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Total operating costs and expenses	1,650	1,554
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OPERATING INCOME	573	647
OTHER INCOME AND (EXPENSE):		
Interest expense, net	(498)	(390)
Other income (expense), net	45	(59)
Equity in earnings of affiliates (before income tax)	24	29
Loss on sale of assets	-	(57)
	-----	-----
INCOME BEFORE INCOME TAXES AND MINORITY INTEREST	144	170
Income tax expense	40	62
Minority interest expense (income)	31	(10)
	-----	-----
INCOME FROM CONTINUING OPERATIONS	73	118
Income from operations of discontinued components (net of income taxes of \$6 and \$31, respectively)	22	42
	-----	-----
INCOME BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE	95	160
Cumulative effect of accounting change (net of income taxes of \$1 and \$155, respectively)	(2)	(473)
	-----	-----
NET INCOME (LOSS)	\$ 93	\$ (313)
	=====	=====
DILUTED EARNINGS PER SHARE:		
Income from continuing operations	\$ 0.13	\$ 0.22
Discontinued operations	0.04	0.08
Cumulative effect of accounting change	-	(0.88)
	-----	-----
Total	\$ 0.17	\$ (0.58)
	=====	=====
Diluted weighted average shares outstanding (in millions)	561	541
	===	===

Business Segment Results

AES's business segments, which include Contract Generation, Large Utilities, Competitive Supply and Growth Distribution, generated combined income before income taxes of \$253 million for the first quarter of 2003, as compared with \$310 million for the first quarter of 2002. Total income before income taxes, including the Corporate segment, was \$113 million for the first quarter of 2003, as compared with \$180 million for the same period in 2002. On a geographic basis, income before income taxes from our business segments was generated 47%

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from North America, 21% from South America, 16% from Asia, 9% from Europe and Africa, and 7% from the Caribbean.

### Contract Generation

(\$ in millions)	2003	2002	Variance
	----	----	-----
Segment revenues	\$728	\$653	\$75
% of total revenues	33%	30%	3%
Gross margin	\$291	\$270	\$21
% of segment revenues	40%	41%	(1)%
Income before income taxes	\$154	\$182	\$(28)
% of income before income taxes from segments	61%	59%	2%

Contract Generation consists of our power plants located around the world that have contractually limited their exposure to commodity price risks (primarily electricity prices) for a period of at least five years and for 75% or more of their expected output capacity.

For the first quarter of 2003, Contract Generation revenues were \$728 million and represented 33% of total revenues, an increase of \$75 million over the first quarter of 2002. The most significant contributions continued to be from North and South America, which in aggregate comprised 57% of Contract Generation revenue for the quarter as compared to 68% for the same period in 2002. Revenues were enhanced with the addition of recently completed commercial contract generation businesses totaling 1,451 mw (added subsequent to the first quarter of 2002), including Red Oak in New Jersey (832 mw gas), Puerto Rico (454 mw coal) and Kelanitissa in Sri Lanka (165 mw gas). Revenues also improved at Warrior Run in Maryland, Los Mina in the Dominican Republic, Merida in Mexico, Kilroot in Northern Ireland, Tiszai in Hungary, Ebute in Nigeria and Mtkvari in the Republic of Georgia. These improvements were offset by declines at Shady Point in Oklahoma due to a step-down in the contracted capacity payment, Ironwood in Pennsylvania, Uruguaiana and Tiete in Brazil, and the Chigen plants in China.

The gross margin for the Contract Generation segment was \$291 million for the quarter, an increase of 8% from the first quarter of 2002. Gross margin increases arose at Warrior Run in Maryland, Uruguaiana and Tiete in Brazil and Ebute in Nigeria. These increases were offset by declines in gross margin at Ironwood in Pennsylvania, Shady Point in Oklahoma, the Southland plants in California and the Chigen plants in China. As a percentage of revenues, the gross margin for the Contract Generation segment was 40% in the first quarter of 2003, a slight decline from 41% in the first quarter of 2002.

Contract Generation generated \$154 million of income before income taxes (or 61% of the total) for the first quarter of 2003, a decrease from \$182 million in the first quarter of 2002. The Caribbean showed an increase due to the start of commercial operations at Puerto Rico. Income before taxes was relatively consistent between periods for Asia and for Europe and Africa. North America showed a decrease in income before income taxes due to the step-down in the contracted capacity payment at Shady Point and FAS 133 mark to market losses at Warrior Run and the Southland plants. South America showed a decrease in income before income taxes due to a decline at Gener in Chile.

### Competitive Supply

(\$ in millions)	2003	2002	Variance
	----	----	-----
Segment revenues	\$460	\$416	\$44

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% of total revenues	21%	19%	2%
Gross margin	\$114	\$91	\$23
% of segment revenues	25%	22%	3%
Income before income taxes	\$40	\$(31)	\$71
% of income before income taxes from segments	16%	(10)%	26%

Competitive Supply consists primarily of our 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 the first quarter of 2003, Competitive Supply revenues were \$460 million and represented 21% of total revenues for the quarter. The most significant contributions continued to be from the competitive markets of the UK and the U.S. that in aggregate comprised 76% of Competitive Supply revenue for the quarter. Competitive market prices increased quarter over quarter in New York, which resulted in increased revenue in our New York plants. Despite lower prices due to its merchant position, Drax showed increases in its sales volume quarter over quarter which resulted in increased revenues between periods. Additionally, other plants showed revenue improvements, including Parana, CTSN, Rio Juramento and Alicura in Argentina, and Ottana in Italy. An increase also resulted from the start of commercial operations at Granite Ridge in New Hampshire (720 mw gas).

The gross margin as a percentage of revenues for our Competitive Supply segment was 25% in the first quarter of 2003, an increase from 22% in the first quarter of 2002. Overall, the gross margin for Competitive Supply increased 25% to \$114 million. Margins and margin percentages increased in North and South America, including the New York plants, Deepwater in Texas, Parana, CTSN, Rio Juramento and Alicura in Argentina, and at our Altai businesses in Kazakhstan. These increases were partially offset by a decline in gross margin and in gross margin percentage at Drax in the UK due to lower prices as a result of the loss of the TXU Hedging Agreement and increased cost of sales due to higher volume.

Competitive Supply generated \$40 million of income before income taxes (or 16% of the total) for the first quarter of 2003, which represents a \$71 million improvement over the same period in 2002. A portion of this increase is attributable to increased margins, while a portion of the increase relates to foreign exchange transaction gains recorded at Parana in Argentina in the first quarter of 2003 due to appreciation of the Argentine Peso as compared to foreign exchange losses recorded at Parana in the first quarter of 2002 due to the devaluation which occurred in that period.

### Large Utilities

(\$ in millions)	2003	2002	Variance
	----	----	-----
Segment revenues	\$699	\$766	\$(67)
% of total revenues	31%	35%	(4)%
Gross margin	\$164	\$232	\$(68)
% of segment revenues	23%	30%	(7)%
Income before income taxes	\$69	\$134	\$(65)
% of income before income taxes from segments	27%	43%	(16)%

The Large Utilities segment is comprised of our large integrated utilities that serve nearly 7 million customers in North America, the Caribbean and South

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America. Businesses include IPALCO in Indiana, EDC in Venezuela and Eletropaulo in Brazil.

For the first quarter of 2003, revenues for Large Utilities were \$699 million and represented 31% of total revenues for the quarter. Revenues for Large Utilities decreased \$67 million, or 9%, from the first quarter of 2002. The decrease in revenues is primarily due to the quarter over quarter devaluation of the Brazilian Real and the Venezuelan Bolivar, which negatively affect the U.S. Dollar translated revenues of Eletropaulo and EDC, respectively. The decreases in revenues from Eletropaulo and EDC were offset by a slight increase in revenues at IPALCO.

The gross margin as a percentage of revenues for our Large Utility segment was 23% for the first quarter of 2003, a decrease from 30% in the first quarter of 2002. This decrease relates to an additional month of lower than average segment margins at Eletropaulo in the first quarter of 2003 as compared with the first quarter of 2002, as we began consolidating the results of Eletropaulo in February 2002. The quarter over quarter devaluation of the Brazilian Real and the Venezuelan Bolivar also negatively affected the U.S. Dollar translated gross margins of Eletropaulo and EDC, respectively. These decreases were offset by a slight increase in the gross margin at IPALCO. Overall, gross margin for Large Utilities declined to \$164 million for the first quarter of 2003 from \$232 million in the first quarter of 2002.

Large Utilities generated \$69 million of income before income taxes (or 27% of the total) for the first quarter of 2003, down from \$134 million for the same period in 2002. The decrease relates to a lower gross margin and substantially reduced foreign currency transaction gains at EDC, both due to the devaluation in the Venezuelan Bolivar quarter over quarter, and a lower gross margin and increased interest expense at Eletropaulo.

### Growth Distribution

(\$ in millions)	2003	2002	Variance
	----	----	-----
Segment revenues	\$336	\$366	\$(30)
% of total revenues	15%	16%	(1)%
Gross margin	\$33	\$82	\$(49)
% of segment revenues	10%	22%	(12)%
Income before income taxes	\$(10)	\$25	\$(35)
% of income before income taxes from segments	(4)%	8%	(12)%

Our Growth Distribution segment, serving nearly 5 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 the first quarter of 2003, revenues were \$336 million, an 8% decline from the first quarter of 2002, and represented 15% of total revenues for the quarter. The Caribbean represents the most significant contributor with 41% of Growth Distribution revenues, while Europe and Africa represents 32% and South America contributes the remaining 27%. The decrease in revenues is due primarily to reductions in Argentina and at Sul in Brazil because of the quarter over quarter devaluation of the Argentine Peso and the Brazilian Real, respectively. These reductions were offset in part by increases at Sonel in Cameroon and at CLESA, CAESS and EEO in El Salvador.

The gross margin as a percentage of revenues for our Growth Distribution segment was 10% in the first quarter of 2003, a decrease from 22% in the first quarter

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of 2002. Gross margin and gross margin percentages declined at Ede Este in the Dominican Republic, Sul in Brazil and Telasi in the Republic of Georgia. These declines were partially offset by an increased gross margin at Sonel in Cameroon. Overall, the gross margin for the Growth Distribution segment decreased to \$33 million for the first quarter of 2003.

Growth Distribution businesses generated a loss before income taxes of \$10 million for the first quarter of 2003, down from income of \$25 million for the first quarter of 2002. Income before income taxes declined at Ede Este in the Dominican Republic due to foreign exchange transaction losses caused by the devaluation of the Dominican Peso during the first quarter of 2003. Income before income taxes also declined at Sul in Brazil and Telasi in the Republic of Georgia. These decreases were partially offset by increases in income before taxes at Eden, Edes and Edelap, our distribution businesses in Argentina.

### THE AES CORPORATION --- Supplemental Data

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

	-----2002-----			
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
<b>GEOGRAPHIC:</b>				
North America				
Revenues	\$ 491	\$ 492	\$ 570	\$ 539
Income before Income Taxes (4)	\$ 142	\$ 144	\$ 10	\$ -
Caribbean (1)				
Revenues	\$ 367	\$ 361	\$ 333	\$ 381
Income before Income Taxes (4)	\$ 60	\$ 73	\$ 42	\$ (60)
South America				
Revenues	\$ 793	\$ 713	\$ 714	\$ 690
Income before Income Taxes (4)	\$ (11)	\$ (266)	\$ (290)	\$ (963)
Europe/Africa				
Revenues	\$ 450	\$ 385	\$ 382	\$ 469
Income before Income Taxes (4)	\$ 83	\$ 24	\$ 11	\$ (1,148)
Asia				
Revenues	\$ 100	\$ 108	\$ 88	\$ 96
Income before Income Taxes (4)	\$ 36	\$ 39	\$ 23	\$ 18
Corporate (3)				
Income before Income Taxes (4)	\$ (130)	\$ (122)	\$ (102)	\$ (148)
<b>SEGMENTS:</b>				
Contract Generation				
Revenues	\$ 653	\$ 639	\$ 603	\$ 671
Gross Margin (2)	\$ 270	\$ 259	\$ 243	\$ 289
Income before Income Taxes (4)	\$ 182	\$ 144	\$ 148	\$ 142
Competitive Supply				

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Revenues	\$ 416	\$ 373	\$ 395	\$ 454
Gross Margin (2)	\$ 91	\$ 85	\$ 94	\$ (133)
Income before Income Taxes (4)	\$ (31)	\$ (28)	\$ (158)	\$ (1,277)
Large Utilities				
Revenues	\$ 766	\$ 859	\$ 781	\$ 732
Gross Margin (2)	\$ 232	\$ 184	\$ 200	\$ 69
Income before Income Taxes (4)	\$ 134	\$ 50	\$ (174)	\$ (952)
Growth Distribution				
Revenues	\$ 366	\$ 188	\$ 308	\$ 318
Gross Margin (2)	\$ 82	\$ (96)	\$ 48	\$ (29)
Income before Income Taxes (4)	\$ 25	\$ (152)	\$ (20)	\$ (66)
Corporate (3)				
Income before Income Taxes (4)	\$ (130)	\$ (122)	\$ (102)	\$ (148)
ADDITIONAL INFORMATION:				
Revenues	\$2,201	\$2,059	\$2,087	\$ 2,175
Gross Margin (2)	\$ 675	\$ 432	\$ 585	\$ 196
Gross Margin Percentage (2)	31%	21%	28%	9%
Income before Income Taxes (4)	\$ 180	\$ (108)	\$ (306)	\$ (2,301)
Total Assets (billions)	\$ 40	\$ 39	\$ 37	\$ 34
Depreciation and Amortization	\$ 197	\$ 199	\$ 193	\$ 198

(1) Includes Venezuela and Colombia.

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

(3) Corporate consists of interest expense and selling, general and administrative expenses. Revenue and Gross Margin for Corporate equal zero.

(4) Amount is net of pre-tax minority interest.

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

(\$ in millions)	March 31, 2003	December 31, 2002
Assets:		
Current assets:		
Cash and cash equivalents	\$ 1,163	
Restricted cash	206	
Short term investments	239	
Accounts receivable, net of reserves of \$385 and \$424, respectively	1,140	
Inventory	387	
Receivable from affiliates	6	
Deferred income taxes - current	124	
Prepaid expenses	107	
Other current assets	912	
Current assets of held for sale and discontinued businesses	451	
	4,735	
Property, Plant and Equipment:		
Land		725
Electric generation and distribution assets		19,558
Accumulated depreciation		(4,267)

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Construction in progress	2,620	
Property, plant and equipment, net	18,636	
Other assets:		
Deferred financing costs, net	421	
Project development costs	6	
Investment in and advances to affiliates	695	
Debt service reserves and other deposits	510	
Goodwill, net	1,375	
Deferred income taxes - noncurrent	979	
Long-term assets of held for sale and discontinued businesses	3,748	
Other assets	1,764	
Total other assets	9,498	
Total Assets	\$ 32,869	\$
Liabilities and Stockholders' Equity:		
Current liabilities:		
Accounts payable	\$ 1,153	
Accrued interest	495	
Accrued and other liabilities	1,175	
Current liabilities of held for sale and discontinued businesses	2,752	
Recourse debt-current portion	26	
Non-recourse debt-current portion	3,989	
Total current liabilities	9,590	
Long-term liabilities:		
Recourse debt	5,463	
Non-recourse debt	10,030	
Deferred income taxes	957	
Long-term liabilities of held for sale and discontinued businesses	1,371	
Pension liabilities	1,193	
Other long-term liabilities	2,625	
Total long-term liabilities	21,639	
Minority interest, including discontinued operations of \$41 in 2002	806	
Company obligated convertible mandatorily redeemable preferred securities of subsidiary trusts holding solely junior subordinated debentures of AES	978	
Stockholders' equity:		
Common stock	6	
Additional paid-in capital	5,349	
Retained earnings	(606)	
Accumulated other comprehensive loss	(4,893)	
Total stockholders' equity	(144)	
Total Liabilities and Stockholders' Equity	\$ 32,869	\$



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## THE AES CORPORATION CAPITAL RESOURCES AND OTHER BALANCE SHEET DATA (\$ in billions)

Capitalization:	March 31, 2003	December 31, 2002
	-----	-----
Recourse debt	\$ 5.49	\$ 5.80
Non-recourse debt	14.02	13.86
	-----	-----
Total debt	19.51	19.66
Preferred Securities	0.98	0.98
Minority Interest	0.81	0.82
Stockholders' equity	(0.14)	(0.34)
	-----	-----
Total capitalization	\$ 21.16	\$ 21.12
	=====	=====

### Selected Balance Sheet Data by Geographic Region:

	Property, Plant & Equipment	Total Assets
	-----	-----
March 31, 2003		
North America	\$ 6.11	\$ 7.42
Caribbean	4.66	6.05
South America	4.91	9.49
Europe/Africa	1.45	6.05
Asia	1.50	2.35
Discontinued Operations	-	0.84
Corporate	0.01	0.67
December 31, 2002		
North America	\$ 6.13	\$ 7.41
Caribbean	5.13	6.54
South America	4.28	8.72
Europe/Africa	1.43	5.95
Asia	1.38	2.20
Discontinued Operations	-	3.04
Corporate	0.01	0.40

### Selected Balance Sheet Data by Line of Business:

	Property, Plant & Equipment	Total Assets
	-----	-----
March 31, 2003		
Contract Generation	\$ 8.94	\$ 13.22
Competitive Supply	2.39	6.48
Large Utilities	5.70	8.52
Growth Distribution	1.60	3.14
Discontinued Operations	-	0.84
Corporate	0.01	0.67
December 31, 2002		
Contract Generation	\$ 8.08	\$ 12.14

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Competitive Supply	3.08	7.19
Large Utilities	5.65	8.45
Growth Distribution	1.54	3.04
Discontinued Operations	-	3.04
Corporate	0.01	0.40

Item 9. Regulation FD Disclosure

The following information is furnished pursuant to Item 9, "Regulation FD Disclosure" and Item 12, "Disclosure of Results of Operations and Financial Condition." On May 1, 2003, the AES Corporation issued a press release setting forth the first-quarter 2003 earnings. A copy of the press release is attached hereto as Exhibit 99.1 and hereby incorporated by reference.

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: May 1, 2003

By: /s/ Brian Miller

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Name: Brian Miller  
Title: Deputy General Counsel  
and Secretary

INDEX TO EXHIBITS

EXHIBIT NUMBER -----	EXHIBIT -----
99.1	Press Release dated May 1, 2003.