61 for reconciliation and "definitions".

FY Financial Results Summary

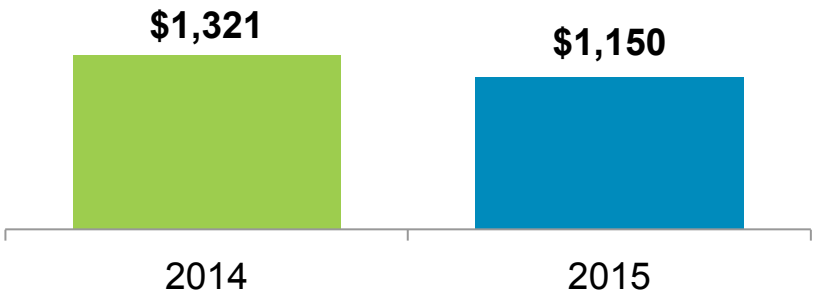
$ in Millions

- Higher Proportional Free Cash Flow[1] reflects:
  - Lower margins:
    - Devaluation of foreign currencies in Latin America and Europe
    - Lower commodity prices
    - Lower demand in Brazil
  - Offset by improved collections in the Dominican Republic and Chile and the acceleration of collections and working capital improvements previously expected in 2016
- Lower Adjusted PTC[1] also reflects:
  - Gain on the restructuring at Guacolda
  - A net unfavorable reversal of liabilities in Brazil and Europe

Proportional Free Cash Flow[1] Increased $350



Adjusted PTC[1] Decreased $171



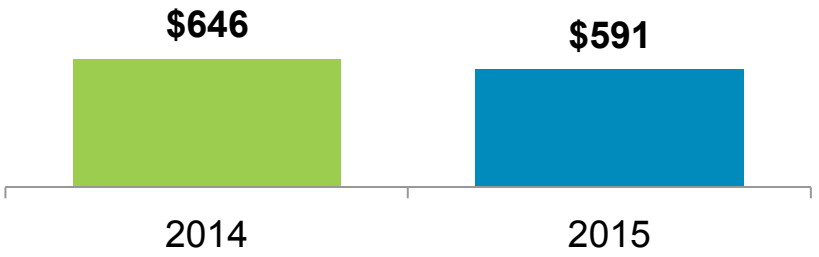
1. A non-GAAP financial measure. See Appendix for definition and reconciliation.

FY Financial Results: US SBU

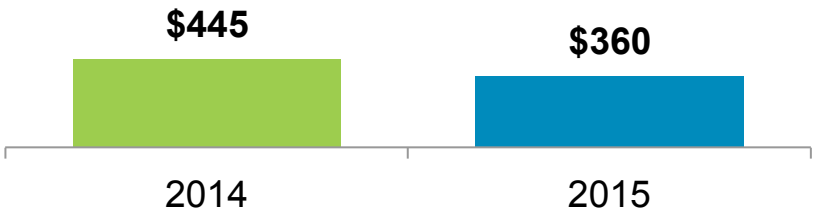
$ in Millions

- Lower Proportional Free Cash Flow[1] reflects:
  - Lower margins:
    - Lower wind generation
    - Lower contributions from IPL due to wholesale margins and the partial sell-down
    - Greater proportion of energy sold into the wholesale versus retail market at DPL
  - Partially offset by higher collections, lower inventory and a one-time contract termination payment at DPL in 2014

Proportional Free Cash Flow[1] Decreased $55



Adjusted PTC[1] Decreased $85



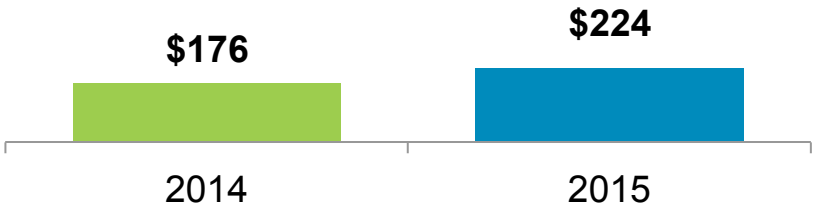
1. A non-GAAP financial measure. See Appendix for definition and reconciliation.

FY Financial Results: Andes SBU

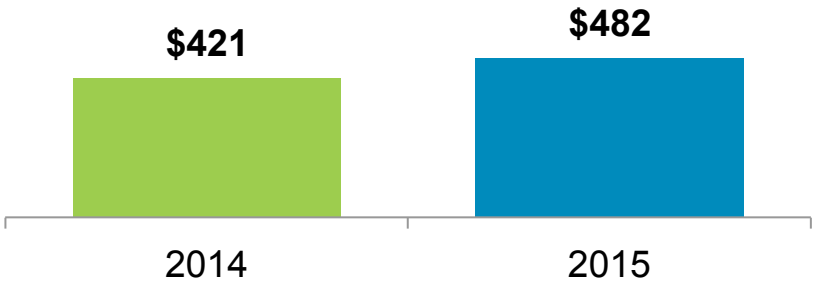
$ in Millions

- Higher Proportional Free Cash Flow[1] reflects:
  - Higher margins:
    - + Improved availability in Chile
    - + Higher energy prices at Chivor in Colombia
    - – 27% devaluation of the Colombian Peso
  - Benefit from increased VAT refunds related to the construction of Cochrane and Alto Maipo in Chile
  - Partially offset by lower collections and higher taxes at Chivor
- Higher Adjusted PTC[1] also reflects:
  - Gain on the restructuring at Guacolda in Chile

Proportional Free Cash Flow[1] Increased $48



Adjusted PTC[1] Increased $61



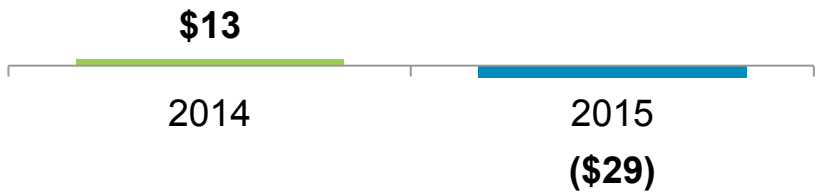
1. A non-GAAP financial measure. See Appendix for definition and reconciliation.

FY Financial Results: Brazil SBU

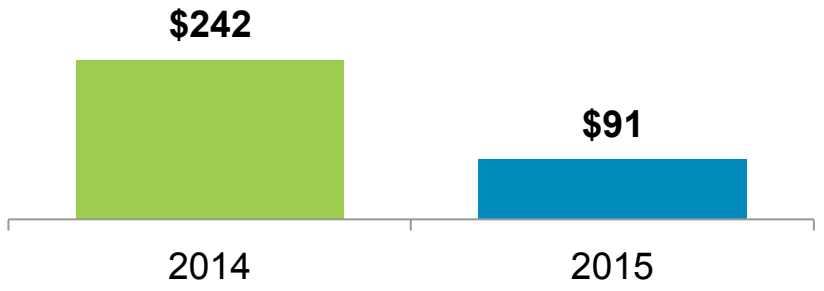
$ in Millions

- Lower Proportional Free Cash Flow[1] reflects:
  - Lower margins:
    - − Lower demand
    - − 29% devaluation of Brazilian Real
  - Higher interest expense
  - Partially offset by Sul:
    - + The timing of energy purchases
    - + Lower tax payments
    - + Lower maintenance capex
- Lower Adjusted PTC[1] also reflects:
  - A net unfavorable reversal of liabilities at Eletropaulo and Sul
  - Regulatory charges at Sul

Proportional Free Cash Flow[1] Decreased $42



Adjusted PTC[1] Decreased $151



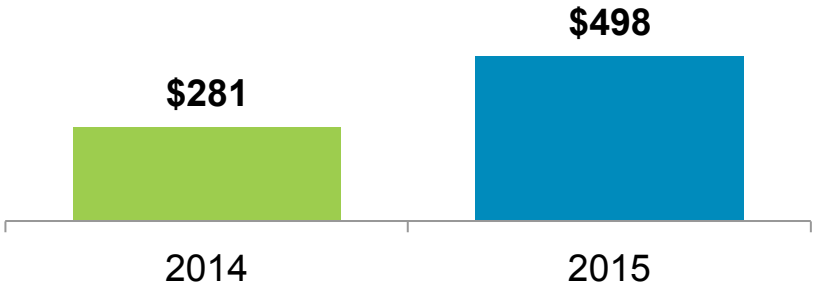
1. A non-GAAP financial measure. See Appendix for definition and reconciliation.

FY Financial Results: MCAC SBU

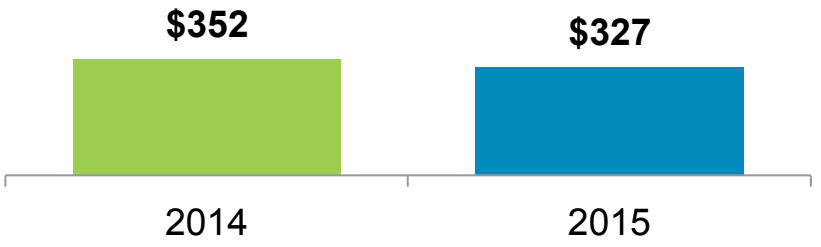
$ in Millions

- Higher Proportional Free Cash Flow[1] reflects:
  - Lower margins:
    - − Lower LNG sales demand, ancillary service revenue and availability in the Dominican Republic
    - + Improved hydrology in Panama
  - Offset by the collection of outstanding receivables in the Dominican Republic and favorable timing of collections in Puerto Rico and Panama

Proportional Free Cash Flow[1] Increased $217



Adjusted PTC[1] Decreased $25



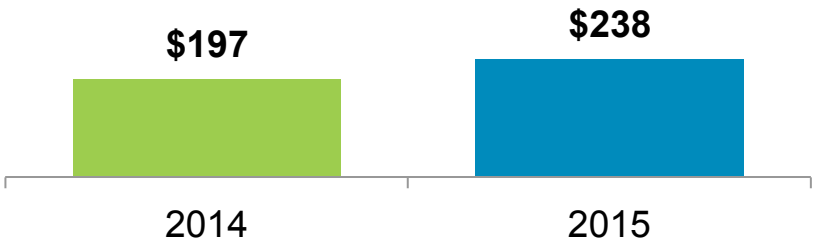
1. A non-GAAP financial measure. See Appendix for definition and reconciliation.

FY Financial Results: Europe SBU

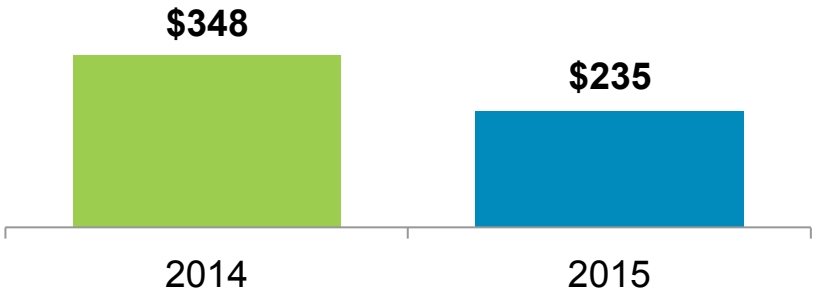
$ in Millions

- Higher Proportional Free Cash Flow[1] reflects:
  - Lower margins:
    - 16% devaluation of the Euro and 20% devaluation of the Kazakhstan Tenge
    - Sales of Ebute in Nigeria and wind businesses in the United Kingdom in 2014
  - Offset by higher collections in Bulgaria and Jordan
- Lower Adjusted PTC[1] also reflects:
  - Reversal of a liability in Kazakhstan that was favorable in 2014

Proportional Free Cash Flow[1] Increased $41



Adjusted PTC[1] Decreased $113



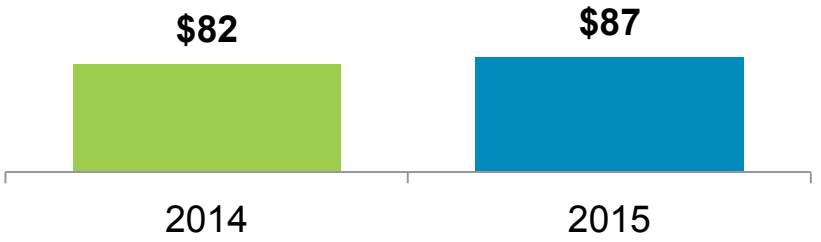
1. A non-GAAP financial measure. See Appendix for definition and reconciliation.

FY Financial Results: Asia SBU

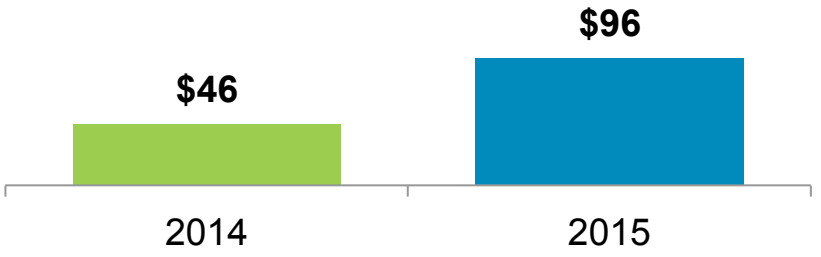
$ in Millions

- Higher Proportional Free Cash Flow[1] reflects:
  - Higher margins:
    - + Commencement of operations at Mong Duong in Vietnam
    - + Improved availability, offset by the partial sell-down at Masinloc in the Philippines
  - Partially offset by higher tax payments and the timing of collections and fuel payments at Masinloc

Proportional Free Cash Flow[1] Increased $5



Adjusted PTC[1] Increased $50

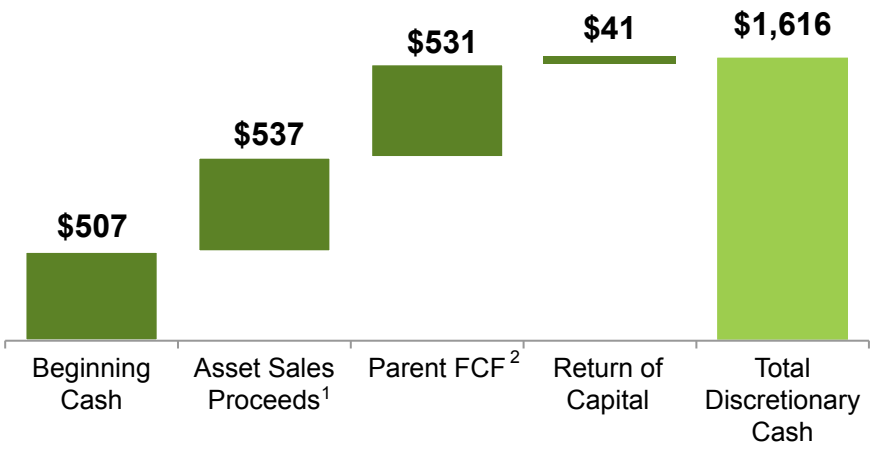


1. A non-GAAP financial measure. See Appendix for definition and reconciliation.

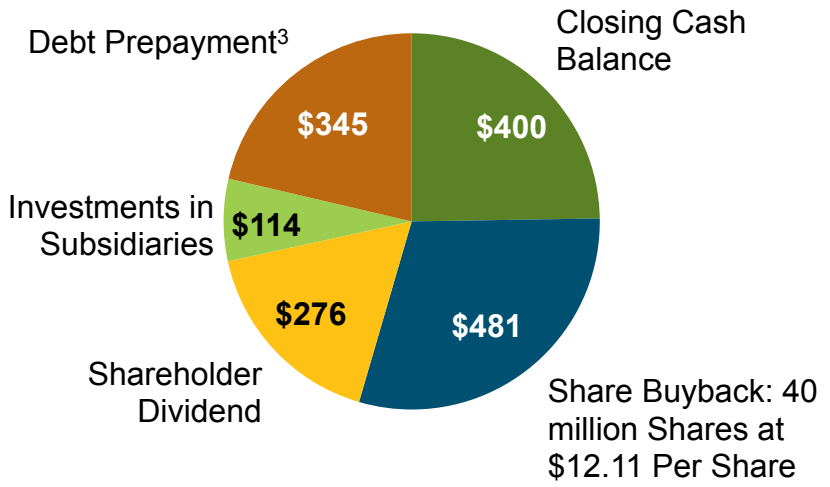
2015 Parent Capital Allocation

$ in Millions

Discretionary Cash – Sources ($1,616)



Discretionary Cash – Uses ($1,616)



91% Allocated to Debt Prepayment, Dividends & Share Repurchases

1. Includes announced asset sale proceeds of: $239 million (IPALCO, US partnership), $144 million (AES Gener 4% sell-down, Chile), $59 million (Armenia Mountain, US), $42 million (Italy solar), $31 million (Spain solar), $16 million (partnership in the Dominican Republic).
2. A non-GAAP financial metric. See Appendix for definition and reconciliation.
3. Includes $315 million Parent debt prepayment and costs associated with prepayment and refinancing near-term maturities.

Revised 2016 Guidance and 2017-2018 Expectations

$ in Millions, Except Per Share Amounts

	2016		2017-2018
	As of November 5, 2015	As of February 24, 2016	
Proportional Free Cash Flow[1]	$1,125-$1,475	$1,000-$1,350	At least 10% average annual growth, off lower 2016 base
Parent Free Cash Flow[1] Expectation	$575-$675	$525-$625	
Consolidated Net Cash Provided by Operating Activities	$2,200-$3,000	$2,000-$2,900	N/A
Adjusted EPS[1]	$1.05-$1.15	$0.95-$1.05	Now expect higher end of 12%-16% average annual growth rate, off lower 2016 base

- Revised 2016 guidance reflects changes in currency and commodity forward curves from October 15, 2015 to January 31, 2016, partially offset by hedging activities; as well as lower demand in Brazil, with a total negative impact of approximately $0.10 per share or $100 million
- Revised 2016 cash flow forecast also reflects the impact from receiving some cash in the fourth quarter of 2015 that was previously expected in 2016

1. A non-GAAP financial measure. See Appendix for definition and reconciliation. See Slide 54 for assumptions.

Business Updates

Maritza in Bulgaria

- Expect to close PPA amendment in 2016
- Plant operating as baseload
- Recent energy sector reforms now enacted, resulting in an improvement in the financial position of our offtaker, NEK
  - Should help NEK to raise financing to settle our outstanding receivables
- Collections have improved by 24% in 2015 versus 2014
- Currently $351 million in receivables remain outstanding, of which $53 million is not yet due

Business Updates

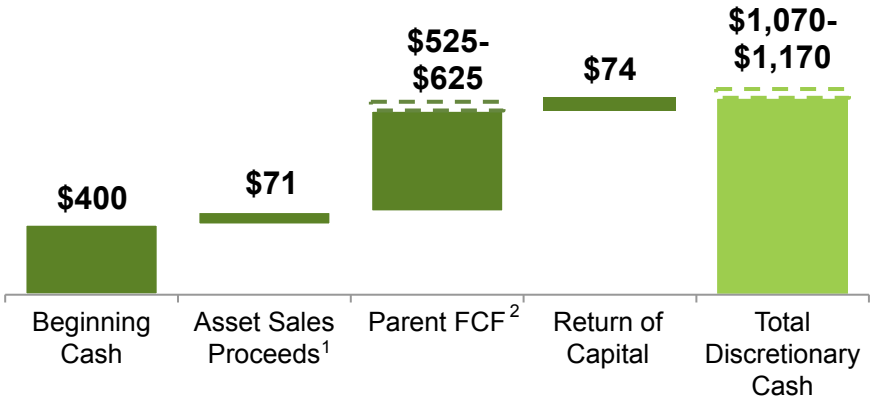
DPL Electric Security Plan (ESP)

- DPL filed its ESP on February 22nd, including a request for a reliability rider
  - 10-year term; targeting 10.7% ROE
  - $1 billion rate base (2,100 MW of coal-fired generation)
- Designed to improve rate stability, ensure continued reliability, promote fuel diversity and ensure economic viability of DPL plants
- Request in line with criteria provided by the Public Utilities Commission of Ohio
- Expect resolution later in 2016, effective beginning in 2017
  - On track to separate generation and T&D businesses by the beginning of 2017

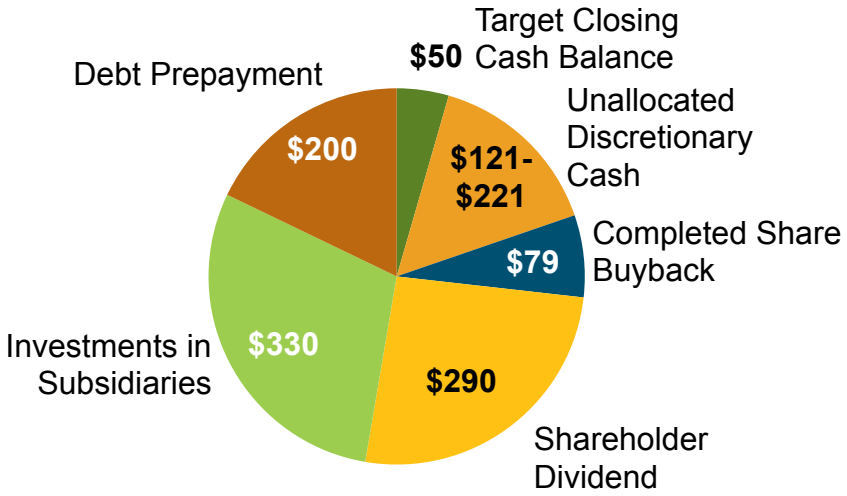
2016 Parent Capital Allocation Plan

$ in Millions

Discretionary Cash – Sources ($1,070-$1,170)



Discretionary Cash – Uses ($1,070-$1,170)



Maximizing Discretionary Cash to Increase Risk-Adjusted Returns for Shareholders

1. Includes announced asset sale proceeds of: $40 million (Sonel, Kribi and Dibamba, Cameroon), $21 million (IPP4 partnership, Jordan) and $9 million (Kelanitissa, Sri Lanka).
2. A non-GAAP financial metric. See Appendix for definition and reconciliation.

Conclusion

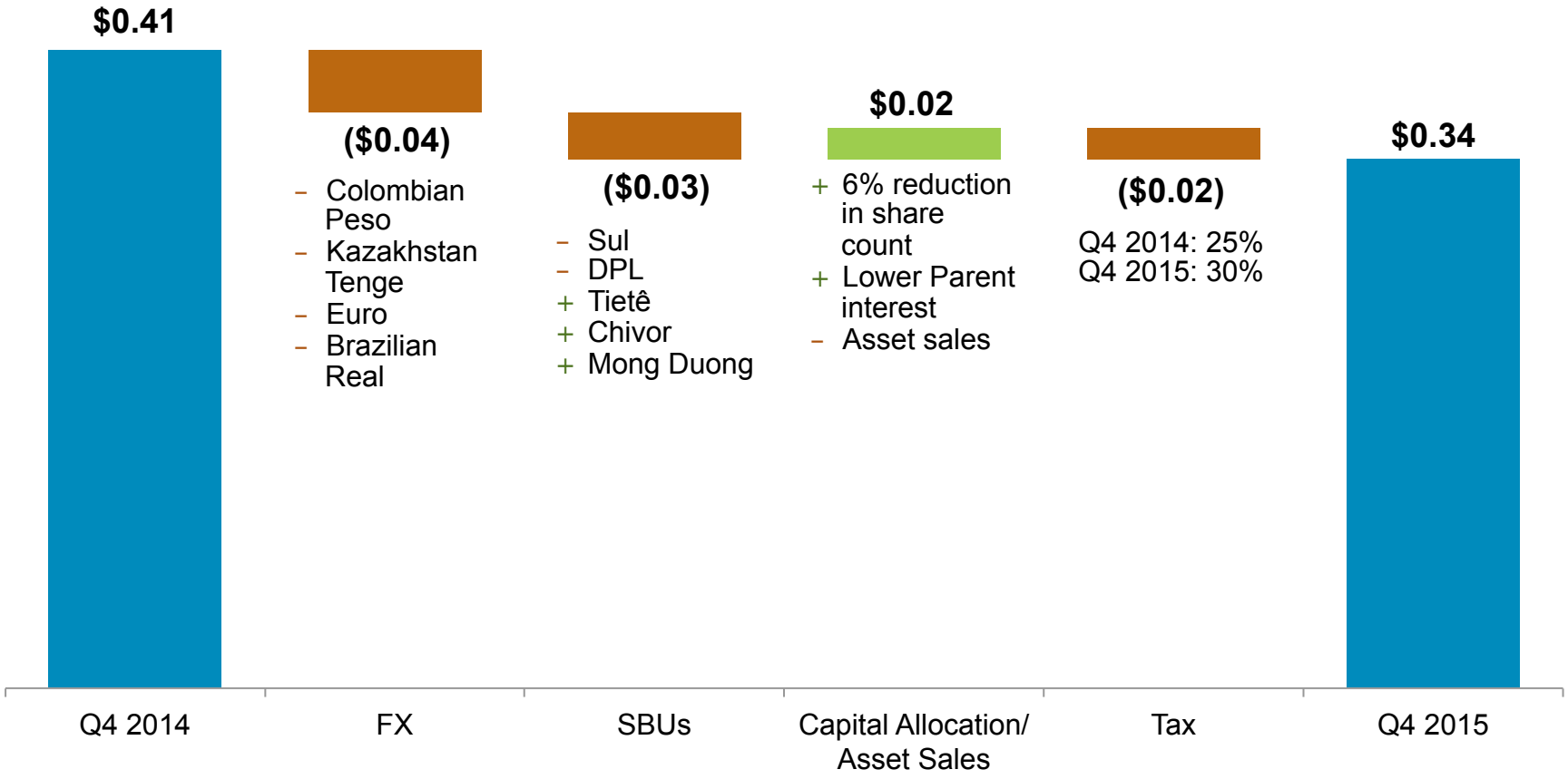
- Taking actions to offset macroeconomic headwinds
- Expect at least 10% average annual growth in Proportional and Parent Free Cash Flow[1]
  - Largely funded construction projects contribute to strong and growing free cash flow
- Despite near-term headwinds, well positioned to take advantage of potential opportunities across our portfolio to drive growth beyond 2018
- Remain committed to maximizing per share risk-adjusted returns

Appendix

- Q4 Adjusted EPS[1] — Slide 32
- Q4 Proportional Free Cash Flow[1] & Adjusted PTC[1] — Slides 33-38
- Listed Subs & Public Filers — Slide 39
- SBU Modeling Disclosures — Slides 40-42
- DPL Inc. Modeling Disclosures — Slide 43
- DP&L and DPL Inc. Debt Maturities — Slide 44
- Parent Only Cash Flow — Slides 45-47
- Asset Sales — Slide 48
- Currency and Commodities — Slides 49-51
- 2016 Adjusted PTC[1] Modeling Ranges — Slide 52
- AES Modeling Disclosures — Slide 53
- Key Assumptions for 2016 Guidance & 2017-2018 Expectations — Slide 54
- Proportional Free Cash Flow[1] Growth Drivers — Slide 55
- Adjusted EPS[1] Growth Drivers — Slide 56
- Construction Program — Slide 57
- Reconciliations — Slides 58-64
- Assumptions & Definitions — Slides 65-67

1. A non-GAAP financial measure.

Q4 2015 Adjusted EPS Decreased $0.07



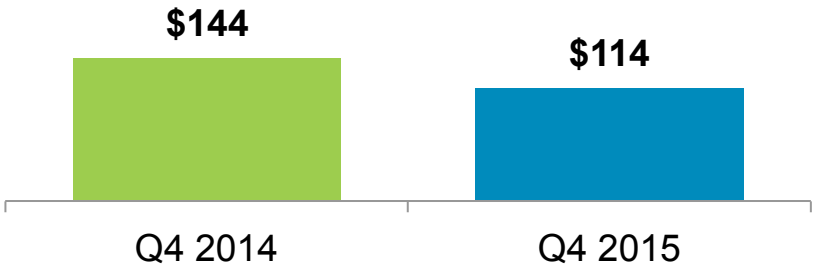
1. A non-GAAP financial measure. See Appendix for definition and reconciliation.

Q4 Financial Results: US SBU

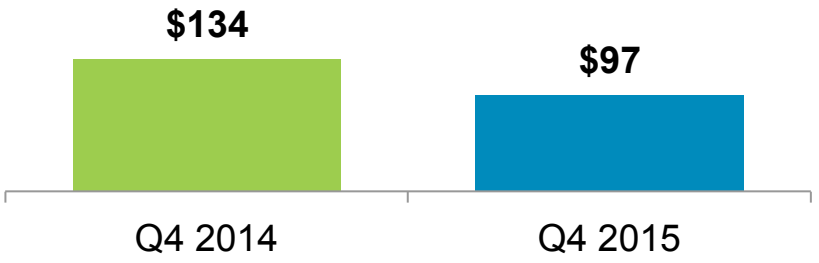
$ in Millions

- Lower Proportional Free Cash Flow[1] reflects:
  - Lower margins:
    - Lower availability and a greater proportion of energy sold into the wholesale versus retail market at DPL
    - Lower wholesale margins and the impact of the partial sell-down at IPL
  - DPL: higher capital expenditures and lower collections, partially offset by a one-time contract termination payment in 2014
  - Partially offset by lower capital expenditures and higher collections at IPL

Proportional Free Cash Flow[1] Decreased $30



Adjusted PTC[1] Decreased $37



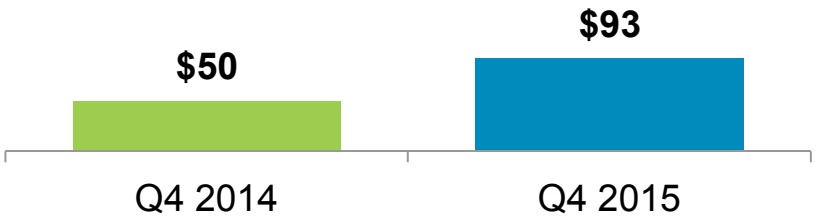
1. A non-GAAP financial measure. See Slide 58 and Slide 60 for reconciliation and "definitions".

Q4 Financial Results: Andes SBU

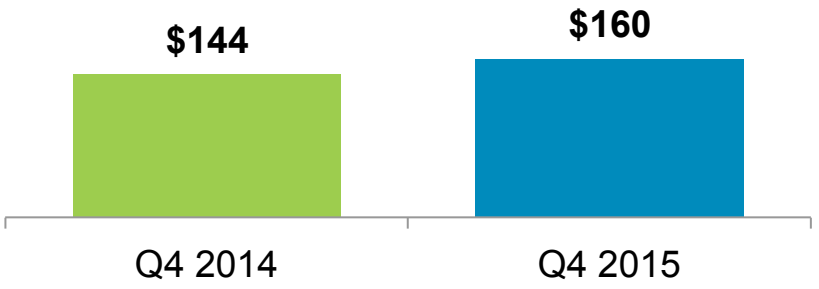
$ in Millions

- Higher Proportional Free Cash Flow[1] reflects:
  - Higher margins:
    - + Higher energy prices at Chivor in Colombia
    - + Lower depreciation and lower fixed costs at Gener in Chile
    - – 29% devaluation of the Colombian Peso
  - Lower capital expenditures and higher VAT refunds related to the construction of Cochrane and Alto Maipo in Chile
- Improved Adjusted PTC[1] reflects lower interest income in Argentina

Proportional Free Cash Flow[1] Increased $43



Adjusted PTC[1] Increased $16



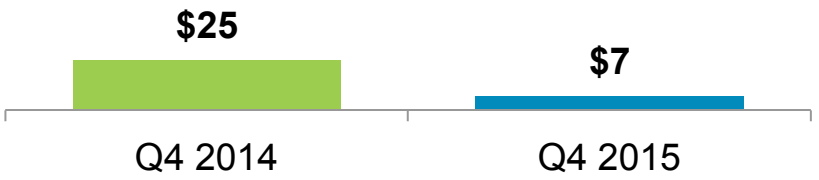
1. A non-GAAP financial measure. See Slide 58 and Slide 60 for reconciliation and "definitions".

Q4 Financial Results: Brazil SBU

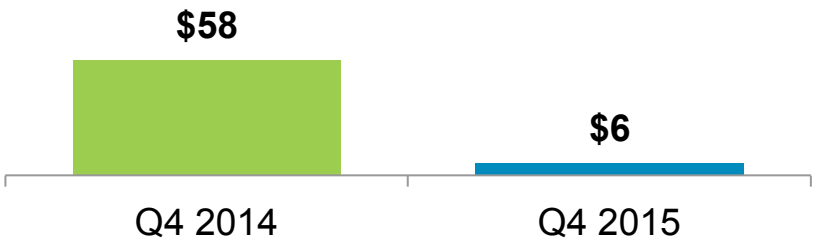
$ in Millions

- Lower Proportional Free Cash Flow[1] reflects:
  - Lower margins:
    - − Lower demand and increased storm costs at Sul
    - − Higher fixed costs and lower demand at Eletropaulo
    - − 34% devaluation of Brazilian Real
    - + Lower spot energy purchases at lower prices at Tietê
- Lower Adjusted PTC[1] also reflects:
  - Higher provisions for bad debt at Sul

Proportional Free Cash Flow[1] Decreased $18



Adjusted PTC[1] Decreased $52



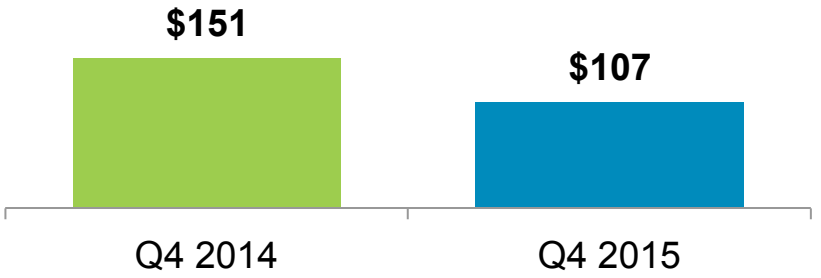
1. A non-GAAP financial measure. See Slide 58 and Slide 60 for reconciliation and "definitions".

Q4 Financial Results: MCAC SBU

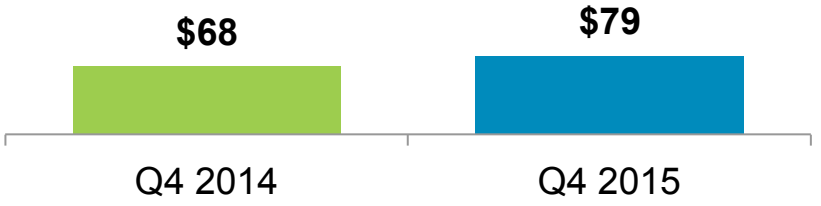
$ in Millions

- Lower Proportional Free Cash Flow[1] reflects:
  - Lower margins:
    - Timing of spot gas cargoes in 2015 in the Dominican Republic
  - Higher collection of receivables in the fourth quarter of 2014 in the Dominican Republic
- Adjusted PTC[1] also reflects:
  - Compensation related to early termination of a PPA in Panama, where a new PPA is now in place

Proportional Free Cash Flow[1] Decreased $44



Adjusted PTC[1] Increased $11



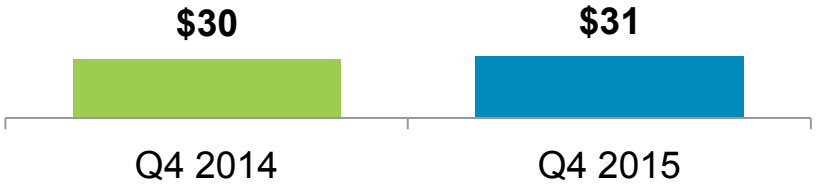
1. A non-GAAP financial measure. See Slide 58 and Slide 60 for reconciliation and "definitions".

Q4 Financial Results: Europe SBU

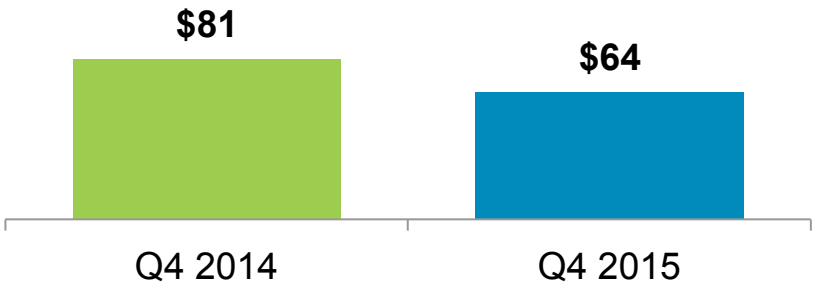
$ in Millions

- Higher Proportional Free Cash Flow[1] reflects:
  - Lower margins:
    - − 40% devaluation of the Kazakhstan Tenge and 12% devaluation of the Euro
    - − Timing of outages at Ballylumford in the United Kingdom in 2014
    - − Sale of Ebute in Nigeria in 2014
    - + Timing of outages and lower depreciation at Kilroot in the United Kingdom
  - Offset by higher collections at Maritza in Bulgaria
- Lower Adjusted PTC[1] also reflects:
  - Lower depreciation at Kilroot in the United Kingdom

Proportional Free Cash Flow[1] Increased $1



Adjusted PTC[1] Decreased $17



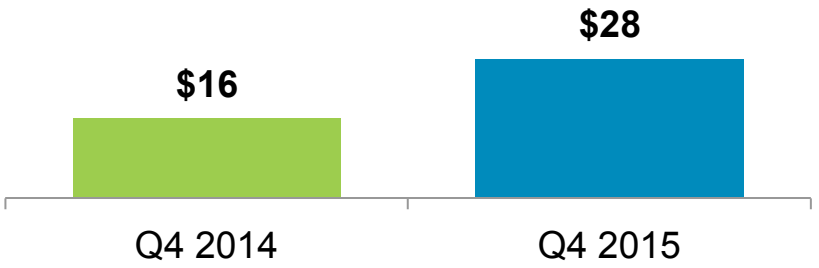
1. A non-GAAP financial measure. See Slide 58 and Slide 60 for reconciliation and "definitions".

Q4 Financial Results: Asia SBU

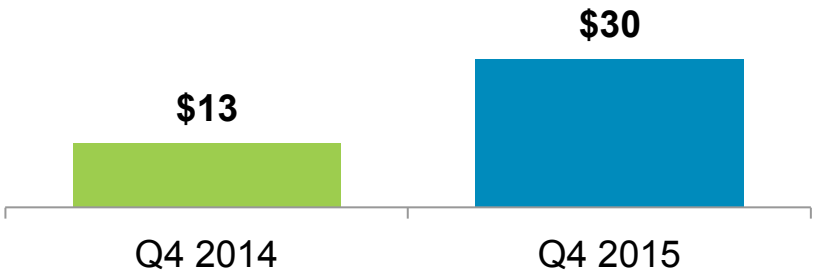
$ in Millions

- Higher Proportional Free Cash Flow[1] reflects:
  - Higher margins:
    - + Commencement of operations at Mong Duong in Vietnam

Proportional Free Cash Flow[1] Increased $12



Adjusted PTC[1] Increased $17



1. A non-GAAP financial measure. See Slide 58 and Slide 60 for reconciliation and "definitions".

FY 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	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
US GAAP Reconciliation										
Business Unit Adjusted Earnings to AES [1,3]	**$58**	**$75**	**$79**	**$88**	**$232**	**$176**	**$17**	**$22**	**$55**	**$49**
AES Business Unit Adjusted PTC[1]	**$92**	**$123**	**$104**	**$120**	**$342**	**$274**	**$26**	**$33**	**$82**	**$74**
Impact of AES Differences from Public Filings	($4)	-	-	-	$2	$3	-	-	-	-
Adjusted PTC[1,3] Public Filer (Stand-alone)	**$88**	**$123**	**$104**	**$120**	**$344**	**$277**	**$26**	**$33**	**$82**	**$74**
Unrealized Derivatives (Losses)/Gains	-	-	($6)	($3)	$4	-	-	-	-	-
Unrealized Foreign Currency Transaction Losses	-	-	-	-	$12	($6)	-	-	($1)	-
Impairment Losses	-	-	($317)	($147)	-	-	-	-	-	-
Disposition/Acquisition Gains	-	-	$1	$4	-	-	-	-	-	-
Loss on Extinguishment of Debt	($17)	-	($2)	($31)	($21)	($19)	-	-	-	-
Non-Controlling Interest before Tax	$20	$3	$1	$1	$129	$94	$139	$187	$263	$247
Income Tax Benefit/(Expenses)	($33)	($48)	($19)	($18)	($146)	($131)	($56)	($73)	($114)	($106)
US GAAP Income/(Loss) from Continuing Operations[4]	**$58**	**$78**	**($238)**	**($74)**	**$322**	**$215**	**$109**	**$147**	**$230**	**$215**
IFRS Reconciliation										
Adjustment to Depreciation & Amortization[5]					($42)	($53)	($41)	($33)	($14)	($22)
Adjustment to Regulatory Liabilities & Assets[6]					-	-	($157)	($363)	-	-
Adjustment to Taxes[7]					$15	$52	$38	$117	$6	$11
Other Adjustments					($45)	($39)	$85	$61	($2)	($7)
IFRS Net Income					**$250**	**$175**	**$34**	**($71)**	**$220**	**$197**
BRL-USD Implied Exchange Rate							2.947-	1.8564	3.3027	2.2758

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 Q3 2014. Since December 2014 these regulatory assets and liabilities became to be recognized in IFRS.
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 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	**$360**	**$262**	**($26)**	**$236**	**-**	**-**	**-**	**$443**	**($63)**	**$380**
DPL	$104	$117	-	$117	-	-	-	$139	-	$139
IPL	$92	$101	($25)	$76	-	-	-	$188	($47)	$141
Andes	**$482**	**$154**	**($44)**	**$110**	**$77**	**($6)**	**$71**	**$175**	**($56)**	**$119**
AES Gener	$344	$135	($45)	$90	$14	($4)	$8	$164	($55)	$109
Brazil	**$91**	**$350**	**($211)**	**$139**	**$299**	**($91)**	**$108**	**$185**	**($118)**	**$67**
Tietê	$82	$56	($43)	$13	$13	($10)	$3	$39	($30)	$9
Eletropaulo	$26	$200	($168)	$32	$204	($171)	$33	$106	($18)	$17
MCAC	**$327**	**$179**	**($31)**	**$148**	**$30**	**($6)**	**$24**	**$155**	**($36)**	**$119**
Europe	**$235**	**$73**	**($13)**	**$60**	**$1**	**-**	**$1**	**$134**	**($13)**	**$121**
Asia	**$96**	**$85**	**($42)**	**$43**	**$115**	**($56)**	**$59**	**$32**	**($15)**	**$17**
Subtotal	**$1,591**	**$1,103**	**($367)**	**$736**	**$522**	**($259)**	**$263**	**$1,124**	**($301)**	**$823**
Corp/Other	**($441)**	**$333**	**-**	**$333**	**$2**	**-**	**$2**	**$20**	**-**	**$20**
TOTAL	**$1,150**	**$1,436**	**($367)**	**$1,069**	**$524**	**($259)**	**$265**	**$1,144**	**($301)**	**$843**

1. A non-GAAP financial measure. See reconciliation on Slide 62 and “definitions”.

FY 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	**$4,982**	**($582)**	**$4,400**	**$234**	**($12)**	**$222**
DPL	$2,009	-	$2,009	$125	-	$125
IPL	$2,341	($583)	$1,758	$24	($6)	$18
Andes	**$3,919**	**($1,563)**	**$2,356**	**$560**	**($140)**	**$420**
AES Gener	$3,717	($1,562)	$2,155	$512	($139)	$373
Brazil[1]	**$1,630**	**($971)**	**$659**	**$610**	**($335)**	**$275**
Tietê	-	-	-	-	-	-
Eletropaulo	$932	($782)	$150	$261	($215)	$45
MCAC	**$2,302**	**($310)**	**$1,992**	**$517**	**($67)**	**$450**
EMEA	**$1,113**	**($212)**	**$901**	**$135**	**($25)**	**$110**
Asia	**$1,806**	**($885)**	**$921**	**$227**	**($108)**	**$119**
Subtotal	**$15,752**	**($4,523)**	**$11,229**	**$2,283**	**($687)**	**$1,596**
Corp/Other	**$5,055**	**-**	**$5,055**	**$323**	**-**	**$323**
TOTAL	**$20,807**	**($4,523)**	**$16,284**	**$2,606**	**($687)**	**$1,919**

1. In addition to total debt, Eletropaulo has $686 million of pension plan liabilities. AES owns 16% of Eletropaulo.

Q4 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	**$97**	**$62**	**($6)**	**$56**	**-**	**-**	**-**	**$115**	**($17)**	**$98**
DPL	$26	$28	-	$28	-	-	-	$35	-	$35
IPL	$17	$25	($7)	$18	-	-	-	$52	($13)	$39
Andes	**$160**	**$38**	**($11)**	**$27**	**$35**	**($1)**	**$34**	**$26**	**($8)**	**$18**
AES Gener	$101	$36	($12)	$24	$3	($1)	$2	$23	($8)	$15
Brazil	**$6**	**$105**	**($66)**	**$39**	**$76**	**($52)**	**$24**	**$40**	**($25)**	**$15**
Tietê	$23	$13	($10)	$3	$5	($4)	$1	$8	($6)	$2
Eletropaulo	($4)	$66	($55)	$11	$55	($46)	$9	$23	($19)	$4
MCAC	**$79**	**$43**	**($7)**	**$36**	**$2**	**-**	**$2**	**$40**	**($9)**	**$31**
Europe	**$64**	**$17**	**($3)**	**$14**	**-**	**-**	**-**	**$30**	**($3)**	**$27**
Asia	**$30**	**$28**	**($14)**	**$14**	**$37**	**($18)**	**$19**	**-**	**-**	**-**
Subtotal	**$436**	**$293**	**($107)**	**$186**	**$150**	**($71)**	**$79**	**$251**	**($62)**	**$189**
Corp/Other	**($111)**	**$82**	**-**	**$82**	**$1**	**-**	**$1**	**$8**	**-**	**$8**
TOTAL	**$325**	**$375**	**($107)**	**$268**	**$151**	**($71)**	**$80**	**$259**	**($62)**	**$197**

1. A non-GAAP financial measure. See reconciliation on Slide 62 and “definitions”.

DPL Inc. Modeling Disclosures

Based on Market Conditions and Hedged Position as of December 31, 2015

	Full Year 2016	Full Year 2017	Full Year 2018
Coal Volume Production (TWh)	13.2	13.2	12.4
% Volume Hedged	~47%	~16%	0%
Average Hedge Dark Spread ($/MWh)	$13.47	$10.92	N/A
EBITDA Generation Business[1] ($ in Millions)		$110 to $130 per year	
EBITDA DPL Inc. including Generation and T&D ($ in Millions)		~ $360 per year	
Reference Prices[2]			
Henry Hub Natural Gas ($/mmbtu)	$2.50	$2.79	$2.91
AEP-Dayton Hub ATC Prices ($/MWh)	$32	$33	$32
EBITDA Sensitivities (with Existing Hedges) ($ in Millions)			
+10% AD Hub Energy Price ATC ($/MWh)	$21	$36	$39
-10% AD Hub Energy Price ATC ($/MWh)	-$21	-$36	-$39

1. Includes capacity premium performance results.
2. Full Year 2016, Full Year 2017 and Full Year 2018 based on forward curves as of December 31, 2015.

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

$ in Millions

Series	Interest Rate	Maturity	Amount Outstanding as of December 31, 2015	Amount Outstanding as of February 5, 2016	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	-	-	• Retired on July 1
2005 OH Air Quality PCBs	4.8%	Jan 2034	-	-	• Retired Aug 3
2005 OH Water Quality PCBs	4.8%	Jan 2034	-	-	• 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	-	-	• Retired Aug 3
2015 Direct Purchase Tax Exempt TL	Variable	Aug 2020 (put)	$200.0	$200.0	• Redeemable at par on any day
Total Pollution Control	**Various**	**Various**	**$300.0**	**$300.0**	
Wright-Patterson AFB Note	**4.2%**	**Feb 2061**	**$18.1**	**$18.1**	• **No prepayment option**
2015 DP&L Revolver	Variable	**Jul 2020**	-	-	• **Pre-payable on any day**
DP&L Preferred	**3.8%**	**N/A**	**$22.9**	**$22.9**	• **Redeemable at pre-established premium**
Total DP&L			**$786.0**	**$786.0**	
2018 Term Loan	**Variable**	**May 2018**	**$125.0**	**$125.0**	• **No prepayment penalty**
2016 Senior Unsecured	6.50%	Oct 2016	$130.0	$57.0	• 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 Bonds	**Various**	**Various**	**$1,110**	**$1,037. 0**	
2015 DPL Revolver	**Variable**	**Jul 2020**	**-**	**-**	• **Pre-payable on any day**
2001 Cap Trust II Securities	**8.125%**	**Sep 2031**	**$15.6**	**$15.6**	• **Non-callable**
Total DPL Inc.			**$1,250.6**	**$1,117.6**	
TOTAL			**$2,036.6**	**$1,963.6**	

Parent Sources & Uses of Liquidity

$ in Millions	Q4		FY	
	2015	2014	2015	2014
SOURCES				
Total Subsidiary Distributions[1]	$555	$414	$1,057	$1,151
Proceeds from Asset Sales, Net	$211	$328	$537	$1,166
Financing Proceeds, Net	-	-	$570	$1,508
Increased/(Decreased) Credit Facility Commitments	-	-	-	-
Issuance of Common Stock, Net	-	-	$5	$3
Total Returns of Capital Distributions & Project Financing Proceeds	-	$18	$8	$85
Beginning Parent Company Liquidity[2]	$631	$1,028	$1,246	$931
Total Sources	**$1,397**	**$1,788**	**$3,423**	**$4,844**
USES				
Repayments of Debt	-	($98)	($915)	($2,116)
Shareholder Dividend	($67)	($36)	($276)	($144)
Repurchase of Equity	($73)	($168)	($481)	($308)
Investments in Subsidiaries, Net	($42)	($64)	($114)	($327)
Cash for Development, Selling, General & Administrative and Taxes	($31)	($32)	($208)	($247)
Cash Payments for Interest	($78)	($100)	($319)	($380)
Changes in Letters of Credit and Other, Net	$30	($44)	$28	($76)
Ending Parent Company Liquidity[2]	($1,138)	($1,246)	($1,138)	($1,246)
Total Uses	**($1,397)**	**($1,788)**	**($3,423)**	**($4,844)**

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

Q4 & FY 2015 Subsidiary Distributions[1]

$ in Millions

Subsidiary Distributions[1] by SBU		
	Q4 2015	FY 2015
US	$127	$407
Andes	$111	$155
Brazil	$8	$21
MCAC	$231	$298
Europe	$29	$82
Asia	$15	$32
Corporate & Other[2]	$34	$62
TOTAL	**$555**	**$1,057**

Top Ten Subsidiary Distributions[1] by Business							
Q4 2015				FY 2015			
Business	Amount	Business	Amount	Business	Amount	Business	Amount
Andres (MCAC)	$134	Changuinola (MCAC)	$17	U.S. Holdco (US)	$303	TEG TEP (MCAC)	$35
AES Gener (Andes)	$111	Itabo (MCAC)	$17	AES Gener (Andes)	$155	Itabo (MCAC)	$31
U.S. Holdco (US)	$105	CLESA (MCAC)	$17	Andres (MCAC)	$145	Masinloc (Asia)	$28
Global Insurance (Corporate & Other)	$34	Panama (MCAC)	$16	Global Insurance (Corporate & Other)	$63	IPP4 (Europe)	$24
IPP4 (Europe)	$24	Masinloc (Asia)	$13	IPALCO (US)	$54	Brasiliana (Brazil)	$21

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

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

$ in Millions

	Quarter Ended			
	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
Total Subsidiary Distributions[1] to Parent & QHCs[3]	$555	$93	$235	$175
Total Return of Capital Distributions to Parent & QHCs[3]	-	-	$8	-
Total Subsidiary Distributions[1] & Returns of Capital to Parent	**$555**	**$93**	**$243**	**$175**

	Balance as of			
	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
Cash at Parent & QHCs[3]	$400	$6	$40	$292
Availability Under Credit Facilities	$738	$625	$739	$739
Ending Liquidity	**$1,138**	**$631**	**$779**	**$1,031**

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

Reducing Complexity: Since September 2011, Exited 11 Countries

$ in Millions

Business	Country	Proceeds to AES						Remarks
		September 2011-December 2012	2013	2014	2015	2016	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	
Turkey JV	Turkey			$125			$125	
Ebute	Nigeria			$11			$11	Limited growth/no competitive advantage
Dominicana Partnership	Dominican Republic			$84	$22		$106	Strategic partnership
IPALCO Partnership	U.S.-Indiana				$453		$588[3]	Strategic partnership
IPP4	Jordan				$30		$30	
Armenia Mountain	U.S.				$59		$59	Limited growth
Spain Solar	Spain				$31		$31	
Italy Solar	Italy				$42		$42	
Gener Sell-Down	Chile				$150		$150	
DPLER	U.S.					$76	$76	
Kelanitissa	Singapore					$18	$18	
TOTAL		**$900**	**$234**	**$1,207**	**$787**	**$94**	**$3,404**	

1. AES owns 46% of its Brasiliana subsidiary. Proceeds and debt reflect AES' ownership percentage.
2. $40 million to be received in 2016.
3. $135 million to be received in 2016.

Full Year 2016 Guidance Estimated Sensitivities

Interest Rates[1]

- 100 bps move in interest rates over FY 2016 is equal to a change in EPS of approximately $0.030
- 10% appreciation in USD against the following key currencies is equal to the following negative EPS impacts:

Currencies

	2016	
	Average Rate	Sensitivity
Argentine Peso (ARS)	15.90	$0.005
Brazilian Real (BRL)	4.23	$0.005
Colombian Peso (COP)	3,261	$0.005
Euro (EUR)	1.09	$0.005
Great British Pound (GBP)	1.47	Less than $0.005
Kazakhstan Tenge (KZT)	386.3	$0.005

Commodity Sensitivity

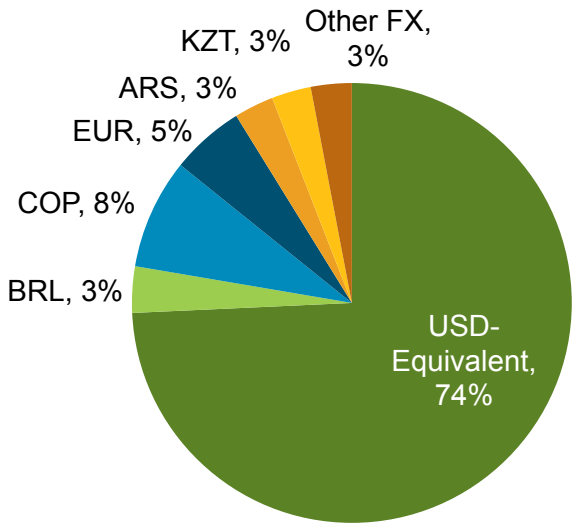
10% increase in commodity prices is forecasted to have the following EPS impacts:	2016	
	Average Rate	Sensitivity
NYMEX Coal	$45/ton	$0.010, negative correlation
Rotterdam Coal (API 2)	$44/ton	
NYMEX WTI Crude Oil	$41/bbl	$0.005, positive correlation
IPE Brent Crude Oil	$41/bbl	
NYMEX Henry Hub Natural Gas	$2.5/mmbtu	Less than $0.005, positive correlation
UK National Balancing Point Natural Gas	£0.32/therm	
US Power (DPL) – PJM AD Hub	$ 32/MWh	$0.025, positive correlation

Note: Guidance provided on February 24, 2016. 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 2016 Adjusted EPS. Actual results may differ from the sensitivities provided due to execution of risk management strategies, local market dynamics and operational factors. Full year 2016 guidance is based on currency and commodity forward curves and forecasts as of December 31, 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.

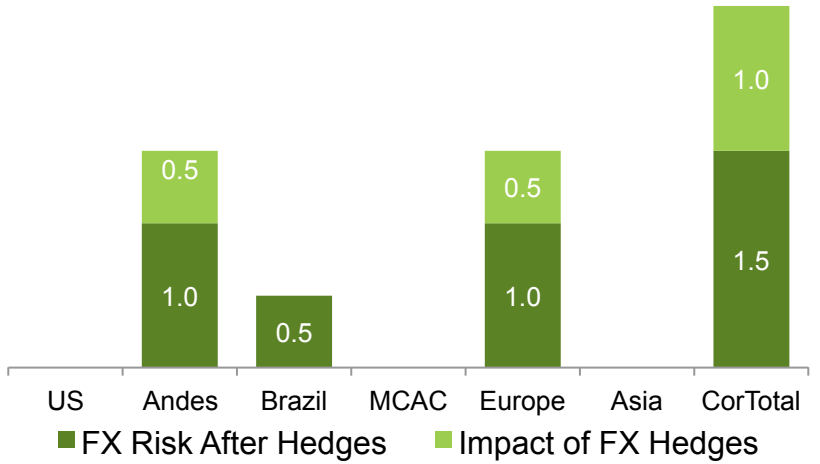
1. The move is applied to the floating interest rate portfolio balances as of December 31, 2015.

2016 Foreign Exchange (FX) Risk Mitigated Through Structuring of Our Businesses and Active Hedging

2016 Adjusted PTC[1] by Currency



2016 Full Year FX Sensitivity[2,3] by SBU (Cents Per Share)

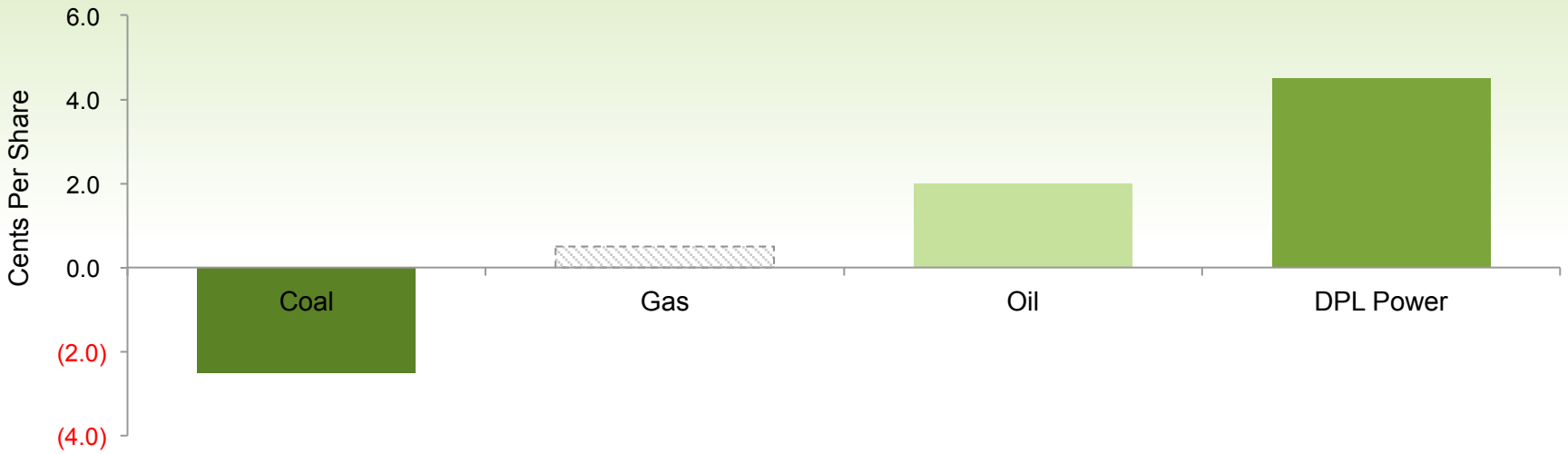


- 2016 correlated FX risk after hedges is $0.015 for 10% USD appreciation
- 74% of 2016 earnings effectively USD
  - USD-based economies (i.e. U.S., Panama)
  - Structuring of our contracts
- FX risk mitigated on a rolling basis by shorter-term active FX hedging programs

1. Before Corporate Charges. A non-GAAP financial measure. See “definitions” and Slide 62 for reconciliation.
2. Sensitivity represents full year 2016 exposure to a 10% appreciation of USD relative to foreign currency as of December 31, 2015.
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 US Power and Oil in Medium- to Long-Term

Full Year 2018 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
- Consolidated net Gas position sensitivity is less than 0.5cent/share

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.

Full Year 2016 Adjusted PTC[1] Modeling Ranges

$ in Millions

SBU	2016 Adjusted PTC Modeling Ranges as of 2/24/16[1]	Drivers of Growth Versus 2015
US	$380-$405	+ Better availability in Hawaii + Lower fixed costs – Commodities – Expiration of Buffalo Gap PPA
Andes	$375-$405	– Guacolda restructuring – FX
Brazil	$20-$50	– Tietê contract step-down – Eletropaulo cable reversal in 2015 – Lower demand, higher interest rates and FX
MCAC	$300-$330	+ Full year of oil-fired barge in Panama – Ancillary services in the Dominican Republic – Commodities
Europe	$130-$175	– Commodities – FX – Maritza PPA negotiations
Asia	$85-$105	+ Full year of Mong Duong
Total SBUs	**$1,290-$1,470**	
Corp/Other	($390)-($455)	
Total AES Adjusted PTC[1,2]	**$900-$1,015**	

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

AES Modeling Disclosures

$ in Millions

	2016 Assumptions as of 11/5/16	2016 Assumptions as of 2/24/16
Parent Company Cash Flow Assumptions		
Subsidiary Distributions (a)	$1,110-$1,210	$1,060-$1,160
Cash Interest (b)	$300	$300
Cash for Development, General & Administrative and Tax (c)	$235	$235
Parent Free Cash Flow[1] (a – b – c)	$575-$675	$525-$625

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

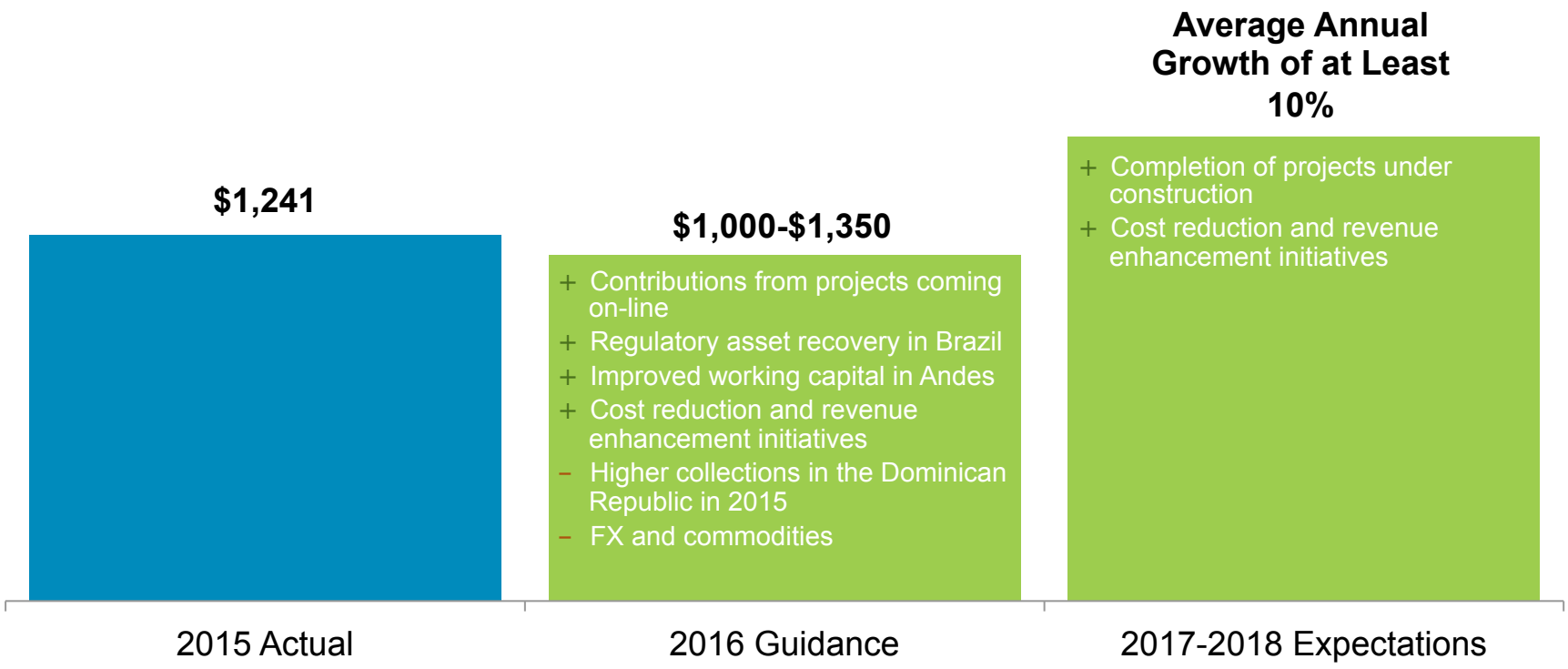
Key Assumptions for Guidance

- 2016-2018
  - Currency and commodity forward curves as of January 31, 2016
  - Full year 2016 tax rate of 31%-33% and 2017-2018 tax rate in the low- to mid-30% range, versus full year 2015 tax rate of 29%

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

Proportional Free Cash Flow[1] Drivers

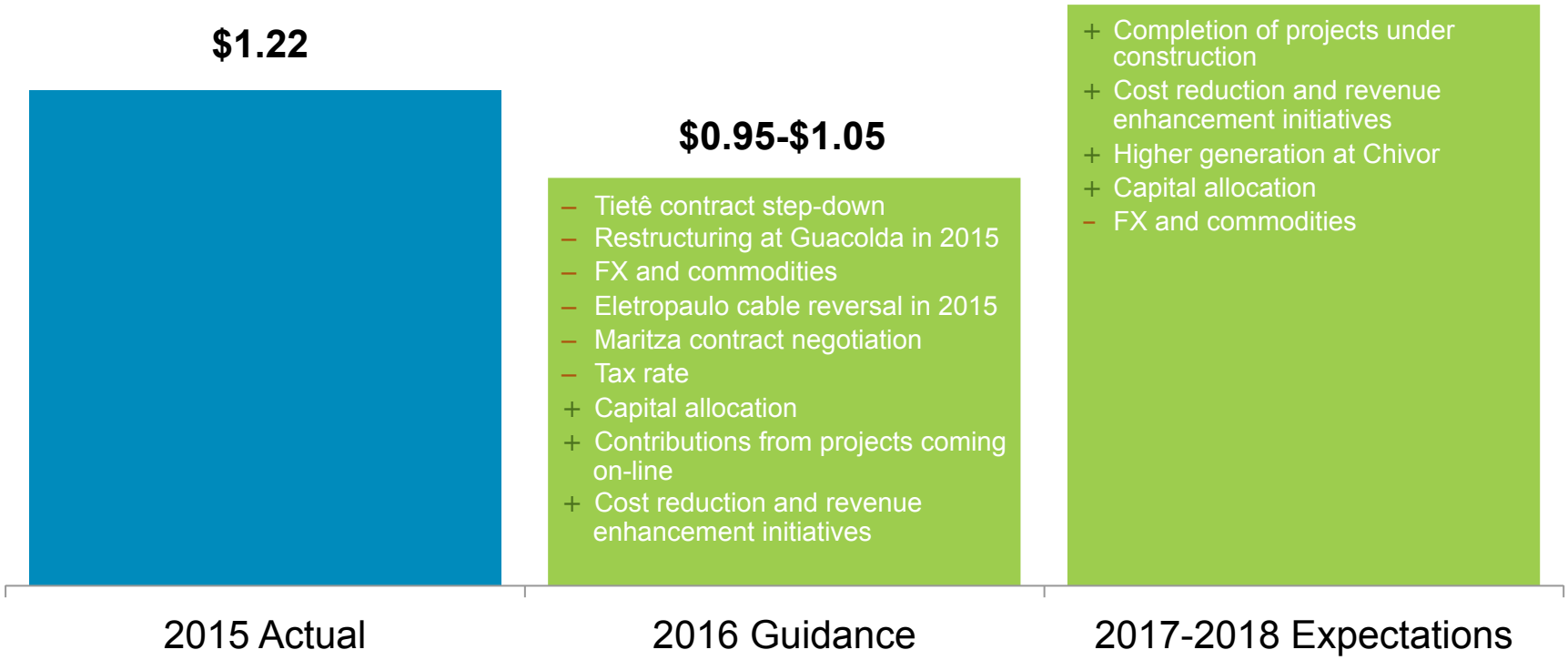
$ in Millions



Largely Funded Construction Program Drives Growth in Proportional Free Cash Flow[1]

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

Adjusted EPS[1] Growth Drivers



2017-2018: Now Expect High End of 12%-16% Average Annual Growth Range, Off Lower 2016 Base

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

Attractive Returns from 2016-2018 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 2016-2018									
Andes Solar	Chile	67%	Solar	21	1H 2016	$44	$22		
Tunjita	Colombia	67%	Hydro	20	1H 2016	$67	$2[1]		Lease capital structure at Chivor
IPL MATS	US-IN	75%[2]	Coal		1H 2016	$454	$143		Environmental (MATS) upgrades of 1,713 MW
Harding Street Units 5-7	US-IN	75%[2]	Gas	630	1H 2016	$143	$45		
Cochrane	Chile	40%	Coal	532	2H 2016	$1,365	$142		
Eagle Valley CCGT	US-IN	75%[2]	Gas	671	1H 2017	$590	$186		
DPP Conversion	Dominican Republic	90%	Gas	122	1H 2017	$260	$0		
IPL Wastewater	US-IN	75%[2]	GAS		2H 2017	$224	$71		Environmental (NPDES) upgrades of 1,864 MW
OPGC 2	India	49%	Coal	1,320	1H 2018	$1,586	$227		
Alto Maipo	Chile	40%	Hydro	531	2H 2018/ 1H 2019	$2,053	$335		
ROE[3]								**~15%**	**Weighted average; net income divided by AES equity contribution**
CASH YIELD[2]								**~15%**	**Weighted average; subsidiary distributions divided by AES equity contribution**

1. AES equity contribution equal to 67% of AES Gener's equity contribution to the project.
2. CDPQ will invest an additional $135 million in IPALCO through 2016, by funding existing growth and environmental projects at Indianapolis Power & Light (IPL). After completion, 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 2015 Form 10-K for further discussion of development and construction risks. Based on contributions from all projects under construction and IPL MATS and wastewater upgrades, from 2020-2023, once all projects under construction are completed.

Reconciliation of Q4 Capex and Free Cash Flow[1]

$ in Millions

	Consolidated Q4	
	2015	2014
Operational Capex (a)	$195	$207
Environmental Capex (b)	$129	$69
Maintenance Capex (a + b)	$324	$276
Growth Capex (c)	$337	$519
Total Capex[2] (a + b + c)	**$661**	**$795**

	Consolidated Q4		Proportional[1] Q4	
	2015	2014	2015	2014
Operating Cash Flow	$629	$575	$449	$467
Add: Capital Expenditures Related to Service Concession Assets[2]	$17	-	-	-
Less: Maintenance Capex, net of Reinsurance Proceeds and Non-Recoverable Environmental Capex	($197)	($108)	($156)	($180)
Free Cash Flow[1]	**$449**	**$467**	**$293**	**$287**

1. A non-GAAP financial measure as reconciled above. See “definitions”.
2. Service concession asset expenditures excluded from free cash flow and proportional free cash flow non-GAAP metrics.

Reconciliation of FY Capex and Free Cash Flow[1]

$ in Millions

	Consolidated FY	
	2015	2014
Operational Capex (a)	$612	$666
Environmental Capex (b)	$322	$241
Maintenance Capex (a + b)	$934	$907
Growth Capex (c)	$1,524	$1,637
Total Capex[2] (a + b + c)	**$2,458**	**$2,544**

	Consolidated FY		Proportional[1] FY	
	2015	2014	2015	2014
Operating Cash Flow	$2,134	$1,791	$1,741	$1,432
Add: Capital Expenditures Related to Service Concession Assets[2]	$165	-	-	-
Less: Maintenance Capex, net of Reinsurance Proceeds and Non-Recoverable Environmental Capex	($672)	($744)	($500)	($541)
Free Cash Flow[1]	**$1,627**	**$1,047**	**$1,241**	**$891**

1. A non-GAAP financial measure as reconciled above. See “definitions”.
2. Service concession asset expenditures excluded from free cash flow and proportional free cash flow non-GAAP metrics.

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

$ in Millions, Except Per Share Amounts	Q4 2015		Q4 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	($85)	($0.13)	$206	$0.29
Add Back Income Tax Expense (Benefit) from Continuing Operations Attributable to AES	$161		$90	
Pre-Tax Contribution	$76		$296	
Adjustments				
Unrealized Derivative (Gains)/Losses[3]	($138)	($0.13)	($114)	($0.10)
Unrealized Foreign Currency Transaction (Gains)/Losses[4]	$50	$0.07	$15	$0.04
Disposition/Acquisition (Gains)/Losses	($10)	$0.01[5]	$5	($0.08)
Impairment (Gains)/Losses	$328	$0.50[6]	$121	$0.20[7]
Loss on Extinguishment of Debt	$20	$0.02[8]	$61	$0.06[9]
ADJUSTED PTC[1] & ADJUSTED EPS[1]	**$326**	**$0.34**	**$384**	**$0.41**

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 $(0.07) and $(0.06) in the three months ended December 31, 2015 and 2014, respectively.
4. Unrealized foreign currency transaction (gains) losses were net of income tax per share of $0.00 and $(0.02) in the three months ended December 31, 2015 and 2014, respectively.
5. Amount primarily relates to the gain from the sale of Solar Spain and Solar Italy of $5 million ($19 million, or $0.03 per share, including income tax benefit per share of $0.02) and the loss from the tax consequences associated with the sale of a noncontrolling interest in Gener of $25 million, or $0.04 per share.
6. Amount primarily relates to the goodwill impairment at DPL of $317 million ($0.47 per share, net of income tax per share of $0.00) and asset impairments at Kilroot of $8 million ($21 million, or $0.03 per share, net of income tax expense per share of $0.02).
7. 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 expense per share of $0.01) and at Elsta of $41 million ($31 million, or $0.04 per share, net of income tax benefit 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).
8. Amount primarily relates to the loss on early retirement of debt at Andres of $11 million ($9 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 DPL of $31 million ($20 million, or $0.03 per share, net of income tax benefit 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 benefit 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).

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

$ in Millions, Except Per Share Amounts	FY 2015		FY 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	$306	$0.44	$789	$1.09
Add Back Income Tax Expense from Continuing Operations Attributable to AES	$269		$228	
Pre-Tax Contribution	$575		$1,017	
Adjustments				
Unrealized Derivative (Gains)/Losses[3]	($166)	($0.16)	($135)	($0.12)
Unrealized Foreign Currency Transaction (Gains)/Losses[4]	$96	$0.12	$110	$0.14
Disposition/Acquisition (Gains)	($42)	($0.03)[5]	($361)	($0.59)[6]
Impairment Losses	$504	$0.67[7]	$416	$0.53[8]
Loss on Extinguishment of Debt	$183	$0.18[9]	$274	$0.25[10]
ADJUSTED PTC[1] & ADJUSTED EPS[1]	**$1,150**	**$1.22**	**$1,321**	**$1.30**

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 $(0.08) and $(0.07) in 2015 and 2014 respectively.
4. Unrealized foreign currency transaction (gains) losses were net of income tax per share of $0.03 and $0.02 in 2015 and 2014 respectively.
5. Amount primarily relates to the gain from the sale of Solar Spain and Solar Italy of $7 million ($20 million, or $0.03 per share, including income tax benefit per share of $0.02), the gain from the sale of Armenia Mountain of $22 million ($14 million, or $0.02 per share, net of income tax expense per share of $0.01), and the loss from the tax consequences associated with the sale of a noncontrolling interest in Gener of $25 million, or $0.04 per share.
6. Amount primarily relates to the gain from the sale of a noncontrolling interest in Masinloc of $283 million ($0.39 per share, net of income tax per share of $0.00), the gain from the sale of the U.K. wind projects of $78 million ($0.11 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 benefit per share of $0.03), the tax benefit of $24 million ($0.03 per share) related to the Silver Ridge Power transaction, and 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.
7. Amount primarily relates to the goodwill impairment at DPL of $317 million ($0.46 per share, net of income tax per share of $0.00) and asset impairments at Kilroot of $121 million ($95 million, or $0.14 per share, net of income tax benefit per share of $0.03), at UK Wind (Development Projects) of $38 million ($24 million, or $0.04 per share, net of income tax benefit per share of $0.01), and at Buffalo Gap III of $116 million ($18 million, or $0.03 per share, net of income tax benefit per share of $0.01).
8. Amount primarily relates to the goodwill impairments at DPLER of $136 million ($0.19 per share, net of income tax per share of $0.00), and at Buffalo Gap of $28 million ($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 income tax benefit per share of $0.00), and at Elsta of $41 million ($31 million, or $0.04 per share, net of income tax benefit per share of $0.01), and the other-than-temporary impairments at Silver Ridge Power of $42 million ($27 million, or $0.04 per share, net of income tax benefit per share of $0.02), and at Entek of $86 million ($0.12 per share, net of income tax benefit per share of $0.00).
9. Amount primarily relates to the loss on early retirement of debt at the Parent Company of $116 million ($75 million, or $0.11 per share, net of income tax benefit per share of $0.06) and at IPL of $22 million ($11 million, or $0.02 per share, net of income tax benefit per share of $0.01).
10. 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 benefit per share of $0.10), at DPL of $31 million ($20 million, or $0.03 per share, net of income tax benefit per share of $0.02), at Electrica Angamos of $20 million ($11 million, or $0.02 per share, net of income tax benefit per share of $0.00), at U.K. wind projects of $18 million ($15 million, or $0.02 per share, net of income tax benefit per share of $0.00).

Reconciliation of 2015 Guidance

$ in Millions, Except Per Share Amounts

2015 Guidance	
Proportional Free Cash Flow[1]	$1,000-$1,350
Consolidated Net Cash Provided by Operating Activities	$1,900-$2,700
Adjusted EPS[1]	$1.18-$1.25

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 and forward curves as of September 30, 2015

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

Reconciliation of 2016 Guidance

$ in Millions, Except Per Share Amounts

2016 Guidance	
Proportional Free Cash Flow[1]	$1,000-$1,350
Consolidated Net Cash Provided by Operating Activities	$2,000-$2,900
Adjusted EPS[1]	$0.95-$1.05

Reconciliation	Consolidated	Adjustment Factor	Proportional
Consolidated Net Cash Provided by Operating Activities (a)	$2,000-$2,900	$500-$1,050	$1,500-$1,850
Maintenance & Environmental Capital Expenditures (b)	$600-$800	$200	$400-$600
Free Cash Flow[1] (a - b)	$1,300-$2,200	$300-$850	$1,000-$1,350

- Commodity and foreign currency exchange rates and forward curves as of January 31, 2016

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

Reconciliation of Net Debt[1] as of December 31, 2015

$ in Millions

Recourse Debt (Current)	-
Non-Recourse Debt (Current)	$2,529
Recourse Debt (Noncurrent)	$5,015
Non-Recourse Debt (Noncurrent)	$13,263
Total Debt	**$20,807**
LESS	
Cash & Cash Equivalents	$1,262
Restricted Cash	$295
Short-Term Investments	$484
Debt Service Reserves & Other Deposits	$565
Total	**$2,606**
NET DEBT	**$18,201**

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 Key Performance Indicators (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 noncontrolling interests for each entity by its corresponding consolidated cash flow metric and are totaled to the resulting figures. For example, Parent Company A owns 20% of Subsidiary Company B, a consolidated subsidiary. Thus, Subsidiary Company B has an 80% noncontrolling interest. Assuming a consolidated net cash flow from operating activities of $100 from Subsidiary B, the proportional adjustment factor for Subsidiary B would equal $80 (or $100 x 80%). The Company calculates the proportional adjustment factor for each consolidated business in this manner and then sums these amounts to determine the total proportional adjustment factor used in the reconciliation. The proportional adjustment factor may differ from the proportion of income attributable to noncontrolling 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.