February 27, 2019

The AES Corporation

Fourth Quarter & Full Year 2018 Financial Review

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 the execution of PPAs, conversion of our backlog and growth from investments at investment levels and rates of return consistent with prior experience. For additional assumptions see Slide 58 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' 2018 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.

Reconciliation to U.S. GAAP Financial Information

The following presentation includes certain "non-GAAP financial measures" as defined in Regulation G under the Securities Exchange Act of 1934, as amended. Schedules are included herein that reconcile the non-GAAP financial measures included in the following presentation to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP.

Delivering on Our Commitments

- 2018 Adjusted EPS[1] of $1.24 and Parent Free Cash Flow[1] of $689 million, both in the high-end of our expected ranges
- Achieved a key investment grade financial metric one year earlier than our expectation, increasing our confidence in attaining investment grade ratings in 2020
- Grew our backlog to 5.8 GW, including 2 GW of PPAs signed
- Achieved key milestones on 4.4 GW under construction and completed construction of an additional 1.3 GW
- Introduced a longer-term target to reduce our carbon intensity by 70% from 2016 through 2030 and expect to achieve a 50% reduction from 2016 to 2022
- Fluence JV with Siemens awarded 286 MW, for a total of 766 MW delivered or awarded

Targeting Annual Growth of 7%-9% in Adjusted EPS[1] and Parent Free Cash Flow[1] Through 2022

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

Core Strategy

Enhancing the Resilience of Our Portfolio	Increasing Our Backlog	Investing in Innovative Technologies
to Deliver	*to Ensure*	*to Maintain*
Attractive Returns	**Profitable Growth**	**Our Market-Leading Position**

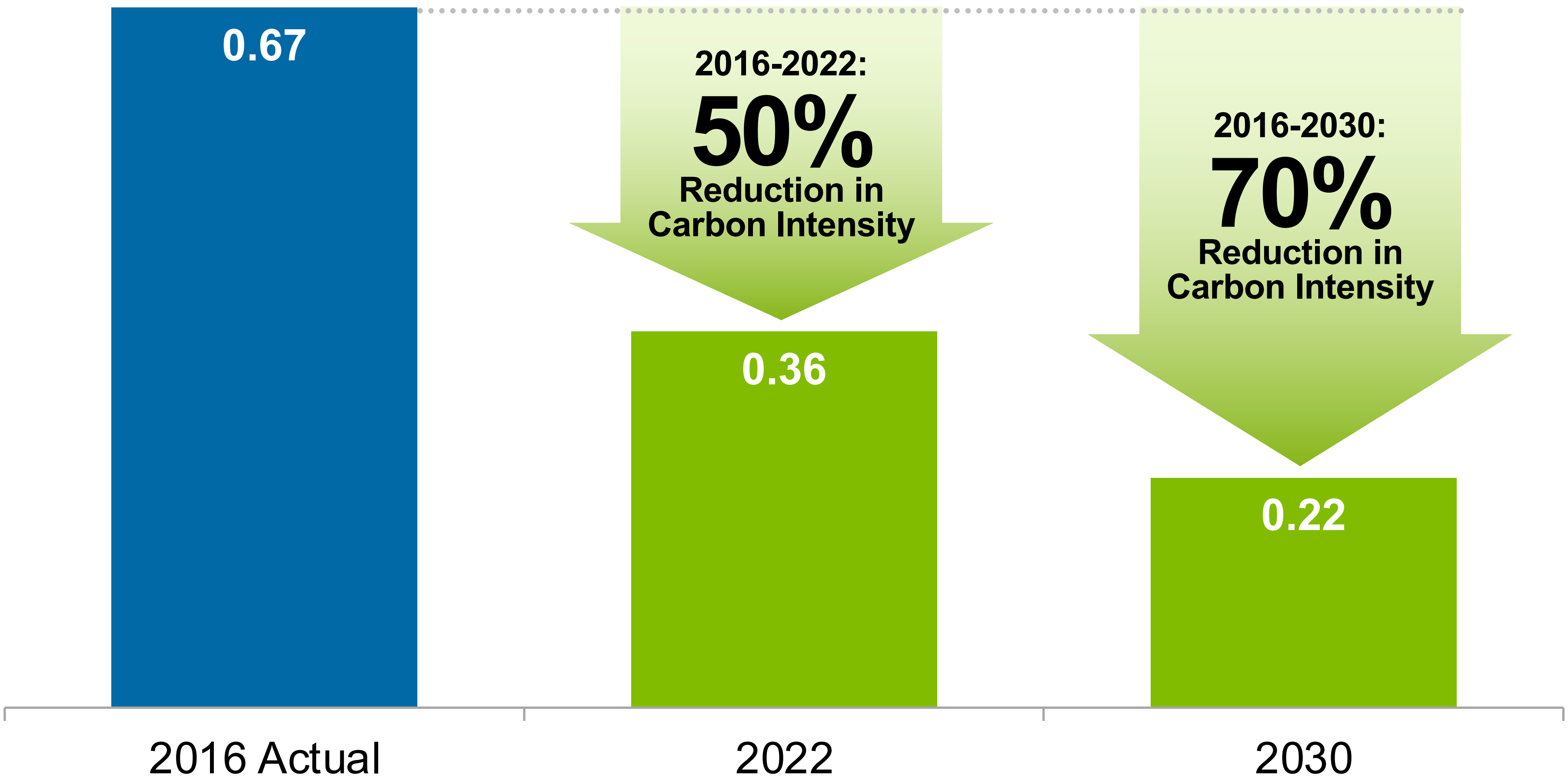
Enhancing the Resilience of Our Portfolio

	2011	2018	Change
Impact from Movements in Foreign Currencies, Commodities and Hydrology[1]	$0.21	$0.07	**68%**
Countries with Operations	28	15	**13**
Parent Debt ($ in Millions)	$6,515	$3,686	**$2,829 or 43%**
Credit Rating	B+/BB-	BB+	**2-3 notches**

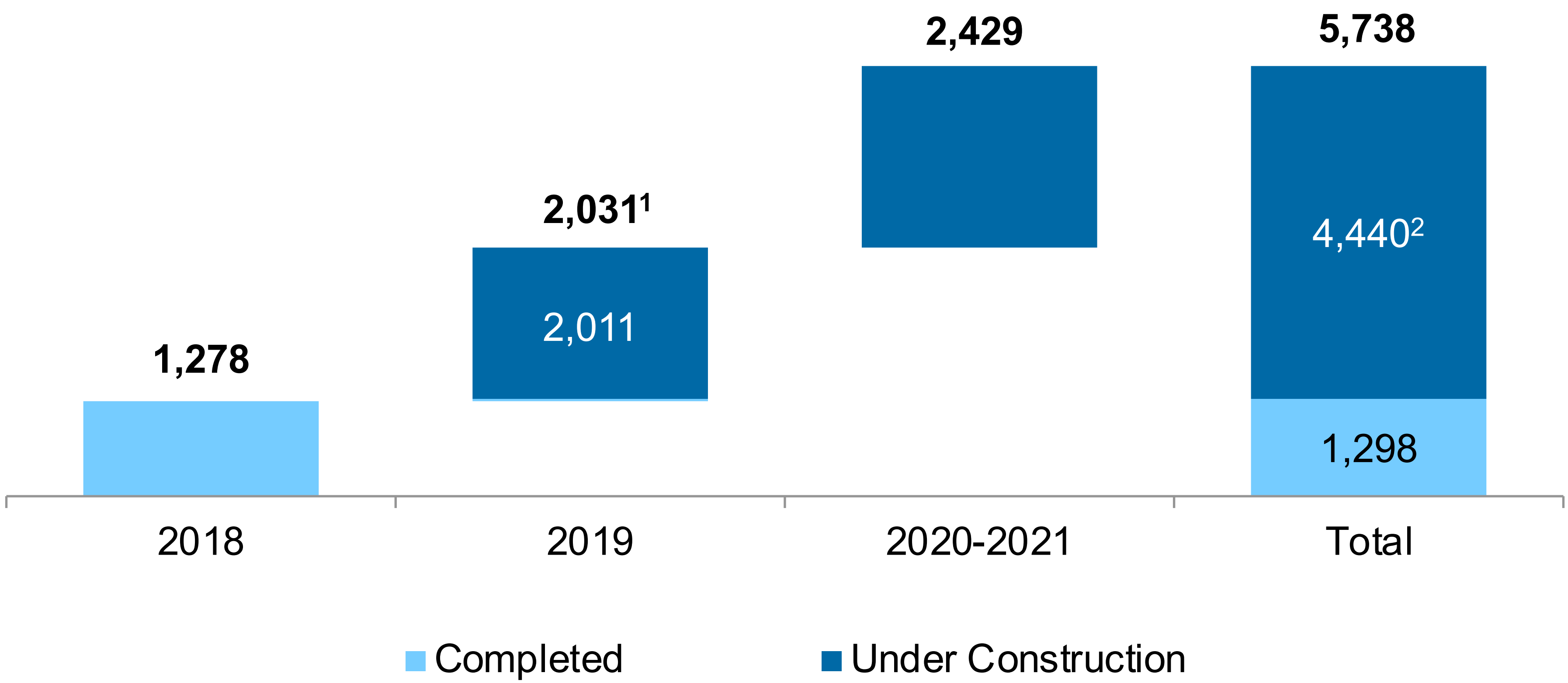
1. Annual EPS at risk at a 95% confidence level.

Enhancing the Resilience of Our Portfolio: Significantly Reducing Carbon Intensity

Carbon Intensity (Tons of CO_2/MWh of Generation)



Strong Backlog: 4.4 GW Currently Under Construction and 1.3 GW Recently Completed



1. Completed the 10 MW AES Gilbert energy storage project in Arizona in January 2019 and the 10 MW Delhi energy storage project in India in February 2019.
2. Includes 599 MW of PPAs signed in 2018 that are currently under construction.

Strong Backlog: Achieving Key Milestones on Projects Under Construction

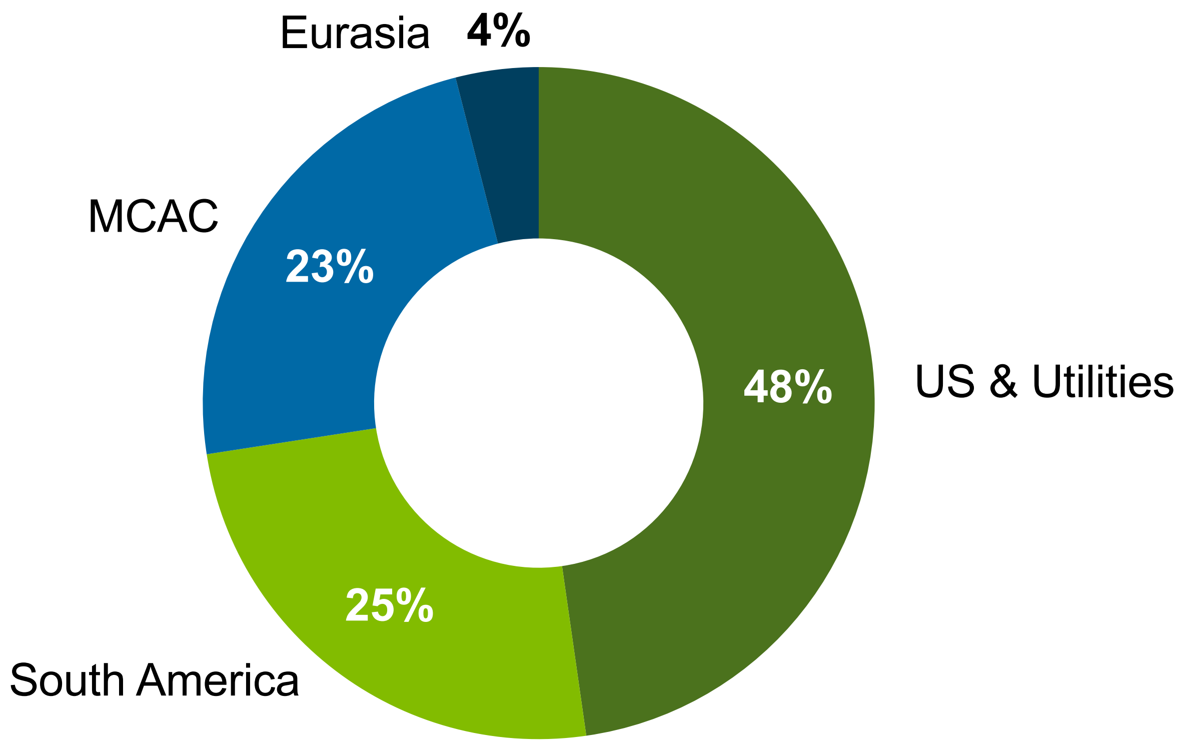
OPGC 2 in India

Southland Repowering in California

Alto Maipo in Chile

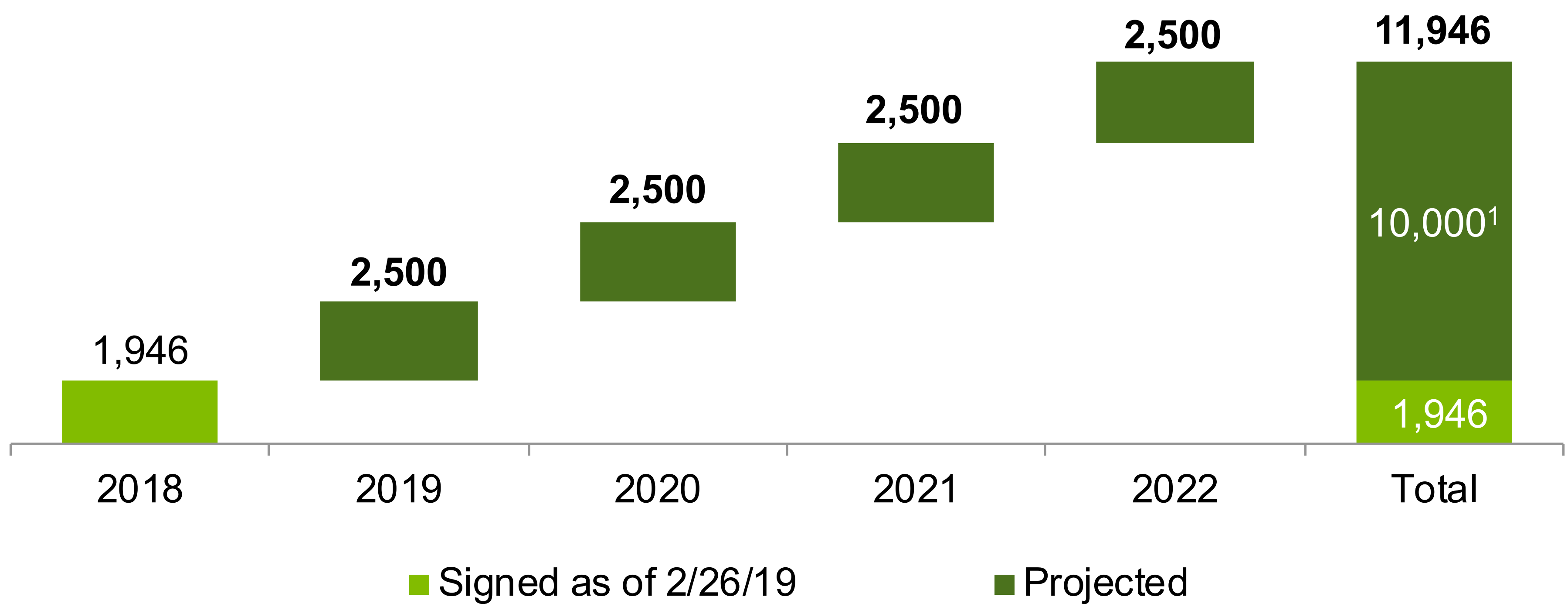
Strong Backlog: Renewables Under Construction Across Our Portfolio

1,305 MW Wind, Solar and Energy Storage;
Majority Coming On-Line in 2019



Strong Backlog: New Long-Term Contracts for Renewables (PPAs)

On Pace to Sign 11.9 GW of Renewable PPAs Through 2022

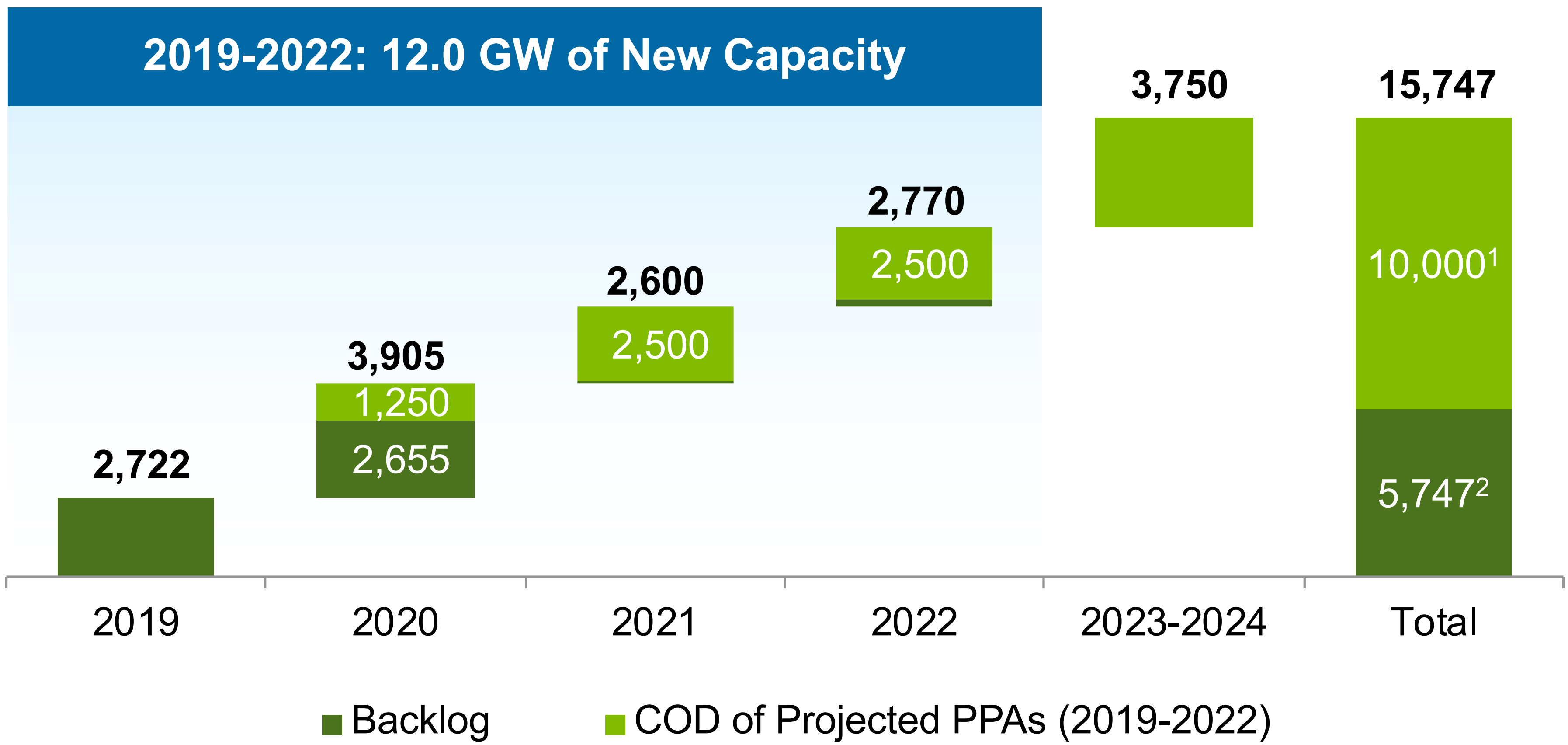


Note: 2018 includes 639 MW of PPAs signed that either completed construction (40 MW) in 2018, or are currently under construction (599 MW).

1. For each year, half the projected amount is expected to come on-line in the following year and the remaining half in the second year. Thus, the projected amount through 2022 is expected to be on-line by 2024.

Strong Backlog: On Pace to Add 15.7 GW of Renewables Through 2024

Backlog = Under Construction + Signed PPAs Not Yet Under Construction



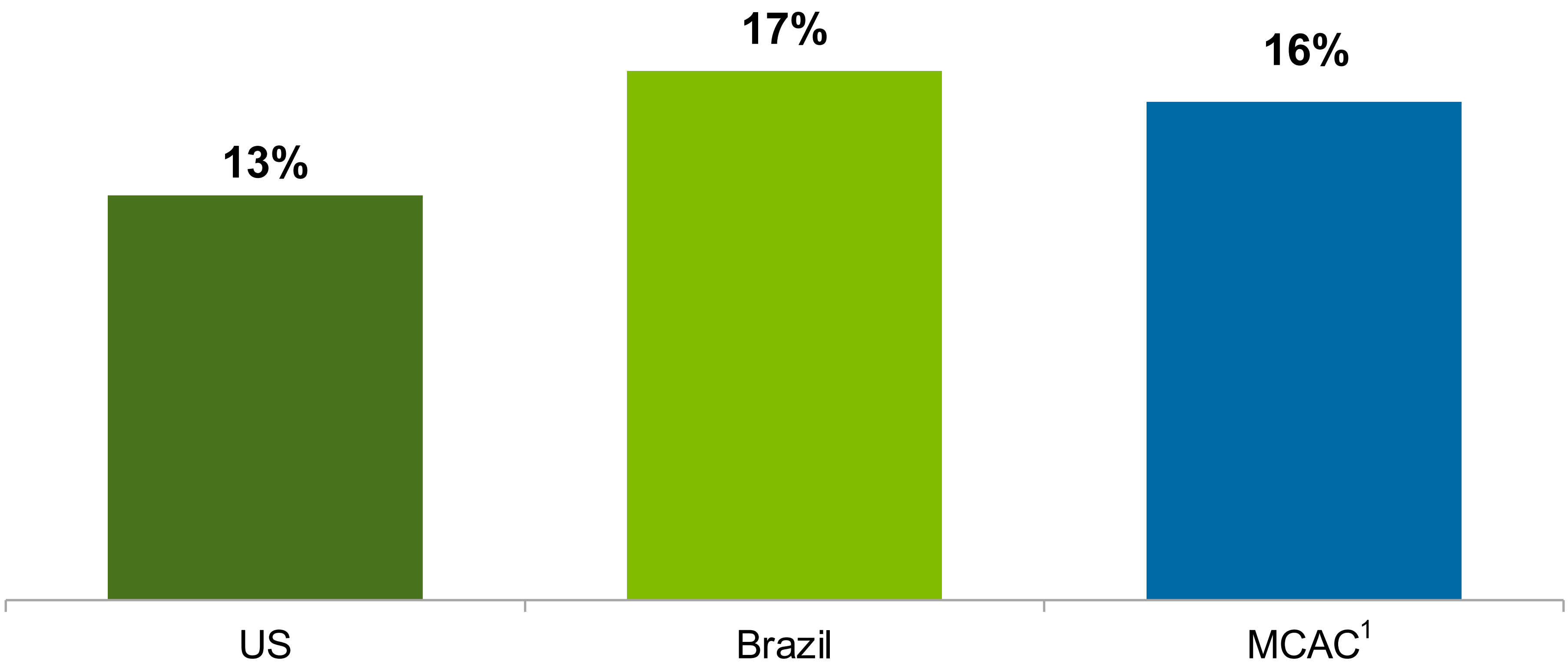
Note: 2021 includes COD of 100 MW of signed PPAs; 2022 includes COD of 270 MW of signed PPAs.

1. For each year, half the projected amount is expected to come on-line in the following year and the remaining half in the second year. Thus, the projected amount through 2022 is expected to be on-line by 2024.
2. Excludes 40 MW signed in 2018 that were also completed in 2018. Includes 599 MW signed in 2018 and currently under construction.

Strong Backlog: Delivering Attractive Risk-Adjusted Returns

Focus: Natural Gas & Renewables with Long-Term, USD-Denominated Contracts

Levered After-Tax Returns on 2017-2018 Renewable Growth Investments

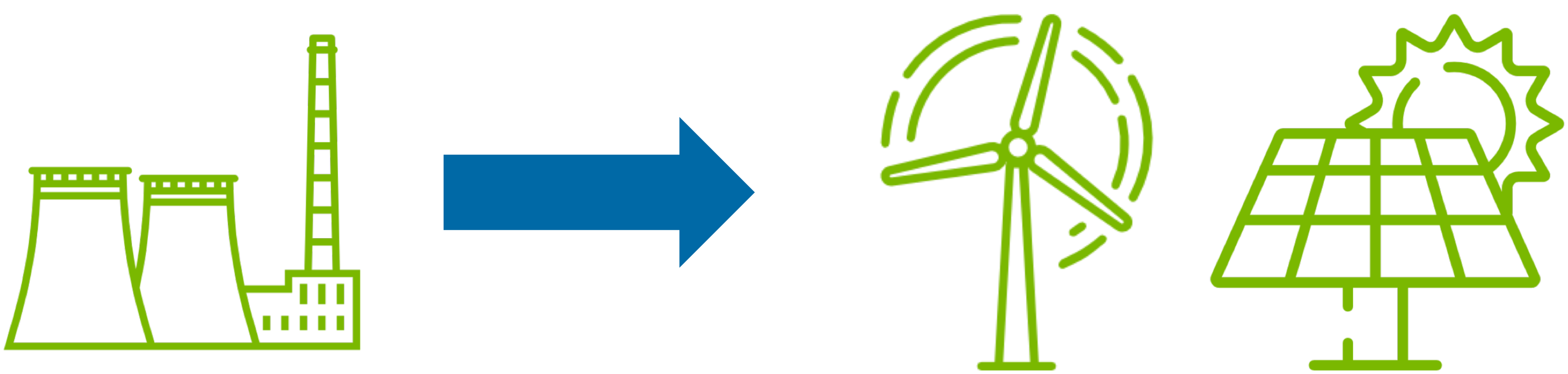


1. Mexico, Central America and the Caribbean.

Strong Backlog: Leveraging Existing Relationships to Drive New Growth

Green Blend and Extend

- Well-positioned to negotiate long-term renewable PPAs with better returns
- Through this win-win strategy we are:
  - Preserving the value of existing thermal contracts
  - Extending average contract life by signing new contracts for renewables
  - Offering renewable energy for less than the pass-through fuel cost
  - Combining existing thermal capacity with renewables to provide reliable energy
- Near-term addressable universe of 7 GW across our portfolio



Strong Backlog: Pioneering Solar + Storage

Two Projects: 34 MW of Solar Plus
170 MWh of Energy Storage in Hawaii

- 25-year PPAs with Kaua'i Island Utility Cooperative (KIUC)
- Provides peaking capacity and 24/7 energy
- At 170 MWh, it will be the biggest solar + storage installation in the world
- Completed first project, Lawa'i, in December 2018
- COD[1] of second project, Kekaha, expected in 2019

1. Commercial Operations Date.

Strong Backlog: Working with Partners

sPower in the U.S.

- Agreed to sell 48% stake in sPower's operating portfolio
- Proceeds fund investment in sPower's 10 GW development pipeline to earn attractive returns

S·POWER
An AES and AIMCo Company

Strong Backlog: Advancing Our LNG Strategy

Own the Only Two LNG Storage Terminals in Central America and the Caribbean with Exporting Capability

- Annual installed capacity of 150 TBTU
- ~62% of LNG capacity is contracted
- Remaining 55 TBTU in Panama is available to drive future growth
- Opportunities to add storage and regasification capacity in the Dominican Republic with minimal equity investment

Investing in Innovative Technologies to Maintain Our Market-Leading Position: Fluence

Fluence Energy Storage Joint Venture with Siemens

- #1 Utility-scale energy storage integrator by Navigant Research
- Awarded 286 MW in 2018
- Global market leader:
  - 766 MW delivered or awarded
  - 80 projects in 17 countries

FLUENCE

A Siemens and AES Company

NAVIGANT

Investing in Innovative Technologies to Maintain Our Market-Leading Position: Simple Energy

Made a Strategic Investment in Simple Energy in 2018

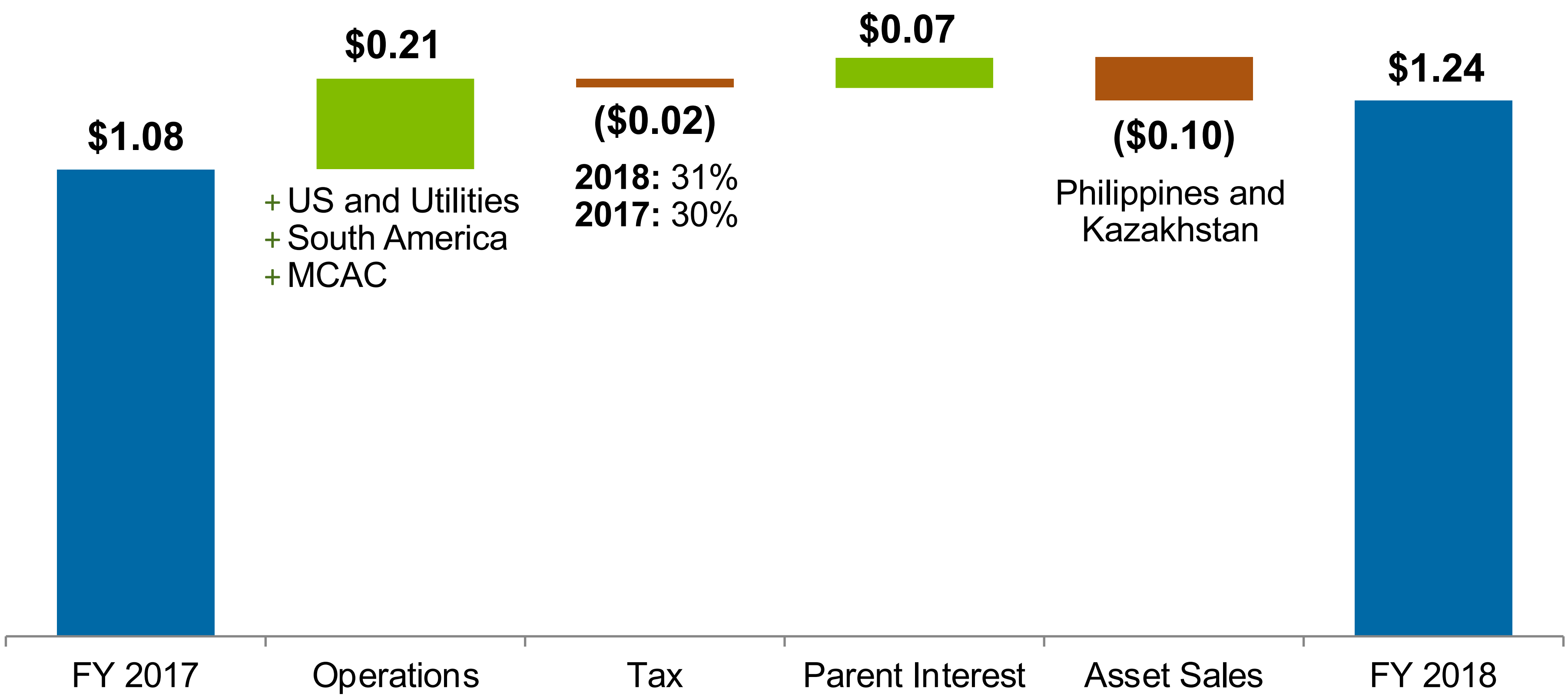
- Simple Energy serves not only AES' utilities, but more than 40 utilities in the U.S., with access to over 40 million end-customers
  - Includes 13 of top 20 utilities (by customer count)
- 90% revenue growth rate in past year

Q4 & Full Year 2018 Financial Review

- 2018 results
  - Adjusted EPS[1]
  - Adjusted PTC[1] by Strategic Business Unit (SBU)
- Improving credit profile
- 2018 Parent capital allocation
- 2019 guidance and expectations through 2022
- 2019 Parent capital allocation plan
- 2019-2022 Parent capital allocation plan

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

FY 2018 Adjusted EPS[1] Increased $0.16

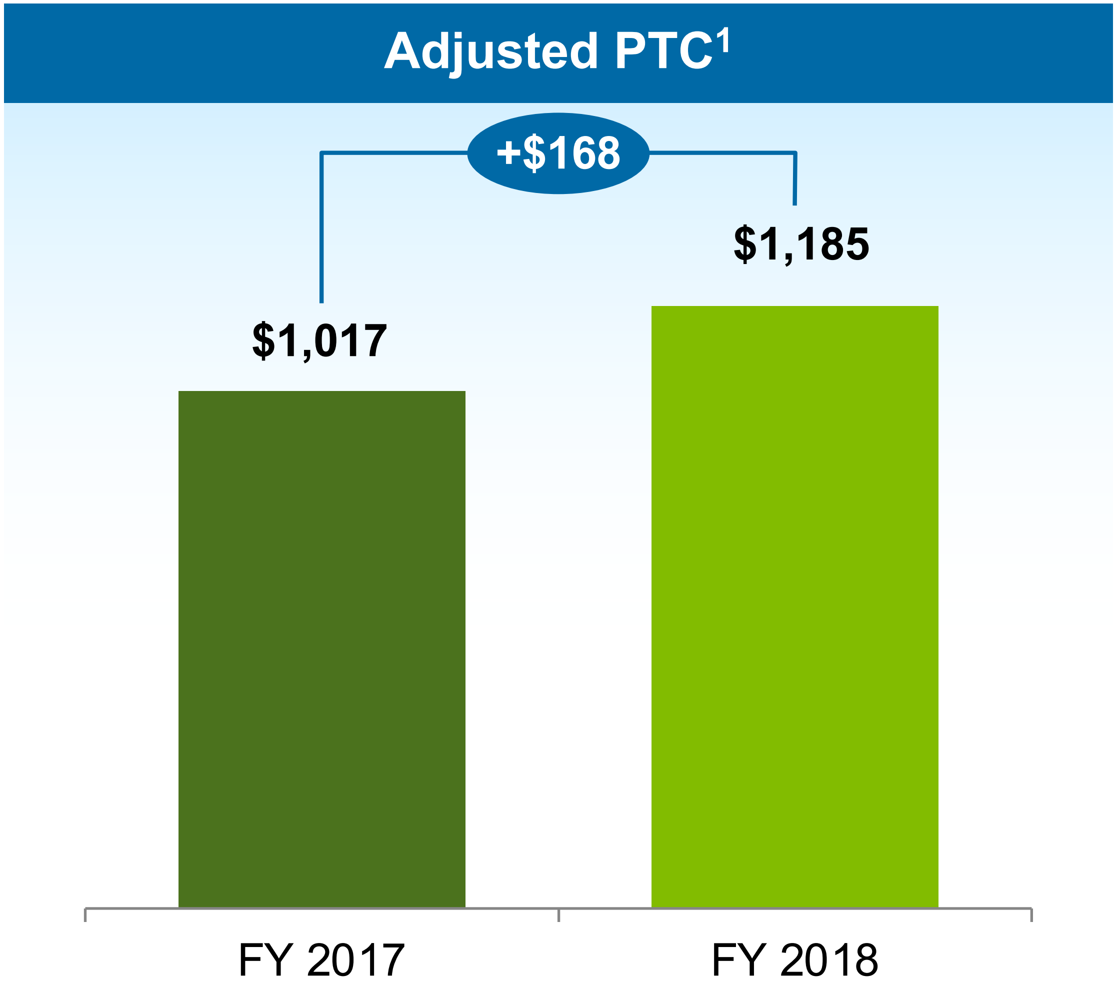


1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.

FY Financial Results

$ in Millions

- Higher Adjusted PTC[1] driven primarily by:
  - **US and Utilities:** higher regulated rates and lower asset retirement obligations at DPL, and higher energy sales at Southland in California
  - **South America:** higher contributions from Colombia, Chile and Argentina
  - **MCAC:** higher sales in the Dominican Republic and commencement of operations at AES Colón in Panama
  - Lower Parent interest expense
- Offset by asset sales in the Philippines and Kazakhstan

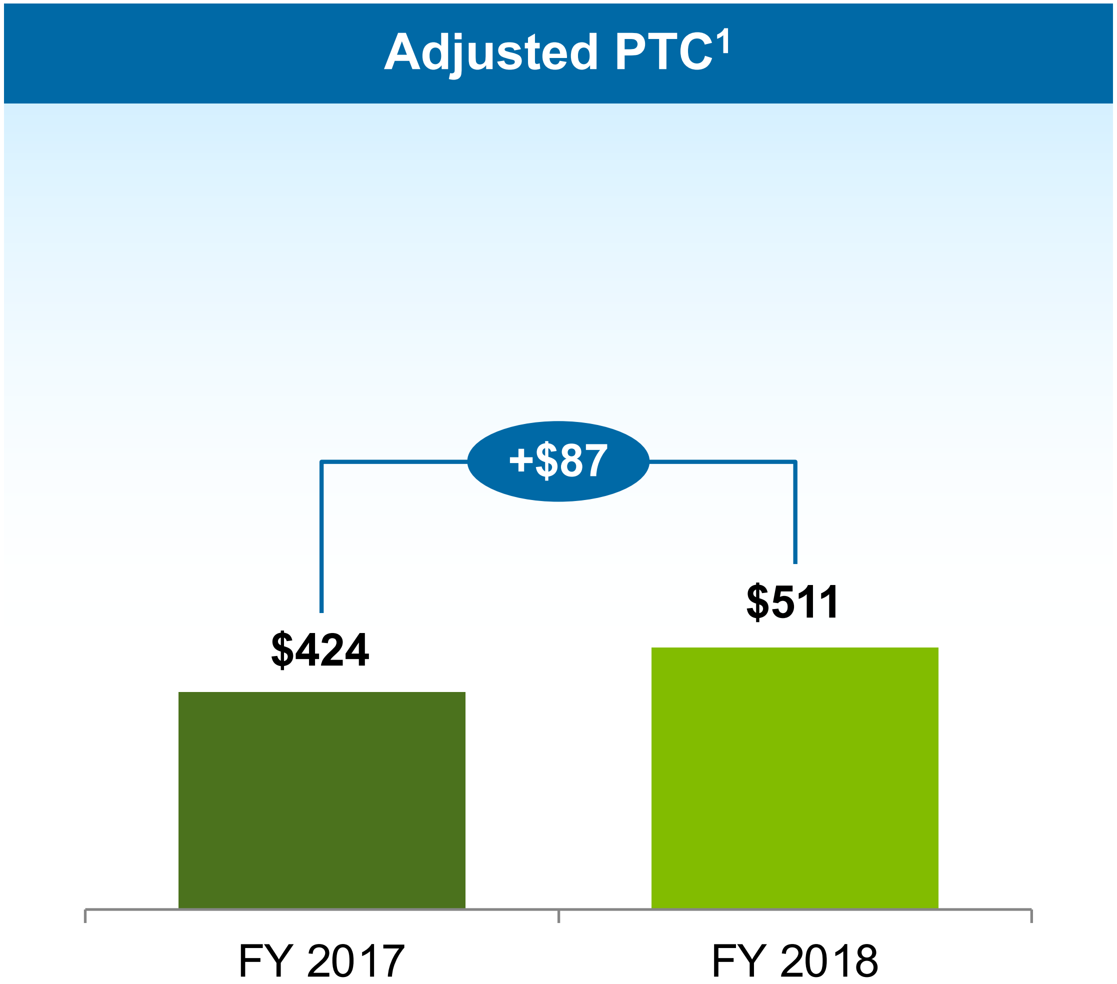


1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.

FY Financial Results: US and Utilities SBU

$ in Millions

- Higher Adjusted PTC[1] driven primarily by:
  - Higher regulated rates and lower asset retirement obligations at DPL
  - Higher energy sales at Southland in California
  - Higher contributions from US solar



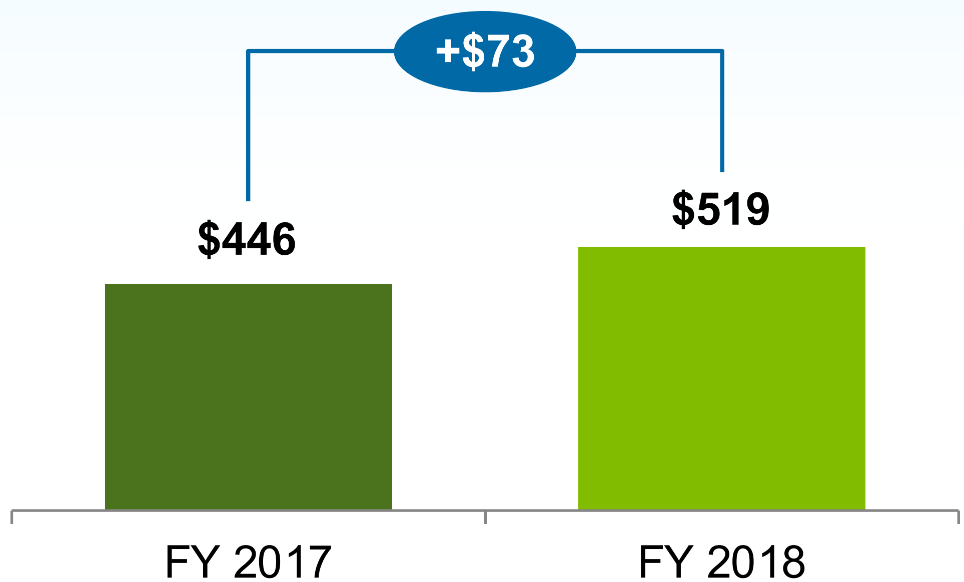
1. A non-GAAP financial measure. See Appendix for definition.

FY Financial Results: South America SBU

$ in Millions

- Higher Adjusted PTC[1] driven primarily by:
  - Higher pricing in Colombia and Argentina
  - Higher contracted sales, prior year planned outage, and lower interest expense in Chile
  - Partially offset by the favorable settlement of a legal dispute at Uruguaiana in Brazil in 2017

Adjusted PTC[1]

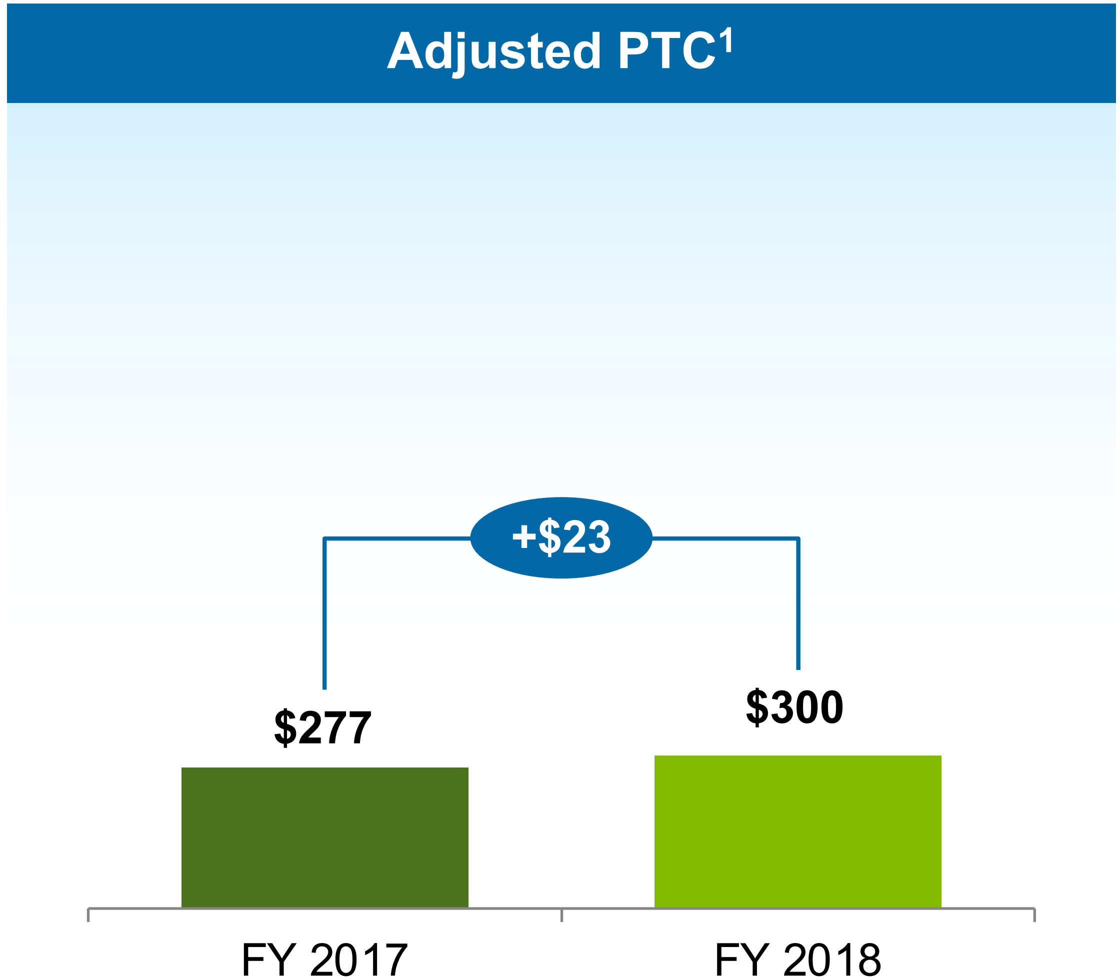


1. A non-GAAP financial measure. See Appendix for definition.

FY Financial Results: MCAC SBU

$ in Millions

- Higher Adjusted PTC[1] driven primarily by:
  - Higher spot energy prices and commencement of DPP conversion in the Dominican Republic
  - Commencement of operations at AES Colón and improved hydrology in Panama

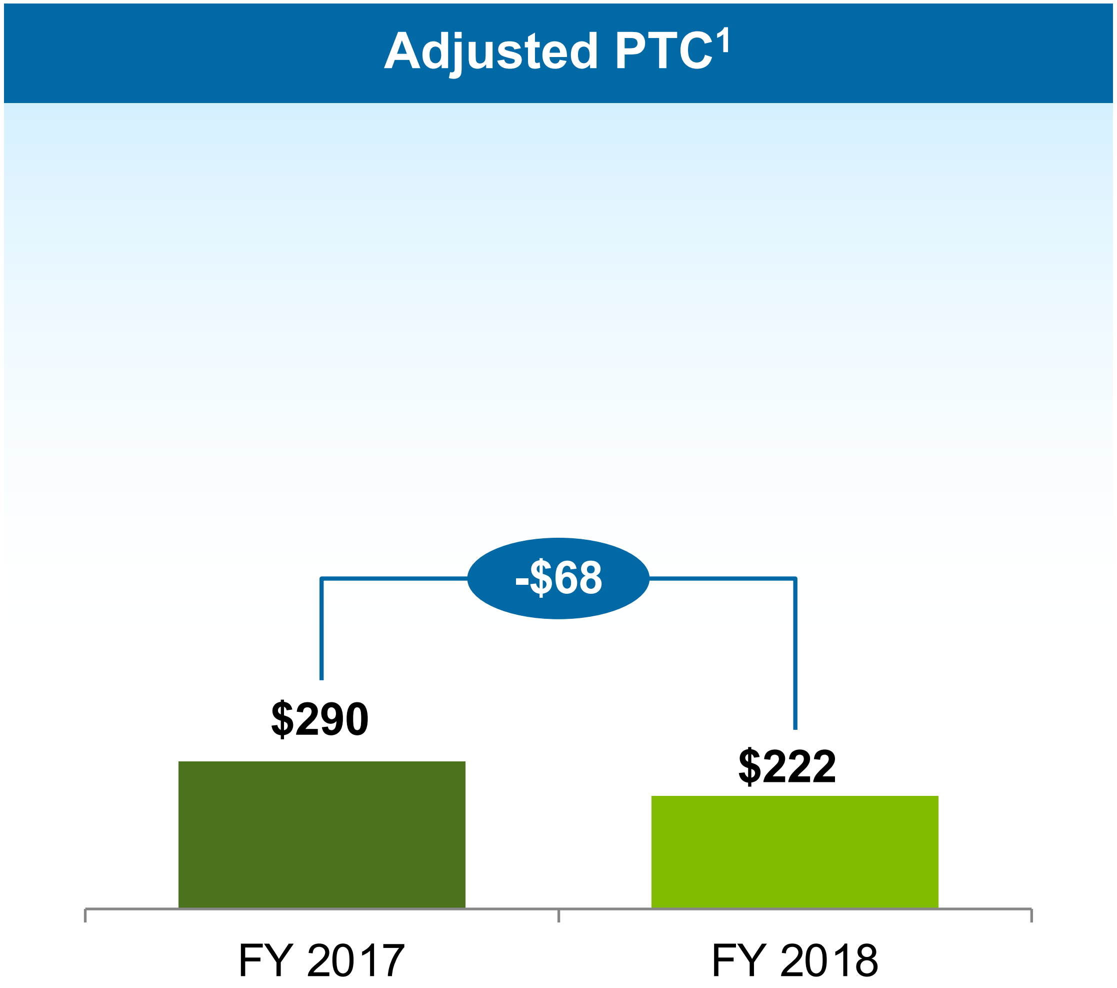


1. A non-GAAP financial measure. See Appendix for definition.

FY Financial Results: Eurasia SBU

$ in Millions

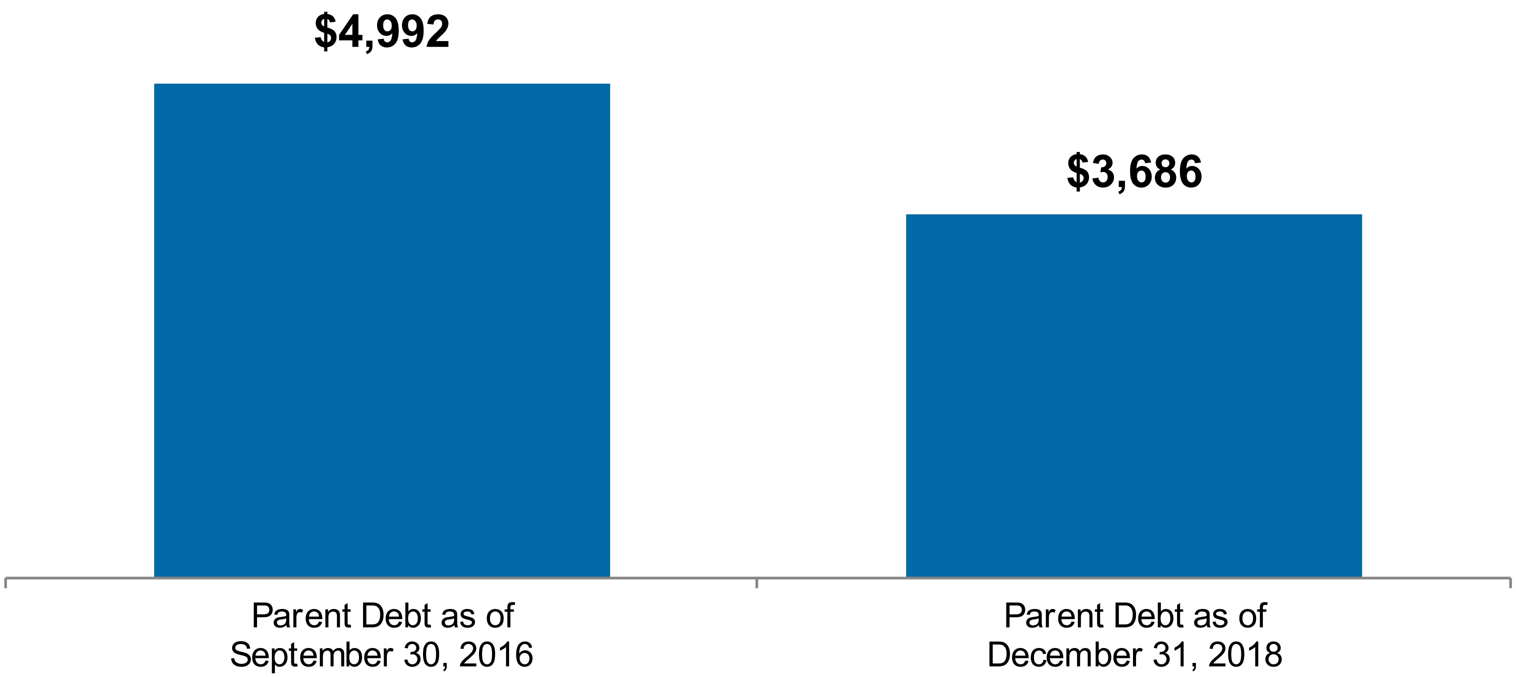
- Lower Adjusted PTC[1] driven primarily by sales of businesses in the Philippines and Kazakhstan



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

Since Announcing Goal to Achieve Investment Grade in Q3 2016, Reduced Parent Debt by $1.3 Billion or 26%

$ in Millions



Parent Leverage[1]	4.9x	3.95x

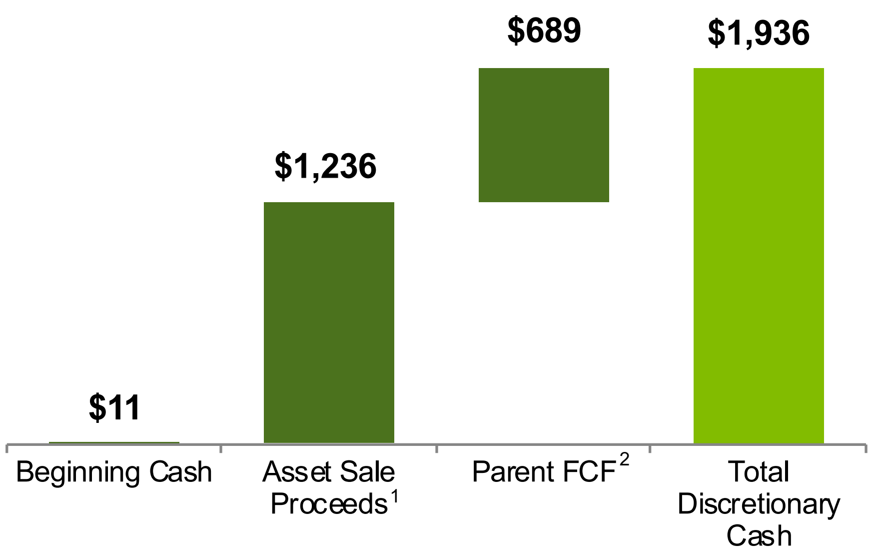
Achieved Investment Grade Metric of Parent Leverage[1] <4x in 2018, One Year Ahead of Goal

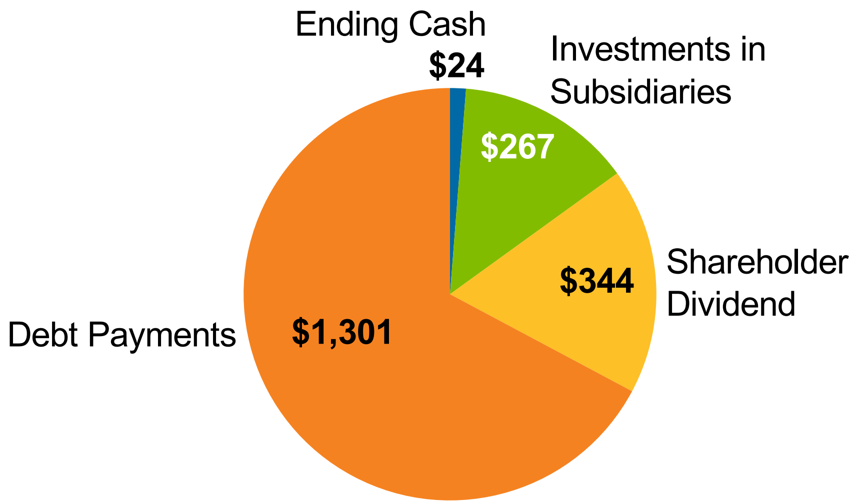
1. Parent Debt/Last Twelve Months Parent Free Cash Flow Before Interest.

2018 Parent Capital Allocation

$ in Millions

Discretionary Cash – Sources ($1,936)	Discretionary Cash – Uses ($1,936)



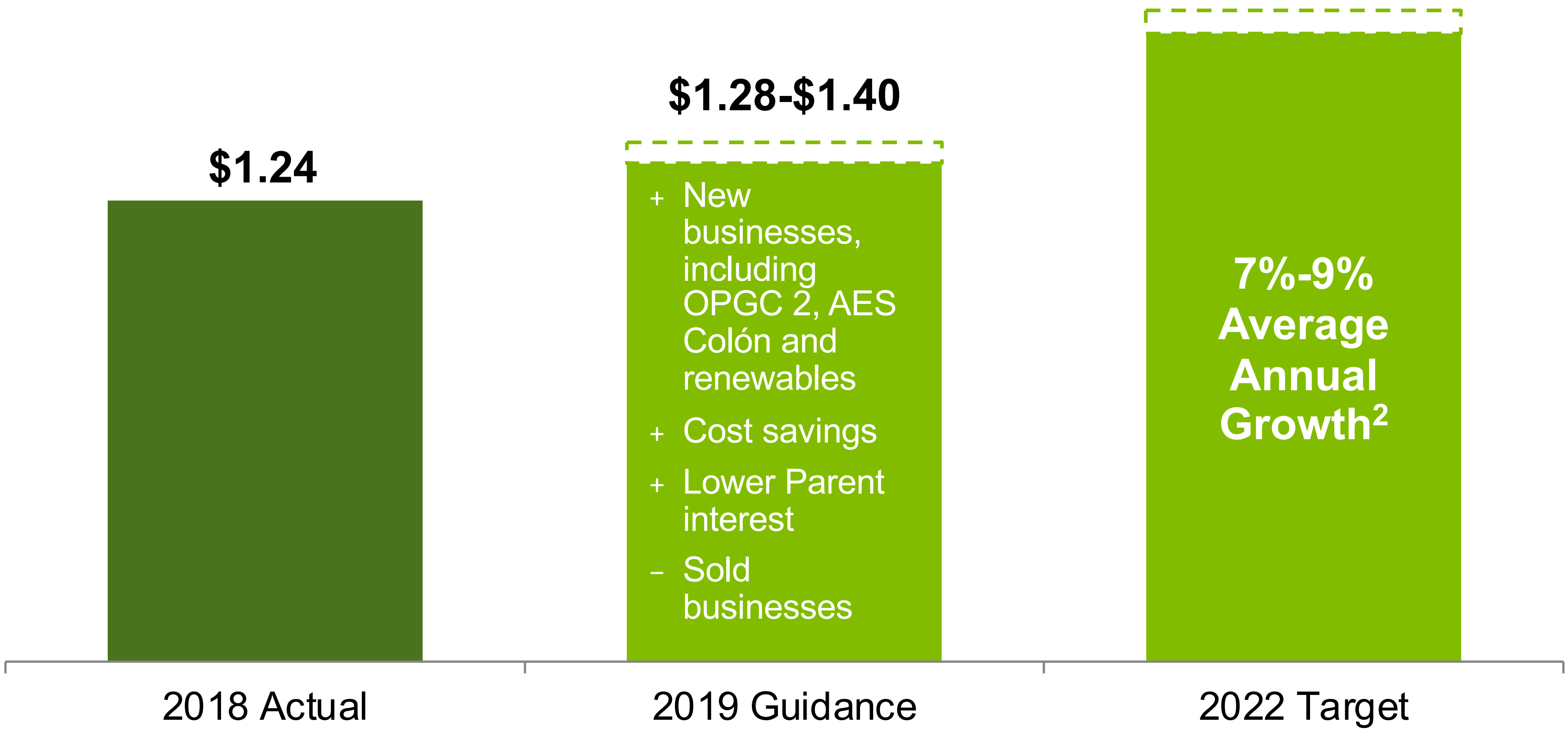


Allocated 85% of Discretionary Cash Toward Delevering and Dividend

1. Includes net proceeds from the sale of Masinloc (Philippines), Eletropaulo (Brazil) and Elsta (Netherlands).
2. A non-GAAP financial measure. See Appendix for definition.

Adjusted EPS[1] Guidance and Longer-Term Growth Rate Target

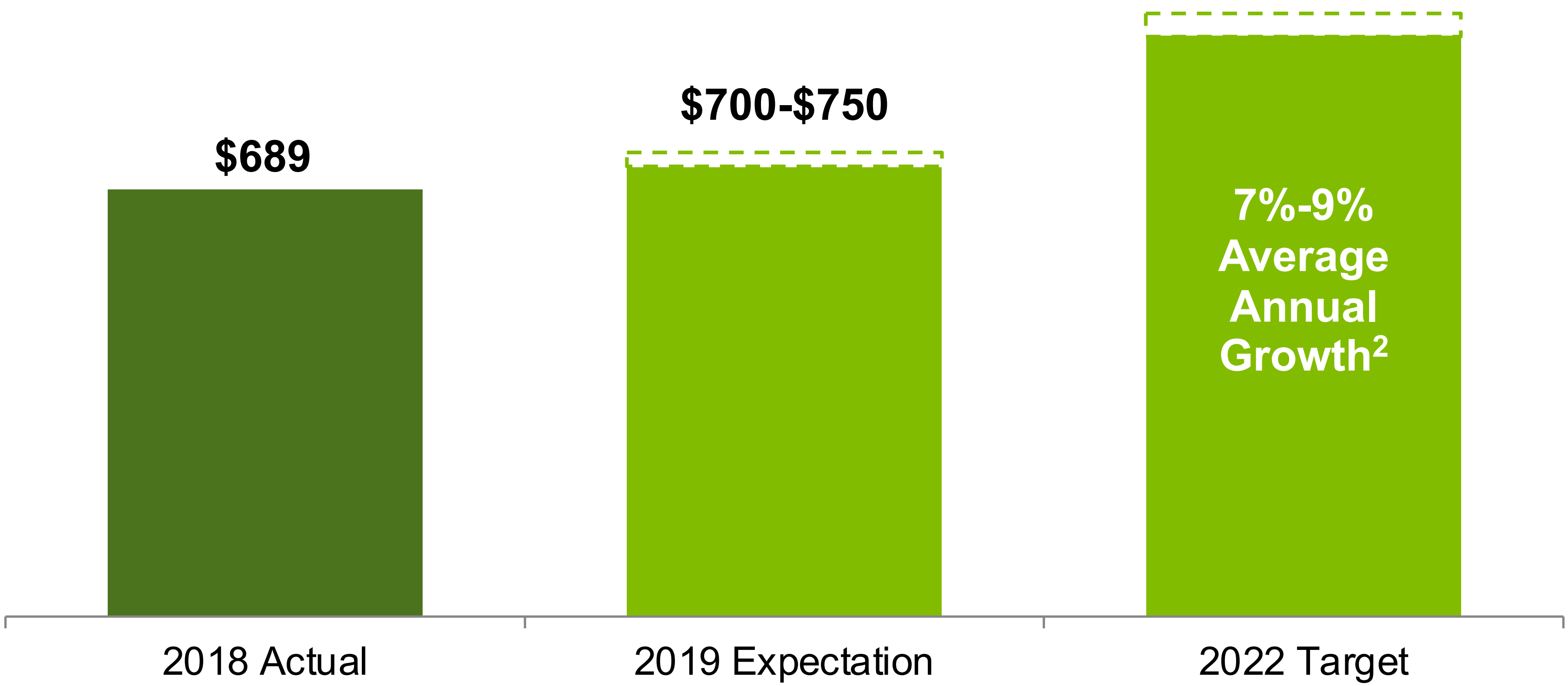
$ Per Share



1. A non-GAAP financial measure. See Appendix for definition. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted EPS guidance without unreasonable effort. See Slide 57 for a description of the adjustments to reconcile Adjusted EPS to diluted EPS for 2018.
2. From a base of 2018 Adjusted EPS of $1.24.

Parent Free Cash Flow[1] Expectation and Longer-Term Growth Rate Target

$ in Millions

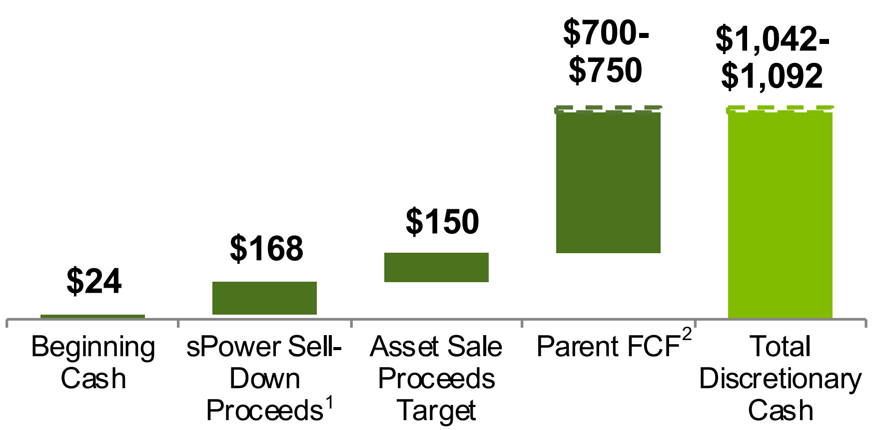


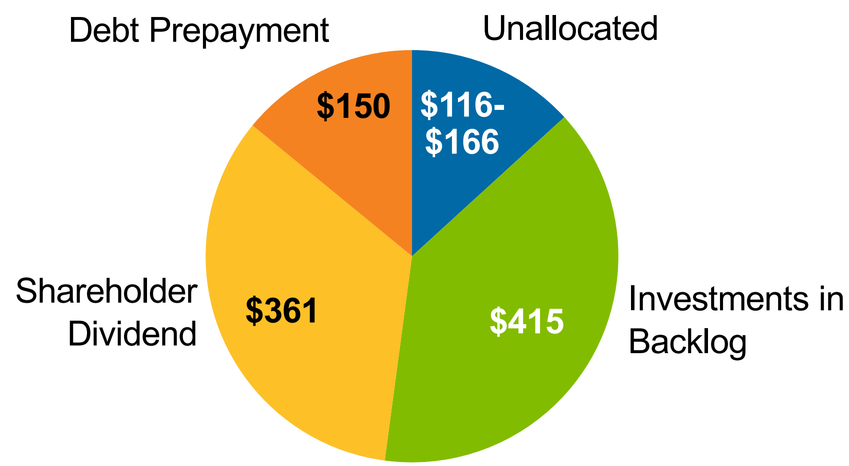
1. A non-GAAP financial measure. See Appendix for definition.
2. From a base of 2018 Parent Free Cash Flow of $689 million.

2019 Parent Capital Allocation Plan

$ in Millions

Discretionary Cash – Sources ($1,042-$1,092)	**Discretionary Cash – Uses ($1,042-$1,092)**



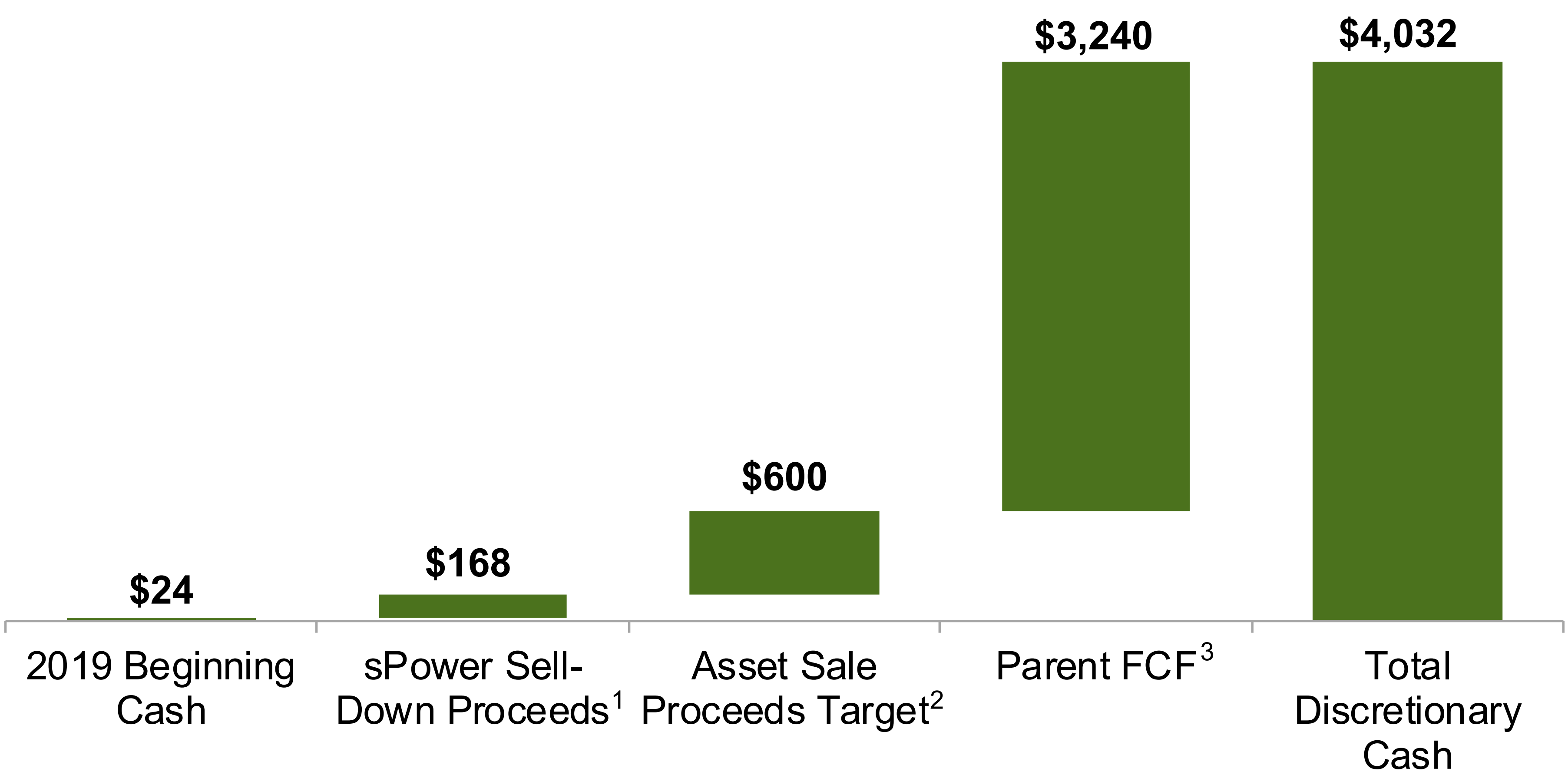


Balanced Approach to Capital Allocation

1. Announced the sale of 48% of our interest in sPower's operating portfolio in two separate transactions. The first agreement was signed in October 2018 and the second agreement was signed in December 2018.
2. A non-GAAP financial measure. See Appendix for definition.

$4.0 Billion in Discretionary Cash Being Generated 2019-2022

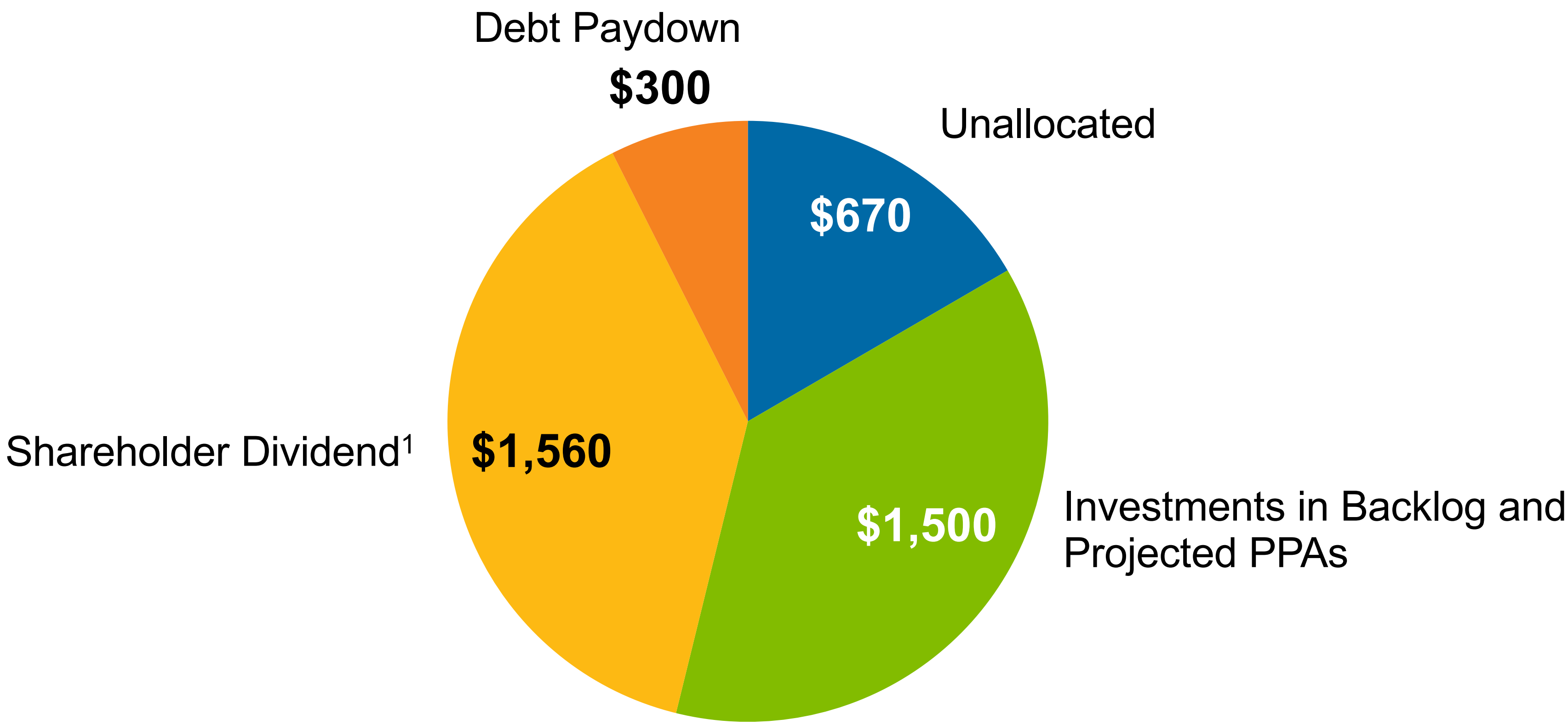
$ in Millions



1. Announced the sale of 48% of our interest in sPower's operating portfolio in two separate transactions. The first agreement was signed in October 2018 and the second agreement was signed in December 2018.
2. Remaining portion of $2 billion target, net of $1.2 billion already received in 2018 and $168 million expected to close in 2019.
3. A non-GAAP financial measure. See Appendix for definition. For illustrative purposes, Parent Free Cash Flow assumes the low end of expectations.

2019-2022: $4.0 Billion of Discretionary Cash Available for Allocation

$ in Millions



Disciplined Capital Allocation to Maximize Risk-Adjusted Total Shareholder Return

1. Assumes 2019 payment of $0.1365 per share each quarter on 662 million shares outstanding, growing at 5% per year through 2022.

AES Value Proposition

Enhancing the Resilience of Our Portfolio	Increasing Our Backlog	Investing in Innovative Technologies
to Deliver	*to Ensure*	*to Maintain*
Attractive Returns	**Profitable Growth**	**Our Market-Leading Position**

7% to 9%	+	3.2%	=	10% to 12%
Annual Growth in Adjusted EPS[1] and Parent Free Cash Flow[1] Through 2022		Current Dividend Yield		Annual Total Shareholder Return

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

Appendix

1. A non-GAAP financial measure .

Parent Sources and Uses of Liquidity

$ in Millions	Q4		FY	
	2018	2017	2018	2017
Sources				
Total Subsidiary Distributions[1]	$390	$459	$1,186	$1,203
Proceeds from Asset Sales, Net	$8	($6)	$1,236	$373
Financing Proceeds, Net	-	-	$990	$1,014
Increased/(Decreased) Credit Facility Commitments	-	-	-	$300
Issuance of Common Stock, Net	-	-	-	$1
Total Returns of Capital Distributions & Project Financing Proceeds	-	($67)	$1	-
Beginning Parent Company Liquidity[2]	$1,085	$632	$869	$894
Total Sources	**$1,483**	**$1,018**	**$4,282**	**$3,785**
Uses				
Repayments of Debt	($153)	($1)	($1,933)	($1,355)
Shareholder Dividend	($86)	($79)	($344)	($317)
Repurchase of Equity	-	-	-	-
Investments in Subsidiaries, Net	($64)	($149)	($267)	($863)
Cash for Development, Selling, General & Administrative and Taxes	($42)	($45)	($253)	($275)
Cash Payments for Interest	($56)	($69)	($244)	($290)
Changes in Letters of Credit and Other, Net	($36)	$194	($195)	$184
Ending Parent Company Liquidity[2]	($1,046)	($869)	($1,046)	($869)
Total Uses	**($1,483)**	**($1,018)**	**($4,282)**	**($3,785)**

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

Q4 and FY 2018 Subsidiary Distributions[1]

$ in Millions

Subsidiary Distributions[1] by SBU		
	Q4 2018	FY 2018
US and Utilities	$153	$441
South America	$102	$266
MCAC	$60	$179
Eurasia	$67	$267
Corporate & Other[2]	$8	$33
Total	**$390**	**$1,186**

Top Ten Subsidiary Distributions[1] by Business							
Q4 2018				FY 2018			
Business	Amount	Business	Amount	Business	Amount	Business	Amount
US Holdco (US and Utilities)	$94	Panama (MCAC)	$22	US Holdco (US and Utilities)	$234	Argentina (South America)	$71
AES Gener (South America)	$85	Mong Duong (Eurasia)	$18	IPALCO (US and Utilities)	$119	Andres (MCAC)	$63
IPALCO (US and Utilities)	$44	Brazil (South America)	$16	AES Gener (South America)	$117	Masinloc (Eurasia)	$53
Ballylumford (Eurasia)	$30	TEG TEP (MCAC)	$13	Maritza (Eurasia)	$83	Panama (MCAC)	$51
Andres (MCAC)	$23	Elsta (Eurasia)	$9	Brazil (South America)	$78	Mong Duong (Eurasia)	$45

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

Reconciliation of Subsidiary Distributions[1] and Parent Liquidity[1]

$ in Millions

	Quarter Ended			
	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
Total Subsidiary Distributions[1] to Parent & QHCs[2]	$390	$175	$270	$351
Total Return of Capital Distributions to Parent & QHCs[2]	-	-	-	-
Total Subsidiary Distributions[1] & Returns of Capital to Parent	**$390**	**$175**	**$270**	**$351**

	Balance as of			
	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
Cash at Parent & QHCs[2]	$24	$43	$151	$76
Availability Under Credit Facilities	$1,022	$1,042	$687	$807
Ending Liquidity	**$1,046**	**$1,085**	**$838**	**$883**

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

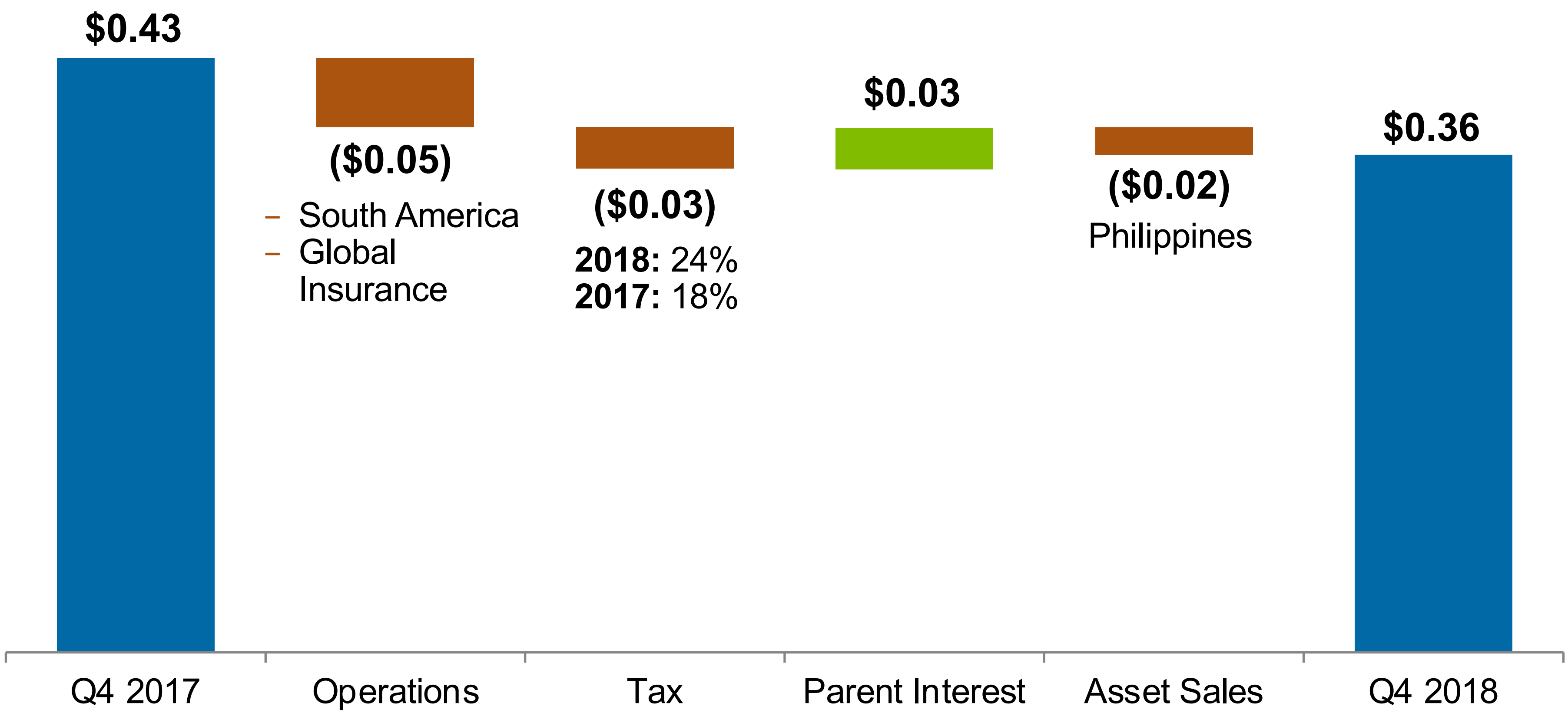
Q4 and FY Adjusted EPS[1] Roll-Up

$ in Millions, Except Per Share Amounts

	Q4 2018	Q4 2017	Variance	FY 2018	FY 2017	Variance
Adjusted PTC[1]						
US and Utilities	$148	$136	$12	$511	$424	$87
South America	$138	$157	($19)	$519	$446	$73
MCAC	$85	$68	$17	$300	$277	$23
Eurasia	$47	$72	($25)	$222	$290	($68)
Total SBUs	**$418**	**$433**	**($15)**	**$1,552**	**$1,437**	**$115**
Corp/Other	($103)	($86)	($17)	($367)	($420)	$53
Total AES Adjusted PTC[1,2]	**$315**	**$347**	**($32)**	**$1,185**	**$1,017**	**$168**
Adjusted Effective Tax Rate	24%	18%		31%	30%	
Diluted Share Count	666	663		665	662	
Adjusted EPS[1]	**$0.36**	**$0.43**	**($0.07)**	**$1.24**	**$1.08**	**$0.16**

1. A non-GAAP financial measure. See Slides 56-57 for reconciliation to the nearest GAAP measure and "definitions".
2. Includes $7 million and $34 million of adjusted after-tax equity in earnings for Q4 2018 and Q4 2017, respectively, and $34 million and $66 million for FY 2018 and FY 2017, respectively.

Q4 2018 Adjusted EPS[1] Decreased $0.07

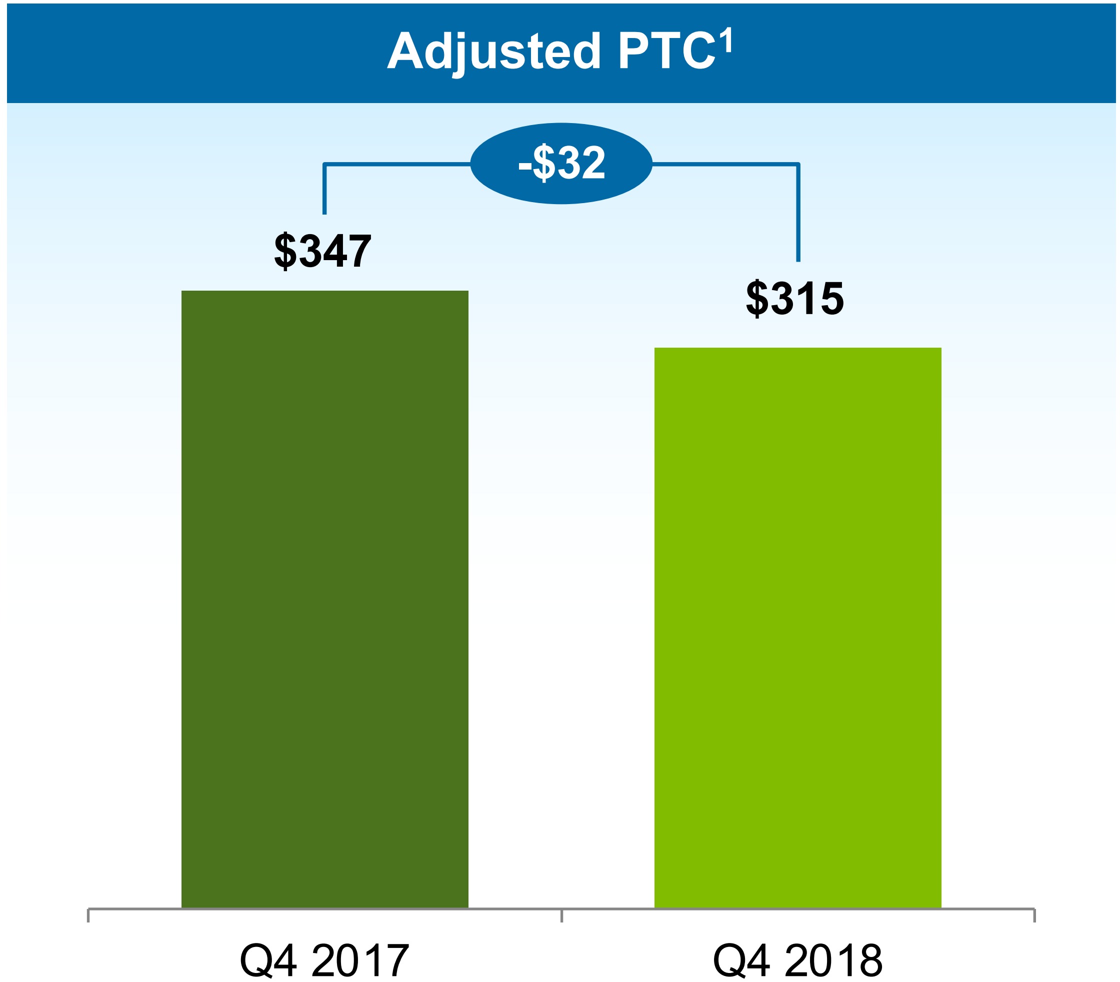


1. A non-GAAP financial measure. See Slide 56 for reconciliation to the nearest GAAP measure and "definitions".

Q4 Financial Results

$ in Millions

- Lower Adjusted PTC[1] driven primarily by the asset sale in the Philippines and lower contributions from South America

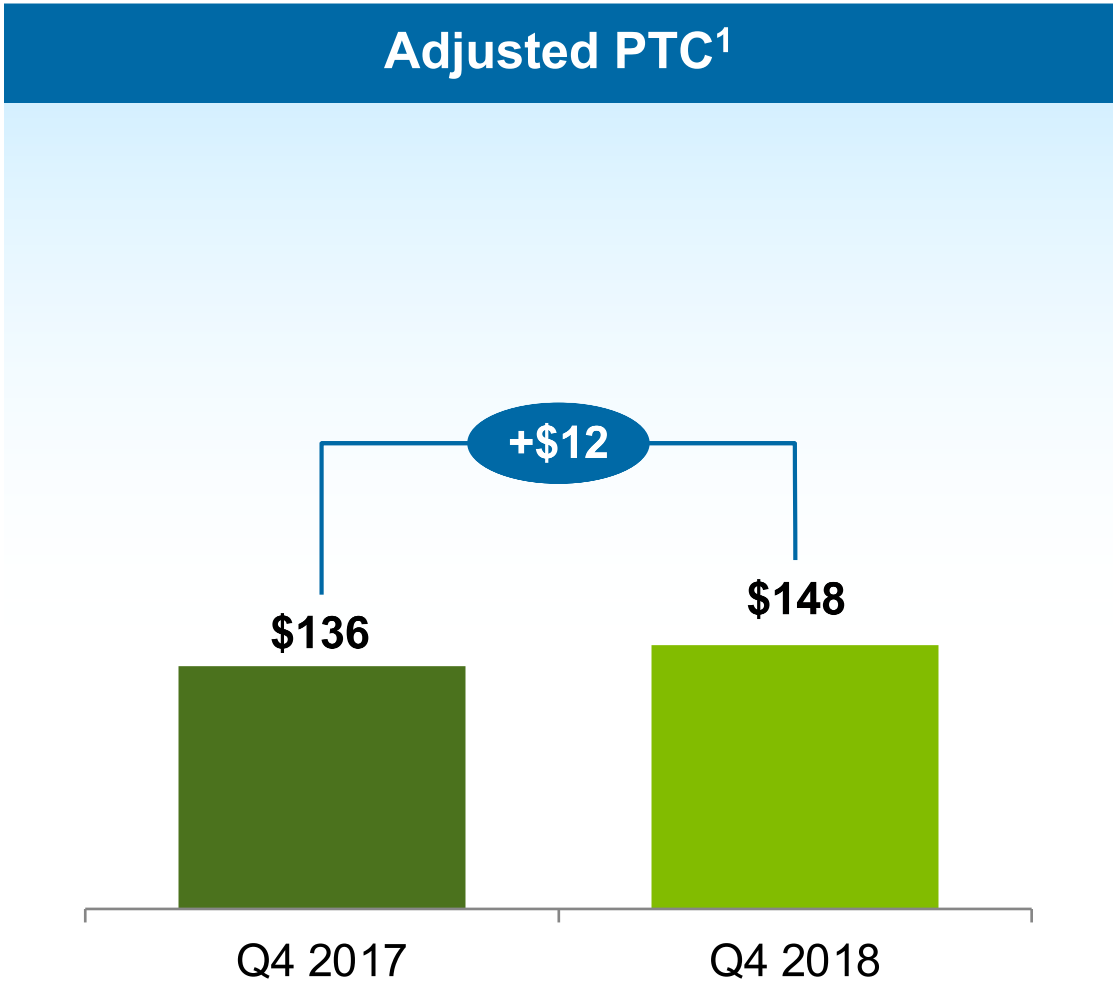


1. A non-GAAP financial measure. See Slide 56 for reconciliation to the nearest GAAP measure and "definitions".

Q4 Financial Results: US and Utilities SBU

$ in Millions

- Higher Adjusted PTC[1] driven primarily by:
  - Lower asset retirement obligations and higher regulated rates at DPL in Ohio
  - Higher contributions from US solar

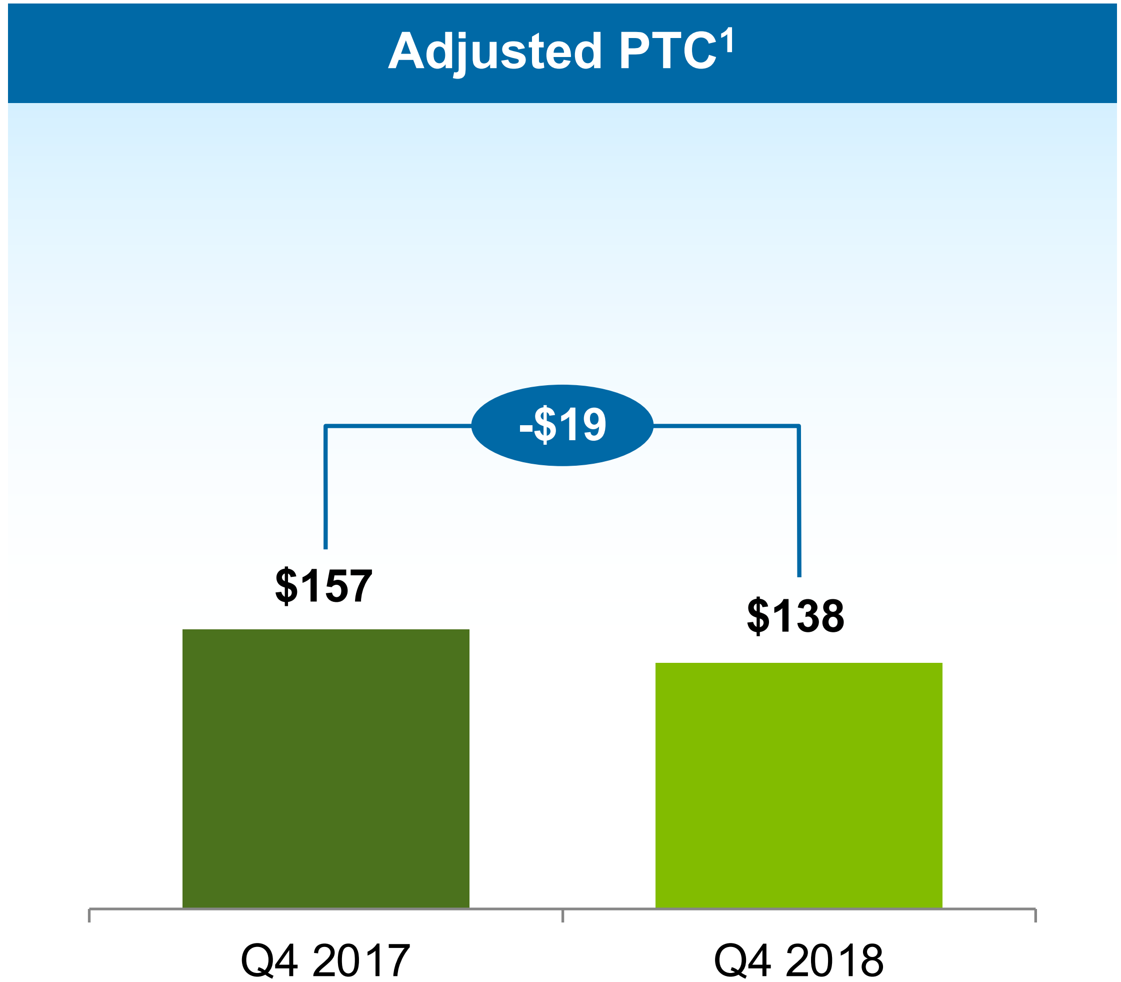


1. A non-GAAP financial measure. See "definitions".

Q4 Financial Results: South America SBU

$ in Millions

- Lower Adjusted PTC[1] driven primarily by:
  - Receivable write off and realized foreign currency loss in Argentina
  - Higher spot energy purchases, lower sales, and sale of transmission assets in Chile
- Offset by higher contract pricing in Colombia

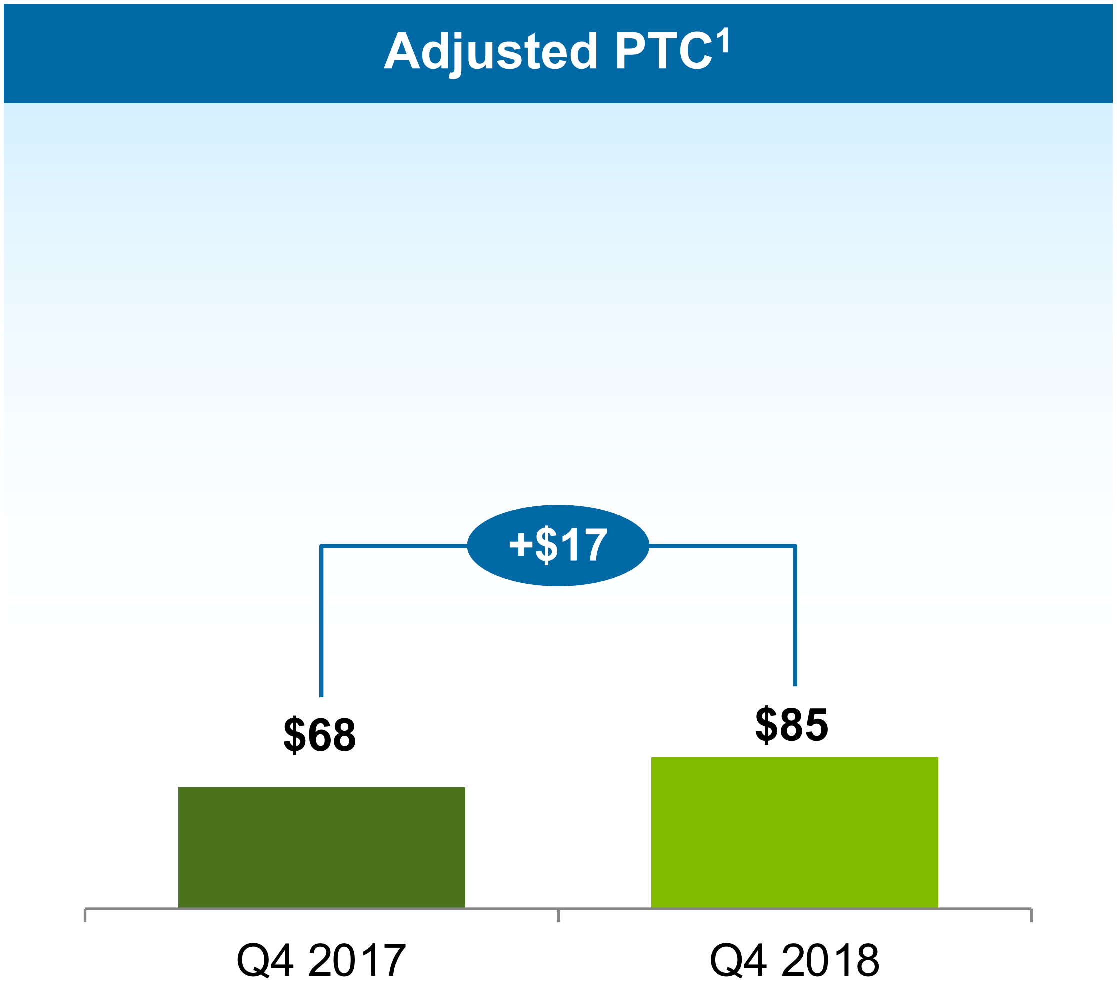


1. A non-GAAP financial measure. See "definitions".

Q4 Financial Results: MCAC SBU

$ in Millions

- Higher Adjusted PTC[1] driven primarily by higher spot energy prices in the Dominican Republic

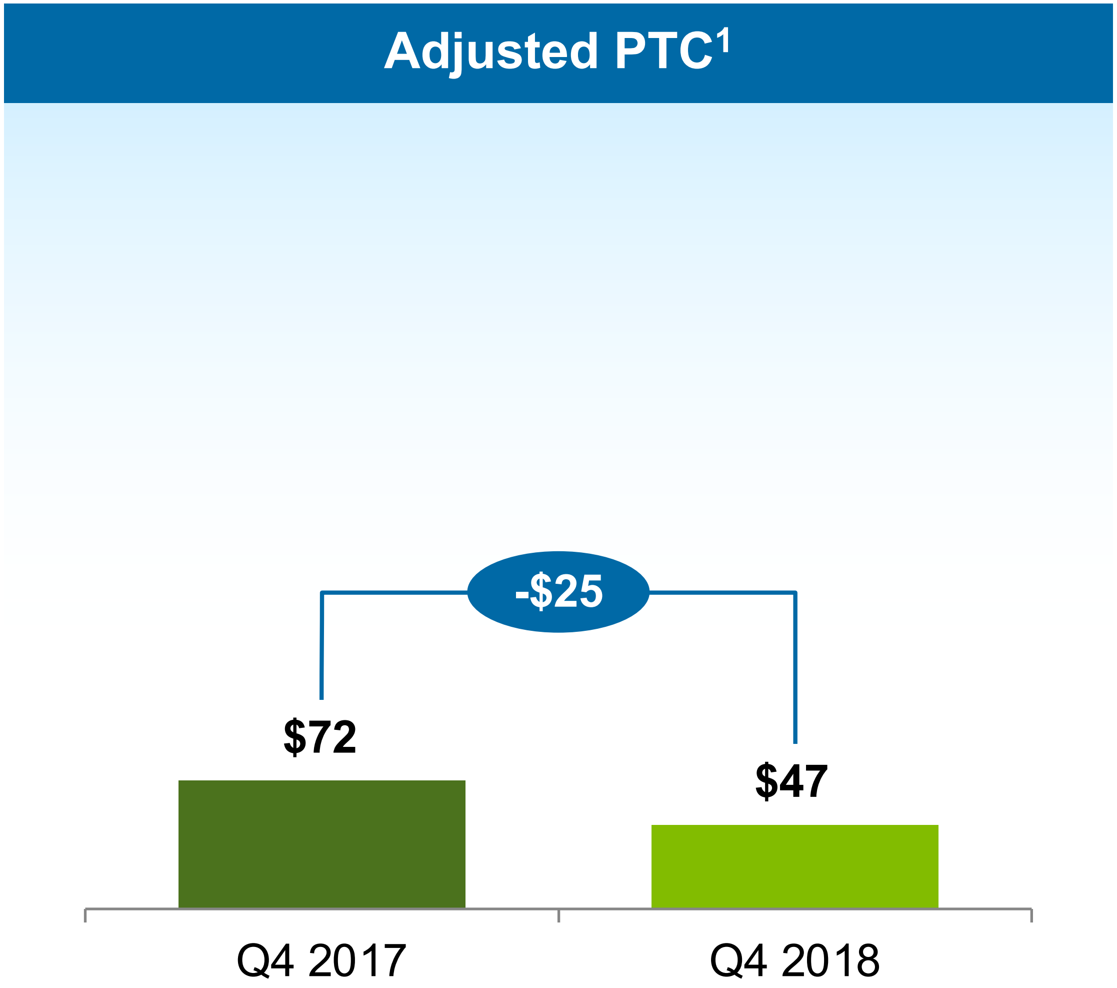


1. A non-GAAP financial measure. See “definitions”.

Q4 Financial Results: Eurasia SBU

$ in Millions

- Lower Adjusted PTC[1] driven primarily by sale of Masinloc in the Philippines



1. A non-GAAP financial measure. See "definitions".

FY 2018 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 & Utilities/US				South America/Chile		South America/Brazil	
AES Company	**IPL**		**DPL**		**AES Gener[2]**		**Tietê[2]**	
$ in Millions	**FY 2018**	**FY 2017**	**FY 2018**	**FY 2017**	**FY 2018**	**FY 2017**	**FY 2018**	**FY 2017**
US GAAP Reconciliation								
AES Business Unit Adjusted Earnings[1,3]	**$93**	**$80**	**$93**	**$43**	**$234**	**$154**	**$21**	**$24**
Adjusted PTC[1,3] Public Filer (Stand-alone)	**$101**	**$118**	**$132**	**$69**	**$338**	**$238**	**$30**	**$34**
Impact of AES Differences from Public Filings	-	-	$2	($2)	$2	$3	-	-
AES Business Unit Adjusted PTC[1]	**$101**	**$118**	**$134**	**$67**	**$340**	**$241**	**$30**	**$34**
Unrealized Derivatives Gains	-	-	($1)	$2	$24	$3	-	-
Unrealized Foreign Currency Gains	-	-	-	-	($9)	$1	($1)	-
Impairment Losses	-	-	($3)	($176)	($96)	-	-	-
Disposition/Acquisition Gains (Losses)	-	-	($21)	($11)	$122	-	-	($1)
Losses on Extinguishment of Debt	-	($6)	($6)	($3)	($10)	($49)	-	($1)
Restructuring Costs	($1)	($4)	$2	($3)	($6)	($2)	-	-
Non-Controlling Interest before Tax	$47	$50	-	-	$221	$127	$99	$111
Income Tax Benefit/(Expenses)	($11)	($49)	($30)	$24	($225)	($127)	($41)	($43)
US GAAP Income/(Loss) from Continuing Operations[4]	**$136**	**$109**	**$75**	**($100)**	**$361**	**$224**	**$87**	**$100**
Adjustment to Depreciation & Amortization[5]					($41)	($40)	($13)	($14)
Adjustment to Taxes					$2	$13	$9	$10
Other Adjustments					($17)	$1	($4)	($2)
IFRS Net Income					**$305**	**$198**	**$79**	**$94**
BRL-USD Implied Exchange Rate							3.6308	3.1814

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.
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.

FY 2018 Modeling Disclosures

$ in Millions

	Adjusted PTC[1]	Interest Expense			Interest Income			Depreciation & Amortization		
		Consolidated	Attributable to NCI	Ownership-Adjusted	Consolidated	Attributable to NCI	Ownership-Adjusted	Consolidated	Attributable to NCI	Ownership-Adjusted
US and Utilities	**$511**	**$287**	**($30)**	**$257**	**$10**	**($1)**	**$9**	**$449**	**($74)**	**$375**
DPL	$134	$98	-	$98	$1	-	$1	$47	-	$47
IPL	$101	$96	($29)	$67	-	-	-	$232	($70)	$162
South America	**$519**	**$283**	**($147)**	**$136**	**$92**	**($28)**	**$64**	**$300**	**($132)**	**$168**
AES Gener	$340	$115	($48)	$67	$8	($3)	$5	$221	($85)	$136
Tietê	$30	$120	($91)	$29	$30	($23)	$7	$61	($46)	$15
MCAC	**$300**	**$124**	**($30)**	**$94**	**$20**	**($6)**	**$14**	**$141**	**($42)**	**$99**
Eurasia	**$222**	**$145**	**($58)**	**$87**	**$186**	**($91)**	**$95**	**$99**	**($17)**	**$82**
Subtotal	**$1,552**	**$839**	**($265)**	**$574**	**$308**	**($126)**	**$182**	**$989**	**($265)**	**$724**
Corp/Other	($367)	$217	-	$217	$2	-	$2	$14	-	$14
Total	**$1,185**	**$1,056**	**($265)**	**$791**	**$310**	**($126)**	**$184**	**$1,003**	**($265)**	**$738**

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

FY 2018 Modeling Disclosures

$ in Millions

	Total Debt			Cash & Cash Equivalents, Restricted Cash, Short-Term Investments, Debt Service Reserves & Other Deposits		
	Consolidated	Attributable to NCI	Ownership-Adjusted	Consolidated	Attributable to NCI	Ownership-Adjusted
US and Utilities	**$6,684**	**($804)**	**$5,880**	**$570**	**($21)**	**$549**
DPL	$1,476	-	$1,476	$112	-	$112
IPL	$2,649	($795)	$1,854	$34	($11)	$23
South America	**$4,934**	**($2,249)**	**$2,685**	**$952**	**($405)**	**$547**
AES Gener	$3,568	($1,456)	$2,112	$314	($120)	$194
Tietê	$1,047	($793)	$254	$327	($248)	$79
MCAC	**$2,140**	**($623)**	**$1,517**	**$272**	**($40)**	**$232**
Eurasia	**$1,887**	**($742)**	**$1,145**	**$410**	**($123)**	**$287**
Subtotal	**$15,645**	**($4,418)**	**$11,227**	**$2,204**	**($589)**	**$1,615**
Corp/Other	$3,655	-	$3,655	$112	-	$112
Total	**$19,300**	**($4,418)**	**$14,882**	**$2,316**	**($589)**	**$1,727**

Q4 2018 Modeling Disclosures

$ in Millions

	Adjusted PTC[1]	Interest Expense			Interest Income			Depreciation & Amortization		
		Consolidated	Attributable to NCI	Ownership-Adjusted	Consolidated	Attributable to NCI	Ownership-Adjusted	Consolidated	Attributable to NCI	Ownership-Adjusted
US and Utilities	**$148**	**$64**	**($7)**	**$57**	**$3**	**-**	**$3**	**$90**	**($20)**	**$70**
DPL	$53	$24	-	$24	$1	-	$1	($13)	-	($13)
IPL	$17	$25	($7)	$18	-	-	-	$59	($17)	$42
South America	**$138**	**$72**	**($35)**	**$37**	**$24**	**($6)**	**$18**	**$74**	**($33)**	**$41**
AES Gener	$98	$30	($13)	$17	$3	($1)	$2	$53	($20)	$33
Tietê	$10	$21	($16)	$5	$5	($4)	$1	$16	($12)	$4
MCAC	**$85**	**$35**	**($10)**	**$25**	**$6**	**($1)**	**$5**	**$41**	**($13)**	**$28**
Eurasia	**$47**	**$35**	**($14)**	**$21**	**$45**	**($22)**	**$23**	**$24**	**($4)**	**$20**
Subtotal	**$418**	**$206**	**($66)**	**$140**	**$78**	**($29)**	**$49**	**$229**	**($70)**	**$159**
Corp/Other	($103)	$51	-	$51	$1	-	$1	$4	-	$4
Total	**$315**	**$257**	**($66)**	**$191**	**$79**	**($29)**	**$50**	**$233**	**($70)**	**$163**

1. A non-GAAP financial measure. See Slide 56 for reconciliation to the nearest GAAP measure and “definitions”.

FY 2019 Guidance Estimated Sensitivities

Interest Rates[1]

- 100 bps move in interest rates over 2019 is forecasted to have a change in EPS of approximately $0.020

Currencies

10% depreciation of USD against following currencies is forecasted to have the following EPS impacts:	2019	
	Average Rate	Sensitivity
Brazilian Real (BRL)	3.94	Less than $0.005, Long Exposure
Colombian Peso (COP)	3,280	Less than $0.005, Long Exposure
Euro (EUR)	1.16	$0.010, Long Exposure
Indian Rupee	71.00	Less than $0.005, Long Exposure
Argentine Peso (ARS)	45.82	Less than ($0.005), Short Exposure
Chilean Peso (CLP)	693	Less than ($0.005), Short Exposure
British Pound (GBP)	1.29	Less than ($0.005), Short Exposure
Mexican Peso (MXN)	20.24	($0.010), Short Exposure

Commodity

10% increase in commodity prices is forecasted to have the following EPS impacts:	2019	
	Average Rate	Sensitivity
Rotterdam Coal (API 2)	$86/ton	($0.005), Short Exposure
IPE Brent Crude Oil	$55/bbl	Less than $0.005, Long Exposure
NYMEX Henry Hub Natural Gas	$2.8/mmbtu	($0.010), Short Exposure
US Power – PJM AD Hub	$35/MWh	Less than $0.005, Long Exposure

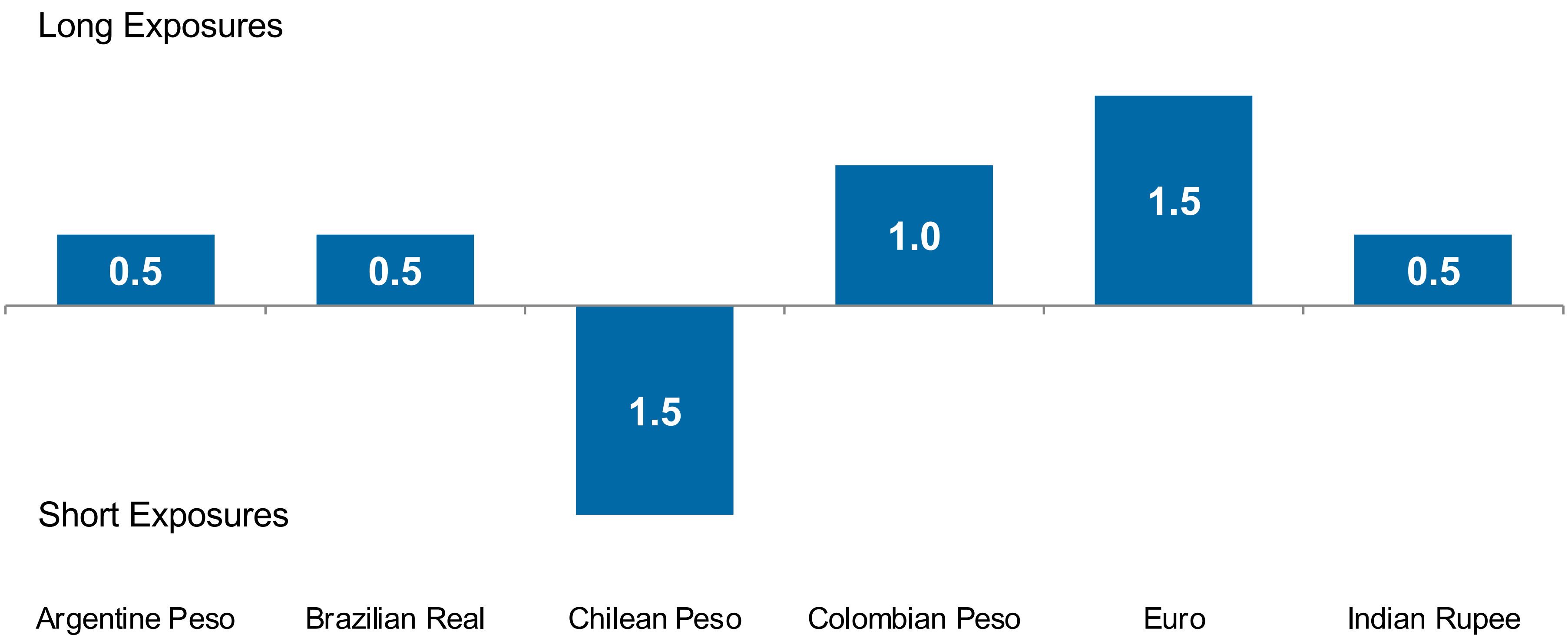
Note: Guidance provided on February 27, 2019. Sensitivities are provided on a standalone basis, assuming no change in the other factors, to illustrate the magnitude and direction of changing market factors on AES' results. Estimates show the impact on 2019 Adjusted EPS. Actual results may differ from the sensitivities provided due to execution of risk management strategies, local market dynamics and operational factors. Full year 2019 guidance is based on currency and commodity forward curves and forecasts as of December 31, 2018. 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. Please see Item 1 of the Form 10-K 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 $0.005 cent per share.

1. The move is applied to the floating interest rate portfolio balances as of December 31, 2018.

Foreign Exchange (FX) Risk Before Hedges

Cents Per Share, Exposures Before Hedges

Full Year 2020 FX Sensitivity by Currency[1]



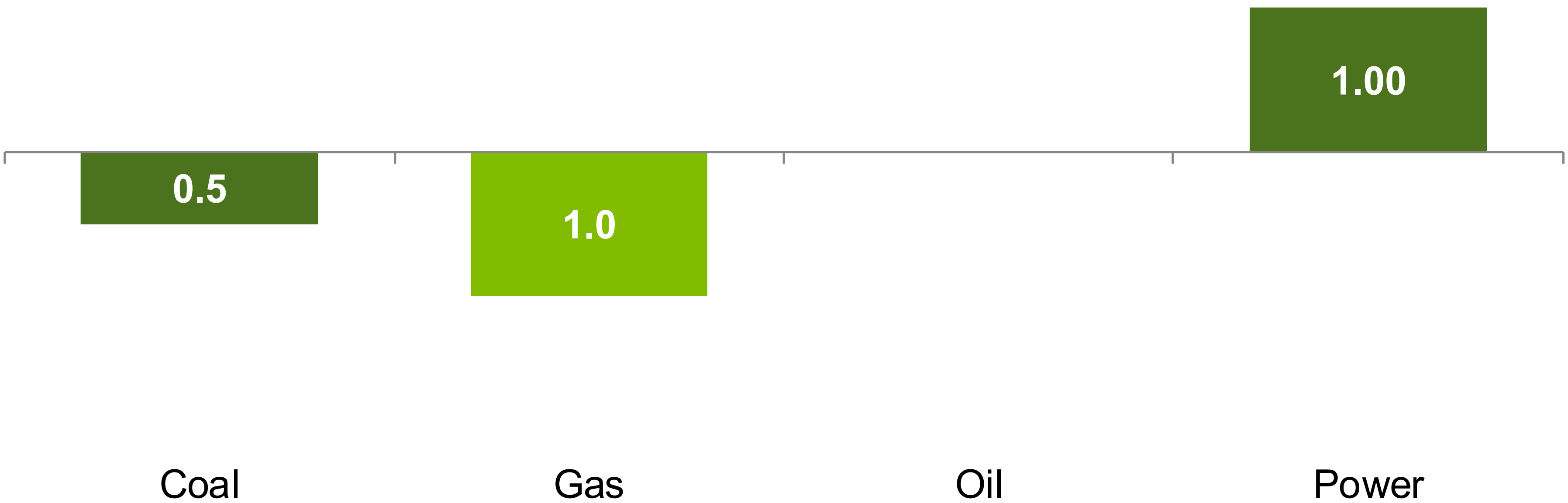
- 2020 FX risk before hedges for 10% US dollar depreciation against foreign currency
- FX risk mitigated on a rolling basis by active FX hedging

1. Sensitivity represents full year 2020 exposure as of December 31, 2018.

Commodity Exposure is Mostly Hedged in the Medium- to Long-Term

Cents Per Share

Full Year 2020 Adjusted EPS[1] Commodity Sensitivity[2] for 10% Change in Commodity Prices



1. A non-GAAP financial measure. See "definitions".
2. Sensitivities assumes fuel moves 10% relative to commodities as of December 31, 2018. Adjusted EPS is negatively correlated to coal and gas price movement, and positively correlated oil and power price movements.

AES Modeling Disclosures

$ in Millions

Parent Company Cash Flow Assumptions	2018	2019
Subsidiary Distributions (a)	**$1,186**	**$1,115-$1,165**
Cash Interest (b)	**($244)**	**($200)**
Corporate Overhead	($187)	($150)
Parent-Funded SBU Overhead	($51)	($55)
Business Development/Taxes	($15)	($10)
Cash for Development, General & Administrative and Tax (c)	**($253)**	**($215)**
Parent Free Cash Flow[1] (a – b – c)	**$689**	**$700-$750**

1. A non-GAAP financial measure. See "definitions".

2019 Adjusted PTC Modeling Ranges

$ in Millions

SBU	2019 Adjusted PTC Modeling Ranges as of 2/27/19[1]	Drivers of Growth Versus 2018
US and Utilities	$540-$570	+ Renewables growth + Regulated rate cases – DPL generation and Shady Point asset sales
South America	$480-$510	
MCAC	$360-$390	+ Partial recovery from 2018 lightning incident in the DR + AES Colón operations
Eurasia	$180-$190	– Announced asset sales – Planned outage and partial retirement in Northern Ireland + OPGC 2 operations
Total SBUs	**$1,560-$1,650**	
Corporate & Other[2]	($330)-($360)	+ Cost reductions + Lower Parent interest
Total AES Adjusted PTC[1,2]	**$1,230-$1,290**	

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

Projects Under Construction: Expected to Earn Double Digit After-Tax Returns

$ in Millions, Unless Otherwise Stated

Project	Country	AES Ownership	Fuel/Technology	Gross MW	Expected COD	Total Capex	Total AES Equity
Construction Projects Coming On-Line 2019-2021							
Global Renewables	Various	24%-100%	Solar/Wind/ Energy Storage	1,305	1H 2019- 1H 2021	$1,865	$305
OPGC 2	India	49%	Coal	1,320	1H 2019	$1,585	$227
Southland Repowering	US-CA	100%	Gas	1,284	1H 2020	$2,287	$329
Alto Maipo	Chile	62%	Hydro	531	2H 2020	$3,439	$683
Total				**4,440**		**$9,176**	**$1,544**

PPAs Signed in FY 2018

Project	Location	Technology	Gross MW	AES Equity Interest	Expected COD[1]	PPA Length (Years)
Idaho Solar 1 (Winterfell) (sPower)	US-ID	Solar	40	50%	In Operation[2]	18
Riverhead Solar (sPower)3	US-CA	Solar	20	50%	1H 2019	30
Rhode Island C&I (AES DE)	US-RI	Solar	8	100%	1H 2019	25
LIPA-PSEG (AES DE)[3]	US-NY	Solar	4	100%	1H 2019	17
Six Flags – Valencia (sPower)	US-CA	Solar	10	50%	1H 2019	25
Six Flags – Vallego (sPower)	US-CA	Solar	6	50%	1H 2019	25
San Pablo (sPower)[3]	US-CA	Solar	100	50%	1H 2019	22
AGV Solar (AES Tietê)[3]	Brazil	Solar	75	24%	1H 2019	20
MA SMART 2 (AES DE)	US-MA	Solar	15	100%	1H 2019	20
NY Community Solar (AES DE)	US-NY	Solar	4	100%	1H 2019	20
Highlander (sPower)	US-VA	Solar	501	50%	2H 2019	15
Basin Electric (sPower)[3]	US-SD	Wind	220	50%	2H 2019	30
MA SMART (AES DE)	US-MA	Solar	64	100%	2H 2019	20
Sand Hill C (sPower)	US-CA	Wind	80	50%	2H 2019	21
Rhode Island C&I (AES DE)	US-RI	Solar	3	100%	2H 2019	25
Castilla	Colombia	Solar	20	67%	2H 2019	15
Energética (AES Argentina)[3]	Argentina	Wind	100	100%	1H 2020	20
Vientos Nequinos (AES Argentina)[3]	Argentina	Wind	80	100%	1H 2020	11
University of Rhode Island (AES DE)	US-RI	Solar	20	100%	1H 2020	20
NY Community Solar	US-NY	Solar	5	100%	1H 2020	20
Seneca Phase 1 (sPower)	US-OH	Wind	201	50%	2H 2020	25
East Line Solar (sPower)	US-AZ	Solar	100	50%	2H 2020	25
Candelaria (AES Gener)	Chile	Renewables	270	67%	2H 2022	18[4]
Total			**1,946**			

1. Commercial Operations Date.
2. Acquisition closed in Q3 2018.
3. Under construction.
4. Signed a 13-year contract with a 5-year extension.

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

$ in Millions, Except Per Share Amounts	Q4 2018		Q4 2017	
	Net of NCI[2]	Per Share (Diluted) Net of NCI[2]	Net of NCI[2]	Per Share (Diluted) Net of NCI[2]
Income (Loss) from Continuing Operations, Net of Tax, Attributable to AES and Diluted EPS	$102	$0.15	($683)	($1.03)
Add: Income Tax Expense Attributable to AES	$152		$689	
Pre-Tax Contribution	$254		$6	
Adjustments				
Unrealized Derivative and Equity Securities Losses (Gains)	$29	$0.05	$4	$0.01
Unrealized Foreign Currency Losses (Gains)	$9	$0.02	($5)	($0.01)
Disposition/Acquisition Losses (Gains)	($112)	($0.17)[3]	$14	$0.02
Impairment Expense	$135	$0.20[4]	$278	$0.42[5]
Loss on Extinguishment of Debt	$3	-	$19	$0.03[6]
Restructuring Costs	($3)	-	$31	$0.05
U.S. Tax Law Reform Impact	-	$0.13[7]	-	$1.08[8]
Less: Net Income Tax Expense (Benefit)	-	($0.02)	-	($0.14)[9]
Adjusted PTC[1] & Adjusted EPS[1]	**$315**	**$0.36**	**$347**	**$0.43**

1. Non-GAAP financial measures. See "definitions".
2. NCI is defined as Noncontrolling Interests.
3. Amount primarily relates to gain on sale of CTNG of $86 million, or $0.13 per share and gain on remeasurement of contingent consideration at AES Oahu of $32 million, or $0.05 per share.
4. Amount primarily relates to asset impairment at Nejapa of $37 million, or $0.06 per share and other-than-temporary impairment of Guacolda of $96 million, or $0.14 per share.
5. Amount primarily relates to asset impairments at Laurel Mountain of $121 million, or $0.18 per share and DPL of $109 million, or $0.17 per share.
6. Amount primarily relates to losses on early retirement of debt at AES Gener of $20 million, or $0.02 per share.
7. Amount relates to a SAB 118 charge to finalize the provisional estimate of one-time transition tax on foreign earnings of $161 million, or $0.24 per share, partially offset by a SAB 118 income tax benefit to finalize the provisional estimate of remeasurement of deferred tax assets and liabilities to the lower corporate tax rate of $77 million, or $0.11 per share.
8. Amount relates to a one-time transition tax on foreign earnings of $675 million, or $1.02 per share and the remeasurement of deferred tax assets and liabilities to the lower corporate tax rate of $39 million, or $0.06 per share.
9. Amount primarily relates to the income tax benefit associated with asset impairment losses and restructuring costs of $66 million, or $0.10 and $10 million or $0.02 per share respectively for the three months ended December 31, 2017.

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

$ in Millions, Except Per Share Amounts	FY 2018		FY 2017	
	Net of NCI[2]	Per Share (Diluted) Net of NCI[2]	Net of NCI[2]	Per Share (Diluted) Net of NCI[2]
Income (Loss) from Continuing Operations, Net of Tax, Attributable to AES and Diluted EPS	$985	$1.48	($507)	($0.76)[3]
Add: Income Tax Expense Attributable to AES	$563		$828	
Pre-Tax Contribution	$1,548		$321	
Adjustments				
Unrealized Derivative and Equity Securities Losses (Gains)	$33	$0.05	($3)	-
Unrealized Foreign Currency Losses (Gains)	$51	$0.09[4]	($59)	($0.10)
Disposition/Acquisition Losses (Gains)	($934)	($1.41)[5]	$123	$0.19[6]
Impairment Expense	$307	$0.46[7]	$542	$0.82[8]
Losses (Gains) on Extinguishment of Debt	$180	$0.27[9]	$62	$0.09[10]
Restructuring Costs	-	-	$31	$0.05
U.S. Tax Law Reform Impact	-	$0.18[11]	-	$1.08[12]
Less: Net Income Tax Expense (Benefit)	-	$0.12[13]	-	($0.29)[14]
Adjusted PTC[1] & Adjusted EPS[1]	**$1,185**	**$1.24**	**$1,017**	**$1.08**

1. Non-GAAP financial measures. See "definitions".
2. NCI is defined as Noncontrolling Interests.
3. In calculating diluted loss per share under GAAP of ($0.77), the Company excluded common stock equivalents from the weighted average shares as their inclusion would be anti-dilutive. However, for purposes of calculating Adjusted EPS, the impact of anti-dilutive common stock equivalents of $0.01 was included, resulting in Non-GAAP diluted loss per share of ($0.76).
4. Amount primarily relates to unrealized FX losses of $22 million, or $0.03 per share, associated with the devaluation of long-term receivables denominated in Argentine pesos, and unrealized FX losses of $14 million, or $0.02 per share, on intercompany receivables denominated in Euros and British pounds at the Parent Company.
5. Amount primarily relates to gain on sale of Masinloc of $772 million, or $1.16 per share, gain on sale of CTNG of $86 million, or $0.13 per share, gain on sale of Electrica Santiago of $36 million, or $0.05 per share, gain on remeasurement of contingent consideration at AES Oahu of $32 million, or $0.05 per share, gain on sale related to the Company's contribution of AES Advancion energy storage to the Fluence joint venture of $23 million, or $0.03 per share and realized derivative gains associated with the sale of Eletropaulo of $21 million, or $0.03 per share; partially offset by loss on disposal of the Beckjord facility and additional shutdown costs related to Stuart and Killen at DPL of $21 million, or $0.03 per share.
6. Amount primarily relates to loss on sale of Kazakhstan CHPs of $49 million, or $0.07 per share, realized derivative losses associated with the sale of Sul of $38 million, or $0.06 per share, loss on sale of Kazakhstan HPPs of $33 million, or $0.05 per share, and costs associated with early plant closures at DPL of $24 million, or $0.04 per share; partially offset by gain on Masinloc contingent consideration of $23 million, or $0.03 per share and gain on sale of Miami Fort and Zimmer of $13 million, or $0.02 per share.
7. Amount primarily relates to asset impairments at Shady Point of $157 million, or $0.24 per share, and Nejapa of $37 million, or $0.06 per share, and other-than-temporary impairment of Guacolda of $96 million, or $0.14 per share.
8. Amount primarily relates to asset impairments at Kazakhstan CHPs of $94 million, or $0.14 per share, at Kazakhstan HPPs of $92 million, or $0.14 per share, at Laurel Mountain of $121 million, or $0.18 per share, at DPL of $175 million, or $0.27 per share and at Kilroot of $37 million, or $0.05 per share.
9. Amount primarily relates to loss on early retirement of debt at the Parent Company of $171 million, or $0.26 per share.
10. Amount primarily relates to losses on early retirement of debt at the Parent Company of $92 million, or $0.14 per share, at AES Gener of $20 million, or $0.02 per share, and at IPALCO of $9 million or $0.01 per share; partially offset by a gain on early retirement of debt at AES Argentina of $65 million, or $0.10 per share.
11. Amount relates to a SAB 118 charge to finalize the provisional estimate of one-time transition tax on foreign earnings of $194 million, or $0.29 per share, partially offset by a SAB 118 income tax benefit to finalize the provisional estimate of remeasurement of deferred tax assets and liabilities to the lower corporate tax rate of $77 million, or $0.11 per share.
12. Amount relates to a one-time transition tax on foreign earnings of $675 million, or $1.02 per share and the remeasurement of deferred tax assets and liabilities to the lower corporate tax rate of $39 million, or $0.06 per share.
13. Amount primarily relates to the income tax expense under the GILTI provision associated with the gains on sales of business interests, primarily Masinloc, of $97 million, or $0.15 per share, and income tax expense associated with gains on sale of CTNG of $36 million, or $0.05 per share and Electrica Santiago of $13 million, or $0.02 per share; partially offset by income tax benefits associated with the loss on early retirement of debt at the Parent Company of $36 million, or $0.05 per share, and income tax benefits associated with the impairment at Shady Point of $33 million, or $0.05 per share.
14. Amount primarily relates to the income tax benefit associated with asset impairments of $148 million, or $0.22 per share.

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 and equity securities; (b) unrealized foreign currency gains or losses; (c) gains, losses, benefits and costs associated with dispositions and acquisitions of business interests, including early plant closures, and the tax impact from the repatriation of sales proceeds; (d) losses due to impairments; (e) gains, losses and costs due to the early retirement of debt; (f) costs directly associated with a major restructuring program, including, but not limited to, workforce reduction efforts, relocations, and office consolidation; and (g) tax benefit or expense related to the enactment effects of 2017 U.S. tax law reform and related regulations and any subsequent period adjustments related to enactment effects.
- **Adjusted Pre-Tax Contribution**, a non-GAAP financial measure, is defined as pre-tax income from continuing operations attributable to The AES Corporation excluding gains or losses of the consolidated entity due to (a) unrealized gains or losses related to derivative transactions and equity securities; (b) unrealized foreign currency gains or losses; (c) gains, losses, benefits and costs associated with dispositions and acquisitions of business interests, including early plant closures; (d) losses due to impairments; (e) gains, losses and costs due to the early retirement of debt; and (f) costs directly associated with a major restructuring program, including, but not limited to, workforce reduction efforts, relocations, and office consolidation. Adjusted PTC also includes net equity in earnings of affiliates on an after-tax basis adjusted for the same gains or losses excluded from consolidated entities. Adjusted PTC reflects the impact of NCI and excludes the items specified in the definition above. In addition to the revenue and cost of sales reflected in Operating Margin, Adjusted PTC includes the other components of our Consolidated Statement of Operations, such as general and administrative expenses in the corporate segment, as well as business development costs, interest expense and interest income, other expense and other income, realized foreign currency transaction gains and losses, and net equity in earnings of affiliates.
- **NCI** is defined as noncontrolling interests.
- **Parent Company Liquidity** (a non-GAAP financial measure) is defined as as cash available to the Parent Company plus available borrowings under existing credit facility plus cash at qualified holding companies (“QHCs”). The cash held at qualified holding companies represents cash sent to subsidiaries of the Company domiciled outside of the U.S. Such subsidiaries have no contractual restrictions on their ability to send cash to the Parent Company.
- **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.
- **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.