

Environmental Performance Update

February 2018



Safe Harbor Disclosure

Certain statements in the following presentation regarding AES' business operations may constitute "forward-looking statements." Such forward-looking statements include, but are not limited to, those related to future earnings growth and financial and operating performance. Forward-looking statements are not intended to be a guarantee of future results, but instead constitute AES' current expectations based on reasonable assumptions. Forecasted financial information is based on certain material assumptions. These assumptions include, but are not limited to, accurate projections of future interest rates, commodity prices and foreign currency pricing, continued normal or better levels of operating performance and electricity demand at our distribution companies and operational performance at our generation businesses consistent with historical levels, as well as achievements of planned productivity improvements and incremental growth from investments at investment levels and rates of return consistent with prior experience. 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' 2016 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.

Executive Summary

Reshaping Our Portfolio to Reduce Our Carbon Intensity

- Committed to the development of sustainable energy solutions – no new coal projects
- From 2012 to 2016, lowered portfolio's global carbon emissions¹ by 15%
- In 2017, announced the sale or retirement of 31% of our total coal-fired capacity (4.5 GW)

Well Positioned to Bring New Energy Solutions to Markets We Serve

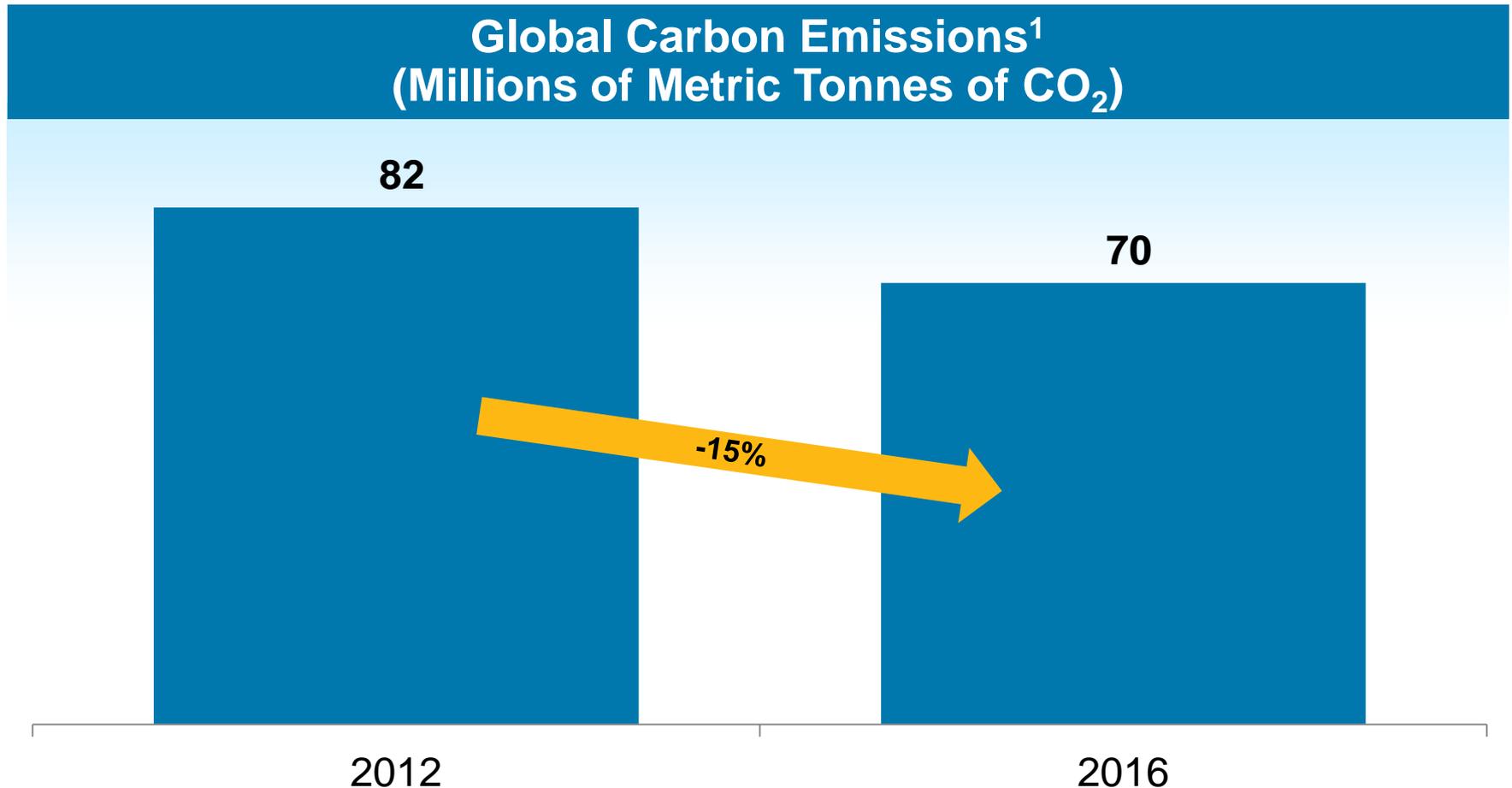
- AES and Alberta Investment Management Corporation (AIMCo) acquired sPower, the largest independent solar developer in the United States, adding 1.3 GW of solar and wind in operation, plus a more than 10 GW pipeline
- Partnered with Siemens to create Fluence, a new global energy storage technology company that can reach customers in 160 countries

1. Ownership-adjusted to reflect minority interest.

Sustainability is Considered at Each Step in the Governance Lifecycle



Execution of AES' Strategy Led to a 15% Decline in Global Carbon Emissions¹ in Our Portfolio



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Contains Forward-Looking Statements

Reshaping Our Portfolio to Reduce Our Carbon Intensity and Improve Risk-Adjusted Returns to Shareholders

Investing in Natural Gas and Renewable Projects with Long-Term, U.S. Dollar-Denominated Contracts

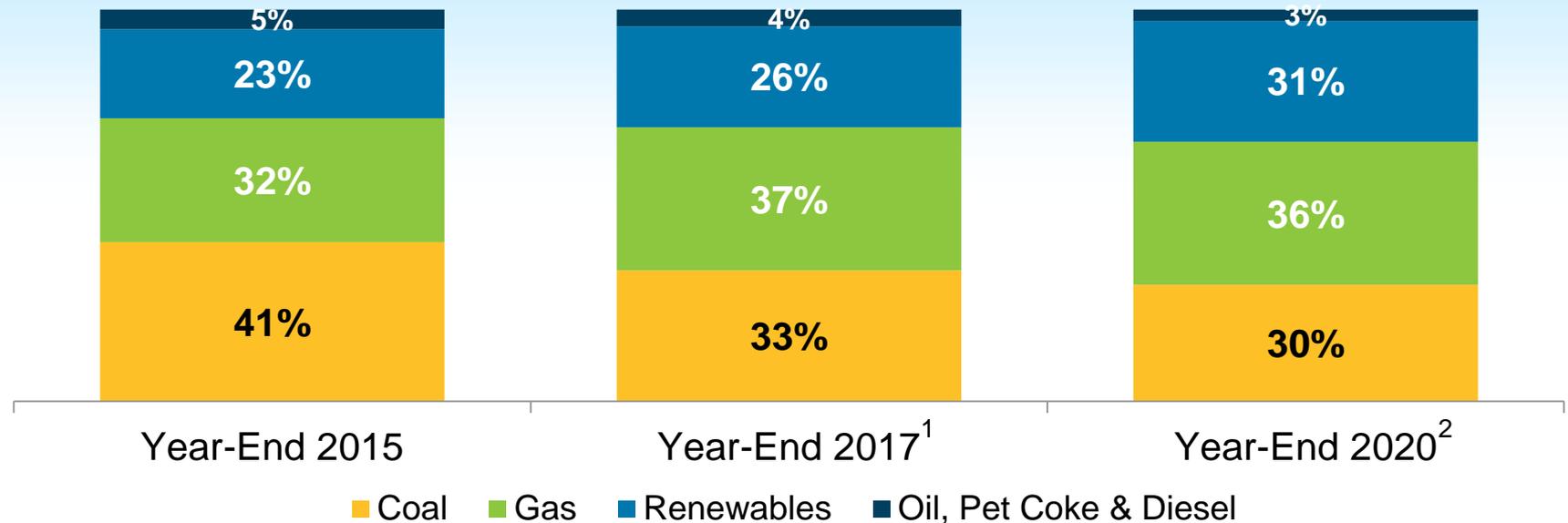
- Stronger growth opportunities
- Lower cash flow and earnings volatility
- Reducing carbon intensity

Earning Attractive Returns

- Investing in markets with lower renewable penetration and faster growth rates than the U.S.
- Using local debt capacity in existing businesses
- Bringing in partners to reduce our equity commitments, while providing management and development fees

Reshaping Our Portfolio to Reduce Our Carbon Intensity

AES Gross Portfolio by Fuel Type

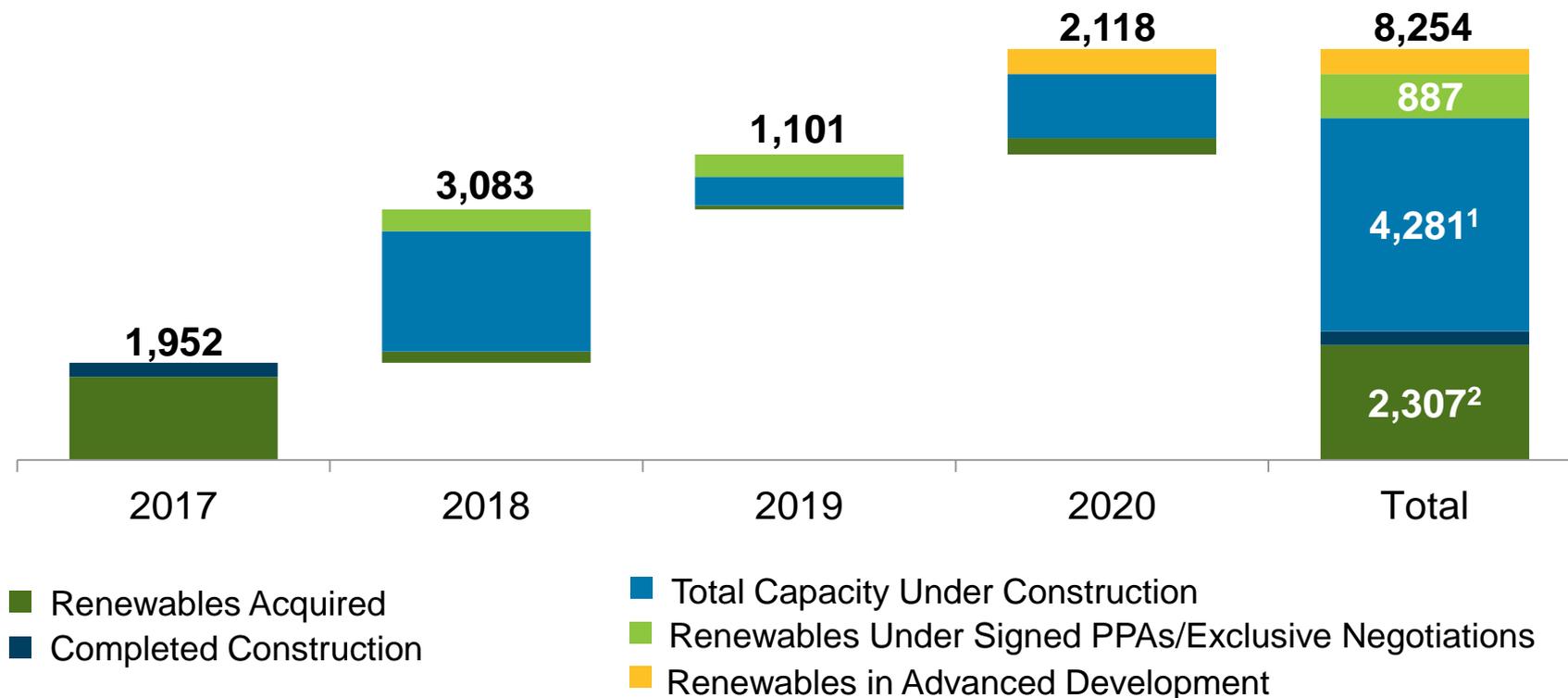


Selling or Retiring 4.5 GW, or 31%, of Coal-Fired Capacity

1. Includes 8,254 MW of new capacity shown on Slide 8.
2. Excludes 3,515 MW of announced shut downs and asset sales: 2,125 MW DPL generation (coal/ gas/diesel/solar, US-OH), 750 MW ESSA (gas/diesel, Chile) and 640 MW Masinloc (coal/energy storage, Philippines).

Adding up to 8.3 GW of New Capacity from 2017 Through 2020

Capacity in MW



Note: sPower capacity shown in DC. Excludes 335 MW Masinloc 2 (coal, Philippines) under construction and expected on-line in 1H 2019, as this project was a part of the sale announced in December 2017.

Includes: 1,320 MW OPGC 2 (coal, India), 1,284 MW Southland Repowering (gas, US-CA), 671 MW Eagle Valley (gas, US-IN), 531 MW Alto Maipo (hydro, Chile), 380 MW Colón (gas, Panama), 48 MW Lawai (solar/energy storage, US-HI), 27 MW Distributed Energy (solar, US), 10 MW Bosforo (solar, El Salvador) and 10 MW Delhi ES (energy storage, India).

Includes: 1,145 MW sPower (solar, US), 386 MW Alto Sertão II (wind, Brazil), 306 MW Mesa La Paz (wind, Mexico), 150 MW Bauru (solar, Brazil), 142 MW sPower (wind, US), 75 MW Boa Hora (solar, Brazil), 75 MW AGV Solar (solar, Brazil) and 28 MW Na Pua Makani (wind, Hawaii).

Closed the Acquisition of sPower, the Largest Independent Solar Developer in the U.S. in July 2017

1.3 GW of Solar and Wind in Operation; 10 GW Development Pipeline



- AES and AIMCo completed the joint acquisition of sPower in one of the largest clean-energy deals to date
- At closing, the acquisition reduced AES carbon intensity by 2% and the percent of generation from coal by 1.5%
- The acquisition of sPower will allow for additional energy storage integration opportunities

Note: Capacity shown in DC.

Contains Forward-Looking Statements

Re-Positioning AES Tietê in Brazil

611 MW of Renewable Capacity Added in 2017



- Closed acquisition of 386 MW Alto Sertão operational wind facility
- Finalized acquisition of 75 MW Boa Hora solar development project and recently signed agreement to acquire 150 MW Bauru solar complex
 - ▶ 20-year regulated contracts
 - ▶ Expected CODs¹ in 2018
- Brazilian Reais \$1.6 billion to fund projects secured by tapping into Tietê's available debt capacity

1. Commercial Operations Date.

Strong 2.5 GW Development Pipeline in Mexico

Agreed to Acquire 306 MW Mesa La Paz Wind Development Project



- Partnering with Grupo Bal, one of the largest business groups in Mexico
- Mesa La Paz
 - ▶ 25-year, U.S. Dollar-denominated PPA
 - ▶ Project site large enough to add up to 200 MW of solar
 - ▶ Financial close expected in early 2018 and will begin construction shortly thereafter

Pursuing Opportunities to Diversify the Energy Mix in the Markets Where We Operate

LNG in Central America and the Caribbean



- AES introduced LNG to the Dominican Republic in 2003 and the conversion of oil-fired generation to natural gas has reduced CO₂ emissions by more than 4 million tons
- AES is investing \$1 billion in the first LNG terminal and storage facility in Panama and is partnering with a leading global LNG player to jointly market almost 1 million tonnes per annum of LNG to provide a cleaner alternative to oil-fueled power generation

Repowering Southland in California Using Natural Gas and Energy Storage

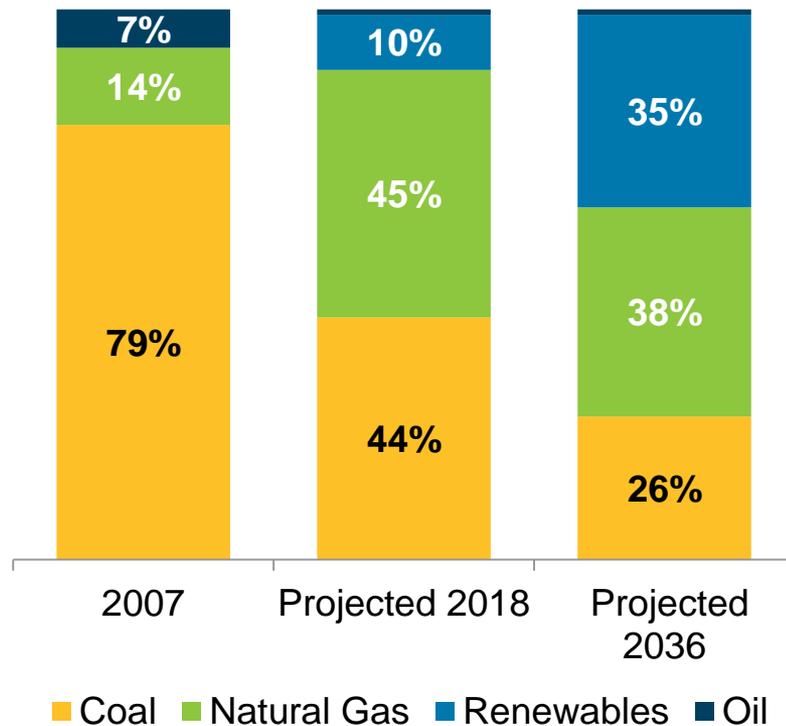
1,384 MW Under 20-Year Power Purchase Agreements



- 1,284 MW of combined cycle natural gas
 - ▶ 50% less fuel per unit of energy produced, compared to current operations
 - ▶ ~65% reduction in fresh water used
 - ▶ 100% reduction in ocean water used
- 100 MW of 4-hour duration battery-based energy storage
- \$2.3 billion total project cost
 - ▶ \$350 million of equity from AES
- Construction began in mid-2017, with operations commencing in 2020 and 2021

\$1.4 Billion Investment to Transform IPL's Generation Fleet, to Increase Efficiency and Reduce Emissions

IPL Portfolio by Fuel Type

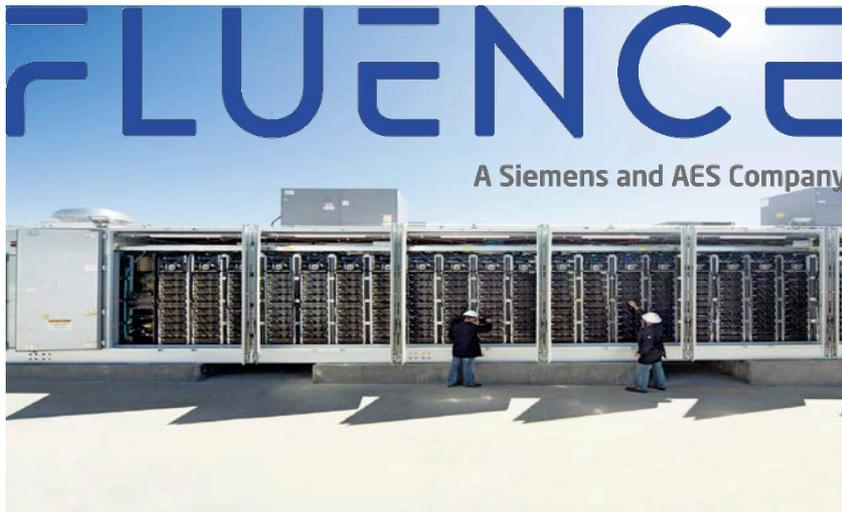


Key Highlights

- In 2018, once the investment program is completed, 45% of IPL's portfolio will utilize cleaner natural gas
 - ▶ Construction of 671 MW of new efficient gas capacity
 - ▶ Conversion of 630 MW from coal to gas
 - ▶ Retirement of 260 MW of coal
- The investment program includes upgrades to environmental controls on IPL's coal units and is expected to reduce SO₂ and mercury emissions by ~80% and NO_x and other PM emissions by ~30% from 2013 levels
- In addition, IPL executed contracts for 300 MW of wind and 96 MW solar energy

Partnered with Siemens on Fluence Joint Venture to Deliver Energy Storage Solutions

New Global Energy Storage Technology and Services Company



- The Fluence team encompasses more than 10 years of AES experience in developing energy storage solutions
- Fluence will deliver state-of-the-art energy storage solutions to commercial and industrial companies, utilities and power developers in ~160 countries, accelerating the integration of renewables into the energy network
- Fluence has deployed or been awarded 56 projects with a total capacity of over 485 MW
- High-growth segment that is expected to grow ten-fold in five years, reaching at least 28 GW of installed capacity by 2022

Sustainable Business Models and Solutions Underway Globally

AES Distributed Energy



- 200+ MW in operation, under construction or development in the U.S.
- Brings reliable and cost-effective distributed energy systems to schools, municipalities, utilities, corporations and commercial and industrial clients

Integrating Renewables



- Two new projects in Hawaii to construct an innovative renewable peaker plant (81 MW) of solar and five-hour duration battery-based energy storage capacity

Increasing Energy & Environmental Efficiency



- DPP in the Dominican Republic increased total power output by 122 MW, while using the same amount of fuel and with no increase in emissions
- AES Gener successfully completed \$450 million in environmental improvements, reducing air emissions by installing abatement systems and scrubbers for SO₂, NO_x and other particulate matter

Numerous Awards and Recognitions from Third Party Leaders in Global Sustainability

Fourth Consecutive Year

MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM

- AES received perfect scores in Biodiversity and Water-Related Risks (Index for North America)
 - ▶ AES Gener included for the third consecutive year in the Dow Jones Sustainability Index for Chile and in the newly created Dow Jones MILA Pacific Alliance Index

Fourth Consecutive Year

GOOD. SMART. BUSINESS. PROVE.™

ETHISPHERE

- AES included on Ethisphere's "World's Most Ethical Companies" list



- AES reached Leadership Level with a score of 'A-' for both the CDP Climate Change and CDP Water Questionnaires
 - ▶ Climate Change score positions AES within the 25% highest scoring companies in the Electric Utilities sector and within 22% of the highest scoring companies responding to CDP



FTSE4Good

- AES is a constituent of the FTSE4Good Index series – designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices

Conclusion

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