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AES CORPORATION
Form 8-K
February 05, 2004

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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 5, 2004

THE AES CORPORATION
(exact name of registrant as specified in its charter)

DELAWARE 333-15487 54-1163725
(State of Incorporation) (Commission File No.) (IRS Employer Identification No.)

1001 North 19th Street, 20th Floor
Arlington, Virginia 22209
(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 5. Other Events

THE AES CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE QUARTERS ENDED DECEMBER 31, 2003 AND 2002

	Quarter Ended 12/31/2003	Quarter Ended 12/31/2002

(\$ in millions, except per share amounts)		

REVENUES:		
Sales and services	\$ 2,281	\$ 1,866
OPERATING COSTS AND EXPENSES:		
Cost of sales and services	1,637	1,455
Corporate and business development office expenses	59	48
Other operating expense, net	16	23
Goodwill impairment expense	11	675
Asset impairment expense	43	127
	-----	-----
Total operating costs and expenses	1,766	2,328
	-----	-----
OPERATING INCOME (LOSS)	515	(462)

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OTHER INCOME AND (EXPENSE) :		
Interest expense, net	(395)	(379)
Other nonoperating expense, net	(7)	(3)
Foreign currency transaction losses	(27)	(16)
Loss on sale of investments	(52)	-
Equity in earnings (losses) of affiliates	37	(238)
	-----	-----
INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTEREST		
	71	(1,098)
Income tax expense	34	302
Minority interest expense (income)	33	7
	-----	-----
INCOME (LOSS) FROM CONTINUING OPERATIONS		
	4	(1,407)
Loss from operations of discontinued components (net of income tax benefit of \$72 and \$423, respectively)	(490)	(1,359)
	-----	-----
LOSS BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE		
	(486)	(2,766)
Cumulative effect of accounting change (net of income taxes of \$23)	42	-
	-----	-----
NET LOSS	\$ (444)	\$ (2,766)
	=====	=====
DILUTED EARNINGS PER SHARE:		
Income from continuing operations	\$ 0.01	\$ (2.58)
Discontinued operations	(0.79)	(2.50)
Cumulative effect of accounting change	0.07	-
	-----	-----
Total	\$ (0.71)	\$ (5.08)
	=====	=====
Diluted weighted average shares outstanding (in millions)	628	545
	===	===

THE AES CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	Year Ended 12/31/2003	Year Ended 12/31/2002

(\$ in millions, except per share amounts)		

REVENUES:		
Sales and services	\$ 8,415	\$ 7,380

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OPERATING COSTS AND EXPENSES:		
Cost of sales and services	5,982	5,430
Corporate and business development office expenses	157	112
Other operating expense (income), net	46	(37)
Goodwill impairment expense	11	675
Asset impairment expense	148	295
	-----	-----
Total operating costs and expenses	6,344	6,475
	-----	-----
OPERATING INCOME	2,071	905
OTHER INCOME AND (EXPENSE):		
Interest expense, net	(1,706)	(1,485)
Other nonoperating income, net	107	13
Foreign currency transaction gains (losses)	127	(459)
Equity in earnings (losses) of affiliates	94	(203)
Loss on sale or write-down of investments	(53)	(115)
	-----	-----
INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTEREST	640	(1,344)
Income tax expense	194	285
Minority interest expense (income)	110	(20)
	-----	-----
INCOME (LOSS) FROM CONTINUING OPERATIONS	336	(1,609)
Loss from operations of discontinued components (net of income tax benefit of \$72 and \$407, respectively)	(780)	(1,554)
	-----	-----
LOSS BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE	(444)	(3,163)
Cumulative effect of accounting change (net of income taxes of \$22 and \$72)	41	(346)
	-----	-----
NET LOSS	\$ (403)	(3,509)
	=====	=====
DILUTED EARNINGS PER SHARE:		
Income from continuing operations	\$ 0.56	\$ (2.99)
Discontinued operations	(1.30)	(2.88)
Cumulative effect of accounting change	0.07	(0.64)
	-----	-----
Total	\$ (0.67)	\$ (6.51)
	=====	=====
Diluted weighted average shares outstanding (in millions)	598	539
	===	===

Business Segment Results

AES's business segments, which include Contract Generation, Large Utilities, Competitive Supply and Growth Distribution, generated combined income before

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income taxes and minority interest, excluding the Corporate segment, of \$1,234 million for 2003, as compared with a loss of \$(863) million for 2002. Total income before income taxes and minority interest, including the Corporate segment, was \$640 million for 2003, as compared with a loss of \$(1,344) million for 2002. On a geographic basis, income before income taxes and minority interest from the business segments was generated \$475 million from North America, \$328 million from South America, \$160 million from Asia, \$55 million from Europe and Africa and \$216 million from the Caribbean.

During the fourth quarter of 2003, AES decided to exit Wolf Hollow, a 730 MW gas plant in Texas, Granite Ridge, a 720 MW gas plant in New Hampshire, and Termomamonal, a 90 MW gas plant in Colombia, all of which were previously reported in the competitive supply. Additionally, AES decided to exit Ede Este, a distribution company in the Dominican Republic which was previously reported in the growth distribution segment. All amounts have been restated to reflect discontinued operations that have occurred in the current and prior periods.

Contract Generation

(\$ in millions)	2003	2002	Variance
	-----	-----	-----
Segment revenues	\$3,108	\$2,550	\$558
% of total revenues	37%	35%	2%
Gross margin	\$1,267	\$1,065	\$202
% of segment revenues	41%	42%	(1)%
Income before income taxes and minority interest	\$599	\$665	\$(66)
% of income before income taxes and minority interest from segments	49%	77%	(28)%

Contract Generation consists of multiple power generation facilities located around the world that generally have contractually limited their exposure to commodity price risks and electricity price volatility by entering into long-term (5 years or longer) power purchase agreements for 75% or more of their expected output capacity.

For 2003, Contract Generation revenues were \$3,108 million and represented 37% of total revenues, an increase of \$558 million over 2002. The most significant contributions came from North and South America, which in aggregate comprised 58% of Contract Generation revenue for the year as compared to 67% for the same period in 2002. Revenues were enhanced with the addition of recently completed contract generation businesses totaling 1,451 mw, including Red Oak in New Jersey (832 mw gas), Puerto Rico (454 mw coal), Kelanitissa in Sri Lanka (165 mw gas), Barka in Oman (427 mw gas), Ras Laffan in Qatar (750 mw gas) and Andres

in the Dominican Republic (310 mw gas). Revenues also improved at Los Mina in the Dominican Republic, Merida III in Mexico, Tiszai in Hungary, Gener in Chile and Tiete in Brazil. These improvements were offset by declines at Shady Point in Oklahoma due to a step-down in the contracted capacity payment and at Lal Pir and Pak Gen in Pakistan.

The gross margin for the Contract Generation segment was \$1,267 million for 2003, an increase of 19% from 2002. Gross margin increases were attributable to Tiete in Brazil, and Ebute in Nigeria. Additionally, new plants that came online contributed to the increase. These increases were partially offset by declines in gross margin at Beaver Valley and Ironwood in Pennsylvania, Shady Point in Oklahoma, Kilroot in Northern Ireland and the Chigen plants in China.

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As a percentage of revenues, the gross margin for the Contract Generation segment was 41% for 2003 compared to 42% for 2002.

Contract Generation generated \$599 million of income before income taxes and minority interest (or 49% of the net total) for 2003, a decrease from \$665 million for 2002. South America showed an increase due to Tiete in Brazil. North America experienced declines due to Beaver Valley in Pennsylvania, Warrior Run in Maryland due to significant FAS 133 mark-to-market gains in 2002 related to their power purchase agreement, Shady Point in Oklahoma due to a step-down in the contracted capacity payment in 2003 and Hawaii due to write-offs of deferred financing and swap breakage costs of \$22 million related to their non-recourse debt refinancing during 2003. These declines were partially offset by increases in the Southland plants in California. The Caribbean experienced an overall increase due to the start of commercial operations at Andres in the Dominican Republic and Puerto Rico offset slightly by the write-off of project development costs related to El Faro, a terminated business development project in Honduras. Europe/Africa experienced a significant decrease due to the \$76 million write-off of previously capitalized costs of Bujagali, a construction project in Uganda that the company decided to terminate during the third quarter of 2003 and Zeg, a construction project in Poland that the company decided to terminate during the fourth quarter of 2003. Asia had overall decreases due to declines at Lal Pir and Pak Gen in Pakistan and Chigen in China which were partially offset by the start of commercial operations at Barka and Ras Laffan.

Competitive Supply

(\$ in millions)	2003	2002	Variance
	----	----	-----
Segment revenues	\$880	\$812	\$68
% of total revenues	10%	11%	(1)%
Gross margin	\$220	\$183	\$37
% of segment revenues	25%	23%	2%
Income (loss) before income taxes and minority interest	\$140	\$(357)	\$497
% of income before income taxes and minority interest from segments	11%	(41)%	52%

Competitive Supply consists primarily of the power plants selling electricity directly to wholesale customers in competitive markets and, as a result, the profitability of such plants are generally more sensitive to fluctuations in the market price of electricity, natural gas and coal, in particular.

For 2003, Competitive Supply revenues were \$880 million and represented 10% of total revenues for the year. The most significant contributions were from the competitive markets of the U.S., which comprised 51% of Competitive Supply revenue for 2003 and 2002. Competitive market prices increased year over year in New York, which resulted in increased revenue in the New York plants. Additionally, other plants showed revenue improvements, including Alicura and Parana in Argentina, Panama in the Caribbean and Ekibastuz in Asia. These increases were partially offset by decreased revenues from Deepwater in Texas due to an outage during the third quarter of 2003 and from Borsod in Hungary.

Gross margin as a percentage of revenues for the Competitive Supply segment was 25% for 2003, an increase from 23% for 2002. Overall, the gross margin for Competitive Supply increased to \$220 million from \$183 million. Margins and

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margin percentages were higher at the New York plants, CTSN and Parana in South America and Altai in Asia. These increases were partially offset by lower margins and margin percentages at Deepwater in Texas and Borsod.

Competitive Supply generated \$140 million of income before income taxes and minority interest (or 11% of the net total) for 2003, which represents a \$497 million improvement over the same period in 2002. The increase is primarily due to the write-off of \$168 million of construction costs associated with Greystone, a project in Tennessee, and \$83 million of construction costs during 2002 related to Lake Worth, a project in Florida. Operationally, during 2003 increases at CTSN in Argentina and the New York plants were partially offset by decreases at Parana in Argentina, Panama, Borsod in Hungary and Deepwater in Texas.

Large Utilities

(\$ in millions)	2003 -----	2002 -----	Variance -----
Segment revenues	\$3,301	\$3,150	\$151
% of total revenues	39%	43%	(4)%
Gross margin	\$762	\$687	\$75
% of segment revenues	23%	22%	1%
Income (loss) before income taxes and minority interest	\$380	\$(978)	\$1,358
% of income before income taxes and minority interest from segments	31%	(113)%	144%

The Large Utilities segment is comprised of the large integrated utilities that serve nearly 7 million customers in North America, the Caribbean and South America. The Large Utility businesses include IPALCO in Indiana, EDC in Venezuela and Eletropaulo in Brazil.

For 2003, revenues for Large Utilities were \$3,301 million and represented 39% of total revenues for the year. Revenues for Large Utilities increased \$151 million, or 5%, compared to 2002. Eletropaulo's revenues for the year increased due to appreciation of the Brazilian Real compared to the same quarter of 2002. EDC's revenues decreased due to devaluation of the Venezuelan Bolivar partially offset by a higher demand and a tariff increase. IPALCO had a slight increase year over year.

The gross margin as a percentage of revenues for the Large Utility segment was 23% for 2003 compared to 22% for 2002. The South America gross margin increased mainly due to an impairment charge taken for Cemig in the fourth quarter of 2002. EDC's gross margin increased due to higher demand and increased tariffs in 2003 compared to 2002. IPALCO experienced a lower margin and margin percentage due to milder weather and higher operating and maintenance costs in 2003. Overall, gross margin for Large Utilities increased to \$762 million for 2003 from \$687 million for 2002.

Large Utilities generated \$380 million of income before income taxes and minority interest (or 31% of the net total) for 2003, up from a loss of \$(978) million for the same period in 2002. The increase relates primarily to impairment charges taken in 2002 for Eletropaulo and Cemig, which were not recurring in 2003.

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Growth Distribution

(\$ in millions)	2003	2002	Variance
	-----	-----	-----
Segment revenues	\$1,126	\$868	\$258
% of total revenues	13%	12%	1%
Gross margin	\$184	\$15	\$169
% of segment revenues	16%	2%	14%
Income (loss) before income taxes and minority interest	\$115	\$(193)	\$308
% of income before income taxes and minority interest from segments	9%	(22)%	31%

The Growth Distribution segment, serving nearly 4 million customers, consists of electricity distribution companies that are generally located in developing countries or regions where the demand for electricity is expected to grow at a rate higher than in more developed regions.

For 2003, revenues were \$1,126 million, a 1% increase over 2002, and represented 13% of total revenues for the year. The Caribbean and South America represent the most

significant contributors with 67% of Growth Distribution revenues, while Europe/Africa contributes the remaining 33%. There were increases in revenues at Eden & Edes and Edelap in Argentina, Sonel in Cameroon and Clesa and Caess in El Salvador. These were partially offset by reductions at Sul in Brazil.

The gross margin as a percentage of revenues for the Growth Distribution segment was 16% for 2003, an increase from 2% for 2002. Gross margin and gross margin percentages increased at Sonel in Cameroon and Caess in El Salvador. Additionally, there was a nonrecurring charge taken in 2002 for the write-off of \$141 million related to MAE settlements at Sul in Brazil that was not recurring in 2003. These increases were partially offset by decreased gross margins at Eden, Edes and Edelap in Argentina. Overall, the gross margin for the Growth Distribution segment increased to \$184 million for 2003.

Growth Distribution businesses generated \$115 million of income before income taxes and minority interest for 2003, an increase of \$308 million from a loss before income taxes of \$(193) million for 2002. Income before income taxes and minority interest increased at Sul in Brazil and Caess in El Salvador. These increases were partially offset by lower operating margins at Eden & Edes in Argentina. Additionally, the charge taken in 2002 for the write-off of \$141 million related to MAE settlements at Sul in Brazil contributed to the change.

THE AES CORPORATION -- Supplemental Data

(\$ in millions, except Total Assets in billions)

-----2002-----
1st Qtr 2nd Qtr 3rd Qtr 4th Qtr

GEOGRAPHIC:

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North America				
Revenues	\$ 489	\$ 491	\$ 569	\$ 53
Income before Income Taxes and Minority Interest	\$ 137	\$ 139	\$ 6	\$ (
Caribbean (1)				
Revenues	\$ 313	\$ 296	\$ 271	\$ 31
Income before Income Taxes and Minority Interest	\$ 72	\$ 91	\$ 59	\$ (5
South America				
Revenues	\$ 786	\$ 706	\$ 710	\$ 68
Income before Income Taxes and Minority Interest	\$ (38)	\$ (307)	\$ (285)	\$ (98
Europe/Africa				
Revenues	\$ 217	\$ 176	\$ 194	\$ 23
Income before Income Taxes and Minority Interest	\$ 56	\$ 30	\$ 18	\$ 6
Asia				
Revenues	\$ 100	\$ 108	\$ 88	\$ 9
Income before Income Taxes and Minority Interest	\$ 41	\$ 46	\$ 26	\$ 2
Corporate (3)				
Income before Income Taxes and Minority Interest	\$ (124)	\$ (117)	\$ (96)	\$ (14
SEGMENTS:				
Contract Generation				
Revenues	\$ 652	\$ 632	\$ 598	\$ 66
Gross Margin (2)	\$ 272	\$ 260	\$ 242	\$ 29
Income before Income Taxes and Minority Interest	\$ 190	\$ 166	\$ 155	\$ 15
Competitive Supply				
Revenues	\$ 192	\$ 177	\$ 214	\$ 22
Gross Margin (2)	\$ 33	\$ 35	\$ 53	\$ 6
Income before Income Taxes and Minority Interest	\$ (104)	\$ (49)	\$ (130)	\$ (7
Large Utilities				
Revenues	\$ 768	\$ 863	\$ 783	\$ 73
Gross Margin (2)	\$ 232	\$ 186	\$ 199	\$ 7
Income before Income Taxes and Minority Interest	\$ 169	\$ 39	\$ (192)	\$ (99
Growth Distribution				
Revenues	\$ 293	\$ 105	\$ 237	\$ 23
Gross Margin (2)	\$ 75	\$ (93)	\$ 45	\$ (1
Income before Income Taxes and Minority Interest	\$ 13	\$ (157)	\$ (9)	\$ (4
Corporate (3)				
Income before Income Taxes and Minority Interest	\$ (124)	\$ (117)	\$ (96)	\$ (14
ADDITIONAL INFORMATION:				
Revenues	\$ 1,905	\$ 1,777	\$ 1,832	\$ 1,86
Gross Margin (2)	\$ 612	\$ 388	\$ 539	\$ 41
Gross Margin Percentage (2)	32%	22%	29%	2
Income before Income Taxes and Minority Interest	\$ 144	\$ (118)	\$ (272)	\$ (1,09
Diluted EPS from Continuing Operations(4)	\$ 0.17	\$ (0.18)	\$ (0.37)	\$ (2.5
Total Assets (billions)	\$ 40	\$ 39	\$ 37	\$ 3
Depreciation and Amortization	\$ 168	\$ 169	\$ 162	\$ 16
FAS 133 Gain (Loss) (5)	\$ 4	\$ 43	\$ --	\$ (4
Foreign Exchange Gain (Loss) from Brazil(5)	\$ (10)	\$ (85)	\$ (203)	\$ 4
Foreign Exchange Gain (Loss) from Argentina(5)	\$ (82)	\$ (52)	\$ --	\$ (
Foreign Exchange Gain (Loss) from Venezuela(5)	\$ 65	\$ 25	\$ 21	\$ (7

(1) Includes Venezuela and Colombia.

(2) Gross Margin is revenues reduced by cost of sales and services.

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- (3) Corporate consists of interest expense and corporate and business development expenses. Revenue Margin for Corporate equal zero.
- (4) The sum of these amounts do not equal the annual amount due to rounding or because the quarterly amounts are based on varying numbers of shares outstanding.
- (5) Amount is net of the income tax effect.

	-----2003-----			
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
GEOGRAPHIC:				
North America				
Revenues	\$ 546	\$ 507	\$ 581	\$ 52
Income before Income Taxes and Minority Interest	\$ 120	\$ 100	\$ 134	\$ 12
Caribbean (1)				
Revenues	\$ 347	\$ 373	\$ 387	\$ 42
Income before Income Taxes and Minority Interest	\$ 56	\$ 20	\$ 83	\$ 5
South America				
Revenues	\$ 675	\$ 796	\$ 908	\$ 92
Income before Income Taxes and Minority Interest	\$ 68	\$ 143	\$ 64	\$ 5
Europe/Africa				
Revenues	\$ 236	\$ 209	\$ 217	\$ 25
Income before Income Taxes and Minority Interest	\$ 64	\$ 22	\$ (55)	\$ 2
Asia				
Revenues	\$ 107	\$ 107	\$ 138	\$ 15
Income before Income Taxes and Minority Interest	\$ 42	\$ 46	\$ 53	\$ 1
Corporate (3)				
Income before Income Taxes and Minority Interest	\$ (137)	\$ (106)	\$ (148)	\$ (20)
SEGMENTS:				
Contract Generation				
Revenues	\$ 716	\$ 735	\$ 817	\$ 84
Gross Margin (2)	\$ 291	\$ 285	\$ 327	\$ 36
Income before Income Taxes and Minority Interest	\$ 169	\$ 142	\$ 103	\$ 18
Competitive Supply				
Revenues	\$ 229	\$ 196	\$ 230	\$ 22
Gross Margin (2)	\$ 69	\$ 45	\$ 59	\$ 4
Income before Income Taxes and Minority Interest	\$ 70	\$ 41	\$ 37	\$ (
Large Utilities				
Revenues	\$ 702	\$ 778	\$ 908	\$ 91
Gross Margin (2)	\$ 165	\$ 163	\$ 244	\$ 19
Income before Income Taxes and Minority Interest	\$ 73	\$ 91	\$ 127	\$ 8
Growth Distribution				
Revenues	\$ 264	\$ 283	\$ 276	\$ 30
Gross Margin (2)	\$ 50	\$ 45	\$ 46	\$ 4
Income before Income Taxes and Minority Interest	\$ 38	\$ 57	\$ 12	\$
Corporate (3)				
Income before Income Taxes and Minority Interest	\$ (137)	\$ (106)	\$ (148)	\$ (20)
ADDITIONAL INFORMATION:				
Revenues	\$ 1,911	\$ 1,992	\$ 2,231	\$ 2,28
Gross Margin (2)	\$ 575	\$ 538	\$ 676	\$ 64

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Gross Margin Percentage (2)	30%	27%	30%	27%
Income before Income Taxes and Minority Interest	\$ 213	\$ 225	\$ 131	\$ 77
Diluted EPS from Continuing Operations(4)	\$ 0.23	\$ 0.24	\$ 0.10	\$ 0.09
Total Assets (billions)	\$ 33	\$ 34	\$ 30	\$ 30
Depreciation and Amortization	\$ 173	\$ 182	\$ 196	\$ 188
FAS 133 Gain (Loss) (5)	\$ (8)	\$ (18)	\$ (11)	\$ (11)
Foreign Exchange Gain (Loss) from Brazil(5)	\$ 22	\$ 82	\$ (19)	\$ (19)
Foreign Exchange Gain (Loss) from Argentina(5)	\$ 33	\$ 21	\$ (23)	\$ (23)
Foreign Exchange Gain (Loss) from Venezuela(5)	\$ 4	\$ (18)	\$ 10	\$ 10

- (1) Includes Venezuela and Colombia.
- (2) Gross Margin is revenues reduced by cost of sales and services.
- (3) Corporate consists of interest expense and corporate and business development expenses. Revenue Margin for Corporate equal zero.
- (4) The sum of these amounts do not equal the annual amount due to rounding or because the quarterly amounts are based on varying numbers of shares outstanding.
- (5) Amount is net of the income tax effect.

THE AES CORPORATION CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2003 AND 2002

(\$ in millions)	December 31, 2003	December 31, 2002
Assets:		
Current assets:		
Cash and cash equivalents	\$ 1,737	\$ 1,737
Restricted cash	394	394
Short term investments	189	189
Accounts receivable, net of reserves of \$291 and \$310, respectively	1,211	1,211
Inventory	376	376
Receivable from affiliates	3	3
Deferred income taxes - current	136	136
Prepaid expenses	64	64
Other current assets	677	677
Current assets of held for sale and discontinued businesses	205	205
Total current assets	4,992	4,992
Property, Plant and Equipment:		
Land	733	733
Electric generation and distribution assets	21,152	18,152
Accumulated depreciation	(4,954)	(4,954)
Construction in progress	1,278	2,278
Property, plant and equipment, net	18,209	17,209
Other assets:		
Deferred financing costs, net	430	430
Investment in and advances to affiliates	648	648
Debt service reserves and other deposits	428	428
Goodwill, net	1,378	1,378
Deferred income taxes - noncurrent	781	781
Long-term assets of held for sale and		

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discontinued businesses	750	7,
Other assets	1,992	1,
	-----	-----
Total other assets	6,407	12,
	-----	-----
Total Assets	\$ 29,608	\$ 34,
	=====	=====
Liabilities and Stockholders' Equity:		
Current liabilities:		
Accounts payable	\$ 1,245	\$ 1,
Accrued interest	561	
Accrued and other liabilities	1,156	1,
Current liabilities of held for sale and discontinued businesses	699	
Recourse debt-current portion	77	
Non-recourse debt-current portion	2,769	3,
	-----	-----
Total current liabilities	6,507	6,
Long-term liabilities:		
Recourse debt	5,862	6,
Non-recourse debt	11,015	10,
Deferred income taxes	1,051	1,
Long-term liabilities of held for sale and discontinued businesses	94	5,
Pension liabilities	947	1,
Other long-term liabilities	2,702	2,
	-----	-----
Total long-term liabilities	21,671	27,
Minority Interest, including discontinued businesses of \$12 and \$41 in 2003 And 2002	805	
Stockholders' equity (deficit):		
Common stock	6	
Additional paid-in capital	5,737	5,
Accumulated deficit	(1,103)	(
Accumulated other comprehensive loss	(4,015)	(4,
	-----	-----
Total stockholders' equity (deficit)	625	(
	-----	-----
Total Liabilities and Stockholders' Equity (Deficit)	\$ 29,608	\$ 34,
	=====	=====

THE AES CORPORATION

CAPITAL RESOURCES AND OTHER BALANCE SHEET DATA
(\$ in billions)

Capitalization:	December 31, 2003	December 31, 2002
	-----	-----
Recourse debt	\$ 5.94	\$ 6.78

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Non-recourse debt	13.78	13.32
	-----	-----
Total debt	19.72	20.10
Minority Interest	0.81	0.66
Stockholders' equity	0.63	(0.34)
	-----	-----
Total capitalization	\$ 21.16	\$ 20.42
	=====	=====

Selected Balance Sheet Data by Geographic Region:

December 31, 2003	Property, Plant & Equipment	Total Assets	Non-recour Debt
	-----	-----	-----
North America	\$ 5.21	\$ 6.44	\$ 3.8
Caribbean	4.68	5.83	2.4
South America	5.14	10.00	5.2
Europe/Africa	1.50	2.75	0.8
Asia	1.66	2.49	1.3
Discontinued Operations	-	0.96	
Corporate	0.02	1.14	
December 31, 2002			
North America	\$ 5.26	\$ 6.53	\$ 3.7
Caribbean	5.00	6.07	2.7
South America	4.23	8.66	4.9
Europe/Africa	1.30	2.32	0.7
Asia	1.38	2.19	1.0
Discontinued Operations	-	8.10	
Corporate	0.01	0.40	

Selected Balance Sheet Data by Line of Business:

December 31, 2003	Property, Plant & Equipment	Total Assets	Non-recour Debt
	-----	-----	-----
Contract Generation	\$ 9.12	\$ 13.45	\$ 7.6
Competitive Supply	1.47	2.14	0.5
Large Utilities	6.03	9.05	4.5
Growth Distribution	1.57	2.87	1.1
Discontinued Operations	-	0.96	
Corporate	0.02	1.14	
December 31, 2002			
Contract Generation	\$ 8.06	\$ 12.09	\$ 6.5
Competitive Supply	2.13	2.80	1.0
Large Utilities	5.64	8.49	4.6
Growth Distribution	1.34	2.39	1.0
Discontinued Operations	-	8.10	
Corporate	0.01	0.40	

Item 12. Results of Operations and Financial Condition

On February 5, 2004, the AES Corporation issued a press release setting forth its financial results for the year ended December 31, 2003 and the fourth quarter of the year ended December 31, 2003. A copy of the press release is attached hereto as Exhibit 99.1 and hereby incorporated by reference solely in

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Item 12 of this Form 8-K.

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 5, 2004

By: /s/ Vincent W. Mathis

Name: Vincent W. Mathis
Title: Assistant General Counsel

INDEX TO EXHIBITS

EXHIBIT NUMBER	EXHIBIT
99.1	Press Release dated February 5, 2004.