AES CORP Form 8-K February 03, 2005

## SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20349

## FORM 8-K

#### **CURRENT REPORT**

### PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (date of earliest event reported): February 3, 2005

## THE AES CORPORATION

(Exact name of registrant as specified in its charter)

**DELAWARE** (State of Incorporation)

**001-12291** (Commission File No.)

**54-1163725** (IRS Employer Identification No.)

4300 Wilson Boulevard, Suite 1100 Arlington, Virginia 22203

(Address of principal executive offices, including zip code)

Registrant s telephone number, including area code: (703) 522-1315

#### NOT APPLICABLE

(Former Name or Former Address, if changed since last report)

### Item 2.02. Results of Operations and Financial Condition

On February 3, 2005, the AES Corporation issued a press release setting forth its fourth quarter financial results. A copy of the release is furnished as Exhibit 99.1 to this report.

### **Item 8.01: Other Events**

### **AES CORPORATION**

### CONSOLIDATED STATEMENTS OF OPERATIONS

| (\$ in millions, except per share amounts)   |    | Quarter<br>Decem<br>2004 |    | 2003      |         | Ended<br>ber 31, | 2003    |
|--|----|--------------------------|----|-----------|---------|------------------|---------|
| Revenues   | \$ | 2,528                    | \$ | 2,281 \$  | 9,471   | \$               | 8,415   |
| Cost of sales  |    | (1,819)                  |    | (1,637)   | (6,703) |                  | (5,982) |
| GROSS MARGIN   |    | 709                      |    | 644       | 2,768   |                  | 2,433   |
| General and administrative expenses  |    | (51)                     |    | (60)      | (181)   |                  | (157)   |
| Other operating expense, net   |    | (25)                     |    | (17)      | (30)    |                  | (46)    |
| Goodwill impairment expense  |    |                          |    | (11)      |         |                  | (11)    |
| Asset impairment expense   |    | (40)                     |    | (42)      | (40)    |                  | (148)   |
| OPERATING INCOME   |    | 593                      |    | 514       | 2,517   |                  | 2,071   |
| Interest expense   |    | (486)                    |    | (468)     | (1,909) |                  | (1,986) |
| Interest income  |    | 91                       |    | 73        | 282     |                  | 280     |
| Other nonoperating income (expense), net   |    | 61                       |    | (5)       | 41      |                  | 107     |
| Foreign currency transaction (losses) gain   |    | (39)                     |    | (27)      | (118)   |                  | 127     |
| Loss on sale of investments  |    |                          |    | (53)      | (1)     |                  | (53)    |
| Equity in earnings of affiliates   |    | 15                       |    | 37        | 72      |                  | 94      |
| INCOME BEFORE INCOME TAXES AND   |    |                          |    |           |         |                  |         |
| MINORITY INTEREST  |    | 235                      |    | 71        | 884     |                  | 640     |
| Income tax expense   |    | (55)                     |    | (34)      | (256)   |                  | (194)   |
| Minority interest expense, net   |    | (78)                     |    | (33)      | (252)   |                  | (110)   |
| INCOME FROM CONTINUING OPERATIONS  |    | 102                      |    | 4         | 376     |                  | 336     |
| Income (loss) from operations of discontinued components (net of income tax benefit of \$18, \$72, \$26, and \$72, respectively) |    | 67                       |    | (490)     | 19      |                  | (780)   |
| INCOME (LOSS) BEFORE CUMULATIVE EFFECT<br>OF ACCOUNTING CHANGE   |    | 169                      |    | (486)     | 395     |                  | (444)   |
| Cumulative effect of accounting change (net of income tax expense of \$23 and \$22, respectively)                                |    |                          |    | 43        |         |                  | 41      |
| NET INCOME (LOSS)  | \$ | 169                      | \$ | (443) \$  | 395     | \$               | (403)   |
| DILLITED EADNINGS (LOSS) DED SILADE  |    |                          |    |           |         |                  |         |
| DILUTED EARNINGS (LOSS) PER SHARE Income from continuing operations  | \$ | 0.16                     | \$ | 0.01 \$   | 0.58    | \$               | 0.56    |
| Discontinued operations  | Ф  | 0.16                     | Ф  | (0.79)    | 0.38    | Ф                |         |
| Cumulative effect of accounting change   |    | 0.10                     |    | 0.79)     | 0.03    |                  | (1.30)  |
|  | ¢  | 0.26                     | ¢  |           | 0.61    | ¢                |         |
| Total  | \$ | 0.26                     | \$ | (0.71) \$ | 0.61    | \$               | (0.67)  |
| Diluted weighted average shares outstanding (in millions)  |    | 654                      |    | 628       | 646     |                  | 598     |

### AES CORPORATION

### SEGMENT INFORMATION

| (A)  |    | Decem | Quarter Ended<br>December 31, |       | Year Ended<br>December 31, |       |    | 2002  |  |
|--|----|-------|-------------------------------|-------|----------------------------|-------|----|-------|--|
| (\$ in millions)                                       |    | 2004  |                               | 2003  |                            | 2004  |    | 2003  |  |
| BUSINESS SEGMENTS                                      |    |       |                               |       |                            |       |    |       |  |
| REVENUES   |    |       |                               |       |                            |       |    |       |  |
| Contract Generation                                    | \$ | 905   | \$                            | 840   | \$                         | 3,547 | \$ | 3,108 |  |
| Competitive Supply                                     |    | 264   |                               | 225   |                            | 1,020 |    | 880   |  |
| Large Utilities  |    | 1,009 |                               | 913   |                            | 3,599 |    | 3,301 |  |
| Growth Distribution                                    |    | 350   |                               | 303   |                            | 1,305 |    | 1,126 |  |
| Total revenues   | \$ | 2,528 | \$                            | 2,281 | \$                         | 9,471 | \$ | 8,415 |  |
| GROSS MARGIN   |    |       |                               |       |                            |       |    |       |  |
| Contract Generation                                    | \$ | 378   | \$                            | 364   | \$                         | 1,435 | \$ | 1,267 |  |
| Competitive Supply                                     |    | 55    |                               | 47    |                            | 236   |    | 220   |  |
| Large Utilities  |    | 248   |                               | 191   |                            | 883   |    | 763   |  |
| Growth Distribution                                    |    | 28    |                               | 42    |                            | 214   |    | 183   |  |
| Total gross margin                                     | \$ | 709   | \$                            | 644   | \$                         | 2,768 | \$ | 2,433 |  |
| INCOME BEFORE INCOME TAXES AND MINORITY INTEREST       |    |       |                               |       |                            |       |    |       |  |
| Contract Generation                                    | \$ | 173   | \$                            | 185   | \$                         | 782   | \$ | 599   |  |
| Competitive Supply                                     |    | 10    |                               | (8)   |                            | 150   |    | 140   |  |
| Large Utilities  |    | 145   |                               | 89    |                            | 474   |    | 380   |  |
| Growth Distribution                                    |    | 87    |                               | 8     |                            | 173   |    | 115   |  |
| Corporate  |    | (180) |                               | (203) |                            | (695) |    | (594) |  |
| Total income before income taxes and minority interest | \$ | 235   | \$                            | 71    | \$                         | 884   | \$ | 640   |  |
| GEOGRAPHIC SEGMENTS                                    |    |       |                               |       |                            |       |    |       |  |
| DEVENIUE   |    |       |                               |       |                            |       |    |       |  |
| REVENUES North America                                 | \$ | 549   | \$                            | 525   | \$                         | 2,215 | \$ | 2,159 |  |
| Caribbean  | φ  | 438   | φ                             | 421   | Ф                          | 1,636 | Ф  | 1,528 |  |
| South America  |    | 1,075 |                               | 930   |                            | 3,885 |    | 3,308 |  |
| Europe/Africa  |    | 280   |                               | 252   |                            | 1,028 |    | 915   |  |
| Asia   |    | 186   |                               | 153   |                            | 707   |    | 505   |  |
| Total revenues   | \$ | 2,528 | \$                            | 2,281 | \$                         | 9,471 | \$ | 8,415 |  |
| INCOME BEFORE INCOME TAXES AND MINORITY INTEREST       |    |       |                               |       |                            |       |    |       |  |
| North America  | \$ | 101   | \$                            | 121   | \$                         | 488   | \$ | 474   |  |
| Caribbean  | Ψ  | 52    | 4                             | 57    | Ψ                          | 202   | Ý  | 216   |  |
| South America  |    | 205   |                               | 53    |                            | 508   |    | 329   |  |
| Europe/Africa  |    | 40    |                               | 24    |                            | 183   |    | 55    |  |
| Asia   |    | 17    |                               | 19    |                            | 198   |    | 160   |  |

| Corporate  | (180)     | (203)       | (695) | (594)     |
|--|-----------|-------------|-------|-----------|
| Total income before income taxes and minority interest | \$<br>235 | \$<br>71 \$ | 884   | \$<br>640 |
|  |           |             |       |           |
|  | 4         |             |       |           |

### AES CORPORATION

### CONDENSED CONSOLIDATED BALANCE SHEETS

| Land         788         7.33           Electric generation and distribution assets         22,434         20,918           Accumulated depreciation and amortization         (5,533)         (4,527)           Construction in progress         919         1,278           Property, plant and equipment, net         18,788         18,402           OTHER ASSETS           Deferred financing costs, net         513         430           Investment in and advances to affiliates         657         648           Debt service reserves and other deposits         737         617           Goodwill, net         1,378         1,378           Deferred income taxes - noncurrent         809         785           Long-term assets of held for sale and discontinued businesses         1,848         1,976           Other assets         5,942         6,584           Total other assets         5,942         6,584           TOTAL ASSETS         29,640         29,873           LIABILITIES AND STOCKHOLDERS EQUITY           CURRENT LIABILITIES           Accrued and other liabilities         1,477         1,156           Accrued and other liabilities         1,477         1,156           Current liabilities of held fo   |   |     | Decembe | ember 31, |  |  |
|---|---|-----|---------|-----------|--|--|
| CURRENT ASSETS           Cash and cash equivalents         \$ 1,408         \$ 1,737         288         288         Short term investments         141         189         288         Short term investments         141         189         288         Cash accounts receivable, net or reserves of \$303 and \$291, respectively         1,34         1,211         Inventory         418         376         36         48         378         36         48         378         36         48         33         68         33         61         36         36         48         33         64         36         36         64         36         36         64         36         36         64         36         36         64         36         36         64         48         33         66         49         66         76         67         67         67         67         67         67         67         67         67         67         67         67         67         67         67         68         73         33         64         73         52         52         43         20.918         20.918         20.918         20.918         20.918         20.918         20.918         20.918         2   | (\$ in millions, except per share amounts)                            |     | 2004    | 2003      |  |  |
| CURR ASSETS           Cash and cash equivalents         \$ 1,408         \$ 1,737         288         288         Short term investments         395         288         Short term investments         141         189         288         Short term investments         141         189         Accounts receivable, net or reserves of \$303 and \$291, respectively         1,394         1,211         Inventory         418         376         368         3         368         3         368         3         368         3         368         33         64         368         33         64         368         133         64         368         133         64         368         133         64         490         4,887         667         677         677         677         677         677         677         677         677         678         22,434         20,918         29,434         20,918         22,434         20,918         29,434         20,918         22,434         20,918         22,434         20,918         22,434         20,918         28,402         20,918         22,434         20,918         20,212         20,918         22,434         20,918         20,912         20,918         22,243         20,918         20,212          | ASSETS  |     |         |           |  |  |
| Cash and cash equivalents         \$ 1,408         \$ 1,737           Restricted cash         395         2.88           Short term investments         141         189           Accounts receivable, not of reserves of \$303 and \$291, respectively         1,394         1,211           Inventory         418         376           Receivable from affiliates         8         3           Receivable from affiliates         93         64           Other current asset         93         64           Other current assets         93         64           Other current assets         4,910         4,887           Current assets of held for sale and discontinued businesses         205         677           Current assets of held for sale and discontinued businesses         4,910         4,887           PROPERTY, LANT AND EQUIPMENT           Land         788         733           Electric generation and distribution assets         22,434         20,918           Electric generation and admortization         5,535         4,527           Construction in progress         919         1,278           Property, plant and equipment, net         5         5         430           Investment in and advances to affiliates                                  |   |     |         |           |  |  |
| Restricted cash         395         288           Short term investments         141         189           Accounts receivable, net of reserves of \$303 and \$291, respectively         1,394         1,211           Inventory         418         376           Receivable from affiliates         8         3           Defered income taxes - current         158         137           Prepaid expenses         93         64           Other current assets of held for sale and discontinued businesses         895         677           Current assets of held for sale and discontinued businesses         4,910         4,887           PROPERTY, PLANT AND EQUIPMENT           Land         78         73           Electric generation and distribution assets         22,434         20,918           Accumulated depreciation and amortization         (5,353)         (4,527           Construction in progress         919         1,278           Property, plant and equipment, net         8,78         18,48           Defered financing costs, net         513         430           Investment in and advances to affiliates         657         648           Defered financing costs, net         13,78         1,378           Defererd financing costs, net             |   | \$  | 1.408   | \$ 1.737  |  |  |
| Short term investments         141         189           Accounts receivable, net of reserves of \$303 and \$291, respectively         1,394         1,211           Inventory         418         376           Receivable from affiliates         8         3           Receivable from affiliates         8         3           Deferred income taxes - current         158         137           Prepaid expenses         93         64           Other current assets         4910         4,887           Current assets of held for sale and discontinued businesses         4,910         4,887           Total current assets         4,910         4,887           PROPERTY, PLANT AND EQUIPMENT           Land         78         73           Electric generation and distribution assets         22,434         20,918           Accumulated depreciation and amortization         (5,355)         (4,527           Construction in progress         1919         1,278           Property, plant and equipment, net         18,788         18,402           OTHER ASSETS           Defered financing costs, net         513         430           Investment in and advances to affiliates         657         648           Deh se   | •   | · · | ,       | . ,       |  |  |
| Inventory   | Short term investments  |     | 141     | 189       |  |  |
| Inventory         418         376           Receivable from affiliates         8         3           Deferred income taxes - current         158         137           Prepaid expenses         93         64           Other current assets         805         677           Current assets of held for sale and discontinued businesses         205           Total current assets         4,910         4,887           PROPERTY, PLANT AND EQUIPMENT           Land         788         733           Electric generation and distribution assets         22,434         20,918           Accumulated depreciation and amortization         (5,533)         (4,527           Construction in progress         919         1,278           Property, plant and equipment, net         18,788         18,402           OTHER ASSETS           Deferred financing costs, net         513         430           Investment in and advances to affiliates         657         648           Debt service reserves and other deposits         737         617           Goodwill, net         1,378         1,378         1,378           Deferred income taxes to field for sale and discontinued businesses         1,848         1,976  | Accounts receivable, net of reserves of \$303 and \$291, respectively |     | 1,394   | 1,211     |  |  |
| Defered income taxes - current         158         137           Prepaid expenses         93         64           Other current assets         895         677           Current assets of held for sale and discontinued businesses         205         787           Total current assets         4,910         4,887           PROPERTY, PLANT AND EQUIPMENT           Land         788         73           Electric generation and amortization         (5,353)         (4,527)           Construction in progress         919         1,278           Property, plant and equipment, net         18,788         18,402           OTHER ASSETS           Deferred financing costs, net         513         430           Investment in and advances to affiliates         657         648           Debt service reserves and other deposits         737         617           Goodwill, net         1,378         1,378         1,378           Deferred financing costs, net         1,378         1,378         1,378           Deferred income taxes - noncurrent         809         785           Deferred income taxes - noncurrent         809         785           Total current assities         9,494         9,873  |   |     | 418     | 376       |  |  |
| Prepaid expenses         93         64           Other current assets         85         677           Current assets of held for sale and discontinued businesses         205           Total current assets         4,910         4,887           PROPERTY, PLANT AND EQUIPMENT           Land         78         73           Electric generation and distribution assets         22,434         20,918           Accumulated depreciation and amortization         (5,353)         (4,527           Construction in progress         919         1,278           Property, plant and equipment, net         18,788         18,402           OTHER ASSETS           Deferred financing costs, net         513         430           Investment in and advances to affiliates         657         648           Debt service reserves and other deposits         737         617           Goodwill, net         1,378         1,378           Electric generation and discontinued businesses         809         785           Long-term assets of held for sale and discontinued businesses         1,848         1,976           Other assets         5,942         6,584           Total other assets         5,942         6,584           Total  | Receivable from affiliates  |     | 8       | 3         |  |  |
| Other current assets of held for sale and discontinued businesses         895         677           Current assets of held for sale and discontinued businesses         4,910         4,887           PROPERTY, PLANT AND EQUIPMENT           Land         788         733           Electric generation and distribution assets         22,434         20,918           Accumulated depreciation and amortization         (5,353)         (4,527)           Construction in progress         919         1,278           Property, plant and equipment, net         18,788         18,402           OTHER ASSETS           Deferred financing costs, net         513         430           Investment in and advances to affiliates         657         648           Debt service reserves and other deposits         737         617           Goodwill, net         1,378         1,378           Deferred income taxes - noncurrent         809         785           Long-term assets of held for sale and discontinued businesses         750         648           Other assets         1,848         1,976           Total other assets         5,942         6,584           TOTAL ASSETS         \$29,640         \$29,873           LIBILITIES AND STOCKHOLDERS EQUIT                   | Deferred income taxes - current                                       |     | 158     | 137       |  |  |
| Current assets of held for sale and discontinued businesses         205           Total current assets         4,910         4,887           PROPERTY, PLANT AND EQUIPMENT           Land         788         733           Electric generation and distribution assets         22,434         20,918           Accumulated depreciation and amortization         (5,353)         (4,527           Construction in progress         919         1,278           Property, plant and equipment, net         18,788         18,402           OTHER ASSETS           Deferred financing costs, net         513         430           Investment in and advances to affiliates         657         648           Bebt service reserves and other deposits         373         617           Goodwill, net         1,378         1,378           Long-term assets of held for sale and discontinued businesses         9         785           Other assets         1,848         1,976           Total other assets         5,942         6,584           TOTAL ASSETS         29,640         \$ 29,873           Current Liabilities         1,136         1,225           Accrued other sale and discontinued businesses         3         69   | Prepaid expenses  |     | 93      | 64        |  |  |
| Total current assets         4,910         4,887           PROPERTY, PLANT AND EQUIPMENT         TAS         7,33           Electric generation and distribution assets         22,434         20,918           Accumulated depreciation and amortization         (5,535)         (4,527)           Construction in progress         919         1,278           Property, plant and equipment, net         818,788         18,402           OTHER ASSETS           Deferred financing costs, net         513         430           Investment in and advances to affiliates         657         648           Debt service reserves and other deposits         657         648           Obbt service reserves and other deposits         657         648           Debt service reserves and other deposits         737         617           Coodwill, net         1,378         1,378         1,378           Deferred income taxes - noncurrent         809         785           Long-term sasets of held for sale and discontinued businesses         1,848 |   |     | 895     | 677       |  |  |
| PROPERTY, PLANT AND EQUIPMENT           Land         788         733           Electric generation and distribution assets         22,434         20,918           Accumulated depreciation and amortization         (5,353)         (4,527)           Construction in progress         919         1,278           Property, plant and equipment, net         18,788         18,402           OTHER ASSETS           Deferred financing costs, net         513         430           Investment in and advances to affiliates         657         648           Debt service reserves and other deposits         737         617           Goodwill, net         1,378         1,378           Deferred income taxes - noncurrent         809         785           Cong-term assets of held for sale and discontinued businesses         1,848         1,976           Other assets         5,942         6,584           TOTAL ASSETS         29,640         \$ 29,873           LIABILITIES AND STOCKHOLDERS EQUITY         2         7           CURRENT LIABILITIES         335         561           Accrued interest         335         561           Accrued interest         335         699           Recourse debt-current portion<  | Current assets of held for sale and discontinued businesses           |     |         | 205       |  |  |
| Land         788         7.33           Electric generation and distribution assets         22,434         20,918           Accumulated depreciation and amortization         (5,533)         (4,527)           Construction in progress         919         1,278           Property, plant and equipment, net         18,788         18,402           OTHER ASSETS           Deferred financing costs, net         513         430           Investment in and advances to affiliates         657         648           Debt service reserves and other deposits         737         617           Goodwill, net         1,378         1,378           Deferred income taxes - noncurrent         809         785           Long-term assets of held for sale and discontinued businesses         1,848         1,976           Other assets         5,942         6,584           Total other assets         5,942         6,584           TOTAL ASSETS         29,640         29,873           LIABILITIES AND STOCKHOLDERS EQUITY           CURRENT LIABILITIES           Accrued and other liabilities         1,477         1,156           Accrued and other liabilities         1,477         1,156           Current liabilities of held fo   | Total current assets  |     | 4,910   | 4,887     |  |  |
| Land         788         7.33           Electric generation and distribution assets         22,434         20,918           Accumulated depreciation and amortization         (5,533)         (4,527)           Construction in progress         919         1,278           Property, plant and equipment, net         18,788         18,402           OTHER ASSETS           Deferred financing costs, net         513         430           Investment in and advances to affiliates         657         648           Debt service reserves and other deposits         737         617           Goodwill, net         1,378         1,378           Deferred income taxes - noncurrent         809         785           Long-term assets of held for sale and discontinued businesses         1,848         1,976           Other assets         5,942         6,584           Total other assets         5,942         6,584           TOTAL ASSETS         29,640         29,873           LIABILITIES AND STOCKHOLDERS EQUITY           CURRENT LIABILITIES           Accrued and other liabilities         1,477         1,156           Accrued and other liabilities         1,477         1,156           Current liabilities of held fo   |   |     |         |           |  |  |
| Electric generation and distribution assets         22,434         20,918           Accumulated depreciation and amortization         (5,353)         (4,527)           Construction in progress         919         1,278           Property, plant and equipment, net         18,788         18,402           OTHER ASSETS           Deferred financing costs, net         513         430           Investment in and advances to affiliates         657         648           Boebt service reserves and other deposits         737         617           Goodwill, net         1,378         1,378           Deferred income taxes - noncurrent         809         785           Long-term assets of held for sale and discontinued businesses         580         785           Other assets         1,848         1,976           Total other assets         5,942         6,584           TOTAL ASSETS         \$ 29,640         \$ 29,873           LIABILITIES AND STOCKHOLDERS EQUITY         * 1,136         \$ 1,225           Accounts payable         \$ 1,136         \$ 1,225           Accounts payable         \$ 1,136         \$ 2,25           Accrued and other liabilities         1,477         1,156           Current liabilities of held for sale and discontin        | PROPERTY, PLANT AND EQUIPMENT   |     |         |           |  |  |
| Accumulated depreciation and amortization         (5,353)         (4,527)           Construction in progress         919         1,278           Property, plant and equipment, net         18,788         18,402           OTHER ASSETS           Deferred financing costs, net         513         430           Investment in and advances to affiliates         657         648           Debt service reserves and other deposits         737         617           Goodwill, net         1,378         1,378           Deferred income taxes - noncurrent         809         785           Long-term assets of held for sale and discontinued businesses         750         750           Other assets         1,848         1,976           Total other assets         5,942         6,584           TOTAL ASSETS         29,640         29,873           LIABILITIES AND STOCKHOLDERS EQUITY         V         1,225           Current LIABILITIES         335         561           Accrued interest         335         561           Accrued and other liabilities         1,477         1,156           Current liabilities of held for sale and discontinued businesses         3         699           Recourse debt-current portion         16,                                    | Land  |     | 788     | 733       |  |  |
| Construction in progress         919         1,278           Property, plant and equipment, net         18,788         18,402           OTHER ASSETS           Deferred financing costs, net         513         430           Investment in and advances to affiliates         657         648           Debt service reserves and other deposits         737         617           Goodwill, net         1,378         1,378           Deferred income taxes - noncurrent         809         785           Long-term assets of held for sale and discontinued businesses         750         750           Other assets         1,848         1,976           Total other assets         5,942         6,584           TOTAL ASSETS         29,640         29,873           LIABILITIES AND STOCKHOLDERS EQUITY         8         29,640         29,873           LACcounts payable         \$1,136         \$1,225           Accrued interest         335         561           Accrued and other liabilities of held for sale and discontinued businesses         3         699           Recourse debt-current portion         142         77           Non-recourse debt-current portion         1,618         2,769           Total current liabilities         <                           | Electric generation and distribution assets                           |     | 22,434  | 20,918    |  |  |
| Property, plant and equipment, net         18,788         18,402           OTHER ASSETS           Deferred financing costs, net         513         430           Investment in and advances to affiliates         657         648           Debt service reserves and other deposits         737         617           Goodwill, net         1,378         1,378           Deferred income taxes - noncurrent         809         785           Long-term assets of held for sale and discontinued businesses         750           Other assets         1,848         1,976           Total other assets         5,942         6,584           TOTAL ASSETS         \$ 29,640         \$ 29,873           LIABILITIES AND STOCKHOLDERS EQUITY         * 1,136         \$ 1,225           Accounts payable         \$ 1,136         \$ 1,225           Accrued interest         335         561           Accrued and other liabilities         1,477         1,156           Current liabilities of held for sale and discontinued businesses         3         699           Recourse debt-current portion         142         77           Non-recourse debt-current portion         1,618         2,769           Total current liabilities         4,711         6,487                        | Accumulated depreciation and amortization                             |     | (5,353) | (4,527)   |  |  |
| OTHER ASSETS           Deferred financing costs, net         513         430           Investment in and advances to affiliates         657         648           Debt service reserves and other deposits         737         617           Goodwill, net         1,378         1,378           Deferred income taxes - noncurrent         809         785           Long-term assets of held for sale and discontinued businesses         750         750           Other assets         1,848         1,976           Total other assets         5,942         6,584           TOTAL ASSETS         29,640         29,873           LIABILITIES AND STOCKHOLDERS EQUITY         VIA         1,136         1,225           Accrued interest         335         561         5,61           Accrued interest         335         561           Accrued interest         335         561           Accrued interest         3         699           Recourse debt-current portion         142         77           Non-recourse debt-current portion         1,618         2,769           Total current liabilities         4,711         6,487           LONG-TERM LIABILITIES         11,813         10,930 <t< td=""><td>Construction in progress</td><td></td><td>919</td><td>1,278</td></t<>  | Construction in progress  |     | 919     | 1,278     |  |  |
| Deferred financing costs, net         513         430           Investment in and advances to affiliates         657         648           Debt service reserves and other deposits         737         617           Goodwill, net         1,378         1,378           Deferred income taxes - noncurrent         809         785           Long-term assets of held for sale and discontinued businesses         750           Other assets         1,848         1,976           Total other assets         5,942         6,584           TOTAL ASSETS         29,640         29,873           LIABILITIES AND STOCKHOLDERS EQUITY           CURRENT LIABILITIES           Accounts payable         \$ 1,136         \$ 1,225           Accounts payable         \$ 1,136         \$ 1,225           Accrued and other liabilities         1,477         1,156           Current liabilities of held for sale and discontinued businesses         3         699           Recourse debt-current portion         16,18         2,769           Total current liabilities         4,711         6,487           Non-recourse debt-current portion         16,18         2,769           Total current liabilities         4,711         6,487           C  | Property, plant and equipment, net                                    |     | 18,788  | 18,402    |  |  |
| Investment in and advances to affiliates         657         648           Debt service reserves and other deposits         737         617           Goodwill, net         1,378         1,378           Deferred income taxes - noncurrent         809         785           Long-term assets of held for sale and discontinued businesses         750           Other assets         1,848         1,976           Total other assets         5,942         6,584           TOTAL ASSETS         \$ 29,640         \$ 29,873           LIABILITIES AND STOCKHOLDERS EQUITY           Current LIABILITIES           Accounts payable         \$ 1,136         \$ 1,225           Accounts payable         \$ 1,136         \$ 1,225           Accrued and other liabilities         1,477         1,156           Current liabilities of held for sale and discontinued businesses         3         699           Recourse debt-current portion         142         77           Non-recourse debt-current portion         1,618         2,769           Total current liabilities         4,711         6,487           LONG-TERM LIABILITIES         11,813         10,930           Recourse debt         5,010         5,862           Deferred income                                       | OTHER ASSETS  |     |         |           |  |  |
| Investment in and advances to affiliates         657         648           Debt service reserves and other deposits         737         617           Goodwill, net         1,378         1,378           Deferred income taxes - noncurrent         809         785           Long-term assets of held for sale and discontinued businesses         750           Other assets         1,848         1,976           Total other assets         5,942         6,584           TOTAL ASSETS         \$ 29,640         \$ 29,873           LIABILITIES AND STOCKHOLDERS EQUITY           Current LIABILITIES           Accounts payable         \$ 1,136         \$ 1,225           Accounts payable         \$ 1,136         \$ 1,225           Accrued and other liabilities         1,477         1,156           Current liabilities of held for sale and discontinued businesses         3         699           Recourse debt-current portion         142         77           Non-recourse debt-current portion         1,618         2,769           Total current liabilities         4,711         6,487           LONG-TERM LIABILITIES         11,813         10,930           Recourse debt         5,010         5,862           Deferred income                                       | Deferred financing costs, net   |     | 513     | 430       |  |  |
| Debt service reserves and other deposits         737         617           Goodwill, net         1,378         1,378           Deferred income taxes - noncurrent         809         785           Long-term assets of held for sale and discontinued businesses         750           Other assets         1,848         1,976           Total other assets         5,942         6,584           TOTAL ASSETS         \$ 29,640         \$ 29,873           LIABILITIES AND STOCKHOLDERS EQUITY           CURRENT LIABILITIES           Accounts payable         \$ 1,136         \$ 1,225           Accrued interest         335         561           Accrued and other liabilities         1,477         1,156           Current liabilities of held for sale and discontinued businesses         3         69           Recourse debt-current portion         142         77           Non-recourse debt-current portion         1,618         2,769           Total current liabilities         4,711         6,487           LONG-TERM LIABILITIES         11,813         10,930           Recourse debt         5,010         5,862           Deferred income taxes         865         1,041   |   |     | 657     | 648       |  |  |
| Goodwill, net         1,378         1,378           Deferred income taxes - noncurrent         809         785           Long-term assets of held for sale and discontinued businesses         750           Other assets         1,848         1,976           Total other assets         5,942         6,584           TOTAL ASSETS         \$ 29,640         \$ 29,873           LIABILITIES AND STOCKHOLDERS EQUITY           CURRENT LIABILITIES           Accounds payable         \$ 1,136         \$ 1,225           Accrued interest         335         561           Accrued and other liabilities         1,477         1,156           Current liabilities of held for sale and discontinued businesses         3         699           Recourse debt-current portion         142         77           Non-recourse debt-current portion         1,618         2,769           Total current liabilities         4,711         6,487           LONG-TERM LIABILITIES           Non-recourse debt         11,813         10,930           Recourse debt         5,010         5,862           Deferred income taxes         865         1,041   |   |     | 737     | 617       |  |  |
| Long-term assets of held for sale and discontinued businesses         750           Other assets         1,848         1,976           Total other assets         5,942         6,584           TOTAL ASSETS         \$ 29,640         \$ 29,873           LIABILITIES AND STOCKHOLDERS EQUITY           CURRENT LIABILITIES           Accounts payable         \$ 1,136         \$ 1,225           Accrued interest         335         561           Accrued and other liabilities         1,477         1,156           Current liabilities of held for sale and discontinued businesses         3         699           Recourse debt-current portion         142         77           Non-recourse debt-current portion         1,618         2,769           Total current liabilities         4,711         6,487           LONG-TERM LIABILITIES           Non-recourse debt         11,813         10,930           Recourse debt         5,010         5,862           Deferred income taxes         865         1,041  |   |     | 1,378   | 1,378     |  |  |
| Other assets       1,848       1,976         Total other assets       5,942       6,584         TOTAL ASSETS       \$ 29,640       \$ 29,873         LIABILITIES AND STOCKHOLDERS EQUITY         CURRENT LIABILITIES         Accounts payable       \$ 1,136       \$ 1,225         Accrued interest       335       561         Accrued and other liabilities       1,477       1,156         Current liabilities of held for sale and discontinued businesses       3       699         Recourse debt-current portion       142       77         Non-recourse debt-current portion       1,618       2,769         Total current liabilities       4,711       6,487         LONG-TERM LIABILITIES       11,813       10,930         Recourse debt       11,813       10,930         Recourse debt       5,010       5,862         Deferred income taxes       865       1,041  | Deferred income taxes - noncurrent                                    |     | 809     | 785       |  |  |
| Other assets         1,848         1,976           Total other assets         5,942         6,584           TOTAL ASSETS         \$ 29,640         \$ 29,873           LIABILITIES AND STOCKHOLDERS EQUITY           CURRENT LIABILITIES           Accounts payable         \$ 1,136         \$ 1,225           Accrued interest         335         561           Accrued and other liabilities         1,477         1,156           Current liabilities of held for sale and discontinued businesses         3         699           Recourse debt-current portion         142         77           Non-recourse debt-current portion         1,618         2,769           Total current liabilities         4,711         6,487           LONG-TERM LIABILITIES         11,813         10,930           Recourse debt         11,813         10,930           Recourse debt         5,010         5,862           Deferred income taxes         865         1,041  | Long-term assets of held for sale and discontinued businesses         |     |         | 750       |  |  |
| TOTAL ASSETS         \$ 29,640         \$ 29,873           LIABILITIES AND STOCKHOLDERS EQUITY           CURRENT LIABILITIES           Accounts payable         \$ 1,136         \$ 1,225           Accrued interest         335         561           Accrued and other liabilities         1,477         1,156           Current liabilities of held for sale and discontinued businesses         3         699           Recourse debt-current portion         142         77           Non-recourse debt-current portion         1,618         2,769           Total current liabilities         4,711         6,487           LONG-TERM LIABILITIES         11,813         10,930           Recourse debt         5,010         5,862           Deferred income taxes         865         1,041  |   |     | 1,848   | 1,976     |  |  |
| LIABILITIES AND STOCKHOLDERS EQUITY           CURRENT LIABILITIES           Accounts payable         \$ 1,136         \$ 1,225           Accrued interest         335         561           Accrued and other liabilities         1,477         1,156           Current liabilities of held for sale and discontinued businesses         3         699           Recourse debt-current portion         142         77           Non-recourse debt-current portion         1,618         2,769           Total current liabilities         4,711         6,487           LONG-TERM LIABILITIES         11,813         10,930           Recourse debt         5,010         5,862           Deferred income taxes         865         1,041   | Total other assets  |     | 5,942   | 6,584     |  |  |
| CURRENT LIABILITIES         Accounts payable       \$ 1,136       \$ 1,225         Accrued interest       335       561         Accrued and other liabilities       1,477       1,156         Current liabilities of held for sale and discontinued businesses       3       699         Recourse debt-current portion       142       77         Non-recourse debt-current portion       1,618       2,769         Total current liabilities       4,711       6,487         LONG-TERM LIABILITIES       11,813       10,930         Recourse debt       5,010       5,862         Deferred income taxes       865       1,041   | TOTAL ASSETS  | \$  | 29,640  | \$ 29,873 |  |  |
| CURRENT LIABILITIES         Accounts payable       \$ 1,136       \$ 1,225         Accrued interest       335       561         Accrued and other liabilities       1,477       1,156         Current liabilities of held for sale and discontinued businesses       3       699         Recourse debt-current portion       142       77         Non-recourse debt-current portion       1,618       2,769         Total current liabilities       4,711       6,487         LONG-TERM LIABILITIES       11,813       10,930         Recourse debt       5,010       5,862         Deferred income taxes       865       1,041   | LIABILITIES AND STOCKHOLDERS EQUITY                                   |     |         |           |  |  |
| Accounts payable       \$ 1,136       \$ 1,225         Accrued interest       335       561         Accrued and other liabilities       1,477       1,156         Current liabilities of held for sale and discontinued businesses       3       699         Recourse debt-current portion       142       77         Non-recourse debt-current portion       1,618       2,769         Total current liabilities       4,711       6,487         LONG-TERM LIABILITIES       11,813       10,930         Recourse debt       5,010       5,862         Deferred income taxes       865       1,041   |   |     |         |           |  |  |
| Accrued interest       335       561         Accrued and other liabilities       1,477       1,156         Current liabilities of held for sale and discontinued businesses       3       699         Recourse debt-current portion       142       77         Non-recourse debt-current portion       1,618       2,769         Total current liabilities       4,711       6,487         LONG-TERM LIABILITIES         Non-recourse debt       11,813       10,930         Recourse debt       5,010       5,862         Deferred income taxes       865       1,041  |   | \$  | 1,136   | \$ 1,225  |  |  |
| Current liabilities of held for sale and discontinued businesses       3       699         Recourse debt-current portion       142       77         Non-recourse debt-current portion       1,618       2,769         Total current liabilities       4,711       6,487         LONG-TERM LIABILITIES         Non-recourse debt       11,813       10,930         Recourse debt       5,010       5,862         Deferred income taxes       865       1,041   |   |     | 335     | 561       |  |  |
| Recourse debt-current portion         142         77           Non-recourse debt-current portion         1,618         2,769           Total current liabilities         4,711         6,487           LONG-TERM LIABILITIES           Non-recourse debt         11,813         10,930           Recourse debt         5,010         5,862           Deferred income taxes         865         1,041  | Accrued and other liabilities   |     | 1,477   | 1,156     |  |  |
| Non-recourse debt-current portion       1,618       2,769         Total current liabilities       4,711       6,487         LONG-TERM LIABILITIES         Non-recourse debt       11,813       10,930         Recourse debt       5,010       5,862         Deferred income taxes       865       1,041   | Current liabilities of held for sale and discontinued businesses      |     | 3       | 699       |  |  |
| Non-recourse debt-current portion       1,618       2,769         Total current liabilities       4,711       6,487         LONG-TERM LIABILITIES         Non-recourse debt       11,813       10,930         Recourse debt       5,010       5,862         Deferred income taxes       865       1,041   | Recourse debt-current portion   |     | 142     | 77        |  |  |
| Total current liabilities         4,711         6,487           LONG-TERM LIABILITIES         3         11,813         10,930           Recourse debt         5,010         5,862           Deferred income taxes         865         1,041   |   |     |         | 2,769     |  |  |
| Non-recourse debt         11,813         10,930           Recourse debt         5,010         5,862           Deferred income taxes         865         1,041   |   |     | 4,711   | 6,487     |  |  |
| Recourse debt         5,010         5,862           Deferred income taxes         865         1,041   | LONG-TERM LIABILITIES   |     |         |           |  |  |
| Deferred income taxes 865 1,041   | Non-recourse debt   |     | 11,813  | 10,930    |  |  |
|   | Recourse debt   |     |         |           |  |  |
| Long-term liabilities of held for sale and discontinued businesses 94   | Deferred income taxes   |     | 865     | 1,041     |  |  |
|   | Long-term liabilities of held for sale and discontinued businesses    |     |         | 94        |  |  |

| Pension liabilities   | 902          | 947          |
|---|--------------|--------------|
| Other long-term liabilities   | 3,225        | 3,062        |
| Total long-term liabilities   | 21,815       | 21,936       |
|   |              |              |
| Minority Interest, including discontinued businesses of \$- and \$12, |              |              |
| respectively  | 1,377        | 845          |
|   |              |              |
| STOCKHOLDERS EQUITY   |              |              |
| Common stock  | 7            | 6            |
| Additional paid-in capital  | 5,516        | 5,737        |
| Accumulated deficit   | (708)        | (1,103)      |
| Accumulated other comprehensive loss                                  | (3,078)      | (4,035)      |
| Total stockholders equity   | 1,737        | 605          |
| TOTAL LIABILITIES AND STOCKHOLDERS EQUITY                             | \$<br>29,640 | \$<br>29,873 |
|   |              |              |
|   |              |              |

### AES CORPORATION

### CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

| (\$ in millions)   | 2004 |         | Ended<br>ber 31, | 2003    |
|--|------|---------|------------------|---------|
| (\$ III IIIIIIIOIIS)   | 2004 |         |                  | 2003    |
| OPERATING ACTIVITIES   |      |         |                  |         |
| Net income (loss)  | \$   | 395     | \$               | (403)   |
| Adjustments:   |      |         |                  |         |
| Depreciation and amortization continuing and discontinued operations                     |      | 834     |                  | 781     |
| Other non-cash charges   |      | 460     |                  | 755     |
| (Increase) decrease in working capital   |      | (121)   |                  | 443     |
| Net cash provided by operating activities  |      | 1,568   |                  | 1,576   |
| INVESTING ACTIVITIES   |      |         |                  |         |
| Property additions and project development costs   |      | (898)   |                  | (1,228) |
| Net proceeds from the sale of assets   |      | 63      |                  | 1,086   |
| Sale of short-term investments, net of purchases   |      | 55      |                  | 13      |
| Affiliate advances and equity investments  |      | 5       |                  |         |
| (Increase) in restricted cash  |      | (32)    |                  | (214)   |
| (Increase) in debt service reserves and other assets                                     |      | (151)   |                  | (26)    |
| Other investing  |      | (28)    |                  | (14)    |
| Net cash used in investing activities  |      | (986)   |                  | (383)   |
| FINANCING ACTIVITIES   |      |         |                  |         |
| (Repayments) under the revolving credit facilities, net                                  |      |         |                  | (228)   |
| Issuance of non-recourse debt and other coupon bearing securities                        |      | 2,940   |                  | 4,614   |
| Repayments of non-recourse debt and other coupon bearing securities                      | (    | (3,674) |                  | (4,916) |
| Payments for deferred financing costs  |      | (109)   |                  | (146)   |
| Distributions to minority interests, net   |      | (111)   |                  | (12)    |
| Proceeds from sale of common stock   |      | 16      |                  | 337     |
| Other financing  |      | 2       |                  | (2)     |
| Net cash used in financing activities  |      | (936)   |                  | (353)   |
| Effect of exchange rate changes on cash  |      | 21      |                  | 39      |
| Total (decrease) increase in cash and cash equivalents                                   |      | (333)   |                  | 879     |
| Decrease in cash and cash equivalents of discontinued operations and businesses held for |      |         |                  |         |
| sale   |      | 4       |                  | 66      |
| Cash and cash equivalents, beginning   |      | 1,737   |                  | 792     |
| Cash and cash equivalents, ending  | \$   | 1,408   | \$               | 1,737   |
|  |      |         |                  |         |

#### **SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

### THE AES CORPORATION

Date: February 3, 2005 By: /s/ Vincent W. Mathis

Name: Vincent W. Mathis
Title: Assistant General Counsel

7

### EXHIBIT INDEX

No.
99.1 Press Release dated February 3, 2005

Bescription

8